

## Sights set on growth

Etteplan's Q2 results were quite in line with expectations. Growth is set to return to double digits this year and Etteplan is taking steps to keep the momentum going. Etteplan also raised its 2021 revenue guidance on the positive H1 development to EUR 295-315m (285-305m).

### Q2 quite in line with expectations

Etteplan reported its Q2 results, which overall were quite in line with expectations. Revenue grew 19% y/y to EU 75.0m (EUR 73.7m/73.6m Evli/cons.). EBIT amounted to EUR 6.7m (EUR 6.5m/7.3m Evli/cons.). Good operational efficiency kept the group EBITA-margin above the target 10% level at 10.4% (Evli 10.2%). On our estimates the stronger performers of the quarter were the Technical Documentation Solutions and Software and Embedded Solutions service areas, which both surpassed expectations on growth and profitability. Customer order intake has continued favourably and although the pandemic still causes uncertainty, Etteplan raised its revenue guidance range to EUR 295-315m (prev. EUR 285-305m), with the EUR 25-28m EBIT guidance range intact.

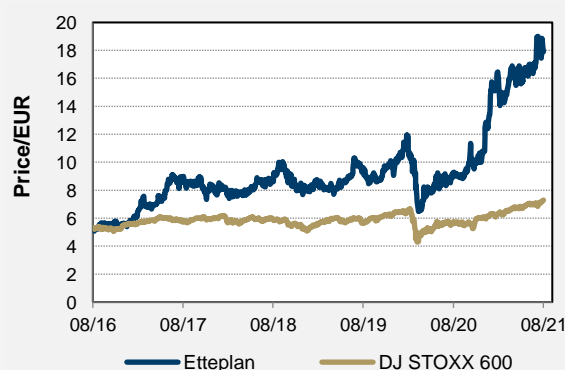
### Preparing for continued growth

We have made only minor revisions to our estimates. For 2021 we have slightly raised our expectations for the Technical Documentation Solutions and Software and Embedded Solutions service areas in light of the good traction in Q2. We now expect revenue of EUR 299.8m (prev. 294.9m) and EBIT of EUR 26.3m. The number of employees has increased by over 200 since the end of 2020 to 3,491 and recruitment is actively on-going, which together with other growth ambitions will cause some cost inflation on H2 but also support organic growth going forward given a continued healthier demand situation. Double-digit growth also in 2022 is most certainly within grasp but will require continued M&A activity.

### HOLD-rating with a target price of EUR 17.5

We have made no significant changes to our estimates and retain our HOLD-rating and target price of EUR 17.5. Our TP values Etteplan at ~20x 2022e P/E.

### Rating

■ HOLD


Share price, EUR (Last trading day's closing price) 17.90

Target price, EUR 17.5

Latest change in recommendation	06-May-21
Latest report on company	09-Aug-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	447
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	28-Oct-21
Web site	etteplan.com/investors

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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
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	298.8	26.3	8.8%	14.3	0.81	22.1	1.6	18.3	3.2	0.40
2022E	322.0	28.1	8.7%	16.0	0.87	20.6	1.5	17.0	3.6	0.43
2023E	336.2	29.5	8.8%	26.9	0.92	19.5	1.4	15.6	6.0	0.46
Market cap, EURm	447		Gearing 2021E, %			35.1	CAGR EPS 2020-23, %		10.3	
Net debt 2021E, EURm	35		Price/book 2021E			4.5	CAGR sales 2020-23, %		9.0	
Enterprise value, EURm	482		Dividend yield 2021E, %			2.3	ROE 2021E, %		21.8	
Total assets 2021E, EURm	236		Tax rate 2021E, %			19.5	ROCE 2021E, %		16.8	
Goodwill 2021E, EURm	84		Equity ratio 2021E, %			41.8	PEG, P/E 21/CAGR		3.4	

