

UPDATE

EQUITY RESEARCH

ISIM
INTEGRÆ

Intred

Euronext Growth Milan | TLC | Italy

Production 30/09/2024, h. 06:30 pm

Publication 01/10/2024, h. 07:00 am



Rating

BUY

unchanged

Target Price

€ 21,50

prev. € 20,50

Risk



Medium

Upside potential

92,0%

Key Financials (€/mln)	FY23A	FY24E	FY25E	FY26E
VoP	50,52	57,45	62,45	67,45
EBITDA	22,53	24,85	28,40	32,10
EBIT	12,67	12,85	14,90	17,90
Net Income	8,19	8,15	9,50	11,45
NFP	20,91	28,02	32,30	23,90
EBITDA margin	44,6%	43,3%	45,5%	47,6%
EBIT margin	25,1%	22,4%	23,9%	26,5%
Net Income margin	16,2%	14,2%	15,2%	17,0%

Stocks performance relative to FTSE Italia Growth



Stock Data

Price	€ 11,20
Target price	€ 21,50
Upside/(Downside) potential	92,0%
Ticker	ITD IM
Market Cap (€/mln)	€ 178,19
EV (€/mln)	€ 199,09
Free Float	30,30%
Share Outstanding	15.909.400
52-week high	€ 11,95
52-week low	€ 9,02
Average daily volumes (3 months)	2.209

Mattia Petracca | mattia.petracca@integraesim.it

Alessandro Colombo | alessandro.colombo@integraesim.it

Stock performance	1M	3M	6M	1Y
Absolute	12,9%	12,4%	8,7%	1,8%
to FTSE Italia Growth	12,9%	13,1%	8,9%	4,8%
to Euronext STAR Milan	12,0%	13,6%	11,7%	-11,2%
to FTSE All-Share	10,3%	8,1%	8,9%	-21,9%
to EUROSTOXX	10,8%	10,5%	10,3%	-19,2%
to MSCI World Index	10,9%	8,3%	1,6%	-27,1%

Main Ratios	FY23A	FY24E	FY25E	FY26E
EV/EBITDA	8,8x	8,0x	7,0x	6,2x
EV/EBIT	15,7x	15,5x	13,4x	11,1x
P/E	21,8x	21,9x	18,7x	15,6x

1H24A Results

The value of production for 1H24A stands at € 26.29 million, showing a 6.4% growth compared to 1H23A (€ 24.70 million). EBITDA reached € 11.47 million, marking a 6.7% increase compared to € 10.75 million in 1H23A. The EBITDA margin, at 43.6%, also saw a slight improvement from last year's first half result (43.5%). EBIT amounted to € 5.84 million (€ 5.95 million in 1H23A). Net income stood at € 3.54 million (€ 3.90 million in the first half of 2023). As of June 30, 2024, the NFP shows a debt of € 27.37 million.

Estimates Update

In light of the results published in the 1H24A interim report and the presentation of the 2024-2027 Strategic Plan, we are revising our estimates for the current year and the coming years. Specifically, we estimate a production value of € 57.45 million for FY24E, with an EBITDA of € 24.85 million, corresponding to a margin of 43.3%. For the subsequent years, we expect the production value to increase to € 71.45 million (CAGR 23A-27E: 9.1%) by FY27E, with an EBITDA of € 35.70 million (corresponding to a margin of 50.0%), up from € 22.53 million in FY23A (with an EBITDA margin of 44.6%). On the balance sheet, for FY27E, we estimate an NFP debt of € 10.02 million.

Valuation Update

We have conducted a valuation of Intred's equity value using the DCF methodology and multiples from a peer group of comparable companies. The DCF method (which prudently includes a specific risk premium of 1.0% in the WACC calculation) results in an equity value of € 387.4 million. Intred's equity value using market multiples amounts to € 295.6 million. As a result, the average equity value is approximately € 341.5 million. The target price is set at € 21.50, with a BUY rating and a MEDIUM risk level.

