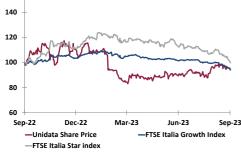




# OUTPERFORM

Current Share Price (€): 42.40 Target Price (€): 66.00

#### **Unidata - 1Y Performance**



Source: S&P Capital IQ - Note: 26/09/2022=100

#### **Company data**

ISIN number	IT0005338840
Bloomberg code	UD IM
Reuters code	UD.IM
Industry	Telecommunication
Stock market	Euronext Star Milan
Share Price (€)	42.40
Date of Price	26/09/2023
Shares Outstanding (m)	3.1
Market Cap (€m)	131.0
Market Float (%)	38.8%
Daily Volume	250
Avg Daily Volume YTD	1,782
Target Price (€)	66.00
Upside (%)	56%
Recommendation	OUTPERFORM

#### Share price performance

	1M	3M	6M	1Y
Unidata - Absolute (%)	-3%	4%	8%	-6%
FTSE Italia Star (%)	-7%	-12%	-16%	0%
FTSE Italia SmallCap (%)	-4%	-4%	-15%	-4%
1Y Range H/L (€)			52.80	37.40
YTD Change (€) / %			-4.2	-9%

Source: S&P Capital IQ

#### Analysts

Luigi Tardella - Head of Research Itardella@envent.it Silvestro Bonora sbonora@envent.it

#### EnVent Italia SIM S.p.A.

Via degli Omenoni, 2 - 20121 Milano (Italy) Phone +39 02 22175979

This document may not be distributed in the United States, Canada, Japan or Australia or to U.S. persons.

# Ongoing doubling of revenues and new infrastructure projects

EQUITY RESEARCH - H1 2023 Update

September 27<sup>th</sup>, 2023

# Trading update: drop at rights issue, then outperforming EGM and Star indexes

Unidata's share price LTM trend in 2023 H1 has been influenced by the TWT deal and the related finance raising by capital stock and financial debt increase. After seven months in line with Italia Growth index, share price floated with a 10% downward adjustment at new capital stock issue, a low in March at €37.40 per share, then recovering in the range of €39-44 per share. LTM cumulated 6% share drop faces Italia Growth index 6% down and Italia STAR index in line. In the last six months, Unidata shares at +8% overperformed both Italia Growth index (-11%) and Italia Star index (-16%).

#### Top-line 93% up, organic growth 22% YoY in H1 2023

H1 2023 consolidated revenues were €41.7m, +93% YoY (+21.7% Unidata stand-alone). Adjusted EBITDA at €9.4m, +68% YoY, net of €0.9m one-off expenses for TWT acquisition and translisting, 22.6% margin, with reported EBITDA of €8.6m vs H1 2022 €5.6m, 20.6% vs 25.9% on sales. EBIT was €4.9m, +59% YoY and net income stood at €2.4m, +15% YoY, 6% on revenues. Capex and financial investments totalled €15.5m, including €7.4m in fixed assets and €6.6m of equity investments in Unifiber and Unitirreno. In H1 2023 net financial debt was €49.6m from €9.6m in FY22, after the acquisition of TWT Group.

#### Continuity of rise in fiber infrastructure, customers and ARPU

In H1 2023, Unidata's fiber optic infrastructure increased by 450 km raising total coverage to 5,900 km. Direct customers up by 15% YoY to 20,956, of which B2C Unidata up by 17%. White label through TWT marked an 8% increase. ARPU change vs FY22: -9% B2C, +3% B2B Unidata and +8% B2B TWT.

#### Working on synergies, while IoT and tech projects take off

Group plan to redefine TWT business on higher profitability is ongoing, with synergies expected in H2 2023 and 2024. Management expects H2 Unidata top line higher than H1 and for TWT a linear trend; IoT services achieved over €15m backlog and the *Project* service line had a bold growth. 2024-26E updated guidelines are scheduled by the end of November. Stock split announced.

#### Target Price €66.00 per share and OUTPERFORM rating confirmed

We confirm revenue and profitability estimates and factor in higher financial debt recording a rise in capex and interest charges. The updated valuation confirms our target price at €66.00 per share, 56% upside on current share price, implying 2023E 2.4x EV/Revenues and 15.8x EV/EBIT, while Unidata is trading respectively at 1.8x and 10.6x, 28% and 42% discount to peers. We thus confirm the OUTPERFORM rating on the stock.

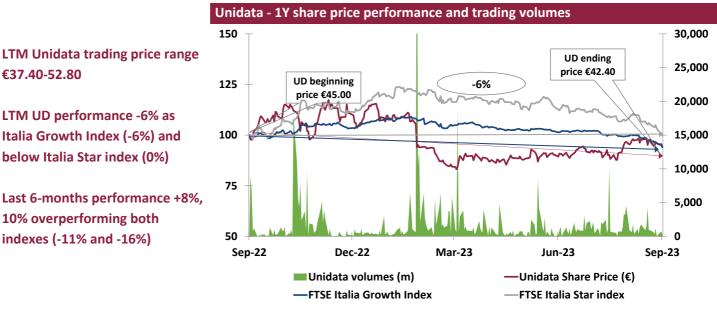
#### **KEY FINANCIALS AND ESTIMATES**

€m	2020	2021	2022	2023E	2024E	2025E
Revenues	23.4	37.0	51.3	105.1	117.8	133.0
YoY %	77.4%	57.9%	38.8%	104.7%	12.1%	12.9%
EBITDA	8.6	14.1	16.2	25.0	29.6	35.5
Margin	36.8%	38.1%	31.6%	23.8%	25.2%	26.7%
EBIT	4.9	9.1	10.7	15.3	17.1	21.5
Margin	20.9%	24.6%	20.9%	14.5%	14.5%	16.2%
Net Income (Loss)	3.4	7.8	7.5	7.9	9.5	13.1
Net (Debt) Cash	2.5	(2.2)	(9.6)	(48.9)	(48.3)	(36.4)
Equity	21.4	29.0	36.9	67.7	77.2	90.3

