

Q3 2023 results

Juha Varelius, CEO

Jouni Lintunen, CFO

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 Qt Group





Agenda

1. Q3/23 business highlights
2. Financials
3. Outlook and guidance for 2023
4. Strategy update

Q3/23 business highlights

Juha Varelius, CEO



Operating profit improved despite lower than estimated revenue growth

- Net sales growth **8%**

- Reached EUR 38 million quarterly net sales
- Growth of 13% at comparable currencies
- Delayed deals caused softness in Q3
- Steady subscription license base growth, shorter average license maturity effects revenue negatively

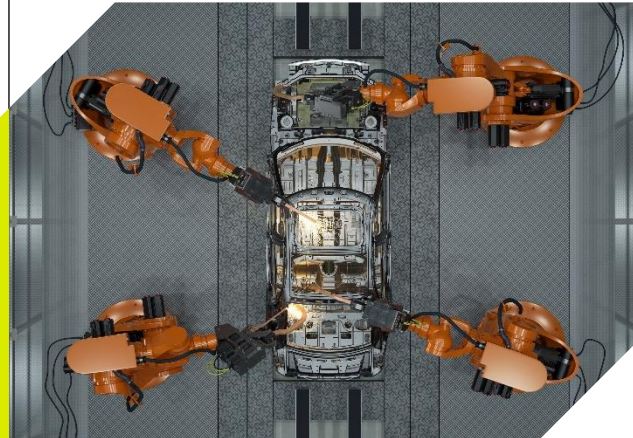
- EBITA-margin at **24%**

- EBITA was EUR 9 million, increase of 16%
- Profitability developing in line with business plans

- Personnel totaled **746** on September 30
 - Increase of 17 employees during Q3/23
 - Growth investments continued

