

Sopheon delivers profitable growth with high market potential

Website: www.sopheon.com

Listed on AIM, Sopheon (SPE:AIM) has spent recent years successfully evolving from a niche software offering into a mission-critical enterprise platform in a market increasingly acknowledged by industry analyst firms like Gartner and Forrester Research.

This market – Enterprise Strategy & Innovation Management – is expected by some to become the next major pillar of enterprise software alongside enterprise resource planning (ERP) and customer relationship management (CRM). The rewards for Sopheon of this shift are apparent.

Revenue and profit are up; new client acquisition in the first half of 2018 was up by 50% over the same period last year; the strong business momentum in the performance during the first half of this year continued into a record third quarter, traditionally the quietest quarter of the year for the company. This robust performance has caused broker finnCap to raise Sopheon's revenue estimate and EBITDA (earnings before interest, tax, depreciation and amortisation) forecast for 2018.

Many view the continued delivery of commercial results as emblematic of



**INTRODUCING...
SOPHEON**
**A PROVIDER OF ENTERPRISE
SOFTWARE THAT CONNECTS
STRATEGY WITH OPERATIONAL
EXECUTION FOR IMPROVED
CORPORATE GROWTH
PERFORMANCE.**

the growing maturity of the market Sopheon serves, and of its rising reputation for value underpinned by increasing adoption of its solutions.

SOPHEON EXPLAINED

Sopheon is listed on the AIM exchange. Initially offering knowledge management software solutions, Sopheon later applied these knowledge-management concepts to a new software solution named Accolade.

Accolade was the first software to automate a manual business process called Stage-Gate, which was employed by over 70% of companies

Shares Spotlight Sopheon

in high-intensity research and development (R&D) industries like chemicals and consumer goods.

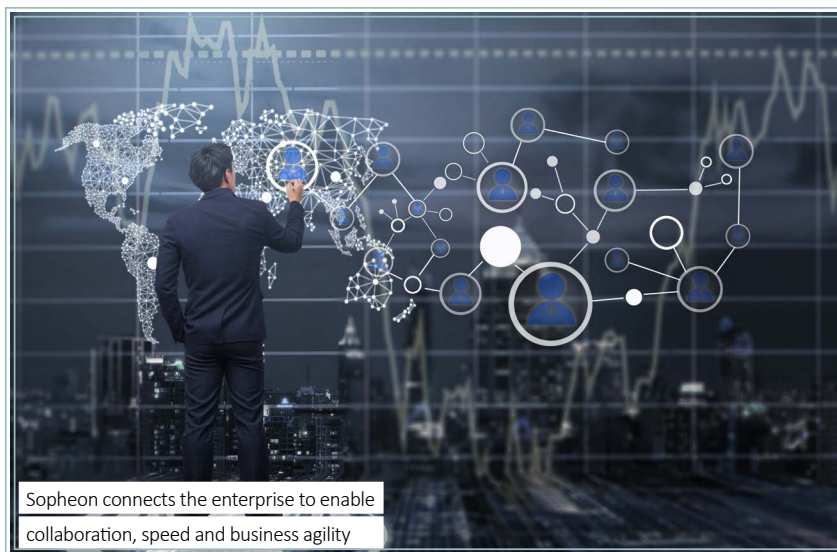
'As the business matured, we developed unique domain expertise in the innovation investment decision-making process and how it varied across different industry verticals,' says Sopheon CEO Andy Michuda.

'We have a history of leading the market with technology "firsts" and continue to do so in our development of the expanded enterprise software market. Accolade is used to manage over \$25bn in corporate investment budget, which has earned the trust of some of the world's largest and most widely-recognised market leaders to partner with Sopheon in our expansion effort.'

Fast forward to today, and Sopheon's software has been implemented by over 250 customers – many Global 500 organisations as well as mid-cap companies – and is used by more than 60,000 users in over 50 countries.

Sopheon counts amongst its clients PepsiCo, P&G, Beiersdorf, BASF, Honeywell, Merck, Lockheed Martin, Northrop Grumman, Electrolux and Philips. Sopheon is the only company named in Gartner research across all areas of the Enterprise Innovation Management lifecycle, and is named a 'Leader' in the Forrester Wave for Strategic Portfolio Management.

Sopheon has transitioned its software from an R&D decision support and process automation tool into a mission-critical enterprise platform for investment decision making and strategy execution. By connecting strategic funded initiatives to the operational execution activity, Sopheon is now helping corporations



navigate and stay ahead in today's fast moving and highly disrupted digital markets.

THE INVESTMENT CASE

Digital disruption and consumerisation are creating enormous market opportunity for companies like Sopheon.

- According to the Yale School of Management 75% of the S&P 500 will be replaced by new firms by 2027.
- Entrepreneur Daniel F Prosser reckons only 13% of companies execute on strategy, and according to *The Economist* only 56% of initiatives are considered successful.

The external markets are moving and changing faster than companies can react. This has created urgency at the executive leadership level and in the boardroom to act with the speed and nimbleness of a small start-up in order to remain relevant.

To realise this ambition companies need to operate with increased transparency and alignment to execute on their strategy more quickly and more successfully. This is achieved by connecting strategic funded initiatives with operational execution activities

into a single, shared system of record enabling fast, informed and iterative decision making.

Sopheon is well positioned to become this new enterprise system of record.

ACCELERATING GROWTH

Sopheon's focus on expanding its solution to the emerging Enterprise Strategy & Innovation Management market extends the company's ambitions to sustain its own impressive growth trajectory.

The outlook for the Enterprise Strategy & Innovation Management solutions market appears particularly positive.

When considered along with the market opportunities being created by the rush toward digital and business transformation, Sopheon has the potential to continue to satisfy both customer and shareholders alike successfully into the future.

