

Company: **DEA S.p.A.** Rating: **BUY (unchanged)** Target Price: **€15.7 (from €14.9)**

Sector: **Electric Utilities**

## Solid FY25 delivery, awaiting regulatory clarity

### FY25 results: revenues +19.5%, EBITDA margin 42.1%, DPS at top of range

In FY25, DEA reported revenues of €39.4m (+19.5% yoy, vs. our €37.8m estimate *(Please refer to our Company Update dated October 17, 2025)*), driven by the full-year consolidation of ASPM Soresina (acquired December 2024, ~€4.7m contribution) and €0.9m of non-recurring items (€131k art. 41 TIT aggregation incentive, €782k prior-year tariff perequation), partly offset by the WACC step-down from 6.0% to 5.6% (ARERA res. 513/2024/R/com). Electricity distribution remained the core segment at €33.1m (+13.7% yoy, ~84% of revenues), while public lighting jumped to €4.8m (+60.3%) on Soresina's broader portfolio. EBITDA rose +21.9% to €16.6m, with margin on revenues at 42.1% (from 41.3%); group net profit reached €6.3m (+12.5% yoy). Net debt improved to €5.0m (vs. our €6.4m estimate), with net debt/EBITDA at 0.3x. The Board proposed a DPS of €0.30 (€2.37m, +20% yoy, 3.4% yield, ~40% payout at the top of the 20-40% policy range).

### Italian DSOs: framework set, awaiting MASE decree

Under the 2025 Budget Law, distribution concessions originally expiring in 2030 can be extended by up to 20 years, conditional on the submission of extraordinary investment plans, although AGCM's April 2025 opinion (AS2079) raised competition concerns on the proposed length. ARERA's August 2025 proposal (res. 392/2025) sets out the operational framework (two submission windows, a +10-35% CapEx uplift vs. the 2020-24 baseline and a one-off concessionary charge) but enforcement awaits the MASE implementation decree, still pending vs. the original June 2025 deadline. Separately, ARERA confirmed the WACC at 5.6% through 2027 (res. 476/2025), removing the risk of further cuts within the current sub-period.

### Strategy: aggregation hub at 90.9k PoD, 100k threshold within reach

DEA continues to execute its agenda, having completed 6 transactions since 2023 and expanding from 33k PoD in 2022 to 90.9k at YE25 across four regions (Marche, Abruzzo, Liguria, Lombardia). The 100k PoD milestone, a key unlock for scale efficiencies and regulatory positioning, is within reach via the right to acquire ~20k PoD from Enel granted upon the AMAIE deal. Public lighting (15 municipalities, 12% of revenues) provides a higher-margin, asset-light complement with strong cross-selling synergies. Solid equity at €85.8m and low leverage (net debt/EBITDA 0.3x) support further M&A optionality.

### 2026-28E: top line lifted on higher base, IRAP surcharge weighs on tax line

We kept FY26-27E top-line growth rates broadly unchanged, with FY26E marginally rebased to strip out FY25 non-recurring items; the higher FY25 base nonetheless mechanically lifts absolute revenue estimates over the horizon. EBITDA margin is unchanged at ~40.9%, with FY26E EBITDA upgraded to €16.4m (from €15.8m, +3.4%) and FY28E at €17.2m. Despite higher operating profits, FY26-27E net profit is cut by ~3% (€6.4m vs. €6.6m in FY26E; €6.8m vs. €6.9m in FY27E) on the +2pp IRAP surcharge from DL 21/2026 (rate up from 3.9% to 5.9% for energy operators), with FY28E recovering to €7.1m as the surcharge expires. FY26E CapEx is revised upward to €10.8m (from €9.7m) on the final PNRR push, with a modest D&A increase. All other balance sheet assumptions are unchanged.

### Valuation: TP raised to €15.7/share (from €14.9), BUY reiterated

Our updated TP of €15.7/share (from €14.9) is the weighted average of DCF at €112.3m (80% weight) and EV/EBITDA multiples at €174.0m (20%), reflecting a discount to multiples given DEA's lower marginality vs. comparables. The DCF (Distribution: 2026-30E FCF + RAB-based TV; Public Lighting: 2026-47E FCF, no TV, assuming no concession renewal) reaches €117.3m EV (vs. €117.1m), with the higher WACC at 6.3% (from 6.0%) largely offsetting the FCF uplift; FY25 net debt of €5.0m (vs. €6.4m previously) further supports the equity value. The multiples valuation applies the peer group median EV/EBITDA FY26-27E of 10.8x (vs. 9.8x previously) to our €16.4m/€16.8m EBITDA estimates, deriving an EV of €179m (vs. €154.3m previously). DEA trades at 4.6x EV/EBITDA FY26E vs. peers' 11.3x and at 1.0x P/BV vs. 2.1x, with low leverage (net debt/EBITDA <0.5x throughout the forecast). Given the upside vs. closing price (as of April 28, 2026) and undemanding valuation, we reiterate our BUY.

April 29, 2026 at 08:00

Company Profile					
Bloomberg	DEA IM				
FactSet	DEA:IT				
Stock exchange	Italian Stock Exchange				
Reference Index	FTSE Italia Growth Index				
Market Data					
Price (as of April 28, 2026)	€ 8.40				
Number of shares (mln)	7.9				
Market cap. (mln)	€ 66.5				
1-Year Performance					
Absolute	9.8%				
Max/Min	9.45/6.95				
(€,mln)	2024	2025	2026E	2027E	2028E
<b>Revenues</b>	<b>33.0</b>	<b>39.4</b>	<b>40.2</b>	<b>41.0</b>	<b>41.9</b>
Total revenues (VoP)	36.7	45.4	43.8	44.6	45.5
yoy (%)	107.3%	23.6%	-3.6%	1.9%	2.0%
<b>EBITDA</b>	<b>13.6</b>	<b>16.6</b>	<b>16.4</b>	<b>16.8</b>	<b>17.2</b>
margin (%)	41.3%	42.1%	40.8%	40.9%	40.9%
<b>EBIT</b>	<b>8.5</b>	<b>10.5</b>	<b>10.1</b>	<b>10.5</b>	<b>10.9</b>
margin (%)	25.7%	26.6%	25.1%	25.7%	26.1%
<b>Net profit</b>	<b>5.7</b>	<b>6.6</b>	<b>6.4</b>	<b>6.8</b>	<b>7.3</b>
margin (%)	17.2%	16.7%	15.9%	16.5%	17.3%
<b>Net debt (cash)</b>	<b>6.6</b>	<b>5.0</b>	<b>7.3</b>	<b>3.9</b>	<b>0.1</b>
Equity	81.1	85.8	89.6	93.8	98.4
<b>Capex adj.</b>	<b>(20.9)</b>	<b>(15.2)</b>	<b>(10.8)</b>	<b>(6.8)</b>	<b>(6.8)</b>
FCF	(3.2)	3.8	1.7	6.7	7.0



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## Contents

Contents.....	2
SWOT analysis.....	3
Concession length.....	4
FY25 results .....	6
Estimates Update .....	9
Valuation .....	11
Natural monopoly, focus on M&A and low downside risk.....	14
Appendix .....	17
The reference industry.....	17
History, structure and people.....	19
Disclaimer .....	22

## SWOT analysis

### STRENGTHS

- Regulated non-cyclical business
- Economies of scale with lighting business
- Low debt levels
- Generous dividend policy
- High marginality

### WEAKNESSES

- Multiple voting shareholder class (10 to 1)
- Inferior ROE
- Capital intensive

### OPPORTUNITIES

- Option to acquire 24k PoD with a price cap
- Sector consolidation
- Expansion of lighting in new municipalities
- IoT / Data Management

### THREATS

- Emergence of other PoD aggregators or competition from large multi-utilities
- Regulatory changes

