

Etteplan Q1 2023: Exceptional items burdened the good result

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Highlights Q1 2023

- + Our revenue grew by 8.0 % to EUR 95.0 million at comparable exchange rates.
- + Profitability excluding exceptional items was at target level.
- + The demand for delivery projects and plant engineering projects remained at a good level.
- + Engineering Solutions service area's performance was strong.
- Significant exceptional items burdened the good result.
- In the uncertain market situation system and product development investments slowed down.
- Cognitas continued to burden Technical Communication Solutions service area's result.



Operating environment in Q1 2023

- Russia's invasion of Ukraine and the subsequent elevation in geopolitical tensions have increased uncertainty globally.
- Inflation remains high, which raises prices and affects consumer behavior.
- Changes in consumer demand are reflected in industry, which has an impact on our customers' willingness to invest and affects demand in certain industries.
- Investments related to the defense industry, energy efficiency and green transition are growing.

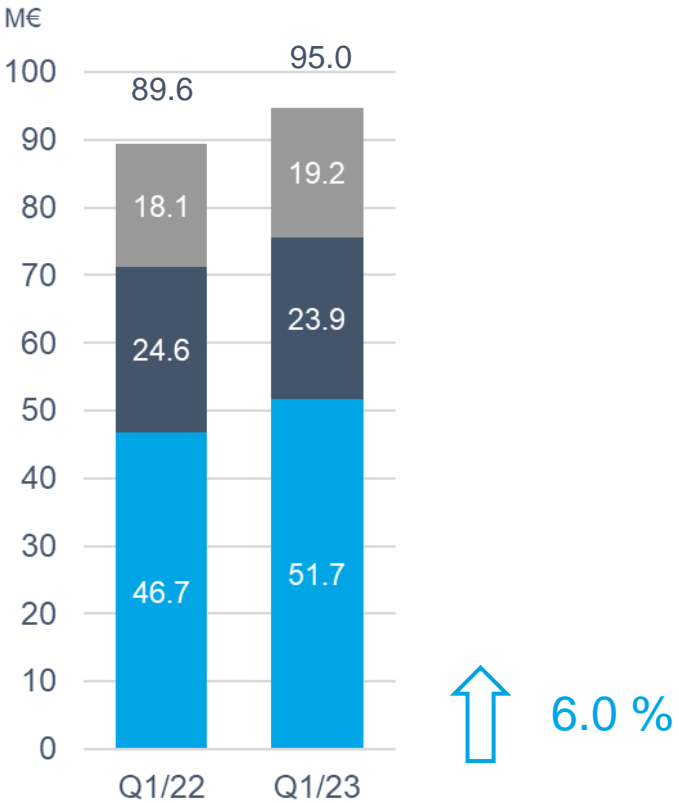
Development in main markets:

The geopolitical tensions caused by Russia's invasion of Ukraine have increased uncertainty and accelerated inflation in all our operating countries in Europe, and several European countries have fallen into a slight recession, which is reflected in demand.

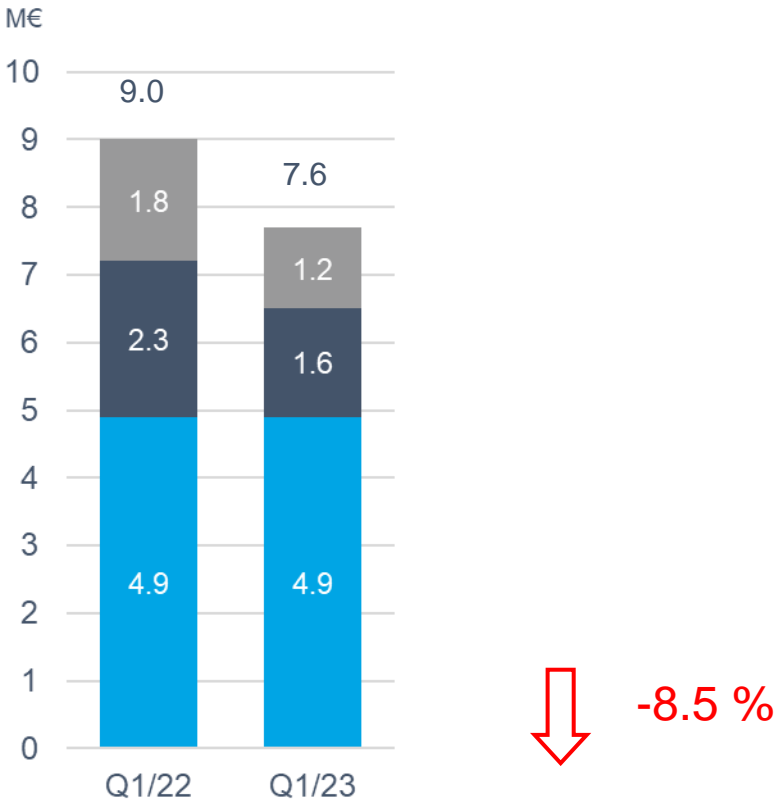
The war and geopolitical tensions are increasing uncertainty also in China and affecting Western investments and international trade.

Revenue and operating profit (EBITA)

Group revenue



Group operating profit (EBITA)



Organic growth 4.9%

■ Engineering Solutions ■ Software and Embedded Solutions ■ Technical Communication Solutions

Revenue and personnel



- Engineering Solutions 54% (52%)
- Software and Embedded Solutions 26% (28%)
- Technical Communication Solutions 20% (20%)

