EVLI

ETTEPLAN

Commercial Services & Supplies/ Finland, October 30, 2025
Company update

Near–term outlook remains muted

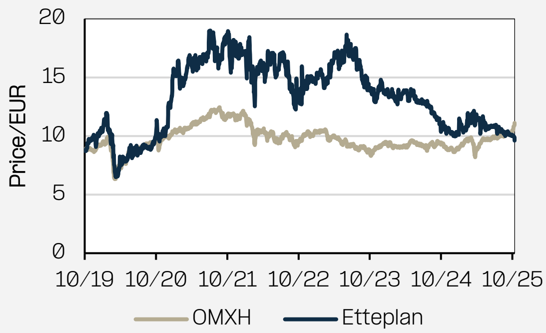
Despite the profit warning released ahead of the Q3 report, there were also positives in the report considering the challenging market conditions. However, the short–term outlook and visibility of a potential market turn remain muted.

Q3 fairly well in line despite guidance revision
Etteplan's net sales grew 2.8% y/y in Q3, whereas organic net sales at comparable FX declined 2.6%. The Novacon acquisition continued to support topline and drove double–digit growth in Engineering Solutions, while Software and Embedded Solutions weighed on performance with sales down 18%. The trend already seen in Q2 of postponed or canceled projects continued in Q3, particularly in Software and Embedded, putting pressure on the service area's profitability. Despite the soft market and mixed topline development, group profitability clearly improved y/y from the weak comparison period, with the EBITA margin rising to 6.9%. The share of AI–driven service solutions continued to grow, reaching 5% and contributing positively to profitability in Technical Communication and Data.

Market demand and outlook weigh on guidance
After the guidance revision ahead of Q3, Etteplan now expects 2025 revenue of EUR 355–370m and EBIT of EUR 17–20m. Our estimates prior to the profit warning were already at the lower end of the guidance, and we have only made minor adjustments to reflect the weakened operating environment. We now model net sales of EUR 362.9m and EBIT of EUR 18.5m. For Q4, we expect continued growth for Engineering Solutions driven by acquisitions, while Software and Embedded is estimated to continue its double–digit decline. For Technical Communication and Data, we anticipate continued positive momentum and modest organic growth. We have also slightly reduced our 2026 estimates due to the weaker demand outlook and uncertainty around market recovery.

ACCUMULATE with a TP of EUR 10.5 (prev. 11.0)
We maintain our ACCUMULATE rating but lower our target price to EUR 10.5 (prev. 11.0). Following our estimate revisions, Etteplan is trading at an adjusted EV/EBITA of 12–11x based on our 2025–26E estimates, implying a neutral valuation on both relative and absolute terms. While we remain cautious in the near term given the challenging market, the company's long–term growth potential remains intact.

Rating **Accumulate**



Share price, EUR (Last trading day's closing price)	**9.70**
Target price, EUR	10.5
Latest change in recommendation	29–Apr–25
Latest report on company	30–Oct–25
Research paid by issuer:	YES
No. of shares outstanding, '000's	25 250
No. of shares fully diluted, '000's	25 250
Market cap, EURm	245
Free float, %	23.0 %
Exchange rate	0.0
Reuters code	ETTE.HE
Bloomberg code	ETTE FH
Average daily volume, EURm	0.027
Next interim report	
Web site	etteplan.com/investors

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BUY ACCUMULATE REDUCE 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
2023	360.0	25.5	7.1%	16.2	0.66	17.7	1.1	15.8	4.7%	0.30
2024	361.0	18.4	5.1%	–0.3	0.41	24.3	0.9	17.6	–0.1%	0.22
2025E	362.9	18.5	5.1%	–4.2	0.42	22.9	0.9	17.6	–1.7%	0.21
2026E	373.2	23.1	6.2%	12.0	0.58	16.6	0.9	13.8	4.9%	0.29
2027E	386.0	28.3	7.3%	19.5	0.75	12.9	0.8	10.8	8.0%	0.38

