

EQUITY RESEARCH

EVISO SPA RESULTS REVIEW Press release

BUY
TP 3.6€
Up/Downside: 34%

Publication of Half-Year Results anticipation

Half-year revenue stood at €145m (+47% YoY), net financial debt at €4m (vs. €-8.1m at end June 2022), the number of customers served increased and the buyback programme has been launched.

eVISO closed its semi-annual accounts, relative to the period in which energy prices reached their highest pick ever; average revenue per MWh supplied reached €425 (+64% YoY), total energy supplied decreased by 15% YoY, leading to revenue of €145m (+47% YoY).

The strong hike in energy prices caused substantial but temporary changes in cash flow, leading to net debt of €4m (vs. €-8.1m, cash positive, on 30 June 2022). The approximately €12m of cash burn can be attributed to: the growth of security deposits with institutional entities, the strong increase in credits due to the cost of raw materials, the payment of special taxes on extra energetic profits, and a partial deterioration in the timing of payments to energy suppliers due to a higher impact of raw material costs on the value of energy bills, as expected.

To date, eVISO provides its services to 9.3% of Italian resellers, with whom agreements have been signed for a supply of up to 700GWh (a massive potential backlog). Reselling clients have paid guarantees to eVISO totalling €9.6m (vs. €3.4m at end June 2022).

The company recorded strong growth in contracts managed by the 'Cortex' portal; a slight decrease in gas consumption (-15% YoY) due to a relatively mild winter and finally an increase to 106 tonnes delivered through the SmartMele portal.

eVISO also approved the terms and conditions for the implementation of the share buyback plan up to a maximum value of 10% of the share capital in order to structure the incentive plans, to have a strategic portfolio of own shares and to efficiently deploy generated cash.

Considering that in the first two months of 2023, the average electricity price has fallen by more than 50%, we believe that the cash burn is temporary, as expected, and that the company has already started to grow again both in terms of energy delivered and margins in the first two months of 2023.

Our estimates remain unchanged, while reiterating both our Buy rating and TP of €3.6.

Key data

Price (€)	2.7
Industry	Technology Services
Ticker	EVS-IT
Shares Out (m)	24.662
Market Cap (m €)	66.3
Average trading volumes (k shares / day)	12.179

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	-0.08	0.09	0.14
Change vs previous estimates (%)	na	na	na

Performance (%)	1D	1M	YTD
Price Perf	0.0	7.2	5.9
Rel FTSE Italy	-0.1	1.5	-7.5



TP ICAP Midcap Estimates	06/22	06/23e	06/24e	06/25e	Valuation Ratio	06/23e	06/24e	06/25e
Sales (m €)	208.1	245.3	233.6	275.4	EV/Sales	0.3	0.3	0.2
Current Op Inc (m €)	3.2	1.0	3.9	5.6	EV/EBITDA	19.7	9.5	6.5
Current op. Margin (%)	1.5	0.4	1.7	2.0	EV/EBIT	na	15.6	9.8
EPS (€)	-0.04	-0.08	0.09	0.14	PE	na	31.5	19.5
DPS (€)	0.00	0.00	0.00	0.00				
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	5.2	-5.1	2.8	5.6				

Consensus FactSet - Analysts:na	06/23e	06/24e	06/25e
Sales	351.0	307.6	291.6
EBIT	4.7	5.9	7.9
Net income	2.9	3.8	5.2

