

# Etteplan Q1 2021: Back to growth with good profitability

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# Highlights of Q1 2021

# Highlights Q1/2021

- + We were able to turn our revenue back to growth even though, due to the COVID-19 pandemic, we started the year with at a disadvantage compared to the relatively normal comparison period.
  - + In the beginning of January 2021, the number of employees was approximately 5 per cent lower and we had 165 temporary laid off employees.
- + Our profitability exceeded our target level again in all service areas, improving clearly compared to the comparison period.
- + The demand situation developed well on all markets.
- + In China the pandemic no longer affected the market and the number of hours sold to the Chinese market grew by 121%.
- + We have resumed our investments in the implementation of our strategy and the development of our service offering.

- Organic growth was still negative.

# Development of the operating environment in Q1 2021

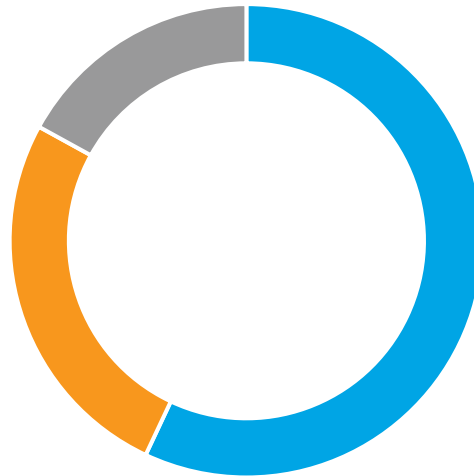
- The prolongation of the global COVID-19 pandemic continues to have an impact on the global economy and market situation.
- As vaccinations have progressed, orders received by customers have turned to growth and investments in product development and production have accelerated.
- This has improved the demand situation and we estimate that the positive trend will continue during the year.
- Customer-specific differences were again considerable.

# Market development in Etteplan's main markets in Q1 2021

- **Finland:** The general market demand continued the recovery that began in the final quarter of last year.
- **Sweden and Denmark:** demand developed favorably.
- **The Netherlands, Germany and Poland:** the general market demand continued to develop favorably.
- **In China,** the pandemic did not affect demand, and demand was at a good level.

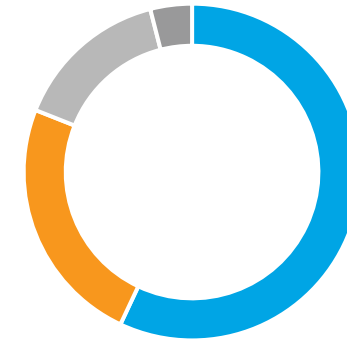
# Revenue and personnel 1-3/2021

### Revenue by service area



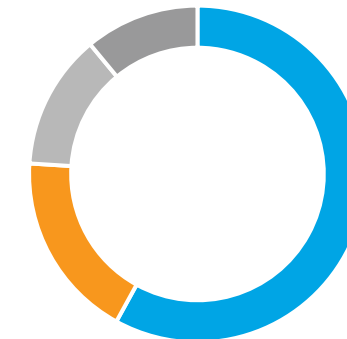
- Engineering Solutions 57% (58%)
- Software and Embedded Solutions 26% (24%)
- Technical Documentation Solutions 17% (18%)

### Revenue by country



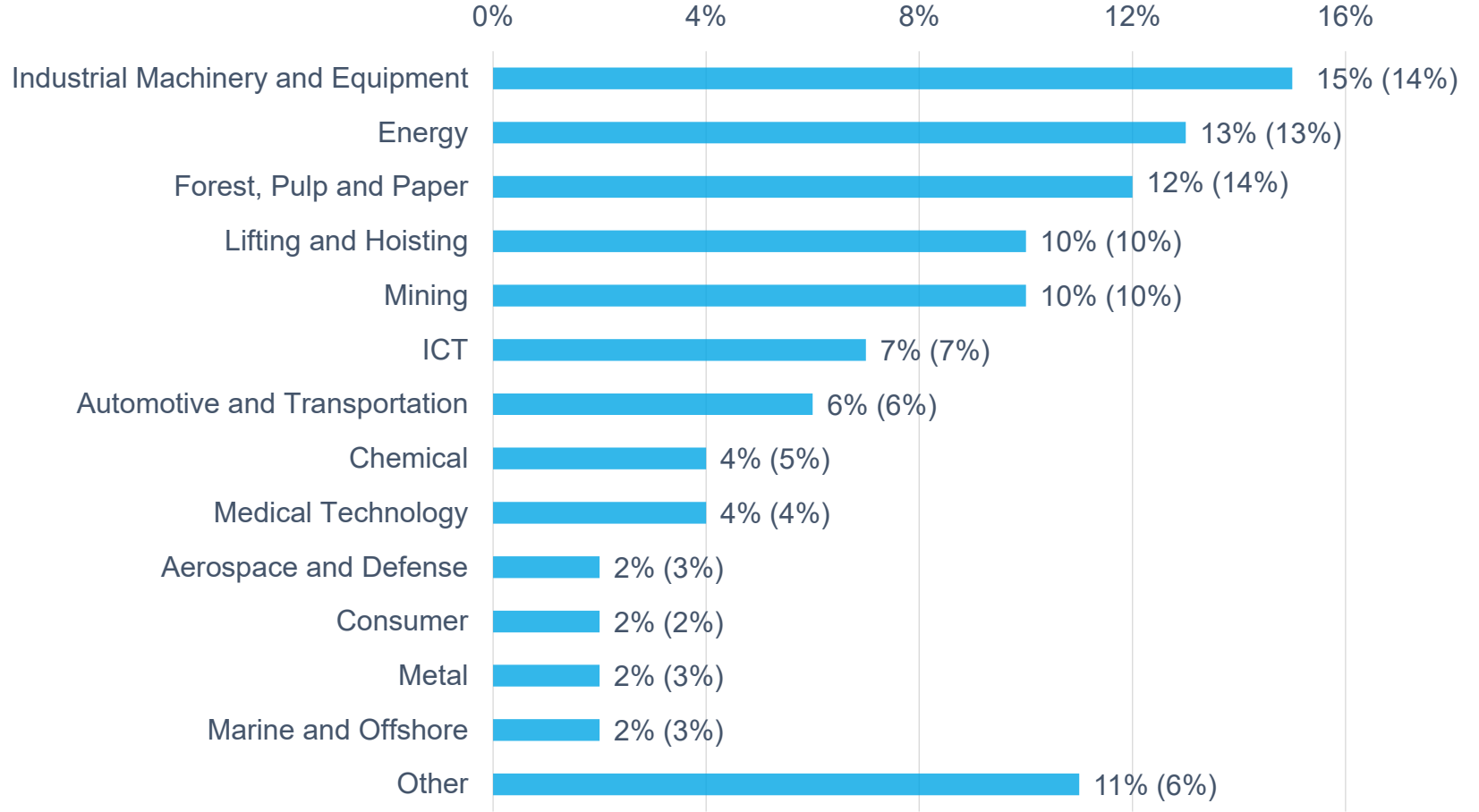
- Finland 57% (65%)
- Scandinavia 24% (22%)
- Central Europe 15% (10%)
- China 4% (3%)

