

Still waiting for the market to turn

Etteplan is set to report its Q4 figures on February 12. We expect that the market and demand situation remained challenging in Q4, with no clear signs of recovery in 2026.

Limited organic growth expected in Q4

Etteplan cut its FY2025 guidance for the second time last October ahead of the Q3 report, highlighting continued and even weakening demand. Following Q3 figures, the revised guidance implies net sales of some EUR 86–102m and EBIT of EUR 4–7m for Q4. The wide net sales range reflects the limited visibility, and we see no meaningful improvement in demand since the revision. We estimate Q4 net sales of EUR 94m, slightly above last year mainly driven by acquisition-led growth in Engineering Solutions. Software and Embedded Solutions is expected to post another double-digit decline due to subdued product development demand, while we estimate slight organic growth for Technical Communication and Data Solutions, where AI-driven service solutions are expected to support the service area's profitability. Overall, we estimate Q4 group EBIT of EUR 5.5m (5.8% margin), with ongoing adaptation measures supporting a modest y/y improvement despite the challenging market.

Cautious guidance expected amid weak visibility

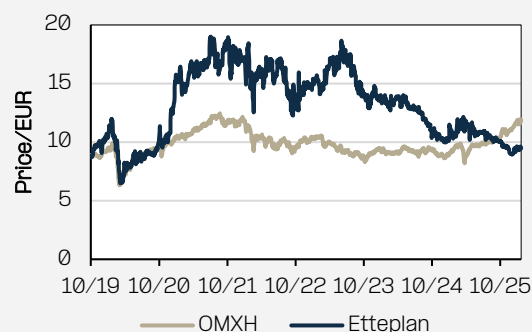
Given the guidance revisions over the past year and ongoing uncertainty, we expect Etteplan to issue a broad and cautious guidance for 2026. Market conditions will likely remain subdued through at least H1, with investment sentiment weighed down by the current economic climate. However, overall sentiment in the technology industry points to some relief in new orders and order books, and Q4'25 was surprisingly solid for the sector as a whole according to Technology Industries of Finland, though there are still no signs of a broad economic turnaround. For now, we maintain a cautious stance and forecast ~3% net sales growth in 2026 and an EBIT of EUR 23.1m. Should demand recover faster, there is upside potential to our estimates, as improved utilization would boost both top-line growth and margins. Nonetheless, uncertainties remain elevated, and we do not assume a material recovery in our forecasts at this stage.

ACCUMULATE with a TP of EUR 10.0 (prev. EUR 10.5)

Etteplan is currently valued at an adj. EV/EBITA of 12–10x based on our 2025–26E estimates, which we view as rather neutral in both absolute and relative terms. While long-term potential remains, limited visibility on a market turnaround keeps us cautious. We reiterate our ACCUMULATE rating but lower our TP to EUR 10.0 (prev. EUR 10.5).

Rating

🟢 Accumulate



Share price, EUR (Last trading day's closing price) **9.22**
Target price, EUR **10.0**

Latest change in recommendation	28-Apr-25
Latest report on company	30-Oct-25
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	233
Free float, %	23.0 %
Exchange rate	0.0
Reuters code	ETTE.HE
Bloomberg code	ETTE FH
Average daily volume, EURm	0.027
Next interim report	12-Feb-26
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🟢 BUY 🟢 ACCUMULATE 🟡 REDUCE 🔴 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
2023	360.0	25.5	7.1%	16.2	0.66	17.7	1.1	15.8	4.7%	0.30
2024	361.0	18.4	5.1%	-0.3	0.41	24.3	0.9	17.6	-0.1%	0.22
2025E	362.6	18.1	5.0%	-4.5	0.41	22.4	0.9	17.3	-1.9%	0.21
2026E	374.0	23.1	6.2%	11.8	0.58	15.8	0.8	13.3	5.1%	0.29
2027E	386.8	28.4	7.3%	19.6	0.76	12.2	0.8	10.4	8.4%	0.38
Market cap, EURm	233		Gearing 2025E, %		65.7 %		CAGR EPS 2024–27, %		22.5 %	
Net debt 2025E, EURm	81		Price/book 2025E		1.9		CAGR Sales 2024–27, %		2.3 %	
Enterprise value, EURm	313		Dividend yield 2025E, %		2.2 %		ROE 2025E, %		8.6 %	
Total assets 2025E, EURm	313		Tax rate 2025E, %		22.3 %		ROCE 2025E, %		8.2 %	
Goodwill 2025E, EURm	128		Equity ratio 2025E, %		39.2 %		PEG, P/E 25/CAGR		0.8	

