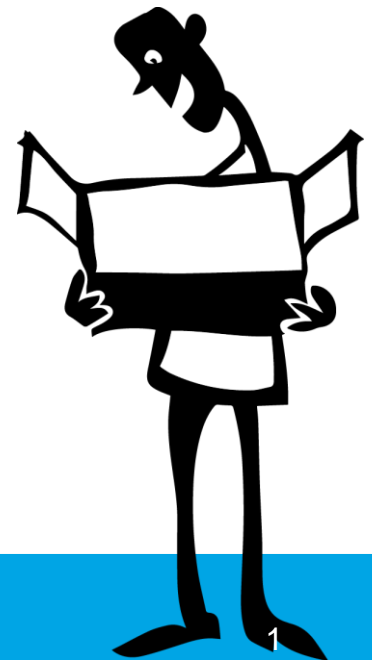


Interim Report January-March 2018

Year 2018 got off to a good start

Juha Näkki, President and CEO
May 3, 2018

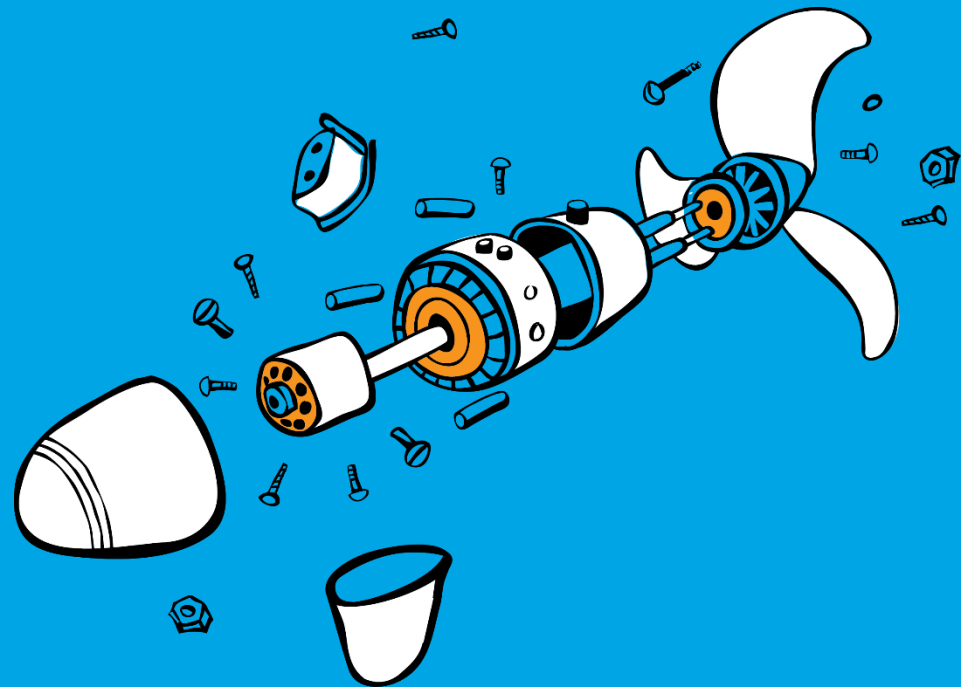


Contents

- Highlights of Q1 2018
- Q1/2018 financial development
- Etteplan's targets



Highlights of Q1 2018



Highlights 1-3/2018

- + Revenue growth was 8.9 %, with comparable exchange rates.
 - + Organic growth was 7.5 per cent, with comparable exchange rates.
 - + Profitability and cash flow improved.
 - + Engineering services service area's development was excellent.
 - + Hours sold to China increased by more than 40 per cent.
 - + We updated our financial guidance.
-
- The share of Managed Services of revenue decreased.
 - Embedded systems and IoT -service area's profitability was still short of our expectations due to challenges in the project business.
 - Technical documentation business was burdened by further delays in deliveries for a significant project as well as challenges with certain customers in Germany.

Operating environment continued to develop positively

- Our operating environment developed favorably and the market situation is good in all market areas.
 - The prevailing political situation has increased uncertainty in the markets to some extent.
- There were no significant changes in the demand for our services by customer industry, but customer-specific differences were substantial.
- Companies are directing investments to digitalization-related services.
- Outsourcing and centralizing services purchasing trends continue.
- Competition for employees in the good market situation and the lower availability of specialized experts in certain areas are affecting the development of the sector as a whole in all market areas.

Market development in Etteplan's main markets in January-March 2018

- In Finland the market situation remained at a good level.
- In Sweden, demand situation remained on a very good level.
- In Germany, the Netherlands and Poland the demand for engineering services remained on a good level.
- In China, demand was at a good level, and the opening up of the service market continued.

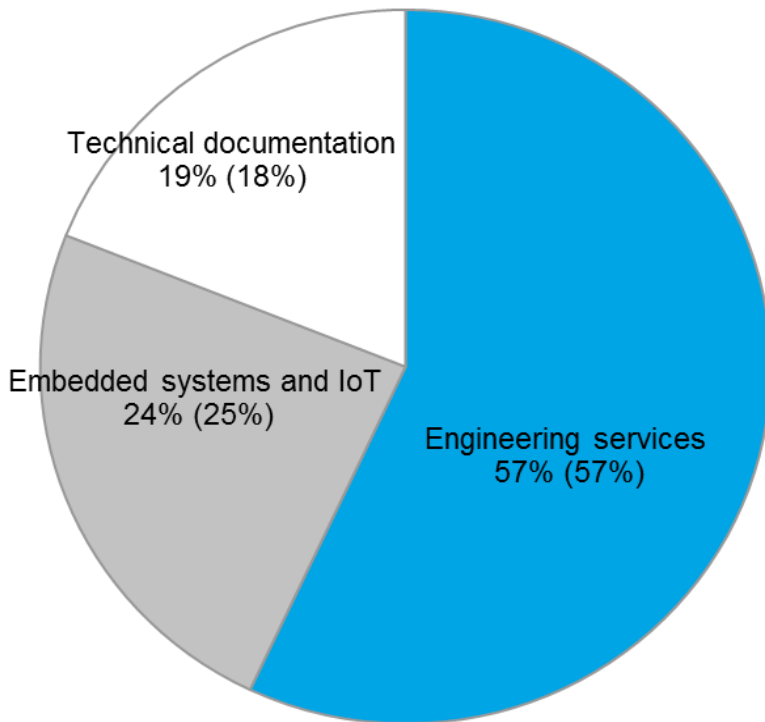
Our business in China in an interesting phase:

- When the market opens up to Chinese customers as well, the potential of the market multiplies.
- We received an order from a major state-owned Chinese corporation.
- With this deal we will expand our operations in China to Qingdao, in Shandong province.
- We will continue to invest in China.

