

# WIIT

Sector: Industrials

# OUTPERFORM

Price: Eu16.06 - Target: Eu25.00

## EPS Set to Double in 3 Years: Pipeline Growth and M&A Boost

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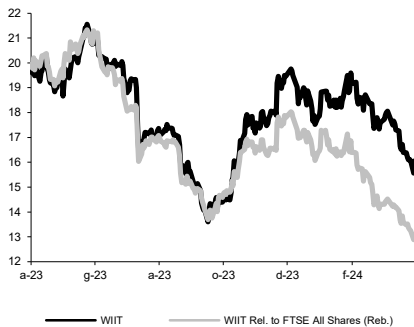
### Stock Rating

<b>Rating:</b>	Unchanged		
<b>Target Price (Eu):</b>	from 24.00 to 25.00		
	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Chg in Adj EPS</b>	-3.9%	8.1%	16.5%

### Next Event

**1Q24** Results out 9 May 2024

### WIIT - 12M Performance



### Stock Data

Reuters code:	WIIT.MI
Bloomberg code:	WIIT IM

Performance	1M	3M	12M
Absolute	-8.9%	-10.1%	-18.1%
Relative	-8.7%	-23.4%	-40.0%
12M (H/L)	21.55/13.60		
3M Average Volume (th):	25.43		

### Shareholder Data

No. of Ord shares (mn):	28
Total no. of shares (mn):	28
Mkt Cap Ord (Eu mn):	450
Total Mkt Cap (Eu mn):	450
Mkt Float - Ord (Eu mn):	165
Mkt Float (in %):	36.7%
Main Shareholder:	
WIIT Fin Srl	56.5%

### Balance Sheet Data

Book Value (Eu mn):	37
BVPS (Eu):	1.32
P/BV:	12.2
Net Financial Position (Eu mn):	-203
Enterprise Value (Eu mn):	653

- 1Q24 preview.** The company will release 1Q results on 9 May. We expect sales to have risen 5% YoY to €33.5mn, with Italy at €15.1mn (up 4%) and Germany €18.4mn (up 6%), not yet benefitting from the Edge&Cloud acquisition (consolidated as of 2Q). Moving to profitability, we expect adj. EBITDA to have reached €13.0mn (up 8.5% YoY), a 38.9% margin (up 1.2pp YoY). Within the mix, Italy (€6.7mn) should have continued to enjoy an outstanding margin (45%), with QoQ improvements in Germany (€6.3mn, 34.6% margin). Adj. EBIT should have come to €7.0mn, with adj. net profit of €3.7mn. Net debt should have risen slightly to €210mn (€169mn ex-IFRS16 and treasury shares) reflecting a €6mn cashout for M&A and CapEx of €8mn.
- Acquisition of Econis AG in Switzerland.** In late March WIIT announced the acquisition of 100% of Econis AG for c.€1.8mn (CHF0.77mn paid at closing + €1mn of transaction costs). The multiple paid (0.9x EV/EBITDA pre synergies) is not meaningful, as the asset is a turnaround story, with attractive value creation prospects thanks to possible integration with the German division, WIIT AG. Management aims to achieve c.€6-7mn of synergies after an estimated 18/24-month integration period. Despite the margin dilution, especially in 2024, we view this operation as strategically sound as it opens up growth opportunities in Switzerland, and in an appealing reference sector (finance). Furthermore, it provides financial accretion, with minimal expenses (including leases and integration CapEx) in return for generating €3mn in FCF within 2-3 years.
- Change in estimates.** We are including the acquisition of Econis in our estimates as of 2Q24, with the first full year of integration in 2025 and the first full year of synergies in 2026. Compared to our previous estimates, we are lifting the top line by 9%/14%/14% for FY24/25/26 respectively. Although adj. EBITDA remains largely unchanged in FY24 at €56mn, we are raising it by 6% in FY25 (to €66mn) and 10% in FY26 (to €74mn), leading to changes of -4%/+8%/+17% to adj. EPS for FY24/FY25/26. Leverage (ex-IFRS16 and treasury shares) is expected to narrow from 2.9x in FY24 to a healthy 1.7x in FY26, when the company will have to refinance its €150mn bond.
- OUTPERFORM confirmed, new TP at €25 (from €24).** On our revised estimates, adj. EPS is expected to more than double over the next 3 years. We are raising our DCF-based target price to €25 (from €24), or 13x EV/EBITDA'25 (broadly in line with the historical average, the stock is currently trading at c.10x). The stock still offers a compelling entry point, prompting us to reiterate our positive view. WIIT should continue to benefit from its leading position as a digital champion, further consolidating small M&A targets in Italy and gaining scale in Germany while entering other markets in the DACH area (Switzerland). WIIT is also well placed in a market with sound growth prospects underpinned by an embedded technological shift from on-premises to cloud infrastructure and services. The company should exploit this trend through its strong market positioning in the premium cloud niche, which is suitable for mission-critical applications requiring the tightest SLAs, and by taking advantage of its extremely scalable business model.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	119	130	162	180	192
EBITDA Adj (Eu mn)	42	51	56	66	74
Net Profit Adj (Eu mn)	13	15	17	25	31
EPS New Adj (Eu)	0.446	0.538	0.608	0.882	1.112
EPS Old Adj (Eu)	0.446	0.538	0.632	0.816	0.955
DPS (Eu)	0.300	0.300	0.304	0.441	0.556
EV/EBITDA Adj	18.9	14.3	11.6	9.7	8.3
EV/EBIT Adj	34.3	25.9	21.0	16.3	13.1
P/E Adj	36.0	29.9	26.4	18.2	14.4
Div. Yield	1.9%	1.9%	1.9%	2.7%	3.5%
Net Debt/EBITDA Adj	4.3	4.0	3.6	2.9	2.3

