

Good start to the year

Enersense reported a better-than-expected Q1 result and 9% increase in the order backlog compared to the end of Q4/20. The company also announced that it has concluded negotiations on a new financing package. We have made upward revisions to our estimates and raise our TP to EUR 11 (9.7), BUY-rating intact.

Orders increased especially in Power and the Baltics

Enersense's Q1 net sales and profitability beat our expectations. Net sales amounted to EUR 52.4m (Evli EUR 44.5m) and adj. EBITDA was EUR 1.7m (Evli EUR 0.5m). Order backlog increased by 9% from EUR 292m at the end of 2020 to EUR 319m at the end of Q1. Orders increased especially in the Power segment and the Baltics. Enersense also announced that it has concluded negotiations on a new financing package, which will be used to develop operations and manage working capital.

Our revised estimates are at the upper end of the guidance

Q1 is typically a challenging quarter for Enersense due to the weather conditions, and revenue and profitability are expected to increase towards the end of the year. The order backlog continued to grow rapidly in Q1 and according to the management, the market outlook is very positive as demand is expected to remain strong especially in Power and Smart Industry. Supported by increased orders and good outlook, we have raised our 2021E net sales estimate to EUR 242m (prev. EUR 230m). We have also made upward revisions to 2022-23E sales estimates, and forecast 4.6% and 3.9% growth, respectively. We expect adj. EBITDA to increase from EUR 8.9m to EUR 14.4m in 2021E. Both our net sales and adj. EBITDA estimates are at the upper end of guidance for 2021 (net sales: EUR 215-245m, adj. EBITDA: EUR 12-15m).

BUY with a target price of EUR 11 (9.7)

On our estimates for 2022E, Enersense is trading at EV/EBITDA of 5.6x and adj. P/E of 10.8x, which translate into discount of 23-30% to our peer group median. Better-than-expected results in Q1, renegotiated short-term financing and continued growth in the order backlog increase our confidence in the investment case, and we raise our TP to EUR 11 (9.7), BUY-rating intact. Our TP values Enersense at EV/EBITDA of 6.3x and adj. P/E of 12.3x for 2022E, which are still at 13-21% discount to peer group, reflecting Enersense's currently lower profitability profile. If Enersense manages to increase net sales and improve margins in line with the midterm financial targets, we see further upside potential in valuation.

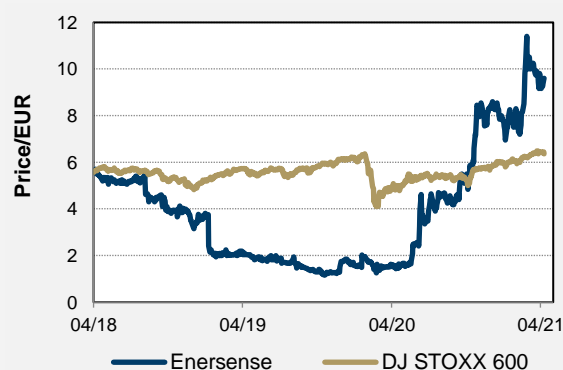
KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2019	58.1	-1.9	-3.3%	-2.6	-0.36	-4.3	0.2	-6.0	-28.5	0.00
2020	144.5	1.6	1.1%	-6.3	-0.01	-701.3	0.6	54.1	-7.9	0.00
2021E	242.0	2.4	1.0%	-0.5	-0.08	-126.1	0.4	43.4	-0.4	0.00
2022E	253.1	6.8	2.7%	10.5	0.38	25.2	0.4	13.5	9.4	0.09
2023E	262.9	9.8	3.7%	12.1	0.56	17.2	0.3	8.2	10.8	0.17
Market cap, EURm			112	Gearing 2021E, %		-51.1	CAGR EPS 2020-23, %			0.0
Net debt 2021E, EURm			-15	Price/book 2021E		4.0	CAGR sales 2020-23, %			22.1
Enterprise value, EURm			104	Dividend yield 2021E, %		0.0	ROE 2021E, %			-4.2
Total assets 2021E, EURm			113	Tax rate 2021E, %		0.2	ROCE 2021E, %			5.8
Goodwill 2021E, EURm			25	Equity ratio 2021E, %		26.2	PEG, P/E 21/CAGR			0.0

