

EQUITY RESEARCH

EVISO SPA
 RESULTS REVIEW

BUY

TP 6.5€

Up/Downside: 32%

Q3 2024 Preliminary Results

eVISO's Q3 preliminary results highlighted significant growth in delivered electricity volumes (+13% vs. FY 2023) and significant growth in gas volumes reaching 3.3m cubic meters, doubling FY 2023 data, all this in just 9M.

For the first time, Eviso reported its 9M key performance indicators for 2024. Revenue amounted to €165.4m (vs. €224.9m for FY 2023). We expected Eviso to be able to close the year with revenue growth of 1% YoY, thanks to significant volume growth offset by a 57% drop in the price of the raw material at 9M compared to the average for FY 2023.

9M volumes on the reseller channel amounted to 453 GWh (+18% vs. 2023 9M deliveries), while on the direct channel they reached 218 GWh (+2 % vs. total 9M deliveries from the previous year). Growth in direct volumes was in line with our expectations, volumes in the reseller segment were slightly lower than our estimates. For this reason, we have corrected our delivery estimates for the current year by around 15% and for the next few years by around 10%.

Regarding the Gas segment, the company, on the other hand, far exceeded our growth estimate of 50%, delivering in just 9M double the volumes vs. the previous year. We have therefore upgraded our estimates for both 2024 and for the years to come, estimating that eVISO still has significant room for growth in this raw material.

Net debt (positive cash) stood at €5.4m (slightly better than €5.3m in December 2023). The company has pre-announced that this same figure at the end of April stood at €8.4m, giving us confidence that the company can meet, or even exceed, our expectation of €8.7m by the end. of year.

The combination of changes in our estimates had a slightly negative impact on our EPS estimates, especially for the next two years, but the decline in the risk-free rate and the recent strong growth in the stock values of all major resellers in the Italian energy market allow us to maintain the stock's price target at €6.5. We strongly reiterate our Buy rating.

Key data

Price (€)	4.9
Industry	Technology Services
Ticker	EVISO-IT
Shares Out (m)	24.662
Market Cap (m €)	121.8
Average trading volumes (k shares / day)	5.766

Source: FactSet

Ownership (%)

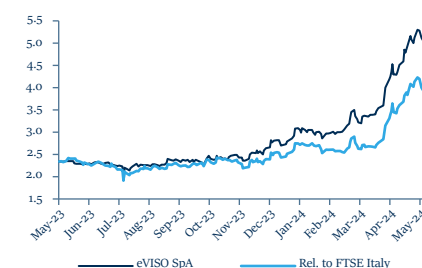
O Caminho S.r.l.	52.7
Iscat S.r.l.	13.9
Pandora S.S.	12.2
Arca Fondi SGR	3.0
Free float	21.2

Source: TPICAP Midcap estimates

EPS (€)	06/24e	06/25e	06/26e
Estimates	0.24	0.41	0.51
Change vs previous estimates (%)	-6.87	-7.89	-2.41

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-1.2	14.9	75.2
Rel FTSE Italy	-2.1	10.3	50.0



Source: FactSet

TP ICAP Midcap Estimates	06/23	06/24e	06/25e	06/26e	Valuation Ratio	06/24e	06/25e	06/26e
Sales (m €)	224.9	227.3	308.3	355.0	EV/Sales	0.5	0.3	0.3
Current Op Inc (m €)	0.0	9.6	15.3	18.8	EV/EBITDA	9.5	5.9	4.3
Current op. Margin (%)	0.0	4.2	5.0	5.3	EV/EBIT	11.8	6.9	5.0
EPS (€)	-0.05	0.24	0.41	0.51	PE	20.2	12.1	9.7
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-1.5	0.6	7.5	12.5				

Consensus FactSet - Analysts:na	06/24e	06/25e	06/26e
Sales	246.2	341.0	387.6
EBIT	9.7	15.6	18.9
Net income	6.2	10.5	12.9

