



Financial statements release

1 January – 31 December 2018



COMPONENTA

Componenta's Financial Statements Release 1 January–31 December 2018: The net sales remained on par with the previous year and the adjusted operating profit improved slightly

The information presented in this Financial Statements Release concerns the development of Componenta Group's continued operations in January–December 2018 and the corresponding period in 2017, unless otherwise stated. Continued operations in the review period were the foundry operations in Pori and Karkkila, Finland, and the machine shop in Främmestad, Sweden. In alternative performance measures, certain value adjustment items not related to the ordinary business, items related to the sold and discontinued operations and other items with impact on comparability have been adjusted. Net sales in the comparable period include administration service fees charged from Wirsbo sub-group, which was diluted from the Group in 2017 because of the filing for bankruptcy. The figures presented in this release are unaudited.

January–December 2018 in brief

- The net sales remained on par with the previous year at EUR 120.7 million (EUR 122.4 million). The adjusted net sales in the review period amounted to EUR 120.7 million and the comparable adjusted net sales for the corresponding period last year amounted to EUR 122.2 million.
- EBITDA decreased by 87.6%, and was EUR 3.7 million (EUR 29.8 million). The EBITDA of the comparison period was improved by the EUR 30.6 million cuts in the restructuring debts. The adjusted EBITDA increased by 6.5% in the review period, and was EUR 4.9 million, while the comparable adjusted EBITDA in the previous year was EUR 4.6 million.
- The operating result decreased by 95.3%, and was EUR 1.2 million (EUR 26.3 million). The operating result of the comparison period was improved by the EUR 30.6 million cuts in the restructuring debts. The adjusted operating result increased by 6.9%, and was EUR 2.9 million, while the comparable adjusted operating result in the previous year was EUR 2.7 million.

October–December 2018 in brief

- The net sales decreased by 6.7%, and was EUR 29.1 million (EUR 31.2 million). The adjusted net sales in the review period amounted to EUR 29.1 million and the comparable adjusted net sales for the previous year amounted to EUR 31.2 million.
- EBITDA decreased by 88.6%, and was EUR 0.3 million (EUR 2.5 million). The adjusted EBITDA decreased by 31.2%, and was EUR 0.8 million, while the comparable adjusted EBITDA in the previous year was EUR 1.1 million. During the last quarter of the year, the breakdowns of machinery and equipment as well as quality costs weighed down the profitability of the company by approximately EUR 0.3 million. Furthermore, volumes lower than initially forecasted also affected the profitability.
- The operating result decreased by 210.5%, and was EUR -0.7 million (EUR 0.7 million). The adjusted operating result decreased by 85.1%, and was EUR 0.1 million, while the comparable adjusted operating result in the previous year was EUR 0.8 million.

President and CEO Harri Suutari comments concerning the review period

“Componenta's restructuring programs have progressed as planned. We continued to take measures to improve the profitability during the financial year that ended: we reduced costs, improved the productivity of our factories and increased prices as planned.

We also assessed our customer relationships during the financial year and terminated one significant unprofitable customer contract. The main reasons which justified the termination of the contract were the insufficient profit margin, high level of invested capital and low refining level of products. The impact of the measures will be visible during the financial year 2019, especially as reductions of our operations in Sweden. The measures will also have an impact on Pori foundry operations, since these deliveries represent 40% of the Pori unit's volume. As part of the adjustment measures, we are planning to close the other line of the Pori foundry, the so-called Disa line, by the end of 2019.

The synergy significance of Componenta Främmestad AB, which conducts machining and painting operations, for the Group decreased when we sold the foundry operations in Turkey in 2017. Most of Componenta Främmestad AB's operations consists of the refining and supplying of castings from outside the Group. The reactions of our main customers towards the operational model change has not delivered expected results. While the synergy benefits have decreased, we are considering giving up the operations. Divesting ourselves from the low-profitability machine shop customer relationships in Sweden frees up capital for our core business.

Due to our stabilised financial situation, we have started to receive new significant orders for our Finnish foundries.

We have negotiated with our key foundry customers on possibilities to offer them machining of their castings in Finland. We perceive this to be the most significant synergic growth direction of Componenta in the future."

Dividend proposal

The parent company's distributable assets on 31 December 2018 amounted to EUR 15.2 million (EUR 14.2 million). Pursuant to Chapter 9, Section 58 of the Restructuring of Enterprises Act, Componenta cannot distribute dividend between the approval and the conclusion of the restructuring programme. Pursuant to Chapter 14, Section 2 of the Limited Liability Companies Act, the company cannot distribute the company's unrestricted equity to shareholders during the next three years as the company has reduced the share capital for loss coverage on 11 May 2017.

Componenta's profit guidance in 2019

The expiry of the terminated customer relationship contracts will decrease the net sales of the Group in 2019. The refining value decreases less in proportion to the net sales, since the Componenta products for the remaining customer relationships, which are classified as core business, are mainly made of the Group's own castings.

Componenta expects the net sales of the continued operations in 2019 to amount to EUR 70–90 million. It is expected that the EBITDA without items affecting comparability will remain positive. The net sales of continued operations in 2018 was EUR 120.7 million and the adjusted EBITDA was EUR 4.9 million.

Potential fluctuations in exchange rates, higher raw material prices and the general competitive climate may affect the business outlook. Changes to new accounting principles are not estimated to have a significant impact on future financial statements.

Summary of the key events in 2018

The corporate restructuring programmes of Componenta Corporation and Componenta Finland Ltd were confirmed by district court decisions on 23 August 2017. The five-year payment programmes stipulated by the restructuring programmes will go into effect in May 2019. Componenta has implemented restructuring programmes during 2018 by selling properties that are not necessary for its operations in Finland. The total cash flow generated by all the property and share transactions during the financial year amounted to EUR 1.7 million and the impact on the result EUR -0.1 million.

During the last quarter of 2018, Componenta updated the customer prices of the foundries to respond to increased costs.

The District Court of Helsinki approved the amendments to the confirmed restructuring programmes of Componenta Corporation and Componenta Finland Ltd on 14 December 2018. The amendments to the payment programme approved by the district court mainly concerned the amount specification of conditional and maximum amount of restructuring debts and minor corrections to restructuring debts. These amendments only have a minor impact on the payments based on the restructuring programmes and no impacts on the company's financial position.

Componenta Främmestad AB paid its external restructuring debts falling due in July 2018 already in March 2018.

In 2018, Componenta has started measures aiming at significantly reducing Componenta Främmestad AB's Tier1 position, since the margins of some customer relationships have not been sufficient.

Key figures

	2018	2017	Change
	IFRS	IFRS	
Net sales, continued operations, EUR million	120.7	122.4	-1.4%
EBITDA, continued operations, EUR million	3.7	29.8	-87.6%
Operating result, continued operations, EUR million	1.2	26.3	-95.3%
Operating result margin, continued operations, %	1.0	21.5	-95.2%
Result after financial items, continued operations, EUR million	1.2	128.3	-99.0%
Result, continued operations, EUR million	1.0	128.8	-99.2%
Basic earnings per share, EUR	0.01	0.70	-99.2%
Diluted earnings per share, EUR	0.01	0.70	-99.2%
Cash flow from operations, continued operations, EUR million	3.5	2.8	22.9%
Interest-bearing net debt, EUR million	-3.4	-3.0	-13.3%
Equity ratio, %	39.3	34.8	13.1%
Investments in non-current assets including financial leasing, continued operations, EUR million	1.8	1.6	12.1%
The Group restructuring debt, EUR million	16.0	19.0	-16.1%
Personnel at the end of the period including leased personnel, continued operations	668	691	-3.3%
Personnel on average during the period including leased personnel, continued operations	703	680	3.4%
Order book, continued operations, EUR million	21.7	23.6	-7.8%

Alternative performance measures

Componenta publishes alternative performance measures to illustrate the financial development of its operations and to improve the comparability between the different periods. The company's management has assessed which alternative performance measures best describe the operations of the company and decided to report the adjusted net sales, adjusted EBITDA and adjusted operating result as alternative performance measures.

The alternative performance measures are presented below.

Continued operations, MEUR*	Comparable adjusted		
	2018	2017	Change
Adjusted net sales	120.7	122.2	-1.3%
Adjusted EBITDA	4.9	4.6	6.5%
Adjusted operating result	2.9	2.7	6.9%

*) Reconciliation to IFRS figures is presented in the end of this release.

Restructuring programmes

The implementation of the restructuring programmes has progressed as planned. Componenta Främmestad AB paid its restructuring debts, falling due in July 2018, in March 2018. The payment programmes of Componenta Corporation and Componenta Finland Ltd will begin in 2019 and end in 2023. The payment programme in the Group will end in 2024. Of the restructuring debts outside the Group, EUR 16.0 million (EUR 19.0 million), EUR 1.9 million was short-term debt. The external restructuring debts included EUR 0.8 million in interest-bearing debt, of which EUR 0.1 million was short-term.

Repayment schedule for external restructuring debts to be paid

MEUR	2019	2020	2021	2022	2023	2024	Total
Componenta Corporation	0.7	0.7	0.7	0.7	5.2	-	7.8
Componenta Finland Ltd	0.9	0.9	0.9	0.9	1.9	-	5.7*
Componenta Främmestad AB	0.4	0.4	0.4	0.4	0.4	0.4	2.5**
Total	1.9	2.1	2.0	2.0	7.5***	0.4	16.0

*) Componenta Finland Ltd's restructuring debts round to EUR 5.7 million.

**) The remaining Componenta Främmestad AB's debt to Componenta's former Turkish company will be paid back within a period of six years. The repayment is tied to the EBITDA of Componenta Främmestad AB.

