

Favorable tailwinds set to continue

Enersense's Q4 figures were a bit higher than we estimated, earnings guidance was softer, but the overall picture hasn't changed much as renewables remain in high demand.

No major surprises in connection with the report

Enersense's Q4 top line declined by 3% y/y, mostly due to the sale of Staff Leasing business, to EUR 65.9m and was above our EUR 63.0m estimate. The revenue beat was largely due to International Operations, but Power was also above our estimates. Certain M&A related items, both positive and negative, affected results, but overall profitability was slightly above our estimates. Infections continued to bother in certain projects, however these are unlikely to be a major issue going forward. Long-term profitability improving investments in IT and offshore wind power business will burden results this year, and we revise our FY '22 profitability estimates down by some EUR 3m.

Latest macro changes are more likely to be supportive

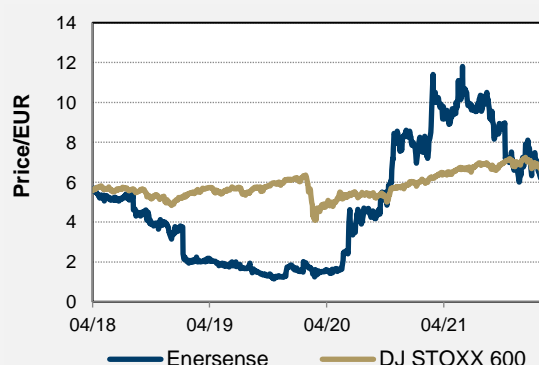
There is some inflation risk, especially in the Baltics as the local contracts are long, but the contracts tend to compensate for cost pressures as now seen to some extent in raw materials and wages. Enersense has expanded its value chain presence with two recent acquisitions, and these don't involve any significant integration issues. Enersense will also update its long-term targets later in H1'22 (the current target is 10% EBITDA margin by 2025 whereas we estimate 7.3% margin for FY '22). Offshore wind power is a major growth driver going forward as it is a relatively underdeveloped space compared to onshore. The latest shifts in geopolitics do not in our view pose significant risks for Enersense, rather they are bound to accelerate the European transfer away from hydrocarbons and major initiatives in e.g. Germany could yet play out favorably for Enersense's strategy.

Valuation is not challenging in either short or long term

Our EUR 18.2m EBITDA estimate for FY '22 lands a bit above the midpoint of the EUR 15-20m range, which we don't view very challenging. The respective 5.5x EV/EBITDA and 12x EV/EBIT multiples aren't high compared to peers, and valuation is even more attractive in the long-term perspective as Enersense should achieve relatively steep earnings growth. Peer multiples have, however, continued to decline in the past two months and we update our TP to EUR 8 (10). Our rating remains BUY.

Rating

BUY



Share price, EUR (Last trading day's closing price) 6.94
Target price, EUR 8.0

Latest change in recommendation 16-Mar-21
Latest report on company 4-Jan-2022
Research paid by issuer: YES
No. of shares outstanding, '000's 15,996
No. of shares fully diluted, '000's 15,996
Market cap, EURm 111
Free float, % 78.2
Exchange rate -
Reuters code ESENSE.HE
Bloomberg code ESENSE FH
Average daily volume, EURm 0.4
Next interim report 29-Apr-22
Web site www.enersense.com

Analyst Joonas Ilvonen
E-mail joonas.ilvonen@evli.com
Telephone +358 44 430 9071

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 |
|--------------------------|---------------|--------------|-----------|-------------------------|------------|------------|-----------------------|----------------|----------------|------------|
| 2020 | 147.5 | 4.8 | 3.2% | -15.6 | 0.25 | 32.6 | 0.7 | 20.4 | -19.7 | 0.00 |
| 2021 | 239.1 | 6.8 | 2.9% | -12.9 | 0.30 | 23.1 | 0.4 | 13.1 | -14.0 | 0.10 |
| 2022E | 249.1 | 8.5 | 3.4% | 9.7 | 0.46 | 15.1 | 0.4 | 11.9 | 8.8 | 0.15 |
| 2023E | 259.0 | 13.5 | 5.2% | 15.3 | 0.71 | 9.8 | 0.3 | 6.5 | 13.7 | 0.21 |
| 2024E | 266.8 | 14.4 | 5.4% | 17.5 | 0.70 | 10.0 | 0.3 | 5.1 | 15.7 | 0.21 |
| Market cap, EURm | | | 111 | Gearing 2022E, % | | -20.7 | CAGR EPS 2021-24, % | | | 32.9 |
| Net debt 2022E, EURm | | | -12 | Price/book 2022E | | 2.1 | CAGR sales 2021-24, % | | | 3.7 |
| Enterprise value, EURm | | | 101 | Dividend yield 2022E, % | | 2.2 | ROE 2022E, % | | | 14.4 |
| Total assets 2022E, EURm | | | 161 | Tax rate 2022E, % | | 8.0 | ROCE 2022E, % | | | 10.4 |
| Goodwill 2022E, EURm | | | 26 | Equity ratio 2022E, % | | 35.5 | PEG, P/E 22/CAGR | | | 1.1 |

