

Narrative largely unchanged

Etteplan's Q2 results were slightly below our and consensus estimates but at a good level nonetheless. Etteplan upgraded its guidance mainly driven by the acquisitions made. The market comments were mostly unchanged, with some hints of weakened demand. We retain our HOLD rating with a target price of EUR 9.6.

Below estimates, acquisition driven guidance upgrade

Etteplan's Q2 results were slightly below our and consensus estimates, but continued to be at a good level nonetheless. Revenue grew 3.7% to EUR 64.3m (Evli/cons. 66.6m/66.4m), with organic growth falling clearly to 1.2%, although impacted by working day differences. Profitability surpassed the target level, with EBITA at 6.5m (Evli 6.9m) for a margin of 10.1%. Etteplan further upgraded its guidance (prev. upgrade in Q1) following the acquisitions made during Q2/Q3, expecting its revenue and operating profit for 2019 to grow significantly (prev. clearly) compared to 2018. Market outlook comments were mostly neutral compared to Q1, with some signs of negative development for instance in China.

No major estimates revisions

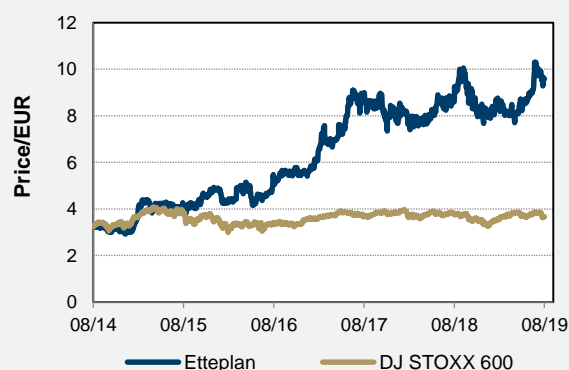
Our estimates remain mostly unchanged post-Q2, as we had already included the acquisitions in our estimates. Profitability of the acquired companies had not been given pre-Q2 but management comments implied similar profitability to Etteplan or possibly better when accounting for synergies, in line with our expectations. We expect revenue growth of 11.4% in 2019 (2018: 10.1%) and an EBITA-margin of 9.9% (2018: 9.5%).

HOLD with a target price of EUR 9.6

The prevailing uncertainty in customer activity and the lower organic growth in Q2, although affected by working day differences, gives continued reasons for caution while the upgraded guidance did reduce some near-term uncertainty. With no major changes to our estimates, we retain our HOLD-rating and target price of EUR 9.6.

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 9.58

Target price, EUR 9.6

Latest change in recommendation 08-Aug-19

Latest report on company 08-Aug-19

Research paid by issuer: YES

No. of shares outstanding, '000's 24,963

No. of shares fully diluted, '000's 24,963

Market cap, EURm 239

Free float, % 16.0

Exchange rate 0.000

Reuters code ETTE.HE

Bloomberg code ETTE FH

Average daily volume, EURm 0.04

Next interim report 31-Oct-19

Web site www.etteplan.com

Analyst Jerker Salokivi

E-mail jerker.salokivi@evli.com

Telephone +358 9 4766 9149

■ BUY ■ HOLD ■ SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	215	15	7.2%	15	0.47	16.6	1.0	10.5	14.1	0.23
2018	236	20	8.5%	19	0.61	13.0	1.0	7.9	11.6	0.30
2019E	263	23	8.9%	23	0.72	13.4	1.1	8.5	11.9	0.36
2020E	290	27	9.3%	26	0.82	11.6	0.9	6.7	10.0	0.41
2021E	304	29	9.6%	29	0.90	10.7	0.8	6.2	8.9	0.45
Market cap, EURm		239	BV per share 2019E, EUR			3.1	CAGR EPS 2018-21, %			13.6
Net debt 2019E, EURm		39	Price/book 2019E			3.1	CAGR sales 2018-21, %			8.7
Enterprise value, EURm		278	Dividend yield 2019E, %			3.7	ROE 2019E, %			24.6
Total assets 2019E, EURm		188	Tax rate 2019E, %			21.5	ROCE 2019E, %			19.0
Goodwill 2019E, EURm		71	Equity ratio 2019E, %			41.4	PEG, P/E 19/CAGR			2.9

All the important disclosures can be found on the last pages of this report.

