

Etteplan Q2/2021: Strong and profitable growth

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Highlights of Q2/2021

Highlights Q2/2021

- + The demand situation developed well on all markets.
 - + Revenue grew to a new record level exceeding EUR 75 million:
 - + Growth ~20%, organic growth >10%.
 - + Growth in Software and Embedded Solutions >30%.
 - + We once again exceeded our profitability target for EBITA of 10% and profitability was at a good level in all of our service areas.
 - + Technical Documentation Solutions reached an excellent profitability >12%.
 - + We accelerated our recruitment and continued our investments in strategy implementation, which had been suspended due to the COVID-19 pandemic.
 - + We acquired F.I.T. in Germany and Skyrise.tech in Poland during Q2.
- COVID-19 pandemic continued to cause uncertainty in the market.

Development of the operating environment in Q2/2021

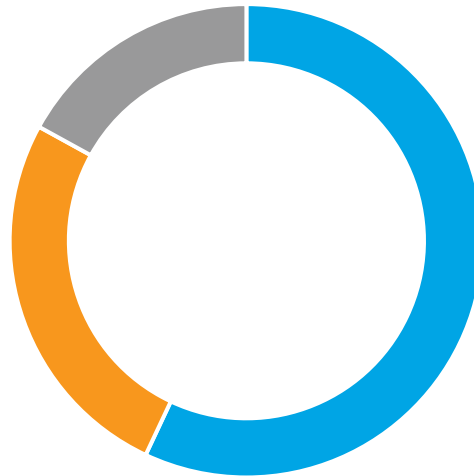
- Market condition continued to improve despite the continuing uncertainty caused by the COVID-19 pandemic.
- Travel restrictions affect the development of demand to some degree.
- Orders received by customers have grown substantially and investments in product development and production continue.
- Consequently, demand was at a good level and we expect this to continue during the remainder of the year.
- Customer-specific differences continued.

Market development in Etteplan's main markets in Q2/2021

- **Finland:** The general market situation continued to improve, and demand was at a good level.
- **Sweden and Denmark:** demand developed favorably.
- **Netherlands, Germany and Poland:** the general market demand continued to develop favorably.
- **China:** the pandemic did not affect demand in the first half of the year, and demand was at a good level.

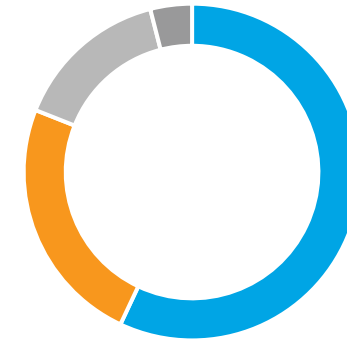
Revenue and personnel 1-6/2021

Revenue by service area



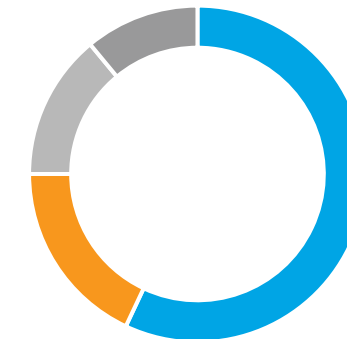
- Engineering Solutions 57% (58%)
- Software and Embedded Solutions 26% (24%)
- Technical Documentation Solutions 17% (18%)

Revenue by country



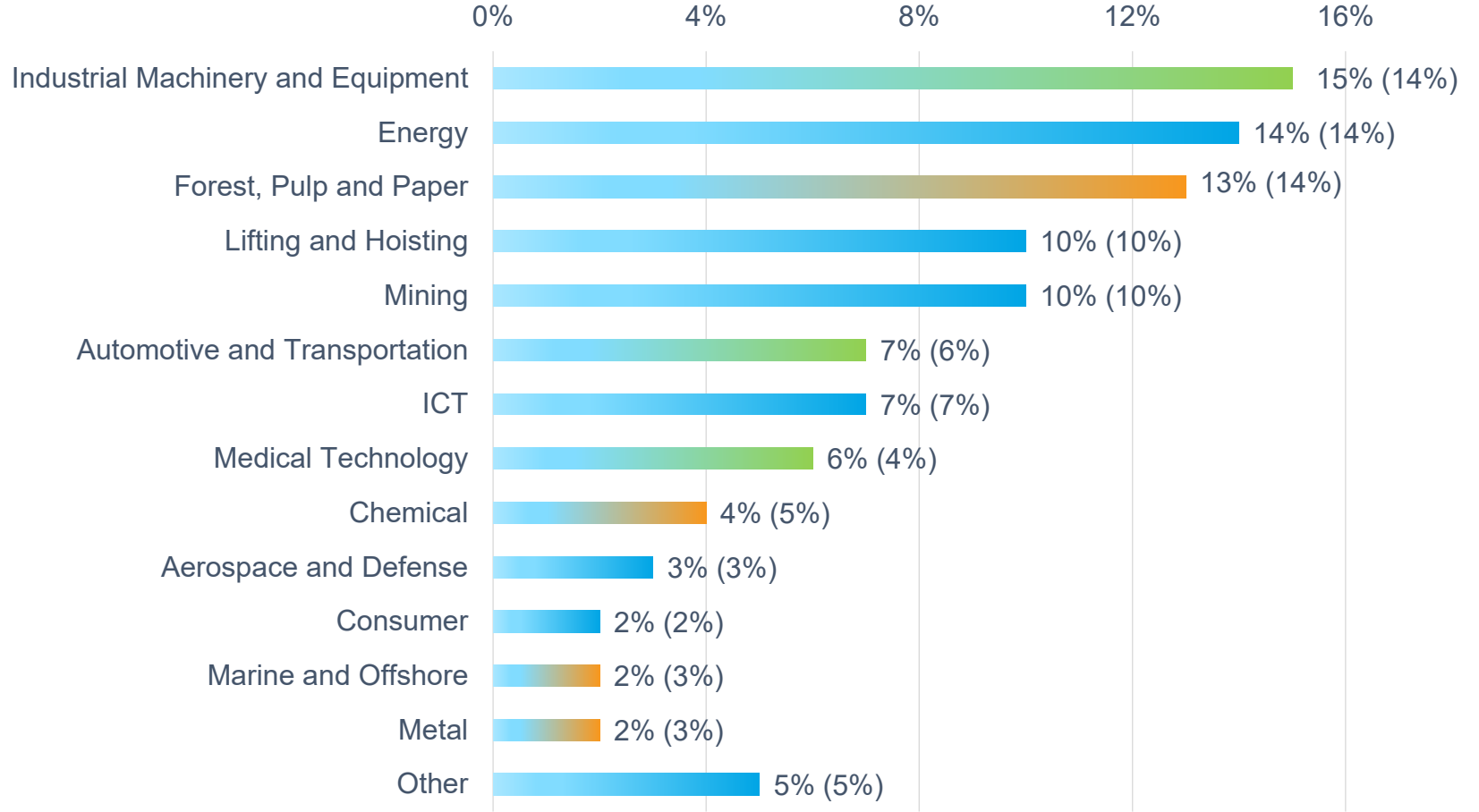
- Finland 57% (63%)
- Scandinavia 24% (23%)
- Central Europe 15% (12%)
- China 4% (2%)

