

Etteplan Oyj Annual General Meeting

President and CEO Juha Näkki
March 27, 2015

Smart way to
smart products



Etteplan – a forerunner in engineering industry for more than 30 years

Finland's largest company specializing in machinery and equipment engineering, one of the largest in Sweden

One of **Europe's** largest companies specializing in technical documentation solutions

The largest Scandinavian company offering engineering services **in China**

Service areas: engineering and technical documentation

Revenue in 2014: EUR 131.9 million

Offices: 22 in Finland, 11 in Sweden, 1 in the Netherlands, 3 in China and 1 in the USA, representation in Russia

Personnel: more than 1,800

Ticker ETT1V, market value EUR 86.8 million (February 28, 2015)



Etteplan's services

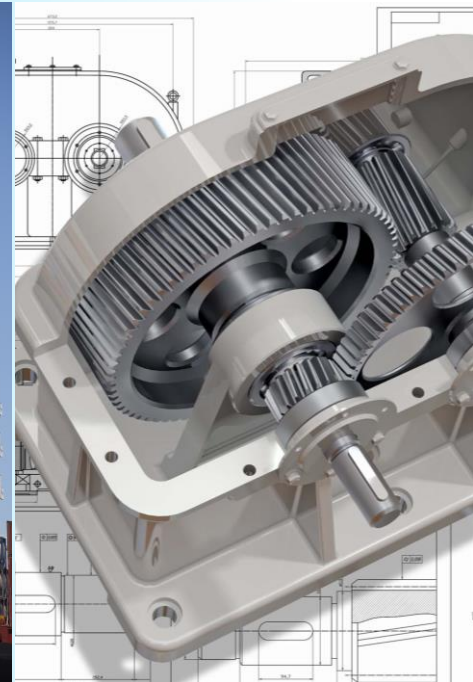
Engineering services



Concept creation
Product modernization



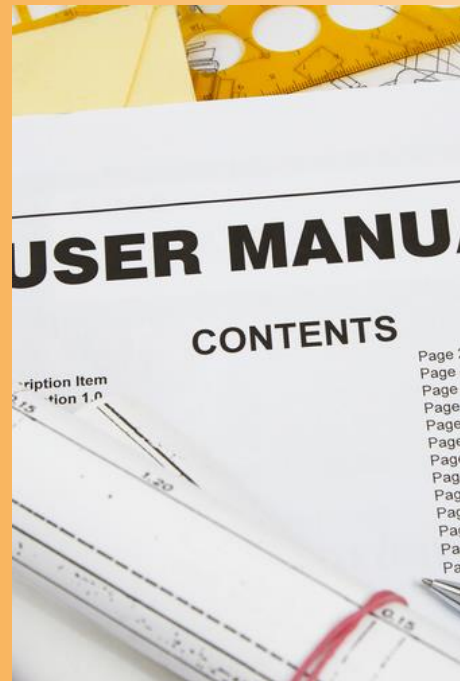
Engineer-to-Order



3D models
Manufacturing drawings

Etteplan's services

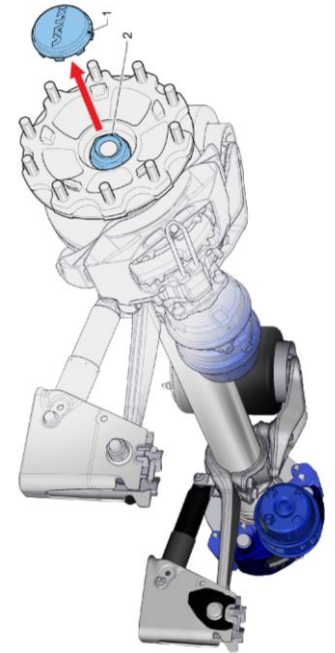
Technical documentation



Content creation -
text, illustrations



Software and
content distribution



Documentation
methods

Our customers get the best service solutions anywhere at any time

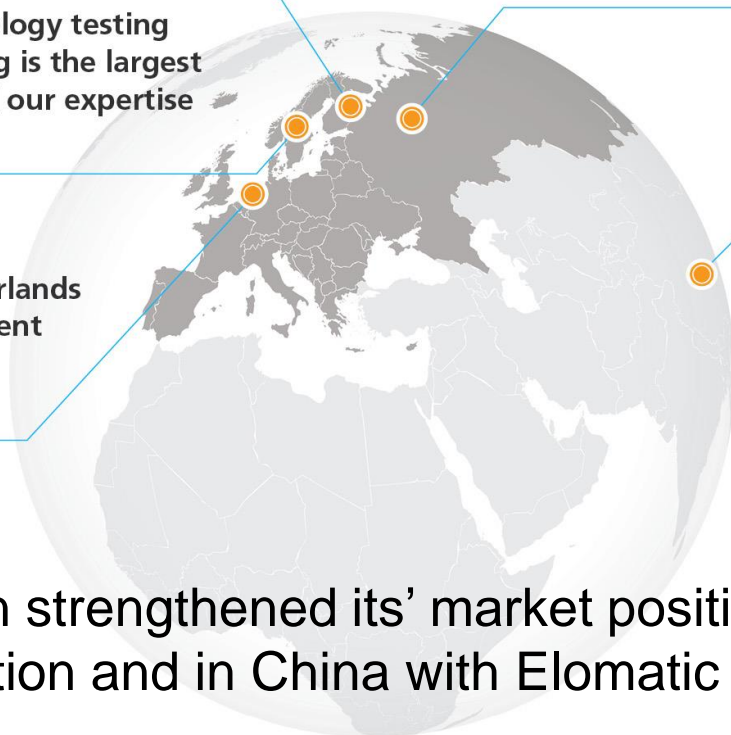
Etteplan is the market leader in Finland, providing the most diverse service offering in its industry.

