

Etteplan 2022: Profitable growth in a changing market

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Highlights 2022

- + Our business grew significantly, and our net sales exceeded the milestone of EUR 350 million
 - + Completed four acquisitions that helped accelerate growth
 - + Organic growth was strong for the full year
- + Growth was profitable, and we almost achieved our target level of profitability
- + We achieved good results in all of our service areas
- The war in Ukraine created changes in the market environment and impacted demand
- Technical Documentation Solutions' profitability fell short of our expectations especially due to Cognitas
- The Semcon offer had a significant negative impact on EPS

Board proposal for dividend 0.36 €/share



Operating environment in 2022

- The demand situation remained at a fairly good level throughout the year, but there were fluctuations in demand between industries and customers.
- The war started by Russia in Ukraine 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 inflation reduces the willingness to invest and affects demand in certain industries.

Development in main markets:

The geopolitical tensions caused by Russia's invasion of Ukraine and the energy crisis have increased uncertainty and accelerated inflation in all of our operating countries in Europe. Uncertainty has created fluctuations in demand in Europe.

The war and geopolitical tensions are also increasing uncertainty in China and affecting Western investments and international trade. The restrictions related to the COVID-19 in China have eased, but the sharp increase in the number of infections towards the end of the year continues to affect the market situation.

Key figures 2022

REVENUE 350.2 M€ +16.7%	EBITA 33.9 M€ +12.5%
EBIT 28.6 M€ +11.1%	EPS (Basic earnings per share) 0.73 € -8.8%

Revenue and personnel 2022



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

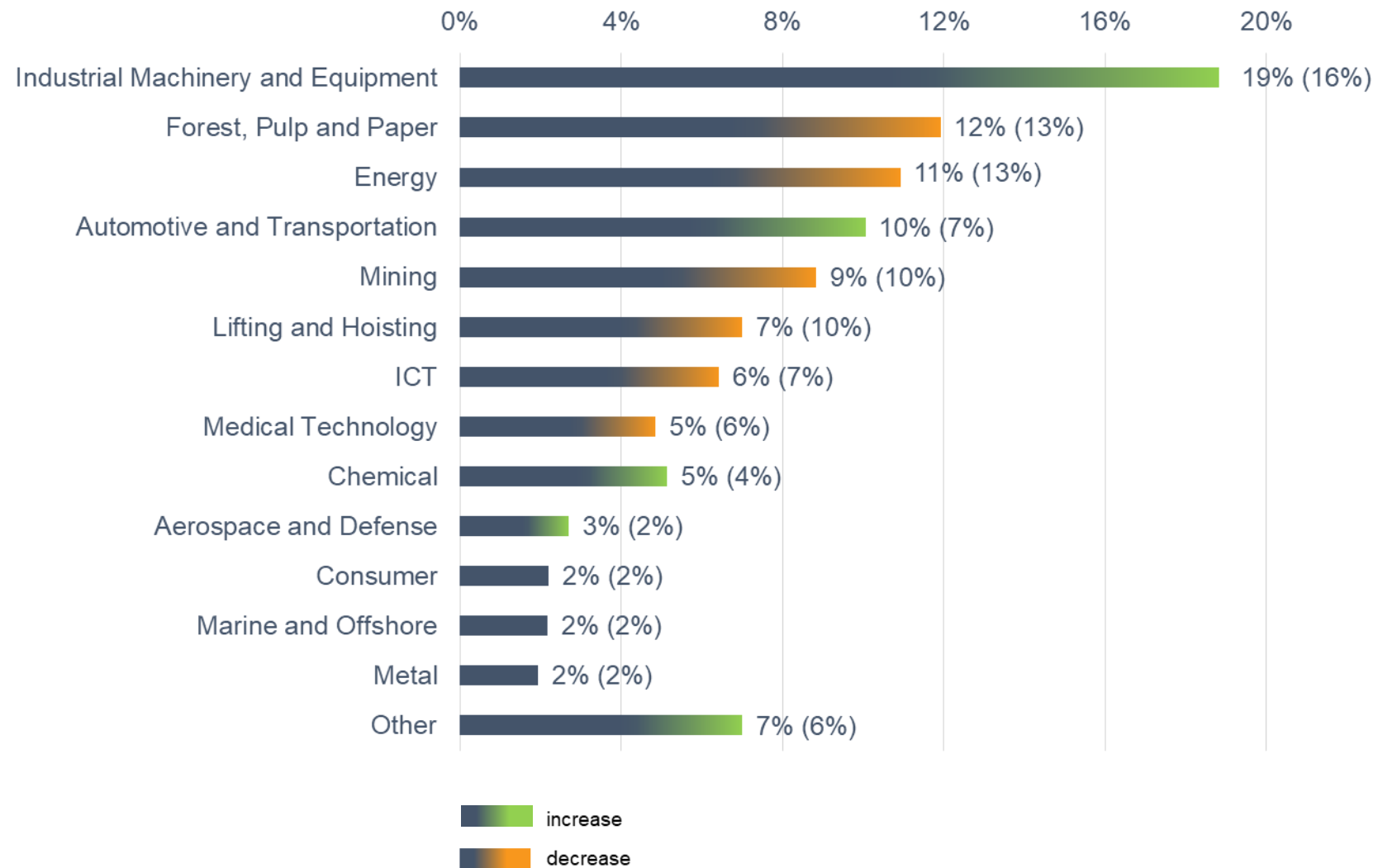


- Finland 52% (57%)
- Scandinavia 25% (23%)
- Central Europe 19% (16%)
- China 4% (4%)



- Finland 51% (55%)
- Scandinavia 18% (18%)
- Central Europe 20% (15%)
- China 11% (12%)

