QPR Software in Brief
Financial Results 2019

QPR Software
in Brief

- Software and solution provider specialized in process mining, process and enterprise architecture modeling and performance management.
- Founded in 1991. Listed on NASDAQ Helsinki.
- Customers in over 50 countries.
- Own R&D, located in Helsinki and Oulu, Finland.
- Software product portfolio renewed in recent years, funded from cashflow
  - New process mining software and new User Interface for all software products.
  - Extension of process modeling product to enterprise architecture product.
- Several patents in the US for process mining technology.
- Software accounts for 70%, implementation 10% and consulting 20% of net sales.

Financial Results 2019

- Net sales amounted to EUR 9,513 thousand (2018: 10,047).
  - Process mining software QPR ProcessAnalyzer's net sales growth was strong, +49%
  - Group net sales growth decreased 5% due to decline in modeling and performance management software and consulting net sales.
- Investments and outlays into growth business areas continued.
  - EBITDA EUR 1,036 thousand.
  - Operating profit (EBIT) EUR -213 thousand (521).

Outlook

Markets and Business Outlook

- In recent years, QPR has made significant investments in developing the Company´s process mining software, as well as in renewing the user interfaces of its software products.
- We estimate that the demand for process mining software and related services will continue to grow rapidly over the course of 2020.
- In developed markets, we expect the competition for process and enterprise architecture modeling software, as well as for performance management software to remain tight.
  - However, there is still growth potential for these products in emerging markets, especially for performance management software.

Financial Outlook and Mid-term Targets

- **Outlook 2020**
- Based on actual sales performance in early 2020 and current sales funnel, QPR expects net sales to grow in 2020 (2019: EUR 9,513 thousand).
- The most significant sources of growth are international process mining and performance management software sales and deliveries.
- Operating result (EBIT) is estimated to be negative (2019: -213 thousand).
  - Increase in European sales personnel.
  - Growth investments in software products.
- EBITDA is expected to be positive (2019: EUR 1,036 thousand).

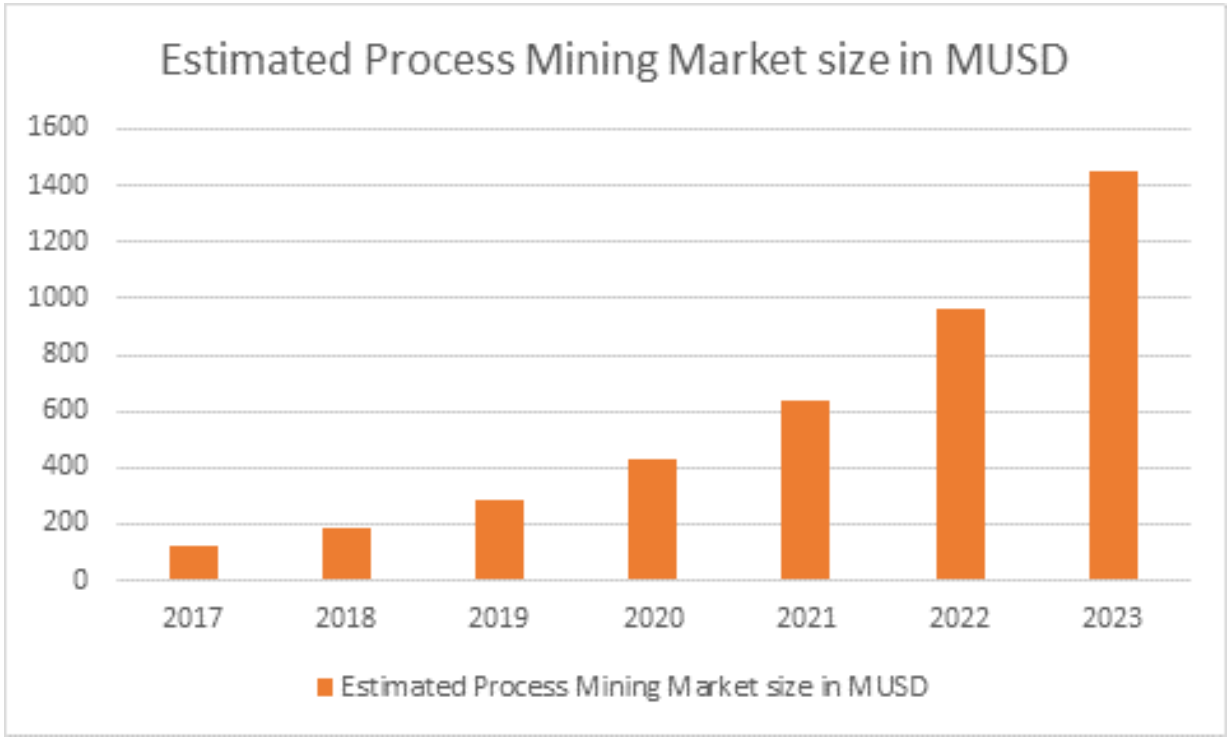
- **Mid-Term Financial Targets**
- Target in 2020 – 2022 is to grow net sales by an average of 15 – 20% per annum.
- The target is mainly based on international net sales growth in process mining.
  - In process mining, we target an annual growth of over 50%.

