

# Etteplan Q3/2022: Forward with strong operational performance

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# Highlights Q3 2022

- + The market situation remained good and all three service areas performed well.
- + Our operational performance was strong.
- + Revenue growth continued, and profitability and operative cash flow were strong.
- Significant non-recurring costs of Semcon public offer burdened the results.
- The fair value measurement of a currency hedge burdened financing items and, consequently, earnings per share.



# Operating environment

## Q3 2022

- The demand situation remained good but there were fluctuations in demand.
- The war started by Russia in Ukraine and the related energy crisis and the subsequent elevation in geopolitical tensions have increased uncertainty globally.
- Investments related to the defense industry, energy efficiency and accelerating the green transition are growing, while rising inflation reduces willingness to invest and affects demand in some industries.

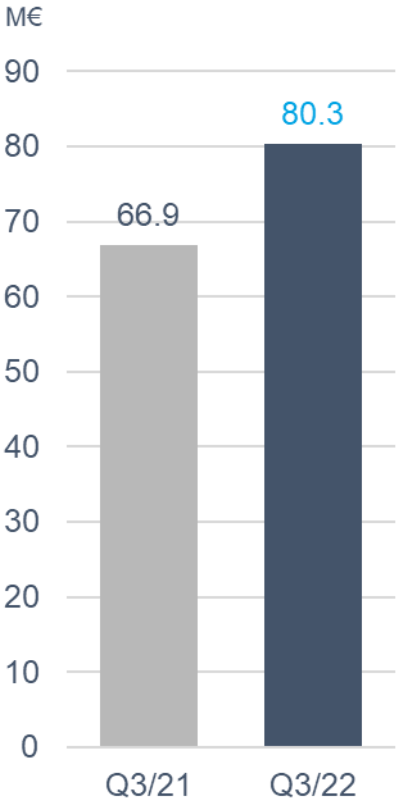
### Development in main markets:

The geopolitical tensions caused by Russia's invasion of Ukraine and the energy crisis have increased uncertainty and are accelerating inflation in all of our operating countries in Europe. Nevertheless, the general demand situation in Europe is still fairly good.

The war and geopolitical tensions are also increasing uncertainty in China. In addition, the COVID-19 pandemic measures continue to have an impact, and the demand situation in China has deteriorated slightly in general.

