

Eyeing growth pick-up in 2021

We expect Etteplan to report solid Q4 figures and propose a dividend distribution of EUR 0.33 per share. With the acquisition of TekPartner we now expect double-digit growth in 2021. With valuation now at levels that we find hard to justify, we lower our rating to SELL (HOLD) with a target price of EUR 13.6 (12.4).

Solid fourth quarter expected

Etteplan reports Q4 results on February 11th. We expect Etteplan to report solid figures, with the guidance update given in December implying better figures than in the comparison period. Our Q4 net sales and EBIT estimates are at EUR 71.8m and 6.5m respectively. The fourth quarter development is seen to have been aided by a pick-up in customer investment activity following positive news on Coronavirus vaccine rollout. We expect Etteplan to propose a dividend distribution of EUR 0.33 per share.

Expecting return to double-digit growth

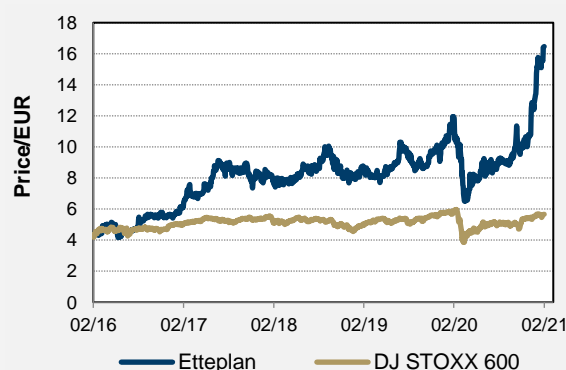
We have made adjustments to our estimates after the acquisition of TekPartner and expansion to Denmark. TekPartner's revenue in 2019 amounted to approx. EUR 8m. We now expect growth of 11.2% in 2021. Growth is supported by the Tegeman and TekPartner acquisitions. The 2021 guidance will be of key interest. We would expect to see a guidance reflecting clear growth in revenue and possibly also EBIT, although with the uncertainties a more careful approach may be taken this early on in 2021. We have assumed relatively flat margin development in 2021, expecting the strict cost savings measures in 2020 to be phased out during the year and growth and internal project investments to pick up.

SELL (HOLD) with a target price of EUR 13.6 (12.4)

Etteplan's share price has picked up clearly, now trading quite clearly above peers. Although we could find justification for valuation above that of peers, we have a hard time justifying current absolute valuation levels given the still present uncertainty. We adjust our target price to EUR 13.6 (12.4) on our revised estimates but downgrade our rating to SELL (HOLD).

Rating

SELL



Share price, EUR (Last trading day's closing price)	16.45
Target price, EUR	13.6

Latest change in recommendation	09-Feb-21
Latest report on company	21-Dec-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	411
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
Web site	etteplan.com/investors

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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	261.2	21.8	8.3%	-1.2	0.65	25.5	1.8	21.2	-0.3	0.33
2021E	290.3	24.4	8.4%	10.4	0.72	22.7	1.6	18.8	2.5	0.36
2022E	306.2	26.9	8.8%	15.5	0.80	20.5	1.5	16.9	3.8	0.40
Market cap, EURm			411	Gearing 2020E, %		60.5	CAGR EPS 2019-22, %			7.1
Net debt 2020E, EURm			51	Price/book 2020E		4.9	CAGR sales 2019-22, %			5.3
Enterprise value, EURm			461	Dividend yield 2020E, %		2.0	ROE 2020E, %			20.1
Total assets 2020E, EURm			206	Tax rate 2020E, %		22.2	ROCE 2020E, %			15.2
Goodwill 2020E, EURm			82	Equity ratio 2020E, %		40.6	PEG, P/E 20/CAGR			3.4