Economics & Financials

TABLE 1 – ECONOMICS & FINANCIALS

CONSOLIDATED INCOME STATEMENT (€/mln)	FY22A	FY23A	FY24E	FY25E	FY26E	FY27E
Revenues	45,52	50,07	57,00	62,00	67,00	71,00
Other revenues	0,57	0,45	0,45	0,45	0,45	0,45
Value of Production	46,08	50,52	57,45	62,45	67,45	71,45
COGS	1,64	1,83	2,00	2,20	2,40	2,50
Services	6,69	8,04	10,90	11,50	12,20	12,45
Use of asset owned by others	9,24	9,17	9,20	9,00	8,80	8,60
Employees	7,93	8,10	9,50	10,20	10,80	11,05
Other operating costs	0,73	0,85	1,00	1,15	1,15	1,15
EBITDA	19,85	22,53	24,85	28,40	32,10	35,70
<i>EBITDA Margin</i>	<i>43,1%</i>	<i>44,6%</i>	<i>43,3%</i>	<i>45,5%</i>	<i>47,6%</i>	<i>50,0%</i>
D&A	7,69	9,86	12,00	13,50	14,20	15,50
EBIT	12,16	12,67	12,85	14,90	17,90	20,20
<i>EBIT Margin</i>	<i>26,4%</i>	<i>25,1%</i>	<i>22,4%</i>	<i>23,9%</i>	<i>26,5%</i>	<i>28,3%</i>
Financial management	0,02	(1,15)	(1,50)	(1,70)	(2,00)	(1,70)
EBT	12,18	11,51	11,35	13,20	15,90	18,50
Taxes	3,50	3,32	3,20	3,70	4,45	5,20
Net Income	8,67	8,19	8,15	9,50	11,45	13,30

CONSOLIDATED BALANCE SHEET (€/mln)	FY22A	FY23A	FY24E	FY25E	FY26E	FY27E
Fixed Assets	88,58	109,46	125,50	138,50	137,80	135,00
Account receivable	13,97	12,03	13,80	14,80	15,90	16,20
Inventories	0,43	0,93	1,00	1,00	1,00	1,00
Account payable	19,66	21,04	22,30	23,60	26,00	27,40
Operating Working Capital	(5,26)	(8,07)	(7,50)	(7,80)	(9,10)	(10,20)
Other receivable	5,29	2,79	4,50	3,00	3,20	3,30
Other payable	27,28	26,39	31,00	30,00	27,00	26,00
Net Working Capital	(27,25)	(31,68)	(34,00)	(34,80)	(32,90)	(32,90)
Severance & other provisions	1,80	1,87	1,90	1,90	1,90	1,90
NET INVESTED CAPITAL	59,54	75,90	89,60	101,80	103,00	100,20

Share capital	10,01	10,02	10,04	10,04	10,04	10,04
Reserves	29,33	36,78	43,39	49,96	57,62	66,85
Net Income	8,67	8,19	8,15	9,50	11,45	13,30
Equity	48,01	55,00	61,58	69,50	79,10	90,18
Cash & cash equivalents	17,60	7,86	5,98	5,70	11,60	22,98
Short term financial debt	13,91	7,55	9,00	10,00	8,50	7,50
M/L term financial debt	15,21	21,22	25,00	28,00	27,00	25,50
Net Financial Position	11,53	20,91	28,02	32,30	23,90	10,02
SOURCES	59,54	75,90	89,60	101,80	103,00	100,20

CONSOLIDATED CASH FLOW (€/mln)	FY23A	FY24E	FY25E	FY26E	FY27E
EBIT	12,67	12,85	14,90	17,90	20,20
Taxes	3,32	3,20	3,70	4,45	5,20
NOPAT	9,35	9,65	11,20	13,45	15,00
D&A	9,86	12,00	13,50	14,20	15,50
Change in NWC	4,43	2,32	0,80	(1,90)	0,00
Change in receivable	1,95	(1,77)	(1,00)	(1,10)	(0,30)
Change in inventories	(0,51)	(0,07)	0,00	0,00	0,00
Change in payable	1,38	1,26	1,30	2,40	1,40
Change in others	1,62	2,89	0,50	(3,20)	(1,10)
Change in provisions	0,07	0,03	0,00	0,00	0,00
OPERATING CASH FLOW	23,72	23,99	25,50	25,75	30,50
Capex	(30,74)	(28,04)	(26,50)	(13,50)	(12,70)
FREE CASH FLOW	(7,02)	(4,05)	(1,00)	12,25	17,80
Financial Management	(1,15)	(1,50)	(1,70)	(2,00)	(1,70)
Change in Financial debt	(0,36)	5,23	4,00	(2,50)	(2,50)
Change in Equity	(1,21)	(1,57)	(1,58)	(1,84)	(2,22)
FREE CASH FLOW TO EQUITY	(9,74)	(1,89)	(0,28)	5,91	11,38

Source: Intred and Integrae SIM estimates

Company Overview

Intred is an Italian company operating in the telecommunications sector, providing data and voice services through a proprietary network. It was founded in 1996 by three partners who decided to turn an innovative intuition into a business, combining it with their expertise and professionalism.

Today, Intred is a well-established company that develops competitive advantages and promotes new growth for its clients by offering cutting-edge solutions tailored to specific needs. Based in Brescia, the company offers a wide range of high-tech services to business, retail, and public administration (PA) clients. With an extensive optical fiber network of over 13,000 kilometers across the Lombardy region, Intred can provide connectivity, fixed-line telephony, cloud services, and related ancillary services.

The acquisition of the Bergamo-based company Qcom SpA and the more recent Connecting Italia Srl, as well as the awarding of the Infratel Schools Tenders in Lombardy, have allowed Intred to further expand and develop its network throughout the region.