Personnel by country (end of period)



- Finland 57% (60%)
- Scandinavia 18% (19%)
- Central Europe 14% (11%)
- China 11% (10%)

Revenue by customer segment 1-6/2021



Key figures 4-6/2021

EUR 1,000	4-6/2021	4-6/2020	Change %
Revenue	75,043	62,895	19.3
Operating profit (EBITA)	7,794	6,285	24.0
EBITA, %	10.4	10.0	
Operating profit (EBIT)	6,729	5,359	25.6
EBIT, %	9.0	8.5	
Basic earnings per share, EUR	0.20	0.16	25.0
Equity ratio, %	40.3	37.7	
Operating cash flow	12,421	18,033	-31.1
ROCE, %	17.3	14.6	
Managed Services Index	63	60	5.0
Personnel at end of the period	3,491	3,297	5.9

Key figures 1-6/2021

EUR 1,000	1-6/2021	1-6/2020	Change %	1-12/2020
Revenue	147,993	134,187	10.3	259,702
Operating profit (EBITA)	15,473	12,865	20.3	26,172
EBITA, %	10.5	9.6		10.1
Operating profit (EBIT)	13,323	11,015	21.0	22,380
EBIT, %	9.0	8.2		8.6
Basic earnings per share, EUR	0.41	0.33	24.2	0.69
Equity ratio, %	40.3	37.7		40.5
Operating cash flow	13,710	20,279		37,997
ROCE, %	17.6	16.2		16.0
Managed Services Index	63	60	5.0	61
Personnel at end of the period	3,491	3,297	5.9	3,267

Market outlook 2021

The most important factor affecting Etteplan's business is the global development of the machinery and metal industry. The prolongation of the global COVID-19 pandemic continues to have an impact on the global economy and market situation and is still causing uncertainty in the markets. Nevertheless, orders received by customers have grown substantially and investments in product development and production continue. Consequently, demand was at a good level and we expect this to continue during the remainder of the year.

Updated financial guidance 2021

- Revenue in 2021 is estimated to be EUR 295-315 million,
- Operating profit (EBIT) in 2021 is estimated to be EUR 25-28 million.

Previous financial guidance 2021 (updated May 5, 2021)

- Revenue in 2021 is estimated to be EUR 285-305 million
- Operating profit (EBIT) in 2021 is estimated to be EUR 25-28 million.

Outlook

Etteplan changed its financial guidance practice at the beginning of 2021. Going forward, Etteplan issues guidance for revenue and operating profit (EBIT) as a numerical range.

Financial development Q2/2021

Revenue

4-6/2021: 75.0 M€ (62.9 M€)

Growth 19.3%

With comparable exchange rates 18.1%

Organic growth 12.4%

With comparable exchange rates 11.2%

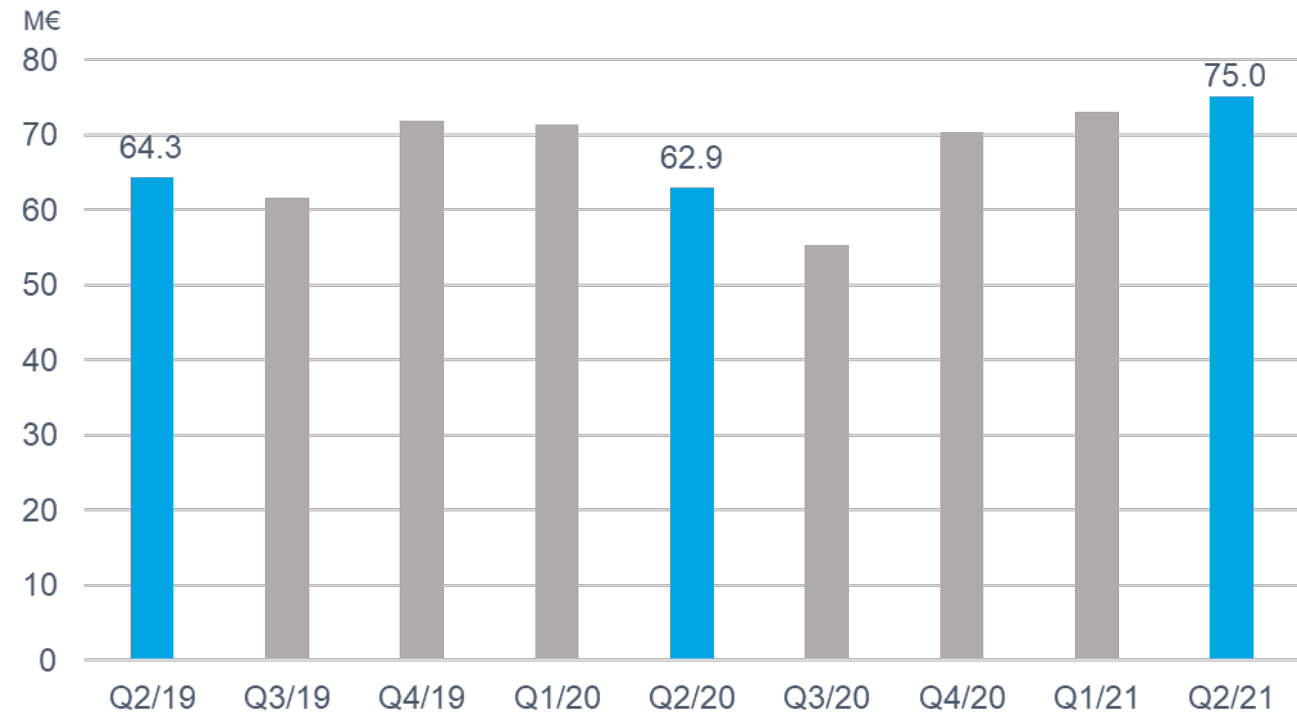
1-6/2021: 148.0 M€ (134.2 M€)

Growth 10.3%

With comparable exchange rates 9.2%

Organic growth 3.7%

With comparable exchange rates 2.6%



- The demand situation was good.
- We called temporarily laid off employees back to work and focused on new recruitment.
- Travel restrictions in various countries are slowing down the progress of projects to some degree.
- Outsourcing and acquisitions had a positive effect on revenue.
- Revenue from key accounts increased by 8.8% in Q2.

