

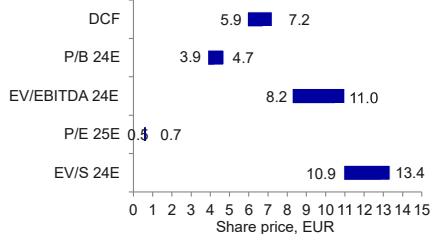
## KEY DATA

Stock country	Finland
Bloomberg	ESENSE.FH
Reuters	ESENSE.HE
Share price (close)	EUR 3.95
Free float	57%
Market cap. (bn)	EUR 0.07/EUR 0.07
Website	www.enersense.com
Next report date	26 Apr 2024

## PERFORMANCE



## VALUATION APPROACH (EUR PER SHARE)



## ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	-1%	-1%	-1%
EBIT (adj)	-6%	-7%	-7%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Pasi Väisänen  
DirectorSvante Krokfors  
Director

## Relative profitability should improve in 2024 y/y

We expect that cost increases will happen at a slower pace than revenue growth in 2024. The current guidance midpoint indicates 10% y/y revenue growth and an EBITDA margin of 5% in 2024. The orderbook of EUR 457m was 10% y/y higher at the end of December. Guidance does not look overly challenging and we expect Enersense to reaffirm its full-year guidance in its Q1 release. One risk factor relates to muted FID development in the wind power sector, which is why we slightly downgrade our medium-term expectations, leading to a fair value range of EUR 5.8-7.4 (6.4-7.8) per share. Our valuation approach is DCF-based, backed by a peer group comparison.

## We forecast revenue growth of 27% y/y for Q1

We estimate net sales of EUR 96m (LSEG Data & Analytics consensus: EUR 87m) and EBITDA of EUR 3.0m (consensus: EUR 1.5m) for Q1 2024. For the full year, we estimate adjusted EBITDA of EUR 21m (consensus: EUR 21m).

## Wind power projects include some uncertainty

Enersense has a total of 8,400MW in onshore wind power projects in the development portfolio, of which 1,500MW is developed in cooperation with Valorem. The projects in the feasibility study phase represent ~80% of the total. A wind project is usually divided into feasibility, development, construction and operational phases. The majority of onshore wind development projects will be divested, but Enersense targets building its own wind power capacity of 600MW by 2027. Its market capitalisation of EUR 63m and EV of EUR 100m indicate that the wind development portfolio does not have great value. Dividing EUR 100m by 8,400MW gives a value of EUR 0.01m/MW for the wind portfolio, which looks a bit low. However, the success factor is not 100% for all projects. Enersense is expected to release some information about the funding of its own 600MW wind power portfolio this year, but a declining power price combined with rising interest rates may postpone such plans. The cost of funding could be over 40% of the total production cost for onshore wind power.

## Risks related to growth and profitability burden the share price

Relatively high financial expenses could put the net result near zero, which is why the P/E could look very high. However, EV/EBITDA of 4.8x for 2024E seems modest and is 50% below the peer group. That said, relative profitability needs to improve, sales growth must continue and risks need to come down for the share price to see a rerating from current levels.

## SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	147	239	282	363	396	416	436
EBITDA (adj)	10	19	14	15	21	23	24
EBIT (adj)	5	9	5	5	11	13	14
EBIT (adj) margin	3.2%	3.9%	1.7%	1.4%	2.9%	3.1%	3.2%
EPS (adj, EUR)	0.33	0.49	-0.48	-0.55	-0.01	0.03	0.04
EPS (adj) growth	243.5%	50.9%	-197.3%	-15.6%	97.6%	338.2%	37.4%
DPS (ord, EUR)	0.00	0.10	0.10	0.10	0.10	0.10	0.10
EV/Sales	0.5	0.4	0.4	0.3	0.3	0.2	0.2
EV/EBIT (adj)	15.2	10.0	21.6	20.6	9.1	8.0	7.6
P/E (adj)	25.4	13.9	n.m.	n.m.	n.m.	n.m.	90.3
P/BV	3.9	1.9	1.5	1.4	1.3	1.3	1.4
Dividend yield (ord)	0.0%	1.5%	1.8%	2.3%	2.5%	2.5%	2.5%
FCF Yield bef A&D, lease	22.6%	-13.2%	-12.8%	-36.7%	1.0%	1.3%	1.4%
Net debt	9	1	12	37	37	38	39
Net debt/EBITDA	0.9	0.1	1.0	2.5	1.8	1.7	1.6
ROIC after tax	18.4%	18.4%	6.1%	5.1%	10.4%	12.0%	12.8%