1H24A Results

TABLE 2 – 1H24A VS 1H23A

€/mln	VoP	EBITDA	EBITDA %	EBIT	Net Income	NFP
1H24A	26,29	11,47	43,6%	5,84	3,54	27,37
1H23A	24,70	10,75	43,5%	5,95	3,90	20,91*
Change	6,4%	6,7%	0,1%	-1,8%	-9,2%	n/a

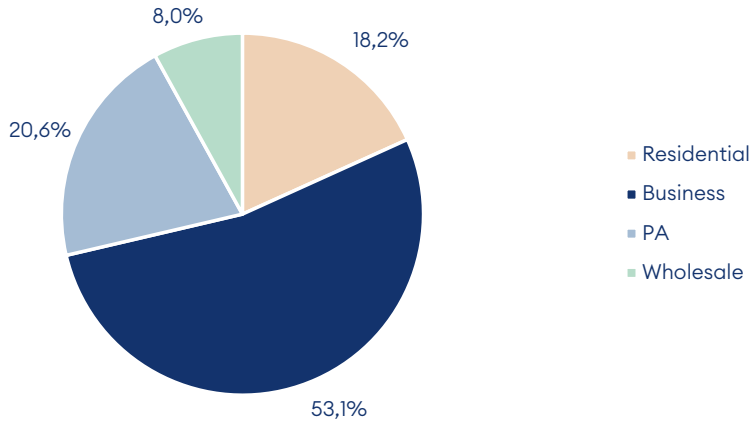
*NFP as of 31/12/2023

Source: Integrae SIM

In a press release commenting on the semi-annual results, the company stated: *“The 2024-2027 Strategic Plan presented today to the market perfectly represents Intred’s entrepreneurial approach, based on targeted infrastructure investments and a focus on growth, the best guarantee for sustainable long-term development. In particular, it highlights how operating in a high-growth, cash-generative segment like telecommunications (TLC) provides a significant opportunity to reallocate excess capital to adjacent business areas with high returns, such as Data Centers, which are currently a rapidly expanding market dominated mainly by international players. This Strategic Plan is characterized not only by significant margin growth but also by laying the foundation for the following years. We are therefore proud of the path outlined in this Plan, which serves as the basis for sustainable growth in the medium and long term. Lastly, we express our satisfaction with the results achieved in the 2024 half-year report, which highlight a solid and growing company, providing strong support for the Industrial Plan approved today.”*

The value of production for 1H24A stands at € 26.29 million, showing a growth of 6.4% compared to 1H23A (€ 24.70 million), while sales revenue for the first half of 2024 reached € 25.89 million. The cumulative revenues, including the subsidiary Connecting Italia Srl, acquired on April 3, 2024, exceeded € 27.50 million, up 12.1% compared to the same period of the previous year. Growth in the first six months of 2024 was mainly driven by fiber optic connection sales, which increased by 13.3% compared to the same period of the previous year. Specifically, the most significant growth was recorded in recurring services, the company’s core business (around 87.0% of revenue), with a 14.1% increase, amounting to € 24.10 million in 1H24A. Revenue from “one-time” products and services amounted to € 1.70 million, mainly due to the Schools Tender.

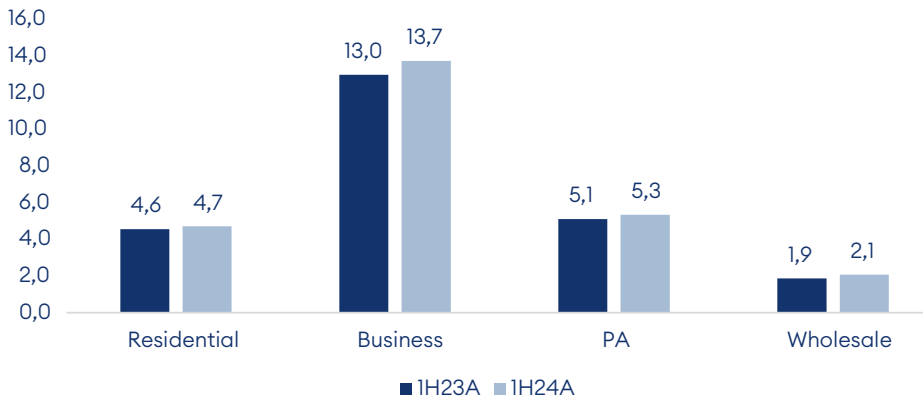
CHART 1 – REVENUES BREAKDOWN BY TYPE OF COSTUMER 1H24A



Source: Intred

Revenue in 1H24A is broken down as follows by customer type: 18.2% residential market, 53.1% professional market, 20.6% public administration, and 8.0% wholesale.

