

# Etteplan Q1/2014: Demand improved at the end of the quarter

A large, abstract graphic composed of various shades of blue and cyan geometric shapes, including triangles, polygons, and overlapping planes, creating a sense of depth and movement. The shapes are scattered across the lower half of the slide, with some appearing to float or be layered on top of others.

President and CEO Juha Näkki  
May 7, 2014

## Operating environment in Q1/2014

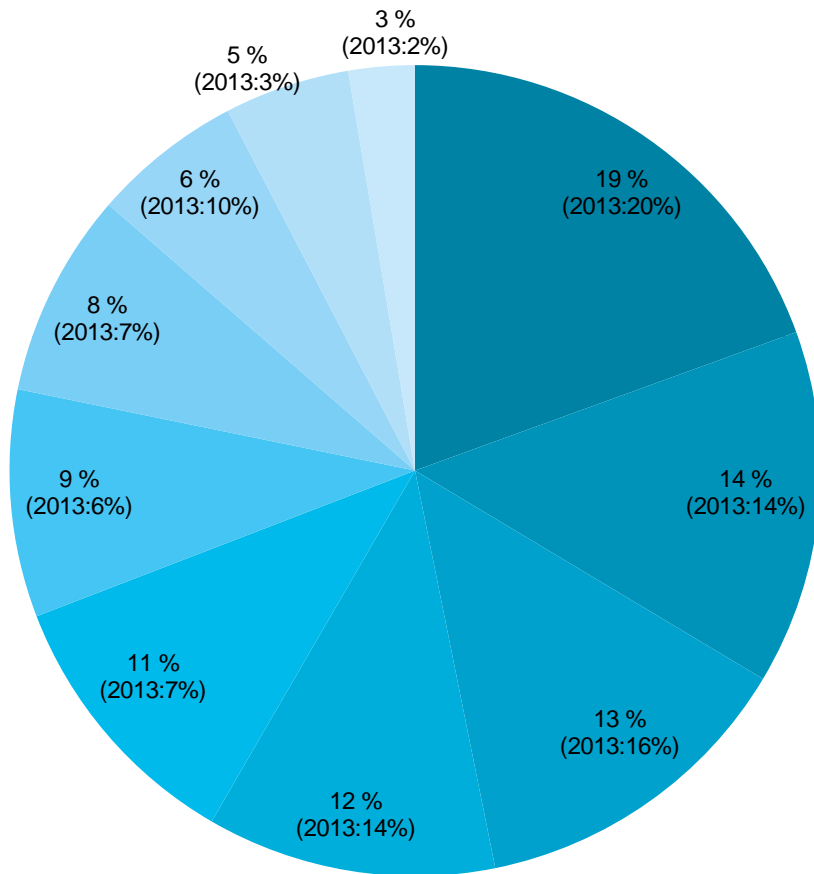
- In Europe, 2014 began in a weak demand situation as expected. However, the market situation took a positive turn at the end of the review period.
- The positive development of the Chinese engineering design services market continued.
- In the Nordic markets, the demand for investment projects showed signs of recovery.
- The decrease in Russian investment projects, the depreciation of the ruble, and the Ukrainian crisis did not yet affect the demand for Russian projects during the review period.

## Highlights in Q1/2014

- Revenue decreased by 3.4% and was EUR 33.3 million (1-3/2013: EUR 34.5 million).
  - Sales to key customers declined by 7.1% compared to Q1/2013.
- Operating profit declined by 34.2% and was EUR 1.2 million (EUR 1.8 million).
  - Operating profit was affected by the low price level of projects sold in the weak market situation of late 2013.
- The share of high value-added Managed Services exceeded one third of revenue in the review period.
- The number of working hours sold in the Chinese market grew by more than 130% compared to Q1/2013.
- In January 2014, Etteplan acquired the entire share capital of the Swedish company ProAvia Konsult AB.

