INTRED

BUY

Sector: Telecoms

Price: Eu8.80 - **Target: Eu16.00**

FY25 Preview: Updating Estimates for Transition to IAS/IFRS

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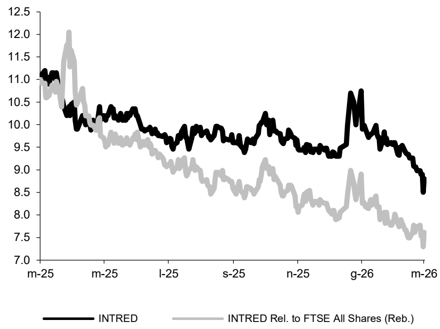
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			Unchanged
	2025E	**2026E**	**2027E**
Chg in Adj EPS	2.8%	-5.0%	-11.7%

Next Event
FY25 Results: 26 March
FY25 Conf. Call: 30 March at 3:30pm CET (link)

INTRED - 12M Performance



Stock Data			
Reuters code:			INTD.MI
Bloomberg code:			ITD IM
Performance	**1M**	**3M**	**12M**
Absolute	-8.3%	-5.4%	-20.0%
Relative	-5.2%	-6.4%	-36.0%
12M (H/L)			11.20/8.50
3M Average Volume (th):			6.55

Shareholder Data	
No. of Ord shares (mn):	16
Total no. of shares (mn):	16
Mkt Cap Ord (Eu mn):	140
Total Mkt Cap (Eu mn):	140
Mkt Float - Ord (Eu mn):	42
Mkt Float (in %):	30.2%
Main Shareholder:	
DM Holding S.r.l.	60.3%

Balance Sheet Data	
Book Value (Eu mn):	71
BVPS (Eu):	4.49
P/BV:	2.0
Net Financial Position (Eu mn):	-37
Enterprise Value (Eu mn):	176

INTRED will report FY25 results on 26th March, after preliminary sales (2 February) came in above expectations, confirming solid organic growth driven by recurring, high-visibility revenues and supporting our constructive view on 2026. FY25 will be the first year reported under IAS/IFRS in preparation for a potential transfer to the STAR segment by year-end, and we are therefore updating our estimates to align with these accounting standards. Revisions also incorporate less demanding FY27-28 margin trends and an additional €15mn CapEx in FY27 to expand the new DC.

- **FY25 preliminary sales:** revenues exceeded €55.8mn (FY24: €55.2mn, +1.1% YoY, +2.5% vs our exp.), with a clear mix shift toward recurring revenues (95.6%) and robust underlying growth of over 8%. Core revenues reached €47.4mn, up +8.4% YoY, with 95.6% recurring, confirming the strength and visibility of the business model. Growth by technology: Ultrafast Broadband connections (+11%), Voice & Data services (+6.8%), and Data Centre revenues (+42.4% to €1.9mn. 3.4% of sales). Growth by client: Professional segment (+6.1% YoY), with strong performance also in Wholesale (+17.7%), Public Administration (+35.1%) and Private customers (+5.5%). Strong KPIs: CHURN at 4.4%, best in class for the industry, expansion of the proprietary fibre network to ~15,000km (from ~13,500km in 2024).
- **Transition to IAS/IFRS ahead of STAR move.** The STAR move by YE26 is supported by a free float that is well above the minimum requirement of 35% when including First SICAV's 9.4% stake (free float ex-First SICAV at 30.2%). The adoption of IAS/IFRS should not materially change the P&L: the IFRS 16 benefit on EBITDA (c.€0.6mn/year from lease accounting) should be partially offset by the IFRS 2 impact (stock grant cost of c.€0.3mn/year), while the increase in intangible amortisation (c.€1mn) should be largely offset by the elimination of goodwill amortisation, which under IFRS is replaced by annual impairment testing.
- **Change in estimates.** We are updating our estimates to reflect: a) stronger FY25 sales momentum, b) the IAS/IFRS 16 transition (cash-neutral), c) less bullish margin progression in FY27-28, d) a new investment cycle in FY27 (~€15mn) for new DC capacity, in addition to the €9mn already planned for FY25-26, resulting in higher D&A and mid-single-digit cuts in EPS for 2026 and low-teen cuts for FY27-28.
- **BUY confirmed; target still €16.0.** Preliminary sales confirmed underlying growth of over 8%, reinforcing our constructive view for 2026 (~€60mn sales, +8% YoY). We also expect Data Centre revenues (now >3% of the total) to accelerate further, supported by strong demand for dedicated infrastructure solutions. In addition, management's ambition to move to the STAR segment by year-end provides a clear corporate catalyst. Meanwhile, the company is well placed to pursue differentiation opportunities in adjacent segments, with further upside potential from M&A. Its proprietary network and loyal customer base remain valuable strategic assets, enhancing its positioning in a potential market-consolidation phase. The stock is currently trading at c.6x EV/EBITDA'26 (Unidata c.4x, TLC Sector c.6x).

Key Figures & Ratios	2024A	2025E	2026E	2027E	2028E
Sales (Eu mn)	56	56	61	64	68
EBITDA Adj (Eu mn)	24	26	28	30	31
Net Profit Adj (Eu mn)	7	7	9	10	11
EPS New Adj (Eu)	0.434	0.471	0.546	0.612	0.677
EPS Old Adj (Eu)	0.434	0.458	0.574	0.694	
DPS (Eu)	0.100	0.118	0.120	0.122	0.135
EV/EBITDA Adj	8.4	7.8	6.3	6.0	5.2
EV/EBIT Adj	17.2	16.2	12.4	11.5	9.8
P/E Adj	20.3	18.7	16.1	14.4	13.0
Div. Yield	1.1%	1.3%	1.4%	1.4%	1.5%
Net Debt/EBITDA Adj	1.4	1.6	1.3	1.3	0.8

