

Figures quite close to our estimates

Enersense's Q4 figures were overall relatively close to our estimates. Revenue came in higher than we estimated, while adjusted EBITDA was higher and EBIT lower than we estimated. Enersense's guidance midpoint suggests profitability is likely to increase at least a bit this year, however bottom line will still be weighed down by development projects.

- Enersense Q4 revenue increased 36.6% y/y to EUR 90.0m, compared to our EUR 86.5m estimate. Top line grew especially within Power and International Operations due to high volumes and project progress.
- Adjusted EBITDA was EUR 4.3m vs our EUR 3.9m estimate. EBIT landed at EUR 1.1m, compared to our EUR 1.7m estimate. Power's profitability improved significantly, while Smart Industry and International Operations weakened considerably due to e.g. inflation. Investments in offshore wind power and the new ERP system had a negative impact of EUR 2.7m.
- Order backlog amounted to EUR 415m at the end of Q4, compared to EUR 291m a year ago. Onshore wind power project portfolio stood at approximately 8,000MW, compared to 3,000MW at the end of Q3'22.
- The BoD proposes EUR 0.10 per share return of capital to be distributed for the year, in line with our estimate.
- Enersense guides FY '23 revenue to be in the range of EUR 280-310m and adjusted EBITDA in the range of EUR 12-18m. Investments in and the development of the new ERP system as well as offshore and onshore wind power will impact profitability. The projects should not burden profitability any more next year.

Rating 🟡 HOLD				
Q4'22	Actual	Evli	Year ago	Q3'22
Revenue	90.0	86.5	65.9	64.4
Adj. EBITDA	4.3	3.9	7.5	4.3
EBIT	1.1	1.7	4.0	1.9
Deviation	Actual	Evli	Year ago	Q3'22
Revenue		4 %	37 %	40 %
Adj. EBITDA		10 %	-43 %	0 %
EBIT		-35 %	-73 %	-42 %
Share price, EUR (Last trading day's closing price)	6.26			
Target price, EUR	7.0			
Latest change in recommendation	02-May-22			
Latest report on company	24-Jan-23			
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	103			
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			
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🟢 BUY 🟡 HOLD 🔴 SELL

PRE-REPORT 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	-155.3	0.4	24.4	3.0	0.10
2023E	298.3	11.4	3.8%	0.2	0.39	16.1	0.3	8.9	0.1	0.12
2024E	307.2	13.8	4.5%	5.0	0.48	13.1	0.3	7.1	4.8	0.14
Market cap, EURm	103		BV per share 2022E, EUR		-10.3		CAGR EPS 2021-24, %		17.2	
Net debt 2022E, EURm	-5		Price/book 2022E		2.2		CAGR sales 2021-24, %		8.7	
Enterprise value, EURm	99		Dividend yield 2022E, %		1.6		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	

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

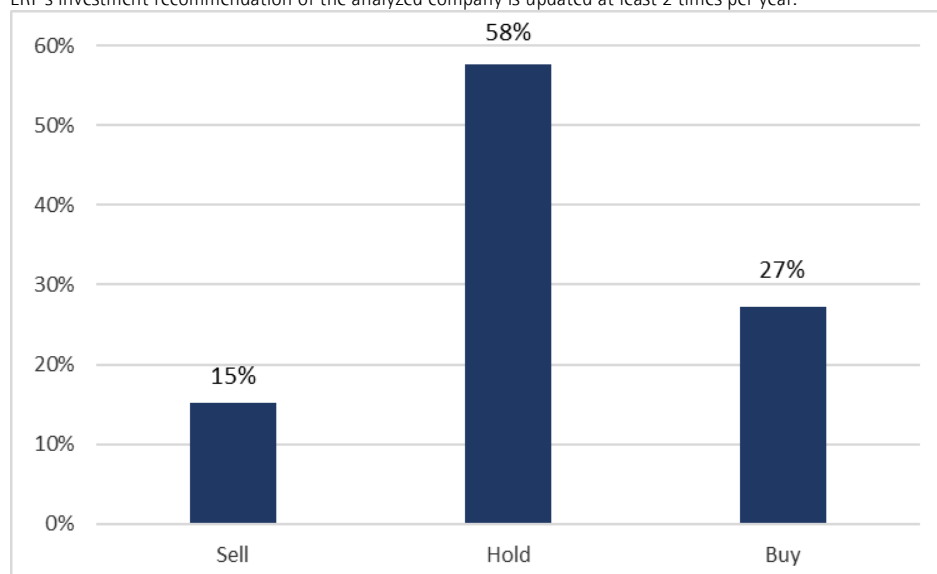
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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