



digia

28.10.2022

Digia Plc Business Review January–September 2022

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Digia **briefly**

A software and service company


A trustworthy partner when you want to develop your business.



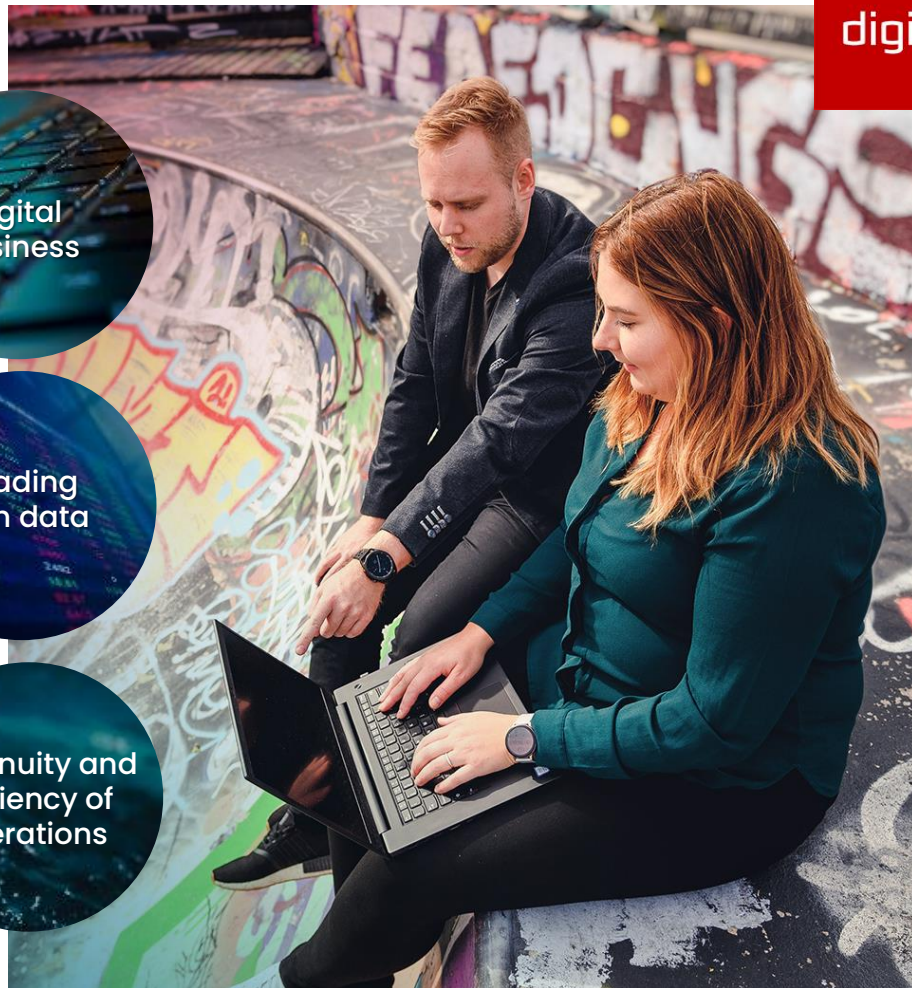
Digital
business



Leading
with data



Continuity and
efficiency of
operations



Sustainable long-term growth

Renew and grow

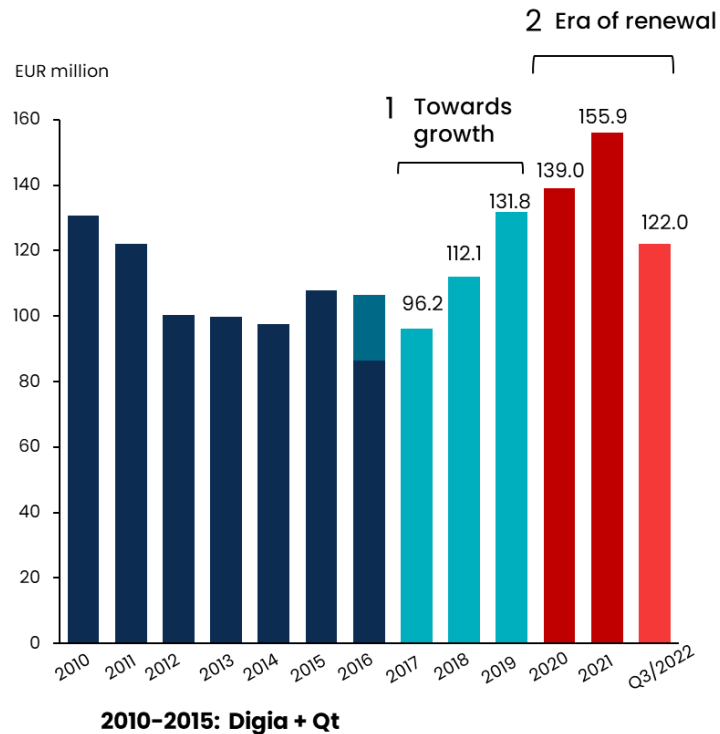
Digia's growth journey 2016–2022

Net sales 2010–Q3/2022

This year is the final year of the second strategy period.

