

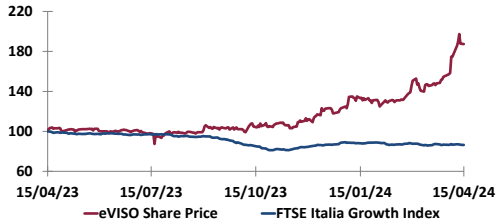


OUTPERFORM

Current Share Price (€): 4.29

Target Price (€): 6.80

eVISO - 1Y Performance



Source: S&P Capital IQ - Note: 15/04/2023=100

Company data

ISIN number	IT0005430936
Bloomberg code	EVISO IM
Reuters code	EVISO.MI
Industry	Energy
Stock market	Euronext Growth Milan
Share Price (€)	4.29
Date of Price	15/04/2024
Shares Outstanding (m)	24.7
Market Cap (€m)	105.8
Market Float (%)	21.7%
Daily Volume	31,760
Avg Daily Volume YTD	44,167
Target Price (€)	6.80
Upside (%)	59%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	6M	1Y
eVISO - Absolute (%)	29%	40%	79%	87%
FTSE Italia Growth (%)	1%	-2%	2%	-14%
1Y Range H/L (€)			4.52	2.00
YTD Change (€) / %			1.47	52%

Source: S&P Capital IQ

Analysts

Silvestro Bonora sbonora@envent.it
Ivan Tromba itromba@envent.it

EnVent Italia SIM S.p.A.

Via degli Omenoni, 2 - 20121 Milano (Italy)
Phone +39 02 22175979

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Platform scalability unleashed, all-time high EBITDA beat our expectations, estimates revised upward

Trading update: a bright spot in a struggling market

eVISO share price gained 87% over last 12 months, outperforming by a large margin the Italia Growth Index which lost 14%. The stock initially followed the market trend and then, starting in September 2023, embarked on a bullish trend reaching €4.29 and identifying a relative support in the €3.2 area. Stock momentum is confirmed to be positive.

H1 2024: volumes up, gross margin on the rise, EBITDA and net income beat

- Total revenues were €109.5m, -24.9% YoY (energy price reduction of 67% YoY)
- Gross Margin was €8.3m, +285% YoY and +22% over FY 2023
- EBITDA was €5.4m (4.9% margin) vs €0.1m in H1 23 and +157% over FY 2023
- Net income was €2.4m, vs €(-1.0)m in H1 23 and (€1.2)m FY 2023
- NFP was €5.3m (cash), vs €4.0m (debt) in H1 23 and €9.0m (cash) in FY 2023
- Energy & Gas supplied 431 GWh (+49% YoY) and ca.1.6 Msmc (+167 YoY)
- Total users served over 400k, +66% YoY

Stable gross margin expected, profit surge proves scalability of business model

Strong profitability growth validates eVISO's scalable business model. Management forecasts an average energy price range of €80/MWh to €180/MWh over the next 12-18 months, acknowledging the potential for price volatility. Expected gross margin consistent with the past six months (i.e. direct customers €30/MWh, resellers ca. €12/MWh). The commitment to business development and the expansion of technological infrastructures remains strong.

Estimates revised upward, strong cash generation to grasp market potential

Strong H1 results lead us to revise our estimates upward. We slightly increase implied energy and gas volumes for H2 and now we expect full pipeline delivery by 2025, factor in a gradual downward trend in energy prices over the coming years. Projected platform costs increase proportionally less than volumes, resulting in higher gross margin and EBITDA. High borrowing costs is a competitive edge for eVISO given its cash positive financial position. Healthy and improving cash conversion cycle can also provide financial resources to fuel organic growth strategies, especially in a liberalized market.

Target Price €6.80 per share (from €4.70), OUTPERFORM rating confirmed

eVISO's H1 results confirm the effectiveness of its business model. The Company delivered material improvement in profitability, showcasing the scalability of their platform. We revise the target price upwards to €6.80 per share (from €4.70), implying 59% upside potential from the current stock price. Thus we confirm the OUTPERFORM rating.

KEY FINANCIALS AND ESTIMATES

€m	06/2022	06/2023	06/2024E	06/2025E	06/2026E	06/2027E
Revenues	209.6	225.7	254.6	344.9	396.1	440.9
EBITDA	5.0	2.0	13.7	20.4	23.8	24.9
Margin	2.4%	0.9%	5.4%	5.9%	6.0%	5.6%
Net Income (Loss)	(1.1)	(1.2)	7.1	11.7	14.0	14.6
Net Cash (Debt)	8.1	8.9	9.0	17.3	26.8	37.9

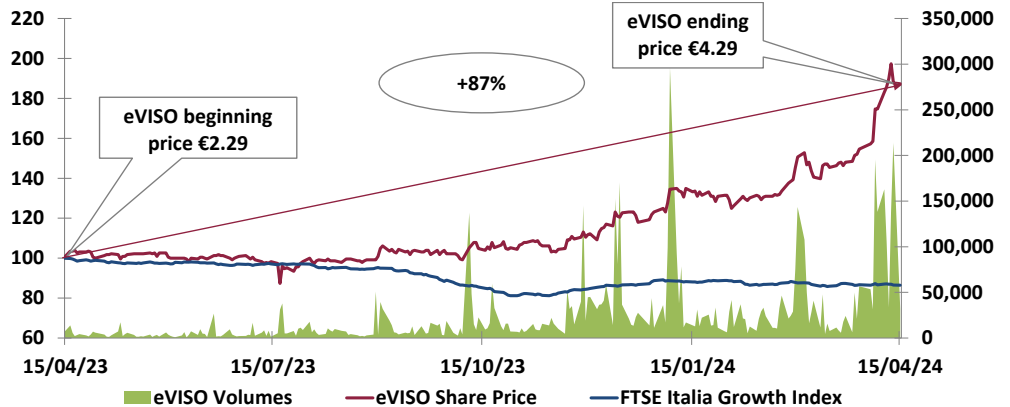
Current market price - Implied multiples

