

## Organic as well as inorganic growth

Enersense Q3 report didn't contain major surprises. Profitability is set to improve with growth and inflation compensation, but at least Q4 may see muted bottom line.

### Not many surprises while order backlog is now tall

Q3 revenue was EUR 64.4m vs our EUR 65.4m estimate. The 10.5% y/y growth was driven by all segments except Smart Industry, where the lower volumes of the OL3 project left a gap soon to be filled by the EUR 200m Helen contract. Low volumes, inflation, and Offshore ramp-up hurt margins, while the segment's EBITDA gained from EUR 2.1m in items due to a capital gain as well as a change to the considerations related to an acquisition. Enersense's headline EUR 4.3m EBITDA was above our EUR 2.0m estimate, but in line considering the one-offs. There were some items, such as Power's costs with Megatuuli, which weren't there to burden the comparison period. Connectivity EBITDA increased, however orders remained muted for now as top line is driven by long-term agreements, some of which should be signed soon. Meanwhile Power backlog doubled.

### Both organic and inorganic growth to be seen

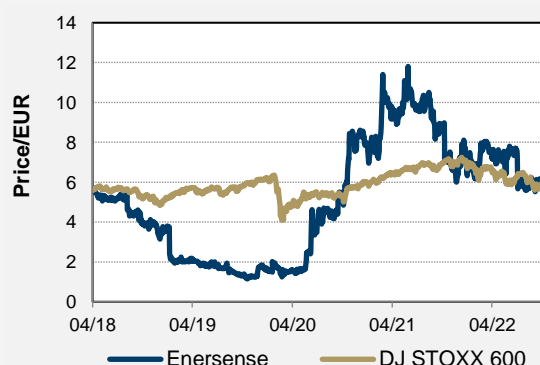
We would expect Enersense's organic growth to help it reach healthy profitability levels in FY '23, while the Baltics are likely to continue to dilute margins for a while. The Voimatel deal's EUR 130m revenue and EUR 4m EBITDA, at an EV of EUR 10m, would add a lot of value with significant cost synergies but is yet to be approved by the competition authorities. The expansion to EV charging technology is another strategic addition. The initial Unified Chargers price tag is negligible, while it remains to be seen just how much value the deal will add (competition includes e.g. Kempower). The ERP project will continue next year while Offshore projects should begin to contribute then.

### Q4 margins uncertain, but bound to get better next year

In our view Enersense is positioned for at least a high single-digit growth next year. Enersense's guidance suggests there's still a lot of uncertainty around Q4 profitability, in our view due to inflation and the fact that seasonal project patterns have been different this year. Enersense is valued some 5x EV/EBITDA and 10x EV/EBIT, which are not high levels compared to peers while there remains uncertainty around the improvement pace. We retain our EUR 6.0 TP and HOLD rating.

Rating

HOLD



Share price, EUR (Last trading day's closing price) 6.12

Target price, EUR 6.0

Latest change in recommendation 02-May-22

Latest report on company 05-Aug-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 98

