



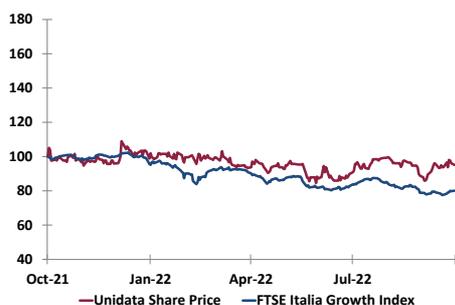
Quantum leap in revenues, finance, investments and size, as tech infrastructures portfolio developer and owner

OUTPERFORM

Current Share Price (€): 48.70

Target Price (€): 70.00

Unidata - 1Y Performance



Source: S&P Capital IQ - Note: 24/10/2021=100

Company data

ISIN number	IT0005338840
Bloomberg code	UD IM
Reuters code	UD.IM
Industry	Telecommunication
Stock market	Euronext Growth Milan
Share Price (€)	48.70
Date of Price	24/10/2022
Shares Outstanding (m)	2.5
Market Cap (€m)	120.0
Market Float (%)	23.7%
Daily Volume	1,350
Avg Daily Volume YTD	726
Target Price (€)	70.00
Upside (%)	44%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	1Y
Unidata - Absolute (%)	7%	4%	-5%
FTSE Italia Growth (%)	2%	-4%	-20%
1Y Range H/L (€)	55.80	43.30	
YTD Change (€) / %	-7.10	-13%	

Source: S&P Capital IQ

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Overperformance: stock, fiber infrastructure and customers growth

Unidata stock price lost 5% LTM, with a peak at €55.80 per share, outperforming the Italia Growth index (-20% LTM). Fiber infrastructure network and customers continue to grow as H1 22 financials vs H1 21.

H1 22: Sales, EBITDA and EBIT step up once again

H1 22 total revenues up to €21.6m vs H1 21 €14.2m (+52% YoY), EBITDA at €5.9m (€3.7m in H1 21), with margin at 27.1% (26.2% in H1 21). EBIT at €3.0m (€1.5m in H1 21). Net income at €2.1m (€3.0m in H1 21, impacted by a +€1.8m one-off decrease of deferred taxes). Net debt in June 2022 at €4.0m vs €2.2m at year end 2021.

Revealing an infrastructure developer profile and equity raising

Unidata announced: an additional investment in Unifiber, which will double its fiber infrastructure; a binding agreement with an Italian infrastructure fund and other investors to establish Unitirreno and develop 890km circa submarine fiber optic cable in the Tyrrhenian Sea. The Unicenter program for a Tier IV level green data center in Rome, Unifiber and Unitirreno investments shape a new profile for Unidata in the next years as a critical infrastructure developer and owner. Unidata value will increasingly consist in its infrastructures, together with decreasing volatility as to income/cash flow and lower risk profile.

Consistently with its expected evolution and needs, Unidata announced also the proposal to shareholders of a share capital increase up to €50m and the translisting to Euronext STAR Milan by the end of 2023.

Outlook: Italian digital transition plan keeps running, wide room for new investments, growth in other value-added sectors

Unidata future appears to evolve mainly as an infrastructure developer and owner, with its value potential based essentially on its assets, made by own infrastructures and those owned in joint initiatives with partners. The investment program will be developed in the framework of government planned fiber investments in Italy along 2022-31, targeting over 80% expansion of present coverage. Unidata will also launch its cyber security services in the next months.

Target Price €70 per share, OUTPERFORM rating confirmed

Our updated estimates and valuation yield a confirmation of our last target price at €70 per share, a 44% upside potential on current share price. Unidata is currently trading at 2.7x 2022E EV/Revenues vs 3.2x Italian Peers Median. We confirm the OUTPERFORM rating on the stock.

Key financials and estimates

€m	ITA GAAP 2017	ITA GAAP 2018	IAS 2019	IAS 2020	IAS 2021	IAS 2022E	IAS 2023E	IAS 2024E
Total Revenues	10.6	11.5	13.2	23.4	37.0	50.2	58.2	79.1
YoY %	-	8.5%	14.4%	77.4%	57.9%	35.8%	15.8%	35.9%
EBITDA	3.1	3.8	5.2	8.6	14.1	15.6	17.5	23.3
Margin	29.4%	33.2%	39.0%	36.8%	38.1%	31.1%	30.1%	29.5%
EBIT	1.8	2.3	2.1	4.9	9.1	10.2	12.1	17.0
Margin	16.7%	20.0%	15.8%	20.9%	24.6%	20.4%	20.7%	21.5%
Net Income (Loss)	1.2	1.6	1.4	3.4	7.8	7.0	8.2	11.8
Net Debt (Cash)	0.2	1.1	4.5	(2.5)	2.2	10.1	(22.6)	(17.7)
Equity	4.1	5.7	12.3	21.4	29.0	35.2	83.4	95.1