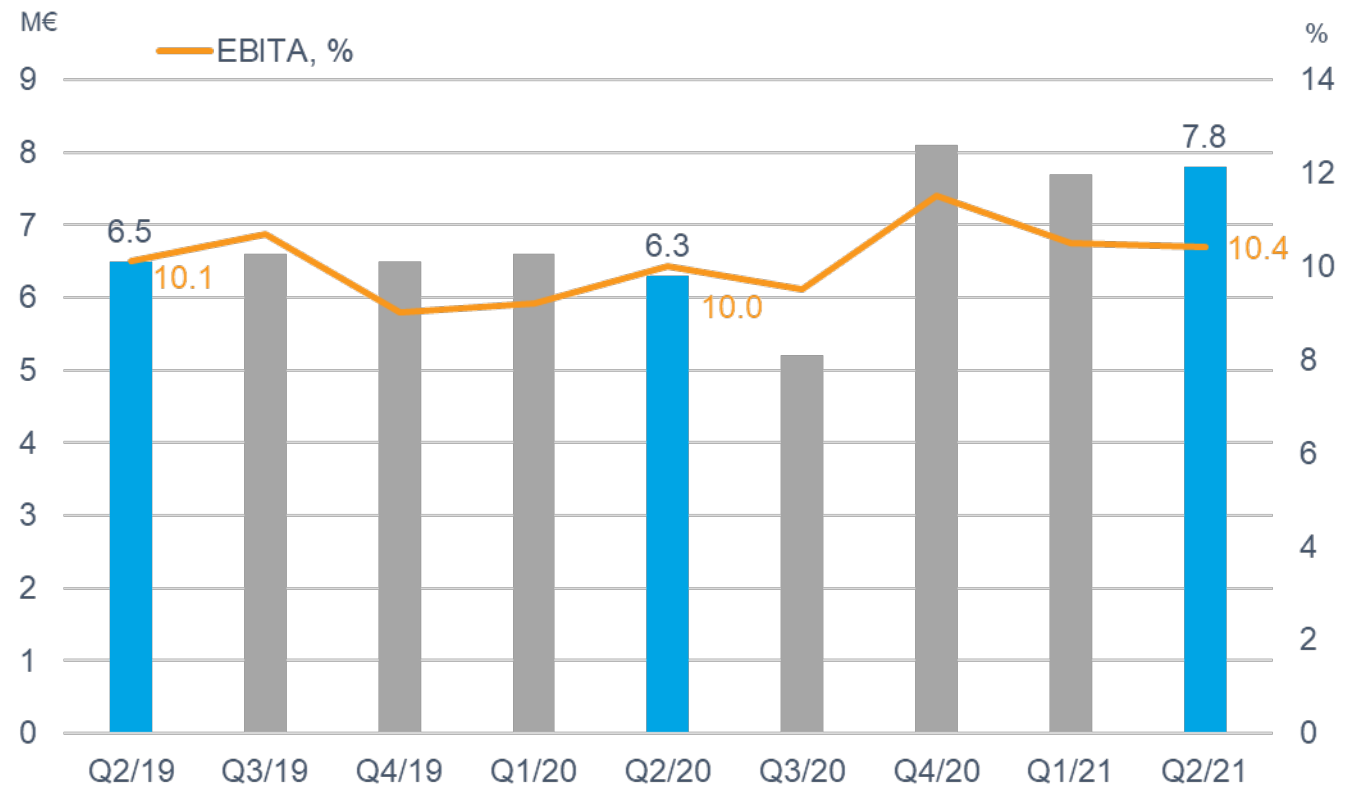
Operating profit (EBITA)

4-6/2021: 7.8 M€, 10.4%
(6.3 M€, 10.0%)

Non-recurring items -0.4 (-0.3) M€

1-6/2021: 15.5 M€, 10.5%
(12.9 M€, 9.6%)

Non-recurring items -0.4 (-0.5) M€



- Profitability was again at a good level due to good operational efficiency and the temporary changes to the cost structure resulting from the pandemic.
- Operations and the cost structure are expected to settle into the new normal in the latter part of 2021.

