

INTRED

Sector: Telecoms

BUY

Price: Eu9.78 - Target: Eu16.10

CapEx Optimisation Should Drive FCF Enhancement

Giorgio Tavolini +39-02-77115.279

giorgio.tavolini@intermonte.it

Andrea Randone: +39-02-77115.364

andrea.randone@intermonte.it

Stock Rating

Rating: Unchanged

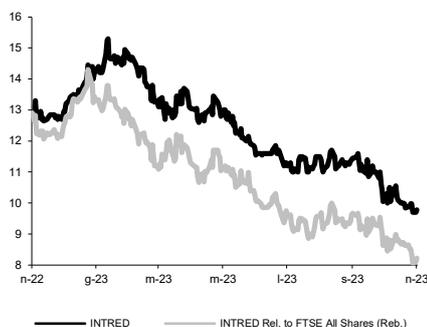
Target Price (Eu): from 15.50 to 16.10

	2023E	2024E	2025E
Chg in Adj EPS	0.0%	-11.1%	-9.8%

Next Event

FY23 Sales Out 7 February 2024

INTRED - 12M Performance



Stock Data

Reuters code: INTD.MI

Bloomberg code: ITD IM

Performance	1M	3M	12M
Absolute	-2.7%	-15.0%	-24.2%
Relative	-4.8%	-14.0%	-43.1%
12M (H/L)	15.30/9.70		
3M Average Volume (th):	4.61		

Shareholder Data

No. of Ord shares (mn): 16

Total no. of shares (mn): 16

Mkt Cap Ord (Eu mn): 155

Total Mkt Cap (Eu mn): 155

Mkt Float - Ord (Eu mn): 47

Mkt Float (in %): 30.2%

Main Shareholder:

DM Holding S.r.l. 60.3%

Balance Sheet Data

Book Value (Eu mn): 53

BVPS (Eu): 3.34

P/BV: 2.9

Net Financial Position (Eu mn): -20

Enterprise Value (Eu mn): 175

■ **9M23 solid sales.** INTRED released a solid performance in 9M23 with turnover at €36.8mn (+8% YoY, +0.6% above our exp.), which implies 9% growth in 4Q to achieve our €49mn FY top-line estimate. Thanks to the School Tenders, the Group is expanding turnover even in provinces where its presence was previously limited, leading to significant growth in the local PA segment (9M: +29%, 1H:+18%). In 9M, >3000 schools have been activated (1H: 2,820, tgt: c. 5,300), generating c. €6mn turnover (1H: €4.2mn). The Wholesale and Business segments enjoyed solid trends as a direct result of ongoing investments in marketing activities and strengthening the sales force. Churn rate still at best-in-class levels (9M: 4.5%, 1H: 4.4%).

■ **Positive feedback from recent investor meetings.** Following our initiation of coverage, we got reassuring feedback from recent meetings with INTRED management. The company sees some scope for CapEx optimisation over the next two years, as the network rollout on School Tenders is proceeding faster than expected. We believe this could lead to a material CapEx saving for the next 2 years (we would argue some c €6-7mn/year) compared to our initial assumptions, freeing up significant financial resources that should translate into a more sustainable capital structure in the near term and provide greater firepower for potential M&A. On this matter, management confirmed the interest in small targets in Lombardy and/or neighbouring regions, with a very complementary fit with INTRED, replicating the successful paradigm of the QCOM acquisition in 2020.

■ **Change in estimates.** We leave FY23-26 revenue estimates unchanged, while we incorporate higher commercial costs for the next 2 years to support mid-term growth, temporarily diluting margins to ca. 40-41% (from the usual 42-43%). Nevertheless, we acknowledge the notable opportunity to optimise investments as of next year. As a result, we revise our CapEx projections down by €6-7mn/year over the next three years while enhancing our forecasts for working capital trends. These adjustments lead to stronger FCF, with YE24 net debt decreasing slightly below the YE23 figure, setting the stage for an improving trajectory in the subsequent years.

■ **BUY rating confirmed; TP to €16.1 (from €15.5).** The improvement in our FCF estimates is partially offset in our DCF model by an increase in the risk-free rate (from 4.0% to 4.5%) prompting us to raise our target price from €15.5 to €16.1. We appreciate INTRED's business model, as it offers a very attractive risk-return profile thanks to: a) a proprietary network focused on future-proof UBB technology (no risk of disruptive change and limited long-term CapEx) and first-mover advantage in Lombardy, a highly strategic location (1/5 of Italy's GDP) with a strong presence of SMEs; b) footprint expansion from School Tenders and a new commercial investment cycle to support long-term growth and a faster take-up rate; c) strong visibility on IRR (upfront CapEx with guaranteed returns) with downside protection (visible and recurring revenue streams, low churn); d) a supportive regulatory framework (NRRP); e) long-term possibilities offered by attractive assets (proprietary network, well-established and loyal customer base) in a potential market consolidation scenario.

Key Figures & Ratios	2021A	2022A	2023E	2024E	2025E
Sales (Eu mn)	41	46	49	55	61
EBITDA Adj (Eu mn)	18	20	21	22	25
Net Profit Adj (Eu mn)	9	9	6	6	7
EPS New Adj (Eu)	0.543	0.546	0.386	0.360	0.433
EPS Old Adj (Eu)	0.543	0.546	0.386	0.406	0.480
DPS (Eu)	0.060	0.070	0.066	0.068	0.082
EV/EBITDA Adj	14.1	12.4	8.2	7.9	6.8
EV/EBIT Adj	21.1	20.2	17.6	18.2	15.7
P/E Adj	18.0	17.9	25.3	27.1	22.6
Div. Yield	0.6%	0.7%	0.7%	0.7%	0.8%
Net Debt/EBITDA Adj	-0.3	0.6	0.9	0.8	0.6