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/'21	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Net sales	262.7	71.3	62.9	55.2	70.3	259.7	73.0	75.0	69.0	81.9	298.8	322.0	336.2
sales growth %	11.1%	9.0%	-2.1%	-10.3%	-1.8%	-1.2%	2.3%	19.3%	24.9%	16.4%	15.1%	7.8%	4.4%
EBITA	25.9	6.6	6.3	5.2	8.1	26.2	7.7	7.8	6.3	8.9	30.6	32.1	33.5
EBITA margin	9.9%	9.2%	10.0%	9.5%	11.5%	10.1%	10.5%	10.4%	9.1%	10.8%	10.2%	10.0%	10.0%
EBIT	22.8	5.7	5.4	4.3	7.1	22.4	6.6	6.7	5.2	7.8	26.3	28.1	29.5
EBIT margin	8.7%	7.9%	8.5%	7.8%	10.1%	8.6%	9.0%	9.0%	7.6%	9.5%	8.8%	8.7%	8.8%
EBIT (excl. NRIs)	21.7	5.8	5.7	4.3	7.4	23.3	6.6	7.1	5.2	7.8	26.7	28.1	29.5
-margin	8.3%	8.2%	9.0%	7.8%	10.6%	9.0%	9.0%	9.5%	7.6%	9.5%	8.9%	8.7%	8.8%
<b>Engineering Solutions</b>	<b>2019</b>	<b>Q1/'20</b>	<b>Q2/'20</b>	<b>Q3/'20</b>	<b>Q4/'20</b>	<b>2020</b>	<b>Q1/'21</b>	<b>Q2/'21</b>	<b>Q3/'21E</b>	<b>Q4/'21E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
Net sales	147.0	41.3	35.9	31.0	40.6	148.9	41.4	42.0	39.5	47.3	170.2	182.1	189.4
sales growth %	11.3%	16.1%	1.9%	-12.1%	-0.6%	1.3%	0.2%	17.0%	27.3%	16.5%	14.3%	7.0%	4.0%
EBITA	14.5	3.9	3.7	2.8	4.2	14.7	4.4	4.2	3.6	4.8	16.9	17.8	18.6
EBITA margin	9.8%	9.5%	10.3%	9.0%	10.5%	9.9%	10.6%	9.9%	9.0%	10.2%	10.0%	9.8%	9.8%
<b>Software and Embedded Solutions</b>	<b>2019</b>	<b>Q1/'20</b>	<b>Q2/'20</b>	<b>Q3/'20</b>	<b>Q4/'20</b>	<b>2020</b>	<b>Q1/'21</b>	<b>Q2/'21</b>	<b>Q3/'21E</b>	<b>Q4/'21E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
Net sales	67.5	17.0	15.2	13.8	17.7	63.7	18.8	19.9	17.8	20.9	77.4	85.1	89.4
sales growth %	12.4%	-2.0%	-10.9%	-10.2%	0.0%	-5.6%	10.9%	30.3%	28.9%	18.2%	21.5%	10.0%	5.0%
EBITA	6.3	1.5	1.7	1.4	2.4	7.1	2.1	2.2	1.8	2.7	8.7	9.4	9.8
EBITA margin	9.3%	9.0%	11.1%	10.4%	13.8%	11.1%	11.1%	10.9%	10.1%	12.8%	11.3%	11.0%	11.0%
<b>Technical Documentation Solutions</b>	<b>2019</b>	<b>Q1/'20</b>	<b>Q2/'20</b>	<b>Q3/'20</b>	<b>Q4/'20</b>	<b>2020</b>	<b>Q1/'21</b>	<b>Q2/'21</b>	<b>Q3/'21E</b>	<b>Q4/'21E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
Net sales	48.2	12.8	11.6	10.2	11.9	46.5	12.5	13.0	11.5	13.5	50.5	54.1	56.8
sales growth %	8.8%	2.6%	-2.0%	-4.5%	-9.3%	-3.5%	-2.3%	11.8%	12.5%	13.7%	8.6%	7.0%	5.0%
EBITA	4.1	1.3	1.0	1.0	1.3	4.6	1.4	1.6	1.0	1.5	5.5	5.4	5.7
EBITA margin	8.5%	10.1%	8.9%	9.3%	11.0%	9.8%	11.0%	12.5%	8.8%	10.8%	10.8%	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	5008							32.0x	28.3x	26.4x
AFRY	3208	15.5x	13.7x	13.0x	22.5x	19.2x	18.0x	24.0x	20.2x	19.5x
Semcon	211	9.3x	8.3x	7.8x	11.6x	10.0x	9.3x	16.6x	14.2x	13.2x
Alten	4732							29.3x	25.0x	22.1x
Bertrandt	519	6.6x	4.9x		16.0x	8.9x		26.6x	12.4x	
AKKA Technologies	1435	12.6x	8.9x	7.2x	28.2x	13.7x	10.5x		25.5x	18.1x
TietoEVRY	3484							12.6x	11.9x	11.2x
Multiconsult	477	9.1x	8.7x	8.1x	13.5x	12.7x	11.7x	17.9x	16.6x	15.2x
Peer Group Average	2169	10.6x	8.9x	9.0x	18.4x	12.9x	12.4x	22.7x	19.3x	18.0x
Peer Group Median	1435	9.3x	8.7x	8.0x	16.0x	12.7x	11.1x	24.0x	18.4x	18.1x
Etteplan (Evli est.)	447	10.9x	9.8x	8.9x	18.3x	17.0x	15.6x	22.1x	20.6x	19.5x