Estimates and peer group valuation

| Enersense | 2019 | 2020 | Q1'21 | Q2'21 | Q3'21 | Q4'21 | 2021 | Q1'22E | Q2'22E | Q3'22E | Q4'22E | 2022E | 2023E |
|---------------------------------|---------------|----------------|--------|-------|-------|--------|--------------|------------|------------|-------------|-------------|------------|------------|
| Net sales | 58.1 | 147.5 | 53.3 | 61.6 | 58.2 | 66.0 | 239.0 | 54.2 | 63.3 | 62.0 | 69.6 | 249.1 | 259.0 |
| Smart Industry | | 78.4 | 22.3 | 23.5 | 18.7 | 21.0 | 85.5 | 22.5 | 23.7 | 19.7 | 21.8 | 87.7 | 89.9 |
| Power | | 18.9 | 10.8 | 12.0 | 12.5 | 13.8 | 49.1 | 11.2 | 12.8 | 14.2 | 15.5 | 53.6 | 57.6 |
| Connectivity | | 23.4 | 8.5 | 11.4 | 12.3 | 13.2 | 45.3 | 8.6 | 11.6 | 12.7 | 13.5 | 46.3 | 47.3 |
| Staff leasing | | | | | | | | | | | | | |
| International Operations | | 26.8 | 11.6 | 14.8 | 14.6 | 18.0 | 59.0 | 11.9 | 15.2 | 15.5 | 18.9 | 61.5 | 64.2 |
| EBITDA | 0.1 | 9.8 | 1.7 | 5.8 | 2.9 | 6.2 | 16.6 | 2.7 | 5.1 | 5.6 | 4.9 | 18.2 | 22.5 |
| Adj. EBITDA | 0.1 | 11.5 | 2.6 | 4.8 | 4.4 | 7.5 | 19.3 | 2.7 | 5.1 | 5.6 | 4.9 | 18.2 | 22.5 |
| D&A | -1.0 | -5.0 | -2.3 | -2.8 | -2.5 | -2.2 | -9.8 | -2.3 | -2.8 | -2.5 | -2.2 | -9.8 | -9.0 |
| Adj. EBIT | -1.0 | 7.5 | 0.8 | 2.8 | 2.6 | 5.8 | 12.0 | 0.4 | 2.3 | 3.1 | 2.7 | 8.5 | 13.5 |
| EBIT | -1.0 | 4.8 | -0.6 | 3.0 | 0.4 | 4.0 | 6.8 | 0.4 | 2.3 | 3.1 | 2.7 | 8.5 | 13.5 |
| <i>Sales growth %</i> | <i>22.6 %</i> | <i>154.0 %</i> | | | | | <i>62 %</i> | <i>2 %</i> | <i>3 %</i> | <i>7 %</i> | <i>6 %</i> | <i>4 %</i> | <i>4 %</i> |
| <i>Smart Industry</i> | | | | | | | <i>32 %</i> | <i>1 %</i> | <i>1 %</i> | <i>5 %</i> | <i>4 %</i> | <i>3 %</i> | <i>3 %</i> |
| <i>Power</i> | | | | | | | <i>160 %</i> | <i>3 %</i> | <i>7 %</i> | <i>13 %</i> | <i>12 %</i> | <i>9 %</i> | <i>8 %</i> |
| <i>Connectivity</i> | | | | | | | <i>94 %</i> | <i>2 %</i> | <i>2 %</i> | <i>3 %</i> | <i>2 %</i> | <i>2 %</i> | <i>2 %</i> |
| <i>Staff leasing</i> | | | | | | | <i>0 %</i> | | | | | <i>0 %</i> | <i>0 %</i> |
| <i>International Operations</i> | | | | | | | <i>121 %</i> | <i>2 %</i> | <i>3 %</i> | <i>6 %</i> | <i>5 %</i> | <i>4 %</i> | <i>5 %</i> |
| EBITDA margin % | 0.1 % | 6.6 % | 3.2 % | 9.4 % | 4.9 % | 9.5 % | 6.9 % | 5.0 % | 8.0 % | 9.0 % | 7.0 % | 7.3 % | 8.7 % |
| Adj. EBITDA margin % | 0.1 % | 7.8 % | 4.8 % | 7.8 % | 7.5 % | 11.4 % | 8.1 % | 5.0 % | 8.0 % | 9.0 % | 7.0 % | 7.3 % | 8.7 % |
| Adj. EBIT margin % | -1.7 % | 5.1 % | 1.5 % | 4.5 % | 4.5 % | 8.8 % | 5.0 % | 0.8 % | 3.7 % | 5.0 % | 3.8 % | 3.4 % | 5.2 % |
| EBIT margin % | -1.7 % | 3.2 % | -1.2 % | 4.9 % | 0.6 % | 6.1 % | 2.9 % | 0.8 % | 3.7 % | 5.0 % | 3.8 % | 3.4 % | 5.2 % |

| ENERSENSE PEER GROUP | MCAP MEUR | EV/EBITDA | | | EV/EBIT | | | P/E | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | 21 | 22 | 23 | 21 | 22 | 23 | 21 | 22 | 23 |
| Bravida Holding | 2162 | 14.5x | 12.0x | 11.4x | 18.8x | 15.4x | 14.5x | 21.7x | 19.0x | 17.9x |
| Bilfinger | 1239 | | | | | | | 15.3x | 14.2x | 12.1x |
| Caverion | 766 | 8.6x | 6.4x | 5.8x | 24.9x | 11.7x | 9.8x | 33.0x | 13.4x | 10.9x |
| Eltel | 206 | 8.4x | 6.3x | 5.8x | 26.2x | 16.5x | 13.2x | 44.0x | 18.9x | 13.7x |
| Transtema Group | 115 | 9.1x | 6.2x | 6.1x | 14.8x | 10.4x | 10.2x | 14.2x | 14.2x | 13.9x |
| VINCI | 53053 | 9.6x | 8.1x | 7.4x | 16.1x | 12.4x | 11.0x | 20.7x | 13.9x | 12.2x |
| SPIE | 3370 | 9.3x | 7.8x | 7.5x | 13.3x | 11.1x | 10.4x | 14.0x | 12.1x | 11.3x |
| Viafin Service | 49 | | | | | | | 17.3x | 16.0x | 14.7x |
| Veolia Environnement | 21428 | 9.1x | 6.6x | 6.0x | 21.8x | 13.8x | 11.7x | 24.1x | 19.6x | 15.6x |
| Lassila & Tikanoja | 453 | 7.3x | 6.2x | 6.0x | 16.5x | 12.7x | 11.9x | 13.6x | 12.5x | 11.7x |
| Peer Group Average | 8284 | 9.5x | 7.4x | 7.0x | 19.0x | 13.0x | 11.6x | 22.6x | 15.4x | 13.4x |
| Peer Group Median | 1003 | 9.1x | 6.5x | 6.1x | 17.6x | 12.6x | 11.3x | 20.7x | 14.2x | 12.9x |
| Enersense (Evli est.) | 111 | 5.3x | 5.5x | 3.9x | 13.1x | 11.9x | 6.5x | 23.1x | 15.1x | 9.8x |
| <i>Enersense prem./disc. to peer median</i> | | <i>-41 %</i> | <i>-15 %</i> | <i>-36 %</i> | <i>-26 %</i> | <i>-6 %</i> | <i>-43 %</i> | <i>12 %</i> | <i>7 %</i> | <i>-24 %</i> |

