

Investments to continue

Enersense's Q4 figures didn't contain big news after the guidance revision, but FY '23 results may remain muted.

Q4 close to estimates, FY '23 profitability guidance soft

Enersense top line grew 37% y/y to EUR 90m vs our EUR 87m estimate. All four segments grew, especially Power and International Operations (high-voltage projects in the Baltics drove revenue). Power's EUR 8.7m y/y EBITDA gain included EUR 7.5m in wind power gains as the projects progressed faster than expected. Other segments' profitability levels didn't fare that well compared to Q4'21 as inflation hadn't yet surged then. Investments in the ERP system and offshore wind power subtracted EUR 2.7m. Voimatel deal costs also weighed Q4; we hadn't included the deal in our estimates but note it would've been a positive driver should it have gone through. The EUR 4.3m adj. EBITDA topped our estimate by EUR 0.4m while the EUR 1.1m EBIT missed our estimate by EUR 0.6m. Guidance didn't surprise in terms of revenue, however the expectation for adj. EBITDA was soft (EUR 15m midpoint vs our EUR 20m estimate).

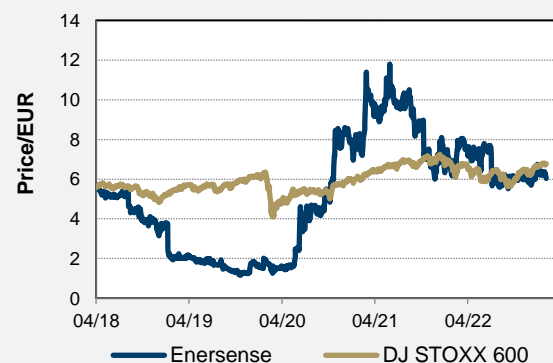
We make downward revisions to our profitability estimates

We cut our profitability estimates for FY '23 by EUR 5.5m while we make minor upward revisions to our top line estimates. Last year's Q2 was exceptionally soft due to project delays and a Finnish ICT strike. FY '23 should see more regular project patterns, in addition to which inflation is moderating and at least is no more any surprise. The ERP system costs will increase this year, in addition to which wind power developments, both onshore and offshore, will create additional costs.

Longer term upside potential, lacks short-term drivers

Enersense is valued almost 20x EV/EBIT on our FY '23 estimates, which in our view reflects the fact that profitability will remain below potential this year due to investments in the ERP system and wind power. Last year's results were plagued by inflation, and even though the situation is easing we believe some cost headwinds will remain this year. Double-digit growth is likely to continue, and we estimate decent single-digit growth for FY '24. Earnings growth potential is thus strong from a medium-term perspective, but margins may stay somewhat muted in the short-term. The valuation equals 8x EV/EBIT on our FY '24 estimates. Our new TP is EUR 6.5 (7.0); we retain our HOLD rating.

Rating 🟡 HOLD



Share price, EUR (Last trading day's closing price) 6.04

Target price, EUR 6.5

Latest change in recommendation 02-May-22

Latest report on company 24-Jan-23

Research paid by issuer: YES

No. of shares outstanding, '000's 16,493

No. of shares fully diluted, '000's 16,493

Market cap, EURm 100

Free float, % 78.2

Exchange rate -

Reuters code ESENSE.HE

Bloomberg code ESENSE FH

Average daily volume, EURm 0.1

Next interim report 28-Apr-23

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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
2021	239.1	6.8	2.9%	-12.9	0.30	23.1	0.4	13.1	-14.0	0.10
2022	268.0	3.5	1.3%	24.8	-0.15	-38.7	0.4	29.0	26.4	0.10
2023E	305.1	5.9	1.9%	-6.5	0.10	60.0	0.4	19.4	-6.5	0.10
2024E	319.4	13.1	4.1%	12.2	0.48	12.6	0.3	8.0	12.2	0.12
2025E	329.7	15.7	4.8%	0.5	0.63	9.6	0.3	6.7	0.5	0.13
Market cap, EURm	100			Gearing 2023E, %	22.3			CAGR EPS 2022-25, %	0.0	
Net debt 2023E, EURm	14			Price/book 2023E	1.6			CAGR sales 2022-25, %	7.1	
Enterprise value, EURm	115			Dividend yield 2023E, %	1.7			ROE 2023E, %	2.7	
Total assets 2023E, EURm	260			Tax rate 2023E, %	13.0			ROCE 2023E, %	5.2	
Goodwill 2023E, EURm	28			Equity ratio 2023E, %	24.5			PEG, P/E 23/CAGR	0.7	

