

ESI

Sector: Industrial

Ambitious BP targets after weak interim results

1H23 numbers (top line and profitability) and order intake came in weak due to lower volumes in EPC activity. However, 3Q23 awarded projects amount (c. Eu17mn) is encouraging, signalling a positive come back of volumes. The new 24-26 business plan foresees ambitious targets in our view (cumulated sales of Eu172.3mn and EBITDA of Eu13.8mn for the forecasted period), implying higher top-line and lower profitability compared to our previous FY24-25 estimates. As such, we substantially cut our FY23E figures (sales -42% and EBITDA now seen at breakeven from Eu2.5mn). We updated our FY24-25E figures (FY24/25E sales up 8/17% and EBITDA down 36/10%, respectively) recognising the new BP targets but assuming a more prudent approach to factor-in execution risk given group's unfavourable track-record. On the other hand, the delivery of the targets could bring in upside potential as well as tailwinds related to energy transition trend. We reiterate our BUY and cut our TP to Eu2.0/share (from Eu3.0).

- **Top-line dropped in 1H23.** Value of production dropped from Eu14.9mn to Eu9.9mn in 1H23, mainly due to lower business volumes. Three sizeable orders were completed in the first half for a total consideration of Eu12.6mn, which led to a reduction in work in progress and an increase in sales. The negative change in WIP for Eu2.8mn compared to Eu12.4mn positive in June 2022 is ascribable to the closure of a few works for Eu12.4mn and to increases in work on existing construction sites for Eu9.5mn, more than 90% related to EPC orders and the remainder to System integrator orders. Backlog as of 30th of June 2023 stood at Eu5.1mn.
- **EBITDA turned into negative territory due to lower volumes.** EBITDA fell to negative Eu1.1mn vs. Eu0.8mn positive in 1H22 because of lower volumes and higher costs on the back of 1) raw material inflation, 2) scarcity of a few components which contributed to rise costs for PV plants and 3) extra-costs recognised to sub-contractors. As a consequence, EBIT was negative for Eu1.3mn vs. Eu0.6mn positive in 1H22 and bottom line reached Eu1.1mn negative vs. Eu0.3mn positive in 1H22. NFP came in at Eu1.4mn debt and compares with Eu2.3m debt at end-22 (this figure has been restated by ESI vs. reported FY22 NFP) and it includes Eu1.2m proceeds from right issue.
- **New ambitious BP targets driven by business diversification.** The group announced the new 2024-26 business plan, which foresees to reach a FY26E top-line target of Eu69mn and EBITDA of Eu6mn (8.7% margin). According to the plan, ESI should generate cumulated revenues of Eu172.3mn (implying Eu103.3mn sales in 2024-25) with average first margin of 13.5% and EBITDA of Eu13.8mn in 2024-26 (Eu7.8mn in 2024-25). Net debt position should land in the region of Eu3.5mn in 2026. Main drivers are: 1) **EPC division** – estimated production of ca. 120MW (full EPC) in the forecasted period (2024-26), generating ca. Eu106.7mn sales; 2) **New Development & Construction division** (production and sale of PV plants) for 45MW projects, generating a total of Eu33.8mn sales and 3) **New B2B division** - the group expects to generate Eu31.9mn revenues during 2024-26, focusing on industrial clients, which aim to improve energy efficiencies. The plan pivots on revenues diversification from the core EPC business, adding B2B and Development & Construction activities, with the latter delivering attractive associated profitability but with higher NWC absorption.
- **We slash our FY23-25E, assuming a conservative view on the BP targets.** We considerably reduced our FY23E numbers (sales -42% and EBITDA at breakeven from Eu2.5mn) on the back of a weak set of 1H23 results with lower-than-expected backlog. However, we note that the group has awarded c. Eu17mn in PV projects in 3Q23, signalling a positive come back of volumes. On the back of the announced business plan, which foresees higher than expected top-line generation, but lower EBITDA vs our previous figures, we revised our FY24/25E sales (+8/+17%) and EBITDA (-36/-10%). Our new estimates imply a more prudent approach compared to company targets. This view is mainly given by the group's unfavourable track-record, which however could improve with tangible and consistent deliveries in the long run.
- **We confirm our BUY rating and cut our TP to Eu2.0/share (from Eu3.0).** We confirm our BUY rating and cut our TP from Eu3.0 to Eu2.0/share on the back of a substantial decrease in estimates and multiple de-rating. Our valuation is based on the avg. of Comal's multiples (avg. 24E-25E EV/EBITDA with a 15% discount) and DCF.

