EQUITY RESEARCH

UPDATE

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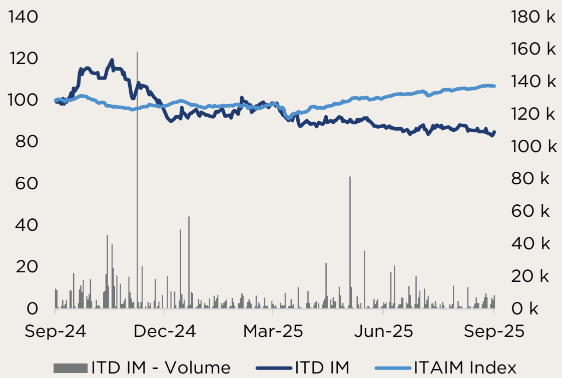
Intred

Euronext Growth Milan | TLC | Italy

Rating	Target Price
BUY	€ 20,00
unchanged	prev. € 20,00

Stocks performance relative to FTSE Italia Growth



Key Multiples	FY24A	FY25E	FY26E	FY27E
EV/Sales	3,4x	3,3x	2,9x	2,7x
EV/EBITDA	7,8x	7,3x	5,9x	5,3x
EV/EBIT	15,9x	16,1x	10,9x	9,4x
P/E	22,4x	21,4x	14,1x	11,8x
NFP/EBITDA	0,9x	1,4x	1,4x	0,9x

Key Financials (€/mln)	FY24A	FY25E	FY26E	FY27E
Value of Production	55,89	57,00	65,50	70,50
EBITDA	24,04	25,65	31,60	35,25
EBIT	11,76	11,65	17,10	19,85
Net Income	6,89	7,20	10,95	13,05
Net Financial Position	32,86	36,40	29,91	15,69
EBITDA margin	*43,0%*	*45,0%*	*48,2%*	*50,0%*
EBIT margin	*21,0%*	*20,4%*	*26,1%*	*28,2%*
Net income margin	*12,3%*	*12,6%*	*16,7%*	*18,5%*

Stock Data

Risk	Medium
Price	€ 9,68
Target price	€ 20,00
Upside/(Downside) potential	106,6%
Ticker - Bloomberg Code	ITD IM
Market Cap (€/mln)	€ 154,31
EV (€/mln)	€ 187,17
Free Float (% on ordinary shares)	30,3%
Shares Outstanding	15.940.950
52-week high	€ 13,65
52-week low	€ 9,24
Average Daily Volumes (3 months)	5.150

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Stock performance	1M	3M	6M	1Y
Absolute	-0,4%	-2,2%	-12,8%	-14,0%
to FTSE Italia Growth	-1,8%	-7,6%	-21,5%	-20,8%
to Euronext STAR Milan	0,8%	-5,7%	-19,4%	-18,6%
to FTSE All-Share	1,8%	-9,6%	-20,4%	-38,5%
to EUROSTOXX	-1,4%	-6,9%	-13,2%	-25,8%
to MSCI World Index	-2,4%	-10,1%	-24,8%	-28,7%

Source: FactSet

Main Ratios	FY24A	FY25E	FY26E	FY27E
ROA	7,5%	7,3%	10,3%	11,5%
ROIC	7,4%	7,1%	10,5%	12,9%
ROE	11,5%	11,0%	14,7%	15,3%
Current Ratio	0,3x	0,3x	0,3x	0,5x

Source: FactSet

1H25A Results

In 1H25A, the Company reported a Value of Production of € 27.89 mln, up 6.1% compared to € 26.29 mln in 1H24A, mainly driven by Ultra-Broadband connections (€ 16.20 mln, +20.2%) and Voice and Data services (€ 5.00 mln). EBITDA amounted to € 12.51 mln, up 9.1% compared to € 11.47 mln, with a record-high EBITDA margin of 44.9%. EBIT reached € 6.01 mln (+3.0% vs € 5.84 mln), with an EBIT margin of 21.6%, while Net Income stood at € 3.60 mln, broadly in line with € 3.54 mln in 1H24A. At the balance sheet level, Net Financial Position moved from € 32.86 mln at year-end 2024 to € 37.39 mln in 1H25A.

