

ENERSENSE

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EXTENSIVE REPORT



Profitable growth from lifecycle partnerships

We raise our target price for Enersense to EUR 4.7 (was EUR 3.7) reflecting positive forecast changes, but we lower our recommendation to Accumulate (was Buy) due to the share price increase. A little over a year ago, the company made a strategic shift, as a result of which it now focuses on established project and service businesses enabling energy transition and telecommunications connections. In these businesses, it aims for earnings growth with a strategy focused on lifecycle partnership. We remain confident in the sustainability of the earnings turnaround, supported by the Value Uplift efficiency program, and in relation to this, we see the stock's valuation as attractive.

From a clean slate towards lifecycle partnership

Following a strategic decision, the company sold and ramped down businesses that fell outside its strategy, a process it completed in summer 2025. Currently, the company's business is based on full lifecycle services in electricity and telecommunications networks, energy production, and the industrial energy transition, which it implements in Finland, the Baltic countries, and the Nordic countries. At the core of the current strategy, the company aims to develop into a lifecycle partner for its customers by offering customer-oriented solutions that combine services across its entire value chain. Overall, we see its strategic choices as sound, and we estimate that these choices have made the business easier to manage, profitably scalable to a larger size, and brought decision-making closer to business operations and customers. Through these measures, Enersense aims for 4-5% annual organic growth and an EBIT margin of over 5% by the end of 2028.

On the path to earnings growth through strategic measures

We estimate that the growth prospects for the target markets of the company's largest business units (Power and Energy Transition) are good, supported by the industrial energy

transition, the need for renewable energy and transmission capacity construction, and maintenance investments in energy infrastructure. In contrast, we believe it is difficult to foresee clearer growth in the Connectivity market in the medium term. Thus, the annual growth target is not remarkably demanding, but on the other hand, achieving it will require an improvement in the industrial outlook, in our view. Profitability improvement, in turn, is pursued through strategic measures, which include the Value Uplift efficiency program (incl. pricing), changes in revenue structure (increase in the share of services), and operational leverage. We consider the path credible, even though there is still a clear way to go to reach the target (core businesses EBIT-% 2024: ~3%).

We have made positive forecast revisions for the growth of Power and Energy Transition, which also flowed through to the income statement. However, we expect the company to reach its indirect revenue target of around 400 MEUR only in 2029. Correspondingly, we expect margins to gradually improve and the EBIT margin to settle at 4.5% in 2028. Our adjusted EBITDA estimate for the current year's core businesses increased to 17.9 MEUR (was 17.6 MEUR, guidance 16-20 MEUR).

Expected return is still attractive

We remain confident in the sustainability of the turnaround in core business earnings in the coming years, supported by the Value Uplift program. Relative to this, we see upside in next year's EV-based multiples. This is also concretized by the fact that at our target price, next year's adjusted EV-based earnings multiples would be at the lower end of our accepted multiple ranges (EV/EBITDA ~5x, EV/EBIT ~8x). Our positive recommendation and the remaining upside in the valuation are also supported by all other methods we use (e.g. DCF ~EUR 5.4/share). In line with the overall picture, we consider the stock's risk-adjusted expected return attractive.

Recommendation

Accumulate

(was Buy)

Target price:

4.70 EUR

(was EUR 3.70)

Share price:

4.00 EUR

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	425	315	327	354
growth-%	17%	-26%	4%	8%
EBIT adj.	-14.2	9.8	12.7	15.1
EBIT-% adj.	-3.3 %	3.1 %	3.9 %	4.3 %
Net income	-30.2	17.0	2.1	8.3
EPS (adj.)	-1.83	0.05	0.30	0.55
P/E (adj.)	neg.	75.2	13.5	7.3
P/B	1.9	1.7	1.6	1.3
Dividend yield-%	0.0 %	0.0 %	0.0 %	2.5 %
EV/EBIT (adj.)	neg.	9.9	7.4	5.7
EV/EBITDA	5.1	5.3	4.4	3.6
EV/S	0.2	0.3	0.3	0.2

Source: Inderes

Guidance

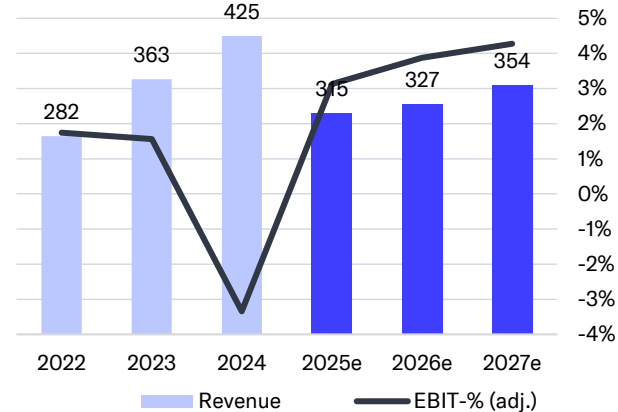
(Unchanged)

Enersense expects its core businesses' adjusted EBITDA to be 16–20 MEUR (2024: 20.7 MEUR) in 2025.

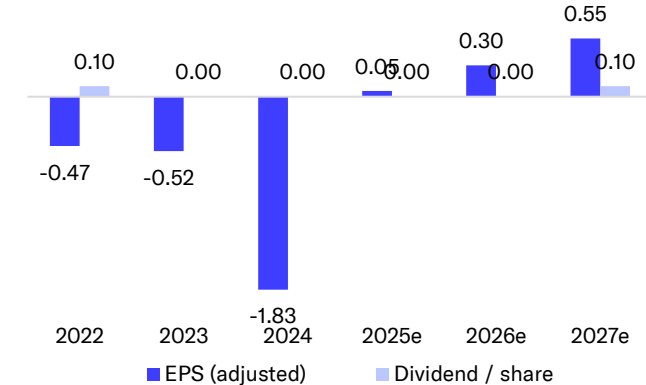
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



Value drivers

- Successful implementation of the strategy and a stronger transition to a lifecycle partner, which would increase the share of recurring and more stable revenue
- Improving profitability, which would also support cash flow
- The energy transition in industry supports growth prospects
- Investment outlook for the Power business

Risk factors

- Low entry barrier and tight competition in many of the company's markets
- Contractual and credit loss risks
- Failure in project pricing and fluctuation in profitability
- Revenue dependence on investments
- Weak transparency in contract structures and project pipeline development

Valuation	2025e	2026e	2027e
Share price	4.00	4.00	4.00
Number of shares, millions	16.5	16.5	16.5
Market cap	66	66	66
EV	97	94	86
P/E (adj.)	75.2	13.5	7.3
P/E	3.9	31.5	8.0
P/B	1.7	1.6	1.3
P/S	0.2	0.2	0.2
EV/Sales	0.3	0.3	0.2
EV/EBITDA	5.3	4.4	3.6
EV/EBIT (adj.)	9.9	7.4	5.7
Payout ratio (%)	0.0 %	0.0 %	19.9 %
Dividend yield-%	0.0 %	0.0 %	2.5 %

Source: Inderes

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Enersense in brief

Enersense delivers key functions for the society of the future. It is a lifecycle partner for its customers in energy transmission and production, industrial energy transition and telecommunications. The company carries out projects and services in Finland, the Baltic countries and the Nordic countries.

2005

Year of establishment

2018

IPO

336 MEUR

Core business revenue 2024

20.7 MEUR

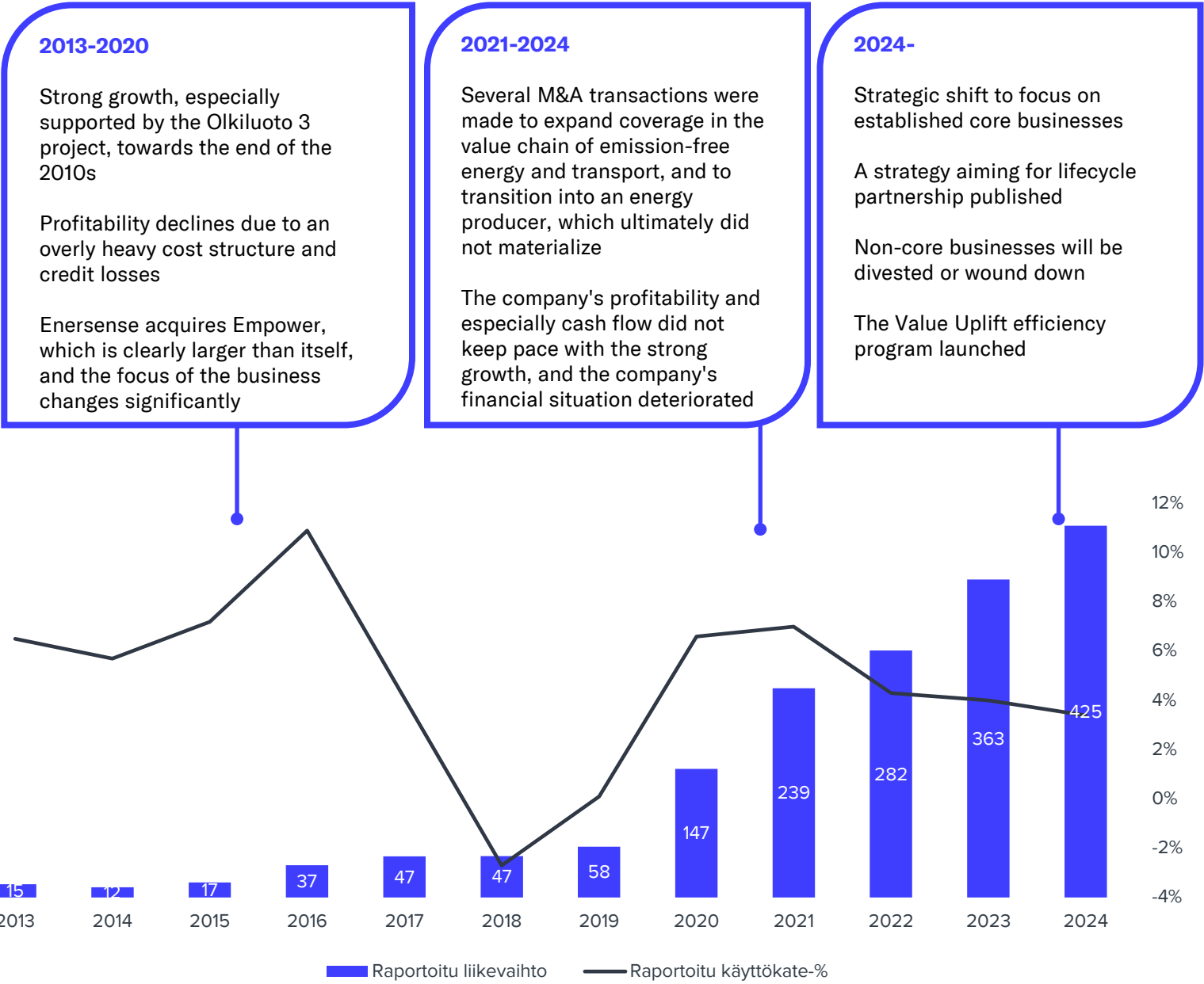
Core business adjusted EBITDA 2024

10.4 MEUR

Core business EBITDA 2024

1,832

Headcount at end of Q2'25



Company description and business model (1/5)

Supplier of essential functions of society

In the summer of 2024, the company made a clear strategic shift, focusing on its established core businesses: project and service operations that enable the energy transition and telecommunications connections. Following the decision, it sold and ramped down businesses that fell outside the strategy (electric vehicle charging solutions, wind and solar energy project development, and the marine industry unit). The company completed its strategic assessments of these businesses in summer 2025 with the sale of the marine industry unit (the sale of the wind and solar energy project development portfolio and the shutdown of electric vehicle charging solutions were already carried out in February 2025). Currently, the company's business foundation consists of full lifecycle services in electricity and telecommunications networks, energy production, and the energy transition in industry.

Three business areas

Currently, Enersense's business is divided into three separate business units, whose revenues and profitability are reported separately.

The largest unit by revenue is Power, which offers solutions for the electrification of society and renewable energy. The business unit's services primarily include the design, construction, and maintenance of transmission networks and substations. We estimate these also generate the majority of the unit's revenue. In addition, the unit's services include, for example, the construction of wind and solar power parks and industrial-scale batteries (BESS), as well as maintenance and upkeep

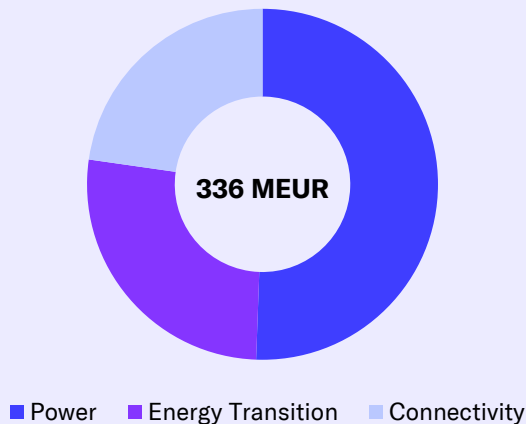
services. In Power, the company operates in all its target markets (Finland, the Baltics and the Nordic countries). Power's core business revenue in 2024 was 170 MEUR and adjusted EBITDA was 13.5 MEUR.

Enersense's second largest unit is Energy Transition, which is a full life cycle partner for its customers in energy production and industry. The unit's projects and services focus on enabling the energy transition. In addition, it develops digital solutions to improve productivity (e.g. metering and remote monitoring) and provides resourcing, design and contracting services for domestic and international energy transition-related industrial projects (e.g. various steel and piping works and surface treatment works). The Energy Transition unit operates in Finland and on a project basis in other Nordic countries. Energy Transition's core business revenue in 2024 was 90 MEUR and adjusted EBITDA was 6.7 MEUR.

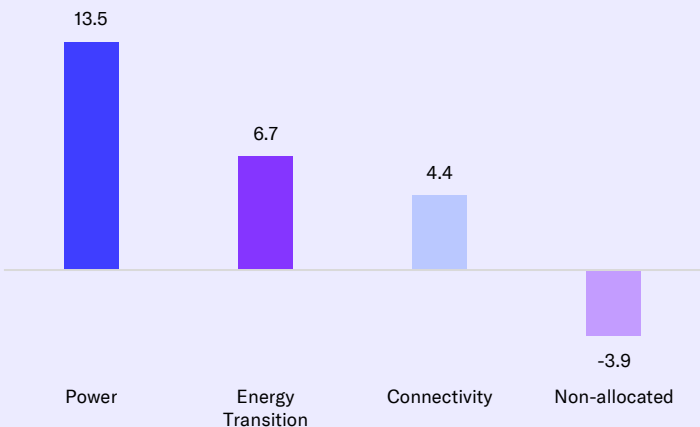
The company's third business unit is Connectivity, which serves telecom operators and owners of communication connections in Finland and the Baltic countries. The unit's service offering consists of mobile network and fixed telecommunication network services, from design to construction, operation and maintenance, as well as modernization. The core businesses of the business area generated 76 MEUR in revenue and an adjusted EBITDA of 4.4 MEUR in 2024.

In addition, the company also reports eliminations and unallocated items as a fourth item, which, as the name suggests, includes intra-group eliminations and group administration costs (incl. group finance, ICT, procurement, HR, legal, quality and communications).

Core business revenue breakdown 2024



Core business adjusted EBITDA breakdown 2024 (MEUR)



Company description and business model (2/5)

Construction currently emphasized in the offering

In connection with the Capital Markets Day held in early summer 2025, Enersense presented its service lifecycle offering, which it categorizes into four different phases: 1) design, 2) construction, 3) operation and maintenance, and 4) upgrades and modernizations. Of these, construction-related services form the backbone of operations, accounting for approximately 60% of the Group's revenue in 2024. We also believe this is quite logical, considering the nature of the business (e.g. main grid construction projects) and the scale of construction projects.

Correspondingly, the share of operation and maintenance in revenue was, according to our estimate, about 20-25%. Good examples of such services include the comprehensive operation and maintenance agreement [signed](#) signed with Helen in 2022, as well as maintenance services for substations and mobile networks. In contrast, the shares of design, upgrades, and modernizations were roughly at the 5% level. Similarly, in the future, the company aims to increase the relative share of services and end-of-life services, and its share as an implementer in the customer's value chain (see [Strategy and financial targets](#) for more information).

Currently, we do not estimate there to be large differences in the profitability of the different stages of the offering, with the exception of Power, where, in our view, maintenance services are already clearly more profitable than project-based services. However, we see significant potential for the company elsewhere, but we estimate that this will take time in terms of refining processes (e.g., increasing remote monitoring, raising the level of digitalization, training staff and customers) and

developing pricing, which also requires practical evidence of increased customer value.

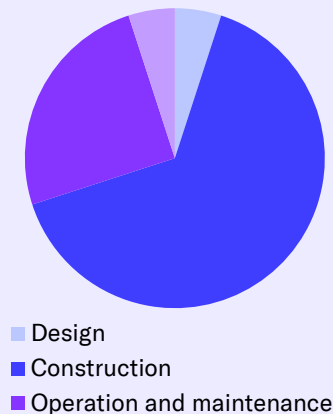
Customer base by business area

Enersense's most significant customers vary by business unit, which means that, in our view, its customer structure is diversified at the Group level. At the Group level, the company had no customers in 2024 whose share would have exceeded 10% of the Group revenue (one in 2023).

Power's largest customers include the national transmission system operators in Finland, Sweden, and the Baltics (e.g. Fingrid, Svenska Kraftnät, Elering), electricity transmission and distribution network companies (e.g. Caruna, Elektrilevi), and renewable energy companies (e.g. Ilmatar, OX2). The relatively limited number of these players restricts customer diversification, but on the other hand, the customers are on average very stable and well-known operators. In addition, we believe the company often has long-standing customer relationships with these operators, characterized by low churn due to customers' quality and reliability requirements, for example. Thus, we do not assess that the somewhat concentrated customer base of the segment raises risk levels excessively. Instead, we believe that the risks and opportunities are related to the general investment activity in the markets.

Similarly, Energy Transition's customer base consists of several industries and energy production sectors affected by the ongoing energy transition. The most important sectors include traditional energy producers (e.g. Fortum and Helen) and energy producers focusing on new technologies (e.g. P2X Solutions).

Revenue breakdown by service type
2024



Revenue breakdown by geography
2024



Company description and business model (3/5)

In addition, important customer sectors for the company include the chemical, metal and marine industries (e.g., Boliden, Andritz and RMC). We estimate that Energy Transition's customers are the most diversified in terms of numbers, although at the same time we estimate, for example, Helen's revenue share (the maximum value of the 4+2-year contract signed in 2022, including options, is 200 MEUR). Thus, the termination of individual customer relationships or contracts could significantly impact the unit's business, and with a more diversified customer and competitor base, we see slightly more risk associated with these compared to the other two businesses. On the other hand, we also see that the successful implementation of Helen-type contracts, for example, enables expansion within the customer relationship or to new customers among similar operators, which also reflects the opportunities related to the business's customer base.