INTRED – Key Figures						
Profit & Loss (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Sales	36	41	46	49	55	61
EBITDA	14	18	20	21	22	25
EBIT	8	12	12	10	10	11
Financial Income (charges)	0	0	0	-1	-1	-1
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	8	12	12	9	8	10
Taxes	-2	-3	-4	-3	-2	-3
Tax rate	25.3%	27.8%	28.8%	30.0%	30.0%	30.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	6	9	9	6	6	7
EBITDA Adj	14	18	20	21	22	25
EBIT Adj	8	12	12	10	10	11
Net Profit Adj	6	9	9	6	6	7
Per Share Data (Eu)	2020A	2021A	2022A	2023E	2024E	2025E
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	0.385	0.543	0.546	0.386	0.360	0.433
EPS Adj f.d	0.385	0.543	0.546	0.386	0.360	0.433
BVPS f.d	2.034	2.537	3.022	3.335	3.630	3.994
Dividend per Share ORD	0.040	0.060	0.070	0.066	0.068	0.082
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	10.4%	11.1%	12.8%	17.0%	19.0%	19.0%
Cash Flow (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Gross Cash Flow	12	14	16	18	18	21
Change in NWC	3	12	6	4	4	1
Capital Expenditure	-10	-20	-39	-28	-20	-18
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	5	6	-16	-7	2	3
Acquisitions, Divestments & Other Items	-10	0	0	0	0	0
Dividends	-0	-1	-1	-1	-1	-1
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	-8	-6	-6	-8	1	2
Balance Sheet (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Total Fixed Assets	43	57	89	106	113	117
Net Working Capital	-9	-21	-27	-31	-35	-36
Long term Liabilities	-2	-2	-2	-2	-2	-2
Net Capital Employed	32	35	60	73	76	80
Net Cash (Debt)	0	5	-12	-20	-19	-16
Group Equity	32	40	48	53	58	63
Minorities	0	0	0	0	0	0
Net Equity	32	40	48	53	58	63
Enterprise Value (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Average Mkt Cap	128	255	234	155	155	155
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	0	5	-12	-20	-19	-16
Enterprise Value	128	249	246	175	174	172
Ratios (%)	2020A	2021A	2022A	2023E	2024E	2025E
EBITDA Adj Margin	38.4%	42.8%	43.1%	43.5%	40.5%	40.8%
EBIT Adj Margin	22.3%	28.6%	26.4%	20.2%	17.5%	17.8%
Gearing - Debt/Equity	-1.2%	-13.5%	24.0%	37.7%	32.3%	25.6%
Interest Cover on EBIT	nm	nm	nm	8.3	6.9	9.8
Net Debt/EBITDA Adj	0.0	-0.3	0.6	0.9	0.8	0.6
ROACE*	32.2%	35.3%	25.8%	15.0%	12.8%	14.0%
ROE*	20.7%	23.8%	19.7%	12.1%	10.3%	11.3%
EV/CE	5.1	7.5	5.2	2.6	2.3	2.2
EV/Sales	3.5	6.0	5.3	3.6	3.2	2.8
EV/EBITDA Adj	9.1	14.1	12.4	8.2	7.9	6.8
EV/EBIT Adj	15.7	21.1	20.2	17.6	18.2	15.7
Free Cash Flow Yield	3.1%	4.0%	-10.4%	-4.7%	1.5%	2.2%
Growth Rates (%)	2020A	2021A	2022A	2023E	2024E	2025E
Sales	71.7%	13.3%	11.7%	7.0%	10.9%	12.3%
EBITDA Adj	60.6%	26.1%	12.6%	8.1%	3.3%	13.1%
EBIT Adj	41.1%	45.1%	3.1%	-18.1%	-3.8%	14.2%
Net Profit Adj	41.3%	41.1%	0.6%	-29.3%	-6.6%	20.0%
EPS Adj	41.3%	41.1%	0.6%	-29.3%	-6.6%	20.0%
DPS	33.3%	50.0%	16.7%	-6.3%	4.4%	20.0%

*Excluding extraordinary items Source: Intermonte SIM estimates

9M23 Sales

INTRED released a solid performance in 9M23 with turnover at €36.8mn (+8% YoY, +0.6% above our exp.), which implies 9% growth in 4Q to achieve our €49mn FY top-line estimate.

- Top-line growth was mostly driven by sale of fibre connectivity (€13.3mn , +13.3% YoY).
- Recurring revenues amounted to €31.9mn, c. 86.8% of total sales.
- In 9M, >3000 schools have been activated (1H: 2,820, tgt: c. 5,300), generating c. €6mn turnover (1H: €4.2mn).
- Thanks to the School Tenders, the Group is expanding turnover even in provinces where its presence was previously limited, leading to a significant growth in the local PA segment (9M: +29%, 1H:+18%). The company highlights a strong expansion in the provinces of Como, Cremona, Lecco, Monza, Pavia and Varese.
- The Wholesale and Business segments also enjoyed solid trends as a direct result of ongoing investments in marketing activities and strengthening the sales force.
- Churn rate still at best-in-class levels (9M: 4.5%, 1H: 4.4%).
- Fibre network reached >11,000km (+1,500km to date)

INTRED - Revenue Evolution by quarter

Eu mn	1Q22A	2Q22A	3Q22A	9M22A	4Q22A	FY22A	1Q23A	2Q23A	3Q23A	9M23A	9M23E	A/E	4Q23E	FY23E
Revenues	11.2	11.8	11.4	34.1	11.2	45.5	12.2	12.3	12.3	36.8	36.6	0.6%	12.2	49.0
YoY growth	20.0%	22.3%	14.0%	17.9%	-3.0%	12.5%	9.0%	4.9%	8.1%	8.0%	6.6%		9.0%	7.7%

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

Positive feedback from recent investor meetings

Since our initiation of coverage, we have received reassuring feedback from recent meetings with INTRED's management. The company sees some scope for CapEx optimisation over the next two years, as the network rollout on School Tenders is proceeding faster than expected. We believe this could lead to a material CapEx saving for the next 2 years (we would argue some c.€6-7mn/year) compared to our initial assumptions, freeing up significant financial resources that should translate into a more sustainable capital structure in the near term and provide greater firepower for potential M&A. On this matter, management confirmed the interest in small targets in Lombardy and/or neighbouring regions, with a very complementary fit with INTRED, replicating the successful paradigm of the QCOM acquisition in 2020.

