



Guidance fully excelled in FY22, with triple digit increase on all operational KPIs

Sector: Business Services

FY2022 results above industrial plan and expectations. Redelfi Spa, management company committed to digital and green transition through three transversal and synergic business units (Green, MarTech and Green Tech), posted a positive set of FY22 results, largely above their guidance and our estimates.

Total Revenues (VoP) amounted to Euro 4.1 m., showing a significant growth (+346%) compared to FY21 (Euro 0.9 m), mainly thanks to the higher contribution of the MarTech Business Unit, which generated higher than expected revenues by approximately Euro 0.4 m.

EBITDA came in at Euro 1.3 m., with EBITDA margin up sharply from FY21 and amounted to 31% (+243% vs. FY21): this figure is significantly higher than expectations, mainly due to a delay in the acquisition of the first project for the development of a BESS plant on the U.S. market (Lund Storage Center LLC), resulting in cost savings of around Euro 0.4 m.

Consolidated Net Income stood at Euro -0.14 m, after financial charges of Euro 0.1 m (Group net income of Euro 0.26 m.); on the balance sheet side, NFP amounted to Euro 0.6 m., while as of FY21 totaled Euro 0.1 m., cash positive. The change is mainly attributable to the anticipation of the BESS Power Corp. investment at the end of 2022.

Evolution of Green and MarTech BUs. The Business Unit Green, in its application of the BESS business model, will be the driving force of Redelfi: the Group, during fiscal year 2023, will work in the U.S. market to develop projects already in pipeline, which are currently included in three specific special purpose vehicles named Plomosa Storage Center LLC, Stantonville Storage Center LLC and Lund Storage Center 1 LLC, respectively, for a total of 800 MW of development.

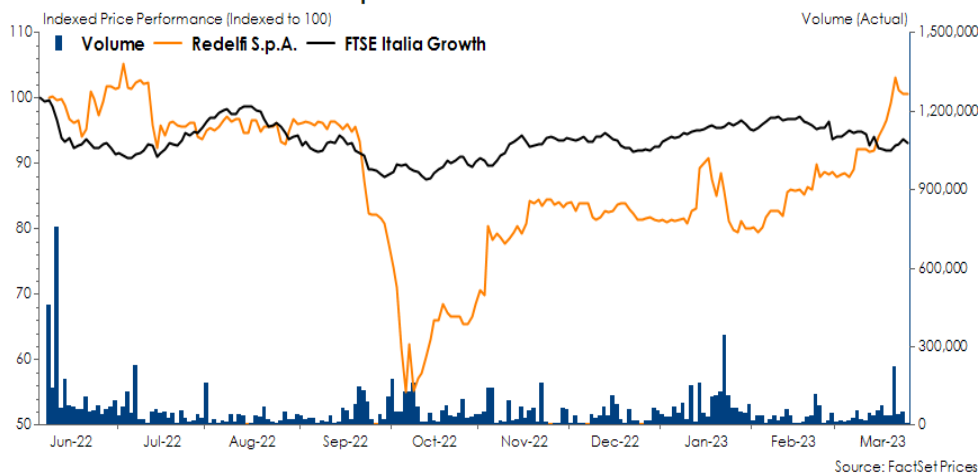
Such a pipeline, by size and variety of development stage (early stage the first two, generated in-house, slightly later the one acquired) demonstrates the potential to be presented to possible investors interested in acquiring such projects.

Furthermore, the Group does not rule out the use of alternative forms of financing (bank loans and/or minibonds) aimed expressly at the development of the Green Business Unit.

The Business Unit MarTech, as of today, does not experience any slowdown in consulting demand to third parties (regarding Big Data, AI); with reference to the subsidiaries Jarions S.r.l. and Adest S.r.l., it should be noted that they are proceeding with the development of their namesake products. Further partnerships or acquisitions will be evaluated during fiscal year 2023.

Estimate revision and valuation. Given the above and on the back of FY22 results, we substantially confirmed our estimates and based on our multiple re-rating, since our last update in November 2022, we set a new target price of Euro 4.30 p.s. providing for an upside on current stock price of 249%. 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 9.3x and 4.7x.

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



Target Price 4.30 (3.90 pr.)

Price (€ m) **1.23**

Market Cap (€ m) **10.40**

EV (€ m) **11.03**

As of 31st March 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

	2022A	2023E	2024E	2025E
Sales	4.0	8.5	12.4	24.4
YoY %	352%	135%	46%	96%
EBITDA	1.3	1.3	2.9	8.6
EBITDA %	31%	15%	23%	35%
EBIT	0.7	0.6	1.6	7.2
EBIT %	18%	7%	13%	30%
Net Income	(0.1)	0.3	1.2	5.5
Net Debt	0.6	3.4	3.1	(3.3)

Performance

	1M	3M	6M
Absolute %	15.8	26.5	32.5
Relative (FTSE Italia Growth)	15.6	24.7	24.5
52-week High/Low (Eu)	1.37	/	0.67

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