

UNIDATA

Sector: Telecoms

BUY

Price: Eu42.40 - Target: Eu64.00

After Successful ABB and TWT closing, All Ready for STAR move

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Stock Rating

Rating: Unchanged

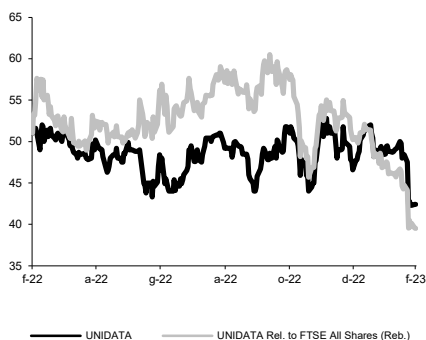
Target Price (Eu): from 78.00 to 64.00

	2022E	2023E	2024E
Chg in Adj EPS	0.8%	-17.7%	-17.6%

Next Event

FY22 Final Results Out 14 March 2023

UNIDATA - 12M Performance



Stock Data

Reuters code: UD.MI

Bloomberg code: UD IM

Performance	1M	3M	12M
Absolute	-14.2%	-18.8%	-16.9%
Relative	-17.5%	-30.4%	-24.1%
12M (H/L)	52.80/42.30		
3M Average Volume (th):	2.10		

Shareholder Data

No. of Ord shares (mn): 3

Total no. of shares (mn): 3

Mkt Cap Ord (Eu mn): 131

Total Mkt Cap (Eu mn): 131

Mkt Float - Ord (Eu mn): 51

Mkt Float (in %): 38.8%

Main Shareholder:

Uninvest (Brunetti/Vispi/Bianchi) 55.0%

Balance Sheet Data

Book Value (Eu mn): 45

BVPS (Eu): 14.59

P/BV: 2.9

Net Financial Position (Eu mn): -36

Enterprise Value (Eu mn): 167

■ **Recent €15mn ABB and yesterday's TWT closing.** On 20 February, the company successfully placed 360,000 ordinary shares through an ABB, corresponding to c.12.4% of capital. The placement went through at €42 per share (an 11.5% discount to the previous day's closing price) for a total transaction value of €15.1mn (including premium). Through this placement, the company has achieved its minimum float target (35%) to enter the STAR segment of Borsa Italiana's Euronext Milan market, a move it intends to complete during 2023. In addition, the Company yesterday announced the closing of the acquisition of TWT, with recognition to Michela Colli of the agreed stake in Unidata shares worth a total €8mn (a further 190,000 shares at €42/share, 6.2% of total shares after capital increase), out of the overall €58mn paid for TWT. Following the two capital increases, the number of shares rises from 2.53mn to 3.09mn.

■ **FY22 preliminary results.** On 30 January, the company released preliminary FY22 results with revenues at €51.8mn (+40% YoY), EBITDA at Eu15.1mn (+7% YoY) and the margin at 29% (38% in FY21), broadly in line with our expectations. Net debt as at YE22 was €8.9mn (our prior exp. €3.4mn) compared to €5.8mn as at end-Sep'22, mainly due to payment of the €2.8mn deposit towards the acquisition of TWT. Looking at KPIs, 4Q22 saw significant expansion of the customer base to 16.1k (+29% YoY), underpinned by the Consumer segment (86% of total, up 34% YoY); on the other hand, the Business, Microbusiness and PA Customer market rose 6% YoY and Wholesale customers remained flattish. Monthly ARPU saw a low single digit contraction across the Consumer (€22, -4% YoY) and Business segments (€500, -3% YoY), but impressive low-teen growth in the Microbusiness segment (€80, +13% YoY). Finally, the fibre network expanded in 4Q by 240km of proprietary cables (+335km in 4Q21), in line with the BP forecasts, reaching a total extent of over 5,450 Km in Rome and other areas of Lazio Region.

■ **Estimates Update.** We have tweaked our FY23-25 estimates for the top line breakdown to capture the internal switch of the Open Fiber contract (c. €12mn/year in FY22 phasing out to c.€5mn/year in FY25) from fibre infrastructure to services, and we incorporate lower financial expenses following the €15mn capital increase.

■ **BUY confirmed, new TP at €64 (from €78 pre-money).** Based on the updated number of shares, fully diluted due to closing of the TWT deal and the recent €15mn ABB, we reduce our DCF-based target price from €78 (pre-money) to €64, which implies c.50% upside potential at the current market price. The stock is currently trading at c.9x EV/EBIT '23E, which we believe represents an extremely attractive entry point (Italian peer Intred trading at c.16x) ahead of the forthcoming transfer to the STAR segment. We appreciate UD's business model as it offers a very attractive risk-return profile thanks to: a) a proprietary network focused on future-proof FTTH technology (no risk of disruptive change and limited CapEx in the long run) and first-mover advantage in Rome, a highly strategic location; b) significant opportunities from the TWT acquisition (footprint expansion to Lombardy, more diversified customer base and commercial upselling synergies); c) strong visibility on IRR (upfront CapEx with guaranteed returns); d) the presence of an anchor client in the form of state-owned company OF, targeting faster and deeper FTTH coverage of Italy; e) downside protection (visible and recurring revenue streams, low churn); f) a supportive regulatory framework (NRRP boost).

