

# European Midcap Event Frankfurt

February 13<sup>TH</sup> 2025



# INTRED, THE FIBER COMPANY

**INTRED** is a telecommunication and internet provider with its own fiber network infrastructure  
Founded in 1996 by Daniele Peli, **INTRED** provides:

- Broadband connectivity
  - Ultra broadband connectivity
  - FWA connectivity
  - Voice
  - Hosting and Housing
- 
- **STRONG PRESENCE** in Lombardy, the richest region in Italy, in particular in the Brescia area.
  - Fragmented customer base with a **VERY LOW CHURN RATE (<5%)**
  - **RECURRING NATURE OF FEES** (88,5% of total turnover is recurring)
  - **HIGH REVENUES VISIBILITY**

# EUROPEAN MIDCAP EVENT

Strategic Plan to 2027

Financial Targets

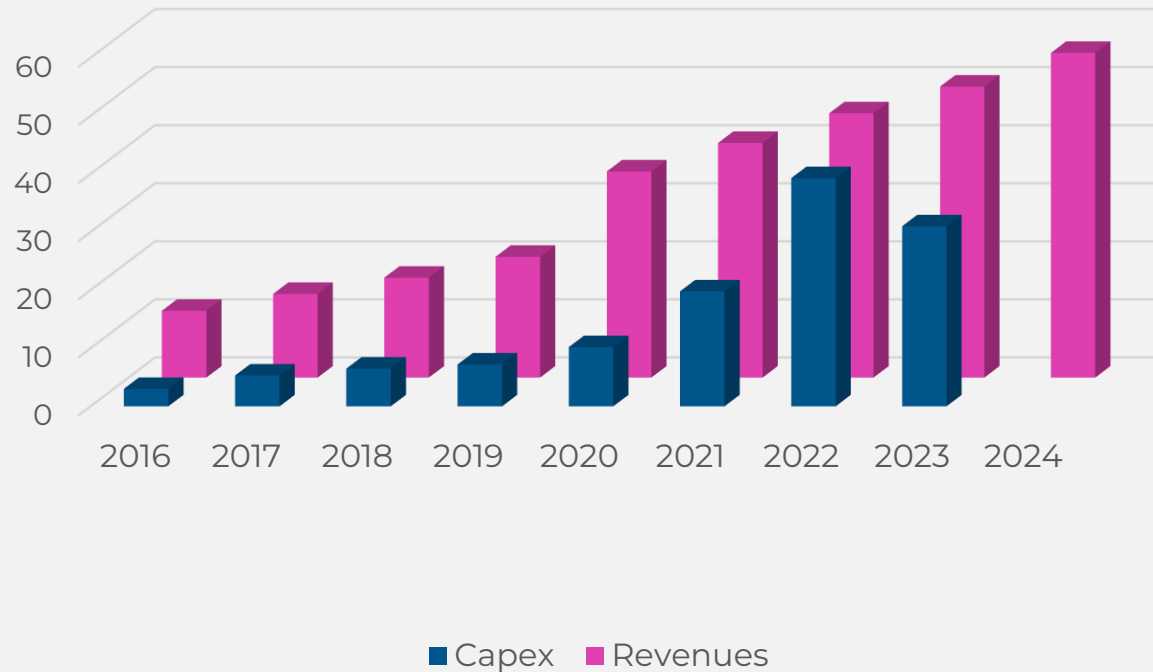
Closing Remarks

Appendix

# INVESTING IS IN OUR NATURE

€ Mn

## CAPITALIZING ON GROWTH

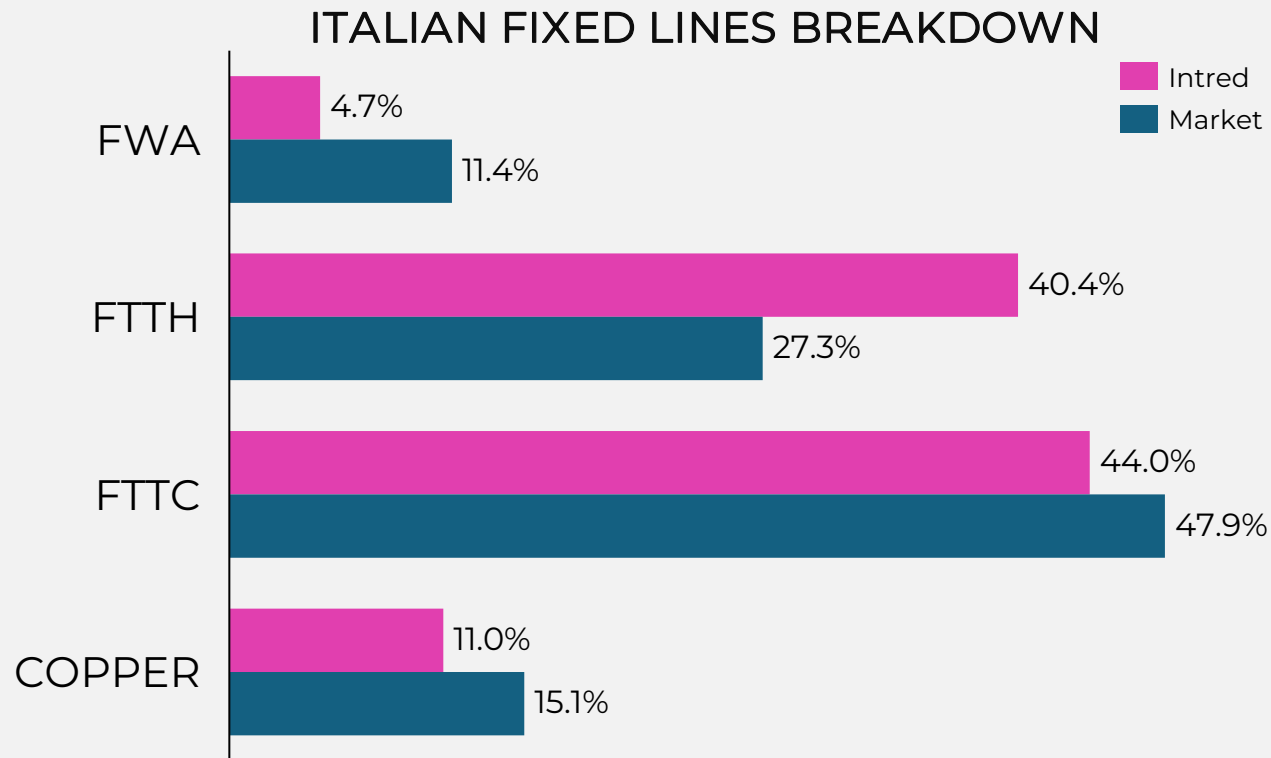


Source: Company Data

- INTRED growth story highlights a **strong commitment in investing** to support growth
- Since 2016 over € 140M of investments for a network of 13,500Km to serve 52k users

