

Signs of improved demand activity

Etteplan raised its revenue and EBIT guidance for 2020, as investment demand has been picking up on the positive news on Coronavirus vaccines, with the fourth quarter set to show solid figures. We have raised our 2020-2022 EBIT estimates by some 6-9%. We retain our HOLD-rating with a target price of EUR 12.4 (9.3)

2020 revenue and EBIT guidance raised

Etteplan issued a positive profit warning, raising its revenue and EBIT guidance. Revenue in 2020 is now expected to be at same levels as in the previous year (prev. decrease slightly or same levels as previous year) and operating profit to decrease slightly or be at previous year levels (prev. decrease clearly). According to Etteplan the positive news on Coronavirus vaccines has had a favourable impact on investments and as such aided revenue during the last quarter of the year. The impact has been seen across the board but in particular within software and digitalization related solutions.

Moving in a better direction

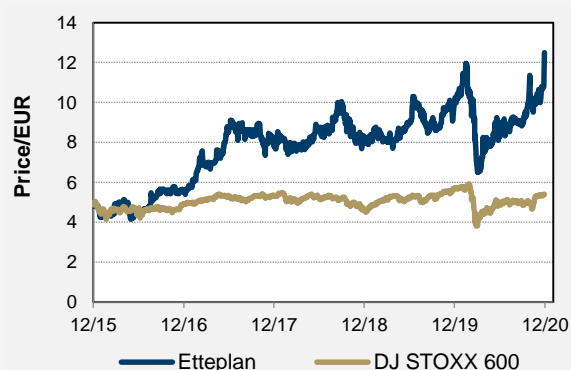
The revised guidance implies solid results in the fourth quarter and is a clear confidence boost after the demand weakness in previous quarters. We have raised our 2020-2022 EBIT estimates by some 6-9%. We still remain somewhat cautious to revenue growth, as demand pick-up visibility is still rather limited, expecting a growth of 6.9% in 2021. We could certainly see potential for growth returning to double-digit figures if demand activity continues to improve. The Tegeman acquisition will also provide an inorganic boost to growth in 2021 and continued M&A activity is likely, although hard to predict.

HOLD with a target price of EUR 12.4 (9.3)

On our estimates Etteplan trades quite in line with historic valuation and on peer median multiples. The positive news has certainly raised our confidence levels but with the still present uncertainty higher valuation for now appears unwarranted. We adjust our TP to EUR 12.4 (9.3), valuing Etteplan at 18x 2021e P/E, and retain our HOLD-rating.

Rating

HOLD



Share price, EUR (Last trading day's closing price) 12.50

Target price, EUR 12.4

Latest change in recommendation 07-Aug-19

Latest report on company 30-Oct-20

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 312

Free float, % 16.0

Exchange rate 0.000

Reuters code ETTE.HE

Bloomberg code ETTE FH

Average daily volume, EURm 0.07

Next interim report 11-Feb-21

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BUY HOLD 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
2018	236.4	20.2	8.5%	13.0	0.61	13.0	1.0	11.4	6.6	0.30
2019	262.7	22.8	8.7%	-1.0	0.70	15.6	1.1	12.9	-0.4	0.35
2020E	261.2	21.8	8.3%	-1.2	0.65	19.4	1.4	16.7	-0.4	0.32
2021E	279.3	23.3	8.4%	11.9	0.69	18.1	1.3	15.4	3.8	0.35
2022E	294.6	25.7	8.7%	14.8	0.77	16.3	1.2	13.7	4.7	0.38
Market cap, EURm			312	Gearing 2020E, %		60.5	CAGR EPS 2019-22, %			5.5
Net debt 2020E, EURm			51	Price/book 2020E		3.7	CAGR sales 2019-22, %			3.9
Enterprise value, EURm			363	Dividend yield 2020E, %		2.6	ROE 2020E, %			20.1
Total assets 2020E, EURm			206	Tax rate 2020E, %		22.2	ROCE 2020E, %			15.2
Goodwill 2020E, EURm			82	Equity ratio 2020E, %		40.6	PEG, P/E 20/CAGR			3.2

