

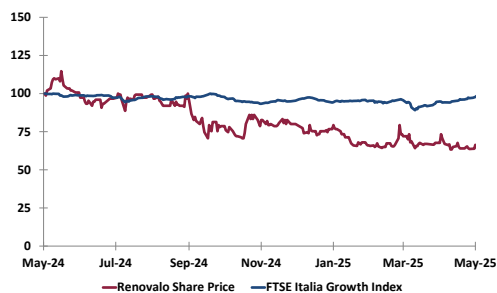


OUTPERFORM

Current Share Price (€): 1.94

Target Price (€): 4.30

Renovalo – 1Y Performance



Source: S&P Capital IQ - Note: 29/05/2024=100

Company data

ISIN number	IT0005500571
Bloomberg code	RNV IM
Reuters code	RNV.MI
Industry	RE / Building Renovation
Stock market	Euronext Growth Milan
Share Price (€)	1.94
Date of Price	29/05/2025
Shares Outstanding (m)	11.2
Market Cap (€m)	21.7
Market Float (%)	10.71%
Daily Volume	4,500.0
Avg Daily Volume YTD	5,285
Target Price (€)	4.30
Upside (%)	122%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	6M	1Y
Renovalo - Absolute (%)	-12%	-2%	-22%	-35%
FTSE Italia Growth Index (%)	4%	3%	5%	-2%
1Y Range H/L (€)			3.44	1.90
YTD Change (€) / %			-0.42	-18%

Source: S&P Capital IQ

Analysts

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FY24 reflects post-Superbonus normalization, €60m backlog ensures revenue base for 2025

Trading update

Since the beginning of 2025, Renovalo's stock has declined by approximately 28%, underperforming the EGM Index, which remained broadly flat over the same period. The share price fluctuated within the range €2.10-3.60 to stabilize around €2 in the last month. The downward trend could reflect investor concerns about the regulatory tightening introduced by the Decreto Giorgetti, which significantly curtailed the availability of tax incentives in the construction sector, a key driver of Renovalo's 2021-23 revenue surge.

FY24 results reflect post-Superbonus normalization

Renovalo closed FY24 with total revenues of €33.6m (vs €114.6m in FY23) above our estimate of €28m, reflecting the anticipated slowdown following the regulatory overhaul of "Superbonus" regulation and delays in PNRR-related projects. EBITDA came in at €2m, below our expectation of €3.7m, with a margin of 5.9% vs 13.2% estimated, mainly due to the drop in volumes and the relative increase in indirect operating costs. EBIT stood at €1.5m, while net income came in at €0.6m. Net Working Capital decreased from €34.9m in 2023 to €21.3m in 2024, primarily due to the disposal of previously accrued tax credits. As a result, the Net Financial Position stood at €12.5m cash. Approved a dividend of €0.4m.

1Q25 Order backlog remains solid

As of March 31, 2025, Renovalo reported a contracted order backlog of €60m, stable compared to year-end 2024 (€64m). Notably, 22% of the backlog now relates to public sector contracts, confirming the Group's strategic repositioning toward institutional and PNRR-related projects. In addition, the company disclosed a pipeline of €162m in project proposals currently under tender.

FY25-26 estimates revised post-FY24 results and General Impianti acquisition

We now forecast FY25 revenues at €41.4m, including a five-month contribution from General Impianti, expected to reach €45.8m by FY27. EBITDA is projected at €4.4m in FY25, gradually improving to €6.7m in FY27, with margins increasing from 10.6% to 14.6% over the period. Taking into account the €3.9m cash outlay related to the acquisition of General Impianti, we forecast a net cash position of €13.5m at the end of FY2025.

Target Price €4.30 (from €5.30) per share and OUTPERFORM rating confirmed

Our updated valuation suggests an adjustment to target price from €5.30 to €4.30, +100% potential upside on current share price. OUTPERFORM rating confirmed.

CONSOLIDATED KEY FINANCIALS AND ESTIMATES €m	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Total Revenues	2.7	4.1	21.3	47.1	114.6	33.6	41.4	44.5	45.8
YoY %	n.a.	51.2%	416.1%	121.6%	143.1%	-70.7%	23.5%	7.4%	2.8%
EBITDA	0.3	0.5	5.1	9.7	28.2	2.0	4.4	5.7	6.7
Margin	11.7%	13.3%	23.8%	20.6%	24.6%	5.9%	10.6%	12.7%	14.6%
EBIT	0.3	0.5	4.9	9.4	26.6	1.5	3.2	4.2	6.2
Net Income	0.1	0.2	4.3	6.6	18.0	0.6	1.6	2.3	3.5
Trade Working Capital	1.7	2.5	9.6	13.7	52.6	23.0	20.0	20.6	21.3
Net (Debt) Cash	(1.1)	(1.3)	2.1	3.6	(5.0)	12.5	13.5	15.8	16.7
Equity	0.2	0.5	4.4	16.1	33.6	33.2	34.4	37.1	40.7
KEY RATIOS									
TWC/Total Revenues	63%	60%	45%	29%	46%	69%	48%	46%	47%
Operating cash flow before capex/EBITDA	-271%	10%	94%	-22%	-22%	1077%	142%	64%	39%
ROE	46%	51%	97%	41%	54%	2%	5%	6%	9%