Estimates and peer group valuations

Enersense	2019	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23E	Q2'23E	Q3'23E	Q4'23E	2023E
Net sales	58.1	147.5	239.0	53.9	59.8	64.4	90.0	268.0	62.7	72.5	77.1	92.8	305.0
Smart Industry		78.4	85.5	16.6	18.7	15.3	22.1	72.7	17.8	21.1	18.5	24.8	82.2
Power		18.9	49.1	14.3	14.0	14.6	18.1	61.0	14.8	15.4	16.7	19.0	65.9
Connectivity		23.4	45.3	9.3	10.2	13.7	14.0	47.2	10.3	11.5	16.8	15.8	54.4
Staff leasing													
International Operations		26.8	59.0	13.5	16.8	20.8	35.8	87.0	19.8	24.4	25.0	33.3	102.6
EBITDA	0.1	9.8	16.6	5.5	-0.6	4.0	3.3	12.2	3.1	3.6	4.2	3.7	14.7
Adj. EBITDA	0.1	11.5	19.3	5.5	-0.4	4.3	4.3	13.7	3.1	3.6	4.2	3.7	14.7
D&A	-1.0	-5.0	-9.8	-2.3	-2.2	-2.1	-2.2	-8.8	-2.2	-2.2	-2.2	-2.2	-8.8
EBIT	-1.0	4.8	6.8	3.2	-2.8	1.9	1.1	3.5	0.9	1.4	2.0	1.5	5.9
<i>Sales growth %</i>	<i>22.6 %</i>	<i>154.0 %</i>	<i>62 %</i>	<i>1 %</i>	<i>-3 %</i>	<i>11 %</i>	<i>36 %</i>	<i>12 %</i>	<i>16 %</i>	<i>21 %</i>	<i>20 %</i>	<i>3 %</i>	<i>14 %</i>
<i>Smart Industry</i>			<i>32 %</i>	<i>-26 %</i>	<i>-20 %</i>	<i>-18 %</i>	<i>5 %</i>	<i>-15 %</i>	<i>7 %</i>	<i>13 %</i>	<i>21 %</i>	<i>12 %</i>	<i>13 %</i>
<i>Power</i>			<i>160 %</i>	<i>32 %</i>	<i>17 %</i>	<i>16 %</i>	<i>31 %</i>	<i>24 %</i>	<i>3 %</i>	<i>10 %</i>	<i>15 %</i>	<i>5 %</i>	<i>8 %</i>
<i>Connectivity</i>			<i>94 %</i>	<i>10 %</i>	<i>-10 %</i>	<i>11 %</i>	<i>6 %</i>	<i>4 %</i>	<i>10 %</i>	<i>12 %</i>	<i>23 %</i>	<i>13 %</i>	<i>15 %</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>14 %</i>	<i>43 %</i>	<i>99 %</i>	<i>47 %</i>	<i>47 %</i>	<i>45 %</i>	<i>20 %</i>	<i>-7 %</i>	<i>18 %</i>
<i>EBITDA margin %</i>	<i>0.1 %</i>	<i>6.6 %</i>	<i>6.9 %</i>	<i>10.2 %</i>	<i>-1.0 %</i>	<i>6.3 %</i>	<i>3.7 %</i>	<i>4.6 %</i>	<i>5.0 %</i>	<i>5.0 %</i>	<i>5.5 %</i>	<i>4.0 %</i>	<i>4.8 %</i>
<i>Adj. EBITDA margin %</i>	<i>0.1 %</i>	<i>7.8 %</i>	<i>8.1 %</i>	<i>10.2 %</i>	<i>-0.7 %</i>	<i>6.7 %</i>	<i>4.8 %</i>	<i>5.1 %</i>	<i>5.0 %</i>	<i>5.0 %</i>	<i>5.5 %</i>	<i>4.0 %</i>	<i>4.8 %</i>
<i>EBIT margin %</i>	<i>-1.7 %</i>	<i>3.2 %</i>	<i>2.9 %</i>	<i>6.0 %</i>	<i>-4.7 %</i>	<i>3.0 %</i>	<i>1.2 %</i>	<i>1.3 %</i>	<i>1.5 %</i>	<i>2.0 %</i>	<i>2.6 %</i>	<i>1.6 %</i>	<i>1.9 %</i>