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

Etteplan	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Net sales	236.4	65.4	64.2	61.5	71.6	262.7	71.3	62.9	55.2	71.8	261.2	279.3	294.6
sales growth %	10.1%	11.0%	3.5%	17.1%	14.0%	11.1%	9.0%	-2.1%	-10.3%	0.2%	-0.6%	6.9%	5.5%
EBITA	22.6	6.4	6.5	6.6	6.4	25.9	6.6	6.3	5.2	7.4	25.5	27.0	29.4
EBITA margin	9.5%	9.8%	10.1%	10.7%	8.9%	9.9%	9.2%	10.0%	9.5%	10.3%	9.8%	9.7%	10.0%
EBIT	20.8	5.8	5.8	5.7	5.6	22.8	5.7	5.4	4.3	6.5	21.8	23.3	25.7
EBIT margin	8.8%	8.8%	9.0%	9.3%	7.8%	8.7%	7.9%	8.5%	7.8%	9.0%	8.3%	8.4%	8.7%
EBIT (excl. NRIs)	20.5	6.0	5.8	4.9	5.1	21.7	5.8	5.7	4.3	6.5	22.3	23.3	25.7
-margin	8.7%	9.1%	9.0%	8.0%	7.1%	8.3%	8.2%	9.0%	7.8%	9.0%	8.5%	8.4%	8.7%
Engineering Solutions	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Net sales	132.1	35.6	35.3	35.3	40.8	147.0	41.3	35.9	31.0	40.1	148.4	159.0	167.0
sales growth %	9.3%	5.8%	0.8%	22.5%	18.1%	11.3%	16.1%	1.9%	-12.1%	-1.8%	0.9%	7.1%	5.0%
EBITA	13.0	3.7	3.8	3.4	3.6	14.5	3.9	3.7	2.8	4.0	14.4	15.1	16.4
EBITA margin	9.8%	10.3%	10.9%	9.6%	8.7%	9.8%	9.5%	10.3%	9.0%	10.0%	9.7%	9.5%	9.8%
Software and Embedded Solutions	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Net sales	60.0	17.3	17.1	15.4	17.7	67.5	17.0	15.2	13.8	18.3	64.3	69.2	74.0
sales growth %	15.5%	22.8%	8.5%	12.9%	6.9%	12.4%	-2.0%	-10.9%	-10.2%	3.5%	-4.7%	7.6%	7.0%
EBITA	5.8	1.7	1.6	1.6	1.4	6.3	1.5	1.7	1.4	2.1	6.8	7.3	8.0
EBITA margin	9.7%	9.8%	9.3%	10.1%	8.0%	9.3%	9.0%	11.1%	10.4%	11.5%	10.5%	10.5%	10.8%
Technical Documentation Solutions	2018	Q1/'19	Q2/'19	Q3/'19	Q4/'19	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20E	2020E	2021E	2022E
Net sales	44.3	12.5	11.8	10.7	13.1	48.2	12.8	11.6	10.2	13.2	47.9	50.5	53.0
sales growth %	6.0%	11.6%	5.1%	5.8%	11.8%	8.8%	2.6%	-2.0%	-4.5%	0.9%	-0.7%	5.5%	5.0%
EBITA	3.7	1.2	1.0	0.8	0.9	4.1	1.3	1.0	1.0	1.3	4.6	4.9	5.3
EBITA margin	8.3%	9.9%	8.8%	7.8%	6.8%	8.5%	10.1%	8.9%	9.3%	9.8%	9.6%	9.8%	10.0%

Source: Etteplan, Evli Research estimates

ETTEPLAN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		20	21	22	20	21	22	20	21	22
SWECO	5522	22.0x	20.4x	18.9x	29.8x	27.0x	24.7x	35.7x	32.2x	29.5x
AF Poyry	2798	15.2x	13.6x	12.6x	22.9x	19.6x	17.7x	25.0x	20.7x	18.6x
Semcon	132	7.0x	6.1x	5.7x	11.0x	7.8x	7.2x	13.6x	11.2x	10.1x
Alten	3239	17.3x	13.1x	11.1x	23.9x	16.7x	13.8x	38.0x	23.9x	19.6x
Bertrandt	399	7.8x	6.1x	5.0x	28.0x	13.4x	9.4x	47.7x	15.3x	10.1x
AKKA Technologies	550	40.3x	8.7x	6.6x		14.9x	9.6x		21.3x	10.5x
TietoEVRY	3117	8.7x	7.6x	7.3x	11.9x	10.5x	9.9x	12.2x	11.6x	10.8x
Multiconsult	328	7.4x	7.4x	7.3x	11.5x	11.4x	11.3x	14.7x	13.9x	13.7x
Peer Group Average	1679	15.7x	10.4x	9.3x	19.9x	15.2x	12.9x	26.7x	18.8x	15.4x
Peer Group Median	475	11.9x	8.2x	7.3x	22.9x	14.1x	10.6x	25.0x	18.0x	12.3x
Etteplan (Evli est.)	312	9.1x	8.5x	7.8x	16.7x	15.4x	13.7x	19.4x	18.1x	16.3x

