

## A good start for the year

Etteplan's Q1 saw all business areas achieving margins near the financial target of a 10% EBITA-margin. With a good order backlog development during the beginning of the year Etteplan also raised its guidance for 2019. We expect a 2019 revenue and EBITA of EUR 258.6m and 26.0m respectively. We retain our BUY rating with a target price of EUR 9.6 (9.0).

### Good performance across the board and guidance upgrade

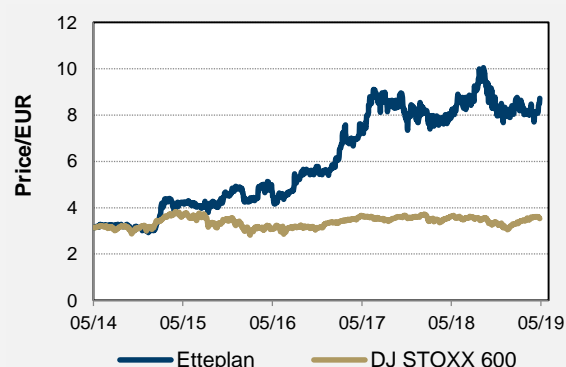
Etteplan's Q1 results were good across the board, with especially profitability beating our estimates, driven by better than expected profitability in Engineering Solutions and Technical Documentation Solutions. Revenue also saw good growth of 11.3% in the quarter following a continued good demand situation despite market uncertainties. Etteplan upgraded its guidance, expecting the revenue and operating profit for 2019 to grow clearly (prev. only grow) compared to 2018.

### Technical Documentation Solutions still faces challenges

Etteplan's Q1 results showed little weakness, as although the on-going trade war did have some impact on the development in China, the significant new orders signed, the guidance upgrade and customer order backlog development alleviate some of the near-term uncertainty. The Technical Documentation Solutions business area remains the likely subpar performer due to elevated costs related to a larger project in Germany. Our revised revenue and EBIT estimates are 258.6m and 23.4m respectively, implying an increase of 9.4% and 12.4% from 2018 figures.

### BUY with a target price of EUR 9.6 (9.0)

On our estimates Etteplan trades at a 26% and 12% discount on 2019E peer median EV/EBITDA and P/E. With our increased estimates and lesser near-term uncertainty we raise our target price to EUR 9.6 (9.0), valuing Etteplan at a P/E and EV/EBITDA of 13.5x and 7.6x respectively, and retain our BUY-rating.

**Rating** BUY

 Share price, EUR (Last trading day's closing price) **8.72**

 Target price, EUR **9.6**

 Latest change in recommendation **03-May-19**

 Latest report on company **03-May-19**

 Research paid by issuer: **YES**

 No. of shares outstanding, '000's **24,963**

 No. of shares fully diluted, '000's **24,963**

 Market cap, EURm **218**

 Free float, % **16.0**

 Exchange rate **0.000**

 Reuters code **ETTE.HE**

 Bloomberg code **ETTE FH**

 Average daily volume, EURm **0.04**

 Next interim report **13-Aug-19**

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## KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	215	15	7.2%	15	0.47	16.6	1.0	10.5	14.1	0.23
2018	236	20	8.5%	19	0.61	13.0	1.0	7.9	11.6	0.30
2019E	259	23	9.0%	23	0.71	12.2	1.0	8.0	10.6	0.36
2020E	271	25	9.2%	24	0.76	11.4	0.9	6.7	9.6	0.38
2021E	284	27	9.5%	27	0.83	10.5	0.8	6.3	8.5	0.42
Market cap, EURm		218		BV per share 2019E, EUR		3.1		CAGR EPS 2018-21, %		10.8
Net debt 2019E, EURm		30		Price/book 2019E		2.8		CAGR sales 2018-21, %		6.3
Enterprise value, EURm		248		Dividend yield 2019E, %		4.1		ROE 2019E, %		24.5
Total assets 2019E, EURm		186		Tax rate 2019E, %		21.8		ROCE 2019E, %		19.2
Goodwill 2019E, EURm		65		Equity ratio 2019E, %		41.9		PEG, P/E 19/CAGR		5.3

