



# H1 RESULTS & FUTURE OUTLOOK

Vincit Investor Relations  
Presentation

25.8.2022

**VINCIT**

# PRESENTING TODAY



**Jens Krogell**

**VINCIT**  
Chief Strategy Officer



**Julius Manni**

**VINCIT**  
Chief Executive Officer

# INTRODUCTION TO NEW VINCIT

## VINCIT AFTER THE MERGER (1.7.2022)

**2007**

FOUNDED

**2016**

FIRST NORTH

**~850**

EMPLOYEES

**450+**

CUSTOMERS

**20%**

WOMEN

**30**

NATIONALITIES

B I L O T

**15.7**

REVENUE (M€)

VINCIT

**35.8**

REVENUE (M€)

H1 2022  
COMBINED TOTAL

**51.5**

REVENUE (M€)



**FINLAND** Tampere, Helsinki, Turku, Oulu, Jyväskylä, Kuopio  
**SWEDEN** Stockholm **POLAND** Poznan, Warsaw **USA** Irvine, Phoenix

**VINCIT**



# Agenda

Overview of 2022 H1 results

Finland profitability improvement plan

Future outlook

Q&A



VINCIT



# Overview of H1 2022 results

# H1 2022 HIGHLIGHTS



- Close to 17% growth meeting our expectations, great performance especially in Vincit USA with strong 67% growth
- Profitability in Finland was below expectations mainly due to an imbalance between customer prices and high salary inflation.
- Utilization and customer demand on good level
- #1 Great Place to Work in Finland.



Vincit X Bilot

- Successful pre-integration project! New organization and leadership in place combining best of both worlds.
- No major hiccups or employee exit peaks during the preparation phase and merger closing.
- Customers keen to discuss our new combined offering and deals closed already before merger.



Bilot

- 15% growth and profit level was below expected due to slow start of projects in January-February as well as Covid-related sick-leaves
- Revenue growth and operative profit improved clearly in March-June
- Multiple new strategic partnerships and projects closed during H1, ranging from global B2B E-Commerce to S/4HANA implementations

# H1 2022 - Vincit



MEUR	1-6/2022	1-6/2021	Change, %
<b>Revenue</b>	<b>35.8</b>	<b>30.7</b>	<b>+16.6%</b>
EBITDA	2.8	3.8**	
% of Revenue	8.0%	12.4%	
<b>Adjusted EBIT*</b>	<b>2.6</b>	<b>3.5**</b>	
% of Revenue	7.4%	11.4%	

*\*) EBIT before amortization of goodwill*

*\*\*\*) H1 2021 Includes 0.8 M€ capital gain from divestment of LaaS Company Oy*

# H1 2022 - Vincit Business Areas



MEUR	1-6/2022	1-6/2021	Change, %
<b>Revenue, Service business</b>	<b>34.5</b>	<b>29.2</b>	<b>+18.3%</b>
Adjusted EBIT*	2.6	3.1	
% of Revenue	7.6%	10.7%	
<b>Revenue, Vincit Finland</b>	<b>29.2</b>	<b>26.1</b>	<b>+12.1%</b>
Adjusted EBIT*	1.8	2.5	
% of Revenue	6.1%	9.8%	
<b>Revenue, Vincit USA</b>	<b>6.2</b>	<b>3.7</b>	<b>+67.2%</b>
Adjusted EBIT*	0.8	0.6	
% of revenue	13.5%	15.0%	
<b>Revenue, Product Business</b>	<b>1.4</b>	<b>1.6</b>	<b>-12.3%</b>
Adjusted EBIT*	0.0	0.4**	
% of revenue	0.4%	25.4%	

\*) EBIT before amortization of goodwill

\*\*) H1 2021 Includes 0.8 M€ capital gain from divestment of LaaS Company Oy

# H1 2022 - Bilot



MEUR	1-6/2022	1-6/2021	Change, %
<b>Revenue</b>	<b>15.7</b>	<b>13.7</b>	<b>+15.0%</b>
EBITDA	-0.7	1.0	
% of Revenue	-4.5%	7.5%	
<b>Adjusted EBIT*</b>	<b>0.1**</b>	<b>0.9</b>	
% of Revenue	0.4%	6.9%	

\* EBIT before amortization of goodwill

\*\* Excluding non-recurring transaction expenses related to Vincit X Bilot merger approx. 1,0M€