Etteplan prem./disc. to peer median

-24% 4% 7% -27% 9% 29% -23% 0% 33%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	12.50 PV of Free Cash Flow	225 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	19.29 PV of Horizon value	306 WACC, %	8.3 Market risk premium, %	5.8
Share price potential, %	54.3 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	21.1 Marketable securities	16 Minimum WACC, %	7.8 Equity beta coefficient	0.70
Minimum value	17.7 Debt - dividend	-65 Maximum WACC, %	8.8 Target debt ratio, %	20
Horizon value, %	57.6 Value of stock	481 Nr of shares, Mn	25.0 Effective tax rate, %	20

DCF valuation, EURm	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Horizon
Net sales	263	261	279	295	302	310	317	325	333	342	348	355
<i>Sales growth, %</i>	<i>11.1</i>	<i>-0.6</i>	<i>6.9</i>	<i>5.5</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>2.0</i>	<i>2.0</i>
Operating income (EBIT)	23	22	23	26	26	26	27	28	28	29	30	30
<i>Operating income margin, %</i>	<i>8.7</i>	<i>8.3</i>	<i>8.4</i>	<i>8.7</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.	15	18	19	20	21	20	20	20	20	20	20	
EBITDA	38	40	42	45	46	47	47	47	48	49	49	
- Paid taxes	-4	-5	-5	-6	-6	-6	-6	-6	-6	-6	-7	
- Change in NWC	4	-15	-1	-1	0	0	0	0	0	-1	0	
<i>NWC / Sales, %</i>	<i>-0.5</i>	<i>5.2</i>	<i>5.2</i>	<i>5.3</i>	<i>5.3</i>	<i>5.3</i>	<i>5.4</i>	<i>5.4</i>	<i>5.4</i>	<i>5.4</i>	<i>5.4</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-2	-2	-3	-2	-3	-3	-3	-3	-3	-4	-4	
<i>opCAPEX / Sales, %</i>	<i>4.9</i>	<i>5.7</i>	<i>5.7</i>	<i>5.4</i>	<i>5.6</i>	<i>5.6</i>	<i>5.6</i>	<i>5.6</i>	<i>5.6</i>	<i>5.6</i>	<i>5.6</i>	
- Acquisitions	-21	-6	-7	-7	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	-4	0	0	0	0	0	0	0	0	0	0	
= FCFF	11	12	26	29	37	37	37	37	38	38	39	628
= Discounted FCFF		12	24	25	29	27	25	23	22	20	19	306
= DCF min WACC		12	24	25	30	27	25	24	22	21	20	346
= DCF max WACC		12	24	25	29	26	24	22	21	19	18	272

