

# **Etteplan Q1 2024: The year started as expected**

**JUHA NÄKKI, PRESIDENT AND CEO**

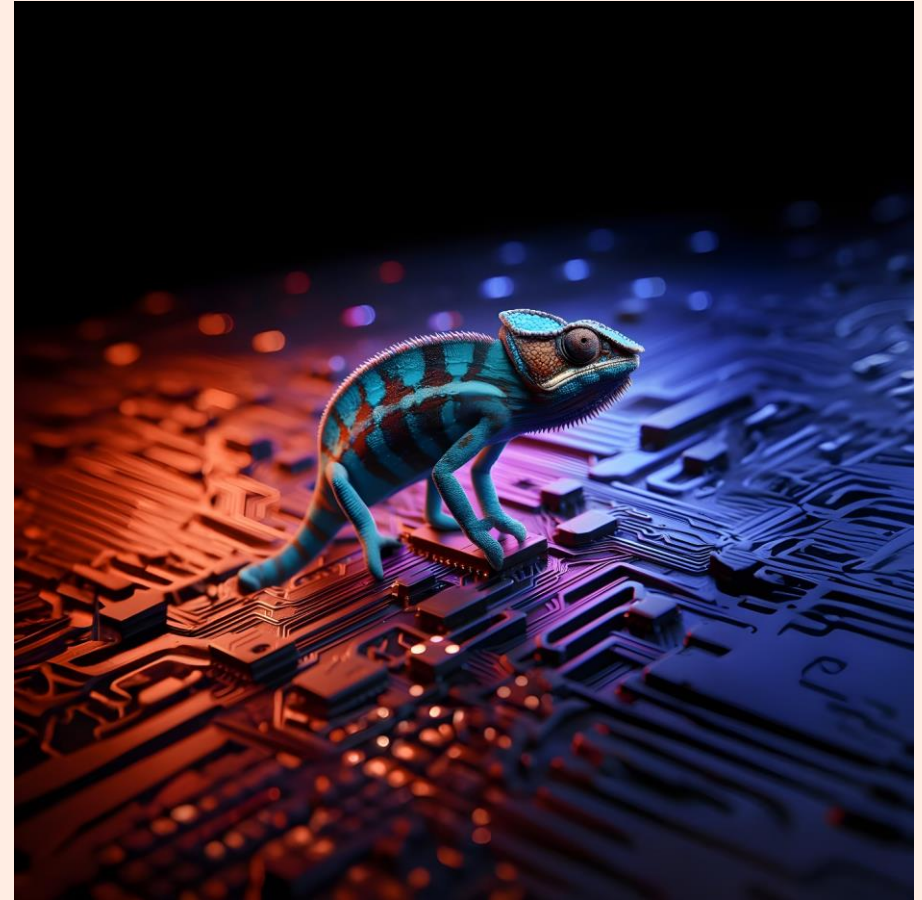
**May 8, 2024**

**Espoo, Finland**



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# Highlights Q1 2024

- + Despite the difficult operating environment revenue increased slightly, supported by acquisitions.
- + Operating profit improved slightly.
- + Operating cash flow improved and was at a good level.
- + We delivered first service solutions utilizing AI for our customers in Technical Communication Solutions service area.
- + We continued to invest in growth by acquiring Danish Strongit ApS.
  
- High interest rates and customers' declining orderbooks slowed our customers' decision-making on new investments, and the demand situation was difficult.
- Organically revenue decreased.
- EPS decreased slightly.



# Operating environment in Q1 2024

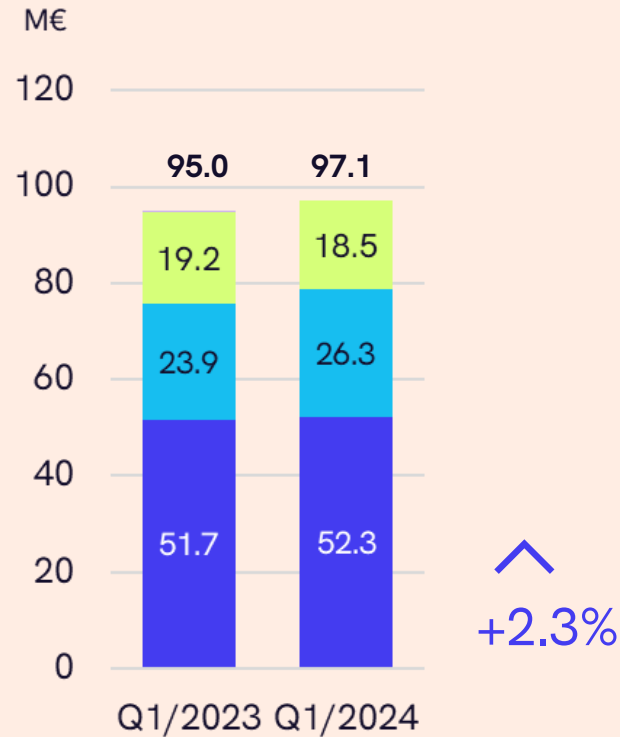
- Increased geopolitical tensions are maintaining uncertainty globally.
- High interest rates and customers' declining orderbooks slowed down our customers' decision-making and kept the demand situation at a low level in certain customer industries.
- Investments related to the defense industry, energy efficiency and green transition are still at a good level.

# Development in main markets

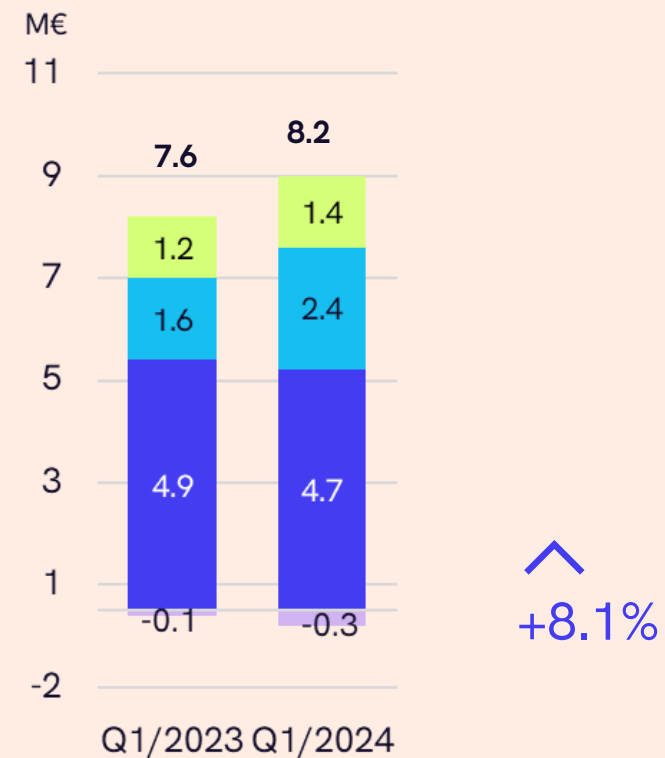
- Uncertainty, high interest rates, and our customers' declining order books weakened demand in Europe.
- However, we saw the first signs of improvement in market conditions in Europe.
- In Finland such improvement was not visible.
- Geopolitical tensions have also increased uncertainty in China, and western investments are at a low level, which affects Etteplan's demand.