Etteplan has the SRO permits required for engineering in the Russian market.

Etteplan's climate technology testing laboratory in Gothenburg is the largest in the Nordic region, and our expertise is world-class.

Etteplan has operated in China longer than any other Nordic engineering company.

Etteplan's unit in the Netherlands specializes in the development of technical documentation methods and software.



In 2014 Etteplan strengthened its' market position in Sweden with ProAvia acquisition and in China with Elomatic business transaction.

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.

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

Strategy implementation in 2014

VISION

OUR CUSTOMERS GET THE BEST SERVICE SOLUTIONS ANYWHERE AT ANY TIME

FOCUS AREAS IN BUSINESS OPERATIONS

3.4%

Growth in key accounts

40%

Share of revenue accounted for by high value-added services

SIGNIFICANT OUTSOURCINGS

Growth in sales of technical documentation service solutions

100%

Growth in business operations in China

CORNERSTONES OF STRATEGY

Customer focus

Focus on selling Etteplan's entire service offering to existing customers

Service solutions

Industry forerunner in the development of innovative service products and solutions

One Etteplan

Leverage synergies and provide our employees with development opportunities

Engineering methods

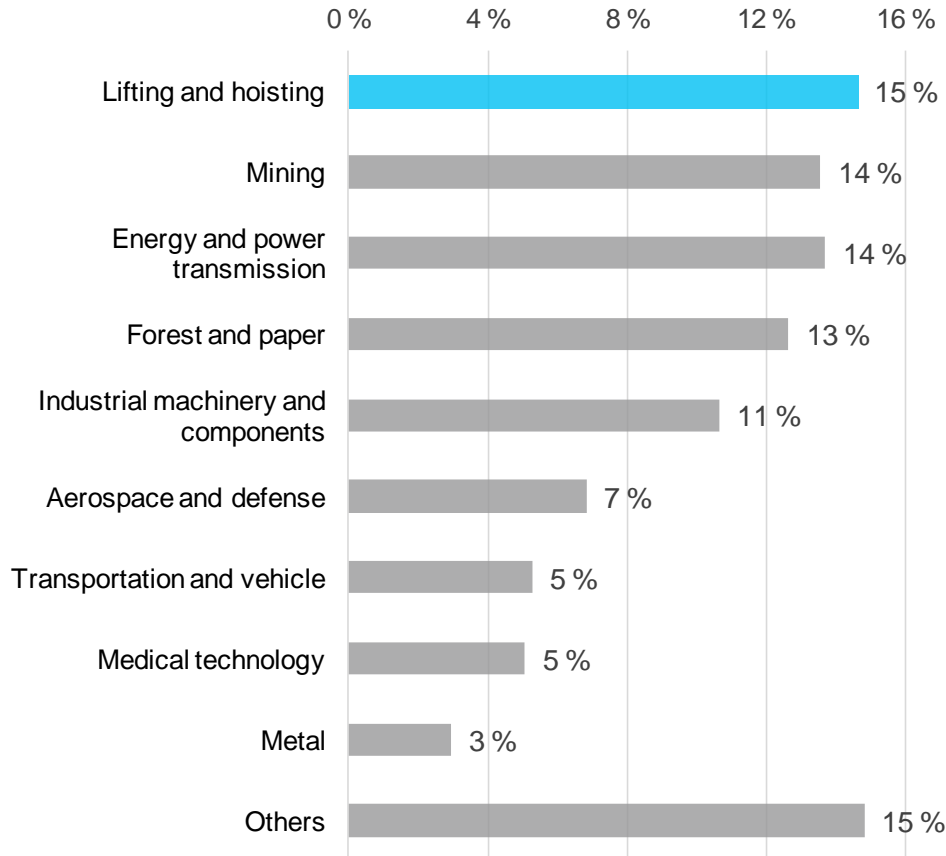
Market leader in developing advanced engineering methods