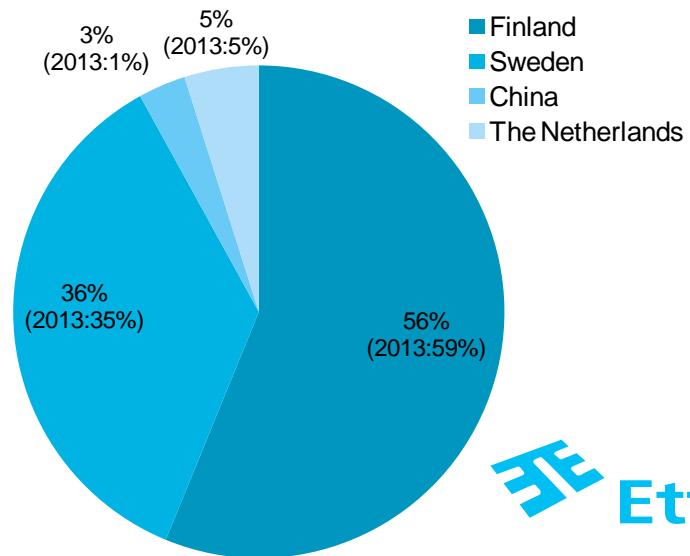
# Revenue 1-3/2014

Revenue by customer segment

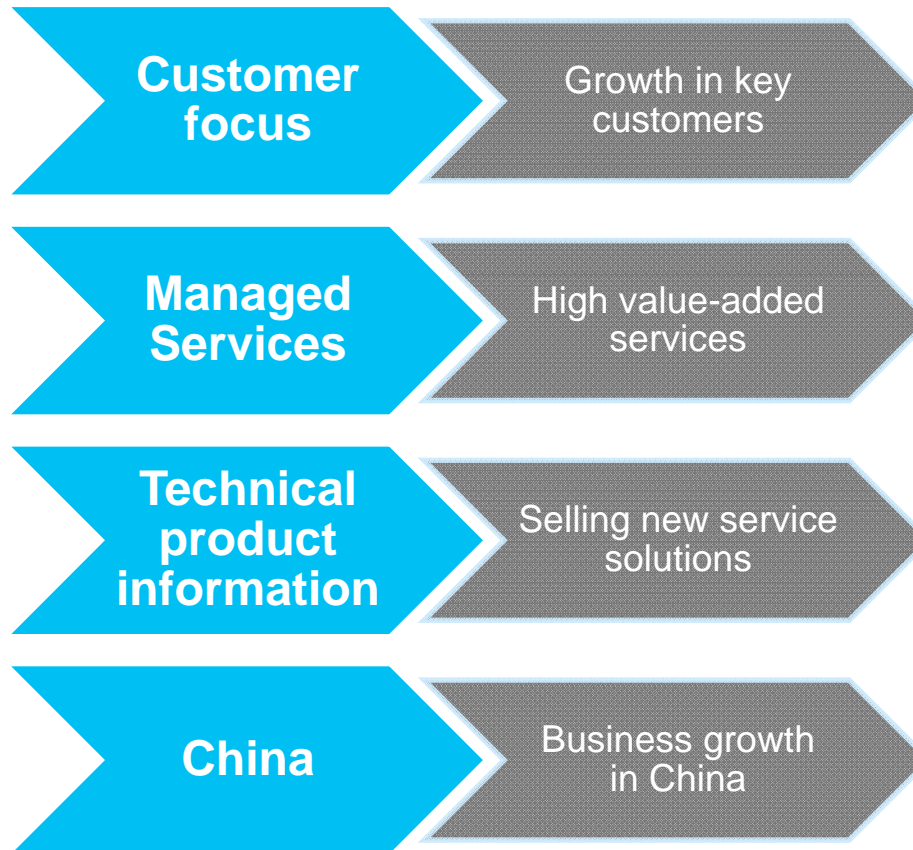


- Others 19%
- Lifting and hoisting 14%
- Mining 13%
- Industrial machinery and components 12%
- Energy and power transmission 11%
- Forest and paper 9%
- Aerospace and defense 8%
- Transportation and vehicle 6%
- Medical technology 5%
- Steel 3%

Revenue by country



# Business focus



Vision:  
Our customers get  
the best service  
solutions anywhere  
at any time.

# Outlook 2014

## Market outlook

- The most important factor in the development of Etteplan's business operations is the development of business operations in the machinery and metal industry. At the beginning of 2014, the revenues and order books of the machinery and metal industry were at a lower level than in the corresponding period in 2013. However, new orders increased on average. The demand for engineering design services showed signs of recovery at the end of the review period, but the full-year development remains uncertain.

