

# WIIT

Sector: Industrials

# OUTPERFORM

Price: Eu22.05 - Target: Eu27.00

## Organic Growth to Improve in 2H Driven by Recent Activations

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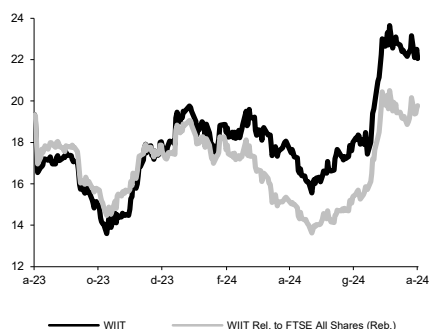
### Stock Rating

<b>Rating:</b>	Unchanged		
<b>Target Price (Eu):</b>	from 25.00 to 27.00		
	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Chg in Adj EPS</b>	0.0%	0.0%	0.0%

### Next Event

**9M24 Results** 7 November 2024

### WIIT - 12M Performance



### Stock Data

Reuters code:	WIIT.MI		
Bloomberg code:	WIIT IM		
<b>Performance</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	-2.6%	37.0%	14.0%
Relative	-0.2%	39.5%	2.4%
12M (H/L)	23.65/13.60		
3M Average Volume (th):	59.46		

### Shareholder Data

No. of Ord shares (mn):	28
Total no. of shares (mn):	28
Mkt Cap Ord (Eu mn):	618
Total Mkt Cap (Eu mn):	618
Mkt Float - Ord (Eu mn):	227
Mkt Float (in %):	36.7%
Main Shareholder:	
WIIT Fin Srl	56.5%

### Balance Sheet Data

Book Value (Eu mn):	38
BVPS (Eu):	1.36
P/BV:	16.2
Net Financial Position (Eu mn):	-199
Enterprise Value (Eu mn):	817

■ **1H24 results.** 1H results were slightly above our expectations, but the bottom line and net debt were in line. In a constantly growing market, the top line rose 13% YoY in 1H to €72.7mn, with Italy at €29.8mn, up 5.3% (core revenues +7.6%) and Germany €39.5mn, up 5.2% (core 4.4%), benefitting from the contribution of newly-acquired companies consolidated as of 2Q (Edge&Cloud €2.1mn, Econis €3.4mn). Moving to profitability, adj. EBITDA reached €26.7mn (up 9.6% YoY), a 36.7% margin (-1.2pp YoY) as a result of higher OpEx (+€1.9mn YoY) mainly due to change in scope and higher personnel costs (+€5mn 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 (€13.6mn) continued to enjoy an outstanding margin (1H: 45.5%, 2Q: 46.7%), while Germany (€13.2mn) saw a 33.4% margin (34.9% excl. Gecko's consultancy business). Adj. EBIT stood at €13.9mn (our exp. €13.8mn), while adj. net profit was €7.3mn (our exp. €7.2mn). Net debt increased to €220mn (€164mn ex-IFRS16 and own shares) reflecting healthy CFO (€17.4mn, our exp. €15.2mn) absorbed by CapEx (€17mn), dividends (€8m) and M&A cashout (€8mn).

■ **Positive tone from the call.** Top line growth seen accelerating in 2H: management expects 8-10% organic growth in 2H (from high single-digit levels in 1H), driven by new contract activations in 1H. YE net debt is expected at c.€200mn, aligning with consensus. Switzerland: scope for EBITDA breakeven in 2H24, with positive EBITDA in 4Q, €2-2.5mn EBITDA in FY25 thanks to achievement of full synergies. M&A pipeline: the company is evaluating small targets (c.€5mn sales and €1mn EBITDA) in the Zurich area and northern Germany, but also looking at medium-term opportunities in the UK and France, to acquire more sizeable targets. Contract renewal in Italy (€4.7mn, 4 years), announced this week, entails a 20% upsell on the previous contract. Dedicated DC to support GPU technology: the company is negotiating a contract renewal with a leading gaming and AI platform, an opportunity to create a dedicated datacentre (max. €5mn additional CapEx). Current occupancy rates are 40% in Italy and 65% in Germany, supporting top line growth with no need of additional CapEx.

■ **No meaningful change in estimates.** We are leaving our FY24-26 estimates virtually unchanged. Adj. leverage (ex-IFRS16 and own shares) is expected to narrow from 2.6x in FY24 to a healthy 1.5x in FY26, when the group will have to refinance its €150mn bond.

■ **OUTPERFORM confirmed; new TP €27 (from €25).** Based on our current estimates, adj. EPS should more than double over the next 2 years. After updating our DCF model, we are lifting our target price to €27 (from €25) or 14x EV/EBITDA'25 (broadly in line with the historical average, the stock is currently trading at c.12x). Despite the 40% rally in the last 3 months, the stock still offers good visibility on organic growth and attractive M&A prospects, prompting us to reiterate our positive outlook. 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 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. 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	0.608	0.882	1.112
DPS (Eu)	0.300	0.300	0.304	0.441	0.556
EV/EBITDA Adj	18.9	14.3	14.6	12.1	10.5
EV/EBIT Adj	34.3	25.9	26.2	20.5	16.5
P/E Adj	49.4	41.0	36.3	25.0	19.8
Div. Yield	1.4%	1.4%	1.4%	2.0%	2.5%
Net Debt/EBITDA Adj	4.3	4.0	3.5	2.8	2.2

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	57	66	74
EBIT	5	16	19	27	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	0.506	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	1.358	1.809	2.354
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	44	53	59
Change in NWC	9	-8	12	1	-1	-1
Capital Expenditure	-21	-28	-25	-27	-26	-25
Other Cash Items	11	3	-19	-19	-19	-19
Free Cash Flow (FCF)	6	-6	23	18	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	3	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	214	208	201
Net Working Capital	-10	18	13	12	13	15
Long term Liabilities	19	19	19	19	19	19
Net Capital Employed	186	222	234	237	234	229
Net Cash (Debt)	-141	-181	-202	-199	-184	-163
Group Equity	45	41	32	38	51	66
Minorities	0	0	0	0	0	0
Net Equity	45	41	32	38	51	66
<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	618	618	618
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-141	-181	-202	-199	-184	-163
Enterprise Value	753	796	726	817	802	781
<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%	21.7%	24.6%
Gearing - Debt/Equity	nm	nm	nm	nm	nm	nm
Interest Cover on EBIT	1.2	2.9	2.5	3.5	4.9	6.3
Net Debt/EBITDA Adj	4.8	4.3	4.0	3.5	2.8	2.2
ROACE*	3.4%	8.0%	8.5%	11.6%	14.6%	18.4%
ROE*	30.7%	28.8%	41.2%	48.9%	55.7%	53.4%
EV/CE	5.1	3.9	3.2	3.5	3.4	3.4
EV/Sales	9.8	6.7	5.6	5.0	4.5	4.1
EV/EBITDA Adj	25.5	18.9	14.3	14.6	12.1	10.5
EV/EBIT Adj	nm	34.3	25.9	26.2	20.5	16.5
Free Cash Flow Yield	0.9%	-0.9%	3.7%	2.9%	4.2%	5.4%
<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%	17.7%	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