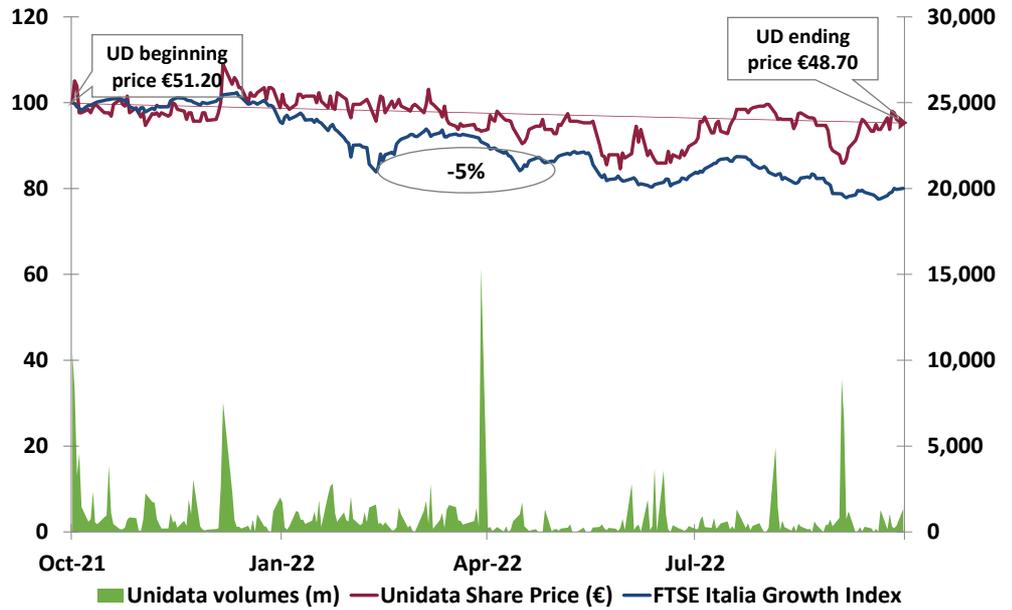
Source: Company data 2017-21, EnVent Research 2022-24E

Market update: outperformance

Outperforming Italia Growth Index (-5% vs -20%)

LTM Unidata trading price range €43.30-55.80

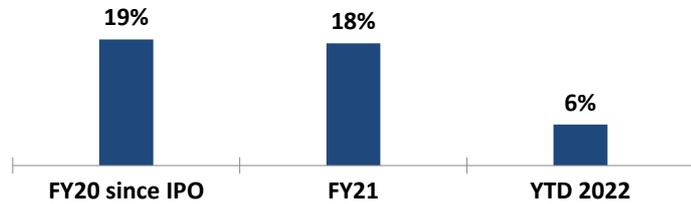
Unidata - 1Y share price performance and trading volumes



Source: EnVent Research on S&P Capital IQ - Note: 24/10/2021=100

Unidata - Liquidity analysis and velocity turnover

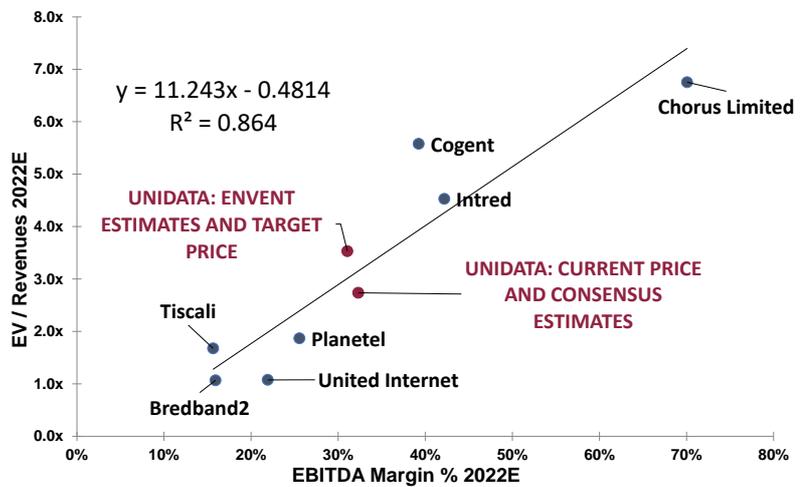
Lower velocity turnover in 2022 so far vs 2020 (after IPO) and 2021



Source: EnVent Research on S&P Capital IQ - Note: Velocity turnover on total shares: ratio of total traded shares to total ordinary shares in a given period

Peer group - Regression analysis and Unidata target positioning

Unidata position with updated target price and estimates consistent with market EV/revenues vs EBITDA Margin correlation

