29 February 2024

Commissioned research: Enersense – Full-year 2024 EBITDA guidance midpoint is close to consensus (LSEG Data & Analytics)

Marketing material commissioned by Enersense

Revenue growth was better that market consensus (LSEG) expected in Q4. However, relative profitability was a bit weaker than market consensus in Q4. But full year 2024 EBITDA guidance midpoint was well in line with market consensus of EUR 21m. Moreover, cash flow from operations turned positive in Q4. The orderbook was EUR 457m at the end of December 2023. Order backlog declined in Q4 q/q but new orders should support order book again in Q1 2024. The company do not propose a dividend payment which was in line with our expectation. The assessment of the options related to own wind power production continues and no information regarding the funding of 600MW of own wind power capacity.

Net sales was 10% above (LSEG) consensus in Q4

- Enersense's Q4 net sales of EUR 108m was above market consensus of EUR 98m in Q4.
- Adjusted EBITDA of EUR 7.7m was 14% below consensus of EUR 9.0m.
- The Smart Industry, Connectivity and International Operations have improved but EBITDA declined in the Power segment in Q4 y/y.
- The ramp-up of the offshore-business has been slower than anticipated.
- Reported equity ratio was 26% in December.
- Cash flow from operations was EUR 4.4m in Q4 (Q4 2022: EUR 1.7m).
- Net gearing was 70% at end of December.

Outlook

- Net sales is guided to EUR 365-435m (new).
- Consensus (LSEG) for net sales has been EUR 377m.
- EBITDA is guided to EUR 15-25m (new).
- Consensus for EBITDA is EUR 21m (2022: EUR 15m).
- Market consensus for clean EPS for 2024 has been EUR 0.10.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023E	2024E	2025E
Total revenue	147	239	282	351	381	400
EBITDA (adj)	10	19	14	16	21	24
EBIT (adj)	5	9	5	7	11	13
EBIT (adj) margin	3.2%	3.9%	1.7%	2.0%	2.9%	3.3%
EPS (adj, EUR)	0.33	0.49	-0.48	-0.18	0.12	0.20
EPS (adj) growth	243.5%	50.9%	-197.3%	63.4%	167.3%	72.7%
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	0.2
EV/EBIT (adj)	15.2	10.0	21.6	14.7	9.1	7.3
P/E (adj)	25.4	13.9	n.m.	n.m.	33.6	19.5
P/BV	3.9	1.9	1.5	1.1	1.1	1.0
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%	-38.6%	5.2%	7.2%
Net debt	9	1	12	39	36	31
Net debt/EBITDA	0.9	0.1	1.0	2.4	1.7	1.3
ROIC after tax	18.5%	18.4%	6.1%	6.5%	9.2%	11.1%

Source: Company data and Nordea estimates

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