MIDCAP

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EQUITY RESEARCH

INTRED
RESULTS REVIEW

BUY

TP 18.3€

Up/Downside: 91%

1H25, solid growth

EBITDA c. +9% YoY, €12.5mn, provides visibility on our estimates and allows us to slightly raise them. The conversion of Bandi Scuole into recurring revenues drives growth in the PA segment (+33%). Future catalysts: (1) continued conversion of Bandi Scuole and (2) new data center with additional modules for integrated connectivity and hosting services. We also slightly raise annual NI to €7.4mn (vs €7.3mn previously).

1H25 in line with our expectations, slightly better on margins:

- Revenues: €27.8mn (+7.8% organic YoY).
- EBITDA: €12.5mn (margin c. 45%). EBIT: €6.0mn (margin c. 21.6%). NI: €3.6mn (margin c. 13%).

With these figures, we consider the implicit growth expected in 2H to be visible and realistic in order to reach our targets: revenues at c. €29mn, expected 2H EBITDA at €13.2mn (slightly raised), for a total FY25 of c. €25.7mn. Below EBITDA, performance was clearly better than expected (EBIT €6.0mn vs c. €5.2mn expected). For these positive surprises we also slightly raise the annual NI to €7.4mn (vs €7.3mn previously).

Key points: **(i) Revenues** – dynamics are increasingly "clean" of the *Bandi Scuole* effect, destined to become recurring revenues. Organic growth (+7.8% YoY vs +7.2% absolute) also benefits from the gradual exit of lower value-added services from Connecting Italia. Ultrabroadband remains the main driver (€16.2mn), while voice & data grows strongly (+20.2% YoY, to €5.0mn). **(ii) Clients** – PA grows +33% thanks to the conversion of *Bandi Scuole*. Professional clients remain solid (€15.6mn, +6.8% YoY). Total clients at 56,500 (+11.4% YoY). **(iii) Network / ND** – network at 14,250 km (+9.9% YoY) with €11.2mn capex for connections. ND at €37mn (c. 1.5x EBITDA), considered manageable and expected to reduce to c. €35mn by end-2025 thanks to cash generation. **(iv) Outlook** – the company foresees a positive 2H development, with ultrabroadband as the main growth driver. Management highlights the conversion of Bandi Scuole and the expansion of the network in Lombardy as additional growth levers. The top line remains visible and credible, while on EBITDA we believe slight further positive surprises are possible, given the semester-on-semester progression.

BUY recommendation confirmed, TP €18.3/share.

Key data	
Price (€)	9.6
Industry	Telecommunications
Ticker	ITD-IT
Shares Out (m)	15.865
Market Cap (m €)	152.0
Average trading volumes (k shares / day)	4.872
Next event	1H25

Source: FactSet

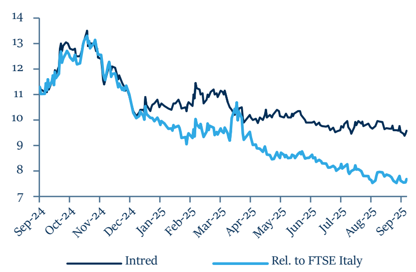
Ownership (%)	
DM Holding	60.4
Value First SICAV	9.4
Free float	30.2

Source: TPICAP Midcap estimates

EPS (€)	12/25e	12/26e	12/27e
Estimates	0.47	0.54	0.62
Change vs previous estimates (%)	1.47	-0.09	0.67

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	1.3	-1.8	-5.6
Rel FTSE Italy	1.7	0.7	-23.8



Source: FactSet

TP ICAP Midcap Estimates	12/24	12/25e	12/26e	12/27e
Sales (m €)	55.9	57.2	61.9	67.3
Current Op Inc (m €)	11.7	11.2	12.6	14.3
Current op. Margin (%)	21.0	19.6	20.4	21.3
EPS (€)	0.43	0.47	0.54	0.62
DPS (€)	0.10	0.10	0.12	0.14
Yield (%)	1.0	1.1	1.2	1.4
FCF (m €)	-4.9	6.4	3.4	8.9

