

# ENERGICA MOTOR COMPANY

**1H20: sharp increase in sales (+23%) and strong order portfolio**

**Double digit growth in 1H20.** Despite a period characterized by the COVID-19 related economic crisis, during which the Company was forced to halt production for almost 5 weeks, EMC managed to maintain double digit sales growth.

More in detail, sales came in at Euro 2.2 m vs. Euro 1.8 m in 1H19, + 23% according to management thanks to the increased visibility following the EBITF MotoE and the launch of new updated models (MY2020). EBITDA still reflects the cost structure of a start-up and came in negative of Euro 2.7 m, presenting an improvement vs. prior year confirming the operational leverage of higher sales volumes. EBIT stood at Euro -4.0 m (Euro -4.4 m in June 2019). Net Loss was of Euro 4.0 m vs Euro 4.5 m in 1H19. Net Debt stood at Euro 0.6 m up from Euro 0.3 m of FY19.

**International expansion and strong order portfolio.** During 1H20 Management continued to work in line with strategic guidelines to reinforce the distribution network so support international expansion. At the end of June 2020, the Company counted 69 dealers worldwide (n. 49 in December 2019). The Company continues to present a very strong order portfolio which at the end of August, stood at Euro 4.3 m vs. Euro 2.9 m at the end of April 2020.

**Extension of the FIM Enel MotoE™ World Cup supply agreement until 2022.** The Company also very recently announced the extension of the FIM Enel MotoE™ World Cup supply agreement until 2022.

**Outlook and estimates.** Management announced that it is confident that the positive growth trend will continue throughout the year thanks to increase visibility, the development of the infrastructure network in favour of electric mobility as well as the creation of new agreements and partnerships.

Given the strong order portfolio and the extension of the FIM Enel MotoE™ World Cup supply agreement until 2022, we believe that the Company is well set to pin revenue and EBITDA targets announced in mid-January (revenues +100% vs. 2019 and EBITDA break-even in 2022). We hence confirmed our previous forecast for FY20-21 and finetuned our FY22E revenues to the renewal of the MotoE agreement.

## Sector: Manufacturing

Market Price (Euro)	1.55
Market Cap (Euro m)	28
EV (Euro m)	29
<i>(Factset – October 16<sup>th</sup>, 2020)</i>	

### Share Data

Market	AIM Italia
Bloomberg	EMC IM
ISIN	IT0005143547
N. of Shares	18,198,630
Free Float	44.85%
Main Shareholder	CRP Meccanica (48.18%)
CEO	Livia Cevolini

### Aim Positioning

FY 2019	Company	AIM Sector	AIM Italia
Revenues (Euro m)	3	95	45
Revenues Yoy	47%	10%	17%
EBITDA Margin	n.m.	13%	16%
ND/EBITDA (x)	n.m.	1.8	2.1

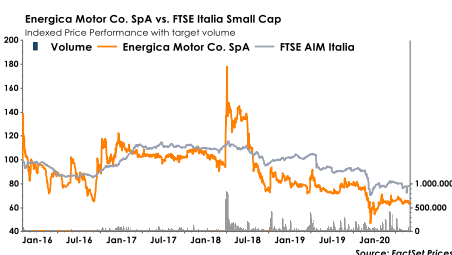
Market Data	Company	AIM Sector	AIM Italia
Mkt Cap (Euro m)	28	59	44
Perf. YTD (%)	-36%	-26%	-10%
Free Float (%)	45%	28%	32%
ADIT YTD (Euro k)	87	48	75

### Performance

	1M	3M	1Y
Absolute	-18.7%	-23.9%	-30.4%
Relative (FTSE AIM Italia)	-18.0%	-23.7%	-26.3%
52-week High/Low (Euro)	2.62 / 1.42		

### IR TOP RESEARCH

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Key Figures (Euro m)	Sales	Yoy %	EBITDA	EBITDA %	EBIT	EBIT %	Net Profit	Net Debt
2019A	3.2	+47%	(4.9)	n.m.	(7.6)	n.m.	(7.7)	0.3
2020E	5.7	+80%	(3.9)	n.m.	(6.1)	n.m.	(6.1)	1.6
2021E	14.2	+150%	(3.6)	n.m.	(5.3)	n.m.	(5.3)	3.6
2022E	29.8	+110%	3.0	9%	1.8	5%	1.7	4.6

