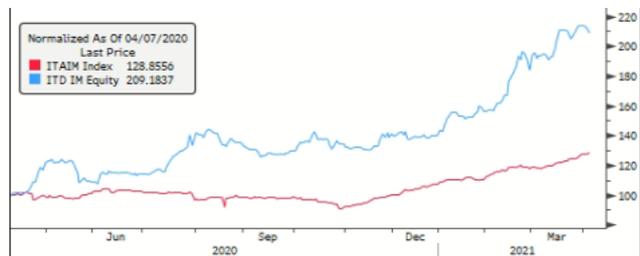


| | | | |
|----------------------------|---|------------------------|---------------------|
| INTRED | <i>Italy</i> | <i>FTSE AIM Italia</i> | <i>Tlc</i> |
| Rating: BUY (unch.) | Target Price: € 19,85 (prev. €11,50) | Update | Risk: Medium |

| Stock performance | 1M | 3M | 6M | 1Y |
|---------------------|--------|--------|--------|---------|
| absolute | 7,49% | 37,98% | 54,30% | 109,18% |
| to FTSE AIM Italia | -1,22% | 21,11% | 22,21% | 80,33% |
| to FTSE STAR Italia | -0,81% | 27,36% | 28,98% | 45,78% |
| to FTSE All-Share | 2,58% | 29,11% | 27,61% | 66,95% |
| to EUROSTOXX | 2,35% | 28,75% | 31,93% | 70,72% |
| to MSCI World Index | 1,85% | 32,79% | 34,93% | 57,41% |

Stocks performance relative to FTSE AIM Italia



Stock Data

| | |
|-----------------------------|---------------|
| Price | € 14,35 |
| Target price | € 19,85 |
| Upside/(Downside) potential | 38,3% |
| Bloomberg Code | ITD IM EQUITY |
| Market Cap (€m) | 227,45 |
| EV (€m) | 227,03 |
| Free Float | 25,16% |
| Share Outstanding | 15.850.500 |
| 52-week high | € 15,00 |
| 52-week low | € 6,66 |
| Average daily volumes (3m) | 11.000 |

FY20A Results

The value of production amounts to € 36.39 million, compared to €32.73 million of 2019A pro-forma and € 35.90 million estimated in our previous report.

EBITDA, equal to € 13.99 million, registered a significant increase of 45.4% compared to € 9.62 million 2019A pro-forma and was also up compared to our previous expectations equal to € 13.00 million. EBITDA Margin, equal to 38.4%, increased compared to 29.4% in 2019A pro-forma and exceeds our previous estimates, equal to 36.2%. EBIT amounted to € 8.13 million (€ 6.25 million in 2019 pro-forma) after amortization and depreciation of € 5.86 million. The value of EBIT remains substantially in line with our expectations (€8.10 million).

| Key Financials (€m) | FY20A | FY21E | FY22E | FY23E |
|---------------------|-------|-------|-------|-------|
| VoP | 36,4 | 41,3 | 50,3 | 58,3 |
| EBITDA | 14,0 | 16,8 | 20,9 | 24,8 |
| EBIT | 8,1 | 10,5 | 12,9 | 16,3 |
| Net Profit | 6,1 | 7,8 | 9,5 | 12,1 |
| EPS (€) | 0,39 | 0,49 | 0,60 | 0,76 |
| EBITDA margin | 38,4% | 40,6% | 41,5% | 42,5% |
| EBIT margin | 22,3% | 25,3% | 25,5% | 28,0% |
| Net Profit margin | 16,8% | 18,8% | 18,9% | 20,7% |

Estimates update

In the light of the results published in the annual report for 2020A and the award of the Infratel tender, we modify our previous estimates both for the current year and for the coming years.

In particular, we estimate 2021E value of production equal to € 41.30 million and EBITDA equal to € 16.75 million, corresponding to a marginality of 40.6%. For subsequent years, we expect the value of production to increase up to € 75.30 million (CAGR 20A-25E: 15.66%) in 2025E, with EBITDA of € 33.30 million (corresponding to an EBITDA margin of 44.2%), up from € 13.99 million in 2020A (corresponding to an EBITDA margin of 38.4%).

| Main Ratios | FY20A | FY21E | FY22E | FY23E |
|---------------|-------|-------|-------|-------|
| EV/EBITDA (x) | 16,2 | 13,6 | 10,9 | 9,2 |
| EV/EBIT (x) | 27,9 | 21,7 | 17,7 | 13,9 |
| P/E (x) | 37,2 | 29,3 | 23,9 | 18,9 |

Valuation Update

We have conducted the valuation of Intred equity value based on the DCF methodology and market multiples of a comparable companies sample. The DCF method (which in the calculation of the WACC includes for prudential purposes also a specific risk of 1.5%) provides an equity value of € 326.1 million. The equity value of Intred using the market multiples is equal to €303.2 Mln. The result is an average equity value of approx. € 314.6 million. The target price is, therefore, € 19.85 (prev. € 11.50), BUY rating and MEDIUM risk.

