

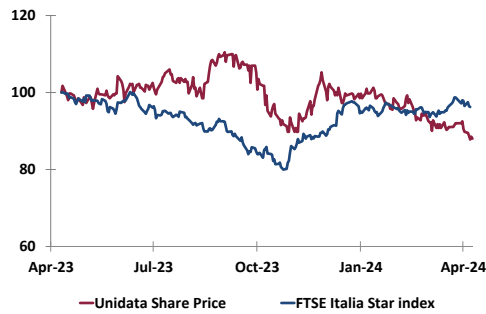


## OUTPERFORM

Current Share Price (€): **3.53**

Target Price (€): **6.60**

### Unidata - 1Y Performance



Source: S&P Capital IQ - Note: 13/04/2023=100

### Company data

ISIN number	IT0005338840
Bloomberg code	UD IM
Reuters code	UD.IM
Industry	Telecommunication
Stock market	Euronext Star Milan
Share Price (€)	3.53
Date of Price	12/04/2024
Shares Outstanding (m)	30.9
Market Cap (€m)	109.0
Market Float (%)	38.8%
Daily Volume	2,950
Avg Daily Volume YTD	12,433
Target Price (€)	6.60
Upside (%)	87%
Recommendation	OUTPERFORM

### Share price performance

	1M	3M	6M	1Y
Unidata - Absolute (%)	-4%	-12%	-8%	-12%
FTSE Italia Star (%)	1%	-1%	13%	-5%
FTSE Italia SmallCap (%)	2%	0%	11%	-6%
1Y Range H/L (€)			4.43	3.52
YTD Change (€) / %			-0.4	-10%

Source: S&P Capital IQ

### Analysts

Luigi Tardella - Head of Research

ltardella@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.

## Closing a landmark year

### Stock performance

Unidata's share price LTM lost 12%, with a peak at €4.22 in September 2023, between July-December overperformed the Italia Star index, then in 2024 declined in the region of 10% vs -3% of the index.

### FY23: doubling revenues, expanding infrastructure program and investments

Consolidated 10 months revenues were €93.3m, +82% vs FY22, with retail sales accounting for €59.3m, +205% YoY adding TWT business. EBITDA at €22.4m, vs €16.2m in FY22, adjusted for TWT acquisition and translisting costs at €24.4m, 26.1% margin. In 2023 €27m investments included €9.4m on Unifiber and Unitirreno projects. EBIT at €12.3, + 14% YoY. Net income at €6.7m, €7.5m in FY22, after non-recurring charges and €3m financial charges for TWT acquisition financing, reflected in €47.9m net financial debt.

### Business update: a year of change, IoT booming, +1,300km FTTH optic fiber, direct customers +26%

The 2023 has been a busy year for Unidata, which moved a step forward reshaping its organization, completing the translisting to Euronext Star Milan and the acquisition of TWT, meanwhile carrying forward its projects. IoT services flourished with four tenders in 2023 and one in 2024 awarded by utilities on water smart metering projects, worth nearly €20m backlog.

#### Major KPIs:

- FTTH optic fiber network ca. 6,800 km, +1,300 km from 2022-year end
- Direct customers over 23,000, +26% on 2022-year end
- ARPU: B2C €22 (-4% YoY), B2B Unidata €374 (+1% YoY), B2B TWT €359 (+5% YoY)

### Updated estimates, Target Price €6.60 per share and OUTPERFORM rating confirmed

Unidata performance to date keep us confident with our latest estimates and rating, while stock price is currently trading at noticeable discount to peers. We maintain the OUTPERFORM rating and confirm the target price at €6.60 per share, implying a potential upside of 87% on current market prices.

KEY FINANCIALS AND ESTIMATES (€m)	2020	2021	2022	2023	2024E	2025E	2026E
<b>Revenues</b>	<b>23.4</b>	<b>37.0</b>	<b>51.3</b>	<b>93.3</b>	<b>115.3</b>	<b>127.3</b>	<b>134.0</b>
YoY %	77.4%	57.9%	38.8%	81.6%	23.6%	10.4%	5.3%
<b>EBITDA adjusted</b>	<b>8.6</b>	<b>14.1</b>	<b>16.2</b>	<b>24.4</b>	<b>30.4</b>	<b>34.6</b>	<b>37.9</b>
Margin	36.8%	38.1%	31.6%	26.1%	26.4%	27.2%	28.3%
<b>EBITDA</b>	<b>8.6</b>	<b>14.1</b>	<b>16.2</b>	<b>22.4</b>	<b>30.4</b>	<b>34.6</b>	<b>37.9</b>
Margin	36.8%	38.1%	31.6%	24.0%	26.4%	27.2%	28.3%
<b>EBIT</b>	<b>4.9</b>	<b>9.1</b>	<b>10.7</b>	<b>12.3</b>	<b>18.2</b>	<b>20.3</b>	<b>23.7</b>
Margin	20.9%	24.6%	20.9%	13.2%	15.8%	15.9%	17.7%
<b>Net Income (Loss)</b>	<b>3.4</b>	<b>7.8</b>	<b>7.5</b>	<b>6.7</b>	<b>10.3</b>	<b>12.2</b>	<b>15.0</b>
<b>Net (Debt) Cash</b>	<b>2.5</b>	<b>(2.2)</b>	<b>(9.6)</b>	<b>(47.9)</b>	<b>(41.9)</b>	<b>(35.4)</b>	<b>(27.0)</b>
<b>Equity</b>	<b>21.4</b>	<b>29.0</b>	<b>36.9</b>	<b>64.6</b>	<b>74.9</b>	<b>87.1</b>	<b>102.1</b>

KEY RATIOS and MULTIPLES	2020	2021	2022	2023E	2024E	2025E	2026E
TWC/Total Revenues	27%	13%	21%	1%	0%	-1%	1%
Cash flow from P&L operations / EBITDA	86%	93%	82%	95%	86%	86%	85%
ROE	20%	31%	23%	13%	15%	15%	16%
Earnings per Share, basic (€)	0.11	0.25	0.24	0.22	0.33	0.40	0.49
<b>MULTIPLES</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
EV/EBITDA	5.4x	10.1x	8.6x	7.6x	5.4x	4.6x	2.9x
EV/EBIT	9.7x	15.7x	12.1x	14.9x	8.6x	7.0x	4.6x
P/E	13.9x	17.4x	15.7x	16.3x	9.9x	7.7x	7.3x

