

## Earnings multiples are undemanding

Enersense Q3 figures didn't meet our estimates, but the company retained its guidance, and we see the Q3 softness was to a large extent attributable to project timing issues.

### Q3 figures were not as strong as we had expected

Enersense Q3 revenue was EUR 58.3m, compared to our EUR 63.8m estimate. The softness was due to Smart Industry, where top line was EUR 18.7m vs our EUR 23.9m estimate. July was slow and pretty much according to the company's own expectations, as certain projects did not start until later. Power continued to reach good profitability, while Connectivity still has some work ahead on that front. International Operations' profitability was burdened by challenges in the Baltic states, where e.g. inflation is more of a problem than in Finland. Enersense Q3 adj. EBITDA was EUR 4.4m vs our EUR 6.5m estimate. The company retained its guidance, which implies relatively strong Q4. In our view Enersense continues to progress well and according to their own plan, and the Q3 softness was to a large extent attributable to project timing issues.

### Q4 estimates up a bit, some downward annual revisions

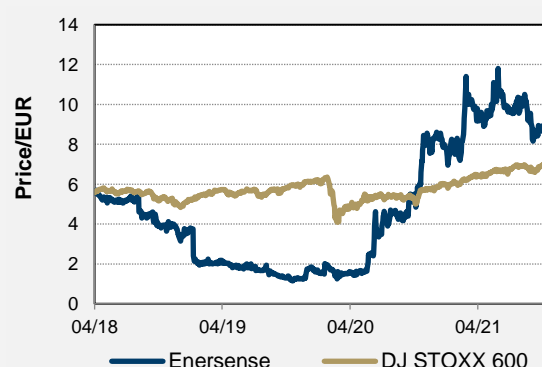
Enersense sees Q4 margin gains to be driven by Finland and we expect improved results already from Connectivity. The Baltic countries are a market where Enersense will find more attractive projects long-term, however we don't expect alleviation to short-term profitability challenges during Q4. We now estimate Q4 adj. EBITDA at EUR 5.6m (prev. EUR 5.3m) and Q4 adj. EBIT at EUR 3.3m (prev. EUR 3.1m), and hence our FY '21 adj. EBITDA estimate is down to EUR 17.3m (prev. EUR 19.2m) and that for adj. EBIT to EUR 9.5m (prev. EUR 10.8m). The recent small acquisition of Pori Offshore Constructions got off to a good start as the company won a contract for a port of HaminaKotka project. Enersense still looks for additional smaller or larger M&A targets, and the company had some EUR 27m in cash at the end of Q3.

### Peer group discount remains significant

We revise our FY '21 profitability estimates down by some 10%, while we downgrade our FY '22-23 estimates by only a few percentage points. Enersense's peers' earnings multiples have decreased by around 5% in the past few months, and thus we update our TP to EUR 11 (13). Enersense's earnings-based valuation remains unchallenging; we retain our BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price) 7.88

Target price, EUR 11.0

Latest change in recommendation 16-Mar-21

Latest report on company 16-Aug-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 106

Free float, % 78.2

Exchange rate -

Reuters code ESENSE.HE

Bloomberg code ESENSE FH

Average daily volume, EURm 0.4

Next interim report 28-Feb-22

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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	236.2	5.6	2.4%	-6.3	0.21	37.8	0.4	15.7	-6.0	0.00
2022E	246.9	11.4	4.6%	11.4	0.75	10.6	0.3	6.8	10.8	0.15
2023E	256.7	13.3	5.2%	10.9	0.83	9.5	0.3	5.1	10.3	0.25
Market cap, EURm	106			Gearing 2021E, %	-35.8		CAGR EPS 2020-23, %		48.4	
Net debt 2021E, EURm	-19			Price/book 2021E	2.1		CAGR sales 2020-23, %		20.3	
Enterprise value, EURm	88			Dividend yield 2021E, %	0.0		ROE 2021E, %		8.5	
Total assets 2021E, EURm	142			Tax rate 2021E, %	0.7		ROCE 2021E, %		9.2	
Goodwill 2021E, EURm	26			Equity ratio 2021E, %	37.3		PEG, P/E 21/CAGR		0.7	