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

Etteplan	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Net sales	214.6	59.0	62.0	52.6	62.8	236.4	65.4	66.6	57.2	69.6	258.6	270.8	283.7
sales growth %	16.7%	7.7%	14.3%	11.5%	7.4%	10.1%	11.0%	7.4%	8.8%	10.8%	9.4%	4.7%	4.8%
EBITA	17.2	4.9	6.2	5.0	6.4	22.6	6.4	6.9	5.4	7.3	26.0	27.6	29.1
EBITA margin	8.0%	8.3%	10.1%	9.6%	10.2%	9.5%	9.8%	10.4%	9.4%	10.5%	10.1%	10.2%	10.2%
EBIT	15.5	4.4	5.7	4.4	5.7	20.8	5.8	6.3	4.7	6.6	23.4	25.0	27.1
EBIT margin	7.1%	7.5%	9.1%	8.3%	9.1%	8.8%	8.8%	9.4%	8.3%	9.5%	9.0%	9.2%	9.5%
<b>Engineering Solutions</b>	<b>2017</b>	<b>Q1/'18</b>	<b>Q2/'18</b>	<b>Q3/'18</b>	<b>Q4/'18</b>	<b>2018</b>	<b>Q1/'19</b>	<b>Q2/'19E</b>	<b>Q3/'19E</b>	<b>Q4/'19E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
Net sales	120.9	33.6	35.0	28.8	34.6	132.1	35.6	36.4	30.3	37.5	140.0	144.2	148.5
sales growth %	7.1%	8.3%	13.7%	11.4%	4.4%	9.3%	5.8%	3.9%	5.0%	8.5%	6.0%	3.0%	3.0%
EBITA	9.8	3.1	3.7	2.9	3.3	13.0	3.7	3.9	2.9	3.9	14.3	14.4	14.9
EBITA margin	8.1%	9.1%	10.7%	10.0%	9.5%	9.8%	10.3%	10.8%	9.5%	10.3%	10.2%	10.0%	10.0%
<b>Software and Embedded Solutions</b>	<b>2017</b>	<b>Q1/'18</b>	<b>Q2/'18</b>	<b>Q3/'18</b>	<b>Q4/'18</b>	<b>2018</b>	<b>Q1/'19</b>	<b>Q2/'19E</b>	<b>Q3/'19E</b>	<b>Q4/'19E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
Net sales	52.0	14.1	15.8	13.6	16.5	60.0	17.3	17.9	15.4	18.6	69.0	74.5	80.5
sales growth %	46.6%	4.0%	19.2%	18.7%	20.7%	15.5%	22.8%	13.2%	13.4%	12.5%	15.0%	8.0%	8.0%
EBITA	4.4	1.1	1.4	1.3	2.0	5.8	1.7	1.8	1.5	2.1	7.2	8.2	9.0
EBITA margin	8.4%	7.9%	8.6%	9.8%	12.3%	9.7%	9.8%	10.3%	10.0%	11.4%	10.4%	11.0%	11.2%
<b>Technical Documentation Solutions</b>	<b>2017</b>	<b>Q1/'18</b>	<b>Q2/'18</b>	<b>Q3/'18</b>	<b>Q4/'18</b>	<b>2018</b>	<b>Q1/'19</b>	<b>Q2/'19E</b>	<b>Q3/'19E</b>	<b>Q4/'19E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
Net sales	41.8	11.2	11.3	10.1	11.7	44.3	12.5	12.4	11.5	13.5	49.6	52.1	54.7
sales growth %	17.0%	10.8%	9.8%	3.5%	0.7%	6.0%	11.6%	10.1%	13.4%	15.0%	12.0%	5.0%	5.0%
EBITA	3.8	0.8	1.1	0.8	1.0	3.7	1.2	1.2	1.0	1.3	4.7	4.9	5.2
EBITA margin	9.1%	7.6%	9.5%	8.0%	8.1%	8.3%	9.9%	9.3%	8.5%	9.7%	9.4%	9.5%	9.5%