## THIS IS OUR STORY

# A STRONG FOCUS IN FTTH

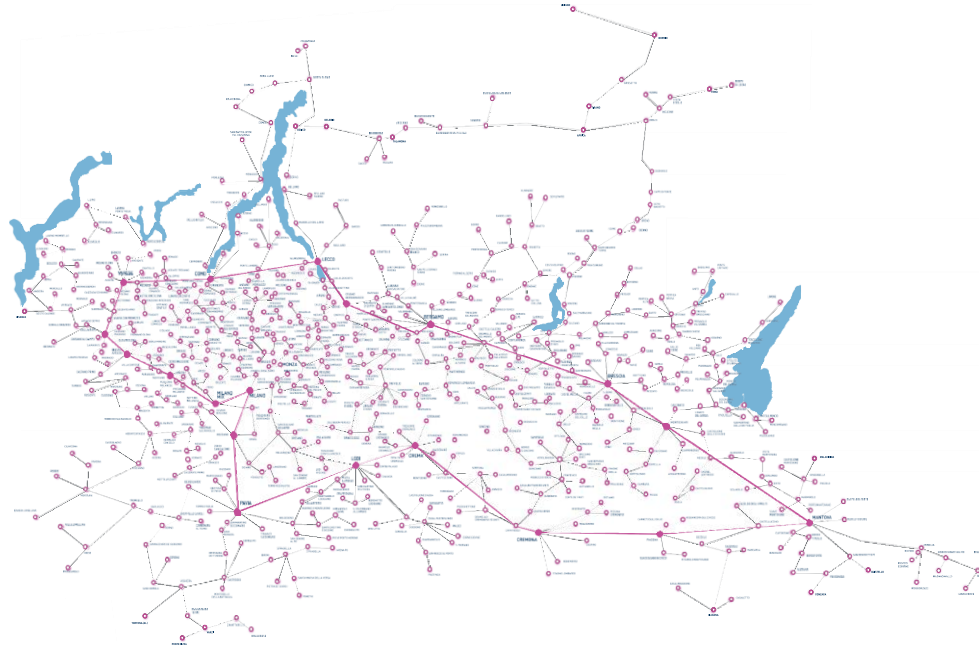


Source: AGCOM – Osservatorio Sulle Comunicazioni N4/2024

- Intred leads with 40.4%, far surpassing the market average of 27.3%
- FTTH destined to replace all the other data lines

## FTTH LEADERSHIP

# A GROWTH SECTOR, THE STRONGEST REGION



ITALY	LOMBARDY
POPULATION: 👤 > 59 M	POPULATION: 👤 > 10 M
ACTIVE COMPANIES: 🏢 > 2.65 M	ACTIVE COMPANIES: 🏢 > 800 K

Source: Eurostat and Unioncamere Lombardia

Milano	Brescia	Bergamo	Como & Lecco	Monza - Brianza
👤 > 3.24 M	👤 > 1.26 M	👤 > 1.11 M	👤 > 0.93 M	👤 > 0.87 M
🏢 > 300 K	🏢 > 100 K	🏢 > 80 K	🏢 > 60 K	🏢 > 60 K

Source: Eurostat and Unioncamere Lombardia

## WIDESPREAD NETWORK OF OVER 13,500KM (+14.6% DEC-2023)

# STRATEGIC PLAN TO CREATE SHAREHOLDERS VALUE

	A Growing Business	M&A for positioning	New Business
	<i>FTTH Network</i>	<i>Connecting Italia Srl</i>	<i>Data Centers</i>
Nature	Cash Generation	Investment	Investment
Strategy	Growth Business	Improve positioning	Cash reinvestment
Impact on 2027	Strong	Strong	Low
Long Term Impact	Strong		

