INTRED

Telecommunications

Fiber Core Shines Through Tender Noise

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Intred is a telecom and cloud player with a 15,000+ km proprietary next-generation fiber network and a strong foothold in Lombardy, serving over 57k clients across SMEs, wholesale, public entities and, more recently, also households.

FAIR VALUE (€)	**13.50**
MARKET PRICE (€)	**9.62**
MARKET CAP (€mn)	**153.4**

Q1-26 Sales at €14.2mn, +6.8% YoY ex-"School Tenders"

Intred reported Q1-26 Sales of €14.2mn (vs. €13.9mn in Q1-25), up 2.0% YoY, or +6.8% YoY excluding "School Tenders". Revenue mix further improved, with recurring-fee services at 93.8% of total and churn still very low at 4.4%. The integration of Connecting Italia is now substantially completed, following the disposal of low-margin / non-strategic activities. Going into details, we flag:

- Ultra-Broadband remained the main growth driver, with revenues at €6.8mn, up 11.3% YoY;
- By customer segment, Professional remained the key contributor at €8.0mn (+4.0% YoY), followed by Private at €2.6mn (+5.5%), Wholesale at €1.2mn (+13.3%) and PA at €0.8mn (+36.5%);
- Geographically, Brescia still accounts for most characteristic revenues at 57.9%, while Bergamo and Milan are increasingly relevant at 13.2% and 12.0%, respectively;
- The proprietary fiber network expanded to >15,000 km as of Mar-26, from >14,000 km in Q1-25;
- On "School Tenders", Intred has activated 1,055 schools under Bando 2, equal to 73.8% of the total and worth €15.8mn, bringing connected public schools in Lombardy to 4,900. Q1-26 revenues from the two "School Tenders" stood at €1.5mn, or 10.3% of total.

Also, the BoD renewed the buy-back program from May 5, 2026, for up to 100,000 shares / 0.6% of share capital, with a maximum countervalue of €1.5mn and an 18-month execution window.

2026E-28E Estimates Confirmed

Following the release of Q1-26 KPIs, we confirm our FY26E-FY28E estimates. We continue to forecast VoP to grow to €67.1mn by FY28E, implying a >7% CAGR on an organic basis, with EBITDA reaching €32.4mn and EBITDA Margin expanding to 48.7%. Our forecasts already take into account the delayed and more capital-intensive rollout of the Brescia Tier IV modular data center, with peak capex expected in FY27E and cash generation inflection deferred to FY28E-FY29E. Net Debt is expected to improve to €39.6mn as investment peaks subside.

Base Case Fair Value at €13.50 p/s, but Potential Upside

We confirm our SOTP-based Fair Value at €13.50 p/s, based on the combination of the core telecom perimeter and the Data Center Project optionality.

KEY FINANCIALS	FY25A	FY26E	FY27E
VALUE OF PRODUCTION	56.3	60.4	63.4
EBITDA	25.5	28.0	30.1
EBIT	12.4	13.9	15.3
NET PROFIT	8.3	8.3	9.4
GROUP NET EQUITY	67.9	74.3	81.9
NET DEBT (-) / NET CASH (+)	-42.1	-36.7	-41.4
EPS ADJ.	0.52	0.52	0.59
DPS	0.12	0.11	0.13

Source: Intred (historical figures), Value Track (estimates)

RATIOS AND MULTIPLES	FY25A	FY26E	FY27E
EBITDA MARGIN (%)	45.8	46.6	47.7
EBIT MARGIN (%)	22.3	23.1	24.3
NET DEBT / EBITDA (x)	1.6	1.3	1.4
NET DEBT / NET EQUITY (x)	0.6	0.5	0.5
ROE (%)	11.2	11.5	11.6
EV / SALES (x)	3.6	3.1	3.1
EV / EBITDA (x)	7.9	6.8	6.5
EV / EBIT (x)	16.2	13.6	12.7
P / E ADJ. (x)	19.2	18.5	16.3

Source: Intred (historical figures), Value Track (estimates)

STOCK DATA	
MARKET PRICE (€)	9.62
NOSH (mn)	15.9
MARKET CAP (€mn)	153.4
ENTERPRISE VALUE (€mn)	189.3
FREE FLOAT (%)	29.7
AVG L30D VOLUME ('000)	14,169
RIC / BBG	ITD.MI / ITD IM
52 WK MIN - MAX (€)	8.32 - 10.95

