



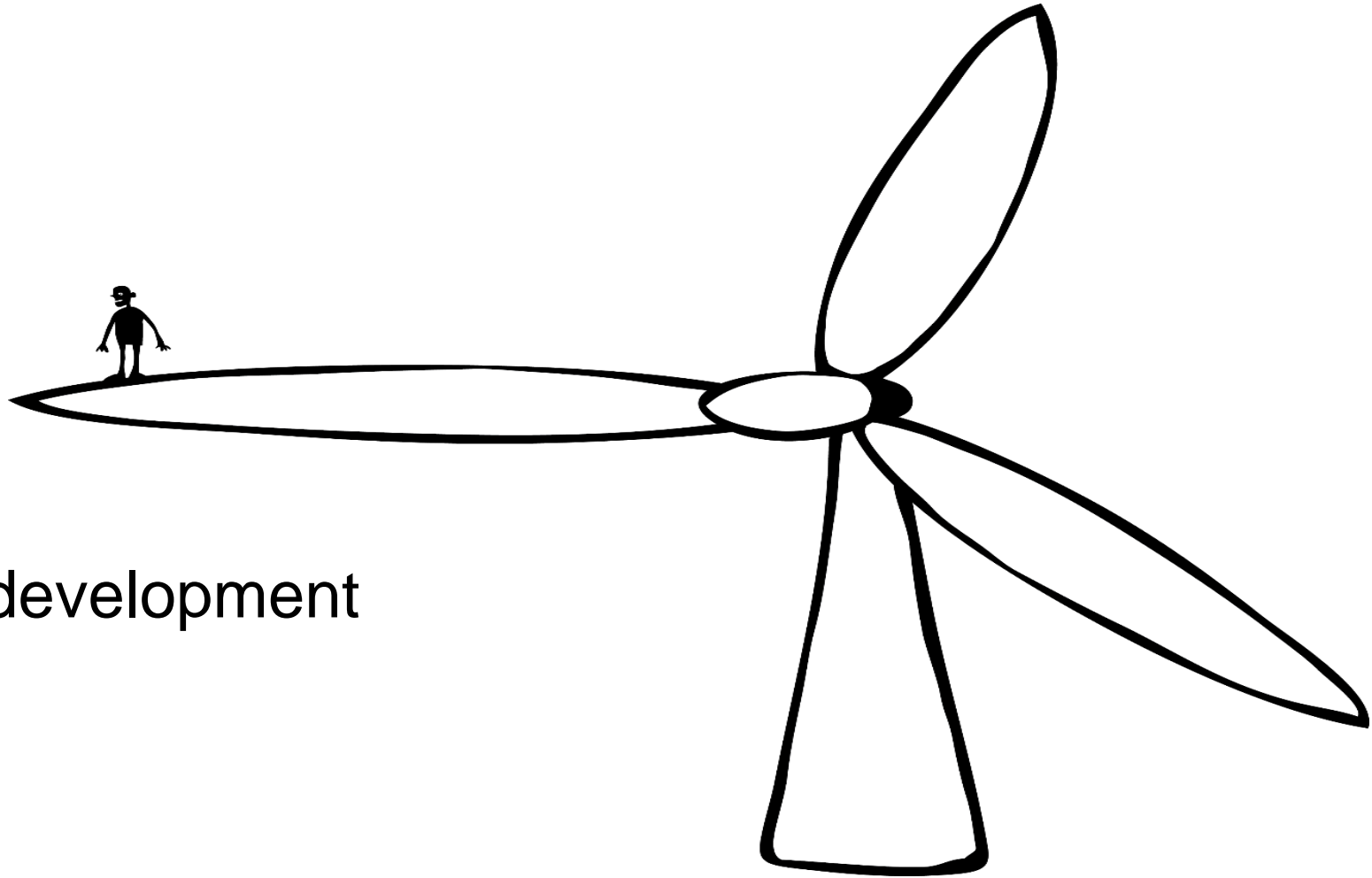
**Q4/2018: Strong  
operative performance  
produced excellent  
results**

January-December 2018  
Financial Statements Review

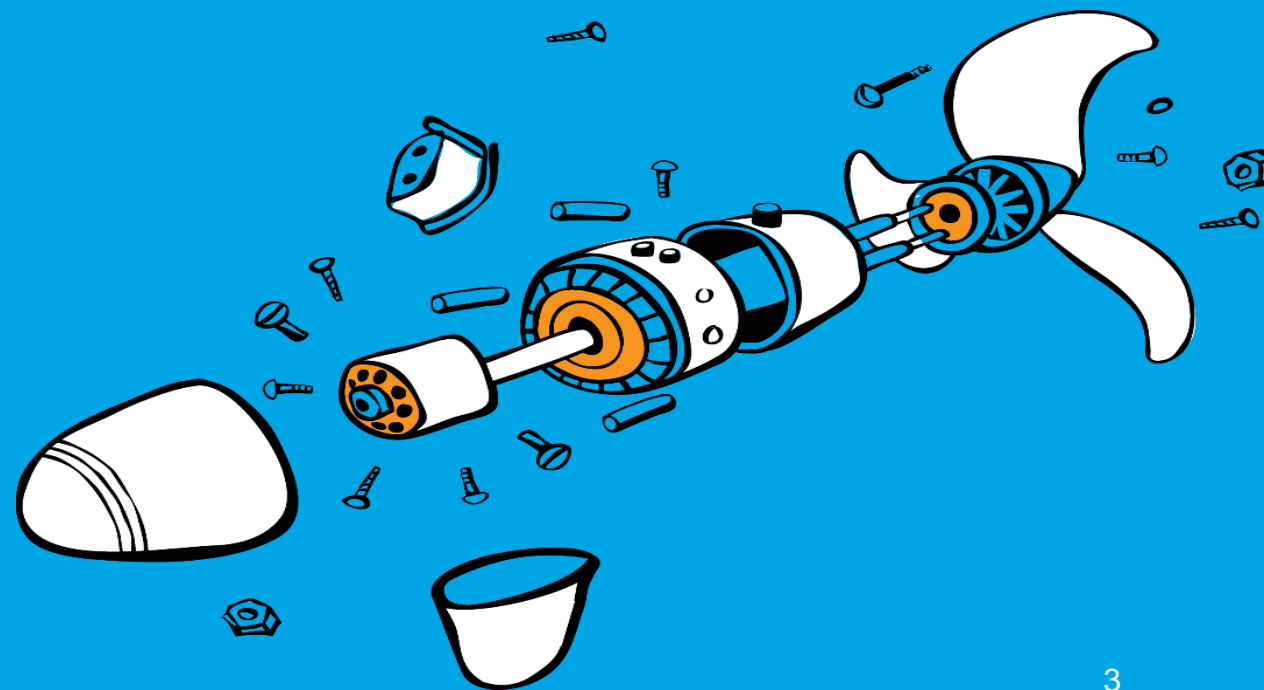
President and CEO  
Juha Näkki  
February 7, 2019

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# Highlights of 2018



# Highlights 1-12/2018

- + With strong operative performance we achieved excellent results:
  - + Operating profit exceeded EUR 20 million for the first time.
  - + Engineering Services service area's performance was excellent.
  - + Embedded systems and IoT service area recovered in the second half and performance was excellent in Q4.
- + Operating cash flow was excellent.
- + Revenue grew by 11.7% with comparable exchange rates.
  - + Eatech acquisition boosted growth.
  - + Hours sold to China increased by 35%.
- The Technical documentation service area did not meet our expectations.
  - Our customers invested less in new operating models than in the strong comparison period. Our business was also burdened by continued challenges in Germany.
- **The Board's dividend proposal: 0.30 (0.23) euro/share.**