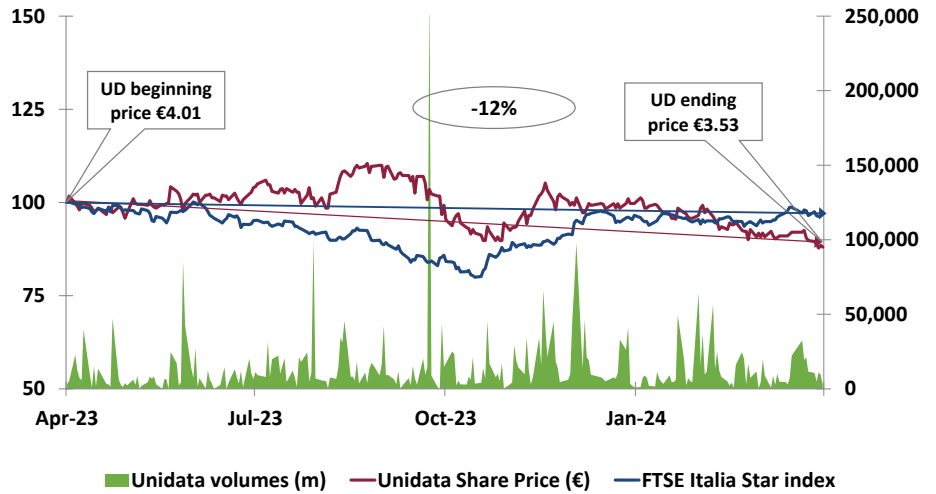
Source: Company data 2020-23A, EnVent Research 2024-26E

## Market update

LTM Unidata trading price range  
€3.52-4.43

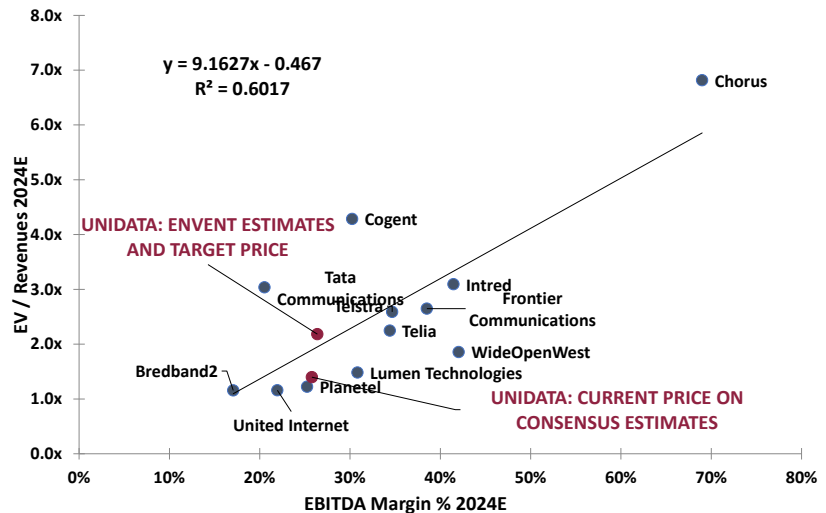
LTM UD performance -12% Italia  
Star index -5%

### Unidata - 1Y share price performance and trading volumes



Source: EnVent Research on S&P Capital IQ - Note: 13/04/2023=100

### Peer group - Regression analysis and Unidata target positioning



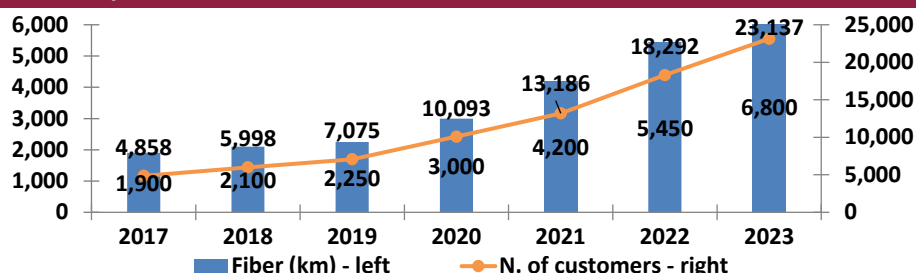
Source: EnVent Research on S&P Capital IQ, 12/04/2024

## 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

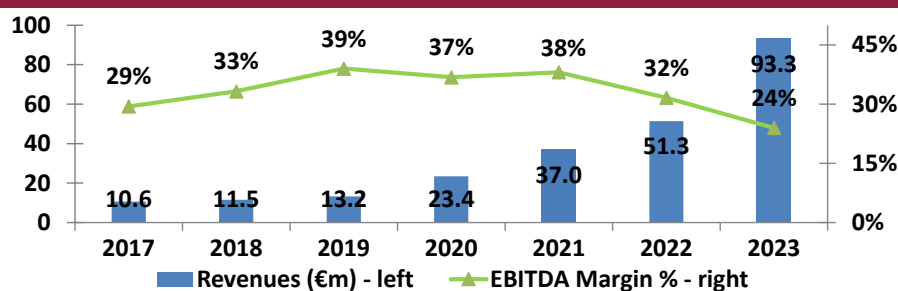
provided through proprietary data centers. Service offer includes connectivity, VoIP, cloud, co-location hosting services, IoT services, Cyber Security.

### FTTH fiber optic network and customers



Source: Company data

### Historical Revenues and EBITDA



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

### 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

Revenues breakdown (€m)			
	2022	2023	Change %
Consumer	3.39	4.25	+25%
Business	8.87	9.80	+10%
Wholesale	1.50	1.28	-15%
PA	1.09	0.65	-41%
Project	4.58	5.30	+16%
Voice trading, Voice	-	4.44	-
Reseller & TWT	-	33.55	-
<b>Total Retail</b>	<b>19.43</b>	<b>59.27</b>	<b>+205%</b>
Wholesale IFRS 16	14.08	12.86	-9%
Unifiber	15.05	18.01	+20%
Materials trading	1.61	1.41	-12%
<b>Total Infrastructure</b>	<b>30.73</b>	<b>32.28</b>	<b>+5%</b>