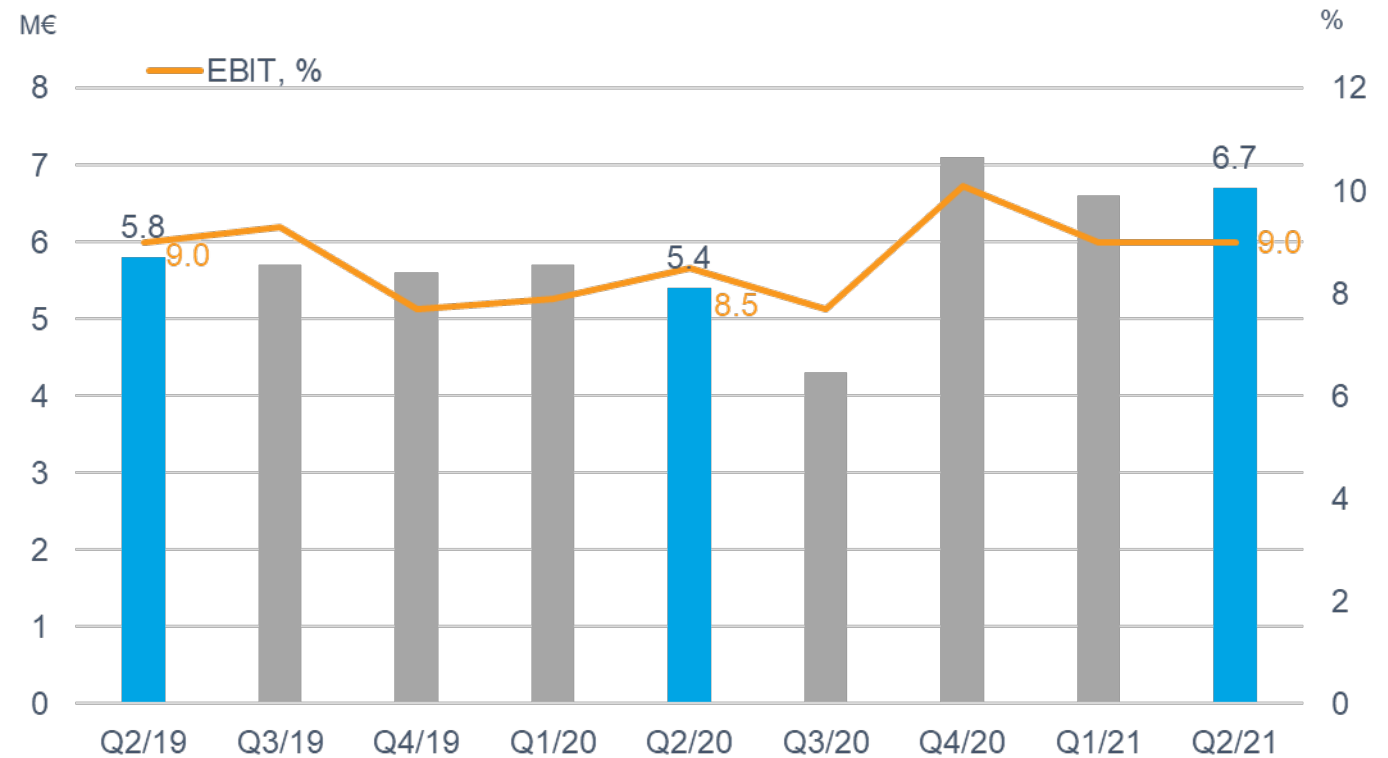
Operating profit (EBIT)

4-6/2021: 6.7 M€, 9.0%
(5.4 M€, 8.5%)

Non-recurring items -0.4 (-0.3) M€

1-6/2021: 13.3 M€, 9.0%
(11.0 M€, 8.2%)

Non-recurring items -0.4 (-0.5) M€



- Amortization related to acquisitions were EUR 1.1 million in 4-6/2021 and EUR 2.2 million in 1-6/2021.

Engineering Solutions

Revenue

4-6/2021: 42.0 M€ (35.9 M€)

Change 17.0%

1-6/2021: 83.4 M€ (77.3 M€)

Change 8.0%

Operating profit (EBITA)

4-6/2021: 4.2 M€, 9.9%

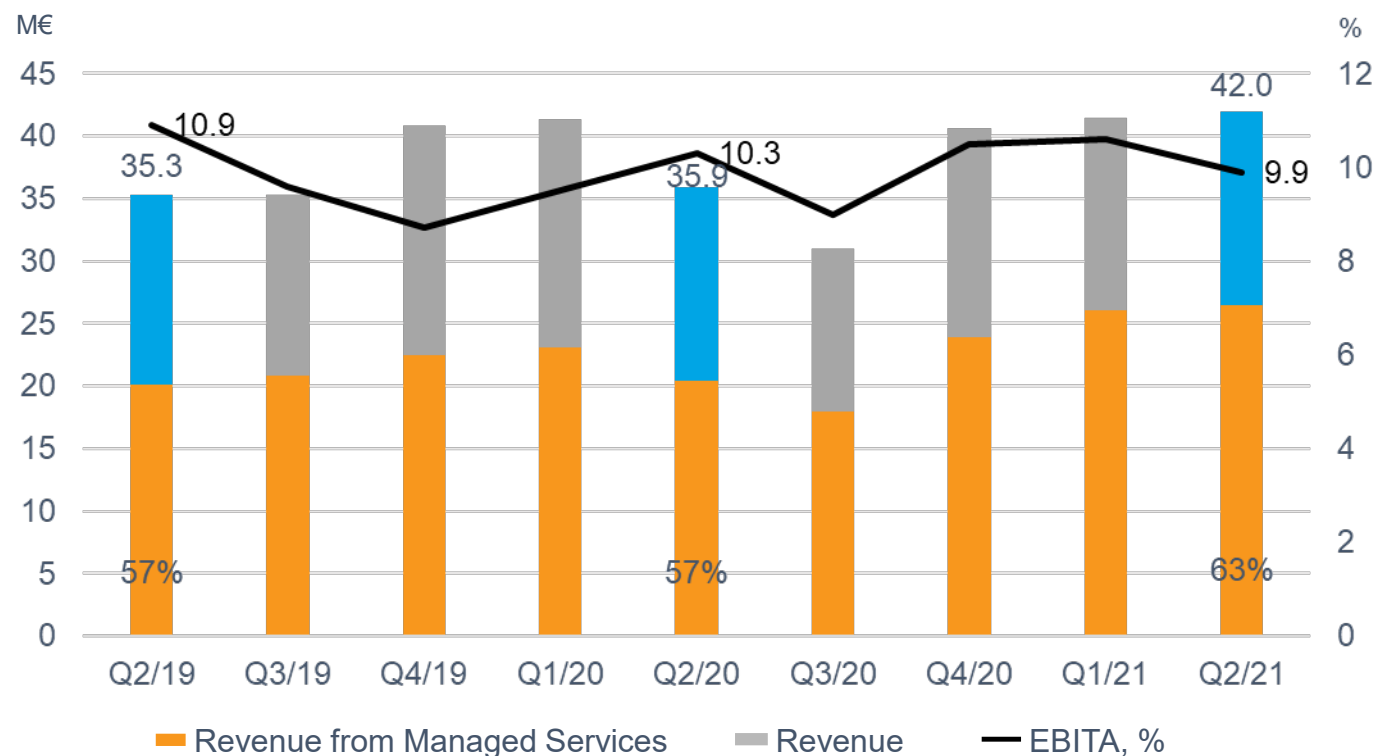
(3.7 M€, 10.3%)

1-6/2021: 8.6 M€, 10.3%

(7.6 M€, 9.9%)

Personnel

Jun 30, 2021: 1,995 (1,925)



- The demand situation was good.
- Our success in the sales of outsourcing solutions continued and we have signed several outsourcing agreements.
- Profitability was at a good level due to good operational efficiency.

