

EQUITY RESEARCH

EVISO SPA
 RESULTS REVIEW
 Press release
BUY**TP 3.9€****Up/Downside: 64%****Cash, Less Debt at +9M**

eVISO published its 2022-2023 annual report with €226m in revenue (+8% YoY), in line with our expectations, an EBITDA of €2m (vs. €4.8m YoY) lower than estimates calling for €3.2m, and net debt which improved by €13m (vs. December 2022).

eVISO has published its annual results for FY 2022-2023. H2 was characterized by a sharp drop in the national electricity price (PUN) to €137/MWh (vs. €358/MWh in H1), a price level never reached since well before the start of the Russo-Ukrainian War. The sharp drop in prices allowed eVISO to benefit from extremely favourable working capital dynamics, which enabled it to generate cash flow of around €13m in H2 and €0.9m over the year.

Revenue amounted to €225m, in line with our expectations and up 8% YoY, mainly due to the price effect, with total volumes delivered down slightly to 596 GWh (-8% YoY). The company said it delivered 53 GWh of electricity in July 2023 alone, a figure that suggests our forecast of around 20% growth in volumes delivered in 2024 could be cautious given the contract going up to 100 GWh signed in August.

The company reported an EBITDA of €2m (vs. €3.2m expected), this drop was offset by lower than expected amortization of €0.2m, lower than expected write-offs of €0.7m, and financial charges and taxes lower than expectations of €0.3m, bringing the net result in line with our expectations of -€1.2m. We believe the company can significantly increase its EBITDA over the coming year and reach our estimates of €6.5m in 2024, €8.5m in 2025 and €10.1m in 2026. The launch of the new segment dedicated to GAS dealers could result in a further increase in our estimates.

The number of PODs served increased significantly 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 increased significantly to 48k units (+79% YoY).

These positive results allow us to remain optimistic for the year to come. We believe that replicating the dealer-oriented model for GAS raw materials will contribute to growth, but for now our model does not take this segment into account. Our EPS was not affected by the publication; we remain very positive regarding the stock, thus reiterate both our Buy rating and TP of €3.9.

Key data

Price (€)	2.4
Industry	Technology Services
Ticker	EVISO-IT
Shares Out (m)	24.662
Market Cap (m €)	58.7
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	2.1	4.8	-6.3
Rel FTSE Italy	2.9	3.9	-21.5



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	7.4	5.1	3.7
Current op. Margin (%)	0.0	1.9	2.3	2.6	EV/EBIT	11.9	7.5	5.2
EPS (€)	-0.05	0.09	0.15	0.18	PE	26.6	16.3	12.9
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				

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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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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	80%	66%
Hold	16%	44%
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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