

More long-term earnings potential

Enersense's Q2 results recovered well from the challenging comparison period, and earnings should have further room to grow also next year and beyond.

Results are by and large improving across the board

Enersense's Q2 revenue grew 44% y/y to EUR 86m, compared to our EUR 77m estimate. The top line beat was driven by Power and Connectivity, however all segments still saw roughly similarly high double-digit growth rates. The EUR 3.1m adj. EBITDA was above our EUR 2.3m estimate; Smart Industry continued to incur ramp-up costs related to its offshore business (should reach profitability in Q4 although it continues to scale up beyond that) in addition to the EUR 0.9m capital gain from the sale of Enersense Solutions and the EUR 0.4m credit loss provision. Strategic investments burdened EBITDA to the tune of EUR 1.6m. International Operations' margins improved clearly more than we estimated as the Baltic contracts have now mostly adjusted to recent inflation. Power achieved a clearly better profitability than we estimated, despite investments in the EV charging business, while Connectivity came in soft relative to our estimates due to issues related to e.g. labor efficiency.

Many earnings growth drivers remain in place next year

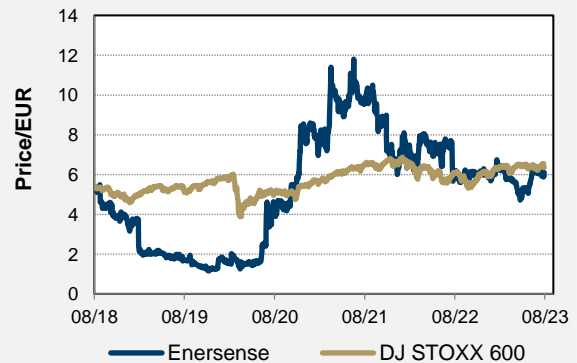
Q2 saw a strong order intake within Connectivity due to fibre projects. The segment still has scope for price increases, and thus we expect its results to contribute to further earnings growth next year. Certain industrial customers see lower demand going forward, but Smart Industry has diversified operations and the offshore ramp-up is likely to lift its profitability next year. International Operations' order activity has cooled a bit from the recent highs, but it achieved a decent 4.7% EBITDA while we believe the margin to expand more on a full-year basis next year. The ERP system investment continues next year, but it is to help long-term potential in addition to which Enersense's small portfolio streamlining decisions help retain core focus.

Valuation not challenging considering earnings potential

We estimate 21% growth for the year, and while we see long-term organic growth at a more modest level we still estimate FY '24 profitability to improve by EUR 4m. The 14x FY '23 EV/EBIT multiple isn't cheap relative to peers, but it should decline to ca. 8x next year. Our new TP is EUR 7.0 (6.5); we retain BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price) 6.10

Target price, EUR 7.0

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 101

Free float, % 78.2

Exchange rate -

Reuters code ESENSE.HE

Bloomberg code ESENSE FH

Average daily volume, EURm 0.1

Next interim report 27-Oct-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	282.0	3.5	1.2%	24.8	-0.15	-38.7	0.4	29.0	26.4	0.10
2023E	342.6	8.2	2.4%	-3.9	0.07	87.5	0.3	13.8	-3.9	0.10
2024E	366.0	12.5	3.4%	10.5	0.45	13.5	0.3	8.3	10.5	0.12
2025E	382.1	15.8	4.1%	1.1	0.64	9.6	0.3	6.7	1.1	0.13
Market cap, EURm			101	Gearing 2023E, %		18.4	CAGR EPS 2022-25, %			0.0
Net debt 2023E, EURm			11	Price/book 2023E		1.7	CAGR sales 2022-25, %			10.7
Enterprise value, EURm			113	Dividend yield 2023E, %		1.6	ROE 2023E, %			1.9
Total assets 2023E, EURm			268	Tax rate 2023E, %		46.0	ROCE 2023E, %			7.2
Goodwill 2023E, EURm			28	Equity ratio 2023E, %		23.5	PEG, P/E 23/CAGR			0.8

