

EQUITY RESEARCH

UNIDATA S.P.A
NEWS
BUY**TP 60.0€**

Up/Downside: 51%

5G tender in Rome

Last night, Unidata announced the successful attribution of the tender for the #Rome5G project.

As part of a Temporary Grouping of Companies - made up of Boldyn Networks (leader), Unidata S.p.A., IFM S.p.A. and Cecchini S.r.l. - the companies have been awarded the concession contract for the construction, management, operation and maintenance of 5G and Wi-Fi infrastructures in the Rome area.

The project includes coverage of all metro lines, the installation of more than 2,200 signal points for small cells, the development of the public Wi-Fi network (with 850 access points), the installation of 1,800 IoT sensors and 2,000 5G cameras developing the capital into a smart city, also in view of the Jubilee planned for 2025. All this work is part of a public-private partnership (PPP) with a 25-year concession.

For the next Jubilee in Rome in 2025, around 1 million visitors are expected. The PPP therefore aims to facilitate access to Internet services, the tourist experience and general security. By drawing on its FTTH network of more than 9,000 km and its expertise, the Group will strengthen its presence in the Italian capital and the Lazio region. This project is also in line with their recent 2024-2026 strategic plan, which aims to increase B2B and public sector revenues within their 'Service (retail)' segment. By 2026, management sees this segment accounting for 87% of total sales. This scenario is in line with our current estimates.

Overall, we appreciate the Group's efforts to diversify through strategic partnerships. In the future, we expect Unidata to announce similar projects, as we have seen with their latest JVs (Unifiber, Unitirreno and Unicenter), which are less capital-intensive and asset-light solutions. Based on previous similar projects, we expect this project to generate around €8-10m in revenues for Unidata.

We are therefore confirming our Buy recommendation and our TP of €60.

Key data

Price (€)	39.8
Industry	Telecommunications
Ticker	UD-IT
Shares Out (m)	3.089
Market Cap (m €)	122.9
Average trading volumes (k shares / day)	0.545
Next event	FY 2023 - tbc

Ownership (%)

Uninvest S.r.l.	55.0
Upperhand S.r.l.	6.2
Free float	38.8

EPS (€)	12/23e	12/24e	12/25e
Estimates	3.52	4.21	4.82
Change vs previous estimates (%)	0.00	0.00	0.00

Performance (%)	1D	1M	YTD
Price Perf	-1.2	5.0	-14.6
Rel FTSE Italy	-1.0	-0.8	-32.9



TP ICAP Midcap Estimates	12/22	12/23e	12/24e	12/25e	Valuation Ratio	12/23e	12/24e	12/25e	Consensus FactSet - Analysts:5	12/23e	12/24e	12/25e
Sales (m €)	51.3	92.5	108.5	122.9	EV/Sales	1.9	1.6	1.4	Sales	98.7	118.3	130.8
Current Op Inc (m €)	10.7	16.9	20.2	22.8	EV/EBITDA	7.2	5.9	4.9	EBIT	16.3	19.5	23.9
Current op. Margin (%)	20.9	18.3	18.6	18.6	EV/EBIT	10.5	8.6	7.4	Net income	9.1	11.8	15.5
EPS (€)	2.96	3.52	4.21	4.82	PE	11.3	9.5	8.3				
DPS (€)	0.00	0.07	0.08	0.10								
Yield (%)	0.0	0.2	0.2	0.2								
FCF (m €)	-4.4	1.0	3.9	5.7								