## Concession length

<b>Concession extended by up to 20 years, 2030 bidding abolished</b>	At the end of 2024, an amendment to the Budget Law extended the concession, originally set to expire in 2030, by an additional 20 years, contingent upon the submission of an investment plan. This abolishes the competitive bidding process previously scheduled for 2030, instead granting current distributors a prolonged operational mandate.
<b>ARERA defines investment plan requirements and extension criteria</b>	In August 2025, ARERA published its proposal for the extraordinary investment plans and concession extensions. Plans must be presented either i) within 90 days after the 5-month period following decree approval (2027–31 investments), or ii) by January 2028 (2029–33 investments). Depending on 2020–24 investment levels (annual investments over recognized depreciation), extraordinary levels must be +10–20% (ratio >1) or +25–35% (ratio <1). Investments have to be adjusted if the company significantly changes its perimeter. Distributors will also incur a one-off charge calculated as a percentage of revenues, based on the 2023 reference tariffs. Awarded extensions will last at least 10 years starting from 2030 and will be homogeneous for all companies that have presented an extraordinary investment plan.
<b>Implementation decree pending; AGCM flags competition concerns</b>	The ARERA proposal still requires approval by MASE via an implementation decree. The original 180-day deadline set by the Budget Law (end June 2025) has been missed, and as of April 2026 the decree remains pending. In the meantime, the Italian Competition Authority (AGCM) has also weighed in (opinion AS2079, April 2025), noting that a 20-year extension is potentially inconsistent with competition principles and recommending that extraordinary investment plans be complementary to, and incremental over, existing PNRR-funded investments. The regulatory timeline therefore remains uncertain.
<b>WACC confirmed at 5.6% for 2026, no further cuts</b>	In November 2025, ARERA confirmed the WACC for electricity distribution at 5.6% for the 2025–27 sub-period (resolution 476/2025), after verifying that relevant parameters did not trigger the 30bps threshold required for a mid-period revision. The reduction from 6.0% in 2024 to 5.6% in 2025 had already been enacted under resolution 513/2024/R/com and remains in effect. While the cut weighs on allowed revenues, the confirmation provides visibility through 2027 and removes the risk of further reductions within the current regulatory sub-period.
<b>2026 tariffs approved; parametric tariff review for smaller distributors extended</b>	On 30 December 2025, ARERA approved the 2026 tariffs for electricity distribution and metering services (resolution 575/2025), providing visibility on DEA's regulated revenue allowance for the year. The same resolution extended the timeline for the review of parametric tariff criteria applicable to smaller distributors (<25k POD), which is directly relevant for ASPM Soresina Servizi and the tariff treatment of the Santo Stefano di Sessanio aggregation, as the potential annual tariff uplift of ~€130k depends on the current parametric framework remaining in place.
<b>Decreto Bollette: potential IRAP surcharge for energy operators in 2026–27</b>	In February 2026, the government enacted the "Decreto Bollette" (D.L. 21/2026), introducing urgent measures to reduce energy costs. Among its provisions, the decree imposes a 2 percentage point increase in the IRAP rate applicable to energy sector operators for FY26 and FY27. The surcharge applies to DEA and will have a direct impact on the group's tax burden over the next two fiscal years.

## Acquisitions

<b>Santo Stefano di Sessanio branch contributed into ASPM Soresina</b>	On 29 December 2025, DEA announced the contribution of the Santo Stefano di Sessanio (L'Aquila) electricity distribution branch into its subsidiary ASPM Soresina Servizi. The branch comprises ~300 POD and 15km of infrastructure across 33.7 sqkm, with a net asset value of €133k and FY24 revenues of €80k. Following the transaction, DEA's stake in ASPM falls from ~80% to ~77%, reflecting the dilution from accommodating the contributing party.
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Despite the limited size, the operation benefits from i) a one-off monetary incentive of ~€131k (30% of operating costs recognized in the last tariff prior to the corporate change), deriving from the merger of two operators under a parametric tariff regime (<25k POD), and ii) a potential annual tariff revenue uplift of ~€130k, should the combined ASPM + Santo Stefano entity qualify as a distributor operating in a mountainous area. These benefits are contingent on the transfer being completed by December 31, 2025, ASPM filing the required service volume and RAB declarations, and CSEA determining the 2026 parametric tariff under the mountainous-area configuration by December 31, 2027.

The transaction is in line with DEA's strategy of growth through M&A to expand its geographical footprint.

## FY25 results

**Revenues up ~20% on perimeter expansion, beating estimates**

FY25 revenues rose +19.5% yoy to €39.4m (vs. our est. €37.8m [Please refer to our Company Update dated October 17, 2025]), mainly driven by the full-year consolidation of ASPM Soresina Servizi S.r.l. (acquired December 2024, contributing ~€4.7m), partly offset by the WACC reduction for electricity distribution from 6.0% to 5.6% (ARERA res. 513/2024/R/com). Electricity distribution and metering remains the core segment at ~84% of revenues, reaching €33.1m (+13.7% yoy), while public lighting grew significantly to €4.8m (+60.3%) and other activities to €1.6m (+70.5%).

PoD reached 90.9k (from 90.4k at YE24 and 90.7k in 1H25).

**EBITDA margin +0.8pp yoy to 42.1%**

Revenue growth was accompanied by higher OpEx: raw materials up to €4.9m (from €3.4m) on capitalized works for the 2G meter replacement program, services up to €15.9m (from €13.3m) on perimeter changes and higher pass-through energy charges, and personnel costs +28% to €6.7m (from €5.2m) on ASPM Soresina consolidation and headcount growth (83 to 100 FTEs). Despite this, EBITDA rose +21.9% to €16.6m, with margin on revenues improving to 42.1% (from 41.3%).

**DPS at €0.30: 40% payout, top end of policy range**

EBIT rose +23.8% to €10.5m, with EBIT margin on revenues improving to 26.6% (from 25.7%), after D&A consistent with the elevated investment program and the value of managed infrastructure. Consolidated net profit increased +15.9% to €6.6m (from €5.7m), while group net profit reached €6.3m (+12.5% from €5.6m in FY24).

The Board proposed a dividend of €0.30 per share (€2.37m in total, +20% yoy), implying a ~40% payout ratio and a ~3.4% dividend yield based on the 30 March 2026 closing price.

**Net debt down to €5.0m, leverage at 0.3x EBITDA**

Net debt improved to €5.0m (from €6.6m at YE24, vs our €6.4m estimate), net debt/equity fell to 5.8% (from 8.1%), net debt/EBITDA to 0.3x (from 0.5x). Fixed assets reached €107.7m, up from €99.2m at YE24.

Figure 1: Revenue breakdown 2018-25

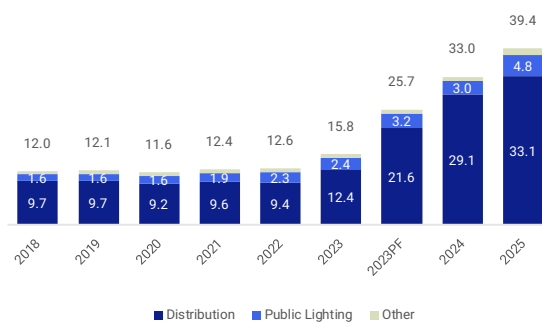
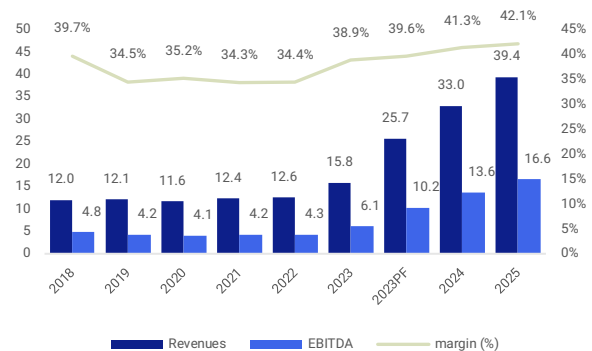


