



**New industrial plan presented, after results at 1H 2022**

**Sector: Commercial Services**

**1H2022 results only a “starting point” to continue the development of projects belonging to the three business units.** The first half of 2022 represented an important moment from an operational point of view for Redelfi: the achievement of positive EBITDA and industrial breakeven characterize the starting point for the realization of the Group’s path.

VoP amounted to Euro 1.28 m., of which Euro 0.94 m was attributable to the three business units Green, MarTech and Greentech and Euro 0.34 m from the management activities of the head company Redelfi; specifically, the MarTech BU contributed 71% of VoP, while Green and GreenTech Bus accounted for 2.4% of the total amount considered.

EBITDA came in at Euro 0.026 m. with EBITDA margin of 2%; after D&A and provisions of Euro 0.2 m., EBIT is negative for Euro -0.2 m. Consolidated Net Income stood at Euro -0.8 m, after financial charges of Euro 0.06 m (Group net income of Euro -0.85 m.); on the balance sheet side, NFP is cash positive and amounted to Euro 1.3 m., while as of FY21 totaled Euro 0.1 m., also cash positive. The change is mainly attributable to the receipt of proceeds from the IPO.

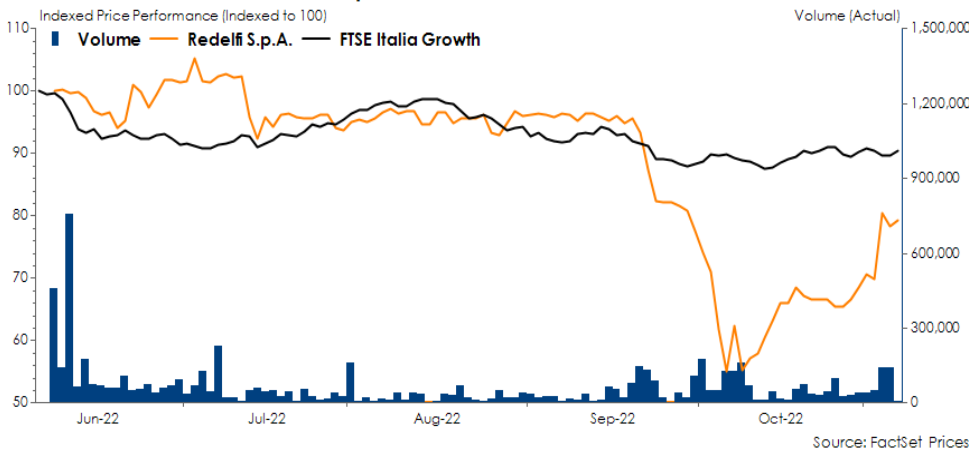
Equity sums to Euro 8 m as of 1H2022 vs. Euro 5.6 m. as of FY21, mainly due to the listing on EGM on 6<sup>th</sup> June 2022.

**Evolution of management’s strategies and new industrial plan released.** The evolution of management cannot ignore the complex international geopolitical situation, which could cause the returns on some investments in the MarTech sector to slip but could prove equally favorable for the acceleration of development in the Green sector. Specifically, the Group is expected to significantly develop in the U.S. market through projects in the BESS (Battery Energy Storage System) area in the United States related to the sale and licensing to institutional investors, as well as the implementation of RECs (Renewable Energy Communities) in Italy. The business plan envisages the development of authorizations for a pipeline of projects for about 1.4 GigaWatts of power in 4 years, for a total amount of the Group’s investments in 2023 of Euro 2.6 m. Notably in the U.S., BESS is expected to grow significantly due to the Inflation Reduction Act (IRA) passed by Government Biden in August 2022, which provides for Usd 128 b. in investment earmarked for renewable energy and related storage: Redelfi, in the role of investor and operator manager, will support the construction of the photovoltaic plants serving the RECs with a total investment of about Euro 5.5 m. by 2024. The Martech BU plans to consolidate its IT consulting business, develop and launch two products: Jarions (aggregator of social content in a single platform dedicated to business flow management) and Adest (dynamic product placement platform using Augmented Reality for brand and product positioning). The Group conservatively expects the first revenues to be consolidated, after a Beta test period, around the second half of 2024 and the first half of 2025, respectively.

Finally, the GreenTech BU plans to develop the FinTech project GreenQuest, which aims to convey capital for reforestation by issuing cryptocurrency. According to business plan forecasts, first revenues are expected in Q4 2023.

**Estimate revision and valuation.** Based on our updated estimates and peers’ multiple re-rating since our last update in July 2022, before the new industrial plan, we set a new target price of Euro 3.90 p.s. providing for an upside on current stock price of 291%. Our valuation was obtained by weighting equally the DCF and the multiple comparison analysis. At our target price the stock would be trading at FY22E/23E EV/SALES multiples of 9.8x and 4.6x.

**Redelfi S.p.A. vs. FTSE Italia Growth Index**



**Target Price 3.90**

Price (€ m) **1.00**

Market Cap (€ m) **8.41**

EV (€ m) **8.52**

*As of 16<sup>th</sup> November 2022*

**Share Data**

Market	Euronext Growth Milan
Reuters/Bloomberg	RDF.MI/RDF:IM
ISIN	IT0005496101
N. of Shares	8.440.080
Free Float	30.29%
Chairman	Davide Sommariva

**Financials**

	2022E	2023E	2024E	2025E
<b>Sales</b>	<b>3.6</b>	<b>8.5</b>	<b>12.4</b>	<b>24.4</b>
YoY %	209%	135%	46%	96%
<b>EBITDA</b>	<b>0.5</b>	<b>1.3</b>	<b>2.9</b>	<b>8.6</b>
EBITDA %	14%	15%	23%	35%
<b>EBIT</b>	<b>0.1</b>	<b>0.6</b>	<b>1.6</b>	<b>7.2</b>
EBIT %	2%	7%	13%	30%
<b>Net Income</b>	<b>(0.6)</b>	<b>0.1</b>	<b>1.1</b>	<b>5.8</b>
<b>Net Debt</b>	<b>2.5</b>	<b>6.5</b>	<b>2.4</b>	<b>(4.4)</b>

**Performance**

	1M	3M	6M
Absolute %	26.3	-19.0	-21.2
Relative (FTSE Italia Growth)	23.7	-12.8	-13.9
52-week High/Low (Eu)	1.37	/	0.67

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