Market cap, EURm	245	Gearing 2025E, %	65.4 %	CAGR EPS 2024–27, %	22.4 %
Net debt 2025E, EURm	80	Price/book 2025E	2.0	CAGR Sales 2024–27, %	2.3 %
Enterprise value, EURm	325	Dividend yield 2025E, %	2.2 %	ROE 2025E, %	8.9 %
Total assets 2025E, EURm	313	Tax rate 2025E, %	22.3 %	ROCE 2025E, %	8.4 %
Goodwill 2025E, EURm	128	Equity ratio 2025E, %	39.3 %	PEG, P/E 25/CAGR	0.8

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

Table 1: Estimates summary

Etteplan	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25	Q2/'25	Q3/'25	Q4/'25E	2025E	2026E	2027E
Net sales	**360.0**	**97.1**	**92.6**	**80.0**	**91.3**	**361.0**	**94.9**	**91.4**	**82.2**	**94.4**	**362.9**	**373.2**	**386.0**
sales growth %	*2.8%*	*2.3%*	*3.1%*	*0.0%*	*-4.1%*	*0.3%*	*-2.3%*	*-1.3%*	*2.8%*	*3.4%*	*0.5%*	*2.8%*	*3.4%*
EBITA	**30.9**	**8.2**	**6.8**	**2.9**	**6.4**	**24.7**	**5.8**	**6.0**	**5.6**	**7.4**	**24.9**	**29.4**	**34.7**
EBITA margin	*8.6%*	8.4%	7.4%	3.7%	7.1%	*6.8%*	6.1%	6.6%	6.9%	7.9%	*6.8%*	*7.9%*	*9.0%*
EBIT	**25.5**	**6.7**	**5.3**	**1.4**	**5.0**	**18.4**	**4.2**	**4.4**	**4.1**	**5.9**	**18.5**	**23.1**	**28.3**
EBIT margin	*7.1%*	*6.9%*	*5.8%*	*1.8%*	*5.4%*	*5.1%*	*4.4%*	*4.8%*	*4.9%*	*6.2%*	*5.1%*	*6.2%*	*7.3%*
NRIs	-1.7	-0.3	-0.4	-1.4	-0.9	-3.0	-1.3	-0.9	-0.2	0.0	-2.4	0.0	0.0
EBIT (**excl. NRIs**)	**27.2**	**7.0**	**5.7**	**2.8**	**5.9**	**21.4**	**5.5**	**5.3**	**4.3**	**5.9**	**20.9**	**23.1**	**28.3**
-margin	7.6%	7.2%	6.2%	3.5%	6.4%	5.9%	5.8%	5.8%	5.2%	6.2 %	*5.8%*	*6.2%*	*7.3%*
Engineering Solutions	**2023**	**Q1/'24**	**Q2/'24**	**Q3/'24**	**Q4/'24**	**2024**	**Q1/'25**	**Q2/'25**	**Q3/'25**	**Q4/'25E**	**2025E**	**2026E**	**2027E**
Net sales	**202.4**	**52.3**	**49.6**	**42.0**	**48.9**	**192.8**	**52.9**	**51.6**	**47.3**	**55.1**	**206.8**	**212.0**	**218.3**
sales growth %	*10.2%*	*1.1%*	*-2.7%*	*-6.9%*	*-10.5%*	*-4.8%*	*1.1%*	*3.9%*	*12.7%*	*12.6%*	*7.3%*	*2.5%*	*3.0%*
EBITA	**19.9**	**4.7**	**3.9**	**1.2**	**3.6**	**13.4**	**3.5**	**3.9**	**3.8**	**5.0**	**16.1**	**18.2**	**20.7**
EBITA margin	*9.8%*	*9.0%*	*7.9%*	*2.9%*	*7.3%*	*7.0%*	*6.5%*	*7.6%*	*8.0%*	*9.0%*	*7.8%*	*8.6%*	*9.5%*
Software and Embedded Solutions	**2023**	**Q1/'24**	**Q2/'24**	**Q3/'24**	**Q4/'24**	**2024**	**Q1/'25**	**Q2/'25**	**Q3/'25**	**Q4/'25E**	**2025E**	**2026E**	**2027E**
Net sales	**86.9**	**26.3**	**24.9**	**21.7**	**24.4**	**97.4**	**23.1**	**21.5**	**17.9**	**21.0**	**83.5**	**85.2**	**88.6**
sales growth %	*-9.4%*	*10.1%*	*17.4%*	*13.0%*	*8.3%*	*12.1%*	*-11.9%*	*-13.9%*	*-17.7%*	*-14.0%*	*-14.2%*	*2.0%*	*4.0%*
EBITA	**6.9**	**2.4**	**1.9**	**1.5**	**2.1**	**7.9**	**1.9**	**1.6**	**0.7**	**1.2**	**5.3**	**6.8**	**8.1**
EBITA margin	*8.0%*	*9.1%*	*7.6%*	*6.8%*	*8.7%*	*8.1%*	*8.0%*	*7.5%*	*3.7%*	*5.5%*	*6.3%*	*8.0%*	*9.2%*
Technical Communication and Data Solutions	**2023**	**Q1/'24**	**Q2/'24**	**Q3/'24**	**Q4/'24**	**2024**	**Q1/'25**	**Q2/'25**	**Q3/'25**	**Q4/'25E**	**2025E**	**2026E**	**2027E**
Net sales	**70.0**	**18.5**	**17.9**	**16.2**	**17.9**	**70.5**	**18.9**	**18.4**	**17.1**	**18.2**	**72.5**	**75.4**	**78.4**
sales growth %	*0.2%*	*-3.7%*	*2.9%*	*4.6%*	*0.1%*	*0.8%*	*2.1%*	*2.3%*	*5.3%*	*2.0%*	*2.9%*	*4.0%*	*4.0%*
EBITA	**4.9**	**1.4**	**1.2**	**0.6**	**1.1**	**4.3**	**0.8**	**0.8**	**1.4**	**1.6**	**4.7**	**5.3**	**6.7**
EBITA margin	*7.1%*	*7.3%*	*6.8%*	*3.9%*	*5.9%*	*6.1%*	*4.4%*	*4.6%*	*8.0%*	*9.0%*	*6.4%*	*7.0%*	*8.5%*

