

Weaker Q3 figures expected

Etteplan reports Q3 results on October 29th. We expect weakish figures in the seasonally slower quarter, as the impact on demand of the COVID-19 induced uncertainty should also show clearly. We estimate a sales decline of 9.6% in the quarter and an EBIT-margin of 5.3%. We adjust our target price to EUR 9.3 (8.7) and retain our HOLD-rating.

Seasonal slowness and COVID-19 impact

Etteplan's Q2 results were a clear positive in the challenging environment and timely measures taken helped in keeping up profitability. The organic decline in revenue was 11.3%. During Q3 the market environment overall saw improvement compared with the restrictions during Q2 but with the third quarter being seasonally slower and a trickle-down effect of the demand weakness in Q2 we expect weakish figures. With the capacity reduction due to temporary layoffs to our understanding somewhat similar to that of Q2 we expect a similar organic revenue decline, expecting revenue of EUR 55.6m (Q3/19: EUR 61.5m). Despite good cost control, we still expect the lower revenue to have an impact on profitability and estimate an adj. EBIT of EUR 2.9m (Q3/19: EUR 4.9m), at a margin of 5.3%.

2020E: sales decline 1.7% and EBIT of EUR 18.4m

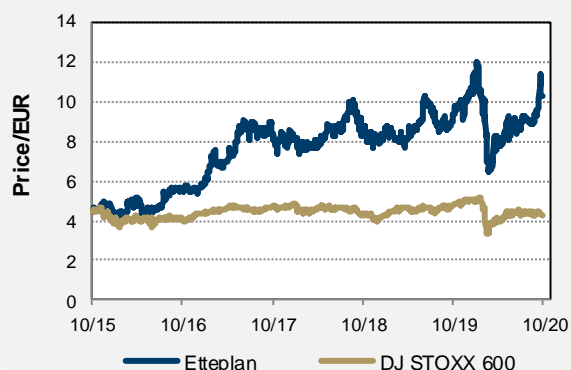
Etteplan reissued a guidance in Q2, expecting 2020 revenue to decrease slightly or be at 2019 levels and EBIT to decrease compared with 2019. We currently estimate a sales decline of 1.7% in 2020 and EBIT of EUR 18.4m (2019: EUR 22.8m). The situation with the coronavirus pandemic has turned to the worse again with the second wave and we will be keeping our eyes on comments on the potential effect on demand development.

HOLD with a target price of EUR 9.3 (8.7)

We have made only minor tweaks to our estimates ahead of the Q3 results. With the slightly improved sentiment after Q2 and peer multiple appreciation we adjust our target price to EUR 9.3 (EUR 8.7), valuing Etteplan at 7.5x 2020 EV/EBITDA, and retain our HOLD-rating.

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 10.25

Target price, EUR 9.3

Latest change in recommendation 07-Aug-19

Latest report on company 12-Aug-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 256

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 29-Oct-20

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■ BUY ■ HOLD ■ SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2018	236.4	20.2	8.5%	13.0	0.61	13.0	1.0	11.4	6.6	0.30
2019	262.7	22.8	8.7%	-1.0	0.70	15.6	1.1	12.9	-0.4	0.35
2020E	258.3	18.4	7.1%	16.1	0.54	19.0	1.1	15.7	6.3	0.27
2021E	276.5	21.8	7.9%	13.1	0.65	15.8	1.0	12.9	5.1	0.32
2022E	290.2	24.6	8.5%	16.2	0.74	13.8	0.9	11.2	6.3	0.37
Market cap, EURm	256		Gearing 2020E, %		40.5		CAGR EPS 2019-22, %		4.3	
Net debt 2020E, EURm	33		Price/book 2020E		3.1		CAGR sales 2019-22, %		3.4	
Enterprise value, EURm	289		Dividend yield 2020E, %		2.6		ROE 2020E, %		17.0	
Total assets 2020E, EURm	207		Tax rate 2020E, %		21.9		ROCE 2020E, %		13.6	
Goodwill 2020E, EURm	79		Equity ratio 2020E, %		39.4		PEG, P/E 20/CAGR		1.5	

