

# Efore Annual General Meeting

April 5, 2017

Review by the CEO

Jorma Wiitakorpi

# EFORE overview

## KEY FACTS

Net Sales 75,4 M€ (2016)

442 employees (end 2016)

Established in 1975

4000 shareholders

Quoted on Nasdaq Helsinki

Efore Plc is an international group specialised in design, development and production of demanding power products.

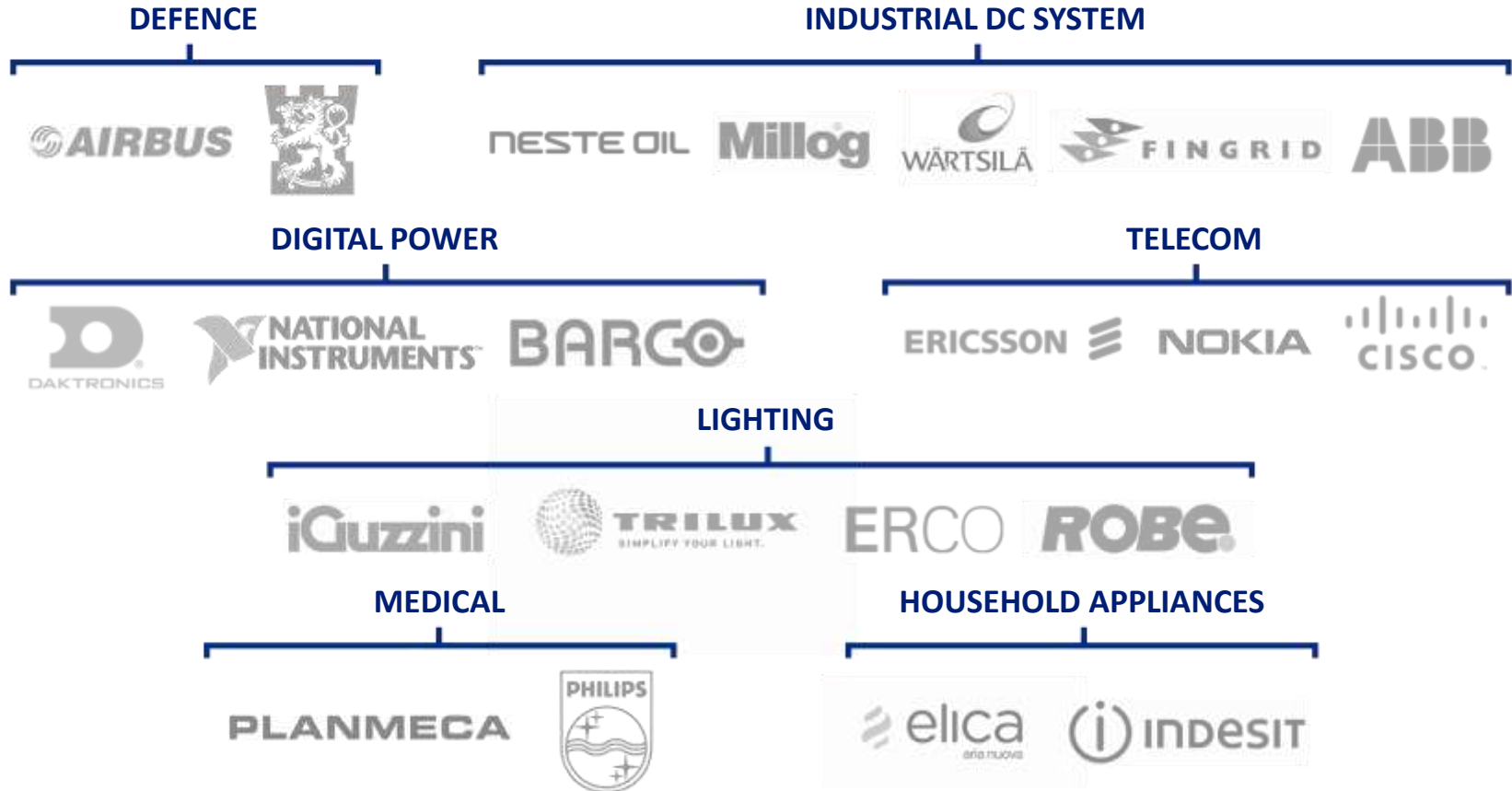
Efore designs and manufactures cutting edge power conversion products; that offer superior energy efficiency, reliability, more intelligent designs, flexibility and creativity for the telecommunications including networks and broadcasting, industrial, medical, LED lighting and transportation markets.

