

ATON GREEN STORAGE

Sector: Industrial

An unexpectedly strong 2H

Once again ATON delivered an exceptional top and bottom lines, beating P&L estimates across the board, while growing at high-double-digit rates. By contrast, new debt came out above expectations, due to absorption of NWC. As a major player in the Italian energy transition panorama, thanks to its all-in-one custom-made storage systems (we est. ca. 15% share), the group has been strongly positively affected by fiscal incentives (i.e. Bonus 110 and Sconto in Fattura), which are now entering a phase-out period. However, we believe that ambitious targets in Italy and in the EU should trigger further growth in the years ahead. On the back of the FY22 solid performance, we increase our estimates, assuming a flattish growth in 22 and a return to double-digit in 24. We confirm our BUY rating and raise our TP to Eu10.9, from Eu9.4.

- High double-digit growth with strong top line beat.** ATON reported a strong top line beat in 2H22, delivering Eu25.6mn net sales (up 72% yoy and 43% above estimates) and totalling Eu50.7mn for the full year (+122% yoy and 18% above estimates). The increase in 2H was led by the Storage and Energy Efficiency divisions, which reported revenues of Eu22mn (up 63% yoy) and Eu3.0mn (up 729% yoy) respectively, while the Industrial one (small size and non-core) experienced decreasing sales (Eu0.4mn, down 56% yoy). We believe that the substantial expansion of the former 2 divisions was driven by a solid demand for PV systems in Italy, which require substantial investments in storage capacity to be effective. According to the Osservatorio FER, the installed PV capacity with installations below 10kW in 9M22 (ca. 600MW) grew above 120% yoy, prompted by the ongoing energy transition and the fiscal incentives. Domestic revenues in Italy landed at Eu24.4mn in 2H (+68% yoy) while international sales grew substantially, despite still remaining marginal in % of sales (Eu1.2mn, + 274% yoy).
- EBITDA above estimates with margins slightly decreasing yoy. NFP impacted by NWC needs.** ATON has reported an extremely solid EBITDA growth in 2H22, at 66% yoy, reaching Eu5.2mn (+47% vs estimates) and 18.9% margin (normalizing from the 19.7% experienced in 2H21). In FY22, the group delivered an EBITDA of Eu11.3mn (+140% yoy and 17% above estimates) with margin of 20.2% (vs 19.5% in FY21). Despite the slight decrease in margin in 2H, ATON managed to implement efficiency-enhancing measures on logistics and production (with regards to the production lines dedicated to multiutilities). EBIT landed at Eu4.6mn/Eu10mn in 2H22/FY22 (+91%/+197% yoy, 66%/22% above estimates) with margins of 16.8%/18.0% (vs 15.2%/14.0% in 2H21/FY21). NFP at YE22 stood at -Eu12.3mn, slightly improving vs -Eu12.5mn in June 2022 but below our previous estimate of -Eu6.0mn (as the unexpectedly stronger growth in 2H absorbed substantial NWC, which we believe should be a focus of the management in the next years).
- Bright prospects should prompt future growth. New Products and R&D to contribute.** Despite the ongoing phase-out of the current fiscal incentives in Italy ("Bonus 110" and "Sconto in Fattura"), we expect that the ambitious targets set by the EU (net-zero greenhouse gas emissions by 2050, and 600GWp of Solar PV Capacity in 2030 from 158GWp in 2021) and Italy (small-scale solar PV to reach 22GWp in 2030 vs ca. 10GWp in 2021) should stimulate further growth in the years to come. According to SolarPower Europe, Italian RBESS capacity should grow to 5.6 GWh in 2026 (from 0.6 GWh in 2021). The start of the commercialization of new products (Plug & Play Photovoltaic System and the Battery Storage for apartment buildings), coupled with ongoing R&D activities (26 new projects in 22) bode well for the coming years.
- Estimates revised upwards.** We raise our FY23/FY24 top line and EBITDA estimates by, respectively, 24%/34% and 23%/33%, assuming a flattish growth in 23 (as a consequence of the phase-out of fiscal incentives) and a return to double-digit in 24. This could also have a negative impact on profitability, with margins expected to normalize in FY23.
- We confirm our BUY rating and raise TP to Eu10.9 from Eu9.4.** At 4.6x 2024 EV/EBITDA, ATON trades at strong discount vs Italian industrial peers exposed to green/energy transition. We raise our TP to Eu10.9 from Eu9.4, based on FY24 EV/EBITDA of Italian peers, to which we now add a 20% discount to reflect the stronger exposure of ATON to fiscal incentives vs its peers.

