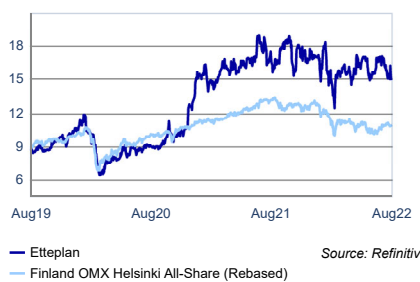


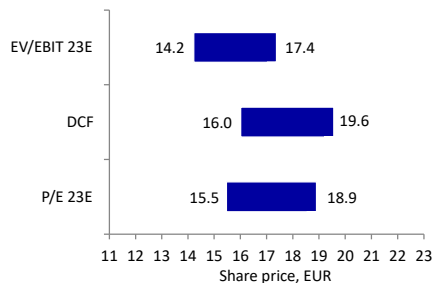
## KEY DATA

Stock country	Finland
Bloomberg	ETTE.FH
Reuters	ETTE.HE
Share price (close)	EUR 15.00
Free Float	34%
Market cap. (bn)	EUR 0.37/EUR 0.37
Website	www.etteplan.com
Next report date	31 Oct 2022

## PERFORMANCE



## VALUATION APPROACH



## ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	0%	47%	45%
EBIT (adj)	0%	55%	54%

Source: Nordea estimates

## Nordea Markets - Analysts

Pasi Väisänen  
Senior AnalystJoni Sandvall  
Analyst

## Semcon acquisition offers jump to a new level

Etteplan has made a EUR 253m cash offer to buy Swedish Semcon, a direct competitor. We do not expect to see a competing offer. The financing of the deal is arranged, which is why we add Semcon to our estimates from 2023 onwards. The valuation multiples of the deal also look fair for Etteplan, in our view. New customers should bring top-line synergies, but these could take over a year to materialise. The integration process could also turn out to be harder than seen in Etteplan's smaller acquisitions. Short-term risks for both companies are related to industrial activity and the overall macroeconomic environment. Our valuation model, based on a combination of peer group and DCF analyses, suggests a fair value range of EUR 15.2-18.6 (15.1-18.5).

## Semcon and Etteplan are a perfect match

The companies' customers and geographical presence are complementary, but their business models and service offerings are relatively similar. Semcon has 2,000 employees in seven countries compared to Etteplan with a staff of 4,000 in eight countries. The offer price indicates a 2023E EV/S of 1.3x for Semcon, in line with the peer group median.

## Big new customers are hard to attract without acquisitions

Etteplan is a growth-oriented company that has been looking for an opportunity to jump to a new net sales level, and the Semcon deal could provide it. The deal would also bring new customers, like Volvo Cars and AstraZeneca, to Etteplan. For smaller engineering consultancies, it can be difficult to gain big new customers organically. The company guides for more than EUR 5m in annual cost synergies, but we currently forecast only EUR 2m in synergies for 2023. However, revenue synergies could turn out to be notable in the medium term. But in the short term we expect utilisation ratios to suffer due to integration work.

## The offer is funded through debt and a rights issue

New debt and the companies' combined EBITDA could lead net debt per EBITDA to be over 2x in 2023E, we calculate. Our new EPS forecast is based on 12 million new shares and a EUR 125m capital increase, but the final outcome could turn out to be different. We also forecast acquisition-related one-off costs of EUR 4m. Based on our new estimates, Etteplan trades in line with the peer 2023E median based on EV/S and EV/EBITDA. However, 2023E-24E P/E is 11% higher than the peer group median, mainly due to increasing interest expenses.

## SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	236	263	260	300	354	550	575
EBITDA (adj)	26	36	41	44	49	74	76
EBIT (adj)	21	22	23	26	29	47	50
EBIT (adj) margin	8.7%	8.3%	9.0%	8.6%	8.3%	8.6%	8.7%
EPS (adj, EUR)	0.63	0.66	0.73	0.81	0.92	0.91	0.97
EPS (adj) growth	29.9%	4.3%	10.4%	11.7%	13.0%	-0.3%	6.5%
DPS (ord, EUR)	0.30	0.35	0.34	0.40	0.42	0.44	0.46
EV/Sales	0.9	1.1	1.4	1.6	0.9	1.3	1.2
EV/EBIT (adj)	10.6	13.4	15.5	18.1	10.5	14.9	13.5
P/E (adj)	12.6	15.4	17.8	20.8	16.4	16.4	15.4
P/BV	2.9	3.3	3.7	4.2	1.6	2.1	2.0
Dividend yield (ord)	3.8%	3.4%	2.6%	2.4%	2.8%	2.9%	3.1%
FCF Yield bef A&D, lease	10.8%	9.2%	8.1%	3.7%	6.1%	5.8%	8.5%
Net debt	20	40	41	48	-66	151	120
Net debt/EBITDA	0.8	1.1	1.0	1.1	-1.4	2.1	1.6
ROIC after tax	18.1%	16.8%	15.7%	15.3%	19.1%	16.8%	12.6%

Source: Company data and Nordea estimates

# Segment estimates

## QUARTERLY ESTIMATES BY SEGMENT (EURm)

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22E	Q4 22E
<b>Engineering</b>												
Sales	41.3	35.9	31.0	40.6	41.4	42.0	36.9	47.1	46.7	46.2	40.2	50.7
- sales growth	16%	2%	-12%	-1%	0%	17%	19%	16%	13%	10%	9%	8%
- organic growth	-1%	-11%	-14%	-8%	-6%	10%	10%	12%	13%	10%	8%	7%
Adj. EBITA	3.9	3.7	2.8	4.2	4.4	4.2	3.0	5.0	4.9	4.9	3.9	5.3
Adj. EBITA margin	9.5%	10.3%	9.0%	10.5%	10.6%	9.9%	8.2%	10.6%	10.6%	10.6%	9.6%	10.4%
<b>Software and Embedded</b>												
Sales	17.0	15.2	13.8	17.7	18.8	19.9	18.1	23.4	24.6	25.1	22.0	27.0
- sales growth	-2%	-11%	-10%	0%	11%	30%	31%	32%	31%	27%	22%	16%
- organic growth	-4%	-12%	-10%	0%	-1%	12%	8%	15%	19%	16%	12%	8%
Adj. EBITA	1.5	1.7	1.4	2.4	2.1	2.2	1.6	2.4	2.3	1.9	1.9	2.6
Adj. EBITA margin	9.0%	11.1%	10.4%	13.8%	11.1%	10.9%	9.1%	10.3%	9.5%	7.4%	8.5%	9.8%
<b>Technical Documentation</b>												
Sales	12.8	11.6	10.2	11.9	12.5	13.0	11.8	14.3	18.1	17.7	16.4	19.1
- sales growth	3%	-2%	-5%	-9%	-2%	12%	15%	21%	44%	36%	39%	33%
- organic growth	-3%	-8%	-10%	-10%	-2%	7%	12%	18%	11%	3%	3%	3%
Adj. EBITA	1.3	1.0	1.0	1.3	1.4	1.6	1.2	1.7	1.8	1.5	1.6	2.0
Adj. EBITA margin	10.1%	8.9%	9.3%	11.0%	11.0%	12.5%	10.2%	12.0%	10.1%	8.7%	9.5%	10.5%
<b>Group</b>												
Sales	71.3	62.9	55.2	70.3	73.0	75.0	66.9	85.3	89.6	89.3	78.6	96.8
- sales growth	9%	-2%	-10%	-2%	2%	19%	21%	21%	23%	19%	18%	13%
- organic growth	-3%	-11%	-13%	-6%	-4%	12%	14%	15%	15%	10%	8%	7%
Adj. EBITA	6.8	6.6	5.3	8.4	7.7	7.8	5.7	9.0	9.3	8.4	7.1	9.8
Adj. EBITA margin	9.5%	10.5%	9.6%	12.0%	10.5%	10.4%	8.5%	10.6%	10.3%	9.5%	9.1%	10.1%
PTP clean	5.7	5.3	4.1	6.9	6.4	6.3	4.4	7.7	7.0	6.5	3.5	6.2
Net Profit clean	4.4	4.3	3.3	6.0	5.3	4.9	3.4	6.5	5.5	5.3	2.6	4.7
Adj. EPS, EUR	0.18	0.17	0.13	0.24	0.21	0.20	0.14	0.26	0.22	0.21	0.11	0.19
EPS reported, EUR	0.17	0.16	0.13	0.23	0.21	0.20	0.14	0.26	0.23	0.23	0.15	0.23