ENERSENSE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		22	23	24	22	23	24	22	23	24
Bravida Holding	2176	12.0x	12.1x	11.9x	15.3x	15.5x	15.3x	18.9x	18.1x	17.7x
Bilfinger	1560							25.5x	14.8x	11.9x
Caverion	1231	8.3x	9.0x	8.4x	17.9x	16.4x	13.9x	28.2x	19.8x	16.4x
Eitel	166	8.9x	7.3x	6.4x		66.4x	19.3x			105.8x
Transtema Group	124	5.3x	4.8x	4.6x	8.7x	8.3x	7.8x	10.3x	10.1x	8.3x
VINCI	60632	7.4x	7.6x	7.2x	11.1x	11.2x	10.4x	14.4x	13.7x	12.7x
SPIE	4314	8.4x	8.4x	8.0x	12.5x	12.3x	11.5x	15.0x	13.3x	12.5x
Viafin Service	47							14.0x	13.9x	12.1x
Veolia Environnement	20226	7.6x	7.8x	7.3x	16.2x	16.2x	14.7x	18.3x	15.7x	13.1x
Lassila & Tikanoja	417	5.9x	6.0x	5.7x	14.0x	13.7x	12.4x	14.2x	14.5x	12.5x
Peer Group Average	9089	8.0x	7.9x	7.4x	13.7x	20.0x	13.2x	17.6x	14.9x	22.3x
Peer Group Median	1396	8.0x	7.7x	7.3x	14.0x	14.6x	13.1x	15.0x	14.5x	12.6x
Enersense (Evli est.)	100	8.3x	7.8x	4.7x	29.0x	19.5x	8.0x	-38.7x	60.4x	12.7x
<i>Enersense prem./disc. to peer median</i>		<i>4 %</i>	<i>2 %</i>	<i>-35 %</i>	<i>107 %</i>	<i>34 %</i>	<i>-39 %</i>	<i>-358 %</i>	<i>316 %</i>	<i>0 %</i>

ENERSENSE PEER GROUP	Sales 21	Sales gr.			EBITDA-%			Div. yield		
		22	23	24	22	23	24	22	23	24
Bravida Holding	2074	14.1%	5.2%	0.4%	8.2 %	8.2 %	8.3 %	2.8 %	2.9 %	3.1 %
Bilfinger	3737	15.4%	0.7%	3.3%	4.0 %	6.0 %	6.5 %	3.4 %	3.5 %	4.1 %
Caverion	2140	9.9%	3.9%	3.4%	6.4 %	7.0 %	7.3 %	2.2 %	2.7 %	3.0 %
Eitel	813	1.4%	-1.5%	0.8%	3.4 %	5.0 %	5.7 %	0.0 %	0.0 %	0.5 %
Transtema Group	160	38.7%	27.2%	3.6%	10.8 %	10.7 %	10.7 %	0.0 %	0.0 %	0.0 %
VINCI	49396	24.9%	3.6%	2.9%	16.5 %	17.1 %	17.6 %	3.7 %	3.9 %	4.3 %
SPIE	6971	14.6%	2.6%	3.7%	8.7 %	9.0 %	9.1 %	3.0 %	3.2 %	3.4 %
Viafin Service	61	42.6%	-12.8%	6.2%	6.5 %	7.5 %	7.9 %	3.4 %	3.6 %	3.8 %
Veolia Environnement	28508	43.3%	2.9%	3.3%	15.0 %	15.4 %	15.9 %	3.9 %	4.4 %	5.2 %
Lassila & Tikanoja	813	3.8%	-1.2%	2.2%	11.5 %	11.7 %	12.1 %	4.3 %	4.4 %	4.6 %
Peer Group Average	9467	20.9%	3.1%	3.0%	9.1 %	9.8 %	10.1 %	2.7 %	2.9 %	3.2 %
Peer Group Median	2107	15.0%	2.8%	3.3%	8.5 %	8.6 %	8.7 %	3.2 %	3.4 %	3.6 %
Enersense (Evli est.)	239	13.8%	4.7%	3.2%	4.5 %	4.8 %	6.9 %	1.8 %	1.6 %	2.0 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	6.04 PV of Free Cash Flow	142 Long-term growth, %	1.5 Risk-free interest rate, %	2.25
DCF share value	11.32 PV of Horizon value	52 WACC, %	9.1 Market risk premium, %	5.8
Share price potential, %	87.4 Unconsolidated equity	-1 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	11.9 Marketable securities	39 Minimum WACC, %	8.6 Equity beta coefficient	1.20
Minimum value	10.8 Debt - dividend	-45 Maximum WACC, %	9.6 Target debt ratio, %	20
Horizon value, %	26.9 Value of stock	187 Nr of shares, Mn	16.5 Effective tax rate, %	20

