

Solid growth in Q1

Our concerns for a softer Q1 were clearly unfounded, as Etteplan's net sales grew 23% to EUR 89.6m, above our estimates and slightly above consensus (EUR 81.2m/87.7m Evli/cons.). EBIT amounted to EUR 7.6m, above our and consensus estimates (EUR 6.5m/6.9m Evli/cons.).

- Net sales in Q1 were EUR 89.6m (EUR 73.0m in Q1/21), above our estimates and slightly above consensus estimates (EUR 81.2m/87.7m Evli/Cons.). Increased sickness-related absences affected Etteplan's business, but growth was nonetheless strong, 23% y/y, of which 14.1% organic.
- EBIT in Q1 amounted to EUR 7.6m (EUR 6.6m in Q1/21), above our estimates and consensus estimates (EUR 6.5m/6.9m Evli/cons.), at a margin of 8.5%.
- EPS in Q1 amounted to EUR 0.23 (EUR 0.21 in Q1/21), above our estimates and in line with consensus estimates (EUR 0.19/0.22 Evli/cons.).
- Net sales in Engineering Solutions in Q1 were EUR 46.7m vs. EUR 44.0m Evli. EBITA in Q1 amounted to EUR 4.9m vs. EUR 4.2m Evli.
- Net sales in Software and Embedded Solutions in Q1 were EUR 24.6m vs. EUR 21.8m Evli. EBITA in Q1 amounted to EUR 2.3m vs. EUR 2.0m Evli.
- Net sales in Technical Documentation Solutions in Q1 were EUR 18.1m vs. EUR 15.2m Evli. EBITA in Q1 amounted to EUR 1.8m vs. EUR 1.6m Evli.
- **Guidance for 2022 (reiterated):** Revenue is estimated to be EUR 340-370m and the operating profit is estimated to be EUR 28-32m. In terms of market outlook, Etteplan expects the general demand situation to remain fairly good throughout 2022.

Rating 🟡 HOLD

| Q1/22 | Actual | Evli | Cons. | Q1/21 |
|-----------|--------|------|-------|-------|
| Net sales | 89.6 | 81.2 | 87.7 | 73.0 |
| EBIT | 7.6 | 6.5 | 6.9 | 6.6 |
| EPS | 0.23 | 0.19 | 0.22 | 0.21 |
| Deviation | Actual | Evli | Cons. | Q1/21 |
| Net sales | | 10 % | 2 % | 23 % |
| EBIT | | 17 % | 10 % | 15 % |
| EPS | | 20 % | 5 % | 10 % |

*Consensus by Factset

 Share price, EUR (Last trading day's closing price) 15.60

 Target price, EUR 16.5

 Latest change in recommendation 06-May-21

 Latest report on company 03-May-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 391

 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

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+ BUY + HOLD - SELL

PRE-REPORT 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 | 17.9 | 1.3 | 15.1 | 1.8 | 0.44 |
| 2023E | 363.8 | 33.2 | 9.1% | 27.7 | 1.00 | 15.6 | 1.2 | 12.8 | 7.1 | 0.50 |
| 2024E | 380.1 | 35.5 | 9.3% | 29.0 | 1.08 | 14.4 | 1.1 | 11.5 | 7.4 | 0.54 |
| Market cap, EURm | 391 | | BV per share 2022E, EUR | | 46.2 | | CAGR EPS 2021-24, % | | 10.5 | |
| Net debt 2022E, EURm | 51 | | Price/book 2022E | | 3.5 | | CAGR sales 2021-24, % | | 8.2 | |
| Enterprise value, EURm | 443 | | Dividend yield 2022E, % | | 2.8 | | 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 | | 2.2 | |

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

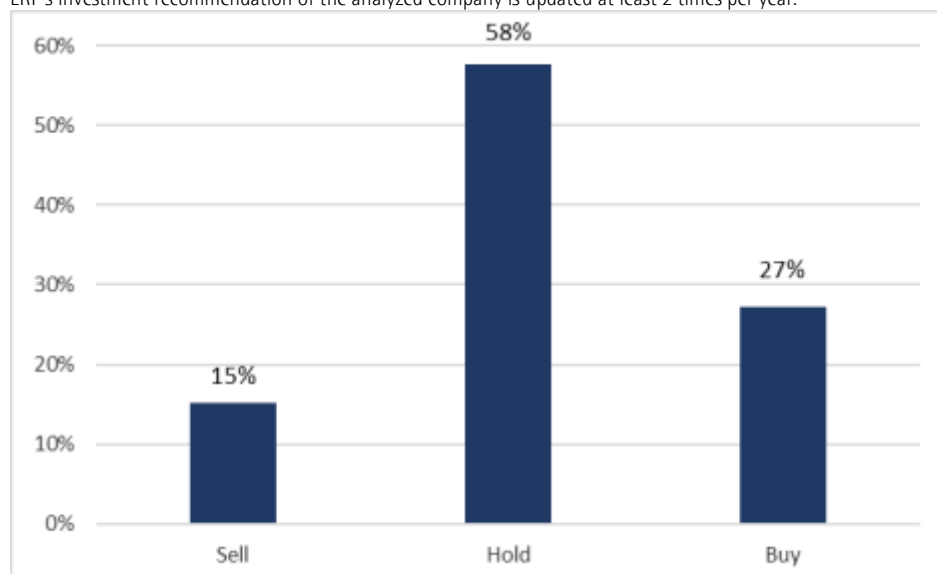
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| Target price compared to share price | Recommendation |
|--------------------------------------|----------------|
| < -10 % | SELL |
| -10 – (+10) % | HOLD |
| > 10 % | BUY |

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

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