Estimates and peer group valuations

Enersense	2019	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23E	Q4'23E	2023E
Net sales	58.1	147.5	239.0	53.8	59.8	64.4	97.5	281.9	75.0	86.3	80.0	101.2	342.5
Smart Industry		78.4	85.5	16.6	18.7	15.3	22.1	72.7	26.2	26.8	21.3	24.8	99.0
Power		18.9	49.1	20.8	14.0	14.6	25.6	75.0	15.2	22.3	17.0	27.4	82.0
Connectivity		23.4	45.3	9.3	10.2	13.7	14.0	47.2	10.8	13.6	17.1	15.8	57.2
International Operations		26.8	59.0	13.5	16.8	20.8	35.8	87.0	22.9	23.5	24.6	33.3	104.3
EBITDA	0.1	9.8	16.6	5.4	-0.6	4.0	10.8	12.2	0.1	3.0	5.2	9.2	17.5
Smart Industry		6.2	15.4	-1.0	-0.1	2.2	-0.8	0.3	1.1	1.0	2.2	0.9	5.2
Power		1.0	2.4	8.8	0.6	1.1	8.7	19.2	0.1	1.6	1.8	7.5	11.0
Connectivity		1.5	1.6	-0.7	-0.5	1.1	0.5	0.4	0.0	-0.1	1.0	0.9	1.7
International Operations		1.7	1.7	-0.9	-0.1	0.2	-3.1	-3.9	0.1	1.1	1.0	0.7	2.9
Other		-0.6	-4.4	-0.8	-0.4	-0.6	-1.9	-3.7	-1.2	-0.5	-0.9	-0.9	-3.5
Adj. EBITDA	0.1	11.5	19.3	5.5	-0.4	4.3	11.8	21.2	0.4	3.1	5.2	9.2	17.9
D&A	-1.0	-5.0	-9.8	-2.3	-2.2	-2.1	-2.2	-8.8	-2.4	-2.4	-2.2	-2.2	-9.2
EBIT	-1.0	4.8	6.8	3.2	-2.8	1.9	8.6	10.9	-2.3	0.6	2.9	6.9	8.1
Sales growth %	22.6 %	154.0 %	62 %	1 %	-3 %	11 %	48 %	18 %	39 %	44 %	24 %	4 %	21 %
Smart Industry			32 %	-26 %	-20 %	-18 %	5 %	-15 %	58 %	44 %	39 %	12 %	36 %
Power			160 %	92 %	17 %	16 %	86 %	53 %	-27 %	59 %	17 %	7 %	9 %
Connectivity			94 %	10 %	-10 %	11 %	6 %	4 %	15 %	33 %	25 %	13 %	21 %
International Operations			121 %	16 %	14 %	43 %	99 %	47 %	70 %	39 %	18 %	-7 %	20 %
EBITDA margin %	0.1 %	6.6 %	6.9 %	10.1 %	-1.0 %	6.3 %	11.1 %	7.0 %	0.1 %	3.5 %	6.4 %	9.0 %	5.1 %
Adj. EBITDA margin %	0.1 %	7.8 %	8.1 %	10.2 %	-0.7 %	6.7 %	12.1 %	7.5 %	0.5 %	3.6 %	6.4 %	9.0 %	5.2 %
EBIT margin %	-1.7 %	3.2 %	2.9 %	5.9 %	-4.7 %	3.0 %	8.9 %	3.9 %	-3.0 %	0.7 %	3.7 %	6.8 %	2.4 %

ENERSENSE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		22	23	24	22	23	24	22	23	24
B ravidia Holding	1426	11.1x	9.0x	9.0x	14.2x	11.5x	11.6x	13.2x	12.7x	12.6x
B ilfinger	1110	4.8x			10.1x			19.0x	11.5x	8.7x
C averion	1172	7.8x	8.1x	7.5x	16.9x	14.5x	12.0x	26.8x	16.5x	13.7x
E ltel	103	8.9x	11.5x	6.3x			23.1x			
T ranstema Group	64	5.4x	3.2x	3.2x	8.9x	6.1x	4.9x	5.8x	6.4x	5.5x
V INCI	57252	7.4x	7.2x	6.8x	11.0x	10.4x	9.7x	13.6x	12.5x	11.5x
S PIE	4549	7.7x	8.4x	7.9x	10.6x	11.6x	10.9x	15.1x	13.9x	12.6x
V iafin Service	43	6.1x	6.1x	5.0x	7.6x	7.9x	6.1x	12.9x	16.6x	12.5x
V eolia Environnement	19980	6.9x	7.1x	6.6x	15.1x	14.4x	13.0x	17.5x	15.3x	12.8x
L assila & Tikanoja	373	5.9x			13.7x			13.0x	12.8x	11.1x
Peer Group Average	8607	7.2x	7.6x	6.5x	12.0x	10.9x	11.4x	15.2x	13.1x	11.2x
Peer Group Median	1141	7.1x	7.7x	6.7x	11.0x	11.5x	11.3x	13.6x	12.8x	12.5x
Enersense (Evli est.)	101	8.3x	6.5x	4.8x	29.0x	13.8x	8.3x	-38.7x	87.5x	13.5x