Key messages from the meetings:

- **CapEx:** scope for CapEx optimisation over the next two years, as the network rollout on School Tenders is proceeding faster than expected;
- **School tenders:** the two tenders should lead to Eu60mn of revenues overall, which should remunerate INTRED for the CapEx linked to network construction and the related management activities for a 5-year period. At the renewal of the concession, INTRED will have a strong competitive advantage over other potential bidders thanks to its proprietary infrastructure connecting schools. The next tender should only relate to network management activity. Meanwhile, in the same municipalities as the School Tenders, INTRED is assessing further business opportunities, involving fibre connections for public buildings (libraries, police stations, etc..) close to the schools.
- **M&A:** the company is constantly scouting new opportunities, prioritising small targets (Eu2-5mn in size) located in Lombardy and/or neighbouring regions with a loyal customer base, a very complementary fit with INTRED, and not necessarily owning a proprietary network. Management gave a recap of the successful integration of Bergamo-based QCOM, acquired in 2020 for a cash-out of c.€10mn (5.7x EV/adj. EBITDA multiple): in FY19, before the acquisition, QCOM had a 7% margin, which rose to 28% the following year thanks to the migration of QCOM's customers from third-party networks to INTRED.

Change in Estimates

We leave FY23-26 revenue estimates unchanged, while we incorporate higher commercial costs for the next 2 years to support mid-term growth, temporarily diluting margins to ca. 40-41% (from the usual 42-43%). Nevertheless, we acknowledge the notable opportunity to optimise investments as of next year. As a result, we are revising our CapEx projections down by €6-7mn/year over the next three years while enhancing our forecasts for working capital trends. These adjustments lead to stronger FCF, with YE24 net debt decreasing slightly below the YE23 figure, setting the stage for an improving trajectory in the subsequent years.

INTRED - Changes to FY23-26 Estimates: P&L

Eu mn	Actuals		New Estimates				Old Estimates				New vs Old			
	'21A	'22A	'23E	'24E	'25E	'26E	'23E	'24E	'25E	'26E	'23E	'24E	'25E	'26E
Net Revenues	40.5	45.5	49.0	54.4	61.1	68.7	49.0	54.4	61.1	68.7	0%	0%	0%	0%
YoY growth	14.1%	12.5%	7.7%	10.9%	12.3%	12.6%	7.7%	10.9%	12.3%	12.6%				
VoP	41.2	46.1	49.3	54.7	61.4	69.1	49.3	54.7	61.4	69.1	0%	0%	0%	0%
YoY growth	13.3%	11.7%	7.0%	10.9%	12.3%	12.6%	7.0%	10.9%	12.3%	12.6%				
Adj. EBITDA	17.6	19.9	21.5	22.2	25.1	29.0	21.5	23.3	26.4	29.8	0%	-5%	-5%	-2%
YoY growth	26.1%	12.6%	8.1%	3.3%	13.1%	15.9%	8.1%	8.4%	13.6%	12.7%				
as % of VoP	42.8%	43.1%	43.5%	40.5%	40.8%	42.0%	43.5%	42.5%	43.0%	43.1%				
EBITDA	17.6	19.9	21.5	22.2	25.1	29.0	21.5	23.3	26.4	29.8	0%	-5%	-5%	-2%
D&A	(5.8)	(7.7)	(11.5)	(12.6)	(14.1)	(15.9)	(11.5)	(12.6)	(12.9)	(13.1)				
EBIT	11.8	12.2	10.0	9.6	10.9	13.1	10.0	10.7	13.5	16.6	0%	-10%	-19%	-21%
as % of VoP	28.6%	26.4%	20.2%	17.5%	17.8%	19.0%	20.2%	19.5%	22.0%	24.1%				
net fin.exp.	0.2	0.0	(1.2)	(1.4)	(1.1)	(1.0)	(1.2)	(1.5)	(2.6)	(2.9)				
PBT	11.9	12.2	8.8	8.2	9.8	12.2	8.8	9.2	10.9	13.7	0%	-11%	-10%	-11%
as % of VoP	29.0%	26.4%	17.8%	14.9%	16.0%	17.6%	17.8%	16.8%	17.7%	19.8%				
Net income	8.6	8.7	6.1	5.7	6.9	8.5	6.1	6.4	7.6	9.6	0%	-11%	-10%	-11%
as % of VoP	20.9%	18.8%	12.4%	10.5%	11.2%	12.3%	12.4%	11.8%	12.4%	13.9%				
Adj. Net income	8.6	8.7	6.1	5.7	6.9	8.5	6.1	6.4	7.6	9.6	0%	-11%	-10%	-11%
NOSH (mn)	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9				
Adj. EPS (€)	€ 0.54	€ 0.55	€ 0.39	€ 0.36	€ 0.43	€ 0.54	€ 0.39	€ 0.41	€ 0.48	€ 0.60	0%	-11%	-10%	-11%
EPS (€)	€ 0.54	€ 0.55	€ 0.39	€ 0.36	€ 0.43	€ 0.54	€ 0.39	€ 0.41	€ 0.48	€ 0.60	0%	-11%	-10%	-11%
DPS (€)	€ 0.06	€ 0.07	€ 0.07	€ 0.07	€ 0.08	€ 0.10	€ 0.04	€ 0.04	€ 0.05	€ 0.07	55%	53%	56%	53%
payout	11%	13%	17%	19%	19%	19%	11%	11%	11%	11%				
Capex	(20.5)	(39.3)	(28.4)	(20.1)	(18.3)	(18.2)	(29.4)	(27.2)	(24.4)	(20.6)	-3%	-26%	-25%	-12%
as % of VoP	49.7%	85.3%	57.6%	36.8%	29.8%	26.3%	59.6%	49.7%	39.8%	29.8%				
Net Debt/(cash)	(5.4)	11.5	19.9	18.6	16.2	11.2	20.9	37.6	41.6	39.4	(1.0)	(19.0)	(25.4)	(28.2)
ND/EBITDA	-0.3x	0.6x	0.9x	0.8x	0.6x	0.4x	1.0x	1.6x	1.6x	1.3x				

