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TP ICAP MIDCAP

EQUITY RESEARCH

EVISO SPA
ANALYSIS FOCUS

BUY
TP 7.1€ (vs 6.5€)
Up/Downside: 39%

Explosive Activity Growth

A significantly improved market environment.

The average electricity price in Italy in the first five months of 2024 amounted to €91.6/MWh (-36% YoY), a level that had not been reached since June 2021. In this favourable context, volumes and gross margin per MWh delivered by eVISO have only increased. The company announced in May 2024 that it had 395 GWh under management for the direct channel and 810GWh for the reseller channel (vs. 270GWh and 570GWh under management respectively in June 2023). 9M preliminary data for 2024 forecasts a gross margin of between €12.4m and €13m, almost double that of the entire previous year (€6.8m), highlighting the unique value of a business model based on a proprietary, fixed-cost technology platform.

All resellers are heavily indebted, eVISO has €9m net cash.

The EBITDA margin of the main electricity retailers is contained and the cost of financing will remain high as long as the central bank maintains high interest rates. In a market context where the average level of debt vs. competitor sales is 58% and the average cost of financing is 5%, eVISO carries no financial debt and benefits from a significant competitive advantage allowing it to present better results than its competitors. Most market peer companies are electricity distributors/producers that do not have the same technological and scalability characteristics as Eviso, which means that comparison with other market operators (via multiples) is questionable. This fully reflect the company's unique potential.

The liberalization of protected markets will also promote growth

In July 2024, the domestic market will be fully liberalized, leading to a growth of approximately 30% in the domestic market. In 2023, the protected domestic market consumed 14.5TWh of energy, out of a total annual domestic consumption of around 61.5TWh. This development will mainly benefit the top seven operators (who hold 77% of the market), but will also have a positive impact 1) on eVISO, which has just updated its Easy-my Eviso application to reach up to 0.4 million users, and 2) on its reseller customers, particularly active in this market segment. We have improved our working capital management estimates, thereby increasing year-end net financial position to €12m 'cash' (compared to €8.7m previously). Furthermore, the favorable market conditions have also benefited comparable companies and consequently the relative valuation multiples. Therefore, we are raising our price target to €7.1.

Key data	
Price (€)	5.1
Industry	Technology Services
Ticker	EVISO-IT
Shares Out (m)	24.662
Market Cap (m €)	126.3
Average trading volumes (k shares / day)	3.357

Source: FactSet

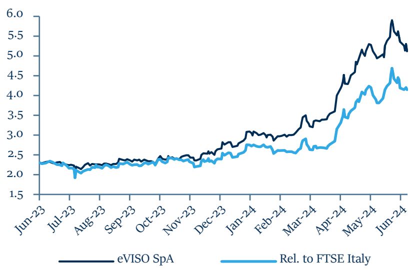
Ownership (%)	
O Caminho S.r.l.	52.7
Iscat S.r.l.	13.9
Pandora S.S.	12.2
Arca Fondi SGR	3.0
Free float	21.2

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	-3.4	2.4	81.6
Rel FTSE Italy	-1.3	6.5	63.1



Source: FactSet

TP ICAP Midcap Estimates	06/23	06/24e	06/25e	06/26e
Sales (m €)	224.9	227.3	308.3	355.0
Current Op Inc (m €)	0.0	9.6	15.3	18.8
Current op. Margin (%)	0.0	4.2	5.0	5.3
EPS (€)	-0.05	0.24	0.41	0.51
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

Valuation Ratio	06/24e	06/25e	06/26e
EV/Sales	0.5	0.3	0.3
EV/EBITDA	9.6	6.0	4.4
EV/EBIT	12.0	7.0	5.0
PE	20.9	12.5	10.1

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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Description

eVISO SpA is a Commod-Tech company primarily operating in the energy and gas resale sector in Italy. Founded by Gianfranco Sorasio in Saluzzo (Piedmont) in December 2012 and registered with the EGM in December 2020, it is now a leading player in the Italian energy market. Currently, the sector with the highest turnover is the purchase and sale of electricity to various resellers throughout Italy, followed by eVISO's direct customers, mainly small and medium-sized enterprises in the Piedmont and Liguria regions. In June 2023, the two commercial divisions had delivered 384 GWh and 213 GWh respectively, and in January 2024, the company announced it had signed cumulative contracts for over 1.5 TWh. What sets eVISO apart in the competitive market is its advanced technology, including platforms, tools, and algorithms based on artificial intelligence, enabling the integration of various activities between the demand and supply of a product, transforming variable costs for end-users into fixed costs to allow for massive scalability. To date, the business model is well established in the electricity sector, expanding into the gas market, and under development in the apple sector, where Smartmele, a proprietary platform, offers the opportunity to purchase tons of apples not only at the current price but also with scheduled delivery at 3/6/9/12 months worldwide.

SWOT Analysis

Strengths

- Various proprietary tools leveragina AI to forecast prices, cunsumptions, handle practices, analyze POD data and able to execute up to 1M orders on energy markets every month
- Ability to adapt, analyse and revolutionise the Italian reseller market, the largest producer of energy data in Europe.
- Strong FCFO/EBITDA cash conversion, solid financial position (Rating Cerved A3.1) and cash positive net financial position
- Massive business scalability and applicability of business model and technologican know how to various commodities / markets / new tools

Weaknesses

- Complexity of Added Value based P&L can be difficult to be perceived (lower elctricity prices with same volumes cause decreasing revenues but higher margins)
- Credit risk is one of the main risks for energy resellers, and recent years have been marked by high volatility and high prices (on which resellers have little controle); however, eVISO has been historically able to maintain a low switch out rate and minimized write-offs.
- The price of electricity depends on exogenous macroeconomic dynamics, as do government decisions.

Opportunities

- Absence of deep technological development in the sector allows eVISO to leverage its unique scalability enabled by proprietary tools and technologyes.
- Commercial development of the activity in the gas market and in new regions (direct clients are only in Piedmont and Liguria regions as of today).
- The liberalisation of the protected market, scheduled for July 2024, will benefit all operators active on the free market, such as eVISO and its reseller customers.
- Scalable computation and pricing model which can be applied to other commodities (such as Gold or other Fruits) caracterized by high traded volums, low concentration of main players, low consolidation of informations and price volatility.