***) The reason for the larger last instalment of Componenta Corporation and Componenta Finland Ltd is that the income from the sales of properties, which are not part of the core business, have been taken into account in the payment programme. The generated income will be used to repay debts during the end of the payment programme. The last instalment also includes a supplementary payment obligation of EUR 3.2 million incurred by the discharge of EUR 80 million loan guarantee.

According to the restructuring programmes, Componenta must sell the properties that are not necessary for its business operations. Componenta sold its property and two parcels of land in Pietarsaari on 23 February 2018. The sales were carried out at market rates and their combined cash impact in the Group was EUR 0.2 million. Componenta Corporation's subsidiary Oy Högfors-Ruukki Ab sold the entire share capital of Kiinteistöosakeyhtiö Pietarsaaren Tehtaankatu 13 on 5 April 2018. The sale was carried out at market rates and its combined cash flow impact in the Group was EUR 0.4 million. Componenta Finland Ltd sold the shares of Asunto-osakeyhtiö Iisalmen Ahjolansato on 25 June 2018. The sale was carried out at market rates and its combined cash impact in the Group was EUR 0.2 million. The combined impact of the aforementioned transactions on the result during the financial year was EUR 0.2 million.

Furthermore, Componenta Corporation sold the shares of Kiinteistöosakeyhtiö Ala-Emali and Kiinteistöosakeyhtiö Ylä-Emali owned by it on 29 August 2018. Componenta Corporation and Componenta Finland Ltd sold their shares of Karkkilan Koskikiinteistö Oy owned by them on 29 August 2018. Componenta Finland Ltd's subsidiary Karkkilan Valimokiinteistö Oy sold a parcel of land including the buildings on the land on property owned by it in Karkkila on 31 August 2018. The aforementioned sales were carried out at market rates and their cash impact was EUR 1.0 million and combined impact on result was EUR 0.0 million.

According to the restructuring programmes, a supplementary payment obligation to creditors is incurred for Componenta Corporation and Componenta Finland Ltd if the company's generated operating cash flow exceeds in any given calendar year, starting from 2018 and ending in 2022, the operating cash flow predicted in the programme balance sheet of the calendar year in question, from which the operating cash flow shortfall from 2018 or later in proportion to the operating cash flow predicted in the programme balance sheet will be deducted once. Solely the company's unsecured creditors are entitled to supplementary payments. The company has then an obligation to pay a supplementary payment of 50% of the amount that the generated operating cash flow exceeded the operating cash flow predicted in the programme balance sheet of the calendar year in question, from which the operating cash flow shortfall from 2018 or later in proportion to the operating cash flow predicted in the programme balance sheet will be deducted once. However, there will be no supplementary payment obligation if the generated operating cash flow has exceeded the operating cash flow predicted in the programme balance sheet by a maximum of 10%. For 2018, a supplementary payment obligation is not incurred for Componenta Corporation or Componenta Finland Ltd.

Order book

The order book of Componenta's continued operations stood at EUR 21.7 million (EUR 23.6 million) at the end of 2018. The order book includes the confirmed customer orders for the following two months.

Net sales

The comparable net sales corresponding to the current continued operations in 2019 sales remained on par with the previous year at EUR 120.7 million (EUR 122.4 million).

The net sales of Componenta during the financial year were divided by customer sectors as follows: heavy trucks 63% (65%) and other industries a total of 37% (35%).

Result

The adjusted EBITDA of the Group's continued operations for the financial year improved from the previous year and amounted to EUR 4.9 million (EUR 4.6 million). The adjusted EBITDA for the review period was particularly improved by lower fixed costs as well as the more efficient planning and implementation of production and logistics, which was enabled by the Group's liquidity being better than in the comparison period. The effect of exchange rate differences on EBITDA was EUR 0.2 million (EUR -0.1 million). The profitability of the comparison period was weighed down by the temporary cancellation of the energy tax refund in Finland due to the restructuring procedures. The temporary cancellation of the energy tax refund in Finland ended after the district court confirmed the restructuring programs on 23 August 2017.

The adjusted comparable operating result of the Group's continued operations for the financial year increased from the previous year and amounted to EUR 2.9 million (EUR 2.7 million). The operating result for continued operations during the review period, including items affecting comparability, was EUR 1.2 million (EUR 26.3 million). Items affecting comparability in continued operations EBITDA in 2018 totalled EUR -1.2 million and they were mainly related to receivable write-downs and write-downs of the sold service companies.

Net financial items for the Group's continued operations, including items affecting comparability, amounted to EUR -0.0 million (EUR 102.1 million). Net financial items 2017 included EUR 96.6 million generated mainly by the restructuring debt cuts in the Finnish and Swedish companies.

The result of continued operations after financial items stood at EUR 1.2 million (EUR 128.3 million). The items affecting comparability in the result for the financial year 2017, after financial items, totalled EUR 125.8 million. The items affecting comparability included in the result for continued operations for 2017 totalled EUR 126.1 million, and they consisted mainly of cuts in the restructuring debts in the Finnish and Swedish companies, which totalled EUR 130.2 million.

Taxes for the period for continued operations totalled EUR -0.2 million (EUR 0.5 million). Taxes for the period mainly include deferred tax liability changes.

The result of the Group's continued operations for the financial year was EUR 1.0 million (EUR 128.8 million). Componenta had no discontinued operations in 2018, when the result of the discontinued operations was EUR 0.0 million (EUR -4.8 million). Discontinued operations in 2017 include Componenta Wirsbo AB and Componenta Arvika AB, which both were declared bankrupt on 17 July 2017.

The Group's result for the financial year was EUR 1.0 million (EUR 124.1 million). The basic earnings per share for the financial year were EUR 0.01 (EUR 0.70) and the basic earnings per share for continued operations were EUR 0.01 (EUR 0.73). Diluted earnings per share for the financial year were EUR 0.01 (0.70) and diluted earnings per share for continued operations during the review period were EUR 0.01 (0.70).

Balance sheet, financing and cash flow

At the end of the financial year, the Group's cash funds and bank receivables totalled EUR 5.3 million (EUR 5.5 million). The Company had no committed credit facilities at the end of the review period. Financing based on advance payments from major customers was paid out at the end of February 2018.

At the end of the financial year, the debts of Componenta Group totalled EUR 29.7 million (EUR 34.4 million), of which EUR 16.0 million (EUR 19.0 million) was external restructuring debts. Componenta Corporation's share of the debts was EUR 7.8 million (EUR 7.8 million), Componenta Finland Ltd's share was EUR 5.7 million (EUR 5.8 million) and Componenta Främmestad AB's share EUR 2.5 million (EUR 5.4 million). The external restructuring debt includes EUR 0.8 million (EUR 1.4 million) in interest-bearing debt, of which EUR 0.1 million (EUR 0.6 million) is short-term. In addition, there were EUR 2.6 million (EUR 1.9 million) of other long-term debts and EUR 11.2 million (EUR 15.4 million) of short-term account payables, accrued debts and other debts.

Net gearing stood at -17.5% (-16.2%) at the end of 2018. Net gearing includes only the interest-bearing liabilities of the restructuring debts. At the end of 2018, the Group's equity ratio stood at 39.3% (34.8%). Each of the Group companies had positive equity at the end of the 2018. The Group's equity was positive at EUR 19.2 million (EUR 18.3 million). The Group's equity includes the capital loan of EUR 27.0 million from Componenta Dökümcülük Ticaret ve Sanayi A.Ş. According to the agreement, the capital loan carries no interest and no repayment schedule has been specified for it. The loan must be fully paid before Componenta Främmestad AB can distribute dividends.

The net cash flow from operations for continued operations for the financial year was EUR 3.5 million (EUR 2.8 million). The improved cash flow for continued operations is due to the higher profitability of operations.

At the end of the review period, the invested capital of the company was positive at EUR 21.2 million (EUR 20.8 million) and the return on investment was 6.0% (-) and equity ratio 5.6% (-). Calculating comparison figures is not appropriate because equity was negative at the beginning of 2017.

Investments

Componenta's production-related investments for the financial year totalled EUR 1.8 million (EUR 2.8 million), of which the share of financial leasing was EUR 0.0 million (EUR 0.7 million). Production-related investments of continued operations totalled EUR 1.8 million (EUR 1.6 million) and production-related investments of discontinued operations were EUR 0.0 million (EUR 1.2 million). The net cash flow of the Group's investments was EUR -0.2 million (EUR -2.6 million), including the net cash flow of the Group's investments in tangible or intangible assets as well as the sold fixed assets cash flow. The cash flow of continued operations was EUR -0.2 million (EUR -1.4 million).

Continued operations

Continued operations in the review period were foundry operations in Pori and Karkkila, Finland, and machine shop in Främmestad, Sweden. Continued operations also include real estate companies in Finland that are of limited importance.

Componenta Group went through extensive changes in 2017. The parent company and its operative subsidiaries in Finland and Sweden were issued final rulings on restructuring. Componenta Wirsbo AB and Componenta Arvika AB, both located in Sweden, were declared bankrupt on 17 July 2017. The shares in the Turkish subsidiary, Componenta Dökümcülük Ticaret ve Sanayi A.S, were sold in a transaction completed on 27 September 2017.

Discontinued operations

In financial year 2018, Componenta had no discontinued operations.

In 2017, the Group companies Componenta Wirsbo AB and Componenta Arvika AB, both located in Sweden, were declared bankrupt on 17 July 2017. As a result, the Componenta Group no longer operates in the forge business. The operations of the Wirsbo sub-group were classified as discontinued operations in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" and the consolidation of Componenta Wirsbo AB and Componenta Arvika AB in the consolidated financial statements was discontinued in the third quarter of 2017. In 2017, the net sales of the discontinued operations was EUR 27.2 million, operating result EUR 36.4 million and result EUR -4.8 million. The result for discontinued operations in 2017 excluding items affecting comparability was EUR 0.1 million and the estimated operating profit excluding items affecting comparability was EUR 0.2 million.

