

Thursday, 31<sup>st</sup> October 2024

modefinance Corporate Credit Rating (Solicited) for  
**E'-DI ENERGIA S.R.L.: B1-** (First issuance)

modefinance published the Solicited Corporate Credit Rating of E'-DI ENERGIA S.R.L. on the website (<http://cra.modefinance.com/en>) and the rating assigned to the entity is B1- (First issuance). The analysis revealed it is a company with adequate economic and financial situation, capable of facing adverse economic conditions in the medium and long term.

E'-DI ENERGIA S.R.L. is a company specializing in the supply of energy and gas, operating nationwide while maintaining strong roots in the Veneto region and its neighboring areas. Founded in 2018, the company initially focused on business customers but later expanded its services to domestic customers, condominiums, and public administration.

## Key Rating Assumption

The Company's overall economic and financial situation is adequate, showing an improved trend compared to the previous year. While the capitalization level remains relatively low, the Company's equity is increasing, and its financial obligations seem largely sustainable. The management of short-term resources and expenditures is now more balanced, with net current assets showing a significant increase compared to the previous year. The increase in working capital, related to the rise in marketed volumes, has resulted in a consumption of liquidity which has been effectively balanced out by external financing. In FY23, sales revenue and operating margins significantly increased, leading profitability indicators to strong levels. The half-year figures as of June, 30<sup>th</sup> 2024 show a significant expansion of the Company's business volume, along with optimal management of credit line.

E'-DI ENERGIA S.R.L. has a governance and control structure made up of single-member bodies, appropriate for the activities undertaken and the current size of the company. When compared to its reference peer group, the Company aligns with the sector's median values in terms of size, while demonstrating excellent profitability level. However, its solvency is below the median levels due to a capitalization that remains relatively low. The peer group demonstrates adequate capitalization levels and low leverage value, along with effective liquidity management. The profitability of the sector, which improved in 2023, remains satisfactory.

The fundamentals of the energy industry have improved due to the stabilization of gas and energy prices, along with a reduction in their volatility compared to the peaks observed in 2022. However, significant concerns persist regarding potential negative developments within an increasingly unstable global geopolitical context. From a macroeconomic perspective, Italy faces limited growth prospects in the medium term.

## Sensitivity Analysis

In the following table, the addressing factors, actions or events that could lead to an upgrade or a downgrade are summarized:

Action	Description of the addressing factors, actions or events
<b>Upgrade</b>	<ul style="list-style-type: none"> <li>• The strengthening the capital base progressively leads to a better balance between internal and external funding sources.</li> <li>• An improvement in working capital management enables operations to take advantage of the strong levels of self-financing.</li> <li>• The progressive growth of the company is supported by a better structuring of its administrative body.</li> <li>• There is a reduction in geopolitical instability.</li> </ul> <p>In the case these conditions are met, the rating could upgrade to B1.</p>
<b>Downgrade</b>	<ul style="list-style-type: none"> <li>• Increase in financial debt resulting in a significant decline in net debt and debt sustainability ratios;</li> <li>• Decrease in operating margins and profitability overall;</li> <li>• Deterioration of the macro-economic, geopolitical environment, or reference sector.</li> </ul>

If these conditions were to occur, we can expect a downgrade to B2+.

## IMPORTANT

The present Corporate Credit rating is issued by modefinance under EU Regulation 1060/2009 and following amendments.

The present rating is solicited and is based on both private and public information. The rated entity and/or related third parties have provided all private information used. modefinance had access to some accounts and other relevant internal documents of the rated entity and/or related third parties. Solicited and unsolicited ratings issued by modefinance are of comparable quality, as the solicitation status has no effect on methodologies used. More comprehensive information on modefinance Corporate Credit Ratings are available at: <http://cra.modefinance.com/en>

The present Corporate Credit Rating is issued on MORE Methodology 2.0 and Rating Methodology 1.0. A comprehensive description of both methodologies, as well as information on modefinance Rating Scale and Mappings, is available at <http://cra.modefinance.com/en/methodologies>. For information on historical default rates of modefinance Corporate Credit Ratings please refer to ESMA Central Repository: <https://registers.esma.europa.eu/cerep-publication/> and ESMA European Rating Platform [https://registers.esma.europa.eu/publication/searchRegister?core=esma\\_registers\\_radar](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_radar).

modefinance refers to default as a company under bankruptcy, or under liquidation status, or under administration or for which missed payments on a financial obligation are officially recorded.

The quality of the information available on the rated entity and used to determine the present rating was judged by modefinance as satisfactory. Please note that modefinance does not perform any audit activity and is not in a position to guarantee the accuracy of any information used and/or reported in the present document. As such, modefinance can accept no liability whatsoever for actions taken based on any information that may subsequently prove to be incorrect.

The present credit rating was notified to the rated entity in order to identify potential factual errors, as prescribed by the CRA Regulation.

No amendments were applied after the notification process.

The rated company purchased ancillary services from modefinance (preliminary rating). Modefinance guarantees that this purchase of ancillary activities does not constitute any conflict of interest.

The rating action issued by modefinance was performed independently. The analysts, members of the rating team involved in the process, modefinance Srl and its members and shareholders do not have any conflicts of interest in relation to the Rated Entity and/or Related Third Parties. If in the future a potential conflict of interest is identified in relation to the persons reported above, modefinance Ratings will provide the appropriate information and if necessary the rating will be withdrawn.

The present Credit Rating is an opinion of the general creditworthiness that modefinance issues on the rated entity, and should be relied upon to a limited degree. The issued rating is subject to an ongoing monitoring until withdrawal.

## Contacts:

Head Analyst – Stefano Chirsich, Rating Analyst  
[stefano.chirsich@modefinance.com](mailto:stefano.chirsich@modefinance.com)

Responsible for Rating Approval – Pinar Dilek, Rating Process Manager  
[pinar.dilek@modefinance.com](mailto:pinar.dilek@modefinance.com)