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

Rating

BUY



Share price, EUR (Last trading day's closing price) 9.60

Target price, EUR 11.0

Latest change in recommendation 17-Mar-21

Latest report on company 17-Mar-21

Research paid by issuer: YES

No. of shares outstanding, '000's 11,623

No. of shares fully diluted, '000's 11,623

Market cap, EURm 112

Free float, % 60.6

Exchange rate -

Reuters code ESENSE.HE

Bloomberg code ESENSE FH

Average daily volume, EURm -

Next interim report 13-Aug-21

Web site www.enersense.com

Analyst Teemu Reiman

E-mail teemu.reiman@evli.com

Telephone +358 40 352 6175

BUY HOLD SELL

Interim figures	2016	2017	2018	2019	2020	Q1'21	Q2'21E	Q3'21E	Q4'21E	2021E	2022E	2023E
Net sales	36.9	47.0	47.4	58.1	144.5	52.4	57.5	65.2	66.9	242.0	253.1	262.9
Smart Industry					64.6	20.4	21.0	22.5	22.4	86.3	88.8	91.1
Power					18.9	10.8	11.5	12.5	12.5	47.3	52.1	56.0
Connectivity					23.4	8.5	11.0	13.5	14.8	47.8	48.7	49.7
Staff leasing					13.8	2.0	2.5	3.9	3.0	11.4	12.3	12.7
International Operations					23.7	10.7	11.5	12.8	14.2	49.2	51.2	53.5
EBITDA	4.0	1.9	-1.3	-0.8	7.2	1.4	3.1	4.7	3.9	13.2	16.4	18.9
Adj. EBITDA					8.9	1.7	3.4	5.0	4.2	14.4	17.2	18.9
D&A	-0.1	-0.2	-0.4	-1.1	-5.6	-2.7	-2.7	-2.7	-2.7	-10.8	-9.6	-9.1
EBIT	3.9	1.7	-1.7	-1.9	1.6	-1.3	0.4	2.0	1.2	2.4	6.8	9.8
Sales growth %	114.5 %	27.5 %	0.7 %	22.6 %	148.8 %	253.5 %				68 %	4.6 %	3.9 %
Smart Industry										33.6 %	3.0 %	2.5 %
Power										150.3 %	10.0 %	7.5 %
Connectivity										103.9 %	2.0 %	2.0 %
Staff leasing										-17.8 %	8.0 %	3.5 %
International Operations										107.3 %	4.0 %	4.5 %
EBITDA margin %	10.9 %	4.1 %	-2.7 %	-1.3 %	5.0 %	2.7 %	5.5 %	7.3 %	5.9 %	5.4 %	6.5 %	7.2 %
Adj. EBITDA margin %					6.2 %	3.2 %	6.0 %	7.7 %	6.3 %	5.9 %	6.8 %	7.2 %
EBIT margin %	10.6 %	3.7 %	-3.5 %	-3.3 %	1.1 %	-2.5 %	0.8 %	3.1 %	1.8 %	1.0 %	2.7 %	3.7 %

