

WIIT

BUY

Price (Eu):

43.60

Target Price (Eu):

60.00

SECTOR: Industrials

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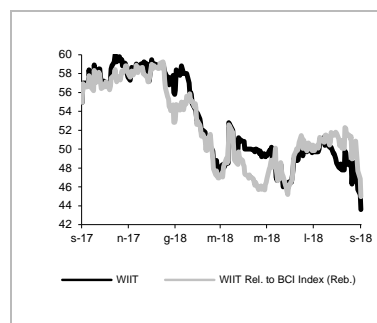
Resetting Expectations; BUY Confirmed Due To Considerable Upside

- 2Q18 results below estimate.** Organic growth accelerated in 2Q18 to +22% from +10% in 1Q, partly favoured by the easier comparison base with revenue closing at Eu5.5mn vs. our Eu5.6mn estimate. This was reflected in adj. EBITDA, which came in at Eu2.5mn vs our Eu2.6mn, a 28% YoY increase thanks in part to the early adoption of IFRS16. Following higher-than-expected D&A, adj. EBIT was Eu1.2mn (-8% YoY), a 21.4% margin, vs our Eu1.5mn forecast. The bottom line also came in below expectations at Eu0.7mn vs our Eu1.0mn estimate. The net cash position decreased to Eu2.7mn from Eu7.9mn at YE17 on the back of a Eu2.4mn buyback, a Eu2.1mn dividend distribution, strong tangible CapEx at Eu3.1mn and Eu1.3mn from the change in the IFRS16.
- Adelante acquisition.** On 28th June WIIT announced the acquisition of Adelante, an Italian cloud-computing provider, for Eu6.4mn plus an earn-out of up to Eu4.4mn. Adelante reported revenue/EBITDA/net profit of Eu7/0.9/0.4mn respectively in 2017 and expects to generate more than Eu1.1mn in EBITDA in 2018, implying that WIIT paid an appealing ~6x EV/EBITDA. The acquisition enables WIIT to reinforce its presence in the Italian market and is expected to grant synergies both commercially and through economies of scale. In addition, WIIT has appointed Francesco Baroncelli, CEO of Adelante, as the group's Head of M&A activity and Internationalisation.
- Change in estimates, partly due to change in accounting standards.** We are updating our forecast model factoring in: a softer organic growth rate, the consolidation of Adelante from 3Q onwards and the impact of the changes in IFRS15 and IFRS 16 accounting principles. Looking at the accounting changes, IFRS 16 has an almost neutral impact on EBIT (rental costs become D&A instead of being part of OPEX), but IFRS 15 has a negative impact on both revenue and profitability, as it forces the company to record the average margin throughout the order, whereas the company previously booked higher revenue and profitability at the beginning upon receipt of advance payments. Clearly, the cumulative profitability over the duration of the contract remains unchanged, so the negative impact will only be felt in the early years of adoption. All in all, we are lowering our EPS estimate by 15% on average in 2018-20 (of which almost for a half due to new IFRS15). Our estimates do not include the potential benefit from the Patent Box, which could be revealed in the coming months.
- BUY confirmed; target cut to Eu60.0.** On the back of our estimate update, we are lowering our TP by 8% to Eu60.0, partly offset by the re-rating of peers. Nevertheless, we confirm our BUY rating on the stock considering the significant upside of more than 30% to current prices. We believe our new estimates paint a more visible outlook for the company in light of the synergies that the recent combination with Adelante could unleash. The stock is trading at 11.4x/8.3x the EV/EBITDA 2018/19 respectively, discounts of more than 50% vs the median of its peer group.