### Personnel by country (end of period)



- Finland 58% (60%)
- Scandinavia 18% (19%)
- Central Europe 13% (11%)
- China 11% (10%)

# Revenue by customer segment 1-3/2021





# Key figures 1-3/2021

EUR 1,000	1-3/2021	1-3/2020	Change %	1-12/2020
Revenue	72,950	71,292	2.3	259,702
Operating profit (EBITA)	7,679	6,580	16.7	26,172
EBITA, %	10.5	9.2		10.1
Operating profit (EBIT)	6,594	5,656	16.6	22,380
EBIT, %	9.0	7.9		8.6
Basic earnings per share, EUR	0.21	0.17	23.5	0.69
Equity ratio, %	42.5	40.6		40.5
Operating cash flow	1,290	2,246		37,997
ROCE, %	18.0	18.4		16.0
Managed Services Index	64	59	8.5	61
Personnel at end of the period	3,331	3,402	-2.1	3,267

# Outlook

## 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. As vaccinations progress, orders received by customers have turned to growth and investments in product development and production have accelerated. This has improved the demand situation and we estimate that the positive trend will continue during the year.

## Updated financial guidance 2021

Etteplan updates its previous guidance and issues the following estimates:

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

## Previous financial guidance 2021 (February 11, 2021)

- Revenue in 2021 is estimated to be EUR 280-300 million.
- Operating profit (EBIT) in 2021 is estimated to be EUR 23-26 million.

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 Q1/2021

# Revenue

**1-3/2021: 73.0 M€ (71.3 M€)**

Growth

Change 2.3%

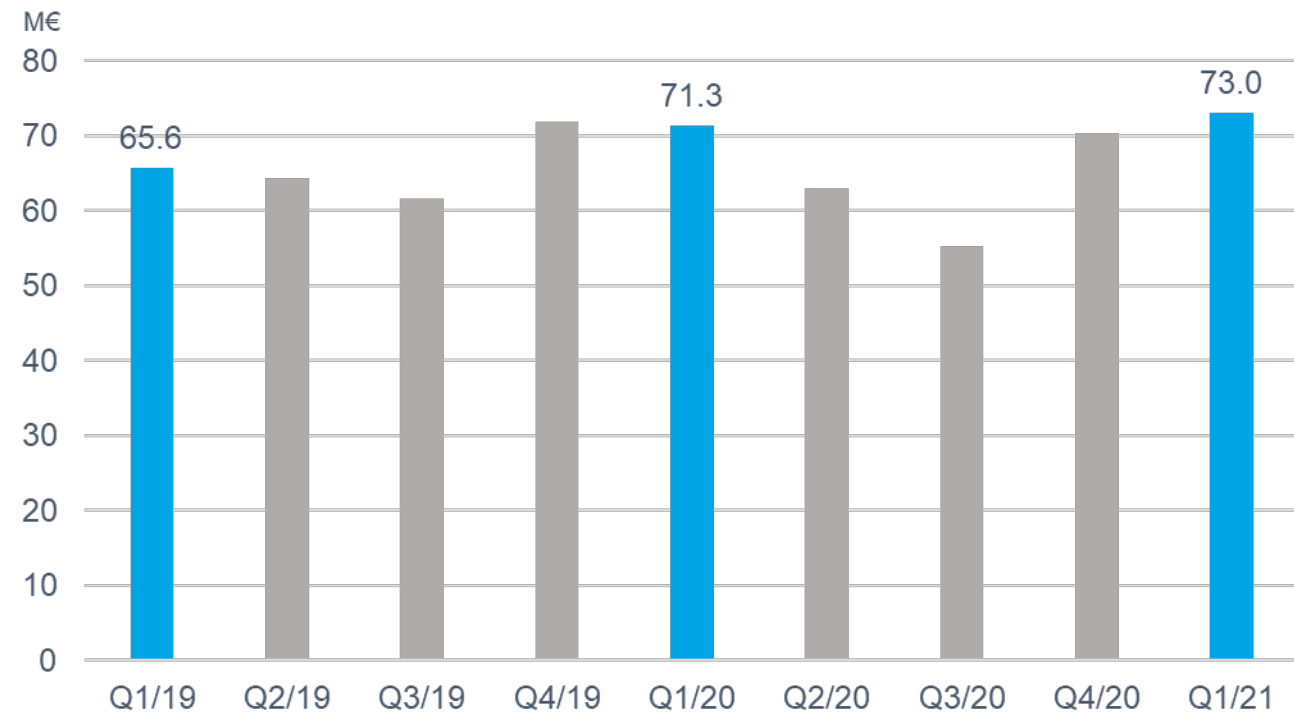
With comparable exchange rates 1.3%

Organic growth

Change -4.0%

With comparable exchange rates -5.0%

The pandemic had not yet affected our business in Q1/2020 in markets other than China. The comparison period was a nearly normal quarter.

