

1 August 2024

## Commissioned research: Enersense – Beginning of 2024 was hard, but the worst could be behind us

*Marketing material commissioned by Enersense*

Net sales was above our expectation in Q2 but order book was down by 21% on y/y basis. The company also downgraded its full year 2024 net sales guidance by 6% due to weak demand for renewable energy projects and because of weak EV charger markets. The net result was EUR -13.7m in Q2 leading reported equity ratio to be 15.8%. However, the worst could now be behind. The focus is now set to new strategy which is expected to improve cash flow. Enersense has also launched a tight efficiency programme to support profitability. New covenant levels for end of 2024 are equity ratio over 18%, net debt per EBITDA under 6x and liquidity of EUR 5m. Covenants for end of 2025 are equity ratio over 30%, net debt per EBITDA 2.25x and liquidity of EUR 15m. Successful divestments of non-core assets would help a lot and we expect to hear some news before end of the year 2024. A possible divestment of wind power development portfolio of 5GW could even lead to a positive surprise we believe. We also expect the company to set new long term financial targets when there is more information regarding divestments and the restructuring process.

### EBITDA was below our expectations in Q2

- Enersense's Q2 net sales of EUR 100.8m was above Nordea's forecast of EUR 96.7m in Q2.
- Reported EBITDA of EUR -9.5m was under our forecast of EUR -2.6m. The offshore business was especially weak.
- Adjusted EBITDA in the core businesses was EUR 3.9m in Q2.
- The order backlog stood at EUR 415m (527m).
- Net gearing was 126% at end of June.

### Outlook

- Net sales is guided to EUR 365-390m (downgraded, previously EUR 365-435m, Nordea 384m).
- EBITDA for core operations is guided to EUR 17-21m (new).
- Group EBITDA is guided to EUR 4-8m in 2024 (new, Nordea reported EBITDA forecast EUR 10.7m).

## SUMMARY TABLE - KEY FIGURES

EURm	2021	2022	2023	2024E	2025E	2026E
Total revenue	239	282	363	385	408	429
EBITDA (adj)	19	14	15	17	20	22
EBIT (adj)	9	5	5	6	9	10
EBIT (adj) margin	3.9%	1.7%	1.4%	1.5%	2.3%	2.4%
EPS (adj, EUR)	0.49	-0.48	-0.55	-0.32	0.08	0.11
EPS (adj) growth	50.9%	-197.3%	-15.6%	42.9%	123.9%	45.6%
DPS (ord, EUR)	0.10	0.10	0.10	0.10	0.10	0.10
EV/Sales	0.4	0.4	0.3	0.3	0.2	0.2
EV/EBIT (adj)	10.0	21.6	20.6	16.2	10.4	9.3
P/E (adj)	13.9	n.m.	n.m.	n.m.	40.3	27.7
P/BV	1.9	1.5	1.4	1.3	1.3	1.3
Dividend yield (ord)	1.5%	1.8%	2.3%	3.3%	3.3%	3.3%
FCF Yield bef A&D, lease adj	-13.2%	-12.8%	-36.7%	-15.6%	3.6%	3.2%
Net debt	1	12	37	46	46	46
Net debt/EBITDA	0.1	1.0	2.5	4.3	2.2	2.1
ROIC after tax	18.4%	6.1%	5.1%	5.6%	8.8%	9.9%

Source: Company data and Nordea estimates

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**Nordea analyst: Pasi Väisänen**

### **Pasi Väisänen**

Director | Energy & Renewables

**Nordea** | Investment Banking & Equities | Equity Research FI

Visit me: Aleksis Kiven katu 7, 00500 HELSINKI, Finland

Write to me: Fleminginkatu 27, 00020 Nordea, Finland

Tel: +358 (0)9-5300 5192 | Mob: +358 (0)50-5399179

E-mail: [pasi.vaisanen@nordea.com](mailto:pasi.vaisanen@nordea.com)

Web: [nordeamarkets.com](https://nordeamarkets.com)

Nordea Bank Abp, Satamaradankatu 5, FI-00020 NORDEA, Finland, domicile Helsinki, Business ID 2858394-9

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