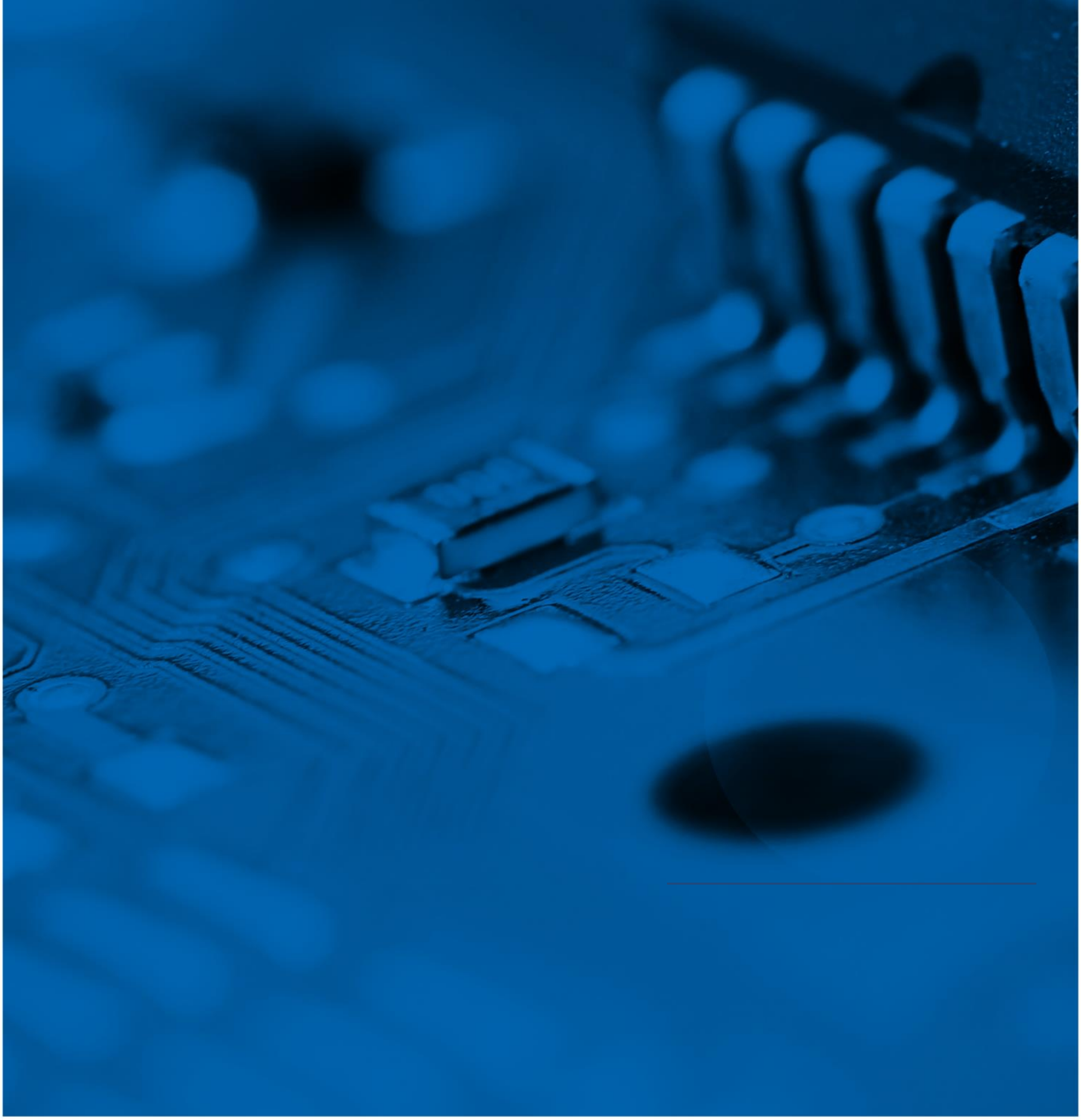
Efore Group

Half year report H1

1.1.–30.6.2017



HALF YEAR FINANCIAL REPORT JANUARY 1, – JUNE 30, 2017

January - June 2017 in brief:

- Net sales totalled EUR 39,4 million (EUR 39,5 million), down 0,3 % compared with the corresponding period last year
- Operating result was EUR 0,7 million (EUR -3,0 million)
- Adjusted operating result 0,7 million (EUR -2,6 million)
- Earnings per share were EUR 0,00 (EUR -0,06)
- The outsourcing of manufacturing in China was finalized and the support functions related to manufacturing, procurement, R&D and sales in Suzhou facility were relocated to the manufacturing partner site in Wuxi.