ENERSENSE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		21	22	23	21	22	23	21	22	23
B ravidia Holding	2474	14.1x	13.2x	12.6x	18.3x	16.9x	16.1x	23.2x	21.3x	20.3x
B ilfinger	1218	4.1x	3.3x	3.0x	8.7x	5.8x	4.2x	22.9x	14.1x	9.8x
C averion	891	7.4x	6.8x	6.1x	15.4x	12.3x	10.6x	20.1x	15.6x	13.2x
E ltel	393	9.5x	8.3x	7.6x	25.4x	18.7x	15.9x	33.4x	21.8x	17.3x
T ranstema Group	62	4.7x	4.3x	3.9x	14.9x	11.7x	10.0x	23.4x	16.9x	13.9x
V INCI	52929	10.2x	8.7x	8.2x	17.5x	13.6x	12.5x	21.2x	15.6x	13.9x
S PIE	3341	8.0x	7.5x	7.1x	11.6x	10.6x	10.2x	14.7x	13.3x	12.4x
V iafin Service	61							18.2x	16.9x	15.5x
V eolia Environnement	14415	8.0x	7.0x	6.5x	18.7x	14.3x	12.3x	20.0x	15.4x	13.2x
L assila & Tikanoja	553							16.8x	15.2x	14.1x
Peer Group Average	7634	8.3x	7.4x	6.9x	16.3x	13.0x	11.5x	21.4x	16.6x	14.4x
Peer Group Median	1054	8.0x	7.3x	6.8x	16.5x	13.0x	11.5x	20.6x	15.6x	13.9x
Enersense (Evl est.)	112	7.9x	5.6x	4.3x	43.4x	13.5x	8.2x	-126.1x	25.2x	17.2x
Enersense prem./disc. to peer median		-2 %	-23 %	-38 %	164 %	4 %	-29 %	-711 %	62 %	24 %
Enersense (Evl est. adj.)*	112	7.9x	5.6x	4.3x	11.3x	7.2x	5.3x	18.8x	10.7x	9.3x
Enersense prem./disc. to peer median		-2 %	-23 %	-38 %	-31 %	-45 %	-54 %	-9 %	-31 %	-33 %

Source FactSet, Evli Research. *FAS goodwill amortization adj.

ENERSENSE PEER GROUP	Sales 20	Sales gr.			EBITDA-%			Div. yield		
		21	22	23	21	22	23	21	22	23
B ravidia Holding	2099	2.9%	5.2%	3.1%	8.5 %	8.6 %	8.8 %	2.2 %	2.5 %	2.6 %
B ilfinger	3479	10.9%	5.3%	5.4%	5.2 %	6.2 %	6.4 %	2.8 %	3.1 %	4.1 %
C averion	2155	0.4%	3.9%	3.7%	6.4 %	6.7 %	7.2 %	2.6 %	3.2 %	3.9 %
E ltel	938	-6.7%	1.2%	2.1%	6.6 %	7.4 %	7.9 %	0.0 %	2.4 %	2.8 %
T ranstema Group	139	13.9%	3.0%	3.0%	10.0 %	10.7 %	11.2 %	0.0 %	0.0 %	0.0 %
V INCI	43234	9.3%	7.8%	3.5%	15.6 %	17.0 %	17.5 %	2.6 %	3.4 %	3.9 %
S PIE	6655	5.4%	3.8%	3.0%	8.2 %	8.4 %	8.6 %	2.8 %	3.2 %	3.4 %
V iafin Service	56	18.9%	4.4%	3.1%	7.8 %	8.1 %	8.3 %	2.5 %	2.8 %	3.1 %
V eolia Environnement	26010	5.4%	15.2%	5.0%	14.6 %	14.5 %	14.8 %	3.7 %	4.4 %	5.1 %
L assila & Tikanoja	752	3.5%	1.9%	2.0%	12.5 %	12.8 %	12.9 %	3.9 %	4.3 %	4.4 %
Peer Group Average	8552	6.4%	5.2%	3.4%	9.5 %	10.0 %	10.4 %	2.3 %	2.9 %	3.3 %
Peer Group Median	2127	5.4%	4.1%	3.1%	8.3 %	8.5 %	8.7 %	2.6 %	3.1 %	3.6 %
Enersense (Evl est.)	144	67.5%	4.6%	3.9%	5.4 %	6.5 %	7.2 %	0.0 %	0.9 %	1.7 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	9.60 PV of Free Cash Flow	70 Long-term growth, %	1.5 Risk-free interest rate, %	2.25
DCF share value	10.96 PV of Horizon value	66 WACC, %	9.1 Market risk premium, %	5.8
Share price potential, %	14.1 Unconsolidated equity	-7 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	11.8 Marketable securities	18 Minimum WACC, %	8.6 Equity beta coefficient	1.20
Minimum value	10.2 Debt - dividend	-19 Maximum WACC, %	9.6 Target debt ratio, %	20
Horizon value, %	48.7 Value of stock	127 Nr of shares, Mn	11.6 Effective tax rate, %	20