WIIT – Key Figures						
<b>Profit &amp; Loss (Eu mn)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Sales	77	119	130	162	180	192
EBITDA	23	40	47	56	66	74
EBIT	5	16	19	26	34	43
Financial Income (charges)	-4	-6	-8	-8	-7	-7
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	1	11	12	19	27	36
Taxes	-1	-3	-3	-5	-6	-8
Tax rate	25.0%	31.9%	28.5%	27.0%	23.0%	23.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	-0	7	8	14	21	28
EBITDA Adj	30	42	51	56	66	74
EBIT Adj	15	23	28	31	39	47
Net Profit Adj	9	13	15	17	25	31
<b>Per Share Data (Eu)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Total Shares Outstanding (mn) - Average	28	28	28	28	28	28
Total Shares Outstanding (mn) - Year End	28	28	28	28	28	28
EPS f.d	-0.015	0.258	0.298	0.486	0.753	0.984
EPS Adj f.d	0.331	0.446	0.538	0.608	0.882	1.112
BVPS f.d	1.617	1.480	1.130	1.317	1.768	2.314
Dividend per Share ORD	0.300	0.300	0.300	0.304	0.441	0.556
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	90.7%	67.2%	55.8%	50.0%	50.0%	50.0%
<b>Cash Flow (Eu mn)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Gross Cash Flow	18	31	36	43	53	59
Change in NWC	9	-8	12	1	-1	-1
Capital Expenditure	-21	-28	-25	-31	-26	-25
Other Cash Items	11	3	-19	-19	-19	-19
Free Cash Flow (FCF)	6	-6	23	14	26	33
Acquisitions, Divestments & Other Items	-77	-20	-7	-6	-2	1
Dividends	-3	-8	-8	-8	-8	-12
Equity Financing/Buy-back	19	-8	-10	0	0	0
Change in Net Financial Position	-45	-40	-21	-1	15	21
<b>Balance Sheet (Eu mn)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Total Fixed Assets	205	216	217	217	211	204
Net Working Capital	-10	18	13	12	13	15
Long term Liabilities	19	19	19	19	19	19
Net Capital Employed	186	222	234	240	238	232
Net Cash (Debt)	-141	-181	-202	-203	-188	-168
Group Equity	45	41	32	37	50	65
Minorities	0	0	0	0	0	0
Net Equity	45	41	32	37	50	65
<b>Enterprise Value (Eu mn)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Average Mkt Cap	613	615	523	450	450	450
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-141	-181	-202	-203	-188	-168
Enterprise Value	753	796	726	653	638	618
<b>Ratios (%)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
EBITDA Adj Margin	38.3%	35.5%	39.0%	34.7%	36.8%	38.8%
EBIT Adj Margin	20.1%	19.5%	21.5%	19.2%	21.8%	24.6%
Gearing - Debt/Equity	nm	nm	nm	nm	nm	nm
Interest Cover on EBIT	1.2	2.9	2.5	3.4	4.9	6.3
Net Debt/EBITDA Adj	4.8	4.3	4.0	3.6	2.9	2.3
ROACE*	3.4%	8.0%	8.5%	11.2%	14.4%	18.1%
ROE*	30.7%	28.8%	41.2%	49.7%	57.2%	54.5%
EV/CE	5.1	3.9	3.2	2.8	2.7	2.6
EV/Sales	9.8	6.7	5.6	4.0	3.6	3.2
EV/EBITDA Adj	25.5	18.9	14.3	11.6	9.7	8.3
EV/EBIT Adj	nm	34.3	25.9	21.0	16.3	13.1
Free Cash Flow Yield	1.3%	-1.3%	5.1%	3.0%	5.8%	7.4%
<b>Growth Rates (%)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Sales	46.8%	54.1%	9.5%	24.4%	11.1%	6.8%
EBITDA Adj	61.2%	42.8%	20.5%	10.6%	17.8%	12.6%
EBIT Adj	71.1%	50.0%	20.6%	11.1%	25.6%	21.0%
Net Profit Adj	52.2%	34.9%	20.5%	13.0%	45.1%	26.2%
EPS Adj	44.0%	34.9%	20.5%	13.0%	45.1%	26.2%
DPS	185.7%	0.0%	0.0%	1.3%	45.1%	26.2%

\*Excluding extraordinary items Source: Intermonte SIM estimates

## 1Q24E Preview (Results out 9 May)

### WIIT – 1Q24E Results: P&L

P&L Eu mn	1Q22A	2Q22A	1H22A	3Q22A	9M22A	4Q22A	2022A	1Q23A	2Q23A	1H23A	3Q23A	9M23A	4Q23A	2023A	1Q24E
Revenue	26.4	27.9	54.3	31.1	85.3	33.4	118.8	31.8	32.4	64.2	32.0	96.2	33.9	130.1	33.5
YoY growth	52.1%	60.7%	57.1%	74.0%	61.1%	38.3%	54.1%	20.6%	16.0%	18.2%	3.1%	12.7%	1.5%	9.5%	5.3%
<b>Italy</b>	<b>12.2</b>	<b>14.0</b>	<b>26.2</b>	<b>15.6</b>	<b>41.8</b>	<b>16.2</b>	<b>58.0</b>	<b>14.5</b>	<b>14.1</b>	<b>28.6</b>	<b>14.1</b>	<b>42.7</b>	<b>15.1</b>	<b>57.7</b>	<b>15.1</b>
as % of Group sales	46.1%	50.2%	48.2%	50.3%	49.0%	48.5%	48.8%	45.6%	43.6%	44.6%	43.9%	44.3%	44.4%	44.3%	45.0%
<b>Germany</b>	<b>14.2</b>	<b>13.9</b>	<b>28.1</b>	<b>15.5</b>	<b>43.6</b>	<b>17.2</b>	<b>60.8</b>	<b>17.3</b>	<b>18.3</b>	<b>35.6</b>	<b>18.0</b>	<b>53.5</b>	<b>18.9</b>	<b>72.4</b>	<b>18.4</b>
as % of Group sales	53.9%	49.8%	51.8%	49.9%	51.1%	51.5%	51.2%	54.4%	56.4%	55.4%	56.1%	55.7%	55.6%	55.7%	55.0%
Opex	(16.3)	(18.3)	(34.5)	(21.0)	(55.5)	(21.0)	(76.6)	(19.8)	(20.0)	(39.8)	(18.6)	(58.4)	(20.9)	(79.3)	(20.4)
Adj. EBITDA	10.1	9.6	19.7	10.1	29.8	12.4	42.2	12.0	12.3	24.3	13.4	37.7	13.0	50.8	13.0
YoY growth	40.9%	36.8%	38.9%	32.7%	36.7%	60.9%	43.0%	19.0%	28.0%	23.4%	32.9%	26.6%	5.0%	20.3%	8.5%
<b>margin</b>	<b>38.2%</b>	<b>34.6%</b>	<b>36.3%</b>	<b>32.4%</b>	<b>34.9%</b>	<b>37.1%</b>	<b>35.5%</b>	<b>37.7%</b>	<b>38.1%</b>	<b>37.9%</b>	<b>41.8%</b>	<b>39.2%</b>	<b>38.4%</b>	<b>39.0%</b>	<b>38.9%</b>
<b>Italy</b>	<b>4.9</b>	<b>5.3</b>	<b>10.2</b>	<b>5.1</b>	<b>15.3</b>	<b>6.4</b>	<b>21.7</b>	<b>5.9</b>	<b>6.4</b>	<b>12.3</b>	<b>7.3</b>	<b>19.6</b>	<b>6.6</b>	<b>26.3</b>	<b>6.7</b>
margin	40.1%	38.2%	39.1%	32.5%	36.6%	39.5%	37.5%	40.8%	45.3%	43.0%	52.2%	46.0%	44.1%	45.5%	44.3%
<b>Germany</b>	<b>5.2</b>	<b>4.3</b>	<b>9.5</b>	<b>5.0</b>	<b>14.5</b>	<b>6.0</b>	<b>20.5</b>	<b>6.1</b>	<b>5.9</b>	<b>12.0</b>	<b>6.1</b>	<b>18.1</b>	<b>6.4</b>	<b>24.5</b>	<b>6.3</b>
margin	36.6%	30.9%	33.8%	32.3%	33.3%	34.9%	33.7%	35.3%	32.3%	33.8%	33.9%	33.8%	33.9%	33.8%	34.5%
Extraord	(0.4)	(0.5)	(0.8)	(0.9)	(1.7)	(0.7)	(2.4)	(1.0)	(1.0)	(2.0)	(0.7)	(2.7)	(1.2)	(3.9)	-
Rep. EBITDA	9.7	9.2	18.9	9.2	28.1	11.7	39.8	11.0	11.3	22.3	12.7	35.0	11.8	46.8	13.0
D&A, provisions	(4.4)	(5.0)	(9.4)	(5.0)	(14.4)	(4.5)	(19.0)	(5.3)	(5.7)	(11.0)	(5.7)	(16.7)	(6.0)	(22.7)	(6.0)
Adj. EBIT	5.7	4.6	10.3	5.0	15.4	7.9	23.2	6.7	6.7	13.4	7.7	21.0	7.0	28.0	7.0
margin	21.7%	16.5%	19.1%	16.2%	18.0%	23.6%	19.5%	21.1%	20.6%	20.9%	23.9%	21.9%	20.7%	21.5%	21.0%
Rep. EBIT	4.3	3.0	7.4	2.7	10.1	6.2	16.2	4.5	4.5	9.0	5.7	14.7	4.7	19.5	5.9
Financial Charges	(1.2)	(0.8)	(2.0)	(2.2)	(4.2)	(1.4)	(5.6)	(1.7)	(1.8)	(3.6)	(1.9)	(5.5)	(2.3)	(7.8)	(2.0)
Pretax	3.1	2.3	5.4	0.5	5.9	4.8	10.6	2.8	2.7	5.4	3.8	9.2	2.5	11.7	3.9
taxes	(0.9)	(0.1)	(1.0)	0.5	(0.5)	(2.8)	(3.4)	(0.6)	(1.0)	(1.6)	(0.9)	(2.5)	(0.9)	(3.3)	(1.1)
Net income	2.3	2.2	4.4	0.9	5.4	2.0	7.3	2.2	1.7	3.8	3.0	6.8	1.6	8.3	2.8
Adj. Net income	3.2	2.9	6.1	3.4	9.6	2.9	12.5	3.9	2.8	6.7	5.0	11.6	3.4	15.1	3.7
Net debt	147.0	159.8	159.8	180.0	180.0	180.8	180.8	191.9	198.7	198.7	199.5	199.5	202.2	202.2	210.0

