

Etteplan in 2015

A Year of Profitable Growth

President and CEO Juha Näkki

11.2.2016

**Engineering with
a difference**



Market Review

- The entire year was characterized by the uncertainty of economic development. There were significant differences in demand, specific to markets and customer industries.
- The demand for outsourcing services developed favorably in all market areas.
- In Finland, uncertainty in the development of demand grew in the second half of 2015, and the level of new investment remained low.
- In Sweden, the demand situation remained good throughout 2015 and even strengthened towards the end of the year. The demand for technical documentation, in particular, remained at a good level.
- In the Netherlands, the demand for technical documentation showed steady improvement after having been weak at the start of the year.
- Uncertainty in the Chinese market grew in 2015. Local demand was maintained by service market development.

Highlights 2015

- + Etteplan grew both organically and through acquisitions.
- + EBIT from business operations improved significantly in spite of considerable non-recurring costs.
- + Technical documentation business achieved excellent development.
- The number of working hours sold in the Chinese market decreased compared to the previous year.
- In Finland, uncertainty in the market reflected to the business in the second half of 2015.

The Board of Directors proposes a dividend of EUR 0.15 per share (2014: EUR 0.15 per share).

Business transfer agreement with arvato AG

- Business transfer agreement with arvato AG about technical documentation services in Germany and the Netherlands was completed on December 31, 2015.
- With this business transfer agreement Etteplan strengthened its position in Central Europe as a service provider in technical documentation and commenced business operations in the German market.
- Business operations and about 35 employees were transferred to Etteplan on January 1, 2016.
- Etteplan and arvato AG, part of Bertelsmann Group, agreed on strategic cooperation as part of the transaction.

Etteplan grew through acquisitions

- Consolidation trend continued in the industry in 2015.
- Etteplan strengthened its position in Central Europe and in plant engineering with acquisitions in 2015.



Key figures 1-12/2015

(EUR 1,000)	1-12/2015	1-12/2014	Change %
Revenue	141,143	131,916	7.0
EBIT from business operations*	9,540	7,394	29.0
EBIT from business operations, %	6.8	5.6	
Operating profit (EBIT)	8,594	7,856	9.4
EBIT, %	6.1	6.0	
Basic earnings per share, EUR	0.31	0.30	3.3
Equity ratio, %	37.8	39.5	
Operating cash flow	9,932	7,754	28.1
ROCE, %	17.4	17.8	
Personnel at end of the period	2,074	1,859	11.6

*EBIT excluding acquisition related items such as amortization on PPA allocations and earn out revaluations

Key figures 10-12/2015

(EUR 1,000)	10-12/2015	10-12/2014	Change %
Revenue	40,374	35,368	14.2
EBIT from business operations*	2,884	2,653	8.7
EBIT from business operations, %	7.1	7.5	
Operating profit (EBIT)	2,584	2,677	-3.5
EBIT, %	6.4	7.6	
Basic earnings per share, EUR	0.09	0.11	-18.2
Equity ratio, %	37.8	39.5	
Operating cash flow	7,817	6,935	12.7
ROCE, %	21.3	24.8	
Personnel at end of the period	2,074	1,859	11.6

*EBIT excluding acquisition related items such as amortization on PPA allocations and earn out revaluations

Outlook

MARKET OUTLOOK 2016

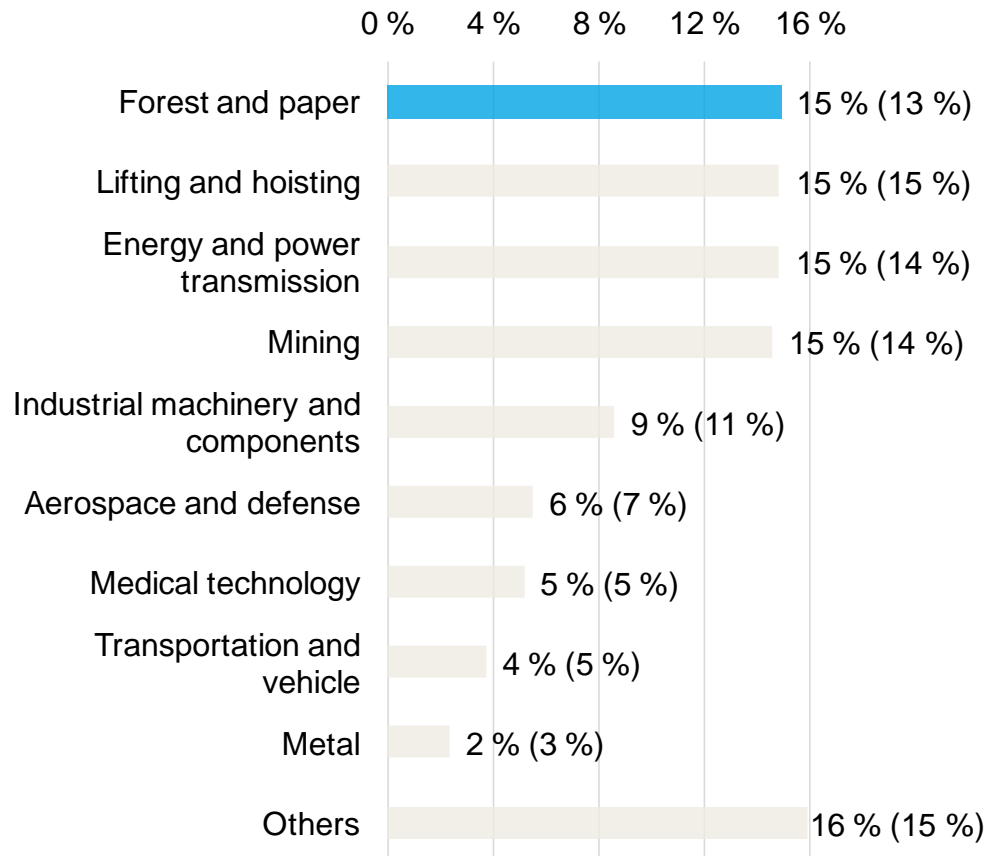
The most important factor in the development of Etteplan's business is the global development of the machinery and metal industry. In 2016, there are signs of improvement of European growth. Uncertainty has increased in the Finnish market, and the market situation is expected to remain weaker than in the rest of Europe. In spite of the slowing down of growth in Asian markets and increased uncertainty, the service market development is expected to continue. We expect that the good market situation in North America will continue. The demand for engineering services and technical documentation services got off to a slow start at the beginning of the year.

