Milan, 14 November 2025

Italian Equity Research – 9M25 Results

WIIT

OUTPERFORM

Sector: Industrials

Price: Eu18.74 - **Target: Eu26.00**

Premium Positioning and High-Value Focus Drive Margins

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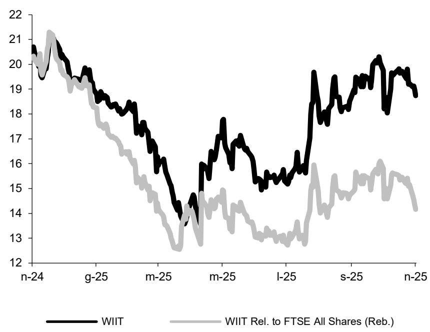
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			Unchanged
	2025E	**2026E**	**2027E**
Chg in Adj EPS	-2.1%	-18.5%	-9.8%

Next Event

FY25 Results out March 2026

WIIT - 12M Performance



Stock Data			
Reuters code:			WIIT.MI
Bloomberg code:			WIIT IM
Performance	**1M**	**3M**	**12M**
Absolute	-5.2%	4.6%	-7.5%
Relative	-10.9%	-1.3%	-39.7%
12M (H/L)			21.15/13.56
3M Average Volume (th):			50.85

Shareholder Data	
No. of Ord shares (mn):	28
Total no. of shares (mn):	28
Mkt Cap Ord (Eu mn):	525
Total Mkt Cap (Eu mn):	525
Mkt Float - Ord (Eu mn):	180
Mkt Float (in %):	34.3%
Main Shareholder:	
WIIT Fin Srl	58.4%

Balance Sheet Data	
Book Value (Eu mn):	35
BVPS (Eu):	1.27
P/BV:	14.8
Net Financial Position (Eu mn):	-208
Enterprise Value (Eu mn):	733

The company reported solid results, with revenues in line and adj. EBITDA 1% above our expectations, reflecting healthy organic growth of 5% and an increasing recurring component above 90% of the total. Margins improved, driven by a focus on premium services and operating efficiency, supporting FCF generation. With no major CapEx needs for datacentre expansion—given the low occupancy rate in Italy (40%) and declining levels in Germany (80%) following already-planned investments—next year's focus should shift toward FCF generation, deleveraging, and selective M&A in the DACH region.

- **9M results.** Revenues came in at €125.7mn (our exp. €126.1mn), up 9.2% YoY, driven by organic ARR growth of +4.9% (IT +7.5%, DE +2.7%), or +10.3% ex-churn (IT +12.8%, DE +9.0%) and an additional €25mn contribution from recently-acquired companies in Germany and Switzerland. Overall, Germany contributed to more than 50% of sales, around 50% of EBITDA, and over 60% of EBIT. The adj. EBITDA margin came to 40.5% and the L4L margin to 43.2%, up 6.2pp YoY. Italy reached 54.0% (+8pp YoY), while Germany posted 37.7%, with the L4L margin at 39.3% or 42.9% excl. Gecko (+5.6pp YoY), supported by synergies and a better mix. Net debt (€218mn or €164mn net of treasury share MtM and IFRS16) was in line with our estimate supported by a healthy CFFO (€31mn) partially absorbed by Cash CapEx (€17.1mn), costs for personnel rightsizing (€1.1mn), dividends (€7.8mn), and buyback (€2.0mn), and came in spite of higher lease liabilities (€8.2mn) and a security deposit for the new building (€1mn, already known).
- **Feedback from the call:** AI-powered DC in Germany: €5mn CapEx already budgeted for next year, with potential for higher investment depending on government subsidies. New bond: the issue raised €215mn to repay the €150mn bond maturing next year, while the remaining €65mn (up to €100mn firepower adding treasury shares) will be deployed for M&A and DC investments in Germany. TV campaign: new commercial on Sky in Italy to be replicated in Germany soon. Ad spend to rise from the usual 2% to ~3% of sales. Churn: stable at €2mn in both Italy and Germany. The increase in Germany, linked to an M&A event, is fully offset by strong new bookings. In Italy, churn was low, at 50% from the indirect channel and small clients managed through partners. Pipeline: Italy growing at a double-digit rate, similar momentum expected next year. Data sovereignty: Germany ahead in shifting to local DCs from hyperscalers, Italy catching up. The €10mn June deal came from a client moving from Amazon to WIIT due to sovereignty needs.
- **Change in estimates**. We are revising our estimates to capture the ongoing phase out of low margin activities and higher net financial charges after the new bond issue. This translates into an EPS cut of -2%/-19%/-10 for FY25/26/27.
- **OUTPERFORM confirmed; target still €26.** The change in estimates is offset in our DCF model by a lower WACC (reduced risk-free rate), which leads us to confirm the €26 target price (~13x EV/EBITDA'26, historical average ~15x, currently c.10x). The stock offers solid visibility on organic growth, strong earnings momentum (adj. EPS set to almost double in 3 years), and attractive M&A prospects, reinforcing our positive stance. WIIT remains well placed as a digital champion, expanding through small M&A in Italy and scaling in Germany, while benefiting from a structural shift from on-premises to cloud. Its premium cloud niche, tailored for mission-critical applications with stringent SLAs, along with a highly scalable business model, offers long-term upside.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	130	159	168	181	193
EBITDA Adj (Eu mn)	51	58	67	72	80
Net Profit Adj (Eu mn)	15	15	19	22	30
EPS New Adj (Eu)	0.538	0.527	0.666	0.789	1.079
EPS Old Adj (Eu)	0.538	0.527	0.680	0.968	1.196
DPS (Eu)	0.300	0.300	0.333	0.394	0.540
EV/EBITDA Adj	14.3	13.2	11.0	9.8	8.6
EV/EBIT Adj	25.9	26.4	22.1	17.6	13.7
P/E Adj	34.9	35.5	28.2	23.8	17.4
Div. Yield	1.6%	1.6%	1.8%	2.1%	2.9%
Net Debt/EBITDA Adj	4.0	3.7	3.1	2.6	2.0

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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:	32.06%
OUTPERFORM:	38.93%
NEUTRAL:	28.25%
UNDERPERFORM:	00.76%
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:	50.65%
OUTPERFORM:	29.87%
NEUTRAL:	18.18%
UNDERPERFORM:	01.30%
SELL:	00.00%

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