

## UNIDATA

Sector: Tech

### Transformational M&A deal and biz plan update

*We believe that the acquisition of TWT is transformational for Unidata in terms of size and strategic relevance with potential to unlock strong synergies. We think that the implied transaction multiple, especially post preliminary synergies (EV/EBITDA of 5.3x on 2025E figures) is attractive. Unidata is currently trading at a 23E/24E EV/EBITDA of 6.6x/6.3x or a discount of 21/14% versus Intred. We have included in our estimates the new business plan, which is in continuation with the previous one and which includes the TWT deal and investments in the two transformational projects (new datacenter and submarine cable). The plan to translist to the STAR segment from the EGM by 2023 should trigger an increase in visibility and trading volumes. We confirm our BUY rating. Our updated DCF model and SOP delivers a Target Price of Eu72.0 from Eu63.5/share (41% upside).*

- A transformational acquisition with a strong industrial rationale.** Unidata has acquired 100% of TWT, a nationwide ICT/TLC player in B2B for an EV of Eu58mn (Eu50mn cash and Eu8mn in new shares). This is the first acquisition for the company, confirming its strategy to accelerate growth also through M&A. We believe that the implied transaction multiples (8.4x 2022E EV/EBITDA) is fair, due to strong strategic rationale of the deal. Indeed, the deal allows Unidata to: 1) rich new business clients; 2) expand its activity outside Lazio and Apulia; 3) enlarge its offer of services; 4) expand the proprietary infrastructure; 5) exploit TWT's commercial network in Italy and 6) achieve potential synergies in software creation and with migration of TWT services to Unidata infrastructure, where possible (c. 1.7k out of >33k clients of TWT are in Lazio). The combination of the two groups should pave the way for additional long-term potentials. If we look at the expected TWT FY25E figures post preliminary synergies, (revenues of Eu57.5mn and EBITDA of Eu11mn/19% margin at mid-point scenario), we calculate an implied FY25 EV/EBITDA post-synergy of only 5.3x.
- New BP confirms 2024E targets and adds visibility to 2025E.** The new business plan broadly confirms the 2024 targets released on Dec 2021. The management has now unveiled stand-alone 2025 revenue targets landing in the region of Eu72mn/75mn with EBITDA of Eu23/25mn (32/33% margin). The plan also includes the new financial investments in Unifiber, Unitirreno and Unicenter. Revenues post-acquisition of TWT and preliminary synergies, considering the termination of voice traffic "basic" BU of TWT, are expected to reach Eu128/134mn with EBITDA of Eu34/36mn (26/27% margin). Unidata's FY22E figures point to revenues of Eu51.8mn (c. +40% yoy and c. 9% better than our estimate) and EBITDA of around Eu15mn (c. 29% margin), broadly in line with our estimates.
- Change in estimates.** Our changes factor in: 1) The announced capital increase of up to Eu50mn by 2023 (assumed at market price); 2) Investments in new projects (Unifiber renewal, Unicenter, Unitirreno) 3) the TWT integration and 4) 2022E preliminary figures. We increase our FY22E top-line by +9.5% (in line with guidance), while we broadly confirm our EBITDA. We slightly shift Unidata's stand-alone top-line (c. 10% of total sales) to 2025 in view of the new business plan targets. All in all, revenues should grow to Eu117.2mn in 2024E, (+47.4% CAGR 21-24E, of which +22.8% organic) with EBITDA of Eu31.9mn (+31.3% CAGR). We estimated a combined financial investment into new JV/partnerships of Eu18mn in 23-24E. Our net debt position for FY24E lands in the region of Eu9.1mn.
- BUY reiterated, TP to 72/share (from 63.5).** We confirm our BUY rating. Our updated DCF model and SOP (based on 2025 figures discounted back by 1 year) deliver a Target Price of Eu72 from Eu63.5/share (41% upside). Unidata is currently trading at a 23E/24E EV/EBITDA of 6.6x/6.3x or a discount of 21/14% versus Intred. We believe that the new business plan with TWT merger, the two transformational projects and the plan to *translist* to the STAR segment from EGM by 2023 should trigger an increase in visibility and trading volumes.

## BUY

Unchanged

### TP 72.0

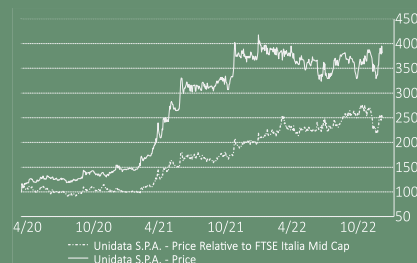
From 63.5

Target price upside 41%

Change in EPS est.	FY22E	FY23E
	-3%	40%

Ticker (BBG, Reut)	UD IM	UD MI
Share price Ord. (Eu)		51.0
N. of Ord. shares (mn)		2.5
Total N. of shares (mn)		2.5
Market cap (Eu mn)		129
Total Market Cap (Eu mn)		129
Free Float Ord. (%)		24%
Free Float Ord. (Eu mn)		31
Daily AVG liquidity Ord. (Eu k)		51

	1M	3M	12M
Absolute Perf.	4.8%	7.3%	5.6%
Rel.to FTSEMIDCap	-2.4%	-1.5%	21.2%
52 weeks range		43.3	55.8



	FY21A	FY22E	FY23E
Sales	37	52	105
EBITDA	14.1	15.1	28.5
Net profit	7.8	6.5	14.5
EPS adj.	3.182	2.593	4.789
DPS - Ord.	0.100	0.100	0.100
EV/EBITDA	6.0x	8.3x	6.6x
P/E adj.	11.8x	20.0x	12.4x
Dividend yield	0.3%	0.2%	0.2%
FCF yield	nm	1.7%	6.6%
Net debt/(Net cash)	2.2	3.0	7.9
Net debt/EBITDA	0.2x	0.2x	0.3x