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1. Economics & Financials

Table 1 – Economics & Financials

| INCOME STATEMENT (€/mln) | FY19A* | FY20A | FY21E | FY22E | FY23E | FY24E | FY25E |
|--|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Revenues | 32,06 | 35,45 | 41,00 | 50,00 | 58,00 | 68,00 | 75,00 |
| Other Revenues | 0,68 | 0,94 | 0,30 | 0,30 | 0,30 | 0,30 | 0,30 |
| Value of Production | 32,73 | 36,39 | 41,30 | 50,30 | 58,30 | 68,30 | 75,30 |
| COGS | 0,57 | 0,28 | 0,50 | 0,50 | 0,50 | 0,50 | 0,50 |
| Use of assets owned by others | 5,85 | 9,35 | 8,40 | 10,00 | 11,60 | 13,00 | 14,00 |
| Services | 8,59 | 5,51 | 7,80 | 10,00 | 11,30 | 13,55 | 14,50 |
| Employees | 7,22 | 6,49 | 7,10 | 8,00 | 9,00 | 10,30 | 11,50 |
| Other Operating Expenses | 0,89 | 0,77 | 0,75 | 0,95 | 1,10 | 1,35 | 1,50 |
| EBITDA | 9,62 | 13,99 | 16,75 | 20,85 | 24,80 | 29,60 | 33,30 |
| <i>EBITDA Margin</i> | <i>29,4%</i> | <i>38,4%</i> | <i>40,6%</i> | <i>41,5%</i> | <i>42,5%</i> | <i>43,3%</i> | <i>44,2%</i> |
| D&A | 3,37 | 5,86 | 6,30 | 8,00 | 8,50 | 8,80 | 9,00 |
| EBIT | 6,25 | 8,13 | 10,45 | 12,85 | 16,30 | 20,80 | 24,30 |
| <i>EBIT Margin</i> | <i>19,1%</i> | <i>22,3%</i> | <i>25,3%</i> | <i>25,5%</i> | <i>28,0%</i> | <i>30,5%</i> | <i>32,3%</i> |
| Financial Management | 0,07 | 0,06 | 0,05 | 0,05 | 0,05 | 0,05 | 0,05 |
| EBT | 6,32 | 8,18 | 10,50 | 12,90 | 16,35 | 20,85 | 24,35 |
| Taxes | 1,67 | 2,07 | 2,75 | 3,40 | 4,30 | 5,60 | 6,30 |
| Net Income | 4,65 | 6,11 | 7,75 | 9,50 | 12,05 | 15,25 | 18,05 |
| BALANCE SHEET (€/mln) | | | | | | | |
| Fixed Assets | 28,00 | 42,76 | 56,50 | 73,50 | 80,00 | 83,20 | 86,20 |
| Account receivable | 5,62 | 5,41 | 7,10 | 8,80 | 10,00 | 11,30 | 12,40 |
| Inventories | 0,35 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Account payable | 7,16 | 7,66 | 8,20 | 9,90 | 11,20 | 12,50 | 13,70 |
| Operating Working Capital | (1,2) | (2,2) | (1,1) | (1,1) | (1,2) | (1,2) | (1,3) |
| Other receivable | 2,79 | 2,52 | 0,50 | 0,70 | 0,80 | 0,95 | 1,05 |
| Other payable | 8,49 | 9,56 | 24,00 | 39,00 | 42,00 | 35,80 | 29,80 |
| Net Working Capital | (6,9) | (9,3) | (24,6) | (39,4) | (42,4) | (36,1) | (30,1) |
| Severance Indemnities & Other Provisions | 1,72 | 1,60 | 1,90 | 2,20 | 2,50 | 2,80 | 3,10 |
| NET INVESTED CAPITAL | 19,38 | 31,87 | 30,00 | 31,90 | 35,10 | 44,35 | 53,05 |
| Share Capital | 10,66 | 10,00 | 10,00 | 10,00 | 10,00 | 10,00 | 10,00 |
| Reserves | 12,69 | 16,19 | 21,66 | 28,64 | 37,19 | 48,03 | 61,76 |
| Net Income | 4,65 | 6,11 | 7,75 | 9,50 | 12,05 | 15,25 | 18,05 |
| Equity | 28,00 | 32,30 | 39,41 | 48,14 | 59,24 | 73,28 | 89,81 |
| Cash & Cash Equivalent | 11,34 | 6,83 | 14,41 | 19,79 | 26,14 | 29,68 | 37,26 |
| Short Term Debt to Bank | 1,16 | 1,48 | 1,40 | 1,25 | 1,00 | 0,75 | 0,50 |
| M/L Term Debt to Bank | 1,56 | 4,92 | 3,60 | 2,30 | 1,00 | 0,00 | 0,00 |
| Net Financial Position | (8,62) | (0,43) | (9,41) | (16,24) | (24,14) | (28,93) | (36,76) |
| SOURCES | 19,38 | 31,87 | 30,00 | 31,90 | 35,10 | 44,35 | 53,05 |
| CASH FLOW (€/mln) | | | | | | | |
| EBIT | | 8,13 | 10,45 | 12,85 | 16,30 | 20,80 | 24,30 |
| Taxes | | 2,07 | 2,75 | 3,40 | 4,30 | 5,60 | 6,30 |
| NOPAT | | 6,06 | 7,70 | 9,45 | 12,00 | 15,20 | 18,00 |
| D&A | | 5,86 | 6,30 | 8,00 | 8,50 | 8,80 | 9,00 |
| Change in receivable | | 0,20 | (1,69) | (1,70) | (1,20) | (1,30) | (1,10) |
| Change in inventories | | 0,35 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Change in payable | | 0,50 | 0,54 | 1,70 | 1,30 | 1,30 | 1,20 |
| Change in others | | 1,34 | 16,46 | 14,80 | 2,90 | (6,35) | (6,10) |
| <i>Change in NWC</i> | | <i>2,39</i> | <i>15,31</i> | <i>14,80</i> | <i>3,00</i> | <i>(6,35)</i> | <i>(6,00)</i> |
| Change in provisions | | (0,12) | 0,30 | 0,30 | 0,30 | 0,30 | 0,30 |
| OPERATING CASH FLOW | | 14,19 | 29,61 | 32,55 | 23,80 | 17,95 | 21,30 |
| Capex | | (20,6) | (20,0) | (25,0) | (15,0) | (12,0) | (12,0) |
| FREE CASH FLOW | | (6,43) | 9,57 | 7,55 | 8,80 | 5,95 | 9,30 |
| Financial Management | | 0,06 | 0,05 | 0,05 | 0,05 | 0,05 | 0,05 |
| Change in Debt to Bank | | 3,68 | (1,40) | (1,45) | (1,55) | (1,25) | (0,25) |
| Change in Equity | | (1,82) | (0,63) | (0,77) | (0,95) | (1,21) | (1,53) |
| FREE CASH FLOW TO EQUITY | | (4,51) | 7,59 | 5,38 | 6,35 | 3,54 | 7,58 |

