

Inflation resistance to be tested

Enersense's Q1 profitability figures beat our estimates but cost inflation can hurt figures more during the rest of the year. Long-term outlook remains favorable thanks to the green vertically integrated strategy, but we view current valuation overall fair.

Strong headline EBITDA, but mixed results underneath

Enersense's revenue was up by 1% y/y to EUR 53.8m, compared to our EUR 54.2m estimate. Smart Industry's figures declined due to the Staff Leasing sale as well as the lower than estimated Olkiluoto nuclear power plant volumes. The Olkiluoto project hit profitability, and together with the Enersense Offshore integration helped produce an EBITDA of EUR -1.0m. Connectivity and International Operations were able to grow at double-digit rates as Covid-19 was no longer a major issue, but their EBITDA declined due to inflation. Power grew a lot more than we expected and contributed to the group EUR 5.5m adj. EBITDA, compared to our EUR 2.7m estimate, as high revenue, project execution and Megatuuli acquisition drove profitability.

Cost inflationary effects on H2 figures remain to be seen

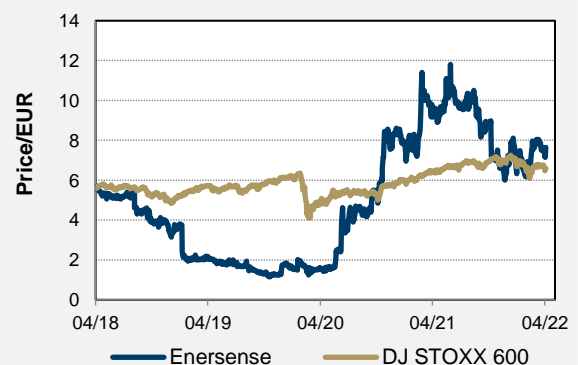
Enersense retains its guidance as the war causes some project delays this spring and hence Q2 figures will be relatively low. Q3 and Q4 should again be comparatively strong (winter and spring are always somewhat quiet), but inflation and material availability add to uncertainty. The underlying improvement pace in H2 is still unclear especially when acquisitions have complicated the picture. We revise our adj. EBITDA estimates down by 17% for the remainder of the year while our revenue estimate is almost intact. The war and its effects may have a short-term negative effect on Enersense's performance, but its long-term consequences are likely to be beneficial ones as governments accelerate e.g. wind power investments.

We consider current valuation neutral

Enersense's multiples for the next few years are still low relative to peers, assuming profitability continues to improve, whereas the multiples for FY '22 represent a slight premium. We therefore argue the current valuation is overall fair in the current high inflation environment. Successful execution and strong underlying profitability in H2 would be a likely upside driver. We retain our EUR 8 TP. Our rating is now HOLD (BUY).

Rating

HOLD



Share price, EUR (Last trading day's closing price) 7.64

Target price, EUR 8.0

Latest change in recommendation 02-May-22

Latest report on company 01-Mar-22

Research paid by issuer: YES

No. of shares outstanding, '000's 15,996

No. of shares fully diluted, '000's 15,996

Market cap, EURm 122

Free float, % 78.2

Exchange rate -

Reuters code ESENSE.HE

Bloomberg code ESENSE FH

Average daily volume, EURm 0.4

Next interim report 04-Aug-22

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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
2020	147.5	4.8	3.2%	-15.6	0.25	32.6	0.7	20.4	-19.7	0.00
2021	239.1	6.8	2.9%	-12.9	0.30	23.1	0.4	13.1	-14.0	0.10
2022E	245.6	9.4	3.8%	7.2	0.38	20.1	0.5	12.1	5.9	0.15
2023E	255.6	13.2	5.2%	16.0	0.69	11.0	0.4	7.6	13.1	0.21
2024E	263.3	14.2	5.4%	17.5	0.69	11.1	0.3	6.1	14.3	0.21
Market cap, EURm				122	Gearing 2022E, %		-16.6	CAGR EPS 2021-24, %		32.3
Net debt 2022E, EURm				-9	Price/book 2022E		2.3	CAGR sales 2021-24, %		3.3
Enterprise value, EURm				114	Dividend yield 2022E, %		2.0	ROE 2022E, %		12.1
Total assets 2022E, EURm				159	Tax rate 2022E, %		16.9	ROCE 2022E, %		11.6
Goodwill 2022E, EURm				26	Equity ratio 2022E, %		35.0	PEG, P/E 22/CAGR		1.0

