

eVISO

Sector: Technology

BUY

Price: Eu4.35 - Target: Eu6.30

The party has started, better hurry up!

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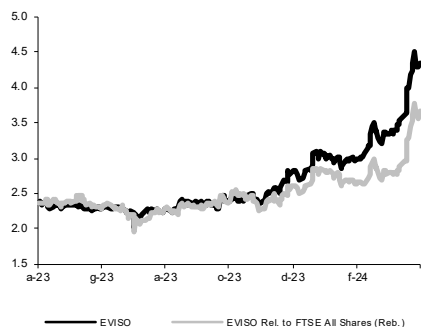
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 4.70 to 6.30		
	2024E	2025E	2026E
Chg in Adj EPS	77.1%	24.7%	32.2%

Next Event

1Q KPIs out in May 2024

EVISO - 12M Performance



Stock Data

Reuters code:	EVISO.MI
Bloomberg code:	EVISO IM

Performance	1M	3M	12M
Absolute	30.6%	42.2%	90.0%
Relative	32.2%	32.6%	71.8%
12M (H/L)	4.52/2.00		
3M Average Volume (th):	40.52		

Shareholder Data

No. of Ord shares (mn):	25
Total no. of shares (mn):	25
Mkt Cap Ord (Eu mn):	107
Total Mkt Cap (Eu mn):	107
Mkt Float - Ord (Eu mn):	23
Mkt Float (in %):	21.2%
Main Shareholder:	
O Caminho S.r.l.	52.7%

Balance Sheet Data

Book Value (Eu mn):	22
BVPS (Eu):	0.90
P/BV:	4.8
Net Financial Position (Eu mn):	9
Enterprise Value (Eu mn):	98

We think that the surprising half-yearly results are a real step-change for the company, with 2H looking just as rosy. eVISO, thanks to its proprietary technology, is revolutionising the electricity and gas market and is ready and structured to seize the various opportunities that the market can offer in the future, such as the advent of energy communities and/or market liberalisation.

- 1H23/24: unprecedented acceleration. Energy delivered grew by 47% to 431 GWh while the total number of users served exceeded 400,000 delivery points (+ 66% YoY).** The gross margin reached €8.3 mn (+30% vs our expectations for the half-year). EBITDA was € 5.4 mn (vs €0.11 in the corresponding semester of 2022), 155% more than the figure for the entire FY22-23, while net profit reached €2.6 mn.
- Robust pipeline for 2024/25.** In line with communications to the market in previous months we expect a significant increase in the volumes of power and gas delivered, with >1TWh of energy to be delivered in 2024 (+70% YoY) and > 1.5TWh in 2025 (+46% YoY). In this scenario, a market featuring stable energy prices also plays an important role, enabling eVISO to continue to grow at a rapid pace. A significant increase has also been recorded in volumes of gas delivered, which we expect to increase +150% on an annual basis and which are set to grow further thanks to the introduction of the reseller channel for gas.
- Estimates revised upward: 2024-26E EPS CAGR expected at +46%.** In light of published results and input from management we have revised estimates upward for 2024 and the years to come. This revision was driven by a clear improvement of the unit margin in both channels (direct and reseller clientele). In particular, we expect eVISO to close 2024 with EBITDA of €11 mn (+52% compared to our estimate previous). Regarding the 2025-2026 two-year period, we have increased EPS estimates by 28%, supported by an average EBITDA revision of 23%. The foregoing testifies to the ability of the proprietary platform developed by eVISO to manage a rising number of customers of different types and increasing sales volumes without triggering a direct rise in structural costs.
- BUY, new target price €6.30 (previous €4.70).** The strong growth on all measures marks a real step-change for the company, demonstrating the effective scalability of the eVISO business model, which enables management of an increasing number of users at the same cost. The growth also testifies to the effectiveness of strengthening the sales network, with an expansionary strategy that will continue in the years to come. These factors, combined with cash generation capability, will continue to be a significant competitive advantage.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	208	225	227	324	378
EBITDA Adj (Eu mn)	5	2	11	16	20
Net Profit Adj (Eu mn)	-1	-1	5	9	12
EPS New Adj (Eu)	-0.043	-0.050	0.218	0.365	0.469
EPS Old Adj (Eu)	-0.043	-0.050	0.123	0.293	0.355
DPS (Eu)	0.016	0.000	0.000	0.000	0.000
EV/EBITDA Adj	10.4	23.0	8.9	5.4	3.9
EV/EBIT Adj	18.1	nm	12.3	6.8	4.6
P/E Adj	nm	nm	20.0	11.9	9.3
Div. Yield	0.4%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	-1.6	-4.2	-0.8	-1.1	-1.5