Source: Company data 2020-22A, EnVent Research 2023-25E.



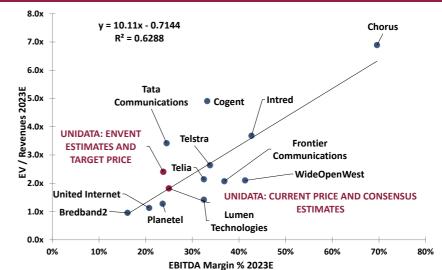
# Market update



Source: EnVent Research on S&P Capital IQ - Note: 26/09/2022=100

Peer group - Regression analysis and Unidata target positioning

Unidata position with updated target price and estimates consistent with market EV/revenues vs EBITDA Margin correlation



Source: EnVent Research on S&P Capital IQ, 26/09/2023

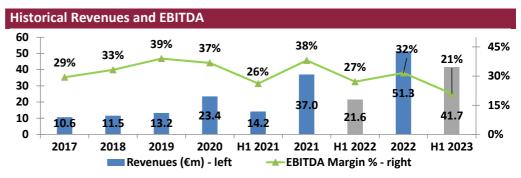


# **Investment case**

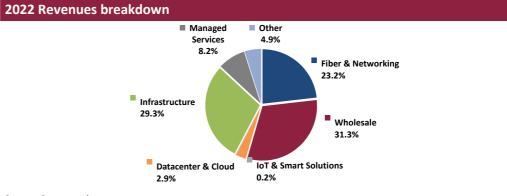
Unidata, listed on Euronext Star Milan since June 2023, translisting after Euronext Growth Milan 2020 IPO, is an Italian developer and provider of retail and wholesale ultra-broadband connectivity, ICT services and special projects to corporate and residential customers and public administrations. The infrastructure investment plan includes: further FTTH coverage with the key anchor customer Open Fiber; general contractor and co-investor of minority stakes in Unifiber (FTTH) and Unitirreno (submarine fiber optic); Tier IV green data center in Rome through Unicenter. By the H1 2023 TWT acquisition, Unidata is more than doubling its revenues with a nationwide coverage. Integrated communication and cloud computing services are provided through proprietary data centers. Service offer includes connectivity, VoIP, cloud, co-location hosting services, IoT services, Cyber Security.



Source: Company data



Source: Company data - Note: 2017-18 ITA GAAP, since 2019 IAS compliant financials



Source: Company data



# **Industry and Company drivers**

- Connectivity and convergence of new technologies (broadband, cloud, IoT and AI), uniform broadband technology and 5G's rollout, customers and service portfolio diversification
- Infrastructure investment track record, short payback period and funding by operating cash flow
- Substantial plan of mid-term co-investment on large infrastructure projects, a perspective of appealing asset-based value building and visibility of general contractor backlog
- Fiber infrastructure as a competitive advantage and a barrier to entry
- Proprietary 2 data centers with public, private and hybrid cloud, co-location for disaster recovery and hosting services

# Challenges

- Competition and pressure on pricing by national and local competitors
- Churn rate
- TWT expected synergies and acquisition return
- Time to market and payback of infrastructure program

# H1 2023 consolidated results

Profit and Loss								
€m	H1 2022	2022	H1 2023					
Total Revenues	21.6	51.3	41.7					
YoY %	52.0%	38.8%	93.2%					
Direct cost of sales	(5.2)	(7.9)	(13.7)					
Personnel	(1.8)	(4.0)	(4.7)					
Services	(8.4)	(22.2)	(13.7)					
Other operating costs	(0.3)	(1.0)	(0.8)					
Operating costs	(15.7)	(35.1)	(33.0)					
EBITDA	5.9	16.2	8.7					
Margin	27.1%	31.6%	20.9%					
D&A	(2.8)	(5.5)	(3.9)					
EBIT	3.0	10.7	4.9					
Margin	14.1%	20.9%	11.6%					
Interest	0.1	(0.1)	(1.3)					
EBT	3.1	10.7	3.6					
Margin	14.5%	0.0%	8.5%					
Income taxes	(1.0)	(3.1)	(1.1)					
Net Income (Loss)	2.1	7.5	2.4					
Margin	9.7%	14.6%	5.8%					

