



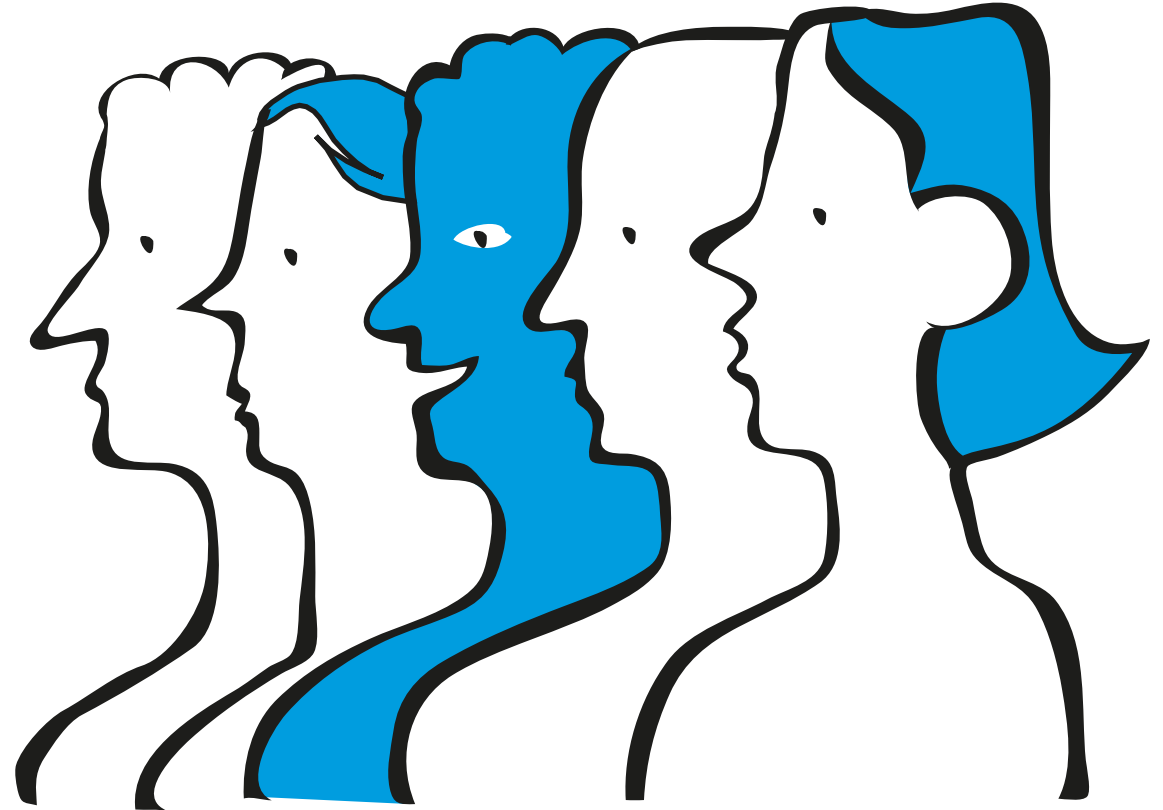
Etteplan Q1/2020: After a good start the year continues under exceptional circumstances

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President and CEO
May 5, 2020 Espoo, Finland



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Highlights of Q1/2020

Highlights

1-3/2020

- + We achieved a good result in spite of the unusual circumstances:
 - + Our revenue grew 9.5 per cent with comparable currencies, boosted by acquisitions.
 - + Our operating profit in all of our service areas was at a good level thanks to good operational efficiency.
 - + Technical Documentation Solutions service area's profitability returned to a good level, exceeding our target of 10 per cent.
- In China, the COVID-19 pandemic had a significant effect on demand in the first quarter and on our business. Our organic growth turned to a decrease.
- As the COVID-19 pandemic spread to Europe market conditions turned significantly worse.

Development of the operating environment

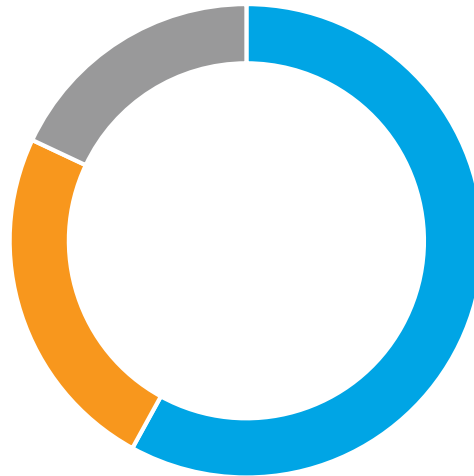
- In the start of the quarter the market situation remained at the same level as at the end of the previous year but picked up as the quarter went on.
- The global COVID-19 pandemic had an impact on market situation and increased uncertainty significantly.
- There were no significant changes in the demand for our services by customer industry.
 - Customer-specific differences were again considerable.
- Companies are directing investments to digitalization-related services.
- Outsourcing and centralizing services purchasing trends continue.
- Competition for employees and the limited 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 2020

- **Finland:** the general market demand picked up after the labor market situation was resolved in January 2020. Demand continued at a good level until the COVID-19 pandemic began to affect the development of demand in March.
- **Sweden, Germany, the Netherlands and Poland:** market demand improved from the level seen at the end of last year and was at a good level until the significant impact of the COVID-19 pandemic began to show.
- **China:** trade war pressure was easing off but demand weakened significantly in February due to the COVID-19 pandemic. Demand recovered in March and is at a good level for the time being, but the uncertainty in the global economy and particularly the prolongation of the COVID-19 pandemic can influence development.

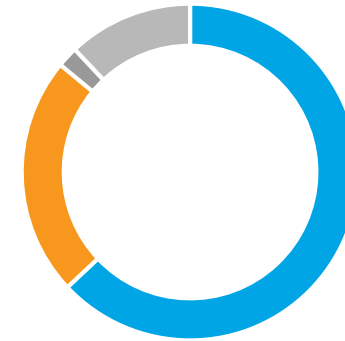
Revenue and personnel 1-3/2020

Revenue by service area



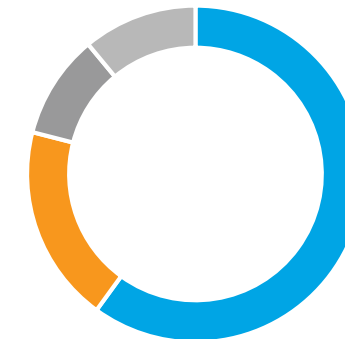
- Engineering Solutions 58% (54%)
- Software and Embedded Solutions 24% (27%)
- Technical Documentation Solutions 18% (19%)

