

ATON GREEN STORAGE

Sector: Industrial

Margin resilience in a hazy regulatory framework

In a rather difficult market context, characterised by an uncertain regulatory framework in Italy, mainly related to the stop of credit transfers concerning tax incentives, which affected the investment capacity of end customers and installers, ATON was able to maintain unchanged margins and slightly improve NFP. On the back of current challenges, we revised downwards our projections in terms of top line, leaving basically unchanged our EBITDA margin assumptions. As a consequence of the estimates revision and to a greater extent of the significant peer multiples retracement in the last 6M, new PT stands at Eu7.7/share vs. previous Eu10.9. Momentum is not particularly favourable in the short run. In the medium-long term, RBESS are projected to play a key role in energy transition and ATON has gained a leading position in the Italian market with its all-in-one custom-made storage systems.

- Top line drop impacted by uncertain regulatory framework** - ATON reported 1H23 revenues down 14% to Eu21.7mn from Eu25.1mn in 1H22. The decline in turnover is entirely ascribable to the uncertain regulatory framework in Italy, in particular in 2Q23, related to the stop of credit transfers concerning tax incentives which affected the investment capacity of end customers and installers. On the back of this general market instability, sales slowed down in March and April and then gradually starting to recovery in the last part of the semester. The Storage division reached Eu20.9mn from Eu23.5mn in 1H22 and represented 96% of top line. In terms of geography, EU soared to Eu1.9mn from Eu0.1mn in 1H22, consistently with the company aim of significantly enlarge the portion of top line stemming from the business outside Italy. Domestic sales totalled Eu19.0mn down vs. Eu24.7mn in 1H22.
- EBITDA margin showed a solid resilience** – 1H23 EBITDA was Eu4.0mn, down from Eu6.1mn in the same period of 2022, showing the same trend of the value of production, thus resulting into a 21.1% margin vs. 21.4% in 1H22. This is evidence of an effective management of the main cost items and the peculiar cost structure with variable costs accounting more than 90% of total costs. Also, thanks to a more favourable WC dynamics (namely Eu2.3mn cash release from receivables) and despite Eu1.6mn capex vs. Eu0.6mn in 1H22, NFP improved to Eu11.7mn from Eu12.3mn at Dec-23 and Eu12.5mn in 1H22.
- Estimates revised downwards taking into account short term uncertain volume evolution.** The drop in volumes occurred in 1H23 was a consequence of 1) the investment capacity shrinking linked to the stop of credit transfers concerning tax incentives in the domestic market and 2) the phase-out of massive fiscal incentives. The activity of production and installation of complete photovoltaic storage systems, with ATON acting as general contractor, has been introduced only in the second half of 2023. The company estimates this could generate up to Eu8mn of revenues this year, thus partially offsetting the drop in business coming from multiutilities. In this context, we trimmed our top line assumptions, leaving profitability in terms of margin broadly unchanged: our new EBITDA assumptions are 13% lower on average vs. our previous 2023-25 projections.
- We confirm our BUY recommendation with a new PT of Eu7.7 from Eu10.9.** As a consequence of the estimates revision and to a greater extent the massive retracement of peer multiples (-31% 6M average price performance of the peer group), new PT based on FY24 EV/EBITDA (5.9x from prev. 8.5x) of the selected Italian peers stands at Eu7.7 from Eu10.9. We have decided to reset the discount previously applied to the peer average as the 110% tax bonus has faded. Momentum is not particularly favourable for the sector, due to still uncertain regulatory framework which prompts large multiutilities to stay on hold on the commercial side. In the medium-long term, RBESS are projected to play a key role in energy transition and ATON has gained a leading position in the Italian market with its all-in-one custom-made storage systems.

BUY

Unchanged

TP 7.7

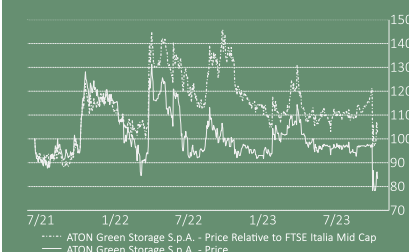
From 10.9

	FY23E	FY24E
Change in estimates	-15.5%	-14.5%

Target price upside 45%

Ticker (BBG, Reut)	ATON IM	ATON MI
Share price Ord. (Eu)		5.3
N. of Ord. shares (mn)		7.5
Total N. of shares (mn)		7.5
Market cap (Eu mn)		40
Total Market Cap (EU mn)		40
Free Float Ord. (%)		33%
Free Float Ord. (Eu mn)		13
Daily AVG liquidity Ord. (Eu k)		38

