



Qt Group Plc

ANALYST PRESENTATION FOR FINANCIAL REPORT 2017


February 16, 2018



The Qt Company at a Glance

 **36.3 M€**
2017 Revenue

 **11,9 %**
2017 YoY Growth

 **-3.2 M€**
2017 EBIT



276
Professionals
in ten countries



>5000
Customers



>70
Industries



>1 M
Developers

First public version
of Qt released by
Trolltech (Norway)



Trolltech IPO
to Oslo exchange

2006

Trolltech
acquired by Nokia



Digia acquired Qt
Commercial licensing
business from Nokia

2011

Digia acquired
"All rights to Qt"
from Nokia



"The Qt Company"
becomes its own entity,
a subsidiary of Digia

2015

Qt Group PLC demerger from
Digia, listed independently in
NASDAQ Helsinki



Raised 15 M€
equity to fund
growth
investments

2017

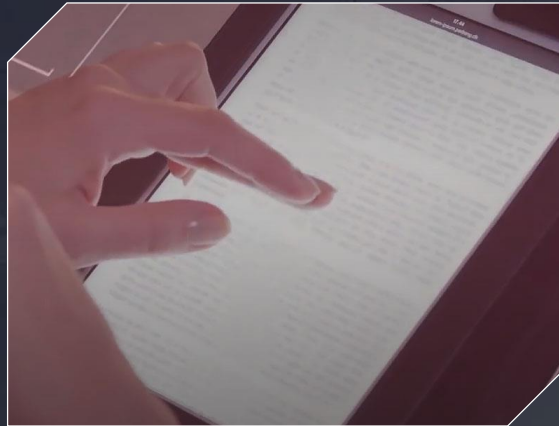
Technological revolution opens up opportunities for Qt

Touch screens
expanding everywhere



› Qt is used to create software, and especially user experiences

Seamless User Experience
across all devices



› Software built with Qt works in all end user devices, it's *cross-platform*

Need to reach markets
faster and more cost
efficiently



› Qt is a powerful software framework that helps you reach your markets faster

Software platforms and
control of data and
ecosystem



› Qt is used to create these software platforms and ecosystems

Qt powers multiple devices and applications in everyday life



Many of the devices you use daily are Qt-powered.

For example:

■ Home

Smart Beds & Sleep monitoring systems
Home Automation Systems – Wall Thermostats, Security systems
Smart showers and faucets
Connected refrigerators and kitchen appliances

■ Free Time

Smart TVs, Set-Top-Boxes
Digital Cameras
Smart phones & tablets
Medical Infusion Pumps

■ Transportation

Car IVI and Clusters
Maritime navigators
Airplane entertainment systems
Elevator control panels

■ Work

3D Printers
Vending machines & soda fountains
Industrial Automation systems, Smart factory lines
Visual collaboration systems



