

## HALF-YEAR FINANCIAL REPORT for 1 January – 30 June 2017: Strong 24% revenue growth and market share gains in Q2

Verkkokauppa.com Oyj – Half year financial report (unaudited) 14 July 2017, 8:00 a.m.

### 1 April – 30 June 2017 in brief

- Revenue 99.0 million euros (4–6/2016: 80.1), growth of 23.7%
- Gross profit 14.5 million euros (12.3), growth of 17.6%
- Gross margin 14.6% of revenue (15.3%)
- Operating profit 2.3 million euros (1.0)
- Operating margin 2.4% of revenue (1.3%)
- Net profit 1.9 million euros (0.8)
- Earnings per share 0.04 euros (0.02)
- The Board of Directors has resolved to pay a quarterly dividend of 0.042 euros per share

KEY RATIOS	4-6/2017	4-6/2016	Change%	1-6/2017	1-6/2016	Change%	1-12/2016
Revenue, € thousands	99,030	80,073	24%	199,164	163,570	22%	371,495
Gross profit, € thousands	14,453	12,286	18%	29,148	25,348	15%	57,420
Gross margin, % of revenue	14.6%	15.3%		14.6%	15.5%		15.5%
Comparable EBITDA, € thousands	2,672	1,314	103%	6,067	3,992	52%	14,096
Comparable EBITDA, %	2.7%	1.6%		3.0%	2.4%		3.8%
Comparable operating profit, € thousands	2,344	1,006	133%	5,437	3,377	61%	12,800
Comparable operating margin, % of revenue	2.4%	1.3%		2.7%	2.1%		3.4%
Net profit, € thousands	1,890	810	133%	4,383	2,237	96%	9,769
Comparable net profit, € thousands	1,890	810	133%	4,383	2,716	61%	10,248

### 1 January – 30 June 2017 in brief

- Revenue 199 million euros (1–6/2016: 164), growth of 22%
- Gross profit 29.1 million euros (25.3), growth of 15%
- Gross margin 14.6% of revenue (15.5%)
- Operating profit 5.4 million euros (2.8)
- Comparable operating profit 5.4 million euros (3.4)
- Operating margin 2.7% of revenue (1.7%)
- Comparable operating margin 2.7% of revenue (2.1%)
- Net profit 4.4 million euros (2.2)
- Comparable net profit 4.4 million euros (2.7)
- Earnings per share 0.10 euros (0.05)
- Comparable earnings per share 0.10 euros (0.06)

## **BUSINESS OUTLOOK**

Verkkokauppa.com Oyj's business operations are estimated to develop positively within a medium-term time frame. The management believes that the company will succeed in further growing its market share in its chosen segments. The strong balance sheet enables the company to continue expanding its operations in accordance with its strategy. Nevertheless, the business outlook includes uncertainties, especially due to macroeconomic developments. The Finnish Ministry of Finance estimated on 21 June 2017 that the Finnish GDP will grow by 2.4% during 2017.

## **FINANCIAL GUIDANCE**

In 2017, the company's revenue and comparable operating profit are expected to exceed the level of 2016.

## **CEO SAMULI SEPPÄLÄ'S REVIEW**

Verkkokauppa.com's Q2 revenue grew by 24%, boosted by an updated, more aggressive growth strategy for 2017. Market share was taken in almost all categories, with most gains in categories with most aggressive pricing and marketing efforts. As Verkkokauppa.com only has a small assortment of seasonal products, bad weather or other seasonal effects have not affected revenue.

Competition in consumer electronics categories remained tough, which drove down the overall gross margin to 14.6%. Verkkokauppa.com continues to target a roughly one percent market share gain per category per year. This progress is tracked weekly or monthly. New consumer financing tool, Apuraha XXL was introduced, offering retail customers up to 60 months of payment time.

Search for new retail and logistics premises in Helsinki and Turku regions continues. These will need to be suitable for the company's low-cost online business model, and have flexible enough leasing terms, bearing in mind that more retail is going online in the future. There will be no new store openings during 2017.

