



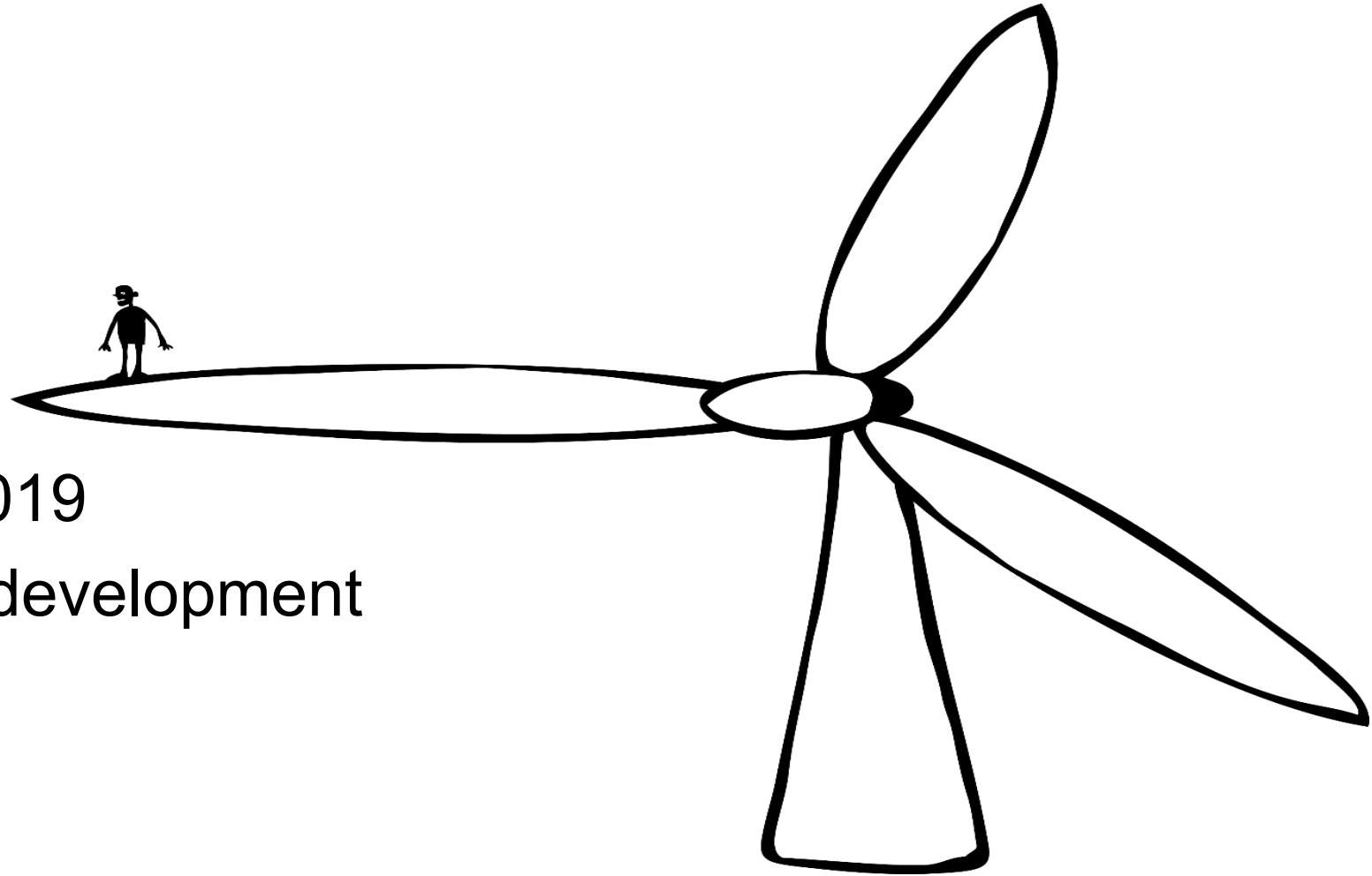
Q1/2019: Revenue and operating profit hit new records

January-March 2019
Interim Report

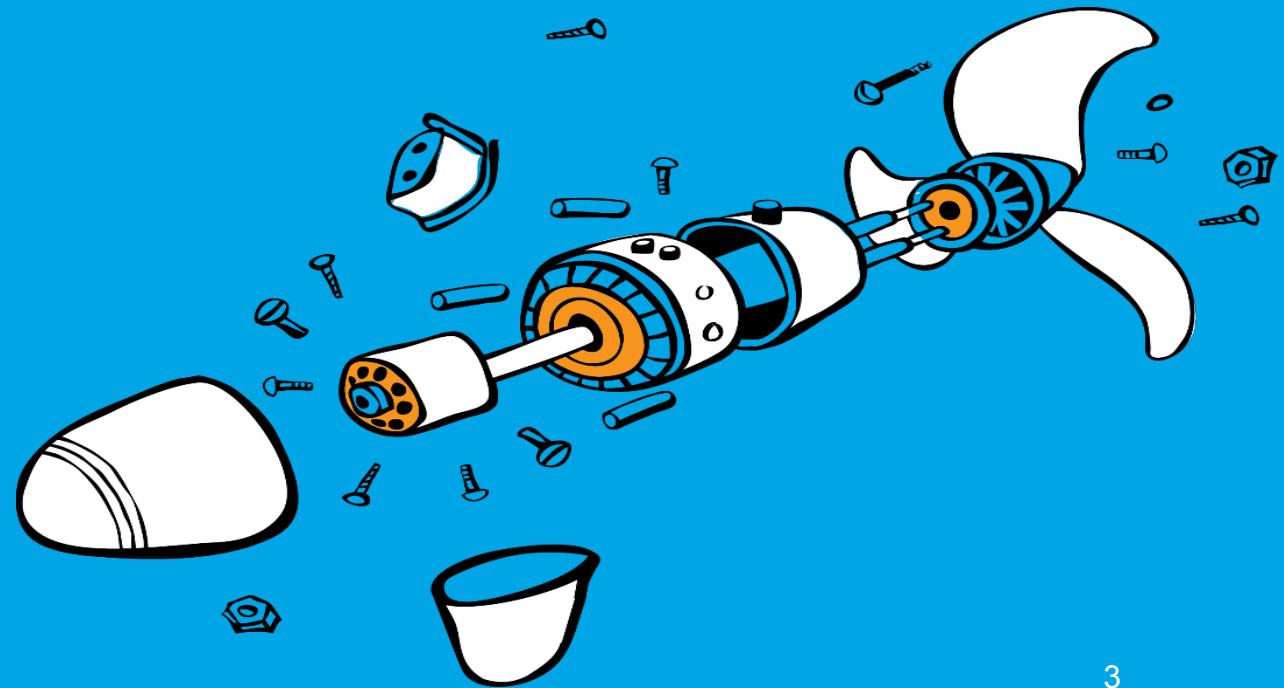
President and CEO Juha Näkki
May 8, 2019

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- Q1/2019 financial development
- Etteplan's targets



Highlights of Q1/2019



Highlights 1-3/2019

- + The best quarter in Etteplan's history :
 - + All three service areas were successful.
 - + Revenue and operating profit to new records.
 - + Revenue grew by 12.2% with comparable exchange rates.
 - + We won several significant deals.
 - + We renewed our organization at the beginning of the year to boost the implementation of our strategy and respond even better to changing global demand.
- Challenges in Germany continued to burden our profitability.
 - Growth in China slowed down.