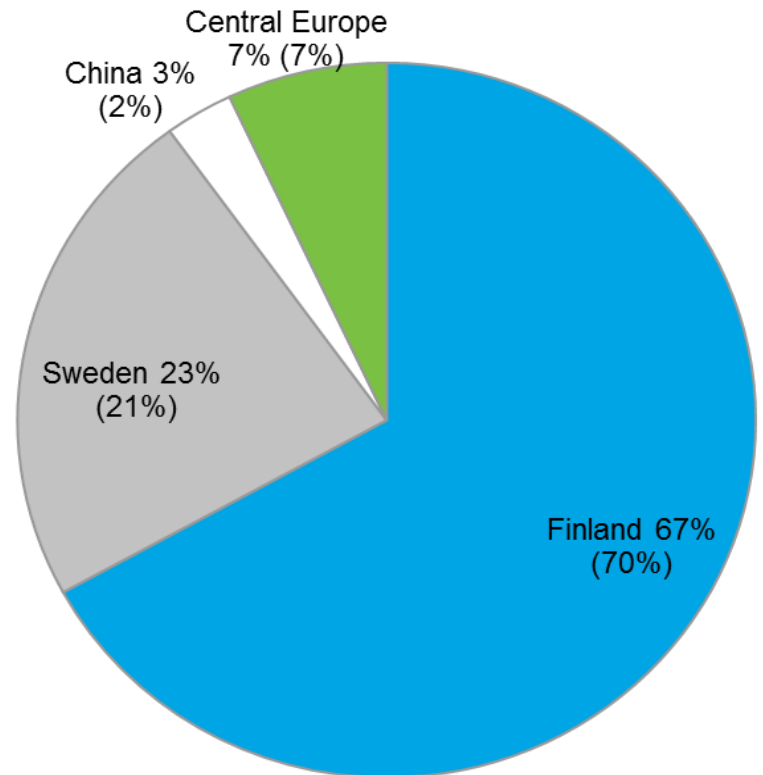


Revenue by service area and by country 1-3/2018

Revenue by service area

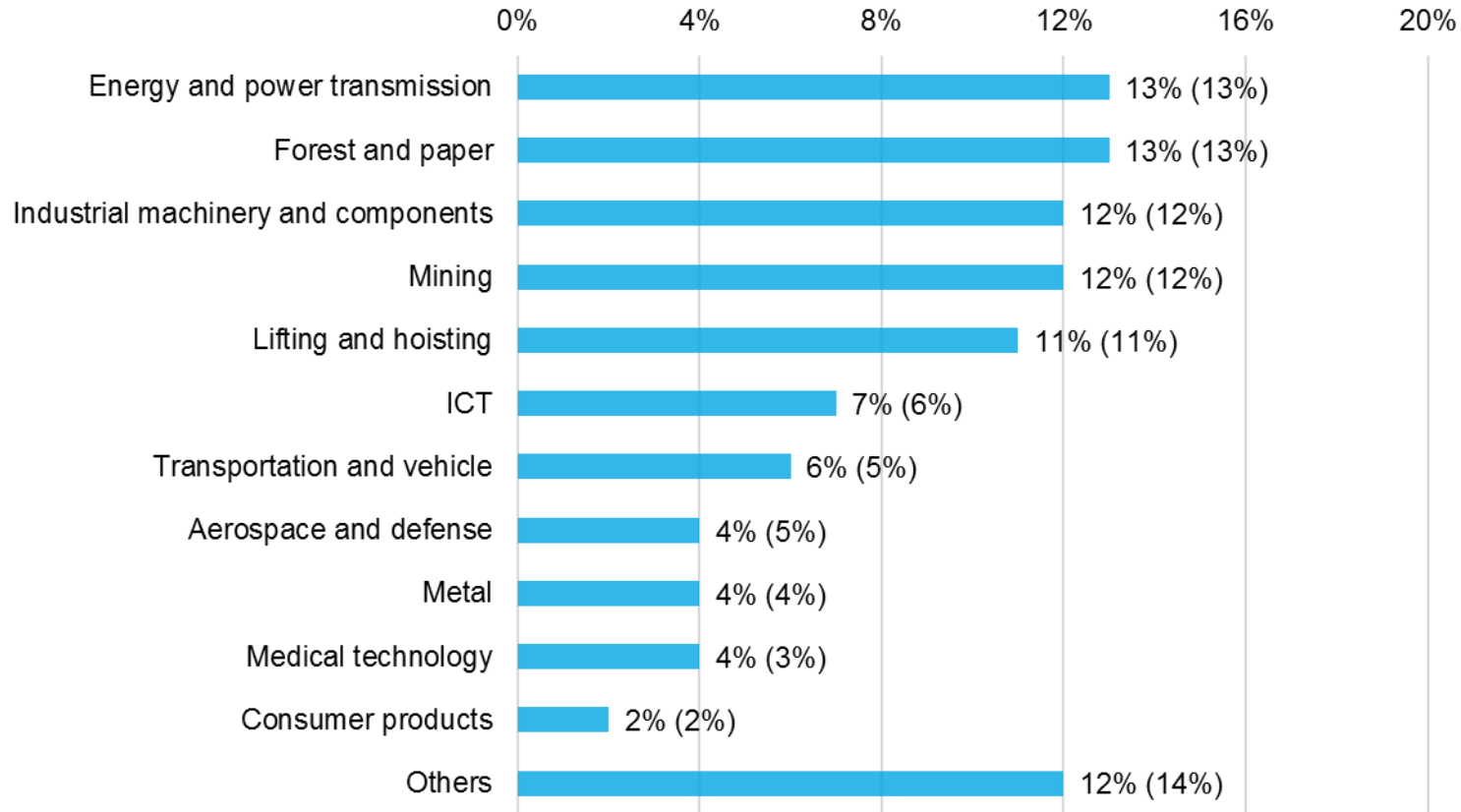


Revenue by country



Revenue 1-3/2018

Revenue by customer segment



Key figures 1-3/2018

(EUR 1,000)	1-3/2018	1-3/2017	Change %
Revenue	58,964	54,802	7.6
EBIT from business operations	4,871	4,329	12.5
EBIT from business operations, %	8.3	7.9	
Operating profit (EBIT)	4,415	3,827	15.4
EBIT, %	7.5	7.0	
Basic earnings per share, EUR	0.13	0.12	8.3
Equity ratio, %	43.0	42.1	
Operating cash flow	3,278	1,904	
ROCE, %	20.6	18.1	
Personnel at end of the period	2,868	2,628	9.1

Outlook

Market outlook 2018

- The most important factor affecting Etteplan's business is the global development of the machinery and metal industry. Our business environment is currently developing favorably in all market areas. The development of the Central European markets is expected to remain unchanged. The favorable situation in the Swedish market is expected to continue. The market situation in Finland is good. In Asia, the growth of the service market is expected to continue.

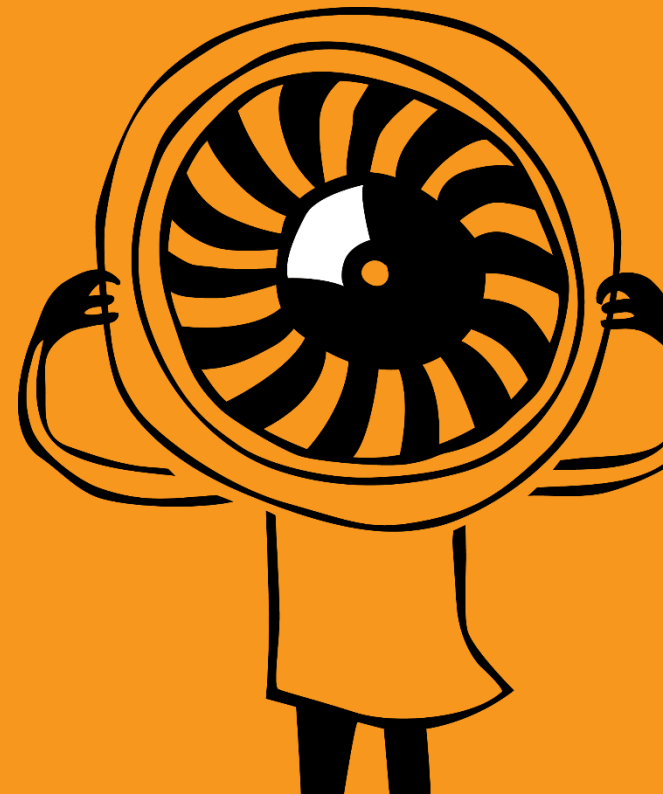
Financial guidance 2018, updated on May 3, 2018

- We expect the revenue and operating profit for the year 2018 to grow clearly compared to 2017.

