



Etteplan 2020:
Despite the pandemic
operating profit (EBITA) and
cash flow hit new records

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Espoo, Finland



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Highlights of 2020

Highlights 2020

- + We adapted well to the changes in the market demand caused by the pandemic and profitability was excellent throughout the year:
 - + Full year Operating profit (EBITA) was at record level.
 - + Q4 results were the best in the Group's history.
- + Cash flow also hit new records.
- + Chinese market recovered rapidly from the pandemic, the number of hours sold in the Chinese market increased by 5.6% in 2020, and by 33.2% in Q4.
- + We continued investments in our future growth in H2:
 - + Development of our service offering.
 - + Acquisitions of Tegema in Q3/2020 and TekPartner in Q1/2021.
- The market demand was weak throughout the year and revenue decreased year-on-year -1.4%.
- The Board's dividend proposal: EUR 0.34 (0.35) /share.

Development of the operating environment in 2020

- The global COVID-19 pandemic had a significant impact on the global economy and market situation.
- Demand weakened in Q1 in China and in Q2 in Europe due to the pandemic.
- The Chinese market recovered rapidly in Q2.
- In Europe positive news about the vaccine and the start of vaccinations reduced uncertainty in the markets in H2.
 - Investments in product development and production started, which improved the demand situation in Q4 even more than we anticipated.
- Customer-specific differences were again considerable.

Market development in Etteplan's main markets in 2020

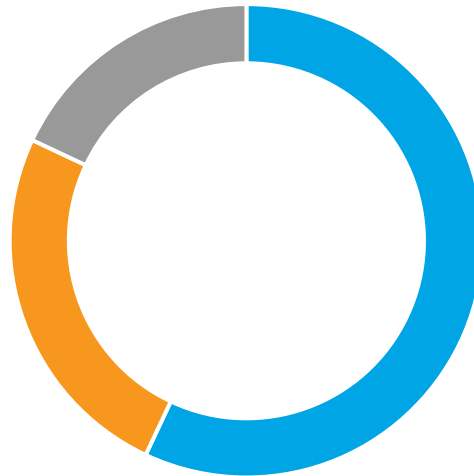
- **Finland:** the general market demand weakened in the second quarter and remained at a low level in the third quarter. Market demand picked up in the final quarter of the year.
- **Sweden, Germany, the Netherlands and Poland:** demand weakened in the second quarter, a slight turn for the better was seen in the general market demand in the third quarter, and that continued in the fourth quarter.
- **In China,** demand recovered in the second quarter and was at a good level in the third and fourth quarters.

The impacts of COVID-19 pandemic on operations:

- COVID-19 has affected the customer demand significantly in 2020, which had direct effects on Etteplan.
 - We adopted a defensive approach and implemented adaptation measures and sought savings in operating costs throughout our organization.
 - Some 85 per cent of our personnel moved to remote work in March 2020 and still continue to work remotely.
- The demand situation improved toward the end of 2020.
 - Improving market conditions and our strong financial performance allowed us to continue investments in our future growth.
 - We called temporarily laid off employees back to work. On December 31, 2020: 165 employees were temporarily laid off in Finland, Sweden and Germany.
- The pandemic will influence the development of our business at least during the first half of the year.

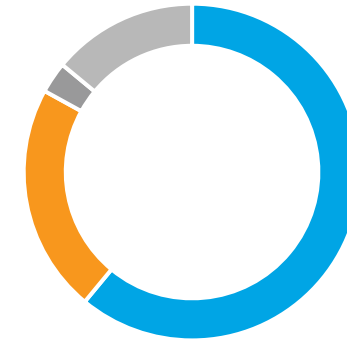
Revenue and personnel 1-12/2020

Revenue by service area



- Engineering Solutions 57% (56%)
- Software and Embedded Solutions 25% (26%)
- Technical Documentation Solutions 18% (18%)

Revenue by country



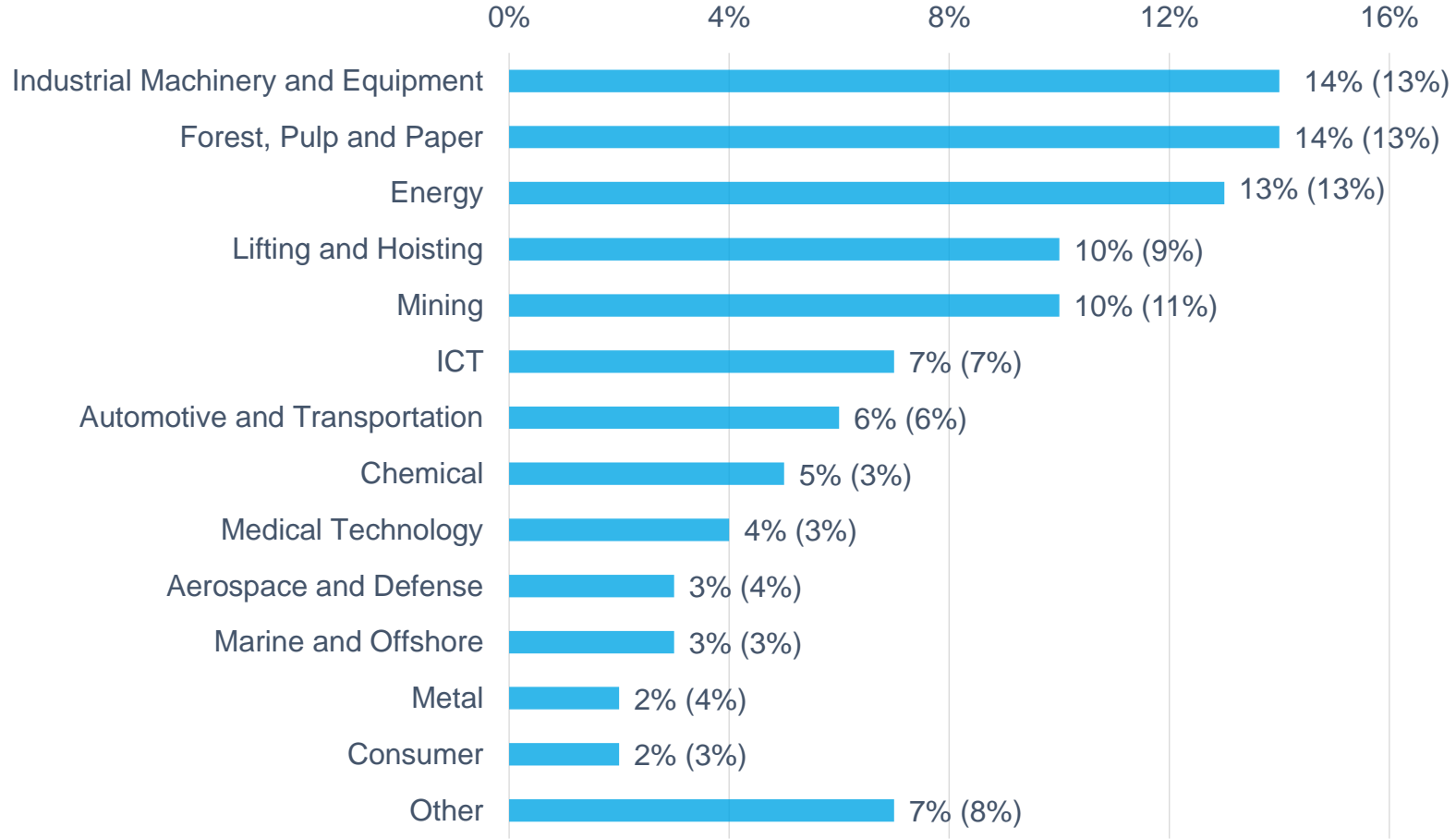
- Finland 61% (65%)
- Sweden 22% (22%)
- China 3% (3%)
- Central Europe 14% (10%)