ETTEPLAN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		19	20	21	19	20	21	19	20	21
SWECO	2615	12.5x	12.3x	11.5x	17.4x	16.3x	15.4x	21.2x	19.7x	18.9x
AF Poyry	1859	12.1x	10.6x	9.4x	14.1x	12.2x	10.5x	13.8x	12.8x	11.7x
Semcon	99	6.3x	5.9x	5.7x	7.1x	6.4x	6.2x	9.8x	8.9x	8.5x
Alten	3151	11.5x	10.7x	10.2x	12.4x	11.5x	10.9x	17.0x	15.6x	14.6x
Altran Technologies	2838	8.3x	7.6x	7.1x	11.1x	9.9x	9.4x	12.9x	11.1x	10.1x
Bertrandt	707	4.7x	4.3x	4.0x	6.7x	6.0x	5.6x	12.1x	10.8x	10.1x
AKKA Technologies	1248	9.1x	8.0x	7.4x	11.0x	9.6x	9.1x	14.3x	12.1x	10.9x
HiQ	270	9.9x	9.5x	9.0x	11.5x	10.7x	10.1x	17.0x	15.7x	14.7x
Acando	405	12.5x	11.4x	10.9x	14.4x	13.1x	12.5x	18.8x	17.1x	16.2x
Tieto	1875	8.0x	7.7x	7.5x	12.4x	11.5x	10.8x	13.6x	12.9x	12.4x
Peer Group Average	1390	9.5x	8.8x	8.3x	11.8x	10.7x	10.1x	15.1x	13.7x	12.8x
Peer Group Median	1248	9.5x	8.7x	8.2x	11.9x	11.1x	10.3x	14.1x	12.9x	12.1x
Etteplan (Evli est.)	220	7.0x	6.3x	5.7x	10.7x	9.7x	8.6x	12.4x	11.5x	10.6x

Etteplan prem./disc. to peer median -26% -28% -31% -11% -13% -17% -12% -11% -12%

Source Bloomberg, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	8.72 PV of Free Cash Flow	126 Long-term growth, %	2.5 Risk-free interest rate, %	2.25
DCF share value	10.32 PV of Horizon value	174 WACC, %	8.3 Market risk premium, %	5.8
Share price potential, %	18.3 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	11.4 Marketable securities	16 Minimum WACC, %	7.8 Equity beta coefficient	0.70
Minimum value	9.4 Debt - dividend	-59 Maximum WACC, %	8.8 Target debt ratio, %	20
Horizon value, %	58.1 Value of stock	257 Nr of shares, Mn	25.0 Effective tax rate, %	20

DCF valuation, EURm	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Horizon
Net sales	236	259	271	284	291	298	306	313	321	329	337	346
<i>Sales growth, %</i>	<i>10.1</i>	<i>9.5</i>	<i>4.6</i>	<i>4.8</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>
Operating income (EBIT)	20	23	25	27	25	25	26	27	27	28	29	29
<i>EBIT margin, %</i>	<i>8.5</i>	<i>9.0</i>	<i>9.2</i>	<i>9.5</i>	<i>8.5</i>	<i>8.5</i>	<i>8.5</i>	<i>8.5</i>	<i>8.5</i>	<i>8.5</i>	<i>8.5</i>	<i>8.5</i>
+ Depreciation+amort.	6	12	13	14	14	14	15	15	15	15	15	
- Income taxes	-3	-5	-5	-6	-5	-6	-6	-6	-6	-6	-6	
- Change in NWC	2	-3	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>1.3</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.6</i>	<i>2.6</i>	<i>2.6</i>	<i>2.6</i>	<i>2.6</i>	<i>2.6</i>	
+ Change in other liabs	1	0	0	0	0	0	0	0	0	0	0	
- Capital Expenditure	-30	-14	-15	-15	-15	-15	-15	-15	-16	-16	-16	-17
<i>Investments / Sales, %</i>	<i>12.9</i>	<i>5.4</i>	<i>5.4</i>	<i>5.3</i>	<i>5.1</i>	<i>5.1</i>	<i>5.0</i>	<i>4.9</i>	<i>4.9</i>	<i>4.8</i>	<i>4.8</i>	<i>4.8</i>
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= Unlevered Free CF (FCF)	-4	13	18	19	18	19	19	20	20	21	21	376
= Discounted FCF (DFCF)		12	16	16	14	13	12	12	11	10	10	174
= DFCF min WACC		12	16	16	14	13	13	12	11	11	10	200
= DFCF max WACC		12	16	16	13	13	12	11	11	10	9	154

