

Solteq Plc Interim Report January 1 – September 30, 2021

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The company continued its growth, driven by the Utilities business

July–September

- Revenue totaled EUR 14.9 million (13.3) and increased by 12.2 percent
- EBITDA was EUR 2.4 million (2.7) and EBITDA percent was 16.2 (20.4)
- Operating profit was EUR 1.1 million (1.4) and operating profit percent was 7.6 (10.3)
- Earnings per share was EUR 0.03 (0.03)

January–September

- Revenue totaled EUR 50.8 million (44.0) and increased by 15.3 percent
- EBITDA was EUR 9.6 million (7.3) and EBITDA percent was 19.0 (16.6)
- Operating profit was EUR 5.8 million (3.6) and operating profit percent was 11.4 (8.1)
- Earnings per share was EUR 0.18 (0.07)
- Solteq Group's equity ratio was 36.8 percent (35.0)
- Net cash flow from operating activities was EUR 7.4 million (4.2)

Key figures

	7-9/2021	7-9/2020	Change %	1-9/2021	1-9/2020	Change %	1-12/2020	Rolling 12mos
Revenue, TEUR	14,909	13,289	12.2	50,779	44,044	15.3	60,452	67,187
EBITDA, TEUR	2,422	2,715	-10.8	9,638	7,300	32.0	10,380	12,719
Comparable EBITDA, TEUR	2,502	2,715	-7.8	9,824	7,490	31.2	10,810	13,144
Operating profit, TEUR	1,130	1,365	-17.2	5,802	3,563	62.8	5,350	7,589
Comparable operating profit, TEUR	1,210	1,365	-11.3	5,988	3,753	59.6	5,780	8,015
Profit for the financial period, TEUR	490	539	-9.2	3,496	1,358	157.5	1,980	4,119
Earnings per share, EUR	0.03	0.03	-10.1	0.18	0.07	156.8	0.10	0.21
Operating profit, %	7.6	10.3		11.4	8.1		8.9	11.3
Comparable operating profit, %	8.1	10.3		11.8	8.5		9.6	11.9
Equity ratio, %				36.8	35.0		35.5	36.0

CEO Olli Väätäinen's review:

Solteq Group continued its growth in the third quarter. The Group's revenue was EUR 14.9 million, up by 12.2 percent from the comparison period. The growth was mainly organic. Revenue from foreign subsidiaries increased relative to the comparison period and accounted for 22.6 percent of the Group's revenue. Solteq Software segment accounted for just over one-third of the Group's revenue, and Solteq Digital segment for just under two-thirds. The growth was fueled by Solteq Software's Utilities business and the market demand for Solteq Digital's ecommerce solutions.

The Group's EBITDA was EUR 2.4 million, which decreased by 10.8 percent relative to the comparison period. The Group's operating profit decreased by 17.2 percent from the comparison period and was EUR 1.1 million. The result of the third quarter was affected by two significant factors: The global component shortage caused unforeseen delays in customer projects. Due to challenges with hardware supply, two large-scale retail customer deliveries had to be postponed from the review period to the first half of 2022. The shortage of IT experts increased subcontracting costs relative to the comparison period.

Solteq Digital and Solteq Software segments continued to grow during the third quarter. Relative to the comparison period, the revenue in Solteq Digital increased by 4.3 percent and in Solteq Software by 29.7 percent. In Solteq Software, the EBITDA decreased by 17.2 percent and the operating profit by 55.3 percent relative to the comparison period. In Solteq Digital, the EBITDA decreased by 6.0 percent, but the operating profit increased by 8.1 percent relative to the comparison period.

As the operating environment continues to return to normal, the business outlook for Solteq Group and the demand in the key solution areas of the company remain stable both domestically as well as internationally. The digital future affects everyone. Keeping up with the latest developments is therefore on the current and future agendas of companies of different sizes and in various sectors.

Profit guidance 2021

Solteq Group's revenue is expected to grow clearly and operating profit to improve clearly.

Attachments

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Further information

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About Solteq:

Solteq is a Nordic provider of IT services and software solutions specializing in the digitalization of business and industry-specific software. The key sectors in which the company has long term experience include retail, manufacturing, energy and services. The company operates in Finland, Sweden, Norway, Denmark, Poland and the UK and employs over 650 professionals.