# H1 2022 - Vincit & Bilot combined



Vincit will publish the full year guidance during September

MEUR	1-6/2022	1-6/2021	Change
<b>Revenue</b>	<b>51.5</b>	<b>44.4</b>	<b>+16.1%</b>
EBITDA	2.0	4.8	
% of Revenue	3.9%	10.9%	
<b>Adjusted EBIT*</b>	<b>2.7**</b>	<b>4.5</b>	
% of Revenue	5.2%	10.0%	
Personnel	848	780	

\* EBIT before amortization of goodwill

\*\* Excluding non-recurring transaction expenses related to Vincit X Bilot merger approx. 1,0M€

# Combined balance sheet



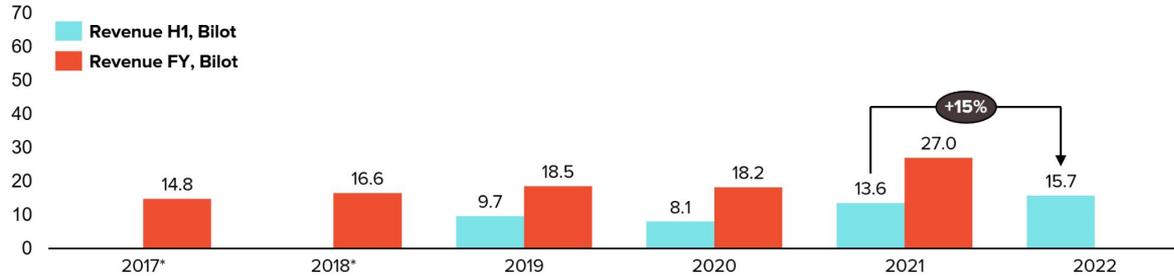
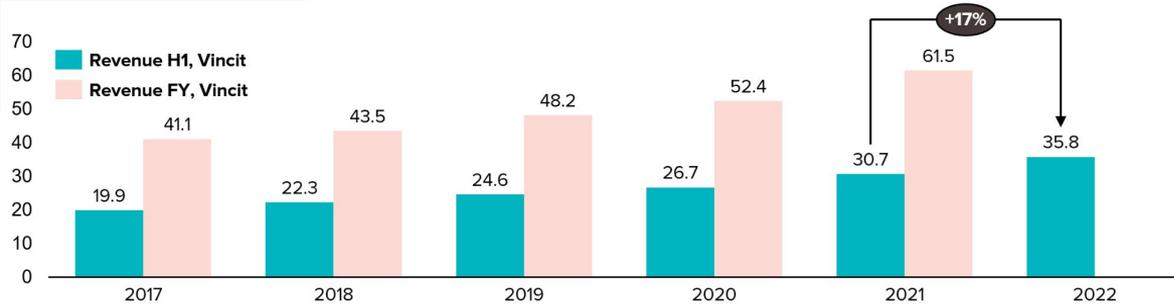
MEUR	6/2022, Combined	6/2021, Combined
Balance sheet total	61.8 M€	61.2 M€
Equity ratio	69.3%	72.4%
Goodwill	25.9	23.3

MEUR	6/2022, Old Vincit	6/2021, Old Vincit
Balance sheet total	39.2 M€	37.1 M€
Equity ratio	66.3%	67.3%
Goodwill	13.6	14.8

MEUR	6/2022, Old Bilot	6/2021, Old Bilot
Balance sheet total	22.6 M€	24.2 M€
Equity ratio	74.4%	80.2%
Goodwill	12.3	8.5



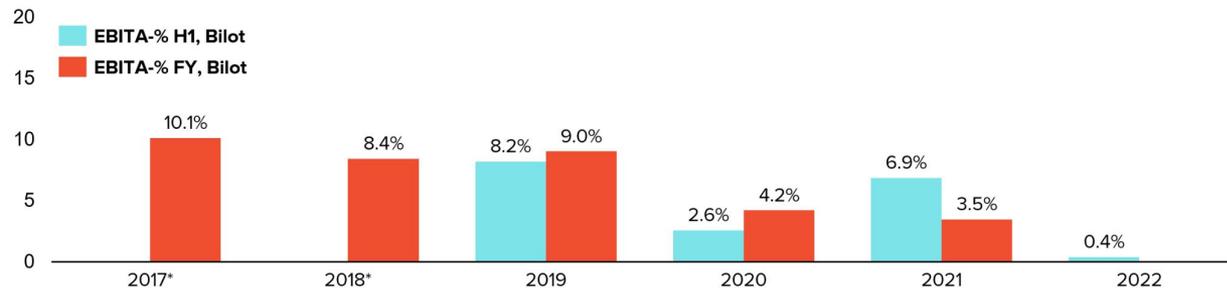
# H1 and Financial Year revenue growth during 2017-2021, Vincit & Bilot