Commercial Services & Supplies/Finland, December 21, 2020
Company update

INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2	2020Q3	2020Q4E	2020E	2021E	2022E
Net sales	65.4	64.2	61.4	71.6	262.7	71.3	62.9	55.2	71.8	261.2	279.3	294.6
EBITDA	8.9	9.1	9.5	9.9	37.5	9.7	9.9	9.1	11.3	40.0	42.1	45.2
<i>EBITDA margin (%)</i>	<i>13.7</i>	<i>14.2</i>	<i>15.5</i>	<i>13.8</i>	<i>14.3</i>	<i>13.6</i>	<i>15.7</i>	<i>16.5</i>	<i>15.7</i>	<i>15.3</i>	<i>15.1</i>	<i>15.4</i>
EBIT	5.8	5.8	5.7	5.6	22.8	5.7	5.4	4.3	6.5	21.8	23.3	25.7
<i>EBIT margin (%)</i>	<i>8.8</i>	<i>9.0</i>	<i>9.3</i>	<i>7.8</i>	<i>8.7</i>	<i>7.9</i>	<i>8.5</i>	<i>7.8</i>	<i>9.0</i>	<i>8.3</i>	<i>8.4</i>	<i>8.7</i>
Net financial items	-0.2	-0.1	-0.2	-0.4	-0.9	-0.1	-0.3	-0.3	-0.3	-1.1	-1.2	-1.1
Pre-tax profit	5.6	5.7	5.5	5.1	21.9	5.5	5.0	4.0	6.2	20.7	22.2	24.6
Tax	-1.3	-1.2	-0.9	-1.2	-4.5	-1.3	-1.1	-0.9	-1.3	-4.6	-4.9	-5.5
<i>Tax rate (%)</i>	<i>23.4</i>	<i>20.3</i>	<i>15.7</i>	<i>23.6</i>	<i>20.7</i>	<i>23.8</i>	<i>21.6</i>	<i>23.3</i>	<i>20.7</i>	<i>22.2</i>	<i>22.2</i>	<i>22.2</i>
Net profit	4.3	4.5	4.7	3.9	17.4	4.2	3.9	3.1	4.9	16.1	17.2	19.1
EPS	0.17	0.18	0.19	0.16	0.70	0.17	0.16	0.12	0.20	0.65	0.69	0.77
EPS adjusted (diluted no. of shares)	0.18	0.18	0.16	0.14	0.65	0.17	0.16	0.12	0.20	0.65	0.69	0.77
Dividend per share	0.00	0.00	0.00	0.00	0.35	0.00	0.00	0.00	0.00	0.32	0.35	0.38
SALES, EURm												
Engineering Solutions	35.6	35.3	35.3	40.8	147.0	41.3	35.9	31.0	40.1	148.4	159.0	167.0
Software and Embedded Solutions	17.3	17.1	15.4	17.7	67.5	17.0	15.2	13.8	18.3	64.3	69.2	74.0
Technical Documentation Solutions	12.5	11.8	10.7	13.1	48.1	12.8	11.6	10.2	13.2	47.9	50.5	53.0
Other	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.1	0.2	0.6	0.6	0.6
Total	65.4	64.2	61.4	71.6	262.7	71.3	62.9	55.2	71.8	261.2	279.3	294.6
SALES GROWTH, Y/Y %												
<i>Engineering Solutions</i>	<i>5.8</i>	<i>0.8</i>	<i>22.5</i>	<i>18.1</i>	<i>11.3</i>	<i>16.1</i>	<i>1.9</i>	<i>-12.1</i>	<i>-1.8</i>	<i>0.9</i>	<i>7.1</i>	<i>5.0</i>
<i>Software and Embedded Solutions</i>	<i>22.8</i>	<i>8.5</i>	<i>12.9</i>	<i>6.9</i>	<i>12.4</i>	<i>-2.0</i>	<i>-10.9</i>	<i>-10.2</i>	<i>3.5</i>	<i>-4.7</i>	<i>7.6</i>	<i>7.0</i>
<i>Technical Documentation Solutions</i>	<i>11.6</i>	<i>5.1</i>	<i>5.8</i>	<i>11.8</i>	<i>8.7</i>	<i>2.6</i>	<i>-2.0</i>	<i>-4.5</i>	<i>0.9</i>	<i>-0.6</i>	<i>5.5</i>	<i>5.0</i>
Total	11.0	3.5	16.8	14.0	11.1	9.0	-2.1	-10.1	0.2	-0.6	6.9	5.5
EBIT, EURm												
Engineering Solutions	3.7	3.8	3.4	3.6	14.5	3.9	3.7	2.8	4.0	14.4	15.1	16.4
Software and Embedded Solutions	1.7	1.6	1.6	1.4	6.3	1.5	1.7	1.4	2.1	6.8	7.3	8.0
Technical Documentation Solutions	1.2	1.0	0.8	0.9	4.0	1.3	1.0	1.0	1.3	4.6	4.9	5.3
Other	-0.9	-0.7	-0.1	-0.3	-1.9	-1.1	-1.1	-0.9	-0.9	-4.0	-4.0	-4.0
Total	5.8	5.8	5.7	5.6	22.8	5.7	5.4	4.3	6.5	21.8	23.3	25.7
EBIT margin, %												
<i>Engineering Solutions</i>	<i>10.3</i>	<i>10.9</i>	<i>9.6</i>	<i>8.7</i>	<i>9.8</i>	<i>9.5</i>	<i>10.3</i>	<i>9.0</i>	<i>10.0</i>	<i>9.7</i>	<i>9.5</i>	<i>9.8</i>
<i>Software and Embedded Solutions</i>	<i>9.8</i>	<i>9.3</i>	<i>10.1</i>	<i>8.0</i>	<i>9.3</i>	<i>9.0</i>	<i>11.1</i>	<i>10.4</i>	<i>11.5</i>	<i>10.5</i>	<i>10.5</i>	<i>10.8</i>
<i>Technical Documentation Solutions</i>	<i>9.9</i>	<i>8.8</i>	<i>7.8</i>	<i>6.8</i>	<i>8.3</i>	<i>10.1</i>	<i>8.9</i>	<i>9.3</i>	<i>9.8</i>	<i>9.6</i>	<i>9.8</i>	<i>10.0</i>
<i>Other</i>			<i>-60,000.0</i>			<i>-666.5</i>	<i>-840.6</i>	<i>-602.0</i>	<i>-617.3</i>	<i>-675.5</i>	<i>-675.1</i>	<i>-675.1</i>
Total	8.8	9.0	9.3	7.8	8.7	7.9	8.5	7.8	9.0	8.3	8.4	8.7

