

## According to plan

Enersense's Q2 was much as expected. Margins are already decent, and we see plenty of scope for long-term gains.

### Q2 figures did not reveal many surprises

Enersense's Q2 revenue amounted to EUR 61.6m, compared to our EUR 57.5m estimate. We find the top line beat was for the most part due to International Operations (EUR 14.8m vs our EUR 11.5m estimate) as the other three segments were all close to our estimates. The positive surprise was in our view due to strong development in the Baltics, but France also contributed. Connectivity faced challenging winter conditions in Q2, but the segment's revenue was nonetheless a bit above our estimate. There are no meaningful comparison figures due to the Empower acquisition, however Q2 profitability was as we expected. Adj. EBITDA came in at EUR 4.8m vs our EUR 4.7m estimate, while adj. EBIT was EUR 2.8m vs our EUR 2.6m estimate.

### We make limited updates to our estimates

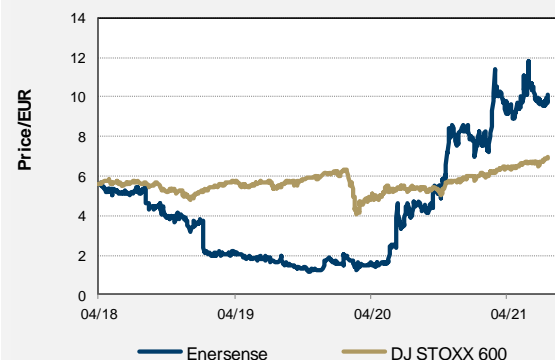
Empower integration proceeds according to plan and add-on acquisitions are possible already near-term. Enersense reiterated its current guidance and sees EUR 215-245m in revenue while adj. EBITDA should be in the EUR 17-20m range (adj. EBIT EUR 8-11m). We have made only minor revisions to our estimates and expect Enersense to land near the upper end of the guidance range. Enersense has a long-term EBITDA margin target of 10% (by 2025); we see the company is headed close to 8% already this year and 8.5% doesn't seem that challenging to achieve in the year following. We continue to expect 4.6% organic growth in FY '22, meaning Enersense should reach at least EUR 21m in EBITDA and EUR 12m in EBIT then.

### Organic performance and low multiples underpin upside

Enersense is valued 5x EV/EBITDA and 9x EV/EBIT on our FY '22 estimates. We find the earnings multiples imply a sizeable discount relative to peers while Enersense's organic growth outlook and profitability are, in our view, in line with the general sector estimates. Our EBITDA margin estimates are also on the conservative side compared to Enersense's 10% target and we expect only some 3.5% organic CAGR for the coming years, whereas Enersense's own EUR 300m long-term organic top line target implies a CAGR many percentage points above our estimates. We retain our EUR 13 TP and BUY rating.

## Rating

BUY



Share price, EUR (Last trading day's closing price)	10.15
Target price, EUR	13.0

Latest change in recommendation	16-Mar-21
Latest report on company	22-Jun-21
Research paid by issuer:	YES
No. of shares outstanding, '000's	13,398
No. of shares fully diluted, '000's	13,398
Market cap, EURm	136
Free float, %	78.2
Exchange rate	-
Reuters code	ESENSE.HE
Bloomberg code	ESENSE FH
Average daily volume, EURm	0.3
Next interim report	02-Nov-21
Web site	www.enersense.com

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BUY HOLD 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
2019	58.1	-1.0	-1.7%	-3.0	-0.23	-6.8	0.2	-13.9	-32.1	0.00
2020	147.5	4.8	3.2%	-15.6	0.25	32.6	0.7	20.4	-19.7	0.00
2021E	242.6	8.4	3.5%	-2.9	0.42	24.3	0.5	13.7	-2.1	0.00
2022E	253.7	11.9	4.7%	11.9	0.78	13.0	0.4	8.7	8.7	0.15
2023E	263.5	13.9	5.3%	10.9	0.87	11.7	0.4	6.8	8.0	0.26
Market cap, EURm				136	Gearing 2021E, %		-40.3	CAGR EPS 2020-23, %		50.6
Net debt 2021E, EURm				-22	Price/book 2021E		2.6	CAGR sales 2020-23, %		21.4
Enterprise value, EURm				115	Dividend yield 2021E, %		0.0	ROE 2021E, %		16.3
Total assets 2021E, EURm				147	Tax rate 2021E, %		0.4	ROCE 2021E, %		13.5
Goodwill 2021E, EURm				26	Equity ratio 2021E, %		38.1	PEG, P/E 21/CAGR		0.9

