

Results are burdened on many fronts

Enersense's Q2 was weak, and H2 is set to remain modest. There's still much uncertainty around the improvement slope, however valuation appears neutral relative to peers.

Inflation and certain low project volumes hurt Q2 results

Enersense's Q2 top line declined 3% y/y to EUR 59.8m. The softness was mostly due to Smart Industry, where e.g. lower Olkiluoto project volumes explained the fall. The war also led to project delays, and the ICT strike hurt volumes within Connectivity (it also suffered from inflation particularly due to fuel). Inflation, which in the case of Enersense mostly means higher metal and fuel prices, is especially a problem in the Baltics, where long contracts also add to the pain. International Operations thus saw a marked decline in profitability even when revenue grew by 14% y/y. Existing framework agreements suffer from inflation, although Enersense has been able to make some progress in adjusting their rates for higher costs. Power fared relatively well due to its more dynamic nature of business.

Enersense continues to work towards its targets

Inflation was a major issue as adj. EBITDA fell to EUR -0.4m from EUR 4.8m a year ago. Enersense sees Q3 as the most profitable quarter also this year even though inflation continues to hurt results in H2. Investments in offshore wind capabilities will still be a burden in H2, in addition to which ERP investments are set to continue for a few years. H2 profitability will remain far below potential, but volumes continue to grow as recent orders announced over the summer indicate. There are also no major issues with e.g. labor availability. Enersense recently announced the acquisition of Voimatel to add to Connectivity and Power, but the deal still waits for competition authority approvals.

Valuation appears broadly in line with peers

We cut our FY '23 adj. EBITDA estimate to EUR 16.7m from EUR 22.2m due to the current challenges. Enersense is valued some 5.5x EV/EBITDA and 12x EV/EBIT on our FY '23 estimates. The earnings multiples are broadly in line with those of peers; there remains much uncertainty around next year's margins, but our estimated 2.9% EBIT is still not that high a level. Enersense's multiples are close to Eltel's, and the two are also similar in the sense that FY '22 results are set to be modest for both. Our new TP is EUR 6 (8); we retain our HOLD rating.

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 6.20

Target price, EUR 6.0

Latest change in recommendation 02-May-22

Latest report on company 04-May-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 99

Free float, % 78.2

Exchange rate -

Reuters code ESENSE.HE

Bloomberg code ESENSE FH

Average daily volume, EURm 0.1

Next interim report 28-Oct-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	250.1	-0.7	-0.3%	-2.7	-0.27	-22.9	0.4	-153.1	-2.7	0.10
2023E	261.2	7.7	2.9%	11.1	0.39	15.9	0.4	12.0	11.2	0.12
2024E	269.0	12.1	4.5%	15.6	0.58	10.7	0.3	6.4	15.7	0.17
Market cap, EURm			99	Gearing 2022E, %		2.0	CAGR EPS 2021-24, %		25.2	
Net debt 2022E, EURm			1	Price/book 2022E		2.3	CAGR sales 2021-24, %		4.0	
Enterprise value, EURm			101	Dividend yield 2022E, %		1.6	ROE 2022E, %		-9.6	
Total assets 2022E, EURm			150	Tax rate 2022E, %		-46.7	ROCE 2022E, %		-0.9	
Goodwill 2022E, EURm			26	Equity ratio 2022E, %		30.1	PEG, P/E 22/CAGR		0.0	

