

Investing into future growth

Etteplan's Q3 fell slightly short of our estimates. Investments into growth should bear fruition in 2022 but near-term cost and demand uncertainty is seen.

Added softness to seasonally slower quarter

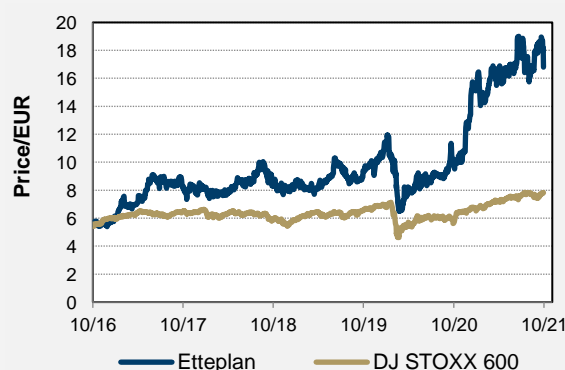
Etteplan reported its Q3 results, which overall were slightly softer than our already somewhat cautious estimates. Revenue grew 21% on the weaker comparison period to EUR 66.9m (EUR 69.3m/71.0m Evli/cons.), of which organic growth some 14%. The operating profit amounted to EUR 4.6m (EUR 5.2m/5.6m Evli/cons.). Compared to our estimates the softness was seen in Engineering Solutions, while Technical Documentation Solutions and Software and Embedded Solutions were quite in line with our estimates. The softness was affected by the vacation season and thereto related slower start of projects and the prevailing global component shortage also start to show. Etteplan also invested into growth, with the company's headcount clearly on the rise.

Some uncertainty but ingredients for good growth

We have made only minor adjustments to our estimates, mainly from the lower than expected Q3 results. Our 2021 revenue and EBIT estimates remain within the lower half of the guidance range (revenue EUR 295-310m and EBIT 25-28m) at EUR 297.7m and 25.9m respectively. We remain somewhat cautious in Q4 our estimates due to some demand uncertainty and expected cost increases in returning to the new normal after the hiatus caused by the pandemic. Industry views on the component shortage issues varies but we expect to see challenges continue into H1/2022. We currently expect Etteplan to grow 8.2% in 2022. Should the component shortage not have a more material impact and acquisitions continue, growth should be poised to remain double-digit.

HOLD with a target price of EUR 17.0 (17.5)

With the slight increase in uncertainty we adjust our target price to EUR 17.0 (17.5), valuing Etteplan at a slight premium to peers. Etteplan is clearly investing more into future growth, which bodes well for 2022 should the market conditions not deter.

Rating
HOLD

 Share price, EUR (Last trading day's closing price) **16.80**

 Target price, EUR **17.0**

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	419
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	10-Feb-22
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
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	297.7	25.9	8.7%	14.2	0.79	21.2	1.5	17.6	3.4	0.40
2022E	322.1	28.0	8.7%	15.7	0.86	19.5	1.4	16.0	3.7	0.43
2023E	336.3	29.4	8.7%	26.7	0.91	18.4	1.3	14.7	6.4	0.46
Market cap, EURm	419			Gearing 2021E, %	35.5			CAGR EPS 2020-23, %	10.1	
Net debt 2021E, EURm	35			Price/book 2021E	4.3			CAGR sales 2020-23, %	9.0	
Enterprise value, EURm	454			Dividend yield 2021E, %	2.4			ROE 2021E, %	21.4	
Total assets 2021E, EURm	236			Tax rate 2021E, %	20.0			ROCE 2021E, %	16.5	
Goodwill 2021E, EURm	84			Equity ratio 2021E, %	41.8			PEG, P/E 21/CAGR	3.0	