Estimates and Valuation Update

In light of the results published in the 1H25A half-year report, we have revised our estimates for the current year and the following years. Specifically, we estimate a Value of Production for FY25E of € 57.00 million and EBITDA of € 25.65 million, corresponding to a margin of 45.0%. For the subsequent years, we expect the Value of Production to increase to € 70.50 million (CAGR 24A–27E: 8.0%) in FY27E, with EBITDA reaching € 35.25 million (corresponding to a margin of 50.0%), up from € 24.04 million in FY24A (corresponding to an EBITDA margin of 43.0%). At the balance sheet level, we estimate a Net Financial Position of € 15.69 million for FY27E. We conducted the valuation of Intred's equity value based on the DCF method and the multiples of a sample of comparable companies. The DCF method (which prudentially includes a specific risk of 1.0% in the WACC calculation) results in an equity value of € 396.6 million. The equity value of Intred based on market multiples is € 241.0 million. **The average equity value therefore amounts to approximately € 318.8 million. We set a target price of € 20.00, with a BUY rating and MEDIUM risk profile.**

Economics & Financials

TABLE 1 – ECONOMICS & FINANCIALS

CONSOLIDATED INCOME STATEMENT (€/mln)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenues	50,07	55,24	56,50	65,00	70,00
Other revenues	0,45	0,65	0,50	0,50	0,50
Value of Production	**50,52**	**55,89**	**57,00**	**65,50**	**70,50**
COGS	1,83	1,99	1,00	0,90	0,85
Services	8,04	9,70	9,80	11,20	11,90
Use of asset owned by others	9,17	10,47	10,20	10,10	10,00
Employees	8,10	8,89	9,35	10,70	11,50
Other operating costs	0,85	0,80	1,00	1,00	1,00
EBITDA	**22,53**	**24,04**	**25,65**	**31,60**	**35,25**
EBITDA Margin	*44,6%*	*43,0%*	*45,0%*	*48,2%*	*50,0%*
D&A	9,86	12,27	14,00	14,50	15,40
EBIT	**12,67**	**11,76**	**11,65**	**17,10**	**19,85**
EBIT Margin	*25,1%*	*21,0%*	*20,4%*	*26,1%*	*28,2%*
Financial management	(1,15)	(1,62)	(1,70)	(2,00)	(1,70)
EBT	**11,51**	**10,14**	**9,95**	**15,10**	**18,15**
Taxes	3,32	3,25	2,75	4,15	5,10
Net Income	**8,19**	**6,89**	**7,20**	**10,95**	**13,05**

CONSOLIDATED BALANCE SHEET (€/mln)	FY23A	FY24A	FY25E	FY26E	FY27E
Fixed Assets	**109,46**	**133,11**	**140,10**	**144,10**	**141,40**
Account receivable	12,03	9,46	9,70	11,05	11,80
Inventories	0,93	0,46	0,50	0,50	0,50
Account payable	21,04	18,52	15,00	16,20	16,70
Operating Working Capital	**(8,07)**	**(8,60)**	**(4,80)**	**(4,65)**	**(4,40)**
Other receivable	2,79	3,13	3,50	3,70	4,00
Other payable	26,39	32,74	34,50	36,00	37,50
Net Working Capital	**(31,68)**	**(38,21)**	**(35,80)**	**(36,95)**	**(37,90)**
Severance & other provisions	1,87	2,31	2,55	2,60	2,65
NET INVESTED CAPITAL	**75,90**	**92,58**	**101,75**	**104,55**	**100,85**
Share capital	10,02	10,04	10,06	10,06	10,06
Reserves	36,78	42,79	48,09	53,63	62,05
Net Income	8,19	6,89	7,20	10,95	13,05
Equity	**55,00**	**59,72**	**65,35**	**74,64**	**85,16**
Cash & cash equivalents	7,86	10,28	6,60	6,09	15,31
Short term financial debt	7,55	21,17	21,00	16,00	13,00
M/L term financial debt	21,22	21,97	22,00	20,00	18,00
Net Financial Position	**20,91**	**32,86**	**36,40**	**29,91**	**15,69**
SOURCES	**75,90**	**92,58**	**101,75**	**104,55**	**100,85**

