LUND UNIVERSITY FINANCE SOCIETY EST 1991

Fundamental Analysis

Enersense International Oyj (ESENSE)

Finland | Energy Infrastructure | MCAP EUR 64.3m

16 June 2026

Buy

Target price:	EUR 5.8
Current price:	EUR 3.9
Upside:	48.7%

Priced for the Past, Built for the Future

Enersense International Oyj ("Enersense" or "the Company") is a Finnish energy infrastructure services company listed on Nasdaq Helsinki, with operations focused on large energy projects across the Nordics and Baltics. Between 2020 and 2023, Enersense expanded into non-core segments, compressing margins and leaving the Company trading at a 30.4% discount to peers based on 2027E EV/EBITDA. However, following the appointment of new management, the divestment of the non-core segments, and a shifting sales mix, Enersense is well-positioned for a turnaround. An equally weighted DCF and peer valuation implies a target share price of EUR 5.8, corresponding to an upside of 48.7% from the current share price of EUR 3.9.

Key Takeaways

- **Sales Mix Shift as a Margin Catalyst:** Finnish energy consumption is expected to double over the next decade, requiring significant investment in energy infrastructure. Enersense is well-placed to benefit from these investments through its Power segment, which covers transmission grids, distribution networks, and substations. Increased demand is already visible in the segment's order book, which grew from EUR 158m to EUR 245m during 2025. As the sales mix shifts towards the Power segment, Enersense's margins will improve, as it is the highest-margin segment. Consequently, the group EBITDA margin is forecast to increase from 6.7% to 7.4% by 2028E.
- **New Management Executing a Credible Turnaround:** Following unprofitable investments under previous management and financial results below the Company's own targets, Enersense appointed a new CEO and CFO. The new CEO, Kari Sundbäck, has a proven track record at Caverion, where he increased service revenue from 55.0% to 66.1% of total sales. Complementing this, CFO Jan-Elof Cavander's close ties to the Finnish industrialist Ehrnrooth family provide meaningful financial credibility. Together, they have divested unprofitable segments, initiated a cost-saving programme and created a new strategy focused on repositioning Enersense as a full-lifecycle partner.
- **A Transparent Profile Unlocks a Compressed Multiple:** Enersense's 4.7x 2025A EV/EBITDA multiple reflects a financial history characterised by investments in unprofitable segments, which have complicated peer comparisons and reduced screening visibility. However, following the 2025 divestments, the Company will exclusively report its core segments in 2026. As the underlying profitability of these core segments becomes visible to the market, and the new management team continues to meet or exceed its financial targets, investor confidence in the earnings base should recover. As a result, the justification for the current valuation discount should fade.

Analysts	
Filip Källenfors	Financial Analyst
Elin Persson	Financial Analyst

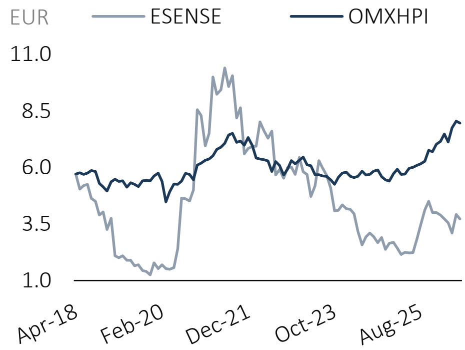
Market Data, EURm	
Exchange	Nasdaq Helsinki
Shares (m)	16.5
MCAP (m)	64.3
EV (m)	96.8

Metrics & Drivers	25A	26E	27E
EV/EBIT	7.9x	6.6x	6.2x
EV/EBITDA	4.7x	4.2x	4.0x
EV/S	0.3x	0.3x	0.3x
ND/EBITDA	0.8x	1.4x	1.3x