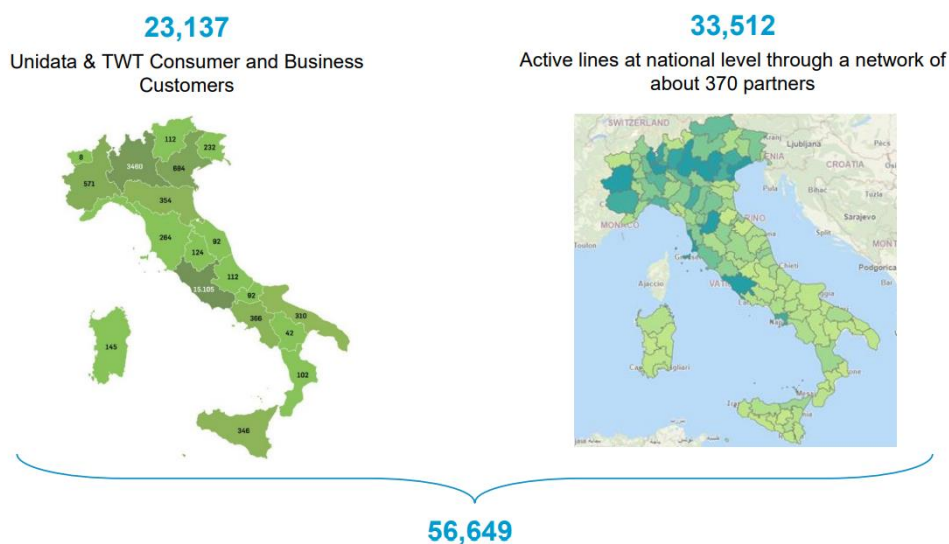
Source: Company data

### Customers and ARPU

Customers type	2022		2023		Change %	
	# (k)	ARPU (€)	# (k)	ARPU (€)	# (%)	ARPU (%)
Consumer UD	13.9	23	18.3	22	32%	-4%
Business UD	2.1	370	2.3	374	9%	1%
Business TWT	2.3	342	2.6	359	11%	5%
<b>Total</b>	<b>18.3</b>		<b>23.1</b>		<b>26%</b>	

Source: Company data

### Direct and whitelabel customers 2023



Source: Company data

## Business update

The 2023 has been a busy year for Unidata, which moved a step forward reshaping its organization, completing the translisting to Euronext Star Milan and the acquisition of TWT, meanwhile carrying forward its projects.

IoT services flourished with four tenders won for about €18.7m. We recall as major achievements:

- Metropolitan City of Palermo - Automatic Meters Management System
- Acqua Pubblica Sabina - smart water meters management - public-private partnership
- Publiacqua (ACEA) for Firenze-Prato-Pistoia basin - smart connectivity metering service for the water management system
- Molise region – implementation and management of the water smart metering IoT system

In April 2024, Unidata announced a new tender awarded for smart water metering system implementation in Basilicata, project worth over €0.6m backlog for 24 months.

Major 2023 performance indicators growth: customers (+26%), fiber optic infrastructure +1,300 km raising total coverage to ca. 6,800 km, retail sales + 205% and infrastructure sales +5%.

## Industry and Unidata outlook

### Broadband and connectivity

According to FTTH Council Europe, Italy recorded an increase of 1.5m real estate cable equipped units compared to last year, reaching 15.5m wired homes, offices and shops, approximately a 60% coverage, but still below the European average. The Italian FTTH take up rate is 27% still too far from the European average, stable at 53%. To speed up, the European Union has proposed the white paper "How to master Europe's digital infrastructures needs?" promoting the switch-off of copper networks by 2030 (FTTH Council Europe, *FTTH Conference 2024*, 2024, data at September 2023).

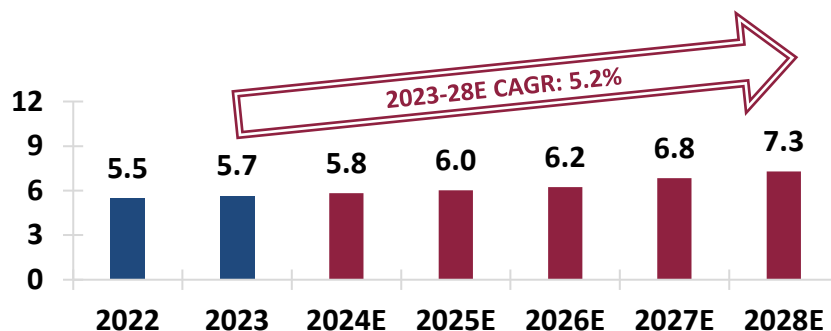
### Data centers growing demand

In 2023, hyperscale cloud services experienced significant demand, powered also by artificial intelligence applications. The integration of AI across various industries is expected to lead increasing demand for high-density data centers and expansive campuses. Italy is mirroring the European trend, experiencing growing demand from both investors and operators. Challenges such as limited land availability within sought-after areas, regulatory constraints, unclear urban development guidelines, and ESG considerations are shifting focus towards brownfield sites. This trend is helping to create positive outcomes on the social structure giving new life to

abandoned industrial areas. In addition, AI surging needs are guiding the major hyperscalers to look at alternative locations compared to the most established around Milan (Collers, *Data Center snapshot Italy*, 2024).

According to Statista, revenue in the Data Center market in Italy is projected to reach \$7.3bn in 2028, growing at 5.2% CAGR. With a promising outlook, the industry is poised for further expansion driven primarily by the burgeoning influence of artificial intelligence (AI).

**Data center revenue in Italy (\$bn) 2022-28E**



Source: Statista, *Data Center - Italy*, 2024

### IoT & Smart Solutions

Unidata IoT BU relies on LoRa wireless technology, a worldwide adopted open standard to create private public collaborative networks, featuring wide communication range to reach devices, and low power consumption. Reference market segments are massive Smart Metering, Smart City, Smart Grid for Water, Gas and Electricity. According to Reliable Business Insights (Oct. 2023 report) the “LoRaWAN wireless module market is expected to grow at a significant pace due to the increasing adoption of IoT devices and the demand for long-range, low-power communication solutions”.

The global LoRa and LoRaWAN IoT market has been valued USD 5.5 Billion in 2023 and projected to reach USD 46.4 Billion by 2030, growing at a CAGR of 35.6% during the forecast period of 2023-2030. (Source: Market Digits, Dec. 2023)

