



digia

9 August 2022

# Digia Plc's Half year financial report 2022

# Digia briefly

**A software and service company**

A trustworthy partner when you want to develop your business.



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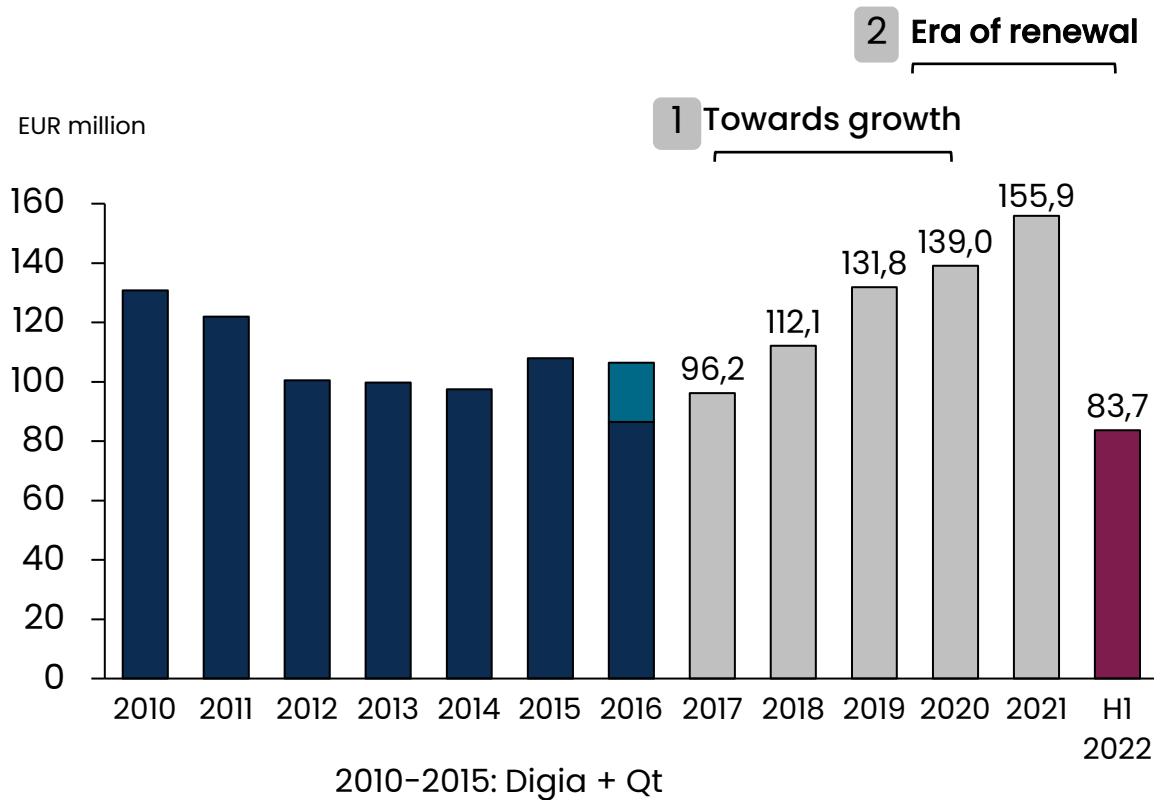


# Sustainable long-term growth

*Renew and grow*

# Digia's growth journey 2016–2022

Net sales 2010 – H1/2022



This is the last year of our strategy period

Main topic:

- To renew our own operations and focus on growth



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# Digia's H1 highlights

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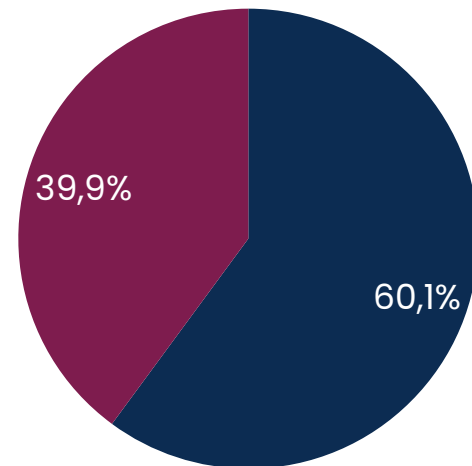
- Net sales increased to EUR 83.7 (78.0) million
- EBITA margin was 8.7 (11.2)%
- Earnings per share (EPS) amounted EUR 0.19 (0.21)
- Return on equity was 15.3 (18.8)%
- Equity ratio remained strong at 44.2 (44.4)%
- Investing in renewal of operations
- Acquisitions to support growth
- Digia does not have any direct Russia-related risks
- Profit guidance for 2022 (unchanged)