Estimates and peer group valuation

Enersense	2019	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22E	Q3'22E	Q4'22E	2022E	2023E
Net sales	58.1	147.5	53.3	61.6	58.2	66.0	239.0	53.9	56.9	64.3	70.6	245.6	255.6
Smart Industry		78.4	22.3	23.5	18.7	21.0	85.5	16.6	19.0	21.2	22.4	79.2	81.2
Power		18.9	10.8	12.0	12.5	13.8	49.1	14.3	12.2	14.2	15.5	56.2	60.4
Connectivity		23.4	8.5	11.4	12.3	13.2	45.3	9.3	10.8	13.1	13.8	47.2	48.1
Staff leasing													
International Operations		26.8	11.6	14.8	14.6	18.0	59.0	13.5	14.9	15.8	18.9	63.1	65.9
EBITDA	0.1	9.8	1.7	5.8	2.9	6.2	16.6	5.5	2.3	5.8	4.9	18.5	22.2
Adj. EBITDA	0.1	11.5	2.6	4.8	4.4	7.5	19.3	5.5	2.3	5.8	4.9	18.5	22.2
D&A	-1.0	-5.0	-2.3	-2.8	-2.5	-2.2	-9.8	-2.3	-2.3	-2.3	-2.2	-9.1	-9.0
Adj. EBIT	-1.0	7.5	0.8	2.8	2.6	5.8	12.0	3.2	0.0	3.5	2.7	9.4	13.2
EBIT	-1.0	4.8	-0.6	3.0	0.4	4.0	6.8	3.2	0.0	3.5	2.7	9.4	13.2
Sales growth %	22.6 %	154.0 %					62 %	1 %	-8 %	10 %	7 %	3 %	4 %
Smart Industry							32 %	-26 %	-19 %	13 %	7 %	-7 %	3 %
Power							160 %	32 %	2 %	13 %	12 %	14 %	8 %
Connectivity							94 %	10 %	-5 %	7 %	5 %	4 %	2 %
Staff leasing							0 %					0 %	0 %
International Operations							121 %	16 %	1 %	8 %	5 %	7 %	5 %
EBITDA margin %	0.1 %	6.6 %	3.2 %	9.4 %	4.9 %	9.5 %	6.9 %	10.2 %	4.0 %	9.0 %	7.0 %	7.5 %	8.7 %
Adj. EBITDA margin %	0.1 %	7.8 %	4.8 %	7.8 %	7.5 %	11.4 %	8.1 %	10.2 %	4.0 %	9.0 %	7.0 %	7.5 %	8.7 %
Adj. EBIT margin %	-1.7 %	5.1 %	1.5 %	4.5 %	4.5 %	8.8 %	5.0 %	6.0 %	0.0 %	5.4 %	3.9 %	3.8 %	5.2 %
EBIT margin %	-1.7 %	3.2 %	-1.2 %	4.9 %	0.6 %	6.1 %	2.9 %	6.0 %	0.0 %	5.4 %	3.9 %	3.8 %	5.2 %

ENERSENSE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		22	23	24	22	23	24	22	23	24
Bravida Holding	1979	10.8x	10.1x	9.6x	13.9x	12.9x	12.3x	17.4x	16.1x	15.3x
Bilfinger	1572	4.6x	4.2x	4.4x	7.7x	6.7x	6.9x	16.8x	14.1x	13.6x
Caverion	640	5.5x	5.0x	4.6x	10.4x	8.7x	7.8x	12.0x	9.8x	8.6x
Eltel	167	5.6x	5.1x	4.8x	14.8x	11.8x	10.1x	15.3x	11.3x	9.1x
Transtema Group	146	5.6x	5.2x	5.1x	10.1x	9.2x	8.7x	13.9x	12.5x	
VINCI	52646	8.2x	7.5x	7.1x	12.5x	11.1x	10.3x	14.1x	12.4x	11.5x
SPIE	3708	7.5x	7.1x	6.7x	10.7x	10.0x	9.6x	13.1x	12.0x	11.3x
Viafin Service	48	6.2x	5.9x	5.8x	7.6x	7.1x	6.9x	16.0x	14.7x	14.3x
Veolia Environnement	19139	5.2x	4.8x	4.4x	11.1x	9.8x	8.9x	17.6x	14.3x	11.9x
Lassila & Tikanoja	390	5.8x	5.4x	5.2x	13.4x	11.4x	11.0x	12.8x	10.9x	10.3x
Peer Group Average	8043	6.5x	6.0x	5.8x	11.2x	9.9x	9.3x	14.9x	12.8x	11.8x
Peer Group Median	1106	5.7x	5.3x	5.1x	10.9x	9.9x	9.3x	14.7x	12.5x	11.5x
Enersense (Evli est.)	122	6.2x	4.5x	3.9x	12.1x	7.6x	6.1x	20.1x	11.0x	11.1x