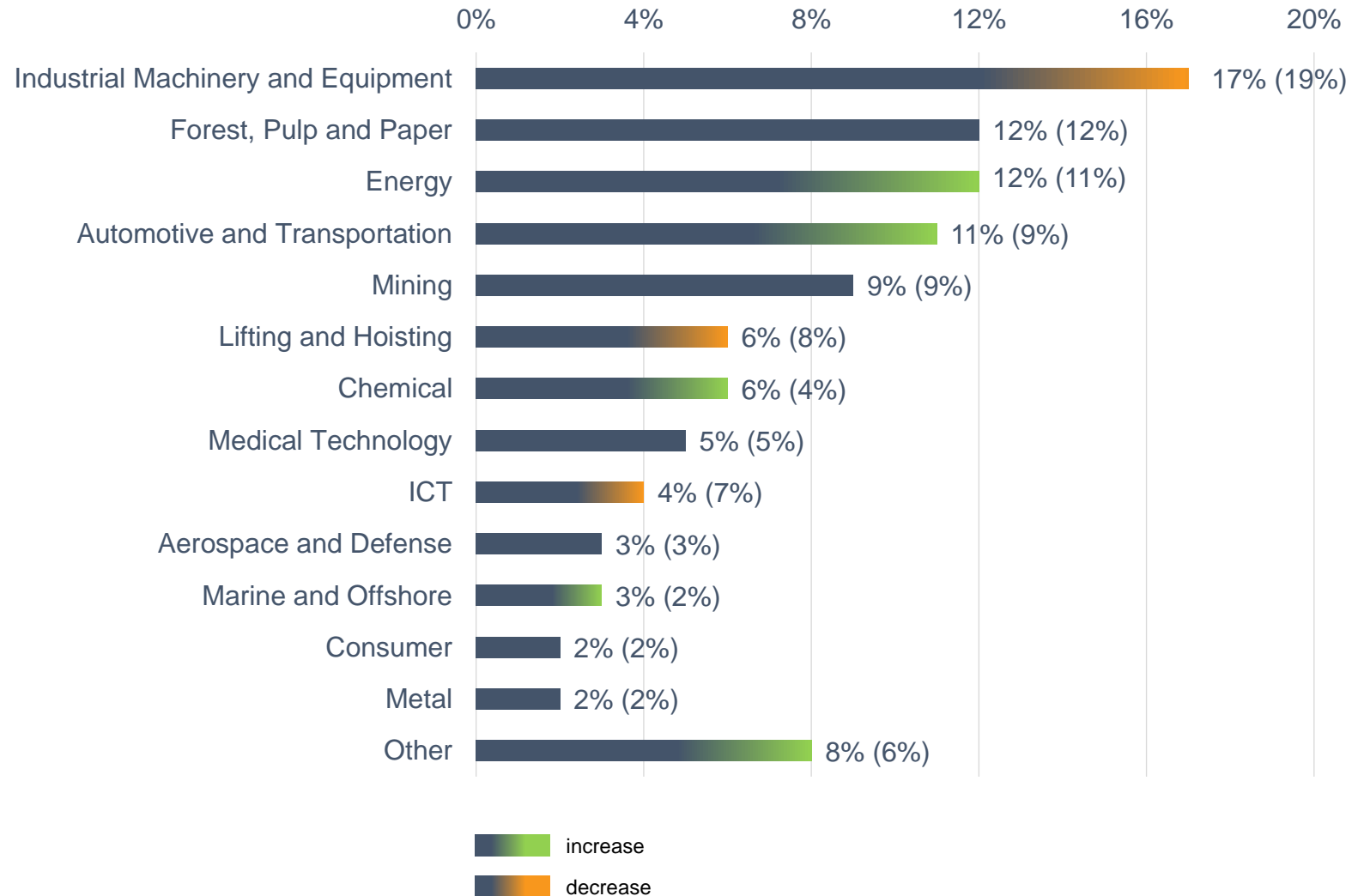


- Finland 51% (53%)
- Scandinavia 25% (25%)
- Central Europe 21% (19%)
- China 3% (3%)



- Finland 50% (52%)
- Scandinavia 18% (17%)
- Central Europe 21% (20%)
- China 11% (11%)

Revenue by customer segment 1-3/2023



Financial development Q1 2023



Key Figures

M€	1-3/2023	1-3/2022	Change %	1-12/2022
Revenue	95.0	89.6	6.0	350.2
Revenue from outside Finland	46.5	42.2	10.1	169.1
Operating profit (EBITA)	7.6	9.0	-15.4	33.9
EBITA, %	8.0	10.0		9.7
Operating profit (EBIT)	6.3	7.6	-17.9	28.6
EBIT, %	6.6	8.5		8.2
Basic earnings per share, EUR	0.17	0.23	-26.1	0.73
Operating cash flow	7.2	8.6		28.1
Managed Services Index	66	65	2.9	66
Personnel at end of the period	3,949	3,877	1.9	3,951

