

## WIIT

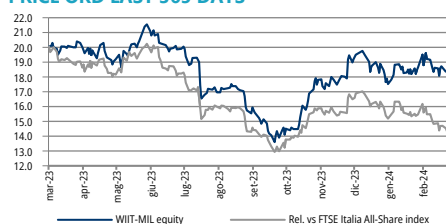
## Earnings Review

**BUY ord.** (Unchanged)Target: **€ 22.00** (Unchanged)

Risk: High

STOCKDATA	ORD		
Price (as of 15 Mar 2024)	17.4		
Bloomberg Code	WIIT IM		
Market Cap (€ mn)	452		
Free Float	48%		
Shares Out (mn)	26.1		
52 week Range	€ 13.6 - 21.6		
Daily Volume	24,631		
Performance (%)	1M	3M	1Y
Absolute	-6.9	-10.8	-13.2
Rel to FTSE Italia All-Share	-12.8	-19.8	-33.4
MAIN METRICS	2023	2024E	2025E
SALES Adj	130	147	160
EBITDA Adj	50.8	56.1	64.0
EBIT Adj	28.0	30.8	38.0
NET INCOME Adj	15.1	16.9	22.3
EPS Adj - €	57.5	64.8	85.4
DPS Ord - €	30.0	30.0	30.0
MULTIPLES	2023	2024E	2025E
P/E ord Adj	33.9x	26.8x	20.3x
EV/EBITDA Adj	14.4x	11.9x	10.2x
EV/EBIT Adj	26.0x	21.7x	17.2x
REMUNERATION	2023	2024E	2025E
Div. Yield ord (A)	1.6%	1.7%	1.7%
FCF Yield Adj	2.7%	3.9%	5.8%
INDEBTEDNESS	2023	2024E	2025E
NFP Adj	-202	-199	-181
D/Ebitda Adj	4.0x	3.5x	2.8x

## PRICE ORD LAST 365 DAYS

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## SUPPORTIVE 2024 OUTLOOK BUT LOWER FCF CONVERSION

**4Q results in line with expectations, with a strong pipeline of commercial activities (and M&A) supporting the 2024 outlook. Higher CAPEX in 2023 and 2024 limit debt reduction and FCF conversion.**

■ **4Q23 results: strong margin improvement, but higher debt**

**4Q results were very close to our expectations at P&L level, but with higher debt:**

- **Revenue** +1% to € 33.9mn (€ 33.4mn exp.), with excellent organic performance (+10% in Italy, +6% in Germany), although still difficult to interpret as revenues are then impacted by the cleanup (completed in 2023) of low-value-added items (HW/SW resale);
- **Adj. EBITDA** € 13.1mn vs. exp. € 12.9mn, up 6% YoY and +160bps YoY margin at 38.6%.
- **Adj. NI** at € 3.5mn vs. exp. € 3.8mn, up 21% YoY, due to slightly higher financial charges;
- **NFP** at € -202mn vs. exp. € -197mn, due to higher CAPEX (€ 25mn vs. exp. € 21mn).

At geographical level, **Italy generated € 57.7mn sales with an EBITDA margin at 44.3%** (+520bps thanks to organic growth and ERP Tech integration) while **Germany reported € 72.4mn sales with EBITDA margin at 33.9%** (-60bps YoY).

■ **Key messages from the call**

**The pipeline of commercial opportunities remains strong**, both in Italy and Germany, with 2024 growth prospects at **double digit in Italy and high-single digit in Germany**. This is supported by good visibility from the backlog of € 150mn at the end of 2023 and new logos. **CAPEX is projected at € 25-26mn in 2024** (similar to 2023 vs. € 21mn exp.), including € 2mn for extracting € 2mn synergies from the recent Edge&Cloud acquisition. **M&A scouting continues**, with opportunities for a medium-sized asset in Switzerland.

■ **Estimate revision: we factor in the recent M&A and higher CAPEX for 2023-24**

With the completion of the cleanup of low-value-added activities (HW/SW resale), revenue trends will be easier to read.