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

Etteplan	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20E	Q4/'20E	2020E	2021E	2022E
Net sales	236.4	65.4	64.2	61.5	71.6	262.7	71.3	62.9	55.6	68.5	258.3	276.5	290.2
sales growth %	10.1%	11.0%	3.5%	17.1%	14.0%	11.1%	9.0%	-2.1%	-9.6%	-4.4%	-1.7%	7.1%	4.9%
EBITA	22.6	6.4	6.5	6.6	6.4	25.9	6.6	6.3	3.9	5.4	22.1	24.8	27.3
EBITA margin	9.5%	9.8%	10.1%	10.7%	8.9%	9.9%	9.2%	10.0%	6.9%	7.8%	8.5%	9.0%	9.4%
EBIT	20.8	5.8	5.8	5.7	5.6	22.8	5.7	5.4	2.9	4.4	18.4	21.8	24.6
EBIT margin	8.8%	8.8%	9.0%	9.3%	7.8%	8.7%	7.9%	8.5%	5.3%	6.5%	7.1%	7.9%	8.5%
EBIT (excl. NRIs)	20.5	6.0	5.8	4.9	5.1	21.7	5.8	5.7	2.9	4.4	18.9	21.8	24.6
-margin	8.7%	9.1%	9.0%	8.0%	7.1%	8.3%	8.2%	9.0%	5.3%	6.5%	7.3%	7.9%	8.5%
Engineering Solutions	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20E	Q4/'20E	2020E	2021E	2022E
Net sales	132.1	35.6	35.3	35.3	40.8	147.0	41.3	35.9	30.7	37.8	145.8	155.0	161.2
sales growth %	9.3%	5.8%	0.8%	22.5%	18.1%	11.3%	16.1%	1.9%	-13.1%	-7.5%	-0.9%	6.3%	4.0%
EBITA	13.0	3.7	3.8	3.4	3.6	14.5	3.9	3.7	2.1	2.9	12.6	14.1	15.3
EBITA margin	9.8%	10.3%	10.9%	9.6%	8.7%	9.8%	9.5%	10.3%	6.8%	7.7%	8.7%	9.1%	9.5%
Software and Embedded Solutions	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20E	Q4/'20E	2020E	2021E	2022E
Net sales	60.0	17.3	17.1	15.4	17.7	67.5	17.0	15.2	14.5	17.9	64.6	70.7	75.6
sales growth %	15.5%	22.8%	8.5%	12.9%	6.9%	12.4%	-2.0%	-10.9%	-5.7%	1.2%	-4.3%	9.4%	7.0%
EBITA	5.8	1.7	1.6	1.6	1.4	6.3	1.5	1.7	1.2	1.6	6.0	6.9	7.9
EBITA margin	9.7%	9.8%	9.3%	10.1%	8.0%	9.3%	9.0%	11.1%	8.3%	8.9%	9.3%	9.8%	10.4%
Technical Documentation Solutions	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20E	Q4/'20E	2020E	2021E	2022E
Net sales	44.3	12.5	11.8	10.7	13.1	48.2	12.8	11.6	10.3	12.6	47.3	50.2	52.7
sales growth %	6.0%	11.6%	5.1%	5.8%	11.8%	8.8%	2.6%	-2.0%	-3.9%	-3.7%	-1.8%	6.1%	5.0%
EBITA	3.7	1.2	1.0	0.8	0.9	4.1	1.3	1.0	0.7	1.0	4.0	4.4	4.7
EBITA margin	8.3%	9.9%	8.8%	7.8%	6.8%	8.5%	10.1%	8.9%	6.8%	7.9%	8.5%	8.8%	9.0%

Source: Etteplan, Evli Research estimates

ETTEPLAN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		20	21	22	20	21	22	20	21	22
SWECO	5117	20.4x	19.1x	17.5x	29.8x	27.0x	24.0x	35.8x	31.7x	28.2x
AF Poyry	2312	13.2x	11.9x	10.9x	19.8x	17.1x	15.4x	21.1x	17.5x	15.6x
Semcon	109	5.3x	4.7x	4.5x	9.2x	6.1x	5.7x	10.2x	8.9x	8.2x
Alten	2649	14.2x	10.5x	8.9x	19.9x	13.4x	11.0x	31.8x	19.0x	15.5x
Bertrandt	316	5.5x	4.1x		15.3x	7.9x		20.1x	9.0x	
AKKA Technologies	401								11.9x	6.5x
HiQ International	389	16.0x	14.2x	13.2x	19.0x	17.3x	16.2x	27.6x	23.8x	21.8x
TietoEVERY	2832	7.7x	6.7x	6.4x	10.2x	9.0x	8.6x	11.4x	10.5x	9.9x
Multiconsult	234	7.0x	6.4x	6.5x	12.4x	10.8x	11.3x	15.5x	13.3x	13.9x
Peer Group Average	1462	11.2x	9.7x	9.7x	17.0x	13.6x	13.2x	21.7x	16.2x	15.0x
Peer Group Median	395	10.4x	8.6x	8.9x	17.1x	12.1x	11.3x	20.6x	13.3x	14.7x
Etteplan (Evli est.)	256	8.0x	7.2x	6.4x	15.7x	12.9x	11.2x	19.0x	15.8x	13.8x

