

2014

Etteplan in 2014:
Clear improvement in operating profit and
cash flow

President and CEO Juha Näkki
February 11, 2015



Operating environment in 2014

- The year 2014 was challenging for companies in the engineering industry in almost all of Europe.
- In Finland, demand improved more slowly in the first half of the year than expected, but improved at the end of the year.
- In Sweden, the demand was more active than in Finland. Price competition and competition for competent personnel remained tight.
- In the Netherlands the demand for technical documentation was at a relatively low level, but picked up somewhat late in the year.
- Even though economic growth in China slowed down the favorable development of service market continued.

Highlights in 2014

- + The share of Managed Services grew clearly and was approximately 40% of revenue.
- + The number of working hours sold in the Chinese market grew by more than 100%.
- + Significant outsourcing agreements were signed in the area of technical documentation.

- Low margins in project business in H1.
- Revenue decreased in H1.

The Board proposes a dividend of EUR 0.15 per share (2013: EUR 0.11 per share).

Key figures 10-12/2014

(EUR 1,000)	10-12/2014	10-12/2013	Change %
Revenue	35,368	32,438	9.0
EBITDA	3,350	1,803	85.8
EBITDA, %	9.5	5.6	
Operating profit (EBIT)	2,677	1,140	134.8
EBIT, %	7.6	3.5	
Basic earnings per share, EUR	0.11	0.04	175.0
Equity ratio, %	39.5	35.9	
Operating cash flow	6,935	4,195	65.3
ROCE, %	24.8	11.1	
Personnel at end of the period	1,859	1,728	7.6

Key figures 1-12/2014

(EUR 1,000)	1-12/2014	1-12/2013	Change %
Revenue	131,916	128,647	2.5
EBITDA	10,485	9,064	15.7
EBITDA, %	7.9	7.0	
Operating profit (EBIT)	7,856	6,366	23.4
EBIT, %	6.0	4.9	
Basic earnings per share, EUR	0.30	0.22	36.4
Equity ratio, %	39.5	35.9	
Operating cash flow	7,754	1,789	333.5
ROCE, %	17.8	14.6	
Personnel at end of the period	1,859	1,728	7.6

Outlook 2015

Market outlook

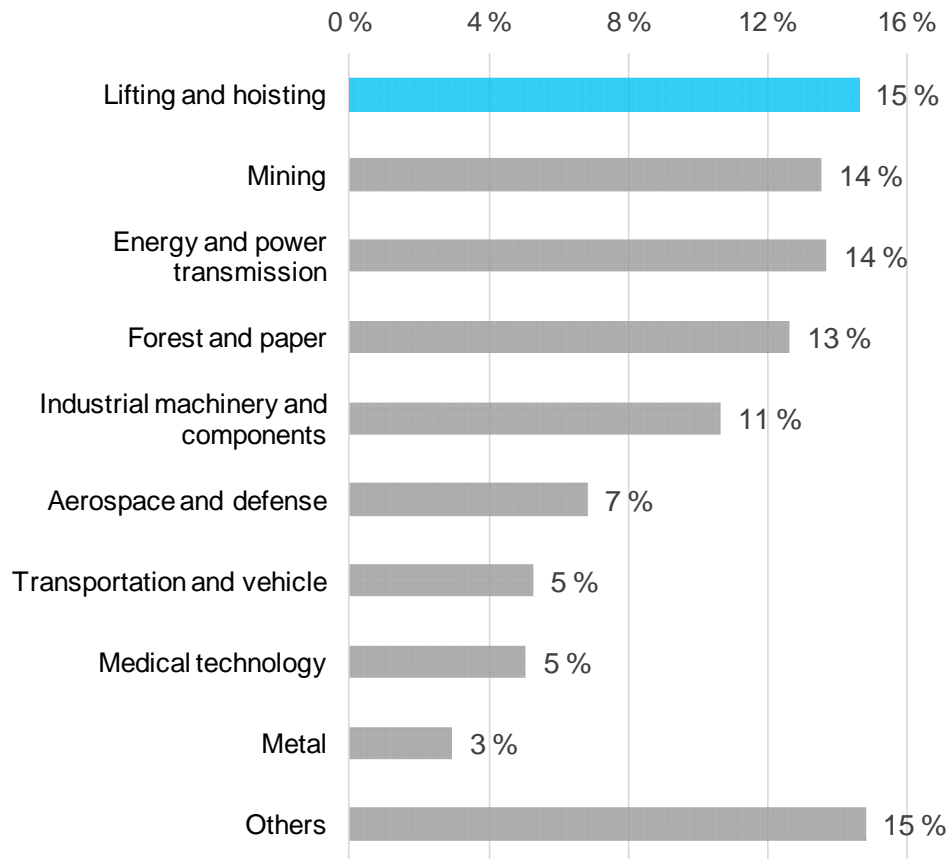
The most important factor in the development of Etteplan's business operations is the global development of the machinery and metal industry. Market development remains uncertain due to the political and economic situation in Europe. Etteplan's customers also operate in the North American and Asian markets,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

