

28 October 2024

Commissioned research: Enersense – A remarkable improvement in profitability in Q3

Marketing material commissioned by Enersense

Net sales of EUR 112m was well above our expectation (EUR 91m) in Q3. The company's EBITDA margin was 7.7% compared to our expectation of 5.3% in Q3. Losses related to offshore operations have declined and project deliveries have been successful. Moreover, tight efficiency programme has supported profitability. The full year 2024 guidance is unchanged. Order book was down by 31% in Q3 on y/y basis but the company has also won new bigger contracts during Q4 2024. Revenue is expected to be EUR 365-390m (Nordea EUR 382m) and reported EBITDA EUR 4-8m (Nordea EUR 4m). Clean EBITDA guidance for core operations is EUR 17-21m in 2024. Successful divestments of non-core assets would alter the balance sheet 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. The company could set new long term financial targets for growth and profitability when there is more information regarding the restructuring process. Focus has reverted to project and service operations and the share has decent upside potential if the restructuring programme and strategy execution are successful. If net sales were EUR 300m, with an EBIT margin of 3.5%, zero debt and zero interest expenses, EPS could be EUR 0.51 we calculate.

SUMMARY TABLE - KEY FIGURES

EURm	2021	2022	2023	2024E	2025E	2026E
Total revenue	239	282	363	382	401	422
EBITDA (adj)	19	14	15	11	19	20
EBIT (adj)	9	5	5	2	9	10
EBIT (adj) margin	3.9%	1.7%	1.4%	0.4%	2.2%	2.4%
EPS (adj, EUR)	0.49	-0.48	-0.55	-0.70	0.05	0.08
EPS (adj) growth	50.9%	-197.3%	-15.6%	-25.5%	106.9%	68.9%
DPS (ord, EUR)	0.10	0.10	0.00	0.00	0.00	0.00
EV/Sales	0.4	0.4	0.3	0.2	0.2	0.2
EV/EBIT (adj)	10.0	21.6	20.6	45.1	8.8	8.0
P/E (adj)	13.9	n.m.	n.m.	n.m.	53.4	31.6
P/BV	1.9	1.5	1.4	1.3	1.3	1.2
Dividend yield (ord)	1.5%	1.8%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease adj	-13.2%	-12.8%	-36.7%	6.5%	-4.5%	-4.1%
Net debt	1	12	37	34	36	37
Net debt/EBITDA	0.1	1.0	2.5	8.4	1.9	1.9
ROIC after tax	18.4%	6.1%	5.1%	1.8%	10.6%	11.4%

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

Web: nordeamarkets.com

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

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