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	268	305	319	330	338	345	352	357	363	368	374	379
<i>Sales growth, %</i>	<i>12.1</i>	<i>13.8</i>	<i>4.7</i>	<i>3.2</i>	<i>2.6</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>	<i>1.5</i>
Operating income (EBIT)	3	6	13	16	17	18	18	18	18	18	19	19
<i>Operating income margin, %</i>	<i>1.3</i>	<i>1.9</i>	<i>4.1</i>	<i>4.8</i>	<i>5.1</i>	<i>5.1</i>	<i>5.1</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>
+ Depreciation+amort.	9	9	9	9	10	6	6	6	6	6	6	5
EBITDA	12	15	22	25	28	23	24	24	24	25	24	
- Paid taxes	1	-1	-3	-3	-3	-4	-4	-4	-4	-4	-4	
- Change in NWC	12	9	4	3	2	2	2	1	1	1	1	
<i>NWC / Sales, %</i>	<i>-12.3</i>	<i>-13.9</i>	<i>-14.4</i>	<i>-14.8</i>	<i>-15.1</i>	<i>-15.3</i>	<i>-15.5</i>	<i>-15.6</i>	<i>-15.7</i>	<i>-15.9</i>	<i>-16.0</i>	
+ Change in other liabs	-2	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	6	-23	-3	-17	46	-2	-2	-1	-2	10	-12	
<i>opCAPEX / Sales, %</i>	<i>-0.7</i>	<i>8.6</i>	<i>2.7</i>	<i>6.6</i>	<i>-12.1</i>	<i>1.9</i>	<i>1.9</i>	<i>1.9</i>	<i>1.9</i>	<i>-1.4</i>	<i>4.8</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	29	0	20	8	73	20	21	20	21	33	9	123
= Discounted FCFF		0	17	6	52	13	12	11	10	15	4	52
= DFCF min WACC		0	17	6	53	14	13	12	11	16	4	58
= DFCF max WACC		0	17	6	51	13	12	11	10	15	4	47

