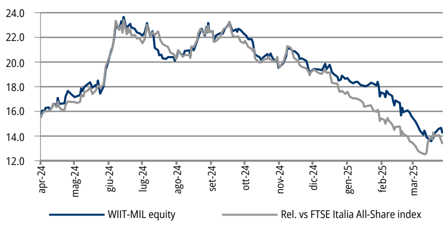
WIIT

Change in Recommendation

BUY ord. *(Prev.:Hold)*
Target: **€ 22.00** *(Prev.: €24.00)*
Risk: Medium

STOCKDATA			ORD
Price (as of 17 Apr 2025)			14.3
Bloomberg Code			WIIT IM
Market Cap (€ mn)			372
Free Float			42%
Shares Out (mn)			26.1
52 week Range			€ 13.6 - 23.7
Daily Volume			24,634
Performance (%)	**1M**	**3M**	**1Y**
Absolute	-11.2	-24.4	-11.3
Rel to FTSE Italia All-Share	-3.8	-24.2	-16.2
MAIN METRICS	**2024**	**2025E**	**2026E**
SALES Adj	159	171	179
EBITDA Adj	58.0	65.0	71.4
EBIT Adj	29.0	31.0	37.4
NET INCOME Adj	14.8	16.1	20.8
EPS Adj - €c	56.8	61.9	79.9
DPS Ord - €c	30.0	30.0	30.0
MULTIPLES	**2024**	**2025E**	**2026E**
P/E ord Adj	34.1x	23.1x	17.9x
EV/EBITDA Adj	12.7x	9.1x	8.0x
EV/EBIT Adj	25.3x	19.1x	15.2x
REMUNERATION	**2024**	**2025E**	**2026E**
Div. Yield ord (A)	1.5%	2.1%	2.1%
FCF Yield Adj	2.0%	6.1%	7.6%
INDEBTEDNESS	**2024**	**2025E**	**2026E**
NFP Adj	-213	-201	-180
D/Ebitda Adj	3.7x	3.1x	2.5x

PRICE ORD LAST 365 DAYS



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UPGRADE TO BUY: MARKET TURMOIL CREATES AN OPPORTUNITY

We move back to BUY on WIIT given 1) the significant derating since our downgrade and 2) the attractive features of WIIT business model in the current macro context (visible top-line, high margins, good FCF, excellent M&A track-record). The stock is trading at 8.0x EV/EBITDA 2026 vs. 15x 5-year average.

■ Market turmoil creates an opportunity to move back to BUY on WIIT

We move back to BUY on WIIT given 1) the stock weak performance (-32% absolute and -38% relative to Italian Mid Cap since our downgrade in August 2024) and 2) **key features of WIIT business model** that are **particularly attractive in our view in the current deteriorating macro environment**:

- **WIIT business model is offering visible organic trends** thanks to
  - **almost 90% of sales generated by multi-year recurring contracts**, with backlog/sales at 1.6x at the end of 2024;
  - **very high client stickiness, with limited churn** at the moment of contract renewal (we estimate 2% churn rate in Italy and 4% in Germany);
  - **premium positioning** on managed cloud services for **mission critical applications** to mid corporates (€ 400k+ average revenue per direct client in 2024), protecting the company from possible cuts in IT spending by corporates in weak macro periods;
- **high profitability** (36.6% EBITDA margin and 18.3% EBIT margin in 2024, moving to 39.9% and 20.9% respectively in 2026 thanks to operating leverage, cost synergies and lower D&A);
- **good FCF generation (6.1%-7.6% FCF yield 2025-2026)**;
- **no direct impact from the US tariffs** (business is 100% generated in Europe), with indirect impact (deterioration of client financial performance due to tariffs), **mitigated by good diversification in terms of clients** (no clients above 4% of sales and largest 20 clients accounting for 24% of group sales) and **end markets**;
- **A lively recent news flow on contract renewals/extensions and new logos** (i.e. new clients), providing visibility on MSD organic growth over the next 12-24 months;
- **A very effective buy-and-build strategy** executed over the last few years, offering:
  - A strong track record in terms value creation;
  - Improved geographical diversification, with well-balanced presence in Italy and Germany and nascent exposure to Switzerland;
  - Attractive contribution to top-line, EBITDA and NI growth, also thanks to synergies;
- **Interesting multiples at 9.1x-8.0x EV/EBITDA, 23x-18x Adj. PE and 6.1%-7.6% FCF yield 2025-26,** well below historical levels (15x EV/EBITDA average in the last 5 years);
- **Positive momentum for European cloud operators**, due to growing concerns on the over-reliance of European corporates and PA to US hyperscalers.

On the negative side:

- **the company is quite leveraged** with D/EBITDA 2024 at 3.6x (or 2.9x adjusted for leases and current market value of treasury shares). We however **do not see any refinancing issue**, considering the deleverage path in 2025-26 (3.1-2.5x D/EBITDA or 2.4x-1.9x net of leases and treasury shares) and the resiliency of the business. **We also do not expect an equity issue to finance new M&A at these depressed levels**;
- **multiples are not particularly cheap compared to the broader market** (Italian Industrial mid-caps are trading at 6x EV/EBITDA and 12x PE) and there are no direct peers providing a clear benchmark. However, we think **WIIT earnings visibility is much higher compared to the broader market**.

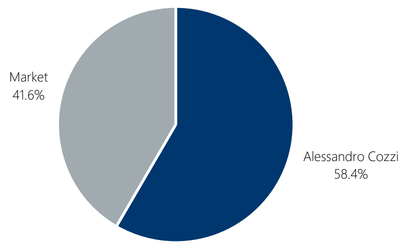
■ Valuation set at € 22PS, with >50% upside from current prices

We set our target at € 22PS vs. prev. € 24PS**, derived via both DCF** (WACC = 7.1% and g = 2.5%) **and multiples** (11x EV/EBITDA discounted to 12M from now).
At our target, the stock would trade at 12.2x-10.8x 2025-26 EV/EBITDA, **well below the average 12m-forward EV/EBITDA multiple of around 15x** (range 11x-19x) recorded in the period 2019-2024.

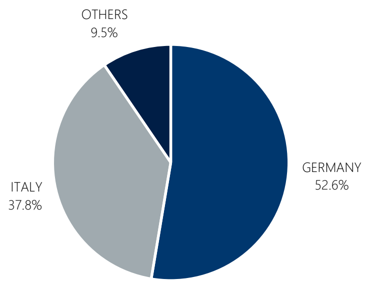
MAIN FIGURES - EURmn	2022	2023	2024	2025E	2026E	2027E
SALES Adj	119	130	159	171	179	188
Growth	54.1%	9.5%	21.9%	7.6%	5.0%	5.2%
EBITDA Adj	42.2	50.8	58.0	65.0	71.4	77.3
Growth	43.1%	20.4%	14.2%	12.0%	10.0%	8.1%
EBIT Adj	23.2	28.0	29.0	31.0	37.4	45.3
Growth	49.7%	20.7%	3.6%	6.7%	21.0%	20.9%
PBT Adj	17.6	20.2	20.4	22.4	28.9	35.5
Growth	37.5%	14.8%	1.1%	9.6%	29.0%	23.0%
Net Income Adj	12.5	15.1	14.8	16.1	20.8	25.6
Growth	51.8%	20.5%	-1.9%	9.1%	29.0%	23.0%
MARGIN - %	2022	2023	2024	2025E	2026E	2027E
EBITDA Adj Margin	35.5%	39.0%	36.6%	38.1%	39.9%	41.0%
Ebit Adj margin	19.5%	21.5%	18.3%	18.1%	20.9%	24.0%
Pbt Adj margin	14.8%	15.5%	12.9%	13.1%	16.1%	18.9%
Net Income Adj margin	10.5%	11.6%	9.3%	9.4%	11.6%	13.6%
SHARE DATA	2022	2023	2024	2025E	2026E	2027E
EPS Adj - €c	47.0	57.4	56.8	61.9	79.9	98.3
Growth	47.7%	22.0%	-1.0%	9.1%	29.0%	23.0%
DPS ord(A) - €c	30.0	30.0	30.0	30.0	30.0	30.0
BVPS	1.5	1.2	1.3	1.5	1.8	2.3
VARIOUS	2022	2023	2024	2025E	2026E	2027E
Capital Employed	242	254	264	257	245	236
FCF	-5.1	5.4	10.4	22.7	28.2	31.2
CAPEX	27.0	24.7	26.7	26.0	26.0	26.0
Working capital	4.9	4.7	-1.3	-1.1	-0.6	0.0
Trading Working capital	11.3	7.7	10.4	10.6	11.1	11.7
INDEBTNESS	2022	2023	2024	2025E	2026E	2027E
Nfp Adj	-183	-202	-213	-201	-180	-157
D/E Adj	4.59	6.22	6.24	5.24	3.81	2.57
Debt / EBITDA Adj	4.3x	4.0x	3.7x	3.1x	2.5x	2.0x
Interest Coverage	7.1x	6.0x	6.6x	7.6x	8.3x	7.9x
MARKET RATIOS	2022	2023	2024	2025E	2026E	2027E
P/E Ord Adj	38.3x	34.0x	34.1x	23.1x	17.9x	14.5x
PBV	14.6x	15.0x	15.0x	9.7x	7.9x	6.1x
EV FIGURES	2022	2023	2024	2025E	2026E	2027E
EV/Sales	5.7x	5.6x	4.6x	3.5x	3.2x	2.9x
EV/EBITDA Adj	16.1x	14.4x	12.7x	9.1x	8.0x	7.1x
EV/EBIT Adj	29.3x	26.0x	25.3x	19.1x	15.2x	12.1x
EV/CE	2.8x	2.9x	2.8x	2.3x	2.3x	2.3x
REMUNERATION	2022	2023	2024	2025E	2026E	2027E
Div. Yield ord	1.4%	1.6%	1.5%	2.1%	2.1%	2.1%
FCF Yield Adj	-0.9%	1.1%	2.0%	6.1%	7.6%	8.4%
Roce Adj	7.7%	8.4%	8.3%	8.8%	11.0%	13.9%

Source: Company data and Equita SIM estimates

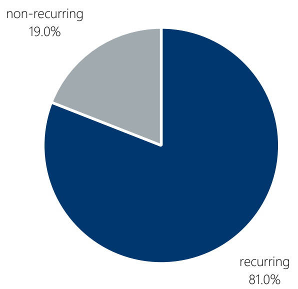
SHAREHOLDERS



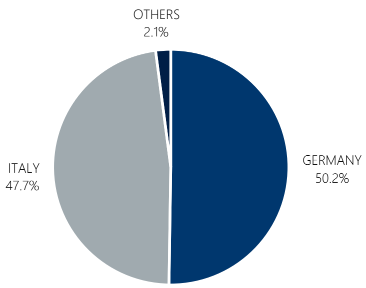
SALES BY GEOGRAPHY



SALES BY NATURE



EBITDA BY GEOGRAPHY



BUSINESS DESCRIPTION

WIIT is a leading Italian player in the Private and Hybrid Cloud market. The company is supporting its clients, operating in diversified end markets (manufacturing, fashion, utilities, energy, defence, etc) in the transition from a traditional on-premise IT infrastructure model to a premium cloud model for their mission-critical applications. WIIT supplies **recurring management services on the cloud** spanning from **Infrastructure** (servers, storage, etc.) to application **Platforms** (ERP management, security services, 24/7 assistance, disaster recovery and business continuity), to **Applications** (monitoring and fault management of critical Applications, with a strong focus on SAP).