Etteplan prem./disc. to peer median

-23% -16% -28% -8% 7% -1% -8% 18% -6%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	10.25 PV of Free Cash Flow	236 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	19.44 PV of Horizon value	298 WACC, %	8.3 Market risk premium, %
Share price potential, %	89.7 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	21.2 Marketable securities	16 Minimum WACC, %	7.8 Equity beta coefficient
Minimum value	17.9 Debt - dividend	-65 Maximum WACC, %	8.8 Target debt ratio, %
Horizon value, %	55.8 Value of stock	485 Nr of shares, Mn	25.0 Effective tax rate, %

DCF valuation, EURm	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Horizon
Net sales	263	258	276	290	297	305	312	320	328	336	343	350
<i>Sales growth, %</i>	<i>11.1</i>	<i>-1.7</i>	<i>7.1</i>	<i>4.9</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>2.0</i>	<i>2.0</i>
Operating income (EBIT)	23	18	22	25	25	26	27	27	28	29	29	30
<i>Operating income margin, %</i>	<i>8.7</i>	<i>7.1</i>	<i>7.9</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>	<i>8.5</i>
+ Depreciation+amort.	15	18	17	18	19	19	18	18	18	18	18	18
EBITDA	38	36	39	43	45	45	45	46	46	47	48	
- Paid taxes	-4	-4	-5	-5	-6	-6	-6	-6	-6	-6	-6	-6
- Change in NWC	4	1	0	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	<i>-0.5</i>	<i>-1.0</i>	<i>-1.0</i>	<i>-0.9</i>	<i>-0.9</i>	<i>-0.9</i>	<i>-0.9</i>	<i>-0.9</i>	<i>-0.8</i>	<i>-0.8</i>	<i>-0.8</i>	<i>-0.8</i>
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-2	-1	-1	-1	-3	-3	-3	-3	-3	-3	-3	-3
<i>opCAPEX / Sales, %</i>	<i>4.9</i>	<i>4.8</i>	<i>4.8</i>	<i>4.8</i>	<i>5.2</i>	<i>5.2</i>	<i>5.2</i>	<i>5.2</i>	<i>5.2</i>	<i>5.2</i>	<i>5.2</i>	<i>5.2</i>
- Acquisitions	-21	-4	-7	-7	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	-4	0	0	0	0	0	0	0	0	0	0	0
= FCFF	11	28	26	30	37	36	37	37	37	38	38	620
= Discounted FCFF		28	24	25	28	26	24	23	21	20	18	298
= DFCF min WACC		28	24	25	29	27	25	23	22	20	19	338
= DFCF max WACC		28	24	25	28	26	24	22	20	19	18	265

INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2	2020Q3E	2020Q4E	2020E	2021E	2022E
Net sales	65.4	64.2	61.4	71.6	262.7	71.3	62.9	55.6	68.5	258.3	276.5	290.2
EBITDA	8.9	9.1	9.5	9.9	37.5	9.7	9.9	7.4	8.9	35.9	39.1	43.1
<i>EBITDA margin (%)</i>	<i>13.7</i>	<i>14.2</i>	<i>15.5</i>	<i>13.8</i>	<i>14.3</i>	<i>13.6</i>	<i>15.7</i>	<i>13.3</i>	<i>13.0</i>	<i>13.9</i>	<i>14.1</i>	<i>14.8</i>
EBIT	5.8	5.8	5.7	5.6	22.8	5.7	5.4	2.9	4.4	18.4	21.8	24.6
<i>EBIT margin (%)</i>	<i>8.8</i>	<i>9.0</i>	<i>9.3</i>	<i>7.8</i>	<i>8.7</i>	<i>7.9</i>	<i>8.5</i>	<i>5.3</i>	<i>6.5</i>	<i>7.1</i>	<i>7.9</i>	<i>8.5</i>
Net financial items	-0.2	-0.1	-0.2	-0.4	-0.9	-0.1	-0.3	-0.3	-0.3	-1.1	-1.0	-0.9
Pre-tax profit	5.6	5.7	5.5	5.1	21.9	5.5	5.0	2.6	4.1	17.3	20.8	23.7
Tax	-1.3	-1.2	-0.9	-1.2	-4.5	-1.3	-1.1	-0.5	-0.9	-3.8	-4.6	-5.2
<i>Tax rate (%)</i>	<i>23.4</i>	<i>20.3</i>	<i>15.7</i>	<i>23.6</i>	<i>20.7</i>	<i>23.8</i>	<i>21.6</i>	<i>20.7</i>	<i>20.7</i>	<i>21.9</i>	<i>21.9</i>	<i>21.9</i>
Net profit	4.3	4.5	4.7	3.9	17.4	4.2	3.9	2.1	3.3	13.5	16.2	18.5
EPS	0.17	0.18	0.19	0.16	0.70	0.17	0.16	0.08	0.13	0.54	0.65	0.74
EPS adjusted (diluted no. of shares)	0.18	0.18	0.16	0.14	0.65	0.17	0.16	0.08	0.13	0.54	0.65	0.74
Dividend per share	0.00	0.00	0.00	0.00	0.35	0.00	0.00	0.00	0.00	0.27	0.32	0.37
SALES, EURm												
Engineering Solutions	35.6	35.3	35.3	40.8	147.0	41.3	35.9	30.7	37.8	145.8	155.0	161.2
Software and Embedded Solutions	17.3	17.1	15.4	17.7	67.5	17.0	15.2	14.5	17.9	64.6	70.7	75.6
Technical Documentation Solutions	12.5	11.8	10.7	13.1	48.1	12.8	11.6	10.3	12.6	47.3	50.2	52.7
Other	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.2	0.2	0.6	0.6	0.6
Total	65.4	64.2	61.4	71.6	262.7	71.3	62.9	55.6	68.5	258.3	276.5	290.2
SALES GROWTH, Y/Y %												
<i>Engineering Solutions</i>	<i>5.8</i>	<i>0.8</i>	<i>22.5</i>	<i>18.1</i>	<i>11.3</i>	<i>16.1</i>	<i>1.9</i>	<i>-13.1</i>	<i>-7.5</i>	<i>-0.9</i>	<i>6.3</i>	<i>4.0</i>
<i>Software and Embedded Solutions</i>	<i>22.8</i>	<i>8.5</i>	<i>12.9</i>	<i>6.9</i>	<i>12.4</i>	<i>-2.0</i>	<i>-10.9</i>	<i>-5.7</i>	<i>1.2</i>	<i>-4.3</i>	<i>9.4</i>	<i>7.0</i>
<i>Technical Documentation Solutions</i>	<i>11.6</i>	<i>5.1</i>	<i>5.8</i>	<i>11.8</i>	<i>8.7</i>	<i>2.6</i>	<i>-2.0</i>	<i>-3.9</i>	<i>-3.7</i>	<i>-1.7</i>	<i>6.1</i>	<i>5.0</i>
Total	11.0	3.5	16.8	14.0	11.1	9.0	-2.1	-9.4	-4.4	-1.7	7.1	4.9
EBIT, EURm												
Engineering Solutions	3.7	3.8	3.4	3.6	14.5	3.9	3.7	2.1	2.9	12.6	14.1	15.3
Software and Embedded Solutions	1.7	1.6	1.6	1.4	6.3	1.5	1.7	1.2	1.6	6.0	6.9	7.9
Technical Documentation Solutions	1.2	1.0	0.8	0.9	4.0	1.3	1.0	0.7	1.0	4.0	4.4	4.7
Other	-0.9	-0.7	-0.1	-0.3	-1.9	-1.1	-1.1	-1.1	-1.1	-4.3	-3.6	-3.3
Total	5.8	5.8	5.7	5.6	22.8	5.7	5.4	2.9	4.4	18.4	21.8	24.6
EBIT margin, %												
<i>Engineering Solutions</i>	<i>10.3</i>	<i>10.9</i>	<i>9.6</i>	<i>8.7</i>	<i>9.8</i>	<i>9.5</i>	<i>10.3</i>	<i>6.8</i>	<i>7.7</i>	<i>8.7</i>	<i>9.1</i>	<i>9.5</i>
<i>Software and Embedded Solutions</i>	<i>9.8</i>	<i>9.3</i>	<i>10.1</i>	<i>8.0</i>	<i>9.3</i>	<i>9.0</i>	<i>11.1</i>	<i>8.3</i>	<i>8.9</i>	<i>9.3</i>	<i>9.8</i>	<i>10.4</i>
<i>Technical Documentation Solutions</i>	<i>9.9</i>	<i>8.8</i>	<i>7.8</i>	<i>6.8</i>	<i>8.3</i>	<i>10.1</i>	<i>8.9</i>	<i>6.8</i>	<i>7.9</i>	<i>8.5</i>	<i>8.8</i>	<i>9.0</i>
<i>Other</i>			<i>-60,000.0</i>			<i>-666.5</i>	<i>-840.6</i>	<i>-717.3</i>	<i>-717.3</i>	<i>-729.9</i>	<i>-611.3</i>	<i>-560.6</i>
Total	8.8	9.0	9.3	7.8	8.7	7.9	8.5	5.3	6.5	7.1	7.9	8.5