* Pro-forma Data

Source: Intred and Integrae SIM estimates

1.1 FY20A Results

Table 2 – Actual VS Estimates FY20A

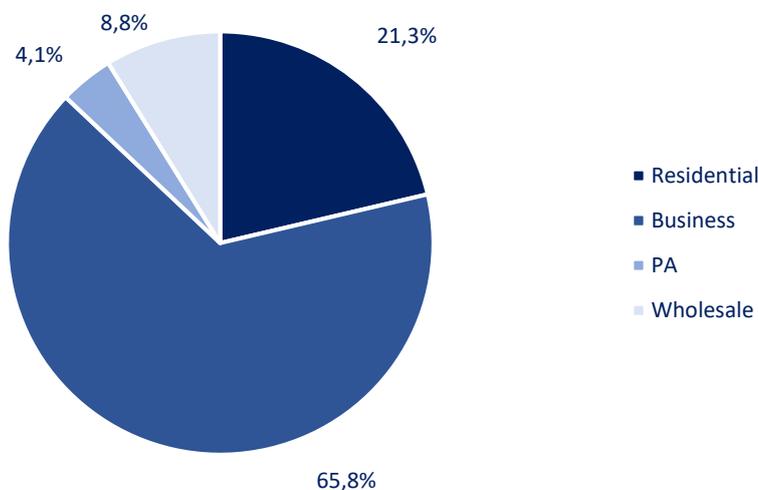
| (€/mln) | VoP | EBITDA | EBITDA % | EBIT | Net Income | NFP |
|--------------|-------------|-------------|----------|------------|------------|--------------|
| FY20A | 36,4 | 14,0 | 38,4% | 8,1 | 6,1 | (0,4) |
| FY20E | 35,9 | 13,0 | 36,2% | 8,1 | 6,1 | (0,4) |
| Change | 1,4% | 7,6% | 2,2% | 0,3% | -0,2% | N/A |

Source: Integrae SIM

Through a press release, the Company, commenting on the annual results, declares that: *“The particular situation we experienced last year did not have a negative impact on the Intred business. Smart working, distance learning, and in general the strong demand for landline high-speed and high-capacity connectivity, have contributed to the strong growth of turnover.”*

The value of production amounts to € 36.39 million, compared to € 32.73 million of 2019A pro-forma and € 35.90 million estimated in our previous report. The organic growth is attributable to sales of ultra-wideband connections (+26.2%), sales of voice and data services (+23.9%), and landline telephony (+ 16.7%). As expected, according to corporate strategies, broadband and FWA lines show a decline. The remaining part, in terms of growth, derives from the acquisition of Qcom and is attributable to ultra-wideband, voice and data, landline telephony, and datacenter, in which cybersecurity services, successfully developed by Qcom, are included.

