

Looking better and better

Etteplan reported better than expected Q1 figures and raised its sales and EBIT guidance. The market situation has continued to develop favourably and Etteplan is seen to move towards a new normal during the latter half of the year. We adjust our TP to EUR 16.0 (13.9) and upgrade our rating to HOLD (SELL).

Better than expected start to the year

Etteplan reported better than expected Q1 figures. Revenue grew slightly y/y to EUR 73.0m (EUR 71.1m/71.3m Evli/cons.) but decreased 4% organically. EBIT amounted to EUR 6.6m, above our and consensus estimates (EUR 5.4m/5.5m Evli/cons.), with the EBITA-% at 10.5% (co's fin. target 10%). Demand across Etteplan's markets continued to develop favourably, with China unaffected by the pandemic and hours sold up 121% y/y from the weak comparison period. With the strong start to the year and confidence in continued improvement in the market situation throughout the year Etteplan also raised its guidance for 2021, expecting revenue of EUR 285-305m (280m-300m) and EBIT of EUR 25-28m (23-26m).

Moving towards a new normal

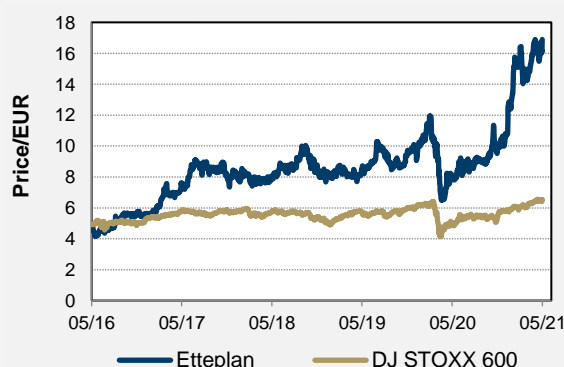
We have slightly raised our 2021 sales estimate to EUR 292.6m and our EBIT estimate by approx. 7% to EUR 26.1m, mainly due to the stronger than expected Q1. Margins in the past two quarters have been exceptionally good due to the strict cost control and with operations shifting back towards a new normal cost will be on the rise and we as such expect weaker margins y/y in H2. Organic growth is still somewhat of a concern but with market conditions improving and the company actively recruiting as well as having increased usage of subcontracting, the already begun more positive trend should pick up.

HOLD (SELL) with a target price of EUR 16.0 (13.9)

Looking at the solid start of the year we have been too bearish on Etteplan and the development of the overall market situation. This being said, we still see limits in valuation upside with Etteplan already trading rather clearly above peers. We adjust our target price to EUR 16.0 (13.9) and upgrade to HOLD (SELL).

Rating

HOLD



Share price, EUR (Last trading day's closing price) 16.90

Target price, EUR 16.0

Latest change in recommendation 05-May-21

Latest report on company 29-Apr-21

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 422

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-Aug-21

Web site etteplan.com/investors

Analyst Jerker Salokivi

E-mail jerker.salokivi@evli.com

Telephone +358 9 4766 9149

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
2019	262.7	22.8	8.7%	-1.0	0.70	15.6	1.1	12.9	-0.4	0.35
2020	259.7	22.4	8.6%	11.1	0.68	18.9	1.4	16.2	3.4	0.34
2021E	292.6	26.1	8.9%	15.5	0.81	20.8	1.6	17.5	3.7	0.41
2022E	319.4	28.0	8.8%	15.6	0.88	19.3	1.4	16.1	3.7	0.44
2023E	333.4	30.4	9.1%	28.2	0.96	17.6	1.3	14.2	6.7	0.48
Market cap, EURm			422	Gearing 2021E, %		33.9	CAGR EPS 2020-23, %			12.0
Net debt 2021E, EURm			34	Price/book 2021E		4.3	CAGR sales 2020-23, %			8.7
Enterprise value, EURm			455	Dividend yield 2021E, %		2.4	ROE 2021E, %			21.8
Total assets 2021E, EURm			233	Tax rate 2021E, %		18.7	ROCE 2021E, %			16.7
Goodwill 2021E, EURm			84	Equity ratio 2021E, %		42.4	PEG, P/E 21/CAGR			3.2

