

eVISO

Sector: Technology

Business development gears-up

eVISO has accelerated the scale-up of the electricity business with resellers in 2021 and has launched new ventures with potential to generate high margin services. We believe that evolution of the business (from technology provider creating value in one commodity – electricity – to supplier of technology driven services in more volatile commodities – gas, fruits, cereals, metals...) should boost profitability in the medium term and trigger market re-rating. Buy confirmed with TP to Eu3.5 (from Eu3.2) on the back of our new estimates

- Business development with resellers above expectations.** eVISO has significantly scaled-up its of business of providing technology and energy to its energy competitors (the so called “electricity resellers”) during 2021. The number of electricity competitors served by eVISO increased from 10 (Jun 2020) to 32 as today (+220%). The group has announced the acquisition of 52,898 new PODs (Points of Delivery) in the electricity business from Jan 21 to mid-May 21. We believe that new PODs were almost entirely related to business with resellers, whose number grew from 10 in June 2020 to 32 today. The commercial achievement is very strong, as the total number of PODs under management at the end of December was 27,410. The new PODs should generate an estimated top line of Eu26.9mn in FY 2022 (Jul-21 / Jun-22). Although this was in line with the announced strategic guidance, results were above our expectations.
- Margin expansion linked to revenue mix.** Resellers business has a below average gross margin: we estimate GM in Resellers at around 3% versus Group at 9% in FY21E. The acceleration of the business with Resellers should dilute GM in FY22E to 7.7%. We highlight that the trend should change in the following years as: 1) eVISO is expanding in agri-commodities, where it should play the role of marketplace / technology provider. This should be a high margin business; 2) eVISO can offer technology driven services to existing players in the Italian market of electricity and gas.
- CORTEX and BILLING3.OAAS paves the way to expand sales from services in electricity** Two recent announcements go in the direction of expanding the business in high margin services. eVISO has launched the digital platform CORTEX dedicated to resellers, which will have the chance to change technical and legal conditions of the contracts with their clients. In 2019 in Italy (ARERA 2020 Survey), low voltage users alone submitted a total of 4.5m requests. For eVISO, the speed to handle requests is a source of competitive advantage. CORTEX, which works machine to machine and via web, has a processing capacity of 5k requests per month. eVISO charges a commission per request successfully executed with a low marginal cost. The group has also launched a calculation tool (BILLING3.OAAS) able to produce the calculation of the bills for all the entire Italian electricity market. This tool could be sold to re-sellers and large operators to support their billing process and offer a range of digital services related to billing data. The two ventures represent upside risks to our estimates.
- FY estimates revised upwards.** We lift our FY22/23 estimates to factor-in higher-than-expected PODs with Resellers. We now see Reseller revenues growing at 90% CAGR over FY20A-23E (vs previous 75%). Overall, net sales are expected to grow at 45% FY20A-23E CAGR, gross margin at 36% and EBITDA at 47% (thanks to operational leverage). Despite factoring in higher Capex, related to the opening of the new headquarter, we expect eVISO to generate ca Eu2.4mn cash over FY21-23E (net of Eu8mn IPO proceeds).
- Outperform confirmed with TP to Eu3.5 from Eu3.2.** We confirm our BUY rating with TP up to Eu3.5 from Eu3.2. New ventures should have only a minor impact on our estimates for the coming years, but much more in the medium-long. The stock is trading at 8.3x CY2022 EV/EBITDA or around 30% discount versus Italian technological players. Based on our new estimates and looking at a weighted average of CY21 (25%) and CY22 (75%) EV/EBITDA multiples of peers, we derive a Eu3.5/share valuation, confirmed by DCF.