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## Key Data (IFRS)

P&L account (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Total Revenues	23.4	37.0	51.8	104.9	117.2
Gross margin	na	na	na	na	na
EBITDA reported	8.6	14.1	15.1	28.5	31.9
D&A	(3.7)	(5.0)	(5.5)	(6.9)	(8.7)
EBIT reported	4.9	9.1	9.6	21.6	23.2
Net financial charges	(0.1)	(0.3)	(0.6)	(1.5)	(1.9)
Associates	0.0	0.0	0.0	0.0	0.0
Extraordinary items	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	4.8	8.8	9.0	20.1	21.3
Taxes	(1.4)	(1.0)	(2.5)	(5.6)	(6.0)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0
Net profit reported	3.4	7.8	6.5	14.5	15.3
<b>EBITDA adjusted</b>	<b>8.6</b>	<b>14.1</b>	<b>15.1</b>	<b>28.5</b>	<b>31.9</b>
<b>EBIT adjusted</b>	<b>4.9</b>	<b>9.1</b>	<b>9.6</b>	<b>21.6</b>	<b>23.2</b>
<b>Net profit adjusted</b>	<b>3.4</b>	<b>7.8</b>	<b>6.5</b>	<b>14.5</b>	<b>15.3</b>

Margins (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Gross margin	nm	nm	nm	nm	nm
EBITDA margin (adj)	36.8%	38.1%	29.2%	27.2%	27.2%
EBIT margin (adj)	20.9%	24.6%	18.6%	20.6%	19.8%
Pre-tax margin	20.4%	23.8%	17.4%	19.2%	18.2%
Net profit margin (adj)	14.5%	21.2%	12.5%	13.8%	13.1%

Growth rates (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Sales	77.4%	57.9%	39.9%	102.6%	11.8%
EBITDA	67.3%	63.4%	7.3%	88.6%	11.9%
EBITDA adjusted	67.3%	63.4%	7.3%	88.6%	11.9%
EBIT	134.5%	86.1%	5.5%	125.3%	7.4%
EBIT adjusted	134.5%	86.1%	5.5%	125.3%	7.4%
Pre-tax	143.5%	84.4%	2.1%	123.6%	5.8%
Net profit	142.3%	131.2%	-17.3%	123.6%	5.8%
Net profit adjusted	142.3%	131.2%	-17.3%	123.6%	5.8%

Per share data	FY20A	FY21A	FY22E	FY23E	FY24E
Shares	2.465	2.465	2.538	3.519	3.519
N. of shares AVG	2.465	2.465	2.501	3.028	3.519
N. of shares diluted AVG	2.465	2.465	2.501	3.028	3.519
<b>EPS</b>	<b>1.376</b>	<b>3.182</b>	<b>2.593</b>	<b>4.789</b>	<b>4.360</b>
<b>EPS adjusted</b>	<b>1.376</b>	<b>3.182</b>	<b>2.593</b>	<b>4.789</b>	<b>4.360</b>
<b>DPS - Ord.</b>	<b>0.090</b>	<b>0.100</b>	<b>0.100</b>	<b>0.100</b>	<b>0.100</b>
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	8.694	11.780	14.347	33.066	32.719

Enterprise value (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Share price Ord. (Eu)	17.5	37.5	51.0	51.0	51.0
Market cap	43.1	92.5	129.4	179.4	179.4
Net debt/(Net cash)	(3.4)	2.2	3.0	7.9	9.1
Adjustments	(15.4)	(10.8)	(6.8)	1.1	11.2
Enterprise value	24.2	83.9	125.7	188.4	199.8

Cash flow (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
EBITDA adjusted	8.6	14.1	15.1	28.5	31.9
Net financial charges	(0.1)	(0.3)	(0.6)	(1.5)	(1.9)
Cash taxes	(1.4)	(1.0)	(0.6)	(5.6)	(6.0)
Ch. in Working Capital	5.2	(4.7)	2.0	5.1	1.4
Other operating items	0.4	0.5	(2.5)	0.5	(0.6)
<b>Operating cash flow</b>	<b>12.7</b>	<b>8.6</b>	<b>13.4</b>	<b>27.0</b>	<b>24.7</b>
Capex	(10.7)	(13.9)	(11.2)	(15.1)	(16.1)
<b>FCF</b>	<b>2.0</b>	<b>(5.3)</b>	<b>2.2</b>	<b>11.9</b>	<b>8.6</b>
Disposals/Acquisitions	0.0	0.0	0.0	(58.0)	0.0
Changes in Equity	5.7	0.0	0.6	50.0	0.0
Others	(0.3)	(0.2)	(3.4)	(8.5)	(9.5)
Dividends	0.0	(0.2)	(0.2)	(0.3)	(0.4)
<b>Ch. in NFP</b>	<b>7.5</b>	<b>(5.7)</b>	<b>(0.8)</b>	<b>(4.8)</b>	<b>(1.2)</b>

Ratios (%)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Capex/Sales</b>	<b>45.6%</b>	<b>37.6%</b>	<b>21.6%</b>	<b>14.4%</b>	<b>13.7%</b>
Capex/D&A	2.9x	2.8x	2.0x	2.2x	1.9x
FCF/EBITDA	23.7%	-37.5%	14.8%	41.6%	27.1%
FCF/Net profit	60.4%	nm	34.5%	81.9%	56.3%
<b>Dividend pay-out</b>	<b>6.5%</b>	<b>3.1%</b>	<b>3.9%</b>	<b>2.4%</b>	<b>2.3%</b>