Key Figures & Ratios	2020A	2021A	2022E	2023E	2024E
Sales (Eu mn)	23	37	52	112	124
EBITDA Adj (Eu mn)	9	14	15	25	29
Net Profit Adj (Eu mn)	3	8	7	10	12
EPS New Adj (Eu)	1.370	3.182	2.703	3.133	4.033
EPS Old Adj (Eu)	1.370	3.182	2.681	3.807	4.894
DPS (Eu)	0.000	0.100	0.100	0.157	0.202
EV/EBITDA Adj	4.6	6.7	8.8	6.6	5.6
EV/EBIT Adj	8.1	10.4	13.1	9.6	8.0
P/E Adj	30.9	13.3	15.7	13.5	10.5
Div. Yield	0.0%	0.2%	0.2%	0.4%	0.5%
Net Debt/EBITDA Adj	-0.4	0.2	0.5	1.4	1.1

UNIDATA – Key Figures						
Profit & Loss (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Sales	13	23	37	52	112	124
EBITDA	5	9	14	15	25	29
EBIT	2	5	9	10	17	20
Financial Income (charges)	-0	-0	-0	-0	-4	-3
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	2	5	9	10	14	18
Taxes	-1	-1	-1	-3	-4	-5
Tax rate	28.8%	29.3%	11.1%	30.0%	30.0%	29.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	1	3	8	7	10	12
EBITDA Adj	5	9	14	15	25	29
EBIT Adj	2	5	9	10	17	20
Net Profit Adj	1	3	8	7	10	12
Per Share Data (Eu)	2019A	2020A	2021A	2022E	2023E	2024E
Total Shares Outstanding (mn) - Average	2	2	2	3	3	3
Total Shares Outstanding (mn) - Year End	2	2	3	3	3	3
EPS f.d	0.700	1.370	3.182	2.703	3.133	4.033
EPS Adj f.d	0.700	1.370	3.182	2.703	3.133	4.033
BVPS f.d	6.165	8.748	11.779	14.043	14.591	18.468
Dividend per Share ORD	0.000	0.000	0.100	0.100	0.157	0.202
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	0.0%	0.0%	3.1%	3.7%	5.0%	5.0%
Cash Flow (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Gross Cash Flow	4	7	13	12	17	21
Change in NWC	4	6	-4	0	1	0
Capital Expenditure	-8	-11	-14	-14	-14	-17
Other Cash Items	0	-1	-0	0	0	0
Free Cash Flow (FCF)	1	1	-5	-2	4	5
Acquisitions, Divestments & Other Items	0	0	0	-3	-47	0
Dividends	0	0	0	-0	-0	-0
Equity Financing/Buy-back	0	6	-0	1	15	0
Change in Net Financial Position	-3	8	-6	-6	-28	4
Balance Sheet (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Total Fixed Assets	27	35	44	53	107	115
Net Working Capital	4	-2	-1	-2	-3	-4
Long term Liabilities	-15	-15	-12	-12	-12	-12
Net Capital Employed	16	18	31	40	92	100
Net Cash (Debt)	-4	3	-2	-8	-36	-32
Group Equity	12	21	29	36	45	57
Minorities	0	0	0	0	0	0
Net Equity	12	21	29	36	45	57
Enterprise Value (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Average Mkt Cap		43	93	124	131	131
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-4	3	-2	-8	-36	-32
Enterprise Value		39	95	133	167	163
Ratios (%)	2019A	2020A	2021A	2022E	2023E	2024E
EBITDA Adj Margin	38.5%	36.7%	38.1%	29.2%	22.5%	23.6%
EBIT Adj Margin	15.8%	20.8%	24.6%	19.5%	15.5%	16.5%
Gearing - Debt/Equity	33.3%	-15.9%	7.7%	23.3%	80.4%	55.7%
Interest Cover on EBIT	17.1	44.7	32.1	33.7	4.8	7.1
Net Debt/EBITDA Adj	0.8	-0.4	0.2	0.5	1.4	1.1
ROACE*	18.0%	28.2%	36.9%	28.5%	26.5%	21.3%
ROE*	15.5%	19.9%	31.1%	21.2%	24.0%	24.4%
EV/CE		2.3	3.9	3.7	2.5	1.7
EV/Sales		1.7	2.6	2.6	1.5	1.3
EV/EBITDA Adj		4.6	6.7	8.8	6.6	5.6
EV/EBIT Adj		8.1	10.4	13.1	9.6	8.0
Free Cash Flow Yield	0.5%	0.6%	-4.0%	-1.2%	3.4%	3.8%
Growth Rates (%)	2019A	2020A	2021A	2022E	2023E	2024E
Sales	14.4%	77.2%	58.1%	40.0%	116.6%	10.4%
EBITDA Adj	32.5%	69.0%	64.1%	7.2%	67.2%	15.8%
EBIT Adj	-9.4%	132.7%	87.4%	11.0%	72.7%	17.2%
Net Profit Adj	-12.6%	139.7%	133.7%	-12.5%	41.0%	28.8%
EPS Adj	-12.6%	95.7%	132.3%	-15.1%	15.9%	28.8%
DPS			nm	0.0%	56.6%	28.8%

*Excluding extraordinary items Source: Intermonte SIM estimates

Recent €15mn ABB and yesterday's TWT closing

On 20 February, the company successfully placed 360,000 ordinary shares through an ABB, corresponding to c.12.4% of capital. The placement went through at €42 per share (an 11.5% discount to the previous day's closing price) for a total transaction value of €15.1mn (including premium). Through this placement, the company has achieved its minimum float target (35%) to enter the STAR segment of Borsa Italiana's Euronext Milan market, a move it intends to complete during 2023. In addition, the Company yesterday announced the closing of the acquisition of TWT, with recognition to Michela Colli of the agreed stake in Unidata shares worth a total €8mn (a further 190,000 shares at €42/share, 6.2% of total shares after capital increase), out of the overall €58mn paid for TWT. Following the two capital increases, the number of shares rises from 2.53mn to 3.09mn.