Free float, % 78.2

Exchange rate -

Reuters code ESENSE.HE

Bloomberg code ESENSE FH

Average daily volume, EURm 0.1

Next interim report

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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	249.5	1.4	0.6%	-1.7	-0.19	-31.6	0.4	68.9	-1.7	0.10
2023E	273.2	8.4	3.1%	13.0	0.43	14.3	0.3	10.4	13.2	0.13
2024E	281.4	12.7	4.5%	15.5	0.61	10.1	0.3	5.9	15.8	0.18
Market cap, EURm			98	Gearing 2022E, %		-0.2	CAGR EPS 2021-24, %			27.1
Net debt 2022E, EURm			0	Price/book 2022E		2.3	CAGR sales 2021-24, %			5.6
Enterprise value, EURm			99	Dividend yield 2022E, %		1.6	ROE 2022E, %			-6.8
Total assets 2022E, EURm			151	Tax rate 2022E, %		-77.9	ROCE 2022E, %			1.9
Goodwill 2022E, EURm			26	Equity ratio 2022E, %		30.7	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	Q3'22	Q4'22E	2022E	2023E
Net sales	58.1	147.5	53.3	61.6	58.2	66.0	239.0	53.9	59.8	64.4	71.5	249.5	273.2
Smart Industry		78.4	22.3	23.5	18.7	21.0	85.5	16.6	18.7	15.3	21.6	72.2	81.6
Power		18.9	10.8	12.0	12.5	13.8	49.1	14.3	14.0	14.6	15.6	58.5	62.9
Connectivity		23.4	8.5	11.4	12.3	13.2	45.3	9.3	10.2	13.7	14.1	47.4	48.8
Staff leasing													
International Operations		26.8	11.6	14.8	14.6	18.0	59.0	13.5	16.8	20.8	20.2	71.3	79.9
EBITDA	0.1	9.8	1.7	5.8	2.9	6.2	16.6	5.5	-0.6	4.0	1.3	10.2	17.6
Adj. EBITDA	0.1	11.5	2.6	4.8	4.4	7.5	19.3	5.5	-0.4	4.3	1.3	10.2	17.6
D&A	-1.0	-5.0	-2.3	-2.8	-2.5	-2.2	-9.8	-2.3	-2.2	-2.1	-2.2	-8.8	-9.2
EBIT	-1.0	4.8	-0.6	3.0	0.4	4.0	6.8	3.2	-2.8	1.9	-0.9	1.4	8.4
Sales growth %	22.6 %	154.0 %					62 %	1 %	-3 %	11 %	8 %	4 %	10 %
Smart Industry							32 %	-26 %	-20 %	-18 %	3 %	-16 %	13 %
Power							160 %	32 %	17 %	16 %	13 %	19 %	8 %
Connectivity							94 %	10 %	-10 %	11 %	7 %	5 %	3 %
Staff leasing							0 %					0 %	0 %
International Operations							121 %	16 %	14 %	43 %	12 %	21 %	12 %
EBITDA margin %	0.1 %	6.6 %	3.2 %	9.4 %	4.9 %	9.5 %	6.9 %	10.2 %	-1.0 %	6.3 %	1.8 %	4.1 %	6.5 %
Adj. EBITDA margin %	0.1 %	7.8 %	4.8 %	7.8 %	7.5 %	11.4 %	8.1 %	10.2 %	-0.7 %	6.7 %	1.8 %	4.1 %	6.5 %
EBIT margin %	-1.7 %	3.2 %	-1.2 %	4.9 %	0.6 %	6.1 %	2.9 %	6.0 %	-4.7 %	3.0 %	-1.3 %	0.6 %	3.1 %

ENERSENSE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		22	23	24	22	23	24	22	23	24
Bravida Holding	1938	11.8x	11.3x	11.0x	15.3x	14.6x	14.2x	17.4x	16.6x	16.1x
Bilfinger	1140							14.1x	12.5x	9.4x
Caverion	600	5.7x	5.3x	4.9x	11.1x	9.8x	8.6x	11.3x	9.9x	8.5x
Eitel	103	6.4x	4.9x	4.2x	39.5x	14.6x	9.5x		13.3x	7.0x
Transtema Group	93	5.1x	4.5x	4.4x	9.7x	8.5x	8.1x	12.1x	9.6x	
VINCI	52768	8.0x	7.5x	7.1x	12.1x	11.2x	10.4x	13.1x	12.1x	11.2x
SPIE	3930	8.3x	7.9x	7.6x	12.3x	11.6x	10.9x	13.2x	12.2x	11.5x
Viafin Service	50							16.1x	14.0x	13.1x
Veolia Environnement	15592	7.5x	7.1x	6.7x	15.9x	15.0x	13.7x	15.1x	12.5x	10.5x
Lassila & Tikanoja	379	5.9x	5.8x	5.6x	14.0x	12.8x	11.8x	13.1x	12.0x	10.7x
Peer Group Average	7659	<b>7.3x</b>	<b>6.8x</b>	<b>6.4x</b>	<b>16.2x</b>	<b>12.2x</b>	<b>10.9x</b>	<b>13.9x</b>	<b>12.5x</b>	<b>10.9x</b>
Peer Group Median	870	<b>7.0x</b>	<b>6.5x</b>	<b>6.1x</b>	<b>13.1x</b>	<b>12.2x</b>	<b>10.7x</b>	<b>13.2x</b>	<b>12.3x</b>	<b>10.7x</b>
Enersense (Evli est.)	<b>98</b>	<b>9.7x</b>	<b>5.0x</b>	<b>3.6x</b>	<b>68.9x</b>	<b>10.4x</b>	<b>5.9x</b>	<b>-31.6x</b>	<b>14.3x</b>	<b>10.1x</b>
Enersense prem./disc. to peer median		39 %	-22 %	-42 %	424 %	-14 %	-45 %	-339 %	16 %	-6 %