Revenue by customer segment 2022



Financial development Q4 2022



Key figures Q4/2022

M€	10-12/2022	10-12/2021	Change %	1-12/2022	1-12/2021	Change %	1-12/2021
Revenue	91.0	85.3	6.8	350.2	300.1	16.7	300.1
Revenue from outside Finland	44.2	37.2	18.7	169.1	130.1	29.9	130.1
Operating profit (EBITA)	9.7	9.0	8.5	33.9	30.1	12.5	30.1
EBITA, %	10.7	10.5		9.7	10.0		10.0
Operating profit (EBIT)	8.4	7.8	7.4	28.6	25.8	11.1	25.8
EBIT, %	9.2	9.2		8.2	8.6		8.6
Basic earnings per share, EUR	0.30	0.26	15.4	0.73	0.80	-8.8	0.80
Operating cash flow	11.0	13.2	-16.2	28.1	27.1	3.7	27.1
Managed Services Index	66	63	4.3	66	63	3.6	63
Personnel at end of the period	3,951	3,629	8.9	3,951	3,629	8.9	3,629

Revenue

Q4 2022

91.0 M€ (85.3) +6.8%

Organic +1.6%

1-12 2022

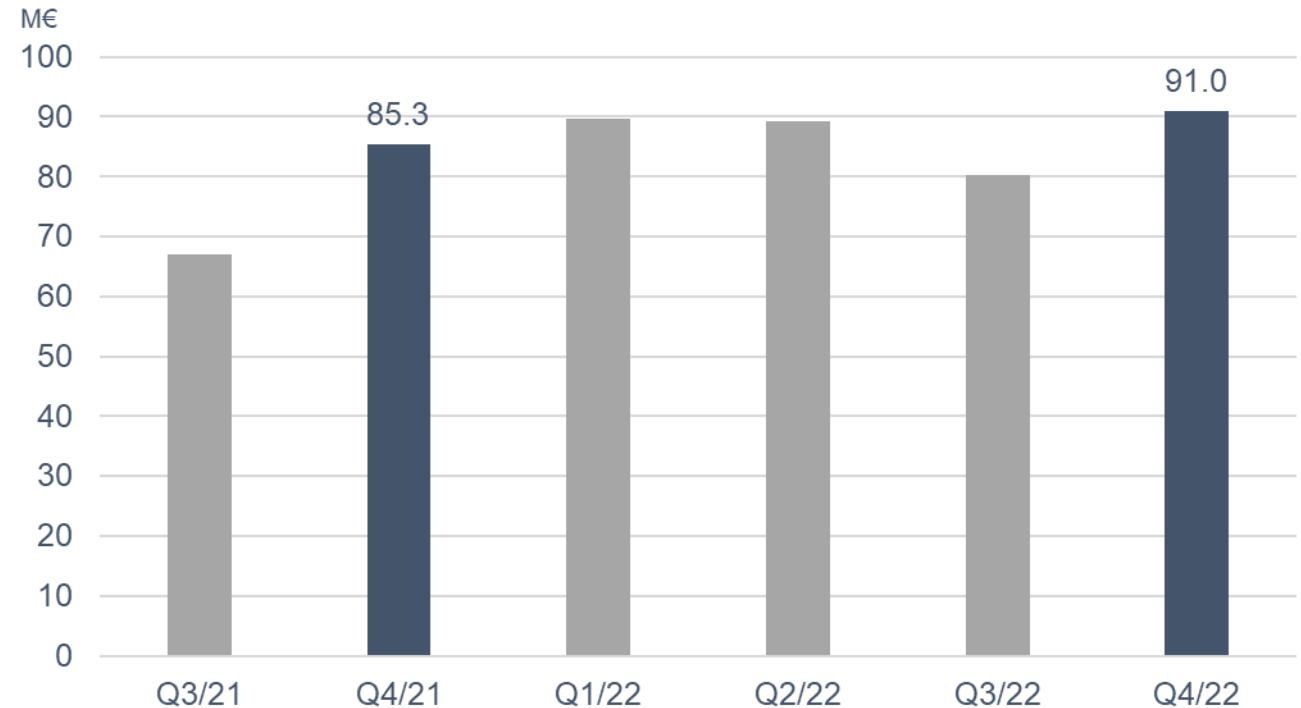
350.2 M€ (300.1) +16.7%

Organic +8.8%

In spite of the uncertain market situation, the demand for our services remained good, and our growth continued.

Acquisitions supported revenue growth.

Sickness-related absences were at a high level throughout the year, and their increase affected the accumulation of revenue particularly in Q4.



EBITA

Q4 2022

9.7 M€, 10.7% (9.0 M€, 10.5%) +8.5%

Non-recurring 0.3 M€ (-0.1)

