EQUITY RESEARCH

EVISO SPA
INITIATION OF COVERAGE

BUY
TP 3.6€
Up/Downside: 43%

AI Revolutionises Energy Sales in Italy

An innovative reseller of electricity, gas and apple futures.

In the space of 10 years, eVISO has entered one of the most competitive and saturated markets (electricity in Italy) and has signed contracts for the supply of up to 0.3% of the country's electricity, creating a huge upside. eVISO's proprietary artificial intelligence tools have enabled it to post a churn rate well below market levels (4% vs. 16% for the market) and a contained working capital in the most difficult tariff environment of the last decade.

Artificial intelligence is the basis for the group's proprietary tools

With its proprietary tools, eVISO is now able to: (1) minimise procurement costs through automation, thanks to real-time order management based on increasingly powerful consumption forecasts (up to 1m transactions per month), (2) make targeted and personalised ad hoc offers (not standardised by macro-category), (3) manage up to 100k practices per month via the CORTEX portal (including power variations, individual Point of Delivery (POD) activations/deactivations), and (4) facilitate reverse factoring with B2B customer banks and assist all customers in the economic-financial management of each POD. Finally, eVISO has launched a proprietary apple futures market place.

Attractive upside potential

From June 2020 to June 2022, the BU dedicated to resellers (active throughout Italy) grew from 57GWh to 380GWh supplied and, the direct channel reached another 247GWh. In terms of technological potential, the company has the capacity to sustain massive growth which is currently slowed down by a market environment that is not very favourable to non-producer resellers. Its commercial strategy allows it to optimise margin levels generated by POD through the acquisition of low consumption customers. From H2 2023, we believe that energy commodity costs would start to fall and the customer mix would allow for an improvement in EBITDA margin (which will be down this year).

We are issuing a Buy rating on this low-volatility stock that has no listed peers in the reseller segment, high growth potential and a TP of €3.6.

Key data	
Price (€)	2.5
Industry	Technology Services
Ticker	EVS-IT
Shares Out (m)	24.662
Market Cap (m €)	61.9
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	na	na	na
Change vs previous estimates (%)	na	na	na

Performance (%)	1D	1M	YTD
Price Perf	0.4	2.9	-1.2
Rel FTSE Italy	-0.3	-2.9	-8.7

TP ICAP Midcap Estimates	06/22	06/23e	06/24e	06/25e
Sales (m €)	208.1	245.3	233.6	275.4
Current Op Inc (m €)	3.2	1.0	3.9	5.6
Current op. Margin (%)	1.5	0.4	1.7	2.0
EPS (€)	na	na	na	na
DPS (€)	na	na	na	na
Yield (%)	na	na	na	na
FCF (m €)	5.2	-5.1	2.8	5.6

Valuation Ratio	06/23e	06/24e	06/25e
EV/Sales	0.2	0.2	0.2
EV/EBITDA	18.3	8.8	6.0
EV/EBIT	na	14.5	9.0

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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Description

eVISO SpA is a technology company operating in the raw materials sector. Based in Saluzzo (Piedmont), it was founded by Gianfranco Sorasio in December 2012 and listed on the EGM in December 2020. To date, the company deals with three core products: energy, gas and apples. The business unit with the highest turnover today is related to the purchase and sale of electricity (and gas) mainly to small and medium-sized companies in Northern Italy through a direct channel and throughout Italy through a reseller channel. By June 2022, the two business units had delivered 247 GWh (and 1.6 M Smc) and 380 GWh, respectively. eVISO is unique in the competitive environment and, thanks to its technological advancement, is able to integrate various activities that take place between the demand and supply of a given commodity, transforming variable costs for end users into fixed costs and offering unique speed and efficiency in the execution of ancillary and other services. To date, the business model is widely developed in the electricity sector, expanding in direct gas sales and being developed in the apple market, both spot and with 3/6/9/12 month delivery through the revolutionary proprietary SmartMele platform.

SWOT Analysis

Strengths

- Various proprietary tools able to forecast prices and cunsumptions, handle practices, analyze POD data and execute up to 1M orders every month
- Ability to adapt, analyse and revolutionise the Italian reseller market, the largest producer of energy data in Europe.
- Strong FCFO/EBITDA (95%) cash conversion, solid financial position (Rating Cerved A3.1) and massive capex et dette net negatif
- Scalability of business, applicability of same business model to various commodities / markets

Weaknesses

- Complexity of Added value based P&L can be difficult for a final client to be perceived and for salesforce to be able to commercially use it (EBITDA decreasing in % of sales in this market while commodity prices are rising actually hides an increasing Gross margin per POD handled by eVISO)
- Credit risk is one of the main energy reselling risks, eVISO has been able to maintain a very low switch out rate and write offs on direct clients, but on the reseller side this risks can not be 100% controlled.
- Low marginality business, but still a disruptive scalable potential

Opportunities

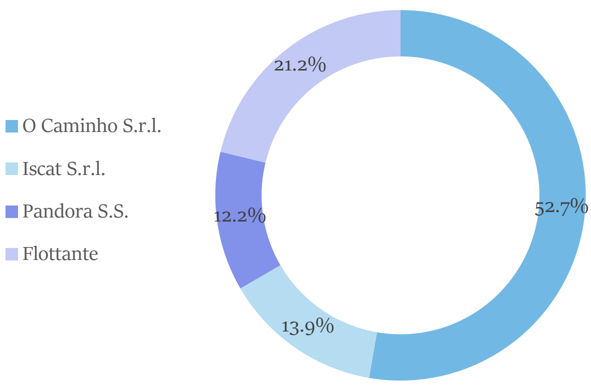
- Absence of deep technological development in the sector allows eVISO to leverage on market knowledge and technological-capability to simplify processes
- Scalable computation and pricing model which can be applied to various raw materials (such as Gold or other Fruits) caracterized by high traded volums, low concentration of main players, low consolidation of informations and price volatility.
- Development of new tools able to solve issues in businesses where eVISO is already active and consequently attract and retain more direct and reselling clients.
- Commercial development of the activity in new regions, direct sales are mainly active in Piedmont and Liguria, but sales to resellers already cover all Italy

Threats

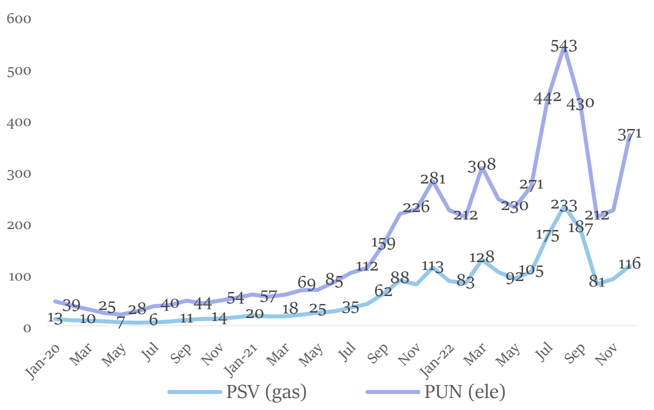
- Operating in one of the most competitive markets where market leader have an almost endless financial power
- Development of the same business model and tool on other commodities may be more complex, less disruptive and useful
- The extension of the national tax on additional profits from the energy sector, which now also affects non-producing retailers (like eVISO)
- Marginality is dependent on market price dynamics, which in recent months have reached price levels not seen in the last decade.

Overview

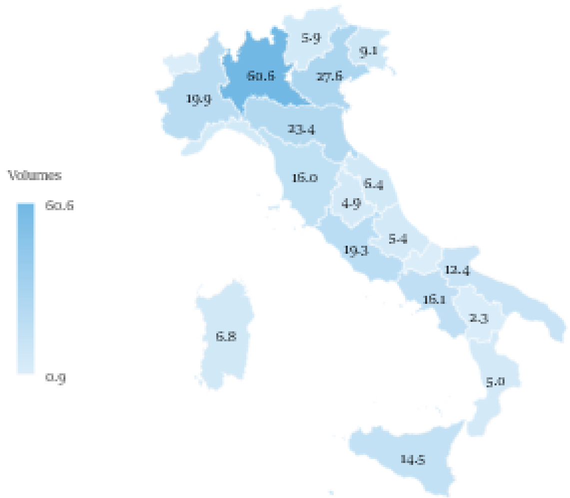
Shareholding



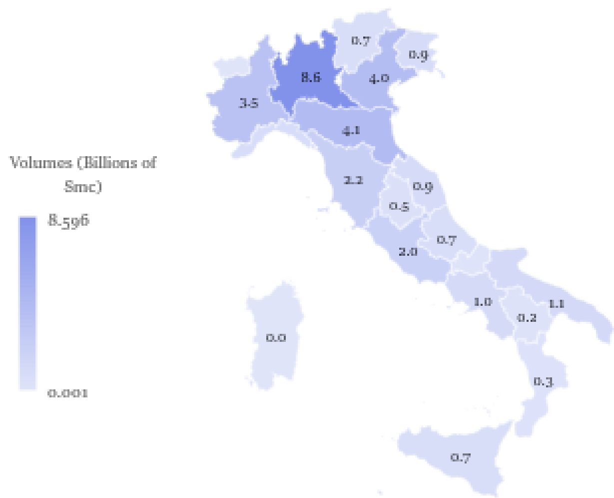
Gas and electricity price trends in Italy (€/MWh)



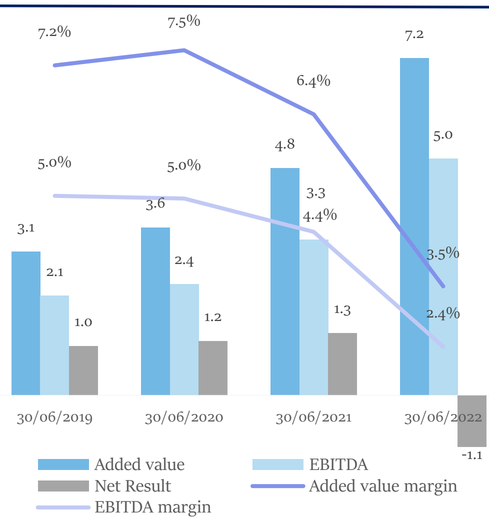
Italy 2021 Electricity distribution by region (TWh)



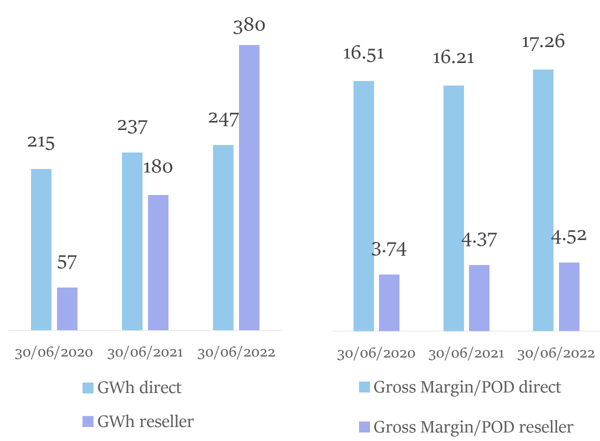
Italian GAS distribution 2021 by region (B Smc)



Principle P&L indicators



Delivered electricity volumes (GWh) and gross margin (€/MWh)



Key Questions

Why is eVISO's intrinsic value higher than its market capitalisation?

eVISO's stock market valuation is currently below its intrinsic value because it does not include the company's growth potential into its valuation, which is currently blocked by a nationwide tax on additional profits applied to all companies active in the energy market, whether they are producers or not. In the last two years (June 2020-June 2022), the company has developed several proprietary solutions and has shown unprecedented sectorial growth. It has increased its delivered volumes from 272GWh to 626GWh thanks to: proprietary automated service solutions (both to direct customers and resellers), the business model's financial strength and ability to adapt to even extreme market trends, and the ability to retain customers through the uniqueness and efficiency of the services offered. There are no comparable listed companies that, in the current macroeconomic context, have been able to grow and acquire customers as proportionately as eVISO. The expected decrease in electricity prices could lead to a strong increase in margins and further optimisation of working capital management, which is currently highly dependent on raw material costs. OPD is financially better off with transport and system costs, which will however be reintroduced gradually as raw material costs fall.

How will eVISO maintain the scalability that it has demonstrated in recent years?

The sharp increase in raw material costs has made it very difficult for small players with limited financial capacity to expand and acquire customers, a situation that favours the development and acquisition of customers by financially stronger market players. In addition, the protected market, which today contains more than 25% of the active PODs (and around 11% of market consumption), is gradually giving way to the open market (in which eVISO is active). In this context, and thanks to its business model and the computational capacity of its proprietary solutions, eVISO has succeeded in establishing itself alongside various resellers and has gained the loyalty of a specific customer segment with low consumption and high gross margin per MWh supplied. It is not certain that a favourable market environment with falling energy prices will guarantee the same level of scalability for eVISO. But at the same time, a decrease in the PUN (national electricity price indicator per MWh) would lead to a substantial increase in eVISO's margins, which would allow it to invest heavily and thus facilitate its development. Thus, stable financial management favours growth in challenging market contexts, while constantly increasing margins would favour growth in favourable market contexts. To date, eVISO has already signed contracts with reseller customers for January-December 2023 of up to 700GWh, assuming that direct customers return to the consumption levels of previous years, which will decrease this year to 210GWh (vs 247 GWh YoY). Clearly, it should not be complicated for the company to reach 1TWh of delivered energy by the June 2026 budget (vs. 626GWh from June 2022), reflecting 0.3% of national energy consumption.

What are eVISO's main risks?

The main risks for an Italian reseller are financial, credit and system based. The financial risk is currently mitigated for eVISO by the A3.1 rating given by the Cerved Rating Agency, which allows eVISO to maintain good relationships with banks and suppliers; furthermore, the optimal management of working capital allows eVISO to convert almost all EBITDA into incoming cash flow (FCFO/EBITDA > 95%). Additionally, credit risk is greatly mitigated by the concentration on low consumption customers and the provision of guarantees that eVISO requires from its reseller customers, which facilitates working capital management and reduces risk. Secondly, the various proprietary solutions and tools allow eVISO to differentiate itself from its competitors; this uniqueness is reflected in a churn rate that is significantly lower than the market (4.5% vs. 13.6%). Finally, the systemic risk is that it may take longer than expected in Italy to remove the additional profit tax which, for the last two years, has also applied to resellers and not exclusively to producers and that in those two years, we estimate that it will have absorbed €4.9m in eVISO (of which €2m is estimated for this year).

Why does eVISO have a lower churn rate than the market despite its diverse customer base?

Customer loyalty relies on the various exclusive solutions that eVISO has on the market that make it absolutely unique. **eASY my eVISO** stands out for its transparency in providing consumption data and prices, its ability to monitor supply and facilitate energy management; **SmartFaro** stands out for companies for the simplification it brings to energy management. **NESTOR PRICE** stands out for its market analysis capacity. **CASH** deals with cash flow forecasting up to 120 days with its PUN forecasting algorithms (and more). **Contakdor** is unique in the procurement process with its ability to adapt orders in real time to changing weather conditions. **CORTEX** enables the company to make substantial margins on reseller customers through the unparalleled simplicity offered to end-customers in practice management. **SmartMele** makes it a unique player in the apple market, allowing market players to source through contracts with 3/6/9/12 months to maturity. In fact, for each market need, eVISO was able to develop a proprietary ad hoc solution combining artificial intelligence, big data analysis and market experience.

An innovative and technology based business model

eVISO is a Saluzzo-based technology company that uses proprietary artificial intelligence platforms to create value for recurring commodity buyers. The company operates mainly in the electricity market, is gradually developing its GAS division. On 21 December 2021, the group recorded its first transaction on the SmartMele portal, an information gathering and dissemination platform capable of acting as a marketplace for the sale of apples (with contracts similar to financial futures and 3/6/9/12 month delivery).

New headquarters location and building (4,000 m^2, operational in 2023)

Sources: web, eVISO

The process of offering new solutions for a raw material follows a well-structured four-step approach:

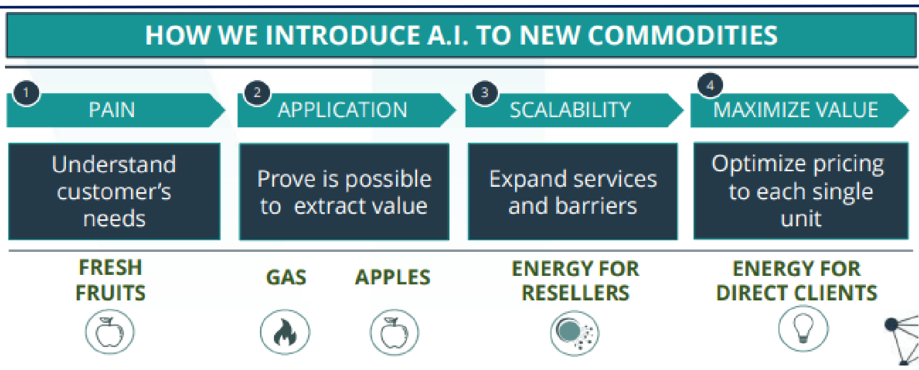
The first phase concerns the analysis of the supply structure, demand, market dynamics and the analysis of the end customers' needs ("PAIN phase"), the fresh fruit market is currently in this phase for eVISO.

In the application phase, eVISO launches the service/product to the market and tests the potential for real value generation. GAS and the SmartMele portal (Apples) are currently in this second phase due to their recent opening.

In the scalability phase, eVISO extends its offer to as many end-users as possible in order to gain as much market share as possible; the Energy division dedicated to reseller operators is currently in the middle of this expansion phase.

Finally, in the fourth phase, eVISO is focused on maximising the value extracted and pricing, increasing the margins and efficiency of the services offered to its customers; the direct energy sales segment is currently in this phase with the process of minimising the delivery of MWh per POD managed and the consequent maximisation of the margin generated.

From analysing new markets to maximising value



Source: company presentation

Breaking down revenue by commodity, in June 2022, electricity generated about 97.5% of eVISO's total revenue, GAS about 1% and Other services/big data 1.5%. Analysing margins by BU, the direct segment generated 60% of the margin in June 2022, against 24% for the reseller segment, 13% for Other services, and finally 4% generated by direct gas sales. We estimate that sales to reseller operators and Other services will soon overtake the direct channel in terms of margins generated.

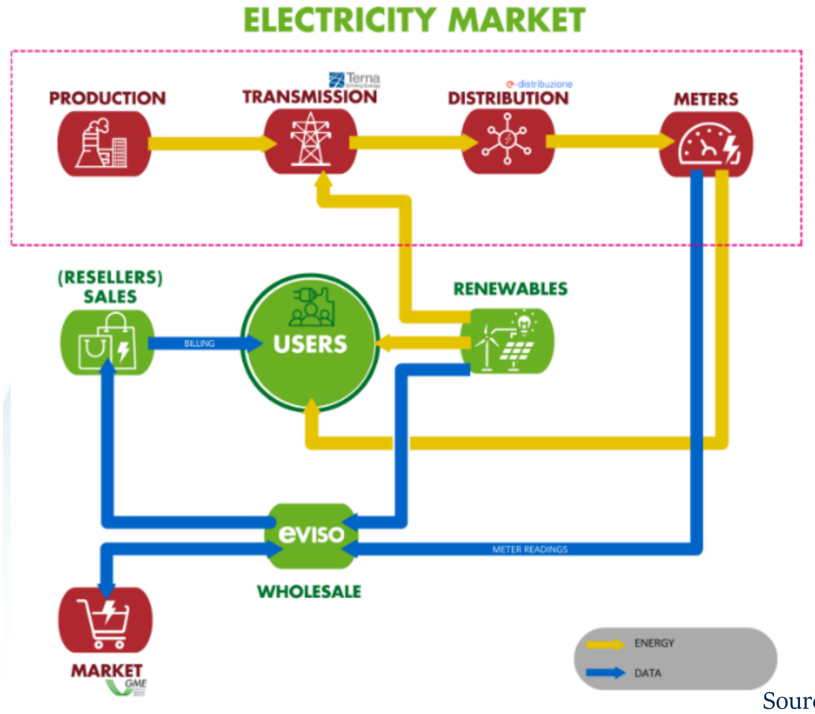
Energy market positioning

The energy chain starts with the production plants, followed by the transmission process where the energy is transported from the plants to the different substations scattered throughout the territory. A distributor is responsible for connecting the different substations to user PODs which will measure customer consumption levels.