Previous Financial guidance 2018, updated on February 8, 2018

- We expect the revenue and operating profit for the year 2018 to grow compared to 2017.

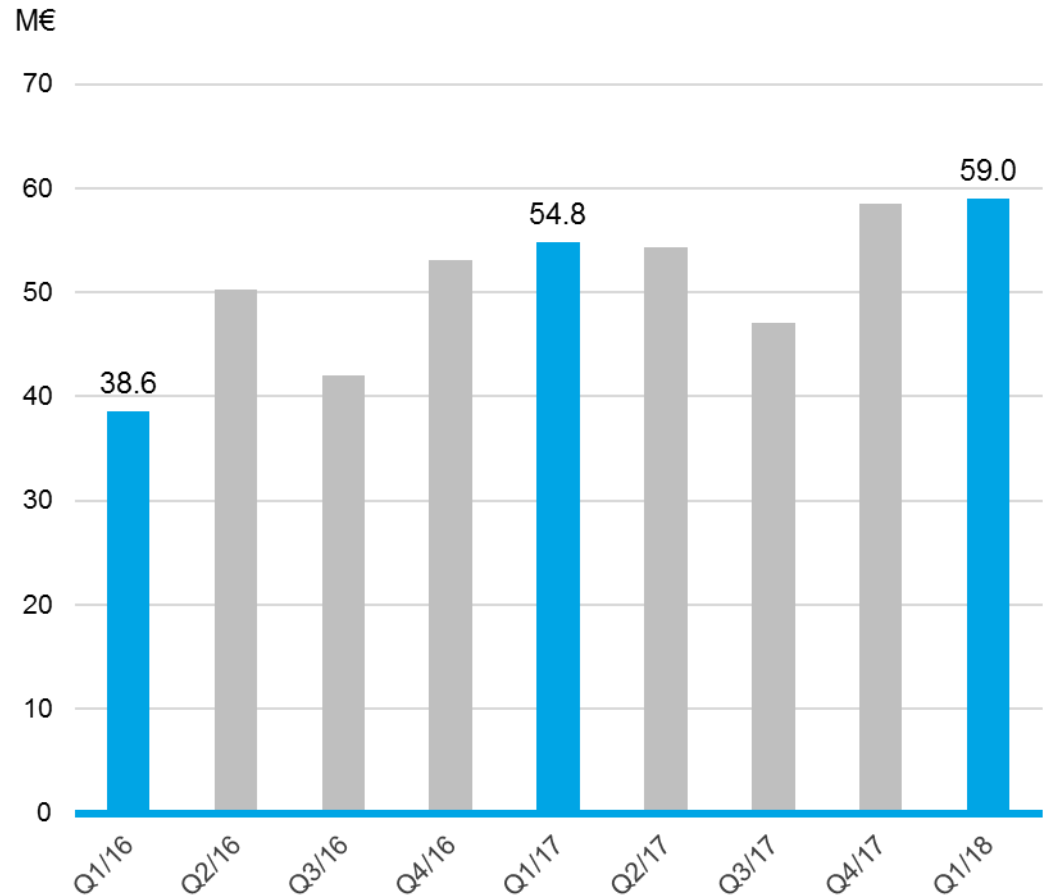
Q1/2018 financial development



Revenue

1-3/2018: EUR 59.0 million (1-3/2017: EUR 54.8 million)

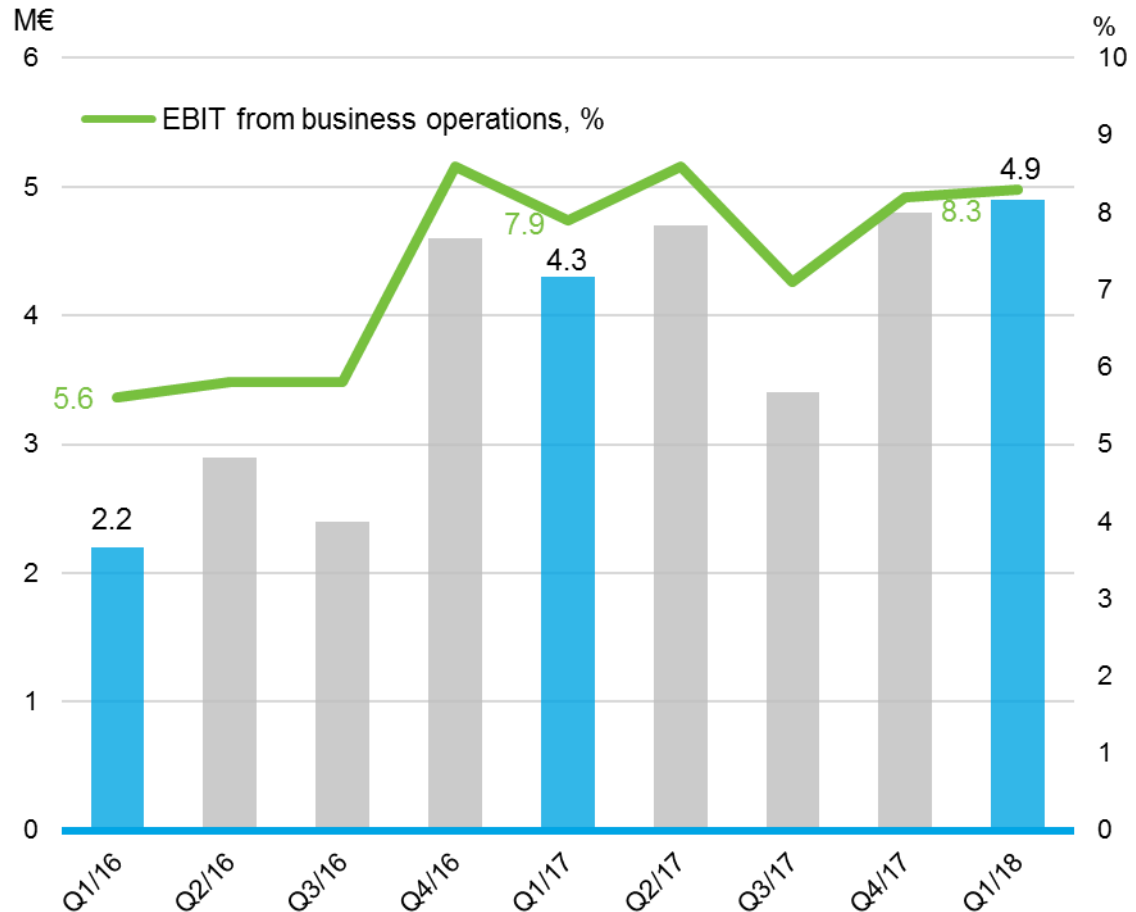
- Revenue increased by 7.6% (with comparable exchange rates 8.9%). Organic growth was 6.2% (with comparable exchange rates 7.5%).
- Key accounts grew by 4.0%.
- Strong organic growth continued in the first quarter due to favorable overall market situation, Etteplan's service offering and strong market position.
- The timing of Easter decreased the amount of working days
- The challenges in the Embedded Systems and IoT service area as well as a delay in a significant project delivery in technical documentation still affected growth.