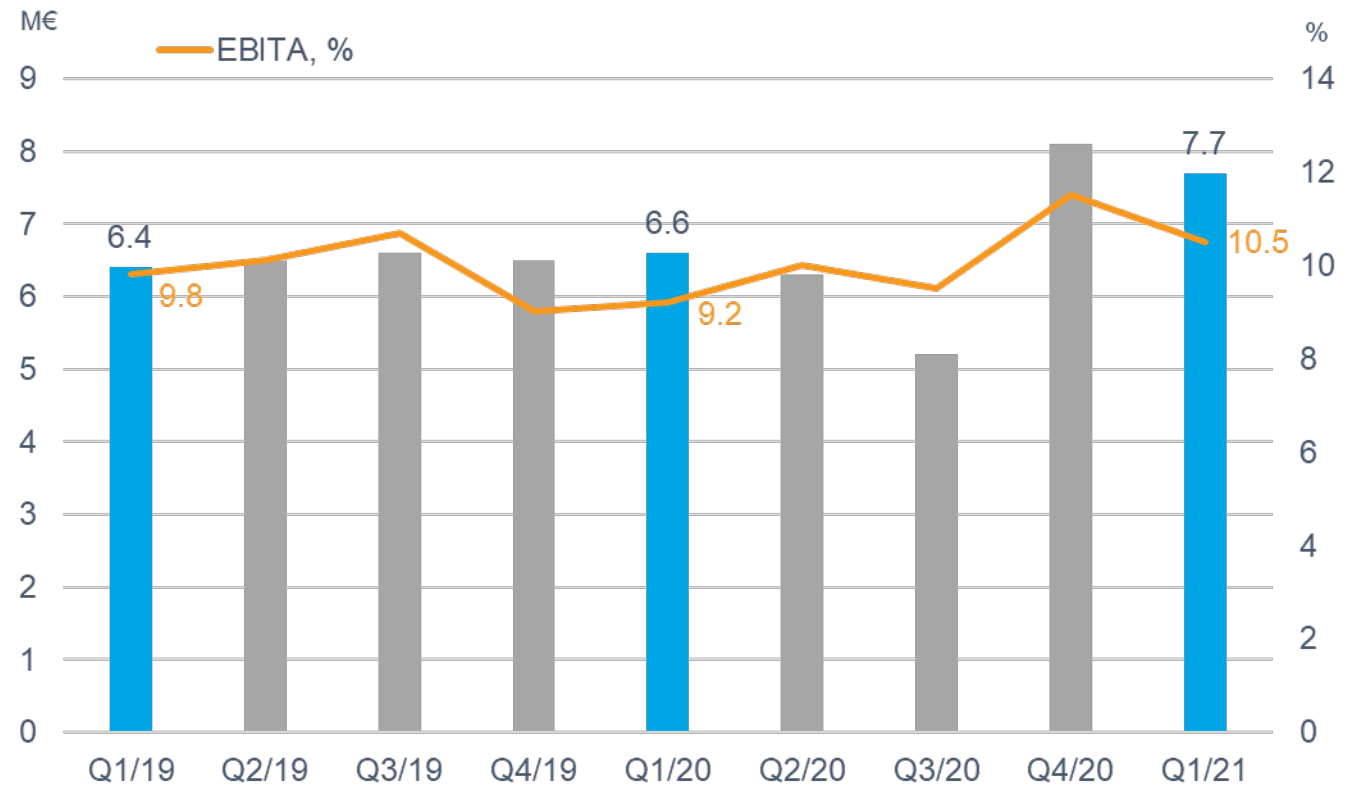


- The pandemic continued to affect our development, but the demand situation improved further as vaccinations progressed.
- We called temporarily laid off employees back to work and focused on new recruitment.
- Outsourcing and acquisitions had a positive effect on our revenue.
- Revenue from key accounts decreased by 6.8%.

# Operating profit (EBITA)

1-3/2021: 7.7 M€, 10.5%  
(6.6 M€, 9.2%)