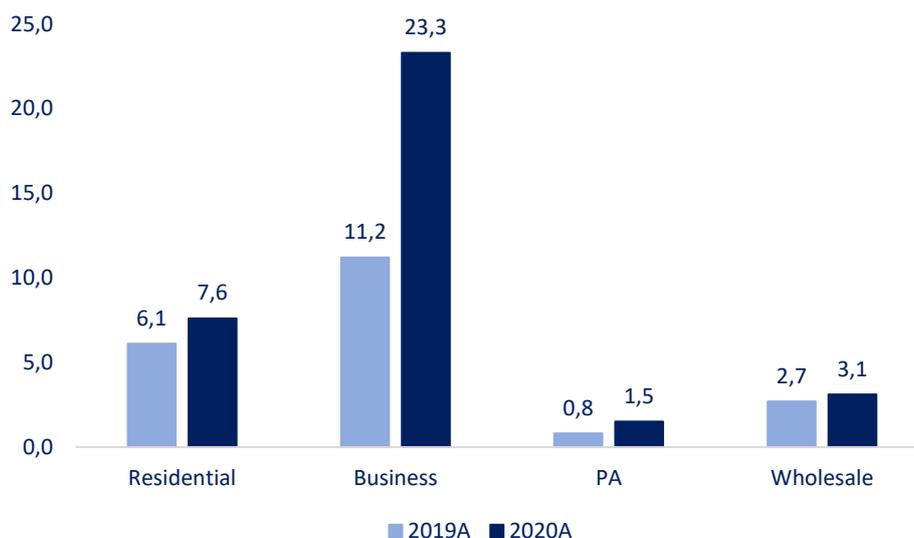
Chart 1 – Revenues Breakdown by Type of Customer



Source: Intred

The revenues have the following breakdown by customer type: 21.3% residential market, 65.8% business market, 4.1% PA, and 8.8% Wholesale. This division, compared to previous years, has a greater concentration of revenues on business customers. This difference is attributable to the contribution of Qcom, whose customers are almost entirely focused on the business segment.

Chart 2 – Revenues Breakdown by Type of Customer 2019-2020



Source: Intred

In terms of customer type, the category with the highest growth rate was business (+108.9%). The difference is attributable for € 1.9 million to organic growth and for the remaining part to the inclusion of Qcom. The contribution of Qcom is significantly lower in the PA and Wholesale categories and substantially zero in the residential sector's customers. The 2019A data represented in the graph considers only Intred stand-alone.

EBITDA, equal to € 13.99 million, registered a significant increase of 45.4% compared to € 9.62 million 2019A pro-forma and was also up compared to our previous expectations equal to € 13.00 million. EBITDA Margin, equal to 38.4%, increased compared to 29.4% in 2019A pro-forma and exceeds our previous estimates, equal to 36.2%. The marginality of Qcom, in terms of EBITDA, shows significant growth, from 8% in 2019A to 28% in 2020A. The EBITDA Margin of Intred stand-alone is equal to 45%.

EBIT amounted to € 8.13 million (€ 6.25 million in 2019 pro-forma) after amortization and depreciation of € 5.86 million. The value of EBIT remains substantially in line with our expectations, amounting to € 8.10 million. Consequently, also EBIT Margin, equal to 22.3%, shows an increase compared to the previous year (19.1% 2019A pro-forma).

Net Income results to be € 6.11 million (€ 4.65 million in 2019A pro-forma) in line with the expected € 6.13 million.

A significant part of the total investment of Intred is attributable to the development of the backhauling and fiber-optic access network in the FTTH mode in Lombardy. Regarding the investments dedicated to the network, 71% of the total was attributable to investments in tangible fixed assets and 29% of the total was attributable to investments in intangible fixed assets (mainly IRU).

NFP, despite the important investments, remains cash positive and equal to - € 0.4 million.

1.2 Significant Events

Following our latest publication, Intred announced:

- On 01/11/20, an agreement providing that Vodafone Italia will make available to Intred, for its business and consumer customers, its mobile network: the best in Italy (according to the results of a recent survey carried out by Altroconsumo) by download and upload speed, Internet browsing, and video streaming;
- On 26/11/20, a new Bilateral Framework Agreement with Tim S.p.A. for the sharing of network infrastructures. This agreement, which is valid for five years, defines how the infrastructure can be used together and shared. The objective of the agreement is to extend infrastructure coverage by both operators efficiently and without the need to carry out new civil works which would unnecessarily duplicate existing infrastructure;
- On 22/12/20, the conclusion of a three-year agreement with Tim S.p.A. for the acquisition of the right to use of about 1,000 km of dark fiber-optic, usable throughout the national territory. The agreement, as communicated, has a total value of approximately € 3 million and should enable the Company to further accelerate the development of its network;
- On 31/12/20, the merger by incorporation of the wholly-owned subsidiary Qcom SpA effective for legal;
- On 01/03/21, the award of the tender for the provision of ultra-wideband Internet connectivity for schools in the Lombardy (4,592 schools). According to the press release, the value of the operation is approximately € 39.41 million for a five-year supply. Upon signature of the framework agreement, 20% of the total amount will be disbursed as an advance payment, while the remaining amount will be paid following the subsequent progress of the works (according to a predefined schedule), to be completed in 3 years.

