



Enersense International Plc's Financial Statement Bulletin 2023: Strong performance in the whole Group – revenue grew by 29% in 2023

Enersense International Plc
Financial Statement Bulletin 29 February 2024 at 12:25 p.m.

The figures in this bulletin are unaudited. The figures in brackets refer to the corresponding period of the previous year unless otherwise stated. All figures and sums have been rounded off from the exact figures which may lead to minor discrepancies upon addition or subtraction.

October–December 2023

- Revenue was EUR 107.8 (97.6) million, +10.5% year-on-year.
- EBITDA was EUR 7.7 (3.4) million. The EBITDA margin was 7.1 (3.5)%.
- There were no items affecting comparability in the fourth quarter
Adjusted EBITDA for the comparison period was EUR 4.3 million or 4.5% of revenue.
- The operating profit was EUR 5.3 (1.1) million. The profit margin was 4.9 (1.1)%.
- Undiluted earnings per share were EUR -0.15 (-0.34).

January–December 2023

- Revenue was EUR 363.3 (282.0) million, +28.8% year-on-year.
- EBITDA was EUR 14.7 (12.2) million. The EBITDA margin was 4.0 (4.3)%.
- Adjusted EBITDA was EUR 15.1 (13.7) million, or 4.2 (4.8)% of revenue.
- The operating profit was EUR 5.3 (3.5) million. The profit margin was 1.4 (1.2)%.
- Undiluted earnings per share were EUR -0.54 (-0.57).
- Renewable energy project portfolio was approximately 8,800 MW at the end of the year 2023 (6/2023: 8,100 MW) of which onshore wind power projects approximately 8,400 MW (6/2023: 8,100 MW).
- The order backlog stood at EUR 457 (415) million.

After the review period:

- On 9 January 2024, Enersense announced that it is merging the Power and International Operations business areas into a single business area. At the same time, the Smart Industry business area will be renamed Industry. From the beginning of 2024, Enersense will report three business areas instead of the current four: Power, Industry, and Connectivity. In accordance with the planned organizational changes Margus Veensalu, a member of the Group Executive Team, will step down from the Group Executive Team

but will continue at Enersense in another role.

- On 2 February 2024, Enersense announced that the Shareholders' Nomination Board proposes that the current Board members will be re-elected as board members, and Ville Vuori and Anders Dahlblom will be elected as new board members.

Distribution of funds to the shareholders

The Board of Directors proposes to the General Meeting that the result for the financial period 1 January 2023 to 31 December 2023 be transferred to the profit and loss account for previous financial periods and that, based on the balance sheet to be adopted for the financial period, no dividends be paid to shareholders.

In addition, the Board of Directors proposes to the General Meeting that the Board of Directors be authorized to decide on the distribution of funds to shareholders from the invested unrestricted equity reserve as a return of capital of at most EUR 0.10 per share, i.e. at most EUR 1.6 million in total. The return of capital could be paid in up to two instalments during the period between July and December 2024 as determined by the Board of Directors. The possible return of capital would be paid to shareholders who, on the record dates determined subsequently by the Board of Directors, are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd. The authorization is valid until 31 December 2024 at the latest.

Guidance for the 2024 financial year

In 2024, Enersense's revenue is expected to be in the range of EUR 365–435 million and EBITDA in the range of EUR 15–25 million.

The revenue is expected to grow in 2024. Outlook especially for the company's growth areas is favourable. The EBITDA is expected to grow. Profitability is expected to improve even if the investments in growth continue.

Board of Directors' Report and Financial Statements

The 2024 Annual General Meeting of Enersense International Plc is scheduled to take place on Thursday 4 April 2024. The company's Board of Directors will convene the Annual General Meeting separately.

Enersense's Financial Statements and Board of Directors' Report (ESEF), Corporate Governance Statement and Remuneration Report for 2023 will be published during the week beginning 4 March 2024. All reports will be available on the company's [website](#).

Key figures

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.

	10–12/2023	10–12/2022	Change-%	1–12/2023	1–12/2022	Change-%
Revenue (EUR 1,000)	107,827	97,578	10.5	363,318	281,997	28.8
EBITDA (EUR 1,000)	7,655	3,367	127.4	14,704	12,210	20.4
EBITDA, %	7.1	3.5		4.0	4.3	
Adjusted EBITDA (EUR 1,000)	7,655	4,350	76.0	15,115	13,654	10.7
Adjusted EBITDA, %	7.1	4.5		4.2	4.8	
Operating profit (EUR 1,000)		1,095	n.a	5,260	3,479	51.2
	5,311					
Operating profit, %	4.9	1.1		1.4	1.2	
Result for the period (EUR 1,000)	-2,356	-5,577		-9,149	-9,835	
Equity ratio, %	26.0	28.8		26.0	28.8	
Gearing, %	70.2	19.0		70.2	19.0	