Revenue

Q1 2023

95.0 M€ (89.6) +6.0%

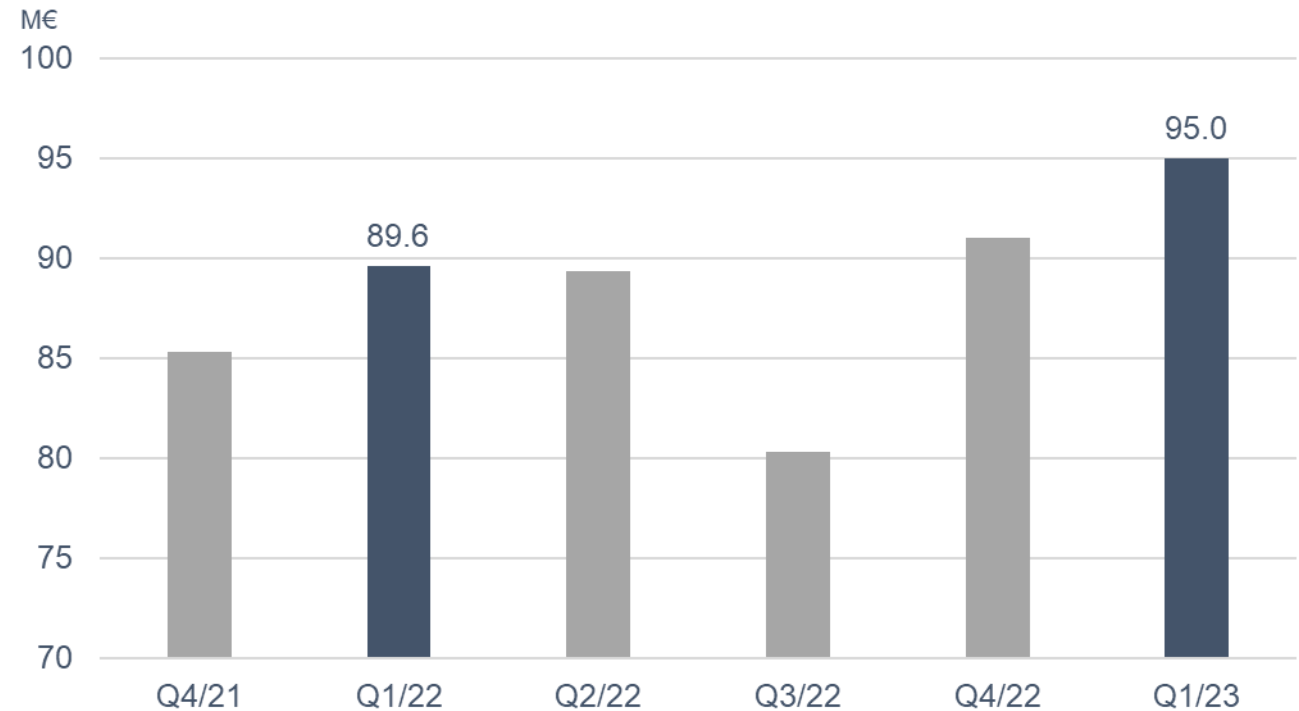
At comparable exchange rates +8.0%

Organic +4.9%

At comparable exchange rates +6.9%

Growth continued despite the slightly softer market situation compared to the end of the previous year.

Revenue from key accounts increased by 1.2% in Q1.



EBITA

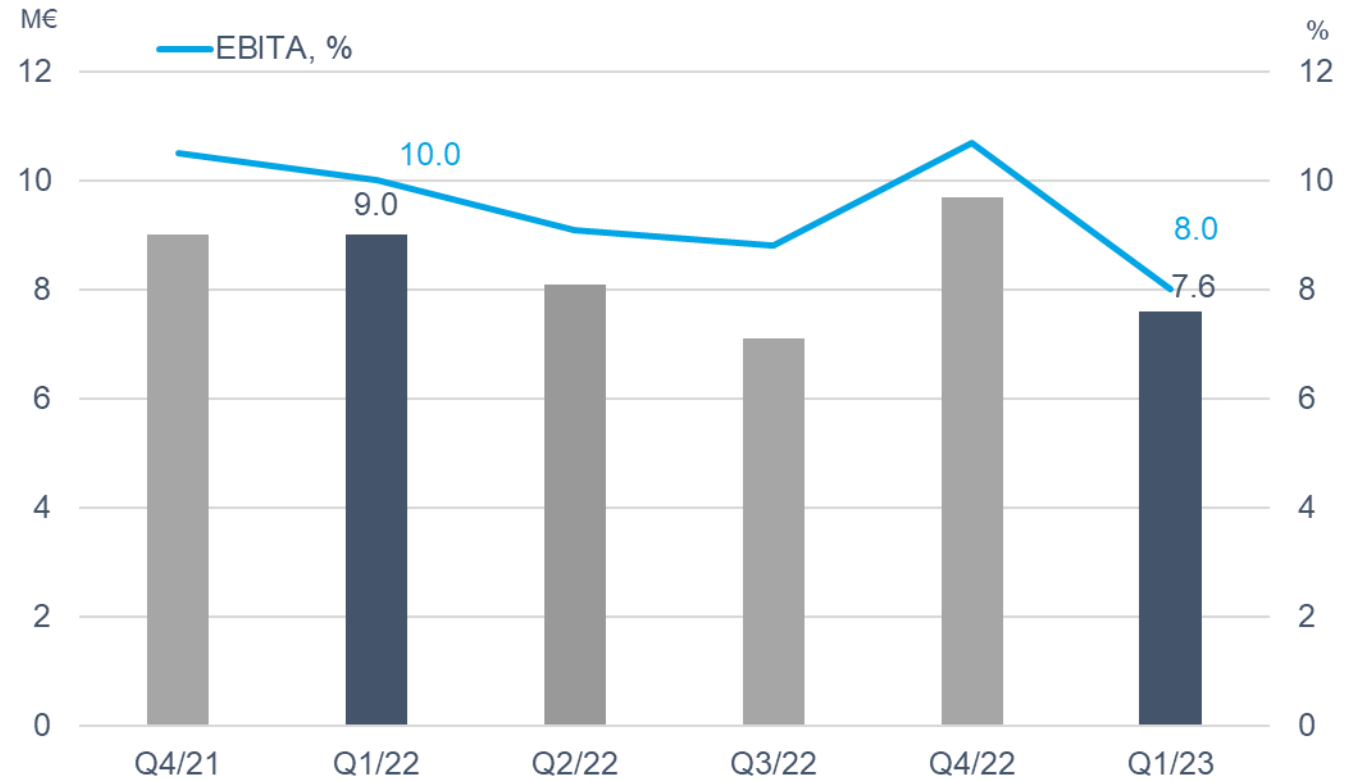
Q1 2023

7.6 M€, 8.0% (9.0 M€, 10.0%) -15.4%

Exceptional items -2.0 M€ (-0.3)

The result was burdened by significant exceptional items consisting of non-recurring items -0.9 M€ and one-time salary payment of -1.1 M€ defined in the collective labor agreement in Finland.

Without the exceptional items, profitability would have been at our target level.