Personnel by country (end of period)



- Finland 59% (60%)
- Sweden 18% (19%)
- China 10% (10%)
- Central Europe 13% (11%)

Revenue by customer segment 1-12/2020



Key figures 10-12/2020

EUR 1,000	10-12/2020	10-12/2019	Change %
Revenue	70,295	71,798	-2.1
Operating profit (EBITA)	8,085	6,471	24.9
EBITA, %	11.5	9.0	
Operating profit (EBIT)	7,092	5,553	27.7
EBIT, %	10.1	7.7	
Basic earnings per share, EUR	0.23	0.16	43.8
Equity ratio, %	40.5	38.9	
Operating cash flow	17,512	17,525	-0.1
ROCE, %	20.3	19.1	
Managed Services Index	61	60	1.7
Personnel at end of the period	3,267	3,447	-5.2

Key figures 1-12/2020

EUR 1,000	1-12/2020	1-12/2019	Change %
Revenue	259,702	263,292	-1.4
Operating profit (EBITA)	26,172	25,964	0.8
EBITA, %	10.1	9.9	
Operating profit (EBIT)	22,380	22,819	-1.9
EBIT, %	8.6	8.7	
Basic earnings per share, EUR	0.69	0.70	-1.4
Equity ratio, %	40.5	38.9	
Operating cash flow	37,997	32,884	
ROCE, %	16.0	19.9	
Managed Services Index	61	60	1.7
Personnel at end of the period	3,267	3,447	-5.2

Market outlook 2021

The prolongation of the global COVID-19 pandemic continues to have a significant impact on the global economy and market situation. The most important factor affecting Etteplan's business is the global development of the machinery and metal industry, and demand has weakened due to the pandemic. The start of vaccinations has, nevertheless, reduced uncertainty in the markets and boosted investments in product development and production. As vaccinations move forward, we believe that the demand situation will develop favorably during the year.

Financial guidance 2021

Etteplan changes its financial guidance practice and, going forward, issues guidance for Revenue and Operating profit (EBIT) as a numerical range:

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

Financial development Q4/2020

Revenue

10-12/2020: 70.3 M€ (71.8 M€)

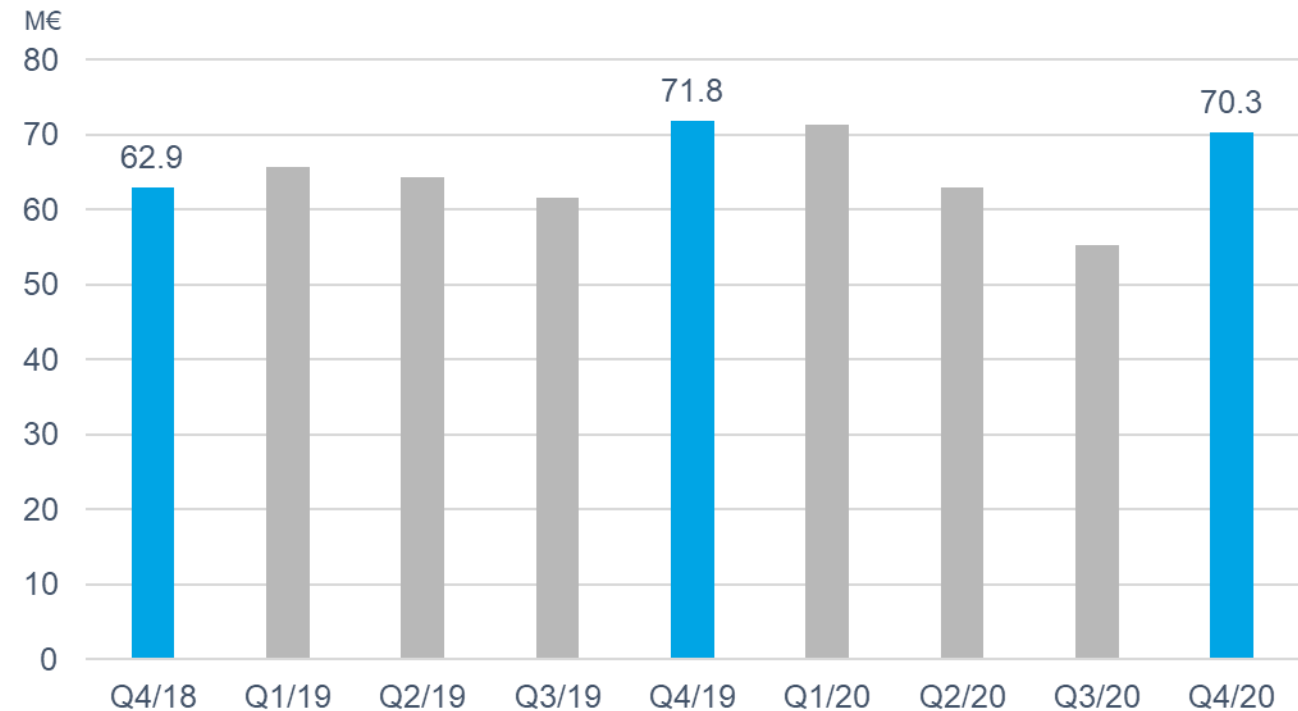
Growth
Change -2.1%
With comparable exchange rates -2.6%

Organic growth
Change -6.3%
With comparable exchange rates -6.8%

1-12/2020: 259.7 M€ (263.3 M€)

Growth
Change -1.4%
With comparable exchange rates -1.4%

Organic growth
Change -8.3%
With comparable exchange rates -8.3%



- Demand situation improved in Q4 even more than we anticipated.
- We called temporarily laid off employees back to work and also started recruitment.
- The acquisitions made in 2019 and 2020 had a positive effect on revenue.
- Revenue from key accounts decreased by 4.7%.

