

Shroud of uncertainty

Etteplan posted better than expected profitability figures in the challenging circumstances. The uncertainty due to the second wave of the pandemic is causing an increasing lack of visibility. The outlook at least for the first half of 2021 does not appear favourable but we continue to expect growth aided by the recent acquisition.

Earnings beat in challenging quarter

Etteplan posted good profitability figures in the seasonally slower quarter and challenging environment. EBIT amounted to EUR 4.3m, beating expectations (EUR 2.9m/3.1m Evli/cons.). Revenue declined 10.3% y/y (organic decrease 13.3%) to EUR 55.2m (EUR 55.6m/55.3m Evli/cons.). Etteplan also updated its guidance, expecting revenue for the year 2020 to decrease slightly or be at the same level as in the previous year and operating profit (EBIT) to decrease clearly compared to 2019. Demand uncertainty continued and the second wave brought further uncertainty especially after the summer holidays.

Uncertainty on the rise with the second wave

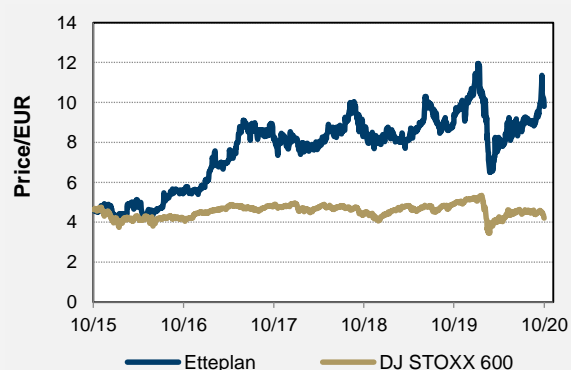
The increased uncertainty brought by the second wave reduces the already low visibility going into 2021. Etteplan has so far fared well given the circumstances, having adopted substantial cost savings measures. Compared with Q2, lockdowns and restrictions are not affecting customer industries to the same extent, but customers are still cautious in making investment decisions. We assume the demand uncertainty to continue to impact on activity at least during the first half of the year. We still expect recovery compared with 2020 and supported by the Tegeman acquisition expect a 6.5% growth in 2021. We expect margins to remain at 2020e levels.

HOLD with a target price of EUR 9.3

Peers' multiples have been under pressure with the second wave uncertainty and governments seeking to increase restrictions and the fwd. 12m median EV/EBITDA for the selected peer group has dropped by some 9% in the past few days to 8.3x, while Etteplan trades at 7.6x. With the uncertainty possibly still on the rise we retain our HOLD-rating and target price of EUR 9.3.

Rating

HOLD



Share price, EUR (Last trading day's closing price) 9.80

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 245

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-21

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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	256.0	20.0	7.8%	-1.5	0.59	16.6	1.2	14.8	-0.6	0.29
2021E	272.6	21.5	7.9%	10.8	0.63	15.5	1.1	13.6	4.4	0.32
2022E	287.5	23.8	8.3%	13.4	0.71	13.9	1.0	12.1	5.5	0.35
Market cap, EURm			245	Gearing 2020E, %		61.9	CAGR EPS 2019-22, %		2.6	
Net debt 2020E, EURm			51	Price/book 2020E		3.0	CAGR sales 2019-22, %		3.1	
Enterprise value, EURm			296	Dividend yield 2020E, %		3.0	ROE 2020E, %		18.5	
Total assets 2020E, EURm			204	Tax rate 2020E, %		22.4	ROCE 2020E, %		14.1	
Goodwill 2020E, EURm			82	Equity ratio 2020E, %		40.4	PEG, P/E 20/CAGR		2.0	

