



# Financial Statements 2011

16 February 2012

CEO Pekka Eloholma



**Affecto**

# Forward-Looking Statements



Certain sections of this presentation contain forward-looking statements based on the Company's current expectations, estimates, projections and assumptions.

Words such as 'forecasts', 'estimates', 'expects', 'plans', and variations of these words and similar expressions are intended to identify forward-looking statements, which include, but are not limited to, Affecto's performance and profitability, market growth and industry developments.

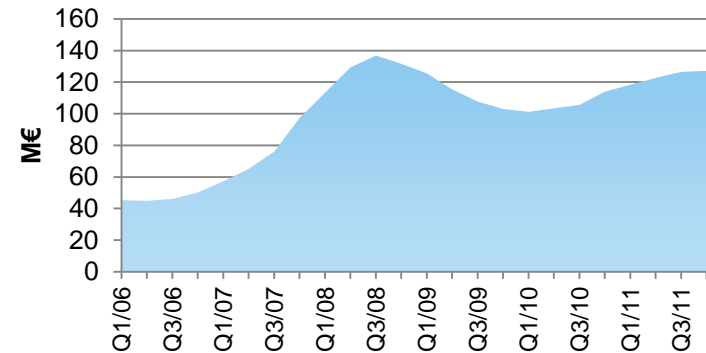
These statements involve certain risks and uncertainties, which are difficult to predict, and therefore actual future results and trends may differ materially from what is forecast in forward-looking statements. Affecto undertakes to update such statements with respect to new information and future events only within the limits of its statutory obligation to disclose information.

# Forerunner in Enterprise Information Management

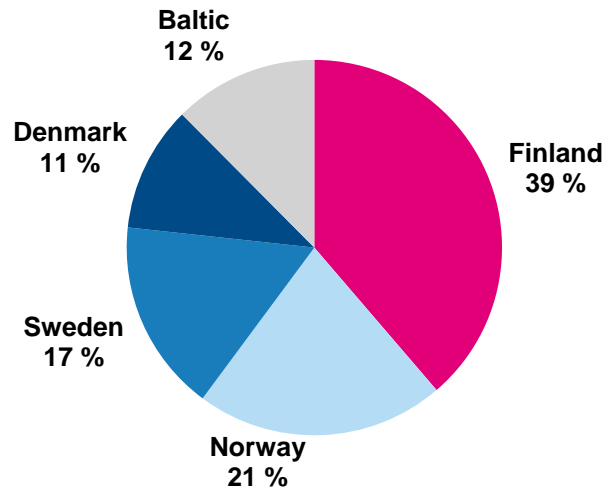


- Net sales: 127 M€ in 2011
- Approx. 1060 employees

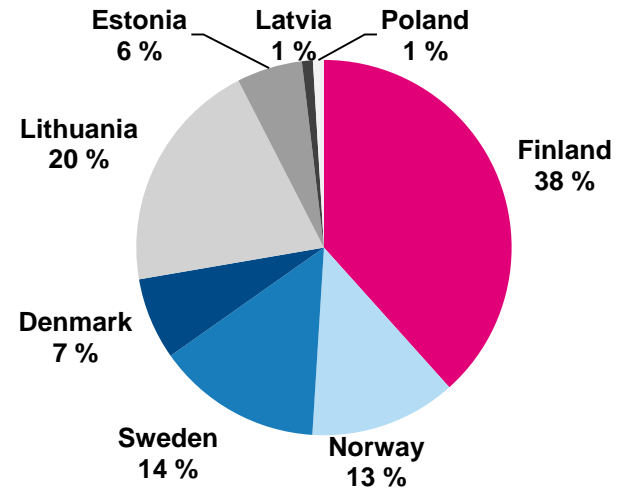
Net Sales, rolling 12 months



Sales per region – 2011



Personnel by country (Q4/2011)



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# Highlights of year 2011

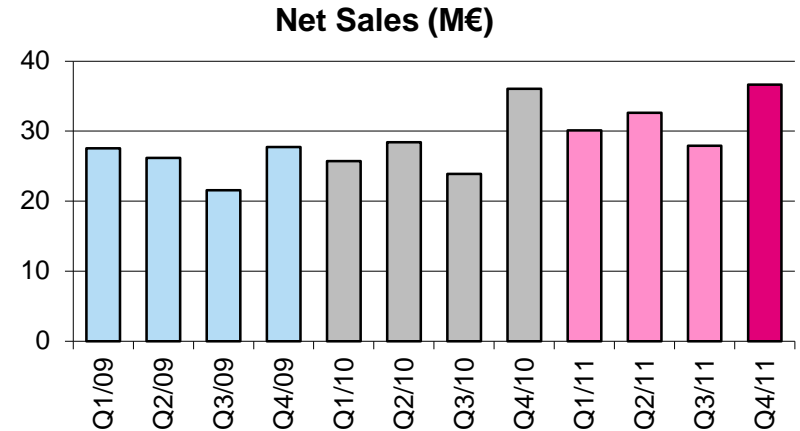


- Clear increase in profitability in most countries
  - EBIT-% improved by 3 percentage points
- With 12% growth in net sales we have clearly exceeded the market growth
- Strong growth in Sweden, both the number of employees and the net sales grew by approx. 40%
  - Disappointments in profitability development in Sweden
- Order backlog on record level
- Record profit year in Norway and Denmark
- Excellent profitability in Finland and Baltic