BUY

Unchanged

TP 2.0

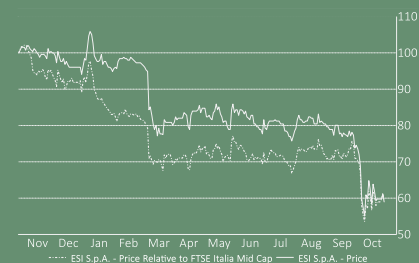
From 3.0

Target price upside: 32%

Change in EPS est.	FY22A	FY23E
	-61%	nm

Ticker (BBG, Reut)	ESI IM	ESI.MI
Share price Ord. (Eu)		1.5
N. of Ord. shares (mn)		7.8
Total N. of shares (mn)		6.9
Market cap (Eu mn)		12
Total Market Cap (EU mn)		12
Free Float Ord. (%)		34%
Free Float Ord. (Eu mn)		4
Daily AVG liquidity Ord. (Eu k)		28

	1M	3M	12M
Absolute Perf.	-21.7%	-20.6%	-38.4%
Rel.to FTSEMidCap	-18.2%	-9.8%	-37.5%
52 weeks range		1.4	2.7



	FY22A	FY23E	FY24E
Sales	31	21	40
EBITDA adj.	1.2	0.2	2.2
Net profit adj.	0.5	(0.2)	1.0
EPS adj.	0.08	(0.03)	0.13
DPS - Ord.	0.000	0.000	0.000
EV/EBITDA adj.	nm	6.5x	3.8x
P/E adj.	nm	11.4x	5.4x
Dividend yield	0.0%	0.0%	0.0%
FCF yield	-24.6%	-28.9%	-6.2%
Net debt/(Net cash)	(2.0)	(0.3)	3.0
Net debt/EBITDA	nm	nm	1.3x

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Financial Summary

P&L account (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Total Revenues	5.5	30.5	20.8	40.0	49.6
First margin	nm	nm	nm	nm	nm
EBITDA reported	0.1	1.2	0.2	2.2	4.0
D&A	0.0	(0.5)	(0.4)	(0.7)	(1.0)
EBIT reported	0.1	0.7	(0.2)	1.5	3.0
Net financial charges	(0.0)	(0.7)	(0.1)	(0.1)	(0.1)
Associates	0.0	0.0	0.0	0.0	0.0
Extraordinary items	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	0.0	0.0	(0.3)	1.4	2.9
Taxes	0.1	(0.2)	0.1	(0.4)	(0.8)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0
Net profit reported	0.1	(0.2)	(0.2)	1.0	2.1
EBITDA adjusted	0.1	1.2	0.2	2.2	4.0
EBIT adjusted	0.1	1.2	(0.2)	1.5	3.0
Net profit adjusted	0.1	0.5	(0.2)	1.0	2.1

Margins (%)	FY21A	FY22A	FY23E	FY24E	FY25E
First margin	nm	nm	nm	nm	nm
EBITDA margin	1.4%	4.0%	0.9%	5.5%	8.0%
EBITDA margin (adj)	1.4%	4.0%	0.9%	5.5%	8.0%
EBIT margin	1.4%	2.4%	-0.8%	3.7%	6.0%
EBIT margin (adj)	1.4%	4.0%	-0.8%	3.7%	6.0%
Net profit margin	2.1%	-0.7%	-0.9%	2.5%	4.2%
Net profit margin (adj)	2.1%	1.7%	-0.9%	2.5%	4.2%

