

## Downgrade to HOLD

Gofore's profitability in H2 fell below our estimates (EBITA EUR 3.0/4.1m act./Evli) largely due to a lower billing rate. Growth is expected to continue to be rapid in 2019, with net sales guidance of EUR 71-79m (2018: 50.6m). We have lowered our profitability estimates, expecting EBITA-margins of around 13.5% in the near to mid-term. With fairer valuation on our revised estimates we downgrade to HOLD (BUY) with an ex-div TP of EUR 8.5 (9.8).

### Profitability impacted by a lower billing rate

Gofore's profitability in H2 fell below our expectations, with EBITA at EUR 3.0m (Evli EUR 4.1m), at an EBITA-margin of 11.5%. The weaker profitability was largely due to a lower billing rate, with wage inflation, the integration of Solinor, and the sales mix also having an impact. Gofore's guidance for net sales in 2019 is EUR 71-79m, revised from the previous EUR 65-73m mainly due to the acquisition of Silver Planet, with no profitability guidance given.

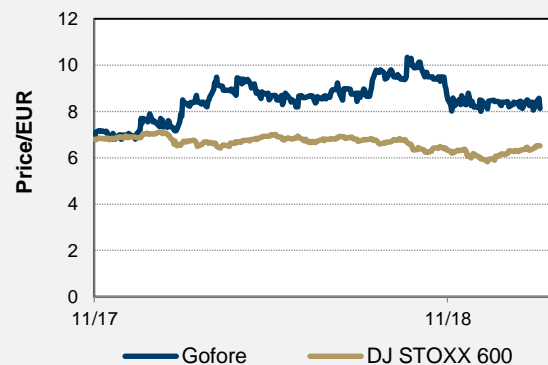
### Margin development uncertainty remains

We have raised our sales estimates to account for the Silver Planet acquisition, while lowering our profitability estimates. Although some elements of the weaker profitability in H2 in our view could be seen as temporary, we take a more conservative stance to margin development and expect EBITA-margins slightly below the 15% long-term financial objective. We expect the Silver Planet acquisition to have a minor positive impact on margins. Our revised estimates for 2019 net sales and EBITA are 73.3m (prev. 67.5m) and 9.8m (prev. 10.4m) respectively. Our estimates assume EBITA-margins of around 13.5% in the near to mid-term (prev. ~15.5%).

### HOLD (BUY) with an ex-div target price of EUR 8.5 (9.8)

On our revised estimates Gofore trades at a slight premium on 2019E EV/EBITDA. We continue to see a premium to peers as justifiable due to the expected rapid growth but with our lowered estimates valuation appears fairer. We downgrade to HOLD with an ex-div target price of EUR 8.5 (9.8).

Rating □ HOLD



Share price, EUR (Last trading day's closing price)	8.13
Target price, EUR	8.5
Latest change in recommendation	20-Feb-19
Latest report on company	20-Feb-19
Research paid by issuer:	YES
No. of shares outstanding, '000's	13,969
No. of shares fully diluted, '000's	13,969
Market cap, EURm	114
Free float, %	-
Exchange rate EUR	1.000
Reuters code	GOFORE.HE
Bloomberg code	GOFORE FH
Average daily volume, EURm	0.05
Next interim report	14-Aug-19
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■ BUY □ HOLD ■ SELL

## KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	34	5	15.8%	4	0.26	27.3	2.4	142.1	15.5	0.15
2018	51	6	12.0%	6	0.36	23.4	2.0	14.1	16.7	0.19
2019E	73	8	10.7%	8	0.41	19.7	1.4	15.6	13.3	0.22
2020E	85	9	11.0%	9	0.51	16.1	1.2	12.7	10.5	0.25
2021E	94	11	11.4%	11	0.59	13.8	1.0	11.1	8.5	0.29
Market cap, EURm			114	BV per share 2019E, EUR		2.3	CAGR EPS 2018-21, %			17.6
Net debt 2019E, EURm			-10	Price/book 2019E		3.5	CAGR sales 2018-21, %			23.0
Enterprise value, EURm			104	Dividend yield 2019E, %		2.7	ROE 2019E, %			21.2
Total assets 2019E, EURm			48	Tax rate 2019E, %		20.0	ROCE 2019E, %			25.2
Goodwill 2019E, EURm			17	Equity ratio 2019E, %		67.9	PEG, P/E 19/CAGR			1.1