Software and Embedded Solutions

Revenue

4-6/2021: 19.9 M€ (15.2 M€)

Change 30.3%

1-6/2021: 38.7 M€ (32.2 M€)

Change 20.1%

Operating profit (EBITA)

4-6/2021: 2.2 M€, 10.9%

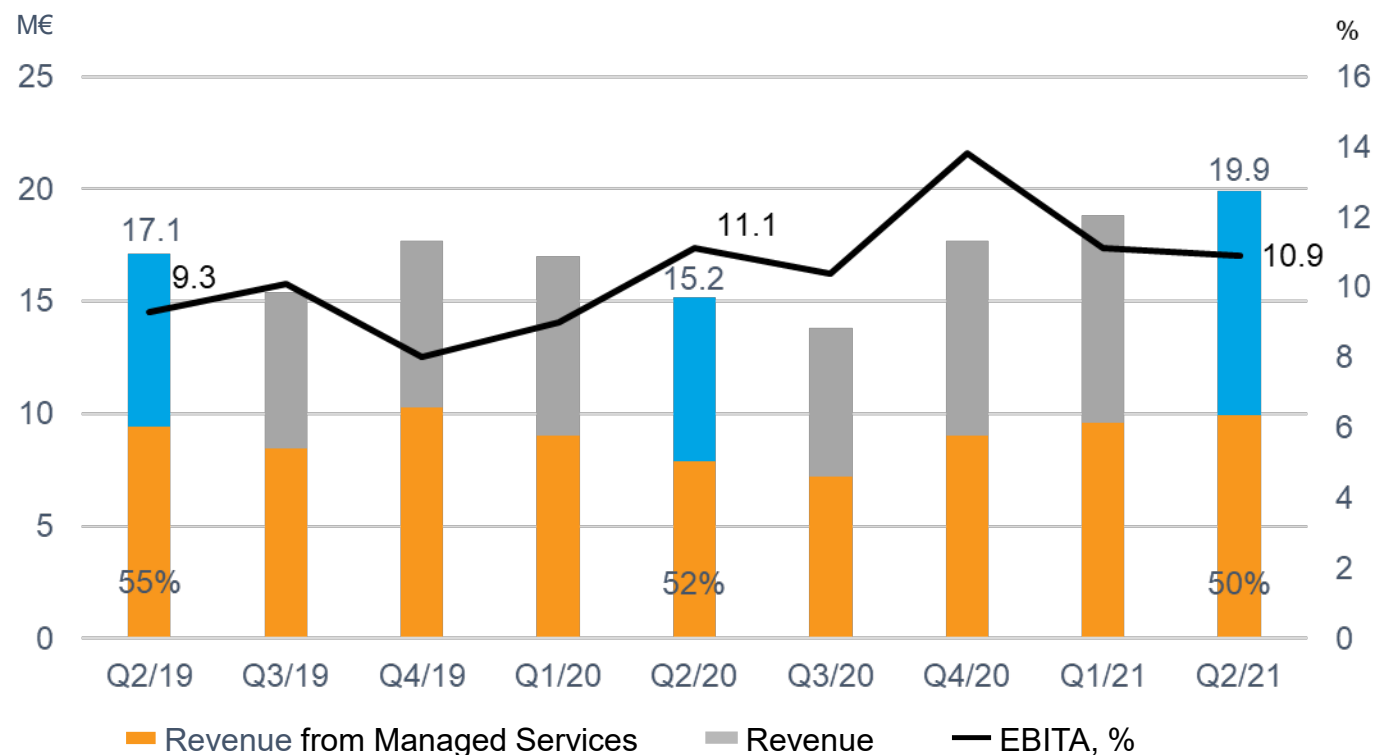
(1.7 M€, 11.1%)

1-6/2021: 4.3 M€, 11.0%

(3.2 M€, 10.0%)

Personnel

Jun 30, 2021: 721 (642)



- Demand situation is very good.
- We acquired the Polish software development company Skyrise.tech; significantly strengthens our capability to deliver applications and cloud software solutions.
- The reduced availability of highly competent professionals affects the business. We have increased the use of subcontractors.
- Profitability was affected by investments in recruitment and the increased use of subcontracting.

Technical Documentation Solutions

Revenue

4-6/2021: 13.0 M€ (11.6 M€)

Change 11.8%

1-6/2021: 25.5 M€ (24.4 M€)

Change 4.4%

Operating profit (EBITA)

4-6/2021: 1.6 M€, 12.5%

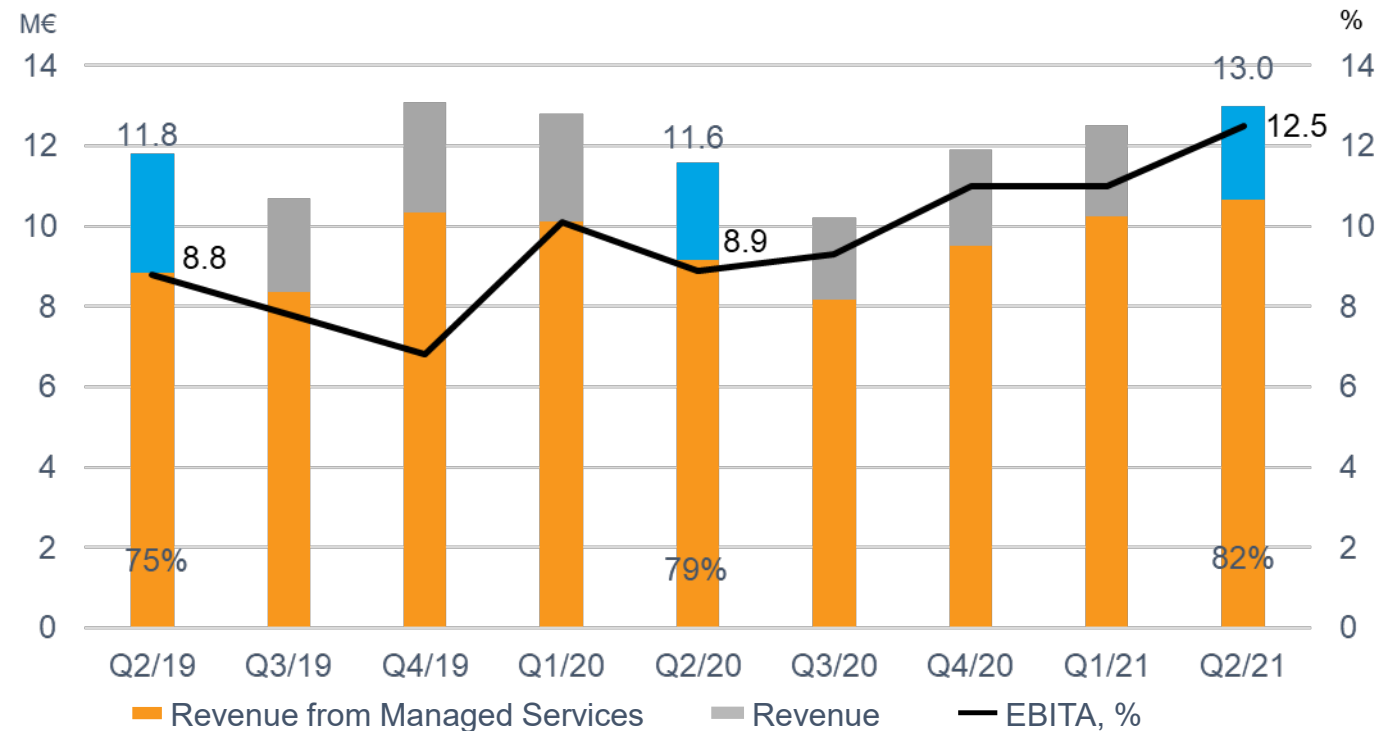
(1.0 M€, 8.9%)