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

Etteplan	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21	Q3/'21	Q4/'21E	2021E	2022E	2023E
Net sales	262.7	71.3	62.9	55.2	70.3	259.7	73.0	75.0	66.9	82.9	297.7	322.1	336.3
sales growth %	11.1%	9.0%	-2.1%	-10.3%	-1.8%	-1.2%	2.3%	19.3%	21.1%	17.9%	14.6%	8.2%	4.4%
EBITA	25.9	6.6	6.3	5.2	8.1	26.2	7.7	7.8	5.7	8.9	30.1	32.0	33.4
EBITA margin	9.9%	9.2%	10.0%	9.5%	11.5%	10.1%	10.5%	10.4%	8.5%	10.8%	10.1%	9.9%	9.9%
EBIT	22.8	5.7	5.4	4.3	7.1	22.4	6.6	6.7	4.7	7.9	25.9	28.0	29.4
EBIT margin	8.7%	7.9%	8.5%	7.8%	10.1%	8.6%	9.0%	9.0%	7.0%	9.5%	8.7%	8.7%	8.7%
EBIT (excl. NRIs)	21.7	5.8	5.7	4.3	7.4	23.3	6.6	7.1	4.8	7.9	26.4	28.0	29.4
-margin	8.3%	8.2%	9.0%	7.8%	10.6%	9.0%	9.0%	9.5%	7.2%	9.5%	8.9%	8.7%	8.7%
Engineering Solutions	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21	Q3/'21	Q4/'21E	2021E	2022E	2023E
Net sales	147.0	41.3	35.9	31.0	40.6	148.9	41.4	42.0	36.9	47.6	168.0	180.6	187.8
sales growth %	11.3%	16.1%	1.9%	-12.1%	-0.6%	1.3%	0.2%	17.0%	19.0%	17.3%	12.8%	7.5%	4.0%
EBITA	14.5	3.9	3.7	2.8	4.2	14.7	4.4	4.2	3.0	4.9	16.5	17.7	18.4
EBITA margin	9.8%	9.5%	10.3%	9.0%	10.5%	9.9%	10.6%	9.9%	8.2%	10.2%	9.8%	9.8%	9.8%
Software and Embedded Solutions	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21	Q3/'21	Q4/'21E	2021E	2022E	2023E
Net sales	67.5	17.0	15.2	13.8	17.7	63.7	18.8	19.9	18.1	21.5	78.3	86.5	90.8
sales growth %	12.4%	-2.0%	-10.9%	-10.2%	0.0%	-5.6%	10.9%	30.3%	30.9%	21.6%	22.9%	10.5%	5.0%
EBITA	6.3	1.5	1.7	1.4	2.4	7.1	2.1	2.2	1.6	2.8	8.6	9.5	10.0
EBITA margin	9.3%	9.0%	11.1%	10.4%	13.8%	11.1%	11.1%	10.9%	9.1%	12.8%	11.1%	11.0%	11.0%
Technical Documentation Solutions	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21	Q3/'21	Q4/'21E	2021E	2022E	2023E
Net sales	48.2	12.8	11.6	10.2	11.9	46.5	12.5	13.0	11.8	13.6	50.9	54.4	57.2
sales growth %	8.8%	2.6%	-2.0%	-4.5%	-9.3%	-3.5%	-2.3%	11.8%	15.1%	14.6%	9.4%	7.0%	5.0%
EBITA	4.1	1.3	1.0	1.0	1.3	4.6	1.4	1.6	1.2	1.5	5.7	5.4	5.7
EBITA margin	8.5%	10.1%	8.9%	9.3%	11.0%	9.8%	11.0%	12.5%	10.2%	10.8%	11.2%	10.0%	10.0%

