

INTRED

Sector: Tech

FY21 profitability beats on the back of strong network exploitation

FY21 EBITDA came in better than expected, with improved profitability, thanks to the gradual exploitation of the proprietary network. We prudentially adjust downwards our top-line estimates, while rising EBITDA margin for FY22-23E. 2022E EBITDA is revised slightly downwards while it is roughly unchanged in 2023E. We confirm our BUY rating with Target Price to Eu20.7 from Eu21.5/share, after DCF model update. Strong network development should continue in the coming years with FCF generation despite the remarkable capex plan

- FY21 top line up 14% yoy with 4Q acceleration, thanks to ultrabroadband connectivity.** Solid FY21 top line (disclosed in January), which reached Eu40.4mn, +14% y/y. Main driver was the sound performance of Ultrabroadband connectivity (up 31% y/y to Eu20.6mn) and positive contribution from Infratel school tender (P.A increased by 152% y/y to Eu3.7mn, of which Eu2.1mn related to schools vs. Eu2.7mn of our estimates), which (we remind) is worth c. Eu40mn, cashed-in over 3 years and accounted in the top line over 7-8 years. The churn rate continued to be very low, at 4.1%. Growth accelerated in 4Q: sales were up 23% y/y in the quarter and 2,500km of fiber network were added, reaching 7,300km. Customer base now reached 45k units, +8.2% y/y. We highlight that the Business segment has been historically hampered by the phase-out of one-off services previously offered by Qcom (e.g., website management, web marketing, HW sales), which are no more considered strategic by the Company. The BoD has proposed a dividend of Eu0.06/share (in line with our estimates) and a share buy-back program.
- EBITDA beats expectation.** FY21 EBITDA increased by 6.3% yoy, reaching Eu17.6mn/42.8% margin, beating our estimates of Eu16.6mn/40% margin, thanks to the increasing utilization of proprietary network and integration synergies. EBIT stood at Eu11.8mn with sound profitability of 28.6%, better than our figure of 24.6%. Net cash stood at Eu5.4mn from Eu0.4mn at YE20 and better than our estimate of Eu2.8mn. Eu20.5mn capex in fiber network development were more than offset by a solid operating cash flow.
- Infratel tender is fueling Company's fiber network and signaling a positive start of the year.** Intred's proprietary fiber network doubled versus YE20, mainly thanks to the contribution from the Infratel tender to connect schools in Lombardy. During 2021, Intred has invested Eu20.5mn of which 75% of proprietary infrastructure network and 25% of IRU contracts. Looking ahead, Company's growth prospects should still be backed by the development of the school network. Current trading has highlighted a positive start to the year, also thanks to Infratel tender milestones, which gives visibility ahead. The company is set to advance on the proprietary network development and the offer of connectivity to satisfy post-covid demand (work from home). Intred is not directly exposed to geopolitical volatility, but we think that potential cybersecurity attacks are a risk factor to monitor.
- Good FY21 profitability, we adjust our EBITDA margin upwards.** We prudentially fine-tune our top-line projections downwards for FY22E-23E by respectively -6% and -3% as revenues from schools project came in a touch lower than our estimate. We expect total revenues to grow to Eu57.1mn in FY21-24E, (+11% CAGR), EBITDA to jump to Eu24.4mn (+11.7% CAGR) and net profit to post a 12.8% CAGR. On the profitability side, we think that the Company can further leverage on its growing proprietary network and gradually expand margins dented by the use of third-party assets today. We thus improve EBITDA margins, now pointing to 41.5% and 42.3% (from c. 40-41%) for FY22-23E. EBITDA estimates are slightly down in 2022E, but roughly unchanged in 2023. We also remind that Infratel's favorable payment conditions allow a significant FCF (Eu23mn) in FY21-24E.
- BUY reiterated, TP to 20.7/share (from 21.5).** We confirm our BUY rating. Our updated DCF model delivers a Target Price of Eu20.7 from Eu21.5/share (31% upside). The stock is down 21% over the last three months and is now trading at 12.2x FY22 EV/EBITDA, at slight premium to connectivity peers and at 50% discount to WIIT.

