

CMD notes

The CMD added color on Enersense's plans to expand its print in the renewables value chain. Wind power, on sea as well as land, is the key in multiplying revenue and earnings as the company will both develop and own wind farms.

EUR 500m revenue and EUR 100m EBITDA by 2027

Enersense targets EUR 300m revenue for the current construction and EUR 100m for the current wind power business by 2027. The former would contribute EUR 30m EBITDA and the latter EUR 35m. The Megatuuli acquisition helps the company to have a say on the kinds of wind power projects that get developed. Proprietary renewables production is to be ramped up to EUR 100m revenue, or 600-700MW of mostly Finnish onshore wind power capacity, which requires some EUR 300m of equity-like capital (assuming 40% equity ratio, depending on the exact financing structure, which we assume could include e.g. hybrid instruments). The projects would be valued at some 20x EV/EBITDA (an IRR of around 5-10%). Enersense develops its offshore wind power platforms to tackle the pack ice challenges. The Baltic wind power market also has plenty of growth potential as there's not yet much local capacity.

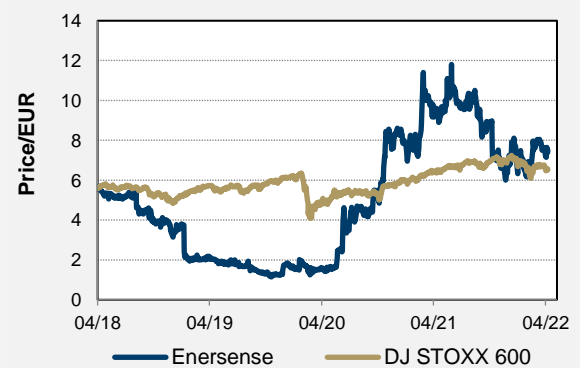
Wind power dominates, but other renewables also figure in

The Finnish wind power market is now the most important but not the only focus area. Enersense also has interest towards solar energy as the company views it an overlooked source in Finland. Within nuclear power Enersense is involved in France and the UK, besides Finland. The new European project of energy self-sufficiency in general greatly helps Enersense's long-term outlook and includes such concrete prospects as the Baltic transmission network's desynchronization from the Russian system. Another opportunity is found in Finland, where the EV stock is expected to grow at an above 20% CAGR during this decade. There's always the potential for some additional M&A, but we believe the already identified renewable production pipeline will claim most of the focus during the years to come.

The transformation happens gradually over the years

We make no changes to our estimates for now, but it's clear Enersense's financial profile is going to change a lot over the coming years as the company begins to add its own renewable energy production. We retain our EUR 8 TP and HOLD rating.

Rating 🟡 HOLD



Share price, EUR (Last trading day's closing price) 7.50

Target price, EUR 8.0

Latest change in recommendation 02-May-22

Latest report on company 02-May-22

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 120

Free float, % 78.2

Exchange rate -

Reuters code ESENSE.HE

Bloomberg code ESENSE FH

Average daily volume, EURm 0.4

Next interim report 04-Aug-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
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	245.6	9.4	3.8%	7.2	0.38	19.7	0.5	11.9	6.0	0.15
2023E	255.6	13.2	5.2%	16.0	0.69	10.8	0.4	7.5	13.3	0.21
2024E	263.3	14.2	5.4%	17.5	0.69	10.9	0.3	5.9	14.6	0.21
Market cap, EURm	120			Gearing 2022E, %	-16.6			CAGR EPS 2021-24, %	32.3	
Net debt 2022E, EURm	-9			Price/book 2022E	2.3			CAGR sales 2021-24, %	3.3	
Enterprise value, EURm	112			Dividend yield 2022E, %	2.0			ROE 2022E, %	12.1	
Total assets 2022E, EURm	159			Tax rate 2022E, %	16.9			ROCE 2022E, %	11.6	
Goodwill 2022E, EURm	26			Equity ratio 2022E, %	35.0			PEG, P/E 22/CAGR	1.0	

