

Organic improvement continues

The upgrade implies Q4 was a lot better than we previously estimated but also suggests further improvement this year after recent challenges caused by high inflation.

Q4 figures clearly better than previously estimated

Enersense upgraded its FY '22 guidance. Revenue should be around EUR 265m while adj. EBITDA will top EUR 12m. We had previously estimated relatively robust 8% top line growth for Q4'22, however we update our estimate to 31% ahead of the report. We saw Q4 EBITDA margin slightly below 2% but now update our estimate to 4.5%. The positive revision was driven by wind power projects, which proceeded ahead of schedule, yet our EUR 15m top line and EUR 2.6m profitability revisions suggest our previous estimates to have been cautious on other fronts as well. Organic growth outlook seems to be stronger than we previously estimated as each of the four segments appears headed for double-digit growth also this year.

High growth to continue even without the Voimatel deal

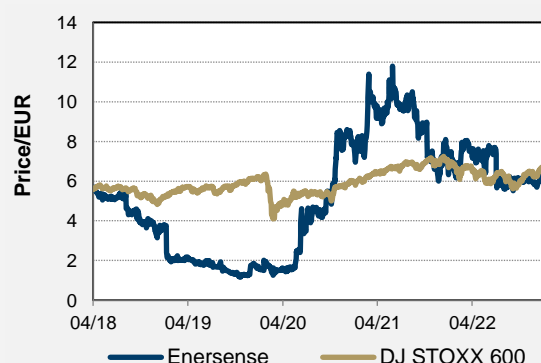
In our view Enersense is set to achieve significant earnings improvement in FY '23 as inflation was a major challenge throughout last year, dragging profitability over the crucial summer months. Enersense has been negotiating inflation compensation for a while, the results of which are set to materialize with a lag, and this year inflation should prove much more modest whereas top line growth looks to remain in the double-digit territory. We note Connectivity has recently announced EUR 65m in contracts for the coming years. We estimate Enersense should be able to achieve roughly 200bps gains in operating margins this year. The Voimatel acquisition, should it go through, would help drive further operational improvement, but for now it's still being processed by the FCCA.

FY '23 figures and wind power projects could drive upside

Enersense continues to invest in growth this year, helped by the EUR 26m in proceeds from convertible notes. We have updated our FY '23 EBIT estimate to EUR 11.4m (previously EUR 8.4m), on which Enersense trades roughly 10x. The valuation is not particularly challenging, especially relative to peers; the 3.8% EBIT margin we estimate also doesn't reflect full profitability potential and hence earnings growth should continue next year. Our updated TP is EUR 7.0 (6.0) as we retain our HOLD rating.

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 6.74

Target price, EUR 7.0

Latest change in recommendation	02-May-22
Latest report on company	31-Oct-22
Research paid by issuer:	YES
No. of shares outstanding, '000's	16,493
No. of shares fully diluted, '000's	16,493
Market cap, EURm	111
Free float, %	78.2
Exchange rate	-
Reuters code	ESENSE.HE
Bloomberg code	ESENSE FH
Average daily volume, EURm	0.1
Next interim report	27-Feb-23
Web site	www.enersense.com