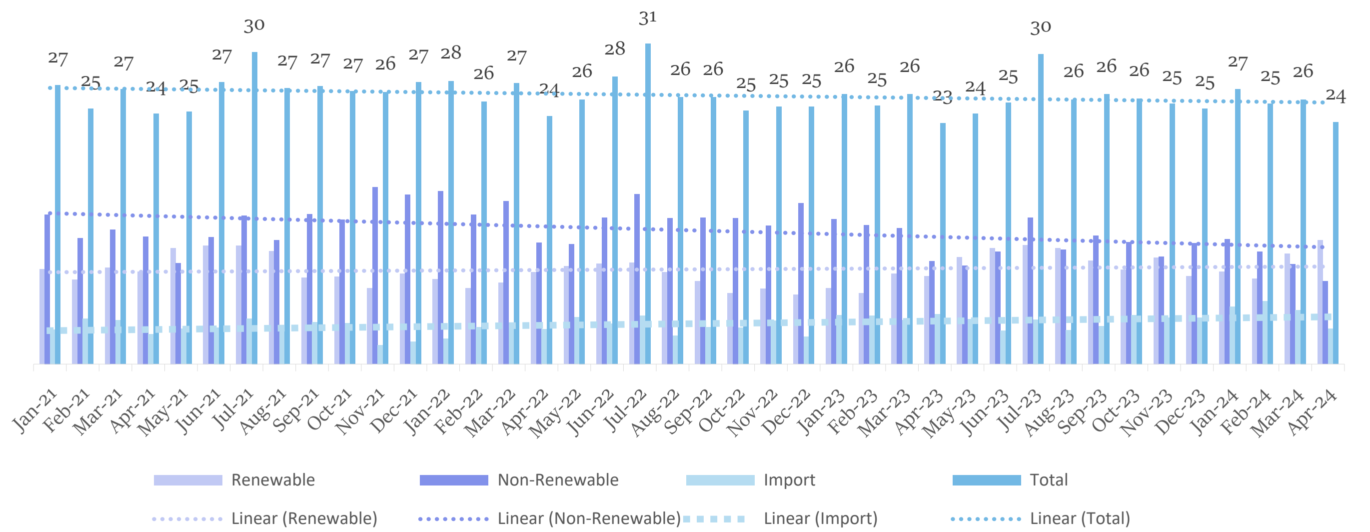
Threats

- Operating in one of the most competitive markets where market leader have an almost endless financial power and with new entrants every year
- Development of the same business model and tool on other commodities may be more complex and less disruptive.
- Marginality and working capital are highly dependent on market price dynamics (Low prices enable scalability).

National consumption and energy prices in Italy

According to the report published monthly by Terna, national energy demand in Italy has gradually decreased, from an annual demand of 318.1 TWh in 2021 to 316.8 TWh consumed in 2022, finally reaching 306.1TWh in 2023. The first four months of 2024 showed a slight sign of recovery in consumption (+0.3% YoY). Energy production from renewable sources, which had generated 31.6% of national demand in 2022, increased to 37% in 2023 and stood at 39.6% in the first four months of 2024. Imports of Energy consumption also increased to 20.1% in the first four months of 2024 (vs. 16.7% in 2023 and 13.6% in 2022). Energy production from non-renewable sources showed a downward trend, 40.3% during the first four months of 2024 (vs. 46.3% in 2023 and 54.9% in 2022).

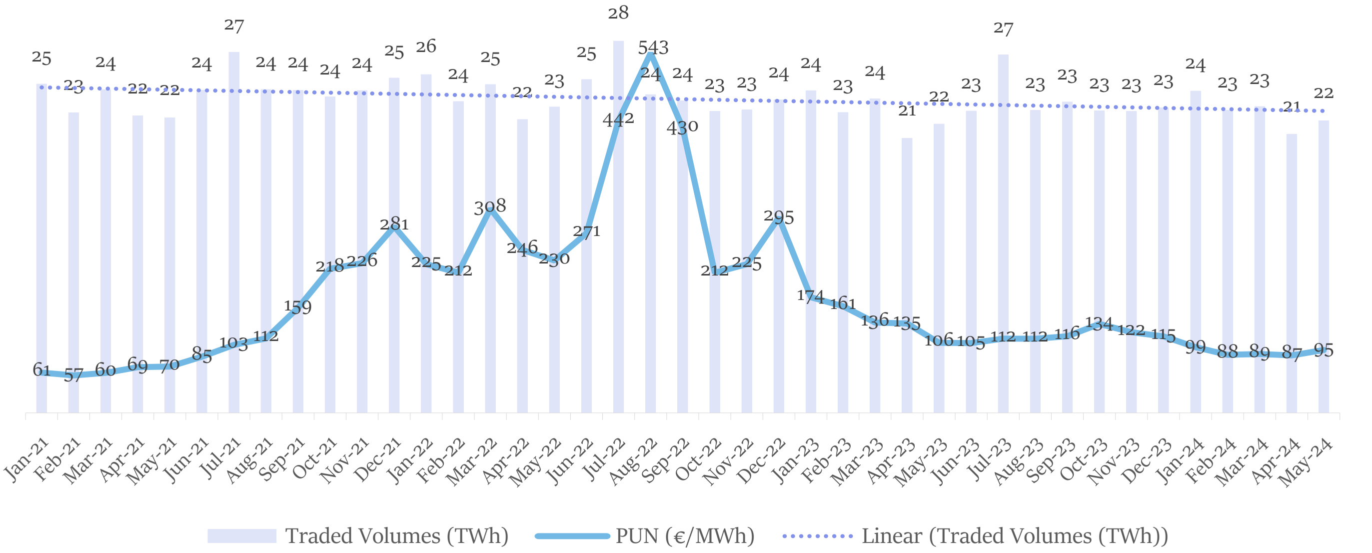
Monthly national energy needs and production sources Jan 2021-Apr 2024



Source: Terna

The drop in national demand, significant in 2023, is also a consequence of the sharp increase in the price per MWh, which reached its maximum in August 2022 and has pushed companies in particular to be much more attentive to their consumption levels. The price recorded by the PUN (Single National Electricity Price) in 2021 was €126/MWh, but it exploded in 2022 to reach €306/MWh due to the Russo-Ukrainian conflict and the energy crisis that is unfolding. The value in 2023 has fallen steadily, recording an average price of €127/MWh. During the first five months of 2024, the PUN finally fell back below €100/MWh for the first time since June 2021, which led to a slight recovery in consumption at the national level.