Source: Company data and Nordea estimates

# Peer group

## PEER GROUP: P/E RATIOS (x)

	P/E									
	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Semcon	17.9	12.1	11.9	9.1	11.8	14.3	17.3	18.3	15.5	14.7
ÅF Poyry	18.8	18.3	19.5	15.1	27.7	30.3	25.6	12.3	11.2	10.1
Sweco	29.0	23.6	18.1	19.0	31.4	42.2	40.9	21.6	20.3	18.4
WSP Global	20.8	22.7	28.8	24.7	32.7	48.2	45.3	27.9	23.1	20.1
Rejlers	27.8	79.4	79.6	82.8	40.0	103.0	26.6	14.8	13.4	11.7
Stantec	20.7	27.9	34.8	21.1	21.1	29.0	39.5	21.0	18.6	16.3
Multiconsult	18.8	12.8	24.6	25.7	55.3	13.9	18.0	13.4	13.5	12.6
Arcadis	16.2	17.6	28.5	28.5	150.5	129.2	22.6	15.6	14.1	13.2
Accenture	19.8	17.8	24.0	25.6	26.9	30.4	36.8	27.9	24.8	22.4
Tieto	20.1	17.8	17.8	14.2	27.2	33.7	11.2	11.7	10.7	10.0
Peer group Median	19.9	18.0	24.3	22.9	29.5	32.1	26.1	16.9	14.8	13.9
Ette (Nordea)	12.8	15.1	16.0	12.6	15.4	17.8	20.8	16.4	16.4	15.4
<b>Difference</b>	<b>-36%</b>	<b>-16%</b>	<b>-34%</b>	<b>-45%</b>	<b>-48%</b>	<b>-44%</b>	<b>-20%</b>	<b>-3%</b>	<b>11%</b>	<b>11%</b>

Source: Refinitiv and Nordea estimates

## PEER GROUP: EV/EBITDA RATIOS (x)

	EV/EBITDA									
	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Semcon	10.8	8.5	7.0	6.0	6.7	6.9	9.4	10.8	9.6	9.1
ÅF Poyry	13.3	11.7	13.0	11.5	12.4	15.6	14.3	6.1	5.4	5.0
Sweco	14.0	12.6	12.8	10.9	16.7	20.9	21.1	12.1	11.5	10.7
WSP Global	11.5	10.8	13.2	11.2	11.4	14.3	18.1	13.6	11.0	10.4
Rejlers	12.7	18.1	13.2	10.0	14.4	13.4	10.7	8.5	8.0	7.4
Stantec	10.8	13.5	12.7	10.9	9.5	9.8	18.2	12.8	11.7	11.7
Multiconsult	12.7	8.2	12.9	11.5	9.9	7.0	9.5	7.9	7.7	7.4
Arcadis	7.3	8.1	9.6	6.0	7.6	8.1	11.6	8.7	7.9	7.7
Accenture	11.2	12.6	14.0	15.9	17.4	19.9	24.3	16.0	14.8	13.6
Tieto	10.6	10.6	9.9	8.9	15.8	7.2	9.1	8.3	7.6	7.2
Peer group Median	11.4	11.3	12.8	10.9	11.9	11.6	13.0	9.7	8.8	8.4
Ette (Nordea)	9.1	10.1	10.2	8.2	8.0	8.7	10.7	6.0	9.1	8.2
<b>Difference</b>	<b>-20%</b>	<b>-11%</b>	<b>-20%</b>	<b>-24%</b>	<b>-33%</b>	<b>-25%</b>	<b>-18%</b>	<b>-38%</b>	<b>4%</b>	<b>-3%</b>

