

Upgrades guidance

Etteplan delivered solid Q2 results, although slightly below Evli and consensus estimates. Etteplan's net sales in Q2 amounted to EUR 64.3m, slightly below our and consensus estimates (Evli/cons. EUR 66.6m/66.4m). EBITA amounted to EUR 6.5m compared to our estimates (Evli EUR 6.9m). Etteplan upgraded its guidance, expecting the revenue and operating profit (EBIT) for the year 2019 to grow significantly (prev. clearly) compared to 2018.

- Net sales in Q2 were EUR 64.3m (EUR 62m in Q2/18), slightly below our estimates (Evli EUR 66.6m). Growth in Q2 amounted to 3.7 % y/y.
- EBITA in Q2 amounted to EUR 6.5m (EUR 6.2m in Q2/18), slightly below our estimates (Evli EUR 6.9m), at a margin of 10.1 %.
- Engineering Solutions: Net sales in Q2 were EUR 35.3m vs. EUR 36.4m Evli. EBITA in Q2 amounted to EUR 3.8m vs. EUR 3.9m Evli. The MSI-% in Q2 was 57 % compared to 52 % in Q2/18.
- Software and Embedded Solutions: Net sales in Q2 were EUR 17.1m vs. EUR 17.9m Evli. EBITA in Q2 amounted to EUR 1.6m vs. EUR 1.8m Evli. The MSI-% in Q2 was 55 % compared to 46 % in Q2/18.
- Technical Documentation Solutions: Net sales in Q2 were EUR 11.8m vs. EUR 12.4m Evli. EBITA in Q2 amounted to EUR 1.0m vs. EUR 1.2m Evli. The MSI-% in Q2 was 75 % compared to 73 % in Q2/18.
- Overall development of Etteplan's business environment remains favourable.
- **Guidance updated:** Etteplan expects the revenue and operating profit (EBIT) for the year 2019 to grow significantly (prev. clearly) compared to 2018.

Rating

🟡 HOLD

Q2/19	Actual	Evli	Consensus	Year ago	Q1/19
Net sales	64.3	66.6	66.4	62.0	65.4
EBITA	6.5	6.9	-	6.2	6.4
EBIT	5.8	6.3	6.3	5.7	5.8
EPS	0.18	0.19	0.19	0.17	0.17

Deviation	Actual	Evli	Consensus	Year ago	Q1/19
Net sales		-4%	-3%	4%	-2%
EBITA		-6%	-	4%	1%
EBIT		-8%	-8%	2%	0%
EPS		-7%	-5%	3%	5%

Consensus by FactSet

Share price, EUR (Last trading day's closing price) **9.58**

Target price, EUR **9.6**

Latest change in recommendation **08-Aug-19**

Latest report on company **08-Aug-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 **239**

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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🟢 BUY 🟡 HOLD 🔴 SELL

PRE-REPORT 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	266	24	9.0%	23	0.73	13.2	1.1	8.8	11.9	0.36
2020E	293	27	9.3%	26	0.83	11.6	0.9	7.0	10.2	0.41
2021E	306	29	9.6%	29	0.90	10.6	0.9	6.4	9.1	0.45
Market cap, EURm		239	BV per share 2019E, EUR			3.1	CAGR EPS 2018-21, %			13.7
Net debt 2019E, EURm		46	Price/book 2019E			3.1	CAGR sales 2018-21, %			9.0
Enterprise value, EURm		285	Dividend yield 2019E, %			3.8	ROE 2019E, %			24.9
Total assets 2019E, EURm		203	Tax rate 2019E, %			21.7	ROCE 2019E, %			18.3
Goodwill 2019E, EURm		65	Equity ratio 2019E, %			38.4	PEG, P/E 19/CAGR			3.2

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

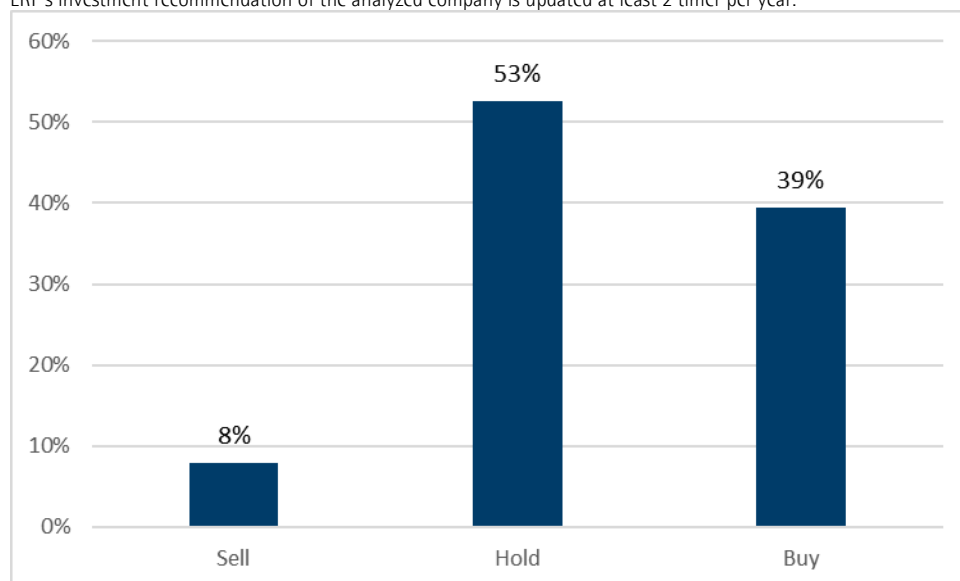
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Investment recommendations are defined as follows:

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

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