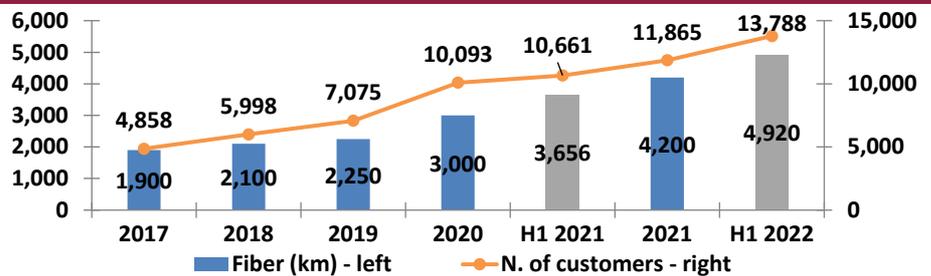


Source: EnVent Research on S&P Capital IQ, 24/10/2022

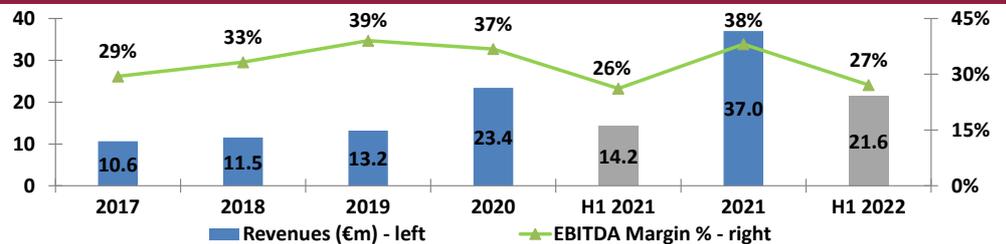
Investment case

Unidata, listed on Euronext Growth Milan, is an Italian local provider of ultra-broadband connectivity services to corporate and residential customers, with over 4,900 km of FTTH fiber optic network covering Rome and province and nearly 14,000 customers. Almost 80% of the infrastructure is owned, while the rest is available indirectly through Indefeasible Right of Use (IRU) agreements, a type of telco lease contract where other operators purchase the infrastructure right of use. Unidata has an ongoing partnership with a domestic infrastructure developer for the further fiber optic coverage of the Rome and surrounding urban area through two IRU long-term agreements (up to 15 years) to reach up to additional 200,000 real estate units (RM-Fiber). Another partnership has been established with Connecting Europe Broadband Fund (CEBF) for the realization, through the company Unifiber (Unidata owns a 30% stake), of open-access FTTH assets in so called grey areas (where FTTH additional coverage is planned) of the Lazio region, reaching 193,000 households and 8,000 offices. Unidata also provides integrated communication and cloud computing services through a proprietary data center. Company service portfolio also includes IaaS and SaaS cloud, co-location hosting services and Cyber Security. Starting from 2022 Unidata and Fondo Infrastrutture per la Crescita-ESG (established and managed by Azimut Libera Impresa SGR S.p.A.) will develop a Tier IV level green data center in Rome, with power of about 16MW and 3,200 rack capacity.

Company FTTH fiber optic network and customers



Historical Revenues and EBITDA



Source: Company data

Note: 2017-18 ITA GAAP, since 2019 IAS compliant financials

Industry and Company drivers

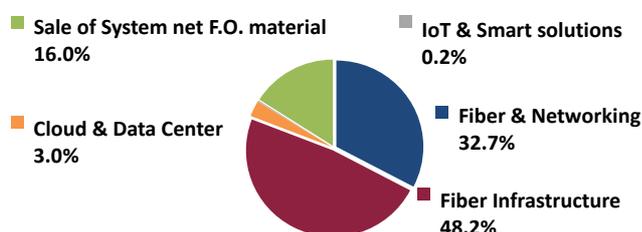
- Connectivity and convergence of new technologies (broadband, cloud, IoT and AI), uniform broadband technology equipping Italy and 5G's expected rapid rollout
- Infrastructure investment track record, short payback period and capex funding almost entirely represented by the operating cash flow

- Fiber infrastructure as a competitive advantage and a barrier to entry
- Customers increase and service portfolio diversification
- Proprietary 800sqm data center used to offer public, private and hybrid cloud, co-location for disaster recovery and hosting services
- Industry partnerships

Challenges

- Competition and consequent pressure on prices by a small number of large national along with many small local/regional players
- Churn rate and its consequences on the continuous growth of number of customers experienced so far

2021 Sales breakdown



Source: Company data

H1 2022 results

Profit and Loss

€m	H1 2021	2021	H1 2022
Sales	11.3	30.5	16.8
Sale of System net F.O. material	2.4	5.8	4.0
Other income	0.5	0.7	0.8
Total Revenues	14.2	37.0	21.6
YoY %	58.6%	57.9%	52.0%
Direct cost of sales	(3.8)	(7.6)	(5.2)
Personnel	(1.7)	(3.4)	(1.8)
Services	(4.3)	(11.0)	(8.4)
Other operating costs	(0.7)	(0.9)	(0.3)
Operating costs	(10.5)	(22.9)	(15.7)
EBITDA	3.7	14.1	5.9
Margin	26.2%	38.1%	27.1%
D&A	(2.2)	(5.0)	(2.8)
EBIT	1.5	9.1	3.0
Margin	10.8%	24.6%	14.1%
Interest	(0.1)	(0.3)	0.1
Exchange gain (loss)	0.0	0.0	0.0
EBT	1.5	8.8	3.1
Margin	10.4%	23.8%	14.5%
Income taxes	1.5	(1.0)	(1.0)
Net Income (Loss)	3.0	7.8	2.1
Margin	21.0%	21.2%	9.7%

