

eVISO

Sector: Technology

Strong acceleration expected in 2H

eVISO has unveiled a good set of 1H results despite COVID impact. We expect a strong 2H. We reiterate our BUY rating and TP of Eu3.2. eVISO's innovative AI driven trading and sale of electricity is disruptive in the Italian market. The group is scaling-up and is expanding in other commodities. In Feb-Mar 2021, eVISO has achieved important steps to expand its electricity business with resellers and launch a marketplace in the Apples business.

- Good set of 1H results despite COVID impact.** eVISO unveiled 1H 2021 results (fiscal year ends on 30/06) last Friday. Top line was up 16% yoy, with Direct channel down 1.2% and Resellers up 101%. Full details are still missing (the full 1H report will be published in the coming days). However, we believe that strong results in terms of number of new direct PODs under management (+25% yoy) were offset by COVID related factors: 1) decrease in electricity price (we estimate PUN down 9% yoy in Jul-Dec 20) and 2) low volumes, linked to pandemic restrictions (we estimate 15% negative impact on sales of the direct channel). EBITDA was up 7.1% yoy in 1H 21, with margin down from 3.95% to 3.64%. Dilution was due to sales mix (the lower margin Resellers business up from 15% of sales in 1H20 to 26% in 1H 21) and investments in sales force and central structure. Net cash at Eu6.9mn (from Eu0mn in Jun-20), mainly reflected the IPO proceeds. Eu1.6mn Op.FCF was more than offset by investments (Eu2.4mn).
- Strong push to business with resellers in 2H** In February and March 2021, eVISO announced agreements with resellers implying the acquisition of 15.5k and 12.2k new PODs. In only two months (Feb-Mar 2021) the group acquired 27.7k new PODs, equivalent to Eu13.7mn estimated annual sales. The new PODs are more than 2x the number of PODs under management at the end of June 2020. At the end of March 2021, the total number of PODs under management in the Resellers channel was 43k. We highlight that business with Resellers has lower gross margin than average. We estimate GM around 3% versus 10% of the Direct business. However, the increasing number of PODs under management has a strategic importance for the group. With a higher number of available data, eVISO's AI platform has scope to improve its performance with positive implications for the overall business.
- Expansion in other commodities is ongoing.** In February 2021, eVISO launched its marketplace dedicated to Apples. It gives access to prices, volumes and stocks of Apples in Italy, Europe and US. Clients can also have access to other information/drivers of the market prices. At full steam, the revenue model in the business should include a phase-up fee and a fee on the transactions performed through the marketplace. While we expect a still limited contribution to revenue growth from new commodities over the next 3Y, the business could be scaled-up in the medium term with positive impact on margins. eVISO can gain first mover competitive advantage in the offer of AI tool to players in the agricultural business.
- We expect a strong 2H: easy comps and new contracts with Resellers.** We have fine-tuned our FY estimates upwards, incorporating higher figures in the Resellers business. Impact on top line is higher than that on margins. Our FY 2021 estimates imply a very strong H2 (top line up 89% yoy and EBITDA up 87%). We believe that the Direct business should enjoy increase in the number of PODs coupled with higher yoy consumption and prices. Resellers business should benefit from the new contracts finalised in February and March.
- Outperform confirmed with TP of Eu3.2.** We confirm our BUY rating and TP of Eu3.2. eVISO's innovative AI driven trading and sale of electricity is disruptive in the Italian market. The group is scaling-up and is expanding in other commodities. Financial strength is a competitive advantage in a market, which is requiring increasing financial requirements. On calendarized numbers (YE is 30/06), the stock is trading at 11x CY2021 EV/EBITDA or around 30% discount versus Italian technological players (mainly present on the AIM Italia segment). Peers' multiples suggest Eu3.2-3.3/share valuation, confirmed by our DCF (Eu3.2/share).

BUY

Unchanged

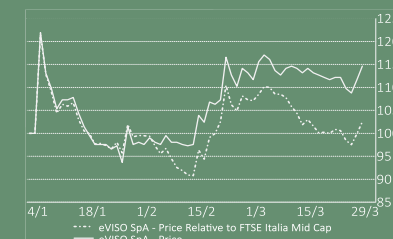
TP 3.20

Unchanged

Target price upside: 39%

Ticker (BBG, Reut)	EVS IM	EVS MI
Share price Ord. (Eu)	2.3	2.3
N. of Ord. shares (mn)		24.6
Total N. of shares (mn)		24.6
Market cap (Eu mn)		56
Total Market Cap (EU mn)		56
Free Float Ord. (%)		21%
Free Float Ord. (Eu mn)		12
Daily AVG liquidity Ord. (Eu k)		263

	1M	3M	12M
Absolute Perf.	-1%	na	na
Rel.to FTSEMIDCap	-7%	na	na
52 weeks range		1.9	2.5



	FY20A	FY21E	FY22E
Sales	49	72	109
EBITDA adj.	2.3	3.5	5.4
Net profit adj.	1.2	1.8	2.9
EPS adj.	0.058	0.073	0.117
DPS - Ord.	0.017	0.022	0.035
EV/EBITDA adj.		13.7x	8.8x
P/E adj.		30.9x	19.3x
Dividend yield		1.0%	1.6%
FCF yield		-1.8%	3.6%
Net debt/(Net cash)	(0.0)	(6.4)	(7.8)
Net debt/EBITDA	nm	nm	nm

Giuseppe Marsella
giuseppe.marsella@alantra.com
+39 02 63 671 620

Gianpiero Di Perna
Gianpiero.diperna@alantra.com
+39 02 63 671 624

Simone Pozzi
simone.pozzi@alantra.com
+39 02 63 671 621

Financial Summary (FY ends on 30/06)