Connectivity's customer base, in turn, consists of telecom network service providers and owners, i.e. mobile network and fixed network service providers. This group consists mainly of telecom operators, of which Enersense's customers include Telia (incl. tower company Telia Towers), Elisa, Tele2, Global Connect, as well as fiber optic network companies, of which Enersense's most significant customer has been Valoo. In addition, the customer base includes various companies providing data network or cybersecurity services (e.g. Cinia and Loihde). The limited customer base reflects Finland's concentrated operator landscape, and in our opinion, does not directly increase the risk level excessively. This is based on our understanding that operators tender the largest network suppliers in most of their projects and, due to their operational reliability, diversify their purchases among them. On the other hand, with a concentrated customer base, the risk levels are increased by possible changes in


















the investment levels of individual customers. Overall, we believe the risks associated with Enersense's customer structure are reasonable and manageable. The company's customer relationships emphasize reliability of supply and customer references, which is why a high quality requirement for services and projects is a prerequisite for the continuation of customer relationships. At the same time, the competitive landscape in traditional service areas consists of players offering similar services, which in turn intensifies competition and improves customers' bargaining position. As a result, industry margins are typically quite low, which justifies Enersense's strategy of aiming for lifecycle partnerships.

The order book provides visibility for the coming years

Enersense's revenue is built on project, service and framework agreements of varying lengths. The company does not report a more detailed breakdown of the order book, but maintenance and upkeep agreements in particular are typically multi-year. Often, customer relationships also last for several consecutive contract periods. These, together with the framework agreements, especially in Power and Connectivity, bring continuity to the business, which also improves the internal predictability of the business. However, it is good to note that these consist of both fixed and variable invoicing, and the variable parts often do not include essential minimum requirements for purchases.

However, the most significant indicator of future demand development for investors is Enersense's reported order book. The company's order book was 376 MEUR at the end of Q2'25, which roughly corresponds to just over a year's revenue.

Examples of Enersense's customers

Unit	Customer segment	Customers
Power	Transmission system operators	  
	Distribution system companies	 
	Renewable energy	 
Energy Transition	Current energy producers	 
	New energy projects	
	Other industry	  
Connectivity	Service providers	 
	Infrastructure owners	 

Company description and business model (4/5)

The order book provides predictability in the business and the company itself has a reasonably good visibility of short-term revenue trends for the next 12 months and, to some extent, even beyond. This facilitates the planning of human resource needs, which is critical for profitability. The company reports order book development at the unit level, but it is worth noting that individual larger projects can swing order book development in the short term. Instead, the exact structures and phasing of order books are difficult to estimate.

Cyclicality and seasonal fluctuations

The susceptibility of revenue to changes in the pace of economic growth varies by business area. Currently, the demand for both Power and Connectivity depends on the investment outlook for power transmission and telecommunications networks, which is primarily influenced by the investment needs determined by the market's development stage. Similarly, the need for Energy Transition's operation and maintenance services is relatively stable in the long run, although changes in, for example, industrial customers' behavior regarding the degree of outsourcing may vary. In our view, a high economic cycle can, however, increase the need for maintenance and boost investment-driven demand for various project-based initiatives. Based on the current sizes of the business units, we estimate the company's business exposure to traditional economic cycle changes to be moderate. We think that the dependence of target markets on investments is high, and the level of industrial investment, in particular, is strongly linked to economic growth.

On the other hand, within the year, there is a significant seasonality in revenue accumulation. This is mainly due to the impact of weather conditions in the company's market areas, which limit, for example, construction. However, the effects depend on factors such as the severity and duration of winter, and winter storms can also increase the need for repair services, for example. In general, Q1 is typically the quietest period for the company in terms of revenue (and earnings). Similarly, due to seasonality, we estimate cash flow to be strongest at the end of the year, in line with project completions.

The business model has a high personnel intensity

The business model is highly personnel-intensive, as is typical for a service company. This is also reflected in the company's cost structure, where the majority consists of personnel costs (incl. temporary labor acquired through subcontracting). Due to the high personnel intensity, the cost structure largely consists of somewhat flexible cost items, and these are variable costs in the longer run, with low scalability. Given the limited short-term flexibility, a sufficiently high utilization rate of personnel is critical for profitability.

A precise picture of Enersense's current business cost structure is not yet available due to the sales/shutdowns of non-core businesses and the cost impacts of the ongoing Value Uplift program. We have examined the cost structure based on H1'25 figures, as we believe this provides the best indicative picture of the current cost structure.

In H1'25, Enersense's largest single cost item was materials and services, which accounted for 48% of total costs. This item includes material purchases required for various customer projects. In addition, external purchases consist largely of external temporary labor, which the company procures as subcontracting. We estimate that roughly half of the material and service costs are labor costs. Thus, personnel costs in the business are even higher than the company's own personnel costs (37%) suggest.

Other expenses consist of typical administrative costs, such as premises costs, production machinery, sales and marketing, and IT costs. Other expenses accounted for 12% of total costs. Due to the limited capital requirements of the business, depreciation accounted for only 3% of total costs.

The capital intensity of the business is quite low

Due to numerous corporate transactions in recent years, the involvement of previous non-core businesses, and related growth investments, no materially comparable historical time series has accumulated regarding the capital commitment of current core businesses. This also makes a more precise assessment of working capital commitment challenging for the current structure. However, in line with the nature of current businesses, we estimate that working capital commitment is quite limited, apart from seasonal factors, and that there would be no significant change in this over time. This is because there are hardly any inventory products in the business and the company factors its trade receivables.

Company description and business model (5/5)

This is offset by financing costs, but on the other hand, the commitment of working capital does not limit business growth. Due to seasonality, working capital management is crucial for the business, and with intra-year fluctuations, the company must maintain sufficient cash buffers throughout the year. In our view, however, there is still room for improvement in working capital management (e.g., contract terms). The investment need for the current business is also moderate, as the business does not require significant fixed assets and investments are mainly directed at necessary equipment (e.g. vans).

However, the company is undergoing an ERP renewal and other IT management renewals to increase digitalization, which, according to our understanding, will be fully expensed through the income statement under current accounting rules. In our view, projects related to these should continue during 2026 and 2027, with costs roughly in the range of 1.0-2.5 MEUR annually. Thus, these projects will partly weigh on the Group's reported figures.

Overall, the company's cash flow profile should nevertheless be good despite the low-margin nature of the business. On the other hand, low capital requirements also partly lower the barriers to entry.

The company also has an investment in P2X Solutions

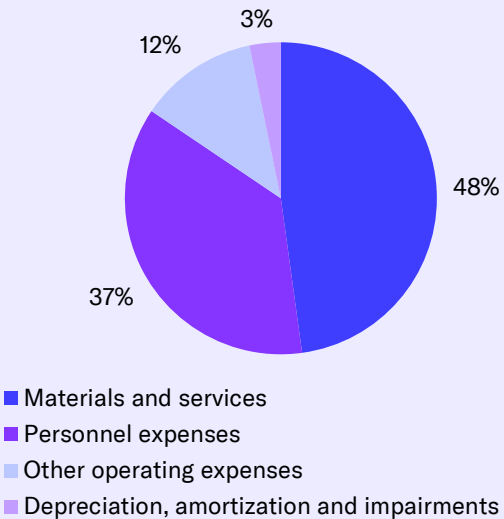
In 2022, the company made a strategic 13 MEUR investment in the green hydrogen producer P2X Solutions. P2X's business is based on the production of green hydrogen, i.e., hydrogen produced with renewable energy, and Power-to-X technologies and processes, which enable renewable electricity to be stored as

synthetic fuels or converted into other compounds. In 2024, Swiss energy company Alpiq became P2X's main owner, at which point Enersense's ownership stake decreased from ~16% to ~9%.

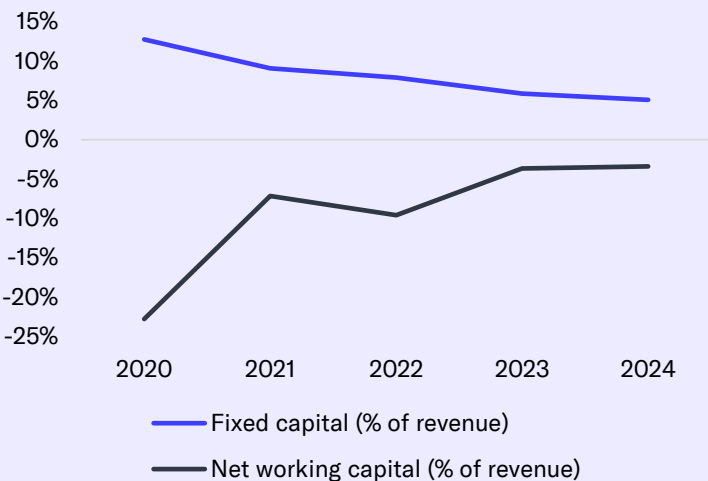
The companies have also agreed on a partnership agreement for the maintenance and operation of P2X's Harjavalta green hydrogen production plant, in the construction phase of which Enersense was also involved. P2X started commercial operations in Harjavalta during the current year, so at this stage it is still difficult to comment on the business's financial figures or earnings potential. P2X has also planned its next production plant in Joensuu, for which it has received, among other things, a 60 MEUR investment grant from Business Finland. We believe Enersense's position is good also regarding the construction, operation and maintenance of said facility.

In our view, the investment in P2X itself is not part of Enersense's core business, and thus we would consider a divestment of the investment justified in the medium term. On the other hand, through the investment, the company has gained valuable experience in green hydrogen construction, as well as maintenance and operation, which are clearly within the company's core business. In this sense, we believe that the experience gained from these is valuable in the longer term and may also give Enersense a competitive advantage for the time being when competing for projects in an industry that is still at a very early stage. However, we consider it possible that Enersense's current ownership of P2X could act as a certain competitive disadvantage in gaining access to projects from other green hydrogen producers.

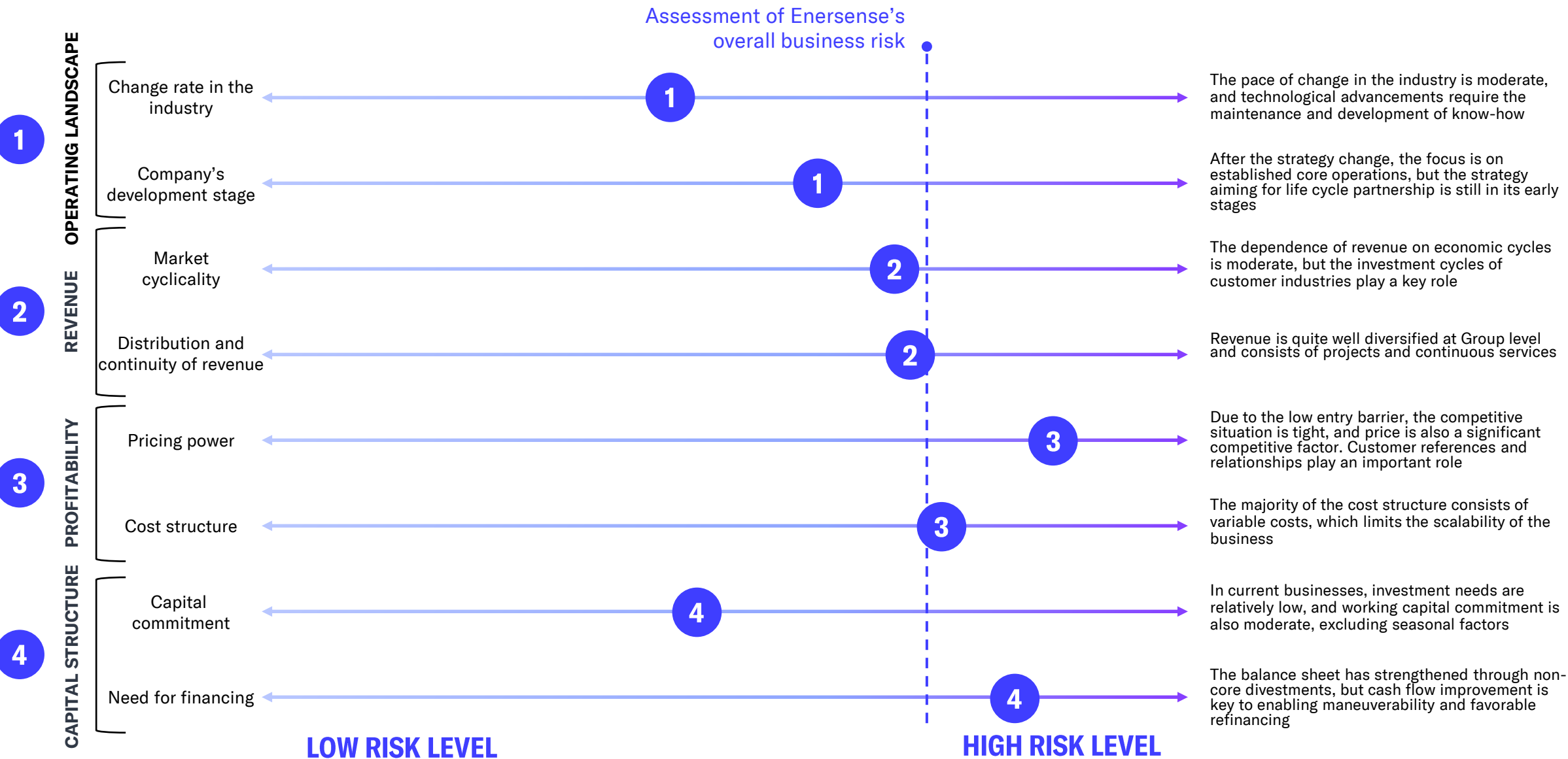
Cost structure H1'25



Capital commitment



Risk profile of the business model



Industry and competitive field (1/4)

Target markets consist of several entities

Due to Enersense's various businesses and their service offerings, its target markets consist of several distinct markets with different growth drivers. Thus, we have discussed the target markets, growth prospects, and competitive situation of the company's various businesses separately. The company itself last publicly estimated the size of its target markets in connection with its 2022 Capital Markets Day, which we believe still provides guidelines for estimating market size. At the same time, there have naturally been changes in the development of the target markets since then, and Enersense's service offering has also seen and is seeing refinements. However, a certain challenge in estimating the market size is posed by the weak external visibility into Enersense's precise choices regarding focus markets, and the company also did not disclose the size of the relevant markets at its 2025 Capital Markets Day. Thus, we believe that our market size assessments should be regarded more as indicative estimates.

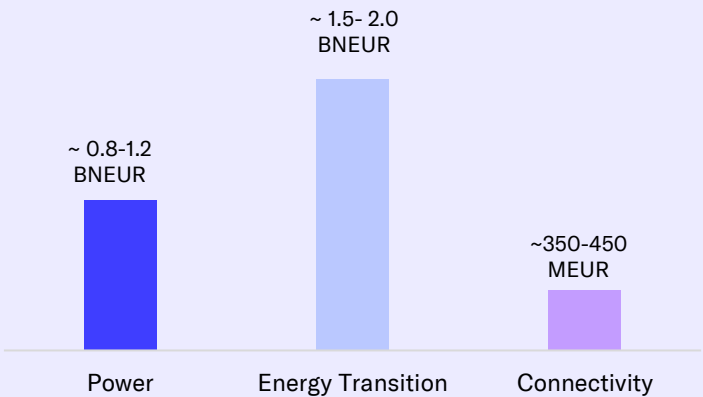
In general, all of Enersense's target markets share the same characteristics, which in our view are a low threshold for market entry and the resulting tight and at least partly price-driven competitive situation. This is, however, offset by long customer relationships and the importance of references in certain operations. Due to the low barrier to entry, the markets also have numerous small market share players in addition to large operators. In addition, the businesses typically have a high dependence on personnel, and a key challenge for operators is finding skilled personnel and competing for them.

Power's target market

Power's target market consists mainly of investments in transmission grid infrastructure, renewable energy construction projects (solar and wind power, and storage), and related maintenance and upkeep services in Finland, the Baltics and Sweden, although in Sweden the company is currently primarily involved in high-voltage grid construction on a project-by-project basis.

According to an estimate published at Enersense's CMD in 2022, the size of the Power construction and maintenance market in Finland was over 500 MEUR at that time. The share of the wind power market was significant (~45%), but it has experienced setbacks in recent years. On the other hand, considering the inflation experienced since then, Fingrid's (and other grid companies in Enersense's market area) significantly increased investments, the growth of the service market, and the diversification of renewable energy and the nascent recovery of activity, the Finnish market can be expected to be at least the same size or likely larger than before. In addition, Enersense's target market is boosted by investments in the Baltics, although a significant wave of investments to connect to the European electricity grid has been completed there. Power's potential market in Sweden is considerably larger than in Finland, but we do not yet consider the entire Swedish market relevant for Enersense. In our view, the size of Power's relevant target market could currently be estimated at roughly 0.8-1.2 BNEUR, and thus the market size does not impose significant limitations on business growth, especially considering Sweden's considerable growth potential.

Inderes' illustrative estimate of the size of Enersense's target market



Power's competitive field and estimated market shares



Industry and competitive field (2/4)

Power's market growth drivers

The growth of the target markets will continue to be based on the growth of investments by Fingrid and other transmission and distribution network companies, as well as the growth of renewable energy production. For example, Fingrid has estimated its investments for 2025-2028 to be as high as around 1.7 BNEUR (compared to 1.5 BNEUR in 2020-2024). Investments are primarily driven by the development and strengthening of the transmission network (e.g. growing renewable energy production, energy-intensive industry, reliability and security of electricity transmission). In addition, investments are naturally boosted by, among other things, the construction of cross-border transmission lines with Sweden and Estonia. Also in Sweden, significant investments are currently underway to modernize and strengthen the energy system, which are estimated (Electricity Network Report 2023) to amount to as much as 945 BNSEK over the next 20 years. Similarly, in the Baltics, investment development can be expected to be at a lower level than in recent years, but still at a reasonable level. Overall, we believe that transmission and distribution network investments relevant to Power alone can be expected to grow in the coming years, and the outlook for the longer term is also good in our view.

In contrast, the renewable energy production market grew strongly in the late 2010s and early 2020s, but market development cooled significantly in 2023-2024, particularly due to rising interest rates and construction costs, insufficient electricity prices, and slow permitting

processes (in wind power). However, there are currently small signs of recovery in the market, even though investments in energy production are still far from peak years. For example, Fingrid recently estimated in its grid development plan 2026-2035 that Finland's electricity consumption could even double by 2035. Similarly, for renewable energy, it is preparing for wind power production to exceed 30 GW (H1'25: 8.9 GW) and solar power production to exceed 15 GW (H1'25: 251 MW industrial solar power capacity). In our view, these are a good indication of the rapidly growing renewable energy production planned for Finland alone. In addition, the market is growing due to renewable energy projects in the Baltics and Sweden, in which Enersense is not as strongly involved, as well as the growth of energy storage solutions.

Power's competitive field

The competitive landscape for Power's current business in Finland is fragmented, which means that the market shares of the operators are quite small. According to a study commissioned by Enersense, the four largest players shared around half of the market in 2019, with the rest of the market divided into smaller parts for smaller players. The biggest players were Eltel and Enersense, and we do not assume any substantial change in this. However, the competitive situation varies somewhat between service areas (e.g. high-voltage line construction vs. substation maintenance vs. renewable energy). For example, we estimate that the growing renewable energy market has attracted and continues to attract new players to the market. In

addition, Fingrid's growing investments are likely to attract some new players to the market. Other major players in Power's markets include Elvera, ENP, Destia, Axians, Omexom, Caverion, NYAB, VEO, Destia, KSBR and Suvic. We believe Enersense also has a leading position in the Baltics, whereas in Sweden it is a clear challenger and is mainly involved in high-voltage grid construction on a project-specific basis.