## Estimates and peer group valuation

Enersense	2019	2020	Q1'21	Q2'21	Q3'21E	Q4'21E	2021E	2022E	2023E
Net sales	58.1	147.5	53.3	61.6	63.8	63.9	242.6	253.7	263.5
Smart Industry		64.6	22.3	23.5	23.9	22.4	92.1	95.3	97.7
Power		18.9	10.8	12.0	12.7	12.5	48.0	52.8	56.8
Connectivity		23.4	8.5	11.4	13.7	14.8	48.3	49.3	50.3
Staff leasing		13.8							
International Operations		26.8	11.6	14.8	13.5	14.2	54.1	56.2	58.8
EBITDA	0.1	9.8	1.7	5.8	6.0	5.0	18.5	21.3	22.9
Adj. EBITDA	0.1	11.5	2.6	4.8	6.5	5.3	19.2	21.5	22.9
D&A	-1.0	-5.0	-2.3	-2.8	-2.6	-2.5	-10.1	-9.4	-9.0
Adj. EBIT	-1.0	7.5	0.8	2.8	4.2	3.1	10.8	12.1	13.9
EBIT	-1.0	4.8	-0.6	3.0	3.4	2.6	8.4	11.9	13.9
Sales growth %	22.6 %	154.0 %					65 %	4.6 %	3.9 %
Smart Industry							42.6 %	3.5 %	2.5 %
Power							153.8 %	10.0 %	7.5 %
Connectivity							106.4 %	2.0 %	2.0 %
Staff leasing							0.0 %	0.0 %	0.0 %
International Operations							102.2 %	4.0 %	4.5 %
EBITDA margin %	0.1 %	6.6 %	3.2 %	9.4 %	9.4 %	7.9 %	7.6 %	8.4 %	8.7 %
Adj. EBITDA margin %	0.1 %	7.8 %	4.8 %	7.8 %	10.2 %	8.3 %	7.9 %	8.5 %	8.7 %
Adj. EBIT margin %	-1.7 %	5.1 %	1.5 %	4.5 %	6.6 %	4.8 %	4.5 %	4.8 %	5.3 %
EBIT margin %	-1.7 %	3.2 %	-1.2 %	4.9 %	5.4 %	4.0 %	3.5 %	4.7 %	5.3 %

ENERSENSE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		21	22	23	21	22	23	21	22	23
Bravida Holding	2702	15.6x	14.6x	13.7x	20.5x	18.7x	17.5x	25.3x	23.1x	21.7x
Bilfinger	1161							21.7x	12.3x	10.7x
Caverion	1016	8.3x	7.4x	6.8x	16.9x	13.6x	11.5x	21.8x	16.7x	14.0x
Eitel	330	9.0x	7.9x	7.3x	24.1x	17.4x	15.1x	31.6x	19.1x	15.8x
Transtema Group	110	5.8x	5.8x	5.5x	10.3x	10.5x	9.9x	14.4x	14.7x	15.4x
VINCI	52456	10.1x	8.4x	7.8x	17.4x	13.1x	11.8x	21.6x	15.0x	13.4x
SPIE	3212	8.6x	8.0x	7.7x	12.0x	11.0x	10.4x	14.1x	12.6x	11.8x
Viafin Service	54							18.2x	16.8x	15.1x
Veolia Environnement	16023	8.3x	7.7x	7.4x	19.0x	16.8x	14.9x	20.1x	16.3x	14.5x
Lassila & Tikanoja	569							17.5x	15.3x	14.3x
Peer Group Average	7763	9.4x	8.5x	8.0x	17.2x	14.4x	13.0x	20.6x	16.2x	14.7x
Peer Group Median	1088	8.6x	7.9x	7.4x	17.4x	13.6x	11.8x	20.9x	15.8x	14.4x
Enersense (Evli est.)	136	6.2x	4.8x	4.1x	13.7x	8.7x	6.8x	24.3x	13.0x	11.7x