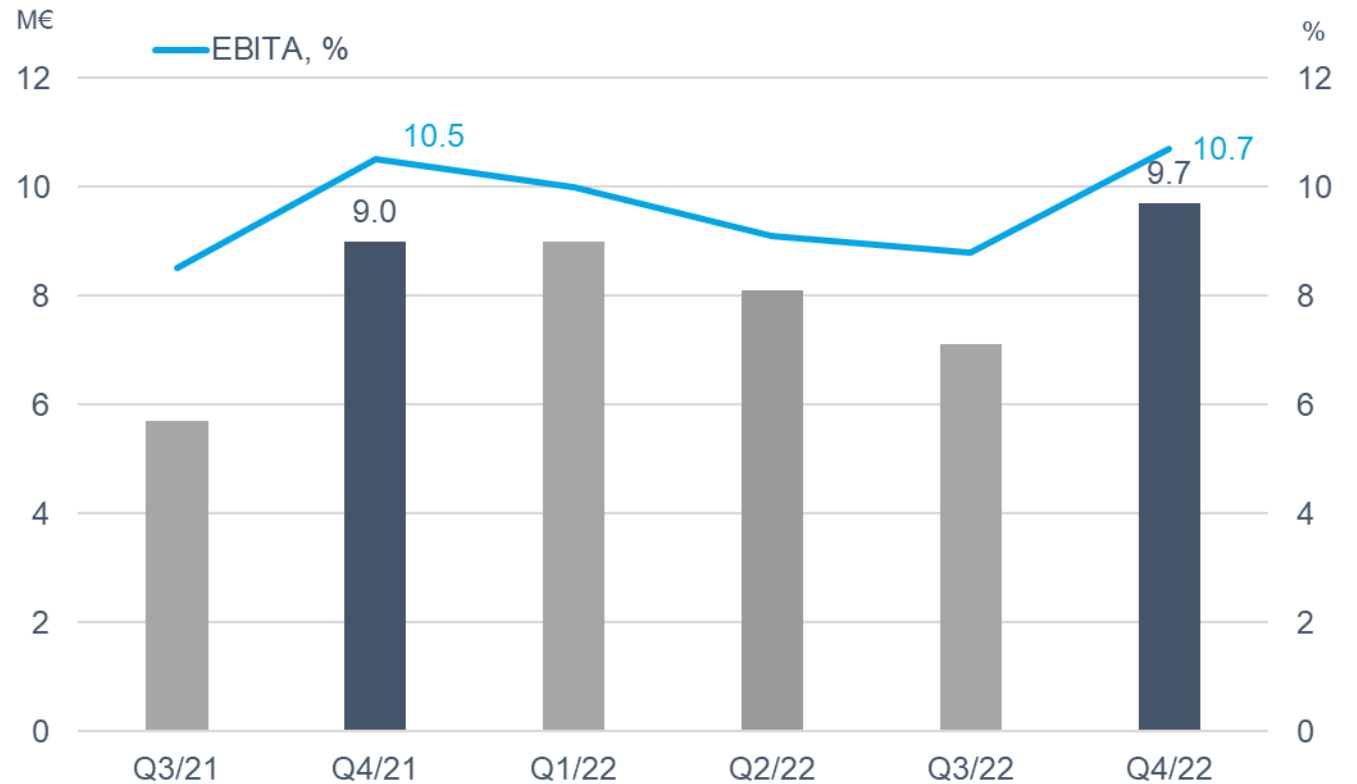
1-12 2022

33.9 M€, 8.5% (30.1 M€, 10%) +12.5%

Non-recurring -1.0 M€ (-0.7)

Profitability for Q4 and the full year was at a good level.

The increase in sickness-related absences affected profitability, particularly in Q4.



EBIT

Q4 2022

8.4 M€, 9.2% (7.8 M€, 9.2%) +7.4%

Non-recurring 0.3 M€ (-0.1)

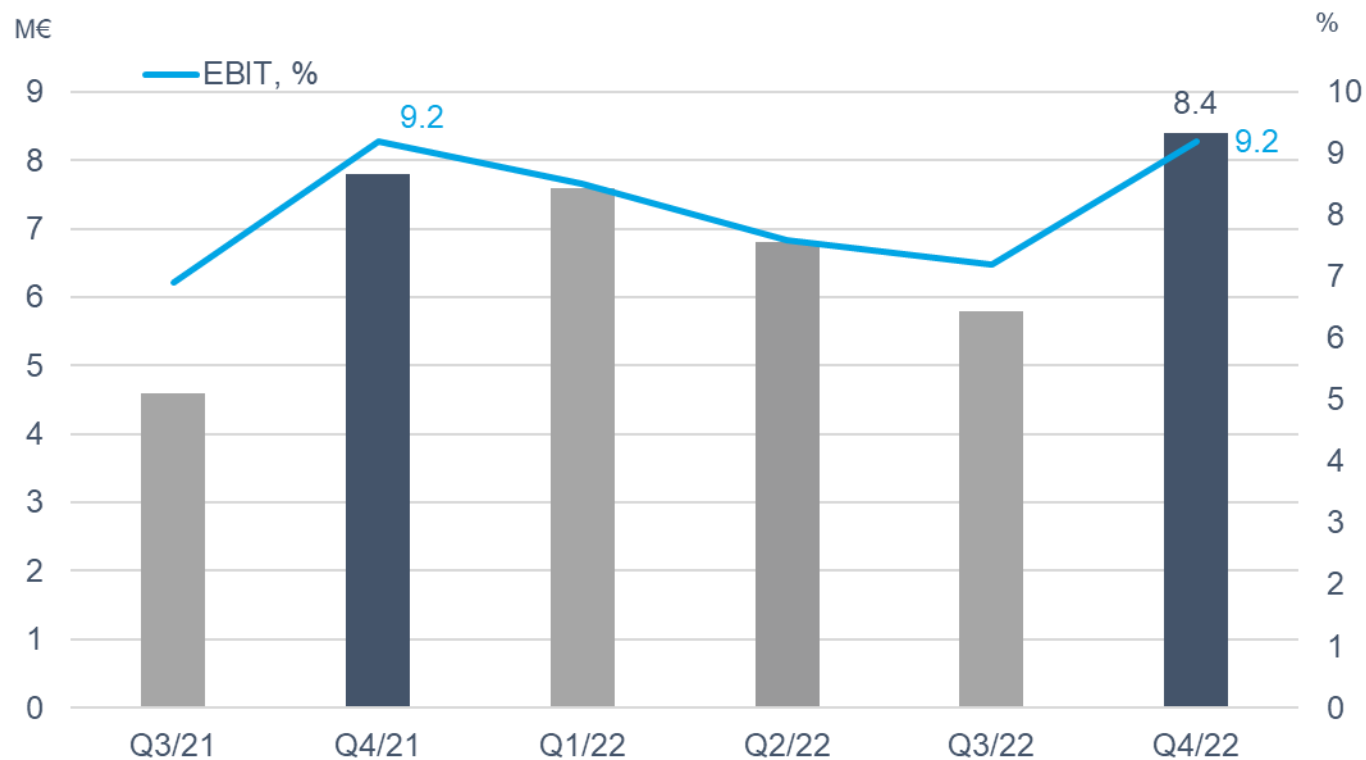
Amortization related to acquisitions 1.3 M€ (1.9)