CHART 2 – REVENUES BREAKDOWN BY TYPE OF COSTUMER 1H23A VS 1H24A



Source: Intred

The professional sector saw a 5.8% growth, reaching € 13.70 million; including cumulative revenue from the subsidiary Connecting Italia Srl, professional sector sales experienced the highest growth (+18.3%), reaching € 15.40 million. Wholesale sector sales also grew, amounting to € 2.10 million in 1H24A, while public administration sales increased by 4.6%, driven by the Schools Tender, which accounted for € 5.30 million (20.5% of total revenue). In terms of geographic distribution, the highest absolute growth values were recorded in the provinces of Milan, Bergamo, Mantua, Varese, Como, Monza, and Lecco. Thanks to the Schools Tenders, the group is strengthening and expanding its presence across all provinces in Lombardy, with a particular focus on the local public administration and professional sectors.

EBITDA reached € 11.47 million, marking a 6.7% increase compared to € 10.75 million in 1H23A. The EBITDA margin stood at 43.6%, slightly up from the 43.5% recorded in the first half of last year.

EBIT, after depreciation and impairments totaling € 5.62 million, stood at € 5.84 million (€ 5.95 million in 1H23A), with an EBIT margin of 22.2%, down from 24.1% in 1H23A. Net income stood at € 3.54 million (€ 3.90 million in the first half of 2023), showing a slight decrease due to higher financial costs resulting from rising interest rates and the large depreciation and impairment charges from significant investments made by the group.

As of June 30, 2024, the NFP showed a debt of € 27.37 million, deteriorating from € 20.91 million in debt at December 31, 2023. This change is mainly attributable to substantial investments related to the Schools Tender, as highlighted by bank debts, which increased from € 28.77 million in FY23A to € 36.05 million.

In 1H24A, investments amounted to € 18.70 million, mainly related to the development of the fiber optic backhaul and access network in FTTH mode across Lombardy. The majority of the investments were in tangible assets (civil works for installation, fiber optic cables, shelters, and electronic equipment), while the remaining investments were in intangible assets, including multi-year rights for dark fiber and/or ducts in IRU mode. As for the Schools Tenders, over 3,900 schools had been connected by the end of the first half of 2024, including 3,500 related to the first Tender (88.4% of the total) and over 400 schools related to the second Tender (11.6% of the total). Finally, in terms of infrastructure, the company's proprietary fiber optic network grew from 11,700 km on December 31, 2023, to nearly 13,000 km on June 30, 2024, an increase of 10.1%.

FY24E – FY27E Estimates

TABLE 3 – ESTIMATES UPDATES FY24E-27E

€/mln	FY24E	FY25E	FY26E	FY27E
VoP				
New	57,45	62,45	67,45	71,45
Old	57,45	64,45	72,45	n/a
Change	0,0%	-3,1%	-6,9%	n/a
EBITDA				
New	24,85	28,40	32,10	35,70
Old	24,00	27,70	32,20	n/a
Change	3,5%	2,5%	-0,3%	n/a
EBITDA %				
New	43,3%	45,5%	47,6%	50,0%
Old	41,8%	43,0%	44,4%	n/a
Change	1,5%	2,5%	3,1%	n/a
EBIT				
New	12,85	14,90	17,90	20,20
Old	12,00	14,20	18,00	n/a
Change	7,1%	4,9%	-0,6%	n/a
Net Income				
New	8,15	9,50	11,45	13,30
Old	7,60	9,15	11,85	n/a
Change	7,2%	3,9%	-3,4%	n/a
NFP				
New	28,02	32,30	23,90	10,02
Old	25,89	24,52	17,59	n/a
Change	n/a	n/a	n/a	n/a

Source: Integrae SIM

On September 24, 2024, Intred's Board of Directors approved the Group's 2024-2027 Strategic Plan. The Group's plan envisions significant EBITDA growth, with double-digit average annual growth and a 50.0% margin on production value by FY27E. Total investments amount to approximately € 80.00 million, of which € 13.00 million is earmarked for the Brescia Data Center.

Despite these significant investments, Intred expects to maintain solid growth, supported by strong performance in its traditional business. Starting in FY25E, with a reduction in investments related to the Schools Tender, and in FY26E, with the completion of the Data Center, the company anticipates substantial cash generation, which will gradually improve the NFP, nearly eliminating it by FY28E.

As was the case with the acquisition of Qcom, the group plans to use the cash generated from its traditional business to expand into the Data Center market. This rapidly growing market, particularly in Lombardy, offers significant opportunities for the company. Intred, which alre-

ady owns two Data Centers and has established operational expertise, aims to strengthen its presence in this sector. The goal is to connect the Data Centers directly to its own fiber optic network, adopting an innovative approach focused on technological infrastructure rather than property ownership, setting itself apart from most current competitors.