Source: Intermonte SIM (E), Company Data (A), FactSet Consensus (C)

### WIIT – 1Q24E Results: FCF and Net Debt

FCF statement	1Q21A	1H21A	9M21A	2021A	1Q22A	1H22A	9M22A	2022A	1Q23A	1H23A	9M23A	2023E	1Q24E
Net Income	2.7	2.9	4.1	(0.4)	2.7	4.4	6.0	7.2	2.2	3.8	6.8	8.3	2.8
+ D&A	3.5	7.5	11.5	18.2	5.4	11.5	18.0	23.5	6.5	13.3	20.3	27.4	7.2
-NWC chg	0.0	1.5	2.8	8.9	3.4	2.9	(4.4)	(8.4)	2.6	4.9	4.4	11.9	(3.5)
<b>CF from Operations</b>	<b>6.3</b>	<b>11.9</b>	<b>18.4</b>	<b>26.7</b>	<b>11.4</b>	<b>18.7</b>	<b>19.6</b>	<b>22.3</b>	<b>11.2</b>	<b>22.0</b>	<b>31.5</b>	<b>47.6</b>	<b>6.5</b>
Capex	(1.6)	(4.9)	(7.2)	(21.0)	(7.3)	(16.7)	(21.0)	(28.2)	(8.7)	(14.8)	(18.2)	(24.7)	(8.3)
<b>Equity FCF</b>	<b>4.6</b>	<b>7.0</b>	<b>11.2</b>	<b>5.7</b>	<b>4.1</b>	<b>2.0</b>	<b>(1.4)</b>	<b>(5.9)</b>	<b>2.5</b>	<b>7.2</b>	<b>13.3</b>	<b>22.9</b>	<b>(1.8)</b>
Acquisitions	(1.0)	(2.4)	(2.7)	(77.0)	(9.5)	(6.5)	(22.1)	(20.9)	(6.4)	(8.0)	(8.0)	(8.0)	(6.0)
Dividends		(3.2)	(3.2)	(3.2)		(8.4)	(8.4)	(8.4)		(7.8)	(7.8)	(7.8)	
Buyback	(1.5)	(4.6)	(6.4)	(6.4)	(3.6)	(4.9)	(7.6)	(7.6)	(2.0)	(5.3)	(8.5)	(9.9)	(0.5)
Equity financing		25.0	25.0	25.0									
Other	(0.4)	1.2	(4.8)	10.9	2.6	(1.4)	0.1	2.6	(5.2)	(4.0)	(7.7)	(18.6)	
<b>Net Cash Flow</b>	<b>1.7</b>	<b>23.0</b>	<b>19.1</b>	<b>(45.0)</b>	<b>(6.4)</b>	<b>(19.2)</b>	<b>(39.4)</b>	<b>(40.2)</b>	<b>(11.1)</b>	<b>(17.9)</b>	<b>(18.7)</b>	<b>(21.4)</b>	<b>(8.3)</b>
<b>Net Debt (post IFRS16)</b>	<b>93.9</b>	<b>72.6</b>	<b>76.5</b>	<b>140.6</b>	<b>147.0</b>	<b>159.8</b>	<b>180.0</b>	<b>180.8</b>	<b>191.9</b>	<b>198.7</b>	<b>199.5</b>	<b>202.2</b>	<b>210.0</b>
IFRS16	7.9	8.6	8.8	10.7	11.5	10.3	10.3	10.3	12.8	12.1	11.0	10.6	10.6
<b>Net Debt ex IFRS16</b>	<b>86.0</b>	<b>64.0</b>	<b>67.7</b>	<b>129.9</b>	<b>135.5</b>	<b>149.5</b>	<b>169.7</b>	<b>170.5</b>	<b>179.1</b>	<b>186.6</b>	<b>188.5</b>	<b>191.6</b>	<b>199.4</b>
treasury shares MtM	24.3	24.3	24.3	45.9	41.0	24.5	22.2	28.0	32.8	35.2	27.9	37.5	30.9
<b>ND ex IFRS16 + own shares</b>	<b>61.7</b>	<b>39.7</b>	<b>43.4</b>	<b>84.0</b>	<b>94.5</b>	<b>125.0</b>	<b>147.5</b>	<b>142.5</b>	<b>146.3</b>	<b>151.4</b>	<b>160.6</b>	<b>154.2</b>	<b>168.5</b>
ND/annualized EBITDA				2.8x				3.4x	3.3x	3.1x	3.1x	3.0x	3.3x

Source: Intermonte SIM (E), Company Data (A), FactSet Consensus (C)

## Acquisition of Econis AG in Switzerland (26 March 2024)

On 26 March WIIT announced the acquisition of 100% of Econis AG for c.€1.8mn (CHF0.77mn paid at closing + €1mn of transaction costs). Econis AG, based in Zurich, is a Managed Services Provider in the planning, implementation and management of Private Cloud infrastructure for banking, healthcare and manufacturing in German-speaking Switzerland. In FY23, Econis had turnover of CHF29.9mn (of which 60% recurring revenues from managed services, 15% from consultancy, 25% from HW/SW resales) and c.CHF2mn of EBITDA, with a positive NFP of c.CHF0.75mn.

The acquisition will enable WIIT to:

- Enter a new market, German-speaking Switzerland, which is highly synergistic and offers promising organic and external growth opportunities at an extremely modest price and with limited risk. For 2024 Statista estimates the Swiss cloud market at \$2.02bn vs. \$2.9bn for Italy, with marked growth that will take Switzerland to \$3.68bn in 2028, a 16.2% CAGR.
- Acquire a 50-strong client portfolio, of which the top 20, particularly in line with WIIT standards, constitute a highly loyal core.
- Achieve forecast annual EBITDA from Econis of c.€6-7mn after an integration period estimated at c.18/24 months, enabling the extraction of notable synergies.

**OUR COMMENT:** The multiple paid for Econis is not significant, as it is a turnaround story, with attractive value creation prospects thanks to its possible integration with the German division, WIIT AG. For WIIT Group we estimate low single-digit upside on EBITDA for the next 2 years and low-teen upside from 2026 thanks to the forecast synergies, with a generally negligible impact on debt. As things stand, thanks to organic FCF generation, the Group's financial leverage (including the value of treasury shares) should come down from the current 3x to 2x EBITDA by YE26, when WIIT will have to refinance the €150mn bond that matures in October 2026. Keeping leverage sustainable and under control is an important way to cement its reputation with clients, confirming WIIT's greater solidity and financial stability compared to competitors (Engineering's current leverage is 7-8x).