Enersense prem./disc. to peer median 9 % -15 % -23 % 11 % -23 % -34 % 37 % -12 % -3 %

ENERSENSE PEER GROUP	Sales 21	Sales gr.			EBITDA-%			Div. yield		
		22	23	24	22	23	24	22	23	24
Bravida Holding	2074	12.1%	4.1%	3.6%	8.3 %	8.5 %	8.6 %	3.2 %	3.4 %	3.6 %
Bilfinger	3737	8.6%	4.5%	-1.8%	6.3 %	6.6 %	6.5 %	2.8 %	3.3 %	2.6 %
Caverion	2140	5.0%	4.1%	3.8%	6.6 %	7.0 %	7.3 %	4.3 %	5.2 %	5.8 %
Eltel	813	-1.6%	0.8%	3.3%	6.6 %	7.2 %	7.5 %	3.0 %	4.7 %	5.4 %
Transtema Group	160	32.8%	3.0%	3.0%	12.3 %	12.7 %	12.8 %			
VINCI	49396	15.8%	3.8%	3.1%	16.4 %	17.2 %	17.6 %	3.8 %	4.3 %	4.8 %
SPIE	6971	10.9%	4.2%	3.3%	8.5 %	8.6 %	8.9 %	3.2 %	3.6 %	3.8 %
Viafin Service	61	6.3%	4.4%	3.0%	8.3 %	8.4 %	8.4 %	3.3 %	3.6 %	4.0 %
Veolia Environnement	28508	34.0%	4.3%	3.6%	15.7 %	16.2 %	17.3 %	4.0 %	5.0 %	5.9 %
Lassila & Tikanoja	813	4.1%	1.9%	3.7%	11.4 %	12.0 %	12.0 %	4.7 %	5.2 %	5.0 %
Peer Group Average	9467	12.8%	3.5%	2.9%	10.1 %	10.4 %	10.7 %	3.6 %	4.3 %	4.5 %
Peer Group Median	2107	9.8%	4.1%	3.3%	8.4 %	8.5 %	8.8 %	3.3 %	4.3 %	4.8 %
Enersense (Evli est.)	239	2.7%	4.1%	3.0%	7.5 %	8.7 %	8.4 %	2.0 %	2.7 %	2.7 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	7.64 PV of Free Cash Flow	101 Long-term growth, %	1.5 Risk-free interest rate, %
DCF share value	12.51 PV of Horizon value	98 WACC, %	9.1 Market risk premium, %
Share price potential, %	63.7 Unconsolidated equity	-1 Spread, %	0.5 Debt risk premium, %
Maximum value	13.4 Marketable securities	29 Minimum WACC, %	8.6 Equity beta coefficient
Minimum value	11.7 Debt - dividend	-27 Maximum WACC, %	9.6 Target debt ratio, %
Horizon value, %	49.2 Value of stock	200 Nr of shares, Mn	16.0 Effective tax rate, %