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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	264.5	4.1	1.5%	3.1	-0.04	-167.2	0.4	26.3	2.8	0.10
2023E	298.3	11.4	3.8%	0.2	0.39	17.3	0.4	9.6	0.1	0.12
2024E	307.2	13.8	4.5%	5.0	0.48	14.1	0.3	7.7	4.5	0.14
Market cap, EURm	111			Gearing 2022E, %	-10.3		CAGR EPS 2021-24, %	17.2		
Net debt 2022E, EURm	-5			Price/book 2022E	2.4		CAGR sales 2021-24, %	8.7		
Enterprise value, EURm	107			Dividend yield 2022E, %	1.5		ROE 2022E, %	-1.4		
Total assets 2022E, EURm	158			Tax rate 2022E, %	173.8		ROCE 2022E, %	5.2		
Goodwill 2022E, EURm	26			Equity ratio 2022E, %	31.0		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	86.5	264.5	298.3
Smart Industry		78.4	22.3	23.5	18.7	21.0	85.5	16.6	18.7	15.3	25.0	75.6	85.4
Power		18.9	10.8	12.0	12.5	13.8	49.1	14.3	14.0	14.6	19.2	62.1	69.6
Connectivity		23.4	8.5	11.4	12.3	13.2	45.3	9.3	10.2	13.7	16.2	49.5	54.4
Staff leasing													
International Operations		26.8	11.6	14.8	14.6	18.0	59.0	13.5	16.8	20.8	26.1	77.3	88.8
EBITDA	0.1	9.8	1.7	5.8	2.9	6.2	16.6	5.5	-0.6	4.0	3.9	12.8	20.4
Adj. EBITDA	0.1	11.5	2.6	4.8	4.4	7.5	19.3	5.5	-0.4	4.3	3.9	13.3	20.4
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	-9.0
EBIT	-1.0	4.8	-0.6	3.0	0.4	4.0	6.8	3.2	-2.8	1.9	1.7	4.1	11.4
Sales growth %	22.6 %	154.0 %					62 %	1 %	-3 %	11 %	31 %	11 %	13 %
Smart Industry							32 %	-26 %	-20 %	-18 %	19 %	-12 %	13 %
Power							160 %	32 %	17 %	16 %	39 %	26 %	12 %
Connectivity							94 %	10 %	-10 %	11 %	23 %	9 %	10 %
Staff leasing							0 %					0 %	0 %
International Operations							121 %	16 %	14 %	43 %	45 %	31 %	15 %
EBITDA margin %	0.1 %	6.6 %	3.2 %	9.4 %	4.9 %	9.5 %	6.9 %	10.2 %	-1.0 %	6.3 %	4.5 %	4.8 %	6.8 %
Adj. EBITDA margin %	0.1 %	7.8 %	4.8 %	7.8 %	7.5 %	11.4 %	8.1 %	10.2 %	-0.7 %	6.7 %	4.5 %	5.0 %	6.8 %
EBIT margin %	-1.7 %	3.2 %	-1.2 %	4.9 %	0.6 %	6.1 %	2.9 %	6.0 %	-4.7 %	3.0 %	2.0 %	1.5 %	3.8 %

ENERSENSE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		22	23	24	22	23	24	22	23	24
B ravid a Holding	2129	12.4x	12.4x	12.2x	16.0x	16.0x	15.8x	19.4x	18.5x	18.2x
B ilfinger	1275							22.1x	13.0x	9.8x
C averion	1093	8.3x	8.7x	8.1x	16.2x	15.8x	13.9x	21.1x	18.7x	16.1x
E ltel	128	8.7x	6.6x	5.5x	144.8x	23.2x	14.5x		36.5x	12.1x
T ranstema Group	132	5.6x	5.1x	4.9x	9.5x	8.8x	8.3x	14.8x	10.7x	8.8x
V INCI	57303	7.9x	7.9x	7.5x	11.9x	11.8x	10.9x	14.2x	13.3x	12.2x
S PIE	4153	8.2x	8.0x	7.7x	12.4x	12.0x	11.1x	13.8x	12.8x	12.0x
V iafin Service	49							15.8x	13.6x	12.9x
V eolia Environnement	18843	7.7x	7.6x	7.1x	16.7x	16.0x	14.5x	17.7x	14.8x	12.4x
L assila & Tikanoja	436	6.2x	6.4x	6.1x	14.2x	14.1x	13.0x	14.7x	14.0x	12.5x
Peer Group Average	8554	8.1x	7.8x	7.4x	30.2x	14.7x	12.8x	17.1x	16.6x	12.7x
Peer Group Median	1184	8.0x	7.7x	7.3x	15.1x	15.0x	13.5x	15.8x	13.8x	12.3x
Enersense (Evli est.)	112	8.4x	5.4x	4.5x	26.5x	9.6x	7.7x	-167.9x	17.4x	14.2x
Enersense prem./disc. to peer median		5 %	-31 %	-38 %	75 %	-36 %	-43 %	-1165 %	26 %	15 %