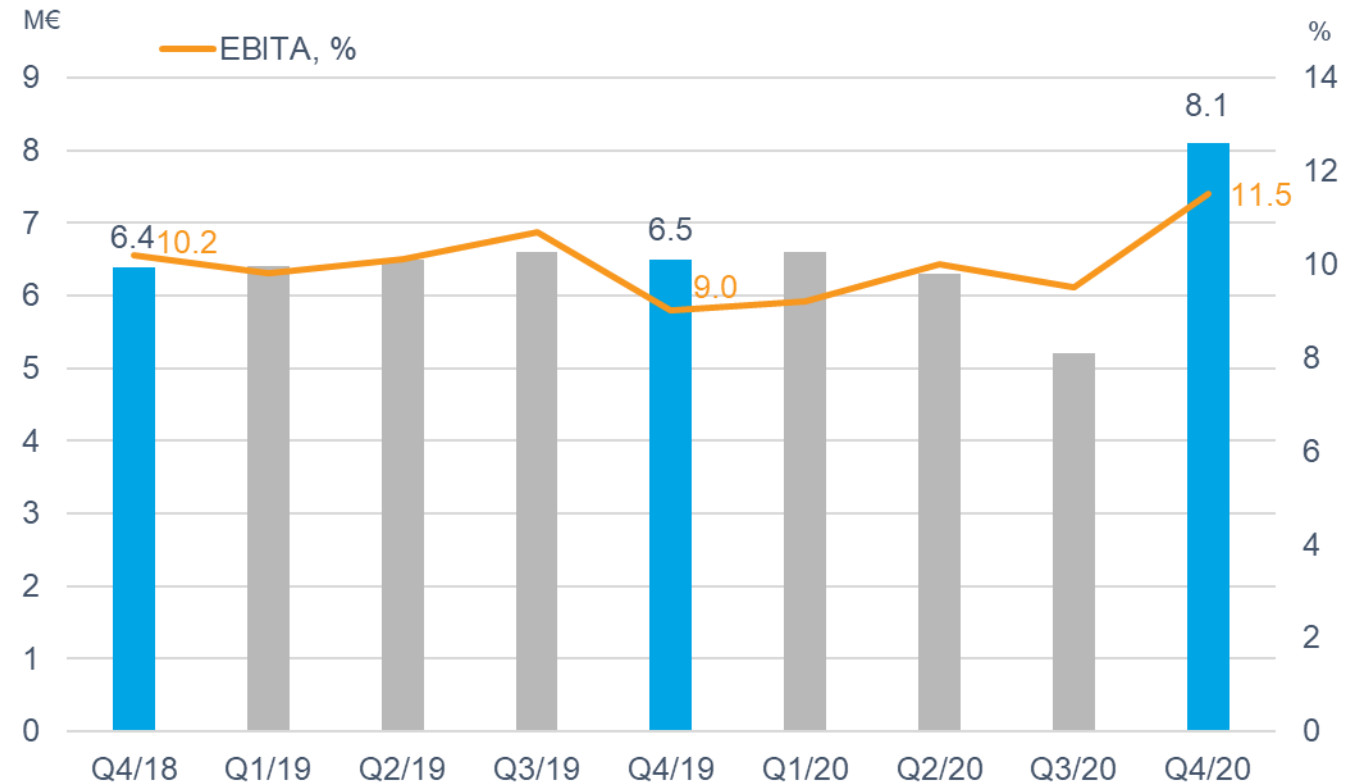
Operating profit (EBITA)

10-12/2020: 8.1 M€, 11.5%
(6.5 M€, 9.0%)

Non-recurring items -0.3 (0.5) M€

1-12/2020: 26.2 M€, 10.1%
(26.0 M€, 9.9%)

Non-recurring items -0.9 (1.1) M€



- Profitability was at an excellent level due to the improvement of the demand situation in Q4, excellent operational efficiency as well as adaptation and cost saving measures.
- Full-year operating profit (EBITA) was record-high.

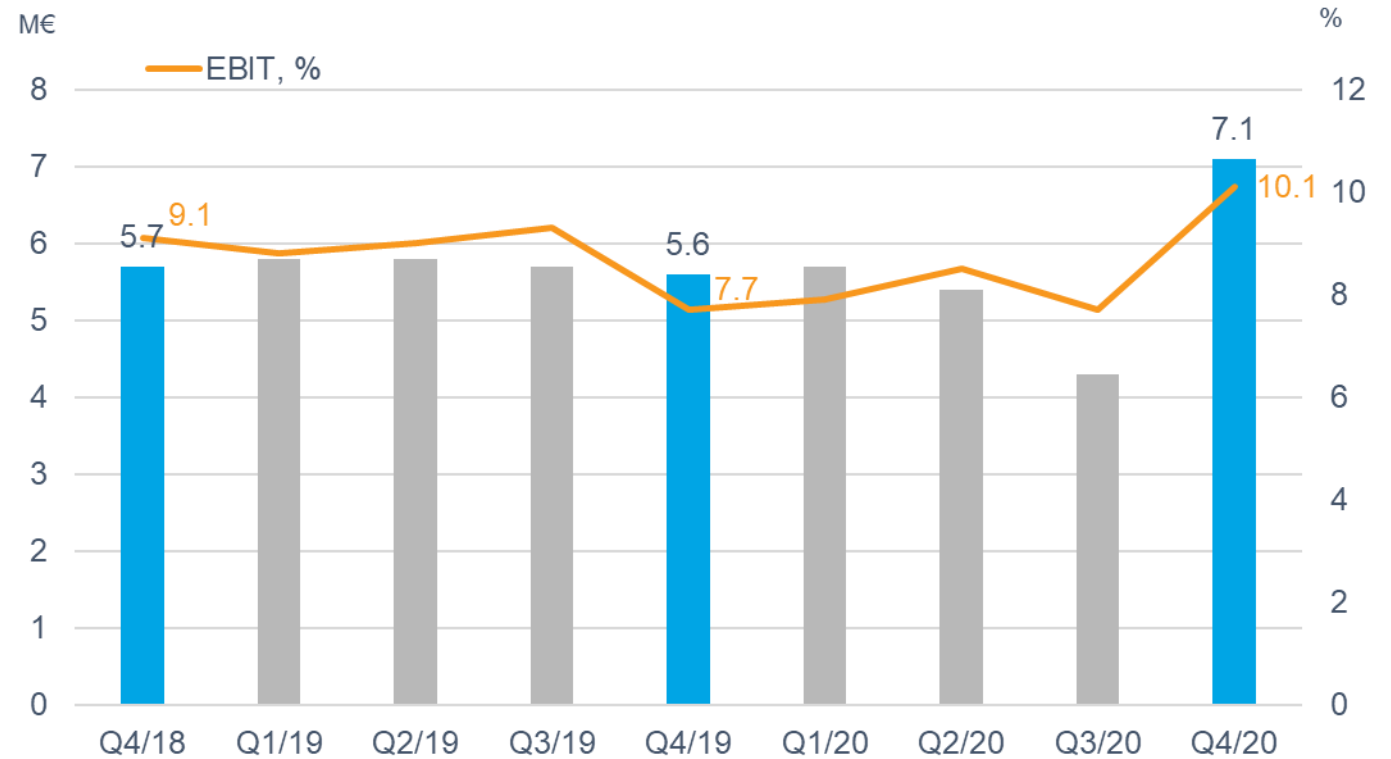
Operating profit (EBIT)

10-12/2020: 7.1 M€, 10.1%
(5.6 M€, 7.7%)

Non-recurring items -0.3 (0.5) M€

1-12/2020: 22.4 M€, 8.6%
(22.8 M€, 8.7%)

Non-recurring items -0.9 (1.1) M€



- Amortization related to acquisitions were EUR 1.0 million in 10-12/2020 and EUR 3.8 million in 1-12/2020.

