


## Fairly well in line with estimates

Etteplan's Q1 results were largely as expected, with slight earnings miss vs. our estimates driven by lower profitability for Engineering Solutions service area.

- Net sales in Q1 were EUR 97.1m (Evli est. EUR 98.6m, EUR 95.0m in Q1/23), revenue increased 2.3% y/y, only slightly below our estimate.
- EBIT in Q1 amounted to EUR 6.7m (Evli est. EUR 7.3m, EUR 6.3m in Q1/23), at a margin of 7.0%.
- EPS in Q1 amounted to EUR 0.16 (Evli est. EUR 0.18, EUR 0.17 in Q1/23).
- Net sales in Engineering Solutions in Q1 were EUR 52.3m (Evli est. EUR 54m), EBITA in Q1 amounted to EUR 4.7m (Evli est. EUR 5.3m). Engineering Solutions was the main driver behind the slightly weaker profitability than we had estimated. According to Etteplan, the service areas demand slowed particularly in Finland and Germany. In addition, the company had some operational efficiency issues in Germany that affected the profitability.
- Net sales in Software and Embedded Solutions in Q1 were EUR 26.3m (Evli est. EUR 25.5m), EBITA amounted to EUR 2.4m (Evli est. EUR 2.0m).
- Net sales in Technical Communication Solutions in Q1 were EUR 18.5m (Evli est. EUR 18.8m), EBITA amounted to EUR 1.4m (Evli est. EUR 1.5m).
- The demand situation continued challenging during the first quarter as expected yet the company has seen the first signs of market improvement in Europe and expects the demand situation to improve to a good level during the rest of the year.

### Rating

 HOLD

Q1/24	Actual	Evli	Consensus	Q1/23	Q4/23
Net sales	97.1	98.6	98.7	91.0	95.2
EBITA	8.2	8.7	8.5	9.7	9.6
EBIT	6.7	7.3	7.4	6.3	8.2
EPS	0.16	0.18	0.19	0.17	0.23

Deviation	Actual	Evli	Consensus	Q1/23	Q4/23
Net sales		-1 %	-2 %	7 %	2 %
EBITA		-6 %	-4 %	-16 %	-14 %
EBIT		-8 %	-10 %	7 %	-18 %
EPS		-13 %	-16 %	-7 %	-32 %

Consensus by Factset (incl. 3 analysts)

Share price, EUR (Last trading day's closing price) **13.00**

Target price, EUR **14.0**

Latest change in recommendation **01-Nov-22**

Latest report on company **8-May-24**

Research paid by issuer: **YES**

No. of shares outstanding, '000's **25,250**

No. of shares fully diluted, '000's **25,250**

Market cap, EURm **328**

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 **08-May-24**

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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
2022	350.2	28.6	8.2%	-4.5	0.73	15.2	1.2	15.2	-1.2	0.36
2023	360.0	25.5	7.1%	16.2	0.66	17.7	1.1	15.8	4.7	0.30
2024E	387.2	30.5	7.9%	17.9	0.81	16.0	1.0	12.5	5.4	0.41
2025E	401.4	33.4	8.3%	23.3	0.97	13.4	0.9	11.0	7.1	0.48
2026E	411.3	36.0	8.8%	26.4	1.08	12.0	0.9	9.8	8.0	0.54

Market cap, EURm	328	BV per share 2024E, EUR	41.6	CAGR EPS 2023-26, %	12.5
Net debt 2024E, EURm	53	Price/book 2024E	2.6	CAGR sales 2023-26, %	4.5
Enterprise value, EURm	381	Dividend yield 2024E, %	3.1	ROE 2024E, %	17.1
Total assets 2024E, EURm	294	Tax rate 2024E, %	20.0	ROCE 2024E, %	15.0
Goodwill 2024E, EURm	110	Equity ratio 2024E, %	43.2	PEG, P/E 24/CAGR	1.4

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

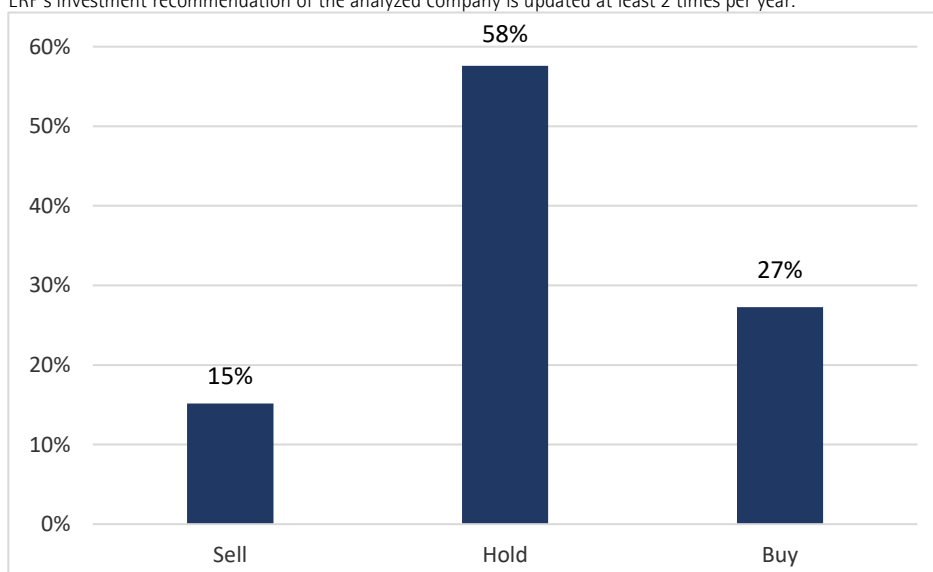
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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