Digia Plc Half Year Financial Report 2020

August 11, 2020

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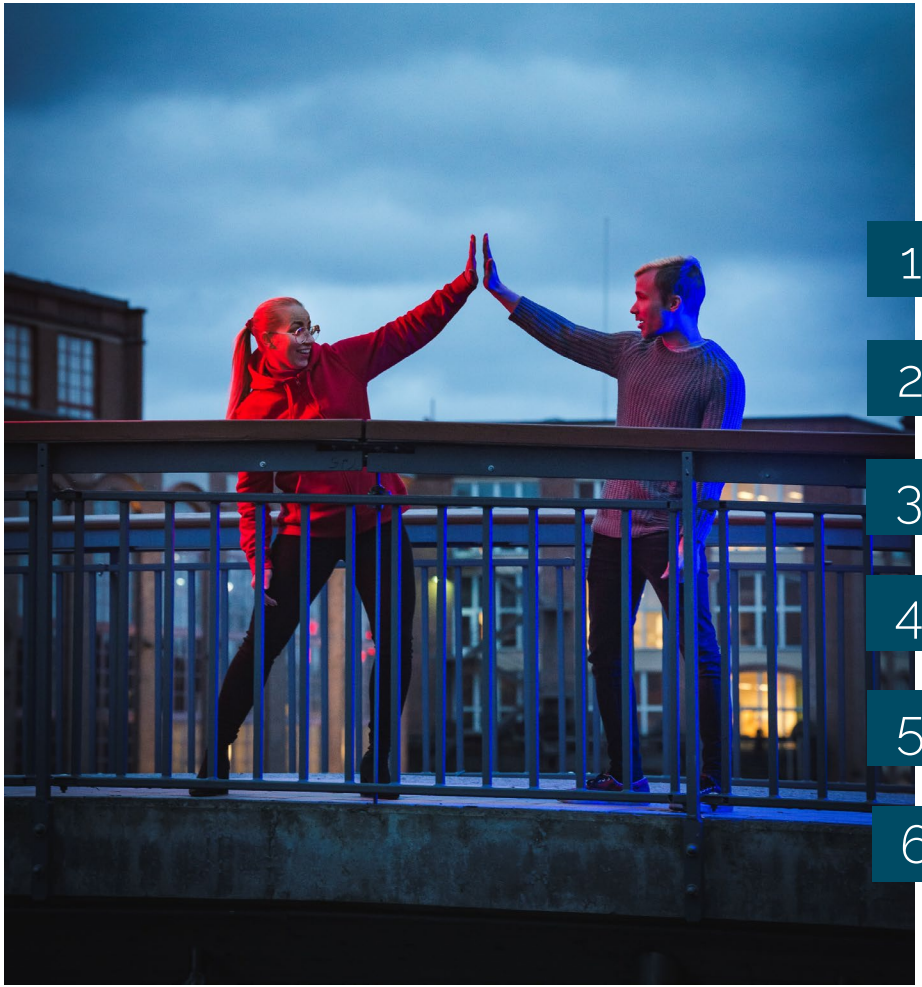

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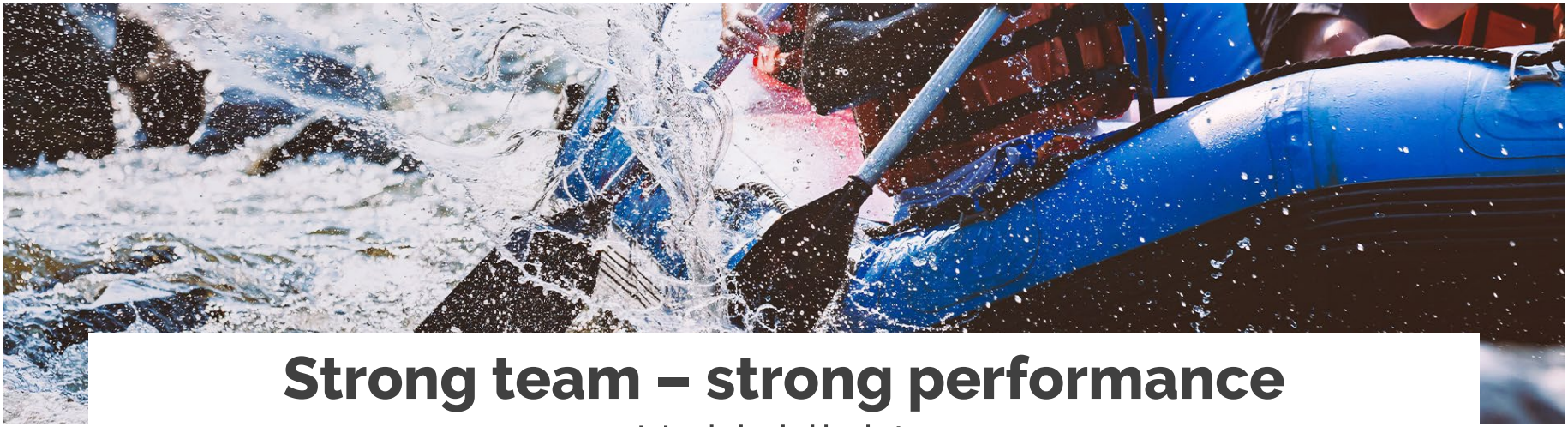