Commercial Services & Supplies/Finland, December 21, 2020
Company update

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	141.2	183.9	214.6	236.4	262.7	261.2	279.3	294.6
<i>Sales growth (%)</i>	<i>7.0</i>	<i>30.3</i>	<i>16.7</i>	<i>10.1</i>	<i>11.1</i>	<i>-0.6</i>	<i>6.9</i>	<i>5.5</i>
EBITDA	11.7	15.0	20.8	26.0	37.5	40.0	42.1	45.2
<i>EBITDA margin (%)</i>	<i>8.3</i>	<i>8.1</i>	<i>9.7</i>	<i>11.0</i>	<i>14.3</i>	<i>15.3</i>	<i>15.1</i>	<i>15.4</i>
Depreciation	-3.1	-4.8	-5.3	-5.8	-14.7	-18.2	-18.8	-19.6
EBITA	8.6	10.1	15.5	20.2	22.8	21.8	23.3	25.7
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	8.6	10.1	15.5	20.2	22.8	21.8	23.3	25.7
<i>EBIT margin (%)</i>	<i>6.1</i>	<i>5.5</i>	<i>7.2</i>	<i>8.5</i>	<i>8.7</i>	<i>8.3</i>	<i>8.4</i>	<i>8.7</i>
Reported EBIT	8.6	10.1	15.5	20.2	22.8	21.8	23.3	25.7
<i>EBIT margin (reported) (%)</i>	<i>6.1</i>	<i>5.5</i>	<i>7.2</i>	<i>8.5</i>	<i>8.7</i>	<i>8.3</i>	<i>8.4</i>	<i>8.7</i>
Net financials	-0.7	-0.7	-0.7	-0.8	-0.9	-1.1	-1.2	-1.1
Pre-tax profit	7.9	9.4	14.7	19.4	21.9	20.7	22.2	24.6
Taxes	-1.7	-1.8	-3.2	-4.1	-4.5	-4.6	-4.9	-5.5
Minority shares	-0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	6.1	7.4	11.6	15.3	17.4	16.1	17.2	19.1
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET, EURm								
Assets								
Fixed assets	12	22	22	26	30	29	32	35
Goodwill	43	58	59	65	79	82	82	82
Right of use assets	0	0	0	12	15	16	17	18
Inventory	0	0	0	0	0	0	0	0
Receivables	28	49	53	53	62	60	64	68
Liquid funds	9	5	10	16	16	18	20	21
Total assets	93	134	144	173	203	206	216	224
Liabilities								
Shareholder's equity	35	53	58	68	77	84	93	103
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	12	16	16	17	18
Deferred taxes	2	3	3	5	6	6	6	6
Interest bearing debt	23	34	35	36	41	53	50	44
Non-interest bearing current liabilities	32	43	46	48	61	44	47	50
Other interest-free debt	1	2	2	4	2	2	2	2
Total liabilities	93	134	144	173	203	206	216	224
CASH FLOW, EURm								
+ EBITDA	12	15	21	26	38	40	42	45
- Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
- Taxes	-1	-3	-2	-4	-4	-5	-5	-5
- Increase in Net Working Capital	-1	-1	1	2	4	-15	-1	-1
+/- Other	0	-5	0	-1	-4	0	0	0
= Cash flow from operations	9	6	18	23	33	20	35	38
- Capex	-2	-2	-2	-2	-13	-15	-16	-16
- Acquisitions	-2	-22	-3	-8	-21	-6	-7	-7
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	6	-18	13	13	-1	-1	12	15
+/- New issues/buybacks	3	14	-2	0	-1	0	0	0
- Paid dividend	-3	-3	-4	-6	-7	-9	-8	-9
+/- Other	1	4	-1	-1	9	13	-3	-5
Change in cash	6	-4	5	6	0	2	1	1