Within this system, there are several actors, the main ones being wholesalers (or traders) who are responsible for buying energy on the markets and selling it to resellers. The distributors, who are the owners of the infrastructure, are responsible for delivering the energy to the various PODs. Resellers sign supply contracts with the end customers. Once the consumption levels have been recorded, resellers are responsible for customer billing.

The invoice issued downstream by the reseller will result in the collection by the reseller of: the costs of energy raw materials, transport services, VAT, taxes, system fees and an additional spread contractually agreed between the reseller and the end customer. Once the invoice has been collected, the reseller is responsible for paying the costs to the upstream entities to which they are due (payment of the raw material to the wholesalers usually takes place before payments of the final customers).

Positioning of the eVISO Reseller BU in the energy market



Source: company presentation

eVISO entered the reseller market from the day it was founded, choosing non-domestic Piedmonts customers as its main target. Over the years, thanks to its technological platforms, it has developed proprietary artificial intelligence solutions capable of providing customer services (including easy-my eVISO, for automated consumption scheduling and cost minimisation thanks to daily ad hoc notifications by eVISO, SmartFaro for optimal financial management of each POD and Cash through forecasting systems up to a 120 days horizon).

Through advanced analysis of collected data and the development of artificial intelligence platforms, eVISO has developed a unique ability to forecast not only consumption, but also market prices, allowing it to source (and correct) its supply in real time in a fully automated manner (to date, the Nestorprice platform is capable of performing up to 1m automated real-time transactions per month even taking into account last minute climate changes).

In early 2020, the company realised that it had a unique market potential, offering services to a much larger number of customers, a gap that the direct sales force alone could not quickly fill. So eVISO decided to sell its functionality to other resellers, accessing the consumer data of other resellers' customers and offering access to their own solutions in return, thus finding a unique position halfway between wholesalers/traders and resellers.

[For a more in-depth analysis of the different proprietary tools> chapter "Proprietary platforms and tools"].

Thanks to service versatility and support that eVISO is able to offer, the new customer base has brought eVISO 380GWh of deliveries in June 2022 (two and a half years after launch) vs. 247GWh acquired with its own commercial force in 12 years of operation. In December 2020, the company listed on the EGM (Euronext Growth Milan) to continue its disruptive growth process.

For 2023 eVISO has already signed contracts with reseller customers for up to 700GWh. This customer base will allow eVISO to access the consumption data of over 250k users compared to only 20k users reached through the direct channel.

The direct sales business model has now also opened its doors in the Liguria region and aims to expand to other regions in northern Italy. Direct sales to date allow eVISO to record margins per MWh delivered of approximately €17.26 with an annual growth in volumes sold of around 10%.

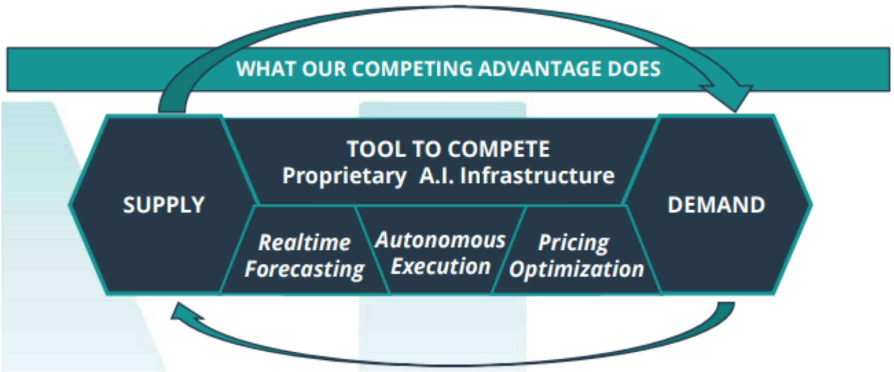
The reseller segment, on the other hand, brings a smaller margin per MWh delivered of around €4.5, but volumes processed between June 2020 and June 2021 tripled, then doubled following year to 380GWh.

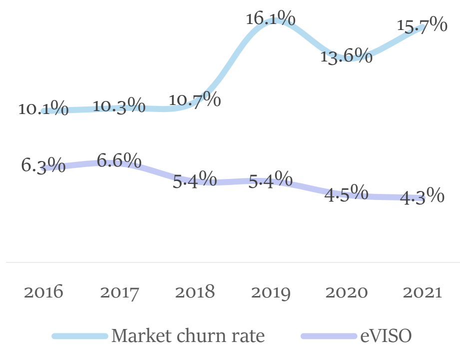
At the same time, it should be noted that eVISO, through its proprietary CORTEX platform, manages (almost exclusively for reseller customer and their end-users) practices that until now have been increasingly automated by eVISO, including: meter activation, power increase/decrease, voltage change, installation of a new meter, change of usage type, verification requests, moving and deactivation. These practices, which are charged separately, allow eVISO to earn additional margins from reseller customers.

We estimate that eVISO will generate most of the gross margin by June 2024 from the combination of sales to reseller customers and related ancillary services.

To date, the company has achieved a customer retention rate of over 95% in a period of unprecedented stress. This compares to a market average churn rate of around 15.7%, which tells us that direct customers are very loyal and that the uniqueness of the service offer is appreciated by the market.

My-easy-eVISO platform dashboard and market churn rate against eVISO





Source: company presentation

eVISO intends to increase the margin generated on each individual customer, which in this specific market is achieved by reducing the volumes sold at each individual delivery point (or POD). The fixed annual fee paid by customers (present even in indexed contracts) gives higher margins, if exploited wisely, by reducing the volumes supplied to each client as much as possible.

Several market players, such as eVISO, aim to obtain many small contracts with reduced consumption. eVISO, after a careful analysis of prices on the futures market, suggests to customers the best timing to consume energy by means of personalized alerts with the objective to reduce costs and by providing full transparency on the origin of the costs of each POD. The low turnover rate, highlighting the excellent relationship eVISO manages to have with its customers, allows the company to maintain a lower credit loss than the industry average.

Proprietary platforms and tools

The fact that the company has been able to develop in such a disruptive way over the last few years is due to a business model that enjoys a very high level of scalability, depending on the unique usefulness and efficiency of the services offered by the main proprietary tools and solutions, including: easy - My eVISO, SmartFaro, CORTEX, Nestor price, CASH, Conkatador and SmartMele.

Proprietary platform for Electrical Energy clients

Source: company website

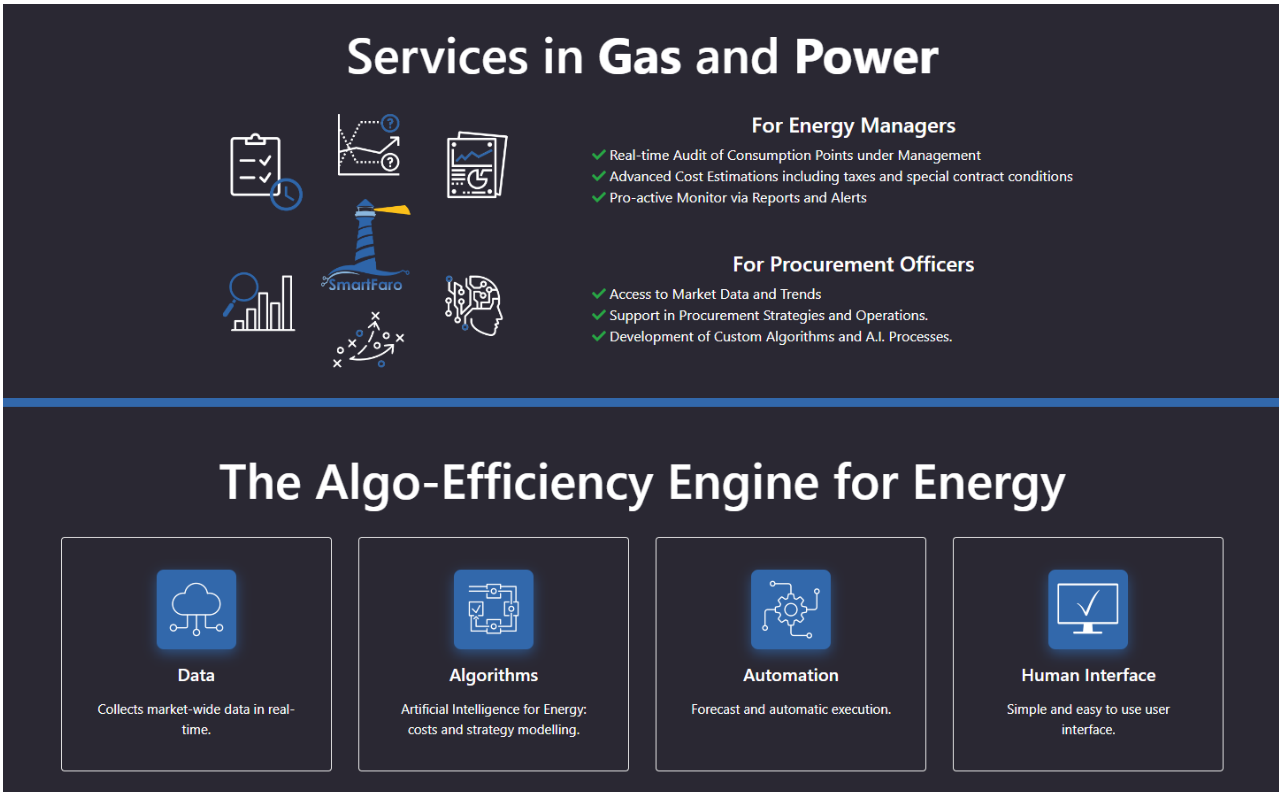
eASY - my eVISO is eVISO's personal space for electricity and gas customers to manage their energy universe. Bills, reports and simple alerts can be viewed and analysed with just a few clicks. Consumption data for each utility can be easily monitored, allowing monthly power peaks to be analysed and, for companies, reactive energy readings to be taken. Companies with several branches or domestic users with several meters can analyse the consumption data for each meter individually. Customers using monitoring sensors can access the eVISO servers to view consumption data for previous hours.

eASY - my eVISO sample dashboard, annual, monthly and hourly consumption

Source: company website

SmartFaro is a platform that facilitates the economic and financial management of each electricity and GAS supply point. This artificial intelligence platform allows to manage and value energy portfolios, serving as a guide for energy related decisions. SmartFaro is dedicated to companies managing several energy supply points and is able to simplify and streamline the work of professionals in the sector such as financial directors, energy managers, management controllers or administrative and financial managers.

SmartFaro portal presentation web page



Source: company website

CORTEX, launched on 24 May 2021, is the portal to instantly manage the administrative formalities required by electricity end customers and enables real-time reconstruction of the technical and legal conditions for each point of supply independently. The platform is accessible both via machine-to-machine APIs and via the web 24 hours a day, 7 days a week and allows resellers to significantly reduce the time required for self-service file management. eVISO also allows resellers to resolve queries regarding technical variations in the offer. CORTEX processed over 24,000 cases in October 2022 alone.

NESTOR PRICE is a proprietary digital engine capable of analysing electricity prices applied in Italy by all reseller operators, and at the same time reconstruct the spot supply costs of individual operator active on the GME. To date, the engine is able to collect and organise about 57k offers per day by filtering with more than 3m parameters.

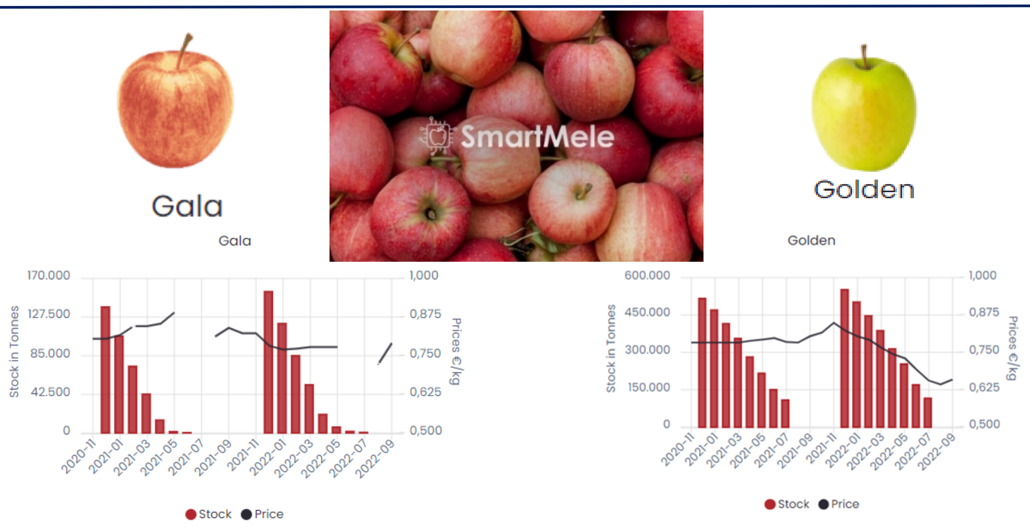
CASH is a complex 120-day cash flow forecasting system, a single platform capable of integrating different types of data, including: supply volume forecasting, PM cost forecasting, customer acquisition data, historical payment and collection data, guarantees granted to GME/TERNA/distributors, bank credit lines granted and their degree of utilisation.

Conkatador is the intelligent procurement system in the intraday electricity markets, based on robotic process automation and machine learning, and capable of executing up to 1m transactions per month. Conkatador brings significant value to customers with intermittent energy sources (with proprietary generation facilities) that require continuous position corrections in the intraday markets.

eVISO has an excellent reputation with banking institutions, which enables it to raise awareness of reverse factoring among its business customers at selected banking institutions due to the huge amount of data it has at its disposal. Thanks to this practice, it is the debtors who approach the banks to advance the payment of their debts and not the suppliers who ask for an advance on their credits (factoring vs reverse factoring).

Launched on 25 February 2021, **SmartMele** is a proprietary artificial intelligence platform that creates value in the apple market and guarantees the actual delivery of a given quantity of apples on the spot or deferred market on a firm date, by matching supply and demand.

SmartMele proprietary platform 2021-2022: Gala and Golden volume and price data



SmartMele is able to analyse, catalogue and visualise the vast amount of information on apples available in various national, European and global databases. The portal, which is periodically updated, provides transparency on national, European and American prices and traded quantities, as well as on the storage capacities of the different countries, and on all the variables that may or may not directly influence the price of apples, such as temperature, exchange rates and other fruit markets.

Today, the database contains over 1270 different types of apples and allows the buying and selling of actual deferred delivery contracts for a subscription fee and a second commission based on the number of tonnes traded. Unlike highly liquid markets such as Brent (oil) or MATIF (grain) for apples, where trading has traditionally been primarily spot and on-demand, SmartMele facilitates democratic transparency of all apple data that would otherwise be difficult for major market players to analyse.

On 6 August 2022, about six months after its launch, eVISO announced that SmartMele had been selected as an official partner of the Borsa Merci Telematica Italiana (BMTI), a body created in 2006 for market regulation, development and transparency for both information and prices. In particular, the BMTI has chosen eVISO as a partner for the implementation of shared actions for the promotion of telematic trade in the agricultural, agro-energy and agri-food markets and for the elaboration of actions for the development of transparency and dissemination of economic information.

On 21 December 2021, eVISO opened trading within the proprietary platform, the first transaction took place between the Lagnasco Group (national leader in production) and Novafruit (international fruit distribution company). The transaction involved approximately 1,000 quintals of apples for a total value of €88k (five containers). On 19 October, 44 weeks after the contract was signed, the first order of apples to Kuwait was processed as planned. A quality control was carried out and an additional service of waxing individual fruit was carried out on request.

First SmartMele transaction between nova fruit and the lagnasco group

Source: company website

Production and imports in the Italian electricity market

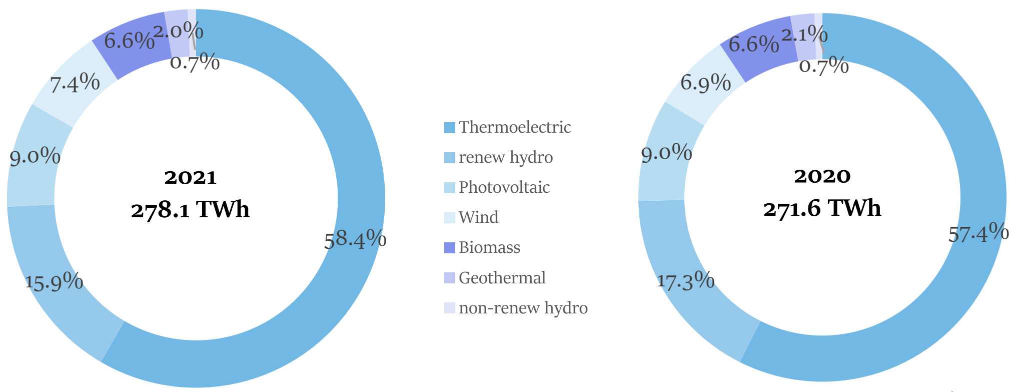
Italy, which at national level has an average monthly electricity consumption of about 26.5 TWh, ended 2019 with an annual consumption of 320 TWh, 2020 with 303 TWh and 2021 with about 318 TWh (source: Terna annual report/forecast). Beyond the reduction in consumption in 2020, Italy shows a slight downward trend in consumption.

Regarding 2021 production, 36% came from renewable sources (vs. 38% in 2020). The increase in photovoltaic and wind power production has been offset by a decrease in hydroelectric production, leaving the level of production stable in absolute terms. Conventional energy sources, meanwhile, produced about 51% of energy needs, leaving about 13% of needs to import activities (up from 10% year-on-year).

By 2030, the Integrated National Energy and Climate Plan, updated following the EU Green Deal, aims to install up to 60/70 GW of additional renewable capacity (i.e. 6-8 GW to be installed each year), allowing renewable energy sources (RES) to meet 65% of national demand (up from 36% year-on-year). The expected growth in renewable energy generation will not increase domestic consumption, but will relieve traditional gas-dependent power generation (and associated import costs) and electricity imports.

Analysing 2021's national production, between renewable and non-renewable sources, Italy produced 278.1 TWh of electricity, the main sources being: thermoelectric (58.4%), hydro (15.9%), photovoltaic (9%) and wind (7.4%).

