

WIIT

Sector: Industrials

OUTPERFORM

Price: Eu20.35 - Target: Eu28.00

Exceeding Expectations, 2025 Visibility Boosted by Strong Pipeline

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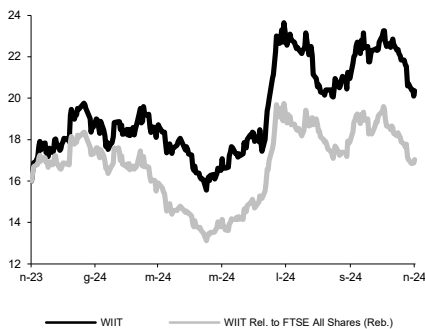
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 27.00 to 28.00		
	2024E	2025E	2026E
Chg in Adj EPS	-1.5%	1.0%	0.2%

Next Event

FY24 Results: Expected mid-March 2025

WIIT - 12M Performance



Stock Data

Reuters code:	WIIT.MI		
Bloomberg code:	WIIT IM		
	1M	3M	12M
Performance			
Absolute	-11.5%	-1.5%	27.2%
Relative	-12.0%	-7.9%	7.8%
12M (H/L)	23.65/15.56		
3M Average Volume (th):	31.46		

Shareholder Data

No. of Ord shares (mn):	28
Total no. of shares (mn):	28
Mkt Cap Ord (Eu mn):	570
Total Mkt Cap (Eu mn):	570
Mkt Float - Ord (Eu mn):	209
Mkt Float (in %):	36.7%
Main Shareholder:	
WIIT Fin Srl	56.5%

Balance Sheet Data

Book Value (Eu mn):	37
BVPS (Eu):	1.33
P/BV:	15.3
Net Financial Position (Eu mn):	-211
Enterprise Value (Eu mn):	781

■ **9M24 results.** 9M figures came above our expectations (+8/10% on adj. EBITDA and adj. net profit) while net debt was in line. In a constantly growing market, the 9M top line rose 19.7% YoY (+6.1% organically) to €115.2mn, with Italy at €44.4mn, up 4.8% (core revenues +5.2%, 1H: +7.6%) and Germany €61.7mn, up 7.6% (core +7.3%, 1H: +4.4%), benefitting from the contribution of newly-acquired companies consolidated as of 2Q (Edge&Cloud €4.4mn, Econis €9.0mn). Moving to profitability, adj. EBITDA reached €42.6mn (up 12.9% YoY), a 37% margin (41.6% like-for-like, +2.4pp YoY) as a result of higher OpEx (+€5.5mn YoY) mainly due to the change in scope partially offset by cost synergies from M&A and higher personnel costs (+€9.7mn YoY) as a consequence of the investment in the commercial and corporate structure, as well as the effect of new acquisitions. Within the mix, Italy (€20.5mn) continued to enjoy an outstanding margin (46.1% margin, +3.7pp YoY), while Germany (€21.8mn) saw a 35.4% margin (like-for-like: 38.1%). Adj. EBIT was €22.5mn (+5% vs our exp. €21.0mn), while adj. net profit was €12.2mn (our exp. €11.0mn). Net debt increased to €215mn (€161mn ex-IFRS16 and own shares) reflecting healthy CFO (€27mn, our exp. €28mn) absorbed by CapEx (€23mn), dividends (€8m), buyback (€0.7mn) and M&A cash-out (€9.5mn).

■ **Confident tone from the call.** Solid organic growth is set to continue in 4Q, with core revenues expected to rise 8-10% in Italy and mid-high single digit in Germany, albeit with a slight delay in the latter. For 2025, management is confident of achieving 7-9% growth in Germany, contingent on timely onboarding of two key contracts. CapEx is set at €27mn for FY24 and slightly reduced to €22-23mn in FY25, benefiting from advance spending this year. The M&A pipeline includes two small potential targets in Germany and one in Switzerland, with a focus on cost synergies in Germany and scale expansion in Switzerland. WIIT's commercial pipeline shows strong upselling opportunities, highlighted by a recent contract in Italy, alongside two key renewals in Italy and Germany, extending visibility by a further 2-3 years.

■ **Change in estimates.** We embody in our estimates the M&P acquisition in Germany (low single-digit upside at EPS level, more visible from FY27 onwards) and fine-tune our estimates, raising D&A for this year to c. €27mn and reducing 2025 CapEx.

■ **OUTPERFORM confirmed; new TP €28 (from €27).** After updating our DCF model, we are lifting our target price to €28 (from €27) or 14x EV/EBITDA'25 (broadly in line with the historical average, currently at c.12x). The stock continues to offer good visibility on organic growth, supportive earnings direction (adj. EPS set to more than double over the next 2 years) and attractive M&A prospects, prompting us to reiterate our positive rating. The company 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 and Switzerland. It 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. WIIT 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	2023A	2024E	2025E	2026E	2027E
Sales (Eu mn)	130	164	182	195	207
EBITDA Adj (Eu mn)	51	57	66	74	80
Net Profit Adj (Eu mn)	15	17	25	31	36
EPS New Adj (Eu)	0.538	0.599	0.890	1.114	1.278
EPS Old Adj (Eu)	0.538	0.608	0.882	1.112	
DPS (Eu)	0.300	0.299	0.445	0.557	0.639
EV/EBITDA Adj	14.3	13.8	11.5	9.9	9.0
EV/EBIT Adj	25.9	26.5	19.5	15.6	13.5
P/E Adj	37.9	34.0	22.9	18.3	15.9
Div. Yield	1.5%	1.5%	2.2%	2.7%	3.1%
Net Debt/EBITDA Adj	4.0	3.7	2.9	2.3	1.8