**Estimates and peer group valuation**

Enersense	2019	2020	Q1'21	Q2'21	Q3'21	Q4'21E	2021E	2022E	2023E
Net sales	58.1	147.5	53.3	61.6	58.2	63.0	236.1	246.9	256.7
Smart Industry		64.6	22.3	23.5	18.7	21.5	86.0	89.0	91.3
Power		18.9	10.8	12.0	12.5	12.5	47.8	52.6	56.6
Connectivity		23.4	8.5	11.4	12.3	14.8	46.9	47.9	48.8
Staff leasing		13.8							
International Operations		26.8	11.6	14.8	14.6	14.2	55.2	57.4	60.0
EBITDA	0.1	9.8	1.7	5.8	2.9	5.3	15.6	20.8	22.3
Adj. EBITDA	0.1	11.5	2.6	4.8	4.4	5.6	17.3	21.0	22.3
D&A	-1.0	-5.0	-2.3	-2.8	-2.5	-2.5	-10.0	-9.4	-9.0
Adj. EBIT	-1.0	7.5	0.8	2.8	2.6	3.3	9.5	11.6	13.3
EBIT	-1.0	4.8	-0.6	3.0	0.4	2.8	5.6	11.4	13.3
<i>Sales growth %</i>	<i>22.6 %</i>	<i>154.0 %</i>					<i>60 %</i>	<i>4.6 %</i>	<i>3.9 %</i>
<i>Smart Industry</i>							<i>33.2 %</i>	<i>3.5 %</i>	<i>2.5 %</i>
<i>Power</i>							<i>152.9 %</i>	<i>10.0 %</i>	<i>7.5 %</i>
<i>Connectivity</i>							<i>100.4 %</i>	<i>2.0 %</i>	<i>2.0 %</i>
<i>Staff leasing</i>							<i>0.0 %</i>	<i>0.0 %</i>	<i>0.0 %</i>
<i>International Operations</i>							<i>106.4 %</i>	<i>4.0 %</i>	<i>4.5 %</i>
<i>EBITDA margin %</i>	<i>0.1 %</i>	<i>6.6 %</i>	<i>3.2 %</i>	<i>9.4 %</i>	<i>4.9 %</i>	<i>8.4 %</i>	<i>6.6 %</i>	<i>8.4 %</i>	<i>8.7 %</i>
<i>Adj. EBITDA margin %</i>	<i>0.1 %</i>	<i>7.8 %</i>	<i>4.8 %</i>	<i>7.8 %</i>	<i>7.5 %</i>	<i>8.9 %</i>	<i>7.3 %</i>	<i>8.5 %</i>	<i>8.7 %</i>
<i>Adj. EBIT margin %</i>	<i>-1.7 %</i>	<i>5.1 %</i>	<i>1.5 %</i>	<i>4.5 %</i>	<i>4.5 %</i>	<i>5.3 %</i>	<i>4.0 %</i>	<i>4.7 %</i>	<i>5.2 %</i>
<i>EBIT margin %</i>	<i>-1.7 %</i>	<i>3.2 %</i>	<i>-1.2 %</i>	<i>4.9 %</i>	<i>0.6 %</i>	<i>4.5 %</i>	<i>2.4 %</i>	<i>4.6 %</i>	<i>5.2 %</i>

