

## Anticipating some softness

Etteplan reports Q1 results on May 5<sup>th</sup>. We remain on the cautious side due to the seen increase in sick leaves. Some uncertainty is brought by Ukraine crisis but overall, we see no major changes to our views.

### Cautious approach to Q1 due to increases in sick leaves

Etteplan reports Q1 results on May 5<sup>th</sup>. Our Q1 estimates remain more on the conservative side as a precaution given the increases in sick leaves seen in conjunction with the Q4 report, but with the good growth figures posted in Q4 there is certainly potential for faster growth. In terms of profitability, we expect a similar trend as during 2021, with the full-year EBIT-margins set to remain near the 9% mark. Our estimates for Q1 are unchanged ahead of the earnings report, with our net sales and EBIT estimates at EUR 81.2m (Q1/21: EUR 73.0m) and EUR 6.5m (Q1/21: EUR 6.6m) respectively.

### Some potential indirect demand uncertainty

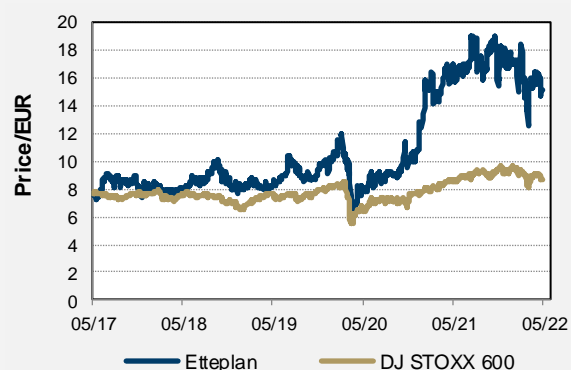
The guidance given for 2022 in the Q4 report was in our view quite solid, with revenue estimated to be between EUR 340-370m and EBIT to be between EUR 28-32m. The mid-range of the guidance according to our estimates would imply an organic growth of around 10% excluding potential new acquisitions. The situation in Ukraine has caused some additional demand uncertainty, although potential direct impacts should not be material, as Etteplan to our understanding does not have any significant business in the countries directly affected. Although we do not see any notable pressure on margins, we note that Etteplan proved its resilience and adaptability to changes in the demand environment during the pandemic. Our 2022 estimates remain unchanged, with our revenue and EBIT estimates at EUR 344.5m and 29.3m respectively.

### HOLD with a target price of EUR 16.5 (17.5)

Although our estimates remain intact, we adjust our target price slightly to EUR 16.5 (17.5) in light of the added uncertainty factors. Our target price values Etteplan at approx. 19x 2022 P/E. We retain our HOLD-rating.

Rating

HOLD



Share price, EUR (Last trading day's closing price)	15.15
Target price, EUR	16.5

Latest change in recommendation	05-May-21
Latest report on company	11-Feb-22
Research paid by issuer:	YES
No. of shares outstanding, '000's	25,083
No. of shares fully diluted, '000's	25,083
Market cap, EURm	380
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	05-May-22
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
2020	259.7	22.4	8.6%	11.1	0.68	18.9	1.4	16.2	3.4	0.34
2021	300.1	25.8	8.6%	-0.1	0.80	21.1	1.6	18.3	0.0	0.40
2022E	344.5	29.3	8.5%	7.0	0.87	17.4	1.3	14.7	1.8	0.44
2023E	363.8	33.2	9.1%	27.7	1.00	15.2	1.1	12.5	7.3	0.50
2024E	380.1	35.5	9.3%	29.0	1.08	14.0	1.0	11.2	7.6	0.54
Market cap, EURm	380		Gearing 2022E, %	46.2		CAGR EPS 2021-24, %		10.5		
Net debt 2022E, EURm	51		Price/book 2022E	3.4		CAGR sales 2021-24, %		8.2		
Enterprise value, EURm	431		Dividend yield 2022E, %	2.9		ROE 2022E, %		20.8		
Total assets 2022E, EURm	282		Tax rate 2022E, %	20.0		ROCE 2022E, %		15.7		
Goodwill 2022E, EURm	100		Equity ratio 2022E, %	39.3		PEG, P/E 22/CAGR		2.1		