Balance Sneet									
€m	H1 2022	2022	H1 2023						
Inventory	2.6	4.2	4.2						
Trade receivables	17.6	23.2	23.4						
Trade payables	(15.9)	(16.5)	(22.9)						
Trade Working Capital	4.3	10.9	4.8						
Deferred income by IRU & others	(10.8)	0.0	0.0						
Other assets (liabilities)	(5.5)	(15.5)	(14.7)						
Net Working Capital	(12.0)	(4.6)	(10.0)						
Intangible assets	9.5	9.7	12.0						
Property, plant and equipment	36.3	39.0	52.8						
Equity investments and financial assets	1.9	3.8	8.4						
Non-current assets	47.6	52.4	124.5						
Net Invested Capital	34.3	46.5	111.4						
Net Debt (Cash)	4.0	9.6	49.6						
Equity	30.3	36.9	61.7						
Sources	34.3	46.5	111.4						

**Balance Sheet** 

Source: Company data - Note: H1 KPIs calculated on LTM economics



# **Cash Flow**

€m	H1 2022	2022	H1 2023
EBIT	3.0	10.7	4.9
Current taxes	(1.0)	(3.1)	(1.1)
D&A	2.8	5.5	3.9
Provisions	0.2	0.2	1.9
Cash flow from P&L operations	5.1	13.3	9.5
Trade Working Capital	0.6	(6.0)	6.2
Deferred income by IRU & others	(0.5)	(11.3)	0.0
Other assets and liabilities	(0.1)	9.9	(0.8)
Сарех	(5.3)	(11.2)	(19.9)
Cash flow after working capital and capex	(0.2)	(5.2)	(5.0)
Interest	0.1	(0.1)	(1.3)
IPO Proceeds/share capital increase	0.0	0.4	22.4
Net cash flow	(1.8)	(7.4)	(40.0)
Net (Debt) Cash - Beginning	(2.2)	(2.2)	(9.6)
	. ,	• •	. ,
Net (Debt) Cash - End	(4.0)	(9.6)	(49.6)
Change in Net (Debt) Cash	(1.8)	(7.4)	(40.0)

# **Ratio analysis**

KPIs	H1 2022	2022	H1 2023
ROE	14%	20%	8%
ROS (EBIT/Revenues)	28%	21%	23%
EBIT/Invested Capital	18%	23%	9%
DSO	64	111	168
DPO	122	117	142
DOI	21	30	37
TWC/Total Revenues	10%	21%	6%
Capex/Revenues	12%	22%	24%
Net Debt / EBITDA	0.3x	0.6x	2.8x
Net Debt / Equity	0.1x	0.3x	0.8x
Net Debt / (Net Debt+Equity)	0.1x	0.2x	0.4x
Cash flow from operations / EBITDA	86%	82%	109%
FCF / EBITDA	-4%	-32%	-58%
Earnings per Share, basic (€)	1.36	2.43	0.79

Source: Company data - Note: H1 KPIs calculated on LTM economics

# Business update: IoT achievements by awards for smart water network metering technology

Unidata IoT service line participates to tenders for implementation of smart metering systems in local management of water networks, with three tenders awarded in 2023 so far.

Metropolitan City of Palermo	Metropolitan City of Palermo - Automatic Meters Management System - joint bid
€2.7m	with other two companies under a temporary Contract association, where Unidata is
	the leading enterprise, project worth $\in$ 2.7m for 36 months, tender funded in the
	NRRP framework.
Acqua Pubblica Sabina	Acqua Pubblica Sabina - smart water meters management - public-private
€9.5m	partnership, project financing format, worth €9.5m for 14 years.
Firenze - Prato - Pistoia	Publiacqua (ACEA) for Firenze-Prato-Pistoia basin - smart connectivity metering
€3.5m	service for the water management system - project worth more than €3.5m for 13
	years, funded in the NRRP framework.

# **Estimates revision**

We consider Unidata figures and performance in H1 2023 overall congruous with our year-end estimates. First half revenues, accounting for 40% of our FY23E, and operating profitability appear overall consistent with historical H1 Unidata performance, with H2 figures higher, driven by organic growth and year-end billings. Net financial debt - over €49m financing TWT deal - looks somewhat higher of our implied expectation, since including the equity investments in Unifiber and Unitirreno. Accordingly, while maintaining our revenue and profitability estimates, we factor in capex and assume higher interest charges in our cash flow projection.

# **Change in estimates**

Revised			Previous				Change			
€m	2023E	2024E	2025E	2023E	2024E	2025E		2023E	2024E	2025E
Revenues	105.1	117.8	133.0	105.1	117.8	133.0		0%	0%	0%
EBITDA	25.0	29.6	35.5	25.0	29.6	35.5		0%	0%	0%
Margin	24%	25%	27%	24%	25%	27%				
EBIT	15.3	17.1	21.5	16.0	17.9	22.3		-5%	-5%	-4%
Margin	15%	14%	16%	15%	15%	17%				
Net Income	7.9	9.5	13.1	8.5	9.5	12.7		-8%	0%	3%
Net (Debt) Cash	(48.9)	(48.3)	(36.4)	(40.8)	(39.9)	(29.7)	_			
Net Debt / EBITDA	2.0x	1.6x	1.0x	1.6x	1.3x	0.8x				