WIIT – Key Figures						
Profit & Loss (Eu mn)	2022A	2023A	2024E	2025E	2026E	2027E
Sales	119	130	164	182	195	207
EBITDA	40	47	57	66	74	80
EBIT	16	19	25	34	43	48
Financial Income (charges)	-6	-8	-8	-7	-7	-6
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	11	12	17	27	36	42
Taxes	-3	-3	-4	-6	-8	-10
Tax rate	31.9%	28.5%	22.5%	22.5%	23.0%	23.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	7	8	14	21	28	32
EBITDA Adj	42	51	57	66	74	80
EBIT Adj	23	28	29	39	47	53
Net Profit Adj	13	15	17	25	31	36
Per Share Data (Eu)	2022A	2023A	2024E	2025E	2026E	2027E
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	0.258	0.298	0.482	0.761	0.986	1.149
EPS Adj f.d	0.446	0.538	0.599	0.890	1.114	1.278
BVPS f.d	1.480	1.130	1.334	1.796	2.340	2.935
Dividend per Share ORD	0.300	0.300	0.299	0.445	0.557	0.639
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	67.2%	55.8%	50.0%	50.0%	50.0%	50.0%
Cash Flow (Eu mn)	2022A	2023A	2024E	2025E	2026E	2027E
Gross Cash Flow	31	36	45	53	59	64
Change in NWC	-8	12	-7	-1	-1	-1
Capital Expenditure	-28	-25	-27	-22	-23	-25
Other Cash Items	3	-19	-19	-19	-19	-19
Free Cash Flow (FCF)	-6	23	11	30	35	39
Acquisitions, Divestments & Other Items	-20	-7	-12	-2	1	1
Dividends	-8	-8	-8	-8	-12	-16
Equity Financing/Buy-back	-8	-10	0	0	0	0
Change in Net Financial Position	-40	-21	-9	19	23	23
Balance Sheet (Eu mn)	2022A	2023A	2024E	2025E	2026E	2027E
Total Fixed Assets	216	217	212	206	199	192
Net Working Capital	18	13	12	13	14	15
Long term Liabilities	19	19	19	19	19	19
Net Capital Employed	222	234	249	243	235	228
Net Cash (Debt)	-181	-202	-211	-192	-169	-146
Group Equity	41	32	37	50	66	82
Minorities	0	0	0	0	0	0
Net Equity	41	32	37	50	66	82
Enterprise Value (Eu mn)	2022A	2023A	2024E	2025E	2026E	2027E
Average Mkt Cap	615	523	570	570	570	570
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-181	-202	-211	-192	-169	-146
Enterprise Value	796	726	781	762	740	716
Ratios (%)	2022A	2023A	2024E	2025E	2026E	2027E
EBITDA Adj Margin	35.5%	39.0%	34.6%	36.4%	38.1%	38.6%
EBIT Adj Margin	19.5%	21.5%	18.0%	21.5%	24.3%	25.5%
Gearing - Debt/Equity	nm	nm	nm	nm	nm	177.7%
Interest Cover on EBIT	2.9	2.5	3.2	4.9	6.3	7.5
Net Debt/EBITDA Adj	4.3	4.0	3.7	2.9	2.3	1.8
ROACE*	8.0%	8.5%	10.5%	14.0%	17.9%	20.8%
ROE*	28.8%	41.2%	48.6%	56.9%	53.9%	48.5%
EV/CE	3.9	3.2	3.2	3.1	3.1	3.1
EV/Sales	6.7	5.6	4.8	4.2	3.8	3.5
EV/EBITDA Adj	18.9	14.3	13.8	11.5	9.9	9.0
EV/EBIT Adj	34.3	25.9	26.5	19.5	15.6	13.5
Free Cash Flow Yield	-1.0%	4.0%	2.0%	5.2%	6.2%	6.8%
Growth Rates (%)	2022A	2023A	2024E	2025E	2026E	2027E
Sales	54.1%	9.5%	26.0%	10.9%	7.2%	6.3%
EBITDA Adj	42.8%	20.5%	11.6%	16.8%	12.4%	7.6%
EBIT Adj	50.0%	20.6%	5.1%	33.0%	20.9%	11.7%
Net Profit Adj	34.9%	20.5%	11.4%	48.6%	25.2%	14.7%
EPS Adj	34.9%	20.5%	11.4%	48.6%	25.2%	14.7%
DPS	0.0%	0.0%	-0.2%	48.6%	25.2%	14.7%

*Excluding extraordinary items

Source: Intermonte SIM estimates

9M24 Results

WIIT – 9M24 Results: P&L

P&L Eu mn	2022A	1Q23A	2Q23A	3Q23A	9M23A	4Q23A	2023A	1Q24A	2Q24A	3Q24A	9M24A	4Q24E	2024E	9M24E	A/E
Revenue	118.8	31.8	32.4	32.0	96.2	33.9	130.1	33.5	38.8	42.5	115.2	48.8	164.0	114.4	1%
YoY growth	54.1%	20.6%	16.0%	3.1%	12.7%	1.5%	9.5%	5.5%	19.8%	32.6%	19.7%	43.8%	26.0%	19.0%	
Organic	6.0%	0.0%	21.4%	5.5%	9.0%	1.9%	7.0%	7.4%	2.7%	8.3%	6.1%	11.0%	7.4%	6.0%	
Italy	58.0	14.5	14.1	14.1	42.7	15.1	57.7	15.0	14.8	14.6	44.4	18.5	62.9	44.1	1%
as % of Group sales	48.8%	45.6%	43.6%	43.9%	44.3%	44.4%	44.3%	44.8%	38.1%	34.5%	38.6%	37.8%	38.4%	38.6%	
Germany	60.8	17.3	18.3	18.0	53.5	18.9	72.4	18.5	21.0	22.2	61.7	27.4	89.1	62.1	-1%
as % of Group sales	51.2%	54.4%	56.4%	56.1%	55.7%	55.6%	55.7%	55.2%	54.1%	52.3%	53.6%	56.1%	54.3%	54.3%	
Switzerland								3.0	5.6	9.0	3.0	3.0	12.0	8.2	10%
as % of Group sales								7.7%	13.3%	7.8%	6.1%	7.3%	7.2%	7.2%	
Opex	(76.6)	(19.8)	(20.0)	(18.6)	(58.4)	(20.9)	(79.3)	(20.5)	(25.1)	(26.6)	(72.6)	(34.7)	(107.3)	(74.9)	
Adj. EBITDA	42.2	12.0	12.3	13.4	37.7	13.0	50.8	13.0	13.7	15.9	42.6	14.0	56.6	39.6	8%
YoY growth	43.0%	19.0%	28.0%	32.9%	26.6%	5.0%	20.3%	8.4%	10.7%	18.7%	12.9%	7.8%	11.6%	4.9%	
margin	35.5%	37.7%	38.1%	41.8%	39.2%	38.4%	39.0%	38.9%	35.2%	37.5%	37.0%	28.8%	34.6%	34.6%	
Italy	21.7	5.9	6.4	7.3	19.6	6.6	26.3	6.7	6.9	6.9	20.5	8.2	28.7	20.3	1%
margin	37.5%	40.8%	45.3%	52.2%	46.0%	44.1%	45.5%	44.3%	47.0%	47.1%	46.1%	44.3%	45.6%	46.0%	
Germany	20.5	6.1	5.9	6.1	18.1	6.4	24.5	6.4	6.8	8.6	21.8	5.8	27.6	19.9	10%
margin	33.7%	35.3%	32.3%	33.9%	33.8%	33.9%	33.8%	34.5%	32.5%	38.8%	35.4%	21.2%	31.0%	32.0%	
Switzerland	-	-	-	-	-	-	-	-	(0.1)	0.4	0.3	0.1	0.4	(0.6)	
Extraord	(2.4)	(1.0)	(1.0)	(0.7)	(2.7)	(1.2)	(3.9)	(0.2)	1.0	(0.3)	0.5	-	0.5	0.8	
Rep. EBITDA	39.8	11.0	11.3	12.7	35.0	11.8	46.8	12.9	14.6	15.6	43.1	14.0	57.1	40.4	7%
D&A, provisions	(19.0)	(5.3)	(5.7)	(5.7)	(16.7)	(6.0)	(22.7)	(5.9)	(6.9)	(7.3)	(20.1)	(7.1)	(27.2)	(18.6)	
Adj. EBIT	23.2	6.7	6.7	7.7	21.0	7.0	28.0	7.2	6.7	8.6	22.5	6.9	29.4	21.0	7%
margin	19.5%	21.1%	20.6%	23.9%	21.9%	20.7%	21.5%	21.3%	17.3%	20.4%	19.6%	14.2%	18.0%	18.3%	
Rep. EBIT	16.2	4.5	4.5	5.7	14.7	4.7	19.5	5.8	6.5	7.1	19.4	5.8	25.2	18.3	6%
Financial Charges	(5.6)	(1.7)	(1.8)	(1.9)	(5.5)	(2.3)	(7.8)	(1.9)	(2.1)	(2.3)	(6.3)	(2.0)	(7.8)	(5.9)	
Pretax	10.6	2.8	2.7	3.8	9.2	2.5	11.7	3.9	4.4	4.8	13.1	3.9	17.4	12.4	6%
taxes	(3.4)	(0.6)	(1.0)	(0.9)	(2.5)	(0.9)	(3.3)	(0.8)	(1.0)	(1.1)	(2.9)	(1.0)	(3.9)	(3.4)	
Net income	7.3	2.2	1.7	3.0	6.8	1.6	8.3	3.1	3.5	3.7	10.2	2.9	13.5	9.1	12%
Adj. Net income	12.5	3.9	2.8	5.0	11.6	3.4	15.1	4.1	3.2	4.9	12.2	4.6	16.8	11.0	10%
Net debt	180.8	191.9	198.7	199.5	199.5	202.2	202.2	203.1	219.9	215.3	215.3	211.2	211.2	217.4	-1%