Estimates and peer group valuation

Enersense	2019	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22E	Q4'22E	2022E	2023E
Net sales	58.1	147.5	53.3	61.6	58.2	66.0	239.0	53.9	59.8	65.4	71.1	250.1	261.2
Smart Industry		78.4	22.3	23.5	18.7	21.0	85.5	16.6	18.7	21.2	22.4	78.9	80.9
Power		18.9	10.8	12.0	12.5	13.8	49.1	14.3	14.0	14.4	15.5	58.3	62.6
Connectivity		23.4	8.5	11.4	12.3	13.2	45.3	9.3	10.2	13.8	14.1	47.5	48.9
Staff leasing													
International Operations		26.8	11.6	14.8	14.6	18.0	59.0	13.5	16.8	16.1	19.1	65.5	68.8
EBITDA	0.1	9.8	1.7	5.8	2.9	6.2	16.6	5.5	-0.6	2.0	1.4	8.3	16.7
Adj. EBITDA	0.1	11.5	2.6	4.8	4.4	7.5	19.3	5.5	-0.4	2.0	1.4	8.3	16.7
D&A	-1.0	-5.0	-2.3	-2.8	-2.5	-2.2	-9.8	-2.3	-2.2	-2.3	-2.2	-9.0	-9.0
Adj. EBIT	-1.0	7.5	0.8	2.8	2.6	5.8	12.0	3.2	-2.6	-0.3	-0.8	-0.7	7.7
EBIT	-1.0	4.8	-0.6	3.0	0.4	4.0	6.8	3.2	-2.8	-0.3	-0.8	-0.7	7.7
Sales growth %	22.6 %	154.0 %					62 %	1 %	-3 %	12 %	8 %	5 %	4 %
Smart Industry							32 %	-26 %	-20 %	13 %	7 %	-8 %	3 %
Power							160 %	32 %	17 %	15 %	12 %	19 %	8 %
Connectivity							94 %	10 %	-10 %	12 %	7 %	5 %	3 %
Staff leasing							0 %					0 %	0 %
International Operations							121 %	16 %	14 %	10 %	6 %	11 %	5 %
EBITDA margin %	0.1 %	6.6 %	3.2 %	9.4 %	4.9 %	9.5 %	6.9 %	10.2 %	-1.0 %	3.0 %	2.0 %	3.3 %	6.4 %
Adj. EBITDA margin %	0.1 %	7.8 %	4.8 %	7.8 %	7.5 %	11.4 %	8.1 %	10.2 %	-0.7 %	3.0 %	2.0 %	3.3 %	6.4 %
Adj. EBIT margin %	-1.7 %	5.1 %	1.5 %	4.5 %	4.5 %	8.8 %	5.0 %	6.0 %	-4.4 %	-0.5 %	-1.1 %	-0.3 %	2.9 %
EBIT margin %	-1.7 %	3.2 %	-1.2 %	4.9 %	0.6 %	6.1 %	2.9 %	6.0 %	-4.7 %	-0.5 %	-1.1 %	-0.3 %	2.9 %

ENERSENSE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		22	23	24	22	23	24	22	23	24
Bravida Holding	1909	11.0x	10.5x	10.2x	14.3x	13.4x	13.0x	16.5x	15.4x	14.9x
Bilfinger	1240							15.8x	12.4x	9.6x
Caverion	718	6.6x	6.1x	5.6x	12.7x	10.9x	9.6x	14.0x	11.5x	10.0x
Eltel	121	7.0x	5.5x	4.7x	38.9x	16.3x	10.6x		16.6x	8.3x
Transtema Group	105	5.6x	4.9x	4.8x	10.5x	8.6x	8.2x	12.5x	10.1x	
VINCI	52627	8.1x	7.6x	7.2x	12.4x	11.4x	10.6x	13.5x	12.4x	11.5x
SPIE	3832	8.6x	8.0x	7.6x	12.3x	11.4x	10.8x	13.2x	12.0x	11.2x
Viafin Service	49	6.7x	6.2x	6.0x	8.0x	7.5x	7.2x	16.9x	15.4x	14.8x
Veolia Environnement	16665	4.8x	4.4x	4.2x	10.2x	9.3x	8.5x	15.7x	12.9x	10.8x
Lassila & Tikanoja	446	6.7x	6.3x	6.1x	15.8x	13.7x	12.8x	15.4x	13.4x	12.2x
Peer Group Average	7771	7.2x	6.6x	6.2x	15.0x	11.4x	10.1x	14.8x	13.2x	11.5x
Peer Group Median	979	6.7x	6.2x	6.0x	12.4x	11.4x	10.6x	15.4x	12.6x	11.2x
Enersense (Evli est.)	99	12.3x	5.5x	3.9x	-153.1x	12.0x	6.4x	-22.9x	15.9x	10.7x
Enersense prem./disc. to peer median		84 %	-11 %	-35 %	-1337 %	5 %	-39 %	-248 %	26 %	-5 %

