

EQUITY RESEARCH

UNIDATA S.P.A
 RESULTS REVIEW
BUY**TP 6.0€**

Up/Downside: 114%

1Q25 – Margins improving, revenues +1%, solid debt dynamics

Q1 2025, revenues at €25.5mn (+1% YoY), below our expectations due to the decline in PA-related projects (-43% YoY, from €3.1mn to €1.8mn), which we believe is transitory and not structural. Margins are improving: EBITDA at €7.3mn (+5% YoY, margin 28.8%) and EBT at €3.6mn (+11% YoY), supported by solid debt dynamics. Net debt declined to €38.2mn from €43.8mn (4Q24), thanks to strong operating cash generation (c. € +5mn) and the release of €2.4mn in restricted deposits.

In 1Q25, Unidata reported:

- **Revenues of €25.5mn (+1% YoY), with mixed performance across business lines. Consumer/Business/Wholesale +31/+4/+137% YoY, Public Administration projects -43% YoY, from €3.1mn to €1.8mn. The drop relates to the “project-based” component, which we believe reflects fewer billable milestones on IoT smart water metering projects, potentially affected by delivery variability. We do not believe there is any significant impact from ‘Rome 5G’;**

- **Reseller revenues slightly down at €7.5mn (-3% YoY), consistent with the ongoing shift in mix towards direct channels and higher value-added services, supporting profitability;**

- **EBITDA at €7.3mn (+5% YoY), with margin improving by 113bps to 28.8% (+113bps), driven by cost optimisation and greater contribution from direct-revenue segments. EBIT at €4.6mn (+4% YoY), EBIT margin at 17.9% (+51bps). EBT at €3.6mn (+11% YoY), supported by lower financial charges, in our view also thanks to the solid reduction in debt (€0.95mn vs. €1.14mn);**

- **Net debt reduced to €38.2mn from €43.8mn as of 31 December 2024, thanks to operating cash flow and the release of €2.4mn in deposits (in January 2025);**

- **Buyback confirmed** (UD currently holds 2.1% of share capital, with a 10% threshold, leaving room for further purchases). **Industrial plan 25-27E confirmed** (‘worst case’ Sales / adj.EBITDA / ND 2027E €140mn / €40mn / €10mn);

The investment case for UD remains intact, supported by: (i) improving margins, (ii) visible infrastructure growth (fibre extension to 7,800 km, active JVs with Unifiber and Unitirreno with strong untapped potential), (iii) PA project slowdown – which we consider transitory and not structural, (iv) strategic focus on high value-added services (IoT, smart city, datacenter) and infrastructure-related JVs, sustaining an attractive risk/reward profile.

EPS adjusted to reflect a less aggressive buyback programme than in previous assumptions, as well as the incorporation of more cautious revenue assumptions – without affecting the medium-term targets reiterated by management. **BUY confirmed, TP 6€ confirmed.**

TP ICAP Midcap Estimates	12/24	12/25e	12/26e	12/27e	Valuation Ratio	12/25e	12/26e	12/27e
Sales (m €)	101.3	112.8	123.5	140.0	EV/Sales	1.1	1.0	0.7
Current Op Inc (m €)	15.9	20.9	23.3	29.3	EV/EBITDA	4.1	3.4	2.6
Current op. Margin (%)	15.7	18.5	18.9	20.9	EV/EBIT	6.2	5.1	3.6
EPS (€)	0.28	0.45	0.53	0.69	PE	6.3	5.3	4.1
DPS (€)	0.01	0.01	0.01	0.01	Source: TPICAP Midcap			
Yield (%)	0.2	0.3	0.4	0.5				
FCF (m €)	12.8	9.4	10.4	14.7				

Key data

Price (€)	2.8
Industry	Telecommunications
Ticker	UD-IT
Shares Out (m)	30.887
Market Cap (m €)	86.8
Average trading volumes (k shares / day)	8.830
Next event	FY 2024 - tbc
Source: FactSet	

Ownership (%)

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

Source: TPICAP Midcap estimates

EPS (€)	12/25e	12/26e	12/27e
Estimates	0.45	0.53	0.69
Change vs previous estimates (%)	-7.96	-4.74	-5.38