CONSOLIDATED CASH FLOW (€/mln)	FY24A	FY25E	FY26E	FY27E
EBIT	**11,76**	**11,65**	**17,10**	**19,85**
Taxes	3,25	2,75	4,15	5,10
NOPAT	**8,51**	**8,90**	**12,95**	**14,75**
D&A	12,27	14,00	14,50	15,40
Change in NWC	**6,53**	**(2,41)**	**1,15**	**0,95**
Change in receivable	*2,57*	*(0,24)*	*(1,35)*	*(0,75)*
Change in inventories	*0,47*	*(0,04)*	*0,00*	*0,00*
Change in payable	*(2,52)*	*(3,52)*	*1,20*	*0,50*
Change in others	*6,00*	*1,39*	*1,30*	*1,20*
Change in provisions	0,44	0,24	0,05	0,05
OPERATING CASH FLOW	**27,75**	**20,73**	**28,65**	**31,15**
Capex	(35,92)	(20,99)	(18,50)	(12,70)
FREE CASH FLOW	**(8,17)**	**(0,27)**	**10,15**	**18,45**
Financial Management	(1,62)	(1,70)	(2,00)	(1,70)
Change in Financial debt	14,37	(0,14)	(7,00)	(5,00)
Change in equity	(2,16)	(1,57)	(1,66)	(2,53)
FREE CASH FLOW TO EQUITY	**2,42**	**(3,68)**	**(0,51)**	**9,22**

Source: Intred Historical Data 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 13,500 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.

1H25A Results

TABLE 2 – 1H24A VS 1H25A

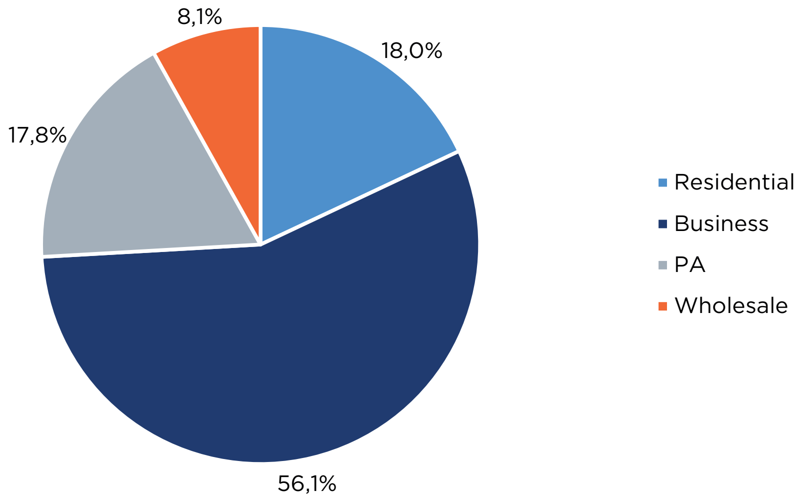
€/mln	VoP	EBITDA	EBITDA %	EBIT	Net Income	NFP
1H25A	27,89	12,51	44,9%	6,01	3,60	37,39
1H24A	26,29	11,47	43,6%	5,84	3,54	32,86*
Change	*6,1%*	*9,1%*	*1,2%*	*3,0%*	*1,6%*	*n/a*

Source: Integrae SIM
**NFP as of 31/12/2024*

Through a press release, the Group, commenting on its half-year results, stated: "*The first half of 2025 confirms the solidity and resilience of our business model, despite a challenging market environment. We are particularly proud to have achieved growth in both volumes and margins, while continuing to invest a significant share of our revenues in innovation and infrastructure. During this period, in fact, our proprietary network has exceeded 14,250 km of fiber optics across Lombardy. At the same time, we are carrying forward the Data Center project in Brescia, a closely related and complementary business that is growing rapidly. We therefore look to the second half with confidence, certain that the consolidation of our customer base, the development of ultra-broadband services, and the contribution of the School Tenders will continue to generate sustainable growth and create value.*"