Enersense prem./disc. to peer median 16 % -16 % -28 % 163 % 20 % -26 % -385 % 583 % 8 %

ENERSENSE PEER GROUP	Sales 21	Sales gr.			EBITDA-%			Div. yield		
		22	23	24	22	23	24	22	23	24
B ravidia Holding	2074	14.1%	3.9%	-1.3%	8.2 %	7.9 %	8.0 %	4.0 %	4.2 %	4.4 %
B ilfinger	3737	15.4%	3.0%	3.7%	4.4 %	6.1 %	6.9 %	4.0 %	4.5 %	5.4 %
C averion	2140	9.9%	6.8%	3.4%	6.4 %	6.9 %	7.3 %	2.3 %	3.0 %	3.4 %
E ltel	813	1.4%	-0.2%	0.1%	3.4 %	2.9 %	5.3 %	0.0 %	0.0 %	0.0 %
T ranstema Group	160	38.7%	16.8%	5.1%	10.6 %	10.1 %	9.4 %	0.0 %	0.0 %	0.0 %
V INCI	49396	24.9%	8.5%	3.4%	16.5 %	17.2 %	17.6 %	4.0 %	4.4 %	4.8 %
S PIE	6971	16.1%	5.9%	4.8%	8.6 %	8.8 %	8.9 %	2.6 %	3.1 %	3.3 %
V iafin Service	61	42.7%	-14.1%	6.3%	6.5 %	6.3 %	7.3 %	3.7 %	3.9 %	4.1 %
V eolia Environnement	28508	50.4%	4.8%	3.2%	14.4 %	14.4 %	14.9 %	3.9 %	4.6 %	5.3 %
L assila & Tikanoja	813	3.8%	-3.0%	2.3%	11.5 %	11.7 %	12.2 %	4.8 %	4.9 %	5.1 %
Peer Group Average	9467	21.7%	3.2%	3.1%	9.1 %	9.2 %	9.8 %	2.9 %	3.3 %	3.6 %
Peer Group Median	2107	15.8%	4.3%	3.4%	8.4 %	8.3 %	8.4 %	3.8 %	4.1 %	4.2 %
Enersense (Evli est.)	239	17.9%	21.5%	6.8%	4.3 %	5.1 %	5.9 %	1.8 %	1.6 %	2.0 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	6.10 PV of Free Cash Flow	163 Long-term growth, %	1.5 Risk-free interest rate, %
DCF share value	13.87 PV of Horizon value	74 WACC, %	9.1 Market risk premium, %
Share price potential, %	127.4 Unconsolidated equity	-1 Spread, %	0.5 Debt risk premium, %
Maximum value	14.6 Marketable securities	39 Minimum WACC, %	8.6 Equity beta coefficient
Minimum value	13.2 Debt - dividend	-46 Maximum WACC, %	9.6 Target debt ratio, %
Horizon value, %	31.3 Value of stock	229 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	282	343	366	382	395	403	411	417	423	429	436	442
<i>Sales growth, %</i>	<i>17.9</i>	<i>21.5</i>	<i>6.8</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	8	13	16	17	18	18	21	21	21	22	22
<i>Operating income margin, %</i>	<i>1.2</i>	<i>2.4</i>	<i>3.4</i>	<i>4.1</i>	<i>4.4</i>	<i>4.4</i>	<i>4.4</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	10	10	11	7	7	7	7	7	7	7
EBITDA	12	17	22	26	29	25	25	28	29	29	28	
- 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>-11.7</i>	<i>-13.9</i>	<i>-14.6</i>	<i>-15.0</i>	<i>-15.3</i>	<i>-15.4</i>	<i>-15.6</i>	<i>-15.7</i>	<i>-15.9</i>	<i>-16.0</i>	<i>-16.1</i>	
+ Change in other liabs	-2	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	6	-23	-6	-17	45	-2	-2	-2	-2	10	-13	
<i>opCAPEX / Sales, %</i>	<i>-0.7</i>	<i>8.5</i>	<i>3.4</i>	<i>6.1</i>	<i>-9.9</i>	<i>2.0</i>	<i>2.0</i>	<i>1.9</i>	<i>1.9</i>	<i>-0.9</i>	<i>4.4</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	7	20	10	74	21	21	24	24	36	13	169
= Discounted FCFF		7	17	8	55	14	13	13	13	17	6	74
= DFCF min WACC		7	17	8	56	15	14	14	13	18	6	83
= DFCF max WACC		7	17	8	54	14	13	13	12	17	5	67

