ALTEA GREEN POWER

Earnings Review

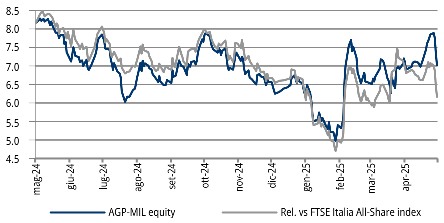
BUY ord. *(Unchanged)*

Target: **€ 9.80** *(prev.: €9.70)*

Risk: High

STOCKDATA			ORD
Price (as of 15 May 2025)			7.0
Bloomberg Code			AGP IM
Market Cap (€ mn)			128
Free Float			38%
Shares Out (mn)			18.2
52 week Range			€ 5.0 - 8.3
Daily Volume			116,604
Performance (%)	**1M**	**3M**	**1Y**
Absolute	-2.5	30.0	-14.4
Rel to FTSE Italia All-Share	-13.5	23.3	-24.9
MAIN METRICS	**2024**	**2025E**	**2026E**
SALES Adj	35.4	50.4	49.1
EBITDA Adj	21.9	30.0	28.8
EBIT Adj	21.7	30.0	28.8
NET INCOME Adj	16.1	21.1	20.3
EPS Adj - €c	90.4	116	111
DPS Ord - €c	0.0	0.0	0.0
MULTIPLES	**2024**	**2025E**	**2026E**
P/E ord Adj	7.1x	6.1x	6.3x
EV/EBITDA Adj	5.7x	4.2x	2.8x
EV/EBIT Adj	5.7x	4.2x	2.8x
REMUNERATION	**2024**	**2025E**	**2026E**
Div. Yield ord (A)	0.0%	0.0%	0.0%
FCF Yield Adj	-9.8%	4.4%	16.8%
INDEBTEDNESS	**2024**	**2025E**	**2026E**
NFP Adj	-7.4	-1.9	19.6
D/Ebitda Adj	0.3x	0.1x	n.m.

PRICE ORD LAST 365 DAYS



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CHARGING BATTERIES FOR THE 2H25

AGP delivered a positive 1Q25, slightly above expectations. The two main aspects are: 1) the advancement of the BESS pipeline inside the authorization process 1.6 GW vs. 1.4 GW of March 2025; 2) the good cash generation driven by milestone collections, which turned the NFP positive in the quarter. The decline in EBITDA (-32% YoY) was largely expected and we think this is not a sign of weakening of the business fundamentals but just a seasonality trend. Management confirmed the 2025E guidance and 2028E outlook. We revise 2025E estimates to the upper end of the range of FY25 guidance, confirming positive view on the stock and fine tuning the TP up to €9.8ps. AGP continues to trade on attractive multiples (2025 EV/EBITDA at 4x and 2025 P/E at 6x).

1Q25 well on track to deliver 2H targets

- **Revenues:** €7.1mn (-29% YoY) vs €6.4mn exp.
- **EBITDA:** €4.4mn (-32% YoY) vs €4.0mn exp. (62%in 1Q25 vs 65% in 1Q24);
- **Net Income**: €3.0mn (not reported in the 1Q24) vs €2.9mn exp.
- **NFP:** €0.3mn (vs €-7.4mn at the end of 2024) €-1.0mn exp.

1Q25 results are slightly above expectations in sales and margin, with 2025 guidance confirmed and now enjoying greater visibility. Revenues and EBITDA exceeded estimates by ~10%, while the YoY EBITDA decline (-32%) was anticipated due to an unfavorable comparison base. **Good cash generation led to an improvement in NFP, and margin remained solid at 62%. Progress was made on the 1.6 GW BESS pipeline into the authorization process. To reach the 2025 revenue target, we estimate that only 400–600 MW still need to be contracted (out of 3.5 GW pipeline available). This exceeds previous expectations and supports an upward revision of projected 2025 sales.**

Target 2025 and Outlook 2028 confirmed

For 2025, the company confirmed its **guidance with revenues expected between €46–51.5mn, broadly in line with Equita's estimate of €50.4mn**. EBITDA is seen at **€27–30.5mn (Equita: €30.0mn), implying an EBITDA margin (mid-point) of ~60% (vs. Equita's 59.5%). NFP 2025 is projected slightly negative at ~€-2.0mn, consistent with Equita's forecast of €-1.9mn.**

Looking ahead to 2028, revenue guidance remains at €60–73mn, with Equita at the lower end (€61.9mn). EBITDA is expected between €35–42mn (Equita: €36.9mn), with a margin >50% (Equita: 59%). NFP is forecast to turn positive, reaching ~€+57mn, in line with Equita's estimate of €+55mn.