Source: Company data and Nordea estimates

# Quarterly segment estimates

## SEGMENT ESTIMATES BY QUARTER (EURm; EPS IN EUR)

	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124E	Q224E	Q324E	Q424E
<b>Smart Industry</b>												
Net sales (EURm)	16.6	18.7	15.3	22.1	26.1	26.8	26.7	34.1	33.0	33.3	30.5	31.3
Sales growth y/y (%)	-26%	-20%	-18%	5%	57%	43%	74%	54%	26%	24%	15%	-8%
EBITDA (EURm)	-1.0	-0.1	1.1	-0.8	1.1	1.0	2.5	0.7	1.5	1.3	2.5	1.4
EBITDA margin (%)	-6.0%	-0.5%	7.2%	-3.7%	4.2%	3.7%	9.3%	2.1%	4.6%	3.9%	8.2%	4.4%
<b>Power</b>												
Net sales (EURm)	20.8	14.0	14.6	25.6	15.2	22.3	21.9	28.0	21.1	22.1	22.6	28.1
Sales growth y/y (%)	92%	17%	16%	86%	-27%	59%	51%	9%	39%	-1%	3%	0%
EBITDA (EURm)	8.8	0.6	1.1	8.7	0.1	1.6	1.1	7.9	1.5	1.6	1.6	9.0
EBITDA margin (%)	42.4%	4.3%	7.6%	34.1%	0.7%	7.2%	5.2%	28.2%	7.1%	7.2%	7.0%	32.0%
<b>Connectivity</b>												
Net sales (EURm)	9.3	10.2	13.7	14.0	10.8	13.6	16.4	17.0	14.4	15.2	15.5	16.4
Sales growth y/y (%)	10%	-10%	11%	6%	16%	33%	19%	22%	34%	12%	-5%	-4%
EBITDA (EURm)	-0.7	-0.5	1.1	0.5	0.0	-0.1	1.4	1.1	0.7	0.8	1.1	1.1
EBITDA margin (%)	-7.5%	-5.2%	8.0%	3.4%	-0.4%	-0.9%	8.3%	6.3%	5.0%	5.4%	7.2%	6.5%
<b>International</b>												
Net sales (EURm)	13.5	16.8	20.8	35.8	22.9	23.5	29.1	28.7	27.1	27.7	28.8	28.8
Sales growth y/y (%)	16%	14%	42%	99%	70%	40%	40%	-20%	18%	18%	-1%	0%
EBITDA (EURm)	-0.9	-0.1	0.2	-3.1	0.1	1.1	0.9	1.9	1.1	1.0	1.2	1.2
EBITDA margin (%)	-6.7%	-0.6%	1.0%	-8.8%	0.4%	4.7%	3.1%	6.5%	4.2%	3.7%	4.1%	4.2%
<b>Group</b>												
Net sales	60.2	59.8	64.4	97.6	75.0	86.3	94.2	107.8	95.6	98.4	97.5	104.6
Sales growth %	12.9%	-2.9%	10.5%	48.0%	24.6%	44.3%	46.2%	10.5%	27.5%	14.0%	3.5%	-3.0%
EBITDA (EURm)	3.2	-2.8	1.9	1.1	-0.1	3.0	3.9	7.7	3.0	2.8	4.5	10.7
EBITDA margin (%)	5.4%	-4.6%	3.0%	1.1%	-0.1%	3.5%	4.2%	7.1%	0.0%	0.0%	0.0%	0.0%
Depreciation and amortisation	0.0	0.0	0.0	0.0	-2.2	-2.4	-2.3	-2.3	-2.4	-2.4	-2.4	-2.4
Reported EBIT	3.2	-2.8	1.9	1.1	-2.3	0.6	1.6	5.3	0.6	0.4	2.0	8.2
Reported EBIT margin	5.4%	-4.6%	3.0%	1.1%	-3.1%	0.7%	1.7%	4.9%	0.6%	0.4%	2.1%	7.9%
Group adj. EBIT												
Adj. EBIT margin												
Net financials	-3.7	-0.7	-0.8	-5.3	-1.5	-2.6	-2.8	-7.0	-2.0	-1.8	-2.2	-5.6
Pre-tax profit	-0.5	-3.5	1.1	-4.2	-3.8	-1.9	-1.2	-1.7	-1.4	-1.4	-0.1	2.7
Income tax	-0.8	-0.7	0.0	-1.3	0.0	0.0	0.1	-0.7	0.3	0.3	0.0	-0.5
Tax rate %	-170%	-20%	-2%	-32%	0%	1%	4%	-41%	20%	20%	20%	20%
Reported net profit for the period	-1.3	-4.1	1.2	-5.6	-3.8	-1.9	-1.1	-2.4	-1.1	-1.1	-0.1	2.1
Reported EPS	-0.08	-0.25	0.07	-0.34	-0.23	-0.11	-0.07	-0.14	-0.07	-0.07	-0.01	0.13
Adj. EPS	-0.07	-0.24	0.08	-0.28	-0.23	-0.11	-0.07	-0.14	-0.07	-0.07	-0.01	0.13