Source: Refinitiv and Nordea estimates

## PEER GROUP: EV/S RATIOS (x)

	EV/S									
	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Semcon	0.5	0.5	0.4	0.4	0.7	0.8	1.2	1.3	1.2	1.2
ÅF Poyry	1.3	1.1	1.3	1.1	1.6	1.8	1.7	0.7	0.6	0.6
Sweco	1.5	1.4	1.4	1.5	2.3	2.8	3.0	1.7	1.6	1.6
WSP Global	0.8	0.8	1.0	0.9	1.3	1.7	2.3	2.3	1.9	1.8
Rejlers	0.7	0.6	0.5	0.6	1.3	1.5	1.1	1.0	0.9	0.9
Stantec	1.4	1.5	1.4	1.2	1.5	1.5	2.7	2.0	1.9	1.8
Multiconsult	1.2	1.0	0.7	0.5	0.9	1.1	1.3	1.2	1.1	1.0
Arcadis	0.8	0.7	0.9	0.5	1.0	1.1	1.5	0.9	0.9	0.8
Accenture	1.7	2.0	2.2	2.5	2.8	3.3	4.1	3.0	2.7	2.5
Tieto	1.3	1.4	1.3	1.2	2.5	1.5	1.4	1.3	1.3	1.2
Peer group Median	<b>1.2</b>	<b>1.1</b>	<b>1.2</b>	<b>1.0</b>	<b>1.4</b>	<b>1.5</b>	<b>1.6</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>
Ette (Nordea)	0.8	0.9	1.0	0.9	1.1	1.4	1.6	0.8	1.2	1.1
<b>Difference</b>	<b>-33%</b>	<b>-17%</b>	<b>-13%</b>	<b>-11%</b>	<b>-19%</b>	<b>-8%</b>	<b>-5%</b>	<b>-35%</b>	<b>-2%</b>	<b>-9%</b>

Source: Refinitiv and Nordea estimates

# Reported numbers and forecasts

## INCOME STATEMENT

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
<b>Total revenue</b>	<b>132</b>	<b>141</b>	<b>184</b>	<b>215</b>	<b>236</b>	<b>263</b>	<b>260</b>	<b>300</b>	<b>354</b>	<b>550</b>	<b>575</b>
Revenue growth	2.5%	7.0%	30.4%	16.8%	10.1%	11.3%	-1.4%	15.6%	18.0%	55.4%	4.5%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	10	12	15	21	26	38	40	44	47	73	76
Depreciation and impairments PPE	-3	-3	-3	-3	-3	-12	-14	-13	-15	-19	-19
of which leased assets	0	0	0	0	0	-8	-10	-10	-11	-14	-14
EBITA	8	9	12	17	23	26	26	30	32	54	58
Amortisation and impairments	0	0	-2	-2	-2	-3	-4	-4	-5	-8	-8
EBIT	8	9	10	15	20	23	22	26	27	46	50
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-5
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>15</b>	<b>19</b>	<b>22</b>	<b>21</b>	<b>25</b>	<b>26</b>	<b>41</b>	<b>45</b>
Reported taxes	-1	-2	-2	-3	-4	-5	-4	-5	-5	-8	-9
Net profit from continued operations	6	6	8	12	15	17	17	20	21	33	36
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	6	6	7	12	15	17	17	20	21	33	36
<b>EPS, EUR</b>	<b>0.29</b>	<b>0.29</b>	<b>0.30</b>	<b>0.47</b>	<b>0.62</b>	<b>0.70</b>	<b>0.69</b>	<b>0.81</b>	<b>0.83</b>	<b>0.89</b>	<b>0.97</b>
DPS, EUR	0.15	0.15	0.16	0.23	0.30	0.35	0.34	0.40	0.42	0.44	0.46
of which ordinary	0.15	0.15	0.16	0.23	0.30	0.35	0.34	0.40	0.42	0.44	0.46
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## Profit margin in percent

EBITDA	7.9%	8.3%	8.1%	9.7%	11.0%	14.3%	15.6%	14.5%	13.1%	13.2%	13.3%
EBITA	6.0%	6.1%	6.6%	8.1%	9.5%	9.9%	10.1%	10.0%	9.0%	9.8%	10.0%
EBIT	6.0%	6.1%	5.5%	7.2%	8.5%	8.7%	8.6%	8.6%	7.5%	8.4%	8.7%