| ENERSENSE PEER GROUP | Sales 20 | Sales gr. | | | EBITDA-% | | | Div. yield | | |
|-----------------------|-------------|--------------|-------------|-------------|--------------|---------------|---------------|--------------|--------------|--------------|
| | | 21 | 22 | 23 | 21 | 22 | 23 | 21 | 22 | 23 |
| Bravida Holding | 2099 | -1.2% | 8.9% | 3.8% | 8.6 % | 8.5 % | 8.7 % | 2.7 % | 2.8 % | 3.0 % |
| Bilfinger | 3461 | 8.0% | 9.1% | 5.0% | 6.0 % | 6.4 % | 6.5 % | 14.2 % | 3.3 % | 3.6 % |
| Caverion | 2155 | -0.7% | 5.9% | 4.3% | 6.0 % | 6.8 % | 7.2 % | 3.0 % | 3.7 % | 4.5 % |
| Eltel | 938 | -14.1% | -0.9% | 0.8% | 5.7 % | 6.6 % | 7.2 % | 0.0 % | 2.8 % | 3.8 % |
| Transtema Group | 140 | 14.0% | 3.9% | 3.0% | 12.0 % | 11.4 % | 11.2 % | | | |
| VINCI | 43234 | 14.3% | 16.9% | 4.3% | 15.9 % | 16.2 % | 17.0 % | 3.0 % | 3.8 % | 4.4 % |
| SPIE | 6655 | 5.8% | 9.6% | 2.8% | 8.2 % | 8.3 % | 8.4 % | 3.0 % | 3.6 % | 3.8 % |
| Viafin Service | | | 6.3% | 4.4% | 8.6 % | 8.3 % | 8.4 % | 2.9 % | 3.3 % | 3.6 % |
| Veolia Environnement | 26010 | 7.0% | 26.7% | 6.7% | 14.6 % | 15.7 % | 16.0 % | 3.2 % | 3.7 % | 4.8 % |
| Lassila & Tikanoja | 752 | 7.5% | 2.4% | 2.2% | 11.8 % | 12.1 % | 12.3 % | 4.3 % | 4.7 % | 4.9 % |
| Peer Group Average | 9494 | 4.5% | 8.9% | 3.7% | 9.7 % | 10.0 % | 10.3 % | 4.0 % | 3.5 % | 4.1 % |
| Peer Group Median | 2155 | 7.0% | 7.6% | 4.0% | 8.6 % | 8.4 % | 8.5 % | 3.0 % | 3.6 % | 3.8 % |
| Enersense (Evli est.) | 147 | 62.2% | 4.2% | 4.0% | 7.0 % | 7.3 % | 8.7 % | 1.5 % | 2.2 % | 3.1 % |

Source FactSet, Evli Research

| VALUATION RESULTS | BASE CASE DETAILS | VALUATION ASSUMPTIONS | ASSUMPTIONS FOR WACC | |
|--------------------------|----------------------------|-------------------------|--------------------------------|------|
| Current share price | 6.94 PV of Free Cash Flow | 102 Long-term growth, % | 1.5 Risk-free interest rate, % | 2.25 |
| DCF share value | 12.61 PV of Horizon value | 98 WACC, % | 9.1 Market risk premium, % | 5.8 |
| Share price potential, % | 81.8 Unconsolidated equity | -1 Spread, % | 0.5 Debt risk premium, % | 2.8 |
| Maximum value | 13.5 Marketable securities | 29 Minimum WACC, % | 8.6 Equity beta coefficient | 1.20 |
| Minimum value | 11.8 Debt - dividend | -26 Maximum WACC, % | 9.6 Target debt ratio, % | 20 |
| Horizon value, % | 49.0 Value of stock | 202 Nr of shares, Mn | 16.0 Effective tax rate, % | 20 |