Non-recurring items 0.0 (-0.2) M€

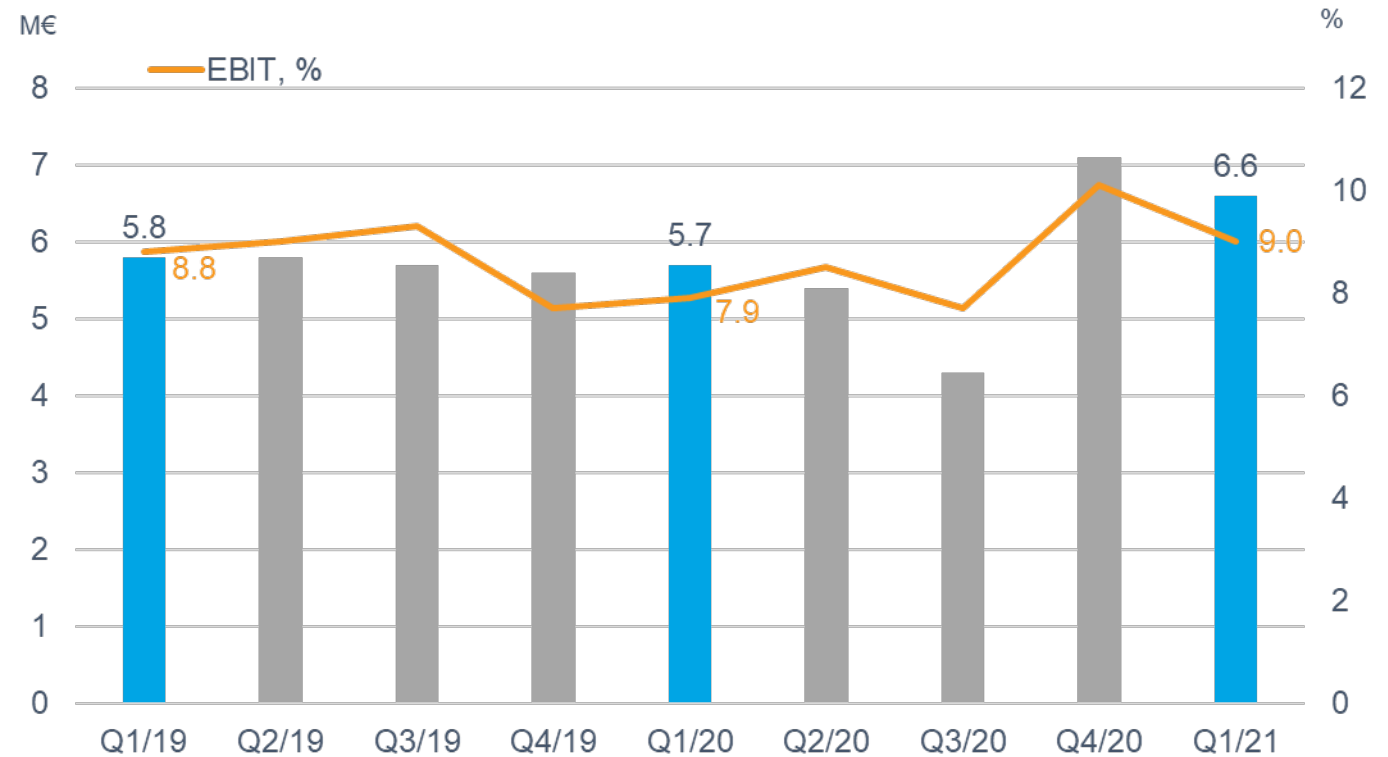


- Profitability was again at a good level due to good operational efficiency and the temporary changes to the cost structure resulting from the pandemic.
- Operations are expected to settle into the new normal in the latter part of 2021.

# Operating profit (EBIT)

1-3/2021: 6.6 M€, 9.0%  
(5.7 M€, 7.9%)

Non-recurring items 0.0 (-0.2) M€



- Amortization related to acquisitions were EUR 1.0 million.

# Engineering Solutions

## Revenue

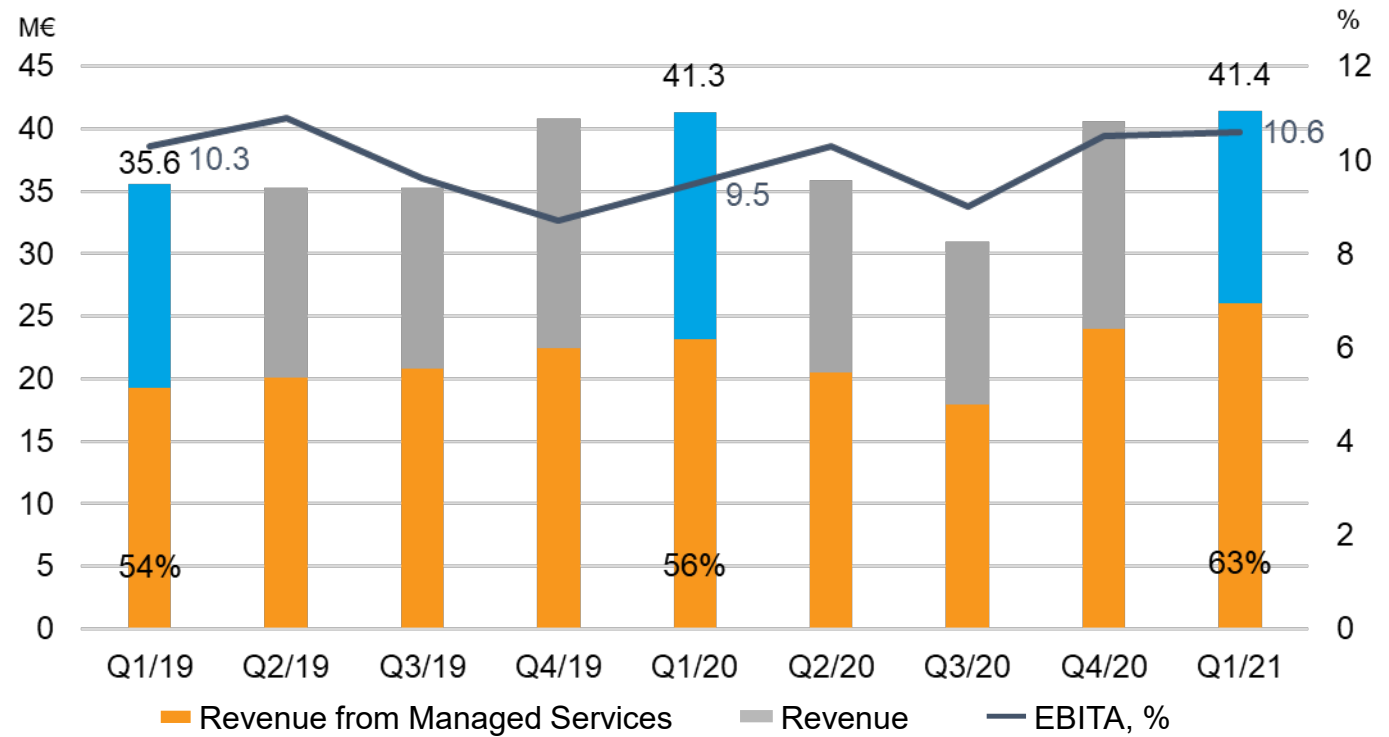
**1-3/2021: 41.4 M€**  
(41.3 M€)  
Change 0.2%

## Operating profit (EBITA)

**1-3/2021: 4.4 M€, 10.6%**  
(3.9 M€, 9.5%)

## Personnel

Mar 31, 2021: 1,955 (1,986)



- The demand situation improved.
- We were successful in the sales of outsourcing solutions, and we have signed several outsourcing agreements.
- Profitability was at a good level due to good operational efficiency.

# Software and Embedded Solutions

## Revenue

**1-3/2021: 18.8 M€**

(17.0 M€)