Growth rates (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Sales	nm	nm	-31.9%	92.8%	23.9%
EBITDA	nm	nm	-83.9%	nm	78.7%
EBITDA adjusted	nm	nm	-83.9%	nm	78.7%
EBIT	nm	nm	nm	nm	102.8%
EBIT adjusted	nm	nm	nm	nm	102.8%
Pre-tax	nm	nm	nm	nm	110.2%
Net profit	nm	nm	nm	nm	110.2%
Net profit adjusted	nm	nm	nm	nm	110.2%

Per share data	FY21A	FY22A	FY23E	FY24E	FY25E
Shares	6.998	6.998	7.527	7.527	7.527
N. of shares AVG	6.998	6.998	7.263	7.527	7.527
N. of shares diluted AVG	6.934	6.934	7.345	7.757	7.757
EPS	0.016	(0.032)	(0.026)	0.132	0.277
EPS adjusted	0.016	0.075	(0.026)	0.132	0.277
DPS - Ord.	0.000	0.000	0.000	0.000	0.000
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	0.556	0.495	0.609	0.720	0.997

Enterprise value (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Share price Ord. (Eu)	2.9	1.5	1.5	1.5	1.5
Market cap	20.4	10.6	11.4	11.4	11.4
Net debt/(Net cash)	(1.0)	(2.0)	(0.3)	3.0	3.7
Adjustments	0.0	0.1	0.1	0.1	0.1
Enterprise value	19.4	8.7	11.1	14.4	15.2

Cash flow (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
EBITDA reported	0.1	1.2	0.2	2.2	4.0
Net financial charges	(0.0)	(0.7)	(0.1)	(0.1)	(0.1)
Cash taxes	(0.1)	(0.2)	0.1	(0.4)	(0.8)
Ch. in Working Capital	0.7	1.3	(2.6)	(4.7)	(3.4)
Other Op. items	0.0	0.1	(0.0)	0.1	0.0
Operating cash flow	0.6	1.7	(2.5)	(2.9)	(0.3)
Capex	(0.8)	(0.4)	(0.3)	(0.4)	(0.4)
FCF	(0.2)	1.3	(2.8)	(3.3)	(0.7)
Disposals/Acquisitions	(0.0)	0.0	0.0	0.0	0.0
Changes in Equity	0.2	(0.2)	1.2	0.0	0.0
Others	(1.4)	(0.1)	0.0	0.0	0.0
Dividends	(0.0)	0.0	0.0	0.0	0.0
Ch. in NFP	(1.4)	0.9	(1.6)	(3.3)	(0.7)

Ratios (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Capex/Sales	15.5%	1.4%	1.4%	0.9%	0.8%
Capex/D&A		0.8x	0.8x	0.5x	0.4x
FCF/EBITDA	-289.3%	102.4%	nm	nm	-17.8%
FCF/Net profit	-197.9%	-556.8%	nm	nm	-33.8%
Dividend pay-out	0.5%	0.0%	0.0%	0.0%	0.0%

Balance sheet (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Working capital	0.7	(0.7)	2.0	6.7	10.0
Fixed assets	2.2	2.3	2.2	1.8	1.3
Provisions & others	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)
Net capital employed	2.9	1.5	4.1	8.4	11.2
Net debt/(Net cash)	(1.0)	(2.0)	(0.3)	3.0	3.7
Equity	3.9	3.5	4.4	5.4	7.5
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Working capital/Sales	12.1%	-2.3%	9.4%	16.6%	20.2%
Net debt/Equity	nm	nm	nm	54.7%	48.9%
Net debt/EBITDA	nm	nm	nm	1.3x	0.9x

