

Closing one chapter

We revise our estimates due to the financial impact of the unsuccessful Semcon acquisition and accordingly lower our target price to EUR 15.0 (18.0).

One growth leap came to an end

Etteplan's ambitions to acquire Semcon through a public offer were halted earlier in October after a competing offer came in from Ratos AB. Etteplan had announced that the offer price would not be increased, and the offer ended as Etteplan's offer was not accepted to an extent that would have enabled ownership of more than 90% of outstanding shares. One-time costs related to the preparation of the transaction are booked in the third quarter of the current year. The financial guidance for 2022 remains unchanged, with revenue estimated to be EUR 340-370m and EBIT EUR 28-32m. Currency hedging risks relating to the transaction will have a significant negative impact on Q3 EPS and the final effect is recorded in Q4.

2022 earnings impacted by one-offs relating to the offer

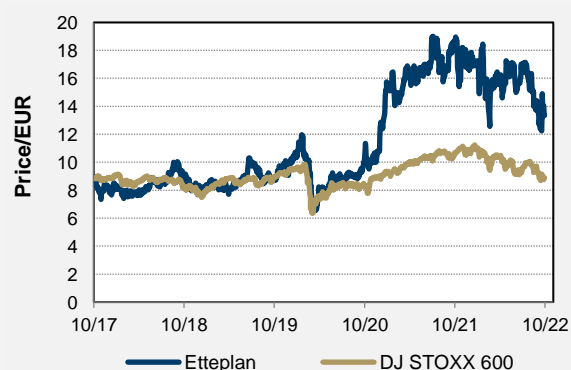
The unsuccessful offer is unfortunate given our assessment of the mid- and long-term potential of the combined companies and the associated costs will weigh on 2022 financials. We have revised our 2022 EBIT estimate to EUR 28.2m (prev. EUR 29.2m) based on the perceived transaction costs and EPS to EUR 0.74 (prev. EUR 0.90), with our adj. EPS estimate still at EUR 0.90. The one-offs have increased profit warning risks for H2 should market conditions deteriorate but on the other hand, with the guidance still intact, slight added confidence is provided for the level of operative performance.

BUY with a target price of EUR 15.0 (18.0)

With the offer for Semcon not being successful we adjust our target price to EUR 15.0 (EUR 18.0) based on the perceived missed out value creation potential. Continued market uncertainty has further had a slight impact on peer multiples. Our TP values Etteplan at ~16.5x 22e adj. P/E, above the peer median given Etteplan's historical and anticipated performance but below recent year historical averages due to the market outlook. We retain our BUY-rating.

Rating

BUY



Share price, EUR (Last trading day's closing price)	13.35
Target price, EUR	15.0

Latest change in recommendation	24-Aug-22
Latest report on company	24-Aug-22
Research paid by issuer:	YES
No. of shares outstanding, '000's	25,042
No. of shares fully diluted, '000's	25,042
Market cap, EURm	334
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	31-Oct-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%	8.1	0.80	21.1	1.6	18.3	1.9	0.40
2022E	355.9	28.2	7.9%	1.4	0.74	14.8	1.1	13.9	0.4	0.37
2023E	377.8	33.3	8.8%	27.3	1.04	12.9	1.0	11.2	8.2	0.52
2024E	394.8	38.1	9.6%	30.7	1.20	11.1	0.9	9.3	9.2	0.60
Market cap, EURm	334			Gearing 2022E, %	52.8			CAGR EPS 2021-24, %	14.3	
Net debt 2022E, EURm	57			Price/book 2022E	3.1			CAGR sales 2021-24, %	9.6	
Enterprise value, EURm	391			Dividend yield 2022E, %	2.8			ROE 2022E, %	17.9	
Total assets 2022E, EURm	288			Tax rate 2022E, %	19.4			ROCE 2022E, %	14.9	
Goodwill 2022E, EURm	107			Equity ratio 2022E, %	37.3			PEG, P/E 22/CAGR	1.6	