Operations development in 2014

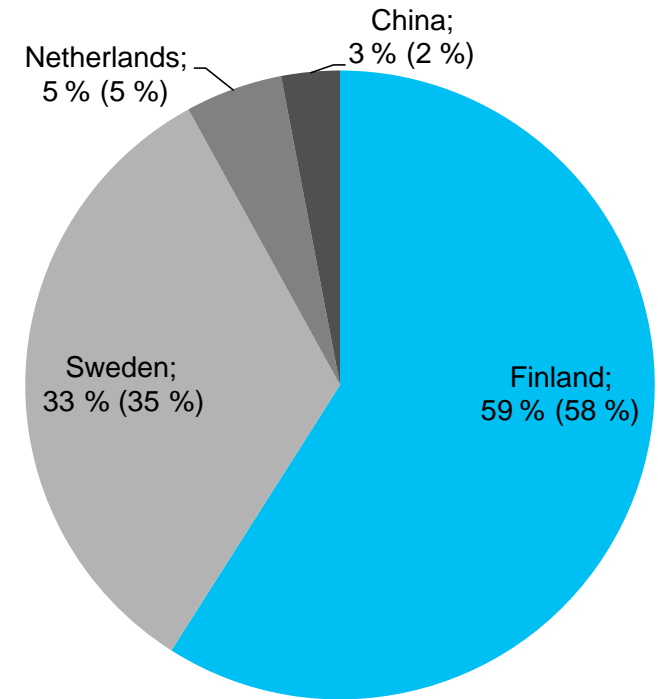
- Business operations in China were expanded by opening a third office in Suzhou.
- Productization of service solutions continued.
- One of the most significant projects that concerned all personnel in 2014 was the development of a new internal portal. The new portal combines the Company's information systems, document management, intranet, internal social media and management system, all in a single tool.
- Harmonization of operations continued. Focus was on the development of Group's common business processes.

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)

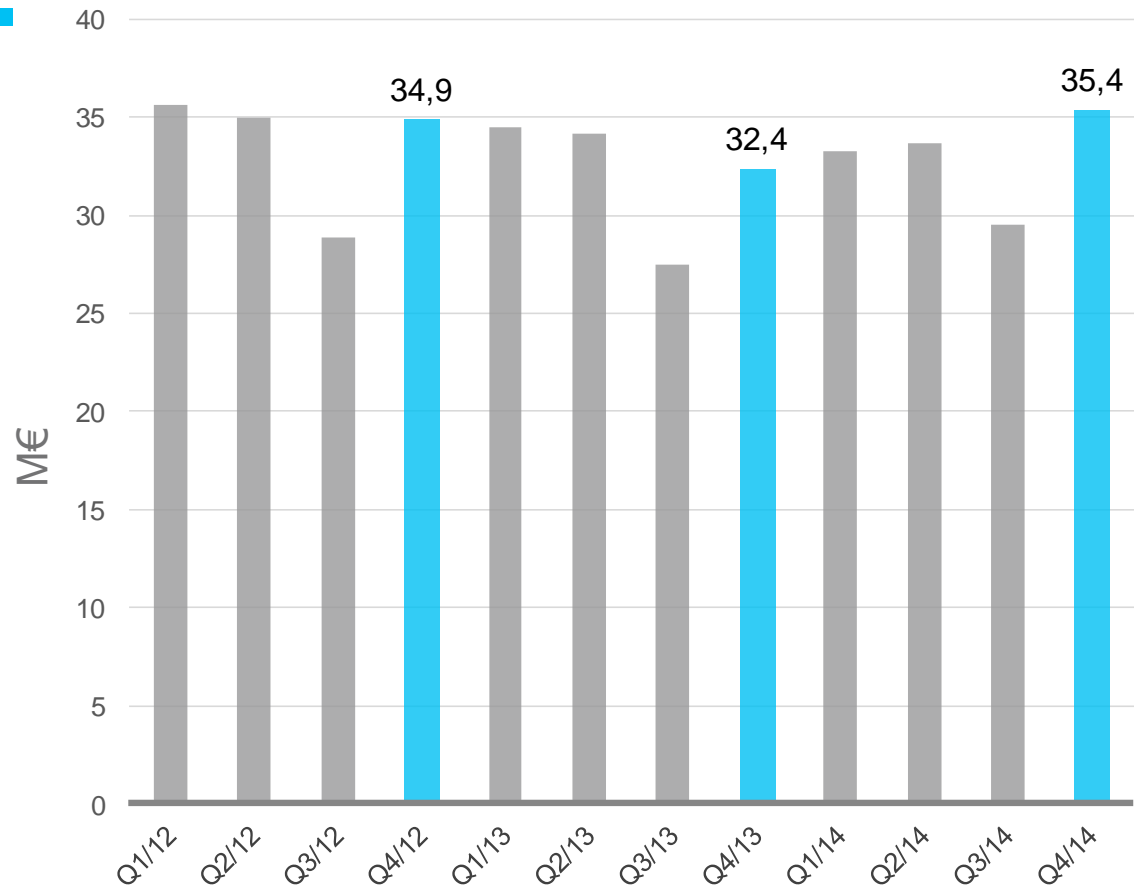
Revenue increased by 2.5%.
At comparable exchange rates
revenue increased by 4.2%.