Source: Company data 2021-24A, EnVent Research 2025-27E

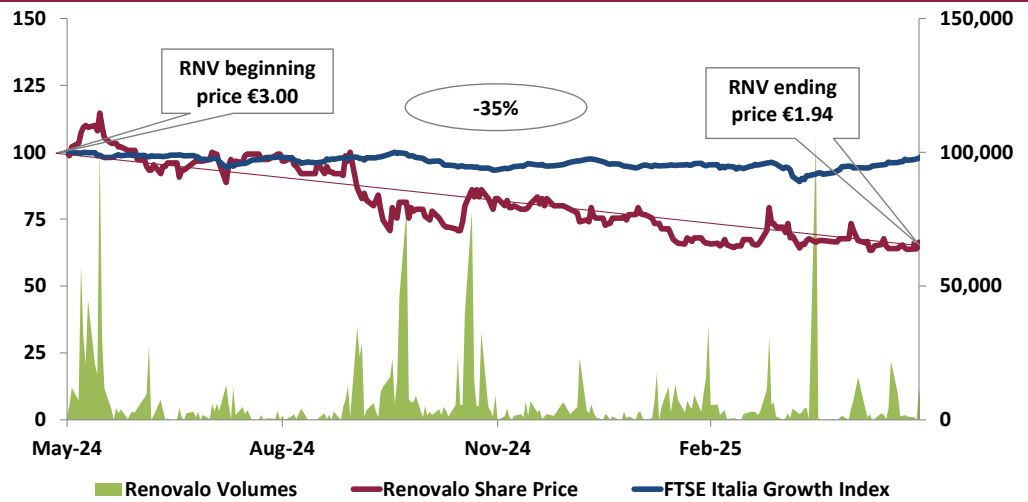
Note 1: 2019A-20A Renovalo S.p.A. unaudited and unconsolidated figures

Market update

Trading price range €1.90-3.44 per share

-35% for Renovalo share price, vs flat Italia Growth Index

Renovalo – 1Y Share price performance and trading volumes

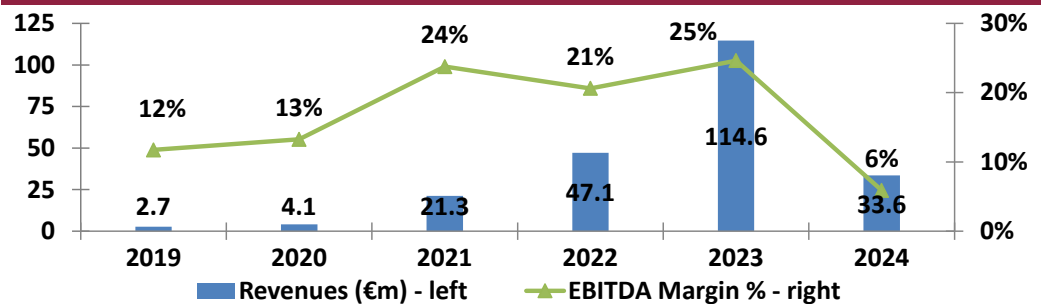


Source: EnVent Research on S&P Capital IQ - Note: 29/05/2024=100

Investment case

Renovalo, listed on Euronext Growth Milan, operates in the Italian energy efficiency and green building market, primarily in the Rome area. The Group provides comprehensive services and products for urban renewal and building renovation projects. Renovalo supports its customers, typically residential property owners, throughout the entire supply chain, offering sustainable solutions from design and project management to execution and care of administration matters. Additionally, the Company can act as general contractor, outsourcing project execution to subcontractors. Renovalo's M/L term strategic goals include: a) expansion beyond the Rome area; b) extending current business into promising industry niches (silver economy, student accommodation, and hospitality) and diversifying their operations (solutions for photovoltaic plants); c) undertaking real estate development projects, by acquiring disused or abandoned properties for renovation and subsequent sale, potentially through partnerships with institutional investors.

Historical Revenues and EBITDA



Source: EnVent Research on Company data. Note: 2019-20 unconsolidated figures

Industry and Company drivers

- Building renovation is flourishing in Italy, driven by tax incentives and by EU M/L run energy efficiency targets.
- Italian real estate industry is seeing the development of new market niches as silver economy and student accommodation, with investors showing interest for sustainability
- Renovalo wide and integrated services portfolio, with a diversified customer base and focus on sustainability issues
- SOA certification
- Skilled workforce and industry expert top managers who are also Company shareholders

Challenges

- Tax benefits impact and regulatory changes
- Increasing competition
- New market segments: opportunities and risk

Project portfolio

	Private		PA		Corporate	
	#	€	#	€	#	€
Energy efficiency	21	€27.9m	1	€0.6m	-	-
Structural upgrades	2	€2.1m	1	€4.3m	2	€1.5m
Demolition and restoration	-	-	2	€6.1m	-	-
Maintenance	43	€13.9m	3	€0.6m	7	€2.0m
Restoration	2	€0.5m	1	€0.3m	-	-
Total	68	€44.4m	8	€11.9m	9	€3.6m

