

## EQUITY RESEARCH

### EVISO SPA RESULTS REVIEW Press release

**BUY**  
**TP 3.9€**  
Up/Downside: 75%

### Preliminary Results Better Than Expected

**Net cash stood at €9m (vs. €8.6m expected and -€4m at end-December 2022), marking record cash generation of €13m over H2, revenue was in line with expectations at €225m (vs. €208m YoY) and PODs served were up sharply at over 400k (+100% YoY).**

eVISO has released preliminary H1 results, a period characterised by a sharp fall in the national electricity price (PUN), which stood at €137/MWh in H2 (vs. €358/MWh in H1), a price level not seen since well before the start of the Russo-Ukrainian war.

Revenue amounted to €225m, in line with our expectations and up 8% year-on-year, mainly due to the price effect, with total volumes delivered down slightly at 579GWh (-8% YoY). Thanks to the resumption of commercial growth and in this favourable market environment, we expect eVISO to close next year with more than 700GWh delivered (an additional 100GWh has already been signed in August 2023).

The sharp fall in prices allowed eVISO to benefit from extremely favourable working capital dynamics vs. H1, which enabled it to generate cash of around €13m in H2 and €0.9m year-on-year.

The company has not published EBITDA and net income figures, but we estimate that EBITDA, which was generated almost exclusively in H2, should come in at around €3.2m (vs. €5m YoY) and net income, again burdened by €0.7m in respect of taxation on 'extra profits', should amount to -€1.2m (vs. -€1.1m YoY). For 2024, we forecast EBITDA of at least €6.5m and net income (excluding extraordinary taxes) of €2.3m.

The number of PODs served rose sharply to over 400k (+100%), highlighting the differentiation strategy to reach as many low-consumption PODs as possible (a growing market segment). At the same time, the number of files managed by the Cortex portal has increased significantly, reaching 48k units (+79% YoY).

These are very positive results which, combined with the continuing fall in energy prices, mean that we can remain optimistic for the year ahead. We have slightly increased our estimates for cash generation from working capital and reiterate both TP of €3.9 and our Buy rating.

#### Key data

Price (€)	2.2
Industry	Technology Services
Ticker	EVS-IT
Shares Out (m)	24.662
Market Cap (m €)	55.0
Average trading volumes (k shares / day)	1.000

#### Ownership (%)

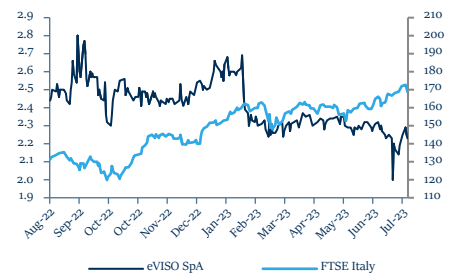
O Caminho S.r.l.	52.7
Iscat S.r.l.	13.9
Pandora S.S.	12.2
Arca Fondi SGR	3.0
Free float	21.2

#### EPS (€)

	06/23e	06/24e	06/25e
Estimates	-0.05	0.09	0.15
Change vs previous estimates (%)	na	0.00	0.00

#### Performance (%)

	1D	1M	YTD
Price Perf	0.0	-2.6	-12.2
Rel FTSE Italy	0.3	-0.6	-27.3



TP ICAP Midcap Estimates	06/22	06/23e	06/24e	06/25e	Valuation Ratio	06/23e	06/24e	06/25e	Consensus FactSet - Analysts:na	06/23e	06/24e	06/25e
Sales (m €)	208.1	225.4	213.0	250.1	EV/Sales	0.2	0.2	0.1	Sales	259.5	240.3	282.9
Current Op Inc (m €)	3.2	1.0	4.1	5.8	EV/EBITDA	14.4	6.5	4.4	EBIT	2.0	4.0	5.8
Current op. Margin (%)	1.5	0.4	1.9	2.3	EV/EBIT	45.7	10.3	6.4	Net income	0.8	2.3	3.6
EPS (€)	-0.04	-0.05	0.09	0.15	PE	na	23.5	15.0				
DPS (€)	0.00	0.00	0.00	0.00								
Yield (%)	0.0	0.0	0.0	0.0								
FCF (m €)	5.2	0.9	3.9	5.3								

