

UNIDATA

Sector: Telecoms

BUY

Price: Eu39.20 - Target: Eu64.00

Strong Execution, Clear Strategy, More Opportunities Ahead

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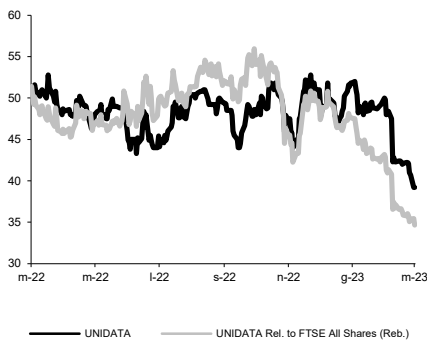
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2023E	2024E	2025E
Chg in Adj EPS	-0.1%	-3.8%	-3.0%

Next Event

AGM 18 Apr. / 1Q23 KPIs 9 May

UNIDATA - 12M Performance



Stock Data

Reuters code:	UD.MI		
Bloomberg code:	UD IM		
Performance	1M	3M	12M
Absolute	-21.3%	-20.5%	-23.7%
Relative	-18.7%	-29.3%	-36.8%
12M (H/L)	52.80/39.20		
3M Average Volume (th):	2.34		

Shareholder Data

No. of Ord shares (mn):	3
Total no. of shares (mn):	3
Mkt Cap Ord (Eu mn):	121
Total Mkt Cap (Eu mn):	121
Mkt Float - Ord (Eu mn):	47
Mkt Float (in %):	38.8%
Main Shareholder:	
Uninvest (Brunetti/Vispi/Bianchi)	55.0%

Balance Sheet Data

Book Value (Eu mn):	46
BVPS (Eu):	15.00
P/BV:	2.6
Net Financial Position (Eu mn):	-50
Enterprise Value (Eu mn):	172

■ **Final FY22 results.** Final results were +7-9% better than preliminary FY22 figures and our expectations, mainly due to higher margins (31.6% vs. prelim. 29%) despite the widely-expected YoY dilution from the push on construction of the Unifiber network. All KPIs showed healthy growth, confirming the solidity of the company's business model, which should be boosted by 3 medium term strategic initiatives (Unifiber, Unitirreno and Unicenter) on top of the value creation from the TWT purchase (already in our estimates). Looking at key financials, the top line was €51.3mn (+39% YoY) vs. the preliminary figure of €51.8mn (+40% YoY), underpinned by Services (58% of total), Infra development (29%), managed services (8%) and other revenues (5%). Looking at Services revenues: Fiber&Ntw (+17% YoY) was driven by new contracts, Wholesale (up 39%) by IRUs granted to other operators, Datacenter&Cloud grew to €1.5mn (+38% YoY) and IoT&Smart Solution sales almost doubled, although the contribution is not yet meaningful. EBITDA was €16.2mn (+15% YoY, +7% vs. prelim. figure at €15.1mn) despite the increase in production costs (+29% YoY, construction of Unifiber network), and labour (+20% YoY, new recruits). The positive surprise also translated to EBIT (€10.7mn, +18% YoY, +6% vs. our exp.) and net profit (€7.5mn, +25% YoY excluding last year's tax benefit for €1.8mn, +9% vs. our exp.), while net debt was €8.5mn, marginally better than the prelim. figure (€8.9mn), up from €5.8mn as at end-September due to the Eu2.8mn advance payment for the TWT acquisition. DPS was €0.10, in line with our expectation.

■ **Conference call feedback.** **TWT:** management is confident of extrapolating further synergies once it has a clear understanding of the acquired assets and can start selling fiber in Milan (leveraging TWT's network of 370k resellers); opportunity to upgrade TWT datacentre to TierIV with negligible CapEx. **New initiatives:** the next milestones in UD's investment contributions: c.€3.8mn in Unifiber in 2023, €5.8mn in Unicenter in 2H23, €6mn in Unitirreno between 2023 and 2024. No meaningful contribution to UD expected from Unitirreno or Unicenter until 2025. **M&A:** after TWT, selective focus on small targets that are a good fit.

■ **Updated estimates.** FY23-25 estimates confirmed, while embedding c.€16mn in payment milestones related to new initiatives, leading to higher debt of €51mn in 2023 and higher financial charges in FY24/25 (2024/25 EPS cut by 3-4%).

■ **BUY confirmed; target still €64.** We confirm our DCF-based target price at €64, implying over 60% upside from the current market price. The stock is trading at c.10x EV/EBIT '23E, which we believe represents an extremely attractive entry point (Italian peer Intred is trading at c.16x) ahead of the forthcoming transfer to the STAR segment. We appreciate the 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 long-term CapEx) and first-mover advantage in Rome, a highly strategic location; b) significant opportunities from TWT (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 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	2021A	2022A	2023E	2024E	2025E
Sales (Eu mn)	37	51	112	124	132
EBITDA Adj (Eu mn)	14	16	25	29	35
Net Profit Adj (Eu mn)	8	8	10	12	15
EPS New Adj (Eu)	3.182	2.956	3.128	3.881	4.802
EPS Old Adj (Eu)	3.182	2.703	3.133	4.033	4.952
DPS (Eu)	0.100	0.100	0.156	0.194	0.240
EV/EBITDA Adj	6.7	8.2	6.8	5.7	4.7
EV/EBIT Adj	10.4	12.4	9.8	8.1	6.8
P/E Adj	12.3	13.3	12.5	10.1	8.2
Div. Yield	0.3%	0.3%	0.4%	0.5%	0.6%
Net Debt/EBITDA Adj	0.2	0.5	2.0	1.5	1.2

