

Thursday, 17<sup>th</sup> December 2024

modefinance Corporate Credit Rating (Solicited) for

**ENERVIVA S.R.L.: B1-** (First issuance)

modefinance published the Solicited Corporate Credit Rating of ENERVIVA 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 an adequate economic and financial situation, capable of facing adverse economic conditions in the medium and long term.

ENERVIVA S.R.L. has been operating in the energy market since 2013, with a strong focus on sustainability and renewable energy. Based in Assisi, the Company offers numerous integrated solutions for the supply of electricity, natural gas, and the development of complex projects related to renewable energy. With a customer-centric approach and an established network of qualified partners and consultants, it supports businesses and individuals in optimized management of energy needs, helping them reduce CO2 emissions.

**Key Rating Assumption**

The Company demonstrates adequate overall financial health. Shareholders' equity, although still relatively low (€932 thousand), is sufficient to ensure a balanced leverage ratio (2.00). Net financial debt is extremely low (€46 thousand) and fully sustainable in relation to equity (0.05) and EBITDA (0.12). The financial balance has been stable over the past three years, as evidenced by liquidity indicators consistently above 1. In 2023, sales revenue decreased (€3.35 million vs. €4.14 million), although the increase in volumes sold should be highlighted. Improved supply conditions enabled a reduction in costs, which contributed to stronger operating margins and net income (€306 thousand vs. €122 thousand). Profitability indicators, which are improving, are adequate. Looking at cash flows, we see that in 2023, the Company improved its self-financing capacity, although it was somewhat penalized by net working capital, whose absorption of resources contributed to a negative operating flow. Additional resources were used to support CAPEX and repay financial debt. Additionally, shareholders made a positive equity contribution through a paid capital increase.

The Company is managed by Mr. Marco Venturini and Mr. Moreno Pannacci, who are also its beneficial owners. Mr. Venturini holds a direct stake in Enerviva, while Mr. Pannacci owns his stake through an S.A.S.. Enerviva that he controls. Enerviva, in turn, does not hold any shares in other companies. To date, the Company does not have a controlling body, but one is expected to be appointed by the approval date of the 2025 financial statements.

Compared to its sector peer group, Enerviva ranks highly in terms of size and profitability, although the latter is largely driven by the company's limited capitalization. Solvency is in line with the sector median and remains at an adequate level. The benchmark peer group shows adequate capitalization and low leverage. Liquidity management is appropriate. Finally, while profitability indicators have declined, they remain at more than sufficient levels.

The fundamentals of the energy industry have improved, driven by the stabilization of gas and energy prices, along with reduced volatility compared to the peaks observed in 2022. However, significant concerns remain regarding potential negative developments within an increasingly unstable global geopolitical context. The Italian economy is projected to experience moderate growth in 2024, with more favorable prospects for the following two years.

**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>• Growth in sales revenue and operating margins;</li> <li>• Strengthening of capitalization;</li> <li>• The Company's progressive growth is supported by the increased structuring of its administrative and control structure;</li> <li>• Improved macroeconomic and geopolitical environment, with a positive impact on growth.</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>• Contraction in sales revenues and operating margins;</li> <li>• Increase in financial debt, leading to a sharp deterioration in net debt and debt sustainability ratios;</li> <li>• Significant strain on working capital, with a negative impact on cash flow dynamics;</li> <li>• Deterioration in the macroeconomic and geopolitical environment or in the 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 and S-peek). 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.

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