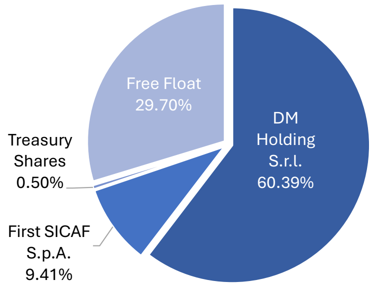
Source: Stock Market Data

Description

Founded in 1996 and headquartered in Brescia, Intred is a vertically integrated, telecom and cloud operator with a strong regional focus in Lombardy. Intred offers a full range of data and voice services through a next-generation proprietary fiber network that now stretches over 15,000 km, serving more than 57k clients across SMEs, public institutions, and residential users, supported by a highly visible revenue model (~90/95% recurring and prepaid), and a churn rate consistently below 5%.

The Company has delivered strong organic growth (backed by >€190mn in network investments) and completed targeted acquisitions (Qcom S.p.A., Connecting Italia S.r.l.), while securing major infrastructure contracts such as the Infratel "School Tenders".

SHAREHOLDER STRUCTURE



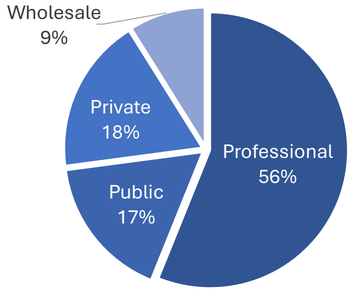
Source: Intred

Financial Highlights

KEY FINANCIALS (IAS/IFRS, €mn)	FY25	FY26E	FY27E	FY28E
Value of Production	**56.3**	**60.4**	**63.4**	**67.1**
YoY (%)	0.8%	7.2%	5.0%	5.8%
EBITDA	**25.5**	**28.0**	**30.1**	**32.4**
EBITDA Margin (%)	*45.8%*	*46.6%*	*47.7%*	*48.7%*
EBIT	**12.4**	**13.9**	**15.3**	**16.4**
EBIT Margin (%)	*22.3%*	*23.1%*	*24.3%*	*24.6%*
Net Profit	**8.3**	**8.3**	**9.4**	**10.4**
YoY (%)	*20.5%*	*-0.2%*	*13.6%*	*10.8%*
Adj. Net Profit	**8.3**	**8.3**	**9.4**	**10.4**
YoY (%)	*20.5%*	*-0.2%*	*13.6%*	*10.8%*
Net Fin. Position [Net Debt (-) / Cash(+)]	**-42.1**	**-36.7**	**-41.4**	**-39.6**
Net. Fin. Pos. / EBITDA (x)	1.6	1.3	1.4	1.2
Capex	-21.8	-16.0	-32.0	-15.0
OpFCF b.t.	**-1.0**	**10.4**	**3.0**	**9.8**
OpFCF b.t. / EBITDA (%)	*-4.1%*	*37.0%*	*10.0%*	*30.3%*

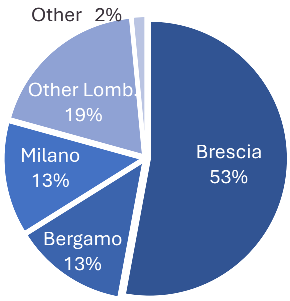
Source: Intred, Value Track Analysis

REVENUES FROM SALES BY CUSTOMER



Source: Intred, FY25

REVENUES FROM SALES BY AREA



Source: Intred, FY25

Investment Case

Strengths / Opportunities

- Fully-owned next-generation fiber network;
- Full-scope portfolio of TLC services with best-in-class performance;
- First mover advantage in Lombardy, a strategic and rich region;
- Scalable business model with high visibility;
- Loyal and diversified customer base;
- Data center expansion and on-network up-selling;
- Disciplined bolt-on M&A opportunities.

Weaknesses / Risks

- Smaller scale vs. national incumbents;
- High SME exposure, making revenues more sensitive to economic swings;
- Managerial dependence;
- Limited M&A track record;
- Fast technology cycles need sustained capex to keep pace with innovation.

STOCK MULTIPLES @ FV	FY26E	FY27E
EV / SALES (x)	4.2	4.0
EV / EBITDA (x)	9.0	8.5
EV / EBIT (x)	18.1	16.8
EV / CAP. EMPLOYED	2.3	2.1
OpFCF Yield (%)	4.2	1.3
P / E (x)	26.0	22.9
P / BV (x)	2.9	2.6
Dividend Yield (%)	0.8	1.0

Source: Intred

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