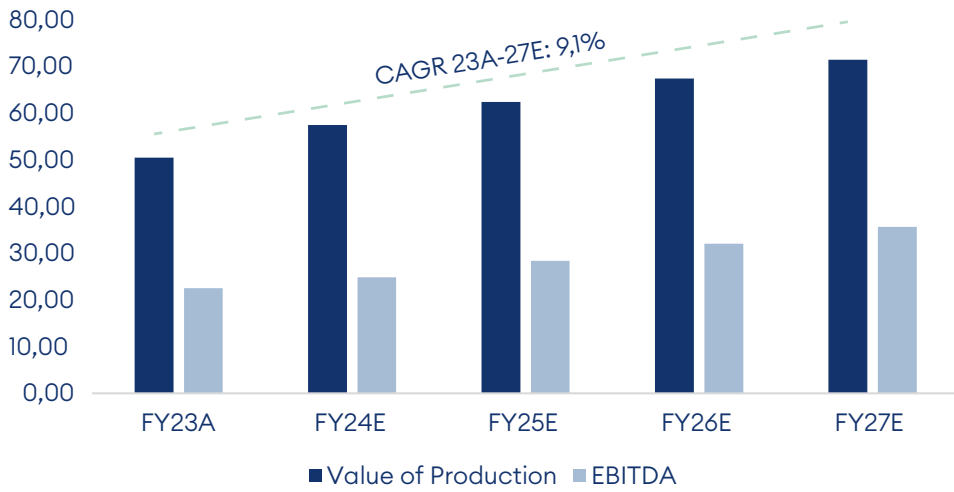
This approach allows the group to maximize operational efficiency and ensure better resource utilization, targeting an Internal Rate of Return (IRR) of over 20.0%, with two-thirds of the planned investments being financed. The company estimates that while the impact of Data Centers on revenue will be marginal until FY28E, from that year onward they could become a significant source of profitability, further contributing to the group's overall growth. Entering the Data Center market is not just an expansion of Intred's offering, but a long-term strategy to diversify its business, meet growing market and customer demands, and leverage synergies with its proprietary fiber optic network, ensuring a competitive advantage over other industry operators.

In light of the results published in the 1H24A interim report and the presentation of the 2024-2027 Strategic Plan, we are revising our estimates for the current year and the coming years.

Specifically, we estimate a production value of € 57.45 million for FY24E, with EBITDA of € 24.85 million, corresponding to a margin of 43.3%. For the subsequent years, we expect the production value to increase to € 71.45 million (CAGR 23A-27E: 9.1%) by FY27E, with EBITDA of € 35.70 million (corresponding to a margin of 50.0%), up from € 22.53 million in FY23A (with an EBITDA margin of 44.6%).

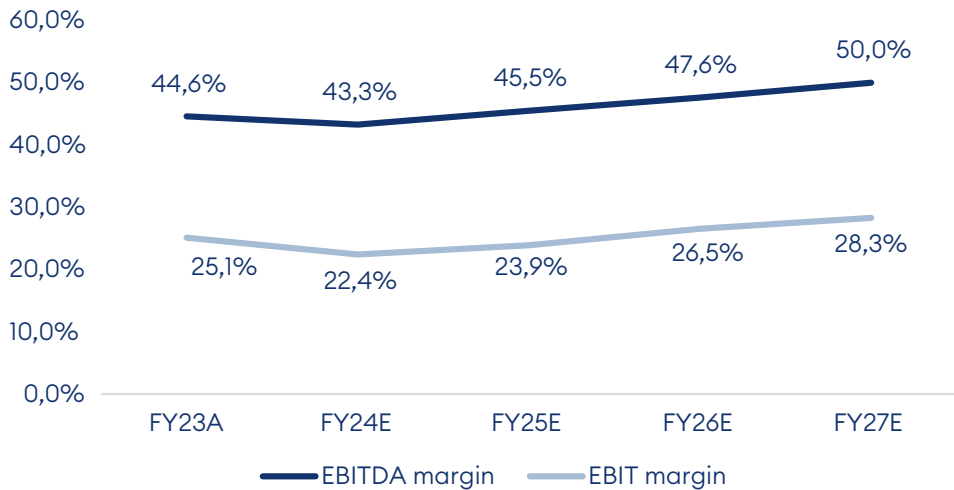
On the balance sheet, we estimate an NFP debt of € 10.02 million for FY27E.