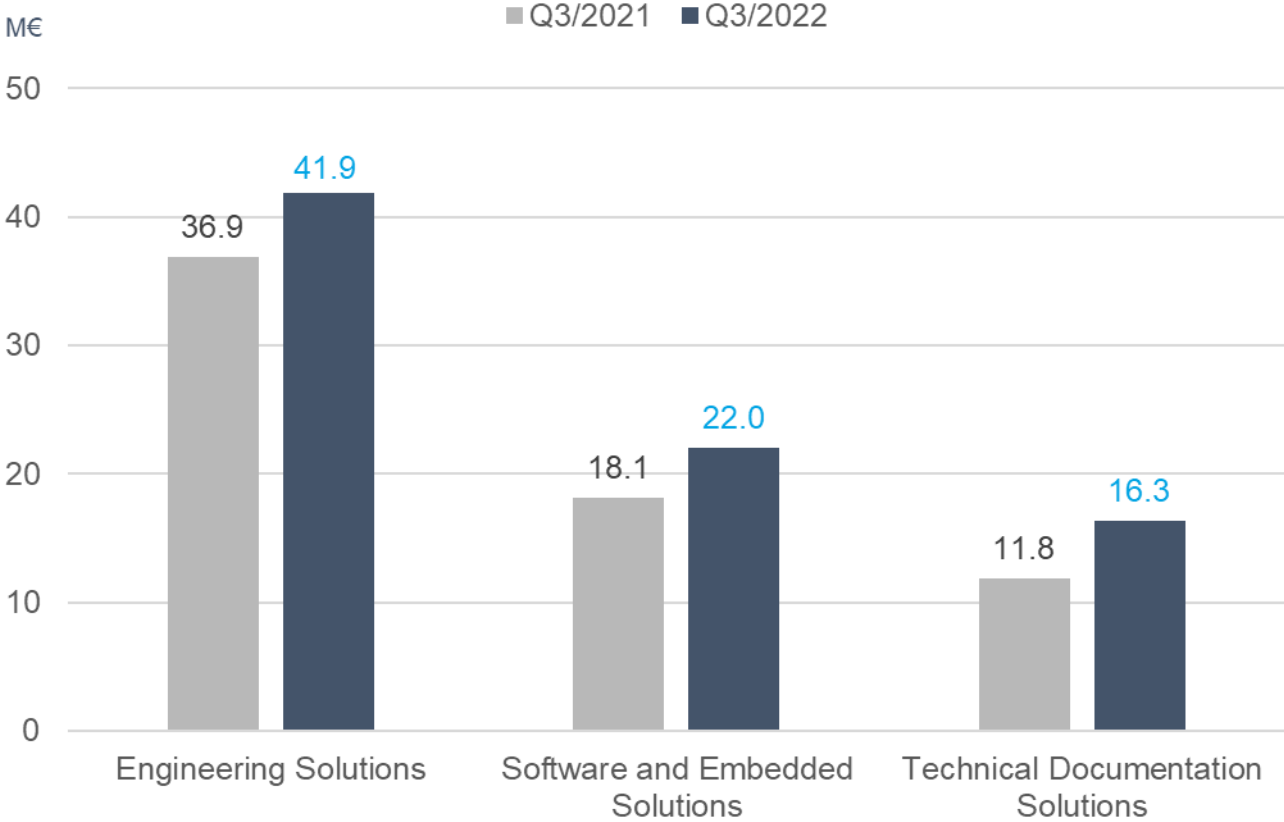
# Revenue

## Group



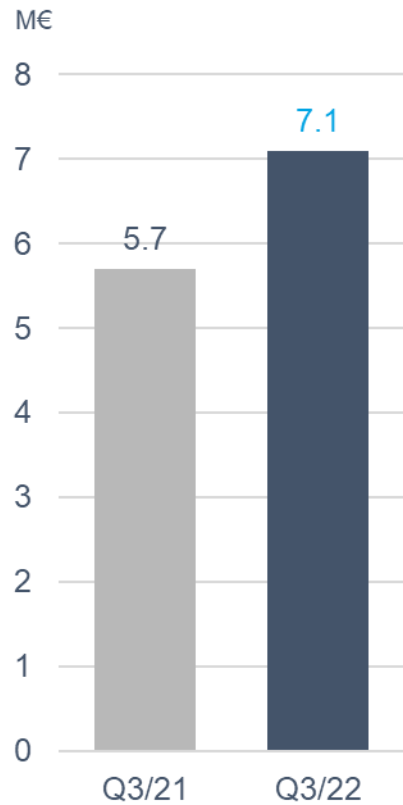
Organic growth 11.2%

## Service areas

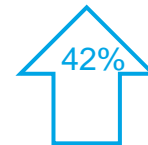
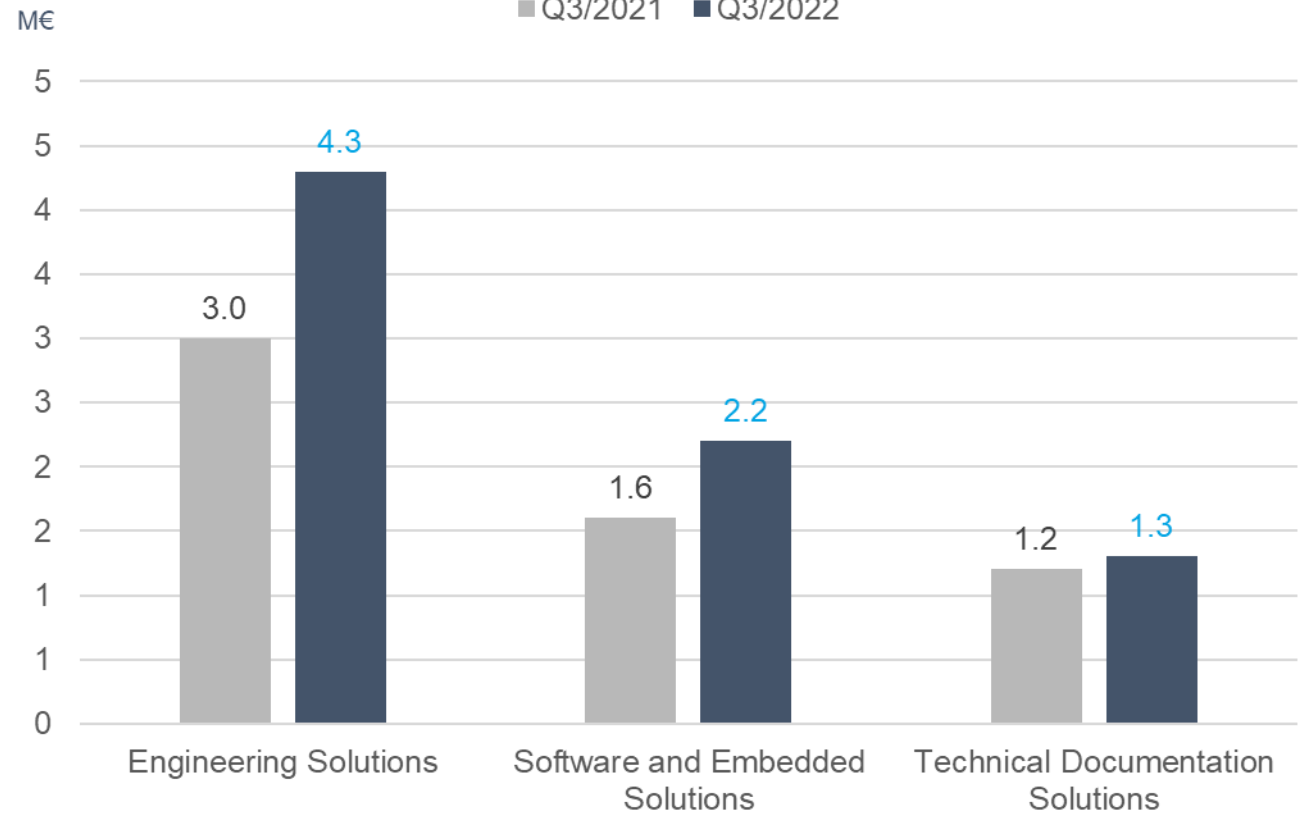


# Operating profit (EBITA)

## Group



## Service areas



# Revenue and personnel



- Engineering Solutions 52% (56%)
- Software and Embedded Solutions 28% (27%)
- Technical Documentation Solutions 20% (17%)

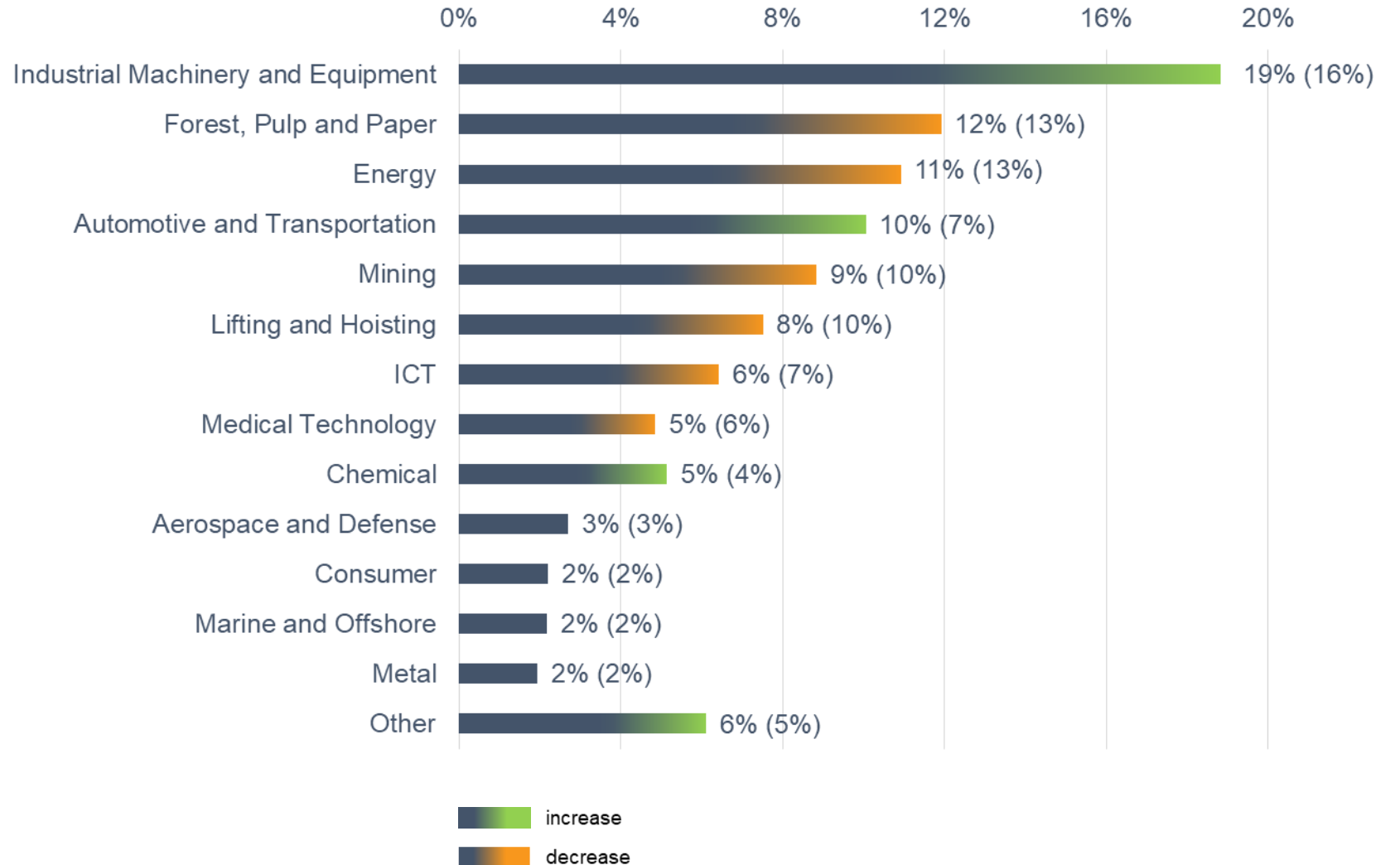


- Finland 52% (57%)
- Scandinavia 25% (23%)
- Central Europe 19% (16%)
- China 4% (4%)