Valuation Ratio	12/25e	12/26e	12/27e
EV/Sales	3.3	3.0	2.7
EV/EBITDA	7.3	6.5	5.6
EV/EBIT	16.7	14.7	12.5
PE	20.5	17.7	15.5

Source: TPICAP Midcap

Consensus FactSet - Analysts:2	12/25e	12/26e	12/27e
Sales	57.3	61.6	66.1
EBIT	11.8	14.0	16.1
Net income	7.5	9.0	10.6

Analyst
Michele Mombelli
michele.mombelli@tpicap.com
+ 33 1 73 09 17 69

FINANCIAL DATA

Income Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Sales	46.1	50.5	55.9	57.2	61.9	67.3
Changes (%)	11.7	9.6	10.6	2.3	8.2	8.6
Gross profit	27.8	30.6	33.7	34.5	38.0	41.3
% of Sales	60.3	60.6	60.3	60.3	61.3	61.4
EBITDA	**19.9**	**22.5**	**24.0**	**25.7**	**28.5**	**31.6**
% of Sales	43.1	44.6	42.9	45.0	46.0	47.0
Current operating profit	**12.2**	**12.7**	**11.7**	**11.2**	**12.6**	**14.3**
% of Sales	26.4	25.1	21.0	19.6	20.4	21.3
Non-recurring items	0.0	-0.0	0.0	0.0	0.0	0.0
EBIT	12.2	12.7	11.8	11.2	12.6	14.3
Net financial result	0.0	-1.2	-1.6	-1.0	-0.9	-0.9
Income Tax	-3.5	-3.3	-3.3	-2.8	-3.2	-3.6
Net profit, group share	**8.7**	**8.2**	**6.9**	**7.4**	**8.6**	**9.8**
EPS	0.55	0.52	0.43	0.47	0.54	0.62

Financial Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Goodwill	9.2	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	79.4	109.4	133.1	138.8	142.8	145.3
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Working capital	-27.2	-31.7	-38.2	-37.2	-35.3	-36.3
Other Assets	0.0	0.0	0.0	3.3	3.3	3.3
Assets	61.3	77.8	94.9	104.9	110.7	112.2
Shareholders equity group	48.0	55.0	59.7	67.8	75.4	84.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	1.8	1.9	2.3	2.0	1.9	1.9
Net debt	11.5	20.9	32.9	35.1	33.4	26.3
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	61.3	77.8	94.9	104.9	110.7	112.2
Net debt excl. IFRS 16	11.5	20.9	32.9	35.1	33.4	26.3
Gearing net	0.2	0.4	0.6	0.5	0.4	0.3
Leverage	0.6	0.9	1.4	1.4	1.2	0.8

Cash flow statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
CF after elimination of net borrowing costs and taxes	16.8	15.8	14.9	19.9	22.7	25.4
ΔWCR	6.5	4.3	6.7	3.1	-1.9	1.0
Operating cash flow	23.3	20.1	21.6	23.0	20.8	26.4
Net capex	-39.3	-31.0	-31.8	-18.6	-19.2	-19.2
FCF	-16.0	-8.5	-4.9	6.4	3.4	8.9
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.3	0.0	0.0	0.0	0.0
Change in borrowings	19.2	-0.4	23.0	0.0	0.0	0.0
Dividends paid	-1.0	-1.1	-1.6	-1.6	-1.6	-1.9
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	0.0	0.0	-0.2	0.0	0.0	0.0
Others	0.0	-0.1	-8.6	0.0	0.0	0.0
Change in net cash over the year	2.3	-12.0	2.3	2.8	0.0	5.3

ROA (%)	7.0%	6.1%	5.1%	4.6%	5.1%	5.5%
ROE (%)	18.1%	14.9%	11.8%	11.0%	11.4%	11.7%
ROCE (%)	14.1%	11.6%	9.3%	7.8%	8.3%	9.3%

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Methodology

This Report may mention evaluation methods defined as follows:
1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