Balance Sheet

€m	H1 2021	2021	H1 2022
Inventory	1.4	2.1	2.6
Trade receivables	9.7	18.4	17.6
Trade payables	(7.1)	(15.5)	(15.9)
Trade Working Capital	4.0	4.9	4.3
Deferred income by IRU & others	(12.2)	(11.3)	(10.8)
Other assets (liabilities)	(6.7)	(5.6)	(5.5)
Net Working Capital	(14.9)	(12.0)	(12.0)
Intangible assets	8.5	9.9	9.5
Property, plant and equipment	29.2	33.1	36.3
Equity investments and financial assets	1.3	1.3	1.9
Non-current assets	39.0	44.3	47.6
Net Invested Capital	23.1	31.3	34.3
Net Debt (Cash)	(1.4)	2.2	4.0
Equity	24.5	29.0	30.3
Sources	23.1	31.3	34.3

Note: as of 30/06/2022, €0.9m of own shares impacting Equity figure

Cash Flow

€m	H1 2021	2021	H1 2022
EBIT	1.5	9.1	3.0
Current taxes	1.5	(1.0)	(1.0)
D&A	2.2	5.0	2.8
Provisions	(0.1)	(0.0)	0.2
Cash flow from P&L operations	5.2	13.1	5.1
Trade Working Capital	2.4	1.4	0.6
Deferred income by IRU & others	(4.8)	(5.7)	(0.5)
Other assets and liabilities	1.8	0.7	(0.1)
Capex	(5.7)	(13.9)	(5.3)
Cash flow after working capital and capex	(1.1)	(4.3)	(0.2)
Interest	(0.1)	(0.3)	0.1
Investments and financial assets	(0.0)	0.1	(0.8)
Exchange gain (loss)	0.0	0.0	0.0
IPO Proceeds/share capital increase	0.1	0.0	0.0
Dividends and other equity changes	0.0	(0.2)	(0.8)
Net cash flow	(1.1)	(4.7)	(1.8)
Net (Debt) Cash - Beginning	2.5	2.5	(2.2)
Net (Debt) Cash - End	1.4	(2.2)	(4.0)
Change in Net (Debt) Cash	(1.1)	(4.7)	(1.8)

Source: Company data - Note: H1 KPIs calculated on LTM economics

Ratio analysis

KPIs	H1 2021	2021	H1 2022
ROE	24%	27%	14%
ROS (EBIT/Revenues)	22%	25%	28%
EBIT/Invested Capital	13%	29%	18%
DSO	46	102	64
DPO	72	139	122
DOI	18	20	21
TWC/Total Revenues	14%	13%	10%
Capex/Revenues	20%	38%	12%
Net Debt / EBITDA	-0.2x	0.2x	0.3x
Net Debt / Equity	-0.1x	0.1x	0.1x
Net Debt / (Net Debt+Equity)	-0.1x	0.1x	0.1x
Cash flow from operations / EBITDA	139%	93%	86%
FCF / EBITDA	-30%	-31%	-4%
Earnings per Share, basic (€)	2.43	3.18	1.71

Business update

Together with H1 22 results, the Company announced updates and news regarding current and new business opportunities, as well as new funding initiatives and the strategic goal to move from Euronext Growth Milan to Euronext STAR Milan by the end of 2023.

Unifiber doubling investment ...

Unidata and the European Connecting Europe Broadband Fund, as shareholders of Unifiber with 30% and 70% stakes respectively, have recently committed themselves to double their investment. Unifiber was established to realize open-access FTTH assets in so called grey areas (where FTTH additional coverage is planned) of the Lazio region and will now be funded with extra €18.5m, of which €3.5m coming from Unidata, with a cumulative shareholders' investment reaching €37m. These funds will support an upgrade of Unifiber operations, now expected to reach 193,000 households (previously 100,000) and 8,000 (previously 5,000) offices.

Unifiber, which will operate as a wholesale-only operator, has entrusted Unidata with the design, management and construction of its FTTH fiber optic network. Unidata will also be responsible for the network maintenance.

...along with the new Uniterreno venture...

Unidata signed a binding agreement with an Italian infrastructure fund and some individual investors, with the aim to establish the newco Uniterreno whose mission is laying a 890km circa submarine fiber optic in the Tyrrhenian sea, connecting Mazara del Vallo (Sicily) to Genoa (Liguria), with a hub close to Rome/Fiumicino.

Uniterreno will be funded with €70m circa, of which €36m provided by its shareholders and the remaining by bank loans. Unidata is expected to invest an amount in the range €12.5-18.5m, will hold a 49% stake and will act as developing partner.

... are consistent with the announced share capital increase up to €50m

Unidata BoD announced the proposal to the Company shareholders to decide a share capital increase up to €50m, reserved to institutional investors and to be completed by the end of 2023.

The resulting new shareholding will increase market float. Concurrently Unidata will start the listing transfer procedures from Euronext Growth Milan to Euronext STAR Milan to be completed by 2023 year-end.

Current trading

Along H12022 Unidata:

- increased FTTH network at 4,920km in June 2022, +19% ca vs 2021 year-end
- finalized the agreement with Fondo Infrastrutture per la Crescita-ESG, established and managed by Azimut Libera Impresa SGR S.p.A., for a Tier IV level green data center in Rome, with power of about 16MW and 3,200 rack capacity. The data center will be managed by the NewCo UniCenter S.p.A., 25% owned by Unidata and 75% by the fund. The initial investment will be €5.7m from Unidata and €51.3m from the fund, with an option to double the project
- agreed with Intesa Sanpaolo bank the issuance of €10m non-convertible bond, with 7 years duration from the date of issuance, a pre-amortization period of 2 years and a fixed rate of 3.74%. The bond will be subject to a subsequent securitization
- announced the launch of its cyber security operations, expected to start in the next months

In May 2022, Unidata was appointed as “Società Benefit” strengthening its aptitude to ESG policies and initiatives.