P&L account (Eu mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Total Revenues	43.0	48.6	72.3	109.2	133.5
Gross Margin	4.1	4.9	6.5	8.9	11.1
EBITDA reported	2.1	2.3	3.5	5.4	7.1
D&A	(0.6)	(0.7)	(1.0)	(1.3)	(1.6)
EBIT reported	1.5	1.7	2.5	4.1	5.5
Net financial charges	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)
Associates	0.0	0.0	0.0	0.0	0.0
Extraordinary items	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	1.4	1.6	2.4	4.0	5.5
Taxes	(0.3)	(0.4)	(0.6)	(1.1)	(1.5)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0
Net profit reported	1.0	1.2	1.8	2.9	4.0
EBITDA adjusted	2.1	2.3	3.5	5.4	7.1
EBIT adjusted	1.5	1.7	2.5	4.1	5.5
Net profit adjusted	1.0	1.2	1.8	2.9	4.0

Margins (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Gross margin	9.5%	10.0%	9.0%	8.1%	8.3%
EBITDA margin (adj)	4.9%	4.8%	4.9%	4.9%	5.3%
EBIT margin (adj)	3.4%	3.4%	3.5%	3.7%	4.1%
Pre-tax margin	3.2%	3.2%	3.4%	3.6%	4.1%
Net profit margin (adj)	2.4%	2.4%	2.5%	2.6%	3.0%

Growth rates (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Sales	25.5%	12.8%	48.9%	51.0%	22.2%
EBITDA	41.5%	11.7%	50.9%	51.6%	32.6%
EBITDA adjusted	41.5%	11.7%	50.9%	51.6%	32.6%
EBIT	50.3%	13.0%	53.5%	60.1%	35.7%
EBIT adjusted	50.3%	13.0%	53.5%	60.1%	35.7%
Pre-tax	38.4%	11.3%	56.6%	62.7%	38.3%
Net profit	34.8%	10.2%	56.4%	59.8%	37.2%
Net profit adjusted	34.8%	10.2%	56.4%	59.8%	37.2%

Per share data	FY19A	FY20A	FY21E	FY22E	FY23E
Shares	20.000	20.000	24.571	24.571	24.571
N. of shares AVG	20.000	20.000	24.571	24.571	24.571
N. of shares diluted AVG	10.000	20.000	24.571	24.571	24.571
EPS	0.052	0.058	0.073	0.117	0.161
EPS adjusted	0.052	0.058	0.073	0.117	0.161
DPS - Ord.	0.015	0.017	0.022	0.035	0.049
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	0.107	0.147	0.505	0.600	0.726

Enterprise value (Eu mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Share price Ord. (Eu)	na	na	2.3	2.3	2.3
Market cap		na	55.8	55.8	55.8
Net debt/(Net cash)	(1.3)	(0.0)	(6.4)	(7.8)	(11.1)
Adjustments		(0.9)	(0.9)	(0.8)	(0.7)
Enterprise value			48.5	47.1	43.9

Cash flow (Eu mn)	FY19A	FY20A	FY21E	FY22E	FY23E
EBITDA adjusted	2.1	2.3	3.5	5.4	7.1
Net financial charges	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)
Cash taxes	(0.3)	(0.5)	(0.6)	(1.1)	(1.5)
Ch. in Working Capital	0.1	(1.1)	(0.1)	1.1	0.4
Other operating items	(0.0)	0.1	(0.1)	0.1	0.1
Operating cash flow	1.8	0.8	2.6	5.4	6.1
Capex	(0.8)	(2.1)	(3.6)	(3.4)	(1.9)
FCF	1.0	(1.3)	(1.0)	2.0	4.2
Disposals/Acquisitions	(0.2)	0.4	(0.3)	0.0	0.0
Changes in Equity	0.0	0.0	8.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	(0.0)
Dividends	(0.2)	(0.3)	(0.3)	(0.5)	(0.9)
Ch. in NFP	0.5	(1.3)	6.4	1.5	3.3

Ratios (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Capex/Sales	1.9%	4.4%	4.9%	3.1%	1.4%
Capex/D&A	1.3x	3.1x	3.6x	2.6x	1.2x
FCF/EBITDA	48.8%	-56.7%	-27.6%	37.3%	58.7%
FCF/Net profit	97.9%	-115.2%	-54.1%	69.4%	105.6%
Dividend pay-out	nm	30.1%	30.1%	30.1%	30.1%

Balance sheet (Eu mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Working capital	(1.8)	(0.7)	(0.6)	(1.6)	(2.0)
Fixed assets	2.9	4.0	6.8	8.6	8.6
Provisions & others	(0.1)	(0.3)	(0.3)	(0.4)	(0.5)
Net capital employed	0.9	2.9	6.0	6.9	6.7
Net debt/(Net cash)	(1.3)	(0.0)	(6.4)	(7.8)	(11.1)
Equity	2.1	2.9	12.4	14.7	17.8
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Working capital/Sales	-4.1%	-1.4%	-0.8%	-1.5%	-1.5%
Net debt/Equity	nm	nm	nm	nm	nm
Net debt/EBITDA	nm	nm	nm	nm	nm