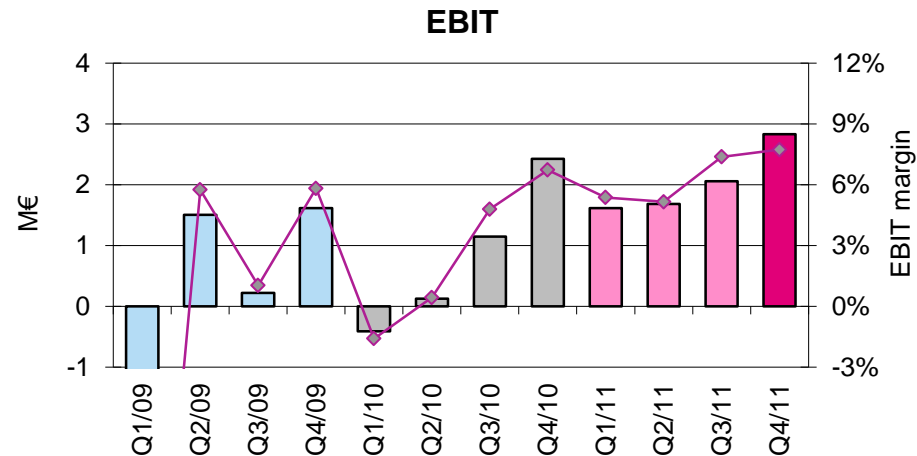
# Overview to Q4/2011



- Net sales 36.6 M€ (36.0 M€)
  - Growth 2%
  - Higher growth in consultancy



- EBIT 2.8 M€ / 8% (2.4 M€ / 7%)
  - Good result elsewhere except Sweden
  - Continuing challenges in Sweden, but operational profitability increased even there



# Geographical segments & business areas



	Information Management Solutions	Geographic Information Services
Finland	<input type="checkbox"/>	<input type="checkbox"/>
Norway	<input type="checkbox"/>	
Sweden	<input type="checkbox"/>	
Denmark	<input type="checkbox"/>	
Baltic	<input type="checkbox"/>	

# Segment comparison Q4/2011



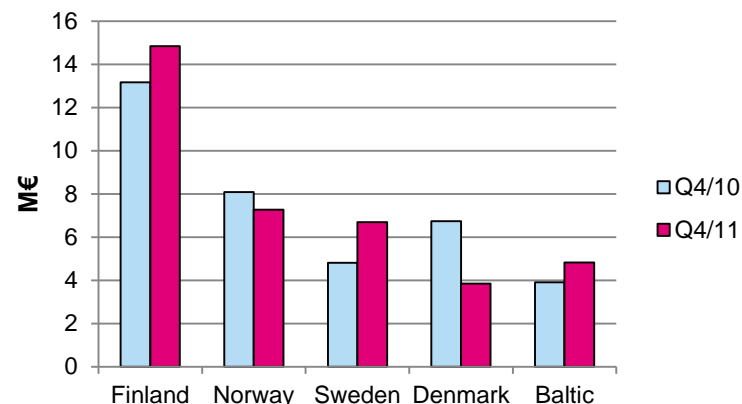
## Net Sales

By segment	10-12/11	10-12/10	Growth	2011	2010	Growth
Finland	14 840	13 169	13 %	50 277	46 522	8 %
Norway	7 266	8 080	-10 %	27 841	25 845	8 %
Sweden	6 693	4 813	39 %	21 513	15 276	41 %
Denmark	3 841	6 732	-43 %	14 072	15 411	-9 %
Baltic	4 825	3 902	24 %	16 167	13 694	18 %
Other	-823	-651		-2 600	-2 669	
<b>Total</b>	<b>36 643</b>	<b>36 046</b>	<b>2 %</b>	<b>127 270</b>	<b>114 078</b>	<b>12 %</b>

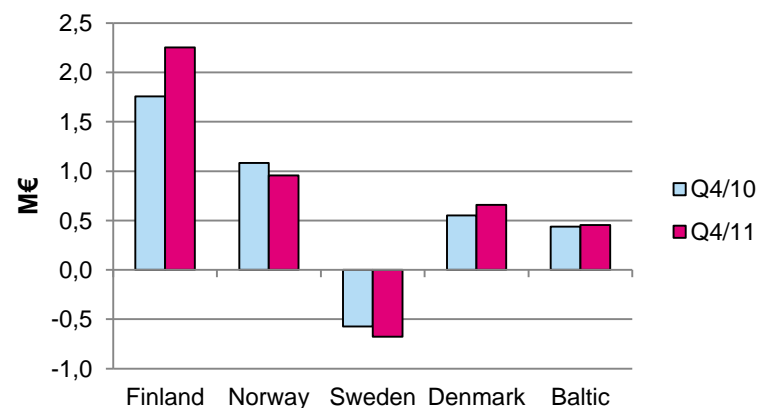
  

By business line	10-12/11	10-12/10	Growth	2011	2010	Growth
Information Management Solutions	33 783	33 264	2 %	116 812	103 579	13 %
Geographic Information Services	3 224	2 917	11 %	11 533	10 950	5 %
Other	-364	-135		-1 076	-451	
<b>Group total</b>	<b>36 643</b>	<b>36 046</b>	<b>2 %</b>	<b>127 270</b>	<b>114 078</b>	<b>12 %</b>