# Q2 highlights

Q2/  
2022

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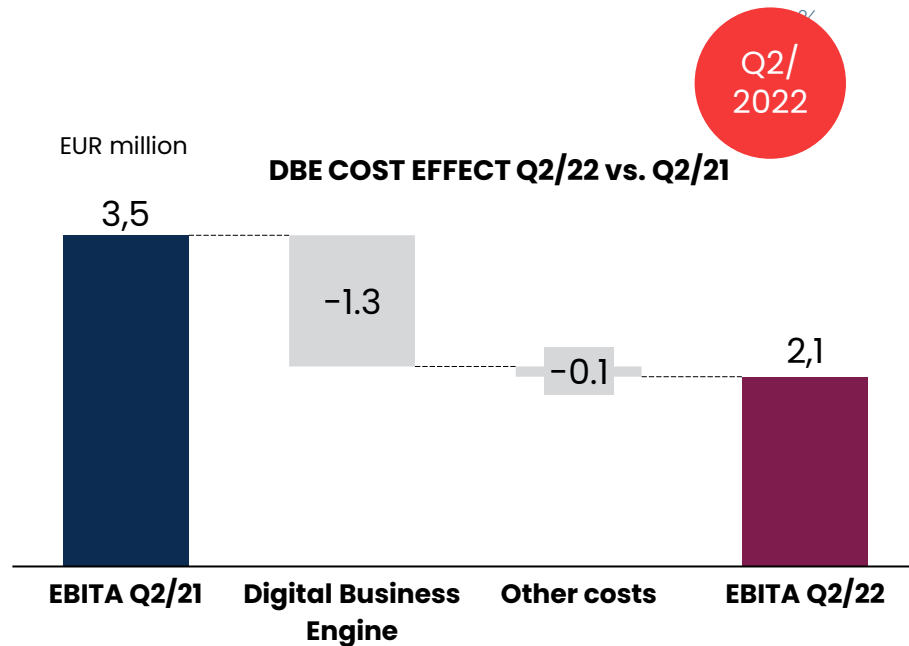
- Net sales increased by 7% to EUR 41.2 (38.6) million
  - The business areas that have grown the most:
    - Data driven solutions, MS Customer Apps and Power platform, Integration & API
- New management system to be part of operations
  - Deployment of Digia Business Engine
- M&A:
  - MOST Digital Oy acquired 2.5.2022
  - Agreement to acquire 27.6.2022 the entire share capital of Productivity Leap Oy
- New accounts
  - Aalto University (expert partner service), Aktia (Digia's own product, DiFS)
  - CSC – IT Center for Science Digivisio 2030 (finalised in July)



■ **Service and maintenance business**  
■ **Project business**

# Deployment of Digia Business Engine affected the EBITA margin

- Digia Business Engine deployment
  - Activated costs EUR 0.2 million
  - Result impact was ~ EUR -1.3 million
- EBITA-profit was EUR 2.1 (3.5) million. EBITA-margin decreased to 5.2 (9.0)%
- COVID-19 did no longer reduce costs during the review period





# Key figures Q2 and H1 2022

EUR million	Q2 2022	Q2 2021	Change %	H1 2022	H1 2021	Change %	2021
Net sales	41,240	38,638	6.7%	83,701	77,995	6.7%	155,939
EBITA	<b>2,143</b>	<b>3,481</b>	<b>-38.4%</b>	<b>7,276</b>	<b>8,737</b>	<b>16.7%</b>	<b>17,739</b>
EBITA %	5.2%	9.0%		7.3%	9.2%		11.4%
Operating profit (EBIT)	1,540	2,711	-43.2%	6,087	7,167	-15.1%	14,680
EBIT %	3.7%	7.0%		7.3%	9.2%		9.4%
Net profit	1,474	2,003	-26.4%	5,132	5,547	-7.5%	11,772
EPS (EUR)	<b>0.06</b>	<b>0.08</b>	<b>-25.5%</b>	<b>0.19</b>	<b>0.21</b>	<b>-6.5%</b>	<b>0.44</b>
ROE %				15.3%	18.1%	-	18.3%