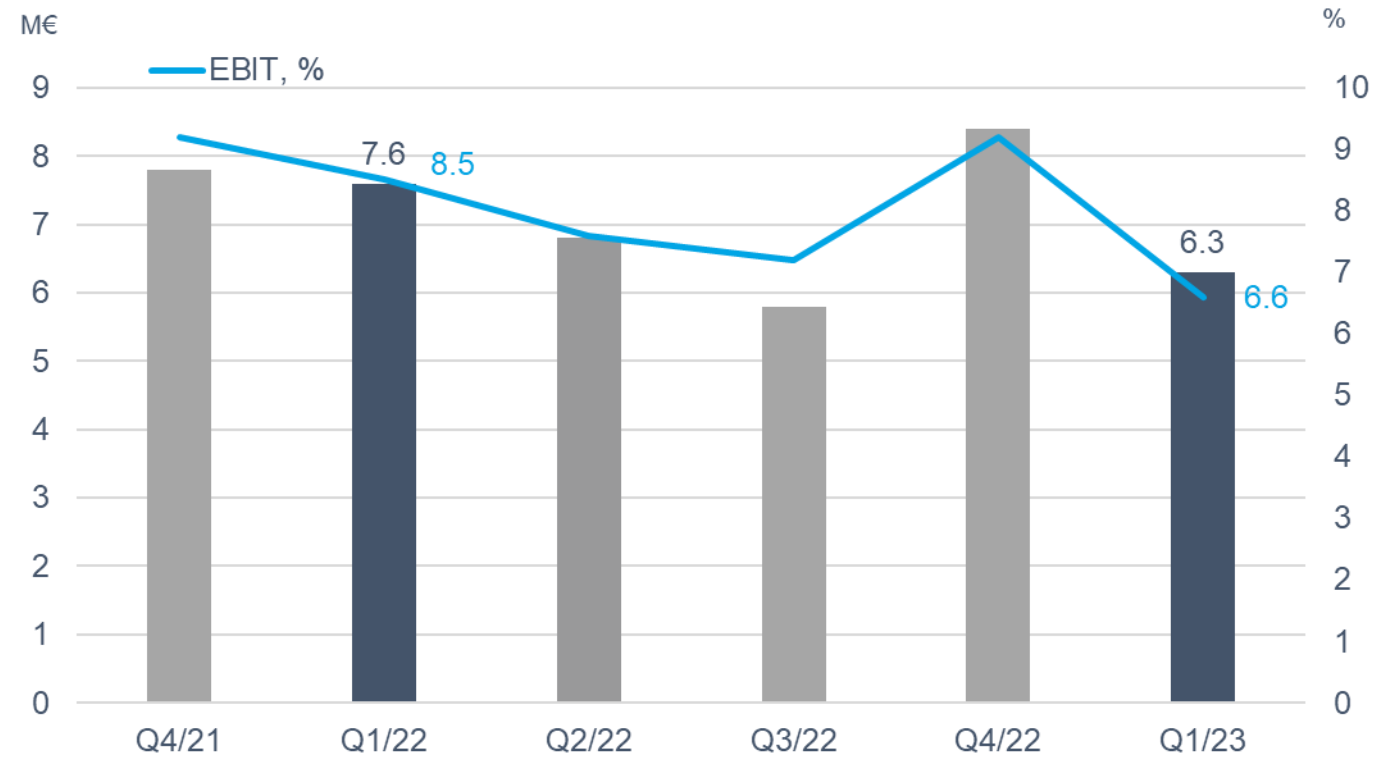
EBIT

Q1 2023

6.3 M€, 6.6% (7.6 M€, 8.5%) -17.9%

Exceptional items -2.0 M€ (-0.3)

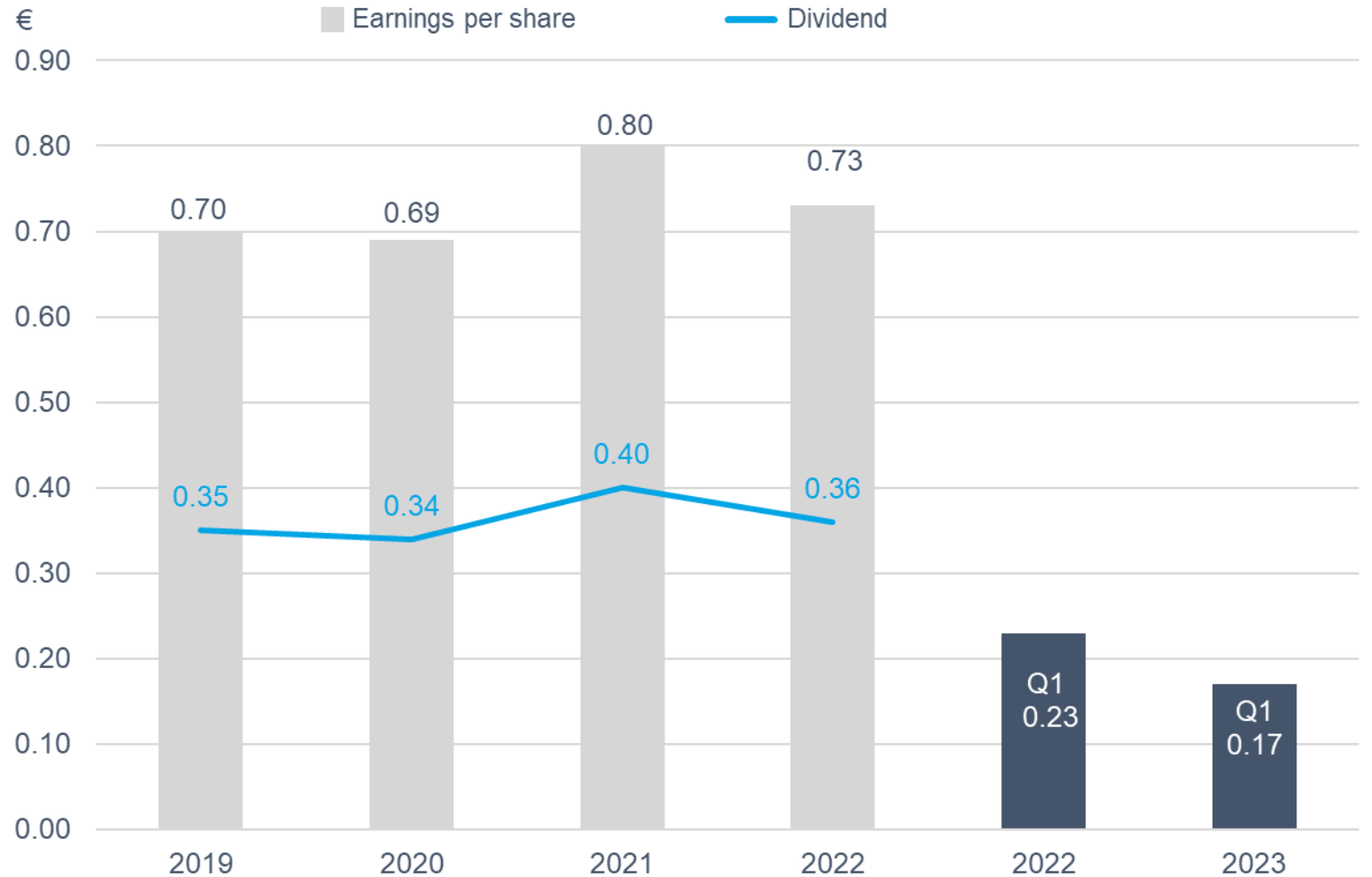
Amortization related to acquisitions 1.3 M€ (1.3)