Valuation	FY21A	FY22A	FY23E	FY24E	FY25E
EV/CE	5.5x	2.7x	1.7x	1.3x	1.3x
P/BV		3.1x	2.6x	2.1x	1.5x
EV/Sales		0.3x	0.5x	0.4x	0.3x
EV/EBITDA		nm	nm	6.5x	3.8x
EV/EBITDA adjusted	nm	nm	nm	6.5x	3.8x
EV/EBIT		nm	nm	9.8x	5.1x
EV/EBIT adjusted	nm	nm	nm	9.8x	5.1x
P/E		nm	nm	11.4x	5.4x
P/E adjusted	nm	nm	nm	11.4x	5.4x
ROCE pre-tax		54.6%	nm	23.4%	30.3%
ROE	15.2%	nm	nm	18.3%	27.8%
EV/FCF		nm	nm	-4.4x	-21.5x
FCF yield	nm	-24.6%	-28.9%	-6.2%	-6.2%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%

Share price performance

Stock price at historic lows



Source: Factset

Valuation

A recent slight re-rating from the historic lows



Source: Factset

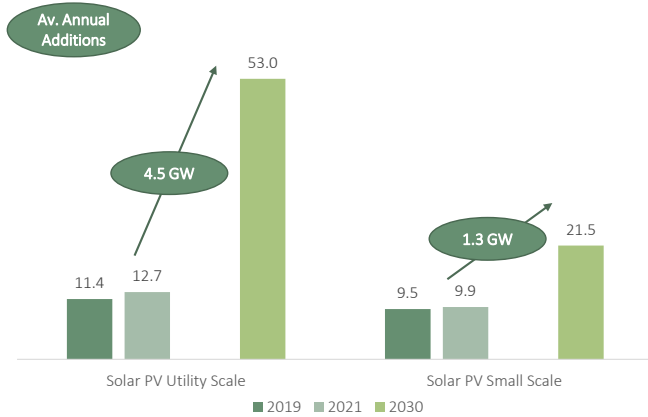
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Key Charts

Utility-scale Solar PV market

Ambitious targets should boost the solar PV utility scale market in Italy



Source: SNAM, Terna, GSE, Alantra

An established presence in EPC and System Integration

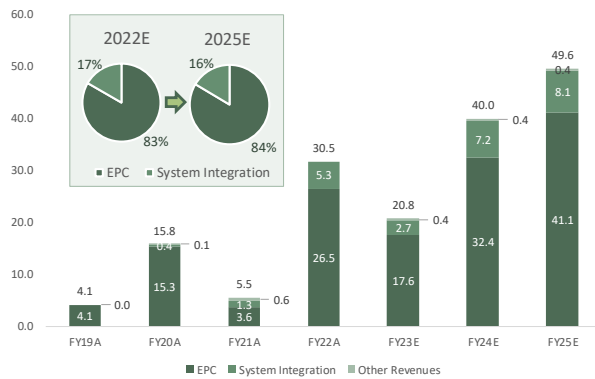
ESI has a substantial track record in both EPC and System Integration



Source: ESI, Alantra estimates

Evolution of Revenues

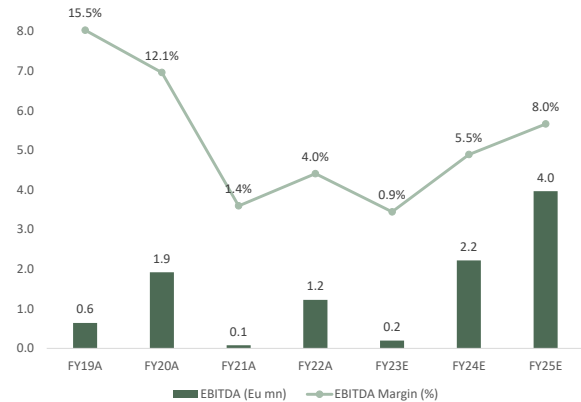
Revenues growth back on track from 2024



Source: ESI, Alantra

Evolution of EBITDA (Eu mn) and EBITDA margin (%)