Source: EnVent Research

# **Financial projections**

Profit and Loss								
€m	2020A	2021A	2022A	2023E	2024E	2025E		
Total Revenues	23.4	37.0	51.3	105.1	117.8	133.0		
YoY %	77.4%	57.9%	38.8%	104.7%	12.1%	12.9%		
Direct cost of sales	(4.1)	(7.6)	(7.9)	(42.0)	(45.5)	(52.4)		
Personnel	(2.9)	(3.4)	(4.0)	(9.8)	(10.4)	(11.1)		
Services	(6.5)	(11.0)	(22.2)	(23.6)	(27.1)	(28.3)		
Other operating costs	(1.3)	(0.9)	(1.0)	(4.8)	(5.2)	(5.8)		
Operating charges	(14.8)	(22.9)	(35.1)	(80.1)	(88.1)	(97.5)		
EBITDA	8.6	14.1	16.2	25.0	29.6	35.5		
Margin	36.8%	38.1%	31.6%	23.8%	25.2%	26.7%		
D&A	(3.7)	(5.0)	(5.5)	(9.7)	(12.6)	(14.0)		
EBIT	4.9	9.1	10.7	15.3	17.1	21.5		
Margin	20.9%	24.6%	20.9%	14.5%	14.5%	16.2%		
Interest	(0.1)	(0.3)	(0.1)	(4.1)	(3.7)	(3.2)		
EBT	4.8	8.8	10.7	11.2	13.4	18.3		
Margin	20.4%	23.8%	20.7%	10.6%	11.4%	13.8%		
Income taxes	(1.4)	(1.0)	(3.1)	(3.3)	(3.9)	(5.2)		
Net Income	3.4	7.8	7.5	7.9	9.5	13.1		
Net Income Margin	14.5%	21.2%	14.6%	7.5%	8.1%	9.8%		

Source: Company data 2020-22A, EnVent Research 2023-25E - Note: from 2023E consolidated figures

# €6.6m financial assets in Unifiber and Unitirreno in H1 2023

# €23m share capital increase and€40m acquisition financing in2023E

Balance Sheet								
€m	2020A	2021A	2022A	2023E	2024E	2025E		
Inventory	1.0	2.1	4.2	4.8	5.8	6.1		
Trade receivables	14.0	18.4	23.2	31.1	35.5	39.2		
Trade payables	(8.6)	(15.5)	(16.5)	(25.9)	(26.8)	(28.7)		
Trade Working Capital	6.4	4.9	10.9	10.1	14.5	16.6		
Deferred income by IRU & others	(17.0)	(11.3)	0.0	0.0	0.0	0.0		
Other assets (liabilities)	(4.9)	(5.6)	(15.5)	(14.2)	(16.5)	(18.0)		
Net Working Capital	(15.5)	(12.0)	(4.6)	(4.1)	(2.0)	(1.4)		
Intangible assets	8.1	9.9	9.7	8.7	7.4	6.0		
Goodwill				49.6	46.2	42.8		
Property, plant and equipment	26.0	33.1	39.0	54.4	60.0	64.3		
Investments and financial assets	1.4	1.3	3.8	12.1	18.2	19.4		
Non-current assets	35.5	44.3	52.4	124.7	131.7	132.5		
Provisions	(1.1)	(1.1)	(1.3)	(4.0)	(4.2)	(4.4)		
Net Invested Capital	19.0	31.3	46.5	116.6	125.5	126.7		
Net Debt (Cash)	(2.5)	2.2	9.6	48.9	48.3	36.4		
Equity	21.4	29.0	36.9	67.7	77.2	90.3		
Sources	19.0	31.3	46.5	116.6	125.5	126.7		

Source: Company data 2020-22A, EnVent Research 2023-25E - Note: from 2023E consolidated figures

Cash Flow							
€m	2020A	2021A	2022A	2023E	2024E	2025E	
EBIT	4.9	9.1	10.7	15.3	17.1	21.5	
Current taxes	(1.4)	(1.0)	(3.1)	(3.3)	(3.9)	(5.2)	
D&A	3.7	5.0	5.5	9.7	12.6	14.0	
Provisions	0.2	(0.0)	0.2	2.7	0.2	0.2	
Cash flow from P&L operations	7.4	13.1	13.3	24.5	25.9	30.4	
Trade Working Capital	2.5	1.4	(6.0)	0.8	(4.4)	(2.1)	
Deferred income by IRU & others	2.2	(5.7)	(11.3)	0.0	0.0	0.0	
Other assets and liabilities	0.8	0.7	9.9	(1.3)	2.3	1.5	
Capex	(9.9)	(13.9)	(11.2)	(22.4)	(13.5)	(13.5)	
Operating cash flow after working capital/capex	3.0	(4.3)	(5.2)	1.5	10.4	16.3	
Interest	(0.1)	(0.3)	(0.1)	(4.1)	(3.7)	(3.2)	
Net acquisition investment	(0.9)	0.1	(2.5)	(59.6)	(6.1)	(1.2)	
Dividends and other net equity changes	0.0	(0.2)	0.0	(0.3)	0.0	0.0	
Paid-in capital	0.0	0.0	0.4	23.1	0.0	0.0	
Capex - IPO cost	(0.8)	0.0	0.0	0.0	0.0	0.0	
IPO proceeds	5.7	0.0	0.0	0.0	0.0	0.0	
Net cash flow	6.9	(4.7)	(7.4)	(39.3)	0.6	11.9	
Net Debt (Beginning)	(4.5)	2.5	(2.2)	(9.6)	(48.9)	(48.3)	
Net Debt (End)	2.5	(2.2)	(9.6)	(48.9)	(48.3)	(36.4)	
Change in Net Debt (Cash)	6.9	(4.7)	(7.4)	(39.3)	0.6	11.9	

