

Expectations fairly well met

Gofore's EBITA/adj. EBITA of EUR 5.0m/5.1m in H2 were somewhat in line with expectations (Evli 4.8m/5.5m). Revenue grew 32.5% to EUR 40.6m in H2 (pre-announced). Revenue and adj. EBITA in 2021 are expected to grow compared with 2020. Gofore's BoD proposes a dividend of EUR 0.24 per share (Evli EUR 0.25).

- Gofore's H2/20 net sales amounted to EUR 40.6m (pre-announced), with sales growth of 32.5% compared to H2/19 figures. Q4 was particularly strong, with growth of 40%, of which roughly half was attributable to organic growth and the other half to inorganic growth from the Qentinel Finland acquisition.
- EBITA and adj. EBITA in H2 amounted to EUR 5.0m and EUR 5.1m respectively, somewhat in line with our estimates (Evli EUR 4.8m/5.5m), at margins of 12.3%/12.7%. EBIT amounted to EUR 4.3m (Evli EUR 4.3m), at a 10.5% EBIT-margin.
- Guidance for 2021:** Gofore estimates that its revenue and adj. EBITA in 2021 will grow compared to 2020.
- Dividend proposal:** Gofore's BoD proposes a dividend distribution of EUR 0.24 per share (Evli EUR 0.25).
- The number of personnel at the end of the period was 724 (H2/19: 582).

Rating 🟡 HOLD

H2/20	Actual	Evli	H2/19	H1/20
Net sales	40.6	40.6	30.6	37.4
EBITA	5.0	4.8	2.8	4.9
EPS	0.26	0.23	0.13	0.23
DPS	0.24	0.25	0.20	
Deviation	Actual	Evli	H2/19	H1/20
Net sales		0%	33%	9%
EBITA		4%	79%	2%
EPS		13%	100%	13%
DPS		-4%	20%	
Share price, EUR (Last trading day's closing price)				18.20
Target price, EUR				16.0
Latest change in recommendation				20-Feb-19
Latest report on company				18-Jan-21
Research paid by issuer:				YES
No. of shares outstanding, '000's				14,037
No. of shares fully diluted, '000's				14,037
Market cap, EURm				255
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				05-Mar-21
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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
2018	50.6	6.1	12.0%	5.8	0.36	23.4	2.0	16.3	5.2	0.19
2019	64.1	6.6	10.3%	6.4	0.36	20.6	1.5	14.3	6.1	0.20
2020E	78.0	8.8	11.3%	-3.5	0.45	40.0	3.2	28.4	-1.4	0.25
2021E	92.4	10.6	11.4%	5.9	0.59	30.7	2.7	23.5	2.3	0.28
2022E	107.2	12.6	11.8%	1.4	0.71	25.8	2.3	19.9	0.6	0.31
Market cap, EURm	255		BV per share 2020E, EUR		-13.4		CAGR EPS 2019-22, %		24.8	
Net debt 2020E, EURm	-5		Price/book 2020E		7.1		CAGR sales 2019-22, %		18.7	
Enterprise value, EURm	251		Dividend yield 2020E, %		1.4		ROE 2020E, %		18.7	
Total assets 2020E, EURm	65		Tax rate 2020E, %		25.8		ROCE 2020E, %		19.6	
Goodwill 2020E, EURm	25		Equity ratio 2020E, %		55.1		PEG, P/E 20/CAGR		1.9	

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

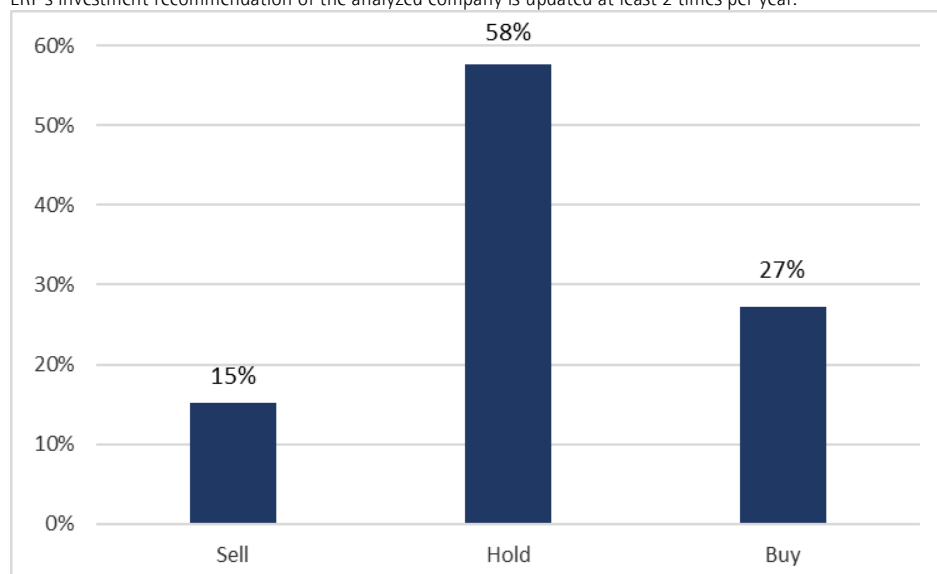
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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