BUY

Unchanged

TP 20.7

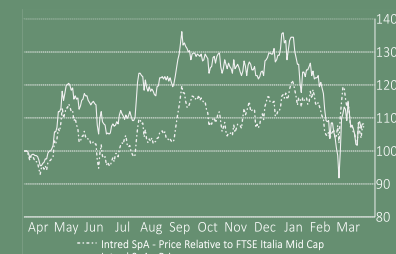
From 21.5

Target price upside 31%

Change in EPS est.	FY22E	FY23E
	-1.8%	6.5%

Ticker (BBG, Reut)	ITD IM	ITD MI
Share price Ord. (Eu)		15.9
N. of Ord. shares (mn)		15.9
Total N. of shares (mn)		15.9
Market cap (Eu mn)		251
Total Market Cap (EU mn)		251
Free Float Ord. (%)		30%
Free Float Ord. (Eu mn)		76
Daily AVG liquidity Ord. (Eu k)		141

	1M	3M	12M
Absolute Perf.	-0.3%	-16.1%	7.8%
Rel.to FTSEMIDCap	1.4%	-3.8%	6%
52 weeks range		13.5	20.0



	FY21A	FY22E	FY23E
Sales	41	48	53
EBITDA adj.	17.6	20.0	22.2
Net profit adj.	8.6	9.4	10.8
EPS adj.	0.544	0.594	0.679
DPS - Ord.	0.060	0.062	0.070
EV/EBITDA adj.	14.2x	12.1x	10.7x
P/E adj.	29.4x	26.7x	23.4x
Dividend yield	0.4%	0.4%	0.4%
FCF yield	2.3%	2.4%	1.8%
Net debt/(Net cash)	(5.4)	(10.5)	(14.1)
Net debt/EBITDA	nm	nm	nm

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Key Data

P&L account (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Value of Production	36.4	41.2	48.2	52.7	57.1
Added Value	20.5	24.7	27.7	30.9	34.3
EBITDA reported	14.0	17.6	20.0	22.2	24.6
D&A	(5.9)	(5.8)	(7.1)	(7.5)	(7.6)
EBIT reported	8.1	11.8	12.9	14.7	17.0
Net financial charges	0.1	0.2	0.2	0.2	0.2
Associates	0.0	0.0	0.0	0.0	0.0
Extraordinary items	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	8.2	11.9	13.0	14.9	17.1
Taxes	(2.1)	(3.3)	(3.6)	(4.1)	(4.8)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0
Net profit reported	6.1	8.6	9.4	10.8	12.4
EBITDA adjusted	14.0	17.6	20.0	22.2	24.6
EBIT adjusted	8.1	11.8	12.9	14.7	17.0
Net profit adjusted	6.1	8.6	9.4	10.8	12.4

Margins (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Added Value margin	56.3%	59.8%	57.5%	58.8%	60.1%
EBITDA margin (adj)	38.4%	42.8%	41.5%	42.3%	43.1%
EBIT margin (adj)	22.3%	28.6%	26.7%	28.0%	29.7%
Pre-tax margin	22.5%	29.0%	27.1%	28.3%	30.0%
Net profit margin (adj)	16.8%	20.9%	19.5%	20.4%	21.7%

Growth rates (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Sales	71.7%	13.3%	16.8%	9.3%	8.4%
EBITDA	60.6%	26.1%	13.2%	11.4%	10.4%
EBITDA adjusted	60.6%	26.1%	13.2%	11.4%	10.4%
EBIT	39.2%	45.1%	9.1%	14.5%	15.2%
EBIT adjusted	39.2%	45.1%	9.1%	14.5%	15.2%
Pre-tax	38.2%	46.0%	9.2%	14.3%	15.0%
Net profit	38.8%	41.0%	9.2%	14.3%	15.0%
Net profit adjusted	38.8%	41.0%	9.2%	14.3%	15.0%

Per share data	FY20A	FY21A	FY22E	FY23E	FY24E
Shares	15.851	15.851	15.851	15.851	15.851
N. of shares AVG	15.851	15.851	15.851	15.851	15.851
N. of shares diluted AVG	15.851	15.901	15.951	15.951	15.951
EPS	0.386	0.544	0.594	0.679	0.780
EPS adjusted	0.386	0.544	0.594	0.679	0.780
DPS - Ord.	0.040	0.060	0.062	0.070	0.081
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	2.038	2.542	3.076	3.693	4.403