Verkkokauppa.com's Board of Directors has decided that a quarterly dividend of 0.042 euros per share be paid for Q2, in line with the policy of growing dividends. New board members, Robert Burén and Panu Porkka have been familiarized with the company, its updated strategy and current projects.

The company will continue to invest in new online-suitable categories and cost-saving technologies. An estimated one per cent, or 400 million euros, of offline retail sales goes online every year in Finland, current level being approximately 10%. The company expects to continue revenue growth in 2017 and in the medium term, supported by positive retail market signals, GDP growth in Finland and the more aggressive growth strategy.

**KEY RATIOS AND PERFORMANCE INDICATORS**

	4-6/2017	4-6/2016	1-6/2017	1-6/2016	1-12/2016
Revenue, € thousands	99,030	80,073	199,164	163,570	371,495
Gross profit, € thousands	14,453	12,286	29,148	25,348	57,420
Gross margin, % of revenue	14.6%	15.3%	14.6%	15.5%	15.5%
EBITDA, € thousands	2,672	1,314	6,067	3,393	13,497
EBITDA, %	2.7%	1.6%	3.0%	2.1%	3.6%
Comparable EBITDA, € thousands	2,672	1,314	6,067	3,992	14,096
Comparable EBITDA, %	2.7%	1.6%	3.0%	2.4%	3.8%
Operating profit, € thousands	2,344	1,006	5,437	2,778	12,201
Operating margin, % of revenue	2.4%	1.3%	2.7%	1.7%	3.3%
Comparable operating profit, € thousands	2,344	1,006	5,437	3,377	12,800
Comparable operating margin, % of revenue	2.4%	1.3%	2.7%	2.1%	3.4%
Net profit, € thousands	1,890	810	4,383	2,237	9,769
Comparable net profit, € thousands	1,890	810	4,383	2,716	10,248
Equity ratio, %	45.0%	44.2%	45.0%	44.2%	39.5%
Return on investment, % rolling 12 months	43.0%	34.1%	43.0%	34.1%	33.0%
Net gearing, %	-57.1%	-66.1%	-57.1%	-66.1%	-108.0%
Earnings per share (EPS) revised by share split, €	0.04	0.02	0.10	0.05	0.22
Comparable earnings per share (EPS) revised by share split, €	0.04	0.02	0.10	0.06	0.23
Earnings per share (EPS) revised by share split (diluted), €	0.04	0.02	0.10	0.05	0.22
Comparable earnings per share (EPS) revised by share split (diluted), €	0.04	0.02	0.10	0.06	0.23
Number of shares at end of period	45,065,130	45,065,130	45,065,130	45,065,130	45,065,130
Average number of shares at end of period revised by share split	45,065,130	45,065,130	45,065,130	45,065,130	45,065,130
Number of shares at end of period revised by share split	45,065,130	45,065,130	45,065,130	45,065,130	45,065,130
Number of personnel* at end of period	592	570	592	570	563

\*The number of personnel includes both full- and part-time employees.

Verkkokauppa.com presents Alternative Performance Measures to reflect the underlying business performance and to enhance comparability between financial periods. In its reporting, Verkkokauppa.com uses terminology in accordance with the guidelines issued by the European Securities and Markets Authority (ESMA) concerning Alternative Performance Measures. Comparable performance measures exclude the income statement impact of certain non-operational items affecting comparability. Items affecting comparability are presented in the financial table section.

An item affecting comparability is an income or expense arising from non-recurring or rare events. Items affecting comparability are recognised in the profit and loss statement within the corresponding income or expense group.

## REVENUE AND PROFITABILITY DEVELOPMENT

April–June 2017

In April–June, Verkkokauppa.com Oyj's revenue grew by 23.7% year on year. Revenue grew by 19.0 million euros, totalling 99.0 million euros (80.1). Revenue increased particularly in mobile phones, televisions, cameras, small domestic appliances (SDA) and Audio & HI-FI.

According to GfK, the demand for consumer electronics increased by 7.0% during April–May in Finland.