Unidata – Share Capital Evolution

Shareholders	Initial NOSH (mn)	% of share capital	ABB Rights issue (€15.12mn @42)	Reserved Rights issue for TWT (€8mn, @42)	Ending NOSH (mn)	% of share capital
Uninvest S.r.l.*	1,700,000	66.98%			1,700,000	55.04%
Michela Colli				190,476	190,476	6.17%
Free Float (%)	838,185	33.02%			1,198,185	38.79%
Renato Brunetti	60,000	2.36%			60,000	1.94%
Claudio Bianchi	60,000	2.36%			60,000	1.94%
Marcello Vispi	60,000	2.36%			60,000	1.94%
Giampaolo Rossini	50,350	1.98%			50,350	1.63%
Market (incl. own shares)	607,835	23.95%	360,000		967,835	31.34%
Total Share Capital	2,538,185	100.00%	360,000	190,476	3,088,661	100.00%

Source: Intermonte SIM * Equally owned by R. Brunetti, M. Vispi and C. Bianchi;

2025 Company Targets vs Our New Estimates

For the combined entity, our new estimates are aligned to the mid-points of company targets as of FY25: revenues at €128-134mn (our exp. €131.5mn) and EBITDA at €34-36mn (our exp. €34.6mn), with the margin at 26-27% (our exp. 26.3%), reflecting the different level of profitability of TWT (12% in FY22), which is expected to improve by FY25 (c. 19% in FY25), also thanks to the phasing-out of the voice-trading business (an almost zero margin activity for TWT) and integration synergies (i.e. €2mn, c. 3% cut of COGS).

Unidata – 2025 Company Targets vs Intermonte Estimates

Eu mn	Actual		Intermonte Estimates			2025 targets			2022	2025 targets (old view*)		
	'21A	'22A	'23E	'24E	25E	Mid	Low	High	Old view*	Mid	Low	High
Services	14.5	26.0	34.4	35.4	35.7	34.9	34.2	35.6	13.7	30.1	29.4	30.8
Fiber Infrastructure	13.6	16.3	20.4	23.9	28.2	27.7	26.9	28.4	28.6	32.5	31.7	33.2
Other revenues	7.2	6.0	4.7	2.3	1.5	1.5	1.4	1.5	6.0	1.5	1.4	1.5
Managed Services	1.6	3.5	6.3	9.4	9.9	9.8	9.5	10.0	3.5	9.6	9.5	9.6
VoP (standalone)	37.0	51.8	65.8	71.1	75.3	73.5	72.0	75.0	51.8	73.5	72.0	75.0
TWT revenues	-	-	46.4	52.8	56.4	57.5	56.0	59.0		57.5	56.0	59.0
VoP (combined)	37.0	51.8	112.2	123.9	131.7	131.0	128.0	134.0		131.0	128.0	134.0
YoY growth	59.9%	40.0%	116.6%	10.4%	6.3%							
EBITDA (standalone)	14.1	15.1	17.9	21.3	23.6	24.0	23.0	25.0		24.0	23.0	25.0
as % of VoP	38.1%	29.2%	27.3%	30.0%	31.4%	32.7%	31.9%	33.3%		32.7%	31.9%	33.3%
TWT EBITDA	-	-	7.3	7.9	11.0	11.0	11.0	11.0		11.0	11.0	11.0
as % of TWT revenues			15.7%	15.0%	19.5%	19.1%	19.6%	18.6%		19.1%	19.6%	18.6%
EBITDA (combined)	14.1	15.1	25.2	29.2	34.6	35.0	34.0	36.0		35.0	34.0	36.0
YoY growth	64.1%	7.2%	67.2%	15.8%	18.5%							
as % of VoP	38.1%	29.2%	22.5%	23.6%	26.3%	26.7%	26.6%	26.9%		26.7%	26.6%	26.9%

Source: Intermonte SIM, Company data. * Old view before internal switch of Open Fiber contract (c. €12mn/year in FY22 phasing out to c.€5mn in FY25) from fiber infrastructure to services

For UD on a standalone basis, FY25 targets for revenues (€72-75mn, our exp. €75.2mn) and EBITDA (€23-25mn, our exp. €23.6mn) see an acceleration of organic growth, driven in part by the Unifiber extension roll-out (driving margin dilution from 38% in FY21 to 32-33% in FY25).