## Financial guidance

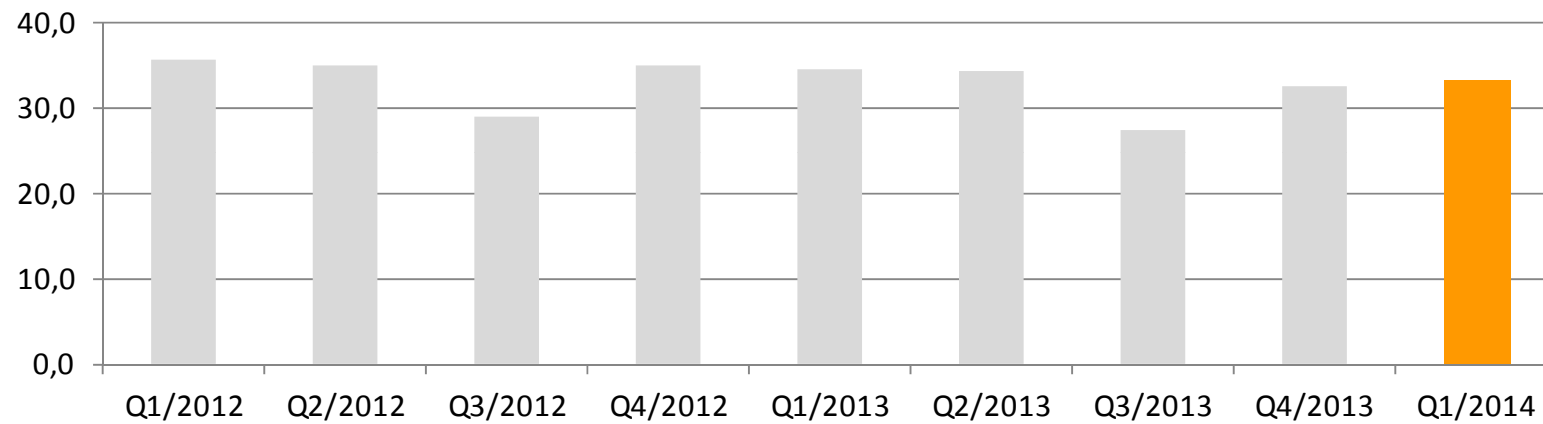
- We expect the revenue and operating profit for the year 2014 to grow compared to 2013.

# Key Figures 1-3/2014

(EUR 1,000)	1-3/2014	1-3/2013	Change %	1-12/2013
Revenue	33,282	34,459	-3.4	128,647
EBITDA	1,810	2,458	-26.4	9,064
EBITDA, %	5.4	7.1		7.0
Operating profit (EBIT)	1,157	1,758	-34.2	6,366
EBIT, %	3.5	5.1		4.9
Basic earnings per share, EUR	0.04	0.05	-20.0	0.22
Equity ratio, %	31.5	29.6		35.9
Operating cash flow	-1,695	-1,960	13.5	1,789
ROCE, %	10.5	15.5		14.6
Personnel at end of the period	1,731	1,732	-0.1	1,728

# Revenue

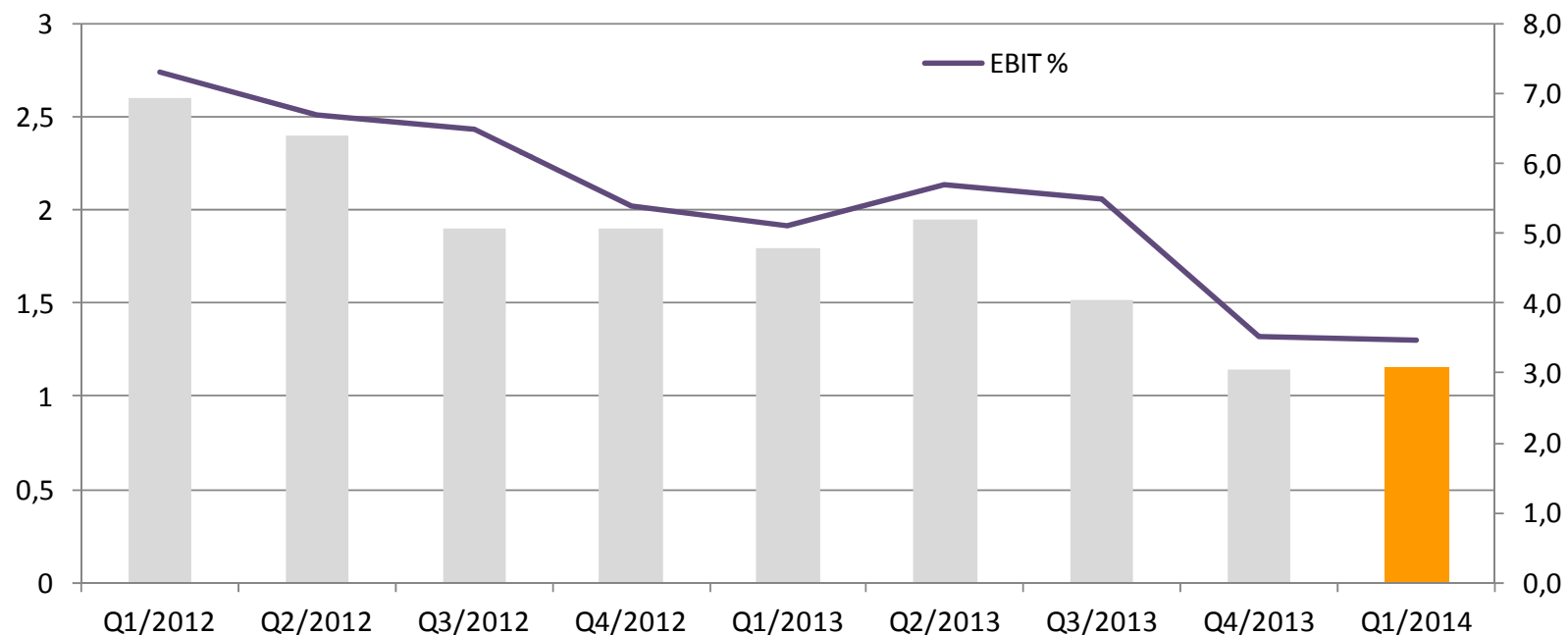
1-3/2014: EUR 33.3 million (1-3/2013: EUR 34.5 million)





