



## Analysar

28 November 2022

### Buy

Recommendation unchanged

Share price: EUR 47.70

closing price as of 25/11/2022

Target price: EUR 65.00

Target Price unchanged

Upside/Downside Potential 36.3%

Reuters/Bloomberg

UD.MI/UD.IM

Market capitalisation (EURm) 116

Current N° of shares (m) 2

Free float 24%

Daily avg. no. trad. sh. 12 mth (k) 1

Daily avg. trad. vol. 12 mth (k) 92.84

Price high/low 12 months 55.80 / 43.30

Abs Perfs 1/3/12 mths (%) -2.25/-6.47/-4.60

Key financials (EUR) 12/21 12/22e 12/23e

Sales (m) 37 45 57

EBITDA (m) 14 16 19

EBITDA margin 38.0% 35.4% 33.6%

EBIT (m) 9 10 12

EBIT margin 24.6% 22.4% 21.8%

Net Profit (adj.)(m) 8 7 9

ROCE 19.5% 15.5% 16.5%

Net debt/(cash) (m) 2 (0) (0)

Net Debt/Equity 0.1 0.0 0.0

Debt/EBITDA 0.2 0.0 0.0

Int. cover(EBITDA/Fin. int) high 55.8 high

EV/Sales 3.8 2.6 2.1

EV/EBITDA 9.9 7.4 6.1

EV/EBITDA (adj.) 9.9 7.4 6.1

EV/EBIT 15.3 11.8 9.5

P/E (adj.) 16.7 16.8 13.1

P/BV 4.7 3.3 2.6

OpFCF yield -2.1% 2.3% 0.8%

Dividend yield 0.2% 0.2% 0.2%

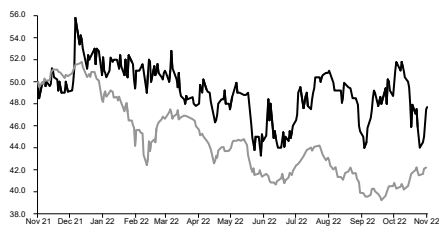
EPS (adj.) 3.33 2.83 3.64

BVPS 11.90 14.63 18.18

DPS 0.10 0.10 0.10

### Shareholders

Uninvest 69%; Others 7%;



Source: FactSet

UNIDATA FTSE AIM Italia (Rebased)

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## Unidata to buy TWT for EUR 58/66m. New BP targets. All very positive developments.

**The facts:** Unidata announced Saturday the acquisition of TWT, a Lombardy based connectivity, cloud, voice and data center B2B telecom provider with 2022e sales and EBITDA of EUR 58.7/6.9m respectively (12% EBITDA margin). The consideration is of an EV of EUR 58m which takes into account of a 2022e net cash of app. EUR 14.5m. The EV can reach up to EUR 66m or EUR 8m additionally, pending the solution of some legal claims. The sellers will reinvest EUR 8m of the above proceeds in the forthcoming recently announced capital increase of up to EUR 50m or in a dedicated rights issue. The deal is expected to close by February 2023e. TWT has 33k direct and indirect clients, 100km of proprietary fiber optic network and one tier 3+ data center of 3400sqm. The company moreover announced that preliminary 2022e data point to sales up by 40% and an EBITDA margin of 29% (EUR 15m of EBITDA). Finally, the company confirmed the previous 2024e BP targets, added 2025e new BP targets both at stand alone and post TWT deal.

|                 | 2024         | 2024e | 2024e        | 2025e   | 2025e | 2025e   |
|-----------------|--------------|-------|--------------|---------|-------|---------|
|                 | UD Base Case | Akros | UD Best Case | Unidata | Akros | UD+TWT  |
| Tot. Rev/VoP    | 64           | 72    | 79           | 72-75   | 53    | 128-134 |
| EBITDA          | 19           | 23    | 23           | 23-25   | 19    | 34-36   |
| EBITDA margin   | 29.8%        | 32.3% | 29.4%        | 32%/33% | 36.8% | 26%/27% |
| Net debt/(Cash) | -2.9         | -4.0  | -4.0         | na      | nm    | na      |

Source: Company Data, Banca Akros forecasts

**Our analysis:** The implied 2022e multiple range for the acquisition before synergies is of 8.4x-9.6x which is optically higher than the 7.4x of Unidata. However, considering the likely expected synergies we would deem the multiple not to be far away from than of Unidata, which by the way we consider attractive. The deal is almost transformational, and we would deem it as a positive news. The new 2022e guidance is above our +21% yearly sales forecast but about in line in absolute terms with our EUR 15.8m EBITDA implying a dilution vs. our forecast of the EBITDA margin. From the numbers, the 2025e stand alone data, takes into account of the recent new initiatives announced with the new Unifiber target, the new Tier 4 Data Center in Rome-Fiumicino and the new submarine cable Sicily, Fiumicino, Liguria: all initiatives for which we need to have more details. Finally, the 2025e targets post TWT deal imply some EUR 4m of synergies/value creation compared with the EUR 6.9m EBITDA expected to be generated from TWT in 2022e.

**Conclusion & Action:** Clearly there is a lot of new initiative from Unidata which are set to deeply change in better the company in the next few years. We will update after today's new BP presentation and some number crunching. Meanwhile we confirm our RATIGN BUY and PT of EUR 65 based on our DCF with WACC at 8.5% and 1% long term growth. **Main risks are in a lower than expected ARPUs and lower connectivity business from wholesale clients.**