# Operating environment continued to develop positively

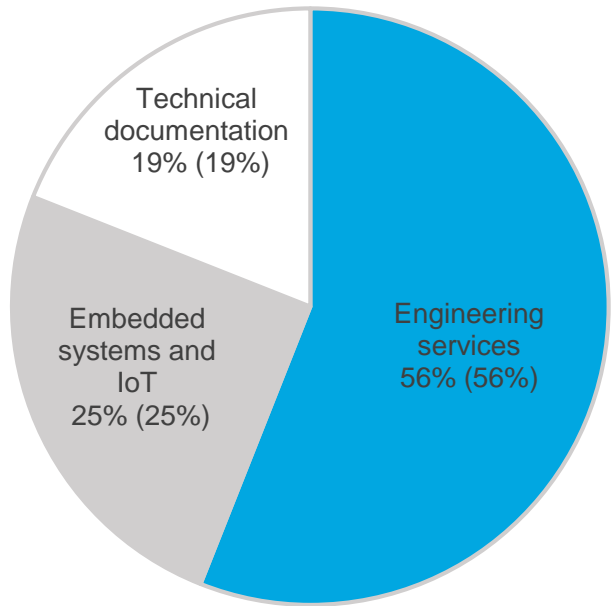
- Our operating environment continued to develop favorably in all market areas.
  - The prevailing political situation has increased uncertainty in the markets slightly during the year.
- There were no significant changes in the demand for our services by customer industry, but customer-specific differences were still substantial.
- Companies are directing investments to digitalization-related services.
- Outsourcing and centralizing services purchasing trends continue.
- Competition for employees in the good market situation and the lower availability of specialized experts in certain areas are affecting the development of the sector as a whole in all market areas.

## Market development in Etteplan's main markets in January-December 2018

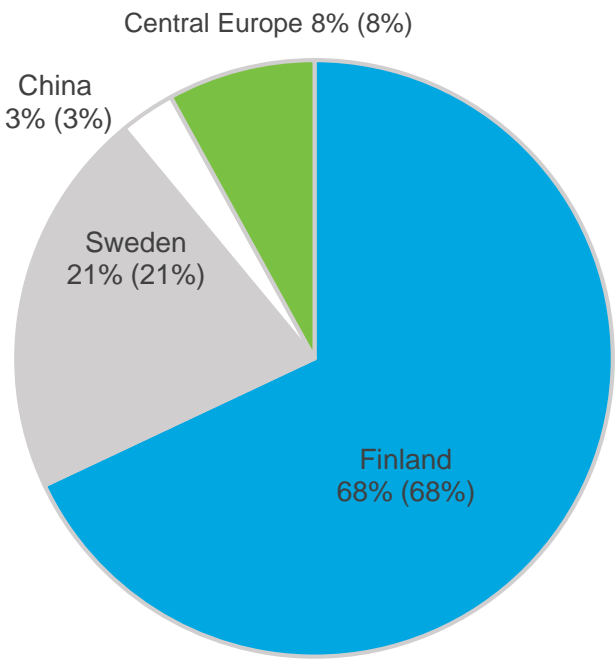
- Finland: the market situation remained at a good level.
- Sweden: demand situation remained on a very good level.
- Germany, the Netherlands and Poland: the demand remained at a good level.
- China: demand was at a good level, and the opening up of the service market continued.

# Revenue and personnel 1-12/2018

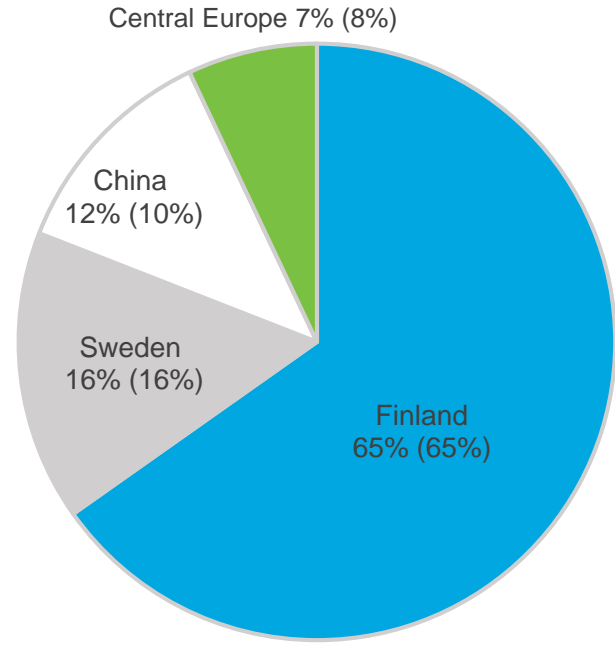
### Revenue by service area



### Revenue by country

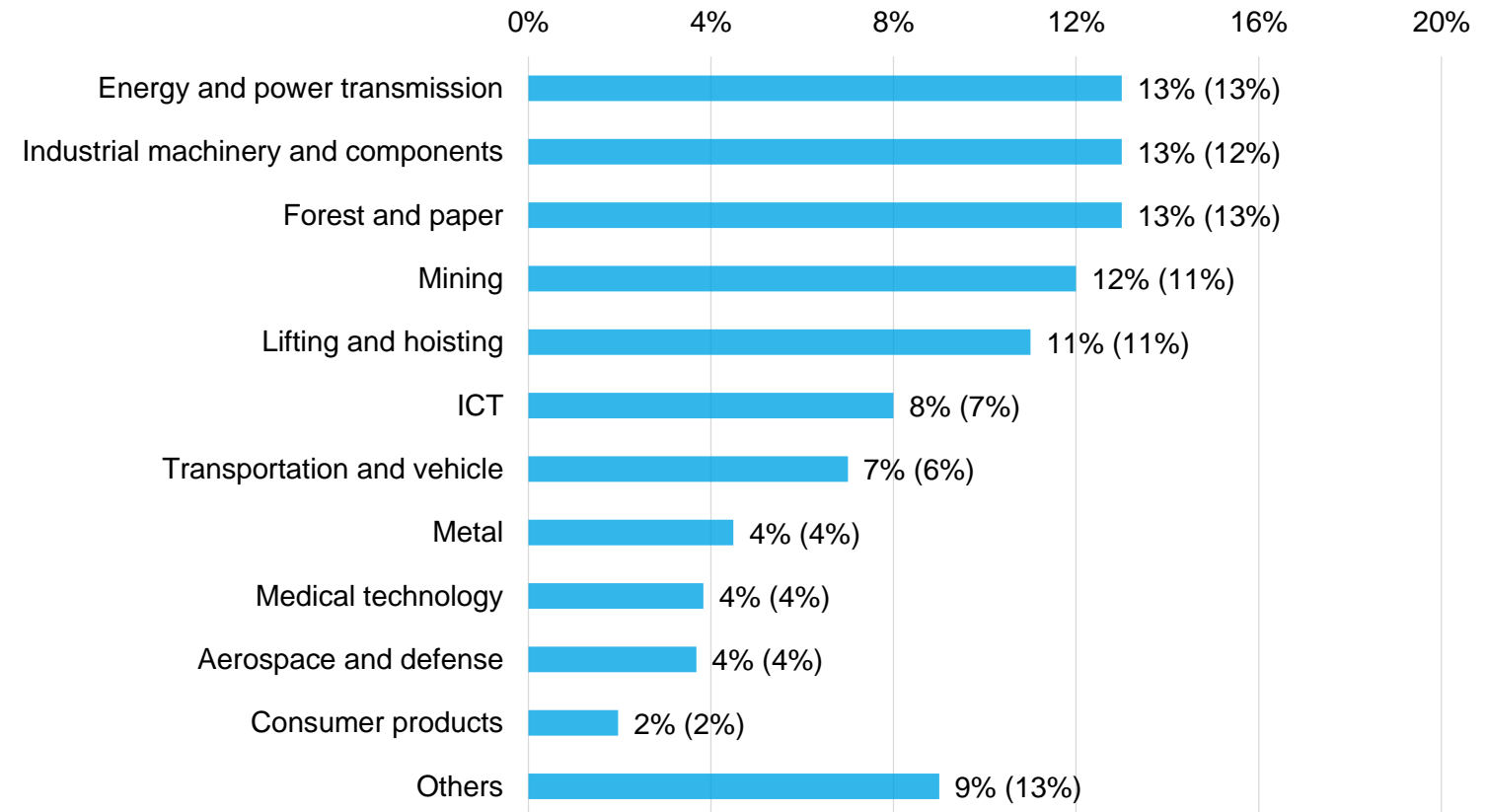


### Personnel by country



# Revenue 1-12/2018

## Revenue by customer segment





# Key figures 10-12/2018

(EUR 1,000)	10-12/2018	10-12/2017	Change %
Revenue	62,887	58,520	7.5
EBIT from business operations	6,134	4,801	27.8
EBIT from business operations, %	9.8	8.2	
Operating profit (EBIT)	5,731	4,552	25.9
EBIT, %	9.1	7.8	
Basic earnings per share, EUR	0.18	0.14	28.6
Equity ratio, %	42.9	40.7	
Operating cash flow	15,830	12,158	30.2
ROCE, %	21.9	21.2	
Managed Services Index	54	57	-5.3
Personnel at end of the period	3,055	2,802	9.0