# Revenue and operating profit (EBITA)

## Group revenue



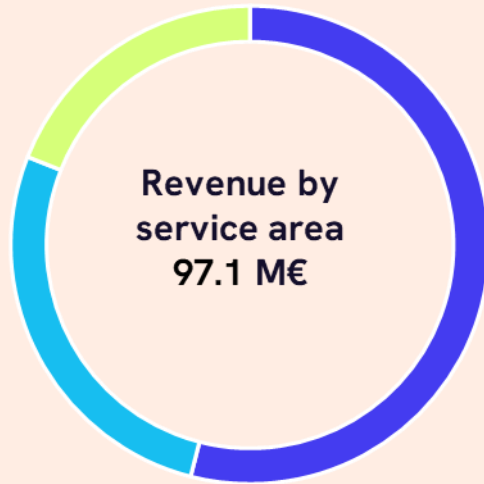
## Operating profit (EBITA)



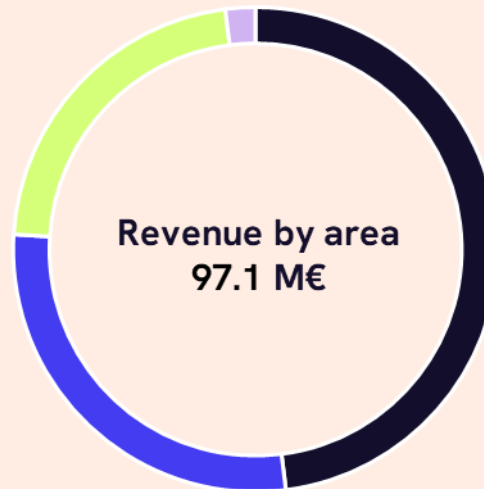
■ Engineering Solutions  
■ Technical Communication Solutions

■ Software and Embedded Solutions  
■ Group

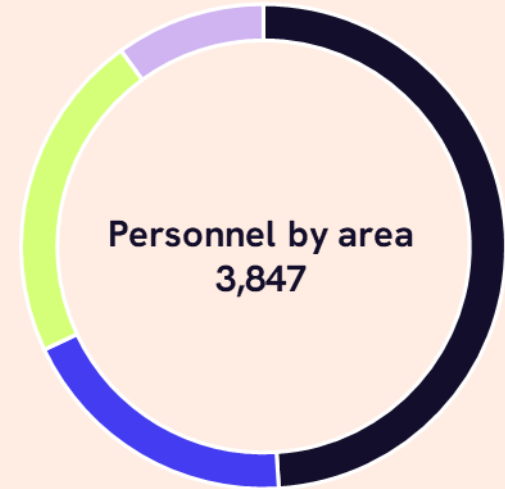
# Revenue and personnel



- Engineering Solutions 54% (54%)
- Software and Embedded Solutions 27% (26%)
- Technical Communication Solutions 19% (20%)

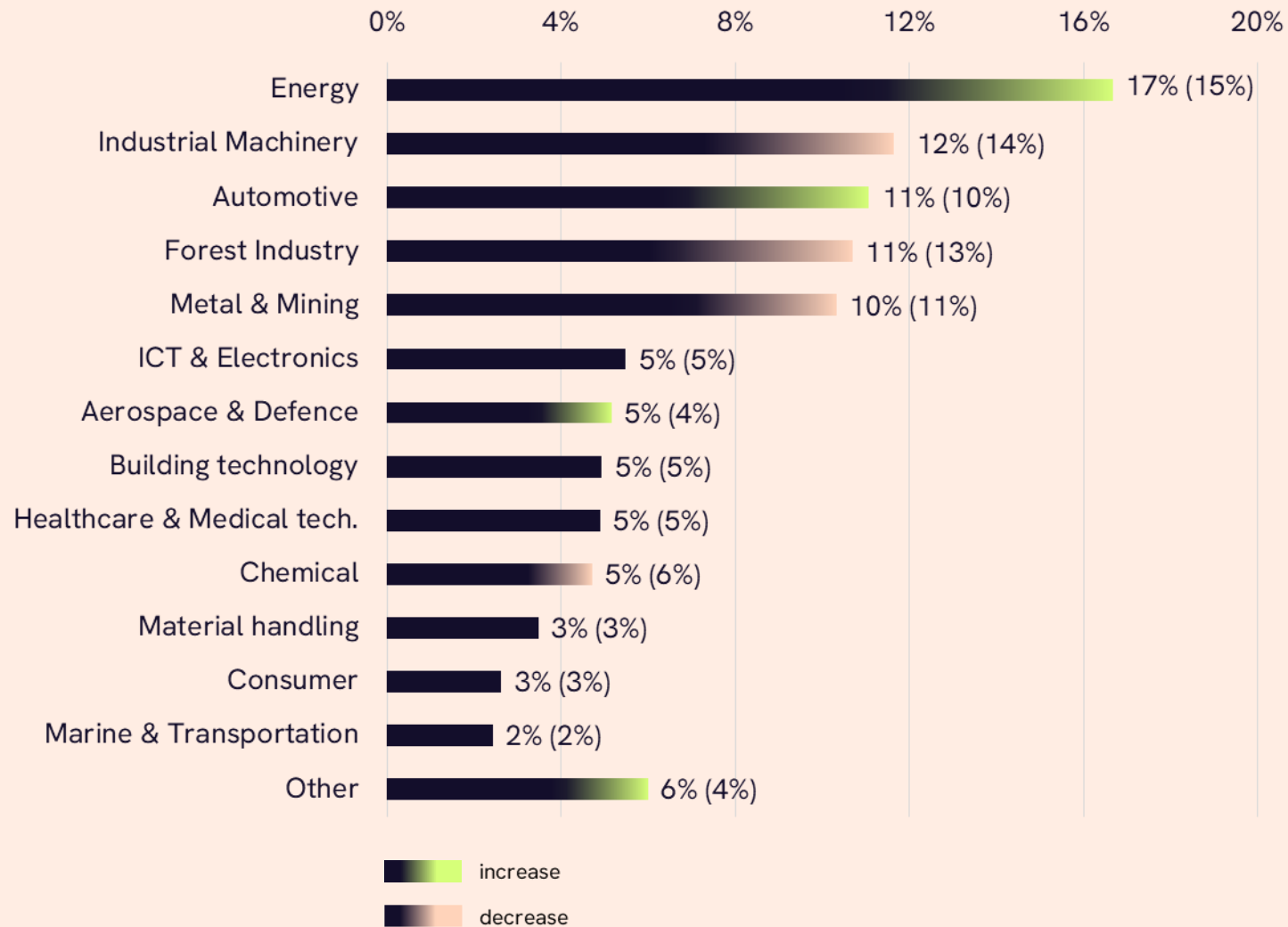


- Finland 48% (51%)
- Scandinavia 28% (25%)
- Central Europe 22% (19%)
- China 2% (3%)



- Finland 49% (50%)
- Scandinavia 19% (18%)
- Central Europe 22% (21%)
- China 10% (11%)

# Revenue by customer segment 2024



\* Etteplan has made changes to its customer segmentation and grouping effective from the beginning of 2024.