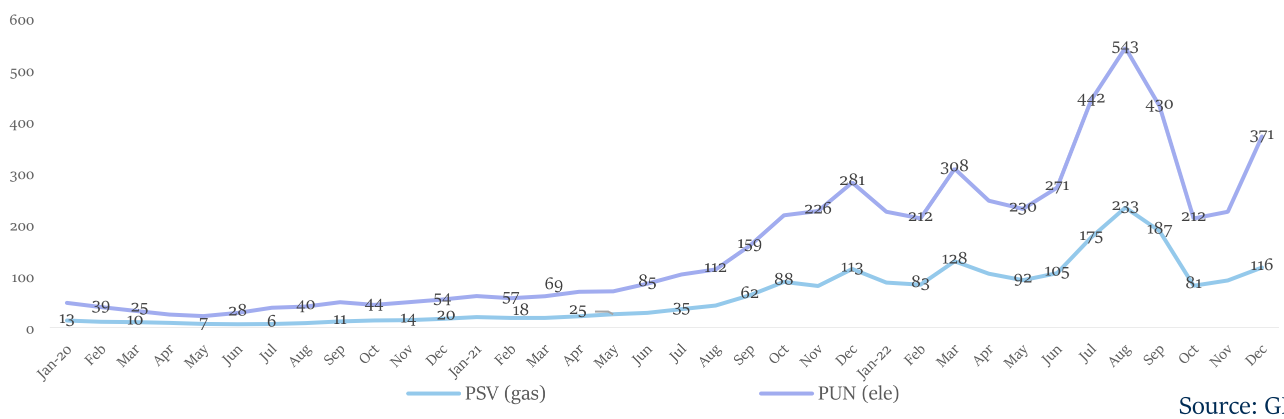
Annual Italian energy production by source 2021-2020 (TWh)



Source: Terna's 2021 official report

Since about 80% of thermal power plants produce energy using natural gas as fuel, the two commodities, gas and electricity, have highly correlated prices. The outbreak of the Russian-Ukrainian conflict and the resulting geopolitical tensions have led to a sharp increase in the price of both commodities, with the average monthly spot price of electricity (PUN, January-October 2022) increasing by 711% (compared to the average monthly price in 2020, the pre-war and pre-crisis period) and the spot price of gas (PSV) increasing by 1,157% over the same period. Considering a PUN price of €224.5/MWh recorded in November 2022 and an electricity consumption volume of 25.3TWh (in December 2021), Italy, according to IPEX data, will spend about €88bn in 2022 (vs. €36.6bn in 2021 and €11bn in 2020) on its energy needs. It is clear that greater supplier independence and increased domestic energy production are crucial for the sustainability and well-being of the national economic system.

Monthly PUN price trends (€/MWh) and monthly PSV prices (€/MWh) between Jan-2020 and Nov-2022



Source: GME

The Italian electricity market: wholesalers, distributors and resellers

Depending on the price of electricity set by the dynamics of supply and demand and imports from European and international countries, there is a national distribution system; since the Italian market was liberalised in July 2007 (before that year ENEL was a market monopolist), several entities operate with three main functions.

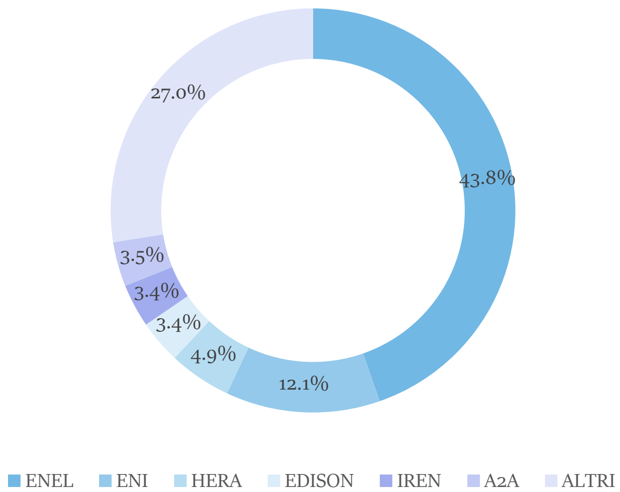
The wholesalers are those who buy electricity (or gas) on domestic or foreign markets and resell it mainly to resellers. Secondly, distributors and dispatchers own the infrastructure throughout the territory and enable/guarantee the transit of electricity from a supply point to individual domestic and non-domestic delivery points (PODs). Finally, resellers sign commercial contracts with end customers (belonging to the free market or the enhanced protection market), buy electricity from wholesalers and resell it directly to end customers by issuing monthly bills and taking advantage of the national infrastructure.

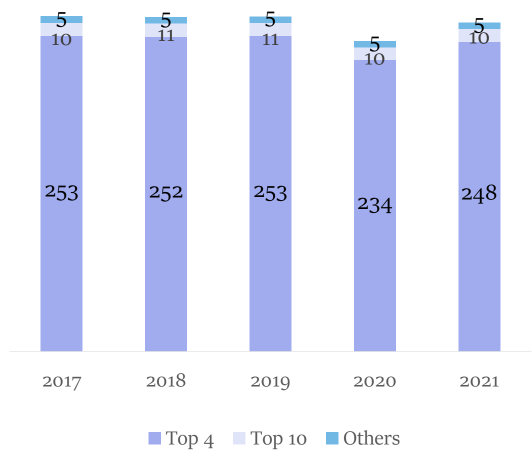
Both domestic and non-domestic end customers have complete freedom of choice of supplier and have the option at any time to switch from one supplier and start buying from another entity. It is clear that once the national price increases significantly, the cost at which resellers buy electricity will increase significantly and, as a direct consequence, the cost that end customers will find on their bills.

In terms of volumes distributed on the national market, ENEL retains the largest market share with 43.8% of the energy distributed nationally, followed by ENI 12.1% and HERA 4.9%. Market players outside the top six manage around 27% of volumes.

The four main national distributors delivered about 94.5% of the electricity in the national territory each year between 2012 and 2021, and have a portfolio of more than 500,000 customers; this infrastructure management activity is in fact highly concentrated in the hands of the main national players: E-distribuzione (ENEL Group, which alone distributes 85.4% of national energy), Unareti (A2A Group), Areti (ACEA Group) and Ireti (IREN Group).

Domestic volumes sold by the main players (2021) and distribution in Italy by the main distributors (TWh)





Sources: ARERA, TP ICAP Midcap

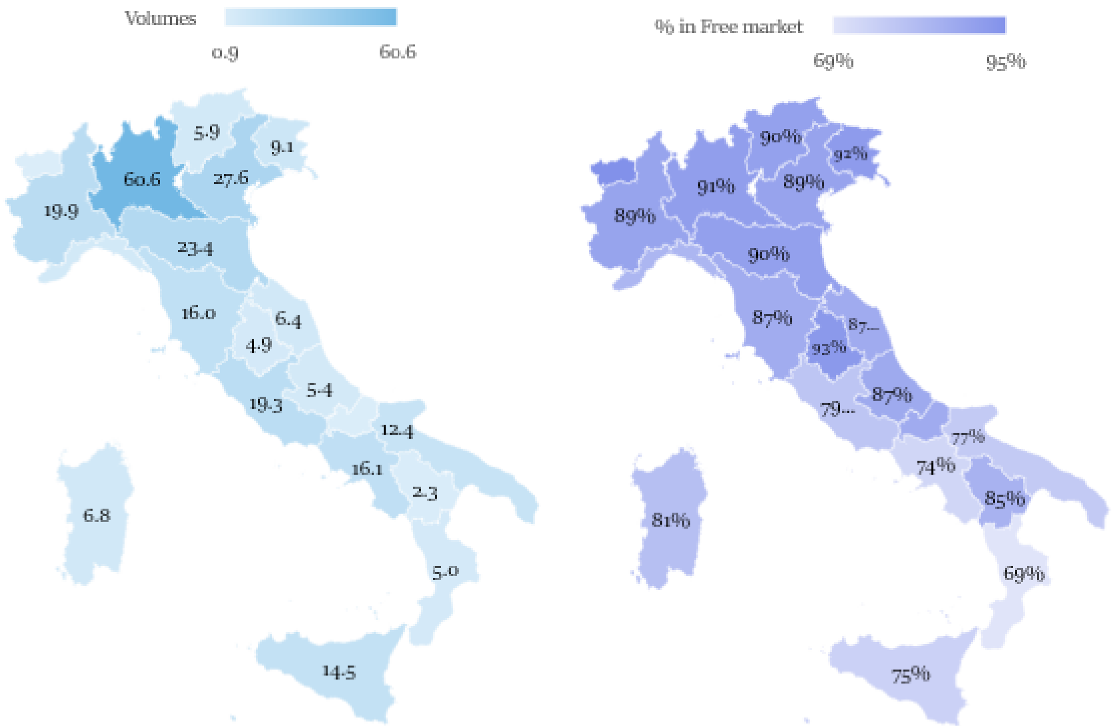
Domestic customers can operate in either the open or the protected market, while non-domestic customers can operate in the open market, the protected market, the safeguarded market or the progressively protected market.

Customers in the protected market consume on average much less than customers in the open market. On a national level, the protected market consumes about 11.2% of the volumes against a free market consumption of 85.7% of the volumes (safeguarded 1.3% and gradually protected 1.8%). At the same time, the number of PODs contracted under the protected regulation exceeds 25% of the total (although they absorb less than 12% of volumes).

Gradually, the volumes belonging to the protected markets will be injected into the free market, favouring operators such as eVISO who favour low consumption customers.

The most important region for distributed volumes is Lombardy with 60.6 TWh, of which 91% on the free market, followed by Veneto, with 27.6 TWh distributed (89% on the free market), in third place we find Emilia-Romagna, 23.4 TWh distributed (90% on the free market) and finally Piedmont with 19.9 TWh distributed (89% on the free market). The region with the lowest consumption is Valle d'Aosta, which at the same time leads in market liberalisation with 95% of the volumes belonging to the free market.

Electricity consumption by volume by region (TWh) and % of volumes respecting free market rules (%)

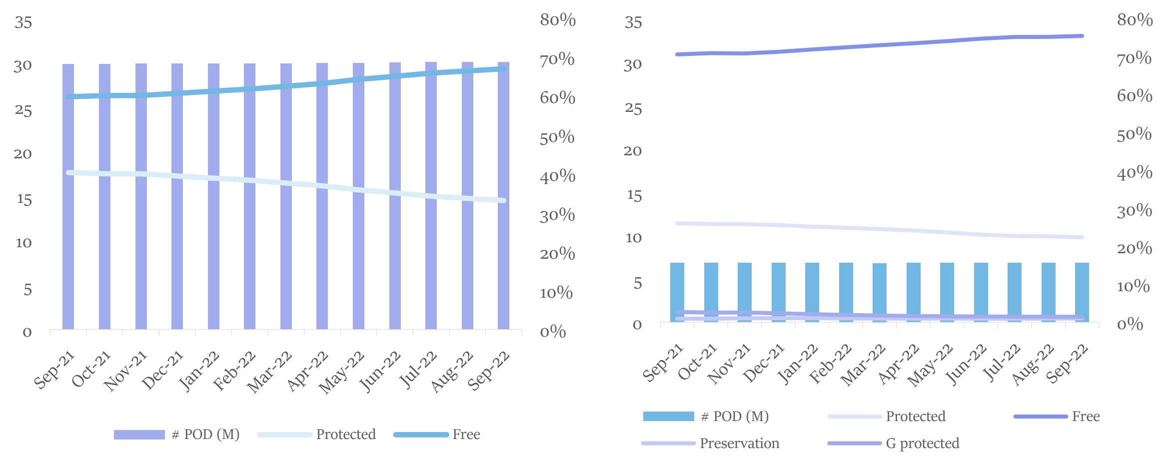


Sources: ARERA, TP ICAP Midcap

In September 2022, 30m PODs were active in the domestic market alone (vs. 29.8m YoY) of which 66.9% belong to the free market (vs. 59.7% YoY) and 33.1% belong to the protected market (vs. 40.3%). Since about 90% of the distributed energy depends on the free market, new free market entrants will be mainly low consumption PODs (which is excellent for the eVISO business model). From September 2021 to September 2022 the free market absorbed 7.2% of those PODs. The trend should follow this course until full liberalisation, which is very positive for the players that do not operate in the protected market and therefore will be able to gain a share of the new entrants every year.

For non-domestic low voltage PODs, 6.8m PODs were active in September 2022 (down slightly from September 2021), of which 75.2% are regulated by the open market (vs. 70.4% YoY), 22.3% belong to the protected market (vs. 26% YoY), 1.4% belong to the graduated protection market (vs. 2.7%) and 1% belong to the safeguarded market (vs. 0.9% YoY).

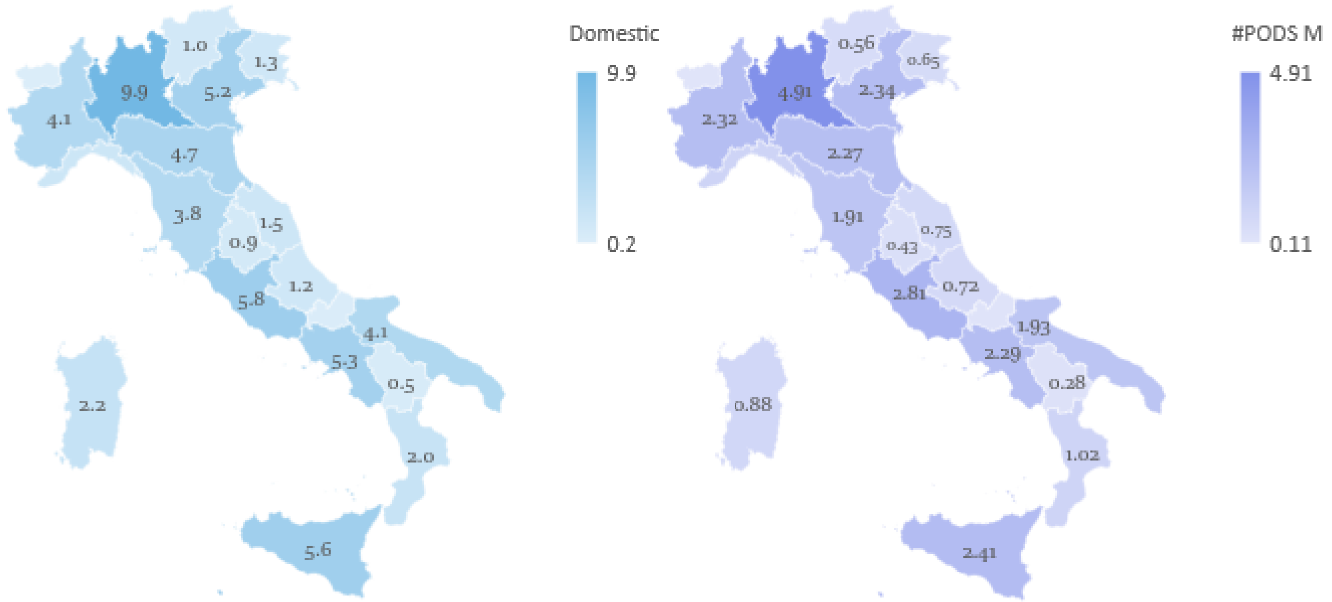
Number of low voltage PODs, % of total number of free and protected domestic PODs (left) and non-domestic (right)



Sources: ARERA, TP ICAP Midcap

If we analyse the 2021 domestic market according to consumption only and the number of active PODs broken down by region, Lombardy is in first place with 9.9 TWh of consumed volumes and 4.9m active PODs, in second place we have Lazio, with 5. 8TWh consumed and 2.8m active PODs, followed in order by Sicily, Campania, Emilia-Romagna and Piedmont with consumptions of 5.6TWh, 5.3TWh, 4.7TWh and 4.1TWh and a number of active PODs between 2.3m and 2.4m.

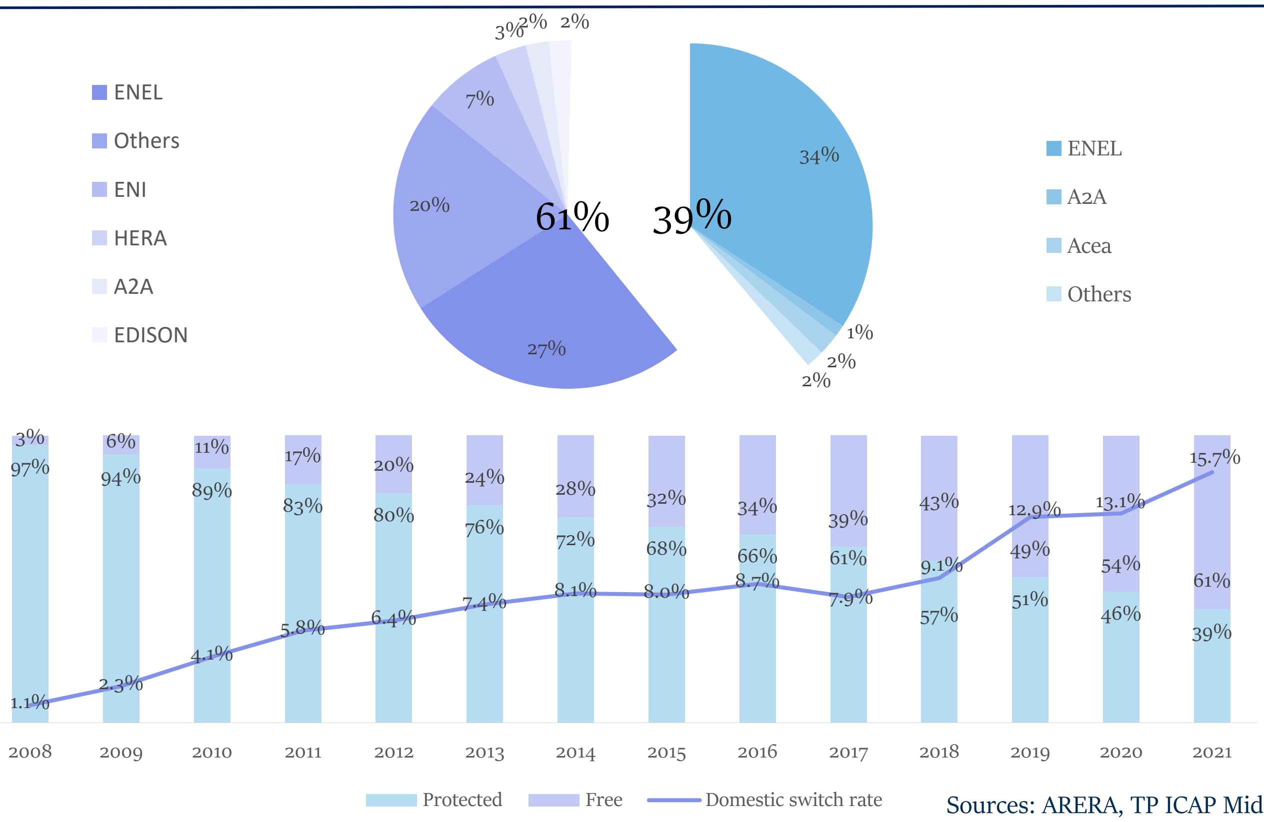
Italian domestic consumption (left, TWh) and number of active PODs (right, #M) by region



Sources: ARERA, TP ICAP Midcap

Domestic customers are gradually moving to the free market. In 2008, only 3.1% of domestic customers belonged to the deregulated market, by 2021 this segment will represent about 60% of domestic customers. Combining protected and unprotected domestic customers, ENEL is the undisputed market leader with a market share of 61%. Since the liberalisation of the market until 2021, the number of customers in the free market has been increasing, as has the switching rate, an important indicator of market risk.