### WIIT – M&A trackrecord

Date	Target	Country	Currency	EV (mn)	Year	Sales (mn)	EV /Sales	EBITDA (mn)	EBITDA margin	EV/EBITDA pre syn.	synergies (€mn)	EV/EBITDA post syn.	employees
28-Jun-18	Adelante	IT (Toscana)	EUR	6.4	FY17	7.0	<b>0.9x</b>	0.9	12.9%	<b>7.1x</b>			
20-Jun-19	Matika	IT (Veneto)	EUR	8.5	FY18	9.2	<b>0.9x</b>	1.6	17.4%	<b>5.3x</b>			38
20-Dec-19	Etaeria	IT (Piemonte)	EUR	6.7	FY18	6.1	<b>1.1x</b>	1.4	23.0%	<b>4.5x</b>			40
20-Dec-19	Aedera	IT (Emilia)	EUR	2.2	FY18	1.9	<b>1.2x</b>	0.4	21.1%	<b>4.6x</b>			18
19-Sep-20	Myloc	DE (Dusseldorf)	EUR	50.0	FY19	16.2	<b>3.1x</b>	7.4	45.7%	<b>6.8x</b>			70
27-Jul-21	Mivitec	DE (Munich)	EUR	4.0	FY21	4.0	<b>1.0x</b>	0.5	12.5%	<b>8.0x</b>	1.0	<b>2.7x</b>	23
18-Oct-21	R42 Group	DE (North East)	EUR	70.8	FY21	27.6	<b>2.6x</b>	8.9	32.3%	<b>7.9x</b>	2.0	<b>6.5x</b>	140
14-Feb-22	ERPTech	IT (Lombardia)	EUR	4.0	FY21	9.0	<b>0.4x</b>	0.5	5.6%	<b>8.0x</b>	3.0	<b>1.1x</b>	44
2-Sep-22	Lansol	DE (Frankfurt)	EUR	18.0	FY22	6.6	<b>2.7x</b>	2.0	30.3%	<b>9.0x</b>	1.0	<b>6.0x</b>	24
16-Jan-23	Global Access	DE (Munich)	EUR	8.0	FY22	4.0	<b>2.0x</b>	1.1	26.3%	<b>7.6x</b>	1.0	<b>3.9x</b>	9
24-Jan-24	Edge&Cloud	DE (Frankfurt)	EUR	6.5	FY23	9.2	<b>0.7x</b>	~ 0	n.m.	<b>n.m.</b>	3.0	<b>2.2x</b>	66
<b>26-Mar-24</b>	<b>Econis</b>	<b>CH (Zurich)</b>	<b>CHF</b>	<b>1.8</b>	<b>FY23</b>	<b>29.6</b>	<b>0.1x</b>	<b>2.0</b>	<b>6.8%</b>	<b>0.9x</b>	<b>6.5</b>	<b>0.3x</b>	<b>81</b>

Source: Intermonte SIM

## Change in Estimates

We are including the acquisition of Econis in our estimates as of 2Q24, with the first full year of integration in 2025 and the first full year of synergies in 2026. Compared to our previous estimates, we are lifting the top line by 9%/14%/14% for FY24/25/26 respectively. Although our adj. EBITDA estimate remains largely unchanged in FY24 at €56mn, we are raising it by 6% in FY25 (to €66mn) and 10% in FY26 (to €74mn), leading to changes of -4%/+8%/+17% to adj. EPS for FY24/FY25/26. Leverage (ex-IFRS16 and treasury shares) is expected to narrow from 2.9x in FY24 to a healthy 1.7x in FY26, when the company will have to refinance its €150mn bond.

### WIIT – Changes to 2024-26 Estimates

Eu mn	Actual			New Estimates			Old Estimates			New vs Old		
	'21A	'22A	'23A	'24E	'25E	'26E	'24E	25E	'26E	'24E	25E	'26E
<b>Revenue</b>	<b>77.1</b>	<b>118.8</b>	<b>130.1</b>	<b>161.8</b>	<b>179.7</b>	<b>191.9</b>	<b>148.4</b>	<b>157.9</b>	<b>167.8</b>	<b>9%</b>	<b>14%</b>	<b>14%</b>
YoY growth	17.9%	54.1%	9.5%	24.4%	11.1%	6.8%	14.1%	6.4%	6.3%			
Italy	56.4	58.0	57.7	63.8	66.9	70.2	63.8	66.9	70.2	0%	0%	0%
as % of tot	73.2%	48.8%	44.3%	39.4%	37.3%	36.6%	43.0%	42.4%	41.8%			
Germany	20.7	60.8	72.4	98.1	112.8	121.8	84.7	90.9	97.7	16%	24%	25%
as % of tot	26.8%	51.2%	55.7%	60.6%	62.7%	63.4%	57.0%	57.6%	58.2%			
<b>Adj. EBITDA</b>	<b>29.5</b>	<b>42.2</b>	<b>50.8</b>	<b>56.1</b>	<b>66.1</b>	<b>74.4</b>	<b>56.1</b>	<b>62.4</b>	<b>67.7</b>	<b>0%</b>	<b>6%</b>	<b>10%</b>
YoY growth	19.6%	43.0%	20.3%	10.6%	17.8%	12.6%	10.5%	11.3%	8.4%			
as % of sales	38.3%	35.5%	39.0%	34.7%	36.8%	38.8%	37.8%	39.5%	40.3%			
Italy		21.7	26.3	29.6	31.1	33.0	29.6	31.1	33.0	0%	0%	0%
as % of sales		37.4%	45.5%	46.5%	46.5%	47.0%	46.5%	46.5%	47.0%			
Germany		20.5	24.5	26.5	35.0	41.4	26.4	31.3	34.7	0%	12%	19%
as % of sales		33.7%	33.8%	27.0%	31.0%	34.0%	31.2%	34.4%	35.5%			
<b>EBITDA</b>	<b>23.3</b>	<b>39.7</b>	<b>46.8</b>	<b>56.1</b>	<b>66.1</b>	<b>74.4</b>	<b>56.1</b>	<b>62.4</b>	<b>67.7</b>	<b>0%</b>	<b>6%</b>	<b>10%</b>
YoY growth	42.9%	70.6%	17.9%	19.8%	17.8%	12.6%	19.7%	11.3%	8.4%			
as % of sales	30.2%	33.4%	36.0%	34.7%	36.8%	38.8%	37.8%	39.5%	40.3%			
<b>Adj. EBIT</b>	<b>15.5</b>	<b>23.2</b>	<b>28.0</b>	<b>31.1</b>	<b>39.1</b>	<b>47.3</b>	<b>32.1</b>	<b>38.3</b>	<b>43.5</b>	<b>-3%</b>	<b>2%</b>	<b>9%</b>
YoY growth	24.8%	50.0%	20.6%	11.1%	25.6%	21.0%	14.5%	19.5%	13.4%			
as % of sales	20.1%	19.5%	21.5%	19.2%	21.8%	24.6%	21.6%	24.3%	25.9%			
<b>EBIT</b>	<b>5.1</b>	<b>16.2</b>	<b>19.5</b>	<b>26.4</b>	<b>34.4</b>	<b>42.6</b>	<b>27.4</b>	<b>33.6</b>	<b>38.8</b>	<b>-3%</b>	<b>2%</b>	<b>10%</b>
Pre Tax Income	0.8	10.6	11.7	18.6	27.4	35.8	19.6	26.6	32.0			
Net Profit	-0.4	7.2	8.3	13.6	21.1	27.6	14.3	19.4	23.3			
<b>Adj. Net profit</b>	<b>9.3</b>	<b>12.5</b>	<b>15.1</b>	<b>17.0</b>	<b>24.7</b>	<b>31.2</b>	<b>17.7</b>	<b>22.9</b>	<b>26.8</b>	<b>-4%</b>	<b>8%</b>	<b>17%</b>
YoY growth	-0.4%	34.9%	20.5%	13.0%	45.1%	26.2%	17.6%	29.1%	17.0%			
EPS (€)	-0.01	0.26	0.30	0.49	0.75	0.98	0.51	0.69	0.83			
<b>Adj. EPS (€)</b>	<b>0.33</b>	<b>0.45</b>	<b>0.54</b>	<b>0.61</b>	<b>0.88</b>	<b>1.11</b>	<b>0.63</b>	<b>0.82</b>	<b>0.95</b>	<b>-4%</b>	<b>8%</b>	<b>17%</b>
YoY growth	-5.7%	34.9%	20.5%	13.0%	45.1%	26.2%	17.6%	29.1%	17.0%			
Capex	21.0	28.2	24.7	30.5	25.5	25.0	25.5	16.5	16.5	20%	55%	52%
as % of revs.	27.2%	23.7%	19.0%	18.8%	14.2%	13.0%	17.2%	10.5%	9.8%			
<b>Net Debt/(Cash)</b>	<b>140.6</b>	<b>180.8</b>	<b>202.2</b>	<b>203.4</b>	<b>188.4</b>	<b>167.6</b>	<b>197.6</b>	<b>178.2</b>	<b>154.5</b>	<b>3%</b>	<b>6%</b>	<b>8%</b>
ND/Adj. EBITDA	n.m.	4.3x	4.0x	3.6x	2.9x	2.3x	3.5x	2.9x	2.3x			
<b>Net Debt ex IFRS16</b>	<b>129.9</b>	<b>170.5</b>	<b>191.6</b>	<b>192.8</b>	<b>177.8</b>	<b>157.0</b>	<b>187.0</b>	<b>167.6</b>	<b>143.9</b>	<b>3%</b>	<b>6%</b>	<b>9%</b>
ND/Adj. EBITDA	n.m.	4.0x	3.8x	3.4x	2.7x	2.1x	3.3x	2.7x	2.1x			
own shares MtM	45.9	28.5	37.5	30.9	30.9	30.9	37.5	37.5	37.5			
<b>ND ex IFRS16 &amp; own shares</b>	<b>84.0</b>	<b>142.0</b>	<b>154.2</b>	<b>161.9</b>	<b>146.9</b>	<b>126.1</b>	<b>149.6</b>	<b>130.1</b>	<b>106.4</b>	<b>8%</b>	<b>13%</b>	<b>18%</b>
ND/Adj. EBITDA	n.m.	3.4x	3.0x	2.9x	2.2x	1.7x	2.7x	2.1x	1.6x			