Commercial Services & Supplies/Finland, August 14, 2019
Spot comment

Etteplan	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Net sales	214.6	59.0	62.0	52.6	62.8	236.4	65.4	64.2	59.1	74.6	263.3	290.1	303.6
sales growth %	16.7%	7.7%	14.3%	11.5%	7.4%	10.1%	11.0%	3.5%	12.5%	18.6%	11.4%	10.2%	4.7%
EBITA	17.2	4.9	6.2	5.0	6.4	22.6	6.4	6.5	5.5	7.6	26.0	29.4	31.1
EBITA margin	8.0%	8.3%	10.1%	9.6%	10.2%	9.5%	9.8%	10.1%	9.3%	10.2%	9.9%	10.1%	10.2%
EBIT	15.5	4.4	5.7	4.4	5.7	20.8	5.8	5.8	4.9	7.0	23.4	26.8	29.1
EBIT margin	7.4%	7.5%	9.1%	8.3%	9.1%	8.8%	8.8%	9.0%	8.2%	9.4%	8.9%	9.3%	9.6%
Engineering Solutions	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Net sales	120.9	33.6	35.0	28.8	34.6	132.1	35.6	35.3	31.9	42.0	144.7	162.1	167.0
sales growth %	7.1%	8.3%	13.7%	11.4%	4.4%	9.3%	5.8%	0.8%	10.5%	21.4%	9.6%	12.0%	3.0%
EBITA	9.8	3.1	3.7	2.9	3.3	13.0	3.7	3.8	3.0	4.2	14.7	16.2	16.7
EBITA margin	8.1%	9.1%	10.7%	10.0%	9.5%	9.8%	10.3%	10.9%	9.3%	10.0%	10.1%	10.0%	10.0%
Software and Embedded Solutions	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Net sales	52.0	14.1	15.8	13.6	16.5	60.0	17.3	17.1	15.8	19.1	69.3	76.3	82.4
sales growth %	46.6%	4.0%	19.2%	18.7%	20.7%	15.5%	22.8%	8.5%	16.0%	15.5%	15.5%	10.0%	8.0%
EBITA	4.4	1.1	1.4	1.3	2.0	5.8	1.7	1.6	1.6	2.1	7.0	8.3	9.2
EBITA margin	8.4%	7.9%	8.6%	9.8%	12.3%	9.7%	9.8%	9.3%	10.0%	11.2%	10.1%	10.9%	11.2%
Technical Documentation Solutions	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Net sales	41.8	11.2	11.3	10.1	11.7	44.3	12.5	11.8	11.5	13.5	49.3	51.7	54.3
sales growth %	17.0%	10.8%	9.8%	3.5%	0.7%	6.0%	11.6%	5.1%	13.4%	15.0%	11.2%	5.0%	5.0%
EBITA	3.8	0.8	1.1	0.8	1.0	3.7	1.2	1.0	1.0	1.3	4.6	4.9	5.2
EBITA margin	9.1%	7.6%	9.5%	8.0%	8.1%	8.3%	9.9%	8.8%	8.5%	9.7%	9.3%	9.5%	9.5%

