

ECOMEMBRANE

Earnings Review

BUY ord. (Unchanged)Target: **€ 7.10** (Prev.: € 10.50)

Risk: High

STOCKDATA		ORD		
Price (as of 17 Mar 2025)		4.4		
Bloomberg Code		ECMB IM		
Market Cap (€ mn)		19		
Free Float		41%		
Shares Out (mn)		4.3		
52 week Range		€ 4.4 - 6.3		
Daily Volume		2,611		
Performance (%)	1M	3M	1Y	
Absolute	-0.5	-1.8	-25.8	
Rel to FTSE Italia All-Share	-2.1	-13.2	-35.2	
MAIN METRICS		2024	2025E	2026E
SALES Adj		21.1	33.7	37.6
EBITDA Adj		1.9	3.2	4.1
EBIT Adj		0.7	1.9	2.7
NET INCOME Adj		0.2	1.0	1.4
EPS Adj - €c		3.9	24.1	32.3
DPS Ord - €c		1.6	9.7	12.9
MULTIPLES		2024	2025E	2026E
P/E ord Adj		120x	18.2x	13.6x
EV/EBITDA Adj		8.5x	4.9x	3.9x
EV/EBIT Adj		22.9x	8.2x	5.9x
REMUNERATION		2024	2025E	2026E
Div. Yield ord (A)		0.3%	2.2%	3.0%
FCF Yield Adj		-0.6%	-3.4%	5.8%
INDEBTEDNESS		2024	2025E	2026E
NFP Adj		5.4	4.7	5.4
D/Ebitda Adj		n.m.	n.m.	n.m.

PRICE ORD LAST 365 DAYS

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A MORE CHALLENGING OUTLOOK IN 2025-26

FY 2024 results came out below expectations. Despite a strong +35% YoY increase in revenues, ECMB suffered a higher incidence of fixed costs (Ebitda -8% YoY). Looking ahead to 2025-26, we anticipate some challenges, including additional delays in the regulation for the core biomethane activities and a lower contribution of the CO2 business (Energy Dome), only partially compensated by the new Solar activities. As a result, we have reduced our Ebitda in the region of -55% in the period 2025-26E and the target price to €7.1ps (-32%), mainly due to the lower profit expectations. We confirm our BUY recommendation as the growth prospect remains attractive.

Higher structure/overhead costs impacted profitability

Ecomembrane reported lower than expected results for its FY 2024, with solid revenues growth but much lower profitability. More in details:

- **Revenues: €21.1mn (+35% YoY)** vs. €21.9mn expected;
- **Ebitda: €1.87mn (-8% YoY)** vs. €2.78mn expected;
- **Net profit adjusted: € 0.17mn (-73% YoY)** vs. €1.01mn expected;
- **NFP: €+5.42mn** vs €+5.19mn expected.

1. **Revenues (+35% YoY) benefited from both the organic growth in the biomethane business and the new activities of the Solar segment** (€2.1mn in 2024).
2. **Operating margins (Ebitda -8% YoY) have been penalized by:**
 - a) **Higher structural/fixed costs** in a market that, although improving, has developed below initial expectations due to delays in tenders for DM22 incentives.
 - b) **Lower margins for some orders** in both the "odor-control" and "Co2" segments.
3. **Net cash remained substantially stable (€+5.42mn)**, supported by good working capital management, which fell to 24% of revenues compared to 28% in 2023.

A weaker outlook for 2025-2026

We believe that the 2025/26 outlook for ECMB presents some challenges, mainly due to:

1. **Delays in the allocation of incentives for biomethane.** Despite incentive tenders were 65%/70% allocated at the end of 2024, the remaining share may not be fully attributed with the last 5th auction (January 2025). This may require publishing a 6th tender process in the coming months as well as a legislative modification to extend the construction deadlines (currently set for June 2026), which are too tight to allow the realization of the plants. **The interventions (expected already at the end of 2024/beginning of 2025) have not yet been published so far.**
2. **Lower visibility on the CO₂ business**, with Energy Dome still engaged internationally in defining its growth pipeline.
3. **Higher incidence of overhead/fixed costs**, in a market characterized by reduced visibility in the short term.

Reducing estimates and valuation

Considering the above-mentioned elements, **we have reduced our 2025-26E profit expectations in the region of -2%/-10% in revenues** (to approx. €37.6mn in 2026) **and in the region of ca. -55% in Ebitda** (to around €4.1mn in 2026).

We have also reduced our target price to €7.1ps (-32%), reflecting the lower growth prospects in the next years. Our valuation implies a 2026 EV/Ebitda multiple of ca. 8x, with a discount of around -20% vs the average of European capital goods.