Efore competences and know-how are embodied in the solutions we provide to our customers: high efficiency and high reliability.



Efore Plc is headquartered in Espoo, Finland, with major offices in Italy, China and Sweden, production unit in Tunisia, and Sales and Marketing organizations in Europe, North America and Asia.

Industry leading customers globally recognize Efore Group as a reliable and trusted partner for their power supply applications.



2013



**SUPPLIER OF THE YEAR**

ABB Substation Automation Products

**SUPPLIER OF THE YEAR**

Ericsson

2014



**SUPPLIER OF THE YEAR**

**&**

**BEST IN CLASS SUPPLIER**

National Instruments

2015



**BEST IN CLASS SUPPLIER**

National Instruments

2016



**BEST IN CLASS SUPPLIER**

**QUALITY AWARD**

**TOP TIER 1 SUPPLIER**

National Instruments

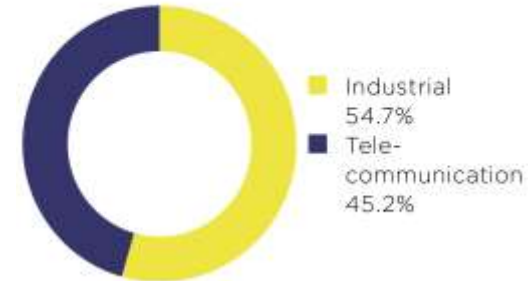
# Financial statements 2016

- Net sales fell short of previous year's level and net result was weak.
- The whole year and especially the first half of the year was characterized by a weaker than forecasted demand in the telecommunications sector.
- In the early part of the year the industrial sector sales were almost at the same level as in the corresponding period of last year but during the latter part of the year the industrial sales went down compared with the corresponding period of last year.
- Efore and Wuxi Hodgen Technology Co Ltd signed the master supply and asset agreements related to the outsourcing of manufacturing as well as manufacturing support functions at the Suzhou plant in China.
- National Instruments has recognized Efore again with the Global Supplier Award.
- In the autumn, Efore started several actions to reduce its fixed costs and lighten the balance sheet.