Key Figures	2016A	2017A	2018E	2019E	2020E
Sales (Eu mn)	15	20	25	31	35
Ebitda (Eu mn)	4	8	10	14	16
Net profit (Eu mn)	1	3	4	5	6
EPS - New (Eu)	0.511	1.316	1.436	2.126	2.421
EPS - Old (Eu)	0.511	1.316	1.889	2.380	2.685
DPS (Eu)	0.429	0.830	0.861	1.276	1.453
Ratios & Multiples	2016A	2017A	2018E	2019E	2020E
P/E	85.3	33.1	30.4	20.5	18.0
Div. Yield	1.0%	1.9%	2.0%	2.9%	3.3%
EV/Ebitda	25.7	12.3	11.4	8.3	6.9
ROCE	14.7%	27.6%	25.5%	33.0%	39.2%

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WIIT - 12m Performance



RATING: Unchanged

TARGET PRICE (Eu): from 65.00 to 60.00

Change in EPS est: 2018E 2019E
-24.0% -10.6%

STOCK DATA

Reuters code: WIIT.MI
Bloomberg code: WIIT IM

Performance	1m	3m	12m
Absolute	-10.1%	-6.4%	-20.7%
Relative	-13.4%	-3.2%	-17.6%
12 months H/L:	60.00/43.60		

SHAREHOLDER DATA

No. of Ord. shares (mn):	3
Total No. of shares (mn):	3
Mkt Cap Ord (Eu mn):	112
Total Mkt Cap (Eu mn):	112
Mkt Float - ord (Eu mn):	30
Mkt Float (in %):	26.4%
Main shareholder:	
WIIT Fin Srl	62.7%

BALANCE SHEET DATA

	2018
Book value (Eu mn):	24
BVPS (Eu):	9.21
P/BV:	4.7
Net Financial Position (Eu mn):	1
Enterprise value (Eu mn):	118

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on the last page of this report

WIIT - KEY FIGURES

		2016A	2017A	2018E	2019E	2020E
	Fiscal year end	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020
PROFIT & LOSS (Eu mn)	Sales	15	20	25	31	35
	EBITDA	4	8	10	14	16
	EBIT	2	4	5	8	9
	Financial income (charges)	(0)	(0)	(0)	(0)	(0)
	Associates & Others	0	0	0	0	0
	Pre-tax profit (Loss)	1	4	5	7	8
	Taxes	(0)	(1)	(1)	(2)	(2)
	Tax rate (%)	32.6%	18.7%	21.0%	23.0%	26.0%
	Minorities & discontinue activities	0	0	0	0	0
	Net profit	1	3	4	5	6
	Total extraordinary items	0	(0)	0	0	0
	Ebitda excl. extraordinary items	5	8	10	14	16
	Ebit excl. extraordinary items	2	5	5	8	9
Net profit restated	1	3	4	6	6	
PER SHARE DATA (Eu)	Total shares out (mn) - average fd	2	3	3	3	3
	EPS stated fd	0.433	1.222	1.420	2.116	2.421
	EPS restated fd	0.511	1.316	1.436	2.126	2.421
	BVPS fd	2.149	9.643	9.213	10.467	11.613
	Dividend per share (ord)	0.429	0.830	0.861	1.276	1.453
	Dividend per share (sav)	0.000	0.000	0.000	0.000	0.000
	Dividend pay out ratio (%)	98.9%	67.8%	60.6%	60.3%	0.0%
CASH FLOW (Eu mn)	Gross cash flow	3	6	9	12	13
	Change in NWC	(1)	1	(1)	(0)	(0)
	Capital expenditure	(3)	(8)	(7)	(6)	(6)
	Other cash items	0	(0)	0	0	0
	Free cash flow (FCF)	(1)	(0)	1	5	7
	Acquisitions, divestments & others	0	0	(4)	0	0
	Dividend	(0)	(1)	(2)	(2)	(3)
	Equity financing/Buy-back	0	18	(2)	0	0
Change in Net Financial Position	(1)	17	(7)	3	3	
BALANCE SHEET (Eu mn)	Total fixed assets	12	16	21	21	20
	Net working capital	3	2	3	3	3
	Long term liabilities	1	1	1	1	1
	Net capital employed	13	17	23	23	22
	Net financial position	(9)	8	1	4	8
	Group equity	5	25	24	27	30
	Minorities	0	0	0	0	0
Net equity	5	25	24	27	30	
ENTERPRISE VALUE (Eu mn)	Average mkt cap - current	112	112	112	112	112
	Adjustments (associate & minorities)	0	0	(7)	(7)	(7)
	Net financial position	(9)	8	1	4	8
	Enterprise value	121	104	118	115	111
RATIOS(%)	EBITDA margin*	30.6%	43.3%	41.3%	44.3%	45.7%
	EBIT margin*	15.7%	27.6%	20.8%	24.7%	25.3%
	Gearing - Debt/equity	197.4%	-31.8%	-4.6%	-15.6%	-25.4%
	Interest cover on EBIT	3.9	13.2	12.8	18.0	21.8
	Debt/Ebitda	2.16	nm	nm	nm	nm
	ROCE*	14.7%	27.6%	25.5%	33.0%	39.2%
	ROE*	24.4%	21.4%	15.2%	21.5%	21.9%
	EV/CE	9.8	6.9	5.9	5.0	4.9
	EV/Sales	7.9	5.3	4.7	3.7	3.2
	EV/Ebit	nm	19.2	22.7	15.0	12.5
Free Cash Flow Yield	-0.7%	-0.1%	1.3%	4.5%	5.7%	
GROWTH RATES (%)	Sales	19.9%	27.5%	28.0%	23.8%	13.4%
	EBITDA*	24.1%	80.1%	22.1%	33.0%	16.9%
	EBIT*	29.4%	125.0%	-3.7%	47.0%	16.4%
	Net profit	363.9%	244.7%	17.5%	48.9%	14.5%
	EPS restated		157.4%	9.1%	48.1%	13.9%