## SHAREHOLDER VALUE CREATION

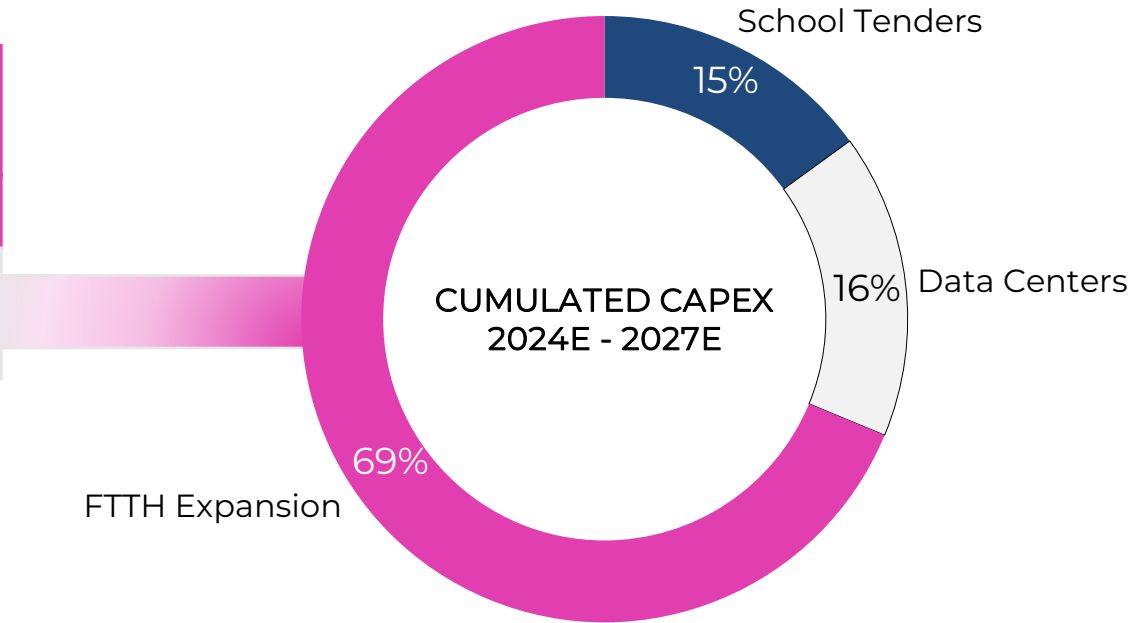
# INTRED 2027 HORIZON

2027E		
Value of Production	EBITDA	EBITDA Margin
67-73	34-36	50%

€ Mn

CUMULATED CAPEX	
2020-2023	2024E-2027E
100	80

€ Mn



## STRATEGIC CAPEX PLAN FOR EBITDA GROWTH



# A PROVEN RECORD IN INVESTMENTS: SCHOOL TENDERS

## SCHOOL TENDER 1

Tender's value ~€ 40 MN

- >3,700 schools activated out of 4,000 (94%)
- Activation period started in February 2021 and expected to last in Q2 2025
- 5 years of supply

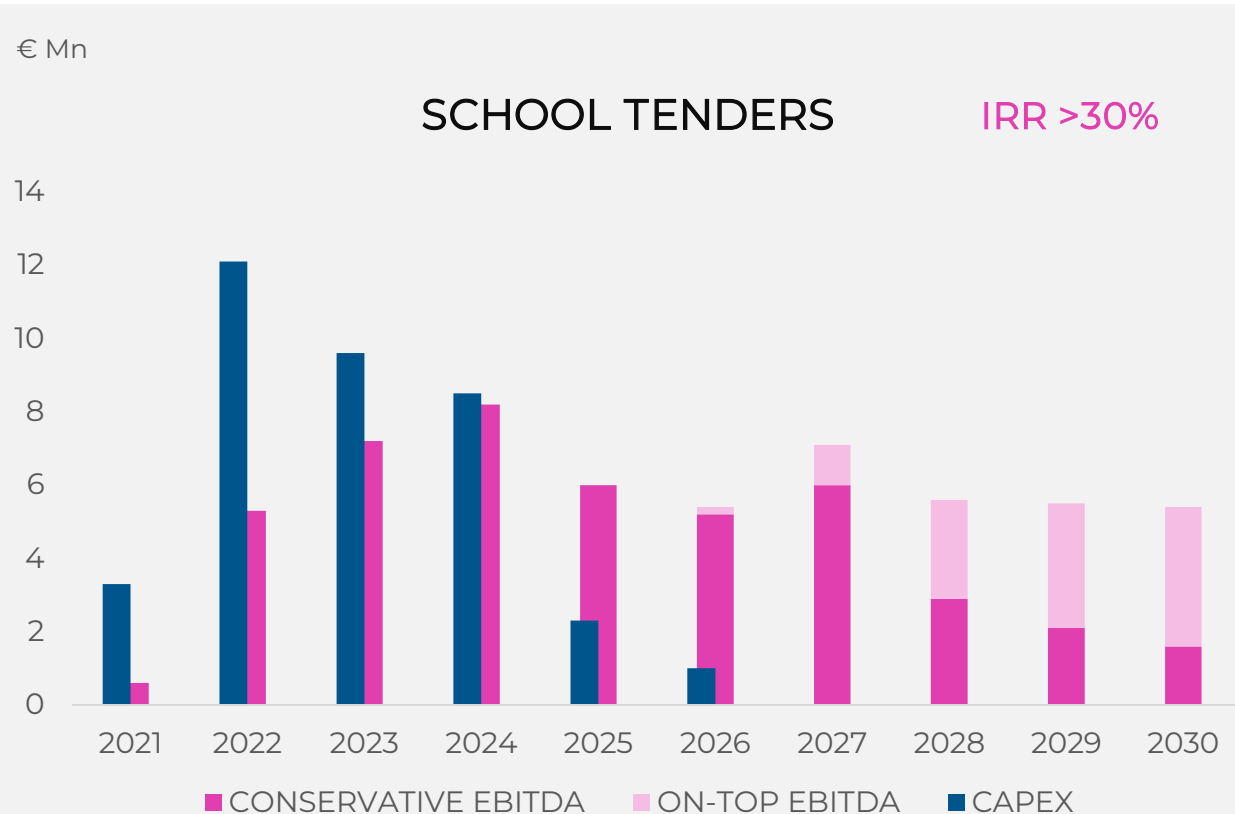
## SCHOOL TENDER 2

Tender's value ~€ 19 MN

- ~700 schools activated out of 1,200 (58%)
- Activation period started in May 2022 and expected to last in Q4 2026
- 7 years of supply