	1M	3M	12M
Absolute Perf.	-11.3%	-10.1%	-13.2%
Rel.to FTSEMIDCap	-7.0%	-3.7%	-26.6%
52 weeks range		5.0	7.3



	FY22A	FY23E	FY24E
Sales	56	51	58
EBITDA adj.	11.3	10.0	11.7
Net profit adj.	7.3	5.8	6.8
EPS adj.	0.979	0.779	0.901
DPS - Ord.	nm	0.000	0.000
EV/EBITDA adj.	5.5x	5.2x	4.4x
P/E adj.	8.4x	8.7x	7.5x
Dividend yield	0.0%	0.0%	0.0%
FCF yield	-18.5%	2.7%	0.9%
Net debt/(Net cash)	12.3	11.2	10.9
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	50.7	58.5	65.8
Gross margin	na	na	na	na	na
EBITDA reported	4.7	11.3	10.0	11.7	13.4
D&A	(1.3)	(1.2)	(1.6)	(2.1)	(2.5)
EBIT reported	3.4	10.0	8.3	9.6	10.9
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	7.9	9.1	10.4
Taxes	(0.7)	(2.4)	(2.2)	(2.6)	(2.9)
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	5.7	6.6	7.5
EBITDA adjusted	4.7	11.3	10.0	11.7	13.4
EBIT adjusted	3.6	10.3	8.6	9.9	11.1
Net profit adjusted	2.7	7.3	5.8	6.8	7.7

Margins (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Gross margin	na	na	na	na	na
EBITDA margin (adj)	19.5%	20.2%	19.7%	20.0%	20.3%
EBIT margin (adj)	15.0%	18.4%	16.9%	16.9%	16.9%
Pre-tax margin	13.2%	17.1%	15.5%	15.7%	15.8%
Net profit margin (adj)	11.1%	13.2%	11.5%	11.6%	11.7%

Growth rates (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Sales	190.9%	131.3%	-9.0%	15.3%	12.6%
EBITDA	nm	140.2%	-11.2%	17.1%	14.3%
EBITDA adjusted	nm	140.2%	-11.2%	17.1%	14.3%
EBIT	nm	197.4%	-16.7%	15.2%	13.3%
EBIT adjusted	nm	184.2%	-16.3%	14.8%	13.0%
Pre-tax	nm	200.6%	-17.5%	16.2%	14.0%
Net profit	nm	189.1%	-20.8%	16.2%	14.0%
Net profit adjusted	nm	175.5%	-20.4%	15.7%	13.6%

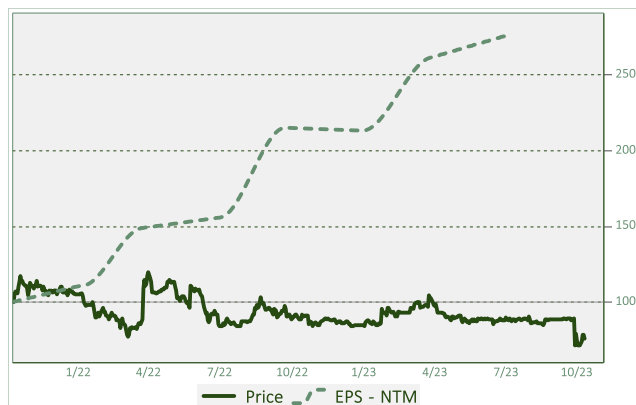
Per share data	FY21A	FY22A	FY23E	FY24E	FY25E
Shares	7.500	7.500	7.500	7.500	7.500
N. of shares AVG	7.500	7.500	7.500	7.500	7.500
N. of shares diluted AVG	7.500	7.500	7.500	7.500	7.500
EPS	0.330	0.955	0.756	0.878	1.001
EPS adjusted	0.355	0.979	0.779	0.901	1.024
DPS - Ord.	0.000	0.000	0.000	0.000	0.000
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	1.907	2.881	3.637	4.515	5.516

Enterprise value (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Share price Ord. (Eu)	6.5	6.5	5.3	5.3	5.3
Market cap	49.0	49.0	39.9	39.9	39.9
Net debt/(Net cash)	3.3	12.3	11.2	10.9	9.3
Adjustments	0.4	0.5	0.5	0.5	0.6
Enterprise value	52.7	61.9	51.6	51.3	49.8

