Destia's financial statements bulletin 2017

DESTIA'S OPERATING RESULT DEVELOPED FAVOURABLY

- Revenue was MEUR 478.7 (493.2), showing a decrease of 2.9%.
- The comparable operating profit was MEUR 15.1 (12.5).
- The order book at the end of the year was MEUR 696.2 (708.0).
- The return on investment was 10.7% (11.1%) while the equity ratio stood at 34.5% (33.5%).
- The accident frequency, which measures occupational safety, was 10.5 (5.9).

Group Key figures (IFRS), MEUR	10-12/2017	10-12/2016	1-12/2017	1-12/2016
Revenue	138.8	141.1	478.7	493.2
Operating result	4.1	3.9	13.1	14.1
% of revenue	2.9	2.7	2.7	2.9
Operating result, comparable	4.5	2.3	15.1	12.5
% of revenue	3.3	1.6	3.2	2.5
Result for the period	3.3	-1.0	12.6	5.7
% of revenue	2.4	-0.7	2.6	1.2
Return on investment, %			10.7	11.1
Earnings per share, EUR			146.60	50.13
Equity ratio, %			34.5	33.5
Net gearing, %			28.5	35.3
Average personnel			1,572	1,492
Occupational accidents resulting in absence from work*)			10.5	5.9
Order book at the end of review period			696.2	708.0

*)Occupational accidents per one million working hours. Since the beginning of the year 2017 the number also covers Destia Engineering. Comparative figure for the year 2017 (Destia without Destia Engineering Ltd) was 8,5.

The financial statements bulletin is based on the audited financial statements for 2017.

Acting President & CEO Arto Pohjonen comments on the financial year:

"Buoyed by the continued brisk level of activity in the infrastructure construction market, Destia had a good year in 2017. We won significant major contracts that ensure our profitable growth going forward. We were again able to keep our current contracts within their estimated costs, which meant that our operating result developed favourably.

Year 2017 marked the start of the business planning period, during which our focus will be on developing our strong expertise and the Destia spirit. We will enhance our strategy of pursuing profitable growth by, among other things, digitalising our operations and strengthening our position in the capital region. The Tositoimi projects ensure the implementation of best practices and new procedures throughout the company while also enhancing the competence of personnel.

We expedited the strategic Tositoimi projects with the *Time to Act* programme launched in the autumn. The programme focuses on developing our management culture, internal collaboration and customer work. The first part of the programme was completed in the autumn and the same theme will continue this coming spring. In the area of technological tools, we deployed a new ERP system and a customer relationship management tool and we digitised our processes. We also introduced a new tool to support the development of occupational safety in the form of the Destia TLY application (TLY is the Finnish initialism for safety, quality and the environment) to make it easier to submit and process information such as safety observations on mobile devices.

When I took up my post as acting President and CEO in August, I knew there is a great deal of energy and potential in Destia's personnel. Six months later, I am pleased to say that we have worked very well together in a fairly short time to put this energy to good use in developing Destia further. We will continue to rely on our highly competent and committed professionals to move the company forward and make Destia the clear number one in its industry."

Operating environment

The Finnish economy continued its stable development in 2017. The positive development of the economy is now more broad-based after exports have picked up, and it no longer relies solely on the construction industry. The volume of construction is said to have exceeded the pre-financial crisis level.

In October, the Confederation of Finnish Construction Industries RT predicted that the construction growth rate in 2018 will be lower than in 2017, but only slightly. The workload of infrastructure construction has been boosted by public sector investments in reducing the repair backlog and in fundamental road maintenance. Private sector investments also increased for the second consecutive year. The increase in foundation work for building construction has a significant effect on infrastructure construction as new construction activity picks up. Competition is expected to continue to be intense and the market will focus largely on growth centres. The majority of MEUR 600 in separate funding allocated over three years will be spent in 2018, and the government decided to launch new projects for just under MEUR 85 in its autumn budget session. According to RT, the availability of professional labour has become the most significant factor restricting production in construction, also in the area of civil engineering.