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

Etteplan	2020	Q1/'21	Q2/'21	Q3/'21	Q4/'21	2021	Q1/'22E	Q2/'22E	Q3/'22E	Q4/'22E	2022E	2023E	2024E
Net sales	259.7	73.0	75.0	66.9	85.3	300.1	81.2	86.8	77.9	98.6	344.5	363.8	380.1
<i>sales growth %</i>	-1.2%	2.3%	19.3%	21.1%	21.3%	15.6%	11.3%	15.7%	16.5%	15.7%	14.8%	5.6%	4.5%
EBITA	26.2	7.7	7.8	5.7	9.0	30.1	7.7	8.8	7.0	10.6	34.1	37.7	39.5
<i>EBITA margin</i>	10.1%	10.5%	10.4%	8.5%	10.5%	10.0%	9.5%	10.2%	9.0%	10.8%	9.9%	10.4%	10.4%
EBIT	22.4	6.6	6.7	4.7	7.8	25.8	6.5	7.6	5.8	9.4	29.3	33.2	35.5
<i>EBIT margin</i>	8.6%	9.0%	9.0%	7.0%	9.2%	8.6%	8.0%	8.8%	7.4%	9.6%	8.5%	9.1%	9.3%
EBIT (excl. NRIs)	23.3	6.6	7.1	4.8	7.9	26.5	6.5	7.6	5.8	9.4	29.3	33.2	35.5
<i>-margin</i>	9.0%	9.0%	9.5%	7.2%	9.3%	8.8%	8.0%	8.8%	7.4%	9.6%	8.5%	9.1%	9.3%
<b>Engineering Solutions</b>	<b>2020</b>	<b>Q1/'21</b>	<b>Q2/'21</b>	<b>Q3/'21</b>	<b>Q4/'21</b>	<b>2021</b>	<b>Q1/'22E</b>	<b>Q2/'22E</b>	<b>Q3/'22E</b>	<b>Q4/'22E</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Net sales	148.9	41.4	42.0	36.9	47.1	167.5	44.0	45.2	40.1	50.6	179.9	187.1	194.6
<i>sales growth %</i>	1.3%	0.2%	17.0%	19.0%	16.0%	12.5%	6.3%	7.5%	8.6%	7.5%	7.4%	4.0%	4.0%
EBITA	14.7	4.4	4.2	3.0	5.0	16.6	4.2	4.5	3.5	5.4	17.6	18.3	19.1
<i>EBITA margin</i>	9.9%	10.6%	9.9%	8.2%	10.6%	9.9%	9.6%	10.0%	8.7%	10.7%	9.8%	9.8%	9.8%
<b>Software and Embedded Solutions</b>	<b>2020</b>	<b>Q1/'21</b>	<b>Q2/'21</b>	<b>Q3/'21</b>	<b>Q4/'21</b>	<b>2021</b>	<b>Q1/'22E</b>	<b>Q2/'22E</b>	<b>Q3/'22E</b>	<b>Q4/'22E</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Net sales	63.7	18.8	19.9	18.1	23.4	80.1	21.8	23.9	21.7	28.5	96.0	102.7	107.8
<i>sales growth %</i>	-5.6%	10.9%	30.3%	30.9%	32.2%	25.8%	16.1%	20.6%	20.2%	21.8%	19.8%	7.0%	5.0%
EBITA	7.1	2.1	2.2	1.6	2.4	8.3	2.0	2.3	2.0	3.0	9.3	11.3	11.9
<i>EBITA margin</i>	11.1%	11.1%	10.9%	9.1%	10.3%	10.4%	9.3%	9.7%	9.0%	10.5%	9.7%	11.0%	11.0%
<b>Technical Documentation Solutions</b>	<b>2020</b>	<b>Q1/'21</b>	<b>Q2/'21</b>	<b>Q3/'21</b>	<b>Q4/'21</b>	<b>2021</b>	<b>Q1/'22E</b>	<b>Q2/'22E</b>	<b>Q3/'22E</b>	<b>Q4/'22E</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Net sales	46.5	12.5	13.0	11.8	14.3	51.6	15.2	17.5	15.9	19.4	68.0	73.4	77.1
<i>sales growth %</i>	-3.5%	-2.3%	11.8%	15.1%	20.8%	10.9%	21.2%	35.0%	35.0%	35.0%	31.6%	8.0%	5.0%
EBITA	4.6	1.4	1.6	1.2	1.7	5.9	1.6	2.2	1.7	2.4	7.9	8.8	9.2
<i>EBITA margin</i>	9.8%	11.0%	12.5%	10.2%	12.0%	11.5%	10.5%	12.6%	10.7%	12.4%	11.6%	12.0%	12.0%