Figure 2: Revenue, EBITDA (€/m), margin (%) 2018-25



Source: Banca Profilo elaborations on Company data

Table 1: Revenue breakdown by BU 2022-25 (€/mln)

	2022	2023	2023PF	2024	Estimate 2025E	Actual 2025	Actual vs E
Distribution	9.4	12.4	21.6	29.1	31.8	33.1	+4.0%
yoy (%)	-2.0%	29.9%	130.5%	34.6%	9.3%	13.7%	
on sales (%)	74.6%	78.7%	84.0%	88.2%	84.2%	83.9%	
Public Lighting	2.3	2.4	3.2	3.0	4.3	4.8	+11.2%
yoy (%)	15.8%	25.1%	40.6%	-6.3%	44.2%	60.3%	
on sales (%)	17.9%	15.4%	12.3%	9.0%	11.3%	12.1%	
Other	0.9	0.9	0.9	0.9	1.7	1.6	-6.3%
yoy (%)	8.6%	7.6%	-1.4%	0.4%	81.9%	70.5%	
on sales (%)	7.5%	5.9%	3.6%	2.8%	4.5%	4.0%	
<b>Revenues</b>	<b>12.6</b>	<b>15.8</b>	<b>25.7</b>	<b>33.0</b>	<b>37.8</b>	<b>39.4</b>	<b>+4.4%</b>

Source: Banca Profilo elaborations on Company data

Table 2: Income Statement 2022-25 (€/mln)

	2022	2023	2023PF	2024	Old 2025E	Actual 2025	Actual vs E
Revenues	12.6	15.8	25.7	33.0	37.8	39.4	4.4%
yoy (%)	1.6%	25.6%	104.8%	108.9%	14.5%	19.5%	
Other	1.3	1.9	3.5	3.8	3.2	6.0	88.0%
<b>Total revenues (VoP)</b>	<b>13.8</b>	<b>17.7</b>	<b>29.3</b>	<b>36.7</b>	<b>41.0</b>	<b>45.4</b>	<b>10.9%</b>
yoy (%)	2.4%	31.2%	111.7%	107.3%	11.5%	23.6%	
Material costs	(2.3)	(2.4)	(3.4)	(3.4)	(4.5)	(4.9)	9.6%
Costs of services	(4.5)	(6.4)	(9.8)	(13.3)	(14.4)	(15.9)	10.2%
Cost for the use of third-part assets	(0.2)	(0.3)	(0.6)	(0.5)	(0.6)	(0.5)	-9.7%
Labour costs	(2.3)	(2.4)	(5.1)	(5.2)	(6.0)	(6.7)	10.7%
Other operating expenses	(0.2)	(0.2)	(0.3)	(0.7)	(0.4)	(0.8)	110.2%
<b>EBITDA</b>	<b>4.3</b>	<b>6.1</b>	<b>10.2</b>	<b>13.6</b>	<b>15.0</b>	<b>16.6</b>	<b>10.3%</b>
margin (%)	34.4%	38.9%	39.6%	41.3%	39.9%	42.1%	
yoy (%)	1.9%	44.5%	135.5%	121.8%	10.6%	21.9%	
D&A	(2.7)	(3.2)	(5.1)	(5.2)	(5.7)	(6.1)	7.6%
Provisions	(0.1)	(0.1)	(0.1)	-	(0.1)	-	-100.0%
<b>EBIT</b>	<b>1.6</b>	<b>2.9</b>	<b>5.0</b>	<b>8.5</b>	<b>9.2</b>	<b>10.5</b>	<b>13.4%</b>
margin (%)	12.8%	18.2%	19.6%	25.7%	24.5%	26.6%	
yoy (%)	-13.6%	54.1%	212.0%	194.1%	9.2%	23.8%	
Net financial expenses	(0.2)	(0.2)	(0.3)	(0.1)	(1.0)	(1.1)	11.6%
Taxes	(0.4)	(0.8)	(1.3)	(2.7)	(2.4)	(2.8)	19.0%
<b>Net profit</b>	<b>1.0</b>	<b>1.8</b>	<b>3.4</b>	<b>5.7</b>	<b>5.9</b>	<b>6.6</b>	<b>11.5%</b>
margin (%)	8.3%	11.5%	13.3%	17.2%	15.6%	16.7%	
yoy (%)	-14.8%	48.8%	228.2%	212.6%	4.0%	15.9%	
Minorities	-	(0.0)	(0.0)	(0.0)	(0.2)	(0.2)	50.4%
<b>Group net profit</b>	<b>1.0</b>	<b>1.8</b>	<b>3.4</b>	<b>5.6</b>	<b>5.7</b>	<b>6.3</b>	<b>10.5%</b>

Source: Banca Profilo elaborations on Company data

Table 3: Balance Sheet 2022-25 (€/mln)

	2022	2023	2023PF	2024	Old 2025E	Actual 2025
Tangible	36.7	45.8	62.9	74.0	80.0	84.5
Intangibles	4.0	20.5	20.5	24.7	23.6	22.7
Financials & Others	0.9	0.5	0.5	0.5	0.5	0.5
<b>Fixed assets</b>	<b>41.6</b>	<b>66.8</b>	<b>83.9</b>	<b>99.2</b>	<b>104.1</b>	<b>107.7</b>
Inventory	1.3	2.1	2.1	3.9	3.8	3.8
Accounts receivable	1.8	5.6	5.6	9.2	9.8	10.7
Accounts payable	(2.3)	(4.4)	(4.4)	(8.8)	(9.7)	(11.1)
<b>Operating net working capital</b>	<b>0.8</b>	<b>3.3</b>	<b>3.3</b>	<b>4.4</b>	<b>3.8</b>	<b>3.4</b>
Other current assets (/liabilities)	0.5	(4.2)	(4.4)	(10.5)	(10.9)	(15.8)
<b>Net Working Capital</b>	<b>1.3</b>	<b>(0.9)</b>	<b>(1.1)</b>	<b>(6.2)</b>	<b>(7.1)</b>	<b>(12.4)</b>
Other liabilities	(0.6)	(3.9)	(5.2)	(5.3)	(5.5)	(4.5)
<b>Net Invested capital</b>	<b>42.3</b>	<b>62.0</b>	<b>77.6</b>	<b>87.7</b>	<b>91.5</b>	<b>90.8</b>
<b>Equity</b>	<b>34.0</b>	<b>52.4</b>	<b>67.2</b>	<b>81.1</b>	<b>85.0</b>	<b>85.8</b>
<b>Net debt (cash)</b>	<b>8.3</b>	<b>9.6</b>	<b>10.4</b>	<b>6.6</b>	<b>6.4</b>	<b>5.0</b>

Source: Banca Profilo elaborations on Company data

## Estimates Update

### Updated forecasts

**Estimates fine-tuned:  
higher base lifts  
absolute revenues,  
IRAP surcharge  
weighs on tax line**

We kept our FY26-27E top-line growth rates broadly unchanged, with FY26E marginally rebased to account for the FY25 non-recurring items not flowing into the run-rate; the higher FY25 starting base nonetheless mechanically lifts our absolute revenue estimates over the forecast period.

EBITDA margin assumptions remain virtually unchanged at ~40.9%, with FY26E EBITDA upgraded to €16.4mIn (from €15.8mIn Old, +3.4%) and FY28E reaching €17.2mIn. EBIT margin holds in the 25.7-26.3% range, broadly stable vs the Old set. The most material change is at the bottom line: despite higher revenues and EBITDA, FY26-27E net profit estimates are cut by ~3% (FY26E: €6.4mIn vs €6.6mIn Old; FY27E: €6.8mIn vs €6.9mIn Old) due to (i) the +2pp IRAP surcharge introduced by DL 21/2026 (rate up from 3.9% to 5.9% for energy operators), and (ii) marginally higher net financial expenses. FY28E group net profit recovers to €7.1mIn as the IRAP surcharge expires.