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/'20	Q4/'20E	2020E	2021E	2022E
Net sales	236.4	65.4	64.2	61.5	71.6	262.7	71.3	62.9	55.2	66.6	256.0	272.6	287.5
sales growth %	10.1%	11.0%	3.5%	17.1%	14.0%	11.1%	9.0%	-2.1%	-10.3%	-7.1%	-2.6%	6.5%	5.5%
EBITA	22.6	6.4	6.5	6.6	6.4	25.9	6.6	6.3	5.2	5.7	23.7	25.2	27.5
EBITA margin	9.5%	9.8%	10.1%	10.7%	8.9%	9.9%	9.2%	10.0%	9.5%	8.5%	9.3%	9.2%	9.6%
EBIT	20.8	5.8	5.8	5.7	5.6	22.8	5.7	5.4	4.3	4.7	20.0	21.5	23.8
EBIT margin	8.8%	8.8%	9.0%	9.3%	7.8%	8.7%	7.9%	8.5%	7.8%	7.1%	7.8%	7.9%	8.3%
EBIT (excl. NRIs)	20.5	6.0	5.8	4.9	5.1	21.7	5.8	5.7	4.3	4.7	20.5	21.5	23.8
-margin	8.7%	9.1%	9.0%	8.0%	7.1%	8.3%	8.2%	9.0%	7.8%	7.1%	8.0%	7.9%	8.3%
Engineering Solutions	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Net sales	132.1	35.6	35.3	35.3	40.8	147.0	41.3	35.9	31.0	38.0	146.3	155.0	162.8
sales growth %	9.3%	5.8%	0.8%	22.5%	18.1%	11.3%	16.1%	1.9%	-12.1%	-7.0%	-0.5%	6.0%	5.0%
EBITA	13.0	3.7	3.8	3.4	3.6	14.5	3.9	3.7	2.8	3.2	13.6	14.3	15.5
EBITA margin	9.8%	10.3%	10.9%	9.6%	8.7%	9.8%	9.5%	10.3%	9.0%	8.4%	9.3%	9.2%	9.5%
Software and Embedded Solutions	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Net sales	60.0	17.3	17.1	15.4	17.7	67.5	17.0	15.2	13.8	16.2	62.2	66.8	71.5
sales growth %	15.5%	22.8%	8.5%	12.9%	6.9%	12.4%	-2.0%	-10.9%	-10.2%	-8.4%	-7.8%	7.4%	7.0%
EBITA	5.8	1.7	1.6	1.6	1.4	6.3	1.5	1.7	1.4	1.6	6.3	6.8	7.7
EBITA margin	9.7%	9.8%	9.3%	10.1%	8.0%	9.3%	9.0%	11.1%	10.4%	9.9%	10.1%	10.2%	10.8%
Technical Documentation Solutions	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Net sales	44.3	12.5	11.8	10.7	13.1	48.2	12.8	11.6	10.2	12.2	46.9	50.2	52.7
sales growth %	6.0%	11.6%	5.1%	5.8%	11.8%	8.8%	2.6%	-2.0%	-4.5%	-6.7%	-2.8%	7.1%	5.0%
EBITA	3.7	1.2	1.0	0.8	0.9	4.1	1.3	1.0	1.0	1.0	4.3	4.5	4.7
EBITA margin	8.3%	9.9%	8.8%	7.8%	6.8%	8.5%	10.1%	8.9%	9.3%	8.2%	9.1%	9.0%	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	4974	20.1x	18.7x	17.2x	29.3x	26.5x	23.6x	35.1x	31.0x	27.7x
AF Poyry	2157	12.6x	11.3x	10.4x	18.9x	16.3x	14.6x	19.8x	16.5x	14.7x
Semcon	107	5.2x	4.7x	4.4x	9.0x	6.0x	5.6x	10.0x	8.8x	8.1x
Alten	2334	12.6x	9.5x	8.1x	17.7x	12.2x	10.0x	28.3x	17.3x	14.1x
Bertrandt	291	5.4x	4.0x		15.1x	7.7x		19.9x	8.7x	
AKKA Technologies	350								10.4x	5.7x
HiQ International	386	15.3x	14.3x	13.4x	19.0x	17.3x	16.2x	26.3x	24.2x	22.4x
TietoEVRY	2565	7.6x	6.6x	6.3x	10.1x	9.0x	8.5x	10.1x	9.7x	9.0x
Multiconsult	232	7.1x	6.5x	6.6x	12.5x	10.9x	11.4x	15.7x	13.5x	14.0x
Peer Group Average	1364	10.7x	9.4x	9.5x	16.4x	13.2x	12.8x	20.6x	15.6x	14.5x
Peer Group Median	368	10.1x	8.0x	8.1x	16.4x	11.5x	11.4x	19.8x	13.5x	14.1x
Etteplan (Evli est.)	245	7.7x	7.3x	6.7x	14.8x	13.6x	12.1x	16.6x	15.5x	13.9x

