

## EQUITY RESEARCH

### EVISO SPA FEEDBACK CONFERENCE

**BUY**  
**TP 3.8€**  
Up/Downside: 63%

### Growth Can Resume

The March, April and May The Single National Electricity Price ('PUN') averaged €133/MWh (a 55% drop from the July-December 2022 average) and returned to the average trading level of 2021, a price level that had allowed eVISO to grow massively.

The market environment has become favorable once again, but the share price is close to last year's lows, burned by the last half of the year at the height of the 2022 energy crisis. eVISO had already returned to a "cash positive financial situation" in February 2023 thanks to lower prices, not to mention their continuing drop in the months ahead that will certainly bring new flows to eVISO's coffers.

At the same time, the improved customer mix developed over the past three years will allow eVISO to substantially increase its margins, so there is no doubt that this could be an excellent time to buy eVISO stock.

Over the past two months, eVISO has also hired a new director of direct sales, Franco Pancino, and promoted Lucia Fracassi to the position of general manager of eVISO, two appointments which underline eVISO's desire to increase its sales force in this market environment.

eVISO closes its annual accounts on 30 June, and according to our estimates, despite an almost break-even H1 for EBITDA generation, eVISO can afford to close the year with an EBITDA approaching €4.2m (vs. €5m YoY), thus recording its record semestrial margin level.

At the same time, with gas stocks projected at the highest level, the €80b allocated by the Italian government for the "Energy Transition Program" to encourage the production of electricity from renewable sources and the support of national banks such as Intesa San Paolo with €76b of cash available for companies with "Energy Transition" programmes, we believe that the increase in national production can help maintain a gradually falling price level in the years to come.

The market environment will enable eVISO to grow considerably in the years to come thanks to the uniqueness and potential of its proprietary technologies.

We are reiterating both our Buy rating and TP of €3.8.

#### Key data

Price (€)	2.3
Industry	Technology Services
Ticker	EVS-IT
Shares Out (m)	24.662
Market Cap (m €)	57.5
Average trading volumes (k shares / day)	6.405

#### 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	0.03	0.09	0.15
Change vs previous estimates (%)	0.00	0.00	0.00

Performance (%)	1D	1M	YTD
Price Perf	0.9	-0.4	-8.3
Rel FTSE Italy	0.0	-0.4	-20.3



TP ICAP Midcap Estimates	06/22	06/23e	06/24e	06/25e	Valuation Ratio	06/23e	06/24e	06/25e
Sales (m €)	208.1	259.5	240.3	282.9	EV/Sales	0.2	0.2	0.2
Current Op Inc (m €)	3.2	2.0	4.0	5.8	EV/EBITDA	12.2	7.5	5.0
Current op. Margin (%)	1.5	0.8	1.7	2.0	EV/EBIT	25.7	12.1	7.4
EPS (€)	-0.04	0.03	0.09	0.15	PE	75.6	25.3	16.0
DPS (€)	0.00	0.00	0.00	0.00				
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	5.2	-1.9	2.5	5.8				

Consensus FactSet - Analysts:na	06/23e	06/24e	06/25e
Sales	245.3	233.6	275.4
EBIT	1.0	3.9	5.6
Net income	-2.0	2.1	3.4

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## FINANCIAL DATA

Income Statement	06/20	06/21	06/22	06/23e	06/24e	06/25e
Sales	47.8	75.7	208.1	259.5	240.3	282.9
Changes (%)	12.8	58.3	174.9	24.7	-7.4	17.7
Gross profit	30.3	44.4	43.9	54.3	70.4	92.9
% of Sales	63.3	58.6	21.1	20.9	29.3	32.8
<b>EBITDA</b>	<b>2.4</b>	<b>3.3</b>	<b>5.0</b>	<b>4.2</b>	<b>6.5</b>	<b>8.6</b>
% of Sales	5.0	4.4	2.4	1.6	2.7	3.0
<b>Current operating profit</b>	<b>1.7</b>	<b>2.2</b>	<b>3.2</b>	<b>2.0</b>	<b>4.0</b>	<b>5.8</b>
% of Sales	3.5	2.9	1.5	0.8	1.7	2.0
Non-recurring items	0.0	0.1	0.3	0.5	0.6	0.5
EBIT	1.7	2.1	2.8	1.5	3.5	5.2
Net financial result	0.1	0.4	0.2	0.4	0.3	0.2
Income Tax	0.4	0.4	3.7	0.3	0.9	1.4
Tax rate (%)	25.7	24.6	142.7	27.9	27.9	27.9
<b>Net profit, group share</b>	<b>1.2</b>	<b>1.3</b>	<b>-1.1</b>	<b>0.8</b>	<b>2.3</b>	<b>3.6</b>
EPS	0.05	0.05	na	0.03	0.09	0.15
Financial Statement	06/20	06/21	06/22	06/23e	06/24e	06/25e
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	2.8	12.6	14.6	15.1	14.7	14.3
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	1.1	4.9	4.6	4.6	4.6	4.6
Working capital	-0.6	-0.3	-8.4	-6.2	-6.0	-7.9
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
Assets	3.3	17.2	10.8	13.5	13.3	11.0
Shareholders equity group	2.9	19.8	18.3	19.0	21.3	24.9
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	0.4	0.3	0.6	0.6	0.6	0.6
Net debt	-0.0	-3.0	-8.1	-6.2	-8.7	-14.5
Other liabilities	0.0	0.2	0.1	0.1	0.1	0.1
Liabilities	3.3	17.2	10.8	13.5	13.3	11.0
Net debt excl. IFRS 16	-0.0	-3.0	-8.1	-6.2	-8.7	-14.5
Gearing net	-0.0	-0.2	-0.4	-0.3	-0.4	-0.6
Leverage	-0.0	-0.9	-1.6	-1.5	-1.3	-1.7
Cash flow statement	06/20	06/21	06/22	06/23e	06/24e	06/25e
CF after elimination of net borrowing costs and taxes	1.9	2.7	4.4	3.0	4.8	6.4
$\Delta$ WCR	-1.0	-0.0	4.7	-2.2	-0.1	1.8
Operating cash flow	0.8	2.7	9.1	0.8	4.6	8.3
Net capex	-2.1	-3.0	-3.8	-2.7	-2.1	-2.4
FCF	-1.3	-0.3	5.2	-1.9	2.5	5.8
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	0.9	-0.1	-0.1	0.0	0.0	0.0
Change in borrowings	3.1	0.2	3.3	0.0	0.0	0.0
Dividends paid	0.0	-0.3	-0.4	0.0	0.0	0.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	-0.3	7.9	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	2.8	7.8	2.9	0.0	0.0	0.0
ROA (%)	34.8%	7.7%	na	5.6%	17.1%	32.6%
ROE (%)	39.4%	6.7%	na	4.0%	10.7%	14.5%
ROCE (%)	57.0%	11.0%	17.4%	10.5%	19.0%	23.2%

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### Analyst certifications

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### Methodology

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	82%	65%
Hold	16%	42%
Sell	1%	0%
Under review	1%	0%

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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