| DCF valuation, EURm | 2021 | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | Horizon |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| Net sales | 239 | 249 | 259 | 267 | 275 | 282 | 287 | 293 | 297 | 302 | 306 | 311 |
| <i>Sales growth, %</i> | <i>62.2</i> | <i>4.2</i> | <i>4.0</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> | <i>1.5</i> |
| Operating income (EBIT) | 7 | 8 | 13 | 14 | 14 | 14 | 14 | 15 | 15 | 15 | 15 | 16 |
| <i>Operating income margin, %</i> | <i>2.9</i> | <i>3.4</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> | <i>5.0</i> |
| + Depreciation+amort. | 10 | 10 | 9 | 8 | 7 | 7 | 8 | 8 | 8 | 8 | 8 | 8 |
| EBITDA | 17 | 18 | 23 | 22 | 21 | 21 | 22 | 22 | 23 | 23 | 23 | |
| - Paid taxes | 1 | -1 | -2 | -3 | -3 | -3 | -3 | -3 | -3 | -3 | -3 | -3 |
| - Change in NWC | -10 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| <i>NWC / Sales, %</i> | <i>-8.9</i> | <i>-9.2</i> | <i>-9.5</i> | <i>-9.7</i> | <i>-9.8</i> | <i>-10.0</i> | <i>-10.1</i> | <i>-10.2</i> | <i>-10.3</i> | <i>-10.4</i> | <i>-10.5</i> | |
| + Change in other liabs | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| - Operative CAPEX | -1 | -5 | -14 | 2 | -4 | -4 | -4 | -4 | -4 | -4 | -4 | -4 |
| <i>opCAPEX / Sales, %</i> | <i>7.8</i> | <i>3.6</i> | <i>2.6</i> | <i>1.0</i> | <i>2.9</i> | <i>2.9</i> | <i>2.9</i> | <i>2.9</i> | <i>2.8</i> | <i>2.8</i> | <i>2.8</i> | <i>2.8</i> |
| - Acquisitions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| + Divestments | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| - Other items | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| = FCFF | 10 | 14 | 8 | 22 | 16 | 16 | 16 | 17 | 17 | 17 | 17 | 231 |
| = Discounted FCFF | | 13 | 7 | 17 | 11 | 11 | 10 | 9 | 8 | 8 | 7 | 98 |
| = DFCF min WACC | | 13 | 7 | 18 | 11 | 11 | 10 | 9 | 9 | 8 | 8 | 110 |
| = DFCF max WACC | | 13 | 7 | 17 | 11 | 10 | 10 | 9 | 8 | 8 | 7 | 88 |

INTERIM FIGURES

| EVLI ESTIMATES, EURm | 2021Q1 | 2021Q2 | 2021Q3 | 2021Q4 | 2021 | 2022Q1E | 2022Q2E | 2022Q3E | 2022Q4E | 2022E | 2023E | 2024E |
|--------------------------------------|-------------|-------------|-------------|--------------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Net sales | 53.3 | 61.6 | 58.3 | 65.9 | 239.1 | 54.2 | 63.3 | 62.0 | 69.6 | 249.1 | 259.0 | 266.8 |
| EBITDA | 1.7 | 5.8 | 2.9 | 6.5 | 16.8 | 2.9 | 4.8 | 5.5 | 5.1 | 18.3 | 22.5 | 22.2 |
| <i>EBITDA margin (%)</i> | <i>3.2</i> | <i>9.4</i> | <i>5.0</i> | <i>9.9</i> | <i>7.0</i> | <i>5.3</i> | <i>7.5</i> | <i>8.9</i> | <i>7.4</i> | <i>7.3</i> | <i>8.7</i> | <i>8.3</i> |
| EBIT | -0.6 | 3.0 | 0.4 | 4.0 | 6.8 | 0.4 | 2.3 | 3.1 | 2.7 | 8.5 | 13.5 | 14.4 |
| <i>EBIT margin (%)</i> | <i>-1.2</i> | <i>4.9</i> | <i>0.7</i> | <i>6.1</i> | <i>2.9</i> | <i>0.8</i> | <i>3.7</i> | <i>5.0</i> | <i>3.8</i> | <i>3.4</i> | <i>5.2</i> | <i>5.4</i> |
| Net financial items | -0.7 | -1.1 | -0.4 | -1.1 | -3.3 | -0.1 | -0.1 | -0.1 | -0.1 | -0.5 | -0.5 | -0.5 |
| Pre-tax profit | -1.3 | 1.9 | -0.1 | 3.0 | 3.5 | 0.3 | 2.2 | 3.0 | 2.5 | 8.0 | 13.0 | 13.9 |
| Tax | 0.0 | 0.0 | 0.0 | 0.5 | 0.4 | 0.0 | -0.2 | -0.2 | -0.2 | -0.6 | -1.7 | -2.8 |
| <i>Tax rate (%)</i> | <i>-0.9</i> | <i>0.5</i> | <i>0.0</i> | <i>-15.2</i> | <i>-12.3</i> | <i>8.0</i> | <i>8.0</i> | <i>8.0</i> | <i>8.0</i> | <i>8.0</i> | <i>13.0</i> | <i>20.0</i> |
| Net profit | -1.3 | 1.9 | -0.1 | 3.4 | 4.0 | 0.3 | 2.0 | 2.7 | 2.3 | 7.3 | 11.3 | 11.1 |
| EPS | -0.10 | 0.14 | 0.00 | 0.26 | 0.30 | 0.02 | 0.13 | 0.17 | 0.15 | 0.46 | 0.71 | 0.70 |
| EPS adjusted (diluted no. of shares) | -0.10 | 0.14 | 0.00 | 0.26 | 0.30 | 0.02 | 0.13 | 0.17 | 0.15 | 0.46 | 0.71 | 0.70 |
| Dividend per share | 0.00 | 0.00 | 0.00 | 0.00 | 0.10 | 0.00 | 0.00 | 0.00 | 0.00 | 0.15 | 0.21 | 0.21 |
| SALES, EURm | | | | | | | | | | | | |
| Smart Industry | 22.3 | 23.5 | 18.7 | 21.0 | 85.5 | 22.5 | 23.7 | 19.7 | 21.8 | 87.7 | 89.9 | 92.6 |
| Power | 10.8 | 12.0 | 12.5 | 13.8 | 49.1 | 11.2 | 12.8 | 14.2 | 15.5 | 53.6 | 57.6 | 59.3 |
| Connectivity | 8.5 | 11.4 | 12.3 | 13.2 | 45.3 | 8.6 | 11.6 | 12.7 | 13.5 | 46.3 | 47.3 | 48.7 |
| International Operations | 11.6 | 14.8 | 14.6 | 18.0 | 59.0 | 11.9 | 15.2 | 15.5 | 18.9 | 61.5 | 64.2 | 66.1 |
| Group | 0.1 | 0.0 | 0.1 | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 53.3 | 61.6 | 58.3 | 65.9 | 239.1 | 54.2 | 63.3 | 62.0 | 69.6 | 249.1 | 259.0 | 266.8 |
| SALES GROWTH, Y/Y % | | | | | | | | | | | | |
| Smart Industry | 0.0 | 0.0 | 0.0 | -67.5 | 32.4 | 1.0 | 1.0 | 5.0 | 4.0 | 2.6 | 2.5 | 3.0 |
| Power | 0.0 | 0.0 | 0.0 | -27.1 | 159.8 | 3.0 | 7.0 | 13.0 | 12.0 | 9.1 | 7.5 | 3.0 |
| Connectivity | 0.0 | 0.0 | 0.0 | -43.7 | 93.5 | 2.0 | 2.0 | 3.0 | 2.0 | 2.3 | 2.0 | 3.0 |
| Staff Leasing | 0.0 | 0.0 | 0.0 | -100.0 | -100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| International Operations | 0.0 | 0.0 | 0.0 | -32.7 | 120.5 | 2.0 | 3.0 | 6.0 | 5.0 | 4.2 | 4.5 | 3.0 |
| Group | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -99.9 | -99.7 | -99.9 | -100.2 | -99.7 | 0.0 | 0.0 |
| Total | 0.0 | 0.0 | 0.0 | -55.3 | 62.2 | 1.6 | 2.8 | 6.4 | 5.6 | 4.2 | 4.0 | 3.0 |
| EBIT, EURm | | | | | | | | | | | | |
| Smart Industry | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5.0 |
| Power | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.2 |
| Connectivity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.6 |
| International Operations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.6 |
| Group | -0.6 | 3.0 | 0.4 | 4.0 | 6.8 | 0.4 | 2.3 | 3.1 | 2.7 | 8.5 | 13.5 | 0.0 |
| Total | -0.6 | 3.0 | 0.4 | 4.0 | 6.8 | 0.4 | 2.3 | 3.1 | 2.7 | 8.5 | 13.5 | 14.4 |
| EBIT margin, % | | | | | | | | | | | | |
| Smart Industry | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5.4 |
| Power | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5.4 |
| Connectivity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5.4 |
| International Operations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5.4 |
| Group | -871.8 | 9,735.5 | 412.8 | -9,197.7 | 4,496.1 | | | | | | | 0.0 |
| Total | -1.2 | 4.9 | 0.7 | 6.1 | 2.9 | 0.8 | 3.7 | 5.0 | 3.8 | 3.4 | 5.2 | 5.4 |