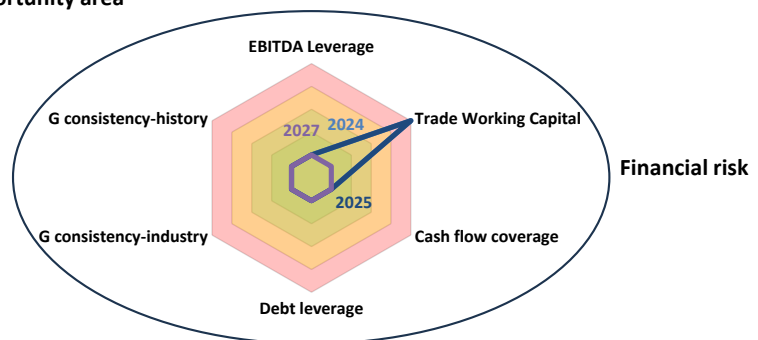
Source: Company data as of 24/03/2025

Risk/opportunity assessment

Financial risk: low

Ratios map

Opportunity area



Business risk

Source: Company data 2024, EnVent Research 2025E and 2027E

ESG

Overview and communication of the Company's sustainability strategy

Analysis and reporting

Sustainability reports and reporting standards	✓
Sustainability initiatives and memberships	✓
Benefit Company	✓
Sustainability risk management information	✓
Sustainability governance information	✓
Stakeholders and stakeholders dialogue	✓

Sustainability indices

Scope 1 emissions (direct emissions)	✓
Scope 2 emissions (indirect emissions)	✓

Environmental targets

Description of past target achievements	✓
Policies	✓

Source: Company data and Renovalo Sustainability report 2024

FY2024 Results

The regulatory overhaul introduced by Decree Law 39/2024 ("Decreto Giorgetti"), which marked the end of the Superbonus framework, impacted Renovalo's FY2024:

- Revenues: €33.6m vs €114.6m in FY2023
- EBITDA: €2.0m vs €28.2m in FY2023 with EBITDA margin at 5.9% from 25% in FY2023
- EBIT: €1.5m vs €26.6m in FY2023
- Net income: €0.6m from €18.0m
- Net Working Capital: €21.3m, from €34.9m due to the disposal of previously accrued tax credits
- Net Financial Position: cash positive at €12.5m (vs net debt of €5.0m in 2023) following the disposal of tax credit

Consolidated Profit and Loss

€m	2023	2024
Sales	123.8	26.9
WIP Changes	(10.0)	6.5
Other income	0.8	0.1
Total Revenues	114.6	33.6
YoY %	143.1%	-70.7%
Materials	(22.3)	(3.0)
Services	(50.1)	(16.1)
Personnel	(11.7)	(10.7)
Other operating costs	(2.3)	(1.7)
Operating costs	(86.4)	(31.6)
EBITDA	28.2	2.0
Margin	24.6%	5.9%
D&A	(1.6)	(0.5)
EBIT	26.6	1.5
Margin	23.2%	4.3%
Financial income/expenses	(1.0)	(0.7)
EBT	25.6	0.8
Margin	22.4%	2.3%
Income taxes	(7.7)	(0.2)
Net Income (Loss)	18.0	0.6
Margin	15.7%	1.8%

Source: Company data

Consolidated Balance Sheet

€m	2023	2024
WIP	1.9	9.0
Trade receivables	77.4	19.8
Trade payables	(26.7)	(5.8)
Trade Working Capital	52.6	23.0
Other assets (liabilities)	(16.5)	(7.4)
Net Working Capital	36.0	15.6
Intangible assets	0.3	0.5
Property, plant and equipment	3.1	3.8
Equity investments and financial assets	0.6	1.3
Non-current assets	4.0	5.6
Provisions	(1.5)	(0.5)
Net Invested Capital	38.6	20.7
Net Debt (Cash)	5.0	(12.5)
Equity	33.6	33.2
Sources	38.6	20.7

Consolidated Cash Flow

€m	2023	2024
EBIT	26.6	1.5
Current taxes	(7.7)	(0.2)
D&A	0.5	0.5
Provisions	0.9	(0.9)
Cash flow from P&L operations	20.3	0.9
Trade Working Capital	(38.8)	29.5
Other assets and liabilities	12.4	(9.1)
Operating cash flow before capex	(6.2)	21.3
Capex	(0.8)	(1.4)
Operating cash flow after working capital and capex	(7.0)	19.9
Interest	(1.0)	(0.7)
Equity investments and financial assets	(0.2)	(0.7)
Paid-in Capital	0.0	0.0
Net cash flow	(8.7)	17.5
Net (Debt) Cash - Beginning	3.6	(5.0)
Net (Debt) Cash - End	(5.0)	12.5
Change in Net (Debt) Cash	(8.7)	17.5

Source: Company data

Ratio analysis

	2023	2024
ROE	54%	2%
ROS (EBIT/Total Revenues)	23%	4%
DSO	224	196
DPO	117	86
TWC/Total Revenues	46%	69%
NWC/Total Revenues	31%	47%
Net Debt/EBITDA	0.2x	cash
Net Debt/Equity	0.1x	cash
Net Debt/(Net Debt+Equity)	0.1x	cash
Operating cash flow before capex/EBITDA	-22%	1077%

Business update

2025-26 backlog €60m

Renovalo backlog as of March 2025 was €60m, which will be executed along 2025-2026.

