



# Financial Statement Bulletin 1-12/2012

Juha Varelius, CEO

1 February 2013

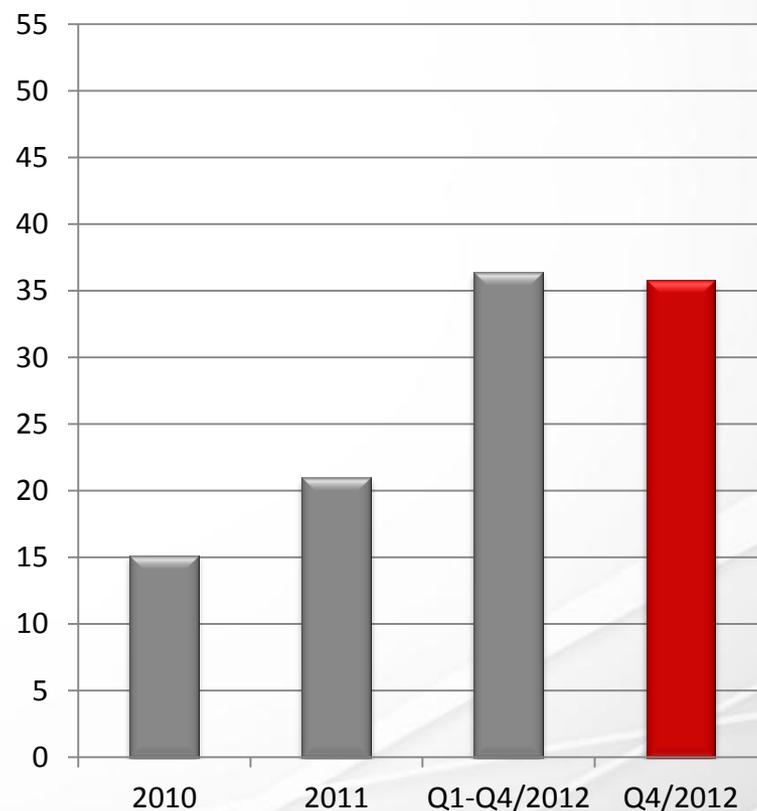
# SUMMARY FOR 1-12/2012

- ▶ Turnover decreased notably
  - ▶ Consolidated net sales EUR 100.4 (121.9) million
  - ▶ Q4 consolidated net sales EUR 25.5 (30.2) million
  - ▶ Decrease due to significant drop in the demand of contract engineering services
  - ▶ Qt deal generated temporary revenue in the amount of EUR 9.2 million
  
- ▶ Operating profit before one-off items on last year level
  - ▶ Profit before one-off items EUR 8.2 (8.1) million
  - ▶ Profit after one-off items EUR 6.9 (-22.2) million
  - ▶ One-off items (EUR 1.3 million) related to changes in the management team and cooperation proceedings
  
- ▶ Q4 operating profit decreased notably, but was above expectations
  - ▶ Profit before one-off items EUR 1.0 (2.5) million
  - ▶ Profit after one-off items EUR 0.2 (1.4) million
  - ▶ Decrease due to increased personnel expenses arising from Qt deal combined with the take-over costs
  
- ▶ Profitability before one-off items
  - ▶ 8.2 (6.6) per cent in the reporting period
  - ▶ 3.8 (8.2) per cent in Q4
  
- ▶ Earnings per share before one-off items
  - ▶ EUR 0.26 (0.32) in the reporting period
  - ▶ EUR 0.03 (0.11) in Q4

# SUMMARY 1-12/2012

- ▶ Product business grew significantly
  - ▶ Product business accounted for EUR 36.5 (25.7) million and 36.4 (21.0) per cent, up 32.7 per cent