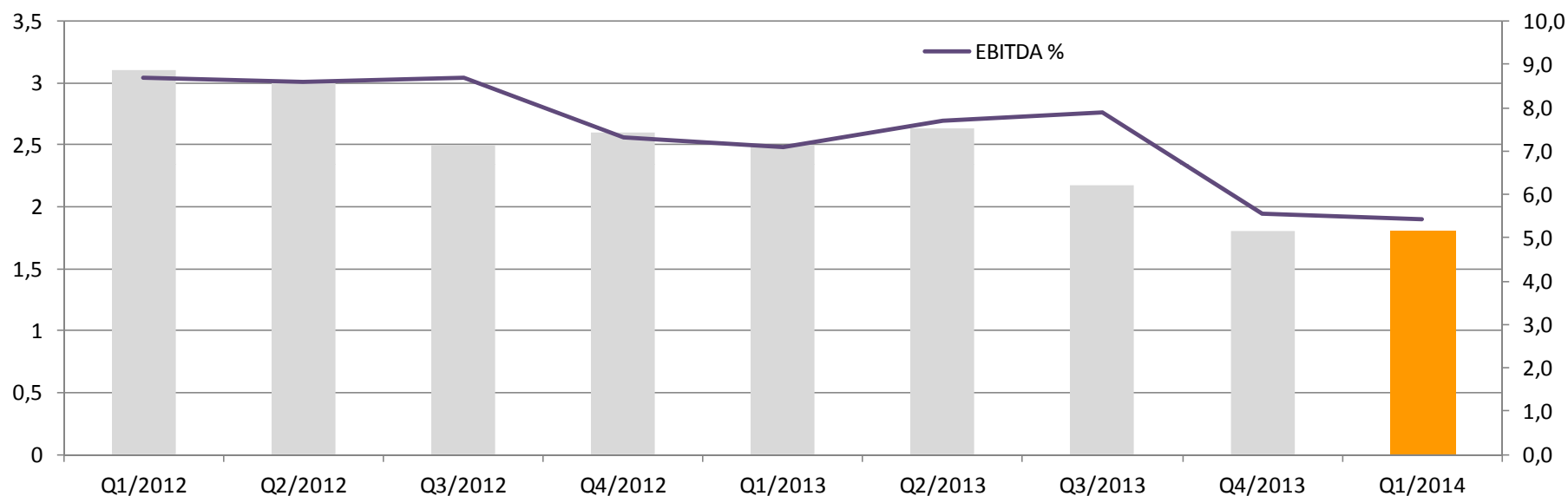
# Operating profit (EBIT) and EBIT %

1-3/2014: EUR 1.2 million, 3.5% (1-3/2013: EUR 1.8 million, 5.1%)