INTRED – Key Figures						
Profit & Loss (Eu mn)	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**
Sales	51	56	56	61	64	68
EBITDA	23	24	26	28	30	31
EBIT	13	12	12	14	16	17
Financial Income (charges)	-1	-2	-2	-2	-2	-2
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	12	10	11	12	14	15
Taxes	-3	-3	-3	-4	-4	-4
Tax rate	28.9%	32.1%	29.0%	29.0%	29.0%	29.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	8	7	7	9	10	11
EBITDA Adj	23	24	26	28	30	31
EBIT Adj	13	12	12	14	16	17
Net Profit Adj	8	7	7	9	10	11
Per Share Data (Eu)	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**
Total Shares Outstanding (mn) - Average	16	16	16	16	16	16
Total Shares Outstanding (mn) - Year End	16	16	16	16	16	16
EPS f.d	0.516	0.434	0.471	0.546	0.612	0.677
EPS Adj f.d	0.516	0.434	0.471	0.546	0.612	0.677
BVPS f.d	3.463	3.760	4.112	4.490	4.982	5.537
Dividend per Share ORD	0.100	0.100	0.118	0.120	0.122	0.135
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	19.4%	23.1%	25.0%	22.0%	20.0%	20.0%
Cash Flow (Eu mn)	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**
Gross Cash Flow	18	19	21	22	24	25
Change in NWC	4	3	-4	2	1	1
Capital Expenditure	-31	-32	-22	-19	-25	-10
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	-9	-10	-5	6	-1	16
Acquisitions, Divestments & Other Items	0	0	0	0	0	0
Dividends	-1	-2	-2	-2	-2	-2
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	-9	-12	-7	4	-2	14
Balance Sheet (Eu mn)	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**
Total Fixed Assets	109	133	142	147	158	153
Net Working Capital	-32	-38	-35	-37	-37	-38
Long term Liabilities	-2	-2	-2	-2	-2	-2
Net Capital Employed	76	93	105	108	118	113
Net Cash (Debt)	-21	-33	-40	-37	-39	-25
Group Equity	55	60	65	71	79	88
Minorities	0	0	0	0	0	0
Net Equity	55	60	65	71	79	88
Enterprise Value (Eu mn)	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**
Average Mkt Cap	190	169	160	140	140	140
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-21	-33	-40	-37	-39	-25
Enterprise Value	211	202	200	176	179	165
Ratios (%)	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**
EBITDA Adj Margin	44.6%	43.0%	45.3%	46.0%	46.3%	46.5%
EBIT Adj Margin	25.1%	21.0%	21.9%	23.3%	24.1%	24.8%
Gearing - Debt/Equity	38.0%	55.0%	60.8%	51.4%	49.4%	28.3%
Interest Cover on EBIT	11.0	7.3	6.9	7.1	8.5	10.2
Net Debt/EBITDA Adj	0.9	1.4	1.6	1.3	1.3	0.8
ROACE*	18.7%	14.0%	12.5%	13.3%	13.7%	14.5%
ROE*	15.9%	12.0%	12.0%	12.7%	12.9%	12.9%
EV/CE	3.1	2.4	2.0	1.7	1.6	1.4
EV/Sales	4.2	3.6	3.5	2.9	2.8	2.4
EV/EBITDA Adj	9.4	8.4	7.8	6.3	6.0	5.2
EV/EBIT Adj	16.6	17.2	16.2	12.4	11.5	9.8
Free Cash Flow Yield	-6.1%	-7.2%	-3.5%	4.1%	-0.4%	11.6%
Growth Rates (%)	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**
Sales	9.6%	10.6%	0.8%	8.1%	5.8%	5.0%
EBITDA Adj	13.5%	6.7%	6.1%	9.8%	6.5%	5.5%
EBIT Adj	4.2%	-7.2%	4.6%	15.3%	9.4%	8.1%
Net Profit Adj	-5.6%	-15.9%	8.5%	15.9%	12.2%	10.6%
EPS Adj	-5.6%	-15.9%	8.5%	15.9%	12.2%	10.6%
DPS	42.9%	0.0%	17.7%	2.0%	2.0%	10.6%

*Excluding extraordinary items   Source: Intermonte SIM estimates

FY25 Preliminary Sales (out 2 February)

Revenues exceeded €55.8mn (FY24: €55.2mn, +1.1% YoY, +2.5% vs our exp.), with a clear mix shift toward recurring revenues (95.6%) and robust underlying growth above 8%. Core revenues reached €47.4mn, up +8.4% YoY, with 95.6% recurring, confirming the strength and visibility of the business model. Growth by technology: Ultra-Broadband connections (+11%), Voice & Data services (+6.8%), and Data Centre revenues (+42.4% to €1.9mn. 3.4% of sales). Growth by client: Professional segment (+6.1% YoY), with strong performance also in Wholesale (+17.7%), Public Administration (+35.1%) and Private customers (+5.5%). Strong KPIs: CHURN at 4.4%, best in class level in the industry, the proprietary fiber network expanded to ~15,000 km (from ~13,500 km in 2024)

INTRED – FY25 Preliminary Sales by Customer Segment

Eu mn	1Q24A	2Q24A	1H24A	3Q24A	9M24A	4Q24A	FY24A	1Q25A	2Q25A	1H25A	3Q25A	9M25A	4Q25A	FY25A	FY25E	A/E
Business	**7.7**	**7.7**	**15.3**	**7.5**	**22.8**	**8.0**	**30.6**	**7.7**	**7.9**	**15.6**	**7.8**	**23.4**	**7.9**	**31.3**	**31.2**	**0.3%**
YoY growth	19.0%	17.3%	18.3%	11.7%	16.8%	18.7%	16.1%	0.3%	3.3%	1.8%	5.0%	2.8%	-1.1%	2.3%	2.0%	
YoY organic growth										6.8%	6.2%	6.6%	4.6%	6.1%		
as % of sales	*55.6%*	*55.9%*	*55.7%*	*56.6%*	*56.0%*	*54.2%*	*55.5%*	*55.5%*	*56.8%*	*56.2%*	*59.7%*	*57.3%*	*52.7%*	*56.1%*	*57.3%*	
Wholesale	**1.0**	**1.1**	**2.1**	**1.0**	**3.1**	**1.1**	**4.2**	**1.1**	**1.1**	**2.2**	**1.1**	**3.3**	**1.7**	**5.0**	**4.5**	**12.0%**
YoY growth	4.6%	19.3%	11.9%	-7.8%	4.6%	20.7%	9.1%	11.8%	4.2%	7.8%	4.2%	6.6%	47.9%	17.7%	6.0%	
as % of sales	*7.1%*	*8.1%*	*7.6%*	*7.7%*	*7.6%*	*7.7%*	*7.7%*	*7.9%*	*8.3%*	*8.1%*	*8.0%*	*8.1%*	*11.2%*	*8.9%*	*8.2%*	
Residential	**2.4**	**2.4**	**4.8**	**2.3**	**7.1**	**2.5**	**9.6**	**2.5**	**2.5**	**5.0**	**2.5**	**7.5**	**2.6**	**10.1**	**10.1**	**0.3%**
YoY growth	3.3%	5.1%	4.2%	3.6%	4.0%	5.4%	4.4%	5.7%	5.5%	5.9%	4.8%	5.5%	5.4%	5.5%	4.8%	
as % of sales	*17.1%*	*17.5%*	*17.3%*	*17.8%*	*17.4%*	*17.1%*	*17.4%*	*18.1%*	*18.2%*	*18.1%*	*18.7%*	*18.3%*	*17.7%*	*18.2%*	*18.6%*	
PA	**2.8**	**2.5**	**5.3**	**2.3**	**7.6**	**3.1**	**10.7**	**2.6**	**2.3**	**4.9**	**1.7**	**6.6**	**2.8**	**9.4**	**8.7**	**7.8%**
YoY growth	12%	-2%	5%	-1%	3%	-2%	1%	-9%	-8%	-8%	-26%	-14%	-11%	-13%	-19%	
YoY organic growth								35.4%	30.6%	33.1%	30.5%	32.3%	42.0%	35.1%		
as % of sales	*20.3%*	*18.5%*	*19.4%*	*17.5%*	*18.8%*	*21.1%*	*19.4%*	*18.4%*	*16.7%*	*17.6%*	*13.1%*	*16.1%*	*18.4%*	*16.8%*	*15.9%*	
GROUP Revenues	**13.8**	**13.7**	**27.5**	**13.2**	**40.7**	**14.7**	**55.2**	**13.9**	**13.9**	**27.8**	**13.1**	**40.9**	**15.0**	**55.8**	**54.5**	**2.5%**
YoY growth	13.3%	11.0%	12.1%	7.5%	10.6%	11.0%	10.3%	0.3%	1.6%	1.0%	-0.5%	0.5%	1.7%	1.1%	-1.3%	
one off & perimeter	3.2	2.9	6.1	2.2	8.3	3.1	11.5	2.4	2.3	4.7	1.4	6.1	2.3	8.4	7.5	
Organic Core revenues*	**10.6**	**10.8**	**21.4**	**11.0**	**32.4**	**11.4**	**43.8**	**11.5**	**11.6**	**23.1**	**11.7**	**34.8**	**12.7**	**47.4**	**47.0**	**0.9%**
YoY organic growth*								8.1%	7.5%	7.8%	6.9%	7.5%	9.6%	8.4%	7.4%	