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	141.2	183.9	214.6	236.4	262.7	258.3	276.5	290.2
<i>Sales growth (%)</i>	<i>7.0</i>	<i>30.3</i>	<i>16.7</i>	<i>10.1</i>	<i>11.1</i>	<i>-1.7</i>	<i>7.1</i>	<i>4.9</i>
EBITDA	11.7	15.0	20.8	26.0	37.5	35.9	39.1	43.1
<i>EBITDA margin (%)</i>	<i>8.3</i>	<i>8.1</i>	<i>9.7</i>	<i>11.0</i>	<i>14.3</i>	<i>13.9</i>	<i>14.1</i>	<i>14.8</i>
Depreciation	-3.1	-4.8	-5.3	-5.8	-14.7	-17.6	-17.3	-18.5
EBITA	8.6	10.1	15.5	20.2	22.8	18.4	21.8	24.6
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	8.6	10.1	15.5	20.2	22.8	18.4	21.8	24.6
<i>EBIT margin (%)</i>	<i>6.1</i>	<i>5.5</i>	<i>7.2</i>	<i>8.5</i>	<i>8.7</i>	<i>7.1</i>	<i>7.9</i>	<i>8.5</i>
Reported EBIT	8.6	10.1	15.5	20.2	22.8	18.4	21.8	24.6
<i>EBIT margin (reported) (%)</i>	<i>6.1</i>	<i>5.5</i>	<i>7.2</i>	<i>8.5</i>	<i>8.7</i>	<i>7.1</i>	<i>7.9</i>	<i>8.5</i>
Net financials	-0.7	-0.7	-0.7	-0.8	-0.9	-1.1	-1.0	-0.9
Pre-tax profit	7.9	9.4	14.7	19.4	21.9	17.3	20.8	23.7
Taxes	-1.7	-1.8	-3.2	-4.1	-4.5	-3.8	-4.6	-5.2
Minority shares	-0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	6.1	7.4	11.6	15.3	17.4	13.5	16.2	18.5
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET, EURm								
Assets								
Fixed assets	12	22	22	26	30	30	32	33
Goodwill	43	58	59	65	79	79	79	79
Right of use assets	0	0	0	12	15	14	15	16
Inventory	0	0	0	0	0	0	0	0
Receivables	28	49	53	53	62	59	64	67
Liquid funds	9	5	10	16	16	23	25	26
Total assets	93	134	144	173	203	207	216	222
Liabilities								
Shareholder's equity	35	53	58	68	77	81	91	101
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	12	16	14	15	16
Deferred taxes	2	3	3	5	6	6	6	6
Interest bearing debt	23	34	35	36	41	42	36	28
Non-interest bearing current liabilities	32	43	46	48	61	60	64	67
Other interest-free debt	1	2	2	4	2	2	2	2
Total liabilities	93	134	144	173	203	207	216	222
CASH FLOW, EURm								
+ EBITDA	12	15	21	26	38	36	39	43
- Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
- Taxes	-1	-3	-2	-4	-4	-4	-5	-5
- Increase in Net Working Capital	-1	-1	1	2	4	1	0	0
+/- Other	0	-5	0	-1	-4	0	0	0
= Cash flow from operations	9	6	18	23	33	33	34	37
- Capex	-2	-2	-2	-2	-13	-12	-13	-14
- Acquisitions	-2	-22	-3	-8	-21	-4	-7	-7
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	6	-18	13	13	-1	16	13	16
+/- New issues/buybacks	3	14	-2	0	-1	0	0	0
- Paid dividend	-3	-3	-4	-6	-7	-9	-7	-8
+/- Other	1	4	-1	-1	9	0	-5	-7
Change in cash	6	-4	5	6	0	7	2	1