Source: Etteplan, Evli Research estimates

ETTEPLAN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		21	22	23	21	22	23	21	22	23
SWECO	5242	18.2x	16.4x	15.5x	27.9x	24.4x	23.0x	34.9x	30.4x	28.7x
AFRY	2855	18.8x	12.6x	11.9x	20.5x	17.9x	16.6x	21.2x	18.8x	18.0x
Semcon	201	9.0x	8.3x	7.6x	11.1x	9.7x	9.1x	15.6x	13.5x	12.6x
Alten	4847	14.2x	12.6x	11.6x	17.9x	15.6x	14.3x	25.2x	21.6x	19.8x
Bertrandt	552	7.4x	5.7x	5.0x	19.9x	11.2x	9.1x	33.3x	15.4x	12.2x
AKKA Technologies	1459	18.4x	12.7x	11.4x	42.9x	20.1x	16.2x		28.5x	20.5x
TietoEVRY	3190	7.7x	7.6x	7.3x	11.1x	11.0x	10.4x	11.9x	11.1x	10.4x
Multiconsult	514	9.7x	8.8x	8.4x	14.5x	12.9x	12.1x	19.0x	16.8x	15.6x
Peer Group Average	2142	12.9x	10.6x	9.8x	20.7x	15.3x	13.8x	23.0x	19.5x	17.2x
Peer Group Median	1459	12.0x	10.7x	9.9x	18.9x	14.2x	13.2x	21.2x	17.8x	16.8x
Etteplan (Evli est.)	419	10.4x	9.3x	8.4x	17.6x	16.0x	14.7x	21.2x	19.5x	18.4x

Etteplan prem./disc. to peer median

-13 % -13 % -15 % -7 % 13 % 12 % 0 % 10 % 9 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	16.80 PV of Free Cash Flow	284 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	23.81 PV of Horizon value	359 WACC, %	8.3 Market risk premium, %	5.8
Share price potential, %	41.7 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	26.0 Marketable securities	24 Minimum WACC, %	7.8 Equity beta coefficient	0.70
Minimum value	22.0 Debt - dividend	-73 Maximum WACC, %	8.8 Target debt ratio, %	20
Horizon value, %	55.8 Value of stock	594 Nr of shares, Mn	25.0 Effective tax rate, %	20

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	260	298	322	336	345	353	362	371	381	390	398	406
<i>Sales growth, %</i>	-1.1	14.6	8.2	4.4	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0
Operating income (EBIT)	22	26	28	29	31	32	33	33	34	35	36	37
<i>Operating income margin, %</i>	8.6	8.7	8.7	8.7	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
+ Depreciation+amort.	18	18	20	22	22	21	21	21	21	21	21	
EBITDA	40	44	48	51	53	53	53	54	55	56	57	
- Paid taxes	-5	-5	-6	-6	-6	-6	-7	-7	-7	-7	-7	
- Change in NWC	1	0	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	-0.9	-0.8	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.6	-0.6	-0.6	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-2	-2	-2	-3	-3	-3	-3	-4	-4	-4	-4	
<i>opCAPEX / Sales, %</i>	8.1	5.6	5.3	5.4	5.3	5.3	5.3	5.3	5.3	5.3	5.3	
- Acquisitions	-6	-7	-9	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	3	0	0	0	0	0	0	0	0	0	0	
= FCFF	32	29	31	42	43	43	44	44	45	45	46	746
= Discounted FCFF		29	29	36	34	31	29	27	25	24	22	359
= DFCF min WACC		29	29	36	34	32	30	28	26	25	23	407
= DFCF max WACC		29	28	35	33	30	28	26	24	23	21	319