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

Gofore	2017	H1/'18	H2/'18E	2018	H1/'19E	H2/'19E	2019E	2020E	2021E
Net sales	34.0	24.7	25.9	50.6	34.9	38.4	73.3	84.9	94.2
sales growth %	82.4%	71.8%	32.2%	49.0%	41.3%	48.3%	44.9%	15.8%	11.0%
Other income	0.3	0.2	0.0	0.2	0.1	0.1	0.2	0.2	0.2
Materials and services	-4.2	-3.8	-4.1	-7.9	-5.0	-5.7	-10.7	-12.5	-13.9
Personnel expenses	-18.9	-13.3	-14.2	-27.6	-19.3	-21.4	-40.7	-46.9	-51.8
Other op. expenses	-5.4	-3.9	-4.5	-8.3	-5.9	-6.3	-12.2	-14.1	-15.6
EBITDA	5.8	3.9	3.1	7.0	4.8	5.1	9.9	11.6	13.0
EBITDA-%	17.1%	15.9%	11.8%	13.8%	13.9%	13.3%	13.6%	13.6%	13.8%
EBITA	5.7	3.8	3.0	6.8	4.8	5.0	9.8	11.4	12.8
EBITA-%	16.8%	15.5%	11.5%	13.4%	13.6%	13.0%	13.3%	13.4%	13.5%
EBIT	5.4	3.5	2.6	6.1	3.9	4.0	7.8	9.4	10.8
EBIT-%	15.8%	14.3%	9.9%	12.1%	11.0%	10.3%	10.7%	11.0%	11.4%

GOFORE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		19E	20E	21E	19E	20E	21E	19E	20E	21E
Tieto	1859	8.9x	8.4x	8.2x	12.4x	11.6x	11.0x	13.6x	13.0x	12.5x
Sili Solutions	62	8.0x	6.8x	5.9x	8.7x	7.4x	6.4x	12.3x	10.4x	9.0x
Vincit	73	9.2x	8.4x	7.8x	10.0x	8.9x	8.1x	14.6x	12.5x	11.3x
Innofactor	15	20.9x	8.7x	9.3x		22.6x	16.7x		12.1x	6.5x
Solteq	27				11.5x	10.4x	9.8x			
HiQ	303	12.2x	11.3x	10.7x	13.3x	12.3x	11.3x	17.9x	16.6x	15.4x
Acando	282	8.7x	8.1x	7.7x	9.9x	9.1x	8.6x	12.9x	11.9x	11.1x
Knowit	321	8.6x	8.2x	7.8x	9.7x	9.1x	8.9x	13.0x	12.2x	12.0x
Atea	1363	9.5x	8.5x	7.7x	13.8x	11.7x	10.1x	17.4x	15.0x	12.9x
Peer Group Average	478	10.7x	8.5x	8.1x	11.2x	11.5x	10.1x	14.5x	13.0x	11.3x
Peer Group Median	282	9.0x	8.4x	7.8x	10.7x	10.4x	9.8x	13.6x	12.3x	11.7x
Gofore (Evli est.)	114	10.4x	8.5x	7.1x	13.3x	10.5x	8.5x	19.7x	16.1x	13.8x

