

2015

Etteplan Q1:
A significant result improvement

President and CEO Juha Näkki
May 7, 2015



Market review 1-3/2015

- The year 2015 got off to a slow start after the Christmas holiday season.
- The demand for engineering services and technical documentation was on previous quarter's (10-12/2014) level and improved compared to the first quarter of 2014.
- The Swedish market developed more favorably than the Finnish market, and demand improved particularly in technical documentation outsourcing services.
- In the Netherlands the demand for technical documentation improved slightly.
- The demand for engineering services continued to grow in China.

Highlights 1-3/2015

- + Key accounts developed favorably and grew by 7.8%.
 - + The share of Managed Services continued to grow and was 44% of revenue.
 - + In the area of technical documentation, our business developed well during the review period.
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- In engineering services revenue growth was slower than expected.
 - The growth in number of working hours sold in the Chinese market slowed down temporarily and was 2.8%.

Key figures 1-3/2015

(EUR 1,000)	1-3/2015	1-3/2014	Change %
Revenue	34,650	33,282	4.1
EBIT from business operations*	2,254	1,360	65.8
EBIT from business operations, %	6.5	4.1	
Operating profit (EBIT)	2,051	1,157	77.3
EBIT, %	5.9	3.5	
Basic earnings per share, EUR	0.07	0.04	75.0
Equity ratio, %	36.3	31.5	
Operating cash flow	137	-1,695	108.1
ROCE, %	17.5	10.5	
Personnel at end of the period	1,873	1,731	8.2

* EBIT excluding acquisition related items such as amortization on PPA allocations and earn out revaluations

Outlook 2015

Market outlook

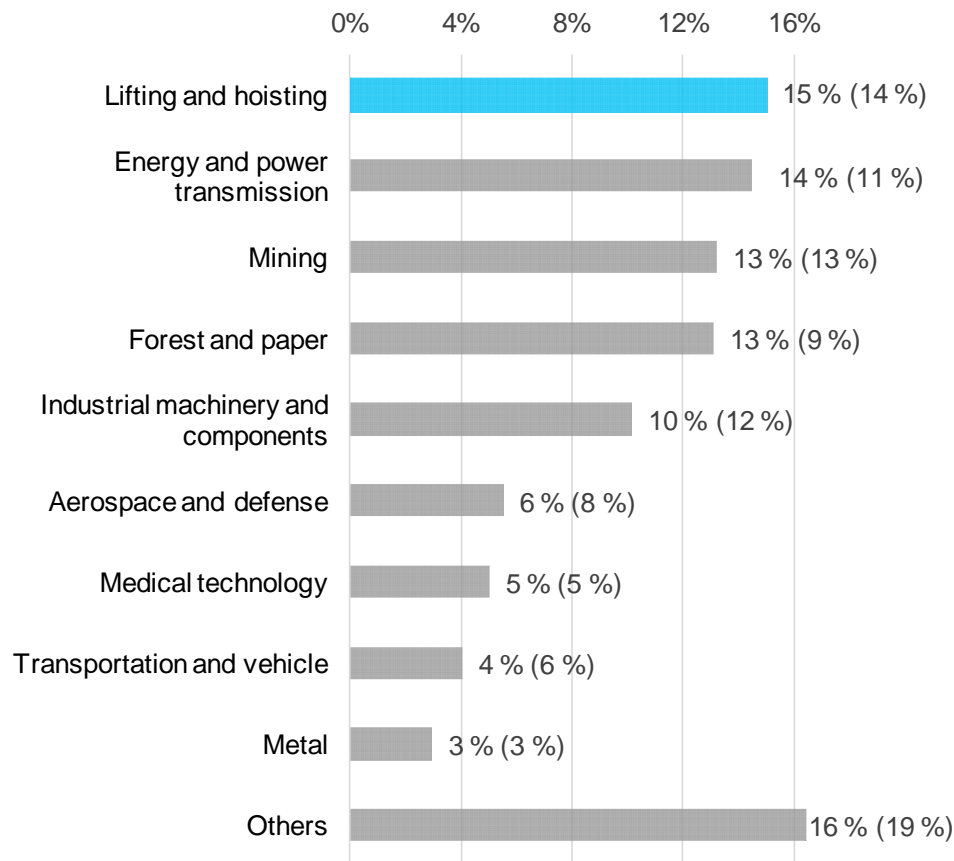
The most important factor in the development of Etteplan's business operations is the global development of the machinery and metal industry. Market development remains uncertain due to the political and economic situation in Europe. Etteplan's customers also operate in the North American and Asian markets, where the demand situation is better than in Europe.

Financial guidance

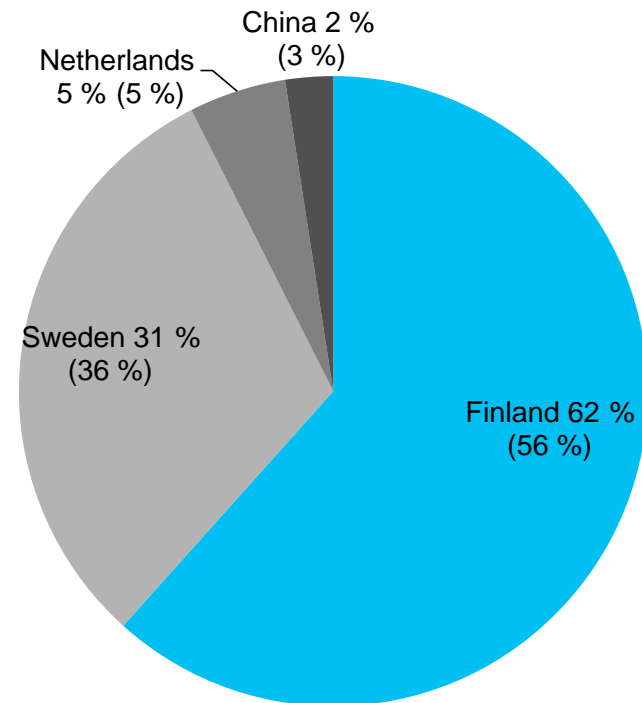
We expect the revenue and operating profit for the year 2015 to grow compared to 2014.