General Impianti acquisition

Renovalo in April 2025 completed the acquisition of a 60% stake in General Impianti, a company specializing in the design, construction, and maintenance of civil and industrial technological systems for both in-house projects and third party contracts. Its expertise spans HVAC systems, water treatment, renewable energy solutions, energy services, and construction works, with a strong focus on the public procurement sector nationwide.

Deal rationale

The acquisition fits with Renovalo's growth strategy, which focuses on expanding vertical competencies through the integration of specialized companies into the Group, enabling Renovalo to enhance its service offering, strengthen its market position, reinforcing its role as a one stop shop for construction and energy efficiency solutions.

Deal considerations

General Impianti deal consideration is Enterprise Value of €5m, implying an EV/EBITDA 2024 of 3.6x and EV/Sales 2024 of 0.5x.

General Impianti key financial indicators FY24:

- Revenues €9.8m, +33% YoY
- EBITDA €1.4m, +43% YoY
- Net income €1m, +100% YoY
- Net cash of €1.9m

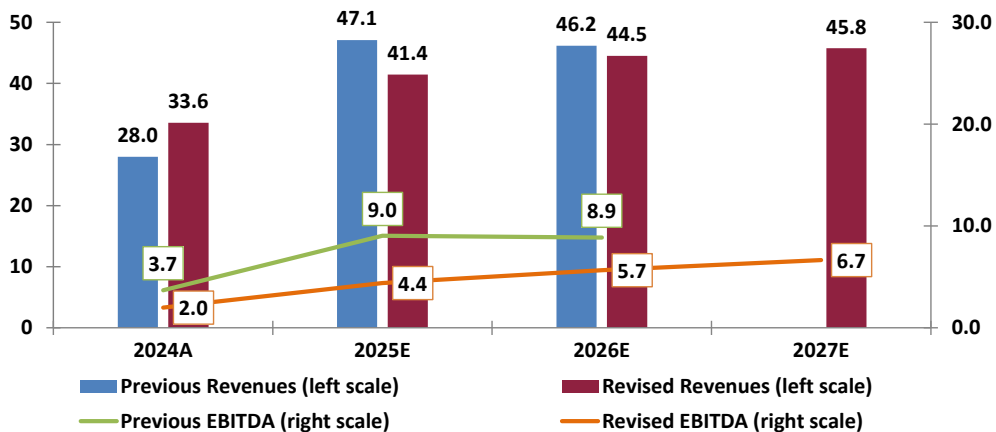
Estimates revision

Following the release of FY2024 results and the acquisition of a 60% stake in G.I. General Impianti, we have updated our financial estimates. We extended the forecast horizon to include 2027.

- Revenues: we revised our estimates for 2025–2026 to incorporate the contribution from General Impianti, consolidated from May 2025 (closing date: April 23, 2025). We assume a €5.7m contribution in 2025, reflecting seven months of consolidation, and approximately €10m annually from 2026 onward. This partially offsets the downward revision of Renovalo’s standalone revenue assumptions. Therefore, we now foresee FY25 revenues at €41.4 vs prior seen at €47.1m.
- EBITDA: FY25E at €4.4m to reach €6m at the end of FY27E with a margin of 10.6% in FY25E and 14.6% in FY27E
- Net income: €1.6m in FY25E to reach €3.5m
- NFP: also considering the cash out of €3.9m for General Impianti acquisition, we forecast a NFP at €13.5m of cash at the end of FY25E

Change in estimates

Previous vs Revised Revenues and EBITDA estimates (€m)



€m	Revised				Previous			Change %		
	2024A	2025E	2026E	2027E	2024E	2025E	2026E	2024A	2025E	2026E
Revenues	33.6	41.4	44.5	45.8	28.0	47.1	46.2	20%	-12%	-4%
EBITDA	2.0	4.4	5.7	6.7	3.7	9.0	8.9	-46%	-51%	-36%
<i>Margin</i>	6%	11%	13%	15%	20%	20%	21%			
EBIT	1.5	3.2	4.2	6.2	3.1	8.3	8.0	-53%	-62%	-48%
<i>Margin</i>	4%	8%	9%	14%	19%	19%	19%			
Net Income (Loss)	0.6	1.6	2.3	3.5	4.1	5.7	5.5	-85%	-71%	-57%
Net (Debt) Cash	12.5	13.5	15.8	16.7	16.3	19.1	25.2	-24%	-29%	-37%