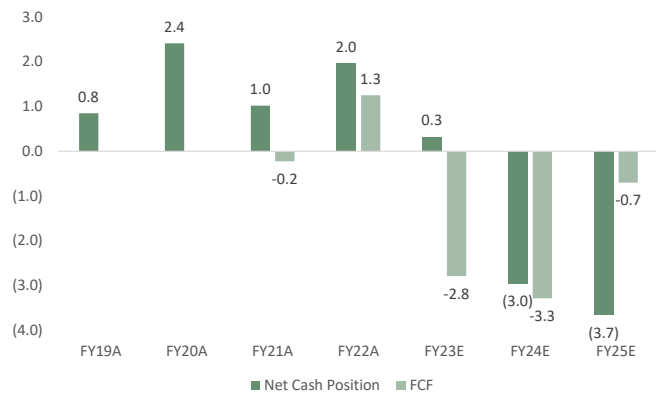
EBITDA margin to recover substantially as from 2024-25



Source: ESI, Alantra estimates

Evolution of FCF

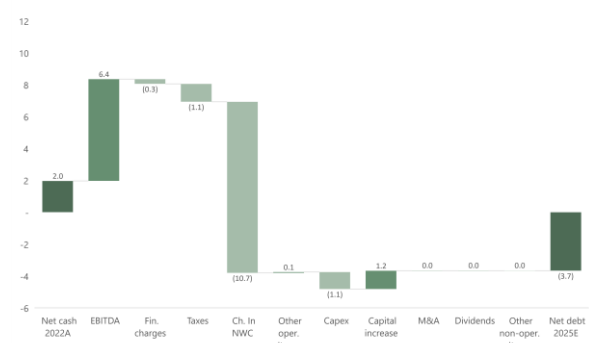
FCF should gradually improve from FY25E



Source: ESI, Alantra estimates

Evolution of net cash (Eu mn)

Development & Construction business should require higher NWC needs



Source: ESI, Alantra estimates

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Profile

Background

ESI (Energy System Integrator) is an EPC and electrification player acting in the growing PV market, both in Italy and internationally. The company was established in 2018 through the spin-off of the renewable business of Work System Srl (a company with a track record of 15+ years in the EPC and off-grid fields), with the objective to create a business focused on renewable energies. ESI mainly manages two business areas: (i) EPC (74% of 1H 2022 sales), where the company acts as a general contractor of utility-scale PV plants in developed countries (mostly Italy) with a portfolio of prestigious clients (utilities and specialised funds); (ii) System Integration (25%), which includes the development of PV and Hybrid off-grid plants for the electrification of remote areas, as well as the creation of energy storage systems. This division includes special electrification projects in geographies like Congo, Burundi, Uganda, Rwanda, Mozambique, Eritrea and Ethiopia, commissioned primarily by non-profit organizations, foundations, NGOs.

ESI has recently changed its main shareholder, with the acquisition of a 29.58% stake (at a price of Eu3.145/share) by Innovatec from Integra (the holding company 50-50 owned by the two founders), whose stake now stands at 26.18%. Innovatec should become an important industrial partner for ESI, through the origination of EPC contracts related to large industrial (>1MW) PV installations.

Positioning

In the EPC business, ESI boasts a proven track record and a substantial backlog (despite the weak order intake since Sept 2022, which negatively affected backlog at Dec 2022) that should trigger a strong expansion in the years ahead.

Furthermore, the company is also present in off-grid projects in remote areas, where few players are active in the geographies targeted by ESI (the company primarily competes with only 5 international players and other smaller regional players). ESI has substantial expertise and track record in the development of electrification projects, which make it a partner of choice for off-grid projects in remote areas. Furthermore, ESI has a proven business model that allows it to be extremely flexible (project-base employment, leveraging on local hiring) and work under difficult circumstances.

Growth

ESI is positioned to benefit from a booming market. On the back of the EU's objective of net-zero greenhouse gas emissions by 2050, Europe plans to increase its current solar PV capacity (209 GW in 2022) to 600 GW in 2030. Italian utility-scale PV capacity is expected to grow to 53 GW by 2030, with an avg. annual addition of ca. 4.5 GW. Least Developed Countries (LDCs) are dealing with a different topic: the lack of electricity. According to ESMAP and The World Bank, the mini-grid market foresees investments between USD62bn and USD98bn in the period 2021-2030 to electrify remote areas around the world.

