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### MSc announces double digit growth and good profitability in 2014

After the functional integration and re-organization of both MSc companies (MSc Traction Oy and MSc electronics Oy, later as MSc) the companies has started to increase profitable turnover. The year 2014 ended up with 18% increase in turnover and EBIT was in good 8,5% level.

Total turnover of 3,4 MEUR and 0,29 MEUR EBIT are achievements of which MSc and all its employees should be proud of. Direct export sales to 16 different countries was totalling appr. 50% of the turnover.

MSc EBIT line is still suffering of heavy depreciations caused by the past development of product technology. Now the majority of the past development costs has been paid, which indicates positive EBIT forecast for the ongoing 2015.

#### MSc sales structure 2014:

Domestic	appr. 50%	Railway	47%
Direct export	appr. 50%	Power & Energy	53%

#### MSc fiscal year 2014 in numbers

	1000 EUR		
<b>Turnover</b>	<b>3401</b>	<b>growth +18%</b>	
Personnel costs	1004		
Other costs	585		
<b>Operating Profit</b>	<b>720</b>		
Depreciations	412		
Financing costs	22		
<b>EBIT</b>	<b>287</b>	<b>8,5%</b>	

Because of profitable growth the financial position of the company have improved significantly during the last years.

The integration process of these two companies have been now succesfully completed and both companies benefit of shared costs and shared resources.

### **Investments during 2015**

The investments for growth (sales, marketing, production and aftersales development) are in the main scope also during 2015. Now when the main converter platforms and MSc converter technologies are already in production the company concentrates its engineering efforts to applications and system designs.

### **Forecast 2015-**

The new customers for MSc new products in the fast growing Power & Energy business sector combined with the steady growth of MSc's long term Railway business gives us a good base to implement our long-term growth strategy. MSc sales target for 2015 is 4 MEUR, which is realistic with the current order backlog and quotation amount. The sales and marketing capacity was doubled during late 2014 and it will start increasing turnover significantly during 2015.

MSc target is to achieve profitable 20% growth per year in years 2015-2017.

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Pekka Seppälä  
Managing Director  
MSc Electronics Oy / MSc Traction Oy  
pekka.seppala@msc.eu

### ***Background information:***

***MSc Traction and MSc Electronics present Finnish, high-end knowledge of demanding applications among power electronics and electrical drives. The main focus is on bringing added value to the customers by innovative, tailor made solutions. The head office and manufacturing plant of MSc Traction and MSc Electronics are located in Tampere, Finland.***

### ***MSc Traction is a European expert in rolling stock***

***The company specializes in rolling stock: auxiliary power converters and battery chargers for trams, locomotives and different train cars. The endurance of MSc solutions has been tested in the demanding climatological conditions of Northern Europe, as well as in the heat of the Middle East, and the busy tracks of Central Europe. Numerous train and tramcar manufacturers in Finland and Europe benefit from MSc's know-how.***



***MSc Electronics specializes in high quality power converter solutions***

*For more than 30 years, industrial custom designed converters, uninterruptible motor drives and different energy storage systems have been MSc's main areas of operation. MSc is a notable Clean-Tech pioneer.*