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/'22	Q2/'22	Q3/'22E	Q4/'22E	2022E	2023E	2024E
Net sales	259.7	73.0	75.0	66.9	85.3	300.1	89.6	89.3	78.1	99.0	355.9	377.8	394.8
sales growth %	-1.2%	2.3%	19.3%	21.1%	21.3%	15.6%	22.8%	18.9%	16.9%	16.1%	18.6%	6.2%	4.5%
EBITA	26.2	7.7	7.8	5.7	9.0	30.1	9.0	8.1	6.0	10.3	33.4	38.3	42.6
EBITA margin	10.1%	10.5%	10.4%	8.5%	10.5%	10.0%	10.0%	9.1%	7.7%	10.4%	9.4%	10.1%	10.8%
EBIT	22.4	6.6	6.7	4.7	7.8	25.8	7.6	6.8	4.7	9.0	28.2	33.3	38.1
EBIT margin	8.6%	9.0%	9.0%	7.0%	9.2%	8.6%	8.5%	7.6%	6.0%	9.1%	7.9%	8.8%	9.6%
EBIT (excl. NRIs)	23.3	6.6	7.1	4.8	7.9	26.5	7.9	7.2	5.7	9.0	29.8	33.3	38.1
-margin	9.0%	9.0%	9.5%	7.2%	9.3%	8.8%	8.8%	8.0%	7.3%	9.1%	8.4%	8.8%	9.6%
Engineering Solutions	2020	Q1/'21	Q2/'21	Q3/'21	Q4/'21	2021	Q1/'22	Q2/'22	Q3/'22E	Q4/'22E	2022E	2023E	2024E
Net sales	148.9	41.4	42.0	36.9	47.1	167.5	46.7	46.2	40.1	50.6	183.7	192.8	200.6
sales growth %	1.3%	0.2%	17.0%	19.0%	16.0%	12.5%	12.8%	10.0%	8.6%	7.5%	9.7%	5.0%	4.0%
EBITA	14.7	4.4	4.2	3.0	5.0	16.6	4.9	4.9	3.7	5.3	18.8	19.3	20.1
EBITA margin	9.9%	10.6%	9.9%	8.2%	10.6%	9.9%	10.6%	10.6%	9.2%	10.5%	10.2%	10.0%	10.0%
Software and Embedded Solutions	2020	Q1/'21	Q2/'21	Q3/'21	Q4/'21	2021	Q1/'22	Q2/'22	Q3/'22E	Q4/'22E	2022E	2023E	2024E
Net sales	63.7	18.8	19.9	18.1	23.4	80.1	24.6	25.1	22.0	28.8	100.5	107.6	113.0
sales growth %	-5.6%	10.9%	30.3%	30.9%	32.2%	25.8%	30.8%	26.5%	21.7%	23.2%	25.5%	7.0%	5.0%
EBITA	7.1	2.1	2.2	1.6	2.4	8.3	2.3	1.9	2.0	3.0	9.2	11.3	13.6
EBITA margin	11.1%	11.1%	10.9%	9.1%	10.3%	10.4%	9.5%	7.4%	9.1%	10.4%	9.2%	10.5%	12.0%
Technical Documentation Solutions	2020	Q1/'21	Q2/'21	Q3/'21	Q4/'21	2021	Q1/'22	Q2/'22	Q3/'22E	Q4/'22E	2022E	2023E	2024E
Net sales	46.5	12.5	13.0	11.8	14.3	51.6	18.1	17.7	15.9	19.4	71.0	76.7	80.6
sales growth %	-3.5%	-2.3%	11.8%	15.1%	20.8%	10.9%	44.3%	36.4%	35.0%	35.0%	37.6%	8.0%	5.0%
EBITA	4.6	1.4	1.6	1.2	1.7	5.9	1.8	1.5	1.5	2.2	7.1	8.4	9.7
EBITA margin	9.8%	11.0%	12.5%	10.2%	12.0%	11.5%	10.1%	8.7%	9.4%	11.4%	10.0%	11.0%	12.0%