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	15.15 PV of Free Cash Flow	299 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	25.18 PV of Horizon value	381 WACC, %	8.3 Market risk premium, %
Share price potential, %	66.2 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	27.5 Marketable securities	30 Minimum WACC, %	7.8 Equity beta coefficient
Minimum value	23.2 Debt - dividend	-79 Maximum WACC, %	8.8 Target debt ratio, %
Horizon value, %	56.0 Value of stock	632 Nr of shares, Mn	25.1 Effective tax rate, %

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	300	344	364	380	390	399	409	420	430	441	450	459
<i>Sales growth, %</i>	<i>15.6</i>	<i>14.8</i>	<i>5.6</i>	<i>4.5</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)	26	29	33	35	36	37	38	39	39	40	41	42
<i>Operating income margin, %</i>	<i>8.6</i>	<i>8.5</i>	<i>9.1</i>	<i>9.3</i>	<i>9.2</i>	<i>9.2</i>	<i>9.2</i>	<i>9.2</i>	<i>9.2</i>	<i>9.2</i>	<i>9.2</i>	<i>9.2</i>
+ Depreciation+amort.	18	19	21	21	21	21	21	21	21	21	22	22
EBITDA	44	49	55	57	57	58	59	60	61	62	63	
- Paid taxes	-4	-6	-7	-7	-7	-7	-8	-8	-8	-8	-8	-8
- Change in NWC	-10	-1	-1	-1	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	<i>2.6</i>	<i>2.7</i>	<i>2.7</i>	<i>2.8</i>	<i>2.8</i>	<i>2.8</i>	<i>2.8</i>	<i>2.8</i>	<i>2.8</i>	<i>2.8</i>	<i>2.8</i>	<i>2.8</i>
+ Change in other liabs	1	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-12	-8	-3	-3	-3	-3	-3	-4	-4	-4	-4	-4
<i>opCAPEX / Sales, %</i>	<i>7.1</i>	<i>6.9</i>	<i>5.0</i>	<i>5.0</i>	<i>4.9</i>	<i>4.9</i>	<i>4.9</i>	<i>4.9</i>	<i>4.9</i>	<i>4.9</i>	<i>4.9</i>	<i>4.9</i>
- Acquisitions	-7	-9	0	0	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	0	0	0	0	0	0	0	0	0	0	0	0
= FCFF	11	24	44	46	46	47	47	48	49	50	51	824
= Discounted FCFF		23	39	37	35	32	30	28	27	25	24	381
= DFCF min WACC		23	39	38	35	33	31	29	28	26	25	433
= DFCF max WACC		22	39	37	34	32	29	27	26	24	23	338