WIIT business model can count on: 1) a **portfolio of tier1 customers**, with a **good diversification** in terms of clients and end-markets; 2) high visibility on sales and cashflow thanks to **multi-year contracts with very low churn rate**; 3) **strong reputation**, driven by i) a **redundant network of best-in-class data centers**, ii) a large set of **high-level certifications**, in particular related to **SAP** Outsourcing operations; iii) strong client **references**.

WIIT is operating in a sector experiencing a structural HSD growth, thanks to the benefit generated from the **new "as-a-service" model compared to the traditional "on-premise" model: 1) full flexibility to scale up/down systems and services**, based on actual needs; 2) **improved level of reliability and security**; 3) optimization of IT costs and switch of IT spending from capex to opex. In particular, **private cloud is providing an IT infrastructure developed for the specific needs of a single company**, usually for mission-critical applications.

WIIT is operating in Italy, Germany (since 2020) and Switzerland (since 2024). The first two markets are worth respectively around € 700mn and € 2,400mn and offer similarities in terms market structure (many mid-sized manufacturing companies with a large penetration of SAP as ERP).

WIIT has delivered an impressive 36% top-line CAGR and 34% Adj. EBITDA CAGR in 2019-2024, driven by double digit contribution of organic growth and by successful M&A (in Italy Adelante in 2018, Matika in 2019, Etaeria and Aedera in 2020, ERP Tech in 2022; in Germany myLoc in 2020, Mivitec, Boreus and Gecko in 2021, Lanson in 2022, Global Access in 2023, Edge&Cloud and Michgehl&Partners in 2024, in Switzerland Econis in 2024).

WIIT is controlled by WIIT Fin, a vehicle owned by Mr. Alessandro Cozzi, the founder of the company. Mr. Cozzi controls 58.4% of the share capital and more than 70% of the voting rights, thanks to a double voting right for shareholders keeping the shares for at least 24 months.

6-YEAR HISTORICAL RESULTS

	2019	2020	2021	2022	2023	2024	CAGR 2018-23
SALES	33.9	52.9	77.1	118.8	130.1	158.6	36%
growth	34.4%	56.1%	45.6%	54.1%	9.5%	21.9%	
Adj. EBITDA	13.2	18.3	29.5	42.2	50.8	58.0	34%
growth	26.7%	38.8%	61.2%	43.1%	20.4%	14.2	
margin	38.9%	34.6%	38.3%	35.5%	39.0%	36.6%	

Source: Company data

STRENGTHS / OPPORTUNITIES	WEAKNESSES /THREATS
- Structurally growing market, with organic and external opportunities - High percentage of recurring revenues, with very low churn and well-diversified client base - High profitability and limited recurring capex - High-quality tangible and intangible asset base (data centers, certifications, references) - Strong M&A track record	- Limited size in the broad ICT market - Limited geographical diversification - Partial inflation protection in existing contracts - High leverage - Limited liquidity also due to limited free float - Risk of asset failures

UPGRADE TO BUY: MARKET TURMOIL CREATES AN OPPORTUNITY

We think recent market turmoil has created an opportunity to move back to BUY on WIIT. The stock has been indeed quite weak (-28% YTD absolute and relative to Italian Mid Cap) despite some **key features of WIIT business model that are particularly attractive in our view in the current deteriorating macro environment** and are therefore not properly priced at current stock price:

- **WIIT business model is offering visible organic trends** thanks to
    - **almost 90% of sales generated by multi-year recurring contracts**, with backlog/sales at 1.6x at the end of 2024;
    - **very high client stickiness, with limited churn** at the moment of contract renewal (we estimate 2% churn rate in Italy and 4% in Germany);
    - **premium positioning** on managed cloud services for **mission critical applications** to mid corporates (€ 400k+ average revenue per direct client in 2024), protecting the company from possible cuts in IT spending by corporates in weak macro periods;
- **high profitability** (36.6% EBITDA margin and 18.3% EBIT margin in 2024, moving to 39.9% and 20.9% respectively in 2026 thanks to operating leverage, cost synergies and lower D&A);
- **good FCF generation (6.1%-7.6% FCF yield 2025-2026)**;
- **no direct impact from the US tariffs** (business is 100% generated in Europe), with key risk therefore related to indirect impact on WIIT customers (deterioration of client financial performance due to tariffs), **mitigated by good diversification in terms of clients** (no clients above 4% of sales and largest 20 clients accounting for 24% of group sales) and **end markets** (sales well distributed among media, fashion/retail, finance, professional services, consumer products, manufacturing and others);
- **A lively recent news flow on contract renewals/extensions and new logos** (i.e. new clients), confirming WIIT solid competitive positioning and providing visibility on MSD organic growth over the next 12-24 months;
- **A very effective buy-and-build strategy** executed over the last few years, offering:
    - A strong track record in terms value creation;
    - Improved geographical diversification, with mono-country business transformed into a well-balanced presence in Italy and Germany and nascent exposure to Switzerland;
    - Attractive contribution to long-term top-line, EBITDA and NI growth, also thanks to synergies yet to be extracted by most recent deals;
- **Stock price performing poorly since our downgrade last August** (-32% absolute performance or -38% relative to the Italian Mid Cap index), **offering an interesting entry point at current levels, with multiples now at 9.1x-8.0x EV/EBITDA, 23x-18x Adj. PE and 6.1%-7.6% FCF yield 2025-26,** well below historical levels (5-year average 12m-forward EV/EBITDA = 15x);
- **Positive stock momentum for European players offering cloud services**, supported in our view by growing concerns on the over-reliance of European corporates and PA to US hyperscalers, in the current scenario of geopolitical fragmentation and increasing relevance of EU GDPR directive.

WIIT VS. ITALIAN MID CAP INDEX

Source: Factset

On the negative side:

- **the company is quite leveraged** with D/EBITDA 2024 at 3.6x (or 2.9x adjusted for leases and current market value of treasury shares) with € 150mn bond issued at very compelling rates (2.375%) maturing in October 2026. **We however do not see any refinancing issue**, considering the deleverage path in 2025-26 (3.1-2.5x D/EBITDA or 2.4x-1.9x net of leases and treasury shares) and the resiliency of the business. **We do not expect also an equity issue to finance M&A at these depressed levels**;
- **multiples are not particularly cheap compared to the broader market** (Italian Industrial mid caps are trading at 6x EV/EBITDA and 12x PE) and there are no direct peers providing a clear benchmark. However, we think **WIIT earnings visibility is much higher compared to the broader market**, given the disruption in global GDP prospects created by the "reciprocal" tariff announcement on more cyclical/discretionary sectors.

We set a target at € 22PS (from previous € 24PS)**, as the average between DCF** (WACC = 7.1% and g = 2.5%) **and multiples** (11x EV/EBITDA, 21x Adj. PE 2026 discounted to 12M from now), at slight premium to peers with similar operating margin (10.9-9.1x average EV/EBITDA 2025-26), given WIIT premium positioning and attractive growth profile (+21% historical Adj. EPS CAGR 2021-24 and +20% Adj. EPS CAGR projected in the 2024-2027E period).

DFCF ANALYSIS (€ mn)

Assumptions			2025	2026	2027	2028	2029	Beyond
g	2.5%	Sales	170.6	179.1	188.3	195.9	203.7	208.8
WACC	7.1%	*Change %*	*7.6%*	*5.0%*	*5.2%*	*4.0%*	*4.0%*	*2.5%*
		Adj. EBITDA	65.0	71.4	77.3	80.4	83.6	83.6
		Change %	*12.0%*	*10.0%*	*8.1%*	*4.0%*	*4.0%*	*0.0%*
		Margin	38.1	39.9	41.0	41.0	41.0	40.0
		D&A	-34.0	-34.0	-32.0	-32.0	-32.0	-32.1
		Adj. EBIT	31.0	37.4	45.3	48.4	51.6	51.4
		Change %	*6.7%*	*20.9%*	*20.9%*	*6.8%*	*6.6%*	*-0.3%*
Valuation		*Margin*	9.9%	18.1	20.9	24.0	24.7	25.3
NPV of FCF (2025-29)	147	Taxes	-7.7	-9.4	-11.3	-12.1	-12.9	-12.9
NPV of Terminal Value	647	EBIT after Tax	23.2	28.1	33.9	36.3	38.7	38.6
Estimated Enterprise Value	795	*Change %*	*6.7%*	*20.9%*	*20.9%*	*6.8%*	*6.6%*	*-0.3%*
2024 NFP	-213	Capex	-33.0	-30.0	-30.0	-30.9	-31.5	-32.1
Adjustment to NFP	0	(increase) decrease in NWC	-0.2	-0.5	-0.6	0.0	0.0	0.0
Equity	582	Free Cash Flow before minorities	24.0	31.6	35.4	37.4	39.2	38.6
Peripherals & other	-16	FCF Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity	566	Free Cash Flow after minorities	24.0	31.6	35.4	37.4	39.2	38.6
# of shares (mn)	26.2	Discount Factor	0.98	1.05	1.13	1.21	1.29	1.29
Target Price (€ PS)	22	PV of FCF	24.5	30.0	31.4	31.0	30.3	29.9