Balance sheet (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Working capital	(0.9)	(1.3)	(3.3)	(8.4)	(9.8)
Fixed assets	35.6	44.6	53.6	128.3	145.2
Provisions & others	(16.7)	(12.0)	(11.4)	(11.9)	(11.3)
<b>Net capital employed</b>	<b>18.0</b>	<b>31.3</b>	<b>38.9</b>	<b>108.0</b>	<b>124.2</b>
<b>Net debt/(Net cash)</b>	<b>(3.4)</b>	<b>2.2</b>	<b>3.0</b>	<b>7.9</b>	<b>9.1</b>
Equity	21.4	29.0	35.9	100.1	115.1
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Working capital/Sales</b>	<b>-4.0%</b>	<b>-3.6%</b>	<b>-6.4%</b>	<b>-8.0%</b>	<b>-8.3%</b>
<b>Net debt/Equity</b>	<b>nm</b>	<b>7.7%</b>	<b>8.5%</b>	<b>7.9%</b>	<b>7.9%</b>
<b>Net debt/EBITDA</b>	<b>nm</b>	<b>0.2x</b>	<b>0.2x</b>	<b>0.3x</b>	<b>0.3x</b>

Valuation	FY20A	FY21A	FY22E	FY23E	FY24E
<b>EV/CE</b>	<b>0.7x</b>	<b>1.9x</b>	<b>2.5x</b>	<b>1.6x</b>	<b>1.5x</b>
P/BV	2.0x	3.2x	3.6x	1.8x	1.6x
EV/Sales	1.0x	2.3x	2.4x	1.8x	1.7x
EV/EBITDA	2.8x	6.0x	8.3x	6.6x	6.3x
<b>EV/EBITDA adjusted</b>	<b>2.8x</b>	<b>6.0x</b>	<b>8.3x</b>	<b>6.6x</b>	<b>6.3x</b>
EV/EBIT	5.0x	9.2x	13.1x	8.7x	8.6x
<b>EV/EBIT adjusted</b>	<b>5.0x</b>	<b>9.2x</b>	<b>13.1x</b>	<b>8.7x</b>	<b>8.6x</b>
P/E	12.7x	11.8x	20.0x	12.4x	11.7x
<b>P/E adjusted</b>	<b>12.7x</b>	<b>11.8x</b>	<b>20.0x</b>	<b>12.4x</b>	<b>11.7x</b>
ROCE pre-tax	14.3%	23.4%	20.5%	25.4%	18.2%
<b>ROE</b>	<b>15.8%</b>	<b>27.0%</b>	<b>18.1%</b>	<b>14.5%</b>	<b>13.3%</b>
EV/FCF	nm	nm	56.2x	15.9x	23.1x
<b>FCF yield</b>	<b>nm</b>	<b>nm</b>	<b>1.7%</b>	<b>6.6%</b>	<b>4.8%</b>
<b>Dividend yield</b>	<b>0.5%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>

### Share price performance

Strong performance from IPO (>+200%)...



Source: Factset

### Valuation

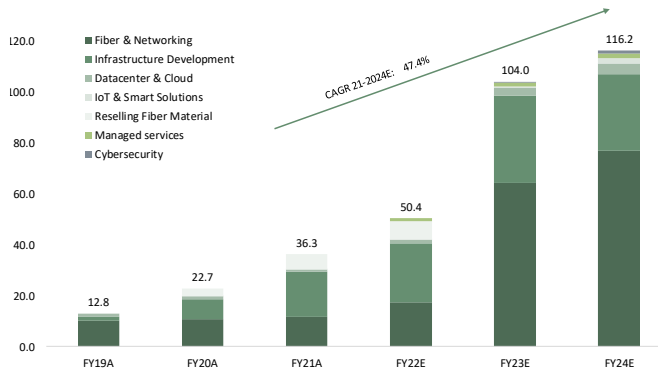
...with relatively stable EV/EBITDA multiple



## Key Charts

### Revenue trend (FY19-FY24E)

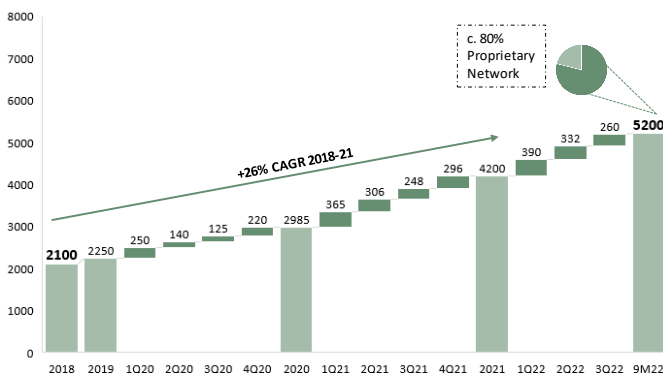
Strong revenues CAGR 2021-24E (+47.4%; +22.8% organic)



Source: Company data

### Evolution of fiber network (FY18-9M22)

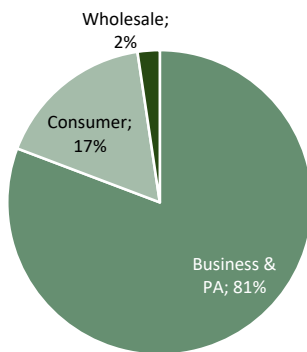
Fiber network extension advanced at fast pace (+26% CAGR 18-21)