FINANCIAL GUIDANCE 2016

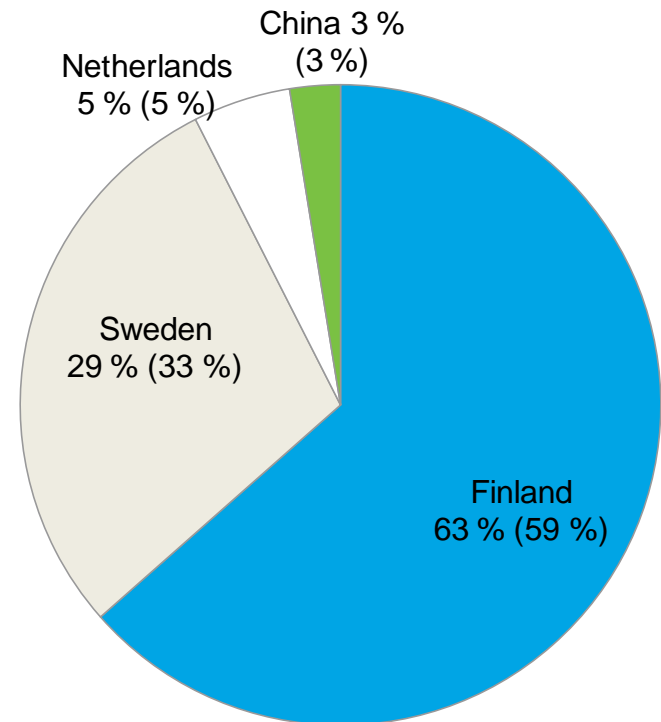
We expect the revenue and operating profit for the year 2016 to grow clearly compared to 2015.

Revenue 1-12/2015

Revenue by customer segment



Revenue by country



Revenue

1-12/2015: EUR 141.1 million (1-12/2014: EUR 131.9 million)

10-12/2015: EUR 40.4 million (10-12/2014: EUR 35.4 million)

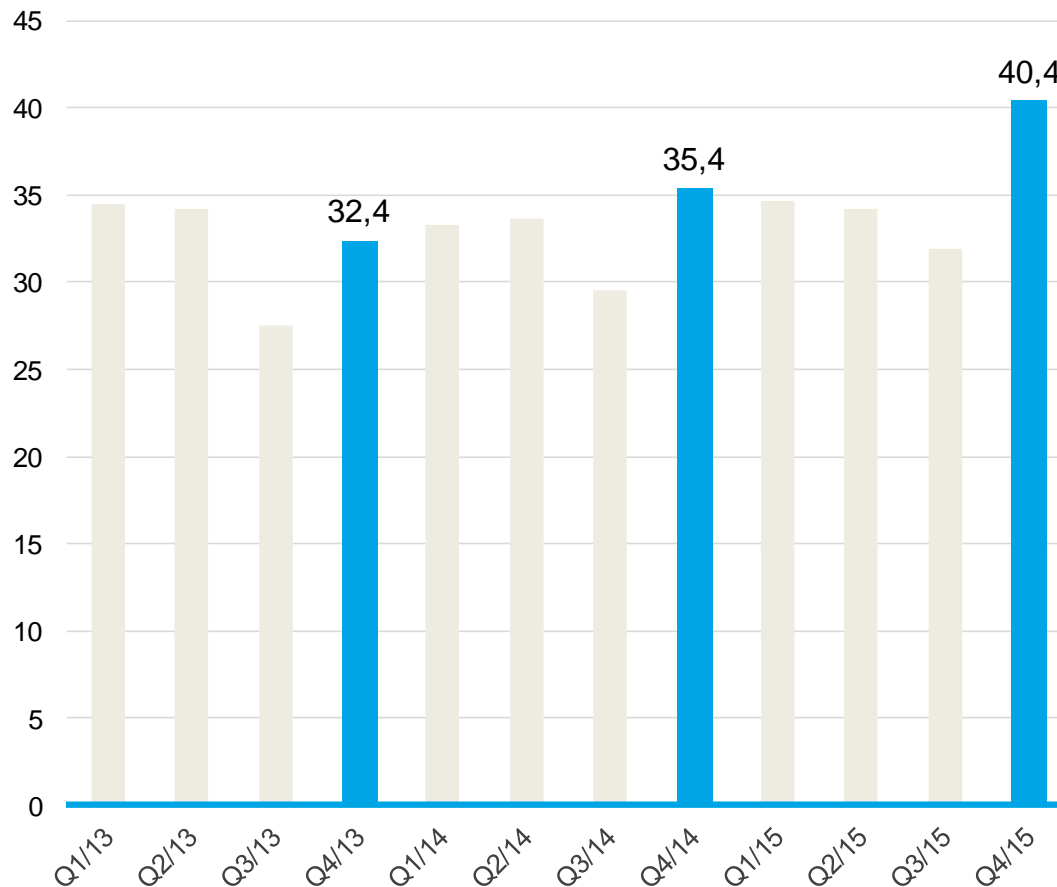
Revenue increased in January-December by 7.0% (at comparable exchange rates 7.4%). Organic growth was 3.4%.

Revenue increased in October-December by 14.2% (at comparable exchange rates 14.0%). Organic growth was 4.2%.

In January-December, key accounts grew by 7.5%.

In October-December, key accounts grew by 9.8%.

The growth in revenue was attributable to acquisitions, Etteplan's strong market position and outsourcing agreements.