	06/2022	06/2023	06/2024E	06/2025E	06/2026E	06/2027E
EV/EBITDA			7.3x	4.9x	4.2x	4.0x
EV/EBIT			9.4x	5.9x	4.9x	4.7x

Source: Company data 06/2022-06/2023, EnVent Research 06/2024-06/2027E

Market update

eVISO - 1Y Share price performance and trading volumes



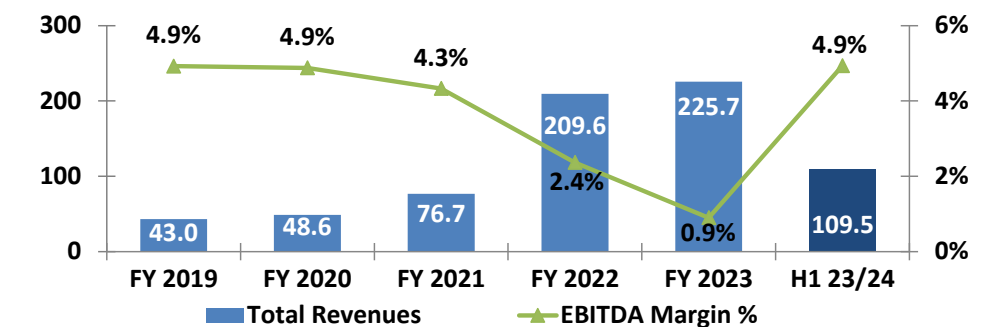
Source: EnVent Research on S&P Capital IQ - Note: 15/04/2023=100

Investment case

eVISO, listed on Euronext Growth Milan, is an Italian *commod-tech* company which operates in energy and other commodities markets, leveraging on Artificial Intelligence (AI) to collect, consolidate, and analyze extensive datasets to build a competitive advantage. eVISO has developed an automated proprietary scalable AI platform which is applied to electricity, gas and global fresh apples trading. Catchment area includes direct channels for business-to-business (B2B), residential customers (B2C) and resellers (B2B2C). In the direct channel, eVISO serves small and medium-sized enterprises (SMEs), operating in both Low Voltage and Medium Voltage settings.

eVISO is specialized in the distribution to SMEs and helping companies to reduce energy management costs by optimizing consumption thanks to monitoring technologies and consultancy program, which includes monthly reports, alert in case of anomalous consumptions and site visits by expert engineers.

Historical Revenues (€m) and EBITDA



Source: Company data

Note: Fiscal year July 1st to June 30th

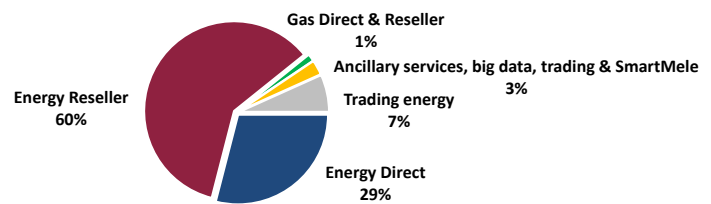
Trading price range €2.0-4.52 per share

+87% for eVISO, vs -14% of the Italia Growth Index

Automated proprietary scalable AI platform

Supplier of electricity and gas for all kind of users

Sales breakdown by BUs, H1 2024



Source: Company data

Drivers

Industry drivers

The momentum towards clean energy economy is accelerating. A fully decarbonized electricity sector is the foundation of a net zero energy system. Electricity is at the heart of modern economies, and its share of final energy consumption is projected to rise from 20% in 2022 to over 50% by 2050 in the Net Zero Emissions scenario as electricity demand increases rapidly to decarbonize end-use sectors.

Italy's protected electricity market comes to an end. The liberalization of the Italian electricity market will have a significant impact on millions of domestic customers still under to the protected market.

Switching economy. Switching economy refers to the increasing number of consumers switching to different service-providers, mainly due to dissatisfaction (about price and/or quality of service), through specialized players. It was born in the context of the liberalization of State monopolies in different industries such as gas, electric energy, telcos. The contract switch typically refers to services with long-term subscriptions, among which electricity and gas contracts, and telco. Customers see value in switching providers, aiming to save money and obtain a better service. As such, the market opportunities are continuous and show a never-ending potential.

Artificial intelligence as game changer in the commodities market. AI-driven predictive analytics has emerged as a powerful tool for forecasting commodity prices, enabling market participants to make more informed decisions based on data-driven insights.

Company drivers

Scalable business model, adding new commodities. Revenues are driven by the proprietary AI platform which is designed for scalability. eVISO is in the position to replicate the business model originally setup on the electricity market in other commodities markets.

Moat and high entry barriers. The AI platform developed by eVISO poses a notable entry barrier due to years of algorithmic training; replicating this process is challenging and time-consuming, granting eVISO a competitive edge over potential new entrants.

Substantial computational capacity. eVISO's platform can accommodate a substantial increase in sales volume without significant additional investments.

Leveraging big data for the electricity value chain. eVISO controls the entire data value chain for the electricity market, from collecting billions of data to reliable forecasts elaboration, orders execution and pricing & billings.

Management with long experience in the field. eVISO was founded by a team of people with a deep technology and know-how. The management team has over 20 years of experience in the Energy industry.

Financial strength. Cerved Rating Agency confirmed eVISO's solid financial position, with an A3.1 rating, equivalent to A- from S&P's and FITCH, and A3 from MOODY'S. This rating provides a key safeguard, reducing financial risk and facilitating relationships with banks and suppliers for eVISO.