Source: Etteplan, Evli Research estimates

Table 2: Peer group

ETTEPLAN	MCAP	EV/EBITDA			EV/EBITA*			P/E*			EV/Sales		
PEER GROUP	EUR m	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
Sweco AB	5628	16.2x	14.8x	13.8x	20.4x	18.3x	16.9x	26.3x	23.5x	21.5x	2.1x	2.0x	1.9x
AFRY AB	1758	10.0x	8.7x	7.8x	14.1x	11.5x	10.0x	16.3x	12.6x	10.8x	1.0x	0.9x	0.9x
Alten SA	2526	6.4x	5.8x	5.3x	8.2x	7.1x	6.3x	11.3x	9.8x	8.8x	0.6x	0.6x	0.6x
Bertrandt AG	204	16.7x	3.9x	2.9x		6.1x	3.7x		10.1x	4.9x	0.3x	0.3x	0.3x
Multiconsult ASA	407	8.4x	7.5x	6.8x	13.1x	11.3x	9.9x	15.7x	13.1x	11.4x	1.0x	0.9x	0.9x
TietoEVRY Oyj	2164	10.0x	8.8x	8.4x	11.4x	10.4x	9.5x	15.1x	13.5x	12.2x	1.5x	1.4x	1.4x
Prevas AB	89	7.8x	6.4x	5.3x	10.7x	8.0x	6.5x	10.7x	7.4x	6.1x	0.8x	0.8x	0.7x
Rejlers AB	412	9.4x	8.5x	8.0x	13.8x	11.8x	10.7x	17.1x	13.9x	12.4x	1.1x	1.0x	1.0x
Peer group average	**2115**	**10.6x**	**8.1x**	**7.3x**	**13.1x**	**10.6x**	**9.2x**	**16.1x**	**13.0x**	**11.0x**	**1.1x**	**1.0x**	**1.0x**
Peer group median	**1961**	**9.7x**	**8.0x**	**7.3x**	**13.1x**	**10.8x**	**9.7x**	**15.7x**	**12.8x**	**11.1x**	**1.0x**	**0.9x**	**0.9x**
Etteplan (**Evli est.**)	**245**	**8.8x**	**7.7x**	**6.6x**	**11.9x**	**10.8x**	**8.8x**	**15.8x**	**12.6x**	**10.3x**	**0.9x**	**0.9x**	**0.8x**
Prem./disc. to peer median		*-10 %*	*-4 %*	*-10 %*	*-9 %*	*0 %*	*-9 %*	*1 %*	*-2 %*	*-7 %*	*-11 %*	*-10 %*	*-11 %*