UNIDATA – Key Figures						
Profit & Loss (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Sales	23	37	51	112	124	132
EBITDA	9	14	16	25	29	35
EBIT	5	9	11	17	20	24
Financial Income (charges)	-0	-0	-0	-4	-4	-3
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	5	9	11	14	17	21
Taxes	-1	-1	-3	-4	-5	-6
Tax rate	29.3%	11.1%	29.6%	30.0%	29.0%	29.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	3	8	8	10	12	15
EBITDA Adj	9	14	16	25	29	35
EBIT Adj	5	9	11	17	20	24
Net Profit Adj	3	8	8	10	12	15
Per Share Data (Eu)	2020A	2021A	2022A	2023E	2024E	2025E
Total Shares Outstanding (mn) - Average	2	2	3	3	3	3
Total Shares Outstanding (mn) - Year End	2	3	3	3	3	3
EPS f.d	1.370	3.182	2.956	3.128	3.881	4.802
EPS Adj f.d	1.370	3.182	2.956	3.128	3.881	4.802
BVPS f.d	8.748	11.780	14.545	14.999	18.724	23.333
Dividend per Share ORD	0.000	0.100	0.100	0.156	0.194	0.240
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	0.0%	3.1%	3.4%	5.0%	5.0%	5.0%
Cash Flow (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Gross Cash Flow	7	13	13	17	21	25
Change in NWC	6	-4	-6	2	-0	-5
Capital Expenditure	-11	-14	-11	-13	-15	-16
Other Cash Items	0	0	-2	-16	0	0
Free Cash Flow (FCF)	2	-5	-4	6	6	4
Acquisitions, Divestments & Other Items	0	0	-3	-47	0	0
Dividends	0	0	-0	-0	-0	-1
Equity Financing/Buy-back	6	-0	0	15	0	0
Change in Net Financial Position	8	-6	-9	-42	5	4
Balance Sheet (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Total Fixed Assets	35	44	52	121	127	132
Net Working Capital	-2	-1	5	3	3	9
Long term Liabilities	-15	-12	-12	-12	-12	-12
Net Capital Employed	18	31	45	112	118	129
Net Cash (Debt)	3	-2	-9	-50	-45	-42
Group Equity	21	29	37	46	58	72
Minorities	0	0	0	0	0	0
Net Equity	21	29	37	46	58	72
Enterprise Value (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Average Mkt Cap	43	93	124	121	121	121
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	3	-2	-9	-50	-45	-42
Enterprise Value	39	95	133	172	166	163
Ratios (%)	2020A	2021A	2022A	2023E	2024E	2025E
EBITDA Adj Margin	36.7%	38.1%	31.6%	22.5%	23.6%	26.3%
EBIT Adj Margin	20.8%	24.6%	20.9%	15.5%	16.5%	18.3%
Gearing - Debt/Equity	-15.9%	7.7%	23.0%	108.9%	78.2%	57.7%
Interest Cover on EBIT	44.7	32.1	154.7	4.8	5.8	7.6
Net Debt/EBITDA Adj	-0.4	0.2	0.5	2.0	1.5	1.2
ROACE*	28.2%	36.9%	28.0%	22.2%	17.7%	19.5%
ROE*	19.9%	31.1%	22.8%	23.2%	23.0%	22.8%
EV/CE	2.3	3.9	3.5	2.2	1.4	1.3
EV/Sales	1.7	2.6	2.6	1.5	1.3	1.2
EV/EBITDA Adj	4.6	6.7	8.2	6.8	5.7	4.7
EV/EBIT Adj	8.1	10.4	12.4	9.8	8.1	6.8
Free Cash Flow Yield	1.7%	-4.4%	-3.6%	4.9%	4.7%	3.5%
Growth Rates (%)	2020A	2021A	2022A	2023E	2024E	2025E
Sales	77.2%	58.1%	38.8%	118.4%	10.4%	6.3%
EBITDA Adj	69.0%	64.1%	15.2%	55.4%	15.8%	18.5%
EBIT Adj	132.7%	87.5%	17.8%	62.6%	17.1%	17.9%
Net Profit Adj	139.7%	133.8%	-4.3%	28.8%	24.1%	23.7%
EPS Adj	95.7%	132.3%	-7.1%	5.8%	24.1%	23.7%
DPS		nm	0.0%	56.4%	24.1%	23.7%