Financial guidance

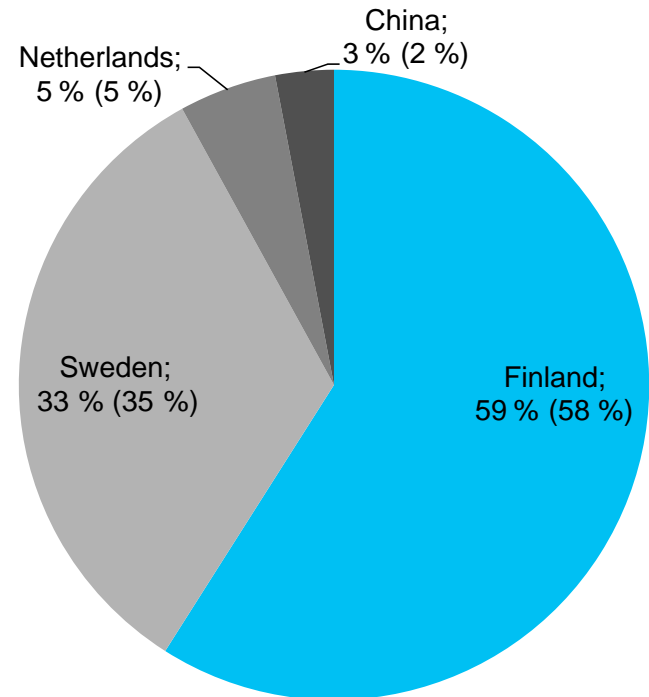
We expect the revenue and operating profit for the year 2015 to grow compared to 2014.

Revenue 1-12/2014

Revenue by customer segment



Revenue by country



Figures have been rounded up or down to integers.

Revenue

1-12/2014: EUR 131.9 million (1-12/2013: EUR 128.6 million)

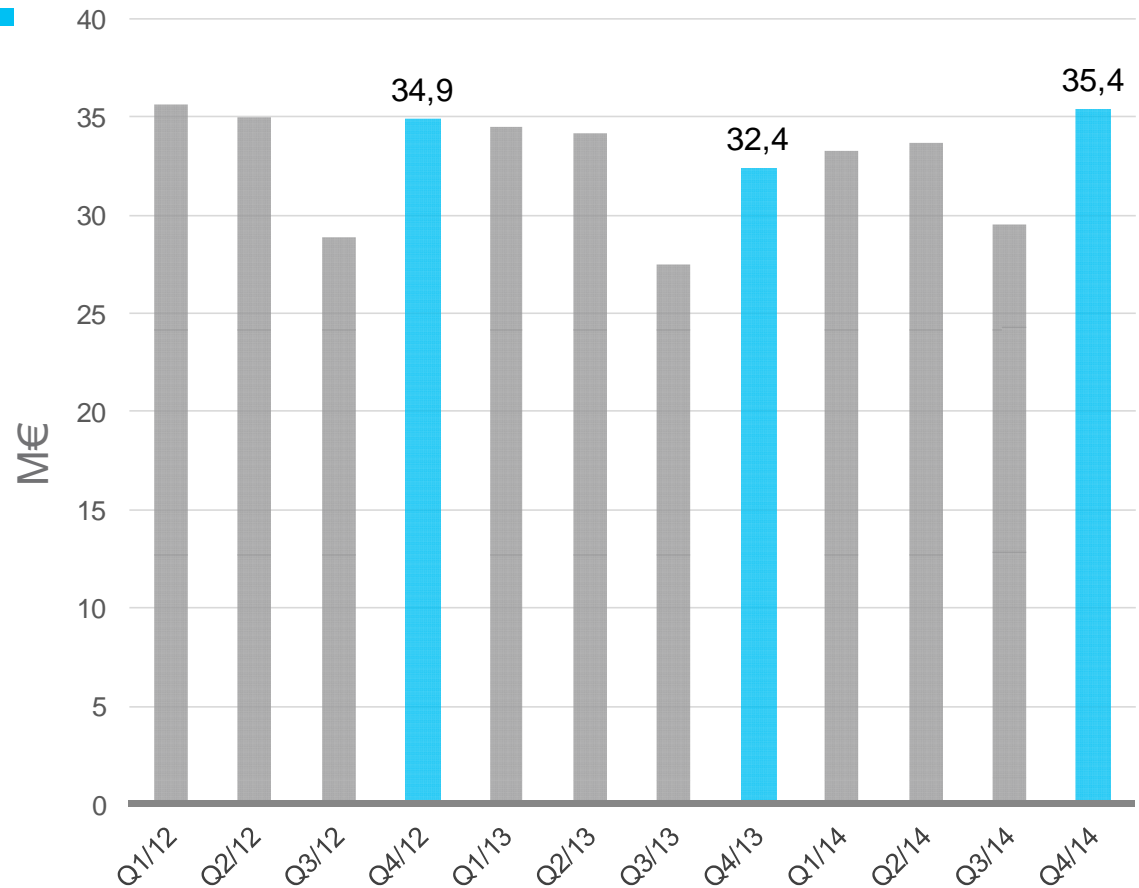
Revenue increased by 2.5%.
At comparable exchange rates
revenue increased by 4.2%.