EVISO – Key Figures

Profit & Loss (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Sales	76	208	225	227	324	378
EBITDA	3	5	2	11	16	20
EBIT	2	3	-0	8	13	17
Financial Income (charges)	-0	-0	-0	-0	-0	-0
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	2	3	-1	8	13	16
Taxes	-0	-4	-1	-2	-4	-5
Tax rate	24.0%	143.0%	-77.7%	29.0%	29.0%	29.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	1	-1	-1	5	9	12
EBITDA Adj	3	5	2	11	16	20
EBIT Adj	2	3	-0	8	13	17
Net Profit Adj	1	-1	-1	5	9	12
Per Share Data (Eu)	2021A	2022A	2023A	2024E	2025E	2026E
Total Shares Outstanding (mn) - Average	25	25	25	25	25	25
Total Shares Outstanding (mn) - Year End	25	25	25	25	25	25
EPS f.d	0.056	-0.045	-0.050	0.218	0.365	0.469
EPS Adj f.d	0.052	-0.043	-0.050	0.218	0.365	0.469
BVPS f.d	0.804	0.741	0.686	0.904	1.269	1.738
Dividend per Share ORD	0.014	0.016	0.000	0.000	0.000	0.000
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	25.4%	-35.5%	0.0%	0.0%	0.0%	0.0%
Cash Flow (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Gross Cash Flow	2	1	2	8	12	15
Change in NWC	-0	8	2	-2	-0	-0
Capital Expenditure	-3	-4	-5	-4	-3	-3
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	-1	6	-1	2	9	12
Acquisitions, Divestments & Other Items	-4	-0	2	-2	0	0
Dividends	-0	-0	0	0	0	0
Equity Financing/Buy-back	8	0	0	0	0	0
Change in Net Financial Position	3	5	1	0	9	12
Balance Sheet (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Total Fixed Assets	18	19	20	21	21	21
Net Working Capital	-1	-8	-11	-8	-8	-8
Long term Liabilities	-0	-1	-1	1	1	1
Net Capital Employed	17	10	8	13	13	13
Net Cash (Debt)	3	8	9	9	19	30
Group Equity	20	18	17	22	31	43
Minorities	0	0	0	0	0	0
Net Equity	20	18	17	22	31	43
Enterprise Value (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Average Mkt Cap	60	60	59	107	107	107
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	3	8	9	9	19	30
Enterprise Value	57	52	50	98	89	77
Ratios (%)	2021A	2022A	2023A	2024E	2025E	2026E
EBITDA Adj Margin	4.4%	2.4%	1.0%	4.9%	5.0%	5.2%
EBIT Adj Margin	3.0%	1.4%	nm	3.5%	4.0%	4.4%
Gearing - Debt/Equity	-15.2%	-44.6%	-53.2%	-41.2%	-59.3%	-70.7%
Interest Cover on EBIT	6.1	11.3	nm	19.9	32.7	41.7
Net Debt/EBITDA Adj	-0.9	-1.6	-4.2	-0.8	-1.1	-1.5
ROACE*	21.9%	20.8%	-1.6%	75.8%	101.2%	131.9%
ROE*	11.3%	-5.6%	-7.1%	27.4%	33.6%	31.2%
EV/CE	5.8	3.9	5.5	9.3	6.9	6.1
EV/Sales	0.8	0.3	0.2	0.4	0.3	0.2
EV/EBITDA Adj	17.1	10.4	23.0	8.9	5.4	3.9
EV/EBIT Adj	25.5	18.1	nm	12.3	6.8	4.6
Free Cash Flow Yield	-0.6%	5.2%	-1.1%	1.7%	8.7%	10.9%
Growth Rates (%)	2021A	2022A	2023A	2024E	2025E	2026E
Sales	58.3%	174.9%	8.1%	1.0%	42.6%	16.8%
EBITDA Adj	31.3%	48.7%	-56.7%	411.9%	47.4%	21.6%
EBIT Adj	22.0%	27.7%	nm	nm	64.1%	27.7%
Net Profit Adj	-4.2%	nm	nm	nm	67.5%	28.5%
EPS Adj	-22.0%	nm	nm	nm	67.5%	28.5%
DPS	nm	13.1%	nm			