As in the previous quarter and in the comparison period, a part of the sales increase was due to large wholesale volumes to customers who export the goods, as well as B2B sales. This part of sales increased year on year. The volume of these sales is typically difficult to estimate and their profitability is low. However, these sales contribute to the company's purchasing volumes and thus improve the company's position in relation to its suppliers.

Personnel costs decreased in April–June by 5.8% to 6.0 million euros (6.3).

During the second quarter, other expenses increased by 1.2 million euros to 5.8 million euros (4.7). The increase came mainly from the utilization of an outsourced warehouse services.

Operating profit in April–June 2017 was 2.3 million euros (1.0) and net profit 1.9 million euros (0.8).

Earnings per share were 0.04 euros (0.02).

January–June 2017

In January–June, Verkkokauppa.com Oyj's revenue grew by 21.8% year on year. Revenue grew by 35.6 million euros, totalling 199 million euros (164). Revenue increased particularly in mobile phones, televisions, cameras, small domestic appliances (SDA) and gaming.

According to GfK, the demand for consumer electronics increased by 8.4% during January–May in Finland.

Personnel costs decreased by 7.0% to 12.1 million euros (13.0). The comparison period included items affecting comparability of 0.6 million euros, which resulted from the company's internal audit in 2016 identifying technical errors in the company's holiday pay accounting. Comparable personnel costs decreased by 2.5% to 12.1 million euros (12.4).

During the reporting period, other expenses increased, totalling 11.0 million euros (9.0).

Operating profit in January–June 2017 was 5.4 million euros (2.8) and net profit 4.4 million euros (2.2). Comparable operating profit in January–June 2017 was 5.4 million euros (3.4) and net profit 4.4 million euros (2.7).

Earnings per share were 0.10 euros (0.05).

Comparable earnings per share were 0.10 euros (0.06)

## FINANCE AND INVESTMENTS

Operating cash flow was -14.2 million euros (-2.9) in January–June 2017. In the reporting period, the negative impact of the operating cash flow mainly resulted from decline in accounts payables, a clear increase in Apuraha accounts receivables and prepayment of pension contributions. The company paid its pension costs for 2017 in advance, as interest is more attractive than with corresponding bank deposits.

Ordinary seasonal fluctuations are reflected in cash and cash equivalents, cash flow and accounts payable, which usually reach the highest point at year-end and the lowest point at the end of the second quarter. Verkkokauppa.com has utilized the maximum amount of cash discounts.

During the reporting period, the company invested in the development of new ERP features, which resulted in the capitalization of 0.2 million euros in the IT department's salary expenses and external technology consulting fees. The company also invested in ordinary store equipment and furniture. The net capital expenditures were 1.0 million euros (0.5) in January–June 2017, of which 0.03 million euros (0.0) is an investment in Vitvaruexperten AB's shares. Previously the company has invested 0.25 million euros in the shares of Vitvaruexperten AB.

On 30 June 2017, Verkkokauppa.com had a revolving credit facility of 15 million euros, which had not been utilized.

## **FINANCIAL TARGETS**

The company strives to grow faster than its operating market and targets an annual revenue growth of over 10 per cent in the medium term. The company's objective is to improve its EBITDA margin in the medium term when compared to the level of 2013. The company strives to secure a sufficient equity ratio to finance the growth of its business and aims to maintain an equity ratio of over 25 per cent taking into consideration the nature and seasonality of the company's business.

## **SHARES AND SHARE TRADING**

The total number of shares in the company was 45,065,130 on 30 June 2017.

Over the reporting period 3,905,628 shares were exchanged on the NASDAQ OMX First North Finland market, representing 7.5% of all shares in the company. The highest share price was 8.37 euros and the lowest 6.81 euros. The average price in share trading was 7.52 euros. The total of the share trading was 29.4 million euros. The closing price was 8.02 euros, and the market value of all shares was 361 million euros at the end of the period.

The company does not own any of its own shares.

## **PERSONNEL, THE BOARD AND ADMINISTRATION**

During the reporting period, the number of employees increased by 22, and the total number of employees was 592 (570) at the end of June 2017. The number of employees includes both full- and part-time employees.

