

INTRED

Sector: Tech

Acceleration in 1H. The new school tender adds visibility

1H22 top-line grew by 21% yoy (disclosed in August) with a sequential improvement QoQ. 1H22 EBITDA was solid and up by 22.6% yoy, mainly thanks to the gradual exploitation of the proprietary network. The new school tender, awarded in June, for Eu19mn, adds further visibility ahead and should contribute from FY23. We have included the new tender in our figures, while maintaining EBTIDA margins unchanged. We have cut 2022 FCF generation due to the delays in cash-in of receivables from the Italian PA shown in 1H. We confirm our BUY rating with Target Price to Eu17.2 from Eu20.7/share (+40% upside), after mark-to-market of our DCF model.

- 1H22 revenues up 21.4% yoy with sequential improvement QoQ.** 1H22 revenues (disclosed in August), reached Eu23mn, +21.4% yoy. FTTH connectivity was the main driver (up 47% yoy to Eu13.2mn). Positive contribution from Infratel school tender (P.A increased by 384% yoy with Eu3.3mn related to schools). We highlight that 1H21 sales considered only one month of school's tender sales, making yoy comparison relatively easy (1H22 sales, excluding contribution from the school tender, were Eu19.7mn or up c. 4% yoy). The revenue growth implies an acceleration in 2Q (+2.5% QoQ), mainly related to: 1) ultrabroadband mix, 2) school tender and proprietary infrastructure development. 1H22 fiber network reached 8,300km (+15% vs. YE21 with addition of 1,100km). Customers reached 46k units, +5% yoy. The churn rate continued to be very low, at 4.7%. Milan and Monza led the geographical growth yoy with +98% and +91% respectively, followed by Lecco (+77%) and Cremona (+76%).
- EBITDA accelerated with 22.6% growth yoy. Net profit margin at 19%.** 1H22 EBITDA increased by 22.6% yoy, reaching Eu9.6mn/41.8% margin. This is consistent with our expected FY22 trend. The strong increase is chiefly attributable to the continuing shift in utilization of the proprietary network. EBIT stood at Eu6mn (+15% yoy) with sound profitability of 26.4%. Net income has more than doubled yoy, climbing to Eu4.3mn with 18.7% margin. Net debt stood at Eu9.6mn from a cash position of Eu5.4mn at YE21. This was mainly related to a remarkable increase in capex of Eu18.6mn in 1H22 to develop the proprietary network, and some absorption from NWC (c. 5mn), which we believe is connected to delays in payments from PA.
- The 2nd Infratel Schools tender of Eu19mn in Lombardy adds top-line visibility.** Intred's proprietary fiber network reached 8,300km, +15% versus YE21, mainly thanks to the contribution from the first Infratel tender to connect schools in Lombardy. During 1H22, Intred has invested about 78% of the aforementioned capex in proprietary infrastructure network and 21% of IRU contracts. Looking ahead, the company's growth prospects should still be backed by the development of the new school tender awarded last June. The tender entails the connection of 1,264 schools for Eu19mn. This, on top of the first tender of c. Eu40mn, should fuel the fiber roll-out in new areas.
- We mainly improve our top-line in FY23-24; FCF generation trimmed in FY22E.** We increased our top-line projections, mainly in 2023-24 by 3% and 6% respectively, factoring-in the contribution from the new school tender (expected close to nil in 2022). We trimmed our FCF in FY22E as payments from PA might experience further delays. We foresee net debt at the end of 2022 of Eu4.4mn. We kept unchanged EBITDA margins. All in all, revenues should grow to Eu60.3mn in FY21-24E, (+13.5% CAGR) with EBITDA of Eu25.9mn (+13.7% CAGR). We think that Intred can further leverage on its growing proprietary network and gradually expand margins (currently dented by the partial use of third-party assets) in the future.
- BUY reiterated, TP to 17.2/share (from 20.7).** We confirm our BUY rating. Our updated DCF model delivers a Target Price of Eu17.2 from Eu20.7/share (40% upside). The stock is down -8.5% over the last three months and is now trading at 8.0x FY23 EV/EBITDA, at premium to connectivity peers and at c. 30% discount to WIIT.