**KEY FIGURES**

<b>Profit&amp;Loss Statement</b>	<b>2018A</b>	<b>2019A</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Revenues	2.3	5.7	7.0	18.2	33.7
EBITDA	(5.4)	(4.9)	(3.9)	(3.6)	3.0
EBIT	(7.3)	(7.6)	(6.1)	(5.3)	1.8
Financial Income (charges)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)
Pre-tax profit (loss)	(7.3)	(7.7)	(6.1)	(5.3)	1.8
Taxes	0.0	0.0	0.0	0.0	(0.1)
Net profit (loss)	(7.3)	(7.7)	(6.1)	(5.3)	1.7

<b>Balance Sheet</b>					
Net working capital (NWC)	2.3	(1.4)	0.2	0.0	0.9
Net fixed assets	4.1	4.0	2.6	3.0	4.8
M/L Funds	(0.2)	(0.3)	(0.2)	(0.3)	(0.3)
Net Capital Employed	6.2	2.3	2.5	2.7	5.4
Net Debt	1.4	0.3	1.6	3.6	4.6
Equity	4.8	2.1	0.9	(0.9)	0.8

<b>Cash Flow</b>					
EBIT	(7.3)	(7.6)	(6.1)	(5.3)	1.8
D&A	1.9	2.8	2.2	1.6	1.3
Tax	0.0	0.0	0.0	0.0	(0.1)
Change in M/L Funds	0.1	0.0	(0.0)	0.0	0.0
Gross Cash Flow	(5.3)	(4.8)	(3.9)	(3.6)	3.0
Change in NWC	1.1	3.6	(1.5)	0.1	(0.9)
Operating Cash Flow	(4.1)	(1.2)	(5.4)	(3.5)	2.1
Capex	(0.8)	(2.6)	(0.9)	(2.0)	(3.1)
Change in other non-current asset	(0.0)	(0.0)	0.0	0.0	0.0
Financial Income (charges)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)
Free Cash Flow	(4.9)	(3.9)	(6.4)	(5.5)	(1.0)
Dividend	0.0	0.0	0.0	0.0	0.0
Change in Equity	6.8	5.0	5.0	3.5	0.0
Change in Net debt	1.9	1.1	(1.4)	(2.0)	(1.0)

<b>Per Share Data</b>					
<b>Current Price</b>	<b>1.55</b>				
Total shares out fully diluted (mn)	18.2				
EPS	(0.40)	(0.42)	(0.34)	(0.29)	0.09
DPS	0.0	0.0	0.0	0.0	0.0
FCF	(0.3)	(0.2)	(0.3)	(0.3)	(0.1)
Pay out ratio	0%	0%	0%	0%	0%

<b>Ratios</b>					
EBITDA margin	n.s.	n.s.	n.s.	n.s.	9.0%
EBIT margin	n.s.	n.s.	n.s.	n.s.	5.2%
Net Debt/Equity	29.5%	12.9%	175.1%	-407.1%	577.7%
Net Debt/(Net Debt + Equity)	22.8%	11.4%	63.7%	132.6%	85.2%
Net Debt/EBITDA	n.s.	n.s.	n.s.	n.s.	1.52
Interest cover EBIT	n.s.	n.s.	n.s.	n.s.	117.70
ROE	-152.4%	-373.6%	-663.3%	601.5%	210.4%
ROCE	-117.6%	-327.2%	-240.5%	-195.3%	33.9%
Free Cash Flow Yield	n.m.	n.m.	n.m.	n.m.	n.m.

<b>Growth Rates</b>					
Revenues	-20%	150%	22%	161%	85%
EBITDA	-44%	9%	20%	6%	183%
EBIT	-31%	-5%	20%	14%	133%
Net Profit	-25%	-6%	20%	14%	132%

**AIM POSITIONING**

We position ENERGICA MOTOR COMPANY (EMC or Energica) in the AIM “Manufacturing” Sector. Compared to the average AIM Italia “Manufacturing” Sector, ENERGICA presents:

**Market Data**

- Higher ADTT (Euro 87,359 vs 48,128)
- Lower market cap but higher free float

**Financial Data**

- Higher revenues growth (+47% vs +10%);
- Lower Net Debt (Eu 0.3 m vs Eu 14.9 m);