Challenges

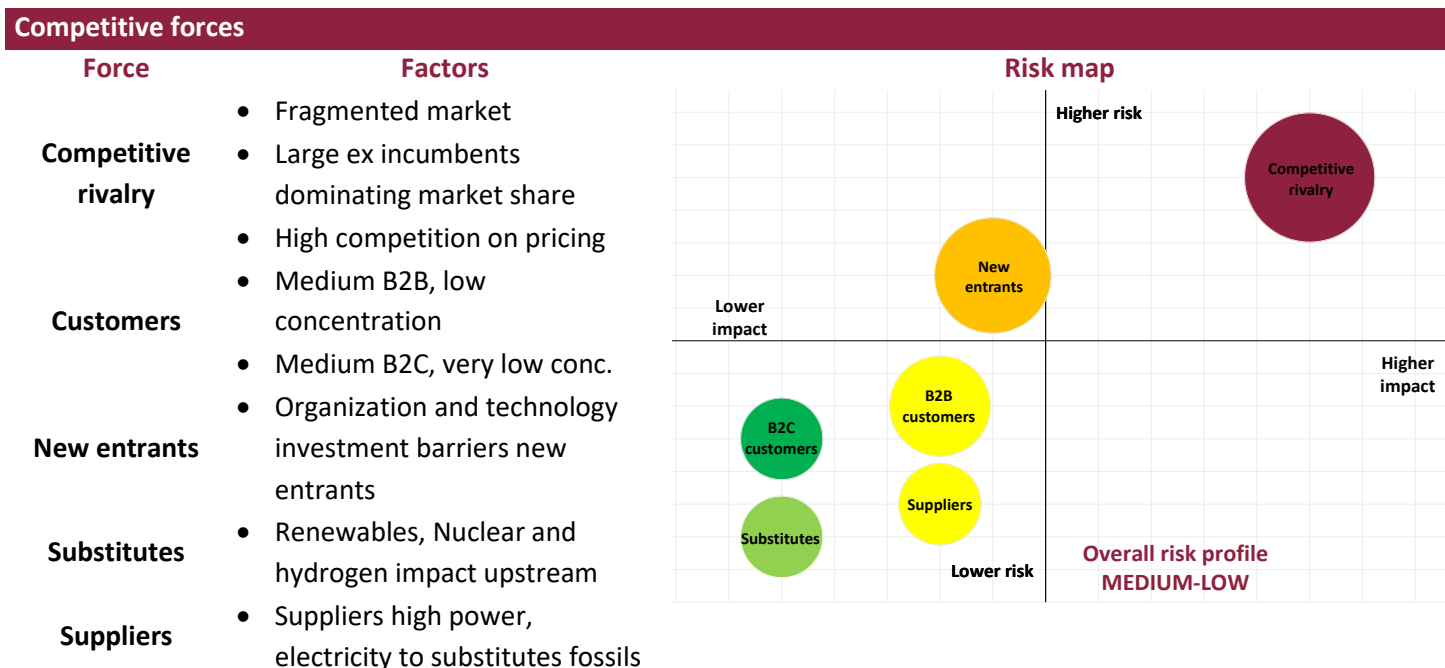
Energy market dynamics and macroeconomic impact. The energy sector is facing an increasingly uncertain market environment. Challenges include wholesale price volatility, increasing competition and the potential negative impact on demand if recessionary pressures on the economy materialize.

Increasing competition could trigger margin pressure. The very fragmented competitive arena, populated by large national companies, industrial groups and a number of small local/regional players, is a permanent feeder of competition and pressure on margins.

Regulatory risk. eVISO operates in a highly regulated industry subjected to material changes in relevant regulations.

Cash liquidity pressure. In order to purchase electricity and natural gas on the exchange markets and to enter into agreements with its suppliers, eVISO must provide collaterals to guarantee supply costs and orders execution. The ability to obtain these guarantees from banks and insurance companies is influenced by track record of operations and financial position. Cash collaterals could be reduced or increased accordingly, impacting significantly NFP.

Risk profile



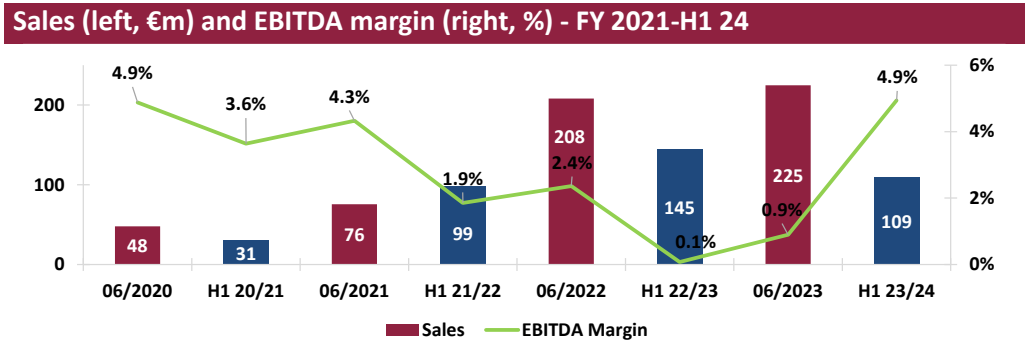
Source: EnVent Research

H1 2024 results

Highest EBITDA ever

- Total revenues were €109.5m compared to €145.8m in H1 23, reflecting energy price decline of 67% YoY (from €358/MWh to €119/MWh)
- Gross Margin was €8.3m, compared to €2.2 in H1 23 and €6.8m in FY 2023
- Operating costs were €102.4m, -29% YoY, through reduced costs related to the purchase of energy and services
- Personnel costs were €1.5m, +23% YoY (headcount from 95 to 100)
- EBITDA was €5.4m (4.9% margin), vs €0.1m in H1 23 and +157% over FY 2023, exceeding 60% on our FY projection
- Net income was €2.4m, vs €(1.0)m in H1 23, €(1.2)m FY 2023, 70% on our FY estimates
- NFP was €5.3m (cash), vs €4.0m (debt) in H1 23 and €9.0m (cash) in FY 2023, after €1.0m buyback and €2.5m Headquarter capex.
- Energy & Gas supplied were 431 GWh (+49% YoY) and ca.1.6 Msmc (+167 YoY)
- Total users served over 400k, +66% YoY