ETTEPLAN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		19	20	21	19	20	21	19	20	21
SWECO	3066	14.9x	13.5x	13.0x	20.9x	19.2x	18.2x	23.5x	21.6x	20.3x
AF Poyry	2296	12.4x	9.9x	9.4x	17.3x	13.7x	12.7x	17.6x	15.4x	14.3x
Semcon	88	5.7x	4.8x	4.6x	7.6x	6.1x	5.8x	9.3x	7.3x	6.9x
Alten	3633	13.2x	12.2x	11.5x	14.3x	13.2x	12.7x	19.5x	17.8x	16.6x
Altran Technologies	3691	10.0x	9.2x	8.5x	13.2x	11.9x	10.9x	17.0x	14.5x	13.2x
Bertrandt	603	5.0x	4.5x	4.1x	7.3x	6.5x	5.9x	11.4x	10.1x	9.3x
AKKA Technologies	1242	9.1x	8.1x	7.5x	11.2x	9.7x	9.1x	14.4x	12.2x	10.9x
HiQ	261	10.1x	10.1x	9.6x	11.9x	11.9x	11.2x	16.4x	15.2x	14.4x
Tieto	1660	8.4x	8.0x	7.8x	12.5x	11.6x	11.1x	12.4x	11.9x	11.4x
Multiconsult	168	7.7x	6.7x	6.4x	15.5x	12.1x	11.3x	14.7x	11.5x	10.5x
Peer Group Average	1541	9.6x	8.7x	8.2x	13.2x	11.6x	10.9x	15.6x	13.8x	12.8x
Peer Group Median	1242	9.6x	8.7x	8.1x	12.9x	11.9x	11.2x	15.6x	13.4x	12.3x
Etteplan (Evli est.)	239	7.5x	6.3x	5.7x	11.9x	10.0x	8.9x	13.4x	11.6x	10.7x

Etteplan prem./disc. to peer median

-21%

-27%

-30%

-8%

-16%

-21%

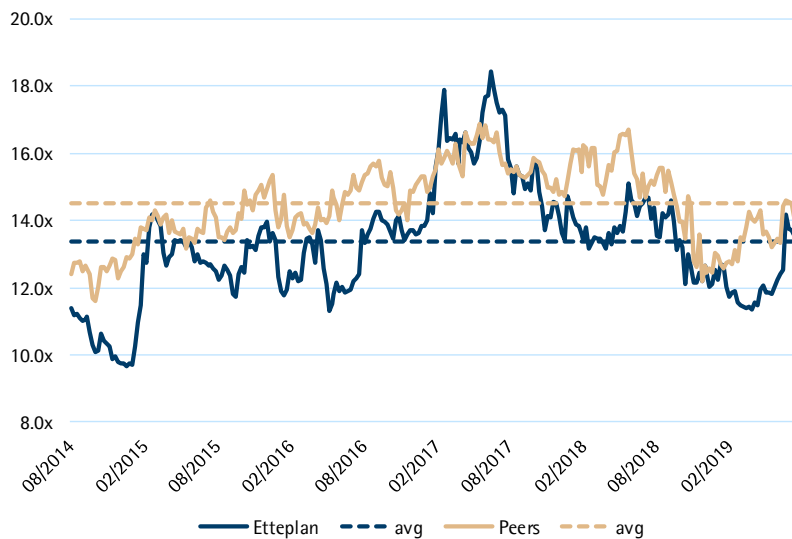
-14%

-13%

-13%

Source Bloomberg, Evli Research

Etteplan's and peers historical fwd P/E (NTM)



Source: FactSet, Evli Research

Commercial Services & Supplies/Finland, August 14, 2019
Spot comment

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	9.58 PV of Free Cash Flow	129 Long-term growth, %	2.5 Risk-free interest rate, %	2.25
DCF share value	11.12 PV of Horizon value	191 WACC, %	8.3 Market risk premium, %	5.8
Share price potential, %	16.0 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	12.3 Marketable securities	16 Minimum WACC, %	7.8 Equity beta coefficient	0.70
Minimum value	10.1 Debt - dividend	-59 Maximum WACC, %	8.8 Target debt ratio, %	20
Horizon value, %	59.7 Value of stock	277 Nr of shares, Mn	25.0 Effective tax rate, %	20

