



**vincit**

# Financial Statement Release

1 January - 31 December  
2023

Julius Manni, CEO  
Kimmo Kärkkäinen, CFO



# Julius Manni

Chief Executive Officer



# HIGHLIGHTS 2023

01.

## Positive cash flow, growth declining

- Revenue was EUR 98.1 million (84.8), increased 15.7%. However, revenue declined by 7.6% percent in H2.
- Adjusted EBIT before non-recurring items was EUR 3.4 million (5.2), or 3.4% (6.1%) of revenue
- Cash flow improved by over EUR 3 million compared to the previous year

02.

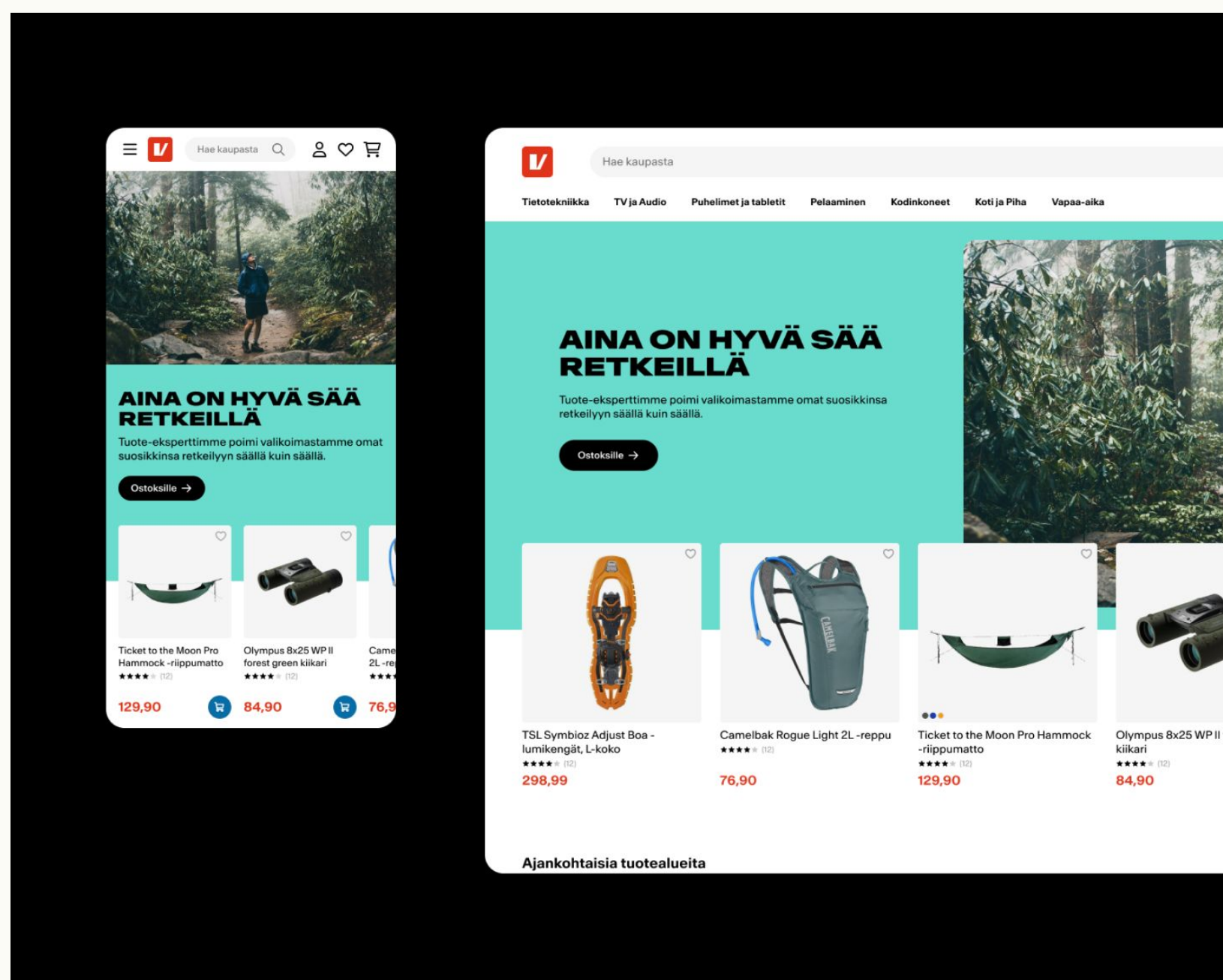
## Operating environment challenging

- Changes in customer demand and strong price competition continued
- Vincit USA's business outlook remained challenging throughout the year, resulting in a decline both in revenue and profitability
- Group level measures taken to improve profitability and adapt the business

03.