We revised our FY26E CapEx upward to €10.8mIn (from €9.7mIn) reflecting the final push on PNRR-related projects, leading to a modest increase in D&A. All other balance sheet dynamics and assumptions are unchanged.

**Table 4: Revenue breakdown by BU 2025-28E (€/mIn)**

	2025	Old 2026E	New 2026E	Old 2027E	New 2027E	New 2028E
Distribution	33.1	32.6	33.7	33.2	34.4	35.1
yoy (%)	13.7%	2.5%	2.0%	2.0%	2.0%	2.0%
on sales (%)	83.9%	84.2%	83.9%	84.1%	83.8%	83.7%
Public Lighting	4.8	4.4	4.8	4.5	5.0	5.1
yoy (%)	60.3%	2.7%	2.0%	3.0%	3.0%	3.0%
on sales (%)	12.1%	11.3%	12.1%	11.4%	12.2%	12.3%
Other	1.6	1.7	1.6	1.8	1.7	1.7
yoy (%)	70.5%	2.0%	2.0%	2.0%	2.0%	2.0%
on sales (%)	4.0%	4.5%	4.0%	4.5%	4.0%	4.0%
<b>Revenues</b>	<b>39.4</b>	<b>38.7</b>	<b>40.2</b>	<b>39.5</b>	<b>41.0</b>	<b>41.9</b>

Source: Banca Profilo elaborations and estimates on Company data

Table 5: Income Statement 2025-28E (€/mln)

	2025	Old 2026E	New 2026E	Old 2027E	New 2027E	New 2028E
Revenues	39.4	38.7	40.2	39.5	41.0	41.9
yoy (%)	19.5%	2.5%	2.0%	2.1%	2.1%	2.1%
Other	6.0	3.6	3.6	3.6	3.6	3.6
<b>Total revenues (VoP)</b>	<b>45.4</b>	<b>42.3</b>	<b>43.8</b>	<b>43.1</b>	<b>44.6</b>	<b>45.5</b>
yoy (%)	23.6%	3.3%	-3.6%	1.9%	1.9%	2.0%
Material costs	(4.9)	(4.7)	(4.8)	(4.7)	(4.9)	(5.0)
Costs of services	(15.9)	(14.6)	(15.1)	(14.7)	(15.3)	(15.5)
Cost for the use of third-part assets	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Labour costs	(6.7)	(6.2)	(6.4)	(6.4)	(6.6)	(6.8)
Other operating expenses	(0.8)	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)
<b>EBITDA</b>	<b>16.6</b>	<b>15.8</b>	<b>16.4</b>	<b>16.2</b>	<b>16.8</b>	<b>17.2</b>
margin (%)	42.1%	40.9%	40.8%	40.9%	40.9%	40.9%
yoy (%)	21.9%	5.2%	-1.3%	2.2%	2.5%	2.2%
D&A	(6.1)	(5.7)	(6.2)	(5.7)	(6.1)	(6.1)
Provisions	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
<b>EBIT</b>	<b>10.5</b>	<b>10.0</b>	<b>10.1</b>	<b>10.4</b>	<b>10.5</b>	<b>10.9</b>
margin (%)	26.6%	25.8%	25.1%	26.3%	25.7%	26.1%
yoy (%)	23.8%	8.0%	-3.8%	4.1%	4.6%	3.9%
Net financial expenses	(1.1)	(0.7)	(0.9)	(0.6)	(0.7)	(0.7)
Taxes	(2.8)	(2.6)	(2.8)	(2.8)	(3.0)	(2.9)
<b>Net profit</b>	<b>6.6</b>	<b>6.6</b>	<b>6.4</b>	<b>6.9</b>	<b>6.8</b>	<b>7.3</b>
margin (%)	16.7%	17.0%	15.9%	17.6%	16.5%	17.3%
yoy (%)	15.9%	11.5%	-2.8%	5.7%	6.2%	7.2%
Minorities	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
<b>Group net profit</b>	<b>6.3</b>	<b>6.4</b>	<b>6.2</b>	<b>6.7</b>	<b>6.6</b>	<b>7.1</b>

Source: Banca Profilo elaborations and estimates on Company data

Table 6: Balance Sheet 2025-28E (€/mln)

	2025	Old 2026E	New 2026E	Old 2027E	New 2027E	New 2028E
Tangible	84.5	85.1	89.7	87.2	91.4	93.1
Intangibles	22.7	22.5	22.7	21.5	21.7	20.6
Financials & Others	0.5	0.5	0.5	0.5	0.5	0.5
<b>Fixed assets</b>	<b>107.7</b>	<b>108.1</b>	<b>112.9</b>	<b>109.1</b>	<b>113.5</b>	<b>114.2</b>
Inventory	3.8	3.9	3.9	4.0	4.0	4.1
Accounts receivable	10.7	10.1	10.9	10.3	11.1	11.3
Accounts payable	(11.1)	(9.9)	(10.5)	(10.1)	(10.7)	(10.8)
<b>Operating net working capital</b>	<b>3.4</b>	<b>4.0</b>	<b>4.3</b>	<b>4.2</b>	<b>4.4</b>	<b>4.6</b>
Other current assets (/liabilities)	(15.8)	(10.9)	(15.8)	(10.9)	(15.8)	(15.8)
<b>Net Working Capital</b>	<b>(12.4)</b>	<b>(6.9)</b>	<b>(11.5)</b>	<b>(6.8)</b>	<b>(11.3)</b>	<b>(11.2)</b>
Other liabilities	(4.5)	(5.6)	(4.5)	(5.6)	(4.5)	(4.5)
<b>Net Invested capital</b>	<b>90.8</b>	<b>95.6</b>	<b>96.9</b>	<b>96.7</b>	<b>97.7</b>	<b>98.5</b>
<b>Equity</b>	<b>85.8</b>	<b>89.5</b>	<b>89.6</b>	<b>94.2</b>	<b>93.8</b>	<b>98.4</b>
<b>Net debt (cash)</b>	<b>5.0</b>	<b>6.0</b>	<b>7.3</b>	<b>2.5</b>	<b>3.9</b>	<b>0.1</b>

Source: Banca Profilo elaborations and estimates on Company data

## Valuation

### SOTP

#### Distribution: DCF to 2030E + RAB

Following updates our modeled FCFs for Distribution during 2026-30E are €23.3mln (from previous €24.8mln for 2025-30E).

#### Lighting: DCF to 2047E

For the lighting business, we model FCFs over 2026-47E (€20.6mln, vs €20.0mln over 2025-47E previously) to properly reflect the staggered expiry of existing concessions. We do not include a terminal value, conservatively assuming no new concessions are won and that existing ones are not renewed at maturity.