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1E	2023Q2E	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	53.8	59.8	64.4	90.0	268.0	62.7	72.5	77.1	92.8	305.1	319.4	329.7
EBITDA	5.4	-0.7	4.1	3.3	12.2	3.1	3.6	4.3	3.8	14.7	22.2	25.0
<i>EBITDA margin (%)</i>	<i>10.1</i>	<i>-1.1</i>	<i>6.3</i>	<i>3.7</i>	<i>4.5</i>	<i>4.9</i>	<i>4.9</i>	<i>5.6</i>	<i>4.1</i>	<i>4.8</i>	<i>6.9</i>	<i>7.6</i>
EBIT	3.2	-2.8	1.9	1.1	3.5	0.9	1.4	2.0	1.5	5.9	13.1	15.7
<i>EBIT margin (%)</i>	<i>6.0</i>	<i>-4.6</i>	<i>3.0</i>	<i>1.2</i>	<i>1.3</i>	<i>1.5</i>	<i>2.0</i>	<i>2.6</i>	<i>1.6</i>	<i>1.9</i>	<i>4.1</i>	<i>4.8</i>
Net financial items	-1.2	-0.7	-0.8	-0.4	-3.1	-1.0	-1.0	-1.0	-1.0	-4.0	-3.2	-2.7
Pre-tax profit	2.0	-3.4	1.1	0.7	0.4	-0.1	0.4	1.0	0.5	1.9	9.9	13.0
Tax	-0.8	-0.7	0.0	-1.3	-2.8	0.0	-0.1	-0.1	-0.1	-0.2	-2.0	-2.6
<i>Tax rate (%)</i>	<i>40.4</i>	<i>-19.8</i>	<i>-2.3</i>	<i>200.0</i>	<i>740.6</i>	<i>13.0</i>	<i>13.0</i>	<i>13.0</i>	<i>13.0</i>	<i>13.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	1.2	-4.1	1.2	-0.7	-2.4	-0.1	0.4	0.9	0.4	1.7	7.9	10.4
EPS	0.07	-0.25	0.07	-0.04	-0.15	0.00	0.02	0.05	0.03	0.10	0.48	0.63
EPS adjusted (diluted no. of shares)	0.07	-0.25	0.07	-0.04	-0.15	0.00	0.02	0.05	0.03	0.10	0.48	0.63
Dividend per share	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10	0.12	0.13
SALES, EURm												
Smart Industry	16.6	18.7	15.3	22.1	72.7	17.8	21.1	18.5	24.8	82.2	87.9	92.3
Power	14.3	14.0	14.6	18.1	61.0	14.8	15.4	16.7	19.0	65.9	69.2	71.3
Connectivity	9.3	10.2	13.7	14.0	47.2	10.3	11.5	16.8	15.8	54.4	56.5	57.7
International Operations	13.5	16.8	20.8	35.8	87.0	19.8	24.4	25.0	33.3	102.6	105.7	108.3
Group	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Total	53.8	59.8	64.4	90.0	268.0	62.7	72.5	77.1	92.8	305.1	319.4	329.7
SALES GROWTH, Y/Y %												
Smart Industry	-25.6	-20.3	-18.3	5.3	-14.9	7.0	13.0	21.0	12.0	13.0	7.0	5.0
Power	32.4	17.2	16.2	30.9	24.1	3.0	10.0	15.0	5.0	8.1	5.0	3.0
Connectivity	10.5	-10.0	11.3	5.9	4.2	10.0	12.0	23.0	13.0	15.1	4.0	2.0
International Operations	16.0	14.1	42.6	99.1	47.5	47.0	45.0	20.0	-7.0	17.9	3.0	2.5
Group	-102.8	-92.9	-99.9	-283.4	-46.7	-1,299.4	421.5	32,578.1	-84.1	0.0	0.0	3.0
Total	0.9	-2.9	10.5	36.6	12.1	16.5	21.1	19.8	3.1	13.8	4.7	3.2
EBIT, EURm												
Group	3.2	-2.8	1.9	1.1	3.5	0.9	1.4	2.0	1.5	5.9	13.1	15.7
Total	3.2	-2.8	1.9	1.1	3.5	0.9	1.4	2.0	1.5	5.9	13.1	15.7
EBIT margin, %												
Group				1,355.6	4,295.1	3,889.1	12,407.8	6,244.4	11,758.4	7,295.5	16,172.8	18,818.2
Total	6.0	-4.6	3.0	1.2	1.3	1.5	2.0	2.6	1.6	1.9	4.1	4.8