## 1H24 Results

### WIIT – 1H24 Results: P&L

P&L Eu mn	2022A	1Q23A	2Q23A	1H23A	2H23A	2023A	1Q24A	2Q24A	1H24A	2H24E	2024E	2Q24E	A/E	1H24E	A/E
<b>Revenue</b>	<b>118.8</b>	<b>31.8</b>	<b>32.4</b>	<b>64.2</b>	<b>66.0</b>	<b>130.1</b>	<b>33.5</b>	<b>38.8</b>	<b>72.7</b>	<b>89.1</b>	<b>161.8</b>	<b>38.5</b>	<b>1%</b>	<b>72.0</b>	<b>1%</b>
YoY growth	54.1%	20.6%	16.0%	18.2%	2.2%	9.5%	5.5%	19.8%	13.4%	35.1%	24.4%	19.0%		12.3%	
Organic	6.0%	0.0%	21.4%	11.0%	3.6%	7.0%	7.4%	2.7%	5.0%	9.7%	7.4%	2.7%		5.0%	
<b>Italy</b>	<b>58.0</b>	<b>14.5</b>	<b>14.1</b>	<b>28.6</b>	<b>29.1</b>	<b>57.7</b>	<b>15.0</b>	<b>14.8</b>	<b>29.8</b>	<b>34.0</b>	<b>63.8</b>	<b>14.7</b>	<b>0%</b>	<b>29.7</b>	<b>0%</b>
as % of Group sales	48.8%	45.6%	43.6%	44.6%	44.1%	44.3%	44.8%	38.1%	41.0%	38.1%	39.4%	38.2%		41.3%	
<b>Germany</b>	<b>60.8</b>	<b>17.3</b>	<b>18.3</b>	<b>35.6</b>	<b>36.9</b>	<b>72.4</b>	<b>18.5</b>	<b>21.0</b>	<b>39.5</b>	<b>49.6</b>	<b>89.1</b>	<b>20.8</b>	<b>1%</b>	<b>39.3</b>	<b>1%</b>
as % of Group sales	51.2%	54.4%	56.4%	55.4%	55.9%	55.7%	55.2%	54.1%	54.3%	55.6%	55.0%	54.0%		54.5%	
<b>Switzerland</b>							<b>3.0</b>	<b>3.4</b>	<b>5.6</b>	<b>9.0</b>		<b>3.0</b>	<b>0%</b>	<b>3.0</b>	<b>13%</b>
as % of Group sales							7.7%	4.7%	6.3%	5.6%		7.8%		4.2%	
Opex	(76.6)	(19.8)	(20.0)	(39.8)	(39.5)	(79.3)	(20.5)	(25.1)	(46.1)	(59.7)	(105.7)	(25.2)		(45.7)	
<b>Adj. EBITDA</b>	<b>42.2</b>	<b>12.0</b>	<b>12.3</b>	<b>24.3</b>	<b>26.4</b>	<b>50.8</b>	<b>13.0</b>	<b>13.7</b>	<b>26.7</b>	<b>29.4</b>	<b>56.1</b>	<b>13.2</b>	<b>3%</b>	<b>26.3</b>	<b>1%</b>
YoY growth	43.0%	19.0%	28.0%	23.4%	17.5%	20.3%	8.4%	10.7%	9.6%	11.4%	10.6%	7.4%		8.0%	
<b>margin</b>	<b>35.5%</b>	<b>37.7%</b>	<b>38.1%</b>	<b>37.9%</b>	<b>40.1%</b>	<b>39.0%</b>	<b>38.9%</b>	<b>35.2%</b>	<b>36.7%</b>	<b>33.0%</b>	<b>34.7%</b>	<b>34.4%</b>		<b>36.5%</b>	
<b>Italy</b>	<b>21.7</b>	<b>5.9</b>	<b>6.4</b>	<b>12.3</b>	<b>14.0</b>	<b>26.3</b>	<b>6.7</b>	<b>6.9</b>	<b>13.6</b>	<b>15.5</b>	<b>29.1</b>	<b>6.6</b>	<b>6%</b>	<b>13.2</b>	<b>3%</b>
margin	37.5%	40.8%	45.3%	43.0%	48.0%	45.5%	44.3%	47.0%	45.6%	45.6%	45.6%	44.7%		44.5%	
<b>Germany</b>	<b>20.5</b>	<b>6.1</b>	<b>5.9</b>	<b>12.0</b>	<b>12.5</b>	<b>24.5</b>	<b>6.4</b>	<b>6.8</b>	<b>13.2</b>	<b>14.4</b>	<b>27.6</b>	<b>7.2</b>	<b>-5%</b>	<b>13.6</b>	<b>-3%</b>
margin	33.7%	35.3%	32.3%	33.8%	33.9%	33.8%	34.5%	32.5%	34.5%	29.1%	31.0%	34.5%		34.5%	
<b>Switzerland</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.5)</b>	<b>(0.6)</b>	<b>(0.5)</b>		<b>(0.5)</b>	
Extraord	(2.4)	(1.0)	(1.0)	(2.0)	(1.9)	(3.9)	(0.2)	1.0	0.8	-	0.8	-		(0.2)	
<b>Rep. EBITDA</b>	<b>39.8</b>	<b>11.0</b>	<b>11.3</b>	<b>22.3</b>	<b>24.5</b>	<b>46.8</b>	<b>12.9</b>	<b>14.6</b>	<b>27.5</b>	<b>29.4</b>	<b>56.9</b>	<b>13.2</b>		<b>26.1</b>	
D&A, provisions	(19.0)	(5.3)	(5.7)	(11.0)	(11.7)	(22.7)	(5.9)	(6.9)	(12.8)	(12.2)	(25.0)	(6.6)		(12.5)	
<b>Adj. EBIT</b>	<b>23.2</b>	<b>6.7</b>	<b>6.7</b>	<b>13.4</b>	<b>14.7</b>	<b>28.0</b>	<b>7.2</b>	<b>6.7</b>	<b>13.9</b>	<b>17.2</b>	<b>31.1</b>	<b>6.6</b>	<b>2%</b>	<b>13.8</b>	<b>1%</b>
margin	19.5%	21.1%	20.6%	20.9%	22.3%	21.5%	21.3%	17.3%	19.1%	19.3%	19.2%	17.2%		19.1%	
<b>Rep. EBIT</b>	<b>16.2</b>	<b>4.5</b>	<b>4.5</b>	<b>9.0</b>	<b>10.4</b>	<b>19.5</b>	<b>5.8</b>	<b>6.5</b>	<b>12.3</b>	<b>14.9</b>	<b>27.2</b>	<b>5.4</b>		<b>11.3</b>	
Financial Charges	(5.6)	(1.7)	(1.8)	(3.6)	(4.2)	(7.8)	(1.9)	(2.1)	(4.0)	(3.9)	(7.8)	(1.9)		(3.9)	
<b>Pretax</b>	<b>10.6</b>	<b>2.8</b>	<b>2.7</b>	<b>5.4</b>	<b>6.2</b>	<b>11.7</b>	<b>3.9</b>	<b>4.4</b>	<b>8.3</b>	<b>11.0</b>	<b>19.4</b>	<b>3.5</b>		<b>7.4</b>	
taxes	(3.4)	(0.6)	(1.0)	(1.6)	(1.7)	(3.3)	(0.8)	(1.0)	(1.8)	(3.5)	(5.2)	(1.2)		(2.0)	
<b>Net income</b>	<b>7.3</b>	<b>2.2</b>	<b>1.7</b>	<b>3.8</b>	<b>4.5</b>	<b>8.3</b>	<b>3.1</b>	<b>3.5</b>	<b>6.5</b>	<b>7.6</b>	<b>14.2</b>	<b>2.4</b>		<b>5.4</b>	
<b>Adj. Net income</b>	<b>12.5</b>	<b>3.9</b>	<b>2.8</b>	<b>6.7</b>	<b>8.4</b>	<b>15.1</b>	<b>4.1</b>	<b>3.2</b>	<b>7.3</b>	<b>9.4</b>	<b>17.0</b>	<b>3.1</b>	<b>3%</b>	<b>7.2</b>	<b>1%</b>
<b>Net debt</b>	<b>180.8</b>	<b>191.9</b>	<b>198.7</b>	<b>198.7</b>	<b>202.2</b>	<b>202.2</b>	<b>203.1</b>	<b>219.9</b>	<b>219.9</b>	<b>198.8</b>	<b>198.8</b>	<b>219.3</b>	<b>0%</b>	<b>219.3</b>	<b>0%</b>