Earnings per share and dividend

Earnings per share

Q1 2023: 0.17€ (0.23) -26.1%

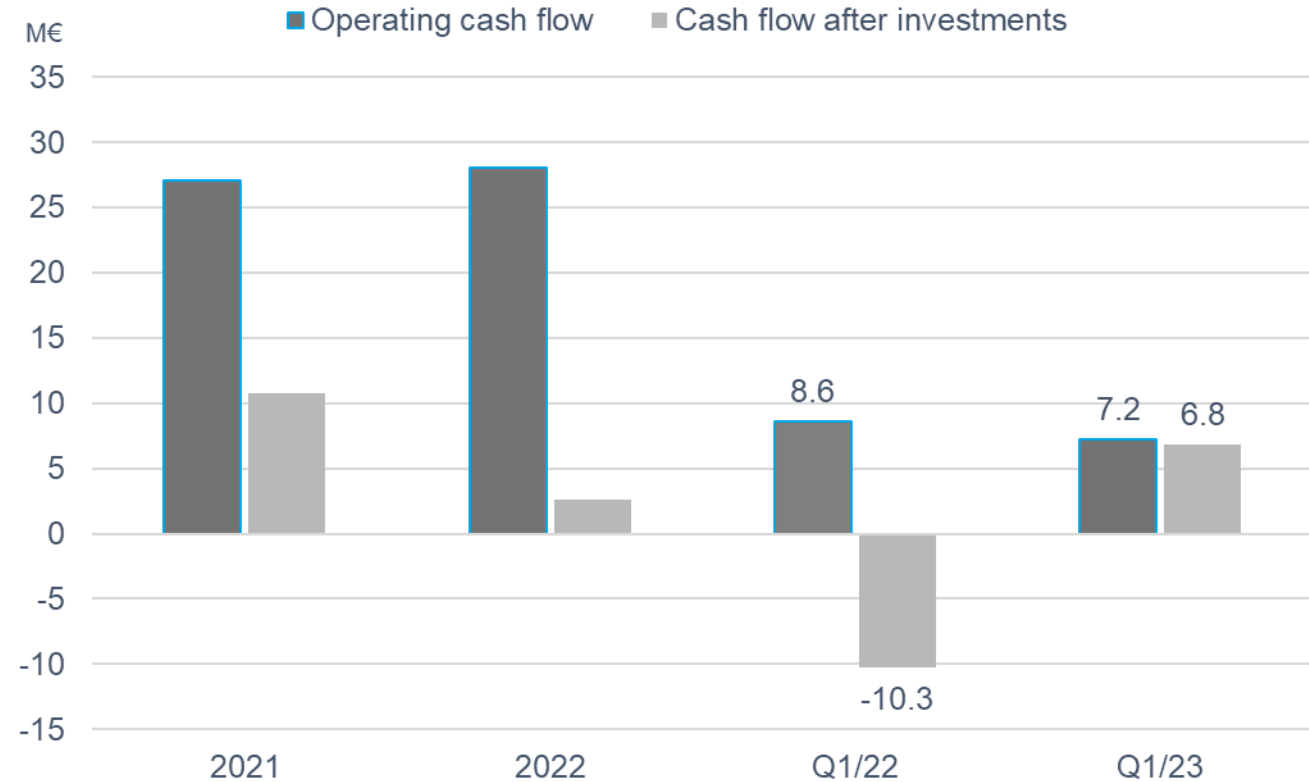


Cash flow

Operating cash flow

1-3/2023: 7.2 M€ (8.6)

Exceptional items impacted operating cash flow.