ENERSENSE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		21	22	23	21	22	23	21	22	23
Bravida Holding	2580	14.8x	13.6x	12.9x	19.4x	17.5x	16.4x	24.0x	21.6x	20.2x
Bilfinger	1244							19.0x	11.6x	10.8x
Caverion	949	8.5x	7.5x	6.8x	16.1x	13.0x	11.0x	20.0x	15.5x	12.9x
Eltel	276	8.1x	7.2x	6.7x	22.3x	16.1x	14.1x	28.3x	16.3x	13.7x
Transtema Group	157	8.2x	8.1x	7.8x	14.5x	14.7x	13.9x	20.0x	20.5x	21.4x
VINCI	53923	10.1x	8.5x	7.8x	17.2x	13.1x	11.8x	22.0x	15.2x	13.6x
SPIE	3389	8.7x	8.1x	7.8x	12.6x	11.5x	10.8x	15.1x	13.2x	12.3x
Viafin Service	55							18.4x	16.9x	15.3x
Veolia Environnement	19563	8.4x	6.4x	6.3x	19.1x	12.9x	12.4x	21.8x	17.1x	14.9x
Lassila & Tikanoja	525							15.7x	14.0x	13.2x
Peer Group Average	8266	<b>9.5x</b>	<b>8.5x</b>	<b>8.0x</b>	<b>17.3x</b>	<b>14.1x</b>	<b>12.9x</b>	<b>20.4x</b>	<b>16.2x</b>	<b>14.8x</b>
Peer Group Median	1097	<b>8.5x</b>	<b>8.1x</b>	<b>7.8x</b>	<b>17.2x</b>	<b>13.1x</b>	<b>12.4x</b>	<b>20.0x</b>	<b>15.9x</b>	<b>13.7x</b>
Enersense (Evli est.)	<b>106</b>	<b>5.6x</b>	<b>3.7x</b>	<b>3.0x</b>	<b>15.7x</b>	<b>6.8x</b>	<b>5.1x</b>	<b>37.8x</b>	<b>10.6x</b>	<b>9.5x</b>
<i>Enersense prem./disc. to peer median</i>		<i>-33 %</i>	<i>-54 %</i>	<i>-61 %</i>	<i>-9 %</i>	<i>-48 %</i>	<i>-59 %</i>	<i>89 %</i>	<i>-34 %</i>	<i>-31 %</i>

ENERSENSE PEER GROUP	Sales 20	Sales gr.			EBITDA-%			Div. yield		
		21	22	23	21	22	23	21	22	23
Bravida Holding	2099	4.2%	6.4%	4.1%	8.4 %	8.6 %	8.8 %	2.2 %	2.5 %	2.7 %
Bilfinger	3461	9.0%	7.9%	4.2%	5.5 %	6.7 %	6.4 %	12.3 %	3.5 %	3.8 %
Caverion	2155	2.2%	4.1%	4.1%	6.1 %	6.6 %	7.0 %	2.5 %	3.1 %	3.8 %
Eltel	938	-10.0%	0.9%	1.8%	6.3 %	7.0 %	7.4 %	0.0 %	2.9 %	3.4 %
Transtema Group	140	20.3%	3.8%	3.0%	11.7 %	11.4 %	11.5 %	0.0 %	0.0 %	0.0 %
VINCI	43234	12.7%	11.5%	3.4%	15.4 %	16.4 %	17.3 %	2.5 %	3.5 %	4.0 %
SPIE	6655	6.4%	4.5%	3.0%	8.2 %	8.5 %	8.6 %	2.8 %	3.2 %	3.4 %
Viafin Service			6.3%	4.4%	7.8 %	7.9 %	8.3 %	2.6 %	2.9 %	3.2 %
Veolia Environnement	26010	7.4%	26.2%	0.1%	14.8 %	15.5 %	15.7 %	3.3 %	4.0 %	4.8 %
Lassila & Tikanoja	752	6.2%	3.2%	2.3%	12.5 %	12.7 %	12.9 %	3.9 %	4.4 %	4.5 %
Peer Group Average	<b>9494</b>	<b>6.5%</b>	<b>7.5%</b>	<b>3.0%</b>	<b>9.7 %</b>	<b>10.1 %</b>	<b>10.4 %</b>	<b>3.2 %</b>	<b>3.0 %</b>	<b>3.4 %</b>
Peer Group Median	<b>2155</b>	<b>6.4%</b>	<b>5.4%</b>	<b>3.2%</b>	<b>8.3 %</b>	<b>8.6 %</b>	<b>8.7 %</b>	<b>2.6 %</b>	<b>3.2 %</b>	<b>3.6 %</b>
Enersense (Evli est.)	<b>147</b>	<b>60.2%</b>	<b>4.6%</b>	<b>3.9%</b>	<b>6.6 %</b>	<b>8.4 %</b>	<b>8.7 %</b>	<b>0.0 %</b>	<b>1.9 %</b>	<b>3.2 %</b>

