

FINANCIAL STATEMENTS for 1 January – 31 December 2017: Revenue grew by, 10% in Q4

Verkkokauppa.com Oyj – Financial statements (unaudited) 9 February 2018, 8:00 a.m.

1 October – 31 December 2017 in brief

- Revenue 127.0 million euros (10–12/2016: 115.4), growth of 10%
- Gross profit 20.3 million euros (18.7), growth of 9%
- Gross margin 16.0% of revenue (16.2%)
- Operating profit 5.6 million euros (6.6)
- Operating margin 4.4% of revenue (5.7%)
- Net profit 5.0 million euros (5.4)
- Earnings per share 0.11 euros (0.12)

KEY RATIOS	10-12/2017	10-12/2016*	Change%	1-12/2017	1-12/2016*	Change%
Revenue, € thousands	127,398	115,497	10%	431,804	371,045	16%
Gross profit, € thousands	20,334	18,680	9%	62,319	57,849	8%
Gross margin, % of revenue	16.0%	16.2%		14.4%	15.6%	
Comparable EBITDA, € thousands	5,934	6,921	-14%	13,053	14,525	-10%
Comparable EBITDA, %	4.7%	6.0%		3.0%	3.9%	
Comparable operating profit, € thousands	5,568	6,552	-15%	11,701	13,229	-12%
Comparable operating margin, % of revenue	4.4%	5.7%		2.7%	3.6%	
Net profit, € thousands	5,048	5,366	-6%	9,782	10,112	-3%
Comparable net profit, € thousands	5,048	5,366	-6%	9,782	10,591	-8%

* Comparable figures are adjusted according to company release 7 February 2018

1 January – 31 December 2017 in brief

- Revenue 432 million euros (1–12/2016: 371), growth of 16%
- Gross profit 62.3 million euros (57.8), growth of 8%
- Gross margin 14.4% of revenue (15.6%)
- Operating profit 11.7 million euros (12.6)
- Comparable operating profit 11.7 million euros (13.2)
- Operating margin 2.7% of revenue (3.4%)
- Comparable operating margin 2.7% of revenue (3.6%)
- Net profit 9.8 million euros (10.1)
- Comparable net profit 9.8 million euros (10.6)
- Earnings per share 0.22 euros (0.22)
- Comparable earnings per share 0.22 euros (0.24)
- The Board of Directors proposes to the annual general meeting that a dividend of 0.182 euro per share will be distributed for the financial year 2017 in quarterly instalments

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 chosen segments. The strong balance sheet enables the company to continue expanding its operations in accordance with its strategy. The Finnish Ministry of Finance estimated on 19 December 2017 that the Finnish GDP will grow by 3.1% during 2017 and 2.4% during 2018.

FINANCIAL GUIDANCE

Strong GDP growth in Finland and opening of the new Raisio megastore are likely to contribute positively to Verkkokauppa.com's revenue. On the other hand, the company had unusually high wholesale volumes in H1/2017. The wholesale volumes in H1/2018 are expected to decrease significantly compared to H1/2017. The Raisio store opening costs will mainly accrue in H1/2018. Thus, both sales growth and profitability will be clearly higher in the latter half of year 2018.

In 2018, the company's revenue is expected to be between 460–500 million euros (2017: 432 million euros) and comparable EBITDA to be between 11–14 million euros (13 million euros).

CEO SAMULI SEPPÄLÄ'S REVIEW

Verkkokauppa.com's revenue grew by 10% in Q4, and growth in the fiscal year 2017 was 16%, amounting to 432 million euros. Comparable quarterly revenue increased year on year in every quarter in 2017. EBITDA margin was 4.7% in Q4 and 3.0% for the whole year 2017. Verkkokauppa.com's market share grew in almost all categories both in Q4, up to three percentage points in certain categories and in 2017 as a whole, according to GfK. This development is well aligned with recently updated medium-term targets of net sales growth of 10–20%, and an EBITDA margin of 3–5%.

The year 2018 is expected to bring further growth, boosted by the opening of a new megastore and anticipated GDP growth. However, the competitive situation and development of export sales may bring some uncertainty. For 2018, revenue is expected to develop between 460–500 million euros (2017: 432 million euros) and comparable EBITDA between 11–14 million euros (2017: 12.9 million euros). The Board proposes increasing the dividend for 2018 and has updated the wording of the dividend policy to paying out a quarterly, growing dividend.