Key indicators, EUR million	1-6/17 6 mo	1-6/16 6 mo	Change %	1-12/16 12 mo
Net Sales	39,4	39,5	-0,3	75,4
Telecommunication sector	19,4	18,0	7,8	34,2
Industrial sector	19,9	21,5	-7,4	41,2
Adjusted operating result*	0,7	-2,6		-4,8
Operating result	0,7	-3,0		-9,7
Result before taxes	0,3	-3,1		-10,4
Net result	0,0	-3,3		-11,4
Earnings per share, EUR	0,00	-0,06		-0,22
Solvency ratio, %	18,7	28,3	-33,9	15,7
Gearing, %	97,5	32,1		99,5
Cash flow from business operations	2,4	1,2		-1,1

Key indicators Half year, EUR million	H1/2017	H2/2016	H1/2016
Net Sales	39,4	35,9	39,5
Telecommunication sector	19,4	16,2	18,0
Industrial sector	19,9	19,7	21,5
Adjusted operating result*	0,7	-2,2	-2,6
Operating result	0,7	-6,7	-3,0

*Adjustments in 2016 include items such as costs due to changes in organizational structure, impairments and impact from the sale of businesses or assets.

Jorma Wiitakorpi, Efore's CEO

"During the latter part of 2016 we initiated measures to reduce the fixed costs and improve our productivity. These measures had a positive effect on the result development and the operating result of the first half year 2017 was more than EUR 3,7 million better than a year ago.

The actions to lighten our balance sheet have progressed. The most remarkable results were achieved in China and in the inventory values. These actions had a clear positive effect in improving our cash flow during the period under review.

Efore's total net sales were almost at the same level as a year ago.

The industrial sector net sales decreased by 7,4 % compared with the corresponding period of last year and amounted to EUR 19.9 million. Two significant EMS customers in the industrial sector started to use services of other companies as a result of Efore's decision to outsource manufacturing in China. On the other hand, the net sales of our core business related to both Digital Power and Digital Light products increased more than industry average.

During the period under review Efore's excellent customer satisfaction was witnessed with the prestigious award we received when National Instruments once again selected Efore as the "Supplier of the Year" for 2016. Efore previously achieved the same honor in 2014, making this the first time the same supplier has achieved this recognition in multiple years.

The net sales of telecommunications sector increased 7,8 % compared with last year and amounted to EUR 19,4 million. The development of net sales in the telecommunications sector slowed down towards the end of the reporting period which was mainly due to delay in some new product introductions and customers' request for rescheduled shipments.

The outsourcing of manufacturing in China was finalized and the support functions related to manufacturing, procurement, R&D and sales in Suzhou facility were relocated to the manufacturing partner site in Wuxi. This arrangement has a significant role by enabling Efore to focus on its core competency in the future, which is developing demanding power solutions for its customers. The outsourcing also reduced the fixed costs as well as lightened the balance sheet in the Group.

In order to improve our cost efficiency we have moved to new premises in Finland and China. The relocation in Italy has been delayed until the 3rd quarter of 2017 thus the desired effect in decreasing costs related to this will not be fully realized until the beginning of next year.

Telecom operators have postponed their investments. The peak of the 4G investments have been achieved and extensive network projects based on 5G-technology will not be realized until 2019 – 2020 thus a slight decline is expected in the telecommunications market. Efore's new product introduction aims to mitigate market decline.

In the industrial sector the consistent demand on current products both in Digital Power and Digital Light is expected to continue, supported by introductions of new products.

We will continue actions to reduce the fixed costs and to lighten the balance sheet in order to ensure positive result development."

Net sales and result development January -June

Efore's net sales totalled EUR 39,4 million (EUR 39,5 million).

The net sales of the telecommunications sector increased by 7,8 % compared with last year and amounted to EUR 19,4 million. (EUR 18.0 million).The net sales of the telecommunications sector included EUR 2 million sales of inventory to Hodgen Technology with no margin. The development of net sales slowed down towards the end of the reporting period which was mainly due to delay in some new product introductions and customers' request for rescheduled shipments.