Valuation	FY19A	FY20A	FY21E	FY22E	FY23E
EV/CE			7.7x	6.5x	6.1x
P/BV			4.5x	3.8x	3.1x
EV/Sales			0.7x	0.4x	0.3x
EV/EBITDA			13.7x	8.8x	6.2x
EV/EBITDA adjusted			13.7x	8.8x	6.2x
EV/EBIT			19.1x	11.6x	7.9x
EV/EBIT adjusted			19.1x	11.6x	7.9x
P/E			30.9x	19.3x	14.1x
P/E adjusted			30.9x	19.3x	14.1x
ROCE pre-tax	171.5%	77.4%	53.3%	60.0%	76.5%
ROE	48.9%	39.3%	14.6%	19.6%	22.2%
EV/FCF			-49.6x	23.5x	10.5x
FCF yield			-1.8%	3.6%	7.5%
Dividend yield			1.0%	1.6%	2.1%

Share price performance

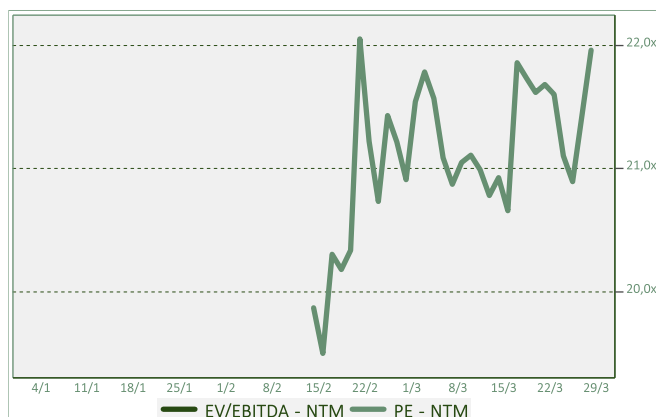
Good performance from IPO



Source: Factset

Valuation

Limited market history

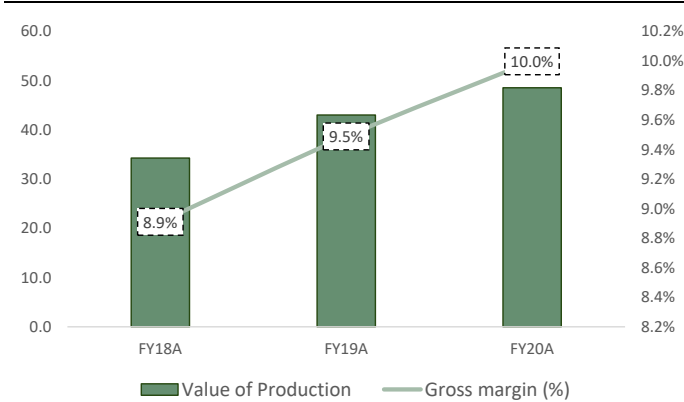


Source: Factset

Key Charts

eVISO – Sales (Eu mn) and Gross Margin (%) - FY18-20

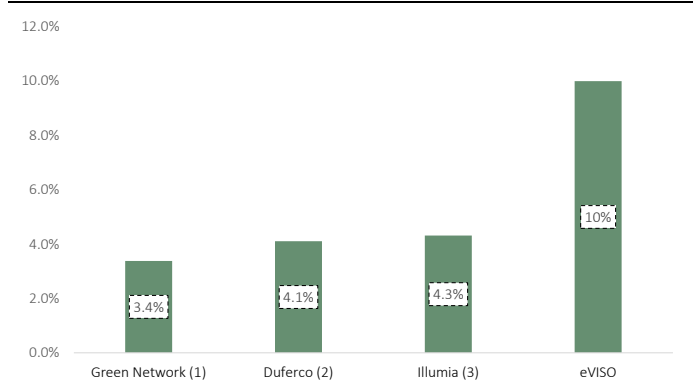
Average 9.5% gross margin over FY18-20 period...



Source: Company presentation

eVISO – Gross Margin vs selected competitors

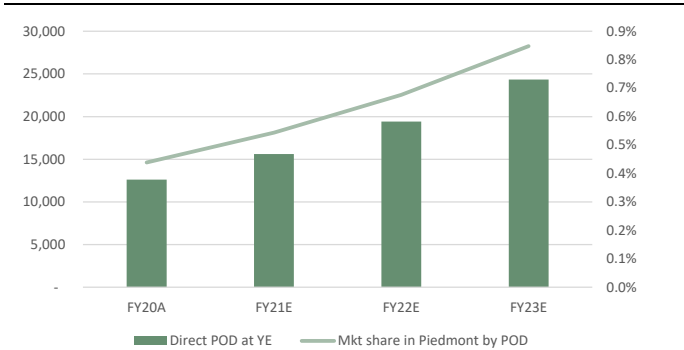
...is well above peers



Source: Companies' financial statements. Notes: (1) YE 30/04/20.; (2) YE 31/12/19. Electricity business only; (3) YE 31/12/2019. Electricity business only

Market share in Piedmont on direct PODs

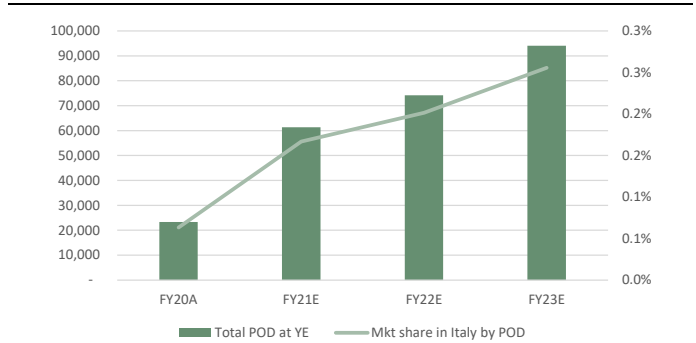
Only 0.9% market share on direct PODs served in Piedmont in 2023e...