- **For 2024, we raise revenues by 7% to € 147mn** (mainly due to E&C contribution), **confirming EBITDA at € 56mn** (no contribution from E&C, generating zero margin). Our estimate implies +8% organic top-line and +5% M&A impact in 2024.
- **For 2025, we raise revenues by 9% to € 160mn** (+3% organic, +6% from M&A), while we confirm EBITDA at € 64mn (organic YoY increase of € 6mn and € 2mn from E&C synergies).
- **CAPEX projections have been raised by €4mn for 2024 and €2mn for 2025**. FCF is expected at € 18mn and € 26mn for 2024-25, with NFP at € -199mn and € -180mn (previously € -183mn and € -163mn, with € -6.5mn due to M&A and the rest for higher CAPEX and higher 2023 debt).

■ **Valuation confirmed: attractive momentum, but limited FCF**

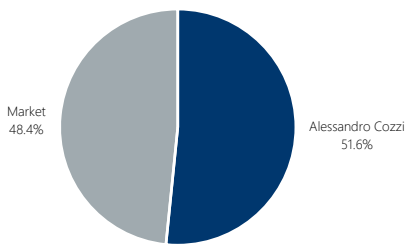
**The revenue and EBITDA growth story remains intact and clearer from 2024** with the completion of low-value-added revenue cleanup. Positive signals are also emerging from the growth of the German business, which is starting to develop a positioning more similar to WIIT in Italy, with recurring and higher-value-added services. **Higher CAPEX and slow debt reduction** (with FCF of € 18mn in 2024 already allocated for € 8mn to dividends and € 6.5mn to M&A) are the main limits on the story, given the starting leverage.

**The stock is trading at 12-10x EV/EBITDA for 2024-25**, with high visibility on 2024 trends. **We confirm the target of €22PS, based on a multiple of 12x EV/EBITDA for 2025 (25x Adj PE).**