Source: Company data and Nordea estimates

# Annual segment estimates

## ANNUAL ESTIMATES BY SEGMENT (EURm; EPS IN EUR)

Segments	2018	2019	2020	2021	2022	2023	2024E	2025E
<b>Smart Industry</b>								
Net sales (EURm)	n.a.	51.6	78.4	85.5	72.7	113.6	128.0	134.4
Sales growth y/y (%)	n.a.	n.a.	52%	9%	-15%	56%	13%	5%
EBITDA (EURm)	n.a.	1.3	6.2	15.4	0.3	5.3	6.7	7.3
EBITDA margin (%)	n.a.	n.a.	7.9%	18.0%	0.4%	4.7%	5.2%	5.4%
<b>Power</b>								
Net sales (EURm)	n.a.	n.a.	18.9	49.1	61.0	87.4	93.8	99.5
Sales growth y/y (%)	n.a.	n.a.	n.a.	160%	24%	43%	7%	6%
EBITDA (EURm)	n.a.	n.a.	1.0	2.4	19.2	10.7	13.7	15.1
EBITDA margin (%)	n.a.	n.a.	5.3%	4.9%	31.5%	12.3%	14.5%	15.2%
<b>Connectivity</b>								
Net sales (EURm)	n.a.	n.a.	23.4	45.3	47.2	57.8	61.5	64.6
Sales growth y/y (%)	n.a.	n.a.	n.a.	93%	4%	22%	6%	5%
EBITDA (EURm)	n.a.	n.a.	1.5	1.6	0.4	2.3	3.7	4.0
EBITDA margin (%)	n.a.	n.a.	6.3%	3.5%	0.8%	3.9%	6.1%	6.2%
<b>International</b>								
Net sales (EURm)	n.a.	6.4	26.8	59.0	87.0	104.3	112.3	116.8
Sales growth y/y (%)	n.a.	n.a.	316%	121%	47%	20%	8%	4%
EBITDA (EURm)	n.a.	-0.6	1.7	1.7	-3.9	4.0	4.5	4.9
EBITDA margin (%)	n.a.	-9.1%	6.5%	2.9%	-4.5%	3.8%	4.1%	4.2%
<b>Group</b>								
Net sales	47.4	58.1	147.5	239.1	282.0	363.3	396.0	415.6
Sales growth %	0.7%	22.6%	154.0%	62.2%	17.9%	28.8%	9.0%	4.9%
EBITDA (EURm)	-1.7	0.1	9.8	16.6	12.2	14.5	20.9	22.8
EBITDA margin (%)	-3.5%	0.1%	6.6%	7.0%	4.3%	4.0%	5.3%	5.5%
Depreciation and amortisation	0.0	-1.0	-5.0	-9.8	-8.7	-9.3	-9.6	-9.9
Reported EBIT	-1.7	-1.0	4.8	6.8	3.5	5.3	11.3	12.9
Reported EBIT margin	-3.5%	-1.7%	3.2%	2.9%	1.2%	1.4%	2.9%	3.1%
Group adj. EBIT	-1.7	-1.0	4.8	9.4	4.9	5.3	11.3	12.9
Adj. EBIT margin	-3.5%	-1.7%	3.2%	3.9%	1.7%	1.4%	2.9%	3.1%
Net financials	0.0	-0.4	-1.9	-3.3	-10.0	-13.8	-11.6	-12.3
Pre-tax profit	-1.7	-1.4	2.9	3.6	-6.6	-8.6	-0.3	0.7
Income tax	0.0	0.0	-0.5	0.4	-2.8	-0.6	0.1	-0.1
Tax rate %	0%	0%	17%	-12%	-43%	-7%	20%	20%
Reported net profit for the period	-1.7	-1.4	2.4	4.0	-9.4	-9.2	-0.2	0.5
Reported EPS	-0.30	-0.23	0.33	0.30	-0.57	-0.55	-0.01	0.03
Adj. EPS	-0.30	-0.23	0.33	0.49	-0.48	-0.55	-0.01	0.03