BUY

Unchanged

TP 10.9

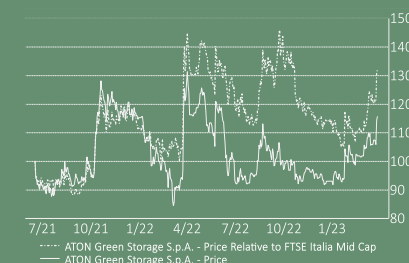
From 9.4

	FY22E	FY23E
Change in estimates	53.8%	26.6%

Target price upside 48%

Ticker (BBG, Reut)	ATON IM	ATON MI
Share price Ord. (Eu)		7.4
N. of Ord. shares (mn)		7.5
Total N. of shares (mn)		7.5
Market cap (Eu mn)		55
Total Market Cap (Eu mn)		55
Free Float Ord. (%)		33%
Free Float Ord. (Eu mn)		18
Daily AVG Ilquidity Ord. (Eu k)		54

	1M	3M	12M
Absolute Perf.	12.3%	22.9%	-3.9%
Rel. to FTSEMidCap	18.1%	16.0%	-2.1%
52 weeks range		5.9	8.4



	FY22A	FY23E	FY24E
Sales	56	58	67
EBITDA adj.	11.3	11.5	13.4
Net profit adj.	7.3	6.9	7.9
EPS adj.	0.979	0.922	1.054
DPS - Ord.	nm	0.000	0.000
EV/EBITDA adj.	5.5x	6.0x	5.1x
P/E adj.	8.4x	9.9x	8.5x
Dividend yield	0.0%	0.0%	0.0%
FCF yield	-18.5%	-1.0%	1.6%
Net debt/(Net cash)	12.3	12.9	12.0
Net debt/EBITDA	1.1x	1.1x	0.9x

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Summary Financials

P&L account (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Value of Production	24.1	55.7	58.1	66.8	75.1
Gross margin	na	na	na	na	na
EBITDA reported	4.7	11.3	11.5	13.4	15.3
D&A	(1.3)	(1.2)	(1.6)	(2.2)	(2.7)
EBIT reported	3.4	10.0	9.8	11.2	12.6
Net financial charges	(0.2)	(0.5)	(0.5)	(0.5)	(0.5)
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	3.2	9.5	9.4	10.7	12.1
Taxes	(0.7)	(2.4)	(2.6)	(3.0)	(3.4)
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	2.5	7.2	6.7	7.7	8.7
EBITDA adjusted	4.7	11.3	11.5	13.4	15.3
EBIT adjusted	3.6	10.3	10.1	11.4	12.8
Net profit adjusted	2.7	7.3	6.9	7.9	8.9

Margins (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Gross margin	na	na	na	na	na
EBITDA margin (adj)	19.5%	20.2%	19.8%	20.1%	20.4%
EBIT margin (adj)	15.0%	18.4%	17.4%	17.1%	17.1%
Pre-tax margin	13.2%	17.1%	16.1%	16.1%	16.1%
Net profit margin (adj)	11.1%	13.2%	11.9%	11.8%	11.9%

Growth rates (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Sales	190.9%	131.3%	4.3%	15.1%	12.4%
EBITDA	nm	140.2%	2.1%	16.8%	14.1%
EBITDA adjusted	nm	140.2%	2.1%	16.8%	14.1%
EBIT	nm	197.4%	-1.8%	13.9%	12.4%
EBIT adjusted	nm	184.2%	-1.8%	13.6%	12.2%
Pre-tax	nm	200.6%	-1.9%	14.6%	13.0%
Net profit	nm	189.1%	-5.9%	14.6%	13.0%
Net profit adjusted	nm	175.5%	-5.8%	14.3%	12.7%

Per share data	FY21A	FY22A	FY23E	FY24E	FY25E
Shares	7.500	7.500	7.500	7.500	7.500
N. of shares AVG	7.500	7.500	7.500	7.500	7.500
N. of shares diluted AVG	7.500	7.500	7.500	7.500	7.500
EPS	0.330	0.955	0.899	1.031	1.164
EPS adjusted	0.355	0.979	0.922	1.054	1.188
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	1.907	2.881	3.780	4.811	5.975

Enterprise value (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Share price Ord. (Eu)	6.5	6.5	7.5	7.5	7.5
Market cap	49.0	49.0	56.3	56.3	56.3
Net debt/(Net cash)	3.3	12.3	12.9	12.0	9.7
Adjustments	0.4	0.5	0.5	0.6	0.7
Enterprise value	52.7	61.9	69.7	68.9	66.7

Source: Company data

Share price performance

Market price slightly recovered from recent lows



Cash flow (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
EBITDA reported	4.7	11.3	11.5	13.4	15.3
Net financial charges	(0.2)	(0.3)	(0.5)	(0.5)	(0.5)
Cash taxes	(0.0)	(0.1)	(2.6)	(3.0)	(3.4)
Ch. in Working Capital	(8.5)	(20.0)	(6.4)	(5.7)	(5.4)
Other operating items	(0.5)	1.3	0.0	0.1	0.1
Operating cash flow	(4.5)	(7.9)	2.1	4.3	6.1
Capex	(2.4)	(1.1)	(2.6)	(3.5)	(3.9)
FCF	(6.9)	(9.1)	(0.5)	0.9	2.2
Disposals/Acquisitions	0.0	0.0	0.0	0.0	0.0
Changes in Equity	10.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0
Ch. in NFP	3.1	(9.1)	(0.5)	0.9	2.2