Etteplan prem./disc. to peer median

17 % 13 % 12 % 14 % 34 % 40 % -8 % 12 % 7 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	17.90 PV of Free Cash Flow	282 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	23.52 PV of Horizon value	354 WACC, %	8.3 Market risk premium, %	5.8
Share price potential, %	31.4 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	21.7 Debt - dividend	-73 Maximum WACC, %	8.8 Target debt ratio, %	20
Horizon value, %	55.7 Value of stock	587 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	299	322	336	345	353	362	371	380	390	398	406
<i>Sales growth, %</i>	-1.1	15.1	7.8	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	33	33	34	35	36	37
<i>Operating income margin, %</i>	8.6	8.8	8.7	8.8	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
+ Depreciation+amort.	18	18	20	22	22	21	21	21	21	21	21	
EBITDA	40	44	48	52	53	53	54	54	55	56	57	
- Paid taxes	-5	-5	-5	-6	-6	-6	-6	-7	-7	-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	-0.6	-0.6	-0.6	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-2	-2	-2	-3	-3	-3	-3	-4	-4	-4	-4	
<i>opCAPEX / Sales, %</i>	8.1	5.7	5.3	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.3	
- 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	30	32	43	43	43	44	44	45	46	46	749
= Discounted FCFF		29	29	35	33	31	28	27	25	23	22	354
= DFCF min WACC		29	29	36	34	31	29	27	26	24	23	402
= DFCF max WACC		29	28	35	33	30	28	26	24	22	21	314