Return on equity, %	-4.1	-9.9	-16.0	-17.5
Earnings per share, undiluted, EUR	-0.15	-0.34	-0.54	-0.57
Earnings per share, diluted, EUR	-0.15	-0.34	-0.54	-0.57

President and CEO Jussi Holopainen

"Our strong growth continued in 2023, and we improved the profitability of our core business operations. Our revenue increased by 28.8% from 2022 and was EUR 363.3 (282.0) million. The revenue includes EUR 7.6 million (14.0) in sales revenue from wind power projects. The Group's adjusted EBITDA was EUR 15.1 (13.7) million. The profitability of the core business operations improved in all business areas. However, investments in strategic focus areas continued to be significant, and had an impact of EUR -11.8 (-6.1) million on EBITDA. At the end of the year, the Group's order backlog was at a good level, at EUR 457 (415) million. The Group's cash flow turned positive in the last quarter of the year.

Implementing the energy transition through profitable and growing business operations is at the core of our strategy. In 2023, all our business areas increased their revenue significantly, supported by a strong order backlog. In the Baltic countries, the construction of high-voltage power lines continued at a good level. In Connectivity, there was strong activity in fixed optical fibre construction projects. In late 2022 and early 2023, we announced contracts totalling around EUR 100 million for the construction of optical fibre connections. In the Power business area, the market situation was good, particularly in services related to the construction of transmission networks. Enersense plays a significant role in implementing projects related to Finland's main grid. In Smart Industry, revenue increased as a result of higher volumes in service and project business operations.

We are particularly pleased with the significant increase in EBITDA in the Smart Industry, Connectivity and International Operations business areas. In the Power business area, EBITDA decreased year-on-year. Investments in strategic focus areas continued to be reflected in the profitability of the Smart Industry and Power business areas, and especially the ramp-up of the offshore-business has been slower than anticipated. However, both business areas have been able to improve the profitability of their core business operations, supported by strong volumes in particular. In the International Operations and Connectivity business areas, higher volumes and profitability improvement measures have already yielded results. Our significant investment in the company's ERP system progressed to the next phase towards the end of the year, when the system was successfully implemented in the Smart Industry business area. The successful first phase lays a good foundation for the implementation of the system in other business areas.

To achieve our strategic growth targets, we are working to strengthen our position in our selected focus areas. We received our first significant orders for offshore projects during 2023. These projects increased business volumes, but the investments in the ramp-up of operations continued to burden profitability. We continued to develop our wind and solar power project portfolio. At the end of 2023, our onshore wind power project portfolio stood at around 8,400 MW (June 2023: 8,100 MW), and our solar power project portfolio totalled around 400 MW (June 2023: 60 MW). Our renewable energy project development portfolio of around 8,800 MW provides a good basis for the development of our own energy production. The assessment of the options related to our own energy production continues in line with the process announced in June 2023.

In charging solutions for zero-emission transport, we further specified our role as a developer and supplier of high-power charging technology. The market introduction of our advanced ECDC high-power charging equipment is progressing, and interest in the equipment has been at a good level, especially in the professional and commercial charging operator segments that are of interest to us. In November, as the first operator in Finland, we announced cooperation with electric transport payment and management platform developer Monta and started preparing integrations with several electric transport back-end system suppliers.

Towards the end of the year, we made a significant decision in the field of climate work by making a commitment to the near-term emissions reduction target of the Science Based Targets initiative. Through the commitment, we will determine science-based emissions reduction targets by the end of 2025 that support the Paris Agreement's guideline to limit global warming to 1.5 degrees. We also wanted to engage our supply chain in the discussion on the transition towards low-emission solutions in the steel industry. In late 2023, we joined WWF Finland's Ready for Green Steel campaign, which encourages steel industry companies to accelerate this positive change.

We have set ourselves ambitious financial targets for 2027. The strong growth in 2023 shows that we are on the right track in terms of our growth targets. Alongside growth, we will increasingly shift our focus to improving profitability. For example, we believe that the new ERP system will increase the efficiency of our operations. The work to streamline our business portfolio will also continue. At the beginning of 2024, we started preparatory work to merge the organisations of the Power and International Operations business areas. Very similar projects are being carried out in these two business areas in many respects, and we believe that by combining these operations we will improve both our competitiveness and our efficiency.

The outlook for 2024 is favourable and we expect both the revenue and EBITDA to grow. In 2024, we expect the revenue to be in the range of EUR 365–435 million and EBITDA in the range of EUR 15–25 million."

This release is a summary of Enersense's Financial Statement Bulletin 2023. The complete report is attached to this release as a pdf-file. It is also available on the company's [website](#).

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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 2023 was EUR 363 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.