After substantial up-and-downs in revenues in 2020 and 2021, the company is now running at full speed. In 1H 2022 ESI reported Eu14.9mn sales (versus Eu1.9mn in 1H21) with 5.3% EBITDA margin. However, limited order intake in 2H22 and the first months of 2023 shows possible signs of slowdown. With System Integration increasingly becoming more relevant, operational leverage and raw material costs normalization, Adj. EBITDA is expected to reach Eu4.4mn in FY25E (up from Eu1.2mn in 2022), with a margin of 10.3% (vs 4.0% in FY22).

Strategy

In EPC, ESI should concentrate mainly on two objectives: the expansion of the client base and the diversification of the target market. While the company is now working almost solely with 3 large clients (Enel Green Power, Edison and Tages) in the EPC business, ESI should intensify its commercial efforts to address new clients active in the development of PV plants, such as Iberdrola. At the same time, we believe that ESI should increase its exposure to large industrial PV EPC business (installations above 1MW), beginning to benefit from the recent agreement with Innovatec.

The group unveiled the 24-26 business plan which foresees to reach FY26E top-line target of Eu69mn and EBITDA of Eu6mn (8.7% margin). According to the plan, ESI should generate cumulated revenues of Eu172.3mn (implying Eu103.3mn sales in 2024-25) with average first margin of 13.5% and EBITDA of Eu13.8mn in 2024-26 (Eu7.8mn in 2024-25). Net debt position should land in the region of Eu3.5mn in 2026. Main drivers are: 1) Increase volumes in EPC; 2) New Development & Construction division (production and sale of PV plants) and 3) New B2B division.

Strengths

Strong track record with large clients on solar PV EPC business in Italy
Strong competitive positioning in mini-grid and off-grid in target markets
Diligent NWC management and conservative approach to new tenders

Weaknesses

Lack of leading positioning in the Italian EPC market
Strong concentration on few large clients/projects
Dependency on the expertise, knowledge and network of the two co-founders

Opportunities

Consolidating the system integration business in Africa
Expansion of the client base in Italian EPC targeting new large utilities
Expansion to large industrial solar PV EPC thanks to the partnership with Innovatec

Threats

Internalization of PV EPC practice from large utilities
Entrance of additional large EPC players in the mini-grid and off-grid market
Miss on delivery from the partnership with Innovatec

Key shareholders

Genkinn S.r.l. (Innovatec) - 32.45%
Integra S.r.l. - 25.67%
Exacto S.p.A. - 9.23%
Free Float - 32.65%

Management

Riccardo Di Pietrogiacomo, Co-Founder & Co-CEO
Stefano Plocco, Co-Founder & Co-CEO
Angelo Tremontozzi, CFO
Felice Egidi, Chairman

Next events

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1H23 results

1H23 results

Top-line dropped in 1H23 with EBITDA turned into negative territory due to lower volumes.

Eu mn	1H22A	1H23A	YoY %	2H22	2H23E	YoY %	FY22A	FY23E	YoY %
Value of Production	14.9	9.9	-33.2%	15.6	10.8	-30.7%	30.5	20.8	-31.9%
EBITDA	0.8	(1.1)	nm	0.4	1.3	nm	1.2	0.2	-83.9%
<i>Ebitda Margin %</i>	5.3%	-10.9%		2.8%	11.8%		4.0%	0.9%	
EBIT	0.6	(1.3)	nm	0.6	1.1	nm	1.2	(0.2)	nm
<i>Ebit Margin %</i>	4.3%	-12.7%		3.7%	10.1%		4.0%	-0.8%	
Pretax Profit	0.5	(1.4)	nm	(0.5)	1.1	nm	0.0	(0.3)	nm
<i>Pretax Margin %</i>	3.5%	-14.0%		-3.3%	10.4%		0.0%	-1.3%	
Net Profit	0.3	(1.1)	nm	(0.6)	0.9	nm	(0.2)	(0.2)	nm
<i>Net Profit Margin %</i>	2.3%	-10.9%		-3.6%	8.2%		-0.7%	-0.9%	
Restated Net Profit	0.3	(1.1)	nm	0.2	0.9	nm	0.5	(0.2)	nm
<i>Net Profit Margin %</i>	2.3%	-10.9%		1.2%	8.2%		1.7%	-0.9%	
NFP (debt)/cash	0.1	1.4	nm	2.3	0.3	-86.0%	2.3	0.3	-86.0%