Forecast, EURm	25A	26E	27E
Total revenue	306.9	319.0	332.7
Rev. growth y/y	(26.9%)	3.2%	4.3%
Gross Profit	142.2	148.7	157.4
Gross Margin	46.3%	46.6%	47.3%
EBITDA	20.8	23.1	24.3
EBITDA Margin	6.7%	7.2%	7.3%
EBIT	12.3	14.7	15.7
EBIT Margin	4.0%	4.6%	4.7%

Major Shareholders	
Nidoco AB	23.5%
Ensto Invest Oy	10.1%
Verman Holding Oy	8.2%

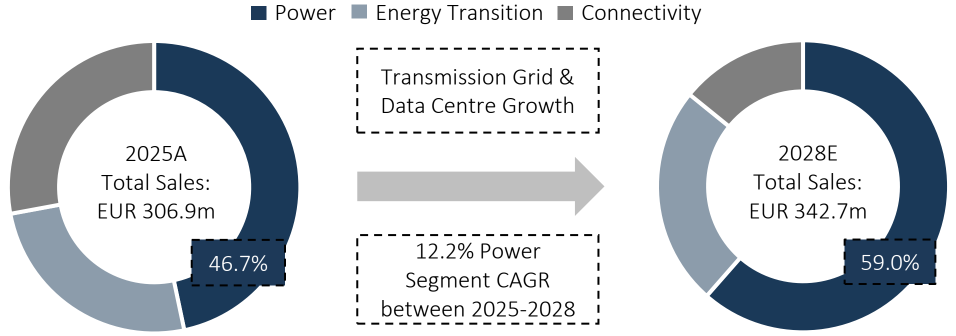
Price Development, EUR



LUND UNIVERSITY FINANCE SOCIETY EST 1991

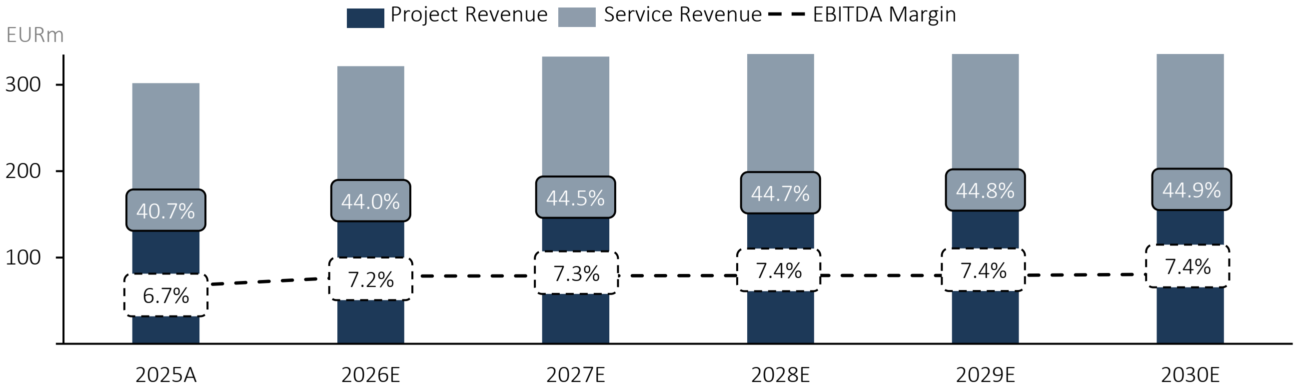
Investment Thesis in Charts

A Growing Power Segment Increases its Share of Revenue



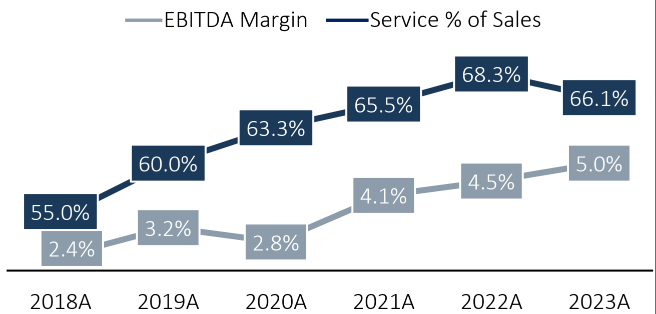
Sources: Analysts Estimates, the Company