Source: Equita SIM estimates

EV/EBITDA MULTIPLE VALUATION (€ mn)

(A) 2026E multiple	11.0 x	(A) 2025E multiple	9.0 x	10.0 x	11.0 x	12.0 x	13.0 x
(B) 2026E EBITDA	71	(B) 2025E EBITDA	71	71	71	71	71
(C)=(A)x(B) EV	786	(C)=(A)x(B) EV	643	714	786	857	929
(D) NFP 2026E	-180	(D) NFP 2025E	-180	-180	-180	-180	-180
(E) minorities and others	-3	(E) minorities and others	-3	-3	-3	-3	-3
(F)=(C)+(D)+(E) Stock value (€)	603	(F)=(C)+(D)+(E) Stock value (€)	460	531	603	674	745
(G) Dividends to be cashed-in (€)	16	(G) Dividends to be cashed-in (€)	16	16	16	16	16
(H) = (F)+(G) Total stock value (€)	618	(H) = (F)+(G) Total stock value (€)	475	547	618	690	761
(I) # shares outstanding (mn)	26	(I) # shares outstanding fully diluted	26	26	26	26	26
(J) Discount $(1+Ke)^t$	1.1	(J) Discount $(1+Ke)^t$	1.1	1.1	1.1	1.1	1.1
(K)=(H)/(I)/(J) Target (€ PS)	22	(K)=(H)/(I)/(J) Target (€ PS)	17	20	22	25	28

Source: Equita SIM estimates

TARGET PRICE (€ PS)

Method	Target	Weight
DCF	22	50%
Multiple	22	50%
Target	22	100%

Source: Equita SIM estimates

A FOCUS ON REVENUE RESILIENCY AND ON RECENT CONTRACT NEWFLOW

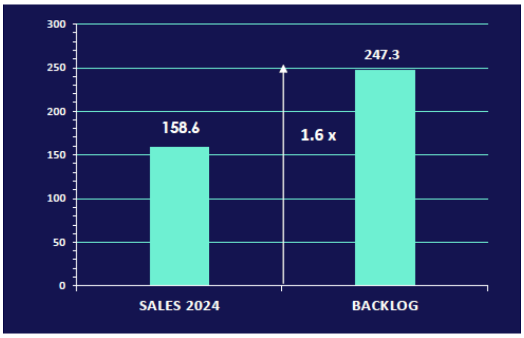
One of the reasons for WIIT resilient business model is its **limited dependence on any client** and **sector**, its **multi-year contract duration** (usually 4-5 years) and its high level of **client stickiness**. We are therefore focusing in this section on the composition of WIIT top-line, supported by the recently released information related to 2024 figures.

■ Recurring multi-year contracts

If we exclude the sales generated by German consultancy company Gecko (€ 16mn sales in 2024), **around 90% of group sales are generated by recurring revenues** (multi-year contracts for cloud managed services), while the remaining cloud-related business is generated by **activation fees** (the payment for the migration of client's IT platforms to WIIT cloud infrastructure) and by **lower value-added HW/SW resale activity** (non-core activity for WIIT, sometime requested by the client as an add-on service).

The multi-year nature of WIIT contracts is confirmed by the size of its backlog (disclosed at the end of each year), accounting for 1.6x yearly sales in 2024 (€ 247.3mn), up from € 158.6 in 2023 thanks to major contract renewals, continuing also in the first months of 2025 (see contract announcement in the following chapter).

WIIT BACKLOG AS AT JAN 1st, 2025 (€mn)

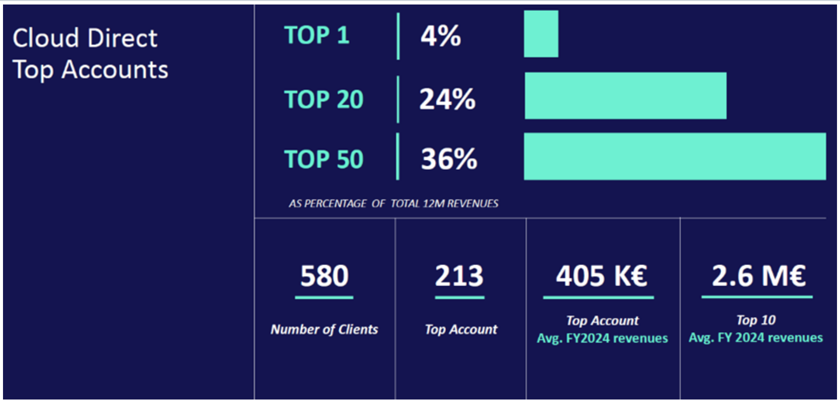


Source: Company presentation

■ Client base made of medium-sized corporates looking for premium cloud services

WIIT is focused on mid-to-large corporate clients, i.e. companies usually generating sales in the € 200-4,000mn range, operating worldwide and with already quite sophisticated IT requirements (therefore interested in private cloud solutions offered by premium players). This is confirmed by the limited number of clients served (580 direct clients at the end of 2024, of which 213 "top accounts") and the relevant average size of contracts (**€ 400+k generated annually on average by top clients**).

WIIT RECURRING CLOUD SALES ANALYSIS BY CLIENTS

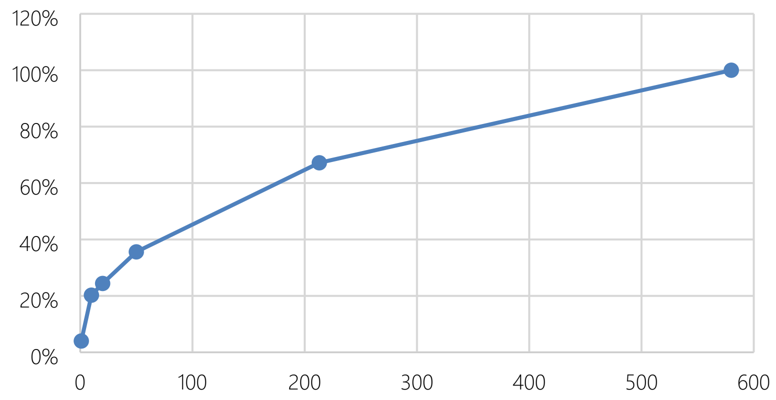


Source: Company presentation

Well diversified client base

WIIT recurring cloud sales (ARR) are quite fragmented, with largest client accounting for just 4%, top 20 clients reaching 24%, top 50 generating 36% and top 213 accounts (out of 580 total direct clients) generating around 2/3 of group ARR sales.

WIIT RECURRING CLOUD SALES CLIENT CONCENTRATION

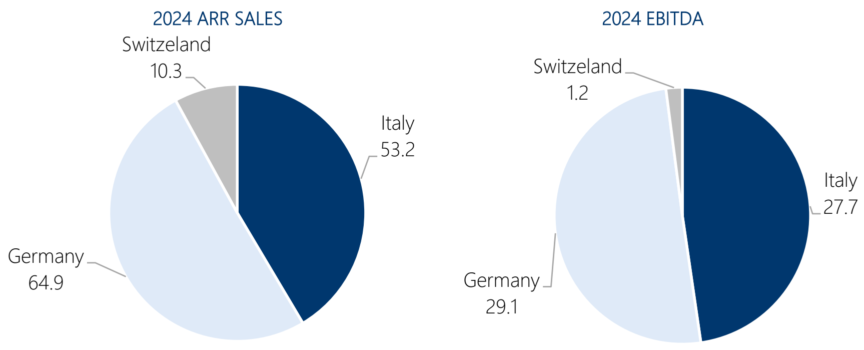


Source: Equita SIM elaboration on Company data

Italy already skewed to PaaS, Germany business model progressing well

41% of group cloud recurring sales (ARR) were generated in Italy and 51% in Germany in 2024, with the remaining 8% generated in recently entered Switzerland.

WIIT SALES AND EBITDA BREAKDOWN BY COUNTRY



Source: Equita SIM elaboration on Company data

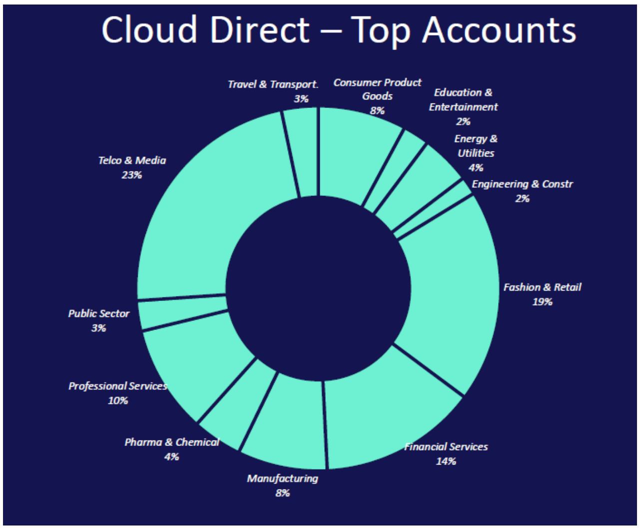
The business in **Germany is slightly more concentrated and enjoys lower profitability compared to Italy:** 34.9% EBITDA margin vs. 46.1% in Italy (with EBITDA in Germany therefore accounting for 50% of group EBITDA, just marginally above Italy). The lower profitability in Germany is partially due to dilution brought by lower-margin consulting company Gecko and by recent acquisitions (**WIIT AG** – i.e. Germany excluding Gecko and acquisition completed in 2024 – was indeed **already at 41.1% EBITDA margin in 2024**). The other reason for the lower profitability is the nature of the services currently offered in Germany, still **more skewed to lower value-added services** (colocation, IaaS) **compared to Italy** (mainly focused on PaaS). This is due to the longer presence of WIIT **in Italy, where the business model has started to move to PaaS already more than 10 years ago vs. a more recent development in Germany**, where WIIT entered in 2020 acquiring companies more focused on co-location/IaaS and is progressively pushing these companies to upsell PaaS services. The recent announcement of a large € 9mn **multi-year contract for PaaS services on Cloud Native platform awarded to WIIT by a large German customer** after a competitive bid against Hyperscalers is an indication in our view of the **good progress in the transition** of the German business to higher value-added services (from co-location to PaaS services).