Commercial Services & Supplies/Finland, December 21, 2020
Company update

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	138	193	198	253	312	312	312
Net debt (excl. convertibles)	29	25	32	40	51	47	41
Enterprise value	168	218	231	294	363	359	353
Sales	184	215	236	263	261	279	295
EBITDA	15	21	26	38	40	42	45
EBIT	10	15	20	23	22	23	26
Pre-tax	9	15	19	22	21	22	25
Earnings	7	12	15	17	16	17	19
Equity book value (excl. minorities)	53	58	68	77	84	93	103
Valuation multiples							
EV/sales	0.9	1.0	1.0	1.1	1.4	1.3	1.2
EV/EBITDA	11.2	10.5	8.9	7.8	9.1	8.5	7.8
EV/EBITA	16.6	14.1	11.4	12.9	16.7	15.4	13.7
EV/EBIT	16.6	14.1	11.4	12.9	16.7	15.4	13.7
EV/OCF	29.7	11.9	10.0	8.9	18.5	10.3	9.3
EV/FCFF	-46.0	18.2	16.9	27.3	30.3	14.0	12.1
P/FCFE	-7.5	14.8	15.2	-247.0	-253.7	26.2	21.1
P/E	18.6	16.6	13.0	15.6	19.4	18.1	16.3
P/B	2.6	3.3	2.9	3.3	3.7	3.4	3.0
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.0	8.5	7.7
Target EV/EBIT	0.0	0.0	0.0	0.0	16.5	15.3	13.6
Target EV/FCF	0.0	0.0	0.0	0.0	-292.9	29.9	23.7
Target P/B	0.0	0.0	0.0	0.0	3.7	3.3	3.0
Target P/E	0.0	0.0	0.0	0.0	19.2	18.0	16.2
Per share measures							
Number of shares	24,771	24,771	24,963	24,963	24,963	24,963	24,963
Number of shares (diluted)	24,771	24,771	24,963	24,963	24,963	24,963	24,963
EPS	0.30	0.47	0.61	0.70	0.65	0.69	0.77
Operating cash flow per share	0.23	0.74	0.92	1.32	0.78	1.40	1.51
Free cash flow per share	-0.75	0.53	0.52	-0.04	-0.05	0.48	0.59
Book value per share	2.12	2.34	2.71	3.07	3.36	3.72	4.14
Dividend per share	0.16	0.23	0.30	0.35	0.32	0.35	0.38
Dividend payout ratio, %	53.3	49.2	49.0	50.2	50.0	50.0	50.0
Dividend yield, %	2.9	3.0	3.8	3.4	2.6	2.8	3.1
FCF yield, %	-13.4	6.8	6.6	-0.4	-0.4	3.8	4.7
Efficiency measures							
ROE	17.1	21.0	24.4	24.1	20.1	19.5	19.5
ROCE	14.0	17.2	19.3	18.3	15.2	15.0	15.8
Financial ratios							
Inventories as % of sales	0.1	0.1	0.2	0.1	0.1	0.1	0.1
Receivables as % of sales	26.7	24.5	22.4	23.6	23.0	23.0	23.0
Non-interest bearing liabilities as % of sales	23.1	21.3	20.5	23.2	17.0	17.0	17.0
NWC/sales, %	3.2	2.5	1.3	-0.5	5.2	5.2	5.3
Operative CAPEX/sales, %	1.0	1.0	0.7	4.9	5.7	5.7	5.4
CAPEX/sales (incl. acquisitions), %	-11.1	-0.5	-2.8	-3.1	3.4	3.2	3.0
FCFF/EBITDA	-0.2	0.6	0.5	0.3	0.3	0.6	0.6
Net debt/EBITDA, book-weighted	2.0	1.2	1.3	1.1	1.3	1.1	0.9
Debt/equity, market-weighted	0.2	0.2	0.2	0.2	0.2	0.2	0.1
Equity ratio, book-weighted	39.2	40.1	39.1	37.8	40.6	43.1	46.2
Gearing, %	55.7	43.0	48.1	52.6	60.5	50.4	39.4