The Value of Production in 1H25A amounted to € 27.89 mln, up 6.1% compared to € 26.29 mln recorded in the same period of 2024. This growth was mainly driven by Ultra-Broadband connections, which reached € 16.20 mln (+20.2% vs 1H24A), and by Voice and Data services, amounting to € 5.00 mln. The most significant dynamic was observed in recurring subscription services, the Company's core business, which accounted for approximately 92.2% of revenues. These reached € 25.60 mln (+7.9% vs June 30, 2024), ensuring revenue stability and future visibility. Conversely, one-off revenues continued to decline, in line with the completion of the School Tenders and the strategy of rationalizing non-core activities of Connecting Italia, thus contributing to strengthening the Group's overall profitability.

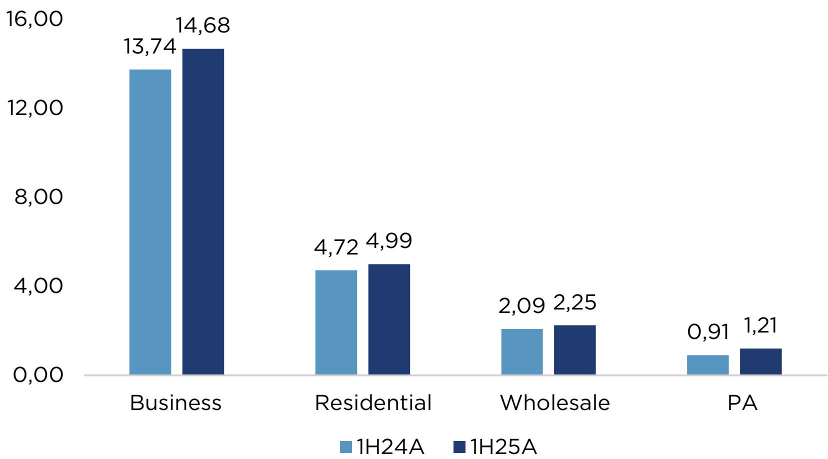
CHART 1 – REVENUES BREAKDOWN BY TYPE OF COSTUMER 1H25A



Source: Integrae SIM

Revenues in 1H25A can be broken down by customer segment as follows: 18.0% residential, 56.1% professional market, 17.8% public administration, and 8.1% wholesale. The period's performance reflects, on the one hand, the natural reduction of one-off revenues related to the School Tenders—now nearing completion and set to transition into recurring subscriptions—and, on the other hand, the effects of the new management of Connecting, aimed at rationalizing less profitable services. These elements, combined with the ongoing expansion of the customer base, supported solid and structural organic growth.

CHART 2 – REVENUES BREAKDOWN BY TYPE OF COSTUMER 1H24A VS 1H25A



Source: Integrae SIM

By customer segment, the strongest growth came from the professional market, which reached € 14.68 mln in 1H25A (+6.8% vs 1H24A). The residential segment also performed positively, totaling € 4.99 mln (+5.8%), while the public administration segment grew significantly by +33.1%. The wholesale segment increased by +7.8%, amounting to € 1.21 mln.

EBITDA in 1H25A reached € 12.51 mln, up 9.1% compared to € 11.47 mln in 1H24A. The EBITDA margin rose to a record-high 44.9%, both in absolute and percentage terms, reflecting the robustness of the operating model and the Group's ability to sustain high investment plans while maintaining a balanced financial structure.

EBIT in 1H25A, after depreciation and amortization of € 6.50 mln, amounted to € 6.01 mln, up 3.0% compared to € 5.84 mln in 1H24A, with an EBIT margin of 21.6%. Operating profitability was affected by higher depreciation, resulting from significant investments made to expand the proprietary network and carry forward strategic projects, including the Data Center development. Although temporarily impacting profitability, these investments represent a fundamental lever for long-term growth and enhanced operational efficiency.