Estimates and peer group valuation

Enersense	2019	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22E	Q3'22E	Q4'22E	2022E	2023E
Net sales	58.1	147.5	53.3	61.6	58.2	66.0	239.0	53.9	56.9	64.3	70.6	245.6	255.6
Smart Industry		78.4	22.3	23.5	18.7	21.0	85.5	16.6	19.0	21.2	22.4	79.2	81.2
Power		18.9	10.8	12.0	12.5	13.8	49.1	14.3	12.2	14.2	15.5	56.2	60.4
Connectivity		23.4	8.5	11.4	12.3	13.2	45.3	9.3	10.8	13.1	13.8	47.2	48.1
Staff leasing													
International Operations		26.8	11.6	14.8	14.6	18.0	59.0	13.5	14.9	15.8	18.9	63.1	65.9
EBITDA	0.1	9.8	1.7	5.8	2.9	6.2	16.6	5.5	2.3	5.8	4.9	18.5	22.2
Adj. EBITDA	0.1	11.5	2.6	4.8	4.4	7.5	19.3	5.5	2.3	5.8	4.9	18.5	22.2
D&A	-1.0	-5.0	-2.3	-2.8	-2.5	-2.2	-9.8	-2.3	-2.3	-2.3	-2.2	-9.1	-9.0
Adj. EBIT	-1.0	7.5	0.8	2.8	2.6	5.8	12.0	3.2	0.0	3.5	2.7	9.4	13.2
EBIT	-1.0	4.8	-0.6	3.0	0.4	4.0	6.8	3.2	0.0	3.5	2.7	9.4	13.2
<i>Sales growth %</i>	<i>22.6 %</i>	<i>154.0 %</i>					<i>62 %</i>	<i>1 %</i>	<i>-8 %</i>	<i>10 %</i>	<i>7 %</i>	<i>3 %</i>	<i>4 %</i>
<i>Smart Industry</i>							<i>32 %</i>	<i>-26 %</i>	<i>-19 %</i>	<i>13 %</i>	<i>7 %</i>	<i>-7 %</i>	<i>3 %</i>
<i>Power</i>							<i>160 %</i>	<i>32 %</i>	<i>2 %</i>	<i>13 %</i>	<i>12 %</i>	<i>14 %</i>	<i>8 %</i>
<i>Connectivity</i>							<i>94 %</i>	<i>10 %</i>	<i>-5 %</i>	<i>7 %</i>	<i>5 %</i>	<i>4 %</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>16 %</i>	<i>1 %</i>	<i>8 %</i>	<i>5 %</i>	<i>7 %</i>	<i>5 %</i>
EBITDA margin %	0.1 %	6.6 %	3.2 %	9.4 %	4.9 %	9.5 %	6.9 %	10.2 %	4.0 %	9.0 %	7.0 %	7.5 %	8.7 %
Adj. EBITDA margin %	0.1 %	7.8 %	4.8 %	7.8 %	7.5 %	11.4 %	8.1 %	10.2 %	4.0 %	9.0 %	7.0 %	7.5 %	8.7 %
Adj. EBIT margin %	-1.7 %	5.1 %	1.5 %	4.5 %	4.5 %	8.8 %	5.0 %	6.0 %	0.0 %	5.4 %	3.9 %	3.8 %	5.2 %
EBIT margin %	-1.7 %	3.2 %	-1.2 %	4.9 %	0.6 %	6.1 %	2.9 %	6.0 %	0.0 %	5.4 %	3.9 %	3.8 %	5.2 %

ENERSENSE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		22	23	24	22	23	24	22	23	24
Bravida Holding	1894	10.3x	9.7x	9.3x	13.3x	12.4x	11.8x	16.5x	15.4x	14.6x
Bilfinger	1582	4.7x	4.3x	4.4x	7.8x	6.8x	6.9x	17.0x	14.2x	13.7x
Caverion	649	5.5x	4.9x	4.6x	10.6x	8.7x	7.8x	12.5x	9.9x	8.7x
Eltel	170	5.6x	5.2x	4.8x	14.9x	11.9x	10.2x	15.3x	11.3x	9.2x
Transtema Group	146	5.6x	5.3x	5.1x	10.2x	9.2x	8.8x	14.0x	12.6x	
VINCI	52203	8.1x	7.4x	7.0x	12.5x	11.1x	10.3x	13.9x	12.3x	11.4x
SPIE	3832	7.7x	7.3x	6.8x	11.1x	10.3x	10.0x	13.3x	12.2x	11.6x
Viafin Service	47	6.0x	5.7x	5.6x	7.3x	6.9x	6.7x	15.6x	14.4x	14.0x
Veolia Environnement	18658	5.2x	4.8x	4.3x	10.9x	9.6x	8.8x	17.2x	13.9x	11.6x
Lassila & Tikanoja	393	5.8x	5.4x	5.2x	13.5x	11.5x	11.1x	13.0x	11.0x	10.4x
Peer Group Average	7958	6.4x	6.0x	5.7x	11.2x	9.8x	9.2x	14.8x	12.7x	11.7x
Peer Group Median	1116	5.7x	5.3x	5.2x	11.0x	10.0x	9.4x	14.7x	12.4x	11.6x
Enersense (Evli est.)	120	6.0x	4.4x	3.8x	11.9x	7.5x	5.9x	19.7x	10.8x	10.9x
<i>Enersense prem./disc. to peer median</i>		<i>6 %</i>	<i>-17 %</i>	<i>-26 %</i>	<i>8 %</i>	<i>-25 %</i>	<i>-37 %</i>	<i>34 %</i>	<i>-13 %</i>	<i>-6 %</i>

