



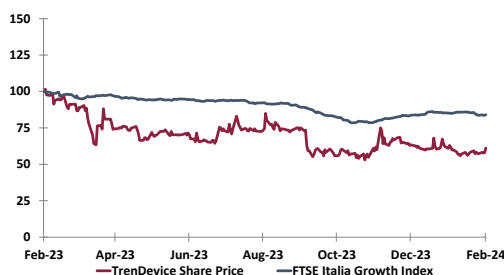
FLASH NOTE

OUTPERFORM

Current Share Price (€): 0.27

Target Price (€): 0.50

TrenDevice - 1Y Performance



Source: S&P Capital IQ - Note: 15/02/2023=100

Company data

ISIN number	IT0005422792
Bloomberg code	TD IM
Reuters code	TD.IM
Industry	Online consumer electronics retail
Stock market	Euronext Growth Milan
Share Price (€)	0.27
Date of Price	15/02/2024
Shares Outstanding (m)	19.3
Market Cap (€m)	5.2
Market Float (%)	46.0%
Daily Volume	205,500
Avg Daily Volume YTD	126,514
Target Price (€)	0.50
Upside (%)	87%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	6M	1Y
TrenDevice - Absolute (%)	-3%	2%	-24%	-37%
FTSE Italia Growth (%)	-1%	5%	-8%	-16%
1Y Range H/L (€)			0.45	0.23
YTD Change (€) / %			0.00	1%

Source: S&P Capital IQ

Analysts

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FY23 revenues on target and rising EBITDA YoY and over our estimates

KPIs FY23 and Q4: revenues on track and rising EBITDA

TrenDevice has communicated 2023 key figures: sales at €19.5m, -2% YoY; EBITDA at €1.9m, +156% on FY22, +20% on our expectation of €1.6m and higher than our 2024 estimate.

In Q4 sales were €6.6m, +5% on Q4 2022, and EBITDA was close to €1.0m, +74% on Q4 2022.

Business update: profitable sales channels drove EBITDA rise in 2023

Q4 performance reflects management expectations for revenue growth in year-end 2023, fueled by retail store network expansion. According to management, in a like for like comparison excluding foreign marketplaces, FY23 sales grew 8.6% compared to FY22. The decision to focus on retail stores and direct e-commerce channels, coupled with the cost-cutting initiative started in Q4 2022, resulted in increased profitability, with EBITDA passing from €0.75m in FY22 to €1.9m in FY23, of which 1m for a grant and tax incentives

Stock trading update

Since our latest update (October 20th) share price have been stable floating in the range €0.23 - €0.33, in the same period the Italia Growth index gained 5%.

Target Price €0.50 per share, OUTPERFORM rating confirmed

We note TrenDevice FY23 sales consistent with our estimates and profitability above our latest forecast. Waiting for complete financial data availability, we feel confident in confirming a target price of €0.50 per share and the OUTPERFORM rating, implying 87% potential upside from the current share price.

KEY FINANCIALS AND ESTIMATES

€m	2018	2019	2020	2021	2022	2023E	2024E
Revenues	5.1	7.4	9.8	16.6	21.0	20.5	24.8
EBITDA	0.3	0.7	0.8	0.5	0.7	1.6	1.8
<i>Margin</i>	6%	9%	8%	3%	4%	8%	7%
Net Income (Loss)	0.0	0.0	(0.2)	(1.0)	(1.4)	(1.0)	(1.0)
Net (Debt) Cash	(2.0)	(1.8)	(1.5)	(4.1)	(5.6)	(4.9)	(5.3)
Equity	0.3	0.7	3.2	2.3	3.1	3.0	2.0

KEY RATIOS AND MULTIPLES

	2018	2019	2020	2021	2022	2023E	2024E
TWC/Sales	7%	2%	6%	10%	6%	5%	5%
Capex/Revenues	10%	14%	25%	11%	11%	7%	6%
Net Debt/EBITDA	6.9x	2.7x	2.0x	8.4x	7.6x	3.1x	2.9x
EV/Revenues	3.0x	2.0x	1.5x	0.9x	0.7x	0.7x	0.6x
EV/EBITDA	52.1x	23.2x	20.0x	31.0x	20.3x	9.6x	8.5x

Source: Company data 2018-22A, EnVent Research 2023-24E

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Equity ratings and valuations are issued in absolute terms, not relative to market performance.

Rating system and rationale (12-month time horizon):

OUTPERFORM: stocks are expected to have a total return above 10%;

NEUTRAL: stocks are expected to have a performance between -10% and +10% consistent with market or industry trend and appear less attractive than Outperform rated stocks;

UNDERPERFORM: stocks are among the least attractive in a peer group, with the target price 10% below the current market price;

UNDER REVIEW: target price under review, waiting for updated financial data, or other key information such as material transactions involving share capital or financing;

SUSPENDED: no rating/target price assigned, due to material uncertainties or other issues that seriously impair our previous investment ratings, price targets and earnings estimates;

NOT RATED: no rating or target price assigned.

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The stock price indicated in the report is the last closing price on the day of Production.

Date and time of Production: 15/02/2024 h. 6.00pm

Date and time of Distribution: 15/02/2024 h. 6.35pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
05/11/2020	OUTPERFORM	1.29	0.74
06/05/2021	OUTPERFORM	1.84	1.25
07/10/2021	OUTPERFORM	1.71	0.91
13/04/2022	OUTPERFORM	1.66	0.99
01/08/2022	OUTPERFORM	1.66	0.89
05/10/2022	OUTPERFORM	1.11	0.67
07/07/2023	OUTPERFORM	0.60	0.28
20/10/2023	OUTPERFORM	0.50	0.27
15/02/2024	OUTPERFORM	0.50	0.27

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Number of companies covered:	23	OUTPERFORM	NEUTRAL	UNDERPERFORM	SUSPENDED	UNDER REVIEW	NOT RATED
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of which EnVent clients % *		76%	50%	na	na	na	na

* Note: Companies to which corporate and capital markets services were supplied in the last 12 months.

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