

Acquisitions support sales

Etteplan reports Q1 results on 5th of May. We expect still slow organic sales development while acquisitions should continue to drive sales. The first quarter offered some encouraging signs in the market, though the intensified trade war has since cast a cloud over the outlook.

Turbulence in the market environment

As an engineering services company operating mostly in Europe, Etteplan is not directly affected by the escalating trade war. While there are no direct effects to Etteplan, some of its customers will be directly affected. Additionally, the uncertainty is likely to postpone investment decisions which is negative for the demand of Etteplan's services. There were some encouraging signs in the first quarter, such as slight improvements in the Euro Area manufacturing PMI, capacity utilization, and business confidence compared to late 2024 levels, although they remained subdued overall. In addition, the Germany's EUR 500b special fund for infrastructure investments is a positive medium to long-term driver also for Etteplan as roughly fifth of the company's net sales came from Central European market in 2024. Increasing defense investment spending should also continue to drive growth in the company's defense business.

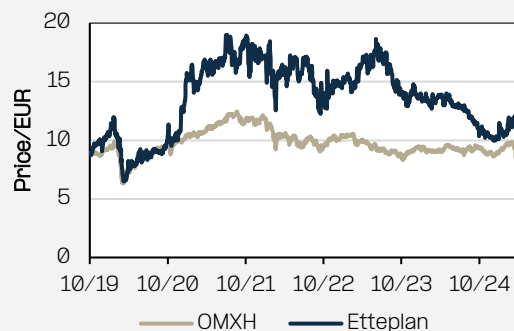
Expecting organic sales decline for Q1

At the end of Q4, the company had 178 employees in Finland temporarily laid off (approximately 10% of the total workforce in Finland). With limited growth drivers for the first quarter, we expect organic sales to continue to decline y/y. We have made some estimate adjustment for the first quarter as we now model net sales of EUR 100m and EBITA of EUR 7.8m for Q1. Going forward, we still expect organic growth to pick up in H2 partly due to weaker comparable periods. Etteplan currently estimates 2025 net sales to EUR 365–400m and EBIT 23–30m. We now forecast net sales of EUR 385m and EBIT of EUR 25.4m for the FY 2025. We see the guidance low especially for net sales relatively conservative, yet the outlook is cloudy as the scale of indirect effects of the intensified trade war remains unknown.

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

Etteplan is priced at adj. EV/EBITA of 11–10x and P/E of 13–11x on our estimates for 2025–2026E. This presents a discount of approximately 5–15% compared to peer group. Following the rise in the share price, valuation has become more neutral, yet the long-term potential remains significant. We update our recommendation to ACCUMULATE (prev. BUY).

Rating

+ Accumulate


Share price, EUR (Last trading day's closing price) **11.55**
Target price, EUR 12.0

Latest change in recommendation 29-Apr-25
 Latest report on company 29-Apr-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 292
 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 05-May-24
 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	385.0	25.4	6.6%	0.1	0.63	18.3	1.0	14.5	0.0%	0.32
2026E	403.1	29.9	7.4%	15.4	0.82	14.1	0.9	12.0	5.3%	0.41
2027E	417.0	33.4	8.0%	25.1	0.94	12.2	0.8	10.4	8.6%	0.47
Market cap, EURm	292		Gearing 2025E, %		59.3 %		CAGR EPS 2024–27, %		31.8 %	
Net debt 2025E, EURm	76		Price/book 2025E		2.3		CAGR Sales 2024–27, %		4.9 %	
Enterprise value, EURm	368		Dividend yield 2025E, %		2.7 %		ROE 2025E, %		13.0 %	
Total assets 2025E, EURm	320		Tax rate 2025E, %		20.0 %		ROCE 2025E, %		11.4 %	
Goodwill 2025E, EURm	127		Equity ratio 2025E, %		40.1 %		PEG, P/E 25/CAGR		1.0	