Enersense prem./disc. to peer median -27 % -39 % -44 % -21 % -36 % -42 % 17 % -18 % -19 %

ENERSENSE PEER GROUP	Sales 20	Sales gr.			EBITDA-%			Div. yield		
		21	22	23	21	22	23	21	22	23
Bravida Holding	2099	2.2%	5.6%	4.5%	8.5 %	8.7 %	8.8 %	2.1 %	2.3 %	2.5 %
Bilfinger	3461	9.6%	7.9%	4.5%	4.9 %	6.1 %	6.1 %	5.7 %	3.7 %	4.4 %
Caverion	2155	2.4%	4.0%	4.0%	6.5 %	7.1 %	7.4 %	2.3 %	2.9 %	3.6 %
Eitel	938	-9.8%	1.1%	1.8%	6.3 %	7.1 %	7.5 %	0.0 %	1.9 %	3.8 %
Transtema Group	140	17.1%	3.8%	3.0%	11.7 %	11.4 %	11.5 %	0.0 %	0.0 %	0.0 %
VINCI	43234	10.8%	10.8%	4.3%	15.4 %	16.6 %	17.3 %	2.5 %	3.5 %	4.0 %
SPIE	6655	6.4%	4.3%	3.0%	8.1 %	8.4 %	8.4 %	3.0 %	3.4 %	3.6 %
Viafin Service			6.3%	4.4%	7.8 %	7.9 %	8.3 %	2.6 %	3.0 %	3.3 %
Veolia Environnement	26010	6.9%	3.8%	2.9%	14.7 %	15.3 %	15.4 %	3.5 %	4.2 %	4.9 %
Lassila & Tikanoja	752	6.0%	2.9%	2.2%	12.5 %	12.7 %	12.8 %	3.7 %	4.1 %	4.3 %
Peer Group Average	9494	5.7%	5.1%	3.5%	9.6 %	10.1 %	10.4 %	2.5 %	2.9 %	3.4 %
Peer Group Median	2155	6.4%	4.2%	3.5%	8.3 %	8.5 %	8.6 %	2.6 %	3.2 %	3.7 %
Enersense (Evli est.)	147	64.5%	4.6%	3.9%	7.6 %	8.4 %	8.7 %	0.0 %	1.5 %	2.6 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	10.15 PV of Free Cash Flow	99 Long-term growth, %	1.5 Risk-free interest rate, %	2.25
DCF share value	14.13 PV of Horizon value	100 WACC, %	9.1 Market risk premium, %	5.8
Share price potential, %	39.2 Unconsolidated equity	-1 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	15.2 Marketable securities	18 Minimum WACC, %	8.6 Equity beta coefficient	1.20
Minimum value	13.2 Debt - dividend	-27 Maximum WACC, %	9.6 Target debt ratio, %	20
Horizon value, %	50.2 Value of stock	189 Nr of shares, Mn	13.4 Effective tax rate, %	20

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	147	243	254	264	271	280	287	292	298	303	307	312
<i>Sales growth, %</i>	<i>154.0</i>	<i>64.5</i>	<i>4.6</i>	<i>3.9</i>	<i>3.0</i>	<i>3.0</i>	<i>2.5</i>	<i>2.0</i>	<i>2.0</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>
Operating income (EBIT)	5	8	12	14	15	14	14	15	15	15	15	16
<i>Operating income margin, %</i>	<i>3.2</i>	<i>3.5</i>	<i>4.7</i>	<i>5.3</i>	<i>5.4</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>
+ Depreciation+amort.	5	10	9	9	10	10	10	10	10	11	11	
EBITDA	10	18	21	23	24	24	24	25	25	26	26	
- Paid taxes	0	0	-1	-2	-3	-3	-3	-3	-3	-3	-3	
- Change in NWC	-11	-10	1	1	1	1	1	1	1	0	0	
<i>NWC / Sales, %</i>	<i>-21.6</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	
+ Change in other liabs	17	2	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-1	-7	-5	-6	-6	-6	-6	-6	-6	-6	-6	
<i>opCAPEX / Sales, %</i>	<i>7.1</i>	<i>4.3</i>	<i>3.6</i>	<i>4.0</i>	<i>3.7</i>	<i>3.8</i>	<i>3.8</i>	<i>3.7</i>	<i>3.7</i>	<i>3.7</i>	<i>3.7</i>	
- Acquisitions	-1	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	2	0	0	0	0	0	0	0	0	0	
- Other items	-1	0	0	0	0	0	0	0	0	0	0	
= FCFF	12	5	16	16	16	15	16	16	17	17	17	227
= Discounted FCFF		5	15	13	12	11	10	9	9	8	8	100
= DFCF min WACC		5	15	13	12	11	10	10	9	8	8	112
= DFCF max WACC		5	14	13	12	10	10	9	8	8	7	90