The industrial sector net sales decreased by 7,4 % compared with the corresponding period of last year and amounted to EUR 19,9 million (EUR 21,5 million). Two significant EMS customers in the industrial sector started to use services of other companies as a result of Efore's decision to outsource manufacturing in China and this had a negative impact in the development of net sales. On the other hand, the net sales of our core business related to both Digital Power and Digital Light products increased more than industry average.

The operating result increased clearly compared with the corresponding period a year ago resulting EUR 0,7 million (EUR -3,0 million) and the adjusted operating result was EUR 0,7 million (EUR -2,6 million). Main reasons for the positive result development were especially the improvement of Efore's productivity and the reduction of fixed costs. There are no one-time costs during the period under review.

Business development

The telecom market is transforming, which sets new requirements for the operators in the business. Most of Efore's telecom products are designed for macro base stations but demand for them has decreased and shifted towards small base stations. Efore further continues R&D investments by widening the technology portfolio into power supply technology for new small cell products. The products based on the 5G technology are in a key role in future network expansions.

During the period under review Efore has been focusing on developing products for telecom 5G applications and the first products will be ready in the latter part of 2017.

Efore's product portfolio in the industrial sector has expanded. In Digital Power area, some custom designs have been completed and a new standard medium-high power platform will be commercialized in the latter part of the year. In Digital Light area the company continues to increase the current portfolio with innovative high density smart LED drivers that will be launched in the latter part of 2017.

Efore has started its first development projects concerning larger system level solutions for the telecom market. Introduction of system level solutions for telecom and industrial market will play an even more significant role in the future. In these products Efore can utilize its existing expertise and skillsets from the DC-system business. The first complete energy solutions will be delivered in the latter part of 2017.

In 2016 Efore started an R&D project that focused on development of bi-directional technology for regenerative and power back-up solutions. The project has now passed field tests and is ready for product implementation together with the customers. This technology platform is one part of Efore's vision for future industrial and systems applications where more versatile and efficient power solutions are needed.

Component market is showing a continuing lead-time increase and the Group is taking actions to mitigate possible challenges in demand fulfillment.

Investments and product development

The Group investments during the period under review amounted to EUR 2,2 million (EUR 1,6 million) including EUR 1,8 million (EUR 1,3 million) capitalization of product development costs. At the end of the period under review, the capitalized product development investments amounted to EUR 8,3 million (EUR 7,8 million).

The product development expenditure amounted to EUR 5,1 million (EUR 4,9 million), 12,8 % (12,5 %) of net sales.

Financial position

The interest-bearing liabilities exceeded the consolidated cash reserves by EUR 7,3 million (EUR 5,0 million) at the end of the period under review. The consolidated net financial expenses were EUR 0,5 million (EUR 0,2 million).

The cash flow from business operations was EUR 2,4 million (EUR 1,2 million). The cash flow after investments was EUR 0,2 million (EUR -0,4 million).

The Group's solvency ratio was 18,7 % (28,3 %) and the gearing was 97,5 % (32,1 %).

The liquid assets excluding undrawn credit facilities totalled EUR 3,2 million (EUR 7,1 million) at the end of the period under review. At the end of the period under review the Group had the undrawn credit facilities excluding factoring limits EUR 4,7 million (EUR 2,8 million). The balance sheet total was EUR 40,8 million (EUR 55,2 million).

On June 30, 2017 the parent company had a loan of EUR 6,0 million from one financier that have the following covenants: equity ratio and net debt/ 12 month Ebitda excluding one-time items. The equity ratio covenant was breached at the end of June 2017. Efore has negotiated with the financier and the company received a waiver on August 2, 2017. Efore expect that both cash flow and profit will be improving in the latter part of 2017. Next measurement point for covenants will be at the end of 2017.

As disclosed on 31 March, 2017 Efore Plc prematurely repaid the EUR 2 million loan granted by Jussi Capital Oy, which belongs to the related parties of the Company. The loan was drawn on January 2, 2017 and it was due on June 30, 2017.

Personnel

The number of the Group’s own personnel averaged 436 (769) during the period under review and at the end the period under review it was 450 (754). The decrease in personnel amount was mainly due to the outsourcing of manufacturing in China and the slight increase towards the end of the period occurred in the Tunisian plant to support increase in industrial sector demand.

Share, share capital and shareholders

At the end of the period under review the number of the Group's own shares was 3 501 995 pcs.

The highest share price during the period under review was EUR 0,69 and the lowest price was EUR 0,54. The average price during the period under review was EUR 0,62 and the closing price was EUR 0,67. The market capitalization calculated at the final trading price at the end of the period under review was EUR 35,0 million.

