

Analysar

14 September 2023

Buy

Recommendation unchanged

Share price: EUR 42.80

closing price as of 13/09/2023

Target price: EUR 60.00

Target Price unchanged

Upside/Downside Potential 40.2%

Reuters/Bloomberg UD.MI/UD IM

Market capitalisation (EURm) 132

Current N° of shares (m) 3

Free float 33%

Daily avg. no. trad. sh. 12 mth (k) 2

Daily avg. trad. vol. 12 mth (k) 184.83

Price high/low 12 months 52.80 / 37.40

Abs Perfs 1/3/12 mths (%) 7.81/4.39/-13.36

Key financials (EUR) 12/22 12/23e 12/24e

Sales (m) 51 93 116

EBITDA (m) 16 24 30

EBITDA margin 31.6% 25.9% 25.8%

EBIT (m) 11 17 22

EBIT margin 20.9% 18.5% 18.7%

Net Profit (adj.)(m) 8 10 13

ROCE 15.2% 18.1% 19.7%

Net debt/(cash) (m) 10 56 65

Net Debt/Equity 0.3 0.9 0.9

Debt/EBITDA 0.6 2.3 2.2

Int. cover(EBITDA/Fin. int) 239.0 8.4 10.3

EV/Sales 2.5 2.0 1.7

EV/EBITDA 8.0 7.8 6.6

EV/EBITDA (adj.) 8.0 7.8 6.6

EV/EBIT 12.0 10.9 9.2

P/E (adj.) 15.5 11.8 10.0

P/BV 3.2 2.1 1.8

OpFCF yield -0.7% -5.7% 2.6%

Dividend yield 0.2% 0.2% 0.2%

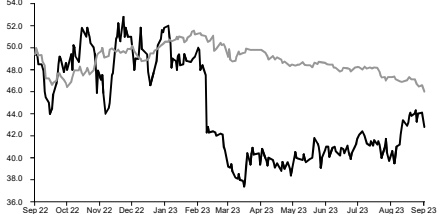
EPS (adj.) 3.01 3.62 4.27

BVPS 14.55 20.09 24.26

DPS 0.10 0.10 0.10

Shareholders

Uninvest 55%; Michela Colli 6%; Others 6%;



Source: FactSet

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Reassuring cc from Unidata plus further deal on IoT

The facts: Yesterday the company held its post H123 results cc.

Unidata: Half/Yearly forecasts

EURm	H122a	H123a	%Ch.	H123e	%Ch.
Retail Unidata Ex Tw T	8.7	10.7	23%	10.3	18%
Infrastructure	8.9	14.0	58%	8.5	-4%
Materials	4.0	1.7	-59%	4.0	0%
UNIDATA Sales	21.6	26.4	22%	24.8	15%
Retail TWT	na	15.3		14.2	
TOTAL SALES	21.6	41.7	93%	38.9	80%
EBITDA Unidata	5.6	6.2	11%	6.0	7%
% Sales	25.9%	23.6%		24.3%	
EBITDA TWT	na	3.2	na	2.3	na
% Sales	nm	20.8%		16.0%	
GROUP EBITDA adj.	5.6	9.4	68%	8.3	48%
EBITDA Margin	25.9%	22.6%		21.2%	
Non-rec.	0.0	(0.8)		0.0	
EBITDA rpt	5.6	8.6		8.3	
EBITDA margin	25.9%	20.6%		21.2%	
D&A	(2.5)	(3.7)	46%	(3.7)	
EBIT	3.0	4.9	59%	4.6	52%
EBIT margin	14.1%	11.6%		11.9%	
Net fin. inc. (cost)	0.1	(1.3)		(1.4)	
Pre-tax profit	3.1	3.6	14%	3.2	3%
Taxes	(1.0)	(1.1)		(1.1)	4%
Tax rate	32.7%	28.1%		29.5%	
Net profit	2.1	2.4	15%	2.2	2%
Net Debt/(Cash)	4.0	49.6		56.0	

Source: Company Data, Banca Akros forecasts

Our analysis: In our opinion the main inputs from the call were as follows:

- We now know that both Unidata and TWT adj. EBITDA was higher than expected.
- The seasonality of Unidata standalone is confirmed much strong from a profitability standpoint in H2 which bodes well for full year forecasts
- TWT profitability seems higher than expected at around 21% vs our full year expectation of 16%.
- The company might have new potential deal to announce soon, in particular on the G5 connectivity for Rome.
- A new contract was announced in the water sector for IoT based metering services with the cities of Firenze-Prato-Pistoia worth EUR 3.5m over 13 years. This is the third in a row in few months making increasingly sizeable the segment of the business. More similar deals are likely to come.
- The Unitirreno sub-cable is proceeding according to schedule with the seabed mapping just completed (this is a very sophisticated project more costly than the laying of the cable) and the start of the authorisation phase.