# Financial development Q1 2024



# Key Figures

M€	1-3/2024	1-3/2023	Change %	1-12/2023
Revenue	97.1	95.0	2.3	360.0
Revenue from outside Finland	50.9	46.5	9.5	177.6
Operating profit (EBITA)	8.2	7.6	8.1	30.9
EBITA, %	8.4	8.0		8.6
Operating profit (EBIT)	6.7	6.3	7.0	25.5
EBIT, %	6.9	6.6		7.1
Basic earnings per share, EUR	0.16	0.17	-5.9	0.66
Operating cash flow	8.1	7.2	12.2	35.6
Managed Services Index	65	66	-2.1	68
Personnel at end of the period	3,847	3,949	-2.6	3,902

# Revenue

## Q1 2024

97.1 M€ (95,0) +2.3%

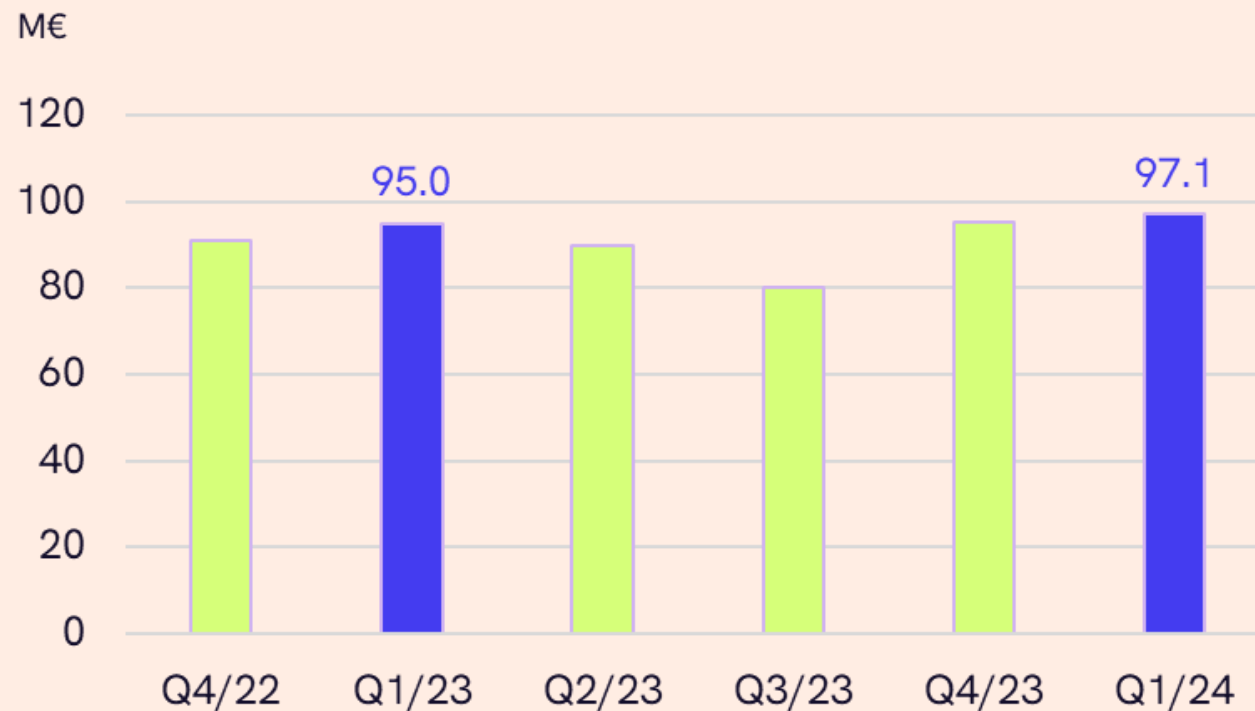
At comparable exchange rates +2.3%

Organic -3.8%

At comparable exchange rates -3.7%

Revenue from key accounts decreased by 7.6%.

- Customers' decision-making in the prevailing market conditions was still slow and the demand situation was difficult.
- Outsourcing agreements and acquisitions supported revenue growth.



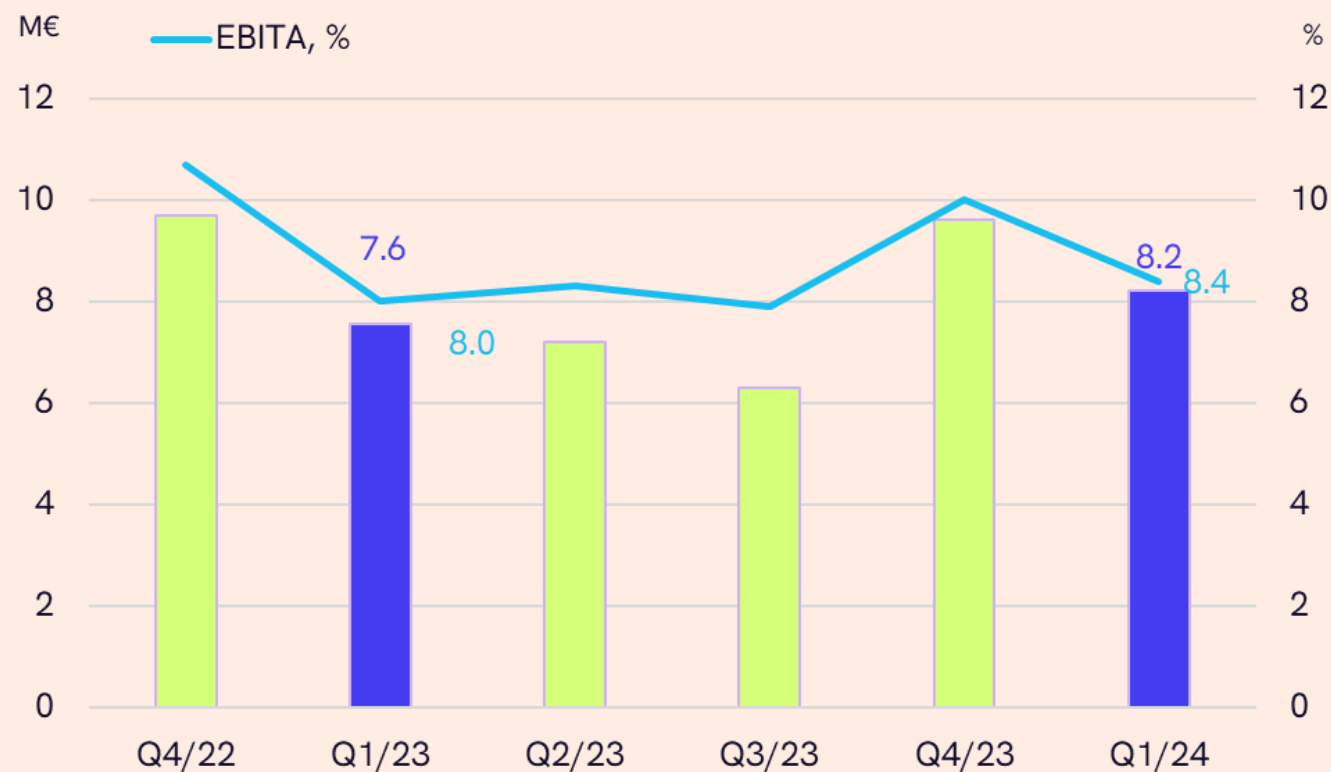
# EBITA

## Q1 2024

8.2 M€, 8.4% (7.6 M€, 8.0%) **+8.1%**

Non-recurring -0.2 M€ (-0.9)

- Operational efficiency was affected by difficult demand situation.
- We took adaptation measures to improve operational efficiency and profitability.