- Finland 50% (55%)
- Scandinavia 18% (18%)
- Central Europe 21% (15%)
- China 11% (12%)

# Revenue by customer segment 1-9/2022





# Financial guidance and Outlook 2022

**Etteplan specifies its financial guidance for Revenue and Operating profit (EBIT) within the previously communicated range and estimates:**

- **revenue in 2022 to be EUR 345-360 (previously 340-370) million**
- **operating profit (EBIT) in 2022 to be EUR 28-31 (previously 28-32) million.**

## Market outlook

The most important factor affecting Etteplan's business is the global development of the machinery and metal industry. The COVID-19 pandemic continues to affect the market situation, especially in China. The war started by Russia in Ukraine, and the related energy crisis in Europe, increase uncertainty in the markets and accelerate inflation, which slows down investments and affects the demand situation and supply chains. On the other hand, the unstable geopolitical climate increases the demand for investments related to the defense industry, energy efficiency and the green transition. Forecasting remains difficult and the demand situation is fluctuating. We, nevertheless, expect the general demand situation to remain fairly good throughout 2022.

# Financial development Q3 2022



# Key Figures

M€	7-9/2022	7-9/2021	Change %	1-9/2022	1-9/2021	Change %	1-12/2021
Revenue	80.3	66.9	20.1	259.1	214.9	20.6	300.1
Revenue from outside Finland	39.7	29.7	33.7	124.9	92.9	34.4	130.1
Operating profit (EBITA)	7.1	5.7	24.3	24.2	21.2	14.2	30.1
EBITA, %	8.8	8.5		9.3	9.9		10.0
Operating profit (EBIT)	5.8	4.6	25.4	20.2	17.9	12.7	25.8
EBIT, %	7.2	6.9		7.8	8.3		8.6
Basic earnings per share, EUR	-0.03	0.14	-121.4	0.43	0.55	-21.8	0.80
Operating cash flow	4.1	0.2	1,701.4	17.1	13.9	22.5	27.1
Managed Services Index	67	63	6.3	66	63	4.0	63
Personnel at end of the period	4,001	3,625	10.4	4,001	3,625	10.4	3,629

# Revenue

## Q3 2022

80.3 M€ (66.9) +20.1%

At comparable exchange rates +21.0%

Organic +11.2%

At comparable exchange rates +12.0%

## 1-9 2022

259.1 M€ (214.9) +20.6%

At comparable exchange rates +21.2%

Organic +11.7%

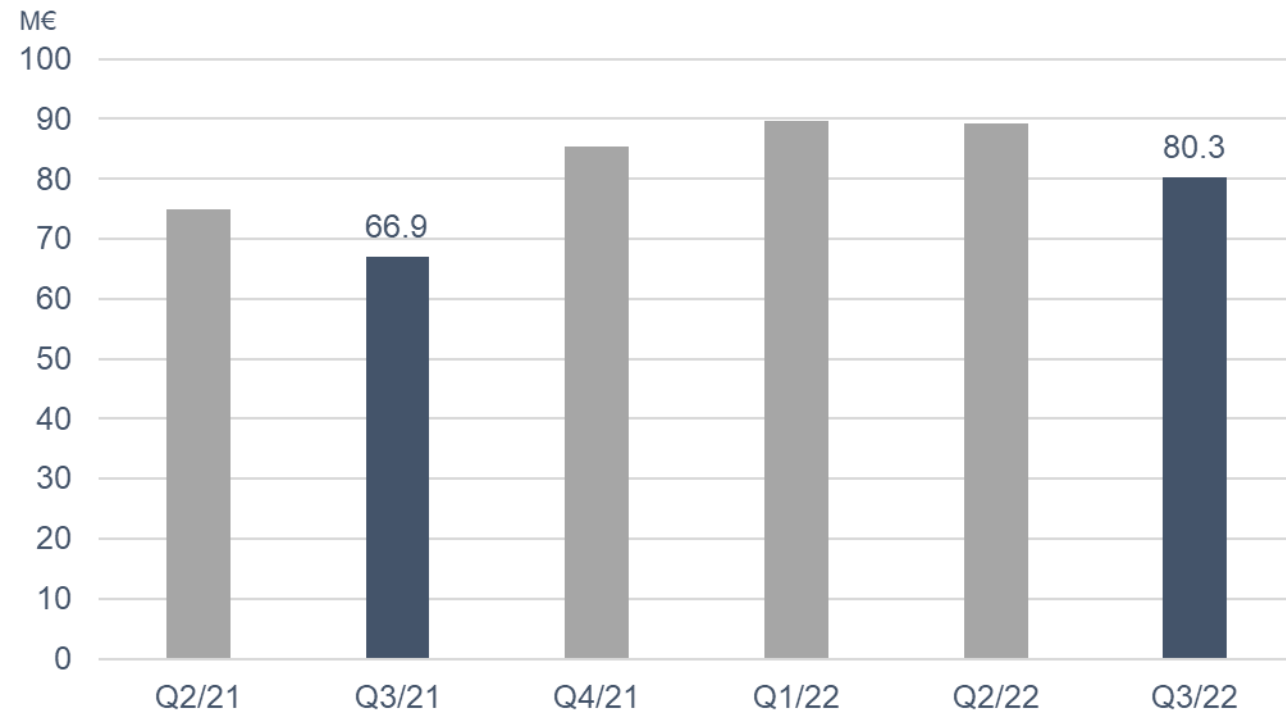
At comparable exchange rates +12.3%

The demand situation remained good, and growth was strong.

Key accounts and acquisitions supported revenue growth.

Organic growth was also at a good level.

Revenue from key accounts increased by 8.8% in Q3.