Revenue by country



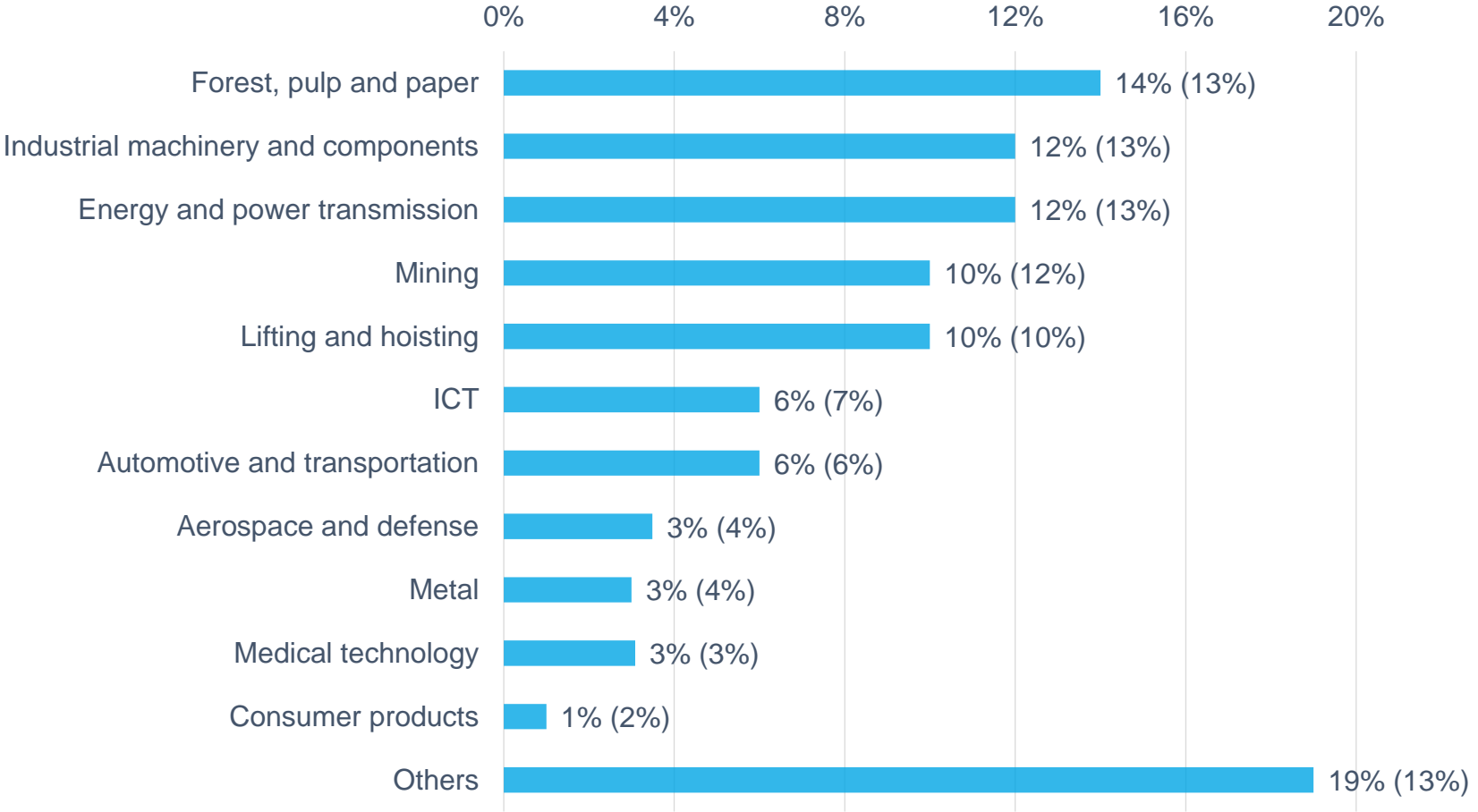
- Finland 63% (69%)
- Sweden 23% (21%)
- China 2% (3%)
- Central Europe 12% (7%)

Personnel by country (end of period)



- Finland 60% (65%)
- Sweden 19% (16%)
- China 10% (12%)
- Central Europe 11% (7%)

Revenue by customer segment 1-3/2020



Key figures 1-3/2020

| EUR 1,000 | 1-3/2020 | 1-3/2019 | Change % |
|--------------------------------|----------|----------|----------|
| Revenue | 71,292 | 65,625 | 8.6 |
| Operating profit (EBITA) | 6,580 | 6,424 | 2.4 |
| EBITA, % | 9.2 | 9.8 | |
| Operating profit (EBIT) | 5,656 | 5,772 | -2.0 |
| EBIT, % | 7.9 | 8.8 | |
| Basic earnings per share, EUR | 0.17 | 0.17 | 0.0 |
| Equity ratio, % | 40.6 | 41.2 | |
| Operating cash flow | 2,246 | 5,421 | |
| ROCE, % | 18.4 | 21.3 | |
| Managed Services Index | 59 | 58 | 1.7 |
| Personnel at end of the period | 3,402 | 3,150 | 8.0 |

Market outlook 2020

The global COVID-19 pandemic has a significant impact on global economy and market situation. The most important factor affecting Etteplan's business is the global development of the machinery and metal industry. Due to the prevailing uncertainty on the market there have been unforeseen changes in Etteplan's customer demand. The prolonging of the situation will have a negative impact on financial development that is very difficult to estimate at the moment.

Financial guidance 2020 (updated on March 30, 2020)

On March 30, 2020, Etteplan withdrew its financial guidance for the year 2020 for the time being due to the uncertainty caused by the COVID-19 pandemic. Etteplan will not provide any financial guidance for 2020 for the time being. The guidance will be issued when the Company is in a better position to assess the impact of the COVID-19 pandemic on Etteplan's business.

Previous financial guidance 2020 (updated on February 11, 2020):

We expect the revenue for 2020 to increase clearly and operating profit (EBIT) to be at the same level or to improve compared to 2019.

The impacts of COVID-19 pandemic on operations

- We reacted quickly and successfully to the changed operating environment:
 - Approximately 85 per cent of our employees are currently working remotely.
 - We initiated cooperation negotiations concerning our personnel in Finland on March 18, 2020. As a result of the negotiations, we can lay off a maximum of 700 employees for at most 90 days over a period of six months. Temporary lay offs initiated also in Sweden and Germany.
 - In the end of March: 46 employees were temporarily laid off.
 - In the end of April: 286 employees were temporarily laid off.
 - We have agreed on loan arrangements that ensure the financing under any circumstances.
- We have engaged in preparations and planning related to the renewed strategy.
 - Many projects have been suspended for the time being. Investments in the implementation of the strategy will continue as soon as the situation allows it.
- We believe the renewed strategy will drive our success after the COVID-19 pandemic.

Financial development Q1/2020

Revenue

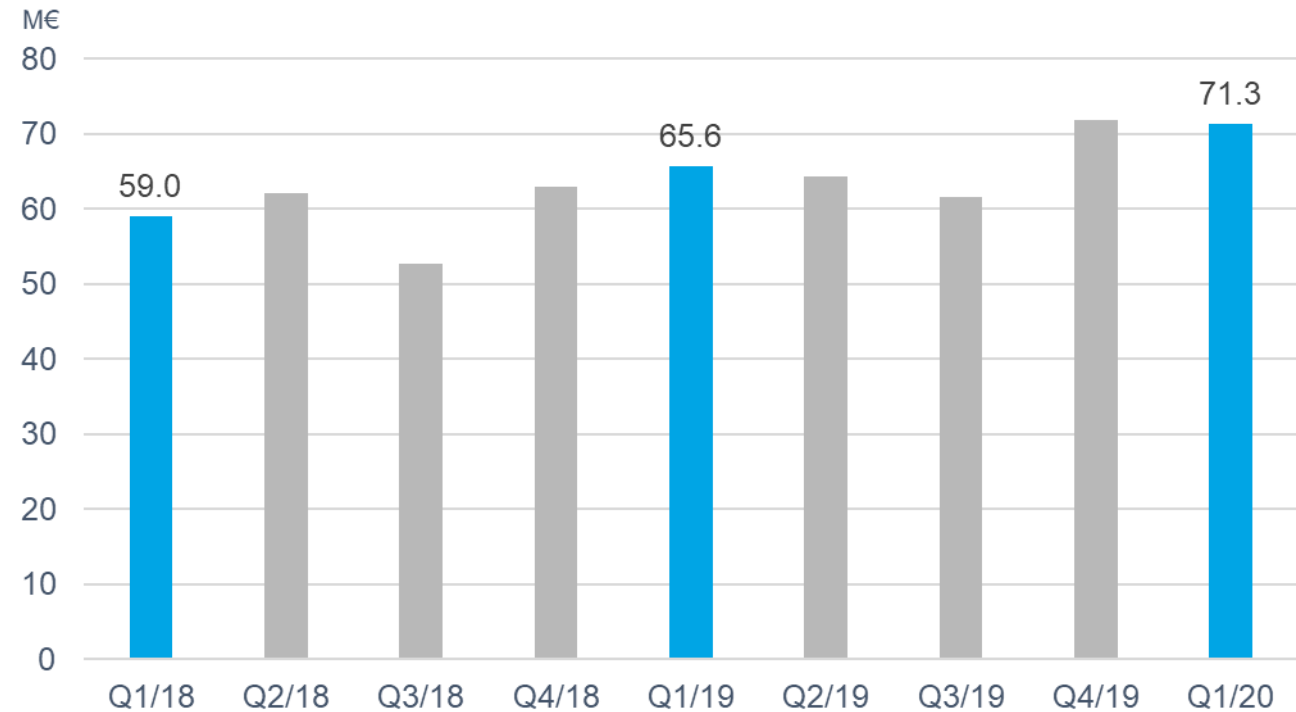
1-3/2020: 71.3 M€ (65.6 M€)