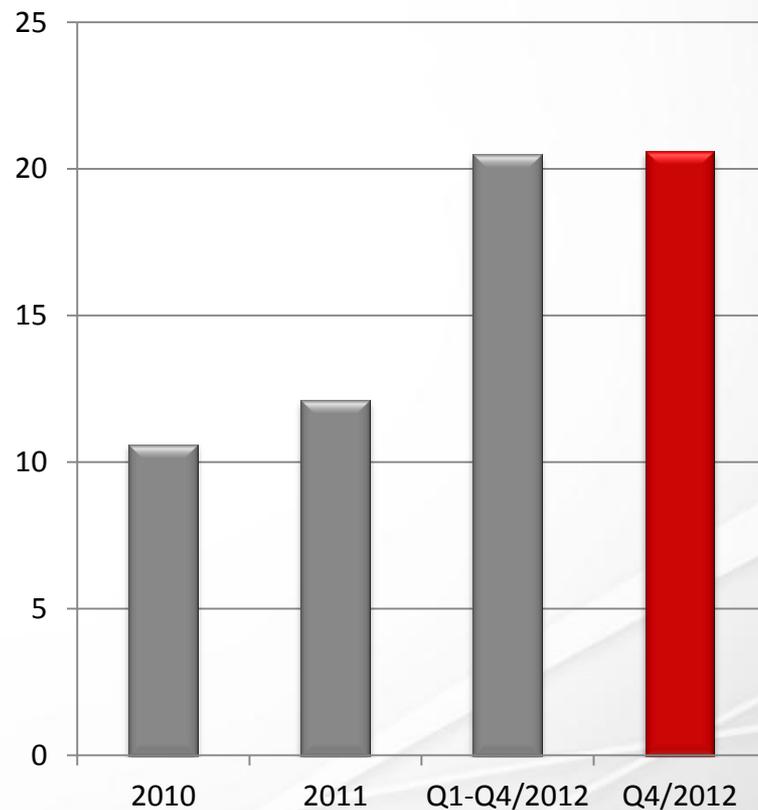
	Q4/ 2012	Q1-Q4/ 2012	2011	2010
<b>Digia Group</b>	<b>35.8%</b>	36.4%	21.0%	15.1%



# SUMMARY 1-12/2012

- ▶ International business grew significantly
  - ▶ International business accounted for EUR 20.6 (14.7) million and 20.5 (12.1) per cent, up 40.1 per cent

	Q4/ 2012	Q1-Q4/ 2012	2011	2010
<b>Digia Group</b>	<b>20.6%</b>	20.5%	12.1%	10.6%



## SUMMARY FOR 1-12/2012

- ▶ Digia has consistently carried out significant activities to adjust its business and organisation to match the changed operating environment
  - ▶ Co-operation proceedings regarding the Qt-business and mobile contract engineering business were closed on 30 October 2012, as a result 52 employees have been laid-off
  - ▶ Adjustment of contract engineering business according to the market demand has been completed, Digia no longer has a business risk relating to said business
  
- ▶ The Board proposes to the Annual General Meeting that based financial year 2012 a dividend of EUR 0.10 per share will be paid

## MARKETS AND DIGIA'S BUSINESS

- ▶ IT-service demand relatively steady, economic threats can to some extent been seen as postponed projects and price consciousness from customers especially in the customer solutions business
- ▶ Shortage of experienced architecture and business professionals causes longer recruitment times and pressure for labour cost increase
- ▶ Demand for ERP and other operative systems as well as integration services in the reporting period was reasonable, although customers have become increasingly cautious and sales cycles have become longer
- ▶ Russian and Chinese units will be more strongly directed towards local customers; in China the focus is in Qt-business
- ▶ Qt business went well. Takeover of the transaction ja development of the business have proceeded as planned

# OUTLOOK

- ▶ Company expects IT market to remain in 2013 on 2012 level
- ▶ Company expects the demand for ERP, operative systems and integration services to remain on healthy level, although the increasing cautiousness among the customers creates uncertainty
- ▶ Company will continue activities to make low profitability business areas more efficient
- ▶ Company expects the Qt deal to further support the positive development of Qt business, and net sales generated therefrom to develop positively also in the future
- ▶ On the other hand, the increased personnel expenses arising from Qt deal combined with the take-over costs will have a significant negative impact on the operating profit and profitability of the Qt business and the company, in the beginning of 2013
- ▶ Company predicts that its operating profit will remain below usual level and at best only slightly positive in Q1/2013, but starting to improve thereafter
- ▶ Profitability is expected to rise again to a good level in the latter half of 2013 as the planned streamlining measures take effect and the Qt business develops
- ▶ Company predicts that its revenue for 2013 will be approximately on 2012 level. Development of the revenue compared to 2012 is burdened by the termination of the mobile contract engineering business

# digia

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