| INCOME STATEMENT, EURm | 2017 | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|--|-------------|-------------|-------------|--------------|-------------|------------|------------|------------|
| Sales | 47.0 | 47.4 | 58.1 | 147.5 | 239.1 | 249.1 | 259.0 | 266.8 |
| <i>Sales growth (%)</i> | <i>27.5</i> | <i>0.7</i> | <i>22.6</i> | <i>154.0</i> | <i>62.2</i> | <i>4.2</i> | <i>4.0</i> | <i>3.0</i> |
| EBITDA | 1.9 | -1.3 | 0.1 | 9.8 | 16.8 | 18.3 | 22.5 | 22.2 |
| <i>EBITDA margin (%)</i> | <i>4.1</i> | <i>-2.6</i> | <i>0.1</i> | <i>6.6</i> | <i>7.0</i> | <i>7.3</i> | <i>8.7</i> | <i>8.3</i> |
| Depreciation | -0.2 | -0.4 | -1.0 | -5.0 | -10.0 | -9.8 | -9.0 | -7.8 |
| EBITA | 1.7 | -1.6 | -1.0 | 4.8 | 6.8 | 8.5 | 13.5 | 14.4 |
| Goodwill amortization / writedown | 0.0 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | 1.7 | -1.7 | -1.0 | 4.8 | 6.8 | 8.5 | 13.5 | 14.4 |
| <i>EBIT margin (%)</i> | <i>3.7</i> | <i>-3.5</i> | <i>-1.7</i> | <i>3.2</i> | <i>2.9</i> | <i>3.4</i> | <i>5.2</i> | <i>5.4</i> |
| Reported EBIT | 1.7 | -1.7 | -1.0 | 4.8 | 6.8 | 8.5 | 13.5 | 14.4 |
| <i>EBIT margin (reported) (%)</i> | <i>3.7</i> | <i>-3.5</i> | <i>-1.7</i> | <i>3.2</i> | <i>2.9</i> | <i>3.4</i> | <i>5.2</i> | <i>5.4</i> |
| Net financials | -0.3 | -1.0 | -0.4 | -1.9 | -3.3 | -0.5 | -0.5 | -0.5 |
| Pre-tax profit | 1.5 | -2.7 | -1.4 | 2.9 | 3.5 | 8.0 | 13.0 | 13.9 |
| Taxes | -0.5 | 0.5 | 0.0 | -0.5 | 0.4 | -0.6 | -1.7 | -2.8 |
| Minority shares | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net profit | 1.0 | -1.9 | -1.4 | 2.4 | 4.0 | 7.3 | 11.3 | 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 |
| BALANCE SHEET, EURm | | | | | | | | |
| Assets | | | | | | | | |
| Fixed assets | 1 | 1 | 2 | 25 | 24 | 24 | 34 | 28 |
| Goodwill | 0 | 4 | 4 | 26 | 26 | 26 | 26 | 26 |
| Right of use assets | 0 | 0 | 2 | 9 | 22 | 21 | 9 | 9 |
| Inventory | 0 | 0 | 0 | 4 | 7 | 7 | 7 | 7 |
| Receivables | 11 | 10 | 13 | 34 | 38 | 39 | 40 | 40 |
| Liquid funds | 2 | 3 | 1 | 18 | 29 | 43 | 41 | 48 |
| Total assets | 15 | 19 | 23 | 116 | 147 | 161 | 158 | 160 |
| Liabilities | | | | | | | | |
| Shareholder's equity | 3 | 9 | 7 | 16 | 48 | 54 | 63 | 71 |
| Minority interest | 0 | 0 | 0 | 2 | 2 | 2 | 2 | 2 |
| Convertibles | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lease liabilities | 0 | 0 | 2 | 9 | 13 | 21 | 9 | 9 |
| Deferred taxes | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 |
| Interest bearing debt | 4 | 2 | 4 | 18 | 13 | 10 | 8 | 0 |
| Non-interest bearing current liabilities | 8 | 8 | 10 | 70 | 66 | 69 | 71 | 74 |
| Other interest-free debt | 0 | 0 | 0 | 1 | 3 | 3 | 3 | 3 |
| Total liabilities | 15 | 19 | 23 | 116 | 147 | 161 | 158 | 160 |
| CASH FLOW, EURm | | | | | | | | |
| + EBITDA | 2 | -1 | 0 | 10 | 17 | 18 | 23 | 22 |
| - Net financial items | 0 | -1 | 0 | -2 | -3 | 0 | 0 | 0 |
| - Taxes | 0 | 0 | 0 | 0 | 1 | -1 | -2 | -3 |
| - Increase in Net Working Capital | 0 | 1 | -1 | -11 | -10 | 2 | 2 | 1 |
| +/- Other | 0 | 0 | -1 | -1 | 0 | 0 | 0 | 0 |
| = Cash flow from operations | 2 | -1 | -2 | -4 | 4 | 19 | 22 | 20 |
| - Capex | -1 | -3 | 0 | -10 | -19 | -9 | -7 | -3 |
| - Acquisitions | 0 | -3 | 0 | -1 | 0 | 0 | 0 | 0 |
| + Divestments | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 |
| = Free cash flow | 1 | -6 | -3 | -16 | -13 | 10 | 15 | 17 |
| +/- New issues/buybacks | 0 | 8 | 0 | 8 | 28 | 0 | 0 | 0 |
| - Paid dividend | -2 | 0 | 0 | 0 | 0 | -1 | -2 | -3 |
| +/- Other | 1 | -1 | 2 | 24 | -4 | 5 | -14 | -8 |
| Change in cash | 0 | 1 | -1 | 16 | 11 | 13 | -1 | 6 |