# Key figures 1-12/2018

(EUR 1,000)	1-12/2018	1-12/2017	Change %
Revenue	236,477	214,768	10.1
EBIT from business operations	21,874	17,163	27.5
EBIT from business operations, %	9.3	8.0	
Operating profit (EBIT)	20,184	15,484	30.4
EBIT, %	8.5	7.2	
Basic earnings per share, EUR	0.62	0.47	31.9
Equity ratio, %	42.9	40.7	
Operating cash flow	23,055	18,254	
ROCE, %	21.3	17.8	
Managed Services Index	54	57	-5.3
Personnel at end of the period	3,055	2,802	9.0

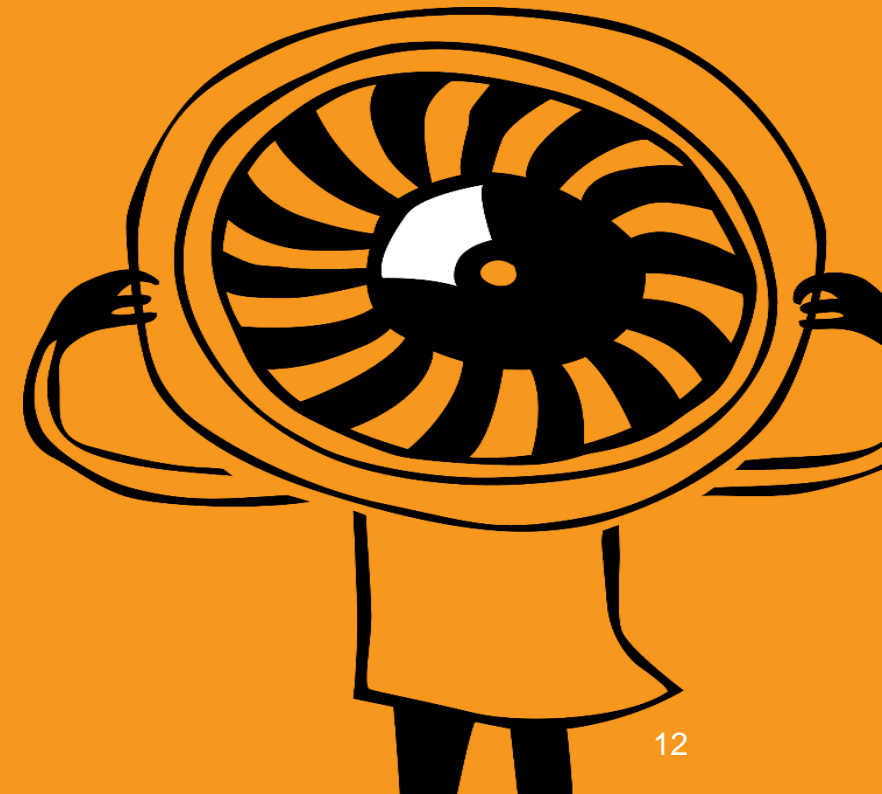
### **Market outlook 2019**

The most important factor affecting Etteplan's business is the global development of the machinery and metal industry. Our business environment continues to develop favorably in all market areas. In Europe, demand growth is expected to slow down slightly due to political uncertainty. In Asia, the growth of the service market is expected to continue.

### **Financial guidance 2019**

We expect the revenue and operating profit for the year 2019 to grow compared to 2018.

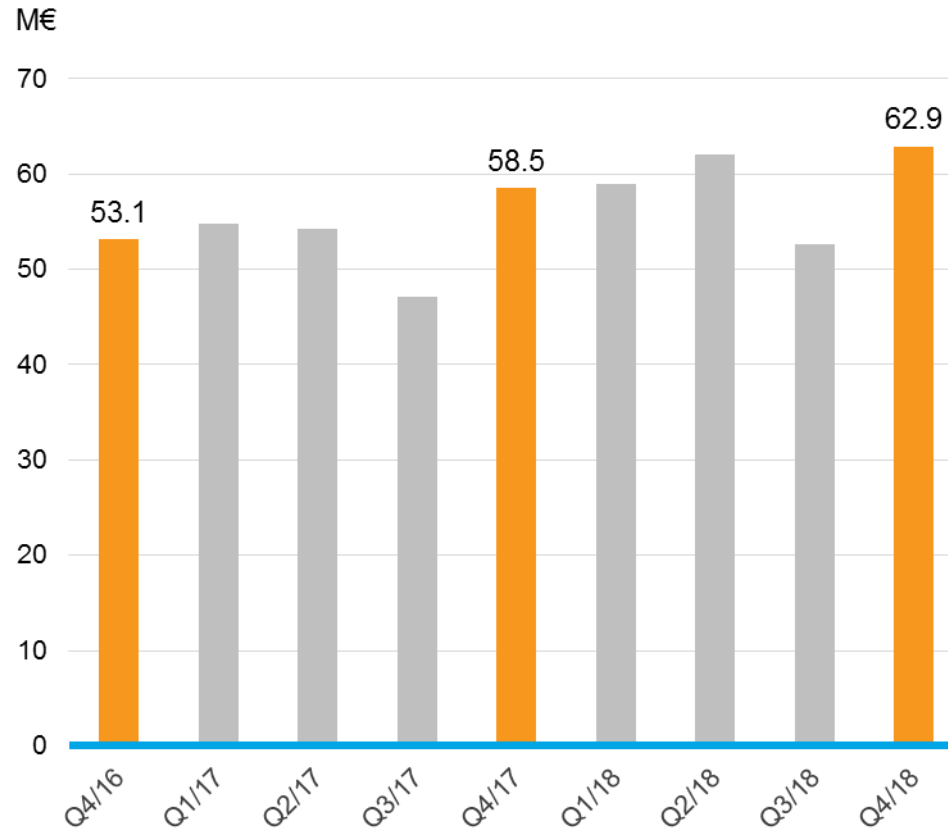
# Q4 2018 Financial development



# Revenue

10-12/2018: 62.9 M€  
(10-12/2017: 58.5 M€)

1-12/2018: 236.5 M€  
(1-12/2017: 214.8 M€)