1.3 FY21E – FY25E Estimates

1.3.1 Infratel Order

On 01/03/2021, Intred announced the award of the tender for the provision of ultra-wideband Internet connectivity for the schools of the Lombard territory. Pursuant to this award, the Company will have the opportunity to expand throughout the regional territory, reaching almost all the municipalities in Lombardy, thus pursuing the historical objectives of territorial expansion. The tender provides for a three-year duration of works, according to a pre-defined program. For each school building reached, the contract provides for a supply period of five years from the moment of connection. The value of this operation is approximately € 39.41 million. In addition to this, we believe that the Company will benefit from important cross-selling opportunities, thanks to its presence in the territory and to the relationships that will develop with local authorities and with potential business and retail customers.

As mentioned, the total value of the transaction is approximately € 39.41 million. At the signing of the Framework Agreement, 20% of the total amount will be disbursed as an advance payment, while the remaining amount will be paid following the subsequent progress of the works. Given the terms of payment described above, in our estimates, the amounts paid are initially reflected in a significant increase in the other payables item in the period of work progress. Regarding the economic manifestation of revenues, we have estimated that, once the work is completed, annual revenues will be approximately € 7.5 million per year. For the first few years of work, however, we estimated a lower amount of revenues because, before the completion of the work, not all school buildings will be connected.

In addition, we estimate that the contract will have a major impact on the Capex item. In fact, we estimate additional investments equal to approximately € 25 million in the three years period.

1.3.2 Estimates

Table 3 – Estimates Updates FY21E-25E

| €/mln | FY2021E | FY2022E | FY2023E | FY2024E | FY2025E |
|-------------------|--------------|---------------|---------------|---------------|---------------|
| VoP | | | | | |
| New | 41,3 | 50,3 | 58,3 | 68,3 | 75,3 |
| Old | 41,1 | 47,0 | 53,5 | 60,5 | 67,7 |
| Change | 0,5% | 7,1% | 9,0% | 13,0% | 11,3% |
| EBITDA | | | | | |
| New | 16,8 | 20,9 | 24,8 | 29,6 | 33,3 |
| Old | 15,7 | 18,8 | 22,0 | 25,1 | 28,4 |
| Change | 6,7% | 10,9% | 13,0% | 17,9% | 17,3% |
| EBITDA % | | | | | |
| New | 40,6% | 41,5% | 42,5% | 43,3% | 44,2% |
| Old | 38,2% | 40,0% | 41,0% | 41,5% | 42,0% |
| Change | 2,4% | 1,4% | 1,5% | 1,8% | 2,2% |
| EBIT | | | | | |
| New | 10,5 | 12,9 | 16,3 | 20,8 | 24,3 |
| Old | 9,9 | 12,3 | 14,8 | 17,2 | 19,9 |
| Change | 5,6% | 4,5% | 10,5% | 20,9% | 22,1% |
| Net Income | | | | | |
| New | 7,8 | 9,5 | 12,1 | 15,3 | 18,1 |
| Old | 7,3 | 9,2 | 11,3 | 13,2 | 15,4 |
| Change | 5,6% | 2,9% | 6,8% | 15,2% | 16,9% |
| NFP | | | | | |
| New | (9,4) | (16,2) | (24,1) | (28,9) | (36,8) |
| Old | (2,0) | (5,5) | (11,2) | (19,4) | (30,1) |
| Change | N/A | N/A | N/A | N/A | N/A |

Source: Integrae SIM

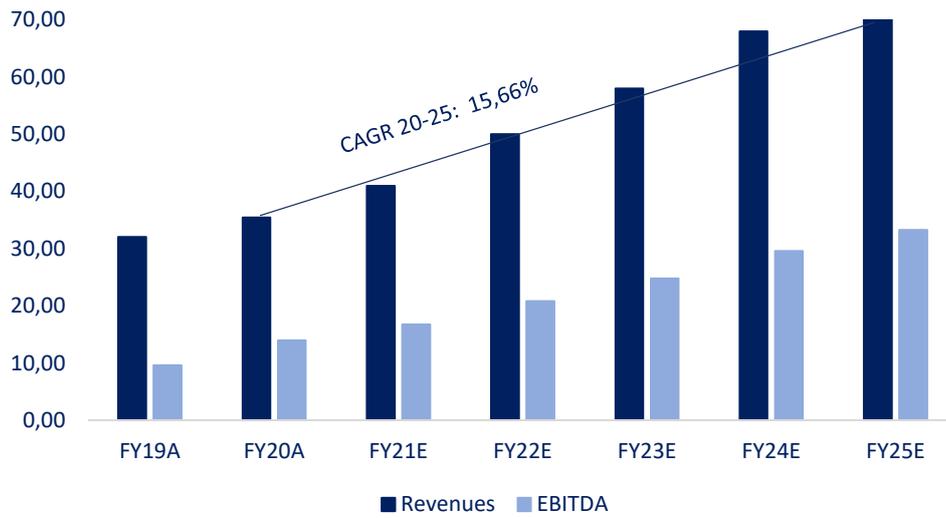
In the light of the results published in the annual report for 2020A and the award of the Infratel tender, we modify our previous estimates both for the current year and for the coming years.