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

Etteplan	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Net sales	262.7	71.3	62.9	55.2	70.3	259.7	73.0	73.4	67.0	79.4	292.6	319.4	333.4
sales growth %	11.1%	9.0%	-2.1%	-10.3%	-1.8%	-1.2%	2.3%	16.6%	21.2%	12.9%	12.7%	9.2%	4.4%
EBITA	25.9	6.6	6.3	5.2	8.1	26.2	7.7	7.5	6.1	8.8	30.2	32.0	33.4
EBITA margin	9.9%	9.2%	10.0%	9.5%	11.5%	10.1%	10.5%	10.2%	9.1%	11.1%	10.3%	10.0%	10.0%
EBIT	22.8	5.7	5.4	4.3	7.1	22.4	6.6	6.5	5.1	7.8	26.1	28.0	30.4
EBIT margin	8.7%	7.9%	8.5%	7.8%	10.1%	8.6%	9.0%	8.9%	7.6%	9.9%	8.9%	8.8%	9.1%
EBIT (excl. NRIs)	21.7	5.8	5.7	4.3	7.4	23.3	6.9	6.9	5.5	8.2	26.1	28.0	30.4
-margin	8.3%	8.2%	9.0%	7.8%	10.6%	9.0%	9.5%	9.4%	8.2%	10.3%	8.9%	8.8%	9.1%
Engineering Solutions	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Net sales	147.0	41.3	35.9	31.0	40.6	148.9	41.4	42.4	39.4	47.2	170.4	187.4	194.9
sales growth %	11.3%	16.1%	1.9%	-12.1%	-0.6%	1.3%	0.2%	18.0%	26.9%	16.3%	14.5%	10.0%	4.0%
EBITA	14.5	3.9	3.7	2.8	4.2	14.7	4.4	4.3	3.5	4.9	17.1	18.4	19.1
EBITA margin	9.8%	9.5%	10.3%	9.0%	10.5%	9.9%	10.6%	10.1%	9.0%	10.4%	10.0%	9.8%	9.8%
Software and Embedded Solutions	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Net sales	67.5	17.0	15.2	13.8	17.7	63.7	18.8	18.5	16.5	19.3	73.1	80.4	84.5
sales growth %	12.4%	-2.0%	-10.9%	-10.2%	0.0%	-5.6%	10.9%	21.4%	19.4%	9.2%	14.8%	10.0%	5.0%
EBITA	6.3	1.5	1.7	1.4	2.4	7.1	2.1	2.0	1.7	2.6	8.3	8.8	9.3
EBITA margin	9.3%	9.0%	11.1%	10.4%	13.8%	11.1%	11.1%	10.8%	10.1%	13.3%	11.4%	11.0%	11.0%
Technical Documentation Solutions	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21E	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Net sales	48.2	12.8	11.6	10.2	11.9	46.5	12.5	12.3	10.9	12.7	48.4	50.9	53.4
sales growth %	8.8%	2.6%	-2.0%	-4.5%	-9.3%	-3.5%	-2.3%	6.0%	6.6%	7.0%	4.1%	5.0%	5.0%
EBITA	4.1	1.3	1.0	1.0	1.3	4.6	1.4	1.3	1.0	1.4	5.0	5.1	5.3
EBITA margin	8.5%	10.1%	8.9%	9.3%	11.0%	9.8%	11.0%	10.5%	8.8%	11.1%	10.4%	10.0%	10.0%

Source: Etteplan, Evli Research estimates

ETTEPLAN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		21	22	23	21	22	23	21	22	23
SWECO	5155	21.2x	19.5x	18.4x	27.5x	24.8x	23.0x	32.6x	29.5x	27.4x
AF Poyry	3028	14.7x	13.3x	12.9x	21.5x	18.8x	18.0x	23.0x	20.1x	19.7x
Semcon	199	8.6x	8.1x	7.7x	10.8x	10.1x	9.4x	15.7x	14.5x	13.6x
Alten	3480	13.1x	10.8x	9.9x	17.4x	13.8x	12.0x	25.1x	19.8x	17.1x
Bertrandt	473	5.3x	4.3x	4.0x	11.8x	8.1x	7.0x	17.3x	11.2x	9.7x
AKKA Technologies	733	7.1x	4.9x	4.0x	13.6x	7.4x	5.8x		12.5x	9.5x
TietoEVRY	3425	8.4x	8.1x	7.8x	12.1x	11.5x	10.9x	12.7x	11.6x	11.0x
Multiconsult	475	9.1x	8.8x	8.2x	13.6x	13.1x	11.9x	17.6x	16.8x	15.1x
Peer Group Average	1932	10.9x	9.7x	9.1x	16.1x	13.4x	12.3x	20.6x	17.0x	15.4x
Peer Group Median	733	8.8x	8.4x	8.0x	13.6x	12.3x	11.4x	17.6x	15.6x	14.3x
Etteplan (Evli est.)	421	11.8x	9.3x	8.2x	17.6x	16.3x	14.4x	20.8x	19.3x	17.6x