# EBITA

## Q3 2022

7.1 M€, 8.8% (5.7 M€, 8.5%) +24.3%

Non-recurring -0.7 M€ (-0.2)

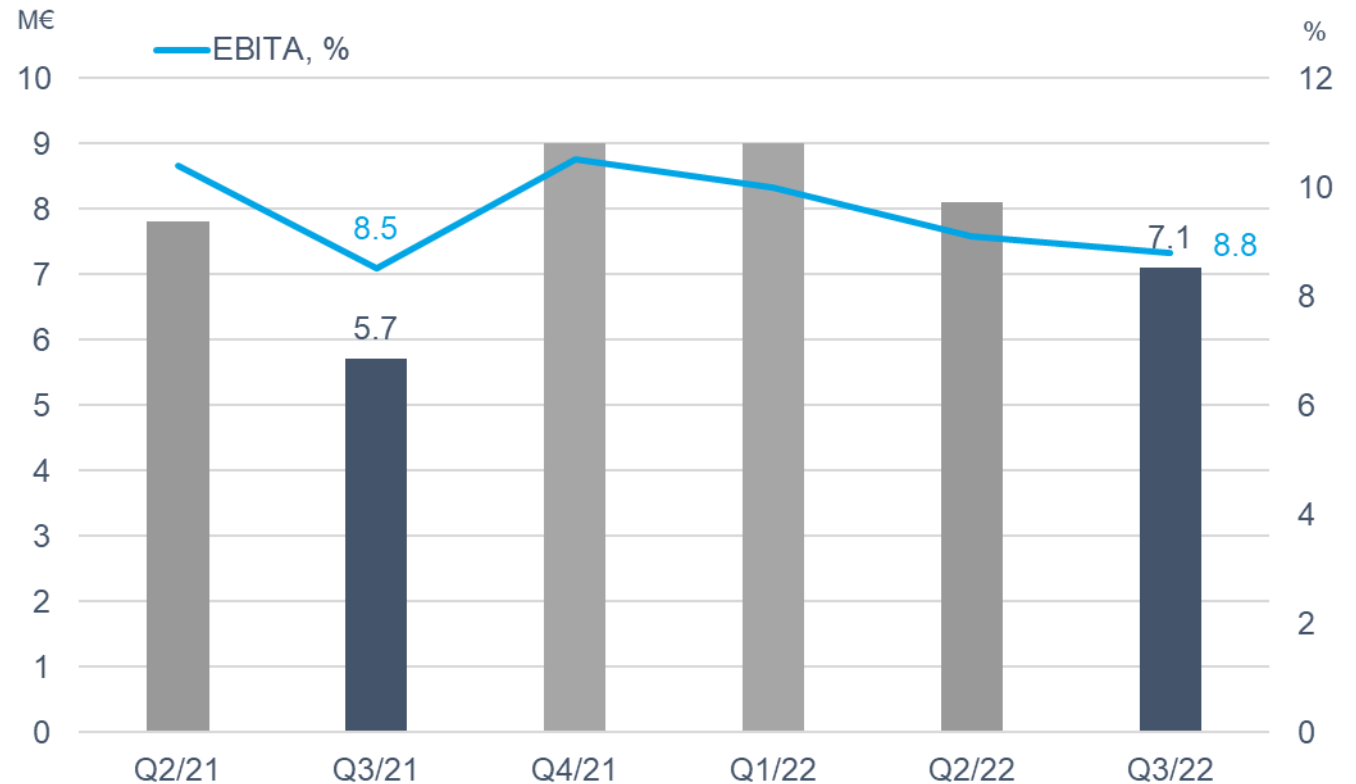
## 1-9 2022

24.2 M€, 9.3% (21.2 M€, 9.9%) +14.2%

Non-recurring -1.3 M€ (-0.6)

We achieved good profitability for a third quarter.

Non-recurring costs mainly related to Semcon public offer were significant.



# EBIT

## Q3 2022

5.8 M€, 7.2% (4.6 M€, 6.9%) +25.4%

Non-recurring -0.7 M€ (-0.2)

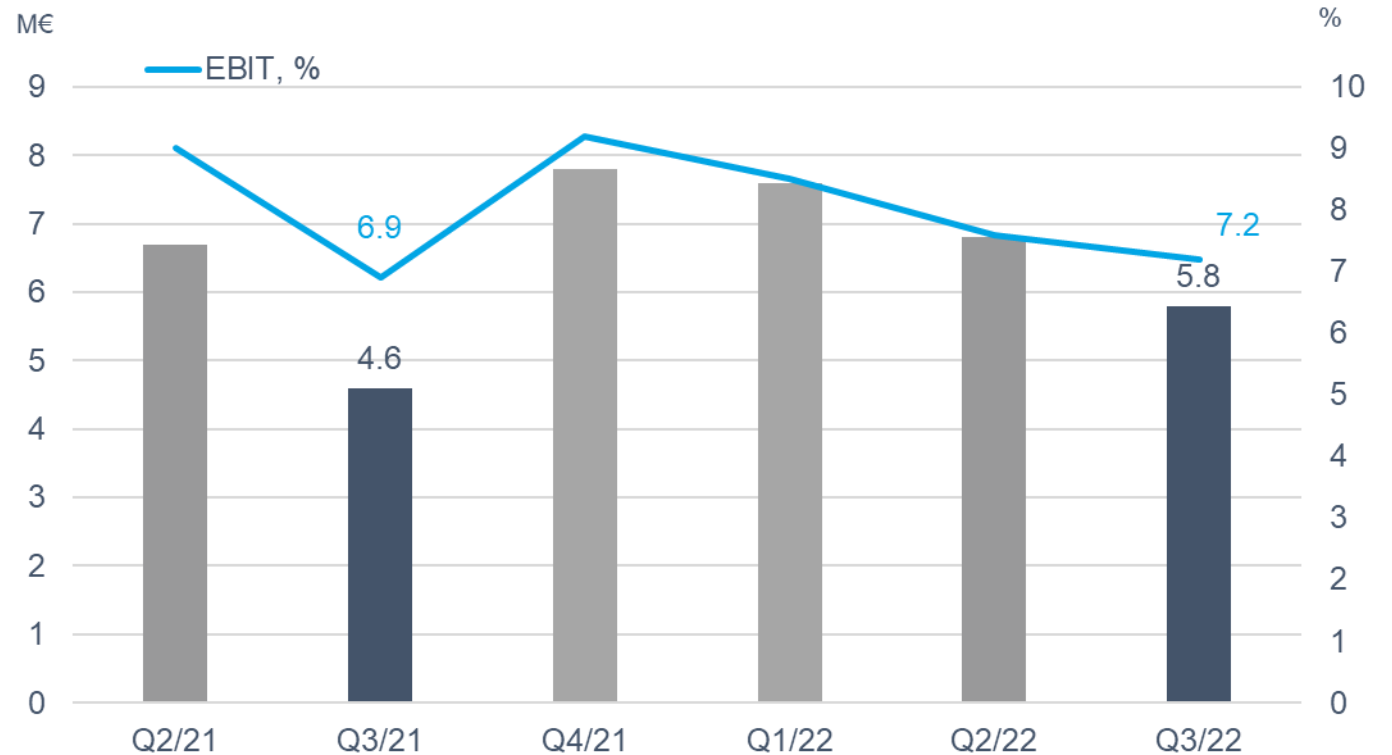
Amortization related to acquisitions 1.3 M€ (1.1)