Energy Transition's target market

A significant portion of the Energy Transition business's target market consists of maintenance services and project markets for domestic industry, which Enersense estimated to be 1.6-2.0 BNEUR at the 2022 Capital Markets Day. This market consists largely of maintenance and upkeep services for various electrical, automation, pump and similar systems, in addition to which it includes maintenance and upkeep services for special equipment and pipes. In our view, this market size can currently be assumed to be roughly at the upper end of the range due to inflation, but also considering the industrial downturn. On the other hand, considering Enersense's current strategy and especially its focus on the energy transition, we consider it likely that the company has excluded some previous areas from its current target markets. However, the scale of this is difficult to estimate, but we assess the target market to still be remarkably large.

Industry and competitive field (3/4)

Similarly, in addition to Finland's approximately 2 BNEUR maintenance and project market, Energy Transition's target market is especially boosted by international projects, whose market is in principle remarkably large. At the same time, the company operates only in a small part of the market and on a project-by-project basis, and thus, in our opinion, these huge markets do not as a whole constitute a relevant target market for the company, but they do increase the market potential. Overall, however, we believe that the size of the market does not in any way limit the growth of Energy Transition.

Energy Transition's market growth drivers

In our view, the key long-term driver of growth in the industrial maintenance and project markets is industrial investment in fixed assets, which is linked to the pace of economic growth. For Enersense's Energy Transition, developments are naturally influenced by investments in the energy transition. In our view, the development of general economic growth provides a good basis for assessing these.

Naturally, the growth of the maintenance and project markets is also significantly affected by the development of the outsourcing rate in the longer term, which has at least for now been a long-term trend. On the other hand, a significant portion of maintenance is still carried out internally, and thus the external maintenance market still has clear growth potential through this channel. Maintenance outsourcing can, in turn, be done comprehensively or partially. Total outsourcing often includes the maintenance of all equipment and machinery in a factory or production plant. These are generally more appealing to the buyer when all procurements can be

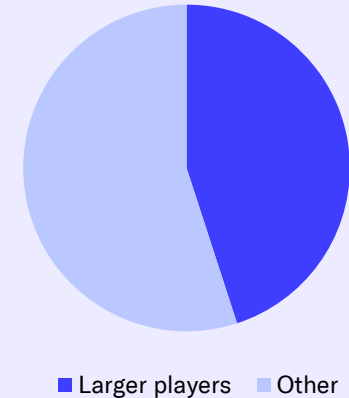
sourced from a single operator, and they are also potentially more profitable for the supplier.

Thanks to the outsourcing trend, we estimate that the annual growth potential of the Finnish market in the medium term is slightly higher than conventional economic growth, at around 2-5% annually. In the long term, in addition to economic growth, the development of the Finnish industry's competitiveness in global markets will have a significant impact on growth potential. In turn, we estimate the growth rate of Enersense's Energy Transition's relevant target market to be somewhat higher than the maintenance market, in line with international projects and investments required by the energy transition (incl. new technology energy investments such as green hydrogen). Thus, we estimate the growth of Energy Transition's relevant target market to be roughly 3-7% annually.

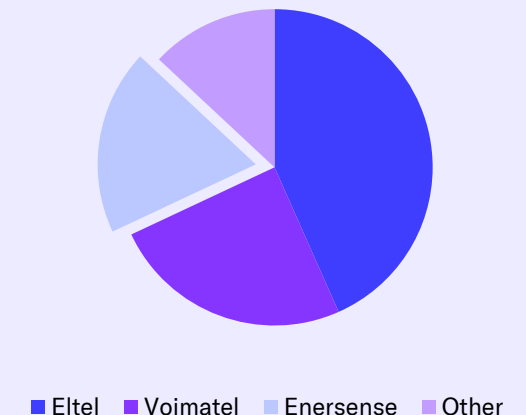
Energy Transition's competitive field

In line with the market characteristics presented above, the target market for Energy Transition is highly fragmented. The market includes large international players, national players, and small local players. In our view, the largest player in the market is quite clearly Caverion. We understand that other larger players in the market include Enersense, Elcoline, Viafin Service and Quant. Naturally, the competitive situation also varies across the different segments of Energy Transition and especially in international industrial projects. However, the overall market is characterized by the fact that the market share of large players in the total market is, in our estimation, clearly less than half, and that of smaller players is roughly 55-60%.

Energy Transition's competitive field and estimated market shares



Connectivity's competitive field and estimated market shares



Source: Study by an international consultancy firm, Enersense and Inderes

Industry and competitive field (4/4)

For example, according to the KKV's (Finnish Competition and Consumer Authority) report, access to the market for total outsourcing of large production facilities requires the supplier to have a broad product portfolio, credibility brought by size, and references. Thus, the position of medium-sized and small players in outsourcing contracts of significant size is weaker than that of large players, and customers often only consider large players in competitive bidding. Smaller players in the fragmented competitive landscape are unlikely to be considered relevant competitors to Energy Transition in large tenders.

Connectivity's target market

Connectivity's current target market consists of domestic operators' investments in the construction and maintenance of fixed and mobile networks. According to Enersense's 2022 Capital Markets Day, the size of this market was approximately 250 MEUR, and similarly, in the merger plan submitted by Enersense and Voimatel to the FCCA, the market size was estimated to be around 280 MEUR in 2021.

According to Traficom, investments in fixed and mobile networks in 2023 were just under 680 MEUR. Of these, 292 MEUR was allocated to mobile networks and 385 MEUR to fixed networks. On the other hand, it is worth noting that the market size has been boosted in recent years by fiber optic network construction investments, with Eltel, for example, estimating 2024 to be the peak year. Considering that not all investments noted by Traficom are likely directly related to network construction (e.g. equipment and software likely account for some of the investments), the size of the market relevant to Enersense, taking inflation into

account, can be estimated to be currently around 400 MEUR.

Connectivity's market growth drivers

Based on Traficom's statistics for 2019-2023, annual investments have averaged just under 540 MEUR, making 2023 the peak year in statistical history. We estimate that the market size grew in 2023 and will likely continue to grow in 2024-2025 due to investments in fiber optic network construction. On the other hand, investments in the fiber network are sustained by investments related to network densification, but we estimate that the levels will nevertheless decline from the high levels of recent years. Similarly, investments by telecom operators in Finland are particularly affected by maintenance and modernization investments, as the largest 5G investments are also behind us, and next-generation investments have not yet begun (nor are these, according to current information, as extensive as previous generational changes). Reflecting on these factors and Enersense's own comments, we believe it is difficult to foresee significant growth in the market in the medium term, and a slight contraction cannot be ruled out.

Connectivity's competitive field

The competitive landscape of Connectivity differs from the company's two other businesses due to a clearly more concentrated structure, even though the markets otherwise share similar characteristics. In our view, this is due to the fact that Finland's concentrated operator market requires its suppliers to be of a sufficiently large size to ensure comprehensive offerings and adequate resources. In addition, we believe that customers' will is for the market to have a sufficient competitive situation

among a few large players, which enables the customers' pricing power.

Reflecting the limited customer base and their influence, the telecommunications construction market is dominated by three players: Eltel, Voimatel, and Enersense. According to a study commissioned by Enersense in 2021, Eltel was the largest player in the market with a market share of around one third. Voimatel's market share was just under 30% and Enersense's around 20%. Thus, these players controlled over 80% of the total market, and we do not believe there have been any material changes in this. We consider it more likely that the market share of large players will increase rather than decrease, considering Finland's generally challenging business conditions in recent years.

Similarly, in 2024, Eltel's Communication segment's Finnish revenue was 174 MEUR, Voimatel's communication business 99 MEUR, and Enersense's Connectivity 76 MEUR, which also support our market size estimate. On the other hand, there are likely slight differences in the offerings of the operators. Overall, it would appear that Eltel has succeeded in gaining market share from the other two players in recent years. However, we assume that the market shares of the largest players will develop relatively stably in the longer term, as players typically have stable, longer-term framework agreements with customers. On the other hand, for example, the procurement relationships of telecom operators could change market shares quite rapidly (cf. for example, Enersense is not a supplier to DNA).

Strategy and financial targets (1/4)

Lifecycle partnership at the core of the strategy

Enersense published a strategy update in early summer 2025. At the core of the strategy, the company aims to develop into a reliable lifecycle partner for its customers operating in energy transmission and production, industrial energy transition, and telecommunications. This means efficient execution of projects and services. In addition, it optimizes the lifecycle performance of customers' networks, systems, and production facilities through digitalization, sustainability, and new operating models. At the service offering level, the core consists of customer-centric solutions that aim to combine the services of its entire offering's value chain in terms of construction, operation and maintenance, as well as updates and modernizations.

Previously, the company focused on the construction phase, but going forward, it aims to increase its relative share, especially in operation and maintenance, as well as upgrades and modernizations (growth is still sought from construction). According to the company, these offer opportunities to create added value for both its customers and itself. In addition, successful expansion into these areas would increase the share of recurring and more stable revenue.

Overall, we believe the strategic direction seems quite sensible, although this will be a time-consuming, gradual process, as, in our assessment, the implementation of various remote monitoring processes, for example, is still in its early stages within the Power and Connectivity business units. If successful, however, we believe this would offer the company clear opportunities for profitable growth through the expansion and enhancement of its value chain position. On the other

hand, with the potential to deliver larger entities, we also see an increase in the level of risk associated with individual customers/projects as their scale grows. However, digitally supported services (e.g. remote services) can be seen to improve customer retention.

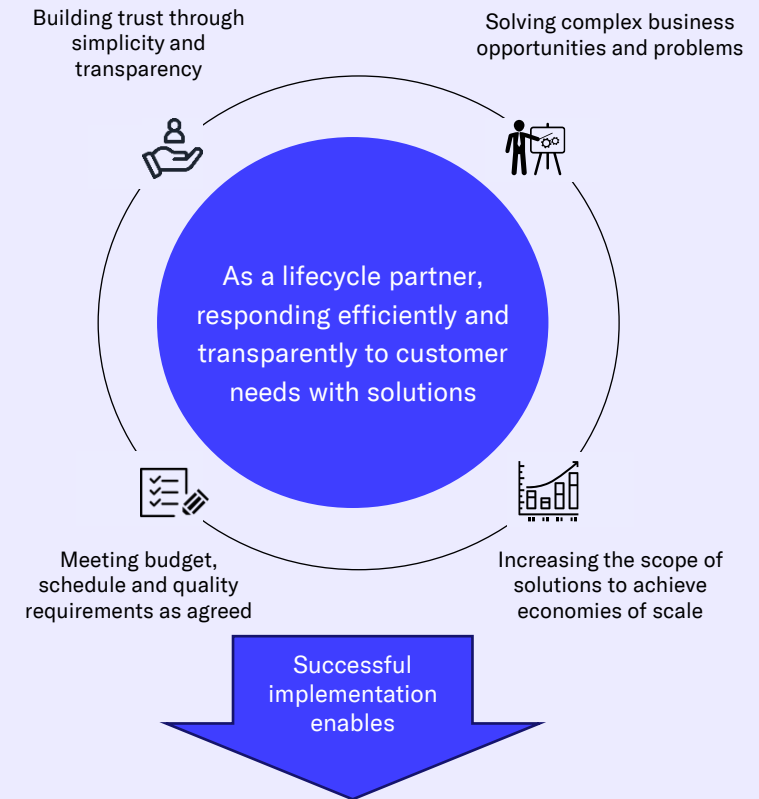
More focused than before

According to the company, a more focused business portfolio, concentrating on its core businesses, is also a significant enabler of medium-term success. In addition, within its businesses, it will be more selective in offering projects and services, focusing particularly on its core areas of expertise related to energy transition (incl. energy production and transmission customers) and telecommunications services. In our view, a tighter focus is a very sensible approach, and we estimate that a more selective portfolio will be easier to manage and monitor. We estimate that this will bring repeatability to operational activities, which also facilitates scaling the business to a larger size and increasing expertise in certain operations. Overall, with a more focused business portfolio, we also see the company's decision-making moving closer to customers and concentrating more strongly on core businesses instead of several simultaneous growth avenues.

The Value Uplift program seeks to extract additional efficiencies from the company

The company launched the Value Uplift program in late 2024, through which it aims to improve efficiency and support profitable growth. The program will last until mid-2026 and includes three areas: renewing procurement performance, developing commercial management, and evaluating fixed costs and resources supporting strategy implementation.

Focus areas of lifecycle partnership



1. Efficiency and competitiveness
2. In-depth customer understanding and new opportunities
3. Growing recurring and higher-margin revenue
4. Avenue for additional sales

Strategy and financial targets (2/4)

In the first phase, the company has focused particularly on renewing procurement performance, but in Q3'25, it had also started evaluating fixed costs and resources supporting strategy implementation. According to the company, it plans to renew its operating model in such a way that the necessary expertise is ensured in the right places, responsibilities are clarified, and performance is improved. The company promoted these in the Group's operating countries in accordance with local legislation, and our understanding is that the company aims to reduce more tasks than it adds new ones. In addition, the company has announced, among other things, that it will close Energy Transition's unprofitable service centers.

According to the company, the Value Uplift program has started more successfully than previously estimated, and the procurement performance measures implemented by the end of Q2'25 will bring an annual earnings improvement of 2.5 MEUR (EBIT/EBITDA run-rate). Similarly, by the end of the year, it estimates achieving an earnings improvement rate of 5 MEUR instead of the previous H1'26 end. In addition, it raised the total target for annual earnings improvement to 6.5 MEUR by the end of H1'26. Naturally, this improves the conditions for earnings growth in the coming years. At the same time, we believe the improvement also requires sufficient volume (incl. sales mix), which we estimate may partly require an improving economic development and successful project execution. It expects the program's cost level to be around the Q2'25 level (2.5 MEUR) in Q3'25 and to decrease in Q4.

Financial targets

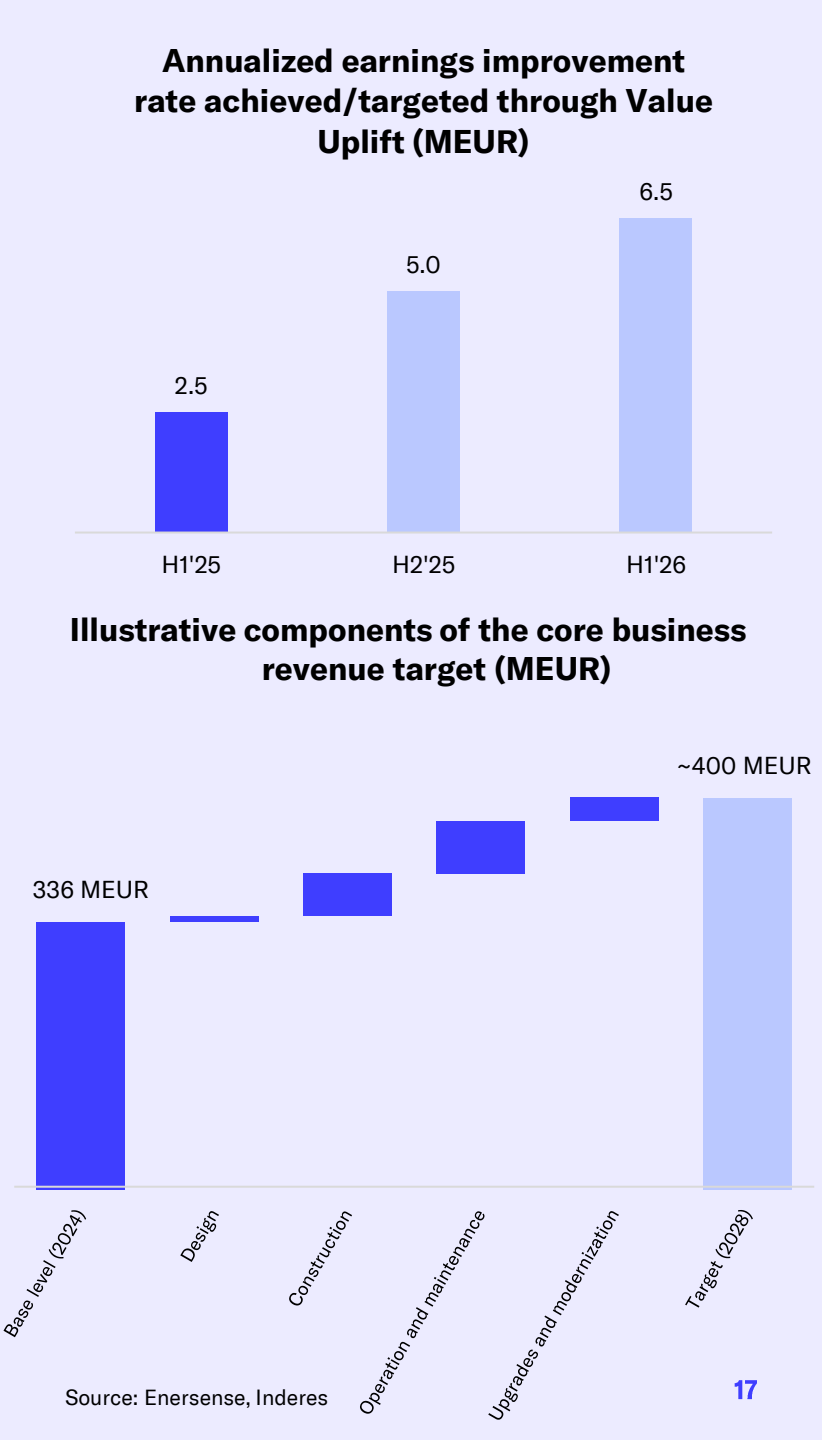
In connection with the strategy, the company also published updated long-term financial targets for 2025–2028, which are:

- **Growth:** Average annual revenue growth of (CAGR) 4–5%
- **Profitability:** Operating profit (EBIT) over 5%
- **Balance sheet:** Net gearing below 100%

Revenue growth target is achievable

In our opinion, the company's annual growth target is not in itself a remarkably demanding level, considering the at least reasonable growth prospects of the core businesses. Instead, we believe that the aforementioned sharper focus and especially the increase in the relative share of higher value-added services explain this. However, the growth target (revenue 2028: ~400 MEUR) is at a healthy level, and we believe the company has the prerequisites to achieve it without major changes in the operating environment or prolonged weak development of the Finnish economy. On the other hand, the high starting level in 2024 poses a slight challenge to achieving the target, relative to H1'25 performance (H1'25 core business revenue decrease of 14%).

The company aims for growth in Power and Energy Transition business units, which seems natural given the energy transition in the industry. Clear opportunities are also offered by outsourcing agreements such as those with Helen. In our view, Power's growth prospects are also good due to the construction needs for renewable energy (incl. storage) and transmission capacity, as well as energy infrastructure maintenance services. In addition, opportunities are offered by, for example, expanding into customers' service value chains and a stronger expansion into the Swedish market, where operators' margin levels have on average been higher than in Finland, at least in recent years.