The robust regulatory and industry support

The Iberian blackout on April 28th underscored the urgent need for grid flexibility, reinforcing the strategic value of BESS. Regulatory support remains strong in Italy, with two incentive schemes in place: **the Capacity Market and the upcoming MACSE**. In addition, top utilities in Europe and U.S. demonstrates more interest in this technology. **ENEL has ramped up, its installed BESS capacity (cumulated), from 214 MW (1Q24) to 1,174 MW (1Q25).** Moreover, **EDPR's CEO during the conference call cited the BESS as one of the most useful responses to the Iberian outage.**

Buy confirmed: EPS 2025E +8%, TP +1% to €9.8ps (from €9.7ps).

We have carried out an upward fine tuning for the BESS Co-development division, now positioning ourselves in the high end of the 2025 guidance (vs. previous estimates in the medium/low range) **while the 2026-2028 estimates remain unchanged**.

In terms of EPS, the increase amounted to approx. +8% in 2025E. Downstream of the **fine-tuning of estimates and model, we also revised the TP +1% to €9.8ps (from €9.7ps).** In light of the results and operational progress, we confirm our positive view on the stock, which continues to trade on attractive multiples **(2025 EV/EBITDA at 4x and 2025 P/E at 6x)**. In our view, 1Q25 is an encouraging sign that **AGP will achieve 2025 targets**.

MAIN FIGURES - €mn	2022	2023	2024	2025E	2026E	2027E
SALES Adj	16.8	16.3	35.4	50.4	49.1	51.2
Growth	n.a.	-3.1%	117.5%	42.3%	-2.4%	4.3%
EBITDA Adj	6.2	7.3	21.9	30.0	28.8	30.1
Growth	n.a.	17.4%	202.0%	36.7%	-3.8%	4.3%
EBIT Adj	6.1	7.1	21.7	30.0	28.8	29.8
Growth	n.a.	16.6%	206.2%	37.8%	-3.8%	3.5%
PBT Adj	6.0	6.9	21.3	29.5	28.4	29.4
Growth	n.a.	14.5%	210.0%	38.5%	-3.9%	3.5%
Net Income Adj	4.2	4.9	16.1	21.1	20.3	21.0
Growth	n.a.	18.1%	226.7%	31.5%	-3.9%	3.5%

MARGIN - %	2022	2023	2024	2025E	2026E	2027E
EBITDA Adj Margin	36.8%	44.6%	61.9%	59.5%	58.7%	58.7%
Ebit Adj margin	36.3%	43.7%	61.5%	59.5%	58.7%	58.2%
Pbt Adj margin	35.8%	42.2%	60.2%	58.6%	57.7%	57.3%
Net Income Adj margin	24.8%	30.3%	45.4%	42.0%	41.3%	41.0%

SHARE DATA	2022	2023	2024	2025E	2026E	2027E
EPS Adj - €c	24.1	28.4	90.4	116	111	115
Growth	n.a.	18.1%	218.2%	28.2%	-3.9%	3.5%
DPS ord(A) - €c	0.0	0.0	0.0	0.0	0.0	0.0
BVPS	0.7	1.0	1.9	3.1	4.2	5.3

VARIOUS	2022	2023	2024	2025E	2026E	2027E
Capital Employed	12.4	11.5	35.1	50.6	49.5	63.5
FCF	-7.3	4.3	-13.4	5.6	21.5	7.0
CAPEX	0.8	0.2	0.8	3.6	7.4	11.2
Working capital	11.2	19.9	42.6	54.5	46.0	49.0

INDEBTNESS	2022	2023	2024	2025E	2026E	2027E
Nfp Adj	-0.9	4.4	-7.4	-1.9	19.6	26.6
D/E Adj	0.07	n.m.	0.21	0.03	n.m.	n.m.
Debt / EBITDA Adj	0.1x	n.m.	0.3x	0.1x	n.m.	n.m.