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	239	246	256	263	271	278	284	289	294	298	302	307
<i>Sales growth, %</i>	<i>62.2</i>	<i>2.7</i>	<i>4.1</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>	<i>1.5</i>
Operating income (EBIT)	7	9	13	14	14	14	14	14	15	15	15	15
<i>Operating income margin, %</i>	<i>2.9</i>	<i>3.8</i>	<i>5.2</i>	<i>5.4</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>
+ Depreciation+amort.	10	9	9	8	7	7	7	8	8	8	8	
EBITDA	17	19	22	22	21	21	22	22	22	23	23	
- Paid taxes	1	-2	-2	-3	-3	-3	-3	-3	-3	-3	-3	
- Change in NWC	-10	1	2	1	1	1	1	1	1	1	1	
<i>NWC / Sales, %</i>	<i>-8.9</i>	<i>-9.1</i>	<i>-9.4</i>	<i>-9.6</i>	<i>-9.8</i>	<i>-9.9</i>	<i>-10.0</i>	<i>-10.1</i>	<i>-10.2</i>	<i>-10.3</i>	<i>-10.4</i>	
+ Change in other liabs	2	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-1	-5	-14	2	-4	-4	-4	-4	-4	-4	-4	
<i>opCAPEX / Sales, %</i>	<i>7.8</i>	<i>3.7</i>	<i>2.3</i>	<i>0.9</i>	<i>2.9</i>	<i>2.9</i>	<i>2.9</i>	<i>2.9</i>	<i>2.8</i>	<i>2.8</i>	<i>2.8</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	2	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	10	13	8	22	16	16	16	16	17	17	17	228
= Discounted FCFF		12	7	18	11	11	10	9	9	8	7	98
= DFCF min WACC		12	7	18	11	11	10	9	9	8	8	110
= DFCF max WACC		12	7	17	11	10	10	9	8	8	7	88

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	53.3	61.6	58.3	65.9	239.1	53.8	56.9	64.3	70.6	245.6	255.6	263.3
EBITDA	1.7	5.8	2.9	6.5	16.8	5.4	2.3	5.8	5.0	18.5	22.4	22.0
<i>EBITDA margin (%)</i>	<i>3.2</i>	<i>9.4</i>	<i>5.0</i>	<i>9.9</i>	<i>7.0</i>	<i>10.1</i>	<i>4.0</i>	<i>9.0</i>	<i>7.1</i>	<i>7.5</i>	<i>8.8</i>	<i>8.4</i>
EBIT	-0.6	3.0	0.4	4.0	6.8	3.2	0.0	3.5	2.7	9.4	13.2	14.2
<i>EBIT margin (%)</i>	<i>-1.2</i>	<i>4.9</i>	<i>0.7</i>	<i>6.1</i>	<i>2.9</i>	<i>6.0</i>	<i>0.0</i>	<i>5.4</i>	<i>3.9</i>	<i>3.8</i>	<i>5.2</i>	<i>5.4</i>
Net financial items	-0.7	-1.1	-0.4	-1.1	-3.3	-1.2	-0.5	-0.2	-0.2	-2.1	-0.5	-0.5
Pre-tax profit	-1.3	1.9	-0.1	3.0	3.5	2.0	-0.5	3.3	2.5	7.3	12.7	13.7
Tax	0.0	0.0	0.0	0.5	0.4	-0.8	0.0	-0.3	-0.2	-1.2	-1.7	-2.7
<i>Tax rate (%)</i>	<i>-0.9</i>	<i>0.5</i>	<i>0.0</i>	<i>-15.2</i>	<i>-12.3</i>	<i>40.4</i>	<i>8.0</i>	<i>8.0</i>	<i>8.0</i>	<i>16.9</i>	<i>13.0</i>	<i>20.0</i>
Net profit	-1.3	1.9	-0.1	3.4	4.0	1.2	-0.5	3.0	2.3	6.1	11.1	11.0
EPS	-0.10	0.14	0.00	0.26	0.30	0.08	-0.03	0.19	0.15	0.38	0.69	0.69
EPS adjusted (diluted no. of shares)	-0.10	0.14	0.00	0.26	0.30	0.08	-0.03	0.19	0.15	0.38	0.69	0.69
Dividend per share	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.15	0.21	0.21
SALES, EURm												
Smart Industry	22.3	23.5	18.7	21.0	85.5	16.6	19.0	21.2	22.4	79.2	81.2	83.7
Power	10.8	12.0	12.5	13.8	49.1	14.3	12.2	14.2	15.5	56.2	60.4	62.2
Connectivity	8.5	11.4	12.3	13.2	45.3	9.3	10.8	13.1	13.8	47.2	48.1	49.5
International Operations	11.6	14.8	14.6	18.0	59.0	13.5	14.9	15.8	18.9	63.1	65.9	67.9
Group	0.1	0.0	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	53.3	61.6	58.3	65.9	239.1	53.8	56.9	64.3	70.6	245.6	255.6	263.3
SALES GROWTH, Y/Y %												
Smart Industry	0.0	0.0	0.0	-67.5	32.4	-25.6	-19.0	13.0	7.0	-7.3	2.5	3.0
Power	0.0	0.0	0.0	-27.1	159.8	32.4	2.0	13.0	12.0	14.3	7.5	3.0
Connectivity	0.0	0.0	0.0	-43.7	93.5	10.5	-5.0	7.0	5.0	4.1	2.0	3.0
Staff Leasing	0.0	0.0	0.0	-100.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
International Operations	0.0	0.0	0.0	-32.7	120.5	16.0	1.0	8.0	5.0	6.9	4.5	3.0
Group	0.0	0.0	0.0	0.0	0.0	-102.8	-99.7	-99.9	-100.2	-101.3	0.0	0.0
Total	0.0	0.0	0.0	-55.3	62.2	0.9	-7.6	10.3	7.2	2.7	4.1	3.0
EBIT, EURm												
Smart Industry	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5
Power	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.4
Connectivity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.7
International Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.7
Group	-0.6	3.0	0.4	4.0	6.8	3.2	0.0	3.5	2.7	9.4	13.2	0.0
Total	-0.6	3.0	0.4	4.0	6.8	3.2	0.0	3.5	2.7	9.4	13.2	14.2
EBIT margin, %												
Smart Industry	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.4
Power	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.4
Connectivity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.4
International Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.4
Group	-871.8	9,735.5	412.8	-9,197.7	4,496.1		-22,007.6					0.0
Total	-1.2	4.9	0.7	6.1	2.9	6.0	0.0	5.4	3.9	3.8	5.2	5.4

