

Another difficult year behind

Etteplan reports its Q4 figures on 12th of February. We expect that the operating environment has remained rather challenging in Q4. While 2024 proved to be another challenging year, we estimate that Etteplan will recover to a profitable growth path in 2025 partly aided by the acquisitions.

An acquisition, renewed strategy and financial targets

In December, Etteplan's BoD approved the company's renewed strategy and updated financial targets. The renewed strategy builds on the company's previous strategy while adding utilization of artificial intelligence as one of the core drivers. With the strategy update, the company introduced a new target to have 35% share of net sales related to AI driven solutions by the end of 2027. Apart from this, the targets remained unchanged, with only the target year for growth and share of managed services revised to 2027 (prev. 2024). Etteplan announced acquisition of Novacon Powertrain in January. Novacon is a German product engineering services company that focuses on electrification in the automotive industry and the development of engine technology. It has customers in the automotive and rail transport industries and its customers include for example German premium car brands. Novacon employes roughly 180 employees and had net sales of approximately EUR 18m in 2023.

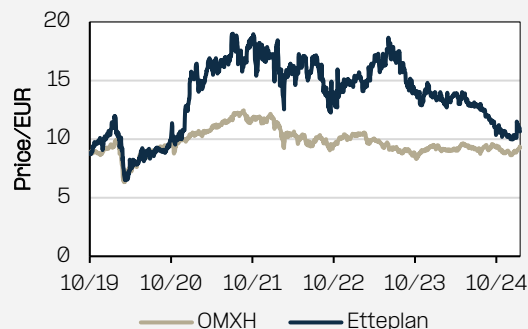
We maintain conservative organic growth estimate for 2025

We have now revised our estimates to include the purchase of Novacon. As the purchase price was not disclosed, we assume purchase price sales multiple of roughly 1x, in line with the sector valuation. We expect inorganic growth materializing from the acquisition to drive growth in Engineering Solutions. In addition, we model some inorganic growth for Software and Embedded for H1. On a group level, we estimate net sales growth of 8% to EUR 392m in 2025E. We retain organic growth estimates on the conservative side despite some early signs of improved market conditions for 2025. Economic growth in the Euro area is expected to improve slightly, though PMIs remain low. Profitability wise we expect a clear improvement from 2024 as especially H2 of last year was on the weaker side on Etteplan's standards.

BUY with a TP of EUR 12.5 (prev. EUR 12.0)

After incorporating the Novacon acquisition and adjusting our estimates, we revise our TP to EUR 12.5 (prev. EUR 12.0) while keeping rating at BUY. The market proved to be weaker than we estimated in 2024, yet we expect that Etteplan will recover back to profitable growth path in 2025 partly aided by the acquisitions.

Rating ++ Buy



Share price, EUR (Last trading day's closing price)	10.60
Target price, EUR	12.5
Latest change in recommendation	14-Jun-24
Latest report on company	01-Nov-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	268
Free float, %	24.0 %
Exchange rate	
Reuters code	ETTE.HE
Bloomberg code	ETTE FH
Average daily volume, EUR	0.027
Next interim report	12-Feb-25
Web site	etteplan.com/investors
Analyst	Atte Jortikka
E-mail	atte.jortikka@evli.com
Telephone	+358 400 543 725

++ 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
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	362.9	18.4	5.1%	-7.7	0.41	26.0	1.0	18.9	-2.9%	0.20
2025E	392.2	28.4	7.2%	5.4	0.75	14.2	0.9	12.2	2.0%	0.37
2026E	408.9	32.6	8.0%	21.7	0.92	11.6	0.8	10.2	8.1%	0.46

Market cap, EURm	268	Gearing 2024E, %	67.2 %	CAGR EPS 2023-26, %	6.4 %
Net debt 2024E, EURm	78	Price/book 2024	2.3	CAGR Sales 2023-26, %	4.3 %
Enterprise value, EURm	346	Dividend yield 2024E, %	1.9 %	ROE 2024E, %	8.9 %
Total assets 2024E, EURm	298	Tax rate 2024E, %	25.4 %	ROCE 2024E, %	8.9 %
Goodwill 2024E, EURm	118	Equity ratio 2024E, %	39.2 %	PEG, P/E 24/CAGR	0.7