Etteplan prem./disc. to peer median

-23% -9% -17% -10% 18% 6% -16% 15% -1%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	9.80 PV of Free Cash Flow	215 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	18.43 PV of Horizon value	295 WACC, %	8.3 Market risk premium, %
Share price potential, %	88.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	20.2 Marketable securities	16 Minimum WACC, %	7.8 Equity beta coefficient
Minimum value	16.9 Debt - dividend	-65 Maximum WACC, %	8.8 Target debt ratio, %
Horizon value, %	57.9 Value of stock	460 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	256	273	288	295	302	310	317	325	333	340	347
<i>Sales growth, %</i>	<i>11.1</i>	<i>-2.6</i>	<i>6.5</i>	<i>5.5</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>2.0</i>	<i>2.0</i>
Operating income (EBIT)	23	20	21	24	25	26	26	27	28	28	29	29
<i>Operating income margin, %</i>	<i>8.7</i>	<i>7.8</i>	<i>7.9</i>	<i>8.3</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	18	19	20	20	19	19	19	19	19	
EBITDA	38	38	40	43	45	45	46	46	47	48	48	
- Paid taxes	-4	-4	-5	-5	-6	-6	-6	-6	-6	-6	-6	
- Change in NWC	4	-14	-1	-1	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>-0.5</i>	<i>5.2</i>	<i>5.2</i>	<i>5.3</i>	<i>5.3</i>	<i>5.3</i>	<i>5.3</i>	<i>5.4</i>	<i>5.4</i>	<i>5.4</i>	<i>5.4</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-2	-2	-3	-2	-3	-3	-3	-3	-3	-4	-4	
<i>opCAPEX / Sales, %</i>	<i>4.9</i>	<i>5.5</i>	<i>5.7</i>	<i>5.4</i>	<i>5.6</i>	<i>5.6</i>	<i>5.6</i>	<i>5.6</i>	<i>5.6</i>	<i>5.6</i>	<i>5.6</i>	
- Acquisitions	-21	-6	-7	-7	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	-4	0	0	0	0	0	0	0	0	0	0	
= FCFF	11	11	24	27	36	36	36	36	37	37	38	612
= Discounted FCFF		11	22	23	28	26	24	22	21	19	18	295
= DFCF min WACC		11	22	23	29	26	24	23	21	20	19	334
= DFCF max WACC		11	22	23	28	25	23	22	20	19	17	262

INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2	2020Q3	2020Q4E	2020E	2021E	2022E
Net sales	65.4	64.2	61.4	71.6	262.7	71.3	62.9	55.2	66.6	256.0	272.6	287.5
EBITDA	8.9	9.1	9.5	9.9	37.5	9.7	9.9	9.1	9.5	38.2	39.9	42.9
<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>16.5</i>	<i>14.3</i>	<i>14.9</i>	<i>14.6</i>	<i>14.9</i>
EBIT	5.8	5.8	5.7	5.6	22.8	5.7	5.4	4.3	4.7	20.0	21.5	23.8
<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>7.8</i>	<i>7.1</i>	<i>7.8</i>	<i>7.9</i>	<i>8.3</i>
Net financial items	-0.2	-0.1	-0.2	-0.4	-0.9	-0.1	-0.3	-0.3	-0.3	-1.1	-1.2	-1.1
Pre-tax profit	5.6	5.7	5.5	5.1	21.9	5.5	5.0	4.0	4.4	19.0	20.3	22.7
Tax	-1.3	-1.2	-0.9	-1.2	-4.5	-1.3	-1.1	-0.9	-0.9	-4.2	-4.5	-5.1
<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>23.3</i>	<i>20.7</i>	<i>22.4</i>	<i>22.4</i>	<i>22.4</i>
Net profit	4.3	4.5	4.7	3.9	17.4	4.2	3.9	3.1	3.5	14.7	15.8	17.6
EPS	0.17	0.18	0.19	0.16	0.70	0.17	0.16	0.12	0.14	0.59	0.63	0.71
EPS adjusted (diluted no. of shares)	0.18	0.18	0.16	0.14	0.65	0.17	0.16	0.12	0.14	0.59	0.63	0.71
Dividend per share	0.00	0.00	0.00	0.00	0.35	0.00	0.00	0.00	0.00	0.29	0.32	0.35
SALES, EURm												
Engineering Solutions	35.6	35.3	35.3	40.8	147.0	41.3	35.9	31.0	38.0	146.3	155.0	162.8
Software and Embedded Solutions	17.3	17.1	15.4	17.7	67.5	17.0	15.2	13.8	16.2	62.2	66.8	71.5
Technical Documentation Solutions	12.5	11.8	10.7	13.1	48.1	12.8	11.6	10.2	12.2	46.9	50.2	52.7
Other	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.1	0.2	0.6	0.6	0.6
Total	65.4	64.2	61.4	71.6	262.7	71.3	62.9	55.2	66.6	256.0	272.6	287.5
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>-12.1</i>	<i>-7.0</i>	<i>-0.5</i>	<i>6.0</i>	<i>5.0</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>-10.2</i>	<i>-8.4</i>	<i>-7.8</i>	<i>7.4</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>-4.5</i>	<i>-6.7</i>	<i>-2.7</i>	<i>7.1</i>	<i>5.0</i>
Total	11.0	3.5	16.8	14.0	11.1	9.0	-2.1	-10.1	-7.1	-2.6	6.5	5.5
EBIT, EURm												
Engineering Solutions	3.7	3.8	3.4	3.6	14.5	3.9	3.7	2.8	3.2	13.6	14.3	15.5
Software and Embedded Solutions	1.7	1.6	1.6	1.4	6.3	1.5	1.7	1.4	1.6	6.3	6.8	7.7
Technical Documentation Solutions	1.2	1.0	0.8	0.9	4.0	1.3	1.0	1.0	1.0	4.3	4.5	4.7
Other	-0.9	-0.7	-0.1	-0.3	-1.9	-1.1	-1.1	-0.9	-1.1	-4.1	-4.1	-4.1
Total	5.8	5.8	5.7	5.6	22.8	5.7	5.4	4.3	4.7	20.0	21.5	23.8
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>9.0</i>	<i>8.4</i>	<i>9.3</i>	<i>9.2</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>10.4</i>	<i>9.9</i>	<i>10.1</i>	<i>10.2</i>	<i>10.8</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>9.3</i>	<i>8.2</i>	<i>9.1</i>	<i>9.0</i>	<i>9.0</i>
<i>Other</i>			<i>-60,000.0</i>			<i>-666.5</i>	<i>-840.6</i>	<i>-602.0</i>	<i>-717.3</i>	<i>-700.8</i>	<i>-700.5</i>	<i>-700.5</i>
Total	8.8	9.0	9.3	7.8	8.7	7.9	8.5	7.8	7.1	7.8	7.9	8.3