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	0.0	0.0	0.0	147.5	147.5	53.3	61.6	63.8	63.9	242.6	253.7	263.5
EBITDA	0.0	0.0	0.0	9.8	9.8	1.7	5.8	6.0	5.0	18.5	21.4	22.9
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>6.6</i>	<i>6.6</i>	<i>3.2</i>	<i>9.4</i>	<i>9.4</i>	<i>7.9</i>	<i>7.6</i>	<i>8.4</i>	<i>8.7</i>
EBIT	0.0	0.0	0.0	4.8	4.8	-0.6	3.0	3.4	2.6	8.4	11.9	13.9
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>3.2</i>	<i>3.2</i>	<i>-1.2</i>	<i>4.9</i>	<i>5.4</i>	<i>4.0</i>	<i>3.5</i>	<i>4.7</i>	<i>5.3</i>
Net financial items	0.0	0.0	0.0	-1.9	-1.9	-0.7	-1.1	-0.5	-0.5	-2.8	-0.5	-0.5
Pre-tax profit	0.0	0.0	0.0	2.9	2.9	-1.3	1.9	2.9	2.1	5.6	11.4	13.4
Tax	0.0	0.0	0.0	-0.5	-0.5	0.0	0.0	0.0	0.0	0.0	-0.9	-1.7
<i>Tax rate (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>16.8</i>	<i>16.8</i>	<i>-0.9</i>	<i>0.5</i>	<i>0.0</i>	<i>0.0</i>	<i>0.4</i>	<i>8.0</i>	<i>13.0</i>
Net profit	0.0	0.0	0.0	2.4	2.4	-1.3	1.9	2.9	2.1	5.6	10.5	11.6
EPS	0.00	0.00	0.00	0.25	0.25	-0.10	0.14	0.22	0.16	0.42	0.78	0.87
EPS adjusted (diluted no. of shares)	0.00	0.00	0.00	0.25	0.25	-0.10	0.14	0.22	0.16	0.42	0.78	0.87
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.26
<b>SALES, EURm</b>												
Smart Industry	0.0	0.0	0.0	64.6	64.6	22.3	23.5	23.9	22.4	92.1	95.3	97.7
Power	0.0	0.0	0.0	18.9	18.9	10.8	12.0	12.7	12.5	48.0	52.8	56.8
Connectivity	0.0	0.0	0.0	23.4	23.4	8.5	11.4	13.7	14.8	48.3	49.3	50.3
Staff Leasing	0.0	0.0	0.0	13.8	13.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
International Operations	0.0	0.0	0.0	26.8	26.8	11.6	14.8	13.5	14.2	54.1	56.2	58.8
Group	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0
Total	0.0	0.0	0.0	147.5	147.5	53.3	61.6	63.8	63.9	242.6	253.7	263.5
<b>SALES GROWTH, Y/Y %</b>												
Smart Industry	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>				<i>-65.3</i>	<i>42.6</i>	<i>3.5</i>	<i>2.5</i>
Power	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>				<i>-33.9</i>	<i>153.8</i>	<i>10.0</i>	<i>7.5</i>
Connectivity	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>				<i>-36.8</i>	<i>106.4</i>	<i>2.0</i>	<i>2.0</i>
Staff Leasing	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-100.0</i>	<i>-100.0</i>	<i>0.0</i>	<i>0.0</i>
International Operations	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>				<i>-46.9</i>	<i>102.2</i>	<i>4.0</i>	<i>4.5</i>
Group	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-100.0</i>	<i>-100.0</i>	<i>70,900.0</i>	<i>30,900.0</i>	<i>0.0</i>	<i>0.0</i>	<i>25,400.0</i>	<i>-99.6</i>	<i>0.0</i>
Total	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>154.0</i>	<i>154.0</i>	<i>5,330,700.</i>	<i>6,162,100.</i>	<i>6,379,900.</i>	<i>-56.7</i>	<i>64.5</i>	<i>4.6</i>	<i>3.9</i>
						<i>0</i>	<i>0</i>	<i>0</i>				
<b>EBIT, EURm</b>												
Group	0.0	0.0	0.0	4.8	4.8	-0.6	3.0	3.4	2.6	8.4	11.9	13.9
Total	0.0	0.0	0.0	4.8	4.8	-0.6	3.0	3.4	2.6	8.4	11.9	13.9
<b>EBIT margin, %</b>												
Group	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>			<i>-871.8</i>	<i>9,735.5</i>			<i>8,248.5</i>		
Total	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>3.2</i>	<i>3.2</i>	<i>-1.2</i>	<i>4.9</i>	<i>5.4</i>	<i>4.0</i>	<i>3.5</i>	<i>4.7</i>	<i>5.3</i>