Organic growth was 0.6%.

Sales to key customers grew by
3.4%.

The growth in revenue was
attributable to the strengthened
market position and improved
demand in the latter part of the
year.

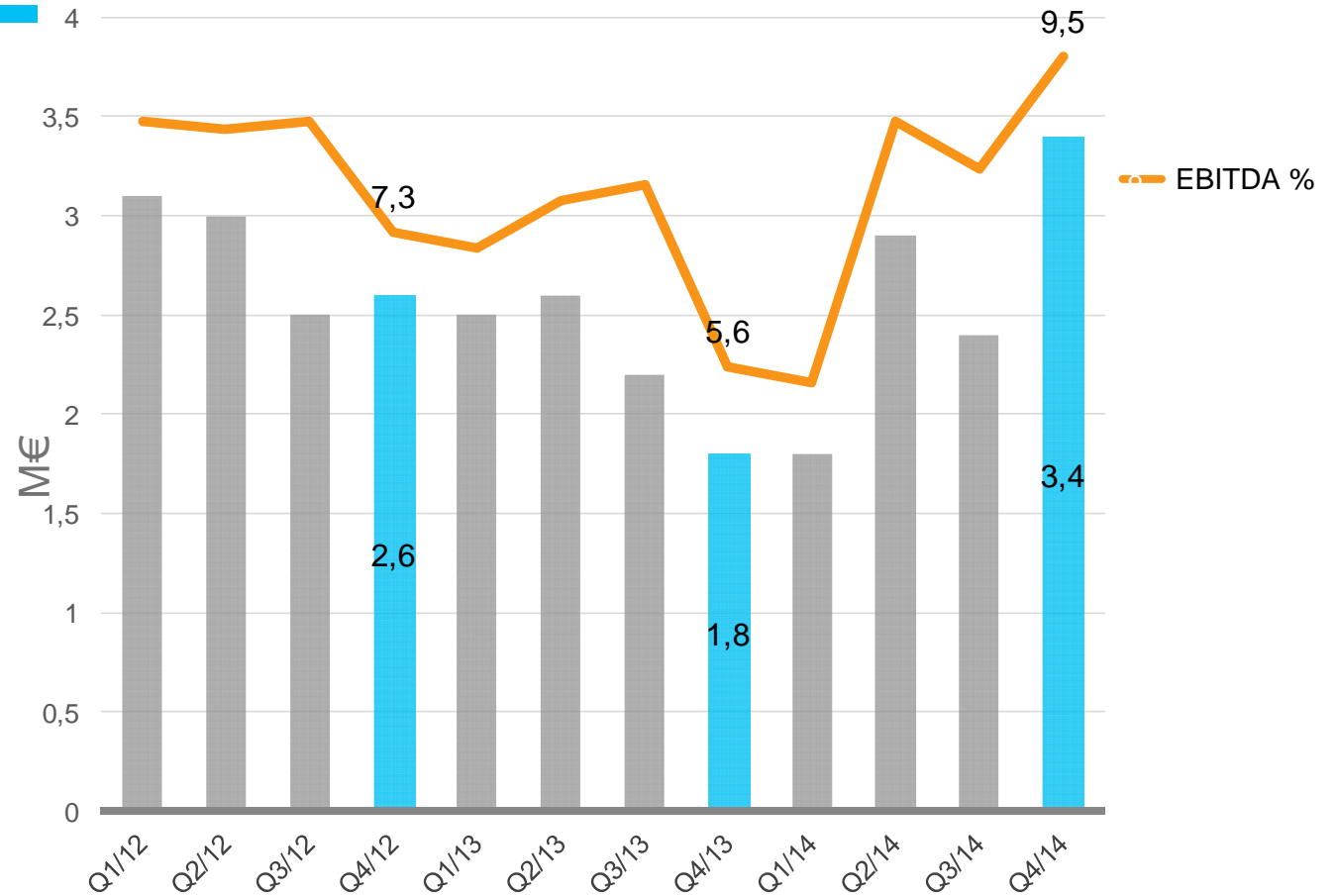
Etteplan's business is subject to
periodic fluctuation.



EBITDA and EBITDA %

1-12/2014: EUR 10.5 million, 7.9% (1-12/2013: EUR 9.1 million, 7.0%)

EBITDA improved by 15.7%.