Growth 8.6%

With comparable exchange rates 9.5%

Organic growth -2.8%

With comparable exchange rates -1.9%

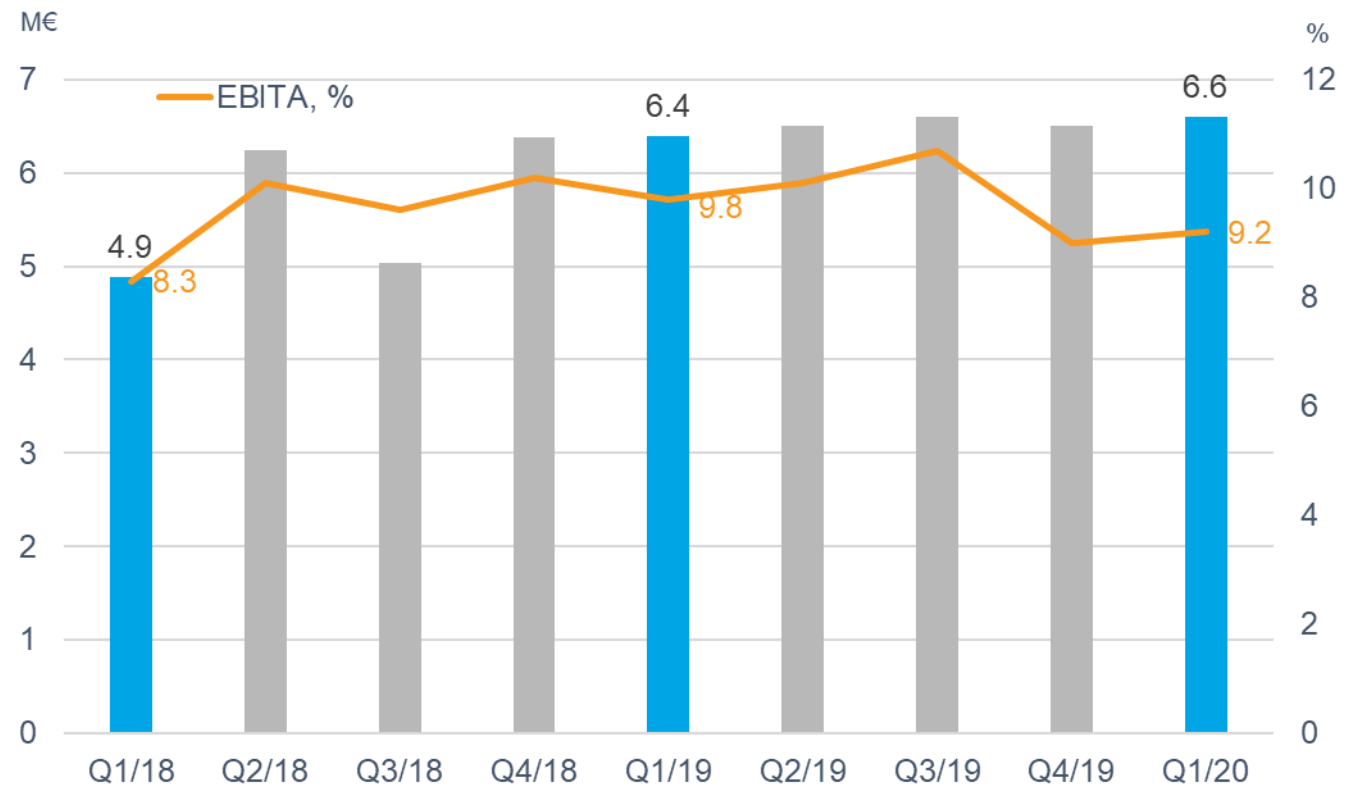


- Revenue grew, boosted by the acquisitions made in 2019.
- Organic growth turned to a decrease, particularly due to the impact of the COVID-19 pandemic in China.
- We were cautious in recruitment due to the uncertainty brought about by the pandemic.
- Revenue from key accounts decreased by 0.9%.

Operating profit (EBITA)

1-3/2020: 6.6 M€, 9.2%
(6.4 M€, 9.8%)