EBIT from business operations

1-12/2015: EUR 9.5 million, 6.8% (1-12/2014: EUR 7.4 million, 5.6%)

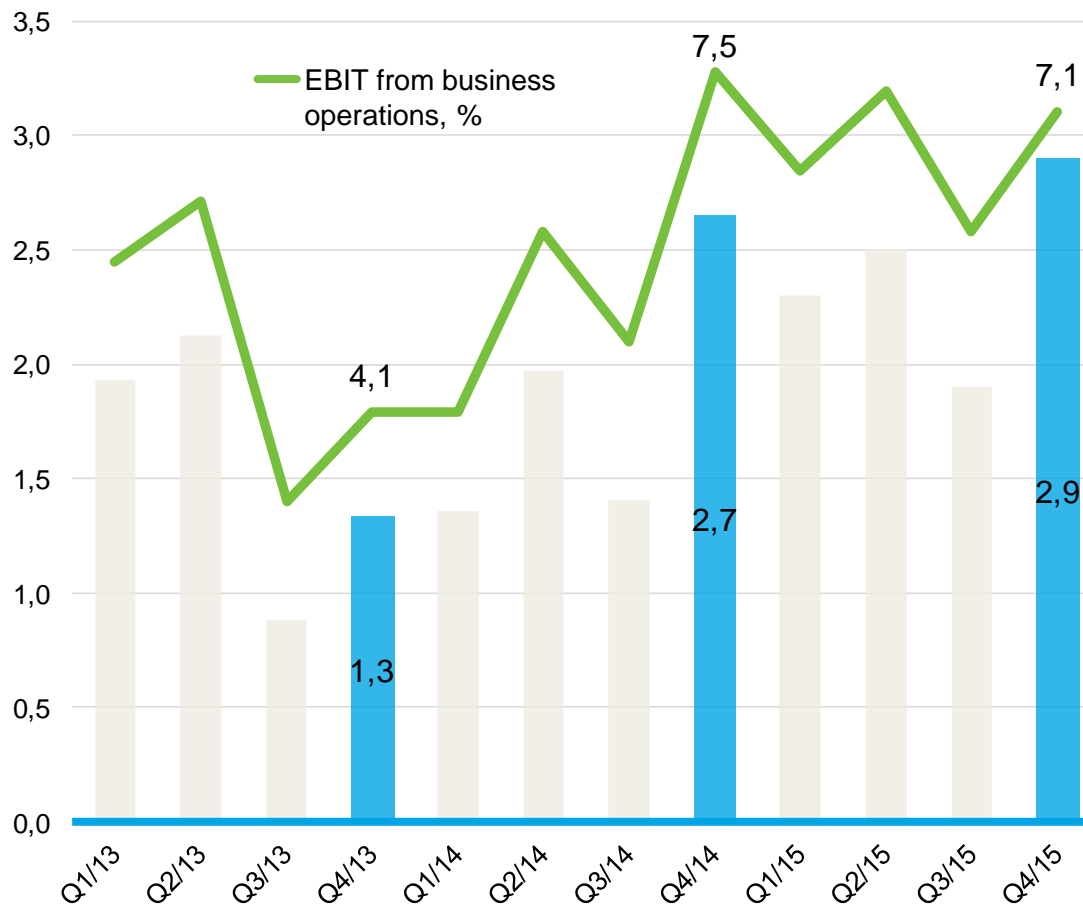
10-12/2015: EUR 2.9 million, 7.1% (10-12/2014: EUR 2.7 million, 7.5%)

The improvement in profitability was attributable to high value-added Managed Services representing a larger share of revenue.

In January-December, EBIT from business operations included non-recurring costs of EUR 1.0 million.

In October-December, EBIT from business operations includes non-recurring costs of EUR 0.4 million.

EBIT from business operations does not include acquisition-related items, such as amortization on PPA allocations and earn out revaluations.



Operating profit (EBIT) and EBIT %

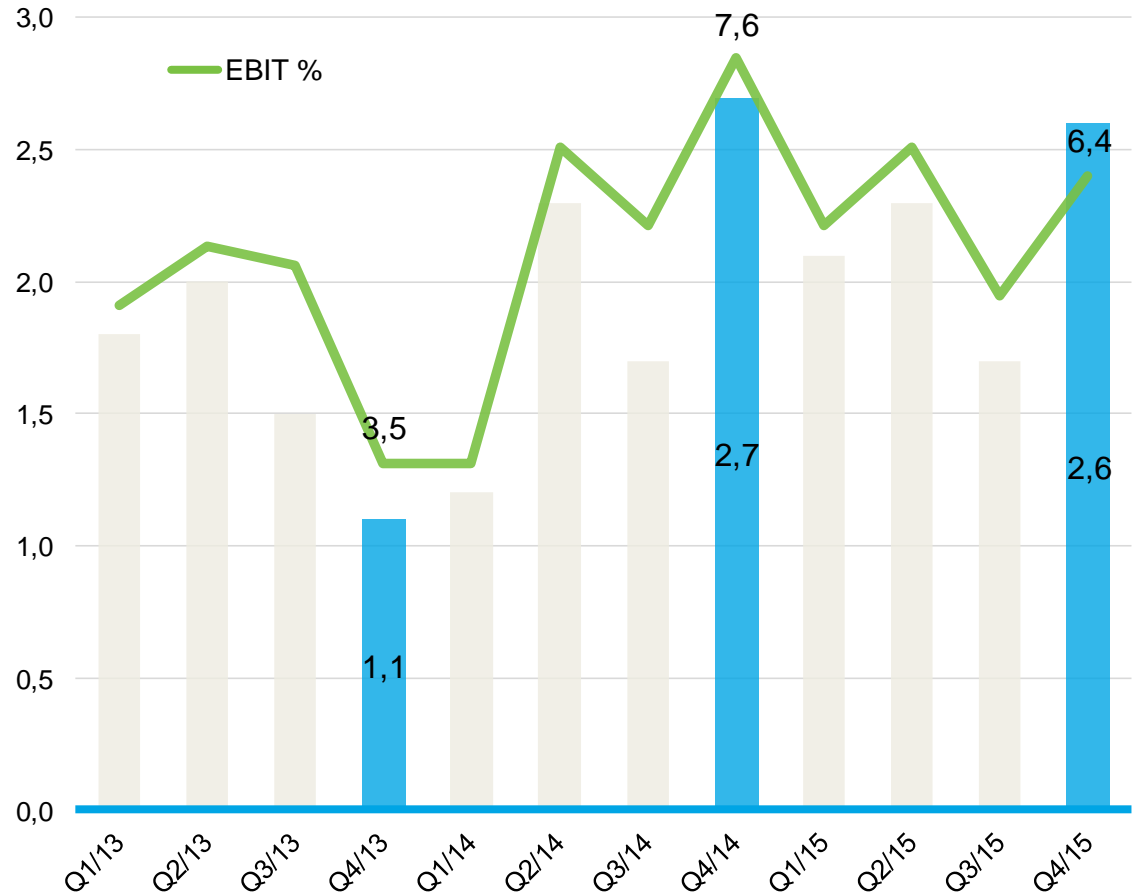
1-12/2015: EUR 8.6 million, 6.1% (1-12/2014: EUR 7.9 million, 6.0%)