The total number of Efore shares traded on the Nasdaq Helsinki Ltd during the period under review was 2,9 million pcs and their turnover value was EUR 1,8 million. This accounted for 5,3 % of the total number of shares 55 772 891 pcs. The number of shareholders totalled 3844 (2652) at the end of the period under review.

Accounting policies

The half year report has been drawn up in accordance with IAS 34 Standard on Interim Financial Reporting and the Group's accounting principles presented in the 2016 annual report. In addition, Efore Plc has adopted new and/or amended IFRS-standards. These changes have no major effect on the report. The information in this release is unaudited.

IFRS 15 Revenue from Contracts with Customers (effective for financial years beginning on or after January 1, 2018): The new standard replaces current IAS 18 and IAS 11 -standards and related interpretations. In IFRS 15 a five-step model is applied to determine when to recognize revenue, and at what amount. Revenue is recognized when (or as) a company transfers control of goods or services to a customer either over time or at a point in time. The standard introduces also extensive new disclosure requirements. Analysis of revenue streams started during autumn 2016 and it has continued during 2017.

Efore's business with major customers, in most cases, is based on a framework agreement and purchase orders that together form an agreement under IFRS 15 that determine performance obligations. Efore has continued the analysis of IFRS 15 that started in the autumn of 2016, and at this stage some 70% of the income streams have been analyzed. Efore's sales revenue from customer contracts consists of the sale of goods and does not include a significant amount of sales of services. Revenue is recognized also in the future at a point in time, which does not change current practice, where criteria for satisfying performance obligation is transfer of risks and rewards, which is also an indication of transfer of control to customer. Disclosure requirements in IFRS 15 will increase information related to revenue from contracts with customers.

During year 2017 Efore will continue the analysis in more detailed level and implement the standard during year 2018. Efore will decide on implementation option of IFRS 15 during 2017 and will inform on the effects on a more detailed level during 2017. The impact of IFRS 15 on Efore mainly relates to expanded disclosure requirements. Consequently, adoption of IFRS 15 does not require significant changes to Efore for information systems and the new disclosure requirements can be met by existing systems.

Efore has not yet made any final decision of the transition to IFRS 15. Efore will continue analyzing the effects of IFRS 15 and will make the decision of the transition method later in 2017.

All the figures in the report have been rounded up/down, thus the total of the individual figures when added together may differ from the total shown.

Short-term risks and factors of uncertainty

The market typical fluctuation in demand can still cause rapid changes in Efore's business. Business risks are related to the success of key customers in their markets.

The progress in Efore's product development projects depends partly on the project schedules of our customers.

The expansion of the Group's product range in to system level solutions in the industrial sector may increase product liability risk.

Global economic development may have a negative effect on Efore's business environment.

The equity ratio covenant was breached at the end of the period under review. Efore has negotiated with the financier and the company received a waiver regarding the breach on August 2, 2017. If the covenant is breached at the end of 2017 there is a risk that the waiver will not be granted.

Due to the weak financing situation there are some risks related to the current undrawn credit facilities and adequate financing. Efore is minimizing the risks by actively planning and implementing different options. However, the situation is better than in December 2016.

The Group actively monitors possible impacts of risks on both financing and liquidity.

A more comprehensive report on risk management is presented on the Group's web-sites and in the Annual Report for 2016.

Market outlook

Telecom market is characterized by high volatility combined with high level of product variance making future outlook predictions challenging. Efore's customers are now shifting their development focus more and more into 5G technology. Efore is releasing new products that are supporting both existing technology and future roll-out of 5G sites.

In the industrial market a slight increase is expected in medical, transportation and defence segments and a slight decrease in old established segments like consumer products.

Factors of uncertainty have been presented in the section "Short-term risks and factors of uncertainty".

Financial estimate for 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 from operating activities for 2017 are estimated to be positive. Efore is not for the time being making forecasts about its long term development.

Events after the end of the Period under review

Efore Plc received a waiver on August 2, 2017 to depart from the loan covenant that was breached at the end of June 2017.

Martin Raznovich, current CFO will leave the company on September 15, 2017. Mr Vesa Leino, M.Sc.(Econ), born 1969 will be act as interim CFO and a member of the Executive Management Team of Efore Plc from September 1, 2017.