Randox, Medical analyzer

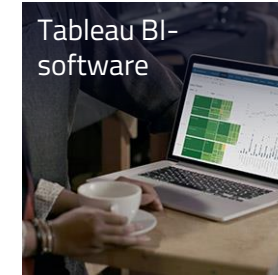


Tableau BI-software

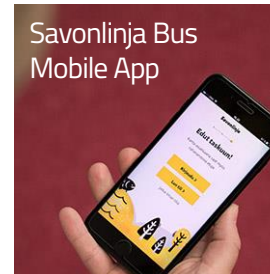


LG Smart TVs

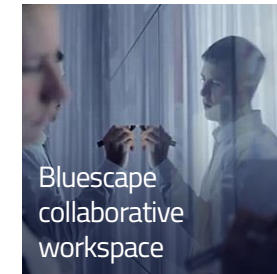


Hasselblad cameras

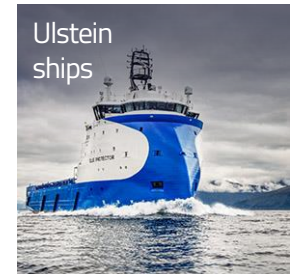
LG electronics smart washer and fridge



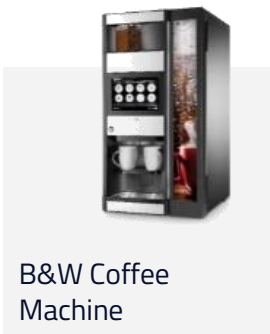
Savonlinja Bus Mobile App



Bluescape collaborative workspace



Ulstein ships



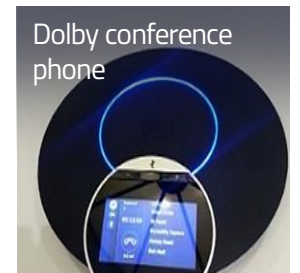
B&W Coffee Machine



Mercedes-Benz concept EQ

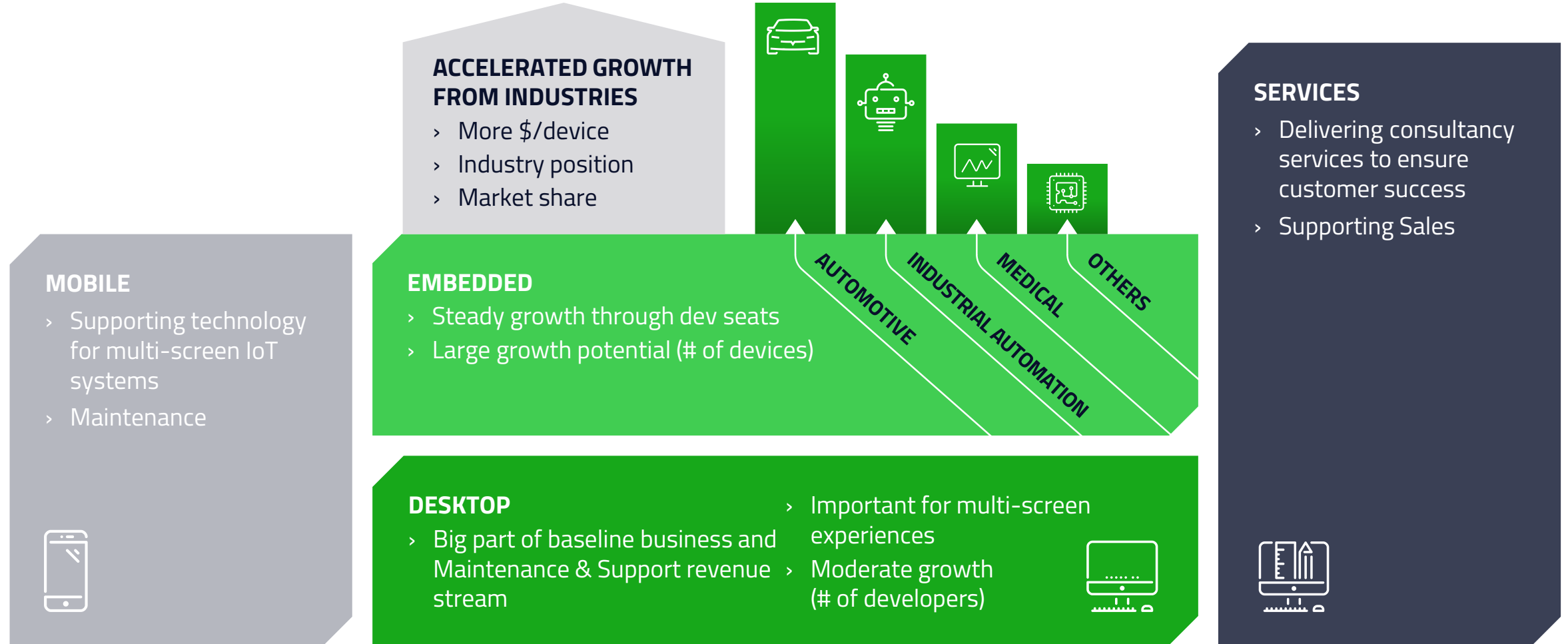


Formlabs 3D printer



Dolby conference phone

Solid baseline business - accelerated growth from industries



Investing in Growth

Growing the global sales network

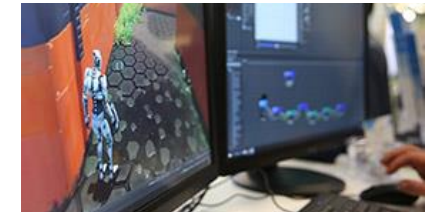
- › Local sales presence in France, UK and US (Boston)
- › Personnel increased from 220 to 276