EBIT from business operations

1-3/2018: EUR 4.9 million, 8.3% (1-3/2017: EUR 4.3 million, 7.9%)

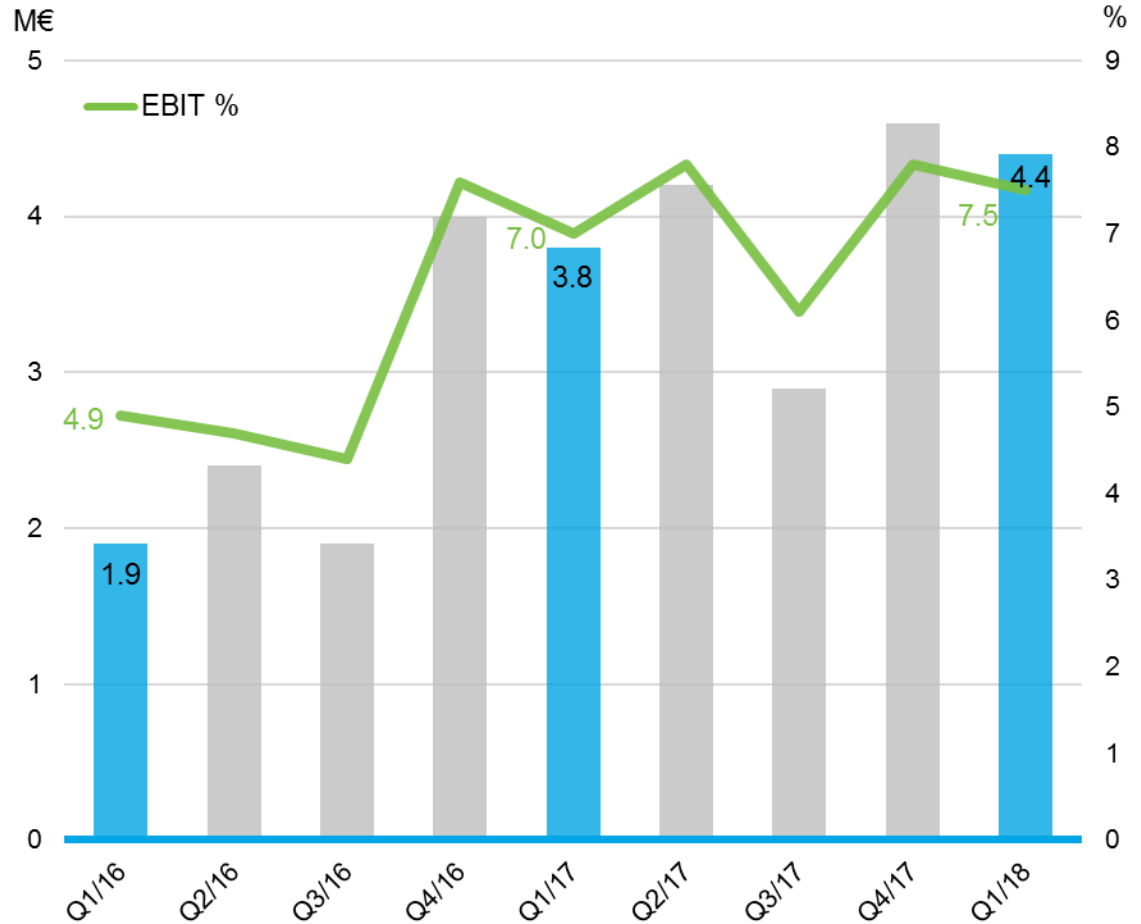
- EBIT from business operations improved by 12.5%.
- Exceptional items had an effect of EUR -0.2 (-0.4) million.
- Challenges in the Embedded Systems and IoT service area continued. We started to see the results of the measures taken and profitability improved towards the end of Q1.
- Further delays in a significant project delivery in technical documentation and challenges related to certain technical documentation customers in Germany decreased profitability.



Operating profit (EBIT) and EBIT %

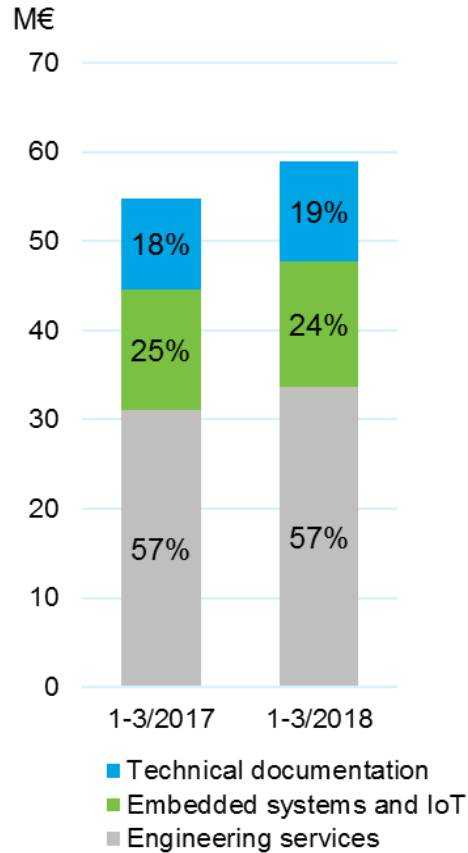
1-3/2018: EUR 4.4 million, 7.5% (1-3/2017: EUR 3.8 million, 7.0%)

- Amortization related to acquisitions were EUR 0.5 million.