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	7.88 PV of Free Cash Flow	96 Long-term growth, %	1.5 Risk-free interest rate, %	2.25
DCF share value	13.81 PV of Horizon value	100 WACC, %	9.1 Market risk premium, %	5.8
Share price potential, %	75.2 Unconsolidated equity	-1 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	14.8 Marketable securities	18 Minimum WACC, %	8.6 Equity beta coefficient	1.20
Minimum value	12.9 Debt - dividend	-27 Maximum WACC, %	9.6 Target debt ratio, %	20
Horizon value, %	51.0 Value of stock	185 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	236	247	257	264	272	279	285	290	295	299	304
<i>Sales growth, %</i>	<i>154.0</i>	<i>60.2</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	6	11	13	14	14	14	14	15	15	15	15
<i>Operating income margin, %</i>	<i>3.2</i>	<i>2.4</i>	<i>4.6</i>	<i>5.2</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	9	9	10	10	10	10	11	
EBITDA	10	16	21	22	24	23	24	24	25	25	26	
- Paid taxes	0	0	-1	-2	-3	-3	-3	-3	-3	-3	-3	
- Change in NWC	-11	-11	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	-5	-5	-6	-6	-6	-6	-6	-6	
<i>opCAPEX / Sales, %</i>	<i>7.1</i>	<i>4.4</i>	<i>3.7</i>	<i>4.0</i>	<i>3.6</i>	<i>3.8</i>	<i>3.8</i>	<i>3.8</i>	<i>3.8</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	2	16	16	16	15	15	16	16	16	17	222
= Discounted FCFF		2	14	13	12	10	10	9	9	8	7	100
= DFCF min WACC		2	14	14	13	11	10	9	9	8	8	111
= DFCF max WACC		2	14	13	12	10	10	9	8	8	7	90

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2	2021Q3	2021Q4E	2021E	2022E	2023E
Net sales	0.0	0.0	0.0	147.5	147.5	53.3	61.6	58.3	63.0	236.2	246.9	256.7
EBITDA	0.0	0.0	0.0	9.8	9.8	1.7	5.8	2.9	5.3	15.6	20.8	22.3
<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>5.0</i>	<i>8.4</i>	<i>6.6</i>	<i>8.4</i>	<i>8.7</i>
EBIT	0.0	0.0	0.0	4.8	4.8	-0.6	3.0	0.4	2.8	5.6	11.4	13.3
<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>0.7</i>	<i>4.5</i>	<i>2.4</i>	<i>4.6</i>	<i>5.2</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	-0.1	2.3	2.8	10.9	12.8
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>0.7</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	-0.1	2.3	2.8	10.0	11.1
EPS	0.00	0.00	0.00	0.25	0.25	-0.10	0.14	-0.01	0.17	0.21	0.75	0.83
EPS adjusted (diluted no. of shares)	0.00	0.00	0.00	0.25	0.25	-0.10	0.14	-0.01	0.17	0.21	0.75	0.83
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	0.25
<b>SALES, EURm</b>												
Smart Industry	0.0	0.0	0.0	64.6	64.6	22.3	23.5	18.7	21.5	86.0	89.0	91.3
Power	0.0	0.0	0.0	18.9	18.9	10.8	12.0	12.5	12.5	47.8	52.6	56.6
Connectivity	0.0	0.0	0.0	23.4	23.4	8.5	11.4	12.3	14.8	46.9	47.9	48.8
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	14.6	14.2	55.2	57.4	60.0
Group	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.2	0.0	0.0
Total	0.0	0.0	0.0	147.5	147.5	53.3	61.6	58.3	63.0	236.2	246.9	256.7
<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>-66.7</i>	<i>33.2</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>152.9</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>100.4</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>106.3</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>93,900.0</i>	<i>0.0</i>	<i>48,900.0</i>	<i>-99.8</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>5,826,300.</i>	<i>-57.3</i>	<i>60.2</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	0.4	2.8	5.6	11.4	13.3
Total	0.0	0.0	0.0	4.8	4.8	-0.6	3.0	0.4	2.8	5.6	11.4	13.3
<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>412.8</i>		<i>2,865.8</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>0.7</i>	<i>4.5</i>	<i>2.4</i>	<i>4.6</i>	<i>5.2</i>