In particular, we estimate 2021E value of production equal to € 41.30 million and EBITDA equal to € 16.75 million, corresponding to a marginality of 40.6%. For subsequent years, we expect the value of production to increase up to € 75.30 million (CAGR 20A-25E: 15.66%) in 2025E, with EBITDA of € 33.30 million (corresponding to an EBITDA margin of 44.2%), up from € 13.99 million in 2020A (corresponding to an EBITDA margin of 38.4%). Considering the tender, we believe results will be primarily driven by growth in revenues from the PA.

Regarding the estimated investments, we expect Capex 2021E-2025E to be approximately € 84 million.

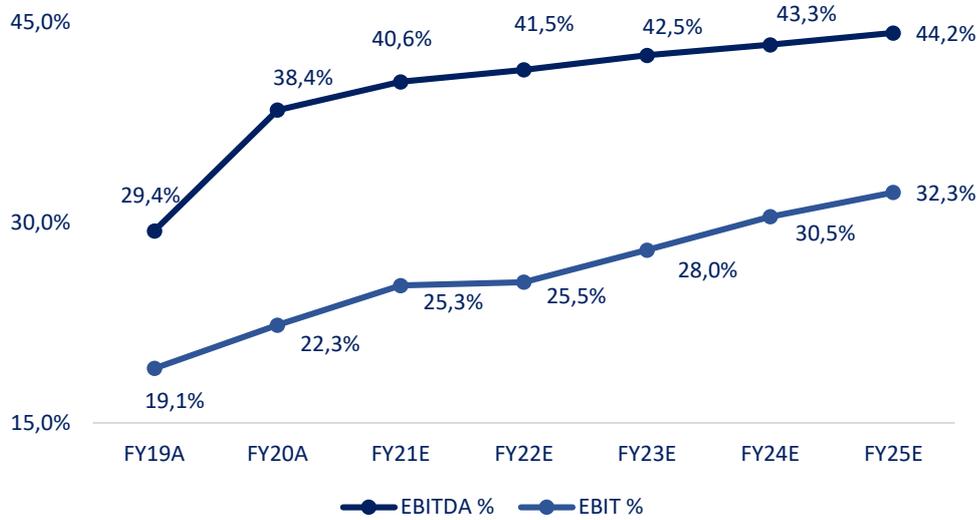
Regarding the Balance Sheet, for the years of the plan, we estimated dividends corresponding to a payout ratio of about 10%.