Ratios (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Capex/VoP	10.0%	2.0%	4.5%	5.2%	5.2%
Capex/D&A	1.8x	0.9x	1.6x	1.6x	1.4x
FCF/EBITDA	-147.2%	-80.4%	-4.7%	6.6%	14.6%
FCF/Net profit	-278.2%	-126.4%	-7.9%	11.4%	25.6%
Dividend pay-out	0.0%	0.0%	0.0%	0.0%	0.0%

Balance sheet (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Working capital	14.8	31.2	37.5	43.2	48.6
Fixed assets	3.2	3.2	4.0	5.3	6.4
Provisions & others	(0.4)	(0.5)	(0.5)	(0.6)	(0.7)
Net capital employed	17.6	33.9	41.2	48.1	54.6
Net debt/(Net cash)	3.3	12.3	12.9	12.0	9.7
Equity	14.3	21.6	28.4	36.1	44.8
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Working capital/VoP	61.3%	56.0%	64.7%	64.7%	64.7%
Net debt/Equity	22.9%	57.0%	45.4%	33.2%	21.7%
Net debt/EBITDA	0.7x	1.1x	1.1x	0.9x	0.6x

Valuation	FY21A	FY22A	FY23E	FY24E	FY25E
EV/CE	2.9x	1.8x	1.7x	1.4x	1.2x
P/BV	3.4x	2.3x	2.0x	1.6x	1.3x
EV/Sales	2.2x	1.1x	1.2x	1.0x	0.9x
EV/EBITDA	11.3x	5.5x	6.1x	5.1x	4.4x
EV/EBITDA adjusted	11.3x	5.5x	6.1x	5.1x	4.4x
EV/EBIT	15.6x	6.2x	7.1x	6.1x	5.3x
EV/EBIT adjusted	14.6x	6.0x	6.9x	6.0x	5.2x
P/E	21.1x	8.6x	10.2x	8.8x	7.6x
P/E adjusted	19.6x	8.4x	10.0x	8.6x	7.4x
ROCE pre-tax	27.2%	39.1%	26.5%	25.3%	24.7%
ROE	18.6%	34.0%	24.4%	21.9%	19.9%
EV/FCF	-7.6x	-6.8x	-130.3x	78.0x	29.8x
FCF yield	-14.1%	-18.5%	-1.0%	1.6%	4.0%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%

Valuation

Market multiples at historic lows



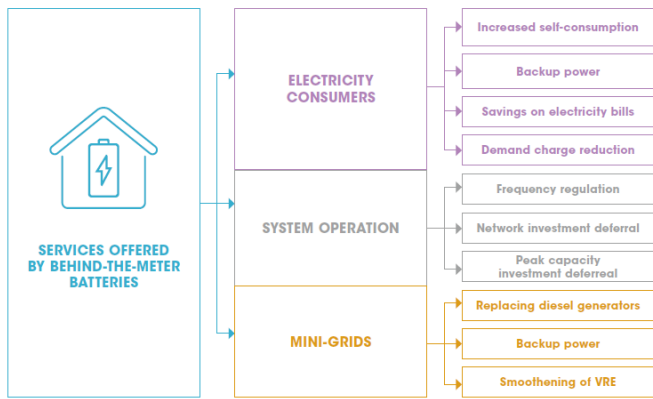
ALANTRA

Italian Equity Research

Key Charts

Benefits of Residential Battery Energy Storage Systems

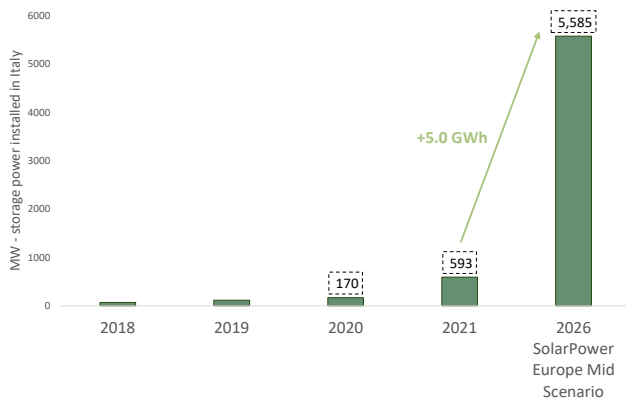
RBESS provide different benefits to consumers and system operations