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.



Operating profit (EBIT) and EBIT %

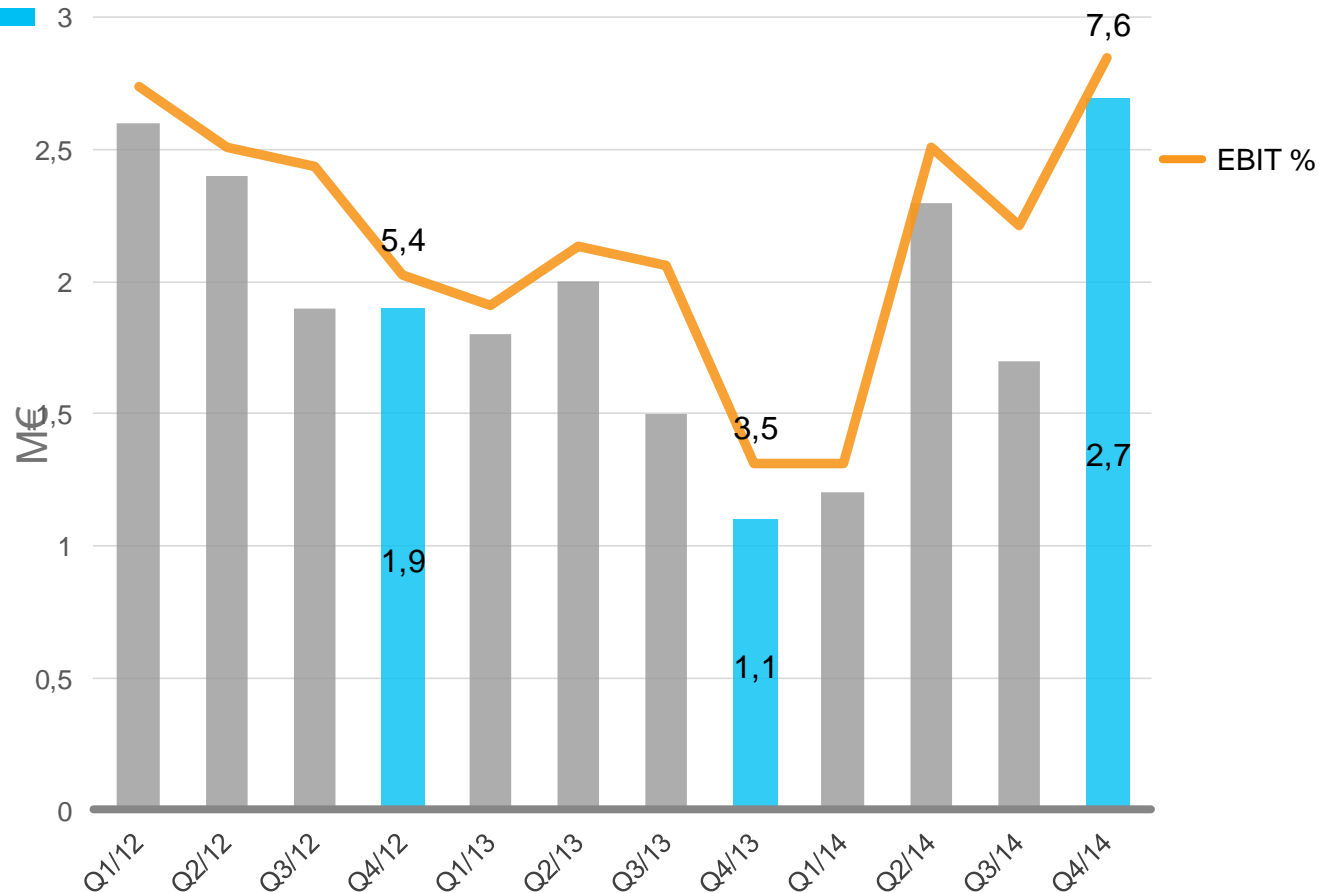
1-12/2014: EUR 7.9 million, 6.0% (1-12/2013: EUR 6.4 million, 4.9%)

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.