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

Table 1: Peer group

ETTEPLAN PEER GROUP	MCAP MEUR	EV/Sales			EV/EBITA*			P/E*		
		25	26	27	25	26	27	25	26	27
SWECO	5758	2.2x	2.1x	1.9x	20.7x	19.9x	17.9x	30.6x	26.2x	23.3x
AFRY	1657	0.9x	0.9x	0.8x	11.1x	11.5x	9.6x	14.0x	13.1x	10.5x
Alten	2446	0.6x	0.5x	0.5x	8.0x	7.2x	6.2x	10.8x	10.0x	8.9x
Bertrandt	244	0.3x	0.3x	0.3x		11.8x	5.9x		12.5x	5.2x
Multiconsult	438	1.1x	1.0x	0.9x	12.6x	11.0x	10.5x	12.4x	13.5x	12.6x
TietoEVRY	1918	1.0x	1.0x	0.9x	8.7x	9.9x	9.0x	9.1x	10.5x	9.7x
Etteplan	294	1.0x	1.0x	0.9x	12.5x	11.9x	10.5x	18.9x	15.4x	12.8x
Prevas	117	1.0x	0.9x	0.8x	12.6x	10.0x	8.3x	14.2x	12.7x	9.9x
Rejlers AB	359	1.0x	0.9x	0.8x	10.3x	11.5x	9.9x	15.1x	13.9x	11.8x
Peer Group Average	1470	1.0x	1.0x	0.9x	12.1x	11.6x	9.7x	15.7x	14.2x	11.6x
Peer Group Median	438	1.0x	0.9x	0.8x	11.8x	11.5x	9.6x	14.1x	13.1x	10.5x
Etteplan (Evli est.)	294	1.0x	0.9x	0.8x	11.4x	9.9x	8.7x	13.5x	11.3x	10.1x