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-0.4	6.0	-5.7
Rel FTSE Italy	-1.5	-9.2	-19.6



Source: FactSet

Consensus FactSet - Analysts:5	12/25e	12/26e	12/27e
Sales	113.9	122.2	0.0
EBIT	21.1	23.4	0.0
Net income	13.1	15.4	0.0

Analyst

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FINANCIAL DATA

Income Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Sales	51.3	93.3	101.3	112.8	123.5	140.0
Changes (%)	38.8	81.6	8.6	11.3	9.5	13.4
Gross profit	20.3	32.7	36.1	40.8	45.6	52.6
% of Sales	39.5	35.0	35.6	36.2	36.9	37.6
EBITDA	16.2	22.4	27.0	31.3	35.1	40.8
% of Sales	31.6	24.0	26.7	27.8	28.5	29.2
Current operating profit	10.7	12.3	15.9	20.9	23.3	29.3
% of Sales	20.9	13.2	15.7	18.5	18.9	20.9
Non-recurring items	0.0	0.0	-2.4	0.0	0.0	0.0
EBIT	10.7	12.3	15.9	20.9	23.3	29.3
Net financial result	-0.1	-3.0	-3.0	-2.4	-1.9	-1.7
Income Tax	-3.1	-2.5	-3.8	-5.1	-5.9	-7.6
Net profit, group share	7.5	6.7	8.6	13.4	15.5	20.0
EPS	2.96	0.22	0.28	0.45	0.53	0.69
Financial Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Goodwill	0.0	37.5	37.5	37.5	37.5	37.5
Tangible and intangible assets	39.4	77.2	78.2	87.5	91.6	96.7
Right of Use	9.3	9.8	9.7	7.4	6.2	5.1
Financial assets	3.5	9.4	9.1	12.8	16.5	19.2
Working capital	1.1	-8.2	-8.0	0.1	2.3	3.8
Other Assets	3.6	5.1	5.9	5.1	5.1	5.1
Assets	56.9	130.8	132.4	150.3	159.3	167.3
Shareholders equity group	36.9	64.6	73.0	90.4	109.5	132.0
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	8.6	47.2	45.4	41.7	31.6	17.3
Other liabilities	11.4	18.3	13.9	18.3	18.3	18.3
Liabilities	56.9	130.1	132.3	150.4	159.5	167.6
Net debt excl. IFRS 16	3.8	42.4	44.0	40.4	30.3	16.0
Gearing net	0.2	0.7	0.6	0.5	0.3	0.1
Leverage	0.5	2.1	1.7	1.3	0.9	0.4
Cash flow statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
CF after elimination of net borrowing costs and taxes	13.1	18.2	na	23.8	27.4	31.5
ΔWCR	-6.3	0.7	-0.2	-0.9	-2.2	-1.5
Operating cash flow	6.8	18.9	na	22.9	25.2	30.1
Net capex	-11.2	-17.5	-10.6	-13.5	-14.8	-15.4
FCF	-4.4	1.4	12.8	9.4	10.4	14.7
Acquisitions/Disposals of subsidiaries	0.0	-46.7	-0.3	0.0	0.0	0.0
Other investments	-2.1	-5.2	-4.8	0.0	0.0	0.0
Change in borrowings	11.1	36.9	-7.9	0.0	0.0	0.0
Dividends paid	-0.2	-0.3	-0.3	-0.2	-0.3	-0.3
Repayment of leasing debt	-0.6	-0.2	0.0	0.0	0.0	0.0
Equity Transaction	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.4	14.5	-7.5	0.0	0.0	0.0
Change in net cash over the year	4.2	0.4	-8.1	9.2	10.1	14.3
ROA (%)	7.4%	3.6%	5.1%	6.5%	6.8%	7.9%
ROE (%)	20.3%	10.4%	13.4%	14.9%	14.3%	15.2%
ROCE (%)	23.7%	10.0%	11.9%	11.0%	11.4%	13.5%