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

WIIT – 9M24 Results: FCF and Net Debt

FCF statement	2022A	1Q23A	2Q23A	3Q23A	9M23A	4Q23A	2023A	1Q24A	2Q24A	3Q24A	9M24A	4Q24E	2024E	9M24E	A-E
Net Income	7.2	2.2	1.6	6.8	10.6	(2.3)	8.3	3.1	3.5	3.7	10.2	3.3	13.5	9.1	1.1
+ D&A	23.5	6.5	6.8	20.3	33.6	(6.2)	27.4	7.0	8.2	8.5	23.7	8.2	31.9	22.1	1.6
-NWC chg	(8.4)	2.6	2.3	4.4	9.3	2.6	11.9	(0.3)	(4.0)	(2.5)	(6.8)	(0.2)	(7.0)	(3.2)	(3.6)
CF from Operations	22.3	11.2	10.8	31.5	53.5	(5.9)	47.6	9.8	7.6	9.7	27.1	11.3	38.4	28.0	(0.9)
Capex	(28.2)	(8.7)	(6.1)	(18.2)	(33.0)	8.3	(24.7)	(9.6)	(7.6)	(5.6)	(22.8)	(4.2)	(27.0)	(22.9)	0.1
Equity FCF	(5.9)	2.5	4.7	13.3	20.5	2.4	22.9	0.2	0.0	4.1	4.3	7.1	11.4	5.1	(0.8)
Acquisitions	(20.9)	(6.4)	(1.6)	(8.0)	(16.0)	8.0	(8.0)		(7.8)	(1.7)	(9.5)	(3.1)	(12.6)	(9.5)	
Dividends	(8.4)		(7.8)	(7.8)	(15.6)	7.8	(7.8)		(7.8)		(7.8)		(7.8)	(7.8)	
Buyback	(7.6)	(2.0)	(3.3)	(8.5)	(13.8)	3.9	(9.9)			(0.7)	(0.7)		0.7	(0.7)	
Equity financing															
Other	2.6	(5.2)	1.2	(7.7)	(11.6)	(7.0)	(18.6)	(1.1)	(1.2)	2.9	0.6	(0.6)		(2.3)	2.9
Net Cash Flow	(40.2)	(11.1)	(6.8)	(18.7)	(36.6)	15.2	(21.4)	(0.9)	(16.8)	4.6	(13.1)	4.1	(9.0)	(15.2)	2.1
Net Debt (post IFRS16)	180.8	191.9	198.7	199.5	217.4	202.2	202.2	203.1	219.9	215.3	215.3	211.2	211.2	217.4	(2.1)
IFRS16	10.3	12.8	12.1	11.0	11.0	10.6	10.6	11.6	11.6	10.6	10.6	11.6	11.6	11.6	(1.0)
Net Debt ex IFRS16	170.5	179.1	186.6	188.5	206.4	191.6	191.6	191.5	208.3	204.7	204.7	199.6	199.6	205.8	(1.1)
treasury shares MtM	28.0	32.8	35.2	27.9	27.9	37.5	37.5	34.4	44.4	43.5	43.5	39.4	39.4	43.5	
ND ex IFRS16 + own shares	142.5	146.3	151.4	160.6	178.5	154.2	154.2	157.2	163.9	161.2	161.2	160.2	160.2	162.3	(1.1)
ND/annualized EBITDA	3.4x	3.3x	3.1x	3.1x	3.1x	3.0x	3.0x	3.0x	3.1x	2.9x	2.9x	2.8x	2.8x	3.1x	

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

Feedback from conference call

Solid organic growth is set to continue in 4Q, with core revenues expected to rise 8-10% in Italy and mid-high single digit in Germany, albeit with a slight delay in the latter. For 2025, management is confident of achieving 7-9% growth in Germany, contingent on timely onboarding of two key contracts. CapEx is set at €27mn for FY24 and slightly reduced to €22-23mn in FY25, benefiting from advance spending this year. The M&A pipeline includes two small potential targets in Germany and one in Switzerland, with a focus on cost synergies in Germany and scale expansion in Switzerland. WIIT's commercial pipeline shows strong upselling opportunities, highlighted by a recent contract in Italy, alongside two key renewals in Italy and Germany, extending visibility by a further 2-3 years.