## Adjusted earnings

EBITDA (adj)	10	13	17	21	26	36	41	44	49	74	76
EBITA (adj)	7	11	14	18	23	25	27	30	35	55	58
EBIT (adj)	7	11	12	16	21	22	23	26	29	47	50
EPS (adj, EUR)	0.26	0.38	0.37	0.49	0.63	0.66	0.73	0.81	0.92	0.91	0.97

## Adjusted profit margins in percent

EBITDA (adj)	7.3%	9.0%	9.0%	9.9%	11.1%	13.8%	15.9%	14.5%	13.9%	13.4%	13.3%
EBITA (adj)	5.4%	7.5%	7.5%	8.3%	9.7%	9.4%	10.4%	10.1%	9.8%	10.0%	10.0%
EBIT (adj)	5.4%	7.5%	6.4%	7.4%	8.7%	8.3%	9.0%	8.6%	8.3%	8.6%	8.7%

## Performance metrics

CAGR last 5 years											
Net revenue	6.0%	6.1%	9.0%	9.8%	12.9%	14.8%	13.0%	10.3%	10.5%	18.4%	16.9%
EBITDA	27.4%	9.2%	12.0%	13.3%	23.4%	29.2%	28.1%	23.9%	17.5%	22.9%	15.3%
EBIT	n.m.	7.2%	8.0%	12.2%	26.0%	23.8%	21.1%	20.5%	11.5%	18.0%	16.9%
EPS	n.m.	6.2%	5.7%	11.8%	22.6%	19.0%	19.0%	21.9%	12.2%	7.7%	6.8%
DPS	30.3%	8.4%	9.9%	8.9%	22.2%	18.5%	17.8%	20.1%	12.8%	8.0%	5.6%
Average last 5 years											
Average EBIT margin	5.8%	5.9%	5.8%	6.1%	6.9%	7.4%	7.9%	8.4%	8.3%	8.3%	8.4%
Average EBITDA margin	7.5%	7.8%	8.0%	8.4%	9.2%	10.7%	12.1%	13.2%	13.7%	13.9%	13.7%

## VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E (adj)	11.2	12.2	15.2	16.0	12.6	15.4	17.8	20.8	16.4	16.4	15.4
EV/EBITDA (adj)	7.9	9.0	10.1	10.2	8.2	8.0	8.7	10.7	6.2	9.5	8.8
EV/EBITA (adj)	10.8	10.8	12.2	12.2	9.5	11.7	13.3	15.5	8.8	12.8	11.6
EV/EBIT (adj)	10.8	10.8	14.2	13.7	10.6	13.4	15.5	18.1	10.5	14.9	13.5

## VALUATION RATIOS - REPORTED EARNINGS

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	9.8	16.1	18.6	16.6	12.9	14.5	18.8	20.9	18.0	16.8	15.4
EV/Sales	0.58	0.81	0.91	1.01	0.92	1.11	1.39	1.56	0.86	1.28	1.17
EV/EBITDA	7.3	9.7	11.2	10.5	8.3	7.8	8.9	10.7	6.6	9.7	8.8
EV/EBITA	9.8	13.3	13.9	12.5	9.6	11.2	13.8	15.5	9.6	13.0	11.6
EV/EBIT	9.8	13.3	16.6	14.1	10.7	12.8	16.1	18.1	11.5	15.2	13.5
Dividend yield (ord.)	5.2%	3.2%	2.9%	3.0%	3.8%	3.4%	2.6%	2.4%	2.8%	2.9%	3.1%
FCF yield	9.0%	6.4%	-13.4%	6.8%	6.6%	3.9%	9.5%	2.6%	3.4%	-37.4%	11.0%
FCF Yield bef A&D, lease adj	9.0%	6.4%	2.7%	8.4%	10.8%	9.2%	8.1%	3.7%	6.1%	5.8%	8.5%
Payout ratio	58.2%	39.3%	43.5%	47.4%	47.6%	53.2%	46.8%	49.3%	45.8%	48.1%	47.3%