Volumes traded and dynamics of the PUN unified national electricity price in Italy (€/MWh) Jan 2023-May 2024



Source: GME

eVISO closed its last full year in June 2023 with stable volumes delivered (vs. the previous financial year), resulting from a challenging H1 (July-December 2022), with H2 (January-June 2023) in recovery thanks to the contraction of the PUN, during which eVISO strengthened its sales teams. 9M 2024 (July 2023-May 2024) closed with a strong recovery in commercial growth combined with a significant increase in margins leading eVISO to present the best results in its history. We think that H2 2024 (January-June 2024) will surpass H1 in terms of volumes and margins.

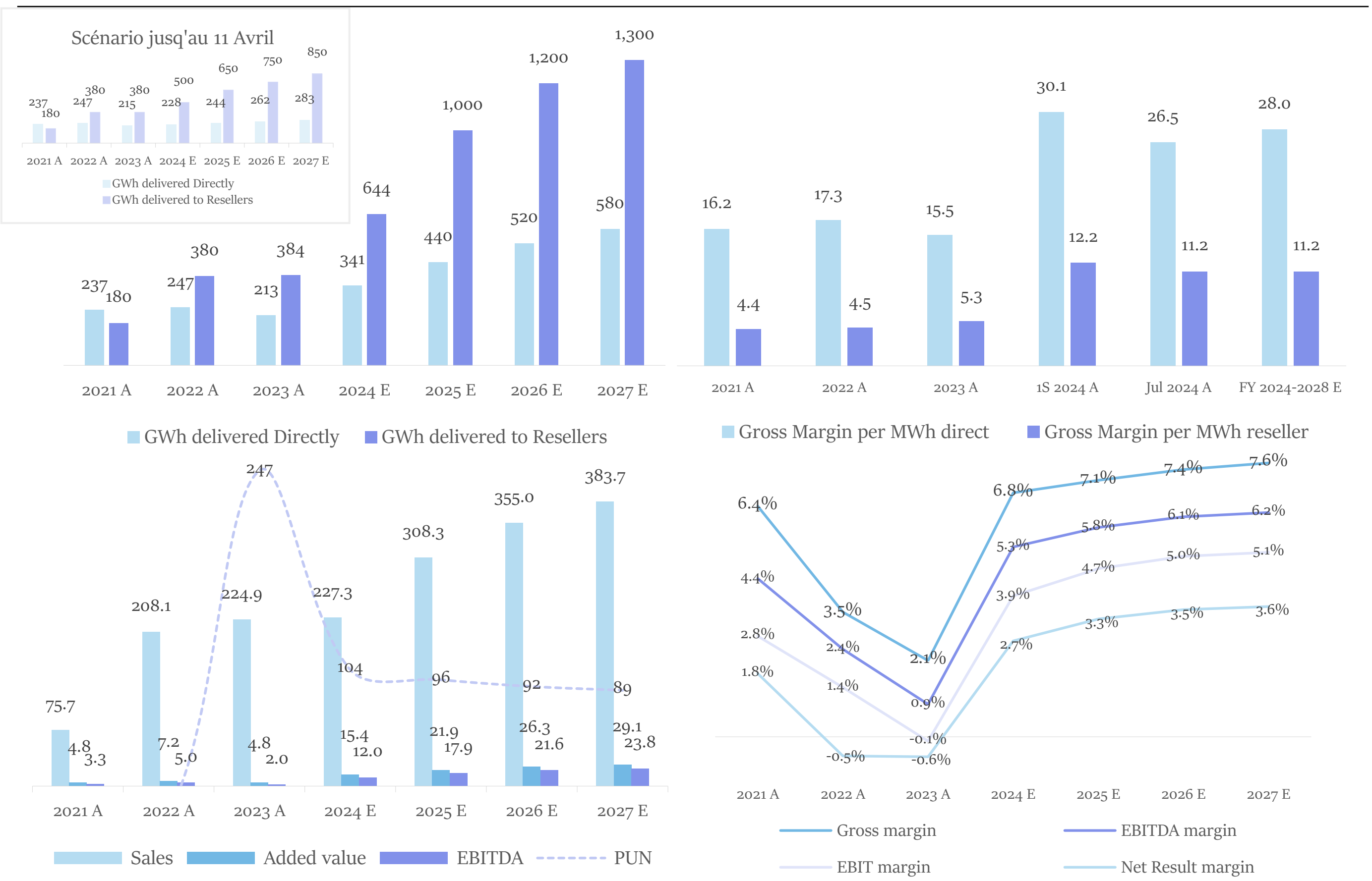
The volumes signed and delivered between July 2023 and today have only gradually increased, both in the direct and reseller segments. In particular, the company announced in May 2024 that it had 395 GWh under management for the direct channel (much higher than the 218GWh delivered between July 2023 and March 2024). Still, in May 2024, the company reported having approximately 810 GWh under management for the reseller channel (much higher than the 453 GWh delivered between July 2023 and March 2024).

This is why in April, we upgraded our growth scenario to take into account this increasingly favourable environment. We estimate that Eviso could close its FY (end-June 2024) with volumes delivered to direct customers up 60% and to reseller customers up 68% on an annual basis. Our estimates imply growth in volumes delivered to direct customers in H2 of +55% (vs. 134 GWh delivered in record H1 2024) driven by the contract concluded from January with the Imperia Energia consortium, and +16.5% on the reseller segment (vs. 297 GWh delivered in a record H1 2024).

If we previously estimated that eVISO could only deliver 1TWh of electricity (between direct and reseller) in June 2026, we now estimate that eVISO could get closer this year (more precisely we estimate 985GWh in 2024), i.e. with two years in advance. Although eVISO maintained a gross margin of €30.1/MWh-delivered for direct customers and €12.2/MWh for reseller customers in H1 2024, we prudently took €28/MWh as a gross margin reference for the direct channel and €11.2/MWh for the reseller channel; we have kept this projection constant for the years to come.

Thanks to the significant growth in volumes and margins, April's scenario has been significantly upgraded. EBITDA is now estimated at €12m for FY 2024 (vs. €8.1m previously), and around €17.9m for FY 2025 (vs. €11.8m previously estimated), thanks to the impact of volumes under management across the entire year and organic growth of around 10%.