Revenue 1-3/2015

Revenue by customer segment



Revenue by country



Figures have been rounded up or down to integers.

Revenue

1-3/2015: EUR 34.7 million (1-3/2014: EUR 33.3 million)

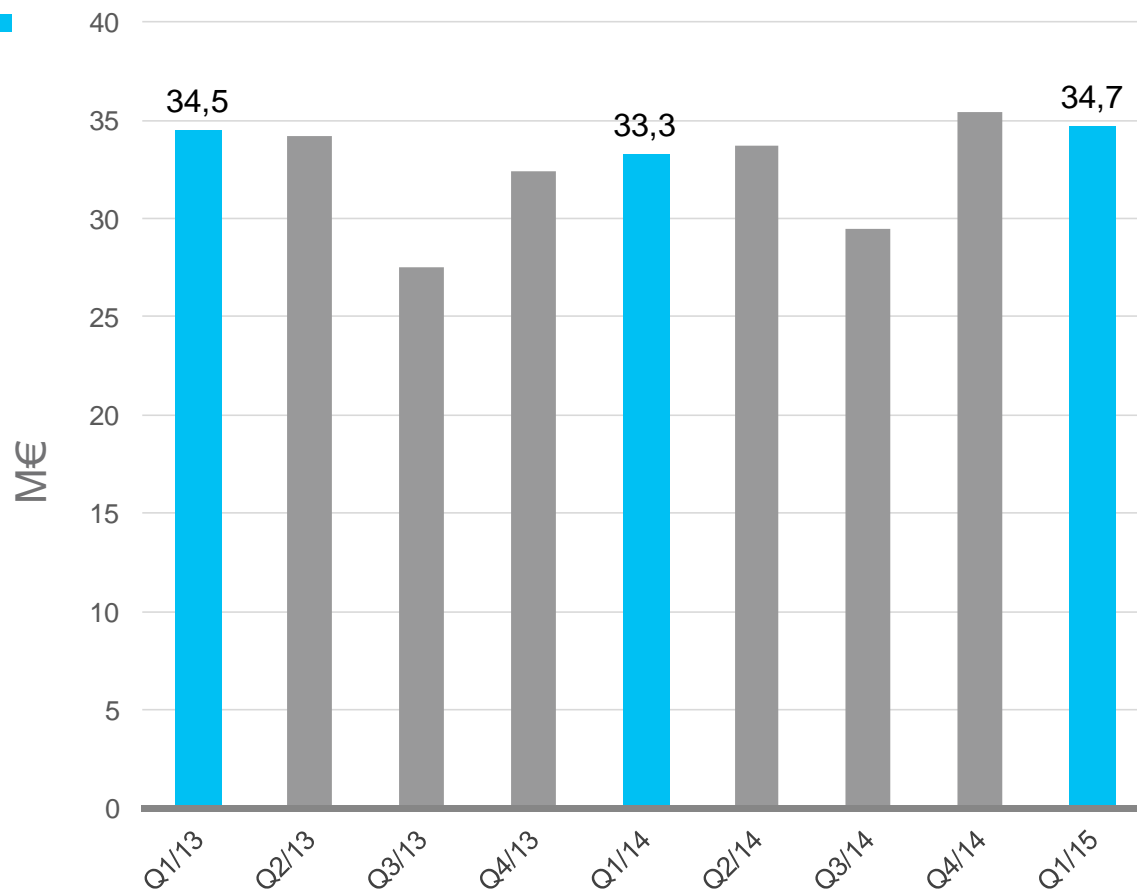
Revenue increased by 4.1%.
At comparable exchange rates
revenue increased by 5.4%.

Organic growth was 4.1%.

Sales to key customers grew by
7.8%.

The growth in revenue was
attributable to Etteplan's strong
market position as well as
demand remaining at a
moderately good level.

Etteplan's business is subject to
periodic fluctuation.



