

Slightly above expectations

Gofore's EBITA in H2 was slightly better than our expectations, at EUR 3.0m (Evli 2.8m). Revenue amounted to EUR 30.6m (pre-announced). The BoD proposes a dividend of EUR 0.23 per share (Evli EUR 0.20). Gofore expects that its net sales and comparable adjusted EBITDA will grow in 2020 compared to 2019.

- Gofore H2/19 net sales amounted to EUR 30.6m (pre-announced), with sales growth in at 18.2% compared to H2/18 figures. Growth was driven by organic growth and the acquisition of Silver Planet.
- EBITA in H2 amounted to EUR 3.0m, slightly above our estimates (Evli EUR 2.8m), at a margin of 10.0%. EBIT amounted to EUR 2.0m (Evli EUR 1.7m), at a 6.5% EBIT-margin.
- **Dividend proposal:** Gofore's BoD proposes a dividend of EUR 0.23 per share (Evli EUR 0.20)
- **Guidance:** Gofore's net sales and comparable adjusted EBITA will grow compared to 2019. Adjusted EBITA means EBITA, adjusted for nonrecurring items.
- The number of personnel at the end of the period was 582 (H2/18: 495).

Rating 🟡 HOLD

| H2/19 | Actual | Evli | H2/18 | H1/19 |
|-----------|--------|------|-------|-------|
| Net sales | 30.6 | 30.6 | 25.9 | 33.5 |
| EBITA | 3.0 | 2.8 | 3.0 | 5.0 |
| EPS | 0.10 | 0.08 | 0.15 | 0.22 |
| DPS | 0.23 | 0.20 | 0.19 | |
| Deviation | Actual | Evli | H2/18 | H1/19 |
| Net sales | | 0% | 27% | 29% |
| EBITA | | 10% | 2% | -39% |
| EPS | | 21% | -34% | -55% |
| DPS | | 15% | 21% | |

Share price, EUR (Last trading day's closing price) 7.50

Target price, EUR 8.0

Latest change in recommendation 20-Feb-19

Latest report on company 17-Feb-20

Research paid by issuer: YES

No. of shares outstanding, '000's 14,013

No. of shares fully diluted, '000's 14,013

Market cap, EURm 105

Free float, % 0.0

Exchange rate EUR 1.000

Reuters code GOFORE.HE

Bloomberg code GOFORE FH

Average daily volume, EURm 0.04

Next interim report 19-Feb-20

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🟢 BUY 🟡 HOLD 🔴 SELL

PRE-REPORT KEY FIGURES

| | Sales EURm | EBIT EURm | EBIT % | FCF EURm | EPS EUR | P/E (x) | EV/Sales (x) | EV/EBIT (x) | FCF yield % | DPS EUR |
|--------------------------|---------------|--------------|-------------------------|-------------|------------|-----------------------|-----------------|----------------|----------------|------------|
| 2017 | 34.0 | 5.4 | 15.8% | -4.5 | 0.26 | 27.3 | 2.4 | 15.5 | -5.0 | 0.15 |
| 2018 | 50.6 | 6.1 | 12.0% | 5.8 | 0.36 | 23.4 | 2.0 | 16.3 | 5.2 | 0.19 |
| 2019E | 64.1 | 5.9 | 9.1% | -6.8 | 0.30 | 24.9 | 1.5 | 16.4 | -6.5 | 0.20 |
| 2020E | 71.0 | 7.6 | 10.7% | 7.2 | 0.40 | 18.8 | 1.3 | 12.1 | 6.9 | 0.21 |
| 2021E | 76.7 | 8.5 | 11.0% | 8.1 | 0.45 | 16.5 | 1.1 | 10.2 | 7.7 | 0.23 |
| Market cap, EURm | | 105 | BV per share 2019E, EUR | | -29.3 | CAGR EPS 2018-21, % | | | | 7.9 |
| Net debt 2019E, EURm | | -9 | Price/book 2019E | | 3.4 | CAGR sales 2018-21, % | | | | 14.9 |
| Enterprise value, EURm | | 96 | Dividend yield 2019E, % | | 2.7 | ROE 2019E, % | | | | 16.0 |
| Total assets 2019E, EURm | | 48 | Tax rate 2019E, % | | 20.1 | ROCE 2019E, % | | | | 18.5 |
| Goodwill 2019E, EURm | | 19 | Equity ratio 2019E, % | | 64.7 | PEG, P/E 19/CAGR | | | | 1.2 |

All the important disclosures can be found on the last pages of this report.

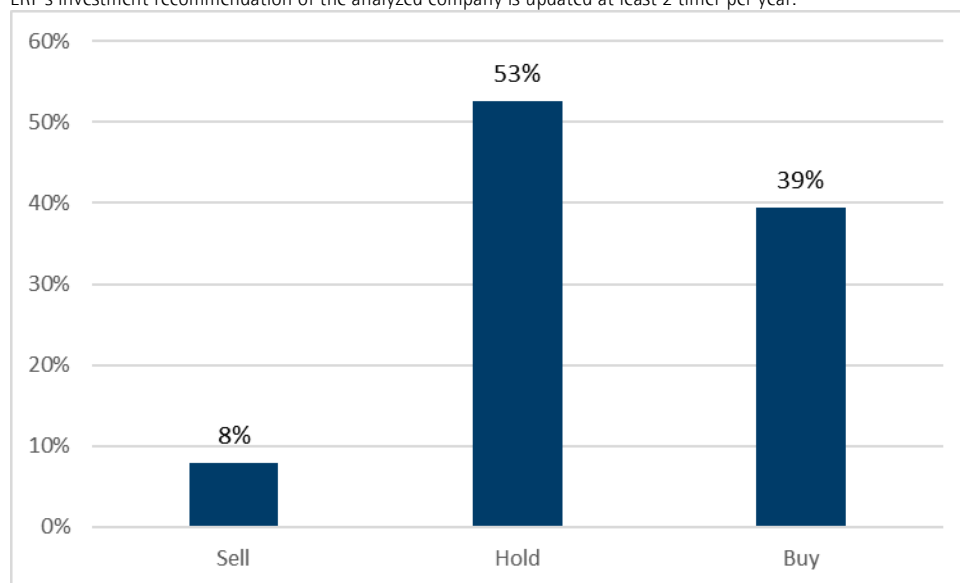
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Investment recommendations are defined as follows:

| Target price compared to share price | Recommendation |
|--------------------------------------|----------------|
| < -10 % | SELL |
| -10 – (+10) % | HOLD |
| > 10 % | BUY |

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Name(s) of the analyst(s): Salokivi

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