DCF valuation, EURm	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Horizon
Net sales	236	263	290	304	311	319	327	335	344	352	361	370
<i>Sales growth, %</i>	<i>10.1</i>	<i>11.4</i>	<i>10.2</i>	<i>4.7</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>
Operating income (EBIT)	20	23	27	29	26	27	28	28	29	30	31	31
<i>EBIT margin, %</i>	<i>8.5</i>	<i>8.9</i>	<i>9.3</i>	<i>9.6</i>	<i>8.5</i>	<i>8.5</i>	<i>8.5</i>	<i>8.5</i>	<i>8.5</i>	<i>8.5</i>	<i>8.5</i>	<i>8.5</i>
+ Depreciation+amort.	6	13	15	16	17	17	17	17	18	18	18	
- Income taxes	-3	-5	-6	-6	-6	-6	-6	-6	-6	-6	-7	
- Change in NWC	2	-4	-1	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>1.3</i>	<i>2.5</i>	<i>2.5</i>	<i>2.6</i>	<i>2.6</i>	<i>2.6</i>	<i>2.6</i>	<i>2.6</i>	<i>2.6</i>	<i>2.6</i>	<i>2.7</i>	
+ Change in other liabs	1	0	0	0	0	0	0	0	0	0	0	
- Capital Expenditure	-30	-24	-16	-18	-18	-18	-18	-18	-18	-19	-19	-20
<i>Investments / Sales, %</i>	<i>12.9</i>	<i>9.0</i>	<i>5.6</i>	<i>5.8</i>	<i>5.6</i>	<i>5.6</i>	<i>5.5</i>	<i>5.4</i>	<i>5.4</i>	<i>5.3</i>	<i>5.3</i>	<i>5.3</i>
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= Unlevered Free CF (FCF)	-4	5	19	21	20	20	21	21	22	22	23	404
= Discounted FCF (DFCF)		4	17	17	15	14	13	13	12	11	11	191
= DFCF min WACC		4	17	18	15	15	14	13	12	12	11	218
= DFCF max WACC		4	17	17	15	14	13	12	12	11	10	169

INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1	2019Q2	2019Q3E	2019Q4E	2019E	2020E	2021E
Net sales	59	62	53	63	236	65	64	59	75	263	290	304
EBITDA	6	7	6	7	26	9	9	8	10	37	42	45
<i>EBITDA margin (%)</i>	<i>9.7</i>	<i>11.4</i>	<i>11.1</i>	<i>11.7</i>	<i>11.0</i>	<i>13.7</i>	<i>14.2</i>	<i>14.0</i>	<i>14.1</i>	<i>14.0</i>	<i>14.5</i>	<i>14.9</i>
EBIT	4	6	4	6	20	6	6	5	7	23	27	29
<i>EBIT margin (%)</i>	<i>7.5</i>	<i>9.1</i>	<i>8.4</i>	<i>9.1</i>	<i>8.5</i>	<i>8.8</i>	<i>9.0</i>	<i>8.2</i>	<i>9.4</i>	<i>8.9</i>	<i>9.3</i>	<i>9.6</i>
Net financial items	0	0	0	0	-1	0	0	0	0	-1	-1	-1
Pre-tax profit	4	6	4	5	19	6	6	5	7	23	26	29
Tax	-1	-1	-1	-1	-4	-1	-1	-1	-1	-5	-6	-6
<i>Tax rate (%)</i>	<i>23.0</i>	<i>21.3</i>	<i>21.9</i>	<i>19.3</i>	<i>21.2</i>	<i>23.4</i>	<i>20.3</i>	<i>21.2</i>	<i>21.2</i>	<i>21.5</i>	<i>21.5</i>	<i>21.5</i>