ENERSENSE PEER GROUP	Sales 21	Sales gr.			EBITDA-%			Div. yield		
		22	23	24	22	23	24	22	23	24
Bravida Holding	2074	11.4%	4.0%	3.6%	8.3 %	8.5 %	8.6 %	3.3 %	3.5 %	3.8 %
Bilfinger	3737	8.6%	4.5%	-1.8%	6.3 %	6.6 %	6.5 %	2.8 %	3.3 %	2.6 %
Caverion	2140	4.8%	4.1%	3.9%	6.6 %	7.0 %	7.3 %	4.2 %	5.1 %	5.8 %
Eltel	813	0.7%	0.8%	1.0%	6.5 %	7.0 %	7.5 %	3.0 %	4.5 %	5.4 %
Transtema Group	160	31.8%	3.0%	3.0%	12.3 %	12.7 %	12.8 %			
VINCI	49396	15.9%	3.9%	3.0%	16.4 %	17.2 %	17.6 %	3.9 %	4.4 %	4.9 %
SPIE	6971	11.0%	4.4%	3.5%	8.5 %	8.6 %	8.9 %	3.1 %	3.5 %	3.7 %
Viafin Service	61	6.3%	4.4%	3.0%	8.3 %	8.4 %	8.4 %	3.3 %	3.7 %	4.1 %
Veolia Environnement	28508	34.0%	4.3%	3.6%	15.7 %	16.2 %	17.3 %	4.1 %	5.1 %	6.0 %
Lassila & Tikanoja	813	4.1%	1.9%	3.7%	11.4 %	12.0 %	12.0 %	4.7 %	5.1 %	4.9 %
Peer Group Average	9467	12.9%	3.5%	2.6%	10.0 %	10.4 %	10.7 %	3.6 %	4.3 %	4.6 %
Peer Group Median	2107	9.8%	4.0%	3.2%	8.4 %	8.6 %	8.8 %	3.3 %	4.4 %	4.9 %
Enersense (Evli est.)	239	2.7%	4.1%	3.0%	7.5 %	8.7 %	8.4 %	2.0 %	2.8 %	2.7 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	7.50 PV of Free Cash Flow	101 Long-term growth, %	1.5 Risk-free interest rate, %
DCF share value	12.19 PV of Horizon value	98 WACC, %	9.1 Market risk premium, %
Share price potential, %	62.6 Unconsolidated equity	-1 Spread, %	0.5 Debt risk premium, %
Maximum value	13.1 Marketable securities	29 Minimum WACC, %	8.6 Equity beta coefficient
Minimum value	11.4 Debt - dividend	-27 Maximum WACC, %	9.6 Target debt ratio, %
Horizon value, %	49.2 Value of stock	200 Nr of shares, Mn	16.0 Effective tax rate, %