Source: Intermonte SIM (E), Company Data (A)

## Comparison with Current Consensus

### WIIT – 2024-26E Intermonte Estimates vs. Current Consensus

Eu mn	Actual			New Estimates			Old Estimates			New vs Old		
	'21A	'22A	'23A	'24E	'25E	'26E	'24E	25E	'26E	'24E	25E	'26E
<b>Revenue</b>	<b>77.1</b>	<b>118.8</b>	<b>130.1</b>	<b>161.8</b>	<b>179.7</b>	<b>191.9</b>	<b>149.8</b>	<b>161.5</b>	<b>171.5</b>	<b>8%</b>	<b>11%</b>	<b>12%</b>
YoY growth	17.9%	54.1%	9.5%	24.4%	11.1%	6.8%	n.m.	7.8%	6.2%			
<b>Adj. EBITDA</b>	<b>29.5</b>	<b>42.2</b>	<b>50.8</b>	<b>56.1</b>	<b>66.1</b>	<b>74.4</b>	<b>55.8</b>	<b>63.0</b>	<b>68.0</b>	<b>1%</b>	<b>5%</b>	<b>9%</b>
YoY growth	19.6%	43.0%	20.3%	10.6%	17.8%	12.6%	n.m.	12.9%	8.0%			
as % of sales	38.3%	35.5%	39.0%	34.7%	36.8%	38.8%	37.2%	39.0%	39.6%			
<b>EBITDA</b>	<b>23.3</b>	<b>39.7</b>	<b>46.8</b>	<b>56.1</b>	<b>66.1</b>	<b>74.4</b>	<b>56.2</b>	<b>63.0</b>	<b>68.5</b>	<b>0%</b>	<b>5%</b>	<b>9%</b>
YoY growth	42.9%	70.6%	17.9%	19.8%	17.8%	12.6%	n.m.	12.1%	8.7%			
as % of sales	30.2%	33.4%	36.0%	34.7%	36.8%	38.8%	37.5%	39.0%	39.9%			
<b>Adj. EBIT</b>	<b>15.5</b>	<b>23.2</b>	<b>28.0</b>	<b>31.1</b>	<b>39.1</b>	<b>47.3</b>	<b>31.5</b>	<b>37.8</b>	<b>42.5</b>	<b>-1%</b>	<b>3%</b>	<b>11%</b>
YoY growth	24.8%	50.0%	20.6%	11.1%	25.6%	21.0%	n.m.	20.2%	12.4%			
as % of sales	20.1%	19.5%	21.5%	19.2%	21.8%	24.6%	21.0%	23.4%	24.8%			
<b>EBIT</b>	<b>5.1</b>	<b>16.2</b>	<b>19.5</b>	<b>26.4</b>	<b>34.4</b>	<b>42.6</b>	<b>31.5</b>	<b>37.8</b>	<b>42.4</b>	<b>-16%</b>	<b>-9%</b>	<b>0%</b>
Pre Tax Income	0.8	10.6	11.7	18.6	27.4	35.8	19.7	26.8	30.8			
Net Profit	-0.4	7.2	8.3	13.6	21.1	27.6	14.1	19.1	22.6			
<b>Adj. Net profit</b>	<b>9.3</b>	<b>12.5</b>	<b>15.1</b>	<b>17.0</b>	<b>24.7</b>	<b>31.2</b>	<b>16.6</b>	<b>22.0</b>	<b>25.1</b>	<b>2%</b>	<b>12%</b>	<b>24%</b>
YoY growth	-0.4%	34.9%	20.5%	13.0%	45.1%	26.2%	n.m.	32.0%	14.4%			
EPS (€)	0.0	0.3	0.3	0.5	0.1	0.1	0.6	0.8	1.0			
Adj. EPS (€)	0.3	0.4	0.5	0.6	0.9	1.1	0.5	0.7	0.8	14%	23%	32%
YoY growth	-6%	35%	20%	13%	45%	26%	n.m.	34.5%	18.0%			
<b>DPS (€)</b>	<b>0.30</b>	<b>0.30</b>	<b>0.30</b>	<b>0.30</b>	<b>0.44</b>	<b>0.44</b>	<b>0.26</b>	<b>0.31</b>	<b>0.34</b>	<b>16%</b>	<b>43%</b>	<b>31%</b>
payout	91%	67%	56%	50%	50%	40%	n.m.	17.3%	9.5%			
Capex	21.0	28.2	24.7	30.5	25.5	25.0	24.4	21.5	22.7	25%	19%	10%
as % of revs.	27.2%	23.7%	19.0%	18.8%	14.2%	13.0%	16.3%	13.3%	13.2%			
<b>Net Debt/(Cash)</b>	<b>140.6</b>	<b>180.8</b>	<b>202.2</b>	<b>203.4</b>	<b>188.4</b>	<b>167.6</b>	<b>194.9</b>	<b>175.6</b>	<b>152.2</b>	<b>4%</b>	<b>7%</b>	<b>10%</b>
ND/Adj. EBITDA	n.m.	4.3x	4.0x	3.6x	2.9x	2.3x	3.5x	2.8x	2.2x			

Source: Intermonte SIM (E), Company Data (A), FactSet Consensus (C)

## DCF Valuation

We are raising our DCF-based target price to €25 (from €24), or 13x EV/EBITDA'25 (broadly in line with the historical average, the stock is currently trading at c.10x). The stock still offers a compelling entry point, prompting us to reiterate our positive view.