ENERSENSE PEER GROUP	Sales 21	Sales gr.			EBITDA-%			Div. yield		
		22	23	24	22	23	24	22	23	24
B ravid a Holding	2074	10.6%	4.2%	0.6%	8.2 %	8.1 %	8.2 %	2.7 %	2.8 %	3.0 %
B ilfinger	3737	11.8%	2.5%	4.6%	4.5 %	5.9 %	6.6 %	3.1 %	3.7 %	4.7 %
C averion	2140	7.4%	1.4%	3.5%	6.6 %	6.9 %	7.2 %	2.5 %	2.9 %	3.3 %
E ltel	813	2.0%	4.6%	2.1%	3.9 %	5.2 %	6.1 %	0.0 %	1.2 %	3.5 %
T ranstema Group	160	32.0%	30.3%	3.6%	10.6 %	10.8 %	10.8 %	0.0 %	0.0 %	0.0 %
V INCI	49396	22.0%	3.3%	3.0%	16.5 %	17.0 %	17.4 %	3.8 %	4.1 %	4.5 %
S PIE	6971	14.6%	2.9%	3.7%	8.9 %	9.1 %	9.2 %	3.1 %	3.4 %	3.6 %
V iafin Service	61	36.9%	2.2%	3.0%	6.5 %	7.1 %	7.1 %	3.0 %	3.6 %	3.9 %
V eolia Environnement	28508	43.1%	3.0%	3.2%	15.0 %	15.4 %	15.9 %	4.2 %	4.8 %	5.5 %
L assila & Tikanoja	813	5.0%	-1.4%	2.6%	11.5 %	11.9 %	12.0 %	4.2 %	4.3 %	4.4 %
Peer Group Average	9467	18.5%	5.3%	3.0%	9.2 %	9.7 %	10.0 %	2.7 %	3.1 %	3.6 %
Peer Group Median	2107	13.2%	3.0%	3.1%	8.5 %	8.6 %	8.7 %	3.1 %	3.5 %	3.8 %
Enersense (Evli est.)	239	10.6%	12.8%	3.0%	4.8 %	6.8 %	7.7 %	1.5 %	1.7 %	2.1 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	6.74 PV of Free Cash Flow	113 Long-term growth, %	1.5 Risk-free interest rate, %
DCF share value	13.90 PV of Horizon value	122 WACC, %	9.1 Market risk premium, %
Share price potential, %	106.3 Unconsolidated equity	-1 Spread, %	0.5 Debt risk premium, %
Maximum value	14.9 Marketable securities	37 Minimum WACC, %	8.6 Equity beta coefficient
Minimum value	13.0 Debt - dividend	-32 Maximum WACC, %	9.6 Target debt ratio, %
Horizon value, %	51.9 Value of stock	236 Nr of shares, Mn	16.5 Effective tax rate, %

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	239	264	298	307	316	324	331	337	343	348	353	358
<i>Sales growth, %</i>	<i>62.2</i>	<i>10.6</i>	<i>12.8</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	4	11	14	16	16	17	17	17	17	18	18
<i>Operating income margin, %</i>	<i>2.9</i>	<i>1.5</i>	<i>3.8</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	10	10	8	9	9	9	9	9	9
EBITDA	17	13	21	24	26	25	25	26	26	27	27	
- Paid taxes	1	-2	-1	-3	-3	-3	-3	-3	-3	-3	-3	-4
- Change in NWC	-10	4	5	1	1	1	1	1	1	1	1	1
<i>NWC / Sales, %</i>	<i>-8.9</i>	<i>-9.6</i>	<i>-10.3</i>	<i>-10.5</i>	<i>-10.6</i>	<i>-10.8</i>	<i>-10.9</i>	<i>-11.0</i>	<i>-11.0</i>	<i>-11.1</i>	<i>-11.2</i>	
+ Change in other liabs	2	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-1	-5	-28	-9	14	-4	-4	-4	-4	-4	-4	-4
<i>opCAPEX / Sales, %</i>	<i>7.8</i>	<i>3.4</i>	<i>7.0</i>	<i>4.6</i>	<i>-2.6</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	10	-4	13	38	19	19	19	19	20	20	266
= Discounted FCFF		10	-3	11	29	13	12	11	11	10	9	122
= DFCF min WACC		10	-3	11	30	13	13	12	11	10	10	136
= DFCF max WACC		10	-3	11	29	13	12	11	10	9	9	110