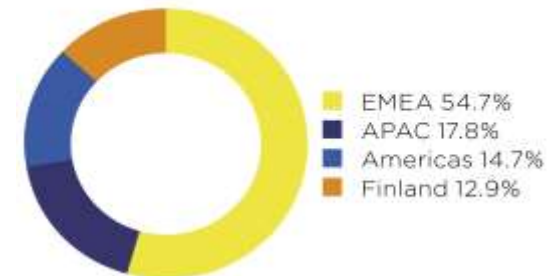


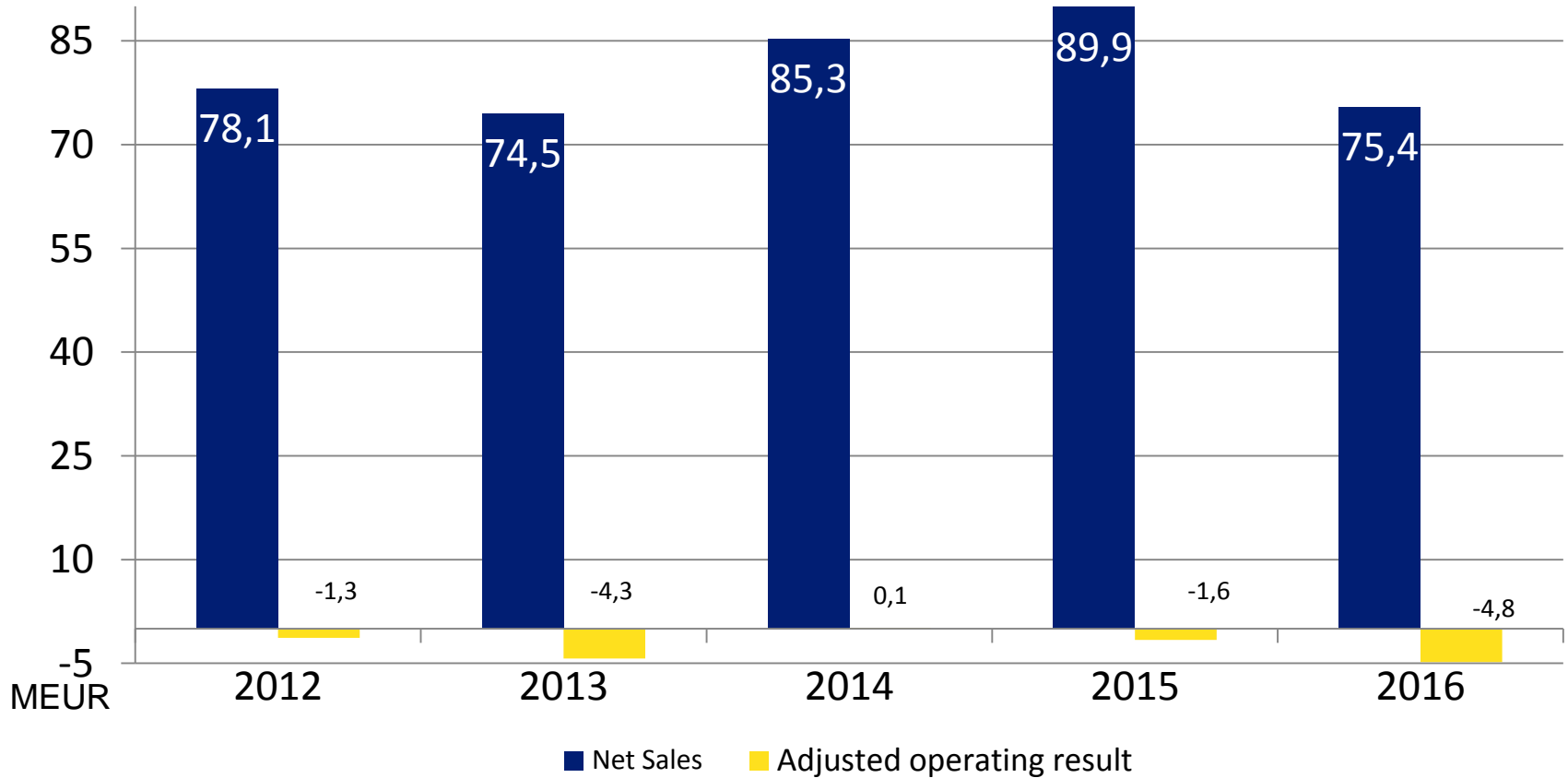
Key indicators, EUR million	2016	2015
<b>Net Sales</b>	75,4	89,9
-Telecommunication sector	34,2	44,8
-Industrial sector	41,2	45,1
<b>Adjusted operating result</b>	-4,8	-1,6
<b>Operating result</b>	-9,7	-2,0
<b>Result before taxes</b>	-10,4	-3,3
<b>Net result</b>	-11,4	-3,4
<b>Earnings per share, EUR</b>	-0,22	-0,07
<b>Solvency ratio, %</b>	15,7	34,2
<b>Gearing, %</b>	99,5	24,5
<b>Cash flow from business operations</b>	-1,1	1,8