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	36.9	47.0	47.4	58.1	147.5	236.2	246.9	256.7
<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>60.2</i>	<i>4.6</i>	<i>3.9</i>
EBITDA	4.0	1.9	-1.3	0.1	9.8	15.6	20.8	22.3
<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>6.6</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	5.6	11.4	13.3
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	5.6	11.4	13.3
<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>2.4</i>	<i>4.6</i>	<i>5.2</i>
Reported EBIT	3.9	1.7	-1.7	-1.0	4.8	5.6	11.4	13.3
<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>2.4</i>	<i>4.6</i>	<i>5.2</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	2.8	10.9	12.8
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	2.8	10.0	11.1
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	23
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	35	37	38
Liquid funds	2	2	3	1	18	44	48	56
Total assets	12	15	19	23	116	142	147	158
Liabilities								
Shareholder's equity	4	3	9	7	16	50	60	69
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	61	64	67
Other interest-free debt	0	0	0	0	1	1	1	1
Total liabilities	12	15	19	23	116	142	147	158
<b>CASH FLOW, EURm</b>								
+ EBITDA	4	2	-1	0	10	16	21	22
- 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	-11	1	1
+/- Other	0	0	0	-1	-1	0	0	0
= Cash flow from operations	2	2	-1	-2	-4	2	20	21
- Capex	0	-1	-3	0	-10	-10	-9	-10
- 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	-6	11	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	27	3	8

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	0	19	9	79	106	106	106
Net debt (excl. convertibles)	2	0	5	9	-19	-30	-39
Enterprise value	2	19	13	97	88	77	68
Sales	47	47	58	147	236	247	257
EBITDA	2	-1	0	10	16	21	22
EBIT	2	-2	-1	5	6	11	13
Pre-tax	1	-3	-1	3	3	11	13
Earnings	1	-2	-1	2	3	10	11
Equity book value (excl. minorities)	3	9	7	16	50	60	69
<b>Valuation multiples</b>							
EV/sales	0.0	0.4	0.2	0.7	0.4	0.3	0.3
EV/EBITDA	1.2	-14.8	179.9	9.9	5.6	3.7	3.0
EV/EBITA	1.3	-11.6	-13.9	20.4	15.7	6.8	5.1
EV/EBIT	1.3	-11.1	-13.9	20.4	15.7	6.8	5.1
EV/OCF	1.5	-21.6	-6.3	-22.8	40.3	3.8	3.2
EV/FCFF	1.9	-6.0	-5.7	8.1	45.1	4.8	4.2
P/FCFE	0.0	-3.1	-3.1	-5.1	-16.7	9.3	9.7
P/E	0.0	-10.0	-6.8	32.6	37.8	10.6	9.5
P/B	0.0	2.1	1.3	5.0	2.1	1.8	1.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.4	5.7	4.9
Target EV/EBIT	0.0	0.0	0.0	0.0	23.3	10.5	8.3
Target EV/FCF	0.0	0.0	0.0	0.0	-20.7	10.5	10.1
Target P/B	0.0	0.0	0.0	0.0	2.9	2.5	2.1
Target P/E	0.0	0.0	0.0	0.0	52.7	14.8	13.2
<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	0.21	0.75	0.83
Operating cash flow per share	0.33	-0.14	-0.36	-0.45	0.16	1.52	1.57
Free cash flow per share	0.21	-1.06	-0.50	-1.63	-0.47	0.85	0.81
Book value per share	0.62	1.52	1.24	1.66	3.73	4.48	5.16
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.15	0.25
Dividend payout ratio, %	0.0	0.0	0.0	0.0	0.0	20.1	30.0
Dividend yield, %	0.0	0.0	0.0	0.0	0.0	1.9	3.2
FCF yield, %	0.0	-32.7	-32.1	-19.7	-6.0	10.8	10.3
<b>Efficiency measures</b>							
ROE	30.1	-32.7	-16.5	20.9	8.5	18.1	17.2
ROCE	24.7	-18.5	-8.1	16.6	9.2	14.4	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	4.4	3.7	4.0
CAPEX/sales (incl. acquisitions), %	1.2	-0.4	-0.1	6.3	4.4	3.7	4.0
FCFF/EBITDA	0.6	2.5	-31.6	1.2	0.1	0.8	0.7
Net debt/EBITDA, book-weighted	1.2	0.3	61.4	0.9	-1.2	-1.4	-1.7
Debt/equity, market-weighted	0.0	0.1	0.4	0.2	0.2	0.1	0.1
Equity ratio, book-weighted	19.2	46.3	30.8	15.7	37.3	43.0	45.9
Gearing, %	80.1	-4.4	64.8	52.3	-35.8	-48.4	-54.7

