



Enersense International Plc's January-September 2023 Business Review: Strong growth in all business areas – full-year revenue expected to be over EUR 330 million

Enersense International Plc

Stock exchange release 27 October 2023 at 12:00 p.m.

The figures in this release are unaudited. The figures in brackets refer to the comparison period (the corresponding period of the previous year), unless otherwise stated. All figures and amounts have been rounded off from exact figures, which may result in minor inaccuracies in additions or subtractions.

JULY–SEPTEMBER 2023

- Revenue EUR 94.2 (64.4) million, 46.2% year-on-year.
- EBITDA EUR 3.9 (4.0) million, EBITDA margin 4.2 (6.3)%.
- There were no items affecting comparability in the third quarter. Adjusted EBITDA for the comparison period was EUR 4.3 million, or 6.6% of revenue.
- Operating profit EUR 1.6 (1.9) million, profit margin 1.7 (3.0)%.
- Undiluted earnings per share EUR -0.05 (0.08).

JANUARY–SEPTEMBER 2023

- Revenue EUR 255.5 (184.4) million, 38.5% year-on-year.
- EBITDA EUR 7.0 (8.8) million, EBITDA margin 2.8 (4.8)%.
- Adjusted EBITDA EUR 7.5 (9.3) million, or 2.9 (5.0)% of revenue.
- Operating profit EUR -0.1 (2.4) million, profit margin 0.0 (1.3)%.
- Undiluted earnings per share EUR -0.39 (-0.23).
- The order backlog stood at EUR 511 (385) million at the end of September.
- On 22 August 2023 Enersense announced that it had signed with Telia Finland a one-year extension agreement on the provision of telecommunications network field services. The value of the agreement is EUR 25 million.

Updated guidance for the 2023 financial period

In 2023, Enersense's revenue is expected to be over EUR 330 million and adjusted EBITDA in the range of EUR 12–18 million.

Despite the general economic uncertainty, the market situation in Enersense's business areas has continued to be good in the beginning of the year and the favourable development is expected to continue. The company's strong order backlog gives a good basis for increasing revenue. We have managed to accelerate the wind power

portfolio development and we assume that the same development continues. Profitability will be impacted by the implementation of the new ERP-system as well as on-going investments in developing the offshore wind power business and acceleration of onshore wind power project development. At the end of 2022 the company completed an offering of EUR 26 million convertible bond in order to implement these investments.

Earlier guidance, issued on 8 May 2023:

In 2023, Enersense's revenue is expected to be over EUR 300 million and adjusted EBITDA in the range of EUR 12–18 million.

Despite the general economic uncertainty, the market situation in Enersense's business areas has continued to be good in the beginning of the year and the favourable development is expected to continue. The company's strong order backlog gives a good basis for increasing revenue. We have managed to accelerate the wind power portfolio development and we assume that the same development continues. Profitability will be impacted by the implementation of the new ERP-system as well as on-going investments in developing the offshore wind power business and acceleration of onshore wind power project development. At the end of 2022 the company completed an offering of EUR 26 million convertible bond in order to implement these investments.

Key figures

Accounting of wind power projects was changed from the beginning of 2023. Comparison figures for 2022 are reported according to the new accounting principle.

	7–9/2023	7–9/2022	1–9/2023	1–9/2022	1–12/2022
Revenue (EUR 1,000)	94,168	64,390	255,491	184,419	281,997
EBITDA (EUR 1,000)	3,945	4,047	7,049	8,844	12,210
EBITDA, %	4.2	6.3	2.8	4.8	4.3
Adjusted EBITDA (EUR 1,000)	3,945	4,255	7,459	9,303	13,654
Adjusted EBITDA, %	4.2	6.6	2.9	5.0	4.8
Operating profit (EUR 1,000)	1,597	1,929	-51	2,385	3,479
Operating profit, %	1.7	3.0	0.0	1.3	1.2
Result for the period (EUR 1,000)	-1,129	1,169	-6,793	-4,258	-9,835
Equity ratio, %	26.8	39.0	26.8	39.0	28.8
Gearing, %	72.7	19.6	72.7	19.6	19.0
Return on equity, %	-1.9	2.9	-11.5	-10.4	-17.5
Earnings per share, undiluted, EUR	-0.05	0.08	-0.39	-0.23	-0.57
Earnings per share, diluted, EUR	-0.05	0.08	-0.39	-0.23	-0.57

President and CEO Jussi Holopainen

"Enersense's revenue has grown strongly in 2023. This trend continued in the third quarter, and the Group's revenue in January–September 2023 grew to EUR 255.5 (184.4) million, with an increase of 38.5% year-on-year. The order backlog remained strong and stood at EUR 511 (385) million at the end of the review period. The Group's adjusted EBITDA was 7.5 (9.3) million. In the review period, growth investments had an impact of EUR -6.3 (-3.4) million on EBITDA. EBITDA for the review period includes, in addition to adjustment items, also EUR 0.9 (4.2) million stemming from items outside the ordinary course of business. EBITDA in the comparison period increased as a result of significant sales revenue from wind power projects, too.