Operating environment continued to develop positively

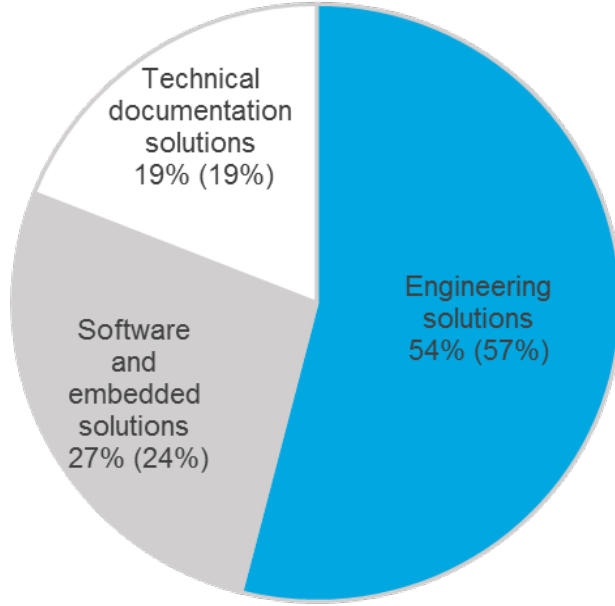
- Our operating environment continued to develop favorably in all market areas.
 - Uncertainty in the markets continued due to the prevailing political situation.
- There were no significant changes in the demand for our services by customer industry, but customer-specific differences were still substantial.
- 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-March 2019

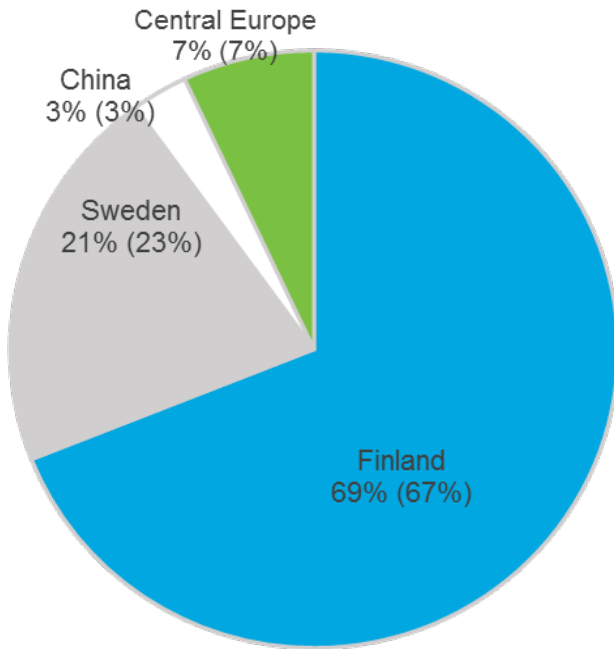
- Finland: the market situation remained at a good level.
- Sweden: demand situation remained on a very good level.
- Germany, the Netherlands and Poland: the demand remained at a good level.
- China: the opening up of the service market continued, but the the prevailing political situation affected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

Revenue and personnel 1-3/2019

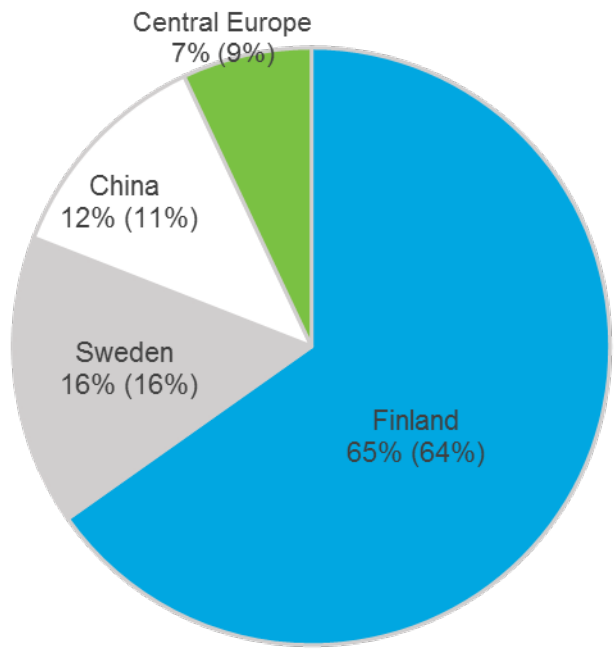
Revenue by service area



Revenue by country

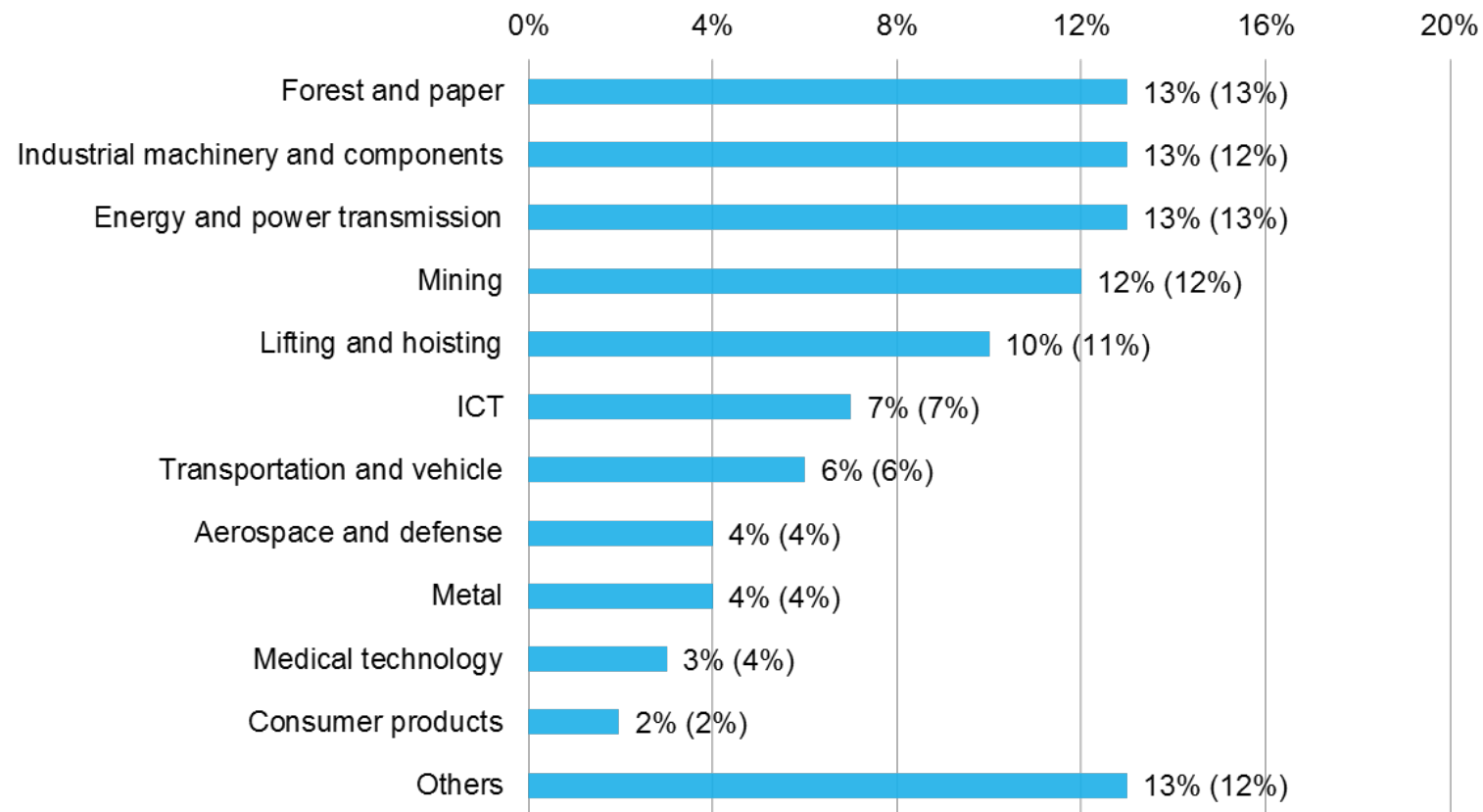


Personnel by country



Revenue 1-3/2019

Revenue by customer segment



Key figures 1-3/2019

(EUR 1,000)	1-3/2019	1-3/2018	Change %
Revenue	65,625	58,964	11.3
Operating profit (EBITA)	6,424	4,888	31.4
EBITA, %	9.8	8.3	
Operating profit (EBIT)	5,772	4,415	30.7
EBIT, %	8.8	7.5	
Basic earnings per share, EUR	0.17	0.13	30.8
Equity ratio, %	41.2	43.0	
Operating cash flow	5,421	3,278	
ROCE, %	21.3	20.6	
Managed Services Index	58	53	9.4
Personnel at end of the period	3,150	2,868	9.8

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. In Asia, the opening up of the service markets is expected to continue, but growth is expected to slow down due to the prevailing political situation.