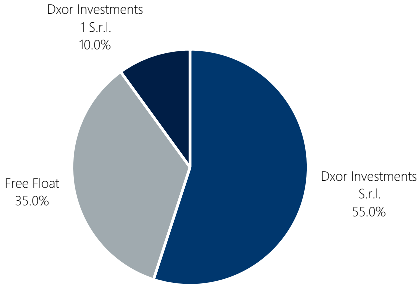
MARKET RATIOS	2022	2023	2024	2025E	2026E	2027E
P/E Ord Adj	9.0x	24.1x	7.1x	6.1x	6.3x	6.1x
PBV	3.4x	3.7x	3.9x	2.3x	1.7x	1.3x

EV FIGURES	2022	2023	2024	2025E	2026E	2027E
EV/Sales	2.3x	6.6x	3.5x	2.5x	1.7x	1.3x
EV/EBITDA Adj	6.4x	14.9x	5.7x	4.2x	2.8x	2.2x
EV/EBIT Adj	6.4x	15.2x	5.7x	4.2x	2.8x	2.3x
EV/CE	3.2x	9.4x	3.5x	2.5x	1.6x	1.1x

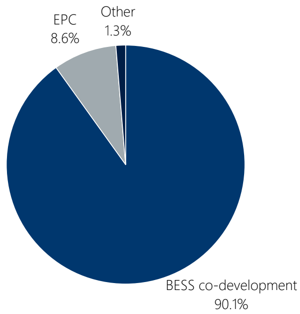
REMUNERATION	2022	2023	2024	2025E	2026E	2027E
Div. Yield ord	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield Adj	-18.5%	6.5%	-9.8%	4.4%	16.8%	5.5%
Roce Adj		43.0%	67.6%	50.7%	41.7%	38.3%

Source: Company data and Equita SIM estimates

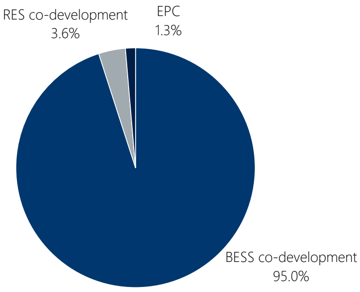
SHAREHOLDERS



REVENUES 2024E



EBITDA 2024E



BUSINESS DESCRIPTION

Altea Green Power (AGP) operates in the renewable energy sector, specializing in the co-development, construction, and management of photovoltaic plants, Battery Energy Storage Systems (BESS), and energy efficiency projects. With headquarters in Rivoli (Turin), Italy, AGP has established a good presence in Italy and the U.S., supported by partnerships with global energy leaders such as infrastructure fund.

■ Business Model

AGP operates through a diversified business model encompassing:

- **Co-development of renewable energy plants, focusing on Storage Solutions, PV and Wind**
- **EPC Services** (Engineering, Procurement, and Construction), offering **turnkey solutions for PV plants**
- **Proprietary Asset ownership**, targeting the operation of company-owned plants to ensure stable cash flow in the medium long term

AGP's current **pipeline includes 7 GW of renewable energy projects globally, including more than 5.5 GW in storage and 1.4 GW under development in the U.S.**

■ Main Strategy Guidelines

AGP's 2024-2028 Strategic Plan outlines:

- A targeted **increase in BESS capacity from 510 MW to 3.8 GW in Italy**
- Expansion in **the U.S. market, focusing on 1.4 GW of storage projects**
- **Investments of €42mn of Capex to scale proprietary PV assets to in the medium long term**
- Strengthening **partnerships to achieve construction approvals for 690 MW of photovoltaic projects by 2026**

HISTORICAL RESULTS (€mn)

	2021	2022	2023	2024
Revenues	6.2	16.7	17.3	35.4
Adj. EBITDA	2.1	6.1	7.3	21.9
Adj. Net Profit	1.2	4.2	4.9	16.1
NFP	-1.0	0.1	-4.4	-7.4