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	144	242	253	263	271	279	286	292	297	302	306	311
<i>Sales growth, %</i>	<i>148.8</i>	<i>67.5</i>	<i>4.6</i>	<i>3.9</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>
Operating income (EBIT)	2	2	7	10	11	11	11	12	12	12	12	12
<i>Operating income margin, %</i>	<i>1.1</i>	<i>1.0</i>	<i>2.7</i>	<i>3.7</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>
+ Depreciation+amort.	6	11	10	9	9	7	6	6	6	6	6	
EBITDA	7	13	16	19	20	19	17	18	18	18	19	
- Paid taxes	0	0	-1	-2	-3	-3	-3	-3	-3	-3	-3	
- Change in NWC	-11	-7	1	1	1	1	1	1	1	0	0	
<i>NWC / Sales, %</i>	<i>-19.8</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	<i>-9.0</i>	
+ Change in other liabs	17	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-1	-4	-5	-4	-4	-4	-4	-4	-5	-5	-5	
<i>opCAPEX / Sales, %</i>	<i>0.8</i>	<i>1.5</i>	<i>1.8</i>	<i>1.7</i>	<i>1.6</i>	<i>1.6</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	
- Acquisitions	-1	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	1	0	0	0	0	0	0	0	0	0	0	
= FCFF	12	3	12	13	13	12	11	11	11	11	12	154
= Discounted FCFF		3	10	11	9	8	7	6	6	5	5	66
= DFCF min WACC		3	10	11	10	8	7	6	6	6	5	74
= DFCF max WACC		3	10	10	9	8	7	6	6	5	5	59

INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2E	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	0.0	0.0	0.0	144.5	144.5	52.4	57.5	65.2	66.9	242.0	253.1	262.9
EBITDA	0.0	0.0	0.0	7.2	7.2	1.4	3.1	4.7	3.9	13.2	16.4	18.9
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>5.0</i>	<i>5.0</i>	<i>2.7</i>	<i>5.5</i>	<i>7.3</i>	<i>5.9</i>	<i>5.4</i>	<i>6.5</i>	<i>7.2</i>
EBIT	0.0	0.0	0.0	1.6	1.6	-1.3	0.4	2.0	1.2	2.4	6.8	9.8
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>1.1</i>	<i>1.1</i>	<i>-2.5</i>	<i>0.8</i>	<i>3.1</i>	<i>1.8</i>	<i>1.0</i>	<i>2.7</i>	<i>3.7</i>
Net financial items	0.0	0.0	0.0	-1.6	-1.6	-1.7	-0.8	-0.4	-0.4	-3.3	-1.5	-1.5
Pre-tax profit	0.0	0.0	0.0	-0.1	-0.1	-3.0	-0.4	1.6	0.8	-0.9	5.3	8.3
Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.9	-1.8
<i>Tax rate (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.2</i>	<i>0.2</i>	<i>-1.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.2</i>	<i>8.0</i>	<i>13.0</i>
Net profit	0.0	0.0	0.0	-0.1	-0.1	-3.0	-0.4	1.6	0.8	-0.9	4.4	6.5
EPS	0.00	0.00	0.00	-0.01	-0.01	-0.26	-0.03	0.14	0.07	-0.08	0.38	0.56
EPS adjusted (diluted no. of shares)	0.00	0.00	0.00	-0.01	-0.01	-0.26	-0.03	0.14	0.07	-0.08	0.38	0.56
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.17
SALES, EURm												
Smart Industry	0.0	0.0	0.0	64.6	64.6	20.4	21.0	22.5	22.4	86.3	88.8	91.1
Power	0.0	0.0	0.0	18.9	18.9	10.8	11.5	12.5	12.5	47.3	52.1	56.0
Connectivity	0.0	0.0	0.0	23.4	23.4	8.5	11.0	13.5	14.8	47.8	48.7	49.7
Staff Leasing	0.0	0.0	0.0	13.8	13.8	2.0	2.5	3.9	3.0	11.4	12.3	12.7
International Operations	0.0	0.0	0.0	23.7	23.7	10.7	11.5	12.8	14.2	49.2	51.2	53.5
Group	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0
Total	0.0	0.0	0.0	144.5	144.5	52.4	57.5	65.2	66.9	242.0	253.1	262.9
SALES GROWTH, Y/Y %												
Smart Industry	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>				<i>-65.3</i>	<i>33.6</i>	<i>3.0</i>	<i>2.5</i>
Power	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>				<i>-33.9</i>	<i>150.3</i>	<i>10.0</i>	<i>7.5</i>
Connectivity	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>				<i>-36.8</i>	<i>103.9</i>	<i>2.0</i>	<i>2.0</i>
Staff Leasing	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>				<i>-78.3</i>	<i>-17.8</i>	<i>8.0</i>	<i>3.5</i>
International Operations	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>				<i>-40.2</i>	<i>107.3</i>	<i>4.0</i>	<i>4.5</i>
Group	<i>0.0</i>	<i>-100.0</i>	<i>-100.0</i>	<i>-100.0</i>	<i>-100.0</i>				<i>0.0</i>	<i>17,650.0</i>	<i>-99.4</i>	<i>0.0</i>
Total	<i>0.0</i>	<i>-100.0</i>	<i>-100.0</i>	<i>148.8</i>	<i>148.8</i>				<i>-53.7</i>	<i>67.5</i>	<i>4.6</i>	<i>3.9</i>
EBIT, EURm												
Group	0.0	0.0	0.0	1.6	1.6	-1.3	0.4	2.0	1.2	2.4	6.8	9.8
Total	0.0	0.0	0.0	1.6	1.6	-1.3	0.4	2.0	1.2	2.4	6.8	9.8
EBIT margin, %												
Group	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>									
Total	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>1.1</i>	<i>1.1</i>	<i>-2.5</i>	<i>0.8</i>	<i>3.1</i>	<i>1.8</i>	<i>1.0</i>	<i>2.7</i>	<i>3.7</i>