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

Table 1: Peer group

ETTEPLAN PEER GROUP	MOAP MEUR	EV/EBITDA			EV/EBIT			P/E			EV/Sales		
		24	25	26	24	25	26	24	25	26	24	25	26
SWECO	5349	17.3x	16.2x	14.9x	22.2x	20.5x	18.2x	28.8x	25.2x	22.3x	2.2x	2.0x	1.9x
AFFRY	1727	8.2x	8.4x	7.4x	11.9x	11.8x	10.2x	15.2x	13.0x	10.9x	1.0x	0.9x	0.8x
Alten	2999	6.6x	7.0x	6.4x	8.2x	8.7x	7.8x	11.8x	11.5x	10.3x	0.7x	0.7x	0.6x
Bertrandt	203	17.1x	4.3x	3.3x		11.2x	6.1x		10.1x	4.9x	0.3x	0.3x	0.3x
Multiconsult	453	8.4x	7.9x	7.7x	12.1x	11.6x	11.2x	13.0x	13.2x	12.6x	1.1x	1.0x	0.9x
TietoEVRY	2176	6.6x	6.7x	6.5x	9.9x	9.8x	9.1x	9.7x	9.1x	8.5x	1.1x	1.1x	1.0x
Rejlers AB	283	7.8x	7.3x	6.7x	12.5x	11.3x	10.0x	13.3x	11.3x	10.0x	1.7x	1.6x	1.5x
Prevas	116	10.4x	7.6x	6.5x	14.5x	10.3x	8.5x	14.0x	11.4x	9.1x	1.0x	0.9x	0.8x
Peer Group Average	1884	10.3x	8.3x	7.6x	13.0x	12.1x	10.4x	15.1x	13.3x	11.3x	1.1x	1.1x	1.0x
Peer Group Median	1727	8.2x	7.5x	7.0x	11.9x	11.4x	9.7x	13.0x	12.3x	10.6x	1.0x	1.0x	0.9x
Etteplan (Evli est.)	350	9.2x	7.5x	6.5x	13.1x	10.3x	8.6x	15.3x	11.3x	9.6x	1.0x	0.9x	0.9x
<i>Etteplan prem./disc. to peer med</i>		12.4%	0.1%	-6.9%	9.7%	-10.0%	-10.6%	17.7%	-7.6%	-9.7%	-3.2%	-3.8%	-1.7%
<i>Multiples adjusted for NRIs & PPA amortization</i>													
<i>Source FactSet, Evli Research</i>													