Source: Company data

### ARPU breakdown by type of client (% , FY21A)

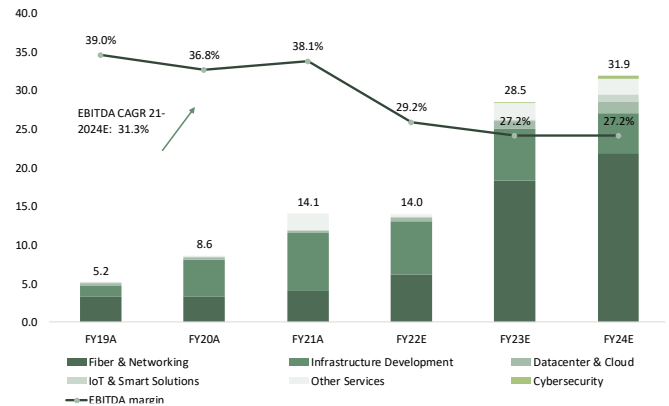
Corporates represent the largest share of Unidata clients as value (ARPU\*# clients)



Source: Company data

### EBITDA and EBITDA margin (FY19A-FY24E)

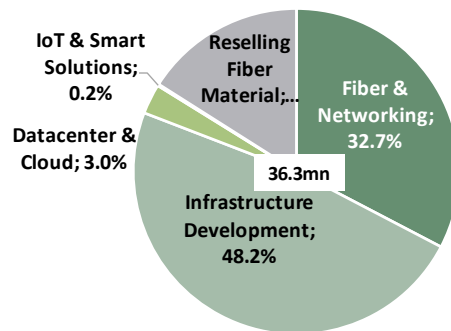
Our FY24E EBITDA margin points to Eu31.9mn/27.2% margin



Source: Company data

### Revenue breakdown by business (FY21A)

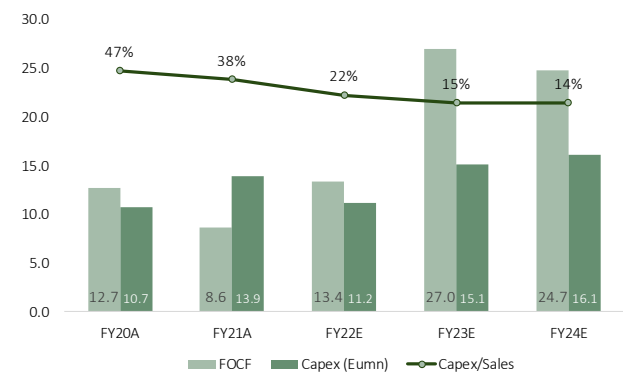
Connectivity and Infrastructure development weighs the majority on FY21 sales



Source: Company data

### Capex plan (FY20A-FY24A)

Average Capex/sales >15% and fully financed due to sound FOCF generation



Source: Company data

# ALANTRA

Italian Equity Research

## Profile

<b>Background</b>	Established in 1985 as hardware provider, Unidata has built its roots in the ICT sector, becoming one of the first movers in the optic fiber (FTTH) and radio (FWA) connectivity in Rome. The company exploits its growing network of proprietary fiber with wholesale, corporates, PA (>70% of FY21 connectivity sales) and residential clients. Unidata is also managing a proprietary datacenter of 800sqm (3% of FY21 sales). The group has delivered a strong growth of its fiber network (>5,200km; CAGR 19-21 37%; c. 80% owned), also thanks to strategic partnerships (with OF and CEBF) in infrastructure development business (48% of FY21 sales). Two new ventures/partnerships have been announced: Unicenter (minority stake; a green datacenter TIER IV of 20,000sqm in Fiumicino) and Unitirreno (majority stake; a submarine fiber cable system of 890km, connecting Sicily to Genoa through Fiumicino).
<b>Positioning</b>	Unidata has a wide proprietary network of fiber (we estimate a coverage of c. 50% of buildings in the entire province of Rome). Unidata enjoys a differentiated positioning among Italian listed local fiber operators, thanks to a combination of: 1) Stronger focus on corporate clients; 2) Diversification of the proprietary infrastructure (fiber, datacenter and forthcoming submarine cable); 3) Partnerships with the newcomers in infrastructure development (turning threats into opportunities). Unidata has size, margins and ROCE comparable to those of Intred and above Planetel and Convergenze.
<b>Growth</b>	Unidata has experienced a remarkable revenue growth (67% CAGR 19-21), chiefly propelled by the infrastructure development business (>200% CAGR 19-21). As such, the group has delivered a strong growth of its fiber network (37% CAGR 19-21) and of its loyal and recurrent client base (42% CAGR 19-21). EBITDA margin has been historically above 35% on sales. The infrastructure development business is expected to grow due to renewal of Unifiber project (doubling investments to reach 200k buildings and 8k corporates). Unidata should experience a net sales expansion mainly thanks to the fiber & networking division through exploitation of the infrastructure and growth in value-added services (Cloud and IoT). The company has also proved to grow inorganically through its first acquisition of an Italian ICT/TLC player (TWT) announced in Nov 2022. The merger is transformational in terms of size (EU38.7mn revenues of B2B segment in FY21) and strategic relevance, as it would add new regions (chiefly North Italy), new clients (+33k clients), new infrastructure and a nationwide commercial network.
<b>Strategy</b>	Unidata should extend and exploit its proprietary infrastructure, also with the addition of value-added services. While the proprietary fiber network should continue to grow (also through the partnerships with Open Fiber and CEBF) with potential to reach new regions (Puglia), the group should add consumer and Soho clients to its traditional focus on business, PA and wholesale clients. In addition, value added services should be added to the offer. Upselling of value-added services to fiber connectivity clients (poorly exploited so far) should be a competitive hedge. In addition, M&A could play an important role to accelerate the process. The company intends to further diversify its infrastructure through JV the submarine cable system and a large green datacenter. To support these transformational projects and add further M&A firepower, Unidata announced a capital increase of up to Eu50mn by 2023 and its intention to move to the STAR segment of Euronext Milan in 2023.