Source: Company data and Nordea estimates

# Peer group financials and valuation

## PEER GROUP FINANCIALS

	SALES (EURm)				SALES GROWTH				EBIT MARGIN			
	2022	2023	2024E	2025E	2022	2023	2024E	2025E	2022	2023	2024E	2025E
Vinci SA	62,265	69,619	71,635	73,926	25%	12%	5%	3%	11%	12%	12%	12%
Abb Ltd	27,514	29,209	30,938	32,489	2%	9%	5%	5%	13%	16%	16%	17%
Engie SA	93,865	82,565	84,520	79,815	62%	-12%	-11%	-6%	12%	10%	10%	11%
Skanska AB	14,650	15,047	14,234	14,812	13%	2%	4%	4%	5%	2%	4%	4%
Bilfinger SE	4,312	4,486	4,870	5,238	15%	4%	10%	8%	2%	4%	5%	5%
Bravida Holding AB	2,361	2,648	2,567	2,655	20%	12%	0%	3%	6%	6%	6%	6%
Caverion Oyj	2,352	2,491			10%	6%			3%	4%		
Instalco AB	1,083	1,285	1,256	1,367	36%	18%	1%	6%	6%	6%	7%	7%
YIT Oyj	2,403	2,163	1,985	2,013	-9%	-10%	-8%	1%	4%	2%	2%	3%
Eitel AB	824	850	879	907	1%	3%	5%	3%	1%	0%	2%	3%
Netel Holding AB (publ)	282	311	329	349	30%	10%	7%	6%	6%	5%	6%	6%
<b>Group median</b>					<b>15.4%</b>	<b>5.9%</b>	<b>4.4%</b>	<b>3.7%</b>	<b>6.2%</b>	<b>4.7%</b>	<b>5.7%</b>	<b>6.3%</b>
Enersense (Nordea)	239	282	363	396	17.9%	28.8%	9.0%	4.9%	1.2%	1.4%	2.9%	3.1%
<b>diff. from median (pp)</b>					<b>2.6</b>	<b>22.9</b>	<b>4.6</b>	<b>1.2</b>	<b>-5.0</b>	<b>-3.2</b>	<b>-2.9</b>	<b>-3.2</b>

Source: LSEG Data & Analytics and Nordea estimates

## PEER GROUP MULTIPLES (x)

	P/E				EV/EBIT				P/B			
	2022	2023	2024E	2025E	2022	2023	2024E	2025E	2022	2023	2024E	2025E
Vinci SA	12.5	13.9	13.0	12.2	11.5	10.4	9.7	9.2	2.6	2.4	2.1	2.0
Abb Ltd	23.0	22.0	22.2	20.3	14.4	16.7	16.6	15.3	7.1	6.3	5.8	5.1
Engie SA	7.9	19.1	8.8	9.5	14.3	6.5	8.4	8.7	1.0	1.2	1.2	1.1
Skanska AB	8.3	15.1	13.3	12.1	9.6	11.7	10.5	9.4	1.6	1.4	1.4	1.3
Bilfinger SE	38.1	7.4	10.5	8.9	6.5	6.4	6.1	5.2	1.5	1.4	1.2	1.2
Bravida Holding AB	17.9	13.5	13.8	11.8	14.2	10.9	11.3	10.0	2.2	1.9	1.9	1.7
Caverion Oyj	21.3	36.2			12.8	13.5			5.4	6.7		
Instalco AB	20.2	18.1	15.9	12.9	16.4	15.9	14.7	12.3	3.6	3.0	2.7	2.4
YIT Oyj	8.2	138.7	0.0	28.4	13.9	128.6	32.1	18.8	0.5	0.5	0.5	0.5
Eitel AB	n.a.	n.a.	31.7	15.9	41.9	1,023.2	10.5	8.4	0.5	0.5	0.5	0.5
Netel Holding AB (publ)	13.2	16.2	5.0	3.9	12.0	7.4	5.6	4.7	0.5	0.5	0.5	0.4
<b>Group median</b>	<b>15.6</b>	<b>17.1</b>	<b>13.1</b>	<b>12.1</b>	<b>13.9</b>	<b>11.7</b>	<b>10.5</b>	<b>9.3</b>	<b>1.6</b>	<b>1.4</b>	<b>1.3</b>	<b>1.2</b>
Enersense (Nordea)	n.a.	-325.5	124.1	90.3	21.6	20.7	8.9	7.8	1.5	1.4	1.3	1.3
<b>diff. from median</b>	n.a.	-1999%	845%	645%	55%	76%	-15%	-17%	-7%	-4%	-2%	2%

