

## High growth and improving earnings

Enersense's Q1 results showed extended high growth as well as stabilizing bottom line after last year's challenges. Growth has been set to continue over the course of next year while profitability has only begun to improve.

### Top line beat estimates, bottom line close to expectations

Enersense Q1 revenue grew 39% y/y to EUR 75m vs the EUR 63m/65m Evli/cons. estimates. Smart Industry (driven by the Helen agreement and scaling up of offshore wind) and International Operations (Baltic grids) drove growth. Connectivity also grew by 15%, and the combination of high demand and lesser cost pressure helped core operations' profitability to improve by some EUR 3m y/y. There were still EUR 2.3m in Q1 extraordinary costs related to the new ERP system and offshore scale-up; the projects, in addition to onshore wind, will still limit EBITDA in FY '23 but the burden should largely fade by next year.

### Growth to continue, profitability on track to improve more

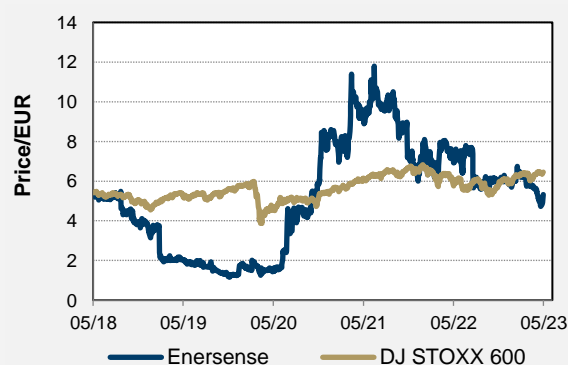
Q1 showed continued high demand and stabilizing bottom line performance after last year's challenges. We estimate 21% top line growth for this year and note Q3 & Q4 are set to be the strongest quarters. For FY '24 we estimate 7% growth, which is not a low rate in Enersense's industrial context but can still prove a conservative assumption; the Baltic backlog continued to grow despite high project revenue, in addition to which the offshore and EV charging businesses are set to add further growth next year. Profitability should improve more next year thanks not only to higher volumes across the board but the completion of the ERP project as well as the fact that the offshore business has rather high fixed costs to break even. We estimate adj. EBITDA to improve by some EUR 5m next year to EUR 22m.

### Estimate changes rather small, but outlook has solidified

Enersense's peer multiples have decreased quite a bit in the past few months while growth and earnings outlook has remained largely unchanged. Enersense's valuation is still not cheap on our FY '23 estimates, at 13x EV/EBIT, but on our FY '24 estimates the multiple is only about 7x whereas we estimate Enersense's EBITDA margin to remain some 250bps below that of a typical peer. We hence view current valuation rather conservative in the light of improving performance. We retain our EUR 6.5 TP; our new rating is BUY (HOLD).

Rating

BUY



Share price, EUR (Last trading day's closing price) 5.32

Target price, EUR 6.5

Latest change in recommendation 09-May-23

Latest report on company 28-Feb-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 88

Free float, % 78.2

Exchange rate -

Reuters code ESENSE.HE

Bloomberg code ESENSE FH

Average daily volume, EURm 0.1

Next interim report 03-Aug-23

Web site www.enersense.com

Analyst Joonas Ilvonen

E-mail joonas.ilvonen@evli.com

Telephone +358 44 430 9071

## 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	325.3	7.5	2.3%	-2.0	0.13	41.6	0.3	13.2	-2.3	0.10
2024E	347.7	12.5	3.6%	11.6	0.45	11.8	0.3	7.1	13.3	0.12
2025E	363.1	15.8	4.4%	1.2	0.64	8.4	0.2	5.6	1.4	0.13
Market cap, EURm	88		Gearing 2023E, %		15.1		CAGR EPS 2022-25, %		0.0	
Net debt 2023E, EURm	10		Price/book 2023E		1.4		CAGR sales 2022-25, %		10.6	
Enterprise value, EURm	98		Dividend yield 2023E, %		1.9		ROE 2023E, %		3.5	
Total assets 2023E, EURm	267		Tax rate 2023E, %		29.1		ROCE 2023E, %		6.6	
Goodwill 2023E, EURm	28		Equity ratio 2023E, %		23.9		PEG, P/E 23/CAGR		0.6	