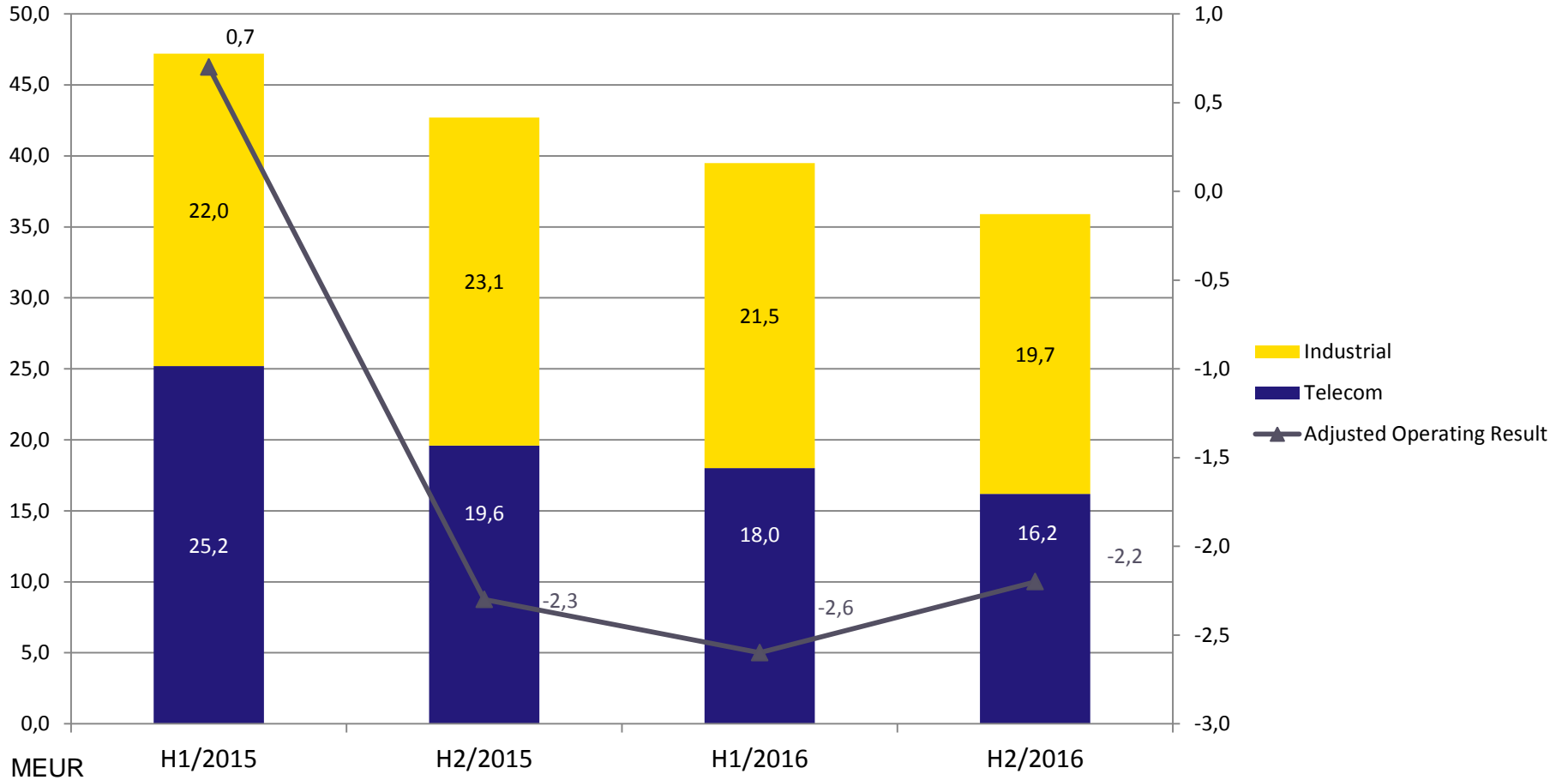
Net sales by sectors

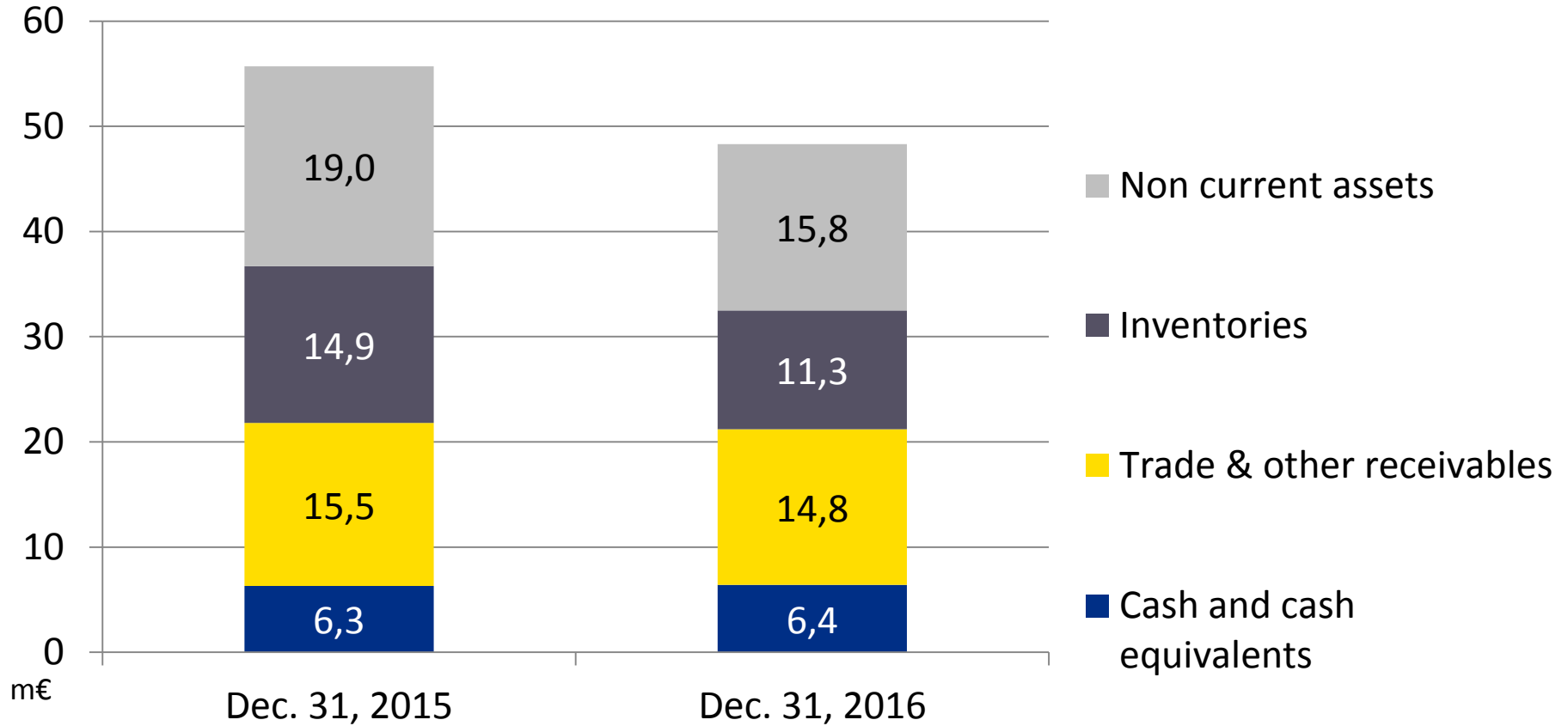