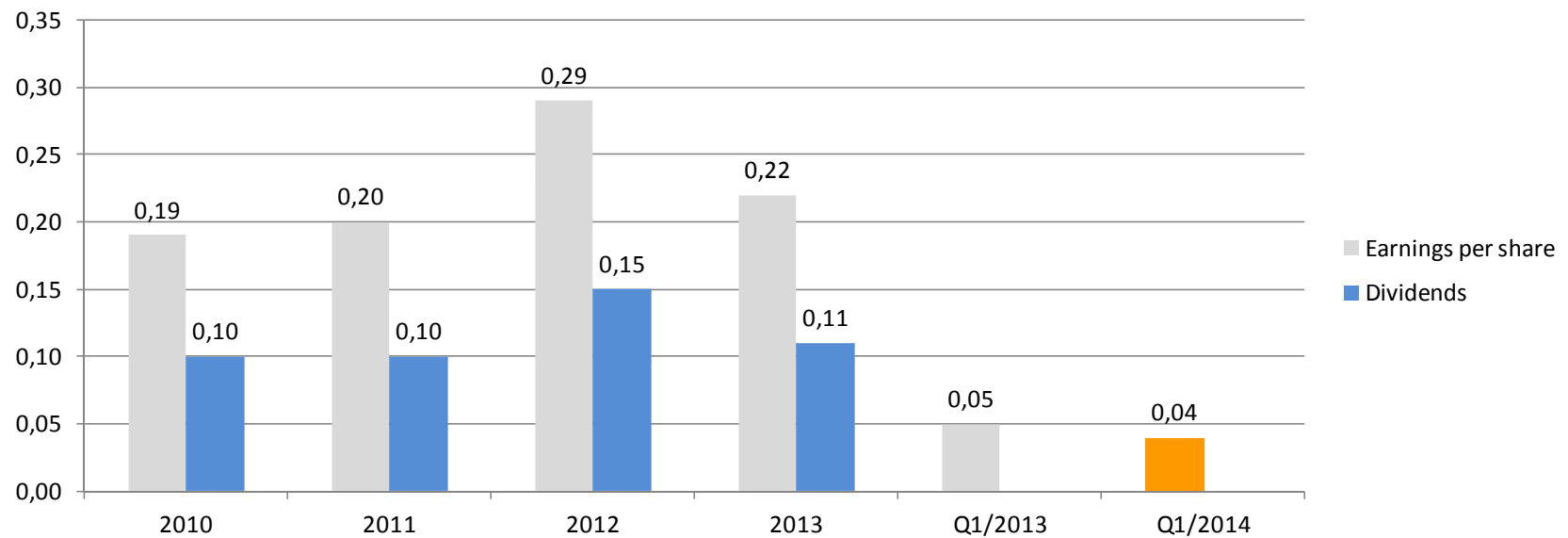
# EBITDA and EBITDA %

1-3/2014: EUR 1.8 million, 5.4% (1-3/2013: EUR 2.5 million, 7.1%)



# Earnings per share (EUR) and dividends (EUR/share)

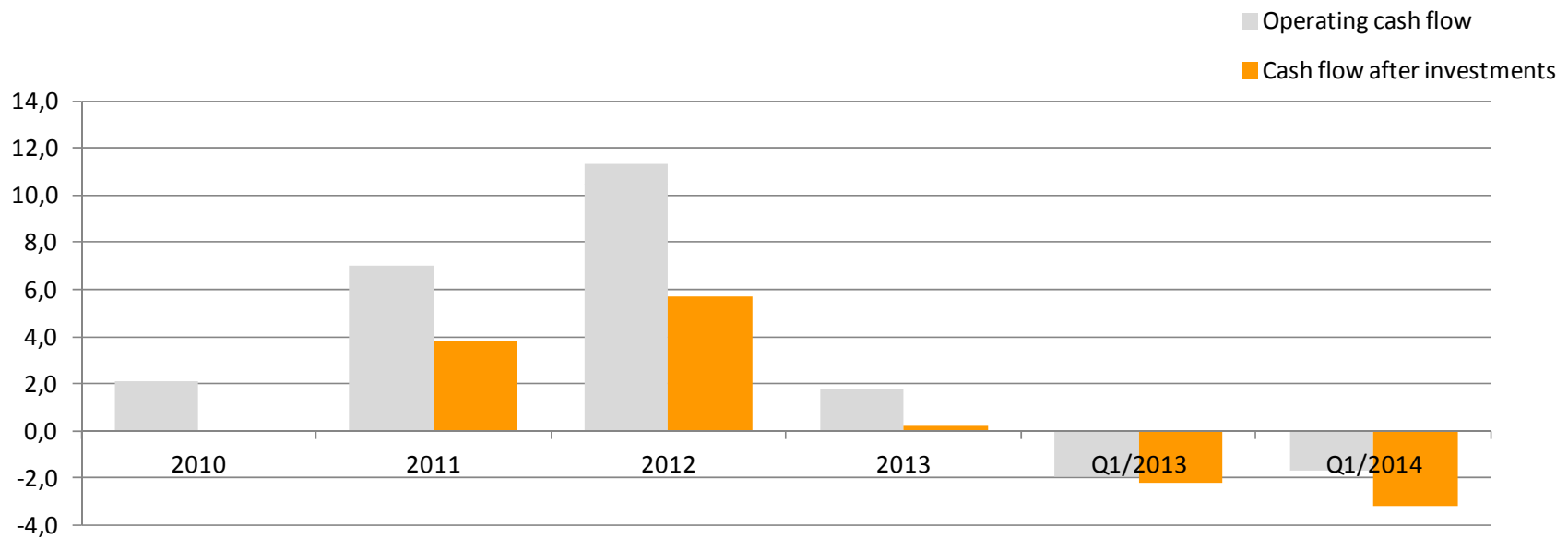
Earnings per share 1-3/2014: EUR 0.04 (1-3/2013: EUR 0.05)