Strategy and financial targets (3/4)

Due to Power's large relative size, its importance for achieving the revenue target is naturally high. In contrast, for Connectivity, we estimate that the absolute growth prospects are limited, also considering the completion of the largest investment phase of fiber optic networks in Finland. However, we see good preconditions for the company to grow its maintenance and modernization services and to enhance operations through value-added services.

The path to achieving the profitability target is credible, but there is still work to be done in this regard

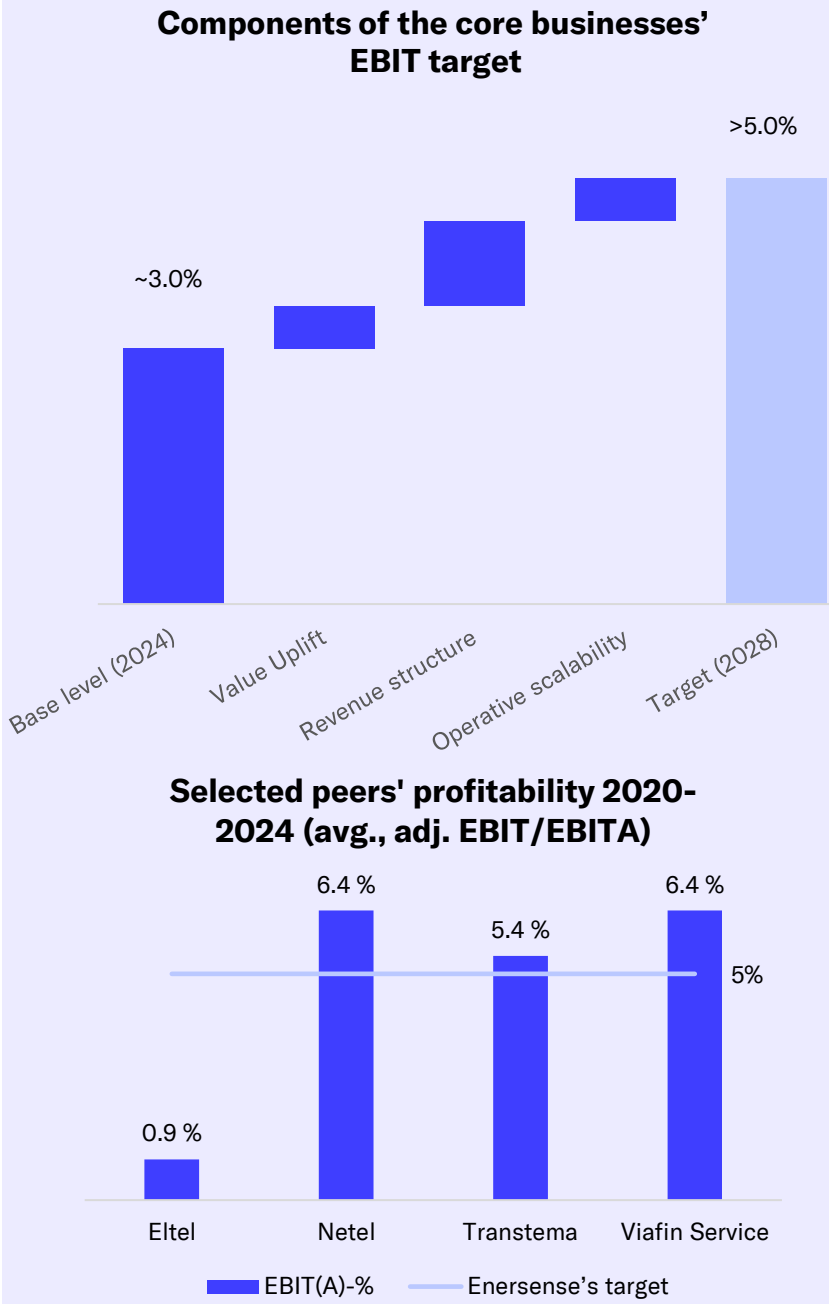
In terms of profitability, the company targets a reported EBIT margin of over 5% by the end of the strategy period. At the CMD, the company commented that this corresponds to a margin of over 8% for EBITDA, which has been the primary metric used in reporting so far. In practice, this would mean an annual improvement of 0.5 percentage points, with the core business margin starting at 3% in 2024. The company aims to improve profitability through the Value Uplift efficiency program (incl. pricing), changes in revenue structure, and operating leverage. We estimate that the company aims for about half of the improvement through changes in the revenue structure, with the remainder divided fairly evenly between the efficiency program and operational scaling. Overall, the path to achieving the profitability target seems credible to us, although there is still a clear way to go to reach the target level. At the same time, it is good to keep in mind that in a chronically low-margin business, the company must succeed in its pricing and avoid the realization of larger project risks.

In our opinion, the target level is also supported by the

margin levels achieved by some competitors operating in somewhat similar markets, even though there are differences in the companies' service offerings and geographical market areas. For example, Transtema and Netel (operating especially in Sweden and Norway), which we consider to be reasonably good peers for Power and Connectivity, have on average achieved an adjusted EBITA margin of over 5% in 2020-2024, with Netel targeting 5-7% and Transtema over 7%. Currently, however, Netel is suffering from challenges and expects the adjusted EBITA-% for the current year to be between 1.5-2.0%. Eltel, a significant competitor in Finland, has a target level similar to Enersense, but the company's margin for 2020-2024 averaged only 0.9%, particularly affected by high inflation and certain less profitable businesses. The company has made structural arrangements and several efficiency measures in recent years, which have led to a gradual improvement in its profitability (still below 5%). In contrast, Viafin Service from the Helsinki Stock Exchange, for example, serves as a peer for Energy Transition to some extent, but has exceeded a 5% margin level in all of the last five years.

For the financial structure, the target is at a reasonable level

We believe the balance sheet and financing structure target is generally at a very reasonable level (cf. net gearing at the end of Q2'25 of 91%). Given the current financial position (see [Financial situation](#) for more details), we expect the company to primarily direct its capital in the coming years towards strengthening its balance sheet or, at most, to potential small complementary acquisitions, rather than to profit distribution.



Strategy and financial targets (4/4)

2013–
2020

Strong growth and Empower acquisition

- Enersense grew strongly in the 2010s, supported by the Olkiluoto 3 project
- The company also expanded to other industrial projects
- As the completion of Olkiluoto approached, revenue began to decline and the company's profitability weakened
- Enersense acquired Empower, a company larger than itself, in summer 2020, and the focus of its business changed significantly

Must Win Battles in the strategy

Realized

- Decision to focus on core businesses and the publication of a strategy aimed at life cycle partnership
- Divestments and shutdowns of non-core businesses
- Launch of the Value Uplift program and identification of savings/efficiency targets
- Faster than planned progress of profit improvement measures and an increase in the target level

Source: Inderes

2021–
2024

Several growth drivers and weakening earnings

- Enersense made several corporate arrangements to increase its coverage in the value chain of emission-free energy and transport (renewable energy project development, marine industry unit, P2X, emission-free transport charging solutions)
- The company also sought to become an energy producer in the value chain, but these plans did not materialize in terms of financing as the market situation deteriorated
- The profitability of the operational business weakened and the company's cash flow was at a low level due to strong growth

Near future (1-2 years)

- Focusing sales and developing the lifecycle service offering (e.g. developing digital tools)
- Growing the maintenance contract portfolio, especially in Power, and adding new, more profitable digitally supported services to existing customer accounts
- Implementation of the updated operating model throughout the organization
- Organic growth driven by market growth
- Completion of the Value Uplift efficiency program, achievement and maintenance of targets
- Strengthening profitability and cash flow through strategic measures, thereby achieving and maintaining a stable balance sheet position
- Securing long-term financing

2024–

Focusing on core businesses

- A strategic decision to focus on core businesses, which led the company to sell/wind down businesses considered non-core, and these measures significantly strengthened the company's financial position
- Controlled growth in line with the market, driven by a strategy aimed at lifecycle partnership
- Continuous strengthening of profitability through revenue distribution, pricing, efficiency measures, and operational scalability

Next 5 years

- Realization of lifecycle partnership in customers' value chain and thereby delivering larger entities
- Increasing the relative share of the end-of-life role of the service offering and thereby increasing the share of more stable, predictable and higher-margin revenue
- Potential complementary acquisitions that strengthen the service portfolio
- Internationalization into new market areas
- Creation of economic added value (i.e. ROCE-% > WACC-%)

Financial position (1/3)

Non-current assets consist of several components

We review Enersense's balance sheet with figures from the end of Q2'25, as they provide a fairly up-to-date picture of the company's balance sheet structure and also partly account for the effects of the marine industry unit's sale during Q3. The company's balance sheet total at the end of Q2 was 190 MEUR (incl. assets and liabilities classified as held for sale).

The balance sheet's 99 MEUR in non-current assets consisted of several components. The company had 26 MEUR in goodwill on its balance sheet and 7 MEUR in other intangible assets, mainly originating from acquisitions (incl. customer relationships). In addition, it had tangible fixed assets (incl. right-of-use assets) of 15 MEUR. Additionally, the company had investments accounted for using the equity method amounting to 12 MEUR, the largest of which we estimate to be the P2X investment.

The largest item (37 MEUR) in non-current assets was non-current investments and receivables, which mainly consists of the additional purchase price from the sale of the renewable energy project development portfolio. In connection with the sale of the project development portfolio, the company stated that the variable additional purchase price would be a maximum of 74 MEUR and the probability-weighted additional purchase price would be 33 MEUR (current balance sheet value). It should be noted that the additional purchase price is paid on a project-by-project basis and requires a final investment decision for individual projects within 15 years. The company has estimated that the related cash flows will be generated starting from 2027 at the earliest. In

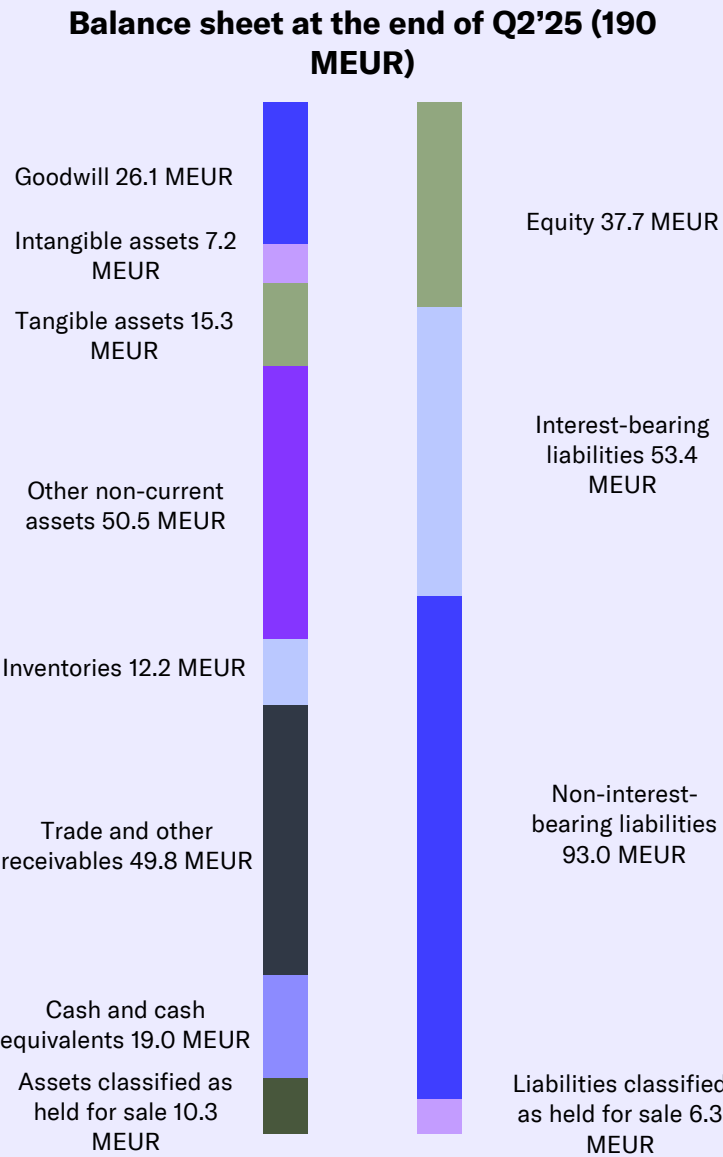
addition to these items, non-current assets included over 1 MEUR in deferred tax assets.

Current assets at the end of Q2 (81 MEUR) consisted of 22 MEUR in trade receivables, 28 MEUR in other receivables (especially unbilled project receivables), 12 MEUR in inventories, and 19 MEUR in cash and cash equivalents. In addition, the balance sheet included 10 MEUR of assets classified as held for sale related to the divestment of the marine industry unit.

In principle, we consider the Group's assets to be current, and we do not believe that there are significant write-down risks to the value of the balance sheet assets in the short term. Instead, we see uncertainty regarding the final realization of additional purchase prices in both directions in the longer term, but due to the rather long contractual structure, we assume that potential write-downs/ups will only occur in the considerably longer term.

Refinancing needs to be planned soon

Equity on the balance sheet amounted to EUR 38 million. It had interest-bearing debt (incl. lease liabilities) of 53 MEUR, of which 32 MEUR was long-term. The largest item in the loans was the 26 MEUR convertible bond issued in 2022, which has an annual interest rate of 7%. The loan matures in January 2027, unless the bondholders exercise their right to convert the principal into shares. The conversion rate is EUR 8 per share, which is clearly above the current market price. Thus, we do not see the conversion of the loan as likely, at least in the short term. In addition, the company's financing structure consists of a senior loan, financing limits, and leasing loans.



Financial position (2/3)

In addition, it should be noted that just under 11 MEUR of the interest-bearing liabilities consisted of a payment arrangement made with the Finnish Tax Administration related to VAT liabilities. In practice, it is a payment program, through which the company reduces the VAT debt accumulated in the previous year as the year progresses. The company pays interest on the arrangement, but the exact level of this has not been disclosed. We estimate that the arrangement is driven by cash management reasons (cash flow that has been weak in previous years, the general cash situation, and the seasonality of cash flow reflecting the business). The company has made similar arrangements in 2022 and 2024, and these have been made in agreement with the tax authorities. As a result, we estimate the risk level of the arrangement to be reasonable, provided that the repayments are made on time. However, we assume that the company will aim to abandon the arrangement in the coming years through strengthening earnings and cash flow, as well as future financing solutions.

Reflecting on the structure of interest-bearing debt, we estimate that the company is gradually preparing for a financing restructuring and likely securing a longer-term financing arrangement. We estimate that the company is aiming for pure debt financing, but in our view, this is largely dependent on the coefficient of profitability improvement. Thus, in our opinion, the alternative to equity financing cannot be completely excluded (e.g. a convertible bond or a hybrid loan), but the actual collection of equity financing is unlikely. With regard to financing costs, it should be noted that in addition to financial loans, they are raised by the factoring costs paid to finance companies and the guarantee fees

associated with project deliveries.

Non-interest-bearing liabilities consisted mainly of trade payables of some 19 MEUR, other liabilities of 50 MEUR, and advances received of 19 MEUR. Other liabilities consist mainly of accruals for personnel and subcontracting costs, which is typical for a personnel-intensive business. In addition, other non-interest-bearing liabilities include, for example, VAT liabilities accrued during the current year. Finally, the balance sheet included 6 MEUR of liabilities classified as held for sale.

The company clearly met its financing covenants, but the current financial position does not allow for larger moves

In line with the overall picture mentioned above, the company's interest-bearing net debt was 34.3 MEUR at the end of Q2'25. Relative to the EBITDA for the previous 12 months, the level was around 0.8x, which is supported by clearly positive net non-recurring items during the previous 12 months (especially the sale of the renewable energy project development portfolio). The company's equity ratio stood at 22%. Overall, however, the company clearly met its financing covenants (interest-bearing net debt below 2.25x, equity ratio above 16.5%, the minimum level of which increases by 1.5 percentage points quarterly until the end of Q1'26 and settles above 25% at the end of Q2'26), and the company's financial position will also be strengthened by the sale of the marine industry unit in Q3.

In our view, in a business like Enersense, the comfort zone for net debt to EBITDA could be roughly at the 2.0-2.5x level over time. Instead, due to the fluctuating

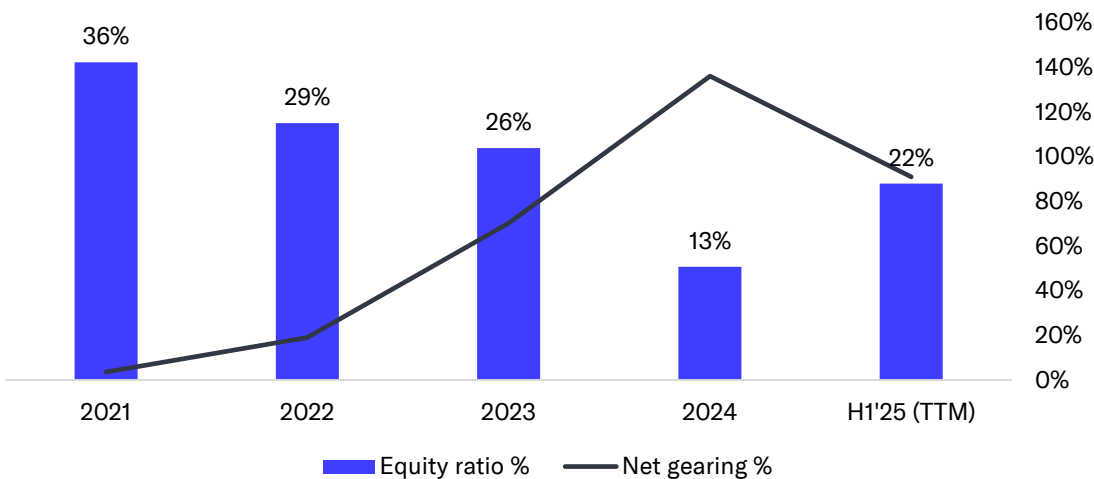
earnings level in recent years and the previously tightened financing situation, the covenant terms have, in our view, been justifiably set quite strictly in these respects. We also estimate that there is flexibility in the covenant terms as operational performance improves, which would also increase the company's room for maneuver, for example, with regard to potential complementary acquisitions or dividend distribution. However, we do not assume that the current financial position (incl. refinancing schedule) will enable the company to make larger inorganic moves or dividend distributions in the short term.

