

05 May 2022

Commissioned research: Etteplan – Q1 was 5% over consensus, full year 2022 guidance was confirmed*Marketing material commissioned by Etteplan*

Regardless of geopolitical tensions and COVID-19 related sickness absences, Etteplan reported a good result in Q1. Full year 2022 sales and EBIT guidance was also confirmed. The end demand for Etteplan's engineering services has stayed healthy in Q1 but near term risk is related to investment environment. The shutdowns in China could also be more visible in Q2 than yet in Q1. One core strength of the company is proactive utilisation ratio management why we are not overly worried about the profitability in 2022. We forecast market consensus for 2022 EBIT to be upgraded by 2-3% after the Q1 earnings announcement.

Organic revenue growth was 15% in Q1 y/y

- Net sales was 4.6% above Infront consensus in Q1.
- Adjusted EBITA was EUR 9.0m compared to consensus of EUR 8.6m in Q1.
- Reported EPS of EUR 0.23 was 6% above consensus in Q1.
- Engineering solutions EBITA was EUR 4.9m, slightly over our estimate of EUR 4.8m. Segment's sales were EUR 46.7m, close to our expectations of EUR 46.8m.
- Software and Embedded solutions EBITA was EUR 2.3m, slightly below our estimate of EUR 2.4m. Sales were EUR 24.6m, 4% above our estimate.
- Technical Documentation solutions EBITA was EUR 1.8m, close to our estimate of EUR 1.9m. Sales were EUR 18.1m, 2% over our estimate in Q1.

Full year 2022 revenue guidance was confirmed

- The company expects the general demand situation to remain fairly good throughout 2022.
- Full year 2022 revenue guidance is EUR 340-370m (unchanged). Consensus net sales (Infront) has been EUR 348m.
- Operating profit is guided to be EUR 28-32m (unchanged, consensus EUR 30.2m).

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022E	2023E	2024E
Total revenue	263	260	300	345	360	375
EBITDA (adj)	36	41	44	48	50	51
EBIT (adj)	22	23	26	30	32	33
EBIT (adj) margin	8.3%	9.0%	8.6%	8.8%	8.9%	8.8%
EPS (adj, EUR)	0.66	0.73	0.81	0.94	0.99	1.02
EPS (adj) growth	4.3%	10.4%	11.7%	15.2%	5.6%	3.0%
DPS (ord, EUR)	0.35	0.34	0.40	0.44	0.47	0.50
EV/Sales	1.1	1.4	1.6	1.3	1.2	1.1
EV/EBIT (adj)	13.4	15.5	18.1	14.3	13.0	12.2
P/E (adj)	15.4	17.8	20.8	16.7	15.8	15.3
P/BV	3.3	3.7	4.2	3.5	3.1	2.8
Dividend yield (ord)	3.4%	2.6%	2.4%	2.8%	3.0%	3.2%
FCF Yield bef A&D, lease adj	9.2%	8.1%	3.7%	7.7%	6.7%	6.6%
Net debt	40	41	48	45	30	16
Net debt/EBITDA	1.1	1.0	1.1	0.9	0.6	0.3
ROIC after tax	16.8%	15.7%	15.3%	20.1%	20.8%	21.6%

Source: Company data and Nordea estimates

Completion date: 05 May 2022, 12:43 CET

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