**Estimates and peer group valuations**

Enersense	2019	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23E	Q3'23E	Q4'23E	2023E
Net sales	58.1	147.5	53.3	61.6	58.2	66.0	239.0	53.8	59.8	64.4	90.0	268.0	75.0	77.2	79.7	93.4	325.3
Smart Industry		78.4	22.3	23.5	18.7	21.0	85.5	16.6	18.7	15.3	22.1	72.7	26.2	26.0	21.0	25.0	98.1
Power		18.9	10.8	12.0	12.5	13.8	49.1	14.3	14.0	14.6	18.1	61.0	15.2	15.0	16.3	19.3	65.9
Connectivity		23.4	8.5	11.4	12.3	13.2	45.3	9.3	10.2	13.7	14.0	47.2	10.8	10.8	16.5	15.8	53.9
International Operations		26.8	11.6	14.8	14.6	18.0	59.0	13.5	16.8	20.8	35.8	87.0	22.9	25.4	25.8	33.3	107.5
EBITDA	0.1	9.8	1.7	5.8	2.9	6.2	16.6	5.4	-0.6	4.0	3.3	12.2	0.1	2.3	5.2	8.9	16.5
Smart Industry		6.2	1.5	5.1	2.2	6.6	15.4	-1.0	-0.1	2.2	-0.8	0.3	1.1	1.5	2.7	0.9	6.2
Power		1.0	0.5	0.9	1.1	0.0	2.4	8.8	0.6	1.1	8.7	19.2	0.1	0.5	1.5	7.5	9.6
Connectivity		1.5	-0.4	0.5	0.8	0.7	1.6	-0.7	-0.5	1.1	0.5	0.4	0.0	0.8	1.2	0.9	2.9
International Operations		1.7	0.3	0.7	0.3	0.3	1.7	-0.9	-0.1	0.2	-3.1	-3.9	0.1	0.4	0.7	0.5	1.7
Other		-0.6	-0.2	-1.5	-1.4	-1.4	-4.4	-0.8	-0.4	-0.6	-1.9	-3.7	-1.2	-0.9	-0.9	-0.9	-3.9
Adj. EBITDA	0.1	11.5	2.6	4.8	4.4	7.5	19.3	5.5	-0.4	4.3	4.3	13.6	0.4	2.3	5.2	8.9	16.8
D&A	-1.0	-5.0	-2.3	-2.8	-2.5	-2.2	-9.8	-2.3	-2.2	-2.1	-2.2	-8.8	-2.4	-2.2	-2.2	-2.2	-9.0
EBIT	-1.0	4.8	-0.6	3.0	0.4	4.0	6.8	3.2	-2.8	1.9	1.1	3.4	-2.3	0.1	3.0	6.7	7.5
Sales growth %	22.6 %	154.0 %					62 %	1 %	-3 %	11 %	36 %	12 %	39 %	29 %	24 %	4 %	21 %
Smart Industry							32 %	-26 %	-20 %	-18 %	5 %	-15 %	58 %	39 %	37 %	13 %	35 %
Power							160 %	32 %	17 %	16 %	31 %	24 %	6 %	7 %	12 %	7 %	8 %
Connectivity							94 %	10 %	-10 %	11 %	6 %	4 %	15 %	5 %	21 %	13 %	14 %
International Operations							121 %	16 %	14 %	43 %	99 %	47 %	70 %	51 %	24 %	-7 %	24 %
EBITDA margin %	0.1 %	6.6 %	3.2 %	9.4 %	4.9 %	9.5 %	6.9 %	10.1 %	-1.0 %	6.3 %	3.7 %	4.5 %	0.1 %	3.0 %	6.5 %	9.5 %	5.1 %
Adj. EBITDA margin %	0.1 %	7.8 %	4.8 %	7.8 %	7.5 %	11.4 %	8.1 %	10.2 %	-0.7 %	6.7 %	4.8 %	5.1 %	0.6 %	3.0 %	6.5 %	9.5 %	5.2 %
EBIT margin %	-1.7 %	3.2 %	-1.2 %	4.9 %	0.6 %	6.1 %	2.9 %	5.9 %	-4.7 %	3.0 %	1.2 %	1.3 %	-3.0 %	0.2 %	3.7 %	7.1 %	2.3 %