DISCLAIMER

Analyst certifications

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Methodology

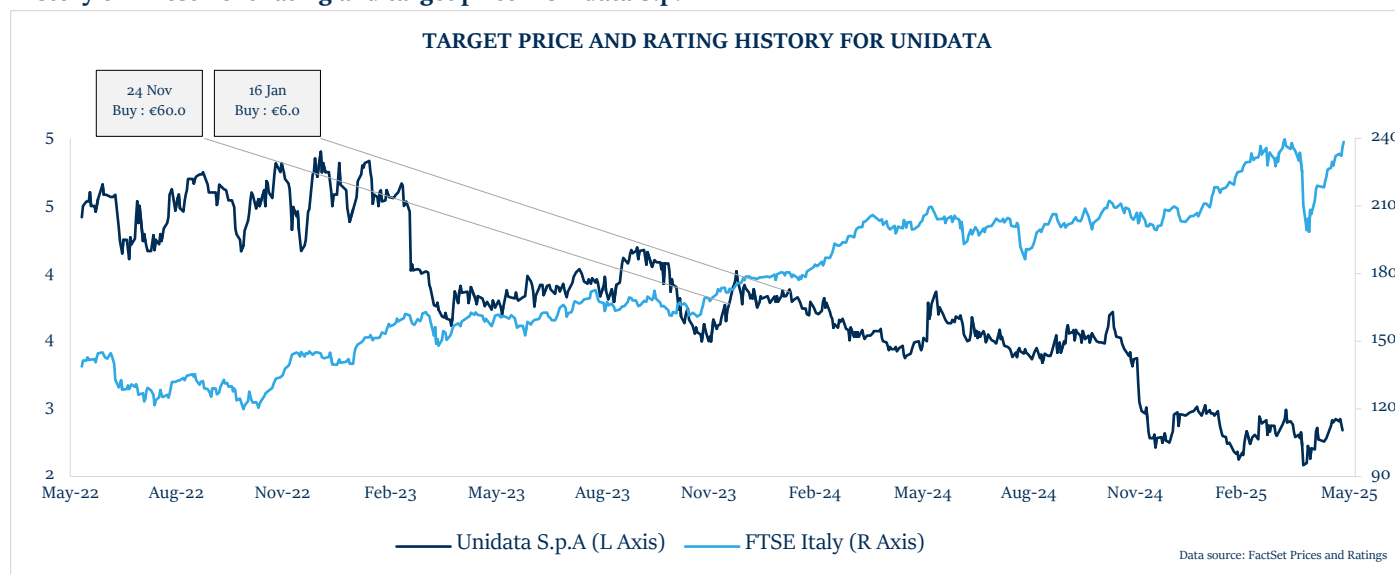
This Report may mention evaluation methods defined as follows:

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



Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
21 Mar 25 - 08:27:48	Michele Mombelli	€ 6.00	€ 6.00	€ 2.99	Achat	Buy
11 Mar 25 - 08:28:47	Michele Mombelli	€ 6.00	€ 6.00	€ 2.85	Achat	Buy
12 Feb 25 - 19:07:34	Michele Mombelli	€ 6.00	€ 6.00	€ 2.59	Achat	Buy
11 Feb 25 - 08:40:40	Michele Mombelli	€ 6.00	€ 6.00	€ 2.61	Achat	Buy
18 Dec 24 - 08:06:17	Davide Longo	€ 6.00	€ 6.00	€ 2.85	Achat	Buy
13 Nov 24 - 07:46:03	Filippo Migliorisi	€ 6.00	€ 6.00	€ 3.23	Achat	Buy
12 Sep 24 - 07:46:41	Filippo Migliorisi	€ 6.00	€ 6.00	€ 3.70	Achat	Buy
11 Sep 24 - 07:51:06	Filippo Migliorisi	€ 6.00	€ 6.00	€ 3.58	Achat	Buy
24 May 24 - 15:05:09	Filippo Migliorisi	€ 6.00	€ 6.00	€ 3.84	Achat	Buy
14 May 24 - 08:29:43	Filippo Migliorisi	€ 6.00	€ 6.00	€ 3.60	Achat	Buy

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	81%	65%
Hold	14%	68%
Sell	3%	20%
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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