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1	2019Q2E	2019Q3E	2019Q4E	2019E	2020E	2021E
Net sales	59	62	53	63	236	65	67	57	70	259	271	284
EBITDA	6	7	6	7	26	9	9	8	10	36	38	41
<i>EBITDA margin (%)</i>	<i>9.7</i>	<i>11.4</i>	<i>11.1</i>	<i>11.7</i>	<i>11.0</i>	<i>13.7</i>	<i>13.9</i>	<i>13.5</i>	<i>13.8</i>	<i>13.7</i>	<i>14.1</i>	<i>14.4</i>
EBIT	4	6	4	6	20	6	6	5	7	23	25	27
<i>EBIT margin (%)</i>	<i>7.5</i>	<i>9.1</i>	<i>8.4</i>	<i>9.1</i>	<i>8.5</i>	<i>8.8</i>	<i>9.4</i>	<i>8.3</i>	<i>9.5</i>	<i>9.0</i>	<i>9.2</i>	<i>9.5</i>
Net financial items	0	0	0	0	-1	0	0	0	0	-1	-1	0
Pre-tax profit	4	6	4	5	19	6	6	5	6	23	24	27
Tax	-1	-1	-1	-1	-4	-1	-1	-1	-1	-5	-5	-6
<i>Tax rate (%)</i>	<i>23.0</i>	<i>21.3</i>	<i>21.9</i>	<i>19.3</i>	<i>21.2</i>	<i>23.4</i>	<i>21.2</i>	<i>21.2</i>	<i>21.2</i>	<i>21.8</i>	<i>21.8</i>	<i>21.8</i>
Net profit	3	4	3	4	15	4	5	4	5	18	19	21
EPS	0.13	0.17	0.13	0.18	0.61	0.17	0.19	0.14	0.20	0.71	0.76	0.83
EPS adjusted (diluted no. of shares)	0.13	0.17	0.13	0.18	0.61	0.17	0.19	0.14	0.20	0.71	0.76	0.83
Dividend per share	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.36	0.38	0.42
<b>SALES, EURm</b>												
Engineering Solutions	34	35	29	35	132	36	36	30	38	140	144	149
Software and Embedded Solutions	14	16	14	17	60	17	18	15	19	69	75	81
Technical Documentation Solutions	11	11	10	12	44	13	12	11	13	50	52	55
<b>Total</b>	<b>59</b>	<b>62</b>	<b>53</b>	<b>63</b>	<b>236</b>	<b>65</b>	<b>67</b>	<b>57</b>	<b>70</b>	<b>259</b>	<b>271</b>	<b>284</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Engineering Solutions</i>	<i>8.3</i>	<i>13.7</i>	<i>11.4</i>	<i>4.4</i>	<i>9.3</i>	<i>5.8</i>	<i>3.9</i>	<i>5.0</i>	<i>8.5</i>	<i>5.8</i>	<i>3.2</i>	<i>3.0</i>
<i>Software and Embedded Solutions</i>	<i>4.0</i>	<i>19.2</i>	<i>18.7</i>	<i>20.7</i>	<i>15.5</i>	<i>22.8</i>	<i>13.2</i>	<i>13.4</i>	<i>12.5</i>	<i>15.3</i>	<i>7.7</i>	<i>8.0</i>
<i>Technical Documentation Solutions</i>	<i>10.8</i>	<i>9.8</i>	<i>3.5</i>	<i>0.6</i>	<i>6.0</i>	<i>11.6</i>	<i>10.1</i>	<i>13.3</i>	<i>15.0</i>	<i>12.5</i>	<i>4.5</i>	<i>5.0</i>
<b>Total</b>	<b>7.7</b>	<b>14.3</b>	<b>11.5</b>	<b>7.4</b>	<b>10.1</b>	<b>11.0</b>	<b>7.4</b>	<b>8.8</b>	<b>10.8</b>	<b>9.5</b>	<b>4.6</b>	<b>4.8</b>
<b>EBIT, EURm</b>												
Engineering Solutions	3	4	3	3	13	4	4	3	4	14	14	15
Software and Embedded Solutions	1	1	1	2	6	2	2	2	2	7	8	9
Technical Documentation Solutions	1	1	1	1	4	1	1	1	1	5	5	5
Other	-1	-1	-1	-1	-2	-1	-1	-1	-1	-3	-3	-2
<b>Total</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>20</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>7</b>	<b>23</b>	<b>25</b>	<b>27</b>
<b>EBIT margin, %</b>												
<i>Engineering Solutions</i>	<i>9.1</i>	<i>10.7</i>	<i>10.0</i>	<i>9.5</i>	<i>9.8</i>	<i>10.3</i>	<i>10.8</i>	<i>9.5</i>	<i>10.3</i>	<i>10.3</i>	<i>10.0</i>	<i>10.0</i>
<i>Software and Embedded Solutions</i>	<i>7.9</i>	<i>8.6</i>	<i>9.8</i>	<i>12.3</i>	<i>9.7</i>	<i>9.8</i>	<i>10.3</i>	<i>10.0</i>	<i>11.4</i>	<i>10.4</i>	<i>11.0</i>	<i>11.2</i>
<i>Technical Documentation Solutions</i>	<i>7.6</i>	<i>9.5</i>	<i>8.0</i>	<i>8.1</i>	<i>8.3</i>	<i>9.9</i>	<i>9.3</i>	<i>8.5</i>	<i>9.7</i>	<i>9.4</i>	<i>9.5</i>	<i>9.5</i>
<b>Total</b>	<b>7.5</b>	<b>9.1</b>	<b>8.4</b>	<b>9.1</b>	<b>8.5</b>	<b>8.8</b>	<b>9.4</b>	<b>8.3</b>	<b>9.5</b>	<b>9.0</b>	<b>9.2</b>	<b>9.5</b>

