


Uncertainties remain high

Etteplan's Q1 was softer than expected with organic net sales down 8.0% y/y (at comparable FX), a steeper drop than we forecasted. Continued weak demand, combined with significant negative NRIs, kept reported earnings at low levels.

- Net sales in Q1 were EUR 94.9m (Evli est. EUR 100.2m, EUR 97.1m in Q1/24), revenue decreased by 2.3% as organic net sales decreased by 8.0% (at comparable FX).
- EBIT in Q1 amounted to EUR 4.2m (Evli est. EUR 6.1m, EUR 6.7m in Q1/24), at a margin of 4.4% (Evli est. 6.1%).
- The combined effect of NRI's on EBITA and EBIT was EUR -1.3m for the quarter. Excl. NRI's, EBITA margin would have been 7.5% (Evli est. 8.1%).
- EPS in Q1 amounted to EUR 0.09 (Evli est. EUR 0.15, EUR 0.16 in Q1/24).
- Net sales in Engineering Solutions in Q1 were EUR 52.9m (Evli est. EUR 54.4m), EBITA in Q1 amounted to EUR 3.5m (Evli est. EUR 4.5m). The segment suffered from substantial NRIs amounting to EUR 0.8m. NRI's included cost items relating to adaptation measures and a significant credit loss in Germany.
- Net sales in Software and Embedded Solutions in Q1 were EUR 23.1m (Evli est. EUR 26.8m), EBITA amounted to EUR 1.9m (Evli est. EUR 2.3m). Excl. NRI's the profitability was in line with our estimates.
- Net sales in Technical Communication and Data Solutions in Q1 were EUR 18.9m (Evli est. EUR 18.8m), EBITA amounted to EUR 0.8m (Evli est. EUR 1.3m).
- The slump in investment activity continued and affected demand negatively. The decision making on new investments showed small signs of recovery during the quarter yet the escalation of trade war casted a new shadow on the emerging recovery.
- Guidance 2025 (**specified**): Revenue is estimated to be EUR 365–395m (prev. EUR 365–400m), EBIT EUR 23–28m (EUR 23–30m).
- Our current estimate for 2025E net sales is at EUR 385m and EBIT at EUR 25.4m, therefore there is no imminent downside pressure to our estimates for the full year.

Rating

 Accumulate

Q1/25	Actual	Evli	Consensus	Q1/24	Q4/24
Net sales	94.9	100.2	97.1	97.1	91.3
EBITA	5.8	7.8		8.2	6.4
Reported EBIT	4.2	6.1	5.9	6.7	5.0
Reported EPS	0.09	0.15	0.15	0.16	0.12
Deviation	Actual	Evli	Consensus	Q1/24	Q4/24
Net sales		-5 %	-2 %	-2 %	4 %
EBITA		-26 %		-29 %	-10 %
EBIT		-31 %	-28 %	-37 %	
EPS		-41 %	-39 %	-42 %	

Consensus by Bloomberg (incl. 3 analysts)

Share price, EUR (Last trading day's closing price) **11.45**
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	289
Free float, %	24.0 %
Exchange rate	
Reuters code	ETTE.HE
Bloomberg code	ETTE FH
Average daily volume, EURm	0.027
Next interim report	05-May-24
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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	18.1	0.9	14.4	0.0%	0.32
2026E	403.1	29.9	7.4%	15.4	0.82	13.9	0.9	12.0	5.3%	0.41
2027E	417.0	33.4	8.0%	25.1	0.94	12.1	0.8	10.3	8.7%	0.47
Market cap, EURm		289	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		365	Dividend yield 2025E, %		2.8 %	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.

Important Disclosures

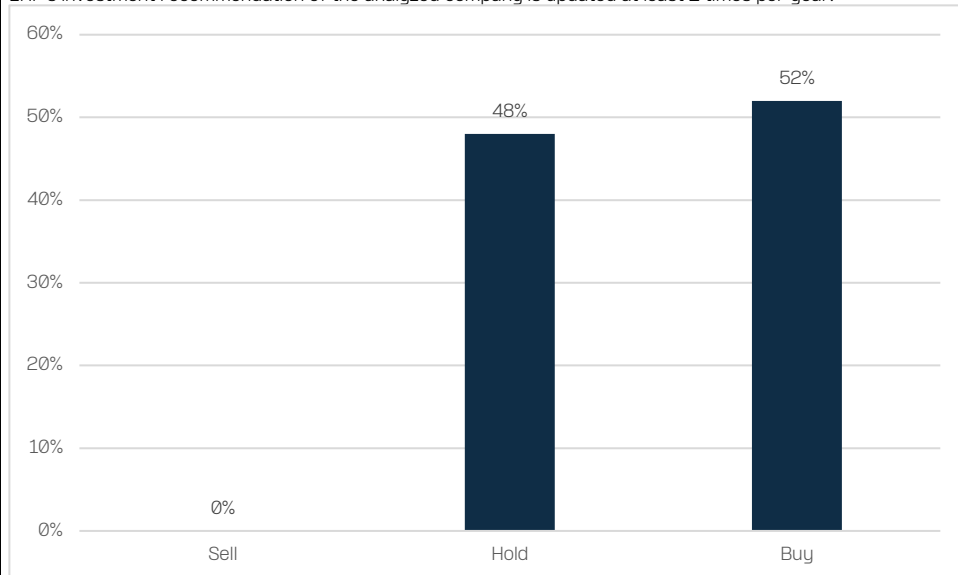
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Investment recommendations are defined as follows:

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

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

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