Unidata - 2025 standalone targets by revenue stream: new view after internal switch of Open Fiber contract from fibre infrastructure to services

Business lines	Revenues 2022	Revenues 2025	Description
 Services	€ ~26.0mn	€ 34.2 – 35.6mn	<ul style="list-style-type: none"> Includes Consumers, Business, Wholesale and P.A. clients' revenues from TLC & ICT services
 Fiber Infrastructure Development	€ ~16.3mn	€ 26.9 – 28.4mn	<ul style="list-style-type: none"> Fiber network construction - Unidata and Unifiber Grey areas of Latium Apulia (industrial district area + 2 municipals' industrial areas) Molise (2 industrial areas)
 Other revenues	€ ~6.0mn	€ 1.4 – 1.5mn	<ul style="list-style-type: none"> Net sales of fiber material and other revenues
 Managed Services	€ ~3.5mn	€ 9.5 – 10.0mn	<ul style="list-style-type: none"> Network and system integration project & services Supply of support services, design and consulting of Internet technologies and more generally in relation to the digital environment High-level technical staff

Source: Company presentation

Change to Estimates

We have tweaked our FY23-25 estimates on the top-line breakdown to capture the internal switch of the Open Fiber contract (c. c. €12mn/year in FY22 phasing out to c.€5mn/year in FY25) from fibre infrastructure to services, and we incorporate lower financial expenses due to the €15mn capital increase.

Unidata – P&L: Change to Estimates

Eu mn	'21A	New Estimates				Old Estimates				New vs Old			
		'22E	'23E	'24E	25E	'22E	'23E	'24E	25E	'22E	'23E	'24E	25E
Services	14.5	26.0	34.4	35.4	35.7	13.7	17.0	23.2	30.4	90%	102%	53%	17%
Fiber Infra.	13.6	16.3	20.4	23.9	28.2	28.6	38.2	34.9	33.2	-43%	-47%	-31%	-15%
Other revs.	7.2	6.0	4.7	2.3	1.5	5.9	4.6	4.0	1.5	2%	2%	-43%	0%
Managed Servs.	1.6	3.5	6.3	9.4	9.9	3.6	6.0	9.0	10.0	-3%	4%	4%	-1%
VoP (standalone)	37.0	51.8	65.8	71.1	75.3	51.8	65.8	71.1	75.1	0%	0%	0%	0%
TWT revenues	-	-	46.4	52.8	56.4	-	46.4	52.8	56.4		0%	0%	0%
VoP (combined)	37.0	51.8	112.2	123.9	131.7	51.8	112.3	124.0	131.5	0%	0%	0%	0%
YoY growth	59.9%	40.0%	116.6%	10.4%	6.3%	40.0%	116.7%	10.4%	6.1%				
EBITDA	14.1	15.1	25.2	29.2	34.6	15.0	25.3	29.3	34.6	1%	0%	0%	0%
YoY growth	64.1%	7.2%	67.2%	15.8%	18.5%	6.6%	68.1%	15.8%	18.2%				
as % of VoP	38.1%	29.2%	22.5%	23.6%	26.3%	29.0%	22.5%	23.6%	26.3%				
D&A	(5.0)	(5.0)	(7.8)	(8.8)	(10.6)	(5.0)	(7.8)	(8.8)	(10.6)				
EBIT	9.1	10.1	17.4	20.4	24.1	10.0	17.5	20.5	24.0	1%	0%	0%	0%
as % of VoP	24.6%	19.5%	15.5%	16.5%	18.3%	19.3%	15.6%	16.5%	18.3%				
PBT	8.8	9.8	13.8	17.5	21.5	9.7	13.8	17.5	21.3	1%	0%	0%	1%
as % of VoP	23.8%	18.9%	12.3%	14.2%	16.4%	18.8%	12.3%	14.1%	16.2%				
Net income	7.8	6.9	9.7	12.5	15.3	6.8	9.7	12.4	15.1	1%	0%	0%	1%
as % of VoP	21.2%	13.2%	8.6%	10.1%	11.6%	13.1%	8.6%	10.0%	11.5%				
Adj. Net income	7.8	6.9	9.7	12.5	15.3	6.8	9.7	12.4	15.1	1%	0%	0%	1%
EPS (€)	€ 3.18	€ 2.70	€ 3.13	€ 4.03	€ 4.95	€ 2.68	€ 3.81	€ 4.89	€ 5.97	1%	-18%	-18%	-17%
Adj. EPS (€)	€ 3.18	€ 2.70	€ 3.13	€ 4.03	€ 4.95	€ 2.68	€ 3.81	€ 4.89	€ 5.97	1%	-18%	-18%	-17%
DPS (€)	€ 0.10	€ 0.10	€ 0.16	€ 0.20	€ 0.25	€ 0.10	€ 0.19	€ 0.24	€ 0.30	0%	-18%	-18%	-17%
payout	3%	4%	5%	5%	5%	4%	5%	5%	5%				
Capex	(13.9)	(13.9)	(14.4)	(16.6)	(18.1)	(13.9)	(14.4)	(16.6)	(18.1)	0%	0%	0%	0%
as % of VoP	37.6%	26.8%	12.9%	13.4%	13.7%	26.8%	12.8%	13.4%	13.8%				
Net Debt	2.2	8.3	36.2	31.8	29.1	3.4	49.3	44.9	42.3	4.9	(13.1)	(13.1)	(13.2)
ND/EBITDA	0.2x	0.5x	1.4x	1.1x	0.8x	0.2x	2.0x	1.5x	1.2x				

Source: Intermonte SIM (E), Company Data (A)