BUY

Unchanged

TP 3.50

From 3.2

Target price upside: 37%

Change in EPS est.	FY21E	FY22E
	0%	4.3%

Ticker (BBG, Reut)	EVS IM	EVS MI
Share price Ord. (Eu)		2.6
N. of Ord. shares (mn)		24.6
Total N. of shares (mn)		24.6
Market cap (Eu mn)		63
Total Market Cap (EU mn)		63
Free Float Ord. (%)		21%
Free Float Ord. (Eu mn)		13
Daily AVG liquidity Ord. (Eu k)		204

	1M	3M	12M
Absolute Perf.	9%	10.7%	na
Rel.to FTSEMIDCap	2%	-4.4%	na
52 weeks range		1.9	2.8



	FY20A	FY21E	FY22E
Sales	49	72	118
EBITDA adj.	2.3	3.5	5.5
Net profit adj.	1.2	1.8	3.0
EPS adj.	0.058	0.073	0.122
DPS - Ord.	0.017	0.022	0.037
EV/EBITDA adj.		15.9x	10.0x
P/E adj.		34.8x	20.9x
Dividend yield		0.9%	1.4%
FCF yield		-2.7%	2.7%
Net debt/(Net cash)	(0.0)	(5.7)	(6.8)
Net debt/EBITDA	nm	nm	nm

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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	118.5	146.2
Gross Margin	4.1	4.9	6.5	9.2	11.5
EBITDA reported	2.1	2.3	3.5	5.5	7.4
D&A	(0.6)	(0.7)	(1.0)	(1.3)	(1.6)
EBIT reported	1.5	1.7	2.5	4.2	5.8
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	4.1	5.7
Taxes	(0.3)	(0.4)	(0.6)	(1.1)	(1.6)
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	3.0	4.1
EBITDA adjusted	2.1	2.3	3.5	5.5	7.4
EBIT adjusted	1.5	1.7	2.5	4.2	5.8
Net profit adjusted	1.0	1.2	1.8	3.0	4.1

Margins (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Gross margin	9.5%	10.0%	9.0%	7.7%	7.9%
EBITDA margin (adj)	4.9%	4.8%	4.9%	4.7%	5.1%
EBIT margin (adj)	3.4%	3.4%	3.5%	3.6%	4.0%
Pre-tax margin	3.2%	3.2%	3.4%	3.5%	3.9%
Net profit margin (adj)	2.4%	2.4%	2.5%	2.5%	2.8%

Growth rates (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Sales	25.5%	12.8%	48.9%	63.8%	23.4%
EBITDA	41.5%	11.7%	50.9%	56.5%	33.2%
EBITDA adjusted	41.5%	11.7%	50.9%	56.5%	33.2%
EBIT	50.3%	13.0%	53.5%	66.9%	36.4%
EBIT adjusted	50.3%	13.0%	53.5%	66.9%	36.4%
Pre-tax	38.4%	11.3%	56.6%	69.9%	38.9%
Net profit	34.8%	10.2%	56.4%	66.6%	37.8%
Net profit adjusted	34.8%	10.2%	56.4%	66.6%	37.8%

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	0.122	0.169
EPS adjusted	0.052	0.058	0.073	0.122	0.169
DPS - Ord.	0.015	0.017	0.022	0.037	0.051
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	0.107	0.147	0.505	0.605	0.737

Enterprise value (Eu mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Share price Ord. (Eu)	na	na	2.6	2.6	2.6
Market cap		na	62.9	62.9	62.9
Net debt/(Net cash)	(1.3)	(0.0)	(5.7)	(6.8)	(10.4)
Adjustments		(0.9)	(0.9)	(0.8)	(0.7)
Enterprise value			56.3	55.3	51.9

Cash flow (Eu mn)	FY19A	FY20A	FY21E	FY22E	FY23E
EBITDA adjusted	2.1	2.3	3.5	5.5	7.4
Net financial charges	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)
Cash taxes	(0.3)	(0.5)	(0.6)	(1.1)	(1.6)
Ch. in Working Capital	0.1	(1.1)	(0.1)	1.3	0.5
Other operating items	(0.0)	0.1	(0.1)	0.2	0.1
Operating cash flow	1.8	0.8	2.6	5.7	6.3
Capex	(0.8)	(2.1)	(4.3)	(4.1)	(1.9)
FCF	1.0	(1.3)	(1.7)	1.7	4.5
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)	5.7	1.1	3.6