Source: Company data

Share price performance

Apart recent volatility, market price predominantly stable since year beginning



Cash flow (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
EBITDA reported	4.7	11.3	10.0	11.7	13.4
Net financial charges	(0.2)	(0.3)	(0.5)	(0.5)	(0.5)
Cash taxes	(0.0)	(0.1)	(2.2)	(2.6)	(2.9)
Ch. in Working Capital	(8.5)	(20.0)	(3.6)	(5.3)	(5.1)
Other operating items	(0.5)	1.3	(0.0)	0.1	0.1
Operating cash flow	(4.5)	(7.9)	3.7	3.4	5.0
Capex	(2.4)	(1.1)	(2.6)	(3.0)	(3.4)
FCF	(6.9)	(9.1)	1.1	0.4	1.6
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)	1.1	0.4	1.6

Ratios (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Capex/VoP	10.0%	2.0%	5.2%	5.2%	5.2%
Capex/D&A	1.8x	0.9x	1.6x	1.5x	1.4x
FCF/EBITDA	-147.2%	-80.4%	10.9%	3.2%	11.8%
FCF/Net profit	-278.2%	-126.4%	19.3%	5.7%	21.0%
Dividend pay-out	0.0%	0.0%	0.0%	0.0%	0.0%

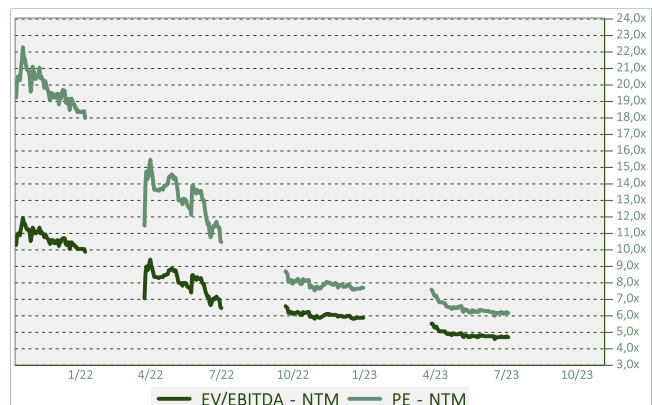
Balance sheet (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Working capital	14.8	31.2	34.8	40.1	45.2
Fixed assets	3.2	3.2	4.0	5.0	5.9
Provisions & others	(0.4)	(0.5)	(0.5)	(0.5)	(0.6)
Net capital employed	17.6	33.9	38.5	44.7	50.7
Net debt/(Net cash)	3.3	12.3	11.2	10.9	9.3
Equity	14.3	21.6	27.3	33.9	41.4
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Working capital/VoP	61.3%	56.0%	68.6%	68.6%	68.6%
Net debt/Equity	22.9%	57.0%	41.2%	32.1%	22.4%
Net debt/EBITDA	0.7x	1.1x	1.1x	0.9x	0.7x

Valuation	FY21A	FY22A	FY23E	FY24E	FY25E
EV/CE	2.9x	1.8x	1.3x	1.1x	1.0x
P/BV	3.4x	2.3x	1.5x	1.2x	1.0x
EV/Sales	2.2x	1.1x	1.0x	0.9x	0.8x
EV/EBITDA	11.3x	5.5x	5.2x	4.4x	3.7x
EV/EBITDA adjusted	11.3x	5.5x	5.2x	4.4x	3.7x
EV/EBIT	15.6x	6.2x	6.2x	5.3x	4.6x
EV/EBIT adjusted	14.6x	6.0x	6.0x	5.2x	4.5x
P/E	21.1x	8.6x	9.0x	7.7x	6.6x
P/E adjusted	19.6x	8.4x	8.7x	7.5x	6.4x
ROCE pre-tax	27.2%	39.1%	23.4%	23.4%	23.1%
ROE	18.6%	34.0%	21.4%	20.0%	18.6%
EV/FCF	-7.6x	-6.8x	47.2x	137.6x	31.6x
FCF yield	-14.1%	-18.5%	2.7%	0.9%	4.0%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%