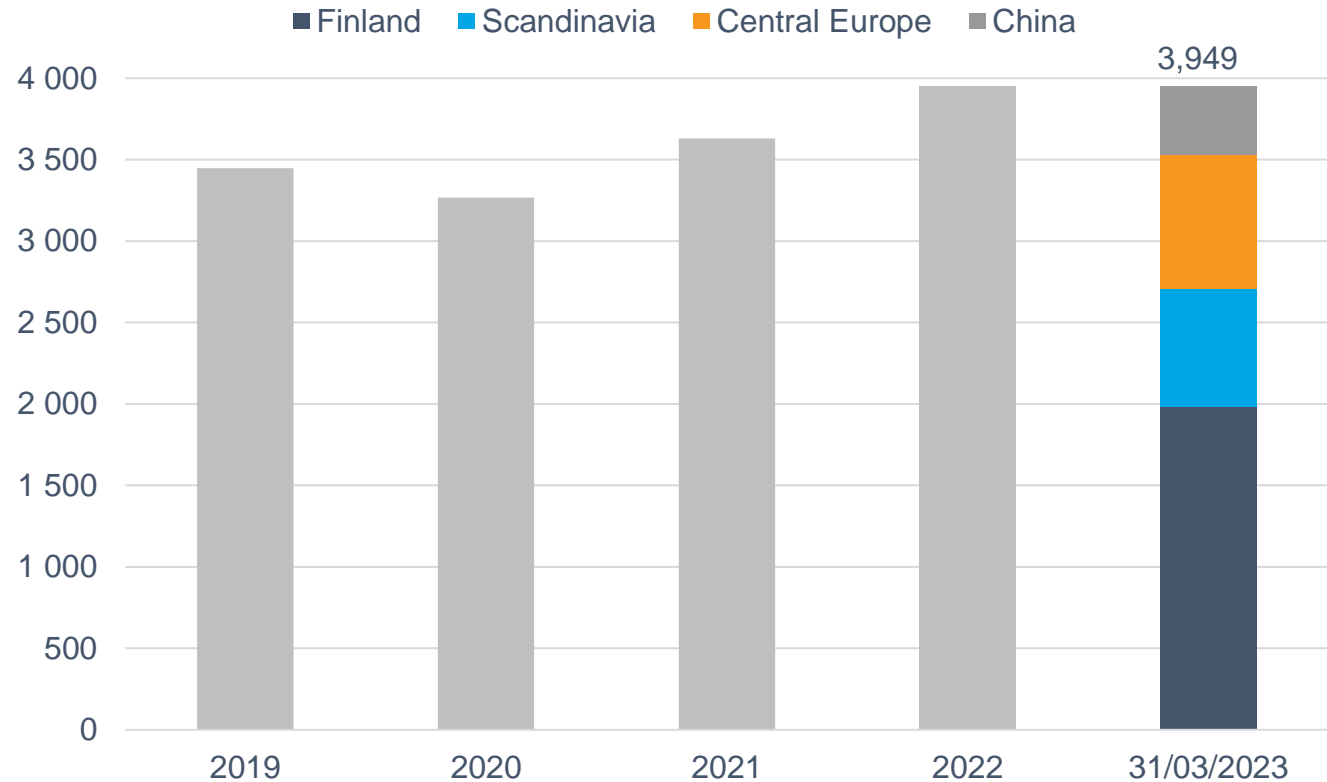
Cash flow accrues unevenly over the four quarters of the year due to periodic fluctuation in business.

Personnel

At the end of the period **3,949** (3,877) **+1.9%**
Average **3,937** (3,858)

Compared to the end of March 2022, the number of personnel increased by 1.9%.

At the end of the review period, 1,966 (March 31, 2022: 1,865) people were employed by the Group outside of Finland.



Service areas Q1 2023

Engineering Solutions

Q1 2023

Revenue **51.7 M€** (46.7) **+10.7%**

EBITA **4.9 M€**, **9.5%** (4.9 M€, 10.6%)

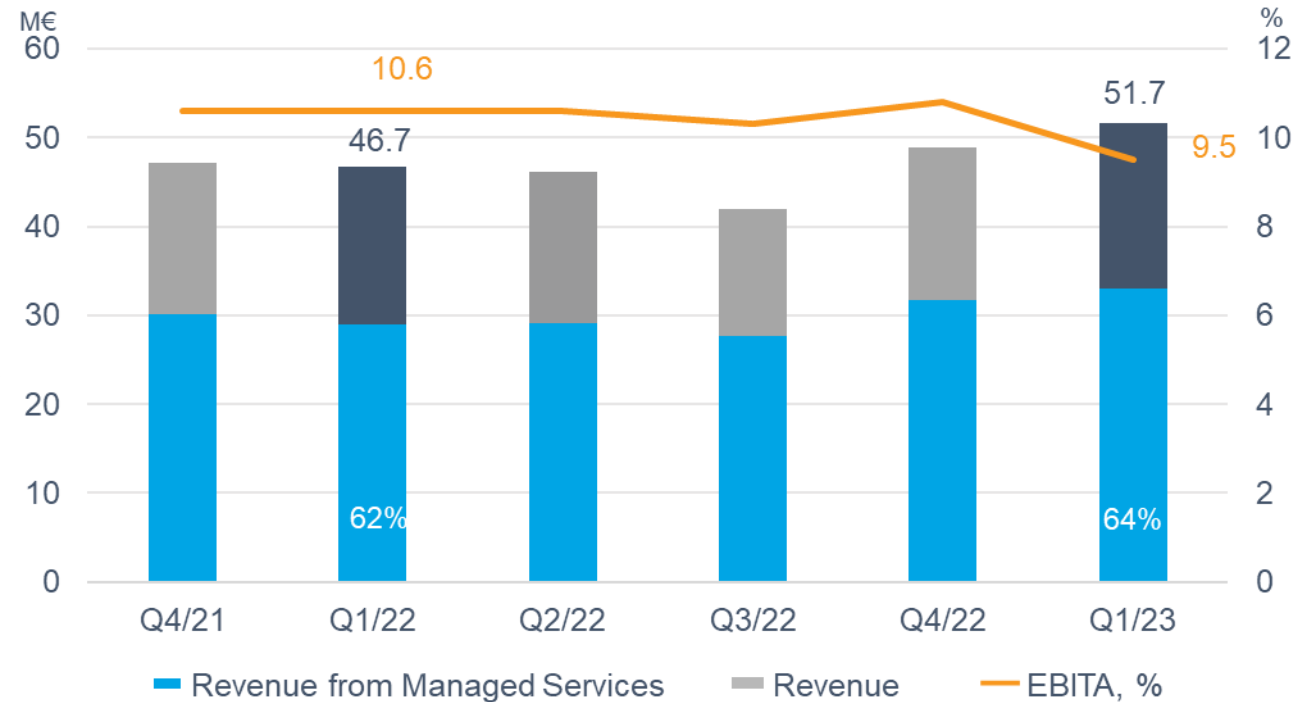
Personnel **2,152** (2,088) at the end of the period

The demand for delivery projects and plant engineering projects remained at a good level.

Excellent operation efficiency and price increases at the beginning of the year had a positive effect on the result.