Confirming the BUY recommendation

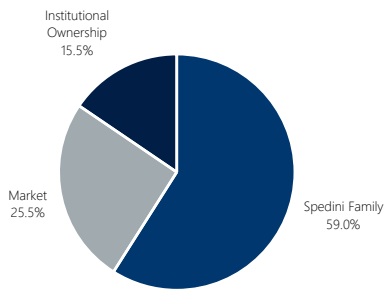
- **ECMB remains positively exposed to the biomethane/biogas development in Europe.** The market still offers important growth options through 2030 (for Italy from <1bcm up to 5.7bcm in 2030). Although the visibility remains low at current stage, we believe that additional incentive schemes will allow the implementation of EU targets in the coming years, thus providing ECMB a sizeable market for its products.
- **The company boast an attractive growth trajectory**, with an expected CAGR of ca+30% per year in turnover and ca. +40% per year in Ebitda over the next 3 years, thanks to the biomethane, the Solar and the CO2 segments.

ECMB is trading at 2026E P/E of 13.6x and 3.9x EV/EBITDA, with a cash position of around €5.4mn at the end of 2024. Given its strong growth outlook, we believe current valuations remains compelling.

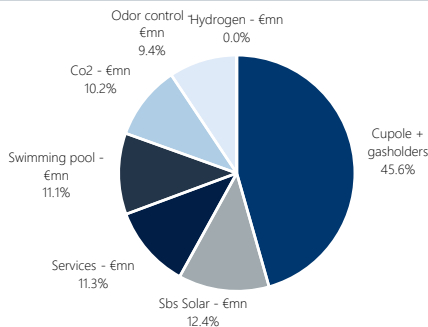
MAIN FIGURES - EURmn	2022	2023	2024	2025E	2026E	2027E
SALES Adj	14.2	15.3	21.1	33.7	37.6	42.7
Growth	21.3%	7.6%	37.9%	59.9%	11.4%	13.5%
EBITDA Adj	3.2	2.0	1.9	3.2	4.1	4.8
Growth	33.9%	-36.7%	-8.4%	72.9%	25.5%	17.0%
EBIT Adj	2.5	1.0	0.7	1.9	2.7	3.2
Growth	33.3%	-61.0%	-29.7%	179.9%	36.9%	20.9%
PBT Adj	2.5	1.0	0.7	1.8	2.5	3.1
Growth	38.2%	-61.9%	-26.1%	153.6%	37.2%	24.0%
Net Income Adj	1.8	0.6	0.2	1.0	1.4	1.7
Growth	20.9%	-65.6%	-72.1%	514.4%	33.8%	26.2%
MARGIN - %	2022	2023	2024	2025E	2026E	2027E
EBITDA Adj Margin	22.6%	13.3%	8.9%	9.6%	10.8%	11.1%
Ebit Adj margin	17.8%	6.4%	3.3%	5.8%	7.1%	7.5%
Pbt Adj margin	17.9%	6.3%	3.4%	5.4%	6.6%	7.2%
Net Income Adj margin	12.4%	3.9%	0.8%	3.1%	3.7%	4.1%
SHARE DATA	2022	2023	2024	2025E	2026E	2027E
EPS Adj - €c	-	27.4	3.9	24.1	32.3	40.7
Growth	-	n.a.	-85.7%	514.4%	33.8%	26.2%
DPS ord(A) - €c	-	5.6	1.6	9.7	12.9	12.9
BVPS	-	3.5	3.4	3.6	3.6	3.6
VARIOUS	2022	2023	2024	2025E	2026E	2027E
Capital Employed	4.2	9.9	10.6	12.9	13.7	15.1
FCF	0.4	-3.5	-0.1	-0.6	1.1	1.2
CAPEX	2.5	2.5	0.8	1.0	1.5	1.5
Working capital	1.9	4.3	5.1	7.8	8.4	9.6
Trading Working capital	3.6	5.6	7.1	9.8	10.6	12.2
INDEBTNESS	2022	2023	2024	2025E	2026E	2027E
Nfp Adj	-1.0	5.8	5.4	4.7	5.4	6.0
D/E Adj	0.38	n.m.	n.m.	n.m.	n.m.	n.m.
Debt / EBITDA Adj	0.3x	n.m.	n.m.	n.m.	n.m.	n.m.
Interest Coverage	n.m.	41.7x	n.m.	25.0x	23.8x	36.8x
MARKET RATIOS	2022	2023	2024	2025E	2026E	2027E
P/E Ord Adj	-	27.7x	120x	18.2x	13.6x	10.8x
PBV	-	2.3x	1.7x	1.2x	1.2x	1.2x
EV FIGURES	2022	2023	2024	2025E	2026E	2027E
EV/Sales	n.a.	1.8x	0.8x	0.5x	0.4x	0.4x
EV/EBITDA Adj	n.a.	13.5x	8.5x	4.9x	3.9x	3.3x
EV/EBIT Adj	n.a.	27.9x	22.9x	8.2x	5.9x	4.9x
EV/CE	n.a.	2.8x	1.5x	1.2x	1.1x	1.1x
REMUNERATION	2022	2023	2024	2025E	2026E	2027E
Div. Yield ord	n.a.	0.7%	0.3%	2.2%	3.0%	3.0%
FCF Yield Adj	-	-10.0%	-0.6%	-3.4%	5.8%	6.2%
Roce Adj	42.3%	10.2%	4.9%	12.0%	14.5%	16.2%