**AIM Positioning**

FY 2019 Data	Revenues (Euro m)	Revenues YoY (%)	EBITDA margin (%)	Net Debt (Cash) (Euro m)	EV/EBITDA (x)	NFP/EBITDA (x)	Mkt Cap (Euro m)	Free Float (%)	ADTT YTD (Euro)
Askoll EVA	20	33%	-21%	(10.2)	n.m.	n.m.	22	28%	151,844
CFT	251	12%	7%	43.4	4.7	2.5	36	60%	37,540
Clabo	55	3%	12%	29.4	5.1	4.3	5	30%	11,687
Comer Industries	405	7%	11%	29.1	5.1	0.6	210	20%	23,812
Costamp Group	58	1%	10%	29.7	16.3	5.2	55	7%	5,510
<b>Energica Motor Company</b>	<b>3</b>	<b>47%</b>	<b>n.m.</b>	<b>0.3</b>	<b>n.m.</b>	<b>n.m.</b>	<b>28</b>	<b>45%</b>	<b>87,359</b>
Fervi	29	19%	16%	(0.9)	5.0	(0.2)	27	21%	9,669
Franchi Umberto Marmi	65	5%	41%	(6.4)	1.5	(0.2)	48	14%	177,848
Gel	17	-1%	14%	1.1	2.8	0.5	5	30%	16,552
Gibus	41	20%	14%	(1.9)	4.1	(0.3)	23	17%	12,834
Grifal	19	7%	13%	4.4	12.3	1.8	23	32%	46,419
Industrie Chimiche Forestali	72	-10%	13%	4.4	4.5	0.5	35	100%	33,934
Illa	30	-10%	-3%	12.6	n.m.	n.m.	5	20%	11,994
Ilpra	32	13%	14%	6.5	6.4	1.4	23	20%	7,418
Marzocchi Pompe	39	-11%	16%	12.5	5.4	2.0	17	24%	9,081
Officina Stellare	8	59%	37%	0.0	14.4	0.0	41	16%	23,790
Radici Pietro Industries&Brands	59	-1%	11%	22.0	5.1	3.3	12	23%	21,774
Rosetti Marino	339	30%	10%	120.2	7.9	3.6	141	0%	5,330
Salcef Group	311	-2%	23%	(55.9)	6.3	(0.8)	498	27%	278,030
Sciuker Frames	12	13%	22%	7.6	7.4	3.0	12	29%	58,003
SITI B&T Group	175	-15%	11%	59.1	4.5	3.2	24	25%	13,326
Vimi Fasteners	47	-4%	9%	19.6	8.0	4.7	11	23%	15,056
<b>Manufacturing</b>	<b>95</b>	<b>10%</b>	<b>13%</b>	<b>14.9</b>	<b>6.5</b>	<b>1.8</b>	<b>59</b>	<b>28%</b>	<b>48,128</b>
<b>AIM Italia</b>	<b>45</b>	<b>17%</b>	<b>16%</b>	<b>5.7</b>	<b>14.1</b>	<b>2.1</b>	<b>44</b>	<b>32%</b>	<b>74,612</b>

Source: Osservatorio AIM Italia and FactSet data as of October 16<sup>th</sup>, 2020

**1H20 RESULTS**

**Double digit growth in 1H20.** Despite a period characterized by the COVID-19 related economic crisis, during which the Company was forced to halt production for almost 5 weeks, EMC managed to maintain double digit sales growth.

More in detail, **sales** came in at Euro 2.2 m vs. Euro 1.8 m in 1H19, + 23% according to management thanks to the increased visibility following the EBITF MotoE and the launch of new updated models (MY2020). With 93% of sales realized outside Italy the Company is very well diversified in terms of geographies. **EBITDA** still reflects the cost structure of a start-up and came in negative of Euro 2.7 m, presenting an improvement vs. prior year confirming the operational leverage of higher sales volumes.

**EBIT** stood at Euro -4.0 m (Euro -4.4 m in June 2019) after D&As of Euro 1.3 m (Euro 1.2 m in 1H19) mainly related to the important investments made in R&D to obtain technological leadership. Net Result was negative for Euro 4.0 m vs Net Loss of Euro 4.5 m in 1H19.

**Net Working Capital** was of Euro -1.7 m vs. Euro -1.4 m in FY19. NWC adjusted for a non-operating debt of Euro 4.1 m related to an advanced payment by EnelX for the damage caused by a fire incident after a pre-season testing in Jerez, involving race material for the MotoE, was of Euro 2.4 m, in line with Euro 2.7 m of FY19.