## Moving up the customer value chain

- Progress in many areas: developing new commercial expertise and focus in turning digital into business results
- Redesigned brand communicates the new Vincit - our value proposition, positioning and tone of voice
- New openings in the travel, media and retail sectors in the US



## Composable commerce and winning experiences

Renewal of Verkkokauppa.com online store, to create a base for continuous improvement of their **digital customer experience**.

Outokumpu Connect, a commerce-driven customer portal that enables better digital services for customers and increased sales



## Riding the wave with SAP S/4HANA Cloud ERP

Greenfield **SAP S/4HANA Cloud** implementation for Certia - delivered on time and to quality standards.

Positioning Vincit as the leading **SAP Business Technology Platform (BTP)** player, with unique capabilities to build applications and integrations on top of ERP solutions



## Investments in AI capabilities and tools continue

Our project with construction company SRV showed that AI-assisted software development is up to 20% more efficient.

Several other AI cases ongoing in Finland, Sweden and the USA.

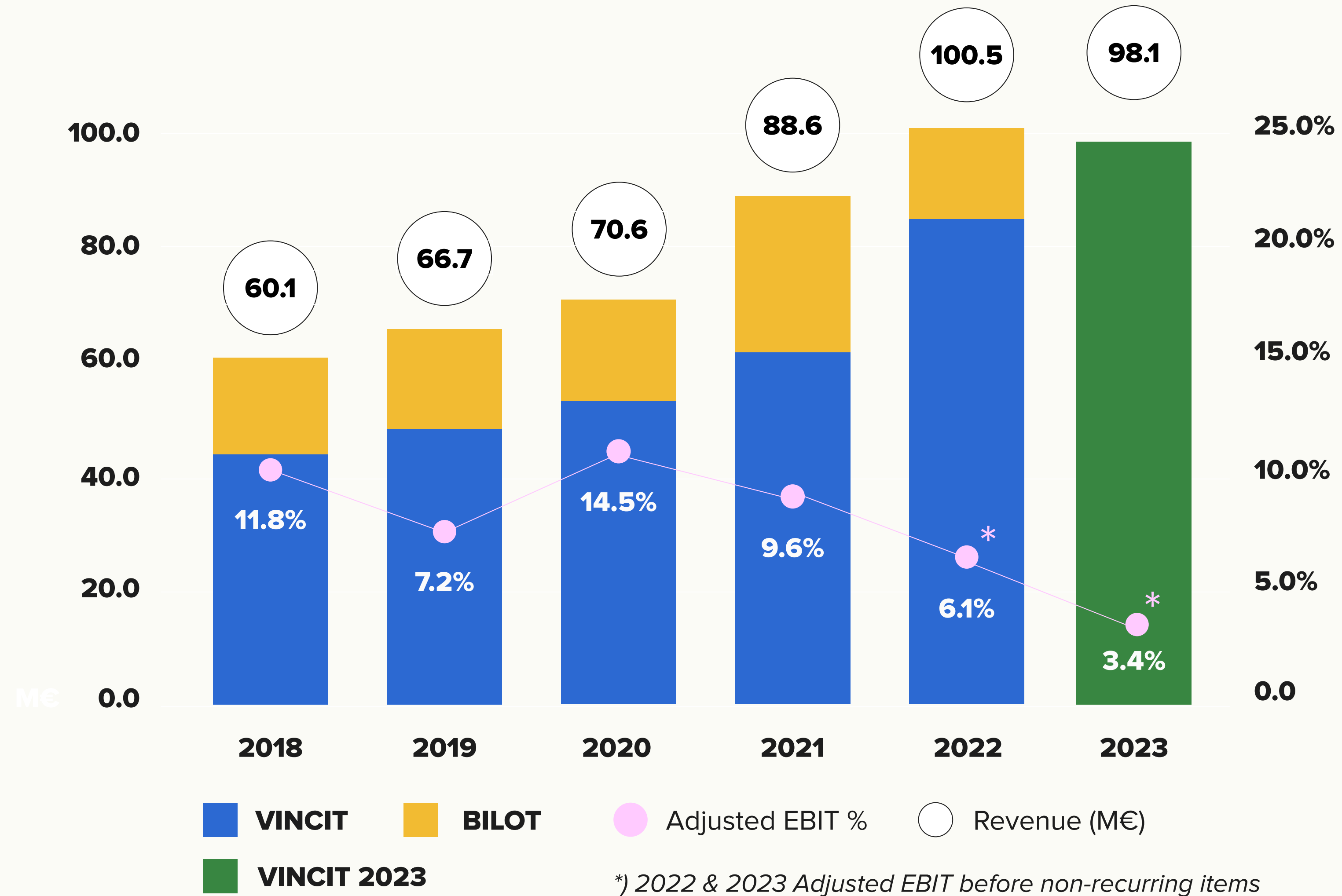
Over 100 Vincitizens certified in AI technologies. We will double this during the spring, especially in **Microsoft Azure AI**