Strong team – strong performance

H1 highlights

- H1 EBITA best in the history of new* Digia
  - Q2 EBITA was the best quarter
- Growth of net sales continued
- Customer relationships and service business – importance was emphasized
- Implementation of the growth strategy – continued as planned despite corona

*Digia demerged 1.5.2016 to Digia Plc and Qt Group Plc

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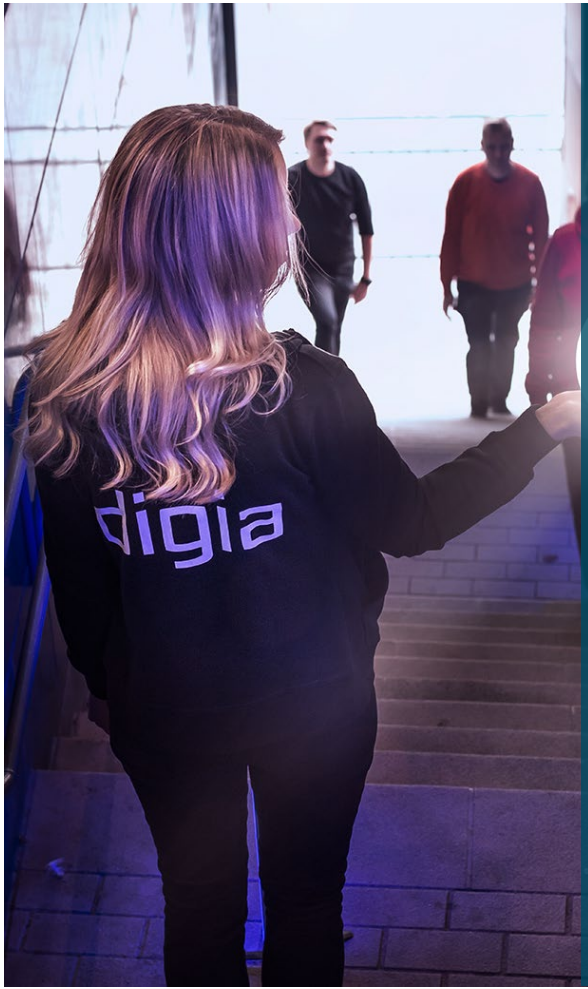

Net sales
71.8 MEUR
(64.6)

Operating profit (EBITA)
7.3 MEUR
(5.4)

Earnings per share
0.18 EUR
(0.14)

Personnel
1 266
(1124)

1-6 2020: Growth continued under exceptional circumstances

Growth

- Net sales + 11%
- EBITA operating profit + 36%

Profitability

- EBITA operating margin 10.2% (8.3%)
- Return on investment 15.3% (14.8%)

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Q2: digitalisation doesn't stop

- Etola-yhtiöt renews Digia Enterprise business platform
- Finnish Transport Infrastructure Agency signed a 6 year extension agreement on management and monitoring of SOA-environment, value 4.5 MEUR
- Woikoski renewed its entire business with Digia – wide entity moved under continuous services
- Cooperation continued – Kuopion Energia updated its financial management to Microsoft D365 solution
- PAM, Erto and Tehy unemployment funds speed up the processing of unemployment applications with robotics with Digia and MOST Digital
- Dell Boomi integration platform created a foundation for Kokkolan Energia's digital development and business intelligence