Unidata – FCF: Change to Estimates

FCF, Eu mn	'21A	New Estimates				Old Estimates				New vs Old			
		'22E	'23E	'24E	25E	'22E	'23E	'24E	25E	'22E	'23E	'24E	25E
Net income	7.8	6.9	9.7	12.5	15.3	6.8	9.7	12.4	15.1	0.1	0.0	0.0	0.1
D&A	5.0	5.0	7.8	8.8	10.6	5.0	7.8	8.8	10.6	-	-	-	-
NWC & Other	(4.2)	0.5	1.4	0.3	(4.5)	0.5	1.3	0.3	(4.4)	-	0.0	(0.0)	(0.1)
FCFO	8.6	12.3	18.8	21.6	21.3	12.3	18.8	21.6	21.3	0.1	0.0	0.0	0.0
Capex	(13.9)	(13.9)	(14.4)	(16.6)	(18.1)	(13.9)	(14.4)	(16.6)	(18.1)	-	-	-	-
Other	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-
EFCF	(5.3)	(1.5)	4.4	4.9	3.2	(1.6)	4.4	4.9	3.2	0.1	0.0	0.0	0.0
Rights issue /IPO	(0.2)	1.2	15.1	-	-	1.2				-	15.1	-	-
Dividend cashed-in	-	-	-	-	-					-	-	-	-
Dividends paid	-	(0.2)	(0.3)	(0.5)	(0.6)	(0.2)	(0.3)	(0.5)	(0.6)	-	-	(0.0)	(0.0)
M&A	-	(2.8)	(47.2)	-	-		(50.0)			(2.8)	2.8	-	-
Buyback	(0.5)	-	-	-	-	(0.6)				0.6	-	-	-
Other	0.3	(2.7)	-	-	-					(2.7)	-	-	-
Net Debt change (- incr/+ decr)	(5.7)	(6.1)	(27.9)	4.5	2.6	(1.2)	(45.9)	4.4	2.6	(4.9)	18.0	0.0	0.0
Opening Net Debt /(Cash)	(3.4)	2.2	8.3	36.2	31.8	2.2	3.4	49.3	44.9	-	4.9	(13.1)	(13.1)
Change	5.7	6.1	27.9	(4.5)	(2.6)	1.2	45.9	(4.4)	(2.6)	4.9	(18.0)	(0.0)	(0.0)
Closing Net Debt /(Cash)	2.2	8.3	36.2	31.8	29.1	3.4	49.3	44.9	42.3	4.9	(13.1)	(13.1)	(13.2)

Source: Intermonte SIM (E), Company Data (A)

Our Estimates vs FactSet Consensus

Unidata: Intermonte New Estimates vs Consensus

Eu mn	New Estimates					Consensus (200 days)				Delta vs Consensus			
	'21A	'22E	'23E	'24E	'24E	'22C	'23C	'24E	'25E	'22E	'23E	'24E	25E
VoP	37.0	51.8	112.2	123.9	131.7	50.1	83.1	95.8	74.6	3%	35%	29%	77%
YoY growth	59.9%	40.0%	117%	10.4%	6.3%	35.4%	65.8%	15.3%	-22.1%				
EBITDA	14.1	15.1	25.2	29.2	34.6	15.3	22.5	26.4	29.6	-1%	12%	11%	17%
YoY growth	64.1%	7.2%	67.2%	15.8%	18.5%	8.2%	47.2%	17.5%	12.0%				
as % of VoP	38.1%	29.2%	22.5%	23.6%	26.3%	30.4%	27.0%	27.5%	39.6%				
D&A	(5.0)	(5.0)	(7.8)	(8.8)	(10.6)	(5.4)	(6.7)	(7.9)	(8.3)				
EBIT	9.1	10.1	17.4	20.4	24.1	9.8	15.7	18.5	21.3	3%	11%	11%	13%
as % of VoP	24.6%	19.5%	15.5%	16.5%	18.3%	19.6%	18.9%	19.3%	28.5%				
PBT	8.8	9.8	13.8	17.5	21.5	9.5	13.9	16.2	17.9	3%	-1%	9%	20%
as % of VoP	23.8%	18.9%	12.3%	14.2%	16.4%	19%	17%	17%	24%				
Net income	7.8	6.9	9.7	12.5	15.3	6.8	10.0	11.5	12.7	2%	-3%	8%	20%
as % of VoP	21%	13%	9%	10%	12%	13%	12%	12%	17%				
EPS (€)	€ 3.18	€ 2.70	€ 3.13	€ 4.03	€ 4.95	€ 2.70	€ 3.97	€ 4.58	€ 5.06				
DPS (€)	€ 0.10	€ 0.10	€ 0.16	€ 0.20	€ 0.25	€ 0.10	€ 0.13	€ 0.15	€ 0.30				
payout	3%	4%	5%	5%	5%	4%	3%	3%	6%				
Capex	(13.9)	(13.9)	(14.4)	(16.6)	(18.1)	(12.1)	(14.2)	(15.9)	(14.1)	14%	1%	5%	29%
as % of VoP	37.6%	26.8%	12.9%	13.4%	13.7%	24.2%	17.1%	16.6%	18.8%				
Net Debt	2.2	8.3	36.2	31.8	29.1	3.7	25.7	26.5	50.9	4.6	10.6	5.2	(21.8)
ND/EBITDA	0.2x	0.5x	1.4x	1.1x	0.8x	0.2x	1.1x	1.0x	1.7x				

Source: Intermonte SIM (E), Company Data (A), FactSet Consensus (C)

DCF Valuation

Unidata – DCF model (WACC still at 8.8%, g reduced from 1.7% to 1.5%, partially offset by DCF rollover 1 year forward)