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	60.2	59.8	64.4	97.6	282.0	75.0	86.3	80.0	101.3	342.6	366.0	382.1
EBITDA	5.4	-0.7	4.1	3.3	12.2	0.1	3.0	5.2	9.2	17.5	22.3	26.0
<i>EBITDA margin (%)</i>	<i>9.0</i>	<i>-1.1</i>	<i>6.3</i>	<i>3.4</i>	<i>4.3</i>	<i>0.1</i>	<i>3.5</i>	<i>6.5</i>	<i>9.0</i>	<i>5.1</i>	<i>6.1</i>	<i>6.8</i>
EBIT	3.2	-2.8	1.9	1.1	3.5	-2.3	0.6	2.9	6.9	8.2	12.5	15.8
<i>EBIT margin (%)</i>	<i>5.4</i>	<i>-4.6</i>	<i>3.0</i>	<i>1.1</i>	<i>1.2</i>	<i>-3.1</i>	<i>0.7</i>	<i>3.6</i>	<i>6.8</i>	<i>2.4</i>	<i>3.4</i>	<i>4.1</i>
Net financial items	-1.2	-0.7	-0.8	-0.4	-3.1	-1.5	-2.6	-1.0	-1.0	-6.1	-3.2	-2.7
Pre-tax profit	2.0	-3.4	1.1	0.7	0.4	-3.8	-1.9	1.9	5.9	2.1	9.3	13.1
Tax	-0.8	-0.7	0.0	-1.3	-2.8	0.0	0.0	-0.2	-0.8	-1.0	-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>1.4</i>	<i>13.0</i>	<i>13.0</i>	<i>46.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	1.2	-4.1	1.2	-0.7	-2.4	-3.8	-1.9	1.7	5.1	1.2	7.4	10.5
EPS	0.07	-0.25	0.07	-0.04	-0.15	-0.23	-0.11	0.10	0.31	0.07	0.45	0.64
EPS adjusted (diluted no. of shares)	0.07	-0.25	0.07	-0.04	-0.15	-0.23	-0.11	0.10	0.31	0.07	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
SALES, EURm												
Smart Industry	16.6	18.7	15.3	22.1	72.7	26.2	26.8	21.3	24.8	99.0	110.9	118.7
Power	20.8	14.0	14.6	25.6	75.0	15.2	22.3	17.0	27.4	82.0	86.1	88.7
Connectivity	9.3	10.2	13.7	14.0	47.2	10.8	13.6	17.1	15.8	57.2	61.5	64.6
International Operations	13.5	16.8	20.8	35.8	87.0	22.9	23.5	24.6	33.3	104.3	107.4	110.1
Group	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.1
Total	60.2	59.8	64.4	97.6	282.0	75.0	86.3	80.0	101.3	342.6	366.0	382.1
SALES GROWTH, Y/Y %												
Smart Industry	-25.6	-20.3	-18.3	5.3	-14.9	57.5	43.5	39.0	12.0	36.2	12.0	7.0
Power	91.6	17.2	16.2	85.5	52.5	-26.7	59.1	17.0	7.0	9.4	5.0	3.0
Connectivity	10.5	-10.0	11.3	5.9	4.2	15.2	32.8	25.0	13.0	21.2	7.5	5.0
International Operations	16.0	14.1	42.6	99.1	47.5	69.5	39.5	18.0	-7.0	19.8	3.0	2.5
Group	-102.8	-92.9	-99.9	-283.4	-46.7	150.0	2,354.5	32,578.1	-84.1	16.7	0.0	3.0
Total	12.9	-2.9	10.5	48.0	17.9	24.6	44.3	24.3	3.8	21.5	6.8	4.4
EBIT, EURm												
Group	3.2	-2.8	1.9	1.1	3.5	-2.3	0.6	2.9	6.9	8.2	12.5	15.8
Total	3.2	-2.8	1.9	1.1	3.5	-2.3	0.6	2.9	6.9	8.2	12.5	15.8
EBIT margin, %												
Group				1,355.6	4,295.1	45,860.0	1,194.4	8,936.7	53,737.6	8,657.0	13,221.8	16,225.6
Total	5.4	-4.6	3.0	1.1	1.2	-3.1	0.7	3.6	6.8	2.4	3.4	4.1

