

WANdisco

Contract win

Another multimillion-dollar IOT deal

Software and comp services

WANdisco's strong run of customer wins continues with a \$5m minimum value commit-to-consume agreement with a large automotive components supplier. With \$18.1m of deals announced over the past week, evidence is building that WANdisco is now hitting an inflection point. We will review our estimates following the Q2 trading update (expected in the first half of July), but our FY22 looks increasingly conservative and a continuation of the deal flow momentum seen so far this year would also lay the platform for accelerated growth into 2023 and beyond.

4 July 2022

Price 290p
Market cap £191m

Net cash (\$m) at June 2022	\$34.9m
Shares in issue	65.8m
Free float	80%
Code	WAND
Primary exchange	AIM
Secondary exchange	N/A

Year end	Revenue (\$m)	PBT* (\$m)	EBIT (\$m)	EPS (c)	EV/Sales (x)	EV/EBITDA (x)
12/19	16.2	(11.7)	(18.5)	(38.8)	12.9	N/A
12/20	10.5	(22.2)	(28.5)	(57.3)	19.8	N/A
12/21	7.3	(29.5)	(35.7)	(57.9)	28.5	N/A
12/22e	10.0	(24.7)	(29.9)	(50.1)	20.8	N/A

Note: *EBITDA and EBIT are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

This contract is for another Internet of Things (IOT) deployment and follows the \$11.3m IOT deal with a major telco, announced in [late June](#). In many ways IOT is a perfect use case for WANdisco, due to the huge amounts of data consistently being generated, which need to be moved to the cloud for analysis. In this case, LiveData Migrator is being deployed to support the movement of sensor data to the cloud within an Amazon Web Services environment, whereas the telco deployment was to a multi-cloud architecture.

As a commit-to-consume contract, revenues will be recognised over the five-year lifetime of the project, but 50% of the payment will be made up front. The client expects considerable data growth over the lifetime of the contract, representing a potentially large expansion opportunity for WANdisco.

Evidence continues to build that WANdisco is now hitting an inflection point, with a product set and partnership aligned to address a very large market opportunity. The company has announced \$18.1m worth of deals over the past few weeks building on the \$5.8m of bookings announced in Q1. We will review our estimates following the Q2 trading update, but our FY22 is looking increasingly conservative. A continuation of the deal flow momentum seen so far this year would also lay the platform for accelerated growth into 2023 and beyond.

Share price performance



Business description

WANdisco's proprietary replication technology enables its customers to solve critical data management challenges created by the shift to cloud computing. It has established partner relationships with leading players in the cloud ecosystem including Oracle, Amazon, IBM and Microsoft.

Analysts

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