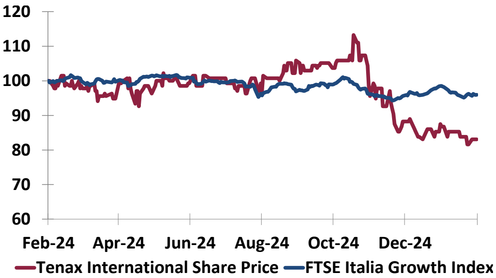
TENAX INTERNATIONAL CLEANAIR SWEEPERS

FLASH NOTE

OUTPERFORM

Current Share Price (€): 2.22
Target Price (€): 5.40

Tenax International - 1Y Performance



Source: S&P Capital IQ - Note: 12/02/2025=100

Company data

ISIN number	IT0005428898
Bloomberg code	TNX IM
Reuters code	TNX.IM
Industry	Manufacturing
Stock market	Euronext Growth Milan
Share Price (€)	2.22
Date of Price	12/02/2025
Shares Outstanding (m)	3.5
Market Cap (€m)	7.8
Market Float (%)	33.6%
Daily Volume	3,500
Avg Daily Volume YTD	1,447
Target Price (€)	5.40
Upside (%)	143%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	6M	1Y
Tenax - Absolute (%)	-3%	-17%	-19%	-17%
FTSE Italia Growth (%)	-1%	0%	-2%	-4%
1Y Range H/L (€)			3.08	2.16
YTD Change (€) / %			-0.12	-5.1%

Source: S&P Capital IQ

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FY24 preview: steadily growing

Stock performance

Until November 2024, Tenax share price trend was in line with market performance, with a peak above €3.00 at the end of October; following that, Tenax share price decreased, falling in the current region of €2.30. Overall, Tenax is underperforming the Italia Growth Index LTM, respectively -17% vs -4%.

Road sweepers and washers' sales preview up 8.5% YoY

Management disclosed FY24 pre-closing sales of €21.5m vs €20.5m in FY23, +4.9% YoY, of which €20.5m from road sweepers and washers' sales (+8.5% YoY). Those performance are slightly below our 2024E sales estimate: we deem this gap could be explained by both delays in the high-capacity sweepers Electra 5.0 market entry (whose price is higher than smaller models, first deliveries are now expected in April 2025) and a general slowdown in purchase decisions by customers - mainly PAs, common among other sustainability industries after recent duty policies announcement - also discernible by order backlog YoY slowdown, €10.1m to date for 2025 (47% of FY24 road sweepers and washers' sales) compared to €13.9m disclosed in the same period in 2024.

Target Price €5.40 and OUTPERFORM rating confirmed

Growth trend is still ongoing, albeit at a slower pace compared to our estimates; historically, Tenax has shown resilience to adversity such as supply chain and pricing issues, relying on solid technical and financial fundamentals. We recall Tenax is and will be in investment mood for the next years as improvement in production capacity and current product range are crucial to pursue on the grow path; the acquisition of the electric vehicles BU from Esagono Energia (FY23 sales €4.1m), whose rationale is broadening product range, generating both sales and operational synergies, was a step in this direction. For the time being, we keep our 2024-26E estimates, to factor in FY24 figures when full financial information will be available to update our estimates and valuation; we thus confirm our previous €5.40 target price, 143% potential upside on current share price, and the OUTPERFORM rating on the stock.

KEY FINANCIALS AND ESTIMATES

€m	2022	2023	2024E	2025E	2026E
Sales	**17.0**	**20.5**	**21.5**	**29.5**	**34.5**
EBITDA	**1.8**	**2.3**	**2.8**	**3.6**	**4.3**
Margin on Revenues	*9.8%*	*10.2%*	*10.7%*	*11.4%*	*11.9%*
Net (Debt) Cash	**(4.3)**	**(5.4)**	**(6.3)**	**(6.5)**	**(5.8)**
Equity	**6.2**	**7.3**	**8.3**	**9.7**	**11.3**
Key Ratios	**2022**	**2023**	**2024E**	**2025E**	**2026E**
ROE	5%	10%	12%	14%	15%
TWC/Sales	41%	47%	42%	40%	38%
Net Debt/EBITDA	2.4x	2.4x	2.3x	1.8x	1.3x

Note: 2024E Sales data is FY24 preview
Source: Company data 2022-23A, EnVent Research 2024-26E

Tenax International, listed on Euronext Growth Milan, is an Italian producer of high performance full electric road sweepers and washers for cleaning on public and private roads or areas designed and engineered in-house. Through a comprehensive dealer network, Tenax International reaches end-customers such as public administrations and municipalities which can order products customized according to their needs.

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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 expected to have a downside within the reference market or industry, with a target price more than 10% below the current market price;
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NOT RATED: no rating or target price assigned.
Some flexibility on the limits of the total return rating ranges is permitted, especially during high market volatility cycles.
The stock price indicated in the report is the last closing price on the day of Production.
Date and time of Production: 12/02/2025 h. 7.00pm
Date and time of Distribution: 13/02/2025 h. 6.30pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
01/02/2021	OUTPERFORM	3.97	3.00
26/04/2021	OUTPERFORM	4.38	3.21
26/10/2021	OUTPERFORM	4.49	3.38
25/04/2022	OUTPERFORM	4.78	3.35
18/10/2022	OUTPERFORM	4.78	3.26
19/04/2023	OUTPERFORM	5.26	3.24
16/10/2023	OUTPERFORM	5.26	2.98
13/02/2024	OUTPERFORM	5.26	2.68
15/04/2024	OUTPERFORM	5.26	2.72
08/08/2024	OUTPERFORM	5.26	2.70
24/10/2024	OUTPERFORM	5.40	2.92
13/02/2025	OUTPERFORM	5.40	2.22

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Number of companies covered:	28	OUTPERFORM	NEUTRAL	UNDERPERFORM	SUSPENDED	UNDER REVIEW	NOT RATED
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of which EnVent clients % *		82%	50%	100%	na	na	na

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