**ORGANIC REVENUES exclude non-recurring components from School Tenders and the portion of Connecting Italia revenues from low-margin or non-strategic services*

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

Change in Estimates

We are updating our estimates to reflect: a) stronger FY25 sales momentum, b) the IAS/IFRS 16 transition (cash-neutral), c) less bullish margin progression in FY27-28, d) a new investment cycle in FY27 (~€15mn) for new DC capacity, in addition to the €9mn already planned for FY25-26, resulting in higher D&A and in mid-single-digit cuts in EPS for 2026 and low-teen cuts for FY27-28.

INTRED - Changes to FY25-28 Estimates: P&L

	Actuals			New Estimates (IAS/IFRS)				Old Estimates (ITA GAAP)				New vs Old (% Δ or Abs Δ)			
Eu mn	'22A	'23A	'24A	'25E	'26E	'27E	'28E	'25E	'26E	'27E	'28E	'25E	'26E	'27E	'28E
Net Revenues	**45.5**	**50.1**	**55.2**	**55.8**	**60.4**	**63.9**	**67.1**	**54.5**	**58.9**	**62.3**	**64.7**	**2%**	**2%**	**2%**	**4%**
YoY growth	12.5%	10.0%	10.3%	1.1%	8.1%	5.8%	5.0%	-1.3%	8.1%	5.8%	3.8%				
VoP	**46.1**	**50.5**	**55.9**	**56.3**	**60.9**	**64.4**	**67.7**	**55.0**	**59.5**	**62.9**	**65.3**	**2%**	**2%**	**2%**	**4%**
YoY growth	11.7%	9.6%	10.6%	0.8%	8.1%	5.8%	5.0%	-1.6%	8.1%	5.8%	3.8%				
Adj. EBITDA	**19.9**	**22.5**	**24.0**	**25.5**	**28.0**	**29.8**	**31.5**	**24.9**	**28.2**	**31.5**	**32.7**	**2%**	**-1%**	**-5%**	**-4%**
YoY growth	12.6%	13.5%	6.7%	6.1%	9.8%	6.5%	5.5%	3.6%	13.4%	11.6%	3.9%				
as % of VoP	43.1%	44.6%	43.0%	45.3%	46.0%	46.3%	46.5%	45.3%	47.5%	50.1%	50.2%				
EBITDA	**19.9**	**22.5**	**24.0**	**25.5**	**28.0**	**29.8**	**31.5**	**24.9**	**28.2**	**31.5**	**32.7**	**2%**	**-1%**	**-5%**	**-4%**
D&A	(7.7)	(9.9)	(12.3)	(13.2)	(13.8)	(14.3)	(14.7)	(12.9)	(13.5)	(14.0)	(14.4)				
EBIT	**12.2**	**12.7**	**11.8**	**12.3**	**14.2**	**15.5**	**16.8**	**12.0**	**14.7**	**17.5**	**18.4**	**2%**	**-4%**	**-11%**	**-9%**
as % of VoP	26.4%	25.1%	21.0%	21.9%	23.3%	24.1%	24.8%	21.9%	24.8%	27.8%	28.2%				
net fin.exp.	0.0	(1.2)	(1.6)	(1.8)	(2.0)	(1.8)	(1.6)	(1.8)	(1.9)	(1.7)	(1.5)				
PBT	**12.2**	**11.5**	**10.1**	**10.5**	**12.2**	**13.7**	**15.1**	**10.2**	**12.8**	**15.7**	**16.9**	**3%**	**-5%**	**-13%**	**-10%**
as % of VoP	26.4%	22.8%	18.1%	18.7%	20.0%	21.3%	22.4%	18.7%	21.6%	25.0%	25.9%				
taxes	(3.5)	(3.3)	(3.3)	(3.1)	(3.5)	(4.0)	(4.4)	(3.0)	(3.7)	(4.7)	(5.1)				
tax rate (%)	28.8%	28.9%	32.1%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	30.0%	30.0%				
Net income	**8.7**	**8.2**	**6.9**	**7.5**	**8.7**	**9.7**	**10.8**	**7.3**	**9.1**	**11.0**	**11.8**	**3%**	**-5%**	**-12%**	**-9%**
as % of VoP	18.8%	16.2%	12.3%	13.3%	14.2%	15.1%	15.9%	13.3%	15.3%	17.5%	18.1%				
Adj. Net income	**8.7**	**8.2**	**6.9**	**7.5**	**8.7**	**9.7**	**10.8**	**7.3**	**9.1**	**11.0**	**11.8**	**3%**	**-5%**	**-12%**	**-9%**
NOSH (mn)	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9				
Adj. EPS (€)	**€ 0.55**	**€ 0.52**	**€ 0.43**	**€ 0.47**	**€ 0.55**	**€ 0.61**	**€ 0.68**	**€ 0.46**	**€ 0.57**	**€ 0.69**	**€ 0.74**	**3%**	**-5%**	**-12%**	**-9%**
EPS (€)	€ 0.55	€ 0.52	€ 0.43	€ 0.47	€ 0.55	€ 0.61	€ 0.68	€ 0.46	€ 0.57	€ 0.69	€ 0.74	3%	-5%	**-12%**	**-9%**
DPS (€)	€ 0.07	€ 0.10	€ 0.10	€ 0.12	€ 0.12	€ 0.12	€ 0.14	€ 0.11	€ 0.13	€ 0.14	€ 0.15	3%	-5%	**-12%**	**-9%**
payout	13%	19%	23%	25%	22%	20%	20%	25%	22%	20%	20%				
IRU	(11.3)	(3.5)	(6.2)	(4.0)	(2.1)	(2.0)	(2.0)	(4.0)	(2.1)	(2.0)	(1.9)	(0.1)	(0.1)	0.0	(0.0)
Proprietary Network	(28.0)	(27.5)	(25.7)	(16.1)	(8.6)	(8.2)	(7.9)	(15.8)	(8.2)	(8.2)	(7.8)	(0.2)	(0.4)	0.0	(0.1)
Ordinary Capex	**(39.3)**	**(31.1)**	**(31.8)**	**(20.1)**	**(10.7)**	**(10.2)**	**(9.9)**	**(19.8)**	**(10.3)**	**(10.2)**	**(9.7)**	**(0.3)**	**(0.5)**	**0.0**	**(0.1)**
as % of net sales	86%	62%	58%	36%	18%	16%	15%	-36%	-17%	-16%	15%				
Datacenter /extraordinary	-	-	-	(2.0)	(8.0)	(15.0)	-	(2.0)	(8.0)	(1.0)	-	-	-	(14.0)	-
Total Capex (Eu mn)	**(39.3)**	**(31.1)**	**(31.8)**	**(22.1)**	**(18.7)**	**(25.2)**	**(9.9)**	**(21.8)**	**(18.3)**	**(11.2)**	**(9.7)**	**(0.3)**	**(0.5)**	**(14.0)**	**(0.1)**
as % of net sales	86%	62%	58%	40%	31%	39%	15%	40%	31%	18%	15%				
Net Debt/(cash)	**11.5**	**20.9**	**32.9**	**39.7**	**36.6**	**39.1**	**24.9**	**38.0**	**34.9**	**21.1**	**6.2**	**1.7**	**1.7**	**18.0**	**18.7**
ND/EBITDA	0.6x	0.9x	1.4x	1.6x	1.3x	1.3x	0.8x	1.5x	1.2x	0.7x	0.2x				