Preparations for launching a new megastore in the greater Turku region are well on schedule. The store will be located in Raisio's Mylly shopping mall area serving the region of Turku. The grand opening is planned for March 2018 with a theme of "100 Days of Mega Opening". While the new store is expected to provide additional revenue for 2018, it will carry significant one-time opening and launching costs, mainly in Q1 and Q2.

Verkkokauppa.com terminated its cooperation with the PINS bonus program in January of 2018. More focus will be put on the company's own customer profiling, benefits, and the Apuraha consumer financing solution.

Investment in new categories suited for online sales and in cost-saving technologies and projects will continue, now under the new CEO Panu Porkka, who will start on 22 March 2018. I will remain as a Board member and will participate in different committees. I am personally very pleased that we will have Panu Porkka as the new CEO of Verkkokauppa.com. I also want to thank our customers, personnel and shareholders for the past 25 years.

An estimated one per cent, or 400 million euros, of brick-and-mortar retail sales goes online every year in Finland, with the current share of online sales being approximately 10%. The company expects to continue its revenue growth in the medium-term, supported by positive retail market, GDP growth in Finland, and a strategy focusing on growth.

KEY RATIOS AND PERFORMANCE INDICATORS

	10-12/2017	10-12/2016**	1-12/2017	1-12/2016**
Revenue, € thousands	127,398	115,497	431,804	371,045
Gross profit, € thousands	20,334	18,680	62,319	57,849
Gross margin, % of revenue	16.0%	16.2%	14.4%	15.6%
EBITDA, € thousands	5,934	6,921	13,053	13,926
EBITDA, %	4.7%	6.0%	3.0%	3.8%
Comparable EBITDA, € thousands	5,934	6,921	13,053	14,525
Comparable EBITDA, %	4.7%	6.0%	3.0%	3.9%
Operating profit, € thousands	5,568	6,552	11,701	12,630
Operating margin, % of revenue	4.4%	5.7%	2.7%	3.4%
Comparable operating profit, € thousands	5,568	6,552	11,701	13,229
Comparable operating margin, % of revenue	4.4%	5.7%	2.7%	3.6%
Net profit, € thousands	5,048	5,366	9,782	10,112
Comparable net profit, € thousands	5,048	5,366	9,782	10,591
Equity ratio, %	33.8%	40.0%	33.8%	40.0%
Return on investment, % rolling 12 months	30.3%	33.6%	30.3%	33.6%
Net gearing, %	-127.4%	-105.7%	-127.4%	-105.7%
Earnings per share (EPS) revised by share split, €	0.11	0.12	0.22	0.22
Comparable earnings per share (EPS) revised by share split, €	0.11	0.12	0.22	0.24
Earnings per share (EPS) revised by share split (diluted), €	0.11	0.12	0.22	0.22
Comparable earnings per share (EPS) revised by share split (diluted), €	0.11	0.12	0.22	0.24
Number of shares at end of period	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
Number of shares at end of period revised by share split	45,065,130	45,065,130	45,065,130	45,065,130
Number of personnel* at end of period	633	563	633	563

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

** Comparable figures are adjusted according to company release 7 February 2018

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

October–December 2017

In October–December, Verkkokauppa.com Oyj's revenue grew by 10.3% year on year. Revenue grew by 11.9 million euros, totalling 127.4 million euros (115.5). Revenue increased particularly in televisions, small domestic appliances (SDA), major domestic appliances (MDA), Audio & Hi-Fi and Home & Lightning.

According to GfK, the demand for consumer electronics increased by 6.2% during October–December 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 increased in October–December by 18.9% to 7.3 million euros (6.1). The increase resulted mainly from the growing number of personnel in stores and in support functions (customer service and administration). During the fourth quarter, other expenses increased by 1.5 million euros to 7.2 million euros (5.7). The increase resulted mainly from the utilization of outsourced warehouse services.

Operating profit in October–December 2017 was 5.6 million euros (6.6) and net profit 5.0 million euros (5.4).

Earnings per share were 0.11 euros (0.12).

January–December 2017

In January–December, Verkkokauppa.com Oyj's revenue grew by 16.4% year on year. Revenue grew by 60.8 million euros, totalling 431.8 million euros (371.0). Revenue increased particularly in televisions, mobile phones, small domestic appliances (SDA), major domestic appliances (MDA) and Audio & Hi-Fi.

According to GfK, the demand for consumer electronics increased by 5.1% during January–December in Finland.

As 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.

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.