Chart 3 – VoP and EBITDA FY19A-25E



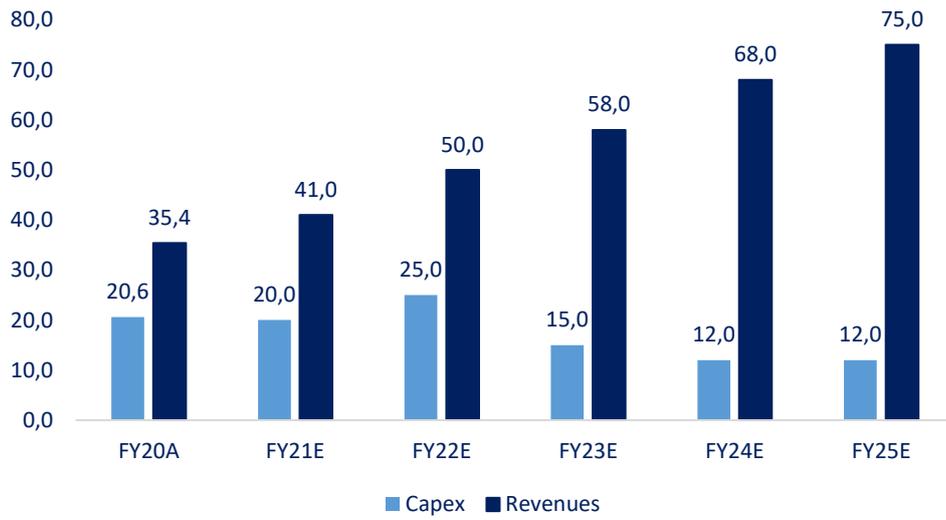
Source: Integrae SIM

Chart 4 – Margin FY19A-25E



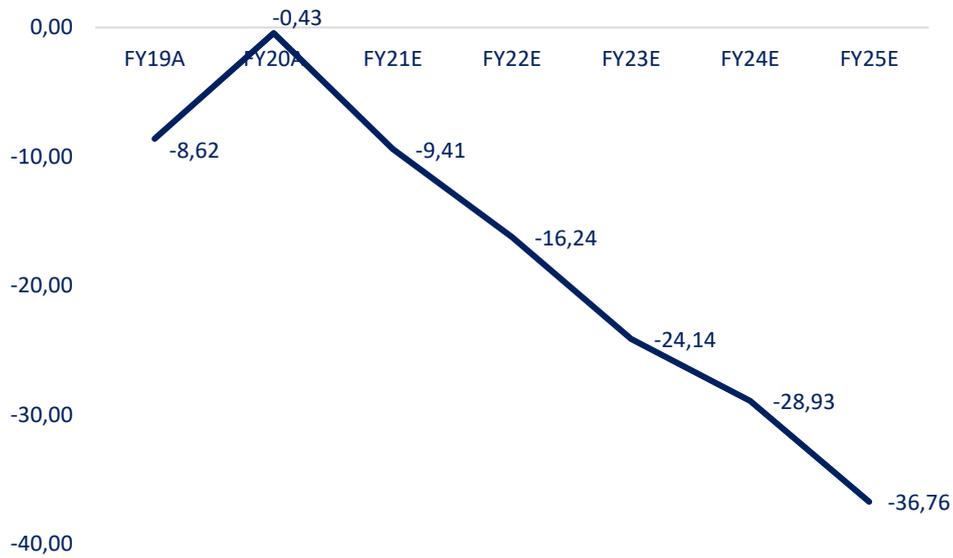
Source: Integrae SIM

Chart 5 – Capex FY20A-25E



Source: Integrae SIM

Chart 6 – NFP FY19A-25E



Source: Integrae SIM

2. Valuation

We have conducted the valuation of Intred equity value based on the DCF methodology and market multiples of a comparable companies sample.

2.1 DCF Method

Table 4 – WACC

| WACC | | 4,44% |
|----------------|---------------------------------|-------|
| Risk Free Rate | -0,13% α (specific risk) | 1,50% |
| Market Premium | 6,85% Beta Adjusted | 0,54 |
| D/E (average) | 17,65% Beta Relevered | 0,61 |
| Ke | 5,10% Kd | 1,00% |

Source: Integrae SIM

For prudential purposes, we have included a specific risk of 1.5%. This results in a WACC of 4.44%.

Table 5 – DCF Valuation

| DCF Equity Value | | 326,1 |
|-------------------------|--------------|-------|
| FCFO actualized | 45,5 | 14% |
| TV actualized DCF | 280,2 | 86% |
| Enterprise Value | 325,6 | 100% |
| NFP (FY20A) | (0,4) | |

Source: Integrae SIM

With the above data and taking as a reference our estimates and assumption, the result is an equity value of € 326.1 million.

Table 6 – Equity Value – Sensitivity Analysis

| €/mln | | WACC | | | | | | |
|-----------------|-------|--------|--------|-------|-------|-------|-------|-------|
| | | 2,9% | 3,4% | 3,9% | 4,4% | 4,9% | 5,4% | 5,9% |
| Growth Rate (g) | 2,5% | 2399,4 | 1125,0 | 732,6 | 542,1 | 429,6 | 355,3 | 302,7 |
| | 2,0% | 1155,2 | 752,1 | 556,3 | 440,6 | 364,3 | 310,2 | 269,9 |
| | 1,5% | 772,1 | 570,9 | 452,0 | 373,6 | 318,0 | 276,6 | 244,5 |
| | 1,0% | 586,0 | 463,8 | 383,2 | 326,1 | 283,5 | 250,5 | 224,2 |
| | 0,5% | 475,9 | 393,1 | 334,4 | 290,6 | 256,7 | 229,7 | 207,6 |
| | 0,0% | 403,3 | 342,9 | 297,9 | 263,0 | 235,3 | 212,7 | 193,9 |
| | -0,5% | 351,7 | 305,4 | 269,6 | 241,1 | 217,8 | 198,5 | 182,3 |

Source: Integrae SIM

2.2 Market multiples

Our panel is made up of companies operating in the same sector as Intred. These companies are the same ones used for the calculation of Beta for the DCF method. The Panel is composed of:

2.2.1 Panel Composition

Retelit - Reti Telematiche Italiane S.p.A. is an Italian operator of data services and infrastructures for the telecommunications market, the company has a proprietary fiber-optic network that extends over 8,000 kilometers and connects 9 metropolitan networks and 18 data processing centers all over Italy. This infrastructure allows access to the dedicated broadband and ultra-broadband data transmission services for the implementation of private IP and Ethernet networks and the provision of Internet connectivity.