Main topics:

- To renew our own operations and focus on growth
- The most significant innovation: successful deployment of the Digia Business Engine (DBE)



Digia's Q1–Q3 highlights:

Profitable growth continued

- Investing in renewal of operations: deployment of Digia Business Engine and new operating models
 - Productivity and competitiveness
- Acquisitions to support growth
 - Most Digital Oy
 - Productivity Leap Oy
 - Avalon Oy (agreement 9/2022)
- Net sales EUR 122.0 (111.2) million
- EBITA-margin EUR 10.6 (12.8) million
- Return on equity 14.1 (17.6)%
- Equity ratio remained strong at 45.6 (48.5)%

Profit guidance for 2022 (unchanged).



Q3

**Implementing our long-term profitable
growth strategy**

Key Figures Q1-Q3

EUR 1,000	7-9/ 2022	7-9/ 2021	Change, %	1-9/ 2022	1-9/ 2021	Change, %	2021
Net sales	38,318	33,194	15.4%	122,019	111,189	9.7%	155,939
EBITA	3,354	4,035	-16.9%	10,630	12,772	-16.8%	17,739
EBITA %	8.8%	12.2%	-27.9%	8.7%	11.5%	-24.3%	1.4%
EBIT	2,418	3,299	-26.7%	8,505	10,466	-18.7%	14,680
EBIT %	6.3%	9.9%	-36.4%	7.0%	9.4%	-25.5%	9.4%
Result for the period	2,126	2,749	-22.7%	7,258	8,296	-12.5%	11,772
Earnings per share (diluted), EUR	0.08	0.10	-22.2%	0.27	0.31	-13.5%	0.44
Return on equity, %				14.1%	17.6%		18.3%

Q3 highlights:

Growth and investments in the future

GROWTH
15.4%

Net sales up by 15.4% vs. Q3/21

Strongest:

- Data analytics
- Digia Hub, ERP (MS/BC and Netsuite)
- Integration and API

EBITA
8.8%

Our strategic subcontracting network, Digia Hub, proved its strength

Renewal of the Intelligent Solutions service area completed

- Renewing our own operations and strengthening our offering with the acquisition of Avalon Oy*.

The benefits of the new DBE business platform will materialize gradually over the longer term

SALES
+27%

Strong sales: +27% vs.Q3/21

- Notable new customer contracts.
- Growth synergies from acquisitions and, in particular, record sales of Open-Source robotic process automation.

Strengthening our market position in knowledge management and the health and social services sector

- Acquisition of Productivity Leap Oy, 1 July 2022



Strong Q3 in terms of sales

+ 27%

+27% more sales than Q3/2021

76%

76% of Q3 sales were recorded in September

In terms of contract value, September was **one of the best months for sales in Digia's history.**

Several **notable agreements** were signed during the review period

DIGIVISIO

Digia has been chosen to supply for the CSC – IT Center for Science Ltd.'s Digivisio 2030 project. The total procurement value of the project is MEUR 30–35 of which Digia's share is app. MEUR 10.5–12.5.

[Read more >](#)

DigiFinland

Digia has been awarded a contract by DigiFinland to build a solution which promises to bring significant financial savings for social welfare and healthcare providers. The estimated value of the tendered contract over the four-year contract term is MEUR 2.85.

[Read more >](#)

Helsinki

The City of Helsinki chose Digia as their CRM system partner. The period of the framework agreement is four years, and the estimated total value of the procurement is MEUR 12.

[Read more >](#)

We build **sustainable and responsible** digitalisation

HKScan is investing in reducing the carbon footprints of its contract producers

- Digia has built a reporting system for HKScan that can be used to reduce carbon dioxide emissions from food production.
- The system automates the complex process of carbon footprint reporting and steers farms towards concrete environmental actions. Digia's comprehensive industry expertise helped the pioneering project succeed.

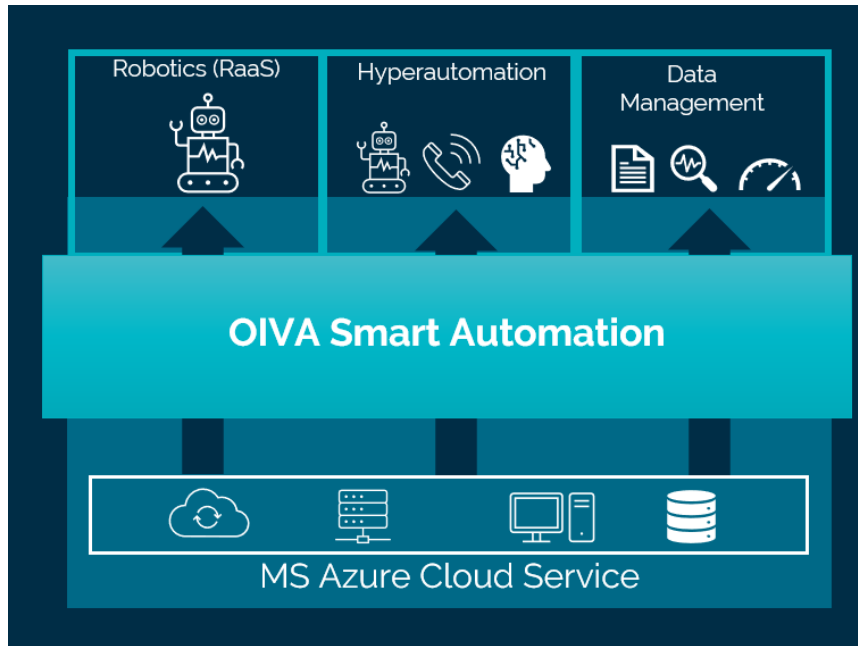
"We have found Digia to be a reliable partner, and the company's experts have deep-running industry expertise. Cooperation has gone extremely well."