10-12/2015: EUR 2.6 million, 6.4% (10-12/2014: EUR 2.7 million, 7.6%)

In January-December, EBIT included non-recurring costs totaling EUR 1.0 million. The comparison period 1-12/2014 included exceptional items which had a total positive effect of EUR 0.8 million.

In October-December, EBIT included EUR 0.4 million in non-recurring costs. The comparison period 10-12/2014 included positive exceptional items which had a total positive effect of EUR 0.2 million.

Operating profit was improved by revenue growth and high value-added services representing a higher share of revenue.



Engineering services

Revenue 1-12/2015: EUR 112.3 million (1-12/2014: EUR 106.6 million)

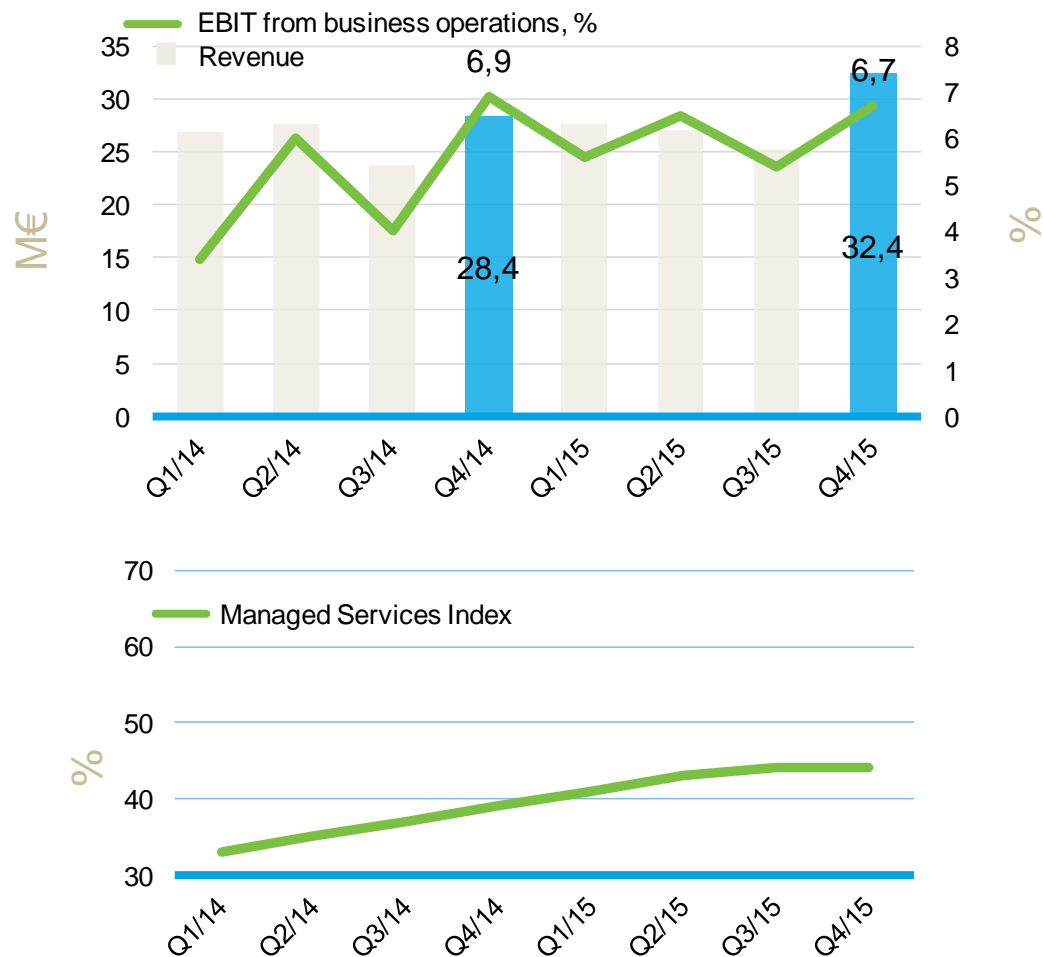
Revenue 10-12/2015: EUR 32.4 million (10-12/2014: EUR 28.4 million)

Engineering services accounted for 79.6% of Etteplan's revenue in January-December (1-12/2014: 80.8%).

Revenue grew in January-December by 5.4% and in October-December by 14.0% year-on-year.

EBIT from business operations was in January-December EUR 6.8 million or 6.1% of revenue. In October-December EBIT from business operations was EUR 2.2 million or 6.7% of revenue.

The improvement in profitability was attributable to high value-added Managed Services growing to account for a larger share of revenue.