Etteplan prem./disc. to peer mec -3 % -1 % 2 % -4 % -14 % -10 % -4 % -14 % -4 %

Source FactSet, Evli Research

** Adj. for NRIs and PPA amortization*

Table 2: Estimate summary

Etteplan	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25E	Q2/'25E	Q3/'25E	Q4/'25E	2025E	2026E	2027E
Net sales	360.0	97.1	92.6	80.0	91.3	361.0	100.2	98.7	85.4	100.7	385.0	403.1	417.0
<i>sales growth %</i>	<i>2.8%</i>	<i>2.3%</i>	<i>3.1%</i>	<i>0.0%</i>	<i>-4.1%</i>	<i>0.3%</i>	<i>3.2%</i>	<i>6.6%</i>	<i>6.8%</i>	<i>10.2%</i>	<i>6.6%</i>	<i>4.7%</i>	<i>3.5%</i>
EBITA	30.9	8.2	6.8	2.9	6.4	24.7	7.8	8.4	6.9	9.0	32.1	36.6	40.1
<i>EBITA margin</i>	<i>8.6%</i>	<i>8.4%</i>	<i>7.4%</i>	<i>3.7%</i>	<i>7.1%</i>	<i>6.8%</i>	<i>7.8%</i>	<i>8.5%</i>	<i>8.0%</i>	<i>9.0%</i>	<i>8.3%</i>	<i>9.1%</i>	<i>9.6%</i>
EBIT	25.5	6.7	5.3	1.4	5.0	18.4	6.1	6.7	5.2	7.4	25.4	29.9	33.4
<i>EBIT margin</i>	<i>7.1%</i>	<i>6.9%</i>	<i>5.8%</i>	<i>1.8%</i>	<i>5.4%</i>	<i>5.1%</i>	<i>6.1%</i>	<i>6.8%</i>	<i>6.1%</i>	<i>7.3%</i>	<i>6.6%</i>	<i>7.4%</i>	<i>8.0%</i>
NRIs	-1.7	-0.3	-0.4	-1.4	-0.9	-3.0	-0.3	-0.2	0.0	0.0	-0.5	0.0	0.0
EBIT (excl. NRIs)	27.2	7.0	5.7	2.8	5.9	21.4	6.4	6.9	5.2	7.4	25.9	29.9	33.4
<i>-margin</i>	<i>7.6%</i>	<i>7.2%</i>	<i>6.2%</i>	<i>3.5%</i>	<i>6.4%</i>	<i>5.9%</i>	<i>6.4%</i>	<i>7.0%</i>	<i>6.1%</i>	<i>7.3%</i>	<i>6.7%</i>	<i>7.4%</i>	<i>8.0%</i>
Engineering Solutions	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25E	Q2/'25E	Q3/'25E	Q4/'25E	2025E	2026E	2027E
Net sales	202.4	52.3	49.6	42.0	48.9	192.8	54.4	54.6	45.7	55.8	210.5	218.9	225.5
<i>sales growth %</i>	<i>10.2%</i>	<i>1.1%</i>	<i>-2.7%</i>	<i>-6.9%</i>	<i>-10.5%</i>	<i>-4.8%</i>	<i>4.0%</i>	<i>10.0%</i>	<i>9.0%</i>	<i>14.0%</i>	<i>9.2%</i>	<i>4.0%</i>	<i>3.0%</i>
EBITA	19.9	4.7	3.9	1.2	3.6	13.4	4.5	4.9	4.0	5.3	18.7	20.8	22.5
<i>EBITA margin</i>	<i>9.8%</i>	<i>9.0%</i>	<i>7.9%</i>	<i>2.9%</i>	<i>7.3%</i>	<i>7.0%</i>	<i>8.2%</i>	<i>9.0%</i>	<i>8.8%</i>	<i>9.5%</i>	<i>8.9%</i>	<i>9.5%</i>	<i>10.0%</i>
Software and Embedded Solutions	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25E	Q2/'25E	Q3/'25E	Q4/'25E	2025E	2026E	2027E
Net sales	86.9	26.3	24.9	21.7	24.4	97.4	26.8	25.7	22.8	26.2	101.4	107.5	111.8
<i>sales growth %</i>	<i>-9.4%</i>	<i>10.1%</i>	<i>17.4%</i>	<i>13.0%</i>	<i>8.3%</i>	<i>12.1%</i>	<i>2.0%</i>	<i>3.0%</i>	<i>5.0%</i>	<i>7.0%</i>	<i>4.2%</i>	<i>6.0%</i>	<i>4.0%</i>
EBITA	6.9	2.4	1.9	1.5	2.1	7.9	2.3	2.3	2.1	2.5	9.1	9.9	10.9
<i>EBITA margin</i>	<i>8.0%</i>	<i>9.1%</i>	<i>7.6%</i>	<i>6.8%</i>	<i>8.7%</i>	<i>8.1%</i>	<i>8.4%</i>	<i>9.0%</i>	<i>9.0%</i>	<i>9.5%</i>	<i>9.0%</i>	<i>9.2%</i>	<i>9.8%</i>
Technical Communication and Data Solutions	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25E	Q2/'25E	Q3/'25E	Q4/'25E	2025E	2026E	2027E
Net sales	70.0	18.5	17.9	16.2	17.9	70.5	18.8	18.3	16.7	18.6	72.4	76.0	79.1
<i>sales growth %</i>	<i>0.2%</i>	<i>-3.7%</i>	<i>2.9%</i>	<i>4.6%</i>	<i>0.1%</i>	<i>0.8%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>3.0%</i>	<i>4.0%</i>	<i>2.7%</i>	<i>5.0%</i>	<i>4.0%</i>
EBITA	4.9	1.4	1.2	0.6	1.1	4.3	1.3	1.4	1.0	1.5	5.9	6.8	7.5
<i>EBITA margin</i>	<i>7.1%</i>	<i>7.3%</i>	<i>6.8%</i>	<i>3.9%</i>	<i>5.9%</i>	<i>6.1%</i>	<i>7.0%</i>	<i>7.5%</i>	<i>6.0%</i>	<i>8.0%</i>	<i>8.2%</i>	<i>9.0%</i>	<i>9.5%</i>