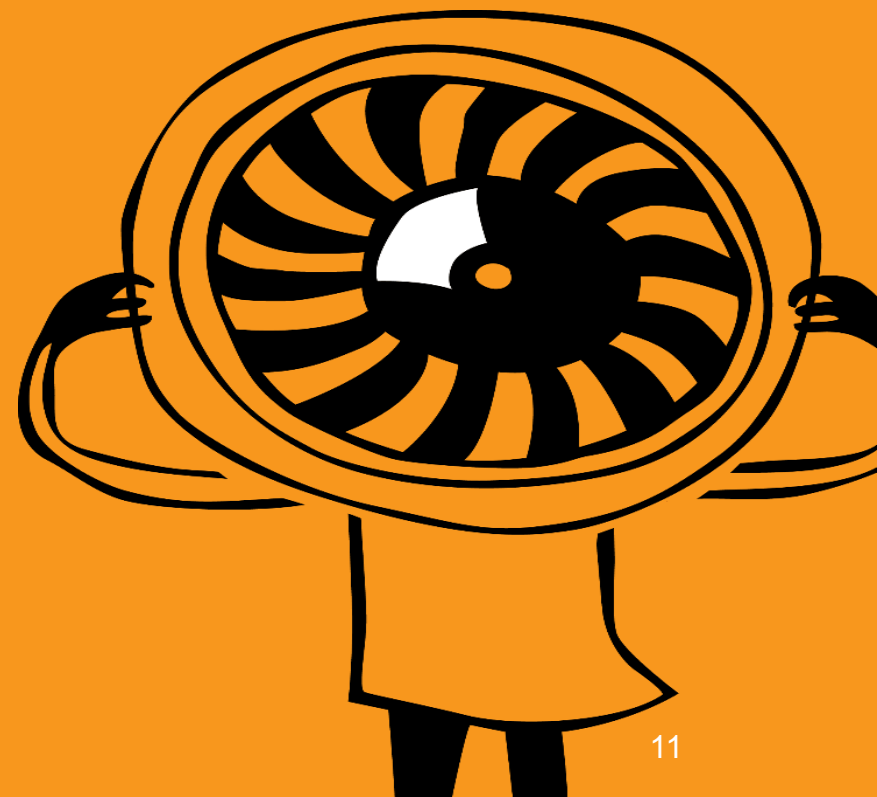
Financial guidance 2019

We expect the revenue and operating profit (EBIT) for the year 2019 to grow clearly compared to 2018.

Previous Financial guidance 2019, updated on February 7, 2019

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

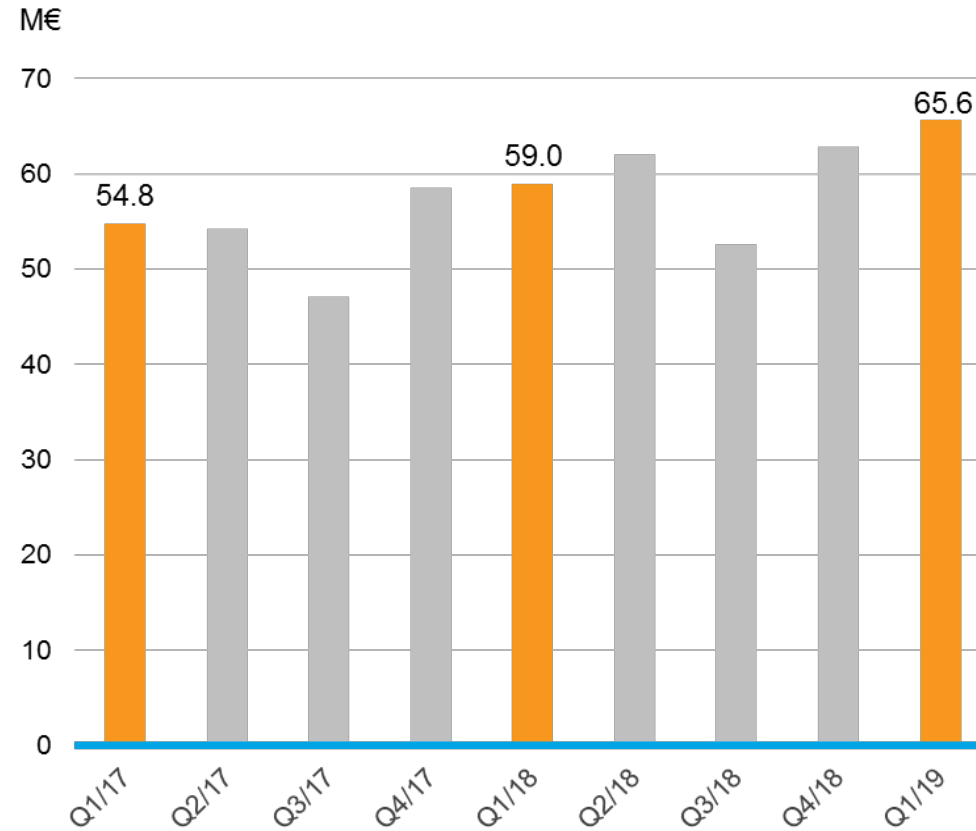
Q1/2019 financial development



Revenue

1-3/2019: 65.6 M€

(1-3/2018: 59.0 M€)