Gofore prem./disc. to peer median

15% 1% -10% 23% 0% -13% 44% 30% 19%

Source Bloomberg, Evli Research

GOFORE PEER GROUP	Sales 18A	Sales gr.		EBIT-%			Div. yield		
		19E	20E	19E	20E	21E	19E	20E	21E
Tieto	1600	3%	3%	9.8%	10.2%	10.3%	5.9%	6.1%	6.2%
Sili Solutions	70	21%	9%	8.2%	9.0%	9.8%	5.3%	6.4%	7.4%
Vincit	43	17%	8%	13.3%	13.9%	14.3%	2.9%	3.6%	3.9%
Innofactor	64	0%	2%	-1.6%	2.2%	2.8%	0.0%	0.0%	
Solteq	58	8%	4%					2.9%	5.2%
HiQ	181	3%	5%	11.7%	12.0%	12.3%	6.1%	6.4%	6.6%
Acando	276	6%	5%	9.9%	10.2%	10.4%	5.8%	6.2%	6.1%
Knowit	301	6%	5%	10.2%	10.4%	10.2%	3.5%	3.9%	4.6%
Atea	3614	6%	5%	2.6%	2.9%	3.2%	5.6%	6.0%	6.4%
Peer Group Average	689	8%	5%	8.0%	8.8%	9.2%	4.4%	4.6%	5.8%
Peer Group Median	181	6%	5%	9.8%	10.2%	10.3%	5.5%	6.0%	6.2%
Gofore (Evli est.)	51	45%	16%	10.7%	11.0%	11.4%	2.7%	3.1%	3.6%

Gofore prem./disc. to peer median

Source Bloomberg, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	8.13 PV of Free Cash Flow	56 Long-term growth, %	2.5 Risk-free interest rate, %
DCF share value	9.99 PV of Horizon value	74 WACC, %	8.9 Market risk premium, %
Share price potential, %	22.9 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	10.8 Marketable securities	13 Minimum WACC, %	8.4 Equity beta coefficient
Minimum value	9.3 Debt - dividend	-4 Maximum WACC, %	9.4 Target debt ratio, %
Horizon value, %	56.8 Value of stock	140 Nr of shares, Mn	14.0 Effective tax rate, %

DCF valuation, EURm	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Horizon
Net sales	51	73	85	94	101	106	109	112	116	119	122	125
<i>Sales growth, %</i>	<i>49.0</i>	<i>44.9</i>	<i>15.8</i>	<i>11.0</i>	<i>7.0</i>	<i>5.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>2.5</i>	<i>2.5</i>
Operating income (EBIT)	6	8	9	11	12	13	13	12	13	13	13	14
<i>EBIT margin, %</i>	<i>12.0</i>	<i>10.7</i>	<i>11.0</i>	<i>11.4</i>	<i>12.0</i>	<i>12.0</i>	<i>12.0</i>	<i>11.0</i>	<i>11.0</i>	<i>11.0</i>	<i>11.0</i>	<i>11.0</i>
+ Depreciation+amort.	1	2	2	2	2	2	2	2	2	2	2	0
- Income taxes	-2	-2	-2	-3	-3	-3	-3	-3	-3	-3	-3	-3
- Change in NWC	0	-1	0	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	<i>7.0</i>	<i>5.8</i>	<i>5.4</i>	<i>5.2</i>	<i>5.0</i>	<i>5.0</i>	<i>4.9</i>	<i>4.8</i>	<i>4.8</i>	<i>4.7</i>	<i>4.7</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Capital Expenditure	-2	-11	0	0	0	0	0	-1	-1	-1	-1	-1
<i>Investments / Sales, %</i>	<i>3.2</i>	<i>15.2</i>	<i>0.5</i>	<i>0.5</i>	<i>0.5</i>	<i>0.5</i>	<i>0.5</i>	<i>0.5</i>	<i>0.5</i>	<i>0.5</i>	<i>0.4</i>	<i>0.4</i>
- Other items	2	0	0	0	0	0	0	0	0	0	0	0
= Unlevered Free CF (FCF)	6	-4	9	10	11	11	12	11	12	11	11	171
= Discounted FCF (DFCF)		-4	7	8	8	8	7	6	6	5	5	74
= DFCF min WACC		-4	7	8	8	8	7	7	6	6	5	84
= DFCF max WACC		-4	7	8	8	7	7	6	6	5	4	66

