

INTERIM REPORT for 1 January – 30 September 2017: Revenue growth 14%, market share gains in Q3

Verkkokauppa.com Oyj – Interim report (unaudited) 20 October 2017, 8:00 a.m.

1 July – 30 September 2017 in brief

- Revenue 105.0 million euros (7–9/2016: 92.6), growth of 13.8%
- Gross profit 13.9 million euros (14.5), decline of 3.8%
- Gross margin 13.2% of revenue (15.6%)
- Operating profit 1.8 million euros (3.9)
- Operating margin 1.7% of revenue (4.2%)
- Net profit 1.4 million euros (3.1)
- Earnings per share 0.03 euros (0.07)
- The Board of Directors has resolved to pay a quarterly dividend of 0.043 euros per share

KEY RATIOS	7-9/2017	7-9/2016	Change%	1-9/2017	1-9/2016	Change%	1-12/2016
Revenue, € thousands	105,424	92,611	14%	304,588	256,180	19%	371,495
Gross profit, € thousands	13,899	14,453	-4%	43,047	39,801	8%	57,420
Gross margin, % of revenue	13.2%	15.6%		14.1%	15.5%		15.5%
Comparable EBITDA, € thousands	2,113	4,244	-50%	8,180	8,237	-1%	14,096
Comparable EBITDA, %	2.0%	4.6%		2.7%	3.2%		3.8%
Comparable operating profit, € thousands	1,757	3,933	-55%	7,195	7,310	-2%	12,800
Comparable operating margin, % of revenue	1.7%	4.2%		2.4%	2.9%		3.4%
Net profit, € thousands	1,412	3,141	-55%	5,795	5,378	8%	9,769
Comparable net profit, € thousands	1,412	3,141	-55%	5,795	5,858	-1%	10,248

1 January – 30 September 2017 in brief

- Revenue 305 million euros (1–9/2016: 256), growth of 19%
- Gross profit 43.0 million euros (39.8), growth of 8%
- Gross margin 14.1% of revenue (15.5%)
- Operating profit 7.2 million euros (6.7)
- Comparable operating profit 7.2 million euros (7.3)
- Operating margin 2.4% of revenue (2.6%)
- Comparable operating margin 2.4% of revenue (2.9%)
- Net profit 5.8 million euros (5.4)
- Comparable net profit 5.8 million euros (5.9)
- Earnings per share 0.13 euros (0.12)
- Comparable earnings per share 0.13 euros (0.13)

BUSINESS OUTLOOK

Verkkokauppa.com Oyj's business operations are estimated to develop positively within a medium-term time frame, currently the competition is tough and it is expected to remain tough for some time. 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 19 September 2017 that the Finnish GDP will grow by 2.9% during 2017.

FINANCIAL GUIDANCE

On 14 September 2017 Verkkokauppa.com lowered its guidance on full-year comparable operating profit. According to the revised guidance, the company's revenue is expected to exceed the level of 2016. The comparable operating profit is expected to be below the level of 2016.

Previous guidance (published on 14 July 2017, half-year financial report)

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 revenue grew by 14% in Q3, boosted by more aggressive growth initiatives for the quarter. The company's market share grew in almost all categories, with up to 10% share gains in some categories or with some vendors. The growth was achieved by sacrificing margins in Q3, with an EBITDA decrease of 50% year on year. At the same time, the company estimates that the overall consumer electronics market grew only marginally during Q3. Due to the decreased profitability, the company updated its guidance for fiscal year 2017 on September 14.

In the next months, the company will focus on improving its profitability slightly, and on less aggressive growth. The Board of Directors has also updated the company's medium-term targets. The company seeks annual growth in net sales of 10–20%, annual growth in EBITDA, and an EBITDA margin of 3–5%. Reflecting its long-term growth strategy, Verkkokauppa.com aims to pay an increasing quarterly dividend over time.

The Pirkkala and Oulu stores were relaunched with grand openings in August. A lot reservation in East Helsinki has been made for planning a potential new Myllypuro area store and logistics center. The new Apuraha Business service was launched to complement the broad range of existing Apuraha financing solutions. The new category Pets was launched with a target of gaining significant market share within first operating year. A new Verkkokauppa.com megastore, to be located in Raisio, serving the greater Turku region, will have a grand opening in late Q1/2018.

