

# Solteq Plc Interim Report January 1 – March 31, 2022

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## Solteq Continued its Steady Growth Fueled by Digital Commerce Solutions and Utilities Business

### January-March

- Revenue totaled EUR 19.2 million (17.4) and increased by 10.7 percent
- EBITDA was EUR 2.7 million (3.5) and EBITDA percent was 14.1 (20.1)
- Operating profit was EUR 1.4 million (2.2) and operating profit percent was 7.2 (12.8)
- Earnings per share was EUR 0.04 (0.08)
- Solteq Group's equity ratio was 35.7 percent (32.4)
- Net cash flow from operating activities was EUR 2.1 million (3.5)

### Key figures

	1-3/2022	1-3/2021	Change %	1-12/2021	Rolling 12mos
Revenue, TEUR	19,239	17,383	10.7	69,055	70,911
EBITDA, TEUR	2,720	3,490	-22.1	12,267	11,497
Comparable EBITDA, TEUR	2,922	3,554	-17.8	12,556	11,924
Operating profit, TEUR	1,384	2,232	-38.0	7,123	6,274
Comparable operating profit, TEUR	1,586	2,296	-30.9	7,412	6,701
Profit for the financial period, TEUR	795	1,456	-45.4	4,100	3,439
Earnings per share, EUR	0.04	0.08	-45.4	0.21	0.18
Operating profit, %	7.2	12.8		10.3	8.8
Comparable operating profit, %	8.2	13.2		10.7	9.5
Equity ratio, %	35.7	32.4		36.9	34.1

## CEO Kari Lehtosalo: Solteq Continued its Steady Growth Fueled by Digital Commerce Solutions and Utilities Business

Solteq Group's revenue was EUR 19.2 million and increased by 10.7 percent relative to the comparison period. Approximately a third of the growth was organic. The revenue from the international subsidiaries accounted for 22.1 percent of the Group's revenue. Solteq Software segment accounted for just over a third and Solteq Digital segment for less than two-thirds of the Group's revenue. The growth was fueled by the digital business and commerce solutions of Solteq Digital and the Utilities business of Solteq Software.

The general costs of business increased significantly during the review period. At the same time, Solteq continued to invest in the internationalization and product development of Solteq Software segment. Together, these factors diminished the profitability relative to the comparison period. The Group's EBITDA decreased by 22.1 percent to EUR 2.7 million. The operating profit decreased by 38.0 percent to EUR 1.4 million. The EBITDA margin was 14.1 and the operating profit margin was

Both segments, Solteq Digital and Solteq Software, grew accordingly. Solteq Digital's revenue increased by 5.6 percent to EUR 11.8 million, while Solteq Software's revenue increased by 19.7 percent to EUR 7.4 million. Solteq Digital improved its profitability during the review period. As expected, Solteq Software's profitability decreased due to business development costs in the Utilities business area. Investments in the Company's product development amounted to EUR 0.8 million.

The war in Ukraine, which began in February, has had no immediate impact on the Company's business. In the long run, it may weaken the economy and the customers' ability to make investments. In addition to this, the changed security environment increases the risk of cyber attacks.

At present, the Company is preparing to welcome Aarne Aktan, who will take on his duties as the new CEO in the summer. Aktan's extensive experience in leading growth companies will create a good foundation for the Company's profitable growth in the future.

### **Profit Guidance 2022**

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

### **Attachments**

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### **Further information**

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### **Distribution**

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### **Solteq in brief**

Solteq is a 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 are retail, manufacturing, utilities, and services. The company employs over 650 professionals with offices in Finland, Sweden, Norway, Denmark, Poland, and the UK, with a customer base throughout Europe.