According to the construction confidence indicators published by the Confederation of Finnish Industries (EK), construction business confidence showed a slight upward trend in December 2017 and is characterised as being stronger than usual by a clear margin. The order book is said to be close to the normal levels and seasonally adjusted figures indicate that the number of personnel is expected to increase substantially. In November, the confidence of Finnish construction companies was slightly above the EU average.

According to Statistics Finland, the costs of the civil engineering industry increased by 2.2% from December 2016 to December 2017. The annual change in costs varied by sub-index from 0.3% in earth structures to 7.9% in surfacing. The increase in the total index was particularly affected by the increasing prices of bitumen, fuels and energy. The overall rise in costs was kept in check by soil and aggregates becoming cheaper and interest costs being lower than in the previous December.

Order book and the most significant new orders

The order book at the end of December was at a good level, amounting to MEUR 696.2 (708.0). The order book is spread over several years.

The most significant new contracts signed in 2017:

- Service level measurements for paved roads in 2017–2019
- Regional main road contracts for 2017–2022: Alavus, Kiuruvesi, Pielavesi, Pyhäjärvi, Tampere and Viinijärvi.
- Upgrading of National Road 75 at the Yara site in Siilinjärvi, completed in autumn 2017
- Renovation of the Oulu–Kontiomäki track section, superstructure contract, to be completed in autumn 2018
- Pit compaction work at a factory site in Pyhäjoki, completed in autumn 2017
- Construction of the Ranta-Kartano area in Lahti, phase 1, to be completed in autumn 2019
- Closure of leftover rock and ore-dressing sand areas at a mining facility in Kolari, to be completed in late 2018
- Upgrading of National Road 4 near Oulu, to be completed in autumn 2019
- Renovation of Ounaskoski railway bridge in Rovaniemi, to be completed in autumn 2018
- National Road 12 Lahti southern ring road, section 1A Hollola, design and build contract, to be completed in autumn 2020

Destia was chosen to carry out the design and build contract for National Road 5 Mikkeli–Nuutilanmäki on 15 December 2017. Construction will begin in April 2018 and the contract will be completed in 2021. The contract is not included in the order book for 2017.

The results of tendering on the 1st round road upkeep and maintenance contracts were announced in December 2017. Destia won three contracts: Huittinen, Jämsä and Pieksämäki. The five-year contracts will begin in October 2018.

Revenue development

The Group's revenue was MEUR 478.7 (493.2) for the financial year and MEUR 138.8 (141.1) in the final quarter.

Destia Group's other operating income during the financial year amounted to MEUR 3.3 (4.5). This mainly includes sales income from fixed assets and property rental income. In addition to these, the figure for the comparison period included gains on the sale of property.

Result development

Destia's operating profit for the financial period was MEUR 13.1 (14.1), and in the fourth quarter, it was MEUR 4.1 (3.9). The Group's result for the financial period was MEUR 12.6 (5.7), and in the fourth quarter, it was MEUR 3.3 (-1.0). The result for the reporting period was improved by an easier winter season than the previous year in terms of maintenance and the success of ongoing projects. The result in the comparison period was weighed down by two ongoing projects with overrun costs, one of them with exceptionally significant impact.

The operating profit for the financial year includes expense items of MEUR -2.1 affecting comparability, related to non-recurring expenses, while the operating profit for the comparison period included gains on the sale of business operations and property in the amount of MEUR +1.6.

Destia Group's income taxes in the financial year totalled MEUR -0.4 (0.1).