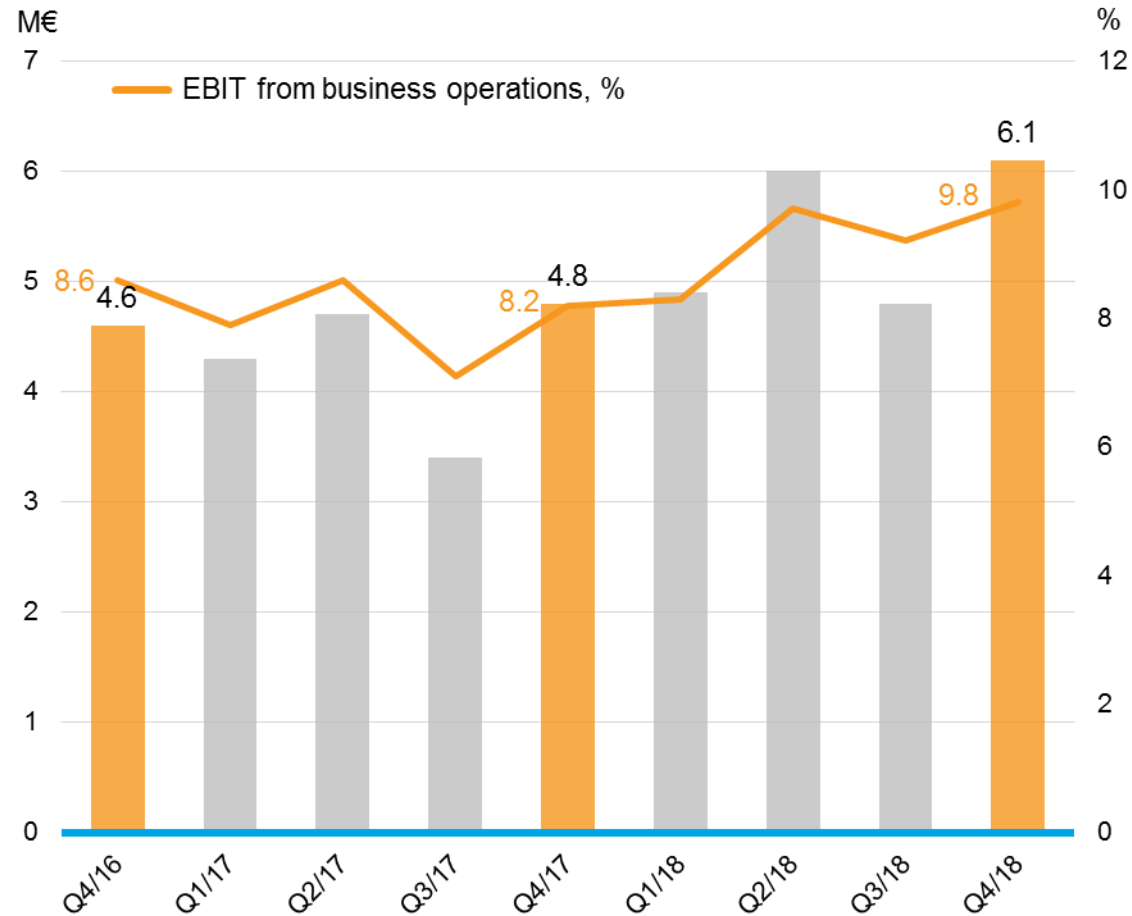
	Revenue growth, %	With comparable exchange rates
Q4 Growth	7.5	8.8
Q4 Organic growth	2.8	4.1
Q1-Q4 Growth	10.1	11.7
Q1-Q4 Organic growth	6.2	7.9

- Q1-Q4: Revenue from key accounts grew by 6.1%.
- The rate of growth slowed down due to shorter December.
- Two large customers shut down operations in December for several weeks.
- Challenges in our technical documentation business in Germany continued.

# EBIT from business operations

10-12/2018: 6.1 M€, 9.8%  
(10-12/2017: 4.8 M€, 8.2%)

1-12/2018: 21.9 M€, 9.3%  
(1-12/2017: 17.2 M€, 8.0%)

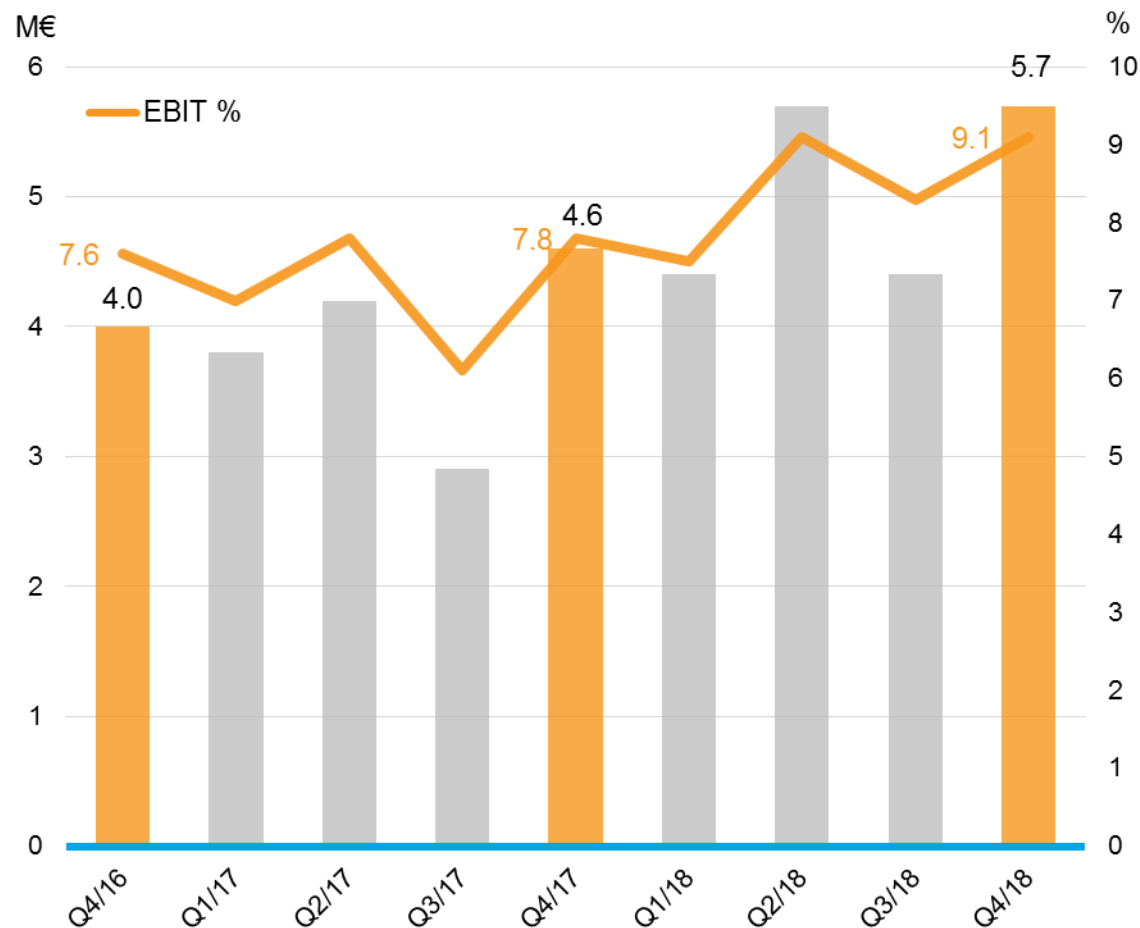


- Q4: Non-recurring items had an effect of EUR -0.2 (0.0) million.
- Operative efficiency improved profitability.
- Profitability increased in Engineering services and Embedded systems and IoT service areas, and decreased slightly in Technical documentation service area.

# Operating profit (EBIT) and EBIT %

10-12/2018: 5.7 M€, 9.1%  
(10-12/2017: 4.6 M€, 7.8%)

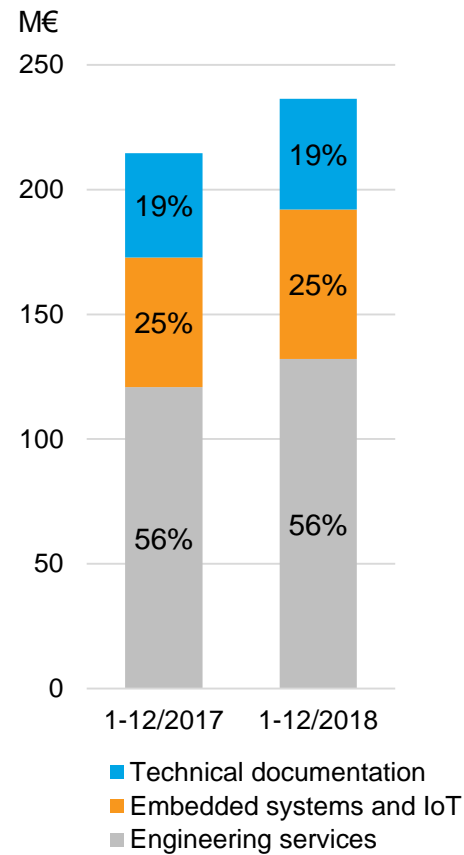
1-12/2018: 20.2 M€, 8.5%  
(1-12/2017: 15.5 M€, 7.2%)