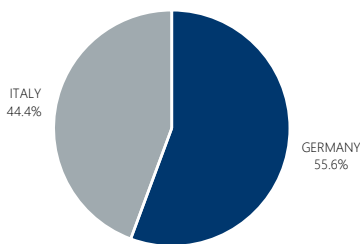
MAIN FIGURES - EURmn	2021	2022	2023	2024E	2025E	2026E
SALES Adj	77.1	119	130	147	160	171
Growth	45.6%	54.1%	9.5%	12.9%	9.0%	7.0%
EBITDA Adj	29.5	42.2	50.8	56.1	64.0	70.8
Growth	61.2%	43.1%	20.4%	10.5%	14.1%	10.6%
EBIT Adj	15.5	23.2	28.0	30.8	38.0	44.0
Growth	71.3%	49.7%	20.7%	10.1%	23.2%	15.8%
PBT Adj	12.8	17.6	20.1	22.8	30.1	36.2
Growth	67.5%	37.5%	14.2%	13.6%	31.8%	20.3%
Net Income Adj	8.2	12.5	15.1	16.9	22.3	26.8
Growth	58.0%	51.8%	20.8%	11.9%	31.8%	20.3%
MARGIN - %	2021	2022	2023	2024E	2025E	2026E
EBITDA Adj Margin	38.3%	35.5%	39.0%	38.2%	40.0%	41.3%
Ebit Adj margin	20.1%	19.5%	21.5%	21.0%	23.7%	25.7%
Pbt Adj margin	16.6%	14.8%	15.4%	15.5%	18.8%	21.1%
Net Income Adj margin	10.7%	10.5%	11.6%	11.5%	13.9%	15.6%
SHARE DATA	2021	2022	2023	2024E	2025E	2026E
EPS Adj - €c	31.8	47.0	57.5	64.8	85.4	103
Growth	53.4%	47.7%	22.4%	12.8%	31.8%	20.3%
DPS ord(A) - €c	30.0	30.0	30.0	30.0	30.0	30.0
BVPS	1.7	1.5	1.2	1.5	1.9	2.5
VARIOUS	2021	2022	2023	2024E	2025E	2026E
Capital Employed	205	242	254	256	248	241
FCF	14.4	-6.7	13.0	17.6	26.0	30.2
CAPEX	10.0	27.0	24.7	25.0	22.9	24.1
Working capital	-2.0	4.9	3.7	4.3	4.9	5.5
Trading Working capital	3.1	11.3	7.7	8.3	8.9	9.5
INDEBTNESS	2021	2022	2023	2024E	2025E	2026E
Nfp Adj	-140	-183	-202	-199	-181	-158
D/E Adj	3.09	4.59	6.22	5.25	3.71	2.47
Debt / EBITDA Adj	4.7x	4.3x	4.0x	3.5x	2.8x	2.2x
Interest Coverage	8.6x	7.1x	5.9x	7.0x	8.1x	9.1x
MARKET RATIOS	2021	2022	2023	2024E	2025E	2026E
P/E Ord Adj	113x	38.3x	33.9x	26.8x	20.3x	16.9x
PBV	13.2x	14.6x	15.0x	12.0x	9.3x	7.1x
EV FIGURES	2021	2022	2023	2024E	2025E	2026E
EV/Sales	14.5x	5.7x	5.6x	4.6x	4.1x	3.7x
EV/EBITDA Adj	37.9x	16.1x	14.4x	11.9x	10.2x	8.9x
EV/EBIT Adj	72.1x	29.3x	26.0x	21.7x	17.2x	14.3x
EV/CE	5.4x	2.8x	2.9x	2.6x	2.6x	2.6x
REMUNERATION	2021	2022	2023	2024E	2025E	2026E
Div. Yield ord	1.4%	1.4%	1.6%	1.7%	1.7%	1.7%
FCF Yield Adj	2.5%	-1.1%	2.7%	3.9%	5.8%	0.0%
Roce Adj	7.0%	7.7%	8.4%	9.0%	11.2%	13.3%

Source: Company data and Equita SIM estimates

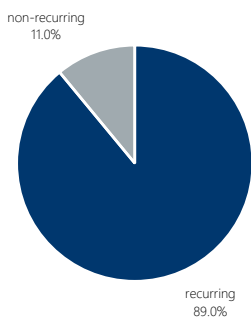
SHAREHOLDERS



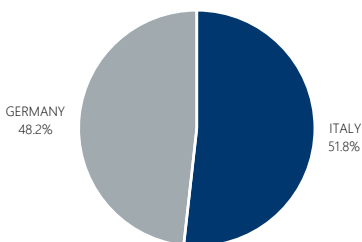
SALES BY GEOGRAPHY



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 double-digit growth trend** (+mid-teens CAGR 2018-22 on a global basis according to Gartner), 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 and, since the acquisition of myLoc in 2020, in Germany. The 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 39% top-line CAGR and 37% Adj. EBITDA CAGR in 2018-2023, 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 and Global Access and Edge&Cloud in 2023).

**WIIT is controlled by WIIT Fin, a vehicle owned by Mr. Alessandro Cozzi, the founder of the company.** Mr. Cozzi controls 52% of the share capital and 66% of the voting rights, thanks to a double voting right for shareholders keeping the shares for at least 24 months.

6-YEAR HISTORICAL RESULTS

	2018	2019	2020	2021	2022	2023	CAGR 2018-23
<b>SALES</b>	<b>25.2</b>	<b>33.9</b>	<b>52.9</b>	<b>77.1</b>	<b>118.8</b>	<b>130.1</b>	<b>39%</b>
growth	29.1%	34.4%	56.1%	45.6%	54.1%	9.5%	
<b>Adj. EBITDA</b>	<b>10.4</b>	<b>13.2</b>	<b>18.3</b>	<b>29.5</b>	<b>42.2</b>	<b>50.8</b>	<b>37%</b>
growth	23.0%	26.7%	38.8%	61.2%	43.1%	20.4%	
margin	41.3%	38.9%	34.6%	38.3%	35.5%	39.0%	