Table 2: Estimate summary

Etteplan	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24E	2024E	2025E	2026E
Net sales	350.2	95.0	89.8	80.0	95.2	360.0	97.1	92.6	80.0	93.2	362.9	392.2	408.9
<i>sales growth %</i>	16.7%	6.0%	0.7%	-0.4%	4.6%	2.8%	2.3%	3.1%	0.0%	-2.1%	0.8%	8.1%	4.3%
EBITA	33.9	7.6	7.4	6.3	9.6	30.9	8.2	6.8	2.9	6.4	24.5	33.7	38.6
<i>EBITA margin</i>	9.7%	8.0%	8.3%	7.9%	10.0%	8.6%	8.4%	7.4%	3.7%	6.9%	6.7%	8.6%	9.4%
EBIT	28.6	6.3	6.1	5.0	8.2	25.5	6.7	5.3	1.4	4.9	18.4	27.7	32.6
<i>EBIT margin</i>	8.2%	6.6%	6.8%	6.2%	8.6%	7.1%	6.9%	5.8%	1.8%	5.3%	5.1%	7.1%	8.0%
NRI	-1.0	-0.9	-0.4	-0.2	-0.2	-1.7	-0.2	-0.4	-1.4	0.0	-2.1	0.0	0.0
EBIT (excl. NRIs)	29.7	7.2	6.5	5.2	8.4	27.2	6.9	5.7	2.8	4.9	20.5	27.7	32.6
<i>-margin</i>	8.5%	7.5%	7.2%	6.5%	8.8%	7.6%	7.1%	6.2%	3.5%	5.3%	5.6%	7.1%	8.0%
Engineering Solutions	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23	2023	Q1/'24E	Q2/'24E	Q3/'24E	Q4/'24E	2024E	2025E	2026E
Net sales	183.7	51.7	51.0	45.1	54.6	202.4	52.3	49.6	42.0	50.3	194.1	215.1	223.7
<i>sales growth %</i>	9.7%	10.7%	10.4%	7.6%	11.7%	10.2%	1.1%	-2.7%	-6.9%	-8.0%	-4.1%	10.8%	4.0%
EBITA	19.4	4.9	5.2	3.9	0.1	19.9	4.7	3.9	1.2	3.3	13.1	20.3	22.4
<i>EBITA margin</i>	10.6%	9.5%	10.3%	8.6%	0.1%	9.8%	9.0%	7.9%	2.9%	6.5%	6.7%	9.4%	10.0%
Software and Embedded	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23	2023	Q1/'24E	Q2/'24E	Q3/'24E	Q4/'24E	2024E	2025E	2026E
Net sales	95.9	23.9	21.2	19.2	22.6	86.9	26.3	24.9	21.7	25.4	98.3	104.2	109.4
<i>sales growth %</i>	19.7%	-3.0%	-15.4%	-12.5%	-6.9%	-9.4%	10.1%	17.4%	13.0%	12.5%	13.1%	6.0%	5.0%
EBITA	9.2	1.6	1.1	2.0	2.2	6.9	2.4	1.9	1.5	2.0	7.8	9.1	10.4
<i>EBITA margin</i>	9.6%	6.8%	5.3%	10.4%	9.6%	8.0%	9.1%	7.6%	6.8%	8.0%	7.9%	8.7%	9.5%
Technical Communication	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23	2023	Q1/'24E	Q2/'24E	Q3/'24E	Q4/'24E	2024E	2025E	2026E
Net sales	69.8	19.2	17.4	15.5	17.8	70.0	18.5	17.9	16.2	17.3	69.9	72.2	75.1
<i>sales growth %</i>	35.2%	6.0%	-1.5%	-5.0%	0.9%	0.2%	-3.7%	2.9%	4.6%	-3.0%	0.0%	3.3%	4.0%
EBITA	6.1	1.2	1.4	0.7	1.7	4.9	1.4	1.2	0.6	1.3	4.5	5.9	6.8
<i>EBITA margin</i>	8.7%	6.0%	8.1%	4.5%	9.4%	7.1%	7.3%	6.8%	3.9%	7.5%	6.5%	8.2%	9.0%

Source: Etteplan, Evli Research estimates

We have amended our rating methodology since the previous update of the stock. Please see the updated and previous methodologies below.