ENERSENSE PEER GROUP	Sales 21	Sales gr.			EBITDA-%			Div. yield		
		22	23	24	22	23	24	22	23	24
Bravida Holding	2074	12.2%	3.5%	1.6%	8.2 %	8.2 %	8.3 %	3.0 %	3.2 %	3.3 %
Bilfinger	3737	8.5%	0.1%	6.5%	5.7 %	5.9 %	6.5 %	3.7 %	4.1 %	4.8 %
Caverion	2140	4.9%	1.8%	3.9%	6.7 %	7.0 %	7.3 %	4.5 %	5.3 %	6.0 %
Eitel	813	1.1%	4.8%	1.5%	4.5 %	5.6 %	6.6 %	0.0 %	1.4 %	5.6 %
Transtema Group	160	26.8%	7.4%	3.0%	10.8 %	11.3 %	11.2 %			
VINCI	49396	20.5%	3.1%	3.4%	16.5 %	17.0 %	17.4 %	4.0 %	4.4 %	4.8 %
SPIE	6971	14.0%	4.4%	3.0%	8.8 %	8.9 %	8.9 %	3.2 %	3.5 %	3.8 %
Viafin Service	61	25.2%	3.0%	3.3%	7.0 %	7.5 %	7.6 %	3.0 %	3.6 %	3.9 %
Veolia Environnement	28508	40.7%	1.8%	3.7%	15.2 %	15.7 %	16.2 %	4.8 %	5.5 %	6.5 %
Lassila & Tikanoja	813	4.1%	-2.1%	2.6%	11.6 %	12.0 %	12.2 %	4.8 %	5.0 %	5.0 %
Peer Group Average	<b>9467</b>	<b>15.8%</b>	<b>2.8%</b>	<b>3.2%</b>	<b>9.5 %</b>	<b>9.9 %</b>	<b>10.2 %</b>	<b>3.5 %</b>	<b>4.0 %</b>	<b>4.9 %</b>
Peer Group Median	<b>2107</b>	<b>13.1%</b>	<b>3.1%</b>	<b>3.2%</b>	<b>8.5 %</b>	<b>8.6 %</b>	<b>8.6 %</b>	<b>3.7 %</b>	<b>4.1 %</b>	<b>4.8 %</b>
Enersense (Evli est.)	<b>239</b>	<b>4.3%</b>	<b>9.5%</b>	<b>3.0%</b>	<b>4.1 %</b>	<b>6.4 %</b>	<b>7.4 %</b>	<b>1.6 %</b>	<b>2.1 %</b>	<b>3.0 %</b>

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	6.12 PV of Free Cash Flow	99 Long-term growth, %	1.5 Risk-free interest rate, %	2.25
DCF share value	13.06 PV of Horizon value	109 WACC, %	9.1 Market risk premium, %	5.8
Share price potential, %	113.4 Unconsolidated equity	-1 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	14.0 Marketable securities	29 Minimum WACC, %	8.6 Equity beta coefficient	1.20
Minimum value	12.2 Debt - dividend	-27 Maximum WACC, %	9.6 Target debt ratio, %	20
Horizon value, %	52.6 Value of stock	209 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	249	273	281	290	297	303	309	314	318	323	328
<i>Sales growth, %</i>	<i>62.2</i>	<i>4.3</i>	<i>9.5</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	13	14	15	15	15	16	16	16	16
<i>Operating income margin, %</i>	<i>2.9</i>	<i>0.6</i>	<i>3.1</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	8	8	8	8	8	8	8	9
EBITDA	17	10	18	21	22	23	23	24	24	24	25	
- Paid taxes	1	-2	-1	-3	-3	-3	-3	-3	-3	-3	-3	-3
- Change in NWC	-10	2	4	1	1	1	1	1	1	1	1	1
<i>NWC / Sales, %</i>	<i>-8.9</i>	<i>-9.2</i>	<i>-9.8</i>	<i>-10.0</i>	<i>-10.2</i>	<i>-10.3</i>	<i>-10.4</i>	<i>-10.5</i>	<i>-10.6</i>	<i>-10.7</i>	<i>-10.7</i>	
+ Change in other liabs	2	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-1	-5	-15	1	-4	-4	-4	-4	-4	-4	-4	-4
<i>opCAPEX / Sales, %</i>	<i>7.8</i>	<i>3.6</i>	<i>2.5</i>	<i>1.3</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>	<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	5	5	20	17	17	17	18	18	18	18	244
= Discounted FCFF		5	5	17	13	12	11	10	9	9	8	109
= DFCF min WACC		5	5	17	13	12	11	11	10	9	9	122
= DFCF max WACC		5	5	17	12	12	11	10	9	9	8	99