Ratios (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Capex/Sales	1.9%	4.4%	5.9%	3.4%	1.3%
Capex/D&A	1.3x	3.1x	4.3x	3.1x	1.2x
FCF/EBITDA	48.8%	-56.7%	-47.3%	30.1%	60.3%
FCF/Net profit	97.9%	-115.2%	-92.9%	55.5%	107.5%
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)	(1.8)	(2.3)
Fixed assets	2.9	4.0	7.6	10.3	10.6
Provisions & others	(0.1)	(0.3)	(0.3)	(0.4)	(0.5)
Net capital employed	0.9	2.9	6.7	8.1	7.7
Net debt/(Net cash)	(1.3)	(0.0)	(5.7)	(6.8)	(10.4)
Equity	2.1	2.9	12.4	14.9	18.1
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%	-1.6%	-1.6%
Net debt/Equity	nm	nm	nm	nm	nm
Net debt/EBITDA	nm	nm	nm	nm	nm

Valuation	FY19A	FY20A	FY21E	FY22E	FY23E
EV/CE			8.1x	6.5x	6.3x
P/BV			5.1x	4.2x	3.5x
EV/Sales			0.8x	0.5x	0.4x
EV/EBITDA			15.9x	10.0x	7.0x
EV/EBITDA adjusted			15.9x	10.0x	7.0x
EV/EBIT			22.1x	13.0x	9.0x
EV/EBIT adjusted			22.1x	13.0x	9.0x
P/E			34.8x	20.9x	15.2x
P/E adjusted			34.8x	20.9x	15.2x
ROCE pre-tax	171.5%	77.4%	49.6%	55.0%	69.2%
ROE	48.9%	39.3%	14.6%	20.2%	22.9%
EV/FCF			-33.6x	33.1x	11.6x
FCF yield			-2.7%	2.7%	7.1%
Dividend yield			0.9%	1.4%	2.0%

Share price performance

Good performance from IPO



Source: Factset

Valuation

Limited market history

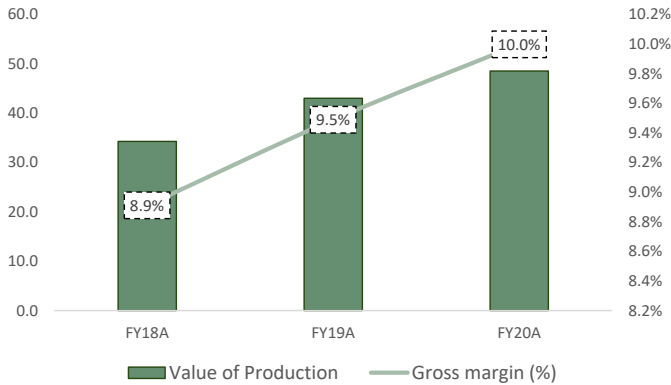


Source: Factset

Key Charts

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

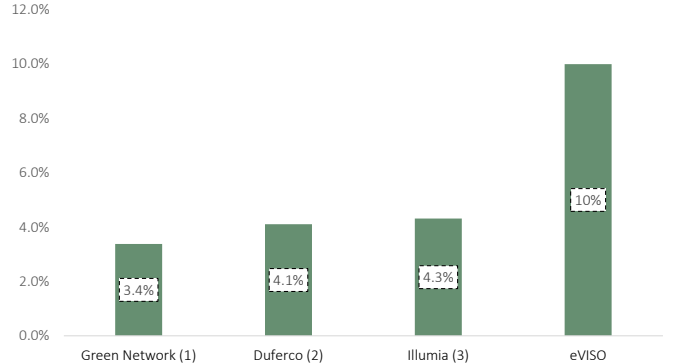
Average 9.5% gross margin over FY18-20 period...