Etteplan prem./disc. to peer median

34% 10% 3% 30% 32% 26% 18% 24% 23%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	16.90 PV of Free Cash Flow	282 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	23.48 PV of Horizon value	353 WACC, %	8.3 Market risk premium, %	5.8
Share price potential, %	38.9 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	25.7 Marketable securities	24 Minimum WACC, %	7.8 Equity beta coefficient	0.70
Minimum value	21.6 Debt - dividend	-73 Maximum WACC, %	8.8 Target debt ratio, %	20
Horizon value, %	55.6 Value of stock	586 Nr of shares, Mn	25.0 Effective tax rate, %	20

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	260	293	319	333	342	350	359	368	377	387	394	402
<i>Sales growth, %</i>	-1.1	12.7	9.2	4.4	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0
Operating income (EBIT)	22	26	28	30	31	32	32	33	34	35	35	36
<i>Operating income margin, %</i>	8.6	8.9	8.8	9.1	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
+ Depreciation+amort.	18	19	21	23	23	22	22	22	22	22	22	22
EBITDA	40	45	49	54	53	54	54	55	56	57	57	
- Paid taxes	-5	-5	-5	-6	-6	-6	-6	-6	-6	-7	-7	
- Change in NWC	1	0	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	-0.9	-0.8	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.6	-0.6	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-2	-2	-3	-3	-3	-3	-3	-4	-4	-4	-4	
<i>opCAPEX / Sales, %</i>	8.1	5.7	5.7	5.7	5.6	5.6	5.6	5.6	5.6	5.6	5.6	
- Acquisitions	-6	-7	-9	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	3	0	0	0	0	0	0	0	0	0	0	
= FCFF	32	31	32	45	44	44	45	45	46	46	47	763
= Discounted FCFF		30	28	36	33	31	28	26	25	23	22	353
= DFCF min WACC		30	28	37	34	31	29	27	26	24	23	401
= DFCF max WACC		29	28	36	33	30	28	26	24	22	21	313

INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2E	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	71.3	62.9	55.2	70.3	259.7	73.0	73.4	67.0	79.4	292.6	319.4	333.4
EBITDA	9.7	9.9	9.1	11.7	40.4	11.0	10.3	7.9	9.7	44.9	48.9	53.5
<i>EBITDA margin (%)</i>	<i>13.6</i>	<i>15.7</i>	<i>16.5</i>	<i>16.6</i>	<i>15.6</i>	<i>15.1</i>	<i>14.1</i>	<i>11.8</i>	<i>12.2</i>	<i>15.4</i>	<i>15.3</i>	<i>16.0</i>
EBIT	5.7	5.4	4.3	7.1	22.4	6.6	6.5	5.1	7.8	26.1	28.0	30.4
<i>EBIT margin (%)</i>	<i>7.9</i>	<i>8.5</i>	<i>7.8</i>	<i>10.1</i>	<i>8.6</i>	<i>9.0</i>	<i>8.9</i>	<i>7.6</i>	<i>9.9</i>	<i>8.9</i>	<i>8.8</i>	<i>9.1</i>
Net financial items	-0.1	-0.3	-0.3	-0.5	-1.3	-0.1	-0.3	-0.3	-0.3	-1.1	-1.1	-0.9
Pre-tax profit	5.5	5.0	4.0	6.6	21.1	6.5	6.2	4.8	7.5	24.9	26.9	29.5
Tax	-1.3	-1.1	-0.9	-0.7	-4.0	-1.2	-1.2	-0.9	-1.4	-4.7	-5.0	-5.5
<i>Tax rate (%)</i>	<i>23.8</i>	<i>21.6</i>	<i>23.3</i>	<i>10.3</i>	<i>19.0</i>	<i>17.9</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>18.7</i>	<i>18.7</i>	<i>18.7</i>
Net profit	4.2	3.9	3.1	5.9	17.1	5.3	5.0	3.9	6.1	20.3	21.9	24.0
EPS	0.17	0.16	0.12	0.24	0.68	0.21	0.20	0.15	0.24	0.81	0.88	0.96
EPS adjusted (diluted no. of shares)	0.17	0.16	0.12	0.24	0.68	0.21	0.20	0.15	0.24	0.81	0.88	0.96
Dividend per share	0.00	0.00	0.00	0.00	0.34	0.00	0.00	0.00	0.00	0.41	0.44	0.48
SALES, EURm												
Engineering Solutions	41.3	35.9	31.0	40.6	148.9	41.4	42.4	39.4	47.2	170.4	187.4	194.9
Software and Embedded Solutions	17.0	15.2	13.8	17.7	63.7	18.8	18.5	16.5	19.3	73.1	80.4	84.5
Technical Documentation Solutions	12.8	11.6	10.2	11.9	46.5	12.5	12.3	10.9	12.7	48.4	50.9	53.4
Other	0.2	0.1	0.1	0.2	0.6	0.2	0.2	0.2	0.2	0.6	0.6	0.6
Total	71.3	62.9	55.2	70.3	259.7	73.0	73.4	67.0	79.4	292.6	319.4	333.4
SALES GROWTH, Y/Y %												
<i>Engineering Solutions</i>	<i>16.1</i>	<i>1.9</i>	<i>-12.1</i>	<i>-0.6</i>	<i>1.3</i>	<i>0.2</i>	<i>18.0</i>	<i>26.9</i>	<i>16.3</i>	<i>14.5</i>	<i>10.0</i>	<i>4.0</i>
<i>Software and Embedded Solutions</i>	<i>-2.0</i>	<i>-10.9</i>	<i>-10.2</i>	<i>0.0</i>	<i>-5.6</i>	<i>10.9</i>	<i>21.4</i>	<i>19.4</i>	<i>9.2</i>	<i>14.8</i>	<i>10.0</i>	<i>5.0</i>
<i>Technical Documentation Solutions</i>	<i>2.6</i>	<i>-2.0</i>	<i>-4.5</i>	<i>-9.3</i>	<i>-3.3</i>	<i>-2.3</i>	<i>6.0</i>	<i>6.6</i>	<i>7.0</i>	<i>4.1</i>	<i>5.0</i>	<i>5.0</i>
<i>Other</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>15.9</i>	<i>17.2</i>	<i>0.7</i>	<i>-2.0</i>	<i>7.7</i>	<i>0.0</i>	<i>0.0</i>
Total	9.0	-2.1	-10.1	-1.8	-1.1	2.3	16.6	21.2	12.9	12.7	9.2	4.4
EBIT, EURm												
Engineering Solutions	3.9	3.7	2.8	4.2	14.7	4.4	4.3	3.5	4.9	17.1	18.4	19.1
Software and Embedded Solutions	1.5	1.7	1.4	2.4	7.1	2.1	2.0	1.7	2.6	8.3	8.8	9.3
Technical Documentation Solutions	1.3	1.0	1.0	1.3	4.6	1.4	1.3	1.0	1.4	5.0	5.1	5.3
Other	-1.1	-1.1	-0.9	-0.9	-4.0	-1.3	-1.0	-1.0	-1.0	-4.4	-4.3	-3.3
Total	5.7	5.4	4.3	7.1	22.4	6.6	6.5	5.1	7.8	26.1	28.0	30.4
EBIT margin, %												
<i>Engineering Solutions</i>	<i>9.5</i>	<i>10.3</i>	<i>9.0</i>	<i>10.5</i>	<i>9.9</i>	<i>10.6</i>	<i>10.1</i>	<i>9.0</i>	<i>10.4</i>	<i>10.0</i>	<i>9.8</i>	<i>9.8</i>
<i>Software and Embedded Solutions</i>	<i>9.0</i>	<i>11.1</i>	<i>10.4</i>	<i>13.8</i>	<i>11.1</i>	<i>11.1</i>	<i>10.8</i>	<i>10.1</i>	<i>13.3</i>	<i>11.4</i>	<i>11.0</i>	<i>11.0</i>
<i>Technical Documentation Solutions</i>	<i>10.1</i>	<i>8.9</i>	<i>9.3</i>	<i>11.0</i>	<i>9.8</i>	<i>11.0</i>	<i>10.5</i>	<i>8.8</i>	<i>11.1</i>	<i>10.4</i>	<i>10.0</i>	<i>10.0</i>
<i>Other</i>	<i>-666.5</i>	<i>-840.6</i>	<i>-602.0</i>	<i>-585.0</i>	<i>-666.8</i>	<i>-665.3</i>	<i>-700.0</i>	<i>-700.0</i>	<i>-700.0</i>	<i>-689.7</i>	<i>-676.6</i>	<i>-520.3</i>
Total	7.9	8.5	7.8	10.1	8.6	9.0	8.9	7.6	9.9	8.9	8.8	9.1