Balance sheet, cash flow and financing

Total assets on Destia's balance sheet were MEUR 264.3 (257.1) at the end of the financial year. Return on investment (ROI) was 10.7% (11.1%), equity ratio was 34.5% (33.5%), and net gearing was 28.5% (35.3%). Operating cash flow remained fairly stable throughout the financial year, taking the seasonality of construction into consideration. The demand for financing working capital was at its highest in the second and third quarters. The cash flow of the financial year comprised operating cash flow of MEUR +17.6 (+19.0), investment cash flow of MEUR -7.3 (-14.0) and financial cash flow of MEUR -5.4 (-31.9). The financial cash flow includes accrued interest of MEUR 3.7 (1.2) paid on hybrid loans and a repayment of MEUR 1.5 on a hybrid loan, both paid in accordance with the resolutions of General Meetings. A group contribution of MEUR 2.3 was paid to Ahlström Capital Oy in the comparison period. The financial cash flow in the comparison period includes a financial arrangement in which the parent company prematurely redeemed a MEUR 65 bond for the full outstanding amount and the interest rate swap related to the bond was terminated. The arrangements resulted in a non-recurring financial cost in the amount of MEUR 3.2. In connection with the arrangement, a total of MEUR 40 in variable-rate, three-year bullet-type loans were withdrawn. In the reporting period, the maturity of the loans was postponed to 2020 and the full hedging of the loans was extended.

The financial assets on the balance sheet were MEUR 20.8 (16.0) at the end of the financial year. Destia's MEUR 150 commercial paper programme and short-term credit limit of MEUR 10.3 were not used. During the reporting period, interest-bearing liabilities totalled MEUR 44.2 (43.0). Of all loans, 0.6% (0.8%) were short-term and 99.4% (99.2%) were long-term. The Group's interest-bearing net liabilities at the end of the reporting period were MEUR 23.4 (27.0).

In accordance with the decision by the Annual General Meeting (2016: Extraordinary General Meeting), MEUR 1.5 (0.5) of the hybrid loan was amortised. In the comparison period, a MEUR 15 hybrid loan from AC Infra Oy was converted into the invested unrestricted equity fund. At the end of the reporting period, consolidated shareholders' equity included an equity hybrid loan from Ahlström Capital Group amounting to MEUR 10.0 (11.5), and the interest rate on the loan was 10.0%.

Shares, share capital and equity

The registered share capital of Destia Group Plc is EUR 80,000 and its total number of shares is 80,000. The company is 100% owned by AC Infra Oy, which is part of Ahlström Capital Group.

Destia Group's equity also includes an invested unrestricted equity fund, totalling MEUR 53.0 (53.0), and a MEUR 10.0 (11.5) hybrid loan from Ahlström Capital.

Investments and divestments

Destia Group's gross investments during the financial year were MEUR 8.8 (17.9), which represented 1.8% (3.6%) of revenue. The investments were mainly fleet investments. Destia successfully deployed a new ERP system during the reporting period. The investments in the comparison period included a corporate acquisition carried out on 1 April 2016, in which Destia acquired a majority 51% interest in Destia Engineering Ltd.

Personnel

Destia continued to implement measures aimed at improving occupational safety during the reporting period. From the beginning of 2017, Destia's accident frequency, which measures occupational accidents per million working hours, covers the entire Group. The accident frequency for the year was 10.5 (5.9). Measures aimed at promoting the implementation of good operating models and practices and improving occupational safety throughout the organisation were enhanced. New tools were also introduced to improve occupational safety. The Destia TLY mobile application launched in the final quarter of 2017 enhances the submission and processing of information related to safety observations, civil engineering measurements and fleet inspections.

Destia's average number of personnel during the financial year was 1,572 (1,492). At the end of December, the number of personnel was 1,544 (1,504), of whom 1,435 (1,394) were permanent and 109 (110) temporary employees. Due to the seasonality of the business, the number of personnel varies during the year, peaking in the summer.

Destia commissioned an external organisation to conduct the annual personnel survey during the financial year. The results of the survey have shown positive development for several years now, and this trend continued in 2017. The response rate was high at 79% (78%). The overall score has increased each year and it was 3.92 (3.91) in the most recent survey. Destia's overall score as a company and as an employer increased to 4.11 (4.10). This development supports Destia's goal of being the preferred employed in its industry.