*Excluding extraordinary items Source: Intermonte SIM estimates

FY22 Results

Final results were +7-9% better than the preliminary FY22 figures released on 30 January and our expectations, mainly due to stronger margins (31.6% vs. prelim. 29%) despite the widely-expected YoY dilution from the push related to construction of the Unifiber network. All KPIs showed healthy growth, confirming the solidity of the company's business model, which is expected to be boosted by 3 strategic initiatives over the medium term (Unifiber, Unitirreno and Unicenter) on top of the value creation from the TWT acquisition (already in our estimates). Looking at key financials, the top line came in at €51.3mn (+39% YoY) compared to the preliminary figure of €51.8mn (+40% YoY), underpinned by Services (58% of total), Infra development (29%), managed services (8%) and other revenues (5%). Looking at Services revenues: Fiber&Ntw (+17% YoY) was driven by new contracts, Wholesale (up 39%) by IRUs granted to other operators, Datacenter&Cloud grew to €1.5mn (+38% YoY) and IoT&Smart Solution sales almost doubled, although the contribution is not yet meaningful. EBITDA came to €16.2mn (+15% YoY, +7% vs. prelim. figure at €15.1mn) despite the increase in production costs (+29% YoY, construction of Unifiber network), and labour (+20% YoY, new recruits). The positive surprise also translated to EBIT (€10.7mn. +18% YoY, +6% vs. our exp.) and net profit (€7.5mn, +25% YoY excluding last year's tax benefit for €1.8mn, +9% vs. our exp.), while net debt came to €8.5mn, marginally better than the prelim. figure (€8.9mn), up from €5.8mn as at end-September due to the €2.8mn advance payment for the TWT acquisition. DPS was €0.10, in line with our expectation.

Unidata – FY22 Results: P&L

Eu mn	1H21A	2H21A	FY21A	1H22A	2H22A	FY22A	FY22E	A/E
Value of Production	14.2	22.8	37.0	21.6	29.7	51.3	51.8	-1%
YoY growth	55.7%	62.6%	59.9%	52.1%	30.5%	38.8%	40.0%	
EBITDA	3.6	10.4	14.1	5.6	10.6	16.2	15.1	8%
YoY growth	46.0%	71.5%	64.1%	53.7%	1.8%	15.2%	7.2%	
as % of VoP	25.7%	45.8%	38.1%	25.9%	35.8%	31.6%	29.2%	
D&A	(2.1)	(2.9)	(5.0)	(2.5)	(3.0)	(5.5)	(5.0)	
EBIT	1.5	7.6	9.1	3.1	7.7	10.7	10.1	6%
as % of VoP	10.8%	33.2%	24.6%	14.1%	25.8%	20.9%	19.5%	
PBT	1.5	7.4	8.8	3.1	7.5	10.7	9.8	9%
as % of VoP	10.4%	32.2%	23.8%	14.5%	25.3%	20.7%	18.9%	
Net income	3.0	4.9	7.8	2.1	5.4	7.5	6.9	9%
as % of VoP	21.0%	21.3%	21.2%	9.8%	18.1%	14.6%	13.2%	
Adj. Net income	3.0	4.9	7.8	2.1	5.4	7.5	6.9	9%
EPS (€)	€ 1.22	€ 1.98	€ 3.18	€ 0.86	€ 2.12	€ 2.96	€ 2.70	
Adj. EPS (€)	€ 1.22	€ 1.98	€ 3.18	€ 0.86	€ 2.12	€ 2.96	€ 2.70	
Capex	(5.7)	(8.2)	(13.9)	(5.3)	(5.9)	(11.2)	(13.9)	-20%
as % of VoP	40.3%	35.9%	37.6%	24.4%	19.8%	21.7%	26.8%	
Net Debt / (Cash)	(1.4)	2.2	2.2	4.0	8.5	8.5	8.3	3%
ND/EBITDA			0.2x			0.5x	0.5x	

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

Unidata – FY22 Results: FCF and Net Debt

FCF, Eu mn	1H21A	2H21A	FY21A	1H22A	2H22A	FY22A	FY22E	A-E
Net income	3.0	4.9	7.8	2.1	5.4	7.5	6.9	0.6
D&A	2.1	2.9	5.0	2.5	3.0	5.5	5.0	0.5
NWC & Other	(1.0)	(3.3)	(4.2)	(0.2)	(6.0)	(6.2)	0.5	(6.7)
FCFO	4.2	4.5	8.6	4.4	2.4	6.8	12.3	(5.5)
Capex	(5.7)	(8.2)	(13.9)	(5.3)	(5.9)	(11.2)	(13.9)	2.7
EFCF	(1.6)	(3.7)	(5.3)	(1.1)	(3.3)	(4.4)	(1.5)	(2.8)
Fin. Investments	0.0	(0.0)	-	(0.3)	(1.8)	(2.1)	-	(2.1)
Rights issue /IPO	-	(0.2)	(0.2)	(0.4)	0.8	0.4	1.2	(0.8)
Dividend cashed-in	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	(0.2)	0.0	(0.2)	(0.2)	-
M&A	-	-	-	-	(2.8)	(2.8)	(2.8)	-
Buyback	-	(0.5)	(0.5)	(0.4)	0.4	-	-	-
Other	(0.5)	0.8	0.3	0.5	0.1	0.6	(2.7)	3.3
Net Debt change (- incr/+ decr)	(2.0)	(3.6)	(5.7)	(1.8)	(6.7)	(8.5)	(6.1)	(2.5)
Opening Net Debt /(Cash)	(3.4)	(1.4)	(3.4)	2.2	4.0	2.2	2.2	-
Change	2.0	3.6	5.7	1.8	4.5	6.3	6.1	0.2
Closing Net Debt /(Cash)	(1.4)	2.2	2.2	4.0	8.5	8.5	8.3	0.2