Commercial Services & Supplies/Finland, May 9, 2019  
Spot comment

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	132	141	184	215	236	259	271	284
<i>Sales growth (%)</i>	<i>2.6</i>	<i>7.0</i>	<i>30.3</i>	<i>16.7</i>	<i>10.1</i>	<i>9.5</i>	<i>4.6</i>	<i>4.8</i>
Costs	-121	-131	-171	-194	-210	-223	-233	-243
Reported EBITDA	10	12	15	21	26	36	38	41
Extraordinary items in EBITDA	0	1	2	0	0	0	0	0
<i>EBITDA margin (%)</i>	<i>8.0</i>	<i>8.3</i>	<i>8.1</i>	<i>9.7</i>	<i>11.0</i>	<i>13.7</i>	<i>14.1</i>	<i>14.4</i>
Depreciation	-3	-3	-5	-5	-6	-12	-13	-14
EBITA	8	9	10	15	20	23	25	27
Goodwill amortization / writedown	0	0	0	0	0	0	0	0
Reported EBIT	7	9	10	15	20	23	25	27
<i>EBIT margin (%)</i>	<i>5.6</i>	<i>6.1</i>	<i>5.5</i>	<i>7.2</i>	<i>8.5</i>	<i>9.0</i>	<i>9.2</i>	<i>9.5</i>
Net financials	-1	-1	-1	-1	-1	-1	-1	0
Pre-tax profit	7	8	9	15	19	23	24	27
Extraordinary items	1	0	0	0	0	0	0	0
Taxes	-1	-2	-2	-3	-4	-5	-5	-6
Minority shares	0	0	0	0	0	0	0	0
Net profit	6	6	7	12	15	18	19	21
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	8	12	22	22	41	42	44	45
<i>% of sales</i>	<i>6</i>	<i>9</i>	<i>12</i>	<i>10</i>	<i>17</i>	<i>16</i>	<i>16</i>	<i>16</i>
Goodwill	39	43	58	59	65	65	65	65
<i>% of sales</i>	<i>29</i>	<i>30</i>	<i>32</i>	<i>27</i>	<i>28</i>	<i>25</i>	<i>24</i>	<i>23</i>
Inventory	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Receivables	26	28	49	53	53	60	62	65
<i>% of sales</i>	<i>20</i>	<i>20</i>	<i>27</i>	<i>24</i>	<i>22</i>	<i>23</i>	<i>23</i>	<i>23</i>
Liquid funds	3	9	5	10	16	18	18	19
<i>% of sales</i>	<i>2</i>	<i>6</i>	<i>3</i>	<i>5</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>
Total assets	75	93	134	144	176	186	190	196
Liabilities								
Equity	29	35	53	58	68	78	88	99
<i>% of sales</i>	<i>22</i>	<i>25</i>	<i>29</i>	<i>27</i>	<i>29</i>	<i>30</i>	<i>32</i>	<i>35</i>
Deferred taxes	1	2	3	3	5	5	5	5
<i>% of sales</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>2</i>
Interest bearing debt	19	23	34	35	51	48	40	31
<i>% of sales</i>	<i>14</i>	<i>16</i>	<i>19</i>	<i>16</i>	<i>22</i>	<i>18</i>	<i>15</i>	<i>11</i>
Non-interest bearing current liabilities	27	32	43	46	48	52	54	57
<i>% of sales</i>	<i>20</i>	<i>23</i>	<i>23</i>	<i>21</i>	<i>20</i>	<i>20</i>	<i>20</i>	<i>20</i>
Other interest free debt	0	1	2	2	4	4	4	4
<i>% of sales</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>1</i>	<i>1</i>	<i>1</i>
Total liabilities	75	93	134	144	176	186	190	196
<b>CASH FLOW, EURm</b>								
+ EBITDA	10	12	15	21	26	36	38	41
- Net financial items	-1	-1	-1	-1	-1	-1	-1	0
- Taxes	-2	-1	-3	-2	-3	-5	-5	-6
- Increase in Net Working Capital	0	-1	-1	1	2	-3	0	0
+/- Other	0	1	-5	0	0	0	0	0
= Cash flow from operations	8	10	6	18	23	27	32	34
- Capex	-1	-2	-2	-2	-30	-14	-15	-15
- Acquisitions	-1	-2	-22	-3	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	7	7	1	11	-7	13	17	19
+/- Change in interest-bearing debt	-1	4	11	1	16	-4	-8	-9
+/- New issues/buybacks	-1	3	14	-2	0	0	0	0
- Paid dividend	-2	-3	-3	-4	-6	-7	-9	-10
+/- Change in loan receivables	-2	0	1	0	1	0	0	0
Change in cash	1	11	24	5	5	2	1	1