Change 10.9%

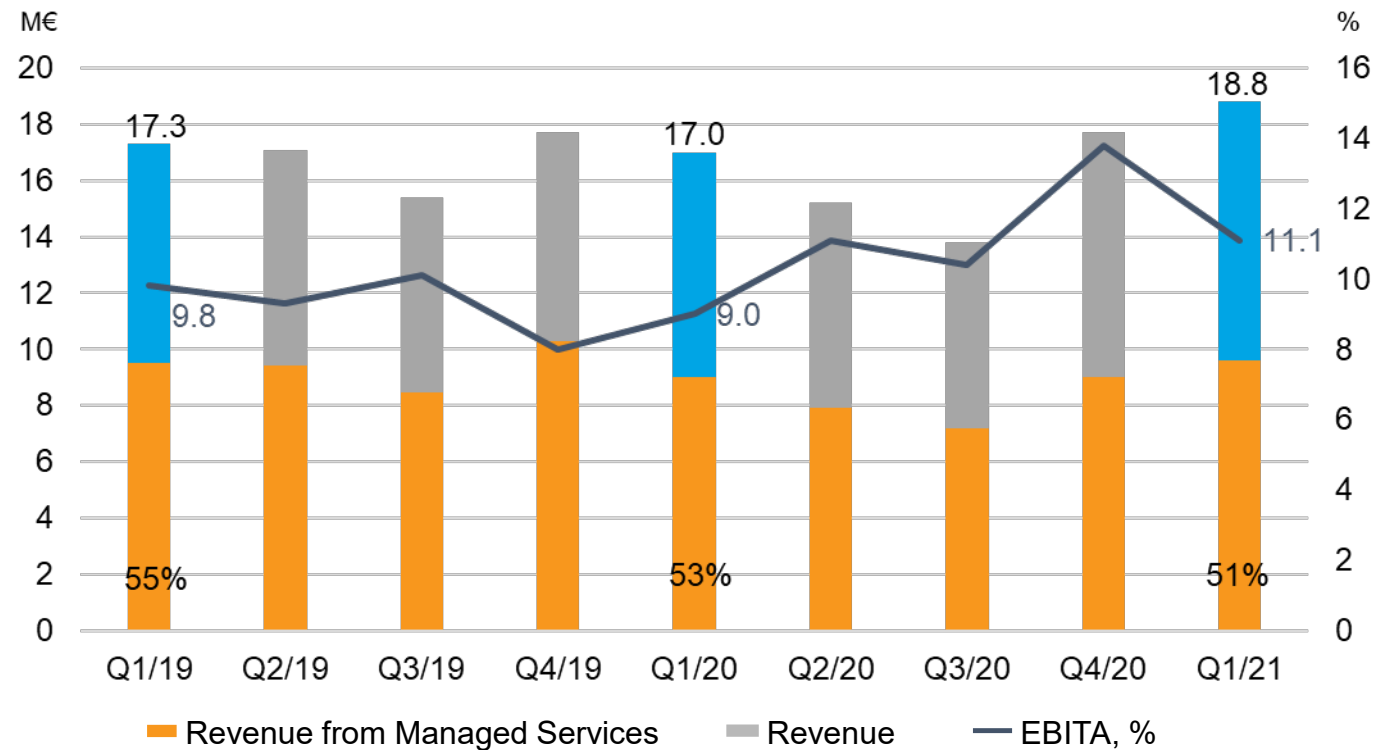
## Operating profit (EBITA)

**1-3/2021: 2.1 M€, 11.1%**

(1.5 M€, 9.0%)

## Personnel

Mar 31, 2021: 639 (663)



- While projects were slightly slow to start in the early part of the year, the general demand situation is good and our customers are investing in digital solutions.
- The Danish company TekPartner acquired by Etteplan has had a good start to its operations as part of Etteplan.
- The reduced availability of highly competent professionals affects the business. For this reason, we have increased the use of subcontractors.
- Profitability improved due to good operational efficiency.



# Technical Documentation Solutions

## Revenue

1-3/2021: 12.5 M€

(12.8 M€)

Change -2.3%

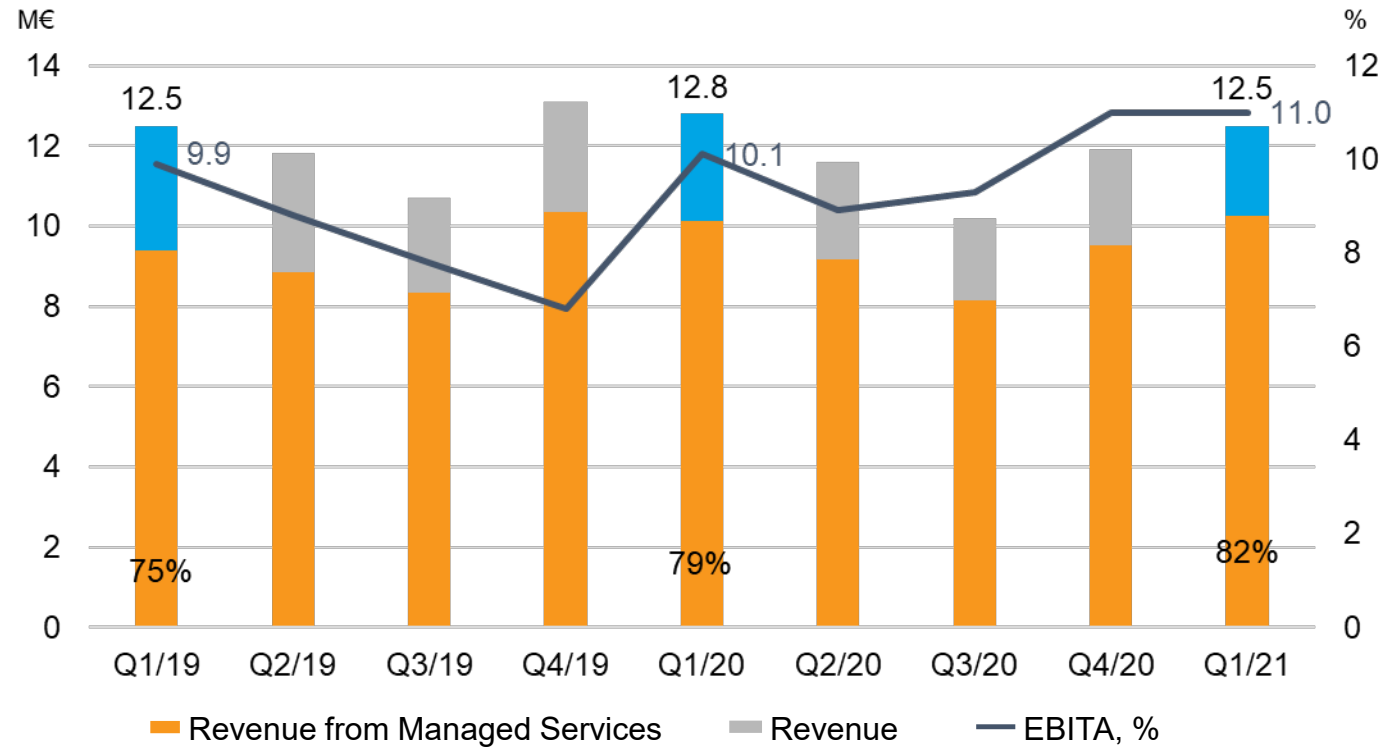
## Operating profit (EBITA)