## COVERAGE, ACCREDITATION AND STRATEGIC EXPANSION

# INDUSTRIAL PLAN ON SCHOOLS LOOKS CONSERVATIVE



Source: Company Data

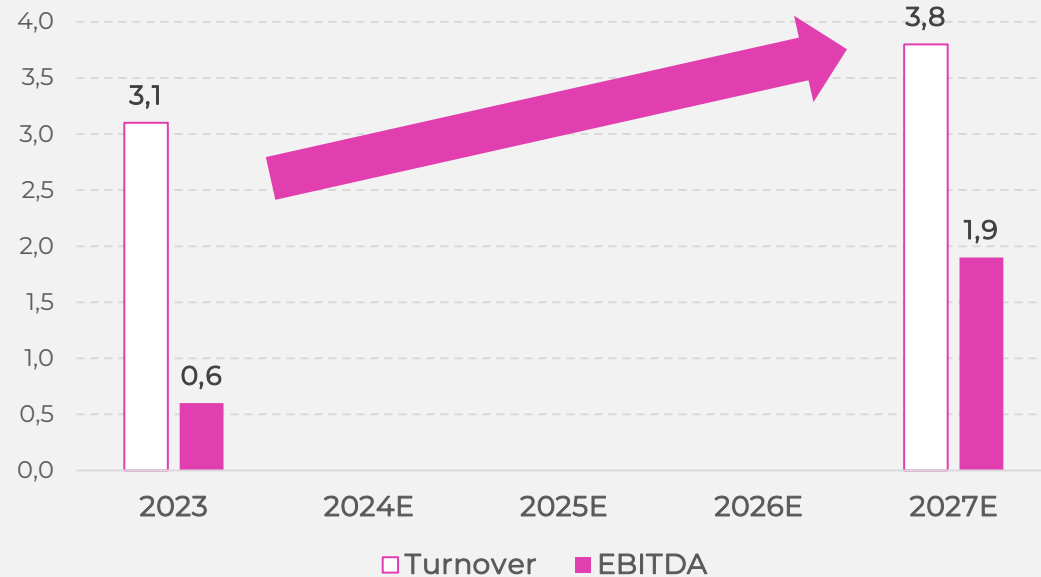
- Comprehensive coverage across Lombardy, ensuring availability and accessibility in all areas, reinforced by full accreditation from public institutions.
- Strong financial performance, with an Internal Rate of Return exceeding 30% (2021-2049) under conservative assumptions and significant EBITDA generation from 2027 under optimistic client retention scenarios (on top Ebitda)
- Resilient business model: conservative EBITDA projections in the Strategic Plan that assumes no school renewals after tenders' expiration.

## MORE CREDIBLE ASSUMPTIONS ENSURE ECONOMIC BUFFER

# CONNECTING ITALIA: POSITIONING + GOOD RETURNS

€ Mn

CONNECTING KEY DATA 2023 – 2027E



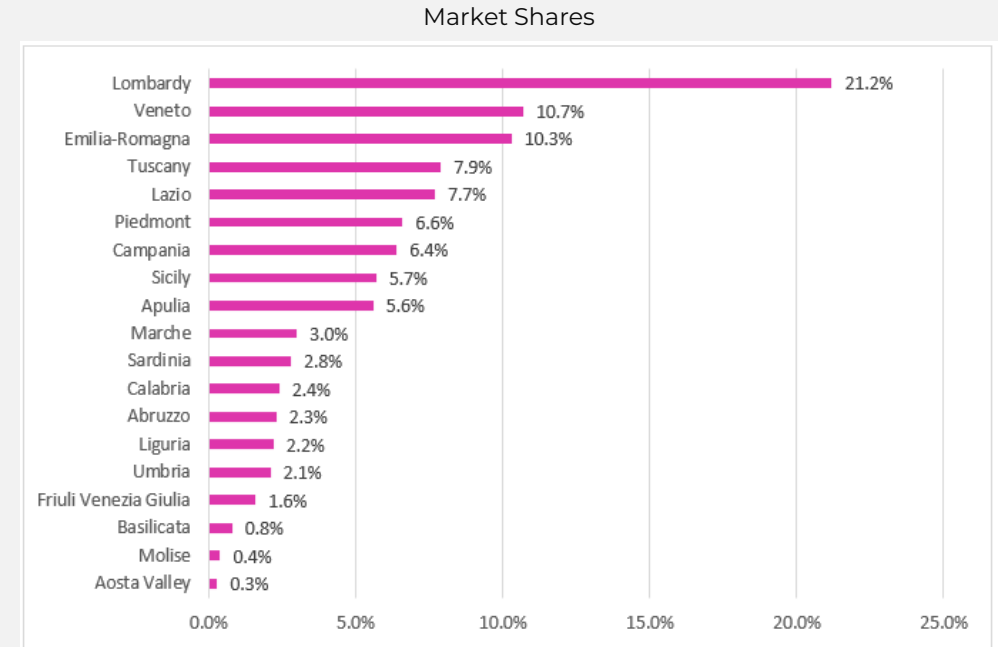
Source: Company Data

- Investment of € 3,6M cash in April-July 2024 (announcement in January 2024)
- Improving Intred positioning in Lombardy through the acquisition of customers to move on the proprietary network
- Double digit Turnover growth rate and EBITDA margin heading towards 50%
- Value and cash generative acquisition