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	239	246	256	263	271	278	284	289	294	298	302	307
<i>Sales growth, %</i>	<i>62.2</i>	<i>2.7</i>	<i>4.1</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	9	13	14	14	14	14	14	15	15	15	15
<i>Operating income margin, %</i>	<i>2.9</i>	<i>3.8</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	9	9	8	7	7	7	8	8	8	8	8
EBITDA	17	19	22	22	21	21	22	22	22	23	23	
- Paid taxes	1	-2	-2	-3	-3	-3	-3	-3	-3	-3	-3	-3
- Change in NWC	-10	1	2	1	1	1	1	1	1	1	1	1
<i>NWC / Sales, %</i>	<i>-8.9</i>	<i>-9.1</i>	<i>-9.4</i>	<i>-9.6</i>	<i>-9.8</i>	<i>-9.9</i>	<i>-10.0</i>	<i>-10.1</i>	<i>-10.2</i>	<i>-10.3</i>	<i>-10.4</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>3.7</i>	<i>2.3</i>	<i>0.9</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	13	8	22	16	16	16	16	17	17	17	228
= Discounted FCFF		12	7	18	11	11	10	9	9	8	7	98
= DFCF min WACC		12	7	18	11	11	10	9	9	8	8	110
= DFCF max WACC		12	7	17	11	10	10	9	8	8	7	88

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	53.3	61.6	58.3	65.9	239.1	53.8	56.9	64.3	70.6	245.6	255.6	263.3
EBITDA	1.7	5.8	2.9	6.5	16.8	5.4	2.3	5.8	5.0	18.5	22.4	22.0
<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>10.1</i>	<i>4.0</i>	<i>9.0</i>	<i>7.1</i>	<i>7.5</i>	<i>8.8</i>	<i>8.4</i>
EBIT	-0.6	3.0	0.4	4.0	6.8	3.2	0.0	3.5	2.7	9.4	13.2	14.2
<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>6.0</i>	<i>0.0</i>	<i>5.4</i>	<i>3.9</i>	<i>3.8</i>	<i>5.2</i>	<i>5.4</i>
Net financial items	-0.7	-1.1	-0.4	-1.1	-3.3	-1.2	-0.5	-0.2	-0.2	-2.1	-0.5	-0.5
Pre-tax profit	-1.3	1.9	-0.1	3.0	3.5	2.0	-0.5	3.3	2.5	7.3	12.7	13.7
Tax	0.0	0.0	0.0	0.5	0.4	-0.8	0.0	-0.3	-0.2	-1.2	-1.7	-2.7
<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>40.4</i>	<i>8.0</i>	<i>8.0</i>	<i>8.0</i>	<i>16.9</i>	<i>13.0</i>	<i>20.0</i>
Net profit	-1.3	1.9	-0.1	3.4	4.0	1.2	-0.5	3.0	2.3	6.1	11.1	11.0
EPS	-0.10	0.14	0.00	0.26	0.30	0.08	-0.03	0.19	0.15	0.38	0.69	0.69
EPS adjusted (diluted no. of shares)	-0.10	0.14	0.00	0.26	0.30	0.08	-0.03	0.19	0.15	0.38	0.69	0.69
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	16.6	19.0	21.2	22.4	79.2	81.2	83.7
Power	10.8	12.0	12.5	13.8	49.1	14.3	12.2	14.2	15.5	56.2	60.4	62.2
Connectivity	8.5	11.4	12.3	13.2	45.3	9.3	10.8	13.1	13.8	47.2	48.1	49.5
International Operations	11.6	14.8	14.6	18.0	59.0	13.5	14.9	15.8	18.9	63.1	65.9	67.9
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	53.8	56.9	64.3	70.6	245.6	255.6	263.3
SALES GROWTH, Y/Y %												
Smart Industry	0.0	0.0	0.0	-67.5	32.4	-25.6	-19.0	13.0	7.0	-7.3	2.5	3.0
Power	0.0	0.0	0.0	-27.1	159.8	32.4	2.0	13.0	12.0	14.3	7.5	3.0
Connectivity	0.0	0.0	0.0	-43.7	93.5	10.5	-5.0	7.0	5.0	4.1	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	16.0	1.0	8.0	5.0	6.9	4.5	3.0
Group	0.0	0.0	0.0	0.0	0.0	-102.8	-99.7	-99.9	-100.2	-101.3	0.0	0.0
Total	0.0	0.0	0.0	-55.3	62.2	0.9	-7.6	10.3	7.2	2.7	4.1	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	4.5
Power	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.4
Connectivity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.7
International Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.7
Group	-0.6	3.0	0.4	4.0	6.8	3.2	0.0	3.5	2.7	9.4	13.2	0.0
Total	-0.6	3.0	0.4	4.0	6.8	3.2	0.0	3.5	2.7	9.4	13.2	14.2
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		-22,007.6					0.0
Total	-1.2	4.9	0.7	6.1	2.9	6.0	0.0	5.4	3.9	3.8	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	245.6	255.6	263.3
<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>2.7</i>	<i>4.1</i>	<i>3.0</i>
EBITDA	1.9	-1.3	0.1	9.8	16.8	18.5	22.4	22.0
<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>7.5</i>	<i>8.8</i>	<i>8.4</i>
Depreciation	-0.2	-0.4	-1.0	-5.0	-10.0	-9.1	-9.2	-7.8
EBITA	1.7	-1.6	-1.0	4.8	6.8	9.4	13.2	14.2
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	9.4	13.2	14.2
<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>3.8</i>	<i>5.2</i>	<i>5.4</i>
Reported EBIT	1.7	-1.7	-1.0	4.8	6.8	9.4	13.2	14.2
<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>3.8</i>	<i>5.2</i>	<i>5.4</i>
Net financials	-0.3	-1.0	-0.4	-1.9	-3.3	-2.1	-0.5	-0.5
Pre-tax profit	1.5	-2.7	-1.4	2.9	3.5	7.3	12.7	13.7
Taxes	-0.5	0.5	0.0	-0.5	0.4	-1.2	-1.7	-2.7
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	6.1	11.1	11.0
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	33	28
Goodwill	0	4	4	26	26	26	26	26
Right of use assets	0	0	2	9	22	22	9	9
Inventory	0	0	0	4	7	7	7	7
Receivables	11	10	13	34	38	39	39	40
Liquid funds	2	3	1	18	29	41	40	46
Total assets	15	19	23	116	147	159	156	158
Liabilities								
Shareholder's equity	3	9	7	16	48	53	61	69
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	22	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	68	70	73
Other interest-free debt	0	0	0	1	3	3	3	3
Total liabilities	15	19	23	116	147	159	156	158
CASH FLOW, EURm								
+ EBITDA	2	-1	0	10	17	19	22	22
- Net financial items	0	-1	0	-2	-3	-2	0	0
- Taxes	0	0	0	0	1	-1	-2	-3
- Increase in Net Working Capital	0	1	-1	-11	-10	1	2	1
+/- Other	0	0	-1	-1	0	0	0	0
= Cash flow from operations	2	-1	-2	-4	4	16	22	20
- Capex	-1	-3	0	-10	-19	-9	-6	-2
- 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	7	16	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	6	-15	-8
Change in cash	0	1	-1	16	11	12	-1	6

