

Good operational performance

Etteplan's net sales in Q3 amounted to EUR 80.3m, slightly above our and consensus estimates (EUR 78.1m/78.4m Evli/cons.). EBIT amounted to EUR 5.8m, above our estimates and above consensus estimates (EUR 4.7m/5.2m Evli/cons.). Guidance for 2022 specified: revenue EUR 345-360m (EUR 340-370m) and EBIT 28-31m (EUR 28-32m).

- Net sales in Q3 were EUR 80.3m (EUR 66.9m in Q3/21), slightly above our estimates and consensus estimates (EUR 78.1m/78.4m Evli/Cons.). Growth in Q3 amounted to 20% y/y.
- EBIT in Q3 amounted to EUR 5.8m (EUR 4.7m in Q3/21), above our estimates and consensus estimates (EUR 4.7m/5.2m Evli/cons.), at a margin of 7.2%.
- EPS in Q3 amounted to EUR -0.03 (EUR 0.14 in Q3/21), below our estimates and consensus estimates (EUR 0.04/0.01 Evli/cons.).
- Net sales in Engineering Solutions in Q3 were EUR 41.9m vs. EUR 40.1m Evli. EBITA in Q3 amounted to EUR 4.3m vs. EUR 3.7m Evli.
- Net sales in Software and Embedded Solutions in Q3 were EUR 22.0m vs. EUR 22.0m Evli. EBITA in Q3 amounted to EUR 2.2m vs. EUR 2.0m Evli.
- Net sales in Technical Documentation Solutions in Q3 were EUR 16.3m vs. EUR 15.9m Evli. EBITA in Q3 amounted to EUR 1.3m vs. EUR 1.5m Evli.
- **Guidance for 2022 (specified):** Revenue is estimated to be EUR 345-360m (EUR 340-370m) and the operating profit is estimated to be EUR 28-31m (EUR 28-32m)

Rating BUY

Q3/22	Actual	Evli	Cons.	Q3/21
Net sales	80.3	78.1	78.4	66.9
EBIT	5.8	4.7	5.2	4.6
EPS	-0.03	0.04	0.01	0.14
Deviation	Actual	Evli	Cons.	Q3/21
Net sales		3 %	2 %	20 %
EBIT		23 %	12 %	26 %
EPS		-	-	-
*Consensus by Factset				
Share price, EUR (Last trading day's closing price)				14.10
Target price, EUR				15.0
Latest change in recommendation				24-Aug-22
Latest report on company				17-Oct-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				353
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
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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	355.9	28.2	7.9%	1.4	0.74	15.6	1.2	14.6	0.4	0.37
2023E	377.8	33.3	8.8%	27.3	1.04	13.6	1.0	11.8	7.7	0.52
2024E	394.8	38.1	9.6%	30.7	1.20	11.8	0.9	9.8	8.7	0.60
Market cap, EURm	353			BV per share 2022E, EUR	52.8			CAGR EPS 2021-24, %	14.3	
Net debt 2022E, EURm	57			Price/book 2022E	3.3			CAGR sales 2021-24, %	9.6	
Enterprise value, EURm	410			Dividend yield 2022E, %	2.6			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	1.7	

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

Etteplan Q3/22	Actual	Evli	vs. Evli	Consensus	vs. cons	Q3/21	vs. Q3/21
Net sales	80.3	78.1	2.8%	78.4	2.4%	66.9	20.0%
-Engineering Solutions	41.9	40.1	4.4%			36.9	13.5%
-Software and Embedded Solutions	22.0	22.0	-0.2%			18.1	21.3%
-Technical Documentation Solutions	16.3	15.9	2.7%			11.8	38.3%
EBIT	5.8	4.6	26.2%	5.2	11.5%	4.7	23.4%
-Engineering Solutions	4.3	3.7	16.5%			3.0	43.6%
-Software and Embedded Solutions	2.2	2.0	8.8%			1.6	36.0%
-Technical Documentation Solutions	1.3	1.5	-11.4%			1.2	10.8%
EPS	-0.03	0.04	-	0.01	-	0.14	-

Consensus by Factset

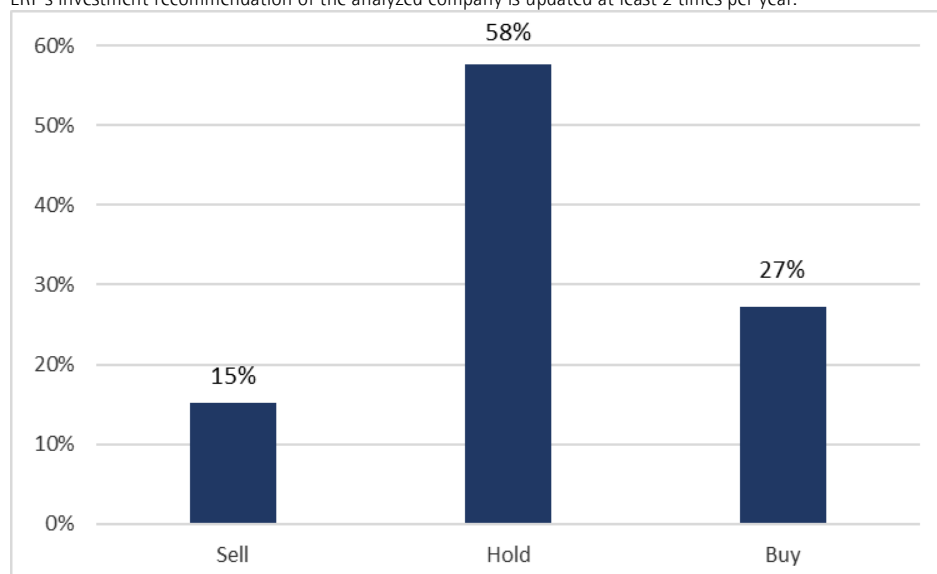
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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