1-12 2022

28.6 M€, 8.2% (25.8 M€, 8.6%) +11.1%

Non-recurring -1.0 M€ (-0.7)

Amortization related to acquisitions 5.3 M€ (4.4)



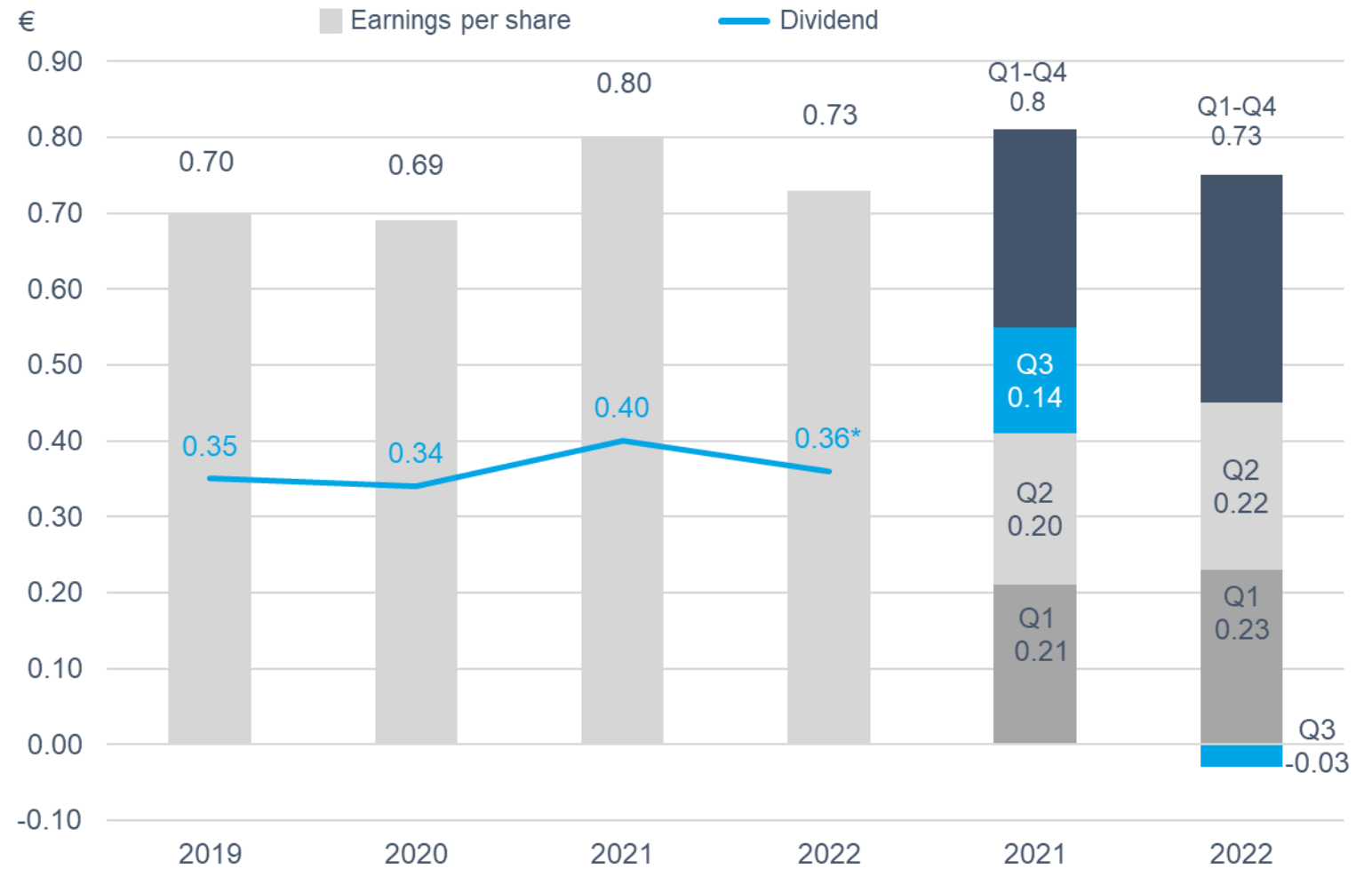
Earnings per share and dividend

Earnings per share

Q4 2022: 0.30€ (0.26) +15.4%

1-12 2022: 0.73 € (0.80) -8.8%

The Semcon offer had a significant negative impact on EPS.