Exceptional items -0.9 M€, related mainly to a one-time salary payment in Finland, burdened the result.

Interest for outsourcing solutions remained high and during the quarter we signed an outsourcing agreement with Scania.



Software and Embedded Solutions

Q1 2023

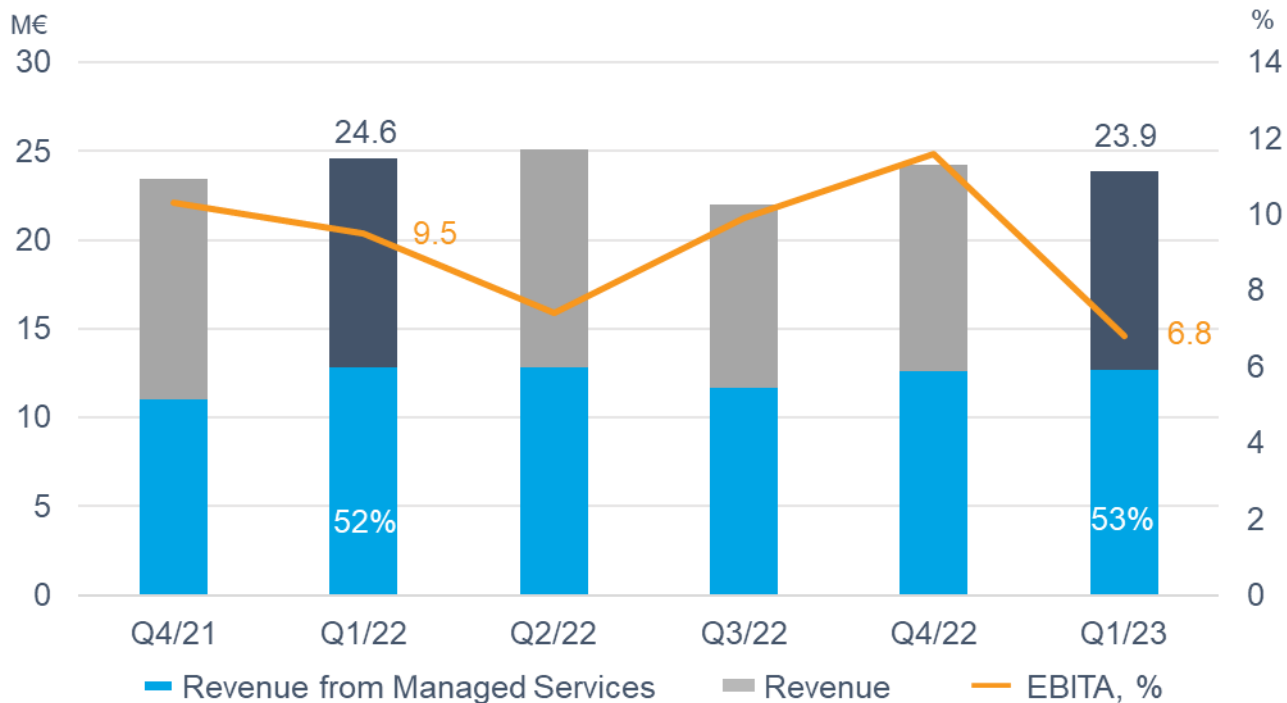
Revenue **23.9 M€** (24.6) **-3.0%**

EBITA **1.6 M€**, **6.8%** (2.3 M€, 9.5%)

Personnel **761** (778) at the end of the period

In the uncertain market situation, customers were more cautious, and system and product development investments were slower to start, which had an impact on our operational efficiency.

Exceptional items -0.5 M€, related mainly to a one-time salary payment in Finland, burdened the result.