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

INTRED - Changes to FY23-26 Estimates: FCF and Net Debt evolution

Eu mn	Actuals		New Estimates				Old Estimates				New vs Old			
	'21A	'22A	'23E	'24E	'25E	'26E	'23E	'24E	'25E	'26E	'23E	'24E	'25E	'26E
Net income	8.6	8.7	6.1	5.7	6.9	8.5	6.1	6.4	7.6	9.6	-	(0.7)	(0.7)	(1.1)
D&A	5.8	7.7	11.5	12.6	14.1	15.9	11.5	12.6	12.9	13.1	-	-	1.2	2.8
NWC & Other	11.6	6.5	3.5	4.2	0.8	0.2	3.5	(7.8)	0.6	1.0	-	12.0	0.2	(0.8)
FCFO	26.1	22.9	21.2	22.5	21.8	24.6	21.2	11.2	21.1	23.7	-	11.3	0.7	0.9
Capex (net of disposals)	(19.8)	(39.0)	(28.4)	(20.1)	(18.3)	(18.2)	(29.4)	(27.2)	(24.4)	(20.6)	1.0	7.1	6.1	2.4
EFCF	6.3	(16.1)	(7.3)	2.4	3.5	6.4	(8.2)	(16.0)	(3.3)	3.1	1.0	18.4	6.8	3.3
Rights issue /IPO	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend cashed-in	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	(0.6)	(1.0)	(1.1)	(1.0)	(1.1)	(1.3)	(1.1)	(0.7)	(0.7)	(0.8)	-	(0.4)	(0.4)	(0.5)
M&A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buyback	-	-	(0.0)	-	-	-	(0.0)	-	-	-	-	-	-	-
Other	(11.5)	11.0	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	(5.8)	(6.1)	(8.4)	1.3	2.4	5.1	(9.4)	(16.7)	(4.0)	2.2	1.0	18.0	6.4	2.8
Opening ND / (Cash)	(0.4)	5.4	11.5	19.9	18.6	16.2	11.5	20.9	37.6	41.6	-	(1.0)	(19.0)	(25.4)
Change	5.8	6.1	8.4	(1.3)	(2.4)	(5.1)	9.4	16.7	4.0	(2.2)	(1.0)	(18.0)	(6.4)	(2.8)
Closing Net Debt / (Cash)	5.4	11.5	19.9	18.6	16.2	11.2	20.9	37.6	41.6	39.4	(1.0)	(19.0)	(25.4)	(28.2)

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

2023-26 Estimates

INTRED - 2023-26 Estimates: Revenue split by client and P&L

Revenue split by Client (Eu mn)	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E	FY26E
Business	23.3	24.4	25.1	25.9	27.2	28.5	30.2
YoY growth	0.0%	4.8%	3.0%	3.0%	5.0%	5.0%	6.0%
as % of sales	65.8%	60.3%	55.2%	52.8%	50.0%	46.7%	44.0%
Wholesale	3.1	3.6	3.8	3.9	4.1	4.3	4.6
YoY growth	0.0%	13.4%	7.4%	1.0%	6.0%	6.0%	5.0%
as % of sales	8.8%	8.8%	8.4%	7.9%	7.5%	7.1%	6.6%
Residential	7.6	8.8	9.1	9.1	9.4	9.7	9.9
YoY growth	0.0%	16.6%	2.7%	1.0%	3.0%	3.0%	2.0%
as % of sales	21.3%	21.8%	19.9%	18.7%	17.3%	15.9%	14.4%
PA	1.5	3.7	7.5	10.1	13.7	18.5	24.0
YoY growth	0.0%	152.4%	104.0%	35.0%	35.0%	35.0%	30.0%
as % of sales	4.1%	9.1%	16.5%	20.7%	25.2%	30.3%	35.0%
Net revenues	35.4	40.5	45.5	49.0	54.4	61.1	68.7
YoY growth	70.2%	14.1%	12.5%	7.7%	10.9%	12.3%	12.6%
P&L (Eu mn)	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E	FY26E
Net revenues	35.4	40.5	45.5	49.0	54.4	61.1	68.7
YoY growth	70.2%	14.1%	12.5%	7.7%	10.9%	12.3%	12.6%
Other income	0.9	0.8	0.6	0.3	0.3	0.4	0.4
Value of Production	36.4	41.2	46.1	49.3	54.7	61.4	69.1
YoY growth	71.7%	13.3%	11.7%	7.0%	10.9%	12.3%	12.6%
Raw Mat	(0.3)	(2.1)	(0.9)	(1.5)	(1.6)	(3.1)	(3.5)
as % of VoP	0.8%	5.0%	1.9%	3.0%	3.0%	5.0%	5.0%
Services	(5.5)	(5.5)	(6.7)	(7.6)	(9.0)	(10.7)	(12.4)
as % of VoP	15.2%	13.4%	14.5%	15.5%	16.5%	17.5%	18.0%
Network rentals	(9.3)	(9.1)	(9.2)	(8.9)	(8.8)	(8.6)	(8.3)
as % of VoP	25.7%	22.2%	20.0%	18.0%	16.0%	14.0%	12.0%
Changes in inventory	-	1.2	(0.8)	(1.0)	(1.6)	(1.8)	(2.1)
as % of VoP	0.0%	-2.9%	1.7%	2.0%	3.0%	3.0%	3.0%
Sundry OpEx	(0.8)	(1.0)	(0.7)	(0.9)	(3.4)	(3.9)	(5.6)
as % of VoP	2.1%	2.5%	1.6%	1.7%	6.2%	6.4%	8.0%
Personnel expense	(6.5)	(7.0)	(7.9)	(8.0)	(8.1)	(8.2)	(8.2)
as % of VoP	17.8%	17.0%	17.2%	16.2%	14.8%	13.3%	11.9%
EBITDA	14.0	17.6	19.9	21.5	22.2	25.1	29.0
YoY growth	60.6%	26.1%	12.6%	8.1%	3.3%	13.1%	15.9%
as % of VoP	39.5%	43.6%	43.6%	43.5%	40.5%	40.8%	42.0%
Adj. EBITDA	14.0	17.6	19.9	21.5	22.2	25.1	29.0
YoY growth	60.6%	26.1%	12.6%	8.1%	3.3%	13.1%	15.9%
as % of VoP	38.4%	42.8%	43.1%	43.5%	40.5%	40.8%	42.0%
D&A	(5.9)	(5.8)	(7.7)	(11.5)	(12.6)	(14.1)	(15.9)
as % of VoP	16.1%	14.2%	16.7%	23.3%	23.0%	23.0%	23.0%
EBIT	8.1	11.8	12.2	10.0	9.6	10.9	13.1
YoY growth	41.1%	45.1%	3.1%	-18.1%	-3.8%	14.2%	20.1%
as % of VoP	22.3%	28.6%	26.4%	20.2%	17.5%	17.8%	19.0%
Adj. EBIT	8.1	11.8	12.2	10.0	9.6	10.9	13.1
YoY growth	41.1%	45.1%	3.1%	-18.1%	-3.8%	14.2%	20.1%
as % of VoP	22.3%	28.6%	26.4%	20.2%	17.5%	17.8%	19.0%
Net Financial Expenses	0.1	0.2	0.0	(1.2)	(1.4)	(1.1)	(1.0)
PBT	8.2	11.9	12.2	8.8	8.2	9.8	12.2
Current/deferred tax/assets	(2.1)	(3.3)	(3.5)	(2.6)	(2.5)	(2.9)	(3.6)
tax rate	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Net profit/(loss)	6.1	8.6	8.7	6.1	5.7	6.9	8.5
YoY growth	41.3%	41.1%	0.6%	-29.3%	-6.6%	20.0%	23.9%
as % of VoP	16.8%	20.9%	18.8%	12.4%	10.5%	11.2%	12.3%
Adj. Net profit	6.1	8.6	8.7	6.1	5.7	6.9	8.5
YoY growth	41.3%	41.1%	0.6%	-29.3%	-6.6%	20.0%	23.9%
as % of VoP	16.8%	20.9%	18.8%	12.4%	10.5%	11.2%	12.3%