H1 2024, EBITDA margin back to sound profitability



Source: Company data

Breakdown by business unit, H1 23/24

Energy Direct

- Sales €31.6m, -34% YoY (29% on total revenues from 33% in H1 22/23)
- Gross Margin €4m, +278% YoY
- Gross margin (€/MWh) €30.0 vs €9.9 in H1 22/23
- Users (POD) over 31k (12-m rolling), +51% YoY
- Energy supplied ca. 134k MWh, +25% YoY

Energy Reseller

- Sales €65.7m, -13% YoY (60% on total revenues from 52% in H1 22/23)
- Gross Margin €3.6m, +788% YoY
- Gross margin (€/MWh) €12.2 vs €2.2 in H1 22/23
- Users (POD) ca. 368k (12-m rolling), +69% YoY
- Energy supplied over 297k MWh, +63% YoY

Gas Direct & Reseller

- Sales €1.4m, +60% YoY (1% on total revenues, in line)
- Gross Margin ca. €0.2m, +64% YoY
- Gross margin (€/Smc) €0.12 vs €0.2 in H1 22/23
- Users (PDR) over 2k (12-m rolling), +78% YoY
- Gas supplied ca. 1.6 Msmc, +171% YoY

Ancillary Services & Big Data

- Sales €2.8m, +48% YoY (3% on total revenues from 1% in H1 22/23)
- Gross Margin €0.4m, -22% YoY
- Gross margin (€/dossier) €13.0 vs €24.5 in H1 22/23
- Total dossiers 33.2k, +46% YoY

SmartMele

- Sales €0.1m, +8.7% YoY
- Traded apples 106 tons

Energy Trading

- Sales €7.4m, -61% YoY (7% on total revenues from 13% in H1 22/23)

Profit and Loss

€m	H1 22/23	H1 23/24
Sales	145.4	109.1
Other income	0.4	0.4
Total Revenues	145.8	109.5
YoY %	46.2%	-24.9%
Cost of sales	(132.1)	(61.2)
Gross profit	13.7	48.4
<i>Margin</i>	9.4%	44.2%
Services	(11.5)	(39.9)
Use of third party assets	(0.0)	(0.1)
Gross margin	2.2	8.3
Other operating costs	(0.8)	(1.4)
Personnel	(1.3)	(1.5)
EBITDA	0.1	5.4
<i>Margin</i>	0.1%	4.9%
D&A	(1.2)	(1.7)
EBIT	(1.1)	3.7
<i>Margin</i>	-0.7%	3.4%
Net Financial Charges	(0.2)	(0.3)
Writedown	(0.0)	0.0
EBT	(1.3)	3.4
<i>Margin</i>	-0.9%	3.1%
Income taxes	0.3	(1.0)
Net Income (Loss)	(1.0)	2.4
<i>Margin</i>	-0.7%	2.2%

Source: Company data

Balance Sheet

€m	H1 22/23	06/2023	H1 23/24
Trade receivables	30.1	17.7	26.0
Trade payables	(16.0)	(17.3)	(21.7)
Trade Working Capital	14.2	0.4	4.2
Other assets (liabilities)	(14.7)	(12.3)	(12.8)
Net Working Capital	(0.5)	(11.9)	(8.5)
Intangible assets	10.3	9.8	9.6
Property, plant and equipment	5.2	8.1	10.2
Equity investments and financial assets	6.7	2.2	2.2
Non-current assets	22.1	20.2	21.9
Provisions	(0.4)	(0.4)	(0.5)
Net Invested Capital	21.3	7.9	13.0
Net Debt (Cash)	4.0	(8.9)	(5.3)
Equity	17.3	16.8	18.2
Sources	21.3	7.9	13.0

Cash Flow

€m	H1 22/23	H1 23/24
EBIT	(1.1)	3.7
Current taxes	0.3	(1.0)
D&A	0.9	1.0
Provisions	(0.1)	0.1
Cash flow from P&L operations	0.0	3.7
Trade Working Capital	(12.4)	(3.8)
Other assets and liabilities	4.4	0.4
Operating cash flow before capex	(8.1)	0.3
Capex	(1.8)	(2.7)
Operating cash flow after WC and capex	(9.9)	(2.4)
Interest	(0.2)	(0.3)
Equity investments and financial assets	(2.0)	(0.0)
Paid-In Capital - IPO proceeds	0.0	0.0
Changes in equity	(0.0)	(1.0)
Net cash flow	(12.1)	(3.7)
Net (Debt) Cash - Beginning	8.1	8.9
Net (Debt) Cash - End	(4.0)	5.3
Change in Net (Debt) Cash	(12.1)	(3.7)

Source: Company data

Ratio analysis

	H1 22/23	H1 23/24
ROE	neg	13%
ROA	neg	5%
ROS	neg	3%
ROI	neg	29%
DSO	31	35
DPO	16	31
TWC/Sales	10%	4%
NWC/Sales	0%	-8%
Capex/Sales	1%	2%
Net Debt/Revenues	0.0x	cash
Net Debt/EBITDA	36.5x	cash
Net Debt/EBIT	-3.8x	cash
Net Debt/Equity	0.2x	cash
Cash flow from P&L operations/EBITDA	1%	69%
FCF/EBITDA	neg	neg

Corporate period facts and business update

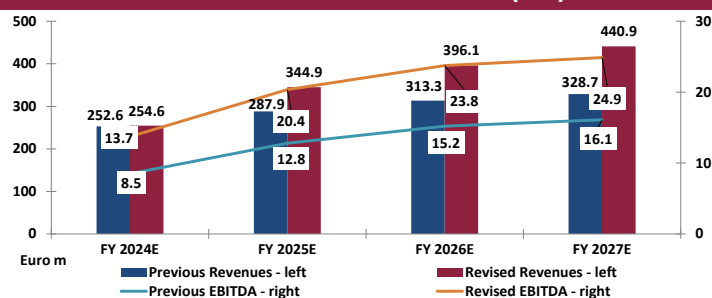
- €1m buyback, to the date eVISO holds 490k treasury shares
- €2.5m investment for new headquarters in Saluzzo
- Energy annual volumes pipeline:
 - Direct customers: 382 GWh, from 320 GWh in December 2023
 - Reseller customers: 1.250 GWh, from 1.000 GWh in October 2023
- Gas annual volumes pipeline of direct users: 5 Msmc (from 1.7 Msmc supplied in FY 2023)

