

EQUITY RESEARCH

EVISO SPA
NEWS

BUY

TP 8.8€

Up/Downside: 13%

DeepSeek effect for EVISO

More cost-effective and scalable access to artificial intelligence could allow Eviso to strengthen its offering, with a potentially positive impact on costs. Comment on CEO Sorasio's interview with WebSim

Eviso, which does not position itself as an AI provider but mainly as a user & supplier of AI, has historically had to **buy AI solutions from the big players in the market** (such as Microsoft, Google and OpenAI). However, it could benefit from technologies similar to the one recently launched by Chinese startup **DeepSeek**. This technology, developed with a budget of less than \$ 6mn and using 'Nvidia H800' chips, stands out for its **efficiency and low cost**, and offers **cheaper solutions** (\$ 0.50/month), vs. \$ 20-200/month demanded by the paid versions of ChatGPT. According to CEO Sorasio, **the price of DeepSeek's APIs is considerably lower: \$ 10 vs. \$ 270, a 27x reduction factor**. This drop in costs could represent an opportunity for Eviso to access more affordable and scalable AI solutions.

In an **interview** with WebSim yesterday, the CEO described this development as a "cultural paradigm shift (...), based on broad accessibility and **attention to costs**." He also pointed out that with DeepSeek technology, even a medium-sized company **could train its own AI models** using its own computing infrastructure, **reducing energy consumption "potentially by up to 100 times less**, while waiting for accurate data." Eviso **prepared for this scenario by avoiding investing in proprietary LLMs (Large Language Models) and waiting for AI to become a "raw material"**.

The positive performance of the stock (c. **+8% yesterday**) was supported by several factors: **(i) Eviso's strategy to avoid investments in proprietary LLMs**, in line with **the expectation of accessible AI as a commodity**; **(ii) early access to scalable and lower-cost solutions**; **(iii) the possibility of expanding the offer for customers, thereby improving margins**; **(iv) a potential reduction in the costs associated with training AI models**; **(v) the price war initiated by DeepSeek**, which could drive down costs and allow in the short term the development of personalized assistants running on **internal servers**, thus ensuring, according to the CEO, **the protection of sensitive data that would not be accessible to third parties**; and finally, **(vi) energy consumption had so far favoured the US more than the rest of the world (including Europe)**. However, access to high-performance platforms at a lower cost could **represent an upside potential for AI-related energy consumption in Italy, a key market for EVISO**.

Stock at **11.5x/8.9x EV/EBITDA 25E/26E**, and **22.1x/17.2x P/E 25E/26E**, YTD/1Y performance +8%/+159%. We maintain our BUY recommendation, in light of recent developments.

Key data

Price (€)	7.8
Industry	Technology Services
Ticker	EVISO-IT
Shares Out (m)	24.662
Market Cap (m €)	192.4
Average trading volumes (k shares / day)	36.654

Source: FactSet

Ownership (%)

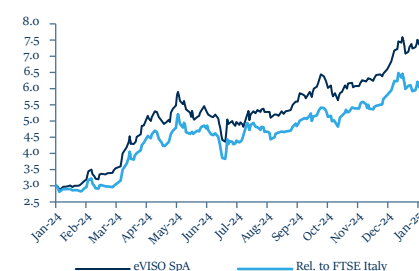
O Caminho S.r.l.	52.7
Iscat S.r.l.	13.9
Pandora S.S.	12.2
Arca Fondi SGR	3.0
Free float	21.2

Source: TPICAP Midcap estimates

EPS (€)	06/25e	06/26e	06/27e
Estimates	0.35	0.45	0.53
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	7.7	14.0	8.6
Rel FTSE Italy	7.7	7.3	2.3



Source: FactSet

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	13.2	16.8	19.3	EV/EBITDA	11.5	8.9	7.2
Current op. Margin (%)	3.9	3.7	3.5	3.7	EV/EBIT	13.7	10.3	8.4
EPS (€)	0.20	0.35	0.45	0.53	PE	22.1	17.2	14.9
DPS (€)	0.00	0.00	0.00	0.00				
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	5.7	3.7	8.5	12.8				

Source: TPICAP Midcap

Consensus FactSet - Analysts:na	06/25e	06/26e	06/27e
Sales	224.5	312.7	367.5
EBIT	8.1	12.7	15.8
Net income	4.9	8.6	10.9

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	173.4	242.2	271.6
% of Sales	21.1	18.4	49.6	49.1	50.4	51.5
EBITDA	5.0	2.0	11.0	15.8	19.6	22.3
% of Sales	2.4	0.9	4.9	4.5	4.1	4.2
Current operating profit	3.2	0.0	8.7	13.2	16.8	19.3
% of Sales	1.5	0.0	3.9	3.7	3.5	3.7
Non-recurring items	-0.3	-0.3	-1.2	-0.7	-1.0	-1.1
EBIT	2.8	-0.3	7.5	12.5	15.8	18.3
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	-4.3	-5.0
Tax rate (%)	142.7	-77.6	30.2	27.9	27.9	27.9
Net profit, group share	-1.1	-1.2	4.9	8.7	11.2	12.9
EPS	na	na	0.20	0.35	0.45	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	20.0	19.9	19.7
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	14.4	17.1	17.2
Shareholders equity group	18.3	16.8	20.1	25.4	35.4	47.3
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	-11.7	-19.0	-30.8
Other liabilities	0.1	0.0	0.0	0.0	0.0	0.0
Liabilities	10.7	8.3	9.4	14.4	17.1	17.2
Net debt excl. IFRS 16	-8.3	-9.0	-11.5	-11.7	-19.0	-30.8
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	11.3	14.0	16.0
Δ WCR	4.7	3.5	-0.3	-5.1	-2.8	-0.3
Operating cash flow	9.1	3.9	10.2	6.2	11.1	15.7
Net capex	-3.8	-5.4	-4.5	-2.5	-2.7	-2.9
FCF	5.2	-1.5	5.7	3.7	8.5	12.8
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%	60.4%	65.2%	75.1%
ROE (%)	na	na	24.2%	34.4%	31.5%	27.4%
ROCE (%)	17.4%	0.2%	43.3%	52.0%	47.4%	40.9%

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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	80%	63%
Hold	14%	71%
Sell	4%	17%
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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