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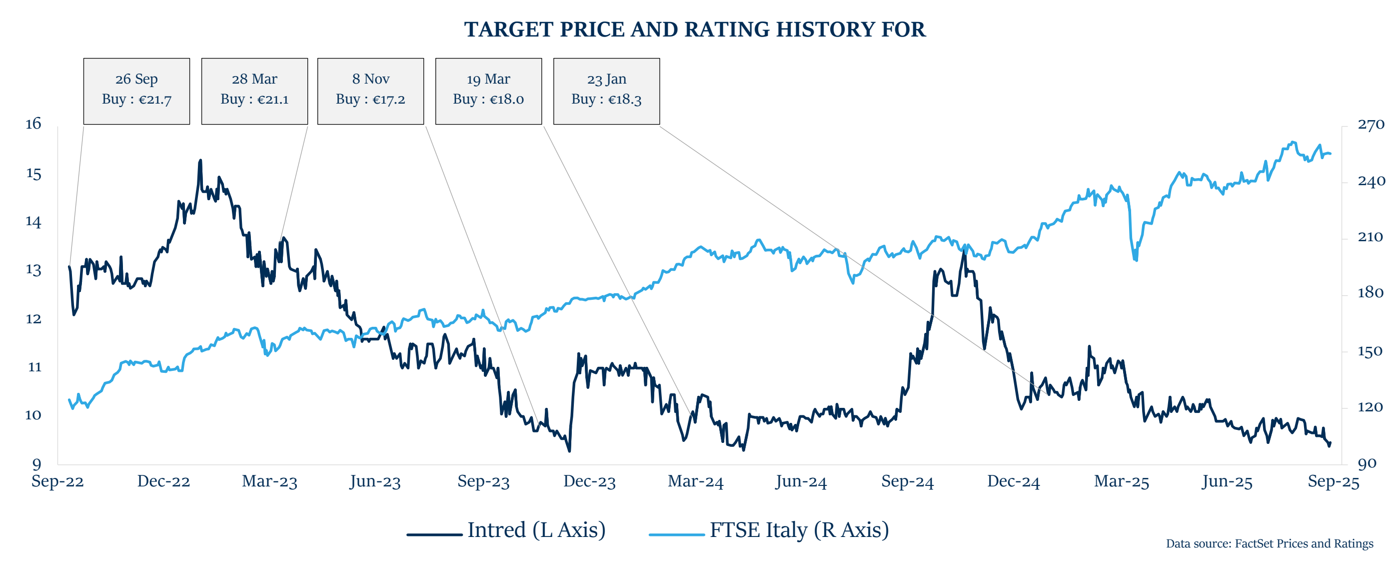
G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Intred

History of investment rating and target price – Intred



Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
24 Sep 25 - 15:31:35	Michele Mombelli	€ 18.30	€ 18.30	€ 9.38	Achat	Buy
12 Aug 25 - 20:24:07	Michele Mombelli	€ 18.30	€ 18.30	€ 9.86	Achat	Buy
04 Aug 25 - 08:09:34	Michele Mombelli	€ 18.30	€ 18.30	€ 9.46	Achat	Buy
22 May 25 - 19:42:13	Michele Mombelli	€ 18.30	€ 18.30	€ 10.35	Achat	Buy
18 May 25 - 22:16:41	Michele Mombelli	€ 18.30	€ 18.30	€ 10.20	Achat	Buy
12 May 25 - 08:16:30	Michele Mombelli	€ 18.30	€ 18.30	€ 10.10	Achat	Buy
26 Mar 25 - 07:28:00	Michele Mombelli	€ 18.30	€ 18.30	€ 11.15	Achat	Buy
12 Feb 25 - 08:14:24	Michele Mombelli	€ 18.30	€ 18.30	€ 10.80	Achat	Buy
07 Feb 25 - 08:28:34	Michele Mombelli	€ 18.30	€ 18.30	€ 10.70	Achat	Buy
23 Jan 25 - 07:59:56	Michele Mombelli	€ 18.00	€ 18.30	€ 10.50	Achat	Buy
06 Nov 24 - 07:59:31	Filippo Migliorisi	€ 18.00	€ 18.00	€ 12.50	Achat	Buy

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	78%	69%
Hold	17%	54%
Sell	3%	40%
Under review	1%	100%

Midcap employs a rating system based on the following:
Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.
Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.
Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at https://researchtpicap.midcapp.com/en/disclaimer.

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