Conclusion & Action: The cc was definitely positive and reassuring. Rating and PT confirmed.

Disclaimer

This research has been prepared by Andrea Devita; Enrico Esposti; Gabriele Gambarova; Matteo Cuconato; Andrea Belloli; Paola Saglietti; Luigi Tramontana; Francesco Sala; Andrea Bonfà; Gian Marco Gadini (members of AIAF); Marcello Renna (ordinary member of SIAT), who are financial analysts with Banca Akros SpA ("Banca Akros"), which is responsible for the preparation of the research.

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This research has been produced and is being distributed as of 14 September 2023 at 8:43 AM CET.

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Almawave-The Bank was acting as Global Coordinator and Joint Bookrunner of the pertinent IPO

Almawave-Banca Akros is a specialist or liquidity provider

Anima Holding-Banca Akros acted as Joint Bookrunner of the bond issuance (listed in Dublin) organized in April 2021

Anima Holding-Banca Akros' parent group holds more than 3% or is a member of shareholders pacts

Atlantia-Banca Akros acted as intermediary for the public exchange offer organized in October and November 2022

Banca Ifis-Banca Akros is acting as corporate broker

Banca Sistema-Banca Akros is acting as corporate broker

Banco Bpm-Banca Akros acted:

- as Joint Bookrunner of the bond issuance organized in June 2021, January 2022 and November 2022

- as Joint Lead Manager of the bond issuance organized in July 2021 and January 2023

- as Other Bookrunner of the bond issuance organized in April 2022

- as Joint Bookrunner of the bond issuance organized in February and March 2022 (Issuer's Green, Social and Sustainability Bond Framework: Banco BPM EU750m 5Y Green Covered; ISIN IT0005489932), June 2023

Be Shaping the Future - Banca Akros was acting as intermediary for the public exchange offer organized in November and December 2022

Cattolica Assicurazione-Banca Akros acted as intermediary for the public exchange offer organized in October 2021 and for the sell out organized in July 2022

Cembre-Banca Akros is a specialist or liquidity provider

Culti Milano-Banca Akros is a specialist or liquidity provider

DEA Capital- Banca Akros is acting as collecting intermediary for the public exchange offer organized in January and February 2023

Digital Bros-Banca Akros is a specialist or liquidity provider

Digital Magics- Banca Akros is acting as corporate broker

Digital Magics-Banca Akros is acting as Nomad

Digital Value- Banca Akros is acting as corporate broker

Eni-Banca Akros is acting as guarantor and placement agent of the bond issuance (sustainability-linked 2023/2028) organized in January 2023

Exprivia Banca Akros is acting as Financial Advisor and coordinator of the collection of acceptances for the PTO launched in May 2023 by Abaco Innovazione S.p.A.

Fila-Banca Akros is acting as corporate broker

Fine Foods and Pharmaceuticals-Banca Akros is a specialist or liquidity provider

Fine Foods and Pharmaceuticals-Banca Akros is acting as Nomad

Fine Foods and Pharmaceuticals-The Bank was acting as Sponsor in the MTA/Star transition process (12 luglio 2021)

First Capital-Banca Akros is acting as corporate broker

Gambero Rosso-Banca Akros is acting as Nomad

Gas Plus-Banca Akros is a specialist or liquidity provider

Generalfinance-Banca Akros is acting as corporate broker

Generalfinance-Banca Akros supported Generalfinance in the placement of Class A3 Senior Notes in December 2022.