(Eu mn)	'22E	'23E	'24E	'25E	'26E	'27E	'28E	'29E	'30E	'31E	'32E	'33E	TV
VoP	51.8	112.2	123.9	131.7	138.9	145.1	149.9	154.9	159.6	164.4	169.3	174.2	176.8
<i>YoY growth</i>	40.0%	117%	10.4%	6.3%	5.4%	4.5%	3.3%	3.4%	3.0%	3.0%	3.0%	2.9%	1.5%
Adj. EBITDA	15.1	25.2	29.2	34.6	36.8	39.2	41.2	43.4	45.5	47.7	49.9	52.3	53.0
as % of VoP	29.2%	22.5%	23.6%	26.3%	26.5%	27.0%	27.5%	28.0%	28.5%	29.0%	29.5%	30.0%	30.0%
D&A	(5.0)	(7.8)	(8.8)	(10.6)	(11.6)	(13.2)	(15.2)	(15.5)	(15.8)	(16.2)	(16.5)	(16.8)	(17.7)
EBIT	10.1	17.4	20.4	24.1	25.2	25.9	26.0	27.9	29.6	31.5	33.4	35.4	35.4
as % of VoP	19.5%	15.5%	16.5%	18.3%	18.1%	17.9%	17.3%	18.0%	18.6%	19.2%	19.8%	20.3%	20.0%
Taxes	(2.4)	(4.2)	(4.9)	(5.8)	(6.0)	(6.2)	(6.2)	(6.7)	(7.1)	(7.6)	(8.0)	(8.5)	(8.5)
<i>tax rate</i>	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Change in WC	0.5	1.4	0.3	(4.5)	(2.7)	(5.6)	(2.7)	(1.8)	0.6	(0.1)	(0.6)	(0.9)	-
Capex	(13.9)	(14.4)	(16.6)	(18.1)	(19.8)	(21.4)	(21.8)	(22.0)	(21.9)	(21.4)	(20.6)	(19.7)	(17.7)
as % of VoP	26.8%	12.9%	13.4%	13.7%	14.3%	14.8%	14.6%	14.2%	13.7%	13.0%	12.2%	11.3%	10.0%
Unlevered FCF	(0.7)	8.0	8.0	6.2	8.3	5.9	10.5	12.9	17.1	18.7	20.7	23.1	26.9
TV													367
year		0	1	2	3	4	5	6	7	8	9	10	10
Disc. Factor		1.00	0.92	0.84	0.78	0.71	0.65	0.60	0.55	0.51	0.47	0.43	0.43
Disc. Flows			7.4	5.3	6.4	4.2	6.9	7.8	9.4	9.5	9.6	9.9	157.2

Sum of FCF'24-33E	76.4
Terminal value	157.2
Total EV	233.7
Net Cash (Debt) at YE23	(36.2)
Minorities	0.0
treasury shares	1.2
Equity Value	198.6
current NOSH (mn)	3.1
Target Price (Eu)	64
current price (Eu)	42.4
<i>upside vs current price</i>	52%

WACC	8.8%
Terminal growth	1.5%

Source: Intermonte SIM

Unidata - TP Sensitivity to WACC (%) and g (%)

		g										
		1.0%	1.1%	1.2%	1.3%	1.4%	1.5%	1.6%	1.7%	1.8%	1.9%	2.0%
WACC	7.8%	74	75	76	77	78	79	81	82	83	84	85
	8.0%	71	72	73	74	75	76	77	78	79	80	81
	8.2%	69	69	70	71	72	73	74	75	76	77	78
	8.4%	66	67	67	68	69	70	71	72	73	73	74
	8.6%	63	64	65	65	66	67	68	69	69	70	71
	8.8%	61	61	62	63	64	64	65	66	67	67	68
	9.0%	59	59	60	60	61	62	62	63	64	65	65
	9.2%	56	57	58	58	59	59	60	61	61	62	63
	9.4%	54	55	55	56	57	57	58	58	59	60	60
	9.6%	52	53	53	54	54	55	56	56	57	57	58
9.8%	50	51	51	52	52	53	53	54	55	55	56	

Source: Intermonte SIM

Valuation Multiples

The stock is currently trading at c.9x EV/EBIT '23E (in our view, this is a more meaningful metric to capture D&A associated with different investment profiles), which we believe represents an attractive entry point (Italian peer Intred trading at c.16x).