Improved product competitiveness

- › New version releases with improved performance and stability
- › Qt 3D Studio release that provides a 3D user interface authoring system that caters to the technology requirements of both software developers and graphic designers
- › Expanding Automotive offering from IVI to full scale digital cockpit
- › New offering of libraries and development tools for the automation industry / IoT and simplified Cloud Connectivity with Microsoft Azure
- › Invested in product certifications in medical industry



Strengthening Qt Ecosystem



Qt World Summit 2017

The Qt World Summit in Berlin,
October 9-12

1.000 attendees

40 different countries and **30** industries

19 partners and more than **90** presentations

Customer keynotes:

Daimler

Behind the scenes of a show car:
Rapid UI/UX prototyping and
production

Amazon

Game Engine Evolution:
from Tech to UX

Quantitative Imaging Systems

Imaging Tissue Architecture:
The Next Frontier in Battling Cancer

Qualcomm

An IDE for
Embedded Devices

HasselbladITS

Using Qt to Build Next Generation
Intuitive High End Cameras

Panasonic ITS

Future of Vehicle
HMI Systems





Financials 2017

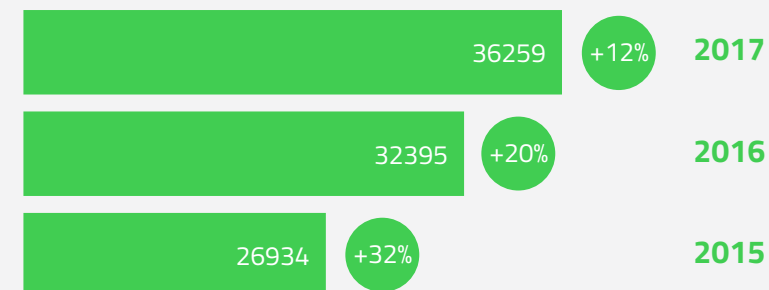


Key Financials 2017

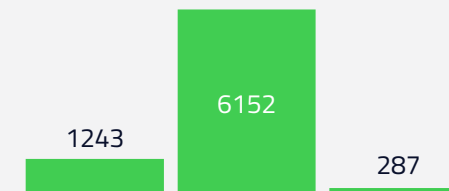
Thousand EUR	ACT 2014	ACT 2015	ACT 2016	ACT 2017
Revenue*	20 406	26 934	32 395	36 259
Growth%		32,0 %	20,3 %	11,9 %
Other operating income	1 184	1 821	528	1 128
Materials and services	650	1 003	2 313	1 130
Personnel expenses	14 608	17 348	22 990	26 975
Depreciation and amortization	984	954	866	914
Other operating expenses	7 349	7 662	8 489	11 574
Operating result (EBIT)	-2 001	1 786	-1 736	-3 206
EBIT%	-9,8 %	6,6 %	-5,4 %	-8,8 %
Average number of employees	176	180	209	255
Operating cash flow	-1 540	1 165	-1 385	-2 939
Trade receivables	3 859	5 411	7 741	7 829
Cash reserves	2 857	3 577	6 420	11 693
Short-term interest bearing debt	674	1 243	6 152	287
*One-off Nokia revenue	1 850	1 388	0	0