Source: Company data 2020-22A, EnVent Research 2023-25E - Note: from 2023E consolidated figures

# **Ratio analysis**

KPIs	2020A	2021A	2022A	2023E	2024E	2025E
ROE	16%	27%	20%	12%	12%	14%
ROS (EBIT/Revenues)	21%	25%	21%	15%	14%	16%
EBIT/Invested Capital	26%	29%	23%	13%	14%	17%
DSO	110	102	111	89	90	88
DPO	118	139	117	85	88	86
DOI	15	20	30	17	18	17
TWC/Total Revenues	27%	13%	21%	10%	12%	12%
Capex/Revenues	42%	38%	22%	21%	11%	10%
Net Debt / EBITDA	-0.3x	0.2x	0.6x	2.0x	1.6x	1.0x
Net Debt / Equity	-0.1x	0.1x	0.3x	0.7x	0.6x	0.4x
Cash flow from P&L operations / EBITDA	86%	93%	82%	98%	87%	86%
FCF / EBITDA	35%	-31%	-32%	6%	35%	46%
Earnings per Share, basic (€)	1.10	2.54	2.43	2.55	3.08	4.23

Source: Company data 2020-22A, EnVent Research 2023-25E - Note: from 2023E consolidated figures

# Sustained capex program and equity investments.



# Valuation

We have updated our DCF valuation and market multiples.

# **Discounted Cash Flows**

Updated assumptions:

- Risk free rate: 3.7% (Italian 10-year government bonds interest rate last 30 days average. Source: Bloomberg, September 2023)
- Market return: 12% (last 30 days average. Source: Bloomberg, September 2023)
- Market risk premium: 8.3%
- Beta: 0.9 (mean value of selected comparable companies. Source: Bloomberg 1 year, September 2023)
- Cost of equity: 11.1%
- Cost of debt: 6%
- Tax rate: 24% IRES
- 30% debt/(debt + equity) as target capital structure
- WACC calculated at 9.2%, according to above data
- Perpetual growth rate at 3%
- Terminal Value assumes a 30% EBITDA margin

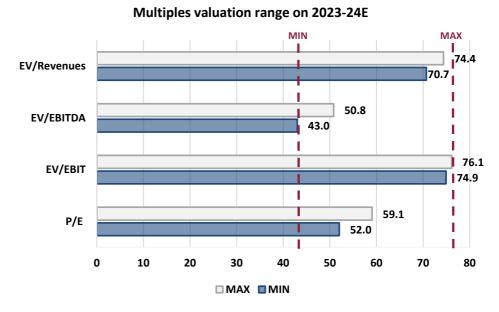
€m		2023E	2024E	2025E P	erpetuity
Total revenues		105.1	117.8	133.0	137.0
EBITDA		25.0	29.6	35.5	41.1
Margin		23.8%	25.2%	26.7%	30.0%
EBIT		15.3	17.1	21.5	27.1
Margin		14.5%	14.5%	16.2%	19.8%
Taxes		(4.3)	(4.8)	(6.0)	(7.6)
NOPAT		11.0	12.3	15.5	19.5
D&A		9.7	12.6	14.0	14.0
Provisions		2.7	0.2	0.2	0.0
Cash flow from P&L operations		23.5	25.0	29.7	33.5
Trade Working Capital		0.8	(4.4)	(2.1)	(0.5)
Other assets and liabilities		(1.3)	2.3	1.5	0.0
Capex		(22.4)	(13.5)	(13.5)	(14.0)
Net acquisition investment		(59.6)	(6.1)	(1.2)	0.0
Yearly Unlevered Free Cash Flows		(59.1)	3.4	14.3	19.0
- H1 Unlevered Free Cash Flows		61.1			
Free Cash Flows to be discounted		2.0	3.4	14.3	19.0
WACC	9.2%				
Long-term growth (G)	3.0%				
Discounted Cash Flows		1.9	3.0	11.5	
Sum of Discounted Cash Flows	16.4				
Terminal Value					309.3
Discounted TV	248.4				
Enterprise Value	264.9				
Net Debt (Cash) as of 30/06/2023	48.9				
Equity Value	215.9				
Equity Value per share (€)	69.9				
Courses EnV(ant Deceased					

# **DCF** Valuation

Source: EnVent Research



# **Market multiples**



Source: EnVent Research

# Industry segmentation and multiples

Telco and infrastructure clusters:

- Infrastructure Telco, mostly with their own infrastructure
- Other Telco, with less material proprietary infrastructure
- Telco & datacenter/cloud, also datacenter and cloud services providers

We expect an increasing comparability in the medium/long run for the Telco & datacenter/cloud cluster. We have applied combined median multiples to our 2023-24E expected consolidated figures.