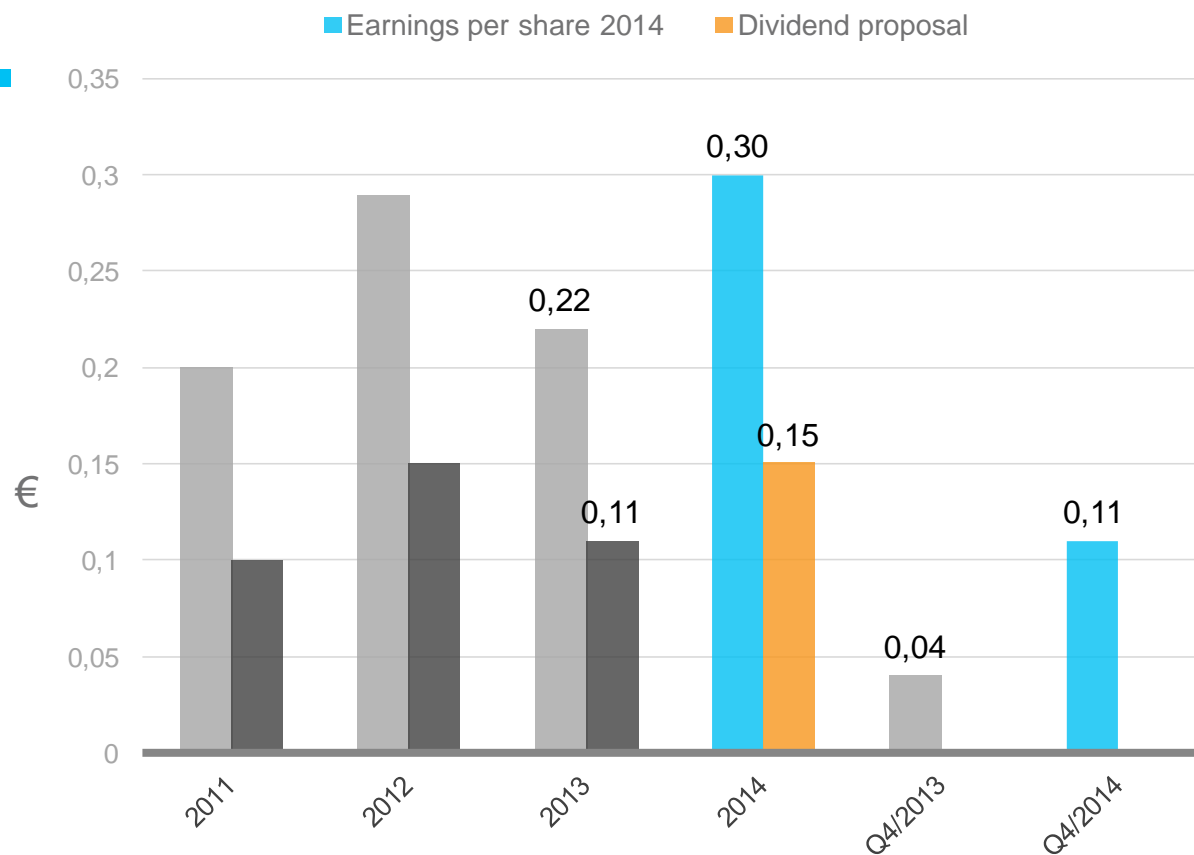


Earnings per share and dividends

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)

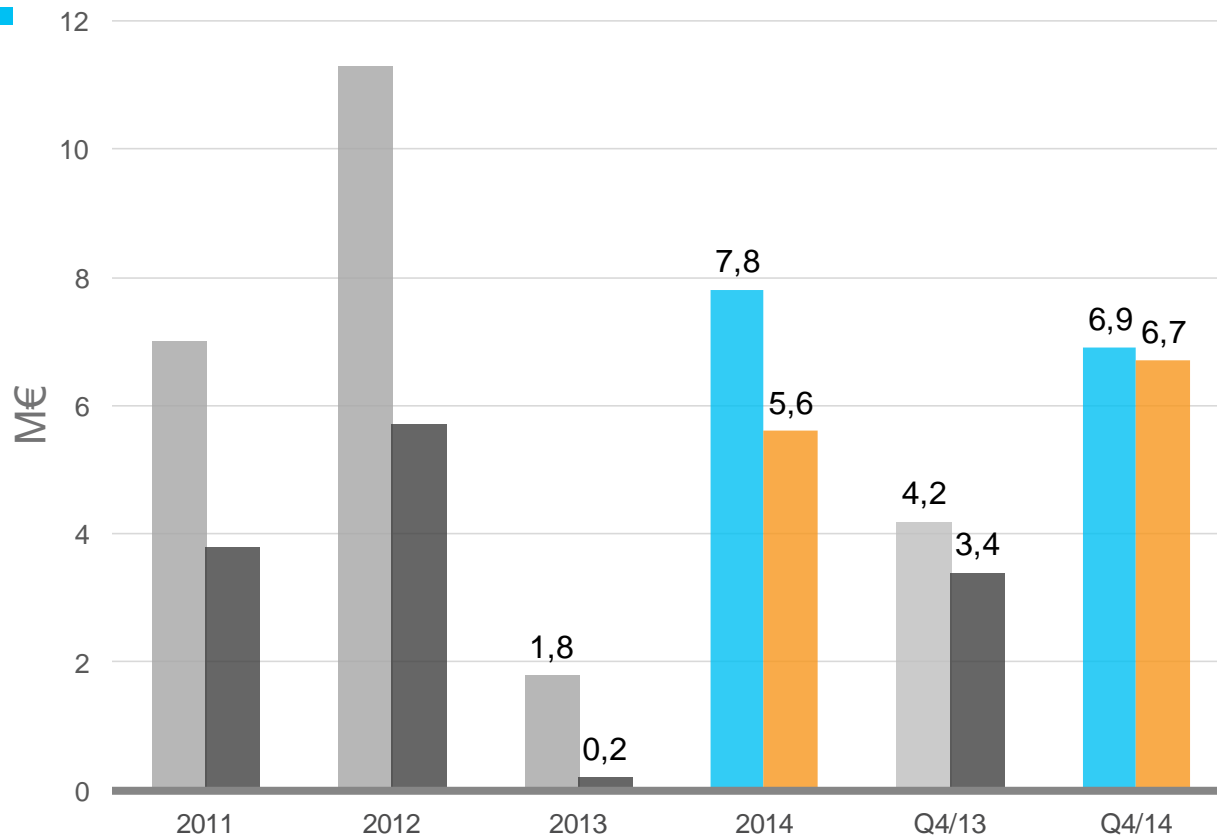
Cash flow after investments 1-12/2014: EUR 5.6 million (1-12/2013: EUR 0.2 million)