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	36.9	47.0	47.4	58.1	144.5	242.0	253.1	262.9
<i>Sales growth (%)</i>	<i>114.5</i>	<i>27.5</i>	<i>0.7</i>	<i>22.6</i>	<i>148.8</i>	<i>67.5</i>	<i>4.6</i>	<i>3.9</i>
EBITDA	4.0	1.9	-1.3	-0.8	7.2	13.2	16.4	18.9
<i>EBITDA margin (%)</i>	<i>10.9</i>	<i>4.1</i>	<i>-2.6</i>	<i>-1.3</i>	<i>5.0</i>	<i>5.4</i>	<i>6.5</i>	<i>7.2</i>
Depreciation	-0.1	-0.2	-0.4	-0.3	-1.9	-4.0	-3.6	-3.6
EBITA	3.9	1.7	-1.6	-1.0	5.3	9.2	12.8	15.3
Goodwill amortization / writedown	0.0	0.0	-0.1	-0.9	-3.7	-6.8	-6.0	-5.5
EBIT	3.9	1.7	-1.7	-1.9	1.6	2.4	6.8	9.8
<i>EBIT margin (%)</i>	<i>10.6</i>	<i>3.7</i>	<i>-3.5</i>	<i>-3.3</i>	<i>1.1</i>	<i>1.0</i>	<i>2.7</i>	<i>3.7</i>
Reported EBIT	3.9	1.7	-1.7	-1.9	1.6	2.4	6.8	9.8
<i>EBIT margin (reported) (%)</i>	<i>10.6</i>	<i>3.7</i>	<i>-3.5</i>	<i>-3.3</i>	<i>1.1</i>	<i>1.0</i>	<i>2.7</i>	<i>3.7</i>
Net financials	-0.2	-0.3	-1.0	-0.4	-1.6	-3.3	-1.5	-1.5
Pre-tax profit	3.7	1.5	-2.7	-2.3	-0.1	-0.9	5.3	8.3
Taxes	-0.7	-0.5	0.5	0.0	0.0	0.0	-0.9	-1.8
Minority shares	0.0	0.0	0.2	0.1	0.0	0.0	0.0	0.0
Net profit	2.9	1.0	-1.9	-2.1	-0.1	-0.9	4.4	6.5
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	0	1	1	2	16	14	15	16
Goodwill	0	0	4	3	31	25	19	13
Right of use assets	0	0	0	0	0	0	0	0
Inventory	0	0	0	0	4	5	5	5
Receivables	9	11	10	13	33	36	38	39
Liquid funds	2	2	3	1	18	33	36	45
Total assets	12	15	19	20	101	113	112	118
Liabilities								
Shareholder's equity	4	3	9	7	14	28	32	38
Minority interest	0	0	0	0	1	2	2	2
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0	0	0
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	3	4	2	4	19	18	10	8
Non-interest bearing current liabilities	5	8	8	10	65	63	66	68
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	12	15	19	20	101	113	112	118
CASH FLOW, EURm								
+ EBITDA	4	2	-1	-1	7	13	16	19
- Net financial items	0	0	-1	0	-2	-3	-1	-1
- Taxes	-1	0	0	0	0	0	-1	-2
- Increase in Net Working Capital	-1	0	1	-1	-11	-7	1	1
+/- Other	0	0	0	0	1	0	0	0
= Cash flow from operations	2	2	-1	-2	-4	3	15	16
- Capex	0	-1	-3	0	-1	-4	-5	-4
- Acquisitions	0	0	-3	0	-1	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	1	1	-6	-3	-6	0	10	12
+/- New issues/buybacks	-1	0	8	0	8	16	0	0
- Paid dividend	0	-2	0	0	0	0	0	-1
+/- Other	1	1	-1	1	15	0	-8	-2
Change in cash	2	0	1	-1	17	15	2	9