Source: Company presentation

eVISO – Gross Margin vs selected competitors

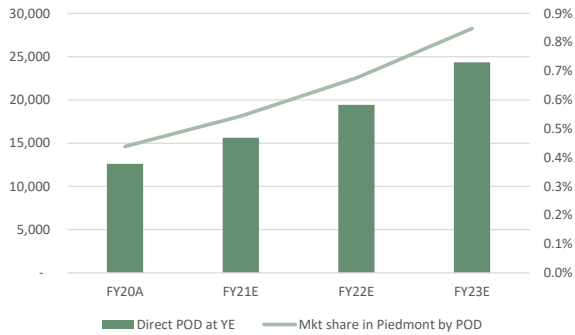
...is well above peers



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

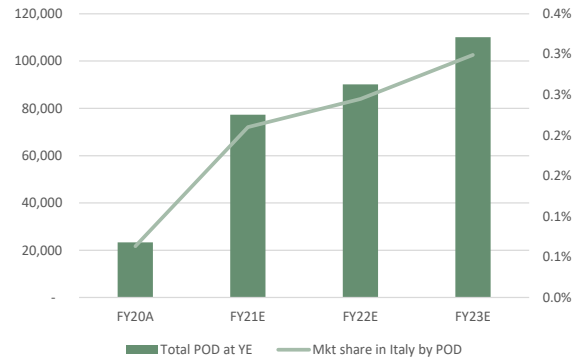
Only 0.9% market share on direct PODs served in Piedmont in 2023e...



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

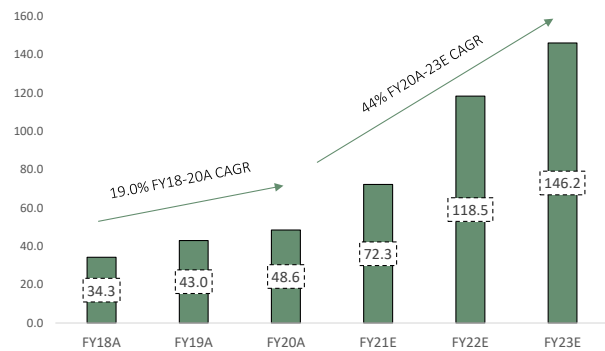
The proprietary AI platform allows expansion in new commodities markets

Penetration Strategy	1 "PAIN"	2 APPLICATION	3 SCALABILITY	4 MAXIMIZE VALUE
Description	Understanding Customer's needs...	... and how to extract value	Testing on few customers, enlarging services offered and raising barriers to entry	Optimizing the pricing to each single unit
Current Status	<ul style="list-style-type: none"> Peach (2023) Corn (2023) Soy (2023) 	<ul style="list-style-type: none"> Gas (2022) Apple (2023) Wheat (2023) 	<ul style="list-style-type: none"> Energy for Resellers (2022) 	<ul style="list-style-type: none"> Energy for Direct Clients
Business Framework	Already developed and tested, ready to start cross-selling with new Energy clients	1 MoU signed with Lagnasco Group, starting from min. 20 containers (ca. €350k) with pre-identified buyers	1 MoU under drafting with a leading industrial player, up to 50,000 tons (ca. €10m)	
Revenue Model	€/PDR ¹	Phase-up fee + % / Cents of each contracts value + monthly fee		
Profitability vs. Energy	~	↑	↑	

Source: Company presentation

Value of production

We expect 44% 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 44% 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 33% gross margin CAGR with yield on revenues declining from 10.0% in 2020 to 7.9% 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 Eu7.4mn in FY23, posting a 47% CAGR. EBITDA margin should expand to 5.1% by FY23 (from 4.8% in FY 20).</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

New versus Old Estimates

Change in estimates

Estimates lifted on the back of positive newsflow on Reseller channel

(Eu mn)	FY20A	FY21E	FY22E	FY23E	FY20A	FY21E	FY22E	FY23E	FY20A	FY21E	FY22E	FY23E
Total Revenues / Value of Production	48.6	72.3	118.5	146.2	0.0%	0.0%	8.5%	9.5%	48.6	72.3	109.2	133.5
EBITDA Adjusted	2.3	3.5	5.5	7.4	0.0%	0.0%	3.2%	3.7%	2.3	3.5	5.4	7.1
EBIT Adjusted	1.7	2.5	4.2	5.8	0.0%	0.0%	4.3%	4.8%	1.7	2.5	4.1	5.5
Pretax Profit	1.6	2.4	4.1	5.7	0.0%	0.0%	4.4%	4.8%	1.6	2.4	4.0	5.5
Net profit	1.2	1.8	3.0	4.1	0.0%	0.0%	4.3%	4.7%	1.2	1.8	2.9	4.0
Net profit restated	1.2	1.8	3.0	4.1	0.0%	0.0%	4.3%	4.7%	1.2	1.8	2.9	4.0
EPS	0.058	0.073	0.122	0.169	0.0%	0.0%	4.3%	4.7%	0.058	0.073	0.117	0.161
Net financial position	0.0	5.7	6.8	10.4	0.0%	-11.0%	-13.2%	-7.1%	0.0	6.4	7.8	11.1