Revenue Mix & EBITDA Margin



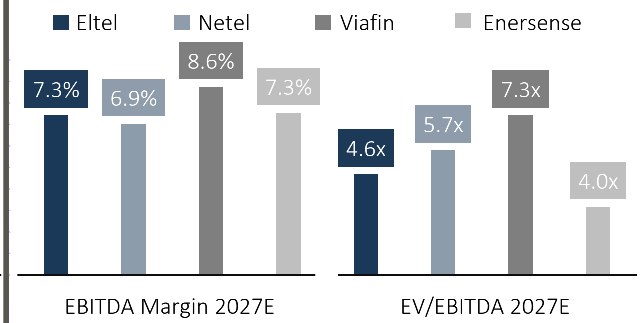
Sources: Analysts Estimates, the Company

Kari Sundbäck's Margins at Caverion



Source: Caverion

Enersense vs Peers



Sources: Bloomberg, Analysts Estimates

Hybrid Loan Possible Outcomes

No Conversion, EURm	2025A	2029E
EBIT	12.3	17.0
Convertible Bond Interest Expense	2.1	3.8
Other Interest Expense	4.2	4.2
Total Interest Expense	**6.3**	**8.0**
EBIT/Interest Expense	2.0x	2.1x

Total Share Conversion, EURm	
Conversion Price	7.0
Market Cap at Conversion (m)	115.5
Current NOSH (m)	16.5
New Shares (m)	4.3
Implied NOSH (m)	20.8
Implied Share Price, EUR	**5.6**
Current Share Price, EUR	3.9
Implied Upside	**43.7%**

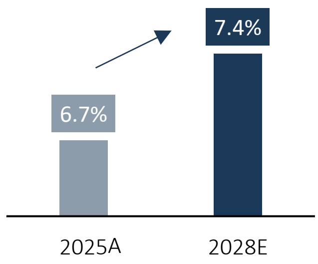
Sources: the Company, Analysts Estimates

Investment Thesis

Sales Mix Shift as a Margin Catalyst

Structural investments in Finnish data centres and transmission grids are driving substantial growth in Enersense's Power segment. During 2025, the segment's order book increased from EUR 158m to EUR 245m, signalling a robust pipeline of work for 2026-2028. This growth is expected to be margin-accretive, as Power is the most service-intensive segment, with an EBITDA margin of 8.5%, compared with 8.0% in Energy Transition and 5.5% in Connectivity. As Power increases its share of Group revenue from 46.7% in 2025A to 59.0% in 2028E, Enersense's EBITDA margin is forecast to rise from 6.7% to 7.4% by 2028E. Beyond margin expansion, the growing Power segment is expected to drive annual top-line growth of 3.0-4.0%.

EBITDA Margin Expansion



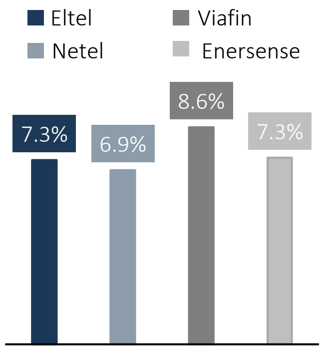
New Management Executing a Credible Turnaround

Under new management, Enersense has shifted its strategy towards becoming a full-lifecycle partner. Previously, the Company prioritised top-line growth, which resulted in investments in unprofitable segments that compressed margins. However, since 2024, the new CEO Kari Sundbäck has used his past experience in service-led growth at Caverion to refocus Enersense on service revenue. Sundbäck has also simplified the business portfolio through a series of divestments, the most significant of which was the sale of the Wind and Solar Farm unit. This had a positive EBITDA impact of EUR 22.3m and included a potential earn-out of EUR 74m, exceeding the current market capitalisation of EUR 64.3m. Alongside the divestments, Sundbäck has also initiated a cost-saving programme, delivering an annual EBITDA saving of EUR 7.0m. In addition, in May 2026, Jan-Elof Cavander was appointed CFO, whose close ties to the Finnish industrialist Ehrnrooth family provide meaningful long-term financial credibility. Together, the new management team provides a credible foundation for Enersense's strategy and turnaround.