Non-recurring items -0.2 (-0.2) M€

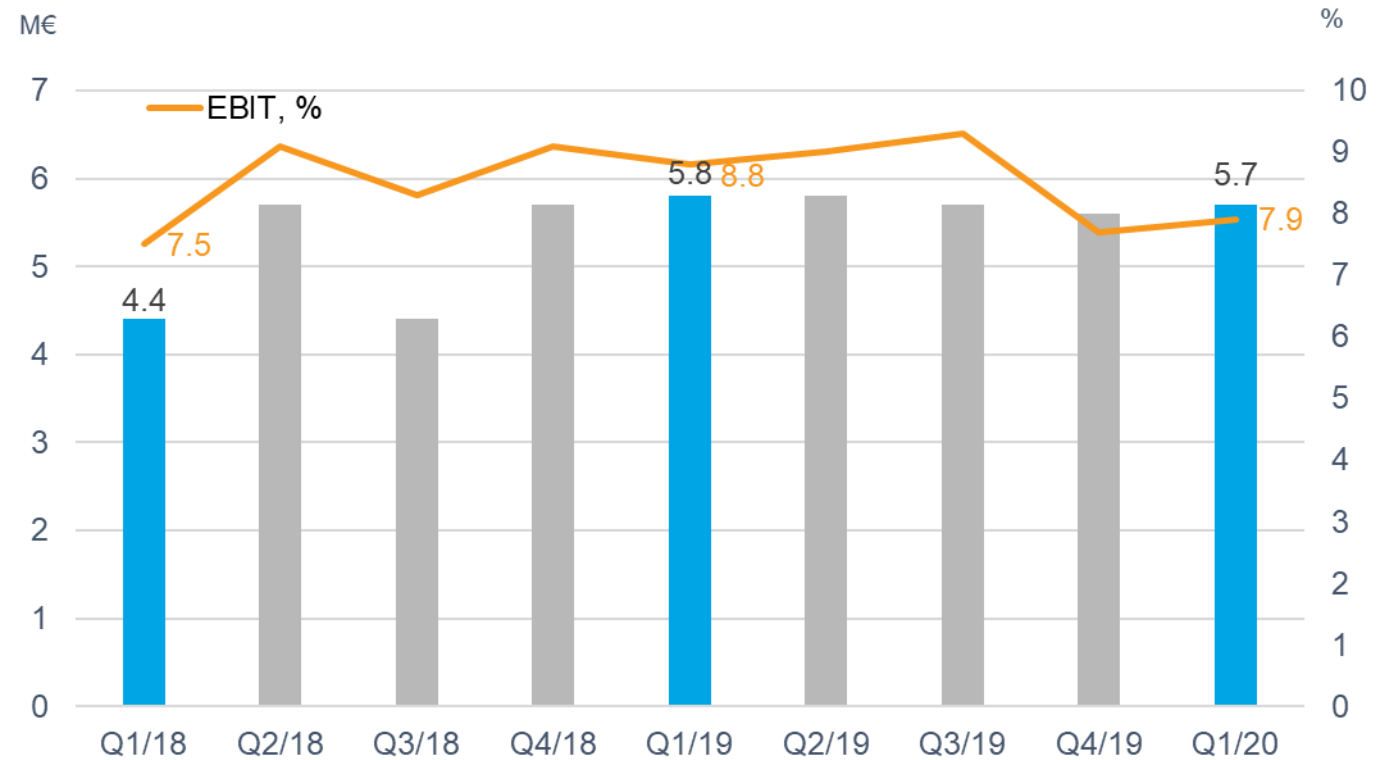


- Profitability was at a good level.
- Profitability was affected by the slow start to the year and the outbreak of the COVID-19 pandemic in China in February-March.

Operating profit (EBIT)

1-3/2020: 5.7 M€, 7.9%
(5.8 M€, 8.8%)

Non-recurring items -0.2 (-0.2) M€



- Amortizations related to acquisitions were EUR 0.9 million.

Engineering Solutions

Revenue

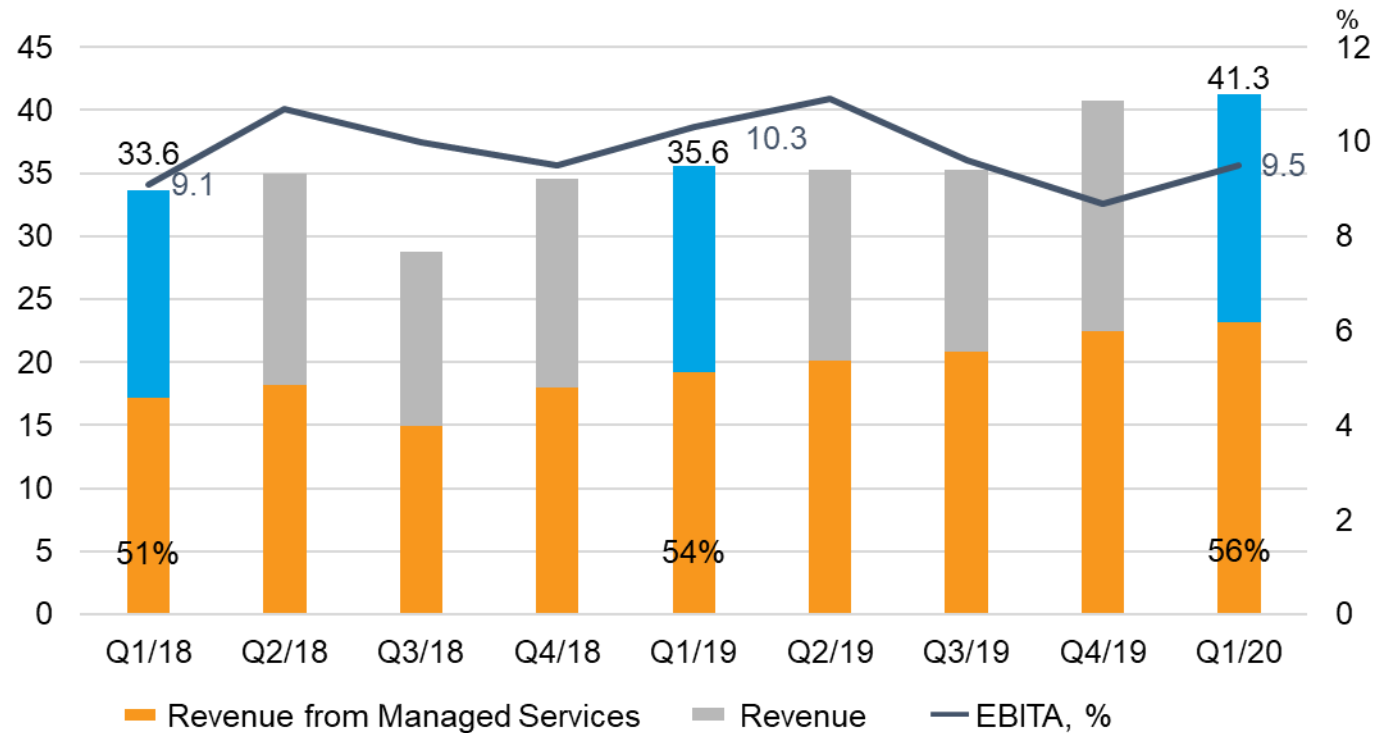
1-3/2020: 41.3 M€ (35.6 M€)
Growth 16.1%

Operating profit (EBITA)

1-3/2020: 3.9 M€, 9.5%
(3.7 M€, 10.3%)

Personnel

Mar 31, 2020: 1,986 (1,780)



- The service area developed well. Demand was good and the acquisitions made in 2019 supported growth.
- The sharp fall in demand caused by the COVID-19 pandemic in China in February and the uncertainty caused by the labor market situation in Finland affected the development.
- Profitability was at a good level thanks to good operational efficiency and positive development at the acquired companies.

Software and Embedded Solutions

Revenue

1-3/2020: 17.0 M€ (17.3 M€)

Change -2.0%

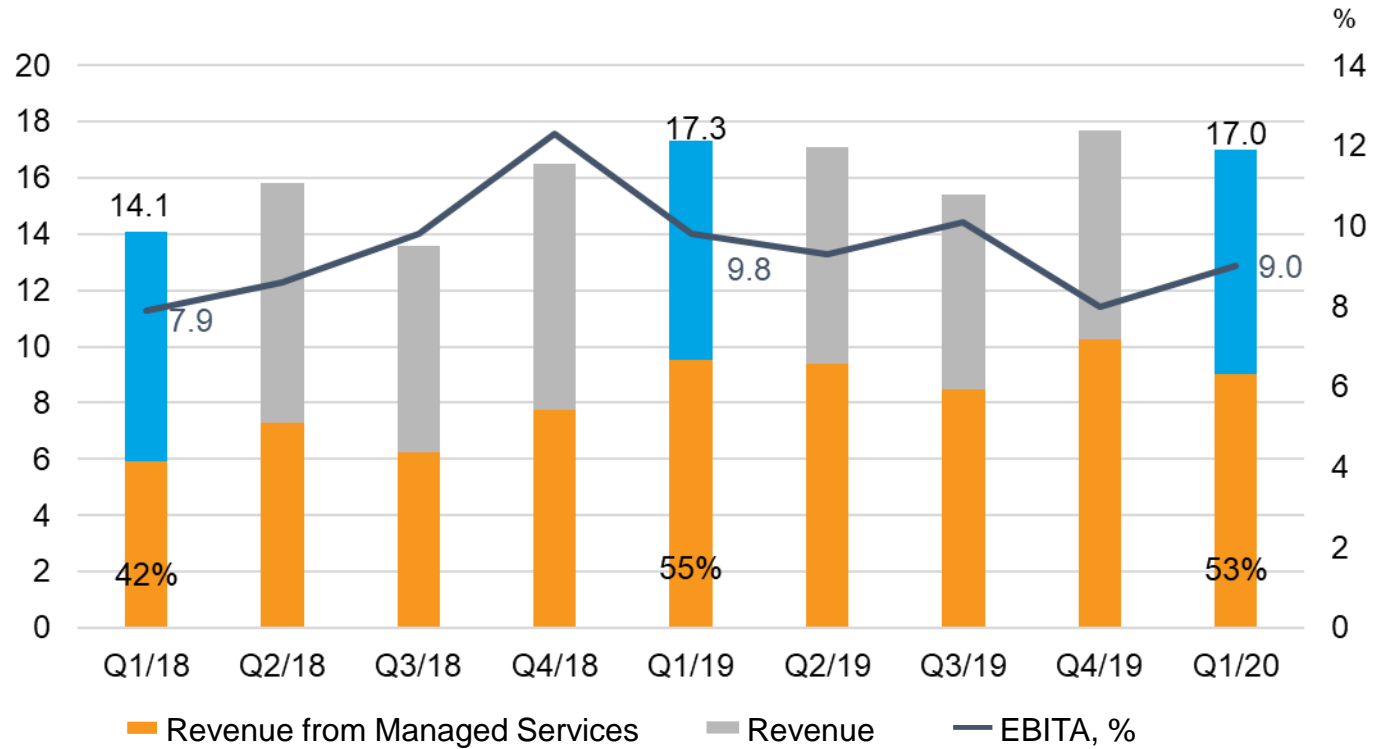
Operating profit (EBITA)