### Strengths

Pioneer in fiber networking in Rome and province  
 Proprietary Datacenter  
 Infrastructure development capabilities

### Weaknesses

Exposure to a low margin non-recurrent infrastructure development business  
 Relatively low revenues per km of the existing fiber network  
 Short M&A track record

### Opportunities

Exploitation of the spare capacity of the existing infrastructure  
 Upselling of value-added services to existing and new clients  
 Diversification and extension of the proprietary infrastructure

### Threats

Negative implications of the potential TIM/OF merger  
 Increasing competitive pressure in Rome  
 Uncertainty around the IRR generated with the new ventures

### Key shareholders

Uninvest Srl - 66.98%  
 Renato Brunetti - 2.36%  
 Claudio Bianchi - 2.36%  
 Marcello Vispsi - 2.36%  
 Giampaolo Rossini - 1.98%  
 Market - 23.95%

### Management

Renato Brunetti - Chairman & CEO  
 Roberto Giacometti - CFO

### Next events

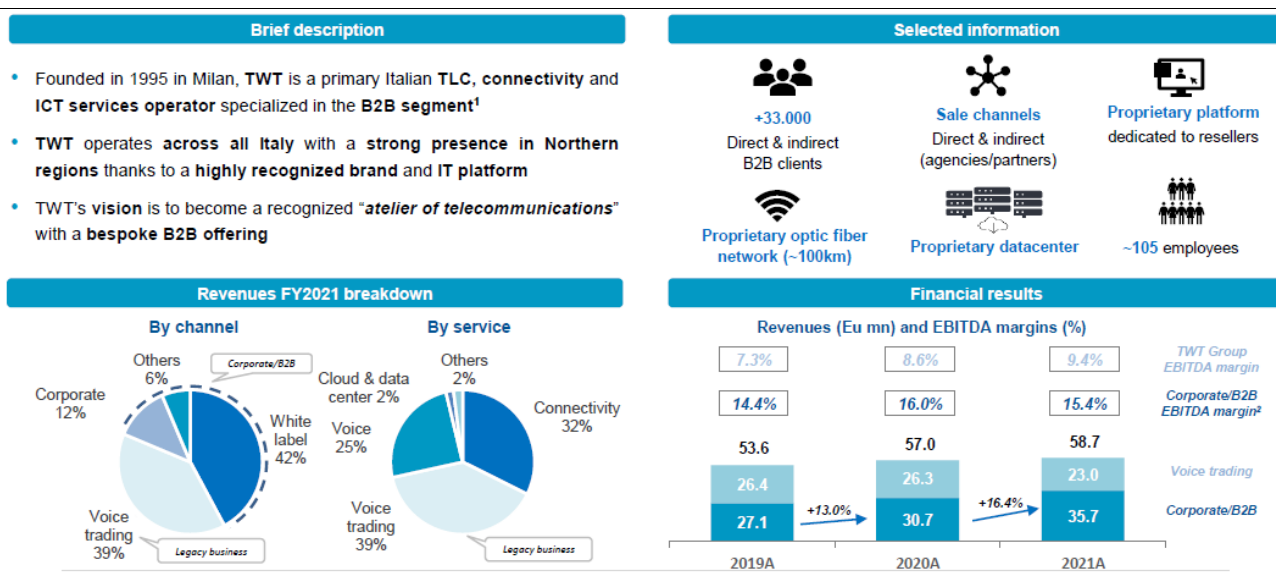
## Focus on TWT acquisition

### A national TLC/ICT operator

Founded in 1995, TWT is an established connectivity and multi-ICT service operator in Italy with a nationwide coverage (strong focus in Lombardy) of Corporates (>33k direct and indirect clients), also thanks to consolidated partnerships with agencies/partners. The company leverages on a nationwide commercial network, a proprietary datacenter and a technology platform dedicated to resellers to provide connectivity services, voice traffic “basic” (39% of FY21 sales with single-digit profitability, expected to be discontinued in 1Q23), voice traffic “value” (higher profitability) and other services such as cloud. The company should generate FY22E sales in line with previous year (Eu58.7mn) with Eu6.9mn EBITDA (11.7% margin) and net cash position of Eu14.5mn.

### TWT at a glance

TWT is an established connectivity and multi-ICT service operator in Italy with a nationwide coverage (strong focus in Lombardy)