ENERSENSE PEER GROUP	Sales 21	Sales gr.			EBITDA-%			Div. yield		
		22	23	24	22	23	24	22	23	24
Bravida Holding	2074	15.4%	4.2%	2.1%	8.2 %	8.3 %	8.4 %	3.2 %	3.4 %	3.6 %
Bilfinger	3737	8.2%	2.1%	8.5%	5.8 %	6.3 %	6.9 %	3.3 %	3.7 %	4.4 %
Caverion	2140	4.9%	3.1%	3.8%	6.6 %	6.9 %	7.1 %	3.8 %	4.5 %	5.1 %
Eltel	813	1.3%	1.9%	1.5%	4.6 %	5.7 %	6.7 %	0.0 %	1.3 %	4.7 %
Transtema Group	160	27.0%	6.9%	3.0%	10.9 %	11.7 %	11.6 %			
VINCI	49396	18.9%	2.8%	2.9%	16.5 %	17.1 %	17.5 %	4.0 %	4.4 %	4.7 %
SPIE	6971	12.0%	4.7%	4.9%	8.5 %	8.7 %	8.8 %	3.2 %	3.5 %	3.9 %
Viafin Service	61	7.7%	3.9%	2.8%	8.0 %	8.3 %	8.4 %	3.2 %	3.5 %	3.9 %
Veolia Environnement	28508	37.5%	3.6%	4.9%	15.5 %	16.1 %	16.4 %	4.6 %	5.4 %	6.4 %
Lassila & Tikanoja	813	3.9%	0.2%	2.5%	11.5 %	12.2 %	12.3 %	4.1 %	4.3 %	4.5 %
Peer Group Average	9467	13.7%	3.3%	3.7%	9.6 %	10.1 %	10.4 %	3.3 %	3.8 %	4.6 %
Peer Group Median	2107	10.1%	3.3%	3.0%	8.4 %	8.5 %	8.6 %	3.3 %	3.7 %	4.5 %
Enersense (Evli est.)	239	4.6%	4.4%	3.0%	3.3 %	6.4 %	7.4 %	1.6 %	1.9 %	2.8 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	6.20 PV of Free Cash Flow	90 Long-term growth, %	1.5 Risk-free interest rate, %	2.25
DCF share value	12.07 PV of Horizon value	102 WACC, %	9.1 Market risk premium, %	5.8
Share price potential, %	94.7 Unconsolidated equity	-1 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	13.0 Marketable securities	29 Minimum WACC, %	8.6 Equity beta coefficient	1.20
Minimum value	11.3 Debt - dividend	-27 Maximum WACC, %	9.6 Target debt ratio, %	20
Horizon value, %	53.3 Value of stock	193 Nr of shares, Mn	16.0 Effective tax rate, %	20

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	239	250	261	269	277	284	290	295	300	304	309	314
<i>Sales growth, %</i>	<i>62.2</i>	<i>4.6</i>	<i>4.4</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	-1	8	12	14	14	14	15	15	15	15	16
<i>Operating income margin, %</i>	<i>2.9</i>	<i>-0.3</i>	<i>2.9</i>	<i>4.5</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	8	8	8	8	8	8
EBITDA	17	8	17	20	21	22	22	23	23	23	24	
- Paid taxes	1	-2	-1	-2	-3	-3	-3	-3	-3	-3	-3	-3
- Change in NWC	-10	2	2	1	1	1	1	1	1	1	1	1
<i>NWC / Sales, %</i>	<i>-8.9</i>	<i>-9.2</i>	<i>-9.5</i>	<i>-9.7</i>	<i>-9.9</i>	<i>-10.0</i>	<i>-10.1</i>	<i>-10.3</i>	<i>-10.3</i>	<i>-10.4</i>	<i>-10.5</i>	
+ Change in other liabs	2	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-1	-5	-15	2	-4	-4	-4	-4	-4	-4	-4	-4
<i>opCAPEX / Sales, %</i>	<i>7.8</i>	<i>3.6</i>	<i>2.3</i>	<i>1.1</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	0
+ Divestments	2	0	0	0	0	0	0	0	0	0	0	0
- Other items	0	0	0	0	0	0	0	0	0	0	0	0
= FCFF	10	3	3	20	16	16	16	17	17	17	17	233
= Discounted FCFF		3	3	16	12	11	10	10	9	8	8	102
= DFCF min WACC		3	3	17	12	11	11	10	9	9	8	115
= DFCF max WACC		3	3	16	12	11	10	9	9	8	7	92