Technical documentation

Revenue 1-12/2015: EUR 28.8 million (1-12/2014: EUR 25.2 million)

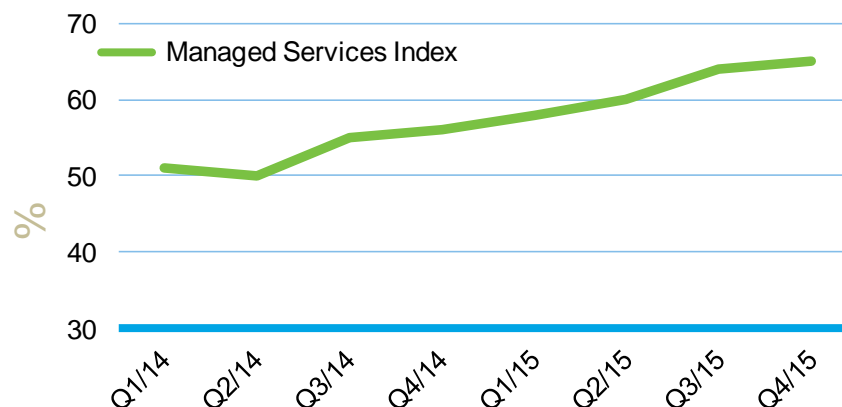
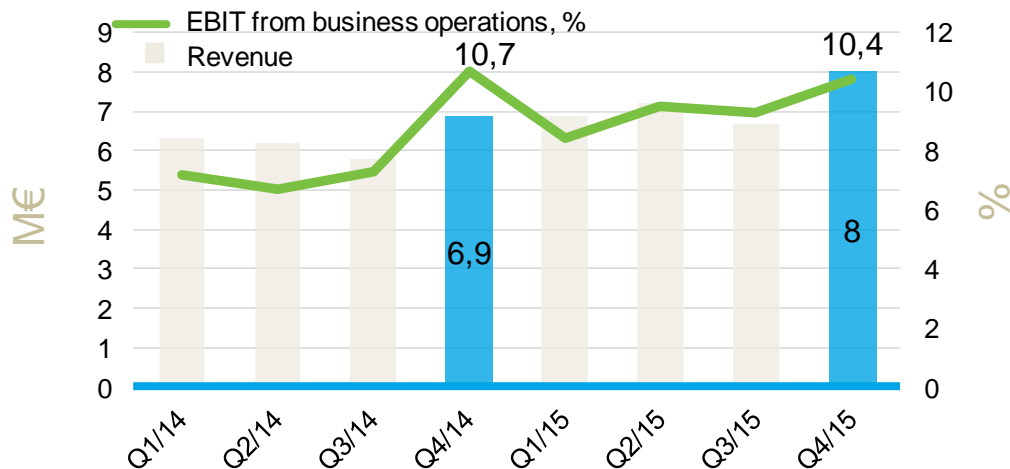
Revenue 10-12/2015: EUR 8.0 million (10-12/2014: EUR 6.9 million)

Technical documentation accounted for 20.4% of Etteplan's revenue in January-December (1-12/2014: 19.1%).

Revenue increased in January-December by 14.4% and in October-December by 15.9% year-on-year.

EBIT from business operations was in January-December EUR 2.7 million or 9.4% of revenue. In October-December, EBIT from business operations was EUR 0.8 million or 10.4% of revenue.

The growth in revenue was attributable to the continued trend of outsourcing and Etteplan's market position, which strengthened due to the company's unique service offering.

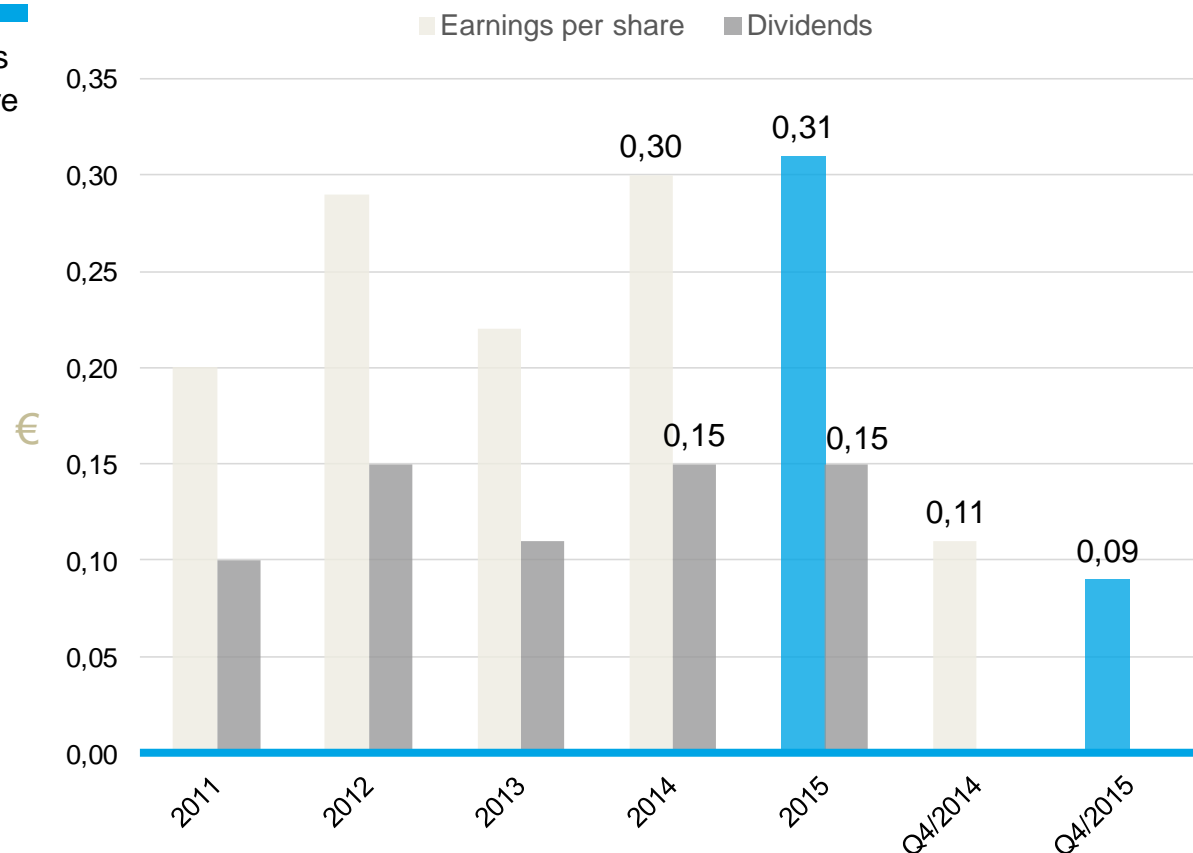


Earnings per share and dividends

Earnings per share 1-12/2015: EUR 0.31 (1-12/2014: EUR 0.30)

Earnings per share 10-12/2015: EUR 0.09 (10-12/2014: EUR 0.11)

The Board of Directors proposes a dividend of EUR 0.15 per share (EUR 0.15 per share).