Engineering Solutions

Revenue

10-12/2020: 40.6 M€ (40.8 M€)

Change -0.6%

1-12/2020: 148.9 M€ (147.0 M€)

Change 1.3%

Operating profit (EBITA)

10-12/2020: 4.2 M€, 10.5%

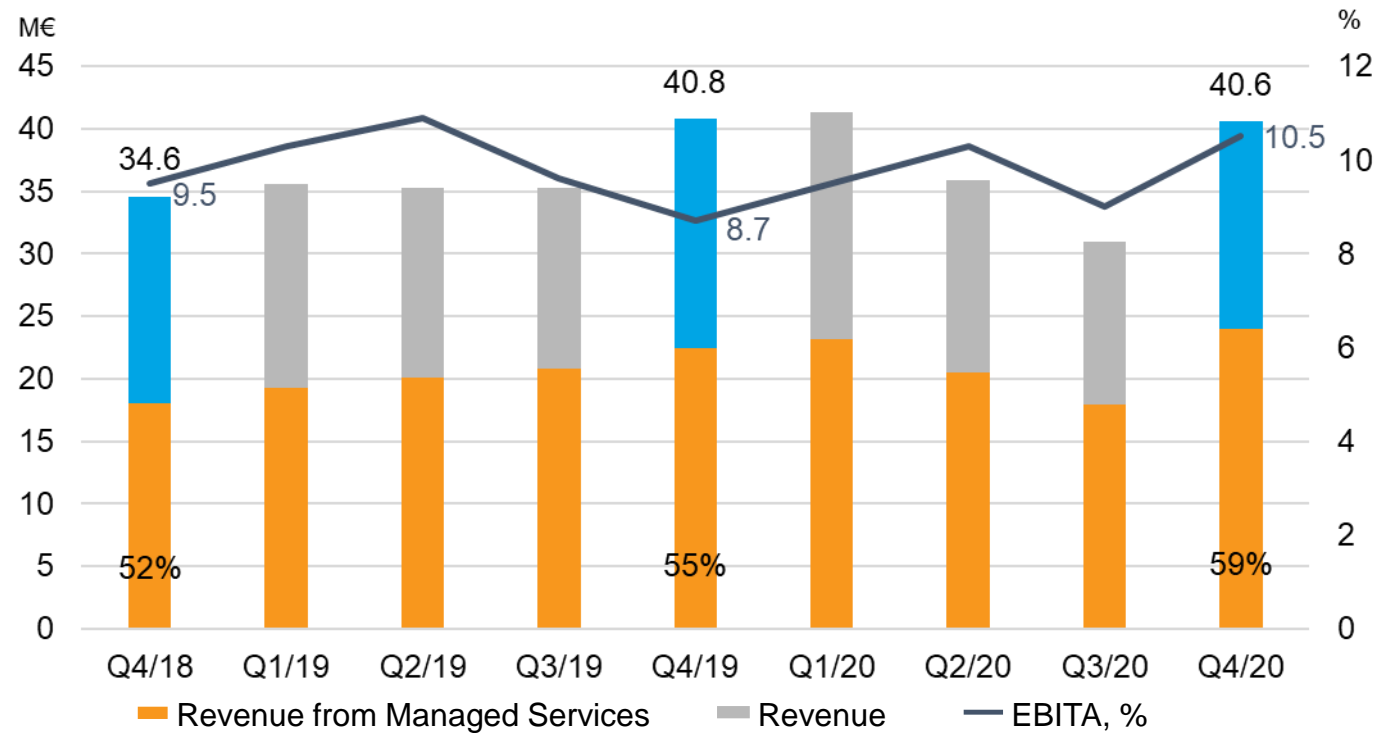
(3.6 M€, 8.7%)

1-12/2020: 14.7 M€, 9.9%

(14.5 M€, 9.8%)

Personnel

Dec 31, 2020: 1,922 (2,046)



- The demand situation improved.
- Customers started investments in product development and production.
- Acquisitions made in 2019 and 2020 had a positive effect on the development.
- Profitability was at a good level due to excellent operational efficiency as well as the adaptation and cost saving measures.

Software and Embedded Solutions

Revenue

10-12/2020: 17.7 M€ (17.7 M€)

Change 0.0%

1-12/2020: 63.7 M€ (67.5 M€)

Change -5.6%

Operating profit (EBITA)

10-12/2020: 2.4 M€, 13.8%

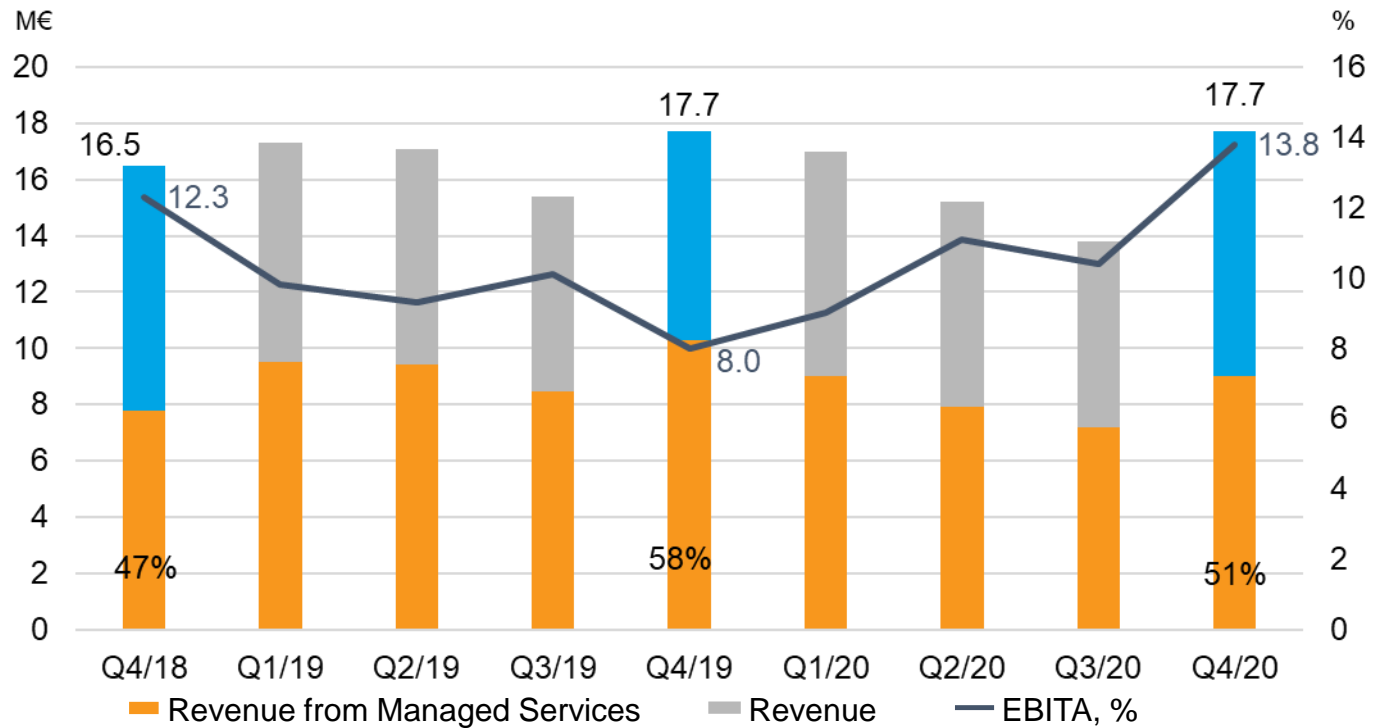
(1.4 M€, 8.0%)

1-12/2020: 7.1 M€, 11.1%

(6.3 M€, 9.3%)

Personnel

Dec 31, 2020: 628 (662)



- The demand for digitalization projects started to increase in the latter part of the year as our customers initiate new product development investments.
- Profitability improved thanks to excellent operational efficiency.