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: Etteplan is in our view set to continue on a track of profitable growth. The comprehensive service offering and good market positioning provides organic growth opportunities while the company's M&A track record will see growth further boosted through acquisitions. Etteplan has achieved a solid level of relative profitability and further improvement appears challenging, although optimization of resources through an increase in Managed services could further boost margins.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ingman Group Oy Ab	16,500,000	206.250	66.1%
Oy Fincorp Ab	2,501,465	31.268	10.0%
Varma Mutual Pension Insurance Company	985,593	12.320	3.9%
SEB Gyllenberg Finland Small Cap Fund	478,000	5.975	1.9%
Tuori Klaus	399,801	4.998	1.6%
Taaleri Mikro Markka fund	339,048	4.238	1.4%
Tuori Aino	308,275	3.853	1.2%
VAS Invest Oy	274,549	3.432	1.1%
OP-Finland Micro Cap	155,000	1.938	0.6%
Näkki Juha	125,848	1.573	0.5%
Ten largest	22,067,579	275.845	88%
Residual	2,895,729	36.197	12%
Total	24,963,308	312.041	100%

EARNINGS CALENDAR

February 11, 2021	FY 2020 Results
May 05, 2021	Q1 report
August 11, 2021	Q2 report

OTHER EVENTS

April 08, 2021	AGM
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COMPANY MISCELLANEOUS

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CFO: Per-Anders Gådin	Tel: +358 1,0 3,070
IR: Outi Torniainen	

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	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	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 per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

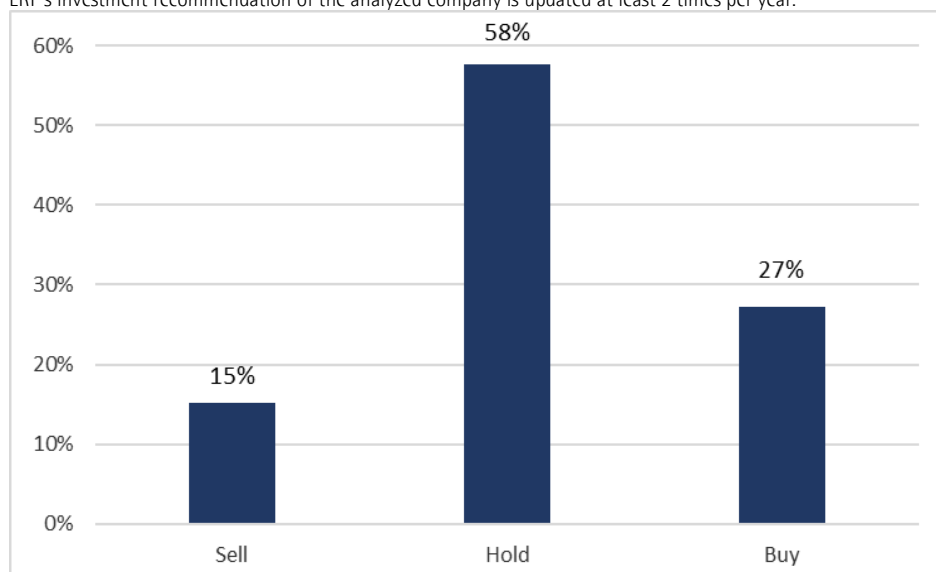
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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