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	86.5	264.5	298.3	307.2
EBITDA	1.7	5.8	2.9	6.5	16.8	5.4	-0.7	4.1	4.0	12.8	20.6	23.7
<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>4.6</i>	<i>4.8</i>	<i>6.9</i>	<i>7.7</i>
EBIT	-0.6	3.0	0.4	4.0	6.8	3.2	-2.8	1.9	1.7	4.1	11.4	13.8
<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>2.0</i>	<i>1.5</i>	<i>3.8</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	-4.0	-4.0
Pre-tax profit	-1.3	1.9	-0.1	3.0	3.5	2.0	-3.4	1.1	1.2	0.9	7.4	9.8
Tax	0.0	0.0	0.0	0.5	0.4	-0.8	-0.7	0.0	-0.1	-1.6	-1.0	-2.0
<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>173.8</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	1.1	-0.7	6.4	7.9
EPS	-0.10	0.14	0.00	0.26	0.30	0.07	-0.25	0.07	0.07	-0.04	0.39	0.48
EPS adjusted (diluted no. of shares)	-0.10	0.14	0.00	0.26	0.30	0.07	-0.25	0.07	0.07	-0.04	0.39	0.48
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	0.14
SALES, EURm												
Smart Industry	22.3	23.5	18.7	21.0	85.5	16.6	18.7	15.3	25.0	75.6	85.4	88.0
Power	10.8	12.0	12.5	13.8	49.1	14.3	14.0	14.6	19.2	62.1	69.6	71.7
Connectivity	8.5	11.4	12.3	13.2	45.3	9.3	10.2	13.7	16.2	49.5	54.4	56.1
International Operations	11.6	14.8	14.6	18.0	59.0	13.5	16.8	20.8	26.1	77.3	88.8	91.5
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	64.4	86.5	264.5	298.3	307.2
SALES GROWTH, Y/Y %												
Smart Industry	0.0	0.0	0.0	-67.5	32.4	-25.6	-20.3	-18.3	19.0	-11.6	13.0	3.0
Power	0.0	0.0	0.0	-27.1	159.8	32.4	17.2	16.2	39.0	26.4	12.0	3.0
Connectivity	0.0	0.0	0.0	-43.7	93.5	10.5	-10.0	11.3	23.0	9.2	10.0	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	44.9	31.0	15.0	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	10.5	31.1	10.6	12.8	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	4.0
Power	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.2
Connectivity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5
International Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.1
Group	-0.6	3.0	0.4	4.0	6.8	3.2	-2.8	1.9	1.7	4.1	11.4	0.0
Total	-0.6	3.0	0.4	4.0	6.8	3.2	-2.8	1.9	1.7	4.1	11.4	13.8
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	3.0	2.0	1.5	3.8	4.5