ENVENT	
Research and Analysis	

	E	EV/Revenue	S		EV/EBITDA			EV/EBIT			P/E		
Company	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	
Infrastructure Telco peers	2.6	2.6	2.5	7.0		7.0	10.0	46.6	45.5	22.0	20.0	10.0	
Telstra	2.6x	2.6x	2.5x	7.8x	7.5x	7.2x	18.3x	16.6x	15.5x	23.0x	20.8x	19.2x	
Intred	3.7x	3.2x	2.9x	8.6x	7.5x	6.8x	15.8x	13.4x	11.9x	20.4x	17.5x	15.5x	
Planetel	1.3x	1.1x	1.0x	5.4x	4.3x	3.7x	12.0x	7.8x	5.8x	n.a.	8.6x	6.4x	
Chorus Limited	6.9x	6.7x	6.5x	9.9x	9.7x	9.3x	28.3x	27.2x	25.0x	neg	neg	61.5x	
Tata Communications	3.4x	3.0x	2.7x	13.9x	13.6x	11.7x	28.0x	29.2x	22.7x	31.7x	35.5x	27.8x	
Lumen Technologies	1.4x	1.5x	1.5x	4.4x	4.6x	4.6x	14.1x	15.8x	15.7x	4.4x	4.8x	3.9x	
Average	3.2x	3.0x	2.9x	8.3x	7.9x	7.2x	19.4x	18.3x	16.1x	19.9x	17.4x	22.4x	
Median	3.0x	2.8x	2.6x	8.2x	7.5x	7.0x	17.1x	16.2x	15.6x	21.7x	17.5x	17.4x	
Other Telco peers													
United Internet	1.1x	1.1x	1.0x	5.4x	5.0x	4.7x	9.3x	8.6x	8.0x	9.6x	8.7x	7.0x	
Bredband2	1.0x	0.9x	0.9x	5.9x	5.5x	5.3x	13.6x	11.2x	10.3x	15.8x	12.8x	11.1x	
Cogent	4.9x	4.1x	3.8x	14.8x	12.8x	13.2x	neg	neg	neg	neg	n.m.	126.1x	
Telia	2.1x	2.1x	2.1x	6.6x	6.4x	6.2x	18.4x	15.9x	14.8x	16.0x	12.5x	10.9x	
WideOpenWest	2.1x	2.1x	2.1x	5.1x	4.8x	4.5x	neg	16.6x	14.1x	n.a.	n.a.	n.a.	
Frontier Communications	2.1x	2.1x	2.0x	5.6x	5.4x	5.0x	19.4x	17.1x	16.0x	neg	neg	neg	
	-												
Average	2.2x	2.1x	2.0x	7.2x	6.7x	6.5x	15.2x	13.9x	12.6x	13.8x	11.3x	38.8x	
Median	2.1x	2.1x	2.0x	5.8x	5.5x	5.2x	16.0x	15.9x	14.1x	15.8x	12.5x	11.0x	
Other Telco peers & datacenter/cloud pe	ers												
Equinix	9.9x	9.0x	8.3x	21.8x	19.7x	17.7x	58.0x	49.5x	40.0x	75.5x	65.7x	54.5x	
Digital Realty Trust	10.3x	9.7x	8.9x	21.1x	19.7x	17.8x	n.m.	60.5x	50.2x	n.m.	96.2x	51.8x	
OVH Groupe	2.5x	2.1x	1.8x	6.8x	5.6x	4.6x	n.m.	53.0x	26.6x	neg	88.5x	39.4x	
Wiit	4.4x	4.1x	3.9x	12.2x	10.7x	10.0x	21.7x	18.4x	16.6x	27.0x	21.1x	17.2x	
Average	6.7x	6.2x	5.7x	15.5x	13.9x	12.5x	39.8x	45.4x	33.4x	51.2x	67.8x	40.7x	
Median	7.1x	6.6x	6.1x	16.7x	15.2x	13.8x	39.8x	51.3x	33.3x	51.2x	77.1x	45.6x	
Infrastructure Telco + Other Telco peers													
Average	2.7x	2.5x	2.4x	7.8x	7.3x	6.8x	17.7x	16.3x	14.5x	17.3x	15.1x	29.0x	
Median	2.1x	2.1x	2.1x	6.3x	6.0x	5.8x	17.1x	15.9x	14.8x	16.0x	12.6x	13.3x	
Full sample	1												
Average	3.7x	3.5x	3.3x	9.7x	8.9x	8.3x	21.4x	24.1x	19.5x	24.8x	32.7x	32.3x	
Median	2.5x	2.4x	2.3x	7.3x	6.9x	6.5x	18.4x	16.6x	15.7x	20.4x	19.2x	18.2x	
UNIDATA Current price and Conservation													
UNIDATA -Current price and Consensus	1.8x	1.5x	1.4x	7.3x	6.1x	5.1x	10.6x	8.8x	7.4x	13.3x	10.8x	8.6x	
Estimates													
UNIDATA - EnVent													
Research Target Price and	2.4x	2.1x	1.9x	10.1x	8.5x	7.1x	15.8x	14.1x	11.3x	24.3x	23.1x	16.9x	
Updated Estimates													