Estimates revision

- Upward revision: strong H1 results led us to raise our forecasts upward. We only consider an organic growth assumption in our projections.
- Volumes (direct plus reseller): in H2 2024, we have increased mid-single digit implied energy volumes and projected gas volumes basically aligned to H1. We now expect full energy and gas pipeline to be delivered by 2025, assuming that Energy and Gas will increase from 1.4 TWh to 1.7 TWh and from 3.4 Msmc to 6.0 Msmc, respectively.
- Energy and gas prices: we have factored in a gradual decline in energy and gas prices over the next few years, i.e. between high-single and low-double digit.
- Profitability: we revise upward our assumption on Gross Margin/MWh for FY24E (i.e. for Energy Direct to €27/MWh from €22.4/MWh and for Energy Reseller to €11/MWh from €9.3/MWh), costs are on track to increase proportionally less than volumes, leading us to project rising EBITDA over time.
- Cash conversion cycle can fuel eVISO growth strategy in a high-potential liberalized market.
- Competitive edge: high borrowing costs provide eVISO with a competitive edge in a landscape of comparable companies operating with high financial leverage.
- eVISO's cash positive financial position provides potential to fuel growth, both organically, through strengthening the business development structure and entering into new agreements with selected reseller, and possibly through M&A.

Change in estimates

Previous vs Revised Revenues and EBITDA estimates (€m)



Source: EnVent Research

Note: Fiscal year July 1st to June 30th

€m	Revised				Previous				Change %			
	FY 2024E	FY 2025E	FY 2026E	FY 2027E	FY 2024E	FY 2025E	FY 2026E	FY 2027E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
Total Revenues	254.6	344.9	396.1	440.9	252.6	287.9	313.3	328.7	1%	20%	26%	34%
Gross Margin	19.8	27.7	32.4	34.8	16.2	21.1	24.3	25.6	22%	31%	33%	36%
EBITDA	13.7	20.4	23.8	24.9	8.5	12.8	15.2	16.1	62%	59%	56%	55%
<i>Margin</i>	5.4%	5.9%	6.0%	5.6%	3.4%	4.4%	4.9%	4.9%				
EBIT	10.7	17.2	20.4	21.3	5.2	9.7	11.9	12.8	105%	77%	71%	66%
<i>Margin</i>	4%	5%	5%	5%	2%	3%	4%	4%				
Net Income (Loss)	7.1	11.7	14.0	14.6	3.4	6.6	8.2	8.8	109%	77%	70%	66%
Net (Cash) Debt	(9.0)	(17.3)	(26.8)	(37.9)	(9.0)	(13.0)	(19.3)	(26.0)	0%	33%	39%	46%

Source: EnVent Research

Financial projections

Profit and Loss

€m	06/2022	06/2023	06/2024E	06/2025E	06/2026E	06/2027E
Sales	208.1	224.9	253.8	344.0	395.1	439.8
Other income	1.5	0.8	0.8	0.9	1.0	1.1
Total Revenues	209.6	225.7	254.6	344.9	396.1	440.9
YoY %	173.2%	7.7%	12.8%	35.5%	14.8%	11.3%
Cost of sales	(164.3)	(183.4)	(171.0)	(248.0)	(284.2)	(317.7)
Gross profit	45.3	42.2	83.5	96.9	111.8	123.2
<i>Margin</i>	21.6%	18.7%	32.8%	28.1%	28.2%	28.0%
Services	(38.0)	(35.4)	(63.6)	(69.0)	(79.2)	(88.2)
Use of third party assets	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
Gross margin	7.3	6.7	19.8	27.7	32.4	34.8
Personnel	(2.1)	(2.7)	(3.2)	(3.7)	(4.2)	(4.9)
Other operating costs	(0.2)	(1.9)	(2.8)	(3.7)	(4.4)	(5.1)
EBITDA	5.0	2.0	13.7	20.4	23.8	24.9
<i>Margin</i>	2.4%	0.9%	5.4%	5.9%	6.0%	5.6%
D&A	(2.2)	(2.3)	(3.1)	(3.2)	(3.4)	(3.6)
EBIT	2.8	(0.3)	10.7	17.2	20.4	21.3
<i>Margin</i>	1.3%	-0.1%	4.2%	5.0%	5.1%	4.8%
Net Financial Charges	(0.2)	(0.4)	(0.6)	(0.6)	(0.6)	(0.6)
EBT	2.6	(0.7)	10.0	16.5	19.7	20.6
<i>Margin</i>	1.2%	-0.3%	3.9%	4.8%	5.0%	4.7%
Income taxes	(3.7)	(0.5)	(2.9)	(4.8)	(5.7)	(6.0)
Net Income (Loss)	(1.1)	(1.2)	7.1	11.7	14.0	14.6
<i>Margin</i>	-0.5%	-0.6%	2.8%	3.4%	3.5%	3.3%

Source: Company data 06/2022-06/2023, EnVent Research 06/2024-06/2027E

Balance Sheet

€m	06/2022	06/2023	06/2024E	06/2025E	06/2026E	06/2027E
Trade receivables	25.7	17.7	33.9	51.7	64.7	72.0
Trade payables	(24.0)	(17.3)	(28.3)	(37.8)	(43.4)	(44.2)
Trade Working Capital	1.7	0.4	5.6	13.9	21.4	27.8
Other assets (liabilities)	(10.3)	(12.3)	(13.9)	(18.8)	(21.6)	(24.1)
Net Working Capital	(8.6)	(11.9)	(8.3)	(4.9)	(0.3)	3.7
Intangible assets	10.6	9.8	9.3	9.0	8.6	7.9
Property, plant and equipment	4.0	8.1	10.9	11.2	11.6	11.9
Equity investments and financial assets	4.6	2.2	2.2	2.2	2.2	2.2
Non-current assets	19.2	20.2	22.3	22.4	22.3	22.0
Provisions	(0.5)	(0.4)	(0.5)	(0.6)	(0.6)	(0.7)
Net Invested Capital	10.1	7.9	13.6	17.0	21.4	25.0
Net Debt (Cash)	(8.1)	(8.9)	(9.0)	(17.3)	(26.8)	(37.9)
Equity	18.3	16.8	22.6	34.3	48.3	62.9
Sources	10.1	7.9	13.6	17.0	21.4	25.0