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

### WIIT – 1H24 Results: FCF and Net Debt

FCF statement	2022A	1Q23A	2Q23A	1H23A	2H23A	2023A	1Q24A	2Q24A	1H24A	2H24E	2024E	2Q24E	A-E	1H24E	A-E
<b>Net Income</b>	<b>7.2</b>	<b>2.2</b>	<b>1.6</b>	<b>3.8</b>	<b>4.5</b>	<b>8.3</b>	<b>3.1</b>	<b>3.5</b>	<b>6.5</b>	<b>7.7</b>	<b>14.2</b>	<b>2.3</b>	<b>1.1</b>	<b>5.4</b>	<b>1.1</b>
+ D&A	23.5	6.5	6.8	13.3	14.1	27.4	7.0	8.2	15.2	14.5	29.7	7.8	0.4	14.8	0.4
-NWC chg	(8.4)	2.6	2.3	4.9	7.0	11.9	(0.3)	(4.0)	(4.3)	5.2	0.9	(4.7)	0.7	(5.0)	0.7
<b>CF from Operations</b>	<b>22.3</b>	<b>11.2</b>	<b>10.8</b>	<b>22.0</b>	<b>25.6</b>	<b>47.6</b>	<b>9.8</b>	<b>7.6</b>	<b>17.4</b>	<b>27.3</b>	<b>44.7</b>	<b>5.4</b>	<b>2.2</b>	<b>15.2</b>	<b>2.2</b>
Capex	(28.2)	(8.7)	(6.1)	(14.8)	(9.9)	(24.7)	(9.6)	(7.6)	(17.2)	(9.8)	(27.0)	(6.4)	(1.2)	(16.0)	(1.2)
<b>Equity FCF</b>	<b>(5.9)</b>	<b>2.5</b>	<b>4.7</b>	<b>7.2</b>	<b>15.7</b>	<b>22.9</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>17.5</b>	<b>17.7</b>	<b>(1.0)</b>	<b>1.0</b>	<b>(0.8)</b>	<b>1.0</b>
Acquisitions	(20.9)	(6.4)	(1.6)	(8.0)		(8.0)		(7.8)	(7.8)	1.3	(6.5)	(8.0)	0.2	(8.0)	0.2
Dividends	(8.4)		(7.8)	(7.8)		(7.8)		(7.8)	(7.8)		(7.8)	(8.4)	0.6	(8.4)	0.6
Buyback	(7.6)	(2.0)	(3.3)	(5.3)	(4.6)	(9.9)	(0.5)		(0.5)	5.5				(0.5)	
Equity financing															
Other	2.6	(5.2)	1.2	(4.0)	(14.6)	(18.6)	(1.1)	(1.2)	(2.3)	2.3		1.1	(2.3)		(2.3)
<b>Net Cash Flow</b>	<b>(40.2)</b>	<b>(11.1)</b>	<b>(6.8)</b>	<b>(17.9)</b>	<b>(3.5)</b>	<b>(21.4)</b>	<b>(1.4)</b>	<b>(16.8)</b>	<b>(18.2)</b>	<b>26.6</b>	<b>3.4</b>	<b>(16.2)</b>	<b>(0.6)</b>	<b>(17.6)</b>	<b>(0.6)</b>
<b>Net Debt (post IFRS16)</b>	<b>180.8</b>	<b>191.9</b>	<b>198.7</b>	<b>198.7</b>	<b>202.2</b>	<b>202.2</b>	<b>203.1</b>	<b>219.9</b>	<b>219.9</b>	<b>198.8</b>	<b>198.8</b>	<b>219.3</b>	<b>0.6</b>	<b>219.3</b>	<b>0.6</b>
IFRS16	10.3	12.8	12.1	12.1	10.6	10.6	11.6	11.6	11.6	11.6	11.6	10.6	1.0	10.6	1.0
<b>Net Debt ex IFRS16</b>	<b>170.5</b>	<b>179.1</b>	<b>186.6</b>	<b>186.6</b>	<b>191.6</b>	<b>191.6</b>	<b>191.5</b>	<b>208.3</b>	<b>208.3</b>	<b>187.2</b>	<b>187.2</b>	<b>208.7</b>	<b>(0.4)</b>	<b>208.7</b>	<b>(0.4)</b>
treasury shares MtM	28.0	32.8	35.2	35.2	37.5	37.5	34.4	44.4	44.4	42.6	42.6	42.9	1.5	42.9	1.5
<b>ND ex IFRS16 + own shares</b>	<b>142.5</b>	<b>146.3</b>	<b>151.4</b>	<b>151.4</b>	<b>154.2</b>	<b>154.2</b>	<b>157.2</b>	<b>163.9</b>	<b>163.9</b>	<b>144.6</b>	<b>144.6</b>	<b>165.9</b>	<b>(2.0)</b>	<b>165.9</b>	<b>(2.0)</b>
ND/annualized EBITDA	3.4x	3.3x	3.1x	3.1x	3.0x	3.0x	3.0x	3.1x	3.1x	2.6x	2.6x	3.1x		3.1x	

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

## Change in Estimates

We are leaving our FY24-26 estimates virtually unchanged. Adjusted leverage (ex-IFRS16 and own shares) is expected to narrow from 2.6x in FY24 to a healthy 1.5x in FY26, when the company will have to refinance its €150mn bond. At reported level, we capture the one-off elements posted in 1H24, for a positive balance of €0.8mn. The EBITDA adjustment refers to the costs related to stock options and stock grant plans for €357k, M&A transactions for €522k, personnel reorganisation for €152k, and the bargain purchase effect of €1.8mn due to the acquisition of Econis AG.