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	47.4	58.1	147.5	239.1	282.0	342.6	366.0	382.1
<i>Sales growth (%)</i>	<i>0.7</i>	<i>22.6</i>	<i>154.0</i>	<i>62.2</i>	<i>17.9</i>	<i>21.5</i>	<i>6.8</i>	<i>4.4</i>
EBITDA	-1.3	0.1	9.8	16.8	12.2	17.5	22.3	26.0
<i>EBITDA margin (%)</i>	<i>-2.6</i>	<i>0.1</i>	<i>6.6</i>	<i>7.0</i>	<i>4.3</i>	<i>5.1</i>	<i>6.1</i>	<i>6.8</i>
Depreciation	-0.4	-1.0	-5.0	-10.0	-8.7	-9.3	-9.8	-10.2
EBITA	-1.6	-1.0	4.8	6.8	3.5	8.2	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	8.2	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>1.2</i>	<i>2.4</i>	<i>3.4</i>	<i>4.1</i>
Reported EBIT	-1.7	-1.0	4.8	6.8	3.5	8.2	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>1.2</i>	<i>2.4</i>	<i>3.4</i>	<i>4.1</i>
Net financials	-1.0	-0.4	-1.9	-3.3	-3.1	-6.1	-3.2	-2.7
Pre-tax profit	-2.7	-1.4	2.9	3.5	0.4	2.1	9.3	13.1
Taxes	0.5	0.0	-0.5	0.4	-2.8	-1.0	-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	1.2	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
BALANCE SHEET, EURm								
Assets								
Fixed assets	1	2	25	24	58	76	77	89
Goodwill	4	4	26	26	28	28	28	28
Right of use assets	0	2	9	22	22	24	26	27
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	268	278	296
Liabilities								
Shareholder's equity	9	7	16	48	61	60	66	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	24	26	27
Deferred taxes	0	0	0	1	7	7	7	7
Interest bearing debt	2	4	18	13	34	34	27	29
Non-interest bearing current liabilities	8	10	70	66	115	140	149	156
Other interest-free debt	0	0	1	3	1	1	1	1
Total liabilities	19	23	116	147	230	268	278	296
CASH FLOW, EURm								
+ EBITDA	-1	0	10	17	12	17	22	26
- Net financial items	-1	0	-2	-3	-3	-6	-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	25	23	25
- Capex	-3	0	-10	-19	2	-29	-12	-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	-4	11	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	14	-6	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	101	101	101
Net debt (excl. convertibles)	5	9	-3	6	11	3	3
Enterprise value	13	97	90	101	113	104	105
Sales	58	147	239	282	343	366	382
EBITDA	0	10	17	12	17	22	26
EBIT	-1	5	7	3	8	13	16
Pre-tax	-1	3	4	0	2	9	13
Earnings	-1	2	4	-2	1	7	10
Equity book value (excl. minorities)	7	16	48	61	60	66	75
Valuation multiples							
EV/sales	0.2	0.7	0.4	0.4	0.3	0.3	0.3
EV/EBITDA	179.9	9.9	5.3	8.3	6.5	4.7	4.0
EV/EBITA	-13.9	20.4	13.1	29.0	13.8	8.3	6.7
EV/EBIT	-13.9	20.4	13.1	29.0	13.8	8.3	6.7
EV/OCF	-6.3	-22.8	23.2	4.4	4.5	4.6	4.3
EV/FCFF	-5.7	8.1	8.6	3.4	16.3	5.3	11.0
P/FCFE	-3.1	-5.1	-7.1	3.8	-25.9	9.6	90.1
P/E	-6.8	32.6	23.1	-38.7	87.5	13.5	9.6
P/B	1.3	5.0	1.9	1.5	1.7	1.5	1.3
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.4	5.4	4.6
Target EV/EBIT	0.0	0.0	0.0	0.0	15.7	9.6	7.6
Target EV/FCF	0.0	0.0	0.0	0.0	-33.1	11.4	108.0
Target P/B	0.0	0.0	0.0	0.0	1.9	1.7	1.5
Target P/E	0.0	0.0	0.0	0.0	100.4	15.5	11.0
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	0.07	0.45	0.64
Operating cash flow per share	-0.36	-0.45	0.29	1.39	1.52	1.39	1.49
Free cash flow per share	-0.50	-1.63	-0.96	1.50	-0.24	0.64	0.07
Book value per share	1.24	1.66	3.58	3.69	3.65	4.01	4.52
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	143.4	26.6	20.5
Dividend yield, %	0.0	0.0	1.5	1.8	1.6	2.0	2.1
FCF yield, %	-32.1	-19.7	-14.0	26.4	-3.9	10.5	1.1
Efficiency measures							
ROE	-16.5	20.9	12.4	-4.5	1.9	11.8	14.9
ROCE	-8.1	16.6	11.4	3.8	7.2	10.4	12.5
Financial ratios							
Inventories as % of sales	0.6	2.4	2.7	4.7	4.7	4.7	4.7
Receivables as % of sales	22.8	23.4	15.9	24.4	22.2	21.5	21.1
Non-interest bearing liabilities as % of sales	17.2	47.4	27.6	40.7	40.7	40.7	40.7
NWC/sales, %	6.2	-21.6	-8.9	-11.7	-13.9	-14.6	-15.0
Operative CAPEX/sales, %	0.7	7.1	7.8	-0.7	8.5	3.4	6.1
CAPEX/sales (incl. acquisitions), %	-0.1	6.3	7.8	-0.7	8.5	3.4	6.1
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	0.7	0.1	0.1
Debt/equity, market-weighted	0.4	0.2	0.1	0.4	0.3	0.3	0.3
Equity ratio, book-weighted	30.8	15.7	34.8	27.6	23.5	24.7	26.1
Gearing, %	64.8	52.3	-6.4	9.5	18.4	3.7	4.4