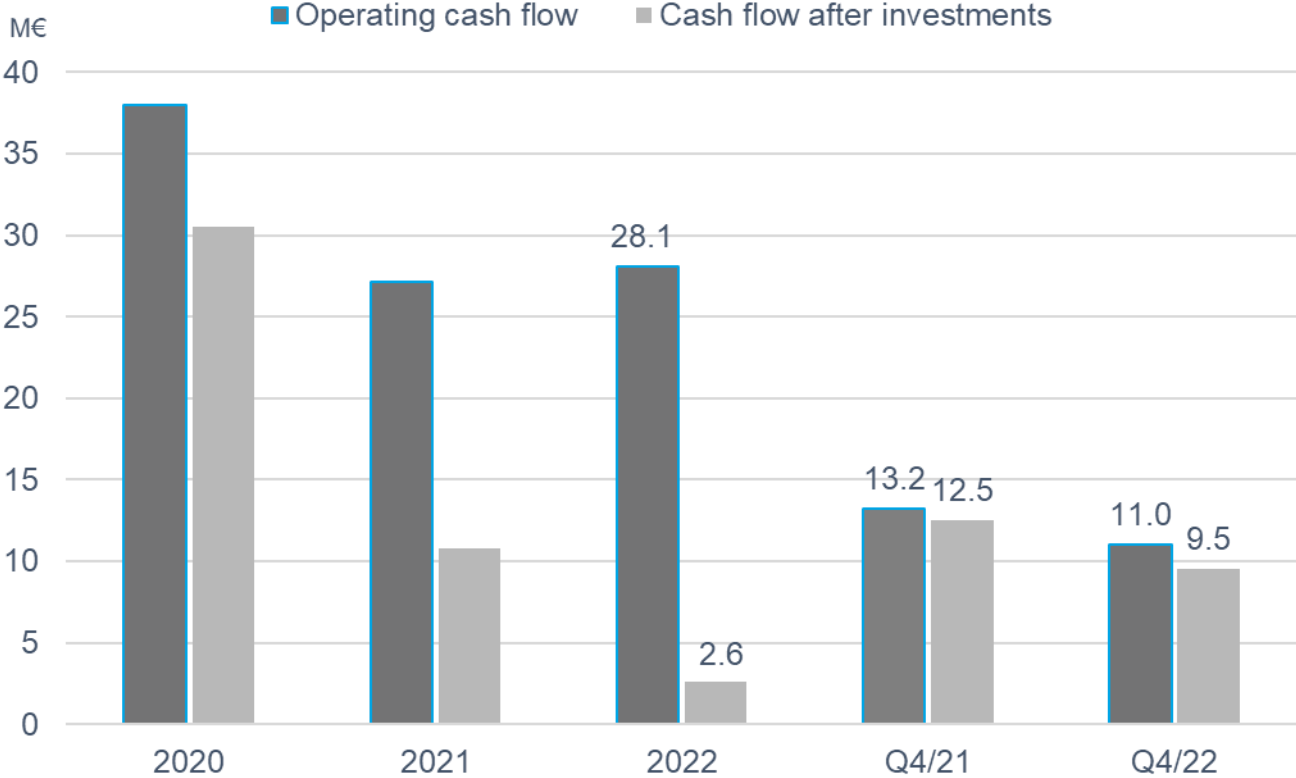
*The Board's dividend proposal is 0.36 euro/share.

Cash flow

Operating cash flow

Q4 2022: 11.0 M€ (13.2)

1-12 2022: 28.1 M€ (27.1)



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

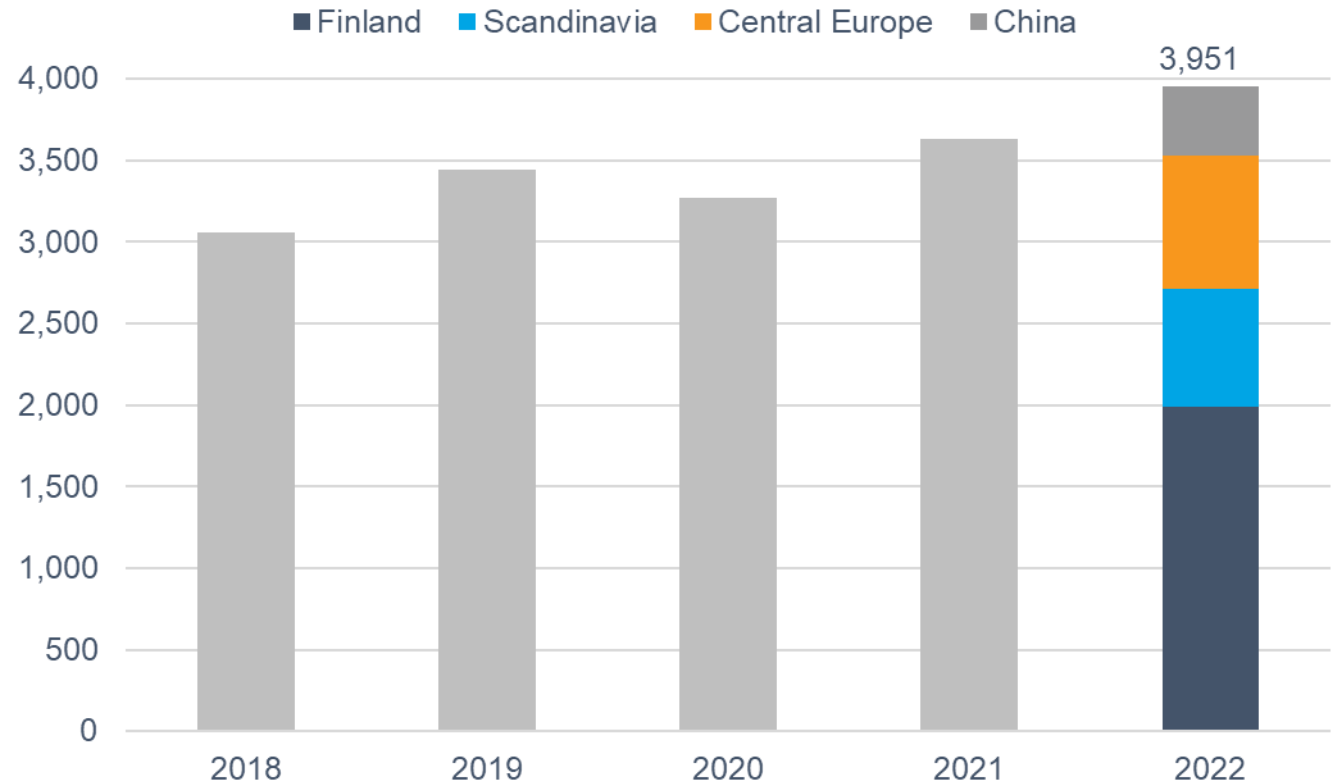
Personnel

At the end of the period **3,951** (3,629) **+8.9%**
Average **3,945** (3,480)

Compared to the end of December 2021, the number of personnel increased by 8.9%.