Enterprise value (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Share price Ord. (Eu)	8.0	16.0	15.9	15.9	15.9
Market cap	127.6	253.9	251.2	251.2	251.2
Net debt/(Net cash)	(0.4)	(5.4)	(10.5)	(14.1)	(18.4)
Adjustments	1.6	1.3	1.3	1.3	1.3
Enterprise value	128.8	249.8	242.0	238.5	234.1

Cash flow (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
EBITDA adjusted	14.0	17.6	20.0	22.2	24.6
Net financial charges	0.1	0.2	0.2	0.2	0.2
Cash taxes	(2.1)	(3.3)	(3.6)	(4.1)	(4.8)
Ch. in Working Capital	2.2	12.0	13.0	(2.4)	(6.0)
Other operating items	(1.2)	0.0	0.0	0.0	0.0
Operating cash flow	12.9	26.4	29.6	15.9	14.0
Capex	(22.2)	(20.5)	(23.5)	(11.4)	(8.6)
FCF	(9.3)	5.9	6.1	4.5	5.4
Disposals/Acquisitions	(9.4)	0.0	0.0	0.0	0.0
Changes in Equity	0.0	0.0	0.0	0.0	0.0
Others	11.4	(0.3)	0.0	0.0	0.0
Dividends	(0.5)	(0.6)	(1.0)	(1.0)	(1.1)
Ch. in NFP	(7.7)	5.0	5.1	3.6	4.3

Ratios (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Capex/Sales	61.0%	49.7%	48.8%	21.6%	15.0%
Capex/D&A	3.8x	3.5x	3.3x	1.5x	1.1x
FCF/EBITDA	-66.1%	33.6%	30.3%	20.4%	22.1%
FCF/Net profit	-151.4%	68.7%	64.3%	42.2%	43.9%
Dividend pay-out	10.4%	10.4%	10.4%	10.4%	10.4%

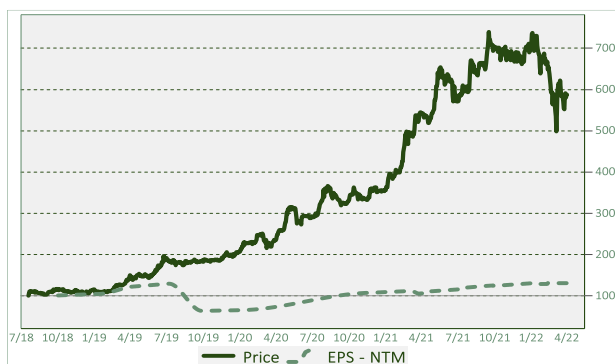
Balance sheet (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Working capital	(9.3)	(21.2)	(34.3)	(31.9)	(25.9)
Fixed assets	42.8	57.4	73.8	77.6	78.6
Provisions & others	(1.6)	(1.3)	(1.3)	(1.3)	(1.3)
Net capital employed	31.9	34.9	38.2	44.5	51.4
Net debt/(Net cash)	(0.4)	(5.4)	(10.5)	(14.1)	(18.4)
Equity	32.3	40.3	48.8	58.5	69.8
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Working capital/Sales	-25.5%	-51.5%	-71.1%	-60.6%	-45.4%
Net debt/Equity	nm	nm	nm	nm	nm
Net debt/EBITDA	nm	nm	nm	nm	nm

Valuation	FY20A	FY21A	FY22E	FY23E	FY24E
EV/CE	3.8x	6.9x	6.1x	5.2x	4.4x
P/BV	4.0x	6.3x	5.2x	4.3x	3.6x
EV/Sales	3.5x	6.1x	5.0x	4.5x	4.1x
EV/EBITDA	9.2x	14.2x	12.1x	10.7x	9.5x
EV/EBITDA adjusted	9.2x	14.2x	12.1x	10.7x	9.5x
EV/EBIT	15.8x	21.2x	18.8x	16.2x	13.8x
EV/EBIT adjusted	15.8x	21.2x	18.8x	16.2x	13.8x
P/E	20.9x	29.4x	26.7x	23.4x	20.3x
P/E adjusted	20.9x	29.4x	26.7x	23.4x	20.3x
ROCE pre-tax	30.9%	33.9%	34.0%	34.5%	34.4%
ROE	18.9%	21.4%	19.3%	18.4%	17.7%
EV/FCF	-13.9x	42.2x	40.0x	52.6x	43.1x
FCF yield	-7.3%	2.3%	2.4%	1.8%	2.2%
Dividend yield	0.5%	0.4%	0.4%	0.4%	0.5%