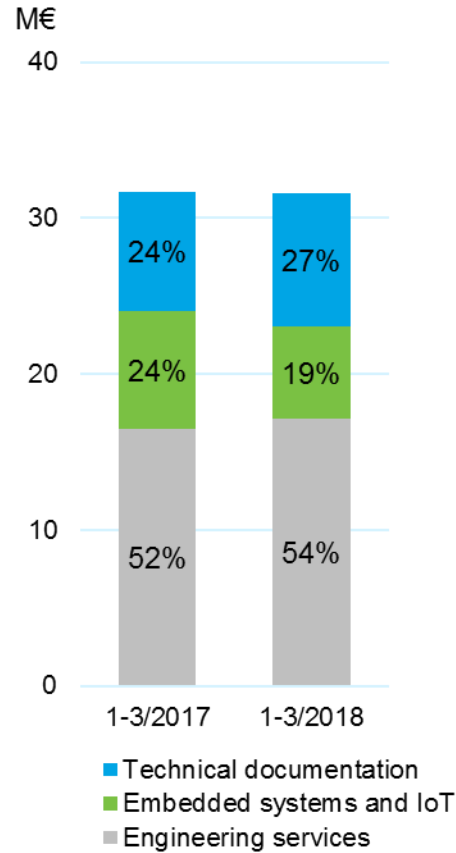


Development by service area 1-3/2018

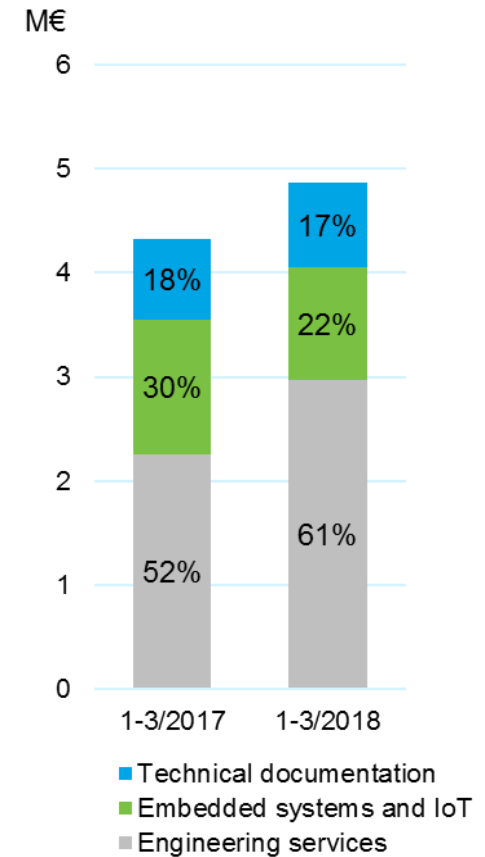
Revenue



Revenue from Managed Services



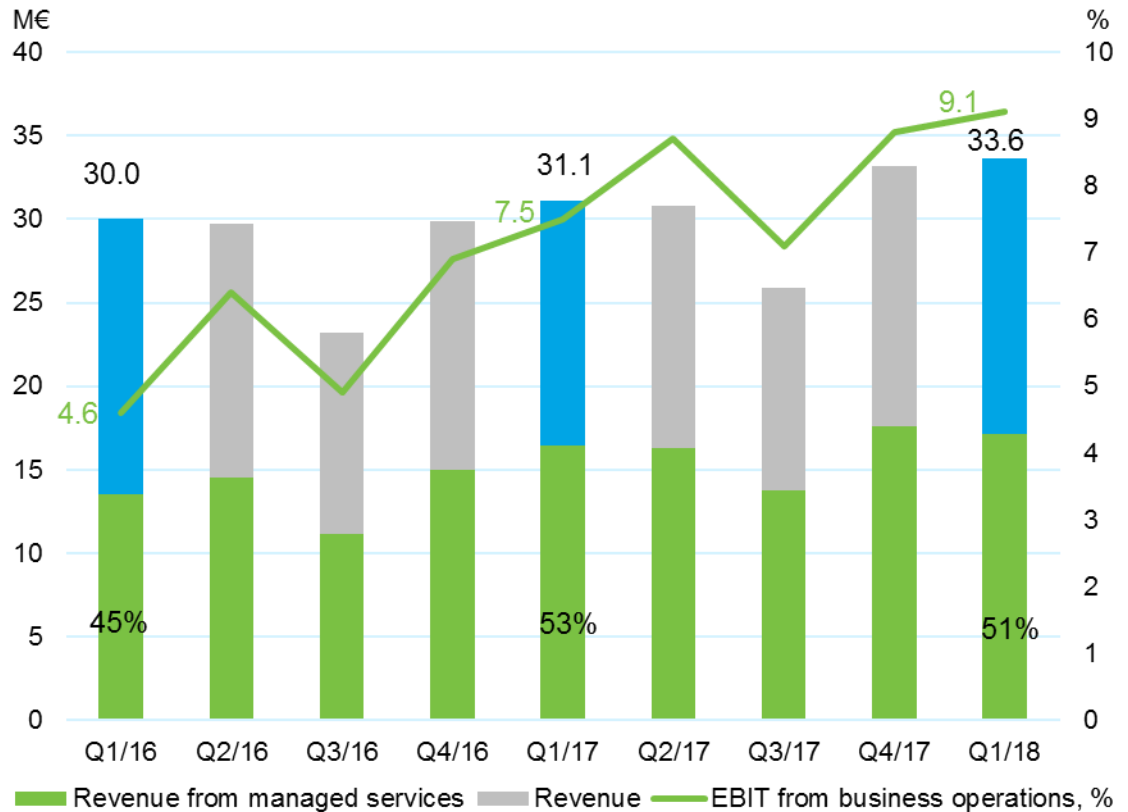
EBIT from business operations



Engineering services

Revenue 1-3/2018: EUR 33.6 million (1-3/2017: EUR 31.1 million)

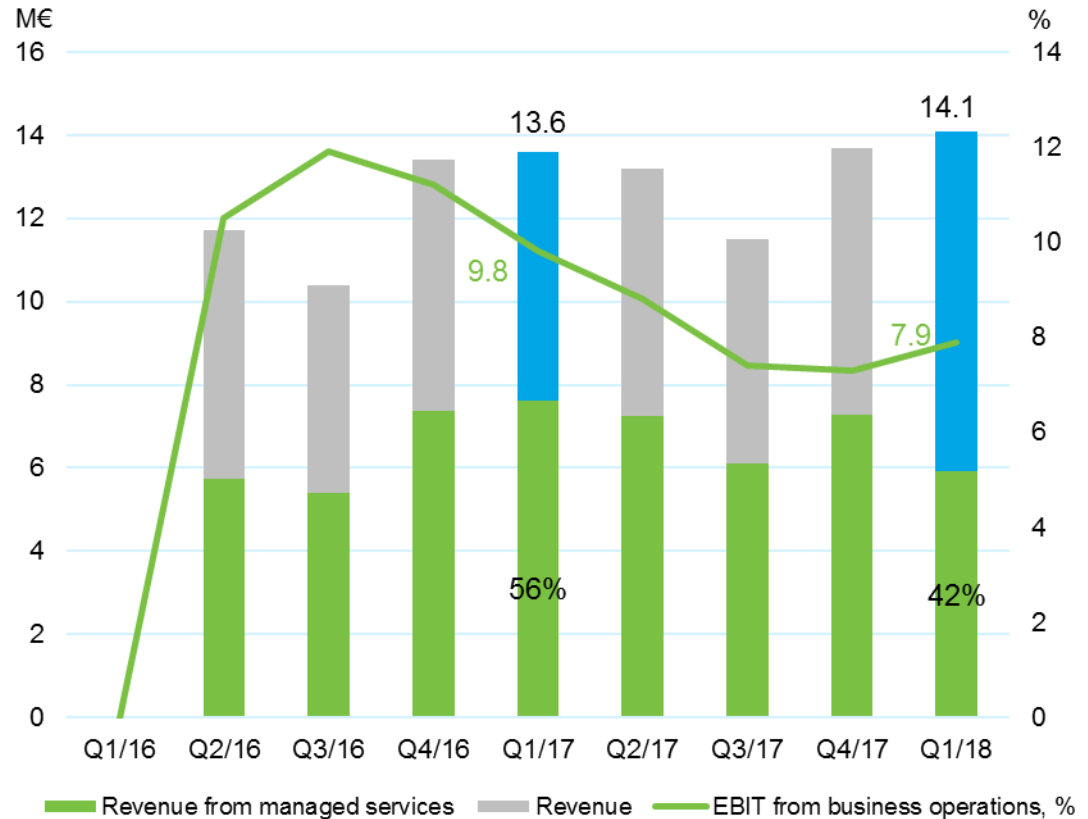
- Revenue increased by 8.3%.
- EBIT from business operations was EUR 3.1 (2.3) million or 9.1 (7.5) % of revenue.
- The excellent development continued in the favorable market situation.
- The good utilization rate improved profitability.
- Industrial investments remained at a good level: the demand for new product development and equipment engineering projects as well as plant engineering investments remained good.



Embedded systems and IoT

Revenue 1-3/2018: EUR 14.1 million (1-3/2017: EUR 13.6 million)