### WIIT – DCF Valuation (WACC at 7.2% before 2026, 8.2% beyond 2026, g still at 2.5%)

Eu mn	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	TV
<b>Revenues</b>	<b>161.8</b>	<b>179.7</b>	<b>191.9</b>	<b>201.4</b>	<b>209.6</b>	<b>216.6</b>	<b>222.4</b>	<b>228.4</b>	<b>234.3</b>	<b>240.4</b>	<b>246.6</b>	<b>253.0</b>	<b>259.2</b>
<i>YoY growth</i>	24.4%	11.1%	6.8%	4.9%	4.1%	3.3%	2.7%	2.7%	2.6%	2.6%	2.6%	2.6%	2.5%
<b>Adj. EBITDA</b>	<b>56.1</b>	<b>66.1</b>	<b>74.4</b>	<b>77.5</b>	<b>80.6</b>	<b>83.2</b>	<b>85.3</b>	<b>87.5</b>	<b>89.6</b>	<b>91.8</b>	<b>94.1</b>	<b>96.4</b>	<b>98.5</b>
<i>EBITDA margin %</i>	34.7%	36.8%	38.8%	38.5%	38.5%	38.4%	38.4%	38.3%	38.3%	38.2%	38.2%	38.1%	38.0%
<i>D&amp;A</i>	(25.0)	(27.0)	(26.9)	(26.8)	(26.6)	(26.4)	(26.3)	(26.2)	(26.1)	(26.0)	(26.0)	(26.0)	(25.9)
<b>Adj. EBIT</b>	<b>31.1</b>	<b>39.1</b>	<b>47.3</b>	<b>50.7</b>	<b>54.0</b>	<b>56.8</b>	<b>59.0</b>	<b>61.3</b>	<b>63.5</b>	<b>65.8</b>	<b>68.1</b>	<b>70.3</b>	<b>72.6</b>
<i>Adj. EBIT margin %</i>	19.2%	21.8%	24.6%	25.2%	25.8%	26.2%	26.5%	26.8%	27.1%	27.4%	27.6%	27.8%	28.0%
<i>Taxes on EBIT</i>	(7.6)	(9.6)	(11.6)	(12.4)	(13.2)	(13.9)	(14.5)	(15.0)	(15.6)	(16.1)	(16.7)	(17.2)	(17.8)
<b>NOPAT</b>	<b>23.5</b>	<b>29.5</b>	<b>35.7</b>	<b>38.3</b>	<b>40.8</b>	<b>42.9</b>	<b>44.6</b>	<b>46.3</b>	<b>48.0</b>	<b>49.7</b>	<b>51.4</b>	<b>53.1</b>	<b>54.8</b>
<i>+ D&amp;A</i>	25.0	27.0	26.9	26.8	26.6	26.4	26.3	26.2	26.1	26.0	26.0	26.0	25.9
<i>-/+ Delta WKC</i>	0.9	(1.3)	(1.3)	(1.3)	(1.4)	(1.4)	(1.5)	(1.5)	(1.5)	(1.6)	(1.6)	(1.7)	-
<i>- Capex</i>	(30.5)	(25.5)	(25.0)	(22.2)	(23.0)	(23.6)	(24.1)	(24.7)	(25.2)	(25.7)	(26.3)	(26.8)	(25.9)
<i>Capex on sales %</i>	18.8%	14.2%	13.0%	11.0%	11.0%	10.9%	10.9%	10.8%	10.8%	10.7%	10.7%	10.6%	10.0%
<b>= FCF</b>	<b>18.9</b>	<b>29.7</b>	<b>36.4</b>	<b>41.6</b>	<b>43.0</b>	<b>44.2</b>	<b>45.3</b>	<b>46.3</b>	<b>47.3</b>	<b>48.4</b>	<b>49.5</b>	<b>50.7</b>	<b>1,326</b>
<i>x Discount factor</i>	1.00	0.94	0.87	0.80	0.74	0.68	0.63	0.59	0.54	0.50	0.47	0.43	0.43
<b>= PV (FCF)</b>		<b>27.8</b>	<b>31.8</b>	<b>33.2</b>	<b>31.8</b>	<b>30.3</b>	<b>28.7</b>	<b>27.2</b>	<b>25.8</b>	<b>24.4</b>	<b>23.2</b>	<b>22.0</b>	<b>575</b>
<i>WACC applied</i>		6.9%	6.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%

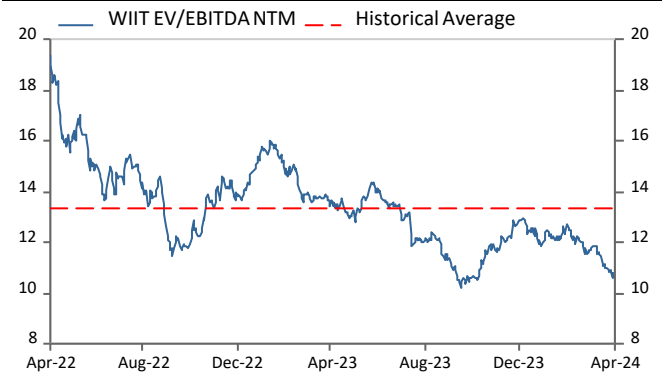
#### DCF analysis

SUM PV(FCF'25-35E)	306
PV TV	575
<b>Enterprise Value</b>	<b>881</b>
Net debt @YE24	(203)
treasury shares	31
<b>Equity value</b>	<b>708</b>
NOSH (mn)	28.0
<b>FV per share (Eu)</b>	<b>25</b>
Actual share price	16
<b>Upside/(Downside)</b>	<b>57.5%</b>
<i>implied EV/EBITDA'24</i>	15.7x
<i>implied EV/EBITDA'25</i>	13.1x