TABLES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	1/-6/17 6 mo	1/-6/16 6 mo	1-12/16 12 mo
Net sales	39,4	39,5	75,4
Change in inventories of finished goods and work in progress	-1,3	0,1	-1,3
Work performed for own purposes and capitalised	0,1	0,0	0,1
Other operating income	0,4	0,2	1,3
Materials and services	-26,9	-26,8	-49,6
Employee benefits expenses	-6,1	-9,4	-19,7
Depreciation	-1,9	-1,7	-3,7
Impairment	0,0	0,0	-0,3
Other operating expenses	-2,9	-4,9	-11,9
Results from operating activities	**0,7**	-3,0	-9,7
% net sales	1,9	-7,5	-12,8
Financing income	1,9	1,8	3,2
Financing expenses	-2,4	-2,0	-3,9
Result before tax	**0,3**	-3,1	-10,4
% net sales	0,6	-7,9	-13,8
Tax on income from operations	-0,2	-0,1	-1,0
Result for the period	**0,0**	-3,3	-11,4
Other comprehensive income			
Items that will not be reclassified to statement of income			
Remeasurements of the net defined benefit liabilty	0,0	0,0	0,0
Items that may be reclassified subsequently to profit or loss			
Translation differences	0,0	-0,2	-0,2
Total comprehensive income	**0,0**	-3,5	-11,5
Net profit/loss attributable			
To equity holders of the parent	0,0	-3,3	-11,4
To non-controlling interest	0,0	0,0	0,0
Total comprehensive income attributable to:			
Equity holders of the parent	0,0	-3,5	-11,5
Non-controlling interest	0,0	0,0	0,0

EARNINGS PER SHARE CALCULATED ON PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT:			
Earnings per share, basic,eur	0,00	-0,06	-0,22
Earnings per share, diluted, eur	0,00	-0,06	-0,22

NET SALES BY AREAS	**1-6/17**	**1-6/16**	**1-12/16**
EUR million	**6 mo**	**6 mo**	**12 mo**
Americas	4,3	5,7	11,1
EMEA	18,0	20,5	41,2
FINLAND	10,2	5,7	9,7
APAC	6,8	7,6	13,4
Total	39,4	39,5	75,4

NET SALES BY CUSTOMER GROUPS	**1-6/17**	**1-6/16**	**1-12/16**
EUR million	**6 mo**	**6 mo**	**12 mo**
Telecom	19,4	18,0	34,2
Industrial	19,9	21,5	41,2
Total	39,4	39,5	75,4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	**June 30, 2017**	**June 30, 2016**	**change %**	**Dec. 31, 2016**
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	9,5	9,5		9,2
Goodwill	1,1	1,1		1,1
Tangible assets	2,5	4,5		2,8
Other receivables, non-current	0,1	0,1		0,1
Other long-term investments	0,1	0,1		0,1
Deferred tax asset	2,3	3,3		2,5
Total non-current assets	15,7	18,5	-15,4	15,8
CURRENT ASSETS				
Inventories	9,8	15,4		11,3
Trade receivables and other receivables	12,0	13,9		14,6
Tax receivable, income tax	0,2	0,3		0,2
Cash and cash equivalents	3,2	7,1		6,4
Total current assets	25,1	36,6	-31,4	32,5
TOTAL ASSETS	40,8	55,2	-26,0	48,3
EQUITY AND LIABILITIES				
EQUITY				
Share capital	15,0	15,0		15,0
Treasury shares	-2,4	-2,4		-2,4
Other reserves	28,7	28,7		28,7
Translation differences	3,3	3,3		3,4
Retained earnings	-37,0	-28,9		-37,0
Equity attributable to equity holders of the parent	7,5	15,6		7,6
Equity attributable to non-controlling interests	0,0	0,0		0,0
Total equity	7,5	15,6	-51,8	7,6

NON-CURRENT LIABILITIES				
Deferred tax liabilities	0,3	0,4		0,3
Interest-bearing liabilities	0,0	0,8		0,0
Other liabilities	0,0	0,0		0,0
Pension provisions	1,4	1,7		1,4
Provisions	0,3	0,3		0,3
Total non-current liabilities	2,0	3,2	-39,2	2,0
CURRENT LIABILITIES				
Interest-bearing liabilities	10,5	11,2		13,9
Trade payables and other liabilities	19,6	24,8		20,5
Tax liabilities	0,2	0,2		0,3
Provisions	1,0	0,1		4,0
Total current liabilities	31,3	36,3		38,7
Liabilities	33,3	39,5		40,8
TOTAL EQUITY AND LIABILITIES	40,8	55,2	-26,0	48,3