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	19	9	79	92	120	120	120
Net debt (excl. convertibles)	0	5	9	-3	-9	-23	-37
Enterprise value	19	13	97	90	112	98	84
Sales	47	58	147	239	246	256	263
EBITDA	-1	0	10	17	19	22	22
EBIT	-2	-1	5	7	9	13	14
Pre-tax	-3	-1	3	4	7	13	14
Earnings	-2	-1	2	4	6	11	11
Equity book value (excl. minorities)	9	7	16	48	53	61	69
Valuation multiples							
EV/sales	0.4	0.2	0.7	0.4	0.5	0.4	0.3
EV/EBITDA	-14.8	179.9	9.9	5.3	6.0	4.4	3.8
EV/EBITA	-11.6	-13.9	20.4	13.1	11.9	7.5	5.9
EV/EBIT	-11.1	-13.9	20.4	13.1	11.9	7.5	5.9
EV/OCF	-21.6	-6.3	-22.8	23.2	6.9	4.5	4.2
EV/FCFF	-6.0	-5.7	8.1	8.6	8.6	12.5	3.8
P/FCFE	-3.1	-3.1	-5.1	-7.1	16.6	7.5	6.9
P/E	-10.0	-6.8	32.6	23.1	19.7	10.8	10.9
P/B	2.1	1.3	5.0	1.9	2.3	2.0	1.7
Target EV/EBITDA	0.0	0.0	0.0	0.0	6.5	4.8	4.2
Target EV/EBIT	0.0	0.0	0.0	0.0	12.8	8.1	6.5
Target EV/FCF	0.0	0.0	0.0	0.0	16.7	6.7	5.3
Target P/B	0.0	0.0	0.0	0.0	2.4	2.1	1.9
Target P/E	0.0	0.0	0.0	0.0	21.0	11.6	11.7
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	0.38	0.69	0.69
Operating cash flow per share	-0.14	-0.36	-0.45	0.29	1.01	1.36	1.25
Free cash flow per share	-1.06	-0.50	-1.63	-0.96	0.45	1.00	1.09
Book value per share	1.52	1.24	1.66	3.58	3.29	3.83	4.31
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	39.4	30.0	30.0
Dividend yield, %	0.0	0.0	0.0	1.5	2.0	2.8	2.7
FCF yield, %	-32.7	-32.1	-19.7	-14.0	6.0	13.3	14.6
Efficiency measures							
ROE	-32.7	-16.5	20.9	12.4	12.1	19.4	16.8
ROCE	-18.5	-8.1	16.6	11.4	11.6	15.9	17.8
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	15.7	15.4	15.3
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	-9.1	-9.4	-9.6
Operative CAPEX/sales, %	5.6	0.7	7.1	7.8	3.7	2.3	0.9
CAPEX/sales (incl. acquisitions), %	-0.4	-0.1	6.3	7.8	3.7	2.3	0.9
FCFF/EBITDA	2.5	-31.6	1.2	0.6	0.7	0.4	1.0
Net debt/EBITDA, book-weighted	0.3	61.4	0.9	-0.2	-0.5	-1.0	-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	35.0	41.5	46.0
Gearing, %	-4.4	64.8	52.3	-6.4	-16.6	-35.8	-51.9