Source: Alantra

Evolution of RBESS capacity in Italy

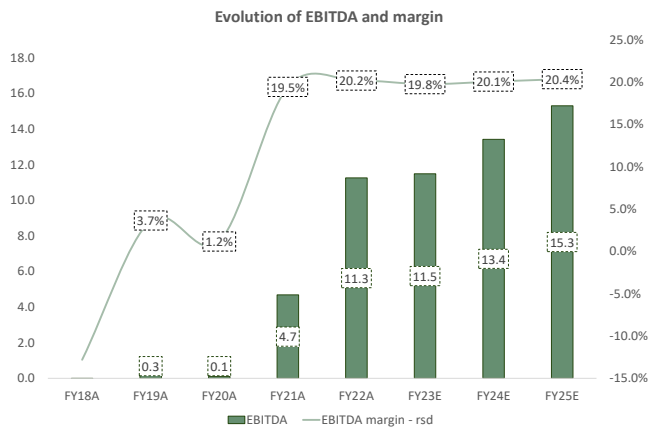
The reference market should experience a strong growth



Source: SolarPower Europe

Evolution of EBITDA and margin

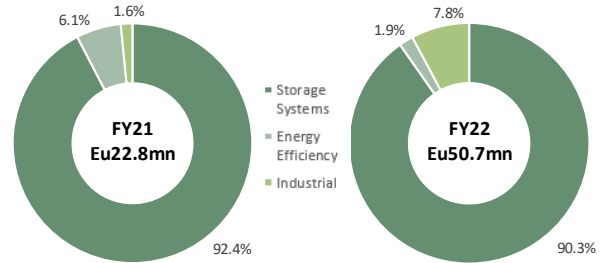
Margin normalization in FY23 with subsequent expansion



Source: Alantra estimate

Business mix

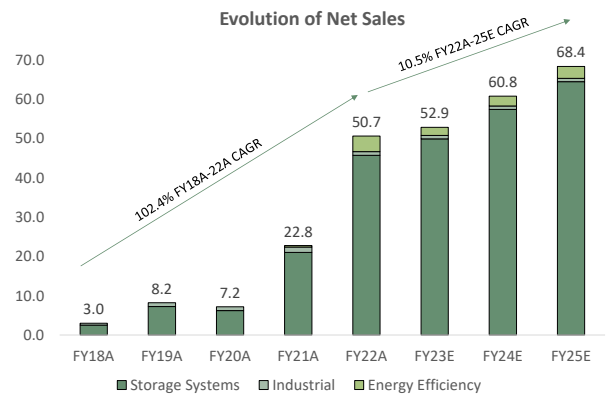
>90% of net sales were generated from the Storage Systems division in 2022



Source: Company

Evolution of net consolidated sales

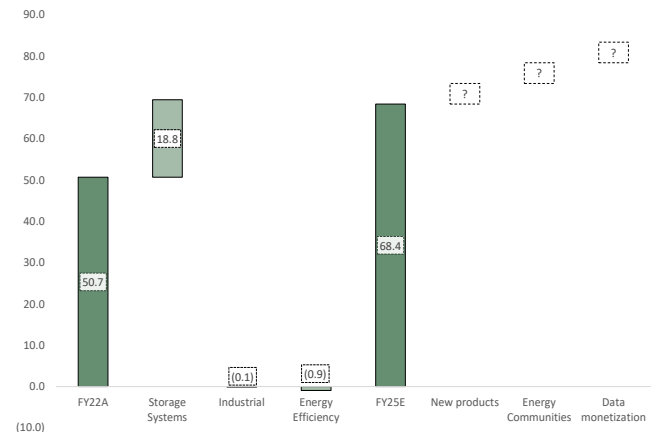
Strong historical and expected top line growth