* Excluding extraordinary items

Source: Intermonte SIM estimates

1H18 results

Income statement

	1Q17A	2Q17A	1H17A	2H17A	2017A	1Q18A	2Q18A	2Q18E	A/E %	1H18A	1H18E	A/E %	2H18E	2018E
Revenue	4.7	4.5	9.2	10.3	19.6	5.2	5.5	5.6	-2.0%	10.7	10.8	-1.0%	14.3	25.0
YoY growth	34.1%	12.3%	22.5%	32.3%	27.5%	10.0%	21.9%	24.4%		15.8%	17.0%		38.9%	28.0%
Organic	34.1%	12.3%	22.5%	32.3%	27.5%	10.0%	21.9%	24.4%		15.8%	17.0%		9.9%	12.7%
Scope	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%		29.0%	15.3%
EBITDA Adj.	2.0	1.9	3.9	4.6	8.5	2.2	2.4	2.5	-3.6%	4.6	4.6	-1.1%	5.7	10.3
YoY growth	73.9%	43.7%	58.0%	104.3%	80.1%	10.2%	27.9%	32.7%		18.7%	19.9%		25.0%	22.1%
EBITDA Adj. margin %	42.6%	41.3%	42.0%	44.5%	43.3%	42.7%	43.3%	44.1%		43.0%	43.0%		40.0%	41.3%
- D&A	(0.9)	(0.6)	(1.4)	(2.0)	(3.1)	(1.2)	(1.2)	(1.0)		(2.4)	(2.2)		(2.7)	(5.1)
EBIT Adj.	1.2	1.3	2.4	2.6	5.4	1.0	1.2	1.5	-19.7%	2.2	2.4	-10.1%	3.0	5.2
YoY growth	80.7%	71.2%	75.6%	156.9%	125.0%	-12.3%	-8.3%	14.2%		-10.2%	-0.1%		16.1%	-3.7%
EBIT Adj. margin %	24.7%	28.4%	26.5%	25.1%	27.6%	19.7%	21.4%	26.1%		20.6%	22.6%		20.9%	20.8%
EBIT	1.2	0.7	1.9	2.3	4.2	0.9	1.2	1.5	-19.7%	2.1	2.3	-12.2%	3.0	5.1
YoY growth	80.7%	-8.1%	33.2%	450.5%	130.5%	-24.3%	70.9%	112.8%		10.9%	26.3%		28.9%	20.9%
EBIT margin %	24.7%	15.3%	20.1%	22.6%	21.4%	17.0%	21.4%	26.1%		19.2%	21.7%		20.9%	20.2%
Net income/(loss)	0.8	0.5	1.3	1.8	3.1	0.7	0.7	1.0	-30.0%	1.4	1.7	-18.3%	2.3	3.7
YoY growth					244.7%	-17.6%	46.1%	108.7%		6.8%	30.7%		25.0%	17.5%
Net profit margin %	16.9%	0.0%	14.1%	17.8%	16.0%	12.6%	13.3%	18.6%		13.0%	15.7%		16.0%	14.7%

