

EQUITY RESEARCH

EVISO SPA NEWS

BUY

TP 4.2€ (vs 3.9€)
Up/Downside: 68%

New Direct Contract Up to €12m

In its last annual report, eVISO delivered 213 GWh of electricity to direct customers. This new contract alone will increase volumes by around 25% in a context of growth also stimulated by the imminent end of the protected market.

The annual results published in June by eVISO were characterised by 213GWh of energy delivered to the direct channel and 383GWh of energy delivered to the resale channel. Generated revenue per MWh delivered stood at €324/MWh, driven by strong growth in the average energy price of €253/MWh over the year.

At the same time, if we separate the period July-December 2022 from the period January-June 2023, we see that the average price in H1 was €362/MWh, and that in H2 it then fell to €137/MWh. In H2, eVISO generated its entire FY EBITDA and was able to restore cash flow generation thanks to a sharp reduction in net working capital.

The first five months of the new period (July-November 2023) showed a further fall in the average price of electricity to €119/MWh, a much more favourable market environment for eVISO, which was able to strongly resume its sales campaign. Against this backdrop, eVISO has: 1) signed contracts with resellers in October for 1TWh (almost 3x the amount of energy delivered in the annual report), 2) again in October, recorded sales to direct customers for 310 GWh (+46% vs. June 2023), and 3) yesterday, announced the signing of a new contract with the Imperia Energia consortium for a total of 52 GWh, which would bring the commercial pipeline to a total growth of 70% (vs. June 2023 delivered volumes). This undoubtedly represents exceptional growth.

In addition to these significant growth trends, the protected market will cease to exist by April 2024. According to ARERA data, in Q2 2023, this market alone accounted for 20% of total volumes supplied to domestic customers (3TWh out of 15TWh) and 5% of volumes supplied for other uses (2TWh out of 40TWh). Although in volume terms this market represented only 9% of the total in Q2 2023, in terms of the number of PODs, it covers 27% of the market (around 10m PODs, mainly with low consumption, out of 27m).

The transition to the free market will benefit all operators, including eVISO, who were active only in the free market. eVISO will also benefit from the advantages gained by the reseller customers cooperating with it, who are particularly active in the low-consumption direct domestic segment. We would point out that margins are particularly high for this type of customer. We are upgrading our TP to €4.2.

Key data

Price (€)	2.5
Industry	Technology Services
Ticker	EVISO-IT
Shares Out (m)	24.662
Market Cap (m €)	61.7
Average trading volumes (k shares / day)	15.137

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 (€)

	06/24e	06/25e	06/26e
Estimates	0.09	0.15	0.18
Change vs previous estimates (%)	0.00	0.00	0.00

Performance (%)

	1D	1M	YTD
Price Perf	-2.7	1.2	-1.6
Rel FTSE Italy	-2.7	-2.4	-21.6



TP ICAP Midcap Estimates	06/23	06/24e	06/25e	06/26e	Valuation Ratio	06/24e	06/25e	06/26e
Sales (m €)	224.9	213.0	250.1	273.7	EV/Sales	0.2	0.2	0.1
Current Op Inc (m €)	0.0	4.1	5.7	7.1	EV/EBITDA	7.9	5.5	4.0
Current op. Margin (%)	0.0	1.9	2.3	2.6	EV/EBIT	12.6	8.0	5.7
EPS (€)	-0.05	0.09	0.15	0.18	PE	27.9	17.1	13.6
DPS (€)	0.00	0.00	0.00	0.00				
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-1.5	2.3	5.2	6.1				

Consensus FactSet - Analysts:na	06/24e	06/25e	06/26e
Sales	212.8	253.9	285.7
EBIT	4.9	7.5	9.5
Net income	3.2	4.9	6.3

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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	213.0	250.1	273.7
Changes (%)	58.3	174.9	8.1	-5.3	17.4	9.4
Gross profit	44.4	43.9	41.4	86.2	108.3	125.7
% of Sales	58.6	21.1	18.4	40.5	43.3	45.9
EBITDA	3.3	5.0	2.0	6.5	8.5	10.1
% of Sales	4.4	2.4	0.9	3.1	3.4	3.7
Current operating profit	2.2	3.2	0.0	4.1	5.7	7.1
% of Sales	2.9	1.5	0.0	1.9	2.3	2.6
Non-recurring items	-0.1	-0.3	-0.3	-0.4	-0.4	-0.5
EBIT	2.1	2.8	-0.3	3.6	5.3	6.6
Net financial result	-0.4	-0.2	-0.4	-0.6	-0.3	-0.3
Income Tax	-0.4	-3.7	-0.5	-0.9	-1.4	-1.8
Tax rate (%)	24.6	142.7	-77.6	27.9	27.9	27.9
Net profit, group share	1.3	-1.1	-1.2	2.2	3.6	4.5
EPS	0.05	na	na	0.09	0.15	0.18
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	17.5	17.1	16.9
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	-0.3	-8.4	-10.8	-10.4	-11.6	-12.9
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
Assets	17.2	10.8	9.4	9.3	7.7	6.2
Shareholders equity group	19.8	18.3	16.8	19.0	22.6	27.2
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	-3.0	-8.1	-7.9	-10.3	-15.4	-21.5
Other liabilities	0.2	0.1	0.0	0.0	0.0	0.0
Liabilities	17.2	10.8	9.4	9.3	7.7	6.2
Net debt excl. IFRS 16	-3.0	-8.1	-7.9	-10.3	-15.4	-21.5
Gearing net	-0.2	-0.4	-0.5	-0.5	-0.7	-0.8
Leverage	-0.9	-1.6	-3.9	-1.6	-1.8	-2.1
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	4.6	6.3	7.5
Δ WCR	-0.0	4.7	3.5	-0.4	1.2	1.3
Operating cash flow	2.7	9.1	3.9	4.3	7.5	8.8
Net capex	-3.0	-3.8	-5.4	-2.0	-2.4	-2.7
FCF	-0.3	5.2	-1.5	2.3	5.2	6.1
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	0.0	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	0.0	0.0	0.0
ROA (%)	7.7%	na	na	23.7%	46.5%	73.3%
ROE (%)	6.7%	na	na	11.6%	15.9%	16.7%
ROCE (%)	11.0%	17.4%	0.2%	21.4%	25.4%	26.1%

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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	81%	63%
Hold	16%	50%
Sell	1%	0%
Under review	2%	100%

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