

Profit warning: Solteq Plc lowers its guidance for revenue and operating profit for 2022

Inside information

September 19, 2022, at 4:45 p.m.

Solteq Plc forecasts that the revenue and the operating profit of the company's business will be weaker than earlier estimated, and the company will write-off the investments made to the product development of Solteq Robotics business amounting to approximately EUR 4.4 million.

The new profit guidance for 2022 is: Solteq Group's revenue is expected to stay at the same level and operating profit to be negative.

The change in the outlook is due to the significant product development costs of Solteq Utilities that have continued to affect the business at a higher level than previously forecasted. At the same time the project and service delivery costs of Solteq Utilities have increased. The aforementioned will weaken the company's profitability and reduce customer invoicing more than previously forecasted during the ongoing financial year. Also, the revenue and profitability of the Solteq Digital segment have weakened from the previous.

The company has decided to write-off the product development investments made to the Solteq Robotics business, resulting to an estimated one-time negative impact of EUR 4.4 million on the company's operating profit of 2022. The write-off will be made during the third quarter. The write-off has no cash flow effect.

The previous 2022 profit guidance, published on May 25, was: Solteq Group's revenue is expected to grow and operating profit to weaken.

Solteq Plc will publish its Interim Report for January 1 – September 30, 2022, on October 27, 2022.

Vantaa, September 19, 2022

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Solteq in brief

Solteq is a provider of IT services and software solutions. The company is specialized in the digitalization of business and industry-specific software. The key sectors in which the company has long-term experience are retail, manufacturing, utilities, and services. The company employs over 650 professionals with offices in Finland, Sweden, Norway, Denmark, Poland and the UK, and a customer base throughout Europe.