Commercial Services & Supplies/Finland, August 12, 2021  
Company update

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	71.3	62.9	55.2	70.3	259.7	73.0	75.0	69.0	81.9	298.8	322.0	336.2
EBITDA	9.7	9.9	9.1	11.7	40.4	11.0	11.1	9.8	12.4	44.3	48.4	51.7
<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>14.8</i>	<i>14.2</i>	<i>15.2</i>	<i>14.8</i>	<i>15.0</i>	<i>15.4</i>
EBIT	5.7	5.4	4.3	7.1	22.4	6.6	6.7	5.2	7.8	26.3	28.1	29.5
<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>9.0</i>	<i>7.6</i>	<i>9.5</i>	<i>8.8</i>	<i>8.7</i>	<i>8.8</i>
Net financial items	-0.1	-0.3	-0.3	-0.5	-1.3	-0.1	-0.4	-0.3	-0.3	-1.2	-1.2	-1.0
Pre-tax profit	5.5	5.0	4.0	6.6	21.1	6.5	6.3	4.9	7.5	25.1	26.9	28.5
Tax	-1.3	-1.1	-0.9	-0.7	-4.0	-1.2	-1.4	-0.9	-1.4	-4.9	-5.2	-5.6
<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>22.1</i>	<i>19.0</i>	<i>19.0</i>	<i>19.5</i>	<i>19.5</i>	<i>19.5</i>
Net profit	4.2	3.9	3.1	5.9	17.1	5.3	4.9	3.9	6.0	20.2	21.6	23.0
EPS	0.17	0.16	0.12	0.24	0.68	0.21	0.20	0.16	0.24	0.81	0.87	0.92
EPS adjusted (diluted no. of shares)	0.17	0.16	0.12	0.24	0.68	0.21	0.20	0.16	0.24	0.81	0.87	0.92
Dividend per share	0.00	0.00	0.00	0.00	0.34	0.00	0.00	0.00	0.00	0.40	0.43	0.46
<b>SALES, EURm</b>												
Engineering Solutions	41.3	35.9	31.0	40.6	148.9	41.4	42.0	39.5	47.3	170.2	182.1	189.4
Software and Embedded Solutions	17.0	15.2	13.8	17.7	63.7	18.8	19.9	17.8	20.9	77.4	85.1	89.4
Technical Documentation Solutions	12.8	11.6	10.2	11.9	46.5	12.5	13.0	11.5	13.5	50.5	54.1	56.8
Other	0.2	0.1	0.1	0.2	0.6	0.2	0.2	0.2	0.2	0.7	0.7	0.7
Total	71.3	62.9	55.2	70.3	259.7	73.0	75.0	69.0	81.9	298.8	322.0	336.2
<b>SALES GROWTH, Y/Y %</b>												
Engineering Solutions	16.1	1.9	-12.1	-0.6	1.3	0.2	17.0	27.3	16.5	14.3	7.0	4.0
Software and Embedded Solutions	-2.0	-10.9	-10.2	0.0	-5.6	10.9	30.3	28.9	18.2	21.5	10.0	5.0
Technical Documentation Solutions	2.6	-2.0	-4.5	-9.3	-3.3	-2.3	11.8	12.5	13.7	8.6	7.0	5.0
Other	0.0	0.0	0.0	0.0	0.0	15.9	43.8	0.7	-2.0	13.5	0.0	0.0
Total	9.0	-2.1	-10.1	-1.8	-1.1	2.3	19.3	24.9	16.4	15.1	7.8	4.4
<b>EBIT, EURm</b>												
Engineering Solutions	3.9	3.7	2.8	4.2	14.7	4.4	4.2	3.6	4.8	16.9	17.8	18.6
Software and Embedded Solutions	1.5	1.7	1.4	2.4	7.1	2.1	2.2	1.8	2.7	8.7	9.4	9.8
Technical Documentation Solutions	1.3	1.0	1.0	1.3	4.6	1.4	1.6	1.0	1.5	5.5	5.4	5.7
Other	-1.1	-1.1	-0.9	-0.9	-4.0	-1.3	-1.2	-1.1	-1.1	-4.8	-4.6	-4.6
Total	5.7	5.4	4.3	7.1	22.4	6.6	6.7	5.2	7.8	26.3	28.1	29.5
<b>EBIT margin, %</b>												
Engineering Solutions	9.5	10.3	9.0	10.5	9.9	10.6	9.9	9.0	10.2	10.0	9.8	9.8
Software and Embedded Solutions	9.0	11.1	10.4	13.8	11.1	11.1	10.9	10.1	12.8	11.3	11.0	11.0
Technical Documentation Solutions	10.1	8.9	9.3	11.0	9.8	11.0	12.5	8.8	10.8	10.8	10.0	10.0
Other	-666.5	-840.6	-602.0	-585.0	-666.8	-665.3	-676.1	-766.7	-766.7	-713.4	-676.4	-676.4
Total	7.9	8.5	7.8	10.1	8.6	9.0	9.0	7.6	9.5	8.8	8.7	8.8