Source: LSEG Data & Analytics and Nordea estimates

# Reported numbers and forecasts

## INCOME STATEMENT

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Total revenue</b>	<b>37</b>	<b>47</b>	<b>47</b>	<b>58</b>	<b>147</b>	<b>239</b>	<b>282</b>	<b>363</b>	<b>396</b>	<b>416</b>	<b>436</b>
Revenue growth	114.4%	27.5%	0.7%	22.6%	154.0%	62.2%	17.9%	28.8%	9.0%	4.9%	4.9%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	4	2	-2	0	10	17	12	15	21	23	24
Depreciation and impairments PPE	0	0	0	-1	-5	-10	-9	-9	-10	-10	-10
of which leased assets	0	0	0	0	-4	-8	-8	-8	-8	-8	-8
EBITA	4	2	-2	-1	5	7	3	5	11	13	14
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	4	2	-2	-1	5	7	3	5	11	13	14
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	0	0	0	0	-2	-3	-10	-14	-12	-12	-13
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>4</b>	<b>2</b>	<b>-2</b>	<b>-1</b>	<b>3</b>	<b>4</b>	<b>-7</b>	<b>-9</b>	<b>0</b>	<b>1</b>	<b>1</b>
Reported taxes	0	0	0	0	0	0	-3	-1	0	0	0
Net profit from continued operations	4	2	-2	-1	2	4	-9	-9	0	1	1
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	4	2	-2	-1	2	4	-9	-9	0	1	1
<b>EPS, EUR</b>	<b>345.64</b>	<b>152.90</b>	<b>-0.30</b>	<b>-0.23</b>	<b>0.33</b>	<b>0.30</b>	<b>-0.57</b>	<b>-0.55</b>	<b>-0.01</b>	<b>0.03</b>	<b>0.04</b>
DPS, EUR	0.00	0.00	0.00	0.00	0.00	0.10	0.10	0.10	0.10	0.10	0.10
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.10	0.10	0.10	0.10	0.10	0.10
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## Profit margin in percent

EBITDA	10.6%	3.7%	-3.5%	0.1%	6.6%	7.0%	4.3%	4.0%	5.3%	5.5%	5.5%
EBITA	10.6%	3.7%	-3.5%	-1.7%	3.2%	2.9%	1.2%	1.4%	2.9%	3.1%	3.2%
EBIT	10.6%	3.7%	-3.5%	-1.7%	3.2%	2.9%	1.2%	1.4%	2.9%	3.1%	3.2%

## Adjusted earnings

EBITDA (adj)	4	2	-2	0	10	19	14	15	21	23	24
EBITA (adj)	4	2	-2	-1	5	9	5	5	11	13	14
EBIT (adj)	4	2	-2	-1	5	9	5	5	11	13	14
EPS (adj, EUR)	345.64	152.90	-0.30	-0.23	0.33	0.49	-0.48	-0.55	-0.01	0.03	0.04