### Unidata Outlook

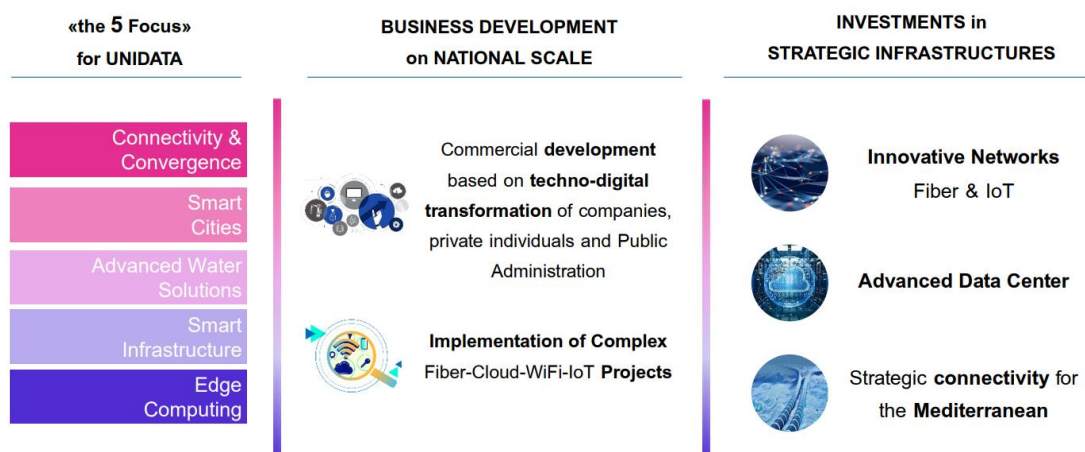
During 2023 and continuing in 2024 there has been a full exploitation of the IoT & Smart Solutions business line, paying back after years of R&D and marketing efforts. The overall perspective for the next three years depicts Unidata as diversified tech group, with lower revenue concentration and progressive value building through the planned investments Unifiber, Unicenter and Unitirreno.

The resulting lower risk and higher visibility profile is expected to build substantial value as soon as the infrastructure investments will progress to revenue generation.

Main pillars of the strategy for the next years will be:

- Organic growth opportunities as to new infrastructure, access and VoIP services
- Development of value added business sectors (Cloud, Datacenter, IoT&Smart Solutions, Cyber Security)
- Other partnership and M&A opportunities
- Earnings retention to fund growth

### Corporate strategy



Source: Company data

## Estimates fine-tuning

Factor in of the actual 2023 performance, confirming overall projections to 2026.

### Change in estimates

€m	Revised				Previous				Change			
	2023A	2024E	2025E	2026E	2023E	2024E	2025E	2026E	2023A	2024E	2025E	2026E
<b>Revenues</b>	93.3	115.3	127.3	134.0	90.8	115.3	127.3	134.0	3%	0%	0%	0%
<b>EBITDA</b>	22.4	30.4	34.6	37.9	23.9	30.4	34.6	37.9	-6%	0%	0%	0%
<i>Margin</i>	24%	26%	27%	28%	26%	26%	27%	28%				
<b>EBIT</b>	12.3	18.2	20.3	23.7	14.2	18.2	20.8	24.2	-13%	0%	-3%	-2%
<i>Margin</i>	13%	16%	16%	18%	16%	16%	16%	18%				
<b>Net Income</b>	6.7	10.3	12.2	15.0	7.1	10.3	12.6	15.4	-6%	0%	-3%	-2%
<b>Net (Debt) Cash</b>	(47.9)	(41.9)	(35.4)	(27.0)	(46.4)	(41.0)	(31.3)	(23.2)	-3%	-2%	-13%	-16%
<i>Net Debt / EBITDA</i>	2.1x	1.4x	1.0x	0.7x	1.9x	1.3x	0.9x	0.6x				

Source: EnVent Research

## Financial projections

### Profit and Loss

€m	2020A	2021A	2022A	2023A	2024E	2025E	2026E
<b>Total Revenues</b>	<b>23.4</b>	<b>37.0</b>	<b>51.3</b>	<b>93.3</b>	<b>115.3</b>	<b>127.3</b>	<b>134.0</b>
YoY %	77.4%	57.9%	38.8%	81.6%	23.6%	10.4%	5.3%
Materials	(4.1)	(7.6)	(7.9)	(8.8)	(14.5)	(14.9)	(15.1)
Personnel	(2.9)	(3.4)	(4.0)	(10.3)	(10.4)	(11.1)	(11.8)
Services	(6.5)	(11.0)	(22.2)	(48.4)	(54.9)	(61.2)	(63.4)
Other operating costs	(1.3)	(0.9)	(1.0)	(1.3)	(5.0)	(5.5)	(5.8)
<b>Operating charges</b>	<b>(14.8)</b>	<b>(22.9)</b>	<b>(35.1)</b>	<b>(68.9)</b>	<b>(84.9)</b>	<b>(92.7)</b>	<b>(96.1)</b>
<b>EBITDA adjusted</b>	<b>8.6</b>	<b>14.1</b>	<b>16.2</b>	<b>24.4</b>	<b>30.4</b>	<b>34.6</b>	<b>37.9</b>
Margin	36.8%	38.1%	31.6%	26.1%	26.4%	27.2%	28.3%
TWT acquisition and translisting costs	0.0	0.0	0.0	(2.0)	0.0	0.0	0.0
<b>EBITDA</b>	<b>8.6</b>	<b>14.1</b>	<b>16.2</b>	<b>22.4</b>	<b>30.4</b>	<b>34.6</b>	<b>37.9</b>
Margin	36.8%	38.1%	31.6%	24.0%	26.4%	27.2%	28.3%
D&A	(3.7)	(5.0)	(5.5)	(10.1)	(12.2)	(14.3)	(14.3)
<b>EBIT</b>	<b>4.9</b>	<b>9.1</b>	<b>10.7</b>	<b>12.3</b>	<b>18.2</b>	<b>20.3</b>	<b>23.7</b>
Margin	20.9%	24.6%	20.9%	13.2%	15.8%	15.9%	17.7%
Interest	(0.1)	(0.3)	(0.1)	(3.0)	(3.7)	(3.2)	(2.7)
<b>EBT</b>	<b>4.8</b>	<b>8.8</b>	<b>10.7</b>	<b>9.2</b>	<b>14.5</b>	<b>17.1</b>	<b>20.9</b>
Margin	20.4%	23.8%	20.7%	9.9%	12.6%	13.4%	15.6%
Income taxes	(1.4)	(1.0)	(3.1)	(2.5)	(4.2)	(4.9)	(5.9)
<b>Net Income</b>	<b>3.4</b>	<b>7.8</b>	<b>7.5</b>	<b>6.7</b>	<b>10.3</b>	<b>12.2</b>	<b>15.0</b>
Net Income Margin	14.5%	21.2%	14.6%	7.2%	9.0%	9.6%	11.2%

Source: Company data 2020-22A, EnVent Research 2023-26E – Note: from 2023E consolidated figures