Industry outlook

The number of accesses of fixed lines based on Fiber to The Home (FTTH) in Italy reached 2.82m in March 2022, +33.3% YoY growth rate, once again the highest among the different kinds of Italian broadband and ultrabroad band fixed lines (source: Communication Markets Monitoring System - Italian Telecommunication Supervisory Authority). As to the M/L run outlook, investments in fixed-mobile network infrastructures and new technologies continue apace to overcome Italy's digital divide. Planned investments in Italy in 2022-31 are over 80% expansion of present household coverage (source: Open Fiber website).

Estimates revision

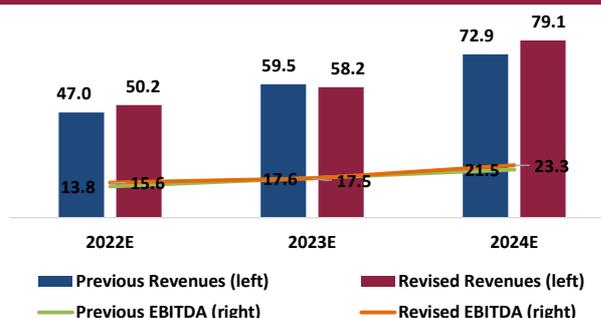
The business ventures recently announced expand Unidata business model, adding more developments of proprietary fiber optic and other infrastructures. This implies a high visibility of recurring revenues and availability of know-how and resources to

meet growth opportunities in the short term and a perspective of substantial asset value in the following period.

We update our estimates to factor in H122 results, the announced equity investments (€25m along 2022-25E) and their impact along 2022-24E as well the announced share capital increase, assumed at €40m in our estimates.

Change in estimates

Previous vs. Revised Revenues and EBITDA estimates (€m)



€m	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Revenues	50.2	58.2	79.1	47.0	59.5	72.9	7%	-2%	9%
EBITDA	15.6	17.5	23.3	13.8	17.6	21.5	13%	-1%	9%
<i>Margin</i>	31%	30%	30%	29%	30%	29%			
EBIT	10.2	12.1	17.0	7.0	11.0	15.2	46%	9%	11%
<i>Margin</i>	20%	21%	21%	15%	19%	21%			
Net Income	7.0	8.2	11.8	4.8	7.7	10.8	46%	6%	9%
Net (Debt) Cash	(10.1)	22.6	17.7	(0.8)	0.5	3.1			
<i>Net Debt / EBITDA</i>	0.6x	cash	cash	cash	cash	n.a.			

Source: EnVent Research

Financial projections

Profit and Loss

€m	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Total Revenues	10.6	11.5	13.2	23.4	37.0	50.2	58.2	79.1
<i>YoY %</i>	-	8.5%	14.4%	77.4%	57.9%	35.8%	15.8%	35.9%
Direct cost of sales	(1.8)	(1.5)	(1.2)	(4.1)	(7.6)	(12.0)	(12.4)	(18.0)
Personnel	(1.9)	(2.0)	(2.1)	(2.9)	(3.4)	(3.9)	(4.2)	(4.5)
Services	(3.0)	(3.1)	(4.5)	(6.5)	(11.0)	(16.8)	(20.6)	(27.7)
Other operating costs	(0.9)	(1.1)	(0.3)	(1.3)	(0.9)	(2.0)	(3.5)	(5.5)
Operating charges	(7.5)	(7.7)	(8.1)	(14.8)	(22.9)	(34.6)	(40.7)	(55.8)
EBITDA	3.1	3.8	5.2	8.6	14.1	15.6	17.5	23.3
<i>Margin</i>	29.4%	33.2%	39.0%	36.8%	38.1%	31.1%	30.1%	29.5%
D&A	(1.4)	(1.5)	(3.1)	(3.7)	(5.0)	(5.4)	(5.4)	(6.4)
EBIT	1.8	2.3	2.1	4.9	9.1	10.2	12.1	17.0
<i>Margin</i>	16.7%	20.0%	15.8%	20.9%	24.6%	20.4%	20.7%	21.5%
Interest	(0.0)	(0.0)	(0.1)	(0.1)	(0.3)	(0.5)	(0.7)	(0.6)
EBT	1.8	2.3	2.0	4.8	8.8	9.7	11.4	16.4
<i>Margin</i>	16.5%	19.7%	14.9%	20.4%	23.8%	19.3%	19.6%	20.7%
Income taxes	(0.5)	(0.7)	(0.6)	(1.4)	(1.0)	(2.7)	(3.2)	(4.6)
Net Income	1.2	1.6	1.4	3.4	7.8	7.0	8.2	11.8
<i>Net Income Margin</i>	11.4%	13.9%	10.6%	14.5%	21.2%	13.9%	14.1%	14.9%

**2021 Income taxes after a one-off
€1.8m decrease of deferred taxes**

Source: Company data 2017-21A, EnVent Research 2022-24E

€40m share capital increase in 2023E.