## Net Sales



## Operational Segment Result



## Result

By segment	10-12/2011	Margin	10-12/2010	Margin	2011	Margin	2010	Margin
Finland	2 254	15 %	1 759	13 %	6 804	14 %	5 073	11 %
Norway	956	13 %	1 083	13 %	3 109	11 %	2 405	9 %
Sweden	-677	-10 %	-574	-12 %	-2 141	-10 %	-1 666	-11 %
Denmark	659	17 %	553	8 %	1 593	11 %	1 226	8 %
Baltic	455	9 %	437	11 %	2 100	13 %	595	4 %
Other	-314		-336		-1 263		-2 367	
<b>Operational Segment Result</b>	<b>3 333</b>	<b>9 %</b>	<b>2 923</b>	<b>8 %</b>	<b>10 202</b>	<b>8 %</b>	<b>5 265</b>	<b>5 %</b>
IFRS amortisation	-502		-501		-2 020		-1 990	
<b>Operating profit</b>	<b>2 831</b>	<b>8 %</b>	<b>2 422</b>	<b>7 %</b>	<b>8 182</b>	<b>6 %</b>	<b>3 275</b>	<b>3 %</b>

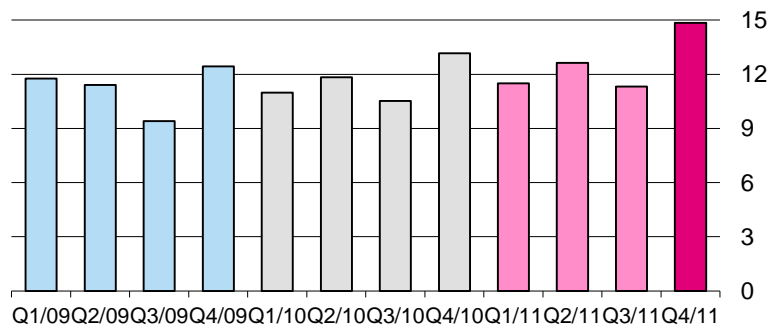
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# Business areas - Finland

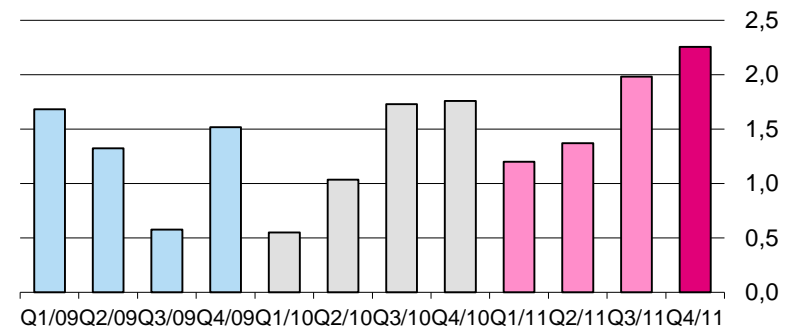


- Net sales 14.8 M€ (13.2 M€)
  - 13% growth
- Operational segment result Q4: 2.3 M€ / 15% (1.8 M€ / 13%)
- Operational segment result 2011: 6.8 M€ / 14% (5.1 M€ / 11%)
- Mostly stable demand in the market, BI being the strongest area

Net Sales



Operational Segment Result

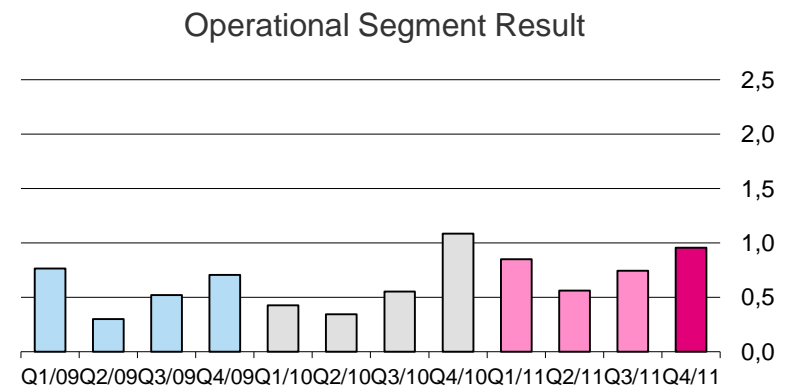
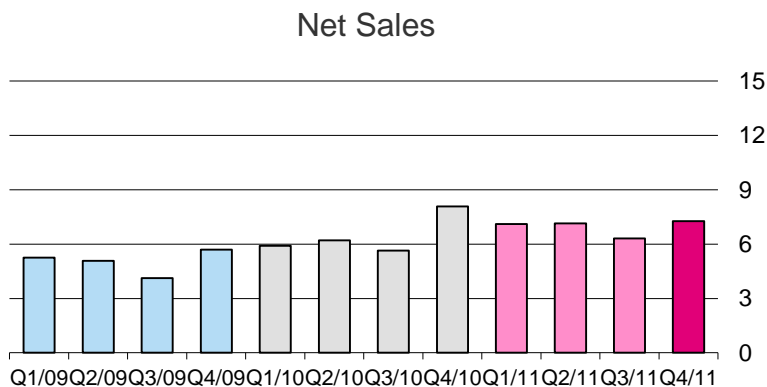