| KEY FIGURES | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|--|-------|-------|-------|--------|--------|--------|--------|
| M-cap | 19 | 9 | 79 | 92 | 111 | 111 | 111 |
| Net debt (excl. convertibles) | 0 | 5 | 9 | -3 | -12 | -24 | -38 |
| Enterprise value | 19 | 13 | 97 | 90 | 101 | 88 | 74 |
| Sales | 47 | 58 | 147 | 239 | 249 | 259 | 267 |
| EBITDA | -1 | 0 | 10 | 17 | 18 | 23 | 22 |
| EBIT | -2 | -1 | 5 | 7 | 8 | 13 | 14 |
| Pre-tax | -3 | -1 | 3 | 4 | 8 | 13 | 14 |
| Earnings | -2 | -1 | 2 | 4 | 7 | 11 | 11 |
| Equity book value (excl. minorities) | 9 | 7 | 16 | 48 | 54 | 63 | 71 |
| Valuation multiples | | | | | | | |
| EV/sales | 0.4 | 0.2 | 0.7 | 0.4 | 0.4 | 0.3 | 0.3 |
| EV/EBITDA | -14.8 | 179.9 | 9.9 | 5.3 | 5.5 | 3.9 | 3.3 |
| EV/EBITA | -11.6 | -13.9 | 20.4 | 13.1 | 11.9 | 6.5 | 5.1 |
| EV/EBIT | -11.1 | -13.9 | 20.4 | 13.1 | 11.9 | 6.5 | 5.1 |
| EV/OCF | -21.6 | -6.3 | -22.8 | 23.2 | 5.4 | 4.0 | 3.6 |
| EV/FCFF | -6.0 | -5.7 | 8.1 | 8.6 | 7.1 | 11.1 | 3.3 |
| P/FCFE | -3.1 | -3.1 | -5.1 | -7.1 | 11.4 | 7.3 | 6.4 |
| P/E | -10.0 | -6.8 | 32.6 | 23.1 | 15.1 | 9.8 | 10.0 |
| P/B | 2.1 | 1.3 | 5.0 | 1.9 | 2.1 | 1.8 | 1.6 |
| Target EV/EBITDA | 0.0 | 0.0 | 0.0 | 0.0 | 6.5 | 4.7 | 4.1 |
| Target EV/EBIT | 0.0 | 0.0 | 0.0 | 0.0 | 13.9 | 7.8 | 6.3 |
| Target EV/FCF | 0.0 | 0.0 | 0.0 | 0.0 | 12.2 | 6.9 | 5.2 |
| Target P/B | 0.0 | 0.0 | 0.0 | 0.0 | 2.4 | 2.0 | 1.8 |
| Target P/E | 0.0 | 0.0 | 0.0 | 0.0 | 17.4 | 11.3 | 11.5 |
| Per share measures | | | | | | | |
| Number of shares | 5,948 | 5,948 | 9,548 | 13,398 | 15,996 | 15,996 | 15,996 |
| Number of shares (diluted) | 5,948 | 5,948 | 9,548 | 13,398 | 15,996 | 15,996 | 15,996 |
| EPS | -0.33 | -0.23 | 0.25 | 0.30 | 0.46 | 0.71 | 0.70 |
| Operating cash flow per share | -0.14 | -0.36 | -0.45 | 0.29 | 1.17 | 1.37 | 1.26 |
| Free cash flow per share | -1.06 | -0.50 | -1.63 | -0.96 | 0.61 | 0.95 | 1.09 |
| Book value per share | 1.52 | 1.24 | 1.66 | 3.58 | 3.37 | 3.93 | 4.41 |
| Dividend per share | 0.00 | 0.00 | 0.00 | 0.10 | 0.15 | 0.21 | 0.21 |
| Dividend payout ratio, % | 0.0 | 0.0 | 0.0 | 33.8 | 32.7 | 30.0 | 30.0 |
| Dividend yield, % | 0.0 | 0.0 | 0.0 | 1.4 | 2.2 | 3.1 | 3.0 |
| FCF yield, % | -32.7 | -32.1 | -19.7 | -14.0 | 8.8 | 13.7 | 15.7 |
| Efficiency measures | | | | | | | |
| ROE | -32.7 | -16.5 | 20.9 | 12.4 | 14.4 | 19.4 | 16.7 |
| ROCE | -18.5 | -8.1 | 16.6 | 11.4 | 10.4 | 16.0 | 17.6 |
| Financial ratios | | | | | | | |
| Inventories as % of sales | 0.8 | 0.6 | 2.4 | 2.7 | 2.7 | 2.7 | 2.7 |
| Receivables as % of sales | 21.8 | 22.8 | 23.4 | 15.9 | 15.6 | 15.4 | 15.2 |
| Non-interest bearing liabilities as % of sales | 16.9 | 17.2 | 47.4 | 27.6 | 27.6 | 27.6 | 27.6 |
| NWC/sales, % | 5.7 | 6.2 | -21.6 | -8.9 | -9.2 | -9.5 | -9.7 |
| Operative CAPEX/sales, % | 5.6 | 0.7 | 7.1 | 7.8 | 3.6 | 2.6 | 1.0 |
| CAPEX/sales (incl. acquisitions), % | -0.4 | -0.1 | 6.3 | 7.8 | 3.6 | 2.6 | 1.0 |
| FCFF/EBITDA | 2.5 | -31.6 | 1.2 | 0.6 | 0.8 | 0.3 | 1.0 |
| Net debt/EBITDA, book-weighted | 0.3 | 61.4 | 0.9 | -0.2 | -0.6 | -1.1 | -1.7 |
| Debt/equity, market-weighted | 0.1 | 0.4 | 0.2 | 0.1 | 0.1 | 0.1 | 0.0 |
| Equity ratio, book-weighted | 46.3 | 30.8 | 15.7 | 34.8 | 35.5 | 41.8 | 46.2 |
| Gearing, % | -4.4 | 64.8 | 52.3 | -6.4 | -20.7 | -37.7 | -53.2 |