Source: Company data

STRENGTHS / OPPORTUNITIES

- 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

WEAKNESSES /THREATS

- Limited size in the broad ICT market
- Limited geographical diversification (just two countries)
- Limited inflation protection in existing contracts
- High leverage
- Limited liquidity also due to limited free float
- Risk of asset failures

## 4Q RESULTS: STRONG MARGIN IMPROVEMENT BUT HIGHER DEBT

**4Q23 results were very close to expectations**, but with € 5mn higher debt:

- **Revenue +1% to € 33.9mn** (€ 33.4mn exp.), with excellent organic performance (+10% in Italy, +6% in Germany), although still difficult to interpret as revenues are then impacted by the cleanup (completed in 2023) of low-value-added items (HW/SW resale);
- **Adj. EBITDA at € 13.1mn vs. € 12.9mn exp.**, up 6% YoY and +160bps YoY margin at 38.6%.
- **Adj. NI** at € 3.5mn vs. exp. € 3.8mn, up 21% YoY, due to slightly higher financial charges;
- **NFP** at € -202mn vs. exp. € -197mn, due to higher CAPEX (€ 25mn vs. exp. € 21mn).

WIIT - 4Q 23 - RESULTS						
	Q4-22	EXPECTED		REPORTED		CONS Q4-23E
		Q4-23E	YoY gr. %	Q4-23E	YoY gr. %	
Revenues	33.5	33.4	0%	33.9	1%	34.2
Adjusted EBITDA	12.4	12.9	4%	13.1	6%	12.4
Margin	37.1%	38.6%	-	38.6%	-	36.3%
Adj. EBIT	7.8	7.2	-8%	7.0	-10%	n.a.
Margin	23.3%	21.6%	-	20.6%	-	n.a.
Adj. net income	2.9	3.8	31%	3.5	21%	n.a.
Margin	8.7%	11.4%	-	10.3%	-	n.a.
Net income	1.8	2.9	57%	1.5	-20%	n.a.
Margin	5.5%	8.7%	-	4.4%	-	n.a.
NFP	-183	-197	8%	-202	10%	n.a.

Source: Equita SIM estimates and Company data

WIIT - 12M 23 - RESULTS						
	12M-22	EXPECTED		REPORTED		CONS 12M-23E
		12M-23E	YoY gr. %	12M-23E	YoY gr. %	
Revenues	118.8	129.6	9%	130.1	10%	130.4
Adjusted EBITDA	42.2	50.7	20%	50.8	20%	50.1
Margin	35.5%	39.1%	-	39.0%	-	38.4%
Adj. EBIT	23.2	28.2	22%	28.0	21%	n.a.
Margin	19.5%	21.8%	-	21.5%	-	n.a.
Adj. net income	12.5	15.4	23%	15.1	21%	n.a.
Margin	10.5%	11.9%	-	11.6%	-	n.a.
Net income	7.8	9.7	23%	8.3	5%	n.a.
Margin	6.6%	7.5%	-	6.3%	-	n.a.
NFP	-183	-197	8%	-202	10%	n.a.