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

Table 1: Estimate summary

Etteplan	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25	Q2/'25	Q3/'25	Q4/'25E	2025E	2026E	2027E
Net sales	360.0	97.1	92.6	80.0	91.3	361.0	94.9	91.4	82.2	94.1	362.6	374.0	386.8
<i>sales growth %</i>	<i>2.8%</i>	<i>2.3%</i>	<i>3.1%</i>	<i>0.0%</i>	<i>-4.1%</i>	<i>0.3%</i>	<i>-2.3%</i>	<i>-1.3%</i>	<i>2.8%</i>	<i>3.1%</i>	<i>0.4%</i>	<i>3.1%</i>	<i>3.4%</i>
EBITA	30.9	8.2	6.8	2.9	6.4	24.7	5.8	6.0	5.6	7.1	24.5	29.5	34.7
<i>EBITA margin</i>	<i>8.6%</i>	<i>8.4%</i>	<i>7.4%</i>	<i>3.7%</i>	<i>7.1%</i>	<i>6.8%</i>	<i>6.1%</i>	<i>6.6%</i>	<i>6.9%</i>	<i>7.5%</i>	<i>6.7%</i>	<i>7.9%</i>	<i>9.0%</i>
EBIT	25.5	6.7	5.3	1.4	5.0	18.4	4.2	4.4	4.1	5.5	18.1	23.1	28.4
<i>EBIT margin</i>	<i>7.1%</i>	<i>6.9%</i>	<i>5.8%</i>	<i>1.8%</i>	<i>5.4%</i>	<i>5.1%</i>	<i>4.4%</i>	<i>4.8%</i>	<i>4.9%</i>	<i>5.8%</i>	<i>5.0%</i>	<i>6.2%</i>	<i>7.3%</i>
NRIs	-1.7	-0.3	-0.4	-1.4	-0.9	-3.0	-1.3	-0.9	-0.2	0.0	-2.4	0.0	0.0
EBIT (excl. NRIs)	27.2	7.0	5.7	2.8	5.9	21.4	5.5	5.3	4.3	5.5	20.5	23.1	28.4
<i>-margin</i>	<i>7.6%</i>	<i>7.2%</i>	<i>6.2%</i>	<i>3.5%</i>	<i>6.4%</i>	<i>5.9%</i>	<i>5.8%</i>	<i>5.8%</i>	<i>5.2%</i>	<i>5.8%</i>	<i>5.7%</i>	<i>6.2%</i>	<i>7.3%</i>
Engineering Solutions	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25	Q2/'25	Q3/'25	Q4/'25E	2025E	2026E	2027E
Net sales	202.4	52.3	49.6	42.0	48.9	192.8	52.9	51.6	47.3	55.0	206.8	213.0	219.3
<i>sales growth %</i>	<i>10.2%</i>	<i>1.1%</i>	<i>-2.7%</i>	<i>-6.9%</i>	<i>-10.5%</i>	<i>-4.8%</i>	<i>1.1%</i>	<i>3.9%</i>	<i>12.7%</i>	<i>12.5%</i>	<i>7.2%</i>	<i>3.0%</i>	<i>3.0%</i>