Destia's focus during the current business planning period is on developing strong expertise and the Destia spirit. Destia is a company of experts that invests heavily in supporting and developing the competence of personnel. During the financial year, Destia assessed the competencies of its personnel and supported changing the management culture by implementing measures that help develop a coaching-oriented management style. In the second half of the year, Destia started the *Time to Act* programme to support the strategic Tositoimi projects. The first phase of the programme was successfully completed late in the year. A number of development measures were put into practice during the programme's first phase, including more active communication both face-to-face and across digital channels, making sure that all Destia professionals participate regularly in team meetings, and implementing measures aimed at ensuring the recruitment of new talent. Destia deployed a new ERP system in the first quarter and a new CRM tool in the final quarter. Training on the use of the new systems was organised extensively throughout the company and operating procedures were specified and revised as a result of their deployment.

Interest in Destia as an employer has increased. Destia was one of the climbers in 2017 (rising nearly 30 places from the previous year's position, from 80 to 52) when industry professionals listed Finland's most attractive employers in Universum's annual survey. Destia is also seeing growing interest among emerging talents in the industry: in 2017, Destia received 43% more summer job and trainee applications than in the previous year. In the financial year, there were a record 232 (212) trainees and summer workers employed at Destia.

Organisational structure and management

In 2017, Destia's organisation comprised four regional business units, Southern Finland, Western Finland, Eastern Finland and Northern Finland, as well as the national Consulting Services business unit and support functions.

On 5 October 2017, Destia announced it will establish a new Special Construction business unit that will become operational on 1 January 2018. In 2018, Destia's organisation comprises four regional business units, Southern Finland, Western Finland, Eastern Finland and Northern Finland, as well as two national business units, Special Construction and Consulting Services, and support functions.

The business of the regional business units includes the construction and maintenance of traffic routes, industrial and traffic environments and the complete living environment, as well as the services of the Winter Maintenance Management Centre, Kelikeskus. The Northern Finland business unit also includes the Fleet business unit. The business of the national Consulting Services business unit comprises design, road network surveys and international consultancy. The operations transferred to the Special Construction business unit consist of Destia Rail, which focuses on railway construction and maintenance, and Destia Engineering, which specialises in demanding foundation and engineer construction, as well as the energy infrastructure, rock construction and aggregates businesses.

Destia's business operations are supported by the following support functions: Economics & Financing, Human Resources (Personnel), Legal Services, Business Development and Operational Excellence, and Project Development.

In 2017, Destia's Management Team comprised President & CEO Hannu Leinonen (until 7 August) and acting President & CEO Arto Pohjonen (as of 7 August) as Chair, and Executive Vice Presidents Heidi Erha (until 21 December) and Arto Ruotsalainen (as of 22 December), Minna Heinonen, Pasi Kailasalo, Marko Vasenius and Seppo Ylitapio, as well as Executive Vice President, Human Resources, Taru Salo, General Counsel Aki Markkola, CFO Pirkko Salminen (until 18 October) and acting CFO (as of 19 October) Olli Valtonen and personnel representative Jouko Korhonen.

As of 1 January 2018, Destia's Management Team comprises acting President & CEO Arto Pohjonen, who serves as Chair, and Executive Vice Presidents Minna Heinonen, Pasi Kailasalo, Annina Peisa (as of 2 January), Arto Ruotsalainen, Marko Vasenius and Seppo Ylitapio, as well as General Counsel Aki Markkola, acting CFO Olli Valtonen, Executive Vice President, Human Resources, Taru Salo and personnel representative Jouko Korhonen.

On 9 October 2017, Destia's Board of Directors appointed Tero Kiviniemi, MScEng, eMBA, as the President & CEO of Destia Group Plc. Kiviniemi will start in his new position in summer 2018, by 1 July 2018 at the latest.