Panu Porkka was appointed as the new CEO, starting in April 2018, at the latest. I am personally very pleased to welcome Panu as the new CEO of a company I founded 25 years ago. I have full confidence in Panu executing the company's strategy in the coming years.

The company will continue investing in new categories suited for online sales and in cost-saving technologies. An estimated one per cent, or 400 million euros, of brick-and-mortar retail sales goes online every year in Finland, with current level of online sales being approximately 10%. The company expects to continue its revenue growth in 2017 and in the medium-term, supported by positive retail market signals, GDP growth in Finland, and the company's growth strategy.

KEY RATIOS AND PERFORMANCE INDICATORS

	7-9/2017	7-9/2016	1-9/2017	1-9/2016	1-12/2016
Revenue, € thousands	105,424	92,611	304,588	256,180	371,495
Gross profit, € thousands	13,899	14,453	43,047	39,801	57,420
Gross margin, % of revenue	13.2%	15.6%	14.1%	15.5%	15.5%
EBITDA, € thousands	2,113	4,244	8,180	7,637	13,497
EBITDA, %	2.0%	4.6%	2.7%	3.0%	3.6%
Comparable EBITDA, € thousands	2,113	4,244	8,180	8,237	14,096
Comparable EBITDA, %	2.0%	4.6%	2.7%	3.2%	3.8%
Operating profit, € thousands	1,757	3,933	7,195	6,711	12,201
Operating margin, % of revenue	1.7%	4.2%	2.4%	2.6%	3.3%
Comparable operating profit, € thousands	1,757	3,933	7,195	7,310	12,800
Comparable operating margin, % of revenue	1.7%	4.2%	2.4%	2.9%	3.4%
Net profit, € thousands	1,412	3,141	5,795	5,378	9,769
Comparable net profit, € thousands	1,412	3,141	5,795	5,858	10,248
Equity ratio, %	40.4%	42.6%	40.4%	42.6%	39.5%
Return on investment, % rolling 12 months	35.5%	34.4%	35.5%	34.4%	33.0%
Net gearing, %	-78.7%	-85.9%	-78.7%	-85.9%	-108.0%
Earnings per share (EPS) revised by share split, €	0.03	0.07	0.13	0.12	0.22
Comparable earnings per share (EPS) revised by share split, €	0.03	0.07	0.13	0.13	0.23
Earnings per share (EPS) revised by share split (diluted), €	0.03	0.07	0.13	0.12	0.22
Comparable earnings per share (EPS) revised by share split (diluted), €	0.03	0.07	0.13	0.13	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	608	556	608	556	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

July–September 2017

In July–September, Verkkokauppa.com Oyj's revenue grew by 13.8% year on year. Revenue grew by 12.8 million euros, totalling 105.4 million euros (92.6). Revenue increased particularly in small domestic appliances (SDA), major domestic appliances (MDA), televisions, computers, and Audio & Hi-Fi.

According to GfK, the demand for consumer electronics increased by 0% during July–August in Finland.

Verkkokauppa.com opened a new store in Pirkkala and at the same time closed the old one in the same retail park. The Oulu store was refurbished. Both stores were opened at the end of August. A decision was made on opening a new store in Raisio during the first quarter of 2018.

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 increased in July–September by 7.0% to 5.7 million euros (5.3). During the third quarter, other expenses increased by 1.2 million euros to 6.1 million euros (4.9). The increase came mainly from the utilization of outsourced warehouse services.

Operating profit in July–September 2017 was 1.8 million euros (3.9) and net profit 1.4 million euros (3.1).

Earnings per share were 0.03 euros (0.07).

January–September 2017

In January–September, Verkkokauppa.com Oyj's revenue grew by 18.9% year on year. Revenue grew by 48.4 million euros, totalling 305 million euros (256). Revenue increased particularly in mobile phones, televisions, cameras, small domestic appliances (SDA) and major domestic appliances (MDA).

According to GfK, the demand for consumer electronics increased by 4.8% during January–August in Finland.

Personnel costs decreased by 2.9% to 17.8 million euros (18.3). 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 increased by 0.4% to 17.8 million euros (17.7).

During the reporting period, other expenses increased, totalling 17.1 million euros (13.9).

Operating profit in January–September 2017 was 7.2 million euros (6.7) and net profit 5.8 million euros (5.4). Comparable operating profit in January–September 2017 was 7.2 million euros (7.3) and net profit 5.8 million euros (5.9).

Earnings per share were 0.13 euros (0.12).