Research and development operations

The research and development costs of Componenta's continued operations for the financial year totalled EUR -0.0 million (EUR -0.0 million). The research and development costs are very small, since Componenta carries on order machine shop business and does not have any of its own products.

Share capital and shares

Componenta Corporation's shares are listed on Nasdaq Helsinki. The average exchange rate of the share for the financial year was EUR 0.18, the lowest rate EUR 0.14 and the highest rate EUR 0.26. The exchange rate of the share at the end of 2018 was EUR 0.15 (EUR 0.14). The market value of the shares at the end of the financial year was EUR 26.6 million (EUR 25.5 million) and the proportionate exchange of shares for the financial year was 61.6% (205.5%) of the entire share capital.

Componenta Corporation's share capital at the end of the financial year was EUR 1.0 million (EUR 1.0 million). The total number of company's shares at the end of the financial year was 177,269,224 (177,269,224). The number of shareholders at the end of the financial year was 7,633 (7,685).

Flagging notifications

Componenta did not receive any flagging notifications in accordance with the Finnish Securities Markets Act in 2018.

Annual General Meeting decisions

Componenta Corporation's Annual General Meeting held on 24 May 2018 adopted the financial statements and consolidated financial statements for 1 January–31 December 2017 and discharged the Board members and CEO from liability. The AGM decided, in accordance with the Board of Directors proposal, that no dividend shall be distributed for the financial year ending on 31 December 2017.

It was decided that the number of Board members is four. The AGM decided to elect current Board members Petteri Walldén, Olli Isotalo and Anne Leskelä, and Asko Nevala as a new member.

The AGM decided that the Chairman of the Board of Directors shall be paid an annual fee of EUR 50,000 and ordinary Board members EUR 25,000. Furthermore, an annual fee of EUR 5,000 shall be paid for members of possible committees subordinated to the Board. The travel expenses of the Board members shall be paid in accordance with the company's travel regulations.

The AGM elected a firm of authorised public accountants PricewaterhouseCoopers Oy as the auditor.

The AGM decided to authorise the Board of Directors to decide on a share issue as well as issue of option rights and other special rights entitling to shares in one or several instalments in accordance with Chapter 10, Section 1 of the Limited Liability Companies Act. The authorisation concerns a maximum of 9,320,000 shares, which equals to 4.99% of the company's shares.

Both new shares and shares in the company's possession may be issued pursuant to the authorisation. New shares and shares in the company's possession may be transferred against payment or free of charge. The share issue as well as issue of option rights and other special rights entitling to shares is carried out in deviation from the shareholders' pre-emptive rights (directed issue). There is a weighty financial reason for the company to deviate from the shareholders' pre-emptive rights, since the authorisation is used for implementing the company's incentive schemes, for example, implementing the option rights and commitment-building share bonus schemes planned by the Board of Directors. The authorisation also includes the right to decide on issuing of new shares to the company free of charge.

The authorisation is valid until 24 May 2022.

The AGM decided to amend Section 7 of the Articles of Association taking into account the amendments caused by the entry of the new Auditing Act (1114/2015) into force. According to the new Auditing Act, the Auditor Oversight Unit of the Finnish Patent and Registration Office is responsible for the auditor oversight as of 1 January 2016. It was approved that Section 7, Chapter 1 of the Articles of Association shall read as follows: "The company has one auditor that must be a firm of authorised public accountants, in which the responsible auditor is a certified public accountant, listed in the auditor register of the Finnish Patent and Registration Office."

Share-based incentive scheme

The Board of Directors of Componenta Corporation has decided to adopt two new share-based incentive schemes for the Group's key personnel, the option scheme and the commitment-building share bonus scheme. The option rights are used to encourage key employees to commit to long-term employment at the Company to increase the share holder value. The option rights are also used to make the key employees commit to the Company.

A maximum of 7,320,500 option rights will be issued in total. The rights entitle the recipient to subscribe a total of 7,320,500 new shares of the Company or shares in its possession. The option rights are issued gratuitously. 2,430,000 of the option rights are subscribed under the identifier 2018A; 2,445,250 are subscribed under the identifier 2018B; and 2,445,250 are subscribed under the identifier 2018C. The period for subscribing shares using the option rights is from 1 December 2021 to 30 November 2023 for option right 2018A, from 1 December 2022 to 30 November 2024 for option right 2018B and from 1 December 2023 to 30 November 2025 for option right 2018C. The share subscription price for option right 2018A is EUR 0.17 per share, that is, the average exchange rate weighed by the share swap in Nasdaq Helsinki Oy 12 October—8 November 2018.

The commitment-building share bonus scheme fee for 2018 is based on the key employee's existing employment relationship and the continuity of employment during the commitment period. The commitment-building share bonus scheme is intended for the Group's key personnel. The fees paid from the system correspond to the value of a maximum of 1,999,500 Componenta Corporation shares in total, including the part paid in cash. At the maximum, the total added dilutive effect of the option scheme and the commitment-building share bonus scheme is 4.99%, provided that all of the shares subscribed and paid as fees on the basis of the schemes (including the cash part of the commitment-building share bonus scheme) are new shares.

Board of Directors and management

After the Annual General Meeting that convened on 24 May 2018, Componenta Corporation's Board of Directors held an organization meeting in which it selected from its ranks Petteri Walldén as Chairman and Olli Isotalo as Vice Chairman.

The Board of Directors decided that an Audit Committee would not be established and that the Board of Directors in its entirety would be responsible for the tasks assigned to the Audit Committee in the Corporate Governance Code of Finnish listed companies.

Mervi Immonen was added to the Corporate Executive Team as Componenta's General Counsel and appointed a board member on 17 May 2018. The Corporate Executive Team of Componenta was formed on 31 December 2018 by Harri Suutari, CEO; Mervi Immonen, General Counsel; Marko Karppinen, CFO; as well as Pasi Mäkinen, Chief Operating Officer.

Risks and business-related uncertainties

The most significant risks to Componenta's business operations include the risks linked to the operating environment (competitive situation, price risks, commodity risks and environmental risks), business risks (customer, supplier, productivity, production and process risks, labour market disruptions, contractual and product liability risks, personnel and data security risks) as well as financing risks (the risks related to the availability of financing and liquidity as well as currency, interest rate and credit risks). Exchange rate fluctuations are hedged using foreign currency loans and deposits, as well as other natural hedging relationships. Due to the restructuring procedures, the company does not currently achieve the necessary limits for hedging derivative contracts.

Essential for the Group's business operations is the availability of certain commodities, such as recycled steel, pig iron and energy, at competitive prices. The cost risk related to raw materials is primarily managed using price agreements, on the basis of which the product prices are adjusted in line with the changes in the commodity prices. Rising raw material prices may result in more money being tied to working capital than estimated.

Componenta's potential risks related to liquidity and access to working capital may weaken the volume of future trading and reduce the number of orders that will be placed on new products by customers in the future. Volumes may also shrink because of customers lost for commercial reasons.

From the point of view of the continuity of operations, the most significant risks and uncertainties related to the restructuring procedures are as follows:

- Componenta Corporation and Componenta Finland Ltd will be able to make the payments in accordance with the restructuring programme that will begin in May 2019. A material risk to the success of the restructuring programmes is the availability of working capital, because the main customers will support Componenta with shorter-than-normal sales terms and because the group companies do not at the moment have access to external financing.

- The objective of the change of Componenta Främmestad AB's operational model is the structural reduction of committed working capital and need for working capital. Changing the operational model includes the risk that the projected sales volumes and margins will not be realised if the customers in question switch over to the competition.
- When analysing cash flow and liquidity forecasts for the companies over the next 12 months, the management has estimated the companies' future sales volumes, net sales, EBITDA margins, capital expenditure and working capital needs.

Changes in equity

A loss of equity was reported to the Trade Register on 12 September 2016. The entry will be removed from the Trade Register once the parent company's equity comprises more than half of the share capital. The parent company's equity was restored in the 2017 financial statements; hence, the entry was removed from the Trade Register on 8 June 2018.

Key events after the financial year

On 14 March 2019, Componenta announced that Componenta Corporation's company in Sweden that provides machining and painting services, Componenta Främmestad AB, will decrease its business operations and has commenced measures to reduce its personnel. A workforce reduction announcement was submitted to the labour authorities of Sweden on 28 February 2019 in preparation for the redundancy of more than a hundred persons. The number of employees made redundant cannot yet be confirmed at this stage. Componenta Främmestad AB employs approximately 200 persons plus approximately 35 agency contract workers. The profitability of Componenta Främmestad AB's business operations has been chronically poor, and the company has been unable to materially improve it. Losing the foundry in Turkey to outside the Group materially reduced the strategic importance of the Swedish business operations for Componenta Group. Componenta Främmestad AB primarily supplies, machines and paints the products of the Turkish foundry company that used to belong to Componenta Group and was sold in 2017. Part of the foundering will be sent to Främmestad from the Pori foundry in Finland. These deliveries represent approximately 40% of the volumes of the unit in Pori. As a result of this, adjustment measures are also planned at the Pori foundry. The Pori foundry employs approximately 205 persons. Componenta has tried to improve the profitability of its business operations in Sweden by renewing customer contracts. However, the negotiations have not led to the desired result, and because of this, Componenta has been forced to terminate some important customerships of Componenta Främmestad AB as unprofitable. In addition, Componenta exceptionally announced in the same announcement its profit guidance for 2019 already at this stage.