Commercial Services & Supplies/Finland, October 30, 2020
Company update

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	141.2	183.9	214.6	236.4	262.7	256.0	272.6	287.5
<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>-2.6</i>	<i>6.5</i>	<i>5.5</i>
EBITDA	11.7	15.0	20.8	26.0	37.5	38.2	39.9	42.9
<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>14.9</i>	<i>14.6</i>	<i>14.9</i>
Depreciation	-3.1	-4.8	-5.3	-5.8	-14.7	-18.2	-18.4	-19.1
EBITA	8.6	10.1	15.5	20.2	22.8	20.0	21.5	23.8
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	20.0	21.5	23.8
<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>7.8</i>	<i>7.9</i>	<i>8.3</i>
Reported EBIT	8.6	10.1	15.5	20.2	22.8	20.0	21.5	23.8
<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>7.8</i>	<i>7.9</i>	<i>8.3</i>
Net financials	-0.7	-0.7	-0.7	-0.8	-0.9	-1.1	-1.2	-1.1
Pre-tax profit	7.9	9.4	14.7	19.4	21.9	19.0	20.3	22.7
Taxes	-1.7	-1.8	-3.2	-4.1	-4.5	-4.2	-4.5	-5.1
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	14.7	15.8	17.6
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	29	32	34
Goodwill	43	58	59	65	79	82	82	82
Right of use assets	0	0	0	12	15	15	16	17
Inventory	0	0	0	0	0	0	0	0
Receivables	28	49	53	53	62	59	63	66
Liquid funds	9	5	10	16	16	18	19	20
Total assets	93	134	144	173	203	204	213	221
Liabilities								
Shareholder's equity	35	53	58	68	77	82	91	100
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	15	16	17
Deferred taxes	2	3	3	5	6	6	6	6
Interest bearing debt	23	34	35	36	41	54	50	45
Non-interest bearing current liabilities	32	43	46	48	61	44	46	49
Other interest-free debt	1	2	2	4	2	2	2	2
Total liabilities	93	134	144	173	203	204	213	221
CASH FLOW, EURm								
+ EBITDA	12	15	21	26	38	38	40	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	-14	-1	-1
+/- Other	0	-5	0	-1	-4	0	0	0
= Cash flow from operations	9	6	18	23	33	19	33	36
- Capex	-2	-2	-2	-2	-13	-14	-15	-15
- Acquisitions	-2	-22	-3	-8	-21	-6	-7	-7
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	6	-18	13	13	-1	-2	11	13
+/- 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	13	-2	-4
Change in cash	6	-4	5	6	0	2	1	1

Commercial Services & Supplies/Finland, October 30, 2020
Company update

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	138	193	198	253	245	245	245
Net debt (excl. convertibles)	29	25	32	40	51	48	42
Enterprise value	168	218	231	294	296	292	287
Sales	184	215	236	263	256	273	288
EBITDA	15	21	26	38	38	40	43
EBIT	10	15	20	23	20	21	24
Pre-tax	9	15	19	22	19	20	23
Earnings	7	12	15	17	15	16	18
Equity book value (excl. minorities)	53	58	68	77	82	91	100
Valuation multiples							
EV/sales	0.9	1.0	1.0	1.1	1.2	1.1	1.0
EV/EBITDA	11.2	10.5	8.9	7.8	7.7	7.3	6.7
EV/EBITA	16.6	14.1	11.4	12.9	14.8	13.6	12.1
EV/EBIT	16.6	14.1	11.4	12.9	14.8	13.6	12.1
EV/OCF	29.7	11.9	10.0	8.9	16.0	8.8	8.0
EV/FCFF	-46.0	18.2	16.9	27.3	26.0	12.1	10.5
P/FCFE	-7.5	14.8	15.2	-247.0	-161.0	22.7	18.3
P/E	18.6	16.6	13.0	15.6	16.6	15.5	13.9
P/B	2.6	3.3	2.9	3.3	3.0	2.7	2.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.4	7.0	6.4
Target EV/EBIT	0.0	0.0	0.0	0.0	14.1	13.0	11.5
Target EV/FCF	0.0	0.0	0.0	0.0	-186.3	26.0	20.5
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	15.8	14.7	13.2
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	0.59	0.63	0.71
Operating cash flow per share	0.23	0.74	0.92	1.32	0.74	1.33	1.43
Free cash flow per share	-0.75	0.53	0.52	-0.04	-0.06	0.43	0.54
Book value per share	2.12	2.34	2.71	3.07	3.30	3.64	4.03
Dividend per share	0.16	0.23	0.30	0.35	0.29	0.32	0.35
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	3.0	3.2	3.6
FCF yield, %	-13.4	6.8	6.6	-0.4	-0.6	4.4	5.5
Efficiency measures							
ROE	17.1	21.0	24.4	24.1	18.5	18.2	18.4
ROCE	14.0	17.2	19.3	18.3	14.1	13.9	14.9
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	17.0	17.0	17.0
NWC/sales, %	3.2	2.5	1.3	-0.5	5.2	5.2	5.3
Operative CAPEX/sales, %	1.0	1.0	0.7	4.9	5.5	5.7	5.4
CAPEX/sales (incl. acquisitions), %	-11.1	-0.5	-2.8	-3.1	3.1	3.1	2.9
FCFF/EBITDA	-0.2	0.6	0.5	0.3	0.3	0.6	0.6
Net debt/EBITDA, book-weighted	2.0	1.2	1.3	1.1	1.3	1.2	1.0
Debt/equity, market-weighted	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Equity ratio, book-weighted	39.2	40.1	39.1	37.8	40.4	42.7	45.6
Gearing, %	55.7	43.0	48.1	52.6	61.9	52.4	41.9