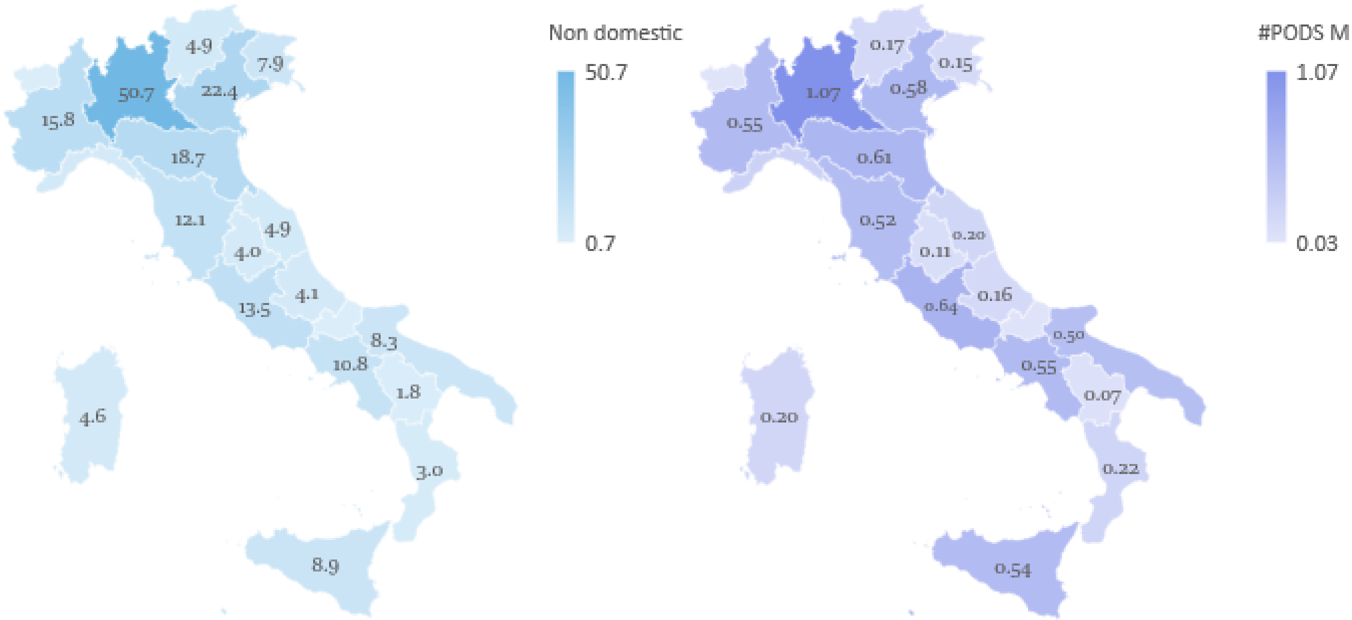
Share of domestic customers of the top 2021 players in the free and protected market and the dynamics of exchange rates



Sources: ARERA, TP ICAP Midcap

Regarding the non-domestic market in terms of consumption, Lombardy is once again in first place with an annual consumption of 50.7 TWh, i.e. 25% of the national non-domestic consumption, more than double that of the second region, Veneto, which in 2021 recorded a consumption level of 22.4 TWh. Emilia-Romagna and Piedmont follow with 18.7GWh and 15.8GWh respectively. Lombardy is the only region with more than one million non-domestic PODs.

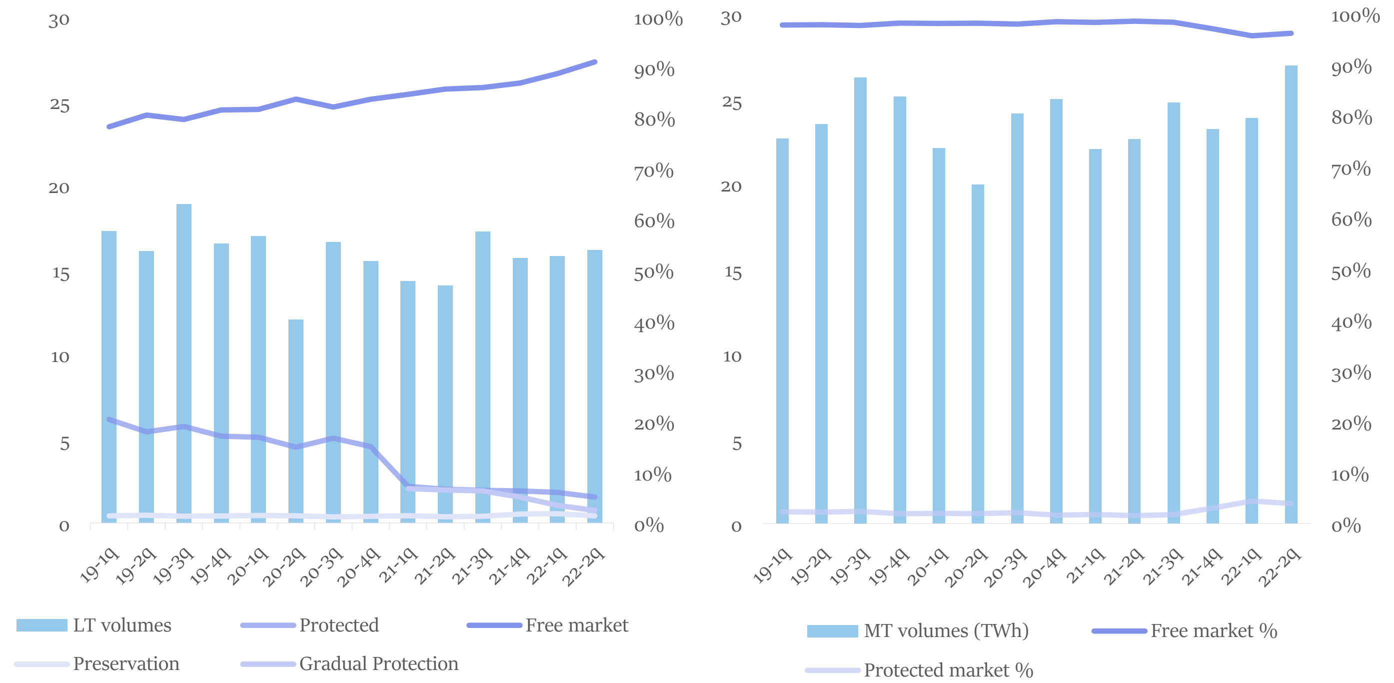
Italian non domestic consumption (left, TWh) and number of active POD (right, #M) per region



Sources: ARERA, TP ICAP Midcap

In terms of delivered volumes, medium-voltage PODs have more traffic than low-voltage PODs. It should be noted that in terms of volumes delivered, the dependence on the public market exceeds 90% for both categories to date. In the second quarter of 2020, the period of national closure, consumption recorded its lowest value in the last ten years.

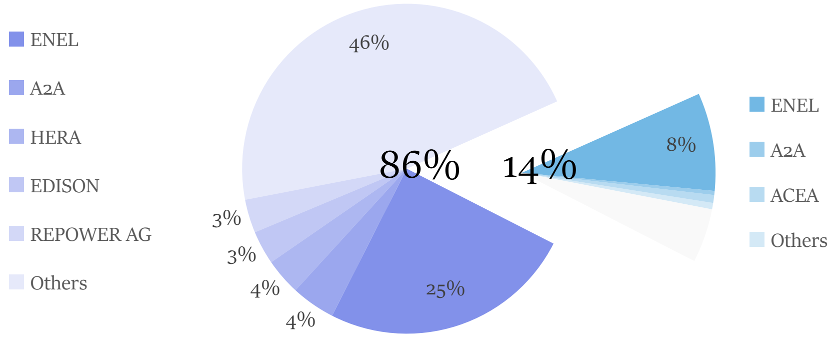
Volumes supplied quarterly through low tension LT-PODs (left) and medium tension MT-PODs, subdivided per market.



Sources: ARERA, TP ICAP Midcap

Enel is also the main operator in the non-domestic market: between the free market and the protected market, the company manages 33% of the market share, A2A is the second operator, supplying about 5% of the market players. About 46% of the market is contested between all operators outside the top 5 groups.

Share of non-domestic customers of the top 2021 players in the open and protected market and the dynamics of exchange rates

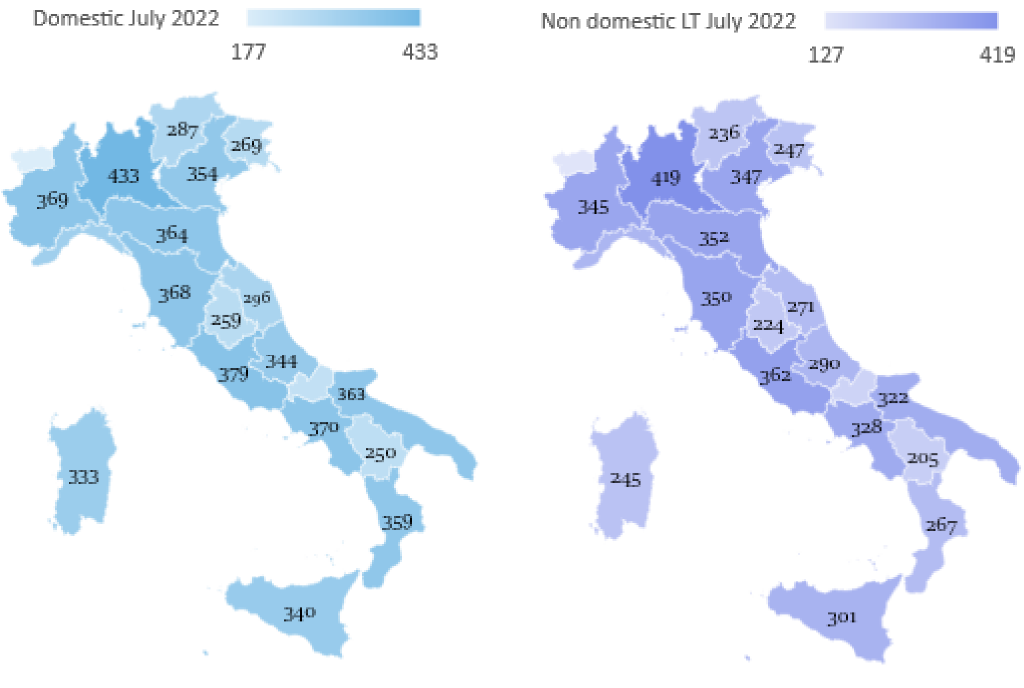


Sources: ARERA, TP ICAP Midcap

ARERA also prepares a monthly analysis of offers' convenience, presented on its official portal. Only by considering the 10% most convenient offers on the free market could a user slightly reduce annual costs compared to the protected market offers. It is estimated that a domestic user who signed a supply contract on the free market in October 2022 would spend on average 11% more per year vs. a protected market. In order to control costs, it is becoming increasingly important to be able to evaluate free market offers.

In Italy, according to ARERA data updated in July 2022, there are 587 resellers active in the national market, of which 104 are active in all regions, 95 in one region and the rest in some regions. Regarding the number of resellers supplying the non-domestic low voltage market, out of the 610 active players, only 62 are active in all regions, a much larger part is concentrated in groups active in a number of regions that vary from 2 to 10. Regarding the number of active resellers divided by region for the domestic and non-domestic low voltage departments, Lombardy has the highest number of active players, with 433 and 419 active resellers respectively.

July 2022 domestic and non domestic active resellers per region



Sources: ARERA, TP ICAP Midcap

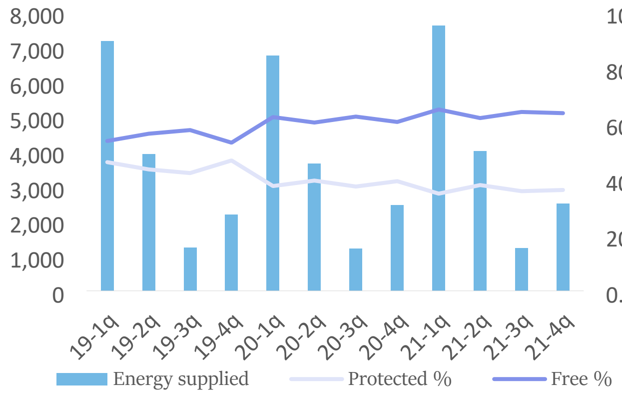
Regarding the contractual offer, as the gas market is very similar to the electricity market, most operators selling electricity also sell gas through dual fuel offers; in 2021, 423 operators were active in the market with dual fuel offers, 74 with gas only offers and 157 with electricity only offers.

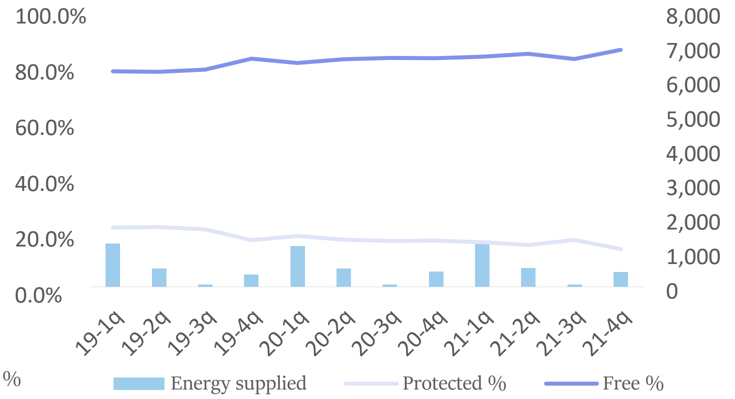
The gas market

The GAS market is very similar to the electricity market, although the main customers are of three types: households, apartment complexes and Others. In terms of operations, which are both less important and less strategic for eVISO, the analysis will be less in-depth, and eVISO currently only operates in the direct segment and not with resellers. Also, in the gas market, as in the electricity market, some customers/resellers belong/operate in the more protected market, at national level 36% of consumption is concentrated in the protected market, for apartment complexes this value drops to 12.5%.

Unlike the energy market, gas has a much more seasonal consumption pattern, with the majority of consumption concentrated in Q1 of each year.

National consumption volumes in millions of cubic metres & % in protected/free market per household & apartment complexes



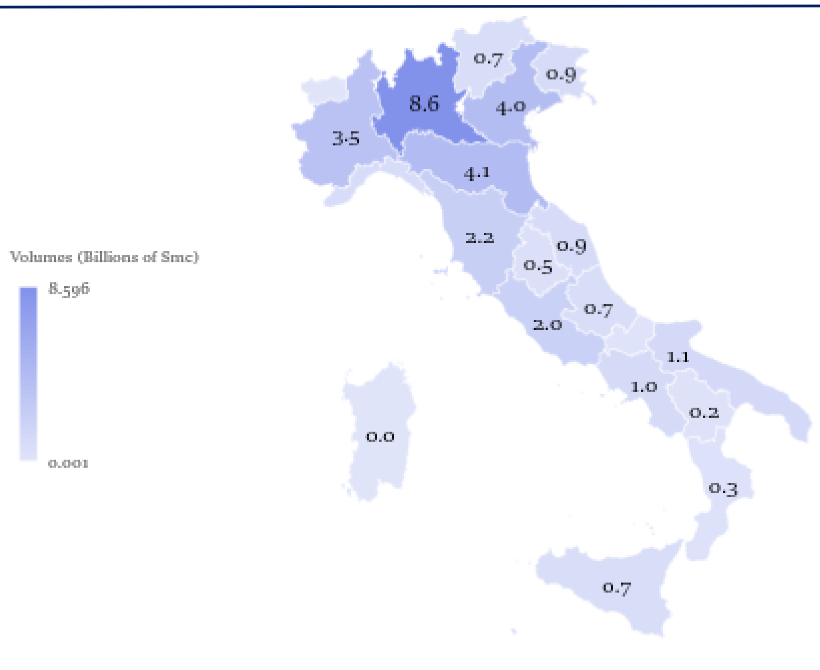


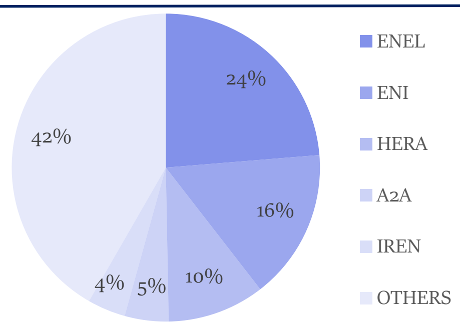
Sources: ARERA, TP ICAP Midcap

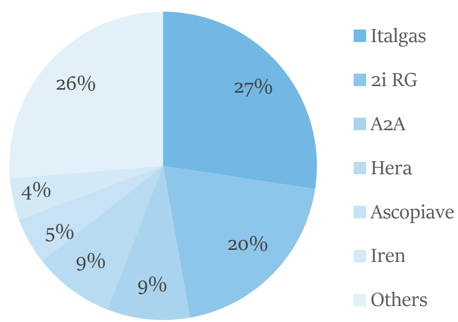
The number of dealers active in the market in 2021 is 507, growing steadily year on year, of which 147 are active in all regions. Of the 507 players, only 74 have offers exclusively on the GAS market and no Dual Fuel offers.

The main groups active in the GAS sales market are: ENEL, (23.7% market share), ENI (15.8% market share), HERA (10.2% market share), A2A (4.6% market share) and IREN (4% market share). In recent years, the market has seen a gradual trend towards a loss of market share by the largest players to smaller players (with market shares below 5%). As far as distribution is concerned, the largest players (and their market shares) are Italgas (27.4%), 2i Rete Gas (19.8%), A2A (8.7%), Hera (8.5%) Ascopiave (4.9%) and Iren (4.4%). The region that consumes the most in terms of volume is Lombardy.

Annual volumes 2021 per region (Mds Smc), reseller market share and distributor market share





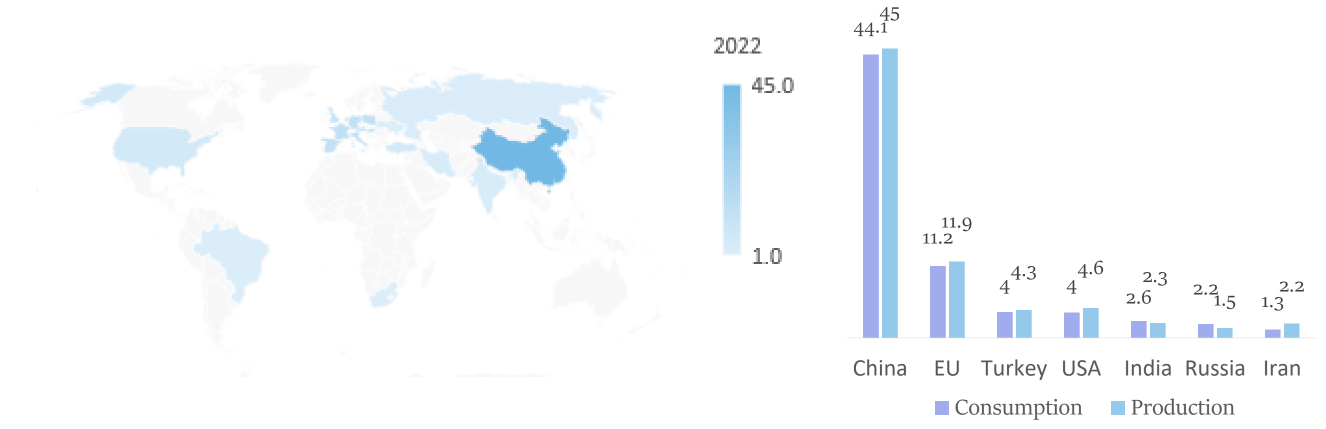


Sources: ARERA, TP ICAP Midcap

Global apple market

Regarding the apple market, eVISO's addressable market is global. For the record, the largest apple producer and consumer in the world is China (with about 45m tonnes produced in 2022), more than 50% of the world production. In second position is the European Union with about 12m tonnes (Italy, Poland and France are the largest European producers) followed by the USA (4.6m tonnes), Turkey (4.3m tonnes), and the rest of the world with about 16m tonnes. Domestic consumption is in line with production levels, the largest importer in the world is Russia with 0.6m tonnes imported in 2022 (gradually decreasing), the largest exporter in the world is the European Union with just over 1m tonnes exported, followed by China and Iran.