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2	2022Q3	2022Q4E	2022E	2023E	2024E
Net sales	53.3	61.6	58.3	65.9	239.1	53.8	59.8	64.4	71.5	249.5	273.2	281.4
EBITDA	1.7	5.8	2.9	6.5	16.8	5.4	-0.7	4.1	1.4	10.2	17.6	20.8
<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>6.3</i>	<i>1.9</i>	<i>4.1</i>	<i>6.5</i>	<i>7.4</i>
EBIT	-0.6	3.0	0.4	4.0	6.8	3.2	-2.8	1.9	-0.9	1.4	8.4	12.7
<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>3.0</i>	<i>-1.3</i>	<i>0.6</i>	<i>3.1</i>	<i>4.5</i>
Net financial items	-0.7	-1.1	-0.4	-1.1	-3.3	-1.2	-0.7	-0.8	-0.5	-3.2	-0.5	-0.5
Pre-tax profit	-1.3	1.9	-0.1	3.0	3.5	2.0	-3.4	1.1	-1.4	-1.7	7.9	12.2
Tax	0.0	0.0	0.0	0.5	0.4	-0.8	-0.7	0.0	0.1	-1.4	-1.0	-2.4
<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>-2.3</i>	<i>8.0</i>	<i>-77.9</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	1.2	-1.3	-3.1	6.9	9.7
EPS	-0.10	0.14	0.00	0.26	0.30	0.08	-0.26	0.07	-0.08	-0.19	0.43	0.61
EPS adjusted (diluted no. of shares)	-0.10	0.14	0.00	0.26	0.30	0.08	-0.26	0.07	-0.08	-0.19	0.43	0.61
Dividend per share	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10	0.13	0.18
<b>SALES, EURm</b>												
Smart Industry	22.3	23.5	18.7	21.0	85.5	16.6	18.7	15.3	21.6	72.2	81.6	84.1
Power	10.8	12.0	12.5	13.8	49.1	14.3	14.0	14.6	15.6	58.5	62.9	64.8
Connectivity	8.5	11.4	12.3	13.2	45.3	9.3	10.2	13.7	14.1	47.4	48.8	50.3
International Operations	11.6	14.8	14.6	18.0	59.0	13.5	16.8	20.8	20.2	71.3	79.9	82.3
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
<b>Total</b>	<b>53.3</b>	<b>61.6</b>	<b>58.3</b>	<b>65.9</b>	<b>239.1</b>	<b>53.8</b>	<b>59.8</b>	<b>64.4</b>	<b>71.5</b>	<b>249.5</b>	<b>273.2</b>	<b>281.4</b>
<b>SALES GROWTH, Y/Y %</b>												
Smart Industry	0.0	0.0	0.0	-67.5	32.4	-25.6	-20.3	-18.3	3.0	-15.5	13.0	3.0
Power	0.0	0.0	0.0	-27.1	159.8	32.4	17.2	16.2	13.0	19.1	7.5	3.0
Connectivity	0.0	0.0	0.0	-43.7	93.5	10.5	-10.0	11.3	7.0	4.5	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	42.6	12.0	20.9	12.0	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
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-55.3</b>	<b>62.2</b>	<b>0.9</b>	<b>-2.9</b>	<b>10.5</b>	<b>8.4</b>	<b>4.3</b>	<b>9.5</b>	<b>3.0</b>
<b>EBIT, EURm</b>												
Smart Industry	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8
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	3.7
Group	-0.6	3.0	0.4	4.0	6.8	3.2	-2.8	1.9	-0.9	1.4	8.4	0.0
<b>Total</b>	<b>-0.6</b>	<b>3.0</b>	<b>0.4</b>	<b>4.0</b>	<b>6.8</b>	<b>3.2</b>	<b>-2.8</b>	<b>1.9</b>	<b>-0.9</b>	<b>1.4</b>	<b>8.4</b>	<b>12.7</b>
<b>EBIT margin, %</b>												
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
<b>Total</b>	<b>-1.2</b>	<b>4.9</b>	<b>0.7</b>	<b>6.1</b>	<b>2.9</b>	<b>6.0</b>	<b>-4.6</b>	<b>3.0</b>	<b>-1.3</b>	<b>0.6</b>	<b>3.1</b>	<b>4.5</b>