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	45	52	76	77	86	107	110	121	137	322	314
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	6	9	18	18	21	27	26	29	28	72	64
of which goodwill	39	43	58	59	65	79	84	92	108	250	250
Tangible assets	2	2	3	4	4	7	16	14	12	23	24
of which leased assets	0	0	0	0	0	2	2	1	1	1	1
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	1	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	14	14
Other non-current assets	1	1	1	1	1	0	0	0	0	0	0
Total non-current assets	47	55	80	81	91	114	127	136	150	359	353
Inventory	0	0	0	0	0	0	0	0	0	1	1
Accounts receivable	26	28	49	53	53	62	57	75	89	155	155
Short-term leased assets	0	0	0	0	0	10	10	11	14	14	14
Other current assets	0	0	0	0	0	0	0	0	0	1	1
Cash and bank	3	9	5	10	16	16	24	30	272	36	41
Total current assets	28	37	54	63	70	89	91	116	375	206	212
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total assets</b>	<b>75</b>	<b>93</b>	<b>134</b>	<b>144</b>	<b>161</b>	<b>203</b>	<b>218</b>	<b>253</b>	<b>525</b>	<b>565</b>	<b>564</b>
Shareholders equity	29	35	53	58	68	77	87	99	234	257	276
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	29	35	53	58	68	77	87	99	235	257	276
Deferred tax	1	2	3	3	5	6	7	7	7	7	7
Long term interest bearing debt	9	8	24	20	24	25	13	30	150	125	105
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	1	1	2	0	0	1	0	0	0
Non-current lease debt	0	0	0	0	0	8	9	9	12	12	12
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	10	10	28	24	31	40	28	47	170	145	125
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	27	32	43	46	48	61	57	66	74	111	116
Current lease debt	0	0	0	0	0	7	16	14	14	14	14
Other current liabilities	0	1	1	2	2	2	2	2	2	3	3
Short term interest bearing debt	10	15	10	15	12	16	28	25	30	35	30
Total current liabilities	36	48	54	63	62	87	103	107	121	163	163
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>76</b>	<b>93</b>	<b>135</b>	<b>144</b>	<b>161</b>	<b>203</b>	<b>218</b>	<b>253</b>	<b>525</b>	<b>565</b>	<b>564</b>
<b>Balance sheet and debt metrics</b>											
Net debt	16	14	30	25	20	40	41	48	-66	151	120
of which lease debt	0	0	0	0	0	16	24	23	26	26	26
Working capital	-1	-4	6	6	3	-1	-2	8	13	43	38
Invested capital	46	51	86	87	94	113	125	145	162	401	390
Capital employed	48	58	87	93	104	133	152	177	441	444	438
ROE	22.8%	19.3%	17.0%	20.9%	24.4%	24.1%	20.8%	21.6%	12.4%	13.4%	13.4%
ROIC	12.1%	17.4%	13.8%	14.7%	18.1%	16.8%	15.7%	15.3%	19.1%	16.8%	12.6%
ROCE	16.1%	21.1%	17.0%	18.3%	21.4%	18.8%	16.7%	16.0%	9.6%	10.8%	11.4%
Net debt/EBITDA	1.6	1.2	2.0	1.2	0.8	1.1	1.0	1.1	-1.4	2.1	1.6
Interest coverage	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	38.1%	37.4%	39.2%	40.1%	42.1%	37.8%	40.0%	39.1%	44.7%	45.4%	48.9%
Net gearing	56.4%	41.6%	55.8%	43.0%	29.8%	52.6%	46.6%	48.6%	-28.0%	58.8%	43.5%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
<b>EBITDA (adj) for associates</b>	<b>10</b>	<b>12</b>	<b>15</b>	<b>21</b>	<b>26</b>	<b>38</b>	<b>40</b>	<b>44</b>	<b>47</b>	<b>73</b>	<b>76</b>
Paid taxes	-1	-1	-3	-2	-4	-4	-5	-6	-5	-8	-9
Net financials	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-5
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	-2	0	0	0	1	-2	0	1	0	-14	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	3	-3	-6	0	1	2	4	-10	0	0	0
<b>Funds from operations (FFO)</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>18</b>	<b>23</b>	<b>33</b>	<b>38</b>	<b>27</b>	<b>40</b>	<b>45</b>	<b>62</b>
Change in NWC	-2	3	-1	0	0	0	0	0	-5	6	5
<b>Cash flow from operations (CFO)</b>	<b>8</b>	<b>10</b>	<b>6</b>	<b>18</b>	<b>23</b>	<b>33</b>	<b>38</b>	<b>27</b>	<b>36</b>	<b>52</b>	<b>67</b>
Capital expenditure	-2	-4	-2	-2	-2	-2	-2	-2	-2	-6	-6
<b>Free cash flow before A&amp;D</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>16</b>	<b>21</b>	<b>31</b>	<b>36</b>	<b>25</b>	<b>33</b>	<b>46</b>	<b>61</b>
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	-22	-3	-8	-21	-6	-14	-21	-252	0
Free cash flow	5	6	-18	13	13	10	31	11	12	-206	61
Free cash flow bef A&D, lease adj	5	6	4	16	21	23	26	15	23	32	47
Dividends paid	-2	-3	-3	-4	-6	-7	-9	-8	-10	-10	-16
Equity issues / buybacks	0	0	14	0	0	0	0	0	125	0	0
Net change in debt	-2	3	27	0	1	7	-1	14	125	-20	-25
Other financing adjustments	1	0	0	0	-2	-10	-12	-11	-11	0	-14
Other non-cash adjustments	0	0	-23	-4	0	0	0	1	0	0	0
Change in cash	2	6	-4	5	6	0	9	6	242	-237	6
<b>Cash flow metrics</b>											
Capex/D&A	88.5%	n.m.	39.0%	39.6%	30.2%	14.0%	9.1%	12.1%	n.m.	n.m.	n.m.
Capex/Sales	1.7%	2.5%	1.0%	1.0%	0.7%	0.8%	0.6%	0.7%	0.6%	1.1%	1.1%
<b>Key information</b>											
Share price year end (/current)	3	5	6	8	8	10	13	17	15	15	15
Market cap.	60	100	138	193	197	251	321	419	372	552	552
Enterprise value	77	114	168	218	217	292	361	467	306	703	672
Diluted no. of shares, year-end (m)	20.9	21.4	24.8	24.8	24.8	24.8	24.8	24.8	24.8	36.8	36.8

