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.

- 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.

January - June 2020

- Net sales amounted to EUR 4,830 thousand (January-June 2019: 5,033).

- Net sales decreased 4% due to weak software license sales in the second quarter.

- Cloud services and consulting net sales increased.

- EBITDA was EUR 330 thousand (650).

- Operating result (EBIT) amounted to EUR -339 thousand (29).

- Earnings per share -0.026 (-0.004)

- Strong financial position
  - No long-term interest-bearing bank loans.
  - Gearing ratio -23% (-15) , equity ratio 50% (52).

QPR

April - June 2020

- Net sales EUR 2,041 thousand (Q2 2019: 2,285).
    - Net sales decreased 11% due to a 77% decline in software license sales.
    - Cloud services (+7%) and consulting net sales (+14%) increased.
- EBITDA EUR -60 thousand (153).
- Operating result (EBIT) EUR -384 thousand (-158).
- The coronavirus pandemic weakened second quarter results.
    - Customers postponed software purchase decisions.
    - Several significant software license deals were postponed to H2 2020.
- Outlook for 2020 remains unchanged.

Net Sales Distribution

EUR in thousands	Apr-Jun, 2020	Apr-Jun, 2019	*Change, %*	Jan-Jun, 2020	Jan-Jun, 2019	*Change, %*	Jan-Dec, 2019
Software licenses	79	341	*-77*	666	832	*-20*	1,552
Renewable software licenses	121	190	*-36*	608	733	*-17*	1,102
Software maintenance services	587	639	*-8*	1,158	1,283	*-10*	2,731
Cloud services	273	254	*7*	536	518	*3*	1,068
Consulting	981	861	*14*	1,861	1,667	*12*	3,061
Total	2,041	2,285	*-11*	4,830	5,033	*-4*	9,513

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Markets and Business Outlook

- In recent years, QPR has made significant investments in developing its process mining software, as well as in renewing the user interfaces of its software products.

- The demand for process mining software and related services will continue to grow rapidly in 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.

Outlook for 2020

- Based on actual sales performance in 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%.

QPR

Customers

A Sample of our Customers

QPR

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