\* H1 figures not publicly available information



# H1 and Financial Year adjusted EBIT-% development during 2017-2021, Vincit & Bilot



\* H1 figures not publicly available information

Vincit's Adjusted EBIT comparable to Bilot's EBITA. Bilot's 2022 EBITA-% excludes non-recurring transaction expenses related to Vincit X Bilot merger



# **Finland profitability improvement plan**

# Vincit's Integration Synergy Plan: 3M€ savings in 2023

1

Improving billable- / non-billable work ratio

2

Consolidating offices

3

Overlaps in services & other synergies



# Largest impact will be achieved through business fundamentals

1

Average price development

2

Customer and market selection

3

Improving utilization





# Future outlook

# VINCIT STRATEGIC CHOICES



**END-TO-END DIGITAL  
COMMERCE AS  
GLOBAL GROWTH  
SPEARHEAD**

**BUILD ON TOP  
OF OUR STRONG  
DIGITAL SKILLSET**

**UNLEASH THE  
POTENTIAL OF  
CONTINUOUS  
SERVICES**

**BE THE BEST  
PLACE TO WORK  
AND GROW**

*Strategy to be updated during H2 2022*

# Realizing potential of Vincit x Bilot

Integration process expected to be fully completed by the end of 2022

## CUSTOMERS AND OFFERING

Complementing  
mix of customers

*(company size,  
industry, geographies)*

Comprehensive offering  
and deeper relationships

*(value potential for us  
and our customers)*

Balanced mix of  
service revenue streams

*(recurring vs. projects)*

## TALENT AND MARKETS

Stronger foundation for global  
service model across customer markets

More career opportunities and  
attractiveness to diverse talent

## SIZE AND SYNERGIES

Bigger size means bolder moves, credibility and operational synergies



# H1 success stories of new Vincit

- **Our strategy E2E Commerce.** Combining custom software, design and data with Enterprise platforms. Case Large Retailer.
- **Relevant player in SAP S/4HANA.** Certia S/4HANA migration public tender won.
- **Public segment in Finland.** Strategic focus bringing results already in H1.
- **Locally relevant, Globally delivered.** Approx. 20% of Revenue outside Finland (12% H1 2021)
- **Great(est) place to work, once again.** #1 Company in Great Place to Work, Finland



# OUR SUSTAINABILITY THEMES



## DIGITAL SOLUTIONS FOR DIVERSE USERS

We develop digital solutions for diverse users, citizens and customers. We make digital solutions accessible, ensure data privacy and security and strengthen our expertise in these topics. We want to promote digital inclusion in society.



## BUILDING SUSTAINABLE AND CLIMATE-FRIENDLY SOLUTIONS

We develop digital solutions that promote sustainable and circular business together with our customers. We are continuously reducing Vincit's carbon emissions and aim to be carbon neutral in 2023.