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	47.4	58.1	147.5	239.1	268.0	305.1	319.4	329.7
<i>Sales growth (%)</i>	<i>0.7</i>	<i>22.6</i>	<i>154.0</i>	<i>62.2</i>	<i>12.1</i>	<i>13.8</i>	<i>4.7</i>	<i>3.2</i>
EBITDA	-1.3	0.1	9.8	16.8	12.2	14.7	22.2	25.0
<i>EBITDA margin (%)</i>	<i>-2.6</i>	<i>0.1</i>	<i>6.6</i>	<i>7.0</i>	<i>4.5</i>	<i>4.8</i>	<i>6.9</i>	<i>7.6</i>
Depreciation	-0.4	-1.0	-5.0	-10.0	-8.7	-8.8	-9.1	-9.3
EBITA	-1.6	-1.0	4.8	6.8	3.5	5.9	13.1	15.7
Goodwill amortization / writedown	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-1.7	-1.0	4.8	6.8	3.5	5.9	13.1	15.7
<i>EBIT margin (%)</i>	<i>-3.5</i>	<i>-1.7</i>	<i>3.2</i>	<i>2.9</i>	<i>1.3</i>	<i>1.9</i>	<i>4.1</i>	<i>4.8</i>
Reported EBIT	-1.7	-1.0	4.8	6.8	3.5	5.9	13.1	15.7
<i>EBIT margin (reported) (%)</i>	<i>-3.5</i>	<i>-1.7</i>	<i>3.2</i>	<i>2.9</i>	<i>1.3</i>	<i>1.9</i>	<i>4.1</i>	<i>4.8</i>
Net financials	-1.0	-0.4	-1.9	-3.3	-3.1	-4.0	-3.2	-2.7
Pre-tax profit	-2.7	-1.4	2.9	3.5	0.4	1.9	9.9	13.0
Taxes	0.5	0.0	-0.5	0.4	-2.8	-0.2	-2.0	-2.6
Minority shares	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	-1.9	-1.4	2.4	4.0	-2.4	1.7	7.9	10.4
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	2	25	24	58	77	75	87
Goodwill	4	4	26	26	28	28	28	28
Right of use assets	0	2	9	22	22	21	22	23
Inventory	0	0	4	7	13	15	16	16
Receivables	10	13	34	38	69	73	75	76
Liquid funds	3	1	18	29	39	44	46	48
Total assets	19	23	116	147	230	260	263	279
Liabilities								
Shareholder's equity	9	7	16	48	61	61	67	75
Minority interest	0	0	2	2	2	2	2	2
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	2	9	13	11	21	22	23
Deferred taxes	0	0	0	1	7	7	7	7
Interest bearing debt	2	4	18	13	34	37	27	29
Non-interest bearing current liabilities	8	10	70	66	115	131	137	141
Other interest-free debt	0	0	1	3	1	1	1	1
Total liabilities	19	23	116	147	230	260	263	279
CASH FLOW, EURm								
+ EBITDA	-1	0	10	17	12	15	22	25
- Net financial items	-1	0	-2	-3	-3	-4	-3	-3
- Taxes	0	0	0	1	2	0	-2	-3
- Increase in Net Working Capital	1	-1	-11	-10	12	9	4	3
+/- Other	0	-1	-1	0	0	0	0	0
= Cash flow from operations	-1	-2	-4	4	23	20	21	22
- Capex	-3	0	-10	-19	2	-26	-8	-22
- Acquisitions	-3	0	-1	0	0	0	0	0
+ Divestments	0	0	0	2	0	0	0	0
= Free cash flow	-6	-3	-16	-13	25	-6	12	0
+/- New issues/buybacks	8	0	8	28	17	0	0	0
- Paid dividend	0	0	0	0	-1	-2	-2	-2
+/- Other	-1	2	24	-4	-30	13	-8	3
Change in cash	1	-1	16	11	10	5	2	1

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	9	79	92	94	100	100	100
Net debt (excl. convertibles)	5	9	-3	6	14	3	5
Enterprise value	13	97	90	101	115	104	106
Sales	58	147	239	268	305	319	330
EBITDA	0	10	17	12	15	22	25
EBIT	-1	5	7	3	6	13	16
Pre-tax	-1	3	4	0	2	10	13
Earnings	-1	2	4	-2	2	8	10
Equity book value (excl. minorities)	7	16	48	61	61	67	75
Valuation multiples							
EV/sales	0.2	0.7	0.4	0.4	0.4	0.3	0.3
EV/EBITDA	179.9	9.9	5.3	8.3	7.8	4.7	4.2
EV/EBITA	-13.9	20.4	13.1	29.0	19.4	8.0	6.7
EV/EBIT	-13.9	20.4	13.1	29.0	19.4	8.0	6.7
EV/OCF	-6.3	-22.8	23.2	4.4	5.8	5.0	4.7
EV/FCFF	-5.7	8.1	8.6	3.4	318.6	5.2	13.5
P/FCFE	-3.1	-5.1	-7.1	3.8	-15.4	8.2	207.0
P/E	-6.8	32.6	23.1	-38.7	60.0	12.6	9.6
P/B	1.3	5.0	1.9	1.5	1.6	1.5	1.3
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.4	5.1	4.6
Target EV/EBIT	0.0	0.0	0.0	0.0	20.8	8.6	7.3
Target EV/FCF	0.0	0.0	0.0	0.0	-19.0	9.3	236.9
Target P/B	0.0	0.0	0.0	0.0	1.8	1.6	1.4
Target P/E	0.0	0.0	0.0	0.0	64.5	13.5	10.3
Per share measures							
Number of shares	5,948	9,548	13,398	16,493	16,493	16,493	16,493
Number of shares (diluted)	5,948	9,548	13,398	16,493	16,493	16,493	16,493
EPS	-0.23	0.25	0.30	-0.15	0.10	0.48	0.63
Operating cash flow per share	-0.36	-0.45	0.29	1.39	1.21	1.25	1.35
Free cash flow per share	-0.50	-1.63	-0.96	1.50	-0.39	0.74	0.03
Book value per share	1.24	1.66	3.58	3.69	3.69	4.07	4.58
Dividend per share	0.00	0.00	0.10	0.10	0.10	0.12	0.13
Dividend payout ratio, %	0.0	0.0	33.8	-67.9	99.3	25.0	20.6
Dividend yield, %	0.0	0.0	1.5	1.7	1.7	2.0	2.2
FCF yield, %	-32.1	-19.7	-14.0	26.4	-6.5	12.2	0.5
Efficiency measures							
ROE	-16.5	20.9	12.4	-4.5	2.7	12.4	14.6
ROCE	-8.1	16.6	11.4	3.8	5.2	11.0	12.6
Financial ratios							
Inventories as % of sales	0.6	2.4	2.7	4.9	4.9	4.9	4.9
Receivables as % of sales	22.8	23.4	15.9	25.6	24.0	23.5	23.2
Non-interest bearing liabilities as % of sales	17.2	47.4	27.6	42.9	42.9	42.9	42.9
NWC/sales, %	6.2	-21.6	-8.9	-12.3	-13.9	-14.4	-14.8
Operative CAPEX/sales, %	0.7	7.1	7.8	-0.7	8.6	2.7	6.6
CAPEX/sales (incl. acquisitions), %	-0.1	6.3	7.8	-0.7	8.6	2.7	6.6
FCFF/EBITDA	-31.6	1.2	0.6	2.4	0.0	0.9	0.3
Net debt/EBITDA, book-weighted	61.4	0.9	-0.2	0.5	1.0	0.2	0.2
Debt/equity, market-weighted	0.4	0.2	0.1	0.4	0.4	0.3	0.3
Equity ratio, book-weighted	30.8	15.7	34.8	27.6	24.5	26.5	28.0
Gearing, %	64.8	52.3	-6.4	9.5	22.3	5.0	6.4