Commercial Services & Supplies/Finland, August 12, 2021  
Company update

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	183.9	214.6	236.4	262.7	259.7	298.8	322.0	336.2
<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>15.1</i>	<i>7.8</i>	<i>4.4</i>
EBITDA	15.0	20.8	26.0	37.5	40.4	44.3	48.4	51.7
<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>14.8</i>	<i>15.0</i>	<i>15.4</i>
Depreciation	-4.8	-5.3	-5.8	-14.7	-18.0	-18.0	-20.4	-22.2
EBITA	10.1	15.5	20.2	22.8	22.4	26.3	28.1	29.5
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	26.3	28.1	29.5
<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>8.8</i>	<i>8.7</i>	<i>8.8</i>
Reported EBIT	10.1	15.5	20.2	22.8	22.4	26.3	28.1	29.5
<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>8.8</i>	<i>8.7</i>	<i>8.8</i>
Net financials	-0.7	-0.7	-0.8	-0.9	-1.3	-1.2	-1.2	-1.0
Pre-tax profit	9.4	14.7	19.4	21.9	21.1	25.1	26.9	28.5
Taxes	-1.8	-3.2	-4.1	-4.5	-4.0	-4.9	-5.2	-5.6
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	20.2	21.6	23.0
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
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	22	22	26	30	29	32	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	65	70	73
Liquid funds	5	10	16	16	24	28	30	32
Total assets	134	144	173	203	218	236	249	250
<b>Liabilities</b>								
Shareholder's equity	53	58	68	77	87	99	110	122
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	37	31	15
Non-interest bearing current liabilities	43	46	48	61	57	66	71	74
Other interest-free debt	2	2	4	2	2	2	2	2
Total liabilities	134	144	173	203	218	236	249	250
<b>CASH FLOW, EURm</b>								
+ EBITDA	15	21	26	38	40	44	48	52
- 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	38	42	45
- Capex	-2	-2	-2	-13	-21	-17	-17	-18
- 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	14	16	27
+/- 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	-2	-4	-15
Change in cash	-4	5	6	0	9	4	2	1

Commercial Services & Supplies/Finland, August 12, 2021  
Company update

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	193	198	253	323	447	447	447
Net debt (excl. convertibles)	25	32	40	41	35	29	13
Enterprise value	218	231	294	364	482	476	460
Sales	215	236	263	260	299	322	336
EBITDA	21	26	38	40	44	48	52
EBIT	15	20	23	22	26	28	30
Pre-tax	15	19	22	21	25	27	29
Earnings	12	15	17	17	20	22	23
Equity book value (excl. minorities)	58	68	77	87	99	110	122
<b>Valuation multiples</b>							
EV/sales	1.0	1.0	1.1	1.4	1.6	1.5	1.4
EV/EBITDA	10.5	8.9	7.8	9.0	10.9	9.8	8.9
EV/EBITA	14.1	11.4	12.9	16.2	18.3	17.0	15.6
EV/EBIT	14.1	11.4	12.9	16.2	18.3	17.0	15.6
EV/OCF	11.9	10.0	8.9	9.6	12.6	11.3	10.2
EV/FCFF	18.2	16.9	27.3	11.5	16.1	14.9	10.7
P/FCFE	14.8	15.2	-247.0	29.2	31.1	27.9	16.6
P/E	16.6	13.0	15.6	18.9	22.1	20.6	19.5
P/B	3.3	2.9	3.3	3.7	4.5	4.0	3.6
Target EV/EBITDA	0.0	0.0	0.0	0.0	10.6	9.6	8.7
Target EV/EBIT	0.0	0.0	0.0	0.0	17.9	16.6	15.2
Target EV/FCF	0.0	0.0	0.0	0.0	32.9	29.1	16.7
Target P/B	0.0	0.0	0.0	0.0	4.4	4.0	3.6
Target P/E	0.0	0.0	0.0	0.0	21.6	20.2	19.0
<b>Per share measures</b>							
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	0.87	0.92
Operating cash flow per share	0.74	0.92	1.32	1.52	1.53	1.68	1.81
Free cash flow per share	0.53	0.52	-0.04	0.44	0.57	0.64	1.08
Book value per share	2.34	2.71	3.07	3.49	3.96	4.42	4.91
Dividend per share	0.23	0.30	0.35	0.34	0.40	0.43	0.46
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	2.3	2.4	2.6
FCF yield, %	6.8	6.6	-0.4	3.4	3.2	3.6	6.0
<b>Efficiency measures</b>							
ROE	21.0	24.4	24.1	20.9	21.8	20.7	19.7
ROCE	17.2	19.3	18.3	15.7	16.8	17.0	17.6
<b>Financial ratios</b>							
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	5.3	5.4
CAPEX/sales (incl. acquisitions), %	-0.5	-2.8	-3.1	5.9	3.3	2.5	5.4
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	0.8	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	41.8	44.3	49.1
Gearing, %	43.0	48.1	52.6	46.6	35.1	26.1	10.3