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	47.0	47.4	58.1	147.5	239.1	245.6	255.6	263.3
<i>Sales growth (%)</i>	<i>27.5</i>	<i>0.7</i>	<i>22.6</i>	<i>154.0</i>	<i>62.2</i>	<i>2.7</i>	<i>4.1</i>	<i>3.0</i>
EBITDA	1.9	-1.3	0.1	9.8	16.8	18.5	22.4	22.0
<i>EBITDA margin (%)</i>	<i>4.1</i>	<i>-2.6</i>	<i>0.1</i>	<i>6.6</i>	<i>7.0</i>	<i>7.5</i>	<i>8.8</i>	<i>8.4</i>
Depreciation	-0.2	-0.4	-1.0	-5.0	-10.0	-9.1	-9.2	-7.8
EBITA	1.7	-1.6	-1.0	4.8	6.8	9.4	13.2	14.2
Goodwill amortization / writedown	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	1.7	-1.7	-1.0	4.8	6.8	9.4	13.2	14.2
<i>EBIT margin (%)</i>	<i>3.7</i>	<i>-3.5</i>	<i>-1.7</i>	<i>3.2</i>	<i>2.9</i>	<i>3.8</i>	<i>5.2</i>	<i>5.4</i>
Reported EBIT	1.7	-1.7	-1.0	4.8	6.8	9.4	13.2	14.2
<i>EBIT margin (reported) (%)</i>	<i>3.7</i>	<i>-3.5</i>	<i>-1.7</i>	<i>3.2</i>	<i>2.9</i>	<i>3.8</i>	<i>5.2</i>	<i>5.4</i>
Net financials	-0.3	-1.0	-0.4	-1.9	-3.3	-2.1	-0.5	-0.5
Pre-tax profit	1.5	-2.7	-1.4	2.9	3.5	7.3	12.7	13.7
Taxes	-0.5	0.5	0.0	-0.5	0.4	-1.2	-1.7	-2.7
Minority shares	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	1.0	-1.9	-1.4	2.4	4.0	6.1	11.1	11.0
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	1	2	25	24	24	33	28
Goodwill	0	4	4	26	26	26	26	26
Right of use assets	0	0	2	9	22	22	9	9
Inventory	0	0	0	4	7	7	7	7
Receivables	11	10	13	34	38	39	39	40
Liquid funds	2	3	1	18	29	41	40	46
Total assets	15	19	23	116	147	159	156	158
Liabilities								
Shareholder's equity	3	9	7	16	48	53	61	69
Minority interest	0	0	0	2	2	2	2	2
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	2	9	13	22	9	9
Deferred taxes	0	0	0	0	1	1	1	1
Interest bearing debt	4	2	4	18	13	10	8	0
Non-interest bearing current liabilities	8	8	10	70	66	68	70	73
Other interest-free debt	0	0	0	1	3	3	3	3
Total liabilities	15	19	23	116	147	159	156	158
CASH FLOW, EURm								
+ EBITDA	2	-1	0	10	17	19	22	22
- Net financial items	0	-1	0	-2	-3	-2	0	0
- Taxes	0	0	0	0	1	-1	-2	-3
- Increase in Net Working Capital	0	1	-1	-11	-10	1	2	1
+/- Other	0	0	-1	-1	0	0	0	0
= Cash flow from operations	2	-1	-2	-4	4	16	22	20
- Capex	-1	-3	0	-10	-19	-9	-6	-2
- Acquisitions	0	-3	0	-1	0	0	0	0
+ Divestments	0	0	0	0	2	0	0	0
= Free cash flow	1	-6	-3	-16	-13	7	16	17
+/- New issues/buybacks	0	8	0	8	28	0	0	0
- Paid dividend	-2	0	0	0	0	-1	-2	-3
+/- Other	1	-1	2	24	-4	6	-15	-8
Change in cash	0	1	-1	16	11	12	-1	6