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	115.1	140.5
	YoY Growth	25.7%	12.8%	47.6%	63.1%	22.1%
	on total sales %	100.0%	100.0%	100.0%	99.4%	97.0%
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%	46.1%
Retail (CLARA)			0.0	0.2	0.8	1.9
	YoY Growth			nm	351.3%	134.4%
	on electricity sales %			0.3%	0.7%	1.4%
Reseller	1.1	8.0	20.6	46.6	54.5	
	YoY Growth		654.3%	157.9%	126.3%	17.0%
	on electricity sales %	2.5%	16.7%	29.2%	40.5%	38.8%
Services BAU and BIG DATA	0.6	0.7	0.8	1.0	1.4	1.6
	YoY Growth	12.2%	10.1%	27.8%	43.6%	17.6%
	on electricity sales %	1.8%	1.6%	1.6%	1.2%	1.2%
AOD platform revenues	5.3	5.8	5.5	8.1	13.2	16.2
	YoY Growth	9.2%	-5.4%	47.9%	63.3%	22.2%
	on electricity sales %	15.7%	13.7%	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%	1.8%	3.0%
Gas				0.4	1.5	3.5
	YoY Growth				297.5%	131.4%
	on other commodities sales %			0.5%	1.3%	2.5%
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	117.2	144.9
	YoY Growth	25.7%	12.8%	48.6%	65.0%	23.7%
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	118.5	146.2
	YoY Growth	25.5%	12.8%	48.9%	63.8%	23.4%