The election of the Board of Directors is explained below in the section on Annual General Meeting 2017.

## **RISKS AND UNCERTAINTIES**

Verkkokauppa.com Oyj's risks and uncertainties reflect the market and general economic trends, for example, demand for consumer electronics, wholesale trade business, the business environment and competition. The company's business operations are also influenced by risks and uncertainties relating to, for example, business strategy, investments, procurement and logistics, information technology, and other operative aspects of the business. The aforementioned risks and uncertainties may affect the company's operations, financial position and performance both positively and negatively. Risks and uncertainties have been presented in more detail in the Annual Report 2016.

## **LITIGATION**

Verkkokauppa.com has no open litigation issues.

## **ANNUAL GENERAL MEETING 2017**

The Annual General Meeting was held in Helsinki on 15 March 2017. The financial statements for the year 2016 were approved and the Board Members and the CEO were discharged from liability with respect to financial year 2016. It was resolved to pay a dividend of 0.04 euros per share, totalling 1,802,605.20 euros.

The Annual General Meeting authorized the Board of Directors to decide in its discretion on the distribution of dividends as follows:

The total amount of the dividend distribution based on this authorization shall not exceed EUR 0.126 per share (the instalments can differ from each other), in total not exceeding EUR 5,678,206.38. The authorization is valid until the opening of the next Annual General Meeting.

Unless the Board of Directors decides otherwise, the authorization will be used to distribute dividend three times during the period of validity of the authorization and the payment dates of the dividends will be on 10 May 2017, 28 August 2017 and 31 October 2017. The Board of Directors will decide on the record date in connection with each dividend payment decision and the company will make separate announcements of Board resolutions. Before the Board of Directors implements the resolution regarding the distribution of dividend, it must assess, from the viewpoint of Company's solvency and/or financial position, whether the requirements in the Finnish Companies Act for dividend distribution are fulfilled.

At the Annual General Meeting held on 15 March 2017, all Board members were re-elected until the end of the next Annual General Meeting. Christoffer Häggblom, Mikael Hagman, Minna Kurunsaari, Kai Seikku, Henrik Weckström and Samuli Seppälä were elected as members of the Board of Directors. The Board elected Christoffer Häggblom as the Chairman of the Board. Samuli Seppälä is the company's Chief Executive Officer.

The Authorized Public Accountant PricewaterhouseCoopers Oy was re-elected as the auditor, who has notified the company that Authorized Public Accountant Ylva Eriksson will be acting as the Principal Auditor.

## **EXTRAORDINARY GENERAL MEETING 2017**

An Extraordinary General Meeting was held in Helsinki on 28 April 2017. The Extraordinary General Meeting resolved to pay an extra dividend of 0.02 euros per share, totalling 901,302.60 euros. The Extraordinary General Meeting elected two new members to the Board of Directors: Robert Burén and Panu Porkka. The Board elected Christoffer Häggblom as the Chairman of the Board.

## **DIVIDEND**

Annual General Meeting 2017 resolved to pay 0.04 euros (1,802,605.20 euros in total) per share as dividend. The record date for the dividend distribution was 17 March 2017 and the dividend payment date was 24 March 2017.

Verkkokauppa.com's Annual General Meeting authorized the Board of Directors to decide in its discretion on the distribution of dividends not exceeding 0.126 euro per share to be paid in three instalments during 2017. In the first instalment, a dividend of 0.041 euro per share was paid (1,847,670.33 euros in total). The record date for the dividend distribution was 3 May 2017 and the dividend payment date was 10 May 2017.

In addition to above The Extraordinary General Meeting held on 28 April 2017 resolved to pay extra dividend of 0.02 euros (901,302.60 euros in total) per share. The record date for the dividend distribution was 3 May 2017 and the dividend payment date was 10 May 2017.

## **OTHER EVENTS DURING THE REPORTING PERIOD**

On 10 February 2017, the Board of Directors resolved to update the company's dividend policy by introducing the goal of paying out an increasing dividend. The company will evaluate annually the preconditions for the distribution of profits, while ensuring that such dividend distribution will not endanger the growth targets set out in the company's strategy or other financial targets of the company.