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	71.8	261.2	290.3	306.2
sales growth %	10.1%	11.0%	3.5%	17.1%	14.0%	11.1%	9.0%	-2.1%	-10.3%	0.2%	-0.6%	11.2%	5.5%
EBITA	22.6	6.4	6.5	6.6	6.4	25.9	6.6	6.3	5.2	7.4	25.5	28.1	30.6
EBITA margin	9.5%	9.8%	10.1%	10.7%	8.9%	9.9%	9.2%	10.0%	9.5%	10.3%	9.8%	9.7%	10.0%
EBIT	20.8	5.8	5.8	5.7	5.6	22.8	5.7	5.4	4.3	6.5	21.8	24.4	26.9
EBIT margin	8.8%	8.8%	9.0%	9.3%	7.8%	8.7%	7.9%	8.5%	7.8%	9.0%	8.3%	8.4%	8.8%
EBIT (excl. NRIs)	20.5	6.0	5.8	4.9	5.1	21.7	5.8	5.7	4.3	6.5	22.3	24.4	26.9
-margin	8.7%	9.1%	9.0%	8.0%	7.1%	8.3%	8.2%	9.0%	7.8%	9.0%	8.5%	8.4%	8.8%
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	40.1	148.4	165.0	173.3
sales growth %	9.3%	5.8%	0.8%	22.5%	18.1%	11.3%	16.1%	1.9%	-12.1%	-1.8%	0.9%	11.2%	5.0%
EBITA	13.0	3.7	3.8	3.4	3.6	14.5	3.9	3.7	2.8	4.0	14.4	15.7	17.0
EBITA margin	9.8%	10.3%	10.9%	9.6%	8.7%	9.8%	9.5%	10.3%	9.0%	10.0%	9.7%	9.5%	9.8%
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	18.3	64.3	73.2	78.3
sales growth %	15.5%	22.8%	8.5%	12.9%	6.9%	12.4%	-2.0%	-10.9%	-10.2%	3.5%	-4.7%	13.8%	7.0%
EBITA	5.8	1.7	1.6	1.6	1.4	6.3	1.5	1.7	1.4	2.1	6.8	7.7	8.5
EBITA margin	9.7%	9.8%	9.3%	10.1%	8.0%	9.3%	9.0%	11.1%	10.4%	11.5%	10.5%	10.5%	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	13.2	47.9	51.5	54.1
sales growth %	6.0%	11.6%	5.1%	5.8%	11.8%	8.8%	2.6%	-2.0%	-4.5%	0.9%	-0.7%	7.6%	5.0%
EBITA	3.7	1.2	1.0	0.8	0.9	4.1	1.3	1.0	1.0	1.3	4.6	5.0	5.4
EBITA margin	8.3%	9.9%	8.8%	7.8%	6.8%	8.5%	10.1%	8.9%	9.3%	9.8%	9.6%	9.8%	10.0%

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	5142	21.9x	19.5x	18.1x	29.8x	25.8x	23.6x	32.6x	30.9x	28.2x
AF Poyry	2648	15.0x	12.9x	11.8x	22.5x	19.0x	16.7x	23.6x	19.8x	17.4x
Semcon	154	6.9x	7.1x	6.6x	8.2x	9.2x	8.4x	12.8x	13.0x	11.7x
Alten	3092	16.1x	12.3x	10.4x	22.4x	15.8x	13.1x	31.0x	22.5x	18.5x
Bertrandt	550	7.8x	7.5x	6.0x	28.4x	16.4x	11.0x	65.9x	20.4x	12.8x
AKKA Technologies	555	41.7x	9.2x	6.8x		15.7x	9.7x		24.7x	10.9x
TietoEVRY	3344	8.1x	7.8x	7.5x	11.5x	10.9x	10.7x	12.9x	12.0x	11.4x
Multiconsult	376	7.4x	8.1x	7.9x	11.8x	12.4x	12.3x	17.0x	15.1x	14.8x
Peer Group Average	1808	15.6x	10.5x	9.4x	19.2x	15.6x	13.2x	28.0x	19.8x	15.7x
Peer Group Median	555	11.6x	8.6x	7.7x	22.4x	15.7x	11.6x	23.6x	20.1x	13.8x
Etteplan (Evli est.)	411	11.5x	10.6x	9.6x	21.2x	18.8x	16.9x	25.5x	22.7x	20.5x