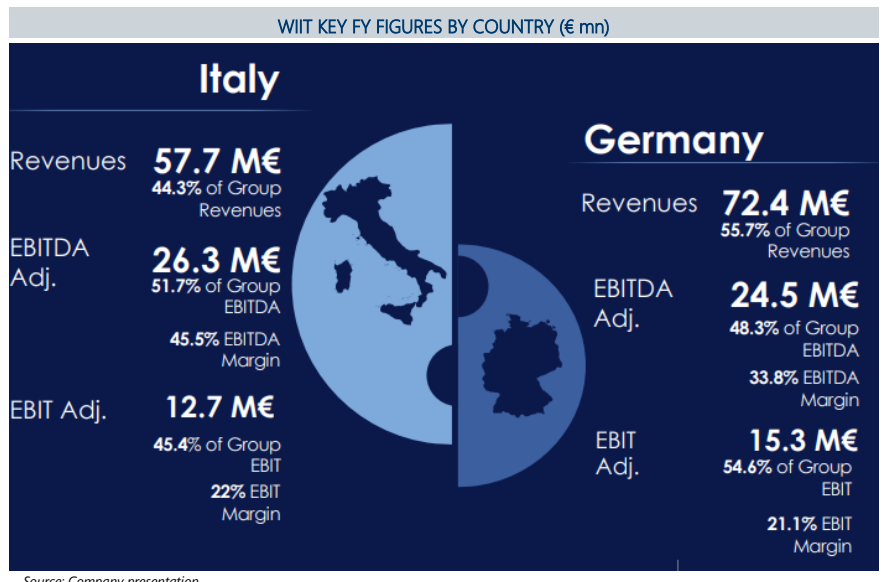
Source: Equita SIM estimates and Company data

**NFP was € 5mn higher than expected**, mainly due to higher CAPEX (€ 25mn) for the completion of the DC in Germany and € 5mn due to new leases.

CASHFLOW STATEMENT (€ mn)		
	FY22	FY23
CASH FLOW PROVIDED BY OPERATIONS	30.0	38.5
(Increase) decrease in Net Working Capital	-6.9	1.2
(Purchase of fixed assets, including new leases)	-28.2	-30.0
<b>FREE CASH FLOW GENERATION</b>	<b>-5.1</b>	<b>9.7</b>
(Acquisitions)/Disposals	-27.4	-10.5
(Dividends)	-8.4	-7.8
Capital increase (buy-back)	-5.3	-9.9
Others	3.2	-0.7
<b>(INCREASE) DECREASE IN NET DEBT</b>	<b>-43.0</b>	<b>-19.2</b>

Source: Company data

At geographical level, **Italy generated € 57.7mn sales with an EBITDA margin at 44.3%** (+520bps thanks to organic growth and ERP Tech integration) while **Germany reported € 72.4mn sales with EBITDA margin at 33.9%** (-60bps YoY) due to M&A dilution and investments in the sales team and corporate identity.



### KEY MESSAGES FROM THE CALL

**The pipeline of commercial opportunities remains strong**, both in Italy and Germany, with 2024 growth prospects in Italy in the double digits and HSD in Germany. This is supported by good visibility from the backlog of € 150mn at the end of 2023 and new logos. Germany is definitively starting to accelerate in the transformation of the business model from a pure IaaS (connectivity driven) operator to a WIIT-style model (upselling PaaS services). The ongoing discussions are moving in this direction, with potentially large new logos. GDPR (data sovereignty) together with quality and ownership of assets is a crucial selling point to win new relevant clients.

**CAPEX are projected at € 25-26mn in 2024** (similar to 2023 vs. € 21mn exp.), including € 2mn devoted to extract € 2mn synergies from the recent Edge&Cloud acquisition.

**M&A scouting continues**, with opportunities in Switzerland for a medium-sized asset.

### ESTIMATES: WE FACTOR IN RECENT M&A AND HIGHER CAPEX

With the completion of the cleanup of low-value-added activities (HW/SW resale), revenue trends will be easier to read.

- **For 2024, we raise revenues by 7% to € 147mn** (mainly due to E&C contribution), **confirming EBITDA at € 56mn** (no contribution from E&C, generating zero margin). Our estimate implies a +8% organic top-line and +5% M&A impact in 2024.
- **For 2025, we raise revenues by 9% to € 160mn** (+3% organic, +6% from M&A), while we confirm EBITDA at € 64mn (organic YoY increase of € 6mn and € 2mn from E&C synergies).
- **CAPEX projections have been raised by €4mn for 2024 and €2mn for 2025**. FCF is expected at € 18mn and € 26mn for 2024-25, with NFP at € -199mn and € -180mn (previously € -183mn and € -163mn, with € -6.5mn due to M&A and the rest for higher CAPEX and higher 2023 debt).