Volume estimates delivered (GWh) and gross margin per MWh delivered for the two main types of customers (direct and resellers). At the bottom consistent projection of the main P&L indicators.



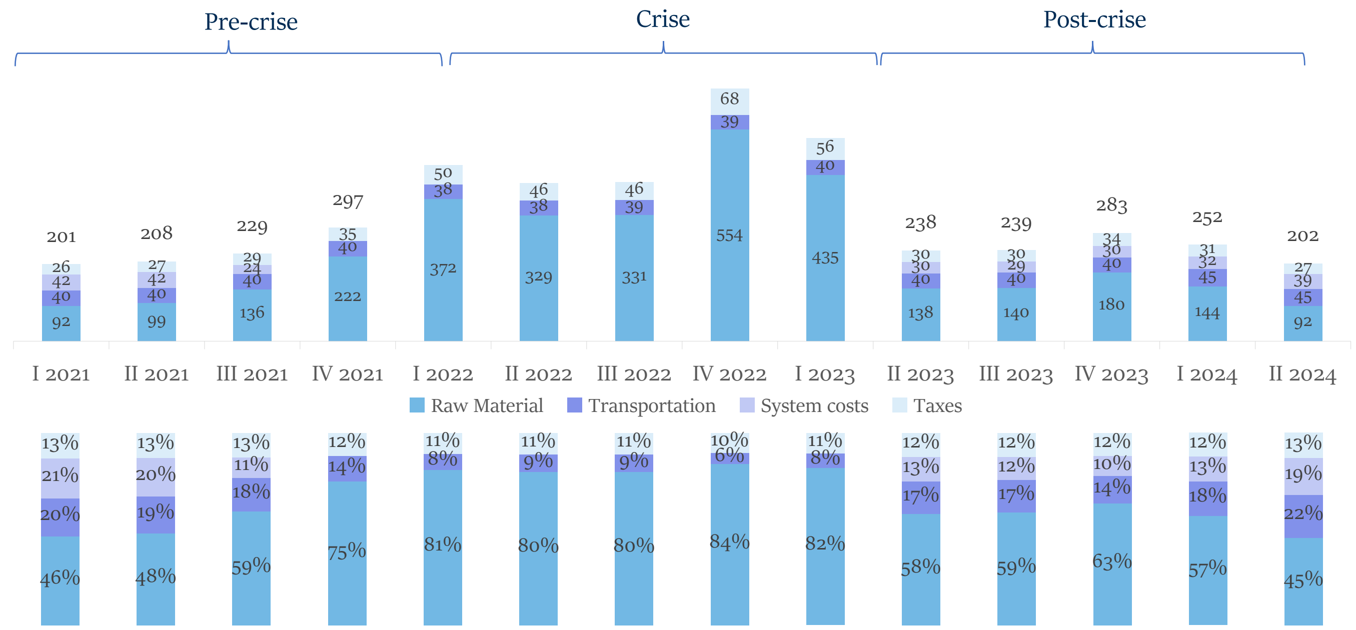
Sources: eVISO & TP ICAP Midcap estimates

Working capital trends

While it is true that the cost of electricity is the main variable to understand market dynamics, when it comes to electricity resellers, the dynamics of other costs remain important to understand the working capital dynamics of resellers like Eviso. Everything that does not represent the cost of the raw material is characterized by less strict payment terms for resellers, so a higher proportion of the total invoice allows retailers to benefit from a less demanding DPO. If during the crisis period (October 2021-March 2023) invoices depended around 80% on the cost of raw materials, this was not the case for the previous period (until September 2021) when the cost of raw materials accounted for only 50% of the total cost, with freight costs, system charges and VAT making up the remaining 50%.

With energy prices having almost returned to their pre-crisis level, these three expenditure items once again constituted a significant part of the total cost from April 2023. In particular, in Q2 2024, the cost of raw materials will represent 45% of the total, followed by: transport costs, in favour of owners of electrical infrastructure (22% of the total); system operating costs, which had been reduced to zero during the crisis period, now represent 19% of the total; and finally VAT, still around 12/13% of the total.

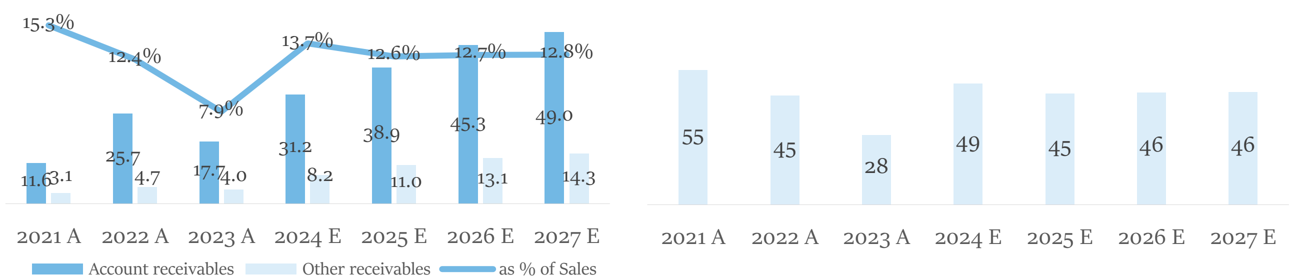
Evolution of the composition of the energy bill by cost source for an average customer (2.7MWh per year)



Source: ARERA

Invoice values and volumes are the main determinants of eVISO credits. In June 2021, the average invoice (Q2 2021) stood at €208. At the time, eVISO delivered a total of 416 GWh (237 GWh directly and 180 GWh to resellers) and recorded trade receivables of €11.6m at the end of the year. In June 2022 the invoice (€413, +99% YoY) and the volumes delivered by eVISO (626GWh, +55% YoY) increased considerably. eVISO ended the year with trade receivables of €25.7m. Finally, in June 2023, the company delivered slightly fewer volumes (597GWh, -4.6%) and receivables, thanks to a quarterly invoice decreasing to €238 (-42.4% YoY), fell significantly to €17.7m. We estimate that in June 2024, as in subsequent years, eVISO's receivables will increase significantly due to volume growth, but that this trend could be slightly offset by the contraction of the average bill in absolute value.