■ Market Drivers

Key factors influencing AGP's performance include:

BESS Market Growth: **Italy's BESS market is projected to grow at a CAGR of 9.3% by 2030, while the U.S. market is set for a 16.3% CAGR by 2029.**
Regulatory Support: Policies like the EU's "Fit-for-55" and **MACSE and Capacity Market in Italy promote renewable integration and storage development.**
Rising Demand for Grid Stability: **The increasing penetration of renewables drives demand for storage solutions.**

STRENGTHS / OPPORTUNITIES	WEAKNESSES /THREATS
- Market position: AGP is a player in BESS project development, with a 7 GW pipeline distributed across Italy and the USA (>5.5 GW in Italy, >1.4 GW in the USA). - Financial performance: 2024 revenue 2x vs. 2023 (€35.4mn) and the EBITDA growth of 202% vs 2023. - Expansion of the BESS market: CAGR 24-30 of 9.3% in Italy and 16.3% in the USA, driven by increasing demand for grid stability.	- Dependence on regulatory incentives: The business model is tied to mechanisms like MACSE and Capacity Market, with uncertainties beyond 2025. - Bureaucratic challenges: Complexity and delays in obtaining permits for new projects. - Regulatory risks: Uncertainty around the extension of incentives and the potential impact of less favourable U.S. renewable energy policies.

1Q25 RESULTS REVIEW

ALTEA GREEN POWER – FIRST QUARTER RESULTS (€mn)

		EXPECTED		REPORTED		Diff. vs Equita
	Q1-24	Q1-25E	YoY gr. %	Q1-25	YoY gr. %	Q1-25E
REVENUES	10.0	6.4	-36%	7.1	-29%	11%
Adjusted EBITDA	7.0	3.9	-40%	4.4	-32%	13%
Margin	65%	61%	-	62%	-	-
Adj. NET INCOME	N.A.	2.9	N.A.	3.0	N.A.	3%
Margin		45%	-	42%	-	-
NFP	-7.4*	-1.0	43%	0.3	N.A.	-
**end of FY24*						

Source: Equita SIM estimates and Company data

- **Revenues and EBITDA exceeded our estimates by approximately 11% and 13%, respectively. The YoY decline in EBITDA (-32%) was largely anticipated**, mainly due to the tough comparison with 1Q24, which had benefited from the final sale of 9 BESS projects concentrated in that quarter. By contrast, **the 1Q25 performance aligns with the different seasonality typical of the WIP business model.** We expect a stronger contribution in 3Q25 and 4Q25.

- **NFP showed a marked improvement compared to year-end 2024**, supported by the positive cash generation driven by milestone payments collected during the quarter, including a significant cash-in recovery from 4Q24.

- **Progress was made on the 1.6 GW into the authorization process** with the Ministry of the Environment (MASE). To reach the 2025 AGP target revenues, **we estimate that only 400–600 MW (out of 3.5 GW pipeline available) still need to be contracted. This exceeds previous expectations and supports an upward revision of projected 2025 sales**. To sum up, we remember that AGP initiated the permitting process for BESS storage projects totaling approximately 1.6 GW, which is expected by AGP to reach 2 GW by the end 1H25. This pipeline is in addition to the 1.6 GW of contracts already signed, of which 460 MW have obtained permits (Rondissone project for 250 MW and Genzano di Lucania for 200 MW).

- **Margins remained solid (62% in 1Q25 vs. 65% in 1Q24), sustained by the advancement of already contracted projects with predefined profitability levels.**

- We remind also that **The Lund Storage project in Texas (US), developed in partnership with Redelfi, is *not* included in our estimates and in the AGP outlook** but it is expected to be sold by the end of 2025 or the beginning of 2026. **The estimated cash-in is $5-7mn and it has to be considered above our estimates and AGP targets for 2025.**

- We expect to see the first progresses on the IPP pipeline (owned plants for the sale of energy) by the end of the year, with the first commissioning (COD) expected from 2027 (15 MW/year).