Source: Intermonte SIM (E), Company Data (A)

INTRED - Changes to FY25-28 Estimates: P&L

	Actuals			New Estimates (post IFRS)				Old Estimates (pre IAS/IFRS)				New vs Old (Abs Δ)			
Eu mn	**'22A**	**'23A**	**'24A**	**'25E**	**'26E**	**'27E**	**'28E**	**'25E**	**'26E**	**'27E**	**'28E**	**'25E**	**'26E**	**'27E**	**'28E**
Net income	**8.7**	**8.2**	**6.9**	**7.5**	**8.7**	**9.7**	**10.8**	**7.3**	**9.1**	**11.0**	**11.8**	**0.2**	**(0.5)**	**(1.3)**	**(1.1)**
D&A	7.7	9.9	12.3	13.2	13.8	14.3	14.7	12.9	13.5	14.0	14.4	0.3	0.3	0.3	0.3
NWC & Other	6.5	4.4	2.5	(3.5)	2.0	0.6	0.6	(1.4)	1.3	2.0	0.6	(2.2)	0.7	(1.4)	(0.0)
FCFO	**22.9**	**22.5**	**21.7**	**17.1**	**24.5**	**24.6**	**26.0**	**18.8**	**23.9**	**27.1**	**26.8**	**(1.6)**	**0.6**	**(2.4)**	**(0.8)**
Capex (net of disposals)	(39.3)	(31.1)	(31.8)	(22.1)	(18.7)	(25.2)	(9.9)	(21.8)	(18.3)	(11.2)	(9.7)	(0.3)	(0.5)	(14.0)	(0.2)
EFCF	**(16.4)**	**(8.6)**	**(10.1)**	**(5.0)**	**5.7**	**(0.6)**	**16.2**	**(3.0)**	**5.7**	**15.8**	**17.1**	**(1.9)**	**0.1**	**(16.4)**	**(0.9)**
Rights issue /IPO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend cashed-in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	(1.0)	(1.1)	(1.6)	(1.6)	(1.9)	(1.9)	(1.9)	(1.6)	(1.8)	(2.0)	(2.2)	-	(0.1)	0.1	0.3
M&A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buyback	-	(0.0)	(0.2)	(0.3)	(0.8)	-	-	(0.5)	(0.8)	-	-	0.2	-	-	-
Other	11.3	0.4	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	**(6.1)**	**(9.4)**	**(12.0)**	**(6.8)**	**3.1**	**(2.5)**	**14.2**	**(5.1)**	**3.0**	**13.8**	**14.9**	**(1.7)**	**0.0**	**(16.3)**	**(0.7)**
Opening ND /(Cash)	5.4	11.5	20.9	32.9	39.7	36.6	39.1	32.9	38.0	34.9	21.1	-	1.7	1.7	18.0
Change	6.1	9.4	12.0	6.8	(3.1)	2.5	(14.2)	5.1	(3.0)	(13.8)	(14.9)	1.7	(0.0)	16.3	0.7
Closing Net Debt /(Cash)	**11.5**	**20.9**	**32.9**	**39.7**	**36.6**	**39.1**	**24.9**	**38.0**	**34.9**	**21.1**	**6.2**	**1.7**	**1.7**	**18.0**	**18.7**

Source: Intermonte SIM (E), Company Data (A)

2027 Company targets and our estimates

Our new FY27 revenue estimates sit a conservative 4% below the lower end of the Group's target, while we assume a 46% margin versus the c.50% target, reflecting a more gradual margin progression from FY25-26 levels.

INTRED: 2027E company targets and our estimates

					2027 tgt		CAGR'24-27 / cum.	
Eu mn	'24A	'25E	'26E	'27E	min	max	tgt	Est.
VoP	55.9	56.3	60.9	64.4	67	73	high 1-digit	4.9%
EBITDA	24.0	25.5	28.0	29.8	34	36	2-digit	7.5%
margin	43.0%	45.3%	46.0%	46.3%	~ 50%	~ 50%		
Capex	31.8	22.1	18.7	18.7			80	97.9
as % of sales	56.9%	39.2%	30.8%	29.1%				

Source: Company targets, Intermonte Estimates (E)

2025-28 Estimates

INTRED - 2025-28 Estimates: Revenue Split by Client, and P&L

Revenue split by Client (Eu mn)	FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E
Business	**23.3**	**24.4**	**25.1**	**26.4**	**27.9**	**31.2**	**33.9**	**35.7**	**37.1**
YoY growth	0.0%	4.8%	3.0%	5.0%	5.0%	2.0%	8.4%	5.4%	4.0%
as % of sales	65.8%	60.3%	55.2%	52.7%	50.5%	56.0%	56.1%	55.9%	55.4%
Wholesale	**3.1**	**3.6**	**3.8**	**3.9**	**4.2**	**5.0**	**5.4**	**5.8**	**6.2**
YoY growth	0.0%	13.4%	7.4%	2.2%	8.5%	17.7%	9.0%	7.5%	6.5%
as % of sales	8.8%	8.8%	8.4%	7.8%	7.7%	8.9%	9.0%	9.2%	9.3%
Residential	**7.6**	**8.8**	**9.1**	**9.2**	**9.6**	**10.1**	**10.9**	**11.4**	**11.9**
YoY growth	0.0%	16.6%	2.7%	1.7%	4.4%	5.5%	7.0%	5.0%	4.5%
as % of sales	21.3%	21.8%	19.9%	18.4%	17.4%	18.2%	18.0%	17.8%	17.8%
PA	**1.5**	**3.7**	**7.5**	**10.6**	**10.7**	**9.4**	**10.1**	**10.8**	**11.4**
YoY growth	0.0%	152.4%	104.0%	41.3%	1.2%	-12.9%	8.0%	7.0%	5.0%
as % of sales	4.1%	9.1%	16.5%	21.2%	19.4%	16.8%	16.7%	16.9%	16.9%
Connecting Italia					**2.8**	-	-	-	-
Net revenues	**35.4**	**40.5**	**45.5**	**50.1**	**55.2**	**55.8**	**60.4**	**63.9**	**67.1**
YoY growth	70.2%	14.1%	12.5%	10.0%	10.3%	1.1%	8.1%	5.8%	5.0%