Share price performance

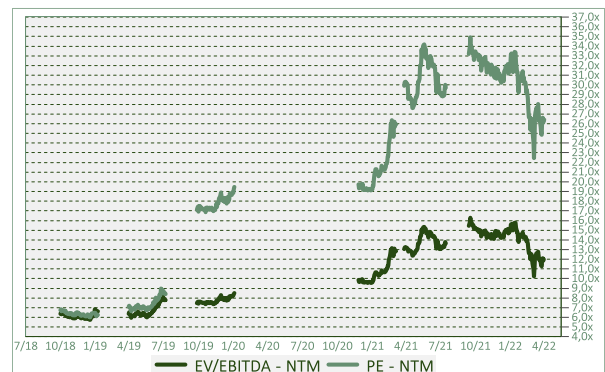
Strong performance since listing in July 2018



Source: Factset

Valuation

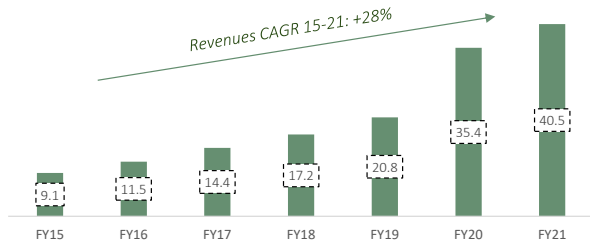
Significant recent derating



Key Charts

Revenue trend (FY15-FY21A)

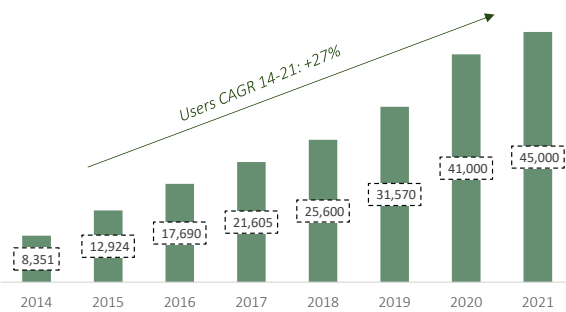
Strong revenues CAGR over the period (+28%)



Source: company data

Users with datalines (FY14A-FY21A)

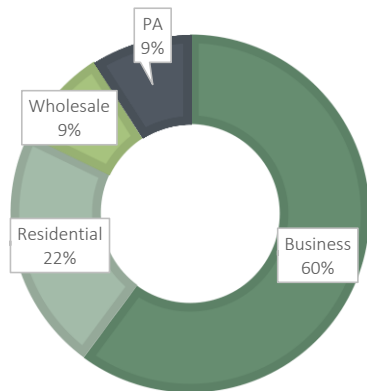
Users with datalines grew at 27% CAGR over the period



Source: company data

Revenue breakdown by segment (FY21A)

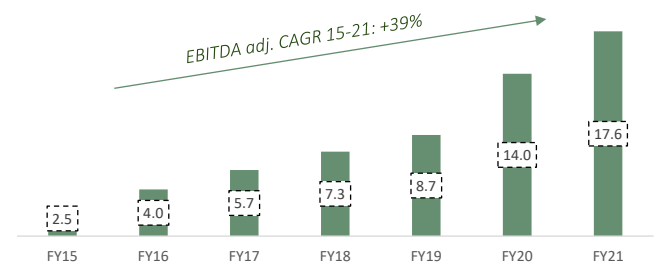
Business customers represent the largest share of Intred's revenues



Source: company data

EBITDA margin (FY15A-FY21A)

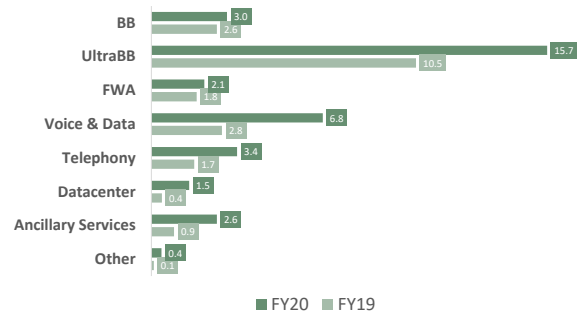
EBITDA margin grew from 26.2% in FY15 to 42.8% in FY21