1-3/2020: 1.5 M€, 9.0%

(1.7 M€, 9.8%)

Personnel

Mar 31, 2020: 663 (667)



- Revenue decreased due to the recruitment of Etteplan's employees by certain customers.
- Our customers are still investing in digital solutions, but the COVID-19 pandemic is temporarily weakening demand.
- The profitability was weakened by the effects of the COVID-19 pandemic, organizational restructuring and anticipated credit loss allowance.

Technical Documentation Solutions

Revenue

1-3/2020: 12.8 M€ (12.5 M€)

Growth 2.6%

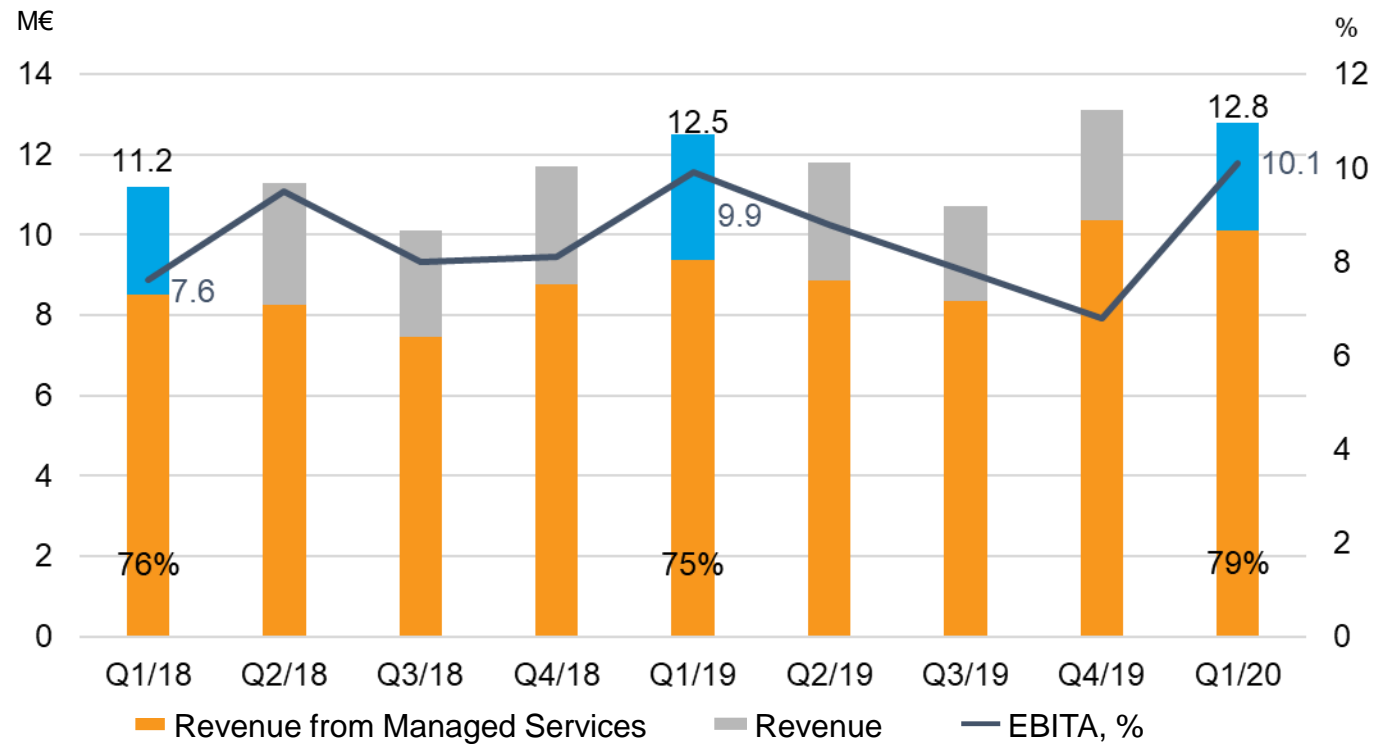
Operating profit (EBITA)

1-3/2020: 1.3 M€, 10.1%

(1.2 M€, 9.9%)