ENERSENSE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		22	23	24	22	23	24	22	23	24
Bravida Holding	2026	11.1x	10.9x	10.8x	14.2x	13.9x	13.9x	17.8x	16.6x	16.4x
Bilfinger	1303	4.4x	5.1x	4.4x	7.5x	8.3x	6.6x	20.5x	13.5x	10.2x
Caverion	1172	7.8x	8.1x	7.5x	16.9x	14.5x	12.0x	26.8x	16.5x	13.7x
Eltel	112	8.9x	7.0x	5.6x			19.5x			
Transtema Group	92	5.3x	3.8x	3.5x	8.7x	6.2x	5.7x	7.6x	7.7x	6.5x
VINCI	62132	7.4x	7.5x	7.1x	11.0x	11.0x	10.3x	14.7x	13.8x	12.7x
SPIE	4671	7.7x	8.0x	7.5x	11.2x	11.5x	10.9x	15.5x	14.3x	12.8x
Viafin Service	47		5.7x	5.1x		7.1x	6.1x		13.9x	12.1x
Veolia Environnement	19844	6.9x	7.1x	6.7x	15.7x	14.5x	13.3x	17.6x	15.4x	13.0x
Lassila & Tikanoja	397	5.9x			13.7x			13.9x	13.6x	11.9x
Peer Group Average	9179	7.3x	7.0x	6.5x	12.4x	10.9x	10.9x	16.8x	13.9x	12.1x
Peer Group Median	1237	7.4x	7.1x	6.7x	12.4x	11.2x	10.9x	16.5x	13.9x	12.7x
Enersense (Evli est.)	88	8.3x	6.0x	4.1x	29.0x	13.2x	7.1x	-38.7x	41.6x	11.8x

*Enersense prem./disc. to peer median*

12 %   -16 %   -38 %   133 %   17 %   -35 %   -334 %   199 %   -7 %

ENERSENSE PEER GROUP	Sales 21	Sales gr.			EBITDA-%			Div. yield		
		22	23	24	22	23	24	22	23	24
Bravida Holding	2074	14.1%	7.6%	0.1%	8.2 %	8.1 %	8.2 %	2.9 %	3.2 %	3.3 %
Bilfinger	3737	14.0%	2.9%	3.7%	4.9 %	6.0 %	6.8 %	3.4 %	3.8 %	4.8 %
Caverion	2140	9.9%	6.8%	3.4%	6.4 %	6.9 %	7.3 %	2.3 %	3.0 %	3.4 %
Eltel	813	1.4%	-1.0%	0.1%	3.4 %	4.3 %	5.3 %	0.0 %	0.0 %	0.0 %
Transtema Group	160	38.7%	25.3%	6.2%	10.8 %	10.6 %	10.8 %	0.0 %	0.0 %	0.0 %
VINCI	49396	24.9%	6.2%	2.9%	16.5 %	17.2 %	17.7 %	3.6 %	3.9 %	4.3 %
SPIE	6971	16.1%	4.4%	4.6%	8.6 %	8.9 %	9.0 %	2.6 %	3.0 %	3.2 %
Viafin Service	61			6.2%		7.5 %	7.9 %		3.6 %	3.8 %
Veolia Environnement	28508	50.4%	1.6%	2.9%	14.4 %	14.8 %	15.3 %	4.0 %	4.5 %	5.2 %
Lassila & Tikanoja	813	3.8%	-2.4%	2.3%	11.5 %	11.9 %	12.3 %	4.5 %	4.6 %	4.8 %
Peer Group Average	9467	19.2%	5.7%	3.2%	9.4 %	9.6 %	10.0 %	2.6 %	3.0 %	3.3 %
Peer Group Median	2107	14.1%	4.4%	3.2%	8.6 %	8.5 %	8.6 %	2.9 %	3.4 %	3.6 %
Enersense (Evli est.)	239	21.4%	6.9%	4.4%	4.5 %	5.1 %	6.2 %	1.8 %	1.9 %	2.3 %