At the end of June 2020, **Net Debt** came in at Euro 0.6 m up from Euro 0.3 m in FY19. **Total Equity** stood at Euro 0.4 m.

**Consolidated Income Statement – Euro m**

	1H 2020A	1H 2019A	Δ (%)
<b>Sales</b>	<b>2.2</b>	<b>1.8</b>	+22.7%
yoy	+56.5%	+22.7%	
<b>Revenues (VoP)</b>	<b>2.9</b>	<b>2.7</b>	-11.4%
yoy	+177.5%	-11.4%	
<b>EBITDA</b>	<b>(2.7)</b>	<b>(3.2)</b>	-15.8%
margin	n.m.	n.m.	
<b>EBIT</b>	<b>(4.0)</b>	<b>(4.4)</b>	-10.1%
margin	n.m.	n.m.	
<b>Pre tax profit</b>	<b>(4.0)</b>	<b>(4.5)</b>	-10.5%
<b>Net Profit</b>	<b>(4.0)</b>	<b>(4.5)</b>	-10.5%

Source: Group data (OIC / ITA Gaap)

**Consolidated Balance Sheet – Euro m**

	1H 2020A	FY 2019A	Δ (%)
Net Working Capital (NWC)	(1.7)	(1.4)	+19.9%
Fixed net assets	3.0	4.0	-25.7%
Funds	(0.3)	(0.3)	+12.7%
<b>Net Capital Employed</b>	<b>1.0</b>	<b>2.3</b>	<b>-57.1%</b>
Net Financial Position (Cash)	0.6	0.3	+122.1%
Total Equity	0.4	2.1	-80.1%
<b>Sources</b>	<b>1.0</b>	<b>2.3</b>	<b>-57.1%</b>

Source: Group data (OIC / ITA Gaap)

**BUSINESS UPDATE AND OUTLOOK**

**International expansion and strong order backlog.** During 1H20 Management continued to work in line with strategic guidelines to reinforce the distribution network so support international expansion. At the end of June 2020, the Company counted 69 dealers worldwide (n. 49 in December 2019). The Company also continued to focus on R&D with the VCU (Vehicle Control Unit) successfully passing the technical examination and thus entering the final phase for the patent application for the Chinese market.

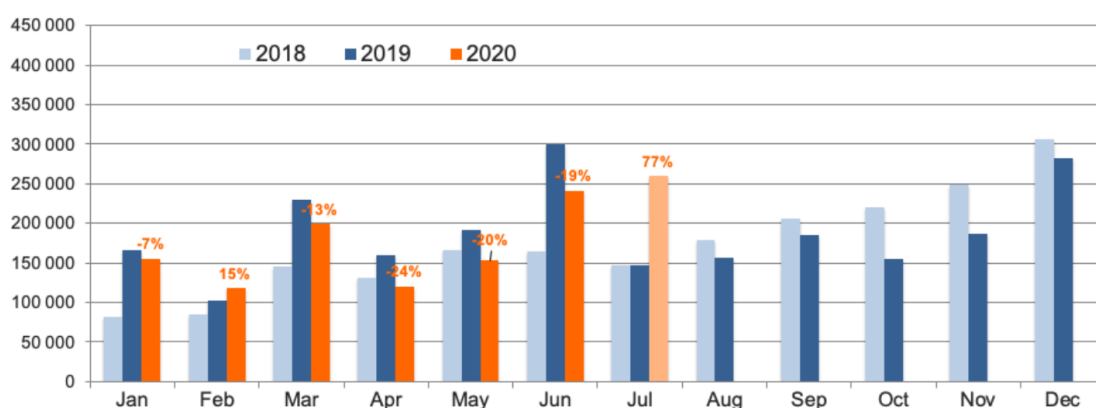
The Company continues to present a very strong order portfolio<sup>1</sup> which at the end of August, stood at Euro 4.3 m (vs. Euro 2.9 m at the end of April 2020) equal to 190% of motorcycle sales in full year 2019 (Euro 2.3 m). In terms of units sold, the increase was of +200% vs FY19.

**Innovation and R&D.** The Company recently announced that the first prototypes of the E-power system developed in partnership with Dell'Orto (announced in July 2019), are ready. The next step of the project includes simplifying the installation of the unit on vehicles in order to reduce costs. E-Power is an innovative power unit for urban electric mobility (small and medium size electric motorcycles). Thanks to E-Power project, Energica extends its range from the high performing segment to the urban one while answering to new market needs.