Switzerland is a restructuring story just started (acquired in April 2024), and already brought to positive EBITDA in 4Q24 and with a target of positive EBIT for 2025.

Good diversification in terms of end markets

Another key feature of WIIT is its **good diversification in terms of end markets**, with direct top accounts generating 23% of sales in Telco&Media, 19% in Fashion&Retail, 14% in Financial Services, 10% in Professional Services, 8% in Consumer Products and 8% in Manufacturing.

WIIT SALES GENERATED BY TOP ACCOUNTS BY END MARKETS



Source: Company presentation

Supportive news flow on contract renewals and new logos

The news flow has been quite supportive over the last 12 months, both in terms of contract renewals/extensions and in terms of new logos (i.e. new clients). Here below we report a list of recent announcements, suggesting a very good visibility on organic growth for 2025, particularly in Italy (rather lively in terms of new logos/upselling). We remind that WIIT is communicating contracts worth more than € 2mn only.

WIIT - CONTRACT ANNOUNCEMENT OVER THE LAST 12 MONTHS (€ mn)

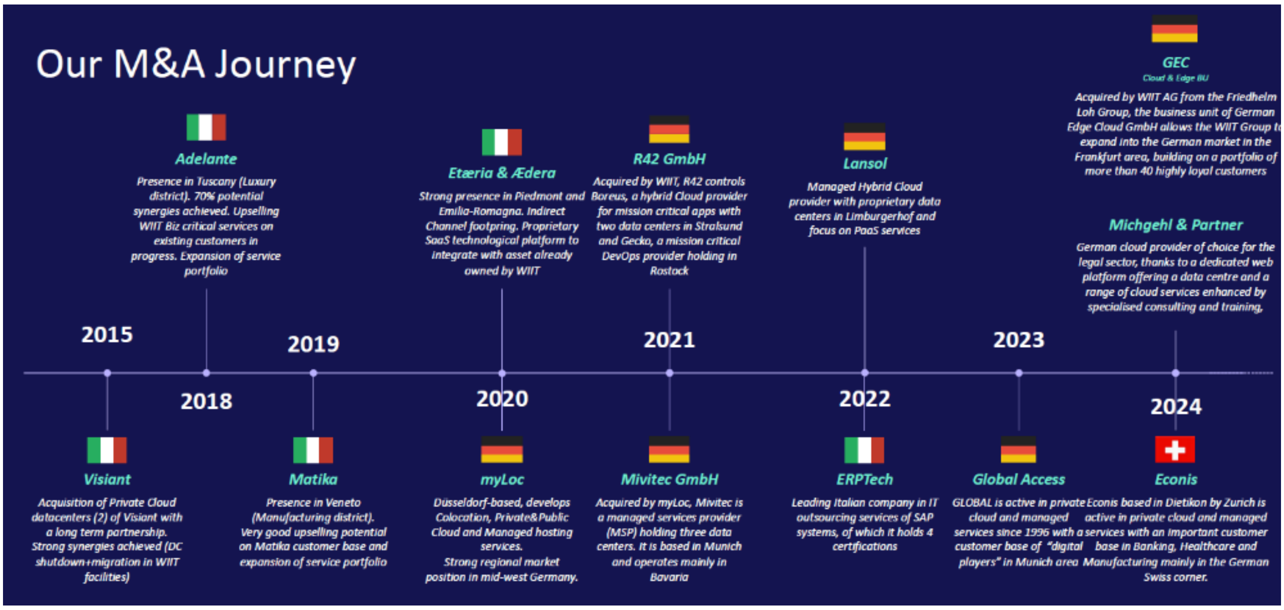
Client sector	Country	Value	Years	Annual sales	New/ upselling	Renewal	Date
Healthcare	Italy	7	5	1.4	1.4	0	May 15, 2024
Electrical distribution	Italy	4.7	4	1.175	0	1.175	Jul 31, 2024
IP protection	Italy	1.9	5	0.38	0.2	0.18	Aug 5, 2024
Manufacturing	Italy	2.8	5	0.56	0.56	0	Oct 21, 2024
Manufacturing	Italy	2.6	5	0.52	0.4	0.12	Oct 31, 2024
System integration	Italy	2.6	5	0.52	0	0.52	Nov 18, 2024
digital marketing	Germany	3.5	5	0.7	0.3	0.4	Dec 11, 2024
PA	Germany	7.5	4	1.875	0.25	1.625	Dec 11, 2024
Fashion	Italy	11.4	5	2.28	0	2.28	Dec 27, 2024
Professional Services	Italy	5	6	0.83	0.3	0.53	Jan 9, 2025
Digital trust	Italy	2.9	5	0.58	0.58	0.00	Mar 24, 2025
digital marketing	Germany	9	5	1.80	0.6	1.20	Apr 7, 2025
TOTAL		60.9		12.6	4.6	8.0	

Source: Equita SIM elaboration on Company data

A VERY EFFECTIVE BUY-AND-BUILD M&A STRATEGY

WIIT boasts a very effective M&A strategy, with an impressive track record both on restructuring stories and add-ons.

WIIT: ACQUISITION TRACK RECORD

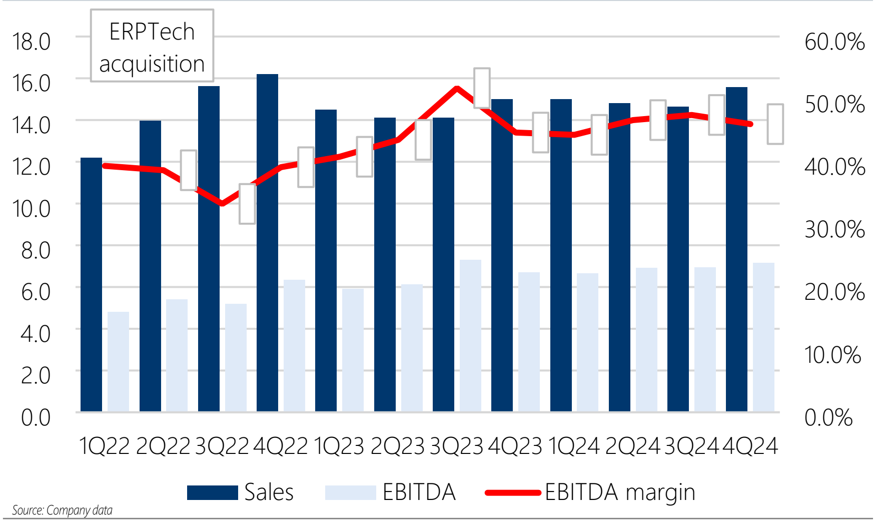


Source: Company presentation

■ Italy: leading position with opportunistic M&A approach

In Italy, the most recent deal was the **acquisition of ERP Tech** (deal closed on March 31st, 2022), a provider of IT outsourcing services for SAP systems at around break-even in terms of EBITDA at the time of the acquisition and **very rapidly integrated in the Italian business**, with country profitability above pre-deal levels in less than 12 months.

ITALIAN SALES/EBITDA EVOLUTION (€ mn) 1Q22-4Q24



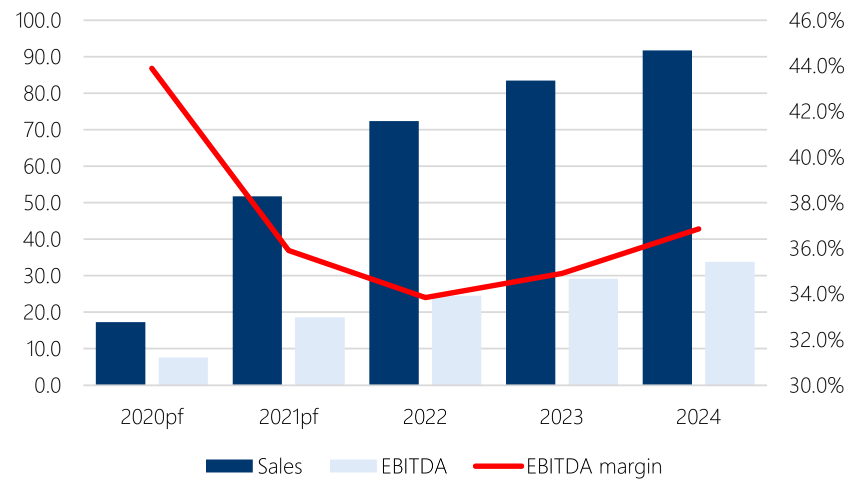
Source: Company data

Germany: a rapid buy&build strategy to acquire size. Now the focus is on upselling

The company entered the German market in 2020 with the acquisition of myLoc and since then has completed 6 other deals:

- **Mivitec (July 2021):** a Munich-based cloud operator specializing in managed services;
- **Release 42 (October 2021):** consisting of Strasund-based hybrid cloud provider Boreus and Rostock-based DevOp provider Gecko;
- **Lansol (September 2022):** a Limburgerhof-based operator specialized in private cloud and Platform as a Service (PaaS) solutions, particularly serving the tax and accounting sectors via an indirect channel;
- **Global Access (January 2023):** a Munich-based private cloud and managed services provider focused on digital players;
- **Cloud&Edge (January 2024):** a Frankfurt area-based operator with competencies in cloud native solutions and Kubernetes;
- **Michgehl&Partner (October 2024)**: a Nordwalde-based player with focus on cloud solutions for the legal sector.