Source: FactSet, Evli Research

**Adj. for NRIs and PPA amortization*

VALUATION RESULTS		BASE CASE DETAILS		VALUATION ASSUMPTIONS		ASSUMPTIONS FOR WACC	
Current share price	9.70	PV of Free Cash Flow	203	Long-term growth, %	2.0 %	Risk-free interest rate, %	2.25 %
DCF share value	13.43	PV of Horizon value	213	WACC, %	10.0 %	Market risk premium, %	5.8 %
Share price potential, %	38.5 %	Unconsolidated equity	0	Spread, %	0.5 %	Debt risk premium %	3.3 %
Maximum value	14.5	Marketable securities	25	Minimum WACC, %	9.5 %	Equity beta coefficient	0.90
Minimum value	12.5	Debt - dividend	-101	Maximum WACC, %	10.5 %	Target debt ratio, %	20 %
Horizon value, %	51.2 %	Value of stock	339	No. of shares, Mn	25.2	Effective tax rate, %	20 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	361	363	373	386	398	410	418	426	435	443	452	461
Sales growth (%)	*0.3%*	*0.5%*	*2.8%*	*3.4%*	*3.0%*	*3.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Operating income (EBIT)	18	18	23	28	32	33	33	32	30	31	32	32
Operating income margin %	*5.1%*	*5.1%*	*6.2%*	*7.3%*	*8.0%*	*8.0%*	*8.0%*	*7.5%*	*7.0%*	*7.0%*	*7.0%*	*7.0%*
+ Depreciation+amort.	18	19	20	20	20	21	22	22	23	23	24	
EBITDA	37	37	43	49	52	54	55	54	53	54	55	
- Paid taxes	-2	-4	-5	-6	-7	-7	-7	-7	-7	-7	-7	
- Change in NWC	1	0	-1	-1	-1	-1	-1	-1	-1	-1	-1	
NWC / Sales, %	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	
+ Change in other liabs	0											
- Operative CAPEX	-23	-23	-11	-7	-10	-11	-11	-11	-11	-11	-8	
opCAPEX / Sales, %	*8.8%*	*9.2%*	*5.8%*	*5.0%*	*5.6%*	*5.6%*	*5.6%*	*5.6%*	*5.6%*	*5.6%*	*4.7%*	
- Acquisitions												
+ Divestments												
- Other items												
= FCFF	12	10	26	34	34	35	37	36	35	35	40	511
= Discounted FCFF		10	24	28	25	24	22	20	18	16	17	213
= DFCF min WACC		10	24	28	25	24	23	20	18	17	17	237
= DFCF max WACC		10	23	27	25	23	22	19	17	16	16	192

Sensitivity analysis, EUR

Terminal EBIT-% \ Terminal WACC	8.02 %	9.02 %	10.02 %	11.02 %	12.02 %
5.00 %	16.00	13.46	11.54	10.03	8.82
6.00 %	17.50	14.64	12.49	10.81	9.46
7.00 %	18.99	15.82	13.43	11.58	10.11
8.00 %	20.49	16.99	14.38	12.36	10.75
9.00 %	21.98	18.17	15.33	13.14	11.39