Destia Group Plc's Corporate Governance Statement will be published in the company's 2017 annual report on Destia's website at www.destia.fi in March 2018.

Decisions of the Annual General Meeting

The Annual General Meeting of Destia Group Plc held on 7 March 2017 confirmed the company's financial statements for 2016 and discharged the President & CEO and members of the Board from liability for the financial period 1 January–31 December 2016. The Annual General Meeting decided, in accordance with the proposal by the Board of Directors, that neither dividend nor capital repayment be distributed for the financial period ending 31 December 2016. The Annual General Meeting further resolved that the accrued interest of MEUR 1.2 and repayment of MEUR 1.5 of the hybrid loan from Ahlström Capital Oy as well as the accrued interest of MEUR 2.5 of the previously converted hybrid loan from AC Infra Oy, totalling MEUR 5.2, will be paid to the owners.

The meeting decided that the number of Board members would be seven and elected Arto Räty as Chair of the Board. Marcus Ahlström, Hans Sohlström and Tero Telaranta were re-elected as the members of the Board of Directors. Pasi Koota, Juha Nurmi and Arto Pohjonen were elected as new Board members. At the organising meeting of the Board of Directors, Hans Sohlström was appointed Vice Chair and it was decided that an Audit Committee would be established to support the Board's work.

Based on the Board's assessment of independence, the members of the Board are independent of the company and the owner with the following exceptions: Arto Räty is independent of neither the company nor the owner, Arto Pohjonen is not independent of the company, and Hans Sohlström and Tero Telaranta are not independent of the owner.

The Annual General Meeting decided that the Chair will be paid EUR 50,000 per year and each Board member EUR 30,000 per year. No fees are paid to Board members representing the shareholder.

The Annual General Meeting elected KPMG Oy Ab (APA) as Destia Group Plc's auditor for the 2017 financial year, with Virpi Halonen (APA) as the auditor with principal responsibility.

Research and development

R&D costs totalled MEUR 0.9 (0.9). Destia had several significant ongoing development projects aimed at digitalising the company's operations. The most significant of these was a development project focused on the new ERP system, which was successfully deployed during the reporting period. The development costs of these activities were MEUR 1.0 (2.0).

Destia's research and development is reported more closely in the company's annual report.

Strategy

Destia's intent is to be the most profitable, best customer service providing and most reliable producer of complete infrastructure services. Of Destia's stock of contracts, the target is that a significant part comprises long-term projects and service contracts.

Destia's vision is "We are the number one choice for our customers and the number one in the infrastructure sector in Finland". The company's core businesses are large and demanding road projects and infrastructure maintenance.

Destia's focus areas of strategic growth in the current three-year period 2017–2019 are the strengthening of profitability, personnel development, ensuring the prerequisites for efficient production, for example by digitalising operations, and strengthening the market position in the capital region.

Vantaa, 6 February 2018

Destia Group Plc
Board of Directors

More information
Acting President & CEO Arto Pohjonen, tel. +358 20 444 4000

Financial reporting in 2018
The Annual Report 2017, including the financial statements and the Corporate Governance Statement, will be published on the Destia website at the beginning of March.

27 April 2018	Business review 1–3/2018
9 August 2018	Half year financial report 1–6/2018
24 October 2018	Business review 1–9/2018

CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IFRS

MEUR	10-12/2017	10-12/2016	1-12/2017	1-12/2016
Revenue	**138.8**	**141.1**	**478.7**	**493.2**
Other operating income	1.0	2.4	3.3	4.5
Materials and services	89.4	96.0	323.2	342.9
Employee related expenses	30.9	28.7	98.1	93.4
Depreciations	3.4	2.8	10.3	9.6
Other operating expenses	12.0	12.1	37.3	37.6
Operating result	**4.1**	**3.9**	**13.1**	**14.1**
Financial income	0.0	0.1	0.0	0.4
Financial expense	0.2	5.4	0.9	8.7
Result before taxes	**3.9**	**-1.5**	**12.2**	**5.8**
Income taxes	0.5	-0.4	-0.4	0.1
Result for the period	**3.3**	**-1.0**	**12.6**	**5.7**
Other comprehensive income including tax effects				
Items that will not be reclassified to profit or loss				
Items resulting from remeasurement of the defined benefits-based net liability (or asset item)	-0.3	-0.4	-0.3	-0.4
	-0.3	-0.4	-0.4	-0.4
Items that may be subsequently reclassified to profit or loss				
Cash flow hedges	0.1	1.0	0.0	1.0
	0.1	1.0	0.0	1.0
Other comprehensive income net of tax	**-0.3**	**0.7**	**-0.3**	**0.7**
Comprehensive income for the period, total	**3.1**	**-0.3**	**12.3**	**6.4**

Result for the period and comprehensive income for the period belong to parent company shareholders.

CONSOLIDATED BALANCE SHEET
IFRS
MEUR

ASSETS

	31.12.2017	31.12.2016
Non-current assets		
Property, plant and equipment	59.4	61.7
Goodwill	83.6	83.6
Other intangible assets	2.9	2.6
Financial assets available-for-sale	2.0	2.1
Deferred tax assets	2.9	2.6
Non-current assets, total	**150.9**	**152.8**
Current assets		
Inventories	15.9	17.4
Accounts and other receivables	76.7	71.1
Cash and cash equivalents	20.8	16.0
Current assets, total	**113.4**	**104.4**
Assets, total	**264.3**	**257.1**

EQUITY AND LIABILITIES

	31.12.2017	31.12.2016
Equity attributable to equity holders of the parent company		
Share capital	0.1	0.1
Invested non-restricted equity fund	53.0	53.0
Hybrid loans	10.0	11.5
Other items	0.0	0.0
Retained earnings	18.9	12.0
Equity, total	**82.0**	**76.5**
Non-current liabilities		
Deferred tax liabilities	2.3	2.8
Pension liabilities	1.0	0.6
Provisions	12.8	15.1
Financial liabilities	43.9	42.7
Other liabilities	6.1	3.7
Non-current liabilities, total	**66.2**	**64.9**
Current liabilities		
Accounts payable and other liabilities	84.9	81.1
Provisions	4.3	5.5
Financial liabilities	0.3	0.3
Advances received	26.7	28.7
Current liabilities, total	**116.2**	**115.7**
Equity and liabilities, total	**264.3**	**257.1**

CONSOLIDATED CASH FLOW STATEMENT
IFRS
MEUR

	10-12/2017	10-12/2016	1-12/2017	1-12/2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	147.9	152.3	475.6	481.5
Expenses paid to suppliers and personnel	-129.4	-137.1	-458.2	-457.9
Interests paid	-0.5	-0.9	-0.5	-3.5
Dividends received			0.0	0.0
Interest received	0.0	0.0	0.0	0.1
Other financial items	-0.1	-0.2	-0.3	-0.4
Tax paid	0.8	0.4	1.0	-0.8
Net operating cash flow	**18.7**	**14.6**	**17.6**	**19.0**
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments in intangible and tangible assets	-2.4	-4.5	-8.2	-15.4
Sale of intangible and tangible assets	0.2	2.3	0.9	2.8
Subsidiary shares acquired				-1.3
Net investment cash flow	**-2.2**	**-2.2**	**-7.3**	**-14.0**
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in non-current loans from financial institutions (-)	0.0	-65.1	-0.2	-65.2
Increace in non-current loans from financial institutions (+)		40.0		40.0
Decrease in equity instrument (-)			-1.5	
Increase in short-term financing (+)		0.0	38.0	
Decrease in short-term financing (-)	-5.0	0.0	-38.0	
Group contributions granted				-2.3
Interests and other financial items paid	-0.1	-3.1	-3.8	-4.4
Net financial cash flow	**-5.1**	**-28.2**	**-5.4**	**-31.9**
Change in cash and cash equivalents	**11.5**	**-15.8**	**4.8**	**-26.9**
Cash and cash equivalents at the beginning of the period	9.4	31.8	16.0	42.9
Cash and cash equivalents at the end of the period	**20.8**	**16.0**	**20.8**	**16.0**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
IFRS
MEUR