NEW

Target price compared to share price

< -10%

-10 – 0%

0 – (+10)%

> 10%

Recommendation

SELL

REDUCE

ACCUMULATE

BUY

OLD

Target price compared to share price

< -10%

-10 – (+10)%

> 10%

Recommendation

SELL

HOLD

BUY

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	10.60 PV of Free Cash Flow	225 Long-term growth, %	2.0 % Risk-free interest rate, %
DCF share value	16.86 PV of Horizon value	271 WACC, %	9.2 % Market risk premium, %
Share price potential, %	59.1 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	18.3 Marketable securities	23 Minimum WACC, %	8.7 % Equity beta coefficient
Minimum value	15.6 Debt – dividend	-94 Maximum WACC, %	9.7 % Target debt ratio, %
Horizon value, %	54.7 % Value of stock	426 No. of shares, Mn	25.2 Effective tax rate, %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	TERMINAL
Net sales	360	363	392	409	419	430	440	451	463	474	484	493
Sales growth (%)	2.8%	0.8%	8.1%	4.3%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.0%	2.0%
Operating income (EBIT)	26	18	28	33	36	37	37	38	37	38	39	39
Operating income margin %	7.1%	5.1%	7.2%	8.0%	8.5%	8.5%	8.5%	8.5%	8.0%	8.0%	8.0%	8.0%
+ Depreciation+amort.	19	17	18	19	19	19	20	20	21	21	22	
EBITDA	44	36	46	52	55	56	57	59	58	59	60	
- Paid taxes	-5	-5	-6	-7	-7	-7	-7	-8	-7	-8	-8	
- Change in NWC	1	0	0	0	0	0	0	0	0	0	0	
NWC / Sales, %	6.6%	6.5%	5.9%	5.7%	5.5%	5.3%	5.1%	5.0%	4.8%	4.7%	4.6%	
+ Change in other liabs	1											
- Operative CAPEX	-9	-26	-21	-10	-7	-10	-10	-10	-10	-10	-11	
opCAPEX / Sales, %	5.5%	9.7%	8.0%	5.0%	4.4%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	
- Acquisitions												
+ Divestments												
- Other items												
= FCFF	31	5	20	36	41	39	40	41	40	41	42	595
= Discounted FCF		5	19	30	31	28	26	24	22	21	19	271
= DFCF min WACC		5	19	30	32	28	27	25	23	21	20	304
= DFCF max WACC		5	19	30	31	27	25	24	21	20	18	244

Sensitivity analysis, EUR

		Terminal WACC				
		7.22 %	8.22 %	9.22 %	10.22 %	11.22 %
Terminal EBIT-%	6.00 %	20.41	16.93	14.39	12.46	10.93
	7.00 %	22.43	18.49	15.63	13.46	11.75
	8.00 %	24.44	20.04	16.86	14.46	12.57
	9.00 %	26.45	21.60	18.10	15.46	13.39
	10.00 %	28.46	23.15	19.33	16.45	14.22