P&L (Eu mn)	FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E
	ITA GAAP	ITA GAAP	ITA GAAP	ITA GAAP	ITA GAAP	IAS/IFRS	IAS/IFRS	IAS/IFRS	IAS/IFRS
Net revenues	**35.4**	**40.5**	**45.5**	**50.1**	**55.2**	**55.8**	**60.4**	**63.9**	**67.1**
YoY growth	70.2%	14.1%	12.5%	10.0%	10.3%	1.1%	8.1%	5.8%	5.0%
Other income	0.9	0.8	0.6	0.4	0.7	0.5	0.5	0.6	0.6
Value of Production	**36.4**	**41.2**	**46.1**	**50.5**	**55.9**	**56.3**	**60.9**	**64.4**	**67.7**
YoY growth	71.7%	13.3%	11.7%	9.6%	10.6%	0.8%	8.1%	5.8%	5.0%
Raw Mat	(0.3)	(2.1)	(0.9)	(2.3)	(1.5)	(2.8)	(3.0)	(3.2)	(3.4)
as % of VoP	0.8%	5.0%	1.9%	4.6%	2.7%	5.0%	5.0%	5.0%	5.0%
Services	(5.5)	(5.5)	(6.7)	(8.0)	(9.7)	(9.9)	(11.0)	(11.6)	(12.2)
as % of VoP	15.2%	13.4%	14.5%	15.9%	17.4%	17.5%	18.0%	18.0%	18.0%
Network rentals	(9.3)	(9.1)	(9.2)	(9.2)	(10.5)	(9.4)	(9.0)	(8.2)	(7.3)
as % of VoP	25.7%	22.2%	20.0%	18.2%	18.7%	16.7%	14.7%	12.7%	10.7%
Changes in inventory	-	1.2	(0.8)	(0.5)	(0.5)	(1.7)	(1.8)	(1.9)	(2.0)
as % of VoP	0.0%	-2.9%	1.7%	1.0%	0.8%	3.0%	3.0%	3.0%	3.0%
Sundry OpEx	(0.8)	(1.0)	(0.7)	0.2	(0.8)	2.0	1.0	(0.5)	(2.1)
as % of VoP	2.1%	2.5%	1.6%	-0.3%	1.4%	-3.5%	-1.6%	0.8%	3.1%
Personnel expense	(6.5)	(7.0)	(7.9)	(8.1)	(8.9)	(9.0)	(9.1)	(9.2)	(9.3)
as % of VoP	17.8%	17.0%	17.2%	16.0%	15.9%	15.9%	14.9%	14.2%	13.7%
EBITDA	**14.0**	**17.6**	**19.9**	**22.5**	**24.0**	**25.5**	**28.0**	**29.8**	**31.5**
YoY growth	60.6%	26.1%	12.6%	13.5%	6.7%	6.1%	9.8%	6.5%	5.5%
as % of VoP	39.5%	43.6%	43.1%	44.6%	43.0%	45.3%	46.0%	46.3%	46.5%
Adj. EBITDA	**14.0**	**17.6**	**19.9**	**22.5**	**24.0**	**25.5**	**28.0**	**29.8**	**31.5**
YoY growth	60.6%	26.1%	12.6%	13.5%	6.7%	6.1%	9.8%	6.5%	5.5%
as % of VoP	38.4%	42.8%	43.1%	44.6%	43.0%	45.3%	46.0%	46.3%	46.5%
D&A	(5.9)	(5.8)	(7.7)	(9.9)	(12.3)	(13.2)	(13.8)	(14.3)	(14.7)
as % of VoP	16.1%	14.2%	16.7%	19.5%	22.0%	23.5%	22.7%	22.2%	21.7%
EBIT	**8.1**	**11.8**	**12.2**	**12.7**	**11.8**	**12.3**	**14.2**	**15.5**	**16.8**
YoY growth	41.1%	45.1%	3.1%	4.2%	-7.2%	4.6%	15.3%	9.4%	8.1%
as % of VoP	22.3%	28.6%	26.4%	25.1%	21.0%	21.9%	23.3%	24.1%	24.8%
Adj. EBIT	**8.1**	**11.8**	**12.2**	**12.7**	**11.8**	**12.3**	**14.2**	**15.5**	**16.8**
YoY growth	41.1%	45.1%	3.1%	4.2%	-7.2%	4.6%	15.3%	9.4%	8.1%
as % of VoP	22.3%	28.6%	26.4%	25.1%	21.0%	21.9%	23.3%	24.1%	24.8%
Net Financial Expenses	0.1	0.2	0.0	(1.2)	(1.6)	(1.8)	(2.0)	(1.8)	(1.6)
PBT	**8.2**	**11.9**	**12.2**	**11.5**	**10.1**	**10.5**	**12.2**	**13.7**	**15.1**
Current/deferred tax/assets	(2.1)	(3.3)	(3.5)	(3.3)	(3.3)	(3.1)	(3.5)	(4.0)	(4.4)
tax rate	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Net profit/(loss)	**6.1**	**8.6**	**8.7**	**8.2**	**6.9**	**7.5**	**8.7**	**9.7**	**10.8**
YoY growth	41.3%	41.1%	0.6%	-5.6%	-15.9%	8.5%	15.9%	12.2%	10.6%
as % of VoP	16.8%	20.9%	18.8%	16.2%	12.3%	13.3%	14.2%	15.1%	15.9%
Adj. Net profit	**6.1**	**8.6**	**8.7**	**8.2**	**6.9**	**7.5**	**8.7**	**9.7**	**10.8**
YoY growth	41.3%	41.1%	0.6%	-5.6%	-15.9%	8.5%	15.9%	12.2%	10.6%
as % of VoP	16.8%	20.9%	18.8%	16.2%	12.3%	13.3%	14.2%	15.1%	15.9%

Source: Intermonte SIM (E), Company actual (A)