ESTIMATE REVISION (€ mn)						
	2023E	2023E	2024E	2024E	2025E	2025E
	Exp.	Act.	Prev.	Curr.	Prev.	Curr.
Revenues	129.6	130.1	137.4	146.9	147.0	160.2
% chg		0.4%		7.0%		9.0%
Abs chg		0.5		9.5		13.2
Adj. EBITDA	50.7	50.8	56.2	56.1	64.4	64.0
% chg		0.3%		-0.1%		-0.6%
Abs chg		0.1		-0.1		-0.4
Adj. EBIT	28.2	28.0	31.7	30.9	39.2	38.1
% chg		-0.7%		-2.5%		-2.9%
Abs chg		-0.2		-0.8		-1.1
Adj. NI	15.4	15.1	17.8	17.0	23.4	22.3
% chg		-1.9%		-4.6%		-4.5%
Abs chg		-0.3		-0.8		-1.1
FCF	18.4	13.0	21.4	17.6	27.5	26.0
% chg		-29.4%		-18.0%		-5.6%
Abs chg		-5.4		-3.9		-1.5
CAPEX	21.2	30.0	23.3	27.0	23.3	24.9
% chg		41.8%		15.9%		7.1%
Abs chg		8.8		3.7		1.6
NFP	-196.8	-202.2	-183.2	-198.9	-163.4	-180.8
% chg		2.8%		8.6%		10.6%
Abs chg		-5.4		-15.8		-17.3

Source: Equita SIM estimates and company data

## VALUATION

**The revenue and EBITDA growth story remains intact and clearer from 2024** thanks to the completion of low-value-added revenue cleanup. **Positive signals are also emerging from the organic growth of the German business**, which is starting to develop a positioning more similar to WIIT in Italy, with recurring and higher-value-added services.

Higher CAPEX and slow debt reduction (with FCF of € 18mn in 2024 already allocated to € 8mn dividends and € 6.5mn M&A) are the main limits on the story, given the quite high starting leverage (4x D/EBITDA or 3.5x net of treasury shares).

The stock is trading at 12-10x EV/EBITDA for 2024-25, with high visibility on 2024 trends. We confirm the target of €22PS, based on a multiple of 12x EV/EBITDA for 2025 (25x Adj PE).

EV/EBITDA MULTIPLE VALUATION (€ mn)							
(A) 2025E multiple	12.0 x	(A) 2025E multiple	10.0 x	11.0 x	12.0 x	13.0 x	14.0 x
(B) 2025E EBITDA	64	(B) 2025E EBITDA	64	64	64	64	64
<b>(C)=(A)x(B) EV</b>	<b>768</b>	<b>(C)=(A)x(B) EV</b>	<b>640</b>	<b>704</b>	<b>768</b>	<b>832</b>	<b>897</b>
(D) NFP 2025E	-181	(D) NFP 2025E	-181	-181	-181	-181	-181
(E) minorities and others	-3	(E) minorities and others	-3	-3	-3	-3	-3
<b>(F)=(C)+(D)+(E) Stock value (€)</b>	<b>585</b>	<b>(F)=(C)+(D)+(E) Stock value (€)</b>	<b>457</b>	<b>521</b>	<b>585</b>	<b>649</b>	<b>713</b>
(G) Dividends to be cashed-in (€)	16	(G) Dividends to be cashed-in (€)	16	16	16	16	16
<b>(H) = (F)+(G) Total stock value (€)</b>	<b>600</b>	<b>(H) = (F)+(G) Total stock value (€)</b>	<b>472</b>	<b>536</b>	<b>600</b>	<b>664</b>	<b>728</b>
(I) # shares outstanding (mn)	26	(I) # shares outstanding fully diluted	26	26	26	26	26
(J) Discount (1+Ke) <sup>t</sup>	1.06	(J) Discount (1+Ke) <sup>t</sup>	1.1	1.1	1.1	1.1	1.1
<b>(K)=(H)/(I)/(J) Target (€ PS)</b>	<b>22</b>	<b>(K)=(H)/(I)/(J) Target (€ PS)</b>	<b>17</b>	<b>19</b>	<b>22</b>	<b>24</b>	<b>26</b>