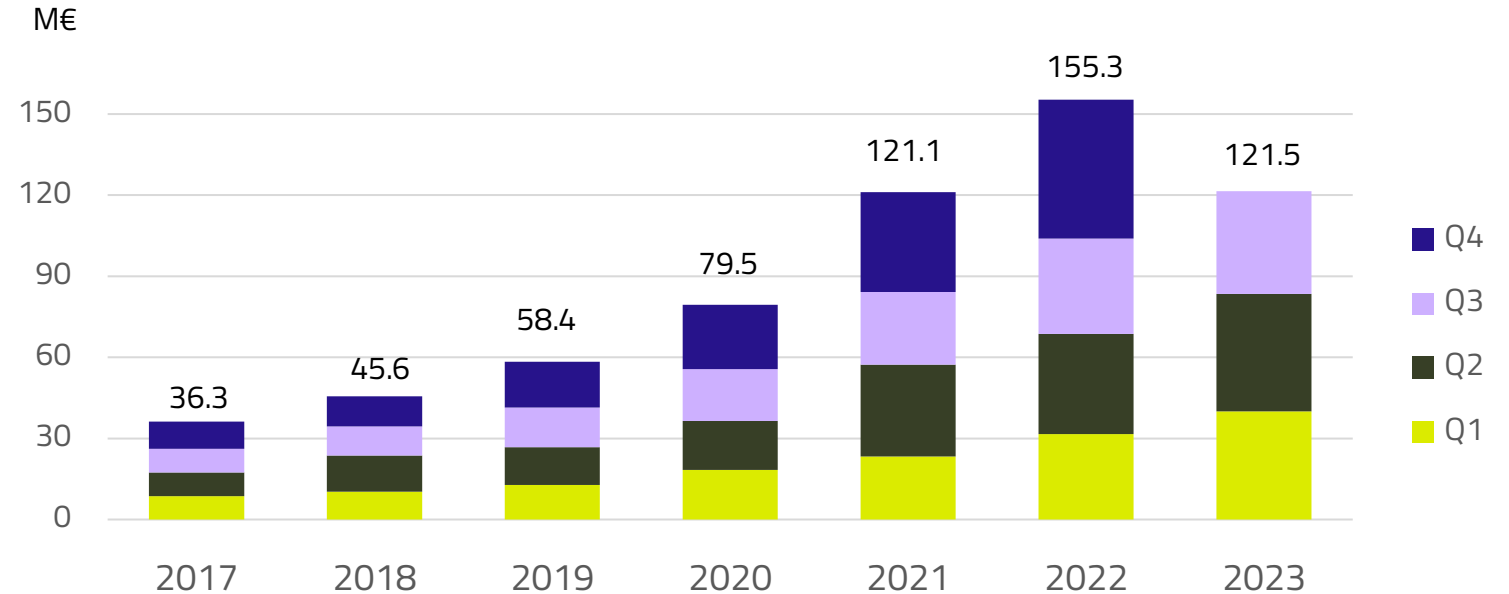
Financials

Jouni Lintunen, CFO



Net sales growth continued

- Net sales increased 7.7% in Q3/23, and 13.1% in comparable currencies
 - Exchange rate impact EUR -1.7 million
 - License sales and consulting EUR 35.2 million, growth 14.5%
- Strong quarterly fluctuation and exchange rate impact expected to continue



EUR 1,000	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	1-12/2022
License sales and consulting	35 236	30 787	14.5%	111 367	89 436	24.5 %	136 355
Maintenance revenue	2 802	4 521	-38.0%	10 112	14 534	-30.4 %	18 963
Total	38 039	35 308	7.7%	121 479	103 970	16.8 %	155 318

Q3/23 and Q1-Q3/23 Income statement

EUR 1,000	Q3/23	Q3/22	Change, %	1-9/2023	1-9/2022	Change, %
Net sales	38,039	35,308	7.7 %	121,479	103,970	16.8 %
Other operating income	7	28	-76.4 %	23	51	-53.8 %
Materials and services	-1,003	-1,604	-37.5 %	-3,295	-4,996	-34.0 %
Personnel expenses	-20,247	-18,304	10.6 %	-64,382	-53,115	21.2 %
Depreciation, amortization and impairment (excl. Intangible assets arising from business combinations)	-798	-778	2.6 %	-2,323	-2,250	3.3 %
Other operating expenses	-6,840	-6,771	1.0 %	-22,053	-20,221	9.1 %
Operating result (EBITA)	9,158	7,880	16.2 %	29,450	23,438	25.7 %
<i>EBITA-%</i>	<i>24.1 %</i>	<i>22.3 %</i>		<i>24.2 %</i>	<i>22.5 %</i>	
Depreciation (Intangible assets arising from business combinations)	-2,008	-1,533	31.0 %	-6,023	-3,371	78.7 %
Operating result (EBIT)	7,150	6,347	12.7 %	23,427	20,067	16.7 %
<i>EBIT-%</i>	<i>18.8 %</i>	<i>18.0 %</i>		<i>19.3 %</i>	<i>19.3 %</i>	
Financial income and expenses (net)	-137	1,147		-1,068	2,880	
Profit before taxes	7,013	7,494	-6.4 %	22,359	22,947	-2.6 %
Income taxes	-1,525	-550	177.1 %	-4,578	-1,972	132.1 %
Net profit for the period	5,488	6,944	-21.0 %	17,781	20,975	-15.2 %
<i>% of net sales</i>	<i>14.4 %</i>	<i>19.7 %</i>		<i>14.6 %</i>	<i>20.2 %</i>	

■ Q3 Expenses

- Growth strategy implementation continued as planned
- Period end headcount +95 / +15%

■ Q3 Profitability

- EBITA up by 16% to 9.2MEUR
- EBIT 7.2MEUR / 18.8%
- Net profit 5.5MEUR / 14.4%
- EPS 0.22EUR

Q3/23 Balance sheet

EUR 1,000	30.9.2023	30.9.2022	31.12.2022
Non-current assets			
Contract assets	3,402	5,664	6,207
Other non-current assets	100,281	107,591	105,298
Total non-current assets	103,683	113,255	111,505
Current assets			
Trade receivables	35,780	31,330	39,916
Other receivables	9,563	8,153	10,863
Contract assets	8,191	6,114	7,003
Cash and cash equivalents	31,289	18,926	8,815
Total current assets	84,823	64,523	66,597
Total assets	188,507	177,779	178,102
Total shareholders' equity	104,462	70,585	86,727
Total long-term liabilities	27,576	57,076	54,939
Short term liabilities			
Interest-bearing liabilities	18,438	17,925	2,024
Accounts payable	2,741	2,212	2,575
Other short-term liabilities	35,289	29,981	31,838
Total short-term liabilities	56,468	50,119	36,436
Total shareholders' equity and liabilities	188,507	177,779	178,102