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	183.9	214.6	236.4	262.7	259.7	292.6	319.4	333.4
<i>Sales growth (%)</i>	<i>30.3</i>	<i>16.7</i>	<i>10.1</i>	<i>11.1</i>	<i>-1.1</i>	<i>12.7</i>	<i>9.2</i>	<i>4.4</i>
EBITDA	15.0	20.8	26.0	37.5	40.4	44.9	48.9	53.5
<i>EBITDA margin (%)</i>	<i>8.1</i>	<i>9.7</i>	<i>11.0</i>	<i>14.3</i>	<i>15.6</i>	<i>15.4</i>	<i>15.3</i>	<i>16.0</i>
Depreciation	-4.8	-5.3	-5.8	-14.7	-18.0	-18.8	-20.9	-23.1
EBITA	10.1	15.5	20.2	22.8	22.4	26.1	28.0	30.4
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	10.1	15.5	20.2	22.8	22.4	26.1	28.0	30.4
<i>EBIT margin (%)</i>	<i>5.5</i>	<i>7.2</i>	<i>8.5</i>	<i>8.7</i>	<i>8.6</i>	<i>8.9</i>	<i>8.8</i>	<i>9.1</i>
Reported EBIT	10.1	15.5	20.2	22.8	22.4	26.1	28.0	30.4
<i>EBIT margin (reported) (%)</i>	<i>5.5</i>	<i>7.2</i>	<i>8.5</i>	<i>8.7</i>	<i>8.6</i>	<i>8.9</i>	<i>8.8</i>	<i>9.1</i>
Net financials	-0.7	-0.7	-0.8	-0.9	-1.3	-1.1	-1.1	-0.9
Pre-tax profit	9.4	14.7	19.4	21.9	21.1	24.9	26.9	29.5
Taxes	-1.8	-3.2	-4.1	-4.5	-4.0	-4.7	-5.0	-5.5
Minority shares	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	7.4	11.6	15.3	17.4	17.1	20.3	21.9	24.0
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	22	22	26	30	29	31	35	30
Goodwill	58	59	65	79	84	84	84	84
Right of use assets	0	0	12	15	23	26	28	29
Inventory	0	0	0	0	0	0	0	0
Receivables	49	53	53	62	57	64	70	73
Liquid funds	5	10	16	16	24	27	30	31
Total assets	134	144	173	203	218	233	248	248
Liabilities								
Shareholder's equity	53	58	68	77	87	99	111	124
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	12	16	24	26	28	29
Deferred taxes	3	3	5	6	7	7	7	7
Interest bearing debt	34	35	36	41	40	35	30	13
Non-interest bearing current liabilities	43	46	48	61	57	65	71	74
Other interest-free debt	2	2	4	2	2	2	2	2
Total liabilities	134	144	173	203	218	233	248	248
CASH FLOW, EURm								
+ EBITDA	15	21	26	38	40	45	49	54
- Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
- Taxes	-3	-2	-4	-4	-5	-5	-5	-6
- Increase in Net Working Capital	-1	1	2	4	1	0	0	0
+/- Other	-5	0	-1	-4	3	0	0	0
= Cash flow from operations	6	18	23	33	38	39	43	47
- Capex	-2	-2	-2	-13	-21	-17	-18	-19
- Acquisitions	-22	-3	-8	-21	-6	-7	-9	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-18	13	13	-1	11	16	16	28
+/- New issues/buybacks	14	-2	0	-1	2	0	0	0
- Paid dividend	-3	-4	-6	-7	-9	-8	-10	-11
+/- Other	4	-1	-1	9	4	-4	-3	-16
Change in cash	-4	5	6	0	9	3	3	1