**Table 7: FCF estimates 2026-30E**

FCF	Old 26E	New 26E	Old 27E	New 27E	Old 28E	New 28E	Old 29E	New 29E	Old 30E	New 30E
EBIT	10.0	10.1	10.4	10.5	10.8	10.9	11.2	11.4	11.8	12.0
Taxes	(2.9)	(2.9)	(3.0)	(3.0)	(3.1)	(3.1)	(3.2)	(3.3)	(3.4)	(3.4)
<b>NOPAT</b>	<b>7.1</b>	<b>7.2</b>	<b>7.4</b>	<b>7.5</b>	<b>7.7</b>	<b>7.8</b>	<b>8.0</b>	<b>8.1</b>	<b>8.4</b>	<b>8.5</b>
D&A	5.7	6.2	5.7	6.1	5.6	6.1	5.6	6.1	5.4	5.8
Change in NWC	(0.2)	(0.9)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Change in other	0.1	(0.1)	0.1	0.0	0.1	0.1	0.1	0.0	0.1	0.0
Capex	(9.7)	(10.8)	(6.7)	(6.8)	(6.7)	(6.8)	(6.7)	(6.8)	(6.7)	(6.8)
<b>FCF</b>	<b>3.0</b>	<b>1.7</b>	<b>6.2</b>	<b>6.7</b>	<b>6.5</b>	<b>7.0</b>	<b>6.7</b>	<b>7.2</b>	<b>6.9</b>	<b>7.5</b>
o/w FCF Lighting	1.2	1.3	1.2	1.3	1.2	1.4	1.3	1.4	1.3	1.4
o/w FCF Distribution	1.8	0.4	5.0	5.4	5.2	5.6	5.5	5.9	5.6	6.0

Source: Bloomberg, Banca Profilo Estimates

**Table 8: FCF Lighting 2031E-2047E**

	31E	32E	33E	34E	35E	36E	37E	38E	39E	40E	41E	42E	43E	44E	45E	46E	47E
FCF Lighting	1.3	1.3	1.2	0.9	0.9	0.8	0.8	0.9	0.9	0.9	0.6	0.5	0.5	0.6	0.6	0.6	0.6

Source: Bloomberg, Banca Profilo Estimates

#### WACC at 6.3% (from 6.0%)

To discount the estimated FCFs we apply a WACC of 6.3% (vs 6.0% previously), derived from:

- risk-free rate of 4.4% (unchanged), based on the implied consensus on the 30Y Italian BTP yield curve;
- market risk premium of 6.7%<sup>1</sup> (vs 5.5% previously);
- re-levered beta of 0.4 (unchanged), based on the average unlevered beta of selected listed peers;
- cost of debt of 5.3% (unchanged);
- target Debt-to-Equity ratio of 30%.

Discounting the Distribution division's FY26-30E FCFs yields an EV of €18.9mln (vs €19.6mln over FY25-30E previously), to which we add our estimated FY25 RAB of €85.6mln (unchanged), for a divisional EV of €104.5mln (vs €105.2mln previously).

Applying the same approach to the Public Lighting division over FY26-47E, we derive an EV of €12.8mln (vs €11.9mln previously).

Summing the two divisions, we reach a Group EV of €117.3mln (vs €117.1mln previously). Subtracting FY25 net debt of €5.0mln, we obtain an equity value of €112.3mln.

<sup>1</sup> Damodaran, January 5, 2026

Table 9: WACC Assumptions

WACC Calculation	
Perpetual growth rate	n.a.
Risk free rate (30Y)	4.4%
Equity risk premium	6.7%
Unlevered Beta	0.32
Levered Beta	0.39
KE	7.0%
Cost of debt	5.3%
Tax rate	28.7%
KD	3.8%
Target D/E	30.0%
D/D+E	23.1%
E/D+E	76.9%
<b>WACC</b>	<b>6.3%</b>

Source: Bloomberg, Banca Profilo Estimates

Table 10: SOTP valuation

SOTP	Method	EV	WACC
Distribution	DCF to 2030 + RAB TV	104.5	6.3%
Public lighting	DCF to 2047, no TV	12.8	6.3%
<b>Enterprise Value</b>		<b>117.3</b>	
FY25 Net Debt		5.0	
<b>Equity Value</b>		<b>112.3</b>	

Source: Bloomberg, Banca Profilo Estimates

## Multiple valuation

We identified 6 companies that operate in regulated sectors related to either distribution or transmission of electricity and gas.

Table 11: Listed comparables

Company Name	Country	Currency	Market Cap	Description
Terna	Italy	EUR	20,462	Electricity transmission in Italy
Italgas	Italy	EUR	10,458	Gas distribution in Italy and Greece
Snam	Italy	EUR	22,457	Gas transmission in Italy
REN	Portugal	EUR	2,499	Electricity and gas transmission in Portugal
Elia Group	Belgium	EUR	15,314	Electricity transmission in Belgium and Germany
Redeia	Spain	EUR	8,105	Electricity transmission in Spain, Peru, Chile and Brazil

Source: Bloomberg, Banca Profilo

Table 12: Peers' Key ratios

Company Name	Div. Yield	P/BV	ROE	Leverage (A/E)	Net debt/EBITDA	Net Income Margin
	2024	2024	2024	2024	2024	2024
Terna	3.9%	2.6	14.5%	3.9	4.8	28.1%
Italgas	3.7%	2.5	19.3%	6.8	5.7	19.2%
Snam	4.4%	2.4	13.9%	4.1	6.1	33.0%
REN	4.2%	1.7	10.4%	3.5	4.9	24.7%
Elia Group	1.4%	1.7	7.4%	4.3	7.7	12.5%
Redeia	5.3%	1.5	9.6%	2.9	4.8	28.4%
<b>Average</b>	<b>3.8%</b>	<b>2.1</b>	<b>12.5%</b>	<b>4.2</b>	<b>5.6</b>	<b>24.3%</b>
<b>Median</b>	<b>4.0%</b>	<b>2.1</b>	<b>12.2%</b>	<b>4.0</b>	<b>5.3</b>	<b>26.4%</b>
DEA	3.0%	1.0	7.1%	1.6	0.4	15.2%

Source: Bloomberg, Banca Profilo Estimates

Table 13: Peers' revenue growth and EBITDA margin

Company Name	Revenue Growth				EBITDA Margin			
	2024	2025	2026E	2027E	2024	2025	2026E	2027E
Terna	16%	9%	11%	8%	76%	69%	66%	66%
Italgas	-3%	42%	-21%	6%	78%	55%	77%	78%
Snam	-16%	9%	6%	6%	83%	77%	77%	77%
REN	-4%	3%	69%	4%	80%	78%	50%	50%
Elia Group	-2%	18%	28%	17%	47%	40%	42%	43%
Redeia	-10%	5%	-3%	5%	75%	72%	74%	75%
<b>Average</b>	<b>-3%</b>	<b>14%</b>	<b>15%</b>	<b>8%</b>	<b>73%</b>	<b>65%</b>	<b>64%</b>	<b>65%</b>
<b>Median</b>	<b>-3%</b>	<b>9%</b>	<b>9%</b>	<b>6%</b>	<b>77%</b>	<b>71%</b>	<b>70%</b>	<b>70%</b>
DEA	28%	14%	3%	2%	41%	40%	41%	41%

Source: Bloomberg, Banca Profilo Estimates

The selected panel trades at a median 2026-27E EV/EBITDA of 10.8x (vs previous FY26 9.8x) and PE of 15.7x (vs previous 14.4x), with a 5.3x Net Debt/EBITDA. Considerably higher leverage (4.0x) vs DEA 1.6x explains a portion of the panel's superior ROE.

Table 14: Peers' Multiples

Company Name	EV/EBITDA			PE		
	2025	2026	2027	2025	2026	2027
Terna	12.3	11.5	10.7	18.5	18.7	18.4
Italgas	11.1	10.0	9.3	15.6	14.2	13.1
Snam	13.7	12.9	12.2	17.7	15.6	15.2
REN	9.9	9.2	8.9	15.8	15.8	15.5
Elia Group	16.2	12.1	10.0	27.5	21.6	18.7
Redeia	11.1	11.1	10.5	16.0	16.0	15.6
<b>Average</b>	<b>12.4</b>	<b>11.1</b>	<b>10.3</b>	<b>18.5</b>	<b>17.0</b>	<b>16.1</b>
<b>Median</b>	<b>11.7</b>	<b>11.3</b>	<b>10.3</b>	<b>16.9</b>	<b>15.9</b>	<b>15.5</b>
DEA	4.8	4.6	4.5	11.6	10.4	9.9

Source: Bloomberg

We apply the peer group median EV/EBITDA FY26-27E to DEA's estimated EBITDA of €16.4m in FY26E and €16.8m in FY27E, deriving an EV of €179m. After deducting FY25 net debt of €5.0m, we obtain an equity value of €174m (vs €147.7m previously).