Technical Communication Solutions

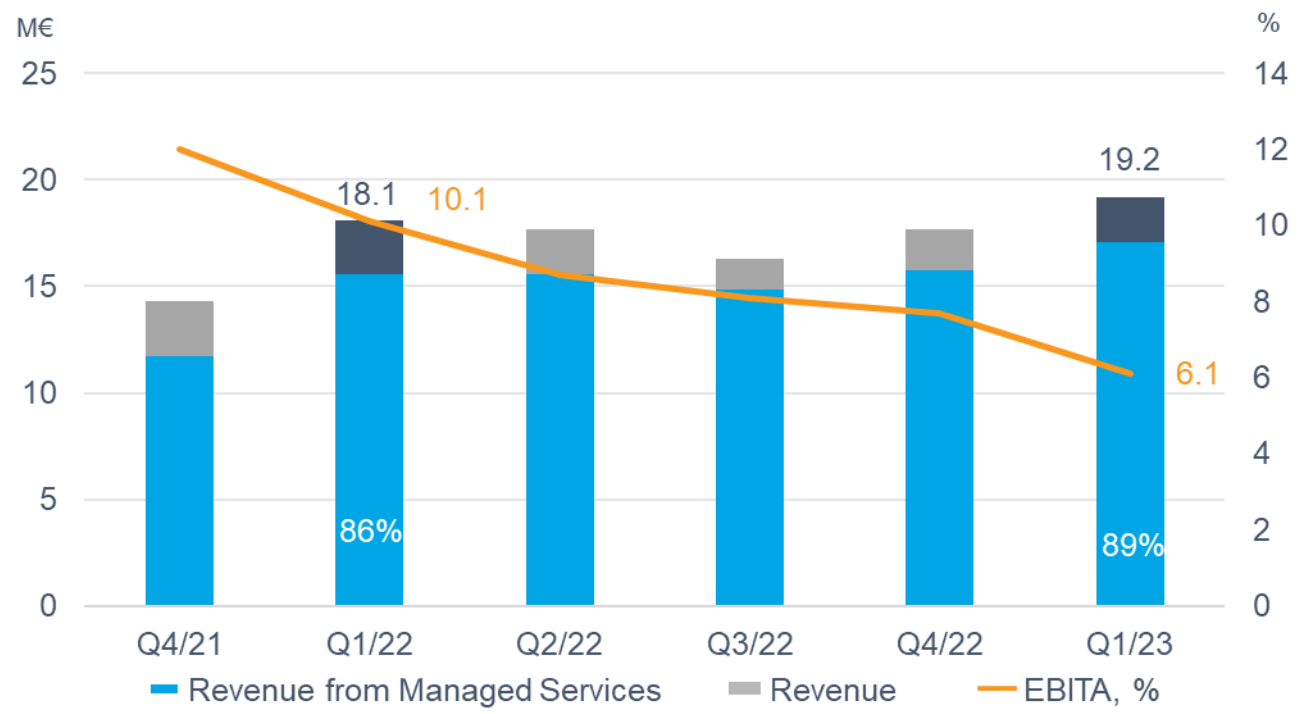
Q1 2023

Revenue **19.2 M€** (18.1) **+6.0%**

EBITA **1.2 M€**, **6.1%** (1.8 M€, 10.1%)

Personnel **875** (878) at the end of the period

Demand situation remained good.
Operational efficiency was at a fairly good level.
Exceptional items -0.7 M€, related mainly to management reorganization costs, burdened the result.
Cognitas continued to burden the result and measures to improve the situation are continuing.



Financial guidance for 2023 and Etteplan's targets



Financial guidance 2023

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

- **Revenue in 2023 is estimated to be EUR 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 remains high, which raises prices and affects consumer behavior. Changes in consumer demand are reflected in industry, which has an impact on our customers' willingness to invest and affects demand in certain industries.

At the same time, investments related to the defense industry, energy efficiency and green transition are growing. There is still variation in demand, but we expect the general demand situation to remain fairly good throughout 2023.

Financial targets 2023-2024

Revenue
>EUR 500
million

Rolling 12 months:
EUR 356 million

55%
Revenue
outside
Finland

1-3/2023: 49%

75%
Managed
Services share
of Revenue

1-3/2023: 66%

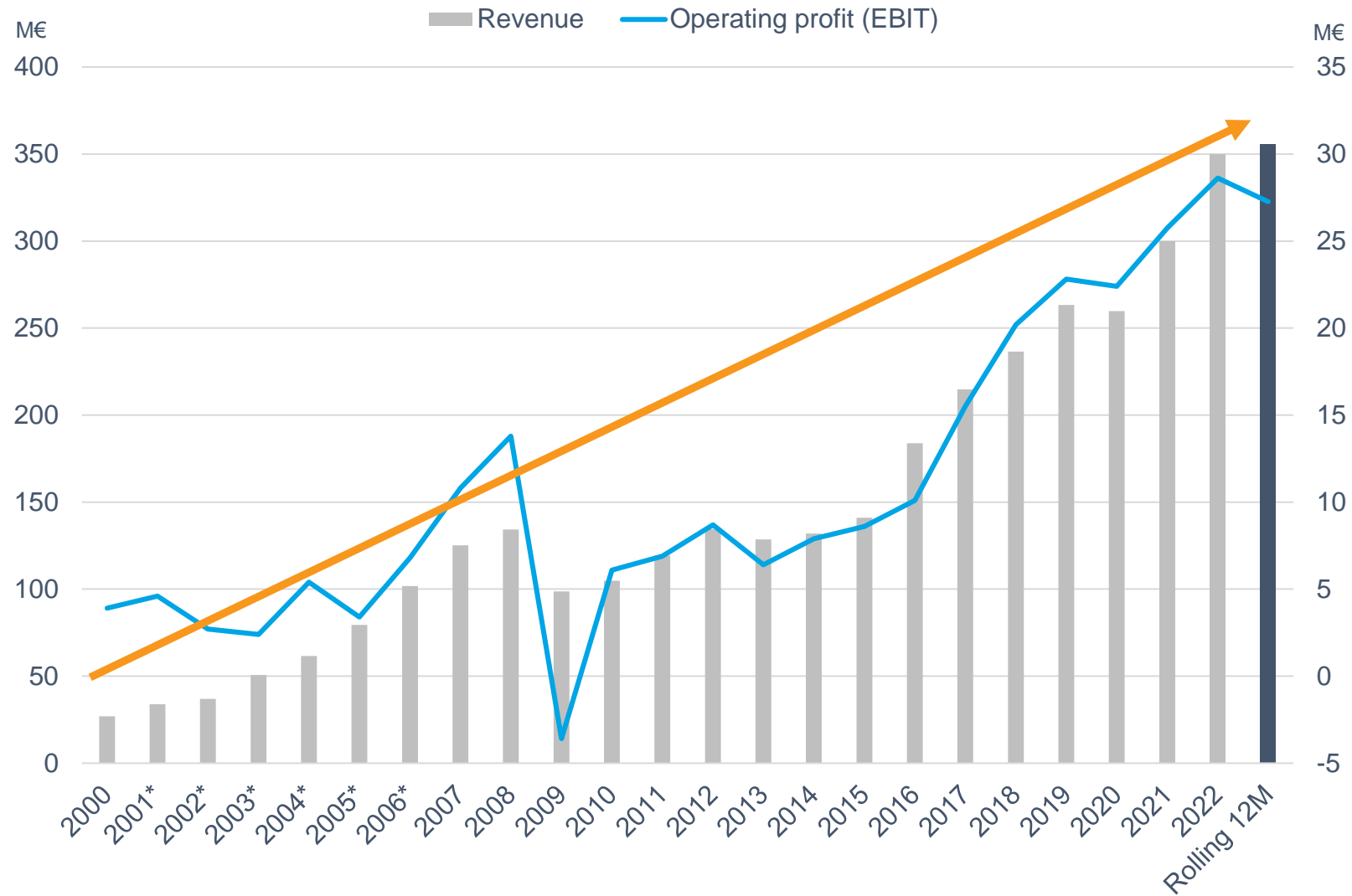
>10%
Operating
profit
(EBITA)

1-3/2023: 8.0%

Questions?



Revenue and EBIT 2000-Q1/2023



*Includes continued and discontinued operations

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Etteplan