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Trifork interim report 2016

EBITDA is on track

In the first half year of 2016 Trifork grew revenue to EURm 33.4, which is an increase of 15% compared to the same period in 2015. This was at the lower end of expectations but increased growth is expected for the second half of the year.

With an EBITDA of EURm 5.4 the expectation for EBITDA was met.

For 2016 the company expects total revenue of EURm 75 and EBITDA of EURm 12.

Focus on management and start-ups

Trifork has added two new people to our Board and top management. Adrian Cockcroft as a new board member and Soren Brogaard as new CTO. Both of them are focused on making Trifork more visible and competitive in strategic consulting regarding digital transformation of our clients businesses.

In the first half of 2016 we invested a significant amount in product development and we have an increasing number of very interesting product start-up companies in the group. It's our goal that five of these start-ups will receive external funding within the next year, to expand and grow their businesses as fast as possible.

Financial development

- Revenue
 - Trifork achieved total revenue of EURm 33.4, corresponding to a growth of 14.8% compared to the same period in 2014 where EURm 29.1 was achieved.
 - The Academy segment decreased revenue from EURm 6.1 to EURm 3.9.
 - The Project segment increased revenue from EURm 19.2 to EURm 24.8 (29.5% increase).
 - The Product segment totalled revenue of EURm 3.9, which was at the same level as in the first half of 2015.
- EBITDA
 - EBITDA for the period totalled EURm 5.4 corresponding to an EBITDA-margin of 15.7% and a 21.8% increase in EBITDA compared to the first half of 2015 where EURm 4.3 was achieved.
 - The Academy segment achieved an EBITDA of EURm 0.1 which was at the same level as in the first half of 2015.
 - With EBITDA of EURm 4.5 the Project segment improved results from the same period of 2015 by 90.1%.
 - The Product segment reported EBITDA of EURm 1.2 compared to EURm 1.3 in the same period of 2015.
- EBIT for the period totalled EURm 4.0 corresponding to an EBIT-margin of 12.0% and a 13.7% increase in EBIT compared to the first half of 2015 where EURm 3.5 was achieved.
- Profit before tax (EBT) amounted to EURm 4.8, which equals a 6.1% decrease compared to the same period in 2015, where EURm 5.2 was achieved.
- Net profit for the period was EURm 4.3, which is at the same level as the first half of 2015, where EURm 4.5 was achieved.

"We are overall happy with a positive development in the core business of delivering solutions to our clients." says Jørn Larsen, CEO of Trifork, and continues: "Our primary markets in Denmark, UK and the Netherlands show good momentum and we expect them all to increase growth-margins in the second half of 2016."

Significant events in the first half of 2016

- In the Academy segment the GOTO conference took place for the first time in Stockholm. A new line of conferences was also initiated with the Trifork Start-up conference in London. This conference is focused on introducing start-up companies and investors to each other. In the second half of 2016 GOTO Accelerate will be taking place in London. This new conference targets business leaders and focuses on how to use new technology for strategic advantage.
- At the beginning of 2016 Trifork acquired 88% of the hosting company Netic A/S. This acquisition has increased the capacity of the Trifork operations part of the Product segment and makes Trifork able to act as a full service provider to its clients. Originally it was expected to consolidate the results from the acquisition as of January 2016 and forward but due to a delay in the final signing of the agreement only Q2-2016 has been consolidated. In the second half of 2016 Netic will be consolidated in the whole period.
- The focus on product based business has resulted in the founding of one new company in 2016. In Denmark the company Humio ApS was founded to focus on the development and international sales of the product "Humio", which is an platform for performing online analytics across several large data sets.

Focus for the second half of 2016

- For Academy the goal is to increase EBITDA-margin based on the three GOTO conferences in Berlin, London and Copenhagen.
- We will focus on consolidating our business to provide our clients with end-to-end services, from consulting to operations. Our ability to operate client systems was strengthened significantly with the acquisition of the hosting company Netic which is now an integrated part of the Trifork group.
- We will increasingly expand our product focus by launching more product start-ups and grow the ones we have. We are working on new ideas to increase the speed at which we can grow these companies

Financial outlook for 2016

- Trifork expects in 2016 total revenue of EURm 75, corresponding to a growth of 27% compared to 2015. This is EURm 5 less than previously expected. The reason for the adjustment is to be found in a delay in the financial consolidation of the acquisition of Netic and the effect of the decrease in in GBP/EUR exchange rate after the BREXIT election in UK.
- The expectations to EBITDA are maintained to be EURm 12, corresponding to an EBITDA-margin of 16% and a 35% increase in EBITDA compared to 2015.

Kind regards,

The board of Directors
Trifork Holding AG

About Trifork

Trifork was founded in 1996 and is an innovative software development company focusing on new technologies and trends through conferences, innovative software development through customer projects and on delivering software products to create business value for its customers. Trifork develops and delivers business critical IT-systems for several sectors including finance, healthcare, government, manufacturing and telecom. Trifork employs just over 400 people in 22 offices in Aarhus, Aalborg, Amsterdam, Berlin, Budapest, Buenos Aires, Copenhagen, Eindhoven, Esbjerg, Krakow, London, Leeds, San Francisco, Stockholm and Zürich. In 2015 Trifork achieved total revenue of EURm 59.0 with an EBITDA of EURm 8.9.