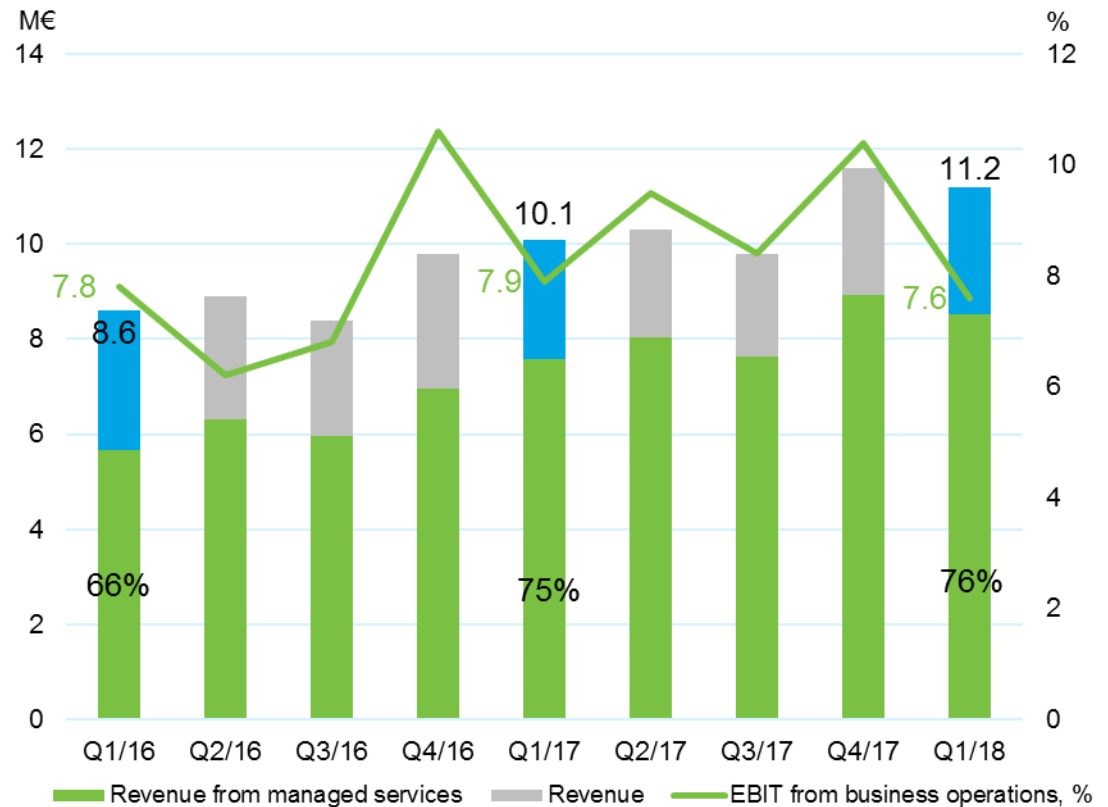
- Revenue increased by 4.0%.
- EBIT from business operations was EUR 1.1 million (EUR 1.3 million) or 7.9% (9.8%) of revenue.
- The reduced availability of competent professionals slowed growth.
- The decline in the demand situation of certain customers in late 2017 continued to affect revenue and profitability in the early part of Q1.
- The challenges in the project business, which began in 2017, continued. We started to see the results of the measures taken and profitability improved towards the end of Q1.
- MSI decreased due to measures taken to improve the profitability of the project business.



Technical documentation

Revenue 1-3/2018: EUR 11.2 million (1-3/2017: EUR 10.1 million)

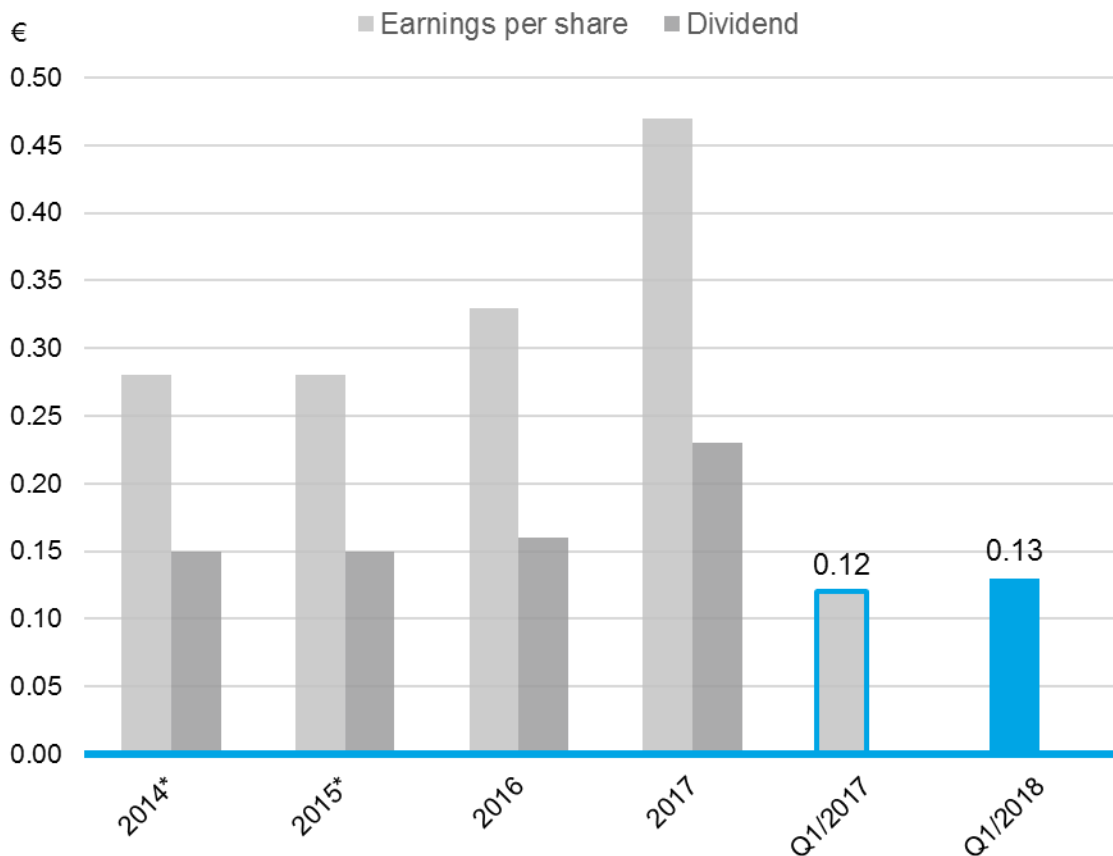
- Revenue increased by 10.8%.
- EBIT from business operations was EUR 0.8 (0.8) million or 7.6 (7.9) % of revenue.
- The service area continued to develop well.
- Organic growth was strong due to the success of the outsourcing business.
- Profitability was weighed down by further delays in a significant project delivery and challenges related to certain customers in Germany.



Earnings per share and dividends

Earnings per share 1-3/2018: EUR 0.13 (1-3/2017: EUR 0.12)

- The dividend for year 2017 was EUR 0.23 per share. The dividend was paid on April 16, 2018.