EBIT from business operations

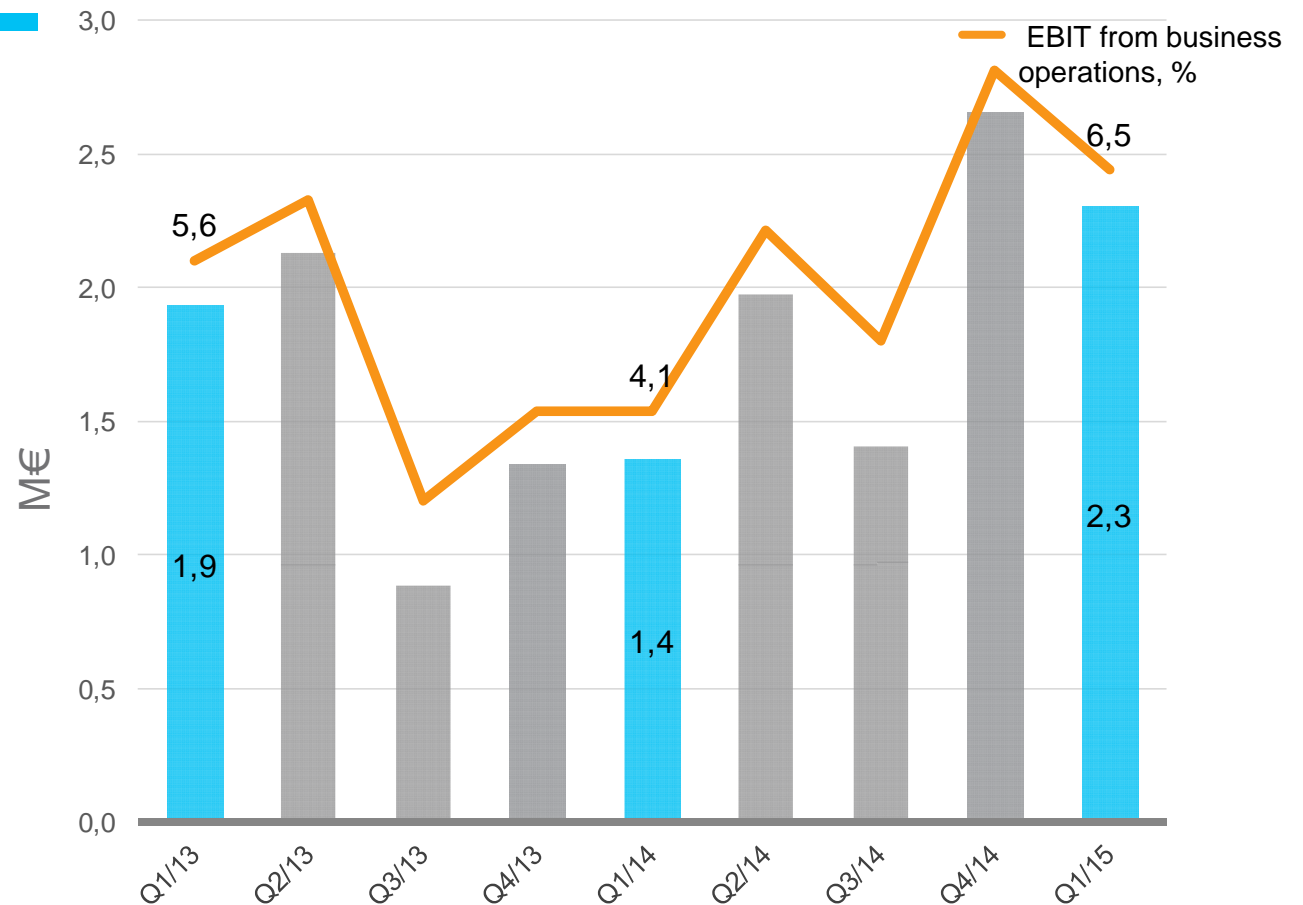
1-3/2015: EUR 2.3 million, 6.5% (1-3/2014: EUR 1.4 million, 4.1%)

Etteplan began to report EBIT from business operations from the start of 2015. The new indicator reflects operational performance better.

EBIT from business operations is EBIT excluding acquisition related items such as amortization on PPA allocations and earn out revaluations.

EBIT from business operations improved by 65.8%.

EBIT from business operations includes non-recurring items with a total of EUR 0.1 million.

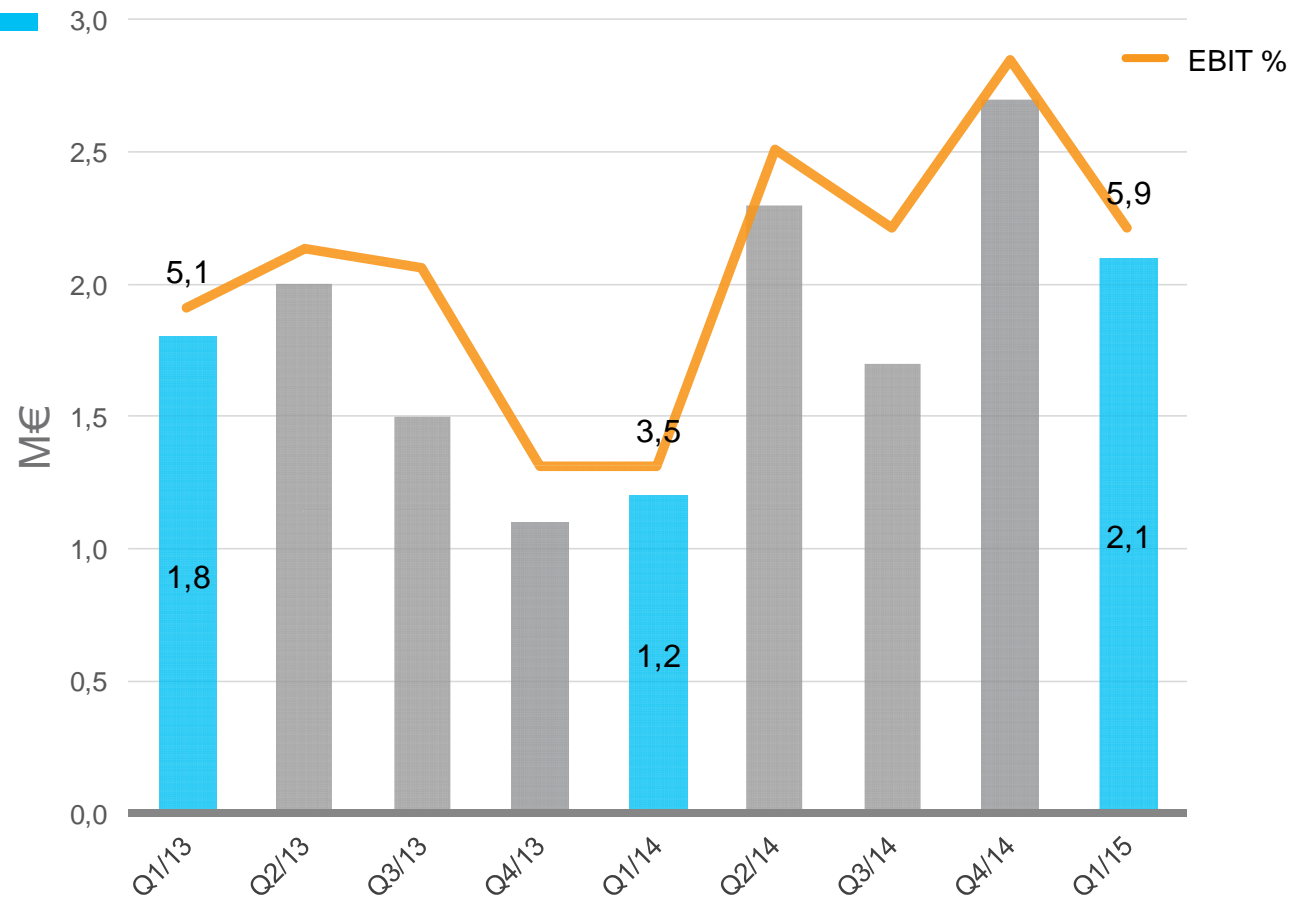


Operating profit (EBIT) and EBIT %

1-3/2015: EUR 2.1 million, 5.9% (1-3/2014: EUR 1.2 million, 3.5%)

Operating profit increased by 77.3%.