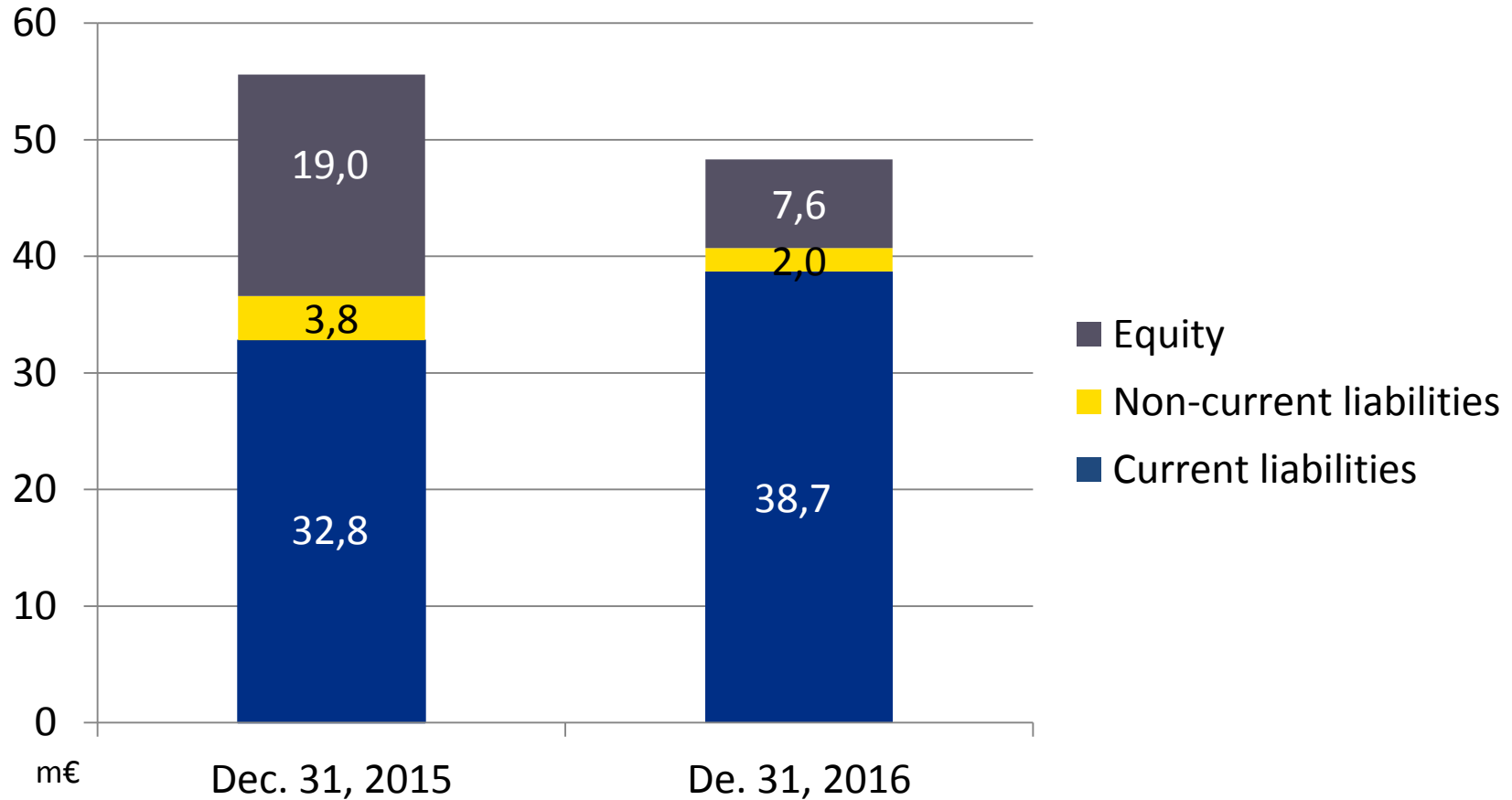
Net sales by areas







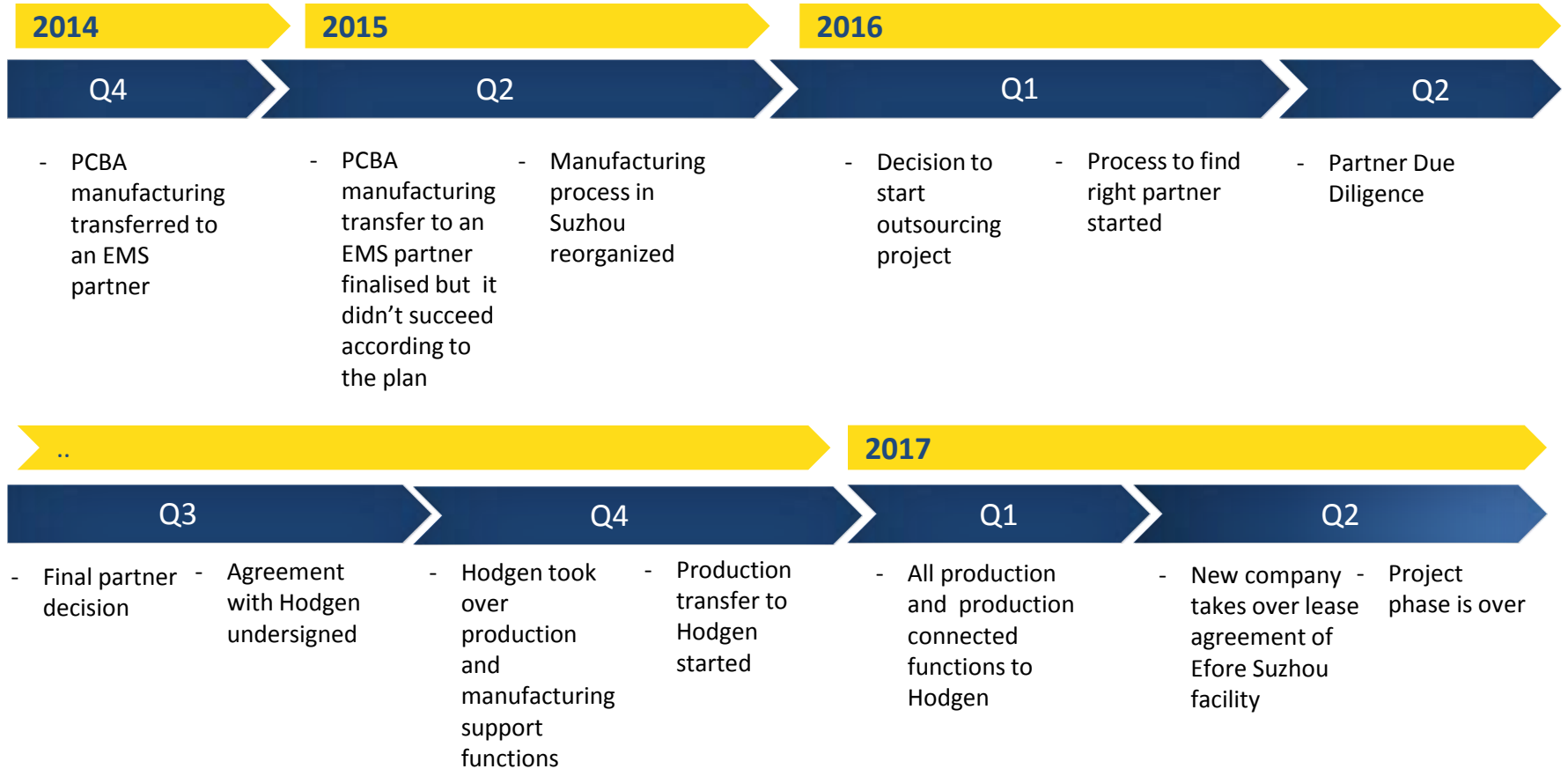