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1E	2019Q2E	2019Q3E	2019Q4E	2019E	2020E	2021E
Net sales	0	25	0	26	51	0	35	0	38	73	85	94
EBITDA	0	4	0	3	7	0	5	0	5	10	12	13
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>16.0</i>	<i>0.0</i>	<i>11.9</i>	<i>13.9</i>	<i>0.0</i>	<i>13.9</i>	<i>0.0</i>	<i>13.3</i>	<i>13.6</i>	<i>13.6</i>	<i>13.8</i>
EBIT	0	4	0	3	6	0	4	0	4	8	9	11
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>14.3</i>	<i>0.0</i>	<i>9.9</i>	<i>12.0</i>	<i>0.0</i>	<i>11.0</i>	<i>0.0</i>	<i>10.3</i>	<i>10.7</i>	<i>11.0</i>	<i>11.4</i>
Net financial items	0	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	0	4	0	3	6	0	4	0	4	8	9	11
Tax	0	-1	0	-1	-1	0	-1	0	-1	-2	-2	-3
<i>Tax rate (%)</i>	<i>0.0</i>	<i>20.7</i>	<i>0.0</i>	<i>18.8</i>	<i>19.9</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	0	3	0	2	5	0	3	0	3	6	7	8
EPS	0.00	0.21	0.00	0.15	0.36	0.00	0.21	0.00	0.21	0.41	0.51	0.59
EPS adjusted (diluted no. of shares)	0.00	0.21	0.00	0.15	0.36	0.00	0.21	0.00	0.21	0.41	0.51	0.59
Dividend per share	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.00	0.00	0.22	0.25	0.29
<b>SALES, EURm</b>												
Group	0	25	0	26	51	0	35	0	38	73	85	94
Total	0	25	0	26	51	0	35	0	38	73	85	94
<b>SALES GROWTH, Y/Y %</b>												
Group	<i>0.0</i>	<i>71.8</i>	<i>0.0</i>	<i>32.2</i>	<i>49.0</i>	<i>0.0</i>	<i>41.3</i>	<i>0.0</i>	<i>48.3</i>	<i>44.9</i>	<i>15.8</i>	<i>11.0</i>
Total	<i>0.0</i>	<i>71.8</i>	<i>0.0</i>	<i>32.2</i>	<i>49.0</i>	<i>0.0</i>	<i>41.4</i>	<i>0.0</i>	<i>48.3</i>	<i>44.9</i>	<i>15.8</i>	<i>11.0</i>
<b>EBIT, EURm</b>												
Group	0	4	0	3	6	0	4	0	4	8	9	11
Total	0	4	0	3	6	0	4	0	4	8	9	11
<b>EBIT margin, %</b>												
Group	<i>0.0</i>	<i>14.3</i>	<i>0.0</i>	<i>9.9</i>	<i>12.0</i>	<i>0.0</i>	<i>11.0</i>	<i>0.0</i>	<i>10.3</i>	<i>10.7</i>	<i>11.0</i>	<i>11.4</i>
Total	<i>0.0</i>	<i>14.3</i>	<i>0.0</i>	<i>9.9</i>	<i>12.0</i>	<i>0.0</i>	<i>11.0</i>	<i>0.0</i>	<i>10.3</i>	<i>10.7</i>	<i>11.0</i>	<i>11.4</i>