Operating profit was improved by revenue growth and a better utilization rate of the engineering capacity.



Engineering services

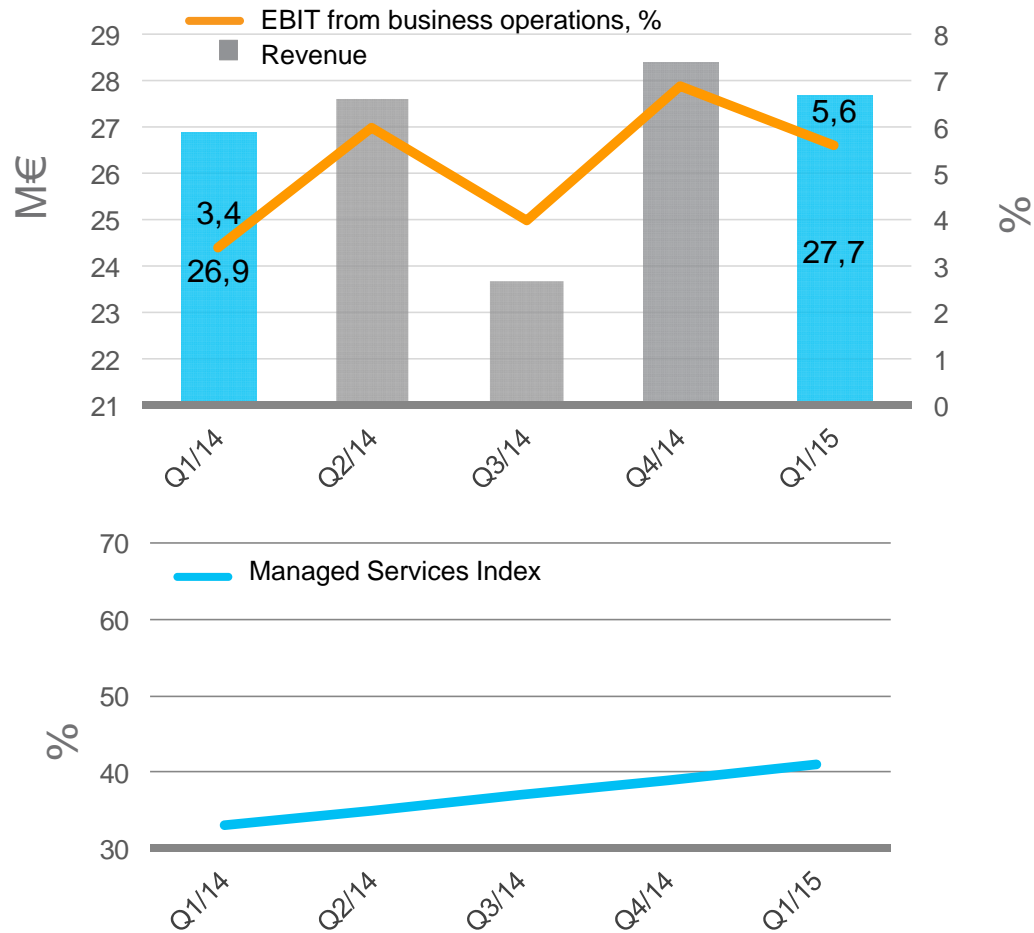
Revenue 1-3/2015: EUR 27,7 million (1-3/2014: EUR 26,9 million)

Revenue growth in engineering services was 2.8% from the comparison period.

The growth in revenue was attributable to Etteplan's strong market position as well as demand remaining steady.

Revenue growth was slower than expected due to the postponement of signing a frame agreement with one customer and the decreasing of the Russian project business.

In engineering services, EBIT from business operations improved by 67.7% and the operative EBIT margin was 5.6% (1-3/2014: 3.4%).