Source: EnVent Research

Financial projections

Consolidated Profit and Loss

€m	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Sales + WIP change	2.7	4.0	21.0	47.1	113.8	33.4	41.4	44.5	45.8
Other income	0.1	0.1	0.3	0.1	0.8	0.1	0.0	0.0	0.0
Total Revenues	2.7	4.1	21.3	47.1	114.6	33.6	41.4	44.5	45.8
YoY %	n.a.	51.2%	416.1%	121.6%	143.1%	-70.7%	23.5%	7.4%	2.8%
Materials	(1.2)	(1.8)	(2.3)	(7.1)	(22.3)	(3.0)	(6.2)	(6.7)	(6.9)
Services	(0.4)	(0.6)	(9.5)	(21.5)	(50.1)	(16.1)	(18.2)	(19.1)	(19.2)
Personnel	(0.4)	(0.5)	(3.5)	(7.9)	(11.7)	(10.7)	(10.8)	(11.1)	(11.1)
Other operating costs	(0.4)	(0.6)	(0.9)	(0.9)	(2.3)	(1.7)	(1.8)	(1.9)	(1.9)
Operating costs	(2.4)	(3.6)	(16.2)	(37.4)	(86.4)	(31.6)	(37.0)	(38.8)	(39.1)
EBITDA	0.3	0.5	5.1	9.7	28.2	2.0	4.4	5.7	6.7
Margin	11.7%	13.3%	23.8%	20.6%	24.6%	5.9%	10.6%	12.7%	14.6%
D&A	(0.0)	(0.0)	(0.2)	(0.3)	(1.6)	(0.5)	(1.2)	(1.5)	(0.4)
EBIT	0.3	0.5	4.9	9.4	26.6	1.5	3.2	4.2	6.2
Margin	10.5%	12.3%	23.0%	20.0%	23.2%	4.3%	7.7%	9.4%	13.6%
Financial income/expenses	(0.1)	(0.1)	1.2	(0.1)	(1.0)	(0.7)	(0.4)	(0.4)	(0.4)
EBT	0.2	0.4	6.1	9.3	25.6	0.8	2.8	3.8	5.9
Margin	7.8%	10.5%	28.6%	19.8%	22.4%	2.3%	6.8%	8.6%	12.8%
Income taxes	(0.1)	(0.2)	(1.8)	(2.7)	(7.7)	(0.2)	(1.2)	(1.5)	(2.3)
Net Income (Loss)	0.1	0.2	4.3	6.6	18.0	0.6	1.6	2.3	3.5
Margin	3.9%	6.0%	20.1%	14.0%	15.7%	1.8%	3.9%	5.2%	7.7%

Source: EnVent Research on Company data for 2019-23A - EnVent Research for 2024E-26E

Note 1: 2019A-20A Renovalo S.p.A. unaudited and unconsolidated figures

Note 2: 2021A interest income/expense includes financial net income as to third parties tax debts/credits trading activity

Consolidated Balance Sheet

€m	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
WIP	0.0	0.0	0.5	12.0	1.9	9.0	8.9	8.7	9.0
Trade receivables (incl. tax benefits to be sold)	2.2	3.8	13.5	9.4	77.4	19.8	18.0	19.1	19.6
Trade payables	(0.5)	(1.3)	(4.3)	(7.6)	(26.7)	(5.8)	(6.9)	(7.2)	(7.2)
Trade Working Capital	1.7	2.5	9.6	13.7	52.6	23.0	20.0	20.6	21.3
Other assets (liabilities)	(0.5)	(1.0)	(9.5)	(4.1)	(16.5)	(7.4)	(7.4)	(7.4)	(6.4)
Net Working Capital	1.2	1.5	0.2	9.6	36.0	15.6	12.6	13.2	14.9
Intangible assets	0.0	0.0	0.0	0.1	0.3	0.5	3.5	3.2	3.2
Property, plant and equipment	0.1	0.1	2.1	2.9	3.1	3.8	4.0	4.1	5.1
Equity investments and financial assets	0.1	0.3	0.2	0.4	0.6	1.3	1.3	1.3	1.3
Non-current assets	0.2	0.4	2.4	3.5	4.0	5.6	8.9	8.7	9.6
Provisions	(0.1)	(0.1)	(0.3)	(0.6)	(1.5)	(0.5)	(0.5)	(0.6)	(0.6)
Net Invested Capital	1.3	1.8	2.3	12.5	38.6	20.7	20.9	21.3	23.9
Net Debt (Cash)	1.1	1.3	(2.1)	(3.6)	5.0	(12.5)	(13.5)	(15.8)	(16.7)
Equity	0.2	0.5	4.4	16.1	33.6	33.2	34.4	37.1	40.7
Sources	1.3	1.8	2.3	12.5	38.6	20.7	20.9	21.3	23.9

Source: Company data for 2019A-23A - EnVent Research for 2024E-26E

Note 1: 2019A-20A Renovalo S.p.A. unaudited and unconsolidated figures

Note 2: 2021A Other assets and liabilities also include third parties tax credits and debts regarding building renovation projects, which the Company could trade in order to exploit potential financial net income (no more after 2021 due to new regulatory framework)