■ Operating cash flow ■ Cash flow after investments



Operating cash flow improved.

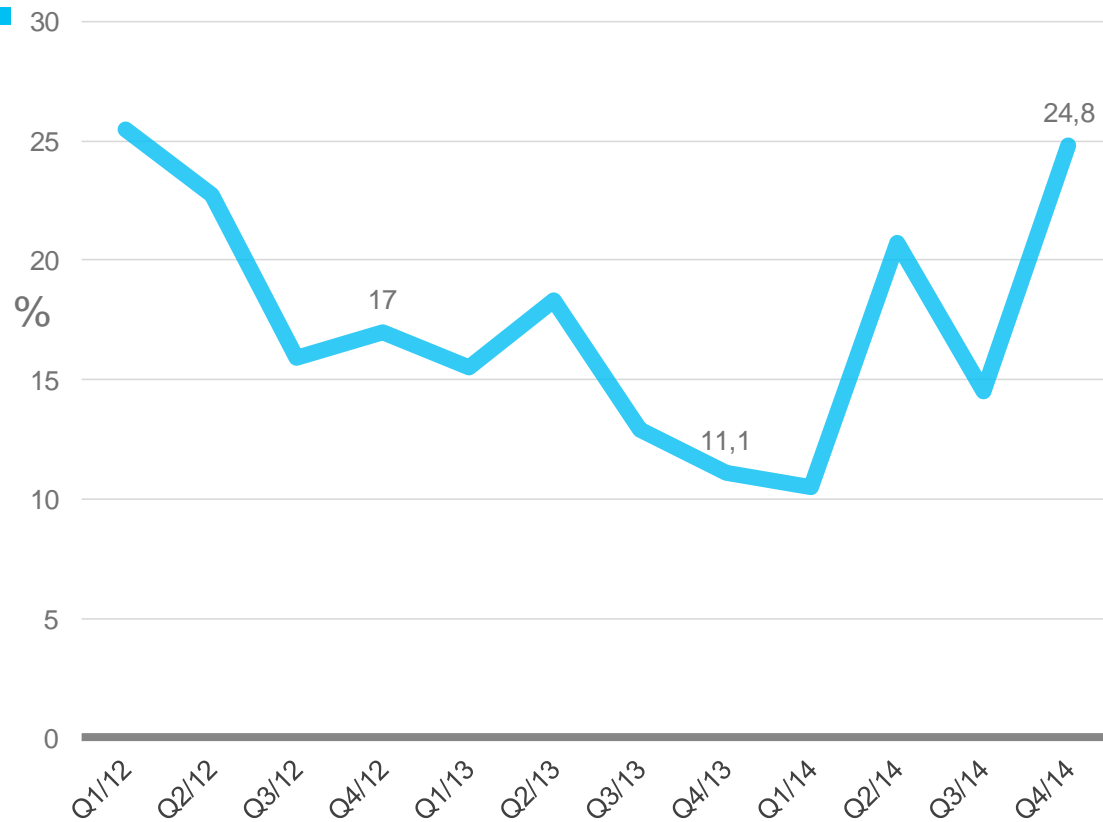
Revenue growth and the higher proportion of short payment terms had a positive effect on cash flow.



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%.