### 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>161.8</b>	<b>179.7</b>	<b>191.9</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
YoY growth	17.9%	54.1%	9.5%	24.4%	11.1%	6.8%	24.4%	11.1%	6.8%			
Italy	56.4	58.0	57.7	63.8	66.9	70.2	63.8	66.9	70.2	0.0%	0.0%	0.0%
as % of tot	73.2%	48.8%	44.3%	39.4%	37.2%	36.6%	39.4%	37.2%	36.6%			
Germany	20.7	60.8	72.4	89.1	100.6	108.7	89.1	100.6	108.7	0.0%	0.0%	0.0%
as % of tot	26.8%	51.2%	55.7%	55.0%	56.0%	56.6%	55.0%	56.0%	56.6%			
Switzerland				9.0	12.2	13.0	9.0	12.2	13.0	0.0%	0.0%	0.0%
as % of tot				5.6%	6.8%	6.8%	5.6%	6.8%	6.8%			
<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>66.1</b>	<b>74.4</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
YoY growth	19.6%	43.0%	20.3%	10.6%	17.7%	12.6%	10.4%	17.9%	12.6%			
as % of sales	38.3%	35.5%	39.0%	34.7%	36.8%	38.8%	34.6%	36.8%	38.8%			
Italy		21.7	26.3	29.1	30.8	33.0	29.1	30.8	33.0	0.0%	0.0%	0.0%
as % of sales		37.4%	45.5%	45.6%	46.0%	47.0%	45.6%	46.0%	47.0%			
Germany		20.5	24.5	27.6	33.2	39.1	27.6	33.2	39.1	0.0%	0.0%	0.0%
as % of sales		33.7%	33.8%	31.0%	33.0%	36.0%	31.0%	33.0%	36.0%			
Switzerland				(0.6)	2.1	2.3	(0.6)	2.1	2.3	0.0%	0.4%	0.0%
as % of sales				n.a.	n.a.	17.5%	n.a.	n.a.	17.5%			
<b>EBITDA</b>	<b>23.3</b>	<b>39.7</b>	<b>46.8</b>	<b>56.9</b>	<b>66.1</b>	<b>74.4</b>	<b>56.1</b>	<b>66.1</b>	<b>74.4</b>	<b>1.4%</b>	<b>0.0%</b>	<b>0.0%</b>
YoY growth	42.9%	70.6%	17.9%	21.5%	16.1%	12.6%	19.8%	17.8%	12.6%			
as % of sales	30.2%	33.4%	36.0%	35.2%	36.8%	38.8%	34.7%	36.8%	38.8%			
<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>31.1</b>	<b>39.1</b>	<b>47.3</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
YoY growth	24.8%	50.0%	20.6%	11.1%	25.6%	21.0%	11.1%	25.6%	21.0%			
as % of sales	20.1%	19.5%	21.5%	19.2%	21.7%	24.6%	19.2%	21.8%	24.6%			
<b>EBIT</b>	<b>5.1</b>	<b>16.2</b>	<b>19.5</b>	<b>27.2</b>	<b>34.4</b>	<b>42.6</b>	<b>26.3</b>	<b>34.4</b>	<b>42.6</b>	<b>3.7%</b>	<b>0.0%</b>	<b>0.0%</b>
Pre Tax Income	0.8	10.6	11.7	19.4	27.4	35.8	18.6	27.4	35.8			
Net Profit	-0.4	7.2	8.3	14.2	21.1	27.6	13.6	21.1	27.6			
<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>17.0</b>	<b>24.7</b>	<b>31.2</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
YoY growth	-0.4%	34.9%	20.5%	13.0%	45.1%	26.2%	13.0%	45.1%	26.2%			
EPS (€)	-0.01	0.26	0.30	0.51	0.75	0.98	0.49	0.75	0.98			
<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>0.61</b>	<b>0.88</b>	<b>1.11</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
YoY growth	-5.7%	34.9%	20.5%	13.0%	45.1%	26.2%	13.0%	45.1%	26.2%			
Capex	21.0	28.2	24.7	27.0	25.5	25.0	27.0	25.5	25.0	0.0%	0.0%	0.0%
as % of revs.	27.2%	23.7%	19.0%	16.7%	14.2%	13.0%	16.7%	14.2%	13.0%			
<b>Net Debt/(Cash)</b>	<b>140.6</b>	<b>180.8</b>	<b>202.2</b>	<b>198.8</b>	<b>183.7</b>	<b>162.9</b>	<b>200.0</b>	<b>185.0</b>	<b>164.2</b>	<b>-0.6%</b>	<b>-0.7%</b>	<b>-0.8%</b>
ND/Adj. EBITDA	n.m.	4.3x	4.0x	3.5x	2.8x	2.2x	3.6x	2.8x	2.2x			
<b>Net Debt ex IFRS16</b>	<b>129.9</b>	<b>170.5</b>	<b>191.6</b>	<b>187.2</b>	<b>172.1</b>	<b>151.3</b>	<b>189.4</b>	<b>174.4</b>	<b>153.6</b>	<b>-1.2%</b>	<b>-1.3%</b>	<b>-1.5%</b>
ND/Adj. EBITDA	n.m.	4.0x	3.8x	3.3x	2.6x	2.0x	3.4x	2.6x	2.1x			
own shares MtM	45.9	28.5	37.5	42.6	42.6	42.6	32.0	32.0	32.0			
<b>ND ex IFRS16 &amp; own shares</b>	<b>84.0</b>	<b>142.0</b>	<b>154.2</b>	<b>144.6</b>	<b>129.6</b>	<b>108.8</b>	<b>157.4</b>	<b>142.4</b>	<b>121.6</b>	<b>-8.1%</b>	<b>-9.0%</b>	<b>-10.6%</b>
ND/Adj. EBITDA	n.m.	3.4x	3.0x	2.6x	2.0x	1.5x	2.8x	2.2x	1.6x			