Commercial Services & Supplies/Finland, October 29, 2021
Company update

INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2	2021Q3	2021Q4E	2021E	2022E	2023E
Net sales	71.3	62.9	55.2	70.3	259.7	73.0	75.0	66.9	82.9	297.7	322.1	336.3
EBITDA	9.7	9.9	9.1	11.7	40.4	11.0	11.1	9.2	12.4	43.7	48.1	51.5
<i>EBITDA margin (%)</i>	<i>13.6</i>	<i>15.7</i>	<i>16.5</i>	<i>16.6</i>	<i>15.6</i>	<i>15.1</i>	<i>14.8</i>	<i>13.7</i>	<i>15.0</i>	<i>14.7</i>	<i>14.9</i>	<i>15.3</i>
EBIT	5.7	5.4	4.3	7.1	22.4	6.6	6.7	4.7	7.9	25.9	28.0	29.4
<i>EBIT margin (%)</i>	<i>7.9</i>	<i>8.5</i>	<i>7.8</i>	<i>10.1</i>	<i>8.6</i>	<i>9.0</i>	<i>9.0</i>	<i>7.0</i>	<i>9.5</i>	<i>8.7</i>	<i>8.7</i>	<i>8.7</i>
Net financial items	-0.1	-0.3	-0.3	-0.5	-1.3	-0.1	-0.4	-0.2	-0.3	-1.1	-1.0	-0.9
Pre-tax profit	5.5	5.0	4.0	6.6	21.1	6.5	6.3	4.5	7.5	24.8	26.9	28.6
Tax	-1.3	-1.1	-0.9	-0.7	-4.0	-1.2	-1.4	-1.0	-1.4	-5.0	-5.4	-5.7
<i>Tax rate (%)</i>	<i>23.8</i>	<i>21.6</i>	<i>23.3</i>	<i>10.3</i>	<i>19.0</i>	<i>17.9</i>	<i>22.1</i>	<i>21.9</i>	<i>19.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	4.2	3.9	3.1	5.9	17.1	5.3	4.9	3.5	6.1	19.8	21.6	22.8
EPS	0.17	0.16	0.12	0.24	0.68	0.21	0.20	0.14	0.24	0.79	0.86	0.91
EPS adjusted (diluted no. of shares)	0.17	0.16	0.12	0.24	0.68	0.21	0.20	0.14	0.24	0.79	0.86	0.91
Dividend per share	0.00	0.00	0.00	0.00	0.34	0.00	0.00	0.00	0.00	0.40	0.43	0.46
SALES, EURm												
Engineering Solutions	41.3	35.9	31.0	40.6	148.9	41.4	42.0	36.9	47.6	168.0	180.6	187.8
Software and Embedded Solutions	17.0	15.2	13.8	17.7	63.7	18.8	19.9	18.1	21.5	78.3	86.5	90.8
Technical Documentation Solutions	12.8	11.6	10.2	11.9	46.5	12.5	13.0	11.8	13.6	50.9	54.4	57.2
Other	0.2	0.1	0.1	0.2	0.6	0.2	0.2	0.1	0.2	0.6	0.6	0.6
Total	71.3	62.9	55.2	70.3	259.7	73.0	75.0	66.9	82.9	297.7	322.1	336.3
SALES GROWTH, Y/Y %												
<i>Engineering Solutions</i>	<i>16.1</i>	<i>1.9</i>	<i>-12.1</i>	<i>-0.6</i>	<i>1.3</i>	<i>0.2</i>	<i>17.0</i>	<i>19.0</i>	<i>17.3</i>	<i>12.8</i>	<i>7.5</i>	<i>4.0</i>
<i>Software and Embedded Solutions</i>	<i>-2.0</i>	<i>-10.9</i>	<i>-10.2</i>	<i>0.0</i>	<i>-5.6</i>	<i>10.9</i>	<i>30.3</i>	<i>30.9</i>	<i>21.6</i>	<i>22.9</i>	<i>10.5</i>	<i>5.0</i>
<i>Technical Documentation Solutions</i>	<i>2.6</i>	<i>-2.0</i>	<i>-4.5</i>	<i>-9.3</i>	<i>-3.3</i>	<i>-2.3</i>	<i>11.8</i>	<i>15.1</i>	<i>14.6</i>	<i>9.4</i>	<i>7.0</i>	<i>5.0</i>
<i>Other</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>15.9</i>	<i>43.8</i>	<i>-42.3</i>	<i>-2.0</i>	<i>2.7</i>	<i>0.0</i>	<i>0.0</i>
Total	9.0	-2.1	-10.1	-1.8	-1.1	2.3	19.3	21.1	17.9	14.6	8.2	4.4
EBIT, EURm												
Engineering Solutions	3.9	3.7	2.8	4.2	14.7	4.4	4.2	3.0	4.9	16.5	17.7	18.4
Software and Embedded Solutions	1.5	1.7	1.4	2.4	7.1	2.1	2.2	1.6	2.8	8.6	9.5	10.0
Technical Documentation Solutions	1.3	1.0	1.0	1.3	4.6	1.4	1.6	1.2	1.5	5.7	5.4	5.7
Other	-1.1	-1.1	-0.9	-0.9	-4.0	-1.3	-1.2	-1.2	-1.2	-4.9	-4.7	-4.7
Total	5.7	5.4	4.3	7.1	22.4	6.6	6.7	4.7	7.9	25.9	28.0	29.4
EBIT margin, %												
<i>Engineering Solutions</i>	<i>9.5</i>	<i>10.3</i>	<i>9.0</i>	<i>10.5</i>	<i>9.9</i>	<i>10.6</i>	<i>9.9</i>	<i>8.2</i>	<i>10.2</i>	<i>9.8</i>	<i>9.8</i>	<i>9.8</i>
<i>Software and Embedded Solutions</i>	<i>9.0</i>	<i>11.1</i>	<i>10.4</i>	<i>13.8</i>	<i>11.1</i>	<i>11.1</i>	<i>10.9</i>	<i>9.1</i>	<i>12.8</i>	<i>11.1</i>	<i>11.0</i>	<i>11.0</i>
<i>Technical Documentation Solutions</i>	<i>10.1</i>	<i>8.9</i>	<i>9.3</i>	<i>11.0</i>	<i>9.8</i>	<i>11.0</i>	<i>12.5</i>	<i>10.2</i>	<i>10.8</i>	<i>11.2</i>	<i>10.0</i>	<i>10.0</i>
<i>Other</i>	<i>-666.5</i>	<i>-840.6</i>	<i>-602.0</i>	<i>-585.0</i>	<i>-666.8</i>	<i>-665.3</i>	<i>-676.1</i>	<i>-1,429.1</i>	<i>-800.0</i>	<i>-809.3</i>	<i>-768.5</i>	<i>-768.5</i>
Total	7.9	8.5	7.8	10.1	8.6	9.0	9.0	7.0	9.5	8.7	8.7	8.7