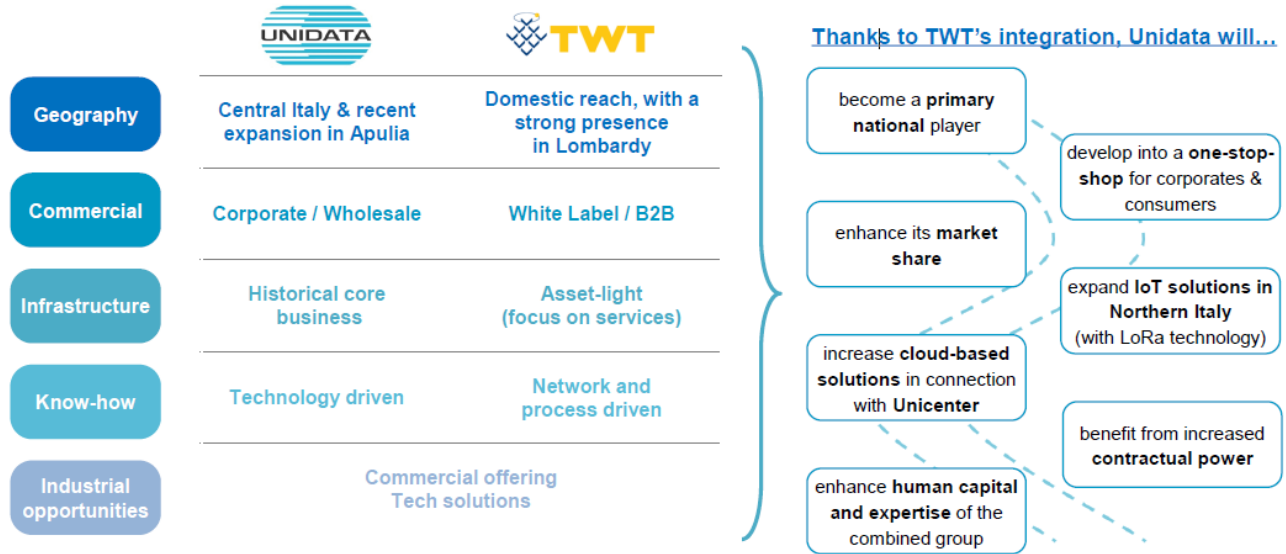
Source: Company presentation

### Strong industrial rationale and complementarity of the two groups

We believe that TWT acquisition is backed by a strong industrial rationale and complementarity in terms of geographic coverage and business. The merger should pave the way to achieve potential synergies by exploiting TWT's commercial network in Italy but also in software creation and with migration of TWT services to Unidata infrastructure, where possible (c. 1.7k out of >33k clients of TWT are in Lazio). The closing date is expected to be in mid-February 2023.

## TWT merger has a strong industrial rationale

The complementarity of the two groups should pave the way for further infrastructure exploitation and trigger additional long-term potentials



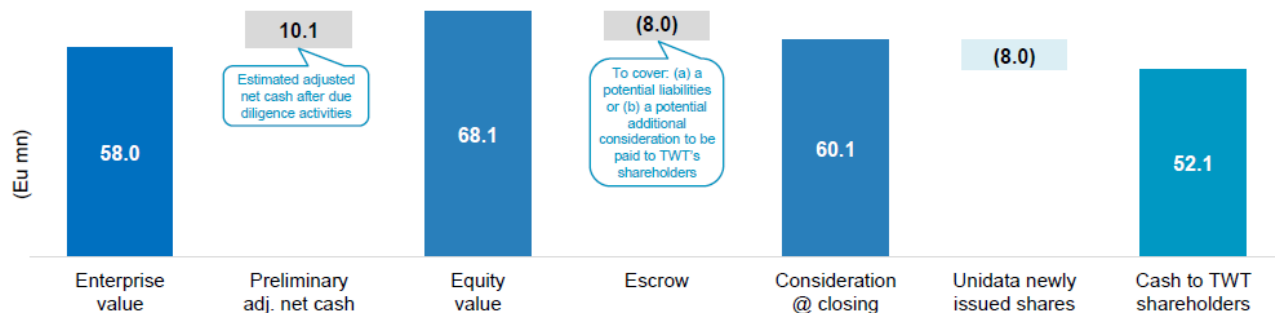
Source: Company presentation

## Implied multiples are attractive, especially after synergies

The acquired target has been valued Eu58mn Enterprise Value. The transaction entails Eu50mn cash payment and Eu8mn of new shares. Implied FY22E multiples are EV/sales of 1.0x and EV/EBITDA of 8.4x. We believe that the implied transaction multiples are fair due to strong strategic rationale of the deal. If we look at the expected TWT FY25E figures post preliminary synergies, (revenues of Eu57.5mn and EBITDA of Eu11mn/19% margin at mid-point scenario), we calculate an implied FY25 EV/EBITDA of only 5.3x.

## Structure of the transaction

We calculate an implied FY25 EV/EBITDA post preliminary synergies of only 5.3x



- **Implied EV/EBITDA 2022E** multiple of ~8.4x based on 2022E EBITDA reported of ~Eu 6.9mn (pre-synergies)
- **Effective cash consideration** to be determined based on TWT's **adjusted net cash at closing** (expected by **mid February 2023**)
- **Sustainable financial leverage**, with an **acquisition financing** provided by a pool of lenders for ~Eu 50mn
- **Capital increase reserved** to one of TWT's shareholders for **Eu 8.0mn**
- As communicated on 29<sup>th</sup> September 2022, **capital increase up to Eu 50mn** reserved to **institutional investors by end 2023** to further reduce financial indebtedness and sustain Unidata's growth

Source: Company presentation

## New 2025E targets and 2022E preliminary figures

### Confirmation of 2024E targets and visibility to 2025E

The new business plan broadly confirms FY24 revenues (we estimate close to lower side of the range Eu65/79mn) and EBITDA of c. 29% (released on Dec. 2021). The management has now unveiled stand-alone 2025 revenue targets landing in the region of Eu72mn/75mn with EBITDA of Eu23/25mn (32/33% margin). The new plan includes the financial investments in Unifiber, Unitirreno and Unicenter. However, they do not have any contribution to P&L operating figures (Unifiber and Unicenter are not consolidated by line; Unitirreno should start to contribute after 2025). Revenues post-acquisition and preliminary synergies, considering the termination of voice traffic “basic” BU of TWT, are expected to reach Eu128/134mn with EBITDA of Eu34/36mn (26/27% margin). TWT stand-alone should then generate Eu56/59mn revenues (+17% CAGR 22-25E) with EBITDA in the region of Eu11mn (c. 19%), implying c. 3/4% EBITDA margin uptick vs. 15.4% in 2021 ex-voice trading BU. Unidata’s FY22E figures point to revenues of Eu51.8mn (c. +40% yoy, c. 9% better than our previous estimate) and EBITDA of around Eu15mn (c. 29% margin), broadly in line with our number.