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	47.0	47.4	58.1	147.5	239.1	264.5	298.3	307.2
<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>10.6</i>	<i>12.8</i>	<i>3.0</i>
EBITDA	1.9	-1.3	0.1	9.8	16.8	12.8	20.6	23.7
<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>4.8</i>	<i>6.9</i>	<i>7.7</i>
Depreciation	-0.2	-0.4	-1.0	-5.0	-10.0	-8.7	-9.2	-9.8
EBITA	1.7	-1.6	-1.0	4.8	6.8	4.1	11.4	13.8
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	4.1	11.4	13.8
<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>1.5</i>	<i>3.8</i>	<i>4.5</i>
Reported EBIT	1.7	-1.7	-1.0	4.8	6.8	4.1	11.4	13.8
<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>1.5</i>	<i>3.8</i>	<i>4.5</i>
Net financials	-0.3	-1.0	-0.4	-1.9	-3.3	-3.2	-4.0	-4.0
Pre-tax profit	1.5	-2.7	-1.4	2.9	3.5	0.9	7.4	9.8
Taxes	-0.5	0.5	0.0	-0.5	0.4	-1.6	-1.0	-2.0
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	-0.7	6.4	7.9
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	47	51
Goodwill	0	4	4	26	26	26	26	26
Right of use assets	0	0	2	9	22	22	10	11
Inventory	0	0	0	4	7	7	8	8
Receivables	11	10	13	34	38	40	43	44
Liquid funds	2	3	1	18	29	37	36	37
Total assets	15	19	23	116	147	158	173	179
Liabilities								
Shareholder's equity	3	9	7	16	48	46	51	57
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	11
Deferred taxes	0	0	0	0	1	1	1	1
Interest bearing debt	4	2	4	18	13	10	23	20
Non-interest bearing current liabilities	8	8	10	70	66	73	82	85
Other interest-free debt	0	0	0	1	3	3	3	3
Total liabilities	15	19	23	116	147	158	173	179
CASH FLOW, EURm								
+ EBITDA	2	-1	0	10	17	13	21	24
- Net financial items	0	-1	0	-2	-3	-3	-4	-4
- Taxes	0	0	0	0	1	-2	-1	-2
- Increase in Net Working Capital	0	1	-1	-11	-10	4	5	1
+/- Other	0	0	-1	-1	0	0	0	0
= Cash flow from operations	2	-1	-2	-4	4	12	21	19
- Capex	-1	-3	0	-10	-19	-9	-21	-14
- 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	0	5
+/- 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	1	-2
Change in cash	0	1	-1	16	11	8	-1	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	19	9	79	92	111	111	111
Net debt (excl. convertibles)	0	5	9	-3	-5	-3	-6
Enterprise value	19	13	97	90	107	109	106
Sales	47	58	147	239	264	298	307
EBITDA	-1	0	10	17	13	21	24
EBIT	-2	-1	5	7	4	11	14
Pre-tax	-3	-1	3	4	1	7	10
Earnings	-2	-1	2	4	-1	6	8
Equity book value (excl. minorities)	9	7	16	48	46	51	57
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	8.4	5.3	4.5
EV/EBITA	-11.6	-13.9	20.4	13.1	26.3	9.6	7.7
EV/EBIT	-11.1	-13.9	20.4	13.1	26.3	9.6	7.7
EV/OCF	-21.6	-6.3	-22.8	23.2	8.9	5.2	5.5
EV/FCFF	-6.0	-5.7	8.1	8.6	11.1	-30.8	8.0
P/FCFE	-3.1	-3.1	-5.1	-7.1	35.9	729.7	22.4
P/E	-10.0	-6.8	32.6	23.1	-167.2	17.3	14.1
P/B	2.1	1.3	5.0	1.9	2.4	2.2	2.0
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.8	5.5	4.7
Target EV/EBIT	0.0	0.0	0.0	0.0	27.6	10.0	8.0
Target EV/FCF	0.0	0.0	0.0	0.0	36.2	747.2	22.3
Target P/B	0.0	0.0	0.0	0.0	2.5	2.3	2.0
Target P/E	0.0	0.0	0.0	0.0	-173.6	18.0	14.7
Per share measures							
Number of shares	5,948	5,948	9,548	13,398	16,493	16,493	16,493
Number of shares (diluted)	5,948	5,948	9,548	13,398	16,493	16,493	16,493
EPS	-0.33	-0.23	0.25	0.30	-0.04	0.39	0.48
Operating cash flow per share	-0.14	-0.36	-0.45	0.29	0.73	1.27	1.16
Free cash flow per share	-1.06	-0.50	-1.63	-0.96	0.19	0.01	0.30
Book value per share	1.52	1.24	1.66	3.58	2.78	3.07	3.43
Dividend per share	0.00	0.00	0.00	0.10	0.10	0.12	0.14
Dividend payout ratio, %	0.0	0.0	0.0	33.8	-248.0	30.0	30.0
Dividend yield, %	0.0	0.0	0.0	1.5	1.5	1.7	2.1
FCF yield, %	-32.7	-32.1	-19.7	-14.0	2.8	0.1	4.5
Efficiency measures							
ROE	-32.7	-16.5	20.9	12.4	-1.4	13.3	14.6
ROCE	-18.5	-8.1	16.6	11.4	5.2	13.8	15.8
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	15.2	14.5	14.4
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	-9.6	-10.3	-10.5
Operative CAPEX/sales, %	5.6	0.7	7.1	7.8	3.4	7.0	4.6
CAPEX/sales (incl. acquisitions), %	-0.4	-0.1	6.3	7.8	3.4	7.0	4.6
FCFF/EBITDA	2.5	-31.6	1.2	0.6	0.8	-0.2	0.6
Net debt/EBITDA, book-weighted	0.3	61.4	0.9	-0.2	-0.4	-0.2	-0.3
Debt/equity, market-weighted	0.1	0.4	0.2	0.1	0.1	0.2	0.2
Equity ratio, book-weighted	46.3	30.8	15.7	34.8	31.0	31.0	33.3
Gearing, %	-4.4	64.8	52.3	-6.4	-10.3	-6.5	-11.0