Source: Alantra estimates

Peers

Trading multiples

>30% discount versus peers on EV/EBITDA

Company	Country	Mkt Cap (Eu mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE		
			FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
eVISO (Calendarised)	ITALY	64	0.6 x	0.4 x	0.3 x	12.3 x	8.3 x	6.1 x	16.4 x	10.7 x	7.7 x	26.1 x	17.6 x	13.7 x
Premium (discount) to Peers' Italian Technology			-89%	-90%	-91%	-36%	-30%	-44%	-31%	-29%	-48%	-31%	-29%	-3%
ALL PEERS	Average		2.6 x	2.1 x	1.9 x	10.5 x	8.7 x	8.9 x	16.4 x	14.2 x	16.6 x	23.5 x	16.5 x	14.3 x
	Median		1.7 x	1.7 x	1.3 x	7.8 x	7.9 x	7.1 x	16.0 x	14.4 x	13.1 x	15.9 x	14.9 x	13.8 x
CY4Gate SpA	ITALY	141	7.2 x	5.2 x	4.6 x	19.6 x	13.1 x	11.7 x	28.7 x	19.9 x	16.6 x	37.7 x	24.6 x	20.2 x
PITECO SpA	ITALY	198	6.6 x	5.8 x	5.1 x	13.7 x	11.9 x	10.2 x	17.8 x	15.0 x	13.1 x	17.4 x	15.3 x	14.1 x
Expert.ai S.p.A.	ITALY	145	4.1 x	3.2 x	2.3 x	na	na	20.3 x	na	na	53.7 x	na	na	na
Tecma Solutions SpA	ITALY	55	3.8 x	2.2 x	1.3 x	19.1 x	10.6 x	5.8 x	23.9 x	12.3 x	7.0 x	82.4 x	29.0 x	13.6 x
ALL PEERS Italian Technology	Average		5.4 x	4.1 x	3.3 x	17.5 x	11.9 x	12.0 x	23.5 x	15.7 x	22.6 x	45.8 x	23.0 x	16.0 x
	Median		5.4 x	4.2 x	3.5 x	19.1 x	11.9 x	10.9 x	23.9 x	15.0 x	14.8 x	37.7 x	24.6 x	14.1 x
Enel SpA	ITALY	82,370	1.7 x	1.8 x	1.8 x	7.0 x	6.9 x	6.8 x	11.1 x	11.0 x	10.6 x	15.0 x	14.0 x	13.1 x
AZA S.p.A.	ITALY	5,577	1.3 x	1.3 x	1.3 x	7.7 x	7.2 x	7.1 x	16.9 x	15.8 x	15.8 x	17.8 x	16.0 x	15.4 x
Hera S.p.A.	ITALY	5,517	1.1 x	1.1 x	1.1 x	7.6 x	7.3 x	7.0 x	15.5 x	15.2 x	14.6 x	16.7 x	16.2 x	16.0 x
Iren S.p.A.	ITALY	3,450	1.7 x	1.7 x	1.6 x	6.9 x	6.6 x	6.2 x	15.0 x	13.7 x	13.0 x	13.8 x	12.3 x	11.5 x
ALL PEERS Italian Utilities	Average		1.5 x	1.5 x	1.4 x	7.3 x	7.0 x	6.8 x	14.6 x	13.9 x	13.5 x	15.9 x	14.6 x	14.0 x
	Median		1.5 x	1.5 x	1.5 x	7.3 x	7.1 x	6.9 x	15.2 x	14.4 x	13.8 x	15.9 x	15.0 x	14.2 x
Glencore plc	UNITED KINGDOM	50,841	0.4 x	0.4 x	0.4 x	5.3 x	5.5 x	6.0 x	9.2 x	11.2 x	12.9 x	9.6 x	11.0 x	13.4 x
Archer-Daniels-Midland Company	UNITED STATES	30,054	0.6 x	0.6 x	0.6 x	9.8 x	9.8 x	9.1 x	16.5 x	16.8 x	15.2 x	14.5 x	14.4 x	14.0 x
Bunge Limited	UNITED STATES	9,638	0.4 x	0.3 x	0.3 x	7.9 x	8.5 x	8.1 x	9.9 x	10.9 x	10.4 x	10.3 x	12.2 x	12.0 x
ALL PEERS Intern. Trading	Average		0.4 x	0.4 x	0.4 x	7.7 x	7.9 x	7.7 x	11.8 x	13.0 x	12.8 x	11.5 x	12.5 x	13.1 x
	Median		0.4 x	0.4 x	0.4 x	7.9 x	8.5 x	8.1 x	9.9 x	11.2 x	12.9 x	10.3 x	12.2 x	13.4 x

Source: Factset, Alantra

Financials – eVISO (calendarized) versus selected peers

Lower margins versus technological 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	64	4.8%	3.6%	2.6%	4.0%	30.1%	42.4%	42.7%	47.6%	48.1%
PEERS	Average		18.5%	9.9%	6.6%	9.7%	36.6%	14.9%	17.4%	18.4%	-21.0%
	Median		17.4%	7.9%	4.7%	8.8%	35.9%	4.9%	7.4%	12.4%	7.9%
CY4Gate SpA	ITALY	141	42.7%	29.8%	25.7%	na	0.0%	59.9%	54.8%	46.8%	na
PITECO SpA	ITALY	198	46.2%	34.0%	30.3%	1.7%	35.0%	18.2%	23.9%	29.3%	37.9%
Expert.ai S.p.A.	ITALY	145	-7.4%	-26.1%	-26.6%	24.3%	0.0%	13.3%	nm	nm	nm
Tecma Solutions SpA	ITALY	55	20.8%	17.5%	12.5%	10.0%	0.0%	62.4%	54.6%	58.8%	59.3%
PEERS Italian Technology	Average		25.5%	13.8%	10.5%	12.0%	8.8%	38.4%	44.4%	44.9%	48.6%
	Median		31.7%	23.6%	19.1%	10.0%	0.0%	39.0%	54.6%	46.8%	48.6%
Enel SpA	ITALY	82,370	26.0%	16.3%	7.6%	16.1%	69.7%	-1.4%	3.0%	3.3%	7.9%
AZA S.p.A.	ITALY	5,577	17.4%	7.9%	4.7%	14.2%	75.8%	1.6%	3.9%	-2.7%	-3.5%
Hera S.p.A.	ITALY	5,517	15.3%	7.4%	4.1%	7.6%	53.9%	4.9%	3.4%	2.2%	3.9%
Iren S.p.A.	ITALY	3,450	25.1%	11.7%	6.5%	18.6%	53.2%	-1.9%	4.0%	3.0%	5.7%
PEERS Italian Utilities	Average		20.9%	10.8%	5.7%	14.1%	63.1%	0.8%	3.6%	1.4%	3.5%
	Median		21.3%	9.8%	5.6%	15.2%	61.8%	0.1%	3.7%	2.6%	4.8%
Glencore plc	UNITED KINGDOM	50,841	7.6%	3.6%	2.3%	2.1%	51.9%	-1.7%	7.5%	19.1%	-333.0%
Archer-Daniels-Midland Company	UNITED STATES	30,054	5.7%	3.2%	3.3%	1.3%	35.9%	3.4%	11.5%	13.6%	19.5%
Bunge Limited	UNITED STATES	9,638	4.6%	3.6%	2.5%	0.9%	27.4%	5.7%	7.4%	11.1%	13.5%
PEERS Intern. Trading	Average		5.9%	3.5%	2.7%	1.4%	38.4%	2.4%	8.8%	14.6%	-100.0%
	Median		5.7%	3.6%	2.5%	1.3%	35.9%	3.4%	7.5%	13.6%	13.5%