BUY

Unchanged

TP 17.2

From 20.7

Target price upside 40%

Change in EPS est.	FY22E	FY23E
	0.1%	-1.6%

Ticker (BBG, Reut)	ITD IM	ITD MI
Share price Ord. (Eu)		12.3
N. of Ord. shares (mn)		15.9
Total N. of shares (mn)		15.9
Market cap (Eu mn)		195
Total Market Cap (EU mn)		195
Free Float Ord. (%)		30%
Free Float Ord. (Eu mn)		59
Daily AVG liquidity Ord. (Eu k)		89

	1M	3M	12M
Absolute Perf.	-9.4%	-8.5%	-31.9%
Rel. to FTSEMIDCap	1.5%	2.1%	-2%
52 weeks range		12.5	19.9



	FY21A	FY22E	FY23E
Sales	41	48	54
EBITDA adj.	17.6	20.0	22.9
Net profit adj.	8.6	9.4	10.6
EPS adj.	0.544	0.595	0.668
DPS - Ord.	0.060	0.062	0.069
EV/EBITDA adj.	14.2x	10.0x	8.0x
P/E adj.	29.4x	20.7x	18.4x
Dividend yield	0.4%	0.5%	0.6%
FCF yield	2.3%	-4.6%	8.7%
Net debt/(Net cash)	(5.4)	4.4	(11.6)
Net debt/EBITDA	nm	0.2x	nm

Head of Research

Giuseppe Marsella

giuseppe.marsella@alantra.com

+39 02 63 671 620

Andrea Zampaloni

andrea.zampaloni@alantra.com

+39 02 63 671 621

Key Data

P&L account (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Value of Production	36.4	41.2	48.3	54.2	60.3
Added Value	20.5	24.7	27.8	31.9	36.2
EBITDA reported	14.0	17.6	20.0	22.9	25.9
D&A	(5.9)	(5.8)	(7.1)	(8.4)	(9.1)
EBIT reported	8.1	11.8	12.9	14.5	16.8
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	13.1	14.7	17.0
Taxes	(2.1)	(3.3)	(3.6)	(4.1)	(4.7)
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	10.6	12.3
EBITDA adjusted	14.0	17.6	20.0	22.9	25.9
EBIT adjusted	8.1	11.8	12.9	14.5	16.8
Net profit adjusted	6.1	8.6	9.4	10.6	12.3

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%	26.7%	27.9%
Pre-tax margin	22.5%	29.0%	27.1%	27.1%	28.2%
Net profit margin (adj)	16.8%	20.9%	19.5%	19.5%	20.3%

Growth rates (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Sales	71.7%	13.3%	17.1%	12.3%	11.1%
EBITDA	60.6%	26.1%	13.5%	14.4%	13.2%
EBITDA adjusted	60.6%	26.1%	13.5%	14.4%	13.2%
EBIT	39.2%	45.1%	9.3%	12.5%	15.8%
EBIT adjusted	39.2%	45.1%	9.3%	12.5%	15.8%
Pre-tax	38.2%	46.0%	9.5%	12.3%	15.6%
Net profit	38.8%	41.0%	9.5%	12.3%	15.6%
Net profit adjusted	38.8%	41.0%	9.5%	12.3%	15.6%

Per share data	FY20A	FY21A	FY22E	FY23E	FY24E
Shares	15.851	15.851	15.865	15.865	15.865
N. of shares AVG	15.851	15.851	15.858	15.865	15.865
N. of shares diluted AVG	15.851	15.901	15.951	15.951	15.951
EPS	0.386	0.544	0.595	0.668	0.773
EPS adjusted	0.386	0.544	0.595	0.668	0.773
DPS - Ord.	0.040	0.060	0.062	0.069	0.080
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	2.038	2.542	3.076	3.681	4.384

Enterprise value (Eu m)	FY20A	FY21A	FY22E	FY23E	FY24E
Share price Ord. (Eu)	8.0	16.0	12.3	12.3	12.3
Market cap	127.6	253.9	195.1	195.1	195.1
Net debt/(Net cash)	(0.4)	(5.4)	4.4	(11.6)	(13.8)
Adjustments	1.6	1.3	0.0	0.0	0.0
Enterprise value	128.8	249.8	199.6	183.5	181.4

Cash flow (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
EBITDA adjusted	14.0	17.6	20.0	22.9	25.9
Net financial charges	0.1	0.2	0.2	0.2	0.2
Cash taxes	(2.1)	(3.3)	(3.6)	(4.1)	(4.7)
Ch. in Working Capital	2.2	12.0	(0.5)	9.4	(9.1)
Other operating items	(1.2)	0.0	0.0	0.0	0.0
Operating cash flow	12.9	26.4	16.1	28.4	12.3
Capex	(22.2)	(20.5)	(25.0)	(11.4)	(9.0)
FCF	(9.3)	5.9	(8.9)	17.1	3.3
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	(9.9)	16.1	2.2