EBITA	19.9	4.7	3.9	1.2	3.6	13.4	3.5	3.9	3.8	4.7	15.8	18.3	20.8
<i>EBITA margin</i>	<i>9.8%</i>	<i>9.0%</i>	<i>7.9%</i>	<i>2.9%</i>	<i>7.3%</i>	<i>7.0%</i>	<i>6.5%</i>	<i>7.6%</i>	<i>8.0%</i>	<i>8.5%</i>	<i>7.7%</i>	<i>8.6%</i>	<i>9.5%</i>
Software and Embedded Solutions	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25	Q2/'25	Q3/'25	Q4/'25E	2025E	2026E	2027E
Net sales	86.9	26.3	24.9	21.7	24.4	97.4	23.1	21.5	17.9	20.8	83.2	84.9	88.3
<i>sales growth %</i>	<i>-9.4%</i>	<i>10.1%</i>	<i>17.4%</i>	<i>13.0%</i>	<i>8.3%</i>	<i>12.1%</i>	<i>-11.9%</i>	<i>-13.9%</i>	<i>-17.7%</i>	<i>-15.0%</i>	<i>-14.5%</i>	<i>2.0%</i>	<i>4.0%</i>
EBITA	6.9	2.4	1.9	1.5	2.1	7.9	1.9	1.6	0.7	1.1	5.3	6.8	8.1
<i>EBITA margin</i>	<i>8.0%</i>	<i>9.1%</i>	<i>7.6%</i>	<i>6.8%</i>	<i>8.7%</i>	<i>8.1%</i>	<i>8.0%</i>	<i>7.5%</i>	<i>3.7%</i>	<i>5.5%</i>	<i>6.3%</i>	<i>8.0%</i>	<i>9.2%</i>
Technical Communication and Data Solutions	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25	Q2/'25	Q3/'25	Q4/'25E	2025E	2026E	2027E
Net sales	70.0	18.5	17.9	16.2	17.9	70.5	18.9	18.4	17.1	18.2	72.5	75.4	78.4
<i>sales growth %</i>	<i>0.2%</i>	<i>-3.7%</i>	<i>2.9%</i>	<i>4.6%</i>	<i>0.1%</i>	<i>0.8%</i>	<i>2.1%</i>	<i>2.3%</i>	<i>5.3%</i>	<i>2.0%</i>	<i>2.9%</i>	<i>4.0%</i>	<i>4.0%</i>
EBITA	4.9	1.4	1.2	0.6	1.1	4.3	0.8	0.8	1.4	1.5	4.6	5.3	6.7
<i>EBITA margin</i>	<i>7.1%</i>	<i>7.3%</i>	<i>6.8%</i>	<i>3.9%</i>	<i>5.9%</i>	<i>6.1%</i>	<i>4.4%</i>	<i>4.6%</i>	<i>8.0%</i>	<i>8.5%</i>	<i>6.3%</i>	<i>7.0%</i>	<i>8.5%</i>