GERMAN SALES/EBITDA EVOLUTION (€ mn) 2020-2024



Source: Company data

Though the business model in Germany, as previously mentioned, is still less focused on value-added services compared to Italy and more skewed to colocation and IaaS solutions (therefore offering lower margin, lower contract duration and lower protection to churn), **Germany boasts already an interesting size** (€ 83.5mn sales, of which € 64.9mn ARR, € 29.1mn EBITDA) **and profitability** (34.9% EBITDA margin), **and has benefitted from a strong integration effort over the last few years**, with all companies offering cloud services **merged in WIIT AG in the summer 2024** and operating under a **unified WIIT brand**. As mentioned before, this effort has already led WIIT AG to an EBITDA margin of 41.1% in 2024, up +500bps compared to 2023. The IT consultant and software development company Gecko, part of Release42 deal, remains a separate legal entity given its different business model.

WIIT is still looking for small but strategic M&A targets in Germany offering **interesting assets** (a loyal customer base, skilled resources, infrastructure) and **room for cost synergies**. **From an organic standpoint, the main focus is on upselling** managed cloud services to the existing customer base and in signing contracts with new logos in order to exploit the recently revamped DC infrastructure and benefit from the high operating leverage.

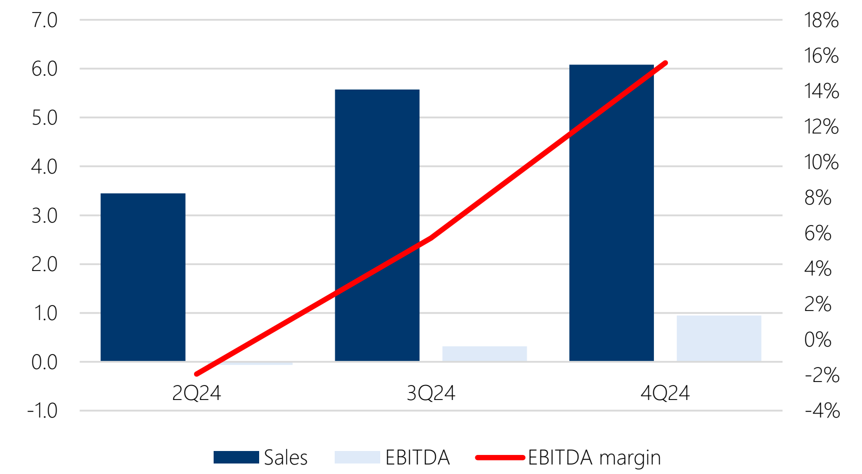
Switzerland: a turnaround story in a new attractive market

In March 2024 WIIT entered the **Swiss market** with the acquisition of Econis, a Zurich-based company offering cloud services mainly to financial, large software and industrial clients. **Econis was generating almost zero EBITDA at the time of the acquisition** (€ -0.1mn EBITDA in 2Q24, first period of consolidation) and has moved to a **modest profitability at**

EBITDA level in 2024 (€ 1.2mn in FY24) with a target to reach **positive EBIT in 2025**, thanks to effective effort on retaining key customers and cutting costs.

Switzerland is an attractive market for WIIT given its size (USD 2bn hybrid cloud market in 2024, not far from Italy at USD 2.91bn), national regulation requiring the provision of certain cloud services from Swiss-based assets and large presence of mid-sized corporates operating in WIIT key end markets. This is therefore an area where WIIT is looking for new M&A opportunities in order to improve its scale and asset base and activate synergies, as done in Italy and Germany in the past few years.

SWISS SALES/EBITDA EVOLUTION (€ mn) 2Q24-4Q24



Source: Company data

■ **M&A strategy: very consistent, well executed and value accretive**

Since 2020, we calculate that **WIIT has acquired more than € 100mn sales**, generating around € 24mn EBITDA before synergies (24% EBITDA margin) and paying an EV of around € 155mn (including earn-outs) or **around 6.5x EV/EBITDA**.

Germany in particular, though not yet at the optimal level in terms of business proposition, **is expected to generate in 2025 € 92mn sales and € 34mn EBITDA** (37% margin) **after € 152.5mn invested in M&A and some € 9mn cash-out for the upgrade of the German Data Centre infrastructure**. The return on investment has been quite impressive in such a short time period and from greenfield.

M&A DEALS SINCE 2020 (€ mn)

Target	Country	Stake	EV**	Sales*	EBITDA*	Margin*	EV/EBITDA	date
MyLoc	Ger	100%	48.3	17.3	8.3	48%	5.8x	2020
Mivitec	Ger	100%	3.0	3.9	0.5	13%	5.9x	2021
Boreus	Ger	100%	53.6	14.6	6.8	47%	7.9x	2021
Gecko	Ger	100%	14.6	13.2	2.1	16%	6.9x	2021
Erptech	It	100%	2.6	7.8	0.5	6%	5.1x	2022
Lansol	Ger	100%	17.3	6.6	2	30%	8.7x	2022
Global Access	Ger	100%	7.3	4.5	1	22%	7.3x	2023
Edge&Cloud	Ger	100%	3.1	9.0	neg	neg	n.m.	2023
Econis	Switz	100%	0.0	20	2	10%	n.m.	2024
Michgehl & Partner	Ger	100%	5.3	4.5	0.8	18%	6.6x	2024
TOTAL			155.0	101.4	24.0	24%	6.5x	

** results related to the fiscal year before the acquisition, excl. Michgehl&Partner (results related to current fiscal year)*
*** including earn-outs and leases*
Source: Company data

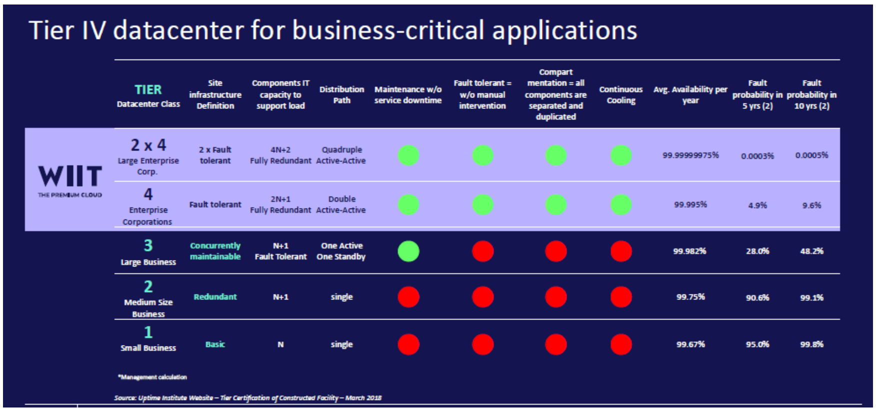
We think WIIT can continue its organic and external growth story given the good level of FCF, providing fresh capital for M&A and deleverage. We think the opportunity to raise new capital to accelerate external growth has been put on hold, given the current depressed stock level, but could be resumed in case of more favourable market conditions.

A PREMIUM POSITIONING UNDERPINNED BY PREMIUM ASSETS

At the heart of WIIT's premium service strategy are its **3 data centers (2 in Milan and 1 in Dusseldorf)**, certified as Tier IV, the most advanced certification level awarded by the Uptime Institute. These facilities:

- Are **fault-tolerant** and built with **quadruple redundancy** (4N+2 architecture);
- Guarantee **99.995% availability**, i.e. less than 30 minutes of downtime per year;
- Are equipped with **fully duplicated and isolated systems**, including power, cooling, and connectivity;
- Ensure **zero service interruption during maintenance or component failure.**

DATA CENTER TIERING ACCORDING TO UPTIME INSTITUTE

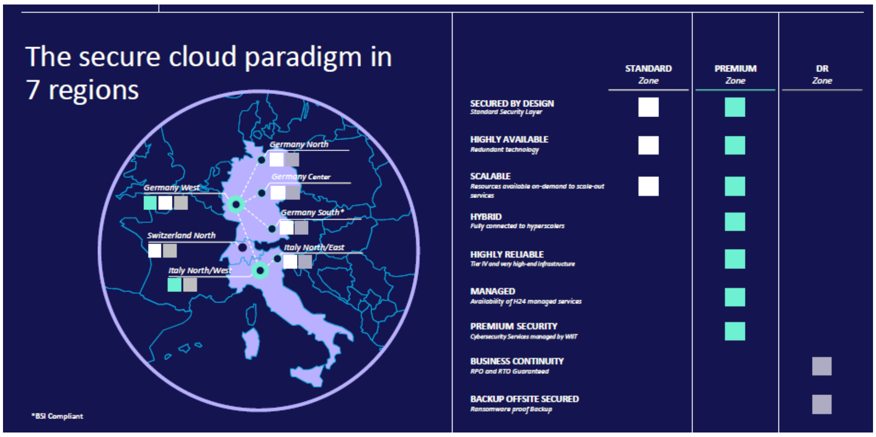


Source: Company data

WIIT's data centers are **strategically distributed across 7 European regions**, allowing proximity to clients and low-latency service. Its infrastructure includes:

- **2 Premium Zones based on Tier IV DC in Germany** (West) and **Italy** (North-West);
- **5 Standard Zones, of which 3 in Germany** (North, Center, South), **1 in Italy** (North-East), **and 1 in Switzerland** (North);
- **Disaster Recovery capabilities in all 7 zones**;
- Full compliance with **BSI** standards in Germany and **GDPR** across the EU, with a focus on **data sovereignty** and **cloud independence** from U.S.-based providers.

WIIT DATA CENTER INFRASTUCTURE



Source: Company data

Each data center is monitored 24/7 through a **Security Operations Center (SOC)**.

Thanks to the relevant investments executed over the past 5 years, WIIT has still ample spare capacity in its existing data centers (more than 50% in Italy and 25% in Germany), allowing for an almost doubling of current sales with no needs of major DC expansion.