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	95.0	89.8	80.0	95.2	360.0	97.1	92.6	80.0	93.2	362.9	392.2	408.9
EBITDA	11.0	10.8	9.5	13.1	44.4	11.6	9.7	4.6	9.7	35.5	46.1	51.5
<i>EBITDA margin (%)</i>	<i>11.6%</i>	<i>12.1%</i>	<i>11.9%</i>	<i>13.8%</i>	<i>12.3%</i>	<i>11.9%</i>	<i>10.5%</i>	<i>5.7%</i>	<i>10.4%</i>	<i>9.8%</i>	<i>11.8%</i>	<i>12.6%</i>
EBIT	6.3	6.1	5.0	8.2	25.5	6.7	5.3	1.4	4.9	18.4	28.4	32.6
<i>EBIT margin (%)</i>	<i>6.6%</i>	<i>6.8%</i>	<i>6.2%</i>	<i>8.6%</i>	<i>7.1%</i>	<i>6.9%</i>	<i>5.8%</i>	<i>1.8%</i>	<i>5.3%</i>	<i>5.1%</i>	<i>7.2%</i>	<i>8.0%</i>
Net financial items	-0.7	-0.9	-1.5	-1.6	-4.7	-1.1	-1.2	-1.2	-1.1	-4.6	-4.9	-3.7
Pre-tax profit	5.6	5.2	3.4	6.6	20.8	5.6	4.1	0.3	3.8	13.8	23.5	29.0
Tax	-1.2	-1.4	-0.8	-0.7	-4.2	-1.7	-0.7	-0.3	-0.8	-3.5	-4.7	-5.8
<i>Tax rate (%)</i>	<i>21.9%</i>	<i>27.2%</i>	<i>24.3%</i>	<i>10.5%</i>	<i>20.0%</i>	<i>29.6%</i>	<i>17.9%</i>	<i>98.9%</i>	<i>22.0%</i>	<i>25.4%</i>	<i>20.0%</i>	<i>20.0%</i>
Net profit	4.3	3.8	2.6	5.9	16.6	3.9	3.4	0.0	3.0	10.3	18.8	23.2
EPS	0.17	0.15	0.10	0.23	0.66	0.16	0.13	0.00	0.12	0.41	0.75	0.92
EPS adj. (diluted)	0.25	0.17	0.11	0.23	0.76	0.16	0.13	0.00	0.12	0.41	0.75	0.92
Dividend per share					0.30					0.20	0.37	0.46
SALES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Engineering Solutions	51.7	51.0	45.1	54.6	202.4	52.3	49.6	42.0	50.3	194.1	215.1	223.7
Software and Embedded Solutions	23.9	21.2	19.2	22.6	86.9	26.3	24.9	21.7	25.4	98.3	104.2	109.4
Technical Communication Solutions	19.2	17.4	15.5	17.8	70.0	18.5	17.9	16.2	17.3	69.9	72.2	75.1
Other	0.2	0.1	0.2	0.2	0.7	0.1	0.1	0.1	0.2	0.5	0.7	0.7
Total	95.0	89.8	80.0	95.2	360.0	97.1	92.6	80.0	93.2	362.9	392.2	408.9
SALES GROWTH, Y/Y%	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Engineering Solutions	10.7%	10.4%	7.6%	11.7%	10.2%	1.1%	-2.7%	-6.9%	-8.0%	-4.1%	10.8%	4.0%
Software and Embedded Solutions	-3.0%	-15.4%	-12.5%	-6.9%	-9.4%	10.1%	17.4%	13.0%	12.5%	13.1%	6.0%	5.0%
Technical Communication Solutions	6.0%	-1.5%	-5.0%	0.9%	0.2%	-3.7%	2.9%	4.6%	-3.0%	0.0%	3.3%	4.0%
Other	14.3%	-31.3%	10.5%	-25.6%	-10.2%	-61.0%	-15.9%	-54.4%	29.9%	-28.7%	45.9%	
Total	6.0%	0.7%	-0.4%	4.6%	2.8%	2.3%	3.1%		-2.1%	0.8%	8.1%	4.3%
EBIT, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Engineering Solutions	4.9	5.2	3.9	5.9	19.9	4.7	3.9	1.2	3.3	13.1	20.3	22.4
Software and Embedded Solutions	1.6	1.1	2.0	2.2	6.9	2.4	1.9	1.5	2.0	7.8	9.1	10.4
Technical Communication Solutions	1.2	1.4	0.7	1.7	4.9	1.4	1.2	0.6	1.3	4.5	5.9	6.8
Other	-1.5	-1.7	-1.6	-1.5	-6.3	-1.7	-1.7	-1.9	-1.7	-7.0	-6.9	-6.9
Total	6.3	6.1	5.0	8.2	25.5	6.7	5.3	1.4	4.9	18.4	28.4	32.6
EBIT margin %	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Engineering Solutions	9.5%	10.3%	8.6%	10.8%	9.9%	9.0%	7.9%	2.9%	6.5%	6.8%	9.4%	10.0%
Software and Embedded Solutions	6.8%	5.3%	10.4%	9.6%	8.0%	9.1%	7.6%	6.8%	8.0%	7.9%	8.7%	9.5%
Technical Communication Solutions	6.1%	8.1%	4.5%	9.4%	7.1%	7.3%	6.8%	3.9%	7.5%	6.5%	8.2%	9.0%
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	6.6%	6.8%	6.2%	8.6%	7.1%	6.9%	5.8%	1.8%	5.3%	5.1%	7.2%	8.0%