Source: Company data and Equita SIM estimates

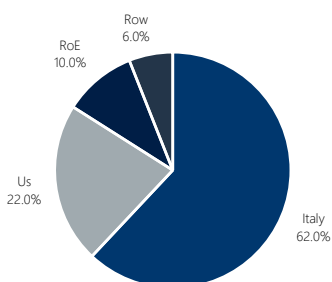
SHAREHOLDERS



SALES SPLIT



GEOGRAPHIES (SALES)



BUSINESS DESCRIPTION

Ecomembrane is a specialized producer of PVC-coated membrane covers and technical systems, used in the fields of gasholders, biogas plants, digesters and odor control systems as well as in the upcoming future applications of the Co2 storage/capture and the Hydrogen industry. Ecomembrane is facing the new opportunity of the energy market transformation by also entering the Solar segment through Epc, Development and Tracker reselling through the acquisition of a specialized company (SBS solar).

Market drivers

The underlying clean gas market, in fact, is expected to expand significantly in the next years, thanks to the international net-zero/environmental policies, the replacement cycle of old assets, the penetration of new technologies and the market concentration (as indicated by the European Biogas Association and US DOE departments, the EU Biogas/Biomethan market is forecasted at 1.9x-2.4x rate through 2030; the US Renewables Natural Gas – RNG - markets at 2.4x through 2030; the CO2/CCS/storage at >10x through 2030/2050). In this contest, Ecomembrane produces a “key strategic” component (from 7%-10% of the capex costs of biogas/biomethan projects), for which the company is able to provide “tailor-made” premium quality solutions

STRENGTHS / OPPORTUNITIES

- Consolidated historical presence in the clean biogas market with International presence and production facilities both in Europe and US.
- Full control of the value chain.
- Wide range of products: gasholders, odour control, swimming pools, Co2, hydrogen, Solar epc, trackers, licencing
- Relevant technological footprint, with continued development of new products.
- Resiliency of business model proved also through the COVID-19 years.
- The regulatory requirements on both Energy transition and circular economy (EUGreen Deal), as well as the needs to increase security of supply and energy independence (Repower Eu)
- Rapidly consolidating market, with “Funds”, “Utilities” and “Specialized operators” opening up to a higher share of wallet and services.
- Refurbishment cycle, in the next 2-3 years.
- M&A opportunities to consolidate presence.
- Potential interest from bigger groups may rise speculative appeal on the group in the coming years

WEAKNESSES /THREATS

- Limited size in a highly fragmented market.
- Significant expansion capacity investments realized in 2022 will require an ad-hoc set up of the new facilities in the coming months.
- Business model remains linked to Government/regulatory push for investments in alternative energy sources.
- Eventual regulatory intervention to reduce incentives measure to the industry may dilute growth opportunities.
- Consolidation of the client base in the sector may lead to higher competition on contracts and tenders for biogas plant construction.
- Authorization issue on client’s projects, may dilute growth opportunities in the coming years.
- Logistics issue and raw material unavailability may potentially delay projects execution
- Rapid growth in coming years will require personnel expansion and phase up of plant and persons
- Business model will have to be tested for the significant expected increase of dimension (profitability).

SOLID GROWTH IN TURNOVER BUT MARGINS UNDER PRESSURE

Ecomembrane reported lower than expected results for its FY 2024, with solid revenues growth (+35% YoY) but much lower profitability, mainly due to higher structure/overhead costs and lower profitability on some contracts in the odor-control segment.

More in details Ecomembrane reported:

- **Revenues: €21.1mn (+35% YoY)** vs. €21.9mn expected;
- **Ebitda: €1.87mn (-8% YoY)** vs. €2.78mn expected;
- **Ebit: €0.69mn (-30% YoY)** vs. €1.49mn expected;
- **Net profit adj.: € 0.17mn (-73% YoY)** vs. €1.01mn expected;
- **NFP: €+5.42mn** vs €+5.19mn expected.

In the following table a more detailed summary of the reported results and a comparison with our expectations.