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

Unidata - KPIs

KPIs	1Q21A	1H21A	9M21A	FY21A	1Q22A	1H22A	9M22A	FY22A	FY22E
Billed Customers (units)	10,477	10,661	11,865	13,186	13,496	13,788	14,934	17,187	16,164
YoY%	39%	43%	32%	31%	29%	29%	26%	30%	29%
Business & P.A.		1,442		1,777		1,625		1,925	1,806
YoY%		18%		10%		13%		8%	2%
Microbusiness		367		413		359		372	370
YoY%		31%		58%		-2%		-10%	-10%
Consumer		8,840		10,996		11,792		14,890	13,988
YoY%		49%		36%		33%		35%	27%
ARPU (Eu/month):									
Business & P.A.	523.90	517.47	466.04	503.63	514.80	503.85	511.13	504.71	500.00
YoY%				1%	-2%	-3%	10%	0%	-1%
Microbusiness	73.40	72.73	71.73	71.96	74.50	73.27	72.62	74.69	80.00
YoY%				-2%	1%	1%	1%	4%	11%
Consumer	25.00	24.29	24.40	23.97	23.70	23.19	23.15	22.81	22.00
YoY%				-4%	-5%	-5%	-5%	-5%	-8%

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

2025 Company Targets vs. Our New Estimates

For the combined entity, our new estimates are aligned to the mid-points of the company's FY25 targets: revenues at €128-134mn (our exp. €131.6mn) 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 currently generate by TWT (12% in FY22), which is expected to improve by FY25 (c.19% in FY25), partly 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 in COGS).

Unidata – 2025 Company Targets vs. Intermonte Estimates

Eu mn	Actual		Intermonte Estimates			2025 targets		
	'21A	'22A	'23E	'24E	25E	Mid	Low	High
Services	22.9	29.6	34.4	35.4	35.7	34.9	34.2	35.6
Fiber Infrastructure	5.9	15.0	20.3	23.9	28.2	27.7	26.9	28.4
Other revenues	1.6	4.2	4.7	2.3	1.5	1.5	1.4	1.5
Managed Services	6.5	2.5	6.3	9.4	9.9	9.8	9.5	10.0
VoP (standalone)	37.0	51.3	65.7	70.9	75.2	73.5	72.0	75.0
TWT revenues	-	-	46.4	52.8	56.4	57.5	56.0	59.0
VoP (combined)	37.0	51.3	112.2	123.8	131.6	131.0	128.0	134.0
YoY growth	59.9%	38.8%	118.4%	10.4%	6.3%			
EBITDA (standalone)	14.1	16.2	17.9	21.3	23.6	24.0	23.0	25.0
as % of VoP	38.1%	31.6%	27.3%	30.0%	31.4%	32.7%	31.9%	33.3%
TWT EBITDA	-	-	7.3	7.9	11.0	11.0	11.0	11.0
as % of TWT revenues			15.7%	15.0%	19.5%	19.1%	19.6%	18.6%
EBITDA (combined)	14.1	16.2	25.2	29.2	34.6	35.0	34.0	36.0
YoY growth	64.1%	15.2%	55.4%	15.8%	18.5%			
as % of VoP	38.1%	31.6%	22.5%	23.6%	26.3%	26.7%	26.6%	26.9%

Source: Intermonte SIM, Company Targets

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

Business lines	Revenues 2022	Revenues 2025	Description
 Services	€ ~29.6mn	€ 34.2 – 35.6mn	<ul style="list-style-type: none"> Includes Consumers, Business, Wholesale and P.A. clients' revenues from TLC & ICT services (Fiber&Networking, Wholesale, Datacenter&Cloud, IoT&Smart Solutions)
 Fiber Infrastructure Development	€ ~15.0mn	€ 26.9 – 28.4mn	Fiber network construction - Unidata and Unifiber <ul style="list-style-type: none"> Grey areas of Latium Apulia (industrial district area + 2 municipals' industrial areas) Molise (2 industrial areas)
 Other revenues	€ ~2.5mn	€ 1.4 – 1.5mn	<ul style="list-style-type: none"> Net sales of fiber material and other revenues
 Managed Services	€ ~4.2mn	€ 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

FY23-25 estimates confirmed, while embedding c.€16mn of payment milestones related to new initiatives, leading to higher debt at €51mn in 2023 and higher financial charges in FY24/25 (2024/25 EPS cut by 3-4%).