At the end of the review period, 1,963 (Dec 31, 2021: 1,624) people were employed by the Group outside of Finland.

Due to the unpredictable market situation, we slowed down recruitment in all service areas in the second half of the year.



Service areas Q4 2022

Engineering Solutions

Q4 2022

Revenue **48.9 M€** (47.1) **+3.8%**

EBITA **5.3 M€**, **10.8%** (5.0 M€, 10.6%)

1-12 2022

Revenue **183.7 M€** (167.4) **+9.7%**

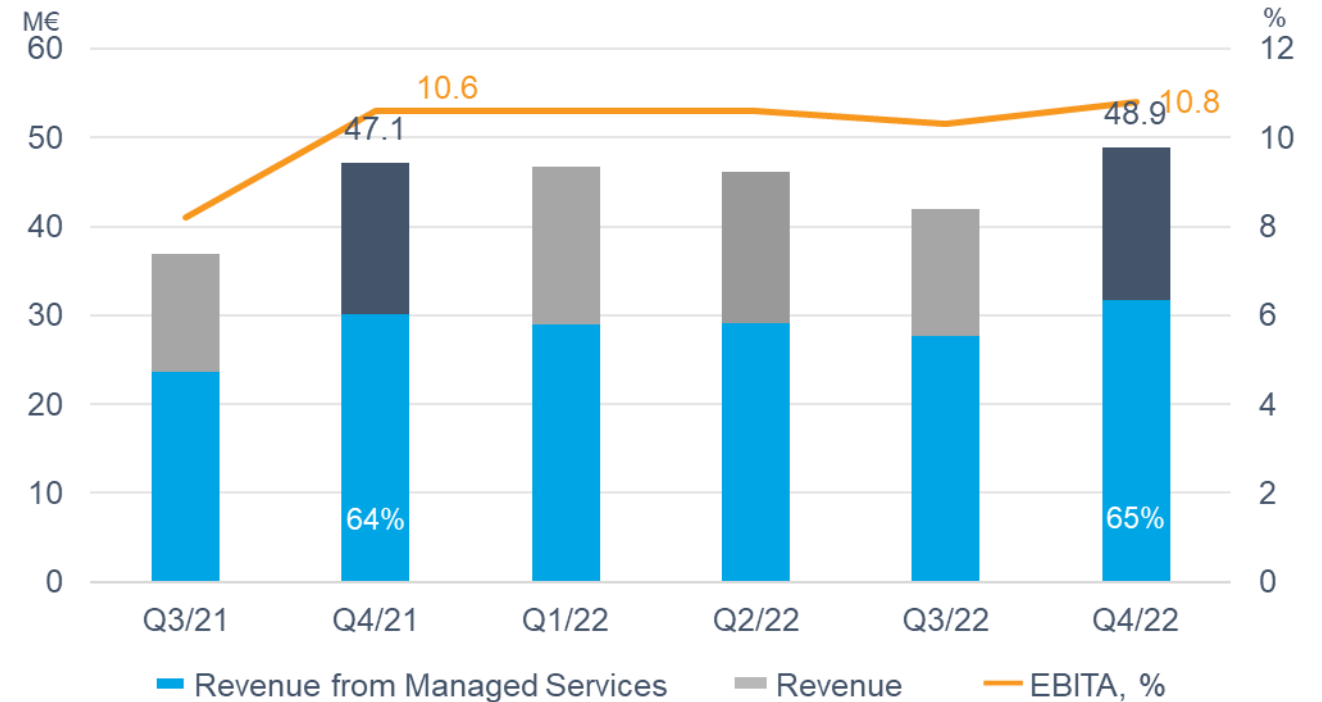
EBITA **19.4 M€**, **10.6%** (16.6 M€, 9.9%)

Personnel **2,092** (2,062) at the end of the period

The profitability was at an excellent level throughout the year, which was due to good operational efficiency.

Success in the project business improved the profitability of the service area in Q4.

The significant increase in sickness-related absences, particularly in Q4, slowed down revenue growth in the service area.



Software and Embedded Solutions

Q4 2022

Revenue **24.2 M€** (23.4) **+3.7%**
EBITA **2.8 M€**, **11.6%** (2.4 M€, 10.3%)