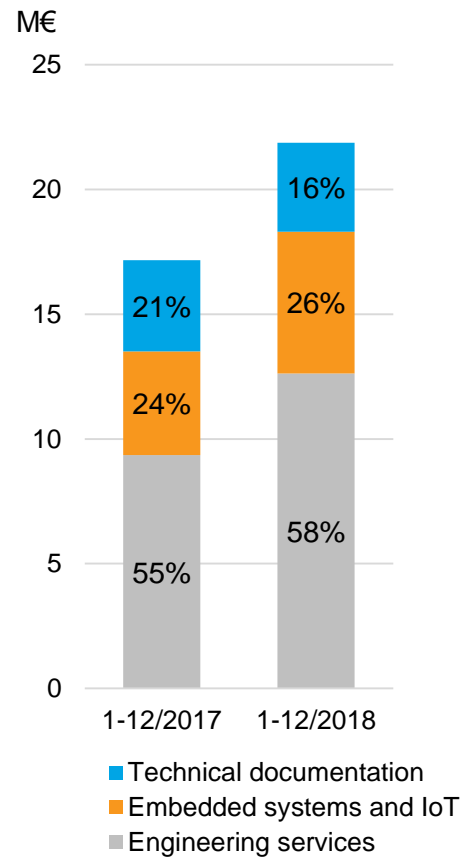
- Q4: Non-recurring items had an effect of EUR 0.0 (0.2) million.
- Amortization related to acquisitions were EUR 0.7 million in Q4 and 2.4 million in Q1-Q4.

# Development by service area 1-12/2018

### Revenue



### EBIT from business operations



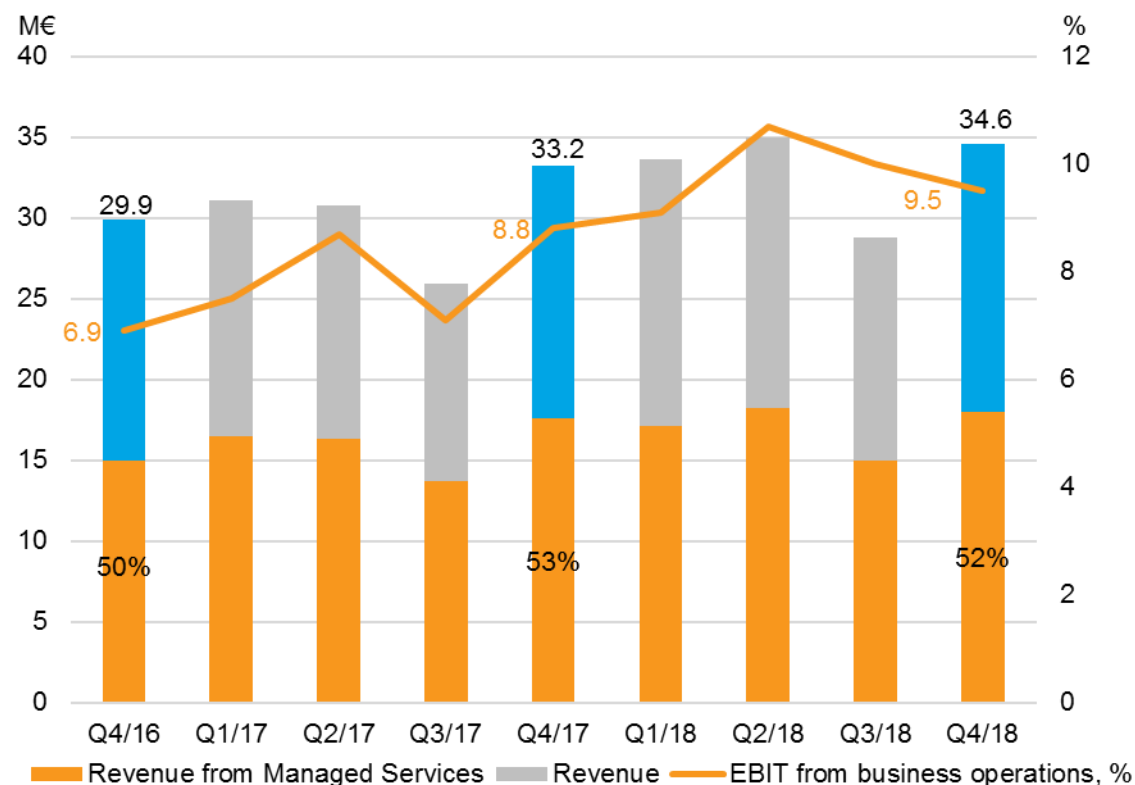


# Engineering services

## Revenue

10-12/2018: 34.6 (33.2) M€

1-12/2018: 132.1 (120.9) M€



- Excellent development continued in the favorable market situation.
- The excellent operational efficiency improved profitability.
- Shorter December affected the growth figures.
- Two large customers shut down operations in December for several weeks.

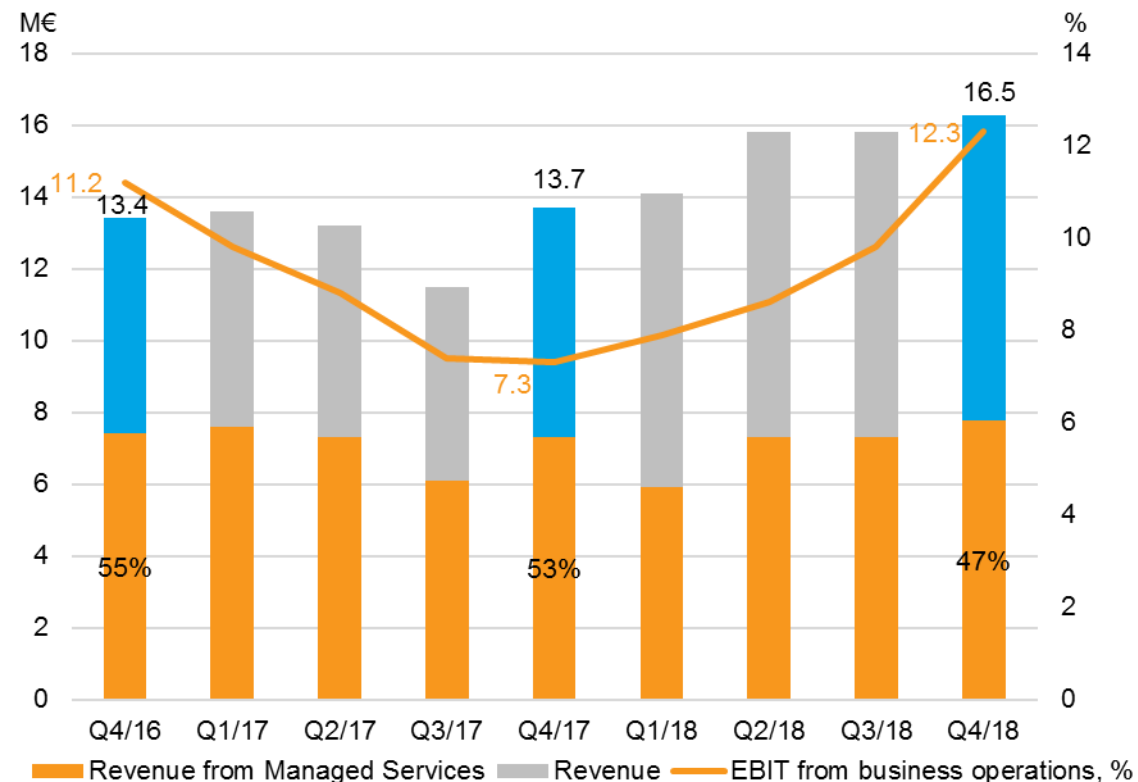
	Q4 2018	Q4 2017
Revenue growth, %	4.4	10.8
EBIT from business operations, M€	3.3	2.9
% of revenue	9.5	8.8

# Embedded systems and IoT

## Revenue

10-12/2018: 16.5 (13.7) M€

1-12/2018: 60.0 (52.0) M€



	Q4 2018	Q4 2017
Revenue growth, %	20.7	2.2
EBIT from business operations, M€	2.0	1.0
% of revenue	12.3	7.3