## Adjusted profit margins in percent

EBITDA (adj)	10.6%	3.7%	-3.5%	0.1%	6.6%	8.0%	4.8%	4.0%	5.3%	5.5%	5.5%
EBITA (adj)	10.6%	3.7%	-3.5%	-1.7%	3.2%	3.9%	1.7%	1.4%	2.9%	3.1%	3.2%
EBIT (adj)	10.6%	3.7%	-3.5%	-1.7%	3.2%	3.9%	1.7%	1.4%	2.9%	3.1%	3.2%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	53.7%	45.3%	43.1%	50.3%	46.8%	23.0%	12.8%
EBITDA	n.m.	n.m.	n.m.	n.m.	52.7%	33.6%	47.9%	n.m.	231.9%	18.5%	7.6%
EBIT	n.a.	n.a.	n.a.	n.a.	32.4%	11.8%	15.0%	n.m.	n.m.	22.1%	15.1%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	-75.6%	n.m.	n.m.	n.m.	-37.2%	-31.9%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.0%
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	2.0%	2.3%	2.0%	1.6%	1.8%	2.2%	2.3%	2.5%
Average EBITDA margin	n.a.	n.a.	n.a.	2.5%	4.1%	4.9%	4.8%	4.9%	5.2%	5.1%	5.0%

## VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	n.a.	n.a.	n.m.	n.m.	25.4	13.9	n.m.	n.m.	n.m.	n.m.	90.3
EV/EBITDA (adj)	n.a.	n.a.	n.m.	285.4	7.4	4.9	7.8	7.5	4.9	4.5	4.4
EV/EBITA (adj)	n.a.	n.a.	n.m.	n.m.	15.2	10.0	21.6	20.6	9.1	8.0	7.6
EV/EBIT (adj)	n.a.	n.a.	n.m.	n.m.	15.2	10.0	21.6	20.6	9.1	8.0	7.6

## VALUATION RATIOS - REPORTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	n.a.	n.a.	n.m.	n.m.	25.4	22.8	n.m.	n.m.	n.m.	n.m.	90.3
EV/Sales	n.a.	n.a.	0.48	0.26	0.49	0.39	0.38	0.30	0.26	0.25	0.24
EV/EBITDA	n.a.	n.a.	n.m.	285.4	7.4	5.6	8.7	7.5	4.9	4.5	4.4
EV/EBITA	n.a.	n.a.	n.m.	n.m.	15.2	13.7	30.5	20.6	9.1	8.0	7.6
EV/EBIT	n.a.	n.a.	n.m.	n.m.	15.2	13.7	30.5	20.6	9.1	8.0	7.6
Dividend yield (ord.)	n.a.	n.a.	0.0%	0.0%	0.0%	1.5%	1.8%	2.3%	2.5%	2.5%	2.5%
FCF yield	n.a.	n.a.	0.0%	-20.3%	22.6%	-4.4%	-4.3%	-25.5%	13.7%	14.3%	14.8%
FCF Yield bef A&D, lease adj	n.a.	n.a.	0.0%	-20.3%	22.6%	-13.2%	-12.8%	-36.7%	1.0%	1.3%	1.4%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	20.3%	n.m.	n.m.	n.m.	314.1%	228.6%