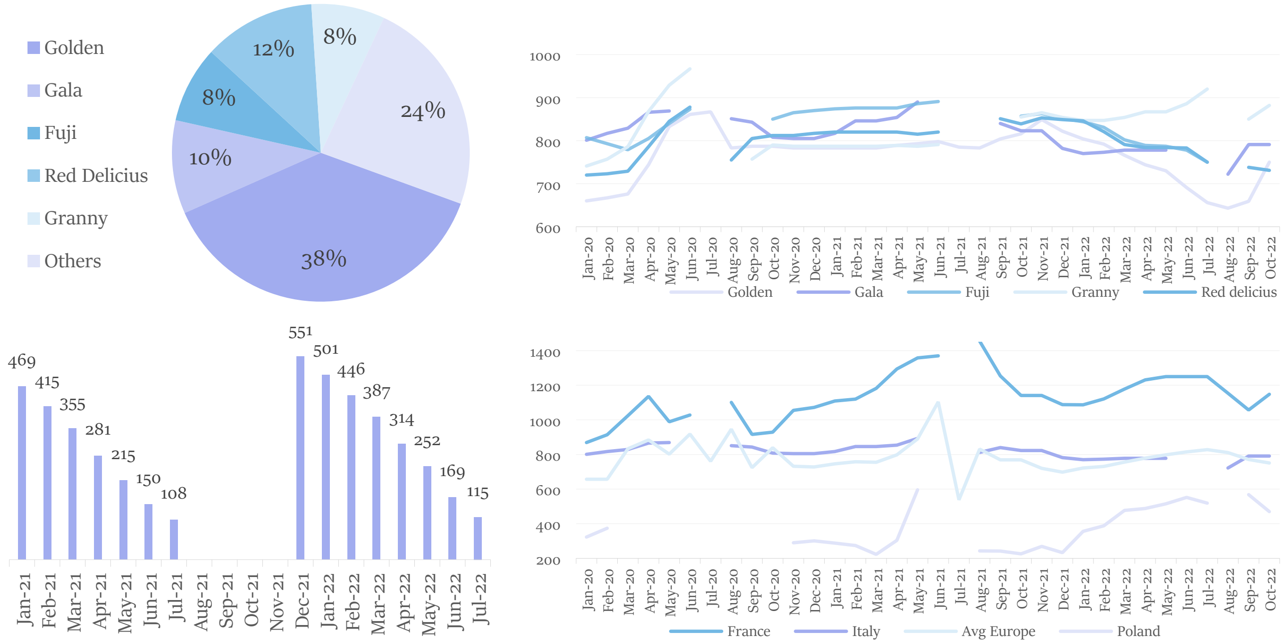
Annual volumes 2021 per region (Mds Smc), resellers market share and distributors market share



Sources: USDA, TP ICAP Midcap

There are more than 1,200 different apple varieties in the world. According to a sample of data on Italian apple production collected by the eVISO SmartMele platform (based on a localised national production of about 1.4m tonnes), about 38% of the apples produced are *Golden*, 12% *Delicius*, 10% *Gala*, 16% equally divided between *Fuji* and *Granny,* with the rest of the production belonging to various other categories. In terms of Italian market trends, apples begin to be sold in December, when producer warehouses reach their maximum capacity (in the post-harvest period), the sales period then continues until July for all types of apples, a month in which, historically, the less produced varieties begin to run out. In Italy, in 2021, *Gala* is the second most produced variety and the first to be exhausted, while *Golden*, the most produced at national level (about 0.6m tonnes in 2021), continues to be sold after July. Italian prices for the five main types of apples range from €625/tonne to €900/tonne. At a European level, prices by type of apple and by country show a strong price variability.

Italian apple production by type, *Gala* stock dynamics, European price by type and *Gala* prices by country



Sources: eVISO SmartMele, TP ICAP Midcap

Financial Analysis

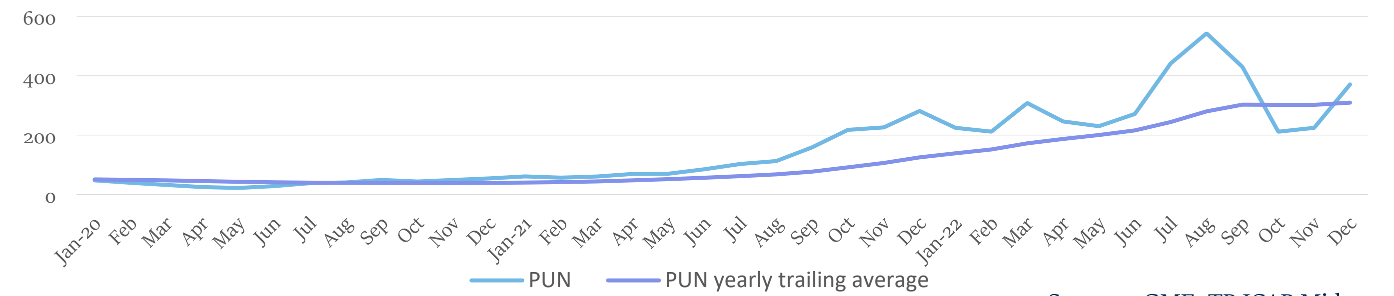
Main drivers of P&L and value added

eVISO's main market is the energy market and in particular the sale of electricity. In June 2022, the company generated €72.5m through direct sales, €105.6m through reseller sales and €24.7m through trading (an accounting item for revenues and raw material costs that allows eviso to improve purchases), or 97.5% of revenue. It is important to note that revenue analysis is not relevant because:

a) Revenue depends on the price of the upstream raw material, if the price of the raw material traded on the market doubles, the company will have a substantial increase in revenue, which at the same time will suffer a decrease in margins. An increase in the volumes consumed does not bring any advantage to the reseller who, on the contrary, would have an interest in keeping both the price and the volumes as low as possible, while increasing the number of contracts signed, in order to increase the impact of the fixed quote on the total revenue and therefore the margin.

b) The company's revenue depends on various items that are paid by end-customers to the reference retailers, and which are then paid by the retailers to the entities to which these revenues are due, of which the main ones are: transport and meter management fees (to be paid to the reference retailer); system fees (Arim, Asos); excise duties (taxes) and VAT. These items can in fact facilitate working capital management as they are usually "paid off" more easily than the payment terms required by raw material suppliers.

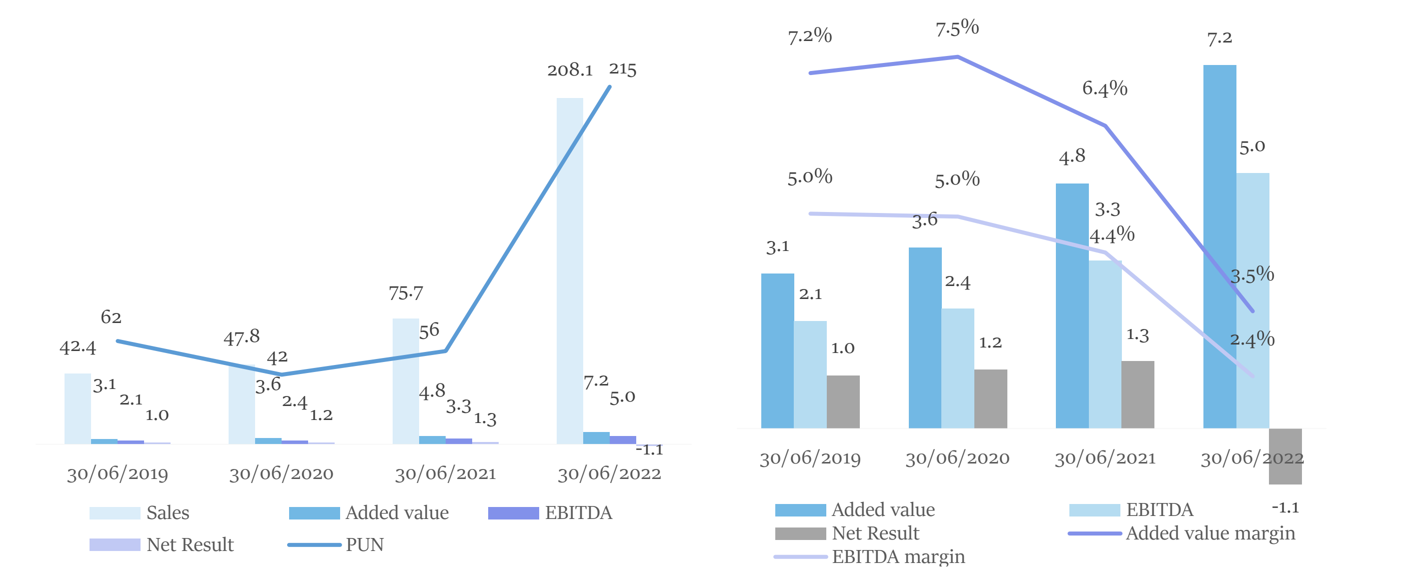
Monthly spot price of PUN, and annual tracking average between January 2020 and December 2022



Sources: GME, TP ICAP Midcap

Over the past two years, the cost of raw material has increased significantly (PUN peaked in August 2022 at more than 15x the average 2020 price) and despite the reduction in system costs and the reduction in transport costs (complicating the management of working capital for resellers), eVISO's revenue for July 2021-June 2022 has exploded and the group's margin has decreased significantly. This trend of increasing revenue and decreasing margins will continue in eVISO's June 2023 financial statements (from July 2022 to date, the average PUN has been above €350MWh compared to eVISO's average of €216MWh in the year to June), and we expect the trend of decreasing electricity prices to start in H2 2023.

eVISO P&L compared with PUN dynamics and marginality evidence between 2019 and 2022

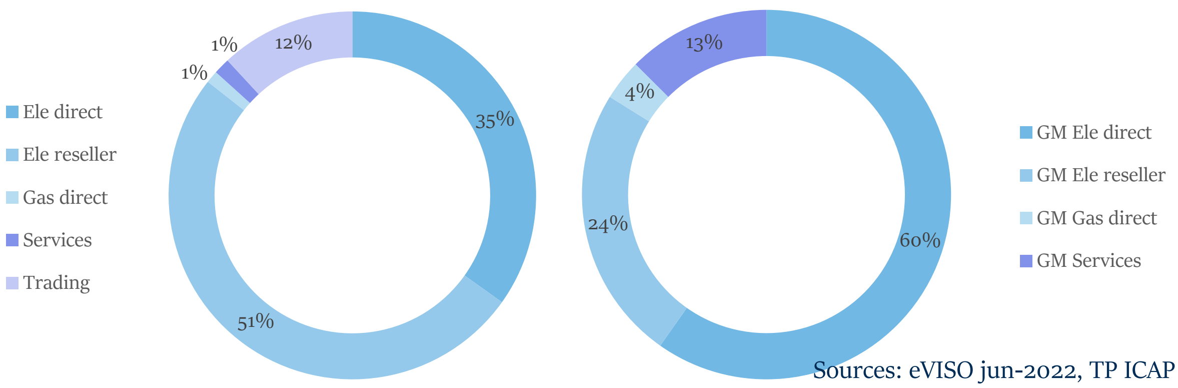


In this context of inevitably decreasing margins imposed by the market functioning despite processing the same volumes, eVISO has managed to significantly improve the first margin generated per MWh supplied, by directing the acquisition of new customers to low consumption PODs. As soon as the downward trend in electricity prices starts (expected in July-June 2023), we will be able to observe a significant increase in margins, also in % of sales.

Regarding the loss recorded in 2022, it can be entirely attributed to the national tax applied to energy companies having generated additional profits. This taxation is continuing into the current year as well. Since eVISO is not an electricity producer, it is estimated that the company will be able to obtain a refund for this charge and that the company can resume its strong growth from July 2023 without being penalized by this tax.

In terms of revenue, electricity sold through the reseller channel is predominant, but in fact eVISO now generates most of its margins through the direct channel. At the same time, ancillary services are mainly offered to customers in the reseller channel and are an extremely important item in terms of margins. It is estimated that already this year the combination of Other services and energy sold through the reseller channel will exceed the margins generated by the direct channel (historically the main source of eVISO revenue).

Main revenue indicators and related Gross Margin generation



Sources: eVISO jun-2022, TP ICAP Midcap

a) Direct Channel

In the year ending June 2022, eVISO delivered 246.6 GWh to the 19,731 PODs under direct management, and taking into account the average cost of energy purchased from eVISO of €216/MWh (vs. €56/MWh YoY), the company generated revenue of €72.5m (vs. €39.7m YoY) equal to approximately €294/MWh, and a gross margin of €4.26m (vs. €3.83m YoY). The sharp rise in energy costs combined with the increase in volumes managed led to a substantial increase in revenue generated by the division and at the same time to a reduction in the gross margin as a percentage of revenue, which stood at 5.9% (vs. 9.7% YoY).

The gross margin per managed MWh, the benchmark for performance evaluation, increased to €17.26/MWh (vs. €16.21/MWh) due to a business strategy geared towards acquiring as many low consumption PODs as possible. The MWh per POD per year for domestic customers fell to 2.64 (from 2.89 YoY), for non-domestic customers the value fell to 25.42 (from 28.76).

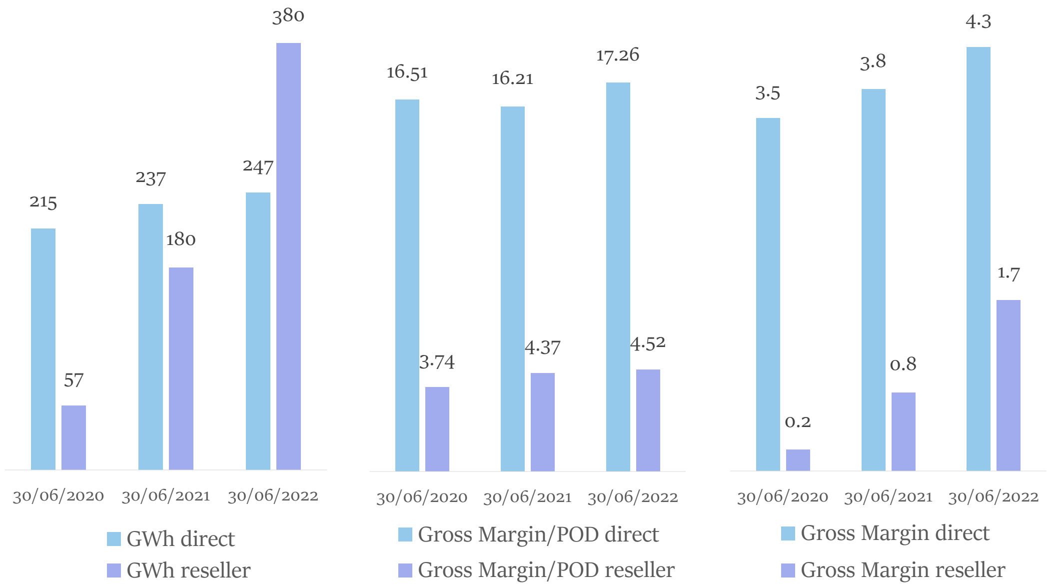
b) Reseller Channel

As in the case of the direct channel, the strategy of the reseller channel was to supply a significant share of resellers who had mainly domestic or SME-oriented customers with PODs with the lowest possible consumption levels, in order to indirectly acquire customers with a higher margin level (due to the reasoning outlined above) and a lower credit risk because it is more differentiated.

In the year ending June 2022, eVISO delivered 379.8 GWh to the 181,419 indirectly managed PODs, and considering the average of €216/MWh recorded by the PUN during the year, the company generated a revenue of €105.6m, and a gross margin of €1.72m. Also in this channel, the sharp rise in energy costs favoured a substantial increase in the revenue generated and, at the same time, a reduction in the gross margin to revenue, which stood at 1.6% (compared to 2.8% year-on-year).

Gross margin per managed MWh increased to 4.52 EUR/MWh (from 4.37 EUR/MWh) due to the acquisition of more PODs with lower consumption levels. The MWh per POD per year of reseller customers dropped to 5.69 (from 9.45 YoY), a decrease of 39.8%, highlighting the selection process of reseller customers who are mainly dedicated to low consumption domestic customers. On a like-for-like basis, the results would have shown revenue growth to €59.5m (vs. €28.2m YoY) and growth in the gross margin/revenue ratio to 2.9% (vs. 2.8% YoY).

Main indicators for direct customers and resellers and gross margin generation



Sources: eVISO jun-2022, TP ICAP Midcap

c) Trading

The company's electricity trading business ultimately generated revenue of €24.75m. We believe that the pure trading activity is mainly transitory and does not generate significant levels of margins, but optimises the purchase price. However, we believe that the margins achieved through the reseller and direct channels are in small part a direct consequence of the efficient upstream purchasing activity. Today, the company is able to carry out up to 1 million transactions per month through Conkatador, the procurement system based on robotic process automation and machine learning and operating in the intraday electricity markets.

d) Direct Gas

Although still small, the direct sales of GAS handled volumes of 1.6M cubic meters of gas (Smc), to date the company is able to generate a margin per Smc sold of approximately €0.16/Smc, resulting in a gross margin of approximately €0.25m or approximately 11% of the revenue generated by the division (direct energy has a gross margin revenue conversion of 6%, energy sold to resellers of 2%)

e) Other Services

This category includes Other services that are provided to electricity buyers through the reseller channel. Other services generate 1.5% of the company's revenue and a total of €2.98m and 27k customers processed annually (vs. €1.2m and 6.9k YoY). A small part of this revenue concerns BigData and administrative services for gas customers.

Of the 27,000 customers processed annually, about 24,300 are processed for electricity resellers, 2500 for direct electricity customers and only 200 for direct gas customers.

Revenue growth from Other services has been supported by the continuous development of the proprietary CORTEX platform and constitutes the most interesting part of the revenue with almost fully automated margins. The low margin guaranteed by reseller clients is partly compensated by the ancillary services offered, which can generate up to 30% margin on each case processed.

Tensions in the sector put smaller and less capitalised resellers at a disadvantage. This trend allows eVISO to acquire more and more GWh managed yearly both in the direct channel, to a small extent, and in the reseller channel where the services offered are attractive in this market context and where the technological potential of the service offered can show disruptive growth rates compared to competitors.