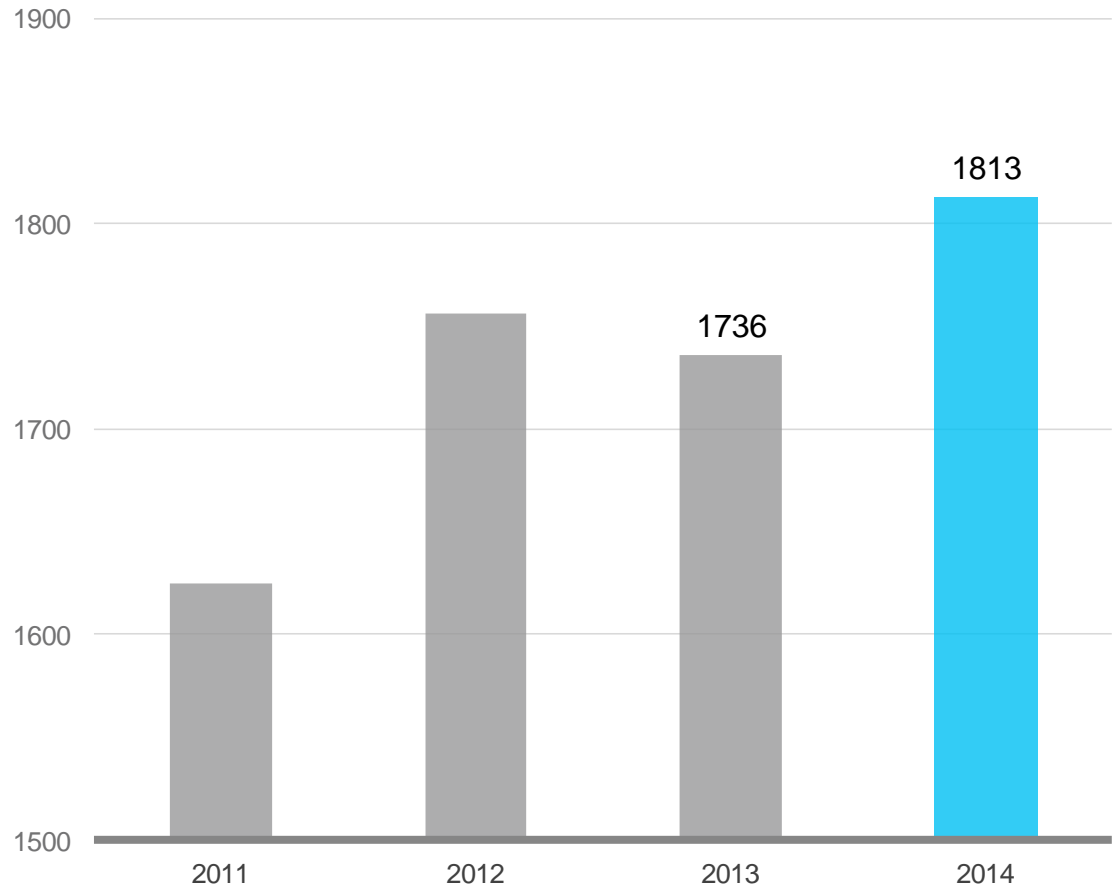


Personnel, average

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
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

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.

Growth in 2015

- Etteplan's long-term customer relationships in engineering together with industry's best technical documentation solutions offer good organic growth potential.
- Outsourcing trend continues: in January Etteplan signed a global outsourcing agreement with Husqvarna Group.
- Growth in China is expected to continue in 2015, but the increase in the number of working hours sold in the Chinese market will be slower than in 2014.
- In acquisitions we will focus on increasing our competence capital and the Company's geographical expansion. Areas for expansion are Central Europe and Asia.

Reporting in 2015

- Etteplan starts to publish key figures of its' two service areas.
- With publication of service area key figures Etteplan will increase the transparency of the realization of Company's business strategy and set targets.
- In the future the Company will use in reporting of key figures EBIT from business operations which describes the performance level of business operations.

Comparison numbers 2014, EUR 1,000

2014	Engineering Services	Technical Documentation
Revenue	106 603	25 205
EBIT from business operations *	5 503	2 031
EBIT from business operations, %*	5,2	8,1
Share of Managed Services, % of revenue	36	53

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

Engineering Services 2014

- Division to product development and engineering-to-order evens out the demand for engineering services over cycles.
- Global long-term customer relationships and strong market position bring continuity to business operations.
- For the time being the share of temporary staffing in business operations is significant.

Comparison numbers 2014, EUR 1,000

Engineering Services	Q1	Q2	Q3	Q4	2014
Revenue	26 905	27 589	23 678	28 431	106 603
EBIT from business operations *	926	1 668	949	1 961	5 503
EBIT from business operations, %*	3,4	6,0	4,0	6,9	5,2
Share of Managed Services, % of revenue	33	35	37	39	36