Source: Etteplan, Evli Research estimates

Table 2: Peer group

ETTEPLAN	MCAP	EV/EBITDA			EV/EBITA*			P/E*			EV/Sales		
PEER GROUP	EUR m	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
Sweco AB	5077	14.8x	13.4x	12.5x	18.2x	16.2x	14.9x	23.2x	20.3x	18.5x	1.9x	1.8x	1.7x
AFRY AB	1454	9.0x	7.4x	6.6x	13.2x	9.8x	8.3x	13.4x	10.9x	9.0x	0.9x	0.8x	0.8x
Alten SA	2465	6.3x	5.6x	5.1x	8.0x	7.0x	6.3x	10.4x	9.5x	8.5x	0.6x	0.6x	0.6x
Bertrandt AG	180	21.0x	4.7x	3.6x		13.2x	5.7x		10.5x	4.9x	0.4x	0.4x	0.4x
Multiconsult ASA	408	9.3x	7.8x	7.0x	14.9x	11.9x	10.2x	17.0x	13.3x	11.2x	1.1x	1.0x	0.9x
TietoEVRY Oyj	2079	9.7x	8.6x	8.2x	11.3x	10.4x	9.6x	13.4x	12.5x	11.4x	1.5x	1.4x	1.4x
Prevas AB	107	9.9x	7.3x	6.1x	14.0x	9.2x	7.6x	14.1x	9.4x	7.7x	1.0x	0.9x	0.8x
Rejlers AB	368	8.9x	7.4x	6.9x	13.0x	10.4x	9.3x	14.9x	12.6x	11.1x	1.0x	0.9x	0.8x
Peer group average	1944	11.1x	7.8x	7.0x	13.2x	11.0x	9.0x	15.2x	12.4x	10.3x	1.1x	1.0x	0.9x
Peer group median	1767	9.5x	7.4x	6.7x	13.2x	10.4x	8.8x	14.1x	11.7x	10.0x	1.0x	0.9x	0.8x
Etteplan (Evli est.)	233	8.6x	7.4x	6.3x	11.7x	10.4x	8.5x	13.7x	11.8x	9.6x	0.9x	0.8x	0.8x
<i>Prem./disc. to peer median</i>		<i>-10 %</i>	<i>0 %</i>	<i>-6 %</i>	<i>-12 %</i>	<i>0 %</i>	<i>-4 %</i>	<i>-3 %</i>	<i>1 %</i>	<i>-4 %</i>	<i>-14 %</i>	<i>-7 %</i>	<i>-9 %</i>

Source: FactSet, Evli Research

*Adj. for NRIs and PPA amortization

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	9.22 PV of Free Cash Flow	208 Long-term growth, %	2.0 % Risk-free interest rate, %	2.25 %
DCF share value	13.90 PV of Horizon value	219 WACC, %	10.0 % Market risk premium, %	5.8 %
Share price potential, %	50.8 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	3.3 %
Maximum value	15.0 Marketable securities	25 Minimum WACC, %	9.5 % Equity beta coefficient	0.90
Minimum value	12.9 Debt – dividend	–101 Maximum WACC, %	10.5 % Target debt ratio, %	20 %
Horizon value, %	51.3 % Value of stock	351 No. of shares, Mn	25.2 Effective tax rate, %	20 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	361	363	374	387	398	410	419	427	435	444	453	462
Sales growth (%)	0.3%	0.4%	3.1%	3.4%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Operating income (EBIT)	18	18	23	28	32	33	33	32	30	31	32	32
Operating income margin %	5.1%	5.0%	6.2%	7.3%	8.0%	8.0%	8.0%	7.5%	7.0%	7.0%	7.0%	7.0%
+ Depreciation+amort.	18	19	20	20	20	21	22	22	23	23	24	
EBITDA	37	37	43	49	52	54	55	54	53	54	56	
– Paid taxes	–2	–4	–5	–6	–7	–7	–7	–7	–7	–7	–7	
– Change in NWC	1	0	–1	–1	–1	–1	–1	–1	–1	–1	–1	
NWC / Sales, %	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	
+ Change in other liabs	0											
– Operative CAPEX	–23	–23	–11	–7	–10	–11	–11	–11	–11	–11	–8	
opCAPEX / Sales, %	8.8%	9.2%	5.9%	5.0%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	4.7%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	12	10	26	34	34	35	37	36	35	36	40	512
= Discounted FCFF		10	24	29	26	24	23	20	18	17	17	219
= DFCF min WACC		10	24	29	26	25	23	21	19	17	18	243
= DFCF max WACC		10	24	28	26	24	22	20	17	16	17	198

Sensitivity analysis, EUR

		Terminal WACC				
		8.02 %	9.02 %	10.02 %	11.02 %	12.02 %
Terminal EBIT–%	5.00 %	16.45	13.88	11.95	10.43	9.21
	6.00 %	17.98	15.09	12.92	11.23	9.88
	7.00 %	19.51	16.30	13.90	12.03	10.54
	8.00 %	21.04	17.51	14.88	12.83	11.21
	9.00 %	22.57	18.72	15.85	13.64	11.87