Source: ESI, Alantra estimates

Change in estimates

New versus old estimates

Substantial cut in estimates across the board

(Eu mn)	NEW Estimates			% Change			OLD Estimates		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Total Revenues / Value of Production	20.4	39.6	49.2	-41.9%	8.2%	16.6%	35.0	36.6	42.2
EBITDA Adjusted	0.2	2.2	4.0	-92.2%	-35.9%	-9.7%	2.5	3.5	4.4
EBIT Adjusted	(0.2)	1.5	3.0	nm	-46.8%	-15.8%	1.9	2.8	3.6
Pretax Profit	(0.3)	1.4	2.9	nm	-48.5%	-16.2%	1.8	2.7	3.5
Net profit	(0.2)	1.0	2.1	nm	-48.5%	-16.2%	1.3	1.9	2.5
Net profit restated	(0.2)	1.0	2.1	nm	-48.5%	-16.2%	1.3	1.9	2.5
EPS	(0.025)	0.132	0.277	nm	-52.2%	-22.1%	0.187	0.276	0.356
Net financial position	0.3	(3.0)	(3.7)	-0.3	-5.3	-8.3	0.6	2.4	4.6

Source: Alantra estimates

Peers

Trading multiples – ESI versus selected peers

ESI is trading at a 25% premium on FY24E EV/EBITDA and -6% discount on FY25E vs Italian Solar PV EPC & development panel

Company	Country	Mkt Cap (Eu mn)	EV/EBITDA			EV/EBIT			PE			EV/Sales			
			FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	
ESI S.p.A.	ITALY	11	nm	6.5 x	3.8 x	nm	9.8 x	5.1 x	nm	11.4 x	5.4 x	0.5 x	0.4 x	0.3 x	
Premium (discount) to Peers' Median			nm	25%	-6%	nm	62%	15%	nm	24%	-26%	-16%	-33%	-31%	
PEERS			Average	5.5 x	4.4 x	3.5 x	6.7 x	5.2 x	4.2 x	10.0 x	8.4 x	7.8 x	1.7 x	1.3 x	0.8 x
			Median	6.1 x	5.2 x	4.1 x	8.0 x	6.0 x	4.4 x	11.3 x	9.2 x	7.4 x	0.6 x	0.5 x	0.4 x
Comal S.p.A.	ITALY	36	6.5 x	5.1 x	3.8 x	7.7 x	5.9 x	4.3 x	na	na	na	0.8 x	0.6 x	0.4 x	
Altea Green Power S.p.A.	ITALY	79	8.1 x	5.9 x	4.4 x	8.3 x	6.1 x	4.5 x	12.3 x	9.2 x	7.4 x	5.3 x	4.0 x	2.4 x	
Italian Solar PV EPC & Development			Average	7.3 x	5.5 x	4.1 x	8.0 x	6.0 x	4.4 x	12.3 x	9.2 x	7.4 x	3.0 x	2.3 x	1.4 x
			Median	7.3 x	5.5 x	4.1 x	8.0 x	6.0 x	4.4 x	12.3 x	9.2 x	7.4 x	3.0 x	2.3 x	1.4 x
Tecnicas Reunidas SA	SPAIN	656	1.9 x	1.2 x	1.2 x	2.2 x	1.4 x	1.4 x	6.5 x	6.2 x	7.1 x	0.1 x	0.1 x	0.1 x	
Elecnor S.A.	SPAIN	1,362	5.7 x	5.3 x	4.6 x	8.7 x	7.4 x	6.6 x	11.3 x	9.8 x	8.9 x	0.5 x	0.5 x	0.5 x	
Diversified EPC Contractors			Average	3.8 x	3.2 x	2.9 x	5.4 x	4.4 x	4.0 x	8.9 x	8.0 x	8.0 x	0.3 x	0.3 x	0.3 x
			Median	3.8 x	3.2 x	2.9 x	5.4 x	4.4 x	4.0 x	8.9 x	8.0 x	8.0 x	0.3 x	0.3 x	0.3 x