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# Business areas - Norway



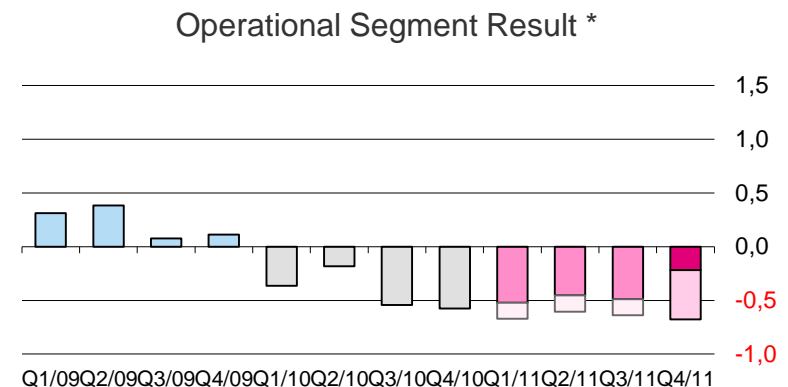
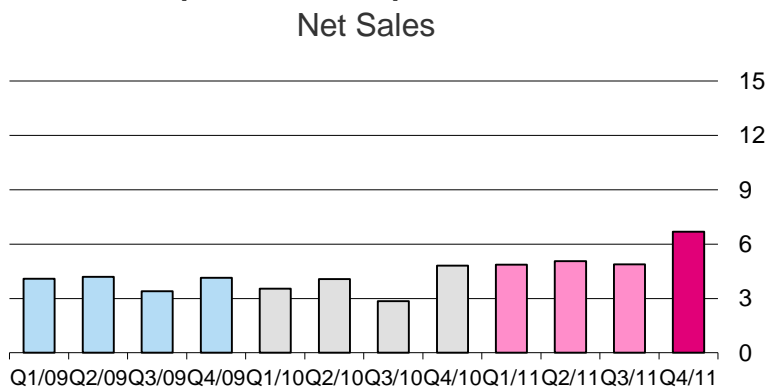
- Net sales 7.3 M€ (8.1 M€)
  - Less license sales, growth in consultancy
- Operational segment result Q4: 1.0 M€ / 13% (1.1 M€ / 13%)
- Operational segment result 2011: 3.1 M€ / 11% (2.4 M€ / 9%)
- Best year in profit



# Business areas - Sweden



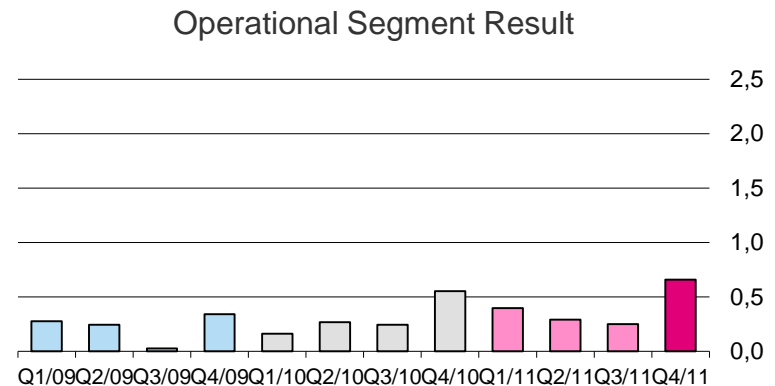
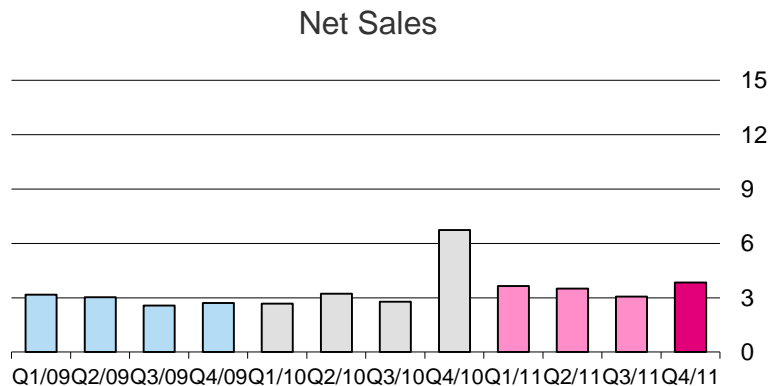
- Net sales 6.7 M€ (4.8 M€)
  - Continuing growth: 39%
- Negative operational segment result -0.7 M€ / -10% (-0.6 M€ / -12%)
- Operational result improved to approx. -0.2 M€
  - The personnel cost calculation methods were changed due to a changed interpretation of certain legislative rules, the result includes approx. 0.5 MEUR of cost related already to the previous quarters