Source: Intermonete SIM (E), company data (A)

Change in estimates

Change in estimate

	New			Old			Diff. %		
	2018E	2019E	2020E	2018E	2019E	2020E	2018E	2019E	2020E
Revenue	25.0	31.0	35.1	23.8	28.7	33.8	5.3%	7.9%	4.0%
YoY growth	28.0%	23.8%	13.4%	21.6%	20.9%	17.6%			
Organic	12.7%	11.9%	13.4%	21.6%	20.9%	17.6%	-890 bps	-901 bps	-426 bps
Scope	15.3%	12.0%	0.0%	0.0%	0.0%	0.0%			
EBITDA Adj.	10.3	13.7	16.1	11.1	14.1	17.1	-6.7%	-2.5%	-5.8%
YoY growth	22.1%	33.0%	16.9%	30.9%	27.2%	21.0%			
EBITDA Adj. margin %	41.3%	44.3%	45.7%	46.6%	49.1%	50.5%	-533 bps	-473 bps	-473 bps
EBIT Adj.	5.2	7.6	8.9	6.7	8.5	10.1	-22.7%	-9.8%	-11.6%
YoY growth	-3.7%	47.0%	16.4%	24.5%	26.0%	18.7%			
EBIT Adj. margin %	20.8%	24.7%	25.3%	28.3%	29.5%	29.8%	-753 bps	-483 bps	-445 bps
Restated net profit	3.7	5.5	6.3	4.9	6.2	7.0	-24.0%	-10.6%	-9.8%
YoY growth	10.3%	48.1%	13.9%	45.2%	26.0%	12.8%			
Tax rate	21.0%	23.0%	26.0%	21.0%	23.0%	28.0%	0 bps	0 bps	-200 bps
Adj. EPS	1.44	2.13	2.42	1.89	2.38	2.68	-24.0%	-10.6%	-9.8%
YoY growth	9.1%	48.1%	13.9%	43.6%	26.0%	12.8%			
Net debt/(cash)	(1.1)	(4.2)	(7.6)	(8.9)	(11.0)	(14.0)	-87.7%	-61.5%	-45.3%

Source: Intermonete SIM

Valuation

Valuation summary

Method	Val.	Weight	Weighted val.
DCF valuation (WACC @ 8.7% , g @ 2.5%)	52.7	50%	26.4
EV/Sales FY1 @7x	67.4	17%	11.2
EV/EBITDA adj. FY1 @19.4x	77.5	17%	12.9
PE adj. FY1 @39.6x	56.8	17%	9.5
Fair value per share (Eu)			60.0
Actual share price			45.2
Upside/(Downside)			32.7%

Source: Intermonte SIM

Multiples @ current prices

	WIIT			Peers' median			Premium/(discount)		
	2017A	2018E	2019E	2017A	2018E	2019E	2017A	2018E	2019E
EV/Sales	5.2 x	4.7 x	3.6 x	8.3 x	7.0 x	5.8 x	-38%	-32%	-38%
EV/EBITDA	12.0 x	11.4 x	8.1 x	21.5 x	19.4 x	17.5 x	-44%	-41%	-54%
EV/EBIT	20.0 x	15.6 x	12.5 x	34.8 x	29.1 x	23.9 x	-43%	-46%	-48%
P/E	34.7 x	31.5 x	21.3 x	52.6 x	39.6 x	24.7 x	-34%	-20%	-14%
Average							-40%	-35%	-38%