Valuation

Market multiples at historic lows



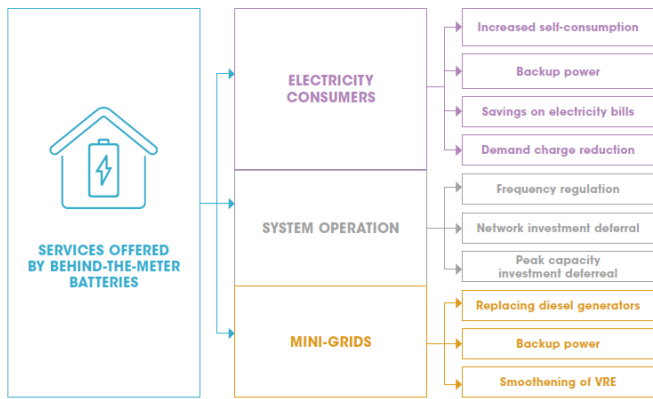
ALANTRA

Italian Equity Research

Key Charts

Benefits of Residential Battery Energy Storage Systems

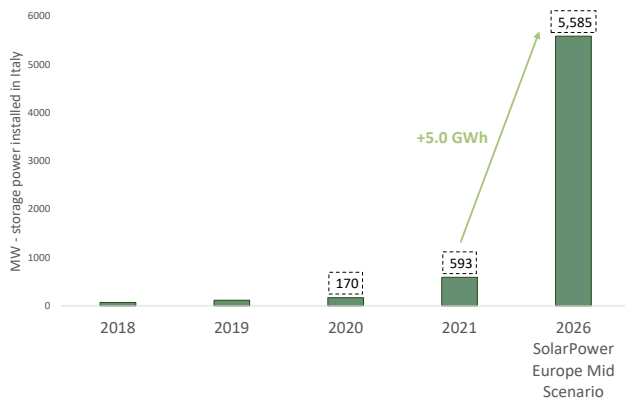
RBESS provide different benefits to consumers and system operations



Source: Alantra

Evolution of RBESS capacity in Italy

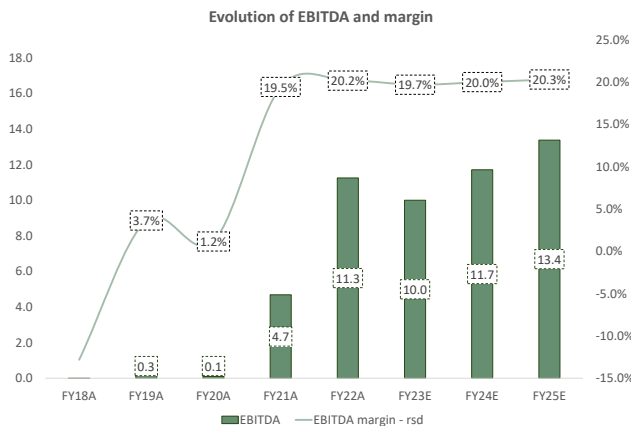
The reference market should experience a strong growth



Source: SolarPower Europe

Evolution of EBITDA and margin

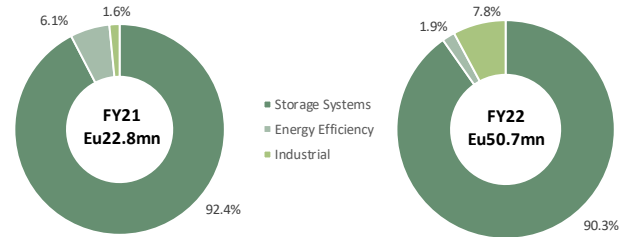
Margin normalization in FY23 with subsequent moderate expansion



Source: Alantra estimate

Business mix

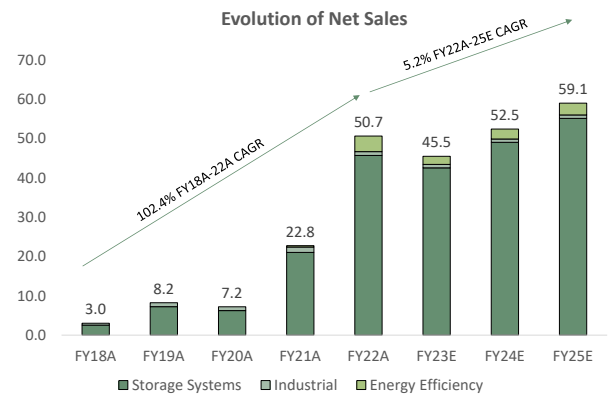
>90% of net sales were generated from the Storage Systems division in 2022