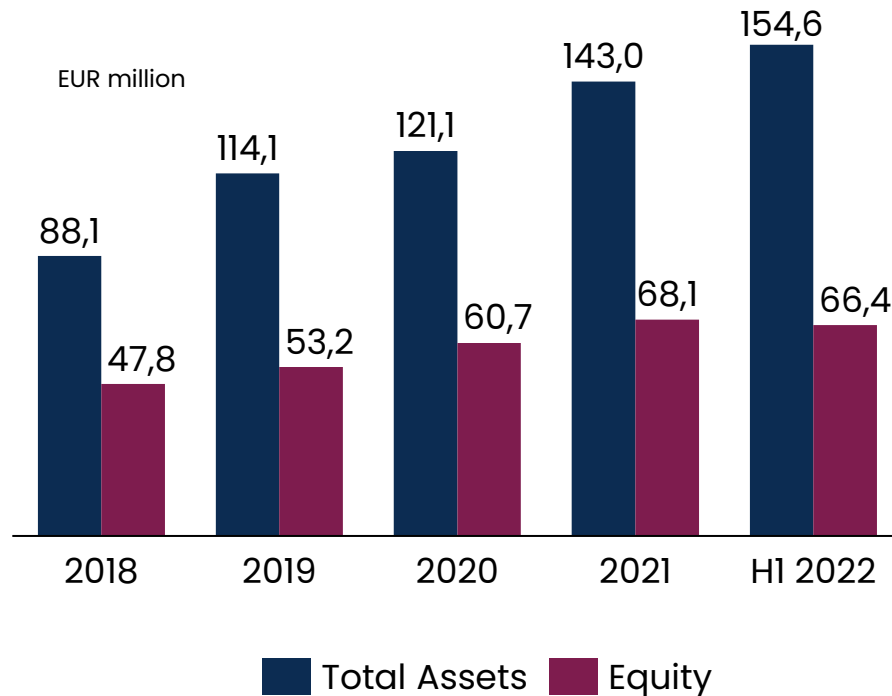
# Sustainable long-term growth

*Renew and grow*

*Execution of  
the strategy Q2 2022*

# Strong balance sheet supports future growth

- Robust Equity ratio of 44.2 (44.4)% to support growth ambitions
- Return on Equity (ROE) was 15.3 (18.1)%
- Dividend payout capacity is strong



# Investing in future competitive edge

## Digia Business Engine – successful implementation

“Targeting a symbiosis between human and software”



We have well functioning,  
**easy-to-use smart tools**  
to support our work



We have access to the  
**data** needed. We  
produce data and use it  
proactively



We work together  
according to mutually  
agreed, appropriate **ways**  
**of working**



# Investing in growth:

## Acquisition of MOST Digital



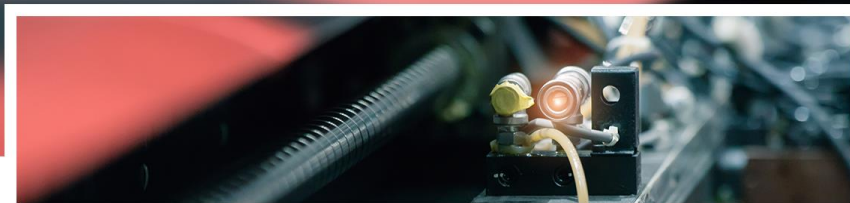
**Robotics- and AI solutions**  
Key to growth from automation



- The acquisition of MOST Digital extended our scalable services, Robotics as a Service capabilities
- The acquisition also strengthens our integration and API business expertise and growth with automation platform services
- The integration of MOST Digital has proceeded smoothly. Digia and MOST Digital have already together closed their first sales deals

# Investing in growth:

## Agreed to acquire Productivity Leap



- Digia signed an agreement 27.6.2022 to acquire 100% of Productivity Leap's capital stock
- The acquisition, closed 1.7, supports Digia's growth ambitions especially within the Finnish social welfare and healthcare sector
- Productivity Leap's net sales in 2021 stood at approx. EUR 5.5 million
- Productivity Leap will continue to operate as a separate entity and subsidiary of Digia



# Recognised know how in MS

Digia was selected as Microsoft's Smart Business Solutions/Dynamics 365 Partner of the Year in Finland for the second time in a row.

Microsoft  
Partner



2021/2022  
**INNERCIRCLE**  
for Microsoft Business Applications

## Customer cases from the review period



**Marimekko**



**Kalevala Jewelry**



**Kanta-Häme Hospital District**

Customer cases of Microsoft-based implementations during the review period



# Winnings in universities

## **...during the review period**

- Aalto University chose Digia as the supplier of the expert partner service for Microsoft application platforms
- Omnia chose Digia as integration project supplier

## **...and after it**

- CSC – IT Center for Science chose Digia as a supplier to the Digivisio 2030 project. The total value of the project is about EUR 30–35 million, of which Digia's share is around EUR 10.5–12.5 million



Digia is well positioned to maintain **sustainable growth**.



# 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 hiking on a forest path. A woman in a light-colored sweater and dark pants is in the foreground, smiling. Behind her, a man in a blue and white striped shirt is also smiling. Further back, another man in a dark jacket is walking. The path is surrounded by dense green foliage and trees, with sunlight filtering through the leaves.

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Digitalisation that  
makes a difference.

**Thank you.**