Source: eVISO company presentation, Alantra estimates

Market share in Italy on total PODs

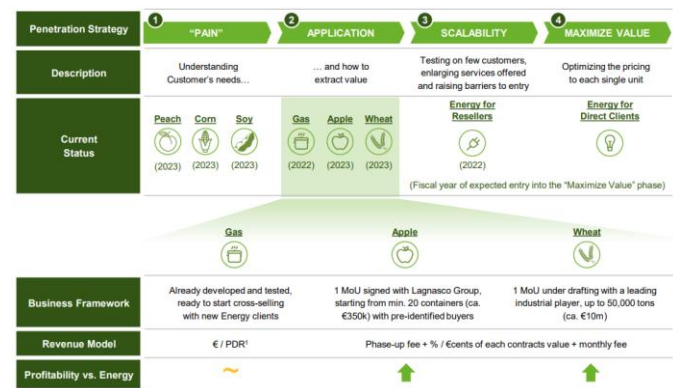
...and 0.3% on total number of PODs in Italy



Source: eVISO company presentation, Alantra estimates

eVISO – Expansion into new commodity markets

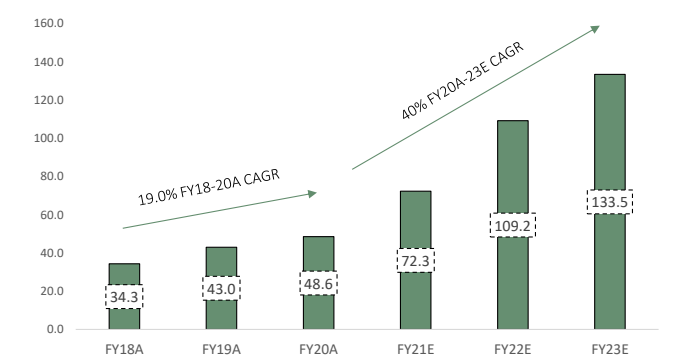
The proprietary AI platform allows expansion in new commodities markets



Source: Company presentation

Value of production

We expect 39% sales CAGR over FY20-23 period



Source: Company presentation, Alantra

Profile

Background	<p>eVISO has developed a proprietary Artificial Intelligence platform for commodity markets with physical delivery, leveraging on the engineering know-how and sector expertise of its founder and management team. The target markets boast some peculiarities, which are crucial for the successful deployment of the platform: 1) Large availability of data; 2) Relatively stable volumes; 3) Price fluctuations. eVISO's AI platform has three main capabilities: (i) forecasting of the demand and supply curves; (ii) autonomous high frequency order execution and (iii) data-driven pricing allowing mass customization</p> <p>eVISO has successfully deployed its AI platform in the Italian electricity trading and sale business. The group buys electricity on the wholesale market and sells it to end-users or resellers, with an innovative business model: a) 1-to-1 approach to clients and preliminary selection of the most profitable end-users; b) Monitoring of clients' meters and grouping in different clusters, to enhance forecasting capabilities and to save penalties paid on the market; c) Algo trading execution in the complex electricity market. Efficiencies and value creation can be shared with the clients. The group has delivered sales growth, very low churn and gross margin above industry standard</p>
Positioning	<p>eVISO (a digital native player) has developed solutions in the electricity market that incumbents, with legacy business models and traditional commercial approaches, have difficulties to replicate</p> <p>First mover competitive advantage is an entry barrier for potential newcomers. While Podo has developed a similar business model in Spain (relying on 3rd parties' technology), we do not see examples of B2C players in Italy, which leverage on an AI technology. This also makes eVISO a potential technology partner for resellers and potentially for incumbents</p> <p>According to our estimates, the group should remain a niche player in the electricity business. The total number of estimated PODs in 2023 (including clients reached through resellers) is equivalent to only 0.2% of Italian PODs</p>
Growth	<p>We expect 40% sales CAGR over FY20-23 period, driven by electricity, but with initial contribution from other commodities</p> <p>We expect eVISO to continue to post above sector-average profitability: the expansion of the direct client base and diversification in new commodities with a platform approach (most of revenues flow to gross margin) should be two profitability tailwinds in the future. By contrast, expansion in the reseller business (although important to cover fixed costs) should be a strong headwind. Overall, we expect eVISO to post 32% gross margin CAGR with yield on revenues declining from 10.0% in 2020 to 8.3% in 2023</p> <p>Although we expect eVISO to invest in central structure in the coming years, GM growth should trigger margin expansion. We expect EBITDA to grow from Eu2.3mn in FY20 to Eu7.1mn in FY23, posting a 45% CAGR. EBITDA margin should expand to 5.3% by FY23 (from 3.3%).</p>
Strategy	<p>eVISO is managing expansion into other commodities: gas (where the electricity business model can be replicated and upselling potential exploited), apples and wheat. In agri-commodities business model should be skewed on services / marketplace. While new ventures should represent only 3.5% of sales in FY23, successful expansion would pave the way for penetration of other areas</p> <p>Over the coming years, new capex will be needed to (i) evolve its electricity platform into an open architecture and faster scale-up the business, (ii) adapt the platform to new commodity markets. Operating cash flow generation and the proceeds from IPO should support the expected acceleration of the growth plan</p>

Strengths

Proprietary AI platform for data analysis, forecasting and execution
 Proven and profitable application in the Italian electricity market
 Limited capital requirements and strong FCF generation

Weaknesses

Time required to train high quality salesforce
 Intrinsically low margin business
 Credit risk (commercial receivables versus SMC clients)

Opportunities

Expansion in other commodities
 Important market share growth in the electricity business
 Sale of services to other utilities

Threats

Increasing commercial competition on high-margin clients
 Failure to exploit the platform in new commodities
 Regulatory changes in the electricity market