**Extension of the FIM Enel MotoE™ World Cup supply agreement until 2022.** The Company also very recently announced the extension of the FIM Enel MotoE™ World Cup supply agreement until 2022 (2021 previously), which should further boost revenues and increase the brand awareness.

Management announced that it is confident that the positive growth trend will continue throughout the year thanks to increase visibility, the development of the infrastructure network in favour of electric mobility as well as the creation of new agreements and partnerships.

In light also of the recent macroeconomic situation, the electric vehicle market continues to perform well. According to a recent report by EV Volumes, the European EV market grew by 57 % in H120, vs a traditional vehicle market in contraction by 37% at a global level volume decreased by -14% yoy in 1H.

**Global monthly plug-in vehicle sales & YoY growth**


Source: EV Volumes – Global BEV and PHEV Volumes for 2020 H1

<sup>1</sup> It means the total of orders with delivery during the year, also including what has already been delivered and therefore invoiced to August 31<sup>st</sup> (the data are intended as unaudited).

**ESTIMATES**

Given the strong order portfolio and the extension of the FIM Enel MotoE™ World Cup supply agreement until 2022, we believe that the Company is well set to pin revenue and EBITDA targets announced in mid-January (revenues +100% vs. 2019 and EBITDA break-even in 2022). We hence confirmed our previous forecast for FY20-21 and finetuned our FY22E revenues to the renewal of the MotoE agreement. We stress that our forecast assume the full subscription and conversion of Negma POC (Euro 7 m).

**MAIN FINANCIAL INDICATORS**
**Income Statement – Euro m**

	2019A	2020E Old	2020E New	2021E Old	2021E New	2022E Old	2022E New
<b>Sales</b>	<b>3.2</b>	<b>5.7</b>	<b>5.7</b>	<b>14.2</b>	<b>14.2</b>	<b>26.0</b>	<b>29.8</b>
yoy	+47%	+80%	+80%	+150%	+150%	+83%	+110%
<b>Revenues (VoP)</b>	<b>5.7</b>	<b>7.0</b>	<b>7.0</b>	<b>18.2</b>	<b>18.2</b>	<b>29.0</b>	<b>33.7</b>
yoy	+165%	+22%	+22%	+161%	+161%	+59%	+85%
<b>EBITDA</b>	<b>(4.9)</b>	<b>(3.9)</b>	<b>(3.9)</b>	<b>(3.6)</b>	<b>(3.6)</b>	<b>2.6</b>	<b>3.0</b>
margin	n.m.	n.m.	n.m.	n.m.	n.m.	9%	9%
<b>EBIT</b>	<b>(7.6)</b>	<b>(6.1)</b>	<b>(6.1)</b>	<b>(5.2)</b>	<b>(5.3)</b>	<b>1.7</b>	<b>1.8</b>
margin	n.m.	n.m.	n.m.	n.m.	n.m.	6%	5%
<b>Pre tax profit</b>	<b>(7.7)</b>	<b>(6.1)</b>	<b>(6.1)</b>	<b>(5.2)</b>	<b>(5.3)</b>	<b>1.7</b>	<b>1.8</b>
<b>Net Profit</b>	<b>(7.7)</b>	<b>(6.1)</b>	<b>(6.1)</b>	<b>(5.2)</b>	<b>(5.3)</b>	<b>1.6</b>	<b>1.7</b>

Source: Company data (OIC/ITA Gaap) for FY 2019 and IR Top estimates for 2020-2022

**Balance Sheet – Euro m**

	2019A	2020E Old	2020E New	2021E Old	2021E New	2022E Old	2022E New
Net Working Capital (NWC)	(1.4)	0.2	0.2	0.0	0.0	1.0	0.9
Fixed net assets	4.0	2.6	2.6	2.4	3.0	2.6	4.8
Funds	(0.3)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)
<b>Net Capital Employed</b>	<b>2.3</b>	<b>2.5</b>	<b>2.5</b>	<b>2.1</b>	<b>2.7</b>	<b>3.4</b>	<b>5.4</b>
Net Debt	0.3	1.6	1.6	2.9	3.6	2.6	4.6
Equity	2.1	0.9	0.9	(0.8)	(0.9)	0.8	0.8
<b>Sources</b>	<b>2.3</b>	<b>2.5</b>	<b>2.5</b>	<b>2.1</b>	<b>2.7</b>	<b>3.4</b>	<b>5.4</b>