*Excluding extraordinary items Source: Websim Corporate Estimates (data reported at the end of June)

eVISO - Change in estimates

(Eu mn)	2024 Old	2024 E New	% chg	2025 Old	2025 E New	% chg	2026 Old	2026 E New	% chg
Net revenues	213.3	227.1	6.5%	317.6	323.8	2.0%	368.4	378.4	2.7%
Others	0.6	0.6	0.0%	0.6	0.6	0.0%	0.6	0.6	0.0%
Value of production	213.9	227.7	6.5%	318.2	324.4	2.0%	369.0	379.0	2.7%
Gross Margin	14.7	17.5	19.1%	23.8	24.9	4.8%	28.0	30.0	7.1%
Personnel costs	-4.3	-3.5	-17.7%	-5.4	-4.4	-17.7%	-6.5	-5.3	-17.7%
Other Items	-3.2	-3.0	-7.7%	-4.9	-4.2	-14.5%	-5.9	-4.9	-16.5%
EBITDA reported	7.2	11.1	52.9%	13.5	16.3	20.9%	15.7	19.8	26.3%
<i>EBITDA margin</i>	3.4%	4.9%	43.6%	4.2%	5.0%	18.5%	4.3%	5.2%	22.9%
D&A	-3.0	-3.1	3.3%	-3.0	-3.2	6.8%	-3.1	-3.1	1.7%
<i>on VoP</i>	1.4%	1.4%	-3.0%	0.9%	1.0%	4.8%	0.8%	0.8%	-1.0%
Writedowns/Provision	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
<i>on VoP</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT reported	4.2	8.0	87.9%	10.5	13.1	24.9%	12.6	16.7	32.2%
<i>EBIT margin</i>	2.0%	3.5%	76.4%	3.3%	4.0%	22.5%	3.4%	4.4%	28.7%
Pretax	3.9	7.6	92.0%	10.2	12.7	24.7%	12.3	16.3	32.2%
Taxes	-0.9	-2.2	142.1%	-2.9	-3.7	24.7%	-3.6	-4.7	32.2%
<i>tax rate</i>	-23%	-29%	26.1%	-29%	-29%	0.0%	-29%	-29%	0.0%
Minorities	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Net income	3.0	5.4	77.1%	7.2	9.0	24.7%	8.8	11.6	32.2%

Source: Websim Corporate estimates (Data reported at the end of June)

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	EVISO		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	6.30	Previous Target (Eu):	4.70
Current Price (Eu):	4.35	Previous Price (Eu):	3.60
Date of report:	18/04/2024	Date of last report:	03/04/2024

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	25.21 %
OUTPERFORM:	46.22 %
NEUTRAL:	27.73 %
UNDERPERFORM	00.84 %
SELL:	00.00 %

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OUTPERFORM:	51.02 %
NEUTRAL:	10.20 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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