# THE NUMBERS

31 July – 31 December 2023 /  
1 January – 31 December 2023



# COMBINED PRO FORMA REVENUE & ADJUSTED EBIT



# VINCIT GROUP

## July-December

- Revenue was EUR 45.3 million (49.0). Revenue declined by EUR 3.7 million, or 7.6%.
- EBITA was EUR -0.5 million (0.6), or -1.1% (1.3%) of revenue.
- Adjusted EBIT before non-recurring items was EUR 1.2 million (2.6), or 2.7% (5.2%) of revenue.
- Earnings per share were EUR -0.16 (-0.09).

## January-December

- Revenue increased by 15.7% year-on-year EUR to 98.1 million (84.8).
- EBITA was EUR 1.7 million (3.4), or 1.8% (4.0%) of revenue.
- Adjusted EBIT before non-recurring items was EUR 3.4 (5.2) million, or 3.4% (6.1%) of revenue.
- Earnings per share were EUR -0.17 (-0.02).

M€

|  | 1-12/<br>2023 | 1-12/<br>2022 | Change % | 7-12/<br>2023 | 7-12/<br>2022 | Change % |
|--|---------------|---------------|----------|---------------|---------------|----------|
| <b>Revenue</b>                             | 98.1          | 84.8          | 15.7%    | 45.3          | 48.9          | -7.6%    |
| <b>EBITA</b>                               | 1.7           | 3.4           | -49.2%   | -0.5          | 0.6           | < 100%   |
| <b>% of revenue</b>                        | 1.8%          | 4.0%          |          | -1.1%         | 1.3%          |          |
| <b>Adj. EBIT*</b>                          | 3.4           | 5.2           | -35.0%   | 1.2           | 2.6           | -52.2%   |
| <small>*Before non-recurring items</small> |               |               |          |               |               |          |
| <b>% of revenue*</b>                       | 3.4%          | 6.1%          |          | 2.7%          | 5.2%          |          |
| <small>*Before non-recurring items</small> |               |               |          |               |               |          |



## BUSINESS AREAS

|  | M€                    |                       |               |                     |                     |               |
|--|-----------------------|-----------------------|---------------|---------------------|---------------------|---------------|
| <b>Service business</b>                    | <b>1-12/<br/>2023</b> | <b>1-12/<br/>2022</b> | <b>Change</b> | <b>H2/<br/>2023</b> | <b>H2/<br/>2022</b> | <b>Change</b> |
| <b>Revenue</b>                             | 95.1                  | 82.3                  | 15.6%         | 43.8                | 47.8                | -8.3%         |
| <b>Adj. EBIT*</b>                          | 3.9                   | 5.2                   | -25.8%        | 1.6                 | 2.5                 | -35.8%        |
| <small>*Before non-recurring items</small> |                       |                       |               |                     |                     |               |
| <b>% of revenue*</b>                       | 4.1%                  | 6.3%                  |               | 3.7%                | 5.3%                |               |
| <small>*Before non-recurring items</small> |                       |                       |               |                     |                     |               |
| <b>Product business</b>                    | <b>1-12/<br/>2023</b> | <b>1-12/<br/>2022</b> | <b>Change</b> | <b>H2/<br/>2023</b> | <b>H2/<br/>2022</b> | <b>Change</b> |
| <b>Revenue</b>                             | 3.0                   | 2.7                   | 10.3%         | 1.5                 | 1.3                 | 13.7%         |
| <b>Adj. EBIT*</b>                          | -0.5                  | 0.0                   | < -100%       | -0.4                | 0.0                 | < -100%       |
| <small>*Before non-recurring items</small> |                       |                       |               |                     |                     |               |
| <b>% of revenue*</b>                       | -17.5%                | 0.9%                  |               | -27.2%              | 1.8%                |               |
| <small>*Before non-recurring items</small> |                       |                       |               |                     |                     |               |