*Source FactSet, Evli Research*

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	5.32 PV of Free Cash Flow	157 Long-term growth, %	1.5 Risk-free interest rate, %
DCF share value	12.99 PV of Horizon value	66 WACC, %	9.1 Market risk premium, %
Share price potential, %	144.2 Unconsolidated equity	-1 Spread, %	0.5 Debt risk premium, %
Maximum value	13.7 Marketable securities	39 Minimum WACC, %	8.6 Equity beta coefficient
Minimum value	12.4 Debt - dividend	-46 Maximum WACC, %	9.6 Target debt ratio, %
Horizon value, %	29.7 Value of stock	214 Nr of shares, Mn	16.5 Effective tax rate, %

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	268	325	348	363	375	383	390	396	402	408	414	420
<i>Sales growth, %</i>	<i>12.1</i>	<i>21.4</i>	<i>6.9</i>	<i>4.4</i>	<i>3.3</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	7	13	16	17	18	18	20	20	20	21	21
<i>Operating income margin, %</i>	<i>1.3</i>	<i>2.3</i>	<i>3.6</i>	<i>4.4</i>	<i>4.6</i>	<i>4.6</i>	<i>4.6</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	10	11	7	7	7	7	7	7	6
EBITDA	12	17	22	26	28	24	25	27	27	27	27	
- Paid taxes	1	-2	-2	-3	-3	-4	-4	-4	-4	-4	-4	
- Change in NWC	12	15	6	4	3	2	2	1	2	2	2	
<i>NWC / Sales, %</i>	<i>-12.3</i>	<i>-14.6</i>	<i>-15.3</i>	<i>-15.8</i>	<i>-16.1</i>	<i>-16.3</i>	<i>-16.4</i>	<i>-16.6</i>	<i>-16.7</i>	<i>-16.8</i>	<i>-16.9</i>	
+ Change in other liabs	-2	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	6	-23	-5	-17	46	-2	-2	-2	-2	10	-13	
<i>opCAPEX / Sales, %</i>	<i>-0.7</i>	<i>8.5</i>	<i>3.1</i>	<i>6.3</i>	<i>-10.6</i>	<i>2.0</i>	<i>2.0</i>	<i>1.9</i>	<i>1.9</i>	<i>-1.0</i>	<i>4.5</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	6	20	9	74	21	21	23	23	35	12	154
= Discounted FCFF		6	18	7	54	14	13	13	12	17	5	66
= DFCF min WACC		6	18	8	54	14	13	13	12	17	5	74
= DFCF max WACC		6	17	7	53	14	13	12	11	16	5	59