Source: Alantra estimate

22-25 net top line bridge

Growth should be led by RBESS



Source: Alantra estimate

Profile

Background	<p>ATON is the Italian first mover in the design and production of Residential Battery Energy Storage Systems (RBESS) and a leading player with 11% share in Italy. Leveraging on a strong know-how in its legacy industrial business (now only 2% of 2022 sales), the company launched its first RBESS in 2014. Following the same path of global leaders (e.g. Sonnen, Tesla), ATON developed a full range of “all-in-one” fully-integrated solutions made up of battery modules and inverters sourced from large manufacturers and integrated by in-house developed hardware and software (the so-called Energy Management System - EMS). Integrated storage solutions with performance and functionalities comparable to those of renowned brands, but with higher flexibility, customization and better pricing allowed ATON to be chosen as preferred supplier by large Italian and international multiutilities. In 2021, ATON has launched a new business line (general contracting on turn-key domestic energy efficiency projects)</p>
Positioning	<p>We estimate a market share around 15% in the residential storage system market in Italy. ATON competes with the two global pioneers in RBESS: the German Sonnen (100% owned by Shell group from 2019) and Tesla. In addition, other national and international groups active in the production of batteries and inverters are developing all-in-one storage systems. ATON’s products are competitive in terms of quality and functionalities, but we believe that the real advantage in the Italian market is represented by: 1) flexibility/customization, which has favored the business with multiutilities. ATON sells white label products to ENEL X under specifications defined by the utility; 2) value proposition with installation companies: quality “made in Italy” products with strong references with national and international utilities; 3) local presence and network, which allows the anticipation of local regulatory changes</p>
Growth	<p>ATON’s top line was up >2x in FY22 versus FY21. Despite the ongoing phase-out of the current fiscal incentives in Italy (“Bonus 110” and “Sconto in Fattura”), we expect that the ambitious targets set by the EU agenda (net-zero greenhouse gas emissions by 2050, and 600GWp of Solar PV Capacity in 2030 from 158GWp in 2021) and in Italy (small-scale solar PV to reach 22GWp in 2030 vs ca. 10GWp in 2021) should stimulate further growth in the years to come. As a matter of fact, according to SolarPower Europe, Italian RBESS capacity should grow to 5.6 GWh in 2026 (from 0.6 GWh in 2021). Growth should therefore continue in the coming years (expected 11% Net revenues CAGR over FY22-25). We expect EBITDA margin to slightly normalize in FY23 (19.8% in FY23) and then expand to 20.4% in FY25, with EBITDA at Eu15.3mn in 2025 (Eu11.3mn in 2022).</p>
Strategy	<p>ATON aims to consolidate its leadership in domestic energy storage systems in Italy, continuing to invest in R&D and enlarging its installed base. Energy storage system should contribute to 100% of revenues expansion over FY22-25E period with the other two business lines (Industrial and B2C Energy Efficiency) shrinking vs 2022. We expect R&D efforts to continue and further accelerate over the coming years, as the company is planning to improve its product offering, addressing large scale-residential users to catch the opportunities offered by the so called “energy communities”. ATON is also actively working on new products development which should be launched over the coming years. Finally, we believe that ATON could be able to exploit the data collected from its growing installed base of BESS to improve its algorithms and potentially offer value added services (to both B2B and B2C clients)</p>

Strengths

Pioneer in the Italian market of all-in-one RBESS
 Strong references with national and multinational utilities
 Quality "made in Italy" value proposition with installation companies

Weaknesses

Low scale compared to international leaders
 Relatively high concentration of clients and suppliers
 High net working capital requirements

Opportunities

Development of a B2C energy efficiency offer
 Development of products and services dedicated to energy communities
 Enlargement of the product portfolio (charger stations and Plug&Play PV systems)

Threats

Stronger competition in Italy from large international players
 Disruption of the supply chain and price pressure from large clients
 Margin pressure on the B2C division as soon as 110% fiscal incentive is over

Key shareholders

Vasco Energia S.r.l. 66.67%
 Free Float 33.33%

Management

Ettore Uguzzoni - Chairman and CEO
 Mauro Nervosi - Executive Director & CTO

Next events

1H23 - 27 September 2023

2H/FY22 Results

ATON – 2H/FY22 Results

High double-digit growth with strong top and bottom line beat

Eu mn	Alantra						Alantra			
	2H21A	2H22A	YoY %	2H22E	A vs E	FY21A	FY22A	YoY %	2H22E	A vs E
Net Revenues	14.8	25.6	72.2%	17.9	43.0%	22.8	50.7	122.4%	43.0	17.9%
VoP	15.9	27.5	73.2%	17.4	57.4%	24.1	55.7	131.3%	45.7	21.9%
<i>on sales %</i>	100.0%	100.0%		100.0%		100.0%	100.0%		100.0%	
EBITDA	3.1	5.2	66.1%	3.5	47.3%	4.7	11.3	140.2%	9.6	17.4%
<i>Ebitda Margin %</i>	19.7%	18.9%		20.2%		19.5%	20.2%		21.0%	
EBIT	2.4	4.6	91.3%	2.8	66.3%	3.4	10.0	197.4%	8.2	22.5%
<i>Ebit Margin %</i>	15.2%	16.8%		15.9%		14.0%	18.0%		17.9%	
Pretax Profit	2.3	4.3	86.6%	2.9	51.4%	3.2	9.5	200.6%	8.1	18.1%
<i>Pretax Margin %</i>	14.6%	15.7%		16.4%		13.2%	17.1%		17.7%	
Net Profit	1.8	3.4	86.8%	2.1	64.9%	2.5	7.2	189.1%	5.8	23.1%
<i>Net Profit Margin %</i>	11.5%	12.5%		11.9%		10.3%	12.9%		12.7%	
NFP at YE (debt)/cash	(3.3)	(12.3)		(6.0)		(3.3)	(12.3)		(6.0)	