## 1-9 2022

20.2 M€, 7.8% (17.9 M€, 8.3%) +12.7%

Non-recurring -1.3 M€ (-0.6)

Amortization related to acquisitions 4.0 M€ (3.3)



# Earnings per share and dividend

## Earnings per share

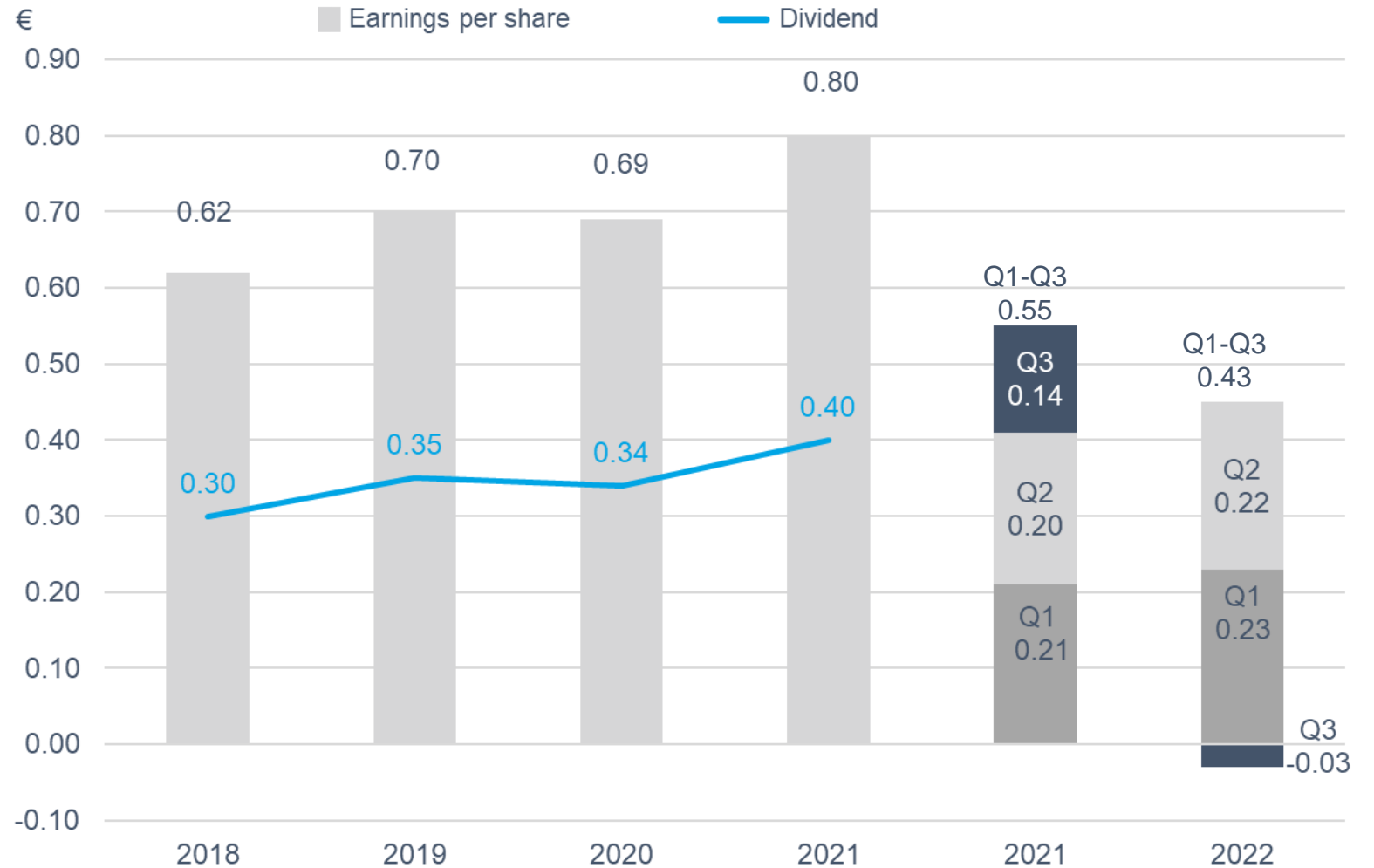
Q3 2022: -0.03 € (0.14) -121.4%

1-9 2022: 0.43 € (0.55) -21.8%

Significant non-recurring costs of Semcon public offer burdened the results.

The fair value measurement of a currency hedge burned financing items and, consequently, earnings per share.

The final effect of the currency hedge will be recognized in the company's result for the fourth quarter.