### New business plan adds visibility to 2025E

Revenues post-acquisition and preliminary synergies are expected to reach Eu128/134mn with EBITDA of Eu34/36mn (26/27% margin)

	UNIDATA				UNIDATA + TWT		
	2021A	2022F	2025W	2025B	2022F Agg.	2025W	2025B
<b>Revenues</b>	~Eu 37mn	~Eu 51.8mn	~Eu 72mn	~Eu 75mn	~Eu 110.7mn	~Eu 128mn	~Eu 134mn
<b>CAGR 22-25 (%)</b>			~12%	~13%		~5%	~7%
<b>EBITDA</b>	~Eu 14mn	~Eu 15.1mn	~Eu 23mn	~Eu 25mn	~Eu 22.1mn <sup>1</sup>	~Eu 34mn	~Eu 36mn
<b>CAGR 22-25 (%)</b>			~15%	~18%		~15%	~18%
<b>EBITDA margin (%)</b>	~38%	~29%	~32%	~33%	~20%	~26%	~27%
		2024E adj. revenue and EBITDA expected to be substantially in line with targets communicated in Nov-2021			Indicative combined entity's targets incl. acquisition financing, synergies and voice trading optimization		

Source: Company presentation

## Estimates

### Change in estimates

Our changes factor in: 1) The announced capital increase of up to Eu50mn by 2023; 2) Investments in new projects (Unifiber renewal, Unicenter, Unitirreno) 3) the TWT integration and 4) Unidata's 2022E preliminary figures.

(Eu mn)	NEW Estimates			% Change			OLD Estimates		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Total Revenues	51.8	104.9	117.2	9.5%	79.7%	57.4%	47.2	58.3	74.5
EBITDA Adjusted	15.1	28.5	31.9	-2.0%	62.6%	46.9%	15.4	17.5	21.7
EBIT Adjusted	9.6	21.6	23.2	-3.1%	94.7%	60.5%	9.9	11.1	14.5
Pretax Profit	9.0	20.1	21.3	-3.2%	94.3%	54.5%	9.3	10.4	13.8
Net profit	6.5	14.5	15.3	-3.2%	94.3%	54.5%	6.7	7.5	9.9
Net profit restated	6.5	14.5	15.3	-3.2%	94.3%	54.5%	6.7	7.5	9.9
EPS	2.555	4.122	4.360	-3.2%	40.2%	11.4%	2.641	2.940	3.913
Net financial position	(3.0)	(7.9)	(9.1)	-1.6	-7.4	-12.1	(1.4)	(0.4)	3.0

Source: Alantra estimates

## Valuation: TP 72/share (from Eu63.5/share)

### Update of SOP and DCF suggests TP 72/share

Our updated DCF model and SOP (now based on FY25E figures discounted back by one year) deliver a Target Price of Eu72 from Eu63.5/share (41% upside).

### SOP and DCF method

Our updated DCF model and SOP (based on FY25E figures) delivers a Target Price of Eu72 from Eu63.5/share (41% upside)

Method	Equity Value		
	(Eu mn)	(Eu per share)	Weight (%)
DCF	265.5	75	50%
SOP	241.7	69	50%
<b>Weighted AVG</b>	<b>253.6</b>	<b>72</b>	<b>0.5</b>
N. of shares (mn)			3.519

Source: Alantra estimates



## Peers

### Trading multiples

The stock is trading at slightly premium compared to Italian peers in the connectivity business

Company	Country	Mkt Cap (Eu mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE		
			FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
UNIDATA	ITALY	134	2.7 x	2.2 x	1.6 x	8.5 x	7.1 x	5.4 x	13.2 x	10.6 x	7.4 x	19.0 x	14.0 x	11.6 x
Premium (discount) to Peers' Median			30%	32%	-19%	24%	29%	4%	-25%	-19%	-34%	-14%	-14%	-8%
Intred SpA	ITALY	201	4.3 x	3.5 x	3.1 x	10.3 x	8.3 x	7.3 x	16.0 x	13.1 x	11.2 x	21.4 x	19.1 x	16.5 x
Tiscali SPA	ITALY	52	0.6 x	0.5 x	na	3.6 x	2.7 x	na	na	na	na	na	na	na
Planetel S.p.A.	ITALY	41	1.4 x	1.1 x	0.8 x	6.8 x	4.6 x	2.9 x	18.9 x	9.8 x	5.0 x	23.0 x	13.5 x	8.7 x
Convergenze SpA Societa Benefit	ITALY	19	nm	nm	nm	nm	6.4 x	5.2 x	nm	14.0 x	11.7 x	na	na	na
PEERS Italian Connectivity			2.1 x	1.7 x	2.0 x	6.9 x	5.5 x	5.1 x	17.5 x	12.3 x	9.3 x	22.2 x	16.3 x	12.6 x
Average			1.4 x	1.1 x	2.0 x	6.8 x	5.5 x	5.2 x	17.5 x	13.1 x	11.2 x	22.2 x	16.3 x	12.6 x
Median														

Company	Country	Mkt Cap (Eu mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE		
			FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
UNIDATA	ITALY	134	2.7 x	2.2 x	1.6 x	8.5 x	7.1 x	5.4 x	13.2 x	10.6 x	7.4 x	19.0 x	14.0 x	11.6 x
Premium (discount) to Peers' Median			31%	16%	-11%	-2%	-18%	-37%	-19%	-30%	-47%	5%	-36%	-44%
United Internet AG	GERMANY	3,919	1.0 x	1.0 x	0.9 x	4.5 x	4.4 x	4.2 x	7.5 x	7.6 x	6.9 x	9.0 x	9.1 x	8.4 x
Cogent Communications Holdings Inc	UNITED STATES	2,639	6.1 x	6.0 x	5.4 x	15.7 x	15.0 x	13.3 x	31.5 x	29.2 x	24.6 x	nm	64.8 x	45.2 x
Chorus Limited	NEW ZEALAND	2,178	6.1 x	6.0 x	5.9 x	8.7 x	8.7 x	8.6 x	23.5 x	24.0 x	22.5 x	73.7 x	58.1 x	49.9 x
Bahnhof AB Class B	SWEDEN	267	2.1 x	1.9 x	1.8 x	12.8 x	11.9 x	11.1 x	16.2 x	15.1 x	14.0 x	23.0 x	21.8 x	20.7 x
Bredband2 i Skandinavien AB	SWEDEN	125	1.0 x	1.0 x	1.0 x	6.5 x	6.2 x	6.1 x	16.3 x	15.1 x	13.1 x	13.1 x	12.0 x	13.1 x
PEERS International Connectivity			3.3 x	3.2 x	3.0 x	9.6 x	9.2 x	8.6 x	19.0 x	18.2 x	16.2 x	29.7 x	33.2 x	27.5 x
Average			2.1 x	1.9 x	1.8 x	8.7 x	8.7 x	8.6 x	16.3 x	15.1 x	14.0 x	18.1 x	21.8 x	20.7 x
Median														

