Intermonte

Milan, 23 March 2026

Italian Equity Research – Company Update

INWIT

NEUTRAL

Sector: Telecoms

Price: Eu6.38 - **Target: Eu6.50**

Perfect Storm: JV Disruption, Guidance Cuts, Litigation Risk

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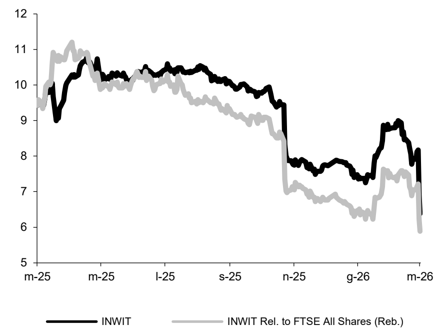
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			Unchanged
	2025E	**2026E**	**2027E**
Chg in Adj EPS	0.0%	-17.4%	-16.5%

Next Event
FY25 Results Out 2 April 2026

INWIT - 12M Performance



Stock Data			
Reuters code:			INWT.MI
Bloomberg code:			INW IM
Performance	**1M**	**3M**	**12M**
Absolute	-27.4%	-17.7%	-32.3%
Relative	-18.9%	-12.6%	-40.9%
12M (H/L)			10.77/6.38
3M Average Volume (th):			4,628.88

Shareholder Data	
No. of Ord shares (mn):	932
Total no. of shares (mn):	894
Mkt Cap Ord (Eu mn):	5,945
Total Mkt Cap (Eu mn):	5,945
Mkt Float - Ord (Eu mn):	1,873
Mkt Float (in %):	31.5%
Main Shareholder:	
Vantage Towers	37.6%

Balance Sheet Data	
Book Value (Eu mn):	3,163
BVPS (Eu):	3.54
P/BV:	1.8
Net Financial Position (Eu mn):	-5,333
Enterprise Value (Eu mn):	11,035

Last week, TIM and FWB announced joint plans to deploy 6k additional tower sites, a bold move that has really flipped the script. INWIT argues the new JV conflicts with existing MSAs and further darkens an already-gloomy picture for anchors' discretionary investments. As a result, the company has significantly cut 2026 guidance (RLFCF -13% at mid-point) and its long-term outlook, anticipating possible future negative effects. Attempts to terminate MSA contracts now appear increasingly likely, potentially leading to prolonged litigation and pressure on long-term value. Against this backdrop, the stock risks remaining uninvestable despite the sharp sell-off; we maintain our NEUTRAL rating.

- **TIM/Fastweb JV.** TIM and Fastweb (FWB) signed a non-binding deal to develop up to 6k new towers via a 50/50 JV, with potential third-party investors to join later. The sites will follow an open-access model, with both operators as anchor tenants under long-term contracts at market rates and scope for additional services. The plan could displace INWIT's targeted 500-800 sites per year (+3.5k over 2024-30, ~1.7k already completed) and, assuming similar economics (~€100k CapEx per site), implies a ~€600mn investment for passive infrastructure alone. INWIT holds a right of first refusal, but uptake will depend on returns, as the JV could run at very low margins - being almost vertically integrated - to secure lower fees, control costs, and ensure visibility for anchors. Despite execution and permitting hurdles, strong incentives - including the 2029 spectrum renewal potentially being tied to upfront investment commitments - support rapid deployment. Ultimately, whether built by INWIT or the JV matters little, as these are incremental sites and TIM and Fastweb already have the necessary in-house capabilities.
- **Guidance and DPS cut for 2026 and 2030.** Only 5 months after the previous reduction, INWIT again lowered targets. For 2026, guidance now points to revenues of €1.05-1.09bn (~-1% YoY vs. +5% consensus), EBITDA margin at ~90% (from >91%) and EBITDAaL >72% (from ~75%), RLFCF €550-590mn (from €655–675mn), DPS ~€0.55 (vs. €0.60), and leverage ~5.5x (vs. ~5.2x previously). The 2030 outlook was also cut: low single-digit revenue CAGR (vs. ~4% prev.), CapEx ~€200mn p.a. (vs. €240mn), DPS ≥€0.55 (vs. ≥€0.72), and structural leverage 5-6x (vs. ~5x). Such a major downgrade is unusual for a highly contracted business and may reflect a conservative re-baselining of expectations.
- **Change in estimates:** The new outlook implies a high-teens EPS cut and a low-teens reduction in EFCF in FY26, likely to carry over into subsequent years due to the lower 2026 base, while slower future revenue growth (~1–2% vs. ~4%, ~€20-30mn below previous estimates) is largely offset by a ~€40mn/year reduction in CapEx.
- **We remain NEUTRAL, new TP €6.50 (from €10).** We are cutting our TP from €10 to €6.50 to reflect the new outlook, also incorporating a 25% reduction in anchor revenues beyond 2038 (upon expiry of the two MSAs), albeit alongside a sharp drop in CapEx. Amid mounting sector headwinds (telco consolidation, lower anchor spending, satellite D2D, RAN sharing), company-specific uncertainty continues to burden the equity story; we therefore maintain our NEUTRAL rating. Although speculation on delisting has recently supported the stock (see last week's rumours on a potential tender offer by Brookfield), any deal is unlikely to happen in the near future given uncertainty on renegotiation and the political nature of the dossier.

Key Figures & Ratios	2024A	2025E	2026E	2027E	2028E
Sales (Eu mn)	1,036	1,077	1,052	1,076	1,100
EBITDA Adj (Eu mn)	947	985	948	974	996
Net Profit Adj (Eu mn)	464	473	407	417	427
EPS New Adj (Eu)	0.494	0.515	0.437	0.448	0.459
EPS Old Adj (Eu)	0.494	0.515	0.529	0.536	0.563
DPS (Eu)	0.735	0.550	0.550	0.550	0.550
EV/EBITDA Adj	15.0	14.1	11.6	11.5	11.5
EV/EBIT Adj	25.4	24.0	20.5	20.0	19.6
P/E Adj	12.9	12.4	14.6	14.2	13.9
Div. Yield	11.5%	8.6%	8.6%	8.6%	8.6%
Net Debt/EBITDA Adj	4.8	5.2	5.6	5.7	5.8

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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 between 5.5% - 6.0% are being used.
Frequency of research: quarterly.
Reports on all companies listed on the FTSEMIB40 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.
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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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BUY:	32.58%
OUTPERFORM:	37.88%
NEUTRAL:	29.54%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (77 in total) is as follows:

BUY:	54.55%
OUTPERFORM:	27.27%
NEUTRAL:	16.88%
UNDERPERFORM:	01.30%
SELL:	00.00%

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