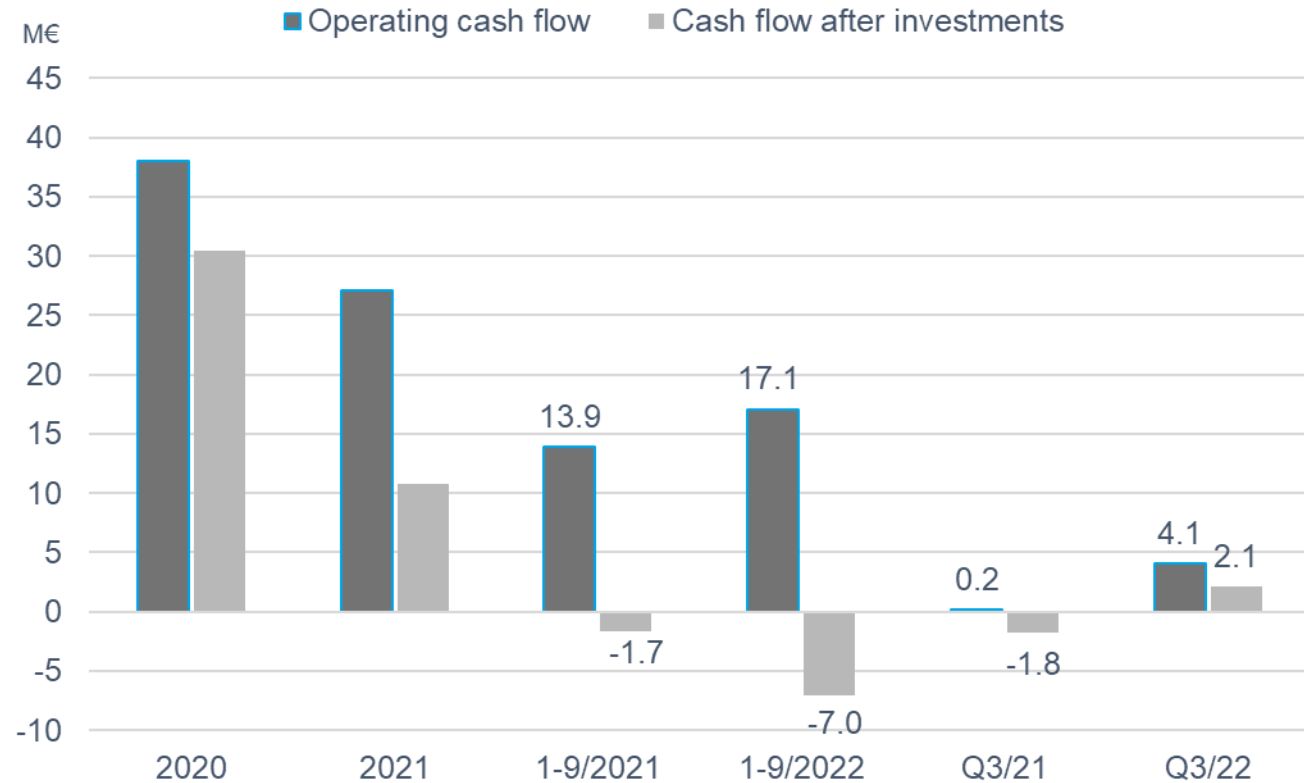
# Cash flow

## Operating cash flow

Q3 2022: 4.1 M€ (0.2)

1-9 2022: 17.1 M€ (13.9)

Operating cash flow in the third quarter was good. Cash flow after investments was affected by acquisitions made in the first half of the year.



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



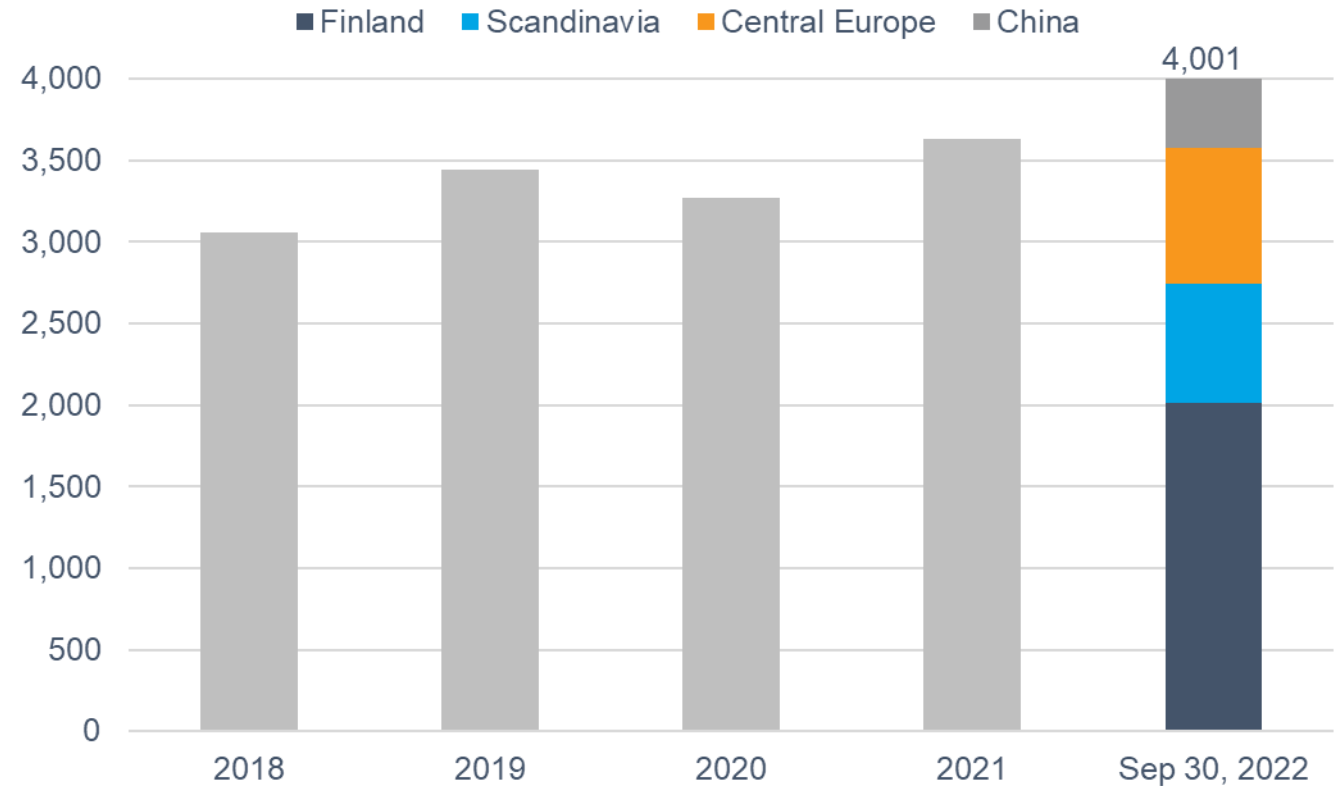
# Personnel

At the end of the period **4,001** (3,625) **+10.4%**  
Average **3,937** (3,429)

Compared to the end of September 2021, the number of personnel increased by 10.4%.

At the end of the review period, 1,988 (Sep 30, 2021: 1,614) people were employed by the Group outside of Finland.

Due to the unpredictable market situation, we have slowed down recruitment in all service areas.



# Service areas Q3 2022

# Engineering Solutions

## Q3 2022

Revenue **41.9 M€** (36.9) **+13.4%**

EBITA **4.3 M€**, **10.3%** (3.0 M€, 8.2%)