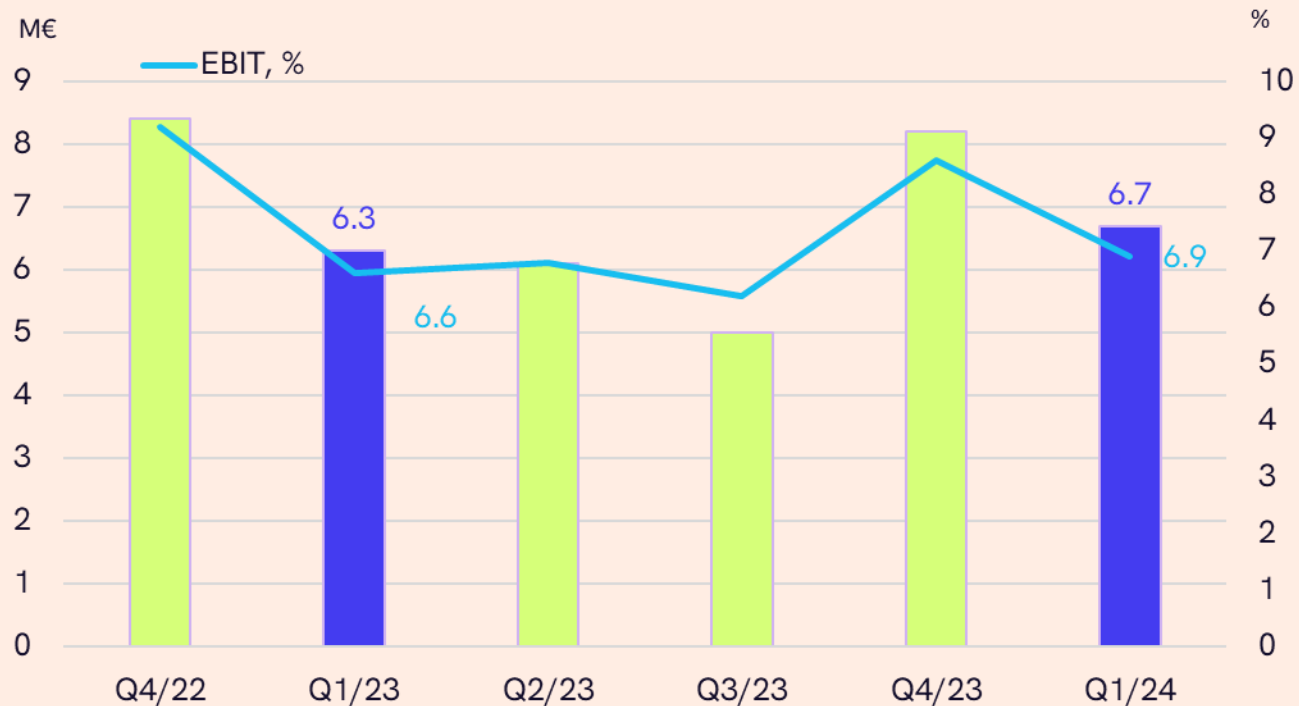
# EBIT

## Q1 2024

6.7 M€, 6.9% (6.3 M€, 6.6%) **+7.0%**

Non-recurring -0.2 M€ (-0.9)

Amortization related to acquisitions 1.5 M€  
(1.3)

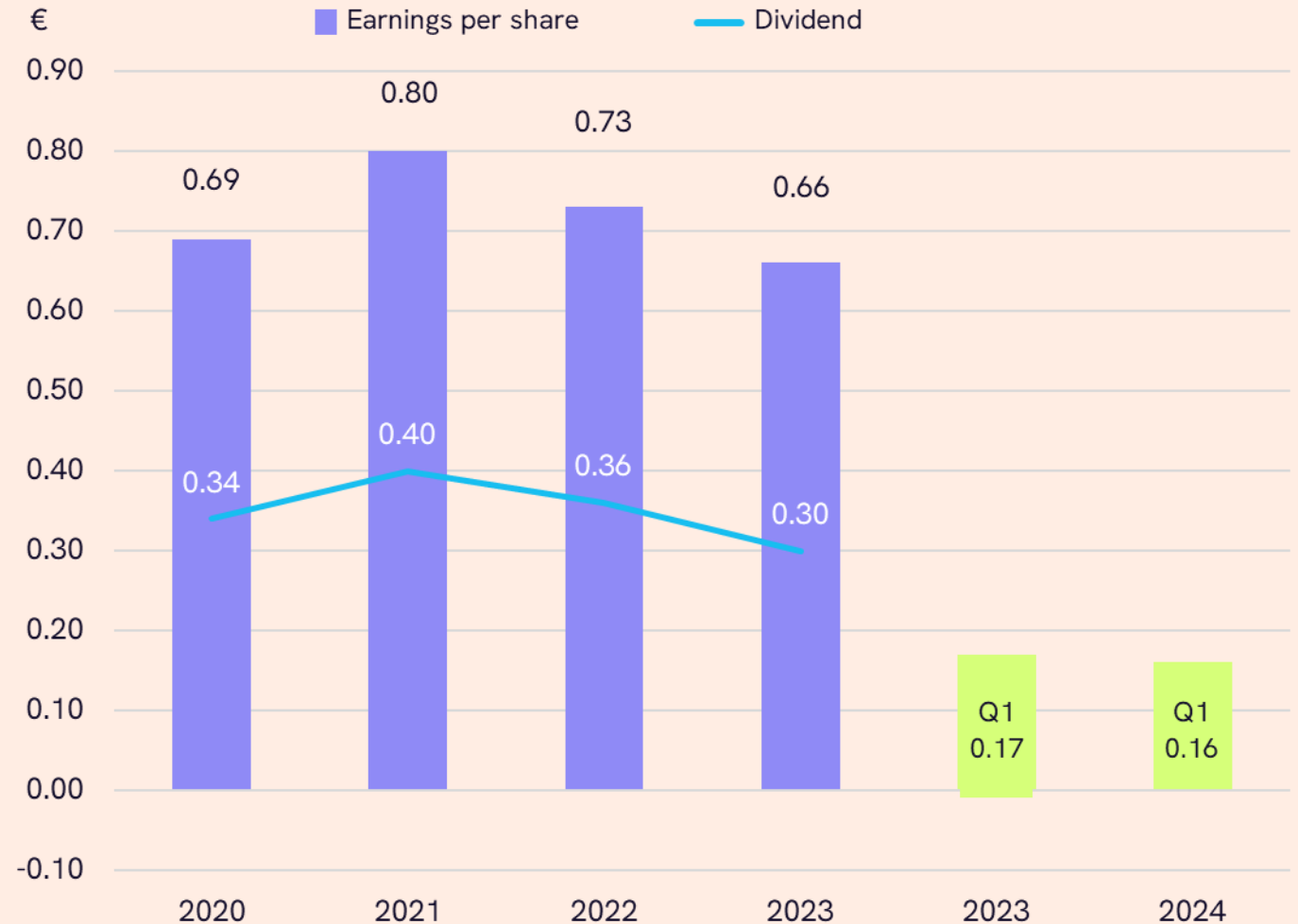


# Earnings per share and dividend

## Earnings per share

Q1 2024: 0.16 € (0.17) -5.9%

- Earnings per share was impacted by higher financial expenses and higher tax rate for the quarter.