Unidata – P&L: Change to Estimates

Eu mn	New Estimates					Old Estimates				New vs. Old			
	'21A	'22A	'23E	'24E	25E	'22E	'23E	'24E	25E	'22	'23E	'24E	25E
Services	22.9	29.6	34.4	35.4	35.7	26.0	34.4	35.4	35.7	14%	0%	0%	0%
<i>Fiber&Networking</i>	10.2	11.9	15.2	16.1	16.6	11.9	15.2	16.1	16.6				
<i>Wholesale</i>	11.6	16.1	16.7	15.9	15.1	12.5	16.7	15.9	15.1				
<i>Datacenter & Cloud</i>	1.1	1.5	2.2	3.0	3.5	1.5	2.2	3.0	3.5				
<i>IoT & Smart Solutions</i>	0.0	0.1	0.2	0.4	0.6	0.1	0.2	0.4	0.6				
Fiber Infra.	5.9	15.0	20.3	23.9	28.2	16.3	20.4	23.9	28.2	-8%	0%	0%	0%
Other revs	1.6	4.2	4.7	2.3	1.5	6.0	4.7	2.3	1.5	-30%	0%	0%	0%
Managed Servs	6.5	2.5	6.3	9.4	9.9	3.5	6.3	9.4	9.9	-28%	0%	0%	0%
VoP (standalone)	37.0	51.3	65.7	70.9	75.2	51.8	65.8	71.1	75.3	-1%	0%	0%	0%
TWT revenues	-	-	46.4	52.8	56.4	-	46.4	52.8	56.4		0%	0%	0%
VoP (combined)	37.0	51.3	112.2	123.8	131.6	51.8	112.2	123.9	131.7	-1%	0%	0%	0%
YoY growth	59.9%	38.8%	118.4%	10.4%	6.3%	40.0%	116.6%	10.4%	6.3%				
EBITDA	14.1	16.2	25.2	29.2	34.6	15.1	25.2	29.2	34.6	8%	0%	0%	0%
YoY growth	64.1%	15.2%	55.4%	15.8%	18.5%	7.2%	67.2%	15.8%	18.5%				
as % of VoP	38.1%	31.6%	22.5%	23.6%	26.3%	29.2%	22.5%	23.6%	26.3%				
D&A	(5.0)	(5.5)	(7.8)	(8.8)	(10.6)	(5.0)	(7.8)	(8.8)	(10.6)				
EBIT	9.1	10.7	17.4	20.4	24.1	10.1	17.4	20.4	24.1	6%	0%	0%	0%
as % of VoP	24.6%	20.9%	15.5%	16.5%	18.3%	19.5%	15.5%	16.5%	18.3%				
PBT	8.8	10.7	13.8	16.9	20.9	9.8	13.8	17.5	21.5	9%	0%	-4%	-3%
as % of VoP	23.8%	20.7%	12.3%	13.6%	15.9%	18.9%	12.3%	14.2%	16.4%				
Net income	7.8	7.5	9.7	12.0	14.8	6.9	9.7	12.5	15.3	9%	0%	-4%	-3%
as % of VoP	21.2%	14.6%	8.6%	9.7%	11.3%	13.2%	8.6%	10.1%	11.6%				
Adj. Net income	7.8	7.5	9.7	12.0	14.8	6.9	9.7	12.5	15.3	9%	0%	-4%	-3%
EPS (€)	€ 3.18	€ 2.96	€ 3.13	€ 3.88	€ 4.80	€ 2.70	€ 3.13	€ 4.03	€ 4.95	9%	0%	-4%	-3%
Adj. EPS (€)	€ 3.18	€ 2.96	€ 3.13	€ 3.88	€ 4.80	€ 2.70	€ 3.13	€ 4.03	€ 4.95	9%	0%	-4%	-3%
DPS (€)	€ 0.10	€ 0.10	€ 0.16	€ 0.19	€ 0.24	€ 0.10	€ 0.16	€ 0.20	€ 0.25	0%	0%	-4%	-3%
payout	3%	3%	5%	5%	5%	4%	5%	5%	5%				
Capex	(13.9)	(11.2)	(13.5)	(14.9)	(15.7)	(13.9)	(14.4)	(16.6)	(18.1)	-20%	-7%	-11%	-13%
as % of VoP	37.6%	21.7%	12.0%	12.0%	11.9%	26.8%	12.9%	13.4%	13.7%				
Net Debt	2.2	8.5	50.5	45.2	41.6	8.3	36.2	31.8	29.1	0.2	14.2	13.5	12.4
ND/EBITDA	0.2x	0.5x	2.0x	1.5x	1.2x	0.5x	1.4x	1.1x	0.8x				

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

Unidata – FCF: Change to Estimates

FCF , Eu mn	New Estimates					Old Estimates				New vs. Old			
	'21A	'22A	'23E	'24E	25E	'22E	'23E	'24E	25E	'22	'23E	'24E	25E
Net income	7.8	7.5	9.7	12.0	14.8	6.9	9.7	12.5	15.3	0.6	(0.0)	(0.5)	(0.5)
D&A	5.0	5.5	7.8	8.8	10.6	5.0	7.8	8.8	10.6	0.5	-	-	-
NWC & Other	(4.2)	(6.2)	2.0	(0.2)	(5.5)	0.5	1.4	0.3	(4.5)	(6.7)	0.6	(0.6)	(1.0)
FCFO	8.6	6.8	19.4	20.5	19.9	12.3	18.8	21.6	21.3	(5.5)	0.6	(1.0)	(1.4)
Capex	(13.9)	(11.2)	(13.5)	(14.9)	(15.7)	(13.9)	(14.4)	(16.6)	(18.1)	2.7	1.0	1.8	2.4
EFCF	(5.3)	(4.4)	6.0	5.7	4.3	(1.5)	4.4	4.9	3.2	(2.8)	1.6	0.7	1.0
Fin. Investments	-	(2.1)	(15.6)	-	-	-	-	-	-	(2.1)	(15.6)	-	-
Rights issue /IPO	(0.2)	0.4	15.1	-	-	1.2	15.1	-	-	(0.8)	-	-	-
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)	-	-	(2.8)	(47.2)	-	-	-	-	-	-
Buyback	(0.5)	-	-	-	-	-	-	-	-	-	-	-	-
Other	0.3	0.6	-	-	-	(2.7)	-	-	-	3.3	-	-	-
Net Debt change (- incr/+ decr)	(5.7)	(8.5)	(42.0)	5.2	3.7	(6.1)	(27.9)	4.5	2.6	(2.5)	(14.0)	0.7	1.0
Opening Net Debt /(Cash)	(3.4)	2.2	8.5	50.5	45.2	2.2	8.3	36.2	31.8	-	0.2	14.2	13.5
Change	5.7	6.3	42.0	(5.2)	(3.7)	6.1	27.9	(4.5)	(2.6)	0.2	14.0	(0.7)	(1.0)
Closing Net Debt /(Cash)	2.2	8.5	50.5	45.2	41.6	8.3	36.2	31.8	29.1	0.2	14.2	13.5	12.4