The tax burden will be lower than usual due to unutilized losses

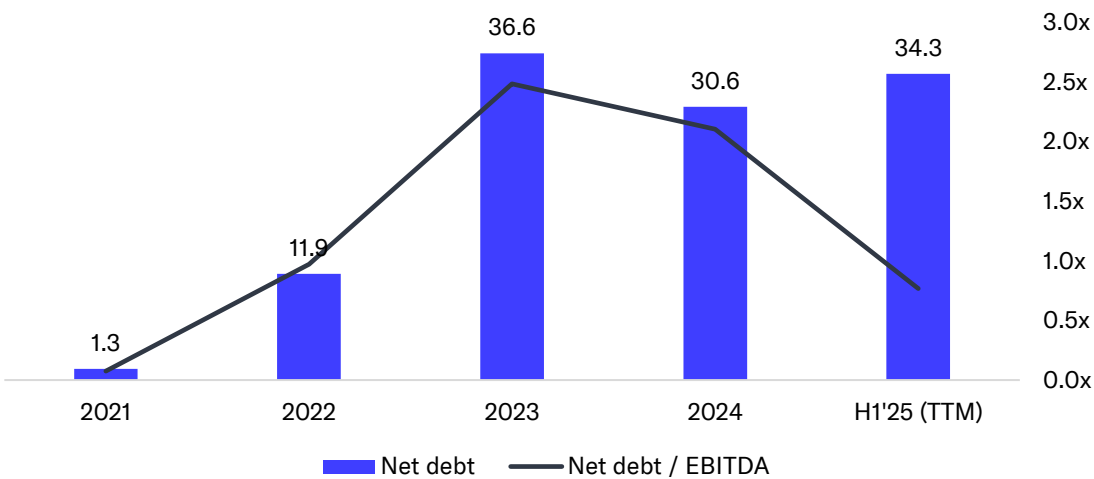
At the end of 2024, Enersense had unused losses of as much as 167 MEUR, which originated from the acquisition of Empower in 2020 and from previous losses of the already sold marine industry unit (Enersense Offshore). The company has not disclosed their more detailed distribution between the different companies. The company had recognized deferred tax assets of 3.0 MEUR from confirmed losses, while the unrecognized deferred tax assets amounted to 33.3 MEUR. We estimate that the low proportion of recognized deferred tax assets partly indicates that previous losses in the Group structure are attributable to businesses from which the company did not generally expect to be able to utilize the losses. However, we estimate that the company has at least partial prerequisites to push its tax burden below the normal corporate tax rate and also for cash flow-affecting taxes to be lower.

Financial position (3/3)

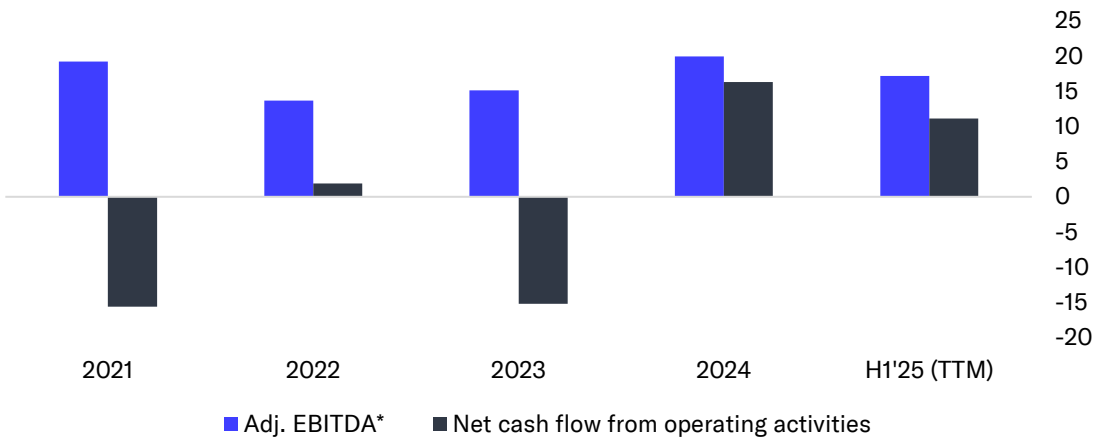
Balance sheet ratios



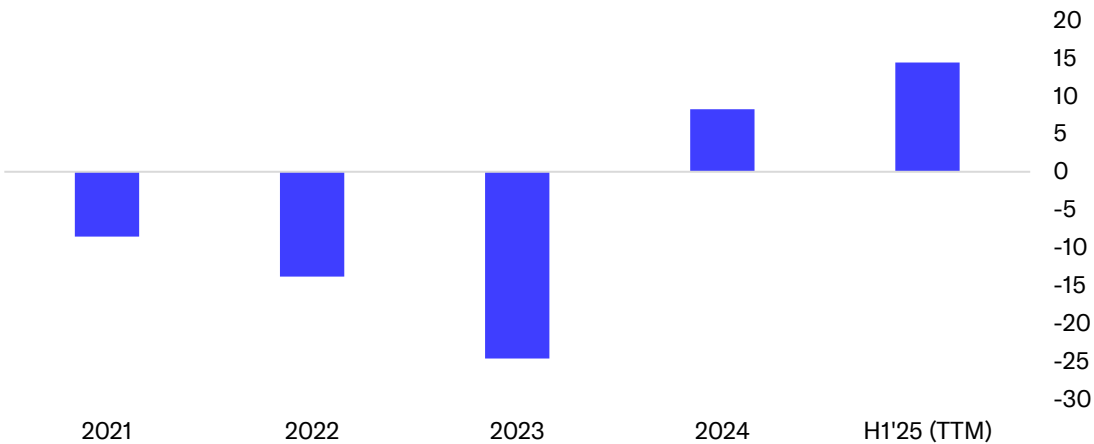
Net debt and net debt/EBITDA ratio development



Adjusted EBITDA and net operating cash flow development



Development of free cash flow (incl. M&A and lease liability payments)



*Adj. EBITDA 2021-2023 at Group level and 2024 and H1'25 (TTM) for core businesses due to change in reporting method

Estimates (1/4)

Estimate model

We forecast the development of Enersense's revenue in the short and partly medium term through the estimated market growth of the business units, the company's own relative competitiveness and position, as well as the order books of the units, even though their more detailed structures have not been reported. We also model profitability by business unit at the EBITDA level. Our assessment of profitability focuses on the impact of the growth we expect, the historical levels of the units, and their estimated profitability potentials.

In the longer term, we forecast revenue growth through the expected development of investment levels and the long-term growth potential of the markets. In turn, our longer-term profitability estimates are partly based on Enersense's historical levels and our estimated longer-term sustainable profitability potential (e.g. strategic measures, average market profitability levels). Our estimates do not include possible future corporate acquisitions, as these are practically impossible to predict. As stated earlier, however, we do not believe that Enersense's current financial position will allow it to make significant inorganic moves, at least in the short term.

In connection with the report, we have made positive operational forecast changes for the medium term, especially regarding the growth forecasts for Power and Energy Transition, which also flowed through to the income statement. In addition, we have made revisions to costs related to the Value Uplift program and other strategic measures (e.g. ERP and digital projects). More

detailed forecast changes for the coming years are presented on page 27.

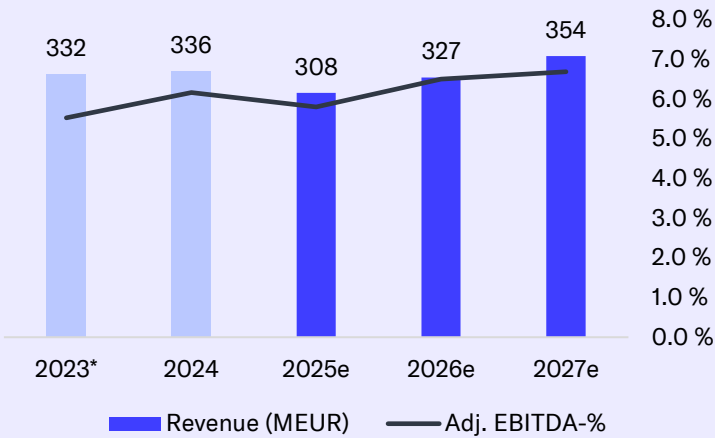
Estimates for 2025

In its current guidance for the current year, Enersense estimates the adjusted EBITDA of its core businesses to be 16-20 MEUR (2024: 20.7 MEUR). The company lowered its guidance in August due to demand-driven reasons (cf. core business revenue H1'25: 140 MEUR vs. H1'24: 162 MEUR). After H1, the company had made an adjusted EBITDA of 5.3 MEUR (H1'24: 8.9 MEUR).

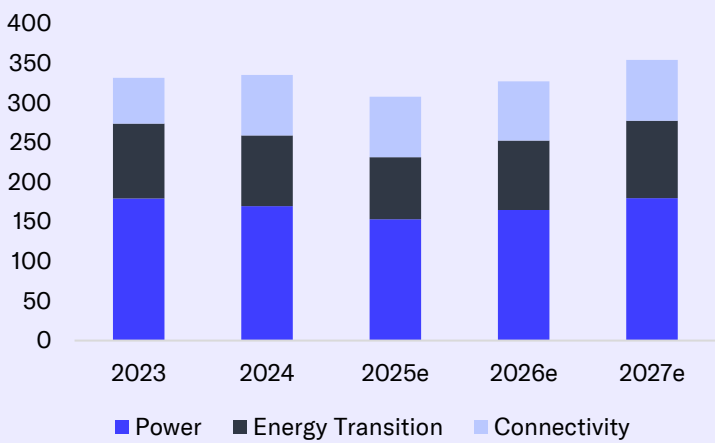
Regarding the market outlook, the company commented at the time that it was seeing some slowness in decision-making, but overall, the underlying demand was at least at a reasonable level. This is also partly indicated by the slight increase in the order book of core businesses compared to Q1 (+5 MEUR). Similarly, the order book was approximately at the prior year's level (Q2'25: 376 MEUR vs. Q2'24: 379 MEUR). The most positive aspect of the order book development was the company's comments, according to which growth came with a focus aligned with the current strategy (lifecycle partnership, tighter sales focus).

Also positive for this year have been the divestments of non-core businesses already mentioned in the report, as well as the successful progress of the Value Uplift program. The company commented on Value Uplift that it had achieved an annual earnings improvement rate of 2.5 MEUR during H1'25 and expects to reach a rate of 5.0 MEUR by the end of the year. The overall target set by the end of H1'26 is at 6.5 MEUR.

Development of core business revenue and profitability



Development of core business revenue



Estimates (2/4)

Naturally, the program supports the company's prerequisites for earnings improvement in the coming years, but at the same time, we see that improvement also requires sufficient volume (incl. sales mix). We believe this will partly require an improving economic development and, naturally, successful project execution. We have not fully incorporated the improvements targeted by the company's program into our current forecasts, and we will wait for concrete evidence regarding these.

For revenue, we estimate Enersense's core business revenue to decrease by roughly 8% this year, settling at 308 MEUR. The expected decline is mainly explained by the development in the first half of the year, whereas in the second half of the year, we expect the revenue decline to clearly moderate (-3%) supported by a strengthened order book. We expect revenue to decrease in Energy Transition (-13% y/y) and Power (-10% y/y) due to slow decision-making, which we estimate has affected and continues to affect project business in particular. In Connectivity, our expectations are at the level of the comparison period.

We estimate the adjusted EBITDA of the core businesses to be 17.9 MEUR. Thus, also considering the seasonality of the business, we expect H2 to be clearly stronger and the absolute result in H2 to be slightly higher than in the comparison period, supported by strategic measures. From the units, we expect a clear improvement from Energy Transition compared to the beginning of the year, due to the presumably rather quick resolution of the challenges that burdened Q2 results (i.e. the closure of unprofitable service centers), and from Connectivity, supported by seasonality. For Power, we expect a stable good level of profitability to continue.

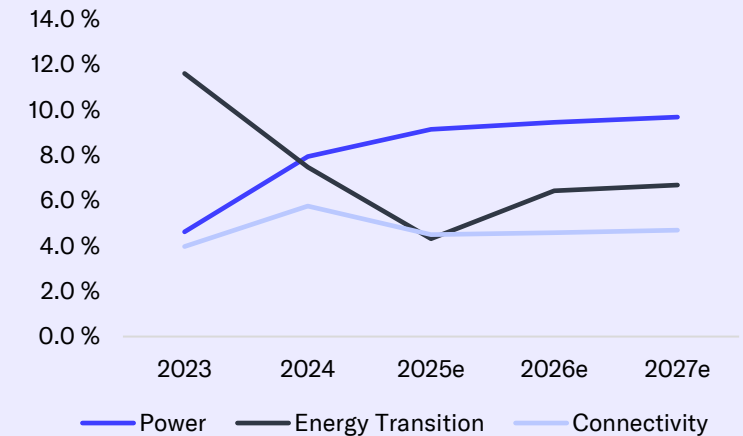
We estimate the company's depreciation levels to

decrease slightly from the H1 levels in H2 due to the sale of the marine industry unit, but due to several structural arrangements made during the current year, there is still some uncertainty regarding future depreciation levels. In line with the overall picture, we expect the company's adjusted EBIT to settle at 9.8 MEUR, corresponding to a margin level of 3.1%.

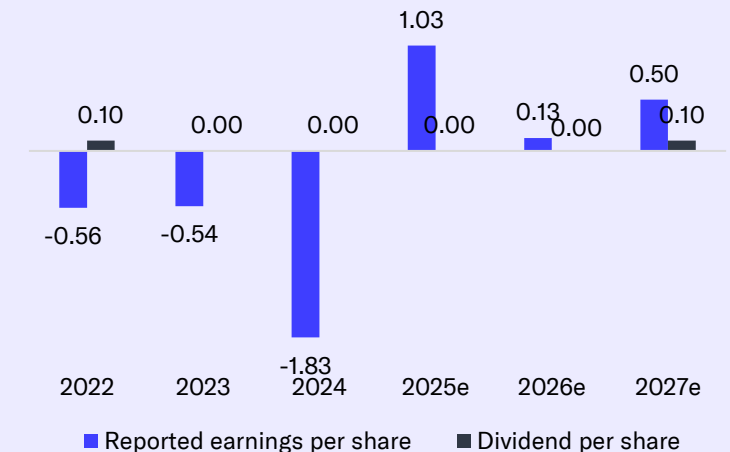
Due to an eventful year, it is also worth noting that the reported figures for the current year are affected by several non-recurring items related to the divestment/discontinuation of non-core businesses and strategic measures (especially Value Uplift). The positive impact of non-core businesses on reported EBITDA was around 23 MEUR in H1, while the company recorded 4.2 MEUR in non-recurring items related to core businesses in the first half (strategy and Value Uplift 3.0 MEUR, ERP 0.3 MEUR, losses from associated companies 0.7 MEUR, and non-recurring personnel expenses 0.2 MEUR). Related to non-core businesses, the company will record a 2.5 MEUR sales gain in Q3 related to the divestment of the marine industry unit. In turn, it expects the cost level resulting from the Value Uplift program to be around the Q2 level in Q3 (Q2'25: 2.5 MEUR) and to decrease in Q4. We assume that this will also generate some cost burden for the beginning of next year, along with other strategic measures (these continue in our forecasts for 2027). After adjustments, our forecast for reported EBIT is as high as 25.3 MEUR.

On the bottom line, we expect financing costs to decrease slightly from the beginning of the year, but there is still some uncertainty regarding these after the structural arrangements (e.g. the impact of the marine industry unit on financing costs, allocation of proceeds from the transaction).

Development of adjusted EBITDA margin in core businesses



EPS and dividend



Estimates (3/4)

Regarding tax entries, we have chosen a cautious approach and assume taxes to be at approximately normal levels, as there is uncertainty regarding the usability of significant tax-deductible losses. Reflecting the overall picture, we forecast adjusted EPS to be EUR 0.05, while reported EPS is as high as EUR 1.03. We do not expect the company to pay a dividend on its result.

We expect the company's balance sheet to strengthen significantly from last year, in line with the reported earnings performance, and we expect the company's equity ratio to reach approximately 24% (2024: 13%), thus enabling Enersense to meet its year-end financing covenant condition (19.5%). We forecast the net gearing to decrease to 79% (2024: 136%), which is also below the company's target level. We estimate interest-bearing net debt to be at around the same level as at the end of 2024, at around 31 MEUR (cf. H1'25: 34.3 MEUR), with strategic measures thus partly eroding free cash flow during the rest of the year. In turn, we expect the net debt/EBITDA ratio to be safely below the covenant limit, driven by the high reported earnings (2025: 0.9x vs. covenant below 2.25x).

Estimates for 2026-2027

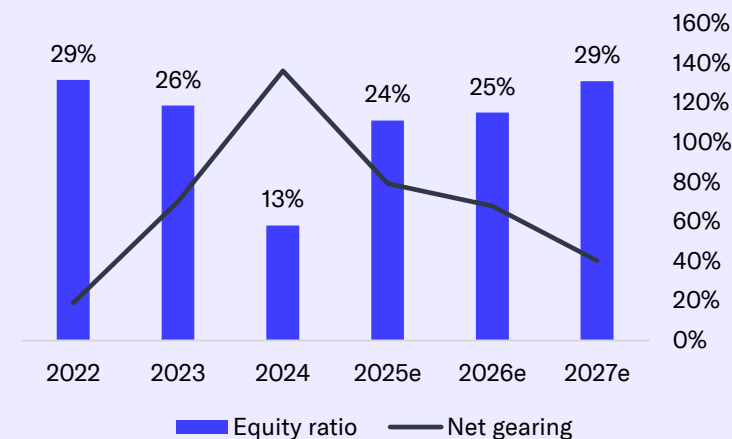
In our view, the business units' current order books already provide visibility for next year's development. The short-term growth prospects in Power are supported in particular by large investments from Fingrid and other transmission system operators. In addition, the unit's growth prospects could be further boosted by an increase in renewable energy investments. As stated earlier, we also see the market outlook for Energy Transition as positive in the medium term, but we believe that the

current economic environment, especially in Finland but also more broadly in the industry, may continue to prolong customer decision-making. On the other hand, the unit's order book grew by 9 MEUR in Q2'25 from Q1 (74 MEUR at the end of Q2'25), which creates a positive underlying tone for the unit's demand recovery. Its growth prospects can also change quite quickly, for example, due to a comprehensive operation and maintenance agreement similar to the current Helen agreement or international projects. In contrast, the growth prospects for Connectivity are limited, also considering the completion of the largest investment phase of Finland's fiber optic network.

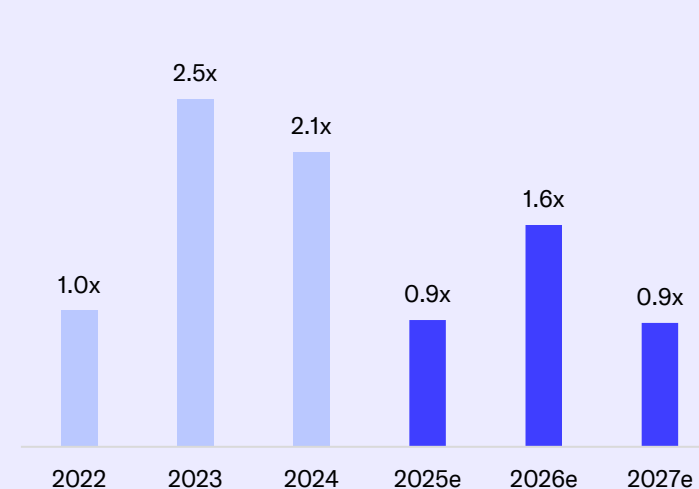
In line with this overall picture, we expect clearer growth from both Energy Transition (+12% y/y) and Power (+8% y/y) in 2026 (core business growth percentages). However, we do not expect either unit's revenue to fully recover to 2024 levels yet. We expect a similar positive development to continue for both units in 2027, with the improving economic development supporting Energy Transition and the gradual awakening of grid investments and renewable energy supporting Power. For Connectivity, we estimate revenue to remain at approximately current levels in the coming years, in line with the expected development of the underlying markets. As a result, we expect the Group's core businesses to grow by 6-8% in the coming years.

