

Results top estimates

Enersense's Q2 figures were better than we estimated as Power and Connectivity revenue clearly topped our estimates while profitability improved in all segments.

- Enersense Q2 revenue grew by 44.3% y/y to EUR 86.3m vs our EUR 77.2m estimate. High growth continued across the board. Smart Industry top line was close to our estimate, while International Operations came in a bit below our estimate. Both Power and Connectivity were clearly above our estimates.
- Adjusted EBITDA was EUR 3.1m, compared to our EUR 2.3m estimate, while EBIT amounted to EUR 0.6m vs our EUR 0.1m estimate. Core business profitability improved in all segments, especially within International Operations and Power, while investments in strategic focus areas (offshore ramp-up, EV charging and a new ERP system) had a negative EBITDA impact of EUR 1.6m in Q2. EBITDA also includes a capital gain of EUR 0.9m from the sale of Enersense Solutions and a credit loss provision of EUR 0.4m related to a customer's insolvency (recorded within Smart Industry).
- Order backlog amounted to EUR 527m at the end of Q2 (EUR 295m a year ago). Order backlog grew especially within Connectivity.
- Enersense guides FY '23 revenue to be over EUR 300m and adjusted EBITDA in the range of EUR 12-18m (unchanged).

Rating 🇺🇸 BUY				
Q2'23	Actual	Evli	Year ago	Q1'23
Revenue	86.3	77.2	59.8	75.0
Adj. EBITDA	3.1	2.3	-0.4	0.4
EBIT	0.6	0.1	-2.8	-2.3
Deviation				
Actual	Evli	Year ago	Q1'23	
Revenue	12 %	44 %	15 %	
Adj. EBITDA	35 %	-875 %	675 %	
EBIT	500 %	-121 %	-126 %	
Share price, EUR (Last trading day's closing price)				5.94
Target price, EUR				6.5
Latest change in recommendation				09-May-23
Latest report on company				09-May-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				98
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
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🇺🇸 BUY 🟡 HOLD 🇷🇺 SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
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	46.4	0.3	14.5	-2.0	0.10
2024E	347.7	12.5	3.6%	11.6	0.45	13.2	0.3	7.9	11.9	0.12
2025E	363.1	15.8	4.4%	1.2	0.64	9.3	0.3	6.3	1.3	0.13
Market cap, EURm	98		BV per share 2023E, EUR		15.1		CAGR EPS 2022-25, %		0.0	
Net debt 2023E, EURm	10		Price/book 2023E		1.6		CAGR sales 2022-25, %		10.6	
Enterprise value, EURm	109		Dividend yield 2023E, %		1.7		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	

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

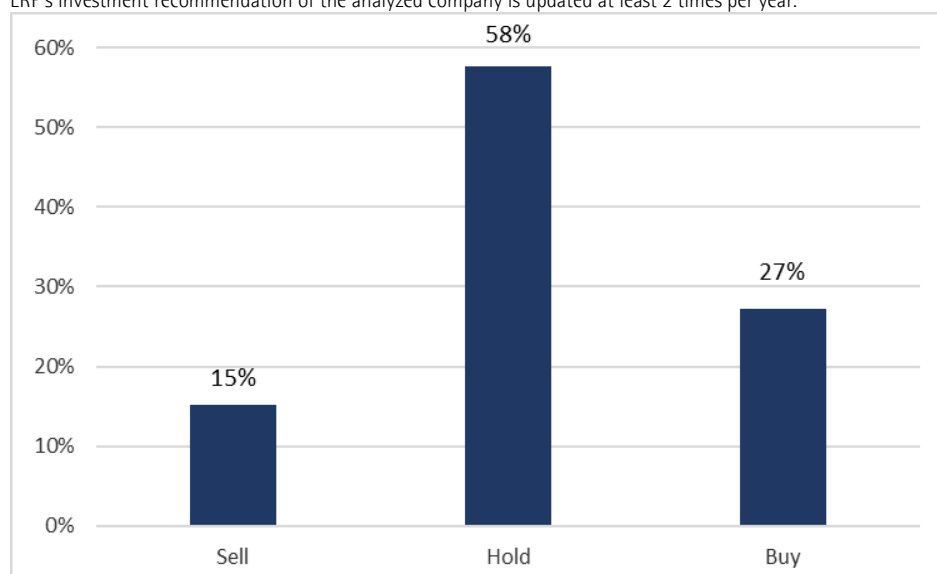
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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