1-3/2021: 1.4 M€, 11.0%

(1.3 M€, 10.1%)

## Personnel

Mar 31, 2021: 612 (656)

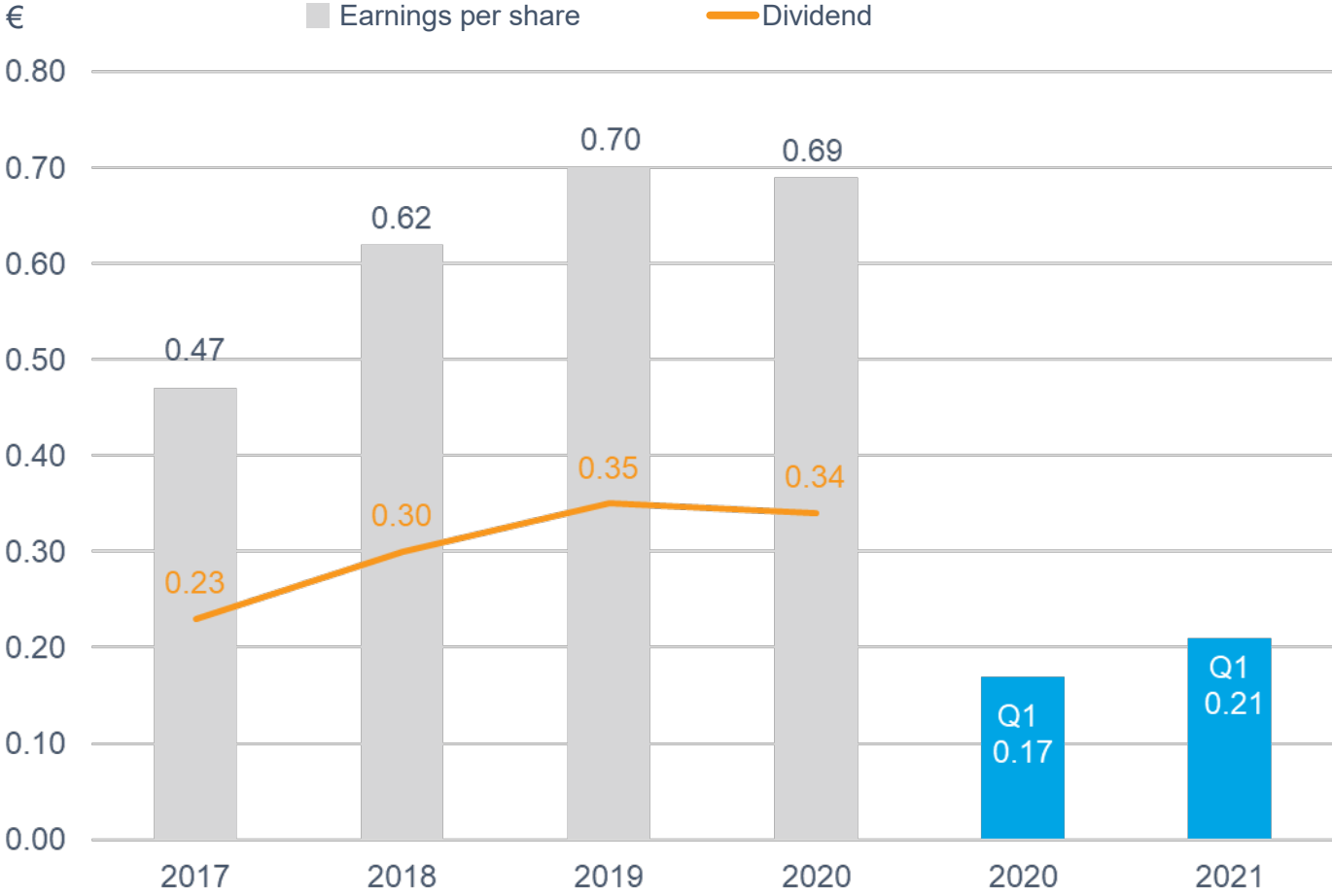


- The pandemic continued to weaken the demand situation.
- The demand for outsourcing agreements was good and we are constantly in negotiations regarding new outsourcing agreements.
- At the beginning of March, we announced the global commercial availability of the cloud-based Etteplan HowTo solution, a digital solution for the creation and interactive distribution of documentation for e.g. mobile devices.
- Profitability improved due to good operational efficiency.