Peer Multiple Valuation

Company	Currency	Price	Mkt. Cap (Eu mn)	Abs. Perf. (%)				EV/Sales (x)			EV/EBITDA (x)			EV/EBIT (x)			Adj. PE (x)			Div. Yield (%)		
				1m	3m	6m	Ytd	'23E	'24E	'25E	'23E	'24E	'25E	'23E	'24E	'25E	'23E	'24E	'25E	'23E	'24E	'25E
Unidata (@mkt price, our est.)	EUR	42.2	122	-12%	-11%	-17%	-9%	1.4	1.2	1.1	6.3	5.3	4.4	9.1	7.5	6.3	12.6	9.8	8.0	0.4%	0.5%	0.5%
Unidata (@mkt price, cons.)	EUR	42.2	122	-12%	-11%	-17%	-9%	1.8	1.6	2.3	6.6	5.6	5.9	9.4	8.1	8.2	12.3	10.6	9.6	0.3%	0.4%	0.7%
Unidata (@ TP, our est.)	EUR	64	199	-12%	-11%	-17%	-9%	2.1	1.9	1.7	9.3	7.9	6.6	13.5	11.3	9.5	20.5	15.9	13.0	0.2%	0.3%	0.3%
Intred SpA	EUR	13.35	212	-6%	7%	-4%	-5%	4.1	3.7	n.m.	9.6	8.5	n.m.	16.7	15.1	n.m.	21.6	19.6	n.m.	0.4%	0.5%	0.0%
Italian Regional FTTH players - Median								4.1	3.7	n.m.	9.6	8.5	n.m.	16.7	15.1	n.m.	21.6	19.6	n.m.	0.4%	0.5%	0.0%
United Internet AG	EUR	20.72	3,982	-3%	6%	-7%	11%	1.0	1.0	1.0	4.7	4.6	4.5	8.2	8.0	7.6	9.2	8.6	8.1	2.5%	2.6%	2.7%
Cogent Communications Holdings Inc	USD	65.19	2,969	-5%	11%	18%	14%	6.3	5.3	4.7	16.7	14.5	13.4	34.2	24.7	21.3	848.8	34.0	29.9	6.2%	6.5%	6.6%
Chorus Limited	NZD	8.30	2,150	-2%	-1%	2%	0%	6.1	6.1	6.1	8.8	8.6	8.7	25.3	23.6	23.1	138.6	77.7	69.4	5.1%	5.8%	6.4%
WideOpenWest, Inc.	USD	10.93	903	-6%	-1%	-43%	17%	2.4	2.4	2.4	6.0	5.6	5.1	20.9	16.3	17.7	70.3	65.5	39.2	0.0%	0.0%	0.0%
Bredband2 i Skandinavien AB	SEK	1.35	117	3%	-5%	-3%	0%	0.9	0.9	0.8	5.6	5.3	5.0	13.4	11.0	9.4	11.4	10.6	10.0	7.4%	9.6%	11.8%
Intl. Regional FTTH players - Median								2.4	2.4	2.4	6.0	5.6	5.1	20.9	16.3	17.7	70.3	34.0	29.9	5.1%	5.8%	6.4%
Equinix, Inc.	USD	699.48	61,075	-5%	3%	3%	6%	9.6	8.9	8.2	21.3	19.4	17.5	60.6	49.3	41.0	82.8	69.3	54.9	1.9%	2.1%	2.3%
Digital Realty Trust, Inc.	USD	106.02	28,762	-6%	-6%	-16%	5%	8.6	8.2	7.4	18.1	17.1	15.2	59.1	51.2	44.4	89.8	66.4	33.3	4.8%	4.9%	5.1%
OVH Groupe SAS	EUR	14.28	2,743	-13%	-3%	4%	-14%	3.7	3.3	2.8	9.8	8.5	7.0	103.0	63.5	40.2	515.7	141.4	51.3	0.0%	0.0%	0.0%
WIIT SpA	EUR	20.5	573	-6%	10%	12%	12%	5.6	5.0	4.8	15.6	13.4	13.0	31.2	24.8	20.0	32.5	26.2	24.9	1.6%	1.8%	3.5%
Intl. Datacenter Co-locators - Median								7.1	6.6	6.1	16.9	15.3	14.1	59.9	50.3	40.6	86.3	67.8	42.3	1.8%	2.0%	2.9%
Lumen Technologies, Inc.	USD	3.47	3,380	-36%	-42%	-68%	-35%	1.6	1.6	1.7	4.9	5.1	5.2	14.4	16.1	18.0	9.8	14.9	18.9	0.0%	0.0%	0.0%
Tata Communications Limited	INR	1208.45	3,929	-6%	-9%	1%	-7%	2.0	1.8	n.m.	8.3	7.1	n.m.	15.4	12.6	n.m.	19.8	16.0	n.m.	1.8%	1.9%	0.0%
Intl. Long-Distance Carriers - Median								1.8	1.7	1.7	6.6	6.1	5.2	14.9	14.3	18.0	14.8	15.4	18.9	0.9%	1.0%	0.0%
Average Selected Peers								3.3	3.0	2.4	8.1	7.3	5.2	18.8	15.7	18.0	46.0	26.8	29.9	1.3%	1.5%	1.4%

Source: Intermonte SIM (E), FactSet (C)

Unidata in Brief

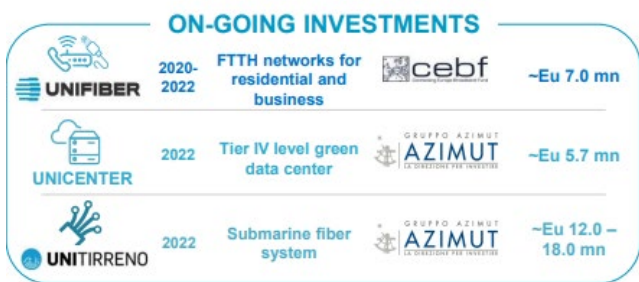
Company description

With a track record of 37 years in the ITC sector, **Unidata (UD)** is today an ultrabroadband, Cloud and IoT provider for business/government/residential clientele in Lazio region. The company has an advanced FTTH network, covering over 5,450km and connecting 250k properties with >16k active clients. Since 2018, UD has invested over €50mn to build and expand the network, strengthening its presence in the Rome area, Italy's main market with growing demand for ultrafast broadband services from the PA, households and SME. UD shares have been listed on Euronext Growth Milan since March 2020.