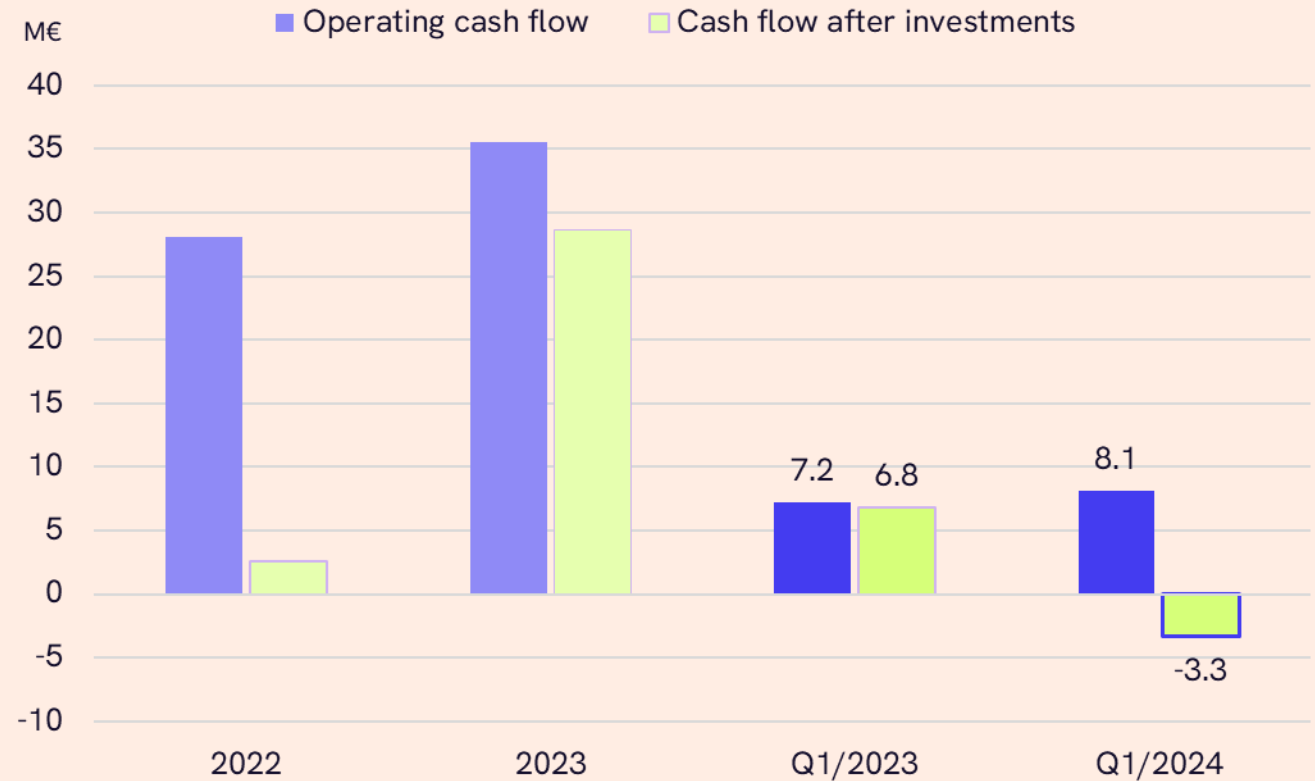


# Cash flow

## Operating cash flow

Q1 2024: 8.1 M€ (7.2)

- Operating cash flow improved and was at a good level.



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

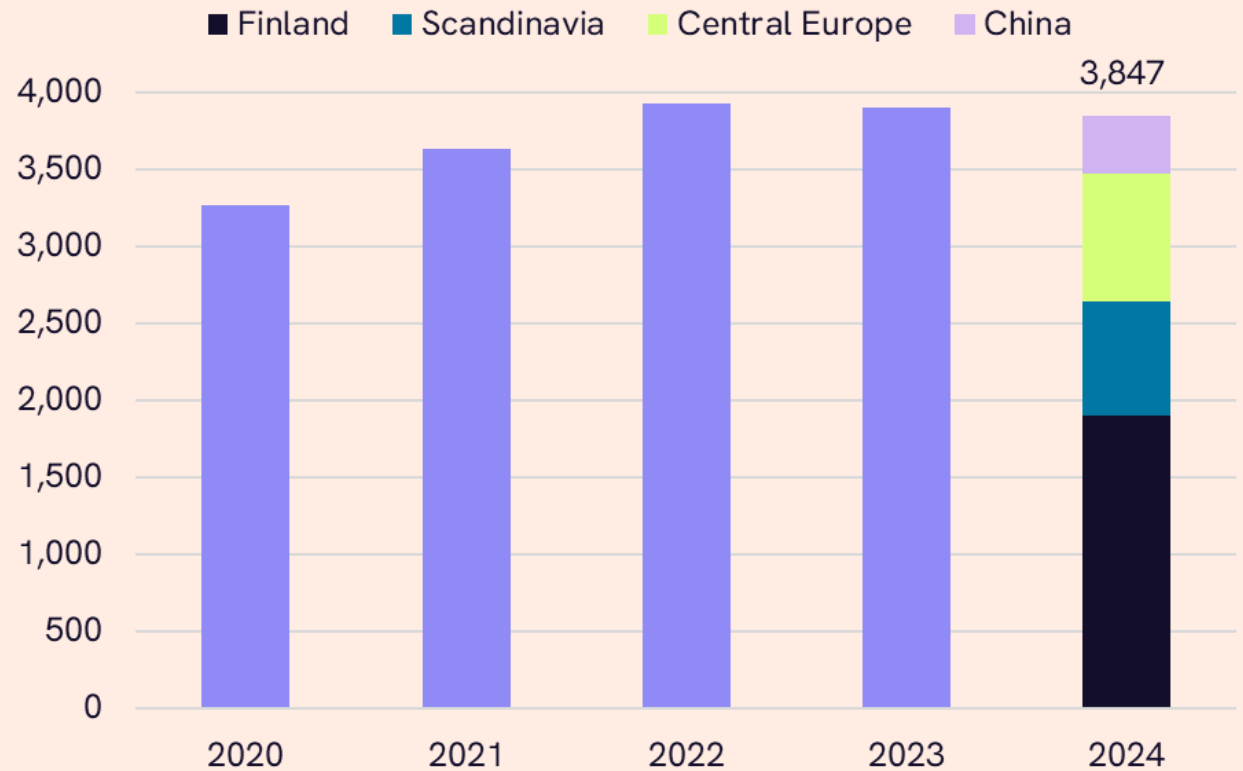
# Personnel

At the end of the period 3,847 (3,949) **-2.6%**  
Average 3,858 (3,937)

Compared to the end of March 2023, the number of personnel decreased by 2.6%.