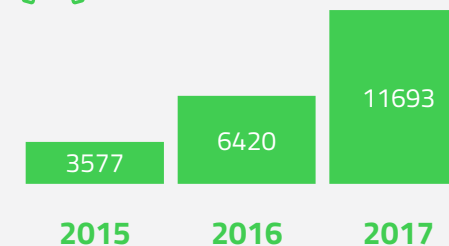
Revenue



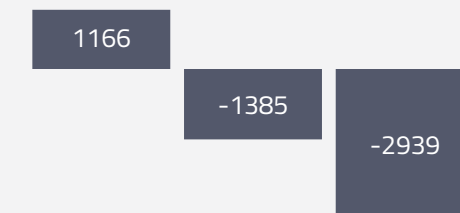
Short-term interest bearing debt



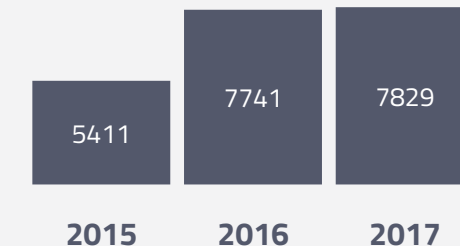
Cash reserves



Operating cash flow



Trade receivables



Key Figures 2017: Profit and loss

36,3 M€

Revenue

Consolidated Statement of Income

M€	Q4 2017	Q4 2016	Change	FY 2017	FY 2016	Change
Revenue	10,1	8,8	14,3%	36,3	32,4	11,9%
Other operating income	0,6	0,5		1,1	0,6	
Materials and services	-0,1	-1,0		-1,1	-2,3	
Employee expenses	-7,2	-5,8		-27,0	-23,0	
Depreciation and amortization	-0,2	-0,3		-0,9	-0,9	
Other operating expenses	-3,8	-2,5		-11,6	-8,5	
Operating result	-0,7	-0,3		-3,2	-1,7	
Net financial expenses	-0,1	-0,1		-0,5	-0,5	
Profit before taxes	-0,8	-0,4		-3,7	-2,3	
Income taxes	0,1	0,2		0,5	0,5	
Net profit for the financial period	-0,7	-0,2		-3,2	-1,7	
Earnings per share, EUR*	-0,03	-0,01		-0,14	-0,08	

In the second half of the year, growth accelerated to 15,4 per cent (20,3 % in comparable currencies)

- › Q4 revenue grew by 20,7 % in comparable currencies
- › Full year revenue grew by 13,4% in comparable currencies

Investment

- › Growth investment is reflected in the growth of number of personnel
- › The number of personnel was 276 at the end of Q4 (220)

Profitability

- › As expected, the operating result for the review period showed a loss due to growth investments

*Share issue Q2/2017

Key Figures 2017: Balance Sheet

11,7 M€

Solid cash position

Consolidated Balance Sheet, Assets

M€	Dec 31, 2017	Dec 31, 2016
Non-current assets		
Goodwill	6,6	6,6
Intangible assets	5,0	5,3
Tangible assets	1,1	0,6
Other receivables	2,1	1,0
Total non-current assets	14,8	13,4
Current assets		
Trade receivables	7,8	7,8
Other receivables	3,1	1,8
Cash and cash equivalents	11,7	6,4
Total non-current assets	22,6	16,0
Total assets	37,5	29,4

Non-current assets

- › No capitalized product development expenses in balance sheet

Current assets

- › No significant, individual risk exposure in accounts receivable
- › Solid cash position
 - › The rights offering was successful and the company raised net proceeds of approximately EUR 15.0 million

Key Figures 2017: Balance Sheet

15,3 M€

Gross proceeds

**Rights offering
completed in April**

Consolidated Balance Sheet, Equity and Liabilities

M€	Dec 31, 2017	Dec 31, 2016
Total equity	20,3	8,3
Non-current liabilities		
Interest-bearing debt	0,4	0,1
Deferred tax liabilities	0,3	0,3
Advances received	0,8	0,5
Total non-current liabilities	1,5	0,8
Current liabilities		
Interest-bearing debt	0,3	6,2
Advances received	9,1	8,3
Trade payables	1,4	0,8
Other liabilities	5,0	5,1
Total current liabilities	15,7	20,4
Total liabilities	17,2	21,2
Total equity and liabilities	37,5	29,4