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	138	193	198	253	256	256	256
Net debt (excl. convertibles)	29	25	32	40	33	27	19
Enterprise value	168	218	231	294	289	283	274
Sales	184	215	236	263	258	276	290
EBITDA	15	21	26	38	36	39	43
EBIT	10	15	20	23	18	22	25
Pre-tax	9	15	19	22	17	21	24
Earnings	7	12	15	17	13	16	18
Equity book value (excl. minorities)	53	58	68	77	81	91	101
Valuation multiples							
EV/sales	0.9	1.0	1.0	1.1	1.1	1.0	0.9
EV/EBITDA	11.2	10.5	8.9	7.8	8.0	7.2	6.4
EV/EBITA	16.6	14.1	11.4	12.9	15.7	12.9	11.2
EV/EBIT	16.6	14.1	11.4	12.9	15.7	12.9	11.2
EV/OCF	29.7	11.9	10.0	8.9	8.9	8.4	7.4
EV/FCFF	-46.0	18.2	16.9	27.3	10.3	10.8	9.3
P/FCFE	-7.5	14.8	15.2	-247.0	15.9	19.5	15.8
P/E	18.6	16.6	13.0	15.6	19.0	15.8	13.8
P/B	2.6	3.3	2.9	3.3	3.1	2.8	2.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.4	6.6	5.8
Target EV/EBIT	0.0	0.0	0.0	0.0	14.4	11.9	10.2
Target EV/FCF	0.0	0.0	0.0	0.0	16.5	19.7	15.5
Target P/B	0.0	0.0	0.0	0.0	2.8	2.6	2.3
Target P/E	0.0	0.0	0.0	0.0	17.2	14.3	12.6
Per share measures							
Number of shares	24,771	24,771	24,963	24,963	24,963	24,963	24,963
Number of shares (diluted)	24,771	24,771	24,963	24,963	24,963	24,963	24,963
EPS	0.30	0.47	0.61	0.70	0.54	0.65	0.74
Operating cash flow per share	0.23	0.74	0.92	1.32	1.30	1.34	1.48
Free cash flow per share	-0.75	0.53	0.52	-0.04	0.64	0.53	0.65
Book value per share	2.12	2.34	2.71	3.07	3.26	3.64	4.06
Dividend per share	0.16	0.23	0.30	0.35	0.27	0.32	0.37
Dividend payout ratio, %	53.3	49.2	49.0	50.2	50.0	50.0	50.0
Dividend yield, %	2.9	3.0	3.8	3.4	2.6	3.2	3.6
FCF yield, %	-13.4	6.8	6.6	-0.4	6.3	5.1	6.3
Efficiency measures							
ROE	17.1	21.0	24.4	24.1	17.0	18.8	19.2
ROCE	14.0	17.2	19.3	18.3	13.6	15.6	17.1
Financial ratios							
Inventories as % of sales	0.1	0.1	0.2	0.1	0.1	0.1	0.1
Receivables as % of sales	26.7	24.5	22.4	23.6	23.0	23.0	23.0
Non-interest bearing liabilities as % of sales	23.1	21.3	20.5	23.2	23.2	23.2	23.2
NWC/sales, %	3.2	2.5	1.3	-0.5	-1.0	-1.0	-0.9
Operative CAPEX/sales, %	1.0	1.0	0.7	4.9	4.8	4.8	4.8
CAPEX/sales (incl. acquisitions), %	-11.1	-0.5	-2.8	-3.1	3.3	2.3	2.3
FCFF/EBITDA	-0.2	0.6	0.5	0.3	0.8	0.7	0.7
Net debt/EBITDA, book-weighted	2.0	1.2	1.3	1.1	0.9	0.7	0.4
Debt/equity, market-weighted	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Equity ratio, book-weighted	39.2	40.1	39.1	37.8	39.4	42.2	45.6
Gearing, %	55.7	43.0	48.1	52.6	40.5	29.3	18.3