Annual General Meeting

The Annual General Meeting of Componenta Corporation will be held at 1:00 p.m. on 16 May 2019 in Helsinki, Finland. The invitation to the AGM will be published as a separate stock exchange release.

Financial communication in 2019

Componenta will publish its financial reports in 2019 as follows:

- The January–March 2019 Business Review on Thursday, 16 May 2019
- The January-June 2019 Half-year Financial Report on Friday, 2 August 2019
- The January–September 2019 Business Review on Friday, 15 November 2019

The 2018 half-yearly review, including the financial statements and the report by the Board of Directors will be published at the latest on 12 April 2019.

In Helsinki, 22 March 2019

COMPONENTA CORPORATION

Board of Directors

Componenta is a global technology company. Componenta specialises in supplying cast and machined components to its customers who are global manufacturers of vehicles, machines and equipment. The company's shares are listed on Nasdaq Helsinki.

Financial statements release tables

Accounting principles

Componenta's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), applying the IAS and IFRS standards and SIC and IFRIC interpretations in force on 31 December 2018. IFRS standards refers to standards and interpretations as adopted by the EU in accordance with the procedure established in EU regulation (EC) 1606/2002 as required by the Finnish Accounting Act and related provisions. Corporate restructuring proceedings, as described below in the section Corporate restructuring proceedings, have also been taken into consideration in the preparation of the consolidated financial statements. The Company has also adopted certain new or amended IFRS standards from the start of the financial year as described in the 2017 financial statements. The adopted IFRS 9 and 15 standards had no material effect on Componenta's financial statements. This Financial Statements Release is unaudited.

The applied new standards

IFRS 9, Financial Instruments

The IFRS 9 standard, Financial Instruments, will replace the IAS 39 standard, Financial Instruments: entering and valuation. The new standard specifies the classification and valuation of financial assets and liabilities, the specification of their depreciation as well as the principles of hedge accounting application. Componenta adopted the standard on 1 January 2018 according to the simplified retrospective approach, in which case the overall impact of adopting IFRS 9 will be shown as an equity adjustment in the opening balance. The accounting of financial liabilities has not changed after adopting the new standard.

Classification of financial assets according to the IFRS 9 standard:

	Classification according to the IAS 39 standard	Classification according to the IFRS 9 standard
Sales receivables and other receivables	Loans and other receivables	At an amortised cost
Other investments	Available-for-sale cash and cash equivalents	At the fair value through profit and loss (or via the instalments of another extensive result)
Derivatives subject to hedge accounting	The derivatives used for hedging (at the fair value via the instalments of another extensive result)	At the fair value via the instalments of another extensive result
Derivatives not subject to hedge accounting	At fair value through profit and loss	At fair value through profit and loss

The Group does not currently hold any other investments or derivatives, that is, financial assets and liabilities valued at the fair value subject to the IFRS 9 standard. Hence, for financial assets, the standard is only applied to trade receivables and other receivables. The effect of the IFRS 9 standard at Componenta is evident in the value adjustment of the estimated uncertain receivables formed by the application of the expected credit loss model. Componenta uses a simplified approach when specifying the credit loss risk of trade receivables. The expected credit losses are assessed and entered in accordance with the trade receivable age analysis on the basis of the classification. The history information and knowledge of the customers' payment behaviour are also taken into account. Previously realised credit losses have remained at a low level as a result of Componenta's financially sound global customers. The application of the new expected credit loss model has not had a material effect on the Componenta Group. As a result of this, the comparative figures from 2017 have not been corrected. On 31 December 2018, Componenta entered in

accordance with the new expected credit loss model EUR 0.1 million in the credit losses of the result and the trade receivables of the balance sheet.

IFRS 15, Revenue from Contracts with Customers

The IFRS 15 standard, Revenue from Contracts with Customers, replaced IAS 11, Construction Contracts, and IAS 18, Revenue, and the related interpretations. Componenta retrospectively applied the standard in full on 1 January 2018. The IFRS 15 standard includes a five-step model for recognising sales revenue from contracts with customers.

Sales revenue is only entered according to the agreed amount, or transaction price, taking into account potential discounts. The customers will agree to the transaction prices by signing the contract. The Group does not have any long-term contracts in which the period of time from the moment the company hands over the promised goods to the customer to when the customer pays for the goods is longer than one year. As a result, no material transaction price changes occur in the Group for performance obligations.

The Group's responsibility for offering compensation for faulty products within normal warranty periods will be entered as a qualification in accordance with the IAS 37 standard.

The effects of the IFRS 15 standard that was adopted on 1 January 2018 have been assessed. Consequently, it was stated that the standard had no material effect on the Group's revenue recognition. In accordance with the IAS 18 standard, the sales revenue was recorded when the significant risks pertaining to the ownership of the goods were transferred to the customer, whereas in accordance with the new IFRS 15 standard, the sales revenue will not be entered until control is transferred to the customer. The risks linked to the ownership of goods and the time of transferring control are identical at Componenta. Hence, the new standard did not have an effect on the income statement, balance sheet or cash flow of the financial year or the previous financial year. Hence, the financial information from 2017 has not been corrected.

Componenta manufactures and sells iron casts and machined iron casts. Componenta records the sales revenue when it has fulfilled its performance obligation by handing over the agreed goods to the customers. Componenta meets the performance obligation at one moment. Control is transferred to the customer when the goods have been delivered to the location of the customer's choosing in accordance with the terms of delivery. After the transfer of control, the customer may decide the use of the goods and receive a material part of the existing use of the goods. In practice, the customers use Componenta's products to produce their own products, adding value to their own products.

The majority of Componenta's customers are major, financially stable, global companies. The amount of expected credit losses from these customers is low. The credit loss allocation is based on historical and customer-specific reports.

IFRS 16, Leases

Componenta will adopt the new IFRS 16 Leases standard as of 1 January 2019 (effective for financial periods beginning on or after 1 January 2019). In adoption of the standard Componenta will apply the modified retrospective method and consequently the comparative financials will not be restated. Based on the preliminary simulation, the adoption of IFRS 16 will have impacts on certain key ratios. The expectation is that net debts will increase and EBITDA will improve. Additionally, impacts are expected in cash flow. Cash flow from financing activities is expected to decrease and cash flow from operations is expected to increase. The amount of Componenta's other leasing commitments outside the balance sheet at the end of the financial year was EUR 0.6 million.

Restructuring programs

The District Court of Helsinki issued its decision regarding the commencement of the restructuring proceedings in respect of Componenta Corporation and Componenta Finland Ltd on 30 September 2016. The District Court

of Helsinki appointed Mr Mika Ilveskero, Attorney-at-Law, from Castrén & Snellman Attorneys to act as an administrator (hereinafter referred to as the “Administrator”) in respect of the corporate restructurings of Componenta Corporation and Componenta Finland Ltd. Furthermore, in connection with both corporate restructurings, the District Court of Helsinki appointed creditor committees, which act as the joint representatives of the creditors in the restructuring proceedings. Various creditor groups, including secured creditors, trade creditors, creditors with supplier guarantees and other unsecured creditors, are represented in the creditor committees appointed by the court. The creditor committees of Componenta Corporation and Componenta Finland Ltd have different compositions due to different creditors.

The District Court of Helsinki confirmed the restructuring programme for Componenta Corporation and its subsidiary Componenta Finland Ltd on 23 August 2017. On the basis of the restructuring programme, the unsecured debts of Componenta Corporation were cut by approximately 94% and the lowest-priority debts were cut in their entirety. The secured debts of Componenta Finland Ltd will be paid in their entirety, whereas unsecured debts were cut by 75%. The payment programmes for both companies will commence in May 2019 and end in November 2023.

On 4 August 2017, Componenta Corporation signed an agreement to sell its shareholding in Componenta Dökümcülük Ticaret ve Sanayi A.S., amounting to 93.6% of the company’s shares and votes, to Döktaş Metal Sanayi ve Ticaret A.Ş. The transaction was completed on 27 September 2017. The agreement covered all of the company’s iron, machine shop and aluminium business in Turkey. The transaction had no cash flow impact. In connection with the closing of the sale of the shareholding, the Turkish club loan banks discharged Componenta Corporation from all liabilities and obligations based on the club loan agreement, including the discharge from a loan guarantee of EUR 80 million.

Componenta Wirsbo AB and Componenta Arvika AB, both located in Sweden, were declared bankrupt on 17 July 2017. According to the terms of the restructuring programmes, the companies should have paid restructuring debts of some EUR 4.9 million in July 2017. The primary goal was to agree with creditors on postponing payment of the restructuring debts and to arrange refinancing by January 2018. In July 2017, it became clear that arranging external financing and postponing the payment of the restructuring debts until January 2018 was unlikely due to insufficient support from the creditors.

The restructuring programme for Componenta Främmestad AB was confirmed by the ruling of the District Court of Skaraborg on 3 July 2017. In accordance with the court ruling, the company was to pay restructuring debts of around EUR 2.3 million to creditors outside the Componenta Group, and a salary guarantee of EUR 0.6 million to the Swedish government, within 12 months. The sufficient support by the creditors was a prerequisite for the confirmation of the restructuring programme and it was obtained as Componenta Främmestad and Componenta Turkey signed a separate agreement in May 2017 regarding a EUR 10 million restructuring debt receivable of Componenta Turkey. According to the agreement, the debt is cut by 75% and the remaining EUR 2.5 million shall be paid back within a period of six years, after the repayment of the other restructuring debt. The repayment is tied to the EBITDA of Componenta Främmestad. Componenta Främmestad AB has a capital loan of EUR 27.0 million from the Group’s divested Turkish subsidiary. The loan carries no interest and no repayment schedule has been specified for it. The loan should be paid off before a potential distribution of dividends by the subsidiary in question.