MAIN METRICS	FY24 RESULTS				
	FY23	EXPECTED		REPORTED	
		FY 24	YoY	FY 24	YoY
<i>Cupole + gasholders</i>	11.49	10.78	-6%	9.16	-20%
<i>Odor control - €mn</i>	1.51	1.98	31%	1.88	25%
<i>Co2 - €mn</i>	0.40	1.50	277%	2.04	413%
<i>Hydrogen - €mn</i>	0.00	0.20	nm	0.00	nm
<i>Swimming pool - €mn</i>	0.51	2.74	433%	2.24	335%
<i>Other services - €mn</i>	1.40	1.30	-7%	2.28	62%
<i>SBS solar - €mn</i>	0.00	2.12	nm	2.50	nm
Sales - €mn	15.31	20.62	35%	20.10	31%
Change in stocks, internal works, M&A	0.31	1.28	311%	1.02	nm
Revenues - €mn	15.63	21.90	40%	21.11	35%
<i>Italy</i>	8.47	12.78	51%	12.46	47%
<i>Roe</i>	1.89	2.06	9%	2.01	6%
<i>Us</i>	na	4.54	na	4.42	na
<i>Row</i>	4.95	1.24	-75%	1.21	-76%
Gross profit - €mn	8.89	13.20	49%	12.86	45%
Gross margin (on Sales) - %	58.0%	64.0%	na	64.0%	na
Other fixed costs - €mn	-6.84	-10.42	52%	-10.99	61%
As % of sales	44.7%	-50.5%	-	54.7%	-
Ebitda - €mn	2.04	2.78	na	1.87	-8%
Ebitda margin (on Sales) - %	13.1%	13.5%	na	8.9%	na
Net Income - €mn	1.18	1.01	-14%	0.17	-86%
Net Income Adj - €mn	0.60	1.01	68%	0.17	-73%
NFP (YE and current) - €mn	5.78	5.19	-	5.42	-

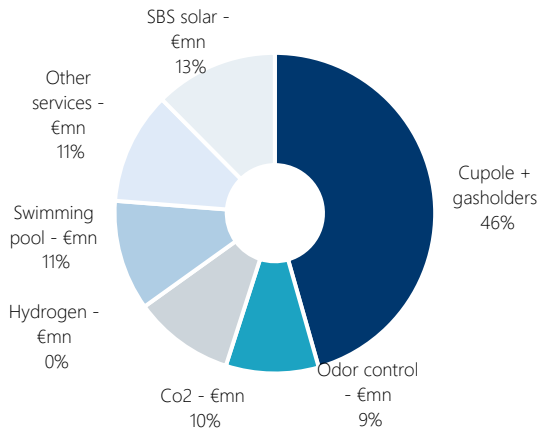
Source: Company data and Equita SIM estimates

As you can see from the table above:

1. **Sales came out some -4% below expectations**, mainly driven by lower-than-expected results in the core "Cupole-Gasholders" segment (-20% YoY) due to the prolonged delays in the implementation of the incentives to the biomethane market. The lower performance in the core market has been compensated by the contribution of the newly acquired solar segment (SBS SOLAR), with some €2.5mn sales at YE24.
The solar segment has already become the 2nd biggest contributor to ECMB's results with a 13% share of total sales.

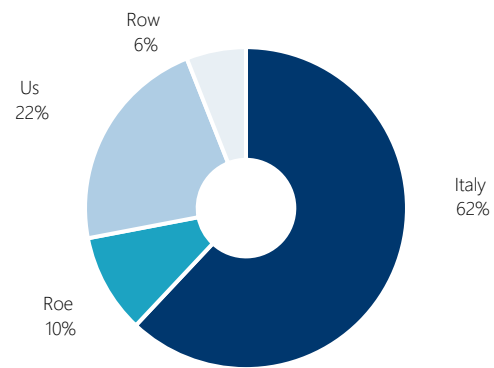
CONTRIBUTORS TO RESULTS

SEGMENTAL SPLIT OF REVENUES



Source: Equita SIM on company data

GEOGRAPHICAL SPLIT OF REVENUES



Source: Equita SIM on company data

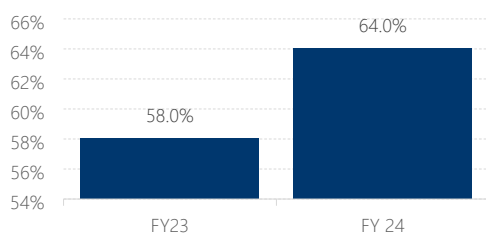
2. Ebitda was particularly weak, at -8% YoY despite the significant increase in sales.