Ratios (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Capex/Sales	61.0%	49.7%	51.8%	20.9%	15.0%
Capex/D&A	3.8x	3.5x	3.5x	1.4x	1.0x
FCF/EBITDA	-66.1%	33.6%	-44.4%	74.5%	12.5%
FCF/Net profit	-151.4%	68.7%	-94.3%	161.1%	26.6%
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)	(20.8)	(30.2)	(21.1)
Fixed assets	42.8	57.4	74.0	77.0	76.9
Provisions & others	(1.6)	(1.3)	(0.0)	(0.0)	(0.0)
Net capital employed	31.9	34.9	53.2	46.8	55.8
Net debt/(Net cash)	(0.4)	(5.4)	4.4	(11.6)	(13.8)
Equity	32.3	40.3	48.8	58.4	69.6
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%	-43.0%	-55.7%	-35.0%
Net debt/Equity	nm	nm	9.1%	nm	nm
Net debt/EBITDA	nm	nm	0.2x	nm	nm

Valuation	FY20A	FY21A	FY22E	FY23E	FY24E
EV/CE	3.8x	6.9x	3.7x	3.9x	3.3x
P/BV	4.0x	6.3x	4.0x	3.3x	2.8x
EV/Sales	3.5x	6.1x	4.1x	3.4x	3.0x
EV/EBITDA	9.2x	14.2x	10.0x	8.0x	7.0x
EV/EBITDA adjusted	9.2x	14.2x	10.0x	8.0x	7.0x
EV/EBIT	15.8x	21.2x	15.5x	12.7x	10.8x
EV/EBIT adjusted	15.8x	21.2x	15.5x	12.7x	10.8x
P/E	20.9x	29.4x	20.7x	18.4x	15.9x
P/E adjusted	20.9x	29.4x	20.7x	18.4x	15.9x
ROCE pre-tax	30.9%	33.9%	28.8%	29.0%	32.8%
ROE	18.9%	21.4%	19.3%	18.1%	17.6%
EV/FCF	-13.9x	42.2x	-22.4x	10.8x	55.7x
FCF yield	-7.3%	2.3%	-4.6%	8.7%	1.7%
Dividend yield	0.5%	0.4%	0.5%	0.6%	0.7%

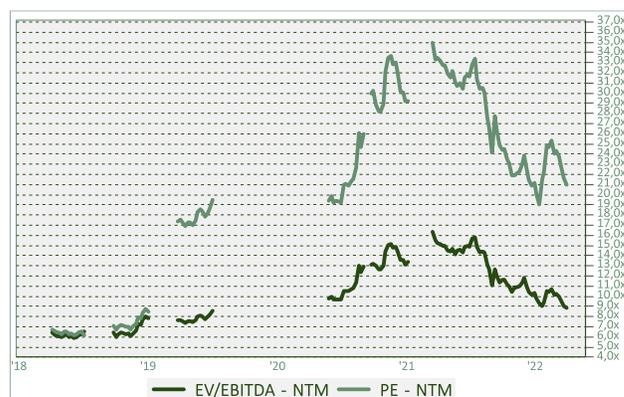
Share price performance

Strong performance since listing in July 2018



Valuation

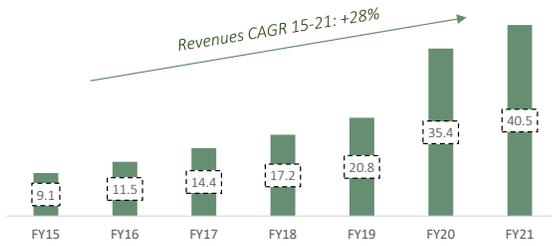
Significant recent derating



Key Charts

Revenue trend (FY15-FY21A)

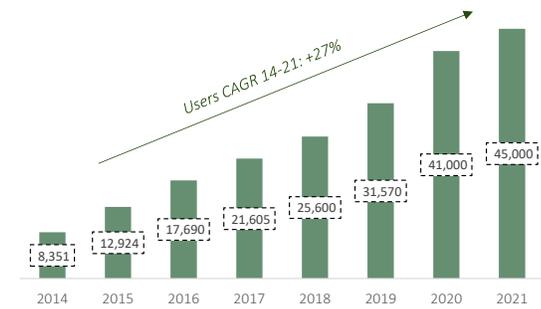
Strong revenues CAGR over the period (+28%)



Source: company data

Users with datalines (FY14A-FY21A)