Net Income for the half year stood at € 3.60 mln, broadly in line with € 3.54 mln in 1H24A. The stability of the bottom line reflects, on the one hand, growth in revenues and operating profitability, and on the other, higher depreciation and financial expenses linked to the gradual increase in debt, aimed at supporting network investments and School Tender-related activities.

As of June 30, 2025, Net Financial Position showed net debt of € 37.39 mln, compared to € 32.86 mln at year-end 2024. The increase was mainly due to substantial investments connected to the School Tender and the development of the proprietary network, which led to higher bank borrowings, rising to € 44.43 mln from € 43.14 mln at year-end 2024.

In 1H25A, total investments amounted to € 12.20 mln, primarily allocated to the development of the FTTH access network in the region. The majority of investments concerned tangible fixed assets, including civil works for laying infrastructure, fiber optic cables, and electronic equipment, while a residual portion related to intangible assets, mainly the acquisition of long-term rights of use (IRU). The proprietary network reached over 14,250 km as of June 30, 2025, up 9.9% from approximately 13,000 km in 1H24A. At the same time, the number of users with data lines exceeded 56,500 units, up 11.4% compared to the same period of the previous year.

Finally, Intred announced the signing of a contract with DBA SpA, a subsidiary of DBA Group, for the executive design of a new Data Center in Brescia, a key project within the 2024–2027 strategic plan. The project, covering a total area of over 28,000 sqm in the former Ideal Standard production site, includes 6,000 sqm dedicated to the Data Center and 4,000 sqm to office space. This initiative not only strengthens the Company's technological infrastructure, thanks to integration with its proprietary fiber optic network, but also represents an important urban regeneration effort, revitalizing an abandoned area and contributing to the region's digital transformation.

FY25E – FY27E Estimates

TABLE 3 – ESTIMATES UPDATES FY25E-27E

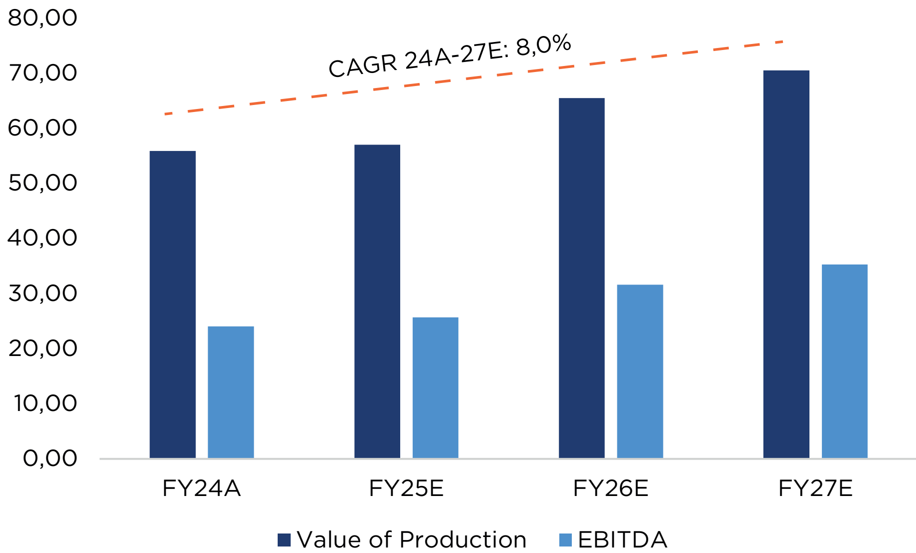
€/mln	FY25E	FY26E	FY27E
VoP			
New	57,00	65,50	70,50
Old	58,50	65,50	70,50
Change	*-2,6%*	*0,0%*	*0,0%*
EBITDA			
New	25,65	31,60	35,25
Old	26,30	31,25	35,25
Change	*-2,5%*	*1,1%*	*0,0%*
EBITDA %			
New	45,0%	48,2%	50,0%
Old	45,0%	47,7%	50,0%
Change	*0,0%*	*0,5%*	*0,0%*
EBIT			
New	11,65	17,10	19,85
Old	12,30	16,75	19,85
Change	*-5,3%*	*2,1%*	*0,0%*
Net Income			
New	7,20	10,95	13,05
Old	7,65	10,60	13,05
Change	*-5,9%*	*3,3%*	*0,0%*
NFP			
New	36,40	29,91	15,69
Old	36,57	25,14	11,53
Change	*n/a*	*n/a*	*n/a*