Technical documentation

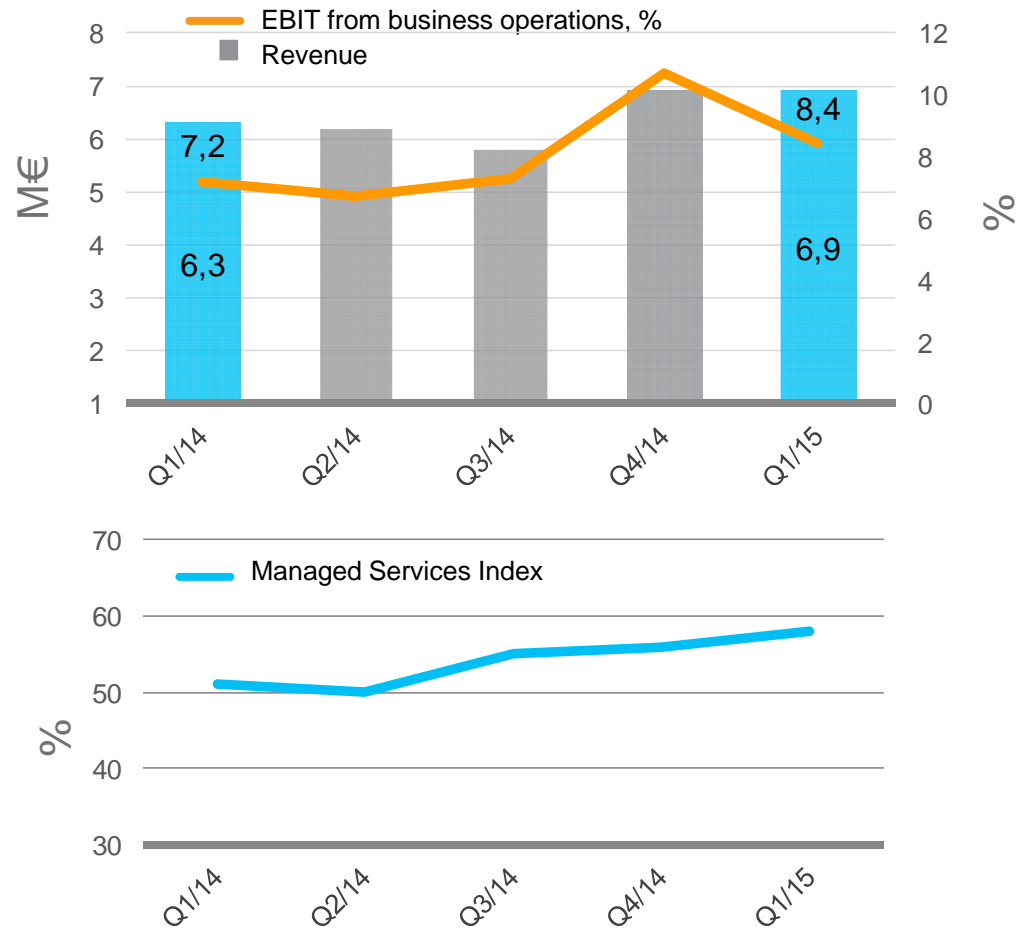
Revenue 1-3/2015: EUR 6,9 million (1-3/2014: EUR 6,3 million)

In technical documentation revenue grew by 9.4% from the comparison period.

The growth in technical documentation was boosted by the continued trend of outsourcing.

The most significant outsourcing agreement was made with Husqvarna Group.

In technical documentation, EBIT from business operations improved by 27.7% and operative EBIT margin was 8.4% (1-3/2014: 7.2%).

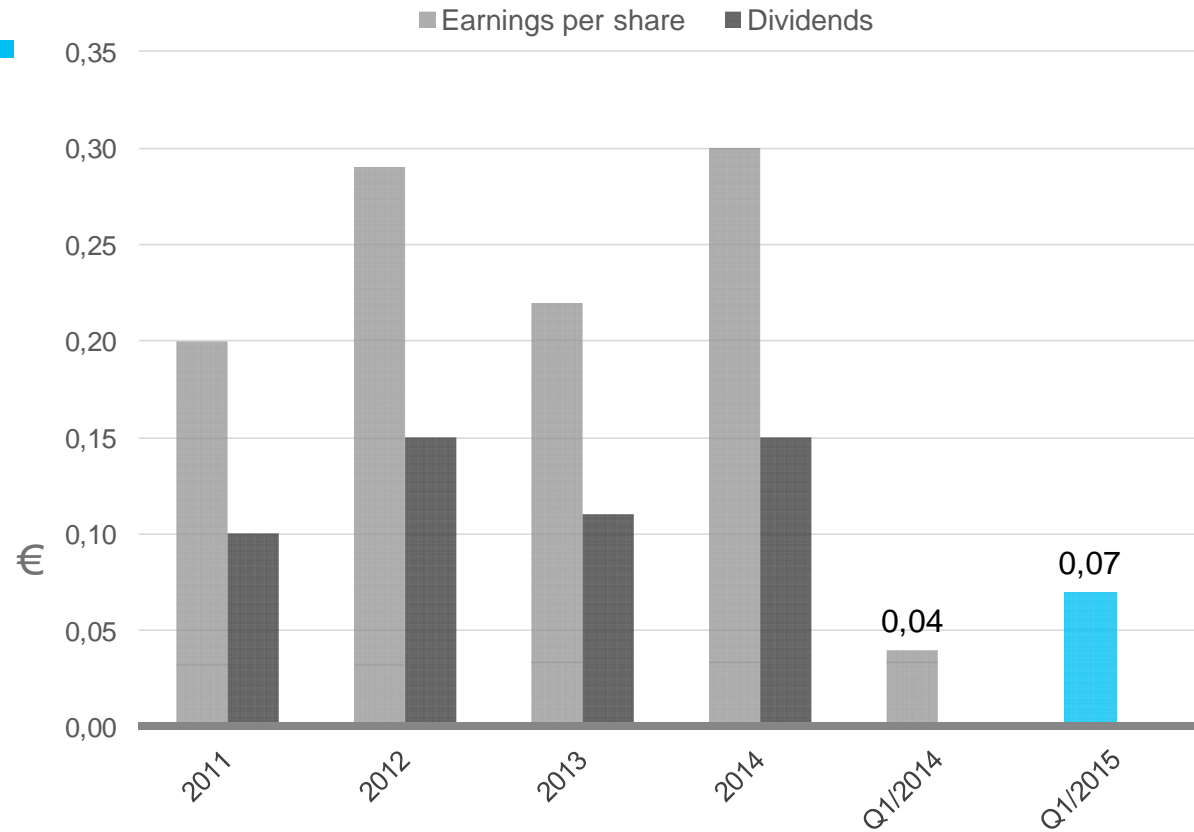


Earnings per share and dividends

Earnings per share 1-3/2015: EUR 0.07 (1-3/2014: EUR 0.04)

Earnings per share improved by 75%.

Equity per share increased by 13.9% and was EUR 1.39 (EUR 1.22).