# Business areas - Denmark



- Net sales 3.8 M€ (6.7 M€)
  - Decrease in license sales (exceptionally high in Q4/2010)
  - Clear growth in consultancy
- Operational segment result Q4: 0.7 M€ / 17% (0.6 M€ / 8%)
- Operational segment result 2011: 1.6 M€ / 11% (1.2 M€ / 8%)
- Best year in profit



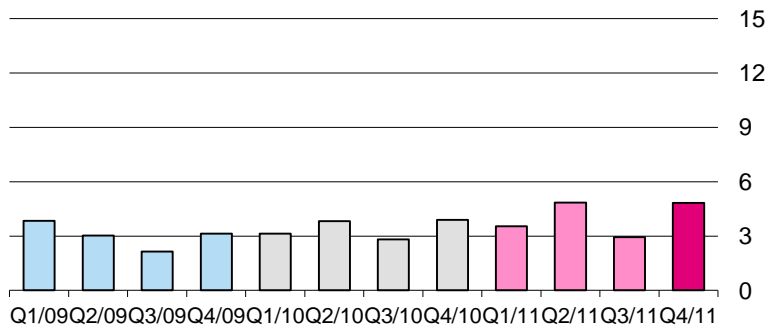
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# Business areas - Baltic

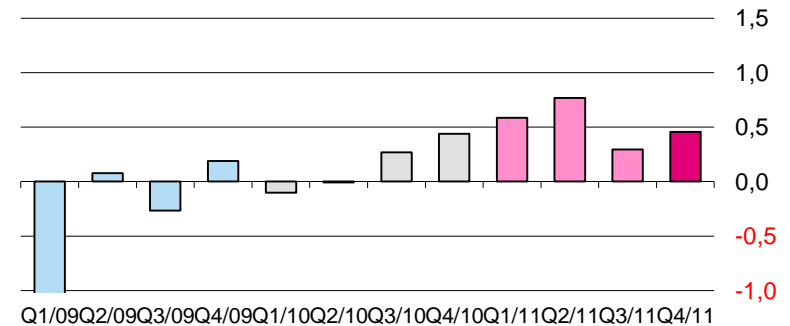


- Net sales 4.8 M€ (3.9 M€)
  - 24% growth
- Operational segment result Q4: 0.5 M€ / 9% (0.4 M€ / 11%)
- Operational segment result 2011: 2.1 M€ / 13% (0.6 M€ / 4%)
- Activity in the local market, but some cautiousness
  - Price competition

Net Sales



Operational Segment Result



# Income statement Q4/2011



(1 000 EUR)	10-12/11	10-12/10	2011	2010
Net sales	36 643	36 046	127 270	114 078
Other operating income	7	34	97	57
Changes in inventories of finished goods and work in progress	-85	-18	-72	-181
Materials and services	-8 291	-10 311	-26 777	-25 393
Personnel expenses	-20 232	-17 868	-72 003	-64 838
Other operating expenses	-4 341	-4 635	-16 907	-17 106
Other depreciation and amortisation	-368	-325	-1 405	-1 352
Operational segment result	3 333	2 923	10 202	5 265
IFRS3 amortisation	-502	-501	-2 020	-1 990
Operating profit/loss	2 831	2 422	8 182	3 275
Finance costs (net)	-179	-440	-1 096	-1 797
Profit/loss before income tax	2 652	1 982	7 087	1 479
Income tax	-628	-634	-1 762	-546
Non-controlling interest	-2	13	3	22
Profit/loss for the period	2 022	1 361	5 328	955
Basic EPS	0.10	0.07	0.26	0.05

- Normal depreciation 0.4 M€
  - Capex 0.4 M€
- Acquisition related IFRS3 amortization 0.5 M€ (0.5 M€) Estimate:
  - 2.0 M€ per year until 2014
- Finance costs affected by fair value of interest-rate swap. Impact
  - +0.2 M€ in Q1/11
  - +0.0 M€ in Q2/11
  - +0.0 M€ in Q3/11
  - +0.1 M€ in Q4/11

# Balance sheet



(1 000 EUR)	12/2011	12/2010
Property, plant and equipment	2 051	1 908
Goodwill	73 102	72 866
Other intangible assets	5 974	8 099
Other long-term assets	1 579	1 561
<b>Long-term assets</b>	<b>82 706</b>	<b>84 434</b>
Receivables and inventories	44 440	44 649
Cash and cash equivalents	17 964	13 818
<b>Current assets</b>	<b>62 405</b>	<b>58 468</b>
<b>Total assets</b>	<b>145 111</b>	<b>142 901</b>
Equity for shareholders	60 159	55 695
Non-controlling interest	376	380
Non-current liabilities	31 905	35 535
Current liabilities	52 670	51 292
<b>Total equity and liabilities</b>	<b>145 111</b>	<b>142 901</b>