## SERVICE BUSINESS: EUROPE & USA

|  | M€                    |                       |               |                     |                     |               |
|--|-----------------------|-----------------------|---------------|---------------------|---------------------|---------------|
| <b>Vincit Europe</b>                       | <b>1-12/<br/>2023</b> | <b>1-12/<br/>2022</b> | <b>Change</b> | <b>H2/<br/>2023</b> | <b>H2/<br/>2022</b> | <b>Change</b> |
| <b>Revenue</b>                             | 86.1                  | 71.9                  | 19.7%         | 39.5                | 42.6                | -7.3%         |
| <b>Adj. EBIT*</b>                          | 3.8                   | 4.3                   | -11.7 %       | 1.5                 | 2.6                 | -42.4 %       |
| <small>*Before non-recurring items</small> |                       |                       |               |                     |                     |               |
| <b>% of revenue*</b>                       | 4.4%                  | 6.1%                  |               | 3.8%                | 6.0%                |               |
| <small>*Before non-recurring items</small> |                       |                       |               |                     |                     |               |
| <b>Vincit USA</b>                          | <b>1-12/<br/>2023</b> | <b>1-12/<br/>2022</b> | <b>Change</b> | <b>H2/<br/>2023</b> | <b>H2/<br/>2022</b> | <b>Change</b> |
| <b>Revenue</b>                             | 10.5                  | 12.6                  | -17.0%        | 5.1                 | 6.3                 | -19.8%        |
| <b>Adj. EBIT*</b>                          | 0.0                   | 0.8                   | -99.24%       | 0.2                 | 0.0                 | n/a           |
| <small>*Before non-recurring items</small> |                       |                       |               |                     |                     |               |
| <b>% of revenue*</b>                       | 0.1%                  | 6.6%                  |               | 4.1%                | -0.3%               |               |
| <small>*Before non-recurring items</small> |                       |                       |               |                     |                     |               |