## M&A CONTINUES TO BE A PRIORITY FOR INTRED GROWTH

# LOOKING AHEAD: DATA CENTERS, AN APPEALING SECTOR

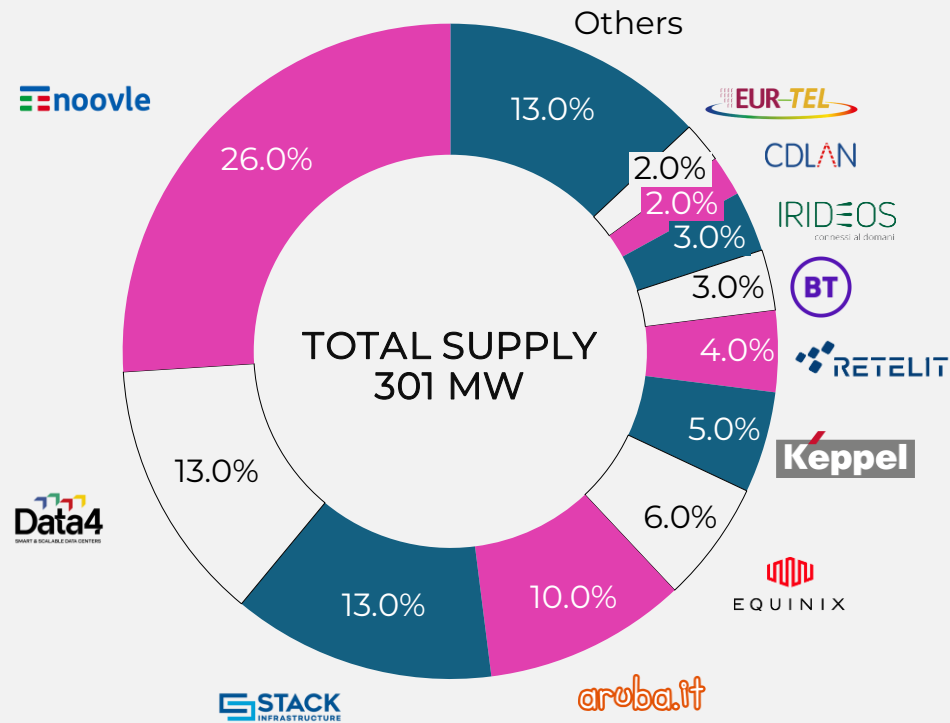
Market Size in 2024	Market Size in 2029	IT LOAD CAPACITY (2024)
€ 1,9 B	€ 3,7 B	411.4 MW
CAGR (2017-2023)	CAGR (2024-2029)	The IT load capacity of the Italian data center market may grow steadily and reach 805.2 MW by 2029. Media & entertainment, manufacturing, BFSI, and e-commerce primarily catalyse growing IT load capacity by increasing data consumption.
17.4%	14.4%	



Source: <https://www.mordorintelligence.com/industry-reports/italy-data-center-market>

- Data center is a clearly growing sector in Italy
- Growth ahead is predicted to be 14.4% in the next 5 years, similar to the past 5 years
- Lombardy (not surprisingly) looks the most interesting place to be with high growth

# DATA CENTERS: WHY INTRED?



Source: 451 Research Datacenter Knowledgebase and Company Assumptions

- Intred **already operates** with two Data Centers located by its Head Quarters
- Interconnect Data Centers with Intred's network through a “non-real estate” approach
- The mix of Intred's customer base and the bundle, is set to allow **upselling** through new generation servers (**low maintenance**).
- Brescia geographic position looks supportive to conquer market shares: close to Milan and close to Intred's customers which can be connected through our network

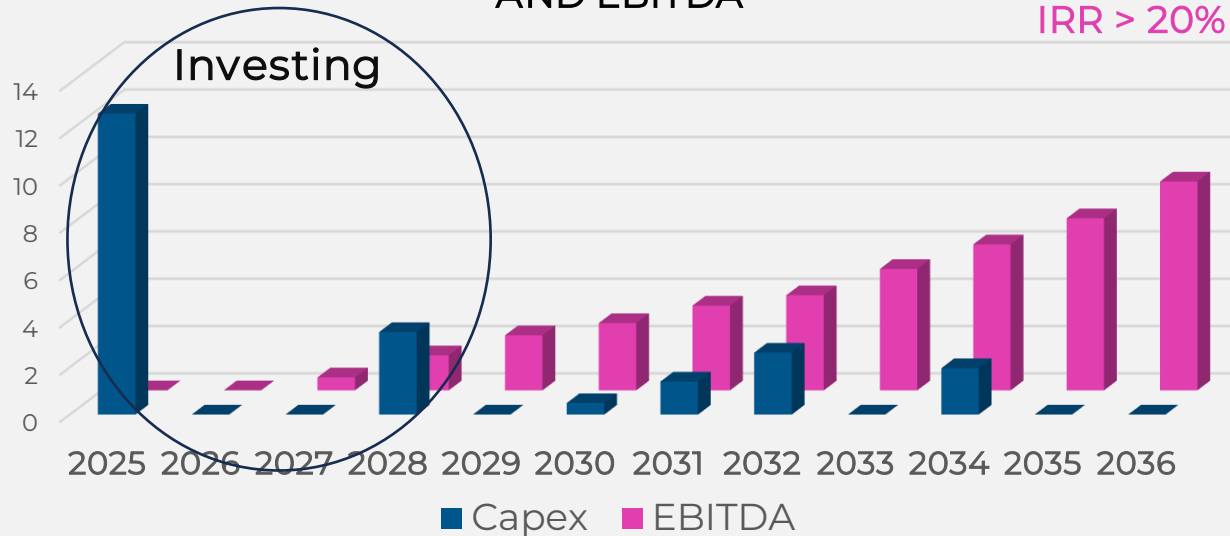
## DATA CENTERS: PERFECT FIT WITH INTRED SKILLS & POSITIONING

# DATA CENTERS: A GREAT WAY TO INVEST FOR INTRED

€ Mn

## INTRED DATA CENTER BUSINESS EXPECTED CAPEX AND EBITDA

IRR > 20%



Source: Company Data

- Positive EBITDA contribution as of 2027, EBITDA clearly exceeding Capex as of 2029
- Internal Rate of Return exceeding 20% throughout the 2025-2036 period assuming a 2/3 banking financing of the investment
- Investment is demand-driven, with significant pre-commitments already in place

## POSITIVE EBITDA BY 2027, MASSIVE RETURNS AS OF 2029

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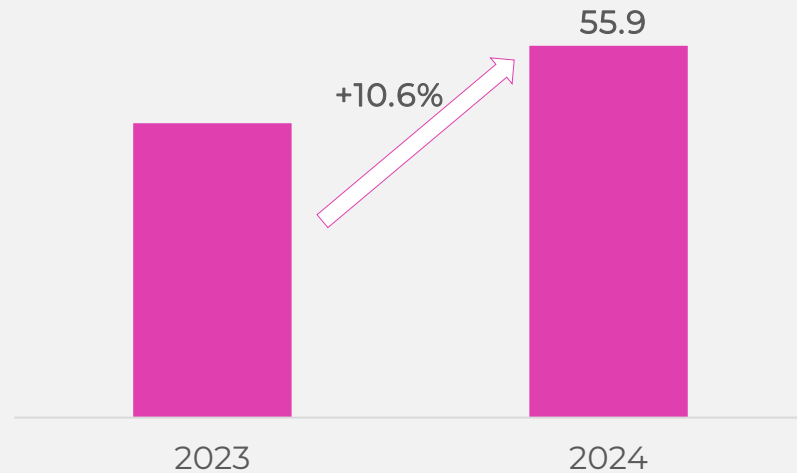
Closing Remarks