1-12 2022

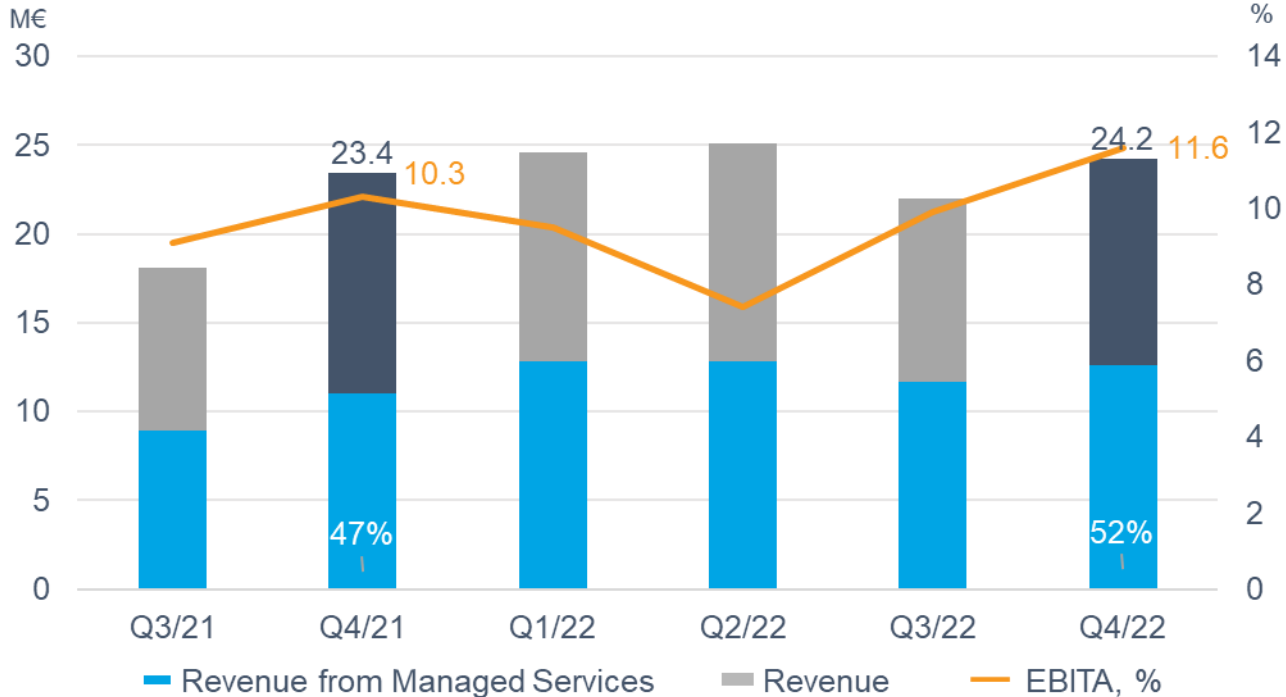
Revenue **95.9 M€** (80.1) **+19.7%**
EBITA **9.2 M€**, **9.6%** (8.3 M€, 10.4%)
Personnel **815** (771) at the end of the period

The market situation in the service area remained generally good.

We took measures to improve the service area's profitability and operational efficiency throughout the year and began to see results in the second half of the year.

Success in the project business had a positive effect on profitability in Q4.

The significant increase in sickness-related absences, particularly in Q4, slowed down revenue growth in the service area.



Technical Documentation Solutions

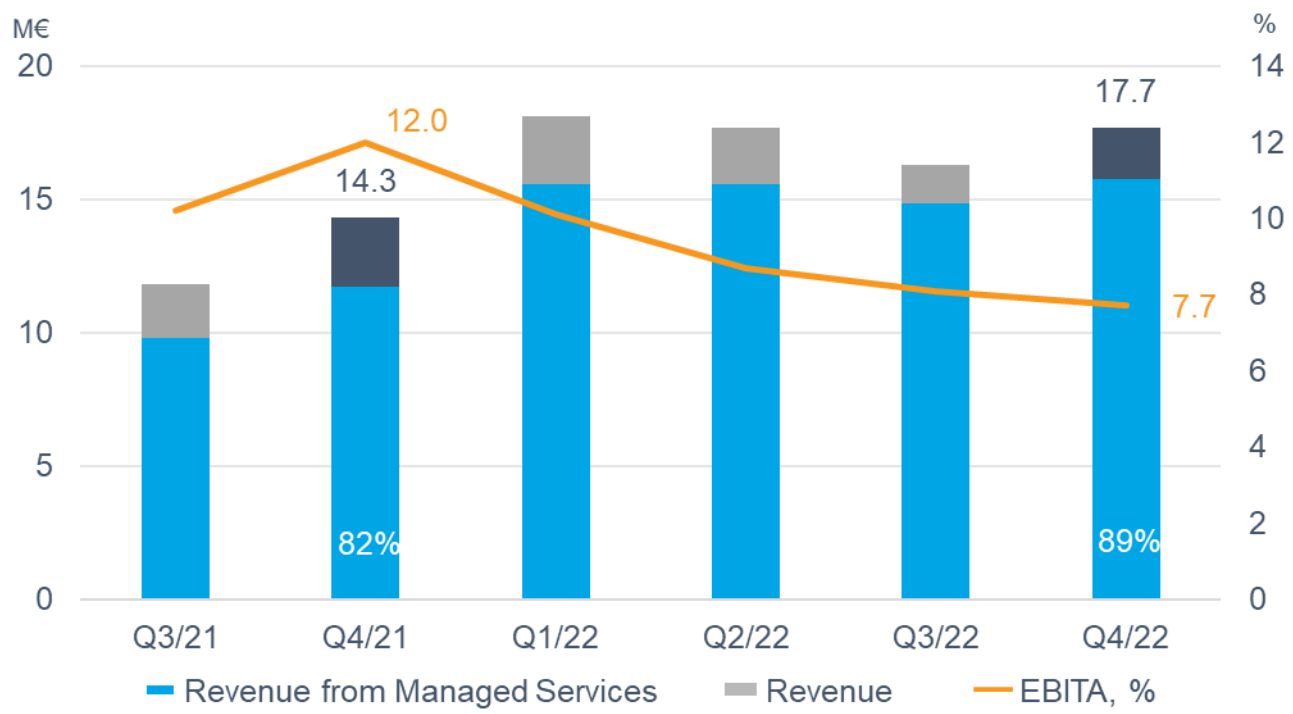
Q4 2022

Revenue **17.7 M€** (14.3) **+23.3%**
 EBITA **1.4 M€**, 7.7% (1.7 M€, 10.2%)

1-12 2022

Revenue **69.8 M€** (51.2) **+35.2%**
 EBITA **6.1 M€**, 8.7% (5.9 M€, 11.4%)
 Personnel **886** (669) at the end of the period

The service area’s demand situation remained good. The service area’s profitability fell short of our expectations especially due to Cognitas. In Q4, the service area’s profitability was impacted by a non-recurring adjustment to the recognition of revenue from Cognitas’ projects. We have taken measures to remedy the situation, continued integration of Cognitas to Etteplan and expect the profitability of the service area to return to a good level in 2023.