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2E	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	53.8	59.8	64.4	90.0	268.0	75.0	77.2	79.7	93.4	325.3	347.7	363.1
EBITDA	5.4	-0.7	4.1	3.3	12.2	0.1	2.3	5.2	8.9	16.5	22.0	25.6
<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>0.1</i>	<i>2.9</i>	<i>6.6</i>	<i>9.6</i>	<i>5.1</i>	<i>6.3</i>	<i>7.1</i>
EBIT	3.2	-2.8	1.9	1.1	3.5	-2.3	0.1	3.0	6.7	7.5	12.5	15.8
<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>-3.1</i>	<i>0.2</i>	<i>3.7</i>	<i>7.1</i>	<i>2.3</i>	<i>3.6</i>	<i>4.4</i>
Net financial items	-1.2	-0.7	-0.8	-0.4	-3.1	-1.5	-1.0	-1.0	-1.0	-4.5	-3.2	-2.7
Pre-tax profit	2.0	-3.4	1.1	0.7	0.4	-3.8	-0.9	2.0	5.7	3.0	9.3	13.1
Tax	-0.8	-0.7	0.0	-1.3	-2.8	0.0	0.1	-0.3	-0.7	-0.9	-1.9	-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>0.3</i>	<i>13.0</i>	<i>13.0</i>	<i>13.0</i>	<i>29.1</i>	<i>20.0</i>	<i>20.0</i>
Net profit	1.2	-4.1	1.2	-0.7	-2.4	-3.8	-0.8	1.7	4.9	2.1	7.4	10.5
EPS	0.07	-0.25	0.07	-0.04	-0.15	-0.23	-0.05	0.10	0.30	0.13	0.45	0.64
EPS adjusted (diluted no. of shares)	0.07	-0.25	0.07	-0.04	-0.15	-0.23	-0.05	0.10	0.30	0.13	0.45	0.64
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
<b>SALES, EURm</b>												
Smart Industry	16.6	18.7	15.3	22.1	72.7	26.2	26.0	21.0	25.0	98.1	109.9	117.6
Power	14.3	14.0	14.6	18.1	61.0	15.2	15.0	16.3	19.3	65.9	69.1	71.2
Connectivity	9.3	10.2	13.7	14.0	47.2	10.8	10.8	16.5	15.8	53.9	57.9	60.8
International Operations	13.5	16.8	20.8	35.8	87.0	22.9	25.4	25.8	33.3	107.5	110.7	113.5
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	75.0	77.2	79.7	93.4	325.3	347.7	363.1
<b>SALES GROWTH, Y/Y %</b>												
Smart Industry	-25.6	-20.3	-18.3	5.3	-14.9	57.5	39.0	37.0	13.0	34.9	12.0	7.0
Power	32.4	17.2	16.2	30.9	24.1	6.0	7.0	12.0	7.0	8.0	5.0	3.0
Connectivity	10.5	-10.0	11.3	5.9	4.2	15.2	5.0	21.0	13.0	14.0	7.5	5.0
International Operations	16.0	14.1	42.6	99.1	47.5	69.5	51.0	24.0	-7.0	23.5	3.0	2.5
Group	-102.8	-92.9	-99.9	-283.4	-46.7	150.0	421.5	32,578.1	-84.1	-35.8	0.0	3.0
Total	0.9	-2.9	10.5	36.6	12.1	39.4	29.1	23.8	3.7	21.4	6.9	4.4
<b>EBIT, EURm</b>												
Group	3.2	-2.8	1.9	1.1	3.5	-2.3	0.1	3.0	6.7	7.5	12.5	15.8
Total	3.2	-2.8	1.9	1.1	3.5	-2.3	0.1	3.0	6.7	7.5	12.5	15.8
<b>EBIT margin, %</b>												
Group				1,355.6	4,295.1	45,860.0	1,012.0	9,115.8	51,873.9	14,370.2	24,032.5	29,492.3
Total	6.0	-4.6	3.0	1.2	1.3	-3.1	0.2	3.7	7.1	2.3	3.6	4.4