We believe ECMB mainly suffered:

- a. **Higher structural/overhead costs** (total other/fixed expenses at -55% of sales in 2024 vs -45% of 2023) which more than offset the achieved improvement in gross profits (64% in 2024 vs 58% at the end of 2023). The higher fixed costs are mainly due to the new production facility and the associated personnel increase, which prepared ECMB to the expected increase in market demand (delayed by the worse regulatory environment).
- b. **Lower profitability at certain contracts in the odor-control and Co2 divisions.** During 2024 the group achieved some major contracts, which required a higher-than-expected level of engineering and non-standard dimensions, with associated lower margins. This is valid for both the Odor control segment and the first big orders from Energy Dome in the Co2 space.

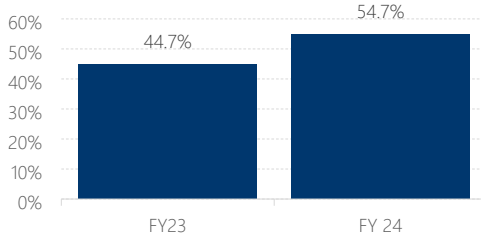
MARGINS CONSIDERATIONS

GROSS MARGIN



Source: Equita SIM on company data

FIXED COST EVOLUTION



Source: Equita SIM on company data

3. Net cash came out slightly better than expected with a good management of the working capital, which ended up at 24% of turnover compared to the 28% registered in 2023.

NET DEBT COMPOSITION

Consolidated Net Financial Debt (Figures in Euro/000)	31.12.2024	31.12.2023	Var. % 2024-2023
A. Liquid Assets	3.382	7.476	-54,8%
B. Cash equivalents	5.284	-	n/a
C. Other current financial assets	1.637	-	n/a
D. Liquidity (A) + (B) + (C)	10.303	7.476	37,8%
E. Current financial debt	-	-	n/a
F. Current portion of non-current debt	924	727	27,1%
G. Current financial debt (E) + (F)	924	727	27,1%
H. Net current financial debt (G) - (D)	-9.379	-6.749	39,0%
I. Non-current financial debt	3.965	973	>100%
J. Debt intruments	-	0	n/a
K. Trade payables and othe non-current payables	-	0	n/a
L. Non-current financial debt (I) + (J) + (K)	3.965	973	>100%
M. Total financial debt (H) + (L)	-5.415	-5.776	-6,3%

Source: Company presentation

2025-26 OUTLOOK APPEARS MORE CHALLENGING

Looking ahead to 2025-26, we recognize that market conditions have become more challenging for ECMB in the last months. While the company has already invested (both in new facilities and personnel) to prepare for a positive turnaround in both the biomethane and the CO2 segments, we believe the fundamentals in both segments have deteriorated. We believe ECMB has been rapid to react in 2024 through a diversification in the solar business, anyway we also believe that this is not enough to compensate for the delays in the core markets.

More in details we believe:

- The regulatory and incentives recognition to the construction of biomethane plants in Italy, is going to suffer additional delays in the next months.** Although the DM/2022 tenders (incentives to biomethane) have been 69% awarded at the end of 2024, the remaining share may not be fulfilled with the 5th expected auction (closed in January 2025).
As discussed in the market, this may require an additional 6th tender and a legislative intervention to extend the construction deadlines (currently set for June 2026), which are too tight to allow the construction of the plants on time. These interventions (expected as early as the end of 2024/beginning of 2025) have not yet been discussed, with potential delays in unloading the backlog of projects.

As we have summarized in the following table, the total projects awarded by the DM2022 is worth 257,000 smc/h (which may have built up a market for ECMB in the region of €57mn sales), expected to be attributed through 5 different enders in the period 2023-2024 (last tender in January 2025). **At the end of 2024 only 48% of the total projects have been finally awarded (net of cancellation) vs 91% expected in initial version of the decree.**

NRRP TENDERS FOR BIOMETHAN - DM 15/12/2022							
PIPELINE ASSESSMENT	smc/h	1st tender - March 2023	2nd tender - September 2023	3rd tender - February 2024	4th tender - August 2024	5th tender - January 2025	Eventual 6th tender - May/June 2025 ?
TOTAL NRRP funds	257,000	67,000	108,272	131,893	162,499	134,730	80,838
Reported awarded projects - smc/h	-	29,998	25,881	58,119	62,332	67,365 *	80,838
Cumulated awarded (net of cancellation) - smc/h	-	na	na	na	122,270	176,162 **	257,000
Cumulated awarded (net of cancellation) - %	-	na	na	na	48%	69%	100%
Initial expectations DM/22	-	67,000	71,250	23,750	71,250	23,750	-
Cumulated awarded DM/22 - smc/h	-	67,000	138,250	162,000	233,250	257,000	-
Cumulated awarded DM/22 - %	-	26%	54%	63%	91%	100%	-
Cumulated delay in approval	-	-	-	-	110,980	80,838	0
% of cumulated delays	-	-	-	-	43%	31%	0%