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	262.7	259.7	300.1	350.2	360.0	362.9	392.2	408.9
<i>Sales growth (%)</i>	11.1%	-1.1%	15.6%	16.7%	2.8%	0.8%	8.1%	4.3%
EBITDA	37.5	40.4	43.6	48.7	44.4	35.5	46.1	51.5
<i>EBITDA margin (%)</i>	14.3%	15.6%	14.5%	13.9%	12.3%	9.8%	11.8%	12.6%
Depreciation	-14.7	-18.0	-17.8	-20.0	-18.9	-17.2	-17.7	-18.9
EBITA	22.8	22.4	25.8	28.6	25.5	18.4	28.4	32.6
Goodwill amortization / writedown								
EBIT	22.8	22.4	25.8	28.6	25.5	18.4	28.4	32.6
<i>EBIT margin (%)</i>	8.7%	8.6%	8.6%	8.2%	7.1%	5.1%	7.2%	8.0%
Reported EBIT	22.8	22.4	25.8	28.6	25.5	18.4	28.4	32.6
<i>EBIT margin (reported) (%)</i>	8.7%	8.6%	8.6%	8.2%	7.1%	5.1%	7.2%	8.0%
Net financials	-0.9	-1.3	-0.9	-6.2	-4.7	-4.6	-4.9	-3.7
Pre-tax profit	21.9	21.1	24.9	22.4	20.8	13.8	23.5	29.0
Taxes	-4.5	-4.0	-4.8	-4.2	-4.2	-3.5	-4.7	-5.8
Minority shares								
Net profit	17.4	17.1	20.1	18.2	16.6	10.3	18.8	23.2
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	30	29	32	39	36	46	48	49
Goodwill	79	84	92	105	110	118	128	128
Right of use assets	15	23	22	21	21	21	22	23
Inventory	0	0	0	1	1	1	1	1
Receivables	62	57	75	94	92	92	97	100
Liquid funds	16	24	30	20	23	18	20	20
Total assets	203	218	253	281	285	298	318	323
Liabilities								
Shareholders' equity	77	87	99	106	114	117	130	144
Minority interest								
Convertibles								
Lease liabilities	16	24	23	22	21	22	24	25
Deferred taxes	6	7	7	10	10	10	10	10
Interest bearing debt	41	40	56	69	65	75	74	62
Non-interest bearing current liabilities	61	57	66	66	67	67	73	76
Other interest-free debt	2	2	3	8	8	8	8	8
Total liabilities	203	218	253	281	285	298	318	323
CASH FLOW, EURm								
+ EBITDA	38	40	44	49	44	36	46	52
- Net financial items	-1	-1	-1	-6	-5	-5	-5	-4
- Taxes	-4	-5	-6	-5	-5	-3	-5	-6
- Increase in Net Working Capital	4	1	-10	-17	1	0	0	0
+/- Other	-4	3	1	8				
= Cash flow from operations	33	38	27	28	36	27	37	42
- Capex	-13	-21	-12	-12	-20	-35	-31	-21
- Acquisitions	-21	-6	-7	-21				
+ Divestments		0						
= Free cash flow	-1	11	8	-4	16	-8	5	22
+/- New issues/buybacks	-1	2	0	-1	0			
- Paid dividend	9	8	10	9	8	5	9	12
+/- Other	9	4	6	4	-3	10	1	-11
Change in cash	0	9	6	-11	4	-5	1	1

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	323	424	366	341	268	268	268
Net debt (excl. convertibles)	41	48	71	63	78	78	66
Enterprise value	364	472	437	404	346	346	333
Sales	260	300	350	360	363	392	409
EBITDA	40	44	49	44	36	46	52
EBIT	22	26	29	26	18	28	33
Pre-tax	21	25	22	21	14	24	29
Earnings	17	20	18	17	10	19	23
Equity book value (excl. minorities)	87	99	106	114	117	130	144

Valuation multiple	2020	2021	2022	2023	2024E	2025E	2026E
EV/Sales	1.4	1.6	1.2	1.1	1.0	0.9	0.8
EV/EBITDA	9.0	10.8	9.0	9.1	9.7	7.5	6.5
EV/EBITA	16.2	18.3	15.2	15.8	18.9	12.2	10.2
EV/EBIT	16.2	18.3	15.2	15.8	18.9	12.2	10.2
EV/OCF	9.6	17.4	15.5	11.2	12.6	9.4	7.9
EV/FCF	11.5	41.1	57.3	12.8	68.4	17.1	9.4
P/FCFR	29.2	52.6	-81.8	21.1	-34.9	49.2	12.3
P/E	18.9	21.1	15.2	17.7	26.0	14.2	11.6
P/BV	3.7	4.3	3.4	3.0	2.3	2.1	1.9
Target EV/EBITDA					11.1	8.5	7.4
Target EV/EBIT					21.5	13.9	11.7
Target EV/FCFF					-51.4	72.4	17.5
Target P/BV					2.7	2.4	2.2
Target P/E, diluted	21.1	21.5	18.1	17.1	30.7	16.8	13.6