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: Etteplan is in our view set to continue on a track of profitable growth. The comprehensive service offering and good market positioning provides organic growth opportunities while the company's M&A track record will see growth further boosted through acquisitions. Etteplan has achieved a solid level of relative profitability and further improvement appears challenging, although optimization of resources through an increase in Managed services could further boost margins.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ingman Group Oy Ab	16,500,000	169.125	66.1%
Oy Fincorp Ab	2,507,571	25.703	10.0%
Varma Mutual Pension Insurance Company	985,593	10.102	3.9%
SEB Gyllenberg Finland Small Cap Fund	433,895	4.447	1.7%
Tuori Klaus	402,134	4.122	1.6%
VAS Invest Oy	368,955	3.782	1.5%
Taaleri Mikro Markka fund	339,048	3.475	1.4%
Tuori Aino	308,275	3.160	1.2%
Näkki Juha	125,848	1.290	0.5%
Etteplan Oyj	79,046	0.810	0.3%
Ten largest	22,050,365	226.016	88%
Residual	2,912,943	29.858	12%
Total	24,963,308	255.874	100%

EARNINGS CALENDAR	
October 29, 2020	Q3 report
February 11, 2021	FY 2020 Results
May 05, 2021	Q1 report
August 11, 2021	Q2 report
OTHER EVENTS	
April 08, 2021	AGM

COMPANY MISCELLANEOUS	
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CFO: Per-Anders Gådin	Tel: +358 1,0 3,070
IR: Outi Torniainen	

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	DPS	Dividend for the financial period per share
Market cap	Price per share * Number of shares	OCF (Operating cash flow)	EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow)	Operating cash flow – operative CAPEX – acquisitions + divestments
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, %	$\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX/sales	$\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital	Current assets – current liabilities
Net debt	Interest bearing debt – financial assets	Capital employed/Share	$\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets	Balance sheet total	Gearing	$\frac{\text{Net debt}}{\text{Equity}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

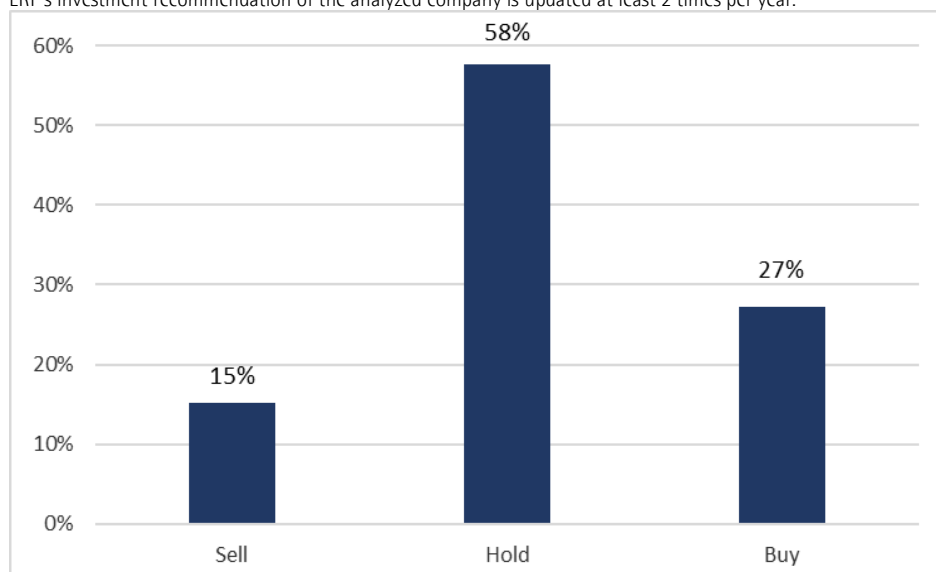
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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