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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	245.3	233.6	275.4
Changes (%)	12.8	58.3	174.9	17.9	-4.8	17.9
Gross profit	30.3	44.4	43.9	51.1	68.3	90.3
% of Sales	63.3	58.6	21.1	20.8	29.2	32.8
EBITDA	2.4	3.3	5.0	3.2	6.4	8.4
% of Sales	5.0	4.4	2.4	1.3	2.7	3.0
Current operating profit	1.7	2.2	3.2	1.0	3.9	5.6
% of Sales	3.5	2.9	1.5	0.4	1.7	2.0
Non-recurring items	0.0	0.1	0.3	0.6	0.6	0.6
EBIT	1.7	2.1	2.8	0.4	3.2	5.0
Net financial result	0.1	0.4	0.2	0.4	0.3	0.2
Income Tax	0.4	0.4	3.7	2.0	0.8	1.3
Tax rate (%)	25.7	24.6	142.7	13,856.8	27.9	27.9
Net profit, group share	1.2	1.3	-1.1	-2.0	2.1	3.4
EPS	0.05	0.05	na	na	0.09	0.14
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	15.0	14.6	14.2
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	-5.7	-6.0	-7.8
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
Assets	3.3	17.2	10.8	13.9	13.2	11.0
Shareholders equity group	2.9	19.8	18.3	16.3	18.4	21.8
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	-3.0	-5.9	-11.5
Other liabilities	0.0	0.2	0.1	0.1	0.1	0.1
Liabilities	3.3	17.2	10.8	13.9	13.2	11.0
Net debt excl. IFRS 16	-0.0	-3.0	-8.1	-3.0	-5.9	-11.5
Gearing net	-0.0	-0.2	-0.4	-0.2	-0.3	-0.5
Leverage	-0.0	-0.9	-1.6	-0.9	-0.9	-1.4
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	0.2	4.6	6.2
Δ WCR	-1.0	-0.0	4.7	-2.7	0.3	1.8
Operating cash flow	0.8	2.7	9.1	-2.5	4.9	8.0
Net capex	-2.1	-3.0	-3.8	-2.6	-2.1	-2.4
FCF	-1.3	-0.3	5.2	-5.1	2.8	5.6
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	na	15.9%	31.0%
ROE (%)	39.4%	6.7%	na	na	11.4%	15.6%
ROCE (%)	57.0%	11.0%	17.4%	6.2%	21.0%	25.7%

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Methodology

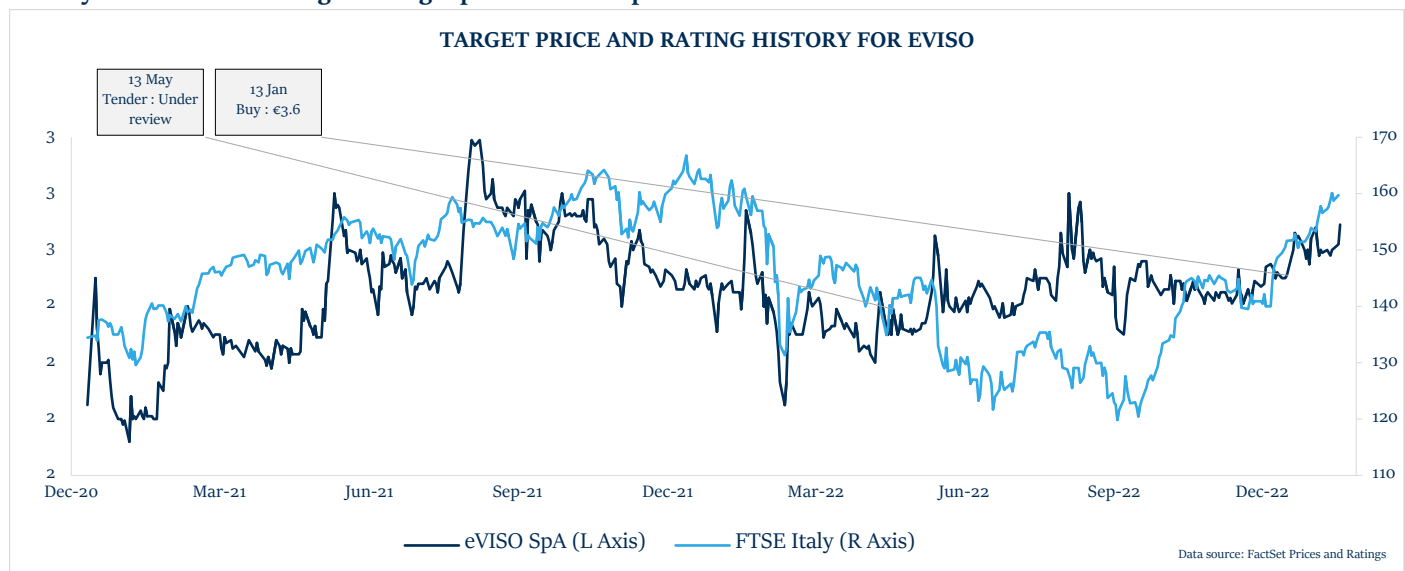
This Report may mention evaluation methods defined as follows:

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

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	85%	63%
Hold	13%	42%
Sell	1%	50%
Under review	1%	100%

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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