- No significant changes since 12/2010
  - Dividend 1.3 M€
- Interest-bearing net debt 16.4 M€ (22.6 M€ 12/10)
- Gearing 27% (40%)
- Equity ratio 46% (43%)
- Bank loan refinanced, loan agreement until 2016

# Ownership structure – 31 January 2012



<u>Registered owners</u>	<u>%</u>
Cantell Oy	10,6 %
OP-Suomi Pienyhtiöt Fund	8,1 %
Mika Laine	6,7 %
Taaleritehdas Arvo Markka Fund	4,6 %
Ilmarinen Mutual Pension	4,3 %
Evli Suomi Fund	3,6 %
Säästöpankki Kotimaa Fund	3,3 %
Danske Suomi Kasvuosake Fund	3,1 %
State Pension Fund	2,8 %
Storebrand Bank	2,1 %
Other shareholders	46,9 %
Affecto Management Oy	3,8 %
Treasury shares	0,0 %
<hr/>	
<b>Total</b>	<b>100,0 %</b>

- 21.5 million shares in total

## Flaggings in 2011

- Capman Public Market decreased below 5% in January
- OP-Rahastoyhtiö exceeded 5% in January
- Nordea Rahastoyhtiö Suomi exceeded 5% in February
- Nordea Rahastoyhtiö Suomi decreased below 5% in April
- Aaro Cantell exceeded 10% in September
- Evli group exceeded 5% in January 2012
- Affecto Management Oy owns 3.8% of shares

Note: Based on previous flagging announcements, Arendals Fossekompagni ASA has over 5%, but shares are in nominee register



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# Annual General Meeting - 19 April 2012

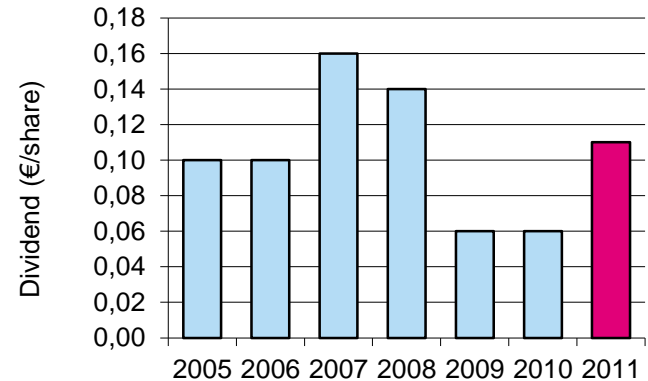


- Dividend proposal: 0.11 eur/share
  - Last year 0.06 eur/share

- Proposal to re-elect the existing board members:

Aaro Cantell, Heikki Lehmusto, Jukka Ruuska,  
Haakon Skaarer, Tuija Soanjärvi, Lars Wahlström

- Board fees partially paid with shares
- Other issues
  - Same authorizations as last year
  - Nominations committee for board member selection





# Outlook

# Market environment

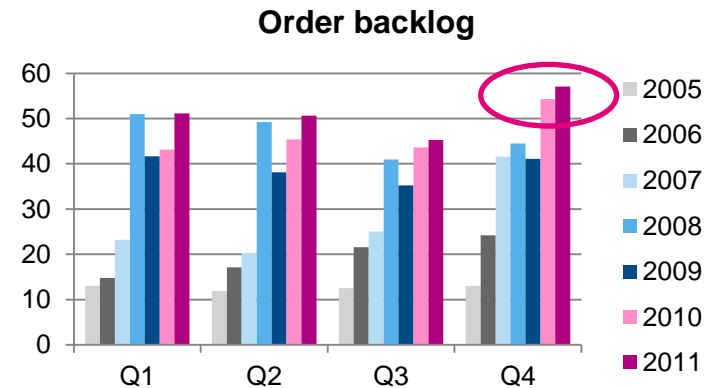
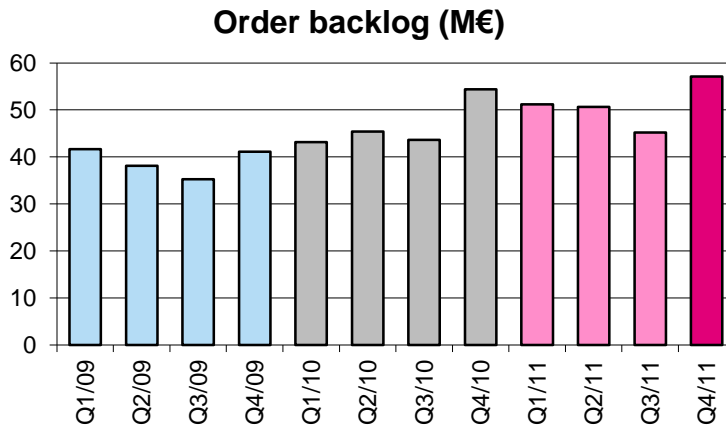