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	'22A	'23E	'24E	'24E	'22C	'23C	'24E	'25E	'22E	'23E	'24E	25E
VoP	37.0	51.3	112.2	123.8	131.6	50.1	83.1	95.8	74.6	2%	35%	29%	76%
YoY growth	59.9%	38.8%	118%	10.4%	6.3%	35.4%	65.8%	15.3%	-22.1%				
EBITDA	14.1	16.2	25.2	29.2	34.6	15.3	22.5	26.4	29.6	6%	12%	11%	17%
YoY growth	64.1%	15.2%	55.4%	15.8%	18.5%	8.2%	47.2%	17.5%	12.0%				
as % of VoP	38.1%	31.6%	22.5%	23.6%	26.3%	30.4%	27.0%	27.5%	39.6%				
D&A	(5.0)	(5.5)	(7.8)	(8.8)	(10.6)	(5.4)	(6.7)	(7.9)	(8.3)				
EBIT	9.1	10.7	17.4	20.4	24.1	9.8	15.7	18.5	21.3	9%	11%	10%	13%
as % of VoP	24.6%	20.9%	15.5%	16.5%	18.3%	19.6%	18.9%	19.3%	28.5%				
PBT	8.8	10.7	13.8	16.9	20.9	9.5	13.9	16.4	18.0	12%	-1%	3%	16%
as % of VoP	23.8%	20.7%	12.3%	13.6%	15.9%	19%	17%	17%	24%				
Net income	7.8	7.5	9.7	12.0	14.8	6.7	9.9	11.6	12.8	12%	-2%	3%	16%
as % of VoP	21%	15%	9%	10%	11%	13%	12%	12%	17%				
EPS (€)	€ 3.18	€ 2.96	€ 3.13	€ 3.88	€ 4.80	€ 2.70	€ 3.74	€ 4.40	€ 4.84				
DPS (€)	€ 0.10	€ 0.10	€ 0.16	€ 0.19	€ 0.24	€ 0.10	€ 0.12	€ 0.13	€ 0.25				
payout	3%	3%	5%	5%	5%	4%	3%	3%	5%				
Capex	(13.9)	(11.2)	(13.5)	(14.9)	(15.7)	(12.1)	(14.2)	(15.9)	(14.1)	-8%	-5%	-7%	11%
as % of VoP	37.6%	21.7%	12.0%	12.0%	11.9%	24.2%	17.1%	16.6%	18.8%				
Net Debt	2.2	8.5	50.5	45.2	41.6	4.9	22.4	23.3	44.3	3.6	28.1	22.0	(2.7)
ND/EBITDA	0.2x	0.5x	2.0x	1.5x	1.2x	0.3x	1.0x	0.9x	1.5x				

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

DCF Valuation

Unidata – DCF model (WACC still at 8.8%, g at 1.5%)

(Eu mn)	'22E	'23E	'24E	'25E	'26E	'27E	'28E	'29E	'30E	'31E	'32E	'33E	TV
VoP	51.3	112.2	123.8	131.6	137.2	142.7	147.4	152.5	157.4	162.6	167.9	173.5	176.1
YoY growth	38.8%	118%	10.4%	6.3%	4.2%	4.0%	3.3%	3.4%	3.2%	3.3%	3.3%	3.3%	1.5%
Adj. EBITDA	16.2	25.2	29.2	34.6	36.4	38.5	40.5	42.7	44.9	47.1	49.5	52.1	52.8
as % of VoP	31.6%	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	(5.5)	(7.8)	(8.8)	(10.6)	(11.6)	(13.2)	(15.2)	(15.5)	(15.8)	(16.2)	(16.5)	(16.8)	(17.6)
EBIT	10.7	17.4	20.4	24.1	24.7	25.3	25.3	27.2	29.0	31.0	33.1	35.2	35.2
as % of VoP	20.9%	15.5%	16.5%	18.3%	18.0%	17.7%	17.2%	17.8%	18.4%	19.1%	19.7%	20.3%	20.0%
Taxes	(2.6)	(4.2)	(4.9)	(5.8)	(5.9)	(6.1)	(6.1)	(6.5)	(7.0)	(7.4)	(7.9)	(8.5)	(8.5)
tax rate	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	(6.2)	2.0	(0.2)	(5.5)	(2.4)	(6.2)	(3.2)	(2.3)	0.2	(0.5)	(1.2)	(1.6)	-
Capex	(11.2)	(13.5)	(14.9)	(15.7)	(16.2)	(16.7)	(17.1)	(17.5)	(17.9)	(18.4)	(18.8)	(19.3)	(17.6)
as % of VoP	21.7%	12.0%	12.0%	11.9%	11.8%	11.7%	11.6%	11.5%	11.4%	11.3%	11.2%	11.1%	10.0%
Unlevered FCF	(3.7)	9.6	9.2	7.7	11.8	9.6	14.2	16.4	20.2	20.8	21.6	22.7	26.8
TV													365
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			8.5	6.5	9.1	6.8	9.3	9.9	11.1	10.6	10.1	9.7	156.6