Source: Company

Evolution of net consolidated sales

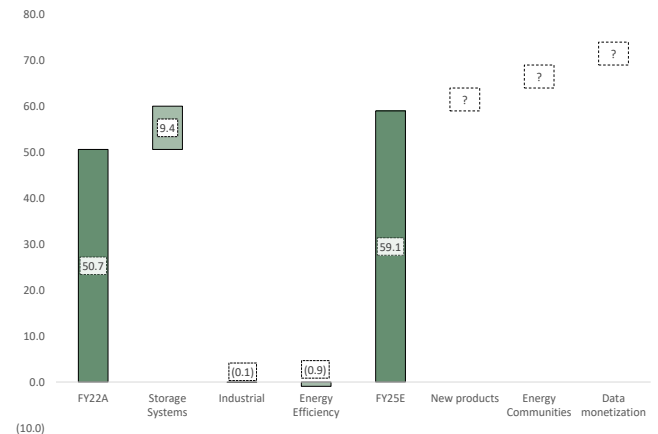
Strong historical and expected top line growth



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 5% Net revenues CAGR over FY22-25). We expect EBITDA margin to slightly normalize in FY23 (19.7% in FY23) and then expand to 20.3% in FY25, with EBITDA at Eu13.4mn 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

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1H23 Results

ATON – 1H23 Results

Decline in turnover but EBITDA margins holding steady

Eu mn	1H22A	1H23A	YoY %	2H22A	2H23E	YoY %	FY22A	FY23E	YoY %
Net Revenues	25.1	21.7	-13.7%	25.6	23.8	-15.2%	50.7	45.5	-10.2%
VoP	28.3	19.2	-31.9%	27.5	31.5	-30.0%	55.7	50.7	-9.0%
<i>on sales %</i>	100.0%	100.0%		100.0%	100.0%		100.0%	100.0%	
EBITDA	6.1	4.0	-33.1%	5.2	5.9	-22.2%	11.3	10.0	-11.2%
<i>Ebitda Margin %</i>	21.4%	21.1%		18.9%	18.9%		20.2%	19.7%	
EBIT	5.4	3.3	-38.1%	4.6	5.0	-27.4%	10.0	8.3	-16.7%
<i>Ebit Margin %</i>	19.1%	17.4%		16.8%	15.9%		18.0%	16.5%	
Pretax Profit	5.2	2.9	-44.9%	4.3	5.0	-33.3%	9.5	7.9	-17.5%
<i>Pretax Margin %</i>	18.5%	15.0%		15.7%	15.9%		17.1%	15.5%	
Net Profit	3.7	2.1	-43.8%	3.4	3.6	-38.4%	7.2	5.7	-20.8%
<i>Net Profit Margin %</i>	13.3%	10.9%		12.5%	11.3%		12.9%	11.2%	
NFP at YE (debt)/cash	(12.5)	(11.7)		(12.3)	(11.2)		(12.3)	(11.2)	

Source: Company data and Alantra estimates

Net versus Old estimates

Downwards revision in estimates reflects the current uncertain regulatory framework

(Eu mn)	NEW estimates			Difference			OLD estimates		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Total Revenues / Value of Production	50.7	58.5	65.8	-12.7%	-12.5%	-12.4%	58.1	66.8	75.1
EBITDA Reported	10.0	11.7	13.4	-13.0%	-12.8%	-12.6%	11.5	13.4	15.3
EBIT Reported	8.3	9.6	10.9	-15.1%	-14.2%	-13.5%	9.8	11.2	12.6
Pretax Profit	7.9	9.1	10.4	-15.9%	-14.8%	-14.0%	9.4	10.7	12.1
Net profit	5.7	6.6	7.5	-15.9%	-14.8%	-14.0%	6.7	7.7	8.7
EPS	0.8	0.9	1.0	-15.5%	-14.5%	-13.8%	0.9	1.1	1.2
Net financial position	(11.2)	(10.9)	(9.3)	(1.6)	(1.1)	(0.5)	(12.9)	(12.0)	(9.7)

