



**FY21 double digit revenues growth (+39%), +29% in the first two months of FY22**

**Sector: Technology**

**FY21 sales at Euro 18.6 m, growth above expectations.** In 2H21, the revenue trend improved more than expected, driving FY21 revenues to Euro 18.6 m (+39% YoY and vs. Euro 18.2 m expected) with a growth in all sales families, in particular Digital Marketing (+60), New Media publishing (+121%), Academy (+106%) and Virtual Reality and Artificial Intelligence (+75%). The Group has always managed to keep all its operating activities, planning to the strengthening of innovative products and services created in relation to new market needs and continued its strategic path by investing resources.

**Profitability in line with expectations and FY22 off to a good start.** FY21 EBITDA was Euro 2.9 m (Euro 3.0 m expected) with a 14.8% EBITDA margin (16% expected) vs. 9.6% as of priory year, despite an increase in costs for services and payroll costs by 30.3% and 26.6% respectively, due to the consolidation of the new companies acquired in 2020/2021 and the higher internal production resulting from the growth in revenues.

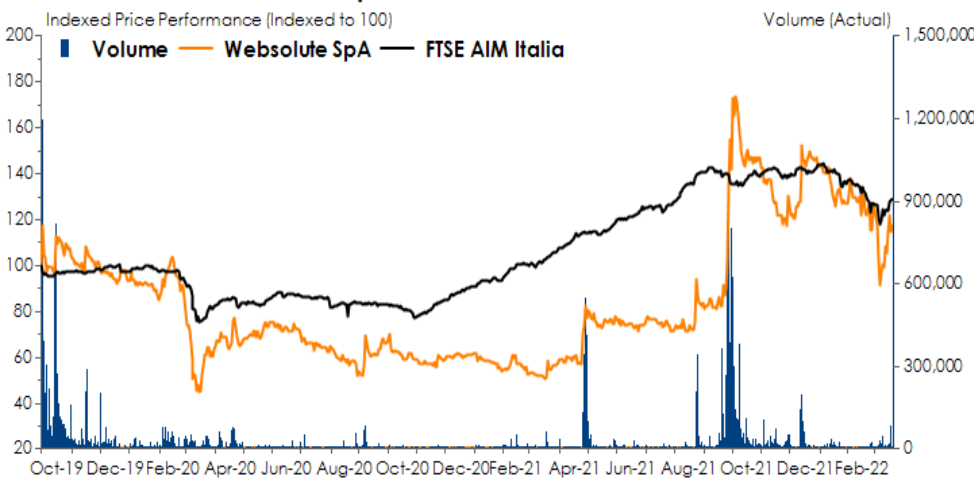
Net profit of Euro 0.47 m came in slightly below our estimates (Euro 1.1) after an increase in amortization and other provisions (Euro 2.0 m vs. 0.9 m in FY20) given the conclusion and, therefore, the production of the effects of some projects in progress.

Net debt at the end of the period considered was of Euro 2.4 m, down from Euro 3.1 m, thanks to an increase in cash thus confirming the substantial maintenance of a good level of cash elasticity in the presence of an increase in bank debt.

Further positive elements are represented by the presence of a sales order backlog that shows an increase of about 29%, compared to the same period of 2021, in the first two months of 2022.

**Estimate revision and valuation.** Based on our updated estimates and peers' multiple re-rating since our last update in Semptember 2021 and considering FY21 results, we finetuned our estimates to factor in, on the one hand, an acceleration in FY22 of revenues to Euro 23.2 m (Euro 21.9 m previously), while on the other we slightly reduced our EBITDA margin to 17% (20% previously) considering higher costs due to the consolidation of new business acquisition and increased internal production resulting from revenue growth. For FY23E we have also finetuned our sales growth (+20% vs +15% previously). We set the same target price of Euro 5.23 p.s., providing for an upside on current stock price of 94%. Our valuation was obtained by weighting equally the DCF and the multiple comparison analysis. At our target price the stock would be trading at FY22E/23E EV/EBITDA multiples of 10.9x and 7.8x respectively.

**Websolute SpA vs. FTSE Italia Growth Index**



**Target Price 5.23 (5.22 pr.)**

Price (€ m) **2.74**

Market Cap (€ m) **27**

EV (€ m) **29**

*As of March 22<sup>nd</sup>, 2022*

**Share Data**

Market	Euronext Growth Milan
Reuters/Bloomberg	WEB:IM
ISIN	IT0005384901
N. of Shares	9.704.217
Free Float	24.90%
CEO	Lamberto Mattioli

**Financials**

	2020A	2021A	2022E	2023E
<b>Sales</b>	<b>13.34</b>	<b>18.59</b>	<b>23.23</b>	<b>27.88</b>
YoY %	+5.2%	+34%	+22%	+19%
<b>EBITDA</b>	<b>1.42</b>	<b>2.94</b>	<b>4.12</b>	<b>5.78</b>
EBITDA %	9.6%	14.8%	17%	20%
<b>EBIT</b>	<b>0.52</b>	<b>0.97</b>	<b>2.48</b>	<b>4.02</b>
EBIT %	4%	5%	10%	14%
<b>Net Income</b>	<b>0.34</b>	<b>0.47</b>	<b>3.58</b>	<b>5.86</b>
<b>Net Debt</b>	<b>3.08</b>	<b>2.41</b>	<b>1.9</b>	<b>(0.57)</b>

**Performance**

	1M	3M	6M
Absolute %	-2.14	-19.41	-18.93
Relative (FTSE Italia Growth)	90.99	92.99	-12.91
52-week High/Low (Eu)	4.16	/	1.25

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