

EQUITY RESEARCH

EVISO SPA
NEWS

BUY
TP 9.2€ (vs 8.8€)
Up/Downside: 10%
Innovation in gas may drive down supply costs

Expected improvement in gross margin, better diversification of suppliers, favorable gas price dynamics, and an improvement in the cash cycle. TP +5%

Eviso announced yesterday that it has completed the integration of the gas supply chain through a technology upgrade, allowing it to buy directly on the GME exchange, transport the energy via the SNAM grid and deliver it to the consumption points (PDR). The gas market has a longer supply chain than the electricity market, thus explaining the company's initiative in automating the process.

Major implications: **(1) Reduction of supply costs between € 0.02/smc** (*standard meter cubic*) **and € 0.035/smc**. To date (applying the conversion rate of 0.0106), the price of EU natural gas (Amsterdam Stock Exchange) is around € 0.494smc (-11.1% YTD). The forecast of "reduction" in supply costs theoretically represents a relative value of c. 5% of the Italian PSV (virtual swap point) price. For the FY24/25 financial year ending 30/06/25, we expect a total gas volume of 12,000,000 smc (+160% YoY, in line with the growth of the last 2 years) and, consequently, a positive effect on gross margin (exp. c. € 176mn FY24/25). We remain cautious about the impact of the new technology, assuming a gain of €0.025/smc (low end of the range); **(2) Improved cash conversion cycle (c. -30 days)**. No longer requiring advances and instead paying for gas the same month or month after purchase, so that the NWC should improve. We recall that in the KPIs published the current month, the momentum of NWC had a positive effect of +€ 4.5mn on the NFP (cash positive for € 11.3mn); **(3) Acceleration in the provision of additional services to existent and new clients**.

We also consider as necessary to highlight some macro-political considerations influencing the fall and **stabilization of the gas price** (our take, positive for EVISO), including: (a) **discussions with the United States in favor of a peace agreement between Russia and Ukraine**; (b) requests from EU countries to relax the mandates to fill up stocks (**thus reducing the demand for gas**). **We are improving our estimates on EVISO due to:** (i) a **cautious upward revision of the gross margin**, thanks to the reduction in supply costs; (ii) **better diversification of suppliers**, with EVISO now able to purchase gas without being tied to a limited number of operators; (iii) **stabilisation and declining of energy and gas prices**, due to potential developments in favour of peace between Russia and Ukraine, which could help the ECB to reduce rates faster if inflation in the euro area falls, **thereby boosting industrial sectors and their energy consumption**; (iv) an **improvement in the cash cycle**, thereby strengthening EVISO's ability to respond to price volatility. **EPS 25/26/27E +2.0/+2.4/+1.1%**.

TP +5% to 9.2€ (vs. previous 8.8€). We reiterate the BUY recommendation.

TP ICAP Midcap Estimates	06/24	06/25e	06/26e	06/27e	Valuation Ratio	06/25e	06/26e	06/27e
Sales (m €)	224.3	352.8	480.2	527.6	EV/Sales	0.5	0.4	0.3
Current Op Inc (m €)	8.7	13.4	17.2	19.5	EV/EBITDA	12.0	9.3	7.7
Current op. Margin (%)	3.9	3.8	3.6	3.7	EV/EBIT	14.4	10.8	8.9
EPS (€)	0.20	0.36	0.46	0.53	PE	23.0	17.9	15.6
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	5.7	3.9	8.7	13.0				

Key data

Price (€)	8.3
Industry	Technology Services
Ticker	EVISO-IT
Shares Out (m)	24.662
Market Cap (m €)	204.7
Average trading volumes (k shares / day)	46.500

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 (€)	06/25e	06/26e	06/27e
Estimates	0.36	0.46	0.53
Change vs previous estimates (%)	1.98	2.42	1.12

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	1.2	11.6	15.6
Rel FTSE Italy	1.1	5.1	2.6



Source: FactSet

Consensus FactSet - Analysts:na	06/25e	06/26e	06/27e
Sales	224.5	342.4	433.8
EBIT	8.1	13.1	16.4
Net income	4.9	8.6	11.0