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	0	19	9	79	112	112	112
Net debt (excl. convertibles)	2	0	3	1	-15	-26	-37
Enterprise value	2	19	11	85	104	92	80
Sales	47	47	58	144	242	253	263
EBITDA	2	-1	-1	7	13	16	19
EBIT	2	-2	-2	2	2	7	10
Pre-tax	1	-3	-2	0	-1	5	8
Earnings	1	-2	-2	0	-1	4	6
Equity book value (excl. minorities)	3	9	7	14	28	32	38
Valuation multiples							
EV/sales	0.0	0.4	0.2	0.6	0.4	0.4	0.3
EV/EBITDA	1.2	-14.8	-14.5	11.8	7.9	5.6	4.3
EV/EBITA	1.3	-11.6	-10.9	16.1	11.3	7.2	5.3
EV/EBIT	1.3	-11.1	-6.0	54.1	43.4	13.5	8.2
EV/OCF	1.5	-21.6	-5.4	-19.9	33.4	6.1	4.9
EV/FCFF	1.9	-6.0	-5.5	6.8	38.8	7.8	6.0
P/FCFE	0.0	-3.1	-3.5	-12.6	-224.5	10.6	9.2
P/E	0.0	-10.0	-4.3	-701.3	-126.1	25.2	17.2
P/B	0.0	2.1	1.3	5.6	4.0	3.5	3.0
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.7	6.3	4.9
Target EV/EBIT	0.0	0.0	0.0	0.0	47.9	15.2	9.5
Target EV/FCF	0.0	0.0	0.0	0.0	-230.4	9.9	7.7
Target P/B	0.0	0.0	0.0	0.0	4.6	4.0	3.4
Target P/E	0.0	0.0	0.0	0.0	-144.5	28.8	19.7
Per share measures							
Number of shares	4,529	5,948	5,948	9,548	11,623	11,623	11,623
Number of shares (diluted)	4,529	5,948	5,948	9,548	11,623	11,623	11,623
EPS	0.22	-0.33	-0.36	-0.01	-0.08	0.38	0.56
Operating cash flow per share	0.33	-0.14	-0.36	-0.45	0.27	1.29	1.42
Free cash flow per share	0.21	-1.06	-0.44	-0.66	-0.04	0.90	1.04
Book value per share	0.62	1.52	1.16	1.47	2.40	2.78	3.24
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.09	0.17
Dividend payout ratio, %	0.0	0.0	0.0	0.0	0.0	23.6	30.0
Dividend yield, %	0.0	0.0	0.0	0.0	0.0	0.9	1.7
FCF yield, %	0.0	-32.7	-28.5	-7.9	-0.4	9.4	10.8
Efficiency measures							
ROE	30.1	-32.7	-26.8	-1.1	-4.2	14.7	18.5
ROCE	24.7	-18.5	-17.7	7.1	5.8	14.9	21.4
Financial ratios							
Inventories as % of sales	0.2	0.8	0.6	2.5	2.0	2.0	2.0
Receivables as % of sales	24.3	21.8	23.0	22.6	15.0	15.0	15.0
Non-interest bearing liabilities as % of sales	16.0	16.9	17.2	44.9	26.0	26.0	26.0
NWC/sales, %	8.5	5.7	6.4	-19.8	-9.0	-9.0	-9.0
Operative CAPEX/sales, %	1.2	5.6	0.1	0.8	1.5	1.8	1.7
CAPEX/sales (incl. acquisitions), %	1.2	-0.4	-0.7	0.0	1.5	1.8	1.7
FCFF/EBITDA	0.6	2.5	2.6	1.7	0.2	0.7	0.7
Net debt/EBITDA, book-weighted	1.2	0.3	-3.2	0.2	-1.1	-1.6	-1.9
Debt/equity, market-weighted	0.0	0.1	0.4	0.2	0.2	0.1	0.1
Equity ratio, book-weighted	19.2	46.3	32.3	14.5	26.2	30.3	33.4
Gearing, %	80.1	-4.4	38.0	10.1	-51.1	-75.2	-92.8