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	161.700	66.1%
Oy Fincorp Ab	2,507,571	24.574	10.0%
Varma Mutual Pension Insurance Company	985,593	9.659	3.9%
SEB Gyllenberg Finland Small Cap Fund	433,895	4.252	1.7%
Tuori Klaus	402,134	3.941	1.6%
VAS Invest Oy	368,955	3.616	1.5%
Taaleri Mikro Markka fund	339,048	3.323	1.4%
Tuori Aino	308,275	3.021	1.2%
Näkki Juha	125,848	1.233	0.5%
Etteplan Oyj	79,046	0.775	0.3%
Ten largest	22,050,365	216.094	88%
Residual	2,912,943	28.547	12%
Total	24,963,308	244.640	100%

EARNINGS CALENDAR

February 11, 2021	FY 2020 Results
May 05, 2021	Q1 report
August 11, 2021	Q2 report

OTHER EVENTS

April 08, 2021	AGM
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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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

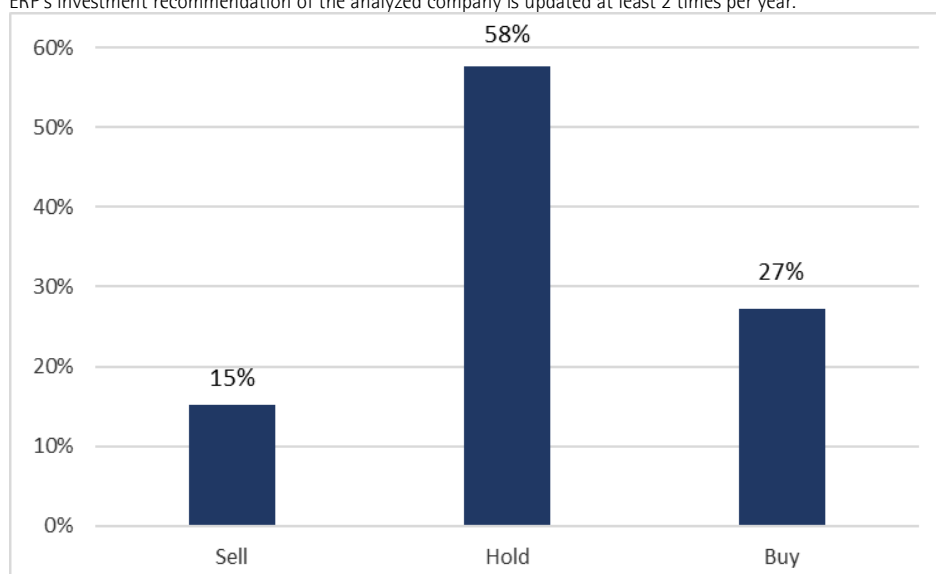
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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