Analyst

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FINANCIAL DATA

Income Statement	06/22	06/23	06/24	06/25e	06/26e	06/27e
Sales	208.1	224.9	224.3	352.8	480.2	527.6
Changes (%)	174.9	8.1	-0.3	57.3	36.1	9.9
Gross profit	43.9	41.4	111.2	173.8	242.7	271.8
% of Sales	21.1	18.4	49.6	49.3	50.5	51.5
EBITDA	5.0	2.0	11.0	16.0	20.0	22.6
% of Sales	2.4	0.9	4.9	4.5	4.2	4.3
Current operating profit	3.2	0.0	8.7	13.4	17.2	19.5
% of Sales	1.5	0.0	3.9	3.8	3.6	3.7
Non-recurring items	-0.3	-0.3	-1.2	-0.7	-1.0	-1.1
EBIT	2.8	-0.3	7.5	12.7	16.2	18.5
Net financial result	-0.2	-0.4	-0.5	-0.4	-0.3	-0.3
Income Tax	-3.7	-0.5	-2.1	-3.4	-4.4	-5.1
Tax rate (%)	142.7	-77.6	30.2	27.9	27.9	27.9
Net profit, group share	-1.1	-1.2	4.9	8.9	11.4	13.1
EPS	na	na	0.20	0.36	0.46	0.53
Financial Statement	06/22	06/23	06/24	06/25e	06/26e	06/27e
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	14.6	18.0	20.1	20.1	20.0	19.8
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	4.6	2.2	3.9	3.9	3.9	3.9
Working capital	-8.5	-11.9	-14.6	-9.5	-6.7	-6.4
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
Assets	10.7	8.3	9.4	14.5	17.2	17.3
Shareholders equity group	18.3	16.8	20.1	25.5	35.9	47.9
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	0.6	0.5	0.7	0.7	0.7	0.7
Net debt	-8.3	-9.0	-11.5	-11.8	-19.4	-31.3
Other liabilities	0.1	0.0	0.0	0.0	0.0	0.0
Liabilities	10.7	8.3	9.4	14.5	17.2	17.3
Net debt excl. IFRS 16	-8.3	-9.0	-11.5	-11.8	-19.4	-31.3
Gearing net	-0.5	-0.5	-0.6	-0.5	-0.5	-0.7
Leverage	-1.6	-4.5	-1.0	-0.7	-1.0	-1.4
Cash flow statement	06/22	06/23	06/24	06/25e	06/26e	06/27e
CF after elimination of net borrowing costs and taxes	4.4	0.5	10.6	11.5	14.2	16.1
Δ WCR	4.7	3.5	-0.3	-5.1	-2.8	-0.3
Operating cash flow	9.1	3.9	10.2	6.4	11.4	15.9
Net capex	-3.8	-5.4	-4.5	-2.6	-2.7	-2.9
FCF	5.2	-1.5	5.7	3.9	8.7	13.0
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	-0.1	-0.9	-2.0	0.0	0.0	0.0
Change in borrowings	3.3	2.8	-2.0	0.0	0.0	0.0
Dividends paid	-0.4	0.0	0.0	-1.1	-1.1	-1.1
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	0.0	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	2.9	2.8	-2.0	-1.1	-1.1	-1.1
ROA (%)	na	na	51.8%	61.5%	66.4%	75.6%
ROE (%)	na	na	24.2%	34.8%	31.9%	27.4%
ROCE (%)	17.4%	0.2%	43.3%	52.6%	47.8%	40.8%

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Analyst certifications

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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



Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
17 Feb 25 - 08:00:52	Michele Mombelli	€ 8.80	€ 8.80	€ 8,36	Achat	Buy
14 Feb 25 - 08:19:57	Michele Mombelli	€ 8.80	€ 8.80	€ 8,10	Achat	Buy
29 Jan 25 - 07:54:21	Michele Mombelli	€ 8.80	€ 8.80	€ 7,80	Achat	Buy
18 Dec 24 - 08:18:55	Davide Longo	€ 7.80	€ 8.80	€ 6,42	Achat	Buy
12 Dec 24 - 08:23:25	Davide Longo	€ 7.80	€ 7.80	€ 6,32	Achat	Buy
19 Nov 24 - 08:17:01	Davide Longo	€ 7.20	€ 7.80	€ 6,18	Achat	Buy
10 Oct 24 - 08:27:06	Davide Longo	€ 7.20	€ 7.20	€ 5,74	Achat	Buy
26 Sep 24 - 08:06:33	Davide Longo	€ 6.80	€ 7.20	€ 5,60	Achat	Buy
13 Sep 24 - 08:01:59	Davide Longo	€ 6.80	€ 6.80	€ 5,28	Achat	Buy
05 Sep 24 - 08:23:30	Davide Longo	€ 6.80	€ 6.80	€ 5,20	Achat	Buy
30 Aug 24 - 08:25:00	Davide Longo	€ 7.10	€ 6.80	€ 5,10	Achat	Buy
06 Aug 24 - 08:15:11	Davide Longo	€ 7.10	€ 7.10	€ 5,12	Achat	Buy
18 Jul 24 - 08:03:42	Davide Longo	€ 7.10	€ 7.10	€ 5,04	Achat	Buy
09 Jul 24 - 08:21:02	Davide Longo	€ 7.10	€ 7.10	€ 5,08	Achat	Buy

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	80%	61%
Hold	15%	72%
Sell	3%	20%
Under review	2%	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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