Source: Equita SIM

In addition to the above elements, **no visibility is currently provided on future incentives recognition to the constructions of plants beyond 2026** (new incentives framework). While we believe the EU targets for the segment require significant investments in the coming years (in Italy from <1bcm up to 5.7bcm in 2030 as indicated in the PNIEC document), we also think that operators need visibility in terms of incentives and regulatory framework to put investment in new plants construction. **Although the fundamentals remain solid, the lack of a clear regulatory framework reduces visibility in the mid-term.**

- The CO2 business (Energy Dome) is transforming into a different value proposition.** As emerged in the market during the last months, Energy Dome (the main clients for the acquisition of membrane dedicated to the CO2 battery storage systems) has significantly enlarged its perimeter and dimension, with potential clients all over the world (US, Australia, Arabia, Europe).

While this was originally a positive driver for ECMB, we believe that the potential dimension of Energy Dome has gone beyond initial scope and expectations, with a player that, considering the dimension, will almost probably internalize the production of membrane with its own facilities. **We strongly believe ECMB will remain a partner of Energy Dome in its development, but we also think that this may occur more in the form of a service contracts rather than in the form of industrial components. We consequently believe the potential of €10mn contracts in a 2-3 years time horizon, has much lower visibility at current stage.** Furthermore, despite a service contract may potentially be a nice source of value for ECMB, we think it takes some risks of potentially being fully internalized by Energy Dome, after the first years of contracts (and in line with Energy Dome's learning curve).

■ Reducing estimates in the period 2025-26

Because of the above-described elements, we have significantly revised our profit expectations in the period 2025-26.

More in details we have:

- **Reduced revenues expectation in the region of -2%/-10% in 2025/26**, mainly by lowering the expected contributions of the biomethane/CO2 business and partially compensated by the new Solar activities.
- **Reduced the Ebitda forecast in the region of 55% in 2025/2026**, as we believe the lower expected revenues contribution will cause fixed costs to have a higher weight on the group's total revenues. Furthermore, we also think the new Solar activities (EPC and Tracker solutions) has a lower overall profitability vs the traditional membrane businesses.

A more detailed summary of the change in estimates is provided in the following table.

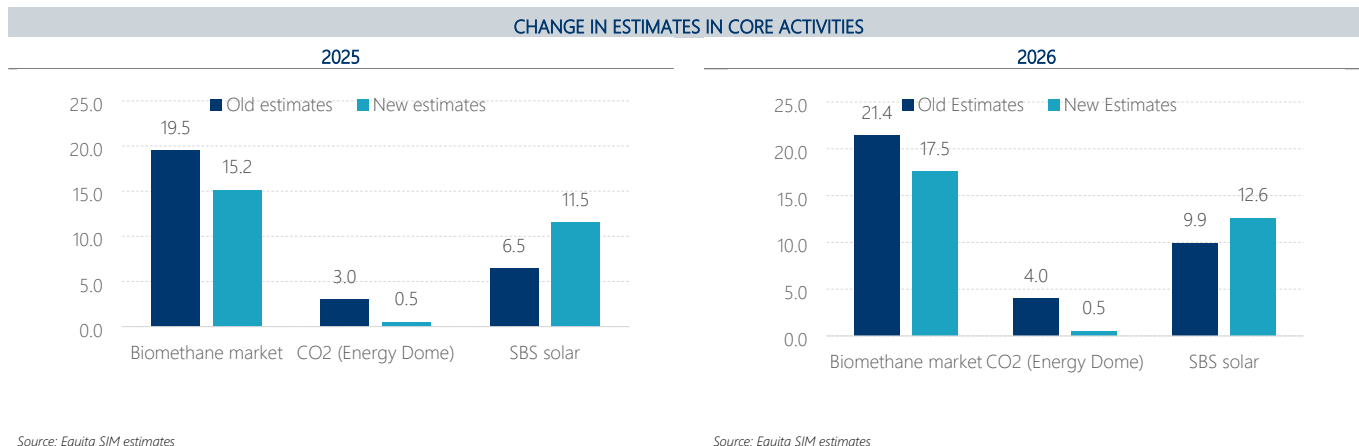
	CHANGE IN ESTIMATES			
MAIN FIGURES	2023	2024	2025	2026
Old Revenues - €mn	15.6	21.9	35.2	42.6
<i>Biomethane market</i>	-	10.8	19.5	21.4
<i>CO2 (Energy Dome)</i>	-	1.5	3.0	4.0
<i>SBS solar</i>	-	2.1	6.5	9.9
Change	0.0	-0.7	-0.7	-4.3
New Revenues- € mn	15.6	21.1	34.5	38.3
<i>of which Biomethan market</i>	-	9.4	15.2	17.5
<i>Of which CO2 (Energy Dome)</i>	-	2.0	0.5	0.5
<i>of which SBS solar</i>	-	2.5	11.5	12.6
% change	0.0%	-3.4%	-1.9%	-10.1%
Old Ebitda adj. - €mn	2.0	2.8	7.2	8.8
Change	0.0	-0.9	-4.0	-4.7
New Ebitda adj. - € mn	2.0	1.9	3.2	4.1
% change	0.0%	-32.7%	-55.2%	-53.8%
Old Net Income adj - € mn	0.6	1.0	3.9	4.5
Change	0.0	-0.8	-2.9	-3.1
New Net Income adj - € mn	0.6	0.2	1.0	1.4
% change	0.1%	-83.4%	-73.4%	-69.1%
Old Nfp - €mn	5.8	5.2	7.6	11.7
Change	0.0	0.2	-2.9	-6.3
New Nfp - € mn	5.8	5.4	4.7	5.4