Source: Intermonte SIM

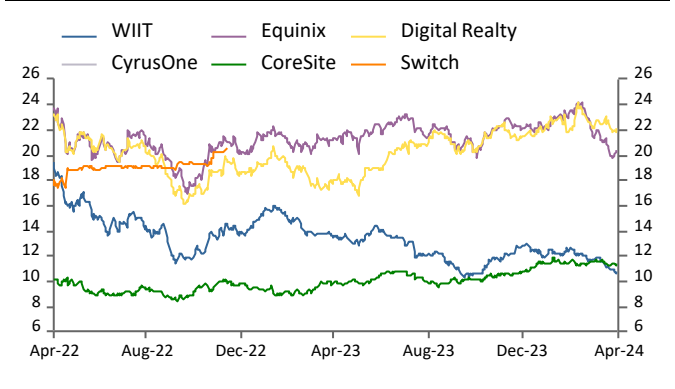


### WIIT - EV/EBITDA NTM evolution



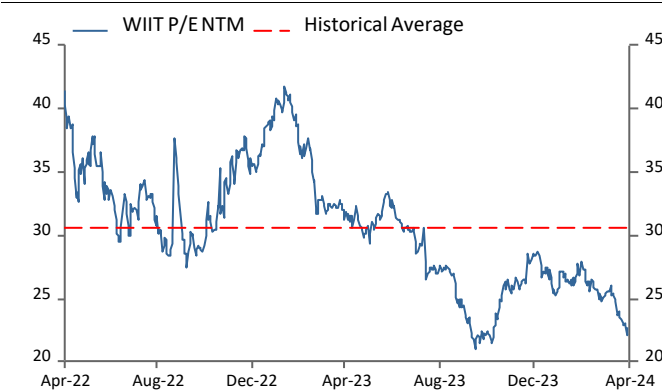
Source: FactSet Consensus

### WIIT - EV/EBITDA NTM evolution vs. peers



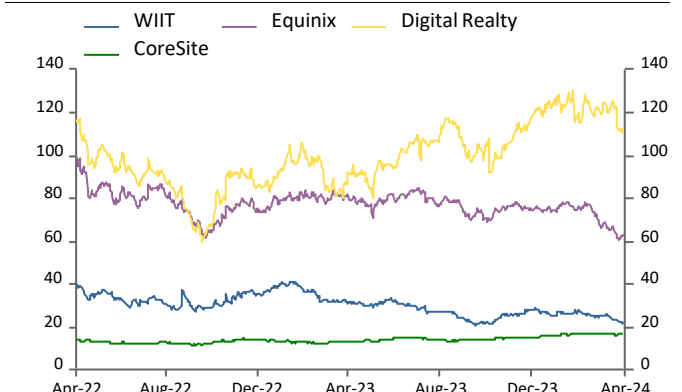
Source: FactSet Consensus

### WIIT - P/E NTM evolution



Source: FactSet Consensus

### WIIT - P/E NTM evolution vs. peers



Source: FactSet Consensus

### Peer Multiple Comparison

Company	Currency	Price	Mkt. Cap (Eu mn)	Abs. Perf. (%)				EV/Sales (x)		EV/EBITDA (x)		EV/EBIT (x)		Adj. P/E (x)		Div. Yield (%)	
				1m	3m	6m	Ytd	'24E	'25E	'24E	'25E	'24E	'25E	'24E	'25E	'24E	'25E
<b>WIIT (@mkt price, our est.)</b>	EUR	16.1	450	-9%	-10%	12%	-18%	4.0	3.6	11.6	9.7	21.0	16.3	26.4	18.2	1.9%	2.7%
WIIT (@mkt price, cons)	EUR	16.1	450	-9%	-10%	12%	-18%	4.3	3.9	11.5	9.9	20.5	16.5	27.0	20.5	1.6%	1.9%
WIIT (@our TP, our est.)	EUR	25	708					5.4	4.8	15.7	13.1	28.3	22.2	41.6	28.7	1.2%	1.7%
GDS Holding	USD	6.77	1,177	-21%	6%	-32%	-26%	4.2	3.9	9.8	8.8	59.3	38.8	n.m.	n.m.	0.0%	0.0%
Beijing Sinnet Teec h.	CNY	8.85	2,010	-15%	6%	-5%	-11%	2.0	1.7	10.3	8.8	21.5	17.0	26.6	20.6	1.2%	1.2%
Sunevision Holdings Ltd.	HKD	2.43	678	-5%	-16%	-20%	-21%	6.6	5.7	9.4	8.0	13.7	12.0	6.3	5.8	4.5%	4.9%
Nextdc Limited	AUD	16.45	5,946	-6%	19%	37%	20%	25.7	24.8	53.6	49.1	349.6	351.3	n.m.	n.m.	0.0%	0.0%
OVH Groupe SAS	EUR	7.70	1,467	-20%	-19%	12%	-11%	2.2	2.0	6.0	5.3	82	38	n.m.	n.m.	0.0%	0.0%
Keppel DC REIT	SGD	1.72	1,999	-1%	-6%	-5%	-13%	15.3	14.8	20.1	19.1	20.1	19.2	19.5	18.6	5.2%	5.5%
<b>Itz Colocation Datacenter - Median</b>								<b>5.4</b>	<b>4.8</b>	<b>10.1</b>	<b>8.8</b>	<b>40.4</b>	<b>28.5</b>	<b>19.5</b>	<b>18.6</b>	<b>0.6%</b>	<b>0.6%</b>
Intuit Inc.	USD	630.88	165,109	-2%	-1%	25%	1%	11.1	9.6	28.5	23.6	29.0	24.8	38.0	32.5	0.6%	0.6%
IONOS Group SE	EUR	23.20	3,248	17%	21%	74%	33%	2.6	2.3	9.2	7.6	12.5	10.1	18.0	14.2	0.3%	0.5%
VeriSign, Inc.	USD	185.12	17,460	-2%	-10%	-10%	-10%	11.9	11.1	15.6	14.5	17.7	16.4	23.6	21.8	0.0%	0.0%
GoDaddy, Inc. Class A	USD	123.40	16,435	1%	15%	67%	16%	4.6	4.2	15.8	13.5	24.6	20.2	25.1	19.2	0.0%	0.0%
Wix.com Ltd.	USD	124.18	6,459	-11%	-4%	47%	1%	3.4	2.9	18.1	12.4	19.6	13.7	23.0	17.1	0.0%	0.0%
Kingsoft Cloud Holdings	USD	2.83	676	-14%	0%	-36%	-25%	0.5	0.5	37.2	9.3	n.m.	n.m.	n.m.	n.m.	0.0%	0.0%
<b>Web infrastructure - Median</b>								<b>4.0</b>	<b>3.6</b>	<b>16.9</b>	<b>12.9</b>	<b>19.6</b>	<b>16.4</b>	<b>23.6</b>	<b>19.2</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Cloud Peers - Median Itz Colocation and Web Infrastructure</b>								<b>4.7</b>	<b>4.2</b>	<b>13.5</b>	<b>10.9</b>	<b>30.0</b>	<b>22.5</b>	<b>21.5</b>	<b>18.9</b>	<b>0.3%</b>	<b>0.3%</b>
Equinix, Inc.	USD	761.90	67,388	-5%	-5%	9%	-5%	10.0	15.1	21.4	29.7	50.9	85.7	64.0	148.8	2.2%	0.7%
Digital Realty Trust, Inc.	USD	138.53	40,439	0%	0%	18%	3%	10.7	10.2	21.5	20.1	67.0	58.2	81.1	89.3	3.6%	3.7%
<b>US Colocation Datacenter - Median</b>								<b>10.4</b>	<b>12.7</b>	<b>21.5</b>	<b>24.9</b>	<b>58.9</b>	<b>72.0</b>	<b>72.6</b>	<b>119.1</b>	<b>2.9%</b>	<b>2.2%</b>
21Vianet Group	USD	1.48	356	-22%	-23%	-46%	-48%	1.6	1.6	5.6	5.6	37.3	36.1	n.m.	n.m.	0.0%	0.0%
iomart Group plc	GBP	1.34	175	-9%	-13%	-13%	-12%	1.4	1.3	4.8	4.6	8.9	8.1	11.8	10.7	4.2%	4.7%
<b>Managed services - Median</b>								<b>1.5</b>	<b>1.4</b>	<b>5.2</b>	<b>5.1</b>	<b>23.1</b>	<b>22.1</b>	<b>11.8</b>	<b>n.m.</b>	<b>2.1%</b>	<b>2.4%</b>
<b>Cloud Peers - Median</b>								<b>4.7</b>	<b>4.2</b>	<b>13.5</b>	<b>10.9</b>	<b>31.8</b>	<b>25.3</b>	<b>21.5</b>	<b>19.2</b>	<b>1.4%</b>	<b>1.4%</b>