Analyst

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FINANCIAL DATA

Income Statement	06/21	06/22	06/23	06/24e	06/25e	06/26e
Sales	75.7	208.1	224.9	227.3	308.3	355.0
Changes (%)	58.3	174.9	8.1	1.1	35.6	15.2
Gross profit	44.4	43.9	41.4	107.9	150.5	177.2
% of Sales	58.6	21.1	18.4	47.5	48.8	49.9
EBITDA	3.3	5.0	2.0	12.0	17.9	21.6
% of Sales	4.4	2.4	0.9	5.3	5.8	6.1
Current operating profit	2.2	3.2	0.0	9.6	15.3	18.8
% of Sales	2.9	1.5	0.0	4.2	5.0	5.3
Non-recurring items	-0.1	-0.3	-0.3	-0.7	-0.9	-1.1
EBIT	2.1	2.8	-0.3	8.9	14.4	17.8
Net financial result	-0.4	-0.2	-0.4	-0.5	-0.4	-0.4
Income Tax	-0.4	-3.7	-0.5	-2.3	-3.9	-4.8
Tax rate (%)	24.6	142.7	-77.6	27.9	27.9	27.9
Net profit, group share	1.3	-1.1	-1.2	6.0	10.1	12.5
EPS	0.05	na	na	0.24	0.41	0.51
Financial Statement	06/21	06/22	06/23	06/24e	06/25e	06/26e
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	12.6	14.6	18.0	19.9	20.0	20.1
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	4.9	4.6	2.2	2.2	2.2	2.2
Working capital	-0.4	-8.5	-11.9	-8.3	-6.0	-6.0
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
Assets	17.1	10.7	8.3	13.7	16.3	16.3
Shareholders equity group	19.8	18.3	16.8	21.8	31.9	44.4
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	0.3	0.6	0.5	0.5	0.5	0.5
Net debt	-3.1	-8.3	-9.0	-8.7	-16.2	-28.7
Other liabilities	0.2	0.1	0.0	0.0	0.0	0.0
Liabilities	17.1	10.7	8.3	13.7	16.3	16.3
Net debt excl. IFRS 16	-3.1	-8.3	-9.0	-8.7	-16.2	-28.7
Gearing net	-0.2	-0.5	-0.5	-0.4	-0.5	-0.6
Leverage	-0.9	-1.6	-4.5	-0.7	-0.9	-1.3
Cash flow statement	06/21	06/22	06/23	06/24e	06/25e	06/26e
CF after elimination of net borrowing costs and taxes	2.7	4.4	0.5	8.4	12.7	15.3
Δ WCR	-0.0	4.7	3.5	-3.5	-2.4	0.0
Operating cash flow	2.7	9.1	3.9	4.9	10.3	15.3
Net capex	-3.0	-3.8	-5.4	-4.3	-2.7	-2.9
FCF	-0.3	5.2	-1.5	0.6	7.5	12.5
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	-0.1	-0.1	-0.9	0.0	0.0	0.0
Change in borrowings	0.2	3.3	2.8	-1.5	0.0	0.0
Dividends paid	-0.3	-0.4	0.0	0.0	0.0	0.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	7.9	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	7.8	2.9	2.8	-1.5	0.0	0.0
ROA (%)	7.7%	na	na	43.9%	61.9%	76.7%
ROE (%)	6.7%	na	na	27.6%	31.5%	28.2%
ROCE (%)	11.0%	17.4%	0.2%	43.7%	47.9%	42.4%

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Methodology

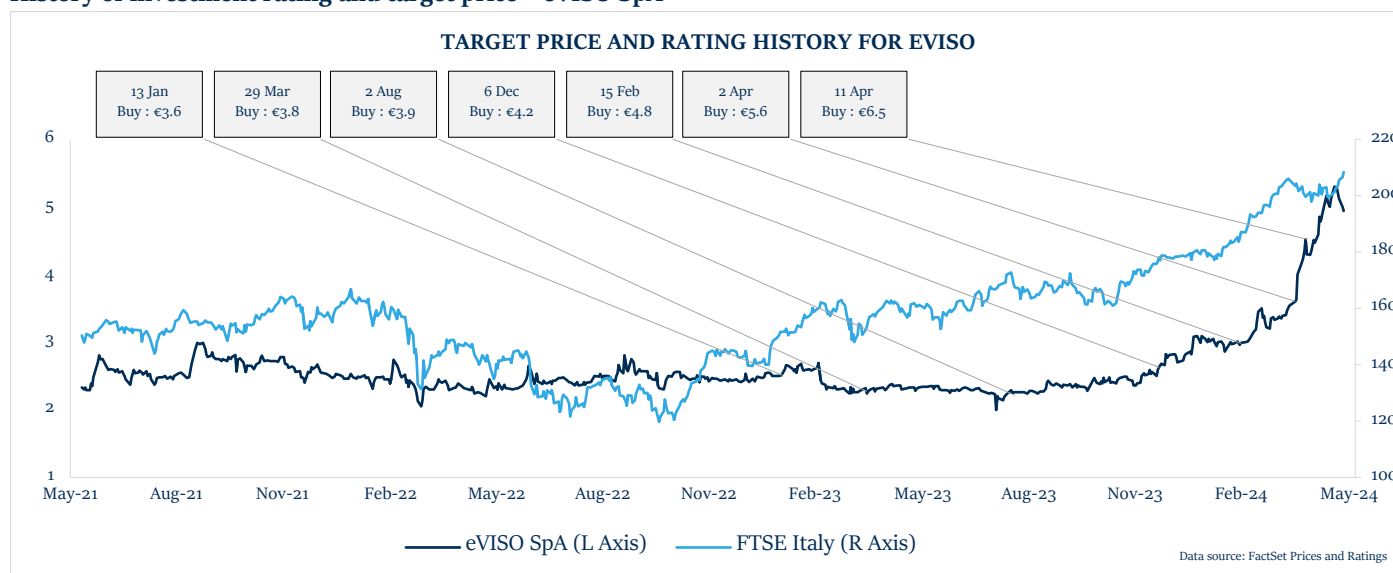
This Report may mention evaluation methods defined as follows:

1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

Conflict of Interests between TP ICAP Midcap and the Issuer

G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: eVISO SpA

History of investment rating and target price – eVISO SpA



Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	81%	64%
Hold	15%	54%
Sell	2%	33%
Under review	1%	100%

Midcap employs a rating system based on the following:

Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.

Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.

Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at <https://researchtpicap.midcapp.com/en/disclaimer>.

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