A Transparent Profile Unlocks a Compressed Multiple

Enersense is currently trading at 4.7x EV/EBITDA 2025A, which fails to reflect the intrinsic value of the Company's core business. Historically, non-core segments diluted the Company's margins, complicated peer comparisons and reduced screening visibility, resulting in a 30.4% discount to peers based on 2027E EV/EBITDA. This is despite Enersense's 2027E EBITDA margin of 7.3% being in line with the peer median of 7.3%. However, from 2026 onwards, Enersense will exclusively report its core segments, creating a more transparent financial profile that should facilitate benchmarking and screening. Furthermore, as Enersense shifts its focus towards service revenue, increasing it from 40.7% in 2025 to 44.7% of total revenue by 2028E, the Company should benefit from greater earnings visibility and a more resilient margin profile. As the market gains confidence in the transparent structure and improved sales mix, the current valuation discount should fade, supporting a re-rating from 4.7x EV/EBITDA in 2025 to discounted 5.1x EV/EBITDA in 2027E.

EBITDA Margin 2027E Vs Peers



Hybrid Loan Poses Risk of Share Dilution

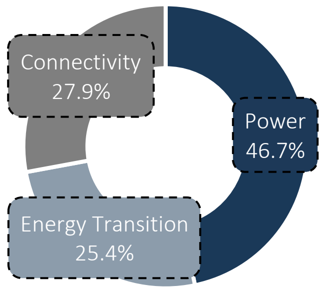
In 2025, Enersense refinanced its debt through a EUR 30m subordinated convertible hybrid bond, improving financial flexibility and strengthening its liquidity position. The bond carries an 8.0% coupon until 2029, after which the rate steps up to three-month EURIBOR plus 10.7%. If the share price reaches EUR 7.0, bondholders have the option to convert the bond into shares. This would result in the issuance of 4.3m new shares, increasing the total number of shares from 16.5m to 20.8m. Although this implies a diluted value of EUR 5.6 per share, conversion would also remove the bond from the balance sheet and improve Enersense's capital structure. If the bond is not converted, annual interest expense would rise from EUR 6.3m to EUR 8.0m. However, with Enersense on track to execute a turnaround, the conditions for refinancing before the coupon steps up in 2029 are improving.

Company Overview

Lifecycle Partner for Critical Energy Infrastructure

Enersense International Oyj was founded in 2005 and has been listed on Nasdaq Helsinki since 2021. Between 2020 and 2023, Enersense sought to position itself as a major green energy producer, pursuing an acquisition-led strategy centred on building its own energy production capabilities. However, these acquisitions proved unprofitable, and in 2024 the Company abandoned its ambition to become an energy producer, with management being replaced in the same year. Since then, non-core segments have been divested and the Company has shifted its strategy towards becoming a full-lifecycle partner for energy infrastructure, with a significant emphasis on aftermarket services such as maintenance.

Segment Revenue Split

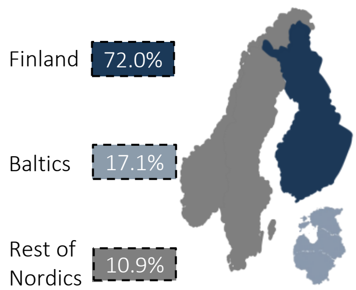


Business Model

Contracted to Build It, Trusted to Run It

Enersense operates through three segments: Power, Connectivity and Energy Transition. The largest segment, Power, provides energy infrastructure solutions, including power lines and substations. Connectivity focuses on maintaining mobile and fixed network services, while Energy Transition mainly comprises the operation and maintenance of power plants and heating networks. Historically, Power and Energy Transition have been the most service-intensive and, therefore, the highest-margin segments. Overall, the customer base is diversified across both public and private sector customers, with no single customer accounting for more than 10.0% of revenue. Contracts are secured through price-competitive tendering processes and multi-year framework agreements. Where Enersense lacks specific capabilities, parts of contracts may be subcontracted to third parties. Most of Enersense's projects are located in Finland, with smaller projects in Sweden, Norway and the Baltics.