Source: Company data

Revenue breakdown by service provided (FY19A-20A)

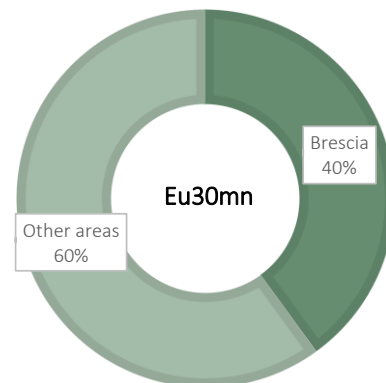
Growth driven by Ultra Broadband connectivity (FTTH and FTTC)



Source: company data

Capex plan (FY19A-FY21A)

Eu30mn capex plan over a three-year period to expand outside Brescia province



Source: company data

ALANTRA

Italian Equity Research

Profile

Background	Intred provides ultrabroadband connectivity to corporates and residential customers leveraging on a proprietary fiber network built in the Lombardy region. Up to date, Intred has invested about >Eu40mn for the creation of its network, which at the end of FY21 reached >7,000km length. This turned to be a key competitive advantage for Intred, allowing the company to compete on price and on quality of the service and to achieve outstanding profitability levels as the customer base increased (>41k customers at YE20). Intred fully exploits its network by offering its services to corporates (60% of FY20 sales), residential users (22%) and public administration (9%). Intred also rent its network to other TLC operators through wholesale contracts (9%). Churn rate was stable at 4% in 2021. Founded in 1996 and based in Brescia, the Group today employs ca 80 employees and is listed on AIM since July 2018. With the acquisition of Qcom, finalized at the end of Feb 2020, Intred acquired 80 employees and ca 4.3k business customers in Lombardy.
Positioning	Intred boasts a significant mkt share in the Brescia province. Recent data collected by the Italian Government show that Italy is far behind the targets of its ultrabroadband strategy and that current penetration of ultrabroadband connectivity in Italy is low compared to the European average. Intred benefits from a first mover advantage by bringing fiber to areas with a high concentration of SMEs (the largest share of Intred's revenues is generated by companies with an annual turnover in the range Eu1mn-Eu20mn), and we estimate that less than 50% of these SMEs is already reached by an FTTH connection. While large national operators are slowly working to cover Tier 1 cities with fiber networks, Intred is fastly and efficiently spreading its proprietary network into smaller towns, suburban and rural areas that give access to a sizable number of SMEs. Local focus, lean organization, direct sales force and high service level give Intred a further edge over large players when dealing with mid-sized customers.
Growth	Intred has built an history of outstanding growth: revenues grew organically from Eu7.7mn in FY14 to Eu40.5mn in FY21, posting a 27% 7Y CAGR. Growth was mainly driven by investments made to expand proprietary fiber network and by the launch of the residential offering under the brand EIR. This resulted in a sharp increase in the number of customers which more than tripled over the period. The launch of a residential offer allowed to exploit a positive operating leverage on fixed costs related to existing proprietary network. Adj. EBITDA margin expanded from 18.7% in FY14 to 42.8% in FY21. Given the recurring nature of fees (>90% of turnover is recurring), the high visibility over revenues (85% of anticipated invoices paid within 30 days), Intred boasts an attractive risk-return profile.
Strategy	Growth plans point to a consolidation inside Brescia province and to an expansion into other areas of Lombardy where to replicate its scalable and successful business model (the acquisition of Qcom goes in this direction). We expect the company to deploy 60% of its planned capex for the development of the network outside Brescia. Capex will be dedicated to the implementation of the main network routes to reach targeted areas (mainly through IRU) and for the construction of FTTH-Point-to-Point connections for newly acquired business customers. The launch of a residential offering in the new targeted areas could represent a strong catalyst for future growth. Further M&A to accelerate the expansion in new areas could not be ruled out and could bring significant synergies.