Source: Company data (OIC/ITA Gaap) for FY 2019 and IR Top estimates for 2020-2022

## IPO

Date: January 29<sup>th</sup>, 2016  
Capital raised: Euro 5.3 m  
Price: Euro 3.20  
Capitalisation: Euro 37.3 m

## SHARES (as of October 16<sup>th</sup>, 2020)

Listing Market: AIM Italia  
Code: EMC  
Bloomberg: EMC IM  
Reuters: EMCC.MI  
ISIN: IT0005143547  
Ordinary Shares: 18,198,630  
Price: Euro 1.55  
Performance from IPO: -52%  
Capitalisation: Euro 28 m  
Free Float: 44.85%  
Nomad e Specialist: Banca Finnat Euramerica SpA

## BOND (as of October 16<sup>th</sup>, 2020)

Name	Max Size (Euro m)	Subscribed (Euro m)	Convert (Euro m)	Outstanding (Euro m)	Expiry	Rate
<b>BOND 2020 Conv. cum warrant</b>	7.0					
First Tranche		0.5	0.5	-	12 months	-
Second Tranche		-	-	-	12 months	-
Third Tranche		-	-	-	12 months	-
Fourth Tranche		-	-	-	12 months	-
Fifth Tranche		-	-	-	12 months	-
Sixth Tranche		-	-	-	12 months	-
Seventh Tranche		-	-	-	12 months	-
Eighth Tranche		-	-	-	12 months	-
Ninth Tranche		-	-	-	12 months	-
Tenth Tranche		-	-	-	12 months	-
Eleventh Tranche		-	-	-	12 months	-
Twelfth Tranche		-	-	-	12 months	-
Thirteenth Tranche		-	-	-	12 months	-
Fourteenth Tranche		-	-	-	12 months	-

## WARRANT Energica Motor Company 2016-2021 (as of October 16<sup>th</sup>, 2020)

Code: WEMC21  
ISIN: IT0005152183  
Issued Warrants: 1,128,250  
Exercise ratio: 1:1 (shares:warrants)

Period	from	to	Strike Price (Euro)	Converted (n. of Warrant)
First	10/03/2016	10/17/2016	3.52	-
Second	10/02/2017	10/16/2017	3.87	-
Third	07/02/2018	07/16/2018	3.15	88,750
Fourth	10/01/2018	10/15/2018	3.50	2,100
Fifth	06/17/2019	07/01/2019	4.20	-
Sixth	10/01/2019	10/15/2019	4.60	-
Seventh	06/15/2020	06/30/2020	6.00	-
Eighth	10/01/2020	10/15/2020	6.60	-
Ninth	06/15/2021	06/30/2021	8.00	-
Tenth	10/01/2021	10/15/2021	9.00	-

As of October 16<sup>th</sup>, 2020 outstanding warrants: n. 1,037,400

### STOCK OPTION PLAN

In June 2018, the Company granted a total of 200,000 stock options in favour of the Company's management. Each option gives the right to one share at a price of Euro 2.00 p.s., for a five-year period.