1-6/2021: 3.0 M€, 11.8%

(2.3 M€, 9.5%)

Personnel

Jun 30, 2021: 644 (635)



- The demand situation was good.
- Profitability improved to an excellent level due to good operational efficiency.
- We strengthened our position in the technical documentation market in Germany by acquiring F.I.T. Fahrzeug Ingenieurtechnik GmbH and in technical documentation for software by acquiring Adina Solutions Oy (Q3 2021).

Earnings per share and dividends

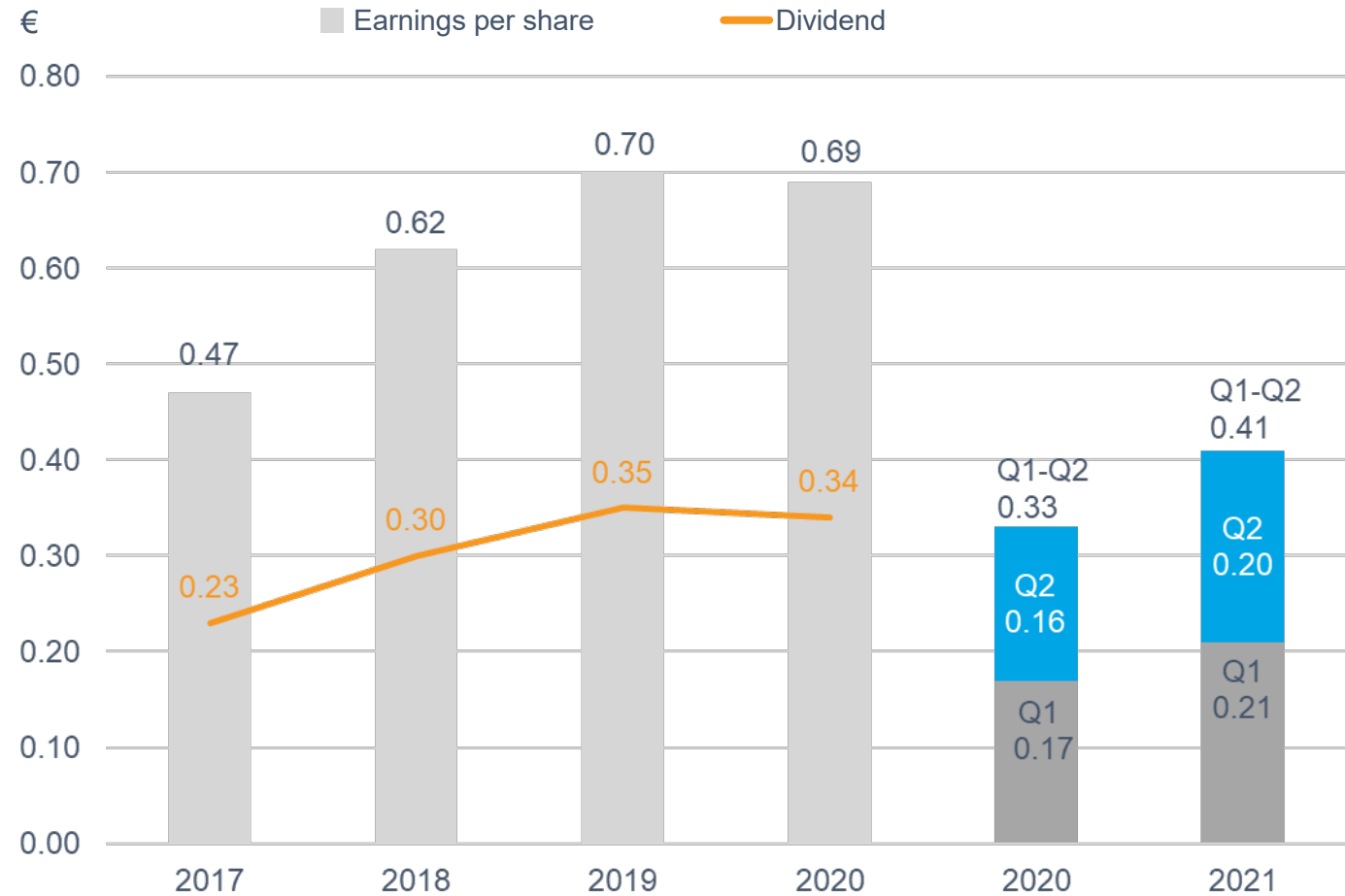
Earnings per share

4-6/2021: 0.20 € (0.16 €)

Change 25.0%

1-6/2021: 0.41 € (0.33 €)