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	0	0	4	4	40	45	68	68	68	68	68
of which R&D	n.a.	n.a.	n.a.	0	0	0	0	0	0	0	0
of which other intangibles	0	0	4	0	14	19	40	40	40	40	40
of which goodwill	n.a.	n.a.	n.a.	4	26	26	28	28	28	28	28
Tangible assets	0	0	2	3	19	22	22	21	22	24	25
of which leased assets	n.a.	n.a.	1	1	6	13	11	11	11	11	12
Shares associates	0	0	1	1	1	2	11	14	14	14	14
Interest bearing assets	n.a.	n.a.	n.a.	0	0	0	0	0	0	0	0
Deferred tax assets	n.a.	n.a.	n.a.	1	1	1	1	1	1	1	1
Other non-IB non-current assets	n.a.	n.a.	n.a.	0	0	0	0	0	0	0	0
Other non-current assets	n.a.	n.a.	n.a.	0	1	4	7	4	4	4	4
Total non-current assets	0	1	7	9	62	73	110	109	110	111	112
Inventory	0	0	0	0	4	7	13	18	19	20	20
Accounts receivable	8	9	8	10	24	22	34	40	44	47	50
Short-term leased assets	n.a.	n.a.	1	1	3	4	6	8	8	8	8
Other current assets	1	2	2	2	8	12	29	27	29	30	31
Cash and bank	2	2	3	1	18	29	39	11	11	10	10
Total current assets	11	13	14	15	57	74	121	105	112	116	120
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total assets</b>	<b>12</b>	<b>14</b>	<b>20</b>	<b>24</b>	<b>119</b>	<b>147</b>	<b>230</b>	<b>214</b>	<b>222</b>	<b>227</b>	<b>233</b>
Shareholders equity	4	3	9	7	16	49	62	52	50	49	48
Of which preferred stocks	n.a.	n.a.	n.a.	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	n.a.	n.a.	n.a.	0	0	0	0	0	0	0	0
Minority interest	n.a.	0	0	0	2	1	0	0	0	0	0
Total Equity	n.a.	3	9	7	18	50	63	52	50	49	48
Deferred tax	n.a.	n.a.	n.a.	0	0	1	7	6	6	6	6
Long term interest bearing debt	0	0	1	0	4	10	30	28	28	28	28
Pension provisions	n.a.	n.a.	n.a.	0	0	1	0	0	0	0	0
Other long-term provisions	n.a.	n.a.	n.a.	0	0	1	1	0	0	0	0
Other long-term liabilities	n.a.	n.a.	n.a.	0	0	2	1	0	0	0	0
Non-current lease debt	n.a.	n.a.	n.a.	1	6	13	11	9	8	8	9
Convertible debt	n.a.	n.a.	n.a.	0	0	0	0	0	0	0	0
Shareholder debt	n.a.	n.a.	n.a.	0	0	0	0	0	0	0	0
Hybrid debt	n.a.	n.a.	n.a.	0	0	0	0	0	0	0	0
Total non-current liabilities	0	0	1	1	10	28	49	44	42	43	43
Short-term provisions	n.a.	n.a.	n.a.	0	2	1	1	0	0	0	0
Accounts payable	2	4	3	4	17	15	36	26	28	30	31
Current lease debt	n.a.	n.a.	n.a.	1	3	4	6	6	8	8	8
Other current liabilities	n.a.	n.a.	n.a.	6	52	46	71	81	88	92	97
Short term interest bearing debt	6	7	6	4	14	3	3	4	4	4	4
Total current liabilities	8	11	9	15	88	69	118	117	129	135	141
Liabilities for assets held for sale	n.a.	n.a.	n.a.	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>12</b>	<b>15</b>	<b>19</b>	<b>23</b>	<b>115</b>	<b>147</b>	<b>230</b>	<b>214</b>	<b>222</b>	<b>227</b>	<b>233</b>
<b>Balance sheet and debt metrics</b>											
Net debt	3	6	5	5	9	1	12	37	37	38	39
of which lease debt	n.a.	n.a.	n.a.	2	9	17	17	15	16	16	17
Working capital	7	7	7	2	-32	-21	-32	-21	-23	-25	-27
Invested capital	7	8	14	12	30	52	78	88	87	86	86
Capital employed	9	10	16	13	45	80	113	100	99	98	98
ROE	n.m.	52.6%	-28.4%	-16.5%	20.9%	12.5%	-16.9%	-16.0%	-0.4%	1.1%	1.5%
ROIC	52.7%	18.0%	-11.9%	-6.0%	18.5%	18.4%	6.1%	5.1%	10.4%	12.0%	12.8%
ROCE	52.4%	17.3%	-12.6%	-6.5%	16.8%	15.2%	5.6%	4.9%	11.4%	13.2%	14.1%
Net debt/EBITDA	0.9	3.3	n.m.	87.8	0.9	0.1	1.0	2.5	1.8	1.7	1.6
Interest coverage	n.m.	n.m.	n.m.	-2.3	2.5	2.1	0.4	0.4	1.0	1.1	1.1
Equity ratio	31.9%	19.1%	47.4%	32.2%	13.8%	33.1%	27.0%	24.3%	22.6%	21.6%	20.6%
Net gearing	n.a.	204.5%	53.7%	64.8%	52.3%	2.5%	19.0%	69.9%	74.0%	77.4%	80.4%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>EBITDA (adj) for associates</b>	<b>4</b>	<b>2</b>	<b>-2</b>	<b>0</b>	<b>10</b>	<b>17</b>	<b>12</b>	<b>15</b>	<b>21</b>	<b>23</b>	<b>24</b>
Paid taxes	0	0	0	0	0	1	0	-3	0	0	0
Net financials	0	0	0	0	-2	-3	-3	-1	-12	-12	-13
Change in provisions	0	0	0	0	3	0	0	-1	0	0	0
Change in other LT non-IB	0	0	0	-1	-1	-1	-5	2	0	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	-4	-2	2	1	-3	-12	3	-15	0	0	0
<b>Funds from operations (FFO)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>1</b>	<b>7</b>	<b>-3</b>	<b>9</b>	<b>10</b>	<b>11</b>
Change in NWC	n.a.	n.a.	n.a.	-1	-4	-16	-3	-12	2	2	2
<b>Cash flow from operations (CFO)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-1</b>	<b>2</b>	<b>-16</b>	<b>4</b>	<b>-15</b>	<b>11</b>	<b>12</b>	<b>13</b>
Capital expenditure	0	0	0	-1	12	12	-8	-3	-2	-3	-3
<b>Free cash flow before A&amp;D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>14</b>	<b>-4</b>	<b>-4</b>	<b>-18</b>	<b>9</b>	<b>9</b>	<b>10</b>
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0	0	0
Free cash flow	0	0	0	-2	14	-4	-4	-18	9	9	10
Free cash flow bef A&D, lease adj	0	0	0	-2	14	-12	-12	-26	1	1	1
Dividends paid	0	0	0	0	0	0	-4	-2	-2	-2	-2
Equity issues / buybacks	0	0	0	0	7	28	2	0	0	0	0
Net change in debt	0	0	0	2	-3	-8	23	-8	0	0	0
Other financing adjustments	n.a.	n.a.	n.a.	n.a.	n.a.	0	-1	0	-8	-8	-8
Other non-cash adjustments	2	0	1	0	0	0	0	0	0	0	0
Change in cash	2	0	1	-1	16	11	10	-27	-1	0	0
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	n.m.	n.m.	75.8%	n.m.	n.m.	96.6%	33.0%	25.4%	27.1%	28.9%
Capex/Sales	0.0%	0.0%	0.0%	1.3%	-8.2%	-4.8%	3.0%	0.8%	0.6%	0.6%	0.7%
<b>Key information</b>											
Share price year end (/current)	n.a.	n.a.	3	2	8	7	6	4	4	4	4
Market cap.	n.a.	n.a.	18	11	62	92	94	72	65	65	65
Enterprise value	n.a.	n.a.	23	15	73	94	106	109	103	104	104
Diluted no. of shares, year-end (m)	0.0	0.0	5.6	5.9	7.4	13.4	16.5	16.5	16.5	16.5	16.5