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	%
MBÅ Invest Oy	2,753,072	26.429	23.7%
Nidoco AB	2,075,000	19.920	17.9%
Joensuun Kauppa Ja Kone Oy	1,349,432	12.955	11.6%
Verman Group Oy	1,250,000	12.000	10.8%
Taloustieto Incrementum Ky	828,083	7.950	7.1%
Corporatum Oy	612,669	5.882	5.3%
Ilmarinen	275,000	2.640	2.4%
Siementila Suokas Oy	240,860	2.312	2.1%
Holopainen Jussi	158,395	1.521	1.4%
Proup Oy	148,646	1.427	1.3%
Ten largest	9,691,157	93.035	83%
Residual	1,931,572	18.543	17%
Total	11,622,729	111.578	100%

EARNINGS CALENDAR

August 13, 2021

Q2 report

November 02, 2021

Q3 report

OTHER EVENTS

March 19, 2021

AGM

COMPANY MISCELLANEOUS

CEO: Jussi Holopainen

Konepajanranta 2, 28100 Pori

CFO: Risto Takkala

Tel: +358 29 020 011

IR:

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

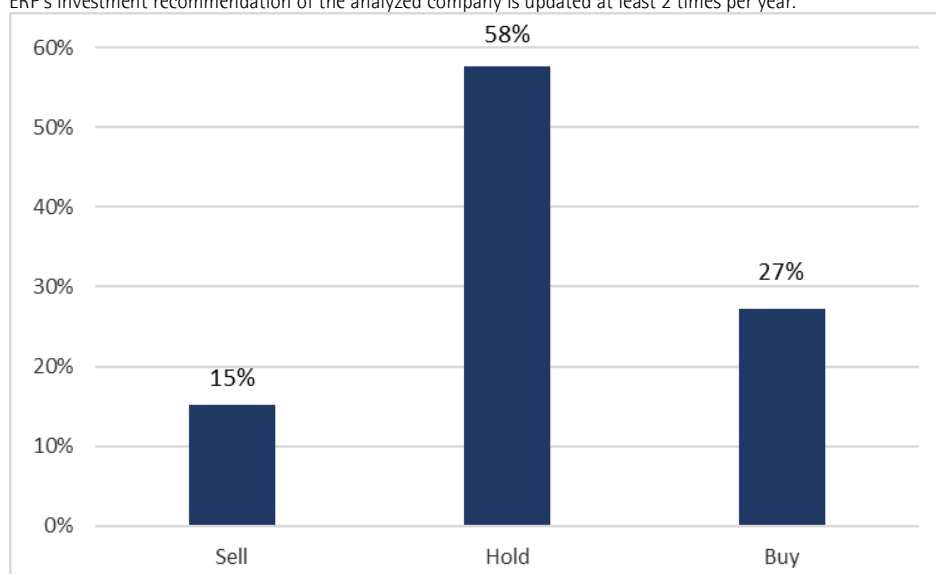
Important Disclosures

Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. Recommendations and changes by analysts are available at [Analysts' recommendations and ratings revisions](#).

Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



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): Reiman

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Bank Plc. Production of the investment recommendation has been concluded on 5.5.2021, 9:25. This report has been published on 5.5.2021, 9:30.

None of the analysts contributing to this report, persons under their guardianship or corporations under their control have a position in the shares of the company or related securities.

The date and time for any price of financial instruments mentioned in the recommendation refer to the previous trading day's closing price(s) unless otherwise stated in the report.

Each analyst responsible for the content of this report assures that the expressed views accurately reflect the personal views of each analyst on the covered companies and securities. Each analyst assures that (s)he has not been, nor are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

Companies in the Evli Group, affiliates or staff of companies in the Evli Group, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report.

Neither ERP nor any company within the Evli Group have managed or co-managed a public offering of the company's securities during the last 12 months prior to, received compensation for investment banking services from the company during the last 12 months prior to the publication of the research report.

ERP has signed an agreement with the issuer of the financial instruments mentioned in the recommendation, which includes production of research reports. This assignment has a limited economic and financial impact on ERP and/or Evli. Under the assignment ERP performs services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP or another company within the Evli Group does not have an agreement with the company to perform market making or liquidity providing services.

For the prevention and avoidance of conflicts of interests with respect to this report, there is an information barrier (Chinese wall) between Investment

Research and Corporate Finance units concerning unpublished investment banking services to the company. The remuneration of the analyst(s) is not tied directly or indirectly to investment banking transactions or other services performed by Evli Bank Plc or any company within Evli Group.

This report has not been disclosed to the company prior to its dissemination.

This report is provided and intended for informational purposes only and may not be used or considered under any circumstances as an offer to sell or buy any securities or as advice to trade any securities.

This report is based on sources ERP considers to be correct and reliable. The sources include information providers Reuters and Bloomberg, stock-exchange releases from the companies and other company news, Statistics Finland and articles in newspapers and magazines. However, ERP does not guarantee the materialization, correctness, accuracy or completeness of the information, opinions, estimates or forecasts expressed or implied in the report. In addition, circumstantial changes may have an influence on opinions and estimates presented in this report. The opinions and estimates presented are valid at the moment of their publication and they can be changed without a separate announcement. Neither ERP nor any company within the Evli Group are responsible for amending, correcting or updating any information, opinions or estimates contained in this report. Neither ERP nor any company within the Evli Group will compensate any direct or consequential loss caused by or derived from the use of the information represented in this publication.

All information published in this report is for the original recipient's private and internal use only. ERP reserves all rights to the report. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature, without the written permission of ERP.

This report or its copy may not be published or distributed in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa. The publication or distribution of this report in certain other jurisdictions may also be restricted by law. Persons into whose possession this report comes are required to inform themselves about and to observe any such restrictions.

Evli Bank Plc is not registered as a broker-dealer with the U. S. Securities and Exchange Commission ("SEC"), and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Evli Bank is not a member of the Financial Industry Regulatory Authority ("FINRA"). It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest. This research report is only being offered in U.S. by Auerbach Grayson & Company, LLC (Auerbach Grayson) to Major U.S. Institutional Investors and is not available to, and should not be used by, any U.S. person or entity that is not a Major U.S. Institutional Investor. Auerbach Grayson is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of the FINRA. U.S. entities seeking more information about any of the issuers or securities discussed in this report should contact Auerbach Grayson. The securities of non-U.S. issuers may not be registered with or subject to SEC reporting and other requirements.

ERP is not a supervised entity but its parent company Evli Bank Plc is supervised by the Finnish Financial Supervision Authority.

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
Anna-Liisa Rissanen	+358 40 157 9919
Teemu Reiman	+358 40 352 6175

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
Markku Reinikainen	+358 9 4766 9669



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