THE ROLE OF BESS IN MODERN ELECTRICITY SYSTEMS

■ The Iberian outage

On April 28, 2025, a large-scale blackout struck vast areas of the Iberian Peninsula. The incident—unprecedented in its scope for the region—has triggered deep reflection among policymakers, system operators, and energy experts. It has also reignited an increasingly urgent debate over the structural vulnerabilities of modern electricity systems in an era marked by high penetration of renewables.

The blackout did not occur in isolation. It was the result, **according to the preliminary findings,** of a convergence of systemic weaknesses:

- **Low Electricity Demand**: The event took place shortly before a national holiday (May 1st), with industrial activity already reduced. This led to unusually low system load across Spain and Portugal.
- **High Renewable Output**: Favorable wind conditions led to a surge in wind generation, with solar also contributing significantly. As a result, the conventional generation was displaced, reducing overall system inertia.
- **Full French Nuclear Availability**: Imports from France were stable due to full nuclear capacity. While beneficial for supply security, this reduced the need for local thermal generation, further weakening system robustness.
- **Preceding Voltage Oscillations**: Two major voltage oscillations were recorded approximately 30 minutes before the outage, suggesting a stressed grid and highlighting early signs of instability.

These elements, individually manageable, collectively undermined grid stability and created the conditions for cascading failures following the initial disconnections.

In this context, battery energy storage systems (BESS) emerge not as a complementary asset, but as a pillar for future-proofing the grid. BESS can react in milliseconds to grid imbalances**, granting high modulation to the system and virtual inertia**.

Contributions of BESS to Grid Stability:
- **Advanced BESS units can replicate the inertial response traditionally provided by synchronous machines**, delivering or absorbing power nearly instantaneously to counter frequency deviations.
- **Voltage Regulation.** Through reactive power management, batteries help maintain voltage stability.
- **Congestion Management and Flexibility.** By absorbing surplus renewable output during low-demand periods and injecting power during peaks, BESS can ease transmission bottlenecks, reducing curtailments, and supporting efficient grid operations.
- **Localized Resilience.** In distributed configurations, storage systems can deliver backup power to critical facilities—such as hospitals, data centers, or industrial zones—during outages.

As renewable penetration deepens, storage will be treated not as an ancillary service but as core infrastructure.

■ Enel's rapid Italian BESS expansion

According to Enel's operational data for 1Q25, the company has significantly ramped up - its installed BESS capacity from 214 MW (1Q24) to 1,174 MW (1Q25).
While Enel's development strategy focuses on self-owned assets—potentially competing with third-party developers like Altea Green Power in terms of site selection, though not in commercial project sales—this significant capacity expansion reflects a clear and growing strategic commitment to the sector.
It also reflects the early-stage nature of Italy's energy storage sector. **The national regulator has set a target of 71 GWh of installed capacity by 2030, of which only around 15 GWh had been achieved by the end of 2024. Bridging this gap will require significant acceleration.** Enel's active deployment contributes positively to market visibility and momentum.

■ EDP Renováveis: Storage as a strategic backbone

EDP Renováveis has emphasized the centrality of storage in its strategy. **During the company's latest earnings call, the CEO highlighted that roughly two-thirds of the 2 GW currently under construction for 2025 includes solar + storage projects, either as hybrid systems or in standalone configurations.**
The CEO explicitly referred to the Iberian blackout as a wake-up call, reinforcing the need for infrastructure capable of delivering flexibility and resilience. He stressed that storage assets, grid upgrades, and ancillary services (especially frequency control) must be prioritized.

The new proposed MACSE premium and the Capacity Market incentive

Electrochemical battery storage systems (BESS) in Italy can currently benefit from two distinct incentive mechanisms. **These are the Capacity Market and the newly introduced MACSE scheme.**

Through competitive auctions managed by Terna, generation assets, storage systems, and demand response units are awarded **multi-year contracts in exchange for their availability during peak demand periods or unexpected events. Winners receive a fixed annual payment per MW of committed capacity.** In recent auctions, payments have stood at around **46,000€/MW for existing capacity and 56,160€/MW** for newly authorized assets. In the most recent main auction, held in February 2025 for delivery in 2026, **battery storage systems played an increasingly prominent role: about 60% of the newly awarded capacity, totaling 140 MW, went to BESS. This level of reward associated with normal arbitrage of BESS plant** (capex of 240,000-250,000 €/MWh and opex for 4,000 €/MWh) **can bring to an unlevered IRR of 8-9%.**