Comparable earnings per share were 0.13 euros (0.13)

FINANCE AND INVESTMENTS

Operating cash flow was -4.1 million euros (6.1) in January–September 2017. In the reporting period, the negative impact of the operating cash flow mainly resulted from decline in accounts payables, a significant increase in Apuraha accounts receivables and the 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 0.3 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 1.2 million euros (0.7) in January–September 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 September 2017, Verkkokauppa.com had a revolving credit facility of 15 million euros, which had not been utilized.

FINANCIAL TARGETS

The company targets an annual revenue growth of 10 - 20 per cent in the medium-term. The company's objective is growing EBITDA and EBITDA margin of 3-5 per cent in the medium-term. The company's dividend policy is to pay out an increasing dividend. Dividend is paid quarterly.

SHARES AND SHARE TRADING

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

Over the reporting period 5,525,227 shares were exchanged on the NASDAQ OMX First North Finland market, representing 12.3% of all shares in the company. The highest share price was 10.01 euros and the lowest 6.81 euros. The average price in share trading was 7.90 euros. The total of the share trading was 43.7 million euros. The closing price was 8.17 euros, and the market value of all shares was 368 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 52, and the total number of employees was 608 (556) at the end of September 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 the second instalment, a dividend of 0.042 euro per share was paid (1,892,735.46 euros in total). The record date for the dividend distribution was 18 July 2017 and the dividend payment date was 25 July 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.

On 14 September 2017 Verkkokauppa.com lowered its guidance on full-year comparable operating profit. According to the revised guidance, the company's revenue is expected to exceed the level of 2016. The comparable operating profit is expected to be below the level of 2016.

On 27 September 2017, the company appointed Panu Porkka as the CEO starting at the latest 1 April 2018. At the same time, Samuli Seppälä will step down from his position as CEO.

SUBSEQUENT EVENTS

On 12 October 2017 Verkkokauppa.com and other shareholders in Vitvaruexperten.com Nordic AB sold their shares to Bygghemma Sverige AB. The profit from the original investment is approximately 0.3 million euros. The proceeds were partly reinvested to Vitvaruexperten.com Nordic AB. The reinvestment is approximately 0.3 million euros. The reinvestment enables earning an additional sale price (earn out) during 2018–2020.

The Board has resolved 20 October 2017 to pay a dividend of 0.043 euros per share (1,937,800.59 euros in total). The record date for the dividend distribution is 24 October 2017 and the dividend payment date is 31 October 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, 20 October 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, 20 October 2017 at 11:00 a.m. (EET). Questions can be sent beforehand or during the presentation via e-mail to investors@verkkokauppa.com.

Presentation materials for both events are available at www.verkkokauppa.com in the section Investors > Presentations. For both press conferences, a LiveStream is available at www.verklive.com.

COMPANY RELEASES IN 2017

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

- Financial statement release 2017 on Friday, 9 February 2018

Helsinki, Finland, 20 October 2017

Verkkokauppa.com Oyj

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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	7-9/2017	7-9/2016	Change%	1-9/2017	1-9/2016	Change%	1-12/2016
REVENUE	105,424	92,611	13.8%	304,588	256,180	18.9%	371,495
Other income	23	14	65.9%	62	72	-14.2%	95
Cost of goods and services	-91,525	-78,158	17.1%	-261,542	-216,379	20.9%	-314,075
Personnel expenses	-5,695	-5,323	7.0%	-17,779	-18,310	-2.9%	-24,420
Depreciation and amortization	-356	-311	14.3%	-985	-926	6.4%	-1,296
Other operating expenses	-6,113	-4,899	24.8%	-17,149	-13,926	23.1%	-19,598
OPERATING PROFIT	1,757	3,933	-55.3%	7,195	6,711	7.2%	12,201
Financial income and expenses	8	-6	224.9%	50	10	393.1%	1
PROFIT BEFORE APPROPRIATIONS AND TAXES	1,765	3,927	-55.0%	7,244	6,721	7.8%	12,202
Appropriations	0	0		0	0		7
Income taxes	-353	-785	-55.0%	-1,449	-1,343	7.9%	-2,440
NET PROFIT	1,412	3,141	-55.0%	5,795	5,378	7.8%	9,769