Personnel costs increased by 2.5% to 25.0 million euros (24.4). 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 5.1% to 25.0 million euros (23.8).

During the reporting period, other expenses increased, totalling 24.3 million euros (19.6).

Operating profit in January–December 2017 was 11.7 million euros (12.6) and net profit 9.8 million euros (10.1). Comparable operating profit in January–December 2017 was 11.7 million euros (13.2) and net profit 9.8 million euros (10.6).

Earnings per share were 0.22 euros (0.22).

Comparable earnings per share were 0.22 euros (0.24)

FINANCE AND INVESTMENTS

Operating cash flow was 20.1 million euros (18.6) in January–December 2017. In the reporting period, the positive impact of the operating cash flow mainly resulted from an increase in accounts payables, although there was a significant increase in Apuraha accounts receivables.

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 0.4 million euros in the IT department's salary expenses and external technology consulting fees. The company also invested in ordinary store equipment and furniture. Net capital expenditures were 1.5 million euros (0.9) in January–December 2017. Net capital expenditures include proceeds from the sale of and reinvestment in Vitvaruexperten.com Nordic Ab shares totalling 0.3 million euros (0.0).

On 31 December 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% in the medium term. The company's medium-term objective is a growing EBITDA and an EBITDA margin of 3–5%. The company's dividend policy is to pay out an quarterly growing dividend.

SHARES AND SHARE TRADING

The total number of shares in the company was 45,065,130 on 31 December 2017.

Over the reporting period 7,553,034 shares were exchanged on the NASDAQ OMX First North Finland market, representing 16.8% of all shares in the company. The highest share price was 10.01 euros and the lowest 6.63 euros. The average price in share trading was 7.78 euros. The total of the share trading was 58.8 million euros. The closing price was 7.08 euros, and the market value of all shares was 319 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 70, and the total number of employees was 633 (563) at the end of December 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 AND DISPUTES

Verkkokauppa.com has no open litigation issues nor any significant disputes.

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 may 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 the third instalment, a dividend of 0.043 euro per share was paid (1,937,800.59 euros in total). The record date for the dividend distribution was 24 October 2017 and the dividend payment date was 31 October 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 board of the company appointed Panu Porkka as the CEO starting at the latest on 1 April 2018. At the same time, Samuli Seppälä will step down from his position as CEO.

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.

On 1 December 2017 Verkkokauppa.com specified its guidance for 2017. According to the revised guidance Verkkokauppa.com's revenue is expected to exceed the level of 2016. The comparable operating profit is expected to be below the level of 2016 at the level of approximately 8–10 million euros.

On 15 December 2017, Verkkokauppa.com established the following board committees: Audit Committee, Nomination and Remuneration Committee, and Strategy Committee. The Audit Committee consists of Board Members Kai Seikku (Chairman), Minna Kurunsaari and Christoffer Häggblom. The Nomination and Remuneration Committee consists of Board Members Christoffer Häggblom (Chairman), Robert Burén and Kai Seikku. The Strategy Committee consists of Board Members Samuli Seppälä (Chairman), Christoffer Häggblom, Robert Burén and Mikael Hagman.

SUBSEQUENT EVENTS

On 16 January 2018, Verkkokauppa.com gave preliminary information on company's revenue and comparable operating profit in 2017.

Verkkokauppa.com Oyj's new CEO Panu Porkka will assume his duties as CEO on March 22, 2018. He was appointed Verkkokauppa.com's CEO on September 27, 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, 9 February 2018, 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, 9 February 2018 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 2018

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

- Interim report January – March on Friday 4 May 2018
- Half-year financial report January – June on Friday 10 August 2018
- Interim report January – September on Friday 26 October 2018

Helsinki, Finland, 9 February 2018

Verkkokauppa.com Oyj

Board of Directors

More information:

Samuli Seppälä, CEO
e-mail samuli.seppala@verkkokauppa.com
Telephone +358 10 309 5555