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1E	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	73.0	75.0	66.9	85.3	300.1	81.2	86.8	77.9	98.6	344.5	363.8	380.1
EBITDA	11.0	11.1	9.2	12.4	43.6	11.3	12.4	10.6	14.2	48.5	54.7	56.8
<i>EBITDA margin (%)</i>	<i>15.1</i>	<i>14.8</i>	<i>13.7</i>	<i>14.5</i>	<i>14.5</i>	<i>13.9</i>	<i>14.3</i>	<i>13.6</i>	<i>14.4</i>	<i>14.1</i>	<i>15.0</i>	<i>14.9</i>
EBIT	6.6	6.7	4.7	7.8	25.8	6.5	7.6	5.8	9.4	29.3	33.2	35.5
<i>EBIT margin (%)</i>	<i>9.0</i>	<i>9.0</i>	<i>7.0</i>	<i>9.2</i>	<i>8.6</i>	<i>8.0</i>	<i>8.8</i>	<i>7.4</i>	<i>9.6</i>	<i>8.5</i>	<i>9.1</i>	<i>9.3</i>
Net financial items	-0.1	-0.4	-0.2	-0.2	-0.9	-0.5	-0.5	-0.5	-0.5	-2.0	-1.9	-1.6
Pre-tax profit	6.5	6.3	4.5	7.7	24.9	6.0	7.1	5.3	8.9	27.3	31.3	33.9
Tax	-1.2	-1.4	-1.0	-1.3	-4.8	-1.2	-1.4	-1.1	-1.8	-5.5	-6.3	-6.8
<i>Tax rate (%)</i>	<i>17.9</i>	<i>22.1</i>	<i>21.9</i>	<i>16.9</i>	<i>19.4</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	5.3	4.9	3.5	6.4	20.1	4.8	5.7	4.2	7.1	21.9	25.0	27.1
EPS	0.21	0.20	0.14	0.25	0.80	0.19	0.23	0.17	0.28	0.87	1.00	1.08
EPS adjusted (diluted no. of shares)	0.21	0.20	0.14	0.25	0.80	0.19	0.23	0.17	0.28	0.87	1.00	1.08
Dividend per share	0.00	0.00	0.00	0.00	0.40	0.00	0.00	0.00	0.00	0.44	0.50	0.54
<b>SALES, EURm</b>												
Engineering Solutions	41.4	42.0	36.9	47.1	167.5	44.0	45.2	40.1	50.6	179.9	187.1	194.6
Software and Embedded Solutions	18.8	19.9	18.1	23.4	80.1	21.8	23.9	21.7	28.5	96.0	102.7	107.8
Technical Documentation Solutions	12.5	13.0	11.8	14.3	51.6	15.2	17.5	15.9	19.4	68.0	73.4	77.1
Other	0.2	0.2	0.1	0.4	0.9	0.2	0.2	0.2	0.2	0.6	0.6	0.6
<b>Total</b>	<b>73.0</b>	<b>75.0</b>	<b>66.9</b>	<b>85.3</b>	<b>300.1</b>	<b>81.2</b>	<b>86.8</b>	<b>77.9</b>	<b>98.6</b>	<b>344.5</b>	<b>363.8</b>	<b>380.1</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Engineering Solutions</i>	<i>0.2</i>	<i>17.0</i>	<i>19.0</i>	<i>16.0</i>	<i>12.5</i>	<i>6.3</i>	<i>7.5</i>	<i>8.6</i>	<i>7.5</i>	<i>7.4</i>	<i>4.0</i>	<i>4.0</i>
<i>Software and Embedded Solutions</i>	<i>10.9</i>	<i>30.3</i>	<i>30.9</i>	<i>32.2</i>	<i>25.8</i>	<i>16.1</i>	<i>20.6</i>	<i>20.2</i>	<i>21.8</i>	<i>19.8</i>	<i>7.0</i>	<i>5.0</i>
<i>Technical Documentation Solutions</i>	<i>-2.3</i>	<i>11.8</i>	<i>15.1</i>	<i>20.8</i>	<i>10.9</i>	<i>21.2</i>	<i>35.0</i>	<i>35.0</i>	<i>35.0</i>	<i>31.6</i>	<i>8.0</i>	<i>5.0</i>
<i>Other</i>	<i>15.9</i>	<i>43.8</i>	<i>-42.3</i>	<i>190.2</i>	<i>52.2</i>	<i>-15.8</i>	<i>-13.0</i>	<i>86.0</i>	<i>-64.0</i>	<i>-29.2</i>	<i>0.0</i>	<i>0.0</i>
<b>Total</b>	<b>2.3</b>	<b>19.3</b>	<b>21.1</b>	<b>21.3</b>	<b>15.6</b>	<b>11.3</b>	<b>15.7</b>	<b>16.5</b>	<b>15.7</b>	<b>14.8</b>	<b>5.6</b>	<b>4.5</b>
<b>EBIT, EURm</b>												
Engineering Solutions	4.4	4.2	3.0	5.0	16.6	4.2	4.5	3.5	5.4	17.6	18.3	19.1
Software and Embedded Solutions	2.1	2.2	1.6	2.4	8.3	2.0	2.3	2.0	3.0	9.3	11.3	11.9
Technical Documentation Solutions	1.4	1.6	1.2	1.7	5.9	1.6	2.2	1.7	2.4	7.9	8.8	9.2
Other	-1.3	-1.2	-1.2	-1.3	-5.0	-1.4	-1.4	-1.4	-1.4	-5.5	-5.2	-4.7
<b>Total</b>	<b>6.6</b>	<b>6.7</b>	<b>4.7</b>	<b>7.8</b>	<b>25.8</b>	<b>6.5</b>	<b>7.6</b>	<b>5.8</b>	<b>9.4</b>	<b>29.3</b>	<b>33.2</b>	<b>35.5</b>
<b>EBIT margin, %</b>												
<i>Engineering Solutions</i>	<i>10.6</i>	<i>9.9</i>	<i>8.2</i>	<i>10.6</i>	<i>9.9</i>	<i>9.6</i>	<i>10.0</i>	<i>8.7</i>	<i>10.7</i>	<i>9.8</i>	<i>9.8</i>	<i>9.8</i>
<i>Software and Embedded Solutions</i>	<i>11.1</i>	<i>10.9</i>	<i>9.1</i>	<i>10.3</i>	<i>10.4</i>	<i>9.3</i>	<i>9.7</i>	<i>9.0</i>	<i>10.5</i>	<i>9.7</i>	<i>11.0</i>	<i>11.0</i>
<i>Technical Documentation Solutions</i>	<i>11.0</i>	<i>12.5</i>	<i>10.2</i>	<i>12.0</i>	<i>11.5</i>	<i>10.5</i>	<i>12.6</i>	<i>10.7</i>	<i>12.4</i>	<i>11.6</i>	<i>12.0</i>	<i>12.0</i>
<i>Other</i>	<i>-665.3</i>	<i>-676.1</i>	<i>-1,429.1</i>	<i>-288.7</i>	<i>-555.2</i>	<i>-862.5</i>	<i>-862.5</i>	<i>-862.5</i>	<i>-862.5</i>	<i>-862.5</i>	<i>-815.6</i>	<i>-737.5</i>
<b>Total</b>	<b>9.0</b>	<b>9.0</b>	<b>7.0</b>	<b>9.2</b>	<b>8.6</b>	<b>8.0</b>	<b>8.8</b>	<b>7.4</b>	<b>9.6</b>	<b>8.5</b>	<b>9.1</b>	<b>9.3</b>

