

INWIT

Sector: Telecoms

NEUTRAL

Price: Eu8.92 - Target: Eu10.00

Limited S/T Visibility, Negotiation Overhang, M&A speculation

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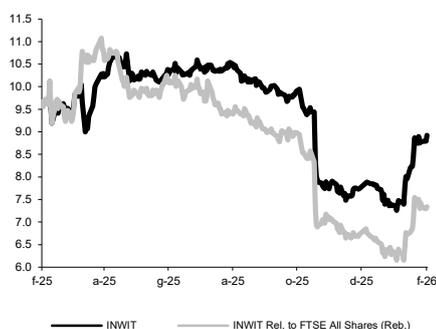
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2025E	2026E	2027E
Chg in Adj EPS	0.0%	-0.7%	-1.2%

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	20.9%	14.0%	-7.9%
Relative	16.4%	4.0%	-29.5%
12M (H/L)	10.77/7.25		
3M Average Volume (th):	3,136.30		

Shareholder Data

No. of Ord shares (mn):	940
Total no. of shares (mn):	894
Mkt Cap Ord (Eu mn):	8,381
Total Mkt Cap (Eu mn):	8,381
Mkt Float - Ord (Eu mn):	2,623
Mkt Float (in %):	31.3%
Main Shareholder:	
Vantage Towers	37.8%

Balance Sheet Data

Book Value (Eu mn):	3,249
BVPS (Eu):	3.64
P/BV:	2.5
Net Financial Position (Eu mn):	-5,319
Enterprise Value (Eu mn):	13,291

INWIT will report FY25 results on 2 April: we expect figures in line with guidance, while we still see downside risk to FY26 targets, reflecting weaker discretionary investments by anchors and a slightly lower CPI. Regarding the ongoing discussions with anchor tenants on MSAs, we consider a negotiated outcome the most likely scenario, while both the best-case (status quo) and worst-case (legal dispute) scenarios appear remote. Although speculation on delisting has recently supported the stock, any deal is unlikely to happen in the near term given uncertainty on renegotiation and the political nature of the dossier.

■ **FY26 outlook: still ground for caution.** While we expect FY25 in line with company targets, we still see some downside risk to 2026 guidance, reflecting a more cautious approach on discretionary investments by MNOs and a slightly lower CPI indexation (2025 FOI average at 1.4% vs 1.5% target). Our estimates already sit at the lower end of the company's target range; however, we do not rule out a potential further downward revision of 2026 guidance. In November, management had already reduced FY26 targets to reflect lower discretionary investments by MNOs, potentially weighing on the growth of non-committed revenues, and a lower CPI for 2025 (1.5% vs. prior 1.7%).

■ **Renegotiation risk: assessing the likely landing point.** INWIT has postponed its results to 2 April, likely to gain visibility on a potential early termination notice of the Swisscom MSA by end-March. INWIT's view is that the 2022 change of control (after the ending of TIM-Vodafone joint control) triggered a 16-year extension with no interim termination option. In our view, the best case (*status quo*) appears unlikely, while the worst case — a protracted and unpredictable legal dispute — also looks remote, as it would be a lose-lose outcome for all parties. We think none of the parties has a dominant contractual advantage: the two anchor tenants cannot operate without INWIT's existing infrastructure, having no credible short-term alternatives, while INWIT cannot afford to lose over 85% of its revenues, nor future discretionary business (DAS, new sites, small cells) that TIM/Fastweb could insource. We believe a mutually beneficial agreement can be reached in good faith and are not ruling out ~€55-60mn of annual upside from renegotiations for each operator (~15% of the ~€400mn MSA), which corresponds to permanent crystallization for INWIT of the benefit on 2021-23 CPI.

■ **Delisting unlikely in the near term despite speculation.** The stock has recently benefited from press speculation (*La Tribune*) on a potential delisting transaction, backed by Ardian. Medium/long term, we do not rule out a reshuffle of INWIT's ownership, given the presence of two infrastructure funds (Ardian 31%, KKR 37.8%) with set return horizons. Near term, however, we see reasons for caution, notably uncertainties on the renewal of existing MSAs with anchor tenants, as well as the politically sensitive nature of the dossier given INWIT's role in 5G densification and coverage.

■ **We remain NEUTRAL, TP still €10.** Uncertainty is set to continue to weigh on the equity story from multiple angles: ongoing MSA renegotiation, a cautious approach by anchors to discretionary CapEx limiting non-committed growth, potential MNO consolidation and RAN sharing, as well as limited visibility on new growth areas (RAN-as-a-Service and edge data centres). The upcoming spectrum renewal in Italy tied to committed investments in 5G densification could be a meaningful opportunity for INWIT, provided it secures favourable agreement with anchors to reaffirm long-term partnerships.

Key Figures & Ratios	2024A	2025E	2026E	2027E	2028E
Sales (Eu mn)	1,036	1,077	1,131	1,191	1,238
EBITDA Adj (Eu mn)	947	985	1,033	1,088	1,132
Net Profit Adj (Eu mn)	464	473	493	499	525
EPS New Adj (Eu)	0.494	0.515	0.529	0.536	0.563
EPS Old Adj (Eu)	0.494	0.515	0.533	0.543	
DPS (Eu)	0.735	0.550	0.600	0.630	0.660
EV/EBITDA Adj	15.0	14.1	12.9	12.4	12.1
EV/EBIT Adj	25.4	24.0	21.3	20.0	19.1
P/E Adj	18.1	17.3	16.9	16.6	15.8
Div. Yield	8.2%	6.2%	6.7%	7.1%	7.4%
Net Debt/EBITDA Adj	4.8	5.2	5.1	5.1	5.1

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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:

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- 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)

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Frequency of research: quarterly.

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

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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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OUTPERFORM:	38.35%
NEUTRAL:	29.32%
UNDERPERFORM:	00.75%
SELL:	00.00%

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OUTPERFORM:	31.94%
NEUTRAL:	12.50%
UNDERPERFORM:	01.39%
SELL:	00.00%

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