Cogent Communications Holdings provides Internet access services and Internet Protocol communications services. It also offers Internet access and data transport through its fiber-optic network, IP data network, ethernet transport, and co-location services.

WIIT SpA is a cloud computing company in the Italian market, specializing in the offering of solutions of Private Cloud solutions, Hosted Private Cloud solutions for critical applications, Public Cloud and Hybrid Cloud applications, as well as advanced cybersecurity solutions.

Elisa Oyi (Finland) operates in telecommunications, IT, communications, and online services. It operates through the Consumer Customers and Corporate Customers segments. The Consumer Customers segment provides consumers and households with telecommunications services, such as voice and data services. The Corporate Customers segment offers customers voice and data services, IT and communication solutions, and contact center services.

Chorus Limited (New Zealand) operates as a telecommunications company. It offers a national network of fiber-optic cables and copper cables that interconnect homes and businesses and also provides backhaul and co-location services to retail service providers. The company also provides fixed-line communications infrastructure services to retail service providers.

2.2.2 Multiples Method

Table 7 – Market Multiples

| Company Name | EV/EBITDA (x) | | | EV/EBIT (x) | | | P/E (x) | | |
|-----------------------------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | FY21E | FY22E | FY23E | FY21E | FY22E | FY23E | FY21E | FY22E | FY23E |
| Retelit S.p.A. | 8,1 | 7,3 | 6,7 | 18,5 | 15,0 | 13,1 | 22,1 | 17,9 | 12,2 |
| Cogent Communications Holdings... | 17,5 | 16,1 | 14,9 | 34,5 | 29,6 | 25,1 | 82,5 | 59,7 | 49,2 |
| WIIT SpA | 16,7 | 14,7 | 12,9 | 28,8 | 25,0 | 19,3 | 37,4 | 29,4 | 26,5 |
| Elisa Oyj | 13,5 | 13,2 | 12,9 | 22,1 | 21,2 | 20,4 | 24,5 | 23,5 | 22,5 |
| Chorus Limited | 11,3 | 11,2 | N/A | 31,9 | 30,6 | N/A | 70,9 | 61,9 | N/A |
| Peer median | 13,5 | 13,2 | 12,9 | 28,8 | 25,0 | 19,8 | 37,4 | 29,4 | 24,5 |

Source: Inf Financials

Table 8 – Market Multiples Valuation

| €/mln | 2021E | 2022E | 2023E |
|------------------------------|--------------|--------------|--------------|
| Enterprise Value (EV) | | | |
| EV/EBITDA | 226,3 | 274,8 | 319,2 |
| EV/EBIT | 300,8 | 321,0 | 323,1 |
| P/E | 289,9 | 279,4 | 294,9 |
| Equity Value | | | |
| EV/EBITDA | 235,7 | 291,0 | 343,3 |
| EV/EBIT | 310,2 | 337,2 | 347,2 |
| P/E | 289,9 | 279,4 | 294,9 |
| Average | 278,6 | 302,6 | 328,5 |

Source: Integrae SIM

The equity value of Intred using the market multiples EV/ EBITDA, EV/EBIT, and P/E is **equal to € 303.2 million.**

2.3 Equity Value

Table 9 – Equity Value

| | |
|-------------------------------------|--------------|
| Average Equity Value (€/mln) | 314,6 |
| Equity Value DCF (€/mln) | 326,1 |
| Equity Value multiples (€/mln) | 303,2 |
| Target Price (€) | 19,85 |

Source: Integrae SIM

The result is an average equity value of € 314.6 million. **The target price is, therefore, € 19.85 (prev. € 11.50). We confirm BUY rating and MEDIUM risk.**

Table 10 – Target Price Implied Valuation Multiples

| Multiples | FY20A | FY21E | FY22E |
|------------------|--------------|--------------|--------------|
| EV/EBITDA | 22,5x | 18,8x | 15,1x |
| EV/EBIT | 38,7x | 30,1x | 24,5x |

Source: Integrae SIM

Table 11 – Current Price Implied Valuation Multiples

| Multiples | FY20A | FY21E | FY22E |
|------------------|--------------|--------------|--------------|
| EV/EBITDA | 16,2x | 13,6x | 10,9x |
| EV/EBIT | 27,9x | 21,7x | 17,7x |

Source: Integrae SIM

Disclosure Pursuant to Delegated Regulation UE n. 2016/958 and Consob Regulation n. 20307/2018

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| Equity Total Return (ETR) for different risk categories | | | |
|---|--------------------------------------|-----------------|----------------|
| Rating | Low Risk | Medium Risk | High Risk |
| BUY | ETR >= 7.5% | ETR >= 10% | ETR >= 15% |
| HOLD | -5% < ETR < 7.5% | -5% < ETR < 10% | 0% < ETR < 15% |
| SELL | ETR <= -5% | ETR <= -5% | ETR <= 0% |
| | | | |
| U.R. | Rating e/o target price Under Review | | |
| N.R. | Stock Not Rated | | |

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