**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	295.350	66.1%
Oy Fincorp Ab	2,514,000	45.001	10.1%
Varma Mutual Pension Insurance Company	985,593	17.642	3.9%
SEB Gyllenberg Finland Small Cap Fund	478,799	8.571	1.9%
Tuori Klaus	399,134	7.144	1.6%
Taaleri Mikro Markka fund	339,048	6.069	1.4%
Tuori Aino	308,275	5.518	1.2%
Elo Mutual Pension Insurance Company	209,662	3.753	0.8%
VAS Invest Oy	194,035	3.473	0.8%
OP-Finland Micro Cap	148,640	2.661	0.6%
Ten largest	22,077,186	395.182	88%
Residual	2,886,122	51.662	12%
Total	24,963,308	446.843	100%

**EARNINGS CALENDAR**

October 28, 2021

Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

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CFO: Per-Anders Gådin

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



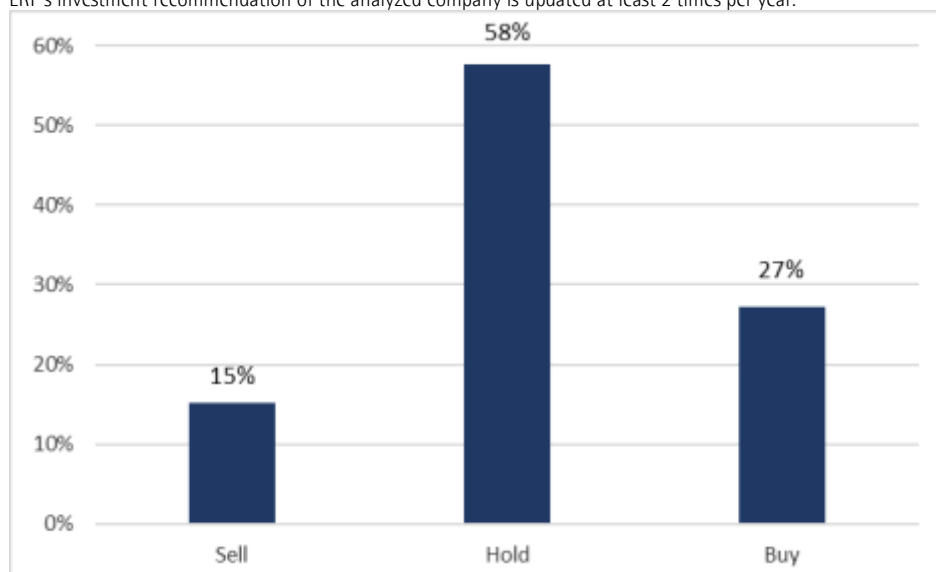
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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