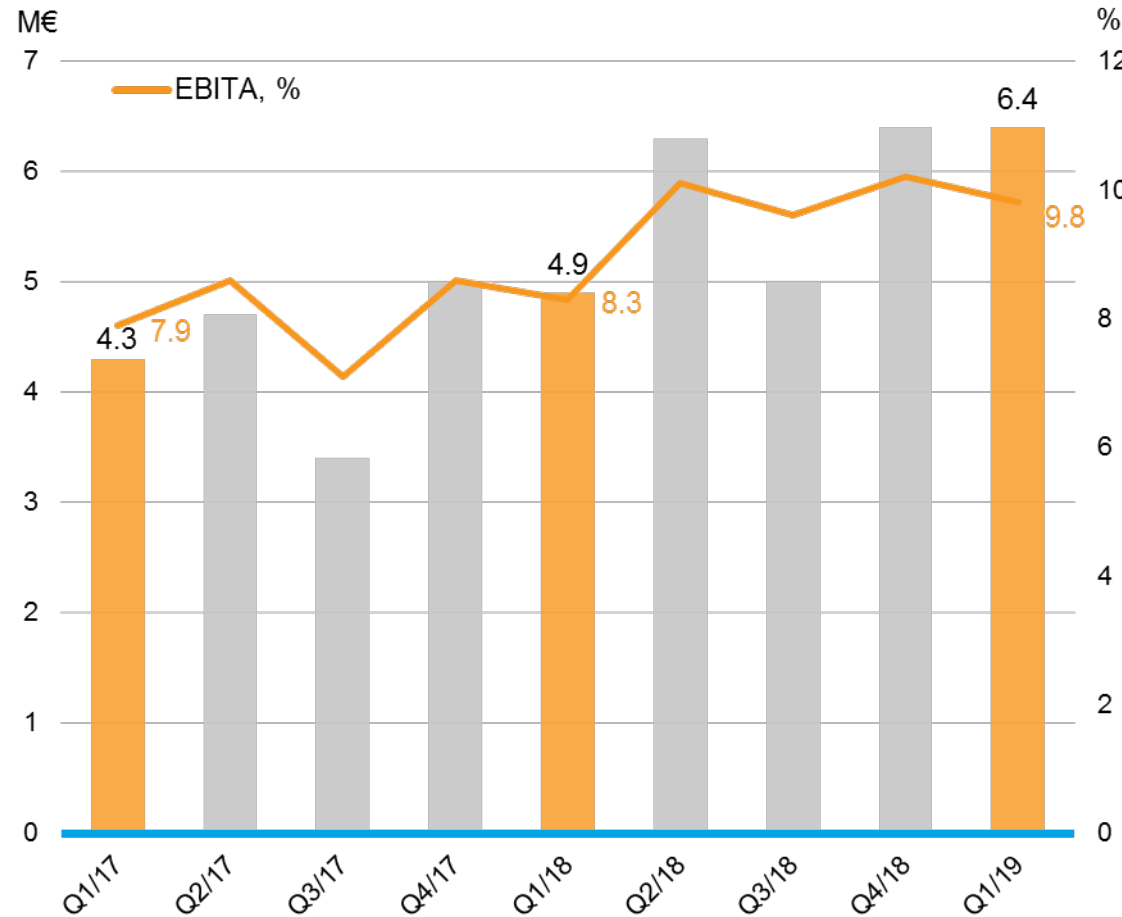
- Q1: Revenue from key accounts grew by 9.1%.
- Growth was supported by Etteplan's broad service offering, strong market position and the acquisitions made in 2018.
- Revenue was effected by Easter falling entirely in the second quarter.

	Revenue growth, %	With comparable exchange rates
Q1 Growth	11.3	12.2
Q1 Organic growth	7.0	7.9

Operating profit (EBITA)

1-3/2019: 6.4 M€, 9.8%

(1-3/2018: 4.9 M€, 8.3%)



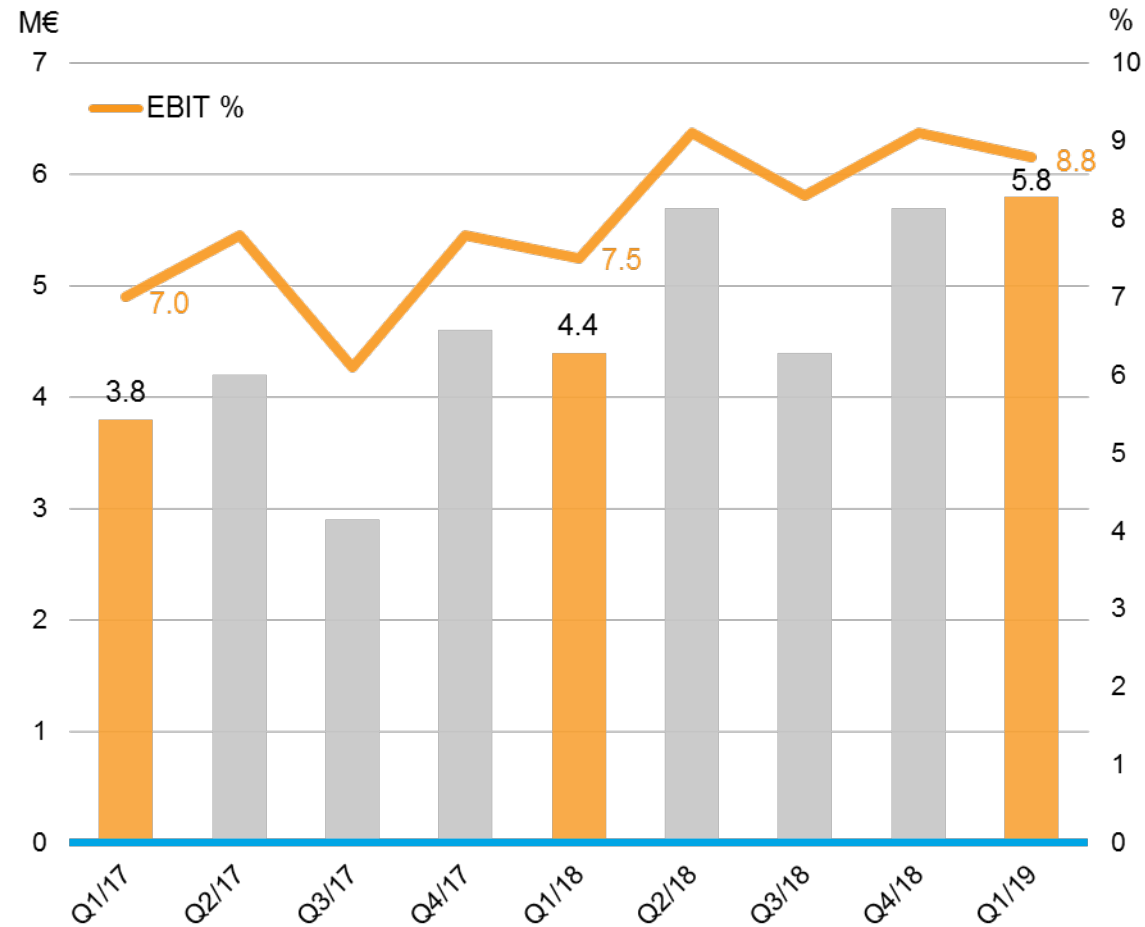
- Good operative efficiency improved profitability in all service areas.

- Q1: Non-recurring items had an effect of EUR -0.2 (-0.2) million.

Operating profit (EBIT)

1-3/2019: 5.8 M€, 8.8%

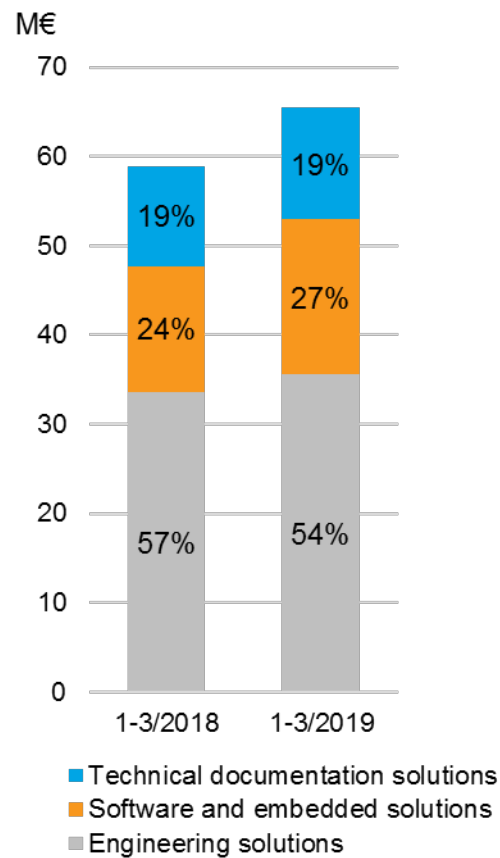
(1-3/2018: 4.4 M€, 7.5%)