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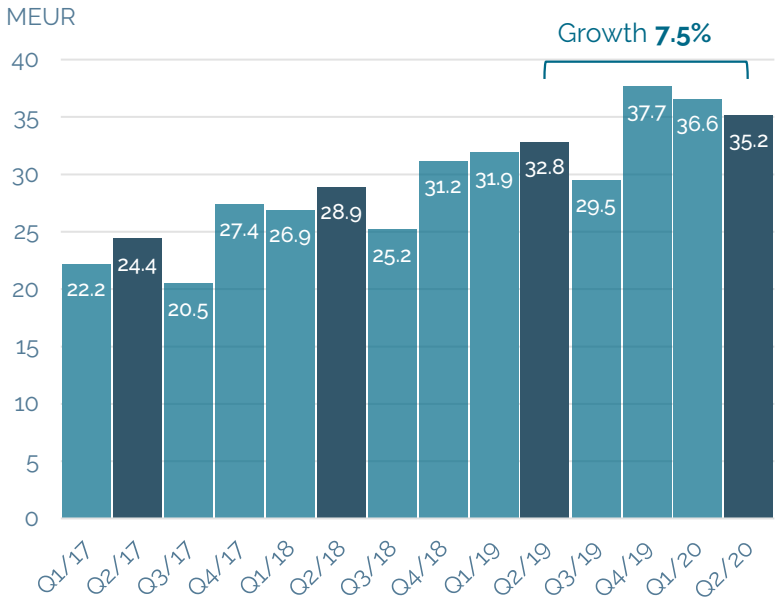
Net sales grew 7.5%

Q2/ 2020

- Net sales was 35.2 (32.8) MEUR
  - Growth especially on the areas of Microsoft ERP systems and customised solutions
  - Industry-independent offering
- Project business:
  - 34.4% of net sales
  - 12.1 MEUR, decreased 2%
- Service and maintenance business:
  - Importance is emphasised in exceptional circumstances
  - 65,6% of net sales
  - 23.1 MEUR, growth 13.2 %

Quarterly net sales



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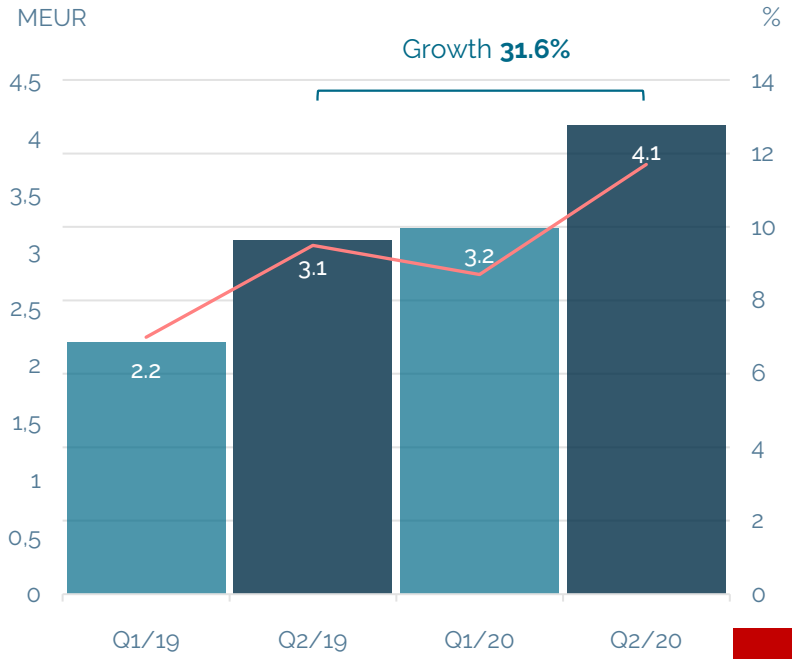
EBITA operating profit 4.1 MEUR, growth 31.6%

Q2/ 2020

- Growth of net sales, cost-conscious operations and coronavirus-related savings
- EBITA operating profit was 4.1 (3.1) MEUR
- EBITA operating profit best in the history of new* Digia
- EBITA margin 11.7% (9.5%)

Digia proceeded to EBITA guidance in the beginning of 2020.