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	53.3	61.6	58.3	65.9	239.1	53.8	59.8	65.4	71.1	250.1	261.2	269.0
EBITDA	1.7	5.8	2.9	6.5	16.8	5.4	-0.7	2.0	1.5	8.2	16.9	20.0
<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>-1.1</i>	<i>3.0</i>	<i>2.1</i>	<i>3.3</i>	<i>6.5</i>	<i>7.4</i>
EBIT	-0.6	3.0	0.4	4.0	6.8	3.2	-2.8	-0.3	-0.8	-0.7	7.7	12.1
<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>-4.6</i>	<i>-0.5</i>	<i>-1.1</i>	<i>-0.3</i>	<i>2.9</i>	<i>4.5</i>
Net financial items	-0.7	-1.1	-0.4	-1.1	-3.3	-1.2	-0.7	-0.2	-0.2	-2.3	-0.5	-0.5
Pre-tax profit	-1.3	1.9	-0.1	3.0	3.5	2.0	-3.4	-0.5	-1.0	-2.9	7.2	11.6
Tax	0.0	0.0	0.0	0.5	0.4	-0.8	-0.7	0.0	0.1	-1.4	-0.9	-2.3
<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>-19.8</i>	<i>8.0</i>	<i>8.0</i>	<i>-46.7</i>	<i>13.0</i>	<i>20.0</i>
Net profit	-1.3	1.9	-0.1	3.4	4.0	1.2	-4.1	-0.5	-0.9	-4.3	6.2	9.3
EPS	-0.10	0.14	0.00	0.26	0.30	0.08	-0.26	-0.03	-0.06	-0.27	0.39	0.58
EPS adjusted (diluted no. of shares)	-0.10	0.14	0.00	0.26	0.30	0.08	-0.26	-0.03	-0.06	-0.27	0.39	0.58
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	0.17
SALES, EURm												
Smart Industry	22.3	23.5	18.7	21.0	85.5	16.6	18.7	21.2	22.4	78.9	80.9	83.3
Power	10.8	12.0	12.5	13.8	49.1	14.3	14.0	14.4	15.5	58.3	62.6	64.5
Connectivity	8.5	11.4	12.3	13.2	45.3	9.3	10.2	13.8	14.1	47.5	48.9	50.4
International Operations	11.6	14.8	14.6	18.0	59.0	13.5	16.8	16.1	19.1	65.5	68.8	70.8
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	59.8	65.4	71.1	250.1	261.2	269.0
SALES GROWTH, Y/Y %												
Smart Industry	0.0	0.0	0.0	-67.5	32.4	-25.6	-20.3	13.0	7.0	-7.7	2.5	3.0
Power	0.0	0.0	0.0	-27.1	159.8	32.4	17.2	15.0	12.0	18.5	7.5	3.0
Connectivity	0.0	0.0	0.0	-43.7	93.5	10.5	-10.0	12.0	7.0	4.7	3.0	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	14.1	10.0	6.0	11.0	5.0	3.0
Group	0.0	0.0	0.0	0.0	0.0	-102.8	-93.5	-99.9	-100.2	-99.7	0.0	0.0
Total	0.0	0.0	0.0	-55.3	62.2	0.9	-2.9	12.3	7.8	4.6	4.4	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	3.7
Power	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9
Connectivity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3
International Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.2
Group	-0.6	3.0	0.4	4.0	6.8	3.2	-2.8	-0.3	-0.8	-0.7	7.7	0.0
Total	-0.6	3.0	0.4	4.0	6.8	3.2	-2.8	-0.3	-0.8	-0.7	7.7	12.1
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	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	4.5
Connectivity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5
International Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5
Group	-871.8	9,735.5	412.8	-9,197.7	4,496.1							0.0
Total	-1.2	4.9	0.7	6.1	2.9	6.0	-4.6	-0.5	-1.1	-0.3	2.9	4.5