## PROMOTING WELLBEING AND WORK-LIFE BALANCE

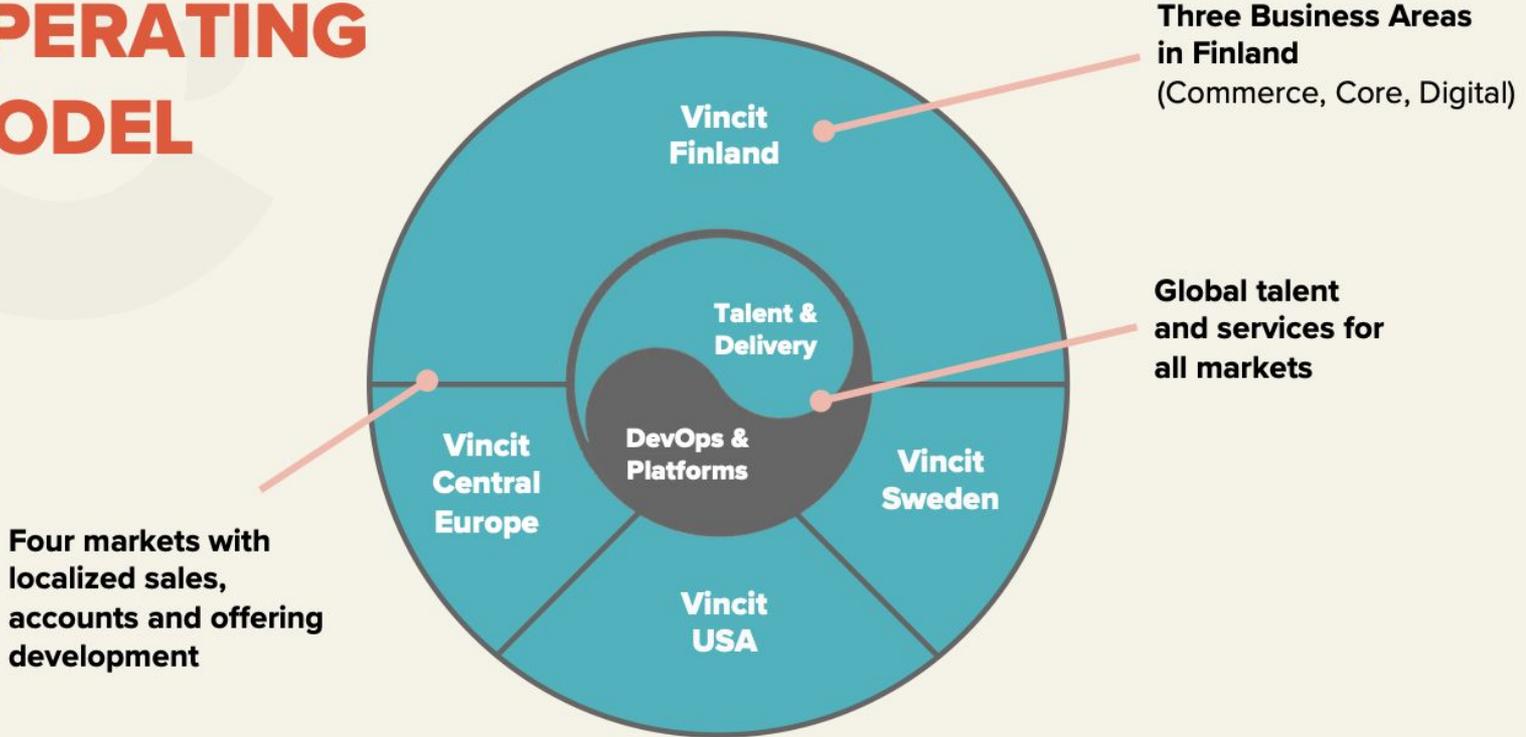
We support Vincitizens' wellbeing with a wide range of action. We organize a range of training and study groups to support individual career paths. We are everyday ambassadors on human-centered work life and share our learnings.



## FOSTERING A WELCOMING CULTURE

We want everyone at Vincit to feel welcome as themselves. We want to increase diversity at Vincit from a broad range of perspectives such as nationality, gender and age, educational background and family status. We aim to increase the share of women in Vincit to 30% by 2025 and increase the cultural diversity.

# OPERATING MODEL



*Vincit Solutions continues as an independent product business outside the main operating model*

# Current status of the integration work

## A) Integration process & synergies

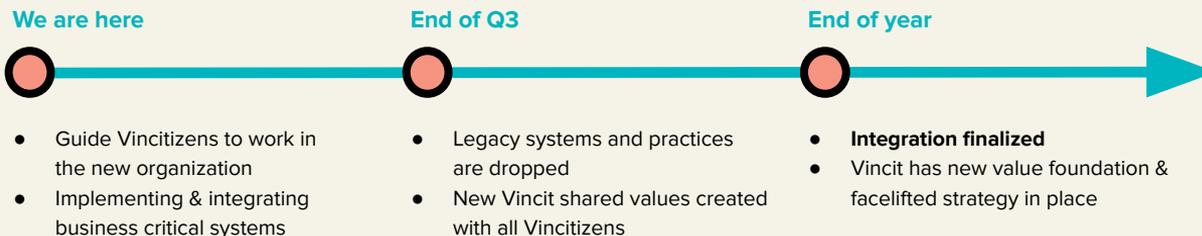
- People & Business
- Processes & systems
- Premises

## B) Strategy & values

- Strategic focus clarified and targets communicated
- A new, shared value base

## C) Other projects

- Improve business intelligence capabilities
- Harmonizing our large number of compensation models
- Prepare for further M&A growth