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## FINANCIAL DATA

<b>Income Statement</b>	<b>06/20</b>	<b>06/21</b>	<b>06/22</b>	<b>06/23e</b>	<b>06/24e</b>	<b>06/25e</b>
Sales	47.8	75.7	208.1	225.4	213.0	250.1
Changes (%)	12.8	58.3	174.9	8.3	-5.5	17.4
Gross profit	30.3	44.4	43.9	46.6	86.2	108.3
% of Sales	63.3	58.6	21.1	20.7	40.5	43.3
<b>EBITDA</b>	<b>2.4</b>	<b>3.3</b>	<b>5.0</b>	<b>3.2</b>	<b>6.5</b>	<b>8.5</b>
% of Sales	5.0	4.4	2.4	1.4	3.1	3.4
<b>Current operating profit</b>	<b>1.7</b>	<b>2.2</b>	<b>3.2</b>	<b>1.0</b>	<b>4.1</b>	<b>5.8</b>
% of Sales	3.5	2.9	1.5	0.4	1.9	2.3
Non-recurring items	-0.0	-0.1	-0.3	-1.0	-0.4	-0.4
EBIT	1.7	2.1	2.8	0.0	3.7	5.3
Net financial result	-0.1	-0.4	-0.2	-0.6	-0.4	-0.2
Income Tax	-0.4	-0.4	-3.7	-0.6	-0.9	-1.4
Tax rate (%)	25.7	24.6	142.7	-118.8	27.9	27.9
<b>Net profit, group share</b>	<b>1.2</b>	<b>1.3</b>	<b>-1.1</b>	<b>-1.2</b>	<b>2.3</b>	<b>3.7</b>
EPS	0.05	0.05	na	na	0.09	0.15
<b>Financial Statement</b>	<b>06/20</b>	<b>06/21</b>	<b>06/22</b>	<b>06/23e</b>	<b>06/24e</b>	<b>06/25e</b>
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	2.8	12.6	14.6	17.5	17.0	16.7
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	-13.4	-14.5	-15.7
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
<b>Assets</b>	<b>3.3</b>	<b>17.2</b>	<b>10.8</b>	<b>8.7</b>	<b>7.2</b>	<b>5.6</b>
Shareholders equity group	2.9	19.8	18.3	17.1	19.4	23.1
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	-9.0	-12.9	-18.2
Other liabilities	0.0	0.2	0.1	0.1	0.1	0.1
<b>Liabilities</b>	<b>3.3</b>	<b>17.2</b>	<b>10.8</b>	<b>8.7</b>	<b>7.2</b>	<b>5.6</b>
Net debt excl. IFRS 16	-0.0	-3.0	-8.1	-9.0	-12.9	-18.2
Gearing net	-0.0	-0.2	-0.4	-0.5	-0.7	-0.8
Leverage	-0.0	-0.9	-1.6	-2.8	-2.0	-2.1
<b>Cash flow statement</b>	<b>06/20</b>	<b>06/21</b>	<b>06/22</b>	<b>06/23e</b>	<b>06/24e</b>	<b>06/25e</b>
CF after elimination of net borrowing costs and taxes	1.9	2.7	4.4	1.0	4.8	6.4
$\Delta$ WCR	-1.0	-0.0	4.7	5.0	1.1	1.2
Operating cash flow	0.8	2.7	9.1	6.0	5.9	7.6
Net capex	-2.1	-3.0	-3.8	-5.1	-2.0	-2.4
FCF	-1.3	-0.3	5.2	0.9	3.9	5.3
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	32.6%	65.7%
ROE (%)	39.4%	6.7%	na	na	12.0%	15.9%
ROCE (%)	57.0%	11.0%	17.4%	5.9%	21.1%	25.0%

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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 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	79%	66%
Hold	17%	42%
Sell	3%	25%
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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