# Earnings per share and dividends

## Earnings per share

1-3/2021: 0.21 €  
(0.17 €)  
Change +23.5%

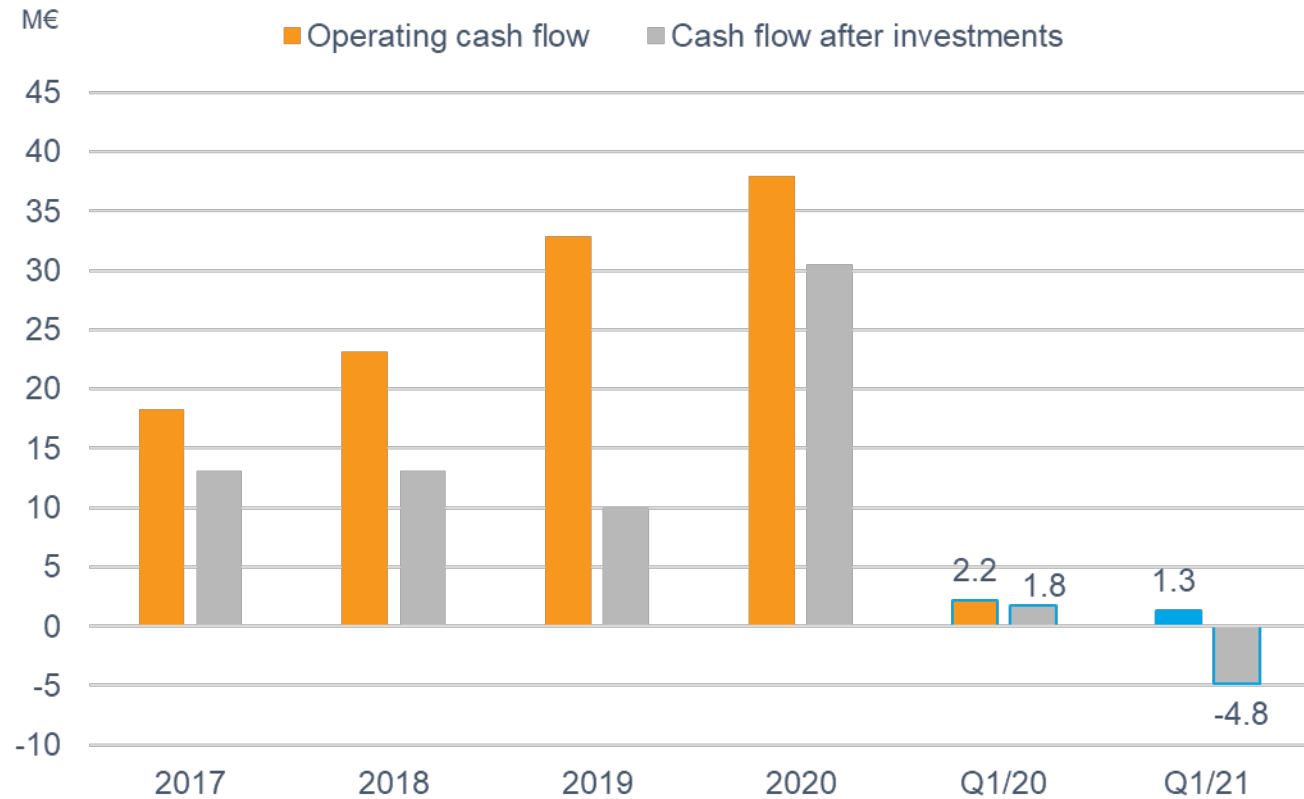


# Cash flow

## Operating cash flow

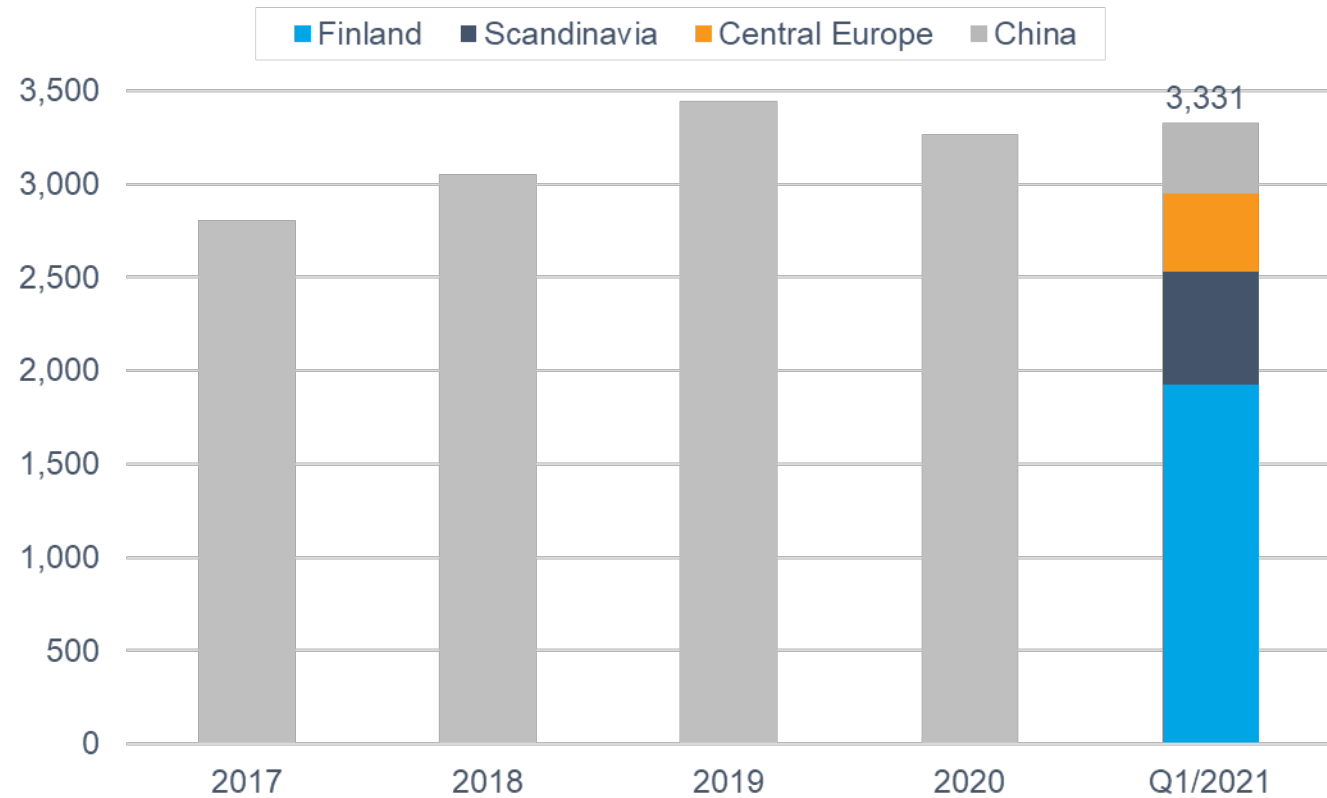
1-3/2021: 1.3 M€ (2.2 M€)

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



- Operating cash flow decreased year-on-year.
- Operating expenses increased faster than the cash flow from sales as we called temporarily laid off employees back to work and resumed development projects that had been suspended during the pandemic.
- 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 2.0% from the end of 2020.
- Compared to March 31, 2020, the number of personnel decreased by 2.1% and stood at 3,331 employees (March 31, 2020: 3,402).
- At the end of the review period, 1,409 (March 31, 2020: 1,354) people were employed by the Group outside of Finland.