Commercial Services & Supplies/Finland, October 29, 2021
Company update

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	183.9	214.6	236.4	262.7	259.7	297.7	322.1	336.3
<i>Sales growth (%)</i>	<i>30.3</i>	<i>16.7</i>	<i>10.1</i>	<i>11.1</i>	<i>-1.1</i>	<i>14.6</i>	<i>8.2</i>	<i>4.4</i>
EBITDA	15.0	20.8	26.0	37.5	40.4	43.7	48.1	51.5
<i>EBITDA margin (%)</i>	<i>8.1</i>	<i>9.7</i>	<i>11.0</i>	<i>14.3</i>	<i>15.6</i>	<i>14.7</i>	<i>14.9</i>	<i>15.3</i>
Depreciation	-4.8	-5.3	-5.8	-14.7	-18.0	-17.8	-20.1	-22.1
EBITA	10.1	15.5	20.2	22.8	22.4	25.9	28.0	29.4
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	10.1	15.5	20.2	22.8	22.4	25.9	28.0	29.4
<i>EBIT margin (%)</i>	<i>5.5</i>	<i>7.2</i>	<i>8.5</i>	<i>8.7</i>	<i>8.6</i>	<i>8.7</i>	<i>8.7</i>	<i>8.7</i>
Reported EBIT	10.1	15.5	20.2	22.8	22.4	25.9	28.0	29.4
<i>EBIT margin (reported) (%)</i>	<i>5.5</i>	<i>7.2</i>	<i>8.5</i>	<i>8.7</i>	<i>8.6</i>	<i>8.7</i>	<i>8.7</i>	<i>8.7</i>
Net financials	-0.7	-0.7	-0.8	-0.9	-1.3	-1.1	-1.0	-0.9
Pre-tax profit	9.4	14.7	19.4	21.9	21.1	24.8	26.9	28.6
Taxes	-1.8	-3.2	-4.1	-4.5	-4.0	-5.0	-5.4	-5.7
Minority shares	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	7.4	11.6	15.3	17.4	17.1	19.8	21.6	22.8
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	22	22	26	30	29	32	35	30
Goodwill	58	59	65	79	84	84	84	84
Right of use assets	0	0	12	15	23	26	28	29
Inventory	0	0	0	0	0	0	0	0
Receivables	49	53	53	62	57	65	70	73
Liquid funds	5	10	16	16	24	28	30	32
Total assets	134	144	173	203	218	236	249	250
Liabilities								
Shareholder's equity	53	58	68	77	87	98	110	122
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	12	16	24	26	28	29
Deferred taxes	3	3	5	6	7	7	7	7
Interest bearing debt	34	35	36	41	40	37	31	15
Non-interest bearing current liabilities	43	46	48	61	57	66	71	74
Other interest-free debt	2	2	4	2	2	2	2	2
Total liabilities	134	144	173	203	218	236	249	250
CASH FLOW, EURm								
+ EBITDA	15	21	26	38	40	44	48	51
- Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
- Taxes	-3	-2	-4	-4	-5	-5	-5	-6
- Increase in Net Working Capital	-1	1	2	4	1	0	0	0
+/- Other	-5	0	-1	-4	3	0	0	0
= Cash flow from operations	6	18	23	33	38	38	42	45
- Capex	-2	-2	-2	-13	-21	-17	-17	-18
- Acquisitions	-22	-3	-8	-21	-6	-7	-9	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-18	13	13	-1	11	14	16	27
+/- New issues/buybacks	14	-2	0	-1	2	0	0	0
- Paid dividend	-3	-4	-6	-7	-9	-8	-10	-11
+/- Other	4	-1	-1	9	4	-2	-4	-15
Change in cash	-4	5	6	0	9	4	2	1