- Uncertainty has clearly grown in late 2011, but so far no significant change in demand or customer activity
- Underlying EIM market is healthy. The market is estimated to grow by 6-8% annually

# Outlook



- Order backlog 57 M€ - new record level



- In 2012 the main focus continues to be on profitability improvement. Profitability (EBIT-%) is estimated to improve and net sales are estimated to grow in 2012

# Affecto's largest customers in 2011



# Offering: Solutions for better decisions



## Information infrastructure

- Data integration
- Data warehouse
- Data Quality
- Master data management
- Information lifecycle management



## Information and performance management

- Analytics and reporting
- Budgeting and planning
- Dashboards and BI desktop for everyone
- Cost and profitability
- Risk management



## Collaborative decision making

- Collaborative BI
- Case management
- Document management
- Intranet, extranet and portals



## Business process & tailor-made software solutions

- Solutions for critical business process optimization
- GIS
- Insurance solutions

**Supports the entire Enterprise Information Management value chain:**

Affecto Business Advisory, project management & implementation,  
Affecto Service Management, Affecto Academy

# Affecto

# Vision, mission and customer promise



## Vision

The leading North European Enterprise Information Management company in size, revenue, margin, customer and employee satisfaction

## Mission

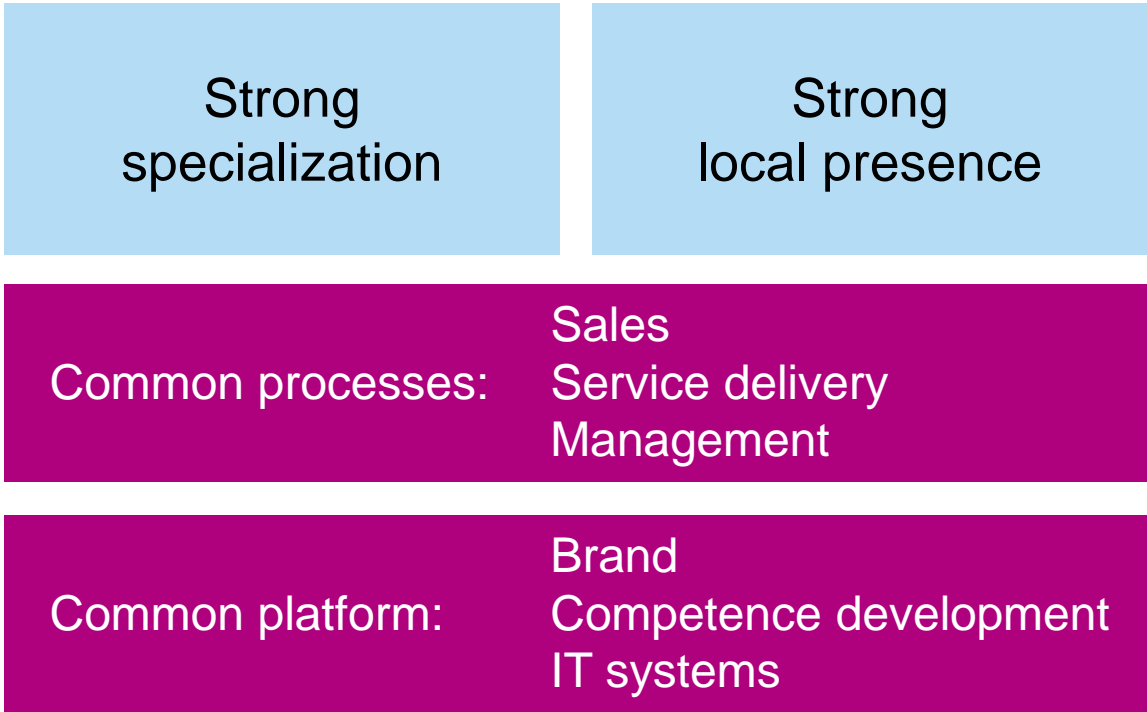
We fight for the right that every person should have the information that makes his/her work effective and inspiring

## Customer promise

We improve our customers' productivity and competitiveness by superior use of information