Source: Company data 06/2022-06/2023, EnVent Research 06/2024-06/2027E

Cash Flow

€m	06/2022	06/2023	06/2024E	06/2025E	06/2026E	06/2027E
EBIT	2.8	(0.3)	10.7	17.2	20.4	21.3
Current taxes	(3.7)	(0.5)	(2.9)	(4.8)	(5.7)	(6.0)
D&A	2.1	2.0	2.7	2.9	3.1	3.3
Provisions	0.1	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)
Cash flow from P&L operations	1.2	1.1	10.2	15.0	17.5	18.4
Trade Working Capital	(2.8)	1.3	(5.2)	(8.3)	(7.4)	(6.4)
Other assets and liabilities	10.8	2.0	1.6	4.9	2.8	2.4
Operating cash flow before capex	9.2	4.4	6.5	11.6	12.9	14.4
Capex	(3.8)	(5.4)	(4.5)	(2.7)	(2.7)	(2.7)
Operating cash flow after WC and capex	5.4	(1.0)	2.0	8.9	10.2	11.7
Interest	(0.2)	(0.4)	(0.6)	(0.6)	(0.6)	(0.6)
Equity investments and financial assets	0.3	2.4	0.0	0.0	0.0	0.0
IPO proceeds	0.0	0.0	0.0	0.0	0.0	0.0
Changes in equity	(0.4)	(0.2)	(1.3)	0.0	0.0	0.0
Net cash flow	5.1	0.8	0.1	8.3	9.5	11.1
Net Cash (Beginning)	3.0	8.1	8.9	9.0	17.3	26.8
Net Cash (End)	8.1	8.9	9.0	17.3	26.8	37.9
Change in Net Cash (Debt)	5.1	0.8	0.1	8.3	9.5	11.1

Source: Company data 06/2022-06/2023, EnVent Research 06/2024-06/2027E

Ratio analysis

KPIs	06/2022	06/2023	06/2024E	06/2025E	06/2026E	06/2027E
ROE	-6%	-7%	36%	41%	34%	26%
ROA	4%	0%	14%	17%	16%	15%
ROS	1%	0%	4%	5%	5%	5%
ROI	27%	-3%	79%	101%	95%	85%
DSO	37	24	40	45	49	49
DPO	35	23	35	35	35	32
TWC/Sales	1%	0%	2%	4%	5%	6%
NWC/Sales	-4%	-5%	-3%	-1%	0%	1%
Capex/Sales	2%	2%	2%	1%	1%	1%
Net Debt/Revenues	cash	cash	cash	cash	cash	cash
Net Debt/EBITDA	cash	cash	cash	cash	cash	cash
Net Debt/EBIT	cash	cash	cash	cash	cash	cash
Net Debt/Equity	cash	cash	cash	cash	cash	cash
Cash flow from P&L operations/EBITDA	24%	54%	74%	74%	74%	74%
FCF/EBITDA	108%	neg	15%	44%	43%	47%

Source: Company data 06/2022-06/2023, EnVent Research 06/2024-06/2027E

Valuation

The valuation of eVISO has been performed through:

- Discounted Cash Flows applied to our 2024-27E financial projections
- Market multiples

Discounted Cash Flows

We favor the discounted cash flow method as our primary valuation tool, as it best reflects eVISO's unique characteristics.

In our projections, we assume an organic growth, normalized energy commodity prices and linear working capital and investment financing needs.

By evaluating a corresponding operating profile for the calculation of WACC, we assigned eVISO a beta aligned with that of utilities. Our projections factor in a perpetual growth rate of 3.5%, acknowledging the scalability potential of eVISO's proprietary technology within the energy and gas markets, and its potential to spill over into other commodity markets. Additionally, we have factored up our post-pandemic inflation assumptions compared to pre-pandemic levels.

WACC assumptions

- Risk free rate: 3.1% (Italian 10-year government bonds interest rate - last 30 days average. Source: Bloomberg, April 2024)
- Market return: 11.8% (last 30 days average. Source: Bloomberg, April 2024)
- Market risk premium: 8.6%
- Beta: 0.85
- Cost of equity: 10.5%
- Cost of debt: 6.5%
- Tax rate: 24% IRES
- 0% debt/(debt + equity) as target capital structure
- WACC calculated at 10.5%, according to above data
- Perpetual growth rate after explicit projections (G): 3.5%
- Terminal Value assumes a 5.0% EBITDA margin

DCF Valuation

€m	06/2023	06/2024E	06/2025E	06/2026E	06/2027E	Perpetuity
Revenues	225.7	254.6	344.9	396.1	440.9	456.1
EBITDA	2.0	13.7	20.4	23.8	24.9	22.8
<i>Margin</i>	<i>0.9%</i>	<i>5.4%</i>	<i>5.9%</i>	<i>6.0%</i>	<i>5.6%</i>	<i>5.0%</i>
EBIT	(0.3)	10.7	17.2	20.4	21.3	20.3
<i>Margin</i>	<i>-0.1%</i>	<i>4.2%</i>	<i>5.0%</i>	<i>5.1%</i>	<i>4.8%</i>	<i>4.5%</i>
Taxes	0.1	(3.1)	(5.0)	(5.9)	(6.2)	(5.9)
NOPAT	(0.2)	7.6	12.2	14.5	15.1	14.4
D&A	2.0	2.7	2.9	3.1	3.3	2.5
Provisions	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	0.0
Cash flow from P&L operations	1.7	10.0	14.9	17.4	18.2	16.9
Trade Working Capital	1.3	(5.2)	(8.3)	(7.4)	(6.4)	(1.8)
Other assets and liabilities	2.0	1.6	4.9	2.8	2.4	0.8
Capex	(5.4)	(4.5)	(2.7)	(2.7)	(2.7)	(2.5)
Unlevered free cash flow	(0.4)	1.9	8.8	10.0	11.5	13.4
- H1 Unlevered Free Cash Flows		1.6				
Free Cash Flows to be discounted		3.5	8.8	10.0	11.5	
WACC	10.5%					
Long-term growth (G)	3.5%					
Discounted Cash Flows		3.3	7.6	7.8	8.1	
Sum of Discounted Cash Flows	26.9					
Terminal Value						190.9
Discounted TV	134.6					
Enterprise Value	161.5					
Net cash as of 31/12/23	5.3					
Treasury Shares 31/12/23	1.2					
Equity Value	168.0					
Equity Value per share (€)	6.8					