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	18.029	16.2%
MBÅ Invest Oy	2,253,072	15.186	13.7%
Joensuun Kauppa Ja Kone Oy	1,382,449	9.318	8.4%
Verman Group Oy	1,343,461	9.055	8.1%
Taloustieto Incrementum Ky	737,005	4.967	4.5%
Ilmarinen Mutual Pension Insurance Company	569,053	3.835	3.5%
Veritas Pension Insurance Company Ltd.	345,292	2.327	2.1%
Corporatum Oy	295,244	1.990	1.8%
Siementila Suokas Oy	240,860	1.623	1.5%
Holopainen Jussi	164,500	1.109	1.0%
Ten largest	10,005,936	67.440	61%
Residual	6,487,064	43.723	39%
Total	16,493,000	111.163	100%

EARNINGS CALENDAR

February 27, 2023	FY 2022 Results
April 28, 2023	Q1 report
August 03, 2023	Q2 report
October 27, 2023	Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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

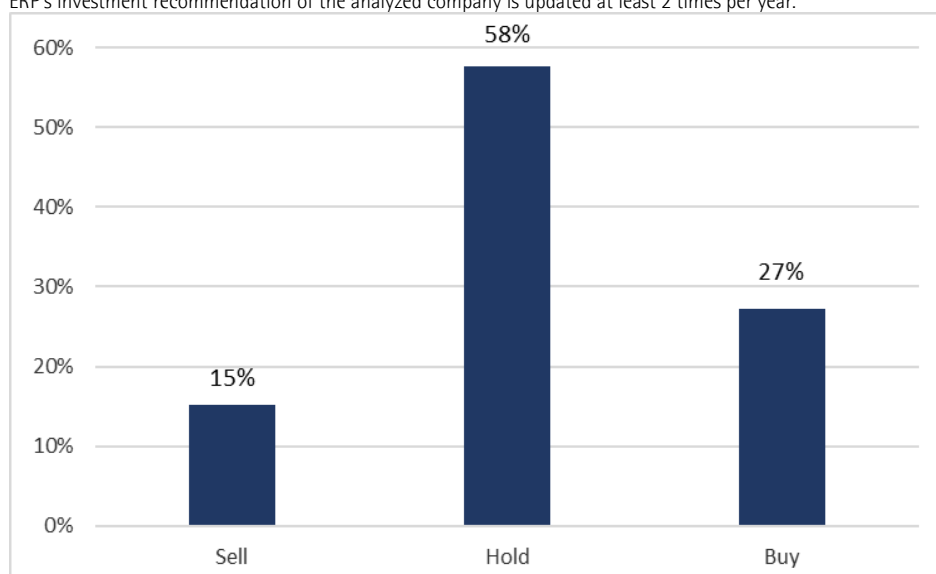
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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