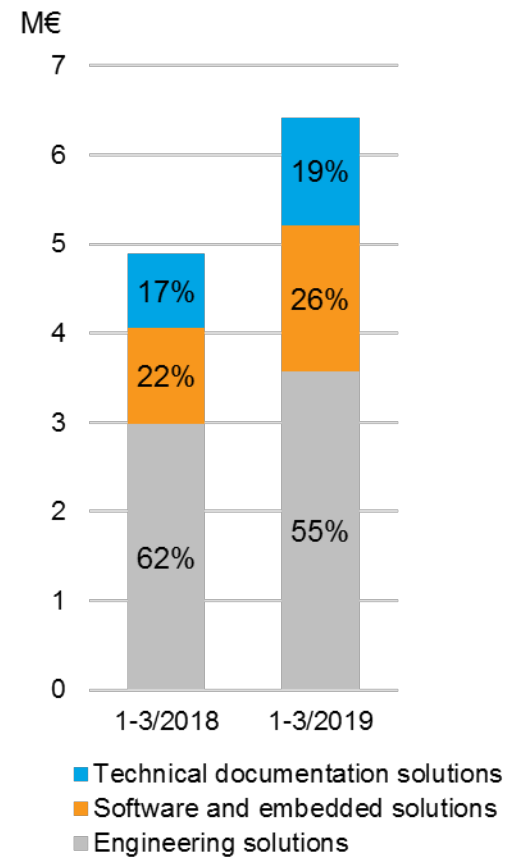
- Amortization related to acquisitions were EUR 0.7 million

Development by service area 1-3/2019

Revenue



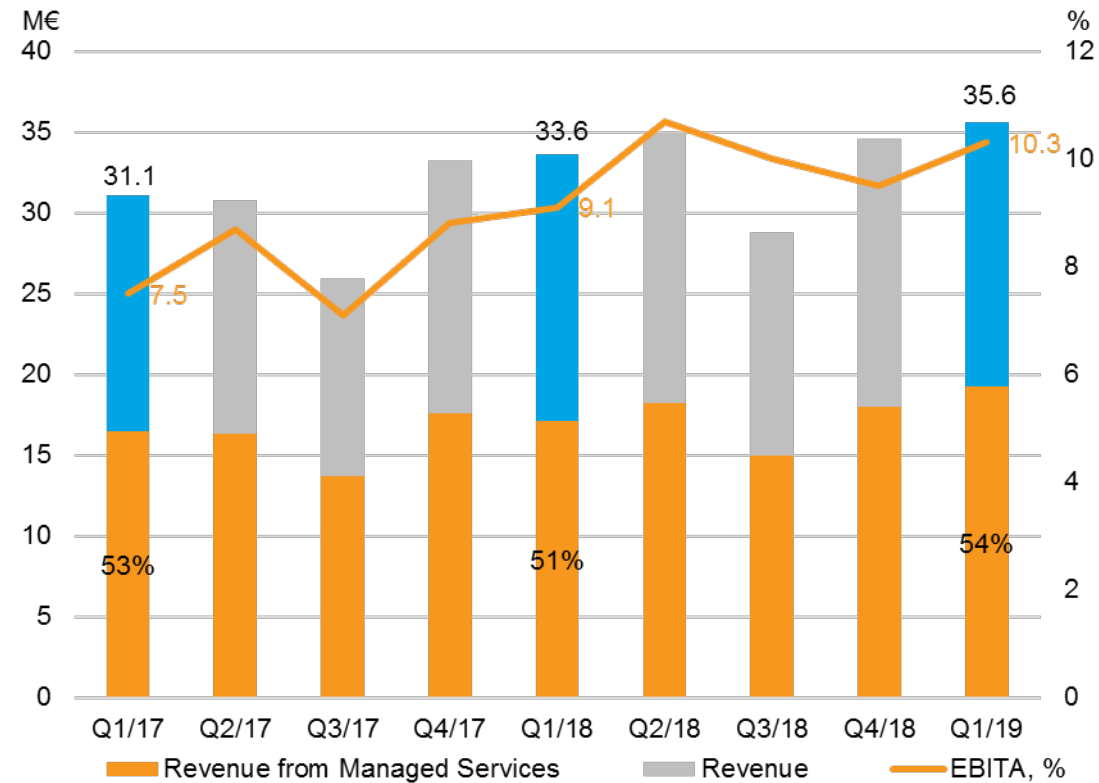
Operating profit (EBITA)



Engineering solutions

Revenue

1-3/2019: 35.6 (33.6) M€



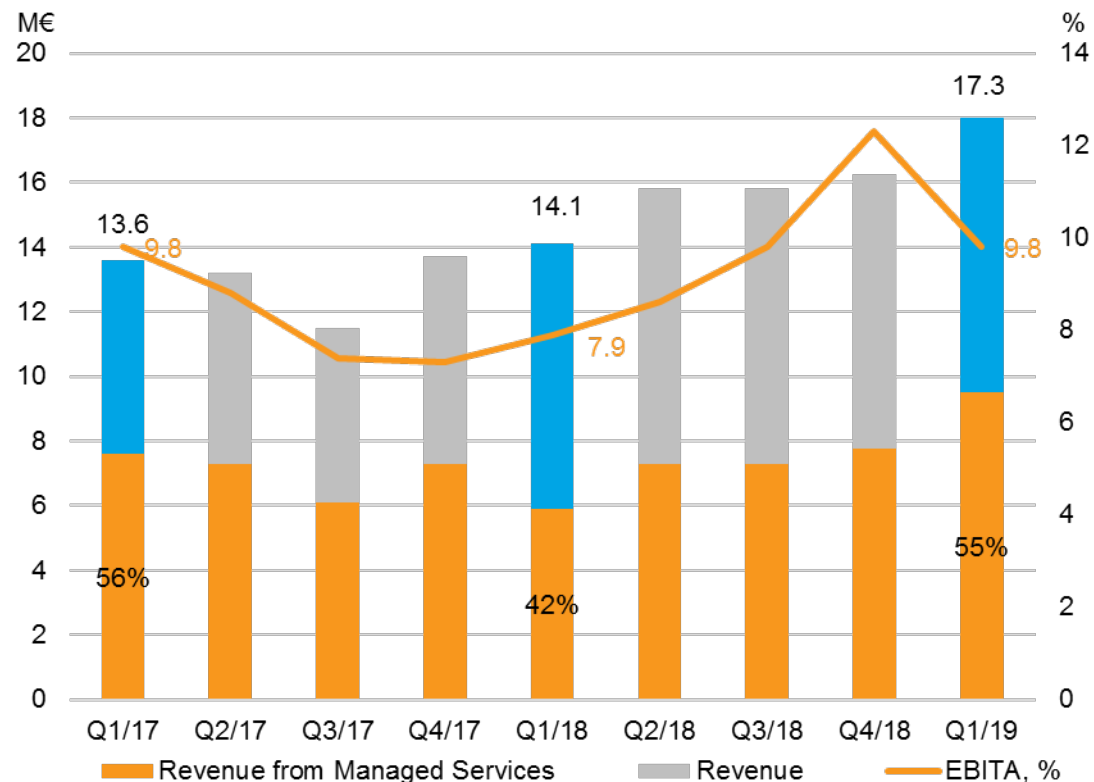
	Q1 2019	Q1 2018
Revenue growth, %	5.8	8.3
Operating profit (EBITA), M€	3.7	3.1
% of revenue	10.3	9.1

- Good development continued in all market areas.
- Excellent operational efficiency improved profitability.
- Industrial investments remained at a good level in Finland and Sweden.
- Due to the prevailing political situation, demand in the existing customers slowed down, but market continued to open up and we won several new customers.