Source: Company data and Nordea estimates

# Disclaimer and legal disclosures

## Origin of the report

This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

## Content of report

This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision.

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

## Validity of the report

All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

## No individual investment or tax advice

The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

## Sources

This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

## Limitation of liability

Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

## Risk information

The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

## Conflicts of interest

Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report.

Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at [www.nordea.com/mifid](http://www.nordea.com/mifid).

Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: <https://research.nordea.com/compliance>

## Distribution restrictions

The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.

Nordea Bank Abp ("Nordea") research is not "globally branded" research. Nordea research reports are intended for distribution in the United States solely to "major U.S. institutional investors," as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC ("Nordea Securities"), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

This report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws.

**Analyst Shareholding**

Nordea analysts do not hold shares in the companies that they cover. No holdings or other affiliations by analysts or associates.

**Fair value and sensitivity**

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive. It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

**Marketing Material**

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

**Market-making obligations and other significant financial interest**

Nordea has no market-making obligations in Etteplan shares.

As of 28/08/2022, Nordea Abp holds no positions of 0.5% or more of shares issued by Etteplan.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

**Investment banking transactions**

In view of Nordea's position in its markets readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking services to the company/companies

**Issuer Review**

*This report has not been reviewed by the Issuer prior to publication.*

**Completion Date**

29 Aug 2022, 03:51 CET

Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
<b>Nordea Markets Division, Research</b> Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland  Tel: +358 9 1651 Fax: +358 9 165 59710  Reg.no. 2858394-9 Satamaradankatu 5 Helsinki	<b>Nordea Markets Division, Research</b> Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden  Tel: +46 8 614 7000 Fax: +46 8 534 911 60	<b>Nordea Markets Division, Research</b> Visiting address: Grønjørdsvej 10 DK-2300 Copenhagen S Denmark  Tel: +45 3333 3333 Fax: +45 3333 1520	<b>Nordea Markets Division, Research</b> Visiting address: Essendropsgate 7 N-0107 Oslo Norway  Tel: +47 2248 5000 Fax: +47 2256 8650