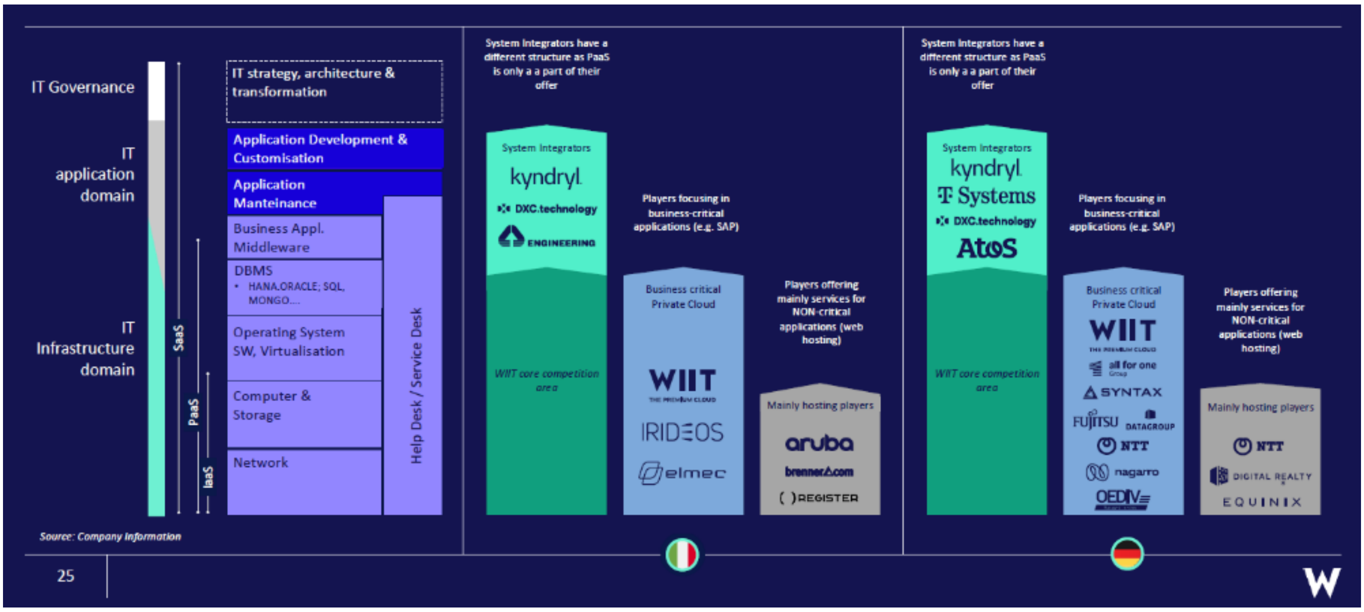
COMPETITIVE POSITIONING AND PEER COMPARISON

WIIT's main competitors are provided in the chart below, for both Italy and Germany. They typically are:

- **System integrators having also a cloud offer** (like DXC, Atos, Engineering in Italy, All-for-one and Datagroup in Germany) or divisions of TLC players focused on system integration/cloud services (like T-System in Germany – part of DT, or Fastweb in Italy);
- **Kyndrill**, the spin-off of IBM offering managed services mostly for corporates using IBM legacy infrastructure;
- Companies more focused on efficient large scale **co-locations/hosting services**, like global players Digital Realty or Equinix or more regional players like Aruba, Register.it, Brenner.Com

If we compare, when available, profitability of these players with WIIT, we find that players more focused on system integration are typically generating an EBITDA margin in the mid-to-high teens level while colocators are typically positioned in the 40-50% margin range.

WIIT COMPETITIVE LANDSCAPE



Source: Company presentation

We have identified some additional peers, not directly competing with WIIT because they mainly offer different services (web hosting, domain management, connectivity) or because they serve mainly retail clients or small-medium enterprises:

- **Ionos**, German player operating mainly in web hosting and with a small cloud offer
- **Digital Ocean**, US players operating in cloud services and managed services
- **Go Daddy**, US players operating mainly in domain and web hosting services
- **OVH**, French player operating in the hybrid and public cloud services for consumers/small enterprises
- **DHH**, Italian player offering mainly IaaS services in Italy and in Eastern European countries.

WIIT is sometime competing also with hyperscalers (Amazon WS, Google Cloud, Microsoft Azure), which are more focused on public cloud and on standard services offered at a global scale, supported by an extensive infrastructure of hyperscale DC. We think WIIT business model and proposition is however focused on different selling points vs. hyperscalers, as summarized in the following table.

COMPETITIVE POSITIONING: WIIT VS. HYPERSCALERS

Dimension	WIIT	Hyperscalers (AWS/Azure/GCP)
Business Focus	Boutique cloud provider for **mission-critical**, regulated workloads	Global-scale public cloud platforms
Client Segment	Enterprise clients	All segments
Service Customization	☑ High (tailor-made hybrid/private cloud)	✕ Low (self-service, standardized)
Managed Services	☑ Full-stack managed services incl. apps & security	✕ Limited; partners provide management layers
Data Center Tier	☑ Tier IV certified	⚠ Mostly Tier III
Geographic Reach	Italy + DACH focus	Global
Recurring Revenue	☑ recurring revenue from long-term contracts	⚠ Usage-based, less predictable per client
CapEx Model	Moderate (acquisitions, premium infrastructure)	Very high (data centers at global scale)
Security & Sovereignty Appeal	☑ Strong, especially in regulated EU sectors	⚠ Questioned for US-based jurisdiction (Cloud Act concerns)

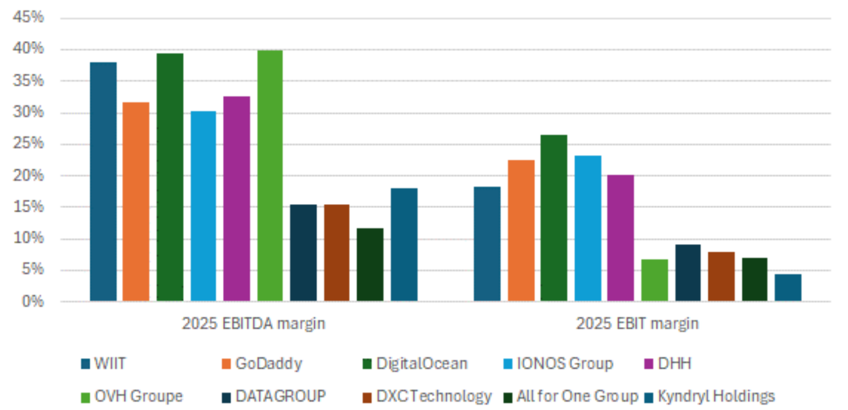
Source: Equita SIM elaboration

In terms of valuation metrics, in the absence of listed pure peers, we are comparing WIIT with the players described above - excluding Hyperscalers, given their global breadth and totally different business model.

As highlighted by the chart below:

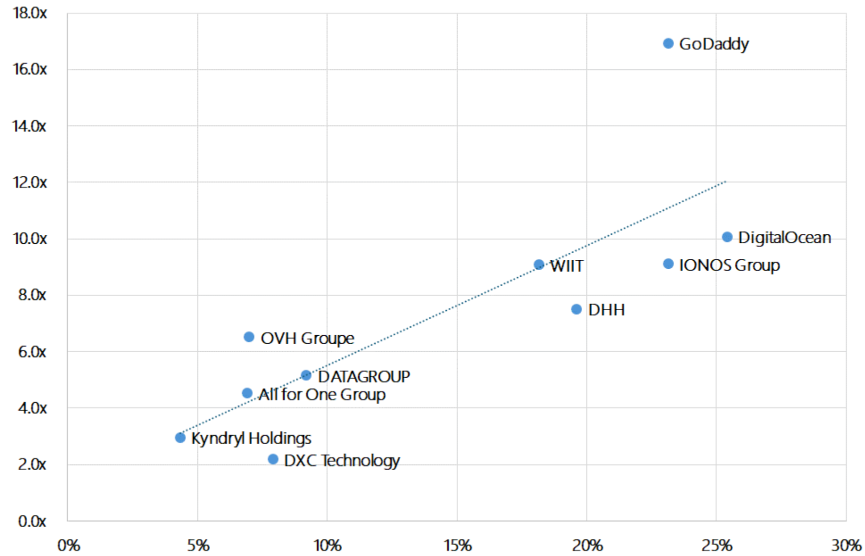
- **peers operating mostly as consultants/system integrators are showing a much lower EBITDA/EBIT margin compared to WIIT** and other cloud providers and deserve much lower EV/EBITDA multiples;
- **OVH is showing an EBITDA margin similar to WIIT and other cloud providers but much lower EBIT margin** due to the lower value-added services provided to its client base and higher capital intensity required to sustain growth. For this reason, the stock is trading at much lower EV/EBITDA multiples compared to cloud players;
- **Ionos, Go Daddy, Digital Ocean and DHH are more comparable to WIIT in terms of EBITDA/EBIT margins and growth profile**, even though they have a different positioning (**Ionos and Go Daddy are more focused on web hosting services**, **Digital Ocean is more focused on standard public cloud services** for SMEs, **DHH is more focused on connectivity/infrastructure services** and geographically more exposed to the Balkan region).

PEER COMPARISON: EBITDA/EBIT MARGIN



Source: Equita SIM estimates and Factset consensus

EV/EBITDA 2026 vs. EBIT MARGIN 2026



Source: Equita SIM estimates and Factset consensus

ESTIMATES OFFERING GOOD VISIBILITY

We had revised our estimates after the release of 2024 results to factor in:

- **More prudent organic sales growth** (+4.2% vs. previous +6.7%, with Italy at +6.5%, Germany at +3.2% and Switzerland – still in consolidation mode - flat);
- **Similar EBITDA (around € 65mn)**, **with improved margin** (38.1% vs. previous 36.2% exp.), thanks to lower low-value-added sales and confirming of synergies from past acquisitions in Germany;
- **Higher D&A** (moving up to €34mn in 2025 and 2026 and back to € 32mn in 2027 excluding PPA) due to shorter (3-year) operating leases for the recent CAPEX (as already visible in 2024 D&A, up to € 29.0mn vs. € 22.8mn in 2023);
- **Lower Adj. EPS** due to higher D&A and tax rate (28% vs. 26% expected).