Etteplan's targets and Financial guidance 2023



Financial targets 2020-2024

Revenue
>EUR 500
million

1-12/2022:
EUR 350 million

50%
Revenue
outside
Finland

1-12/2022: 48%

75%
Managed
Services share
of Revenue

1-12/2022: 66%

10%
Operating
profit
(EBITA)

1-12/2022: 9.7%

Financial guidance 2023

Etteplan issues guidance for revenue and operating profit (EBIT) as a numerical range and issues the following estimate:

- **Revenue in 2023 is estimated to be 360–390 (2022: 350.2) million**
- **Operating profit (EBIT) in 2023 is estimated to be EUR 28–33 (2022: 28.6) million**

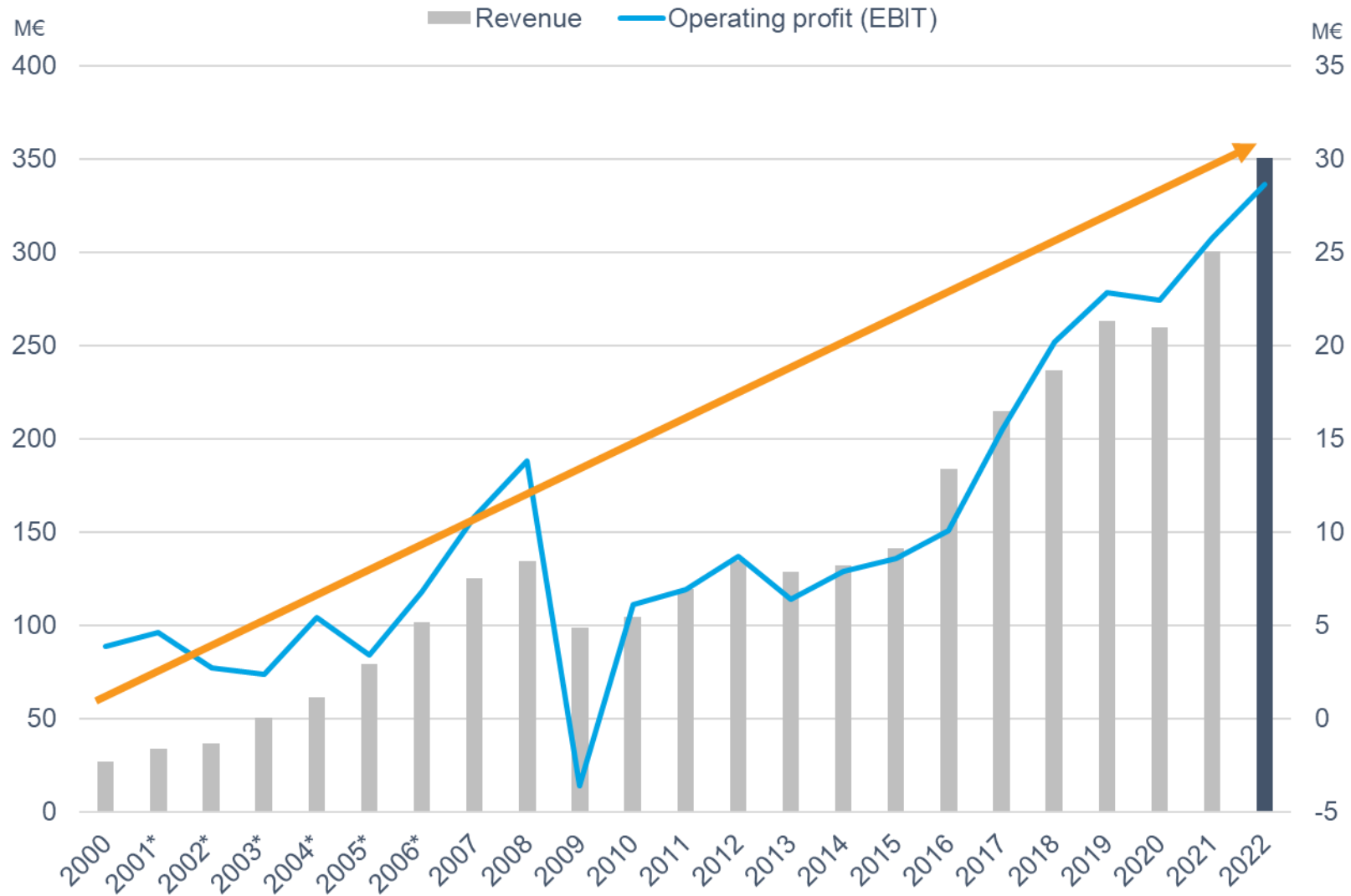
Market outlook

The most important factor affecting Etteplan's business is the global development of the machinery and metal industry. The war started by Russia in Ukraine and the subsequent elevation in geopolitical tensions have increased uncertainty globally. Inflation reduces the willingness to invest and affects demand in certain industries. At the same time, investments related to the defense industry, energy efficiency and accelerating the green transition are growing. Uncertainty remains high and the demand situation is characterized by variation. The restrictions related to the COVID-19 in China have eased, but the sharp increase in the number of infections towards the end of the year continues to affect the market situation. Nevertheless, we expect the general demand situation to remain fairly good throughout 2023.

Questions?



Revenue and EBIT 2000-2022



*Includes continued and discontinued operations

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