CHART 3 – VOP AND EBITDA FY23A-27E



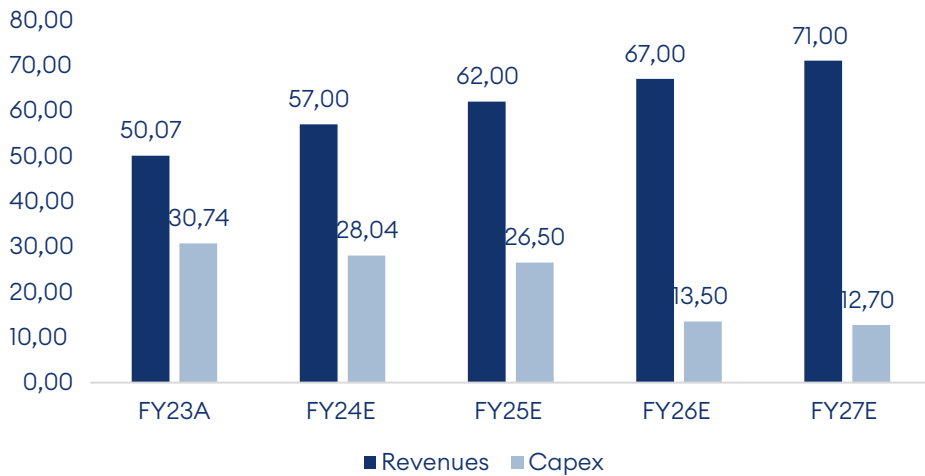
Source: Integrae SIM

CHART 4 – MARGIN FY23A-27E



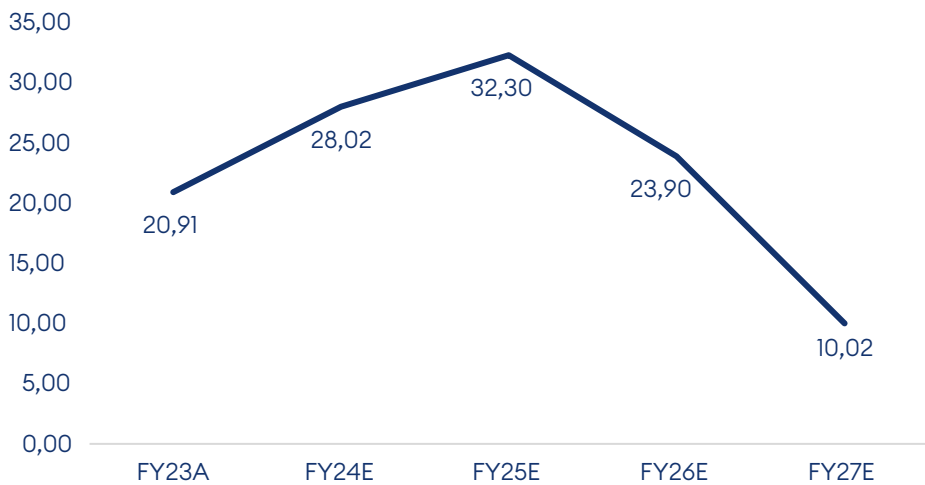
Source: Integrae SIM

CHART 5 – CAPEX FY23A-27E



Source: Integrae SIM

CHART 6 – NFP FY23A-27E



Source: Integrae SIM

Valuation

We conducted the valuation of the *equity value* of Intred on the basis of the DCF method and multiples of a sample of comparable companies.

DCF Method

TABLE 4 – WACC

WACC				6,13%
D/E 53,85%	Risk Free Rate 2,94%	β Adjusted 0,6	α (specific risk) 1,00%	
K_d 3,00%	Market Premium 6,80%	β Relevered 0,5	K_e 8,26%	

Source: Integrae SIM

For prudential purposes, we included a specific risk of 1.0%. The result is therefore a WACC of 6.13%.

TABLE 5 – DCF VALUATION

DCF		% of EV
FCFO actualized	56,1	14%
TV actualized DCF	352,2	86%
Enterprise Value	408,3	100%
NFP (FY23A)	20,9	
Equity Value	387,4	

Source: Integrae SIM

With the above data and taking our estimates and assumptions as a reference, the result is an **equity value of € 387.4 million**.

TABLE 6 – EQUITY VALUE – SENSITIVITY ANALYSIS

€/mln	WACC							
		4,6%	5,1%	5,6%	6,1%	6,6%	7,1%	7,6%
Growth Rate (g)	3,0%	1117,4	842,4	672,1	556,4	472,6	409,2	359,5
	2,5%	863,6	689,1	570,4	484,5	419,5	368,5	327,5
	2,0%	706,5	584,8	496,8	430,1	377,8	335,8	301,2
	1,5%	599,7	509,4	441,0	387,4	344,3	308,9	279,3
	1,0%	522,3	452,2	397,2	353,0	316,7	286,3	260,6
	0,5%	463,7	407,3	362,0	324,8	293,6	267,2	244,5
	0,0%	417,8	371,3	333,1	301,1	274,0	250,8	230,6

Source: Integrae SIM

Market multiples

Our *panel* is made up of companies operating in the same sector as Intred. These companies are the same used to calculate Beta for the *DCF method*. The panel consists of:

TABLE 7 – MARKET MULTIPLES

Company Name	EV/EBITDA			EV/EBIT			P/E		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Cogent Comm. Holdings Inc.	16,1 x	16,7 x	13,7 x	n/a	n/a	360,2 x	n/a	n/a	n/a
Macquarie Telecom Group Limited	20,6 x	17,1 x	16,0 x	45,9 x	32,1 x	29,7 x	61,4 x	57,6 x	61,3 x
WIIT SpA	n/a	n/a	n/a	n/a	n/a	n/a	37,7 x	27,0 x	22,7 x
Elisa Oyj	11,9 x	11,4 x	11,1 x	18,4 x	17,5 x	16,8 x	20,5 x	19,5 x	18,8 x
Chorus Limited	12,3 x	11,5 x	11,0 x	36,0 x	32,4 x	26,9 x	n/a	142,3 x	58,4 x
Peer median	14,2 x	14,1 x	12,4 x	36,0 x	32,1 x	28,3 x	37,7 x	42,3 x	40,6 x

Source: *Infinancials*

TABLE 8 – MARKET MULTIPLES VALUATION

€/mln	FY24E	FY25E	FY26E
Enterprise Value (EV)			
EV/EBITDA	351,96	400,84	397,70
EV/EBIT	463,05	477,64	506,95
P/E	307,36	402,22	464,55
Enterprise Value post 25% discount			
EV/EBITDA	263,97	300,63	298,28
EV/EBIT	347,29	358,23	380,22
P/E	230,52	301,67	348,41
Equity Value			
EV/EBITDA	235,95	268,33	274,38
EV/EBIT	319,26	325,93	356,32
P/E	230,52	301,67	348,41
Average	261,91	298,64	326,37

Source: *Integrae SIM*

The equity value of Intred was calculated using the market multiples EV/EBITDA, EV/EBIT, and P/E. After applying a discount of 25.0%, the resulting **equity value is € 295.6 million**.

Equity Value

TABLE 9 – EQUITY VALUE

Average Equity Value (€/mln)	341,5
Equity Value DCF (€/mln)	387,4
Equity Value multiples (€/mln)	295,6
Target Price (€)	21,50

Source: Integrae SIM

The results give an average equity value of approximately € 341.5 million. **The target price is therefore € 21.50 (prev. € 20,50). We confirm a BUY rating and MEDIUM risk.**

TABLE 10 – TARGET PRICE IMPLIED VALUATION MULTIPLES

Multiples	FY23A	FY24E	FY25E	FY26E
EV/EBITDA	16,1 x	14,6 x	12,8 x	11,3 x
EV/EBIT	28,6 x	28,2 x	24,3 x	20,2 x
P/E	41,7 x	41,9 x	35,9 x	29,8 x

Source: Integrae SIM

TABLE 11 – CURRENT PRICE IMPLIED VALUATION MULTIPLES

Main Ratios	FY23A	FY24E	FY25E	FY26E
EV/EBITDA	8,8x	8,0x	7,0x	6,2x
EV/EBIT	15,7x	15,5x	13,4x	11,1x
P/E	21,8x	21,9x	18,7x	15,6x

Source: Integrae SIM

Disclosure Pursuant to Delegated Regulation UE n. 2016/958

Analyst/s certification

The analyst(s) which has/have produced the following analyses hereby certifies/certify that the opinions expressed herein reflect their own opinions, and that no direct and/or indirect remuneration has been, nor shall be received by the analyst(s) as a result of the above opinions or shall be correlated to the success of investment banking operations. Neither the analysts nor any of their relatives hold administration, management or advising roles for the Issuer. Mattia Petracca is Integrae SIM's current Head of Research. Giuseppe Riviello, Alessandro Colombo, Edoardo Luigi Pezzella, Alessandro Elia Stringa and Alessia di Florio are the current financial analysts.

Disclaimer

This publication was produced by INTEGRAE SIM SpA. INTEGRAE SIM SpA is licensed to provide investment services pursuant to Italian Legislative Decree n. 58/1998, released by Consob, with Resolution n. 17725 of March 29th 2011.

INTEGRAE SIM SpA performs the role of corporate broker for the financial instruments issued by the company covered in this report.

INTEGRAE SIM SpA is distributing this report in Italian and in English, starting from the date indicated on the document, to approximately 300 qualified institutional investors by post and/or via electronic media, and to non-qualified investors through the Borsa Italiana website and through the leading press agencies.

Unless otherwise indicated, the prices of the financial instruments shown in this report are the prices referring to the day prior to publication of the report. INTEGRAE SIM SpA will continue to cover this share on a continuing basis, according to a schedule which depends on the circumstances considered important (corporate events, changes in recommendations, etc.), or useful to its role as specialist.