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	47.0	47.4	58.1	147.5	239.1	249.5	273.2	281.4
<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>4.3</i>	<i>9.5</i>	<i>3.0</i>
EBITDA	1.9	-1.3	0.1	9.8	16.8	10.2	17.6	20.8
<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>4.1</i>	<i>6.5</i>	<i>7.4</i>
Depreciation	-0.2	-0.4	-1.0	-5.0	-10.0	-8.7	-9.2	-8.1
EBITA	1.7	-1.6	-1.0	4.8	6.8	1.4	8.4	12.7
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	1.4	8.4	12.7
<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>0.6</i>	<i>3.1</i>	<i>4.5</i>
Reported EBIT	1.7	-1.7	-1.0	4.8	6.8	1.4	8.4	12.7
<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>0.6</i>	<i>3.1</i>	<i>4.5</i>
Net financials	-0.3	-1.0	-0.4	-1.9	-3.3	-3.2	-0.5	-0.5
Pre-tax profit	1.5	-2.7	-1.4	2.9	3.5	-1.7	7.9	12.2
Taxes	-0.5	0.5	0.0	-0.5	0.4	-1.4	-1.0	-2.4
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	-3.1	6.9	9.7
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
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	1	1	2	25	24	24	34	29
Goodwill	0	4	4	26	26	26	26	26
Right of use assets	0	0	2	9	22	22	10	10
Inventory	0	0	0	4	7	7	7	8
Receivables	11	10	13	34	38	39	41	42
Liquid funds	2	3	1	18	29	32	33	35
Total assets	15	19	23	116	147	151	153	151
<b>Liabilities</b>								
Shareholder's equity	3	9	7	16	48	43	49	56
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	10	10
Deferred taxes	0	0	0	0	1	1	1	1
Interest bearing debt	4	2	4	18	13	10	12	0
Non-interest bearing current liabilities	8	8	10	70	66	69	75	78
Other interest-free debt	0	0	0	1	3	3	3	3
Total liabilities	15	19	23	116	147	151	153	151
<b>CASH FLOW, EURm</b>								
+ EBITDA	2	-1	0	10	17	10	18	21
- Net financial items	0	-1	0	-2	-3	-3	0	0
- Taxes	0	0	0	0	1	-1	-1	-2
- Increase in Net Working Capital	0	1	-1	-11	-10	2	4	1
+/- Other	0	0	-1	-1	0	0	0	0
= Cash flow from operations	2	-1	-2	-4	4	7	20	19
- Capex	-1	-3	0	-10	-19	-9	-7	-4
- 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	-2	13	15
+/- 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	-10	-12
Change in cash	0	1	-1	16	11	3	1	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	19	9	79	92	98	98	98
Net debt (excl. convertibles)	0	5	9	-3	0	-11	-25
Enterprise value	19	13	97	90	99	88	74
Sales	47	58	147	239	249	273	281
EBITDA	-1	0	10	17	10	18	21
EBIT	-2	-1	5	7	1	8	13
Pre-tax	-3	-1	3	4	-2	8	12
Earnings	-2	-1	2	4	-3	7	10
Equity book value (excl. minorities)	9	7	16	48	43	49	56
<b>Valuation multiples</b>							
EV/sales	0.4	0.2	0.7	0.4	0.4	0.3	0.3
EV/EBITDA	-14.8	179.9	9.9	5.3	9.7	5.0	3.6
EV/EBITA	-11.6	-13.9	20.4	13.1	68.9	10.4	5.9
EV/EBIT	-11.1	-13.9	20.4	13.1	68.9	10.4	5.9
EV/OCF	-21.6	-6.3	-22.8	23.2	13.6	4.4	3.9
EV/FCFF	-6.0	-5.7	8.1	8.6	20.4	16.3	3.6
P/FCFE	-3.1	-3.1	-5.1	-7.1	-57.5	7.6	6.3
P/E	-10.0	-6.8	32.6	23.1	-31.6	14.3	10.1
P/B	2.1	1.3	5.0	1.9	2.3	2.0	1.7
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.6	4.9	3.5
Target EV/EBIT	0.0	0.0	0.0	0.0	68.0	10.3	5.8
Target EV/FCF	0.0	0.0	0.0	0.0	-57.3	6.7	4.7
Target P/B	0.0	0.0	0.0	0.0	2.2	2.0	1.7
Target P/E	0.0	0.0	0.0	0.0	-31.0	14.0	9.9
<b>Per share measures</b>							
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	-0.19	0.43	0.61
Operating cash flow per share	-0.14	-0.36	-0.45	0.29	0.46	1.24	1.20
Free cash flow per share	-1.06	-0.50	-1.63	-0.96	-0.11	0.81	0.97
Book value per share	1.52	1.24	1.66	3.58	2.72	3.05	3.53
Dividend per share	0.00	0.00	0.00	0.10	0.10	0.13	0.18
Dividend payout ratio, %	0.0	0.0	0.0	33.8	-51.7	30.0	30.0
Dividend yield, %	0.0	0.0	0.0	1.5	1.6	2.1	3.0
FCF yield, %	-32.7	-32.1	-19.7	-14.0	-1.7	13.2	15.8
<b>Efficiency measures</b>							
ROE	-32.7	-16.5	20.9	12.4	-6.8	14.9	18.5
ROCE	-18.5	-8.1	16.6	11.4	1.9	11.2	18.0
<b>Financial ratios</b>							
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	15.0	14.9
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	-9.8	-10.0
Operative CAPEX/sales, %	5.6	0.7	7.1	7.8	3.6	2.5	1.3
CAPEX/sales (incl. acquisitions), %	-0.4	-0.1	6.3	7.8	3.6	2.5	1.3
FCFF/EBITDA	2.5	-31.6	1.2	0.6	0.5	0.3	1.0
Net debt/EBITDA, book-weighted	0.3	61.4	0.9	-0.2	0.0	-0.7	-1.2
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	30.7	33.9	39.6
Gearing, %	-4.4	64.8	52.3	-6.4	-0.2	-22.7	-42.7

