

## Weak quarter as expected

The weakness of Etteplan's Q3 came as a no surprise as the company released two profit warnings before the Q3 print. While we expected weak figures, profitability was still a touch softer than estimated.

- Net sales in Q3 were EUR 80.0m (Evli est. EUR 79.6m, EUR 80.0m in Q3/23), revenue was flat compared to last year helped by inorganic growth, in line with our estimates.
- Organic net sales decreased by 4.2%, revenue from key accounts decreased by 10.1%.
- EBIT in Q3 amounted to EUR 1.4m (Evli est. EUR 1.8m, EUR 5.0m in Q3/23), at a margin of 1.8%.
- The combined effect of NRI's on EBITA and EBIT was EUR -2.2m for the quarter of which EUR -0.8m was related to the correction of an accounting error in Sweden.
- EPS in Q3 amounted to EUR 0.00 (Evli est. EUR 0.02, EUR 0.10 in Q3/23).
- Net sales in Engineering Solutions in Q3 were EUR 42.0m (Evli est. EUR 41.7m), EBITA in Q3 amounted to EUR 1.2m (Evli est. EUR 1.7m).
- Net sales in Software and Embedded Solutions in Q3 were EUR 21.7m (Evli est. EUR 22.1m), EBITA amounted to EUR 1.5m (Evli est. EUR 1.1m).
- Net sales in Technical Communication Solutions in Q3 were EUR 16.2m (Evli est. EUR 15.7m), EBITA amounted to EUR 0.6m (Evli est. EUR 0.6m).
- The segments were roughly in line with estimates, yet Engineering Solutions was softer than expected as the non-recurring costs impacted the segment more than we estimated (EUR -1.7m effect).
- Guidance (issued on Oct 15<sup>th</sup>, 2024): Revenue is estimated to be EUR 355–370m and EBIT EUR 18–22m.

## Rating ++ Buy

	Q3/24	Actual	Evli	Consensus	Q3/23	Q2/24
Net sales	80.0		79.6	79.0	80.0	92.6
EBITA	2.9		3.2		6.3	6.8
EBIT	1.4		1.8	1.8	5.0	5.3
EPS	0.00		0.02	0.02	0.10	0.13

	Deviation	Actual	Evli	Consensus	Q3/23	Q2/24
Net sales			0%	1%	0%	-14%
EBITA			-9%		-54%	-58%
EBIT			-22%	-22%	-72%	-74%
EPS			-100%	-100%	-100%	-100%

Consensus by Factset (incl. 3 analysts)

**Share price, EUR** (Last trading day's closing price) **10.55**

Target price, EUR 12.0

Latest change in recommendation 14-Jun-24

Latest report on company 16-Oct-24

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 266

Free float, % 24.0%

Exchange rate 0.0

Reuters code ETTE.HE

Bloomberg code ETTE FH

Average daily volume, EURm 0.027

Next interim report 31-Oct-24

Web site etteplan.com/investors

Analyst Atte Jortikka

E-mail atte.jortikka@evli.com

Telephone +358 400 543 725

++ BUY 0 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
2022	350.2	28.6	8.2%	-4.5	0.73	15.2	1.2	15.2	-1.2%	0.36
2023	360.0	25.5	7.1%	16.2	0.66	17.7	1.1	15.8	4.7%	0.30
2024E	361.3	18.5	5.1%	4.2	0.42	25.0	0.9	18.0	1.6%	0.21
2025E	375.7	28.3	7.5%	17.9	0.75	14.0	0.9	11.3	6.7%	0.38
2026E	389.6	32.1	8.2%	21.3	0.90	11.7	0.8	9.6	8.0%	0.45
Market cap, EURm		266		Gearing 2024E, %		56.8%		CAGR EPS 2023-26, %		5.7%
Net debt 2024E, EURm		67		Price/book 2024E		2.3		CAGR Sales 2023-26, %		2.7%
Enterprise value, EURm		333		Dividend yield 2024E, %		2.0%		ROE 2024E, %		9.2%
Total assets 2024E, EURm		291		Tax rate 2024E, %		23.8%		ROCE 2024E, %		9.1%
Goodwill 2024E, EURm		117		Equity ratio 2024E, %		40.2%		PEG, P/E 24/CAGR		0.8

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

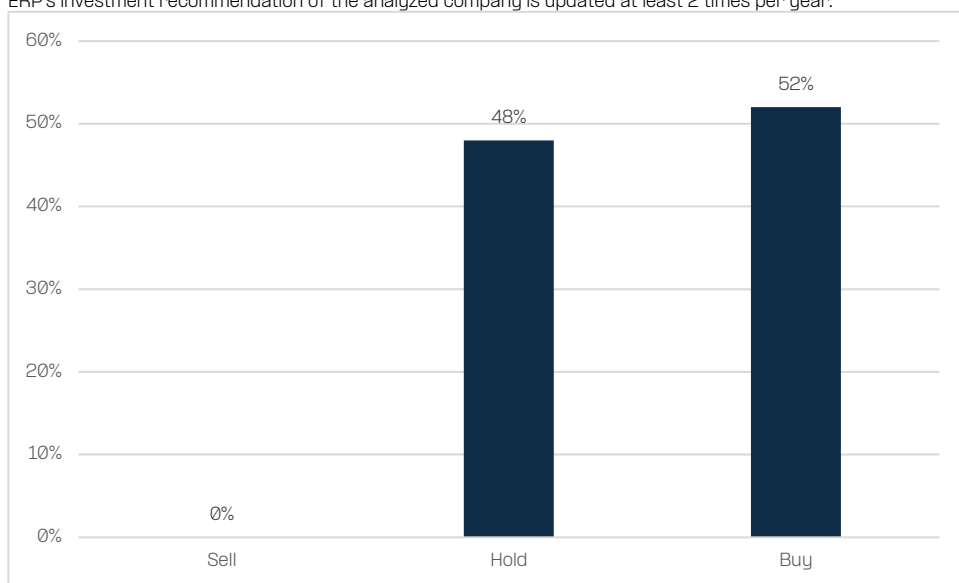
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 - (+10) %	HOLD
> 10 %	BUY

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

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**Contact information**

**SALES, TRADING AND RESEARCH**

**Equity Sales & Trading**

Joachim Dannberg (head) +358 9 4766 9123  
Aleksi Jalava +358 9 4766 9123  
Pasi Väisänen +358 9 4766 9123

**Evli Investment Solutions**

Johannes Asuja +358 9 4766 9205

**Equity Research**

Jerker Salokivi (head) +358 9 4766 9149  
Joonas Ilvonen +358 44 430 9071  
Atte Jortikka +358 40 054 3725  
Atte Pitkäljärvi +358 44 047 6597

# EVLI

**EVLI PLC**  
Aleksanterinkatu 19 A  
P.O. Box 1081  
FIN-00101 Helsinki, FINLAND  
Phone +358 9 476 690  
Internet www.evli.com  
E-mail firstname.lastname@evli.com

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