INTRED - 2025-28 Estimates: CapEx, FCF and Balance Sheet

	Actuals			New Estimates (post IFRS)				Old Estimates (ITA GAAP)				New vs Old (Abs Δ)			
Eu mn	'22A	'23A	'24A	'25E	'26E	'27E	'28E	'25E	'26E	'27E	'28E	'25E	'26E	'27E	'28E
Net income	**8.7**	**8.2**	**6.9**	**7.5**	**8.7**	**9.7**	**10.8**	**7.3**	**9.1**	**11.0**	**11.8**	**0.2**	**(0.5)**	**(1.3)**	**(1.1)**
D&A	7.7	9.9	12.3	13.2	13.8	14.3	14.7	12.9	13.5	14.0	14.4	0.3	0.3	0.3	0.3
NWC & Other	6.5	4.4	2.5	(3.5)	2.0	0.6	0.6	(1.4)	1.3	2.0	0.6	(2.2)	0.7	(1.4)	(0.0)
FCFO	**22.9**	**22.5**	**21.7**	**17.1**	**24.5**	**24.6**	**26.0**	**18.8**	**23.9**	**27.1**	**26.8**	**(1.6)**	**0.6**	**(2.4)**	**(0.8)**
Capex (net of disposals)	(39.3)	(31.1)	(31.8)	(22.1)	(18.7)	(25.2)	(9.9)	(21.8)	(18.3)	(11.2)	(9.7)	(0.3)	(0.5)	(14.0)	(0.2)
EFCF	**(16.4)**	**(8.6)**	**(10.1)**	**(5.0)**	**5.7**	**(0.6)**	**16.2**	**(3.0)**	**5.7**	**15.8**	**17.1**	**(1.9)**	**0.1**	**(16.4)**	**(0.9)**
Rights issue /IPO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend cashed-in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	(1.0)	(1.1)	(1.6)	(1.6)	(1.9)	(1.9)	(1.9)	(1.6)	(1.8)	(2.0)	(2.2)	-	(0.1)	0.1	0.3
M&A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buyback	-	(0.0)	(0.2)	(0.3)	(0.8)	-	-	(0.5)	(0.8)	-	-	0.2	-	-	-
Other	11.3	0.4	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	**(6.1)**	**(9.4)**	**(12.0)**	**(6.8)**	**3.1**	**(2.5)**	**14.2**	**(5.1)**	**3.0**	**13.8**	**14.9**	**(1.7)**	**0.0**	**(16.3)**	**(0.7)**
Opening ND /(Cash)	5.4	11.5	20.9	32.9	39.7	36.6	39.1	32.9	38.0	34.9	21.1	-	1.7	1.7	18.0
Change	6.1	9.4	12.0	6.8	(3.1)	2.5	(14.2)	5.1	(3.0)	(13.8)	(14.9)	1.7	(0.0)	16.3	0.7
Closing Net Debt /(Cash)	**11.5**	**20.9**	**32.9**	**39.7**	**36.6**	**39.1**	**24.9**	**38.0**	**34.9**	**21.1**	**6.2**	**1.7**	**1.7**	**18.0**	**18.7**

Source: Intermonte SIM (E), Company actual (A)

DCF Valuation

Based on our new estimates, we confirm our TP at €16.0 (>80% upside). The stock is currently trading at c.7x EV/EBITDA'26 (Unidata c.4x, EU Telco Sector c.5x).

INTRED – DCF model (WACC still 8.5%, g 1.0%)

(Eu mn)	'26E	'27E	'28E	'29E	'30E	'31E	'32E	'33E	'34E	'35E	'36E	TV
VoP	**60.9**	**64.4**	**67.7**	**70.5**	**72.7**	**74.8**	**76.6**	**78.4**	**80.0**	**81.6**	**82.9**	**83.8**
YoY growth	8.1%	5.8%	5.0%	4.1%	3.2%	2.8%	2.5%	2.3%	2.1%	1.9%	1.7%	1.0%
Adj. EBITDA	**28.0**	**29.8**	**31.5**	**33.0**	**34.5**	**35.9**	**37.2**	**38.4**	**39.7**	**40.9**	**42.1**	**42.3**
as % of VoP	46.0%	46.3%	46.5%	46.9%	47.4%	48.0%	48.5%	49.1%	49.6%	50.2%	50.7%	50.5%
D&A	(13.8)	(14.3)	(14.7)	(15.2)	(15.6)	(15.9)	(16.2)	(16.4)	(16.6)	(16.8)	(17.0)	(7.5)
EBIT	**14.2**	**15.5**	**16.8**	**17.8**	**18.9**	**20.0**	**21.0**	**22.0**	**23.0**	**24.1**	**25.1**	**34.8**
as % of VoP	23.3%	24.1%	24.8%	25.3%	26.0%	26.7%	27.4%	28.1%	28.8%	29.5%	30.2%	41.5%
Taxes	(3.4)	(3.7)	(4.0)	(4.3)	(4.5)	(4.8)	(5.0)	(5.3)	(5.5)	(5.8)	(6.0)	(8.3)
tax rate	*24%*	*24%*	*24%*	*24%*	*24%*	*24%*	*24%*	*24%*	*24%*	*24%*	*24%*	*24%*
Change in WC	2.0	0.6	0.6	0.4	0.1	0.0	(0.0)	(0.0)	(0.1)	(0.1)	(0.2)	-
Capex	(18.7)	(25.2)	(9.9)	(10.5)	(9.2)	(8.5)	(7.8)	(7.0)	(7.1)	(7.3)	(7.4)	(7.5)
as % of VoP	30.8%	39.1%	14.6%	14.9%	12.6%	11.4%	10.2%	8.9%	8.9%	8.9%	8.9%	9.0%
Unlevered FCF	**7.9**	**1.5**	**18.2**	**18.6**	**20.9**	**22.6**	**24.3**	**26.1**	**26.9**	**27.7**	**28.5**	**26.4**
TV												356
year	0.0	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	10
Disc. Factor	1.00	0.92	0.85	0.78	0.72	0.67	0.61	0.57	0.52	0.48	0.44	0.44
Disc. Flows		**1.4**	**15.4**	**14.6**	**15.1**	**15.1**	**15.0**	**14.8**	**14.1**	**13.4**	**12.6**	**158.3**

Sum of FCF'27-36E	131.4
Terminal value	158.3
Total EV	**289.6**
Net Cash (Debt) at YE26	(36.6)
Minorities	0.0
treasury shares	0.6
Equity Value	**253.6**
current NOSH (mn)	15.9
Target Price (Eu)	**16.0**
current price (Eu)	8.8
upside vs current price	81%

Source: Intermonte SIM

INTRED - DCF Sensitivity to WACC (%) and g (%)

WACC \ g	0.5%	0.6%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.4%	1.5%
7.5%	18.1	18.3	18.5	18.7	18.9	**19.1**	19.3	19.5	19.8	20.0	20.2
7.7%	17.5	17.7	17.8	18.0	18.2	**18.4**	18.6	18.8	19.0	19.2	19.4
7.9%	16.9	17.1	17.2	17.4	17.6	**17.7**	17.9	18.1	18.3	18.5	18.7
8.1%	16.3	16.5	16.6	16.8	17.0	**17.1**	17.3	17.5	17.6	17.8	18.0
8.3%	15.8	15.9	16.1	16.2	16.4	**16.5**	16.7	16.8	17.0	17.2	17.4
8.5%	**15.3**	**15.4**	**15.6**	**15.7**	**15.8**	**16.0**	**16.1**	**16.3**	**16.4**	**16.6**	**16.7**
8.7%	14.8	14.9	15.1	15.2	15.3	**15.4**	15.6	15.7	15.9	16.0	16.2
8.9%	14.4	14.5	14.6	14.7	14.8	**14.9**	15.1	15.2	15.3	15.5	15.6
9.1%	13.9	14.0	14.1	14.2	14.4	**14.5**	14.6	14.7	14.8	15.0	15.1
9.3%	13.5	13.6	13.7	13.8	13.9	**14.0**	14.1	14.2	14.4	14.5	14.6
9.5%	13.1	13.2	13.3	13.4	13.5	**13.6**	13.7	13.8	13.9	14.0	14.1

Source: Intermonte SIM

Peer multiples

We use peer multiples to offer a sanity check on our DCF model, purely for information purposes. Indeed, we believe the company is more similar to an emerging firm, considering its high growth potential and ongoing network expansion, whereas the telecom sector is typically characterised by well-established companies operating in a mature business.