Cash flow

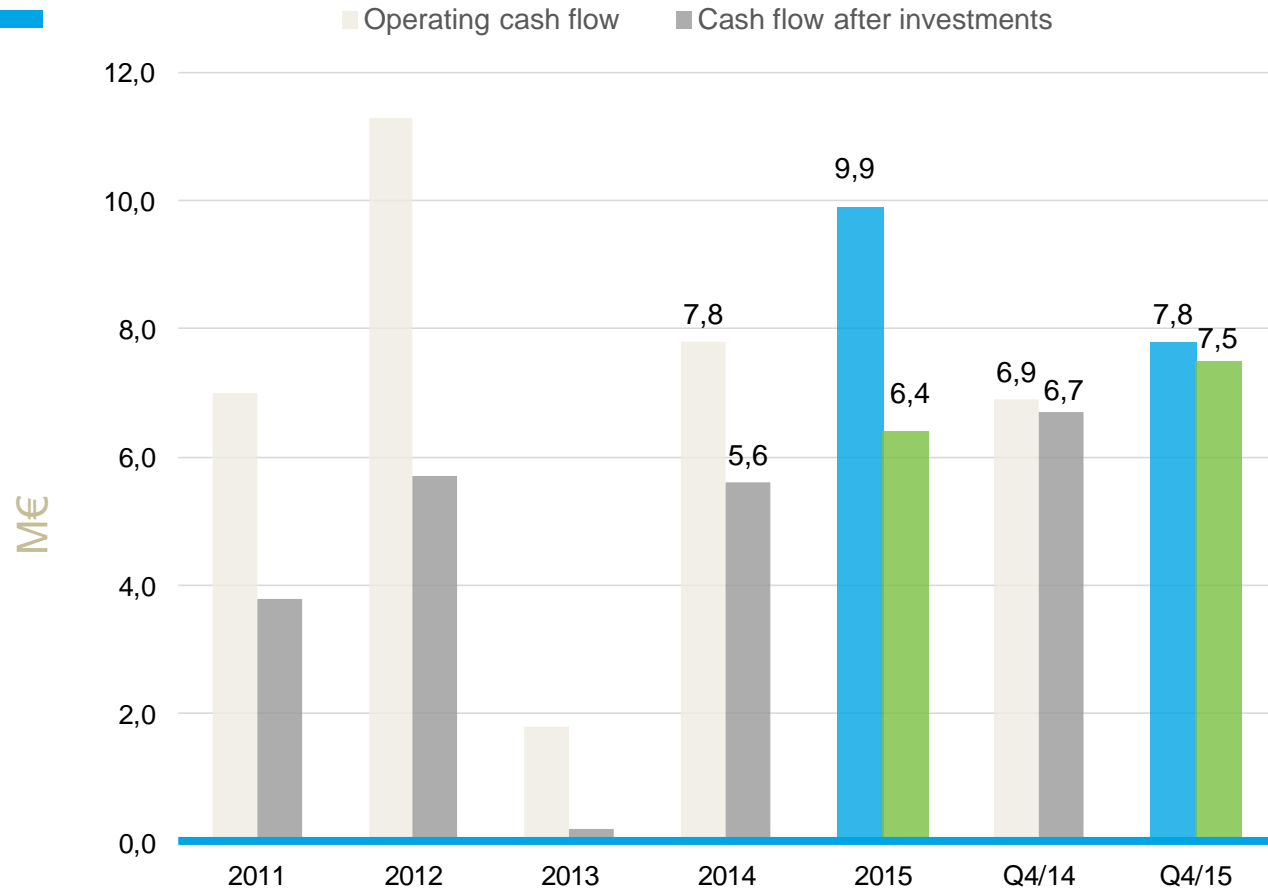
Operating cash flow 1-12/2015: EUR 9.9 million (1-12/2014: EUR 7.8 million)

Operating cash flow 10-12/2015: EUR 7.8 million (10-12/2014: EUR 6.9 million)

Operating cash flow improved and was EUR 9.9 million in January-December (1-12/2014: EUR 7.8 million).

The improvement in cash flow was attributable to an increase in EBIT from business operations.