In 2018, the Group focused on the implementation of restructuring programmes. In March 2018, Componenta Främmestad AB paid its restructuring debt of EUR 2.3 million in external restructuring debt and EUR 0.6 million in salary guarantees to the Swedish government that would have fallen due in July 2018. Componenta sold its property and two parcels of land in Pietarsaari on 23 February 2018 for the market price. Componenta Corporation’s subsidiary Oy Högfors-Ruukki Ab sold the entire share capital of Kiinteistöosakeyhtiö Pietarsaaren Tehtaankatu 13 on 5 April 2018 for the market price. Componenta Finland Ltd sold the shares of Asunto-osakeyhtiö Iisalmen Ahjolansato on 25 June 2018 for the market price. Furthermore, Componenta Corporation sold the shares of Kiinteistöosakeyhtiö Ala-Emali and Kiinteistöosakeyhtiö Ylä-Emali owned by it on 29 August 2018. Componenta Corporation and Componenta Finland Ltd sold their shares of Karkkilan Koskikiinteistö Oy owned by it on 29 August 2018. Componenta Finland Ltd’s subsidiary Karkkilan Valimokiinteistö Oy sold a parcel of land including the buildings on the land on property owned by it in Karkkila on 31 August 2018 for the market price.

Basis for consolidation

Following the confirmation of the restructuring decision, a restructuring programme supervisor was assigned to Componenta. According to the restructuring programme, the supervisor is required to submit a report on the implementation of the restructuring programme annually as well as a final report at the conclusion of the restructuring programme. At the request of a creditor or the supervisor, the court may order that the restructuring programme is to lapse. Despite the limitations related to control under IFRS 10, the company believes that the inclusion of Componenta Finland Ltd, Componenta Främmestad AB, Componenta Wirsbo AB and Componenta Arvika AB in the consolidated financial statements of Componenta is justified and gives a true and accurate picture of the Group's result and financial position.

In the management's opinion, the preparation of a consolidated financial statements is justified because the functions of the company and its consolidated subsidiaries are closely related to each other and are interdependent. Accordingly, Componenta's financial information for the financial year ending on 31 December 2018 is given in consolidated financial statements, which cover the company and its subsidiaries under corporate restructuring as well as other companies under the parent company's control.

Assumption of ability to continue as a going concern

The financial statements for the financial year 2018 have been prepared on the going concern basis. It is assumed that Componenta can, during the foreseeable future, realise its assets and pay back its liabilities as part of normal operations within the framework of the restructuring programmes. When assessing the going concern principle, Componenta's management has taken into account the uncertainties and risks related to the various confirmed restructuring programmes, available funding sources and the cash flow estimates for the coming 12 months of the companies under restructuring proceedings. Due to limitations arising from the restructuring programmes, Componenta's assessment is that it has only a limited opportunity to influence how it can transfer cash funds and bank receivables between Group companies (such as the subsidiaries' ability to distribute funds in the form of dividends, Group contributions or intra-Group loans) and the nature of new financing the Group can acquire. In assessing the ability to continue as a going concern, the management has analysed the impact of the approved restructuring programmes on the financial position and cash flow of the Group, the companies under restructuring proceedings and the parent company.

The Group's liquidity and the company's financial performance as well as the success of the restructuring programmes and financing transactions are affected by the material uncertainty in accordance with the IFRS standards, which the Group management has taken into account when assessing the company's ability to continue as a going concern. It is possible that the restructuring is unsuccessful and the Group companies will file for bankruptcy. The implementation of the restructuring programmes may be unsuccessful due to, for example, the companies under restructuring being unable to repay the restructuring debts confirmed in the restructuring programmes confirmed by the courts, and the creditors in such circumstances being unwilling to renegotiate debt repayment arrangements that the companies would be able to satisfy.

From the point of view of the continuity of operations, the company's and its management's significant estimates and assumptions as well as uncertainties are as follows:

- Componenta Corporation and Componenta Finland Ltd will be able to make the payments in accordance with the restructuring programme that will begin in May 2019. A material risk to the success of the restructuring programmes is the availability of working capital, because the main customers will support Componenta with shorter-than-normal sales terms and because the group companies do not at the moment have access to external financing.
- The objective of the change of Componenta Främmestad AB's operational model is the structural reduction of committed working capital and need for working capital. Changing the operational model includes the risk that the projected sales volumes and margins will not be realised if the customers in question switch over to the competition.
- When analysing cash flow and liquidity forecasts for the companies over the next 12 months, the management has estimated the companies' future sales volumes, net sales, EBITDA margins, capital expenditure and working capital needs.

When preparing cash flow forecasts for the companies, the management has estimated the companies' future sales volumes, net sales, EBITDA margins, capital expenditure and working capital needs. These estimates are subject to significant uncertainty in accordance with the IFRS standards, as there is no certainty that the anticipated sales volumes, sales prices and EBITDA margins will be achieved or that capital expenditure can be implemented as expected.

Discontinued operations

In 2018, Componenta had no discontinued operations.

Componenta Wirsbo AB and Componenta Arvika AB, both located in Sweden, were declared bankrupt on 17 July 2017. According to the terms of the restructuring programmes, the companies should have paid restructuring debts of some EUR 4.9 million in July 2017. The primary goal was to agree with creditors on postponing payment of the restructuring debts and to arrange refinancing by January 2018. In July 2017, it became clear that arranging external financing and postponing the payment of the restructuring debts until January 2018 was unlikely due to insufficient support from the creditors. At the same time, Componenta was negotiating with potential buyers for the forge operations, but the negotiations ended without result.

The consolidation of the statements of financial position of Componenta Wirsbo AB and Componenta Arvika AB was discontinued in July 2017 and their impact on the result is presented in accordance with IFRS 5 as discontinued operations. In the company's view, the company lost control of Componenta Wirsbo AB and Componenta Arvika AB when they filed for bankruptcy. Following the bankruptcies of Componenta Wirsbo AB and Componenta Arvika AB, the Group no longer has forge operations.

Segment information

Componenta offers its clients services throughout the whole supply chain by offering planning, casting, machining, painting and logistical services, which offer clients value added complex solutions. The main products sold by Componenta are non-machined, machined and painted iron cast components. Componenta serves specific industrial branches, which have mutual synergies and with which companies Componenta has strong and long-term relationships. Geographically Componenta operates in Europe, but collaborations exist with companies that operate globally. Sales revenue that is insignificant from the Group's perspective is received from the leasing of office space and industrial premises.

The highest operational decision making body at Componenta is the company's President and CEO. The Group's Corporate Executive Team and other management assist and support the President and CEO in his work.

Due to the business and organisation model as well as the nature of operations of Componenta, the business operations of Componenta is presented as one reporting segment.

Accounting principles requiring judgment by the management

When consolidated financial statements are being prepared in accordance with International Financial Reporting Standards, the management needs to make estimates and assumptions concerning the future. The following are the estimates and assumptions that have a significant risk of material changes in the carrying amounts of assets and liabilities within the next financial year.

In preparing Componenta's financial statements, the management has exercised significant discretion in evaluating the company's ability to continue as a going concern. The uncertainties related to the continuity of operations are described in more detail above in the section "Assumption of ability to continue as a going concern." The management has made significant estimates and assumptions in determining the valuation in the financial statements of assets such as investment properties, tangible and intangible assets and inventories, the realisability of deferred tax assets as well as contingent liabilities.

Insider transactions

Loans to related parties totalled EUR 0.0 million (EUR 0.0 million) at the end of 2018.

Alternative performance measures in financial reporting

Componenta complies with the instructions of the European Securities and Market Authority (ESMA) regarding alternative performance measures. In addition to the IFRS key figures, the company publishes specific commonly used other key figures that can, in the main, be derived from the income statement and balance sheet. In addition to IFRS key figures, the company discloses alternative performance measures to describe the underlying operational business performance and to enhance comparability between financial periods.

Alternative performance measures released by the company contain key figures measuring operational performance and profitability. These key figures exclude items that are not related to normal business operations and therefore affect comparability. The most common items affecting comparability are capital gains and losses, inefficiencies in production related to plant closures, extraordinary write-downs, or reversals of write-downs, expenses due to accidents and natural disasters, provisions for planned restructuring, environmental matters and penalties. All items resulting from deconsolidation and presented under discontinued operations are classified as affecting comparability. In connection with the restructuring proceedings, the company's debt has been cut and, on the basis of the cuts in debts, composition income has been created. This income is classified as items affecting comparability. The Group's management exercises discretion in making decisions regarding the classification of items affecting comparability.

Componenta publishes the following performance measures adjusted by items affecting comparability: "Adjusted turnover", "Adjusted EBITDA" and "Adjusted operating profit". In addition, Componenta presents EBITDA as an alternative performance measure. The performance measures adjusted by items affecting comparability are unaudited, as are the items affecting comparability.

Exchange rate differences of operative balance sheet items

The foreign currency receivables and liabilities of the parent company and subsidiaries domiciled in the euro area are translated into euros at the exchange rate on the balance sheet date. The foreign currency receivables and liabilities of Group companies outside the euro area are translated into the functional currency of the respective Group company at the exchange rate on the closing date.

The foreign exchange rate differences arising from trade payables and trade receivables are presented under other operating income together with any related hedging results. Exchange rate differences arising from borrowings, deposits and cash and cash equivalents together with any related hedging results are recognised under financial income and expenses.

Operative exchange rate differences arise, for example, from foreign currency trade payables and trade receivables and also from other operative foreign currency denominated receivables and payables. The impact on the result of derivatives that are hedging operative foreign currency position has also been included by definition in the operative exchange rate differences.