### Target Price and rating

TP €15.7 (from €14.9)

We took a weighted average between the DCF (80%) and market multiples valuation (20%), to reflect a discount to multiples given lower marginality vs comparables. This gives an Equity Value of €124.6m (from previous €118m) or €15.7/sh (from previous €14.9/sh).

Rating BUY

DEA trades at a 4.6x EV/EBITDA 26E (vs median 11.3x) and at 1.0x P/BV (vs peers 2.1x). Given the potential upside on closing price and undemanding valuation we confirm the BUY recommendation.

Table 15: Valuation

Mix	Equity Value	Weight
DCF	112.3	80%
Multiples	174.0	20%
<b>Total</b>	<b>124.6</b>	
Shares	7.9	
<b>TP</b>	<b>15.7</b>	

Source: Banca Profilo elaborations

## Natural monopoly, focus on M&A and low downside risk

<b>Local monopoly and regulatory protection</b>	<p>DEA (Distribuzione Elettrica Adriatica) is an electricity distributor and a natural monopolist in its local territory, facing low competition risk thanks to the regulatory market structure. The authority ARERA sets the tariff on which revenues are determined. This mechanism ensures stable revenues and predictable margins as operators can finance operating costs and pay investments. The business model is to be considered as non-cyclical because revenues are not linked to energy price and have limited exposure to volumes delivered. Concessions were originally set to expire in 2030, but an amendment to the Budget Law at YE24 extended the concession to up to another 20 years in exchange for the presentation of an investment plan.</p> <p>A key remark of DEA's equity story was becoming an aggregation hub for small-scale operators managing &lt;25k PoD, not eligible for concession renewal and too small to be large multi-utilities' targets. While the Budget Law does not establish explicit thresholds in terms of PoD required for the concession extension, smaller operators may be less equipped to sustain the required investments, both in terms of financial capacity and the complexity of execution. Therefore, although the regulatory framework is undergoing significant changes and an implementation decree will have to specify the details of the extension, we continue to believe that the underlying trends continue to point towards consolidation.</p>
<b>Right to acquire 24k PoD</b>	<p>DEA expects to surpass the 100k threshold via the exercise of the right to acquire ~20k PoD from a primary distributor (Enel). This was granted after the acquisition of Amaie and includes a €20m cap, implying a maximum price of €830/PoD (50% less than A2A-Enel deal).</p>
<b>Demonstrated execution capacity</b>	<p>The Company has demonstrated its high execution capacity by carrying out 6 operations, 4 in 2023, 1 in 2024 and 1 in 2025, making DEA a distributor with a national footprint.</p>
<b>423k PoD to be consolidated</b>	<p>Potential targets are likely to be found among the 423k PoD served by small distributors with less than 25k PoD each.</p>
<b>High profitability and generous dividend (20-40% dividend policy)</b>	<p>Historically (FY17-24) the Company kept good levels of profitability with an average EBITDA margin of ~36% and Net Income margin of ~12%. Net debt/EBITDA always remained below ~2x. Margins and indebtedness in FY24 figures were all better than the historical average.</p>
<b>Limited credit risk</b>	<p>Contracts governing distribution services require either banking or insurance guarantees to fasten contractual fulfillment from the customer (mainly the energy sellers). If a customer defaults, the losses are compensated by CSEA, subjected to ARERA's supervision.</p>
<b>Public lighting to diversify</b>	<p>In addition to the distribution business, 9% of FY24 revenues were generated through public lighting contracts, governed by concessions with local authorities and not subject to ARERA tariffs. DEA aims at getting more public lighting service manager contracts, especially in municipalities where it already operates as distributor enabling better economies of scale.</p>
<b>Energy transition</b>	<p>Demand for energy input and withdrawal data are likely to gradually increase to forecast demand and correct load management. This is driven by the energy transition and diffusion of widespread production from renewable sources, with the emergence of the "prosumer", small scale producers and consumers of electricity. DEA intends to acquire technology companies that develop forecasting tools and advanced data management &amp; analytics solutions, to become a provider of digital services for producers and final users.</p>

Figure 3: DEA Key Investment Remarks



Source: Company Data

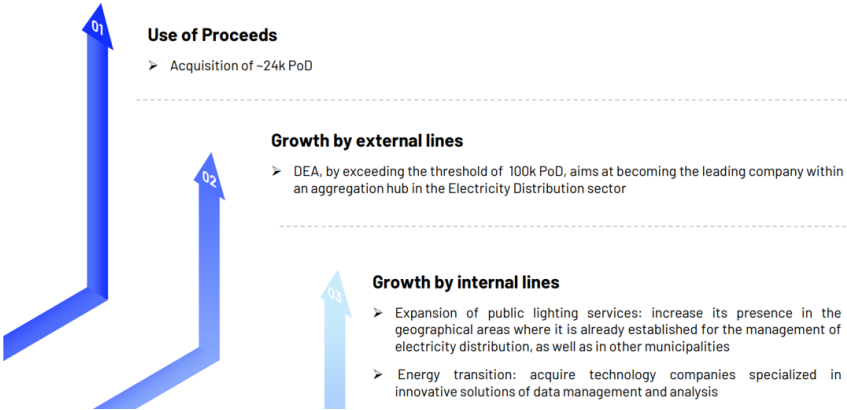
### ASPM, first transaction post-ipo

Expanding in Lombardia	On 22 August 2024, DEA announced it was awarded the tender for electricity distribution, gas distribution and public lighting services in five municipalities in Lombardia launched by Brescia municipality owned Brescia Infrastrutture.
Electricity (5k PoD), gas distribution (4.1k PDR) and public lighting	ASPM provides: electricity distribution and gas distribution in the Municipality of Soresina (CR) with 5,020 POD and 4,100 PDRs, as well as public lighting with 8,471 light points in the Municipalities of Manerbio (BS), Soresina (CR), Orzinuovi (BS), Robecco D'Oglio (CR), Rivarolo Mantovano (MN). We believe that the gas distribution business was included in the acquisition package but is not core to the company's operations.
Acquired at 5x EV/EBITDA, dilutive on EBITDA margin	As part of the transaction DEA acquired an 80% stake in ASPM Soresina for €3.7mln (5x EV/EBITDA <sub>23</sub> ), of which i) €2.3mln for the acquisition of a controlling stake in ASPM; ii) a capital increase of €1.45mln. DEA will have the option to purchase the remaining 20% of the share capital at €0.9mln by 2032. DEA announced the closing of the transaction on 5 December 2024.  In FY23, ASPM generated total revenues of €5.2mln (18% of DEA FY23PF) and with an EBITDA of €1.3mln (25.9% margin vs DEA 34.8% FY23PF), so it has a dilutive effect on DEA. The Company had a €2mln Net Debt at the end of FY23.