### Balance Sheet

€m	2020A	2021A	2022A	2023A	2024E	2025E	2026E
Inventory	1.0	2.1	4.2	3.4	3.8	4.2	4.4
Trade receivables	14.0	18.4	23.2	21.0	23.1	25.5	26.9
Trade payables	(8.6)	(15.5)	(16.5)	(23.9)	(26.9)	(31.4)	(30.0)
Trade Working Capital	6.4	4.9	10.9	0.6	0.0	(1.7)	1.3
Deferred income by IRU & others	(17.0)	(11.3)	0.0	0.0	0.0	0.0	0.0
Other assets (liabilities)	(4.9)	(5.6)	(15.5)	(19.4)	(18.5)	(19.1)	(19.4)
<b>Net Working Capital</b>	<b>(15.5)</b>	<b>(12.0)</b>	<b>(4.6)</b>	<b>(18.8)</b>	<b>(18.4)</b>	<b>(20.8)</b>	<b>(18.2)</b>
Intangible assets	8.1	9.9	9.7	27.1	28.5	30.0	34.1
Goodwill	0.0	0.0	0.0	37.5	34.1	30.7	27.3
Property, plant and equipment	26.0	33.1	39.0	59.9	59.9	64.8	63.1
Investments and financial assets	1.4	1.3	3.8	9.5	15.6	20.8	26.0
<b>Non-current assets</b>	<b>35.5</b>	<b>44.3</b>	<b>52.4</b>	<b>134.0</b>	<b>138.1</b>	<b>146.3</b>	<b>150.5</b>
Provisions	(1.1)	(1.1)	(1.3)	(2.8)	(2.8)	(3.0)	(3.2)
<b>Net Invested Capital</b>	<b>19.0</b>	<b>31.3</b>	<b>46.5</b>	<b>112.5</b>	<b>116.9</b>	<b>122.5</b>	<b>129.2</b>
<b>Net Debt (Cash)</b>	<b>(2.5)</b>	<b>2.2</b>	<b>9.6</b>	<b>47.9</b>	<b>41.9</b>	<b>35.4</b>	<b>27.0</b>
<b>Equity</b>	<b>21.4</b>	<b>29.0</b>	<b>36.9</b>	<b>64.6</b>	<b>74.9</b>	<b>87.1</b>	<b>102.1</b>
<b>Sources</b>	<b>19.0</b>	<b>31.3</b>	<b>46.5</b>	<b>112.5</b>	<b>116.9</b>	<b>122.5</b>	<b>129.2</b>

Source: Company data 2020-22A, EnVent Research 2023-26E – Note: from 2023E consolidated figures

### Cash Flow

€m	2020A	2021A	2022A	2023A	2024E	2025E	2026E
<b>EBIT</b>	<b>4.9</b>	<b>9.1</b>	<b>10.7</b>	<b>12.3</b>	<b>18.2</b>	<b>20.3</b>	<b>23.7</b>
Current taxes	(1.4)	(1.0)	(3.1)	(2.5)	(4.2)	(4.9)	(5.9)
D&A	3.7	5.0	5.5	10.1	12.2	14.3	14.3
Provisions	0.2	(0.0)	0.2	1.5	0.0	0.2	0.2
<b>Cash flow from P&amp;L operations</b>	<b>7.4</b>	<b>13.1</b>	<b>13.3</b>	<b>21.3</b>	<b>26.3</b>	<b>29.9</b>	<b>32.1</b>
Trade Working Capital	2.5	1.4	(6.0)	10.3	0.6	1.7	(3.0)
Deferred income by IRU & others	2.2	(5.7)	(11.3)	0.0	0.0	0.0	0.0
Other assets and liabilities	0.8	0.7	9.9	3.8	(0.9)	0.6	0.3
Capex	(9.9)	(13.9)	(11.2)	(48.4)	(10.2)	(17.3)	(13.3)
<b>Operating cash flow after working capital/capex</b>	<b>3.0</b>	<b>(4.3)</b>	<b>(5.2)</b>	<b>(12.9)</b>	<b>15.7</b>	<b>15.0</b>	<b>16.2</b>
Interest	(0.1)	(0.3)	(0.1)	(3.0)	(3.7)	(3.2)	(2.7)
Financial investments	(0.9)	0.1	(2.5)	(43.3)	(6.1)	(5.2)	(5.2)
Dividends and other net equity changes	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0
Paid-in capital	0.0	0.0	0.4	21.0	0.0	0.0	0.0
Capex - IPO cost	(0.8)	0.0	0.0	0.0	0.0	0.0	0.0
IPO proceeds	5.7	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash flow</b>	<b>6.9</b>	<b>(4.7)</b>	<b>(7.4)</b>	<b>(38.3)</b>	<b>5.9</b>	<b>6.6</b>	<b>8.3</b>
Net Debt (Beginning)	(4.5)	2.5	(2.2)	(9.6)	(47.9)	(41.9)	(35.4)
Net Debt (End)	2.5	(2.2)	(9.6)	(47.9)	(41.9)	(35.4)	(27.0)
<b>Change in Net Debt (Cash)</b>	<b>6.9</b>	<b>(4.7)</b>	<b>(7.4)</b>	<b>(38.3)</b>	<b>5.9</b>	<b>6.6</b>	<b>8.3</b>

Source: Company data 2020-22A, EnVent Research 2023-26E – Note: from 2023E consolidated figures

Net debt decrease to €27m in 2026E, with leverage ratio 0.6x

€57m of capex and JVs investments along 2024-26E

Operating CF/EBITDA at 85% in 2026E



## Ratio analysis

KPIs	2020A	2021A	2022A	2023A	2024E	2025E	2026E
ROE	20%	31%	23%	13%	15%	15%	16%
ROS (EBIT/Revenues)	21%	25%	21%	13%	16%	16%	18%
EBIT/Invested Capital	26%	29%	23%	11%	16%	17%	18%
DSO	110	102	111	67	60	60	60
DPO	118	139	117	66	95	95	92
DOI	15	20	30	13	12	12	12
TWC/Total Revenues	27%	13%	21%	1%	0%	-1%	1%
Net Debt / EBITDA	-0.3x	0.2x	0.6x	2.1x	1.4x	1.0x	0.7x
Net Debt / Equity	-0.1x	0.1x	0.3x	0.7x	0.6x	0.4x	0.3x
Cash flow from P&L operations / EBITDA	86%	93%	82%	95%	86%	86%	85%
FCF / EBITDA	35%	-31%	-32%	-58%	52%	43%	43%
Earnings per Share, basic (€)	0.11	0.25	0.24	0.22	0.33	0.40	0.49

Source: Company data 2020-22A, EnVent Research 2023-26E – Note: from 2023E consolidated figures

## Valuation

### Valuation rationale

Unidata commitment to invest in diverse infrastructures 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. We note that net financial debt expected at end projection would be of a minor size, and that as soon as the infrastructures under construction will be ready to operate and have contractual arrangements, there will be a measurable quantum leap in shareholders' value, in a nearly debt free company. As of today, the only presently identifiable value of the ongoing investments is related, but not measured or measurable, to the paid-in-capital to the infrastructure joint ventures, whose nature of surplus asset could lead to a virtual financial debt offset.