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

INTRED - 2023-26 Estimates: CapEx, FCF and Balance Sheet

CapEx (Eu mn)	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E	FY26E
IRU (intangible)	2.9	4.9	11.0	4.3	3.0	2.7	2.7
as % of net sales	8.2%	12.1%	24.2%	8.7%	5.6%	4.5%	4.0%
Proprietary Network (tangible)	7.3	14.9	28.0	24.2	17.1	15.6	15.5
Capex (Eu mn)	10.2	19.8	39.0	28.4	20.1	18.3	18.2
as % of net sales	28.8%	48.9%	85.7%	58.0%	37.0%	30.0%	26.5%

FCF (Eu mn)	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E	FY26E
Net income	6.1	8.6	8.7	6.1	5.7	6.9	8.5
D&A	5.9	5.8	7.7	11.5	12.6	14.1	15.9
NWC & Other	3.0	11.6	6.5	3.5	4.2	0.8	0.2
FCFO	15.0	26.1	22.9	21.2	22.5	21.8	24.6
Capex (net of disposals)	(10.2)	(19.8)	(39.0)	(28.4)	(20.1)	(18.3)	(18.2)
EFCF	4.8	6.3	(16.1)	(7.3)	2.4	3.5	6.4
Rights issue /IPO	-	-	-	-	-	-	-
Dividend cashed-in	-	-	-	-	-	-	-
Dividends paid	(0.5)	(0.6)	(1.0)	(1.1)	(1.0)	(1.1)	(1.3)
M&A	(10.2)	-	-	-	-	-	-
Buyback	-	-	-	(0.0)	-	-	-
Other	(1.8)	(11.5)	11.0	-	-	-	-
Net Debt change (- incr/+ decr)	(7.7)	(5.8)	(6.1)	(8.4)	1.3	2.4	5.1
Opening Net Debt /(Cash)	(8.1)	(0.4)	5.4	11.5	19.9	18.6	16.2
Change	7.7	5.8	6.1	8.4	(1.3)	(2.4)	(5.1)
Closing Net Debt /(Cash)	(0.4)	5.4	11.5	19.9	18.6	16.2	11.2

Balance Sheet (Eu mn)	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E	FY26E
CURRENT ASSETS	7.9	11.5	17.3	10.9	10.9	11.8	13.0
CURRENT LIABILITIES	(17.2)	(32.5)	(44.6)	(41.7)	(45.8)	(47.6)	(48.9)
NET WORKING CAPITAL	(9.3)	(21.0)	(27.2)	(30.8)	(35.0)	(35.8)	(35.9)
Intangible fixed assets	17.9	21.6	30.1	28.6	25.4	21.0	15.8
- goodwill	9.2	8.5	7.9	7.9	7.9	7.9	7.9
- other intangible assets	8.7	13.0	22.2	20.8	17.5	13.2	7.9
Property, plant and equipment	24.7	35.7	58.4	76.9	87.7	96.2	103.7
Financial fixed assets	0.1	0.2	0.0	0.0	0.0	0.0	0.0
TOTAL FIXED ASSETS	42.8	57.4	88.6	105.5	113.1	117.2	119.6
Post-employment benefits	(1.6)	(1.6)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)
Provisions for risks and charges	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
NET CAPITAL EMPLOYED	31.9	34.9	59.5	72.9	76.3	79.7	81.8
Share capital	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Reserves	16.2	21.7	29.3	36.9	42.0	46.6	52.2
Profit (loss) for the year	6.1	8.6	8.7	6.1	5.7	6.9	8.5
Negative reserve for shares in portfolio	-	-	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)
EQUITY	32.3	40.3	48.0	53.0	57.7	63.4	70.6
NET DEBT	(0.4)	(5.4)	11.5	19.9	18.6	16.2	11.2
TOTAL SOURCES	31.9	34.9	59.5	72.9	76.3	79.7	81.8

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

DCF Valuation

The improvement in our FCF estimates is partially offset in our DCF model by an increase in the risk-free rate (from 4.0% to 4.5%), resulting in our TP going up from €15.5 to €16.1.

