

ENERSENSE

Construction & Engineering/Finland, November 2, 2021 News Flash

Soft Q3 but guidance intact

Enersense Q3 figures came in soft compared to our estimates, but the company nevertheless retains its FY '21 guidance, which implies stronger than expected Q4. The Q4 tilt is due to project cycles and the result is a more balanced quarterly performance since Q3 is often the strongest quarter.

- Enersense Q3 revenue amounted to EUR 58.3m, compared to our EUR 63.8m estimate. Smart Industry was EUR 18.7m vs our EUR 23.9m estimate, while Power amounted to EUR 12.5m vs our EUR 12.7m estimate. Connectivity top line was EUR 12.3m, compared to our EUR 13.7m estimate. International Operations was EUR 14.6m vs our EUR 13.5m estimate.
- Adjusted EBITDA came in at EUR 4.4m vs our EUR 6.5m estimate, while adjusted EBIT was EUR 2.6m vs our EUR 4.2m estimate. Smart Industry EBITDA amounted to EUR 2.2m. Meanwhile Power EBITDA was EUR 1.1m and that for Connectivity EUR 0.8m. International Operations posted EUR 0.3m, where Latvian projects' weak margin development was a drag.
- Order backlog was EUR 272m at the end of Q3 (EUR 160m a year ago).
- Enersense guides FY '21 revenue in the EUR 215-245m range, while adjusted EBITDA is expected to be EUR 17-20m and adjusted EBIT EUR 8-11m (unchanged). The midpoints imply EUR 56.8m revenue, EUR 6.8m adj. EBITDA and EUR 3.4m adj. EBIT for Q4, compared to our respective EUR 63.9m, EUR 5.3m and EUR 3.1m estimates.

Rating				■ BUY			
Q3'21	Actual	Evli	Year ago	Q2'21			
Revenue	58.3	63.8	48.2	61.6			
Adj. EBITDA	4.4	6.5	4.9	4.8			
Adj. EBIT	2.6	4.2	3.5	2.8			
Deviation	Actual	Evli	Year ago	02'21			
Revenue		-9 %	21 %	-5 %			
Adj. EBITDA		-32 %	-10 %	-8 %			
Adj. EBIT		-38 %	-26 %	-7 %			
Share price, EUR (Last trading day's closing price)							
Target price, EUF	₹			13.0			
Latest change in	recommenda	ation	16-Mar-21				
Latest report on	company		16-Aug-21				
Research paid by	/ issuer:	YES					
No. of shares ou	tstanding, '00	13,398					
No. of shares ful	ly diluted, '00	13,398					
Market cap, EUR	m		120				
Free float, %			78.2				
Exchange rate				_			
Reuters code			ESENSE.HE				
Bloomberg code			FSFNSF FH				
Average daily vo			0.4				
		0.4 02-Nov-21					
Next interim rep Web site	UIL	www.enersense.com					
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■ BUY □ HOLD ■ SELL

PRE-REPORT KEY FIGURES												
	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR		
2019	58.1	-1.0	-1.7%	-3.0	-0.23	-6.8	0.2	-13.9	-32.1	0.00		
2020	147.5	4.8	3.2%	-15.6	0.25	32.6	0.7	20.4	-19.7	0.00		
2021E	242.6	8.4	3.5%	-2.9	0.42	21.5	0.4	11.8	-2.4	0.00		
2022E	253.7	11.9	4.7%	11.9	0.78	11.5	0.3	7.4	9.9	0.15		
2023E	263.5	13.9	5.3%	10.9	0.87	10.3	0.3	5.7	9.0	0.26		
Market cap, EURm 120			120 B	BV per share 2021E, EUR			-40.3 CAGR EPS 2020-23, %					
Net debt 2021E, EURm			-22 P	rice/book 2021	1E	2.3 CAGR sales 2020-23, %				21.4		
Enterprise value, EURm			99 D	Dividend yield 2021E, %			0.0 ROE 2021E, %					
Total assets 2021E, EURm			147 T	ax rate 2021E,	0/0	0.4 ROCE 2021E, %				13.5		
Goodwill 2021E, EURm			26 E	quity ratio 202	21E, %	38.1 PEG, P/E 21/CAGR				0.8		

All the important disclosures can be found on the last pages of this report.

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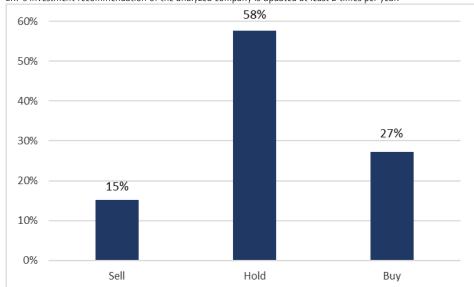
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Target price compared to share price Recommendation

< -10 % SELL -10 - (+10) % HOLD > 10 % BUY

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Name(s) of the analyst(s): Ilvonen

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