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

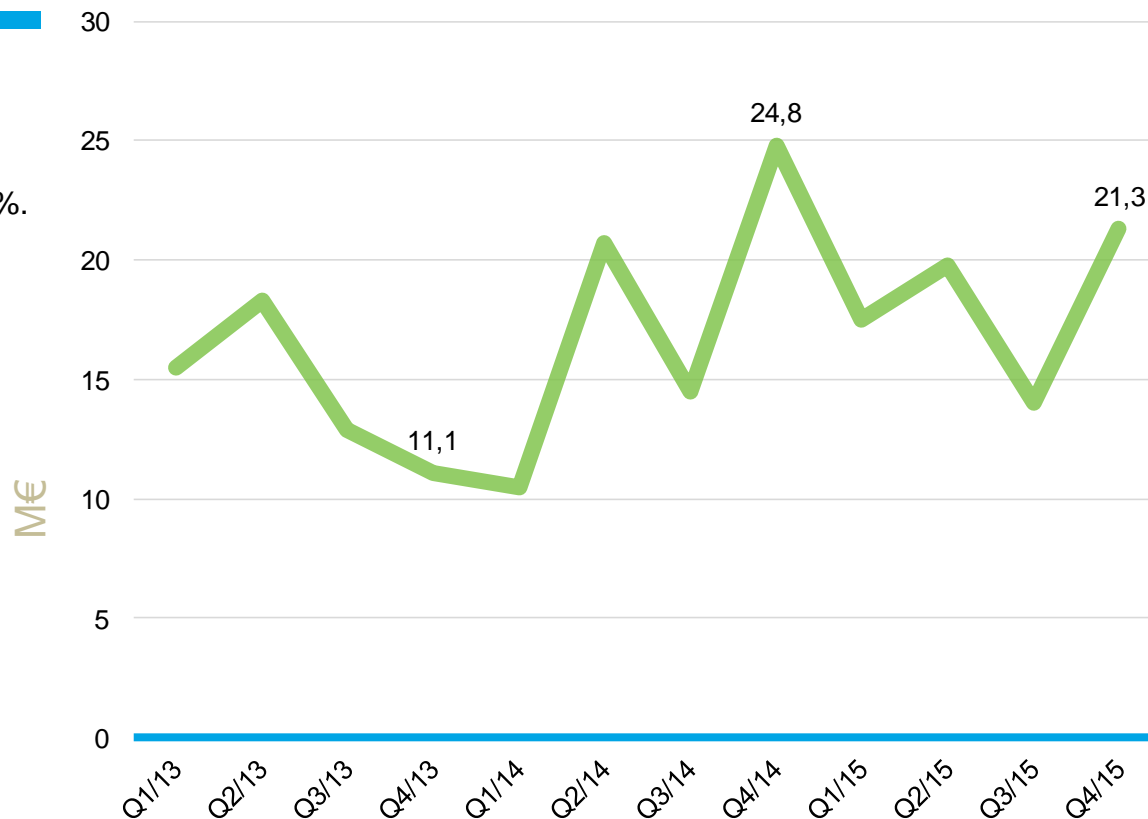


Return on capital employed (ROCE), %

1-12/2015: 17.4% (1-12/2014: 17.8%)

10-12/2015: 21.3% (10-12/2014: 24.8%)

Engineering services business
does not tie significant capital.
For this reason return on capital
employed should be at least 20%.



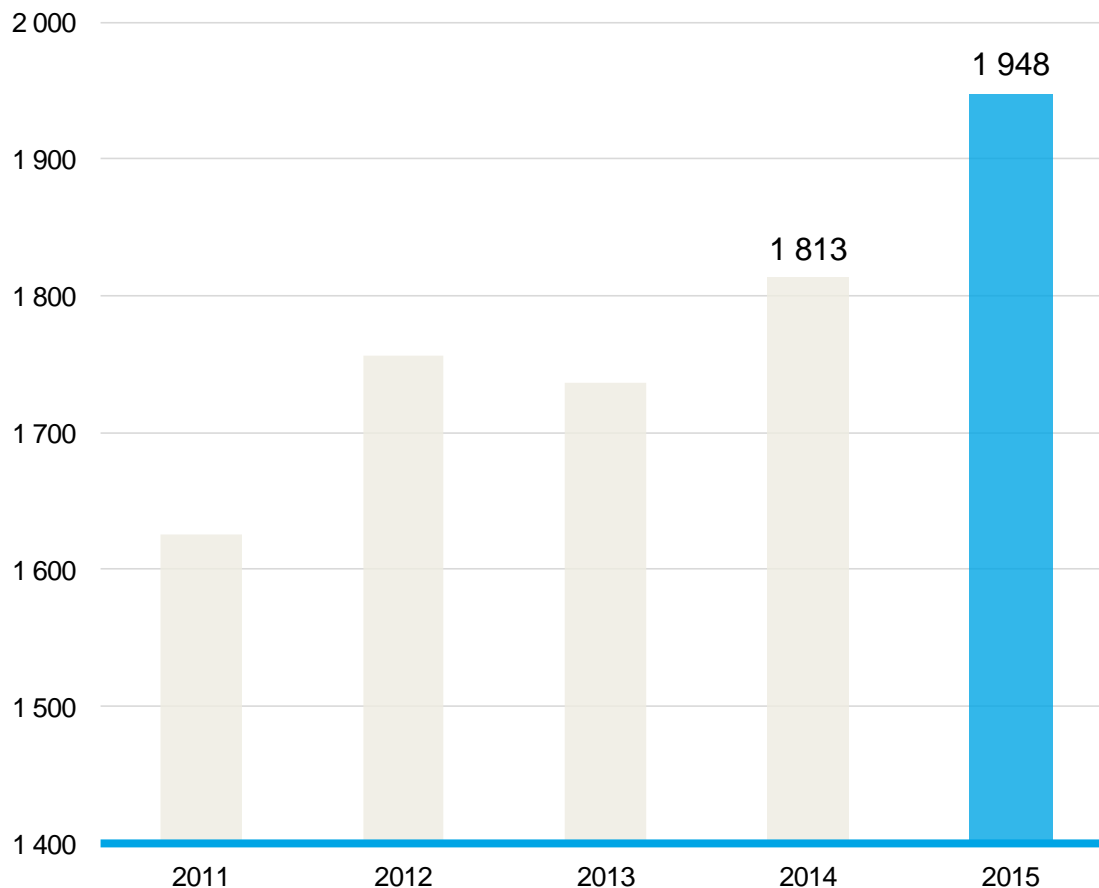
Personnel, average

1-12/2015: 1,948 (1-12/2014: 1,813)

The average number of personnel increased in January-December by 7.4 per cent from the previous year.

The growth in the number of personnel was attributable to acquisitions and organic growth.

The Group employed 2,074 (December 31, 2014: 1,859) at the end of December. 706 people were employed by the Group abroad.