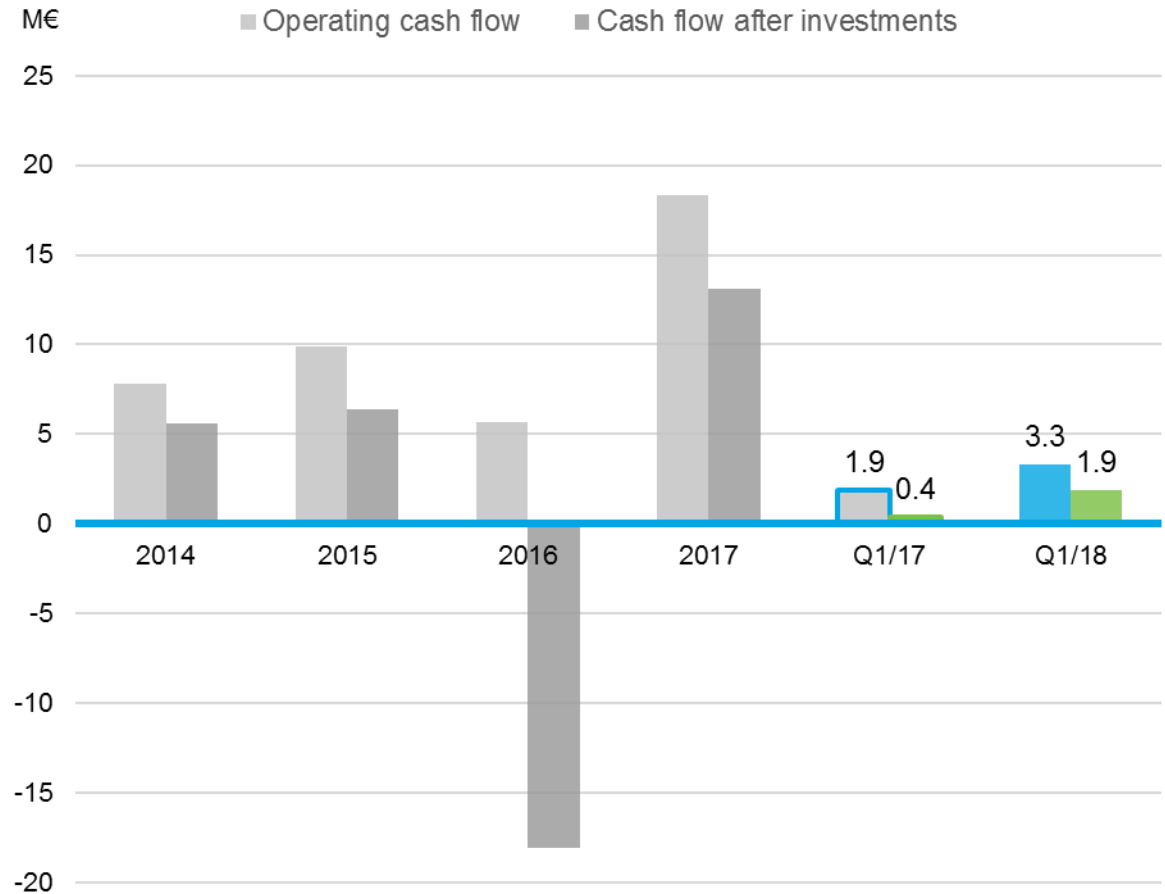


*Comparison periods' earnings per share have been issue adjusted. The rights issue factor was 1.050.

Cash flow

Operating cash flow 1-3/2018: EUR 3.3 million (1-3/2017: EUR 1.9 million)

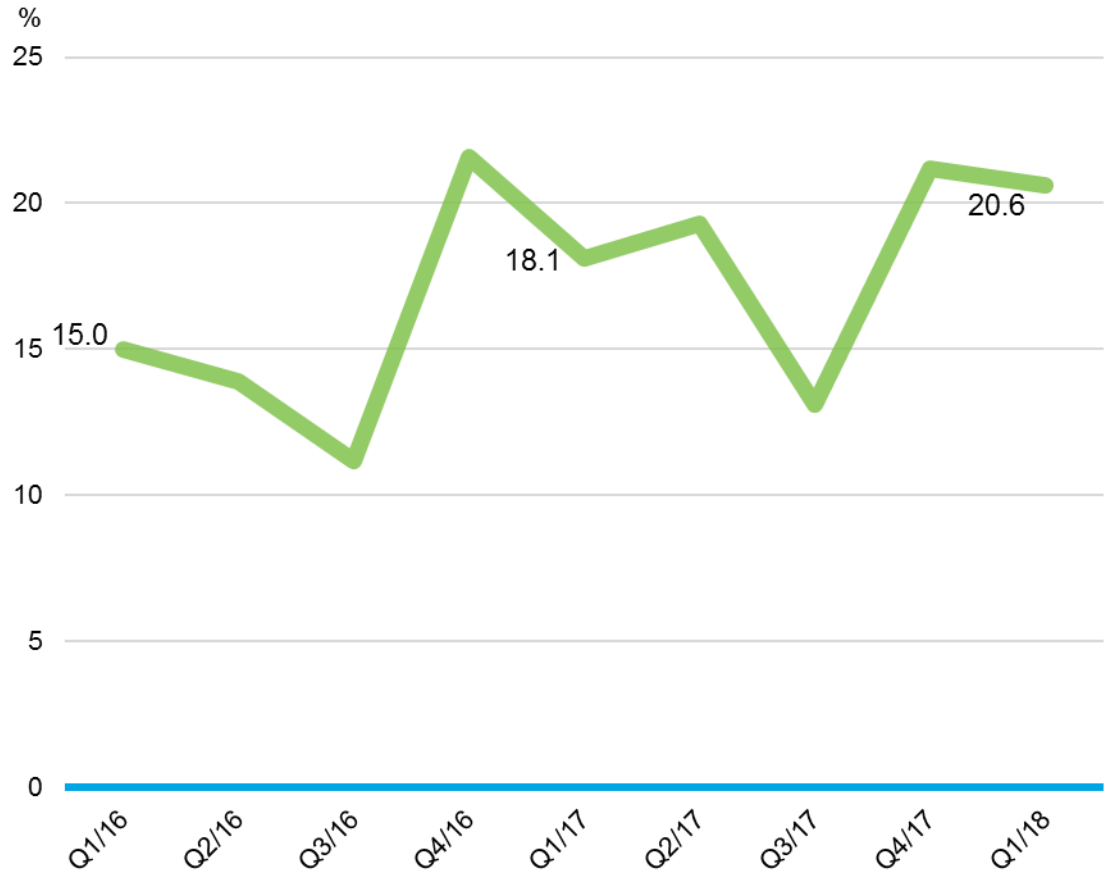
- Cash flow continued to improved due to the optimization of working capital and a better mix of customers' payment terms.
- Cash flow accrues unevenly over the four quarters of the year due to periodic fluctuation in business.



Return on capital employed (ROCE), %

1-3/2018: 20.6% (1-3/2017: 18.1%)

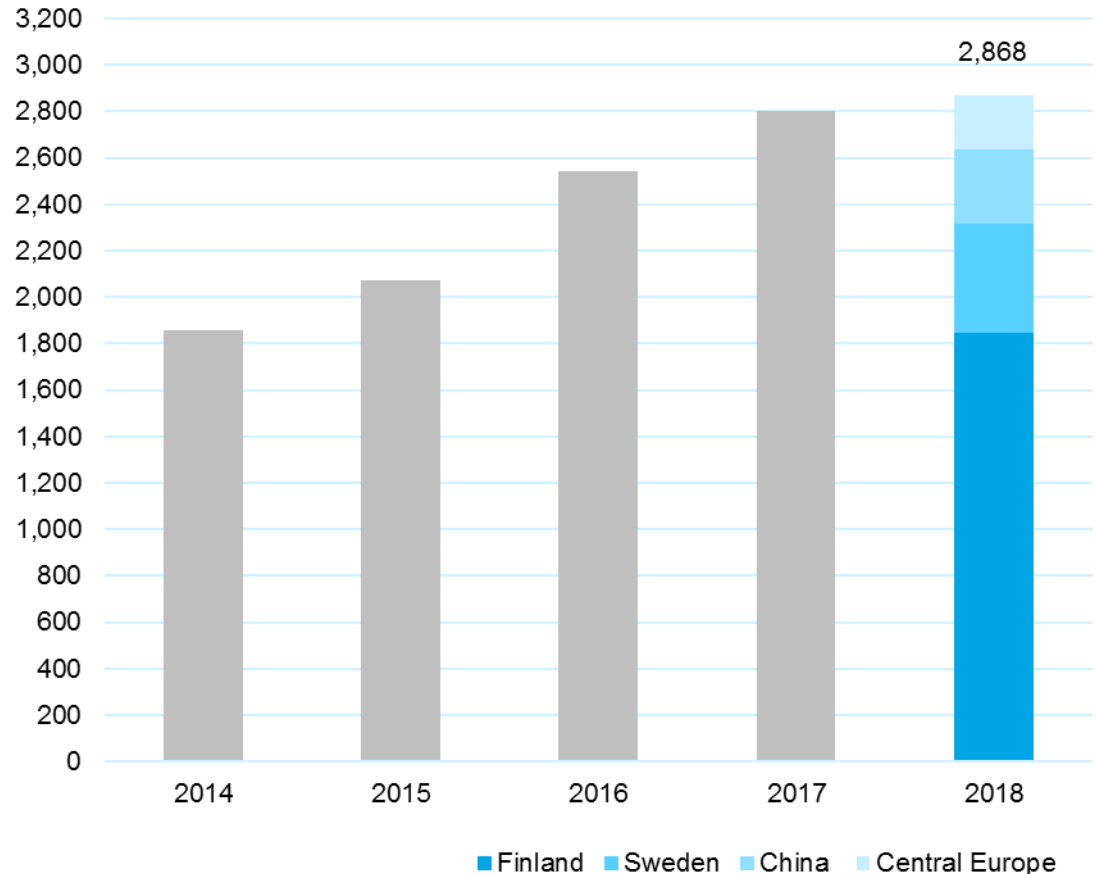
- Engineering services business does not tie significant capital. For this reason return on capital employed should be at least 20%.



