

April 24 2024

Redelfi

Euronext Growth Milan | Energy & Renewable | Italy

Business Plan Update

Rating
BUY

unchanged

Target Price
€ 11,50

unchanged



Risk

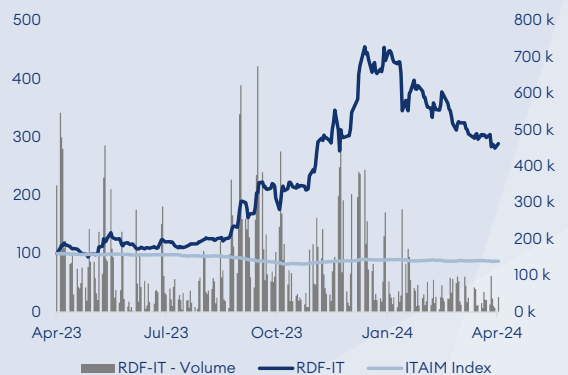
Medium

RDF IM Price
€ 5,96

Stock Data

Price	€ 5,96
Target price	€ 11,50
Upside/(Downside) potential	92,9%
Ticker	RDF IM
Market Cap (€/mln)	€ 50,43
EV (€/mln)	€ 55,23
Free Float	31,2%
Share Outstanding	8.461.080
52-week high	€ 9,08
52-week low	€ 1,70
Average daily volumes (3 months)	54.799

Stocks performance relative to FTSE Italia Growth

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Funding for € 15.00 million with Anthilia and new partnership with Elio Energy Group

In a press release of April 16, 2024, Redelfi, the head of the Genoa-based industrial group of the same name committed to the development of innovative and sustainable infrastructure to facilitate the energy transition, listed on the Euronext Growth Milan segment of Borsa Italiana, announced that it has signed a loan agreement with Anthilia Capital Partners SGR for a countervalue of € 15.00 million, allocated through the Anthilia Must, Anthilia BIT III and Anthilia BIT IV Co-Investment Funds.

The agreement provides for the funding to be made in two tranches payable at the request of the Company by 2025, to be allocated to the realization of a stand-alone Battery Energy Storage System (“BESS”) in Italy, jointly with the implementation of the Bright Storage BESS pipeline, a key element of the 2023-2026 Business Plan. The agreement signed with Anthilia, therefore, guarantees Redelfi significant support for the realization of its financial commitments, allowing the Company to continue its core activities both as a developer and as a financing partner within the joint venture.

The operational security of the agreement is guaranteed by a minimum value of € 57.00 million in revenues from contracts already secured in the backlog, focused on the Italian market for BESS solutions, as outlined in the Business Plan. The loan provides for variable-rate interest payments, disbursed every six months and aligned with current market conditions. A pre-amortization period is established until December 2026, from which the repayment of the capital will start.

Davide Sommariva, Chairman of the Board of Directors of Redelfi, commented, *“The trust placed in us again by an important entity such as Anthilia confirms the validity of Redelfi’s business model and the 2023-2026 Business Plan presented to the market. This funding will enable the Company to continue its growth in the green energy sector by providing the required funding to complete one of the drivers of our Business Plan and consolidating Redelfi’s position as a recognized player in the BESS market.”*

Thanks to the support provided by the signed funding, Redelfi continues its commitment to the development of storage projects in the national and international territory, with the aim of expanding its business on a large scale. In this regard, Redelfi, sideways to its commitments on the Italian territory, through a press release of April 22, 2024, announces the signing with Elio Group, a US partner in BESS Power Corporation, with the goal of producing 2.4 GW of BESS projects in America. The pipeline will be realized through the newco Redelio Renewables LLC, a company equally owned by Redelfi (50.0%) and Elio Group (50.0%).

The decision to renew the strategic partnership with Elio Group stems from the significant synergies developed over the past year, due to the collaboration in the development of BESS Power, a company in which Redelfi holds an equity stake through its subsidiary RAL Green Energy Corp. The complementary nature of the two businesses and the relationship of mutual trust led Redelfi to once again rely on Elio Group for the expansion of its business in the U.S. territory: in this case, Redelfi will play the role of funding partner, in addition to involvement in the activities of project management and project supervision, while Elio Group will be responsible for the technical and operational area.

The creation of the Newco in collaboration with Elio Group testifies to Redelfi's sustained progress in achieving the goals set forth in the 2023-2026 Business Plan, with reference to strategic expansion in the U.S. market, demonstrating the strategic relevance of the U.S. market in enhancing its business.