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	47.0	47.4	58.1	147.5	239.1	250.1	261.2	269.0
<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>4.6</i>	<i>4.4</i>	<i>3.0</i>
EBITDA	1.9	-1.3	0.1	9.8	16.8	8.2	16.9	20.0
<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>3.3</i>	<i>6.5</i>	<i>7.4</i>
Depreciation	-0.2	-0.4	-1.0	-5.0	-10.0	-8.9	-9.2	-7.9
EBITA	1.7	-1.6	-1.0	4.8	6.8	-0.7	7.7	12.1
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	-0.7	7.7	12.1
<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>-0.3</i>	<i>2.9</i>	<i>4.5</i>
Reported EBIT	1.7	-1.7	-1.0	4.8	6.8	-0.7	7.7	12.1
<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>-0.3</i>	<i>2.9</i>	<i>4.5</i>
Net financials	-0.3	-1.0	-0.4	-1.9	-3.3	-2.3	-0.5	-0.5
Pre-tax profit	1.5	-2.7	-1.4	2.9	3.5	-2.9	7.2	11.6
Taxes	-0.5	0.5	0.0	-0.5	0.4	-1.4	-0.9	-2.3
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	-4.3	6.2	9.3
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	34	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	40	41
Liquid funds	2	3	1	18	29	31	32	33
Total assets	15	19	23	116	147	150	149	146
Liabilities								
Shareholder's equity	3	9	7	16	48	42	47	54
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	14	1
Non-interest bearing current liabilities	8	8	10	70	66	69	72	74
Other interest-free debt	0	0	0	1	3	3	3	3
Total liabilities	15	19	23	116	147	150	149	146
CASH FLOW, EURm								
+ EBITDA	2	-1	0	10	17	8	17	20
- Net financial items	0	-1	0	-2	-3	-2	0	0
- Taxes	0	0	0	0	1	-1	-1	-2
- Increase in Net Working Capital	0	1	-1	-11	-10	2	2	1
+/- Other	0	0	-1	-1	0	0	0	0
= Cash flow from operations	2	-1	-2	-4	4	6	17	18
- Capex	-1	-3	0	-10	-19	-9	-6	-3
- 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	-3	11	16
+/- New issues/buybacks	0	8	0	8	28	0	0	0
- Paid dividend	-2	0	0	0	0	-1	-2	-2
+/- Other	1	-1	2	24	-4	6	-9	-13
Change in cash	0	1	-1	16	11	2	1	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	19	9	79	92	99	99	99
Net debt (excl. convertibles)	0	5	9	-3	1	-9	-22
Enterprise value	19	13	97	90	101	92	78
Sales	47	58	147	239	250	261	269
EBITDA	-1	0	10	17	8	17	20
EBIT	-2	-1	5	7	-1	8	12
Pre-tax	-3	-1	3	4	-3	7	12
Earnings	-2	-1	2	4	-4	6	9
Equity book value (excl. minorities)	9	7	16	48	42	47	54
Valuation multiples							
EV/sales	0.4	0.2	0.7	0.4	0.4	0.4	0.3
EV/EBITDA	-14.8	179.9	9.9	5.3	12.3	5.4	3.9
EV/EBITA	-11.6	-13.9	20.4	13.1	-153.1	12.0	6.4
EV/EBIT	-11.1	-13.9	20.4	13.1	-153.1	12.0	6.4
EV/OCF	-21.6	-6.3	-22.8	23.2	16.0	5.3	4.2
EV/FCFF	-6.0	-5.7	8.1	8.6	32.1	29.5	3.8
P/FCFE	-3.1	-3.1	-5.1	-7.1	-37.0	9.0	6.4
P/E	-10.0	-6.8	32.6	23.1	-22.9	15.9	10.7
P/B	2.1	1.3	5.0	1.9	2.3	2.1	1.8
Target EV/EBITDA	0.0	0.0	0.0	0.0	12.0	5.3	3.8
Target EV/EBIT	0.0	0.0	0.0	0.0	-149.3	11.6	6.2
Target EV/FCF	0.0	0.0	0.0	0.0	-36.8	8.1	4.8
Target P/B	0.0	0.0	0.0	0.0	2.3	2.0	1.8
Target P/E	0.0	0.0	0.0	0.0	-22.2	15.4	10.3
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	-0.27	0.39	0.58
Operating cash flow per share	-0.14	-0.36	-0.45	0.29	0.40	1.07	1.15
Free cash flow per share	-1.06	-0.50	-1.63	-0.96	-0.17	0.69	0.97
Book value per share	1.52	1.24	1.66	3.58	2.64	2.93	3.40
Dividend per share	0.00	0.00	0.00	0.10	0.10	0.12	0.17
Dividend payout ratio, %	0.0	0.0	0.0	33.8	-37.0	30.0	30.0
Dividend yield, %	0.0	0.0	0.0	1.5	1.6	1.9	2.8
FCF yield, %	-32.7	-32.1	-19.7	-14.0	-2.7	11.2	15.7
Efficiency measures							
ROE	-32.7	-16.5	20.9	12.4	-9.6	14.0	18.3
ROCE	-18.5	-8.1	16.6	11.4	-0.9	10.4	17.5
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	15.6	15.3	15.1
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	-9.2	-9.5	-9.7
Operative CAPEX/sales, %	5.6	0.7	7.1	7.8	3.6	2.3	1.1
CAPEX/sales (incl. acquisitions), %	-0.4	-0.1	6.3	7.8	3.6	2.3	1.1
FCFF/EBITDA	2.5	-31.6	1.2	0.6	0.4	0.2	1.0
Net debt/EBITDA, book-weighted	0.3	61.4	0.9	-0.2	0.1	-0.5	-1.1
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	30.1	33.5	39.5
Gearing, %	-4.4	64.8	52.3	-6.4	2.0	-17.7	-39.7