**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	%
Nidoco AB	2,650,000	20.882	19.8%
MBÅ Invest Oy	2,253,072	17.754	16.8%
Joensuun Kauppa Ja Kone Oy	1,382,449	10.894	10.3%
Verman Group Oy	1,288,461	10.153	9.6%
Taloustieto Incrementum Ky	769,705	6.065	5.7%
Ilmarinen Mutual Pension Insurance Company	569,053	4.484	4.2%
Veritas Pension Insurance Company Ltd.	345,292	2.721	2.6%
Corporatum Oy	295,244	2.327	2.2%
Siementila Suokas Oy	240,860	1.898	1.8%
Holopainen Jussi	164,500	1.296	1.2%
Ten largest	9,958,636	78.474	74%
Residual	3,439,093	27.100	26%
Total	13,397,729	105.574	100%

**EARNINGS CALENDAR**

February 28, 2022	FY 2021 Results
April 29, 2022	Q1 report
August 04, 2022	Q2 report
October 28, 2022	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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		



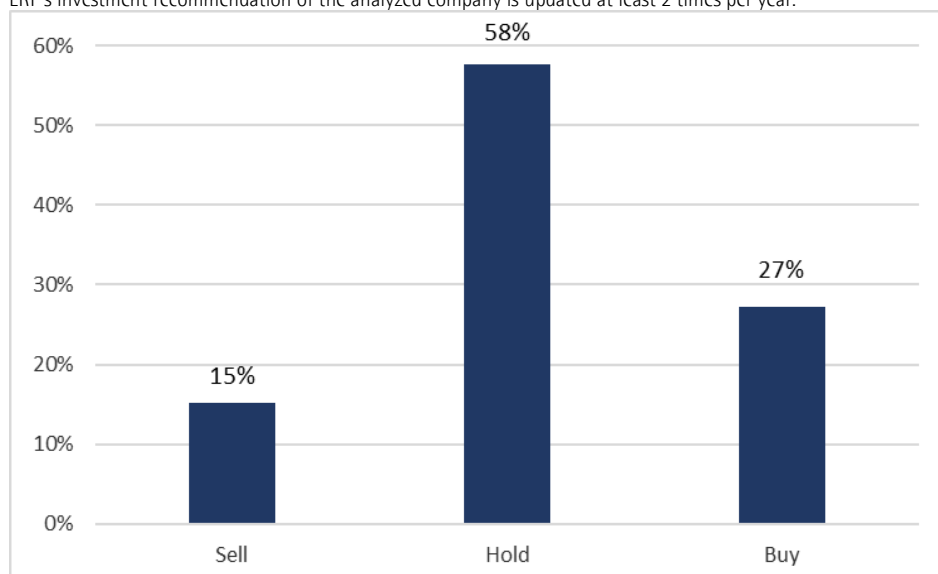
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Investment recommendations are defined as follows:

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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