Balance Sheet

€m	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Inventory	0.6	1.3	1.4	1.0	2.1	2.3	2.2	2.6
Trade receivables	3.8	4.5	11.1	14.0	18.4	20.6	21.4	26.0
Trade payables	(3.1)	(4.0)	(3.7)	(8.6)	(15.5)	(18.9)	(20.1)	(24.2)
Trade Working Capital	1.3	1.8	8.9	6.4	4.9	4.0	3.5	4.4
Deferred income by IRU & others	(4.2)	(4.9)	(14.8)	(17.0)	(11.3)	(9.3)	(7.3)	(5.3)
Other assets (liabilities)	(0.5)	(0.7)	(4.1)	(4.9)	(5.6)	(7.0)	(7.0)	(7.1)
Net Working Capital	(3.4)	(3.8)	(10.0)	(15.5)	(12.0)	(12.3)	(10.7)	(8.0)
Intangible assets	4.3	4.3	7.6	8.1	9.9	9.5	9.2	10.1
Property, plant and equipment	4.0	6.8	19.6	26.0	33.1	39.3	47.8	55.1
Investments and financial assets	0.1	0.1	0.5	1.4	1.3	10.0	15.9	21.7
Non-current assets	8.4	11.2	27.7	35.5	44.3	58.8	72.8	86.9
Provisions	(0.6)	(0.6)	(0.9)	(1.1)	(1.1)	(1.2)	(1.3)	(1.4)
Net Invested Capital	4.4	6.8	16.8	19.0	31.3	45.3	60.8	77.4
Net Debt (Cash)	0.2	1.1	4.5	(2.5)	2.2	10.1	(22.6)	(17.7)
Equity	4.1	5.7	12.3	21.4	29.0	35.2	83.4	95.1
Sources	4.4	6.8	16.8	19.0	31.3	45.3	60.8	77.4

Source: Company data 2017-21A, EnVent Research 2022-24E

Sustained capex program and equity investments.

Capex funded by cash flow from operations

Cash Flow

€m	IAS 2020A	IAS 2021A	IAS 2022E	IAS 2023E	IAS 2024E
EBIT	4.9	9.1	10.2	12.1	17.0
Current taxes	(1.4)	(1.0)	(2.7)	(3.2)	(4.6)
D&A	3.7	5.0	5.4	5.4	6.4
Cash flow from P&L operations	7.4	13.1	13.0	14.4	18.9
Trade Working Capital	2.5	1.4	1.0	0.4	(0.8)
Deferred income by IRU & others	2.2	(5.7)	(2.0)	(2.0)	(2.0)
Other assets and liabilities	0.8	0.7	1.4	(0.1)	0.1
Capex	(9.9)	(13.9)	(11.2)	(13.6)	(14.6)
Operating cash flow after working capital and capex	3.0	(4.3)	2.3	(0.8)	1.6
Interest	(0.1)	(0.3)	(0.5)	(0.7)	(0.6)
Investments and financial assets	(0.9)	0.1	(8.8)	(5.8)	(5.8)
Dividends and other net equity changes	0.0	(0.2)	(0.8)	0.0	0.0
Paid-in capital	0.0	0.0	0.0	40.0	0.0
Capex - IPO cost	(0.8)	0.0	0.0	0.0	0.0
IPO proceeds	5.7	0.0	0.0	0.0	0.0
Net cash flow	6.9	(4.7)	(7.8)	32.7	(4.9)
Net Debt (Beginning)	(4.5)	2.5	(2.2)	(10.1)	22.6
Net Debt (End)	2.5	(2.2)	(10.1)	22.6	17.7
Change in Net Debt (Cash)	6.9	(4.7)	(7.8)	32.7	(4.9)

Source: Company data 2020-21A, EnVent Research 2022-24E

Ratio analysis

KPIs	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E
ROE	29%	28%	11%	16%	27%	20%	10%	12%
ROS (EBIT/Revenues)	17%	20%	16%	21%	25%	20%	21%	21%
EBIT/Invested Capital	41%	34%	12%	26%	29%	23%	20%	22%
DSO	107	86	184	110	102	100	95	90
DPO	165	119	55	118	139	135	120	110
DOI	20	42	39	15	20	17	14	12
TWC/Total Revenues	12%	16%	67%	27%	13%	8%	6%	6%
Capex/Revenues	n.a.	37%	106%	42%	38%	22%	23%	18%
Net Debt / EBITDA	0.1x	0.3x	0.9x	-0.3x	0.2x	0.6x	-1.3x	-0.8x
Net Debt / Equity	0.1x	0.2x	0.4x	-0.1x	0.1x	0.3x	-0.3x	-0.2x
Cash flow from P&L operations / EBITDA	na	na	na	86%	93%	84%	82%	81%
FCF / EBITDA	na	na	na	35%	-31%	14%	-5%	7%
Earnings per Share, basic (€)	na	na	na	1.38	3.18	2.83	3.32	4.78

Source: Company data 2017-21A, EnVent Research 2022-24E

Note: Due to changes from ITA GAAP to IAS, some ratios before 2019 not comparable to 2020A-2024E figures

Valuation

We have updated our DCF valuation and market multiples.