Source: Etteplan, Evli Research estimates

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	11.55 PV of Free Cash Flow	244 Long-term growth, %	2.0 % Risk-free interest rate, %	2.25 %
DCF share value	19.12 PV of Horizon value	310 WACC, %	9.2 % Market risk premium, %	5.8 %
Share price potential, %	65.5 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	3.3 %
Maximum value	20.9 Marketable securities	25 Minimum WACC, %	8.7 % Equity beta coefficient	0.90
Minimum value	17.6 Debt – dividend	–96 Maximum WACC, %	9.7 % Target debt ratio, %	20 %
Horizon value, %	55.9 % Value of stock	483 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	385	403	417	430	442	454	465	476	488	498	508
Sales growth (%)	0.3%	6.6%	4.7%	3.5%	3.0%	3.0%	2.5%	2.5%	2.5%	2.5%	2.0%	2.0%
Operating income (EBIT)	18	25	30	33	37	38	39	37	38	39	40	41
Operating income margin %	5.1%	6.6%	7.4%	8.0%	8.5%	8.5%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%
+ Depreciation+amort.	18	18	20	22	22	23	23	24	25	25	26	
EBITDA	37	44	50	55	58	60	62	61	63	64	66	
– Paid taxes	–2	–5	–6	–7	–7	–8	–8	–7	–8	–8	–8	
– Change in NWC	1	0	0	0	0	0	0	0	0	0	0	
NWC / Sales, %	6.4%	5.9%	5.6%	5.4%	5.2%	5.0%	4.9%	4.7%	4.6%	4.4%	4.3%	
+ Change in other liabs	0											
– Operative CAPEX	–23	–23	–13	–8	–11	–12	–12	–12	–12	–13	–7	
opCAPEX / Sales, %	8.8%	9.0%	6.4%	5.0%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	4.3%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	12	16	31	41	40	41	43	42	43	44	51	727
= Discounted FCFF		15	27	32	29	27	26	23	22	21	22	310
= DFCF min WACC		15	27	32	29	28	27	24	23	21	23	348
= DFCF max WACC		15	26	32	28	27	25	23	21	20	21	277

Sensitivity analysis, EUR

Terminal WACC

	7.22 %	8.22 %	9.22 %	10.22 %	11.22 %
6.00 %	24.17	19.87	16.74	14.38	12.52
7.00 %	26.13	21.37	17.93	15.33	13.30
8.00 %	28.10	22.88	19.12	16.29	14.08
9.00 %	30.06	24.38	20.31	17.24	14.86
10.00 %	32.03	25.89	21.49	18.19	15.64