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

## Comparison with Current Consensus

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

Eu mn	Actual			Intermonte			Consensus			Intermonte vs Consensus		
	'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>162.2</b>	<b>180.9</b>	<b>191.3</b>	<b>0%</b>	<b>-1%</b>	<b>0%</b>
YoY growth	17.9%	54.1%	9.5%	24.4%	11.1%	6.8%	24.6%	11.6%	5.7%			
<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>56.3</b>	<b>65.9</b>	<b>72.7</b>	<b>0%</b>	<b>0%</b>	<b>2%</b>
YoY growth	19.6%	43.0%	20.3%	10.4%	17.9%	12.6%	10.9%	17.0%	10.4%			
as % of sales	38.3%	35.5%	39.0%	34.6%	36.8%	38.8%	34.7%	36.4%	38.0%			
<b>EBITDA</b>	<b>23.3</b>	<b>39.7</b>	<b>46.8</b>	<b>55.9</b>	<b>66.1</b>	<b>74.4</b>	<b>56.2</b>	<b>65.7</b>	<b>72.3</b>	<b>-1%</b>	<b>1%</b>	<b>3%</b>
YoY growth	42.9%	70.6%	17.9%	19.3%	18.3%	12.6%	20.0%	16.9%	10.1%			
as % of sales	30.2%	33.4%	36.0%	34.5%	36.8%	38.8%	34.7%	36.3%	37.8%			
<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>30.0</b>	<b>37.8</b>	<b>43.6</b>	<b>4%</b>	<b>3%</b>	<b>8%</b>
YoY growth	24.8%	50.0%	20.6%	10.9%	25.8%	21.0%	7.0%	26.2%	15.2%			
as % of sales	20.1%	19.5%	21.5%	19.2%	21.7%	24.6%	18.5%	20.9%	22.8%			
<b>EBIT</b>	<b>5.1</b>	<b>16.2</b>	<b>19.5</b>	<b>26.2</b>	<b>34.4</b>	<b>42.6</b>	<b>29.2</b>	<b>37.0</b>	<b>42.8</b>	<b>-10%</b>	<b>-7%</b>	<b>0%</b>
Pre Tax Income	0.8	10.6	11.7	18.4	27.4	35.8	18.2	26.3	32.0			
Net Profit	-0.4	7.2	8.3	13.4	21.1	27.6	13.1	19.3	23.6			
<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>16.2</b>	<b>22.1</b>	<b>26.5</b>	<b>5%</b>	<b>11%</b>	<b>18%</b>
YoY growth	-0.4%	34.9%	20.5%	12.7%	45.5%	26.2%	7.5%	36.7%	19.6%			
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	0.6	0.7	24%	48%	59%
YoY growth	-6%	35%	20%	13%	45%	26%	-8.9%	21.2%	18.2%			
<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>0.32</b>	<b>0.33</b>	<b>19%</b>	<b>40%</b>	<b>33%</b>
payout	91%	67%	56%	50%	50%	40%	52.0%	23.5%	5.3%			
Capex	21.0	28.2	24.7	27.0	25.5	25.0	27.2	26.4	26.7	-1%	-3%	-6%
as % of revs.	27.2%	23.7%	19.0%	16.7%	14.2%	13.0%	16.8%	14.6%	14.0%			
<b>Net Debt/(Cash)</b>	<b>140.6</b>	<b>180.8</b>	<b>202.2</b>	<b>199.5</b>	<b>184.5</b>	<b>163.7</b>	<b>199.8</b>	<b>183.0</b>	<b>161.3</b>	<b>0%</b>	<b>1%</b>	<b>1%</b>
ND/Adj. EBITDA	n.m.	4.3x	4.0x	3.6x	2.8x	2.2x	3.6x	2.8x	2.2x			

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

## DCF Valuation

After updating our DCF model, we are lifting our target price to €27 (from €25) or 14x EV/EBITDA'25 (broadly in line with the historical average, the stock is currently trading at c.12x). Despite the 40% rally over the last 3 months, the stock continues to offer good visibility on organic growth and attractive M&A prospects, prompting us to reiterate our positive outlook.