Consolidated income statement

MEUR	Jan 1-Dec 31, 2018	Jan 1-Dec 31, 2017	Jul 1-Dec 31, 2018	Jul 1-Dec 31, 2017
Continued operations:				
Net sales	120.7	122.4	54.6	57.1
Other operating income	2.4	31.5	1.2	31.3
Operating expenses	-119.4	-124.1	-54.8	-56.6
EBITDA	3.7	29.8	1.0	31.7
<i>% of net sales</i>	3.1	24.4	1.8	55.6
Depreciations, amortisations and write-downs	-2.5	-3.5	-1.4	-2.4
Share of associated companies' result	0.0	0.0	0.0	0.0
Operating result	1.2	26.3	-0.5	29.4
<i>% of net sales</i>	1.0	21.5	-0.8	51.4
Financial income and expenses	-0.0	102.1	0.1	102.3
Result after financial items	1.2	128.3	-0.4	131.7
<i>% of net sales</i>	1.0	104.8	-0.7	230.7
Income taxes	-0.2	0.5	-0.0	0.3
Net result of continued operations	1.0	128.8	-0.4	132.0
Discontinued operations:				
Net result of discontinued operations	0.0	-4.8	0.0	-1.1
Net result	1.0	124.1	-0.4	130.9
Allocation of net profit for the period				
To equity holders of the parent	1.0	124.1	-0.4	130.9
To non-controlling interest	0.0	0.0	0.0	0.0
Total	1.0	124.1	-0.4	130.9
Earnings per share calculated on the profit attributable to equity holders of the parent				
- Basic earnings per share, EUR	0.01	0.70	0.00	0.74
- Basic earnings per share, continued operations, EUR	0.01	0.73	0.00	0.75
- Basic earnings per share, discontinued operations, EUR	-	-0.03	-	-0.01
- Diluted earnings per share, EUR	0.01	0.70	0.00	0.74

Consolidated statement of comprehensive income

MEUR	Jan 1-Dec 31, 2018	Jan 1-Dec 31, 2017	Jul 1-Dec 31, 2018	Jul 1-Dec 31, 2017
Net result	1.0	124.1	-0.4	130.9
Continued operations:				
Other comprehensive income	-	-	-	-
Items that will not be reclassified subsequently to profit or loss				
Revaluation of buildings and land areas	0.0	0.0	0.0	0.0
Items that may be reclassified subsequently to profit or loss				
Translation differences	-0.1	-0.9	0.9	-0.3
Cash flow hedges	0.0	0.1	0.0	0.1
Other items	0.0	-0.2	0.0	-0.2
Total items that may be reclassified to profit or loss subsequently	-0.1	-1.0	0.9	-0.4
Income tax on other comprehensive income	0.0	0.0	0.0	0.0
Other comprehensive income of continued operations, net of tax	-0.1	-1.0	0.9	-0.4
Discontinued operations:				
Translation differences	-	-0.6	-	-0.8
Other comprehensive income of discontinued operations, net of tax	-	-0.6	-	-0.8
Total comprehensive income	0.9	122.5	0.5	129.7
Allocation of total comprehensive income				
To equity holders of the parent	0.9	122.5	0.5	129.7
To non-controlling interest	0.0	0.0	0.0	0.0
Total	0.9	122.5	0.5	129.7

Consolidated statement of financial position

MEUR	Dec 31, 2018	Dec 31, 2017
Assets		
Non-current assets		
Intangible assets	0.4	0.2
Goodwill	-	-
Investment properties	0.0	0.5
Tangible assets	20.4	21.0
Investment in associations	-	-
Receivables	0.3	0.4
Other investments	0.0	0.0
Deferred tax assets	-	-
Total non-current assets	21.1	23.7
Current assets		
Inventories	14.3	14.3
Receivables	8.2	9.3
Tax receivables	0.0	0.0
Cash and cash equivalents	5.3	5.5
Total current assets	27.8	29.1
Assets classified as held for sale	0.0	1.5
Total assets	48.9	52.8
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	1.0	1.0
Other equity	18.2	17.3
Equity attributable to equity holders of the parent company	19.2	18.3
Non-controlling interest	0.0	0.0
Total shareholders' equity	19.2	18.3
Liabilities		
Non-current		
Capital loans, interest bearing	-	0.0
Interest bearing liabilities	1.5	1.4
Interest free liabilities and capital loans	13.7	15.3
Provisions	0.0	0.0
Deferred tax liability	1.4	1.3
Current		
Interest bearing	0.5	1.1
Interest free	12.6	15.3
Tax liabilities	-	-
Provisions	0.0	0.1
Total liabilities	29.7	34.4
Total shareholders' equity and liabilities	48.9	52.8

Consolidated cash flow statement

MEUR	Jan 1-Dec 31, 2018	Jan 1-Dec 31, 2017
Cash flow from operating activities		
Result after financial items of continued operations	1.2	128.3
Depreciation, amortization and write-downs, continued operations	2.5	3.5
Net financial income and expenses, continued operations	0.0	-102.1
Other income and expenses, adjustments to cash flow, continued operations	0.6	-29.5
Change in net working capital, continued operations	-0.8	2.7
Cash flow from operations before financing and income taxes, continued operations	3.5	2.9
Interest received and paid and dividends received, continued operations	0.0	0.0
Taxes paid, continued operations	0.0	0.0
Net cash flow from operating activities, continued operations	3.5	2.8
Net cash flow from operating activities, discontinued operations	0.0	1.3
Net cash flow from operating activities	3.5	4.1
Cash flow from investing activities		
Capital expenditure in tangible and intangible assets, continued operations	-1.8	-1.8
Proceeds from tangible and intangible assets, continued operations	1.7	0.0
Other investments and loans granted, continued operations	0.0	0.0
Proceeds from other investments and repayments of loan receivables, continued operations	-	0.3
Net cash flow from investing activities, continued operations	-0.2	-1.4
Net cash flow from investing activities, discontinued operations	0.0	-1.2
Net cash flow from investing activities	-0.2	-2.6
Cash flow from financing activities		
Proceeds from issue of convertible bond, continued operations	0.0	0.0
Repayment of financial lease liabilities, continued operations	-0.4	0.1
Draw-down (+) / repayment (-) of current loans, continued operations	-3.1	0.0
Draw-down of non-current loans, continued operations	-	0.0
Repayment of non-current loans and other changes, continued operations	-	-0.1
Net cash flow from financing activities, continued operations	-3.5	0.0
Net cash flow from financing activities, discontinued operations	0.0	-0.5
Net cash flow from financing activities	-3.5	-0.4
Change in liquid assets	-0.2	1.1
Cash and cash equivalents at the beginning of the period	5.5	4.4
Effects of exchange rate changes on cash	0.0	0.0
Cash and cash equivalents at the period end	5.3	5.5

Statement of changes in consolidated shareholders' equity

MEUR	Share capital	Share premium account	Unrestricted equity reserve	Revaluation of buildings and land areas	Other reserves	Cash flow hedges	Translation differences	Retained earnings	Total	Non-controlling interest	Shareholders' equity total
Shareholders equity Jan 1, 2018	1.0	0.0	0.4	0.0	29.5	0.0	-0.9	-11.7	18.3	0.0	18.3
Net result								1.0	1.0	0.0	1.0
Translation differences							-0.1	0.0	-0.2		-0.2
Cash flow hedges						0.0			0.0		0.0
Revaluation of buildings and land areas									0.0		0.0
Other comprehensive income items									0.0		0.0
Total comprehensive income	0.0	0.0	0.0				-0.1	0.0	0.9	0.0	0.0
Option and share-based compensation								0.0	0.0		0.0
Total transactions with owners								0.0	0.0		0.0
Shareholders equity Dec 31, 2018	1.0	0.0	0.4	0.0	29.5	0.0	-1.0	-10.7	19.2	0.0	19.2

MEUR	Share capital	Share premium account	Unrestricted equity reserve	Revaluation of buildings and land areas	Other reserves	Cash flow hedges	Translation differences	Retained earnings	Total	Non-controlling interest	Shareholders' equity total
Shareholders equity Jan 1, 2017	21.9	15.0	191.1	0.0	5.6	-0.1	0.6	-363.3	-129.7	0.0	-129.7
Net result								124.1	124.1	0.0	124.1
Translation differences							-0.9		-0.9		-0.9
Actuarial gains and losses									0.0		0.0
Cash flow hedges						0.1			0.1		0.1
Revaluation of buildings and land areas					0.0			0.0	0.0		0.0
Other comprehensive income items					-0.2				-0.2		-0.2
Comprehensive income items, discontinued operations			0.0				-0.6		-0.6		-0.6
Total comprehensive income	0.0	0.0	0.0	0.0	-0.2	0.1	-1.5	124.1	122.4	0.0	122.4
Convertible bond, conversion to shares			0.6						0.6		0.6
Re-classifications	-20.9	-15.0	-191.2		-0.8			227.9	0.0		0.0
Capital loan					27.0				27.0		27.0
Write-down of hybrid bond					-2.0				-2.0		-2.0
Total transactions with owners									0.0		0.0
Shareholders equity Dec 31, 2017	1.0	0.0	0.4	0.0	29.5	0.0	-0.9	-11.7	18.3	0.0	18.3

Net sales

In accordance with IFRS 15, a disaggregation of revenue needs to be presented, in order to reflect how nature, timing and uncertainties to revenues are affected by economic factors. All revenue at Componenta is recognised at a point in time, when products are delivered to customers. Net sales by market area in the Group are presented in the table below. The heavy truck business brings 63% (65%) of net sales at group, which are large, global and very solid companies. Componenta assesses that the risks and uncertainties, related to the sales that contribute to the net sales from these customers, are on a very low level. Other industries like construction and mining, machine building and farming machinery bring 37 % (35%) of net sales at Componenta. This group consists of heterogeneous customers, of which some operate globally. Hence, Componenta assesses that the risks related to smaller customers of this group are on a higher level and additionally the uncertainties increase the smaller the customer is.