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	20.062	16.7%
MBÅ Invest Oy	2,253,072	16.898	14.1%
Joensuun Kauppa Ja Kone Oy	1,382,449	10.368	8.6%
Verman Group Oy	1,343,461	10.076	8.4%
Taloustieto Incrementum Ky	737,005	5.528	4.6%
Ilmarinen Mutual Pension Insurance Company	569,053	4.268	3.6%
Veritas Pension Insurance Company Ltd.	345,292	2.590	2.2%
Corporatum Oy	295,244	2.214	1.8%
Siementila Suokas Oy	240,860	1.806	1.5%
Holopainen Jussi	164,500	1.234	1.0%
Ten largest	10,005,936	75.045	63%
Residual	5,990,064	44.925	37%
Total	15,996,000	119.970	100%

EARNINGS CALENDAR

August 04, 2022

Q2 report

October 28, 2022

Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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

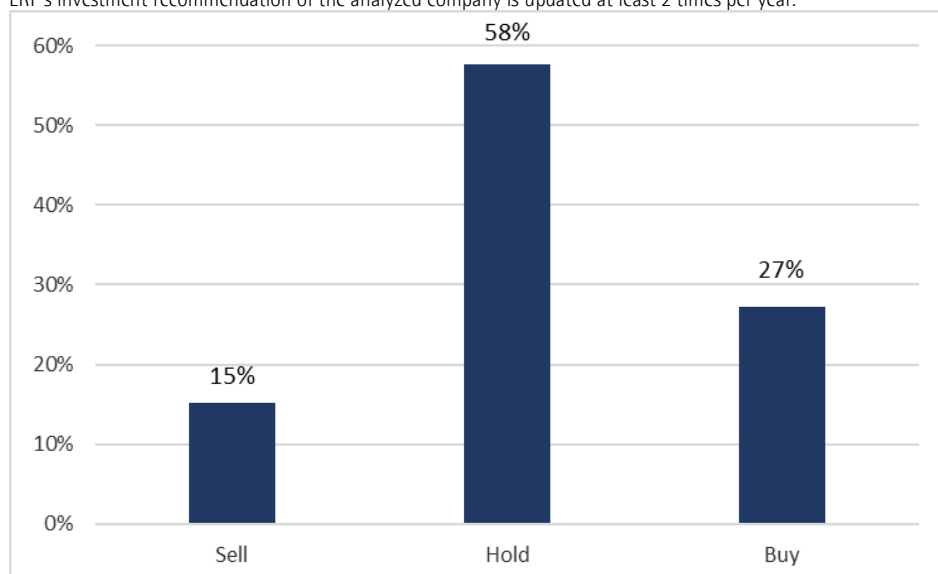
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Investment recommendations are defined as follows:

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

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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

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