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	19	9	79	92	122	122	122
Net debt (excl. convertibles)	0	5	9	-3	-9	-23	-37
Enterprise value	19	13	97	90	114	101	87
Sales	47	58	147	239	246	256	263
EBITDA	-1	0	10	17	19	22	22
EBIT	-2	-1	5	7	9	13	14
Pre-tax	-3	-1	3	4	7	13	14
Earnings	-2	-1	2	4	6	11	11
Equity book value (excl. minorities)	9	7	16	48	53	61	69
Valuation multiples							
EV/sales	0.4	0.2	0.7	0.4	0.5	0.4	0.3
EV/EBITDA	-14.8	179.9	9.9	5.3	6.2	4.5	3.9
EV/EBITA	-11.6	-13.9	20.4	13.1	12.1	7.6	6.1
EV/EBIT	-11.1	-13.9	20.4	13.1	12.1	7.6	6.1
EV/OCF	-21.6	-6.3	-22.8	23.2	7.0	4.6	4.3
EV/FCFF	-6.0	-5.7	8.1	8.6	8.8	12.8	3.9
P/FCFE	-3.1	-3.1	-5.1	-7.1	16.9	7.7	7.0
P/E	-10.0	-6.8	32.6	23.1	20.1	11.0	11.1
P/B	2.1	1.3	5.0	1.9	2.3	2.0	1.8
Target EV/EBITDA	0.0	0.0	0.0	0.0	6.5	4.8	4.2
Target EV/EBIT	0.0	0.0	0.0	0.0	12.8	8.1	6.5
Target EV/FCF	0.0	0.0	0.0	0.0	16.7	6.7	5.3
Target P/B	0.0	0.0	0.0	0.0	2.4	2.1	1.9
Target P/E	0.0	0.0	0.0	0.0	21.0	11.6	11.7
Per share measures							
Number of shares	5,948	5,948	9,548	13,398	15,996	15,996	15,996
Number of shares (diluted)	5,948	5,948	9,548	13,398	15,996	15,996	15,996
EPS	-0.33	-0.23	0.25	0.30	0.38	0.69	0.69
Operating cash flow per share	-0.14	-0.36	-0.45	0.29	1.01	1.36	1.25
Free cash flow per share	-1.06	-0.50	-1.63	-0.96	0.45	1.00	1.09
Book value per share	1.52	1.24	1.66	3.58	3.29	3.83	4.31
Dividend per share	0.00	0.00	0.00	0.10	0.15	0.21	0.21
Dividend payout ratio, %	0.0	0.0	0.0	33.8	39.4	30.0	30.0
Dividend yield, %	0.0	0.0	0.0	1.5	2.0	2.7	2.7
FCF yield, %	-32.7	-32.1	-19.7	-14.0	5.9	13.1	14.3
Efficiency measures							
ROE	-32.7	-16.5	20.9	12.4	12.1	19.4	16.8
ROCE	-18.5	-8.1	16.6	11.4	11.6	15.9	17.8
Financial ratios							
Inventories as % of sales	0.8	0.6	2.4	2.7	2.7	2.7	2.7
Receivables as % of sales	21.8	22.8	23.4	15.9	15.7	15.4	15.3
Non-interest bearing liabilities as % of sales	16.9	17.2	47.4	27.6	27.6	27.6	27.6
NWC/sales, %	5.7	6.2	-21.6	-8.9	-9.1	-9.4	-9.6
Operative CAPEX/sales, %	5.6	0.7	7.1	7.8	3.7	2.3	0.9
CAPEX/sales (incl. acquisitions), %	-0.4	-0.1	6.3	7.8	3.7	2.3	0.9
FCFF/EBITDA	2.5	-31.6	1.2	0.6	0.7	0.4	1.0
Net debt/EBITDA, book-weighted	0.3	61.4	0.9	-0.2	-0.5	-1.0	-1.7
Debt/equity, market-weighted	0.1	0.4	0.2	0.1	0.1	0.1	0.0
Equity ratio, book-weighted	46.3	30.8	15.7	34.8	35.0	41.5	46.0
Gearing, %	-4.4	64.8	52.3	-6.4	-16.6	-35.8	-51.9