The table below, shows INTEGRAE SIM's recommendation, target price and risk issued during the last 12 months:

Date	Price	Recommendation	Target Price	Risk	Comment
02/10/2023	11,00	Buy	19,50	Medium	Update
31/01/2024	11,10	Buy	19,50	Medium	Breaking News
09/02/2024	10,65	Buy	19,50	Medium	Breaking News
25/03/2024	9,88	Buy	20,50	Medium	Update
10/05/2024	9,86	Buy	20,50	Medium	Breaking News
02/08/2024	10,05	Buy	20,50	Medium	Breaking News
19/09/2024	10,60	Buy	20,50	Medium	Breaking News

The list of all recommendations on any financial instrument or issuer produced by Integrae SIM Research Department and distributed during the preceding 12-month period is available on the Integrae SIM website.

The information and opinions contained herein are based on sources considered reliable. INTEGRAE SIM SpA also declares that it takes all reasonable steps to ensure the correctness of the sources considered reliable; however, INTEGRAE SIM SpA shall not be directly and/or indirectly held liable for the correctness or completeness of said sources.

The most commonly used sources are the periodic publications of the company (financial statements and consolidated financial statements, interim and quarterly reports, press releases and periodic presentations). INTEGRAE SIM SpA also makes use of instruments provided by several service companies (Bloomberg, Reuters, JCF), daily newspapers and press in general, both national and international. INTEGRAE SIM SpA generally submits a draft of the analysis to the Investor Relator Department of the company being analyzed, exclusively for the purpose of verifying the correctness of the information contained therein, not the correctness of the assessment. INTEGRAE SIM SpA has adopted internal procedures able to assure the independence of its financial analysts and that establish appropriate rules of conduct for them. Integrae SIM S.p.A. has formalised a set of principles

and procedures for dealing with conflicts of interest. The Conflicts Management Policy is clearly explained in the relevant section of Integrae SIM's web site (www.integraesim.it). This document is provided for information purposes only. Therefore, it does not constitute a contractual proposal, offer and/or solicitation to purchase and/or sell financial instruments or, in general, solicitation of investment, nor does it constitute advice regarding financial instruments. INTEGRAE SIM SpA does not provide any guarantee that any of the forecasts and/or estimates contained herein will be reached. The information and/or opinions contained herein may change without any consequent obligation of INTEGRAE SIM SpA to communicate such changes. Therefore, neither INTEGRAE SIM SpA, nor its directors, employees or contractors, may be held liable (due to negligence or other causes) for damages deriving from the use of this document or the contents thereof. Thus, Integrae SIM does not guarantee any specific result as regards the information contained in the present publication, and accepts no responsibility or liability for the outcome of the transactions recommended therein or for the results produced by such transactions. Each and every investment/divestiture decision is the sole responsibility of the party receiving the advice and recommendations, who is free to decide whether or not to implement them. Therefore, Integrae SIM and/or the author of the present publication cannot in any way be held liable for any losses, damage or lower earnings that the party using the publication might suffer following execution of transactions on the basis of the information and/or recommendations contained therein.

This document is intended for distribution only to professional clients and qualified counterparties as defined in Consob Regulation no. 20307/2018, as subsequently amended and supplemented, either as a printed document and/or in electronic form.

Rating system (long term horizon: 12 months)

The BUY, HOLD and SELL ratings are based on the expected total return (ETR – absolute performance in the 12 months following the publication of the analysis, including the ordinary dividend paid by the company), and the risk associated to the share analyzed. The degree of risk is based on the liquidity and volatility of the share, and on the rating provided by the analyst and contained in the report. Due to daily fluctuations in share prices, the expected total return may temporarily fall outside the proposed range

Equity Total Return (ETR) for different risk categories

Rating	Low Risk	Medium Risk	High Risk
BUY	ETR \geq 7.5%	ETR \geq 10%	ETR \geq 15%
HOLD	-5% < ETR < 7.5%	-5% < ETR < 10%	0% < ETR < 15%
SELL	ETR \leq -5%	ETR \leq -5%	ETR \leq 0%
U.R.	Rating e/o target price Under Review		
N.R.	Stock Not Rated		

Valuation methodologies (long term horizon: 12 months)

The methods that INTEGRAE SIM SpA prefers to use for value the company under analysis are those which are generally used, such as the market multiples method which compares average multiples (P/E, EV/EBITDA, and other) of similar shares and/or sectors, and the traditional financial methods (RIM, DCF, DDM, EVA etc). For financial securities (banks and insurance companies) Integrae SIM SpA tends to use methods based on comparison of the ROE and the cost of capital (embedded value for insurance companies).

The estimates and opinions expressed in the publication may be subject to change without notice. Any copying and/or redistribution, in full or in part, directly or indirectly, of this document are prohibited, unless expressly authorized.

Conflict of interest

In order to disclose its possible interest conflict Integrae SIM states that:

- It operates or has operated in the past 12 months as the entity responsible for carrying out the activities of ole of specialist financial instruments issued by Intred SpA;
- In the IPO phase, Integrae SIM played the role of global coordinator.