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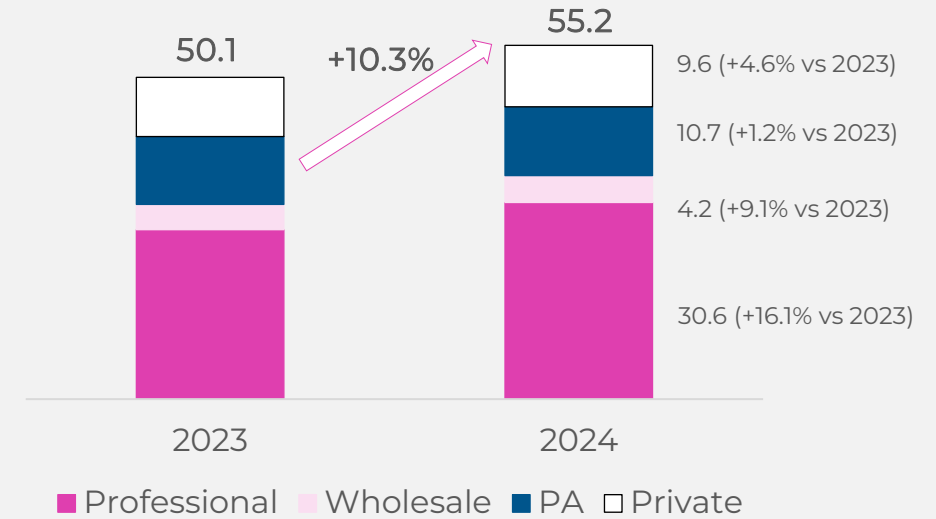
# KPI FY2024: WELL ON TRACK

€ Mn

## Value of Production



## Revenues



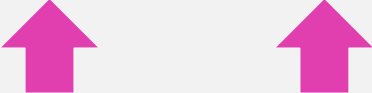
- Sale of FTTH connections: € 33.9 (+11.5% vs 2023)
- Sale of recurring fee services: € 48.9 (+13.1% vs 2023)
- Churn rate: 4.7%
- 88.5% of revenue generated from recurring services, reflecting strong customer loyalty



# FINANCIAL TARGETS 2027 – INCOME STATEMENT

€ Mn

	2023	2024E	2025E	2026E	2027E	CAGR 2023-2027E
Value of Production	50.5	56-58 ✓			67-73	High single Digit
EBITDA	22.5	24-25			34-36	Double digit
EBITDA margin	44.6%	42-44%			50%	



- Value of Production set to show a good growth fostered by existing business, even with a decreasing contribution from School Tenders and Data Centers at their initial phase
- EBITDA margin target 2027 at 50% despite the initially modest contribution by Data Centers

# FINANCIAL TARGETS 2027 – FOCUS ON EBITDA & CAPEX

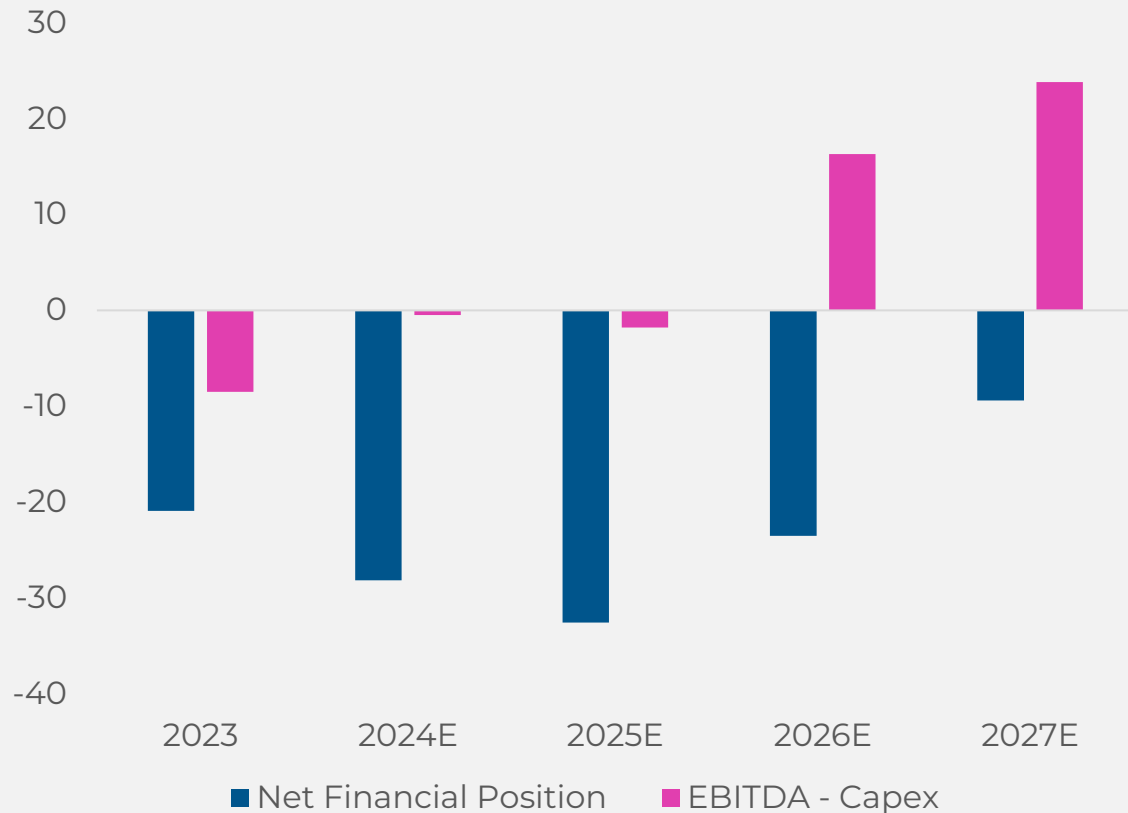
€ Mn

	2023	2024E	2025E	2026E	2027E
EBITDA	22.5	24-25			34-36
CAPEX	31.0	↓	↔	↓	↓
EBITDA – CAPEX	(8.5)	—	—	+	++
Net Financial Position	20.9	—	—	+	++