Etteplan prem./disc. to peer median

0% 23% 25% -5% 20% 45% 8% 13% 49%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	16.45 PV of Free Cash Flow	234 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	19.75 PV of Horizon value	322 WACC, %	8.3 Market risk premium, %
Share price potential, %	20.0 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	21.6 Marketable securities	18 Minimum WACC, %	7.8 Equity beta coefficient
Minimum value	18.1 Debt - dividend	-69 Maximum WACC, %	8.8 Target debt ratio, %
Horizon value, %	57.9 Value of stock	507 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	261	290	306	314	322	330	338	346	355	362	369
<i>Sales growth, %</i>	<i>11.1</i>	<i>-0.6</i>	<i>11.2</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	22	24	27	27	27	28	29	29	30	31	31
<i>Operating income margin, %</i>	<i>8.7</i>	<i>8.3</i>	<i>8.4</i>	<i>8.8</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	19	20	22	21	21	20	20	20	20	
EBITDA	38	40	43	47	48	48	49	49	50	50	51	
- Paid taxes	-4	-5	-5	-6	-6	-6	-6	-6	-7	-7	-7	
- Change in NWC	4	-15	-2	-1	0	0	0	-1	-1	-1	0	
<i>NWC / Sales, %</i>	<i>-0.5</i>	<i>5.2</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>	<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	-1	-3	-3	-3	-3	-3	-3	-4	-4	
<i>opCAPEX / Sales, %</i>	<i>4.9</i>	<i>5.7</i>	<i>5.1</i>	<i>5.5</i>	<i>5.5</i>	<i>5.5</i>	<i>5.5</i>	<i>5.5</i>	<i>5.5</i>	<i>5.5</i>	<i>5.5</i>	
- Acquisitions	-21	-6	-10	-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	12	25	30	39	39	39	39	39	40	40	653
= Discounted FCFF		12	23	26	31	28	26	24	23	21	20	322
= DFCF min WACC		12	23	26	31	29	27	25	23	22	21	364
= DFCF max WACC		12	23	26	30	28	26	24	22	20	19	286

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	71.8	261.2	290.3	306.2
EBITDA	8.9	9.1	9.5	9.9	37.5	9.7	9.9	9.1	11.3	40.0	43.2	47.1
<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>16.5</i>	<i>15.7</i>	<i>15.3</i>	<i>14.9</i>	<i>15.4</i>
EBIT	5.8	5.8	5.7	5.6	22.8	5.7	5.4	4.3	6.5	21.8	24.4	26.9
<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>9.0</i>	<i>8.3</i>	<i>8.4</i>	<i>8.8</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	6.2	20.7	23.2	25.7
Tax	-1.3	-1.2	-0.9	-1.2	-4.5	-1.3	-1.1	-0.9	-1.3	-4.6	-5.2	-5.7
<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>22.2</i>	<i>22.2</i>	<i>22.2</i>
Net profit	4.3	4.5	4.7	3.9	17.4	4.2	3.9	3.1	4.9	16.1	18.1	20.0
EPS	0.17	0.18	0.19	0.16	0.70	0.17	0.16	0.12	0.20	0.65	0.72	0.80
EPS adjusted (diluted no. of shares)	0.18	0.18	0.16	0.14	0.65	0.17	0.16	0.12	0.20	0.65	0.72	0.80
Dividend per share	0.00	0.00	0.00	0.00	0.35	0.00	0.00	0.00	0.00	0.33	0.36	0.40
SALES, EURm												
Engineering Solutions	35.6	35.3	35.3	40.8	147.0	41.3	35.9	31.0	40.1	148.4	165.0	173.3
Software and Embedded Solutions	17.3	17.1	15.4	17.7	67.5	17.0	15.2	13.8	18.3	64.3	73.2	78.3
Technical Documentation Solutions	12.5	11.8	10.7	13.1	48.1	12.8	11.6	10.2	13.2	47.9	51.5	54.1
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	71.8	261.2	290.3	306.2
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>-12.1</i>	<i>-1.8</i>	<i>0.9</i>	<i>11.2</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>3.5</i>	<i>-4.7</i>	<i>13.8</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>0.9</i>	<i>-0.6</i>	<i>7.6</i>	<i>5.0</i>
Total	11.0	3.5	16.8	14.0	11.1	9.0	-2.1	-10.1	0.2	-0.6	11.2	5.5
EBIT, EURm												
Engineering Solutions	3.7	3.8	3.4	3.6	14.5	3.9	3.7	2.8	4.0	14.4	15.7	17.0
Software and Embedded Solutions	1.7	1.6	1.6	1.4	6.3	1.5	1.7	1.4	2.1	6.8	7.7	8.5
Technical Documentation Solutions	1.2	1.0	0.8	0.9	4.0	1.3	1.0	1.0	1.3	4.6	5.0	5.4
Other	-0.9	-0.7	-0.1	-0.3	-1.9	-1.1	-1.1	-0.9	-0.9	-4.0	-4.0	-4.0
Total	5.8	5.8	5.7	5.6	22.8	5.7	5.4	4.3	6.5	21.8	24.4	26.9
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>10.0</i>	<i>9.7</i>	<i>9.5</i>	<i>9.8</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>11.5</i>	<i>10.5</i>	<i>10.5</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>9.8</i>	<i>9.6</i>	<i>9.8</i>	<i>10.0</i>
<i>Other</i>						<i>-666.5</i>	<i>-840.6</i>	<i>-602.0</i>	<i>-617.3</i>	<i>-675.5</i>	<i>-675.1</i>	<i>-675.1</i>
Total	8.8	9.0	9.3	7.8	8.7	7.9	8.5	7.8	9.0	8.3	8.4	8.8