Net profit	3	4	3	4	15	4	5	4	5	18	21	22
EPS	0.13	0.17	0.13	0.18	0.61	0.17	0.18	0.15	0.21	0.72	0.82	0.90
EPS adjusted (diluted no. of shares)	0.13	0.17	0.13	0.18	0.61	0.17	0.18	0.15	0.21	0.72	0.82	0.90
Dividend per share	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.36	0.41	0.45
SALES, EURm												
Engineering Solutions	34	35	29	35	132	36	35	32	42	145	162	167
Software and Embedded Solutions	14	16	14	17	60	17	17	16	19	69	76	82
Technical Documentation Solutions	11	11	10	12	44	13	12	11	13	49	52	54
Total	59	62	53	63	236	65	64	59	75	263	290	304
SALES GROWTH, Y/Y %												
<i>Engineering Solutions</i>	<i>8.3</i>	<i>13.7</i>	<i>11.4</i>	<i>4.4</i>	<i>9.3</i>	<i>5.8</i>	<i>0.8</i>	<i>10.5</i>	<i>21.4</i>	<i>9.6</i>	<i>12.0</i>	<i>3.0</i>
<i>Software and Embedded Solutions</i>	<i>4.0</i>	<i>19.2</i>	<i>18.7</i>	<i>20.7</i>	<i>15.5</i>	<i>22.8</i>	<i>8.5</i>	<i>16.0</i>	<i>15.5</i>	<i>15.5</i>	<i>10.0</i>	<i>8.0</i>
<i>Technical Documentation Solutions</i>	<i>10.8</i>	<i>9.8</i>	<i>3.5</i>	<i>0.6</i>	<i>6.0</i>	<i>11.6</i>	<i>5.1</i>	<i>13.3</i>	<i>15.0</i>	<i>11.2</i>	<i>5.0</i>	<i>5.0</i>
Total	7.7	14.3	11.5	7.4	10.1	11.0	3.5	12.5	18.6	11.4	10.2	4.7
EBIT, EURm												
Engineering Solutions	3	4	3	3	13	4	4	3	4	15	16	17
Software and Embedded Solutions	1	1	1	2	6	2	2	2	2	7	8	9
Technical Documentation Solutions	1	1	1	1	4	1	1	1	1	5	5	5
Other	-1	-1	-1	-1	-2	-1	-1	-1	-1	-3	-3	-2
Total	4	6	4	6	20	6	6	5	7	23	27	29
EBIT margin, %												
<i>Engineering Solutions</i>	<i>9.1</i>	<i>10.7</i>	<i>10.0</i>	<i>9.5</i>	<i>9.8</i>	<i>10.3</i>	<i>10.9</i>	<i>9.3</i>	<i>10.0</i>	<i>10.1</i>	<i>10.0</i>	<i>10.0</i>
<i>Software and Embedded Solutions</i>	<i>7.9</i>	<i>8.6</i>	<i>9.8</i>	<i>12.3</i>	<i>9.7</i>	<i>9.8</i>	<i>9.3</i>	<i>10.0</i>	<i>11.2</i>	<i>10.1</i>	<i>10.9</i>	<i>11.2</i>
<i>Technical Documentation Solutions</i>	<i>7.6</i>	<i>9.5</i>	<i>8.0</i>	<i>8.1</i>	<i>8.3</i>	<i>9.9</i>	<i>8.8</i>	<i>8.5</i>	<i>9.7</i>	<i>9.3</i>	<i>9.5</i>	<i>9.5</i>
Total	7.5	9.1	8.4	9.1	8.5	8.8	9.0	8.2	9.4	8.9	9.3	9.6