In light of the recent events and their great potential for development both on a domestic and international scale, we confirm our recommendation: **BUY rating, target price € 11.50, risk MEDIUM.**

Economics & Financials

TABLE 1 – ECONOMICS & FINANCIALS

INCOME STATEMENT (€/mln)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenues	3,96	10,74	18,10	26,60	34,70
Other Revenues	0,55	0,16	0,15	0,15	0,15
Value of Production	4,51	10,91	18,25	26,75	34,85
COGS	0,00	0,00	0,20	0,20	0,25
Services	1,57	3,84	7,05	7,30	5,60
Use of Asset Owned by Others	0,14	0,21	0,25	0,30	0,35
Employees	0,99	1,45	3,30	3,60	3,70
Other Operating Expenses	0,12	0,35	0,80	0,80	0,80
EBITDA	1,68	5,06	6,65	14,55	24,15
<i>EBITDA Margin</i>	<i>42,5%</i>	<i>47,0%</i>	<i>36,7%</i>	<i>54,7%</i>	<i>69,6%</i>
Extraordinary Items	(0,41)	0,00	0,00	0,00	0,00
EBITDA Adjusted	1,27	5,06	6,65	14,55	24,15
<i>EBITDA Adj. Margin</i>	<i>32,2%</i>	<i>47,0%</i>	<i>36,7%</i>	<i>54,7%</i>	<i>69,6%</i>
D&A	0,55	0,49	0,40	0,65	0,75
EBIT	1,14	4,57	6,25	13,90	23,40
<i>EBIT Margin</i>	<i>28,7%</i>	<i>42,5%</i>	<i>34,5%</i>	<i>52,3%</i>	<i>67,4%</i>
Financial Management	(0,76)	(0,24)	(0,80)	(0,80)	(0,80)
EBT	0,38	4,33	5,45	13,10	22,60
Taxes	0,10	1,30	1,40	3,40	5,75
Net Income	0,27	3,03	4,05	9,70	16,85
Minorities	0,01	0,79	0,00	0,00	0,00

BALANCE SHEET (€/mln)	FY22A	FY23A	FY24E	FY25E	FY26E
Fixed Assets	8,13	12,41	14,00	15,00	16,10
Account receivable	2,45	0,46	0,55	0,55	0,60
Work in progress	0,00	7,29	26,00	38,50	35,50
Account payable	0,47	0,88	1,50	1,50	1,30
Operating Working Capital	1,98	6,87	25,05	37,55	34,80
Other receivable	0,93	0,65	3,50	5,35	1,70
Other payable	0,87	1,08	2,30	4,20	6,45
Net Working Capital	2,04	6,44	26,25	38,70	30,05
Severance & Other Provisions	0,31	1,35	0,55	0,70	0,90
NET INVESTED CAPITAL	9,85	17,50	39,70	53,00	45,25
Share Capital	0,42	0,42	0,42	0,42	0,42
Reserves	8,53	9,25	21,75	32,10	43,75
Net Income	0,27	3,03	4,05	9,70	16,85
Equity	9,22	12,70	26,22	42,22	61,02
Cash & Cash Equivalent	1,98	5,00	(0,98)	0,72	25,77
Short Term Financial Debt	0,51	3,06	4,00	3,50	3,00
M/L Term Financial Debt	2,09	6,73	8,50	8,00	7,00
Net Financial Position	0,63	4,80	13,48	10,78	(15,77)
SOURCES	9,85	17,50	39,70	53,00	45,25

CONSOLIDATED CASH FLOW (€/mln)	FY22A	FY23A	FY24E	FY25E	FY26E
EBIT	1,14	4,57	6,25	13,90	23,40
Taxes	0,10	1,30	1,40	3,40	5,75
NOPAT	1,03	3,27	4,85	10,50	17,65
D&A	0,55	0,49	0,40	0,65	0,75
Change in NWC	(1,81)	(4,40)	(19,81)	(12,45)	8,65
Change in receivable	(2,09)	2,00	(0,10)	0,00	(0,05)
Change in payable	0,24	0,40	0,62	0,00	(0,20)
Change in inventories	0,00	(7,29)	(18,71)	(12,50)	3,00
Change in others	0,04	0,49	(1,63)	0,05	5,90
Change in provisions	0,07	1,04	(0,80)	0,15	0,20
Operating Cash Flow	(0,16)	0,39	(15,36)	(1,15)	27,25
Capex	(3,1)	(4,8)	(2,0)	(1,7)	(1,9)
Free Cash Flow	(3,30)	(4,38)	(17,35)	(2,80)	25,40
Financial Management	(0,76)	(0,24)	(0,80)	(0,80)	(0,80)
Change in financial debt	0,42	7,19	2,71	(1,00)	(1,50)
Change in equity	3,31	0,45	9,47	6,30	1,95
Free Cash Flow to Equity	(0,33)	3,02	(5,97)	1,70	25,05

Source: Integrae Estimates as per latest research of 11/04/2024

Disclosure Pursuant to Delegated Regulation UE n. 2016/958

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16/10/2023	4,02	Buy	7,50	Medium	Update
06/11/2023	4,11	Buy	7,50	Medium	Breaking News
21/12/2023	5,78	Buy	11,00	Medium	Update
11/04/2024	5,81	Buy	11,50	Medium	Update

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Equity Total Return (ETR) for different risk categories			
Rating	Low Risk	Medium Risk	High Risk
BUY	ETR >= 7.5%	ETR >= 10%	ETR >= 15%
HOLD	-5% < ETR < 7.5%	-5% < ETR < 10%	0% < ETR < 15%
SELL	ETR <= -5%	ETR <= -5%	ETR <= 0%
U.R.	Rating e/o target price Under Review		
N.R.	Stock Not Rated		

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