- **Outlook:** management expects core revenue organic growth of 8-10% in Italy (order bookings are in line with budget) and mid/high single-digit growth in Germany, with a slight delay of 2-3 months. For 2025, management is confident of achieving 7-9% growth in Germany, dependent on the timely migration of two newly signed contracts, which may take up to 6 months. Management is very confident of achieving consensus EBITDA of €56mn for this year.
- **Commercial Pipeline:** recently, WIIT signed a contract in Italy with a client from Matika (acquired in 2020), with significant upselling potential tied to expanding Secure Cloud services across the geographic footprint and migrating all client apps to WIIT's data center. The contract size increased from approximately €100k/year to around €500k/year. Two contract renewals are expected soon (one in Italy and one in Germany); while they do not include upselling, they extend the contract duration by 2-3 years, providing greater future visibility.
- **M&A Pipeline:** management is studying two potential small targets in Germany and one in Switzerland (with an average EV range of €4-10mn). The preference is for further consolidation in the German market to extract cost synergies faster, while the goal in Switzerland is to increase scale.
- **CapEx Outlook:** management confirmed €27mn CapEx for FY24, reducing to €22-23mn in FY25, benefiting from approximately €4mn CapEx anticipated this year.
- **ECONIS:** already reached its EBITDA breakeven target in 9M, initially projected for year-end. Management expects it to reach EBIT breakeven by Q2 2025.
- **EBIT Margin:** despite lower overall profitability, Germany's EBIT margin (23.2% in 9M) remains higher than Italy's (20.2% in 9M). This is due to: (i) higher D&A in Italy, where there is a stronger focus on mission-critical services requiring greater investments in resilience and storage; and (ii) a higher occupancy rate in Germany (60%) compared to Italy (40%).
- **Core Recurring Revenue:** Italy's core recurring revenue portion is lower (84%) than Germany's (>90%) due to customer migration projects.

WIIT – M&A Trackrecord

Date	Target	Country	Curr.	EV (mn)	Year	Sales (mn)	EV /Sales	EBITDA (mn)	EBITDA margin	EV/EBITDA pre syn.	synergies (€mn)	EV/EBITDA post syn.	FTEs
Jun-18	Adelante	IT	EUR	6.4	FY17	7.0	0.9x	0.9	13%	7.1x			
Jun-19	Matika	IT	EUR	8.5	FY18	9.2	0.9x	1.6	17%	5.3x			38
Dec-19	Etaeria	IT	EUR	6.7	FY18	6.1	1.1x	1.4	23%	4.5x			40
Dec-19	Aedera	IT	EUR	2.2	FY18	1.9	1.2x	0.4	21%	4.6x			18
Sep-20	Myloc	DE	EUR	50.0	FY19	16.2	3.1x	7.4	46%	6.8x			70
Jul-21	Mivitec	DE	EUR	4.0	FY21	4.0	1.0x	0.5	13%	8.0x	1.0	2.7x	23
Oct-21	R42 Group	DE	EUR	70.8	FY21	27.6	2.6x	8.9	32%	7.9x	2.0	6.5x	140
	Boreus		EUR	52.8	FY21	14.1	3.7x	5.6	40%	9.4x			
	Geco		EUR	18.0	FY21	13.5	1.3x	3.3	24%	5.5x			
Feb-22	ERPTech	IT	EUR	4.0	FY21	9.0	0.4x	0.5	6%	8.0x	3.0	1.1x	44
Sep-22	Lansol	DE	EUR	18.0	FY22	6.6	2.7x	2.0	30%	9.0x	1.0	6.0x	24
Jan-23	Global Access	DE	EUR	8.0	FY22	4.0	2.0x	1.1	26%	7.6x	1.0	3.9x	9
Jan-24	Edge&Cloud	DE	EUR	6.5	FY23	9.2	0.7x	~0	n.m.	n.m.	3.0	2.2x	66
Mar-24	Econis	CH	CHF	1.8	FY23	29.6	0.1x	2.0	7%	0.9x	6.5	0.2x	81
Oct-24	Michgehl&P.	DE	EUR	5.4	FY24	4.5	1.2x	0.8	18%	6.8x	1.0	3.0x	31

Source: Intermonte SIM elaboration based on Company data

Change in Estimates

We embody in our estimates the M&P acquisition in Germany (low single-digit upside at EPS level, more visible from FY27 onwards) and fine-tune our estimates, raising D&A for this year to c. €27mn and reducing 2025 CapEx.