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

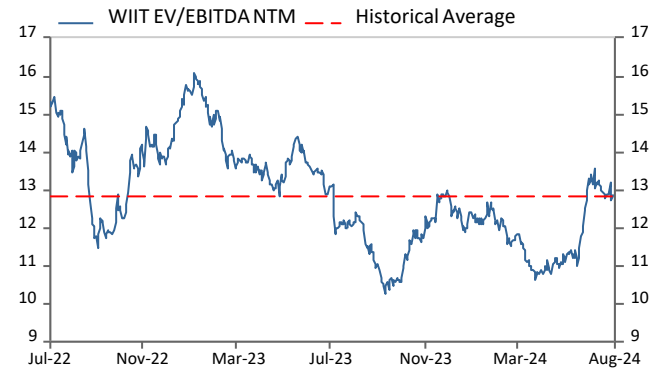
Eu mn	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	TV
<b>Revenues</b>	<b>161.8</b>	<b>179.7</b>	<b>191.9</b>	<b>202.0</b>	<b>210.9</b>	<b>218.7</b>	<b>225.3</b>	<b>232.1</b>	<b>239.0</b>	<b>246.0</b>	<b>253.2</b>	<b>260.6</b>	<b>267.0</b>
<i>YoY growth</i>	<i>24.4%</i>	<i>11.1%</i>	<i>6.8%</i>	<i>5.3%</i>	<i>4.5%</i>	<i>3.7%</i>	<i>3.1%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>2.9%</i>	<i>2.9%</i>	<i>2.9%</i>	<i>2.5%</i>
<b>Adj. EBITDA</b>	<b>56.1</b>	<b>66.1</b>	<b>74.4</b>	<b>78.2</b>	<b>81.6</b>	<b>84.4</b>	<b>86.9</b>	<b>89.4</b>	<b>91.9</b>	<b>94.6</b>	<b>97.4</b>	<b>100.2</b>	<b>102.8</b>
<i>EBITDA margin %</i>	<i>34.6%</i>	<i>36.8%</i>	<i>38.8%</i>	<i>38.7%</i>	<i>38.7%</i>	<i>38.6%</i>	<i>38.6%</i>	<i>38.5%</i>	<i>38.5%</i>	<i>38.5%</i>	<i>38.5%</i>	<i>38.5%</i>	<i>38.5%</i>
<b>D&amp;A</b>	<b>(25.0)</b>	<b>(27.0)</b>	<b>(26.9)</b>	<b>(26.8)</b>	<b>(26.6)</b>	<b>(26.4)</b>	<b>(26.3)</b>	<b>(26.2)</b>	<b>(26.1)</b>	<b>(26.1)</b>	<b>(26.1)</b>	<b>(26.2)</b>	<b>(26.7)</b>
<b>Adj. EBIT</b>	<b>31.1</b>	<b>39.1</b>	<b>47.3</b>	<b>51.4</b>	<b>55.0</b>	<b>58.0</b>	<b>60.6</b>	<b>63.2</b>	<b>65.8</b>	<b>68.5</b>	<b>71.2</b>	<b>74.0</b>	<b>76.1</b>
<i>Adj. EBIT margin %</i>	<i>19.2%</i>	<i>21.7%</i>	<i>24.6%</i>	<i>25.4%</i>	<i>26.1%</i>	<i>26.5%</i>	<i>26.9%</i>	<i>27.2%</i>	<i>27.5%</i>	<i>27.8%</i>	<i>28.1%</i>	<i>28.4%</i>	<i>28.5%</i>
<b>Taxes on EBIT</b>	<b>(7.6)</b>	<b>(9.6)</b>	<b>(11.6)</b>	<b>(12.6)</b>	<b>(13.5)</b>	<b>(14.2)</b>	<b>(14.8)</b>	<b>(15.5)</b>	<b>(16.1)</b>	<b>(16.8)</b>	<b>(17.5)</b>	<b>(18.1)</b>	<b>(18.6)</b>
<b>NOPAT</b>	<b>23.4</b>	<b>29.5</b>	<b>35.7</b>	<b>38.8</b>	<b>41.5</b>	<b>43.8</b>	<b>45.8</b>	<b>47.7</b>	<b>49.7</b>	<b>51.7</b>	<b>53.8</b>	<b>55.9</b>	<b>57.5</b>
<b>+ D&amp;A</b>	<b>25.0</b>	<b>27.0</b>	<b>26.9</b>	<b>26.8</b>	<b>26.6</b>	<b>26.4</b>	<b>26.3</b>	<b>26.2</b>	<b>26.1</b>	<b>26.1</b>	<b>26.1</b>	<b>26.2</b>	<b>26.7</b>
<b>-/+ Delta WKC</b>	<b>0.9</b>	<b>(1.3)</b>	<b>(1.3)</b>	<b>(1.3)</b>	<b>(1.4)</b>	<b>(1.4)</b>	<b>(1.5)</b>	<b>(1.5)</b>	<b>(1.6)</b>	<b>(1.6)</b>	<b>(1.7)</b>	<b>(1.7)</b>	<b>-</b>
<b>- Capex</b>	<b>(27.0)</b>	<b>(25.5)</b>	<b>(25.0)</b>	<b>(22.2)</b>	<b>(23.1)</b>	<b>(23.8)</b>	<b>(24.4)</b>	<b>(25.1)</b>	<b>(25.7)</b>	<b>(26.3)</b>	<b>(27.0)</b>	<b>(27.6)</b>	<b>(26.7)</b>
<i>Capex on sales %</i>	<i>16.7%</i>	<i>14.2%</i>	<i>13.0%</i>	<i>11.0%</i>	<i>11.0%</i>	<i>10.9%</i>	<i>10.9%</i>	<i>10.8%</i>	<i>10.8%</i>	<i>10.7%</i>	<i>10.7%</i>	<i>10.6%</i>	<i>10.0%</i>
<b>= FCF</b>	<b>22.3</b>	<b>29.7</b>	<b>36.4</b>	<b>42.1</b>	<b>43.6</b>	<b>44.9</b>	<b>46.1</b>	<b>47.3</b>	<b>48.5</b>	<b>49.9</b>	<b>51.3</b>	<b>52.7</b>	<b>1,390</b>
<b>x Discount factor</b>	<b>1.00</b>	<b>0.94</b>	<b>0.87</b>	<b>0.80</b>	<b>0.74</b>	<b>0.68</b>	<b>0.63</b>	<b>0.59</b>	<b>0.54</b>	<b>0.50</b>	<b>0.47</b>	<b>0.43</b>	<b>0.43</b>
<b>= PV (FCF)</b>		<b>27.8</b>	<b>31.8</b>	<b>33.5</b>	<b>32.2</b>	<b>30.7</b>	<b>29.2</b>	<b>27.8</b>	<b>26.4</b>	<b>25.2</b>	<b>24.0</b>	<b>22.9</b>	<b>603</b>
<i>WACC applied</i>		<i>6.9%</i>	<i>6.9%</i>	<i>7.9%</i>	<i>7.9%</i>	<i>7.9%</i>	<i>7.9%</i>	<i>7.9%</i>	<i>7.9%</i>	<i>7.9%</i>	<i>7.9%</i>	<i>7.9%</i>	<i>7.9%</i>

#### DCF analysis

SUM PV(FCF'25-35E)	311
PV TV	603
<b>Enterprise Value</b>	<b>914</b>
Net debt @YE24	(200)
treasury shares	43
<b>Equity value</b>	<b>757</b>
NOSH (mn)	28.0
<b>FV per share (Eu)</b>	<b>27</b>
Actual share price	22
<b>Upside/(Downside)</b>	<b>22.4%</b>
<i>implied EV/EBITDA'24</i>	<i>16.3x</i>
<i>implied EV/EBITDA'25</i>	<i>13.6x</i>