GPI-Banca Akros is a specialist or liquidity provider

Hera-Banca Akros acted as Other Bookrunner of the bond issuance organized in April 2023

I Grandi Viaggi-Banca Akros is a specialist or liquidity provider

Il Sole 24 Ore-Banca Akros is acting as corporate broker

IMD Banca Akros acted as Euronext Growth Advisor, Sole Global Coordinator, Sole Bookrunner and Specialist of the pertinent IPO organized in June and July 2023

IMD Banca Akros is a specialist or liquidity provider

Intesa Sanpaolo-Banca Akros acted as Co-Manager of the bond issuance organized in March 2022, September 2022, February 2023 and March 2023

Italian Wine Brands-Banca Akros is a specialist or liquidity provider

Landi Renzo-Banca Akros provided investment banking services to Landi Renzo on the occasion of the July 2022 capital increase

Landi Renzo - Banca Akros is acting as corporate broker

Lottomatica Group-Banca Akros acted as Joint Bookrunner of the pertinent IPO organized in April and May 2023

Maire Tecnimont Banca Akros is acting as Joint Bookrunner of the bond issuance organized in September 2023

Orsero-Banca Akros is acting as corporate broker

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PLC-Banca Akros is a specialist or liquidity provider

Prima Industrie- Banca Akros is acting as intermediary appointed to coordinate the collection of subscriptions for the public exchange offer organized in December 2022, January and February 2023.

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QF Mediolanum RE A-Banca Akros is a specialist or liquidity provider (closed-end funds)

QF Mediolanum RE B-Banca Akros is a specialist or liquidity provider (closed-end funds)

Revo Insurance-Banca Akros is acting as corporate broker

Saipem-Banca Akros was acting as intermediary for the share buyback programme organized in September 2021

Saipem-Banca Akros acted as a Joint Bookrunner of the capital increase organized in June 2022
 Saipem-Banca Akros acted as a Joint Bookrunner of the senior unsecured guaranteed equity-linked bonds issuance organized in August and September 2023
 Saipem-Banco BPM is among the lenders for the "Financial and Capital Strengthening Plan" announced in March 2022
 Salcef-Banca Akros acted as Joint Global Coordinator e Joint Bookrunner of the Accelerated Bookbuilding organized in September and October 2021
 Salcef-Banca Akros is a specialist or liquidity provider
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 Sicily by Car-Banca Akros is acting as Nomad
 Sicily by Car-Banca Akros is acting as Euronext Growth Advisor and Specialist for the listing of the shares on Euronext Growth Milan
 Sicily by Car-Banca Akros holds ordinary shares
 Spindox-Banca Akros is acting as corporate broker
 Tiscali-Banca Akros assisted Linkem and Linkem Retail as financial advisor issuing a fairness opinion on the Linkem Retail/Tiscali merger exchange ratio
 Unicredit-Banca Akros acted as Co-Lead Manager of the bond issuance organized in January 2022 (UniCredit EU 1.75b Snr Pref, ISIN XS2433141947)
 Unidata-Banca Akros is acting as corporate broker
 Unidata-Banca Akros was acting as intermediary for the share buyback programme organized in September 2021
 Webuild-Banca Akros acted as a CoManager of the issuance organized in January 2021 and January 2022.

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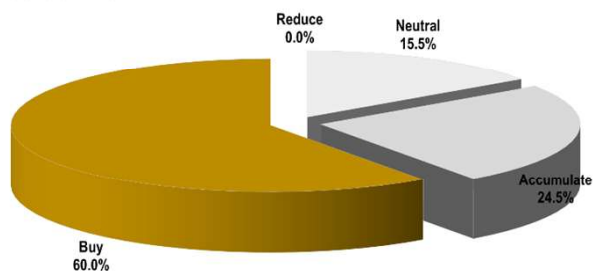
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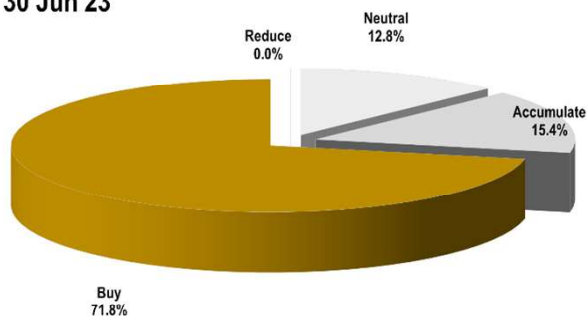
All recommendations

Recommendations on stocks under conflict of interest (*)

30 Jun 23



30 Jun 23



(*) Please note that the rate of issuers who are in potential conflict of interests with Banca Akros is equivalent to 35.45% of all issuers covered

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Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy**: the stock is expected to generate total return of **over 15%** during the next 12 months
- **Accumulate**: the stock is expected to generate total return of **5% to 15%** during the next 12 months
- **Neutral**: the stock is expected to generate total return of **-5% to +5%** during the next 12 months
- **Reduce**: the stock is expected to generate total return of **-5% to -15%** during the next 12 months
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