Source: Company data and Alantra estimates

Financials – ATON versus selected peers

Higher profitability than Italian 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
ATON	ITALY	40	20.0%	16.5%	11.3%	5.2%	0.0%	5.7%	5.9%	2.8%	1.6%
Carel Industries SpA	ITALY	2,185	21.1%	16.7%	11.8%	4.7%	29.1%	14.1%	14.7%	16.3%	17.4%
Comal S.p.A.	ITALY	36	11.4%	9.8%	6.6%	2.2%	na	28.3%	23.5%	29.9%	na
Seri Industrial S.p.A.	ITALY	181	13.9%	6.3%	3.2%	40.8%	0.0%	21.9%	44.4%	nm	nm
Energy SpA	ITALY	88	17.2%	17.2%	11.4%	5.8%	0.0%	0.1%	-13.2%	-12.7%	na
LU-VE SpA	ITALY	485	13.0%	8.2%	5.3%	6.5%	24.1%	6.0%	8.3%	12.7%	8.0%
Zignago Vetro SpA	ITALY	1,220	28.4%	19.3%	14.7%	7.6%	69.0%	4.4%	8.9%	13.3%	6.4%
Italian Peers	Average		15.3%	11.6%	7.7%	12.0%	13.3%	14.1%	15.5%	11.6%	12.7%
	Median		13.9%	9.8%	6.6%	5.8%	12.0%	14.1%	14.7%	14.5%	12.7%
Ferroamp AB	SWEDEN	27	2.0%	-1.6%	-1.6%	1.2%	39.7%	73.9%	nm	nm	nm
Eguana Technologies Inc	CANADA	16	-65.7%	na	-97.9%	5.2%	0.0%	na	na	na	na
Contemporary Amperex Technology Co., Ltd. Class A	CHINA	110,786	16.7%	12.8%	10.8%	8.9%	15.2%	27.4%	36.6%	34.5%	34.8%
Invinity Energy Systems PLC	UNITED KINGDOM	101	-33.4%	-36.5%	-39.4%	2.3%	0.0%	246.3%	nm	nm	nm
Storage Systems Producers	Average		-20.1%	-8.4%	-32.0%	4.4%	13.7%	115.9%	36.6%	34.5%	34.8%
	Median		-15.7%	-1.6%	-20.5%	3.8%	7.6%	73.9%	36.6%	34.5%	34.8%
Sungrow Power Supply Co., Ltd. Class A	CHINA	12,868	13.9%	13.6%	11.8%	1.9%	9.0%	43.9%	55.7%	57.5%	54.4%
Pylon Technologies Co., Ltd. Class A	CHINA	2,852	23.7%	23.1%	20.2%	6.9%	28.6%	36.6%	27.6%	31.8%	32.4%
LG Chem Ltd.	SOUTH KOREA	26,251	15.0%	8.3%	5.1%	15.7%	26.2%	20.2%	33.3%	47.7%	48.0%
EVE Energy Co. Ltd. Class A	CHINA	10,732	10.9%	9.6%	8.6%	9.8%	9.8%	45.4%	48.3%	44.7%	38.8%
BYD Company Limited Class H	HONG KONG	87,162	10.2%	5.9%	4.7%	10.4%	11.2%	26.7%	32.3%	38.6%	39.6%
Jiangsu Goodwe Power Supply Technology Co., Ltd. Class A	CHINA	1,922	16.5%	15.7%	14.4%	3.5%	20.8%	69.7%	73.0%	71.0%	70.9%
SMA Solar Technology AG	GERMANY	2,256	14.1%	11.5%	8.8%	4.2%	0.0%	27.4%	59.9%	91.9%	44.1%
Enphase Energy, Inc.	UNITED STATES	16,180	37.0%	26.8%	22.5%	2.9%	0.0%	16.6%	24.9%	36.7%	23.6%
SolarEdge Technologies, Inc.	UNITED STATES	6,671	19.5%	16.9%	12.0%	3.2%	0.0%	21.0%	31.1%	31.0%	32.3%
Varta AG	GERMANY	776	9.6%	-2.0%	-4.8%	8.7%	0.0%	6.1%	23.8%	-152.4%	-133.9%
Batteries and Inverters Producers	Average		17.0%	12.9%	10.3%	6.7%	10.6%	31.3%	41.0%	29.9%	25.0%
	Median		14.5%	12.6%	10.3%	5.6%	9.4%	27.0%	32.8%	41.7%	39.2%