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	16.585	16.7%
MBÅ Invest Oy	2,253,072	13.969	14.1%
Joensuun Kauppa Ja Kone Oy	1,382,449	8.571	8.6%
Verman Group Oy	1,343,461	8.329	8.4%
Taloustieto Incrementum Ky	737,005	4.569	4.6%
Ilmarinen Mutual Pension Insurance Company	569,053	3.528	3.6%
Veritas Pension Insurance Company Ltd.	345,292	2.141	2.2%
Corporatum Oy	295,244	1.831	1.8%
Siementila Suokas Oy	240,860	1.493	1.5%
Holopainen Jussi	164,500	1.020	1.0%
Ten largest	10,005,936	62.037	63%
Residual	5,990,064	37.138	37%
Total	15,996,000	99.175	100%

EARNINGS CALENDAR

October 28, 2022

Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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Konepajanranta 2, 28100 Pori

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

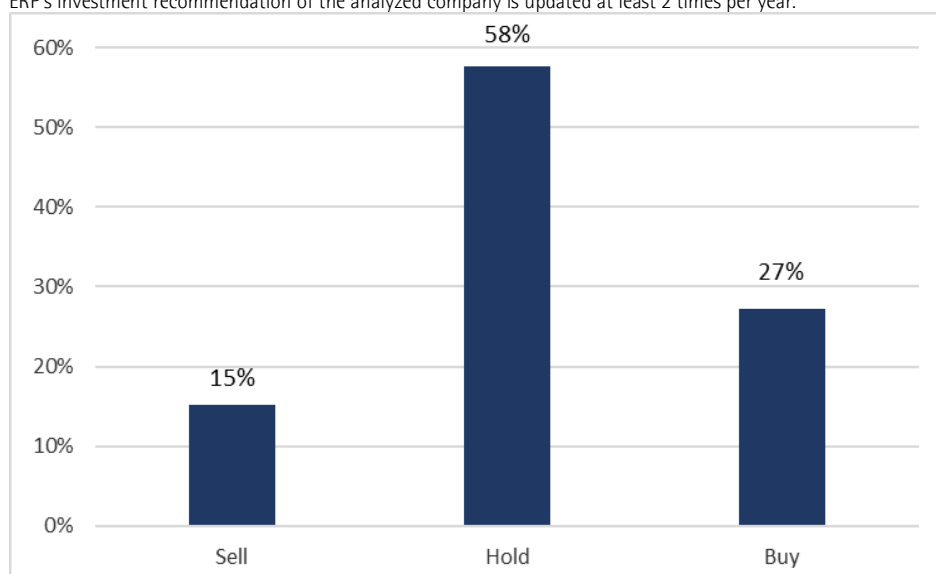
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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