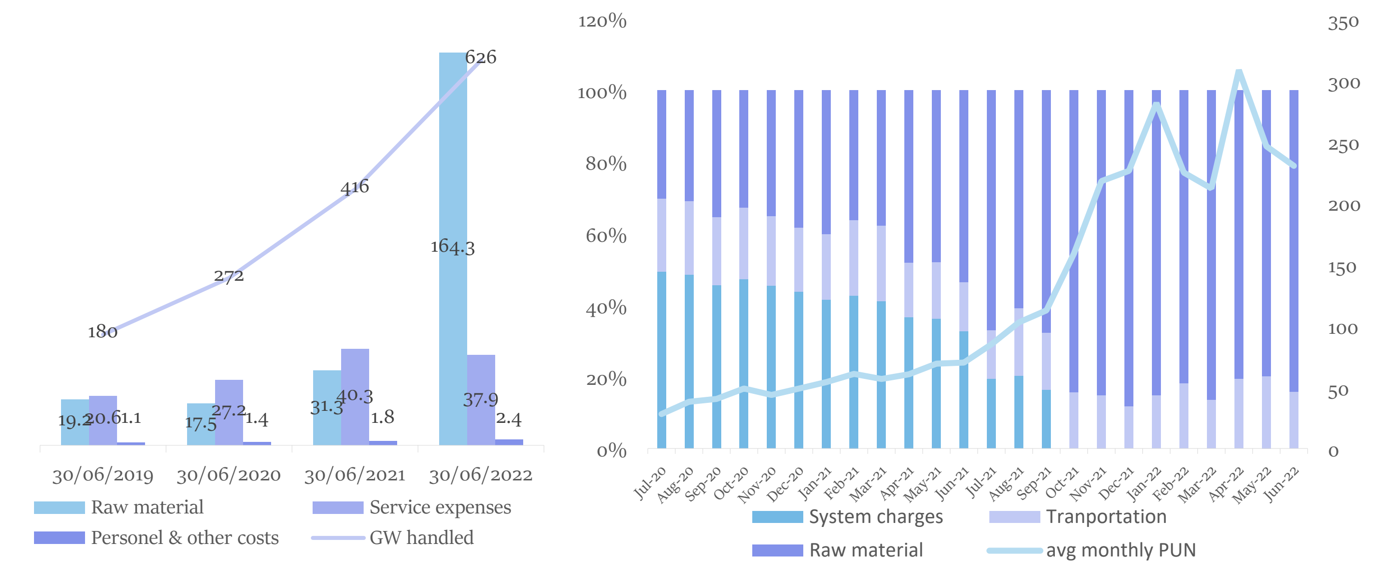
P&L cost factors and market dynamics

In the company's profit and loss account, the costs of transmission, meter operation and system costs are included in the costs of services and are separated from the costs of raw materials. It should be noted that from 2021 to 2022, costs attributable to the purchase of raw materials have increased significantly, while other "passed on" costs have decreased in absolute terms despite the substantial increase in GWh processed (from a total of 272 to over 600 in two years).

By making accurate assumptions about consumption levels, consumption time bands and average meter power and by going through the ARERA tables published monthly, we have reconstructed the dynamics of the costs incurred in Italy by the protected market to support raw material costs, transmission costs and system charges. As a % of total costs, it can be clearly seen that until July 2020, system costs represented about 50% of the costs incurred, whereas from October 2021 onwards, this cost has been cancelled out; as for transport costs, they have progressively decreased, giving way to the unprecedented increase in raw material costs.

System costs have shown a trend inversely proportional to the growth of the NUP, even if this has happened for emergency reasons and not sustainable in the long term at system level. We believe that in the coming years this element will not be important for the total value of the bill.

eVISO's P&L cost trends vs. market processed cost composition and protected by GW



Sources: GME, TP ICAP Midcap

Working capital

Working capital management is the largest item on the balance sheet of electricity retailers and is of fundamental importance in optimising cash generation, as this is not a particularly asset-based business.

Inventory dynamics do not exist in this sector; everything is based on the ability to collect customer invoices and the ability to defer payments to suppliers. The payments to be made in the shortest time are those for raw material costs, followed by transport and shipping costs and finally system costs. Indeed, the higher the invoice for raw materials alone, the less possibility the company has to defer payments (wholesalers being very restrictive on payment terms). The recent period has led to an increasing dependence of revenues on the cost of raw materials, complicating de facto the cash flow management of resellers.

At the same time, eVISO's business model has three characteristics, which have become particularly prominent in recent years to the point of partially revolutionising the contractual structure, and which facilitate working capital management:

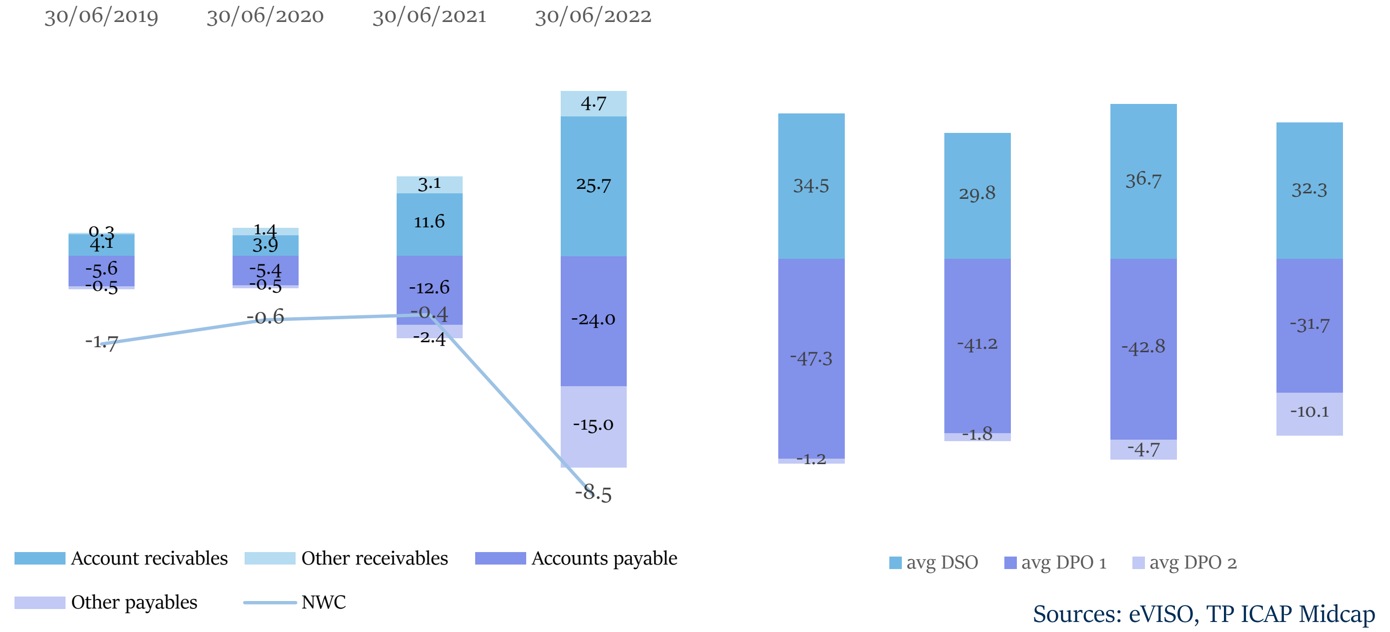
- Firstly, the company is able to produce very reliable consumption forecasts, which allows it to raise and request advance payments regarding supply. As these deposits are paid (and they will be increasingly so under the agreements signed with its customers in 2023), they reduce the DSO and, with regard to unpaid deposits, they are very reliable and can be used to facilitate factoring activities.

- Secondly, the company requires its reseller customers to provide collateral in order to do business with them, thus ensuring coverage in case of a credit event and further mitigating credit risk. As reseller PODs have increased massively in recent years, the item for guarantees received has increased at the same rate, again facilitating working capital management.

- A small additional cash flow facility is also provided by direct procurement from renewable energy producers. In June 2022, energy purchased from these suppliers represented approximately 2.5% of raw material costs; this type of procurement can have more flexible payment schedules.

Despite the sharp decrease in the dependence on transport invoices and system fees, the company was able to limit cash burn. Under the new contracts already signed for 2023, the new business model, which relies more on advance payments and provided guarantees (as it is increasingly dependent on reseller revenue), will be even more present.

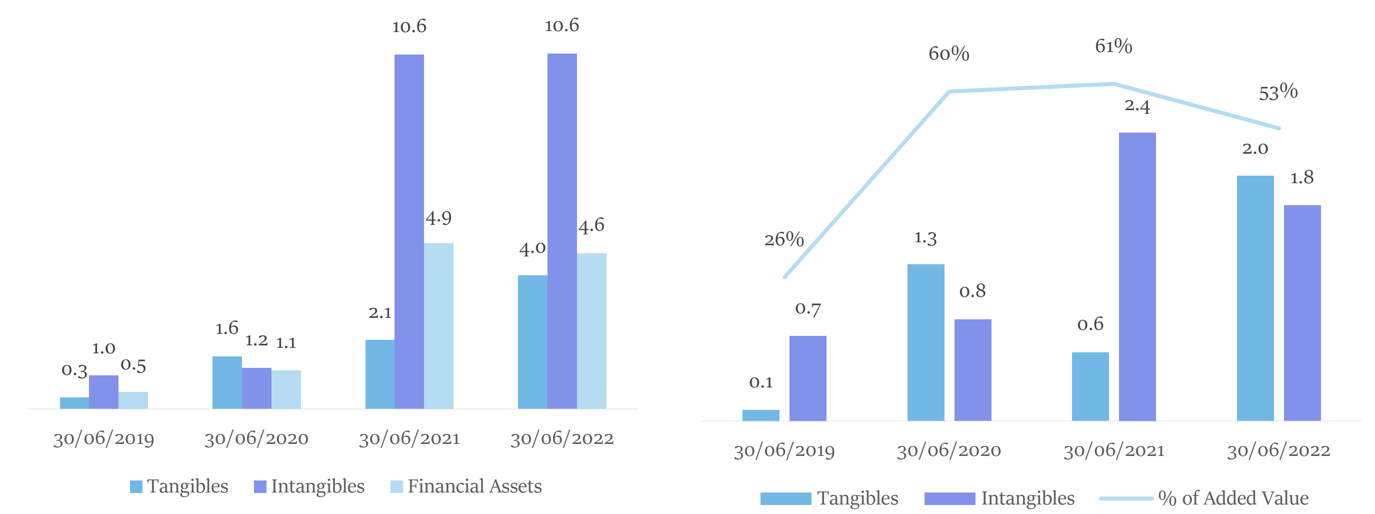
eVISO's historical working capital trends



Sources: eVISO, TP ICAP Midcap

eVISO is more dependent on its intangible assets than other market players. The company uses different tools that differentiate it and make it unique in the competitive environment. Tangible, intangible and financial assets represent about 30% of the balance sheet assets. The growth in dependence on tangible assets is linked to the company's recent investment in the construction of a new headquarters in Saluzzo, a 3,000 m^2 building which underlines the long-term vision of the Board of Directors.

eVISO fixed assets and investment dynamics



Sources: eVISO, TP ICAP Midcap

Regarding intangible assets, the company has recorded a maximum investment of €2.4m in the financial statements for the year ending June 2021, equal to 50% of the added value generated in that year, which has enabled the company to record levels of growth that were unthinkable two years ago in terms of GWh supplied for a company in this sector. In 2022, capital expenditure amounts to around €1.8m, or around 25% of the value added generated (before personnel costs).

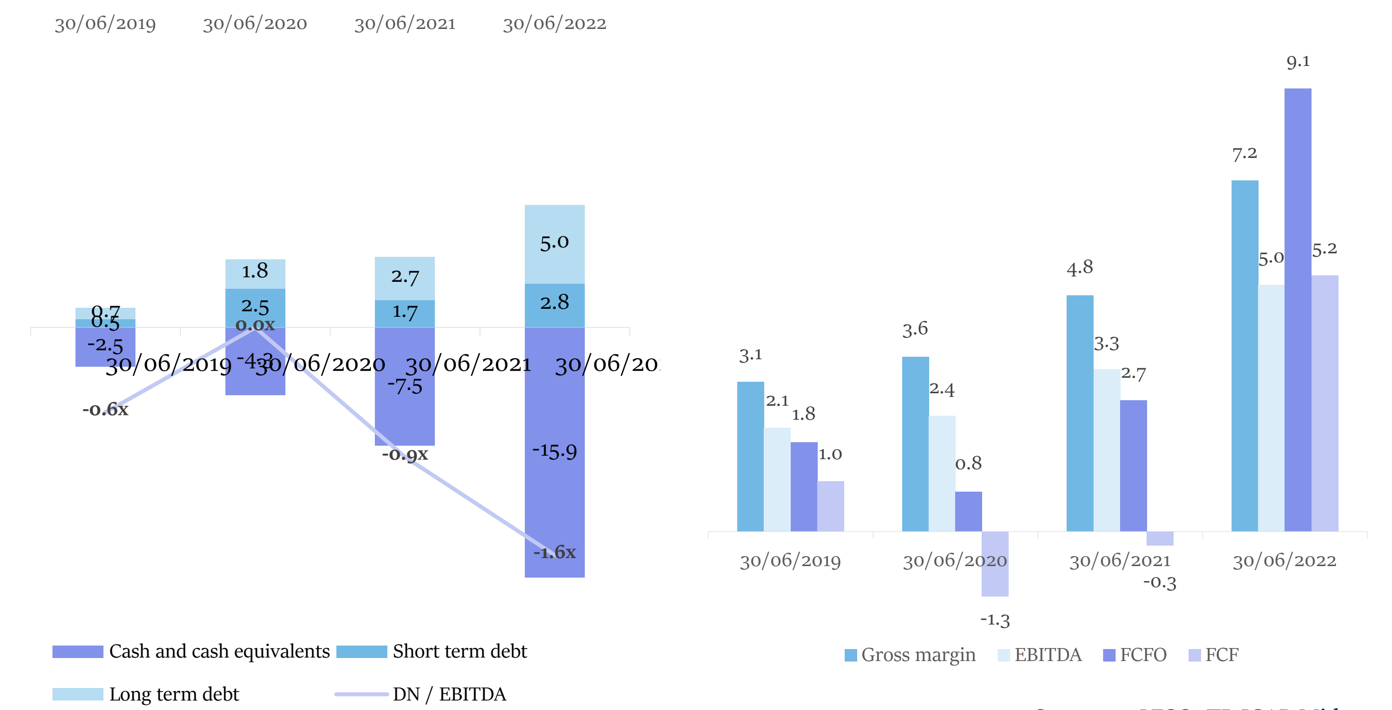
As far as financial assets are concerned, these are mainly the guarantees paid by eVISO to the various suppliers, which have not shown an upward trend in the last year.

Net financial position

Regarding the net financial position, since 2019 eVISO has always closed its accounts with a positive net cash position. This sector is highly dependent on factoring (or reverse factoring). The interest rate applied to factoring can depend on the quality of the credit and the method of payment adopted by the end customer (by invoice or by debit from the current account).

The company, which has a positive cash flow, a very high Ebitda/FCF conversion (a historical average of over 90%) and a negative Net Debt/EBITDA ratio of -1.6x, is very solid and can afford to invest in research and development (creation of new tools), has been able to invest in the construction of the new headquarters in Saluzzo, and we believe that it can continue to grow substantially at high levels compared to the sector's averages.

eVISO's net financial position and key margin and cash generation indicators



Sources: eVISO, TP ICAP Midcap

Company growth projections

In order to recreate the top line of the income statement, a price dynamic of the PUN was assumed. In H2 2022, i.e. the first 6M of the balance sheet that eVISO will close at the end of June 2023, the average price recorded by the PUN was more than €350/MWh, knowing that on average between July 2021 and June 2022, eVISO spent €211.5/MWh; this is a dizzying price increase of more than 65%. At the same time, recent macroeconomic developments, both on the gas and electricity fronts, have led to substantial price decreases, trading on average at around €180/MWh in the first days of January. We have estimated that eVISO will end the year with an average cost per MWh delivered of around €257.5, taking into account that at peak prices customers consume less.

At the same time, we will have a substantial increase in processes, mainly regarding reseller customers. We estimate that in about three years, Other services will be the main source of margins for eVISO.

For the GAS division, it will continue to grow in absolute terms, although it is not a strategic focus in the company's plans, especially from the 1.6m Smc delivered until June 2022. We estimate that the company could reach about 3.7m Smc in June 2027 (the value remains limited, while eVISO will provide 0.3% of the electricity consumed nationally by June 2027, compared to 3.7m Smc equal to 0.005% of the gas consumed nationally).

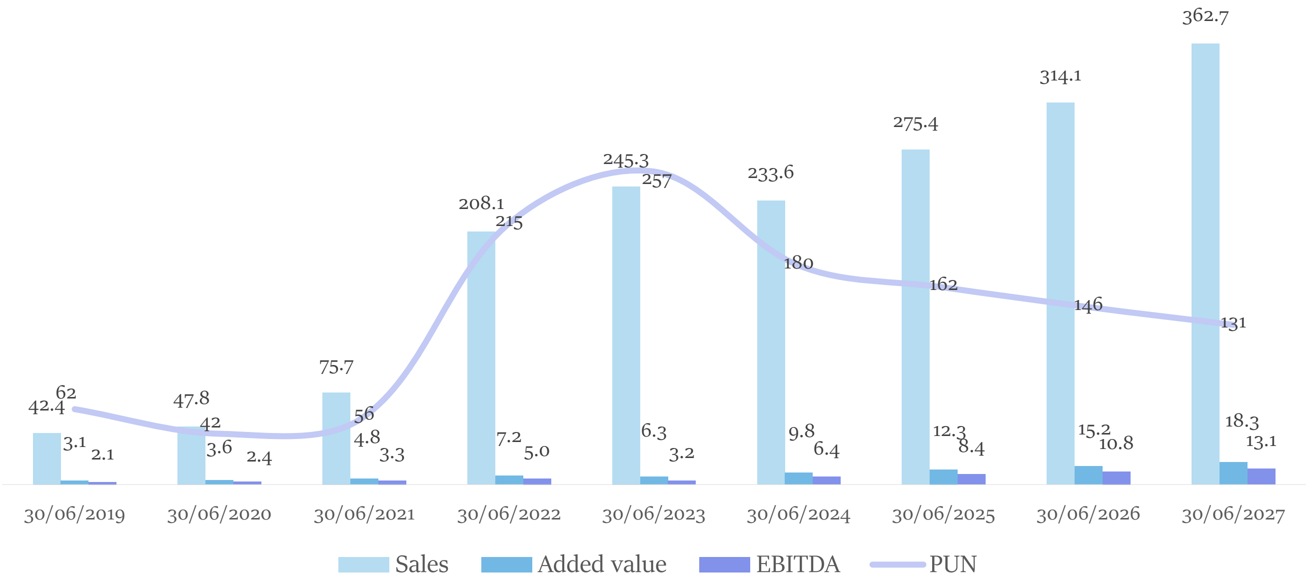
Finally, we estimate that SmartMele eVISO can generate margins of around €1.5m between the registration fees charged to apple suppliers and buyers and a commission applied to the platform's transactions. In particular, we estimate that in the financial year ending June 2027, approximately 50,000 tonnes of apples will be traded via the proprietary platform, with 3/6/9/12 month contracts, similar to financial futures contracts.

In H1, eVISO has: (1) seen consumption from its non-domestic customers contract due to the sharp increase in costs and also partially slowed down its customer acquisition campaign. We estimate that it will end the year with 210GWh delivered to direct customers (vs. 247 YoY) and around 400GWh delivered to reseller customers (vs 380GWh). (2) The taxation of overprofits has continued to weigh on eVISO's accounts this year, we estimate amounting to about €2m. This has slowed down growth pending that this taxation is applied exclusively to electricity producers and not to resellers/traders like eVISO. (3) Extraordinary costs charged to rebalance past purchase and consumption positions. (4) The group has been partially limited in its ability to increase prices in proportion to cost increases due to contractual limits and national regulations (which will cease completely from July 2027).