	Equity attributable to equity holders of the parent company						
	Share capital	**Hedge instrument fund**	**Invested non-restricted equity fund**	**Hybrid loans**	**Translation differences**	**Retained earnings**	**Total**
Equity 1 Jan 2016	**0.1**	**-1.1**	**38.0**	**27.0**	**0.0**	**9.3**	**73.3**
Deferred tax adjustment						-1.3	-1.3
Other comprehensive income							
Result for the financial period						5.7	5.7
Other comprehensive income							
Translation differences					0.0		0.0
Cash flow hedges		1.0					1.0
Items resulting from re-definition of the benefit-based net liability (or asset item)						-0.4	-0.4
Comprehensive profit and loss for the financial period, total		**1.0**			**0.0**	**5.4**	**6.4**
Transactions with owner							
Amortisation of hybrid loan				-0.5			-0.5
Interest of hybrid loan						-1.2	-1.2
Convert of hybrid loan			15.0	-15.0			
Other changes						-0.1	-0.1
Equity total 31 Dec 2016	**0.1**	**0.0**	**53.0**	**11.5**	**0.0**	**12.0**	**76.5**

	Equity attributable to equity holders of the parent company						
	Share capital	**Hedge instrument fund**	**Invested non-restricted equity fund**	**Hybrid loans**	**Translation differences**	**Retained earnings**	**Total**
Equity 1 Jan 2017	**0.1**	**0.0**	**53.0**	**11.5**	**0.0**	**12.0**	**76.5**
Other comprehensive income							
Result for the financial period						12.6	12.6
Other comprehensive income							
Translation differences					0.0		0.0
Cash flow hedges		0.0					0.0
Items resulting from re-definition of the benefit-based net liability (or asset item)						-0.3	-0.3
Comprehensive profit and loss for the financial period, total		**0.0**			**0.0**	**12.3**	**12.3**
Amortisation of hybrid loan				-1.5			-1.5
Interest of hybrid loan						-3.7	-3.7
Group contributions granted						-2.2	-2.2
Other changes						0.5	0.5
Equity total 31 Dec 2017	**0.1**	**0.0**	**53.0**	**10.0**	**0.0**	**18.9**	**82.0**

Notes

This financial statements bulletin has been prepared in accordance with the same IFRS accounting principles and calculation methods as the previous financial statements.

In addition, the Group has applied the following new or amended IAS/IFRS standards and interpretations that became effective on 1 January 2017:
– Annual improvements to IFRS. The amendments only affect the notes to the consolidated financial statements.

GROUP´S KEY FIGURES

IFRS

MEUR

	10-12/2017	10-12/2016	1-12/2017	1-12/2016
Revenue	138.8	141.1	478.7	493.2
Change from previous year, %	-1.6	7.8	-2.9	6.6
Operating result for the period	4.1	3.9	13.1	14.1
% of revenue	2.9	2.7	2.7	2.9
Operating result, comparable	4.5	2.3	15.1	12.5
% of revenue	3.3	1.6	3.2	2.5
Result for the period	3.3	-1.0	12.6	5.7
% of revenue	2.4	-0.7	2.6	1.2
EBITDA 1)	7.9	5.1	25.4	22.2
% of revenue	5.7	3.6	5.3	4.5
Gross investments			8.8	17.9
% of revenue			1.8	3.6
Balance sheet total			264.3	257.1
Equity			82.0	76.5
Equity ratio, % 2)			34.5	33.5
Net gearing, % 3)			28.5	35.3
Interest-bearing liabilities			44.2	43.0
Current Ratio 4)			1.0	0.9
Quick Ratio 5)			1.0	0.9
Return on equity, % 6)			15.9	7.6
Return on investment, % 7)			10.7	11.1
Earnings per share, EUR *)			146.60	50.13
Equity per share, EUR			1,024.51	956.09
Average personnel			1,572	1,492
Occupational accidents resulting in absence from work **)			10.5	5.9
Order book			696.2	708.0
Research and development expenses			0.9	0.9
% of other operating expenses			2.4	2.4