Commercial Services & Supplies/Finland, October 29, 2021
Company update

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	193	198	253	323	419	419	419
Net debt (excl. convertibles)	25	32	40	41	35	29	13
Enterprise value	218	231	294	364	454	448	433
Sales	215	236	263	260	298	322	336
EBITDA	21	26	38	40	44	48	51
EBIT	15	20	23	22	26	28	29
Pre-tax	15	19	22	21	25	27	29
Earnings	12	15	17	17	20	22	23
Equity book value (excl. minorities)	58	68	77	87	98	110	122
Valuation multiples							
EV/sales	1.0	1.0	1.1	1.4	1.5	1.4	1.3
EV/EBITDA	10.5	8.9	7.8	9.0	10.4	9.3	8.4
EV/EBITA	14.1	11.4	12.9	16.2	17.6	16.0	14.7
EV/EBIT	14.1	11.4	12.9	16.2	17.6	16.0	14.7
EV/OCF	11.9	10.0	8.9	9.6	12.0	10.7	9.6
EV/FCFF	18.2	16.9	27.3	11.5	15.4	14.3	10.2
P/FCFE	14.8	15.2	-247.0	29.2	29.6	26.7	15.7
P/E	16.6	13.0	15.6	18.9	21.2	19.5	18.4
P/B	3.3	2.9	3.3	3.7	4.3	3.8	3.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	10.5	9.4	8.5
Target EV/EBIT	0.0	0.0	0.0	0.0	17.8	16.2	14.9
Target EV/FCF	0.0	0.0	0.0	0.0	32.4	28.9	16.4
Target P/B	0.0	0.0	0.0	0.0	4.3	3.9	3.5
Target P/E	0.0	0.0	0.0	0.0	21.4	19.7	18.6
Per share measures							
Number of shares	24,771	24,963	24,963	24,963	24,963	24,963	24,963
Number of shares (diluted)	24,771	24,963	24,963	24,963	24,963	24,963	24,963
EPS	0.47	0.61	0.70	0.68	0.79	0.86	0.91
Operating cash flow per share	0.74	0.92	1.32	1.52	1.51	1.67	1.80
Free cash flow per share	0.53	0.52	-0.04	0.44	0.57	0.63	1.07
Book value per share	2.34	2.71	3.07	3.49	3.94	4.41	4.89
Dividend per share	0.23	0.30	0.35	0.34	0.40	0.43	0.46
Dividend payout ratio, %	49.2	49.0	50.2	49.6	50.0	50.0	50.0
Dividend yield, %	3.0	3.8	3.4	2.6	2.4	2.6	2.7
FCF yield, %	6.8	6.6	-0.4	3.4	3.4	3.7	6.4
Efficiency measures							
ROE	21.0	24.4	24.1	20.9	21.4	20.7	19.7
ROCE	17.2	19.3	18.3	15.7	16.5	16.9	17.5
Financial ratios							
Inventories as % of sales	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Receivables as % of sales	24.5	22.4	23.6	21.8	21.8	21.8	21.8
Non-interest bearing liabilities as % of sales	21.3	20.5	23.2	22.1	22.1	22.1	22.1
NWC/sales, %	2.5	1.3	-0.5	-0.9	-0.8	-0.7	-0.7
Operative CAPEX/sales, %	1.0	0.7	4.9	8.1	5.6	5.3	5.4
CAPEX/sales (incl. acquisitions), %	-0.5	-2.8	-3.1	5.9	3.2	2.5	5.4
FCFF/EBITDA	0.6	0.5	0.3	0.8	0.7	0.7	0.8
Net debt/EBITDA, book-weighted	1.2	1.3	1.1	1.0	0.8	0.6	0.3
Debt/equity, market-weighted	0.2	0.2	0.2	0.1	0.1	0.1	0.0
Equity ratio, book-weighted	40.1	39.1	37.8	40.0	41.8	44.2	48.9
Gearing, %	43.0	48.1	52.6	46.6	35.5	26.4	10.8