Source: Equita SIM estimates

			DCF (€ mn)				
Assumptions			2024E	2025E	2026E	2027E	beyond
g	3.0%	Sales	146.9	160.2	168.2	176.6	181.9
WACC	7.0%	Change %	12.9%	9.0%	5.0%	5.0%	3.0%
		EBITDA	56.1	64.0	67.2	70.6	72.7
		Change %	10.5%	14.1%	5.0%	5.0%	3.0%
		Margin	38.2	40.0	40.0	40.0	40.0
		D&A	-25.3	-26.1	-26.1	-27.4	-27.8
		EBIT	30.8	38.0	41.2	43.2	44.9
		Change %	10.1%	23.2%	8.4%	5.0%	3.8%
<b>Valuation</b>		Margin	21.0	23.7	24.5	24.5	24.7
		Taxes	-7.7	-9.5	-10.3	-10.8	-11.2
NPV of Free Cash Flows (2024-27)	103	EBIT after Tax	23.1	28.5	30.9	32.4	33.7
NPV of Terminal Value	704	Change %	10.1%	23.2%	8.4%	5.0%	3.8%
<b>Estimated Enterprise Value</b>	<b>806</b>						
NFP 2023Q	-202	Capex (including new leases)	-27.0	-24.9	-26.1	-27.4	-27.8
M&A	0	(increase) decrease in NWC	-0.6	-0.6	0.0	0.0	0.0
<b>Equity value</b>	<b>604</b>	<b>Free Cash Flow before minorities</b>	<b>20.8</b>	<b>29.0</b>	<b>30.9</b>	<b>32.4</b>	<b>33.7</b>
Peripherals & other	-10	FCF Minorities	0.0	0.0	0.0	0.0	0.0
<b>Total Equity</b>	<b>595</b>	<b>Free Cash Flow after minorities</b>	<b>20.8</b>	<b>29.0</b>	<b>30.9</b>	<b>32.4</b>	<b>33.7</b>
# of shares fully diluted (mn)	26.1	Discount Factor	0.99	1.06	1.13	1.21	1.21
<b>Target Price (€ PS)</b>	<b>23</b>	<b>PV of FCF</b>	<b>21.1</b>	<b>27.5</b>	<b>27.3</b>	<b>26.8</b>	<b>27.9</b>

Source: Equita SIM estimates

DCF SENSITIVITY (€ PS)				
		Perpetuity growth		
		2.5%	3.0%	3.5%
WACC	6.5%	23	27	32
	7.0%	19	<b>23</b>	26
	7.5%	17	19	22

Source: Equita SIM estimates

### 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;
- Ability to integrate announced acquisitions and to deliver projected synergies;
- Ability 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;
- Ability to attract new talents and retain key managers.