Technical Documentation Solutions

Revenue

10-12/2020: 11.9 M€ (13.1 M€)

Change -9.3%

1-12/2020: 46.5 M€ (48.2 M€)

Change -3.5%

Operating profit (EBITA)

10-12/2020: 1.3 M€, 11.0%

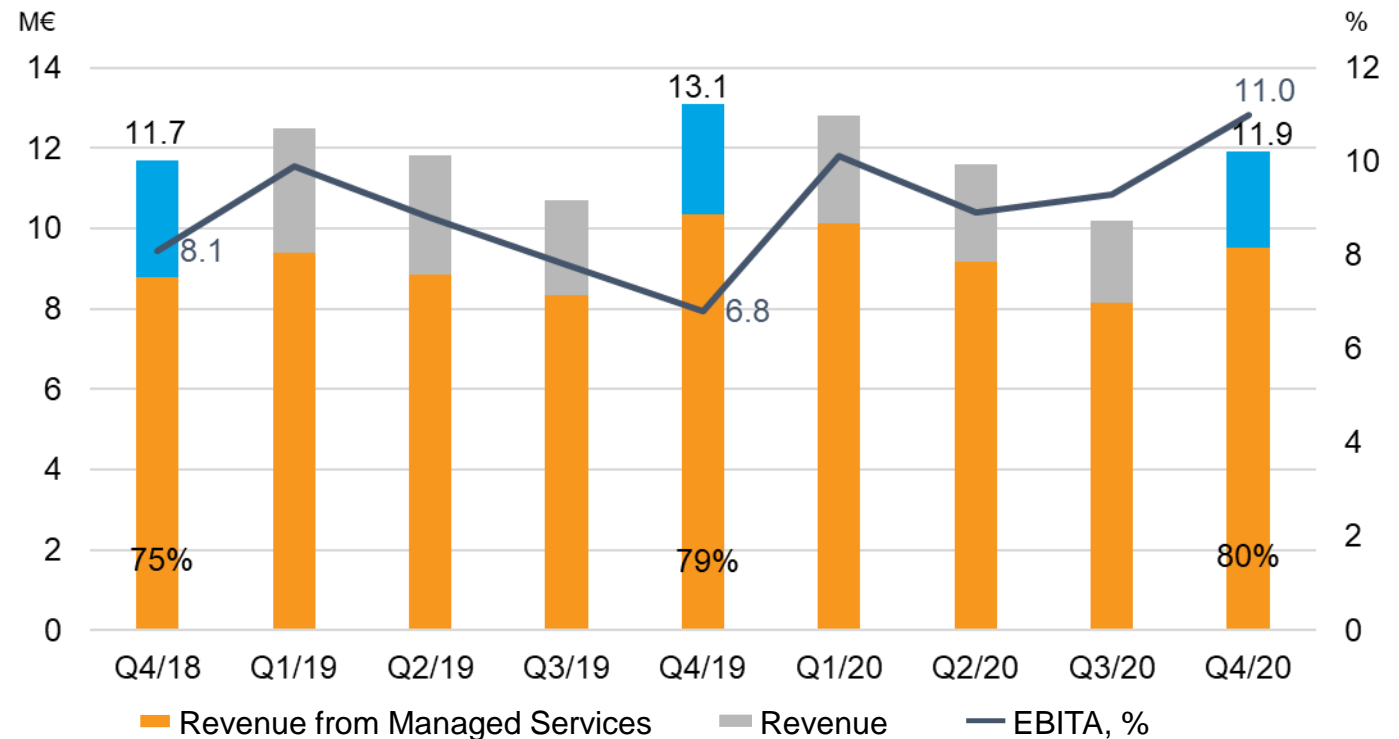
(0.9 M€, 6.8%)

1-12/2020: 4.6 M€, 9.8%

(4.1 M€, 8.5%)