### IPO

Raised €8mln	The transaction was completed in July when DEA was listed on the EGM, raising €8 million. Existing shareholders are subject to an 18-month lock-up period. The negotiated share class carries standard (1x) voting rights.
Acquisition of 24k PoD	Proceeds from the IPO will be used to: <ul style="list-style-type: none"> <li>• Acquire 24k PoD from a primary distributor (€20mln cap), exercising the option obtained from Amaie acquisition;</li> <li>• Carry out further acquisitions, as after surpassing the 100k threshold DEA can become an aggregation hub for electricity distribution;</li> <li>• Expand the presence of public lighting services in areas where DEA already operates as a distributor;</li> <li>• Acquire technology companies specialized in innovative solutions of data management and analysis.</li> </ul>

Figure 4: Use of proceeds



Source: Company data

## Appendix

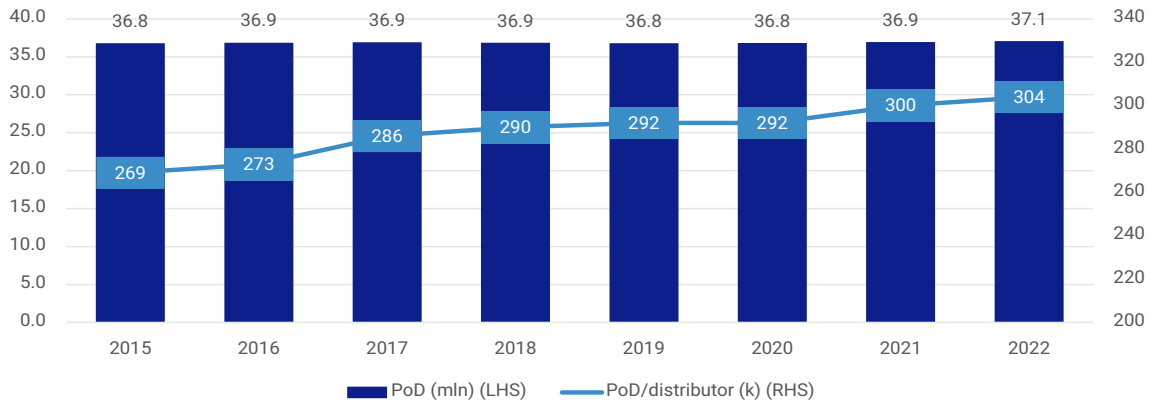
### The reference industry

#### Electricity distribution is highly concentrated

**Towards market consolidation**

At the end of 2022 in Italy there were 122 electricity distributors, declining from 133 in 2012 following market consolidation. In the same period, Total PoD grew at a 0.09% CAGR reaching 37.1mIn in 2022, with the number of PoD/Distributor moving to 304k from 269k in 2015.

**Figure 5: Total PoD (mIn, LHS), PoD/Distributor (k, RHS)**



Source: Company Data based on ARERA

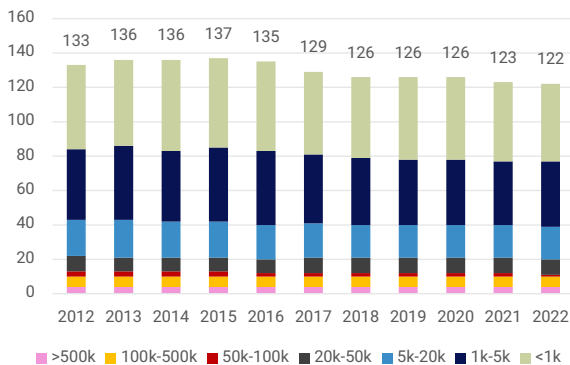
**High market concentration**

While there are more than 100 distributors, E-Distribuzione (Enel) has an ~85% market share with ~31.6mIn PoD. The 5 other incumbents A2A, Acea, Iren, Dolomiti Energia and Hera hold an overall market share of 11%, leaving the remainder 4% across 116 distributors. This concentration is inherited from the historical market structure of the sector.

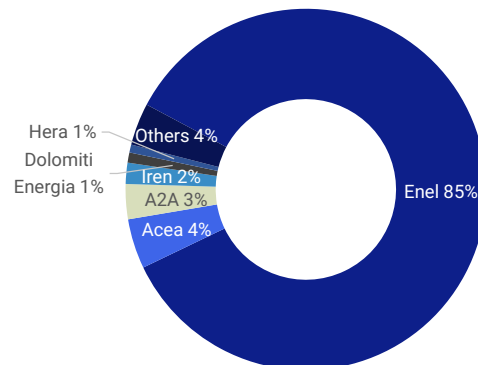
**Regional concentration**

Distributors with less than 100k PoD tend to be regionally concentrated (e.g. Trentino, Alto Adige, Valle d'Aosta, Veneto, Abruzzo, Marche) reflecting the market structure before Bersani Decree (Legislative Decree 79/1999). Alternatively, they can be larger but dispersed (DEA, Zecca, Amaie, AMET).

**Figure 6: Distributors (#) by number of PoD (2022)**



**Figure 7: Market share by number of PoD (2022)**



Source: ARERA

## Challenges and opportunities

### Challenges and opportunities from energy transition

In the coming years the sector is likely to undergo significant changes driven by the challenges and opportunities brought by the energy transition like:

- Fragmentation of energy production due to the diffusion of energy communities, which will require extension of network management activity by Terna as well as distributors;
- Growth in energy production from renewable sources;
- Expansion of distribution network electricity driven by new needs (like EV chargers) represent a growth opportunity of the sector.

### Big data can unlock competitive edge

The upgrade to electronics meters is another key driver of change in the sector, as it represents a challenge to distributors that must carry out relevant investments and will have to manage large amounts of data. On the other hand, digital challenges can provide a competitive edge as effective data management enhances consumption trend analysis, improves forecast accuracy and enables cost-effective remote interventions.

## History, structure and people

### Company's evolution

- 2015: Formation of DEA** On December 22, 2014, Astea approved the separation of its energy distribution BU into the newly constituted DEA effective on January 1, 2015. This was carried out to comply with regulations, which required vertical integrated utilities to separate legal entities carrying out distribution services. Originally the BU included energy distribution BU in the municipalities of Osimo (AN) and Recanati (MC), amounting to 29.9k PoD and for a network length of 1,304km.
- 2016: Joint stock company and acquisition of ASP** In 2016 Azienda Servizi Polverigi Srl (ASP) transferred electricity distribution activities in the municipality of Polverigi (AN) to DEA. DEA was converted into a joint stock company, with Astea owning a 93% stake and ASP 7%. At the end of the year the Company operated a 1,415km network and 32.2k PoD.
- 1H23: Acquisition of Zecca** On June 27, 2023, Odoardo Zecca Srl (Zecca) transferred the distribution BU relating to the municipalities of Ortona and San Vito Chietino (Chieti). Zecca was valued at a €16.2mln. Following the acquisition, DEA network expanded to 2,099km and 50.8k PoD.
- 2H23: Acquisition of Magliano, Offida and AMAIE** During 2H23 DEA acquired the electrical distribution branch of Magliano di Tenna (FM). Moreover, Energie Offida Srl (Offida) and AMAIE, relating to municipalities of Offida (AP) and Sanremo (IM) transferred their distribution business to DEA. The 2 companies were valued at €3.0mln and €21mln respectively.
- July 2024: IPO** In July DEA listed on the Euronext Growth Milan and raised €8mln.
- August 2024: Acquisition of ASPM** In August, 2024 DEA acquired an 80% stake in ASPM for €3.7mln (5x EV/EBITDA23), which brought 5k PoD, 4.1k PDR and lighting contracts in 8 municipalities. ASPM generated Total revenues of €5.2mln in FY23 and EBITDA of €1.3mln, net debt at YE was €2mln.