**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	16.371	16.7%
MBÅ Invest Oy	2,253,072	13.789	14.1%
Joensuun Kauppa Ja Kone Oy	1,382,449	8.461	8.6%
Verman Group Oy	1,343,461	8.222	8.4%
Taloustieto Incrementum Ky	737,005	4.510	4.6%
Ilmarinen Mutual Pension Insurance Company	569,053	3.483	3.6%
Veritas Pension Insurance Company Ltd.	345,292	2.113	2.2%
Corporatum Oy	295,244	1.807	1.8%
Siementila Suokas Oy	240,860	1.474	1.5%
Holopainen Jussi	164,500	1.007	1.0%
Ten largest	10,005,936	61.236	63%
Residual	5,990,064	36.659	37%
Total	15,996,000	97.896	100%

## EARNINGS CALENDAR

## OTHER EVENTS

## COMPANY MISCELLANEOUS

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



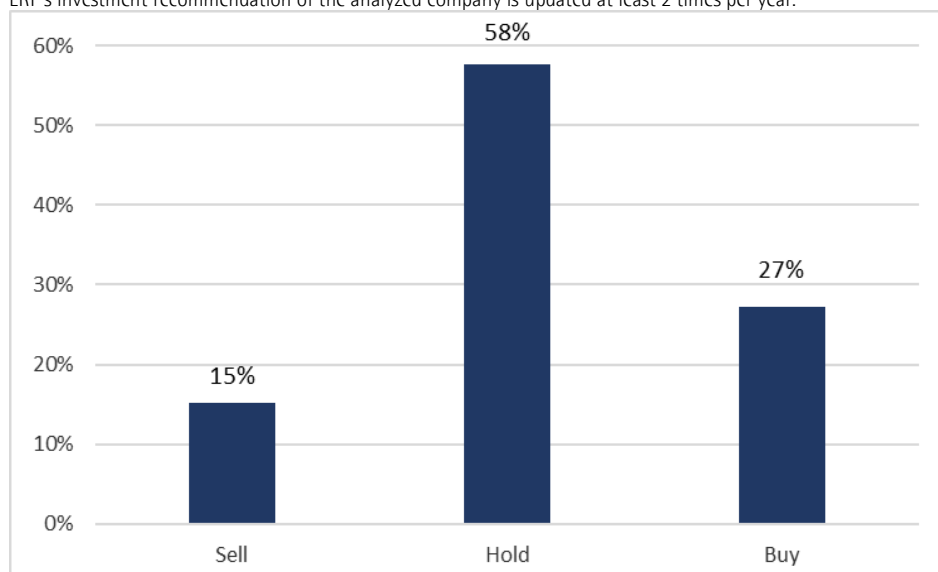
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Investment recommendations are defined as follows:

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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