Geographical Revenue Split



Divestments of Unprofitable Segments

Following the unsuccessful strategy to become an energy producer between 2020 and 2023, the Company has completed several divestments. The largest was the sale of the Wind and Solar Farm unit to Fortum in Q1 2025 for a fixed consideration of EUR 9.2m, with an additional earn-out of up to EUR 74m based on individual projects reaching a final investment decision. The fair value of the earn-out is estimated at EUR 22.3m, with cash flows expected in 2027 at the earliest. The Wind and Solar Farm unit was originally acquired from Megatuuli in 2021 for EUR 18.5m. The second-largest divestment was the sale of the Marine and Offshore unit to Davie in Q3 2025 for EUR 7.5m. The final divestment was the zero-emission transport solutions business, which was wound down in Q1 2025, resulting in a write-down of EUR 2.1m. The Company has disclosed that there are no planned divestments relating to Enersense's current core segments.

Market Overview

Favourable Market Outlook Driven by Data Centres and Energy Consumption

The market for Enersense's Power and Energy Transition segments is expected to grow at CAGRs of 20.0-30.0% and 10.0-14.0%, respectively, over the next five years. This significant growth is mainly driven by investments in energy infrastructure in Sweden and Finland. These investments are due to an estimated doubling of total energy consumption over the next ten years and a large influx of data centre investments. Finland is currently one of the most attractive markets for data centres in Europe due to its cold climate, modernised grid network and efficient energy production. In contrast, Enersense's market for Connectivity is expected to grow at a CAGR of 4.0%, reflecting a maturing market following heavy investment in network build-out in recent years. The overall favourable market conditions are already visible in Enersense's order book, with Power's order book increasing from EUR 159m to EUR 248m year-on-year in Q1 2026.

Valuation

Peer Valuation

Enersense is currently trading at a discount to its peers, with a 2027E EV/EBITDA multiple of 4.0x, compared with a peer median of 5.7x and an average of 5.9x. All selected peers operate within the same key end markets as Enersense and are exposed to similar project cycles. Eltel and Netel represent the most relevant comparables, given their exposure to the same Power and Connectivity markets in which Enersense operates. Viafin Service's premium valuation of 7.3x 2027E EV/EBITDA reflects its stronger margin profile and higher share of recurring service revenue. As Enersense increases service revenue and demonstrates sustained margin improvement, the current valuation discount should narrow. A 10.0% discount is applied to the peer median 2027E EV/EBITDA of 5.7x to reflect lower liquidity in the Finnish stock market. This, in turn, implies a share price of EUR 5.6, representing a 43.7% upside from the current share price of EUR 3.9.

Peer Table	Market Cap	EV	ND/EBITDA	EBITDA Margin		EV/EBIT		EV/EBITDA	
	EURm	EURm	2025	2025A	2027E	2025A	2027E	2025A	2027E
Eltel	136.1	286.6	2.9x	5.9%	7.3%	14.7x	9.1x	5.8x	4.6x
Netel	22.3	103.2	2.4x	2.1%	6.9%	6.5x	10.5x	16.7x	5.7x
Viafin Service	68.9	63.5	(1.0x)	7.9%	8.6%	10.1x	9.7x	8.0x	7.3x
Average	**75.8**	**151.1**	**1.4x**	**5.3%**	**7.6%**	**10.4x**	**9.8x**	**10.2x**	**5.9x**
Median	**68.9**	**103.2**	**2.4x**	**5.9%**	**7.3%**	**10.1x**	**9.7x**	**8.0x**	**5.7x**
Enersense	64.3	96.8	0.8x	6.7%	7.3%	7.9x	6.2x	4.7x	4.0x