Source: Factset, Alantra

Financials – ESI versus selected peers

ESI should exhibit higher growth rates vs peers

Company	Country	Mkt Cap (Eu mn)	FY23E - FY25E average margins					CAGR FY22A - FY25E				
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	Net profit	
ESI S.p.A.	ITALY	11	4.8%	3.0%	1.9%	1.0%	0.0%	17.6%	48.1%	61.0%	nm	
PEERS			Average	21.9%	20.2%	13.6%	2.7%	22.4%	22.6%	37.1%	60.1%	nm
			Median	10.4%	8.2%	4.8%	3.1%	33.3%	15.7%	31.9%	35.0%	nm
Comal S.p.A.	ITALY	36	11.4%	9.8%	6.1%	2.2%	na	28.3%	23.5%	29.9%	na	
Altea Green Power S.p.A.	ITALY	79	62.4%	60.5%	42.9%	4.4%	33.3%	59.5%	40.4%	40.1%	na	
Italian Solar PV EPC & Development			Average	36.9%	35.2%	24.5%	3.3%	na	43.9%	31.9%	35.0%	na
			Median	36.9%	35.2%	24.5%	3.3%	na	43.9%	31.9%	35.0%	na
Tecnicas Reunidas SA	SPAIN	656	4.6%	3.8%	2.1%	0.3%	0.0%	-0.6%	74.8%	160.8%	-220.4%	
Elecnor S.A.	SPAIN	1,362	9.4%	6.5%	3.5%	4.1%	34.0%	3.0%	9.7%	9.7%	13.1%	
Diversified EPC Contractors			Average	7.0%	5.2%	2.8%	2.2%	17.0%	1.2%	42.3%	85.2%	na
			Median	7.0%	5.2%	2.8%	2.2%	17.0%	1.2%	42.3%	85.2%	na

Source: Factset, Alantra

Performance – ESI versus selected peers

Performance is well below peers in the last year

Company	Country	Mkt Cap (Eu mn)	Performance							
			1M	3M	6M	1YR	3YR	5YR	YTD	
ESI S.p.A.	ITALY	12	-21.7%	-20.6%	-28.5%	-38.4%	-40.4%	na	0.0%	
PEERS			Average	2.1%	3.5%	11.9%	49.2%	44.6%	-9.2%	45.5%
			Median	0.0%	3.0%	13.4%	44.9%	44.6%	-9.2%	31.9%
Comal S.p.A.	ITALY	36	-5.7%	-12.5%	-10.0%	8.2%	na	na	16.2%	
Altea Green Power S.p.A.	ITALY	79	17.7%	20.4%	28.5%	98.8%	na	na	120.3%	
Italian Solar PV EPC & Developmen			Average	6.0%	4.0%	9.2%	53.5%	na	na	68.3%
			Median	6.0%	4.0%	9.2%	53.5%	na	na	68.3%
Tecnicas Reunidas SA	SPAIN	656	-9.4%	-5.7%	-1.7%	32.4%	19.1%	-60.6%	-2.2%	
Elecnor S.A.	SPAIN	1,362	5.7%	11.8%	31.0%	57.4%	70.1%	42.3%	47.6%	
Diversified EPC Contractors			Average	-1.8%	3.0%	14.6%	44.9%	44.6%	-9.2%	22.7%
			Median	-1.8%	3.0%	14.6%	44.9%	44.6%	-9.2%	22.7%

Source: Factset, Alantra

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