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	193	198	253	323	422	422	422
Net debt (excl. convertibles)	25	32	40	41	34	28	11
Enterprise value	218	231	294	364	455	450	433
Sales	215	236	263	260	293	319	333
EBITDA	21	26	38	40	45	49	54
EBIT	15	20	23	22	26	28	30
Pre-tax	15	19	22	21	25	27	30
Earnings	12	15	17	17	20	22	24
Equity book value (excl. minorities)	58	68	77	87	99	111	124
Valuation multiples							
EV/sales	1.0	1.0	1.1	1.4	1.6	1.4	1.3
EV/EBITDA	10.5	8.9	7.8	9.0	10.1	9.2	8.1
EV/EBITA	14.1	11.4	12.9	16.2	17.5	16.1	14.2
EV/EBIT	14.1	11.4	12.9	16.2	17.5	16.1	14.2
EV/OCF	11.9	10.0	8.9	9.6	11.6	10.5	9.2
EV/FCFF	18.2	16.9	27.3	11.5	14.6	14.0	9.7
P/FCFE	14.8	15.2	-247.0	29.2	27.1	27.0	15.0
P/E	16.6	13.0	15.6	18.9	20.8	19.3	17.6
P/B	3.3	2.9	3.3	3.7	4.3	3.8	3.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.6	8.7	7.7
Target EV/EBIT	0.0	0.0	0.0	0.0	16.6	15.3	13.5
Target EV/FCF	0.0	0.0	0.0	0.0	27.9	27.4	14.6
Target P/B	0.0	0.0	0.0	0.0	4.0	3.6	3.2
Target P/E	0.0	0.0	0.0	0.0	19.7	18.3	16.6
Per share measures							
Number of shares	24,771	24,963	24,963	24,963	24,963	24,963	24,963
Number of shares (diluted)	24,771	24,963	24,963	24,963	24,963	24,963	24,963
EPS	0.47	0.61	0.70	0.68	0.81	0.88	0.96
Operating cash flow per share	0.74	0.92	1.32	1.52	1.57	1.72	1.89
Free cash flow per share	0.53	0.52	-0.04	0.44	0.62	0.62	1.13
Book value per share	2.34	2.71	3.07	3.49	3.96	4.43	4.95
Dividend per share	0.23	0.30	0.35	0.34	0.41	0.44	0.48
Dividend payout ratio, %	49.2	49.0	50.2	49.6	50.0	50.0	50.0
Dividend yield, %	3.0	3.8	3.4	2.6	2.4	2.6	2.8
FCF yield, %	6.8	6.6	-0.4	3.4	3.7	3.7	6.7
Efficiency measures							
ROE	21.0	24.4	24.1	20.9	21.8	20.9	20.5
ROCE	17.2	19.3	18.3	15.7	16.7	17.0	18.2
Financial ratios							
Inventories as % of sales	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Receivables as % of sales	24.5	22.4	23.6	21.8	21.8	21.8	21.8
Non-interest bearing liabilities as % of sales	21.3	20.5	23.2	22.1	22.1	22.1	22.1
NWC/sales, %	2.5	1.3	-0.5	-0.9	-0.8	-0.7	-0.7
Operative CAPEX/sales, %	1.0	0.7	4.9	8.1	5.7	5.7	5.7
CAPEX/sales (incl. acquisitions), %	-0.5	-2.8	-3.1	5.9	3.3	2.9	5.7
FCFF/EBITDA	0.6	0.5	0.3	0.8	0.7	0.7	0.8
Net debt/EBITDA, book-weighted	1.2	1.3	1.1	1.0	0.7	0.6	0.2
Debt/equity, market-weighted	0.2	0.2	0.2	0.1	0.1	0.1	0.0
Equity ratio, book-weighted	40.1	39.1	37.8	40.0	42.4	44.6	49.9
Gearing, %	43.0	48.1	52.6	46.6	33.9	25.4	8.8