Source: Intermonte SIM (E), Company Data (A)



## WIIT in Brief

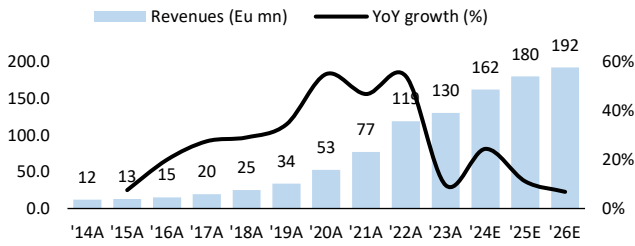
### Company description

**WIIT** is a leading player in the European cloud computing market, focused on hybrid and hosted private clouds for the B2B market with a special focus on mission-critical services, serving 160+ top clients and 2,000+ mid-sized ones. WIIT manages 3 DCs in Italy and a campus of 17 DCs in Germany and has 2 major Tier IV datacentre (highest reliability and security) certified by the Uptime Institute (USA). Established in 1996, WIIT has been listed on the Italian stock market since 2019 (IPO price €45, before 1:10 split) and on the STAR segment from the same year. Since 2007, WIIT has made 12 successful acquisitions (5 in Italy, 7 in Germany/DACH area).

### Strengths/Opportunities

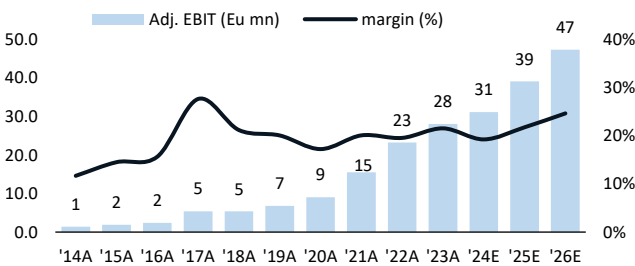
- Still underpenetrated addressable market, with increasing IT outsourcing and shift to cloud by SMEs
- High entry/low exit barriers for mission-critical services
- Complexity and customisation help WIIT set good prices
- Highly scalable and flexible business model, with good visibility from current backlog and upselling/lock-in opportunities into recursive contracts (89% of FY23 sales)
- Proven M&A track record, upside from consolidation in Germany (55.7% of FY23 revenues)
- No need for extra CapEx (DC capacity utilisation still low)

### WIIT – Revenue Trend and YoY growth (2014-26E)



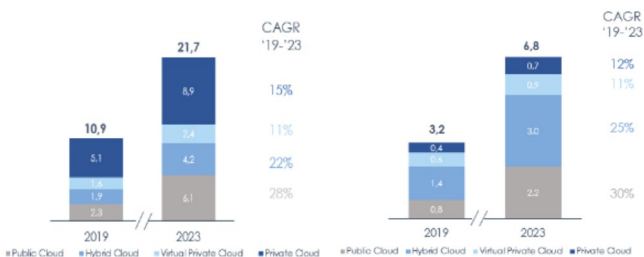
Source: Company Data, Intermonte SIM (E)

### WIIT – Adj. EBIT & Margin on Sales (2014-26E)



Source: Intermonte SIM, Company Data (A)

### Cloud Market (Eu bn): Germany (left) 3x vs Italy (right)



Source: Anitec, Assinform

### Management

**CEO:** Alessandro Cozzi  
**Chairman:** Riccardo Sciutto  
**CMO:** Enrico Rampin  
**Chief M&A:** Francesco Baroncelli  
**CFO:** Stefano Pasotto

**Next BoD renewal:** spring 2024  
**BoD independent members:** 3/9

### Shareholders

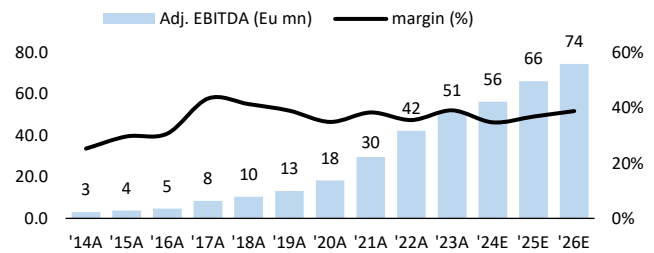
A. Cozzi (WIIT Fin& direct) 56.47%  
 Market 36.69%  
 Own shares 6.84%

**Global Coordinator & Specialist:** Intermonte SIM  
**ESG Rating:** Sustainability 14.8 (low risk)

### Weaknesses/Threats

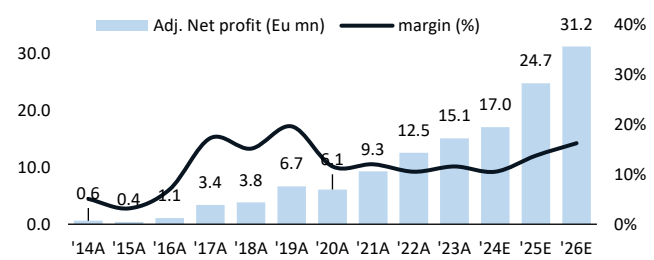
- Competition from hyperscalers (price erosion, loss of market share)
- Disruptive technologies and/or commoditisation of cloud
- Country risk from major geographical exposure to Italy
- Dependence on some key customers and renewal risk
- Cybersecurity risks to proprietary infrastructure
- Fragmented customer base requiring a large salesforce
- Exit of key managers
- Any deterioration in quality of service

### WIIT – Adj. EBITDA & Margin on Sales (2014-26E)



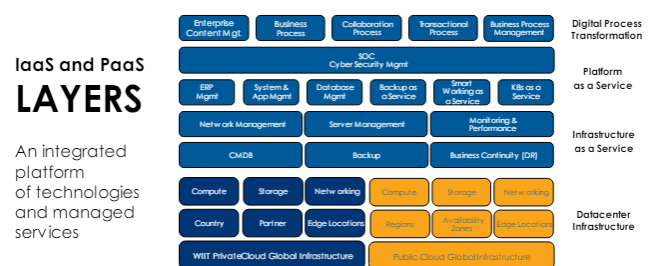
Source: Company Data, Intermonte SIM (E)

### WIIT – Net Profit & Margin on Sales (2014-26E)



Source: Intermonte SIM, Company Data (A)

### WIIT – Hosted Private & Hybrid Cloud: Core Services Provided by WIIT



Source: Annual Report 2023

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	WIIT		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	25.00	Previous Target (Eu):	24.00
Current Price (Eu):	16.06	Previous Price (Eu):	18.36
Date of report:	24/04/2024	Date of last report:	13/03/2024

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- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

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A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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As at 31 March 2024 Intermonte's Research Department covered 116 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	25.21 %
OUTPERFORM:	46.22 %
NEUTRAL:	27.73 %
UNDERPERFORM	00.84 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (50 in total) is as follows:

BUY:	38.78 %
OUTPERFORM:	51.02 %
NEUTRAL:	10.20 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emitente	%	Long/Short

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