Operating profit (EBIT) and EBIT %

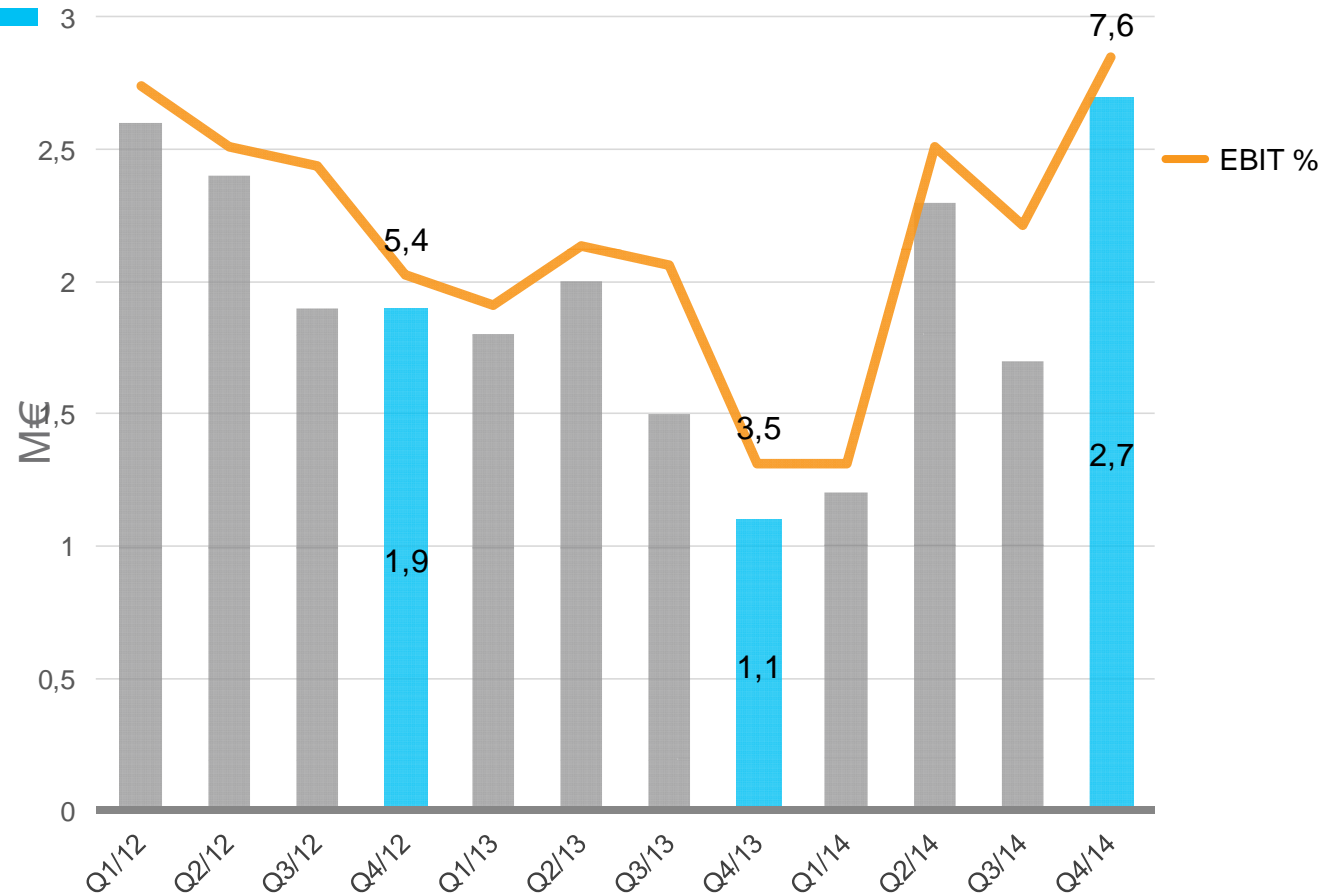
1-12/2014: EUR 7.9 million, 6.0% (1-12/2013: EUR 6.4 million, 4.9%)

Operating profit increased by 23.4%.

The operating profit includes non-recurring items with a total positive effect of EUR 0.8 million (EUR 0.2 million).

Depreciation and amortizations include EUR 0.9 million acquisition related items.

The improvement in profitability was attributable to Managed Services representing a larger share of revenue.