Sources: Analysts Estimates, the Company, Bloomberg

DCF Valuation

The DCF valuation is based on a WACC of 12.5%. The cost of equity is 17.0%, derived from a risk-free rate of 2.9%, an equity risk premium of 7.8% and a beta of 1.8. The pre-tax cost of debt is 8.0%, while the after-tax cost of debt is 6.4%. Equity and debt are weighted at 47.6% and 52.4%, respectively. Assuming a 2026E EBIT margin of 4.6%, the DCF implies a share price of EUR 5.9, representing 51.3% upside relative to the current share price of EUR 3.9.

WACC \ EBIT-Margin (%)	2.0%	3.0%	4.0%	4.6%	5.0%
11.0%	(13.2%)	32.4%	78.1%	95.5%	113.8%
11.5%	(18.5%)	24.7%	68.0%	83.9%	101.2%
12.0%	(23.4%)	17.7%	58.8%	63.5%	89.9%
12.5%	(27.7%)	11.4%	50.5%	51.3%	79.6%
13.0%	(31.7%)	5.6%	40.9%	60.2%	80.2%

DCF Breakdown, EURm	
PV of forecasted cash flows	85.1
PV of terminal value (2035-)	44.8
Net present value	**129.9**
Net debt	32.5
Implied equity value	97.4
NOSH (m)	16.5
Implied share price	**5.9**
Current share price	3.9
Implied upside	**51.3%**

Sources: Analysts Estimates, the Company

Equally Weighted DCF and Peer Valuation

A 50/50 split between DCF and peer valuation implies a share price of EUR 5.8. Based on a current share price of EUR 3.9, this implies an upside of 48.7%.

Appendix – Income Statement

Adjusted Income Statement, EURm	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
Total revenue	**367.1**	**422.9**	**306.9**	**319.0**	**332.7**	**342.7**	**353.0**	**363.6**
% y/y change	*N/A*	*15.2%*	*(26.9%)*	*3.2%*	*4.3%*	*3.0%*	*3.0%*	*3.0%*
COGS	(202.8)	(242.2)	(166.7)	(170.3)	(175.3)	(179.9)	(185.3)	(190.9)
Gross profit	**164.1**	**180.6**	**142.2**	**148.7**	**157.4**	**162.8**	**167.6**	**172.7**
Gross margin	*44.7%*	*42.7%*	*46.3%*	*46.6%*	*47.3%*	*47.5%*	*47.5%*	*47.5%*
Salaries and wages	(114.7)	(117.8)	(105.0)	(104.0)	(110.5)	(114.1)	(117.5)	(121.0)
Adjusted other operating expenses	(30.1)	(44.6)	(17.5)	(22.0)	(22.9)	(23.6)	(24.3)	(25.0)
Adjusted other operating Income	0.5	0.2	1.1	0.4	0.4	0.4	0.4	0.4
EBITDA	**19.8**	**18.4**	**20.8**	**23.1**	**24.3**	**25.4**	**26.2**	**26.9**
EBITDA margin	*5.4%*	*4.4%*	*6.7%*	*7.2%*	*7.3%*	*7.4%*	*7.4%*	*7.4%*
D&A	(9.3)	(9.9)	(8.4)	(8.4)	(8.6)	(8.9)	(9.1)	(9.4)
EBIT	**10.5**	**8.5**	**12.3**	**14.7**	**15.7**	**16.5**	**17.0**	**17.5**
EBIT margin	*2.9%*	*2.0%*	*4.0%*	*4.6%*	*4.7%*	*4.8%*	*4.8%*	*4.8%*