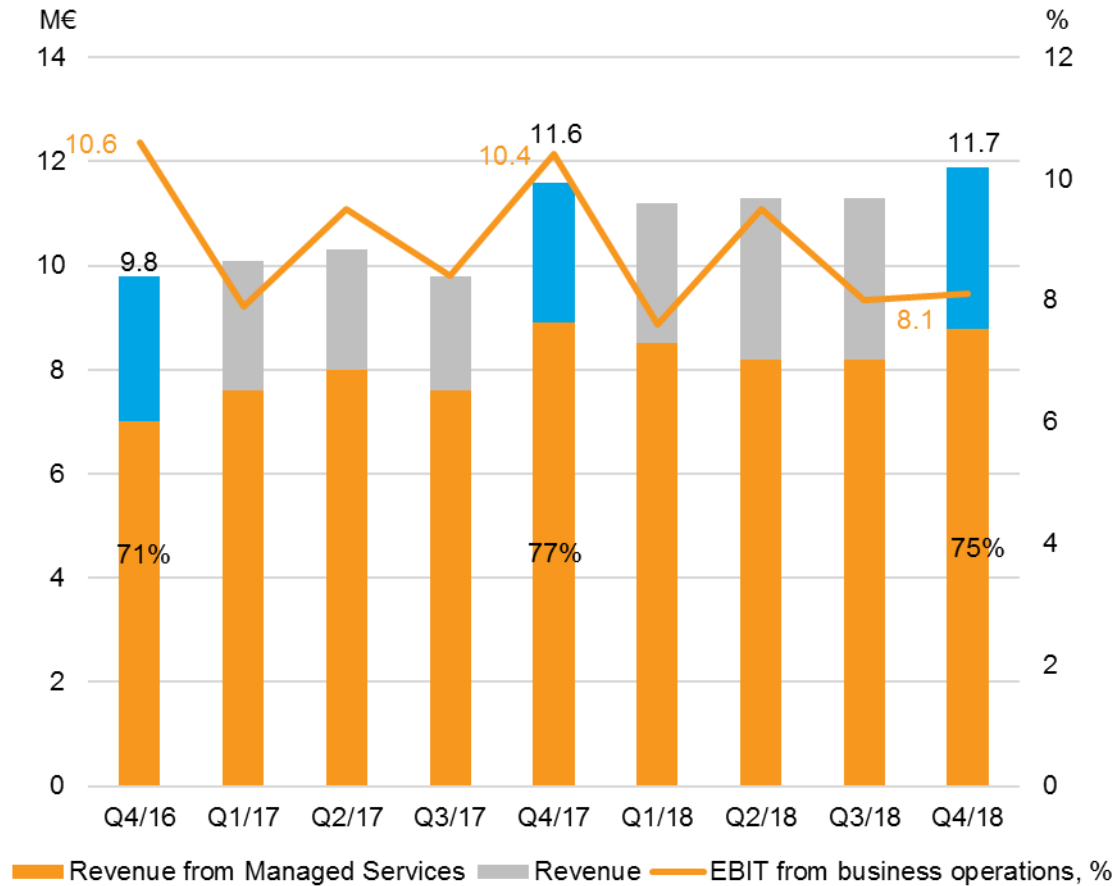
- Eatech acquisition boosted growth.
- The rate of growth slowed down due to shorter December.
- The reduced availability of competent professionals affected growth.
- Due to the measures taken the service area performed again according to our expectations.

# Technical documentation

## Revenue

10-12/2018: 11.7 (11.6) M€

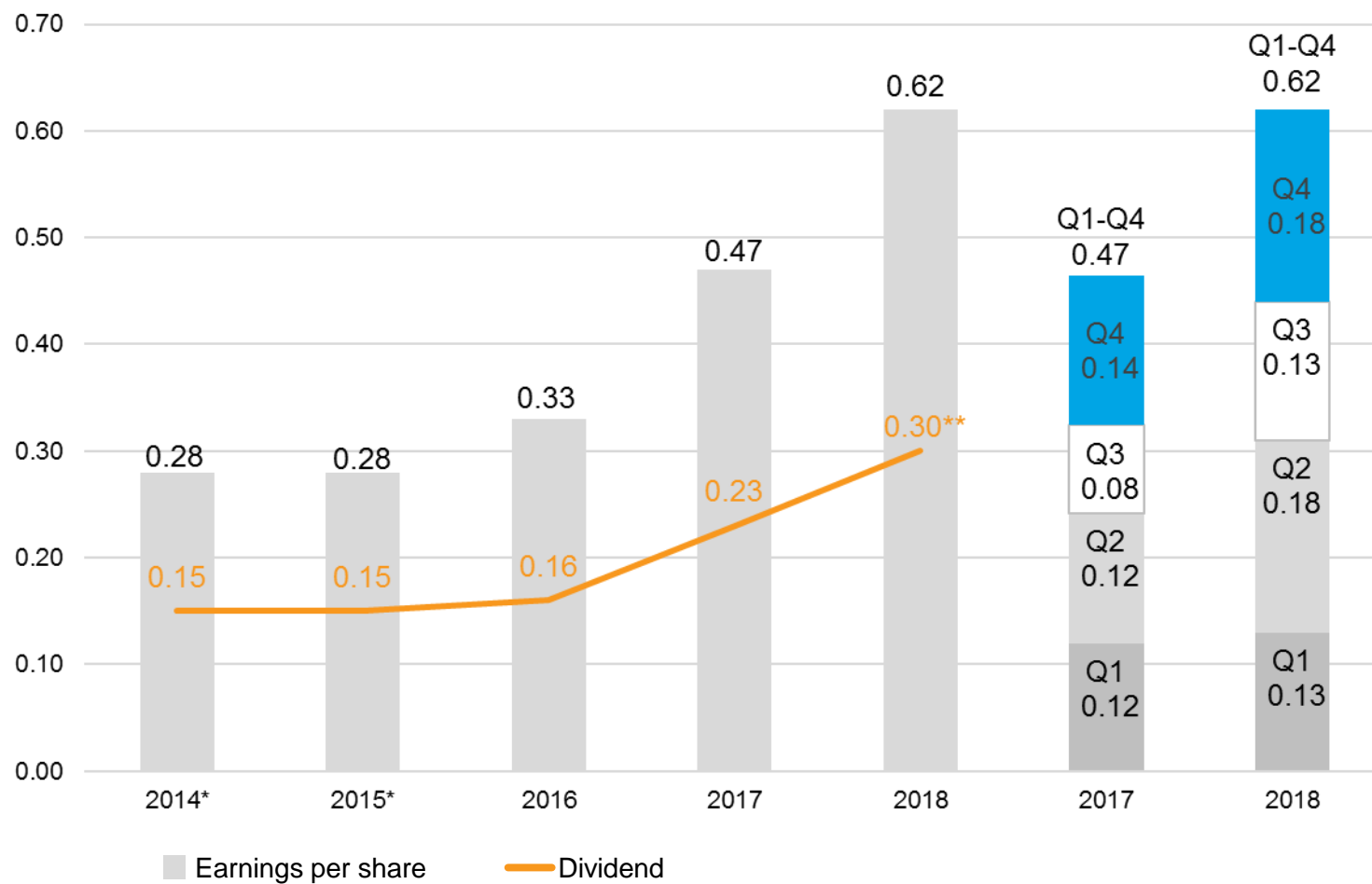
1-12/2018: 44.3 (41.8) M€



	Q4 2018	Q4 2017
Revenue growth, %	0.7	18.2
EBIT from business operations, M€	1.0	1.2
% of revenue	8.1	10.4

- The rate of growth slowed down due to shorter December.
- Also our customers invested less in new operating models compared to the strong comparison period.
- A significant project delivery in Germany was further delayed, and we encountered new unexpected project challenges.

