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MSc continues profitable operation during 2015 fiscal year

After the functional integration and re-organization of both MSc companies (MSc Electronics Oy and MSc Traction Oy, later as MSc) the years 2011-2015 has been economically profitable for MSc.

During 2015 the combined turnover of 2,67 MEUR was below budgeted, but operation remained profitable regardless of development projects. These achievements are something of which MSc and all its employees should be proud of.

Export sales to 18 different mostly European countries was totalling 57% of the turnover. New orders from new export customers and new products first deliveries to expanding renewable energy and energy storage markets.

Business areas

- Smart Grid (Energy Storage Converters and Power Quality Products)
- Industrial (Customized Power Converters)
- Rail (Auxiliary Power Supplies for Railway)

MSc sales structure 2015:

Domestic	43%
Export	57%
Smart Grid	43%
Industrial	21%
Rail	36%

Fiscal year 2015 in numbers

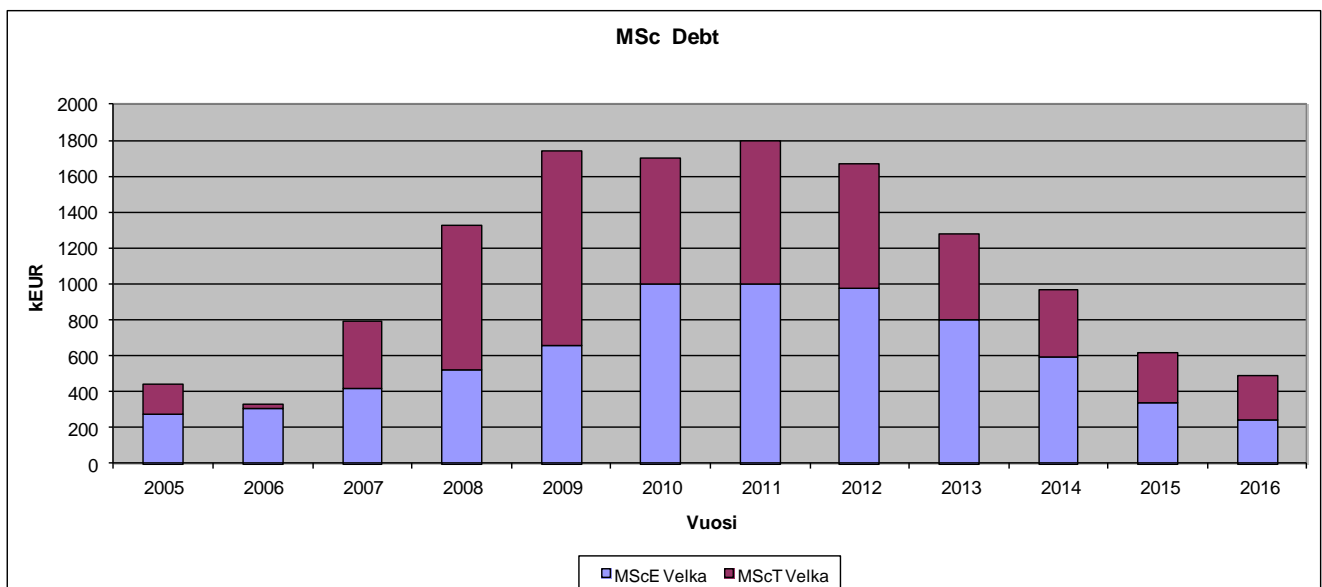
Turnover	2706
Personnel costs	549
Other costs	683
Operating Profit	185
Depreciations	116
Financing costs	4
EBIT	65

The development of the basic technology during 2007-2012 projects took time, money and effort but now when process and organization changes are over the profitability is a clear result. The company repetitive positive bottom lines are a result of increased profitable sales and improved cost structure.

The ongoing year 2016 is forecasted to have 20% growth. The order backlog at the moment is about 2Meur (up to 2017), which is bigger than in several years in the company history.

MSc Debt

The past heavy R&D investments caused the debt to increase significantly 2007-2012, but after that the profitable operation the companies have been able to pay back the development loans.



Development during 2016-2017

MSc continues investments for expansion. Significant R&D investments do continue, but the sales, marketing and aftersales costs are overcoming R&D costs.

Now when the main converter platforms and MSc converter technologies are already in production the companys engineering efforts are concentrated into new features, applications and system designs.

The debt figures are low and the companys financial position is strong so also bigger investments needing external funding are realistic.

Forecast 2016-2020

Small turnover growth (20%) is expected during 2016, but major growth figures during years 2017-2020 are expected. The sales and marketing activities will be further increased and that will start increasing turnover significantly during 2017.

MSc aggressive long term growth target for 2020 is 15Meur, which is based on the company's significant growth in the growing Smart Grid business area and long term steady growth in the Rail and Industrial areas.

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Pekka Seppälä
Managing Director
MSc Electronics OY
MSc Traction Oy

Background information:

MSc is an internationally acknowledged expert in power conversion. MSc technology is used in wide area of applications in smart grid, industrial and rail business areas. The head office and manufacturing plant of MSc is located in Tampere, Finland.

MSc Electronics specializes power converter solutions for smart grid and industrial applications
For more than 30 years, customized industrial power converters, different energy storage converters and power quality applications have been MSc's main areas of operation. MSc is a notable Clean-Tech pioneer.

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.