Source: Integrae SIM

In light of the results published in the 1H25A half-year report, we revise our estimates for both the current year and the coming years. Specifically, we forecast FY25E Value of Production of € 57.00 mln and EBITDA of € 25.65 mln, corresponding to a margin of 45.0%. The slight downward revision of the FY25E Value of Production reflects a natural rebalancing after the contribution of non-recurring activities that had supported growth in FY24A. At the same time, the decrease in EBIT is the result of higher depreciation stemming from the investments made in 2024, aimed at strengthening future growth and consolidating the Company’s positioning in the sector. For the following years, we expect Value of Production to rise to € 70.50 mln in FY27E (CAGR 24A–27E: 8.0%), with EBITDA reaching € 35.25 mln (margin of 50.0%), compared to € 24.04 mln in FY24A (EBITDA margin of 43.0%).

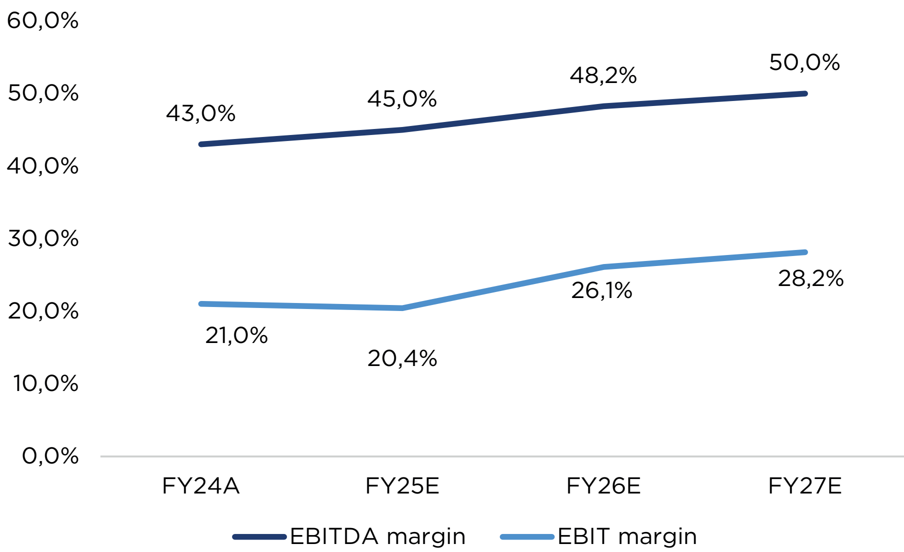
At the balance sheet level, we forecast Net Financial Position of € 15.69 mln in FY27E.