Software and embedded solutions

Revenue

1-3/2019: 17.3 (14.1) M€



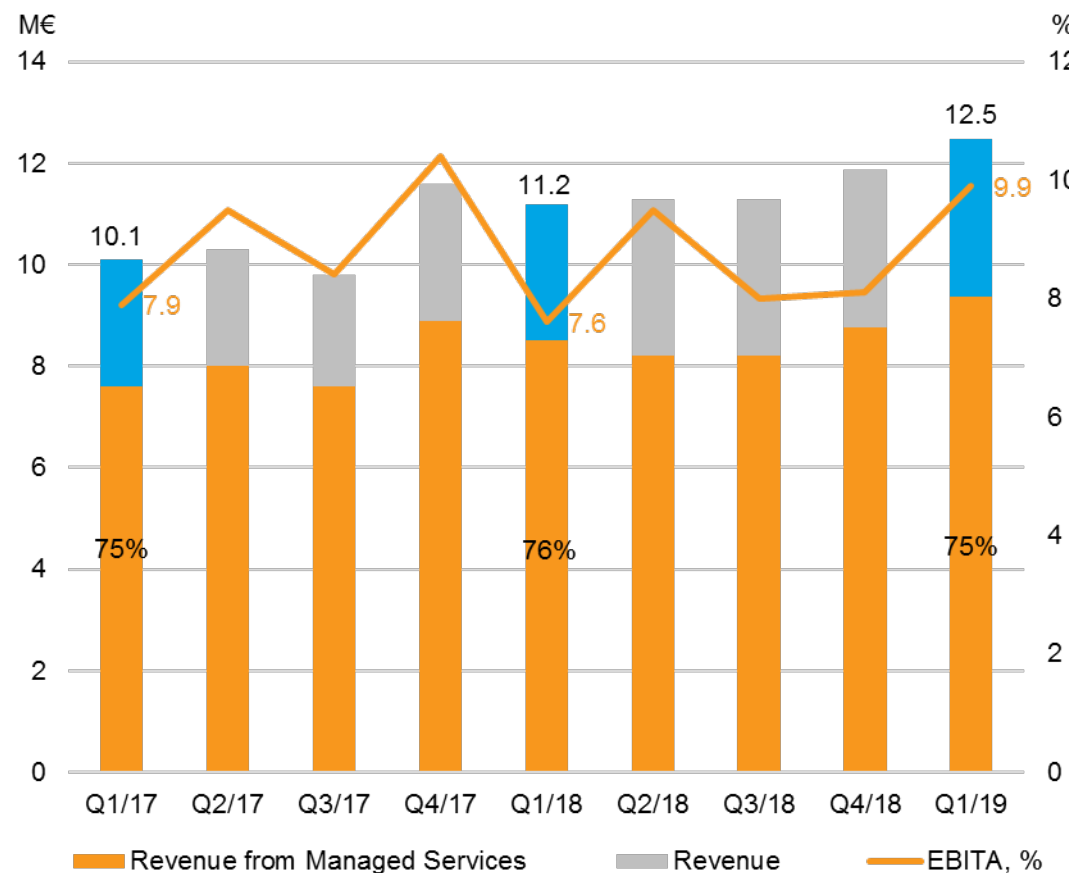
	Q1 2019	Q1 2018
Revenue growth, %	22.8	4.0
Operating profit (EBITA), M€	1.7	1.1
% of revenue	9.8	7.9

- The service area's demand situation was generally good in all customer industries and market areas.
- Certain software design projects in Finland started slowly.
- The reduced availability of competent professionals slowed growth to some extent.
- In Poland, demand with a significant customer weakened.

Technical documentation solutions

Revenue

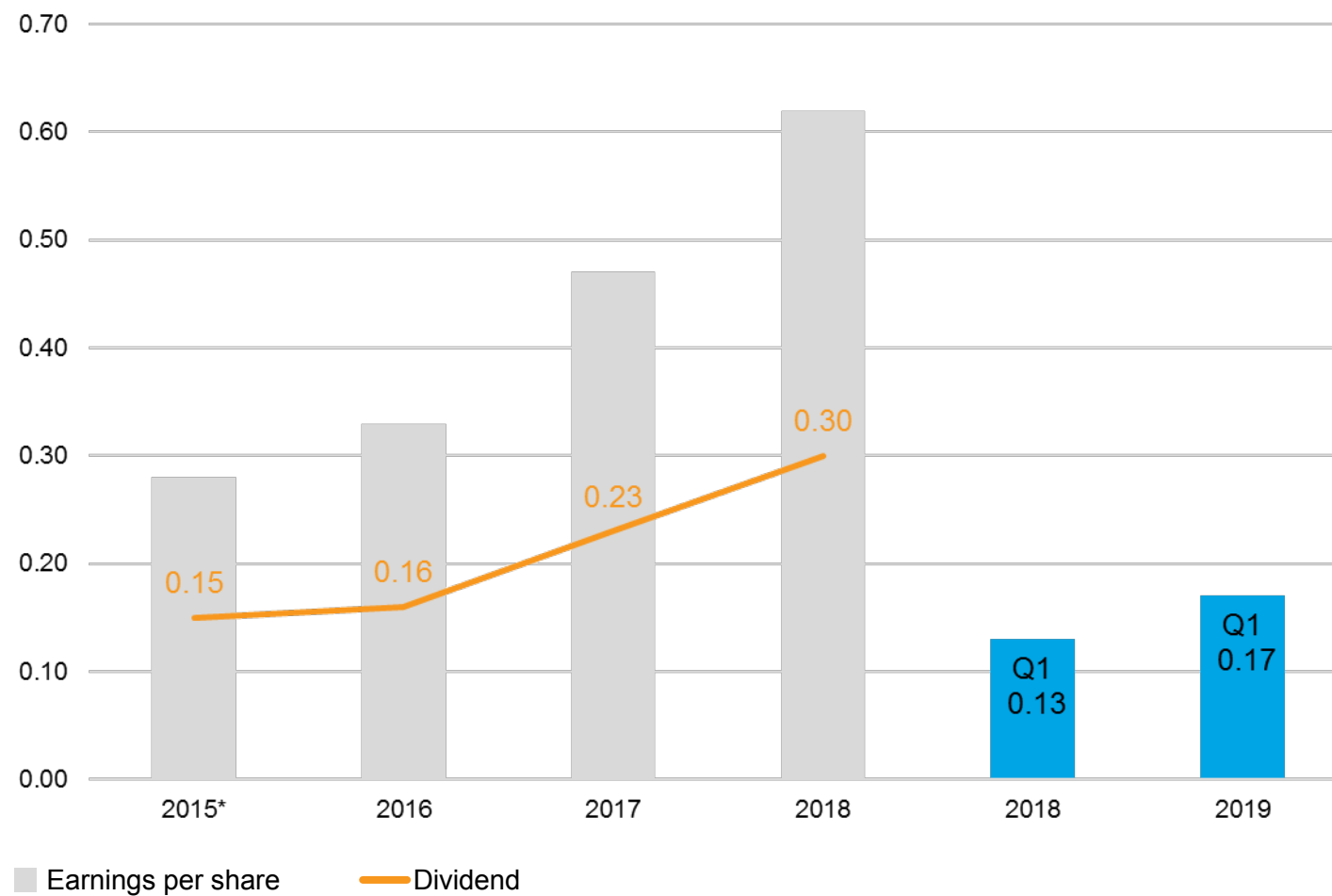
1-3/2019: 12.5 (11.2) M€



	Q1 2019	Q1 2018
Revenue growth, %	11.6	10.8
Operating profit (EBITA), M€	1.2	0.8
% of revenue	9.9	7.6