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Net sales	97.1	92.6	80.0	91.3	361.0	94.9	91.4	82.2	94.1	362.6	374.0	386.8
EBITDA	11.6	9.7	6.1	9.5	36.8	8.9	9.1	8.6	10.1	36.6	42.8	48.8
EBITDA margin (%)	11.9%	10.5%	7.6%	10.4%	10.2%	9.4%	9.9%	10.5%	10.7%	10.1%	11.5%	12.6%
EBIT	6.7	5.3	1.4	5.0	18.4	4.2	4.4	4.1	5.5	18.1	23.1	28.4
EBIT margin (%)	6.9%	5.8%	1.8%	5.4%	5.1%	4.4%	4.8%	4.9%	5.8%	5.0%	6.2%	7.3%
Net financial items	-1.1	-1.2	-1.2	-1.4	-4.8	-1.1	-1.2	-1.0	-1.4	-4.7	-4.1	-3.8
Pre-tax profit	5.6	4.1	0.3	3.6	13.6	3.0	3.2	3.0	4.1	13.4	19.0	24.6
Tax	-1.7	-0.7	-0.3	-0.5	-3.2	-0.7	-0.7	-0.5	-0.9	-3.0	-4.2	-5.5
Tax rate (%)	29.6%	17.9%	98.9%	15.0%	23.5%	24.8%	23.3%	17.8%	23.0%	22.3%	22.3%	22.3%
Net profit	3.9	3.4	0.0	3.1	10.4	2.3	2.5	2.5	3.2	10.4	14.8	19.1
EPS	0.16	0.13	0.00	0.12	0.41	0.09	0.10	0.10	0.13	0.41	0.58	0.76
EPS adj. (diluted)	0.16	0.13	0.00	0.12	0.41	0.09	0.10	0.10	0.13	0.41	0.58	0.76
Dividend per share					0.22					0.21	0.29	0.38
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Engineering Solutions	52.3	49.6	42.0	48.9	192.8	52.9	51.6	47.3	55.0	206.8	213.0	219.3
Software and Embedded Solutions	26.3	24.9	21.7	24.4	97.4	23.1	21.5	17.9	20.8	83.2	84.9	88.3
Technical Communication Solutions	18.5	17.9	16.2	17.9	70.5	18.9	18.4	17.1	18.2	72.5	75.4	78.4
Other	0.1	0.1	0.1	0.1	0.4	0.0		0.0	0.1	0.1	0.7	0.7
Total	97.1	92.6	80.0	91.3	361.0	94.9	91.4	82.2	94.1	362.6	374.0	386.8
SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Engineering Solutions	1.1%	-2.7%	-6.9%	-10.5%	-4.8%	1.1%	3.9%	12.7%	12.5%	7.2%	3.0%	3.0%
Software and Embedded Solutions	10.1%	17.4%	13.0%	8.3%	12.0%	-11.9%	-14.0%	-17.7%	-15.0%	-14.5%	2.0%	4.0%
Technical Communication Solutions	-3.7%	2.9%	4.6%	0.1%	0.8%	2.1%	2.3%	5.3%	2.0%	2.9%	4.0%	4.0%
Other	-61.0%	-15.9%	-54.4%	-32.5%	-43.3%	-91.0%	-99.9%	-96.1%	-3.9%	-70.7%	524.6%	
Total	2.3%	3.1%		-4.1%	0.3%	-2.3%	-1.3%	2.8%	3.1%	0.4%	3.1%	3.4%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Engineering Solutions	4.7	3.9	1.2	3.6	13.4	3.5	3.9	3.8	4.7	15.8	18.3	20.8
Software and Embedded Solutions	2.4	1.9	1.5	2.1	7.9	1.9	1.6	0.7	1.1	5.3	6.8	8.1
Technical Communication Solutions	1.4	1.2	0.6	1.1	4.3	0.8	0.8	1.4	1.5	4.6	5.3	6.7
Other	-1.7	-1.7	-1.9	-1.8	-7.2	-2.0	-2.0	-1.8	-1.9	-7.6	-7.3	-7.3
Total	6.7	5.3	1.4	5.0	18.4	4.2	4.4	4.1	5.5	18.1	23.1	28.4
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Engineering Solutions	9.0%	7.9%	2.9%	7.3%	7.0%	6.5%	7.6%	8.0%	8.5%	7.7%	8.6%	9.5%