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FINANCIAL DATA

Income Statement	12/20	12/21	12/22	12/23e	12/24e	12/25e
Sales	23.4	37.0	51.3	92.5	108.5	122.9
Changes (%)	77.3	57.9	38.8	80.2	17.2	13.3
Gross profit	11.5	17.5	20.3	32.4	38.6	44.5
% of Sales	49.2	47.2	39.5	35.0	35.6	36.2
EBITDA	8.6	14.1	16.2	24.5	29.4	34.0
% of Sales	36.8	38.1	31.6	26.5	27.1	27.7
Current operating profit	4.9	9.1	10.7	16.9	20.2	22.8
% of Sales	20.9	24.6	20.9	18.3	18.6	18.6
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	4.9	9.1	10.7	16.9	20.2	22.8
Net financial result	-0.1	-0.3	-0.1	-1.9	-2.2	-2.2
Income Tax	-1.4	-1.0	-3.1	-4.2	-5.0	-5.8
Net profit, group share	3.4	7.8	7.5	10.9	13.0	14.9
EPS	1.38	3.20	2.96	3.52	4.21	4.82
Financial Statement	12/20	12/21	12/22	12/23e	12/24e	12/25e
Goodwill	0.0	0.0	0.0	46.7	46.7	46.7
Tangible and intangible assets	26.7	33.7	39.4	47.8	57.1	66.8
Right of Use	7.4	9.3	9.3	8.1	6.9	5.7
Financial assets	1.3	1.1	3.5	3.5	3.5	3.5
Working capital	-0.9	-1.3	1.1	3.7	4.7	5.4
Other Assets	0.4	0.4	3.6	3.6	3.6	3.6
Assets	34.8	43.2	56.9	113.4	122.5	131.7
Shareholders equity group	21.4	29.0	36.9	47.8	60.6	75.2
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	0.0	0.0	0.0	0.0	0.0	0.0
Net debt	-2.5	2.2	8.6	54.2	50.5	45.1
Other liabilities	15.9	12.0	11.4	11.4	11.4	11.4
Liabilities	34.8	43.2	56.9	113.4	122.5	131.7
Net debt excl. IFRS 16	-6.3	-3.1	3.8	50.2	46.5	41.1
Gearing net	-0.1	0.1	0.2	1.1	0.8	0.6
Leverage	-0.3	0.2	0.5	2.2	1.7	1.3
Cash flow statement	12/20	12/21	12/22	12/23e	12/24e	12/25e
CF after elimination of net borrowing costs and taxes	7.5	13.3	13.1	18.5	22.2	26.1
Δ WCR	5.2	-4.7	-6.3	-2.6	-0.9	-0.7
Operating cash flow	12.7	8.6	6.8	15.8	21.2	25.3
Net capex	-10.7	-13.9	-11.2	-14.8	-17.4	-19.7
FCF	2.1	-5.3	-4.4	1.0	3.9	5.7
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	-46.7	0.0	0.0
Other investments	-1.1	0.0	-2.1	0.0	0.0	0.0
Change in borrowings	3.2	1.1	11.1	35.4	0.0	0.0
Dividends paid	0.0	0.0	-0.2	0.0	-0.2	-0.3
Repayment of leasing debt	-0.1	1.6	-0.6	-0.2	0.0	0.0
Equity Transaction	0.0	0.0	0.0	0.0	0.0	0.0
Others	5.4	-0.3	0.4	0.0	0.0	0.0
Change in net cash over the year	9.4	-2.9	4.2	-10.4	3.7	5.4
ROA (%)	5.3%	10.0%	7.4%	6.6%	7.1%	7.3%
ROE (%)	15.8%	27.0%	20.3%	22.7%	21.5%	19.8%
ROCE (%)	17.1%	25.6%	23.7%	15.6%	13.0%	13.5%

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Methodology

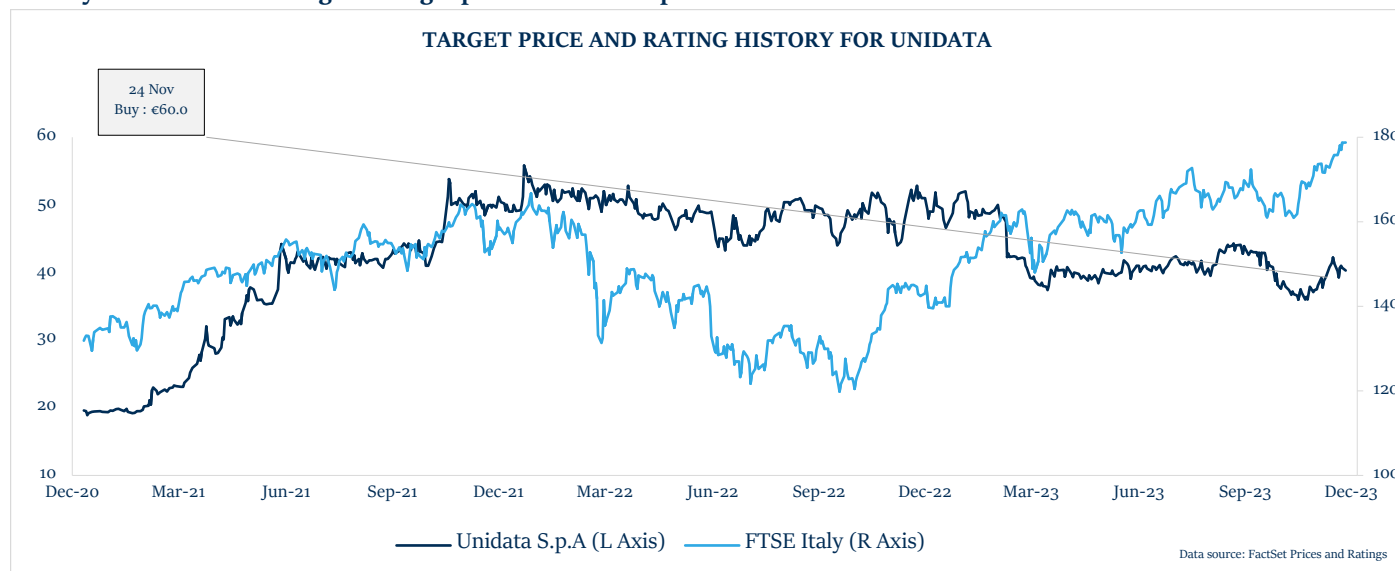
This Report may mention evaluation methods defined as follows:

1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

Conflict of Interests between TP ICAP Midcap and the Issuer

G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Unidata S.p.A

History of investment rating and target price – Unidata S.p.A



Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	81%	63%
Hold	16%	54%
Sell	1%	0%
Under review	2%	100%

Midcap employs a rating system based on the following:

Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.

Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.

Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at <https://researchtpicap.midcapp.com/en/disclaimer>.

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