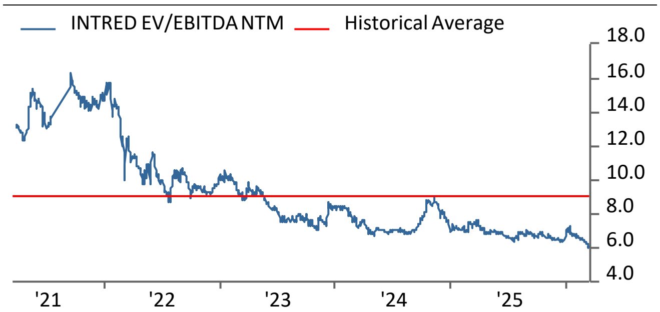
INTRED - Peer Valuation Multiples

Company	Currency	Price	Mkt. Cap (Eu mn)	Abs. Perf. (%) 1m	3m	6m	Ytd	EV/Sales (x) '26E	'27E	'28E	EV/EBITDA (x) '26E	'27E	'28E	EV/EBIT (x) '26E	'27E	'28E	Adj. PE (x) '26E	'27E	'28E	Div. Yield (%) '26E	'27E	'28E
Intred SpA (@mkt price, our est.)	**EUR**	**8.80**	**140**	**-8%**	**-5%**	**-8%**	**-12%**	**2.9**	**2.8**	**2.4**	**6.3**	**6.0**	**5.2**	**12.5**	**11.6**	**9.8**	**16.2**	**14.4**	**13.0**	**1.4%**	**1.4%**	**1.5%**
Intred SpA (@mkt price, cons.)	**EUR**	**8.80**	**140**	**-8%**	**-5%**	**-8%**	**-12%**	**2.8**	**2.5**	**2.1**	**6.0**	**5.1**	**4.1**	**12.1**	**9.8**	**8.1**	**15.4**	**12.8**	**12.6**	**1.3%**	**1.6%**	**0.0%**
Intred SpA (@TP, our est..)	**EUR**	**16.0**	**140**	**-8%**	**-5%**	**-8%**	**-12%**	**4.8**	**4.6**	**4.1**	**11.6**	**10.4**	**9.9**	**20.6**	**18.9**	**16.7**	**34.1**	**29.4**	**26.2**	**0.8%**	**0.8%**	**0.8%**
Unidata (@mkt price, our est.)	EUR	3.08	95	-8%	8%	11%	7%	1.1	1.0	0.9	4.3	4.1	3.6	7.8	7.2	6.1	9.6	8.7	7.6	0.3%	0.3%	0.3%
Planetel S.p.A.	EUR	3.92	27	-4%	1%	-2%	-6%	0.6	0.5	n.m	2.3	2.1	n.m	6.8	5.1	n.m	14.0	8.9	n.m	0.0%	0.0%	0.0%
Convergenze SpA Societa Benefit	EUR	1.71	13	-10%	-3%	-17%	-1%	0.4	0.4	n.m	2.1	1.9	n.m	3.5	3.1	n.m	6.0	5.2	n.m	0.0%	0.0%	0.0%
Italian Regional FTTH players - Median								**1.1**	**1.0**	**2.1**	**4.3**	**4.1**	**4.1**	**7.8**	**7.2**	**8.1**	**14.0**	**8.9**	**12.6**	**0.3%**	**0.3%**	**0.0%**
United Internet AG	EUR	26.34	5,057	2%	6%	-3%	-5%	1.5	1.4	1.2	6.8	5.6	5.0	12.6	10.0	9.1	15.7	13.7	10.3	2.5%	2.9%	4.8%
Chorus Limited	NZD	8.94	2,020	1%	-2%	-7%	-2%	7.0	6.9	6.6	9.9	9.6	9.1	24.4	20.4	18.3	76.4	41.5	32.6	6.7%	7.0%	7.2%
Intl. Regional FTTH players - Median								**4.3**	**4.1**	**3.9**	**8.3**	**7.6**	**7.0**	**18.5**	**15.2**	**13.7**	**46.0**	**27.6**	**21.5**	**4.6%**	**4.9%**	**6.0%**
Average Selected Peers								**2.7**	**2.6**	**3.0**	**6.3**	**5.9**	**5.6**	**13.2**	**11.2**	**10.9**	**30.0**	**18.2**	**17.1**	**2.5%**	**2.6%**	**3.0%**

		1m	3m	6m	Ytd
FTSE Italia Mid Cap	54,134	-8.9%	-7.2%	-4.1%	-8.0%
FTSE Italia Star	44,453	-8.7%	-9.7%	-8.5%	-11.1%
FTSE MIB	44,317	-2.5%	1.8%	4.1%	-1.4%
FTSE Italia Growth Index	8,359	-3.8%	-1.2%	-2.1%	-3.0%
FTSE Italia All-Share	46,670	-3.1%	1.0%	3.3%	-2.1%

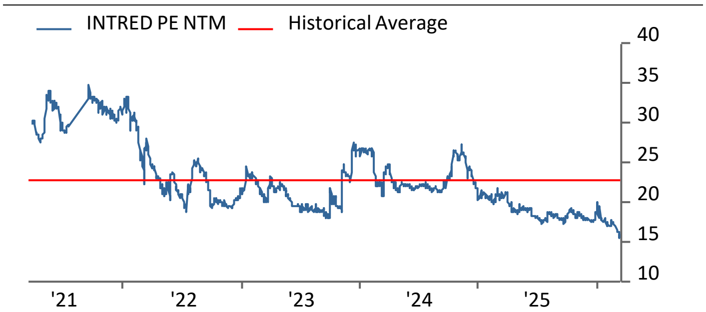
Source: Intermonte SIM for INTRED and Unidata, FactSet Consensus

INTRED - EV/EBITDA NTM Evolution



Source: FactSet Consensus

INTRED – PE NTM Evolution



Source: FactSet Consensus

INTRED in Brief

Company description

Based in Brescia and founded in 1996, **INTRED** offers UBB connectivity to businesses and residential clients, leveraging on its proprietary cutting-edge network (>14,250km) in the extremely vibrant Lombardy region (1/5 of Italy's GDP). By providing its services to SMEs (55% of FY24 sales), residential (18%), wholesale (8%) and public sector clients (19%), INTRED makes full use of its network. The Group has been listed on the EGM since July 2018 (IPO price €2.27) and currently employs c.180 skilled personnel. INTRED secured further expansion thanks to the acquisitions of QCOM (Feb’20, €10mn cashout, 4.3k business clients) and Connecting Italia (Jan’24, €4mn cashout, 2k business clients).