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	47.4	58.1	147.5	239.1	268.0	325.3	347.7	363.1
<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>21.4</i>	<i>6.9</i>	<i>4.4</i>
EBITDA	-1.3	0.1	9.8	16.8	12.2	16.5	22.0	25.6
<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>5.1</i>	<i>6.3</i>	<i>7.1</i>
Depreciation	-0.4	-1.0	-5.0	-10.0	-8.7	-9.0	-9.5	-9.8
EBITA	-1.6	-1.0	4.8	6.8	3.5	7.5	12.5	15.8
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	7.5	12.5	15.8
<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>2.3</i>	<i>3.6</i>	<i>4.4</i>
Reported EBIT	-1.7	-1.0	4.8	6.8	3.5	7.5	12.5	15.8
<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>2.3</i>	<i>3.6</i>	<i>4.4</i>
Net financials	-1.0	-0.4	-1.9	-3.3	-3.1	-4.5	-3.2	-2.7
Pre-tax profit	-2.7	-1.4	2.9	3.5	0.4	3.0	9.3	13.1
Taxes	0.5	0.0	-0.5	0.4	-2.8	-0.9	-1.9	-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	2.1	7.4	10.5
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	1	2	25	24	58	76	76	88
Goodwill	4	4	26	26	28	28	28	28
Right of use assets	0	2	9	22	22	23	24	25
Inventory	0	0	4	7	13	16	17	18
Receivables	10	13	34	38	69	76	79	81
Liquid funds	3	1	18	29	39	47	50	52
Total assets	19	23	116	147	230	267	276	294
Liabilities								
Shareholder's equity	9	7	16	48	61	61	67	76
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	23	24	25
Deferred taxes	0	0	0	1	7	7	7	7
Interest bearing debt	2	4	18	13	34	34	25	27
Non-interest bearing current liabilities	8	10	70	66	115	139	149	156
Other interest-free debt	0	0	1	3	1	1	1	1
Total liabilities	19	23	116	147	230	267	276	294
<b>CASH FLOW, EURm</b>								
+ EBITDA	-1	0	10	17	12	17	22	26
- Net financial items	-1	0	-2	-3	-3	-4	-3	-3
- Taxes	0	0	0	1	2	-1	-2	-3
- Increase in Net Working Capital	1	-1	-11	-10	12	15	6	4
+/- Other	0	-1	-1	0	0	0	0	0
= Cash flow from operations	-1	-2	-4	4	23	26	23	24
- Capex	-3	0	-10	-19	2	-28	-11	-23
- 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	-2	12	1
+/- 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	12	-7	3
Change in cash	1	-1	16	11	10	8	3	2

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	9	79	92	94	88	88	88
Net debt (excl. convertibles)	5	9	-3	6	10	0	0
Enterprise value	13	97	90	101	98	88	89
Sales	58	147	239	268	325	348	363
EBITDA	0	10	17	12	17	22	26
EBIT	-1	5	7	3	7	13	16
Pre-tax	-1	3	4	0	3	9	13
Earnings	-1	2	4	-2	2	7	10
Equity book value (excl. minorities)	7	16	48	61	61	67	76
<b>Valuation multiples</b>							
EV/sales	0.2	0.7	0.4	0.4	0.3	0.3	0.2
EV/EBITDA	179.9	9.9	5.3	8.3	6.0	4.0	3.5
EV/EBITA	-13.9	20.4	13.1	29.0	13.2	7.1	5.6
EV/EBIT	-13.9	20.4	13.1	29.0	13.2	7.1	5.6
EV/OCF	-6.3	-22.8	23.2	4.4	3.8	3.9	3.7
EV/FCFF	-5.7	8.1	8.6	3.4	16.7	4.3	9.5
P/FCFE	-3.1	-5.1	-7.1	3.8	-43.9	7.5	70.9
P/E	-6.8	32.6	23.1	-38.7	41.6	11.8	8.4
P/B	1.3	5.0	1.9	1.5	1.4	1.3	1.2
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.2	4.9	4.3
Target EV/EBIT	0.0	0.0	0.0	0.0	15.9	8.7	6.9
Target EV/FCF	0.0	0.0	0.0	0.0	-59.3	9.3	88.3
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	50.8	14.4	10.2
<b>Per share measures</b>							
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	0.13	0.45	0.64
Operating cash flow per share	-0.36	-0.45	0.29	1.39	1.56	1.37	1.47
Free cash flow per share	-0.50	-1.63	-0.96	1.50	-0.12	0.71	0.08
Book value per share	1.24	1.66	3.58	3.69	3.71	4.06	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	78.2	26.6	20.5
Dividend yield, %	0.0	0.0	1.5	1.8	1.9	2.3	2.4
FCF yield, %	-32.1	-19.7	-14.0	26.4	-2.3	13.3	1.4
<b>Efficiency measures</b>							
ROE	-16.5	20.9	12.4	-4.5	3.5	11.6	14.7
ROCE	-8.1	16.6	11.4	3.8	6.6	10.5	12.7
<b>Financial ratios</b>							
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	23.3	22.6	22.2
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	-14.6	-15.3	-15.8
Operative CAPEX/sales, %	0.7	7.1	7.8	-0.7	8.5	3.1	6.3
CAPEX/sales (incl. acquisitions), %	-0.1	6.3	7.8	-0.7	8.5	3.1	6.3
FCFF/EBITDA	-31.6	1.2	0.6	2.4	0.4	0.9	0.4
Net debt/EBITDA, book-weighted	61.4	0.9	-0.2	0.5	0.6	0.0	0.0
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	23.9	25.3	26.7
Gearing, %	64.8	52.3	-6.4	9.5	15.1	-0.7	0.3