On 28 April 2017, the company appointed Vesa Järveläinen as Purchasing Director and member of the management team. At the same time, CEO Samuli Seppälä gave up his role as purchasing director.

## **SUBSEQUENT EVENTS**

The Board has resolved 14 July 2017 to pay dividend of 0.042 euros per share (1,892,735.46 euros in total). The record date for the dividend distribution is 18 July 2017 and the dividend payment date is 25 July 2017.

There are no other subsequent events that differ from usual business events, after the reporting period.

## PRESS CONFERENCES

A press conference for analysts, investors and media will be held in Finnish at the Jätkäsaari premises in Helsinki at Tyynenmerenkatu 11, 6th floor, at 10:00 a.m. (EET) on Friday, 14 July 2017, in which Verkkokauppa.com Oyj's CEO Samuli Seppälä will present the developments in the reporting period.

A press conference in English will be held by LiveStream webcast on Friday, 14 July 2017 at 11:00 a.m. (EET). Questions can be sent beforehand or during the presentation via e-mail to [investors@verkkokauppa.com](mailto:investors@verkkokauppa.com).

Presentation materials for both events are available at [www.verkkokauppa.com](http://www.verkkokauppa.com) in the section Investors > Presentations. For both press conferences, a LiveStream is available at [www.verklive.com](http://www.verklive.com).

## COMPANY RELEASES IN 2017

Verkkokauppa.com Oyj will publish its financial reports as follows:

- Interim report January – September 2017 on Friday 20 October 2017

Helsinki, Finland, 14 July 2017

**Verkkokauppa.com Oyj**

**Board of Directors**

More information:

Samuli Seppälä, CEO

e-mail [samuli.seppala@verkkokauppa.com](mailto:samuli.seppala@verkkokauppa.com)

Telephone +358 10 309 5555

Jussi Tallgren, CFO

e-mail [jussi.tallgren@verkkokauppa.com](mailto:jussi.tallgren@verkkokauppa.com)

Telephone +358 10 309 5555

Certified Adviser Nordea Bank Finland Plc

Telephone +358 9 5300 6785

Distribution:

NASDAQ OMX Helsinki

Key media

[www.verkkokauppa.com](http://www.verkkokauppa.com)



## FINANCIAL INFORMATION

The financial statements release has been prepared in accordance with Finnish Accounting Standards and local legislation, and in compliance with the accounting principles in the financial statements of 31 December 2016. The quarterly report has not been audited. The financial statements are audited at year-end.

Numbers presented in the quarterly report have been rounded and therefore columns or rows do not necessarily add up to the total amounts presented.

**INCOME STATEMENT**

€ thousands	4-6/2017	4-6/2016	Change%	1-6/2017	1-6/2016	Change%	1-12/2016
<b>REVENUE</b>	<b>99,030</b>	<b>80,073</b>	<b>23.7%</b>	<b>199,164</b>	<b>163,570</b>	<b>21.8%</b>	<b>371,495</b>
Other income	19	35	-43.7%	39	58	-33.1%	95
Cost of goods and services	-84,577	-67,787	24.8%	-170,016	-138,221	23.0%	-314,075
Personnel expenses	-5,979	-6,348	-5.8%	-12,084	-12,987	-7.0%	-24,420
Depreciation and amortization	-328	-309	6.3%	-630	-615	2.3%	-1,296
Other operating expenses	-5,822	-4,658	25.0%	-11,036	-9,027	22.3%	-19,598
<b>OPERATING PROFIT</b>	<b>2,344</b>	<b>1,006</b>	<b>133.0%</b>	<b>5,437</b>	<b>2,778</b>	<b>95.7%</b>	<b>12,201</b>
Financial income and expenses	18	5	234.7%	42	16	152.9%	1
<b>PROFIT BEFORE APPROPRIATIONS AND TAXES</b>	<b>2,362</b>	<b>1,011</b>	<b>133.6%</b>	<b>5,479</b>	<b>2,794</b>	<b>96.1%</b>	<b>12,202</b>
Appropriations	0	0		0	0	0.0%	7
Income taxes	-473	-201	135.4%	-1,096	-557	96.6%	-2,440
<b>NET PROFIT</b>	<b>1,890</b>	<b>810</b>	<b>133.1%</b>	<b>4,383</b>	<b>2,237</b>	<b>95.9%</b>	<b>9,769</b>