GROUP KEY FIGURES, EUR million	**1-6/17 6 mo**	**1-6/16 6 mo**	**1-12/16 12 mo**
Earnings per share, basic,eur	0,00	-0,06	-0,22
Earnings per share, diluted, eur	0,00	-0,06	-0,22
Equity per share, eur	0,14	0,30	0,14
Return on equity-%(ROE)	0,3	-37,7	-85,5
Return on investment-%(ROI)	5,7	-19,8	-38,0
Net interest-bearing liabilities	7,3	5,0	7,5
Investments (intangible and tangible assets)	2,2	1,6	3,3
as percentage of net sales	5,6	4,1	4,4
Average personnel	436	769	679

Adjusted operating result EUR million	**1-6/17 6 mo**	**1-6/16 6 mo**	**1-12/16 12 mo**
Operating result	**0,7**	**-3,0**	**-9,7**
Adjustments to operating result			
Change in organizational structure	-	0,3	4,8
Total adjustments to operating result	**-**	**0,3**	**4,8**
Adjusted operating result	**0,7**	**-2,6**	**-4,8**

CONSOLIDATED STATEMENT OF CASH FLOWS EUR million	**1-6/17 6 mo**	**1-6/16 6 mo**	**Change %**	**1-12/16 12 mo**
Cash flows from operating activities				
Cash receipts from customers	43,1	40,6		79,9
Cash paid to suppliers and employees	-40,2	-39,2		-80,3
Cash generated from operations	3,0	1,5		-0,4
Interest paid	-0,3	-0,2		-0,4
Interest received	0,0	0,0		0,0
Other financial items	-0,2	-0,1		-0,3
Income taxes paid	-0,1	0,0		0,0
Net cash from operating activities (A)	2,4	1,2		-1,1

Cash flows from investing activities				
Purchase of tangible and intangible assets	-2,2	-1,6		-3,2
Proceeds from sale of tangible and intangible assets	0,1	0,0		1,4
Proceeds from sale of investmetns	0,0	0,0		0,0
Income taxes paid	0,0	0,0		0,0
Net cash used in investing activities (B)	-2,1	-1,6	34,9	-1,8
Cash flows from financing activities				
Proceedings from short-term borrowings	4,0	4,7		9,5
Repayment of short-term borrowings	-7,1	-2,8		-8,1
Proceeds from long-term borrowings	0,0	0,0		4,0
Repayment of long-term borrowings	0,0	-0,6		-2,1
Financial leasing repayment	-0,1	-0,1		-0,2
Net cash used in financing activities (C)	-3,2	1,3		3,1
Net increase/decrease in cash and cash equivalents (A+B+C)	-3,0	0,9		0,2
Cash and cash equivalents at beginning of period	6,4	6,3		6,3
Net increase/decrease in cash and cash equivalents	-3,0	0,9		0,2
Effects of exchange rate fluctuations on cash held	-0,2	-0,1		-0,1
Cash and cash equivalents at end of period	3,2	7,1		6,4

GROUP CONTINGENT LIABILITIES

EUR million	**30.6.2017**	**30.6.2016**	**31.12.2016**
Security and contingent liabilities			
On own behalf			
Business mortgage	5,0	0,0	5,0
Other contingent liabilities	0,1	0,1	0,2
Pledge of parent company's own shares, pcs	3 501 955	-	3 501 955
Liabilities covered by business mortgage			
Loans from financial institutions	6,0	0,0	6,2
Factoring limit in use	6,7	0,0	2,0
Total	12,7	0,0	8,2
Own liability for credit risk insurance in factoring, not realised	0,3	0,0	0,1
Operating lease commitments			
Group as lessee			
Non-cancellable minimum operating lease payments:			
Less than 1 year	0,8	0,8	0,9
1-5 years	2,2	0,4	2,1
Fair values of derivate financial instruments			
Currency derivatives, for hedging (not IAS 39 hedge accounting)			
Derivatives			
Nominal amount	0,0	8,8	4,1
Negative fair value	0,0	0,0	0,0

Related party transactions

In 2016 Jussi Capital Oy has issued an EUR 4 million absolute guarantee to the financier of Efore Oyj. Jussi Capital Oy is an Efore related party company.

