

## Some softness in results/guidance

Etteplan's net sales in Q4 amounted to EUR 71.8m, in line with our estimates and consensus (EUR 72.1m/72.7m Evli/cons.). EBIT amounted to EUR 5.6m, below our estimates and below consensus (EUR 6.1m/6.3m Evli/cons.). Dividend proposal: Etteplan proposes a dividend of EUR 0.35 per share (EUR 0.36 Evli/Cons.).

- Net sales in Q4 were EUR 71.8m (EUR 62.8m in Q4/18), in line with our and consensus estimates (EUR 72.1m/72.7m Evli/Cons.). Growth in Q4 amounted to 14.2 % y/y, of which 0.7 % organic growth.
- EBIT in Q4 amounted to EUR 5.6m (EUR 5.7m in Q4/18), below our and consensus estimates (EUR 6.1m/6.3m Evli/cons.), at a margin of 7.7 %. EBIT (excl. NRIs) amounted to EUR 5.1m (Evli EUR 6.1m).
- EPS in Q4 amounted to EUR 0.16 (EUR 0.18 in Q4/18), below our and consensus estimates (EUR 0.19/0.20 Evli/cons.).
- Engineering Solutions: Net sales in Q4 were EUR 40.8m vs. EUR 40.5m Evli. EBITA in Q4 amounted to EUR 3.6m vs. EUR 4.0m Evli.
- Software and Embedded Solutions: Net sales in Q4 were EUR 17.7m vs. EUR 19.1m Evli. EBITA in Q4 amounted to EUR 1.4m vs. EUR 2.1m Evli.
- Technical Documentation Solutions: Net sales in Q4 were EUR 13.1m vs. EUR 12.5m Evli. EBITA in Q4 amounted to EUR 0.9m vs. EUR 1.0m Evli.
- Dividend proposal: Etteplan proposes a dividend of EUR 0.35 per share (EUR 0.36 Evli/Cons.).

**Guidance:** revenue for 2020 expected to increase clearly and EBIT to be at the same level or improve compared to 2019. The EBIT guidance appears somewhat soft compared to our expectations.

 Rating 🟡 HOLD

Q4/19	Actual	Evli	Cons.	Q4/18
Net sales	71.8	72.1	72.7	62.8
EBIT	5.6	6.1	6.3	5.7
EPS	0.16	0.19	0.20	0.18
DPS	0.35	0.36	0.36	0.30
Deviation	Actual	Evli	Cons.	Q4/18
Net sales		0%	-1%	14%
EBIT		-8%	-11%	-2%
EPS		-15%	-20%	-11%
DPS		-3%	-3%	17%

\*Consensus by Bloomberg (2 analysts)

 Share price, EUR (Last trading day's closing price) 11.80

 Target price, EUR 10.6

 Latest change in recommendation 09-Aug-19

 Latest report on company 06-Feb-20

 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 295

 Free float, % 16.0

 Exchange rate 0.000

 Reuters code ETTE.HE

 Bloomberg code ETTE FH

 Average daily volume, EURm 0.07

 Next interim report 11-Feb-20

 Web site etteplan.com/investors

 Analyst Jerker Salokivi

 E-mail jerker.salokivi@evli.com

 Telephone +358 9 4766 9149
🟢 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%	13.0	0.47	16.6	1.0	14.1	6.8	0.23
2018	236.4	20.2	8.5%	13.0	0.61	13.0	1.0	11.4	6.6	0.30
2019E	263.1	23.4	8.9%	2.8	0.73	16.8	1.3	14.3	1.0	0.36
2020E	290.2	25.3	8.7%	16.5	0.79	15.0	1.1	12.9	5.6	0.39
2021E	303.7	27.5	9.1%	19.1	0.86	13.7	1.0	11.5	6.5	0.43
Market cap, EURm	295		BV per share 2019E, EUR		49.8		CAGR EPS 2018-21, %		12.1	
Net debt 2019E, EURm	39		Price/book 2019E		3.8		CAGR sales 2018-21, %		8.7	
Enterprise value, EURm	334		Dividend yield 2019E, %		3.1		ROE 2019E, %		24.9	
Total assets 2019E, EURm	189		Tax rate 2019E, %		20.2		ROCE 2019E, %		19.2	
Goodwill 2019E, EURm	76		Equity ratio 2019E, %		41.5		PEG, P/E 19/CAGR		2.9	