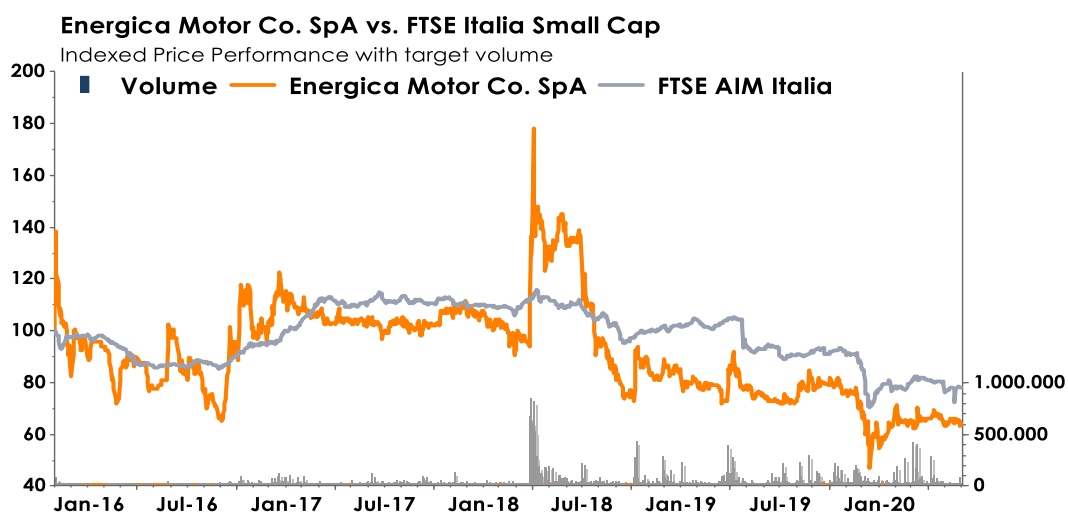
### OWNERSHIP

The main shareholder of EMC is CRP Meccanica which holds overall 48.18% of outstanding shares. The share capital subscribed and paid up is Euro 181,986.30, made up by n. 18,198,630 ordinary shares.

Free float is 44.85%.

Shareholder*	n. of shares	%
CRP Meccanica	8,769,000	48.18%
Maison SA	880,000	4.84%
CRP Technology	187,500	1.03%
Testoni Giampiero	100,000	0.55%
Vezzani Andrea	100,000	0.55%
Market	8,162,130	44.85%
<b>Total</b>	<b>18,198,630</b>	<b>100.00%</b>

Source: Company data as of October 16<sup>th</sup>, 2020





## ENERGICA MOTOR COMPANY IN BRIEF

### COMPANY PROFILE

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Energica Motor Company is an innovative SME and market leader in the production and commercialization of Made in Italy high-performance electric motorcycles. The Company is the single supplier of motorcycles for the FIM Enel MotoE™ World Cup and is present in the market with 3 fully electric high performing motor bikes characterized by high technological content.

With 45 employees EMC recorded FY19 sales of Euro 3.2 m, +47% vs. FY18 and of which approx. 96% was realized in export markets.

### INNOVATION

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EMC continues to invest in R&D in order to maintain and improve its competitive edge, and has already registered 3 international patents on its technology:

- **Vehicle Control Unit (VCU):** Energica's battery, inverter, charger and ABS are constantly monitored and managed by the internally developed and designed VCU.
- **Supply Unit.** EMC, in order to avoid the overheating of batteries, has developed an innovative battery case designed to avoid overheating, and which includes a cooling plate made of aluminium provided with several through holes that communicate outside and cross the cooling plate.
- **eABS:** The eABS mounted on the Energica motorcycle verifies the presence of friction conditions and, in case of slippery conditions, limits the maximum regeneration torque.

### REFERENCE MARKET

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Energica is a premium brand in the High Powered Two Wheels Market. The reference market of the Company is the niche of high-performance electric motorcycle within the Electric Vehicles market. According to Tecnavio, this market's size is expected to grow at a CAGR of over 35% in the 2020-2024 period. Further, the development of solar powered and automated charging stations creates a huge opportunity for the growth of the electric scooter and motorcycle market.

New updates (July 2020) from EV Volumes highlight that at the end of 2020 the global sales of BEV and PHEV would reach 2.9 m, unless new covid-19 pandemic imposes a lockdown again. As a result, global EV fleet will reach 10.5 m by the end of 2020 (include light vehicles).

### STRATEGY

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Energica Motor Company intends to develop its growth path focusing on the following pillars:

- R&D investments
- Development of sales network
- Marketing activities and participation in the most important trade fairs
- MotoE
- Partnership to develop new projects

### OPPORTUNITIES

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- Leading position in growing market
- High entry barriers
- Exclusive manufacturer for MotoE World Cup
- Strong Know How and Innovation
- Possible target of M&A: as a consequence of growing attention towards sustainable mobility, the big motorcycle manufacturers could evaluate the possibility to acquire Energica, in order to widening its products range to high performance motorbikes

### MAIN RISKS

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- Financial resource still needed
- Financial breakdown
- Growth can be only organic: as Energica works in a market niche with few industrial players, there are no possible target for an acquisition
- Competitiveness risk: if the competitive advantage is not exploited quickly by Energica, there is the risk that big players of motorbikes industry entry the market with new electric products and take advantage of their stronger commercial power, quickly winning market shares.
- Dilution

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Date	Target Price	Market Price	Validity Time
October 19 <sup>th</sup> , 2020	U.R.	1.55	12 months
September 2 <sup>nd</sup> , 2020	U.R.	1.93	12 months
January 28 <sup>th</sup> , 2020	U.R.	2.30	12 months

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