Source: Alantra estimates and Factset

### Financials

Higher profitability and similar growth compared to peers

Company	Country	Mkt Cap (Eu mn)	FY22E - FY24E average margins					CAGR FY21A - FY24E			
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	EPS
UNIDATA	ITALY	134	27.9%	19.7%	13.1%	16.6%	2.9%	46.9%	31.3%	36.7%	11.1%
PEERS			36.0%	19.4%	11.0%	16.2%	135.7%	15.1%	17.2%	22.3%	15.3%
Average			34.7%	20.6%	11.1%	11.8%	47.8%	13.5%	13.7%	23.1%	12.4%
Median											
Intred SpA	ITALY	201	42.3%	27.1%	19.8%	29.2%	10.4%	13.5%	13.7%	12.5%	12.4%
Tiscali SPA	ITALY	52	17.1%	-4.7%	-5.2%	na	0.0%	na	na	na	na
Planetel S.p.A.	ITALY	41	24.4%	11.7%	8.0%	9.8%	0.0%	21.9%	32.2%	72.0%	63.4%
Convergenze SpA Societa Benefit	ITALY	19	12.1%	4.7%	2.3%	12.3%	na	17.2%	35.5%	57.3%	na
PEERS Italian Connectivity			24.0%	9.7%	6.2%	17.1%	3.5%	17.5%	27.2%	47.3%	37.9%
Average			20.8%	8.2%	5.2%	12.3%	0.0%	17.2%	32.2%	57.3%	37.9%
Median											
Telia Company AB	SWEDEN	10,759	34.7%	16.7%	12.1%	16.8%	25.2%	8.3%	12.0%	24.0%	22.4%
United Internet AG	GERMANY	3,919	42.3%	27.1%	19.8%	29.2%	0.7%	13.5%	13.7%	12.5%	12.4%
Cogent Communications Holdings Inc	UNITED STATES	2,639	39.9%	20.6%	5.9%	11.8%	669.8%	5.3%	7.2%	8.3%	7.0%
Chorus Limited	NEW ZEALAND	2,178	69.4%	25.7%	7.4%	43.1%	297.0%	0.9%	1.3%	5.0%	27.9%
Bahnhof AB Class B	SWEDEN	267	na	na	na	na	na	na	na	na	na
Bredband2 i Skandinavien AB	SWEDEN	125	16.0%	6.8%	5.5%	1.0%	131.0%	1.8%	5.3%	8.2%	-4.3%
PEERS International Connectivity			40.4%	19.4%	10.1%	20.4%	224.7%	6.0%	7.9%	11.6%	13.1%
Average			39.9%	20.6%	7.4%	16.8%	131.0%	5.3%	7.2%	8.3%	12.4%
Median											

Source: Alantra estimates and Factset

## Performance

Resilient market performance vs peers over the last 12 months

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
UNIDATA	ITALY	134	4.8%	7.3%	7.8%	5.6%	na	na
PEERS		Average	2.0%	-1.2%	-10.8%	-21.1%	36.6%	69.2%
		Median	1.7%	1.9%	-14.3%	-24.2%	32.8%	63.1%
Intrad SpA	ITALY	201	-0.4%	-13.0%	-20.1%	-30.4%	138.7%	na
Tiscali SPA	ITALY	52	-6.3%	28.6%	-29.7%	-56.8%	-28.4%	-76.7%
Planetel S.p.A.	ITALY	41	-1.3%	-12.5%	-17.1%	-33.2%	na	na
Convergenze SpA Societa Benefit	ITALY	19	-3.8%	-4.2%	-3.5%	-26.5%	na	na
PEERS Italian Connectivity		Average	-3.0%	-0.3%	-17.6%	-36.7%	55.2%	-76.7%
		Median	-2.6%	-8.4%	-18.6%	-31.8%	55.2%	-76.7%
Telia Company AB	SWEDEN	10,759	-1.3%	-23.0%	-28.9%	-17.5%	-29.0%	-23.4%
United Internet AG	GERMANY	3,919	5.2%	-8.3%	-34.2%	-38.6%	-33.2%	-64.9%
Cogent Communications Holdings Inc	UNITED STATES	2,639	7.4%	8.2%	-3.6%	-22.0%	-6.7%	29.5%
Chorus Limited	NEW ZEALAND	2,178	3.7%	2.6%	11.5%	20.2%	32.8%	103.5%
Bahnhof AB Class B	SWEDEN	267	5.6%	7.7%	7.9%	7.4%	50.4%	87.1%
Bredband2 i Skandinavien AB	SWEDEN	125	-4.3%	1.1%	-32.7%	-30.6%	9.4%	39.2%
PEERS International Connectivity		Average	2.7%	-1.9%	-13.3%	-13.5%	4.0%	28.5%
		Median	4.4%	1.9%	-16.3%	-19.7%	1.4%	34.3%

Source: Alantra estimates and Factset

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