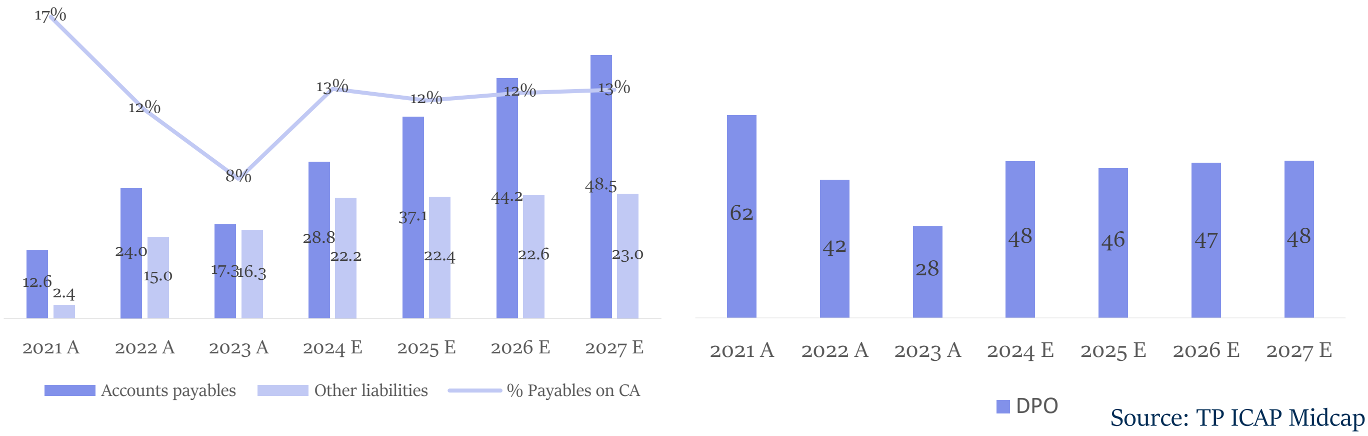
Historical and expected dynamics of eVISO trade receivables and DSO



Source: TP ICAP Midcap

Regarding the dynamics of commercial debts, these also decreased in June 2023 with the fall in prices and volumes, but at the same time, Other debts increased due to eVISO's cautious request for advance payments on invoices already in the middle of the month and guarantees paid by reseller customers. We believe that in 2024, the total value of trade payables will increase significantly due to increased volumes and the billing structure now more linked to distribution and system fees.

Historical and expected trends of eVISO trade debts and DPO



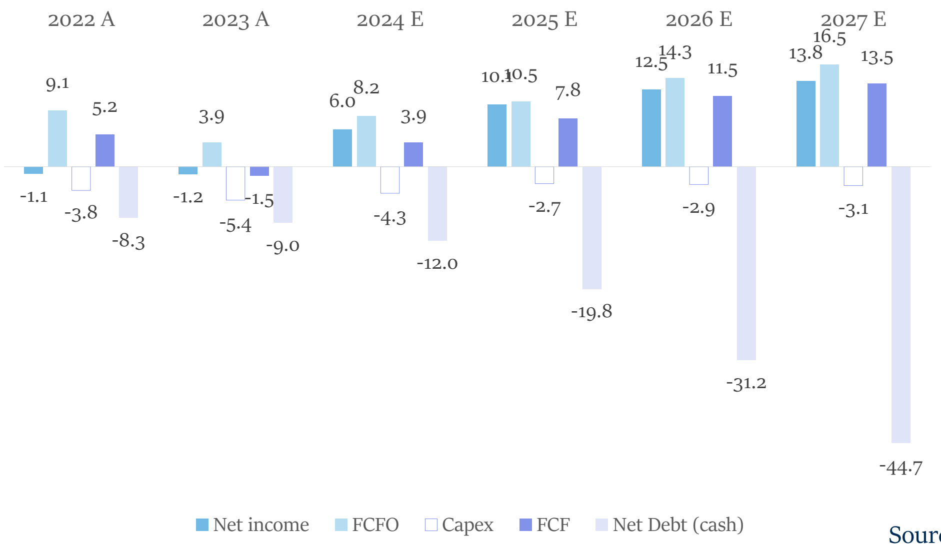
Source: TP ICAP Midcap

According to our estimates for June 2024, trade receivables will increase by €13.4m, other receivables (including VAT receivables) will increase by €4.2m, reducing cash generation for 2024 by €17.6m. The increase in trade payables and other liabilities (due to a more favorable billing structure and excellent management of advances and guarantees paid by eviso's customer resellers) will contribute to generating €17.4m. The net absorption on 2024 related to the Working Capital Requirement is, according to our estimates, €0.2m (compared to €3.5m previously estimated).

According to our estimates, FY 2024 will constitute a record in terms of EBITDA and net results, with an amount estimated at €12m and €6m respectively. Despite a cash consumption of €0.2m due to the increase in working capital, capex of €4.3m and share buybacks for around €1m, we now believe that eVISO will be able to increase its net cash to €12m (compared to €9m YoY).

The company will end its period of strong capex investments this year, which led to the opening of the new headquarters and the launch of several new proprietary tools in December 2023. We estimate that eVISO will invest around €4.5m (vs. €5.4m YoY) in 2024, but that from June 2025 until June 2027, investment expenditure could decrease to around €2.7m-€3.2m. According to our estimates, 2024 free cash flow will amount to around €3.9m in 2024. In 2025, we expect an FCF of around €7.8m, in 2026 of €11.5m and finally €13.5m in 2027. As of today, eVISO is valued at approximately 9.6x our estimated EBITDA for 2024 and approximately 6x our estimated EBITDA for 2025, despite the fact that the growth potential remains absolutely unique in the market and our volume growth estimates for 2025 are relatively conservative and based on the commercial pipeline that the company has already announced signed between December 2023 and February 2024. The company is starting to be valued for its growth potential and technological capability, but in our opinion, there is still untapped potential.