CHART 3 – VOP AND EBITDA FY24A – FY27E



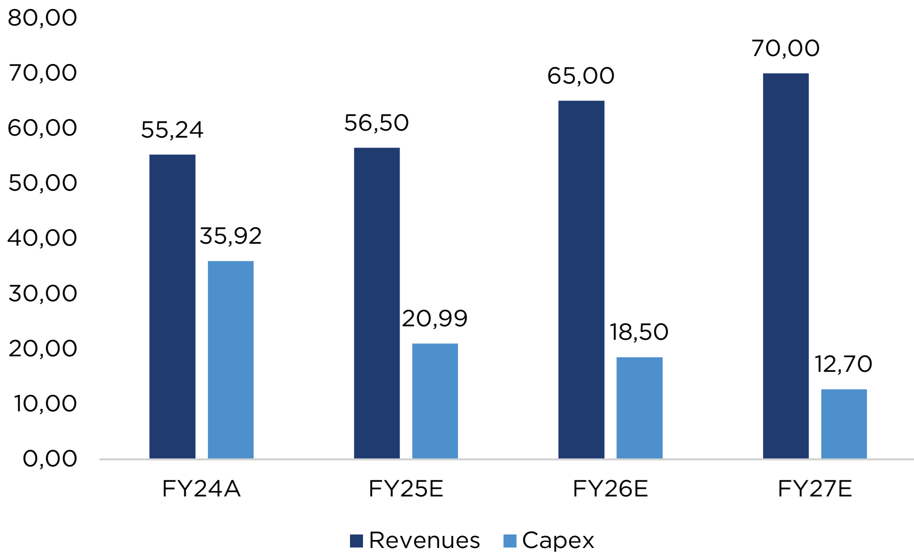
Source: Integrae SIM

CHART 4 – MARGIN % FY24A– FY27E



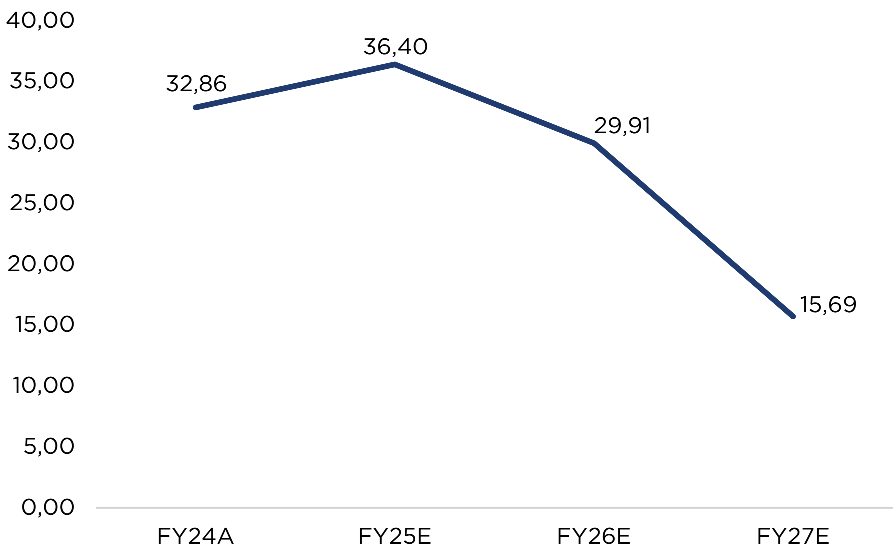
Source: Integrae SIM

CHART 5 – CAPEX FY24A – FY27E



Source: Integrae SIM

CHART 6 – NFP FY24A – FY27E



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			6,51%
D/E **53,85%**	Risk Free Rate **2,51%**	β Adjusted **0,7**	α (specific risk) **1,00%**
Kd **3,00%**	Market premium **7,46%**	β Relevered **0,6**	Ke **8,82%**

Source: Integrae SIM

For prudential purposes, we included a specific risk of 1.0%. The result is therefore a WACC of 6.51%.

TABLE 5 – DCF VALUATION

DCF		% of EV
FCFE actualized	61,8	14%
TV actualized DCF	367,6	86%
Enterprise Value	**429,4**	**100%**
NFP (FY24A)	32,9	
Equity Value	**396,6**	

Source: Integrae SIM

With the above data and taking our estimates and assumptions as a reference, the result is an **equity value of € 396.6 million**.

TABLE 6 – EQUITY VALUE SENSITIVITY ANALYSIS

€/mln		WACC						
		5,0%	**5,5%**	**6,0%**	**6,5%**	**7,0%**	**7,5%**	**8,0%**
Growth Rate (g)	**3,0%**	1002,5	793,2	653,5	553,5	478,4	420,0	373,2
	2,5%	809,4	666,8	564,7	488,1	428,5	380,8	341,8
	2,0%	680,4	576,3	498,1	437,3	388,6	348,8	315,6
	1,5%	588,1	508,3	446,2	396,6	355,9	322,0	293,4
	1,0%	518,8	455,4	404,7	363,2	328,7	299,4	274,4
	0,5%	464,8	413,1	370,7	335,4	305,6	280,0	257,9
	0,0%	421,6	378,4	342,4	311,9	285,8	263,2	243,4