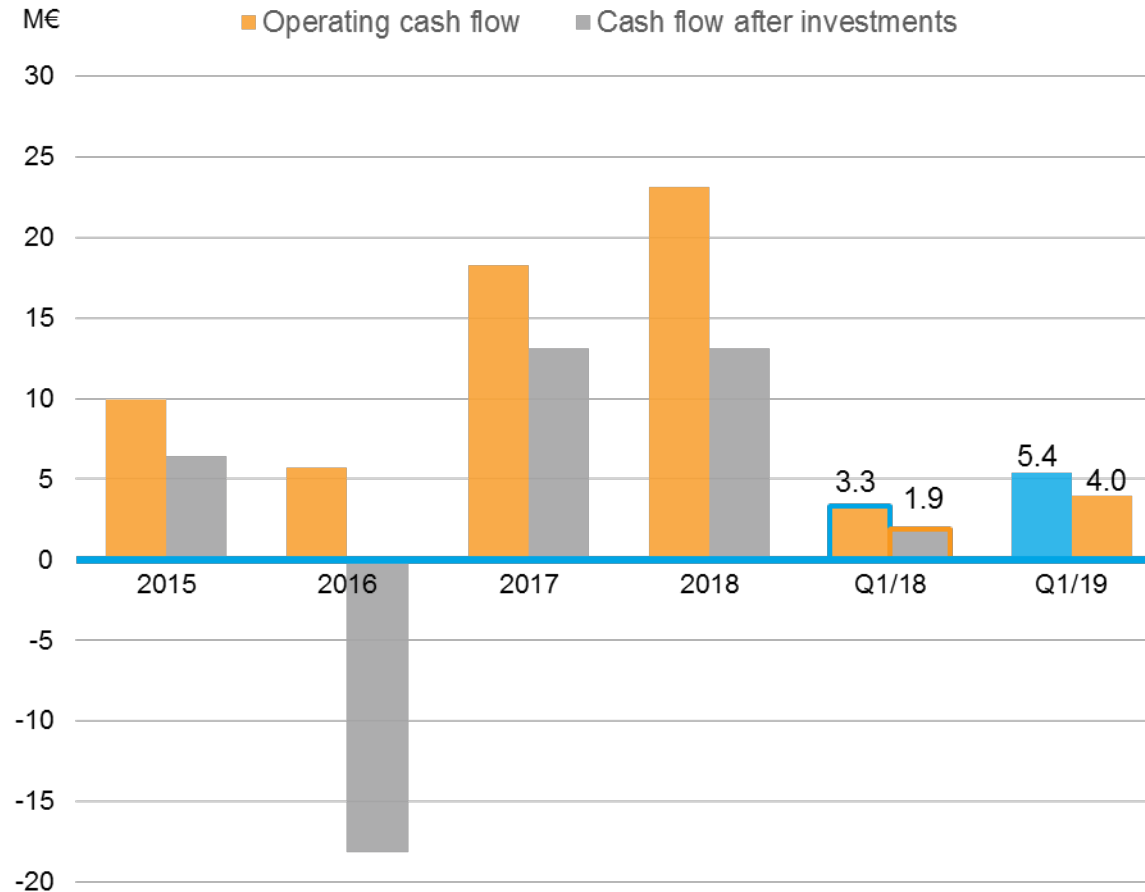
- The demand for outsourcing solutions has picked up.
- Operational efficiency was at a good level.
- Demand in the software sales picked up.
- A significant project delivery in Germany was delayed further, also other project management challenges continued.
- We have replaced management in Germany and taken further measures to improve project operations.

Earnings per share and dividends



*Rights issue factor 1.050

- Operative cash flow developed well.
- Cash flow was affected by the good operational result and the adoption of IFRS 16 Leases (EUR 1.6 million).
- Cash flow accrues unevenly over the four quarters of the year due to periodic fluctuation in business.