WIIT – Changes to 2024-27 Estimates

Eu mn	Actual			New Estimates				Old Estimates				New vs Old			
	'21A	'22A	'23A	'24E	'25E	'26E	'27E	'24E	'25E	'26E	'27E	'24E	'25E	'26E	'27E
Revenue	77.1	118.8	130.1	164.0	181.8	194.9	207.2	161.8	179.7	191.9	204.9	1.3%	1.2%	1.6%	1.1%
YoY growth	17.9%	54.1%	9.5%	26.0%	10.9%	7.2%	6.3%	24.4%	11.1%	6.8%	6.8%				
Italy	56.4	58.0	57.7	62.9	67.3	71.3	74.2	63.8	66.9	70.2	73.5	-1.4%	0.5%	1.7%	0.9%
as % of tot	73.2%	48.8%	44.3%	38.4%	37.0%	36.6%	35.8%	39.4%	37.2%	36.6%	35.9%				
Germany	20.7	60.8	72.4	89.1	101.6	109.7	118.1	89.1	100.6	108.7	117.4	0.0%	0.9%	0.9%	0.7%
as % of tot	26.8%	51.2%	55.7%	54.3%	55.9%	56.3%	57.0%	55.0%	56.0%	56.6%	57.3%				
Switzerland				12.0	13.0	13.9	13.9	9.0	12.2	13.0	13.0	33.3%	6.7%	6.7%	6.7%
as % of tot				7.3%	7.1%	7.1%	6.7%	5.6%	6.8%	6.8%	6.4%				
Adj. EBITDA	29.5	42.2	50.8	56.6	66.2	74.4	80.0	56.1	66.1	74.4	79.3	0.9%	0.2%	0.0%	0.9%
YoY growth	19.6%	43.0%	20.3%	11.6%	16.8%	12.4%	7.6%	10.6%	17.7%	12.6%	6.6%				
as % of sales	38.3%	35.5%	39.0%	34.6%	36.4%	38.1%	38.6%	34.7%	36.8%	38.8%	38.7%				
Italy		21.7	26.3	28.7	31.0	33.5	34.9	29.1	30.8	33.0	34.6	-1.4%	0.5%	1.7%	0.9%
as % of sales		37.4%	45.5%	45.6%	46.0%	47.0%	47.0%	45.6%	46.0%	47.0%	47.0%				
Germany		20.5	24.5	27.6	33.0	38.4	42.5	27.6	33.2	39.1	42.3	0.0%	-0.6%	-1.9%	0.7%
as % of sales		33.7%	33.8%	31.0%	32.5%	35.0%	36.0%	31.0%	33.0%	36.0%	36.0%				
Switzerland				0.4	2.2	2.4	2.4	(0.6)	2.1	2.3	2.3	n.m.	6.7%	6.7%	6.7%
as % of sales				n.a.	n.a.	17.5%	17.5%	n.a.	n.a.	17.5%	17.5%				
EBITDA	23.3	39.7	46.8	57.1	66.2	74.4	80.0	56.9	66.1	74.4	79.3	0.3%	0.2%	0.0%	0.9%
YoY growth	42.9%	70.6%	17.9%	22.0%	15.9%	12.4%	7.6%	21.5%	16.1%	12.6%	6.6%				
as % of sales	30.2%	33.4%	36.0%	34.8%	36.4%	38.1%	38.6%	35.2%	36.8%	38.8%	38.7%				
ordinary D&A	(14.0)	(19.0)	(22.7)	(27.2)	(27.0)	(27.0)	(27.1)	(25.0)	(27.0)	(27.1)	(27.2)				
Adj. EBIT	15.5	23.2	28.0	29.4	39.2	47.4	52.9	31.1	39.1	47.3	52.1	-5.4%	0.3%	0.2%	1.6%
YoY growth	24.8%	50.0%	20.6%	5.1%	33.0%	20.9%	11.7%	11.1%	25.6%	21.0%	10.1%				
as % of sales	20.1%	19.5%	21.5%	18.0%	21.5%	24.3%	25.5%	19.2%	21.7%	24.6%	25.4%				
EBIT	5.1	16.2	19.5	25.2	34.5	42.7	48.2	27.2	34.4	42.6	47.4	-7.4%	0.3%	0.2%	1.8%
Net fin expenses	(4.3)	(5.6)	(7.8)	(7.8)	(7.0)	(6.8)	(6.4)	(7.8)	(7.0)	(6.8)	(6.8)				
Pre Tax Income	0.8	10.6	11.7	17.4	27.5	35.9	41.8	19.4	27.4	35.8	40.6	-10.3%	0.4%	0.2%	3.1%
taxes	(1.2)	(3.4)	(3.3)	(3.9)	(6.2)	(8.3)	(9.6)	(5.2)	(6.3)	(8.2)	(9.3)				
Net Profit	-0.4	7.2	8.3	13.5	21.3	27.6	32.2	14.2	21.1	27.6	31.2	-4.8%	1.0%	0.2%	3.1%
Adj. Net profit	9.3	12.5	15.1	16.8	24.9	31.2	35.8	17.0	24.7	31.2	34.9	-1.5%	1.0%	0.2%	2.8%
YoY growth	-0.4%	34.9%	20.5%	11.4%	48.6%	25.2%	14.7%	13.0%	45.1%	26.2%	26.2%				
EPS (€)	-0.01	0.26	0.30	0.48	0.76	0.99	1.15	0.51	0.75	0.98	1.12				
Adj. EPS (€)	0.33	0.45	0.54	0.60	0.89	1.11	1.28	0.61	0.88	1.11	1.24	-1.5%	1.0%	0.2%	2.8%
YoY growth	-5.7%	34.9%	20.5%	11.4%	48.6%	25.2%	14.7%	13.0%	45.1%	26.2%	11.8%				
Capex	21.0	28.2	24.7	27.0	22.0	23.0	24.5	27.0	25.5	25.0	24.5	0.0%	-13.7%	-8.0%	0.0%
as % of revs.	27.2%	23.7%	19.0%	16.5%	12.1%	11.8%	11.8%	16.7%	14.2%	13.0%	12.2%				
Net Debt/(Cash)	140.6	180.8	202.2	211.2	192.2	169.5	146.1	198.8	183.7	162.9	140.6	6.3%	4.6%	4.0%	3.9%
ND/Adj. EBITDA	n.m.	4.3x	4.0x	3.7x	2.9x	2.3x	1.8x	3.5x	2.8x	2.2x	1.8x				
Net Debt ex IFRS16	129.9	170.5	191.6	199.6	180.6	157.9	134.5	187.2	172.1	151.3	129.0	6.6%	4.9%	4.3%	4.2%
ND/Adj. EBITDA	n.m.	4.0x	3.8x	3.5x	2.7x	2.1x	1.7x	3.3x	2.6x	2.0x	1.6x				
own shares MtM	45.9	28.5	37.5	39.3	39.3	39.3	39.3	43.7	43.7	43.7	39.2				
ND ex IFRS16 & own shares	84.0	142.0	154.2	160.3	141.3	118.6	95.2	143.4	128.4	107.6	89.9	11.8%	10.1%	10.2%	6.0%
ND/Adj. EBITDA	n.m.	3.4x	3.0x	2.8x	2.1x	1.6x	1.2x	2.6x	1.9x	1.4x	1.1x				