EBITA operating profit and margin



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Key figures June 30 2020

- Cash flow from operations 17.9 (8.4) MEUR
  - 5.8 MEUR in TyeL payments were postponed
- Return on equity (ROE) 18.1% (15.3%)
- Return on investment (ROI) 15.3% (14.8%)
- Interest bearing liabilities 11.6 (16.8) MEUR
- Net gearing 21.0% (33.8%)
- Equity ratio 44.9% (49.8%)
- Total shareholder's equity 55.1 (49.7) MEUR
- Balance sheet total 124.3 (100.4) MEUR

Digia Next Level – Focus areas of the strategy

1. **Smart and responsible data utilisation**
2. Service business
3. Productivity and scalability
4. Cloud technologies
5. Culture and continuous learning

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Implementation of the strategy during the review period

1. New growth supporting policies

- Digia Hub launch in June

2. Unifying service management on Digia level

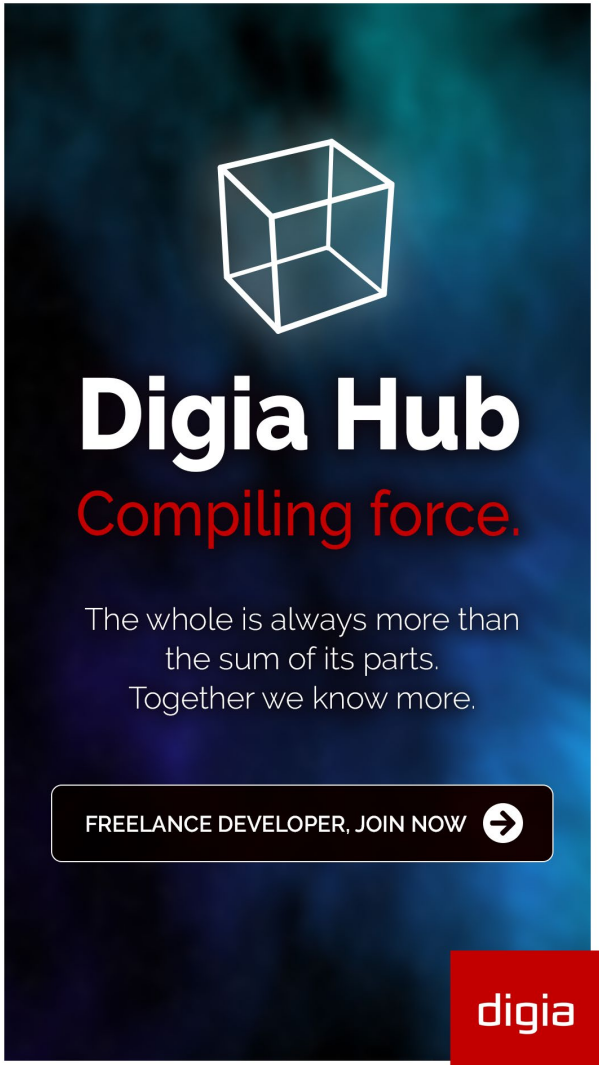
- Unified snapshot for customers of all Digia's services
- Improving internal efficiency

3. Regeneration of Digia's business

- Digia Business Engine project

H2 additional investment in public cloud solutions

- Future growth and more scalable business



The effects of coronavirus on Digia's business

The uncertainty caused by the corona continues:

- The impact on customers' business and purchasing behaviour is difficult to predict.
- Volume of development projects and project implementation schedules.
- Possible impact on the start-up of new projects.

Digia is supported in uncertainty by:

- A large proportion of the business of continuing services and maintenance.
- Wide offer.
- Cost-conscious action.

Our financial position is stable and our liquidity is at a good level.

The coronavirus crisis has highlighted the opportunities opened up by digitalisation – in the best case scenario, the current crisis will accelerate the digitalisation trend in the years ahead.

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Profit guidance for 2020

- Digia's net sales will grow and operating profit (EBITA) will improve compared to 2019.

Operating profit before amortisation of acquisition costs (EBITA)

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Digitalisation that
makes a difference.
Thank you.