Efore Plc has pledged 3 501 995 own shares as a counter guarantee for the absolute guarantee granted by Jussi Capital Oy. The pledge of own shares had a significant financial reason in the interest of the company and all the shareholders, as the pledge was a prerequisite for the financing arrangements.

As disclosed on 31 March, 2017 Efore Plc prematurely repaid the EUR 2 million loan granted by Jussi Capital Oy, which belongs to the related parties of the Company. The loan was drawn on January 2, 2017 and it was due on June 30, 2017.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A Share capital
B Treasury shares
C Unrestricted equity reserve
D Other reserves
E Translation differences
F Retained earnings
G Equity holders of the parent
H Non-controlling interests
I Total

EUR milloin	A	B	C	D	E	F	G	H	I
EQUITY January 1 2016	**15,0**	**-2,4**	**28,0**	**0,7**	**3,5**	**-25,7**	**19,0**	**0,0**	**19,0**
Comprehensive income	0,0	0,0	0,0	0,0	0,0	-3,3	-3,3	0,0	-3,3
Other comprehensive income									
Remeasurements of the net definet benefit liabilty	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Translation difference	0,0	0,0	0,0	0,0	-0,2	0,0	-0,2	0,0	-0,2
Total comprehensive income	**0,0**	**0,0**	**0,0**	**0,0**	**-0,2**	**-3,3**	**-3,5**	**0,0**	**-3,5**
Equity June 30, 2016	**15,0**	**-2,4**	**28,0**	**0,7**	**3,3**	**-28,9**	**15,6**	**0,0**	**15,6**

EUR million	A	B	C	D	E	F	G	H	I
EQUITY January 1, 2017	**15,0**	**-2,4**	**28,0**	**0,7**	**3,4**	**-37,0**	**7,6**	**0,0**	**7,6**
Comprehensive income	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other comprehensive income									
Remeasurements of the net defined benefit liabilty	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Translation difference	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total comprehensive income	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**
EQUITY June 30, 2017	**15,0**	**-2,4**	**28,0**	**0,7**	**3,3**	**-37,0**	**7,5**	**0,0**	**7,5**

Calculation of key figures

Return on investment (ROI), % = $\dfrac{\text{Profit before taxes + interest and other financing expenses}}{\text{Equity + interest bearing liabilities (average)}} \times 100$

Return on Equity (ROE), % = $\dfrac{\text{Profit/loss for the period}}{\text{Equity (average)}} \times 100$

Current ratio = $\dfrac{\text{Current assets}}{\text{Current liabilities}}$

Solvency ratio, % = $\dfrac{\text{Equity}}{\text{Total assets – advance payments received – own shares*}} \times 100$

Net interest-bearing liabilities	=	Interest bearing liabilities – financial assets at fair value through profit or loss – cash and cash equivalents	
Gearing, %	=	$\frac{\text{Net interest-bearing liabilities}}{\text{Equity}}$	x 100
Earnings per share	=	$\frac{\text{Profit or loss attributable to ordinary equity holders of the parent entity}}{\text{The weighted average number of shares outstanding}}$	
Earnings per share (diluted)	=	$\frac{\text{Profit or loss attributable to ordinary equity holders of the parent entity}}{\text{The weighted average number of shares outstanding including dilutive effect}}$	
Dividend per share	=	$\frac{\text{Dividend for the financial year}}{\text{Number of shares – own shares*}}$	
Dividend payout ratio, %	=	$\frac{\text{Dividend per shares}}{\text{Earnings per share}}$	x 100
Effective dividend yield, %	=	$\frac{\text{Dividend per share}}{\text{Adjusted share price at balance sheet date}}$	x 100
Equity per share	=	$\frac{\text{Equity – own shares*}}{\text{Number of shares at balance sheet date}}$	
P/E ratio	=	$\frac{\text{Adjusted share price at balance sheet date}}{\text{Earnings per share}}$	
Market capitalization	=	Adjusted share price at balance sheet date x outstanding number of shares at balance sheet date	
Average personnel	=	The average number of employees at the end of each calendar month during the accounting period	

All share-specific figures are based on the outstanding number of shares.

Equity is the equity attributable to the shareholders of the parent company.
Result for the period is the result attributable to the shareholders of the parent company.

* There were own shares held by company at the end of the period under review.

EFORE PLC
Board of Directors

Further information

For further information please contact Mr. Jorma Wiitakorpi, President and CEO, on August 11, 2017 at 10.30 -11.30 a.m., tel. +358 40 175 8510

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