Source: Intermonte SIM and FactSet

Multiples @ target price

	WIIT			Peers' median			Premium/(discount)		
	2017A	2018E	2019E	2017A	2018E	2019E	2017A	2018E	2019E
EV/Sales	7.1 x	6.3 x	4.8 x	8.3 x	7.0 x	5.8 x	-14%	-10%	-17%
EV/EBITDA	16.5 x	15.1 x	10.9 x	21.5 x	19.4 x	17.5 x	-23%	-22%	-38%
EV/EBIT	33.4 x	30.9 x	19.8 x	34.8 x	29.1 x	23.9 x	-4%	6%	-17%
P/E	46.1 x	41.8 x	28.2 x	52.6 x	39.6 x	24.7 x	-12%	6%	14%
Average							-14%	-5%	-14%

Source: Intermonte SIM and FactSet

Financials

Income statement

	2014A	2015A	2016A	2017A	2018E	2019E	2020E
Revenue	11.9	12.8	15.3	19.6	25.0	31.0	35.1
YoY growth		7.5%	19.9%	27.5%	28.0%	23.8%	13.4%
Organic		7.5%	19.9%	27.5%	12.7%	11.9%	13.4%
Scope		0.0%	0.0%	0.0%	15.3%	12.0%	0.0%
- Cost of sales	(8.9)	(9.0)	(10.6)	(11.1)	(14.7)	(17.3)	(19.1)
EBITDA Adj.	3.0	3.8	4.7	8.5	10.3	13.7	16.1
YoY growth		26.3%	24.1%	80.1%	22.1%	33.0%	16.9%
EBITDA Adj. margin %	25.2%	29.6%	30.6%	43.3%	41.3%	44.3%	45.7%
+ Adjustments	-	-	(0.6)	(0.8)	(0.1)	(0.1)	-
- D&A	(1.6)	(1.9)	(2.3)	(3.4)	(5.1)	(6.1)	(7.2)
EBIT	1.4	1.9	1.8	4.2	5.1	7.5	8.9
YoY growth		33.6%	-2.1%	130.5%	20.9%	49.1%	17.9%
EBIT margin %	11.7%	14.5%	11.8%	21.4%	20.2%	24.3%	25.3%
- Net finance income/(charges)	(0.3)	(0.3)	(0.5)	(0.3)	(0.4)	(0.4)	(0.4)
- Extraordinary charges	-	(0.8)	-	(0.0)	-	-	-
Pretax profit	1.1	0.8	1.4	3.9	4.7	7.1	8.5
- Income taxes	(0.5)	(0.6)	(0.4)	(0.7)	(1.0)	(1.6)	(2.2)
Tax rate %	45.2%	38.1%	32.6%	18.7%	21.0%	23.0%	26.0%
Net income	0.6	0.2	0.9	3.1	3.7	5.5	6.3
YoY growth		-67.5%	363.9%	244.7%	17.5%	48.9%	14.5%
Net profit margin %	5.1%	1.5%	5.9%	16.0%	14.7%	17.7%	17.9%

Source: Intermonte SIM (E), company data (A)

Balance sheet

	2014A	2015A	2016A	2017A	2018E	2019E	2020E
Trade receivables	4.5	4.0	4.0	3.3	4.8	5.9	6.7
Inventories	0.1	0.0	0.0	-	-	-	-
Trade liabilities	(2.9)	(2.6)	(1.7)	(2.1)	(3.0)	(3.7)	(4.2)
Trade net working capital	1.7	1.5	2.3	1.2	1.8	2.2	2.5
Other current asset/(liab)	(1.7)	(0.5)	0.3	0.7	0.7	0.7	0.7
Net working capital	(0.0)	1.0	2.6	2.0	2.5	3.0	3.2
Intangible assets	1.7	2.0	2.2	2.7	3.3	3.3	3.2
Tangible assets	6.2	8.4	8.9	12.9	17.7	17.4	16.8
Financial asset	1.9	0.8	0.9	0.5	0.5	0.5	0.5
Long-term liab	(0.6)	(1.0)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)
Non-current asset/(liab.)	9.3	10.3	10.9	14.9	20.3	20.0	19.3
Net capital employed	9.2	11.3	13.4	16.9	22.8	22.9	22.5
Net debt/(cash)	5.6	8.4	8.9	(7.9)	(1.1)	(4.2)	(7.6)
Minorities	-	-	-	-	-	-	-
Equity	3.6	3.0	4.5	24.7	23.9	27.2	30.1
Invested capital	9.2	11.3	13.4	16.9	22.8	22.9	22.5