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

Technical documentation 2014

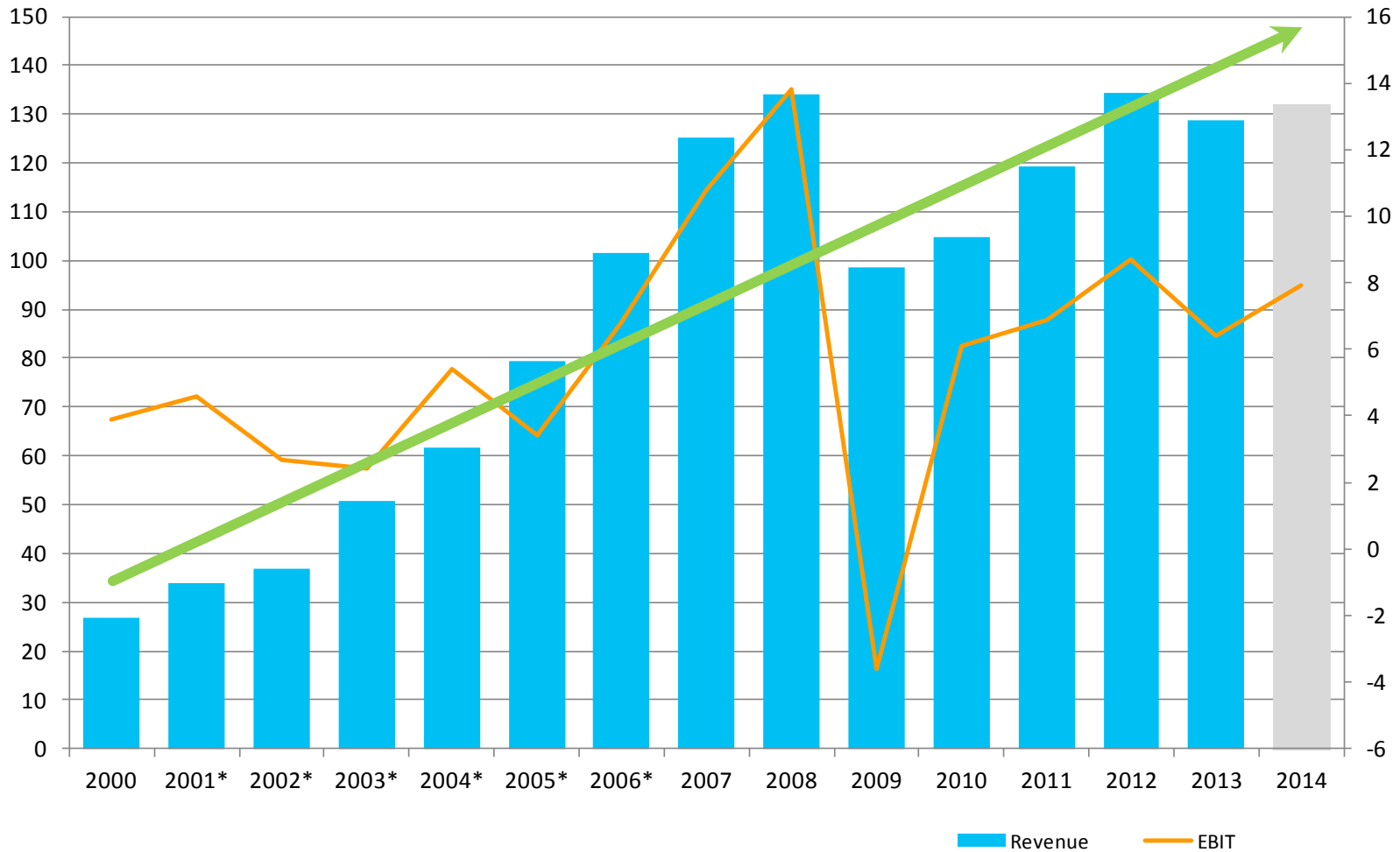
- Demand for technical documentation follows economy cycles.
- Software business creates quarterly fluctuation in EBIT from business operations.
- Industry's most advanced services create growth possibilities.
- In technical documentation the share of revenue accounted for by Managed Services is higher than in engineering services.

Comparison numbers 2014, EUR 1,000

Technical Documentation	Q1	Q2	Q3	Q4	2014
Revenue	6 347	6 153	5 820	6 885	25 205
EBIT from business operations *	458	415	424	734	2 031
EBIT from business operations, %*	7,2	6,7	7,3	10,7	8,1
Share of Managed Services, % of revenue	51	50	55	56	53

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

Revenue and EBIT 2000-2014



*includes continuing and discontinued operations

Major shareholders on February 28, 2015

Name	Number of shares	Holding of shares, %
Ingman Group Oy Ab	13 650 000	67,64
Oy Fincorp Ab	2 091 768	10,37
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	2 053 095	10,18
Total	20 179 414	100,00
Nominee-registered shares	364 767	1,81

IR contacts



- Juha Näkki
President and CEO
Tel. +358 10 307 2077

- Per-Anders Gådin
Senior Vice President, Finance
Tel. +46 70 399 7929



- Outi-Maria Liedes
Senior Vice President, HR & Communications
Tel. +358 10 307 3251

Smart way to smart products