The second mechanism is MACSE (Electric Storage Capacity Procurement Mechanism), a regulatory framework still under development, but which has recently taken a significant step forward.
In preparation for the first MACSE auction scheduled for 30 September 2025 (with first delivery 2028), ARERA has proposed -within the framework of a consultation paper- **a maximum premium of 32,000 €/MWh/year for battery storage systems** (the mechanism is designed as a reverse auction, so the operators can submit an offer at that price or lower). The premium has been calculated using an initial investment estimate of 241,000 €/MWh, for systems with a 4-hour discharge duration. ARERA has also estimated opex for 4,000 €/MWh/year. The system's useful life, aligned with the MACSE contract duration, has been set at 15 years.

In our view, securing a MACSE contract at maximum premium results in an unlevered IRR of mid-to-high single digits. In our opinion, this result remains below the returns achievable under the Capacity Market mechanism with normal arbitrage of the BESS plant.

For this reason, we believe operators will initially favor a business model based on the Capacity Market and standard energy arbitrage over MACSE. In any case, we expect only the most competitive BESS projects to secure MACSE contracts, as operators are likely to apply a rigorous selection process.

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CHANGE IN ESTIMATES

We have slightly **revised upward our estimates for the BESS Co-Development division, now positioning ourselves at the upper end of the 2025 guidance range (vs. mid-to-low range previously). This adjustment is driven by our estimate that only 400–600 MW** out of the 3.5 GW pipeline still need to be contracted to meet the 2025 target—above prior expectations and support higher projected sales. **The broader context in Italy remains positive, both from a regulatory and market perspective**, and the company's fundamentals and positioning continue to appear solid. Estimates for 2026–2028 remain unchanged.

As a result of the updated assumptions, the 2025E EPS increases by approximately +8%.

CHANGE IN ESTIMATES (€mn)

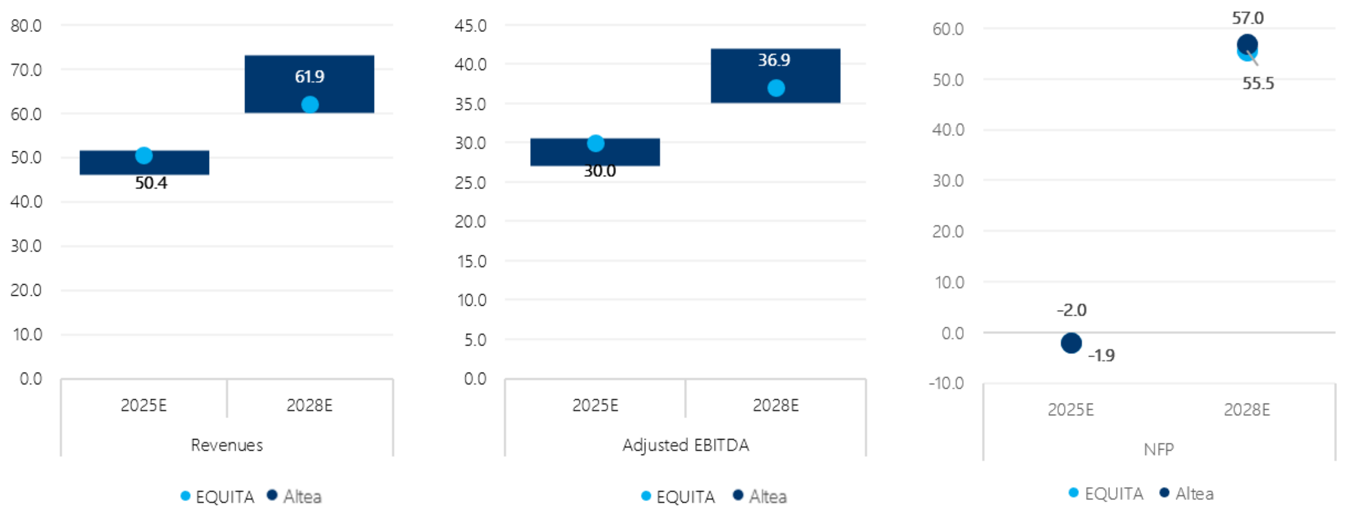
P&L	2023	2024	2025E previous	2025E current	2026E not changed	2027E not changed	2028E not changed	CAGR 2025-2028
codev-bess			43.2	46.2	44.6	45.7	54.1	
codev-res			0.6	0.6	0.5	0.1	0.0	
ipp			0.0	0.0	0.0	0.9	2.8	
epc			3.5	3.5	4.0	4.5	5.0	
other			0.0	0.0	0.0	0.0	0.0	
Revenues Reported- €mn	16.3	35.4	47.4	50.4	49.1	51.2	61.9	15%
codev-bess			27.2	29.3	28.2	28.8	34.1	
codev-res			0.3	0.3	0.2	0.1	0.0	
ipp			0.0	0.0	0.0	0.8	2.3	
epc			0.4	0.4	0.4	0.5	0.5	
other			0.0	0.0	0.0	0.0	0.0	
Ebitda Adjusted - €mn	7.3	21.9	27.9	30.0	28.8	30.1	36.9	14%
Ebit Adjusted - €mn	7.1	21.7	27.9	30.0	28.8	29.8	36.1	14%
Net Income adjusted - €mn	4.9	16.1	19.6	21.1	20.3	21.0	25.5	12%