We expect the company's profitability to increase in the coming years, supported by revenue growth, strategic measures (e.g. sales focus, pricing, revenue structure) and Value Uplift. We forecast the Group's adjusted EBITDA to increase to 21.3 MEUR in 2026 and to 23.7 MEUR in 2027.

Development of balance sheet indicators



Net debt to EBITDA ratio



Estimates (4/4)

At the unit level, we expect Power's profitability to strengthen slightly from its already very good current level. In our view, the unit's profitability reflects the higher margin level already achieved in maintenance services and a good demand situation, which we believe supports its pricing. We estimate that Power's margin levels are fully sufficient for achieving the Group's margin target. In our view, strategic measures can further raise the level, but the naturally large share of projects in the unit's revenue limits additional potential despite everything. In this regard, it is worth noting that profitability typically varies between businesses from year to year and according to investment cycles.

In turn, for Energy Transition, we see the clearest potential for improvement, even when compared to historical performance, and we expect the unit's profitability to rise significantly in the coming years through strategy implementation (incl. closing unprofitable service units, growing the service business). However, due to the decline in profitability in recent years, our expectations for margin levels in the coming years are somewhat cautious. Our rough estimate is that the unit's profitability potential is quite similar to Power's, and achieving this would naturally significantly support the Group-level target. In our view, achieving this would, however, require a more favorable pricing environment and an improvement in the industry outlook. For Connectivity, we expect margins to remain stable, and a significant improvement in profitability appears more challenging when compared to historical performance. The improvement is supported by

strategic measures (e.g. digital services and changes in operating model), but at the same time, we estimate that the unit's pricing has been supported in recent years by the construction of fiber optic networks, the volumes of which are on a downward trend. At this stage, we will continue to monitor the profitability development of these units before any potential forecast upgrades. Naturally, the profitability development of the units and the Group is supported by the Value Uplift program. For Group figures, the level at which Group costs will settle after strategic measures also plays a significant role. Currently, we have expected the levels to decrease by about a fifth from 2024 levels (-3.9 MEUR) for this year, but to gradually increase in the coming years with business growth and inflation.

We expect depreciation levels to decrease slightly from the current year, after which, following the one-off costs mentioned earlier, we expect adjusted EBIT to settle at 12.7-15.1 MEUR, corresponding to EBIT margins of 3.9-4.3%. We forecast adjusted EPS to rise to EUR 0.30-0.55 as the improved financial position reduces financing costs, while our reported EPS forecasts are EUR 0.13-0.50. We expect the company to resume dividend distribution in 2027 with a dividend of EUR 0.10 per share.

In the wake of the earnings trend, we expect the company's equity ratio to gradually increase and the net gearing to continue to decrease. This would also theoretically enable the company to make at least smaller complementary acquisitions. This is also supported by the net debt/EBITDA ratio settling at safe

levels due to strengthening operating result and cash flow. The structure of the new financing agreement naturally also affects the execution of inorganic moves.

Long-term estimates

In the longer term, the company's growth is determined by the market growth drivers presented earlier. In line with these and the economic growth of the market areas, we expect the company's growth to slow down towards the end of the decade, with growth ranging between 2.5-6.8% in 2028-2031. Our growth forecast beyond this (incl. terminal growth) has been set at 2.0%. We estimate that the company will achieve its target level of around 400 MEUR in indirect revenue with our current forecasts behind the target schedule, in 2029.

In terms of profitability, we expect the EBIT margin to settle at 4.5% in 2028, which means our forecast is below the company's long-term target. However, we believe that achieving the target level is entirely possible if the current strategy (incl. Value Uplift) is successful (cf. some competitors have reached this level). In our view, this also requires a simultaneous, at least reasonable, market situation for the different business segments and successful project execution. For the time being, we will wait for further evidence of the successful execution of the strategy before relying on it. Due to the company's volatile profitability history, we expect its earnings to gradually return to last year's baseline levels in the long term (2029e-2034e EBIT-%: 3.0-4.2%) in a continuously tight competitive environment as market growth slows.

Income statement and estimate revisions

Income statement	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	98.1	101	112	114	425	69.7	76.9	80.2	88.3	315	327	354	378
Energy Transition	37.0	39.5	42.8	40.3	160	22.3	21.9	20.0	21.0	85	87	98	105
Power	51.1	42.5	43.5	51.8	189	37.1	35.3	37.0	44.0	153	165	180	195
Connectivity	10.1	18.8	25.2	22.2	76.3	10.3	19.7	23.2	23.3	76.5	75.0	76.5	78.0
EBITDA	4.5	-9.5	8.6	10.9	14.5	21.2	2.9	5.3	5.1	34.5	17.8	22.7	25.9
Depreciation	-2.8	-2.3	-2.5	-21.0	-28.6	-2.3	-2.6	-2.2	-2.2	-9.2	-8.6	-8.6	-8.7
EBIT (excl. NRI)	1.6	-11.8	6.1	-10.1	-14.2	-0.4	0.9	4.5	5.0	9.8	12.7	15.1	17.2
EBIT	1.7	-11.8	6.1	-10.1	-14.1	18.9	0.2	3.2	3.0	25.3	9.2	14.1	17.2
Net financial items	-6.2	-2.0	-2.5	-3.7	-14.3	-1.8	-2.5	-2.0	-1.8	-8.1	-6.0	-4.0	-3.0
PTP	-4.4	-13.8	3.6	-13.8	-28.4	17.2	-2.2	1.2	1.2	17.2	3.2	10.1	14.2
Taxes	-1.1	0.1	0.0	0.5	-0.5	0.0	0.2	-0.2	-0.2	-0.2	-1.1	-1.9	-2.6
Minority interest	-0.1	-0.1	-0.5	-0.6	-1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-5.6	-13.8	3.2	-13.9	-30.2	17.2	-2.0	0.9	0.9	17.0	2.1	8.3	11.5
EPS (adj.)	-0.34	-0.84	0.19	-0.84	-1.83	-0.13	-0.09	0.12	0.15	0.05	0.30	0.55	0.70
EPS (rep.)	-0.34	-0.84	0.19	-0.84	-1.83	1.04	-0.12	0.06	0.06	1.03	0.13	0.50	0.70

Key figures	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	30.9 %	16.8 %	18.4 %	6.0 %	16.9 %	-29.0 %	-23.7 %	-28.1 %	-22.7 %	-25.8 %	3.9 %	8.2 %	6.8 %
Adjusted EBIT growth-%					-350.4 %	-126.9 %	-107.2 %	-26.6 %	-148.9 %	-169.3 %	28.9 %	19.3 %	13.3 %
EBITDA-%	4.6 %	-9.4 %	7.7 %	9.6 %	3.4 %	30.4 %	3.7 %	6.6 %	5.8 %	11.0 %	5.4 %	6.4 %	6.8 %
Adjusted EBIT-%	1.7 %	-11.7 %	5.5 %	-8.9 %	-3.3 %	-0.6 %	1.1 %	5.6 %	5.6 %	3.1 %	3.9 %	4.3 %	4.5 %
Net earnings-%	-5.7 %	-13.7 %	2.9 %	-12.2 %	-7.1 %	24.7 %	-2.6 %	1.2 %	1.0 %	5.4 %	0.6 %	2.3 %	3.0 %

Source: Inderes

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	312	315	1%	317	327	3%	333	354	6%
EBITDA	35.2	34.5	-2%	20.4	17.8	-13%	21.8	22.7	4%
EBIT (exc. NRIs)	10.0	9.8	-2%	11.9	12.7	6%	13.3	15.1	14%
EBIT	26.0	25.3	-3%	11.9	9.2	-23%	13.3	14.1	7%
PTP	17.9	17.2	-4%	6.7	3.2	-53%	9.5	10.1	7%
EPS (excl. NRIs)	0.05	0.05	-1%	0.31	0.30	-4%	0.45	0.55	22%
DPS	0.00	0.00		0.00	0.00		0.05	0.10	100%

Source: Inderes

The full-year EPS was calculated using the number of shares at the end of the year.

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	109	75.3	104	101	101
Goodwill	27.8	26.1	26.1	26.1	26.1
Intangible assets	40.2	9.6	7.9	6.2	5.0
Tangible assets	21.2	21.5	17.3	19.0	20.4
Associated companies	13.9	13.1	12.4	11.6	11.6
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	4.3	3.7	39.2	36.7	36.7
Deferred tax assets	1.3	1.3	1.3	1.3	1.3
Current assets	105	119	77.2	83.2	91.8
Inventories	18.1	15.8	12.6	12.8	13.1
Other current assets	0.0	20.9	0.0	0.0	0.0
Receivables	75.6	62.6	45.7	50.8	57.4
Cash and equivalents	11.2	19.8	18.9	19.6	21.3
Balance sheet total	214	194	181	184	193

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	52.1	22.5	39.5	41.6	49.8
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-10.9	-40.3	-23.3	-21.2	-12.9
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	62.7	62.7	62.7	62.7	62.7
Minorities	0.2	0.0	0.0	0.0	0.0
Non-current liabilities	44.3	41.7	47.2	45.7	32.6
Deferred tax liabilities	6.0	4.7	4.7	4.7	4.7
Provisions	0.5	3.0	1.5	1.5	1.5
Interest bearing debt	11.5	7.7	14.8	13.2	26.1
Convertibles	26.0	26.0	26.0	26.0	0.0
Other long-term liabilities	0.4	0.3	0.3	0.3	0.3
Current liabilities	117	130	94.7	96.8	110
Interest bearing debt	10.3	16.7	9.5	8.7	15.3
Payables	105	111	82.2	85.1	92.1
Other current liabilities	1.5	3.0	3.0	3.0	3.0
Balance sheet total	214	195	181	184	193

Investment profile

- 1 Leading position in many key markets
- 2 The energy transition in industry, investments in electricity grids and the growth of renewable energy production support the growth prospects
- 3 The implemented efficiency programs, changes in sales distribution, and operating leverage should enable an increase in profitability
- 4 Demand is dependent on investments, although the customer industries currently have healthy investment prospects
- 5 The financial position is not yet particularly strong, and there is still uncertainty regarding the terms of the upcoming refinancing

Potential

- Successful transition to a stronger lifecycle partner, which would increase the share of recurring and more stable revenue
 - Improving profitability through strategic measures and the Value Uplift program.
 - The investment needs required by the energy transition in industry, as well as in energy production and distribution, support organic growth prospects
 - The business has a good cash flow profile due to limited capital requirements
-

Risks

- Low barriers to entry and the challenging nature of building sustainable competitive advantages lead to intense competition in many of the company's markets
- Realization of project risks or loss of a significant customer and their impact on profitability in a low-margin industry
- Revenue dependence on investments and adaptation to demand fluctuations in the short term
- Finding and retaining skilled personnel (incl. subcontractors) in the company are critical for success

Valuation and recommendation (1/5)

Valuation methods

We examine Enersense's valuation particularly through absolute valuation multiples and a sum-of-the-parts calculation, as it also takes into account assets outside the core businesses. In addition, we use a DCF calculation and a total shareholder return calculation to support the valuation.

We believe the company should be valued primarily on earnings-based multiples. In our view, the most useful multiples are the EV/EBITDA and EV/EBIT multiples, which take into account the balance sheet structure, and the net income-based P/E ratio. We examine the multiples in absolute terms and relative to the peer group. As absolute levels, we have used our estimated neutral multiples based on our view of the company's and industries' growth, profitability and risk profile and the related sustainable elements. However, we do not give significant weight to the company's historical valuation levels due to the numerous M&A and structural arrangements that have occurred in the past.

We examine the multiples mainly through our estimates for the current and next year, as visibility into Enersense's business (growth and profitability) has historically been relatively short. On the other hand, if the current strategy is successful, visibility into the business would improve as the share of operation and maintenance agreements increases. However, with a more focused business portfolio, we also pay some attention to medium-term multiples. Considering the overall picture, the total return expectation for the coming years and the DCF model based on our long-term

forecasts play a more supportive role in the valuation.

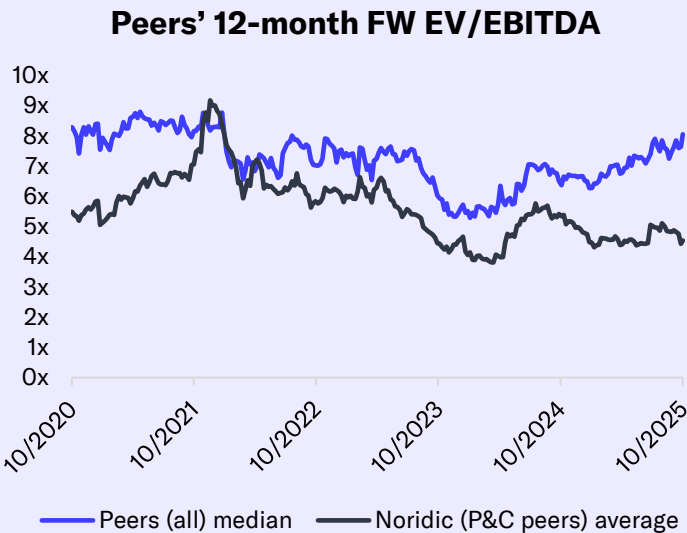
Factors influencing valuation

In our view, factors affecting the acceptable valuation level of Enersense in the short and medium term include:

- + Positive market growth outlook in Power and Energy Transition
- + Low investment and capital requirements should enable the company to generate good cash flow and return on capital
- + Strengthening of the earnings turnaround and increased confidence in its sustainability
- + Growth in more stable, predictable, and higher-margin service revenue if the strategy is successful
- + Strengthening of the financial position and entering into a new long-term financing agreement on reasonable terms
- Lack of strong competitive advantages in the industry and partly price-driven competition
- Historical earnings disappointments (incl. cash flow)
- A significantly slower earnings turnaround than expected, and consequently, potentially unfavorable financing arrangements
- Connectivity's limited market growth outlook
- Due to personnel intensity, the scalability potential of current businesses is low

Valuation	2025e	2026e	2027e
Share price	4.00	4.00	4.00
Number of shares, millions	16.5	16.5	16.5
Market cap	66	66	66
EV	97	94	86
P/E (adj.)	75.2	13.5	7.3
P/E	3.9	31.5	8.0
P/B	1.7	1.6	1.3
P/S	0.2	0.2	0.2
EV/Sales	0.3	0.3	0.2
EV/EBITDA	5.3	4.4	3.6
EV/EBIT (adj.)	9.9	7.4	5.7
Payout ratio (%)	0.0 %	0.0 %	19.9 %
Dividend yield-%	0.0 %	0.0 %	2.5 %

Source: Inderes



Source: Inderes, Bloomberg

Valuation and recommendation (2/5)

Peer group and acceptable valuation

Enersense's current businesses have the typical characteristics of an industrial services company, which, in our opinion, makes it possible to assemble a fairly good peer group. Our peer group consists of Nordic and international players that operate in somewhat similar markets and business models to Enersense, although there are differences in the companies' service offerings and geographical market areas. We have also separated the Nordic peer companies closest to Enersense's Power and Connectivity businesses (Eltel, Netel, and Transtema), as we believe these serve as a very good benchmark for a large part of Enersense's current structure.

The median EV/EBITDA multiples for the entire peer group for 2025 and 2026 are around 9x and 8x, while the EV/EBIT multiples are around 13x and 10x. In turn, the corresponding P/E multiples are roughly 15x and 12x. In contrast, the multiples for the Nordic peers of the P&C units are significantly lower, as their average EV/EBITDA multiples for this year and next are 5x and 4x, EV/EBIT multiples are around 11x and 7x, and P/E multiples are around 18x and 7x. The multiples are also somewhat in line with the peer companies' forward 12-month levels over the past five years (cf. the entire peer group's median P/E: ~12x, EV/EBIT: ~11x, EV/EBITDA ~7x, and the Nordic median EV/EBIT: ~12x, median EV/EBITDA: ~5-6x, no relevant data for P/E) and with Nasdaq Helsinki's longer-term averages (P/E 14x-15x and EV/EBIT 11x-14x). Overall, we see the valuation of the entire peer group as being at a reasonably neutral level, while the multiples of the Nordic peers are currently quite

depressed. The current low valuation of the Nordic peers is weighed down by Netel's very low multiples, which we think do not yet take into account the challenges announced at the beginning of October.

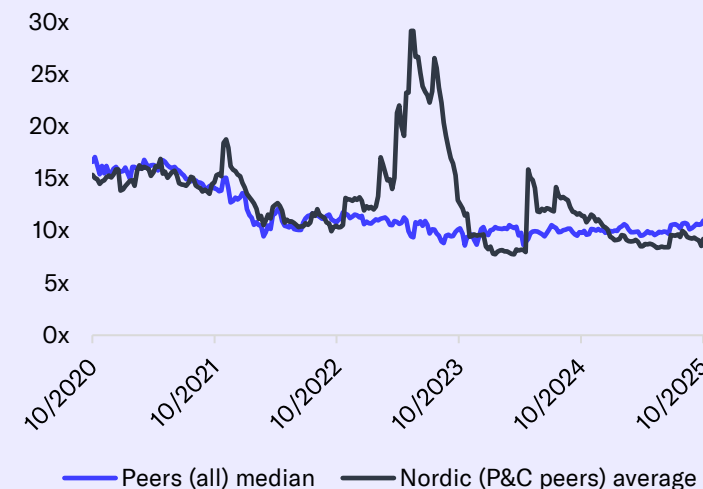
For the entire peer group, it is worth noting that Enersense is smaller than the average company, but we believe its growth and profitability potential do not differ significantly from its peers. In our opinion, the company's risk level is not chronically significantly higher than its peers, especially as the earnings turnaround and financial position strengthen, as its revenue streams are diversified across different business operations, and the company is not solely dependent on demand from a single market area.

Reflecting this overall picture and the factors influencing valuation, we see the acceptable valuation of the share at an EV/EBITDA multiple of 5x-7x, an EV/EBIT multiple of 8x-12x, and a P/E multiple of 10x-14x, depending on the earnings growth outlook. So far, we see the acceptable valuation settling near the lower end and mid-point of the ranges. In our opinion, an increase in acceptable valuation still requires concrete additional evidence of an earnings turnaround from the company, for which cleaner figures will have to wait until next year.

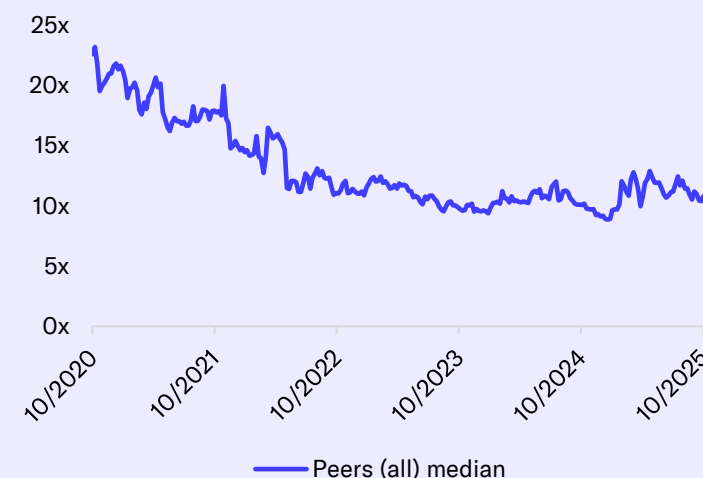
Absolute valuation

On our estimates, the current year's adjusted P/E ratio is very high (P/E 2025e: 75x), while next year the level already falls closer to neutral levels (P/E 2026: 14x). The corresponding adjusted EV/EBIT multiples are 10x and 7x, while the EV/EBITDA multiples are around 5x and 4x.