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	40	1.0 x	0.9 x	0.8 x	5.2 x	4.4 x	3.7 x	6.2 x	5.3 x	4.6 x	9.0 x	7.7 x	6.6 x
Premium (discount) to Peers' Median			-45%	-39%	-32%	-57%	-46%	-40%	-66%	-52%	-54%	-47%	-47%	-56%
PEERS	Average		1.9 x	1.4 x	1.1 x	12.1 x	8.2 x	6.2 x	18.3 x	11.2 x	10.0 x	17.1 x	14.4 x	15.0 x
	Median		1.7 x	1.2 x	0.9 x	10.0 x	7.4 x	5.9 x	13.2 x	9.8 x	8.0 x	14.7 x	12.3 x	9.8 x
Carel Industries SpA	ITALY	2,185	3.5 x	3.1 x	2.8 x	16.4 x	14.4 x	13.5 x	21.1 x	18.3 x	16.7 x	28.4 x	25.5 x	22.1 x
Comal S.p.A.	ITALY	36	0.7 x	0.6 x	0.4 x	6.3 x	4.9 x	3.6 x	7.5 x	5.7 x	4.1 x	na	na	na
Seri Industrial S.p.A.	ITALY	181	1.0 x	0.7 x	0.7 x	9.6 x	4.7 x	4.5 x	77.3 x	8.3 x	7.9 x	na	9.0 x	8.8 x
Energy SpA	ITALY	88	0.7 x	0.5 x	0.3 x	3.7 x	2.8 x	2.0 x	3.7 x	2.8 x	2.0 x	9.6 x	8.6 x	7.1 x
LU-VE SpA	ITALY	485	1.0 x	1.0 x	0.9 x	8.0 x	7.3 x	6.5 x	13.2 x	11.9 x	9.8 x	14.2 x	12.7 x	10.7 x
Zignago Vetro SpA	ITALY	1,220	1.9 x	1.9 x	2.0 x	6.5 x	6.9 x	6.8 x	9.5 x	10.3 x	10.1 x	10.4 x	11.7 x	11.5 x
Italian Peers	Average		1.5 x	1.3 x	1.2 x	8.4 x	6.8 x	6.1 x	22.1 x	9.6 x	8.4 x	15.7 x	13.5 x	12.0 x
	Median		1.0 x	0.8 x	0.8 x	7.3 x	5.9 x	5.5 x	11.3 x	9.3 x	8.8 x	12.3 x	11.7 x	10.7 x
Ferroamp AB	SWEDEN	27	0.4 x	0.3 x	0.2 x	na	6.4 x	1.8 x	na	21.4 x	2.8 x	na	30.3 x	4.2 x
Eguana Technologies Inc	CANADA	16	3.7 x	2.1 x	na	na	na	na	na	na	na	na	na	na
Contemporary Amperex Technology Co., Ltd. Class A	CHINA	110,786	2.0 x	1.6 x	1.3 x	12.2 x	9.2 x	7.5 x	15.9 x	12.2 x	9.6 x	18.8 x	14.4 x	11.4 x
Invinity Energy Systems PLC	UNITED KINGDOM	101	2.1 x	1.2 x	0.4 x	na	na	3.4 x	na	na	3.7 x	na	na	7.9 x
Storage Systems Producers	Average		2.0 x	1.3 x	0.6 x	12.2 x	7.8 x	4.2 x	15.9 x	16.8 x	5.4 x	18.8 x	22.4 x	7.8 x
	Median		2.1 x	1.4 x	0.4 x	12.2 x	7.8 x	3.4 x	15.9 x	16.8 x	3.7 x	18.8 x	22.4 x	7.9 x
Sungrow Power Supply Co., Ltd. Class A	CHINA	12,868	1.8 x	1.3 x	0.9 x	11.8 x	9.1 x	7.3 x	12.2 x	9.3 x	7.3 x	15.0 x	11.9 x	9.8 x
Pylon Technologies Co., Ltd. Class A	CHINA	2,852	na	na	na	na	na	na	na	na	na	14.3 x	10.0 x	7.5 x
LG Chem Ltd.	SOUTH KOREA	26,251	0.9 x	0.8 x	0.7 x	7.1 x	5.0 x	3.9 x	16.3 x	9.0 x	6.1 x	20.7 x	10.1 x	6.5 x
EVE Energy Co. Ltd. Class A	CHINA	10,732	1.8 x	1.3 x	1.0 x	15.8 x	12.0 x	9.0 x	18.4 x	13.4 x	10.1 x	18.0 x	12.8 x	9.8 x
BYD Company Limited Class H	HONG KONG	87,162	1.0 x	0.8 x	0.6 x	10.4 x	7.7 x	5.4 x	19.1 x	13.0 x	9.0 x	24.5 x	18.1 x	13.6 x
Jiangsu Goodwe Power Supply Technology Co., Ltd. Class A	CHINA	1,922	2.0 x	1.2 x	0.9 x	11.6 x	7.4 x	5.5 x	11.9 x	8.0 x	5.8 x	14.4 x	10.0 x	7.1 x