## 1-9 2022

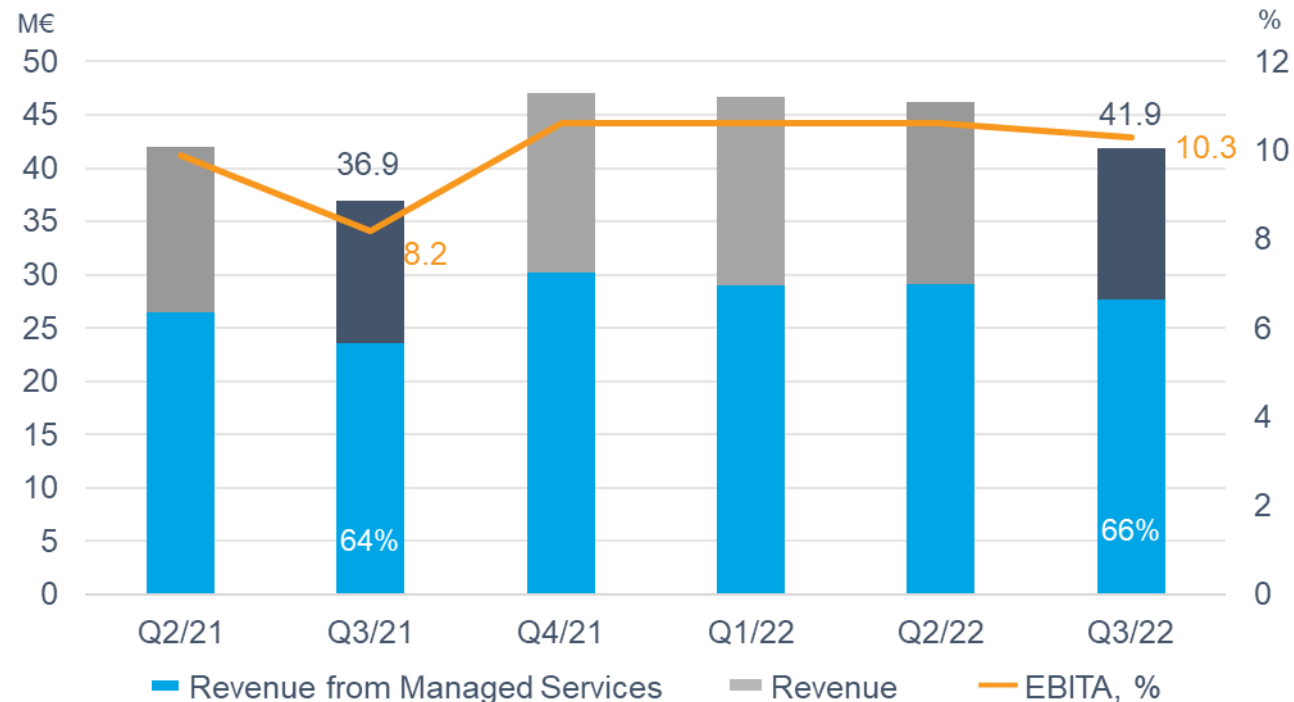
Revenue **134.8 M€** (120.4) **+12.0%**

EBITA **14.1 M€**, **10.5%** (11.6 M€, 9.6%)

Personnel **2,124** (2,071) at the end of the period

Demand situation remained good and the revenue increased.

Profitability was at an excellent level for a third quarter thanks to good operational efficiency.



# Software and Embedded Solutions

## Q3 2022

Revenue **22.0 M€** (18.1) **+21.4%**

EBITA **2.2 M€**, **9.9%** (1.6 M€, 9.1%)

## 1-9 2022

Revenue **71.7 M€** (56.8) **+26.3%**

EBITA **6.4 M€**, **8.9%** (5.9 M€, 10.4%)

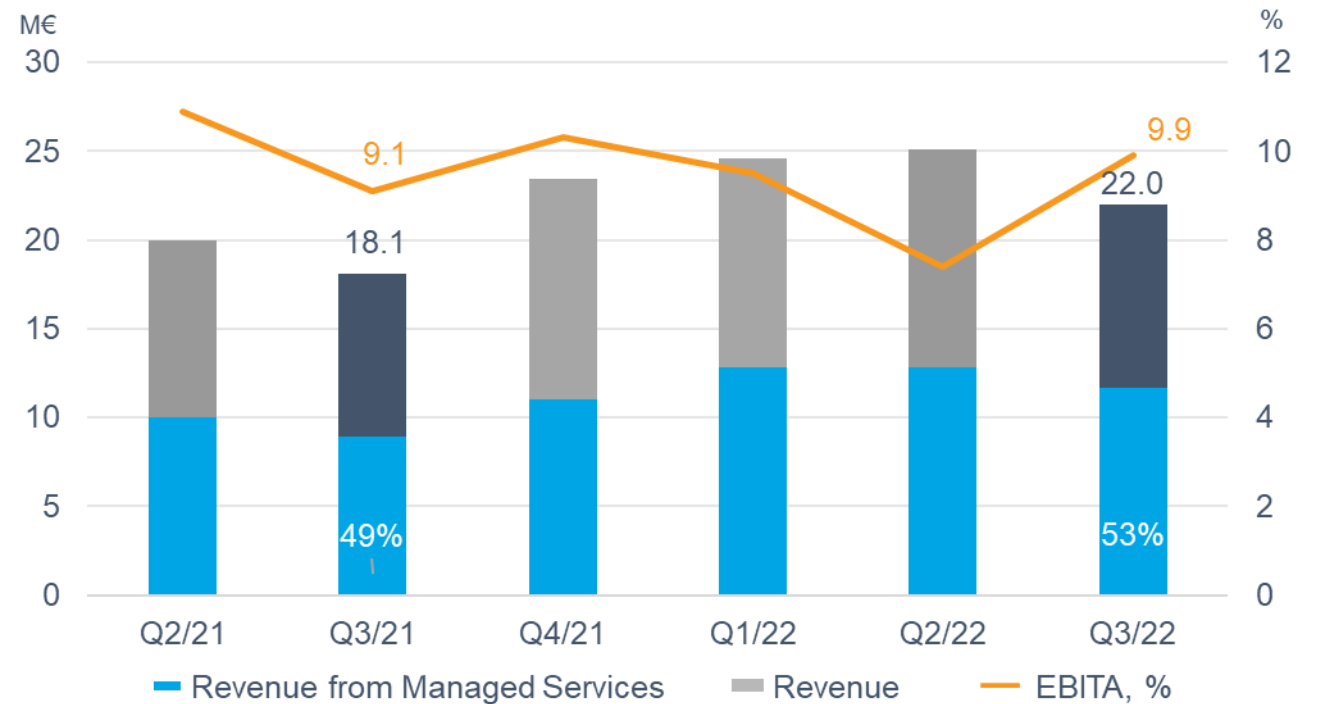
Personnel **837** (762) at the end of the period

The market situation remained good in general, but rising costs level and uncertainty slowed down product development investments.

Acquisitions and increased subcontracting affected to revenue development.

Profitability and operational efficiency improved slightly and were at a moderate level.

Profitability was improved by success in projects and previously implemented organizational restructuring measures.



# Technical Documentation Solutions

## Q3 2022

Revenue **16.3 M€** (11.8) **+38.8%**  
EBITA **1.3 M€**, **8.1%** (1.2 M€, 10.2%)