INTRED – DCF model (WACC up from 8.8% to 9.2%, g still 1.5%)

(Eu mn)	'23E	'24E	'25E	'26E	'27E	'28E	'29E	'30E	'31E	'32E	'33E	TV
VoP	49.0	54.4	61.1	68.7	76.4	83.7	90.3	96.8	102.5	107.7	112.8	114.4
<i>YoY growth</i>	7.7%	10.9%	12.3%	12.6%	11.1%	9.7%	7.9%	7.1%	5.9%	5.1%	4.7%	1.5%
Adj. EBITDA	21.5	22.2	25.1	29.0	32.5	35.8	38.9	41.9	44.6	47.2	49.6	50.3
as % of VoP	43.8%	40.7%	41.0%	42.3%	42.5%	42.8%	43.0%	43.3%	43.5%	43.8%	44.0%	44.0%
D&A	(11.5)	(12.6)	(14.1)	(15.9)	(17.6)	(19.3)	(20.8)	(22.2)	(23.5)	(24.6)	(25.7)	(5.7)
EBIT	10.0	9.6	10.9	13.1	14.8	16.5	18.1	19.7	21.1	22.5	23.9	44.6
as % of VoP	20.3%	17.6%	17.9%	19.1%	19.4%	19.7%	20.0%	20.3%	20.6%	20.9%	21.2%	39.0%
Taxes	(2.4)	(2.3)	(2.6)	(3.2)	(3.6)	(4.0)	(4.3)	(4.7)	(5.1)	(5.4)	(5.7)	(10.7)
<i>tax rate</i>	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Change in WC	3.5	4.2	0.8	0.2	2.1	2.0	1.7	1.6	1.4	1.2	1.1	-
Capex	(28.4)	(20.1)	(18.3)	(18.2)	(16.8)	(16.7)	(16.6)	(16.5)	(16.4)	(16.2)	(15.2)	(5.7)
as % of VoP	58.0%	37.0%	30.0%	26.5%	22.0%	20.0%	18.4%	17.0%	16.0%	15.0%	13.5%	5.0%
Unlevered FCF	(5.8)	3.9	4.9	7.8	14.2	17.1	19.6	22.3	24.5	26.8	29.8	33.9
TV												437
year	0	1	2	3	4	5	6	7	8	9	10	10
Disc. Factor	1.00	0.92	0.84	0.77	0.70	0.64	0.59	0.54	0.49	0.45	0.41	0.41
Disc. Flows		3.6	4.1	6.0	10.0	11.0	11.5	12.0	12.1	12.1	12.4	181.2

Sum of FCF'24-33E	94.9
Terminal value	181.2
Total EV	276.1
Net Cash (Debt) at YE23	(19.9)
Minorities	0.0
treasury shares	0.0
Equity Value	256.2
current NOSH (mn)	15.9
Target Price (Eu)	16.1
current price (Eu)	9.8
<i>upside vs current price</i>	65%

Source: Intermonte SIM

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

		g										
		1.0%	1.1%	1.2%	1.3%	1.4%	1.5%	1.6%	1.7%	1.8%	1.9%	2.0%
WACC	8.2%	18.4	18.6	18.8	19.0	19.2	19.4	19.7	19.9	20.2	20.4	20.7
	8.4%	17.7	17.9	18.1	18.3	18.5	18.7	18.9	19.1	19.4	19.6	19.8
	8.6%	17.1	17.3	17.4	17.6	17.8	18.0	18.2	18.4	18.6	18.8	19.1
	8.8%	16.5	16.7	16.8	17.0	17.2	17.3	17.5	17.7	17.9	18.1	18.3
	9.0%	15.9	16.1	16.2	16.4	16.6	16.7	16.9	17.1	17.2	17.4	17.6
	9.2%	15.4	15.5	15.7	15.8	16.0	16.1	16.3	16.5	16.6	16.8	17.0
	9.4%	14.9	15.0	15.1	15.3	15.4	15.6	15.7	15.9	16.0	16.2	16.4
	9.6%	14.4	14.5	14.6	14.8	14.9	15.0	15.2	15.3	15.5	15.6	15.8
	9.8%	13.9	14.0	14.2	14.3	14.4	14.5	14.7	14.8	14.9	15.1	15.2
	10.0%	13.5	13.6	13.7	13.8	13.9	14.1	14.2	14.3	14.4	14.6	14.7
10.2%	13.1	13.2	13.3	13.4	13.5	13.6	13.7	13.8	14.0	14.1	14.2	