Source: Intermonte SIM (E), company data (A)

Cash flow statement

	2014A	2015A	2016A	2017A	2018E	2019E	2020E
NFP beginning of the period	-	(5.6)	(8.4)	(8.9)	7.9	1.1	4.2
Net Income	0.6	0.2	0.9	3.1	3.7	5.5	6.3
+ D&A	1.6	1.9	2.3	3.4	5.1	6.1	7.2
Change in working capital	-	0.2	(0.8)	1.1	(0.5)	(0.4)	(0.3)
-/+ Others	-	(0.4)	(0.3)	(0.2)	-	-	-
Cash flow from operations	5.2	1.9	2.1	7.4	8.3	11.1	13.2
Capex	(3.5)	(3.2)	(2.9)	(7.5)	(6.8)	(5.8)	(6.4)
FCF (ex. acq)	1.7	(1.4)	(0.8)	(0.1)	1.5	5.4	6.7
Acquisitions	(1.9)	(0.9)	-	-	(3.8)	-	-
FCF (incl. acq)	(0.2)	(2.2)	(0.8)	(0.1)	(2.3)	5.4	6.7
Dividends	-	(0.6)	(0.2)	(0.9)	(2.1)	(2.2)	(3.3)
Buyback	-	-	-	-	(2.4)	-	-
Equity financing	-	-	-	18.0	-	-	-
Other	(5.4)	0.1	0.5	(0.2)	-	-	-
Change in NFP/(Net Cash)	(5.6)	(2.7)	(0.5)	16.8	(6.8)	3.1	3.4
NFP end of the period	(5.6)	(8.4)	(8.9)	7.9	1.1	4.2	7.6

Source: Intermonte SIM (E), company data (A)

Peer Group - Absolute Performances

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
WIIT	43.60	EUR	112	-10.1%	-6.4%	-9.2%	-25.9%	-20.7%	-13.8%
EQUINIX	445.21	USD	35,398	1.5%	10.8%	6.0%	-1.8%	-1.1%	24.3%
INOVALON	10.65	USD	1,626	-7.8%	2.9%	-2.7%	-29.0%	-36.0%	-34.0%
INTERXION	68.03	USD	4,872	7.3%	5.9%	11.0%	15.4%	35.2%	83.7%
IOMART	4.75	GBP	514	16.6%	23.4%	28.9%	21.8%	46.8%	58.1%
J2 GLOBAL	82.37	USD	4,056	3.2%	-8.7%	-0.8%	9.8%	10.0%	20.9%
LOGMEIN	85.15	USD	4,417	7.9%	-21.3%	-32.7%	-25.6%	-24.6%	-6.1%
MYOB GROUP	2.97	AUD	1,737	-4.5%	5.3%	-6.6%	-18.0%	-17.5%	-19.5%
NEXTDC	6.17	AUD	2,120	-14.4%	-19.0%	-11.4%	2.8%	33.0%	50.5%
OVER THE WIRE	4.70	AUD	207	36.6%	27.4%	56.7%	63.8%	142.9%	56.7%
QUALYS	90.95	USD	3,547	6.1%	-6.3%	22.2%	53.2%	75.1%	148.8%
RED HAT	142.71	USD	25,313	1.8%	-19.0%	-7.4%	18.8%	32.8%	93.4%
SERVICENOW	191.88	USD	34,135	6.1%	2.9%	12.9%	47.2%	64.7%	148.3%
VMWARE	153.40	USD	62,700	1.7%	1.3%	23.2%	22.4%	39.5%	111.8%
WISETECH GLOBAL	20.77	AUD	6,223	30.8%	30.5%	88.3%	46.8%	147.6%	299.4%
Mean performance				5.5%	2.0%	11.9%	13.5%	35.2%	68.2%
Italy FTSE Mib	21,228.2	EUR		4.0%	-3.9%	-7.1%	-2.9%	-5.1%	31.1%