Strengths

- Proprietary fiber network
- Significant market share in Brescia province
- High revenue visibility and strong cash generation

Weaknesses

- Small size of the company
- High dependence on key managerial figures
- Low pricing power

Opportunities

- Target SMEs in Lombardy
- Development of FTTH/GPON
- Export residential offer outside Brescia

Threats

- Failure to efficiently deploy capital
- Technological disruption
- Failure in managing growth

Key shareholders

- DM Holding (Peli Family) 60.43%
- Value First 9.4%
- Market 30.17%

Management

- Daniele Peli - Chairman & CEO
- Filippo Leone - CFO
- Adalberto Salvi - Director

Next events

- FY21 general meeting: 28/04/22
- 1Q22 preliminary: 05/10/22
- 1H22 results: 04/08/22

FY21 results

FY21 top line up 14% yoy, EBITDA beats our expectation

FY21 EBITDA beats our estimates by 6%, thanks to the increasing utilization of proprietary network and integration synergies.

Eu mn		4Q20A	4Q21E	YoY %	FY20A	FY21A	YoY %	Alantra FY21E	A vs E
Business		6.1	6.2	2%	23.3	24.3	4%		
	<i>On sales %</i>	65%	54%		66%	60%			
Residential		2.0	2.3	15%	7.6	8.8	17%		
	<i>On sales %</i>	21%	20%		21%	22%			
PA		0.5	2.0	300%	1.5	3.7	152%		
	<i>On sales %</i>	5%	17%		4%	9%			
Wholesale		0.8	1.0	25%	3.1	3.6	13%		
	<i>On sales %</i>	9%	9%		9%	9%			
Revenues		9.3	11.6	24%	35.4	40.5	14%	40.5	0.0%
EBITDA Reported					14.0	17.6	26.1%	16.6	6.3%
	<i>Ebitda Margin %</i>				38.4%	42.8%		40.0%	
D&A					(5.9)	(5.8)		(6.5)	
EBIT Reported					8.1	11.8	45.1%	10.1	16.3%
	<i>Ebit Margin %</i>				22.3%	28.6%		24.4%	
Pretax Profit					8.2	11.9	46.0%	10.2	16.8%
	<i>Ebit Margin %</i>				22.5%	29.0%		24.6%	
Taxes					(2.1)	(3.3)		(2.6)	
	<i>Tax rate %</i>				-25.3%	-27.8%		-25.3%	
Net Profit					6.1	8.6	41.0%	7.6	12.9%
	<i>Net Profit Margin %</i>				16.8%	20.9%		18.4%	
NFP end of the period					0.4	5.4		2.8	
Restated Net Profit					6.1	8.6		7.6	

Source: Company data and Alantra estimates

Estimates

Good FY21 profitability, we adjust our revenues downwards and EBITDA margin upwards

We finetune downwards our top-line projection as revenue from school tender came in lower than expected. EBITDA margin up after strong profitability.

(Eu mn)	NEW estimates				Change				OLD estimates			
	FY21A	FY22E	FY23E	FY24E	FY21A	FY22E	FY23E	FY24E	FY21A	FY22E	FY23E	FY24E
Value of Production	41.2	48.2	52.7	57.1	0.0%	-6.1%	-3.4%	na	41.2	51.3	54.5	na
EBITDA Adjusted	17.6	20.0	22.2	24.6	6.3%	-5.0%	1.1%	na	16.6	21.0	22.0	na
EBIT Adjusted	11.8	12.9	14.7	17.0	16.3%	1.2%	9.9%	na	10.1	12.7	13.4	na
Pretax Profit	11.9	13.0	14.9	17.1	16.8%	1.7%	10.4%	na	10.2	12.8	13.5	na
Net profit	8.6	9.4	10.8	12.4	12.9%	-1.8%	6.5%	na	7.6	9.6	10.1	na
Net profit restated	8.6	9.4	10.8	12.4	12.9%	-1.8%	6.5%	na	7.6	9.6	10.1	na
EPS	0.544	0.594	0.679	0.780	12.9%	-1.8%	6.5%	na	0.482	0.605	0.637	na
Net financial position	5.4	10.5	14.1	18.4	93%	-17.7%	-15.2%	na	2.8	12.8	16.6	na

Source: Factset and Alantra estimates

Peers

Trading multiples

The stock is trading at slightly premium compared to Italian peers in the connectivity business but 50% discount vs its direct comp WIIT