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

Etteplan Q4/19	Actual	Evli	vs. Evli	Consensus	vs. cons	Q4/18	vs. Q4/18
Net sales	71.8	72.1	-0.4%	72.7	-1.2%	62.8	14.3%
-Engineering Solutions	40.8	40.5	0.9%			34.6	18.1%
-Software and Embedded Solutions	17.7	19.1	-7.4%			16.5	7.2%
-Technical Documentation Solutions	13.1	12.5	4.7%			11.7	11.8%
EBIT	5.6	6.1	-8.2%	6.3	-11.1%	5.7	-1.8%
-Engineering Solutions	3.6	4.0	-10.7%			3.3	8.2%
-Software and Embedded Solutions	1.4	2.1	-32.2%			2.0	-28.9%
-Technical Documentation Solutions	0.89	1.0	-11.3%			1.0	-11.3%
EPS	0.16	0.19	-14.9%	0.20	-20.0%	0.18	-11.1%
DPS	0.35	0.36	-2.8%	0.36	-2.8%	0.30	16.7%

**Consensus by Bloomberg (2 analysts)**

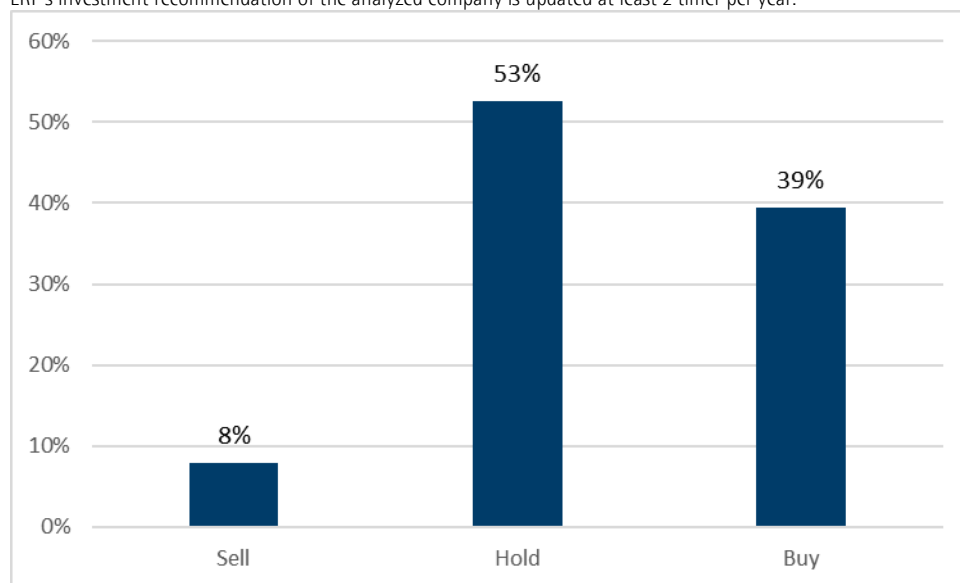
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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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 9120  
Pasi Väisänen +358 9 4766 9120  
Antti Kässi +358 9 4766 9120  
Miika Ronkanen +358 9 4766 9120

#### ETFs and Derivatives

Joachim Dannberg +358 9 4766 9123  
Kimmo Lijja +358 9 4766 9130

#### 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](http://www.evli.com)  
E-mail [firstname.lastname@evli.com](mailto:firstname.lastname@evli.com)

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