P&L - €mn	2021	2022	2023	2024E	2025E	2026E
<b>SALES Rep</b>	<b>77.1</b>	<b>119</b>	<b>130</b>	<b>147</b>	<b>160</b>	<b>171</b>
Growth	45.6%	54.1%	9.5%	12.9%	9.0%	7.0%
<b>EBITDA Rep</b>	<b>23.3</b>	<b>39.8</b>	<b>46.9</b>	<b>56.1</b>	<b>64.0</b>	<b>70.8</b>
Growth	42.9%	70.7%	18.0%	19.7%	14.1%	10.6%
Margin	30.2%	33.5%	36.0%	38.2%	40.0%	41.3%
<b>D&amp;A</b>	<b>-18.2</b>	<b>-23.5</b>	<b>-28.0</b>	<b>-30.5</b>	<b>-31.3</b>	<b>-32.0</b>
<b>EBIT Rep</b>	<b>5.1</b>	<b>16.2</b>	<b>18.9</b>	<b>25.6</b>	<b>32.8</b>	<b>38.8</b>
Growth	1.4%	218.2%	16.5%	35.6%	27.9%	18.3%
Margin	6.6%	13.7%	14.5%	17.4%	20.5%	22.6%
Net Interest Charges	-2.7	-5.6	-7.9	-8.0	-7.9	-7.8
Equity & Financials	0.0	0.0	0.0	0.0	0.0	0.0
Other Financials	-1.6	0.8	0.0	0.0	0.0	0.0
<b>Financial Expenses</b>	<b>-4.3</b>	<b>-4.8</b>	<b>-7.9</b>	<b>-8.0</b>	<b>-7.9</b>	<b>-7.8</b>
Non Recurrings	-1.6	0.8	0.0	0.0	0.0	0.0
<b>PBT Rep</b>	<b>0.8</b>	<b>11.4</b>	<b>11.0</b>	<b>17.6</b>	<b>24.9</b>	<b>31.0</b>
Growth	-78.3%	1356.4%	-3.9%	60.3%	41.1%	24.6%
Income Taxes	-1.2	-3.6	-2.8	-4.4	-6.2	-7.7
Tax rate	-152.0%	-31.5%	-25.0%	-25.0%	-25.0%	-25.0%
<b>Minority Interest</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Income Rep</b>	<b>-0.4</b>	<b>7.8</b>	<b>8.3</b>	<b>13.2</b>	<b>18.7</b>	<b>23.2</b>
Growth	n.m.	n.m.	5.2%	60.3%	41.1%	24.6%
Margin	-0.5%	6.6%	6.3%	9.0%	11.6%	13.6%
<b>Net Income Adj</b>	<b>8.2</b>	<b>12.5</b>	<b>15.1</b>	<b>16.9</b>	<b>22.3</b>	<b>26.8</b>
Growth	58.0%	51.8%	20.8%	11.9%	31.8%	20.3%
Margin	10.7%	10.5%	11.6%	11.5%	13.9%	15.6%
<b>CF Statement</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
FFO	27.1	30.0	38.5	45.2	51.5	56.9
Chg. in Working Capital	-0.5	-6.9	1.2	-0.6	-0.6	-0.6
Other chg. in OCF	0.0	0.0	0.0	0.0	0.0	0.0
<b>NCF from Operations</b>	<b>26.6</b>	<b>23.1</b>	<b>39.7</b>	<b>44.6</b>	<b>51.0</b>	<b>56.3</b>
CAPEX	-10.0	-27.0	-24.7	-25.0	-22.9	-24.1
Financial Investments	-78.1	-27.4	-10.5	-6.5	0.0	0.0
Other chg in investments	-1.8	-1.2	-5.3	-2.0	-2.0	-2.0
<b>NCF from Investments</b>	<b>-89.9</b>	<b>-55.6</b>	<b>-40.5</b>	<b>-33.5</b>	<b>-24.9</b>	<b>-26.1</b>
Dividends paid	-3.2	-8.4	-7.8	-7.8	-7.8	-7.8
Capital Increases	28.6	-5.3	-9.9	0.0	0.0	0.0
Other changes in financing	-6.5	3.2	-0.7	0.0	0.0	0.0
<b>NCF from Financing</b>	<b>18.9</b>	<b>-10.5</b>	<b>-18.4</b>	<b>-7.8</b>	<b>-7.8</b>	<b>-7.8</b>
<b>CHG IN NFP</b>	<b>-44.4</b>	<b>-43.0</b>	<b>-19.2</b>	<b>3.3</b>	<b>18.2</b>	<b>22.4</b>

Source: Company data and Equita SIM estimates



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Date	Rec.	Target Price	Risk.	Comment
October 23, 2023	Buy	22.00	High	change in estimates/valuation

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