Per share measures	2020	2021	2022	2023	2024E	2025E	2026E
Number of shares (million)	24.96	25.08	25.04	25.25	25.25	25.25	25.25
Number of shares (diluted, million)	24.96	25.08	25.04	25.25	25.25	25.25	25.25
EPS	0.69	0.80	0.73	0.66	0.41	0.75	0.92
Operating cash flow per share	1.52	1.08	1.12	1.43	1.09	1.46	1.67
Free cash flow per share	0.44	0.32	-0.18	0.64	-0.30	0.22	0.86
Book value per share	3.49	3.94	4.25	4.52	4.62	5.17	5.71
Dividend per share	0.34	0.40	0.36	0.30	0.20	0.37	0.46
Dividend payout ratio, %	49.6%	49.9%	49.6%	45.5%	50.0%	50.0%	50.0%
Dividend yield, %	2.6%	2.4%	2.5%	2.2%	1.9%	3.5%	4.3%
FCF yield, %	3.4%	1.9%	-1.2%	4.7%	-2.9%	2.0%	8.1%

Efficiency measures	2020	2021	2022	2023	2024E	2025E	2026E
ROE	20.9%	21.6%	17.7%	15.1%	8.9%	15.2%	16.9%
ROCE	15.7%	15.7%	15.3%	12.9%	8.9%	12.9%	14.2%

Financial ratios	2020	2021	2022	2023	2024E	2025E	2026E
Inventories as % of sales	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
Receivables as % of sales	21.8%	24.9%	26.7%	25.5%	25.4%	24.8%	24.5%
Non-int. bearing liabilities as % of sales	22.1%	21.9%	19.0%	18.5%	18.5%	18.5%	18.5%
NWC/sales, %	-0.9%	2.6%	7.0%	6.6%	6.5%	5.9%	5.7%
Operative CAPEX/Sales, %	8.1%	4.0%	3.3%	5.5%	9.7%	8.0%	5.0%
CAPEX/sales (incl. acquisitions), %	5.9%	1.7%	-2.6%	5.5%	9.7%	8.0%	5.0%
FCFF/EBITDA	0.8	0.3	0.2	0.7	0.1	0.4	0.7
Net Debt/EBITDA, book-weighted	1.0	1.1	1.5	1.4	2.2	1.7	1.3
Debt/equity, market-weighted	0.1	0.1	0.2	0.2	0.3	0.3	0.2
Equity ratio, book-weighted	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Gearing, %	46.6%	48.7%	66.8%	55.4%	67.2%	59.9%	45.6%

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 good market position that provides organic growth opportunities while the 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 optimization of resources through an increase in Managed Services and an increase in own software products could provide a further boost to margins. In the near-term, uncertainty is elevated by the weak overall demand situation.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ingman Group Oy Ab	16 670 000	176.702	66.0 %
Oy Fincorp Ab	2 627 393	27.850	10.4 %
Varma Mutual Pension Insurance Company	985 593	10.447	3.9 %
Ilmarinen Mutual Pension Insurance Company	343 618	3.642	1.4 %
Tuori Klaus	309 134	3.277	1.2 %
Tuori Aino	298 275	3.162	1.2 %
Elo Mutual Pension Insurance Company	262 000	2.777	1.0 %
VAS Invest Oy	194 035	2.057	0.8 %
Aktia Mikro Markka fund	133 953	1.420	0.5 %
Juha Näkki	107 739	1.142	0.4 %
Ten largest	21 931 740	232.476	86.9 %
Residual	3 318 132	35.172	13.1 %
Total	25 249 872	267.649	100%