Cash flow

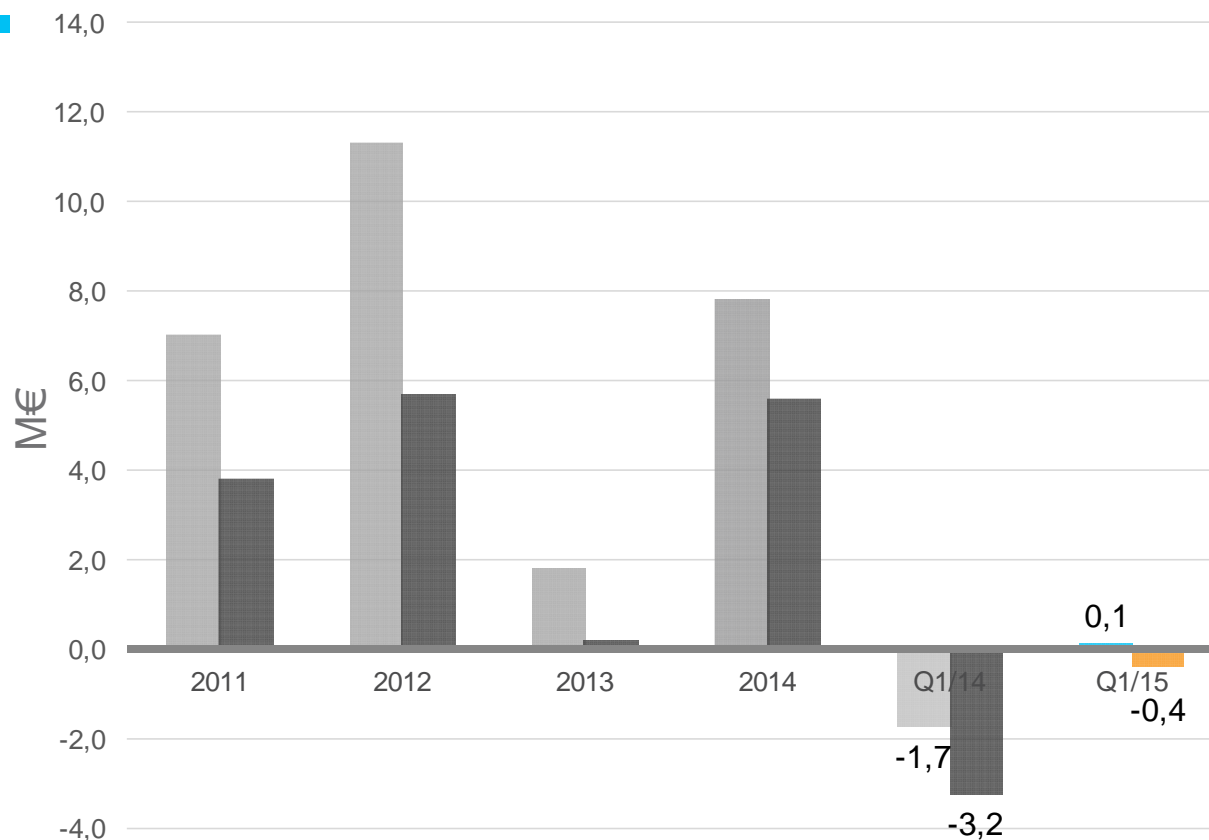
Operating cash flow 1-3/2015: EUR 0.1 million (1-3/2014: EUR -1.7 million)

Cash flow after investments 1-3/2015: EUR -0.4 million (1-3/2014: EUR -3.2 million)

■ Operating cash flow ■ Cash flow after investments

Operating cash flow improved.

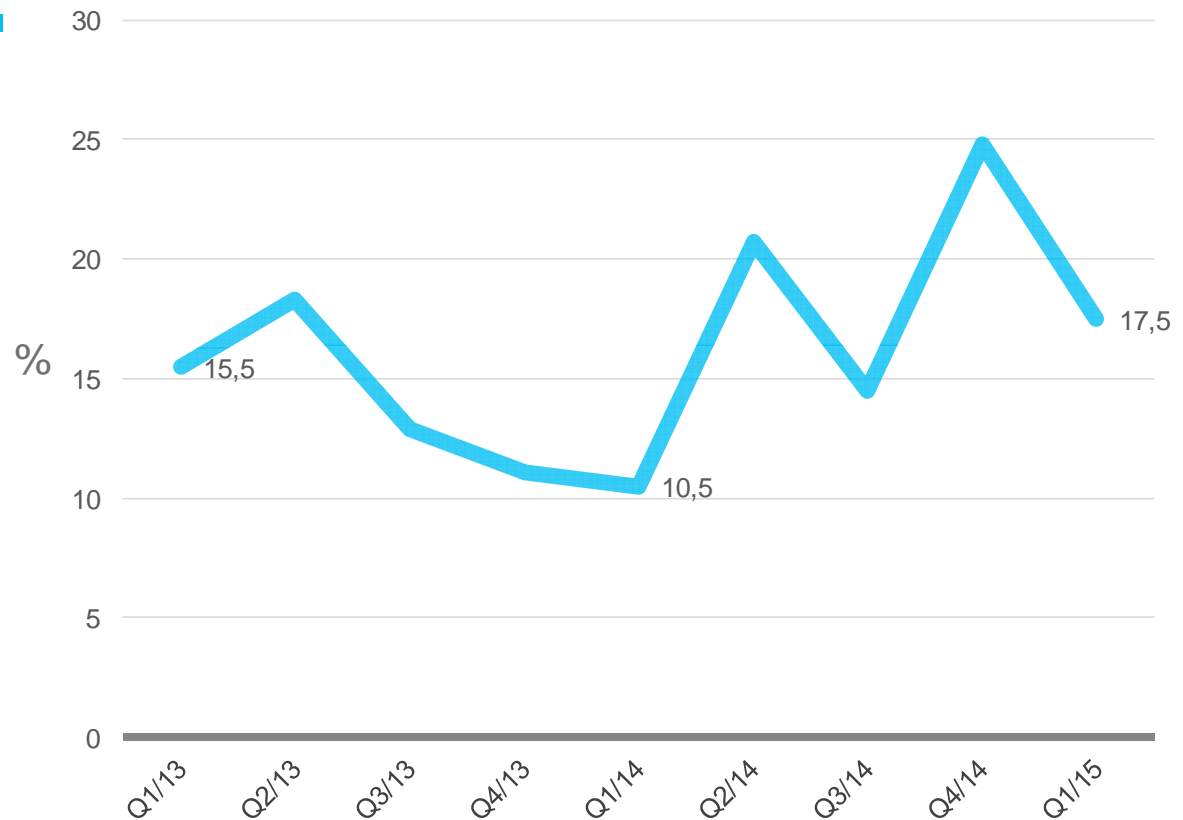
Cash flow accrues unevenly over the four quarters of the year due to periodic fluctuation in business.



