

EQUITY RESEARCH

EVISO SPA
NEWS

BUY

TP 7.1€

Up/Downside: 41%

Excellent growth perspectives

On June 20, the extraordinary general meeting of shareholders approved the allocation of multiple voting rights (1:10) for a maximum of 15 shares for every 100 held from the time of the resolution until September 1, 2024, granting a withdrawal right with a liquidation value of €3.82. During the period following the resolution, the stock has been under pressure, although the company's fundamentals remain stronger than ever today.

On June 20, eVISO S.p.A. held an extraordinary general meeting of shareholders, approving statutory changes to grant additional voting rights to shareholders. Specifically, for 15 shares out of every 100 shares held between June 20 and September 1, voting rights will be increased from 1 to 10 upon prior request. Shareholders opposed to the changes can exercise their withdrawal right, with a liquidation value of €3.82 per share, within specific deadlines.

The impact on capital will be neutral as no new shares will be issued, yet the stock has been under pressure this week despite the excellent expectations for the closing of the 2024 annual results (which the company closes on June 30 each year), with the main KPIs expected on August 28.

We expect the company to have ended the year with an EBITDA of €12m (of which €6.6m was generated in H2) and an increase in cash, net of debt, of about €3m, bringing the EV/EBITDA ratio to 9.4x, despite the excellent growth prospects and the scalability of the business model.

On July 4, the company launched the industrial validation phase of the eviso.giro technology, allowing the conversion of sports activity into virtual electricity to be deducted from the bill, in the same month the domestic electricity market was liberalized in Italy. In 2023, the protected domestic market consumed 14.5 TWh of energy, representing a total annual domestic consumption of approximately 61.5 TWh. The liberalization of this market is expected to lead to about 30% growth for the domestic sector.

Despite a slight increase in electricity costs in July, typical of the most energy-intensive month of the year, we remain convinced that eVISO represents an excellent long-term investment idea, especially now that it is not trading at its highs. Price target: €7.1.

Key data

Price (€)	5.0
Industry	Technology Services
Ticker	EVISO-IT
Shares Out (m)	24.662
Market Cap (m €)	124.3
Average trading volumes (k shares / day)	3.357

Source: FactSet

Ownership (%)

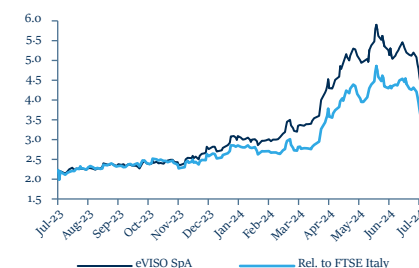
O Caminho S.r.l.	52.7
Iscat S.r.l.	13.9
Pandora S.S.	12.2
Arca Fondi SGR	3.0
Free float	21.2

Source: TPICAP Midcap estimates

EPS (€)	06/24e	06/25e	06/26e
Estimates	0.24	0.41	0.51
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	8.6	-1.6	78.7
Rel FTSE Italy	8.6	-5.8	56.8



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	9.4	5.8	4.3
Current op. Margin (%)	0.0	4.2	5.0	5.3	EV/EBIT	11.8	6.8	4.9
EPS (€)	-0.05	0.24	0.41	0.51	PE	20.6	12.3	9.9
DPS (€)	0.00	0.00	0.00	0.00				
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-1.5	3.9	7.8	11.5				

Source: TPICAP Midcap

Consensus FactSet - Analysts:na	06/24e	06/25e	06/26e
Sales	236.0	325.4	376.0
EBIT	9.4	15.2	18.7
Net income	6.0	10.3	12.8

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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	-11.7	-9.6	-8.6
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
Assets	17.1	10.7	8.3	10.4	12.7	13.7
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	-12.0	-19.8	-31.2
Other liabilities	0.2	0.1	0.0	0.0	0.0	0.0
Liabilities	17.1	10.7	8.3	10.4	12.7	13.7
Net debt excl. IFRS 16	-3.1	-8.3	-9.0	-12.0	-19.8	-31.2
Gearing net	-0.2	-0.5	-0.5	-0.5	-0.6	-0.7
Leverage	-0.9	-1.6	-4.5	-1.0	-1.1	-1.4
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	-0.2	-2.1	-1.0
Operating cash flow	2.7	9.1	3.9	8.2	10.5	14.3
Net capex	-3.0	-3.8	-5.4	-4.3	-2.7	-2.9
FCF	-0.3	5.2	-1.5	3.9	7.8	11.5
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	58.0%	79.4%	91.1%
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

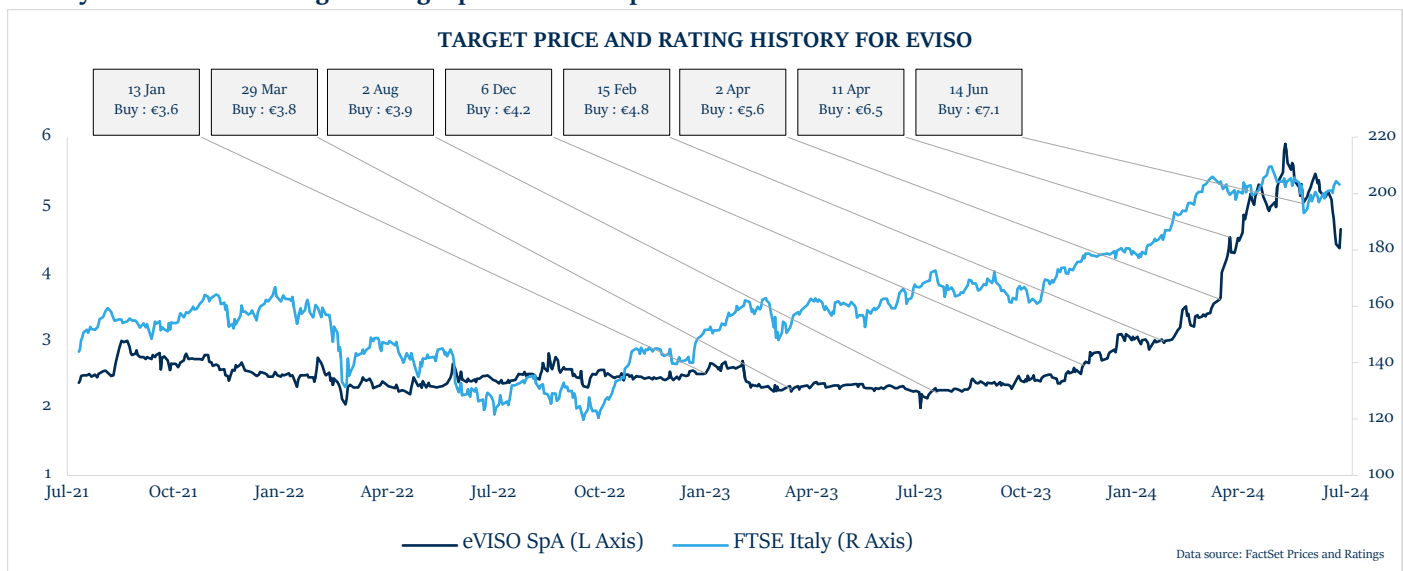
This Report may mention evaluation methods defined as follows:

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	82%	65%
Hold	15%	63%
Sell	1%	0%
Under review	2%	100%

Midcap employs a rating system based on the following:

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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.

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