Change 24.2%



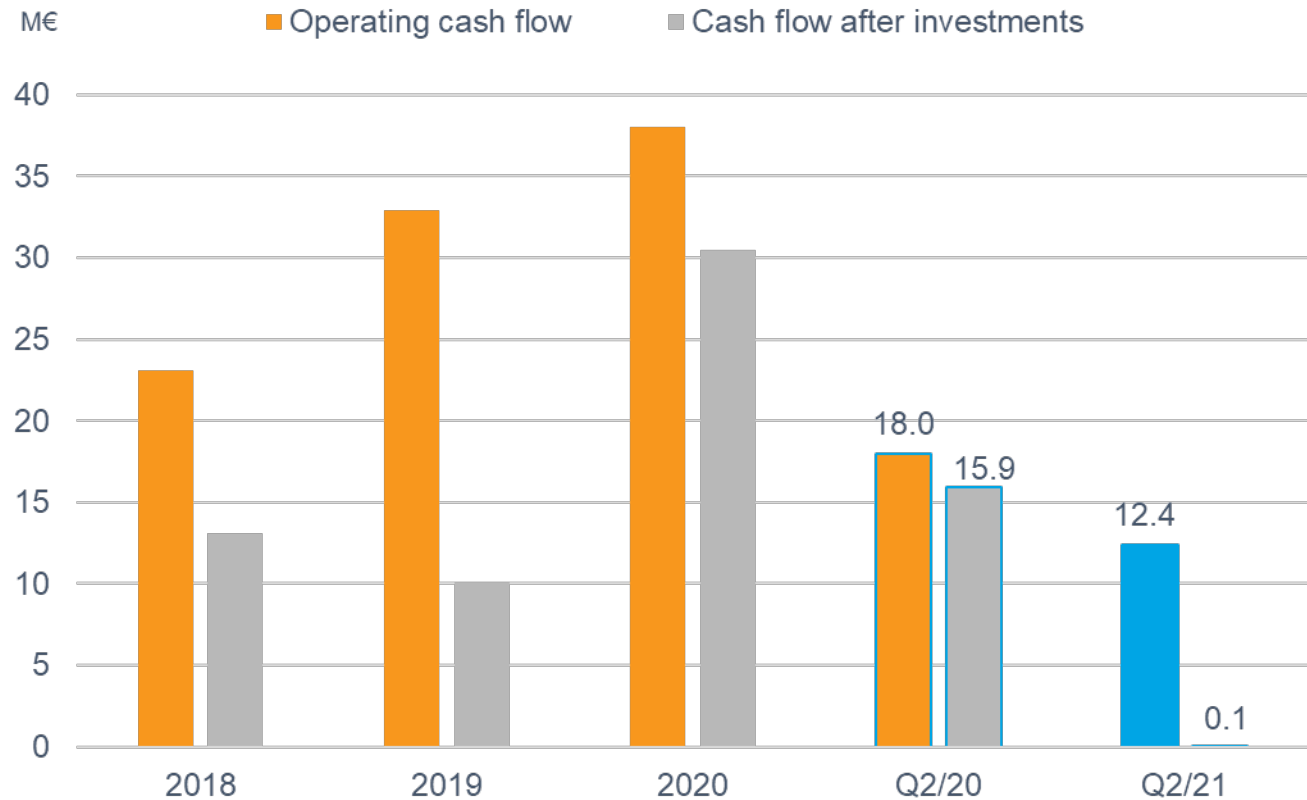
Cash flow

Operating cash flow

4-6/2021: 12.4 M€ (18.0 M€)

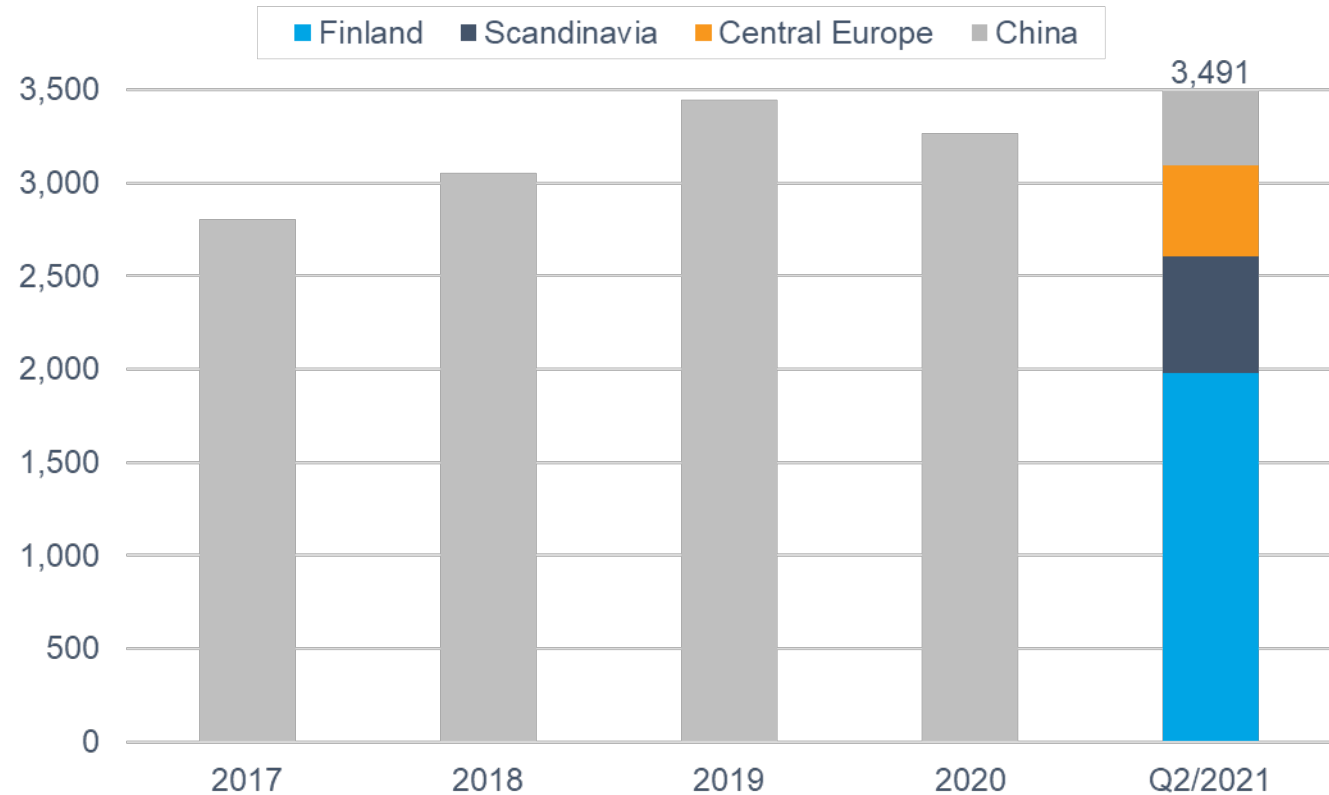
1-6/2021: 13.7 M€ (20.3 M€)

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



- As expected, operating cash flow decreased year-on-year.
- Strong growth tied working capital; operating expenses increased faster than the cash flow from sales.
- The effect on cash flow was the opposite compared to the beginning of the pandemic.