Source: Company data and Nordea estimates

# Disclaimer and legal disclosures

## Origin of the report

This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

## Content of report

This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision.

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

## Validity of the report

All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

## No individual investment or tax advice

The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

## Sources

This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

## Limitation of liability

Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

## Risk information

The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

## Conflicts of interest

Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report. Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at [www.nordea.com/mifid](http://www.nordea.com/mifid).

Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: <https://research.nordea.com/compliance>

## Distribution restrictions

The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This research report has not been prepared for distribution outside the EU, the UK or the US. The content of this research report is not a product disclosure statement or other regulated document for the purposes of the Australian Corporations Act 2001 (CTH). The distribution of this research report in Australia has not been authorised by any regulatory authority in Australia, and Nordea bank Abp is not licensed by the Australian Securities and Investment Commission to provide financial services in Australia.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available upon request.

Nordea Bank Abp ("Nordea") research is not "globally branded" research. Nordea research reports are intended for distribution in the United States solely to "major U.S. institutional investors," as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC ("Nordea Securities"), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

This report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws.

**Analyst Shareholding**

Nordea analysts do not hold shares in the companies that they cover. No holdings or other affiliations by analysts or associates.

**Fair value and sensitivity**

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive. It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

**Marketing Material**

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

**Market-making obligations and other significant financial interest**

Nordea has no market-making obligations in Enersense shares.

As of 11/04/2024, Nordea Abp holds no positions of 0.5% or more of shares issued by Enersense.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

**Investment banking transactions and/or services**

In view of Nordea's position in its markets, readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking and/or ancillary services to the company/ companies.

**Issuer Review**

*This report has not been reviewed by the Issuer prior to publication.*

**Completion Date**

12 Apr 2024, 01:36 CET

Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Grønjordsvej 10 DK-2300 Copenhagen S Denmark	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Essendropsgate 7 N-0107 Oslo Norway
Tel: +358 9 1651 Fax: +358 9 165 59710	Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Tel: +45 3333 3333 Fax: +45 3333 1520	Tel: +47 2248 5000 Fax: +47 2256 8650
Reg.no. 2858394-9 Satamaradankatu 5 Helsinki			