# Income statement

MEUR	1-3/2021	1-3/2020	Change %	1-12/2020
Revenue	73.0	71.3	2.3	259.7
Other operating income	0.3	0.2		3.6
Materials and services	-7.4	-6.3		-23.3
Employee benefits expenses	-48.8	-48.8		-177.3
Other operating expenses	-6.0	-6.7		-22.3
Depreciation and amortization	-4.4	-4.1		-18.0
<b>Operating profit (EBIT)</b>	<b>6.6</b>	<b>5.7</b>	16.6	<b>22.4</b>
Financial income	0.3	0.5		0.4
Financial expenses	-0.4	-0.6		-1.7
<b>Profit before taxes</b>	<b>6.5</b>	<b>5.5</b>	17.4	21.1
Income taxes	-1.2	-1.3		-4.0
<b>Profit for the review period</b>	<b>5.3</b>	<b>4.2</b>	26.2	<b>17.1</b>

# Balance sheet

<b>MEUR</b>	<b>Mar 31, 2021</b>	<b>Mar 31, 2020</b>	<b>Dec 31, 2020</b>
Goodwill	86.8	77.6	83.7
Other non-current assets	53.8	46.1	52.6
<b>Non-current assets, total</b>	<b>140.6</b>	<b>123.7</b>	<b>136.3</b>
Inventory	0.3	0.3	0.3
Trade and other receivables	63.3	64.2	56.9
Cash and cash equivalents	15.3	11.9	24.4
<b>Current assets, total</b>	<b>78.9</b>	<b>76.4</b>	<b>81.6</b>
<b>TOTAL ASSETS</b>	<b>219.5</b>	<b>200.1</b>	<b>217.9</b>
Equity, total	91.8	78.9	87.1
Non-current liabilities, total	27.8	40.2	28.0
Current liabilities, total	99.9	81.0	102.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>219.5</b>	<b>200.1</b>	<b>217.9</b>

# Etteplan's targets

# Financial targets 2020-2024

Revenue  
> EUR 500  
million

Rolling 12 months:  
EUR 261 million

50%  
Revenue  
outside  
Finland

1-3/2021: 43%

75%  
Managed  
Services share  
of revenue

1-3/2021: 64%

10%  
Operating profit  
(EBITA)

1-3/2021: 10.5%

## ACTIONS

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

- Expanding our full service offering to all current markets

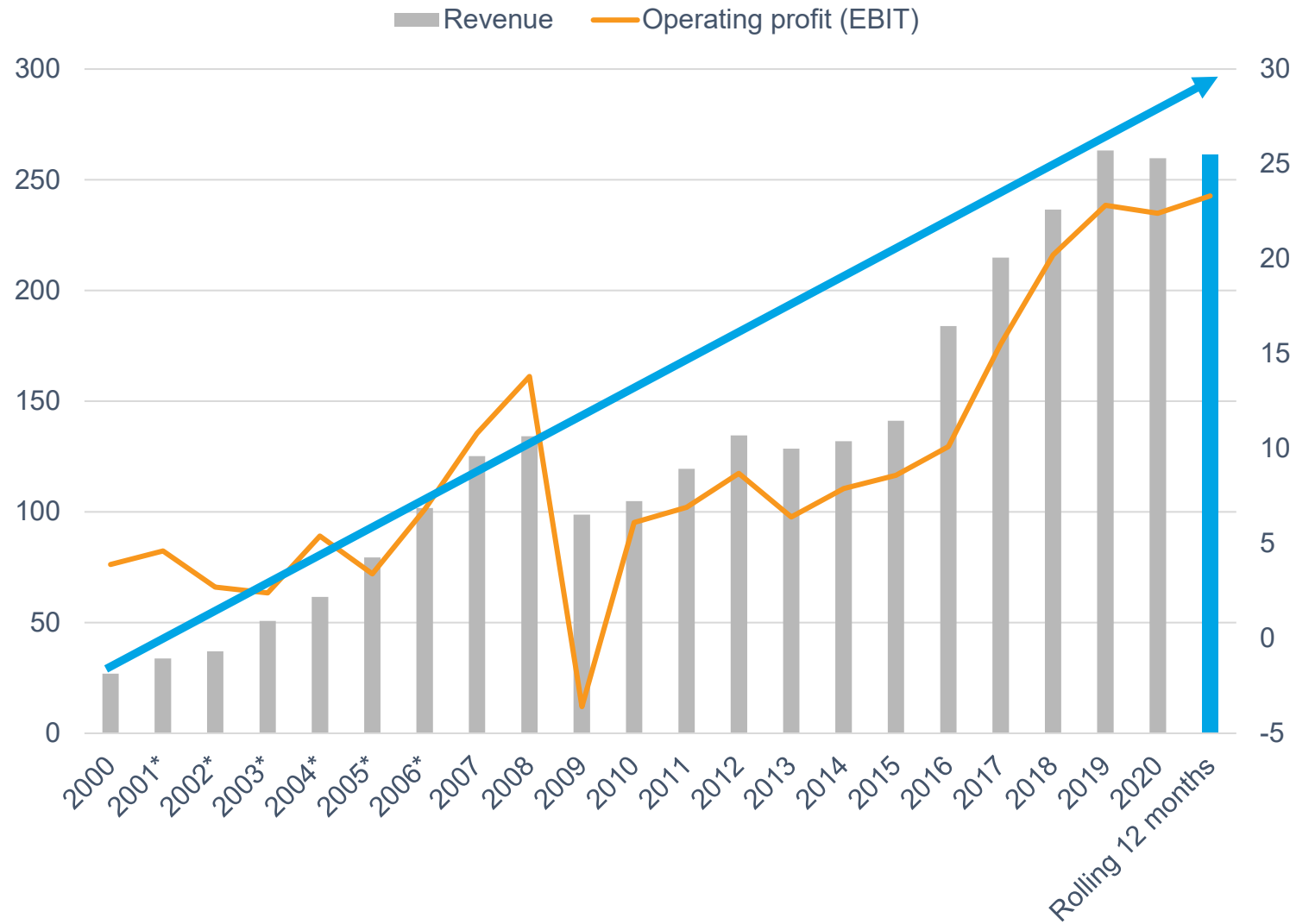
- Service solutions
- Technology solutions
- Project business

- Change in business model towards Managed services
- Market leadership



Questions?

# Revenue and EBIT 2000-2021



\*Includes continued and discontinued operations

# Investor relations contacts

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