


Good results given the circumstances

Etteplan's net sales in Q3 amounted to EUR 55.2m, in line with our estimates and consensus (EUR 55.6m/55.3m Evli/cons.). EBIT amounted to EUR 4.3m, above our and consensus estimates (EUR 2.9m/3.1m Evli/cons.). Guidance updated: revenue in 2020 is expected to decrease slightly or be at the same level as in 2019 and EBIT to decrease clearly compared to 2019.

- Net sales in Q3 were EUR 55.2m (EUR 61.5m in Q3/19), in line with our and consensus estimates (EUR 55.6m/55.3m Evli/Cons.). Revenue declined 10.3% y/y in Q3, organic decrease 13.3%.
- EBIT in Q3 amounted to EUR 4.3m (EUR 5.7m in Q3/19), above our and consensus estimates (EUR 2.9m/3.1m Evli/cons.), at a margin of 7.7%.
- EPS in Q3 amounted to EUR 0.13 (EUR 0.19 in Q3/19), above our and consensus estimates (EUR 0.08/0.10 Evli/cons.).
- Engineering Solutions net sales in Q3 were EUR 31.0m vs. EUR 30.7m Evli. EBITA in Q3 amounted to EUR 2.8m vs. EUR 2.1m Evli. The MSI-% in Q3 was 58% compared to 59% in Q3/19.
- Software and Embedded Solutions net sales in Q3 were EUR 13.8m vs. EUR 14.5m Evli. EBITA in Q3 amounted to EUR 1.4m vs. EUR 1.2m Evli. The MSI-% in Q3 was 52% compared to 55% in Q3/19.
- Technical Documentation Solutions net sales in Q3 were EUR 10.2m vs. EUR 10.3m Evli. EBITA in Q3 amounted to EUR 1.0m vs. EUR 0.7m Evli. The MSI-% in Q3 was 80% compared to 78% in Q3/19.
- Guidance updated: Revenue for the full year 2020 will decrease slightly or be at the same level as in the previous year, operating profit (EBIT) will decrease clearly compared to 2019.

Rating

 HOLD

Q3/20	Actual	Evli	Consensus	Q3/19
Net sales	55.2	55.6	55.3	61.4
EBITA	5.2	3.9	-	6.6
EBIT	4.3	2.9	3.1	5.7
EPS	0.13	0.08	0.10	0.19

Deviation	Actual	Evli	Consensus	Q3/19
Net sales		-1%	0%	-10%
EBITA		35%	-	-21%
EBIT		47%	39%	-25%
EPS		56%	30%	-31%

Consensus by Bloomberg

 Share price, EUR (Last trading day's closing price) **10.10**

 Target price, EUR **9.3**

 Latest change in recommendation **07-Aug-19**

 Latest report on company **27-Oct-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 **252**

 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

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
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	18.7	1.1	15.5	6.4	0.27
2021E	276.5	21.8	7.9%	13.1	0.65	15.5	1.0	12.8	5.2	0.32
2022E	290.2	24.6	8.5%	16.2	0.74	13.6	0.9	11.0	6.4	0.37
Market cap, EURm		252	BV per share 2020E, EUR		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		285	Dividend yield 2020E, %		2.7	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.

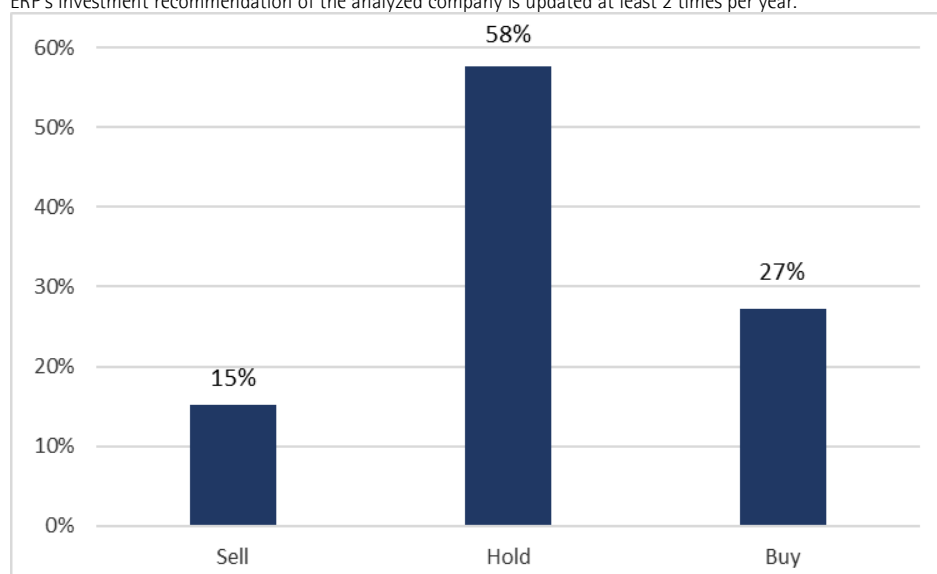
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Investment recommendations are defined as follows:

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

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

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