Company	Country	Mkt Cap (Eu mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE			
			FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	
INTRED	ITALY	251	5.0 x	4.5 x	4.1 x	12.1 x	10.7 x	9.5 x	18.8 x	16.2 x	13.8 x	26.7 x	23.4 x	20.3 x	
Premium (discount) to Peers' Median			47%	50%	51%	9%	14%	32%	-38%	-15%	0%	-39%	-12%	12%	
PEERS			Average	4.4 x	4.0 x	3.6 x	13.2 x	11.6 x	10.1 x	31.1 x	21.8 x	17.4 x	44.8 x	30.8 x	25.0 x
			Median	3.4 x	3.0 x	2.7 x	11.1 x	9.4 x	7.2 x	30.2 x	19.1 x	13.8 x	43.9 x	26.6 x	18.2 x
Cogent Communications Holdings Inc	UNITED STATES	2,861	6.7 x	6.5 x	6.0 x	17.2 x	16.1 x	15.0 x	33.4 x	30.3 x	25.8 x	69.5 x	52.7 x	47.1 x	
WideOpenWest, Inc.	UNITED STATES	1,370	3.1 x	3.0 x	2.9 x	7.8 x	7.2 x	6.2 x	27.0 x	18.0 x	15.0 x	32.3 x	21.8 x	18.5 x	
Bredband2 i Skandinavien AB	SWEDEN	200	1.3 x	1.2 x	1.1 x	8.1 x	7.3 x	6.7 x	16.3 x	12.2 x	10.3 x	17.3 x	14.4 x	13.3 x	
PEERS International			Average	3.7 x	3.6 x	3.3 x	11.1 x	10.2 x	9.3 x	25.5 x	20.2 x	17.0 x	39.7 x	29.6 x	26.3 x
			Median	3.1 x	3.0 x	2.9 x	8.1 x	7.3 x	6.7 x	27.0 x	18.0 x	15.0 x	32.3 x	21.8 x	18.5 x
WIIT SpA	ITALY	839	8.4 x	7.8 x	7.0 x	23.8 x	20.1 x	18.2 x	41.6 x	32.9 x	28.6 x	55.6 x	42.6 x	35.7 x	
Unidata S.P.A.	ITALY	126	3.5 x	2.7 x	2.2 x	9.4 x	9.5 x	7.4 x	23.6 x	17.1 x	12.6 x	22.9 x	23.8 x	17.8 x	
Planetel S.p.A.	ITALY	54	3.3 x	3.0 x	2.6 x	12.7 x	9.3 x	7.0 x	44.9 x	20.3 x	11.9 x	70.9 x	29.5 x	17.9 x	
PEERS Italy			Average	5.1 x	4.5 x	3.9 x	15.3 x	13.0 x	10.9 x	36.7 x	23.4 x	17.7 x	49.8 x	32.0 x	23.8 x
			Median	3.5 x	3.0 x	2.6 x	12.7 x	9.5 x	7.4 x	41.6 x	20.3 x	12.6 x	55.6 x	29.5 x	17.9 x

Company	Country	Mkt Cap (Eu mn)	P/BV			Dividend Yield			FCF Yield			Net Debt/EBITDA			
			FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	
INTRED	ITALY		5.2 x	4.3 x	3.6 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	nm	nm	nm	
PEERS			Average	3.4 x	3.1 x	2.9 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.1 x	1.6 x	1.5 x	1.2 x
			Median	3.0 x	2.9 x	3.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.1 x	1.4 x	1.1 x	0.8 x
Cogent Communications Holdings Inc	UNITED STATES	2,861	na	na	na	0.1 x	0.1 x	0.1 x	0.0 x	0.0 x	0.0 x	3.8 x	3.7 x	3.5 x	
WideOpenWest, Inc.	UNITED STATES	1,370	2.3 x	2.1 x	1.9 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.1 x	2.4 x	2.2 x	1.7 x	
Bredband2 i Skandinavien AB	SWEDEN	200	3.7 x	3.7 x	3.7 x	0.1 x	0.1 x	0.1 x	0.1 x	0.1 x	0.1 x	0.4 x	0.1 x	nm	
PEERS International			Average	3.0 x	2.9 x	2.8 x	0.0 x	0.0 x	0.0 x	0.0 x	0.1 x	0.1 x	2.2 x	2.0 x	2.6 x
			Median	3.0 x	2.9 x	2.8 x	0.1 x	0.1 x	0.1 x	0.0 x	0.0 x	0.1 x	2.4 x	2.2 x	2.6 x
WIIT SpA	ITALY	839	1.5 x	1.4 x	1.3 x	0.0 x	0.0 x	0.0 x	0.0 x	0.1 x	0.1 x	nm	nm	nm	
Unidata S.P.A.	ITALY	126	6.3x	4.7x	3.7x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.3x	0.0x	-0.1 x	
Planetel S.p.A.	ITALY	54	3.0 x	2.9 x	3.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.1 x	-0.1 x	-0.1 x	-0.1 x	
PEERS Italy			Average	3.6 x	3.3 x	3.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.1 x	-0.1 x	-0.1 x	-0.1 x
			Median	3.0 x	2.9 x	3.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.1 x	-0.1 x	-0.1 x	-0.1 x