Peers' 12-month FW EV/EBIT



Peers' 12-month FW P/E



Valuation and recommendation (3/5)

In our view, this earnings-based valuation reflects an absolutely rather low net profit (incl. high financing costs), which makes net income-based multiples very sensitive to even small changes in forecasts. Instead, we see the EV-based valuation for the current year as relatively neutral, while there is upside in next year's multiples. However, the relevance of short-term EV-based multiples is somewhat limited by the still partly uncertain cost effects of the Value Uplift program and the final effects of the marine industry unit sale on the financial position.

In light of this and the partial uncertainty related to the short-term demand situation, we believe it is justified for the multiples to be at a fairly low level. However, our confidence in the turnaround of the core businesses' results remains, supported by strategic measures and the Value Uplift program, and our view is already more strongly based on next year's figures, which also more clearly reflect the effects of these measures. Be that as it may, we estimate that the full benefits of these measures will also require a more favorable market situation than at present, and thus the improvement in results will be gradual in the coming years, and at this stage, it is still challenging to assess the exact timing of the steepness of the earnings improvement curve.

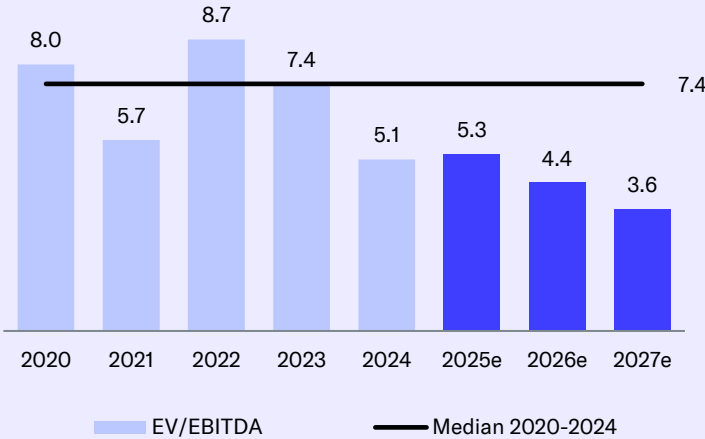
Sum-of-the-parts calculation

We believe that Enersense's valuation and fair value can also be assessed through a sum-of-the-parts calculation. In our opinion, the value of the core businesses can be estimated by using, for example, our forecast of 17.9 MEUR for the current year's adjusted EBITDA of the core businesses (baseline for earnings in our estimate) and

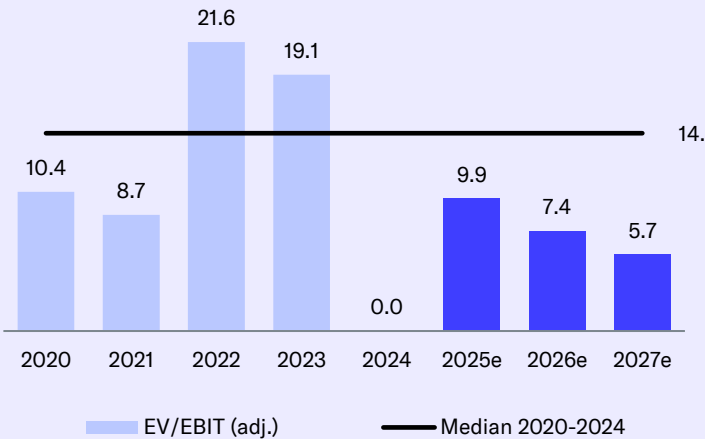
last year's realized result (around the level of our next year's forecast), as well as an acceptable valuation. In our view, the core businesses could currently be valued roughly at an EV/EBITDA multiple of 5x-6x. Using these parameters, we arrive at an enterprise value range of 89-124 MEUR for the core businesses. Correspondingly, by deducting our 2025 net debt estimate (31 MEUR) and adding the 2.5 MEUR related to the Offshore transaction that will be cashed in next year, we would arrive at a market value for the core businesses of 61-95 MEUR or EUR 3.7-5.8 per share. Relative to this range, the current stock market valuation is at the lower end of the range.

In addition to the core businesses, our SOTP valuation includes potential additional purchase prices for the renewable energy project development portfolio and the P2X investment. In our opinion, the potential additional purchase price of the renewable energy project development portfolio should be valued separately due to the time value associated with it and the uncertainty related to the final amount. Reflecting the current market outlook for onshore wind power and comments from Enersense and Fortum, we have distributed Enersense's estimated additional purchase price evenly over the years 2028-2039 and discounted this using the Group's WACC%. We believe that these values are not particularly aggressive, but we see this as providing some support for the valuation of the items. Valued this way, the present value of the additional purchase price (33 MEUR) is 13.0 MEUR or EUR 0.8 per share. Regarding the additional purchase prices, it is worth noting that due to their distant payment date, they will not help the company in the coming years (incl. next financing negotiations).

Enersense's EV/EBITDA (adj.)



Enersense's EV/EBIT (adj.)



Valuation and recommendation (4/5)

We have valued Enersense's ownership in P2X at approximately 8 MEUR, according to the value indicated by the latest reported funding round. The company has not yet commented on the fate of the ownership, but in light of this, we do not expect capital to be released from it in the short term, even though we believe this is not part of the company's core business either. In addition, in our view, there are some question marks regarding the value of the ownership due to poor visibility.

However, the outline shows that even with our current forecasts, we see the fair value of the core businesses as being on average higher than the share price, while other assets bring option value to the valuation. In our view, this also contributes to the attractiveness of the expected return.

Total expected return in the coming years

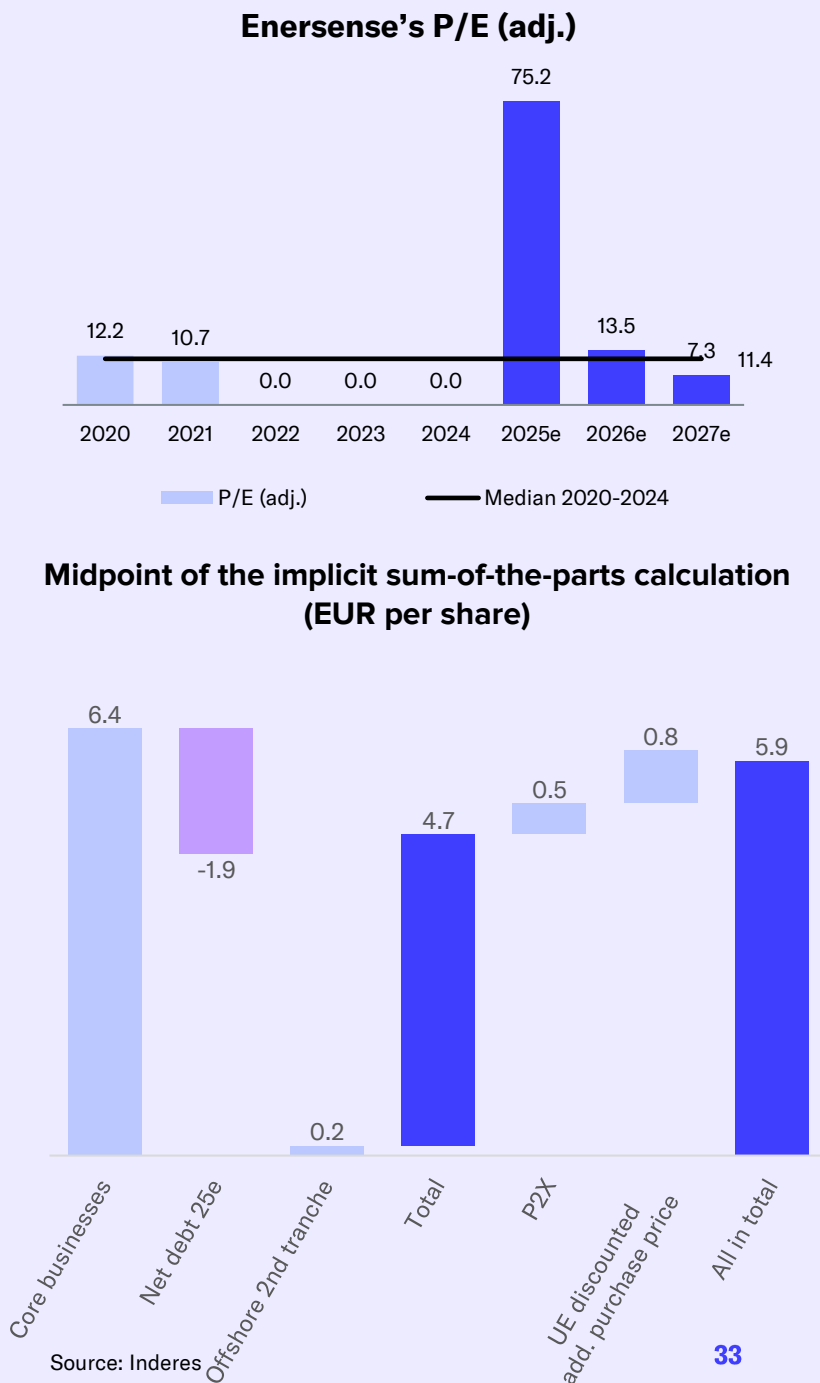
We have also looked at an investor's expected return over the next few years by simplifying the acceptable valuation and our 2027 earnings estimates. In our view, Enersense's businesses could be valued at the end of 2027 with our current forecasts, which anticipate margin improvement, at a P/E multiple of 11x–13x and an EV/EBIT multiple of 9x–11x. The multiples would naturally be influenced by the company's earnings growth prospects at that time and the general stock market situation (incl. interest rate level).

With these assumptions, we estimate that the share could be priced at roughly EUR 6.6–8.0 per share at the end of 2027. At the current share price of EUR 4.00, the average annual expected return would be as high as 31%. Over this period, we do not yet expect the dividend to

support the expected return. Converted to an annual return, this would correspond to as much as 31%, which exceeds our 11.6% cost of equity by a healthy margin. However, we note that the expected return is boosted by the EV-based valuation (P/E averaging 20-25% per year), which increases forecast risks, for example, regarding the development of the capital structure (e.g. cost impacts of strategy implementation, final impacts of the marine industry unit sale, future working capital development). In addition, the realization of the expected return relies on the materialization of our forecast earnings growth. These, together with the still early-stage strategy implementation and earnings turnaround, partly limit the usability of the calculation and the risk-adjusted attractiveness of the expected return. However, we believe the calculation gives an indication of the stock's return potential, especially in the longer term, if our forecasts materialize.

Cash flow based valuation

We have also determined Enersense's value using a discounted cash flow model (DCF). Due to the still relatively short visibility of the business (incl. market investment cycles) and the early stage of strategy implementation, long-term forecasting is quite difficult, which increases risks in both directions. The DCF model is also sensitive to the parameters to which it is set, especially the variables of the terminal period. However, we have used what we consider to be sufficiently conservative estimates of the terminal period parameters in our model, which we see as providing sufficiently relevant support for the other methods we use, and in particular for the longer-term potential analysis.



Valuation and recommendation (5/5)

Our model draws on the forecasts we have discussed earlier in this report. The terminal growth in our model is 2.0% and the EBIT margin estimate is 3.0% (last year's level). We estimate that our current cost of capital (WACC 10.6% and CoE 11.6%) is above the average required rate of return for the stock market, reflecting risks related to predictability, a financial position that still needs strengthening (incl. future refinancing), and investor confidence damaged by historical challenges. On the other hand, we believe the current management has no burden to bear in this regard, and our confidence in the strategic measures is at a good level. Thus, we see a gradual downside in the required return as the earnings turnaround strengthens and through favorable refinancing.

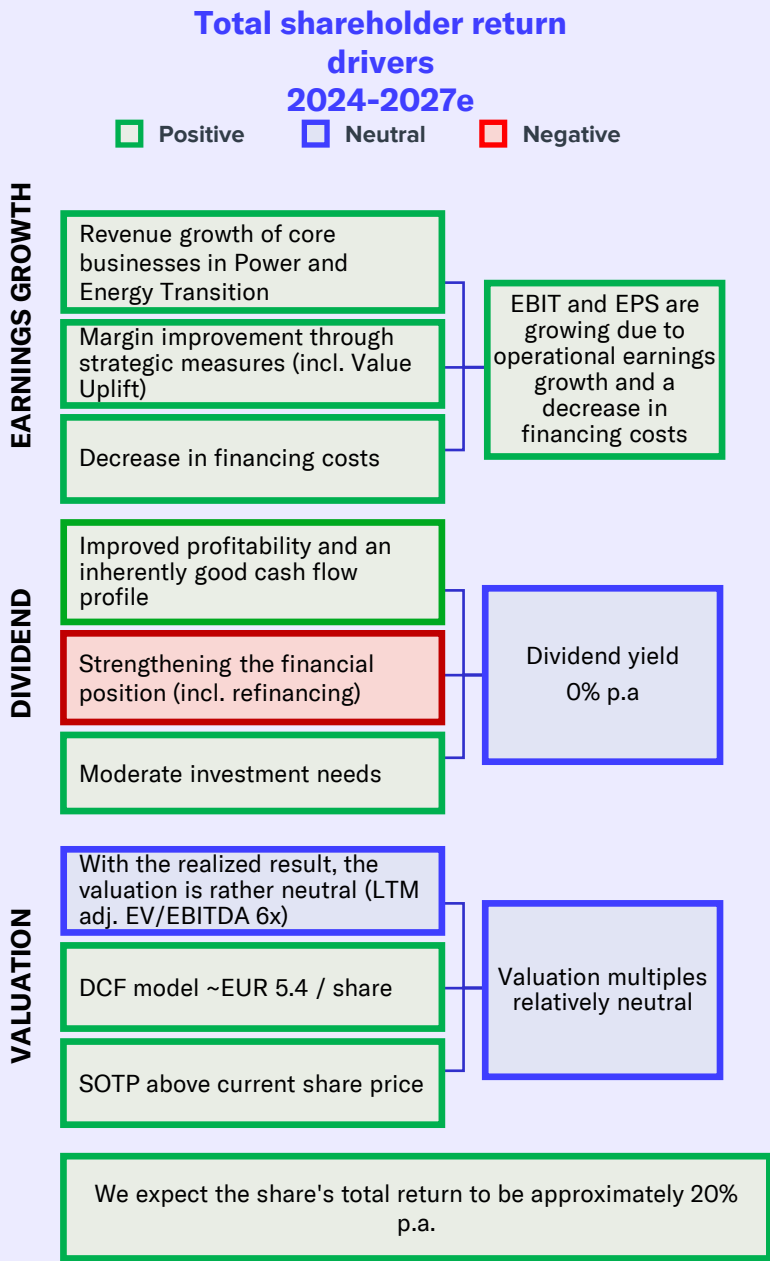
Our DCF model indicates a share value of around EUR 5.4 per share, and we consider the weight of the terminal period in the value of cash flows moderate (43%). The model also does not include assumptions about the realization of additional purchase prices for the development portfolio. Thus, our model is clearly above the current share price and also within the fair value indicated by our sum of the parts. Overall, our DCF model supports our view of the share's fair value and its upside potential.

Valuation summary

We raise our target price for Enersense to EUR 4.7 (was EUR 3.7) reflecting our positive forecast changes, but we lower our recommendation to Accumulate (was Buy) due to the share price increase. We remain confident in the sustainability of the core businesses' earnings

turnaround in the coming years, supported by the Value Uplift program, and in relation to this, we see upside in next year's EV-based multiples. This is also concretized by the fact that at our target price, next year's adjusted EV-based earnings multiples would be at the lower end of our accepted multiple ranges (EV/EBITDA ~5x, EV/EBIT ~8x). Our positive recommendation is also supported by the other methods we use. With the clear correction in the valuation, we believe that a stronger positive view would require even clearer concrete signs of an earnings turnaround and its future gradient. Despite all this, we still consider the stock's risk-adjusted expected return attractive. In addition, in our view, the investor currently receives options for the P2X investment and the future returns from the additional purchase prices of the renewable project development portfolio.

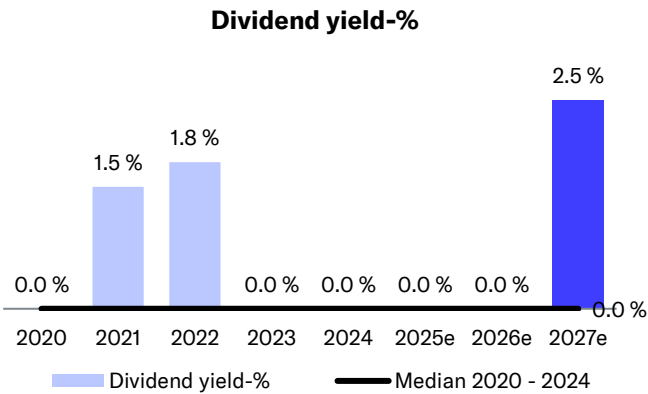
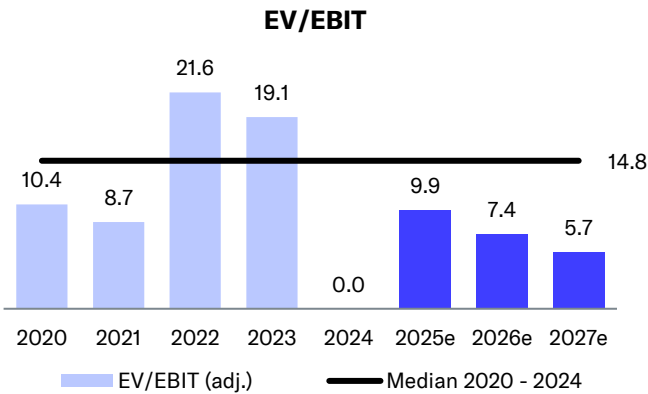
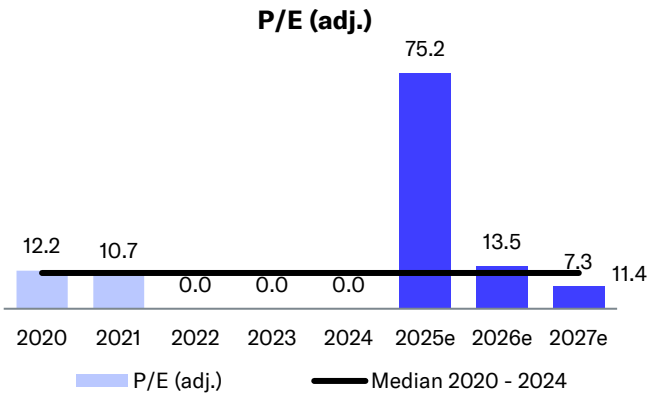
We currently estimate the fair value of Enersense's share to be EUR 3.7-5.8 per share, based on our forecasts for the coming years, the acceptable valuation multiples we have applied, a sum-of-the-parts calculation and our DCF model and its sensitivity analyses. We consider the key drivers of fair value to be the strengthening and stabilization of earnings growth and cash flow, as well as the strengthening of the financial position (incl. favorable refinancing), which we would also see as having a downward impact on the stock's required return.



Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	8.30	6.84	5.69	4.35	2.65	4.00	4.00	4.00	4.00
Number of shares, millions	7.4	13	16	16.5	16.5	16.5	16.5	16.5	16.5
Market cap	62	92	94	72	44	66	66	66	66
EV	78	95	106	109	74	97	94	86	76
P/E (adj.)	12.2	10.7	neg.	neg.	neg.	75.2	13.5	7.3	5.7
P/E	25.9	23.1	neg.	neg.	neg.	3.9	31.5	8.0	5.7
P/B	3.9	1.9	1.5	1.4	1.9	1.7	1.6	1.3	1.1
P/S	0.4	0.4	0.3	0.2	0.1	0.2	0.2	0.2	0.2
EV/Sales	0.5	0.4	0.4	0.3	0.2	0.3	0.3	0.2	0.2
EV/EBITDA	8.0	5.7	8.7	7.4	5.1	5.3	4.4	3.6	2.9
EV/EBIT (adj.)	10.4	8.7	21.6	19.1	neg.	9.9	7.4	5.7	4.4
Payout ratio (%)	0.0 %	33.7 %	neg.	0.0 %	0.0 %	0.0 %	0.0 %	19.9 %	28.6 %
Dividend yield-%	0.0 %	1.5 %	1.8 %	0.0 %	0.0 %	0.0 %	0.0 %	2.5 %	5.0 %

Source: Inderes



The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
Bilfinger SE	3907	3857	13.1	11.2	9.3	8.2	0.7	0.7	19.8	16.6	2.6	3.0	2.8
Bravida Holding	1738	2024	12.9	11.5	9.4	8.7	0.8	0.8	15.0	13.0	4.0	4.2	2.1
Eltel AB	123	279	12.7	8.8	5.3	4.5	0.3	0.3	39.4	12.1			0.8
Instalco	687	1086	17.2	13.0	9.8	8.1	0.9	0.8	15.1	11.4	2.3	2.7	2.1
Netel	23	103	6.8	5.8	4.5	4.1	0.3	0.3	3.1	2.4	7.3	12.6	0.2
Spie SA	7883	10280	14.6	13.3	9.7	9.1	1.0	0.9	17.6	15.3	2.4	2.7	3.5
Transtema Group	45	81	12.1	7.4	4.5	3.5	0.3	0.3	10.3	5.8			0.8
Viafin Service	74	73	12.2	10.5	9.2	8.2	0.8	0.7	15.8	14.5	3.4	3.7	2.6
Vinci SA	69522	96466	10.2	9.8	7.2	6.9	1.3	1.3	13.9	12.2	4.1	4.6	2.1
Enersense (Inderes)	66	97	9.9	7.4	5.3	4.4	0.3	0.3	75.2	13.5	0.0	0.0	1.7
Average			12.4	10.1	7.7	6.8	0.7	0.7	16.7	11.5	3.7	4.8	1.9
Median			12.7	10.5	9.2	8.1	0.8	0.7	15.1	12.2	3.4	3.7	2.1
Diff-% to median			-22%	-29%	-43%	-45%	-59%	-60%	399%	10%	-100%	-100%	-19%

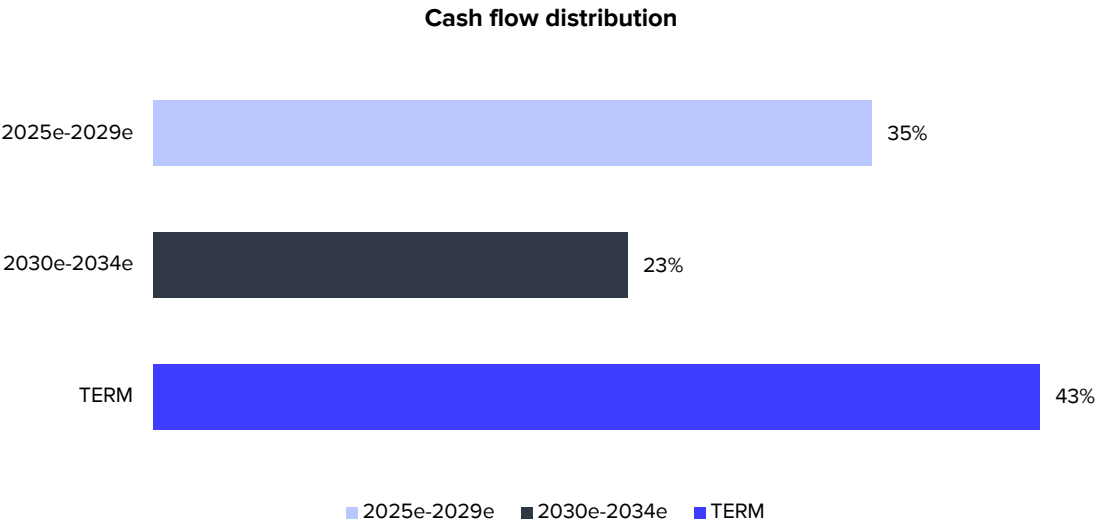
Source: Refinitiv / Inderes

DCF calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	16.9 %	-25.8 %	3.9 %	8.2 %	6.8 %	4.0 %	2.8 %	2.5 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	-3.3 %	8.0 %	2.8 %	4.0 %	4.5 %	4.2 %	3.8 %	3.5 %	3.2 %	3.0 %	3.0 %	3.0 %
EBIT (operating profit)	-14.1	25.3	9.2	14.1	17.2	16.5	15.4	14.5	13.5	12.9	13.2	
+ Depreciation	28.6	9.2	8.6	8.6	8.7	8.8	9.0	9.0	8.9	8.9	9.0	
- Paid taxes	-1.7	-0.2	-1.1	-1.9	-2.6	-2.8	-2.7	-2.5	-2.3	-2.2	-2.3	
- Tax, financial expenses	0.2	-0.1	-1.1	-0.7	-0.6	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	1.1	12.6	-2.3	0.0	0.7	0.1	-0.2	-0.3	-0.4	0.4	0.4	
Operating cash flow	14.1	46.8	13.2	20.1	23.4	22.4	21.3	20.6	19.5	19.9	20.2	
+ Change in other long-term liabilities	2.5	-1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	4.0	-38.8	-6.1	-8.7	-8.8	-8.9	-9.1	-9.2	-9.3	-9.3	-9.4	
Free operating cash flow	20.6	6.5	7.1	11.4	14.6	13.5	12.2	11.4	10.2	10.6	10.8	
+/- Other	-14.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	5.7	6.5	7.1	11.4	14.6	13.5	12.2	11.4	10.2	10.6	10.8	
Discounted FCFF		6.3	6.3	9.1	10.6	8.8	7.3	6.1	4.9	4.6	4.3	50.9
Sum of FCFF present value		119	113	107	97.5	86.9	78.1	70.8	64.7	59.8	55.2	50.9
Enterprise value DCF		119										
- Interest bearing debt		-50										
+ Cash and cash equivalents		19.8										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		88.7										
Equity value DCF per share		5.4										

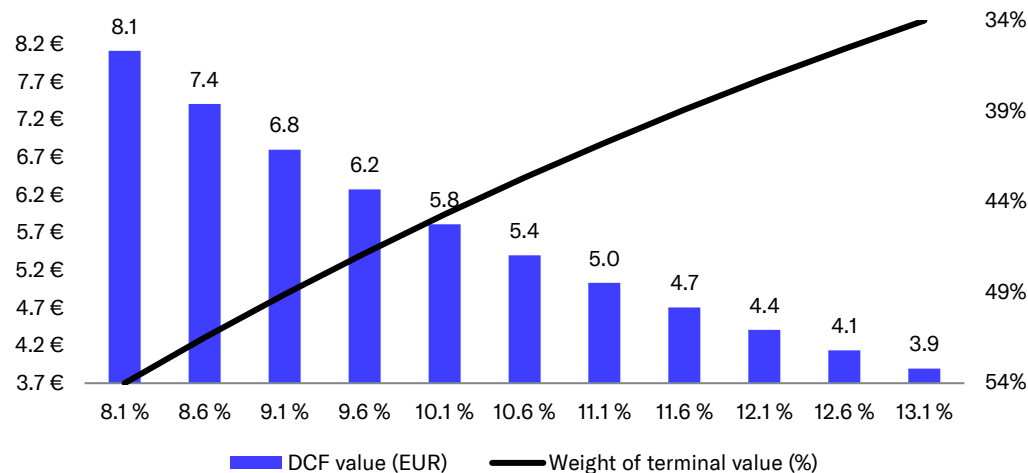
WACC	
Tax-% (WACC)	18.5 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	8.0 %
Equity Beta	1.45
Market risk premium	4.75%
Liquidity premium	2.20%
Risk free interest rate	2.5 %
Cost of equity	11.6 %
Weighted average cost of capital (WACC)	10.6 %

Source: Inderes

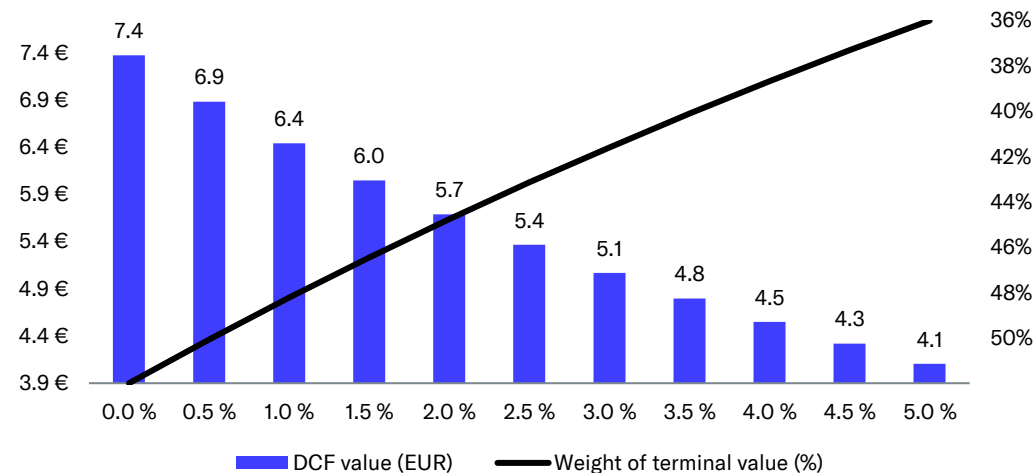


DCF sensitivity calculations and key assumptions in graphs

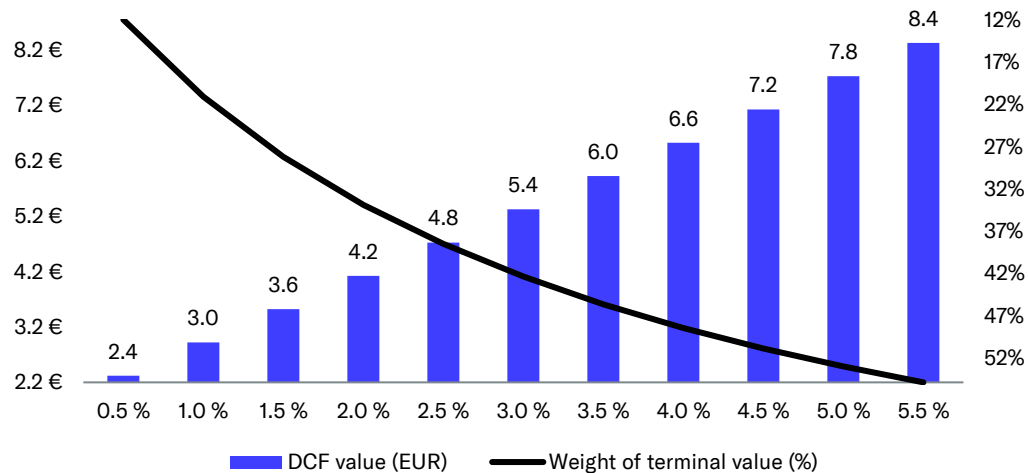
Sensitivity of DCF to changes in the WACC-%



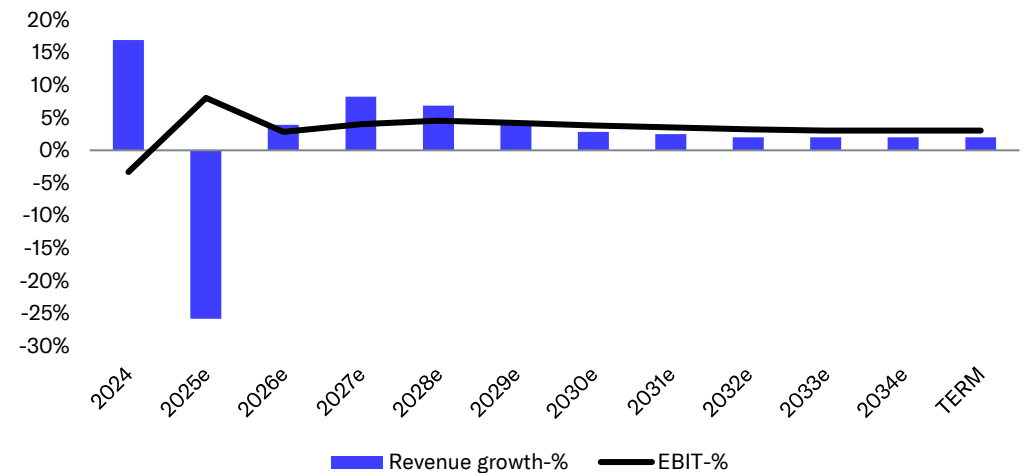
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	282.0	363.3	424.7	315.1	327.4	EPS (reported)	-0.56	-0.54	-1.83	1.03	0.13
EBITDA	12.2	14.7	14.5	34.5	17.8	EPS (adj.)	-0.47	-0.52	-1.83	0.05	0.30
EBIT	3.5	5.3	-14.1	25.3	9.2	OCF / share	1.35	0.04	0.86	2.84	0.80
PTP	-7.0	-8.5	-28.4	17.2	3.2	OFCF / share	-0.43	-0.99	0.35	0.39	0.43
Net Income	-9.2	-8.9	-30.2	17.0	2.1	Book value / share	3.77	3.15	1.36	2.39	2.52
Extraordinary items	-1.4	-0.4	0.1	15.5	-3.5	Dividend / share	0.10	0.00	0.00	0.00	0.00
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	230.2	213.7	194.5	181.4	184.1	Revenue growth-%	18%	29%	17%	-26%	4%
Equity capital	62.6	52.1	22.5	39.5	41.6	EBITDA growth-%	-27%	20%	-1%	138%	-48%
Goodwill	27.9	27.8	26.1	26.1	26.1	EBIT (adj.) growth-%	-55%	15%	-350%	-169%	29%
Net debt	11.9	36.6	30.6	31.3	28.3	EPS (adj.) growth-%	-173%	10%	255%	-103%	457%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	4.3 %	4.0 %	3.4 %	11.0 %	5.4 %
EBITDA	12.2	14.7	14.5	34.5	17.8	EBIT (adj.)-%	1.7 %	1.6 %	-3.3 %	3.1 %	3.9 %
Change in working capital	9.9	-13.8	1.1	12.6	-2.3	EBIT-%	1.2 %	1.4 %	-3.3 %	8.0 %	2.8 %
Operating cash flow	22.3	0.7	14.1	46.8	13.2	ROE-%	-16.6 %	-15.6 %	-81.1 %	55.0 %	5.2 %
CAPEX	-35.7	-5.7	4.0	-38.8	-6.1	ROI-%	3.6 %	4.9 %	-16.3 %	31.1 %	10.3 %
Free cash flow	-7.1	-16.3	5.7	6.5	7.1	Equity ratio	28.8 %	26.0 %	12.7 %	24.3 %	25.2 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	19.0 %	70.2 %	136.2 %	79.3 %	68.0 %
EV/S	0.4	0.3	0.2	0.3	0.3						
EV/EBITDA	8.7	7.4	5.1	5.3	4.4						
EV/EBIT (adj.)	21.6	19.1	neg.	9.9	7.4						
P/E (adj.)	neg.	neg.	neg.	75.2	13.5						
P/B	1.5	1.4	1.9	1.7	1.6						
Dividend-%	1.8 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
3/16/2021	Accumulate	9.00 €	8.50 €
5/5/2021	Accumulate	10.50 €	9.60 €
5/17/2021	Buy	10.50 €	8.94 €
8/16/2021	Buy	12.00 €	10.15 €
9/23/2021	Accumulate	11.00 €	9.56 €
11/3/2021	Reduce	8.00 €	7.88 €
12/21/2021	Reduce	7.00 €	6.54 €
12/23/2021	Accumulate	7.00 €	6.36 €
3/1/2022	Reduce	7.00 €	6.94 €
5/2/2022	Reduce	7.00 €	7.64 €
7/28/2022	Sell	5.00 €	6.40 €
8/5/2022	Sell	5.00 €	6.20 €
Analyst changed			
10/13/2022	Reduce	6.00 €	6.00 €
10/31/2022	Reduce	6.00 €	6.12 €
1/19/2023	Reduce	6.00 €	6.26 €
1/24/2023	Reduce	6.00 €	6.74 €
2/28/2023	Reduce	6.00 €	6.09 €
5/9/2023	Accumulate	6.00 €	5.32 €
8/4/2023	Reduce	6.00 €	6.10 €
10/30/2023	Reduce	4.70 €	4.47 €
3/1/2024	Reduce	4.40 €	4.15 €
4/29/2024	Reduce	4.20 €	3.74 €
5/6/2024	Reduce	3.10 €	2.96 €
8/5/2024	Accumulate	3.40 €	2.92 €
10/29/2024	Accumulate	3.40 €	2.95 €
12/20/2024	Accumulate	3.60 €	2.90 €
1/29/2025	Accumulate	3.20 €	2.80 €
3/3/2025	Reduce	2.70 €	2.43 €
4/23/2025	Accumulate	2.40 €	2.01 €
4/29/2025	Buy	2.80 €	2.15 €
8/8/2025	Buy	3.50 €	2.64 €
8/13/2025	Buy	3.70 €	2.84 €
10/10/2025	Accumulate	4.70 €	4.00 €



CONNECTING INVESTORS AND COMPANIES.

Inderes democratizes financial information by connecting investors and listed companies. For investors, we are an investing community and a trusted source of financial information and equity research. For listed companies, we are a partner in delivering high-quality investor relations. Over 500 listed companies in Europe use our investor relations products and equity research services to provide better investor communications to their shareholders.

Our goal is to be the most investor-minded company in finance. Inderes was founded in 2009 by investors, for investors. As a Nasdaq First North-listed company, we understand the day-to-day reality of our customers.

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