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 | 2,675,000 | 18.564 | 16.7% |
| MBÅ Invest Oy | 2,253,072 | 15.636 | 14.1% |
| Joensuun Kauppa Ja Kone Oy | 1,382,449 | 9.594 | 8.6% |
| Verman Group Oy | 1,343,461 | 9.324 | 8.4% |
| Taloustieto Incrementum Ky | 737,005 | 5.115 | 4.6% |
| Ilmarinen Mutual Pension Insurance Company | 569,053 | 3.949 | 3.6% |
| Veritas Pension Insurance Company Ltd. | 345,292 | 2.396 | 2.2% |
| Corporatum Oy | 295,244 | 2.049 | 1.8% |
| Siementila Suokas Oy | 240,860 | 1.672 | 1.5% |
| Holopainen Jussi | 164,500 | 1.142 | 1.0% |
| Ten largest | 10,005,936 | 69.441 | 63% |
| Residual | 5,990,064 | 41.571 | 37% |
| Total | 15,996,000 | 111.012 | 100% |

EARNINGS CALENDAR

| | |
|------------------|-----------|
| April 29, 2022 | Q1 report |
| August 04, 2022 | Q2 report |
| October 28, 2022 | Q3 report |

OTHER EVENTS**COMPANY MISCELLANEOUS**

| | |
|-----------------------|------------------------------|
| CEO: Jussi Holopainen | Konepajanranta 2, 28100 Pori |
| 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, % | $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$ | | |

