

Slightly below expectations

Etteplan's net sales in Q3 amounted to EUR 66.9m, slightly below our estimates and below consensus (EUR 69.3m/71.0m Evli/cons.). EBIT amounted to EUR 4.6m, below our consensus estimates (EUR 5.2m/5.6m Evli/cons.). Guidance specified: Etteplan expects revenue to amount to EUR 295-310m (prev. EUR 295-315m) and operating profit (EBIT) to amount to EUR 25-28m.

- Net sales in Q3 were EUR 66.9m (EUR 55.2m in Q3/20), slightly below our estimates and below consensus estimates (EUR 69.3m/71.0m Evli/Cons.). Growth in Q3 amounted to 21% y/y, of which 13.8% organic growth.
- Operating profit in Q3 amounted to EUR 4.6m (EUR 4.3m in Q3/20), below our estimates and consensus estimates (EUR 5.2m/5.6m Evli/cons.), at a margin of 6.9%.
- EPS in Q3 amounted to EUR 0.14 (EUR 0.13 in Q3/20), below our estimates and consensus estimates (EUR 0.16/0.17 Evli/cons.).
- Engineering Solutions net sales in Q3 were EUR 36.9m vs. EUR 39.5m Evli. Operating profit in Q3 amounted to EUR 3.0m vs. EUR 3.6m Evli.
- Software and Embedded Solutions net sales in Q3 were EUR 18.1m vs. EUR 17.8m Evli. Operating profit in Q3 amounted to EUR 1.6m vs. EUR 1.8m Evli.
- Technical Documentation Solutions net sales in Q3 were EUR 11.8m vs. EUR 11.8m Evli. Operating profit in Q3 amounted to EUR 1.2m vs. EUR 1.0m Evli.
- **Guidance specified:** Etteplan expects revenue to amount to EUR 295-310m (prev. EUR 295-315m) and operating profit (EBIT) to amount to EUR 25-28m.

 Rating 🟡 HOLD

Q3/21	Actual	Evli	Cons.	Q3/20
Net sales	66.9	69.3	71.0	55.2
EBIT	4.6	5.2	5.6	4.3
EPS	0.14	0.16	0.17	0.13
Deviation	Actual	Evli	Cons.	Q3/20
Net sales		-4 %	-6 %	21 %
EBIT		-12 %	-18 %	7 %
EPS		-12 %	-18 %	8 %

*Consensus by Factset

Share price, EUR (Last trading day's closing price)	18.20
Target price, EUR	17.5
Latest change in recommendation	05-May-21
Latest report on company	26-Oct-21
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	454
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	28-Oct-21
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
2019	262.7	22.8	8.7%	-1.0	0.70	15.6	1.1	12.9	-0.4	0.35
2020	259.7	22.4	8.6%	11.1	0.68	18.9	1.4	16.2	3.4	0.34
2021E	299.7	26.4	8.8%	14.3	0.81	22.4	1.6	18.5	3.1	0.41
2022E	324.2	28.3	8.7%	16.0	0.87	20.8	1.5	17.1	3.5	0.44
2023E	338.5	29.7	8.8%	27.0	0.93	19.6	1.4	15.7	5.9	0.46
Market cap, EURm	454		BV per share 2021E, EUR		35.2		CAGR EPS 2020-23, %		10.6	
Net debt 2021E, EURm	35		Price/book 2021E		4.6		CAGR sales 2020-23, %		9.2	
Enterprise value, EURm	489		Dividend yield 2021E, %		2.2		ROE 2021E, %		21.8	
Total assets 2021E, EURm	237		Tax rate 2021E, %		19.5		ROCE 2021E, %		16.8	
Goodwill 2021E, EURm	84		Equity ratio 2021E, %		41.8		PEG, P/E 21/CAGR		3.4	

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

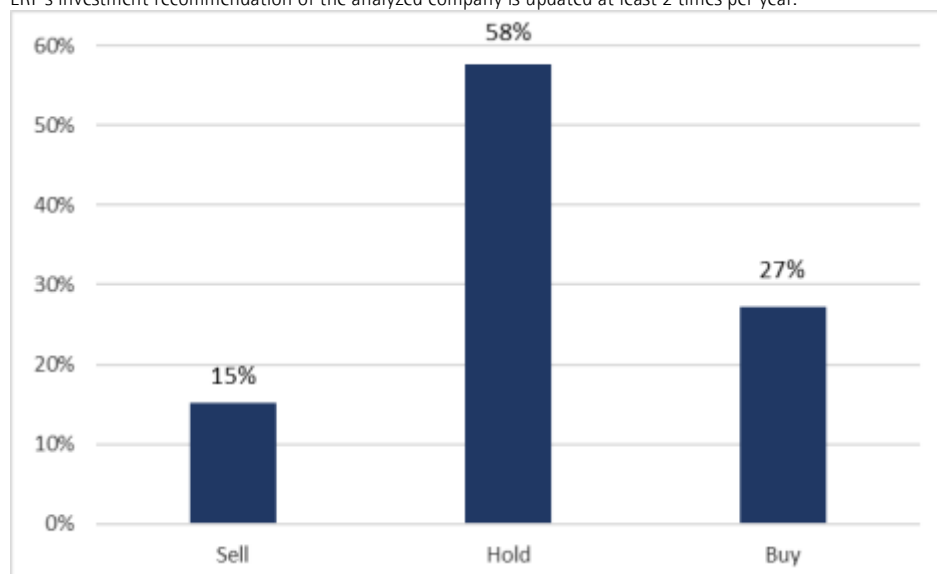
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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Contact information

SALES, TRADING AND RESEARCH

Equity, ETF and Derivatives Sales

Joachim Dannberg +358 9 4766 9123
Ari Laine +358 9 4766 9115
Kimmo Lilja +358 9 4766 9130

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

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
Teemu Reiman +358 40 352 6175

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205



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
E-mail firstname.lastname@evli.com

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