BALANCE SHEET

€ thousands	30.9.2017	30.9.2016	31.12.2016
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	1,036	1,249	1,222
Tangible assets	1,767	1,534	1,397
Investments	282	251	251
NON-CURRENT ASSETS TOTAL	3,085	3,034	2,871
CURRENT ASSETS			
Inventories	46,954	40,315	44,044
Receivables			
Non-current receivables	1,209	249	352
Trade receivables	771	138	231
Other receivables	438	111	121
Current receivables	16,053	10,004	11,867
Trade receivables	10,273	6,766	7,475
Other receivables	664	813	517
Receivables carried forward	5,116	2,425	3,875
Cash and cash equivalents	29,860	29,384	41,692
CURRENT ASSETS TOTAL	94,075	79,952	97,956
TOTAL ASSETS	97,160	82,986	100,826
LIABILITIES			
EQUITY			
Shareholders' capital			
Share capital	100	100	100
Other funds			
Invested non-restricted equity fund	25,493	25,493	25,493
Retained earnings	6,563	3,239	3,239
Profit (loss) for the period	5,795	5,378	9,769
EQUITY TOTAL	37,952	34,210	38,600
Depreciation reserve	75	82	75
Provisions	810	810	810
LIABILITIES			
Current liabilities total	58,324	47,884	61,341
Advances received	3,135	2,563	3,065
Accounts payables	39,895	31,590	42,087
Other liabilities	3,419	4,201	3,496
Accrued expenses	11,874	9,530	12,693
LIABILITIES TOTAL	58,324	47,884	61,341
TOTAL LIABILITIES	97,160	82,986	100,826

CASH FLOW

€ thousands	1-9/2017	1-9/2016	2016
Cash flow from operating activities			
Profit before appropriations and taxes	7,244	6,721	12,202
Depreciation and amortization	985	926	1,296
Gains/losses on sales or disposals of tangible and intangible assets	47	0	0
Interest paid and received	-50	-10	-1
Non-current receivables, increase (-), decrease (+)	-857	-138	-241
Current receivables, increase (-), decrease (+)	-4,070	-1,520	-3,383
Inventory increase (-), decrease (+)	-2,910	-1,573	-5,302
Non-interest-bearing debt, increase (+), decrease (-)	-1,941	3,033	15,770
NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE FINANCING AND TAXES	-1,550	7,441	20,341
Interest paid and other operational financial expenses	-43	-27	-39
Interest received from operations	92	37	44
Taxes paid	-2,641	-1,334	-1,715
NET CASH FLOW FROM OPERATING ACTIVITIES	-4,141	6,117	18,631
Investments			
Intangible and tangible investments	-1,217	-743	-949
Other investments	-30	0	0
NET CASH FLOW FROM INVESTMENTS	-1,247	-743	-949
Cash flows from financing activities			
Dividends paid	-6,444	-6,760	-6,760
NET CASH FLOW FROM FINANCING ACTIVITIES	-6,444	-6,760	-6,760
NET INCREASE (+) / DECREASE (-) IN CASH AND CASH EQUIVALENTS	-11,832	-1,386	10,922
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	41,692	30,770	30,770
CASH AND CASH EQUIVALENTS AT THE PERIOD END	29,860	29,384	41,692

STATEMENT OF EQUITY CHANGES

€, thousand	Share capital	Invested unrestricted equity fund	Retained earnings	Profit (loss) for the period	Total
EQUITY 1.1.2017	100	25,493	13,008	0	38,600
Dividends	0	0	-6,444	0	-6,444
Profit (loss) of the period	0	0	0	5,795	5,795
EQUITY 30.9.2017	100	25,493	6,563	5,795	37,952
EQUITY 1.1.2016	100	25,493	9,999	0	35,591
Dividends	0	0	-6,760	0	-6,760
Profit (loss) of the period	0	0	0	5,378	5,378
EQUITY 30.9.2016	100	25,493	3,239	5,378	34,210
EQUITY 1.1.2016	100	25,493	9,999	0	35,591
Dividends	0	0	-6,760	0	-6,760
Profit (loss) of the period	0	0	0	9,769	9,769
EQUITY 31.12.2016	100	25,493	3,239	9,769	38,600

ITEMS AFFECTING COMPARABILITY

€, thousands	1-9/2017	1-9/2016
Items affecting comparability in operating profit	0	-599
Items affecting comparability in financial items	0	0
Items affecting comparability in taxes	0	120
Items affecting comparability, total	0	-479

Items affecting comparability in January-September 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