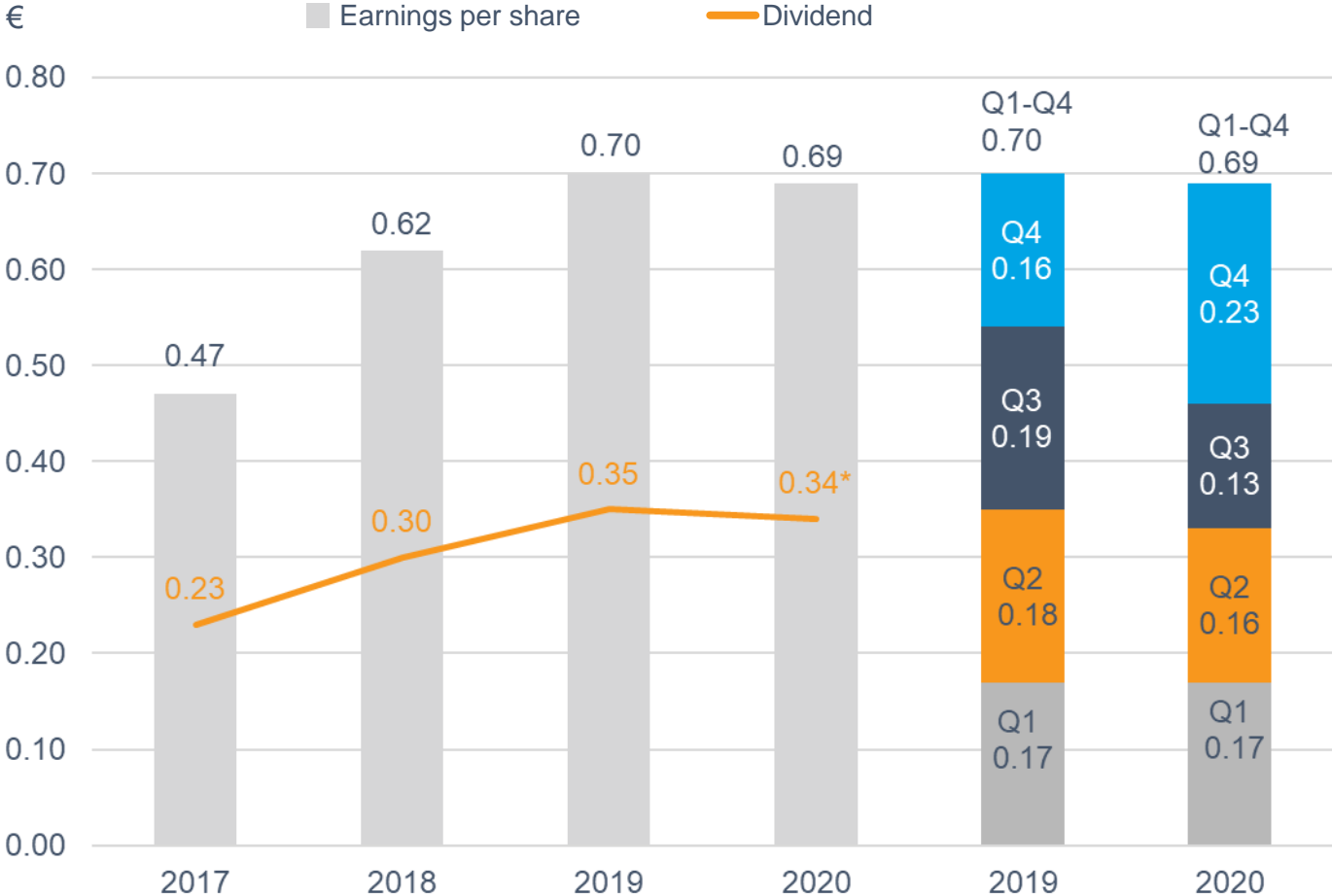
Personnel

Dec 31, 2020: 616 (651)



- The demand situation improved.
- Interest towards outsourcing solutions remains high.
- Acquisitions made in 2019 had a positive effect on the development.
- Profitability was at a good level due to good operational efficiency as well as the adaptation and cost saving measures.

Earnings per share and dividends



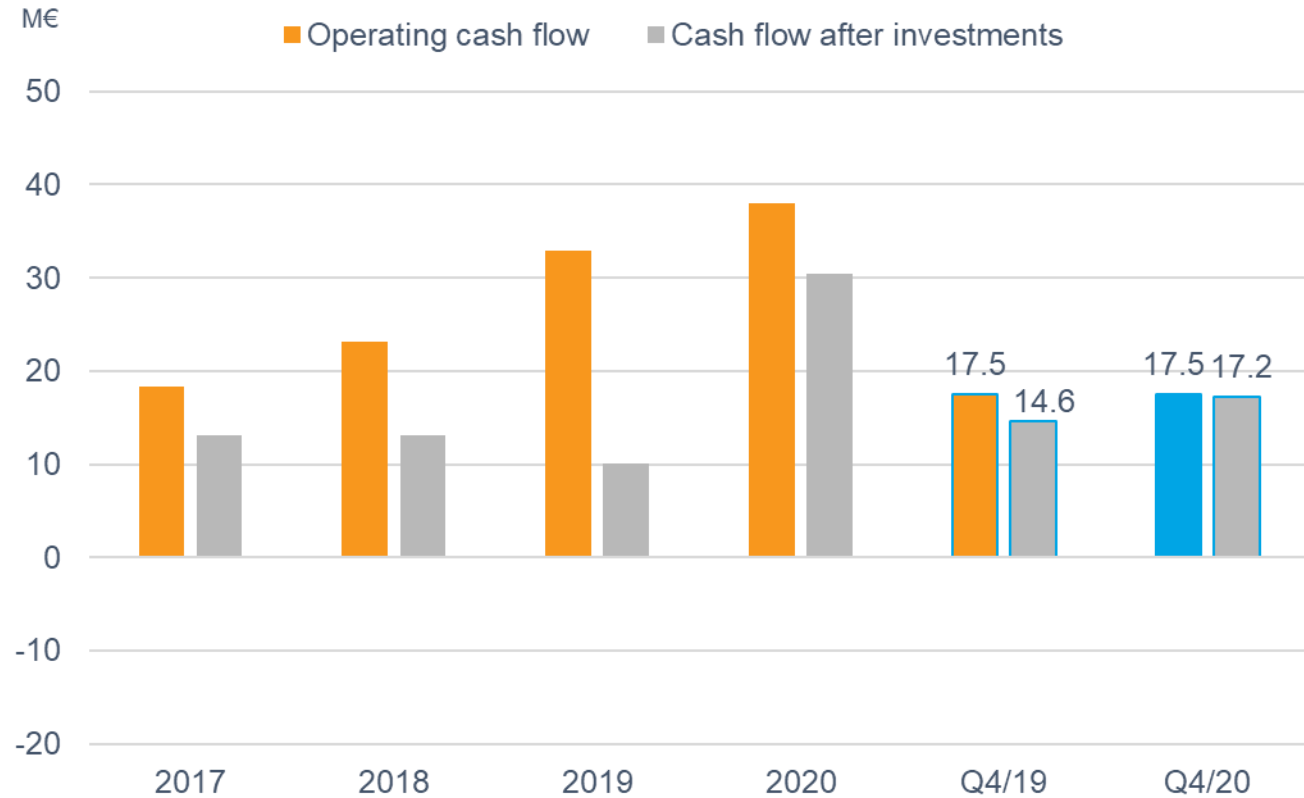
*The Board's dividend proposal is 0.34 euro/share.

Cash flow

Operating cash flow

10-12/2020: 17.5 M€ (17.5 M€)

1-12/2020: 38.0 M€ (32.9 M€)