Commercial Services & Supplies/Finland, August 14, 2019
Spot comment

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	132	141	184	215	236	263	290	304
<i>Sales growth (%)</i>	<i>2.6</i>	<i>7.0</i>	<i>30.3</i>	<i>16.7</i>	<i>10.1</i>	<i>11.4</i>	<i>10.2</i>	<i>4.7</i>
Costs	-121	-131	-171	-194	-210	-226	-248	-258
Reported EBITDA	10	12	15	21	26	37	42	45
Extraordinary items in EBITDA	0	1	2	0	0	0	0	0
<i>EBITDA margin (%)</i>	<i>8.0</i>	<i>8.3</i>	<i>8.1</i>	<i>9.7</i>	<i>11.0</i>	<i>14.0</i>	<i>14.5</i>	<i>14.9</i>
Depreciation	-3	-3	-5	-5	-6	-13	-15	-16
EBITA	8	9	10	15	20	23	27	29
Goodwill amortization / writedown	0	0	0	0	0	0	0	0
Reported EBIT	7	9	10	15	20	23	27	29
<i>EBIT margin (%)</i>	<i>5.6</i>	<i>6.1</i>	<i>5.5</i>	<i>7.2</i>	<i>8.5</i>	<i>8.9</i>	<i>9.3</i>	<i>9.6</i>
Net financials	-1	-1	-1	-1	-1	-1	-1	-1
Pre-tax profit	7	8	9	15	19	23	26	29
Extraordinary items	1	0	0	0	0	0	0	0
Taxes	-1	-2	-2	-3	-4	-5	-6	-6
Minority shares	0	0	0	0	0	0	0	0
Net profit	6	6	7	12	15	18	21	22
BALANCE SHEET, EURm								
Assets								
Fixed assets	8	12	22	22	41	45	46	47
<i>% of sales</i>	<i>6</i>	<i>9</i>	<i>12</i>	<i>10</i>	<i>17</i>	<i>17</i>	<i>16</i>	<i>16</i>
Goodwill	39	43	58	59	65	71	71	71
<i>% of sales</i>	<i>29</i>	<i>30</i>	<i>32</i>	<i>27</i>	<i>28</i>	<i>27</i>	<i>25</i>	<i>23</i>
Inventory	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Receivables	26	28	49	53	53	61	67	70
<i>% of sales</i>	<i>20</i>	<i>20</i>	<i>27</i>	<i>24</i>	<i>22</i>	<i>23</i>	<i>23</i>	<i>23</i>
Liquid funds	3	9	5	10	16	11	17	18
<i>% of sales</i>	<i>2</i>	<i>6</i>	<i>3</i>	<i>5</i>	<i>7</i>	<i>4</i>	<i>6</i>	<i>6</i>
Total assets	75	93	134	144	176	188	202	207
Liabilities								
Equity	29	35	53	58	68	78	90	102
<i>% of sales</i>	<i>22</i>	<i>25</i>	<i>29</i>	<i>27</i>	<i>29</i>	<i>30</i>	<i>31</i>	<i>33</i>
Deferred taxes	1	2	3	3	5	5	5	5
<i>% of sales</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>1</i>
Interest bearing debt	19	23	34	35	51	49	46	37
<i>% of sales</i>	<i>14</i>	<i>16</i>	<i>19</i>	<i>16</i>	<i>22</i>	<i>19</i>	<i>16</i>	<i>12</i>
Non-interest bearing current liabilities	27	32	43	46	48	53	58	61
<i>% of sales</i>	<i>20</i>	<i>23</i>	<i>23</i>	<i>21</i>	<i>20</i>	<i>20</i>	<i>20</i>	<i>20</i>
Other interest free debt	0	1	2	2	4	4	4	4
<i>% of sales</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>1</i>	<i>1</i>	<i>1</i>
Total liabilities	75	93	134	144	176	188	202	207
CASH FLOW, EURm								
+ EBITDA	10	12	15	21	26	37	42	45
- Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
- Taxes	-2	-1	-3	-2	-3	-5	-6	-6
- Increase in Net Working Capital	0	-1	-1	1	2	-4	-1	0
+/- Other	0	1	-5	0	0	0	0	0
= Cash flow from operations	8	10	6	18	23	28	35	38
- Capex	-1	-2	-2	-2	-30	-24	-16	-18
- Acquisitions	-1	-2	-22	-3	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	7	7	1	11	-7	4	19	21
+/- Change in interest-bearing debt	-1	4	11	1	16	-2	-3	-9
+/- New issues/buybacks	-1	3	14	-2	0	0	0	0
- Paid dividend	-2	-3	-3	-4	-6	-7	-9	-10
+/- Change in loan receivables	-2	0	1	0	1	0	0	0
Change in cash	1	11	24	5	5	-6	7	1