Source: Etteplan, Evli Research estimates

ETTEPLAN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		22	23	24	22	23	24	22	23	24
SWECO	2876	12.5x	12.0x	11.1x	16.6x	16.0x	14.5x	19.2x	18.2x	16.6x
AFRY	1501	8.5x	8.1x	7.4x	13.0x	12.1x	10.7x	12.6x	12.1x	10.6x
Semcon	251	11.6x	10.3x	9.8x	12.6x	12.0x	11.4x	16.6x	16.4x	15.5x
Alten	3637	8.2x	7.7x	7.3x	9.8x	9.3x	8.8x	13.1x	12.4x	11.7x
Bertrandt	294							9.5x	6.3x	
TietoEVRY	2764	7.7x	7.1x	6.7x	10.6x	9.6x	9.1x	10.5x	9.7x	9.1x
Peer Group Average	1500	9.7x	9.0x	8.5x	12.5x	11.8x	10.9x	13.6x	12.5x	12.7x
Peer Group Median	921	8.5x	8.1x	7.4x	12.6x	12.0x	10.7x	12.9x	12.3x	11.7x
Etteplan (Evli est.)	334	8.2x	6.9x	6.1x	13.9x	11.2x	9.3x	14.8x	12.9x	11.1x

Etteplan prem./disc. to peer median

-2 % -12 % -17 % 15 % -6 % -13 % 17 % 4 % -5 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	13.35 PV of Free Cash Flow	300 Long-term growth, %	2.0 Risk-free interest rate, %
DCF share value	25.19 PV of Horizon value	390 WACC, %	8.3 Market risk premium, %
Share price potential, %	88.7 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	-89 Maximum WACC, %	8.8 Target debt ratio, %
Horizon value, %	56.5 Value of stock	631 Nr of shares, Mn	25.0 Effective tax rate, %

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	300	356	378	395	405	415	425	436	447	458	467	476
<i>Sales growth, %</i>	<i>15.6</i>	<i>18.6</i>	<i>6.2</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	28	33	38	37	38	39	40	41	42	43	44
<i>Operating income margin, %</i>	<i>8.6</i>	<i>7.9</i>	<i>8.8</i>	<i>9.6</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	20	21	20	20	20	20	20	21	21	22	
EBITDA	44	48	54	58	57	58	59	60	62	63	64	
- Paid taxes	-6	-5	-6	-7	-7	-7	-8	-8	-8	-8	-8	
- Change in NWC	-10	-2	-1	-1	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>2.6</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	-7	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-2	0	-5	-5	-5	-5	-5	-5	-5	-6	-6	
<i>opCAPEX / Sales, %</i>	<i>4.0</i>	<i>3.9</i>	<i>4.9</i>	<i>4.9</i>	<i>4.8</i>	<i>4.8</i>	<i>4.8</i>	<i>4.8</i>	<i>4.8</i>	<i>4.8</i>	<i>4.8</i>	
- Acquisitions	-7	-21	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	1	0	0	0	0	0	0	0	0	0	0	
= FCFF	11	20	42	46	45	46	46	47	48	49	50	812
= Discounted FCFF		20	38	38	35	33	31	29	27	25	24	390
= DFCF min WACC		20	39	39	35	33	31	30	28	26	25	442
= DFCF max WACC		20	38	38	34	32	30	28	26	25	23	346