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	9	12	19	34	51	73	85	94
<i>Sales growth (%)</i>	<i>54.0</i>	<i>35.2</i>	<i>49.9</i>	<i>82.4</i>	<i>49.0</i>	<i>44.9</i>	<i>15.8</i>	<i>11.0</i>
Costs	-8	-11	-16	-28	-44	-63	-73	-81
Reported EBITDA	1	2	3	6	7	10	12	13
Extraordinary items in EBITDA	0	0	0	0	0	0	0	0
<i>EBITDA margin (%)</i>	<i>15.5</i>	<i>12.9</i>	<i>14.6</i>	<i>17.1</i>	<i>13.9</i>	<i>13.6</i>	<i>13.6</i>	<i>13.8</i>
Depreciation	0	0	0	0	0	0	0	0
EB ITA	1	2	3	6	7	10	11	13
Goodwill amortization / writedown	0	0	0	0	-1	-2	-2	-2
Reported EBIT	1	2	3	5	6	8	9	11
<i>EBIT margin (%)</i>	<i>14.9</i>	<i>12.5</i>	<i>14.1</i>	<i>15.8</i>	<i>12.0</i>	<i>10.7</i>	<i>11.0</i>	<i>11.4</i>
Net financials	0	0	0	-1	0	0	0	0
Pre-tax profit	1	2	3	4	6	8	9	11
Extraordinary items	0	0	0	1	0	0	0	0
Taxes	0	0	-1	-1	-1	-2	-2	-3
Minority shares	0	0	0	0	0	0	0	0
Net profit	1	1	2	4	5	6	7	8
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	0	0	1	1	1	1	1	1
<i>% of sales</i>	<i>2</i>	<i>1</i>	<i>4</i>	<i>3</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
Goodwill	0	0	0	5	9	17	15	13
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>16</i>	<i>17</i>	<i>24</i>	<i>18</i>	<i>14</i>
Inventory	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Receivables	2	3	3	10	12	16	19	20
<i>% of sales</i>	<i>21</i>	<i>21</i>	<i>18</i>	<i>30</i>	<i>23</i>	<i>22</i>	<i>22</i>	<i>22</i>
Liquid funds	2	2	4	13	13	13	15	22
<i>% of sales</i>	<i>21</i>	<i>20</i>	<i>19</i>	<i>37</i>	<i>27</i>	<i>18</i>	<i>18</i>	<i>23</i>
Total assets	4	5	8	29	35	48	50	57
Liabilities								
Equity	2	3	4	18	22	32	36	41
<i>% of sales</i>	<i>19</i>	<i>20</i>	<i>22</i>	<i>52</i>	<i>44</i>	<i>44</i>	<i>43</i>	<i>44</i>
Deferred taxes	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Interest bearing debt	0	0	0	5	4	3	0	0
<i>% of sales</i>	<i>2</i>	<i>1</i>	<i>0</i>	<i>14</i>	<i>8</i>	<i>4</i>	<i>0</i>	<i>0</i>
Non-interest bearing current liabilities	2	2	3	7	8	12	14	15
<i>% of sales</i>	<i>22</i>	<i>20</i>	<i>18</i>	<i>20</i>	<i>16</i>	<i>16</i>	<i>16</i>	<i>16</i>
Other interest free debt	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total liabilities	4	5	8	29	35	48	50	57
<b>CASH FLOW, EURm</b>								
+ EBITDA	1	2	3	6	7	10	12	13
- Net financial items	0	0	0	-1	0	0	0	0
- Taxes	0	0	-1	-1	-2	-2	-2	-3
- Increase in Net Working Capital	0	0	0	-4	0	-1	0	0
+/- Other	0	0	0	0	2	0	0	0
= Cash flow from operations	1	1	2	1	8	7	9	10
- Capex	0	0	-1	0	0	-11	0	0
- Acquisitions	0	0	0	-5	-2	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	1	1	2	-3	4	-4	9	10
+/- Change in interest-bearing debt	0	0	0	5	-1	-1	-3	0
+/- New issues/buybacks	1	0	0	10	1	7	0	0
- Paid dividend	0	0	0	-1	-2	-2	-3	-4
+/- Change in loan receivables	0	0	0	0	0	0	0	0
Change in cash	2	1	1	11	3	0	2	6