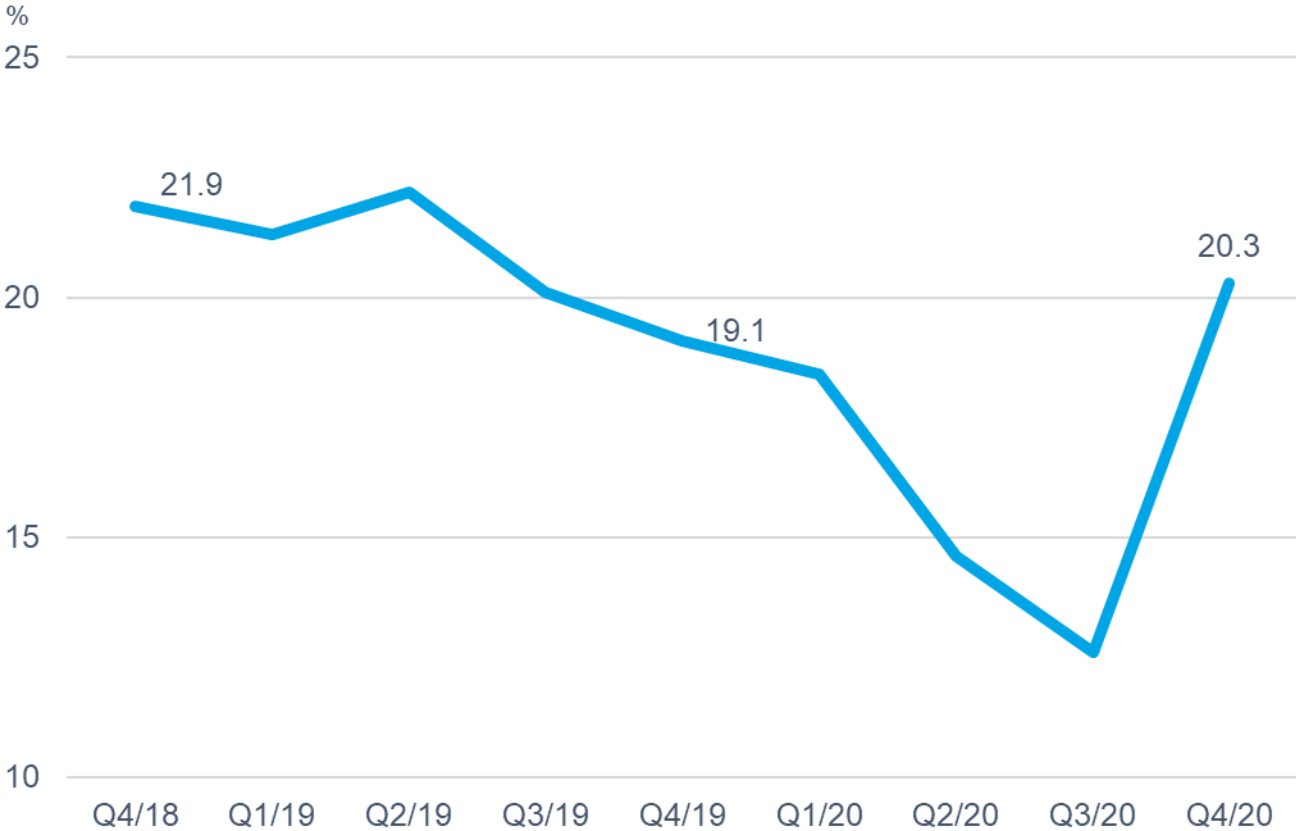


- Operating cash flow was excellent in the final quarter.
- The full-year operating cash flow was record-high.
- Cash flow accrues unevenly over the four quarters of the year due to periodic fluctuation in business.

Return on capital employed

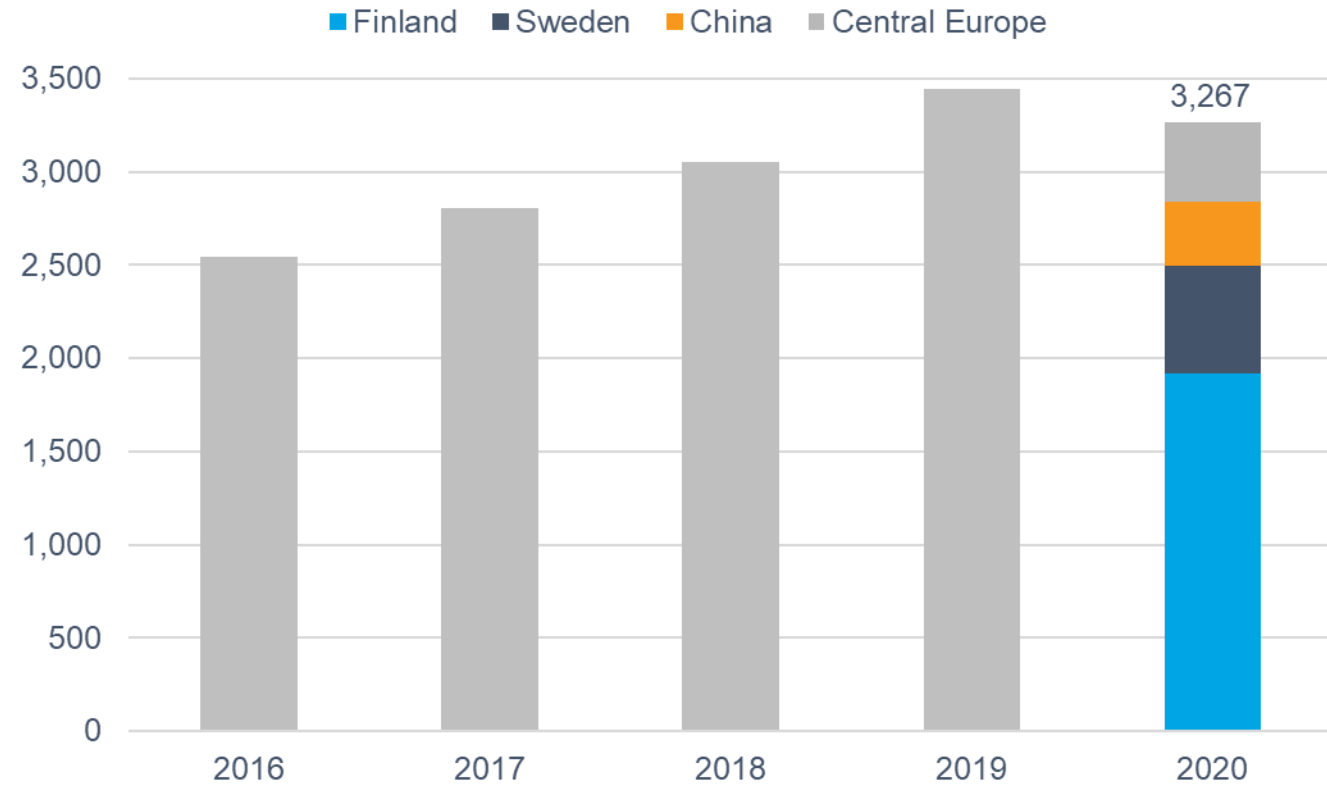
10-12/2020: 20.3% (19.1%)

1-12/2020: 16.0% (19.9%)



- Engineering services business does not tie significant capital.

Personnel at the end of the period



- The number of personnel decreased by 5.2 per cent compared to the end of 2019 due to cautious recruitment due to the pandemic during the year.
- Active recruitment started again in Q4.
- At the end of the review period, 1,351 (Dec 31, 2019: 1,382) people were employed by the Group outside of Finland.

Income statement

MEUR	1-12/2020	1-12/2019	Change %
Revenue	259.7	263.3	-1.4
Other operating income	3.6	2.6	
Materials and services	-23.3	-26.6	
Staff costs	-177.3	-172.5	
Other operating expenses	-22.3	-29.3	
Depreciation and amortization	-18.0	-14.7	
Operating profit (EBIT)	22.4	22.8	-1.9
Financial income	0.4	0.7	
Financial expenses	-1.7	-1.6	
Profit before taxes	21.1	21.9	-3.8
Income taxes	-4.0	-4.5	
Profit for the review period	17.1	17.4	-1.8

Balance sheet

MEUR	Dec 31, 2020	Dec 31, 2019
Goodwill	83.7	79.0
Other non-current assets	52.6	45.4
Non-current assets, total	136.3	124.5
Inventory	0.3	0.3
Trade and other receivables	56.9	62.2
Cash and cash equivalents	24.4	15.9
Current assets, total	81.6	78.4
TOTAL ASSETS	217.9	202.9
Equity, total	87.1	76.7
Non-current liabilities, total	28.0	39.6
Current liabilities, total	102.8	86.5
TOTAL EQUITY AND LIABILITIES	217.9	202.9

Etteplan's targets

Financial targets 2020-2024

Revenue
> EUR 500
million

1-12/2020 :
EUR 260 million

50%
Revenue
outside
Finland

1-12/2020: 39%

75%
Managed
Services share
of revenue

1-12/2020: 61%

10%
Operating profit
(EBITA)