The Chapter of Net sales in the half-year financial report and accounting principles as well as the description on risks and factors causing uncertainty is considered sufficiently reflecting the impact of economic factors.

Componenta has two significant customers, which share of the net sales are over 10%. The first customers share of the Group net sales is 41.6% (42.2%) and the second customers is 15.6% (16.9%).

Net sales by business area, continued operations

%	Jan 1-Dec 31, 2017*)	Jan 1-Dec 31, 2018
Heavy truck	65	63
Other	35	37
Total	100	100

Net sales by market area, continued operations

MEUR	Jan 1-Dec 31, 2017*)	Jan 1-Dec 31, 2018
Sweden	44.1	46.3
Finland	25.5	26.8
Benelux countries	24.6	19.0
Germany	7.3	7.0
Other European countries	16.6	15.9
Other countries	4.4	5.7
Continued operations	122.4	120.7
Discontinued operations	27.2	-
Eliminations	-0.2	-
Total	149.5	120.7

*) Discontinued operations include Wirsbo sub-group's net sales.

Quarterly net sales development by market area, continued operations

MEUR	Q1/17*)	Q2/17*)	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18
Sweden	12.0	11.6	9.3	11.1	12.4	11.8	9.8	12.3
Finland	6.2	7.1	5.8	6.3	7.2	7.4	6.5	5.8
Benelux countries	6.0	6.7	5.0	7.0	6.2	5.4	3.1	4.3
Germany	2.4	1.9	1.5	1.4	1.6	1.7	1.7	1.9
Other European countries	4.7	4.7	3.0	4.1	4.2	5.2	3.1	3.4
Other countries	0.9	1.0	1.3	1.2	1.7	1.3	1.3	1.3
Continued operations	32.3	33.1	25.9	31.2	33.3	32.8	25.6	29.1
Discontinued operations	14.1	13.3	-0.1	-	-	-	-	-
Eliminations	-0.1	-0.1	-	-	-	-	-	-
Total	46.3	46.3	25.8	31.2	33.3	32.8	25.6	29.1

*) Discontinued operations include Wirsbo sub-group's net sales.

Group development

Group continued operations development

MEUR	Jan 1-Dec 31, 2017*)	Jan 1-Dec 31, 2018
Net sales	122.4	120.7
Operating result	26.3	1.2
Net financial items	102.1	0.0
Profit after financial items	128.3	1.2

Group continued operations development excluding items affecting comparability

MEUR	Jan 1-Dec 31, 2017*)	Jan 1-Dec 31, 2018
Net sales	122.4	120.7
Operating result	2.9	2.9
Net financial items	-0.4	0.0
Profit after financial items	2.5	2.9

Group continued operations development by quarter

MEUR	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18
Net sales	32.3	33.1	25.9	31.2	33.3	32.8	25.6	29.1
Operating result	-0.3	-2.8	28.7	0.7	0.9	0.8	0.3	-0.7
Net financial items	0.0	-0.2	101.6	0.7	-0.1	0.0	0.0	0.1
Profit after financial items	-0.3	-3.1	130.2	1.4	0.9	0.7	0.3	-0.6

Group continued operations development by quarter excluding items affecting comparability

MEUR	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18
Net sales	32.3	33.1	25.9	31.2	33.3	32.8	25.6	29.1
Operating result	0.6	1.1	0.3	0.8	1.0	1.3	0.4	0.1
Net financial items	0.0	-0.2	-0.1	0.0	-0.1	0.0	0.0	0.1
Profit after financial items	0.6	0.9	0.3	0.8	0.9	1.4	0.4	0.3

Order book at period end

MEUR	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18
Continued operations total	22.4	15.9	25.1	23.6	23.6	16.2	23.2	21.7

Reconciliation to IFRS figures

MEUR	1-12/2018	10-12/2018
EBITDA, excl. items affecting comparability, continued operations	4.9	0.8
Adjusted EBITDA, continued operations	4.9	0.8
Items affecting comparability	-1.2	-0.5
Adjusted EBITDA, incl. items affecting comparability, continued operations	3.7	0.3

Items affecting comparability include EUR 0.2 million restructuring debt write-downs and EUR -0.4 million reorganization costs. The total of EUR -1.3 million receivable write-downs and revaluations include, among other things, EUR -0.7 million receivable write-downs of Componenta Främmestad AB and EUR -0.5 million write-downs of the service companies. Furthermore, comparable items include EUR 0.3 million of sales gain and other items affecting the comparability.

MEUR	1-12/2018	10-12/2018
Operating result, excl. items affecting comparability, continued operations	2.9	0.1
Adjusted Operating result, continued operations	2.9	0.1
Items affecting comparability	-1.6	-0.8
Adjusted EBITDA, incl. items affecting comparability, continued operations	1.2	-0.7

Items affecting the operating result are the same as the items affecting the EBITDA with the addition of the machinery and equipment write-down of EUR -0.4 million in Componenta Finland Ltd.

Reconciliation of comparable adjusted net sales, continued operations, MEUR	1-12/2017	10-12/2017
Net sales, IFRS	122.4	31.2
Adjusted net sales	122.4	31.2
Adjustment of administration service fees from the Wirsbo sub-group in 2017*	-0.2	0.0
Comparable adjusted net sales	122.2	31.2

Reconciliation to comparable adjusted EBITDA, continued operations, MEUR	1–12/2017	10–12/2017
EBITDA, IFRS	29.8	2.5
Restructuring debt cuts	-30.6	-0.8
Write-downs of tangible and intangible assets and receivables	4.6	1.2
Restructuring and reorganization costs	1.4	0.0
Other items	-0.4	-1.8
Adjusted EBITDA	4.8	1.1
Adjustment of administration service fees from the Wirsbo sub-group in 2017*	-0.2	0.0
Comparable adjusted EBITDA	4.6	1.1

Reconciliation to comparable adjusted operating result, continued operations, EUR million	1–12/2017	10–12/2017
Operating result, IFRS	26.3	0.7
Restructuring debt cuts	-30.6	-0.8
Write-downs of tangible and intangible assets and receivables	4.6	1.2
Restructuring and reorganization costs	1.4	0.0
Other items	1.2	-0.3
Adjusted operating result	2.9	0.8
Adjusting administration service fees from the Wirsbo sub-group in 2017*	-0.2	0.0
Comparable adjusted operating result	2.7	0.8

*) The Wirsbo sub-group comprises Componenta Wirsbo AB and Componenta Arvika AB, which were declared bankrupt on 17 July 2017.

Divested business operations

According to the restructuring programs, Componenta should sell its real estate properties which are unrelated to the core business. One real estate property and two parcels of land were sold in Pietarsaari on 23 February 2018. The real estate and both parcels were sold at market price and the total cash flow impact of all sales on the Group was EUR 0.2 million. The subsidiary of Componenta Corporation, Oy Högfors-Ruukki Ab, sold on 5 April 2018 the whole capital stock of a real estate Company named Kiinteistöosakeyhtiö Pietarsaaren Tehtaankatu 13. The sale was carried out at market price and the total cash flow impact on the Group was EUR 0.4 million. Additionally, Componenta Finland Ltd sold the shares of a housing company named Asunto-osakeyhtiö Iisalmen Ahjolansato on 25 June 2018. The sale was carried out at market price and the total cash flow impact on the Group was EUR 0.2 million.

Additionally, Componenta Corporation sold the whole capital stock of its wholly owned real estate companies called Kiinteistöosakeyhtiö Ala-Emali and Kiinteistöosakeyhtiö Ylä-Emali on 29 August 2018. Componenta Corporation and Componenta Finland Ltd both sold the whole capital stock of their jointly owned real estate Company named Karkkilan Koskikiinteistö Ltd on 29 August 2018. The subsidiary of Componenta Finland Ltd, Karkkilan Valimokiinteistö Ltd, sold a parcel of land including buildings on the land in Karkkila on 31 August 2018. The real estate transactions were carried out at market price. All sales had a total of EUR 1.7 million cash flow impact on the Group and a total of EUR -0.1 million effect on the result due to recorded write-downs in prior years. The cash flow impacts and effects on the result are presented below from the selling Company's point of view.

Real estate and two parcels in Pietarsaari

MEUR

The carrying value of the sold net assets	0.1
Sales price of the sold net assets	0.2
Sales profit	0.1
Cash flow impact 2018	0.2

Real estate Pietarsaaren Tehtaankatu 13

MEUR

The carrying value of the sold net assets	0.4
Sales price of the sold net assets	0.4
Sales profit	0.0
Cash flow impact 2018	0.4

Housing company Iisalmen Ahjolansato

MEUR

The carrying value of the sold net assets	0.0
Sales price of the sold net assets	0.2
Sales profit	0.2
Cash flow impact 2018	0.2

Real estate Ala-Emali

MEUR

The carrying value of the sold net assets	0.3
Sales price of the sold net assets	0.1
Sales loss	-0.2
Cash flow impact 2018	0.1

Real estate Ylä-Emali

MEUR

The carrying value of the sold net assets	0.4
Sales price of the sold net assets	0.5
Sales profit	0.1
Cash flow impact 2018	0.5

Real estate company named Karkkila Koskikiinteistö

MEUR

The carrying value of the sold net assets	0.7
Sales price of the sold net assets	0.2
Sales loss	-0.6
Cash flow impact 2018	0.2

Parcel of land including buildings in Karkkila

MEUR

The carrying value of the sold net assets	0.5
Sales price of the sold net assets	0.2
Sales loss	-0.3
Cash flow impact 2018	0.2

Divested operations in 2017

The shareholding of the Turkish subsidiary Componenta Dökümcülük Ticaret ve Sanayi A.Ş. was sold to Döktaş Metal Sanayi ve Ticaret A.Ş. at a nominal price. The parties signed the sale and purchase agreement on 4 August 2017 and the transactions were finalised on 27 September 2017. The transaction had no cash flow impact. The consolidation of Componenta Dökümcülük Ticaret ve Sanayi A.Ş. in the Group financial statements ended on 31 December 2016.

