

Figures mostly in line

Enersense's Q4 report was overall relatively close to our expectations. The Q4 figures came in a bit higher than we estimated, while guidance represents a small miss in terms of profitability. The BoD however proposes a dividend of EUR 0.1 per share to be paid, which we did not expect.

- Enersense Q4 revenue was EUR 65.9m vs our EUR 63.0m estimate. Smart Industry amounted to EUR 21.0m vs our EUR 21.5m estimate. Power was EUR 13.8m vs our EUR 12.5m estimate. Connectivity was EUR 13.2m, compared to our EUR 14.8m estimate, while International Operations was EUR 18.0m vs our EUR 14.2m estimate.
- Adjusted EBITDA landed at EUR 7.5m, compared to our EUR 7.4m estimate. Adjusted EBIT was EUR 5.8m vs our EUR 5.1m estimate. Smart Industry EBITDA amounted to EUR 6.6m, while Power EBITDA was EUR 0.0m. Connectivity was EUR 0.7m and International Operations was EUR 0.3m.
- Order backlog was EUR 291m at the end of Q4 (EUR 292m a year ago).
- Enersense guides FY '22 revenue to be between EUR 245-265m (vs our EUR 247m estimate) and adjusted EBITDA EUR 15-20m (vs our EUR 21.0m estimate). Investments in the new ERP system as well as in growing offshore wind power will burden results.
- The BoD proposes EUR 0.1 per share dividend to be distributed, compared to our EUR 0 estimate.

Rating				BUY
Q4'21	Actual	Evli	Year ago	Q3'21
Revenue	65.9	63.0	68.1	58.3
Adj. EBITDA	7.5	7.4	5.2	4.4
Adj. EBIT	5.8	5.1	3.2	2.6
Deviation	Actual	Evli	Year ago	Q3'21
Revenue		5 %	-3 %	13 %
Adj. EBITDA		1 %	44 %	70 %
Adj. EBIT		14 %	81 %	123 %
Share price, EUR (Last trading day's closing price)				6.38
Target price, EUR				10.0
Latest change in recommendation				16-Mar-21
Latest report on company				4-Jan-22
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				85
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

PRE-REPORT 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	30.6	0.3	12.1	-7.4	0.00
2022E	246.9	11.4	4.6%	11.4	0.75	8.6	0.2	5.0	13.3	0.15
2023E	256.7	13.3	5.2%	10.9	0.83	7.7	0.2	3.6	12.7	0.25
Market cap, EURm	85		BV per share 2021E, EUR		-35.8		CAGR EPS 2020-23, %		48.4	
Net debt 2021E, EURm	-19		Price/book 2021E		1.7		CAGR sales 2020-23, %		20.3	
Enterprise value, EURm	68		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		0.5	

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

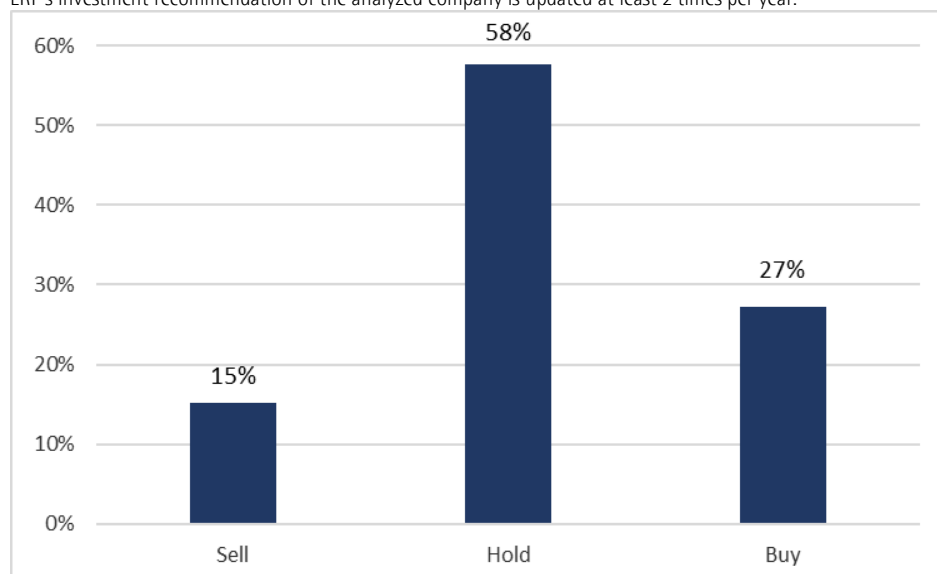
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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