

## EQUITY RESEARCH

### RESEARCH FOCUS

#### TOP PICKS SEPTEMBER 2023

The environment for Small and MidCaps remains tense in 2023, with significant underperformance between the CAC 40 and the CAC M&S (12% and +3% ytd respectively). As usual for our September Top Picks, we have selected stocks capable of outperforming at the end of the year. Therefore, we have excluded all general themes in favour of stock picking on high-potential stocks.

Nevertheless, we opted for three stocks in the energy sector: eVISO, Française de l'énergie and OKwind. OKwind has performed remarkably well since the start of the year (>+50%), but we believe there is still considerable potential. FDE's performance (+5% ytd) and eVISO's (-3% ytd) are more mixed; we believe that now is a good time to take positions in these companies, which should benefit from favourable newsflow and strong prospects.

Already included in our Top Picks at the start of the year (successfully, +16% ytd), we are confirming our conviction regarding Valbiotis. After a H1 marked by the success of the REVERSE-IT study, the end of the year should also be rich in newsflow with, in particular, the expected announcement of an international commercial partnership for TOTUM-070.

We then selected two companies positioned in sectors that will be on a roll in 2023: Voyageurs du Monde and Exail Technologies. Voyageurs du Monde, which operates in the tourism sector, should enjoy a strong summer 2023, but its medium/long-term fundamentals are largely undervalued by the market. As for Exail Technologies, its positioning in the defence market gives it high visibility, which has not been welcomed by the stock market (flat ytd).

Lastly, we would like to highlight Teleperformance (-40% ytd), a stock that has clearly underperform in 2023. The company has had to deal with ESG issues, such as the merits of the Majorel acquisition, a slowdown in its topline momentum and concerns about AI disruptions, but we believe the market sanction has been too severe.

The median rerating potential for these stocks is more than 65% compared with our price targets. The entire TPICAP Midcap team would be delighted to discuss our end-2023 Top Picks with you.

Stock Summary (as of 2023-09-05)	TP	Price
<b>eVISO SpA</b>		
BUY	3.9€	2.4€
<b>Exail Technologies SA</b>		
BUY	24.0€	19.8€
<b>Française de l'Energie</b>		
BUY	72.0€	41.5€
<b>Groupe LDC</b>		
BUY	184.0€	127.0€
<b>OKwind</b>		
BUY	32.0€	21.4€
<b>Teleperformance</b>		
BUY	235.0€	129.0€
<b>Valbiotis</b>		
BUY	11.4€	4.2€
<b>Voyageurs du Monde</b>		
BUY	204.0€	116.5€

**Analyst**  
Corentin Marty  
cmarty@midcap.com  
+33(0)33030981



**Analyst**  
Julien Thomas  
julien.thomas@tpicap.com  
+33(0)33030973



**Equity Strategist**  
Sarah Thirion  
sthirion@midcap.com  
+33(0)33030972



**Head of Equity Research**  
Florent Thy-tine  
fthytime@midcap.com  
+33173030988



**Analyst**  
Davide Longo  
davide.longo@tpicap.com  
+33173030977



**Analyst**  
Veneta Nikolova  
veneta.nikolova@tpicap.com  
+33173030972



## EQUITY RESEARCH

**EVISO SPA**  
TOP PICK

**BUY**  
**TP 3.9€**  
Up/Downside: 63%

### Flexibility, Resilience and Growth

The energy crisis is behind us, with energy prices stable for the last four months at around €110/MWh (vs. €303/MWh in 2022), the sales team has been strengthened and growth is once again eVISO's main objective.

#### A market crisis now behind us

The Russo-Ukrainian conflict has triggered an unprecedented energy crisis. The half-yearly price of electricity rose from €67/MWh in H1 2021, to €181/MWh in H2 2021, to €249/MWh in H1 2022, then peaked at €358/MWh in H2 2022, before falling back to €137/MWh in H1 2023. Over the last four months, however, **the price has remained stable at around €110/MWh**. Against this backdrop of stability eVISO has been able to restructure the sales team and sign a new contract to supply a reseller customer up to 100GWh per year (+16.7% in Volume).

#### A dynamic and resilient company

Against this backdrop, eVISO has been able to contain its cash requirements, thanks to a change in the commercial relationship with its customers, which has resulted in **advances and guarantees** being requested from customers wishing to have **access to eVISO's technology, generating indirect financing of more than €10m**. According to our estimates, this has enabled eVISO to: continue its growth and supply up to 595GWh 2023 (-5% YoY, but +43% vs. June 2021); to invest in capex (mainly in the construction of the company's new headquarters in Saluzzo) more than €8m over the last two years; and to increase net cash from debt from €3m in 2021 to €9m in 2023.

#### Return to growth

The annual accounts for June 2023, impacted in H1 by the peak of the crisis, showed revenue up by 8.3% due to the price effect and an EBITDA margin, generated entirely in H2, of €3.2m (vs. €5m YoY). With prices continuing to fall (-18% vs. H1 2023) and thanks to the upturn in commercial activity, eVISO could generate **EBITDA of at least €6.5m in 2024**, bringing the EV/EBITDA valuation multiple around 7x, despite the company's innovative technological features and strong potential for further growth in the current market environment.

We believe that eVISO is a stock to add to the portfolio thanks to its favourable market environment, its growth potential, its core technology and finally for the resilience and dynamism it has shown during the crisis. TP of €3.9 reiterated.

#### Key data

Price (€)	2.4
Industry	Technology Services
Ticker	EVISO-IT
Shares Out (m)	24.662
Market Cap (m €)	58.9
Average trading volumes (k shares / day)	1.000

#### 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

EPS (€)	06/23e	06/24e	06/25e
Estimates	-0.05	0.09	0.15
Change vs previous estimates (%)	na	0.00	0.00

Performance (%)	1D	1M	YTD
Price Perf	0.8	5.3	-5.9
Rel FTSE Italy	0.8	4.6	-21.7



TP ICAP Midcap Estimates	06/22	06/23e	06/24e	06/25e	Valuation Ratio	06/23e	06/24e	06/25e
Sales (m €)	208.1	225.4	213.0	250.1	EV/Sales	0.2	0.2	0.2
Current Op Inc (m €)	3.2	1.0	4.1	5.8	EV/EBITDA	15.6	7.1	4.8
Current op. Margin (%)	1.5	0.4	1.9	2.3	EV/EBIT	49.7	11.2	7.1
EPS (€)	-0.04	-0.05	0.09	0.15	PE	na	25.2	16.0
DPS (€)	0.00	0.00	0.00	0.00				
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	5.2	0.9	3.9	5.3				

Consensus FactSet - Analysts:na	06/23e	06/24e	06/25e
Sales	259.5	240.3	282.9
EBIT	2.0	4.0	5.8
Net income	0.8	2.3	3.6

**Analyst**  
Davide Longo  
davide.longo@tpicap.com  
+33173030977