Source: Integrae SIM

Market Multiples

Our panel consists of companies operating in the same sector as Intred, although many of them have a larger market capitalization. These companies are the same as those used for the calculation of the Beta in the DCF method. The panel includes:

TABLE 7 – MARKET MULTIPLES

Company Name	EV/EBITDA			EV/EBIT			P/E		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Cogent Communications Holdings	15,9 x	13,0 x	10,5 x	n/a	752,0x	53,6 x	n/a	n/a	n/a
Macquarie Technology Group Ltd	14,9 x	14,1 x	12,6 x	29,2 x	26,9 x	23,1 x	48,7 x	51,5 x	48,3 x
WIIT SpA	9,2 x	8,4 x	7,9 x	18,0 x	15,3 x	13,5 x	21,1 x	16,8 x	15,0 x
Elisa Oyj Class A	10,7 x	10,4 x	10,1 x	16,6 x	15,9 x	15,2 x	18,3 x	17,3 x	16,5 x
Chorus Limited	11,5 x	11,1 x	10,6 x	34,4 x	26,3 x	21,8 x	265,2x	50,4 x	32,0 x
Median	**11,5 x**	**11,1 x**	**10,5 x**	**23,6 x**	**26,3 x**	**21,8 x**	**34,9 x**	**33,9 x**	**24,3 x**

Source: Integrae SIM

TABLE 8 – MARKET MULTIPLES VALUATION

€/mln	FY25E	FY26E	FY27E
Enterprise Value			
EV/EBITDA	295,14	350,13	368,46
EV/EBIT	274,67	449,40	433,45
P/E	251,13	370,86	316,96
Enterprise Value post 25% discount			
EV/EBITDA	221,35	262,60	276,34
EV/EBIT	206,00	337,05	325,09
P/E	188,34	278,15	237,72
Equity Value			
EV/EBITDA	184,95	232,68	260,65
EV/EBIT	169,60	307,13	309,39
P/E	188,34	278,15	237,72
Average	**180,97**	**272,65**	**269,26**

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 € 241.0 million**.

Equity Value

TABLE 9 – EQUITY VALUE

Average Equity Value (€/mln)	318,8
Equity Value DCF (€/mln)	396,6
Equity Value Multipes (€/mln)	241,0
Target Price (€)	**20,00**

Source: Integrae SIM

The results give an average equity value of approximately € 318.8 million.

The target price is therefore € 20.00 (prev. € 20,00). We confirm a BUY rating and MEDIUM risk.

TABLE 10 – TARGET PRICE IMPLIED VALUATION MULTIPLES

Multiples	FY24A	FY25E	FY26E	FY27E
EV/EBITDA	14,6 x	13,7 x	11,1 x	10,0 x
EV/EBIT	29,9 x	30,2 x	20,6 x	17,7 x
P/E	46,3 x	44,3 x	29,1 x	24,4 x

Source: Integrae SIM

TABLE 11 – CURRENT PRICE IMPLIED VALUATION MULTIPLES

Main Ratios	FY24A	FY25E	FY26E	FY27E
EV/EBITDA	7,8x	7,3x	5,9x	5,3x
EV/EBIT	15,9x	16,1x	10,9x	9,4x
P/E	22,4x	21,4x	14,1x	11,8x

Source: Integrae SIM

Disclosure Pursuant to Delegated Regulation UE n. 2016/958

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13/02/2025	10,50	Buy	21,50	Medium	Breaking News
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12/05/2025	10,10	Buy	20,00	Medium	Breaking News

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Upside Potential (for different risk categories)

Rating	Low Risk	Medium Risk	High Risk
BUY	Upside >= 7.5%	Upside >= 10%	Upside >= 15%
HOLD	-5% < Upside < 7.5%	-5% < Upside < 10%	0% < Upside < 15%
SELL	Upside <= -5%	Upside <= -5%	Upside <= 0%
U.R.	Under Review		
N.R.	Not Rated		

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