**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	4,335,830	23.067	26.3%
Ensto Invest Oy	1,346,125	7.161	8.2%
Verman Group Oy	1,343,461	7.147	8.1%
Taloustieto Incrementum Ky	729,023	3.878	4.4%
Suotuuli Oy	680,022	3.618	4.1%
Ilmarinen Mutual Pension Insurance Company	569,053	3.027	3.5%
Holopainen Jussi	436,509	2.322	2.6%
Proup Oy	405,045	2.155	2.5%
Veritas Pension Insurance Company Ltd.	395,292	2.103	2.4%
Mapps Global Invest Oy	342,732	1.823	2.1%
Ten largest	10,583,092	56.302	64%
Residual	5,909,908	31.441	36%
Total	16,493,000	87.743	100%

**EARNINGS CALENDAR**

August 03, 2023

Q2 report

October 27, 2023

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



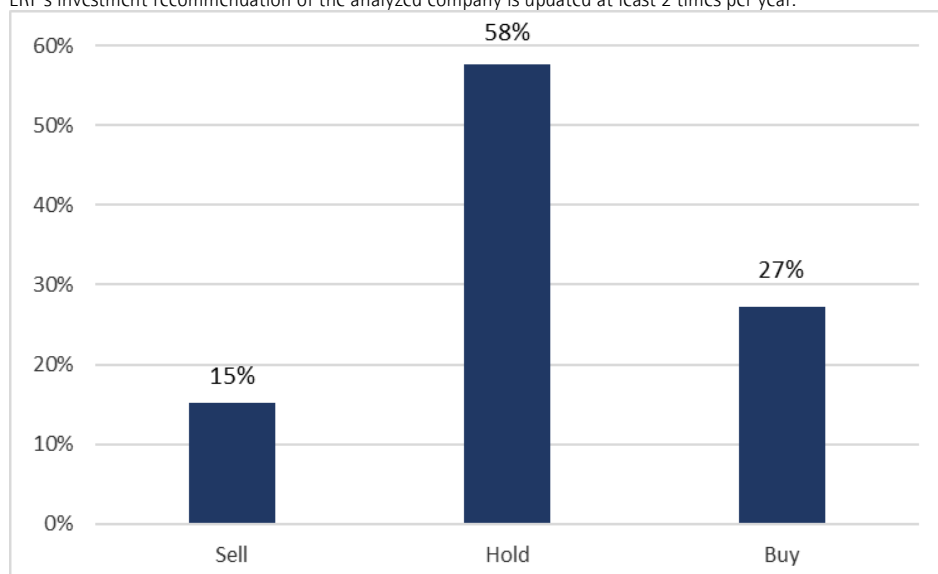
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Investment recommendations are defined as follows:

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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**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