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	0	0	91	111	114	114	114
Net debt	-2	-4	-8	-9	-10	-15	-22
Enterprise value	-2	-4	83	102	104	98	92
Sales	12	19	34	51	73	85	94
EB ITDA	2	3	6	7	10	12	13
EB IT	2	3	5	6	8	9	11
Pre-tax	2	3	4	6	8	9	11
Earnings	1	2	3	5	6	7	8
Book value	3	4	18	22	32	36	41
<b>Valuation multiples</b>							
EV/sales	-0.2	-0.2	2.4	2.0	1.4	1.2	1.0
EV/EB ITDA	-1.4	-1.3	14.3	14.4	10.4	8.5	7.1
EV/EB ITA	-1.5	-1.3	14.6	15.0	10.6	8.6	7.2
EV/EB IT	-1.5	-1.3	15.5	16.7	13.3	10.5	8.5
EV/operating cash flow	-2.1	-1.5	129.8	13.0	14.2	11.0	9.0
EV/cash earnings	-1.8	-1.6	21.9	17.9	13.1	10.6	8.8
P/E	0.0	0.0	27.3	23.4	19.7	16.1	13.8
P/E excl. goodwill	0.0	0.0	24.8	20.4	14.7	12.5	11.1
P/B	0.0	0.0	5.1	5.0	3.5	3.1	2.8
P/sales	0.0	0.0	2.7	2.2	1.5	1.3	1.2
P/CF	0.0	0.0	142.1	14.1	15.6	12.7	11.1
Target EV/EB IT	0.0	0.0	0.0	0.0	13.9	11.0	9.0
Target P/E	0.0	0.0	0.0	0.0	20.6	16.8	14.5
Target P/B	0.0	0.0	0.0	0.0	3.7	3.3	2.9
<b>Per share measures</b>							
Number of shares	10,560	10,560	12,949	13,117	13,969	13,969	13,969
Number of shares (diluted)	10,560	10,560	12,949	13,117	13,969	13,969	13,969
EPS	0.12	0.20	0.26	0.36	0.41	0.51	0.59
EPS excl. goodwill	0.12	0.20	0.28	0.41	0.55	0.65	0.73
Cash EPS	0.12	0.21	0.29	0.43	0.57	0.66	0.75
Operating cash flow per share	0.10	0.22	0.05	0.60	0.52	0.64	0.73
Capital employed per share	0.02	0.06	0.77	0.97	1.61	1.50	1.39
Book value per share	0.24	0.39	1.37	1.68	2.32	2.61	2.94
Book value excl. goodwill	0.24	0.39	0.96	1.02	1.07	1.50	1.98
Dividend per share	0.04	0.05	0.15	0.19	0.22	0.25	0.29
Dividend payout ratio, %	34.4	25.1	58.5	52.7	53.2	50.0	50.0
Dividend yield, %	0.0	0.0	2.1	2.3	2.7	3.1	3.6
<b>Efficiency measures</b>							
ROE	57.7	63.3	30.2	23.8	21.2	20.5	21.2
ROCE	66.9	76.1	40.0	25.0	25.2	26.0	27.7
<b>Financial ratios</b>							
Capex/sales, %	0.2	3.6	12.7	3.2	15.2	0.5	0.5
Capex/depreciation excl. goodwill, %	51.8	792.5	-1,093.7	-992.4	186.5	181.3	161.8
Net debt/EB ITDA, book-weighted	-1.4	-1.3	-1.4	-1.3	-1.0	-1.3	-1.7
Debt/equity, market-weighted	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	49.3	54.3	60.8	63.7	67.9	72.3	72.6
Gearing	-0.91	-0.85	-0.44	-0.42	-0.31	-0.42	-0.53
Number of employees, average	132	196	374	495	530	583	612
Sales per employee, EUR	94,075	94,981	90,775	102,184	138,302	145,594	153,914
EB IT per employee, EUR	11,755	13,394	14,329	12,313	14,742	16,068	17,571

**COMPANY DESCRIPTION:** Gofore is an international growth-seeking digitalisation services company. The company helps customers to succeed at all stages of digital development. Gofore offers design, planning, building, implementing and maintenance of customers digital services and service architecture. Gofore was founded in 2002.

## INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
Kärki Timur Juhana	1,875,000	15.244	13.4%
Venola Mika Petteri	1,770,000	14.390	12.7%
Lammi Jani Markus	1,770,000	14.390	12.7%
Varjus Mika	1,770,000	14.390	12.7%
Ilmarinen Mutual Pension Insurance Company	871,801	7.088	6.2%
Varma Mutual Pension Insurance Company	517,952	4.211	3.7%
Saadetdin Ali	408,936	3.325	2.9%
Kallio Sami Juhani	283,441	2.304	2.0%
Nylund Mikael	245,025	1.992	1.8%
Virtanen Juha Laakso	243,269	1.978	1.7%
Ten largest	9,755,424	79.312	70%
Residual	4,213,733	34.258	30%
Total	13,969,157	113.569	100%

## EARNINGS CALENDAR

August 14, 2019

Q2 report

## OTHER EVENTS

## COMPANY MISCELLANEOUS

CEO: Timur Kärki

Kalevantie 2, 33100 Tampere

CFO: Petteri Venola

Tel:

IR:

## DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for the financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	Sales/Share	$\frac{\text{Sales}}{\text{Number of shares}}$
Net debt	Interest bearing debt – financial assets	EBITDA/Share	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Number of shares}}$
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	EBIT/Share	$\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortisation}}$	EAFI/Share	$\frac{\text{Pretax profit}}{\text{Number of shares}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Capital employed/Share	$\frac{\text{Total assets} - \text{non interest bearing debt}}{\text{Number of shares}}$
Dividend, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest free short term debt} - \text{long term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non interest bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year



## Important Disclosures

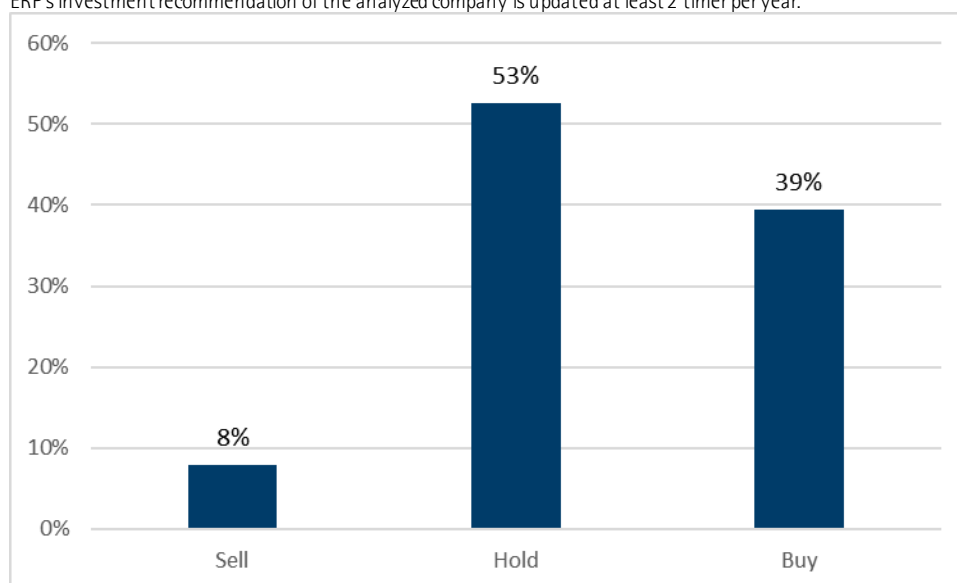
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 - (+10) %	HOLD
> 10 %	BUY

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

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