SMA Solar Technology AG	GERMANY	2,256	1.1 x	1.0 x	0.8 x	6.7 x	7.6 x	6.3 x	8.0 x	9.2 x	8.1 x	11.1 x	14.6 x	13.6 x
Enphase Energy, Inc.	UNITED STATES	16,180	6.3 x	5.3 x	4.0 x	19.5 x	13.6 x	10.1 x	29.5 x	19.0 x	12.8 x	25.6 x	19.5 x	14.6 x
SolarEdge Technologies, Inc.	UNITED STATES	6,671	1.7 x	1.3 x	0.9 x	8.9 x	6.4 x	4.4 x	10.3 x	7.7 x	4.8 x	13.5 x	11.5 x	9.0 x
Varta AG	GERMANY	776	1.6 x	1.5 x	1.4 x	38.2 x	13.3 x	9.9 x	na	na	48.5 x	na	na	94.4 x
Batteries and Inverters Producers	Average		2.0 x	1.6 x	1.2 x	14.5 x	9.1 x	6.9 x	15.7 x	11.1 x	12.5 x	17.5 x	13.2 x	18.6 x
	Median		1.7 x	1.3 x	0.9 x	11.6 x	7.7 x	6.3 x	14.3 x	9.3 x	8.1 x	15.0 x	11.9 x	9.8 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	40	-11.3%	-10.1%	-15.4%	-13.2%	na	na
PEERS								
Average			-8.8%	-25.2%	-30.9%	-16.5%	7.9%	407.0%
Median			-10.1%	-24.2%	-33.5%	-27.5%	-1.4%	140.1%
Carel Industries SpA	ITALY	2,185	-11.9%	-18.8%	-11.7%	13.2%	22.2%	140.1%
Comal S.p.A.	ITALY	36	-13.1%	-14.0%	-10.1%	9.1%	na	na
Seri Industrial S.p.A.	ITALY	181	-19.3%	-25.9%	-41.4%	-38.9%	-1.5%	23.0%
Energy SpA	ITALY	88	-29.1%	-36.6%	-51.5%	-42.8%	na	na
LU-VE SpA	ITALY	485	-10.7%	-29.7%	-29.9%	10.0%	66.4%	118.0%
Zignago Vetro SpA	ITALY	1,220	-10.0%	-8.0%	-26.2%	22.6%	-1.4%	61.5%
Ferroamp AB	SWEDEN	27	-10.1%	-19.6%	-74.2%	-78.7%	-75.3%	na
Eguana Technologies Inc	CANADA	16	-15.4%	-65.6%	-77.1%	-84.9%	-66.7%	-71.1%
Contemporary Amperex Technology Co., Ltd. Class A	CHINA	110,786	-12.7%	-14.9%	-12.8%	-10.8%	55.9%	440.1%
Invinity Energy Systems PLC	UNITED KINGDOM	101	4.6%	-10.1%	33.8%	104.9%	-61.5%	-87.0%
Sungrow Power Supply Co., Ltd. Class A	CHINA	12,868	-5.4%	-25.2%	-13.2%	-21.6%	175.7%	1230.8%
Pylon Technologies Co., Ltd. Class A	CHINA	2,852	-4.5%	-37.7%	-52.5%	-68.5%	na	na
LG Chem Ltd.	SOUTH KOREA	26,251	-11.8%	-23.9%	-33.7%	-15.5%	-28.1%	57.4%
EVE Energy Co., Ltd. Class A	CHINA	10,732	-5.6%	-24.4%	-36.1%	-45.3%	-11.8%	569.5%
BYD Company Limited Class H	HONG KONG	87,162	-4.3%	-7.9%	4.0%	24.7%	93.3%	373.7%
Jiangsu Goodwe Power Supply Technology Co., Ltd. Class A	CHINA	1,922	6.9%	-22.2%	-35.3%	-33.4%	46.0%	na
SMA Solar Technology AG	GERMANY	2,256	-5.2%	-31.6%	-33.3%	54.9%	49.2%	245.4%
Enphase Energy, Inc.	UNITED STATES	16,180	4.6%	-28.3%	-35.8%	-51.3%	15.2%	2804.2%
SolarEdge Technologies, Inc.	UNITED STATES	6,671	-16.0%	-52.8%	-55.9%	-39.9%	-59.1%	230.9%
Varta AG	GERMANY	776	-7.9%	-6.8%	-24.5%	-38.4%	-84.0%	-32.1%

Source: Factset

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