Source: Company data and Alantra estimates

Net versus Old estimates

Upward revision of 20223-24 estimates

(Eu mn)	NEW estimates			Difference			OLD estimates		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Total Revenues / Value of Production	58.1	66.8	75.1	19.7%	29.0%	na	48.5	51.8	na
EBITDA Reported	11.5	13.4	15.3	18.4%	28.0%	na	9.7	10.5	na
EBIT Reported	9.8	11.2	12.6	24.4%	39.0%	na	7.9	8.1	na
Pretax Profit	9.4	10.7	12.1	19.9%	34.9%	na	7.8	8.0	na
Net profit	6.7	7.7	8.7	19.9%	34.9%	na	5.6	5.7	na
EPS	0.9	1.1	1.2	19.3%	33.8%	na	0.8	0.8	na
Net financial position	(12.9)	(12.0)	(9.7)	10.1	11.6	na	(2.7)	(0.4)	na

Source: Company data and Alantra estimates

Financials – ATON versus selected peers

Higher profitability than Italian peers and similar growth rates

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	
ATON	ITALY	55	20.1%	16.8%	11.6%	5.0%	0.0%	10.5%	10.8%	7.8%	6.8%	
Carel Industries SpA	ITALY	2,380	20.5%	16.3%	12.1%	4.2%	31.5%	13.1%	13.1%	14.9%	14.5%	
Comal S.p.A.	ITALY	39	7.6%	5.9%	3.3%	2.0%	na	29.2%	28.3%	28.9%	na	
Seri Industrial S.p.A.	ITALY	313	15.7%	11.0%	7.4%	5.5%	0.0%	na	na	na	na	
Energy SpA	ITALY	177	19.2%	18.3%	13.4%	3.9%	0.0%	na	na	na	na	
LU-VE SpA	ITALY	684	13.2%	8.2%	5.5%	6.4%	22.9%	7.0%	10.6%	16.8%	9.9%	
Zignago Vetro SpA	ITALY	1,557	26.8%	17.7%	13.6%	7.3%	65.6%	7.5%	9.9%	14.6%	8.4%	
Italian Peers	Average		15.2%	11.9%	8.3%	4.4%	13.6%	16.4%	17.3%	20.2%	12.2%	
	Median		15.7%	11.0%	7.4%	4.2%	11.5%	13.1%	13.1%	16.8%	12.2%	
Ferroamp AB	SWEDEN	76	9.4%	6.3%	5.9%	0.7%	22.4%	72.5%	-246.8%	-227.5%	-224.2%	
Eguana Technologies Inc	CANADA	65	2.5%	na	na	na	na	na	na	na	na	
Contemporary Amperex Technology Co., Ltd. Class A	CHINA	130,509	15.7%	12.4%	10.3%	9.9%	14.4%	29.3%	33.9%	34.3%	34.2%	
Invinity Energy Systems PLC	UNITED KINGDOM	72	-16.6%	-19.8%	-21.6%	5.0%	0.0%	206.1%	nm	nm	nm	
Storage Systems Producers	Average		2.7%	-0.4%	-1.8%	5.2%	12.3%	102.6%	-106.4%	-96.6%	-95.0%	
	Median		5.9%	6.3%	5.9%	5.0%	14.4%	72.5%	-106.4%	-96.6%	-95.0%	
Sungrow Power Supply Co., Ltd. Class A	CHINA	16,034	10.2%	10.2%	8.7%	3.1%	10.7%	na	na	na	na	
Pylon Technologies Co., Ltd. Class A	CHINA	5,641	25.9%	23.8%	20.6%	4.4%	24.8%	na	na	na	na	
LG Chem Ltd.	SOUTH KOREA	36,767	14.2%	7.7%	4.9%	13.2%	24.4%	18.2%	29.4%	40.3%	42.4%	
EVE Energy Co. Ltd. Class A	CHINA	17,034	12.6%	11.4%	10.4%	10.7%	11.2%	na	na	na	na	
BYD Company Limited Class H	HONG KONG	86,518	8.0%	5.7%	4.1%	4.3%	5.7%	24.4%	13.6%	26.0%	20.4%	
Jiangsu Goodwe Power Supply Technology Co., Ltd. Class A	CHINA	3,167	15.7%	14.1%	12.8%	3.6%	26.5%	na	na	na	na	
SMA Solar Technology AG	GERMANY	2,622	11.1%	7.7%	5.8%	3.5%	9.2%	22.2%	52.9%	83.8%	39.5%	
Enphase Energy, Inc.	UNITED STATES	24,793	31.5%	21.9%	17.6%	1.7%	0.0%	28.2%	28.2%	36.9%	24.6%	
SolarEdge Technologies, Inc.	UNITED STATES	14,821	19.8%	16.7%	11.7%	2.7%	0.0%	23.8%	34.1%	28.9%	31.6%	
Varta AG	GERMANY	1,008	14.5%	3.3%	1.6%	8.7%	0.0%	9.1%	47.0%	-219.2%	-205.3%	
Batteries and Inverters Producers	Average		16.4%	12.2%	9.8%	5.6%	11.3%	21.0%	34.2%	-0.5%	-7.8%	
	Median		14.4%	10.8%	9.6%	3.9%	9.9%	23.0%	31.7%	32.9%	28.1%	