Discounted Cash Flows

Updated assumptions:

- Risk free rate: 3.8% (Italian 10-year government bonds interest rate – last 30 days average. Source: Bloomberg, October 2022)
- Market return: 13.2% (last 30 days average. Source: Bloomberg, October 2022)
- Market risk premium: 9.3%
- Beta: 0.8 (mean value of selected comparable companies. Source: Bloomberg 1year, October 2022)
- Cost of equity: 11.3%
- Cost of debt: 4.5%
- Tax rate: 24% IRES
- 30% debt/(debt + equity) as target capital structure
- WACC calculated at 9.0%, according to above data
- Perpetual growth rate at 3.5%
- Terminal Value assumes a 30% EBITDA margin

DCF Valuation

€m	2022E	2023E	2024E	Perpetuity
Total revenues	50.2	58.2	79.1	81.9
EBITDA	15.6	17.5	23.3	24.6
<i>Margin</i>	<i>31.1%</i>	<i>30.1%</i>	<i>29.5%</i>	<i>30.0%</i>
EBIT	10.2	12.1	17.0	17.6
<i>Margin</i>	<i>20.4%</i>	<i>20.7%</i>	<i>21.5%</i>	<i>21.4%</i>
Taxes	(2.9)	(3.4)	(4.7)	(4.9)
NOPAT	7.4	8.7	12.2	12.7
D&A	5.4	5.4	6.4	7.0
Provisions	0.2	0.1	0.1	0.0
Cash flow from P&L operations	12.9	14.2	18.7	19.7
Trade Working Capital	1.0	0.4	(0.8)	(0.1)
Deferred income by IRU & others	(2.0)	(2.0)	(2.0)	0.0
Other assets and liabilities	1.4	(0.1)	0.1	0.0
Capex	(11.2)	(13.6)	(14.6)	(7.0)
Equity investments and financial assets	(8.8)	(5.8)	(5.8)	0.0
Yearly Unlevered Free Cash Flows	(6.6)	(6.8)	(4.4)	12.5
- H1 Unlevered Free Cash Flows	1.0			
Free Cash Flows to be discounted	(5.6)	(6.8)	(4.4)	12.5
WACC	9.0%			
Long-term growth (G)	3.5%			
Discounted Cash Flows	(5.3)	(6.0)	(3.6)	
Sum of Discounted Cash Flows	(14.9)			
Terminal Value				238.2
Discounted TV	192.3			
Enterprise Value	177.4			
Net Cash (Debt) as of 30/06/22	(4.0)			
Equity Value	173.4			
Equity Value per share (€)	70.34			
DCF - Implied multiples	2022E	2023E	2024E	
EV/Revenues	3.5x	3.0x	2.2x	
EV/EBITDA	11.4x	10.1x	7.6x	
EV/EBIT	17.3x	14.7x	10.4x	
P/E	24.9x	21.2x	14.7x	

Source: EnVent Research

Market multiples

We scouted for telco players comparable to Unidata as to:

- Provision of broadband connectivity services
- Fiber infrastructure development
- End-markets: B2B and B2C

Unidata is currently in view of a deep change, not comparable to telco players with revenues coming mostly from connectivity services and not yet a pure infrastructure player. Though not seeing yet a cluster made of truly comparable peers, we split our panel between domestic and international players. Among international players, some have a very significant share of revenues deriving from connectivity services rather than from infrastructures development and we therefore consider their cluster as less suitable for multiples application.

Company	EV/Revenues			EV/EBITDA			EV/EBIT			P/E		
	2021A	2022E	2023E	2021A	2022E	2023E	2021A	2022E	2023E	2021A	2022E	2023E
Italian Telco peers												
Intred	8.1x	4.5x	4.0x	16.7x	10.7x	9.4x	25.0x	16.9x	15.0x	34.8x	22.6x	20.3x
Planetel	3.0x	1.9x	1.3x	14.9x	7.3x	5.5x	52.0x	15.8x	11.2x	59.5x	20.3x	n.a.
Average	5.6x	3.2x	2.6x	15.8x	9.0x	7.5x	38.5x	16.3x	13.1x	47.1x	21.4x	20.3x
Median	5.6x	3.2x	2.6x	15.8x	9.0x	7.5x	38.5x	16.3x	13.1x	47.1x	21.4x	20.3x
International Telco peers												
United Internet	1.6x	1.1x	1.0x	8.3x	4.9x	4.7x	11.6x	8.0x	7.8x	15.7x	7.7x	7.7x
Chorus Limited	6.8x	6.8x	6.9x	11.4x	9.6x	10.0x	28.4x	27.4x	27.8x	64.8x	56.0x	53.7x
Bredband2	1.5x	1.1x	1.0x	15.6x	6.7x	6.2x	24.2x	17.2x	14.0x	25.5x	19.7x	14.5x
Cogent	7.6x	5.6x	5.3x	21.5x	14.2x	13.2x	38.7x	28.0x	24.9x	70.2x	87.3x	47.1x
Average	4.4x	3.6x	3.6x	14.2x	8.9x	8.5x	25.7x	20.1x	18.6x	44.0x	42.7x	30.7x
Median	4.2x	3.3x	3.2x	13.5x	8.2x	8.1x	26.3x	22.3x	19.5x	45.1x	37.8x	30.8x
UNIDATA - Current price and Consensus Estimates	6.1x	2.7x	2.2x	10.4x	8.5x	6.8x	16.6x	14.8x	10.7x	17.4x	20.5x	14.5x
UNIDATA - EnVent Research Target Price and Updated Estimates	3.8x	3.5x	3.0x	9.9x	11.3x	10.1x	15.4x	17.3x	14.6x	17.5x	24.8x	21.1x