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

Comparison with Current Consensus

WIIT – Changes to 2024-27 Estimates

Eu mn	Actual			Intermonte				Consensus				Intermonte vs Consensus			
	'21A	'22A	'23A	'24E	'25E	'26E	'27E	'24E	'25E	'26E	'27E	'24E	'25E	'26E	'27E
Revenue	77.1	118.8	130.1	164.0	181.8	194.9	207.2	161.8	181.1	191.5		1%	0%	2%	n.m.
YoY growth	17.9%	54.1%	9.5%	26.0%	10.9%	7.2%	6.3%	24.4%	11.9%	5.8%	n.m.				
Adj. EBITDA	29.5	42.2	50.8	56.6	66.2	74.4	80.0	56.1	65.7	72.8		1%	1%	2%	n.m.
YoY growth	19.6%	43.0%	20.3%	11.6%	16.8%	12.4%	7.6%	10.6%	17.0%	10.8%	n.m.				
as % of sales	38.3%	35.5%	39.0%	34.6%	36.4%	38.1%	38.6%	34.7%	36.3%	38.0%	n.m.				
EBITDA	23.3	39.7	46.8	57.1	66.2	74.4	80.0	56.3	65.8	72.6		2%	1%	2%	n.m.
YoY growth	42.9%	70.6%	17.9%	22.0%	15.9%	12.4%	7.6%	20.2%	16.9%	10.4%	n.m.				
as % of sales	30.2%	33.4%	36.0%	34.8%	36.4%	38.1%	38.6%	34.8%	36.3%	37.9%	n.m.				
Adj. EBIT	15.5	23.2	28.0	29.4	39.2	47.4	52.9	30.1	38.0	43.9		-2%	3%	8%	n.m.
YoY growth	24.8%	50.0%	20.6%	5.1%	33.0%	20.9%	11.7%	7.5%	26.1%	15.7%	n.m.				
as % of sales	20.1%	19.5%	21.5%	18.0%	21.5%	24.3%	25.5%	18.6%	21.0%	22.9%	n.m.				
EBIT	5.1	16.2	19.5	25.2	34.5	42.7	48.2	29.3	37.1	43.1		-14%	-7%	-1%	n.m.
Pre Tax Income	0.8	10.6	11.7	17.4	27.5	35.9	41.8	18.3	25.9	32.0					
Net Profit	-0.4	7.2	8.3	13.5	21.3	27.6	32.2	13.4	19.4	23.9					
Adj. Net profit	9.3	12.5	15.1	16.8	24.9	31.2	35.8	16.3	22.2	26.5		3%	12%	18%	n.m.
YoY growth	-0.4%	34.9%	20.5%	11.4%	48.6%	25.2%	14.7%	7.9%	36.6%	19.5%	n.m.				
EPS (€)	0.0	0.3	0.3	0.5	0.1	0.1	0.2	0.6	0.8	1.0					
Adj. EPS (€)	0.3	0.4	0.5	0.6	0.9	1.1	1.3	0.5	0.7	0.9		19%	22%	26%	n.m.
YoY growth	-6%	35%	20%	11%	49%	25%	15%	-6.4%	44.4%	22.0%	n.m.				
DPS (€)	0.30	0.30	0.30	0.30	0.45	0.45	0.45	0.30	0.37	0.40		-2%	22%	11%	n.m.
payout	91%	67%	56%	50%	50%	40%	35%	60.4%	20.1%	9.4%	n.m.				
Capex	21.0	28.2	24.7	27.0	22.0	23.0	24.5	25.9	26.4	26.7		4%	-17%	-14%	n.m.
as % of revs.	27.2%	23.7%	19.0%	16.5%	12.1%	11.8%	11.8%	16.0%	14.6%	13.9%	n.m.				
Net Debt/(Cash)	140.6	180.8	202.2	211.2	192.2	169.5	146.1	203.2	186.3	164.4		4%	3%	3%	n.m.
ND/Adj. EBITDA	n.m.	4.3x	4.0x	3.7x	2.9x	2.3x	1.8x	3.6x	2.8x	2.3x	n.m.				

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

DCF Valuation

After updating our DCF model, we are lifting our target price to €28 (from €27) or 14x EV/EBITDA'25 (broadly in line with the historical average, currently at c.12x). The stock continues to offer good visibility on organic growth, supportive earnings direction (adj. EPS set to more than double over the next 2 years) and attractive M&A prospects, prompting us to reiterate our positive rating.

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

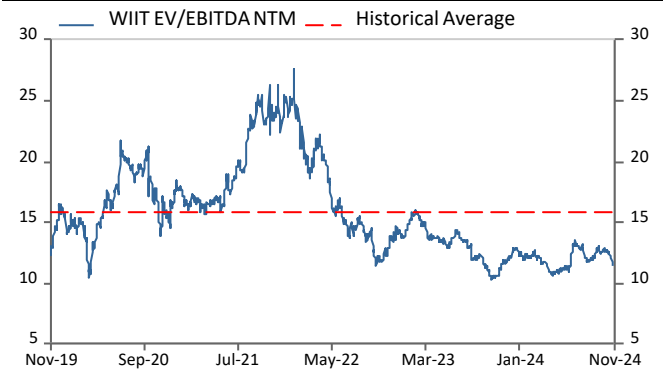
Eu mn	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	TV
Revenues	164.0	181.8	194.9	207.2	217.6	226.6	235.4	244.1	252.7	261.1	269.2	277.0	283.8
<i>YoY growth</i>	26.0%	10.9%	7.2%	6.3%	5.0%	4.1%	3.9%	3.7%	3.5%	3.3%	3.1%	2.9%	2.5%
Adj. EBITDA	56.6	66.2	74.4	80.0	83.9	87.2	90.5	93.8	96.9	100.1	103.2	106.2	109.3
<i>EBITDA margin %</i>	34.6%	36.4%	38.1%	38.6%	38.6%	38.5%	38.5%	38.4%	38.4%	38.4%	38.3%	38.3%	38.5%
<i>D&A</i>	(27.2)	(27.0)	(27.0)	(27.1)	(26.9)	(26.7)	(26.6)	(26.6)	(26.6)	(26.6)	(26.7)	(26.8)	(28.4)
Adj. EBIT	29.4	39.2	47.4	52.9	57.0	60.5	63.9	67.2	70.4	73.5	76.6	79.5	80.9
<i>Adj. EBIT margin %</i>	18.0%	21.5%	24.3%	25.5%	26.2%	26.7%	27.1%	27.5%	27.8%	28.2%	28.4%	28.7%	28.5%
<i>Taxes on EBIT</i>	(7.2)	(9.6)	(11.6)	(13.0)	(14.0)	(14.8)	(15.7)	(16.5)	(17.2)	(18.0)	(18.8)	(19.5)	(19.8)
NOPAT	22.2	29.6	35.8	39.9	43.1	45.7	48.3	50.7	53.1	55.5	57.8	60.0	61.1
<i>+ D&A</i>	27.2	27.0	27.0	27.1	26.9	26.7	26.6	26.6	26.6	26.6	26.7	26.8	28.4
<i>-/+ Delta WKC</i>	(7.0)	(1.2)	(1.2)	(1.2)	(1.3)	(1.4)	(1.4)	(1.5)	(1.5)	(1.6)	(1.6)	(1.7)	-
<i>- Capex</i>	(27.0)	(22.0)	(23.0)	(22.8)	(23.8)	(24.7)	(25.5)	(26.4)	(27.2)	(27.9)	(28.7)	(29.4)	(28.4)
<i>Capex on sales %</i>	16.5%	12.1%	11.8%	11.0%	11.0%	10.9%	10.9%	10.8%	10.8%	10.7%	10.7%	10.6%	10.0%
= FCF	15.4	33.4	38.6	43.0	44.8	46.4	47.9	49.5	51.0	52.6	54.2	55.7	1,478
<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
= PV (FCF)		31.2	33.7	34.2	33.1	31.7	30.4	29.1	27.8	26.6	25.4	24.2	641
<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)	327
PV TV	641
Enterprise Value	968
Net debt @YE24	(211)
treasury shares	40
Equity value	797
NOSH (mn)	28.0
FV per share (Eu)	28
Actual share price	20
Upside/(Downside)	39.2%
<i>implied EV/EBITDA'24</i>	17.1x
<i>implied EV/EBITDA'25</i>	14.3x