Source: Intermonte SIM

Peer multiples

We refer to peer multiples as a sanity check for our DCF model and purely for information purposes. Indeed, we believe the company is more similar to an emerging firm, considering the high potential for growth and ongoing network expansion, while 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. (%)				EV/Sales (x)			EV/EBITDA (x)			EV/EBIT (x)			Adj. PE (x)			Div. Yield (%)		
				1m	3m	6m	Ytd	'23E	'24E	'25E	'23E	'24E	'25E	'23E	'24E	'25E	'23E	'24E	'25E	'23E	'24E	'25E
Intred SpA (@mkt price, our est.)	EUR	9.8	155	-3%	-16%	-24%	-33%	3.6	3.2	2.8	8.2	7.9	6.8	17.6	18.2	15.7	25.3	27.1	22.6	0.7%	0.7%	0.8%
Intred SpA (@mkt price, cons.)	EUR	9.8	155	-3%	-16%	-24%	-33%	3.5	3.1	2.8	8.0	7.3	6.5	16.5	14.7	12.5	22.0	18.8	16.5	0.5%	0.6%	0.7%
Unidata (@mkt price, our est.)	EUR	36.40	112	-12%	-10%	-8%	-23%	1.7	1.3	1.2	6.5	5.7	4.5	10.0	8.1	6.5	11.7	9.4	7.7	0.4%	0.5%	0.5%
Planetel S.p.A.	EUR	4.60	31	-10%	-17%	-20%	-27%	1.1	0.8	0.6	5.0	3.2	2.1	11.7	5.7	3.3	12.5	6.8	4.9	0.0%	0.0%	0.0%
Convergenze SpA Societa Benefit	EUR	1.58	12	-27%	-8%	-23%	-40%	0.8	0.7	0.6	6.7	5.3	4.5	22.9	17.3	14.6	78.9	27.9	24.9	0.0%	0.0%	0.0%
Italian Regional FTTH players - Median								1.1	0.8	0.6	6.5	5.3	4.5	11.7	8.1	6.5	12.5	9.4	7.7	0.0%	0.0%	0.0%
United Internet AG	EUR	20.94	4,020	-2%	25%	36%	6%	1.1	1.1	0.9	5.3	5.1	3.9	8.8	8.5	6.4	10.1	9.1	8.2	2.4%	2.5%	2.5%
Cogent Communications Holdings Inc	USD	65.88	3,011	8%	13%	-1%	17%	4.4	3.7	3.5	13.0	11.4	12.0	n.m.	n.m.	n.m.	3.2	n.m.	n.m.	5.7%	6.0%	6.3%
Chorus Limited	NZD	7.48	1,801	-3%	-11%	-13%	-9%	5.9	5.7	5.7	8.6	8.3	8.2	25.2	23.4	21.9	122.7	90.9	70.7	5.7%	6.4%	6.7%
WideOpenWest, Inc.	USD	7.61	590	3%	-8%	-12%	-17%	2.2	2.2	2.2	5.3	5.0	4.6	n.m.	17.1	14.6	n.m.	126.2	56.9	0.0%	0.0%	0.0%
Bredband2 i Skandinavien AB	SEK	1.42	116	9%	16%	12%	3%	1.0	0.9	0.9	6.2	5.6	5.4	13.9	11.3	9.9	12.1	10.7	10.1	7.1%	9.2%	11.3%
Intl. Regional FTTH players - Median								2.2	2.2	2.2	6.2	5.6	5.4	13.9	14.2	12.2	11.1	50.8	33.5	5.7%	6.0%	6.3%
Average Selected Peers								1.7	1.5	1.4	6.3	5.4	4.9	12.8	11.2	9.4	11.8	30.1	20.6	2.8%	3.0%	3.2%

Source: Intermonte SIM for INTRED and Unidata, FactSet Consensus

INTRED in Brief

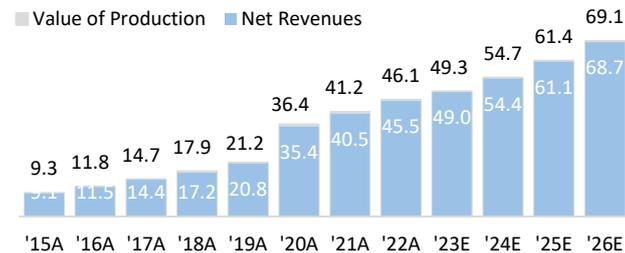
Company description

Based in Brescia and founded in 1996, **INTRED** offers UBB connectivity to businesses and residential clients, leveraging on its proprietary cutting-edge network (>11,000km, total investment of >€120mn to date) in the extremely vibrant Lombardy region (1/5 of Italy's GDP). By providing its services to SMEs (53% of 1H23 sales), residential (19%), wholesale (8%) and public-sector clients (21%), INTRED makes full use of its network. The Group has been listed on EGM since July 2018 (IPO price €2.27) and currently employs c.180 skilled personnel. In February 2020, INTRED secured further expansion thanks to the acquisition of QCOM (80 employees, 4.3k business clients) for c.€10mn.

Strengths/Opportunities

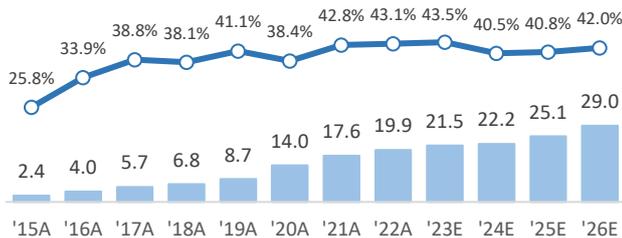
- Proprietary fibre network with a focus on future-proof FTTH technology
- Strategic location in an affluent and thriving area: significant market share in Brescia province (>10%) and great presence in Lombardy with large addressable market
- A highly fragmented (>47k customers as of 1H23) and loyal customer base (churn rate <5%)
- High profitability (>40% EBITDA margin) and high entry barriers (investment, reputation, know-how)
- Upside from school tenders to cover more than 5.3k schools

INTRED – Value of Production (Eu mn)



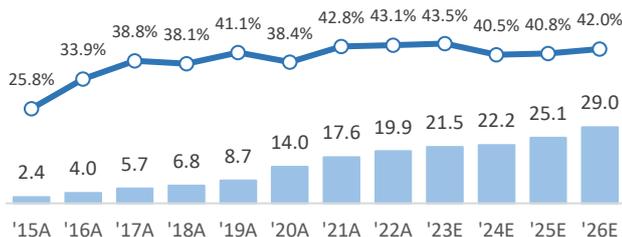
Source: Intermonte SIM (E), Company actual (A)

INTRED – EBITDA (Eu mn) and margin on sales (%)



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

INTRED – CapEx Trend (Eu mn)



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

Management

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

Next BoD renewal: Spring, 2024
BoD independent members: 1/7
BoD women: 2/7

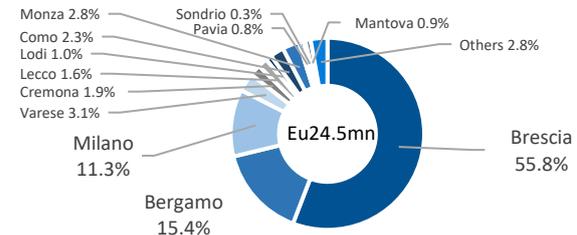
Shareholders

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%

Weaknesses/Threats

- A medium-sized company contending with telecoms 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 to Lombardy
- Keeping up 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 – 1H23 Revenue breakdown by customer (%)



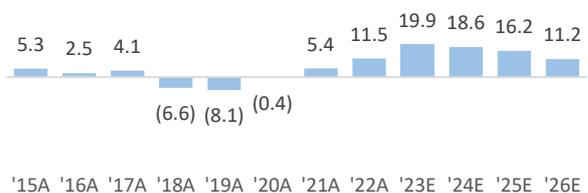
Source: Intermonte SIM (E), Company actual (A)

INTRED – EBIT (Eu mn) and margin on sales (%)



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

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



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

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	INTRED		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	16.10	Previous Target (Eu):	15.50
Current Price (Eu):	9.78	Previous Price (Eu):	11.00
Date of report:	08/11/2023	Date of last report:	02/10/2023

DISCLAIMER (for more details go to [DISCLAIMER](#))

IMPORTANT DISCLOSURES

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.