Aira Harju, Development Manager,
HKScan



digia

We create synergy benefits with the acquired companies: Most Digital



- Most Digital's **OIVA Smart Automation** offers **the most forward-looking automation in the market** as a genuine service.
- Certified platform that combines cloud and automation and data management tools into a scalable service.
- OIVA combined with Digia's service offering creates new added value to our customers.
- Good demand. The **value of the new contracts signed in the third quarter exceeded** Most Digital Oy's **full-year net sales for 2021**.

Synergy benefits of acquisitions:

Together we achieve more



- We have successfully **scaled our business growth**.
- For instance, we have **strengthened our position as a supplier to the wellbeing service counties** that will start up in January 2023.
- In addition to integration solutions, we now already deliver knowledge management solutions to over 10 wellbeing service counties.
- Our **strong offering combines the expertise of Digia, Productivity Leap and Most Digital**.
- Market demand remains good.

Investing in growth: Digia and Avalon joined forces



Data and analytics

Collect, manage and analyse data



- Data-driven services will be used to create the next generation's meaningful customer experiences
- Avalon, a company focused on digital marketing and customer experience development, further strengthens Digia's **market position as a leading comprehensive digitalization partner**
- Avalon's understanding of the development of a data-based real-time customer experience and the management of that development, combined with Digia's well-known business and design consulting expertise, strengthen Digia's role in the market as a **pioneering comprehensive supplier of broader data- and analytics-based digital service packages.**

Sustainable long-term growth

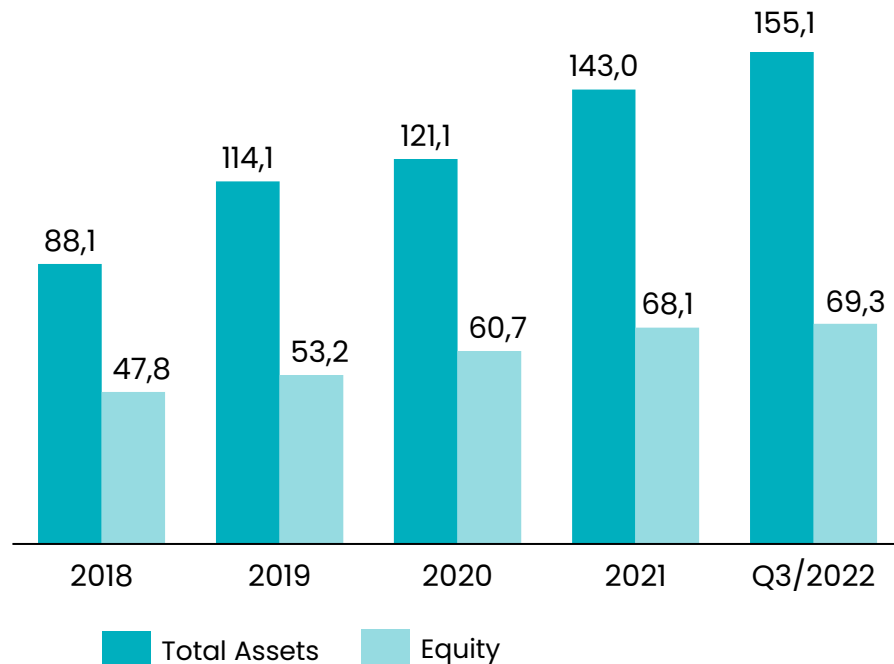
Renew and grow



We believe that the strong underlying demand for digital solutions will continue, and that our offering will meet our customers' needs.

Strong balance sheet supports future growth

- Robust Equity ratio of 45.6 (48.5)% to support growth ambitions
- Return on Equity (ROE) 14.1 (17.6)%
- EPS EUR 0.27 (0.31)



Digia's profit guidance 2022 (unchanged)

Digia's net sales will grow
year-on-year
and its EBITA margin will be over
10 per cent of net sales.



A photograph of three people walking along a path in a forest. In the foreground, a woman with blonde hair wearing a light-colored ribbed sweater and dark jeans walks towards the camera. Behind her, a man in a blue and white striped sweater and light blue jeans walks. Further back, another man in a dark jacket and jeans follows. The forest is lush with green trees and undergrowth, and sunlight filters through the leaves.

digia

Digitalisation that,
works and feels.

Thank you.