Key shareholders

G.Sorasio 50.1%
 M.Bellino Roci 15.4%
 Free float 20.9%

Management

Gianfranco Sorasio - Founder & CEO
 Carlo Cigna - Algo Intelligence Director
 Sergio Amorini - Sales and Customer Care Director
 Federica Berardi - CFO
 Joao Cordovil Wemans - Data Service Director

Next events

FY21 results: 28 September 2021

Results

Release of 1H 2021 results

16% top line growth and 7% EBITDA growth in 1H 2021

Eu mn	1H20A	1H21A	YoY %	2H20A	2H21E	YoY %	FY20A	FY21E	YoY %
Direct - Electricity Business	19.7	19.4	-1.5%	13.9	21.3	53.6%	33.6	40.7	21.3%
<i>% on VoP</i>	73.1%	61.9%		64.2%	52.0%		69.2%	56.3%	
Reseller - Electricity Business	4.0	8.1	102.5%	4.0	12.5	213.7%	8.0	20.6	158.0%
<i>% on VoP</i>	14.8%	25.9%		18.4%	30.4%		16.4%	28.5%	
Eu mn	1H20A	1H21A	YoY %	2H20A	2H21E	YoY %	FY20A	FY21E	YoY %
Value of Production	26.9	31.3	16.3%	21.6	41.0	89.6%	48.6	72.3	48.9%
EBITDA Adjusted	1.1	1.1	7.1%	1.3	2.4	87.1%	2.3	3.5	50.9%
<i>Ebitda Margin %</i>	3.9%	3.6%		5.9%	5.9%		4.8%	4.9%	
NFP end of the period	0.9	6.9					0.0	6.4	

Source: Company data and Alantra estimates

New versus Old Estimates

Change in estimates

Estimates fined-tuned upwards

(Eu mn)	FY20A	FY21E	FY22E	FY23E	FY20A	FY21E	FY22E	FY23E	FY20A	FY21E	FY22E	FY23E
Total Revenues / Value of Production	48.6	72.3	109.2	133.5	0.0%	6.2%	13.6%	2.9%	48.6	68.1	96.1	129.7
EBITDA Adjusted	2.3	3.5	5.4	7.1	0.0%	1.9%	4.8%	1.1%	2.3	3.5	5.1	7.0
EBIT Adjusted	1.7	2.5	4.1	5.5	0.0%	2.7%	6.4%	1.4%	1.7	2.5	3.8	5.4
Pretax Profit	1.6	2.4	4.0	5.5	0.0%	2.8%	6.6%	1.4%	1.6	2.4	3.7	5.4
Net profit	1.2	1.8	2.9	4.0	0.0%	2.7%	6.4%	1.4%	1.2	1.8	2.7	3.9
Net profit restated	1.2	1.8	2.9	4.0	0.0%	2.7%	6.4%	1.4%	1.2	1.8	2.7	3.9
EPS	0.058	0.073	0.117	0.161	0.0%	2.7%	6.4%	1.4%	0.058	0.072	0.110	0.159
Net financial position	0.0	6.4	7.8	11.1	0.0%	2.6%	7.6%	2.8%	0.0	6.2	7.3	10.8

Source: Alantra estimates

Detailed Estimates

Detailed top line estimates

We expect strong top line growth in the coming years

Eu mn	FY18A	FY19A	FY20A	FY21E	FY22E	FY23E
Electricity	33.7	42.4	47.8	70.6	105.8	127.8
YoY Growth		25.7%	12.8%	47.6%	49.9%	20.8%
on total sales %	100.0%	100.0%	100.0%	99.4%	98.1%	96.7%
Direct	27.8	34.8	33.6	40.7	53.1	66.3
YoY Growth		25.3%	-3.6%	21.3%	30.2%	25.0%
on electricity sales %	82.5%	82.2%	70.3%	57.7%	50.1%	51.9%
Retail (CLARA)			0.0	0.2	0.8	1.9
YoY Growth				7777.8%	351.3%	134.4%
on electricity sales %			0.0%	0.3%	0.8%	1.5%
Reseller		1.1	8.0	20.6	38.5	43.3
YoY Growth			654.3%	158.0%	86.9%	12.6%
on electricity sales %		2.5%	16.7%	29.2%	36.4%	33.9%
Services BAU and BIG DATA	0.6	0.7	0.8	1.0	1.3	1.5
YoY Growth		12.2%	10.1%	27.8%	34.1%	16.2%
on electricity sales %	1.8%	1.6%	1.6%	1.4%	1.2%	1.2%
AOD platform revenues	5.3	5.8	5.5	8.1	12.2	14.7
YoY Growth		9.2%	-5.4%	47.9%	50.2%	20.8%
on electricity sales %	15.7%	13.7%	11.5%	11.5%	11.5%	11.5%
Other Commodities				0.5	2.1	4.4
YoY Growth					353.8%	111.1%
on total sales %				0.6%	1.9%	3.3%
Gas				0.4	1.5	3.5
YoY Growth					297.5%	131.4%
on other commodities sales %				0.5%	1.4%	2.7%
Apples				0.1	0.3	0.5
YoY Growth					306.4%	70.1%
on other commodities sales %				0.1%	0.3%	0.4%
Wheat					0.3	0.4
YoY Growth						40.2%
on other commodities sales %					0.2%	0.3%
Total Revenues	33.7	42.4	47.8	71.0	107.9	132.2
YoY Growth		25.7%	12.8%	48.6%	51.9%	22.5%
Other items	0.6	0.7	0.8	1.3	1.3	1.3
Value of Production	34.3	43.0	48.6	72.3	109.2	133.5
YoY Growth		25.5%	12.8%	48.9%	51.0%	22.2%