Software and Embedded Solutions	9.1%	7.6%	6.8%	8.7%	8.1%	8.0%	7.5%	3.7%	5.5%	6.3%	8.0%	9.2%
Technical Communication Solutions	7.3%	6.8%	3.9%	5.9%	6.1%	4.4%	4.6%	8.0%	8.5%	6.3%	7.0%	8.5%
Other	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
Total	6.9%	5.8%	1.8%	5.4%	5.1%	4.4%	4.8%	4.9%	5.8%	5.0%	6.2%	7.3%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	259.7	300.1	350.2	360.0	361.0	362.6	374.0	386.8
<i>Sales growth (%)</i>	-1.1%	15.6%	16.7%	2.8%	0.3%	0.4%	3.1%	3.4%
EBITDA	40.4	43.6	48.7	44.4	36.8	36.6	42.8	48.8
<i>EBITDA margin (%)</i>	15.6%	14.5%	13.9%	12.3%	10.2%	10.1%	11.5%	12.6%
Depreciation	-18.0	-17.8	-20.0	-18.9	-18.4	-18.5	-19.7	-20.5
EBITA	22.4	25.8	28.6	25.5	18.4	18.1	23.1	28.4
Goodwill amortization / writedown								
EBIT	22.4	25.8	28.6	25.5	18.4	18.1	23.1	28.4
<i>EBIT margin (%)</i>	8.6%	8.6%	8.2%	7.1%	5.1%	5.0%	6.2%	7.3%
Reported EBIT	22.4	25.8	28.6	25.5	18.4	18.1	23.1	28.4
<i>EBIT margin (reported) (%)</i>	8.6%	8.6%	8.2%	7.1%	5.1%	5.0%	6.2%	7.3%
Net financials	-1.3	-0.9	-6.2	-4.7	-4.8	-4.7	-4.1	-3.8
Pre-tax profit	21.1	24.9	22.4	20.8	13.6	13.4	19.0	24.6
Taxes	-4.0	-4.8	-4.2	-4.2	-3.2	-3.0	-4.2	-5.5
Minority shares								
Net profit	17.1	20.1	18.2	16.6	10.4	10.4	14.8	19.1
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	29	32	39	36	43	48	49	47
Goodwill	84	92	105	110	117	128	128	128
Right of use assets	23	22	21	21	19	19	20	20
Inventory	0	0	1	1	1	1	1	1
Receivables	57	75	94	92	92	92	95	98
Liquid funds	24	30	20	23	25	25	26	27
Total assets	218	253	281	285	298	313	319	322
Liabilities								
Shareholders' equity	87	99	106	114	118	123	132	144
Minority interest								
Convertibles								
Lease liabilities	24	23	22	21	19	22	22	23
Deferred taxes	7	7	10	10	10	10	10	10
Interest bearing debt	40	56	69	65	77	84	78	66
Non-interest bearing current liabilities	57	66	66	67	67	67	69	72
Other interest-free debt	2	3	8	8	8	8	8	8
Total liabilities	218	253	281	285	298	313	319	322
CASH FLOW, EURm								
+ EBITDA	40	44	49	44	37	37	43	49
- Net financial items	-1	-1	-6	-5	-5	-5	-4	-4
- Taxes	-5	-6	-5	-5	-1	-3	-4	-5
- Increase in Net Working Capital	1	-10	-17	1	1	0	-1	-1
+/- Other	3	1	8					
= Cash flow from operations	38	27	28	36	31	29	34	39
- Capex	-21	-12	-12	-20	-32	-33	-22	-19
- Acquisitions	-6	-7	-21					
+ Divestments	0							
= Free cash flow	11	8	-4	16	0	-4	12	20
+/- New issues/buybacks	2	0	-1	0	1			
- Paid dividend	8	10	9	8	6	5	7	10
+/- Other	4	6	4	-3	9	10	-6	-11
Change in cash	9	6	-11	4	2	0	1	1