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Net sales	97.1	92.6	80.0	91.3	361.0	94.9	91.4	82.2	94.4	362.9	373.2	386.0
EBITDA	11.6	9.7	6.1	9.5	36.8	8.9	9.1	8.6	10.5	37.0	42.8	48.7
EBITDA margin (%)	*11.9%*	*10.5%*	*7.6%*	*10.4%*	*10.2%*	*9.4%*	*9.9%*	*10.5%*	*11.1%*	*10.2%*	*11.5%*	*12.6%*
EBIT	6.7	5.3	1.4	5.0	18.4	4.2	4.4	4.1	5.9	18.5	23.1	28.3
EBIT margin (%)	*6.9%*	*5.8%*	*1.8%*	*5.4%*	*5.1%*	*4.4%*	*4.8%*	*4.9%*	*6.2%*	*5.1%*	*6.2%*	*7.3%*
Net financial items	-1.1	-1.2	-1.2	-1.4	-4.8	-1.1	-1.2	-1.0	-1.4	-4.7	-4.1	-3.8
Pre-tax profit	5.6	4.1	0.3	3.6	13.6	3.0	3.2	3.0	4.5	13.7	18.9	24.5
Tax	-1.7	-0.7	-0.3	-0.5	-3.2	-0.7	-0.7	-0.5	-1.0	-3.1	-4.2	-5.5
Tax rate (%)	*29.6%*	*17.9%*	*98.9%*	*15.0%*	*23.5%*	*24.8%*	*23.3%*	*17.8%*	*23.0%*	*22.3%*	*22.3%*	*22.3%*
Net profit	3.9	3.4	0.0	3.1	10.4	2.3	2.5	2.5	3.5	10.7	14.7	19.1
EPS	0.16	0.13	0.00	0.12	0.41	0.09	0.10	0.10	0.14	0.42	0.58	0.75
EPS adj. (diluted)	0.16	0.13	0.00	0.12	0.41	0.09	0.10	0.10	0.14	0.42	0.58	0.75
Dividend per share					0.22					0.21	0.29	0.38

SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Engineering Solutions	52.3	49.6	42.0	48.9	192.8	52.9	51.6	47.3	55.1	206.8	212.0	218.3
Software and Embedded Solutions	26.3	24.9	21.7	24.4	97.4	23.1	21.5	17.9	21.0	83.5	85.2	88.6
Technical Communication Solutions	18.5	17.9	16.2	17.9	70.5	18.9	18.4	17.1	18.2	72.5	75.4	78.4
Other	0.1	0.1	0.1	0.1	0.4	0.0		0.0	0.1	0.1	0.7	0.7
Total	97.1	92.6	80.0	91.3	361.0	94.9	91.4	82.2	94.4	362.9	373.2	386.0

SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Engineering Solutions	1.1%	-2.7%	-6.9%	-10.5%	-4.8%	1.1%	3.9%	12.7%	12.6%	7.3%	2.5%	3.0%
Software and Embedded Solutions	10.1%	17.4%	13.0%	8.3%	12.0%	-11.9%	-14.0%	-17.7%	-14.0%	-14.2%	2.0%	4.0%
Technical Communication Solutions	-3.7%	2.9%	4.6%	0.1%	0.8%	2.1%	2.3%	5.3%	2.0%	2.9%	4.0%	4.0%
Other	-61.0%	-15.9%	-54.4%	-32.5%	-43.3%	-91.0%	-99.9%	-96.1%	-3.9%	-70.7%	524.6%	
Total	2.3%	3.1%		-4.1%	0.3%	-2.3%	-1.3%	2.8%	3.4%	0.5%	2.8%	3.4%

EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Engineering Solutions	4.7	3.9	1.2	3.6	13.4	3.5	3.9	3.8	5.0	16.1	18.2	20.7
Software and Embedded Solutions	2.4	1.9	1.5	2.1	7.9	1.9	1.6	0.7	1.2	5.3	6.8	8.1
Technical Communication Solutions	1.4	1.2	0.6	1.1	4.3	0.8	0.8	1.4	1.6	4.7	5.3	6.7
Other	-1.7	-1.7	-1.9	-1.8	-7.2	-2.0	-2.0	-1.8	-1.9	-7.6	-7.3	-7.3
Total	6.7	5.3	1.4	5.0	18.4	4.2	4.4	4.1	5.9	18.5	23.1	28.3

EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Engineering Solutions	9.0%	7.9%	2.9%	7.3%	7.0%	6.5%	7.6%	8.0%	9.0%	7.8%	8.6%	9.5%
Software and Embedded Solutions	9.1%	7.6%	6.8%	8.7%	8.1%	8.0%	7.5%	3.7%	5.5%	6.3%	8.0%	9.2%
Technical Communication Solutions	7.3%	6.8%	3.9%	5.9%	6.1%	4.4%	4.6%	8.0%	9.0%	6.5%	7.0%	8.5%
Other	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
Total	6.9%	5.8%	1.8%	5.4%	5.1%	4.4%	4.8%	4.9%	6.2%	5.1%	6.2%	7.3%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	259.7	300.1	350.2	360.0	361.0	362.9	373.2	386.0
Sales growth (%)	-1.1%	15.6%	16.7%	2.8%	0.3%	0.5%	2.8%	3.4%
EBITDA	40.4	43.6	48.7	44.4	36.8	37.0	42.8	48.7
EBITDA margin (%)	15.6%	14.5%	13.9%	12.3%	10.2%	10.2%	11.5%	12.6%
Depreciation	-18.0	-17.8	-20.0	-18.9	-18.4	-18.5	-19.7	-20.4
EBITA	22.4	25.8	28.6	25.5	18.4	18.5	23.1	28.3
Goodwill amortization / writedown								
EBIT	22.4	25.8	28.6	25.5	18.4	18.5	23.1	28.3
EBIT margin (%)	8.6%	8.6%	8.2%	7.1%	5.1%	5.1%	6.2%	7.3%
Reported EBIT	22.4	25.8	28.6	25.5	18.4	18.5	23.1	28.3
EBIT margin (reported) (%)	8.6%	8.6%	8.2%	7.1%	5.1%	5.1%	6.2%	7.3%
Net financials	-1.3	-0.9	-6.2	-4.7	-4.8	-4.7	-4.1	-3.8
Pre-tax profit	21.1	24.9	22.4	20.8	13.6	13.7	18.9	24.5
Taxes	-4.0	-4.8	-4.2	-4.2	-3.2	-3.1	-4.2	-5.5
Minority shares								
Net profit	17.1	20.1	18.2	16.6	10.4	10.7	14.7	19.1
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	29	32	39	36	43	48	49	47
Goodwill	84	92	105	110	117	128	128	128
Right of use assets	23	22	21	21	19	19	20	20
Inventory	0	0	1	1	1	1	1	1
Receivables	57	75	94	92	92	92	95	98
Liquid funds	24	30	20	23	25	25	26	27
Total assets	218	253	281	285	298	313	319	321
Liabilities								
Shareholders' equity	87	99	106	114	118	123	132	144
Minority interest								
Convertibles								
Lease liabilities	24	23	22	21	19	22	22	23
Deferred taxes	7	7	10	10	10	10	10	10
Interest bearing debt	40	56	69	65	77	84	77	65
Non-interest bearing current liabilities	57	66	66	67	67	67	69	71
Other interest-free debt	2	3	8	8	8	8	8	8
Total liabilities	218	253	281	285	298	313	319	321
CASH FLOW, EURm								
+ EBITDA	40	44	49	44	37	37	43	49
- Net financial items	-1	-1	-6	-5	-5	-5	-4	-4
- Taxes	-5	-6	-5	-5	-1	-3	-4	-5
- Increase in Net Working Capital	1	-10	-17	1	1	0	-1	-1
+/- Other	3	1	8					
= Cash flow from operations	38	27	28	36	31	29	34	39
- Capex	-21	-12	-12	-20	-32	-33	-22	-19
- Acquisitions	-6	-7	-21					
+ Divestments	0							
= Free cash flow	11	8	-4	16	0	-4	12	20
+/- New issues/buybacks	2	0	-1	0	1			
- Paid dividend	8	10	9	8	6	5	7	10
+/- Other	4	6	4	-3	9	10	-6	-11
Change in cash	9	6	-11	4	2	0	1	1