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	214.6	236.4	262.7	259.7	300.1	344.5	363.8	380.1
<i>Sales growth (%)</i>	<i>16.7</i>	<i>10.1</i>	<i>11.1</i>	<i>-1.1</i>	<i>15.6</i>	<i>14.8</i>	<i>5.6</i>	<i>4.5</i>
EBITDA	20.8	26.0	37.5	40.4	43.6	48.5	54.7	56.8
<i>EBITDA margin (%)</i>	<i>9.7</i>	<i>11.0</i>	<i>14.3</i>	<i>15.6</i>	<i>14.5</i>	<i>14.1</i>	<i>15.0</i>	<i>14.9</i>
Depreciation	-5.3	-5.8	-14.7	-18.0	-17.8	-19.2	-21.5	-21.3
EBITA	15.5	20.2	22.8	22.4	25.8	29.3	33.2	35.5
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	15.5	20.2	22.8	22.4	25.8	29.3	33.2	35.5
<i>EBIT margin (%)</i>	<i>7.2</i>	<i>8.5</i>	<i>8.7</i>	<i>8.6</i>	<i>8.6</i>	<i>8.5</i>	<i>9.1</i>	<i>9.3</i>
Reported EBIT	15.5	20.2	22.8	22.4	25.8	29.3	33.2	35.5
<i>EBIT margin (reported) (%)</i>	<i>7.2</i>	<i>8.5</i>	<i>8.7</i>	<i>8.6</i>	<i>8.6</i>	<i>8.5</i>	<i>9.1</i>	<i>9.3</i>
Net financials	-0.7	-0.8	-0.9	-1.3	-0.9	-2.0	-1.9	-1.6
Pre-tax profit	14.7	19.4	21.9	21.1	24.9	27.3	31.3	33.9
Taxes	-3.2	-4.1	-4.5	-4.0	-4.8	-5.5	-6.3	-6.8
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	11.6	15.3	17.4	17.1	20.1	21.9	25.0	27.1
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
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	22	26	30	29	32	35	30	27
Goodwill	59	65	79	84	92	100	100	100
Right of use assets	0	12	15	23	22	25	26	27
Inventory	0	0	0	0	0	0	0	0
Receivables	53	53	62	57	75	86	91	95
Liquid funds	10	16	16	24	30	35	37	38
Total assets	144	173	203	218	253	282	286	289
<b>Liabilities</b>								
Shareholder's equity	58	68	77	87	99	111	125	139
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	12	16	24	23	25	26	27
Deferred taxes	3	5	6	7	7	7	7	7
Interest bearing debt	35	36	41	40	56	61	45	29
Non-interest bearing current liabilities	46	48	61	57	66	75	79	83
Other interest-free debt	2	4	2	2	3	3	3	3
Total liabilities	144	173	203	218	253	282	286	289
<b>CASH FLOW, EURm</b>								
+ EBITDA	21	26	38	40	44	49	55	57
- Net financial items	-1	-1	-1	-1	-1	-2	-2	-2
- Taxes	-2	-4	-4	-5	-4	-5	-6	-7
- Increase in Net Working Capital	1	2	4	1	-10	-1	-1	-1
+/- Other	0	-1	-4	3	0	0	0	0
= Cash flow from operations	18	23	33	38	28	40	46	48
- Capex	-2	-2	-13	-21	-21	-24	-18	-19
- Acquisitions	-3	-8	-21	-6	-7	-9	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	13	13	-1	11	0	7	28	29
+/- New issues/buybacks	-2	0	-1	2	0	0	0	0
- Paid dividend	-4	-6	-7	-9	-8	-10	-11	-13
+/- Other	-1	-1	9	4	14	8	-15	-15
Change in cash	5	6	0	9	6	4	2	2