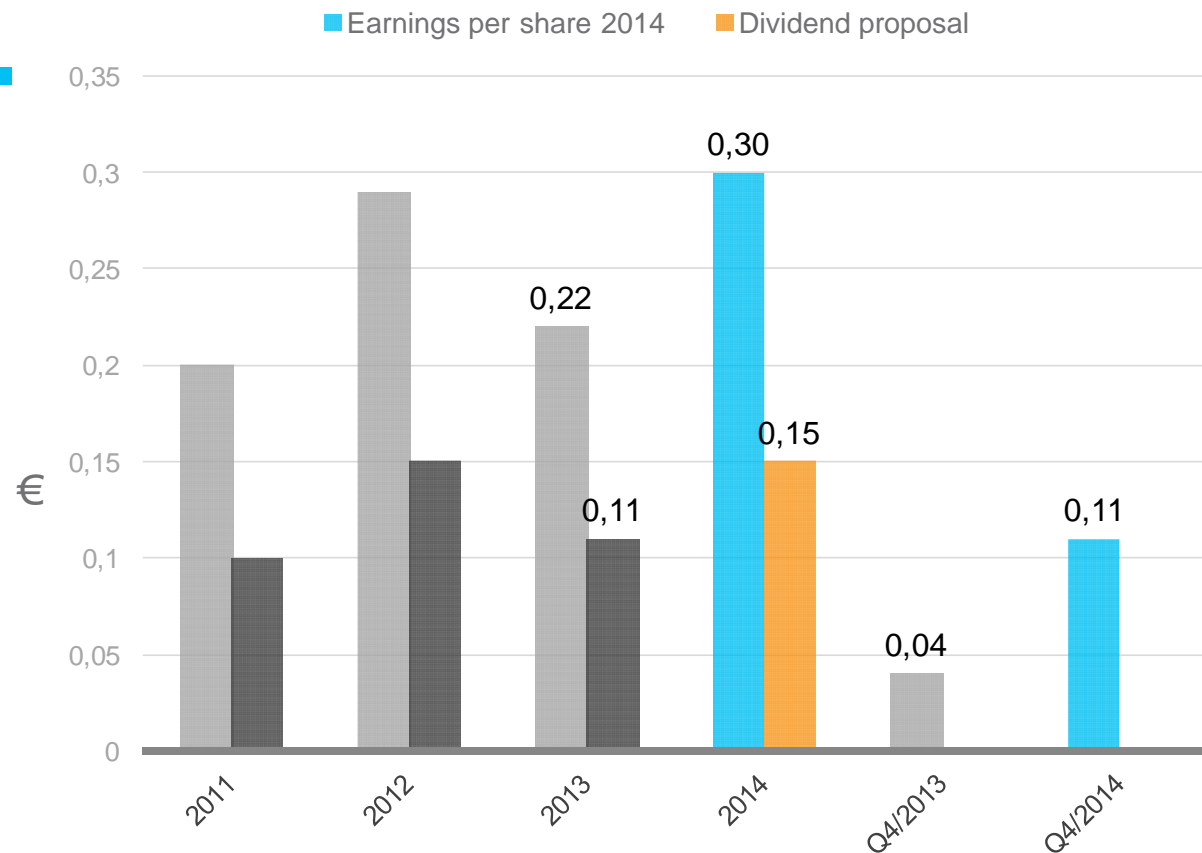


Earnings per share and dividends

Earnings per share 1-12/2014: EUR 0.30 (1-12/2013: EUR 0.22)

The parent company's distributable shareholders' equity is EUR 14.1 million.

The Board of Directors proposes a dividend of EUR 0.15 per share.



Cash flow

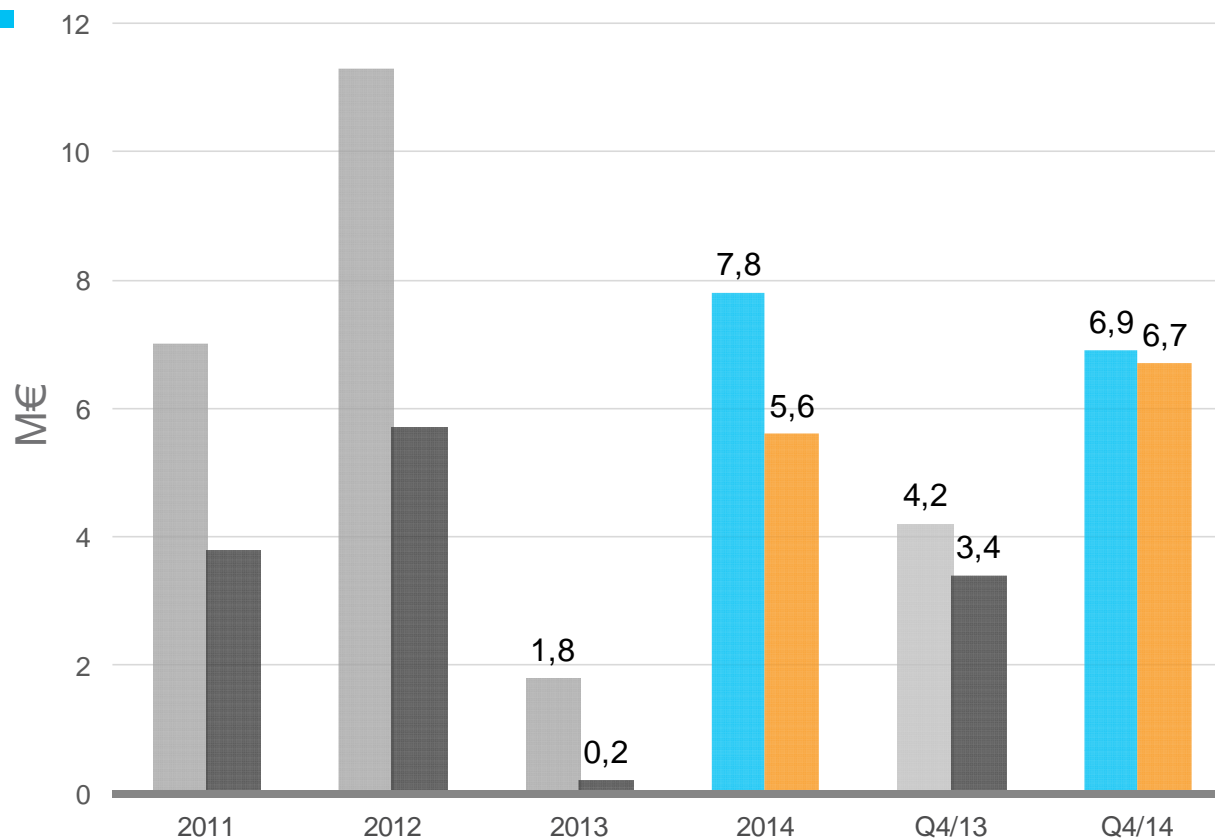
Operating cash flow 1-12/2014: EUR 7.8 million (1-12/2013: EUR 1.8 million)