Management

CEO and Chairman: Daniele Peli
GM: Egon Zanagnolo
CFO: Filippo Leone
Network Development: R. Boron

Next BoD renewal: Spring, 2027
BoD independent members: 2/7
BoD women: 3/7

Shareholders

DM Holding S.r.l.	60.3%
o/w Daniele Peli	*67%*
o/w Marisa Prati	*33%*
Value First Sicav	9.4%
Market	30.3%

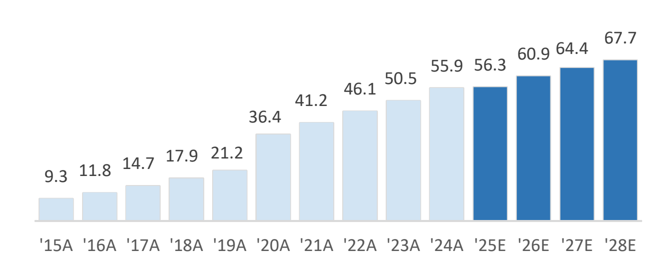
Strengths/Opportunities

- Upside from School Tender renewals and datacentre project
- Proprietary fibre network with a focus on future-proof FTTH technology
- Strategic location in an affluent and thriving area: significant market share in areas of Brescia (>15%) and Bergamo (>7%) and great presence in Lombardy with a large addressable market
- A highly fragmented (>52.5k customers as of FY24) and loyal customer base (churn rate c.4%)
- High profitability (c.45% EBITDA margin in FY25) and high entry barriers (investment, reputation, know-how)
- Short-term catalyst for the equity story from STAR move

Weaknesses/Threats

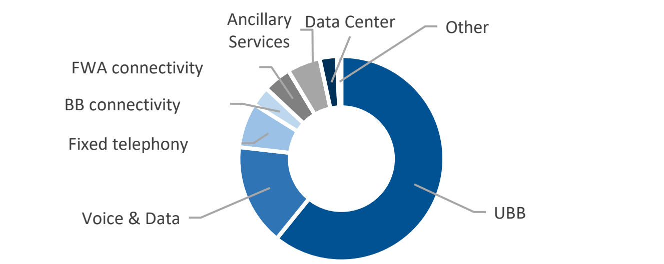
- A medium-sized company contending with telecom giants in a fiercely competitive and dynamic market
- SMEs typically more heavily penalised in the event of an economic downturn than large corporates
- Limited footprint with regional exposure skewed to Lombardy
- Keeping pace with the rate of business growth and innovation may require additional investment
- Failure to efficiently deploy capital or increase commercial take-up on proprietary infrastructure
- Risks associated with dependence on the services and infrastructure of other operators (TIM a major supplier)

INTRED – Value of Production (Eu mn)



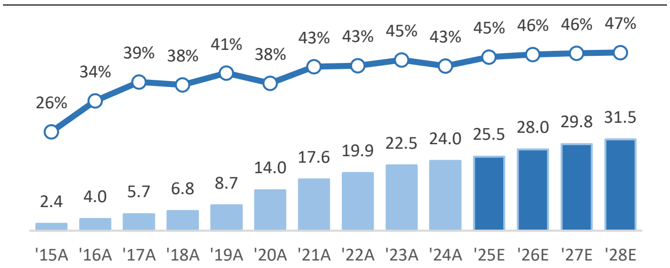
Source: Intermonte SIM (E), Company actual (A)

INTRED – FY24 Revenue Breakdown by Business (%)



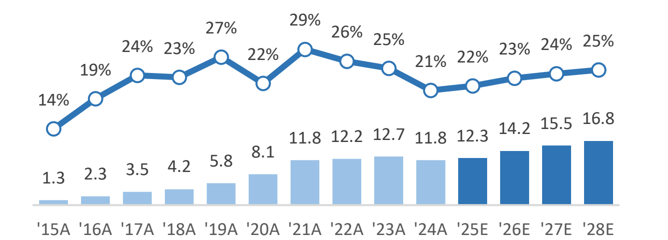
Source: Intermonte SIM (E), Company actual (A)

INTRED – EBITDA (Eu mn) and Margin on Sales (%)



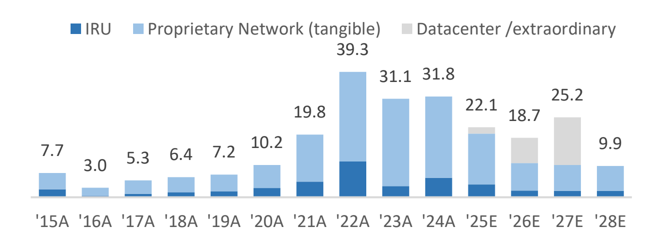
Source: Intermonte SIM (E), Company actual (A)

INTRED – EBIT (Eu mn) and Margin on Sales (%)



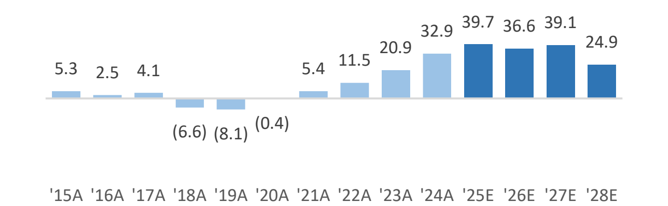
Source: Company Data (A), Intermonte Estimates (E)

INTRED – CapEx Trend (Eu mn)



Source: Intermonte SIM (E), Company actual (A)

INTRED – Net Debt/(Cash) Evolution (Eu mn)



Source: Company Data (A), Intermonte Estimates (E)

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DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	**INTRED**		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	16.00	Previous Target (Eu):	16.00
Current Price (Eu):	8.80	Previous Price (Eu):	9.84
Date of report:	16/03/2026	Date of last report:	06/11/2025

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GUIDE TO FUNDAMENTAL RESEARCH

The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- 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 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

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.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 16 March 2026 Intermonte’s Research Department covered 131 companies. Intermonte’s distribution of stock ratings is as follows:

BUY:	32.06%
OUTPERFORM:	38.17%
NEUTRAL:	29.77%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (76 in total) is as follows:

BUY:	52.63%
OUTPERFORM:	27.63%
NEUTRAL:	18.42%
UNDERPERFORM:	01.32%
SELL:	00.00%

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In order to disclose its possible conflicts of interest Intermonte SIM states that:

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Intermonte SIM is acting as financial advisor to Banca CF+ in the context of the public tender offer promoted on Banca Sistema.

Intermonte SIM is acting as financial advisor to TIM in relation to the company's saving shares conversion.

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