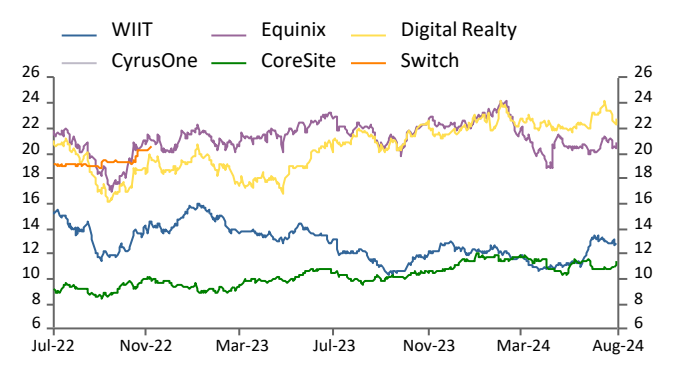
Source: Intermonte SIM

### WIIT - EV/EBITDA NTM evolution



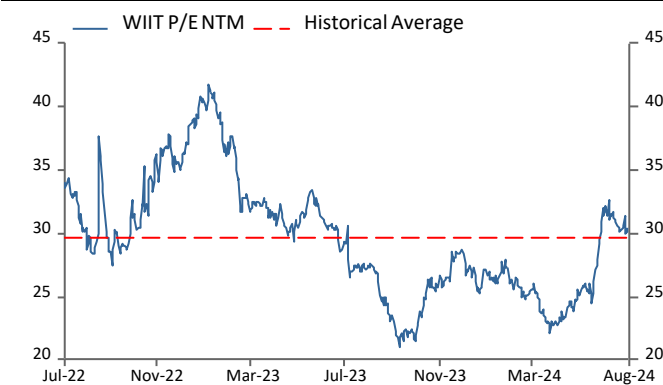
Source: FactSet Consensus

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



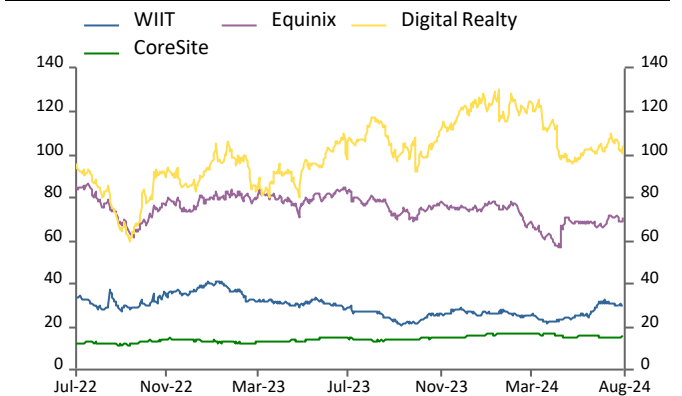
Source: FactSet Consensus

### 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	22.1	618	-2%	40%	22%	15%	5.0	4.5	4.1	14.6	12.1	10.5	26.2	20.5	16.5	36.3	25.0	19.8	1.4%	2.0%	2.5%
WIIT (@mkt price, cons)	EUR	22.1	618	-2%	40%	22%	15%	5.0	4.4	4.1	14.5	12.2	10.8	28.0	21.6	18.2	38.1	27.9	23.3	1.2%	1.4%	1.5%
WIIT (@our TP, our est.)	EUR	27	758					5.6	5.0	4.6	16.3	13.6	11.8	29.3	23.0	18.5	44.4	30.6	24.3	1.1%	1.6%	2.1%
Beeks Financial Cloud Group	GBP	2.30	181	43%	35%	148%	140%	5.0	3.7	3.1	13.6	10.1	8.7	34.1	23.9	19.3	n.m.	n.m.	n.m.	0.0%	0.0%	0.0%
iomart Group plc	GBP	1.27	169	0%	-1%	-14%	-16%	1.4	1.3	1.2	4.9	4.6	4.6	9.4	8.6	8.4	13.0	11.6	10.9	4.0%	4.3%	4.4%
IONOS Group SE	EUR	23.85	3,339	-4%	2%	24%	40%	2.7	2.4	2.0	9.4	7.9	6.6	12.7	10.3	8.6	18.2	14.2	11.9	0.3%	1.5%	1.9%
OVH Groupe SAS	EUR	5.85	1,114	2%	-11%	-40%	-31%	1.9	1.7	1.5	5.1	4.5	3.9	71	36	26	n.m.	79.3	32.0	0.0%	0.0%	0.0%
Redcentric Plc	GBP	1.41	264	3%	-3%	4%	11%	1.5	n.m.	n.m.	6.3	n.m.	n.m.	10.9	n.m.	n.m.	n.m.	n.m.	n.m.	2.6%	0.0%	0.0%
Rackspace Technology, Inc.	USD	2.20	456	-21%	36%	39%	17%	1.3	1.3	1.3	12.6	10.4	9.5	38.0	24	17	n.m.	n.m.	39.7	0.0%	0.0%	0.0%
<b>Managed Cloud services - Median</b>				<b>1.7</b>	<b>1.7</b>	<b>1.5</b>	<b>7.9</b>	<b>7.9</b>	<b>6.6</b>	<b>23.4</b>	<b>23.9</b>	<b>16.8</b>	<b>15.6</b>	<b>14.2</b>	<b>21.9</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.0%</b>				
GDS Holding	USD	11.17	1,999	21%	38%	107%	23%	4.4	4.0	3.4	10.3	9.2	7.7	59.5	38.1	23.2	n.m.	n.m.	n.m.	0.0%	0.0%	0.0%
Beijing Sinnet Teec h.	CNY	8.32	1,913	-2%	-12%	6%	-15%	1.9	1.7	1.6	10.7	9.4	8.7	22.5	18.6	16.6	25.5	19.2	n.m.	1.2%	1.4%	1.5%
Sunevision Holdings Ltd.	HKD	2.75	768	8%	10%	3%	-11%	7.8	6.6	5.4	11.7	9.4	7.9	16.6	14.0	11.5	7.7	5.6	4.4	4.4%	5.5%	6.8%
Equinix, Inc.	USD	811.18	71,333	4%	11%	-5%	-2%	10.6	15.6	14.4	22.6	30.2	27.2	59.6	89.7	75.1	75.6	166.6	120.3	2.1%	0.6%	0.6%
Digital Realty Trust, Inc.	USD	152.29	45,985	-2%	8%	6%	11%	11.7	11.1	10.3	22.9	21.4	19.4	97.6	63.6	53.6	91.2	107.4	77.6	3.3%	3.3%	3.4%
Nextdc Limited	AUD	16.85	6,210	-5%	0%	21%	23%	26.6	25.7	22.1	55.7	51.0	43.0	347.3	343.3	209.3	n.m.	n.m.	n.m.	0.0%	0.0%	0.0%
21Vianet Group	USD	1.98	483	-1%	22%	22%	-28%	1.6	1.6	1.5	5.7	5.5	4.9	31.1	27.9	20.8	n.m.	n.m.	58.9	0.0%	0.0%	0.0%
<b>Colocation Datacenter - Median</b>				<b>7.8</b>	<b>6.6</b>	<b>5.4</b>	<b>11.7</b>	<b>9.4</b>	<b>8.7</b>	<b>59.5</b>	<b>38.1</b>	<b>23.2</b>	<b>50.5</b>	<b>63.3</b>	<b>68.2</b>	<b>1.2%</b>	<b>0.6%</b>	<b>0.6%</b>				
Intuit Inc.	USD	637.82	165,208	-2%	3%	3%	4%	11.1	9.7	8.4	27.5	23.0	19.6	28.2	24.2	20.6	37.3	32.7	28.3	0.5%	0.6%	0.7%
VeriSign, Inc.	USD	188.37	17,035	5%	10%	-6%	-9%	12.2	11.6	11.2	16.7	15.6	15.2	18.0	17.0	16.4	23.3	22.4	21.7	0.0%	0.0%	0.0%
Wix.com Ltd.	USD	147.93	7,627	-2%	31%	23%	27%	4.2	3.6	3.0	21.2	15.2	11.5	22.8	16.2	11.9	24.6	19.6	14.9	0.0%	0.0%	0.0%
Kingsoft Cloud Holdings	USD	2.49	632	8%	-12%	4%	-29%	0.8	0.9	0.9	50.9	18.1	10.9	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.0%	0.0%	0.0%
<b>Web/SW infrastructure - Median</b>				<b>7.6</b>	<b>6.6</b>	<b>5.7</b>	<b>24.4</b>	<b>16.9</b>	<b>13.4</b>	<b>22.8</b>	<b>17.0</b>	<b>16.4</b>	<b>24.6</b>	<b>22.4</b>	<b>21.7</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>				
<b>Cloud Peers - Median</b>				<b>7.6</b>	<b>6.6</b>	<b>5.4</b>	<b>11.7</b>	<b>9.4</b>	<b>8.7</b>	<b>23.4</b>	<b>23.9</b>	<b>16.8</b>	<b>24.6</b>	<b>22.4</b>	<b>21.9</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.0%</b>				