Jussi Tallgren, CFO
e-mail 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

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	10-12/2017	10-12/2016*	Change%	1-12/2017	1-12/2016*	Change%
REVENUE	127,398	115,497	10.3%	431,804	371,045	16.4%
Other income	19	23	-16.8%	81	95	-14.8%
Cost of goods and services	-107,064	-96,817	10.6%	-369,485	-313,196	18.0%
Personnel expenses	-7,263	-6,110	18.9%	-25,042	-24,420	2.5%
Depreciation and amortization	-366	-369	-0.8%	-1,352	-1,296	4.3%
Other operating expenses	-7,156	-5,671	26.2%	-24,305	-19,598	24.0%
OPERATING PROFIT	5,568	6,552	-15.0%	11,701	12,630	-7.4%
Financial income and expenses	334	-9	3,857.0%	383	1	31,872.2%
PROFIT BEFORE APPROPRIATIONS AND TAXES	5,901	6,543	-9.8%	12,084	12,631	-4.3%
Appropriations	28	7	328.4%	28	7	328.4%
Income taxes	-881	-1,183	-25.5.7%	-2,330	-2,526	-7.8%
NET PROFIT	5,048	5,366	-5.9%	9,782	10,112	-3.3%

* Comparable figures are adjusted according to company release 7 February 2018

BALANCE SHEET

€ thousands	31.12.2017	31.12.2016*
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	970	1,222
Tangible assets	1,976	1,397
Investments	316	251
NON-CURRENT ASSETS TOTAL	3,263	2,871
CURRENT ASSETS		
Inventories	47,689	44,044
Receivables		
Non-current receivables	1,476	352
Trade receivables	1,039	231
Other receivables	437	121
Current receivables	19,571	12,929
Trade receivables	11,396	7,475
Other receivables	1,242	517
Receivables carried forward	6,933	4,937
Cash and cash equivalents	51,878	41,692
CURRENT ASSETS TOTAL	120,614	99,017
TOTAL ASSETS	123,877	101,888
LIABILITIES		
EQUITY		
Shareholders' capital		
Share capital	100	100
Other funds		
Invested non-restricted equity fund	25,493	25,493
Retained earnings	5,475	3,745
Profit (loss) for the period	9,782	10,112
EQUITY TOTAL	40,850	39,450
Depreciation reserve	47	75
Provisions	637	810
LIABILITIES		
Non-current liabilities		
Interest-bearing debt		
Current liabilities total	82,343	61,553
Advances received	3,282	3,065
Accounts payables	63,149	42,087
Other liabilities	3,945	3,496
Accrued expenses	11,966	12,906
LIABILITIES TOTAL	82,343	61,553
TOTAL LIABILITIES	123,877	101,888

* Comparable figures are adjusted according to company release 7 February 2018

CASH FLOW

€ thousands	2017	2016*
Cash flow from operating activities		
Profit before appropriations and taxes	12,084	12,631
Depreciation and amortization	1,352	1,296
Gains/losses on sales or disposals of tangible and intangible assets	57	0
Change in provisions	-173	0
Interest paid and received	-383	-1
Non-current receivables, increase (-), decrease (+)	-1,124	-241
Current receivables, increase (-), decrease (+)	-6,527	-3,812
Inventory increase (-), decrease (+)	-3,645	-5,302
Non-interest-bearing debt, increase (+), decrease (-)	21,866	15,770
NET CASH FROM OPERATING ACTIVITIES BEFORE FINANCING AND TAXES	23,507	20,341
Interest paid and other operational financial expenses	-51	-39
Interest received from operations	123	44
Taxes paid	-3,521	-1,715
NET CASH FLOW FROM OPERATING ACTIVITIES	20,058	18,631
Investments		
Intangible and tangible investments	-1,737	-949
Other investments	-297	0
Sales of other investments	543	0
NET CASH FLOW FROM INVESTMENTS	-1,490	-949
Cash flows from financing activities		
Dividends paid	-8,382	-6,760
NET CASH FLOW FROM FINANCING ACTIVITIES	-8,382	-6,760
NET INCREASE (+) / DECREASE (-) IN CASH AND CASH EQUIVALENTS	10,186	10,922
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	41,692	30,770
CASH AND CASH EQUIVALENTS AT THE PERIOD END	51,878	41,692

* Comparable figures are adjusted according to company release 7 February 2018

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	13,857	0	39,450
Dividends	0	0	-8,382	0	-8,382
Profit (loss) of the period	0	0	0	9,782	9,782
EQUITY 31.12.2017	100	25,493	5,475	9,782	40,850
EQUITY 1.1.2016*	100	25,493	10,505	0	36,098
Dividends	0	0	-6,760	0	-6,760
Profit (loss) of the period	0	0	0	10,112	10,112
EQUITY 31.12.2016*	100	25,493	3,745	10,112	39,450

* Comparable figures are adjusted according to company release 7 February 2018

ITEMS AFFECTING COMPARABILITY

€, thousands	1-12/2017	1-12/2016
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 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