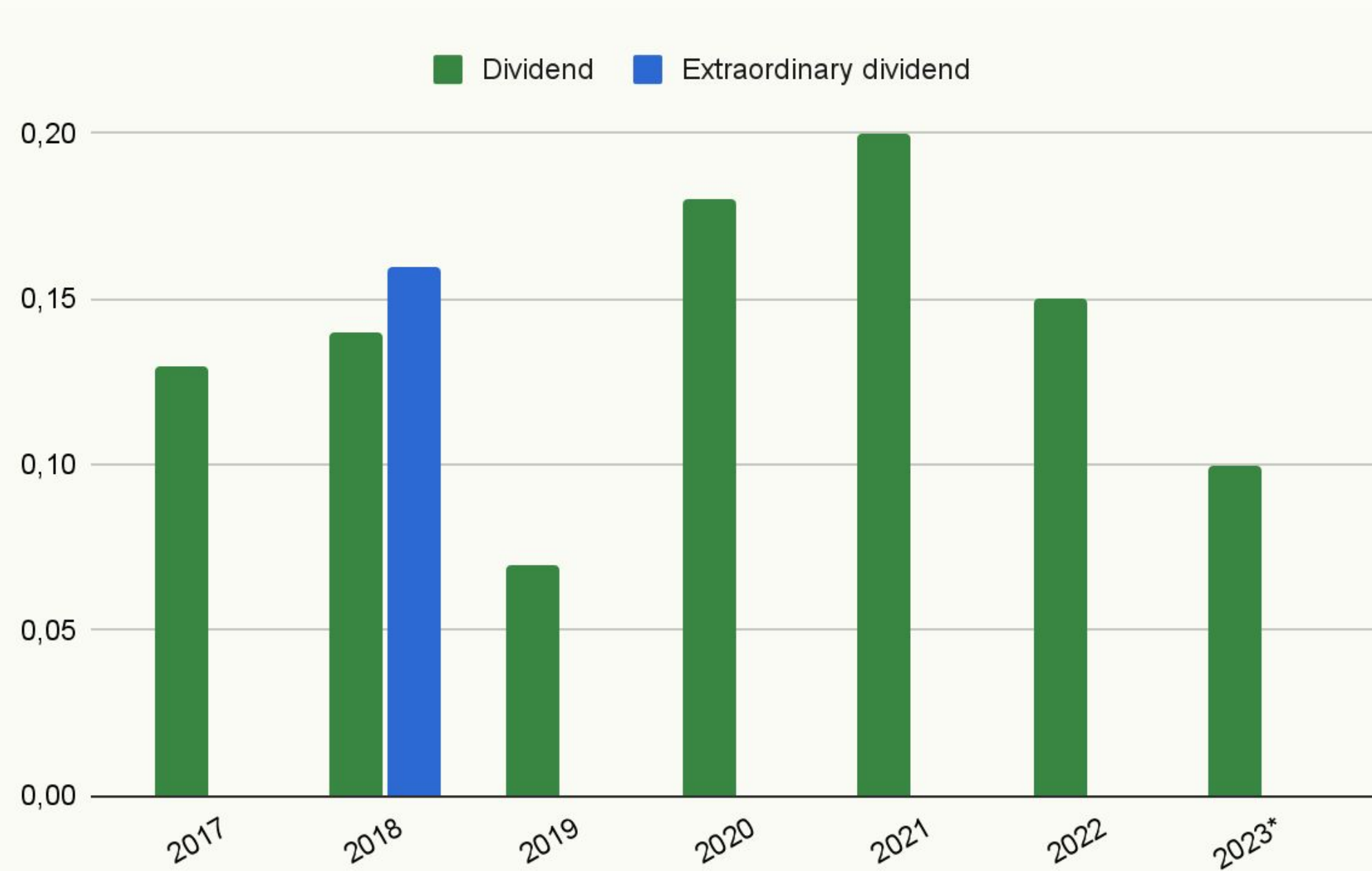
## FINANCING

Strong balance sheet enables continuing M&A efforts.

- The balance sheet total at the end of the financial year was EUR 57.0 million (Dec. 31, 2022: 62.0).
- Cash flow from operating activities after paid interest and direct taxes was EUR 5.3 million (2.5).

|  | 31. Dec. 2023 | 31 Dec. 2022 |
|--|---------------|--------------|
| <b>Cash &amp; cash equivalents, M€</b> | 12.2          | 10.3         |
| <b>Interest bearing, net debt, M€</b>  | 0.1           | 0.2          |
| <b>Net gearing %</b>                   | -33.4%        | -24.8%       |
| <b>Equity ratio %</b>                  | 63.4%         | 67.1%        |

## DIVIDEND PROPOSAL



\*Board of Directors proposal to the Annual General Meeting 2024

- Dividend policy: to distribute at least 30 % of the profit for the financial period as dividends
- Distributable funds: EUR 36.7 million
- Vincit's earnings per share was EUR -0.15 (-0.02)
- Dividend proposal: EUR 0.10 (0.15) per share, in total EUR 1.7 million to be paid as dividends
- Vincit Plc's Annual General Meeting (AGM) will be held on Wednesday, 20 March 2024

## OUTLOOK 2024

With a lower headcount than last year, revenue in 2024 is expected to be lower than in 2023, but relative profitability is expected to improve year-on-year.



# WHY VINCIT?

01.

## Unique combo for customer value

A comprehensive lifecycle of services, with unique combination of business-driven design thinking, modern agile software development, data & AI, and deep enterprise-level system expertise, especially in SAP ecosystem technologies.

In this position we can undertake business-critical customer engagements and deliver on demanding projects

02.

## Growth opportunities in the USA and Nordics

A solid basis for profitable organic growth in the Nordics and a proven track record to capture new opportunities in the USA.

A strong client portfolio in the Nordics and USA, and we have been systematically increasing the average size and duration of our client engagements.

03.

## Employer brand among the best in the industry

Award-winning organizational culture, ranked several times as the #1 best place to work in Finland and Europe by the Great Place to Work Institute.

Constantly among the top 10 most attractive employers listings in Finland.

# Q&A

**THANK YOU**