Based on an assumption of overall achievements, as in the past years, of management guidelines, we deem continuity in our valuation approach and value expectations.

### Discounted Cash Flows

Updated assumptions:

- Risk free rate: 3.2% (Italian 10-year government bonds interest rate – last 30 days avg. Source: Bloomberg, April 2024)
- Market return: 11.8% (last 30 days avg. Source: Bloomberg, April 2024)
- Market risk premium: 8.6%
- Beta: 0.9 (mean value of selected comparable companies. Source: Bloomberg 1 year, December 2023)
- Cost of equity: 11.0%
- Cost of debt: 6.5%
- 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 27% EBITDA margin and 18.3% EBIT margin

### DCF Valuation

€m	2024E	2025E	2026E	Perpetuity
<b>Revenues</b>	<b>115.3</b>	<b>127.3</b>	<b>134.0</b>	<b>138.0</b>
<b>EBITDA</b>	<b>30.4</b>	<b>34.6</b>	<b>37.9</b>	<b>37.3</b>
<i>Margin</i>	26.4%	27.2%	28.3%	27.0%
<b>EBIT</b>	<b>18.2</b>	<b>20.3</b>	<b>23.7</b>	<b>25.3</b>
<i>Margin</i>	15.8%	15.9%	17.7%	18.3%
Taxes	(5.1)	(5.7)	(6.6)	(7.0)
<b>NOPAT</b>	<b>13.1</b>	<b>14.6</b>	<b>17.1</b>	<b>18.2</b>
D&A	12.2	14.3	14.3	12.0
Provisions	0.0	0.2	0.2	0.2
<b>Cash flow from P&amp;L operations</b>	<b>25.4</b>	<b>29.1</b>	<b>31.5</b>	<b>30.4</b>
Trade Working Capital	0.6	1.7	(3.0)	(0.8)
Other assets and liabilities	(0.9)	0.6	0.3	0.0
Capex	(10.2)	(17.3)	(13.3)	(12.0)
Financial investments	(6.1)	(5.2)	(5.2)	0.0
<b>Free Cash Flows to be discounted</b>	<b>8.7</b>	<b>9.0</b>	<b>10.4</b>	<b>17.6</b>
WACC	9.2%			
Long-term growth (G)	3.0%			
<b>Discounted Cash Flows</b>	<b>8.0</b>	<b>7.5</b>	<b>8.0</b>	
Sum of Discounted Cash Flows	23.5			
<b>Terminal Value</b>				<b>286.0</b>
Discounted TV	219.9			
<b>Enterprise Value</b>	<b>243.4</b>			
Net Debt (Cash) as of 31/12/2023	47.9			
<b>Equity Value</b>	<b>195.5</b>			
<b>Equity Value per share (€)</b>	<b>6.33</b>			

Source: EnVent Research

### DCF sensitivity (€)

		Long-term growth (g)		
		2.5%	3.0%	3.5%
WACC	8.7%	6.4	7.1	<b>7.9</b>
	9.2%	5.7	<b>6.3</b>	7.0
	9.7%	<b>5.2</b>	5.7	6.3