Source: Alantra estimates

Peers

Trading multiples

>25% discount versus peers

Company	Country	Mkt Cap (Eu mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE		
			FY20A	FY21E	FY22E	FY20A	FY21E	FY22E	FY20A	FY21E	FY22E	FY20A	FY21E	FY22E
eVISO (Calendarised)	ITALY	56		0.5 x	0.4 x		10.7 x	7.3 x		14.5 x	9.5 x		23.8 x	16.3 x
Premium (discount) to Peers' Italian Technology				-91%	-91%		-30%	-41%		-29%	-45%		11%	-12%
ALL PEERS	Average		3.2 x	2.6 x	2.1 x	18.0 x	9.7 x	8.1 x	18.3 x	15.4 x	13.3 x	20.6 x	17.9 x	14.7 x
	Median		1.7 x	1.7 x	1.3 x	8.0 x	7.6 x	7.0 x	15.2 x	14.6 x	13.7 x	16.4 x	15.7 x	14.1 x
CY4Gate SpA	ITALY	142	9.4 x	7.0 x	4.9 x	19.1 x	19.4 x	12.4 x	25.9 x	27.9 x	18.8 x	32.4 x	38.8 x	25.4 x
PITECO SpA	ITALY	206	9.5 x	7.1 x	6.3 x	21.8 x	15.3 x	13.3 x	28.1 x	20.4 x	17.2 x	28.2 x	21.5 x	18.5 x
Expert System SpA	ITALY	150	5.1 x	4.7 x	3.3 x	82.8 x	na	na	na	na	na	na	na	na
Tecma Solutions SpA	ITALY	58	3.9 x	2.3 x	1.3 x	19.7 x	11.1 x	6.1 x	24.2 x	12.9 x	7.2 x	38.9 x	21.1 x	12.5 x
ALL PEERS Italian Technology	Average		7.0 x	5.3 x	4.0 x	35.9 x	15.3 x	10.6 x	26.1 x	20.4 x	14.4 x	33.2 x	27.1 x	18.8 x
	Median		7.3 x	5.8 x	4.1 x	20.8 x	15.3 x	12.4 x	25.9 x	20.4 x	17.2 x	32.4 x	21.5 x	18.5 x
Enel SpA	ITALY	85,827	2.0 x	1.8 x	1.8 x	7.3 x	7.2 x	7.1 x	11.6 x	11.4 x	11.1 x	16.2 x	15.7 x	14.5 x
A2A S.p.A.	ITALY	4,856	1.2 x	1.2 x	1.2 x	6.9 x	7.3 x	6.9 x	15.2 x	15.6 x	14.9 x	13.4 x	15.7 x	14.1 x
Hera S.p.A.	ITALY	4,886	1.2 x	1.1 x	1.1 x	7.3 x	7.1 x	6.9 x	14.8 x	14.5 x	14.3 x	16.6 x	15.8 x	14.8 x
Iren S.p.A.	ITALY	2,982	1.7 x	1.7 x	1.6 x	6.8 x	6.7 x	6.3 x	14.5 x	14.8 x	13.1 x	13.5 x	13.2 x	11.0 x
ALL PEERS Italian Utilities	Average		1.5 x	1.4 x	1.4 x	7.1 x	7.1 x	6.8 x	14.0 x	14.1 x	13.3 x	15.0 x	15.1 x	13.6 x
	Median		1.4 x	1.4 x	1.4 x	7.1 x	7.2 x	6.9 x	14.7 x	14.6 x	13.7 x	14.9 x	15.7 x	14.3 x
Glencore plc	UNITED KINGDOM	41,744	0.5 x	0.4 x	0.4 x	5.8 x	5.0 x	5.1 x	15.3 x	10.0 x	11.2 x	21.1 x	10.2 x	10.3 x
Archer-Daniels-Midland Company	UNITED STATES	26,973	0.6 x	0.6 x	0.6 x	12.2 x	9.9 x	9.6 x	23.3 x	16.6 x	15.8 x	15.8 x	14.9 x	14.1 x
Bunge Limited	UNITED STATES	9,228	0.4 x	0.4 x	0.3 x	8.0 x	7.9 x	7.3 x	10.3 x	10.2 x	9.5 x	9.3 x	12.2 x	12.1 x
ALL PEERS Intern. Trading	Average		0.5 x	0.4 x	0.4 x	8.7 x	7.6 x	7.3 x	16.3 x	12.3 x	12.2 x	15.4 x	12.4 x	12.2 x
	Median		0.5 x	0.4 x	0.4 x	8.0 x	7.9 x	7.3 x	15.3 x	10.2 x	11.2 x	15.8 x	12.2 x	12.1 x

Source: Factset, Alontra

Financials – eVISO (calendarized) versus selected peers

Lower margins versus peers (due to peculiarities of the business model), but similar growth rates