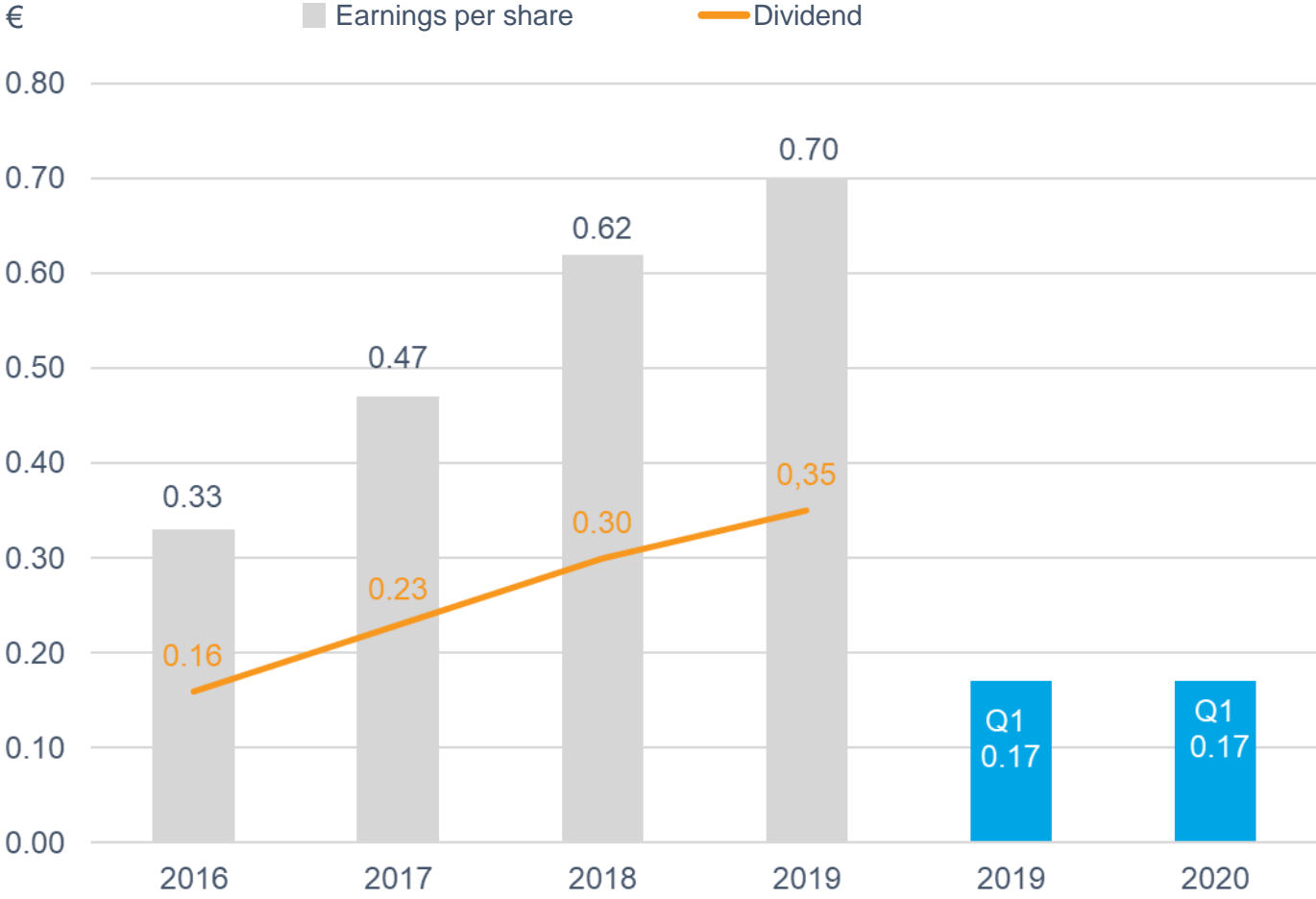
Personnel

Mar 31, 2020: 656 (609)



- The service area developed well and operational efficiency was at a good level. Acquisitions made in 2019 supported the good development.
- The sharp fall in demand caused by the COVID-19 pandemic in China in February affected the development.
- The COVID-19 pandemic made it more difficult to close deals for our new SaaS version of the HyperSTE software.
- Profitability returned to a good level, exceeding our target of 10 per cent. A project in Germany still had a slight negative effect.

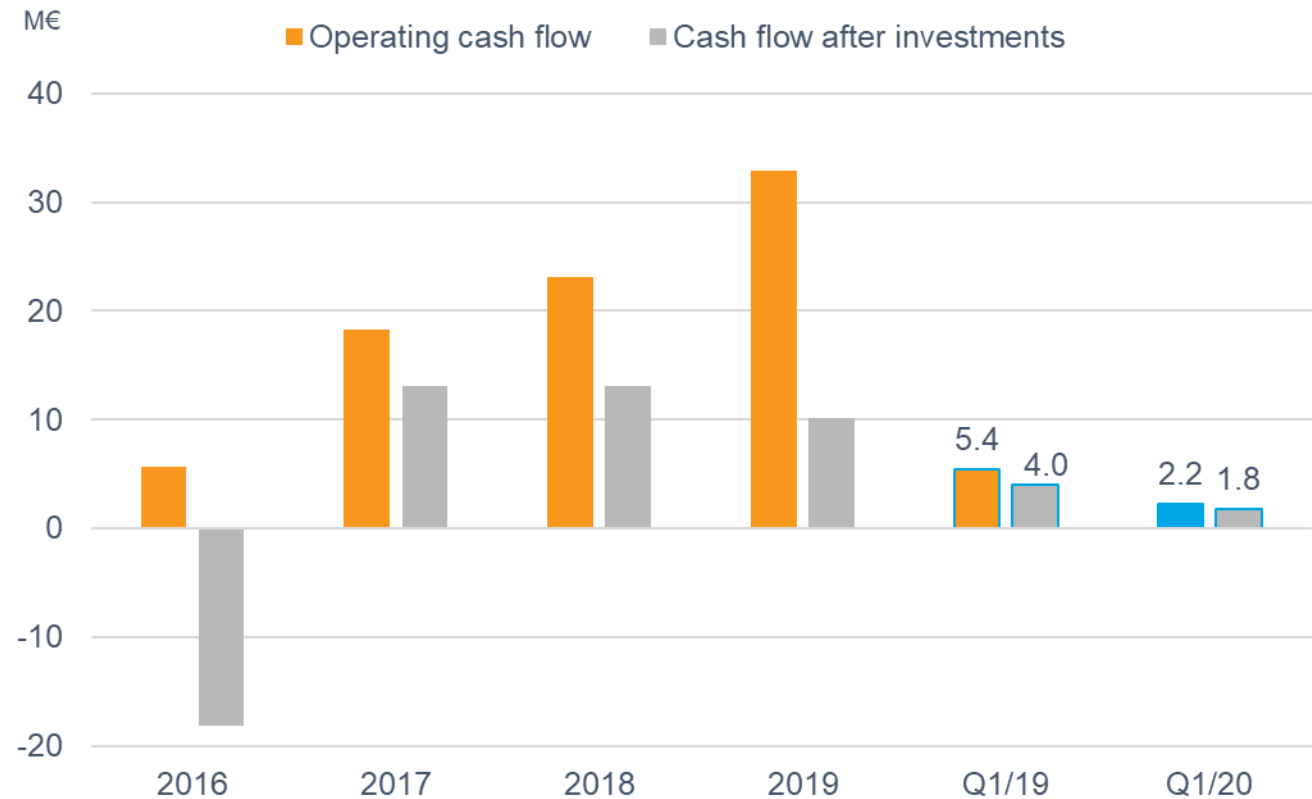
Earnings per share and dividends



Cash flow

Operating cash flow

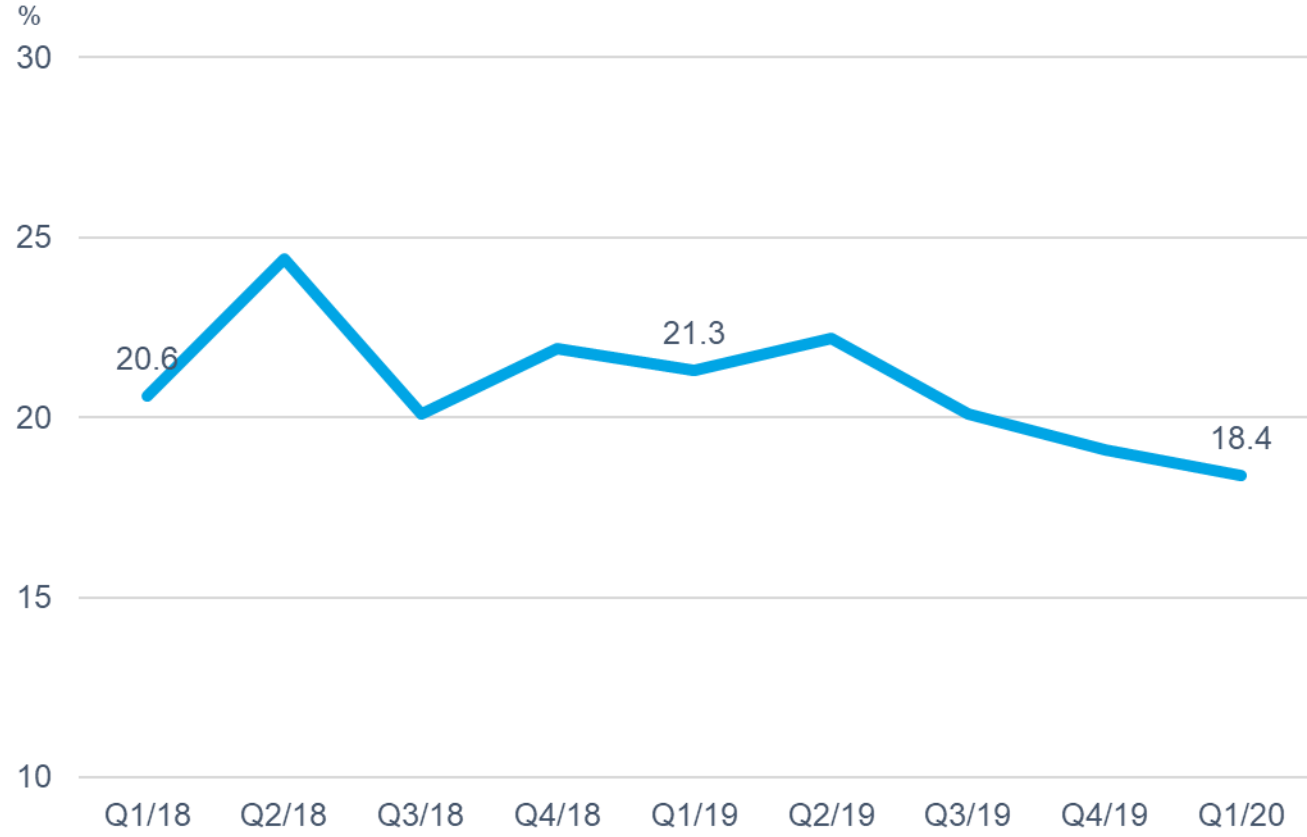
1-3/2020: 2.2 M€ (5.4 M€)