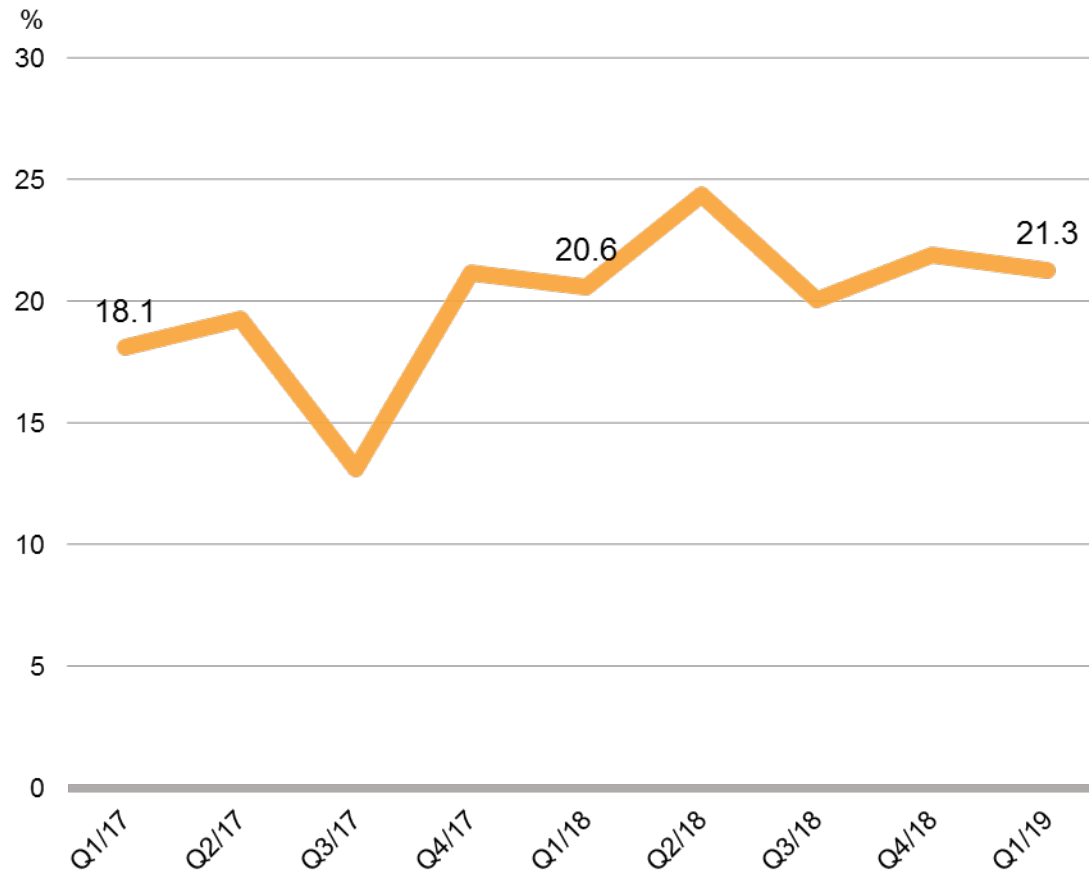


Cash flow

Operating cash flow

1-3/2019: 5.4 (3.3) M€

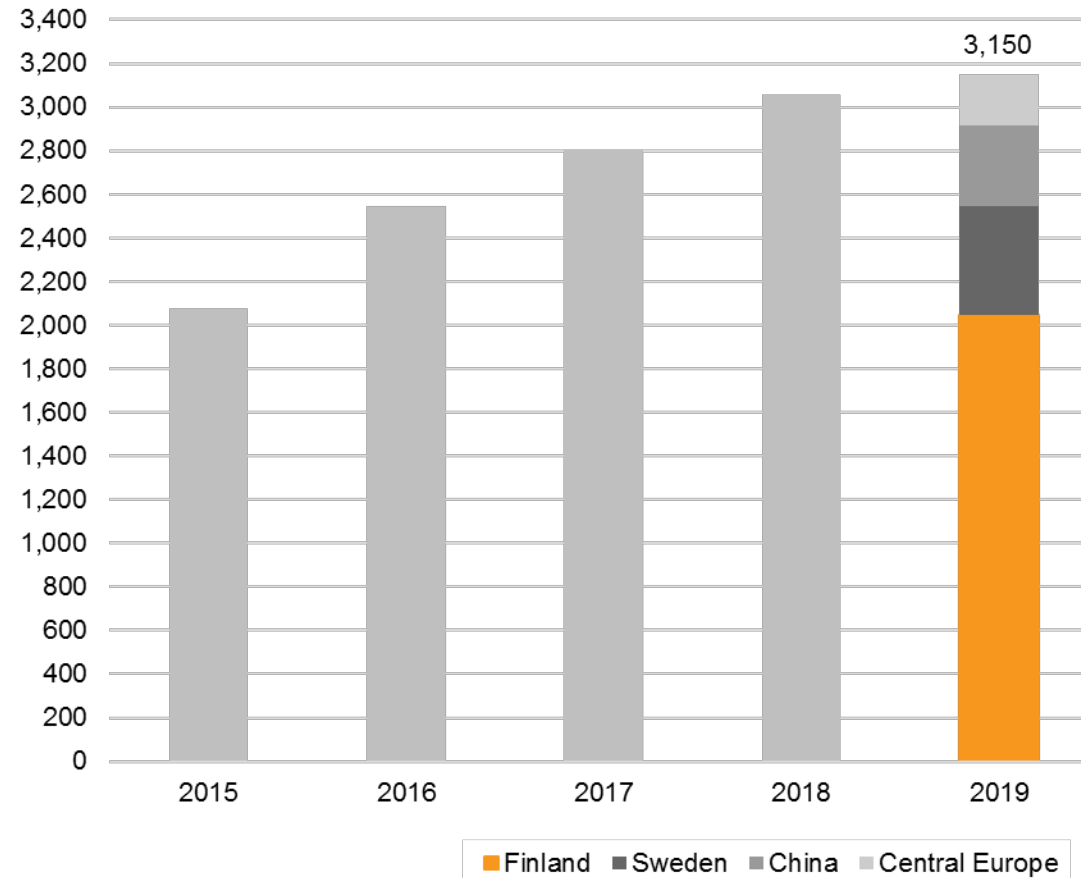
- Engineering services business does not tie significant capital. For this reason return on capital employed should be at least 20%.



Return on capital employed (ROCE), %

1-3/2019: 21.3%
(1-3/2018: 20.6%)

- The amount of personnel grew by 9.8% year-on-year.
- At the end of the review period, 1,104 (Mar 31, 2018: 1,021) people were employed by the Group outside of Finland.



Personnel at the end of period

1-3/2019: 3,150
(1-3/2018: 2,868)

Income statement

(MEUR)	1-3/2019	1-3/2018	Change %
Revenue	65.6	59.0	11.3
Other operating income	0.1	0.1	
Materials and services	-5.7	-5.2	
Staff costs	-44.3	-40.5	
Other operating expenses	-6.8	-7.7	
Depreciation and amortization	-3.2	-1.3	
Operating profit (EBIT)	5.8	4.4	30.7
Financial income	0.2	0.4	
Financial expenses	-0.4	-0.5	
Profit before taxes	5.6	4.3	31.7
Income taxes	-1.3	-1.0	
Profit for the review period	4.3	3.3	31.1

Balance sheet

(MEUR)	Mar 31, 2019	Mar 31, 2018
Goodwill	64.9	58.9
Other non-current assets	37.0	22.3
Non-current assets, total	102.0	81.2
Inventory	0.4	0.3
Trade and other receivables	56.1	51.0
Cash and cash equivalents	18.2	9.0
Current assets, total	74.6	60.3
TOTAL ASSETS	176.6	141.5
Equity, total	71.5	59.9
Non-current liabilities, total	36.9	22.7
Current liabilities, total	68.2	58.8
TOTAL EQUITY AND LIABILITIES	176.6	141.5

Etteplan's targets



FINANCIAL TARGETS

15%

On average annual
revenue growth

1-3/2019: 11.3%

10%

Operating profit
(EBITA)

1-3/2019: 9.8%

65%

Managed Services
share of revenue by
the end of 2019

1-3/2019: 58%

>30%

Equity ratio

1-3/2019: 41.2%

ACTIONS

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

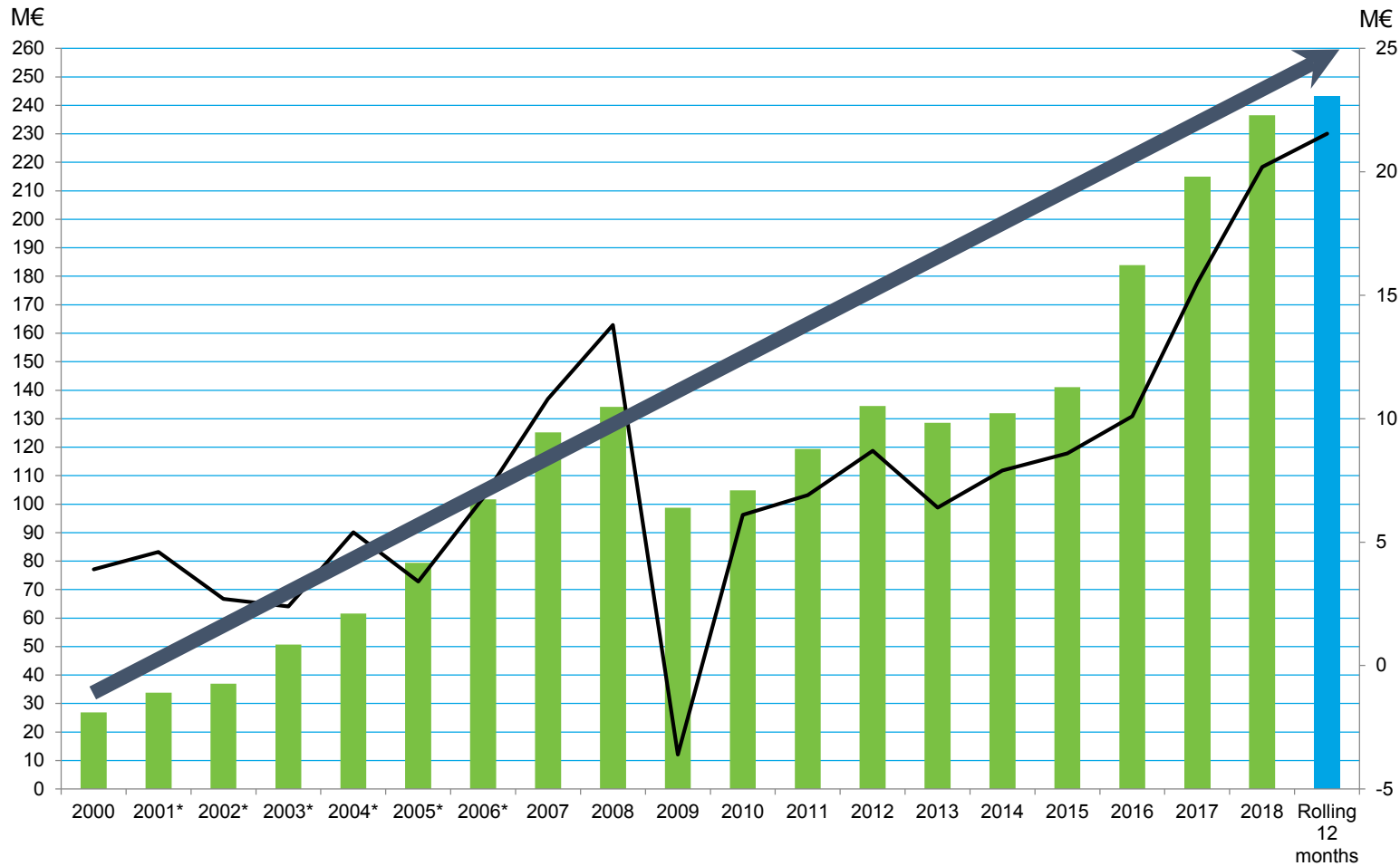
- Change in business model towards Managed services
- Market leadership

- Service solutions
- Technology solutions
- Project business

- Corresponding financing arrangements
- Improving cash flow

We are
progressing
towards our
targets

Revenue and EBIT 2000-2019



*Includes continued and discontinued operations

Revenue — Operating profit (EBIT)

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