Commercial Services & Supplies/Finland, August 14, 2019
Spot comment

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	89	138	193	198	239	239	239
Net debt	14	29	25	35	39	29	18
Enterprise value	104	168	218	233	278	268	258
Sales	141	184	215	236	263	290	304
EBITDA	12	15	21	26	37	42	45
EBIT	9	10	15	20	23	27	29
Pre-tax	8	9	15	19	23	26	29
Earnings	6	7	12	15	18	21	22
Book value	35	53	58	68	78	90	102
Valuation multiples							
EV/sales	0.7	0.9	1.0	1.0	1.1	0.9	0.8
EV/EBITDA	8.9	11.2	10.5	9.0	7.5	6.3	5.7
EV/EBITA	12.0	16.6	14.1	11.6	11.9	10.0	8.9
EV/EBIT	12.0	16.6	14.1	11.6	11.9	10.0	8.9
EV/operating cash flow	10.4	29.8	11.9	9.3	9.8	7.5	6.7
EV/cash earnings	10.4	12.2	12.8	10.5	8.9	7.5	6.7
P/E	14.6	18.6	16.6	13.0	13.4	11.6	10.7
P/E excl. goodwill	14.6	18.6	16.6	13.0	13.4	11.6	10.7
P/B	2.6	2.6	3.3	2.9	3.1	2.7	2.4
P/sales	0.6	0.8	0.9	0.8	0.9	0.8	0.8
P/CF	9.0	24.5	10.5	7.9	8.5	6.7	6.2
Target EV/EBIT	0.0	0.0	0.0	0.0	11.9	10.0	8.9
Target P/E	0.0	0.0	0.0	0.0	13.4	11.6	10.7
Target P/B	0.0	0.0	0.0	0.0	3.1	2.7	2.4
Per share measures							
Number of shares	20,666	24,771	24,771	24,963	24,963	24,963	24,963
Number of shares (diluted)	20,666	24,771	24,771	24,963	24,963	24,963	24,963
EPS	0.30	0.30	0.47	0.61	0.72	0.82	0.90
EPS excl. goodwill	0.30	0.30	0.47	0.61	0.72	0.82	0.90
Cash EPS	0.48	0.56	0.69	0.89	1.25	1.44	1.55
Operating cash flow per share	0.48	0.23	0.74	1.01	1.13	1.42	1.55
Capital employed per share	2.36	3.32	3.34	4.11	4.67	4.73	4.81
Book value per share	1.68	2.12	2.34	2.71	3.12	3.59	4.07
Book value excl. goodwill	-0.39	-0.22	-0.04	0.09	0.27	0.74	1.22
Dividend per share	0.15	0.16	0.23	0.30	0.36	0.41	0.45
Dividend payout ratio, %	50.6	53.3	49.2	49.0	50.0	50.0	50.0
Dividend yield, %	3.5	2.9	3.0	3.8	3.7	4.3	4.7
Efficiency measures							
ROE	19.3	17.1	21.0	24.4	24.6	24.6	23.4
ROCE	16.3	14.0	17.2	19.1	19.0	20.4	21.2
Financial ratios							
Capex/sales, %	2.5	13.1	2.4	12.9	9.0	5.6	5.8
Capex/depreciation excl. goodwill,%	-18.2	181.7	81.2	419.3	131.9	105.6	108.9
Net debt/EBITDA, book-weighted	1.2	2.0	1.2	1.4	1.0	0.7	0.4
Debt/equity, market-weighted	0.3	0.2	0.2	0.3	0.2	0.2	0.2
Equity ratio, book-weighted	37.4	39.2	40.1	38.5	41.4	44.3	49.0
Gearing	0.41	0.56	0.43	0.52	0.50	0.32	0.18
Number of employees, average	2,078	2,545	2,802	3,055	3,055	3,055	3,055
Sales per employee, EUR	67,947	72,274	76,597	77,376	86,195	94,955	99,391
EBIT per employee, EUR	4,136	3,984	5,526	6,607	7,660	8,784	9,519

COMPANY DESCRIPTION: Etteplan is a specialist in industrial equipment engineering, embedded systems and IoT and technical documentation solutions and services. The company is market leader in Finland and among the largest operators in the field in Sweden and one of the largest companies in Europe providing technical documentation solutions. Customers are leading global manufacturers of industrial equipment and machinery.

INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ingman Group Oy Ab	16,500,000	158.070	66.1%
Oy Fincorp Ab	2,500,500	23.955	10.0%
Varma Mutual Pension Insurance Company	985,593	9.442	3.9%
Tuori Klaus	404,134	3.872	1.6%
VAS Invest Oy	390,629	3.742	1.6%
Taaleri Mikro Markka fund	339,048	3.248	1.4%
SEB Gyllenberg Finland Small Cap Fund	319,629	3.062	1.3%
Tuori Aino Mirjami	308,275	2.953	1.2%
Etteplan Oyj	138,174	1.324	0.6%
Näkki Juha	104,947	1.005	0.4%
Ten largest	21,990,929	210.673	88%
Residual	2,972,379	28.475	12%
Total	24,963,308	239.148	100%

EARNINGS CALENDAR

OTHER EVENTS

April 04, 2019

AGM

COMPANY MISCELLANEOUS

CEO: Juha Näkki

Ensimmäinen savu 01510 Vantaa

CFO: Per-Anders Gådin

Tel: +358 1,0 3,070

IR: Outi Tornainen

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for the financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	Sales/Share	$\frac{\text{Sales}}{\text{Number of shares}}$
Net debt	Interest bearing debt – financial assets	EBITDA/Share	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Number of shares}}$
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	EBIT/Share	$\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortisation}}$	EAFI/Share	$\frac{\text{Pretax profit}}{\text{Number of shares}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Capital employed/Share	$\frac{\text{Total assets} - \text{non interest bearing debt}}{\text{Number of shares}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest free short term debt} - \text{long term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non interest bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year

Important Disclosures

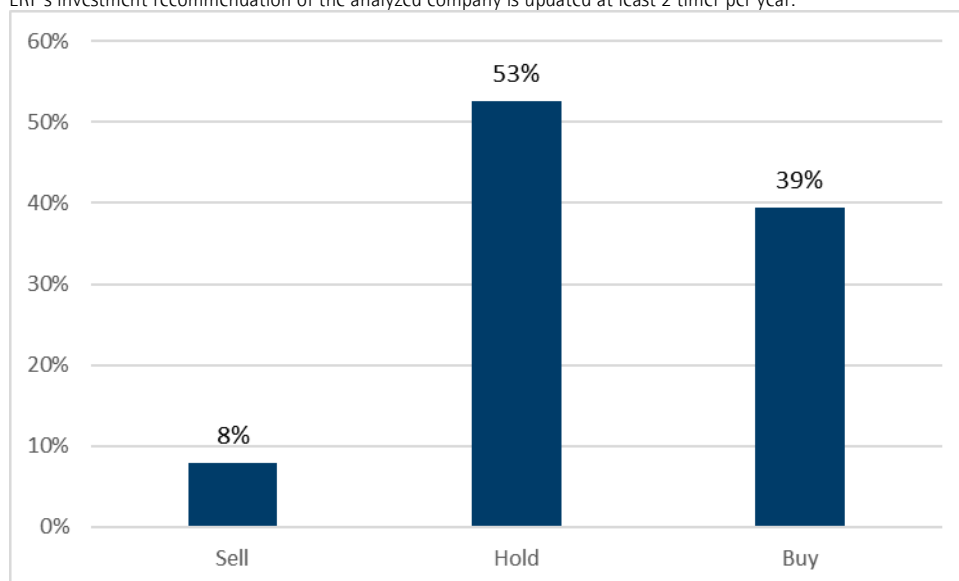
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 - (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Salokivi

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Contact information**SALES, TRADING AND RESEARCH****Equity Sales**

Ari Laine +358 9 4766 9115
Lauri Ahokanto +358 9 4766 9117
Niclas Henelius +358 9 4766 9116

Trading

Lauri Vehkaluoto (Head) +358 9 4766 9130
Pasi Väisänen +358 9 4766 9120
Antti Kässi +358 9 4766 9120

ETFs and Derivatives

Tobias Björk (Head) +358 9 4766 9130
Joachim Dannberg +358 9 4766 9123
Kimmo Lijja +358 9 4766 9130
Sami Järvinen +358 9 4766 9110

Structured Investments

Heikki Savijoki +358 9 4766 9726
Aki Lakkisto +358 9 4766 9123

Equity Research

Jonas Forslund +358 9 4766 9314
Joonas Ilvonen +358 44 430 9071
Jerker Salokivi +358 9 4766 9149
Anna-Liisa Rissanen +358 40 157 9919

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205
Markku Reinikainen +358 9 4766 9669



EVLI BANK PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Fax +358 9 634 382
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI BANK PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000
Fax +46 (0)8 407 8001