At the end of the review period, 1,947 (March 31,2023: 1,966) people were employed by the Group outside of Finland.

- Recruitment has been slowed down due to uncertain market situation.
- Temporary lay offs in Finland totaled 106 at the end of the review period.







**Service areas  
Q1 2024**

# Engineering Solutions

## Q1 2024

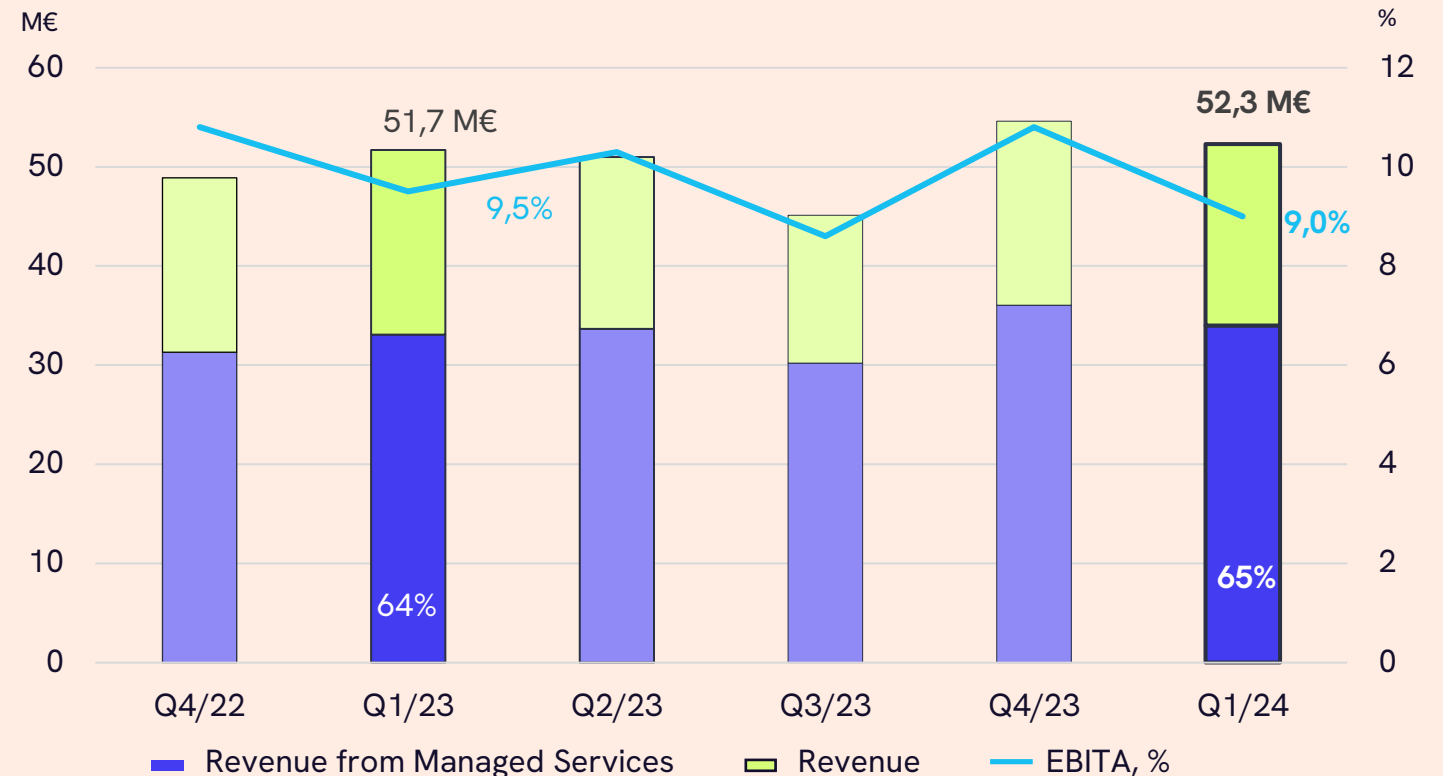
Revenue **52.3 M€** (51.7) **+1.1%**

Revenue from Managed Services **65%**  
(64%)

EBITA **4.7 M€**, **9.0%** (4.9 M€, 9.5%)

Personnel **2,145** (2,152) at the end of the period

- The demand for customers' delivery related project engineering remained fairly weak, and we had to implement adaptation measures.
- Outsourcing agreements supported revenue growth.
- Operational efficiency was at a good level, except in Germany, and the service area's result was good.