Historical and expected dynamics of cash generation and treasury



Source: TP ICAP Midcap

Market positioning and context

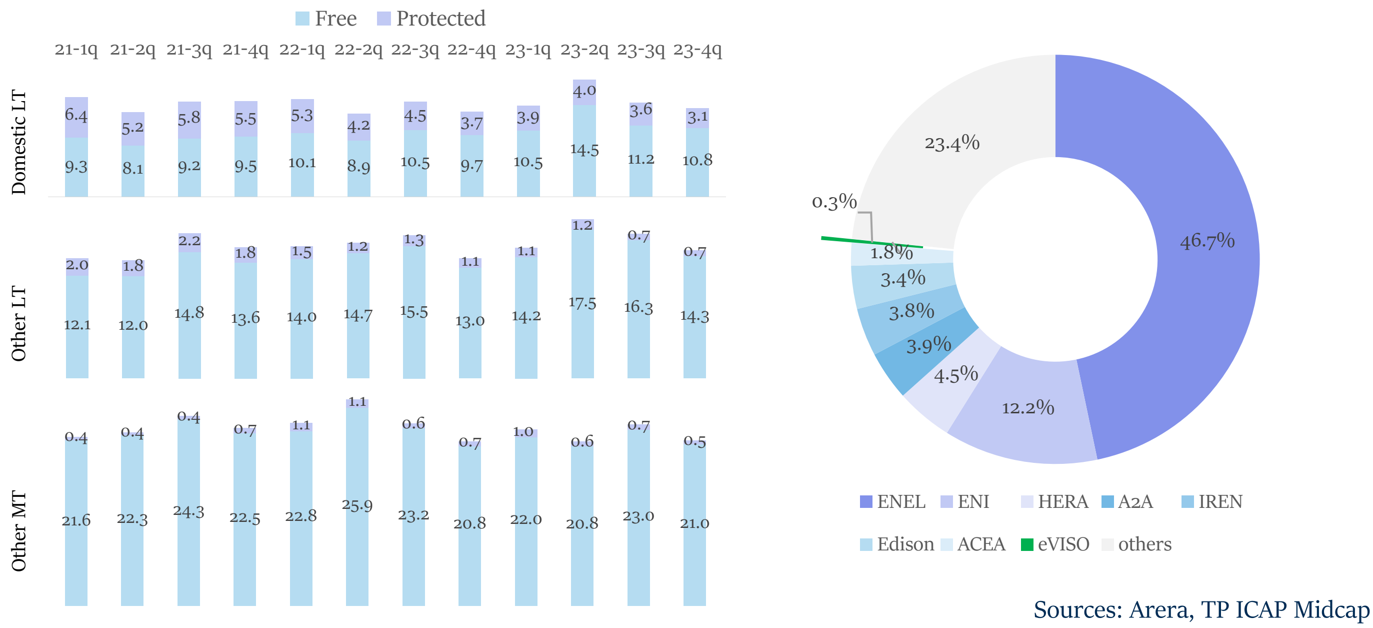
Gradual liberalization of the protected market

Today, eVISO has a unique positioning compared to the main competitors in the open market, as it supplies not only its direct customers, but also other resellers throughout the territory. This positioning is made possible by the various proprietary tools that they have developed over time and which facilitate the scalability of the company and the efficiency of the services offered.

In Q4 2023, out of a total of 50.7 TWh consumed, domestic consumption represented approximately 27.4% of the total, 30.1% being linked to other low voltage uses and 42.5% of the volumes were linked to other medium-tension uses. On the domestic market 77.7% of consumption belongs to the free market (gradually liberalized). For other low voltage users, around 93.9% of volumes belong to the free market, this figure rises to 97.6% for other medium voltage users. This data will allow us to conclude that the market's liberalization, planned for July 2024, will particularly benefit resellers active in the domestic free market (like many reseller customers of eVISO).

To date, the seven leading players in electricity resale hold 76.3% of the delivered market: Enel (46.7%), Eni (12.2%), Hera (4.5%), A2A (3.9%), IREN (3.8%) , Edison (3.4%) and ACEA (1.8%), all operators who will benefit the most from market liberalization. Taking into account that these figures are based on deliveries made in 2022, eVISO held approximately 0.3% of the open market. For FY 2023, we estimate that eVISO's share was 0.4% of the market and that this could rise to 0.8% in 2024 (between reseller and direct volume), according to our estimates, which suggests that eVISO's growth potential remains very high.

Volumes delivered per quarter on the free and protected markets in the three main segments Q1 2021-Q4 2023 and free market shares of the main operators in 2022



Sources: Arera, TP ICAP Midcap

eVISO's positive net cash flow is a competitive advantage, especially with high interest rates

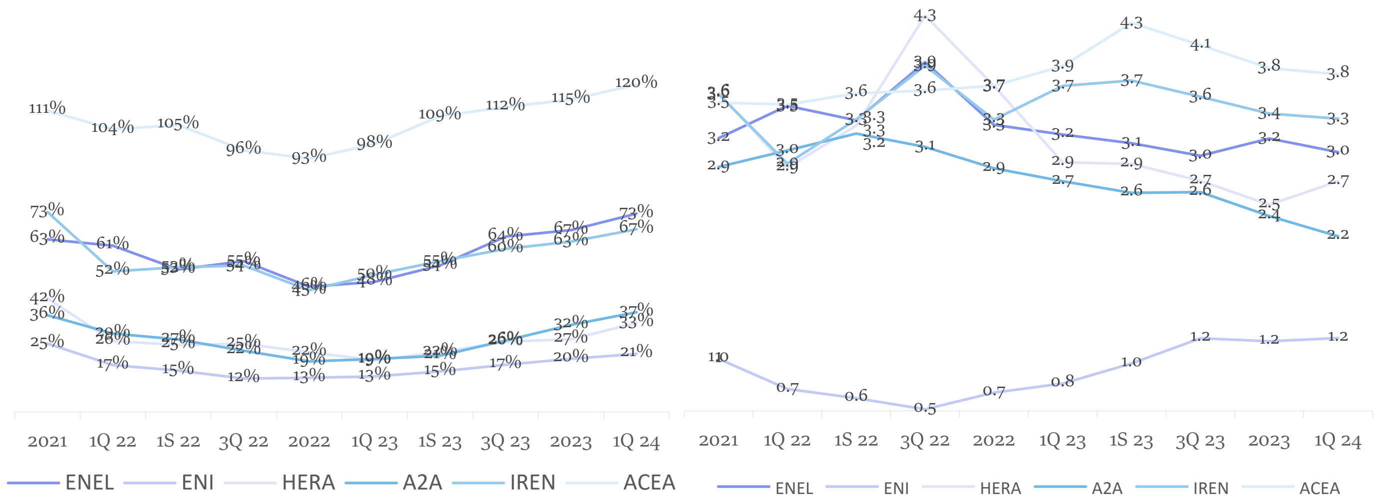
Another competitive advantage that eVISO benefits from in the current market context is its almost total absence of financial debt. At the end of June 2023, cash net of debt, stood at €9m. We estimate that by June 2024, this value could increase up to €12m despite significant investments over the year (€4.5m estimated). In a low margin market such as the resale of electricity, with today's high interest rates, the main competitors have ND representing on average 54% of revenue, which affects their net income, thus favouring the growth of positive cash flow players such as eVISO.