ESTIMATE REVISION (€ mn)

	2025E Exp.	2025E Act.	2026E Prev.	2026E Curr.	2027E Prev.	2027E Curr.
Revenues	179.0	170.6	190.0	179.1	199.3	188.3
% chg		-4.7%		-5.8%		-5.5%
Abs chg		-8.4		-10.9		-11.0
Adj. EBITDA	64.8	65.0	73.7	71.4	79.3	77.3
% chg		0.3%		-3.1%		-2.5%
Abs chg		0.2		-2.3		-2.0
Adj. EBIT	35.6	31.0	43.9	37.4	48.9	45.3
% chg		-12.9%		-14.7%		-7.4%
Abs chg		-4.6		-6.5		-3.6
Adj. NI	20.2	16.1	26.3	20.8	27.8	25.6
% chg		-20.3%		-20.9%		-8.1%
Abs chg		-4.1		-5.5		-2.3
FCF	23.5	22.7	29.6	28.2	30.7	31.2
% chg		-3.0%		-4.6%		1.5%
Abs chg		-0.7		-1.4		0.5
CAPEX (+leases)	28.1	33.0	28.9	30.0	30.2	30.0
% chg		17.5%		3.7%		-0.6%
Abs chg		4.9		1.1		-0.2
NFP	-196.8	-200.8	-175.0	-180.3	-144.3	-157.0
% chg		2.0%		3.0%		8.8%
Abs chg		-3.9		-5.3		-12.6

Source: Equita SIM estimates and company data

Even in the current uncertain macro scenario, we think WIIT can deliver +6% top-line CAGR (+7.3% CAGR on ARR), 10% EBITDA CAGR and 20% Adj. EPS CAGR 2024-2027, with estimates **enjoying a good level of visibility** given the **recurring nature of c90% of group cloud sales**, recent **contract announcements** and **€ 4-5mn cost synergies** yet to be extracted by 2027 from past acquisitions in Germany and Switzerland.

SALES BREAKDOWN (€ mn)

	2022	2023	2024	2025E	2026E	2027E
Italy	59.2	57.7	60.0	63.5	67.4	72.0
Germany	60.8	72.4	83.5	91.7	96.7	101.4
Switzerland	0.0	0.0	15.1	15.4	14.9	15.0
TOTAL	118.8	130.1	158.6	170.6	179.1	188.3
Italy	50%	44%	38%	37%	38%	38%
Germany	51%	56%	53%	54%	54%	54%
Switzerland	0%	0%	10%	9%	8%	8%
TOTAL	100%	100%	100%	100%	100%	100%

Source: Company data and Equita SIM estimates

SALES GROWTH AND ARR ORGANIC GROWTH

SALES GROWTH	2022	2023	2024	2025E	2026E	2027E
Italy	14.9%	-0.5%	4.0%	5.8%	6.3%	6.7%
Germany	139.2%	19.1%	15.3%	9.9%	5.4%	4.8%
Others					-3.2%	0.5%
TOTAL	54.1%	9.5%	21.9%	7.6%	5.0%	5.2%
Italy	12.5%	7.8%	8.3%	6.5%	7.0%	7.0%
Germany	9.7%	7.1%	4.2%	3.2%	7.0%	7.0%
Switzerland				0.0%	0.0%	5.0%
Total ARR organic	11.0%	7.4%	6.1%	4.2%	6.4%	6.5%

Source: Company data and Equita SIM estimates

EBITDA BREAKDOWN (€ mn)

	2022	2023	2024	2025E	2026E	2027E
Italy	21.7	26.3	27.7	29.4	31.4	33.5
Germany	20.5	24.5	29.1	33.8	37.0	39.7
Switzerland			1.2	1.7	3.0	4.0
TOTAL	42.2	50.8	58.0	65.0	71.4	77.3
Italy	36.7%	45.6%	46.1%	46.4%	46.6%	46.6%
Germany	33.6%	33.8%	34.9%	36.9%	38.3%	39.2%
Switzerland			7.9%	11.0%	20.1%	26.7%
EBITDA Margin	35.5%	39.0%	36.6%	38.1%	39.9%	41.0%

Source: Company data and Equita SIM estimates

We are positioned 3%/4% below consensus on 2025-2026-2027 sales but broadly in line in terms of Adj. EBITDA, probably due to a more prudent assumption on Econis top-line contribution. At Adj. EBIT and Adj. EPS level, we are factoring in the temporary ramp-up in D&A, expected to normalize in 2027.

EQUITA ESTIMATES VS. CONSENSUS (€ mn)

	Consensus			Equita estimates			Equita vs Consensus		
	2025	2026	2027	2025	2026	2027	2025	2026	2027
Sales	176.2	186.5	197.0	170.6	179.1	188.3	-3%	-4%	-4%
Adj. EBITDA	65.7	72.0	77.0	65.0	71.4	77.3	-1%	-1%	0%
Adj. EBIT	34.4	40.6	45.4	31.0	37.4	45.3	-10%	-8%	0%
Adj. EPS (€)	68.5	85.8	96.7	61.9	79.9	98.3	-10%	-7%	2%

Source: Equita SIM estimates and Factset consensus

4Q24 RESULTS

On March 11th, WIIT reported 4Q24 results. Main highlights:

- **Revenues: € 43.4mn vs. € 44.6mn expected** (+28% vs. +31% expected), due to the lower contribution of organic growth (4.4% vs. 7.8% expected), while the M&A contribution was broadly in line (€8.1mn).
- **EBITDA margin better than expected (35.5% vs. 32.4% expected), bringing EBITDA substantially in line with our estimates**. On a like-for-like basis, the FY24 margin would have been 41.1%, up +210bps year-over-year.
  - In Italy, the EBITDA margin was at 46% in FY24 (45.7% expected)
  - in Germany EBITDA margin stood at 37.9% (35.1% expected) or 41.1% excluding M&A and the Gecko advisory business (36.3% in FY23).
  - Small positive contribution to EBITDA came from Switzerland (€ 1.7mn);
- EBIT and NI were below expectations due to higher D&A and taxes;
- **NFP was in line with expectations** at € -212.5mn, with an improvement of €2mn compared to 3Q24;
- The proposed DPS was € 0.30, in line with expectations.

From the call, the main messages were:

- **Switzerland**: 2025 EBITDA target is €1.7mn, implying a small positive EBIT (€ 0.3mn);
- **2025 Capex**: €25/27mn net of IFRS Capex, stable vs 2024;
- **M&A**: priority to integration, though management is still looking at some foreign bolt-on acquisitions.

WIIT - 4Q 24 - RESULTS

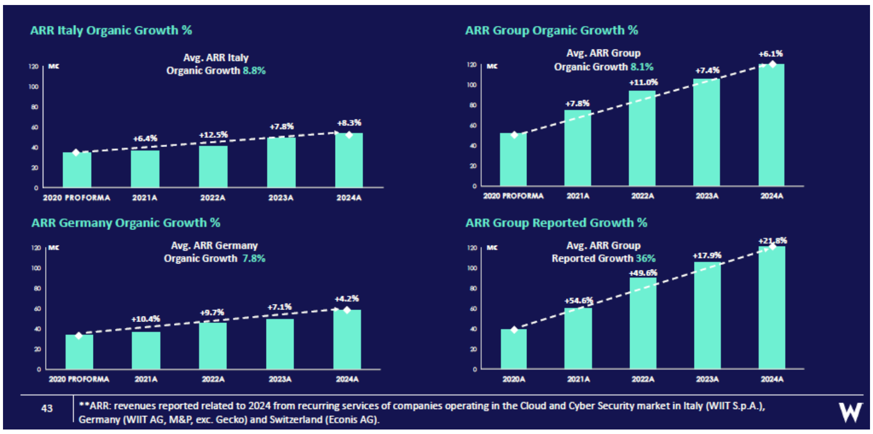
		EXPECTED		REPORTED	
	Q4-23	Q4-24E	YoY gr. %	Q4-24E	YoY gr. %
Revenues	32.0	44.6	25%	43.4	36%
Adjusted EBITDA	13.4	14.4	3%	15.4	15%
Margin	41.7%	32.4%	-	35.5%	-
Adj. EBIT	7.6	7.1	-13%	8.1	7%
Margin	23.8%	16.0%	-	18.7%	-
Adj. net income	4.9	3.7	-31%	2.6	-47%
Margin	15.4%	8.2%	-	6.0%	-
Net income	3.0	2.6	-18%	-0.9	-130%
Margin	9.2%	5.8%	-	-2.0%	-
NFP	-200	-212.5	8%	-212.7	7%

Source: Equita SIM estimates, Bloomberg consensus and Company data

On a FY24 basis, WIIT has delivered an organic growth in ARR of +6.1%, of which +8.3% in Italy and +4.2% in Germany.

Here below we highlight the historical trend in ARR organic growth over the last 4 years (2021-2024), both at group level and for the Italian and German markets.

HISTORICAL ORGANIC GROWTH IN ARR



Source: Company presentation

VALUATION UPDATED TO € 22PS

We have updated the valuation to reflect the higher WACC triggered by recent market turmoil, **reducing the target to € 22PS** from the previous € 24 (updated post 4Q24 results to reflect mainly the revised estimates), with an implied multiple of 10.8x-9.7x EV/EBITDA 2026-2027 and 28x-23x Adj. PE 2026-2027.