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 and an increase in own software products could further boost margins.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ingman Group Oy Ab	16,500,000	278.850	66.1%
Oy Fincorp Ab	2,498,000	42.216	10.0%
Varma Mutual Pension Insurance Company	985,593	16.657	3.9%
SEB Gyllenberg Finland Small Cap Fund	480,823	8.126	1.9%
Tuori Klaus	399,134	6.745	1.6%
Taaleri Mikro Markka fund	339,048	5.730	1.4%
Tuori Aino	308,275	5.210	1.2%
VAS Invest Oy	215,332	3.639	0.9%
OP-Finland Micro Cap	165,486	2.797	0.7%
Elo Mutual Pension Insurance Company	150,456	2.543	0.6%
Ten largest	22,042,147	372.512	88%
Residual	2,921,161	49.368	12%
Total	24,963,308	421.880	100%

EARNINGS CALENDAR

August 11, 2021	Q2 report
October 28, 2021	Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

CEO: Juha Näkki	Tekniikantie 4 B, 02150 Espoo
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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

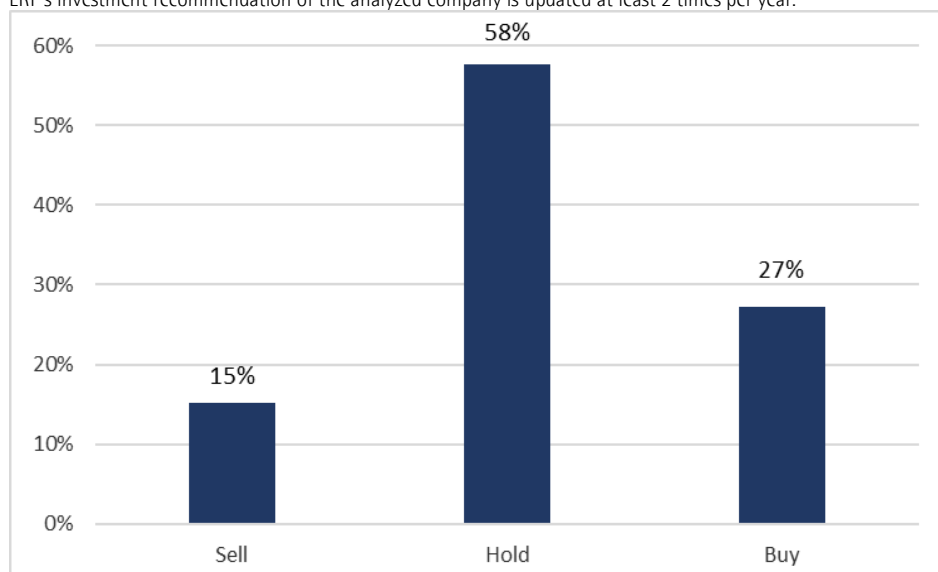
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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Contact information**SALES, TRADING AND RESEARCH****Equity, ETF and Derivatives Sales**

Joachim Dannberg	+358 9 4766 9123
Ari Laine	+358 9 4766 9115
Kimmo Lilja	+358 9 4766 9130

Trading

Lauri Vehkaluoto (Head)	+358 9 4766 9120
Pasi Väisänen	+358 9 4766 9120
Antti Kässi	+358 9 4766 9120
Miika Ronkanen	+358 9 4766 9120

Structured Investments

Heikki Savijoki	+358 9 4766 9726
Aki Lakkisto	+358 9 4766 9123

Equity Research

Jonas Forslund	+358 9 4766 9314
Joonas Ilvonen	+358 44 430 9071
Jerker Salokivi	+358 9 4766 9149
Anna-Liisa Rissanen	+358 40 157 9919
Teemu Reiman	+358 40 352 6175

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
Markku Reinikainen	+358 9 4766 9669



EVLI BANK PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Fax +358 9 634 382
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI BANK PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000
Fax +46 (0)8 407 8001