# Cash flow

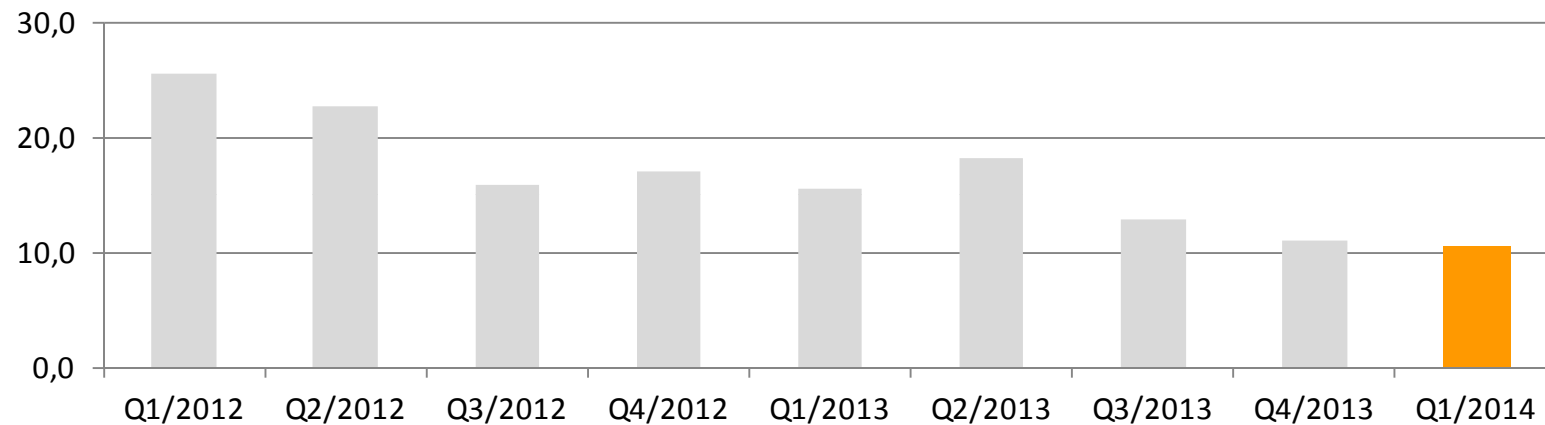
Operating cash flow 1-3/2014: EUR -1.7 million (1-3/2013: EUR -2.0 million)

Cash flow after investments 1-3/2014: EUR -3.2 million (1-3/2013: EUR -2.2 million)



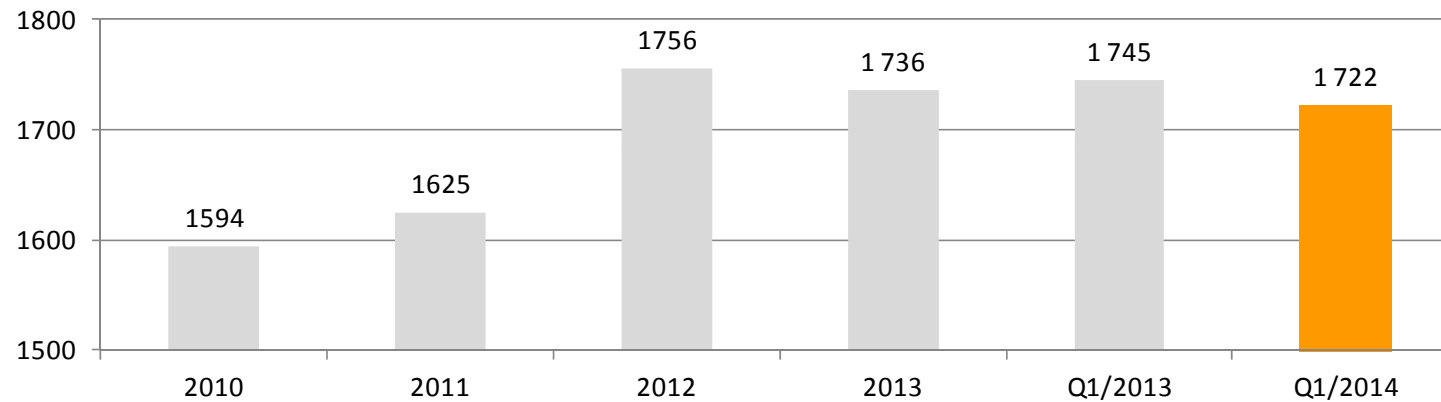
# Return on capital employed (ROCE), %

1-3/2014: 10.5% (1-3/2013: 15.5%)