Return on capital employed (ROCE), %

1-3/2015: 17.5% (1-3/2014: 10.5%)

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



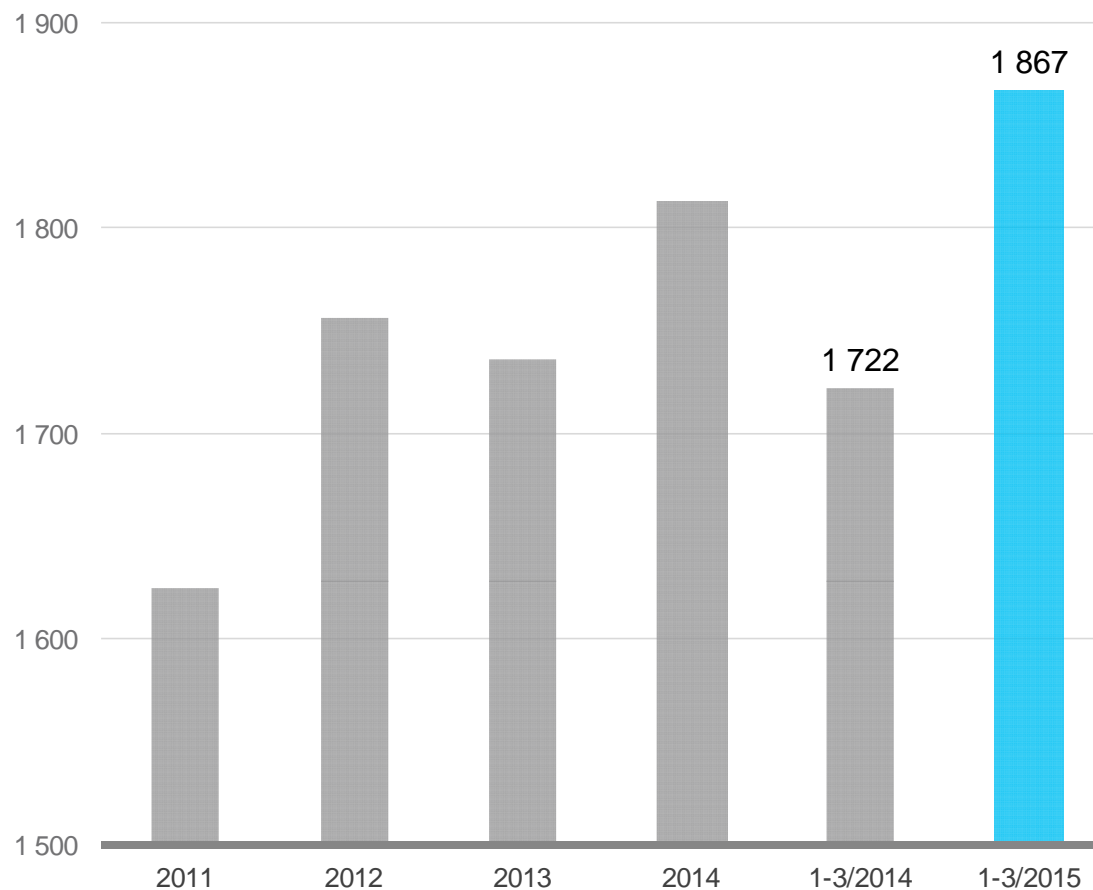
Personnel, average

1-3/2015: 1,867 (1-3/2014: 1,722)

The average number of personnel increased by 8.4% from the comparison period.

At the end of the review period the Group employed 1,873 people (March 31, 2014: 1,731), of which 697 (March 31, 2014: 622) were employed by the Group abroad.

In Sweden, attrition and the competition for experts continued to burden business operations.



Income statement

(EUR 1,000)	1-3/2015	1-3/2014	Change %	1-12/2014
Revenue	34,650	33,282	4.1	131,916
Other operating income	16	82		1,567
Materials and services	-1,997	-3,079		-9,524
Staff costs	-25,174	-23,909		-94,367
Other operating expenses	-4,760	-4,566		-19,108
Depreciation and amortization	-683	-653		-2,629
Operating profit (EBIT)	2,051	1,157	77.3	7,856
Financial income	15	54		394
Financial expenses	-243	-233		-1,082
Profit before taxes	1,822	979	86.2	7,168
Income taxes	-411	-153		-1,020
Profit for the financial year	1,411	825		6,147

Balance sheet

(EUR 1,000)	31.3.2015	31.3.2014	31.12.2014
Goodwill	39,150	39,434	38,642
Other non-current assets	8,363	9,610	8,494
Non-current assets, total	47,513	49,044	47,136
Trade and other receivables	29,627	27,243	25,762
Cash and cash equivalents	1,815	964	2,575
Current assets, total	31,441	28,207	28,337
TOTAL ASSETS	78,954	77,251	75,474
Equity, total	27,604	23,878	28,753
Non-current liabilities, total	6,672	16,944	10,280
Current liabilities, total	44,678	36,429	36,441
TOTAL EQUITY AND LIABILITIES	78,954	77,251	75,474