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	141.2	183.9	214.6	236.4	262.7	261.2	290.3	306.2
<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>-0.6</i>	<i>11.2</i>	<i>5.5</i>
EBITDA	11.7	15.0	20.8	26.0	37.5	40.0	43.2	47.1
<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>15.3</i>	<i>14.9</i>	<i>15.4</i>
Depreciation	-3.1	-4.8	-5.3	-5.8	-14.7	-18.2	-18.8	-20.3
EBITA	8.6	10.1	15.5	20.2	22.8	21.8	24.4	26.9
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	21.8	24.4	26.9
<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>8.3</i>	<i>8.4</i>	<i>8.8</i>
Reported EBIT	8.6	10.1	15.5	20.2	22.8	21.8	24.4	26.9
<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>8.3</i>	<i>8.4</i>	<i>8.8</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	20.7	23.2	25.7
Taxes	-1.7	-1.8	-3.2	-4.1	-4.5	-4.6	-5.2	-5.7
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	16.1	18.1	20.0
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	33	36
Goodwill	43	58	59	65	79	82	82	82
Right of use assets	0	0	0	12	15	16	17	18
Inventory	0	0	0	0	0	0	0	0
Receivables	28	49	53	53	62	60	67	70
Liquid funds	9	5	10	16	16	18	20	21
Total assets	93	134	144	173	203	206	221	229
Liabilities								
Shareholder's equity	35	53	58	68	77	84	94	105
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	16	17	18
Deferred taxes	2	3	3	5	6	6	6	6
Interest bearing debt	23	34	35	36	41	53	51	45
Non-interest bearing current liabilities	32	43	46	48	61	44	49	52
Other interest-free debt	1	2	2	4	2	2	2	2
Total liabilities	93	134	144	173	203	206	221	229
CASH FLOW, EURm								
+ EBITDA	12	15	21	26	38	40	43	47
- Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
- Taxes	-1	-3	-2	-4	-4	-5	-5	-6
- Increase in Net Working Capital	-1	-1	1	2	4	-15	-2	-1
+/- Other	0	-5	0	-1	-4	0	0	0
= Cash flow from operations	9	6	18	23	33	20	35	39
- Capex	-2	-2	-2	-2	-13	-15	-15	-17
- Acquisitions	-2	-22	-3	-8	-21	-6	-10	-7
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	6	-18	13	13	-1	-1	10	15
+/- New issues/buybacks	3	14	-2	0	-1	0	0	0
- Paid dividend	-3	-3	-4	-6	-7	-9	-8	-9
+/- Other	1	4	-1	-1	9	13	0	-5
Change in cash	6	-4	5	6	0	2	2	1