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	73.0	75.0	66.9	85.3	300.1	89.6	89.3	78.1	99.0	355.9	377.8	394.8
EBITDA	11.0	11.1	9.2	12.4	43.6	12.6	11.8	9.6	13.9	47.9	54.0	58.5
<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>14.0</i>	<i>13.2</i>	<i>12.3</i>	<i>14.1</i>	<i>13.4</i>	<i>14.3</i>	<i>14.8</i>
EBIT	6.6	6.7	4.7	7.8	25.8	7.6	6.8	4.7	9.0	28.2	33.3	38.1
<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>8.5</i>	<i>7.6</i>	<i>6.0</i>	<i>9.1</i>	<i>7.9</i>	<i>8.8</i>	<i>9.6</i>
Net financial items	-0.1	-0.4	-0.2	-0.2	-0.9	-0.3	0.0	-3.5	-1.3	-5.2	-1.1	-0.9
Pre-tax profit	6.5	6.3	4.5	7.7	24.9	7.3	6.8	1.2	7.7	22.9	32.2	37.2
Tax	-1.2	-1.4	-1.0	-1.3	-4.8	-1.5	-1.2	-0.2	-1.5	-4.4	-6.2	-7.2
<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>20.5</i>	<i>17.4</i>	<i>20.0</i>	<i>20.0</i>	<i>19.4</i>	<i>19.4</i>	<i>19.4</i>
Net profit	5.3	4.9	3.5	6.4	20.1	5.8	5.6	1.0	6.1	18.5	26.0	30.0
EPS	0.21	0.20	0.14	0.25	0.80	0.23	0.22	0.04	0.25	0.74	1.04	1.20
EPS adjusted (diluted no. of shares)	0.21	0.20	0.14	0.25	0.80	0.23	0.22	0.17	0.28	0.90	1.04	1.20
Dividend per share	0.00	0.00	0.00	0.00	0.40	0.00	0.00	0.00	0.00	0.37	0.52	0.60
SALES, EURm												
Engineering Solutions	41.4	42.0	36.9	47.1	167.5	46.7	46.2	40.1	50.6	183.7	192.8	200.6
Software and Embedded Solutions	18.8	19.9	18.1	23.4	80.1	24.6	25.1	22.0	28.8	100.5	107.6	113.0
Technical Documentation Solutions	12.5	13.0	11.8	14.3	51.6	18.1	17.7	15.9	19.4	71.0	76.7	80.6
Other	0.2	0.2	0.1	0.4	0.9	0.2	0.2	0.2	0.2	0.7	0.7	0.7
Total	73.0	75.0	66.9	85.3	300.1	89.6	89.3	78.1	99.0	355.9	377.8	394.8
SALES GROWTH, Y/Y %												
<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>12.8</i>	<i>10.0</i>	<i>8.6</i>	<i>7.5</i>	<i>9.7</i>	<i>5.0</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>30.8</i>	<i>26.5</i>	<i>21.7</i>	<i>23.2</i>	<i>25.5</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>44.3</i>	<i>36.4</i>	<i>35.0</i>	<i>35.0</i>	<i>37.6</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>-7.9</i>	<i>9.2</i>	<i>86.0</i>	<i>-64.0</i>	<i>-23.0</i>	<i>0.0</i>	<i>0.0</i>
Total	2.3	19.3	21.1	21.3	15.6	22.8	18.9	16.9	16.1	18.6	6.2	4.5
EBIT, EURm												
Engineering Solutions	4.4	4.2	3.0	5.0	16.6	4.9	4.9	3.7	5.3	18.8	19.3	20.1
Software and Embedded Solutions	2.1	2.2	1.6	2.4	8.3	2.3	1.9	2.0	3.0	9.2	11.3	13.6
Technical Documentation Solutions	1.4	1.6	1.2	1.7	5.9	1.8	1.5	1.5	2.2	7.1	8.4	9.7
Other	-1.3	-1.2	-1.2	-1.3	-5.0	-1.5	-1.5	-2.5	-1.5	-6.9	-5.7	-5.2
Total	6.6	6.7	4.7	7.8	25.8	7.6	6.8	4.7	9.0	28.2	33.3	38.1
EBIT margin, %												
<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>10.6</i>	<i>10.6</i>	<i>9.2</i>	<i>10.5</i>	<i>10.2</i>	<i>10.0</i>	<i>10.0</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>9.5</i>	<i>7.4</i>	<i>9.1</i>	<i>10.4</i>	<i>9.2</i>	<i>10.5</i>	<i>12.0</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>10.1</i>	<i>8.7</i>	<i>9.4</i>	<i>11.4</i>	<i>10.0</i>	<i>11.0</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>-846.3</i>	<i>-739.3</i>	<i>-1,562.5</i>	<i>-925.0</i>	<i>-998.1</i>	<i>-817.1</i>	<i>-745.3</i>
Total	9.0	9.0	7.0	9.2	8.6	8.5	7.6	6.0	9.1	7.9	8.8	9.6