Source: EnVent Research

### Market multiples

#### 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 2024-25E expected consolidated figures.

Company	EV/Revenues			EV/EBITDA			EV/EBIT			P/E		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
<b>Infrastructure Telco peers</b>												
Telstra	2.6x	2.5x	2.5x	7.5x	7.2x	6.9x	16.5x	15.4x	14.4x	20.9x	19.3x	17.7x
Intred	3.1x	2.8x	2.5x	7.5x	6.6x	5.7x	15.9x	13.8x	11.0x	22.6x	19.4x	15.2x
Planetel	1.2x	1.1x	1.0x	4.8x	4.3x	3.7x	9.8x	7.4x	5.8x	10.0x	7.3x	5.6x
Chorus Limited	6.8x	6.7x	6.5x	9.9x	9.5x	9.1x	29.0x	26.4x	23.4x	neg	neg	neg
Cogent	4.3x	4.0x	3.9x	14.2x	14.4x	11.7x	neg	neg	neg	n.a.	n.a.	n.a.
Tata Communications	3.0x	2.6x	2.3x	14.8x	12.1x	10.2x	34.2x	24.3x	18.6x	48.9x	33.3x	23.4x
Lumen Technologies	1.5x	1.5x	1.5x	4.8x	4.9x	5.0x	16.1x	16.1x	15.0x	neg	neg	10.2x
<b>Average</b>	<b>3.2x</b>	<b>3.0x</b>	<b>2.9x</b>	<b>9.1x</b>	<b>8.4x</b>	<b>7.5x</b>	<b>20.3x</b>	<b>17.2x</b>	<b>14.7x</b>	<b>25.6x</b>	<b>19.8x</b>	<b>14.4x</b>
<b>Median</b>	<b>3.0x</b>	<b>2.6x</b>	<b>2.5x</b>	<b>7.5x</b>	<b>7.2x</b>	<b>6.9x</b>	<b>16.3x</b>	<b>15.8x</b>	<b>14.7x</b>	<b>21.7x</b>	<b>19.4x</b>	<b>15.2x</b>
<b>Other Telco peers</b>												
United Internet	1.2x	1.1x	1.1x	5.3x	4.9x	4.7x	9.4x	8.6x	8.2x	9.1x	7.9x	7.5x
Bredband2	1.2x	1.1x	1.1x	6.8x	6.5x	6.3x	13.9x	12.4x	11.3x	15.6x	14.0x	11.5x
Telia	2.2x	2.2x	2.2x	6.5x	6.3x	6.1x	17.0x	15.5x	15.1x	16.0x	13.5x	12.4x
WideOpenWest	1.9x	1.9x	1.9x	4.4x	4.4x	4.2x	18.2x	16.9x	16.7x	n.a.	neg	n.a.
Frontier Communications	2.6x	2.6x	2.5x	6.9x	6.5x	5.9x	26.4x	24.3x	21.3x	neg	neg	neg
<b>Average</b>	<b>1.8x</b>	<b>1.8x</b>	<b>1.8x</b>	<b>6.0x</b>	<b>5.7x</b>	<b>5.4x</b>	<b>17.0x</b>	<b>15.5x</b>	<b>14.5x</b>	<b>13.6x</b>	<b>11.8x</b>	<b>10.5x</b>
<b>Median</b>	<b>1.9x</b>	<b>1.9x</b>	<b>1.9x</b>	<b>6.5x</b>	<b>6.3x</b>	<b>5.9x</b>	<b>17.0x</b>	<b>15.5x</b>	<b>15.1x</b>	<b>15.6x</b>	<b>13.5x</b>	<b>11.5x</b>
<b>Other Telco peers &amp; datacenter/cloud peers</b>												
Equinix	9.9x	9.0x	8.3x	21.1x	19.0x	17.1x	51.0x	43.3x	35.3x	64.8x	56.8x	48.6x
Digital Realty Trust	11.2x	10.5x	9.6x	22.3x	20.5x	18.5x	70.1x	59.6x	52.7x	nm	nm	55.0x
OVH Groupe	2.6x	2.3x	2.1x	7.0x	6.0x	5.3x	n.m.	37.6x	nm	neg	84.2x	52.0x
Wit	4.1x	3.9x	3.7x	11.0x	10.0x	9.1x	20.1x	17.2x	15.2x	24.2x	19.4x	16.6x
<b>Average</b>	<b>6.9x</b>	<b>6.4x</b>	<b>5.9x</b>	<b>15.3x</b>	<b>13.9x</b>	<b>12.5x</b>	<b>47.1x</b>	<b>39.4x</b>	<b>34.4x</b>	<b>44.5x</b>	<b>53.5x</b>	<b>43.1x</b>
<b>Median</b>	<b>7.0x</b>	<b>6.5x</b>	<b>6.0x</b>	<b>16.1x</b>	<b>14.5x</b>	<b>13.1x</b>	<b>51.0x</b>	<b>40.5x</b>	<b>35.3x</b>	<b>44.5x</b>	<b>56.8x</b>	<b>50.3x</b>
<b>Infrastructure Telco + Other Telco peers</b>												
<b>Average</b>	<b>2.6x</b>	<b>2.5x</b>	<b>2.4x</b>	<b>7.8x</b>	<b>7.3x</b>	<b>6.6x</b>	<b>18.8x</b>	<b>16.5x</b>	<b>14.6x</b>	<b>20.4x</b>	<b>16.4x</b>	<b>12.9x</b>
<b>Median</b>	<b>2.4x</b>	<b>2.4x</b>	<b>2.2x</b>	<b>6.8x</b>	<b>6.5x</b>	<b>6.0x</b>	<b>16.5x</b>	<b>15.5x</b>	<b>15.0x</b>	<b>16.0x</b>	<b>14.0x</b>	<b>12.0x</b>
<b>Full sample</b>												
<b>Average</b>	<b>3.7x</b>	<b>3.5x</b>	<b>3.3x</b>	<b>9.7x</b>	<b>8.9x</b>	<b>8.1x</b>	<b>24.8x</b>	<b>22.6x</b>	<b>18.9x</b>	<b>25.8x</b>	<b>27.5x</b>	<b>23.0x</b>
<b>Median</b>	<b>2.6x</b>	<b>2.5x</b>	<b>2.4x</b>	<b>7.2x</b>	<b>6.6x</b>	<b>6.2x</b>	<b>17.6x</b>	<b>16.9x</b>	<b>15.2x</b>	<b>20.9x</b>	<b>19.4x</b>	<b>15.9x</b>
<b>UNIDATA - Current price on Consensus Estimates</b>	<b>1.4x</b>	<b>1.3x</b>	<b>1.2x</b>	<b>5.4x</b>	<b>4.6x</b>	<b>4.1x</b>	<b>8.6x</b>	<b>7.0x</b>	<b>6.3x</b>	<b>9.9x</b>	<b>7.7x</b>	<b>6.6x</b>
<b>UNIDATA - EnVent Research Target Price and Estimates</b>	<b>2.2x</b>	<b>2.0x</b>	<b>1.9x</b>	<b>8.3x</b>	<b>7.3x</b>	<b>6.6x</b>	<b>13.8x</b>	<b>12.4x</b>	<b>10.6x</b>	<b>19.7x</b>	<b>16.7x</b>	<b>13.6x</b>

Source: EnVent Research on S&P Capital IQ, 12/04/2024

### Comparability warning

Among international players, some have a very significant share of revenues deriving from connectivity services rather than from infrastructures development and we therefore consider their cluster as less suitable for multiples application. Unidata is currently in view of a deep change, not comparable to telco players with revenues coming mostly from connectivity services and not yet a major infrastructure player.

### Multiples application

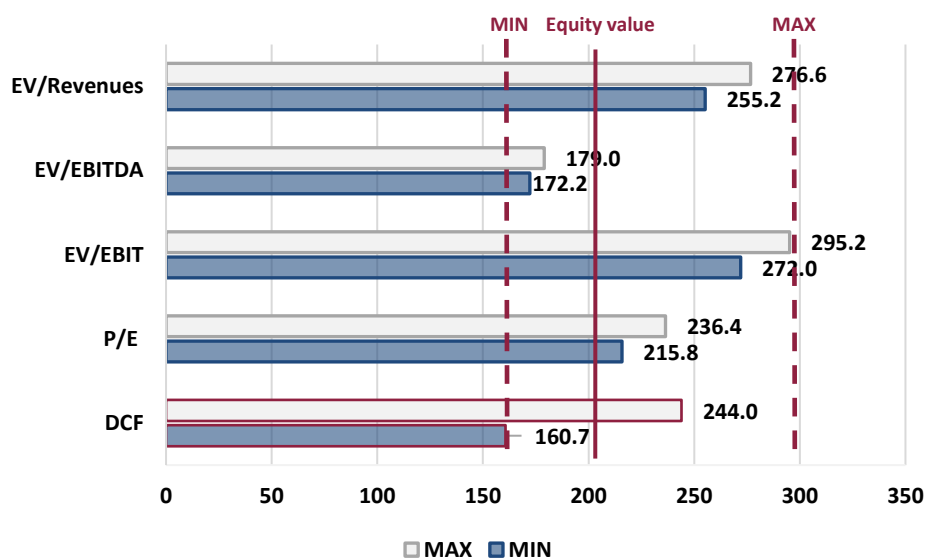
€m

	Unidata	Full sample median	EV	Net Cash (Debt)	Equity Value
<b>2024E Revenues</b>	115.3	2.6x	303.1	(47.9)	255.2
<b>2025E Revenues</b>	127.3	2.5x	324.5	(47.9)	276.6
<b>2024E EBITDA</b>	30.4	7.2x	220.0	(47.9)	172.2
<b>2025E EBITDA</b>	34.6	6.6x	226.9	(47.9)	179.0
<b>2024E EBIT</b>	18.2	17.6x	319.8	(47.9)	272.0
<b>2025E EBIT</b>	20.3	16.9x	343.1	(47.9)	295.2
<b>2024E Net Income</b>	10.3	20.9x			215.8
<b>2025E Net Income</b>	12.2	19.4x			236.4