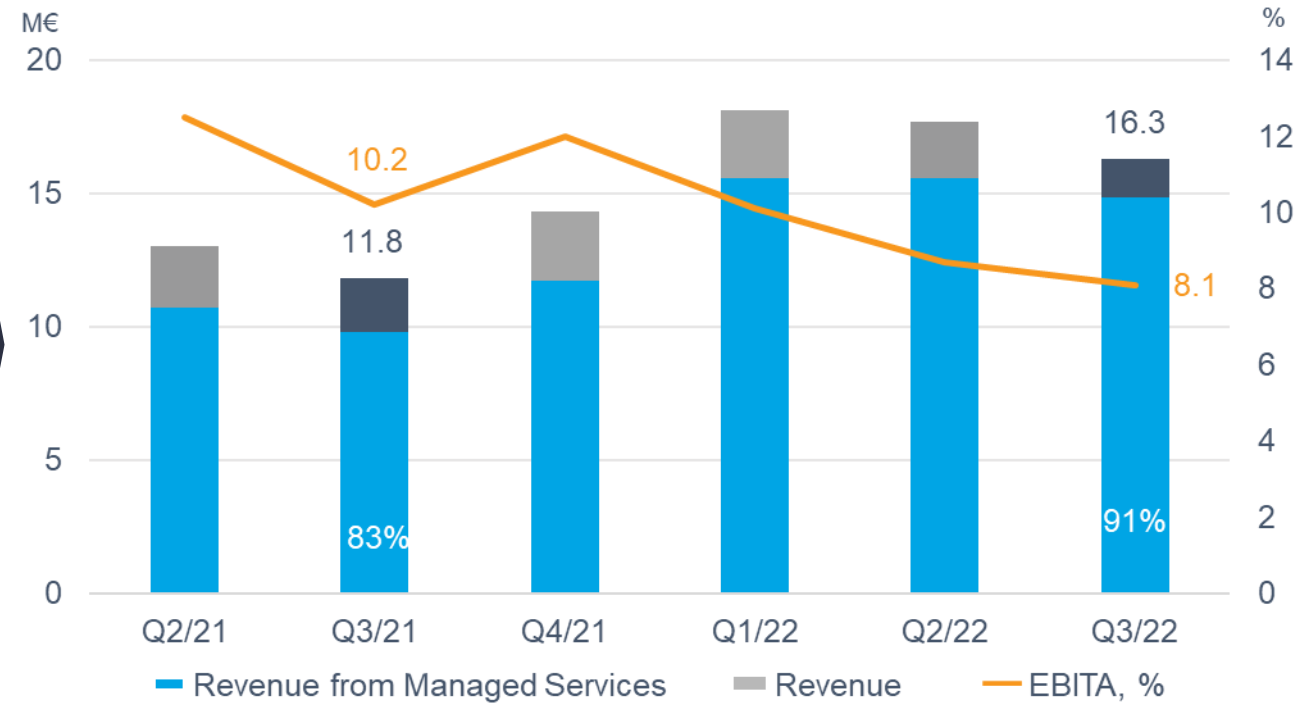
## 1-9 2022

Revenue **52.1 M€** (37.3) **+39.8%**  
EBITA **4.7 M€**, **9.0%** (4.2 M€, 11.3%)  
Personnel **894** (669) at the end of the period

The demand situation remained good, and revenue increased.

Operational efficiency was not at our targeted level.

In addition, the weaker than expected profitability of Cognitas had an impact on the profitability. We have taken corrective measures to improve the situation.



# Etteplan's targets



# Financial targets 2020-2024

Revenue  
>EUR 500  
million

Rolling 12 months:  
EUR 344 million

50%  
Revenue  
outside  
Finland

1-9/2022: 48%

75%  
Managed  
Services share  
of Revenue

1-9/2022: 66%

10%  
Operating  
profit  
(EBITA)

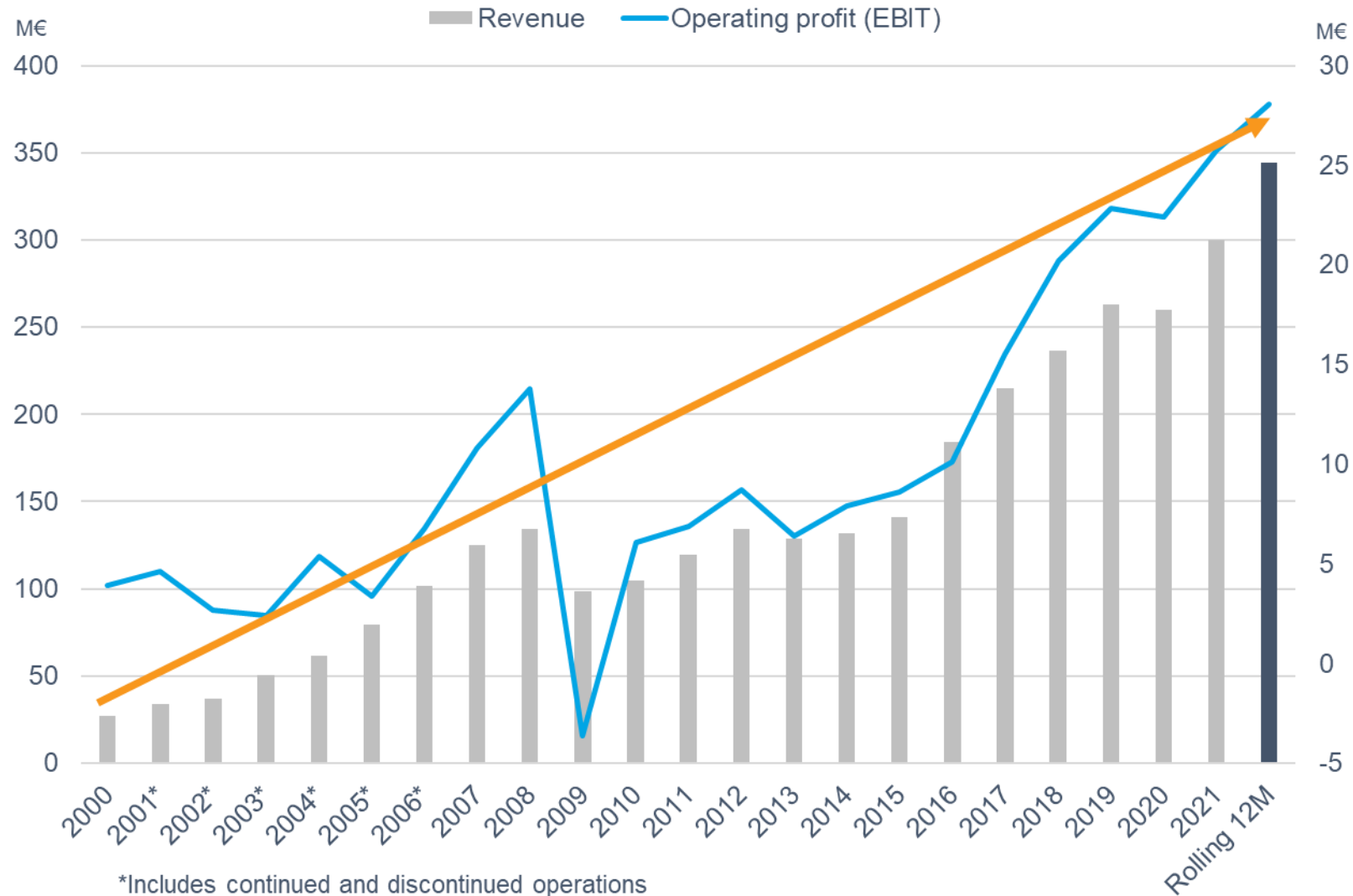
1-9/2022: 9.3%

# Questions?





# Revenue and EBIT 2000-Q3/2022



# Investor relations contacts

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**Etteplan**