In the third quarter, we focused on our core activities, in which our work to improve profitability is already producing results. Our strong order backlog is keeping business

volumes at a good level, which is reflected in the positive profitability trend in our core business operations, although growth investments continue to burden overall profitability.

This is particularly prominent in our Smart Industry business, where the profitability of service and project business operations has developed strongly, but investments in offshore business operations are burdening the overall profitability of the business area. After a difficult 2022, the profitability of the International Operations business area has turned clearly positive in 2023, and this trend continued in the third quarter. In the Connectivity business area, the profitability improvement programme and high volumes supported by a strong order backlog had a positive impact on profitability in the third quarter. In August, we announced that we had signed an extension agreement of EUR 25 million with Telia Finland on the provision of field services for Telia Finland's telecommunications network. The extension agreement covers nearly all Connectivity's services and is one of the most comprehensive agreements in Connectivity. We are very pleased that our long-term cooperation with Telia Finland continues.

In the Power business area, revenue increased markedly year-on-year, and EBITDA remained at the same level as in the third quarter of 2022. Of the core businesses, the construction of transmission networks, in particular, continued steadily. In October, we announced an extension agreement on basic maintenance services for Fingrid's substations and power lines for 2024–2026. The extension agreement is a clear indication that the customer values our expertise and the benefits of long-term cooperation. The agreement further strengthens our position as a provider of maintenance and operation services for electricity networks in Finland. Our wind power projects progress as planned, too. In September, we sold our minority stake in the Soidinmäki wind farm. We continue to be responsible for O&M services during the operation of the wind farm under a multiyear agreement that covers the monitoring and maintenance of the substation and the electricity network. The transaction did not have a significant impact on the Power business area's EBITDA in the third quarter of 2023. Zero-emission transport is one of the focus areas of the Group's growth strategy. In the spring, we moved to industrial-scale production in our high-power charging stations by starting cooperation with Scanfil and we already have contracts to deliver equipment not only to Finland but also to Norway and Sweden. We see many opportunities for us in the Nordic charging market. Ramping up the electric vehicle charging solutions business continues.

Overall, our performance in the third quarter of 2023 met our expectations. Year-on-year, we are slightly behind our EBITDA in 2022, mainly because of significant revenues from wind power projects and the positive impact of corporate arrangements in the comparison period, as well as expenses related to the introduction of the new ERP system in 2023, which are somewhat higher than in 2022. Based on the strong growth during the early part of the year as well as on the order backlog that is on a good level, we have today updated our outlook for 2023 as regards to the revenue development. We expect the full-year revenue to grow over EUR 330 million. Guidance for the EBITDA remains unchanged."

This release is a summary of Enersense's January-September 2023 Business Review. The complete report is attached to this release as a pdf-file. It is also available on the company's website at www.enersense.com/press-releases/reports-and-presentations/.

ENERSENSE INTERNATIONAL PLC
Tommi Manninen
SVP, Communications and Public Affairs

More information:

Jussi Holopainen, CEO
Tel. +358 44 517 4543
Email: jussi.holopainen@enersense.com

Mikko Jaskari, CFO
Tel.: +358 40 053 5337
Email: mikko.jaskari@enersense.com

Media contacts:
Tommi Manninen, SVP, Communications and Public Affairs
Tel. +358 40 043 7515
Email: tommi.manninen@enersense.com

Distribution:

Nasdaq Helsinki
Major media
www.enersense.com

Enersense in brief:

Enersense International Plc is a creator of zero emission energy solutions and strongly supports the ongoing energy transition and enabling a zero-emission society. Enersense Group's revenue in 2022 was EUR 282 million. The company has approximately 2,000 employees, with operations in Finland and internationally. Enersense's shares are listed on Nasdaq Helsinki (ESENSE). The company's investor pages can be found at www.enersense.com/investors.