Commercial Services & Supplies/Finland, February 9, 2021
Preview

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	138	193	198	253	411	411	411
Net debt (excl. convertibles)	29	25	32	40	51	49	42
Enterprise value	168	218	231	294	461	459	453
Sales	184	215	236	263	261	290	306
EBITDA	15	21	26	38	40	43	47
EBIT	10	15	20	23	22	24	27
Pre-tax	9	15	19	22	21	23	26
Earnings	7	12	15	17	16	18	20
Equity book value (excl. minorities)	53	58	68	77	84	94	105
Valuation multiples							
EV/sales	0.9	1.0	1.0	1.1	1.8	1.6	1.5
EV/EBITDA	11.2	10.5	8.9	7.8	11.5	10.6	9.6
EV/EBITA	16.6	14.1	11.4	12.9	21.2	18.8	16.9
EV/EBIT	16.6	14.1	11.4	12.9	21.2	18.8	16.9
EV/OCF	29.7	11.9	10.0	8.9	23.6	13.1	11.5
EV/FCFF	-46.0	18.2	16.9	27.3	38.5	18.5	14.9
P/FCFE	-7.5	14.8	15.2	-247.0	-333.9	39.6	26.5
P/E	18.6	16.6	13.0	15.6	25.5	22.7	20.5
P/B	2.6	3.3	2.9	3.3	4.9	4.4	3.9
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.8	9.0	8.1
Target EV/EBIT	0.0	0.0	0.0	0.0	17.9	15.9	14.2
Target EV/FCF	0.0	0.0	0.0	0.0	-317.3	37.4	24.7
Target P/B	0.0	0.0	0.0	0.0	4.1	3.6	3.2
Target P/E	0.0	0.0	0.0	0.0	21.1	18.8	17.0
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	0.65	0.72	0.80
Operating cash flow per share	0.23	0.74	0.92	1.32	0.78	1.41	1.57
Free cash flow per share	-0.75	0.53	0.52	-0.04	-0.05	0.42	0.62
Book value per share	2.12	2.34	2.71	3.07	3.36	3.75	4.19
Dividend per share	0.16	0.23	0.30	0.35	0.33	0.36	0.40
Dividend payout ratio, %	53.3	49.2	49.0	50.2	51.1	50.0	50.0
Dividend yield, %	2.9	3.0	3.8	3.4	2.0	2.2	2.4
FCF yield, %	-13.4	6.8	6.6	-0.4	-0.3	2.5	3.8
Efficiency measures							
ROE	17.1	21.0	24.4	24.1	20.1	20.4	20.2
ROCE	14.0	17.2	19.3	18.3	15.2	15.5	16.2
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	5.3	5.3
Operative CAPEX/sales, %	1.0	1.0	0.7	4.9	5.7	5.1	5.5
CAPEX/sales (incl. acquisitions), %	-11.1	-0.5	-2.8	-3.1	3.4	1.6	3.2
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	1.1	0.9
Debt/equity, market-weighted	0.2	0.2	0.2	0.2	0.1	0.1	0.1
Equity ratio, book-weighted	39.2	40.1	39.1	37.8	40.6	42.4	45.6
Gearing, %	55.7	43.0	48.1	52.6	60.5	51.9	40.3

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	271.425	66.1%
Oy Fincorp Ab	2,501,465	41.149	10.0%
Varma Mutual Pension Insurance Company	985,593	16.213	3.9%
SEB Gyllenberg Finland Small Cap Fund	478,000	7.863	1.9%
Tuori Klaus	399,801	6.577	1.6%
Taaleri Mikro Markka fund	339,048	5.577	1.4%
Tuori Aino	308,275	5.071	1.2%
VAS Invest Oy	274,549	4.516	1.1%
OP-Finland Micro Cap	155,000	2.550	0.6%
Näkki Juha	125,848	2.070	0.5%
Ten largest	22,067,579	363.012	88%
Residual	2,895,729	47.635	12%
Total	24,963,308	410.646	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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

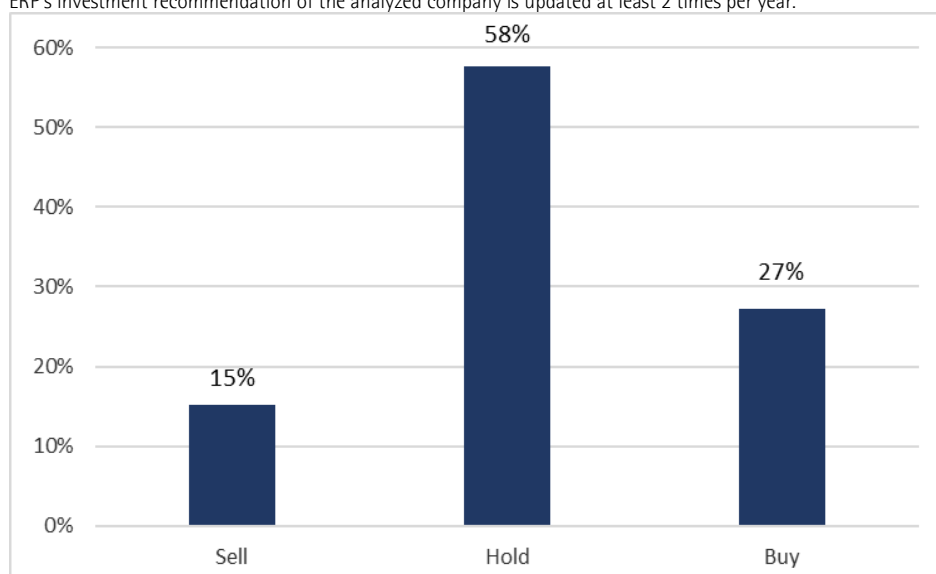
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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