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	97.1	92.6	80.0	91.3	361.0	100.2	98.7	85.4	100.7	385.0	403.1	417.0
EBITDA	11.6	9.7	6.1	9.5	36.8	10.7	11.3	9.8	12.0	43.7	50.2	55.2
EBITDA margin (%)	11.9%	10.5%	7.6%	10.4%	10.2%	10.7%	11.4%	11.4%	11.9%	11.4%	12.4%	13.2%
EBIT	6.7	5.3	1.4	5.0	18.4	6.1	6.7	5.2	7.4	25.4	29.9	33.4
EBIT margin (%)	6.9%	5.8%	1.8%	5.4%	5.1%	6.1%	6.8%	6.1%	7.3%	6.6%	7.4%	8.0%
Net financial items	-1.1	-1.2	-1.2	-1.4	-4.8	-1.4	-1.4	-1.4	-1.4	-5.4	-4.0	-3.6
Pre-tax profit	5.6	4.1	0.3	3.6	13.6	4.8	5.3	3.8	6.0	20.0	25.9	29.8
Tax	-1.7	-0.7	-0.3	-0.5	-3.2	-1.0	-1.1	-0.8	-1.2	-4.0	-5.2	-6.0
Tax rate (%)	29.6%	17.9%	98.9%	15.0%	23.5%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Net profit	3.9	3.4	0.0	3.1	10.4	3.8	4.3	3.1	4.8	16.0	20.7	23.8
EPS	0.16	0.13	0.00	0.12	0.41	0.15	0.17	0.12	0.19	0.63	0.82	0.94
EPS adj. (diluted)	0.16	0.13	0.00	0.12	0.41	0.15	0.17	0.12	0.19	0.63	0.82	0.94
Dividend per share					0.22					0.32	0.41	0.47
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Engineering Solutions	52.3	49.6	42.0	48.9	192.8	54.4	54.6	45.7	55.8	210.5	218.9	225.5
Software and Embedded Solutions	26.3	24.9	21.7	24.4	97.4	26.8	25.7	22.8	26.2	101.4	107.5	111.8
Technical Communication Solutions	18.5	17.9	16.2	17.9	70.5	18.8	18.3	16.7	18.6	72.4	76.0	79.1
Other	0.1	0.1	0.1	0.1	0.4	0.2	0.2	0.2	0.2	0.7	0.7	0.7
Total	97.1	92.6	80.0	91.3	361.0	100.2	98.7	85.4	100.7	385.0	403.1	417.0
SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Engineering Solutions	1.1%	-2.7%	-6.9%	-10.5%	-4.8%	4.0%	10.0%	9.0%	14.0%	9.2%	4.0%	3.0%
Software and Embedded Solutions	10.1%	17.4%	13.0%	8.3%	12.0%	2.0%	3.0%	5.0%	7.0%	4.2%	6.0%	4.0%
Technical Communication Solutions	-3.7%	2.9%	4.6%	0.1%	0.8%	2.0%	2.0%	3.0%	4.0%	2.7%	5.0%	4.0%
Other	-61.0%	-15.9%	-54.4%	-32.5%	-43.3%	120.2%	48.1%	123.1%	65.1%	83.2%		
Total	2.3%	3.1%		-4.1%	0.3%	3.2%	6.6%	6.8%	10.2%	6.6%	4.7%	3.5%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Engineering Solutions	4.7	3.9	1.2	3.6	13.4	4.5	4.9	4.0	5.3	18.7	20.8	22.5
Software and Embedded Solutions	2.4	1.9	1.5	2.1	7.9	2.3	2.3	2.1	2.5	9.1	9.9	10.9
Technical Communication Solutions	1.4	1.2	0.6	1.1	4.3	1.3	1.4	1.0	1.5	5.2	6.8	7.5
Other	-1.7	-1.7	-1.9	-1.8	-7.2	-1.9	-1.9	-1.9	-1.9	-7.6	-7.6	-7.6
Total	6.7	5.3	1.4	5.0	18.4	6.1	6.7	5.2	7.4	25.4	29.9	33.4
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Engineering Solutions	9.0%	7.9%	2.9%	7.3%	7.0%	8.2%	9.0%	8.8%	9.5%	8.9%	9.5%	10.0%
Software and Embedded Solutions	9.1%	7.6%	6.8%	8.7%	8.1%	8.4%	9.0%	9.0%	9.5%	9.0%	9.2%	9.8%
Technical Communication Solutions	7.3%	6.8%	3.9%	5.9%	6.1%	7.0%	7.5%	6.0%	8.0%	7.2%	9.0%	9.5%
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%	6.1%	6.8%	6.1%	7.3%	6.6%	7.4%	8.0%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	259.7	300.1	350.2	360.0	361.0	385.0	403.1	417.0
<i>Sales growth (%)</i>	-1.1%	15.6%	16.7%	2.8%	0.3%	6.6%	4.7%	3.5%
EBITDA	40.4	43.6	48.7	44.4	36.8	43.7	50.2	55.2
<i>EBITDA margin (%)</i>	15.6%	14.5%	13.9%	12.3%	10.2%	11.4%	12.4%	13.2%
Depreciation	-18.0	-17.8	-20.0	-18.9	-18.4	-18.4	-20.2	-21.8
EBITA	22.4	25.8	28.6	25.5	18.4	25.4	29.9	33.4
Goodwill amortization / writedown								
EBIT	22.4	25.8	28.6	25.5	18.4	25.4	29.9	33.4
<i>EBIT margin (%)</i>	8.6%	8.6%	8.2%	7.1%	5.1%	6.6%	7.4%	8.0%
Reported EBIT	22.4	25.8	28.6	25.5	18.4	25.4	29.9	33.4
<i>EBIT margin (reported) (%)</i>	8.6%	8.6%	8.2%	7.1%	5.1%	6.6%	7.4%	8.0%
Net financials	-1.3	-0.9	-6.2	-4.7	-4.8	-5.4	-4.0	-3.6
Pre-tax profit	21.1	24.9	22.4	20.8	13.6	20.0	25.9	29.8
Taxes	-4.0	-4.8	-4.2	-4.2	-3.2	-4.0	-5.2	-6.0
Minority shares								
Net profit	17.1	20.1	18.2	16.6	10.4	16.0	20.7	23.8
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	29	32	39	36	43	48	53	51
Goodwill	84	92	105	110	117	127	127	127
Right of use assets	23	22	21	21	19	20	21	22
Inventory	0	0	1	1	1	1	1	1
Receivables	57	75	94	92	92	96	99	102
Liquid funds	24	30	20	23	25	27	28	29
Total assets	218	253	281	285	298	320	330	332
Liabilities								
Shareholders' equity	87	99	106	114	118	128	141	154
Minority interest								
Convertibles								
Lease liabilities	24	23	22	21	19	23	24	25
Deferred taxes	7	7	10	10	10	10	10	10
Interest bearing debt	40	56	69	65	77	80	73	58
Non-interest bearing current liabilities	57	66	66	67	67	71	75	77
Other interest-free debt	2	3	8	8	8	8	8	8
Total liabilities	218	253	281	285	298	320	330	332
CASH FLOW, EURm								
+ EBITDA	40	44	49	44	37	44	50	55
- Net financial items	-1	-1	-6	-5	-5	-5	-4	-4
- Taxes	-5	-6	-5	-5	-1	-4	-5	-6
- Increase in Net Working Capital	1	-10	-17	1	1	0	0	0
+/- Other	3	1	8					
= Cash flow from operations	38	27	28	36	31	35	41	46
- Capex	-21	-12	-12	-20	-32	-34	-26	-21
- Acquisitions	-6	-7	-21					
+ Divestments	0							
= Free cash flow	11	8	-4	16	0	0	15	25
+/- New issues/buybacks	2	0	-1	0	1			
- Paid dividend	8	10	9	8	6	8	10	12
+/- Other	4	6	4	-3	9	7	-6	-14
Change in cash	9	6	-11	4	2	2	1	1