Commercial Services & Supplies/Finland, October 17, 2022
Company update

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	214.6	236.4	262.7	259.7	300.1	355.9	377.8	394.8
<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>18.6</i>	<i>6.2</i>	<i>4.5</i>
EBITDA	20.8	26.0	37.5	40.4	43.6	47.9	54.0	58.5
<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>13.4</i>	<i>14.3</i>	<i>14.8</i>
Depreciation	-5.3	-5.8	-14.7	-18.0	-17.8	-19.7	-20.6	-20.4
EBITA	15.5	20.2	22.8	22.4	25.8	28.2	33.3	38.1
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	28.2	33.3	38.1
<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>7.9</i>	<i>8.8</i>	<i>9.6</i>
Reported EBIT	15.5	20.2	22.8	22.4	25.8	28.2	33.3	38.1
<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>7.9</i>	<i>8.8</i>	<i>9.6</i>
Net financials	-0.7	-0.8	-0.9	-1.3	-0.9	-5.2	-1.1	-0.9
Pre-tax profit	14.7	19.4	21.9	21.1	24.9	22.9	32.2	37.2
Taxes	-3.2	-4.1	-4.5	-4.0	-4.8	-4.4	-6.2	-7.2
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	18.5	26.0	30.0
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	26	30	29	32	29	25	23
Goodwill	59	65	79	84	92	107	107	107
Right of use assets	0	12	15	23	22	25	27	28
Inventory	0	0	0	0	0	0	0	0
Receivables	53	53	62	57	75	89	94	98
Liquid funds	10	16	16	24	30	36	38	40
Total assets	144	173	203	218	253	288	294	298
Liabilities								
Shareholder's equity	58	68	77	87	99	107	124	141
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	27	28
Deferred taxes	3	5	6	7	7	7	7	7
Interest bearing debt	35	36	41	40	56	67	50	33
Non-interest bearing current liabilities	46	48	61	57	66	78	83	86
Other interest-free debt	2	4	2	2	3	3	3	3
Total liabilities	144	173	203	218	253	288	294	298
CASH FLOW, EURm								
+ EBITDA	21	26	38	40	44	48	54	58
- Net financial items	-1	-1	-1	-1	-1	-5	-1	-1
- Taxes	-2	-4	-4	-5	-6	-4	-6	-7
- Increase in Net Working Capital	1	2	4	1	-10	-2	-1	-1
+/- Other	0	-1	-4	3	1	0	0	0
= Cash flow from operations	18	23	33	38	27	36	46	50
- Capex	-2	-2	-13	-21	-12	-14	-19	-19
- Acquisitions	-3	-8	-21	-6	-7	-21	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	13	13	-1	11	8	1	27	31
+/- New issues/buybacks	-2	0	-1	2	0	0	0	0
- Paid dividend	-4	-6	-7	-9	-8	-10	-9	-13
+/- Other	-1	-1	9	4	6	14	-16	-16
Change in cash	5	6	0	9	6	6	2	2