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	16.157	16.2%
MBÅ Invest Oy	2,253,072	13.609	13.7%
Joensuun Kauppa Ja Kone Oy	1,382,449	8.350	8.4%
Verman Group Oy	1,343,461	8.115	8.1%
Taloustieto Incrementum Ky	737,005	4.452	4.5%
Ilmarinen Mutual Pension Insurance Company	569,053	3.437	3.5%
Veritas Pension Insurance Company Ltd.	345,292	2.086	2.1%
Corporatum Oy	295,244	1.783	1.8%
Siementila Suokas Oy	240,860	1.455	1.5%
Holopainen Jussi	164,500	0.994	1.0%
Ten largest	10,005,936	60.436	61%
Residual	6,487,064	39.182	39%
Total	16,493,000	99.618	100%

EARNINGS CALENDAR

April 28, 2023	Q1 report
August 03, 2023	Q2 report
October 27, 2023	Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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

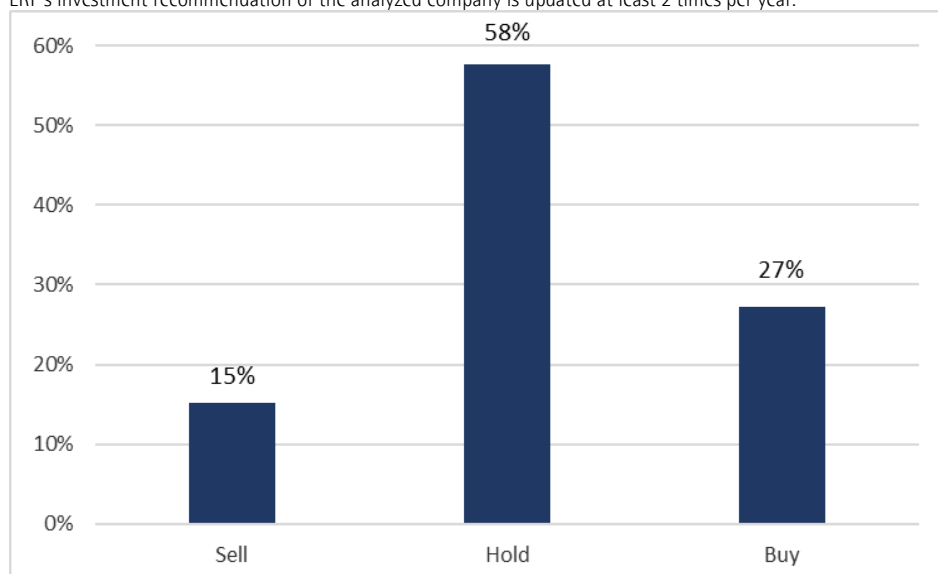
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Investment recommendations are defined as follows:

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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