Source: Company data 06/2023, EnVent Research 06/2024-06/2027E

eVISO - DCF sensitivity

		WACC				
		12.5%	11.5%	10.5%	9.5%	8.5%
Terminal - G	4.5%	5.9	6.7	7.8	9.4	11.7
	4.0%	5.6	6.3	7.3	8.6	10.6
	3.5%	5.3	6.0	6.8	8.0	9.6
	3.0%	5.1	5.7	6.5	7.5	8.8
	2.5%	4.9	5.4	6.1	7.0	8.2

Source: EnVent Research

Valuation based on market multiples

Company	EV/Revenues			EV/EBITDA			EV/EBIT			P/E		
	2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E
Utilities												
Enel	1.5x	1.4x	1.5x	7.3x	6.3x	6.3x	13.0x	9.6x	9.7x	17.3x	8.8x	8.8x
Eni	0.4x	0.7x	0.8x	2.5x	3.5x	3.5x	3.5x	5.7x	5.9x	5.2x	7.2x	7.4x
E.ON	0.7x	0.7x	0.7x	17.4x	7.5x	7.5x	64.3x	11.7x	11.8x	62.4x	11.4x	11.9x
Engie	0.9x	0.8x	0.9x	4.6x	5.0x	5.2x	6.3x	8.0x	8.3x	17.3x	8.9x	9.5x
Iberdrola	2.8x	3.0x	2.9x	10.3x	9.2x	8.7x	15.2x	14.6x	14.0x	14.8x	14.1x	13.4x
Centrica	0.2x	0.2x	0.2x	neg	2.1x	2.8x	neg	2.8x	4.0x	1.8x	7.1x	8.9x
A2A	0.7x	0.7x	0.8x	6.0x	5.2x	5.4x	10.9x	10.1x	11.3x	8.0x	9.0x	10.7x
Hera	0.6x	0.6x	0.6x	6.8x	5.9x	5.8x	10.4x	11.1x	11.1x	10.3x	11.0x	11.0x
Iren	1.1x	1.2x	1.0x	6.5x	5.7x	5.4x	15.0x	12.9x	12.4x	8.9x	8.6x	7.8x
ACEA	2.0x	2.1x	2.1x	8.0x	6.4x	6.1x	17.8x	14.3x	13.8x	11.4x	11.5x	11.3x
Societatea Energetica Electrica	0.8x	0.8x	0.7x	4.8x	5.4x	5.3x	8.2x	11.3x	11.4x	7.2x	9.4x	8.7x
Elmera Group	0.2x	0.3x	0.3x	8.8x	5.6x	5.5x	12.1x	10.5x	9.6x	17.7x	11.1x	10.2x
Polenergia	1.0x	1.1x	1.1x	10.2x	7.5x	7.5x	13.7x	9.4x	9.5x	19.8x	12.9x	16.2x
Holaluz Clidom	0.2x	0.2x	0.2x	na	5.6x	3.8x	neg	12.2x	7.9x	neg	na	8.5x
Mean	0.9x	1.0x	1.0x	7.8x	5.8x	5.6x	15.9x	10.3x	10.0x	15.6x	10.1x	10.3x
Median	0.8x	0.7x	0.8x	7.0x	5.7x	5.4x	12.5x	10.8x	10.4x	11.4x	9.4x	9.8x

Tech platforms

Alkemy	0.7x	0.7x	0.6x	8.3x	6.0x	5.1x	10.5x	9.0x	7.1x	18.5x	11.4x	8.2x
Inspired Plc	1.2x	0.9x	0.8x	na	4.2x	3.9x	neg	5.2x	4.7x	neg	na	na
Cy4gate	2.3x	1.7x	1.6x	34.7x	5.6x	5.0x	neg	11.4x	9.5x	neg	18.9x	14.3x
Expert.ai	3.9x	3.6x	3.2x	neg	15.8x	11.0x	neg	neg	38.3x	neg	neg	53.4x
Doxee	1.5x	1.5x	1.2x	neg	10.3x	4.9x	neg	neg	16.3x	neg	neg	17.2x
Maps	1.3x	1.4x	1.2x	8.5x	6.2x	5.2x	30.1x	12.9x	9.6x	31.1x	na	na
Neosperience	2.3x	2.0x	1.5x	7.7x	6.4x	4.9x	32.7x	19.0x	10.4x	na	25.9x	13.0x
Datrix	1.5x	1.1x	0.8x	62.5x	8.3x	4.0x	neg	neg	6.8x	neg	neg	11.2x
Cyberoo	6.1x	5.2x	4.3x	14.5x	10.9x	8.3x	22.0x	15.2x	11.1x	34.7x	22.9x	17.2x
Mean	2.3x	2.0x	1.7x	22.7x	8.2x	5.8x	23.8x	12.1x	12.6x	28.1x	19.8x	19.2x
Median	1.5x	1.5x	1.2x	11.5x	6.4x	5.0x	26.1x	12.1x	9.6x	31.1x	20.9x	14.3x