Source: Company data and Equita SIM estimates

As you can see from the table, ECMB has been able to compensate the slowdown in the core markets through a diversification into the solar business (€2.1mn of revenues contribution already in 2024).

We believe the choice has been positive, as it allowed the group to both compensate the slowdown in the core market and it has opened a new business with good perspectives (the Italian market has a 4-5 GW of annual addition in capacity per year through 2030).

In the following pictures a summary of the shift in the business contributions



CONFIRMING THE BUY RECOMMENDATION WITH A REDUCED TARGET

Following the estimates revision, **we have reduced our target price to €7.1ps (ca.-32% vs previous target). Our new valuation offers an upside of ca. 60% on current prices and it implies a valuation and it is calculated by using an EV/EBITDA multiple of 8x as measured in 2026. This implies around -20% discount vs the average of EU capital goods.**

In the following table a summary of our valuation for the group.

EV/EBITDA VALUATION						
References & Sensitivity	Valuation	Sensitivity Analysis				
2026E Ebitda - €mn	4.1	4.1	4.1	4.1	4.1	4.1
2026E Ev/Ebitda Multiple - x	8.0 x	7.0 x	7.5 x	8.0 x	8.5 x	9.0 x
ENTERPRISE VALUE - €mn	32.9	28.4	30.4	32.9	34.5	36.5
Net cash end 2026 - €mn	5.4	5.4	5.4	5.4	5.4	5.4
Financial assets - €mn	0.1	0.1	0.1	0.1	0.1	0.1
Minorities - €mn	-4.1	-4.1	-4.1	-4.1	-4.1	-4.1
Provisions/Pensions - €mn	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3
EQUITY VALUE - €mn	33.0	28.5	30.6	33.0	34.6	36.7
Shares Fully diluted	4.3	4.29	4.29	4.29	4.29	4.29
Dcf to YE 2025 discount factor	0.9	0.9	0.9	0.9	0.9	0.9
TARGET PRICE - € ps	7.1	6.2	6.6	7.1	7.5	7.9

Source: Equita SIM estimates

In the following table a summary of group’s multiple valuation.

MARKET RATIOS	2023	2024	2025E	2026E
P/E Ord Adj	27.7x	nm	18.3x	13.7x
PBV	2.3x	1.7x	1.2x	1.2x

EV FIGURES	2023	2024	2025E	2026E
EV/Sales	1.8x	0.8x	0.5x	0.4x
EV/EBITDA Adj	13.5x	8.5x	5.0x	3.9x
EV/EBIT Adj	27.9x	22.9x	8.2x	6.0x
EV/CE	2.8x	1.5x	1.2x	1.2x

REMUNERATION	2023	2024	2025E	2026E
Div. Yield ord	0.7%	0.3%	2.2%	2.9%
FCF Yield Adj	-10.0%	-0.5%	-3.8%	7.6%
Roce Adj	10.2%	4.9%	12.0%	14.5%

INDEBTNESS	2023	2024	2025E	2026E
Nfp Adj	5.8	5.4	4.7	5.4
D/E Adj	n.m.	n.m.	n.m.	n.m.
Debt / EBITDA Adj	n.m.	n.m.	n.m.	n.m.
Interest Coverage	45.4x	n.m.	25.0x	23.8x

Source: Company data and Equita SIM estimates

We believe:

- **ECMB remains positively exposed to the biomethane/biogas development in Europe.** The market still offers important growth options through 2030 (for Italy from <1bcm up to 5.7bcm in 2030). Although the visibility remains low at current stage, we believe that additional incentive schemes will allow the implementation of EU targets in the coming years, thus providing ECMB a sizeable market for its products.
- **The company boast an attractive growth trajectory,** with an expected CAGR of ca+30% per year in turnover and ca. +40% per year in Ebitda over the next 3 years, thanks to the biomethane, the Solar and the CO2 segments.