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	424	366	341	252	292	292	292
Net debt (excl. convertibles)	48	71	63	71	76	69	54
Enterprise value	472	437	404	323	368	360	345
Sales	300	350	360	361	385	403	417
EBITDA	44	49	44	37	44	50	55
EBIT	26	29	26	18	25	30	33
Pre-tax	25	22	21	14	20	26	30
Earnings	20	18	17	10	16	21	24
Equity book value (excl. minorities)	99	106	114	118	128	141	154
Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	1.6	1.2	1.1	0.9	1.0	0.9	0.8
EV/EBITDA	10.8	9.0	9.1	8.8	8.4	7.2	6.3
EV/EBITA	18.3	15.2	15.8	17.6	14.5	12.0	10.4
EV/EBIT	18.3	15.2	15.8	17.6	14.5	12.0	10.4
EV/OCF	17.4	15.5	11.2	10.3	10.6	8.7	7.5
EV/FCF	41.1	57.3	12.8	27.0	22.5	11.7	8.5
P/FCFR	52.6	-81.8	21.1	-731.5	2272.0	18.9	11.6
P/E	21.1	15.2	17.7	24.3	18.3	14.1	12.2
P/BV	4.3	3.4	3.0	2.1	2.3	2.1	1.9
Target EV/EBITDA					8.7	7.4	6.5
Target EV/EBIT					14.9	12.4	10.7
Target EV/FCFF					2952.7	24.1	14.2
Target P/BV					2.4	2.1	2.0
Target P/E, diluted	21.5	18.1	17.1	30.7	19.0	14.6	12.7
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	0.63	0.82	0.94
Operating cash flow per share	1.08	1.12	1.43	1.24	1.37	1.63	1.81
Free cash flow per share	0.32	-0.18	0.64	-0.01	0.01	0.61	0.99
Book value per share	3.94	4.25	4.52	4.67	5.08	5.58	6.12
Dividend per share	0.40	0.36	0.30	0.22	0.32	0.41	0.47
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%	1.9%	2.7%	3.6%	4.1%
FCF yield, %	1.9%	-1.2%	4.7%	-0.1%	0.0%	5.3%	8.6%
Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	21.6%	17.7%	15.1%	9.0%	13.0%	15.4%	16.1%
ROCE	15.7%	15.3%	12.9%	8.9%	11.4%	12.8%	14.0%
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%	25.0%	24.6%	24.3%
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%	5.9%	5.6%	5.4%
Operative CAPEX/Sales, %	4.0%	3.3%	5.5%	8.8%	9.0%	6.4%	5.0%
CAPEX/sales (incl. acquisitions), %	1.7%	-2.6%	5.5%	8.8%	9.0%	6.4%	5.0%
FCFF/EBITDA	0.3	0.2	0.7	0.3	0.4	0.6	0.7
Net Debt/EBITDA, book-weighted	1.1	1.5	1.4	1.9	1.7	1.4	1.0
Debt/equity, market-weighted	0.1	0.2	0.2	0.3	0.3	0.2	0.2
Equity ratio, book-weighted	0.4	0.4	0.4	0.4	0.4	0.4	0.5
Gearing, %	48.7%	66.8%	55.4%	60.0%	59.3%	48.6%	34.9%