**Affecto**

# Cornerstones of our operations



# Financial targets: Profitable growth



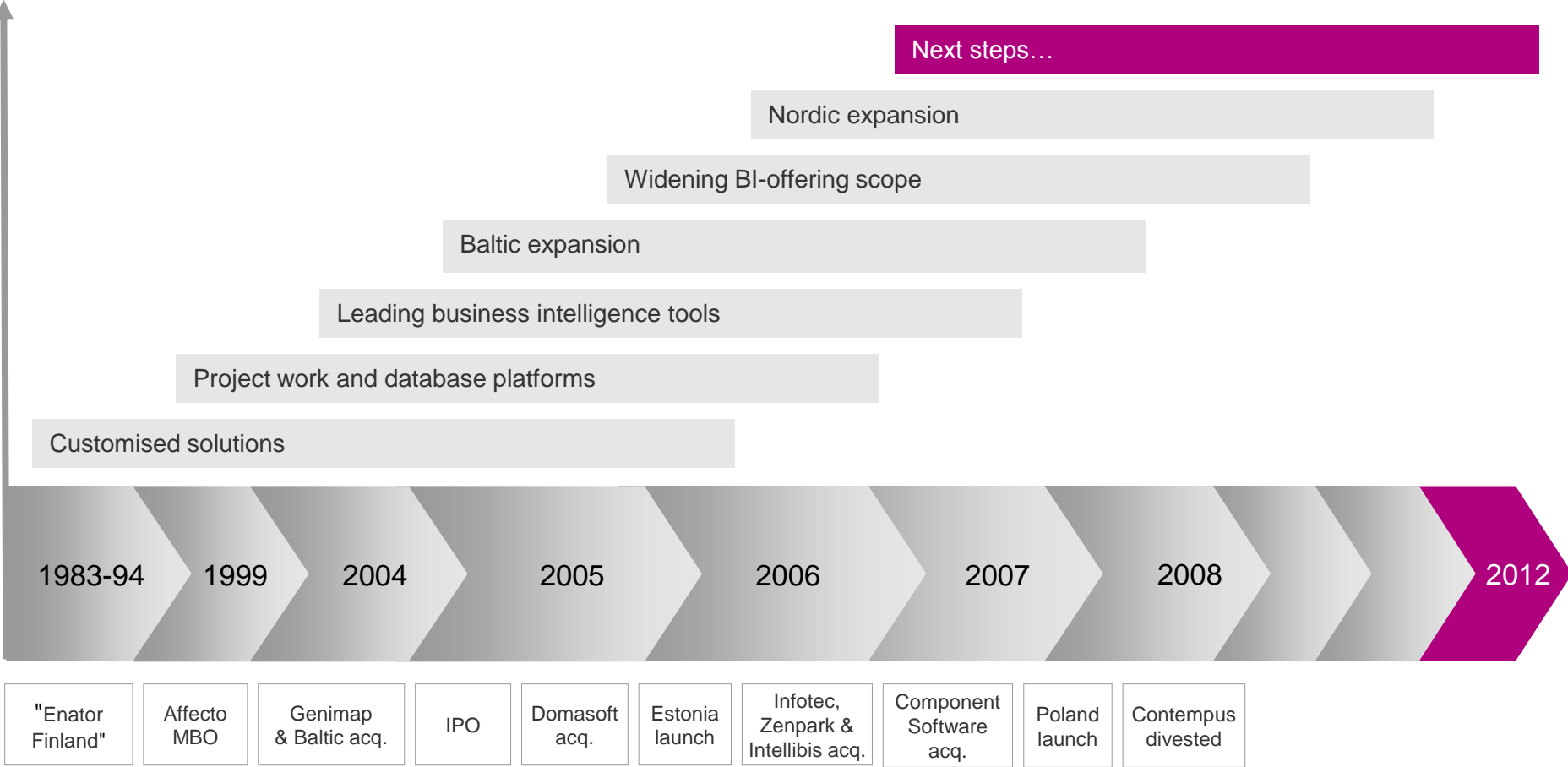
## Long-term financial targets

- Organic revenue growth to clearly exceed the market growth, which is estimated to be 6-8 % per year in the relevant markets
- Profitability: one of the highest in our segment, the listed Nordic IT service companies

## Dividend policy

- Dividend policy is to pay 30-50 percent of the profit as dividend. The company may deviate from this policy due to the needs of business development and growth

# Overview to Affecto's history

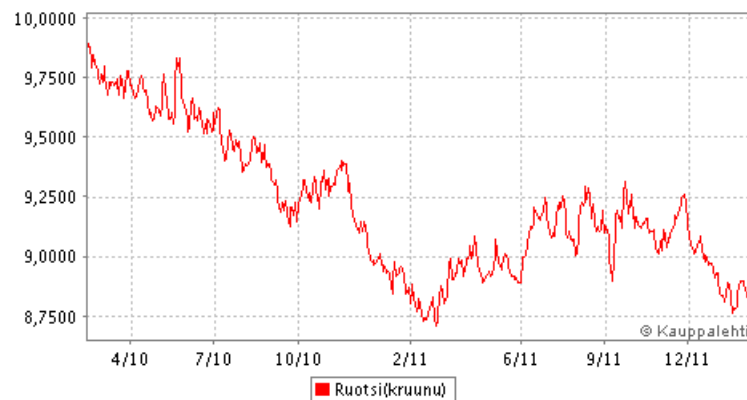


# Nordic currencies



- Over 1/3 of Affecto's revenue is generated in Norway and Sweden, whose currencies have fluctuated significantly in 2008-2010
  - Rather stable in 2011
- Direct impact to revenue and profit in EUR terms
  - In addition, effects on goodwill and on intra-group items (forex losses/profits)

SEK/EUR



NOK/EUR