Sum of FCF'24-33E	91.6
Terminal value	156.6
Total EV	248.2
Net Cash (Debt) at YE23	(50.5)
Minorities	0.0
treasury shares	1.1
Equity Value	198.9
current NOSH (mn)	3.1
Target Price (Eu)	64
current price (Eu)	39.2
upside vs. current price	64%

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%	75	76	77	78	79	80	81	82	83	84	86
	8.0%	72	72	73	74	75	76	77	78	79	81	82
	8.2%	69	70	70	71	72	73	74	75	76	77	78
	8.4%	66	67	67	68	69	70	71	72	73	74	75
	8.6%	63	64	65	66	66	67	68	69	70	70	71
	8.8%	61	62	62	63	64	64	65	66	67	68	68
	9.0%	59	59	60	60	61	62	63	63	64	65	66
	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.10x 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 is 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	39.2	121	-12%	-17%	-17%	-9%	1.5	1.3	1.2	6.8	5.7	4.7	9.8	8.1	6.8	12.5	10.1	8.2	0.4%	0.5%	0.5%
Unidata (@mkt price, cons.)	EUR	39.2	121	-12%	-17%	-17%	-9%	1.8	1.5	2.3	6.5	5.6	5.8	9.3	8.0	8.1	12.1	10.5	9.5	0.3%	0.4%	0.8%
Unidata (@ TP, our est.)	EUR	64	199	-12%	-17%	-17%	-9%	2.2	2.0	1.8	9.9	8.4	6.9	14.3	12.0	10.0	20.6	16.6	13.4	0.2%	0.3%	0.3%
Intred SpA	EUR	13.20	209	-10%	4%	-7%	-8%	4.1	3.6	n.m.	9.5	8.4	n.m.	16.5	14.9	n.m.	21.4	19.4	n.m.	0.5%	0.5%	0.0%
Italian Regional FTTH players - Median								4.1	3.6	n.m.	9.5	8.4	n.m.	16.5	14.9	n.m.	21.4	19.4	n.m.	0.5%	0.5%	0.0%
United Internet AG	EUR	17.91	3,439	-4%	9%	-9%	10%	0.9	0.9	0.9	4.3	4.2	4.1	7.5	7.3	7.0	7.9	7.5	7.0	2.9%	3.0%	3.2%
Cogent Communications Holdings Inc	USD	61.81	2,784	-5%	12%	18%	13%	6.0	5.1	4.7	16.1	14.0	13.1	33.3	24.0	21.2	804.8	32.2	28.3	6.5%	6.8%	7.1%
Chorus Limited	NZD	7.90	2,027	0%	1%	4%	2%	6.0	5.9	6.0	8.6	8.4	8.5	24.5	22.8	22.4	131.5	73.7	65.9	5.4%	6.1%	6.7%
WideOpenWest, Inc.	USD	9.44	758	-4%	4%	-41%	20%	2.2	2.2	2.2	5.5	5.1	4.7	19.2	14.9	16.2	59.6	55.5	33.3	0.0%	0.0%	0.0%
Bredband2 i Skandinavien AB	SEK	1.33	113	2%	-5%	-4%	0%	0.9	0.9	0.8	5.6	5.2	4.9	13.2	10.9	9.2	11.2	10.4	9.8	7.5%	9.8%	12.0%
Intl. Regional FTTH players - Median								2.2	2.2	2.2	5.6	5.2	4.9	19.2	14.9	16.2	59.6	32.2	28.3	5.4%	6.1%	6.7%
Equinix, Inc.	USD	691.47	59,829	-6%	4%	3%	5%	9.5	8.9	8.1	21.1	19.3	17.3	60.2	48.9	40.6	82.1	68.6	54.4	2.0%	2.1%	2.3%
Digital Realty Trust, Inc.	USD	105.70	28,699	-6%	-3%	-17%	4%	8.6	8.3	7.5	18.2	17.2	15.3	59.4	51.5	44.6	90.6	67.0	33.6	4.8%	4.9%	5.1%
OVH Groupe SAS	EUR	12.08	2,302	-10%	3%	8%	-11%	3.3	2.9	2.5	8.6	7.5	6.1	89.6	55.5	35.3	432.8	118.7	43.1	0.0%	0.0%	0.0%
WIIT SpA	EUR	19.3	540	-3%	15%	15%	15%	5.3	4.8	4.5	14.9	12.8	12.4	29.8	23.6	19.1	30.6	24.7	23.5	1.7%	2.0%	3.7%
Intl. Datacenter Co-locators - Median								7.0	6.5	6.0	16.5	15.0	13.9	59.8	50.2	38.0	86.3	67.8	38.3	1.8%	2.0%	3.0%
Lumen Technologies, Inc.	USD	2.60	2,428	-36%	-38%	-68%	-35%	1.5	1.6	1.6	4.7	4.9	4.9	13.8	15.4	17.2	7.1	10.8	13.7	0.0%	0.0%	0.0%
Tata Communications Limited	INR	1188.95	3,827	-4%	-8%	3%	-5%	2.0	1.8	n.m.	8.2	7.0	n.m.	15.1	12.4	n.m.	19.5	15.7	n.m.	1.8%	1.9%	0.0%
Intl. Long-Distance Carriers - Median								1.8	1.7	1.6	6.4	5.9	4.9	14.5	13.9	17.2	13.3	13.3	13.7	0.9%	1.0%	0.0%
Average Selected Peers								3.2	2.9	2.2	8.0	7.2	4.9	17.8	14.9	17.2	40.5	25.8	28.3	1.4%	1.5%	1.5%