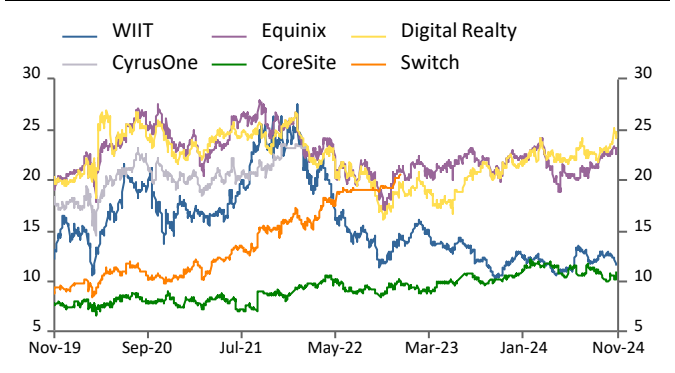
Source: Intermonte SIM

WIIT - EV/EBITDA NTM evolution



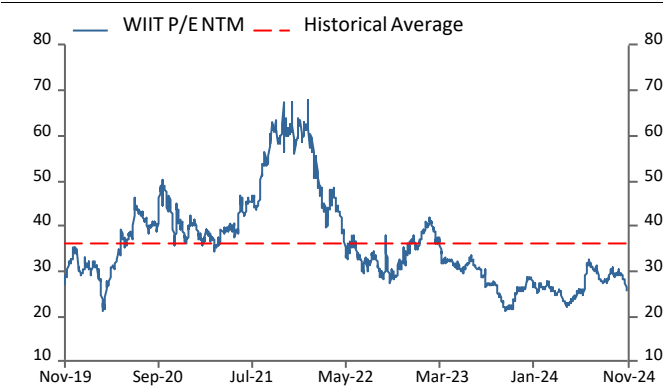
Source: FactSet Consensus

WIIT - EV/EBITDA NTM evolution vs. peers



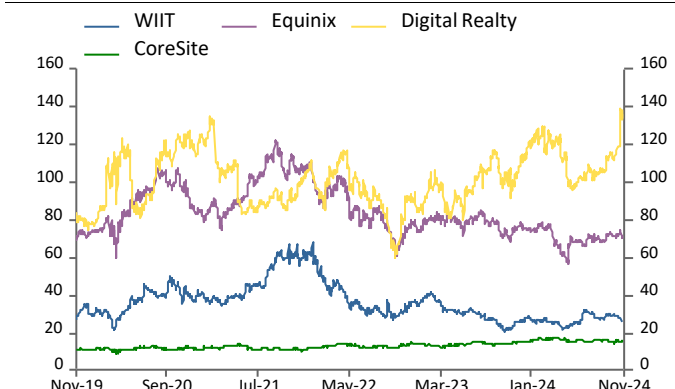
Source: FactSet Consensus

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	'26E	'24E	'25E	'26E	'24E	'25E	'26E	'24E	'25E	'26E	'24E	'25E	'26E
WIIT (@mkt price, our est.)	EUR	20.4	570	-11%	-2%	22%	3%	4.8	4.2	3.8	13.8	11.5	9.9	26.5	19.5	15.6	34.0	22.9	18.3	1.5%	2.2%	2.7%
WIIT (@mkt price, cons)	EUR	20.4	570	-11%	-2%	22%	3%	4.8	4.2	3.8	13.7	11.5	10.1	26.4	20.4	17.1	35.1	25.7	21.5	1.5%	1.8%	2.0%
WIIT (@our TP, our est.)	EUR	28	797					5.8	5.2	4.7	16.9	14.2	12.3	32.5	23.9	19.3	46.8	31.5	25.1	1.1%	1.6%	2.0%
Beeks Financial Cloud Group	GBP	2.70	217	6%	29%	51%	171%	6.1	4.4	3.7	16.2	12.0	10.3	44.5	28.2	23.5	39.0	32.8	26.5	0.0%	0.0%	0.0%
iomart Group plc	GBP	0.97	131	6%	-17%	-23%	-34%	1.4	1.2	1.2	5.5	5.0	5.1	12.0	9.9	9.7	13.3	12.1	11.5	3.5%	3.8%	3.8%
IONOS Group SE	EUR	23.90	3,346	6%	2%	-4%	36%	2.8	2.4	2.1	9.7	8.1	6.8	12.9	10.5	8.7	17.8	14.1	11.8	0.0%	0.4%	0.7%
OVH Groupe SAS	EUR	8.67	1,652	29%	57%	33%	-1%	2.4	2.2	2.0	6.4	5.7	5.1	65	45	31	n.m.	117.5	52.7	0.0%	0.0%	0.0%
Redcentric Plc	GBP	1.18	224	-9%	-15%	-16%	-6%	1.3	0.9	1.0	5.6	3.9	4.0	10.5	6.8	6.7	16.2	13.0	10.5	3.1%	3.1%	3.1%
Rackspace Technology, Inc.	USD	2.87	600	3%	25%	44%	31%	1.3	1.4	1.3	14.9	11.8	9.8	35.1	25.0	17.4	n.m.	n.m.	52.3	0.0%	0.0%	0.0%
Managed Cloud services - Median								1.9	1.8	1.7	8.1	6.9	5.9	24.0	17.8	13.5	17.0	14.1	19.1	0.0%	0.2%	0.3%
GDS Holding	USD	24.12	3,859	-4%	90%	153%	134%	5.3	5.0	4.5	12.3	11.4	9.9	63.2	46.7	30.8	n.m.	n.m.	n.m.	0.0%	0.0%	0.0%
Beijing Sinnet Teec h.	CNY	11.56	2,610	5%	39%	17%	13%	2.6	2.4	2.2	13.9	12.4	11.5	31.9	26.4	24.2	47.3	40.2	36.3	1.1%	0.9%	0.9%
Sunevision Holdings Ltd.	HKD	3.73	1,036	1%	37%	49%	22%	8.5	7.5	6.6	12.3	10.9	9.4	18.0	16.3	14.2	9.6	8.6	7.4	3.0%	3.4%	4.0%
Equinix, Inc.	USD	907.74	81,008	2%	14%	28%	11%	11.8	17.2	15.6	25.2	32.9	29.8	63.6	102.0	87.3	79.3	158.8	118.8	1.9%	0.6%	0.6%
Digital Realty Trust, Inc.	USD	178.47	54,755	11%	17%	21%	29%	13.4	12.5	11.4	25.7	24.0	21.9	134	74.4	64.0	113	107	80.3	2.8%	2.8%	2.9%
Nextdc Limited	AUD	16.76	6,504	-6%	6%	-2%	23%	26.4	26.1	23.6	52.3	52.6	48.0	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.0%	0.0%	0.0%
21Vianet Group	USD	3.84	935	-22%	83%	70%	15%	2.4	2.4	2.3	8.4	8.1	7.3	39.1	36.8	28.6	239	43.1	22.0	0.0%	0.0%	0.0%
Colocation Datacenter - Median								8.5	7.5	6.6	13.9	12.4	11.5	51.1	41.8	29.7	79.3	43.1	36.3	1.1%	0.6%	0.6%
Intuit Inc.	USD	674.15	174,768	6%	6%	2%	4%	11.7	10.2	8.9	29.1	25.0	21.4	29.8	25.6	21.9	39.3	34.5	29.8	0.5%	0.6%	0.6%
VeriSign, Inc.	USD	185.96	16,529	0%	5%	10%	-9%	11.5	11.1	10.9	15.2	14.8	14.5	16.9	16.4	16.1	22.8	22.5	22.0	0.0%	0.0%	0.0%
Wix.com Ltd.	USD	172.04	8,854	4%	6%	39%	36%	5.2	4.5	3.7	25.0	18.1	14.0	27.1	20.0	15.0	26.8	21.9	18.2	0.0%	0.0%	0.0%
Kingsoft Cloud Holdings	USD	4.23	969	-3%	55%	13%	0%	0.9	0.9	0.8	38.4	14.3	8.2	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.0%	0.0%	0.0%
Web/SW infrastructure - Median								8.3	7.4	6.3	27.0	16.5	14.3	27.1	20.0	16.1	26.8	22.5	22.0	0.0%	0.0%	0.0%
Cloud Peers - Median								8.3	7.4	6.3	13.9	12.4	11.5	27.1	20.0	16.1	26.8	22.5	22.0	0.0%	0.2%	0.3%