Discontinued operations

MEUR	2018	2017
Net result of discontinued operations total, IFRS	0.0	-4.8
Net result of discontinued operations total, excluding items affecting comparability	0.0	0.1
Operating result of discontinued operations total, excluding items affecting comparability	0.0	0.2

Cash flow of discontinued operations

MEUR	2018	2017
Net cash flow from operating activities	0.0	1.3
Net cash flow from investing activities	0.0	-1.2
Net cash flow from financing activities	0.0	-0.5
Change in liquid assets	0.0	-0.4

Componenta Wirsbo AB and Componenta Arvika AB, both located in Sweden, were declared bankrupt on 17 July 2017 on their own petition. The companies were classified as discontinued operations in accordance with IFRS 5 standard "Non-current Assets Held for Sale and Discontinued operations". The consolidation of Componenta Wirsbo AB and Componenta Arvika AB in the Group financial statement ended in July 2017.

Componenta Wirsbo sub-group's net profit for the period in discontinued operations totalled EUR -4.8 million.

The write-downs of net assets of Componenta Wirsbo sub-group's operations were EUR -0.8 million in 2017. In addition, the parent Company recorded losses of EUR -1.7 million related to provided guarantees for external parties, on behalf of Componenta Wirsbo subgroup's.

Discontinued operations in 2018

Componenta had no discontinued operations in 2018.

Discontinued operations in 2017

Componenta Wirsbo sub-group

MEUR	2017
Net sales, 1-6/2017	27.2
Operating profit excluding items affecting comparability	0.5
Result after financial items excluding items affecting comparability	0.5
Net profit excluding items affecting comparability, 1-6/2017	0.5
Items affecting comparability under Componenta Wirsbo sub-group Income Statement before the derecognition from Group's statement of financial position, 1-6/2016	-4.1
Net profit, IFRS, before the derecognition from Group's statement of financial position, 1-6/2017	-3.6
Items affecting comparability, all write-downs of receivables from Componenta Wirsbo sub-group registered by the remaining consolidated companies within the corporation	-0.8
Items affecting comparability, recorded liabilities by the parent company related to provided guarantees for external parties, on behalf of Componenta Wirsbo sub-group	-1.7
Items affecting comparability, items moved from consolidated statement of comprehensive income to consolidated income statement	0.5
Items affecting comparability, derecognition of Componenta Wirsbo sub-group net assets from the Group's statement of financial position	0.8
Componenta Wirsbo sub-group, discontinued operations net profit, IFRS	-4.8

Componenta Wirsbo sub-group bankruptcy and derecognition from Group's statement of financial position, impact to Group shareholders' equity, reconciliations

MEUR	2017
Derecognition of Componenta Wirsbo sub-group net assets from the Group's statement of financial position through income statement or through statement of other comprehensive income	0.8
All write-downs of receivables from Componenta Wirsbo sub-group registered by the remaining consolidated companies within the corporation	-0.8
Recorded liabilities by the parent company related to provided guarantees for external parties, on behalf of Componenta Wirsbo sub-group	-1.7
Componenta Wirsbo sub-group bankruptcy and derecognition from Group's statement of financial position, impact to Group shareholders' equity	-1.7
MEUR	2017
Derecognition of Componenta Wirsbo sub-group external assets from the Group's statement of financial position	-12.0
Derecognition of Componenta Wirsbo sub-group external liabilities from the Group's statement of financial position	12.0
Recorded liabilities by the parent company related to provided guarantees for external parties, on behalf of Componenta Wirsbo sub-group	-1.7
Componenta Wirsbo sub-group bankruptcy and derecognition from Group's statement of financial position, impact to Group shareholders' equity	-1.7

Changes in tangible assets

MEUR	Dec 31, 2018	Dec 31, 2017
Changes in tangible assets		
Acquisition cost at the beginning of the period	142.9	211.5
Translation differences	-1.5	-1.1
Additions	1.5	1.7
Companies acquired	0.0	0.0
Revaluation of buildings and land areas	0.3	0.0
Disposals and transfers between items	-0.4	-69.2
Acquisition cost at the end of the period	142.8	142.9
Accumulated depreciation at the beginning of the period	-121.9	-175.7
Translation differences	1.0	0.8
Accumulated depreciation on disposals and transfers	0.7	56.2
Accumulated depreciation on companies acquired	0.0	0.0
Depreciation, amortization and write-downs during the period	-2.3	-3.2
Accumulated depreciation at the end of the period	-122.4	-121.9
Book value at the end of the period	20.4	21.0

Contingent liabilities

MEUR	Dec 31, 2018	Dec 31, 2017
Real-estate mortgages		
For own debts	3.2	7.8
Business mortgages		
For own debts	-	50.0
Pledges		
For own debts	-	4.0
Other leasing commitments	0.6	0.2
Other commitments	0.8	1.0
Total	4.5	63.0

Key ratios

	Dec 31, 2018	Dec 31, 2017
Equity ratio, %	39.3	34.8
Equity per share, EUR	0.11	0.10
Invested capital at period end, MEUR	21.2	20.8
Adjusted return on investment, %	14.2	n/a
Return on investment, %	6.0	n/a
Adjusted return on equity, %	14.5	n/a
Return on equity, %	5.6	n/a
Net interest bearing debt, preferred capital note in debt, MEUR	-3.4	-3.0
Net gearing, preferred capital note in debt, %	-17.5	-16.2
Order book of continued operations, MEUR	21.7	23.6
Investments in non-current assets incl. finance leases, continued operations, MEUR	1.8	1.6
Investments in non-current assets incl. finance leases, discontinued operations, MEUR	-	1.2
Investments in non-current assets excl. finance leases, Group, MEUR	1.8	2.1
Investments in non-current assets incl. finance leases, Group, MEUR	1.8	2.8
Investments in non-current assets (incl. finance leases), % of net sales, continued operations	1.5	1.3
Average number of personnel during the period, continued operations	596	567
Average number of personnel during the period, incl. leased personnel, continued operations	703	680
Average number of personnel during the period, Group	596	673
Average number of personnel during the period, incl. leased personnel, Group	703	787
Number of personnel at period end, continued operations	602	572
Number of personnel at period end, incl. leased personnel, continued operations	668	691
Number of personnel at period end, Group	602	572
Number of personnel at period end, incl. leased personnel, Group	668	691
Share of export and foreign activities in net sales, %, continued operations	77.8	79.2
Contingent liabilities, MEUR	4.5	63.0

Per Share Data	Dec 31, 2018	Dec 31, 2017
Basic earnings per share (EPS), EUR	0.01	0.70
Diluted earnings per share, EUR	0.01	0.70
Cash flow per share, EUR	0.02	0.02

Calculation of key financial ratios

Return on equity, % (ROE) *)	=	$\frac{\text{Profit (Group) after financial items} - \text{income taxes} \times 100}{\text{Shareholders' equity without preferred capital notes} + \text{non-controlling interest (average of the accounting period)}}$
Return on investment, % (ROI) *)	=	$\frac{\text{Profit (Group) after financial items} + \text{interest and other financial expenses} \times 100}{\text{Shareholders' equity} + \text{interest bearing liabilities (average of the accounting period)}}$
		Adjusted return on equity and adjusted return on investment are computed similarly as above mentioned, except that the income statement items included in the numerator are excluding items affecting comparability.
Equity ratio, %	=	$\frac{\text{Shareholders' equity, preferred capital notes excluded} + \text{non-controlling interest} \times 100}{\text{Balance sheet total} - \text{advances received}}$
Earnings per share, EUR (EPS)	=	$\frac{\text{Profit after financial items} - \text{income taxes} +/- \text{non-controlling interest} - \text{deferred and paid interest on hybrid loan}}{\text{Average number of shares during the financial period}}$
Earnings per share with dilution, EUR	=	As above, the number of shares has been increased with the possible warrants outstanding. When calculating the dilution effect of warrants, the number of shares has been adjusted with the number of own shares which the company could have acquired, if it would have used the funds generated from the warrants to buy back of own shares at market price (= average trading price). After tax interest expense of the possible convertible loan has been added to the profit of the period. Number of shares that can be subscribed by the loan has been added to the number of total shares.
Cash flow per share, EUR (CEPS)	=	$\frac{\text{Net cash flow from operating activities}}{\text{Average number of shares during the financial period}}$
Equity per share, EUR	=	$\frac{\text{Shareholders' equity, preferred capital notes excluded}}{\text{Number of shares at period end}}$
Net interest bearing debt, MEUR	=	Interest bearing liabilities + preferred capital notes - cash and bank accounts
Net gearing, %	=	$\frac{\text{Net interest bearing liabilities} \times 100}{\text{Shareholders' equity, preferred capital notes excluded} + \text{non-controlling interest}}$
EBITDA, EUR	=	Operating profit + Depreciation, amortization and write-downs +/- Share of the associated companies' result

*) The profit for FY2018 of the year in ROE and ROI has been calculated as an average annual return (annualised).