By analysing the balance sheets of all the main market players not owned by foreign operators (72.5% of the market), who are often also electricity producers or owners of distribution infrastructure and not just resellers like eVISO, at the end of 2023, they are significantly more indebted than eVISO. Enel, which holds 46.7% of the free market, is indebted to the equivalent of 67% of its revenue and representing 3.4x its EBITDA; ENI (12.2% of the market share) has net debt of 20% of its revenue and 1.2x its EBITDA; Hera (4.5% of the market share), has a net debt of 27% of its revenue and 2.5x its EBITDA; A2A (3.9% of the market share) has net debt of 32% of its revenue and 2.4x its EBITDA; IREN (3.8% of the market share) has net debt of 65% of its revenue and 3.5x its EBITDA; finally ACEA (1.8% of the market share) has a net debt of 115% of its revenue and 3.8x its EBITDA.

[the following graph presents the quarterly evolution of these two ratios over the last 3 years for each operator].

We have reconstructed the quarterly dynamics of the debt of all these operators from 2021 until 2023 in order to highlight on the one hand, the competitive advantage that eVISO benefits from to date by not having any particular costs below EBIT, and on the other hand the impact of the crisis of the last two years on the debt level of the main operators. During the period of peak electricity prices (Q3 2022, where the average PUN was €470/MWh), most operators considerably increased their ND/EBITDA ratio. Hera, for example, reached its debt level maximum at 4.3x ND/EBITDA. In this context, while most operators have had to limit their growth in the following quarters, eVISO has strengthened its sales team to prepare for growth, the impact of which will be major on the results of this year and next year.

ND/Revenue and ND/EBITDA ratios for the top 7 quarterly electricity resale operators 2021-2023



Source: TP ICAP Midcap

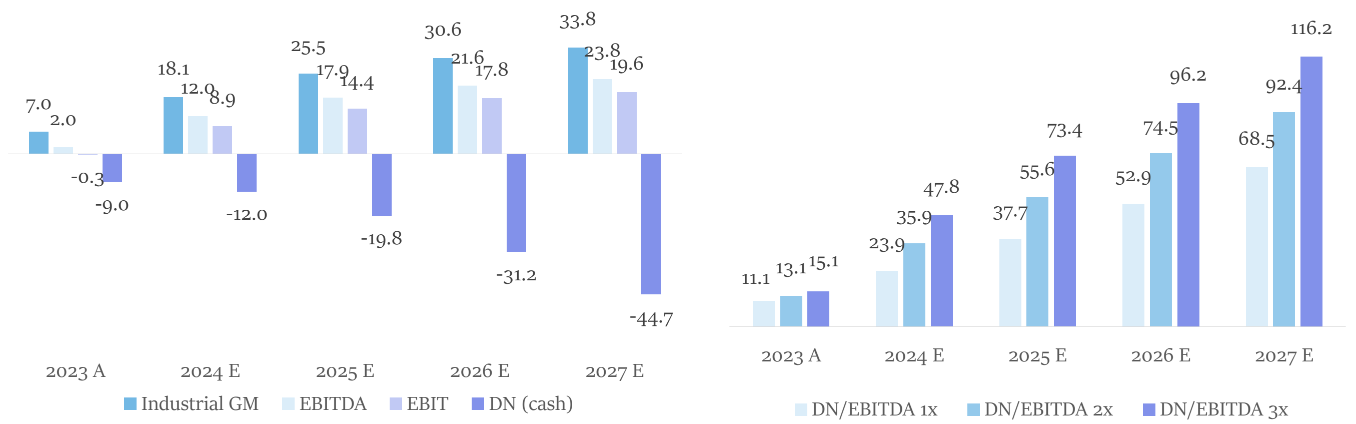
Considering the market average ND/EBITDA ratio of 2.8x:

- on the one hand, eVISO has no significant financial costs and can either afford to gain market share through aggressive pricing policies that other operators could not apply without risking incurring further debt, or display strong growth in results while maintaining its offering at the level that other market players are obliged to maintain;

- on the other hand, if the company wanted to reach the average debt level of the sector (2.8x ND/EBITDA), taking into account the expected EBITDA of €12m by June 2024, it could invest around €44m in possible merger-acquisition operations or in investments to continue to disrupt the market thanks to its technological infrastructure.

We ran three debt simulations for eVISO at 1x, 2x and 3x ND/EBITDA based on our estimates of EBITDA and cash generation between June 2024 and June 2027 to show how much the company could invest significantly. cumulative. Over the next five years, with an aggressive debt policy, it could spend up to €116m.

Key indicators of income statement, net debt and investment potential with moderate, medium and more aggressive debt levels



Source: TP ICAP Midcap

Conclusion

The outbreak of the Russian-Ukrainian conflict led to a sharp rise in electricity prices in Italy, where electricity production still depends today for around 46% on non-renewable sources. This generalized increase in prices led to a 9.6% drop over two years in national electricity consumption, from 318.1TWh in 2021 to 306.1TWh in 2023. Prices reached their peak in August 2022 (€543/MWh) and, throughout 2022, they put most reseller operators active in the energy market in difficulty, being particularly indebted and therefore exposed to increasing interest rates in a particularly complicated market context. From January 2023, prices started to fall considerably (€174/MWh), but it was only from January 2024 that they returned to their pre-crisis levels (€99/MWh).