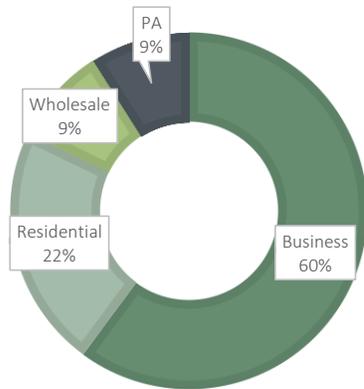
Users with datalines grew at 27% CAGR over the period



Source: company data

Revenue breakdown by segment (FY21A)

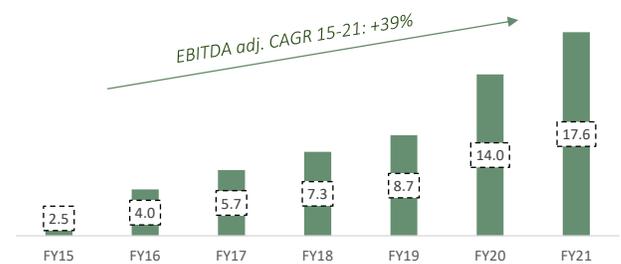
Business customers represent the largest share of Intred's revenues



Source: company data

EBITDA margin (FY15A-FY21A)

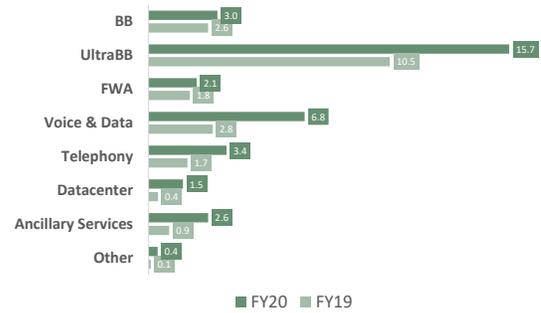
EBITDA margin grew from 26.2% in FY15 to 42.8% in FY21



Source: Company data

Revenue breakdown by service provided (FY19A-20A)

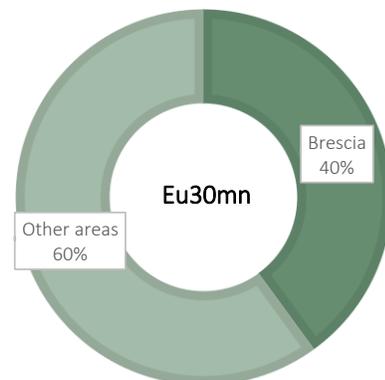
Growth driven by Ultra Broadband connectivity (FTTH and FTTC)



Source: company data

Capex plan (FY19A-FY21A)

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



Source: company data

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. With the awarded tenders of Infratel ‘schools in Lombardy in 2021-22, worth c. Eu60mn combined, Intred is set to experience a strong growth in top-line and market share gains. The tenders entail the connection of over 5,800 schools in the coming years, allowing Intred to expand its fiber network into new cities (e.g. Milan) and business areas with attractive potential.

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) 60.38%
 Value First 9.40%
 Market 30.22%

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

Next events
 3Q22 preliminary: 04/11/22

1H22 results

1H22 top line up 14% yoy, EBITDA accelerate with 22.6% growth yoy, net profit margin at 19%

1H22 EBITDA were solid and up by 22.6%, mainly thanks to the gradual exploitation of the proprietary network.

Eu mn	1H21A	1H22A	YoY %	2H21A	2H22E	YoY %	FY21A	FY22E	YoY %
Revenues	18.9	22.9	21.2%	21.5	24.4	13.6%	40.5	47.4	17.1%
EBITDA Adjusted	7.8	9.6	22.6%	9.8	10.4	6.3%	17.6	20.0	13.5%
<i>Ebitda Margin %</i>	41.4%	41.8%		45.6%	42.7%		43.6%	42.3%	
EBIT Adjusted	5.3	6.0	14.8%	6.5	6.8	4.9%	11.8	12.9	9.3%
<i>Ebit Margin %</i>	27.8%	26.4%		30.3%	28.0%		29.1%	27.2%	
Pretax Profit	5.4	6.2	15.0%	6.6	6.9	5.0%	11.9	13.1	9.5%
Restated Net Profit	2.1	4.3	108.1%	6.6	5.2	-21.4%	8.6	9.4	9.5%
<i>Net Profit Margin %</i>	10.9%	18.7%		30.5%	21.1%		21.3%	19.9%	
NFP end of the period	1.2	(9.6)		5.4	(4.4)		5.4	(4.4)	

Source: Company data and Alantra estimates

Estimates

We mainly improve our top-line in FY23-24; FCF generation trimmed in FY22E

We increased our top-line projections, mainly in 2023-24 by 3% and 6% respectively and trimmed our NFP as payments from PA might experience delays