ECMB is trading at 2026E P/E of 13.6x and 3.9x EV/EBITDA, with a cash position of around €5.4mn at the end of 2024. Given its strong growth outlook, we believe current valuations remains compelling.

STATEMENT OF RISKS FOR ECOMEMBRANE S.P.A.

The primary elements that could negatively impact ECOMEMBRANE stock include:

- Relevant deterioration of the regulatory environment with reduced incentive commitment to the penetration of Biogas/Biomethan/Hydrogen.
- Relevant deterioration of the Interest rate/Inflationary environment putting at risk investment commitment from clients.
- Unforeseeable rump up of capex costs or delays in projects implementation.
- Eventual rapid increase of competition or demand/supply disruption.
- Deterioration of the access to financing sources

P&L - €mn	2022	2023	2024	2025E	2026E	2027E
SALES Rep	14.2	15.3	21.1	33.7	37.6	42.7
Growth	21.3%	7.6%	37.9%	59.9%	11.4%	13.5%
EBITDA Rep	3.2	2.0	1.9	3.2	4.1	4.8
Growth	33.9%	-36.7%	-8.4%	72.9%	25.5%	17.0%
Margin	22.6%	13.3%	8.9%	9.6%	10.8%	11.1%
Depr. & Amort	-0.5	-1.0	-1.0	-1.2	-1.3	-1.4
Other Provisions & Write D	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1
D&A	-0.7	-1.1	-1.2	-1.3	-1.4	-1.5
EBIT Rep	2.5	1.0	0.7	1.9	2.7	3.2
Growth	33.3%	-61.0%	-29.7%	179.9%	36.9%	20.9%
Margin	17.8%	6.4%	3.3%	5.8%	7.1%	7.5%
Net Interest Charges	0.0	0.0	0.0	-0.1	-0.2	-0.1
Equity & Financials	0.0	0.0	0.0	0.0	0.0	0.0
Other Financials	0.0	0.6	0.0	0.0	0.0	0.0
Financial Expenses	0.0	0.6	0.0	-0.1	-0.2	-0.1
Non Recurrings	0.0	0.6	0.0	0.0	0.0	0.0
PBT Rep	2.5	1.5	0.7	1.8	2.5	3.1
Growth	38.2%	-39.5%	-53.5%	153.6%	37.2%	24.0%
Income Taxes	-0.8	-0.4	-0.2	-0.5	-0.7	-0.9
Tax rate	-30.9%	-23.6%	-26.2%	-28.0%	-28.0%	-28.0%
Minority Interest	0.0	0.0	-0.3	-0.3	-0.4	-0.5
Net Income Rep	1.8	1.2	0.2	1.0	1.4	1.7
Growth	20.9%	-33.2%	-85.7%	514.4%	33.8%	26.2%
Margin	12.4%	7.7%	0.8%	3.1%	3.7%	4.1%
Net Income Adj	1.8	0.6	0.2	1.0	1.4	1.7
Growth	20.9%	-65.6%	-72.1%	514.4%	33.8%	26.2%
Margin	12.4%	3.9%	0.8%	3.1%	3.7%	4.1%
CF Statement	2022	2023	2024	2025E	2026E	2027E
FFO	2.4	2.3	1.6	2.6	3.2	3.8
Chg. in Working Capital	-0.5	-2.4	-0.8	-2.7	-0.6	-1.2
Other chg. in OCF	0.0	0.0	0.0	0.0	0.0	0.0
NCF from Operations	1.9	0.0	0.8	-0.1	2.6	2.5
CAPEX	-2.5	-2.5	-0.8	-1.0	-1.5	-1.5
Financial Investments	0.0	0.2	0.0	0.0	0.0	0.0
Other chg in investments	2.8	-1.8	0.0	0.0	0.0	0.0
NCF from Investments	0.3	-4.1	-0.8	-1.0	-1.5	-1.5
Dividends paid	-0.5	-0.7	-0.2	-0.1	-0.4	-0.6
Capital Increases	0.0	11.0	0.0	0.0	0.0	0.0
Other changes in financing	-1.7	0.7	-0.1	0.4	0.0	0.1
CHG IN NFP	-0.1	6.8	-0.4	-0.7	0.7	0.6

Source: Company data and Equita SIM estimates

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Date	Rec.	Target Price	Risk.	Comment
March 17, 2025	Buy	7.10	High	change in stock rating system

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