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 and an increase in own software products could further boost margins.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ingman Group Oy Ab	16,500,000	277.200	66.1%
Oy Fincorp Ab	2,515,000	42.252	10.1%
Varma Mutual Pension Insurance Company	985,593	16.558	3.9%
SEB Gyllenberg Finland Small Cap Fund	488,000	8.198	2.0%
Tuori Klaus	399,134	6.705	1.6%
Tuori Aino	308,275	5.179	1.2%
Ilmarinen Mutual Pension Insurance Company	266,000	4.469	1.1%
Elo Mutual Pension Insurance Company	209,662	3.522	0.8%
VAS Invest Oy	194,035	3.260	0.8%
Taaleri Mikro Markka fund	164,048	2.756	0.7%
Ten largest	22,029,747	370.100	88%
Residual	2,933,561	49.284	12%
Total	24,963,308	419.384	100%

EARNINGS CALENDAR

February 10, 2022	FY 2021 Results
May 05, 2022	Q1 report
August 10, 2022	Q2 report
October 28, 2022	Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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CFO: Helena Kukkonen	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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

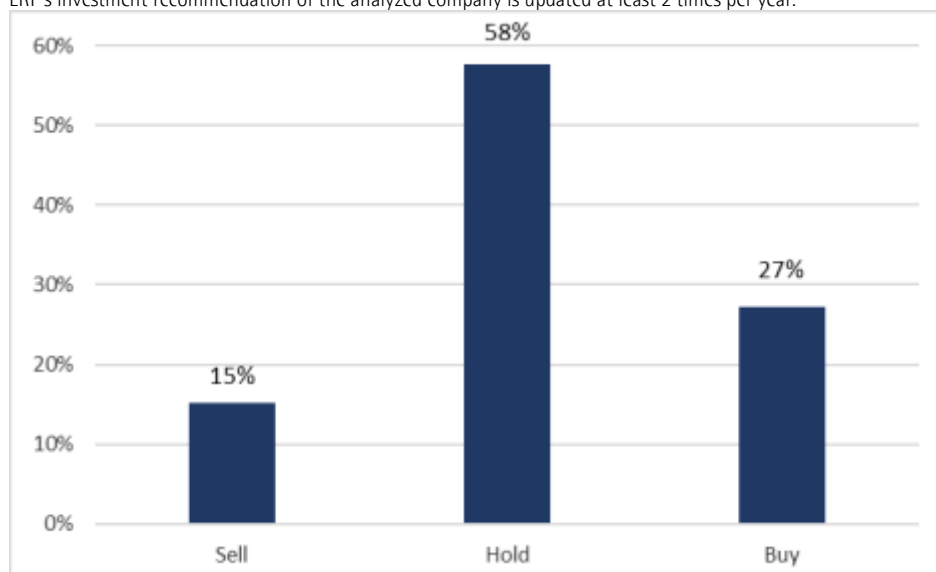
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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