For these four reasons, we estimate that eVISO will report EBITDA of €3.2m (vs. €5m YoY) and net income of €2m (vs. €1.1m YoY) in June 2023.

In the valuation model, we estimate that the value of the PUN will fall drastically in the year ending June 2024 (when the value will be around €180/MWh). Thereafter, the value will continue to fall, but more moderately by about 10% each year until it reaches a value of €131/MWh in June 2027 (a value 2.5x higher than the average recorded before the Russian-Ukrainian war and before the energy crisis). eVISO's revenue will increase this year to €245m.

P&L expected dynamics. Sales are based on PUN assumptions (which may change significantly).



Sources: eVISO historical, TP ICAP Midcap projections

As mentioned earlier, the main indicator on which the P&L analysis focuses is not revenue, which can vary considerably depending on macroeconomic developments and the resulting energy price, but group margins. We will focus in particular on added value and EBITDA, the two main segment indicators. The EBITDA/Sales ratio will reach its lowest value in the balance sheet closed in June this year and then show gradual growth. The drivers of margin growth will be:

- The expected decrease in PUN combined with a slight but steady improvement in the margin generated per MWh supplied to resellers.

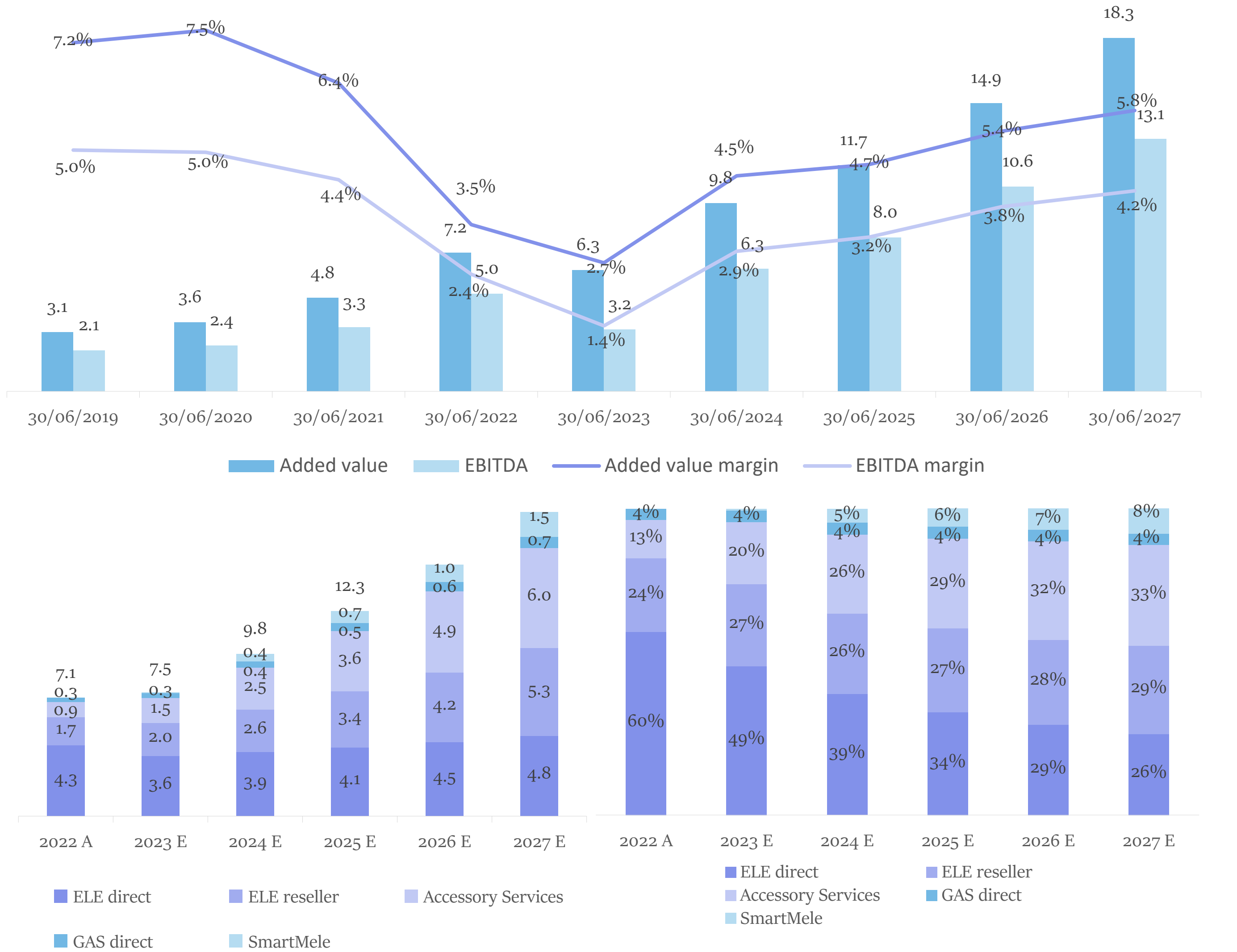
- A gradual increase of Other services, while generating only €900k of added value in June 2022, are estimated to generate more than €8.8m of margins in June 2027, thanks to the gradual and substantial acquisition of customers in the reseller channel, CORTEX's main customer base.

- A slight increase in the added value provided by the gaseous raw material, which we estimate could rise from €250k to €700k in 2027.

- A gradual increase in the number of customers on the SmartMele portal, which we estimate, following launch, would bring in margins of around €1.5m by 2027, exceeding in size and importance the gas commodity (less strategic for eVISO).

As far as personnel costs are concerned, we estimate that they will increase by about 50% this year due to the hiring of new staff to €3.1m from €2.1m, and then gradually return to 30% of the added value (historical value), from a total cost of €2.1m recorded in June 2022 to about €5.2m by June 2027. The new 4,000+ square metre headquarters will comfortably accommodate the expected influx of staff in the coming years. We estimate that eVISO will exceed €13m EBITDA from June 2027.

Main drivers of P&L, expected composition of value added by BU and expected change in % composition by BU

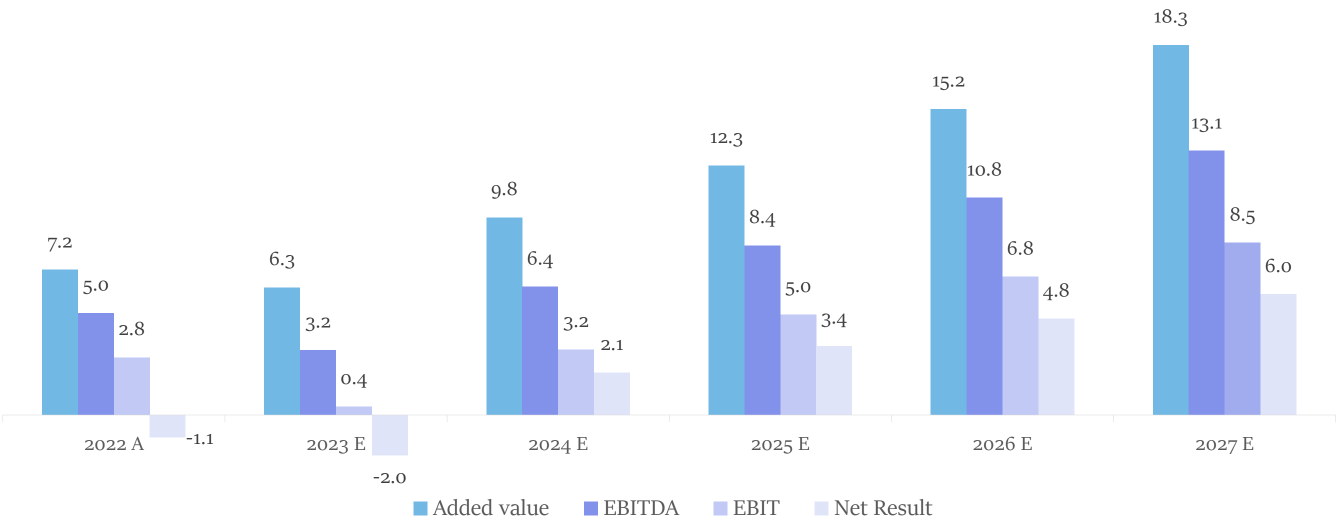


Sources: eVISO historical , TP ICAP Midcap projections

We estimate an increase in the value of material depreciation from 2023, which is linked to the significant investments made for the opening of the new headquarters. As for intangible depreciation, we estimate that it will increase progressively and that investments in software development and tools will go down to €0.9m this year and will exceed €3m in July 2027. To be conservative, we have also assumed an increase in credit losses from €129k to €380k this year, but which will remain very low despite the sharp increase in prices. Finally, financing costs remain low, in line with the company's low dependence on short and long term bank financing. Finally, taxation on the additional profits will weigh on the accounts by around €2m, resulting in a net loss of €2m.

In terms of the company's assets, we expect the balance sheet to be broadly stable, with investment in intangible assets expected to

Expected trends for EBITDA, EBIT and net earnings

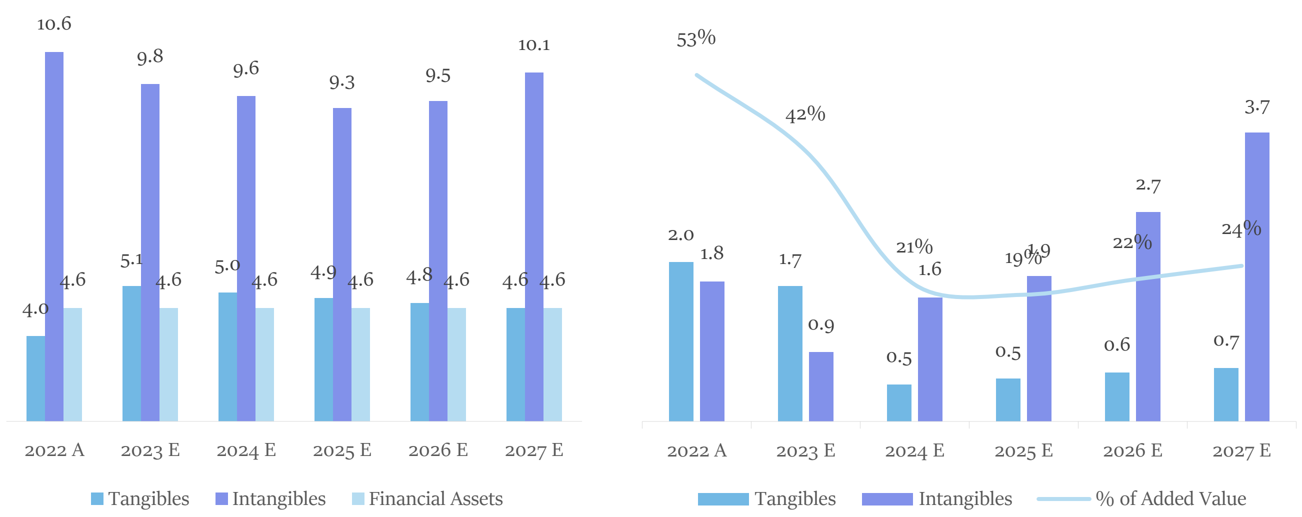


Source: eVISO 2022A , TP ICAP Midcap projections

be lower this year than last, and then to grow steadily to €3.7m of investment in 2027, which will be offset by a similar growth in depreciation, keeping the balance sheet value slightly higher. On the other hand, the heavy investment last year and this year in the opening of the new headquarters will lead to an increase in the value of tangible assets, which will then remain constant and with low investment needs in the following years. Finally, financial assets (mainly security deposits/guarantees) are expected to remain stable. The decrease in the expected investment as a % of GA gives an insight into the degree of technological advancement of eVISO today, which would be able to maintain high growth levels without the need for massive investments, a very good indicator.

Historically, eVISO has been able to maintain a negative net working capital, a good indicator from a financial point of view as it shows how the company's technological advancement allows it to exercise good bargaining power and therefore delay payments to its suppliers and anticipate collections from its customers.

Fixed Assets and Fixed Investment Projections

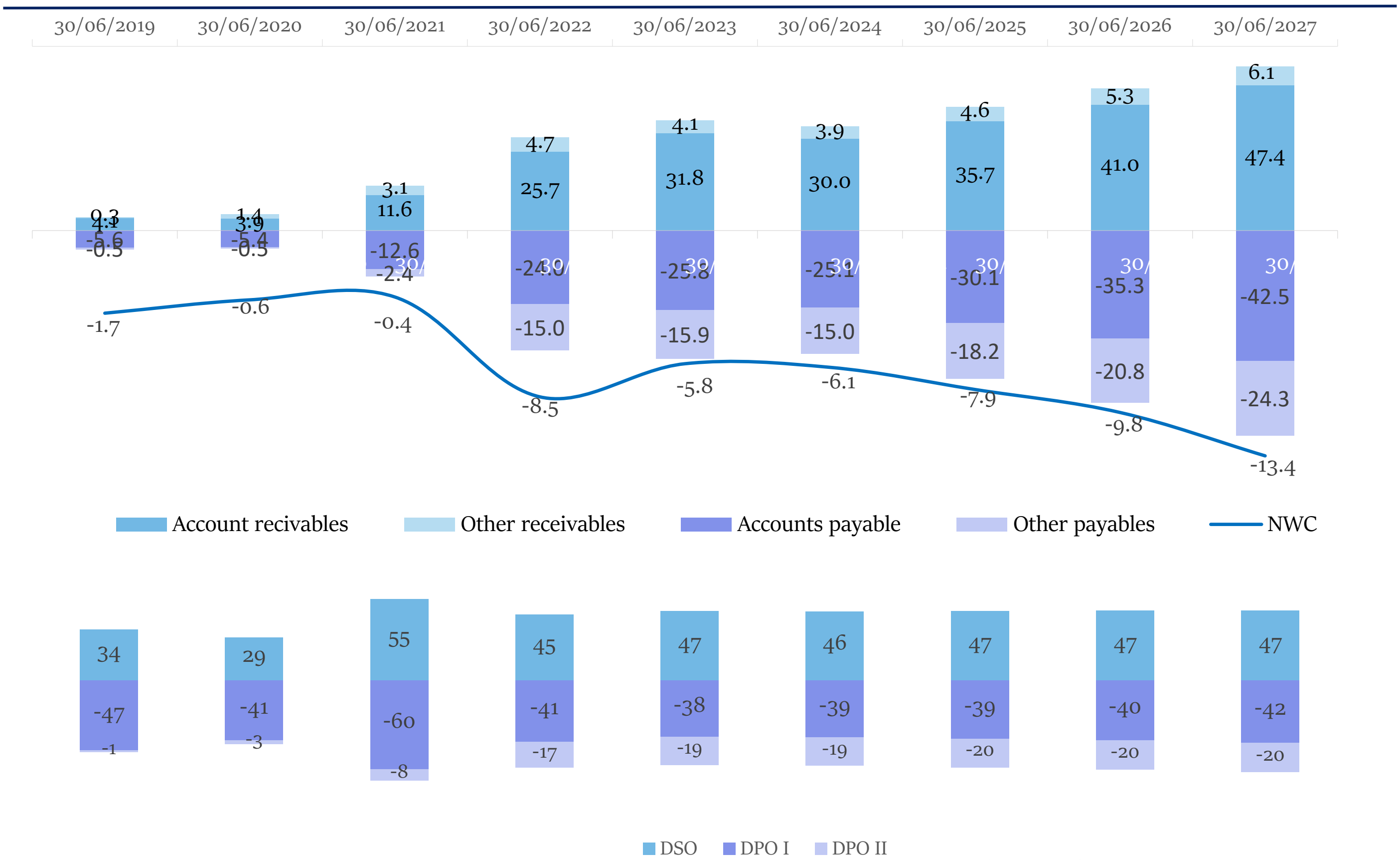


Sources: eVISO 2022A , TP ICAP Midcap projections

We estimate that eVISO will keep the DSO between 45 and 47. In addition, the possibility of commercial debt will also be limited due to the even greater dependence on debts to wholesalers (DSO I will decrease from 41 to 38). At the same time, we believe that in the short term (within the next two years) eVISO will be able to partially offset this trend by continuing to implement its policy of receiving guarantees from its customers and by furthermore being more restrictive in its demands for advance payments (based on expected consumption with an increasing degree of reliability); the second type of OPD, depending on these two values, will rise from 17 to 19 in June 2023.

Over the next few years, with the gradual reintroduction of system charges and the concomitant reduction in the dependence of invoices on the cost of raw materials, eVISO will be able to increase DPO I and thus the amount of trade payables, the latter being decidedly less restrictive in terms of timing (by more than 30 days on a constant scope basis). In the long term, the gradual reintroduction of network usage charges will continue to facilitate eVISO's financial management, which in turn will be able to afford to be less restrictive with its customers.

Historical and expected future working capital trends

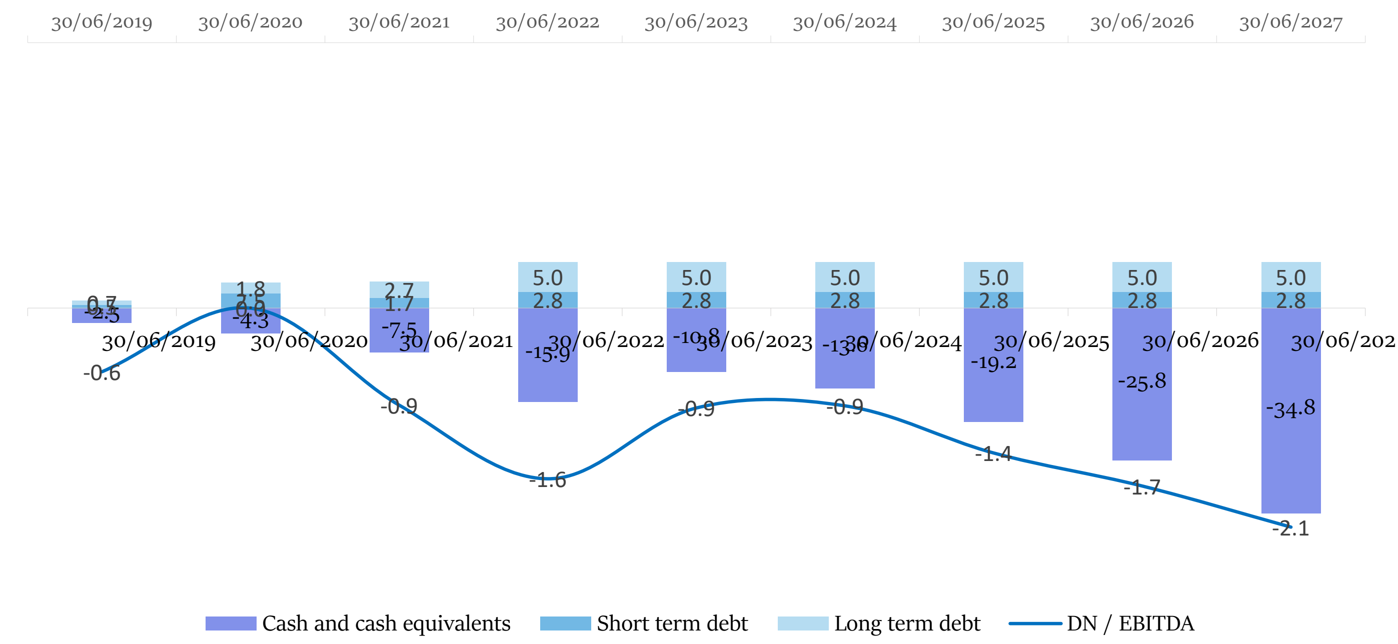


Sources: eVISO historical , TP ICAP Midcap estimates

In terms of financial analysis, the company closed the June 2022 accounts with a negative Net Debt, i.e. with cash levels exceeding its bank debt by €8.1m. Due to the macroeconomic environment, it is estimated that the company will end up draining cash of around €5.1m. We estimate that lower margins and working capital management will result in a cash burn of €2.5m, plus capital expenditure for the opening of the new headquarters (€1.7m) and development (€0.9m), so the total capital burn will be €5.1m.