*Strong cash generation as of 2026*

- Capex at EBITDA until the end of 2024, with an increasing Net Debt affected by Data Centers business investments (expected to be around 13 million by 2027)
- Lower investments for Bandi Scuole and starting contribution from Data Centers are set to support a clear improvement in Net Financial Position as of 2026

# NET FINANCIAL POSITION EVOLUTION



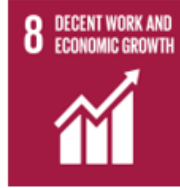
- Net Debt Year set to reach its pick in 2025 due to investments in Data Center
- Strong cash generation as of 2026 set to drive a sharp decrease in Net Debt
- Net Financial Debt close to zero expected in 2028
- Recent dividend policy set to continue throughout the plan, although the sharp reduction in Net Debt may allow a different approach in 2027-2028

## SHARPLY DECREASING NET DEBT AS OF 2026

# INTRED'S SUSTAINABLE TARGETS

ESG

SDG	TARGET
	Produce the third edition of the sustainability report
	<u>Formalizing</u> the ESG Team
	Monitor the values of self-generation of energy from solar panels
	Expand the supplier monitoring system with more specific environmental aspects
	Complete the connected schools planned for School Tender 1 by target
	Complete the connected schools planned for School Tender 2 by target

SDG	TARGET
	Complete review and update of the MOG (focus in the special part, predicate offenses)
	Training to all staff on MOG and Code of Ethics by the SB
	Increase training hours (or % of employees trained)
	Maintain the uptime of services provided by the core infrastructure at or above 99.95% on an annual basis
	Adapt to the standards and requirements set forth in the new version of the Network and Information Security Directive (NIS)

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## CLOSING REMARKS

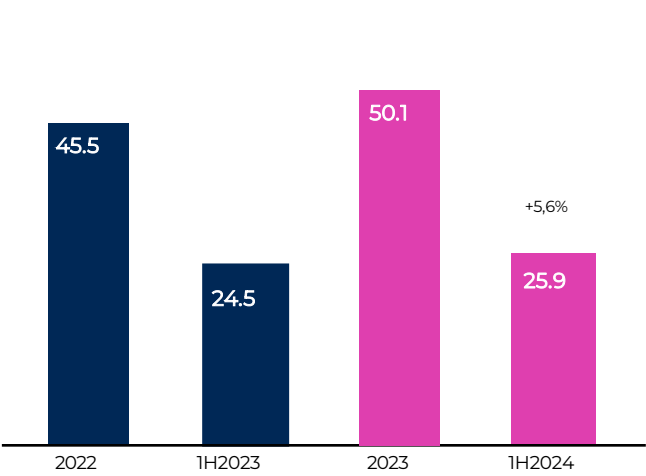
- Intred confirms its approach to cash re-investments in high growth businesses leveraging on its customer base: School tender Capex close to an end allow the **positioning** in the appealing **Data Centers** business
- A double-digit growth rate for EBITDA in the 2023-27 period leading to a **margin** at **50%** is possible despite returns on Data Centers will be visible only after 2027
- Strong cash generation as of 2026 will allow the group to bring **Net Debt close to zero by 2028**
- **Medium long-term growth** – beyond this Industrial Plan – will be supported by:
  - 1) Constant investments in core business to support higher than peers' development
  - 2) Return of Data Center business area

# Appendix

1H2024 FINANCIALS

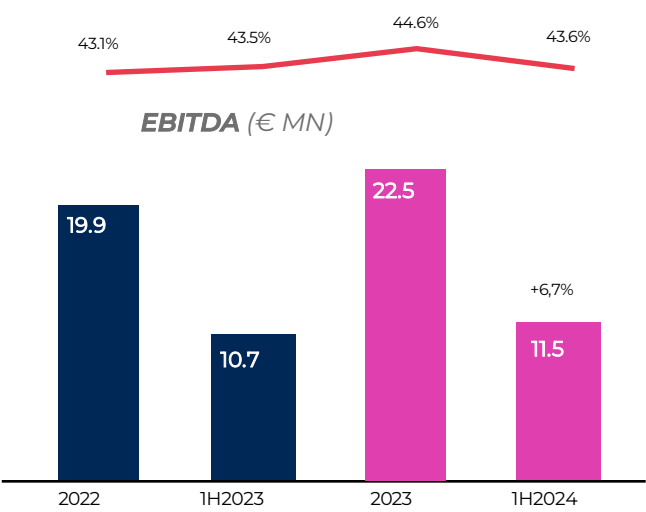
# FINANCIAL HIGHLIGHTS

REVENUES (€ MN)



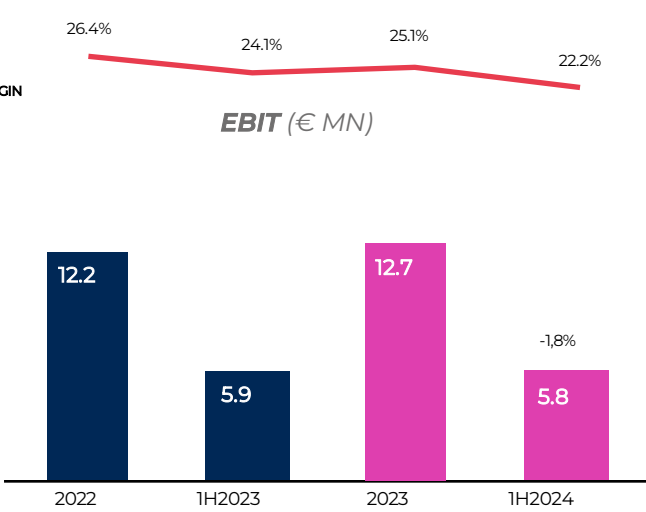
EBITDA MARGIN

EBITDA (€ MN)