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 now an ultrafast broadband, Cloud and IoT provider for business/government/residential clientele in the Lazio region. The company has an advanced FTTH network, covering over 5,450km and connecting 290k housing units with >17k 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	-€u 37mn	-€u 51.8mn	-€u 72mn	-€u 75mn
CAGR 22-25 (%)			-12%	-13%
EBITDA	-€u 14mn	-€u 15.1mn	-€u 23mn	-€u 25mn
CAGR 22-25 (%)			-15%	-16%
EBITDA margin (%)	-38%	-29%	-32%	-33%

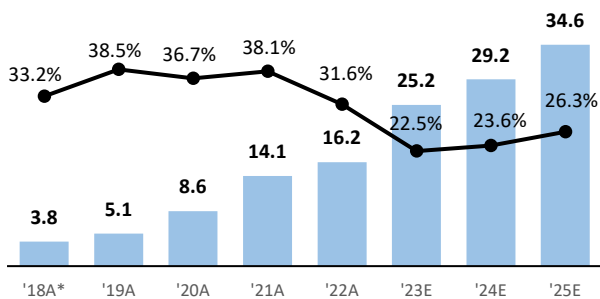
	2022F Agg.	2025W	2025B
Revenues	-€u 110.7mn	-€u 128mn	-€u 134mn
CAGR 22-25 (%)		-5%	-7%
EBITDA	-€u 22.1mn	-€u 34mn	-€u 36mn
CAGR 22-25 (%)		-15%	-16%
EBITDA margin (%)	-20%	-26%	-27%

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

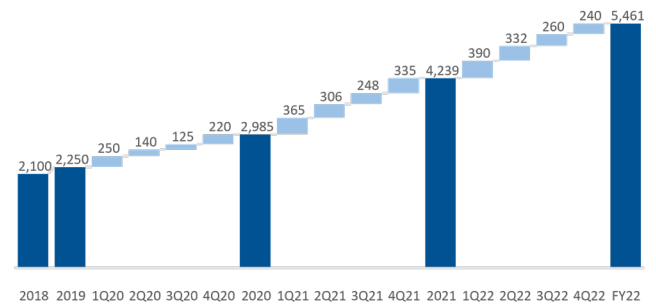
Uninvest S.r.l. *	55.04%
R. Brunetti	1.94%
C. Bianchi	1.94%
M. Vispi	1.94%
G. Rossini	1.63%
Upperhand S.r.l (M. Colli)	6.17%
Market	31.34%

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

Weaknesses/Threats

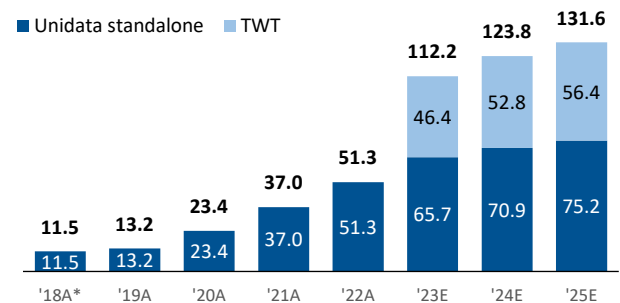
- Overreliance on highly-experienced key manager
- SMEs typically more heavily penalised in economic downturn
- Fierce competition in the Telco segment with pricing pressure
- Customers and churn rate may fluctuate and cause volatility
- Keeping up with business growth may require additional investment

Unidata – Network Length (km)



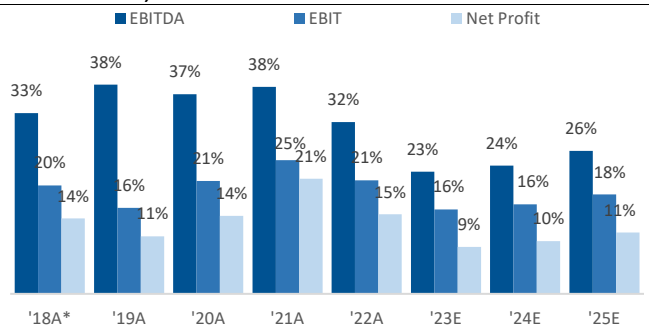
Source: Company data

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):	64.00
Current Price (Eu):	39.20	Previous Price (Eu):	42.40
Date of report:	15/03/2023	Date of last report:	01/03/2023