Company	Country	Mkt Cap (Eu mn)	FY20A - FY22E average margins					CAGR FY19A - FY22E			
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA Adj	EBIT Adj	EPS Adj
eVISO (Calendarised)	ITALY	56	5.0%	3.7%	2.6%	3.6%	30.1%	38.4%	41.1%	45.4%	45.9%
PEERS	Average		18.8%	9.6%	6.4%	10.9%	37.9%	13.8%	16.2%	17.1%	-21.8%
	Median		17.2%	8.0%	4.6%	10.0%	39.2%	1.7%	6.3%	10.9%	8.0%
CY4Gate SpA	ITALY	142	41.6%	29.1%	25.7%	25.0%	0.0%	60.0%	54.8%	46.8%	na
PITECO SpA	ITALY	206	45.9%	35.1%	27.4%	1.5%	37.6%	14.0%	18.3%	22.4%	31.4%
Expert System SpA	ITALY	150	-3.4%	-30.3%	-26.3%	22.5%	0.0%	13.7%	nm	nm	nm
Tecma Solutions SpA	ITALY	58	20.8%	17.5%	12.5%	10.0%	0.0%	62.4%	54.6%	58.8%	59.3%
PEERS Italian Technology	Average		26.2%	12.9%	9.8%	14.7%	9.4%	37.5%	42.6%	42.6%	45.3%
	Median		31.2%	23.3%	19.1%	16.3%	0.0%	37.0%	54.6%	46.8%	45.3%
Enel SpA	ITALY	85,827	25.9%	16.4%	7.6%	16.1%	69.7%	-1.3%	3.2%	4.2%	8.0%
A2A S.p.A.	ITALY	4,856	17.2%	8.0%	4.6%	14.5%	76.3%	1.1%	2.8%	-3.2%	-3.8%
Hera S.p.A.	ITALY	4,886	15.6%	7.6%	4.2%	7.8%	53.9%	4.1%	3.3%	2.2%	3.5%
Iren S.p.A.	ITALY	2,982	24.8%	11.6%	6.5%	18.2%	54.1%	-2.2%	3.3%	2.3%	5.9%
PEERS Italian Utilities	Average		20.9%	10.9%	5.7%	14.2%	63.5%	0.4%	3.2%	1.4%	3.4%
	Median		21.0%	9.8%	5.6%	15.3%	61.9%	-0.1%	3.2%	2.3%	4.7%
Glencore plc	UNITED KINGDOM	41,744	7.8%	3.5%	2.2%	2.3%	54.0%	-3.4%	7.1%	16.2%	-327.1%
Archer-Daniels-Midland Company	UNITED STATES	26,973	5.6%	3.2%	3.2%	1.3%	39.2%	1.7%	9.5%	12.8%	15.2%
Bunge Limited	UNITED STATES	9,228	4.6%	3.6%	2.5%	1.0%	32.3%	1.5%	5.6%	9.0%	11.8%
PEERS Intern. Trading	Average		6.0%	3.4%	2.6%	1.5%	41.8%	-0.1%	7.4%	12.7%	-100.1%
	Median		5.6%	3.5%	2.5%	1.3%	39.2%	1.5%	7.1%	12.8%	11.8%

Source: Factset, Alontra

ALANTRA

Italian Equity Research

Performance

Performance roughly in line with peers over the last week and month

Company	Country	Mkt Cap (Eu mn)	Performance					
			1W	1M	3M	6M	1YR	3YR
eVISO	ITALY	56	0.0%	-1.3%	na	na	na	na
PEERS	Average		1.5%	4.2%	13.4%	29.0%	55.9%	14.6%
	Median		4.7%	7.7%	14.4%	23.4%	41.7%	6.3%
CY4Gate SpA	ITALY	142	5.1%	3.4%	0.0%	122.4%	na	na
PITECO SpA	ITALY	206	1.0%	-3.3%	7.4%	36.0%	94.3%	104.8%
Expert System SpA	ITALY	150	-2.3%	-10.7%	19.6%	27.9%	34.0%	126.9%
Tecma Solutions SpA	ITALY	58	0.3%	7.0%	34.2%	na	na	na
PEERS Italian Technology	Average		1.0%	-0.9%	15.3%	62.1%	64.1%	115.9%
	Median		0.6%	0.0%	13.5%	36.0%	64.1%	115.9%
Enel SpA	ITALY	85,827	4.7%	7.7%	2.1%	15.1%	34.0%	74.0%
A2A S.p.A.	ITALY	4,856	5.2%	10.2%	22.3%	29.1%	41.7%	3.2%
Hera S.p.A.	ITALY	4,886	5.1%	9.9%	11.6%	3.3%	8.1%	14.8%
Iren S.p.A.	ITALY	2,982	5.3%	10.9%	8.5%	4.2%	22.5%	-6.4%
PEERS Italian Utilities	Average		5.1%	9.7%	11.1%	12.9%	26.6%	21.4%
	Median		5.1%	10.1%	10.1%	9.6%	28.3%	9.0%
Glencore plc	UNITED KINGDOM	41,744	-6.5%	-11.9%	14.4%	60.6%	100.8%	-25.0%
Archer-Daniels-Midland Company	UNITED STATES	26,973	-1.3%	-0.8%	15.0%	23.4%	73.9%	35.3%
Bunge Limited	UNITED STATES	9,228	-1.8%	3.2%	19.9%	67.3%	110.5%	6.3%
PEERS Intern. Trading	Average		-3.2%	-3.2%	16.4%	50.4%	95.1%	5.5%
	Median		-1.8%	-0.8%	15.0%	60.6%	100.8%	6.3%

Source: Factset, Alantra

Disclaimer

Explanation of Ratings: Alantra Capital Markets Sociedad de Valores SAU (Italian Branch) ("Alantra CM (Italian Branch)") Research Department provides six core ratings: BUY, HOLD, SELL, NOT RATED, UNDER REVIEW and SUSPENDED, based on the expected performance over the next 12 months.

BUY: The stock is expected to generate returns of over 10% during the next 12 months.

HOLD: The stock is expected to generate returns of 0-10% during the next 12 months.

SELL: The stock is expected to generate negative returns during the next 12 months.

NOT RATED: The stock is not covered.

UNDER REVIEW: An event occurred with an expected significant impact on our target price and we cannot issue a recommendation before having processed that new information and/or without a new share price reference.