Source: EnVent Research on S&P Capital IQ, 24/10/2022

Multiples application

€m					
Unidata		Italian Peers Median	EV	Net Cash/(Debt)	Equity Value
2022E Revenues	50.2	3.2x	160.7	(4.0)	156.7
2023E Revenues	58.2	2.6x	154.0	(4.0)	150.0
<i>Mean</i>					153.3
2022E EBITDA	15.6	9.0x	140.8	(4.0)	136.8
2023E EBITDA	17.5	7.5x	130.4	(4.0)	126.4
<i>Mean</i>					131.6
2022E EBIT	10.2	16.3x	166.8	(4.0)	162.8
2023E EBIT	12.1	13.1x	157.9	(4.0)	153.9
<i>Mean</i>					158.3
2022E Net Income	7.0	21.4x			149.5
2023E Net Income	8.2	20.3x			166.0
<i>Mean</i>					157.7
Average					150.2
Equity Value per share (€)					60.96

Source: EnVent Research

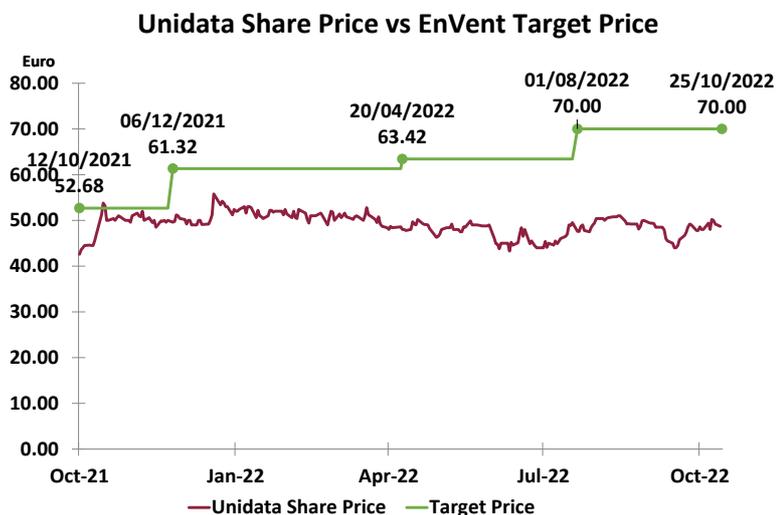
Target Price

As in previous updates, the comparability issues, to which may be added market volatility that could alter consistency of results, suggest to assume the DCF methodology outcome as a more reliable reference, as long as market multiples do not diverge excessively. The DCF resulting price is €70.34 per share, and therefore we confirm the €70 target price of our prior note implying a 44% upside potential on Unidata current stock price. We confirm the OUTPERFORM rating on the stock.

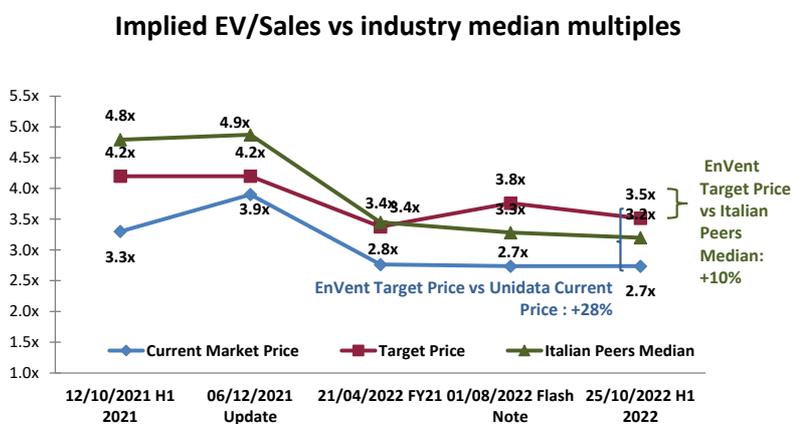
Please refer to important disclosures at the end of this report.

Unidata Price per Share	€
Target Price	70.00
Current Share Price (24/10/2022)	48.70
Premium (Discount)	44%

Source: EnVent Research



Source: EnVent Research on S&P Capital IQ, 25/10/2022



Source: EnVent Research on S&P Capital IQ, 25/10/2022

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Date and time of Production: 24/10/2022 h. 6.35pm

Date and time of Distribution: 25/10/2022 h. 7.00pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
29/04/2020	OUTPERFORM	19.95	16.50
20/10/2020	OUTPERFORM	22.68	17.70
13/05/2021	OUTPERFORM	47.04	35.90
12/10/2021	OUTPERFORM	52.68	42.60
06/12/2021	OUTPERFORM	61.32	49.60
20/04/2022	OUTPERFORM	63.42	48.00
01/08/2022	OUTPERFORM	70.00	49.50
25/10/2022	OUTPERFORM	70.00	48.70

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