

5 February 2024

Commissioned research: Enersense – The company has won a EUR 20m project to build three grid substations

Marketing material commissioned by Enersense

Enersense will build three 110kV power grid substations in Finland. The company has won Fingrid's public bidding process which will increase group level order book by EUR 20m (3.9%) in Q1 2024. The project is relatively big for Enersense and will continue until the summer of 2027, increasing Power segment's annual net sales by ~7%. The company is already a leading power line constructor and maintenance operator in Finland. Enersense has been building the Aurora Line (EUR 16m) for Fingrid and this project is expected to be ready in 2024. Enersense has also been accelerating its wind power business. The company's own energy production capacity target by 2027 is 600-700MW, of which 600MW in wind power and 100MW in solar power capacity. However, one risk factor is high interest rates combined with a low power price which could cause the final investment decisions of wind power projects to be postponed in Finland.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023E	2024E	2025E
Total revenue	147	239	282	349	375	394
EBITDA (adj)	10	19	14	16	21	24
EBIT (adj)	5	9	5	7	11	14
EBIT (adj) margin	3.2%	3.9%	1.7%	2.0%	2.9%	3.4%
EPS (adj, EUR)	0.33	0.49	-0.48	-0.18	0.10	0.21
EPS (adj) growth	243.5%	50.9%	-197.3%	61.6%	155.3%	108.4%
DPS (ord, EUR)	0.00	0.10	0.10	0.00	0.00	0.00
EV/Sales	0.5	0.4	0.4	0.3	0.3	0.3
EV/EBIT (adj)	15.2	10.0	21.6	15.3	9.6	7.3
P/E (adj)	25.4	13.9	n.m.	n.m.	40.1	19.2
P/BV	3.9	1.9	1.5	1.2	1.1	1.1
Dividend yield (ord)	0.0%	1.5%	1.8%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease adj	16.1%	-13.2%	-12.8%	-37.9%	4.5%	7.2%
Net debt	9	1	12	39	36	32
Net debt/EBITDA	0.9	0.1	1.0	2.4	1.7	1.3
ROIC after tax	18.5%	18.4%	6.1%	6.3%	8.9%	11.2%

Source: Company data and Nordea estimates

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