BALANCE SHEET	2023	2024	2025E previous	2025E current	2026E not changed	2027E not changed	2028E not changed	CAGR 2025-2028
Property Plant & Equipment - €mn	1.0	1.7	5.2	5.2	12.6	23.6	36.6	115%
Working capital - €mn	19.9	42.6	53.1	54.5	46.0	49.0	32.6	-6%
Capital Employed - €mn	13.1	42.5	56.7	58.1	56.9	70.9	67.5	12%
Net financial position - €mn	4.4	-7.4	-2.0	-1.9	19.6	26.6	55.5	

Source: Equita SIM estimates and Company data

- **AGP Guidance 2025, Target 2028 and Equita estimates**

AGP TARGETS, GUIDANCE AND EQUITA ESTIMATES (€mn)



Source: Equita SIM estimates and Company data

- **Revenues**

For 2025E, **Equita estimates (€50.4mn) is in the highest part of the AGP's target**. By 2028E, **Equita forecasts are 61.9mn, positioning in the lower half of AGP's target range,** indicating a more cautious revenue outlook relative to the company's ambitions due to an expected higher competition environment.

- **Adjusted EBITDA**

In 2025E, Equita estimates (€30.0mn), aligning closer to the higher part of AGP's guidance. For 2028E, the estimate is €36.9mn, placing Equita in the bottom part of the company's target range, suggesting a prudent stance on margin expansion and operating leverage, in accordance with revenues

- **NFP**

For 2025E, both Equita and AGP project a slightly negative NFP (Equita: €-1.9mn vs AGP: €-2.0mn), showing consistency. By 2028E, Equita estimates a net cash position of €55.5mn, which is just below AGP's €57.0mn target, due to an aligned view on deleveraging and cash generation.

TARGET PRICE REVISED UP TO €9.8PS

Following these revisions to our estimates and valuation model, **we have raised our target price by 1%, from €9.7 to €9.8 per share.**

REFERENCE VALUATION (€mn)

VALUATION	EV	Criterias
CoDev BESS	157.1	DCF using positive inflows the milestone payments for each contract in the backlog and some of the pipelines (Implied 5.4x EV/EBITDA 2025E)
CoDev RES	1.8	
IPP	22.1	DCF using a business model plant by plant (Implied 10.0x EV/EBITDA 2028E)
EPC	4.7	c.a. 5.1x EV/EBITDA and x 7.3EV/SALES
CORE ENTERPRISE VALUE	185.8	
Net financial position 2024	-7.4	
EQUITY VALUE	178.4	
SHARE TARGET - €/ps	9.8	

Source: Equita SIM estimates

TP SENSITIVITY (€PS)

