

## Solid growth and good profitability

Gofore's EBITA/adj. EBITA of EUR 6.8m/6.9m in H1 were rather in line with expectations (Evli 7.0m/7.2m). Revenue grew 38.3% to EUR 51.7m in H1 (pre-announced). Revenue and adj. EBITA in 2021 are expected to grow compared with 2020.

- Gofore's H1/21 net sales amounted to EUR 51.7m (pre-announced), with sales growth of 38.3% compared to H1/20 figures. The growth was primarily attributable to increased volumes as a result of corporate acquisitions and organic growth, but the average hourly price of services sold also increased slightly. Private sector sales increased substantially, by almost 92 per cent, to EUR 18.4m. Gofore's international business grew by 10 per cent y/y to EUR 4.5m.
- EBITA and adj. EBITA in H1 amounted to EUR 6.8m and EUR 6.9m respectively, rather in line with our estimates (Evli EUR 7.0m/7.2m), at margins of 13.1%/13.4%. EBIT amounted to EUR 5.7m (Evli EUR 6.3m), at a 11.0% EBIT-margin.
- **Guidance for 2021:** Gofore estimates that its revenue and adj. EBITA in 2021 will grow compared to 2020.
- The number of employees at the end of the period was 803 (H1/20: 610).

 Rating 🟡 HOLD

H1/21	Actual	Evli	H1/20	H2/20
Net sales	51.7		37.4	40.6
EBITA	6.8	7.0	4.9	5.0
EPS	0.27	0.35	0.23	0.26
Deviation	Actual	Evli	H1/20	H2/20
Net sales			38 %	27 %
EBITA		-3 %	38 %	35 %
EPS		-23 %	17 %	4 %

 Share price, EUR (Last trading day's closing price) 20.10

 Target price, EUR 21.0

Latest change in recommendation	20-Apr-21
Latest report on company	20-Apr-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	282
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	13-Aug-21
Web site	gofore.com/en/invest

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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
2019	64.1	6.6	10.3%	6.4	0.36	20.6	1.5	14.3	6.1	0.20
2020	78.0	8.8	11.2%	-3.5	0.49	34.9	3.0	27.0	-1.5	0.24
2021E	103.2	12.7	12.3%	-10.2	0.67	29.9	2.8	22.9	-3.6	0.30
2022E	119.7	15.7	13.1%	-1.1	0.82	24.6	2.5	18.8	-0.4	0.35
2023E	131.7	17.5	13.3%	7.6	0.91	22.1	2.2	16.8	2.7	0.38

Market cap, EURm	282	BV per share 2021E, EUR	20.4	CAGR EPS 2020-23, %	22.7
Net debt 2021E, EURm	9	Price/book 2021E	6.7	CAGR sales 2020-23, %	19.1
Enterprise value, EURm	291	Dividend yield 2021E, %	1.5	ROE 2021E, %	24.2
Total assets 2021E, EURm	103	Tax rate 2021E, %	20.0	ROCE 2021E, %	19.3
Goodwill 2021E, EURm	30	Equity ratio 2021E, %	41.0	PEG, P/E 21/CAGR	2.7

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

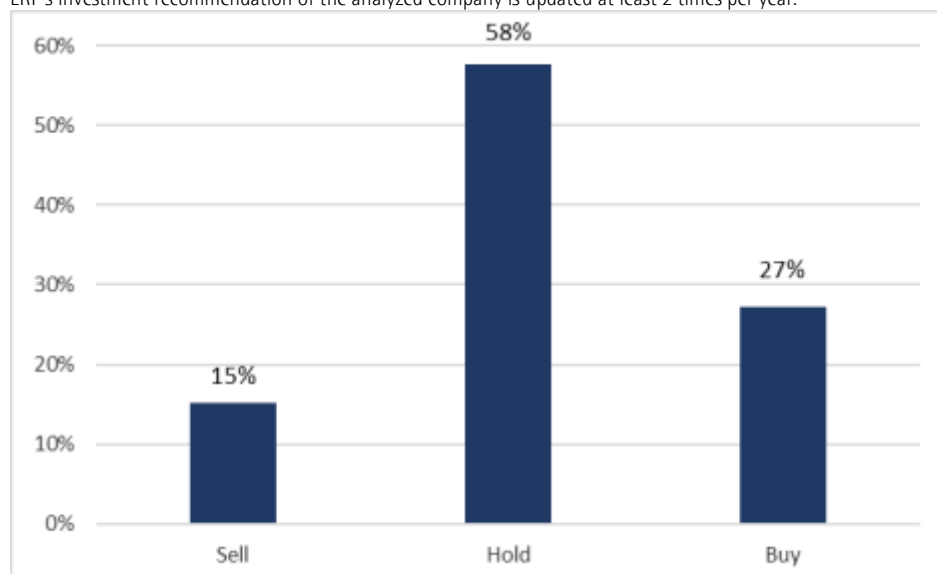
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Investment recommendations are defined as follows:

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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