1-12/2020: 10.1%

ACTIONS

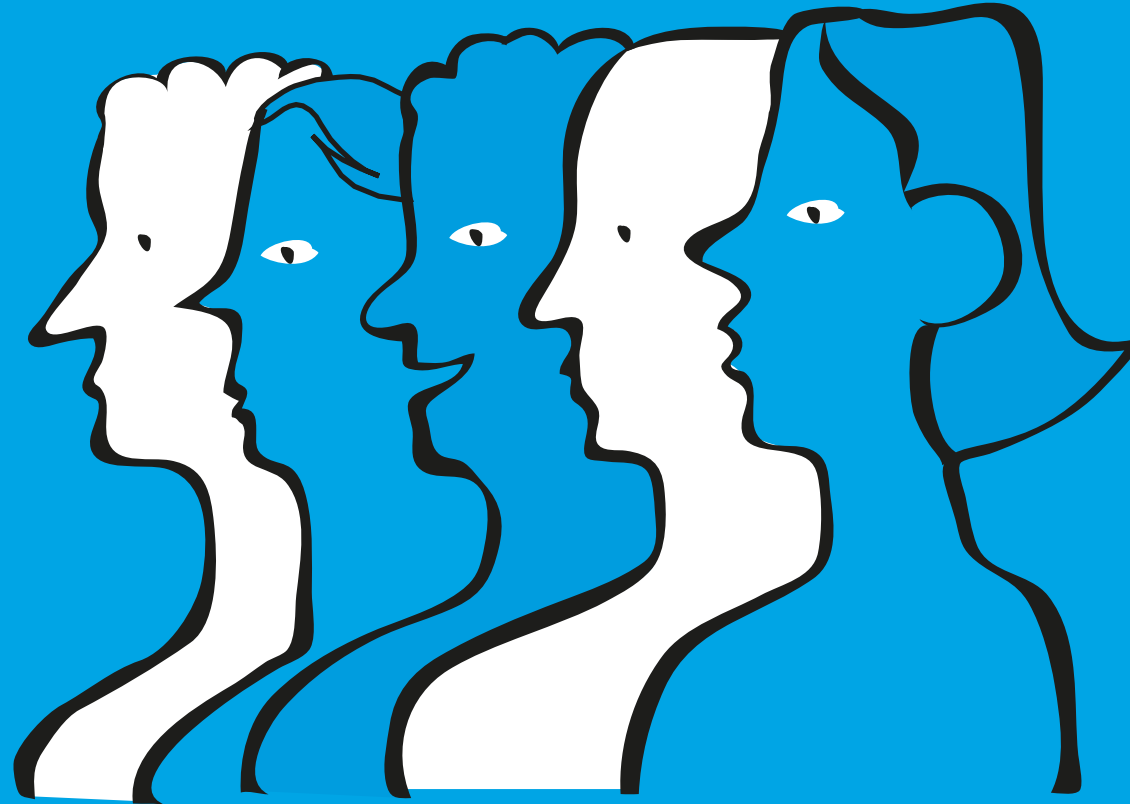
- Constant development of Service Solutions
- Digitalization
- International growth
- Acquisitions

- Expanding our full service offering to all current markets

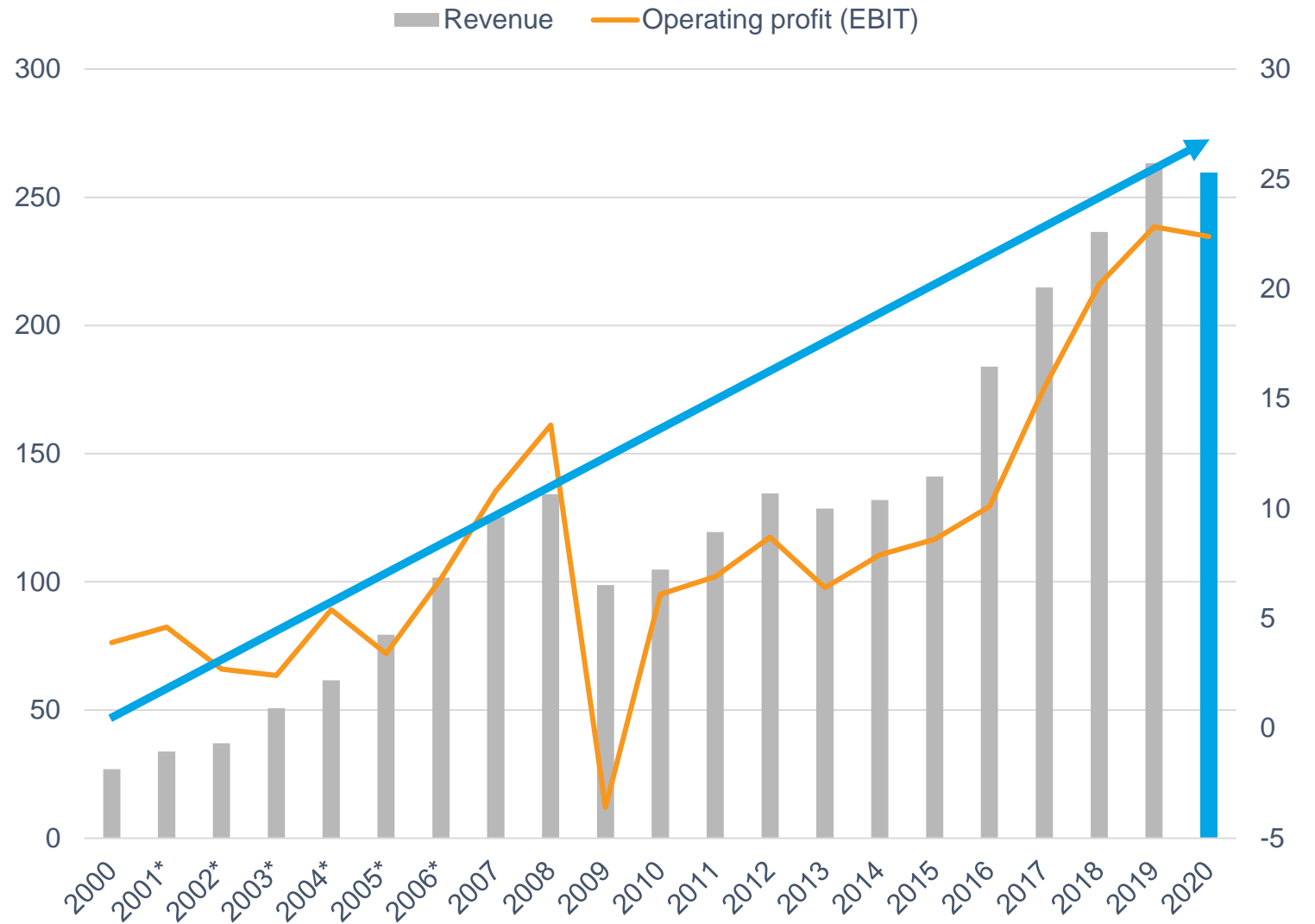
- Service solutions
- Technology solutions
- Project business

- Change in business model towards Managed services
- Market leadership

Q&A



Revenue and EBIT 2000-2020



*Includes continued and discontinued operations

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