At the end of this year, with greater contractual freedom on pricing, the cancellation of additional costs incurred this year due to adjustments, and finally the cancellation of the additional profit tax (which we believe will happen), we estimate that the company will be able to return to cash flow generation of €2.8m and that this will reach €9m by June 2027.

Historical and projected trends for the net financial position and Net Debt/EBITDA



Not only is the company currently in an optimal financial position, with more cash than debt, but it is estimated that from June 2023, a period when the Net Debt/EBITDA ratio will reach -0.9x (according to our estimates), the company will reach a ratio of -2.1x in 2027 thanks to the organic cash generated year after year.

Assuming that the company can afford to have a debt level of at least 1.5x Net Debt/EBITDA, by 2027, and stabilising the debt situation vis-à-vis credit institutions, we estimate that the company can afford to invest up to €47m more than our estimates in M&A, development or personnel recruitment. An absolutely unique indicator of financial health. By increasing the optimal level of Net Debt/EBITDA to values of 2x and 2.5x respectively, eVISO's firepower would increase to €53.3m and €60m according to our growth forecasts (IREN SpA for example at the end of 2021 had a Net Debt/EBITDA of more than 3x, HERA SpA around 2.7x against eVISO's negative value).

Source: eVISO historical , TP ICAP Midcap projections

Valuation

In order to determine eVISO's intrinsic value, a discounted cash flow method was applied (with a weighting of 80%) and to support the result, a secondary relative valuation model (with a weighting of 20%) was also applied, for which seven Italian companies comparable in terms of size, business characteristics or competitors in the listed sector were selected. The relative valuation model is based on the EV/EBITDA (weighted at 10%) and EV/EBIT (weighted at 10%) multiples, both of which are strictly dependent on the value added (or gross margin), the main benchmark of the income statement.

The valuation does not take into account possible future mergers and acquisitions, but only the expected organic growth. However, it should be taken into account that taking the balance sheet published in June 2022 and assuming an optimal NFP/EBITDA level of 2x (conservative), the company could already invest more than €20m, a firepower that we expect to increase to more than €68m in June 2027 (assuming only organic growth).

DCF Method

In order to develop the DCF model, the following assumptions were made:

Main features of NOPAT and FCF:

- EBITDA margin on value added normalised to 70% from 2032E

- Capex at 21% of value added from 2032E onwards

- Net working capital stabilised at -15% of value added from 2031

- Corporate tax rate of 27.9%

Discount rate:

- Risk-free rate of 4.11% (Italian 10-year BTP, average of the last six month values)

- Equity risk premium of 9.1% (Source: Damodaran website)

- Beta of 0.97x (noting that since the IPO the company has had a beta of 0.4x, over 1 year)

- Long-term growth rate of 2%

- A cost of equity of 12.9% on a 100% equity weighting

- A cautious WACC of 12.9%

Proof of the beta calculation

Beta Country:	Peers	Ticker	Beta 3YR	Gearing	Tax rate	Unlevered
Italy	Doxee	DOX-IT	0.5x	7%	27.9%	0.5x
Italy	Maps	MAPS-IT	1.0x	-19%	27.9%	1.2x
Italy	Iren S.p.A.	IRE-IT	0.8x	-68%	27.9%	1.6x
Italy	Innovatec	INC-IT	0.5x	-14%	27.9%	0.6x
Italy	Hera	HER-IT	0.8x	-54%	27.9%	1.4x
Italy	A2A S.p.A.	A2A-IT	1.1x	-56%	27.9%	1.8x
	Average		**0.718x**	**-0.233x**	**0.279x**	**0.962x**
	eVISO	**EVS-IT**	0.4x	0%	27.9%	0.4x
	Re-Leverec	0.96x				

Sources: Factset, TP ICAP Midcap

DCF Method

FY ending in Dec (€M)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Sales	245.3	233.6	275.4	314.1	362.7					
avg PUN exp	257	180	162	146	131					
% change	*17.9%*	*-4.8%*	*17.9%*	*14.0%*	*15.5%*					
Gross Margin	**6.3**	**9.8**	**12.3**	**15.2**	**18.3**	**21.8**	**25.4**	**29.0**	**32.6**	**35.8**
% Sales	*-12.3%*	*55.0%*	*26.4%*	*22.7%*	*20.9%*	*18.8%*	*16.6%*	*14.4%*	*12.2%*	*10.0%*
EBITDA	3.2	6.4	8.4	10.8	13.1	15.6	18.2	20.8	23.4	25.8
% Sales	*1.3%*	*2.7%*	*3.0%*	*3.4%*	*3.6%*					
% GM	*51.0%*	*65.0%*	*68.0%*	*71.0%*	*71.4%*	*71.5%*	*71.6%*	*71.8%*	*71.9%*	*72.0%*
D&A	(2.2)	(2.5)	(2.8)	(3.3)	(3.8)	(4.6)	(5.3)	(6.1)	(6.8)	(7.5)
% GM	*(35.1%)*	*(25.4%)*	*(22.7%)*	*(21.4%)*	*(21.0%)*	*(21.0%)*	*(21.0%)*	*(21.0%)*	*(21.0%)*	*(21.0%)*
EBIT	0.4	3.2	5.0	6.8	8.5	11.0	12.8	14.7	16.6	18.3
% GM	*6.6%*	*33.2%*	*40.3%*	*45.2%*	*46.5%*	*50.5%*	*50.6%*	*50.8%*	*50.9%*	*51.0%*
Taxes	(0.1)	(0.9)	(1.4)	(1.9)	(2.4)	(3.1)	(3.6)	(4.1)	(4.6)	(5.1)
Tax rate	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*
NOPAT	**0.3**	**2.3**	**3.6**	**4.9**	**6.2**	**7.9**	**9.3**	**10.6**	**11.9**	**13.2**
D&A	2.2	2.5	2.8	3.3	3.8	4.6	5.3	6.1	6.8	7.5
CAPEX	(2.6)	(2.1)	(2.4)	(3.3)	(4.4)	(5.1)	(5.8)	(6.4)	(7.0)	(7.5)
% GM	*(41.6%)*	*(21.1%)*	*(19.5%)*	*(21.8%)*	*(23.9%)*	*(23.3%)*	*(22.8%)*	*(22.2%)*	*(21.6%)*	*(21.0%)*
WC	(5.8)	(6.1)	(7.9)	(9.8)	(13.4)	(17.6)	(22.4)	(27.7)	(33.0)	(38.0)
% change		*5.0%*	*29.4%*	*23.5%*	*36.0%*	*31.8%*	*27.6%*	*23.4%*	*19.2%*	*15.0%*
% GM	*(92.7%)*	*(62.9%)*	*(64.4%)*	*(64.8%)*	*(72.8%)*	*(80.8%)*	*(88.5%)*	*(95.4%)*	*(101.4%)*	*(106.0%)*
Δ WC	-2.7	0.3	1.8	1.9	3.5	4.2	4.9	5.2	5.3	5.0
% GM	*-42.8%*	*3.0%*	*14.6%*	*12.4%*	*19.3%*	*19.5%*	*19.1%*	*18.1%*	*16.3%*	*13.8%*
FCF	**-2.8**	**3.1**	**5.8**	**6.8**	**9.1**	**11.7**	**13.7**	**15.5**	**17.1**	**18.1**
Discounted FCF	**-2.5**	**2.4**	**4.1**	**4.2**	**5.0**	**5.7**	**5.9**	**6.0**	**5.8**	**5.5**

Source: TP ICAP Midcap

Summary of the valuation

WACC Calculation	
Rf rate 10YR BTP	4.13%
Beta (re-levered)	0.96 x
Market Premium	9.1%
Cost of equity	**12.9%**
Interest Rate	3.0%
Tax rate	27.9%
Cost of debt	**2.2%**
% equity	100.0%
% debt	0.0%
WACC	**12.9%**

Valuation Summary	
Sum of discounted FCF	42.1
Discounted TV	51.2
Enterprise Value	**93.3**
Net Debt	-8.1
Provisions	0.5
Equity Value	**100.9**
# of shares	24.7
Target Price	**€ 4.1**

Source: TP ICAP Midcap

Sensitivity analysis of valuation to terminal growth rate and WACC

TGR \ WACC	11.9%	12.4%	12.9%	13.4%	14.0%
1.0%	4.4	4.1	3.9	3.7	3.5
1.5%	4.5	4.2	4.0	3.7	3.5
2.0%	4.6	4.3	4.1	3.8	3.6
2.5%	4.8	4.5	4.2	3.9	3.7
3.0%	4.9	4.6	4.3	4.0	3.8

Based on the DCF valuation model, the intrinsic value of eVISO is €4.1/share, even in the worst case scenario with a low terminal growth rate (g) and a discount rate of 14%, the intrinsic value remains well above the market price.

Description of market peer comparisons:

Doxee SpA provides information technology solutions through its proprietary platform for customer communication management and digital customer experience business systems. It operates through the following product lines: Document Experience, Paperless Experience and Interactive Experience. The Document Experience product line produces and distributes digital document storage systems. The Paperless Experience product line focuses on electronic billing, digital archiving and electronic ordering systems. The Interactive Experience product line develops interactive micro-sites under the Doxee Pweb brand and personalised videos under the Doxee Pvideo brand. The company was founded by Sergio Muratori Casali and Paolo Cavicchioli on 26 March 2001 and is headquartered in Modena, Italy.

Maps SpA designs, produces and distributes proprietary software solutions for the analysis of corporate Big Data. It operates through the following business units: Large Enterprise, Healthcare; ESG and Energy. The Large Enterprise business unit focuses on ad hoc solutions for large customers. The Healthcare Industry business unit provides patient management software within the facility, with health information and patient care and support software. The ESG unit specialises in developing software for public administrations to evaluate performance, goals and implementation plans. The Energy division helps create and manage energy communities and collective self-consumption groups. The company was founded in 2002 and is based in Parma, Italy.

Iren SpA is a holding company that provides public utility services. It operates through the following segments: Networks, Environment, Energy, Market and Other Services. The Networks segment includes electricity distribution networks, gas distribution networks and integrated water services. The Environment segment includes waste collection and disposal. The Energy segment includes hydroelectric and other renewable generation, combined heat and power, district heating, thermoelectric generation, street lighting, global service, heat management, energy efficiency services. The Market segment includes the sale of electricity, gas, heat and other services to customers. The Other Services segment includes laboratories, telecommunications and other minor services. The company was founded on 1 July 2010 and is headquartered in Reggio Emilia, Italy.

Innovatec SpA provides management and maintenance services for renewable energy production plants. It operates through the following business units: Energy Efficiency, Systems Integrator, Building Automation, and Operations and Maintenance. The Energy Efficiency business unit develops and operates customised energy efficiency solutions. The System Integrator business unit builds turnkey installations for energy production from renewable sources. The Building Automation business unit deals with research and development, which is linked to the sales force, and develops and customises new solutions. The Operations and Maintenance business unit supports companies and investors in the operation of renewable energy plants. The company was founded in 1960 and is based in Milan, Italy.

Hera SpA provides services in the fields of environment, water and energy. Its activities include street lighting and telecommunications, engineering, laboratories, remote control and technical services to customers, and concentration. The company was founded on 1 November 2002 and is headquartered in Bologna, Italy.

A2A SpA is engaged in the production, sale and distribution of electricity, gas and heat, as well as in waste management and the integrated water cycle. It operates through the following business sectors: Energy, Environment, Heat and Services, Networks, and Business and Other Services. The Energy business line is responsible for the production of electricity, energy management and the sale of electricity and gas. The Networks business segment includes the operational management of electricity distribution networks, the transmission and distribution of natural gas, and the management of the entire integrated water cycle. The company was founded on 23 July 1908 and is headquartered in Brescia, Italy.

As eVISO is the only listed company with both the characteristics of a reseller and an electricity wholesaler/trader, it is emphasised that the selection of market peer comparisons was guided by the desire to recreate its reference market and at the same time eVISO's technological characteristics. We consider this second valuation method to be less meaningful than the DCF valuation.

The relative valuation via the EV/EBITDA multiple leads to a value of €1.8, with a potential downside of 27.7%. Four of the six selected market peers have a business model that does not depend on a proprietary software solution, resulting in a low EV/EBITDA valuation multiple.

Company Name	Ticker	Country	Market Value (M€)		EV/EBITDA		
			Equity	EV	2022	2023	2024
Doxee S.p.A.	DOX-IT	Italy	86	80	14.2 x	9.7 x	6.9 x
Maps S.p.A.	MAPS-IT	Italy	42	51	10.5 x	8.6 x	7.4 x
Iren S.p.A.	IRE-IT	Italy	2,249	6,937	6.2 x	6.2 x	5.8 x
Innovatec SpA	INC-IT	Italy	167	193	4.8 x	4.2 x	3.6 x
Hera S.p.A.	HER-IT	Italy	4,133	8,944	7.0 x	7.1 x	6.9 x
A2A S.p.A.	A2A-IT	Italy	4,352	9,813	6.3 x	6.2 x	5.9 x
			Mean		8.2x	7.0x	6.1x
			Median		**6.6x**	**6.6x**	**6.4x**
			Harmonic Mean		7.2x	6.5x	5.7x

EV/EBITDA	2023	2024	2025
Figure	3.2	6.4	8.4
Multiple	6.6x	6.6x	6.4x
Multiple at -0% discount	6.6x	6.6x	6.4x
Enterprise Value	**21.4**	**42.2**	**53.6**
Bridge 2021	-7.6	-3.0	-5.9
Equity	**29.0**	**45.2**	**59.5**
Diluted number of shares	24.7	24.7	24.7
Price/Share	1.2	1.8	2.4
Average		**1.8**	
% upside (downside)		**-27.7%**	

Source: TP ICAP Midcap

The relative valuation via the EV/EBIT multiple leads to a value of €1.8, with a potential downside of 29.6%.

The market itself recognises, through the market valuation, that eVISO has growth potential due to its market positioning and technological advancement which cannot be compared to other companies.

Company Name	Ticker	Country	Market Value (M€)		EV/EBIT		
			Equity	EV	2022	2023	2024
Doxee S.p.A.	DOX-IT	Italy	86	80	50.5 x	20.1 x	11.5 x
Maps S.p.A.	MAPS-IT	Italy	42	51	21.0 x	18.8 x	17.5 x
Iren S.p.A.	IRE-IT	Italy	2,249	6,937	13.4 x	13.6 x	12.7 x
Innovatec SpA	INC-IT	Italy	167	193	8.4 x	6.6 x	5.2 x
Hera S.p.A.	HER-IT	Italy	4,133	8,944	13.9 x	13.8 x	13.3 x
A2A S.p.A.	A2A-IT	Italy	4,352	9,813	13.7 x	13.7 x	12.7 x
			Mean		20.2x	14.4x	12.2x
			Median		**13.8x**	**13.7x**	**12.7x**
			Harmonic Mean		14.8x	12.7x	10.6x

EV/EBIT	2023	2024	2025
Figure	0.4	3.2	5.0
Multiple	13.8x	13.7x	12.7x
Multiple at -0% discount	13.8x	13.7x	12.7x
Enterprise Value	**5.7**	**44.6**	**63.4**
Bridge 2021	-7.6	-3.0	-5.9
Equity	**13.4**	**47.6**	**69.2**
Diluted number of shares	24.7	24.7	24.7
Price/Share	0.5	1.9	2.8
Average		**1.8**	
% upside (downside)		**-29.6%**	

Source: TP ICAP Midcap

The DCF model is considered the most accurate valuation method for eVISO's unique characteristics, no other listed company has the same technological characteristics and market positioning, for this reason we have assigned a weighting of 80% to this valuation methodology, 10% has been assigned to the relative EV/EBITDA and EV/EBIT valuation methods, resulting in a final TP of €3.6/share, a potential upside of about 44%.

Valuation method	Target Price	Weight	Target Price
DCF	4.1	80.0%	3.6
Multiples EV/EBITDA	1.8	10.0%	
Multiples EV/EBIT	1.8	10.0%	
Target Price	3.6	100%	45%

Source: TP ICAP Midcap

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**

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
ΔWCR	-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
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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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.
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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.
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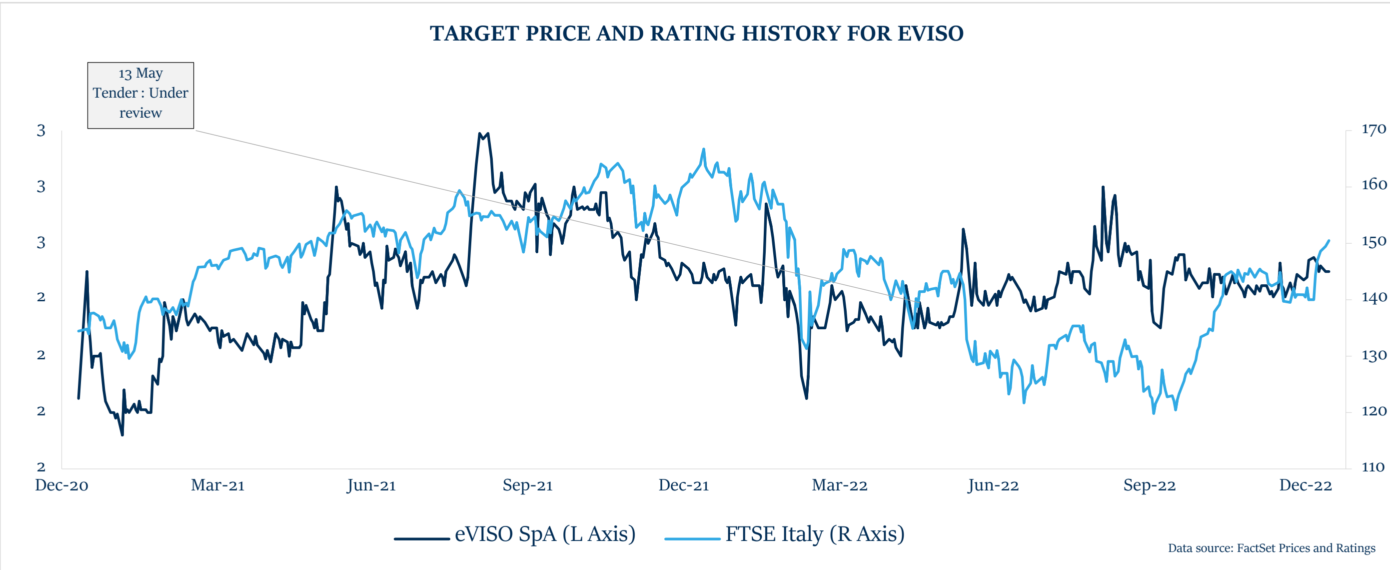
History of investment rating and target price – eVISO SpA



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Sell	1%	0%
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