Consolidated Cash Flow

€m	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
EBIT	0.3	0.5	4.9	9.4	26.6	1.5	3.2	4.2	6.2
Current taxes	(0.1)	(0.2)	(1.8)	(2.7)	(7.7)	(0.2)	(1.2)	(1.5)	(2.3)
D&A	0.0	0.0	0.2	0.3	0.5	0.5	1.2	1.5	0.4
Provisions	0.1	0.0	0.2	0.3	0.9	(0.9)	0.0	0.0	(0.0)
Cash flow from P&L operations	0.3	0.4	3.4	7.3	20.3	0.9	3.2	4.2	4.3
Trade Working Capital	(1.7)	(0.8)	(7.2)	(4.1)	(38.8)	29.5	3.0	(0.6)	(0.7)
Other assets and liabilities	0.5	0.4	8.5	(5.3)	12.4	(9.1)	0.0	(0.0)	(1.0)
Operating cash flow before capex	(0.9)	0.1	4.7	(2.1)	(6.2)	21.3	6.2	3.6	2.6
Capex	(0.1)	(0.1)	(2.2)	(1.2)	(0.8)	(1.4)	(1.7)	(1.3)	(1.3)
Operating cash flow after working capital and c	(1.0)	0.0	2.6	(3.3)	(7.0)	19.9	4.6	2.3	1.3
Interest	(0.1)	(0.1)	1.2	(0.1)	(1.0)	(0.7)	(0.4)	(0.4)	(0.4)
Equity investments and financial assets	(0.1)	(0.1)	0.0	(0.2)	(0.2)	(0.7)	0.0	0.0	0.0
Goodwill from M&A	0.0	0.0	0.0	0.0	0.0	0.0	(2.8)	0.0	0.0
Dividends and other equity changes	0.0	0.0	(0.3)	0.0	(0.5)	(1.0)	(0.4)	0.0	0.0
Net cash flow	(1.1)	(0.2)	3.4	1.5	(8.7)	17.5	1.0	2.4	0.9
(Net Debt)/Cash Beginning	0.0	(1.1)	(1.3)	2.1	3.6	(5.0)	12.5	13.5	15.8
(Net Debt)/Cash End	(1.1)	(1.3)	2.1	3.6	(5.0)	12.5	13.5	15.8	16.7
Change in (Net Debt)/Cash	(1.1)	(0.2)	3.4	1.5	(8.7)	17.5	1.0	2.4	0.9

Source: Company data for 2020A-23A - EnVent Research for 2024E-26E

Note 1: 2020A Renovalo S.p.A. unaudited and unconsolidated figures. As a consequence, 2021A figures are a proxy of consolidated cash flow

Ratio analysis

	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
ROE	46%	51%	97%	41%	54%	2%	5%	6%	9%
ROS (EBIT/Total Revenues)	11%	12%	23%	20%	23%	4%	8%	9%	14%
DSO	272	286	215	86	206	244	160	160	160
DPO	102	152	106	91	129	95	90	90	90
TWC/Total Revenues	63%	60%	45%	29%	46%	69%	48%	46%	47%
NWC/Total Revenues	43%	37%	1%	20%	31%	47%	30%	30%	33%
Net Debt/EBITDA	3.4x	2.3x	cash	cash	0.2x	cash	cash	cash	cash
Net Debt/Equity	4.7x	2.7x	cash	cash	0.1x	cash	cash	cash	cash
Net Debt/(Net Debt+Equity)	0.8x	0.7x	cash	cash	0.1x	cash	cash	cash	cash
Operating cash flow before capex/EBITDA	-271%	10%	94%	-22%	-22%	1077%	142%	64%	39%
Earnings per Share (€), basic	0.0	0.0	0.4	0.6	1.6	0.1	0.1	0.2	0.3

Source: Company data for 2019A-23A - EnVent Research for 2024E-26E

Note 1: 2019A- 2020A Renovalo S.p.A. unaudited and unconsolidated figures

Valuation

The valuation of Renovalo has been performed through:

- Discounted Cash Flows applied to our 2025-27E financial projections; and
- Market multiples

Discounted Cash Flows

Updated assumptions:

- Risk free rate: 3.6% (last 30 days avg. Source: Bloomberg, May 2025)
- Market return: 12.9% (last 30 days avg. Source: Bloomberg, May 2025)
- Market risk premium: 9.3%
- Beta: 0.8 (on the back of peer market data)
- Cost of equity: 11.1%
- Cost of debt: 5.0%
- Tax rate: 24% IRES
- 20% debt/(debt + equity) as target capital structure
- WACC calculated at 9.6%, according to above data

- Perpetual growth rate after explicit projections: 2%
- Terminal Value: considering: i) the intrinsic nature of Renovalo as a construction company; ii) its value strongly depending on revenues/backlog evolution starting from 2026E; and iii) the intrinsic sector risks regarding the expected long run profitability trends, we estimated terminal value according to a sensitivity analysis as to: a) EBITDA margin in the range 12.5%-17.5%; and b) time horizon between 10 years and perpetuity