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	424	366	341	252	245	245	245
Net debt (excl. convertibles)	48	71	63	71	80	74	62
Enterprise value	472	437	404	323	325	319	307
Sales	300	350	360	361	363	373	386
EBITDA	44	49	44	37	37	43	49
EBIT	26	29	26	18	18	23	28
Pre-tax	25	22	21	14	14	19	25
Earnings	20	18	17	10	11	15	19
Equity book value (excl. minorities)	99	106	114	118	123	132	144

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	1.6	1.2	1.1	0.9	0.9	0.9	0.8
EV/EBITDA	10.8	9.0	9.1	8.8	8.8	7.5	6.3
EV/EBITA	18.3	15.2	15.8	17.6	17.6	13.8	10.8
EV/EBIT	18.3	15.2	15.8	17.6	17.6	13.8	10.8
EV/OCF	17.4	15.5	11.2	10.3	11.1	9.4	7.9
EV/FCF	41.1	57.3	12.8	27.0	31.8	12.1	9.0
P/FCFR	52.6	-81.8	21.1	-731.5	-58.0	20.5	12.6
P/E	21.1	15.2	17.7	24.3	22.9	16.6	12.9
P/BV	4.3	3.4	3.0	2.1	2.0	1.9	1.7
Target EV/EBITDA					9.3	7.9	6.7
Target EV/EBIT					18.7	14.7	11.5
Target EV/FCFF					-81.8	28.3	16.7
Target P/BV					2.2	2.0	1.8
Target P/E, diluted	21.5	18.1	17.1	30.7	24.8	18.0	13.9

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	25.08	25.04	25.25	25.25	25.25	25.25	25.25
Number of shares (diluted, million)	25.08	25.04	25.25	25.25	25.25	25.25	25.25
EPS	0.80	0.73	0.66	0.41	0.42	0.58	0.75
Operating cash flow per share	1.08	1.12	1.43	1.24	1.16	1.34	1.53
Free cash flow per share	0.32	-0.18	0.64	-0.01	-0.17	0.47	0.77
Book value per share	3.94	4.25	4.52	4.67	4.87	5.24	5.70
Dividend per share	0.40	0.36	0.30	0.22	0.21	0.29	0.38
Dividend payout ratio, %	49.9%	49.6%	45.5%	53.4%	50.0%	50.0%	50.0%
Dividend yield, %	2.4%	2.5%	2.2%	2.2%	2.2%	3.0%	3.9%
FCF yield, %	1.9%	-1.2%	4.7%	-0.1%	-1.7%	4.9%	8.0%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	21.6%	17.7%	15.1%	9.0%	8.9%	11.5%	13.8%
ROCE	15.7%	15.3%	12.9%	8.9%	8.4%	10.0%	12.2%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Receivables as % of sales	24.9%	26.7%	25.5%	25.5%	25.4%	25.4%	25.4%
Non-int. bearing liabilities as % of sales	21.9%	19.0%	18.5%	18.5%	18.5%	18.5%	18.5%
NWC/sales, %	2.6%	7.0%	6.6%	6.4%	6.4%	6.4%	6.4%
Operative CAPEX/Sales, %	4.0%	3.3%	5.5%	8.8%	9.2%	5.8%	5.0%
CAPEX/sales (incl. acquisitions), %	1.7%	-2.6%	5.5%	8.8%	9.2%	5.8%	5.0%
FCFF/EBITDA	0.3	0.2	0.7	0.3	0.3	0.6	0.7
Net Debt/EBITDA, book-weighted	1.1	1.5	1.4	1.9	2.2	1.7	1.3
Debt/equity, market-weighted	0.1	0.2	0.2	0.3	0.3	0.3	0.3
Equity ratio, book-weighted	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Gearing, %	48.7%	66.8%	55.4%	60.0%	65.4%	55.7%	42.8%

COMPANY DESCRIPTION: Etteplan is a specialist in industrial equipment engineering, embedded systems and IoT and technical communication 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 communication solutions. Customers are leading global manufacturers of industrial equipment and machinery.