Cash flow after investments 1-12/2014: EUR 5.6 million (1-12/2013: EUR 0.2 million)

■ Operating cash flow ■ Cash flow after investments

Operating cash flow improved.

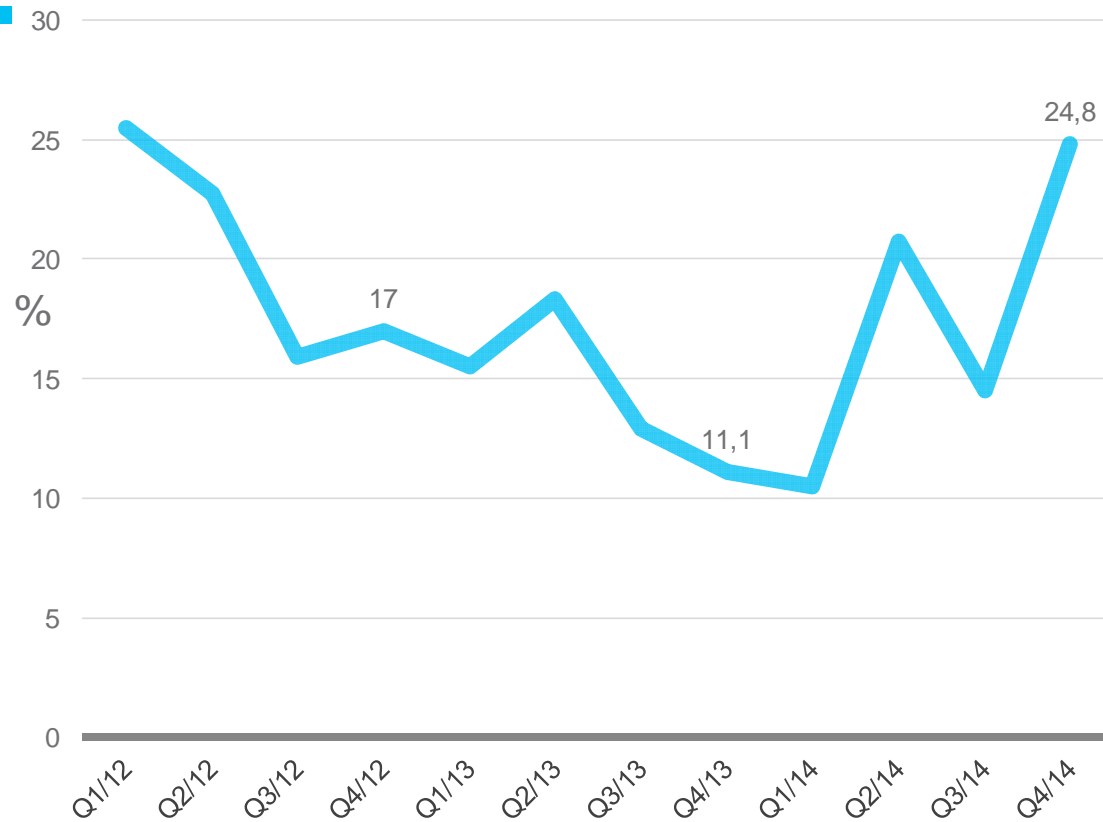
Revenue growth and the higher proportion of short payment terms had a positive effect on cash flow.



Return on capital employed (ROCE), %

1-12/2014: 17.8% (1-12/2013: 14.6%)

Design engineering business does not restrict significant capital. For this reason return on capital employed should be at least 20%.