Strengths/Opportunities

- Attractive risk-return profile with scalable business model
- Cutting-edge fibre network in strategic locations
- TWT value creation and expansion in Northern Italy
- Connectivity boost from NRRP plan
- Italy FTTH market still seriously under-penetrated
- Greater financial flexibility from smart co-investment model

Unidata – Key Initiatives to reshape business profile



Source: Company presentation

Unidata – 2023-25 Business Plan Targets

	2021A	2022F	2025W	2025B
Revenues	-Eu 37mn	-Eu 51.8mn	-Eu 72mn	-Eu 75mn
CAGR 22-25 (%)			-12%	-13%
EBITDA	-Eu 14mn	-Eu 15.1mn	-Eu 23mn	-Eu 25mn
CAGR 22-25 (%)			-15%	-16%
EBITDA margin (%)	-38%	-29%	-32%	-33%

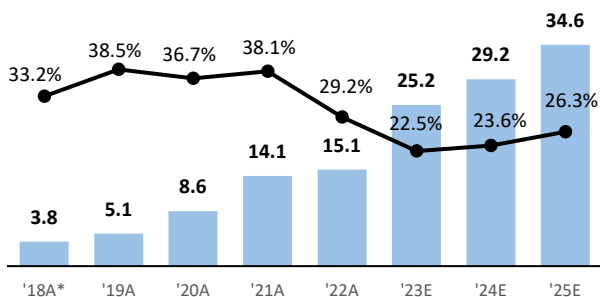
	2022F Agg.	2025W	2025B
Revenues	-Eu 110.7mn	-Eu 128mn	-Eu 134mn
CAGR 22-25 (%)		-5%	-7%
EBITDA	-Eu 22.1mn	-Eu 34mn	-Eu 36mn
CAGR 22-25 (%)		-15%	-16%
EBITDA margin (%)	-20%	-26%	-27%

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

Unidata – EBITDA Trend, 2018-25E (Eu mn, % of VoP)



Source: Company data (*ITA GAAP)

Management

CEO: Renato Brunetti
Chairman: Renato Brunetti
CFO: Roberto Giacometti
Next BoD renewal: end of 2023
BoD independent members: 2/7
Women on board: 2/7

Shareholders

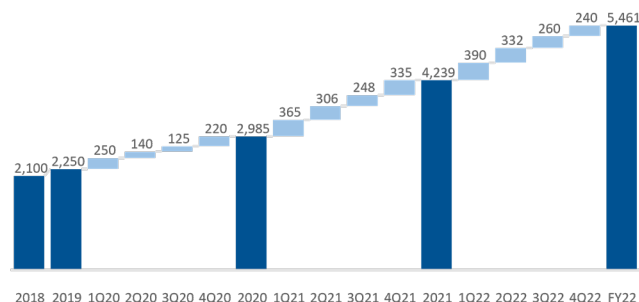
Uninvest S.r.l. *	55.04%
R. Brunetti	1.94%
C. Bianchi	1.94%
M. Vispi	1.94%
G. Rossini	1.63%
M. Colli	6.17%
Market	31.34%

*Equally owned by the shareholders R. Brunetti, M. Vispi and C. Bianchi.

Weaknesses/Threats

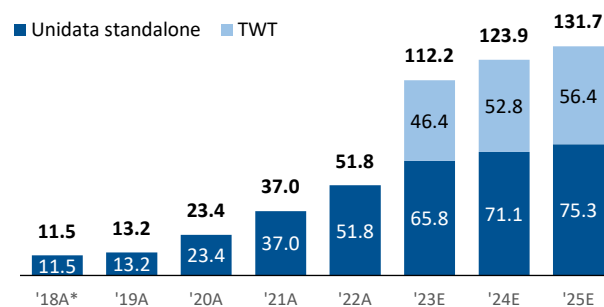
- Overreliance on highly-experienced key manager
- SMEs typically more heavily penalised in economic downturn
- Fierce competition in the Telco segment with pricing pressure
- Customers and churn rate may fluctuate and cause volatility
- Keeping up with business growth may require additional investment

Unidata – Network Length (km)



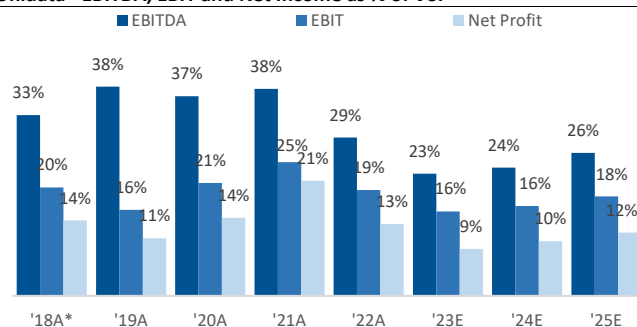
Source: Company data

Unidata – Top-line Trend, 2018-25E (Eu mn)



Source: Company data (*ITA GAAP)

Unidata - EBITDA, EBIT and Net Income as % of VoP



Source: Intermonte SIM (E), Company Data (A)

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	UNIDATA		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	64.00	Previous Target (Eu):	78.00
Current Price (Eu):	42.40	Previous Price (Eu):	52.80
Date of report:	01/03/2023	Date of last report:	06/12/2022