**BALANCE SHEET**

€ thousands	30.6.2017	30.6.2016	31.12.2016
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	1,144	1,203	1,222
Tangible assets	1,771	1,685	1,397
Investments	282	251	251
<b>NON-CURRENT ASSETS TOTAL</b>	<b>3,196</b>	<b>3,140</b>	<b>2,871</b>
<b>CURRENT ASSETS</b>			
Inventories	47,677	40,984	44,044
Receivables			
Non-current receivables	501	111	352
Trade receivables	282	0	231
Other receivables	219	111	121
Current receivables	14,861	7,745	11,867
Trade receivables	7,484	4,930	7,475
Other receivables	848	720	517
Receivables carried forward	6,529	2,095	3,875
Cash and cash equivalents	21,929	20,531	41,692
<b>CURRENT ASSETS TOTAL</b>	<b>84,969</b>	<b>69,372</b>	<b>97,956</b>
<b>TOTAL ASSETS</b>	<b>88,165</b>	<b>72,511</b>	<b>100,826</b>
<b>LIABILITIES</b>			
<b>EQUITY</b>			
Shareholders' capital			
Share capital	100	100	100
Other funds			
Invested non-restricted equity fund	25,493	25,493	25,493
Retained earnings	8,456	3,239	3,239
Profit (loss) for the period	4,383	2,237	9,769
<b>EQUITY TOTAL</b>	<b>38,432</b>	<b>31,069</b>	<b>38,600</b>
Depreciation reserve	75	82	75
Provisions	810	810	810
<b>LIABILITIES</b>			
Current liabilities total	48,848	40,551	61,341
Advances received	2,720	2,102	3,065
Accounts payables	31,082	23,834	42,087
Other liabilities	2,264	4,226	3,496
Accrued expenses	12,782	10,389	12,693
<b>LIABILITIES TOTAL</b>	<b>48,848</b>	<b>40,551</b>	<b>61,341</b>
<b>TOTAL LIABILITIES</b>	<b>88,165</b>	<b>72,511</b>	<b>100,826</b>

**CASH FLOW**

€ thousands	1-6/2017	1-6/2016	2016
Cash flow from operating activities			
Profit before appropriations and taxes	5,479	2,794	12,202
Depreciation and amortization	630	615	1,296
Gains/losses on sales or disposals of tangible and intangible assets	47	0	0
Interest paid and received	-42	-16	-1
Non-current receivables, increase (-), decrease (+)	-149	0	-241
Current receivables, increase (-), decrease (+)	-2,994	739	-3,383
Inventory increase (-), decrease (+)	-3,633	-2,242	-5,302
Non-interest-bearing debt, increase (+), decrease (-)	-11,828	-3,895	15,770
<b>NET CASH FROM OPERATING ACTIVITIES BEFORE FINANCING AND TAXES</b>	<b>-12,490</b>	<b>-2,005</b>	<b>20,341</b>
Interest paid and other operational financial expenses	-20	-17	-39
Interest received from operations	61	34	44
Taxes paid	-1,760	-953	-1,715
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-14,208</b>	<b>-2,941</b>	<b>18,631</b>
Investments			
Intangible and tangible investments	-972	-537	-949
Other investments	-30	0	0
<b>NET CASH FLOW FROM INVESTMENTS</b>	<b>-1,003</b>	<b>-537</b>	<b>-949</b>
Cash flows from financing activities			
Dividends paid	-4,552	-6,760	-6,760
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-4,552</b>	<b>-6,760</b>	<b>-6,760</b>
<b>NET INCREASE (+) / DECREASE (-) IN CASH AND CASH EQUIVALENTS</b>	<b>-19,763</b>	<b>-10,238</b>	<b>10,922</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>41,692</b>	<b>30,770</b>	<b>30,770</b>
<b>CASH AND CASH EQUIVALENTS AT THE PERIOD END</b>	<b>21,929</b>	<b>20,531</b>	<b>41,692</b>