- The strike in Finland involving the engineering industry weakened revenue in the final quarter of 2019 and consequently affected the accrual of operating cash flow in the review period.
- Cash flow accrues unevenly over the four quarters of the year due to periodic fluctuation in business.

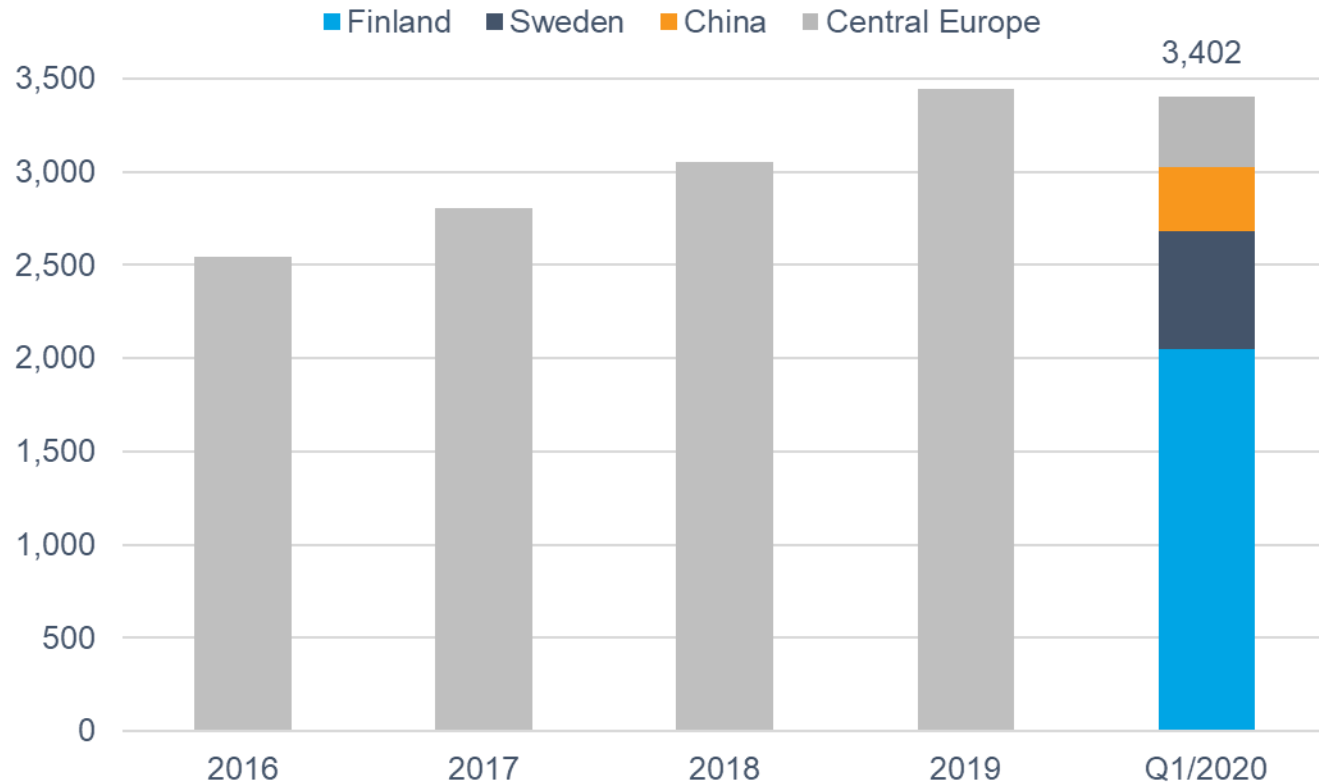
Return on capital employed

1-3/2020: 18.4% (21.3%)



- Engineering services business does not tie significant capital.

Personnel at the end of the period



- The amount of personnel grew by 8.0% year-on-year.
- The number of personnel decreased by 1.3 per cent compared to the end of 2019 due to some customers recruiting Etteplan employees and cautious recruitment due to the COVID-19 pandemic.
- At the end of the review period, 1,354 (Mar 31, 2019: 1,104) people were employed by the Group outside of Finland.

Income statement

| MEUR | 1-3/2020 | 1-3/2019 | Change % |
|-------------------------------------|------------|------------|-------------|
| Revenue | 71.3 | 65.6 | 8.6 |
| Other operating income | 0.2 | 0.1 | |
| Materials and services | -6.3 | -5.7 | |
| Staff costs | -48.8 | -44.3 | |
| Other operating expenses | -6.7 | -6.8 | |
| Depreciation and amortization | -4.1 | -3.2 | |
| Operating profit (EBIT) | 5.7 | 5.8 | -2.0 |
| Financial income | 0.5 | 0.2 | |
| Financial expenses | -0.6 | -0.4 | |
| Profit before taxes | 5.5 | 5.6 | -1.8 |
| Income taxes | -1.3 | -1.3 | |
| Profit for the review period | 4.2 | 4.3 | -2.5 |

Balance sheet

| MEUR | Mar 31, 2020 | Mar 31, 2019 | Dec 31, 2019 |
|-------------------------------------|--------------|--------------|--------------|
| Goodwill | 77.6 | 64.9 | 79.0 |
| Other non-current assets | 46.1 | 37.0 | 45.4 |
| Non-current assets, total | 123.7 | 102.0 | 124.5 |
| Inventory | 0.3 | 0.4 | 0.3 |
| Trade and other receivables | 64.2 | 56.1 | 62.2 |
| Cash and cash equivalents | 11.9 | 18.2 | 15.9 |
| Current assets, total | 76.4 | 74.6 | 78.4 |
| TOTAL ASSETS | 200.1 | 176.6 | 202.9 |
| Equity, total | 78.9 | 71.5 | 76.7 |
| Non-current liabilities, total | 40.2 | 36.9 | 39.6 |
| Current liabilities, total | 81.0 | 68.2 | 86.5 |
| TOTAL EQUITY AND LIABILITIES | 200.1 | 176.6 | 202.9 |