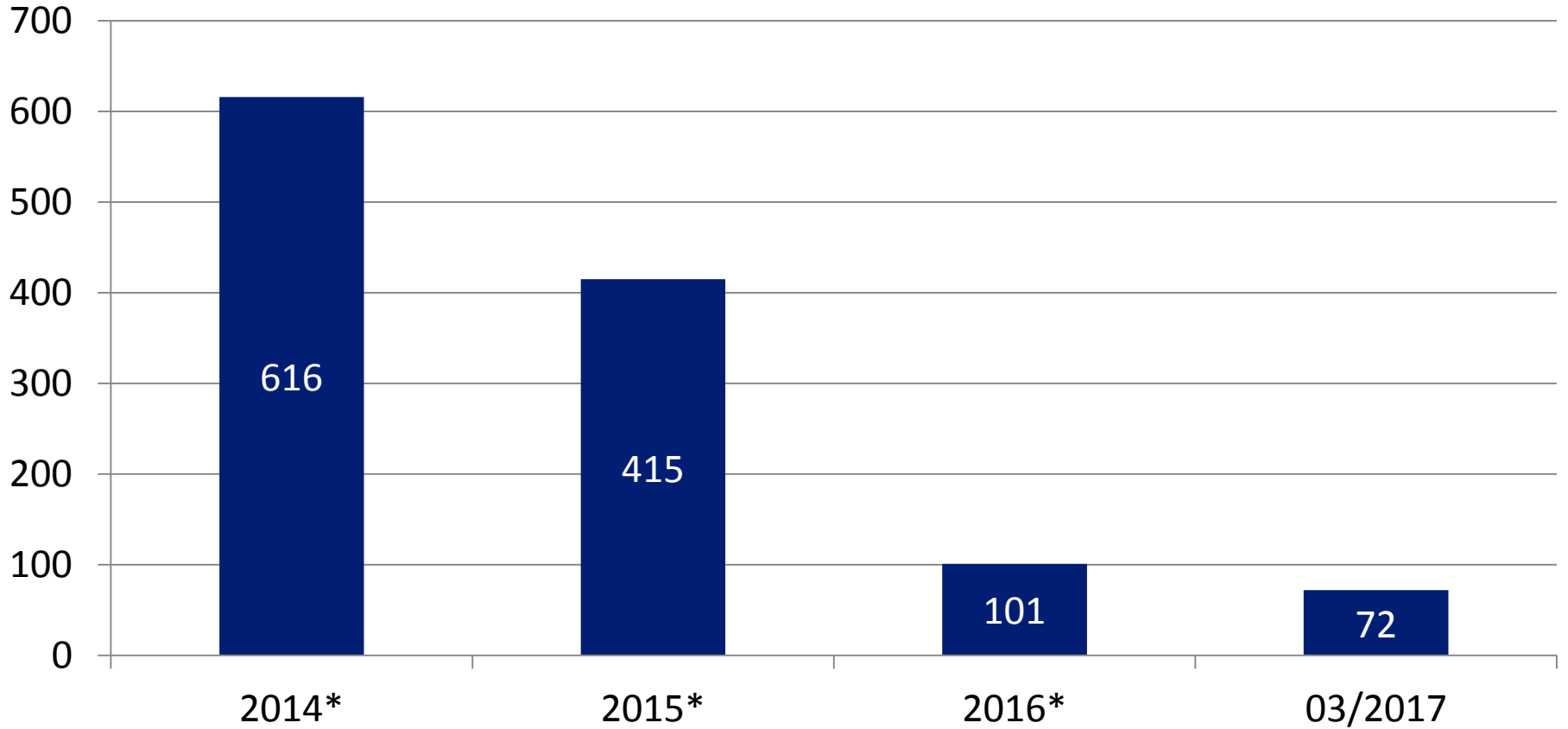


- The operating result and the cash flow for 2017 are estimated to be positive.
- Efore Plc has prematurely repaid the EUR 2 million loan granted by Jussi Capital Oy on March 31, 2017.