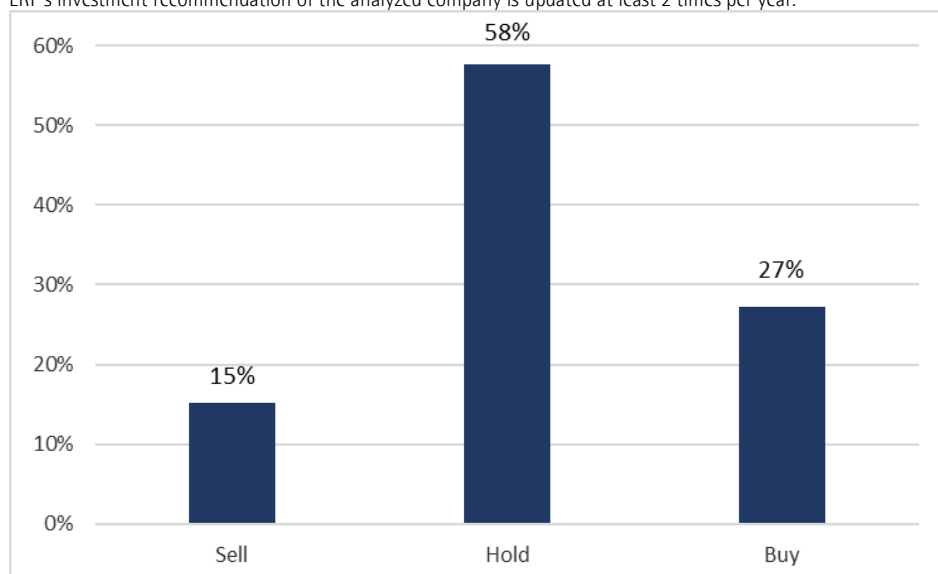
Important Disclosures

Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. Recommendations and changes by analysts are available at [Analysts' recommendations and ratings revisions](#).

Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



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.

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

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Bank Plc. Production of the investment recommendation has been concluded on [1.3.2022, 9:30]. This report has been published on [1.3.2022, 9:50].

None of the analysts contributing to this report, persons under their guardianship or corporations under their control have a position in the shares of the company or related securities.

The date and time for any price of financial instruments mentioned in the recommendation refer to the previous trading day's closing price(s) unless otherwise stated in the report.

Each analyst responsible for the content of this report assures that the expressed views accurately reflect the personal views of each analyst on the covered companies and securities. Each analyst assures that (s)he has not been, nor are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

Companies in the Evli Group, affiliates or staff of companies in the Evli Group, 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 publication or report.

Evli has managed or co-managed a public offering of the company's securities during the last 12 months prior to, received compensation for investment banking services from the company during the last 12 months prior to the publication of the research report.

ERP has signed an agreement with the issuer of the financial instruments mentioned in the recommendation, which includes production of research reports. This assignment has a limited economic and financial impact on ERP and/or Evli. Under the assignment ERP performs services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP or another company within the Evli Group does not have an agreement with the company to perform market making or liquidity providing services.

For the prevention and avoidance of conflicts of interests with respect to this report, there is an information barrier (Chinese wall) between Investment

Research and Corporate Finance units concerning unpublished investment banking services to the company. The remuneration of the analyst(s) is not tied directly or indirectly to investment banking transactions or other services performed by Evli Bank Plc or any company within Evli Group.

This report has not been disclosed to the company prior to its dissemination.

This report is provided and intended for informational purposes only and may not be used or considered under any circumstances as an offer to sell or buy any securities or as advice to trade any securities.

This report is based on sources ERP considers to be correct and reliable. The sources include information providers Reuters and Bloomberg, stock-exchange releases from the companies and other company news, Statistics Finland and articles in newspapers and magazines. However, ERP does not guarantee the materialization, correctness, accuracy or completeness of the information, opinions, estimates or forecasts expressed or implied in the report. In addition, circumstantial changes may have an influence on opinions and estimates presented in this report. The opinions and estimates presented are valid at the moment of their publication and they can be changed without a separate announcement. Neither ERP nor any company within the Evli Group are responsible for amending, correcting or updating any information, opinions or estimates contained in this report. Neither ERP nor any company within the Evli Group will compensate any direct or consequential loss caused by or derived from the use of the information represented in this publication.

All information published in this report is for the original recipient's private and internal use only. ERP reserves all rights to the report. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature, without the written permission of ERP.

This report or its copy may not be published or distributed in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa. The publication or distribution of this report in certain other jurisdictions may also be restricted by law. Persons into whose possession this report comes are required to inform themselves about and to observe any such restrictions.

Evli Bank Plc is not registered as a broker-dealer with the U. S. Securities and Exchange Commission ("SEC"), and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Evli Bank is not a member of the Financial Industry Regulatory Authority ("FINRA"). It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest. This research report is only being offered in U.S. by Auerbach Grayson & Company, LLC (Auerbach Grayson) to Major U.S. Institutional Investors and is not available to, and should not be used by, any U.S. person or entity that is not a Major U.S. Institutional Investor. Auerbach Grayson is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of the FINRA. U.S. entities seeking more information about any of the issuers or securities discussed in this report should contact Auerbach Grayson. The securities of non-U.S. issuers may not be registered with or subject to SEC reporting and other requirements.

ERP is not a supervised entity but its parent company Evli Bank Plc is supervised by the Finnish Financial Supervision Authority.

Contact information**SALES, TRADING AND RESEARCH****Equity, ETF and Derivatives Sales**

| | |
|------------------|------------------|
| Joachim Dannberg | +358 9 4766 9123 |
| Ari Laine | +358 9 4766 9115 |
| Kimmo Lilja | +358 9 4766 9130 |

Trading

| | |
|-------------------------|------------------|
| Lauri Vehkaluoto (Head) | +358 9 4766 9120 |
| Pasi Väisänen | +358 9 4766 9120 |
| Antti Kässi | +358 9 4766 9120 |
| Miika Ronkanen | +358 9 4766 9120 |

Structured Investments

| | |
|-----------------|------------------|
| Heikki Savijoki | +358 9 4766 9726 |
| Aki Lakkisto | +358 9 4766 9123 |

Equity Research

| | |
|-----------------|------------------|
| Jonas Forslund | +358 9 4766 9314 |
| Joonas Ilvonen | +358 44 430 9071 |
| Jerker Salokivi | +358 9 4766 9149 |
| Teemu Reiman | +358 40 352 6175 |

Evli Investment Solutions

| | |
|----------------|------------------|
| Johannes Asuja | +358 9 4766 9205 |
|----------------|------------------|



EVLI BANK PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Fax +358 9 634 382
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI BANK PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000
Fax +46 (0)8 407 8001