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

## WIIT in Brief

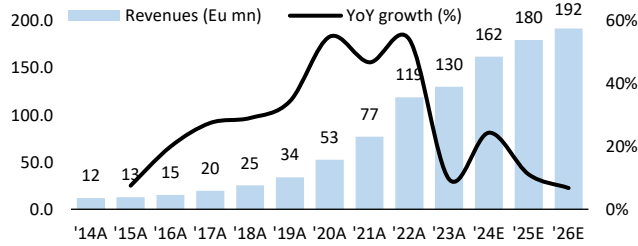
### Company description

**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

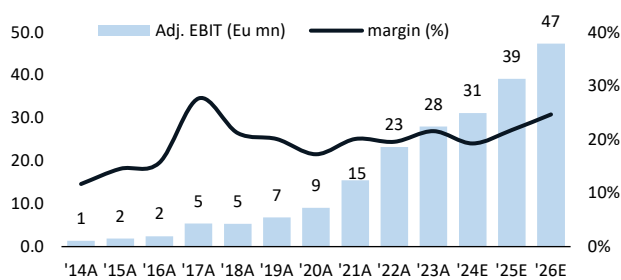
- Still underpenetrated addressable market, with increasing IT outsourcing and shift to cloud by SMEs
- High entry/low exit barriers for mission-critical services
- Complexity and customisation help WIIT set good prices
- Highly scalable and flexible business model, with good visibility from current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



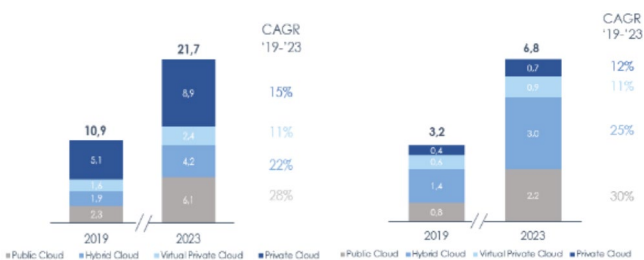
Source: Company Data, Intermonte SIM (E)

### 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:** 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

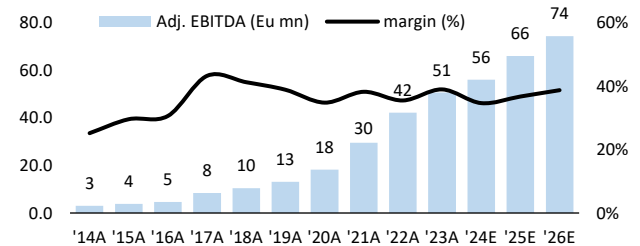
A. Cozzi (WIIT Fin& direct) 56.47%  
 Market 36.69%  
 Own shares 6.84%

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

### Weaknesses/Threats

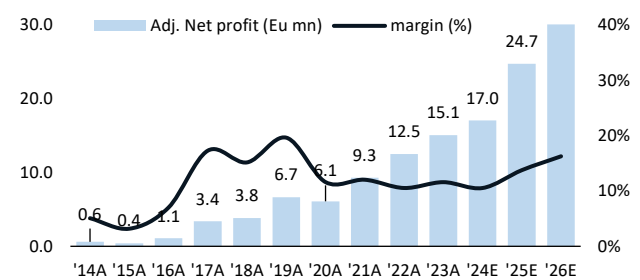
- Competition from hyperscalers (price erosion, loss of market share)
- Disruptive technologies and/or commoditisation of cloud
- Country risk from major geographical exposure to Italy
- Dependence on some key customers and renewal risk
- Cybersecurity risks to proprietary infrastructure
- Fragmented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

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



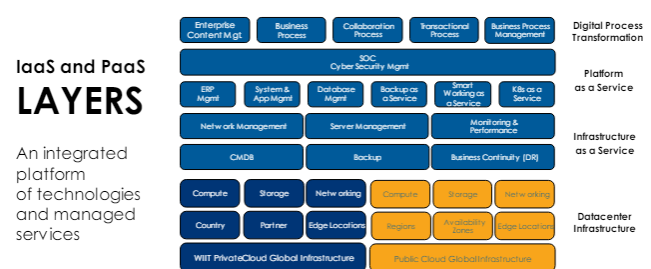
Source: Company Data, Intermonte SIM (E)

### 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



<b>DETAILS ON STOCKS RECOMMENDATION</b>			
<b>Stock NAME</b>	<b>WIIT</b>		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	27.00	Previous Target (Eu):	25.00
Current Price (Eu):	22.05	Previous Price (Eu):	16.66
Date of report:	02/08/2024	Date of last report:	10/05/2024

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- 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.

Reports on all companies listed on the S&PMB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

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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Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 30 June 2024 Intermonte's Research Department covered 116 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	23.97 %
OUTPERFORM:	49.59 %
NEUTRAL:	25.61 %
UNDERPERFORM	00.83 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (49 in total) is as follows:

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

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**Intermonte is acting as financial advisor to Eagle S.p.A. and intermediary responsible for coordinating the collection of sale requests in relation to the sell-out procedure on Greenthesis S.p.A.**

Intermonte SIM has provided in the last 12 months / provides / may provide investment banking services to the following companies: Aedes, Civitanavi Systems, Cy4Gate, Esprinet, GPI, Greenthesis (formerly Ambienthesis), Growens, Illimity Bank, Maire Tecnimont, SAES Getters, Tinexta, Unidata and WIIT.

**Intermonte SIM is acting as counterparty to WIIT Fin S.r.l. in connection with call and put options having WIIT S.p.A. shares and dividends as reference underlying.**

Intermonte SIM is Specialist and/or Corporate Broker and/or Sponsor and/or Broker in charge of the share buy back activity of the following Companies: Abitare In, Alkemy, Anima Holding, Antares Vision, Aquafil, Avio, Banca Ifis, Banca Sistema, Civitanavi Systems, Cyberoo, Cy4gate, DHH, EL.En, Elica, Emak, Esprinet, Fimit - Fondo Alpha, Fine Foods, Franchi Umberto Marmi, Go Internet, GPI, Greenthesis (formerly Ambienthesis), IEG, Iervolino & Lady Bacardi Entertainment, IndelB, Intred, Luvè, Matica Fintec, Mondadori, Notorious Pictures, Omer, Pharmanutra, Reevo, Relatech, Reply, Revo Insurance, Reway, Sababa Security, Saes Getters, Sclucker Frames, Servizi Italia, Sesa, Seri Industrial, Somec, Star7, SyS-Dat Group, Talea, Tamburi, Tinexta, Tesmec, The Italian Sea Group, TXT, Unidata, Webuild and WIIT.

Intermonte SIM has a contractual commitment to act as liquidity provider on behalf of third parties for the following company: Banca Sistema.

Intermonte SIM performs as a market maker for the following companies: A2A, Anima, Atlantia, Autogrill, Azimut Holding, BAMI, Banca Generali, Banca Mediolanum, Brembo, Buzzi, CNHI, Enel, ENI, Exor, Fineco, FCA, FTMIB, Generali, Italgas, Iren, Intesa Sanpaolo, Leonardo, Mediobanca, Moncler, Mediaset, Pirelli&C, Prysmian, Poste, Ferrari, Saipem, Snam, STM, Tenaris, Telecom Italia, Telecom Italia sav, Terna, UBI, Unicredit, Unipol, UnipolSai.

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Intermonte SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

Emittente	%	Long/Short
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