Commercial Services & Supplies/Finland, May 9, 2019  
Spot comment

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	89	138	193	198	218	218	218
Net debt	14	29	25	35	30	22	12
Enterprise value	104	168	218	233	248	239	230
Sales	141	184	215	236	259	271	284
EBITDA	12	15	21	26	36	38	41
EBIT	9	10	15	20	23	25	27
Pre-tax	8	9	15	19	23	24	27
Earnings	6	7	12	15	18	19	21
Book value	35	53	58	68	78	88	99
<b>Valuation multiples</b>							
EV/sales	0.7	0.9	1.0	1.0	1.0	0.9	0.8
EV/EBITDA	8.9	11.2	10.5	9.0	7.0	6.3	5.6
EV/EBITA	12.0	16.6	14.1	11.6	10.6	9.6	8.5
EV/EBIT	12.0	16.6	14.1	11.6	10.6	9.6	8.5
EV/operating cash flow	10.4	29.8	11.9	9.3	9.1	7.4	6.7
EV/cash earnings	10.4	12.2	12.8	10.5	8.3	7.4	6.7
P/E	14.6	18.6	16.6	13.0	12.2	11.4	10.5
P/E excl. goodwill	14.6	18.6	16.6	13.0	12.2	11.4	10.5
P/B	2.6	2.6	3.3	2.9	2.8	2.5	2.2
P/sales	0.6	0.8	0.9	0.8	0.8	0.8	0.8
P/CF	9.0	24.5	10.5	7.9	8.0	6.7	6.3
Target EV/EBIT	0.0	0.0	0.0	0.0	11.5	10.5	9.3
Target P/E	0.0	0.0	0.0	0.0	13.5	12.6	11.5
Target P/B	0.0	0.0	0.0	0.0	3.1	2.7	2.4
<b>Per share measures</b>							
Number of shares	20,666	24,771	24,771	24,963	24,963	24,963	24,963
Number of shares (diluted)	20,666	24,771	24,771	24,963	24,963	24,963	24,963
EPS	0.30	0.30	0.47	0.61	0.71	0.76	0.83
EPS excl. goodwill	0.30	0.30	0.47	0.61	0.71	0.76	0.83
Cash EPS	0.48	0.56	0.69	0.89	1.20	1.30	1.38
Operating cash flow per share	0.48	0.23	0.74	1.01	1.09	1.30	1.38
Capital employed per share	2.36	3.32	3.34	4.11	4.32	4.39	4.46
Book value per share	1.68	2.12	2.34	2.71	3.12	3.52	3.98
Book value excl. goodwill	-0.39	-0.22	-0.04	0.09	0.51	0.91	1.37
Dividend per share	0.15	0.16	0.23	0.30	0.36	0.38	0.42
Dividend payout ratio, %	50.6	53.3	49.2	49.0	50.0	50.0	50.0
Dividend yield, %	3.5	2.9	3.0	3.8	4.1	4.4	4.8
<b>Efficiency measures</b>							
ROE	19.3	17.1	21.0	24.4	24.5	23.0	22.2
ROCE	16.3	14.0	17.2	19.1	19.2	19.7	20.9
<b>Financial ratios</b>							
Capex/sales, %	2.5	13.1	2.4	12.9	5.4	5.4	5.3
Capex/depreciation excl. goodwill,%	-18.2	181.7	81.2	419.3	115.0	109.6	110.0
Net debt/EBITDA, book-weighted	1.2	2.0	1.2	1.4	0.8	0.6	0.3
Debt/equity, market-weighted	0.3	0.2	0.2	0.3	0.2	0.2	0.1
Equity ratio, book-weighted	37.4	39.2	40.1	38.5	41.9	46.2	50.7
Gearing	0.41	0.56	0.43	0.52	0.39	0.24	0.12
Number of employees, average	2,078	2,545	2,802	3,055	3,055	3,055	3,055