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	36.9	47.0	47.4	58.1	147.5	242.6	253.7	263.5
<i>Sales growth (%)</i>	<i>114.5</i>	<i>27.5</i>	<i>0.7</i>	<i>22.6</i>	<i>154.0</i>	<i>64.5</i>	<i>4.6</i>	<i>3.9</i>
EBITDA	4.0	1.9	-1.3	0.1	9.8	18.5	21.4	22.9
<i>EBITDA margin (%)</i>	<i>10.9</i>	<i>4.1</i>	<i>-2.6</i>	<i>0.1</i>	<i>6.6</i>	<i>7.6</i>	<i>8.4</i>	<i>8.7</i>
Depreciation	-0.1	-0.2	-0.4	-1.0	-5.0	-10.0	-9.5	-9.0
EBITA	3.9	1.7	-1.6	-1.0	4.8	8.4	11.9	13.9
Goodwill amortization / writedown	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
EBIT	3.9	1.7	-1.7	-1.0	4.8	8.4	11.9	13.9
<i>EBIT margin (%)</i>	<i>10.6</i>	<i>3.7</i>	<i>-3.5</i>	<i>-1.7</i>	<i>3.2</i>	<i>3.5</i>	<i>4.7</i>	<i>5.3</i>
Reported EBIT	3.9	1.7	-1.7	-1.0	4.8	8.4	11.9	13.9
<i>EBIT margin (reported) (%)</i>	<i>10.6</i>	<i>3.7</i>	<i>-3.5</i>	<i>-1.7</i>	<i>3.2</i>	<i>3.5</i>	<i>4.7</i>	<i>5.3</i>
Net financials	-0.2	-0.3	-1.0	-0.4	-1.9	-2.8	-0.5	-0.5
Pre-tax profit	3.7	1.5	-2.7	-1.4	2.9	5.6	11.4	13.4
Taxes	-0.7	-0.5	0.5	0.0	-0.5	0.0	-0.9	-1.7
Minority shares	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Net profit	2.9	1.0	-1.9	-1.4	2.4	5.6	10.5	11.6
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	0	1	1	2	25	24	23	24
Goodwill	0	0	4	4	26	26	26	26
Right of use assets	0	0	0	2	9	8	8	9
Inventory	0	0	0	0	4	5	5	5
Receivables	9	11	10	13	34	36	38	40
Liquid funds	2	2	3	1	18	48	52	60
Total assets	12	15	19	23	116	147	152	164
Liabilities								
Shareholder's equity	4	3	9	7	16	53	63	73
Minority interest	0	0	0	0	2	2	2	2
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	2	9	8	8	9
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	3	4	2	4	18	18	10	8
Non-interest bearing current liabilities	5	8	8	10	70	63	66	69
Other interest-free debt	0	0	0	0	1	1	1	1
Total liabilities	12	15	19	23	116	147	152	164
<b>CASH FLOW, EURm</b>								
+ EBITDA	4	2	-1	0	10	18	21	23
- Net financial items	0	0	-1	0	-2	-3	0	0
- Taxes	-1	0	0	0	0	0	-1	-2
- Increase in Net Working Capital	-1	0	1	-1	-11	-10	1	1
+/- Other	0	0	0	-1	-1	0	0	0
= Cash flow from operations	2	2	-1	-2	-4	6	21	22
- Capex	0	-1	-3	0	-10	-10	-9	-11
- Acquisitions	0	0	-3	0	-1	0	0	0
+ Divestments	0	0	0	0	0	2	0	0
= Free cash flow	1	1	-6	-3	-16	-3	12	11
+/- New issues/buybacks	-1	0	8	0	8	31	0	0
- Paid dividend	0	-2	0	0	0	0	0	-2
+/- Other	1	1	-1	2	24	2	-8	-1
Change in cash	2	0	1	-1	16	30	4	8