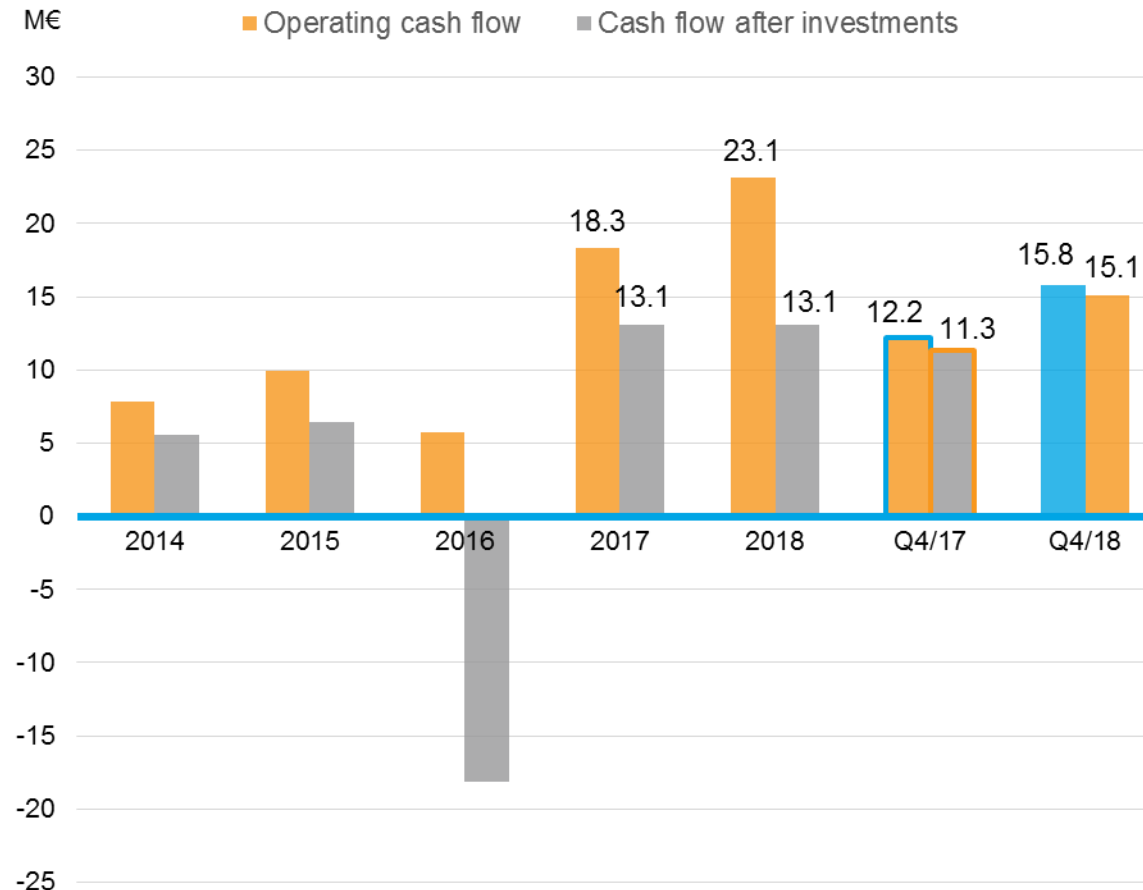
# Earnings per share and dividends



\*Comparison periods' earnings per share have been issue adjusted. The rights issue factor was 1.050.

\*\*The Board's proposal

- Operative cash flow was excellent.
- The accrual of cash flow was affected by the good operational result and favorable mix of customers' payment terms.
- Cash flow accrues unevenly over the four quarters of the year due to periodic fluctuation in business.