**STATEMENT OF EQUITY CHANGES**

€, thousand	Share capital	Invested unrestricted equity fund	Retained earnings	Profit (loss) for the period	Total
<b>EQUITY 1.1.2017</b>	<b>100</b>	<b>25,493</b>	<b>13,008</b>	<b>0</b>	<b>38,600</b>
Dividends	0	0	-4,552	0	-4,552
Profit (loss) of the period	0	0	0	4,383	4,383
<b>EQUITY 30.6.2017</b>	<b>100</b>	<b>25,493</b>	<b>8,456</b>	<b>4,383</b>	<b>38,432</b>
<b>EQUITY 1.1.2016</b>	<b>100</b>	<b>25,493</b>	<b>9,999</b>	<b>0</b>	<b>35,591</b>
Dividends	0	0	-6,760	0	-6,760
Profit (loss) of the period	0	0	0	2,237	2,237
<b>EQUITY 30.6.2016</b>	<b>100</b>	<b>25,493</b>	<b>3,239</b>	<b>2,237</b>	<b>31,069</b>
<b>EQUITY 1.1.2016</b>	<b>100</b>	<b>25,493</b>	<b>9,999</b>	<b>0</b>	<b>35,591</b>
Dividends	0	0	-6,760	0	-6,760
Profit (loss) of the period	0	0	0	9,769	9,769
<b>EQUITY 31.12.2016</b>	<b>100</b>	<b>25,493</b>	<b>3,239</b>	<b>9,769</b>	<b>38,600</b>

**ITEMS AFFECTING COMPARABILITY**

€, thousands	1-6/2017	1-6/2016
Items affecting comparability in operating profit	0	-599
Items affecting comparability in financial items	0	0
Items affecting comparability in taxes	0	120
<b>Items affecting comparability, total</b>	<b>0</b>	<b>-479</b>

Items affecting comparability in January-June in year 2016 relate to a holiday pay compensation.

## **CALCULATION PRINCIPLES FOR THE COMPANY'S KEY RATIOS**

- 1) Fixed costs = Personnel expenses + other operating expenses
- 2) Fixed costs, % = (Personnel expenses + other operating expenses) / Revenue x 100
- 3) Gross profit = Revenue – Cost of goods and services
- 4) Gross margin, % = (Revenue – Cost of goods and services) / Revenue x 100
- 5) EBITDA = Operating profit before depreciation
- 6) EBITDA, % = Operating profit before depreciation / Revenue x 100
- 7) Operating margin, % = Operating result / Revenue x 100
- 8) Comparable operating margin, % = Comparable operating result / Revenue x 100
- 9) Equity ratio = (Equity + depreciation difference x (1 – tax rate)) / (Total sum of the balance sheet – advances received) x 100
- 10) Return on capital employed (ROCE), rolling 12 months, % = (Net profit + financial expenses + taxes) / (Average equity + interest-bearing debt) x 100
- 11) Net gearing, % = (Interest-bearing debt – cash and cash equivalents – interest-bearing receivables) / Equity x 100
- 12) Earnings per share = Profit for the financial period / Monthly average number of shares adjusted by share issues
- 13) Comparable earnings per share = Comparable profit for the financial period / Monthly average number of shares adjusted by share issues
- 14) Earnings per share (diluted) = Profit for the financial period / Monthly average number of shares adjusted by share issues + number of shares according to subscription rights
- 15) Comparable earnings per share (diluted) = Comparable profit for the financial period / Monthly average number of shares adjusted by share issues + number of shares according to subscription rights
- 16) Average number of shares at end of the period revised by share split = Monthly average number of shares at the end of the period revised by share split
- 17) Number of employees at the end of the period = Average number of employees on the last week of the period