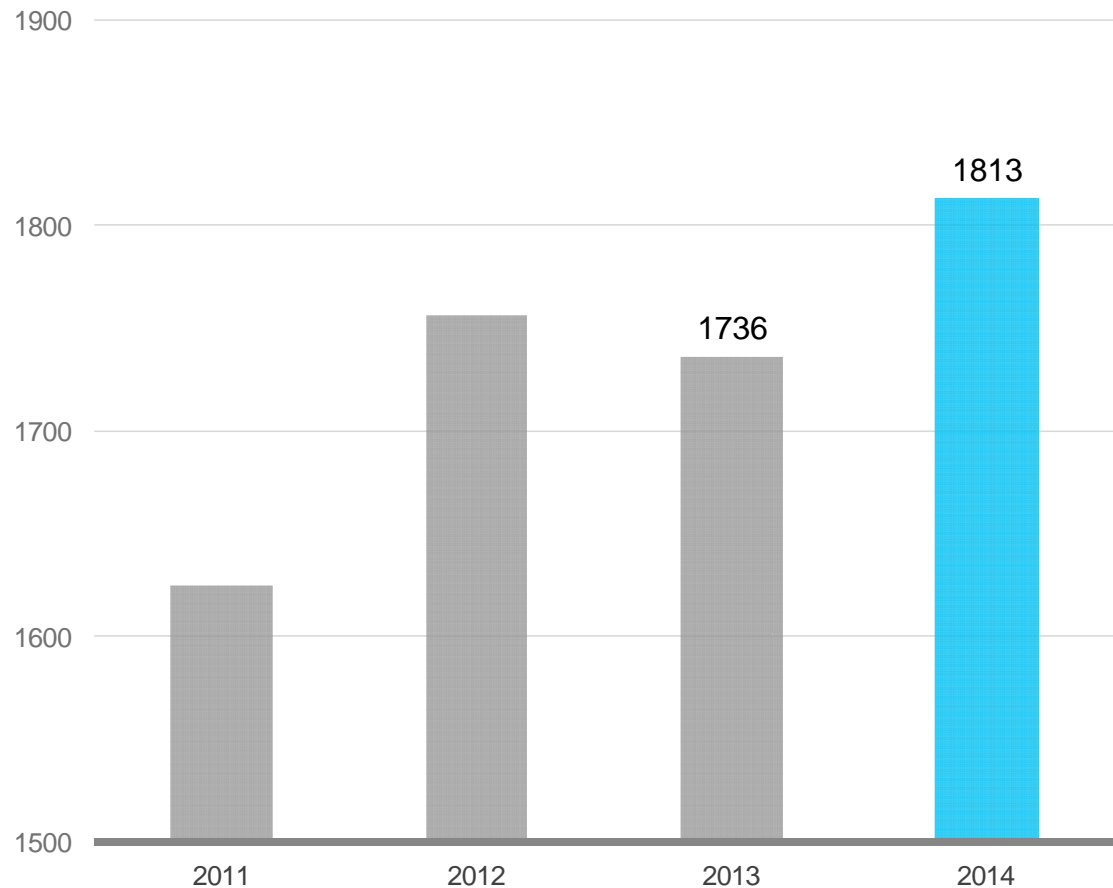


Personnel, average

1-12/2014: 1,813 (1-12/2013: 1,736)

The number of personnel increased and was at the end of the period 1,859 (1,728).

The number of personnel reached a record high level both in Finland and in China.



Income statement

(EUR 1,000)	10-12/2014	10-12/2013	Change %	1-12/2014	1-12/2013	Change %
Revenue	35,368	32,438	9.0	131,916	128,647	2.5
Other operating income	407	71		1,567	1,134	
Materials and services	-2,124	-3,042		-9,524	-11,605	
Staff costs	-25,102	-23,202		-94,367	-90,250	
Other operating expenses	-5,199	-4,461		-19,108	-18,862	
Depreciation and amortization	-673	-664		-2,629	-2,697	
Operating profit (EBIT)	2,677	1,140	134.8	7,856	6,366	23.4
Financial income	193	115		394	306	
Financial expenses	-274	-238		-1,082	-947	
Share of the result of associate	0	0		0	-54	
Profit before taxes	2,596	1,017	155.2	7,168	5,672	26.4
Income taxes	-407	-165		-1,020	-1,282	
Profit for the financial year	2,188	852		6,147	4,390	

Balance sheet

(EUR 1,000)

31.12.2014

31.12.2013

	31.12.2014	31.12.2013
Goodwill	38,642	39,131
Other non-current assets	8,494	8,678
Non-current assets, total	47,136	47,809
Trade and other receivables	25,762	25,709
Cash and cash equivalents	2,575	975
Current assets, total	28,337	26,684
TOTAL ASSETS	75,474	74,493
Equity, total	28,753	25,481
Non-current liabilities, total	10,280	14,279
Current liabilities, total	36,441	34,734
TOTAL EQUITY AND LIABILITIES	75,474	74,493