Personnel at the end of the period



- The number of personnel increased by 6.9% from the end of 2020.
- Compared to June 30, 2020, the number of personnel increased by 5.9% and stood at 3,491 employees (June 30, 2020: 3,297).
- At the end of the review period, 1,510 (June 30, 2020: 1,303) people were employed by the Group outside of Finland.

Income statement

MEUR	1-6/2021	1-6/2020	Change %	1-12/2020
Revenue	148.0	134.2	10.3	259.7
Other operating income	0.5	1.0		3.6
Materials and services	-14.7	-11.4		-23.3
Employee benefits expenses	-98.8	-92.6		-177.3
Other operating expenses	-12.9	-11.6		-22.3
Depreciation and amortization	-8.8	-8.6		-18.0
Operating profit (EBIT)	13.3	11.0	21.0	22.4
Financial income	0.2	0.2		0.4
Financial expenses	-0.8	-0.7		-1.7
Profit before taxes	12.8	10.5	21.4	21.1
Income taxes	-2.6	-2.4		-4.0
Profit for the review period	10.2	8.1	25.8	17.1

Balance sheet

MEUR	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Goodwill	91.8	78.9	83.7
Other non-current assets	56.5	46.9	52.6
Non-current assets, total	148.3	125.8	136.3
Inventory	0.4	0.3	0.3
Trade and other receivables	66.0	54.6	56.9
Cash and cash equivalents	13.1	26.2	24.4
Current assets, total	79.5	81.1	81.6
TOTAL ASSETS	227.8	206.9	217.9
Equity, total	90.5	76.1	87.1
Non-current liabilities, total	31.4	30.7	28.0
Current liabilities, total	106.0	100.1	102.8
TOTAL EQUITY AND LIABILITIES	227.8	206.9	217.9

Etteplan's targets

Financial targets 2020-2024

Revenue
> EUR 500
million

Rolling 12 months:
EUR 274 million

50%
Revenue
outside
Finland

1-6/2021: 43%

75%
Managed
Services share
of revenue

1-6/2021: 63%

10%
Operating profit
(EBITA)

1-6/2021: 10.5%

ACTIONS

- Constant development of Service Solutions
- Digitalization
- International growth
- Acquisitions

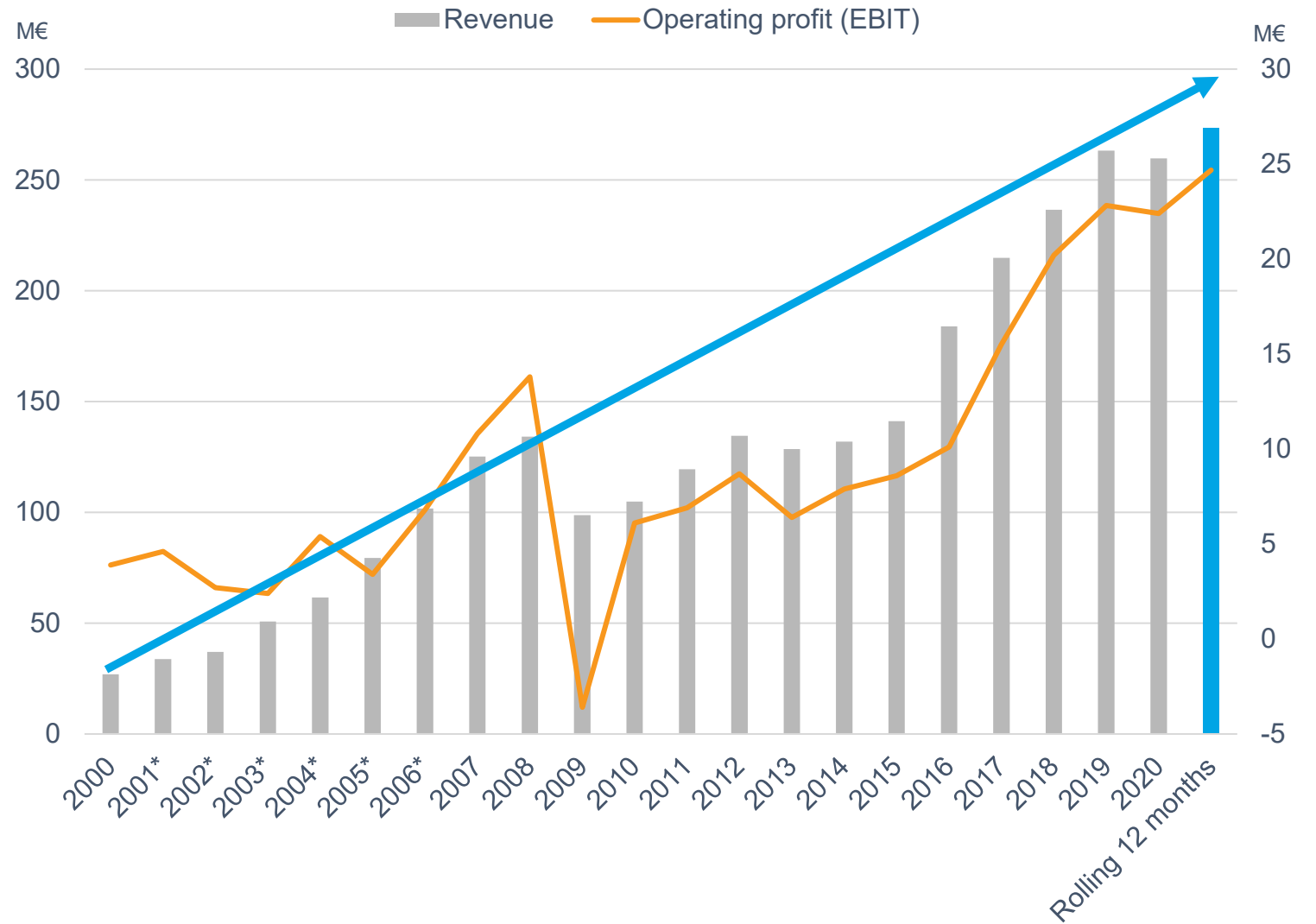
- Expanding our full service offering to all current markets

- Service solutions
- Technology solutions
- Project business

- Change in business model towards Managed services
- Market leadership

Questions?

Revenue and EBIT 2000-2021



*Includes continued and discontinued operations

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