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	0	19	9	79	136	136	136
Net debt (excl. convertibles)	2	0	5	9	-22	-34	-43
Enterprise value	2	19	13	97	115	103	94
Sales	47	47	58	147	243	254	264
EBITDA	2	-1	0	10	18	21	23
EBIT	2	-2	-1	5	8	12	14
Pre-tax	1	-3	-1	3	6	11	13
Earnings	1	-2	-1	2	6	10	12
Equity book value (excl. minorities)	3	9	7	16	53	63	73
<b>Valuation multiples</b>							
EV/sales	0.0	0.4	0.2	0.7	0.5	0.4	0.4
EV/EBITDA	1.2	-14.8	179.9	9.9	6.2	4.8	4.1
EV/EBITA	1.3	-11.6	-13.9	20.4	13.7	8.7	6.8
EV/EBIT	1.3	-11.1	-13.9	20.4	13.7	8.7	6.8
EV/OCF	1.5	-21.6	-6.3	-22.8	20.5	4.9	4.4
EV/FCFF	1.9	-6.0	-5.7	8.1	21.4	6.3	5.8
P/FCFE	0.0	-3.1	-3.1	-5.1	-47.1	11.4	12.5
P/E	0.0	-10.0	-6.8	32.6	24.3	13.0	11.7
P/B	0.0	2.1	1.3	5.0	2.6	2.1	1.9
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.3	6.7	5.8
Target EV/EBIT	0.0	0.0	0.0	0.0	18.3	11.9	9.6
Target EV/FCF	0.0	0.0	0.0	0.0	-53.4	12.0	12.3
Target P/B	0.0	0.0	0.0	0.0	3.3	2.8	2.4
Target P/E	0.0	0.0	0.0	0.0	31.1	16.6	15.0
<b>Per share measures</b>							
Number of shares	4,529	5,948	5,948	9,548	13,398	13,398	13,398
Number of shares (diluted)	4,529	5,948	5,948	9,548	13,398	13,398	13,398
EPS	0.22	-0.33	-0.23	0.25	0.42	0.78	0.87
Operating cash flow per share	0.33	-0.14	-0.36	-0.45	0.42	1.56	1.61
Free cash flow per share	0.21	-1.06	-0.50	-1.63	-0.22	0.89	0.81
Book value per share	0.62	1.52	1.24	1.66	3.94	4.73	5.44
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.15	0.26
Dividend payout ratio, %	0.0	0.0	0.0	0.0	0.0	19.2	30.0
Dividend yield, %	0.0	0.0	0.0	0.0	0.0	1.5	2.6
FCF yield, %	0.0	-32.7	-32.1	-19.7	-2.1	8.7	8.0
<b>Efficiency measures</b>							
ROE	30.1	-32.7	-16.5	20.9	16.3	18.0	17.1
ROCE	24.7	-18.5	-8.1	16.6	13.5	14.6	15.9
<b>Financial ratios</b>							
Inventories as % of sales	0.2	0.8	0.6	2.4	2.0	2.0	2.0
Receivables as % of sales	24.3	21.8	22.8	23.4	15.0	15.0	15.0
Non-interest bearing liabilities as % of sales	16.0	16.9	17.2	47.4	26.0	26.0	26.0
NWC/sales, %	8.5	5.7	6.2	-21.6	-9.0	-9.0	-9.0
Operative CAPEX/sales, %	1.2	5.6	0.7	7.1	4.3	3.6	4.0
CAPEX/sales (incl. acquisitions), %	1.2	-0.4	-0.1	6.3	4.3	3.6	4.0
FCFF/EBITDA	0.6	2.5	-31.6	1.2	0.3	0.8	0.7
Net debt/EBITDA, book-weighted	1.2	0.3	61.4	0.9	-1.2	-1.6	-1.9
Debt/equity, market-weighted	0.0	0.1	0.4	0.2	0.1	0.1	0.1
Equity ratio, book-weighted	19.2	46.3	30.8	15.7	38.1	43.8	46.6
Gearing, %	80.1	-4.4	64.8	52.3	-40.3	-52.0	-57.1