*) The profit for the reporting period belonging to the shareholders of the parent company of Destia Group Plc, deducted by the interest on the hybrid loan adjusted for tax, divided based on the weighted average of the shares. Destia Group Plc has 80.000 shares.

**) Occupational accidents per one million working hours. Since the beginning of the year 2017 the number also covers Destia Engineering.

Formulas:

1) Operating result + depreciation, amortisation and impairment losses. Not IFRS key figure.
   EBITDA adjusted by comparable items
2) (Equity/(balance sheet total - advances received))*100
3) ((Interest-bearing liabilities - cash and cash equivalents and held-to-maturity investments/equity)*100
4) (Inventories + liquid assets) / current liabilities
5) Financial assets without receivables from uncompleted contracts/current liabilities without advance payments
6) (Result for the period/average equity)*100
   (opening and closing balance)
7) (Result before taxes + interest costs and other financial expenses/(invested capital average)*100
   (balance sheet total - non-interest-bearing liabilities - provisions. opening and closing balance)

GROUP´S GUARANTEES AND CONTINGENT LIABILITIES

IFRS

MEUR	**31.12.2017**	**31.12.2016**
Debt secured by mortgages		
Real estate mortgages	0.4	0.4
Business mortgages	0.8	0.8
Guarantees on behalf of group companies	77.0	84.1
Lease agreements		
Within one year	3.7	3.0
Within more than one year and less than five years	5.6	5.3
After more than five years		0.4
Total	9.4	8.8
Interest liabilities accured from equity hybrid loans	1.1	3.7

GROUP´S CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES IFRS

MEUR

		31.12.2017	31.12.2016
Financial assets			
Financial assets available-for-sale			
	Financial assets available-for-sale (level 3)	2.0	2.1
Financial assets at fair value through profit or loss			
	Other derivatives, not in hedge accounting (level 2)	0.1	0.1
Current			
	Accounts and other receivables (level 2)	61.4	57.6
	Cash and cash equivalents (level 2)	20.8	16.0
Financial liabilities			
Financial liabilities at fair value through profit or loss			
	Interest rate swaps, in hedge accounting (level 2)	0.1	0.0
	Other derivatives, not in hedge accounting (level 2)		
Financial liabilities valued at amortized cost			
Non-current			
	Bonds, interest-bearing (level 2)		
	Loans from financial institutions, interest-bearing (level 2)	40.4	40.5
	Financial lease liability, interest-bearing (level 2)	0.2	0.1
	Other liabilities, interest-bearing (level 2)	3.3	1.9
Current			
	Loans from financial institutions, interest-bearing (level 2)	0.2	0.2
	Financial lease liability, interest-bearing (level 2)	1.0	0.1
	Accounts payable and other liabilities (level 2)	77.1	77.5

The carrying value equals the fair value. The levels adopted in fair value accounting are:

Level 1: Exchange traded securities with quoted prices in active markets.
Level 2: Fair value determined by observable parameters.
Level 3: Fair value determined by non-observable parameters.

DESTIA GROUP PLC, SHARES AND SHAREHOLDERS SINCE 1 JULY 2014

Owner	Number of shares	%	Voting right	Share capital EUR
AC Infra Oy (Ahlström Capital)	80,000	100.0	1 vote/share	80,000