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	4,335,830	26.449	26.3%
Ensto Invest Oy	1,346,125	8.211	8.2%
Verman Group Oy	1,343,461	8.195	8.1%
Taloustieto Incrementum Ky	729,023	4.447	4.4%
Suotuuli Oy	680,022	4.148	4.1%
Ilmarinen Mutual Pension Insurance Company	569,053	3.471	3.5%
Holopainen Jussi	436,509	2.663	2.6%
Proup Oy	405,045	2.471	2.5%
Veritas Pension Insurance Company Ltd.	395,292	2.411	2.4%
Mapps Global Invest Oy	342,732	2.091	2.1%
Ten largest	10,583,092	64.557	64%
Residual	5,909,908	36.050	36%
Total	16,493,000	100.607	100%

EARNINGS CALENDAR

October 27, 2023

Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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

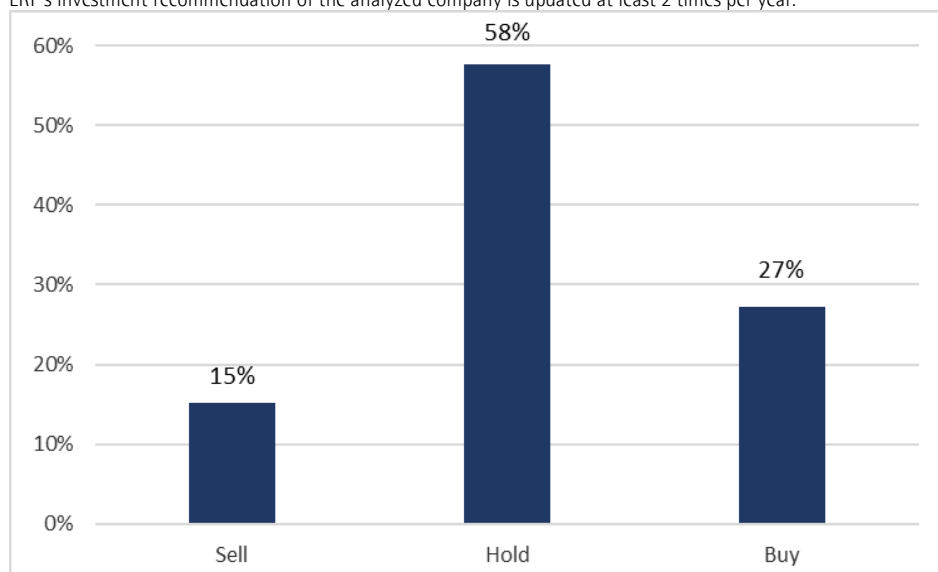
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Investment recommendations are defined as follows:

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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