DCF Valuation

€m	2023A	2024A	2025E	2026E	2027E	Perpetuity
Revenues	114.6	33.6	41.4	44.5	45.8	46.7
EBITDA	28.2	2.0	4.4	5.7	6.7	7.0
<i>Margin</i>	24.6%	5.9%	10.6%	12.7%	14.6%	15.0%
EBIT	26.6	1.5	3.2	4.2	6.2	6.6
<i>Margin</i>	23.2%	4.3%	7.7%	9.4%	13.6%	14.0%
Taxes	(7.7)	(0.4)	(0.9)	(1.2)	(1.8)	(1.9)
NOPAT	19.0	1.0	2.3	3.0	4.4	4.7
D&A	1.6	0.5	1.2	1.5	0.4	0.5
Provisions	0.9	(0.9)	0.0	0.0	(0.0)	0.0
Cash flow from operations	21.4	0.6	3.5	4.5	4.9	5.1
Trade Working Capital	(38.8)	29.5	3.0	(0.6)	(0.7)	(0.2)
Capex	(0.8)	(1.4)	(1.7)	(1.3)	(1.3)	(0.5)
Other assets and liabilities	12.4	(9.1)	0.0	(0.0)	(1.0)	0.0
Unlevered free cash flow			4.9	2.6	1.8	4.4
WACC	9.6%					
Long-term growth (G)	2.0%					
Discounted Cash Flows			4.4	2.2	1.4	3.4
Sum of Discounted Cash Flows	8.0					
Terminal Value			15y	10y		58.2
Discounted TV	44.2		32.2	26.0		
Enterprise Value	52.2		40.2	33.9		
Net (Debt) Cash as of 31/12/2024	12.5		12.5	12.5		
General Impianti disbursement	(3.9)		(3.9)	(3.9)		
Minorities as of 31/12/2024	(0.0)		(0.0)	(0.0)		
Equity Value	60.7		48.7	42.5		
Equity Value per share (€)	5.4		4.3	3.8		

DCF Valuation (€m) - Sensitivity Analysis				
		Long run EBITDA Margin		
		12.5%	15.0%	17.5%
Long run cash flow - Discounting years	10 years	37.6	42.5	47.3
	15 years	42.7	48.7	54.7
	Perpetuity	52.4	60.7	69.0

Source: EnVent Research

Market multiples

Selection remarks:

- Listed companies operating in the same target market often run several other businesses and offer additional services to their customers.
- Their sizes can vary significantly, and they can have different geographical footprints.
- The regulatory framework, through tax incentives, benefits some market

segments over others, significantly affecting the financial performance of companies.

- Since we could not find listed peers fully aligned with the Company's business model, size, and geographical reach we identified two distinct clusters:
 - **Cluster 1** - Players with: i) a business similar to Renovalo; and/or ii) more comparable players in the broader facility management services
 - **Cluster 2** - Italian listed companies that take advantage of tax benefits in some way related to energy efficiency and building renovation activities

Some peers may belong to both clusters based on their profile.

Company	EV/REVENUES			EV/EBITDA			EV/EBIT			P/E			
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E	
Cluster 1	ABM Industries	0.6x	0.6x	0.5x	9.7x	9.3x	8.7x	12.2x	11.3x	10.7x	13.7x	12.5x	11.7x
	Mears Group	0.5x	0.6x	0.6x	4.6x	4.8x	5.0x	9.7x	11.0x	11.6x	9.5x	10.9x	11.5x
	Gabetti Property Solutions	0.6x	0.5x	0.5x	5.8x	5.0x	4.6x	7.9x	7.0x	6.5x	9.1x	7.1x	6.5x
	EdiliziAcrobatica	0.5x	0.5x	0.4x	5.6x	4.6x	4.1x	13.7x	9.4x	6.8x	34.1x	14.0x	8.5x
	Abitare In	1.3x	1.3x	1.3x	5.0x	4.8x	4.2x	5.2x	5.0x	4.3x	3.3x	3.3x	2.7x
	Mean	0.7x	0.7x	0.7x	6.2x	5.7x	5.3x	9.7x	8.8x	8.0x	14.0x	9.6x	8.2x
Median	0.6x	0.6x	0.5x	5.6x	4.8x	4.6x	9.7x	9.4x	6.8x	9.5x	10.9x	8.5x	
Cluster 2	Gabetti Property Solutions	0.6x	0.5x	0.5x	5.8x	5.0x	4.6x	7.9x	7.0x	6.5x	9.1x	7.1x	6.5x
	Innovatec	0.3x	0.3x	0.2x	1.8x	1.5x	1.4x	3.9x	2.9x	2.8x	1.7x	1.1x	1.1x
	EdiliziAcrobatica	0.5x	0.5x	0.4x	5.6x	4.6x	4.1x	13.7x	9.4x	6.8x	34.1x	14.0x	8.5x
	Sciuker Frames	0.2x	0.2x	n.a.	1.2x	0.9x	n.a.	1.6x	1.2x	n.a.	1.7x	1.2x	n.a.
	Homizy	2.7x	9.1x	8.8x	36.3x	12.6x	11.8x	68.4x	19.2x	17.3x	neg	52.7x	30.9x
	Abitare In	1.3x	1.3x	1.3x	5.0x	4.8x	4.2x	5.2x	5.0x	4.3x	3.3x	3.3x	2.7x
Mean	0.9x	2.0x	2.2x	9.3x	4.9x	5.2x	16.8x	7.5x	7.5x	10.0x	13.2x	9.9x	
Median	0.5x	0.5x	0.5x	5.3x	4.7x	4.2x	6.5x	6.0x	6.5x	3.3x	5.2x	6.5x	
Combined Mean	0.8x	1.4x	1.5x	7.9x	5.3x	5.3x	13.6x	8.0x	7.8x	12.0x	11.6x	9.0x	
Combined Median	0.6x	0.5x	0.5x	5.6x	4.8x	4.4x	7.9x	7.0x	6.6x	9.1x	7.1x	7.5x	
Renovalo Current Price and Consensus estimates	0.2x	0.2x	0.2x	2.1x	1.6x	1.4x	2.9x	2.2x	1.5x	13.4x	9.3x	6.1x	