Source: EnVent Research on S&P Capital IQ, 26/09/2023

Unidata		Full sample median	EV	Net Cash	Equity
				(Debt)	Value
2023E Revenues	105.1	2.5x	267.3	(48.9)	218.4
2024E Revenues	117.8	2.4x	278.7	(48.9)	229.8
2025E Revenues	133.0	2.3x	309.5	(48.9)	260.6
			М	ean 2023-24E	224.1
		Eq	uity Valu	e per share, €	72.55
2023E EBITDA	25.0	7.3x	181.8	(48.9)	132.9
2024E EBITDA	29.6	6.9x	205.9	(48.9)	157.0
2025E EBITDA	35.5	6.5x	230.6	(48.9)	181.7
			М	ean 2023-24E	144.9
		Eq	uity Valu	e per share, €	46.92
2023E EBIT	15.3	18.4x	280.3	(48.9)	231.4
2024E EBIT	17.1	16.6x	284.0	(48.9)	235.1
2025E EBIT	21.5	15.7x	338.1	(48.9)	289.2
			М	ean 2023-24E	233.3
		Eq	uity Valu	e per share, €	75.53
2023E Net Income	7.9	20.4x		[	160.7
2024E Net Income	9.5	19.2x			182.4
2025E Net Income	13.1	18.2x			238.3
			М	ean 2023-24E	171.5
		Eq	uity Valu	e per share, €	55.54
Average					193.5

## **Multiples application**

Source: EnVent Research

# **Valuation rationale**

Equity Value per share, €

Unidata commitment to invest in diverse infrastructures during 2023 is delivering and is improving the forward-looking Unidata business visibility as critical infrastructure developer and owner. We keep being confident that Unidata value will increasingly consist in its infrastructures, together with decreasing volatility and lower risk profile. The ongoing integration of TWT is expected to bring out further synergies, which could be disclosed among the next updated management guidelines.

62.6



# **Target Price**

We have carried on our valuation on DCF method, deeming it more suitable in view of multiples comparability and diversity issues. Our model leads Unidata stock price to €66.00 per share, consequently we maintain our previous €66 target price, implying a 56% upside potential on current stock price, and the OUTPERFORM rating.

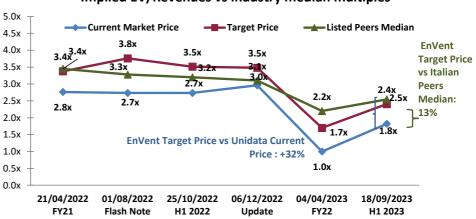
Please refer to important disclosures at the end of this report.

Unidata Price per Share	€
Target Price	66.00
Current Share Price (26/09/2023)	42.40
Premium (Discount)	56%

Source: EnVent Research



Source: EnVent Research on S&P Capital IQ, 27/09/2023



#### Implied EV/Revenues vs industry median multiples

Source: EnVent Research on S&P Capital IQ, 27/09/2023



DISCLAIMER (for more details go to www.enventgroup.eu under "Legal notices" - "Disclaimer")

This publication has been prepared by Luigi Tardella, Head of Research Division and Silvestro Bonora, Equity Analyst, on behalf of the Research & Analysis Division of EnVent Italia SIM S.p.A. ("EnVent"). EnVent Italia SIM is authorized and regulated in Italy by Consob (Register of Investment Firms Reg. No. 315).

This publication does not represent to be, nor can it be construed as being, an offer or solicitation to buy, subscribe or sell financial products or instruments, or to execute any operation whatsoever concerning such products or instruments. This publication is not, under any circumstances, intended for distribution to the general public. Accordingly, this document is only for persons who are Eligible Counterparties or Professional Clients only, i.e. persons having professional experience in investments who are authorized persons or exempted persons within the meaning of the Financial Services and Markets Act 2000 and COBS 4.12 of the FCA's New Conduct of Business Sourcebook. For residents in Italy, this document is intended for distribution only to professional clients and qualified counterparties as defined in Consob Regulation n. 16190 of the 29th October 2007, as subsequently amended and supplemented.

This publication, nor any copy of it, can not be brought, transmitted or distributed in the United States of America, Canada, Japan or Australia. Any failure to comply with these restrictions may constitute a violation of the securities laws provided by the United States of America, Canada, Japan or Australia.

EnVent does not guarantee any specific result as regards the information contained in the present publication, and accepts no responsibility or liability for the outcome of the transactions recommended therein or for the results produced by such transactions. Each and every investment/divestiture decision is the sole responsibility of the party receiving the advice and recommendations, who is free to decide whether or not to implement them. The price of the investments and the income derived from them can go down as well as up, and investors may not get back the amount originally invested. Therefore, EnVent and/or the author(s) of the present publication cannot in any way be held liable for any losses, damage, or lower earnings that the party using the publication might suffer following execution of transactions on the basis of the information and/or recommendations contained therein.

The purpose of this publication is merely to provide information that is up to date and as accurate as possible. The information and each possible estimate and/or opinion and/or recommendation contained in this publication is based on sources believed to be reliable. Although EnVent makes every reasonable endeavour to obtain information from sources that it deems to be reliable, it accepts no responsibility or liability as to the completeness, accuracy or exactitude of such information and sources. Past performance is not a guarantee of future results.

Most important sources of information used for the preparation of this publication are the documentation published by the Company (annual and interim financial statements, press releases, company presentations, IPO prospectus), the information provided by business and credit information providers (as Bloomberg, S&P Capital IQ, AIDA) and industry reports.

EnVent has no obligation to update, modify or amend this publication or to otherwise notify a reader or recipient of this publication in the case that any matter, opinion, forecast or estimate contained herein, changes or subsequently becomes inaccurate, or if the research on the subject company is withdrawn. The estimates, opinions, and recommendations expressed in this publication may be subject to change without notice, on the basis of new and/or further available information.