INVESTMENT CASE: Etteplan has a comprehensive service offering and a good market position that provides organic growth opportunities, with growth further boosted through acquisitions. Etteplan has achieved a solid level of relative profitability, but some smaller challenges in Technical Communication Solutions and Software and Embedded Solutions still remain. Bringing those service areas up to par and optimizing resources through an increase in Managed Services and introducing AI into the service offering could provide a further boost to margins. However, the last two years have been difficult due to poor market conditions, which have impacted overall demand and created additional challenges. In the near term, uncertainty is further elevated by the weakened overall demand situation.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ingman Group Oy Ab	16 760 000	162.572	66.4 %
Oy Fincorp Ab	2 650 414	25.709	10.5 %
Varma Mutual Pension Insurance Company	985 593	9.560	3.9 %
Ilmarinen Mutual Pension Insurance Company	343 618	3.333	1.4 %
Tuori Klaus	309 134	2.999	1.2 %
Tuori Aino	298 275	2.893	1.2 %
Elo Mutual Pension Insurance Company	262 000	2.541	1.0 %
VAS Invest Oy	194 035	1.882	0.8 %
Juha Näkki	107 739	1.045	0.4 %
Etteplan Oyj	100 921	0.979	0.4 %
Ten largest	22 011 729	213.514	87.2 %
Residual	3 238 143	31.410	12.8 %
Total	25 249 872	244.924	100%

EARNINGS CALENDAR

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Juha Näkki
CFO: Helena Kukkonen
IR: Outi Torniainen

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Tel: +358 10 3070

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

$$\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$$

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 rate per year

ROE, %

$$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$$

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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – 0 %	RECUDE
0 – (+10) %	ACCUMULATE
> 10 %	BUY

ERP may temporarily suspend the rating and, if applicable, the target price to comply with regulations and/or firm policies, in which case a NOT RATED classification is used.

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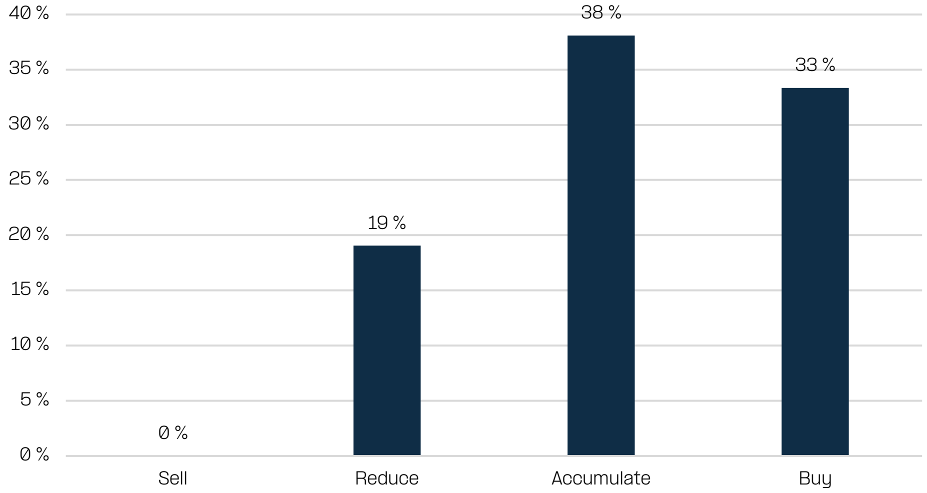

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Name(s) of the analyst(s): Atte Pitkäjärvi

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