Etteplan's targets

Financial targets 2020-2024

Revenue
> EUR 500
million

Rolling 12 months:
EUR 269 million

50%
Revenue
outside
Finland

1-3/2020: 37%

75%
Managed
Services share
of revenue

1-3/2020: 59%

10%
Operating profit
(EBITA)

1-3/2020: 9.2%

ACTIONS

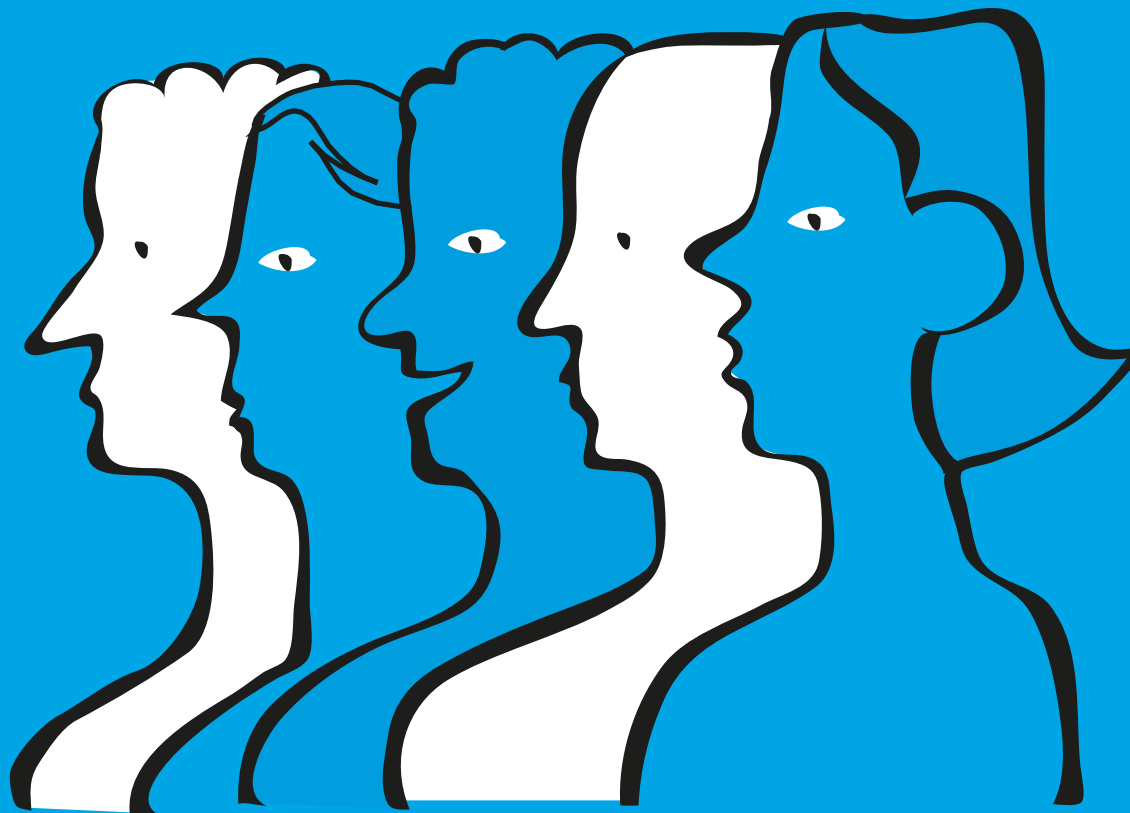
- Constant development of Service Solutions
- Digitalization
- International growth
- Acquisitions

- Expanding our full service offering to all current markets

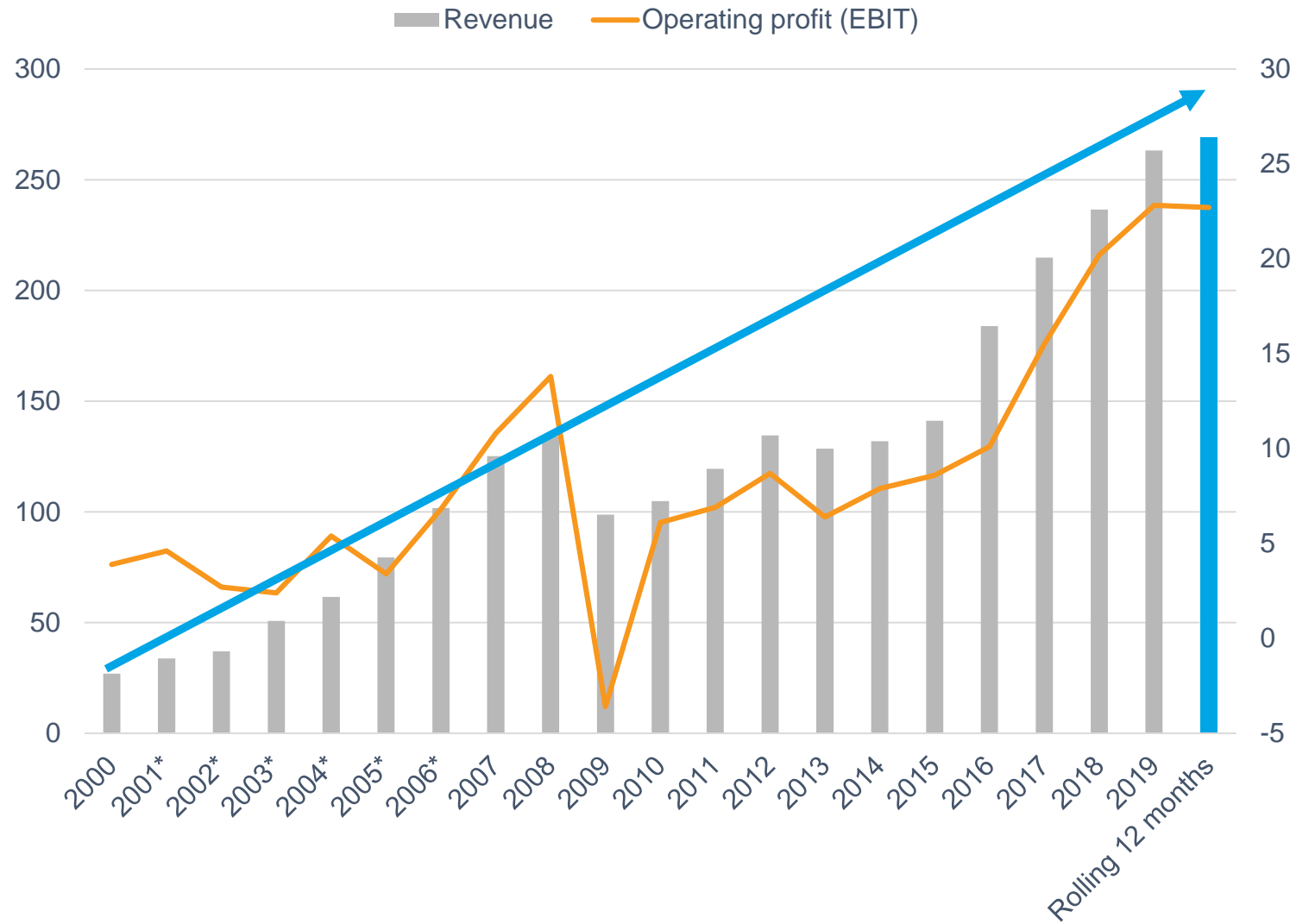
- Service solutions
- Technology solutions
- Project business

- Change in business model towards Managed services
- Market leadership

Q&A



Revenue and EBIT 2000-2020



*Includes continued and discontinued operations

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