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	424	366	341	252	233	233	233
Net debt (excl. convertibles)	48	71	63	71	81	74	62
Enterprise value	472	437	404	323	313	307	295
Sales	300	350	360	361	363	374	387
EBITDA	44	49	44	37	37	43	49
EBIT	26	29	26	18	18	23	28
Pre-tax	25	22	21	14	13	19	25
Earnings	20	18	17	10	10	15	19
Equity book value (excl. minorities)	99	106	114	118	123	132	144

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	1.6	1.2	1.1	0.9	0.9	0.8	0.8
EV/EBITDA	10.8	9.0	9.1	8.8	8.6	7.2	6.0
EV/EBITA	18.3	15.2	15.8	17.6	17.3	13.3	10.4
EV/EBIT	18.3	15.2	15.8	17.6	17.3	13.3	10.4
EV/OCF	17.4	15.5	11.2	10.3	10.8	9.1	7.6
EV/FCF	41.1	57.3	12.8	27.0	31.5	11.7	8.6
P/FCFR	52.6	-81.8	21.1	-731.5	-51.9	19.7	11.9
P/E	21.1	15.2	17.7	24.3	22.4	15.8	12.2
P/BV	4.3	3.4	3.0	2.1	1.9	1.8	1.6
Target EV/EBITDA					9.1	7.6	6.4
Target EV/EBIT					18.4	14.1	11.1
Target EV/FCFF					-74.3	27.6	16.1
Target P/BV					2.1	1.9	1.8
Target P/E, diluted					24.3	17.1	13.2

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	25.08	25.04	25.25	25.25	25.25	25.25	25.25
Number of shares (diluted, million)	25.08	25.04	25.25	25.25	25.25	25.25	25.25
EPS	0.80	0.73	0.66	0.41	0.41	0.58	0.76
Operating cash flow per share	1.08	1.12	1.43	1.24	1.15	1.34	1.53
Free cash flow per share	0.32	-0.18	0.64	-0.01	-0.18	0.47	0.77
Book value per share	3.94	4.25	4.52	4.67	4.86	5.24	5.70
Dividend per share	0.40	0.36	0.30	0.22	0.21	0.29	0.38
Dividend payout ratio, %	49.9%	49.6%	45.5%	53.4%	50.0%	50.0%	50.0%
Dividend yield, %	2.4%	2.5%	2.2%	2.2%	2.2%	3.2%	4.1%
FCF yield, %	1.9%	-1.2%	4.7%	-0.1%	-1.9%	5.1%	8.4%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	21.6%	17.7%	15.1%	9.0%	8.6%	11.6%	13.8%
ROCE	15.7%	15.3%	12.9%	8.9%	8.2%	10.0%	12.2%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Receivables as % of sales	24.9%	26.7%	25.5%	25.5%	25.4%	25.4%	25.4%
Non-int. bearing liabilities as % of sales	21.9%	19.0%	18.5%	18.5%	18.5%	18.5%	18.5%
NWC/sales, %	2.6%	7.0%	6.6%	6.4%	6.4%	6.4%	6.4%
Operative CAPEX/Sales, %	4.0%	3.3%	5.5%	8.8%	9.2%	5.9%	5.0%
CAPEX/sales (incl. acquisitions), %	1.7%	-2.6%	5.5%	8.8%	9.2%	5.9%	5.0%
FCFF/EBITDA	0.3	0.2	0.7	0.3	0.3	0.6	0.7
Net Debt/EBITDA, book-weighted	1.1	1.5	1.4	1.9	2.2	1.7	1.3
Debt/equity, market-weighted	0.1	0.2	0.2	0.3	0.4	0.3	0.3
Equity ratio, book-weighted	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Gearing, %	48.7%	66.8%	55.4%	60.0%	65.7%	56.0%	43.0%

COMPANY DESCRIPTION: Etteplan is a specialist in industrial equipment engineering, embedded systems and IoT and technical communication 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 communication solutions. Customers are leading global manufacturers of industrial equipment and machinery.