Financial guidance for 2017 (published on Feb. 15, 2017)

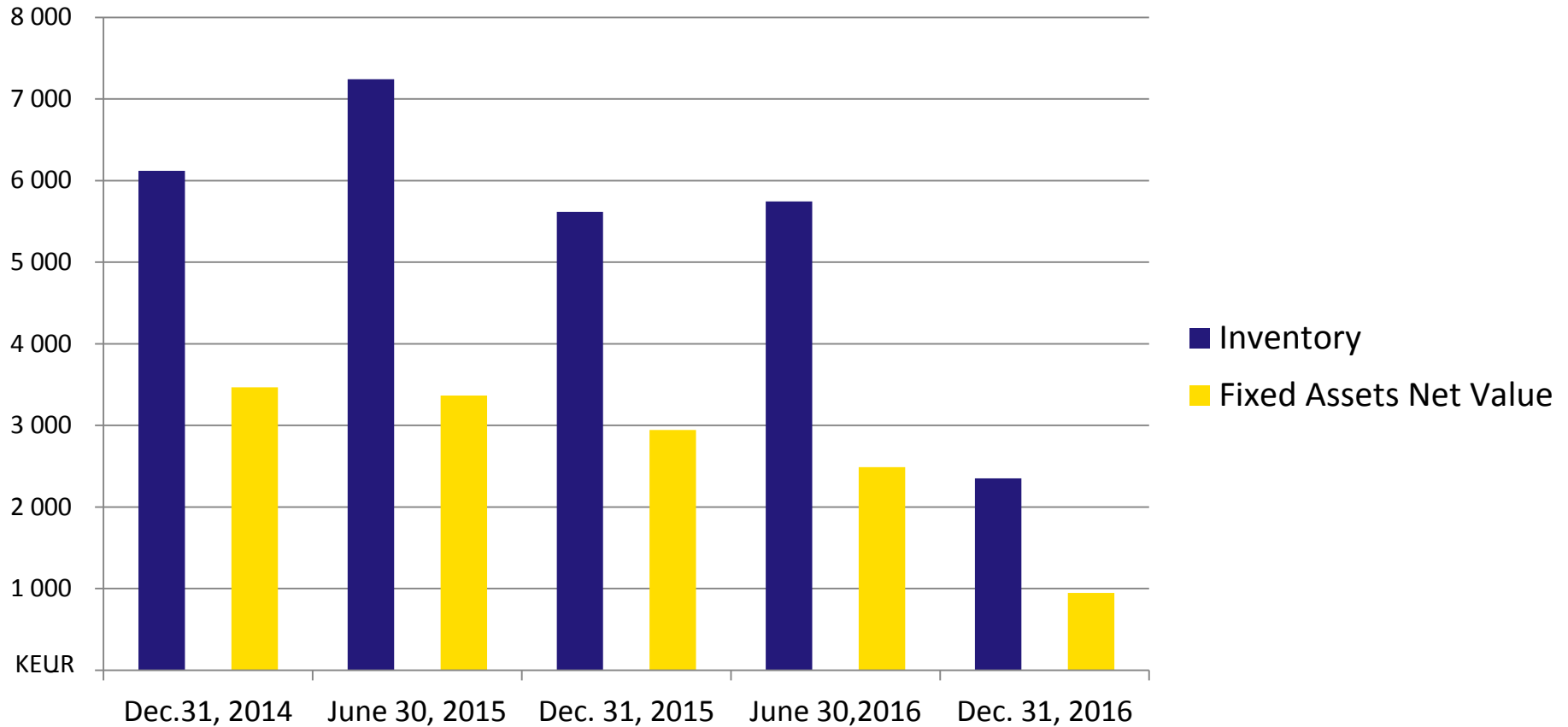
- Due to the financial situation of the Group and the structural changes currently taking place, giving earnings guidance is exceptionally challenging but the operating result and the cash flow for 2017 are estimated to be positive.
- Efore is not for the time being making forecasts about its long term development.





\*Status at the end of the financial year





- The operating result and the cash flow for 2017 are estimated to be positive
  - Company's position strengthened within present customer base and new distribution agreements signed in the USA and in Spain.
  - New projects won in telecom sector, deliveries start 2017.
  - Positive market development in Digital Light and Telecom sector.
  - New products will be launched for Digital Light and Digital Power markets-
    - More intelligence
    - Harsh environment

- “New company structure”
  - Almost 50 % less personnel than in the beginning of 2016
  - “New facilities” in China, Italy and Finland
  - More focus on R & D activities and Value Added Solutions
  - Less fixed costs
  - Lighter balance sheet
  - Updating strategy and business plans

- Detailed information on Annual Accounts can be found in Annual Report 2016
  - Group level from page 13
  - Parent company from page 53
  - Auditor's report from page 75

Thank you