

Solid growth continues

Etteplan's net sales in Q2 amounted to EUR 89.3m (EUR 88.8m/89.9m Evli/cons.), with continued solid growth of 19% y/y (10.3% organic). EBIT amounted to EUR 6.8m (EUR 7.4m/8.0m Evli/cons.), with lower relative profitability y/y due to among other things increases in personnel events as well as sick leaves and holidays.

- Net sales in Q2 were EUR 89.3m (EUR 75.0m in Q2/21), in line with our estimates and consensus estimates (EUR 88.8m/89.9m Evli/Cons.). Growth in Q2 amounted to 19% y/y, of which 10.3% organic growth.
- EBIT in Q2 amounted to EUR 6.8m (EUR 6.7m in Q2/21), below our estimates and consensus estimates (EUR 7.4m/8.0m Evli/cons.), at a margin of 7.6%. Profitability was affected by increased costs relating to employee training and social events, sick leaves and holidays, and organizational restructuring in the software business.
- EPS in Q2 amounted to EUR 0.22 (EUR 0.20 in Q2/21), slightly below our and consensus estimates (EUR 0.23/0.24 Evli/cons.).
- Net sales in Engineering Solutions in Q2 were EUR 46.2m vs. EUR 46.0m Evli. EBITA in Q2 amounted to EUR 4.9m vs. EUR 4.6m Evli.
- Net sales in Software and Embedded Solutions in Q2 were EUR 25.1m vs. EUR 24.6m Evli. EBITA in Q2 amounted to EUR 1.9m vs. EUR 2.3m Evli.
- Net sales in Technical Documentation Solutions in Q2 were EUR 17.7m vs. EUR 18.0m Evli. EBITA in Q2 amounted to EUR 1.5m vs. EUR 2.0m Evli.
- **Guidance for 2022 (intact):** Revenue is estimated to be EUR 340-370m and the operating profit is estimated to be EUR 28-32m

Rating 🟡 HOLD

Q2/22	Actual	Evli	Cons.	Q2/21
Net sales	89.3	88.8	89.9	75.0
EBIT	6.8	7.4	8.0	6.7
EPS	0.22	0.23	0.24	0.20
Deviation	Actual	Evli	Cons.	Q2/21
Net sales		1 %	-1 %	19 %
EBIT		-8 %	-15 %	1 %
EPS		-3 %	-8 %	10 %

*Consensus by Factset

 Share price, EUR (Last trading day's closing price) 16.40

 Target price, EUR 17.0

 Latest change in recommendation 06-May-21

 Latest report on company 06-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 411

 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 10-Aug-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%	8.1	0.80	21.1	1.6	18.3	1.9	0.40
2022E	355.4	30.1	8.5%	17.9	0.91	17.9	1.3	15.0	4.4	0.46
2023E	375.5	34.0	9.1%	27.7	1.04	15.7	1.2	12.8	6.7	0.52
2024E	392.3	36.3	9.3%	28.9	1.13	14.6	1.1	11.6	7.0	0.56
Market cap, EURm			411	BV per share 2022E, EUR		36.0	CAGR EPS 2021-24, %			12.0
Net debt 2022E, EURm			40	Price/book 2022E		3.7	CAGR sales 2021-24, %			9.3
Enterprise value, EURm			452	Dividend yield 2022E, %		2.8	ROE 2022E, %			21.8
Total assets 2022E, EURm			276	Tax rate 2022E, %		20.1	ROCE 2022E, %			16.5
Goodwill 2022E, EURm			95	Equity ratio 2022E, %		40.6	PEG, P/E 22/CAGR			2.2

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

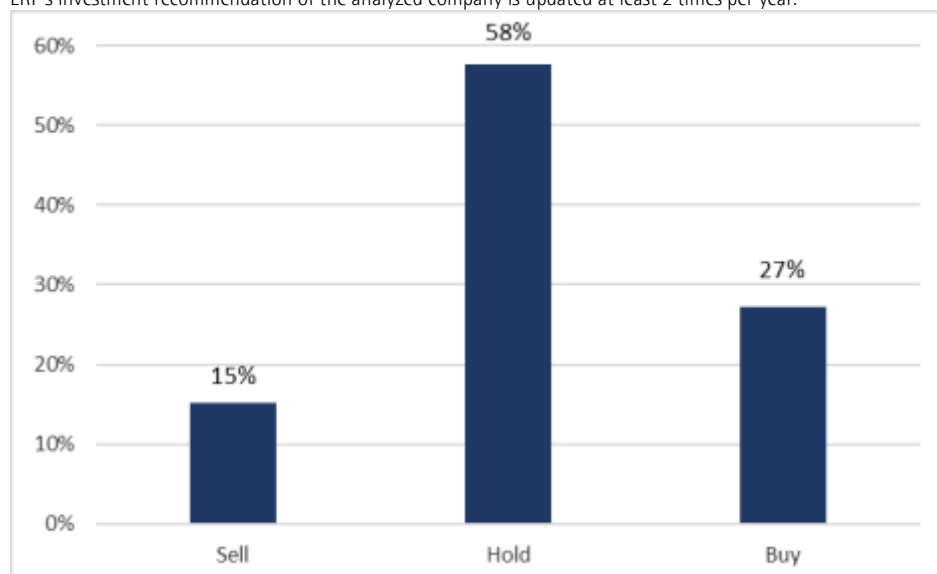
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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