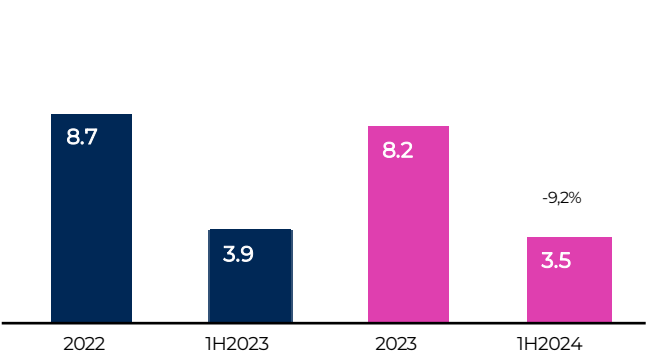


EBIT MARGIN

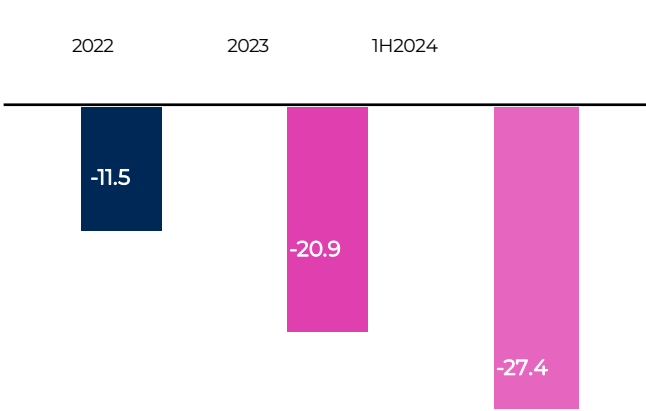
EBIT (€ MN)



NET PROFIT (€ MN)



NET FINANCIAL POSITION (€ MN)





# INCOME STATEMENT

	1H2024	1H2023	YOY	YOY%
<b>VALUE OF PRODUCTION</b>	<b>26,289.5</b>	<b>24,700.7</b>	<b>1,588.8</b>	<b>6.4%</b>
Raw Materials	(698.4)	(1,290.2)	591.8	(45.9%)
Services	(4,346.7)	(3,398.3)	(948.4)	27.9%
Stock	(353.6)	181.4	(534.9)	(294.9%)
Other operating costs	(5,036.1)	(5,345.3)	309.2	(5.8%)
<b>Tot Operating Costs</b>	<b>(10,434.8)</b>	<b>(9,852.4)</b>	<b>(582.4)</b>	<b>5.9%</b>
Personnel Costs	(4,388.5)	(4,099.5)	(289.0)	7.0%
<b>EBITDA</b>	<b>11,466.3</b>	<b>10,748.8</b>	<b>717.5</b>	<b>6.7%</b>
<i>EBITDA Margin</i>	43.6%	43.5%		0.2%
Depreciation Amortisazion & Write Downs	(5,623.7)	(4,796.7)	(827.0)	17.2%
<b>EBIT</b>	<b>5,842.5</b>	<b>5,952.0</b>	<b>(109.5)</b>	<b>(1.8%)</b>
<i>EBIT Margin</i>	22.2%	24.1%		(7.8%)
Net Financial Income (Charges)	(735.0)	(442.2)	(292.7)	66.2%
<b>EBT</b>	<b>5,107.5</b>	<b>5,509.8</b>	<b>(402.3)</b>	<b>(7.3%)</b>
<i>EBT Margin</i>	19.4%	22.3%		(12.9%)
Taxes	(1,566.0)	(1,609.2)	43.2	(2.7%)
<b>NET Income</b>	<b>3,541.5</b>	<b>3,900.6</b>	<b>(359.1)</b>	<b>(9.2%)</b>
<i>Net Income Margin</i>	13.5%	15.8%		(14.7%)

# BALANCE SHEET

€/000	1H2024	2023	YOY	YOY%
CURRENT ASSETS	15,950.8	15,748.7	202.1	1.3%
CURRENT LIABILITIES	(55,803.2)	(47,431.7)	(8,371.6)	17.6%
<b>NET WORKING CAPITAL</b>	<b>(39852.5)</b>	<b>(31683.0)</b>	<b>(8,169.5)</b>	<b>25.8%</b>
TOTAL FIXED ASSETS	126,265.8	109,458.8	16,806.9	15.4%
Staff severance indemnity	(1,581.9)	(1,532.0)	(49.9)	3.3%
Provisions for risks and charges	(508.8)	(341.0)	(167.8)	49.2%
<b>NET INVESTED CAPITAL</b>	<b>84,322.7</b>	<b>75,902.9</b>	<b>8,419.8</b>	<b>11.1%</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>(56,951.6)</b>	<b>(54,996.0)</b>	<b>(1,955.5)</b>	<b>3.6%</b>
Cash&cash equivalents	8,677.7	7,864.0	813.7	10.3%
Due to banks within 12 months	(16,342.0)	(7,421.5)	(8,920.5)	120.2%
Due to banks after 12 months	(19,706.8)	(21,349.3)	1,642.5	(7.7%)
<b>NET FINANCIAL POSITION</b>	<b>(27,371.1)</b>	<b>(20,906.8)</b>	<b>(6,464.3)</b>	<b>30.9%</b>

# CONTACTS – INVESTOR RELATIONS

## INVESTOR RELATIONS

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### GENERAL INFORMATION ABOUT THE COMPANY

NAME	®	INTRED S.P.A.
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TAX CODE REA	📄	11717020157
NUMBER	📄	BS - 366982
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