Sales per employee, EUR	67,947	72,274	76,597	77,376	84,727	88,650	92,871
EBIT per employee, EUR	4,136	3,984	5,526	6,607	7,659	8,173	8,859

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

## INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ingman Group Oy Ab	16,500,000	143.880	66.1%
Oy Fincorp Ab	2,498,135	21.784	10.0%
Varma Mutual Pension Insurance Company	985,593	8.594	3.9%
VAS Invest Oy	562,573	4.906	2.3%
Tuori Klaus	417,200	3.638	1.7%
Taaleri Mikro Markka fund	351,808	3.068	1.4%
Tuori Aino Mirjami	308,275	2.688	1.2%
SEB Gyllenberg Finland Small Cap Fund	129,000	1.125	0.5%
Etteplan Oyj	114,317	0.997	0.5%
Näkki Juha	104,947	0.915	0.4%
Ten largest	21,971,848	191.595	88%
Residual	2,991,460	26.086	12%
Total	24,963,308	217.680	100%

## EARNINGS CALENDAR

August 13, 2019

Q2 report

## OTHER EVENTS

April 04, 2019

AGM

## COMPANY MISCELLANEOUS

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IR: Outi Tornainen

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for the financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	Sales/Share	$\frac{\text{Sales}}{\text{Number of shares}}$
Net debt	Interest bearing debt – financial assets	EBITDA/Share	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Number of shares}}$
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	EBIT/Share	$\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortisation}}$	EAFI/Share	$\frac{\text{Pretax profit}}{\text{Number of shares}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Capital employed/Share	$\frac{\text{Total assets} - \text{non interest bearing debt}}{\text{Number of shares}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest free short term debt} - \text{long term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non interest bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year



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Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.

Recommendation	Percentage
Sell	8%
Hold	53%
Buy	39%

The graph above shows the distribution of ERP's recommendations of companies under coverage in 1st of February 2019. If recommendation is not given, it is not mentioned here.

**Name(s) of the analyst(s):** Salokivi

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