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

WIIT in Brief

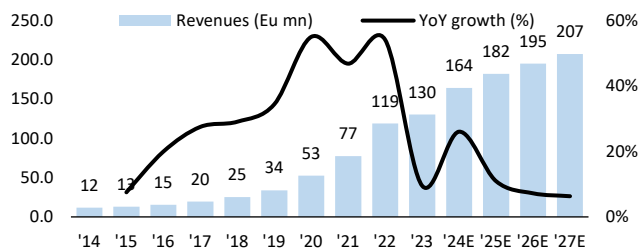
Company description

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 datacentres (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 13 successful acquisitions (5 in Italy, 8 in Germany/DACH area).

Strengths/Opportunities

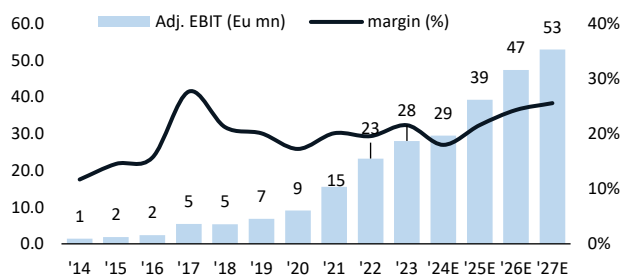
- Still underpenetrated addressable market, with increasing IT outsourcing and shift to cloud by SMEs
- High entry/low exit barriers for mission-critical services
- Complexity and customisation help WIIT set good prices
- Highly scalable and flexible business model, with good visibility from current 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 (2014-27E)



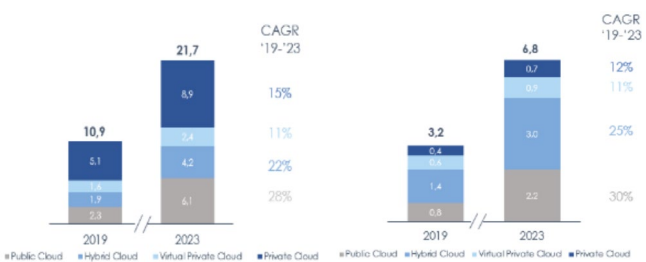
Source: Company Data, Intermonte SIM (E)

WIIT – Adj. EBIT & Margin on Sales (2014-27E)



Source: Intermonte SIM, Company Data (A)

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



Source: Anitec, Assinform

Management

CEO: Alessandro Cozzi
Chairman: Enrico Giacomelli
Chief Sales Officer: Enrico Rampin
Chief M&A: Francesco Baroncelli
COO: Stefano Pasotto

Next BoD renewal: spring 2027
BoD independent members: 3/9
Women in BoD: 4/9

Shareholders

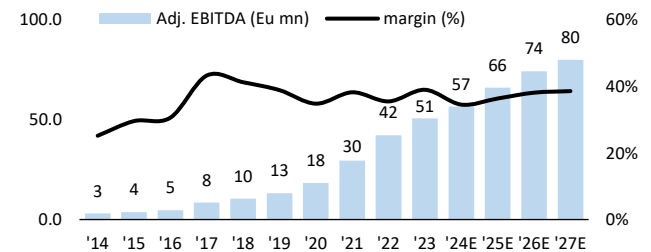
A. Cozzi (WIIT Fin& direct) 56.47%
 Market 36.56%
 Own shares 6.97%

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

Weaknesses/Threats

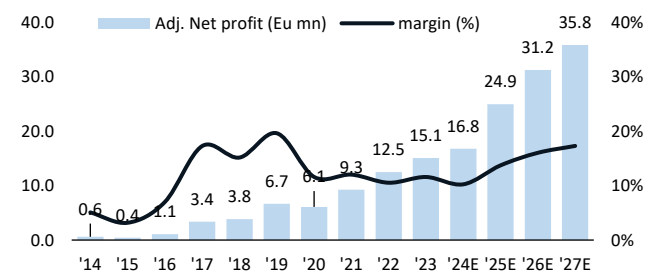
- Competition from hyperscalers (price erosion, loss of market share)
- Disruptive technologies and/or commoditisation of cloud
- Country risk from major geographical exposure to Italy
- Dependence on some key customers and renewal risk
- Cybersecurity risks to proprietary infrastructure
- Fragmented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

WIIT – Adj. EBITDA & Margin on Sales (2014-27E)



Source: Company Data, Intermonte SIM (E)

WIIT – Adj. Net Profit & Margin on Sales (2014-27E)

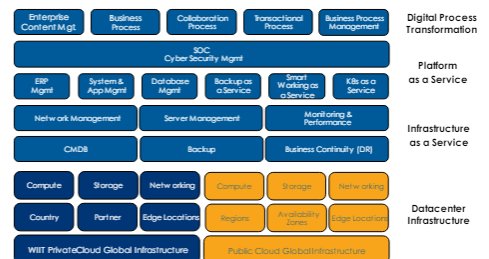


Source: Intermonte SIM, Company Data (A)

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

IaaS and PaaS LAYERS

An integrated platform of technologies and managed services



Source: Annual Report 2023

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	WIIT		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	28.00	Previous Target (Eu):	27.00
Current Price (Eu):	20.35	Previous Price (Eu):	22.05
Date of report:	08/11/2024	Date of last report:	02/08/2024