# Personnel, average

1-3/2014: 1,722 (1-3/2014: 1,745)



# Income Statement

(EUR 1,000) 1-3/2014 1-3/2013 Change % 1-12/2013

	1-3/2014	1-3/2013	Change %	1-12/2013
Revenue	33,282	34,459	-3.4	128,647
Other operating income	82	64		1,134
Materials and services	-3,079	-2,691		-11,605
Staff costs	-23,909	-24,246		-90,250
Other operating expenses	-4,566	-5,128		-18,862
Depreciation and amortization	-653	-700		-2,697
<b>Operating profit (EBIT)</b>	<b>1,157</b>	<b>1,758</b>	<b>-34.2</b>	<b>6,366</b>
Financial income	54	67		306
Financial expenses	-233	-406		-947
Share of the result of associate	0	-67		-54
Profit before taxes	979	1,351	-27.6	5,672
Income taxes	-153	-334		-1,282
<b>Profit for the financial year</b>	<b>825</b>	<b>1,018</b>		<b>4,390</b>

# Balance sheet

(EUR 1,000)	31.3.2014	31.3.2013	31.12.2013
Goodwill	39,434	40,658	39,131
Other non-current assets	9,610	8,747	8,678
<b>Non-current assets, total</b>	<b>49,044</b>	<b>49,405</b>	<b>47,809</b>
Trade and other receivables	27,243	27,353	25,709
Cash and cash equivalents	964	3,299	975
<b>Current assets, total</b>	<b>28,207</b>	<b>30,652</b>	<b>26,684</b>
<b>TOTAL ASSETS</b>	<b>77,251</b>	<b>80,057</b>	<b>74,493</b>
Equity, total	23,878	23,316	25,481
Non-current liabilities, total	16,944	16,710	14,279
Current liabilities, total	36,429	40,031	34,734
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>77,251</b>	<b>80,057</b>	<b>74,493</b>