This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.

The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.

This disclaimer is constantly updated on Intermonte's website www.intermonte.it under LEGAL INFORMATION. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the [PERFORMANCE](#) web page.

Intermonte distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Brasil Plural Securities LLC under SEC 15a-6 guidelines. Intermonte is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Brasil Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certifies that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities.

Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Brasil Plural Securities LLC, 545 Madison Avenue, New York 10022.

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 of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 Index, most of those on the MIBEX 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 30 September 2023 Intermonte's Research Department covered 114 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	24.79 %
OUTPERFORM:	52.99 %
NEUTRAL:	20.51 %
UNDERPERFORM	01.71 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (48 in total) is as follows:

BUY:	38.78 %
OUTPERFORM:	51.02 %
NEUTRAL:	10.20 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

CONFLICT OF INTEREST

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

Intermonte is acting as financial advisor to SAES Getters in relation to the partial voluntary tender offer on ordinary treasury shares.

Within the last year, Intermonte SIM managed or co-managed/is managing or is co-managing an Institutional Offering and/or managed or co-managed/is managing or is co-managing an offering with firm commitment underwriting of the securities of the following Companies: Civitanavi Systems, GPI.

Intermonte SIM has provided in the last 12 months / provides / may provide investment banking services to the following companies: Aedes, Cy4Gate, Esprinet, GPI, Greenthesis (formerly Ambientthesis), Growens, Illimity Bank, Maire Tecnimont, SAES Getters, Tinexta, Unidata and WIIT.

Intermonte SIM is acting as counterparty to WIIT Fin S.r.l. in connection with call and put options having WIIT S.p.A. shares and dividends as reference underlying.

Intermonte SIM is Specialist and/or Corporate Broker and/or Sponsor and/or Broker in charge of the share buy back activity of the following Companies: Abitare In, Aedes, Alkemy, Anima Holding, Antares Vision, Aquafil, Avio, Azimut Holding, Banca Ifis, Banca Sistema, Cellularline, Civitanavi Systems, Cyberoo, Cy4gate, DeA Capital, Datrix, EL.En, Eles, Elica, Emak, Esprinet, Expert AI, Fimit - Fondo Alpha, Fine Foods, Franchi Umberto Marmi, Gefran, Go Internet, GPI, Greenthesis (Formerly Ambientthesis), Gruppo Fos, GVS, IEG, Iervolino & Lady Bacardi Entertainment, IndelB, Intred, Luve, Matica Fintec, Notorious Pictures, Next Re SiliQ, Omer, Pharmanutra, Reevo, Relatech, Reply, Revo Insurance, Sababa Security, Saes Getters, Salcef, Sciuker Frames, Seco, Servizi Italia, Sesa, Seri Industrial, Somec, Talea, Tamburi, Tinexta, Tesmec, The Italian Sea Group, TXT, Unidata, Webuild and WIIT.

Intermonte SIM has a contractual commitment to act as liquidity provider on behalf of third parties for the following company: Banca Sistema.

Intermonte SIM performs as a market maker for the following companies: A2A, Anima, Atlantia, Autogrill, Azimut Holding, BAMI, Banca Generali, Banca Mediolanum, Brembo, Buzzi, CNHI, Enel, ENI, Exor, Fineco, FCA, FTMBI, Generali, Italgas, Iren, Intesa Sanpaolo, Leonardo, Mediobanca, Moncler, Mediaset, Pirelli&C, Prysmian, Poste, Ferrari, Saipem, Snam, STM, Tenaris, Telecom Italia, Telecom Italia sav, Terna, UBI, Unicredit, Unipol, UnipolSai.

Intermonte SIM, through Websim, which constitute the digital division of Intermonte, acts as a Financial Content Provider on the following companies: Abitare In, Alkemy, Banca Sistema, Bifire S.P.A., B&C Speakers, Cleanbnb, Comer Industries, Crowdfundme, Cy4gate, Cyberoo, Digital Bros, Digital Magics, Doxee, Ediliziacrobatica Spa, Eles, Elica, Emak, Esi, Esprinet, Eviso, Fae Technology, Fiera Milano, Finanza.Tech, First Capital, Fope, FOS, Franchi Umberto Marmi, Giglio Group, Go Internet, GPI, Iervolino & Lady Bacardi Entertainment, Intercos, Intred, Iscc Fintech, Lindbergh, Lventure Group, Maps, Masi Agricola, Matica Fintec, Neodecortech, Nhoia, Notorious Pictures, Orsero Group, Osai Automation System, Racing Force Group, Relatech, Reti, Salcef Group, Sciuker Frames, Sebino, SGCompany, Solid World Group, Spindox Digital Soul, Supplymcapital, Tamburi, Tesmec, The Italian Sea Group, Tinexta, Tps Group, Trendevice, Triboo, Ulisse Biomed, Vantea Smart, Wiit. Intermonte SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

Emittente	%	Long/Short
-----------	---	------------

© Copyright 2023 by Intermonte SIM - All rights reserved

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of Intermonte SIM are provided to its clients only. If you are not a client of Intermonte SIM and receive emailed, faxed or copied versions of the reports from a source other than Intermonte SIM you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of Intermonte SIM.

INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.

INTERMONTE Sim strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid.

Intermonte Sim sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website [MIFID](#)

Further information is available