Figure 8: PoD (#) (LHS), network length (km) (RHS)

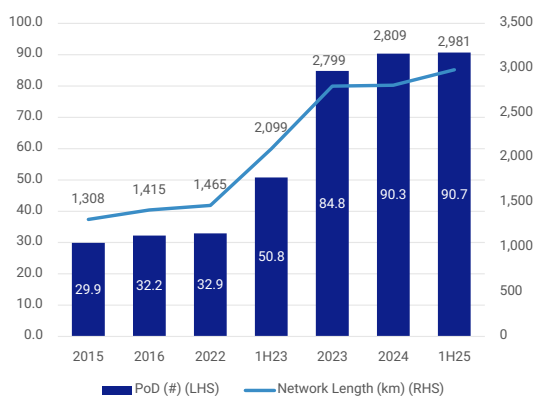
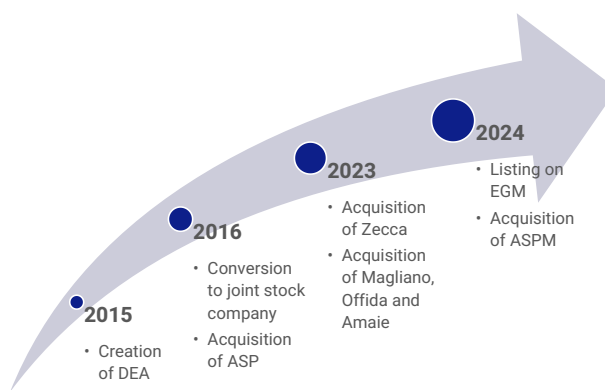


Figure 9: Company history



Source: Company Data

Figure 10: 2023 Acquisitions

	Price	Date
Offida	3,025,258	29/12/2023
Amaie	21,000,000	29/12/2023
Zecca	16,209,633	23/06/2023

Source: Company Data

## Warrants

Shareholders that participated in the IPO received 1 free warrant per share, 5 warrants can be exchanged during the exercise periods for a share. Warrants were also awarded to over-allotment shares (greenshoe). Warrants can be exercised during the periods at a growing price, As warrants have been given exclusively to new shareholders, the exercise would have a dilutive effect for former shareholders and to those not exercising the option.

**Table 16: Warrants Exercise Periods**

	Beginning	Ending	Price	vs IPO
First Exercise Period	02/06/2025	30/06/2025	10.4	30%
Second Exercise Period	01/06/2026	30/06/2026	11.2	40%
Third Exercise Period	01/06/2027	30/06/2027	12.0	50%

*Source: Company Data*

**DEA**

Recommendation  
**BUY**

Target Price  
**15.7 €**

Upside  
**87%**

### Company Overview

Electricity distribution is the final phase of the supply chain (energy generation, transmission and distribution). Companies in the sector manage, operate, maintain and develop networks in medium and low voltage under concession agreements. Created in 2015, DEA is an Italian infrastructural operator of electricity distribution headquartered in Osimo (AN). After completing 4 deals in 2023 and 1 in 2024 it currently operates 90.7k PoD (vs 33k PoD in 2022) across 4 regions where it acts as a natural monopolist. Distribution revenues are output based and determined on tariffs set by the regulator ARERA, therefore non-cyclical and protected against inflation, ensuring stability and limited downside risk. Moreover, distribution services contracts have limited credit risk and in case of defaults losses are compensated by CSEA, subject to ARERA's supervision. In addition, DEA operates in the non-regulated public lighting sector, across 15 municipalities in 3 regions. This business is also carried out under concession agreements.

Main Financials					
(€ mln)	2024	2025	2026E	2027E	2028E
Revenues	33.0	39.4	40.2	41.0	41.9
Other	3.8	6.0	3.6	3.6	3.6
<b>Total revenues (VoP)</b>	<b>36.7</b>	<b>45.4</b>	<b>43.8</b>	<b>44.6</b>	<b>45.5</b>
yoy (%)	107.3%	23.6%	-3.6%	1.9%	2.0%
<b>EBITDA</b>	<b>13.6</b>	<b>16.6</b>	<b>16.4</b>	<b>16.8</b>	<b>17.2</b>
margin (%)	41.3%	42.1%	40.8%	40.9%	40.9%
<b>EBIT</b>	<b>8.5</b>	<b>10.5</b>	<b>10.1</b>	<b>10.5</b>	<b>10.9</b>
margin (%)	25.7%	26.6%	25.1%	25.7%	26.1%
<b>Net profit</b>	<b>5.7</b>	<b>6.6</b>	<b>6.4</b>	<b>6.8</b>	<b>7.3</b>
margin (%)	17.2%	16.7%	15.9%	16.5%	17.3%
<b>Net debt (cash)</b>	<b>6.6</b>	<b>5.0</b>	<b>7.3</b>	<b>3.9</b>	<b>0.1</b>
Equity	81.1	85.8	89.6	93.8	98.4
Operating NWC	4.4	3.4	4.3	4.4	4.6
Capex	(20.9)	(15.2)	(10.8)	(6.8)	(6.8)
Free Cash Flow	(3.2)	3.8	1.7	6.7	7.0

Revenues Breakdown					
	2024	2025	2026E	2027E	2028E
Distribution	29.1	33.1	33.7	34.4	35.1
on sales (%)	88.2%	83.9%	83.9%	83.8%	83.7%
Public Lighting	3.0	4.8	4.8	5.0	5.1
on sales (%)	9.0%	12.1%	12.1%	12.2%	12.3%
Other	0.9	1.6	1.6	1.7	1.7
on sales (%)	2.8%	4.0%	4.0%	4.0%	4.0%

Key Ratios					
	2024	2025	2026E	2027E	2028E
ROE	7.6%	7.9%	7.3%	7.4%	7.6%
ROA	5.0%	4.9%	4.6%	4.9%	5.1%
Leverage	1.5	1.6	1.6	1.5	1.5
DSO (Days)	102	99	99	99	99
DPO (Days)	178	183	183	183	183
Capex/sales	63.3%	38.6%	26.8%	16.5%	16.1%
Net Debt/EBITDA	0.5x	0.3x	0.4x	0.2x	0.0x
Interest Coverage Ratio	92.1x	9.7x	11.8x	14.2x	14.7x
Dividend Yield	3.0%	4.0%	3.8%	4.1%	4.4%

Source: Bloomberg, Banca Profilo estimates and elaborations

### Strengths

- Regulated non-cyclical business
- Economies of scale with lighting business
- Low debt levels
- Generous dividend policy
- High marginality

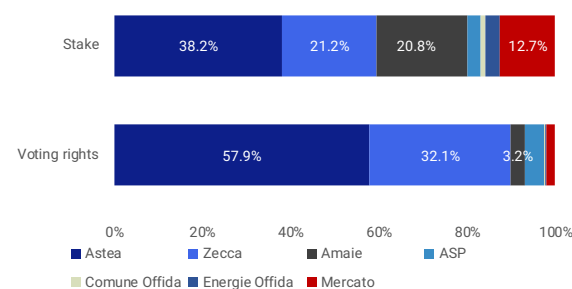
### Opportunities

- Option to acquire 24k PoD with a price cap
- Sector consolidation
- Expansion of lighting in new municipalities
- IoT / Data Management

### Company Description

Company Sector	Electric Utilities
Price (€)	8.4
Number of shares (mln)	7.9
Market Cap (€ mln)	66.5
Reference Index	FTSE Italia Growth
Main Shareholders	Astea, Odoardo Zecca, Amaie
Free Float	12.7%
Daily Average Volumes (30D)	1,673
Sample of comparables	Terna, Italgas, Snam, Elia Group, REN, Redeia

### Main shareholders



### Multiples

	2025	2026	2027
EV/EBITDA	4.8x	4.6x	4.5x
PE	11.6x	10.4x	9.9x
P / BV	1.0x		

### Peers Data

	2024	2025	2026	2027
Sales Growth (yoy)	-3.2%	14.2%	15.1%	7.6%
EBITDA Margin	73.2%	65.1%	64.3%	64.8%
Net Income Margin	23.5%	24.3%	23.9%	23.4%
EV / EBITDA		11.7	11.3	10.3
PE		16.9	15.9	15.5
P / BV		2.1x		

### Weaknesses

- Multiple voting shareholder class (10 to 1)
- Inferior ROE
- Capital intensive

### Threats

- Emergence of other PoD aggregators or competition from large multi-utilities
- Regulatory changes

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