Commodities trading

Glencore Plc	0.5x	0.5x	0.5x	6.7x	6.1x	5.6x	12.0x	10.9x	9.5x	17.7x	14.9x	12.3x
Archer Daniels Midland	0.4x	0.4x	0.4x	8.0x	7.7x	7.8x	10.0x	12.1x	12.5x	9.1x	11.0x	11.7x
Mean	0.4x	0.4x	0.4x	7.4x	6.9x	6.7x	11.0x	11.5x	11.0x	13.4x	13.0x	12.0x
Median	0.4x	0.4x	0.4x	7.4x	6.9x	6.7x	11.0x	11.5x	11.0x	13.4x	13.0x	12.0x

Full sample

Mean	1.2x	1.1x	1.0x	12.6x	7.0x	6.1x	16.9x	11.3x	11.2x	19.0x	14.3x	13.8x
Median	0.9x	0.9x	0.8x	8.6x	6.3x	5.7x	16.5x	11.5x	10.3x	18.6x	14.4x	12.1x

eVISO	0.4x	0.4x	0.3x	32.1x	7.3x	4.9x	neg	9.4x	5.9x	neg	14.9x	9.0x
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Source: EnVent Research on S&P Capital IQ, 15/04/2024

We have applied the combined 2024-2025E consensus multiples of selected utilities, digital tech companies, and commodities trading firms to reflect the unique nature of eVISO's operations within this sector.

We note that the results vary significantly, probably due to the distinct operating model and the uneven impact of government policies on energy emergency adopted in the past two years on individual entities in the sector.

Multiples application

eVISO Valuation (€m)			Combined Multiples	Enterprise Value	Net Cash (Debt) as of 12/2023	Equity Value
2024E EBITDA	13.7	Median	6.3x	86.8	5.3	92.1
2025E EBITDA	20.4	Median	5.7x	116.2	5.3	121.4
<i>Mean 2024E-25E</i>				101.5		106.8
2024E EBIT	10.7	Median	11.5x	122.6	5.3	127.9
2025E EBIT	17.2	Median	10.3x	177.2	5.3	182.5
<i>Mean 2024E-25E</i>				149.9		155.2
eVISO Equity Value						131.0

Source: EnVent Research

eVISO - Multiples sensitivity (€m)

	Lower	Base	Higher
	106.8	131.0	155.2

Source: EnVent Research

While acknowledging the shortcomings of the methodology in this case, applying a purely statistical approach, using multiples yields an average equity value of eVISO of €131m, in a range of €107m to €155m.

Valuation summary and Target Price

- eVISO has proven its ability to weather volatile market conditions caused by unforeseen external factors.
- eVISO's key strength lies in its highly scalable business model, powered by cutting-edge proprietary technology, allowing them to capitalize on opportunities across diverse markets.
- The expanding commercial network across all channels is driving strong customer base growth, which poises eVISO to take advantage of the full liberalization of the energy market.
- We see the growing demand for efficient energy management solutions as a long-term play, not just among residential customers but especially within the industrial sector.

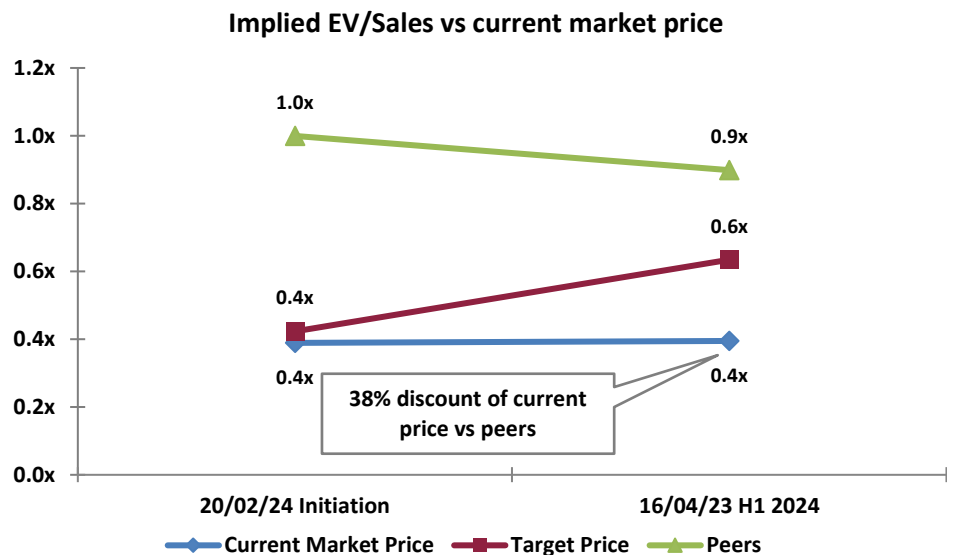
Bolstering the investment thesis is the current stock price's significant discount to our DCF valuation, pointing to upside potential exceeding 59%. eVISO is trading at an EV/EBITDA multiple of 7.7x for FY24E and 5.1x for FY25E, which partially reflects eVISO's technology core and the accretive effect on profitability from platform scalability.

Based on these considerations, we revise eVISO's target price upward to €6.80 per share from €4.70, thus confirming the OUTPERFORM rating on the stock.

Please refer to important disclosures at the end of this report.

eVISO Price per Share	€
Target Price	6.80
Current Share Price (Last)	4.29
Premium (Discount)	59%

Source: EnVent Research



Source: EnVent Research on S&P Capital IQ, 16/04/2024



Source: EnVent Research on S&P Capital IQ, 16/04/2024

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The “OUTPERFORM”, “NEUTRAL”, AND “UNDERPERFORM” recommendations are based on the expectations within a 12-month period from the date of rating indicated in the front page of this publication.

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;

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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: 15/04/2024 h. 7.00pm

Date and time of Distribution: 16/04/2024 h. 7.30pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
20/02/2024	OUTPERFORM	4.70	3.00
16/04/2024	OUTPERFORM	6.80	4.29

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Number of companies covered:	23	OUTPERFORM	NEUTRAL	UNDERPERFORM	SUSPENDED	UNDER REVIEW	NOT RATED
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