Income statement

(EUR 1,000)	1-12/2015	1-12/2014	Change %
Revenue	141,143	131,916	7.0
Other operating income	309	1,567	
Materials and services	-7,918	-9,524	
Staff costs	-101,452	-94,367	
Other operating expenses	-20,384	-19,108	
Depreciation and amortization	-3,104	-2,629	
Operating profit (EBIT)	8,594	7,856	9.4
Financial income	589	394	
Financial expenses	-1,251	-1,082	
Profit before taxes	7,933	7,168	10.7
Income taxes	-1,744	-1,020	
Profit for the financial year	6,189	6,147	

Balance sheet

(EUR 1,000)	31.12.2015	31.12.2014
Goodwill	42,734	38,642
Other non-current assets	12,498	8,494
Non-current assets, total	55,232	47,136
Trade and other receivables	28,469	25,762
Cash and cash equivalents	8,807	2,575
Current assets, total	37,281	28,337
TOTAL ASSETS	92,513	75,474
Equity, total	34,618	28,753
Non-current liabilities, total	10,142	10,280
Current liabilities, total	47,753	36,441
TOTAL EQUITY AND LIABILITIES	92,513	75,474

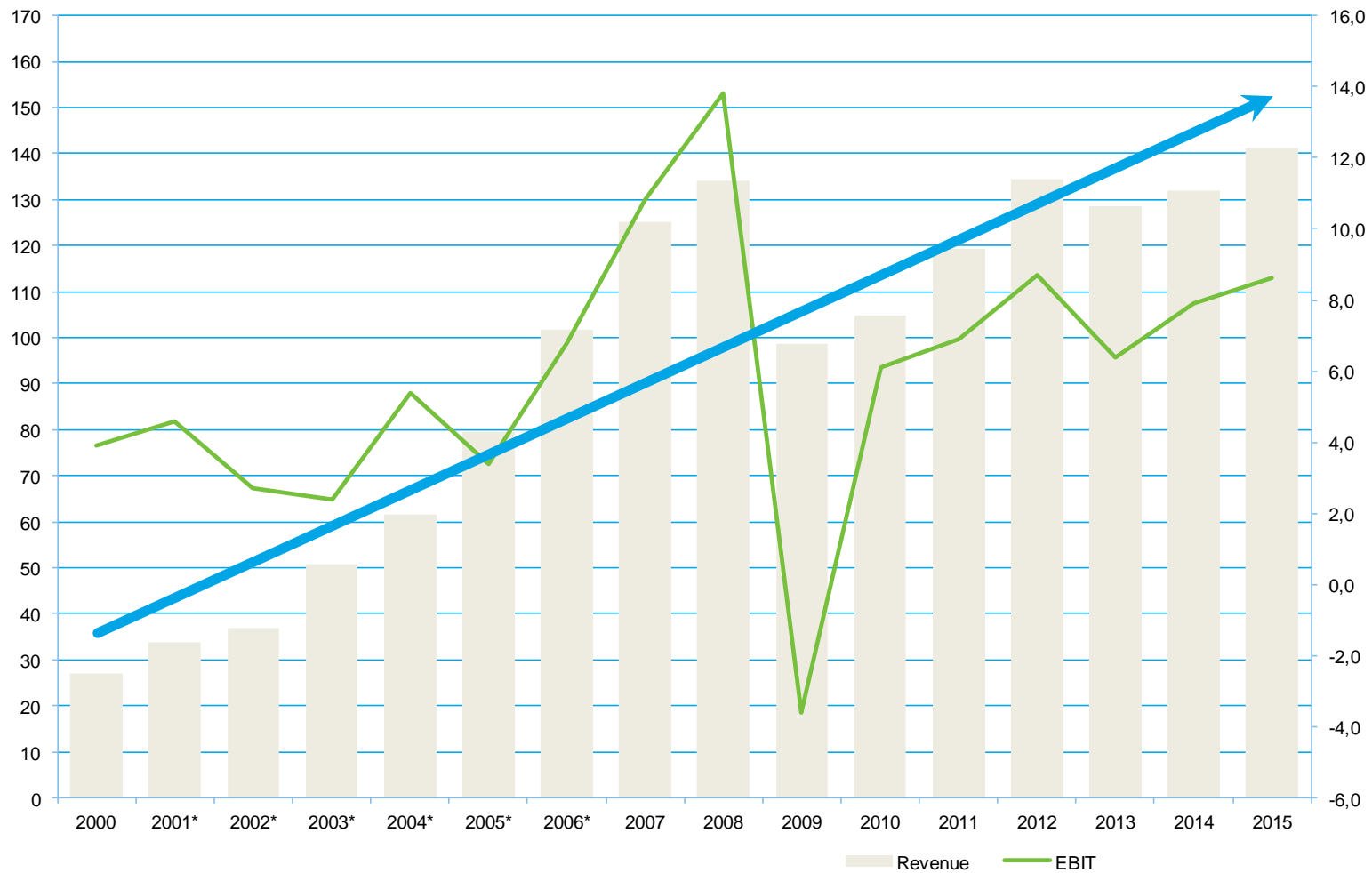
Cash flow statement

(EUR 1,000)	10-12/2015	10-12/2014	1-12/2015	1-12/2014
Operating cash flow (A)	7,817	6,935	9,932	7,754
Investing cash flow (B)	-338	-245	-3,526	-2,200
Cash flow after investments (A+B)	7,479	6,691	6,406	5,554
Financing cash flow (C)	-3,976	-6,191	-160	-4,295
Variation in cash (A+B+C)	3,502	500	6,246	1,258
Assets at the beginning of the period	5,373	1,944	2,575	975
Exchange gains or losses on cash and cash equivalents	-69	131	-14	341
Assets at the end of the period	8,807	2,575	8,807	2,575

Etteplan Oyj's financial targets and realization

	Target and realization 1-12/2015	Action
Growth	<ul style="list-style-type: none">• Average 15% annual revenue growth<ul style="list-style-type: none">▪ 1-12/2015: 7.0% (at comparable exchange rates 7.4%)	<ul style="list-style-type: none">• Growth in key customers• Strong market position enables Etteplan to grow faster than the market• Acquisitions supporting growth
Profitability	<ul style="list-style-type: none">• EBIT from business operations 10%<ul style="list-style-type: none">▪ 1-12/2015: 6.8%	<ul style="list-style-type: none">• Change of business model• Market leadership
Cash flow	<ul style="list-style-type: none">• Improvement of operating cash flow to strengthen the balance sheet<ul style="list-style-type: none">▪ 1-12/2015: 9.9 MEUR	<ul style="list-style-type: none">• Development of pricing models• Improved processing and sales of sales receivables
High value-added services	<ul style="list-style-type: none">• Share of Managed Services to grow to 50% of revenue by 2016<ul style="list-style-type: none">▪ 1-12/2015: 47%	<ul style="list-style-type: none">• Service solutions and project business

Revenue and EBIT 2000-2015



*includes continued and discontinued operations

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