**COMPANY DESCRIPTION:** Enersense International Oyj is a service provider of emission-free energy solutions. The company offers a wide range of solutions to Nordic and international companies in the industry, energy, telecommunication, and construction sectors. Enersense is strongly involved in the prevailing energy revolution and the creation of a zero-emission society.

**INVESTMENT CASE:** Enersense expanded its business from recruiting and resource management services to a solution provider for the Smart industry, Power, and Connectivity markets by acquiring Empower in 2020. The turnaround in profitability has progressed well and Enersense managed to improve its EBITDA from EUR -0.8m in 2019 to EUR 7.2m in 2020. With the increased and healthier order backlog and potential synergies of the Empower acquisition, Enersense has the potential to further improve its profitability. Over the next five years, Enersense intends to grow in the domestic market, continue its strong internationalization in certain markets, and improve its profitability.

OWNERSHIP STRUCTURE	SHARES	EURm	%
MBÅ Invest Oy	2,753,072	27.944	20.5%
Nidoco AB	2,300,000	23.345	17.2%
Joensuun Kauppa Ja Kone Oy	1,446,852	14.686	10.8%
Verman Group Oy	1,288,461	13.078	9.6%
Taloustieto Incrementum Ky	816,345	8.286	6.1%
Ilmarinen Mutual Pension Insurance Company	456,553	4.634	3.4%
Corporatum Oy	450,451	4.572	3.4%
Veritas Pension Insurance Company Ltd.	307,692	3.123	2.3%
Siementila Suokas Oy	240,860	2.445	1.8%
Holopainen Jussi	164,500	1.670	1.2%
Ten largest	10,224,786	103.782	76%
Residual	3,172,943	32.205	24%
Total	13,397,729	135.987	100%

**EARNINGS CALENDAR**

November 02, 2021

Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

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CFO: Mikko Jaskari

Tel: +358 29 020 011

IR: Tommi Manninen

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



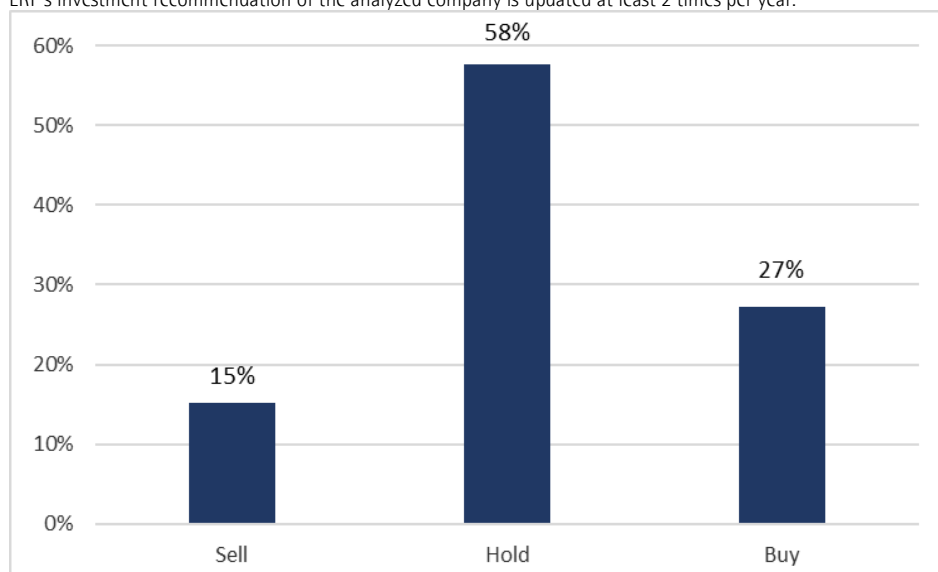
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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