Cash flow statement

(EUR 1,000)

1-3/2015

1-3/2014

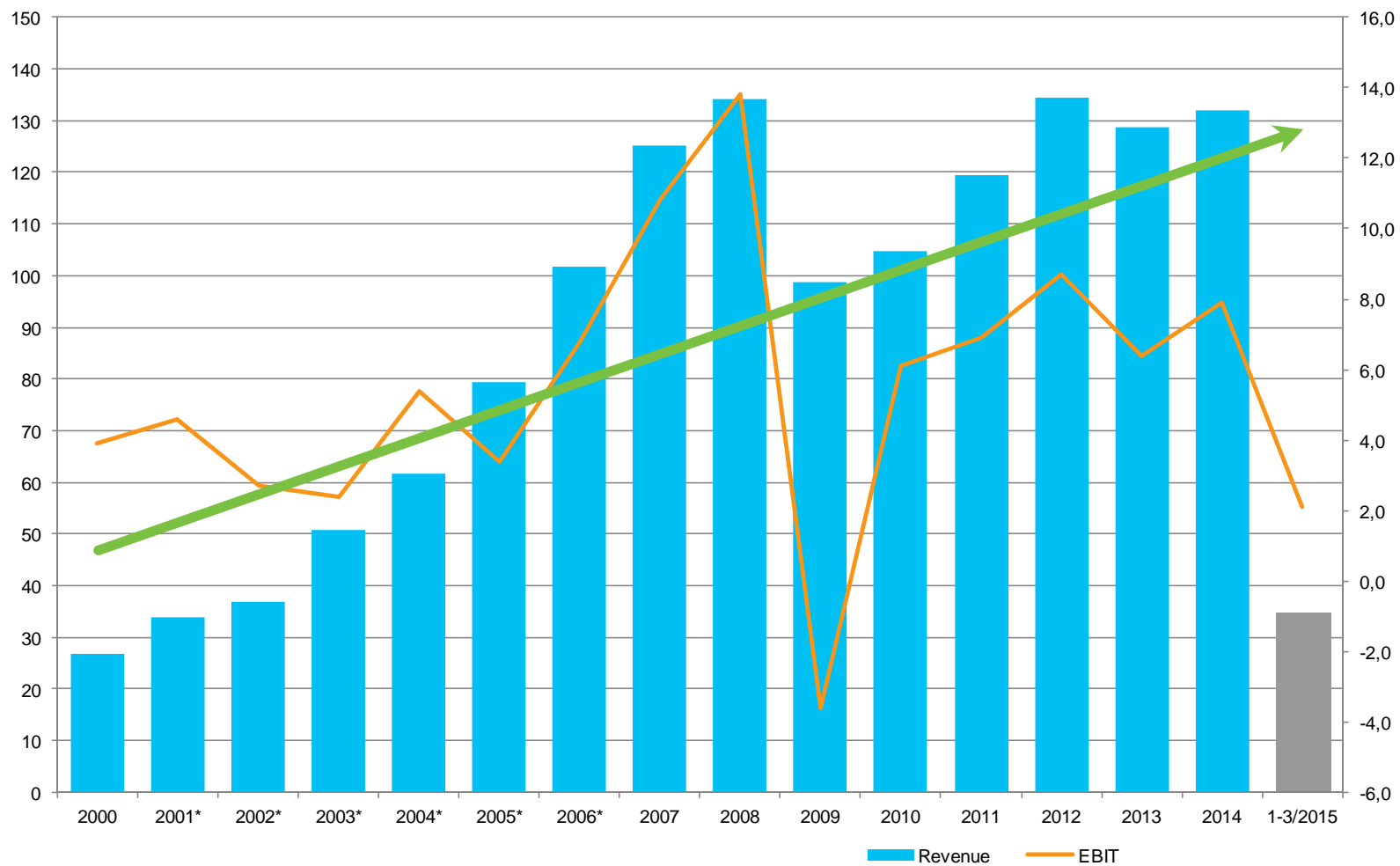
1-12/2014

Operating cash flow (A)	137	-1,695	7,754
Investing cash flow (B)	-548	-1,497	-2,200
Cash flow after investments (A+B)	-410	-3,192	5,554
Financing cash flow (C)	-366	3,148	-4,295
Variation in cash (A+B+C)	-776	-45	1,258
Assets at the beginning of the period	2,575	975	975
Exchange gains or losses on cash and cash equivalents	16	33	341
Assets at the end of the period	1,815	964	2,575

Etteplan Oyj's financial targets and realization

	Target and realization Q1/2015	Action
Growth	<ul style="list-style-type: none"> • Average 15% annual revenue growth <ul style="list-style-type: none"> ▪ 1-3/2015: 4.1% (at comparable exchange rates 5.4%) 	<ul style="list-style-type: none"> • Growth in key customers • Strong market position enables Etteplan to grow faster than the market • Acquisitions supporting growth
Profitability	<ul style="list-style-type: none"> • Operating profit 10% <ul style="list-style-type: none"> ▪ 1-3/2015: 5.9% 	<ul style="list-style-type: none"> • Change of business model • Market leadership
Cash flow	<ul style="list-style-type: none"> • Improvement of operating cash flow to strengthen the balance sheet <ul style="list-style-type: none"> ▪ 1-3/2015: 0.1 MEUR 	<ul style="list-style-type: none"> • Development of pricing models • Improved processing and sales of sales receivables
High value-added services	<ul style="list-style-type: none"> • Share of Managed Services to grow to 50% of revenue by 2016 <ul style="list-style-type: none"> ▪ 1-3/2015: 44% 	<ul style="list-style-type: none"> • Service solutions and project business

Revenue and EBIT 2000-2015



*includes continued and discontinued operations

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