# Cash flow

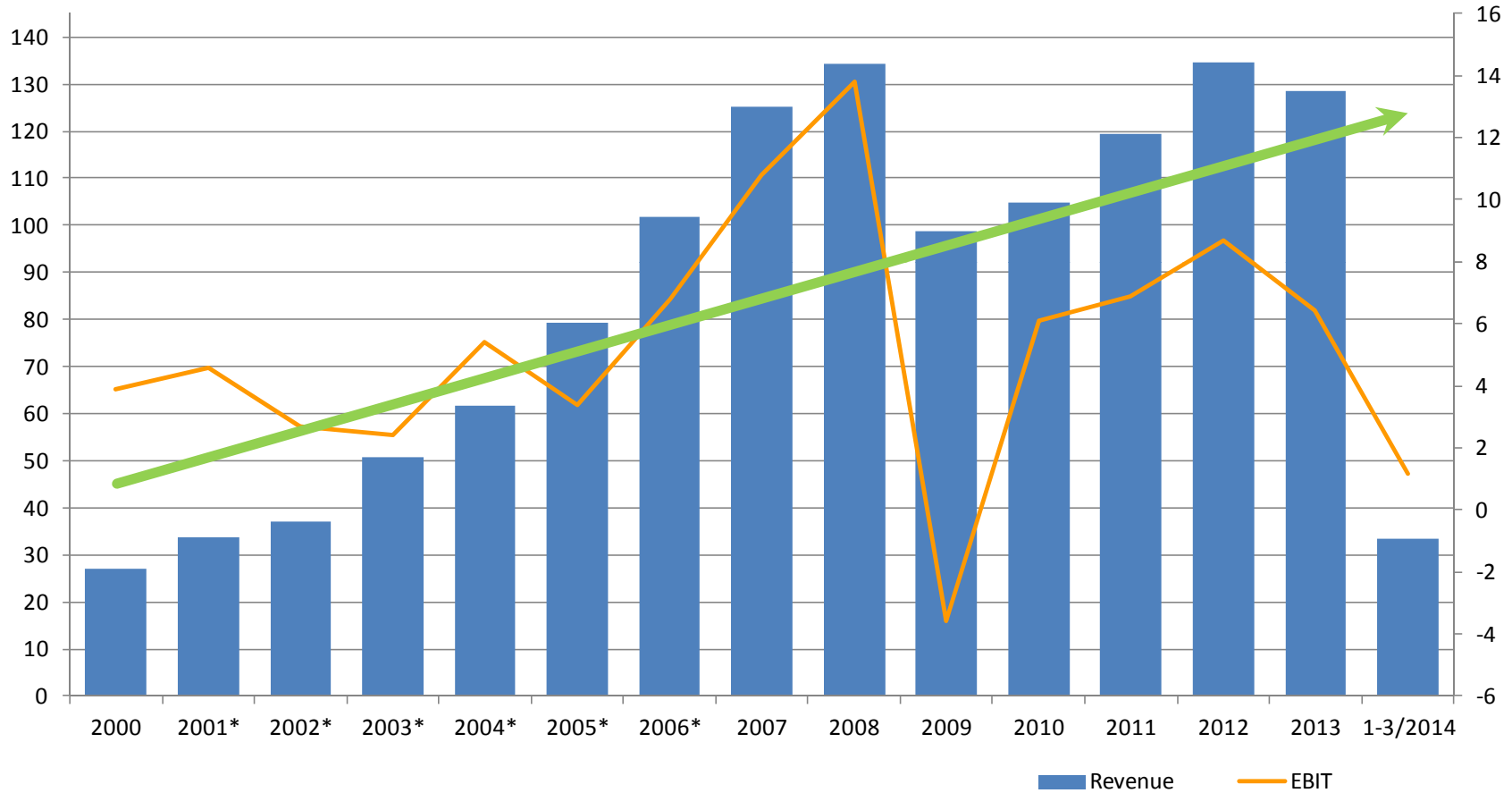
(EUR 1,000)	1-3/2014	1-3/2013	1-12/2013
<b>Operating cash flow (A)</b>	<b>-1,695</b>	<b>-1,960</b>	<b>1,789</b>
Investing cash flow (B)	-1,467	-269	-1,634
<b>Cash flow after investments (A+B)</b>	<b>-3,192</b>	<b>-2,229</b>	<b>154</b>
Financing cash flow (C)	3,148	243	-4,647
<b>Variation in cash (A+B+C)</b>	<b>-45</b>	<b>-1,987</b>	<b>-4,493</b>
<b>Assets at the beginning of the period</b>	<b>975</b>	<b>5,402</b>	<b>5,402</b>
Exchange gains or losses on cash and cash equivalents	33	-117	65
<b>Assets at the end of the period</b>	<b>964</b>	<b>3,299</b>	<b>975</b>

# Etteplan Oyj's financial targets and realization

## Target and realization in Q1/2014 Action

<b>Growth</b>	<ul style="list-style-type: none"><li>• Average 10% annual organic growth<ul style="list-style-type: none"><li>▪ Q1/2014: -6.9%</li></ul></li><li>• Acquisitions supporting growth in accordance with the strategy</li></ul>	<ul style="list-style-type: none"><li>• Growth in key customers</li><li>• Strong market position enables Etteplan to grow faster than the market</li></ul>
<b>Profitability</b>	<ul style="list-style-type: none"><li>• Operating profit 10%<ul style="list-style-type: none"><li>▪ Q1/2014: 3.5%</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Change of business model</li><li>• Market leadership</li></ul>
<b>Cash flow</b>	<ul style="list-style-type: none"><li>• Improvement of cash flow to strengthen the balance sheet<ul style="list-style-type: none"><li>▪ Q1/2014: -1.7 MEUR</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Development of pricing models</li><li>• Improved processing and sales of sales receivables</li></ul>
<b>High value-added services</b>	<ul style="list-style-type: none"><li>• Share of Managed Services to grow to 50% of revenue by 2016<ul style="list-style-type: none"><li>▪ Q1/2014: over 33%</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Service solutions and project business</li></ul>

# Revenue and EBIT 2000 - 2014



\*) includes continuing and discontinued operations

## Major shareholders on March 31, 2014

Name	Number of shares	Holding of shares, %
Ingman Group Oy Ab	13 650 000	67,64
Oy Fincorp Ab	2 089 055	10,35
Varma Mutual Pension Insurance Company	821 328	4,07
Etteplan Oyj	461 791	2,29
Tuori Klaus	351 000	1,74
Tuori Aino	256 896	1,27
Kempe Anna	220 000	1,09
Sijoitusrahasto Taaleritehdas Mikro Markka	191 712	0,95
Kempe Lasse	100 000	0,50
Kempe Pia	97 700	0,48
Other shareholders	1 939 932	9,62
Total	20 179 414	100,00
Nominee-registered shares	207 272	1,03

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