Source: Factset, Alantra

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Italian Equity Research

Performance

Over performance versus peers over the last month

Company	Country	Mkt Cap (Eu mn)	Performance					
			1W	1M	3M	6M	1YR	3YR
eVISO	ITALY	64	-2.3%	8.8%	10.7%	na	na	na
PEERS			Average	Median	Average	Median	Average	Median
			-0.6%	0.7%	12.7%	27.6%	49.9%	26.1%
			1.2%	0.9%	12.9%	29.5%	44.7%	20.1%
CY4Gate SpA	ITALY	141	8.6%	12.5%	2.0%	25.1%	na	na
PITECO SpA	ITALY	198	-1.4%	-4.9%	-6.2%	15.8%	63.9%	107.6%
Expert.ai S.p.A.	ITALY	145	-0.3%	0.4%	-6.5%	19.0%	4.0%	131.7%
Tecma Solutions SpA	ITALY	55	1.7%	1.4%	2.9%	27.3%	na	na
PEERS Italian Technology			Average	Median	Average	Median	Average	Median
			2.1%	2.4%	-2.0%	21.8%	34.0%	119.6%
			0.7%	0.9%	-2.1%	22.0%	34.0%	119.6%
Enel SpA	ITALY	82,370	1.2%	-1.2%	-1.9%	-0.2%	10.3%	66.3%
A2A S.p.A.	ITALY	5,577	1.8%	4.0%	20.4%	38.8%	44.7%	20.1%
Hera S.p.A.	ITALY	5,517	2.8%	8.7%	19.0%	27.0%	10.2%	35.7%
Iren S.p.A.	ITALY	3,450	1.5%	5.1%	23.9%	25.6%	19.1%	17.4%
PEERS Italian Utilities			Average	Median	Average	Median	Average	Median
			1.8%	4.1%	15.4%	22.8%	21.1%	34.9%
			1.7%	4.5%	19.7%	26.3%	14.7%	27.9%
Glencore plc	UNITED KINGDOM	50,841	1.2%	0.9%	12.9%	38.9%	90.1%	-17.8%
Archer-Daniels-Midland Company	UNITED STATES	30,054	-5.0%	-3.6%	12.0%	33.9%	65.4%	44.2%
Bunge Limited	UNITED STATES	9,638	-7.8%	-8.8%	2.3%	29.5%	109.7%	17.1%
PEERS Intern. Trading			Average	Median	Average	Median	Average	Median
			-3.9%	-3.8%	9.0%	34.1%	88.4%	14.5%
			-5.0%	-3.6%	12.0%	33.9%	90.1%	17.1%

Source: Factset, Alantra

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