SUSPENDED: Alantra CM (Italian Branch) is precluded from providing an investment rating or price target for compliance reasons.

Due to share price volatility, ratings and target prices may occasionally and temporarily be inconsistent with the above definition.

This report has been prepared by Alantra CM (Italian Branch), which is pertaining to the Alantra Group, a financial Spanish group that provides investment banking, asset management, equities brokerage, capital markets and financial advisory services.

Analyst Certification

Each authoring analyst of Alantra CM (Italian Branch) whose name appears on the front page of this research hereby certifies that (i) the recommendations and opinions expressed in this research accurately reflect the authoring analyst's personal, independent and objective views about any and all of the designated investments or relevant issuers discussed herein that are within such authoring analyst's coverage universe and (ii) no part of the authoring analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the authoring analyst in the research.

This report is solely for the information of clients of Alantra CM (Italian Branch) and for distribution only under such circumstances as may be permitted by applicable law. Alantra CM (Italian Branch) specifically prohibits the redistribution of this material in whole or in part without the prior written permission of Alantra CM (Italian Branch) and therefore Alantra CM (Italian Branch) accepts no liability whatsoever for the actions of third parties in this respect.

Nothing in this report constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. This report is published solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments in any jurisdiction. The information contained in this research has been compiled by Alantra CM (Italian Branch) from sources believed to be reliable, but no representation or warranty, either expressed or implied, is provided in relation to the fairness, accuracy, completeness or correctness of the information contained herein, nor it is intended to be a complete statement or summary of the securities or markets referred to in this report. Alantra CM (Italian Branch) nor any of its affiliates has not independently verified the facts, assumptions, and estimates contained herein. All estimates, opinions and other information contained in this research constitute Alantra CM (Italian Branch)'s judgement as of the date of this research, are subject to change without notice and are provided in good faith but without legal responsibility or liability. Alantra CM (Italian Branch) its affiliated companies or any other person does not undertake that investors will obtain profits nor accept any liability for any investment losses arising from any use of this report or its contents. This report should not be regarded by recipients as a substitute for the exercise of their own judgement. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas of the Alantra Group as a result of using different assumptions and criteria. Research will be initiated, updated and coverage ceased solely at the discretion of Alantra CM (Italian Branch). The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. Alantra CM (Italian Branch) is under no obligation or keep current the information contained in this report.

From time to time, Alantra CM (Italian Branch) salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and our principal trading desk that reflect opinions that are contrary to the opinions expressed in this research. Alantra CM (Italian Branch)'s affiliates, principal trading desk, and investing businesses also from time to time may make investment decisions that are inconsistent with the recommendations or views expressed in this research.

Investments involve risks and investors should exercise prudence in making their investment decisions. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Stocks bear significantly risk that typically cannot be valued by normal fundamental criteria. Investments in the stock may result in a material loss. Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report.

Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other instruments. There is no representation that any transaction can or could have been realized at those prices.

Neither Alantra CM (Italian Branch) nor any of the companies pertaining to the Alantra Group nor any of their shareholders, directors, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this report.

Except as otherwise specified herein, this material is exclusively communicated by Alantra CM (Italian Branch) to persons who are eligible counterparties or professional clients and is only available to such persons. The information contained herein does not apply to retail clients.

The analysts responsible for the preparation of this report may interact with trading desk personnel, sales personnel and investment managers. Alantra CM (Italian Branch), any other company pertaining to the Alantra Group, and any of their shareholders, directors, employees may, to the extent permitted by law, have a position or otherwise be interested in any transactions, in any investments directly or indirectly the subject of this publication. The Alantra Group relies on information barriers to control the flow of information contained in one or more areas within the Alantra Group, into other areas, units, groups or affiliates of the Alantra Group. The Alantra Group may do and seek to do business with companies covered in its research reports. As a result, investors should be aware that the Alantra Group may have a conflict of interests. Information regarding transactions in which the Alantra Group has acted as an advisor, or provided professional services, is available on Alantra Group's website (<http://www.alantra.com>). The Alantra Group has established, implemented and maintains an effective conflicts of interest policy appropriate to its size and organization and to the nature, scale and complexity of its business. Investors should consider this report as only a single factor in making their investment decisions.

Conflict of interest

In order to disclose its possible conflicts of interest Alantra states that:

- Alantra is Corporate Broker of the following Companies: Openjobmetis, Pharmanutra, Eurotech, Farmaè, Intred, SEIF, ICF, Retelit, Franchi Umberto Marmi, Tecma Solutions, Planetel, eVISO

Research Distribution Policy

Alantra CM (Italian Branch) research will be available simultaneously for all of Alantra CM (Italian Branch)'s customers who are entitled to receive the firm's research. Research may be distributed by the firm's sales and trading personnel via email, instant message or other electronic means. Customers entitled to receive research may also receive it via third party vendors. Until such time as research is made available to Alantra CM (Italian Branch)'s customers as described above, Authoring Analysts will not discuss the contents of their research with Sales and Trading or Investment Banking employees without prior compliance consent.

For further information about the proprietary model(s) associated with the covered issuer(s) in this research report, clients should contact their local sales representative.

The disclosures contained in research reports produced by Alantra CM (Italian Branch) shall be governed by and construed in accordance with Spanish and Italian laws.

The receipt of this report implies full acceptance by its recipients of the contents of this disclaimer.

Alantra Capital Markets, S.V. S.A. is the Spanish investment firm located in Madrid, Calle de José Ortega y Gasset 29, registered at the Comisión Nacional del Mercado de Valores (CNMV) with number 258. Alantra CM (Italian Branch) is located in Milano (Italy), Via Borgonuovo 16 with number 155.