Source: Factset

Trading multiples

Strong valuation discount

Company	Country	Mkt Cap (Eu mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE		
			FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
ATON	ITALY	56	1.2 x	1.0 x	0.9 x	6.0 x	5.1 x	4.3 x	7.0 x	6.1 x	5.2 x	10.1 x	8.7 x	7.5 x
Premium (discount) to Peers' Median			-48%	-41%	-44%	-62%	-53%	-50%	-73%	-61%	-56%	-66%	-56%	-52%
PEERS	Average		2.3 x	1.7 x	1.6 x	15.9 x	10.7 x	8.6 x	25.7 x	15.7 x	11.9 x	29.9 x	20.1 x	15.6 x
	Median		2.0 x	1.5 x	1.2 x	15.3 x	9.5 x	8.2 x	18.7 x	13.8 x	12.1 x	21.7 x	16.3 x	15.9 x
Carel Industries SpA	ITALY	2,380	4.0 x	3.5 x	3.2 x	19.4 x	17.2 x	15.5 x	25.0 x	21.9 x	19.0 x	32.0 x	28.5 x	24.9 x
Comal S.p.A.	ITALY	39	0.8 x	0.7 x	0.5 x	10.8 x	8.8 x	6.9 x	14.2 x	11.2 x	8.8 x	na	na	na
Seri Industrial S.p.A.	ITALY	313	1.2 x	0.4 x	na	7.7 x	2.3 x	na	14.0 x	2.8 x	na	16.4 x	3.1 x	na
Energy SpA	ITALY	177	1.1 x	1.0 x	na	6.3 x	4.9 x	na	6.6 x	5.1 x	na	9.9 x	7.1 x	na
LU-VE SpA	ITALY	684	1.3 x	1.2 x	1.1 x	10.0 x	9.2 x	8.2 x	17.0 x	14.8 x	12.6 x	19.2 x	16.9 x	14.3 x
Zignago Vetro SpA	ITALY	1,557	2.5 x	2.4 x	2.2 x	9.6 x	8.7 x	8.2 x	14.9 x	13.1 x	12.2 x	17.0 x	14.7 x	13.9 x
Italian Peers	Average		1.8 x	1.5 x	1.8 x	10.6 x	8.5 x	9.7 x	15.3 x	11.5 x	13.1 x	18.9 x	14.1 x	17.7 x
	Median		1.2 x	1.1 x	1.7 x	9.8 x	8.8 x	8.2 x	14.6 x	12.1 x	12.4 x	17.0 x	14.7 x	14.3 x
Ferroamp AB	SWEDEN	76	1.5 x	1.0 x	0.7 x	34.7 x	10.3 x	5.2 x	115.8 x	15.0 x	6.8 x	115.2 x	16.2 x	8.2 x
Eguana Technologies Inc	CANADA	65	2.2 x	0.8 x	na	na	8.7 x	na	na	na	na	na	24.0 x	na
Contemporary Amperex Technology Co., Ltd. Class A	CHINA	130,509	2.3 x	1.7 x	1.4 x	14.1 x	11.0 x	9.0 x	18.7 x	14.0 x	11.0 x	21.9 x	16.4 x	12.9 x
Invinity Energy Systems PLC	UNITED KINGDOM	72	0.8 x	0.4 x	0.2 x	na	na	1.5 x	na	na	1.9 x	na	na	5.9 x
Storage Systems Producers	Average		1.7 x	1.0 x	0.8 x	24.4 x	10.0 x	5.3 x	67.2 x	14.5 x	6.6 x	68.6 x	18.9 x	9.0 x
	Median		1.9 x	0.9 x	0.7 x	24.4 x	10.3 x	5.2 x	67.2 x	14.5 x	6.8 x	68.6 x	16.4 x	8.2 x
Sungrow Power Supply Co., Ltd. Class A	CHINA	16,034	2.3 x	1.7 x	na	22.1 x	17.0 x	na	22.2 x	16.9 x	na	27.0 x	20.7 x	na
Pylon Technologies Co., Ltd. Class A	CHINA	5,641	3.0 x	2.3 x	na	11.6 x	8.7 x	na	12.9 x	9.4 x	na	15.6 x	10.6 x	na
LG Chem Ltd.	SOUTH KOREA	36,767	1.1 x	0.9 x	0.8 x	8.3 x	6.6 x	4.8 x	17.8 x	12.1 x	8.0 x	21.4 x	14.6 x	9.7 x
EVE Energy Co. Ltd. Class A	CHINA	17,034	2.3 x	1.6 x	na	18.4 x	12.6 x	na	20.7 x	13.6 x	na	21.5 x	14.2 x	na
BYD Company Limited Class H	HONG KONG	86,518	0.9 x	0.7 x	0.5 x	11.0 x	8.2 x	7.1 x	17.0 x	11.8 x	9.0 x	20.7 x	15.3 x	18.8 x
Jiangsu Goodwe Power Supply Technology Co., Ltd. Class A	CHINA	3,167	2.9 x	1.9 x	na	19.4 x	11.4 x	na	21.7 x	12.7 x	na	26.3 x	14.8 x	na
SMA Solar Technology AG	GERMANY	2,622	1.8 x	1.5 x	1.2 x	19.7 x	13.7 x	9.4 x	32.8 x	20.3 x	12.1 x	46.5 x	29.4 x	17.6 x
Enphase Energy, Inc.	UNITED STATES	24,793	8.4 x	6.4 x	4.9 x	27.6 x	19.8 x	15.4 x	43.7 x	27.5 x	21.1 x	35.6 x	26.9 x	21.9 x
SolarEdge Technologies, Inc.	UNITED STATES	14,821	3.7 x	2.9 x	2.3 x	19.1 x	14.5 x	11.7 x	22.4 x	16.6 x	14.6 x	32.3 x	24.7 x	21.0 x
Varta AG	GERMANY	1,008	1.7 x	1.5 x	1.5 x	16.4 x	9.5 x	8.5 x	na	43.1 x	18.4 x	na	63.0 x	17.7 x
Batteries and Inverters Producers	Average		2.8 x	2.1 x	1.9 x	17.4 x	12.2 x	9.5 x	23.5 x	18.4 x	13.9 x	27.4 x	23.4 x	17.8 x
	Median		2.3 x	1.7 x	1.3 x	18.7 x	12.0 x	9.0 x	21.7 x	15.1 x	13.3 x	26.3 x	18.0 x	18.2 x