Source: EnVent Research on S&P Capital IQ, 29/05/2025

Multiples application

As a cross-checking methodology, we have applied consensus median multiples on our projected EBITDA, EBIT and net income for 2025-27E.

Multiples - Comparables		(€m)	Multiple	EV (€m)	Net (Debt)/Cash (€m) 31/12/24	General Impianti disbursement	Equity Value (€m)	
2025E	EBITDA	4.4	Median	5.6x	24.8	12.5	(3.9)	33.4
2026E	EBITDA	5.7	Median	4.8x	27.1	12.5	(3.9)	35.7
2027E	EBITDA	6.7	Median	4.4x	29.4	12.5	(3.9)	37.9
2025E	EBIT	3.2	Median	7.9x	24.9	12.5	(3.9)	33.5
2026E	EBIT	4.2	Median	7.0x	29.1	12.5	(3.9)	37.7
2027E	EBIT	6.2	Median	6.6x	41.4	12.5	(3.9)	49.9
2025E	Earnings	1.6	Median	9.1x				14.8
2026E	Earnings	2.3	Median	7.1x				16.6
2027E	Earnings	3.5	Median	7.5x				26.5

Source: EnVent Research

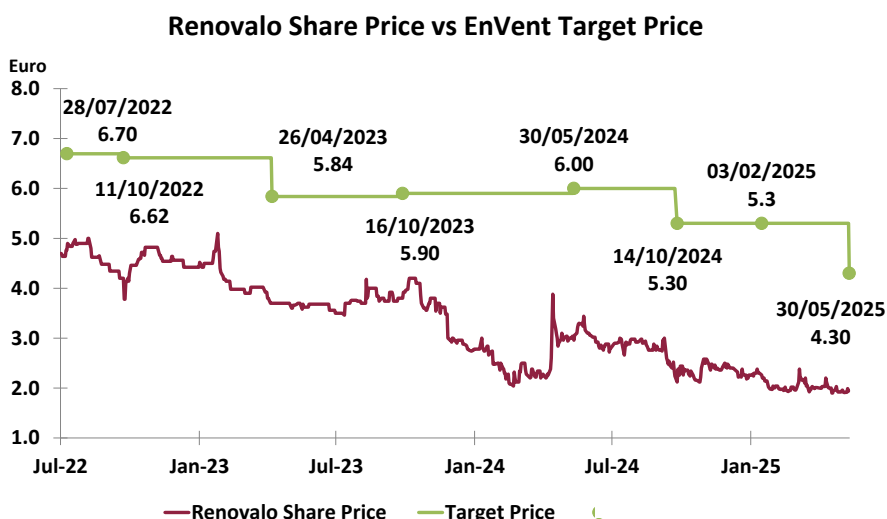
Target Price

We recall that our 15-year DCF analysis, based on the assumption of long-term operating profitability stabilizing at around a 15% EBITDA margin, remains the most reliable method for evaluating the Company's investment potential. We consider the central value within DCF sensitivity, close to €50m in equity value, as an appropriate benchmark for assessing the Company's investment case, resulting in target price of €4.30 per share, from €5.30, 122% potential upside on the current stock price. Thus, we confirm the OUTPERFORM rating.

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

Renovalo Price per share	€
Target Price	4.30
Current Share Price (29/05/2025)	1.94
Premium (Discount)	122%

Source: EnVent Research



Source: EnVent Research on S&P Capital IQ, 30/05/2025

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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 expected to have a downside within the reference market or industry, with a target price more than 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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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: 29/05/2025 h. 6.00pm

Date and time of Distribution: 30/05/2025 h. 6.25pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
28/07/2022	OUTPERFORM	6.70	4.76
11/10/2022	OUTPERFORM	6.62	4.20
26/04/2023	OUTPERFORM	5.84	3.70
16/10/2023	OUTPERFORM	5.90	3.80
30/05/2024	OUTPERFORM	6.00	3.00
14/10/2024	OUTPERFORM	5.30	2.12
03/02/2025	OUTPERFORM	5.30	2.30
30/05/2025	OUTPERFORM	4.30	1.94

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