■ Assets

- Operative cashflow +34.3MEUR, ending cash balance 31.3MEUR
- Trade receivables -4.1MEUR from end 2022
- Contract assets -1.6MEUR from end 2022

■ Equity and liabilities

- Long-term liabilities down by loan and part of earn-out move to short term.
- Short-term interest-bearing liabilities up because of loan move to ST
- Other short-term liabilities increase driven primarily by earn-out liability move from LT

Market outlook and guidance for 2023



Market outlook

- Our long-term growth prospects are very promising
 - Increasing demand for devices with software-enabled displays across different industries is a major growth driver for Qt Design and Development tools
 - As the amount of software in the world grows and the pace of software releases quickens, product development teams are increasingly turning to automated testing and Quality Assurance
- Challenging market environment causes uncertainty in short-term
 - Inflation and increasing interest rates decrease household consumption and affect demand for Qt's customers' products



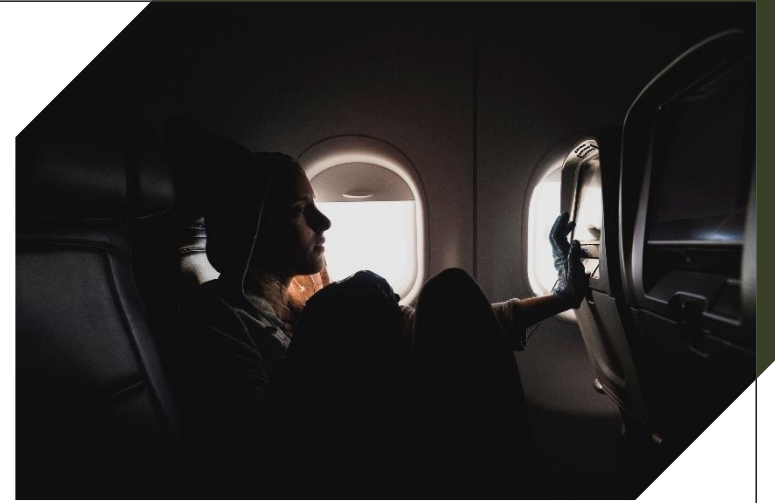


Guidance for 2023

We refine our guidance for 2023

- our net sales for 2023 will increase by 20-25 percent year-on-year at comparable exchange rates, and
- our operating profit margin (EBITA-%) will be 25-30 percent.

Strategy update



Trends in software product creation



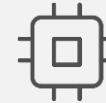
Product development cycles are getting faster.

Product development process needs to adapt to both changes in technology and requirements.



Consumerized digital user experiences are a requirement across industries.

Customers demand more intuitive, engaging, and personalized interactions.



Compared to demand, there's scarcity of software expertise.

Higher productivity requirements are driving choices in technology and tooling.

Powering and assuring digital experiences



We provide the best **platform and tooling** to build the **future of digital experiences** with over 1 billion devices and applications built with Qt

We help our customers **manage complexity, reduce their regulatory risk and increase the quality** of their product creation process

We cover multiple **industries** with our **cross-platform solutions** and we have the ability to leverage industry knowledge to meet **vertical requirements**

Qt 2027 strategy summary

Growth drivers

- Recurring revenue business model:
 - Subscription licenses (Qt and Quality assurance)
 - Distribution licenses (Qt for embedded devices)
- Quality assurance expanding market to non-Qt technologies
- Investing into new organic and inorganic growth opportunities within the software product creation process

Financial targets towards 2027

- Revenue growth 20-30% annually
- EBITA margin > 25%

Thank you!

Get in touch with us: pr@qt.io

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