Commercial Services & Supplies/Finland, May 3, 2022  
Preview

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	198	253	323	424	380	380	380
Net debt (excl. convertibles)	32	40	41	48	51	34	18
Enterprise value	231	294	364	472	431	414	398
Sales	236	263	260	300	344	364	380
EBITDA	26	38	40	44	49	55	57
EBIT	20	23	22	26	29	33	35
Pre-tax	19	22	21	25	27	31	34
Earnings	15	17	17	20	22	25	27
Equity book value (excl. minorities)	68	77	87	99	111	125	139
<b>Valuation multiples</b>							
EV/sales	1.0	1.1	1.4	1.6	1.3	1.1	1.0
EV/EBITDA	8.9	7.8	9.0	10.8	8.9	7.6	7.0
EV/EBITA	11.4	12.9	16.2	18.3	14.7	12.5	11.2
EV/EBIT	11.4	12.9	16.2	18.3	14.7	12.5	11.2
EV/OCF	10.0	8.9	9.6	16.7	10.9	9.0	8.3
EV/FCFF	16.9	27.3	11.5	41.8	18.2	9.3	8.7
P/FCFE	15.2	-247.0	29.2	-4,509.7	54.7	13.7	13.1
P/E	13.0	15.6	18.9	21.1	17.4	15.2	14.0
P/B	2.9	3.3	3.7	4.3	3.4	3.0	2.7
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.6	8.2	7.6
Target EV/EBIT	0.0	0.0	0.0	0.0	15.9	13.5	12.2
Target EV/FCF	0.0	0.0	0.0	0.0	66.9	16.2	14.9
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	18.9	16.5	15.3
<b>Per share measures</b>							
Number of shares	24,963	24,963	24,963	25,083	25,083	25,083	25,083
Number of shares (diluted)	24,963	24,963	24,963	25,083	25,083	25,083	25,083
EPS	0.61	0.70	0.68	0.80	0.87	1.00	1.08
Operating cash flow per share	0.92	1.32	1.52	1.13	1.58	1.83	1.91
Free cash flow per share	0.52	-0.04	0.44	0.00	0.28	1.10	1.16
Book value per share	2.71	3.07	3.49	3.94	4.41	4.98	5.56
Dividend per share	0.30	0.35	0.34	0.40	0.44	0.50	0.54
Dividend payout ratio, %	49.0	50.2	49.6	49.9	50.0	50.0	50.0
Dividend yield, %	3.8	3.4	2.6	2.6	2.9	3.3	3.6
FCF yield, %	6.6	-0.4	3.4	0.0	1.8	7.3	7.6
<b>Efficiency measures</b>							
ROE	24.4	24.1	20.9	21.6	20.8	21.3	20.5
ROCE	19.3	18.3	15.7	15.7	15.7	16.9	18.1
<b>Financial ratios</b>							
Inventories as % of sales	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Receivables as % of sales	22.4	23.6	21.8	24.9	24.9	24.9	24.9
Non-interest bearing liabilities as % of sales	20.5	23.2	22.1	21.8	21.8	21.8	21.8
NWC/sales, %	1.3	-0.5	-0.9	2.6	2.7	2.7	2.8
Operative CAPEX/sales, %	0.7	4.9	8.1	7.1	6.9	5.0	5.0
CAPEX/sales (incl. acquisitions), %	-2.8	-3.1	5.9	4.8	4.3	5.0	5.0
FCFF/EBITDA	0.5	0.3	0.8	0.3	0.5	0.8	0.8
Net debt/EBITDA, book-weighted	1.3	1.1	1.0	1.1	1.1	0.6	0.3
Debt/equity, market-weighted	0.2	0.2	0.1	0.1	0.2	0.1	0.1
Equity ratio, book-weighted	39.1	37.8	40.0	39.1	39.3	43.7	48.3
Gearing, %	48.1	52.6	46.6	48.7	46.2	27.6	12.9