Process Mining

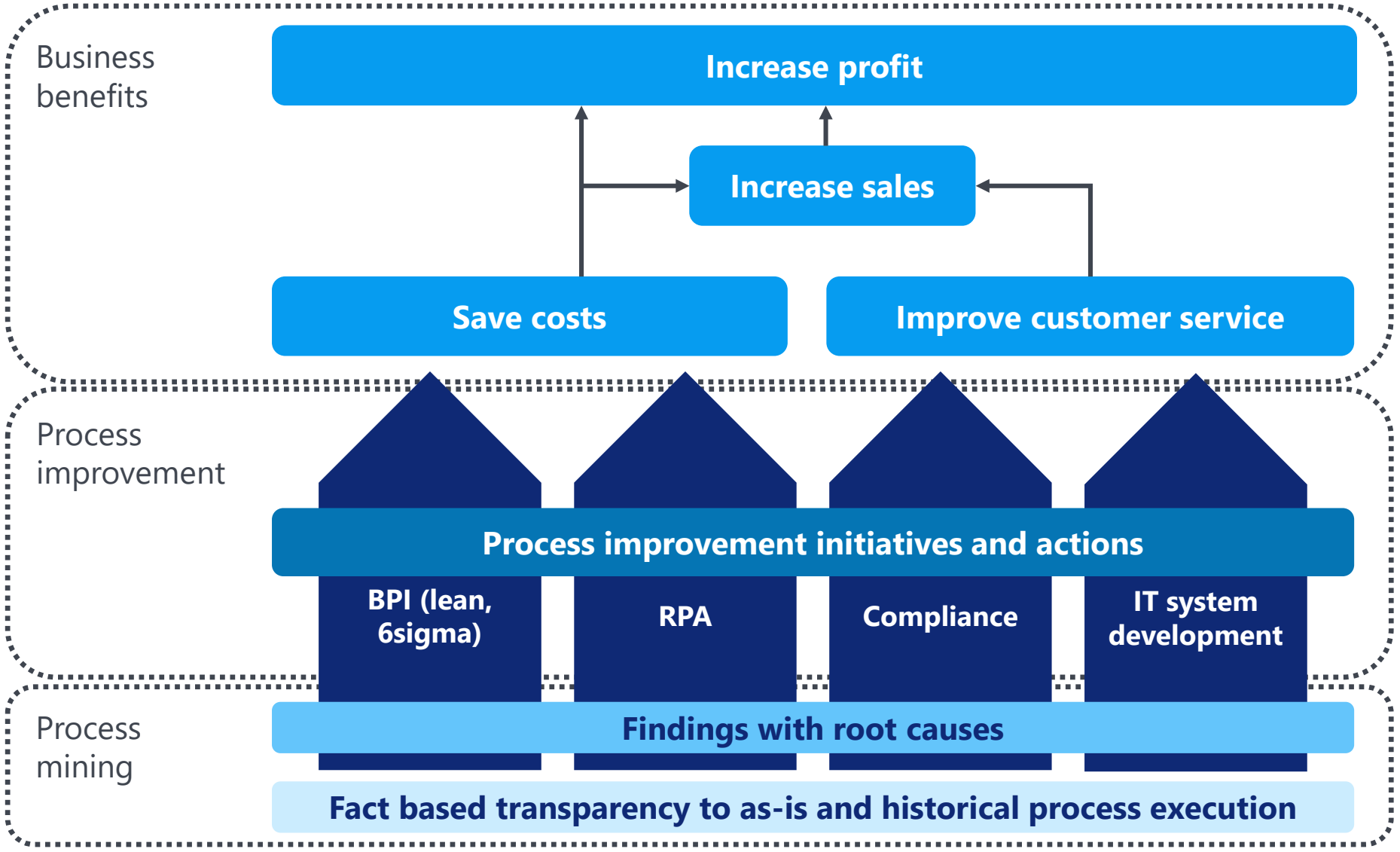
Growth Business

There is a Growing Demand for Automation and Digitalization

- Process mining market is growing strongly, driven by synergies with process automation
  - Recent forecast (by Markets&Markets) sees over 50% compound market growth 2019-2023 to over USD 1.4 billion
  - According to Gartner Market Guide for Process Mining, QPR has "one of the leading offerings" in the market
  - The market size in was approximately USD 250 million
- Investments in digital optimization and transformation are strongly increasing



Process Mining Value Realization



What are the business benefits?

How to utilize process mining to create business value?

What does process mining deliver?

From Detecting the Problems to Preventing Them

Past
Detect problems in processes

Existing data used for identifying process exceptions and seeking out root causes for reducing process waste

Present
Detect problems in operations

Use on-going data for determining Process KPIs and monitoring performance

Future
Predict problems in operations

Identify problems using predictive analytics and AI to prevent problems for on-going cases

Customers

A Sample of Our Customers

Dare to improve.

Founded
1991

Corporate headquarters
Helsinki, Finland

Stock symbol
QPR1V: Nasdaq, Helsinki

Sold licenses
Over 1 million worldwide

Customers
Over 2000

Industry recognitions
Gartner, Ventana Research,
Palladium, Forrester Research

Products
QPR ProcessAnalyzer
QPR Metrics
QPR ProcessDesigner
QPR EnterpriseArchitect