		Perceived price (Pz) of PV plant in (€/MWh)		
		70.0	80.0	90.0
WACC	9.9%	8.3	9.0	9.6
	8.9%	9.0	9.8	10.5
	7.9%	9.9	10.7	11.6

Source: Equita SIM estimates

STATEMENT OF RISKS FOR ALTEA GREEN POWER

The primary factors that could negatively impact the stock include:

- Negative changes in the renewable regulation at EU/Italian/US level;
- Delays in the permitting/authorization process of BESS/RES projects;
- Delays in executing BESS/RES projects;
- Delays in customers milestones payments and NWC dinamycs;
- Introduction of Flexible technologies that erode BESS margins and growth opportunities;
- New entrances of BESS developers;
- Significant increase in interests rates.

P&L - €mn	2022	2023	2024	2025E	2026E	2027E
SALES Rep	16.8	16.3	35.4	50.4	49.1	51.2
Growth	n.a.	-3.1%	117.5%	42.3%	-2.4%	4.3%
EBITDA Rep	6.2	7.3	21.9	30.0	28.8	30.1
Growth	n.a.	17.4%	202.0%	36.7%	-3.8%	4.3%
Margin	36.8%	44.6%	61.9%	59.5%	58.7%	58.7%
D&A	-0.1	-0.2	-0.2	0.0	0.0	-0.3
EBIT Rep	7.1	7.1	21.7	30.0	28.8	29.8
Growth	n.a.	0.0%	206.2%	37.8%	-3.8%	3.5%
Margin	42.3%	43.7%	61.5%	59.5%	58.7%	58.2%
Financial Expenses	-0.1	-0.2	-0.5	-0.5	-0.5	-0.5
PBT Rep	6.0	6.9	21.3	29.5	28.4	29.4
Growth	n.a.	14.5%	210.0%	38.5%	-3.9%	3.5%
Income Taxes	-1.8	-2.0	-5.1	-8.4	-8.1	-8.3
Tax rate	30.6%	28.4%	24.1%	28.4%	28.4%	28.4%
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Net Income Rep	4.2	4.9	16.1	21.1	20.3	21.0
Growth	n.a.	18.1%	226.7%	31.5%	-3.9%	3.5%
Margin	24.8%	30.3%	45.4%	42.0%	41.3%	41.0%
Net Income Adj	4.2	4.9	16.1	21.1	20.3	21.0
Growth	n.a.	18.1%	226.7%	31.5%	-3.9%	3.5%
Margin	24.8%	30.3%	45.4%	42.0%	41.3%	41.0%

CF Statement	2022	2023	2024	2025E	2026E	2027E
FFO	4.3	5.1	16.2	21.1	20.3	21.3
Chg. in Working Capital	11.2	8.7	22.7	11.9	-8.5	3.1
Other chg. in OCF	-22.0	-7.6	-45.6	-23.9	17.1	-6.1
NCF from Operations	-6.5	6.2	-6.7	9.1	28.9	18.2
CAPEX	-0.8	-0.2	-0.8	-3.6	-7.4	-11.2
Financial Investments	0.0	0.0	1.5	0.0	0.0	0.0
Other chg in investments	0.0	-1.7	-7.4	0.0	0.0	0.0
NCF from Investments	-0.8	-1.9	-6.7	-3.6	-7.4	-11.2
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Capital Increases	0.0	0.0	0.0	0.0	0.0	0.0
Other changes in financing	6.4	1.0	1.6	-0.2	0.0	0.0
NCF from Financing	6.4	1.0	1.6	-0.2	0.0	0.0
CHG IN NFP	-0.9	5.2	-11.7	5.4	21.5	7.0

Source: Company data and Equita SIM estimates

INFORMATION PURSUANT TO EU REGULATION 2016/958 supplementing Regulation EU 596/2014 (c.d. MAR)

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BUY	ETR >= 10%	ETR >= 15%	ETR >= 20%
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Date	Rec.	Target Price	Risk.	Comment
May 14, 2025	Buy	9.80	High	-
February 25, 2025	Buy	9.70	High	Initiation of coverage

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HOLD	42.3%	31.3%
REDUCE	0.7%	1.5%
NOT RATED	2.0%	3.0%

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