In addition, the Italian domestic market (which represents 27.4% of total consumption) is gradually being liberalized. If within this segment until Q1 2021, 40.5% of volumes were reserved for the regulated market, in Q4 2023, this share fell to 22.3%, reaching 0% by July 2024. In terms of volumes, in 2023, 14.5 TWh were delivered by operators on the regulated market vs. 47 TWh on the free market. This means that between FY 2024 and FY 2025, the free market in the domestic segment will enjoy a growth of around 30% (equivalent to 8.2% if applied to the entire market), which will benefit free market operators like eVISO and its reseller partners active in the domestic segment.

In this context, eVISO, a commodity-tech company which mainly operates in the electricity resale market, has experienced explosive growth both in terms of volumes delivered and margins generated and we believe that it could continue to grow in years to come thanks to two particular characteristics that make it unique on the market:

a) Firstly, its technological infrastructure, thanks to which eVISO was able to automate all the processes necessary for a reseller (including: trading/procurement, monitoring and optimization of consumption, invoicing, request management of customers and analysis as well as the dynamic positioning of the offer...), guarantees unique scalability despite its workforce of only a little more than 100 employees, and also allowing it to offer its technology to others resellers active in the market (around 100 more resellers work with eVISO to date).

b) Secondly, its commercial formula based on positive net cash flow. In fact, to date, eVISO benefits from a competitive advantage thanks to the virtual absence of bank debt and therefore financial charges in its income statement. In a low-margin market such as electricity sales, the positive cash flow formula has offered and will continue to offer eVISO a significant competitive advantage, especially as long as interest rates remain high.

If in 2019 eVISO only sold electricity to direct B2B customers located in Piedmont, for a total of around 180 GWh, today eVISO has concluded direct contracts mainly in Piedmont and Liguria for a total of approximately 380 GWh. In addition, the company has positioned itself as a supplier to other reseller operators throughout Italy, with whom it has today signed contracts for a total of approximately 1,250GWh. Much of the commercial growth was achieved between late 2023 and early 2024, which will therefore have a major impact on the second half of the current financial year, which eVISO will close in June 2024.

The latest half-year results published by eVISO in April 2024, relating to the period from July to December 2023, have already highlighted strong volumes growth, but above all, significant growth in the unit margin per MWh delivered. For direct customers, the unit margin generated by eVISO over the half-year amounted to €30.1/MWh (vs. €15.5/MWh in June 2023), while on reseller customers, the unit margin amounted to €12.2/MWh (vs. €5.3/MWh over one year). Given the significant increase in volumes since the start of 2024, eVISO also communicated this same figure for the month of January alone, i.e. €26.5/MWh on the direct segment and €11.2/MWh on the reseller segment, which we took as a fixed basis for our future estimates. By gradually integrating signed volumes into actual deliveries, we estimate that eVISO could close FY 2024 with an EBITDA of €12m and FY 2025 with an EBITDA of €17.9m thanks to additional organic volume growth of 10%. Based on these estimates and the current stock price, eVISO's EV/EBITDA multiple would amount to 9.6x in June 2024 and only 6x the expected EV/EBITDA for June 2025.

Although the stock value, since we included it in our selection in September 2023 (when it was valued at €2.36), has increased by over 100%, we believe that the demonstrated business growth, recorded unit margins, market context, and the company's unique scalability allow us to persist in our strong buy conviction on eVISO. The company can significantly grow by selling both electricity and gas through a 'dual fuel' commercial offering, by continuing to expand on direct customer base in Piedmont and Liguria (or entering new regions), and by increasing the number of affiliated resellers throughout Italy or supplying energy/gas to already served customers. Price target of €7.1 thanks to an expected cash generation of approximately €3m (compared to €-0.4m previously) and an increasingly favorable market context.

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
ΔWCR	-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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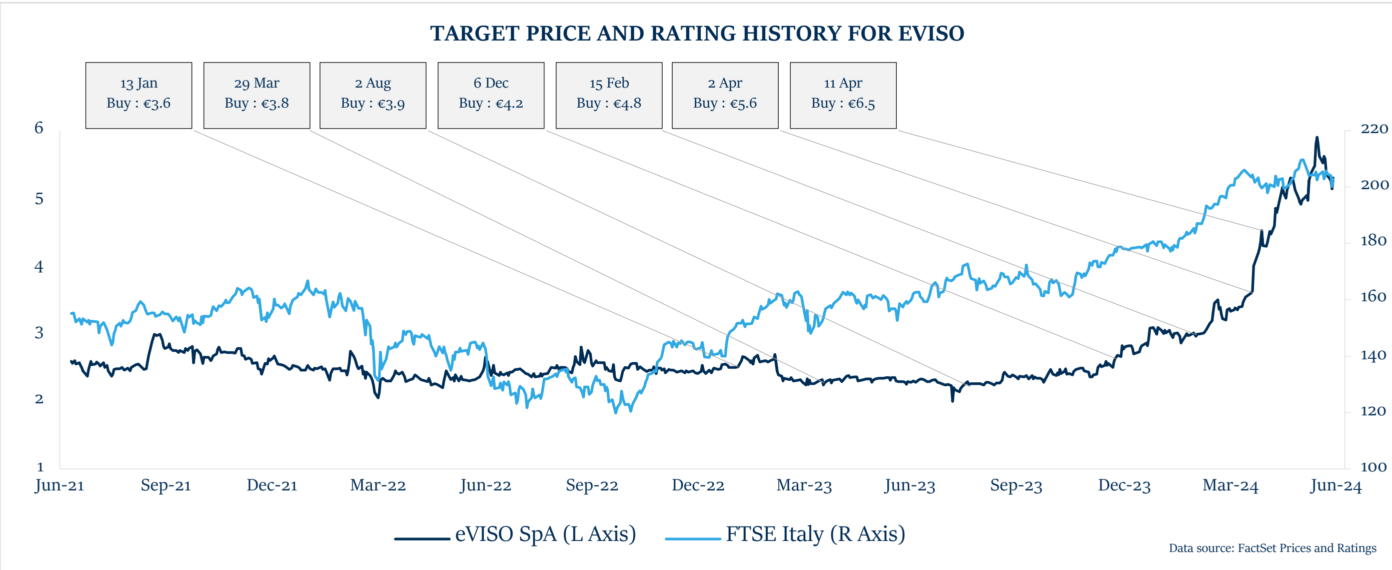
This Report may mention evaluation methods defined as follows:

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 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%	65%
Hold	16%	58%
Sell	1%	0%
Under review	2%	100%

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