**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	16,580,000	251.187	66.1%
Oy Fincorp Ab	2,523,384	38.229	10.1%
Varma Mutual Pension Insurance Company	985,593	14.932	3.9%
SEB Gyllenberg Finland Small Cap Fund	480,000	7.272	1.9%
Tuori Klaus	309,134	4.683	1.2%
Tuori Aino	308,275	4.670	1.2%
Ilmarinen Mutual Pension Insurance Company	288,311	4.368	1.1%
Elo Mutual Pension Insurance Company	209,662	3.176	0.8%
VAS Invest Oy	194,035	2.940	0.8%
Taaleri Mikro Markka fund	164,048	2.485	0.7%
Ten largest	22,042,442	333.943	88%
Residual	3,040,866	46.069	12%
Total	25,083,308	380.012	100%

**EARNINGS CALENDAR**

May 05, 2022	Q1 report
August 10, 2022	Q2 report
October 28, 2022	Q3 report

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

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



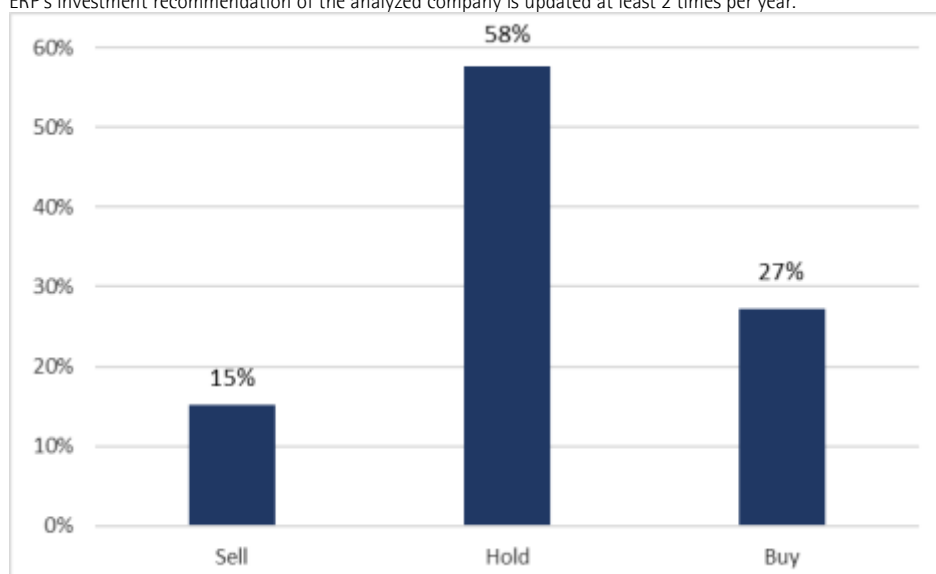
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Investment recommendations are defined as follows:

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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