Commercial Services & Supplies/Finland, October 17, 2022
Company update

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	198	253	323	424	334	334	334
Net debt (excl. convertibles)	32	40	41	48	57	39	21
Enterprise value	231	294	364	472	391	373	355
Sales	236	263	260	300	356	378	395
EBITDA	26	38	40	44	48	54	58
EBIT	20	23	22	26	28	33	38
Pre-tax	19	22	21	25	23	32	37
Earnings	15	17	17	20	18	26	30
Equity book value (excl. minorities)	68	77	87	99	107	124	141
Valuation multiples							
EV/sales	1.0	1.1	1.4	1.6	1.1	1.0	0.9
EV/EBITDA	8.9	7.8	9.0	10.8	8.2	6.9	6.1
EV/EBITA	11.4	12.9	16.2	18.3	13.9	11.2	9.3
EV/EBIT	11.4	12.9	16.2	18.3	13.9	11.2	9.3
EV/OCF	10.0	8.9	9.6	17.4	10.7	8.1	7.1
EV/FCFF	16.9	27.3	11.5	41.1	19.5	8.8	7.8
P/FCFE	15.2	-247.0	29.2	52.6	232.2	12.2	10.9
P/E	13.0	15.6	18.9	21.1	14.8	12.9	11.1
P/B	2.9	3.3	3.7	4.3	3.1	2.7	2.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.0	7.7	6.8
Target EV/EBIT	0.0	0.0	0.0	0.0	15.4	12.4	10.4
Target EV/FCF	0.0	0.0	0.0	0.0	300.3	15.2	12.9
Target P/B	0.0	0.0	0.0	0.0	3.5	3.0	2.7
Target P/E	0.0	0.0	0.0	0.0	16.6	14.5	12.5
Per share measures							
Number of shares	24,963	24,963	24,963	25,083	25,042	25,042	25,042
Number of shares (diluted)	24,963	24,963	24,963	25,083	25,042	25,042	25,042
EPS	0.61	0.70	0.68	0.80	0.74	1.04	1.20
Operating cash flow per share	0.92	1.32	1.52	1.08	1.45	1.83	1.99
Free cash flow per share	0.52	-0.04	0.44	0.32	0.06	1.09	1.22
Book value per share	2.71	3.07	3.49	3.94	4.29	4.96	5.64
Dividend per share	0.30	0.35	0.34	0.40	0.37	0.52	0.60
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	2.4	2.8	3.9	4.5
FCF yield, %	6.6	-0.4	3.4	1.9	0.4	8.2	9.2
Efficiency measures							
ROE	24.4	24.1	20.9	21.6	17.9	22.5	22.6
ROCE	19.3	18.3	15.7	15.7	14.9	16.6	18.9
Financial ratios							
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	2.8	2.8
Operative CAPEX/sales, %	0.7	4.9	8.1	4.0	3.9	4.9	4.9
CAPEX/sales (incl. acquisitions), %	-2.8	-3.1	5.9	1.7	-2.0	4.9	4.9
FCFF/EBITDA	0.5	0.3	0.8	0.3	0.4	0.8	0.8
Net debt/EBITDA, book-weighted	1.3	1.1	1.0	1.1	1.2	0.7	0.4
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	37.3	42.3	47.3
Gearing, %	48.1	52.6	46.6	48.7	52.8	31.1	14.9

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 but some smaller challenges in Technical Documentation Solutions and Software and Embedded Solutions still remain. Bringing those service areas up to par and optimization of resources through an increase in Managed services and an increase in own software products could provide a further boost to margins. In the near-term, uncertainty is elevated by the anticipated slow-down of the economy.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ingman Group Oy Ab	16,661,384	222.429	66.5%
Oy Fincorp Ab	2,526,359	33.727	10.1%
Varma Mutual Pension Insurance Company	985,593	13.158	3.9%
Tuori Klaus	309,134	4.127	1.2%
Tuori Aino	308,275	4.115	1.2%
Ilmarinen Mutual Pension Insurance Company	288,311	3.849	1.2%
Elo Mutual Pension Insurance Company	209,662	2.799	0.8%
VAS Invest Oy	194,035	2.590	0.8%
Taaleri Mikro Markka fund	164,048	2.190	0.7%
Etteplan Oyj	159,046	2.123	0.6%
Ten largest	21,805,847	291.108	87%
Residual	3,235,900	43.199	13%
Total	25,041,747	334.307	100%

EARNINGS CALENDAR

October 31, 2022

Q3 report

February 17, 2023

FY 2022 Results

OTHER EVENTS**COMPANY MISCELLANEOUS**

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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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