EARNINGS CALENDAR

February 12, 2025

FY 2024 Results

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Juha Näkki

CFO: Helena Kukkonen

IR: Outi Torniaainen

Tekniikantie 4 D, 02150 Espoo

Tel: +358 10 3070

DEFINITIONS

<p>P/E</p> $\frac{\text{Price per share}}{\text{Earnings per share}}$	<p>EPS</p> $\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
<p>P/BV</p> $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	<p>DPS</p> <p>Dividend for the financial period per share</p>
<p>Market cap</p> <p>Price per share * Number of shares</p>	<p>OCF (Operating cash flow)</p> <p>EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments</p>
<p>EV (Enterprise value)</p> <p>Market cap + net debt + minority interest at market value – share of associated companies at market value</p>	<p>FCF (Free cash flow)</p> <p>Operating cash flow – Operative CAPEX – acquisitions + divestments</p>
<p>EV/Sales</p> $\frac{\text{Enterprise value}}{\text{Sales}}$	<p>FCF yield, %</p> $\frac{\text{Free cash flow}}{\text{Market cap}}$
<p>EV/EBITDA</p> $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	<p>Operative CAPEX / Sales</p> $\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
<p>EV/EBIT</p> $\frac{\text{Enterprise value}}{\text{Operating profit}}$	<p>Net working capital</p> <p>Current assets – current liabilities</p>
<p>Net debt</p> <p>Interest bearing debt – financial assets</p>	<p>Capital employed / Share</p> $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
<p>Total assets</p> <p>Balance sheet total</p>	<p>Gearing</p> $\frac{\text{Net debt}}{\text{Equity}}$
<p>Div yield, %</p> $\frac{\text{Dividend per share}}{\text{Price per share}}$	<p>Debt/Equity, %</p> $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
<p>Payout ratio, %</p> $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	<p>Equity ratio, %</p> $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
<p>ROCE, %</p> $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	<p>CAGR, %</p> <p>Cumulative annual growth rate = Average growth rate per year</p>
<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

Important Disclosures

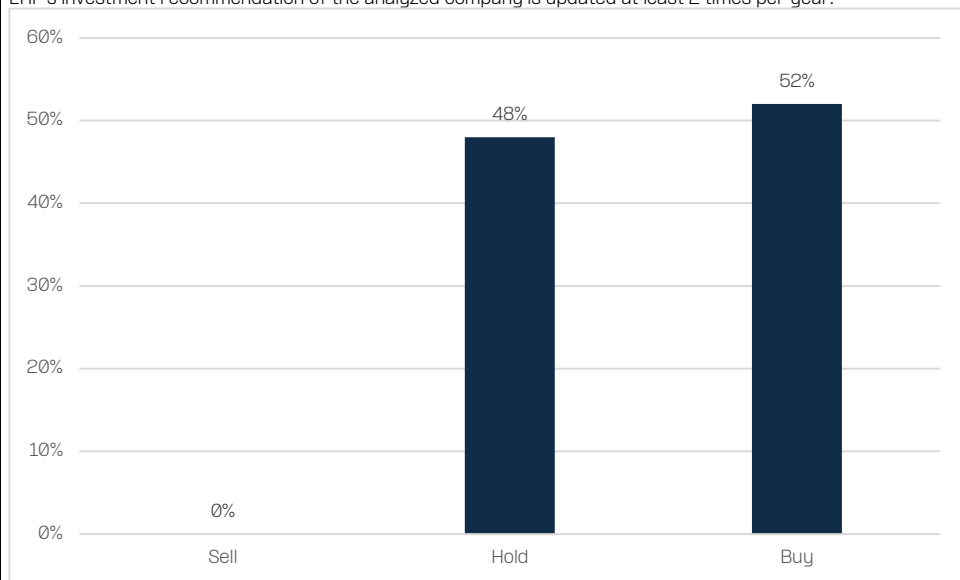
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Target price compared to share price < -10 % -10 - 0 % 0 - (+10) % > 10 %	Recommendation SELL RECUDE ACCUMULATE BUY
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Name(s) of the analyst(s): Atte Jortikka

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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 Pitkälampi	+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