Personnel at end of the period

1-3/2018: 2,868 (1-3/2017: 2,628)

- The amount of personnel grew by 9.1% year-on-year.
- At the end of the review period, 1,021 (Mar 31, 2017: 875) people were employed by the Group outside of Finland.



Income statement

(MEUR)	1-3/2018	1-3/2017	Change %	1-12/2017
Revenue	59.0	54.8	7.6	214.8
Other operating income	0.1	0.1		0.4
Materials and services	-5.2	-4.6		-20.4
Staff costs	-40.5	-38.2		-145.0
Other operating expenses	-7.7	-6.9		-29.0
Depreciation and amortization	-1.3	-1.3		-5.3
Operating profit (EBIT)	4.4	3.8	15.4	15.5
Financial income	0.4	0.2		0.5
Financial expenses	-0.5	-0.4		-1.3
Profit before taxes	4.3	3.6	18.0	14.7
Income taxes	-1.0	-0.7		-3.2
Profit for the review period	3.3	2.9	14.4	11.6

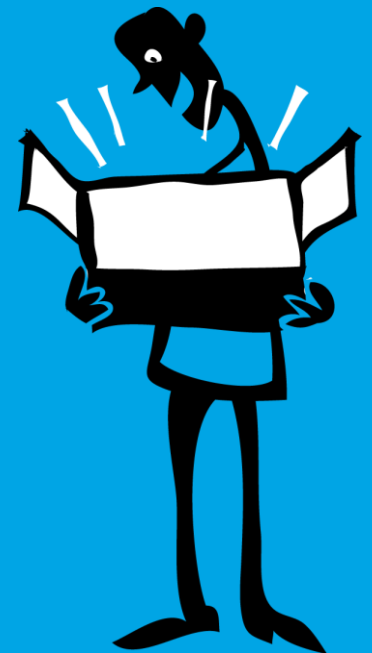
Balance sheet

(MEUR)

Mar 31, 2018 Mar 31, 2017 Dec 31, 2017

Goodwill	58.9	58.2	59.0
Other non-current assets	22.3	22.3	22.3
Non-current assets, total	81.2	80.5	81.3
Inventory	0.3	0.4	0.3
Trade and other receivables	51.0	49.7	52.8
Cash and cash equivalents	9.0	3.7	10.1
Current assets, total	60.3	53.8	63.2
TOTAL ASSETS	141.5	134.3	144.4
Equity, total	59.9	55.8	57.9
Non-current liabilities, total	22.7	25.8	23.8
Current liabilities, total	58.8	52.6	62.7
TOTAL EQUITY AND LIABILITIES	141.5	134.3	144.4

Etteplan's targets



We are progressing towards our targets

FINANCIAL TARGETS

15%

On average annual revenue growth

1-3/2018: 7.6%

10%

EBIT from business operations

1-3/2018: 8.3%

65%

Managed Services share of revenue by 2019

1-3/2018: 53%

>30%

Equity ratio

1-3/2018: 43.0%

ACTIONS

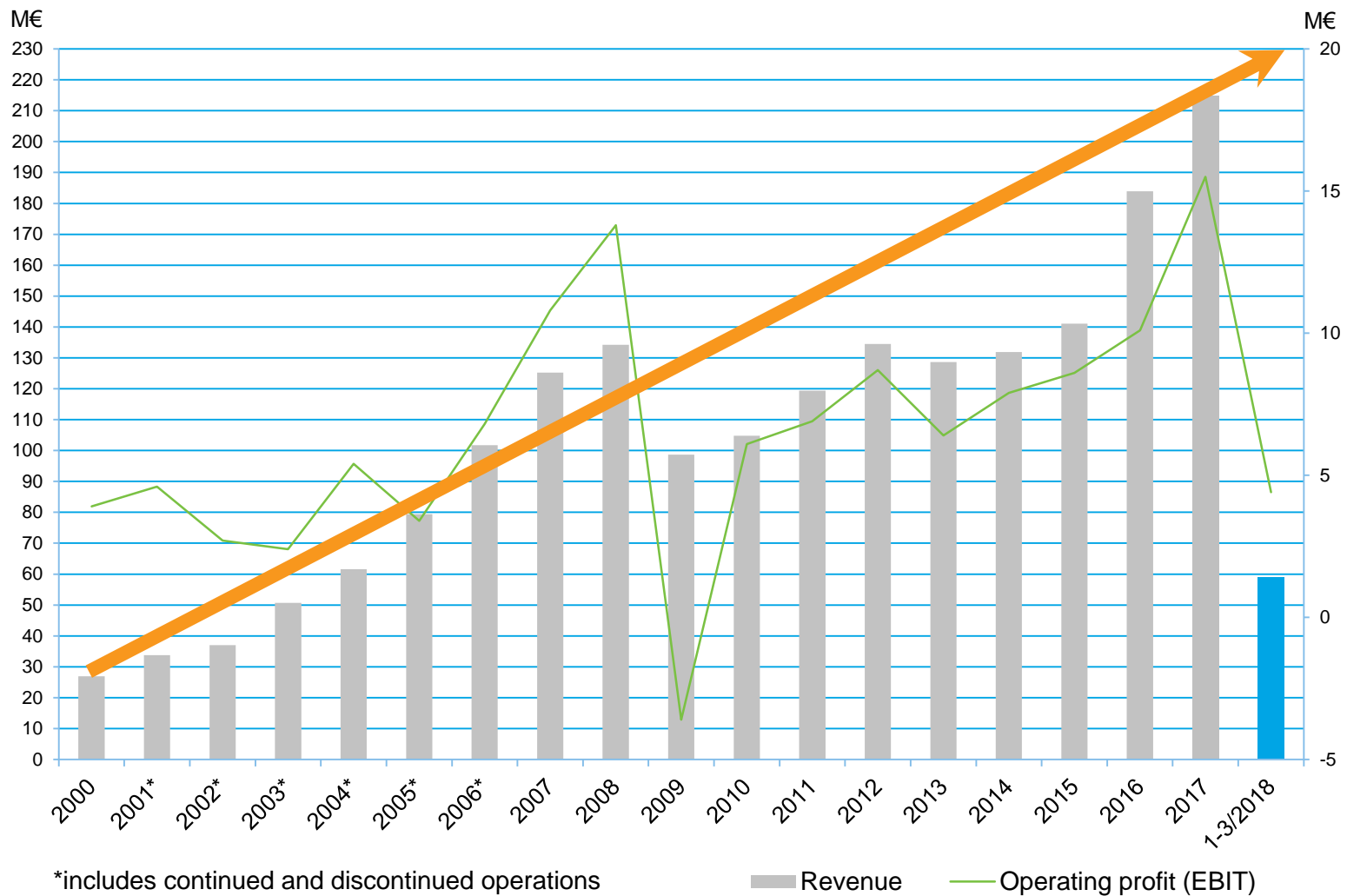
- Growth in key customers
- Organic growth through service solutions
- Acquisitions

- Change in business model towards Managed services
- Market leadership

- Service solutions
- Technology solutions
- Project business

- Corresponding financing arrangements
- Improving cash flow

Revenue and EBIT 2000-2018



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