# Software and Embedded Solutions

## Q1 2024

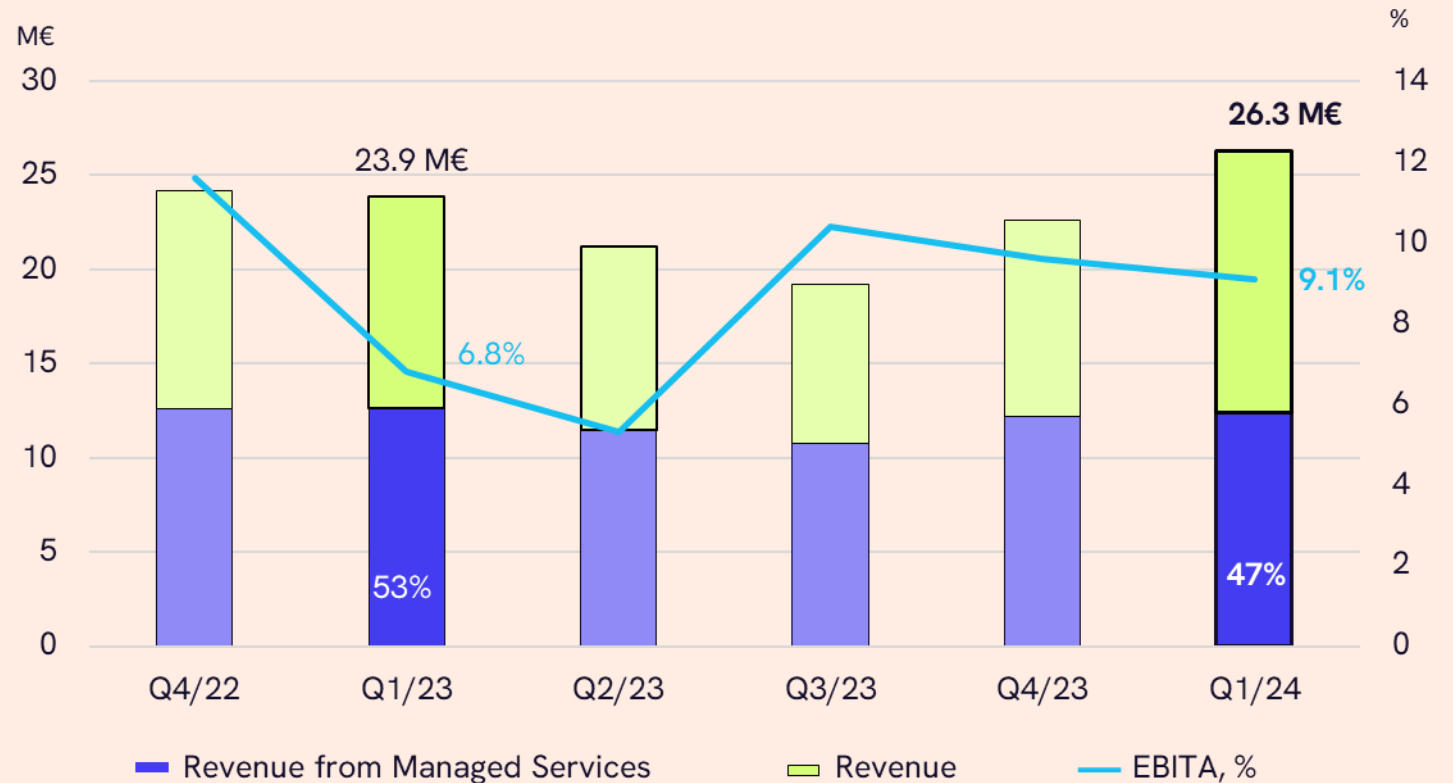
Revenue **26.3 M€** (23.9) **+10.1%**

Revenue from Managed Services **47%**  
(53%)

EBITA **2.4 M€**, **9.1%** (1.6 M€, 6.8%)

Personnel **707** (761) at the end of the period

- The demand situation in the service area remained weak, and we implemented adaptation measures to improve profitability.
- Reassessment of certain other receivables affected result negatively.
- Operational efficiency and profitability were at a moderate level.





# Technical Communication Solutions

## Q1 2024

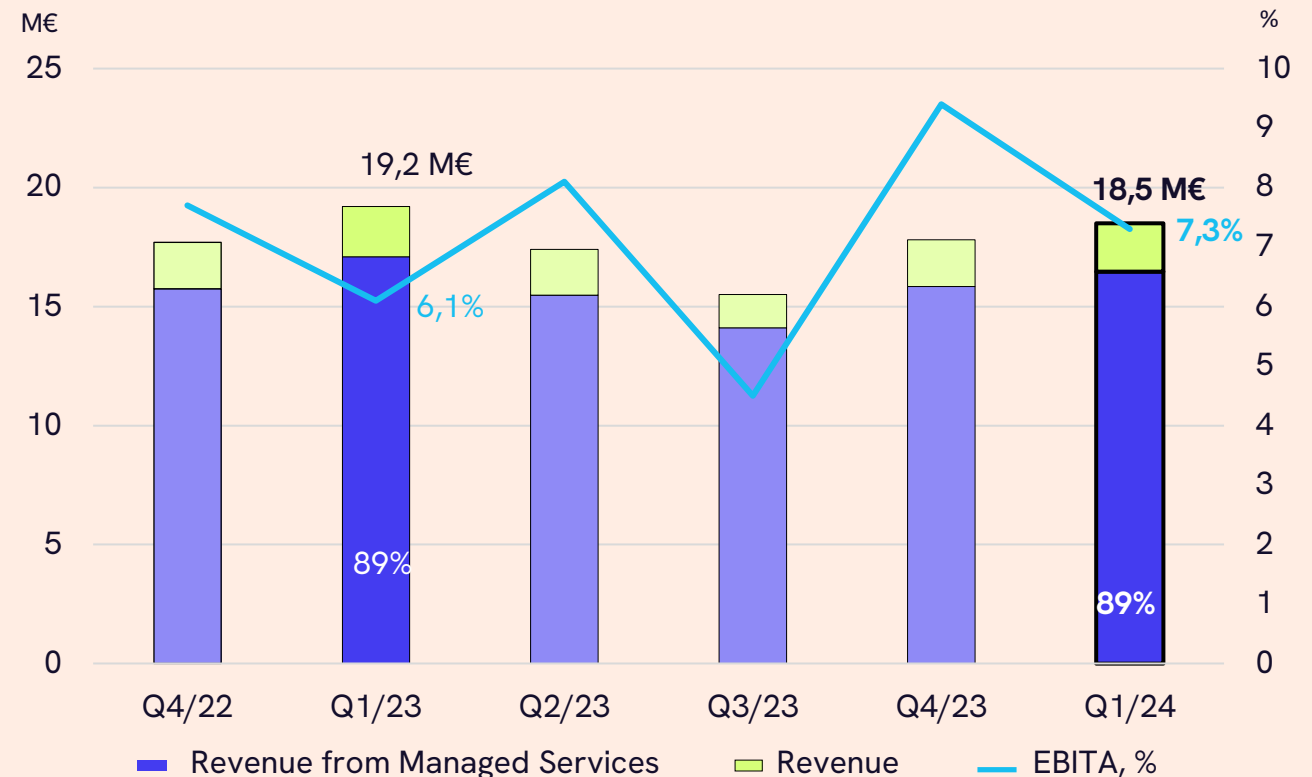
Revenue **18.5 M€** (19.2) **-3.7%**

Revenue from Managed Services **89%** (89%)

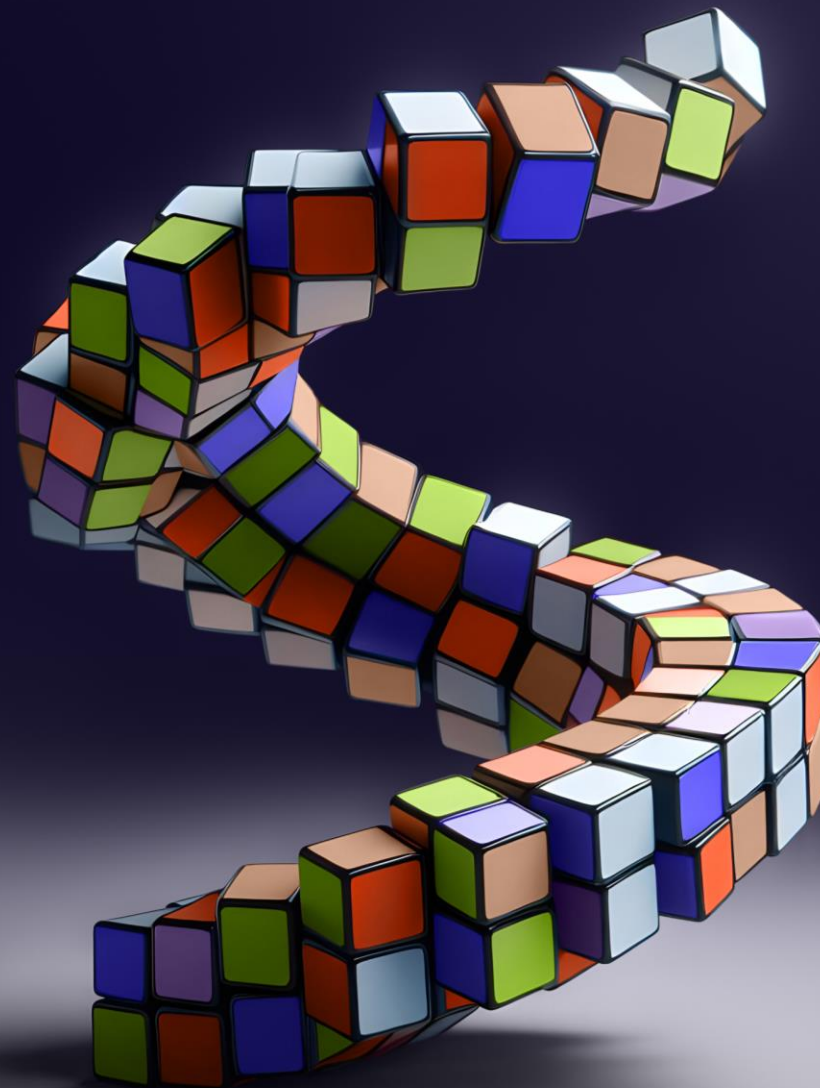
EBITA **1.4 M€**, **7.3%** (1.2 M€, 6.1%)