Equity

- › Rights offering completed in Q2

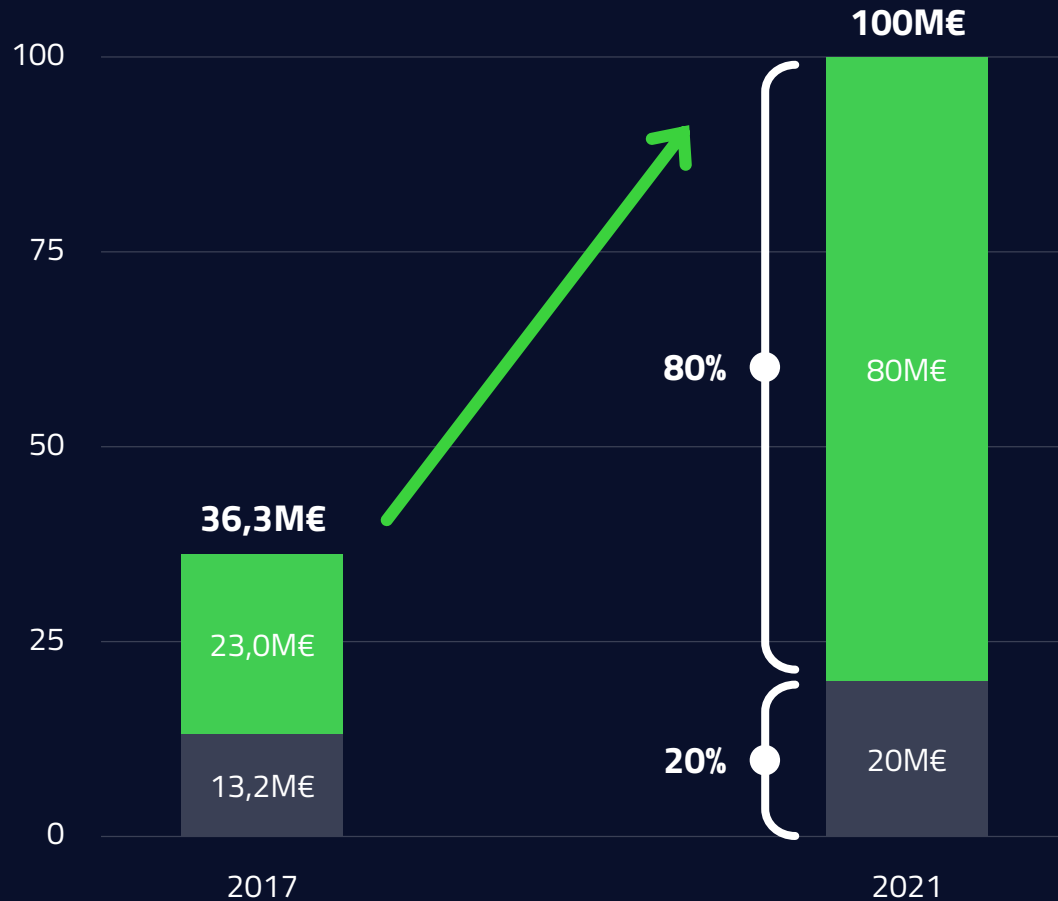
Current interest bearing liabilities

- › Ilmarinen loan (6,0 M€) fully repaid in Q2



Strategy execution & Outlook 2018

2021 Goal: 100M€ Revenue, >15 % EBIT



License Sales & Consulting (target 80% of revenue):

- › 60%-p. of Revenue from License Sales
 - Build scalable business model with recurring revenue from Distribution licenses
- › 20%-p. of Revenue from sustainable stand-alone Consulting & Premium Support business
- › Mainly from organic growth, but selective use of M&A is possible to support the growth

Support & Maintenance (target 20% of revenue):

- › Sustainable business model with automatically renewing annual maintenance for the Developer license installed base
- › Auto-renewals defend the existing business from customer churn and bring efficiency gains in Business Operations

Strategic Goals for 2017 - 2021

Revenue

- › Delivering on growth strategy is the most important goal
- › Selective use of M&A to support the growth

Total expenses






- › Executing growth investments to enable top-line growth

EBIT

- › Deliver positive EBIT in FY2019
- › Reach EBIT higher than 15% of Net Sales in FY2021

Dividend policy

- › The company's aim is to refrain from the distribution of dividends until further notice

	2016	2017	2018	2019	2020	2021
Net Sales	€32,4M	€36,3M				€100M
Total expenses	€34,7M	€40,6M	Increase up to 10M€	Moderate increase	Moderate increase	Moderate increase
Investment funding	Interest bearing debt	Proceeds from share issue	Proceeds from share issue	Cash flow	Cash flow	Cash flow
EBIT	-€1,7M	-€3,2M		Positive		> 15% of Net Sales

Outlook 2018

- › In comparable currencies, revenue in 2018 is estimated to increase by over 15 per cent year-on-year
- › Due to investments in growth, the company's operating result will show a substantial loss in 2018
- › Quarterly variation in revenue growth continues due to timing of large deals impacting performance of isolated quarters



THE FUTURE
IS WRITTEN WITH