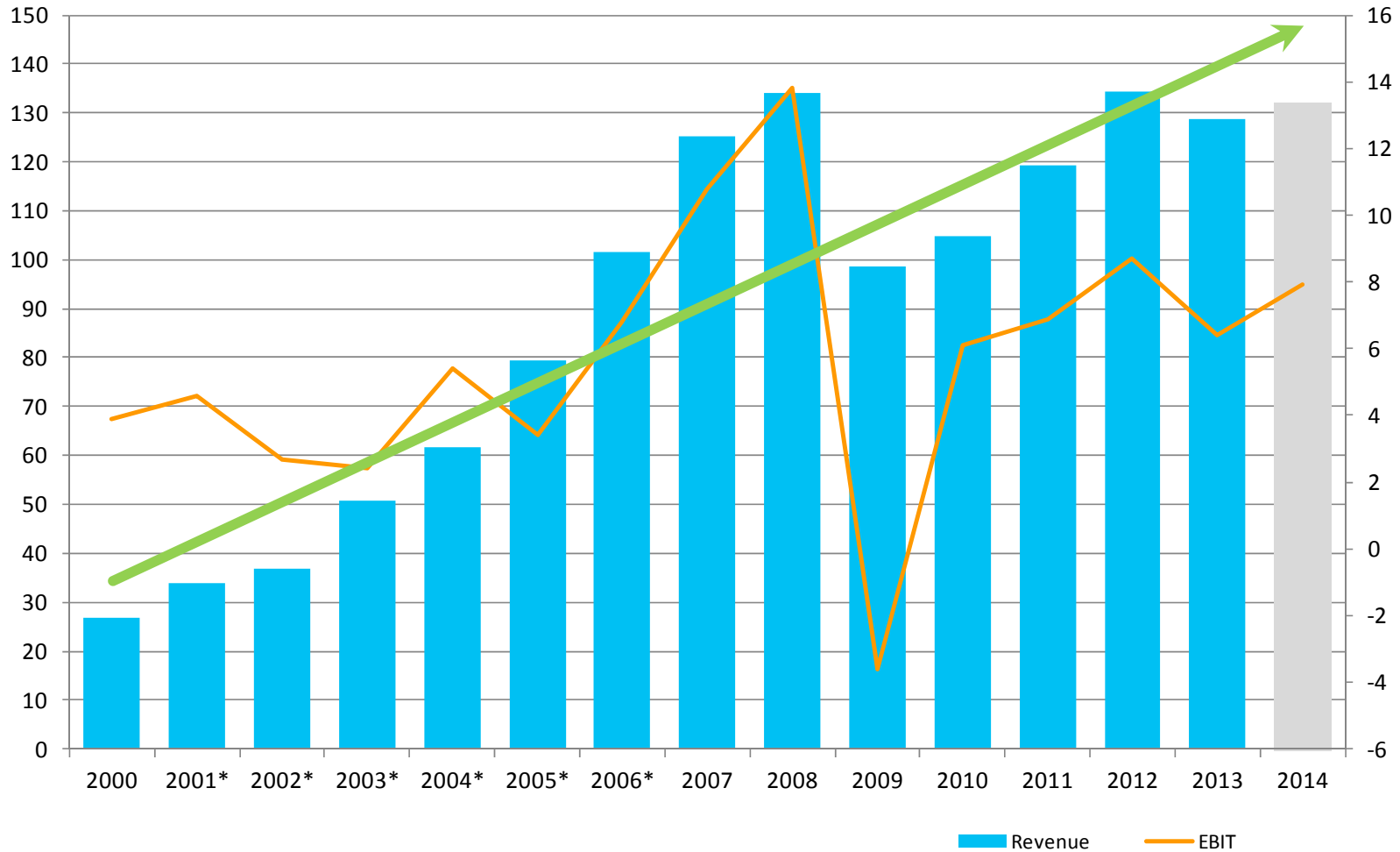
Cash flow statement

(EUR 1,000)	10-12/2014	10-12/2013	1-12/2014	1-12/2013
Operating cash flow (A)	6,935	4,195	7,754	1,789
Investing cash flow (B)	-245	-760	-2,200	-1,634
Cash flow after investments (A+B)	6,691	3,435	5,554	154
Financing cash flow (C)	-6,191	-3,645	-4,295	-4,647
Variation in cash (A+B+C)	500	-210	1,258	-4,493
Assets at the beginning of the period	1,944	1,122	975	5,402
Exchange gains or losses on cash and cash equivalents	131	63	341	65
Assets at the end of the period	2,575	975	2,575	975

Etteplan Oyj's financial targets and realization

	Target and realization in 2014	Action
Growth	<ul style="list-style-type: none"> • Average 15% annual revenue growth <ul style="list-style-type: none"> ▪ 1-12/2014: 2.5% 	<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"> ▪ 1-12/2014: 6.0% 	<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"> ▪ 1-12/2014: 7.8 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"> ▪ 1-12/2014: approx. 40% 	<ul style="list-style-type: none"> • Service solutions and project business

Revenue and EBIT 2000-2014



*includes continuing and discontinued operations

Major shareholders on December 31, 2014

Name	Number of shares	Holding of shares, %
Ingman Group Oy Ab	13 650 000	67,64
Oy Fincorp Ab	2 140 456	10,61
Varma Mutual Pension Insurance Company	821 328	4,07
Tuori Klaus	351 000	1,74
Etteplan Oyj	308 886	1,53
Tuori Aino	256 896	1,27
Sijoitusrahasto Taaleritehdas Mikro Markka	228 741	1,13
Kempe Anna	220 000	1,09
Kempe Lasse	100 000	0,50
Kempe Pia	97 700	0,48
Other shareholders	2 004 407	9,94
Total	20 179 414	100,00
Nominee-registered shares	354 590	1,76

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