EnVent intends to provide continuous coverage of the Company and the financial instrument forming the subject of the present publication, with a semi-annual frequency and, in any case, with a frequency consistent with the timing of the Company's periodical financial reporting and of any exceptional event occurring in its sphere of activity.

A draft copy of this publication may be sent to the subject Company for its information and review (without valuation, target price and recommendation), for the purpose of correcting any inadvertent material inaccuracies. EnVent did not disclose the rating to the issuer before publication and dissemination of this document.

### ANALYST DISCLOSURES

For each company mentioned in this publication, all of the views expressed in this publication accurately reflect the financial analysts' personal views about any or all of the subject company (companies) or securities.

Neither the analysts nor any member of the analysts' households have a financial interest in the securities of the subject Company. Neither the analysts nor any member of the analysts' households serve as an officer, director or advisory board member of the subject company. Analysts' remuneration was not, is not or will be not related, either directly or indirectly, to specific proprietary investment transactions or to market operations in which EnVent has played a role (as Euronext Growth Advisor, for example) or to the specific recommendation or view in this publication. EnVent has adopted internal procedures and an internal code of conduct aimed to ensure the independence of its financial analysts. EnVent Research analysts and other staff involved in issuing and disseminating research reports operate independently of EnVent Group business. EnVent, within the Research & Analysis Division, may collaborate with external professionals. It may, directly or indirectly, have a potential conflict of interest with the Company and, for that reason, EnVent adopts organizational and procedural measures for the prevention and management of conflicts of interest (for details <u>www.enventgroup.eu</u> under "Legal notices" - "Disclaimer", "Procedures for prevention of conflicts of interest").



# MIFID II DISCLOSURES

**Unidata S.p.A.** (the "Issuer or the "Company") is a corporate client of EnVent. This document, being paid for by a corporate Issuer, is a Minor Non-monetary Benefit as set out in Article 12 (3) of the Commission Delegated Act (C2016) 2031.

This note is a marketing communication and not independent research. As such, it has not been prepared in accordance with legal requirements designed to promote the independence of investment research and this note is not subject to the prohibition on dealing ahead of the dissemination of investment research.

# **CONFLICTS OF INTEREST**

In order to disclose its possible conflicts of interest, EnVent states that it acted in the past 12 months as Euronext Growth Advisor to the subject Company on the Euronext Growth Milan market, a Multilateral Trading Facility regulated by Borsa Italiana (for details www.enventgroup.eu under "Legal notices" - "Disclaimer", "Potential conflicts of interest").

# CONFIDENTIALITY

Neither this publication nor any portions thereof (including, without limitation, any conclusion as to values or any individual associated with this publication or the professional associations or organizations with which they are affiliated) shall be reproduced to third parties by any means without the prior written consent and approval from EnVent.

# VALUATION METHODOLOGIES

EnVent Research & Analysis Division calculates range of values and fair values for the companies under coverage using professional valuation methodologies, such as the discounted cash flows method (DCF), dividend discount model (DDM) and multiple-based models (e.g. EV/Revenues, EV/EBITDA, EV/EBIT, P/E, P/BV). Alternative valuation methodologies may be used, according to circumstances or judgement of non-adequacy of most used methods. The target price could be also influenced by market conditions or events and corporate or share peculiarities.

# **STOCK RATINGS**

The "OUTPERFORM", "NEUTRAL", AND "UNDERPERFORM" recommendations are based on the expectations within a 12-month period from the date of rating indicated in the front page of this publication.

Equity ratings and valuations are issued in absolute terms, not relative to market performance.

Rating system and rationale (12-month time horizon):

OUTPERFORM: stocks are expected to have a total return above 10%;

NEUTRAL: stocks are expected to have a performance between -10% and +10% consistent with market or industry trend and appear less attractive than Outperform rated stocks;

UNDERPERFORM: stocks are among the least attractive in a peer group, with the target price 10% below the current market price;

UNDER REVIEW: target price under review, waiting for updated financial data, or other key information such as material transactions involving share capital or financing;

SUSPENDED: no rating/target price assigned, due to material uncertainties or other issues that seriously impair our previous investment ratings, price targets and earnings estimates;

NOT RATED: no rating or target price assigned.

Some flexibility on the limits of the total return rating ranges is permitted, especially during high market volatility cycles.

The stock price indicated in the report is the last closing price on the day of Production.

Date and time of Production: 26/09/2023 h. 7.00pm

Date and time of Distribution: 27/09/2023 h. 6.30pm

# DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

### **ENVENT RECOMMENDATION DISTRIBUTION (September 27<sup>th</sup>, 2023)**

Number of companies covered:	24	OUTPERFORM	NEUTRAL	UNDERPERFORM	SUSPENDED	UNDER REVIEW	NOT RATED
Total Equity Research Coverage %		83%	8%	0%	4%	4%	0%
of which EnVent clients % *		80%	50%	na	100%	0%	na

\* Note: Companies to which corporate and capital markets services were supplied in the last 12 months.

This disclaimer is constantly updated on the website at <u>www.enventgroup.eu</u> under "Legal notices" - "Disclaimer".

Additional information available upon request.

© Copyright 2023 by EnVent Italia SIM S.p.A. - All rights reserved