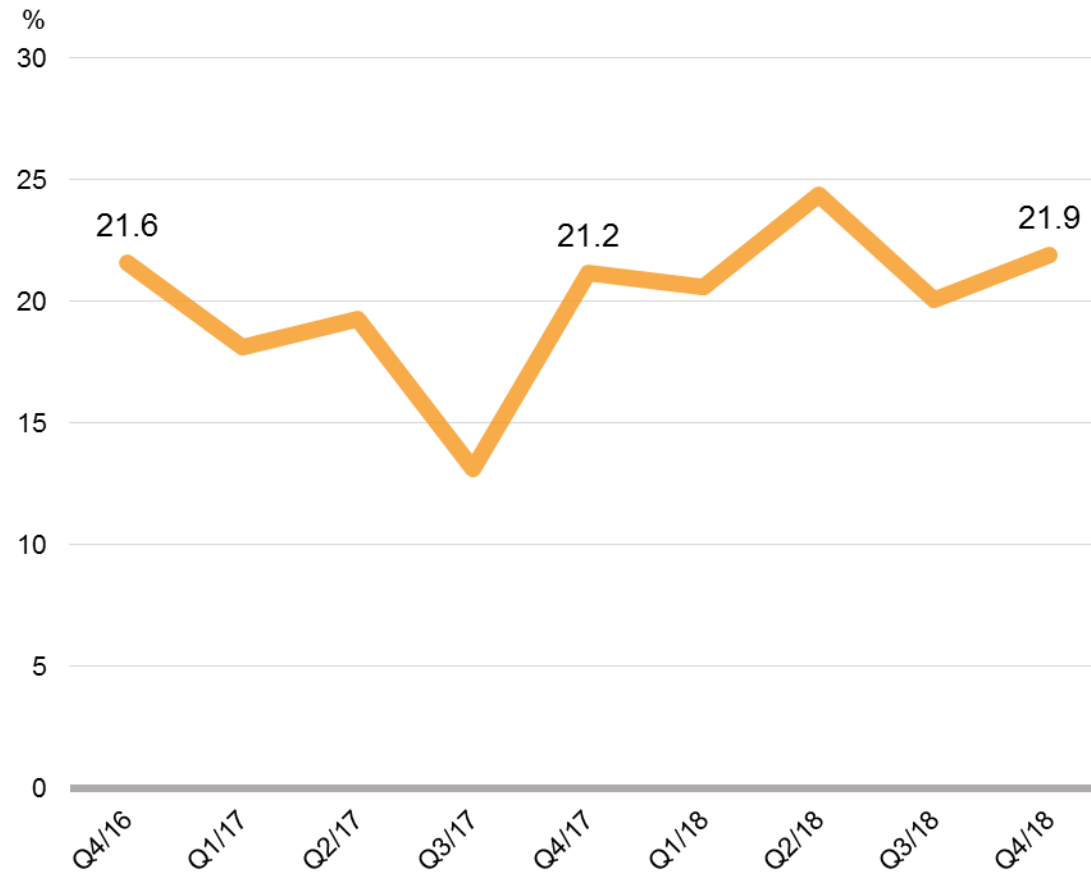
## Cash flow

### Operating cash flow

10-12/2018: 15.8 (12.2) M€

1-12/2018: 23.1 (18.3) M€

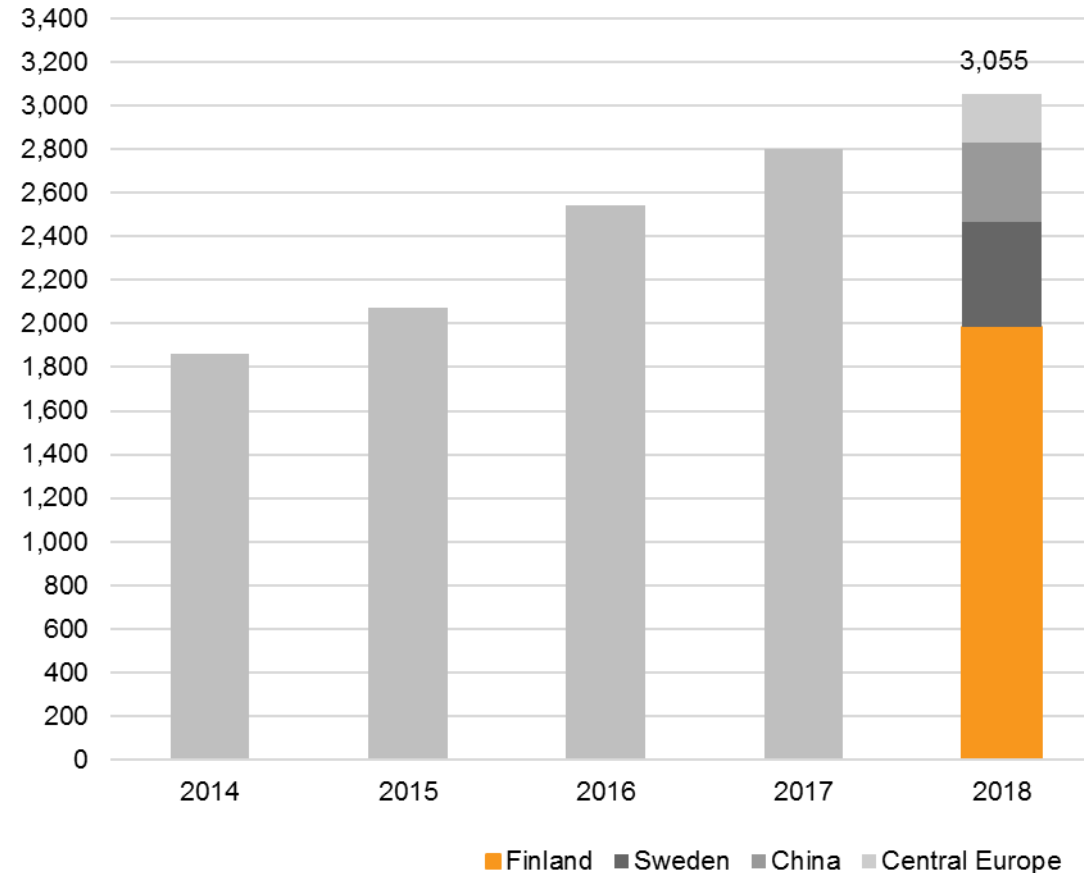
- Engineering services business does not tie significant capital. For this reason return on capital employed should be at least 20%.



## Return on capital employed (ROCE), %

1-12/2018: 21.3%  
(1-12/2017: 17.8%)

- The amount of personnel grew by 9.0% year-on-year.
- At the end of the review period, 1,073 (Dec 31, 2017: 988) people were employed by the Group outside of Finland.



## Personnel at the end of period

1-12/2018: 3,055  
(1-12/2017: 2,802)

# Income statement

(MEUR)	1-12/2018	1-12/2017	Change %
Revenue	236.5	214.8	10.1
Other operating income	1.2	0.4	
Materials and services	-21.8	-20.4	
Staff costs	-156.2	-145.0	
Other operating expenses	-33.7	-29.0	
Depreciation and amortization	-5.8	-5.3	
<b>Operating profit (EBIT)</b>	<b>20.2</b>	<b>15.5</b>	<b>30.4</b>
Financial income	0.8	0.5	
Financial expenses	-1.6	-1.3	
Profit before taxes	19.4	14.7	31.5
Income taxes	-4.1	-3.2	
<b>Profit for the review period</b>	<b>15.3</b>	<b>11.6</b>	<b>31.9</b>



# Balance sheet

(MEUR)	Dec 31, 2018	Dec 31, 2017
Goodwill	65.2	59.0
Other non-current assets	25.8	22.3
<b>Non-current assets, total</b>	<b>91.0</b>	<b>81.3</b>
Inventory	0.4	0.3
Trade and other receivables	57.8	52.8
Cash and cash equivalents	16.1	10.1
<b>Current assets, total</b>	<b>74.2</b>	<b>63.2</b>
<b>TOTAL ASSETS</b>	<b>165.2</b>	<b>144.4</b>
Equity, total	67.5	57.9
Non-current liabilities, total	30.7	23.8
Current liabilities, total	67.0	62.7
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>165.2</b>	<b>144.4</b>

# Etteplan's targets



## FINANCIAL TARGETS

**15%**

On average annual  
revenue growth

1-12/2018: 10.1%

**10%**

EBIT from business  
operations

1-12/2018: 9.3%

**65%**

Managed Services  
share of revenue by  
the end of 2019

1-12/2018: 54%

**>30%**

Equity ratio

1-12/2018: 42.9%

## ACTIONS

- Growth in key customers
- Organic growth through service solutions
- Acquisitions

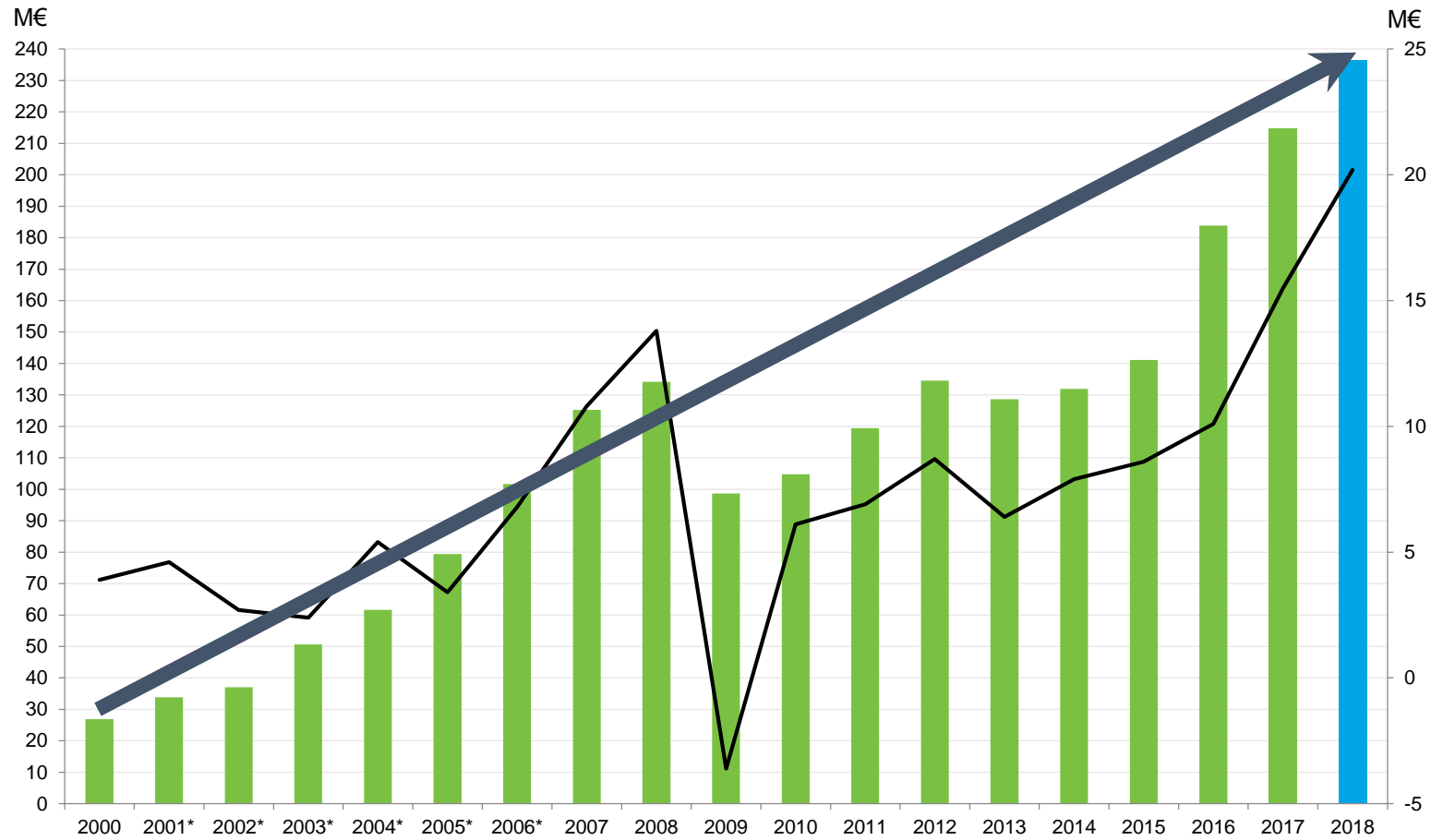
- Change in business model towards Managed services
- Market leadership

- Service solutions
- Technology solutions
- Project business

- Corresponding financing arrangements
- Improving cash flow

We are  
progressing  
towards our  
targets

# Revenue and EBIT 2000-2018



\*Includes continued and discontinued operations

■ Revenue — Operating profit (EBIT)

# Investor Relations contacts

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