DFCF ANALYSIS (€ mn)

Assumptions			2025	2026	2027	2028	2029	Beyond
g	2.5%	Sales	170.6	179.1	188.3	195.9	203.7	208.8
WACC	7.1%	*Change %*	*7.6%*	*5.0%*	*5.2%*	*4.0%*	*4.0%*	*2.5%*
		Adj. EBITDA	65.0	71.4	77.3	80.4	83.6	83.6
		Change %	*12.0%*	*10.0%*	*8.1%*	*4.0%*	*4.0%*	*0.0%*
		Margin	38.1	39.9	41.0	41.0	41.0	40.0
		D&A	-34.0	-34.0	-32.0	-32.0	-32.0	-32.1
		Adj. EBIT	31.0	37.4	45.3	48.4	51.6	51.4
		Change %	*6.7%*	*20.9%*	*20.9%*	*6.8%*	*6.6%*	*-0.3%*
Valuation		*Margin*	9.9%	18.1	20.9	24.0	24.7	25.3
NPV of FCF (2025-29)	147	Taxes	-7.7	-9.4	-11.3	-12.1	-12.9	-12.9
NPV of Terminal Value	647	EBIT after Tax	23.2	28.1	33.9	36.3	38.7	38.6
Estimated Enterprise Value	795	*Change %*	*6.7%*	*20.9%*	*20.9%*	*6.8%*	*6.6%*	*-0.3%*
2024 NFP	-213	Capex	-33.0	-30.0	-30.0	-30.9	-31.5	-32.1
Adjustment to NFP	0	(increase) decrease in NWC	-0.2	-0.5	-0.6	0.0	0.0	0.0
Equity	582	Free Cash Flow before minorities	24.0	31.6	35.4	37.4	39.2	38.6
Peripherals & other	-16	FCF Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity	566	Free Cash Flow after minorities	24.0	31.6	35.4	37.4	39.2	38.6
# of shares FD (mn)	26.2	Discount Factor	0.98	1.05	1.13	1.21	1.29	1.29
Target Price (€ PS)	22	PV of FCF	24.5	30.0	31.4	31.0	30.3	29.9

Source: Equita SIM estimates

DCF SENSITIVITY (€ PS)

		Perpetuity growth		
		2.0%	2.5%	3.0%
WACC	6.6%	22	25	30
	7.1%	19	22	25
	7.6%	17	19	22

Source: Equita SIM estimates

By applying a multiple of 11x EV/EBITDA, at a slight premium compared to the average of the players identified as most representative (at least in terms of profitability level) with respect to which WIIT offers in our opinion a business with greater visibility (more stable customer base, longer-term contracts, higher value added proposition) and a better growth profile (at least on a historical perspective), **we arrive at a valuation of € 22 PS**.

EV/EBITDA MULTIPLE VALUATION (€ mn)

(A) 2026E multiple	11.0 x	(A) 2026E multiple	9.0 x	10.0 x	11.0 x	12.0 x	13.0 x
(B) 2026E EBITDA	71	(B) 2026E EBITDA	71	71	71	71	71
(C)=(A)x(B) EV	786	(C)=(A)x(B) EV	643	714	786	857	929
(D) NFP 2026E	-180	(D) NFP 2026E	-180	-180	-180	-180	-180
(E) minorities and others	-3	(E) minorities and others	-3	-3	-3	-3	-3
(F)=(C)+(D)+(E) Stock value (€)	603	(F)=(C)+(D)+(E) Stock value (€)	460	531	603	674	745
(G) Dividends to be cashed-in (€)	16	(G) Dividends to be cashed-in (€)	16	16	16	16	16
(H) = (F)+(G) Total stock value (€)	618	(H) = (F)+(G) Total stock value (€)	475	547	618	690	761
(I) # shares outstanding (mn)	26	(I) # shares outstanding (mn)	26	26	26	26	26
(J) Discount $(1+Ke)^t$	1.1	(J) Discount $(1+Ke)^t$	1.1	1.1	1.1	1.1	1.1
(K)=(H)/(I)/(J) Target (€ PS)	22	(K)=(H)/(I)/(J) Target (€ PS)	17	20	22	25	28

Source: Equita SIM estimates

We set the target at € 22PS, as the average between DCF e multiple valuation.

TARGET PRICE (€ PS)

Method	Target	Weight
DCF	22	50%
Multiple	22	50%
Target	22	100%

Source: Equita SIM estimates

The implied multiple at our target price of 12.2x-10.8x 2025-26 EV/EBITDA **is well below the average 12m-forward EV/EBITDA multiple of around 15x** (range 11x-19x) recorded in the period 2019-2024.

WIIT HISTORICAL EV/EBITDA MULTIPLE

Source: Company data

WIIT AND PEERS MULTIPLES

Company	Curr.	Price	Mkt cap (€mn)	EV (€ mn)	PERF 12M	EV/EBITDA 2025E	EV/EBITDA 2026E	EV/EBIT 2025E	EV/EBIT 2026E	P/E 2025E	P/E 2026E	EBITDA margin 2025E	EBITDA margin 2026E	EBIT margin 2025E	EBIT margin 2026E	ND/ Ebitda 2025E
WIIT	EUR	14.3	372	590	-26%	9.1x	8.0x	19.1x	15.2x	23.1x	17.9x	38%	40%	18%	21%	3.1x
Go Daddy	USD	171.8	21,556	23,121	-13%	16.9x	14.1x	23.1x	18.8x	26.7x	21.6x	32%	34%	23%	25%	1.1x
DigitalOcean	USD	27.4	2,215	3,081	-20%	10.1x	8.4x	15.6x	12.6x	14.3x	12.5x	39%	40%	25%	26%	2.8x
IONOS Group	EUR	28.2	3,948	4,608	29%	9.1x	7.7x	11.9x	9.9x	17.0x	14.3x	30%	31%	23%	24%	1.3x
DHH	EUR	19.8	104	106	-14%	7.5x	6.3x	12.4x	10.2x	nm	nm	32%	33%	20%	20%	0.1x
OVH Groupe	EUR	12.1	1,832	2,956	38%	6.5x	5.7x	37.3x	26.1x	nm	nm	40%	41%	7%	9%	2.5x
Datagroup	EUR	54.0	451	451	17%	5.2x	4.8x	8.6x	7.8x	nm	nm	15%	16%	9%	10%	1.9x
DXC Technology	USD	14.4	2,291	3,717	-28%	2.2x	1.9x	4.3x	3.5x	4.2x	4.1x	15%	15%	8%	8%	0.8x
All for One Group	EUR	50.6	252	1,280	-13%	4.5x	3.8x	7.7x	6.2x	10.3x	8.9x	12%	12%	7%	8%	0.5x
Kyndryl Holdings	USD	29.2	5,990	6,828	-16%	3.0x	2.4x	12.2x	7.5x	15.8x	9.3x	18%	19%	4%	6%	0.4x

Source: Equita SIM estimates and Factset consensus, calendarized data

STATEMENT OF RISKS FOR WIIT

The primary factors that could negatively impact the stock include:

- Risk of asset failure causing damages to clients or hit on reputation;
- Inability to integrate announced acquisitions and to deliver projected synergies;
- Inability to find and execute new accretive M&A deals;
- Higher-than-expected cost inflation on opex and capex, impacting margins and FCF generation;
- Market share gains by software vendors distributed on the cloud on which WIIT could have a lower credibility/know how compared to existing portfolio;
- Deterioration in the geopolitical risk;
- Inability to attract new talents and retain key managers.

P&L - €mn	2022	2023	2024	2025E	2026E	2027E
SALES Rep	119	130	159	171	179	188
Growth	54.1%	9.5%	21.9%	7.6%	5.0%	5.2%
EBITDA Rep	39.8	46.9	56.3	65.0	71.4	77.3
Growth	70.7%	18.0%	20.0%	15.4%	10.0%	8.1%
Margin	33.5%	36.0%	35.5%	38.1%	39.9%	41.0%
D&A	-23.5	-27.4	-35.0	-40.0	-40.0	-38.0
EBIT Rep	16.2	19.5	21.3	25.0	31.4	39.3
Growth	218.2%	19.9%	9.5%	17.2%	26.0%	24.9%
Margin	13.7%	15.0%	13.4%	14.6%	17.6%	20.8%
Net Interest Charges	-5.6	-7.8	-8.6	-8.6	-8.6	-9.7
Equity & Financials	0.0	0.0	0.0	0.0	0.0	0.0
Other Financials	0.8	0.0	0.0	0.0	0.0	0.0
Financial Expenses	-4.8	-7.8	-8.6	-8.6	-8.6	-9.7
Non Recurrings	0.8	0.0	0.0	0.0	0.0	0.0
PBT Rep	11.4	11.7	12.7	16.4	22.9	29.5
Growth	1356.4%	2.0%	8.6%	29.2%	39.6%	29.1%
Income Taxes	-3.6	-3.3	-3.4	-4.4	-6.1	-7.9
Tax rate	-31.5%	-28.5%	-26.7%	-26.7%	-26.7%	-26.7%
Minority Interest	0.0	-0.1	0.0	0.0	0.0	0.0
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Net Income Rep	7.8	8.3	9.3	12.0	16.8	21.7
Growth	n.m.	5.6%	12.2%	29.2%	39.6%	29.1%
Margin	6.6%	6.4%	5.9%	7.0%	9.4%	11.5%
Net Income Adj	12.5	15.1	14.8	16.1	20.8	25.6
Growth	51.8%	20.5%	-1.9%	9.1%	29.0%	23.0%
Margin	10.5%	11.6%	9.3%	9.4%	11.6%	13.6%

CF Statement	2022	2023	2024	2025E	2026E	2027E
FFO	30.0	36.4	45.9	52.9	58.8	61.7
Chg. in Working Capital	-6.9	-1.0	-5.8	-0.2	-0.5	-0.6
Other chg. in OCF	0.0	0.0	0.0	0.0	0.0	0.0
NCF from Operations	23.1	35.4	40.1	52.7	58.2	61.2
CAPEX	-27.0	-24.7	-26.7	-26.0	-26.0	-26.0
Financial Investments	-27.4	-10.5	-13.2	0.0	0.0	0.0
Other chg in investments	-1.2	-5.3	-4.8	-7.0	-4.0	-4.0
NCF from Investments	-55.6	-40.5	-44.7	-33.0	-30.0	-30.0
Dividends paid	-8.4	-7.8	-7.8	-7.8	-7.8	-7.8
Capital Increases	-5.3	-9.9	-1.4	0.0	0.0	0.0
Other changes in financing	3.2	3.6	3.3	0.0	0.0	0.0
NCF from Financing	-10.5	-14.1	-5.9	-7.8	-7.8	-7.8
CHG IN NFP	-43.0	-19.2	-10.5	11.9	20.4	23.4

Source: Company data and Equita SIM estimates

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BUY	ETR >= 10%	ETR >= 15%	ETR >= 20%
HOLD	-5% <ETR< 10%	-5% <ETR< 15%	0% <ETR< 20%
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Date	Rec.	Target Price	Risk.	Comment
March 24, 2025	Hold	24.00	Medium	-
October 18, 2024	Hold	26.00	High	-
August 2, 2024	Hold	24.00	High	change in upside/downside potential because of stock performance

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