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	193.578	66.4 %
Oy Fincorp Ab	2 637 837	30.467	10.4 %
Varma Mutual Pension Insurance Company	985 593	11.384	3.9 %
Ilmarinen Mutual Pension Insurance Company	343 618	3.969	1.4 %
Tuori Klaus	309 134	3.570	1.2 %
Tuori Aino	298 275	3.445	1.2 %
Elo Mutual Pension Insurance Company	262 000	3.026	1.0 %
VAS Invest Oy	194 035	2.241	0.8 %
Aktia Mikro Markka fund	125 353	1.448	0.5 %
Juha Näkki	107 739	1.244	0.4 %
Ten largest	22 023 584	254.372	87.2 %
Residual	3 226 288	37.264	12.8 %
Total	25 249 872	291.636	100%

EARNINGS CALENDAR**OTHER EVENTS****COMPANY MISCELLANEOUS**

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IR: Outi Torniaainen

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

Important Disclosures

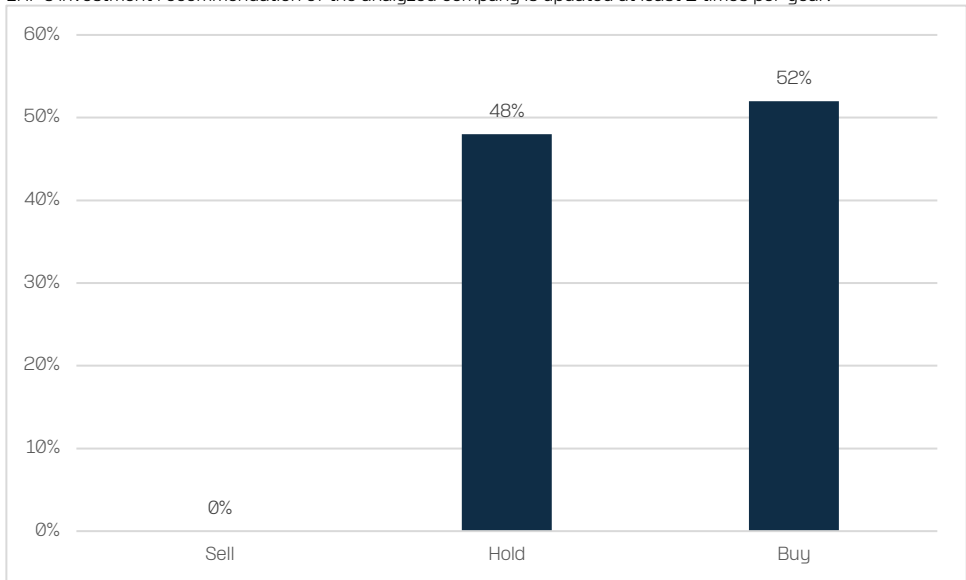
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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