

Good Q3 figures

Etteplan's net sales in Q3 amounted to EUR 61.5m, slightly above our estimates and in line with consensus (EUR 59.1m/60.4m Evli/cons.). EBIT amounted to EUR 5.7m, above our and consensus estimates (EUR 4.9m/4.9m Evli/cons.), in line with our and consensus estimates after excluding EUR 0.8m one-offs.

- Net sales in Q3 were EUR 61.5m (EUR 52.6m in Q3/18), slightly above our estimates and in line with consensus estimates (EUR 59.1m/60.4m Evli/Cons.). Growth in Q3 amounted to 17.0 % y/y, of which 5.1 % organic growth.
- EBIT in Q3 amounted to EUR 5.7m (EUR 4.4m in Q3/18), above our estimates and consensus estimates (EUR 4.9m/4.9m Evli/cons.), at a margin of 9.3 %. EBITA amounted to EUR 6.6m (Evli EUR 5.5m), at a margin of 10.7%. Q3 EBIT/EBITA was improved by one-off items of EUR 0.8m related to a revaluation of the earn-out in the Eatech acquisitions.
- EPS in Q3 amounted to EUR 0.19 (EUR 0.13 in Q3/18), above our estimates and consensus estimates (EUR 0.15/0.15 Evli/cons.).
- Engineering Solutions: Net sales in Q3 were EUR 35.3m vs. EUR 31.9m Evli. EBITA in Q3 amounted to EUR 3.4m vs. EUR 3.0m Evli.
- Software and Embedded Solutions: Net sales in Q3 were EUR 15.4m vs. EUR 15.8m Evli. EBITA in Q3 amounted to EUR 1.6m vs. EUR 1.6m Evli.
- Technical Documentation Solutions: Net sales in Q3 were EUR 10.7m vs. EUR 11.5m Evli. EBITA in Q3 amounted to EUR 0.8m vs. EUR 1.0m Evli.
- The MSI-% of sales improved above 60% for the first time.

Rating

HOLD

Q3/19	Actual	Evli	Cons.	Year ago
Net sales	61.5	59.1	60.4	52.6
EBIT	5.7	4.9	4.9	4.4
EPS	0.19	0.15	0.15	0.13

Deviation	Actual	Evli	Cons.	Year ago
Net sales		4%	2%	17%
EBIT		16%	16%	30%
EPS		27%	27%	46%

*Consensus by Bloomberg

Share price, EUR (Last trading day's closing price) **9.40**

Target price, EUR **9.6**

Latest change in recommendation	08-Aug-19
Latest report on company	24-Oct-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	235
Free float, %	16.0
Exchange rate	0.000
Reuters code	ETTE.HE
Bloomberg code	ETTE FH
Average daily volume, EURm	0.03
Next interim report	31-Oct-19
Web site	www.etteplan.com

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BUY HOLD SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2017	214.6	15.5	7.2%	12.5	0.47	16.6	1.0	14.1	6.5	0.23
2018	236.4	20.2	8.5%	7.0	0.61	13.0	1.0	11.6	3.5	0.30
2019E	263.3	23.4	8.9%	4.2	0.72	13.1	1.0	11.7	1.8	0.36
2020E	290.1	26.8	9.3%	15.0	0.82	11.4	0.9	10.0	6.4	0.41
2021E	303.6	29.1	9.6%	19.6	0.90	10.5	0.9	8.9	8.3	0.45
Market cap, EURm		235	BV per share 2019E, EUR		50.9	CAGR EPS 2018-21, %				13.5
Net debt 2019E, EURm		40	Price/book 2019E		3.0	CAGR sales 2018-21, %				8.7
Enterprise value, EURm		274	Dividend yield 2019E, %		3.8	ROE 2019E, %				24.6
Total assets 2019E, EURm		189	Tax rate 2019E, %		21.5	ROCE 2019E, %				18.9
Goodwill 2019E, EURm		71	Equity ratio 2019E, %		41.2	PEG, P/E 19/CAGR				2.9

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

Etteplan Q3/19	Actual	Evli	vs. Evli	Consensus	vs. cons	Q3/18	vs. Q3/18
Net sales	61.5	59.1	4.1%	60.4	1.8%	52.6	16.9%
-Engineering Solutions	35.3	31.9	10.7%			28.8	22.6%
-Software and Embedded Solutions	15.4	15.8	-2.7%			13.6	13.1%
-Technical Documentation Solutions	10.7	11.5	-6.9%			10.1	6.0%
EBIT	5.7	4.9	16.3%	4.9	16.3%	4.4	29.5%
-Engineering Solutions	3.4	3.0	12.5%			2.9	16.4%
-Software and Embedded Solutions	1.6	1.6	-2.7%			1.3	19.8%
-Technical Documentation Solutions	0.84	1.0	-16.1%			0.80	4.9%
EPS	0.19	0.15	26.7%	0.15	26.7%	0.13	46.2%

Concensus by Bloomberg

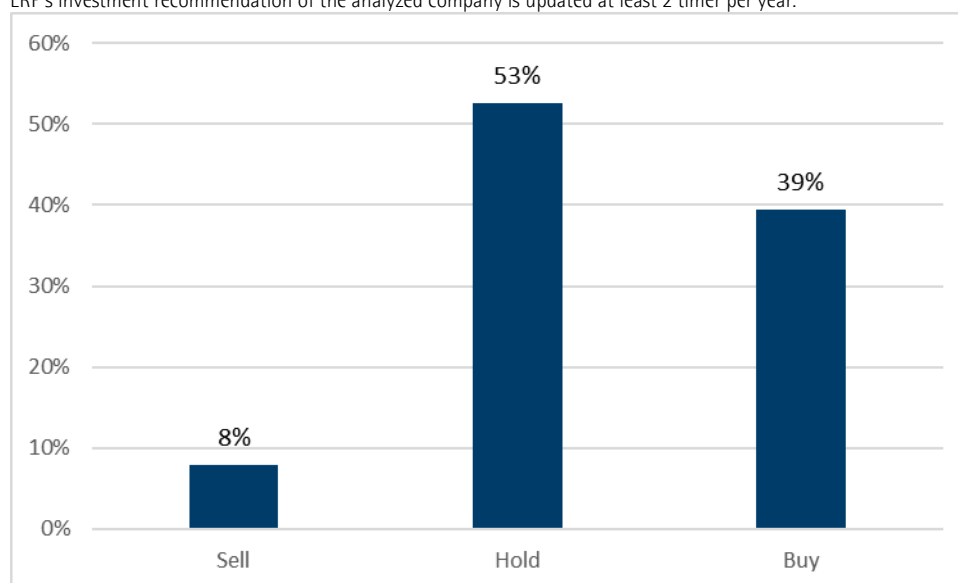
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 1st of February 2019. If recommendation is not given, it is not mentioned here.

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

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