Source: EnVent Research

### Equity values per share, €

Market multiples based range



Source: EnVent Research

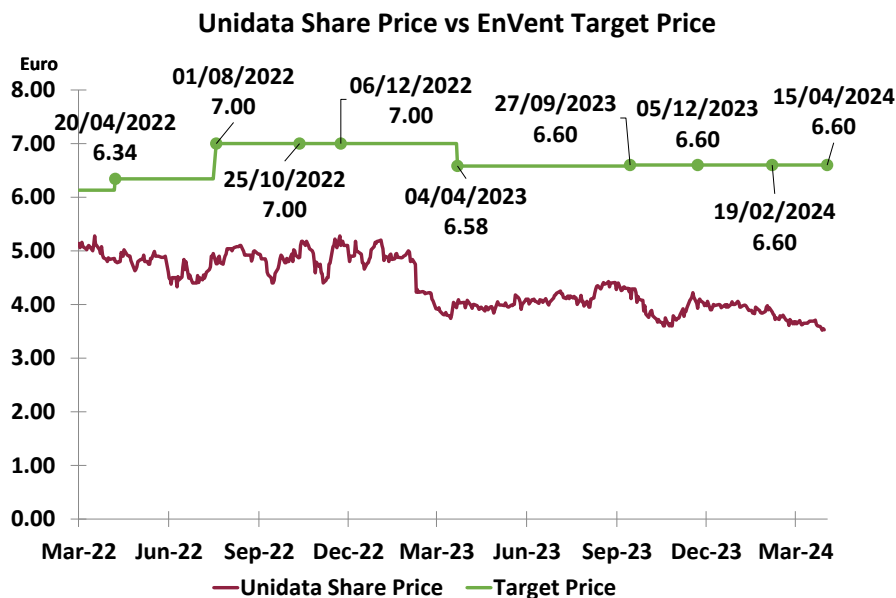
### Target Price

We have conducted our valuation through the DCF method and by analyzing the outcome of updated market multiples. The wide market-based resulting range reflects both comparability issues and an upside potential, which we envisage in the near future after completing infrastructure projects. Our DCF value per share stays in the region of our last note and in an intermediate position within the market values range. Thus, we confirm the target price of €6.60 per share, implying a 87% potential upside on current stock price, and the OUTPERFORM rating.

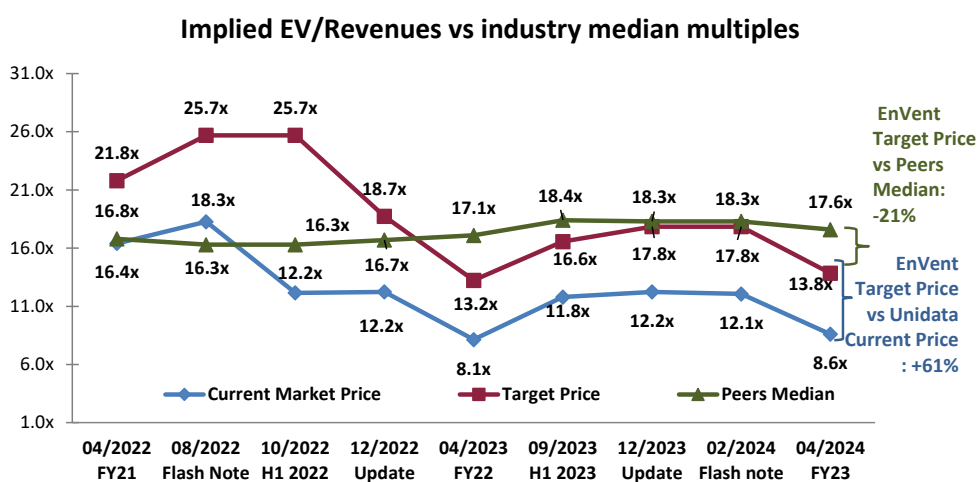
Please refer to important disclosures at the end of this report.

Unidata Price per Share		€
Target Price		6.60
Current Share Price (12/04/2024)		3.53
<b>Premium (Discount)</b>		<b>87%</b>

Source: EnVent Research



Source: EnVent Research on S&P Capital IQ, 15/04/2024



Source: EnVent Research on S&P Capital IQ, 15/04/2024

**DISCLAIMER** (for more details go to [www.enventgroup.eu](http://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 [www.enventgroup.eu](http://www.enventgroup.eu) 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](http://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: 12/04/2024 h. 7.00pm

Date and time of Distribution: 15/04/2024 h. 6.45pm

## DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
29/04/2020	OUTPERFORM	2.00	1.65
20/10/2020	OUTPERFORM	2.27	1.77
13/05/2021	OUTPERFORM	4.70	3.59
12/10/2021	OUTPERFORM	5.27	4.26
06/12/2021	OUTPERFORM	6.13	4.96
20/04/2022	OUTPERFORM	6.34	4.80
01/08/2022	OUTPERFORM	7.00	4.95
25/10/2022	OUTPERFORM	7.00	4.87
06/12/2022	OUTPERFORM	7.00	5.28
04/04/2023	OUTPERFORM	6.58	3.94
27/09/2023	OUTPERFORM	6.60	4.24
05/12/2023	OUTPERFORM	6.60	4.02
19/02/2024	OUTPERFORM	6.60	3.94
15/04/2024	OUTPERFORM	6.60	3.53

**ENVENT RECOMMENDATION DISTRIBUTION (April 15<sup>th</sup>, 2024)**

Number of companies covered:	23	OUTPERFORM	NEUTRAL	UNDERPERFORM	SUSPENDED	UNDER REVIEW	NOT RATED
Total Equity Research Coverage %		91%	9%	0%	0%	0%	0%
of which EnVent clients % *		85%	50%	na	na	na	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 [www.enventgroup.eu](http://www.enventgroup.eu) under “Legal notices” - “Disclaimer”.

Additional information available upon request.

© Copyright 2024 by EnVent Italia SIM S.p.A. - All rights reserved