Personnel **832** (875) at the end of the period

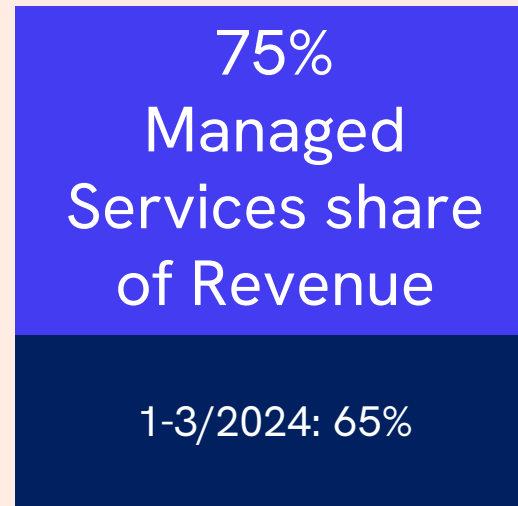
- Technical Communication Solutions service area's demand situation weakened further as customer delivery volumes declined.
- We took measures to improve operational efficiency and profitability, which were at a moderate level.
- We delivered first service solutions utilizing AI for our customers.



# Etteplan's targets and financial guidance for 2024



# Financial targets 2024



# Financial guidance

## 2024

Etteplan keeps its guidance for revenue and operating profit (EBIT) intact and issues the following estimate:

**Revenue in 2024 is estimated to be EUR 375-415 (2023: 360.0) million.**

**Operating profit (EBIT) in 2024 is estimated to be EUR 28-34 (2023: EUR 25.5) million.**

### Market outlook

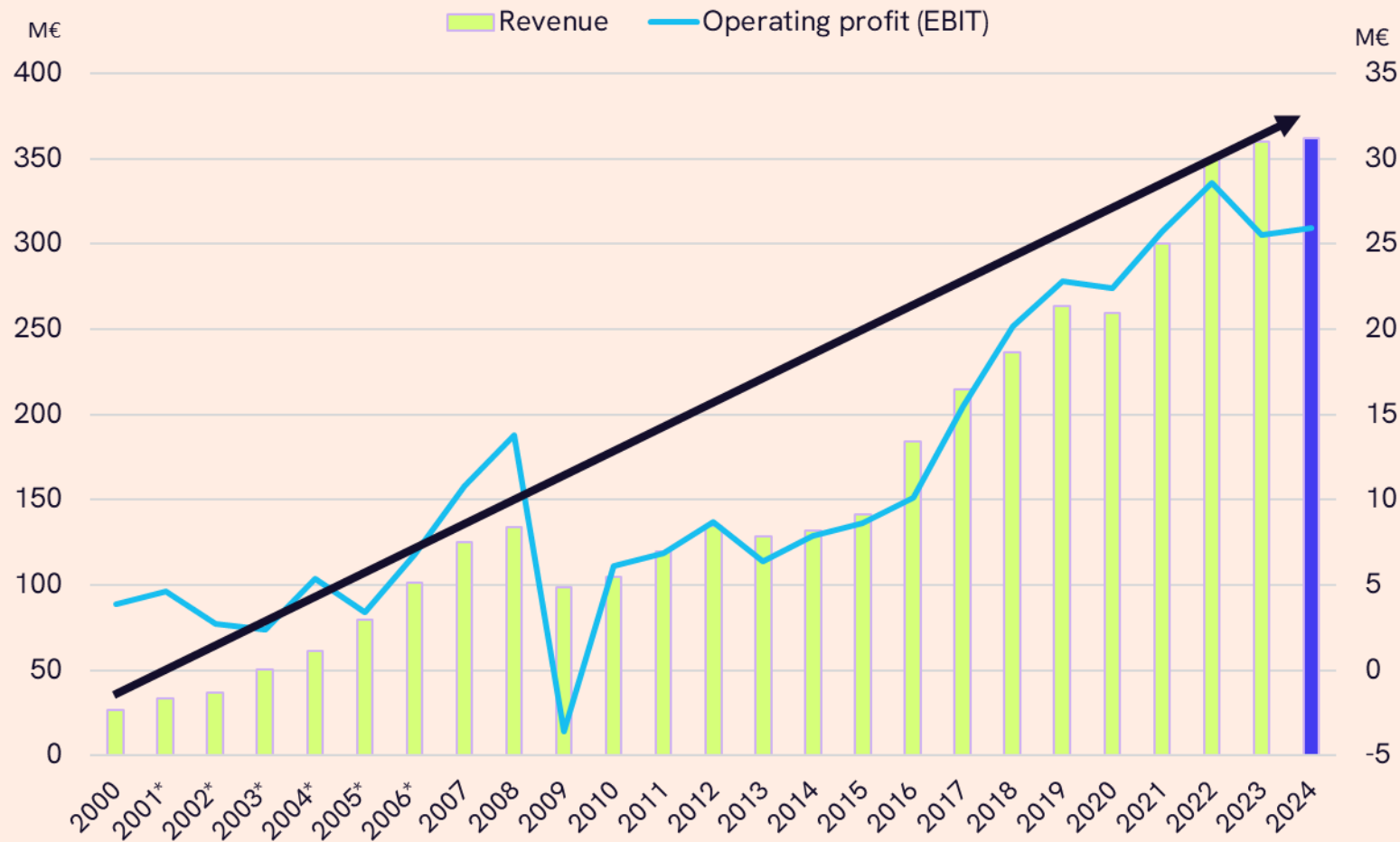
The most important factor affecting Etteplan's business is the global development of the machinery and metal industry. The uncertainty caused by geopolitical tensions and high interest rates are still affecting our customers' willingness to invest and keeping the demand situation at a low level in certain customer industries. Investments related to the defense industry, energy efficiency and accelerating the green transition are still at a good level. The markets expect interest rates to decrease in 2024, which we believe will accelerate investments. We have seen first signs of market improvement in Europe, and we expect the demand situation to improve to a good level during the rest of the year.



# Questions?



# Revenue and EBIT 2000-2024



\*Includes continued and discontinued operations

# Investor Relations contacts



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