Source: FactSet

Peer Group - Multiple Comparison

Stock	Price	Ccy	Mkt cap	EV/Sales	EV/Sales	EV/Ebitda	EV/Ebitda	EV/Ebit	EV/Ebit	P/E	P/E	Div Yield	Div Yield
				2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
WIIT	43.60	EUR	112	4.7	3.7	11.4	8.3	22.7	15.0	30.4	20.5	2.0%	2.9%
EQUINIX	445.21	USD	35,398	9.1	8.4	19.1	17.2	49.3	40.5	117.8	72.2	2.0%	2.3%
INOVALON	10.65	USD	1,626	4.4	3.9	15.1	12.3	21.3	20.6	30.6	24.7	0.0%	0.0%
INTERXION	68.03	USD	4,872	9.3	8.4	20.3	18.3	46.9	41.2	101.6	70.3	0.0%	0.0%
IOMART	4.75	GBP	514	4.9	4.5	12.0	10.9	20.7	18.0	23.9	21.3	1.7%	1.8%
J2 GLOBAL	82.37	USD	4,056							13.2	12.0	2.0%	2.2%
LOGMEIN	85.15	USD	4,417	3.6	3.1	9.8	8.4	11.6	9.7	16.3	14.7		
MYOB GROUP	2.97	AUD	1,737	4.8	4.5	11.6	10.9	21.7	19.3	18.4	18.9	3.9%	3.9%
NEXTDC	6.17	AUD	2,120	12.4	12.8	32.1	29.8	66.1	70.3	278.9	6,064.6	0.0%	0.0%
OVER THE WIRE	4.70	AUD	207	4.0	3.1	17.4	13.6	25.7	20.0	37.4	25.1	0.5%	0.6%
QUALYS	90.95	USD	3,547	11.9	9.7	31.7	26.1	42.5	34.1	61.1	51.7		
RED HAT	142.71	USD	25,313	6.9	5.7	25.5	21.5	28.8	23.6	41.1	36.0	0.0%	0.0%
SERVICENOW	191.88	USD	34,135	12.7	9.6	49.8	34.7	63.2	42.9	82.5	61.5	0.0%	0.0%
VMWARE	153.40	USD	62,700	6.6	5.8	17.0	15.0	19.5	16.9	24.9	23.2	0.0%	0.0%
WISETECH GLOBAL	20.77	AUD	6,223	27.7	19.0	78.6	56.5	104.8	73.8	149.4	99.4	0.1%	0.2%
Median				6.9	5.8	19.1	17.2	28.8	23.6	39.3	30.6	0.1%	0.1%

Source: Intermonte SIM estimates for covered companies, FactSet consensus estimates for peer group

WIIT - Estimates Comparison with Consensus

(Eu mn)	2018			2019		
	Intermonte	Consensus	%diff	Intermonte	Consensus	%diff
Revenues	25.0	23.8	5.2%	31.0	29.0	6.9%
Ebitda	10.2	11.1	-8.1%	13.6	14.0	-2.5%
Net Profit	3.7	4.8	-23.2%	5.5	6.0	-8.5%
EPS	1.436	1.890	-24.0%	2.126	2.380	-10.7%
Net Debt	1.1		#DIV/0!	4.2		#DIV/0!

Source: Intermonte SIM estimates and Factset consensus estimates

DETAILS ON STOCKS RECOMMENDATION

Stock NAME	WIIT		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	60.00	Previous Target (Eu):	65.00
Current Price (Eu):	43.60	Previous Price (Eu):	50.00
Date of report:	19/09/2018	Date of last report:	09/04/2018

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- 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 2.5% and a risk premium of 5.0% are being used.

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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.

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OUTPERFORM:	41,67 %
NEUTRAL:	39,10 %
UNDERPERFORM	05,13 %
SELL:	00,00 %

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BUY:	15,69 %
OUTPERFORM:	58,82 %
NEUTRAL:	25,49 %
UNDERPERFORM	00,00 %
SELL:	00,00 %

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OLIDATA	0,88	SHORT
WASTE ITALIA	0,61	SHORT

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