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	20.437	16.7%
MBÅ Invest Oy	2,253,072	17.213	14.1%
Joensuun Kauppa Ja Kone Oy	1,382,449	10.562	8.6%
Verman Group Oy	1,343,461	10.264	8.4%
Taloustieto Incrementum Ky	737,005	5.631	4.6%
Ilmarinen Mutual Pension Insurance Company	569,053	4.348	3.6%
Veritas Pension Insurance Company Ltd.	345,292	2.638	2.2%
Corporatum Oy	295,244	2.256	1.8%
Siementila Suokas Oy	240,860	1.840	1.5%
Holopainen Jussi	164,500	1.257	1.0%
Ten largest	10,005,936	76.445	63%
Residual	5,990,064	45.764	37%
Total	15,996,000	122.209	100%

EARNINGS CALENDAR

August 04, 2022

Q2 report

October 28, 2022

Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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

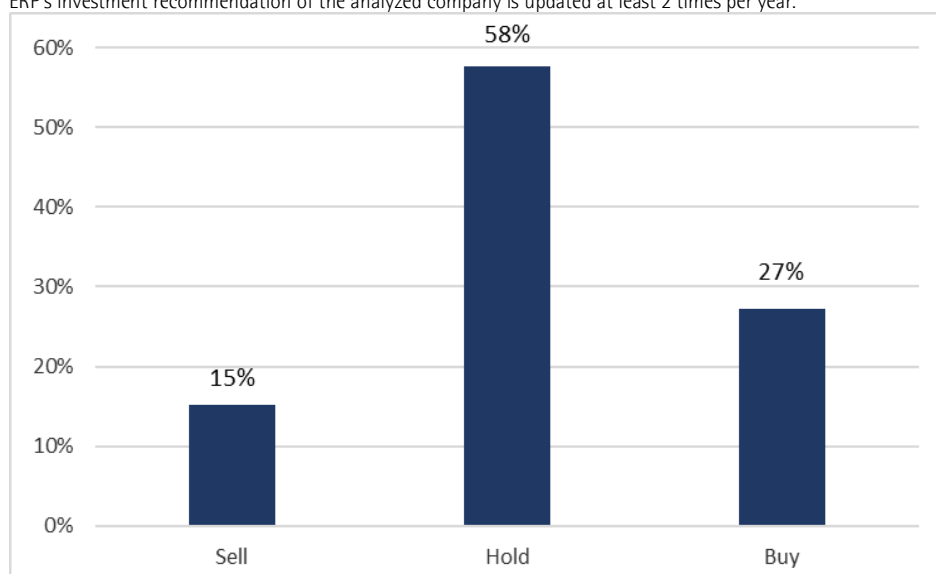
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Investment recommendations are defined as follows:

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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