SHORT-TERM

# Must-Win-Battles



Price increases

Customer &  
Market selection

Realising full  
potential of the  
new offering &  
capabilities

Winning in the  
talent market

Finalizing the  
integration  
process



# Q&A

# THANK YOU <3

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CEO

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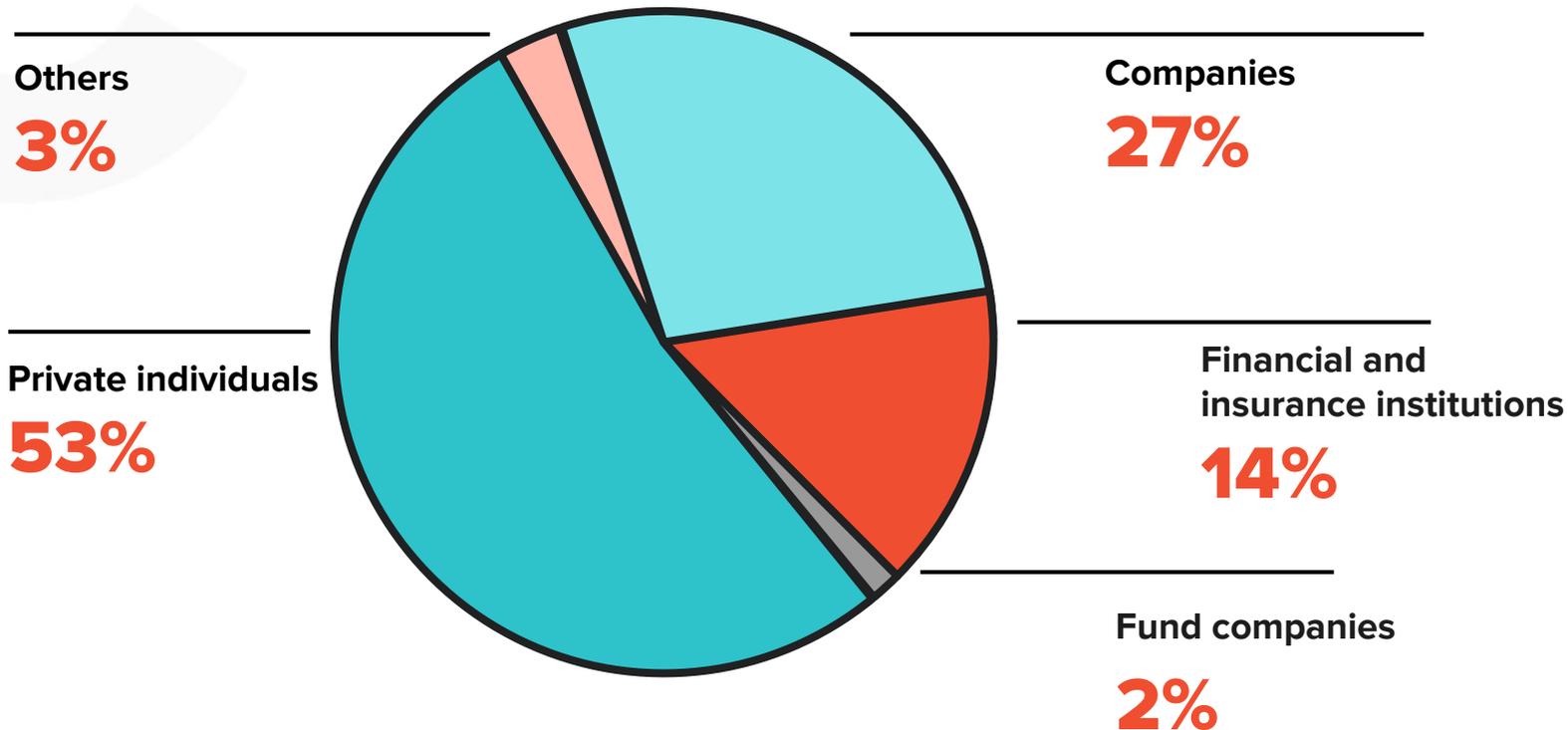


**VINCIT**



# Appendices

# VINCIT OWNERS AS 31.7.2022



# VINCIT LEADERSHIP TEAM 1.7.2022



**Julius Manni**  
Chief Executive Officer  
All-round-janitor



**Ville Houttu**  
Vincit USA  
Sales & Offering USA  
Local delivery & operations



**Jens Krogell**  
Chief Strategy Officer  
Emerging markets (SWE, CE),  
Business strategy & performance,  
Brand & Sustainability



**Mari Kuha**  
Chief People Officer  
People Operations



**Anssi Kuutti**  
Talent & Delivery  
Project business and  
professional services



**Henna Niiranen**  
DevOps & Platforms  
Continuous development  
and lifecycle services



**Jan Landén**  
Vincit Finland  
Sales & Offering Finland



**Teemu Uotila**  
Chief Legal &  
Operations Officer  
Legal, M&A, partners, quality,  
risk mgmt, IT, premises



**Niklas Wasenius**  
Chief Financial Officer  
Finance operations