Source: Factset

Market performances

ATON has outperformed its peers over the last 6 months

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
ATON	ITALY	56	12.3%	22.9%	15.5%	-3.9%	na	na
PEERS								
Average			-5.9%	3.6%	3.3%	4.5%	224.8%	452.8%
Median			-6.3%	2.3%	-0.3%	-3.2%	191.9%	112.4%
Carel Industries SpA	ITALY	2,380	-8.5%	0.2%	26.9%	1.7%	87.4%	na
Comal S.p.A.	ITALY	39	-2.6%	26.0%	14.5%	-8.3%	na	na
Seri Industrial S.p.A.	ITALY	313	0.5%	14.4%	-5.5%	-27.8%	188.1%	35.8%
Energy SpA	ITALY	177	-8.3%	46.3%	26.4%	na	na	na
LU-VE SpA	ITALY	684	1.8%	15.6%	46.8%	61.0%	211.9%	207.5%
Zignago Vetro SpA	ITALY	1,557	-2.7%	22.5%	61.8%	42.7%	61.8%	112.4%
Ferroamp AB	SWEDEN	76	-10.1%	22.4%	-16.7%	-11.3%	3.8%	na
Eguana Technologies Inc	CANADA	65	-11.1%	-5.9%	-36.8%	-30.4%	300.0%	4.3%
Contemporary Amperex Technology Co., Ltd. Class A	CHINA	130,509	-1.1%	-1.8%	-7.7%	-21.0%	234.0%	na
Invinity Energy Systems PLC	UNITED KINGDOM	72	1.5%	-14.3%	13.3%	-58.2%	-29.5%	-89.4%
Sungrow Power Supply Co., Ltd. Class A	CHINA	16,034	-12.2%	-1.8%	-11.4%	-3.2%	948.8%	471.0%
Pylon Technologies Co., Ltd. Class A	CHINA	5,641	-9.9%	-23.5%	-44.1%	94.6%	na	na
LG Chem Ltd.	SOUTH KOREA	36,767	6.2%	11.1%	22.7%	32.7%	130.0%	73.2%
EVE Energy Co. Ltd. Class A	CHINA	17,034	-5.4%	-25.3%	-24.0%	-12.8%	135.8%	640.2%
BYD Company Limited Class H	HONG KONG	86,518	-3.4%	7.2%	-2.9%	-1.7%	441.7%	194.2%
Jiangsu Goodwe Power Supply Technology Co., Ltd. Class A	CHINA	3,167	-24.1%	-4.3%	2.4%	11.3%	na	na
SMA Solar Technology AG	GERMANY	2,622	3.0%	10.9%	50.9%	105.4%	195.8%	41.7%
Enphase Energy, Inc.	UNITED STATES	24,793	-7.1%	-28.7%	-31.2%	1.0%	504.8%	3754.9%
SolarEdge Technologies, Inc.	UNITED STATES	14,821	-9.3%	-2.9%	14.0%	-15.1%	245.5%	415.6%
Varta AG	GERMANY	1,008	-15.8%	4.4%	-33.6%	-74.6%	-63.0%	24.9%

Source: Factset

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