INVESTMENT CASE: Etteplan has a comprehensive service offering and a good market position that provides organic growth opportunities, with growth further boosted through acquisitions. Etteplan has achieved a solid level of relative profitability, but some smaller challenges in Technical Communication Solutions and Software and Embedded Solutions still remain. Bringing those service areas up to par and optimizing resources through an increase in Managed Services and introducing AI into the service offering could provide a further boost to margins. However, the last two years have been difficult due to poor market conditions, which have impacted overall demand and created additional challenges. In the near term, uncertainty is further elevated by the weakened overall demand situation.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ingman Group Oy Ab	16 760 000	154.527	66.4 %
Oy Fincorp Ab	2 650 414	24.437	10.5 %
Varma Mutual Pension Insurance Company	985 593	9.087	3.9 %
Ilmarinen Mutual Pension Insurance Company	343 618	3.168	1.4 %
Tuori Klaus	309 134	2.850	1.2 %
Tuori Aino	298 275	2.750	1.2 %
Elo Mutual Pension Insurance Company	262 000	2.416	1.0 %
VAS Invest Oy	194 035	1.789	0.8 %
Juha Näkki	107 739	0.993	0.4 %
Etteplan Oyj	100 921	0.930	0.4 %
Ten largest	22 011 729	202.948	87.2 %
Residual	3 238 143	29.856	12.8 %
Total	25 249 872	232.804	100%

EARNINGS CALENDAR

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Juha Näkki
CFO: Helena Kukkonen
IR: Outi Torniainen

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Tel: +358 10 3070

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 $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	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 rate per year
ROE, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

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Target price compared to share price

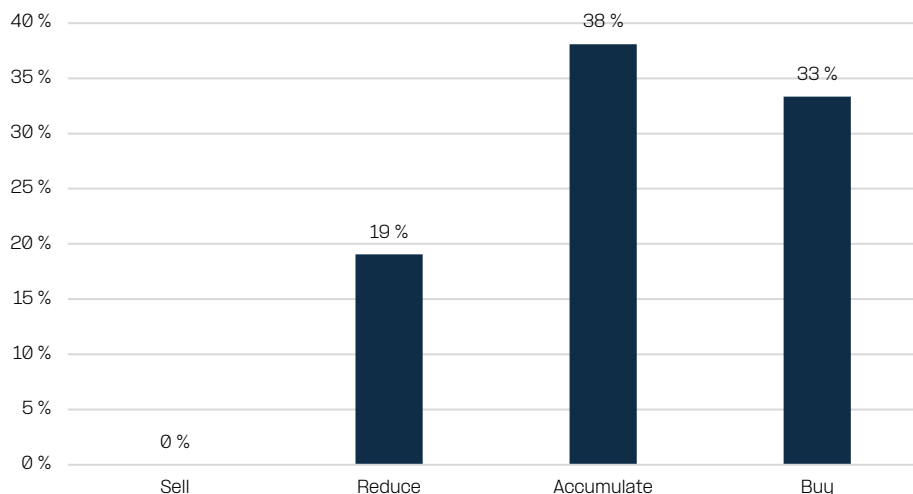
< -10 %
-10 - 0 %
0 - (+10) %
> 10 %

Recommendation

SELL
REDUCE
ACCUMULATE
BUY

ERP may temporarily suspend the rating and, if applicable, the target price to comply with regulations and/or firm policies, in which case a NOT RATED classification is used.

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

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