Sources: Analysts Estimates, the Company

Appendix – Discounted Cash Flow

FCFF, EURm	2025A	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
NOPAT	9.7	11.6	12.4	13.1	13.5	13.9	14.0	14.3	14.6	14.9	15.2
D&A (+)	8.4	8.4	8.6	8.9	9.1	9.4	9.6	9.8	10.0	10.2	10.4
CAPEX (-)	2.6	4.0	4.8	5.5	6.3	7.0	8.0	9.8	10.0	10.2	10.4
Changes in NWC (-)	11.6	0.7	0.6	0.5	0.5	0.4	0.3	0.3	0.2	0.2	0.2
FCFF	**3.9**	**15.2**	**15.7**	**16.0**	**15.8**	**15.9**	**15.3**	**14.0**	**14.4**	**14.7**	**15.0**
FCFF Margin	1.3%	4.8%	4.7%	4.7%	4.5%	4.4%	4.1%	3.7%	3.7%	3.7%	3.7%

Result of divestments

Sources: Analysts Estimates, the Company

Appendix – Income Statement Adjustments

Other Operating Income, EURm	2023A	2024A	2025A
Total unadjusted other income	**1.9**	**0.8**	**27.6**
Gain on divestment	(0.8)	N/A	(24.2)
Change in contingent	(0.2)	N/A	N/A
Capital gains on PPE	(0.1)	(0.6)	(2.2)
Total adjusted other income	**0.5**	**0.2**	**1.1**

Impairment, EURm	2023A	2024A	2025A
Goodwill	N/A	(1.7)	N/A
Other intangible assets	N/A	(6.6)	(0.2)
Impairment	**N/A**	**(8.3)**	**(0.2)**

Key Takeaway
The majority of adjustments relate to divestments, with a small portion attributable to the introduction of a new ERP system.

Other Operating Expenses, EURm	2023A	2024A	2025A
Other operating expenses	(36.7)	(48.4)	(38.5)
Legal and consulting expenses	0.8	1.6	7.6
Write-down	0.1	1.6	N/A
Acquisition cost	0.1	N/A	N/A
Year 2019 related indemnity	N/A	0.7	N/A
Cost of closing down Units	N/A	N/A	2.9
Sales gain	0.9	N/A	N/A
Integration costs	0.2	N/A	N/A
New ERP system	4.2	N/A	2.1
Reassessment of Strategy	N/A	N/A	7.2
Terminated Contracts	N/A	N/A	2.4
Shares of associated companies	N/A	N/A	1.1
Non-recurring personal expenses	N/A	0.6	N/A
Adjusted other operating expenses	**(30.1)**	**(44.6)**	**(17.5)**

Sources: Analysts Estimates, the Company

Disclaimer

Disclaimer

These analyses, documents and any other information originating from LINC Research & Analysis (Henceforth "LINC R&A") are created for information purposes only, for general dissipation and are not intended to be advisory. The information in the analysis is based on sources, data and persons which LINC R&A believes to be reliable. LINC R&A can never guarantee the accuracy of the information. The forward-looking information found in this analysis are based on assumptions about the future, and are therefore uncertain by nature and using information found in the analysis should therefore be done with care. Furthermore, LINC R&A can never guarantee that the projections and forward-looking statements will be fulfilled to any extent. This means that any investment decisions based on information from LINC R&A, any employee or person related to LINC R&A are to be regarded to be made independently by the investor. These analyses, documents and any other information derived from LINC R&A is intended to be one of several tools involved in investment decisions regarding all forms of investments regardless of the type of investment involved. Investors are urged to supplement with additional relevant data and information, as well as consulting a financial adviser prior to any investment decision. LINC R&A disclaims all liability for any loss or damage of any kind that may be based on the use of analyzes, documents and any other information derived from LINC R&A.

Conflicts of interest and impartiality

To ensure LINC R&A's independence, LINC R&A has established compliance rules for analysts. In addition, all analysts have signed an agreement in which they are required to report any and all conflicts of interest. These terms have been designed to ensure that *COMMISSION DELEGATED REGULATION (EU) 2016/958 of 9 March 2016, supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.*

Other