Source: Alantra estimates and Factset

Financials

Higher profitability and similar growth compared to peers

Company	Country	Mkt Cap (Eu mn)	FY22E - FY24E average margins					CAGR FY21A - FY24E				
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	EPS	
INTRED	ITALY	251	42.3%	28.1%	20.5%	28.5%	10.4%	11.4%	11.7%	12.9%	12.8%	
PEERS			Average	32.2%	16.2%	9.7%	16.6%	103.8%	13.8%	17.8%	30.7%	10.8%
			Median	34.7%	15.9%	9.1%	16.4%	48.1%	10.5%	17.0%	27.6%	17.6%
Cogent Communications Holdings Inc	UNITED STATES	2,861	39.8%	21.6%	9.5%	9.3%	331.8%	5.3%	6.7%	10.5%	11.0%	
WideOpenWest, Inc.	UNITED STATES	1,370	42.7%	15.8%	8.8%	27.5%	0.0%	0.5%	9.3%	15.3%	-53.4%	
Bredband2 i Skandinavien AB	SWEDEN	200	16.5%	9.6%	6.6%	1.3%	95.0%	6.9%	12.0%	28.8%	9.2%	
PEERS International			Average	33.0%	15.7%	8.3%	12.7%	142.3%	4.3%	9.3%	18.2%	-11.1%
			Median	39.8%	15.8%	8.8%	9.3%	95.0%	5.3%	9.3%	15.3%	9.2%
WIIT SpA	ITALY	839	37.7%	22.9%	13.3%	16.5%	48.1%	21.5%	21.9%	30.7%	39.3%	
Unidata S.P.A.	ITALY	126	31.7%	16.1%	12.9%	28.7%	na	34.6%	24.8%	26.4%	24.2%	
Planetel S.p.A.	ITALY	54	24.9%	11.0%	7.3%	16.2%	44.2%	14.0%	32.1%	72.4%	34.8%	
PEERS Italy			Average	31.4%	16.7%	11.2%	20.5%	46.1%	23.3%	26.3%	43.2%	32.7%
			Median	31.7%	16.1%	12.9%	16.5%	46.1%	21.5%	24.8%	30.7%	34.8%

Source: Alantra estimates and Factset

Performance

Negative market performance in line with that of peers over the last 3 months

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
INTRED	ITALY	251	-0.3%	-16.1%	-16.6%	7.8%	301.3%	na
PEERS	Average		5.2%	-11.2%	1.7%	46.7%	178.8%	85.3%
	Median		4.8%	-11.9%	-2.5%	49.5%	92.0%	85.3%
Cogent Communications Holdings Inc	UNITED STATES	2,861	4.7%	-9.3%	-6.3%	-3.5%	22.3%	54.1%
WideOpenWest, Inc.	UNITED STATES	1,370	2.6%	-19.0%	-11.2%	28.3%	91.6%	na
Bredband2 i Skandinavien AB	SWEDEN	200	8.6%	0.2%	-9.8%	5.1%	92.4%	116.5%
PEERS International	Average		5.3%	-9.4%	-9.1%	10.0%	68.8%	85.3%
	Median		4.7%	-9.3%	-9.8%	5.1%	91.6%	85.3%
WIIT SpA	ITALY	839	4.9%	-16.4%	22.1%	93.9%	508.9%	na
Unidata S.P.A.	ITALY	126	0.4%	-8.2%	14.5%	70.7%	na	na
Planetel S.p.A.	ITALY	54	9.7%	-14.5%	1.2%	85.8%	na	na
PEERS Italy	Average		5.0%	-13.1%	12.6%	83.5%	508.9%	na
	Median		4.9%	-14.5%	14.5%	85.8%	508.9%	na

Source: Alantra estimates and Factset

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