(Eu mn)	NEW estimates			Change			OLD estimates		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Value of Production	48.3	54.2	60.3	0.3%	3.0%	5.6%	48.2	52.7	57.1
EBITDA Adjusted	20.0	22.9	25.9	0.3%	3.0%	5.6%	20.0	22.2	24.6
EBIT Adjusted	12.9	14.5	16.8	0.2%	-1.5%	-0.9%	12.9	14.7	17.0
Pretax Profit	13.1	14.7	17.0	0.2%	-1.5%	-0.9%	13.0	14.9	17.1
Net profit	9.4	10.6	12.3	0.2%	-1.5%	-0.9%	9.4	10.8	12.4
Net profit restated	9.4	10.6	12.3	0.2%	-1.5%	-0.9%	9.4	10.8	12.4
EPS	0.595	0.668	0.773	0.1%	-1.6%	-1.0%	0.594	0.679	0.780
Net financial position	(4.4)	11.6	13.8	-142.3%	-17.2%	-24.9%	10.5	14.1	18.4

Source: Factset and Alantra estimates

Peers

Trading multiples

The stock is trading at slightly premium compared to Italian peers in the connectivity business

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	206	4.1 x	3.4 x	3.0 x	10.0 x	8.0 x	7.0 x	15.5 x	12.7 x	10.8 x	20.7 x	18.4 x	15.9 x	
Premium (discount) to Peers' Median			66%	53%	50%	38%	35%	37%	-28%	-14%	-13%	-18%	2%	9%	
PEERS			Average	3.1 x	2.8 x	2.6 x	9.2 x	7.9 x	6.8 x	22.6 x	15.7 x	12.6 x	33.2 x	22.9 x	18.3 x
			Median	2.5 x	2.2 x	2.0 x	7.2 x	5.9 x	5.1 x	21.5 x	14.8 x	12.4 x	25.3 x	18.0 x	14.6 x
Cogent Communications Holdings Inc	UNITED STATES	2,670	5.8 x	5.7 x	5.3 x	14.8 x	14.2 x	12.9 x	29.4 x	26.5 x	23.0 x	72.5 x	52.3 x	43.3 x	
WideOpenWest, Inc.	UNITED STATES	1,185	2.6 x	2.5 x	2.4 x	6.5 x	6.0 x	5.3 x	36.7 x	17.4 x	15.3 x	42.3 x	22.6 x	17.6 x	
Bredband2 i Skandinavien AB	SWEDEN	120	0.9 x	0.8 x	0.7 x	5.4 x	4.9 x	4.4 x	14.0 x	12.2 x	9.5 x	15.4 x	13.4 x	11.7 x	
PEERS International			Average	3.1 x	3.0 x	2.8 x	8.9 x	8.4 x	7.5 x	26.7 x	18.7 x	15.9 x	43.4 x	29.4 x	24.2 x
			Median	2.6 x	2.5 x	2.4 x	6.5 x	6.0 x	5.3 x	29.4 x	17.4 x	15.3 x	42.3 x	22.6 x	17.6 x
WIIT SpA	ITALY	387	4.9 x	4.3 x	3.9 x	13.8 x	11.3 x	9.9 x	25.8 x	19.0 x	15.5 x	28.8 x	22.4 x	18.1 x	
Unidata S.P.A.	ITALY	108	2.4 x	1.9 x	1.4 x	7.4 x	5.9 x	4.9 x	12.8 x	9.3 x	6.9 x	18.2 x	12.8 x	9.8 x	
Planetel S.p.A.	ITALY	46	2.2 x	1.9 x	1.6 x	7.1 x	5.1 x	3.3 x	17.2 x	9.8 x	5.3 x	21.8 x	13.6 x	9.1 x	
PEERS Italy			Average	3.2 x	2.7 x	2.3 x	9.4 x	7.4 x	6.0 x	18.6 x	12.7 x	9.2 x	23.0 x	16.3 x	12.3 x
			Median	2.4 x	1.9 x	1.6 x	7.4 x	5.9 x	4.9 x	17.2 x	9.8 x	6.9 x	21.8 x	13.6 x	9.8 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		4.0 x	3.3 x	2.8 x	0.5%	0.6%	0.7%	-4.6%	8.7%	1.7%	0.2 x	nm	nm	
PEERS			Average	4.0 x	3.5 x	3.4 x	5.9%	6.4%	4.2%	7.4%	7.5%	8.8%	1.8 x	2.3 x	2.1 x
			Median	2.8 x	2.5 x	2.7 x	2.2%	2.5%	2.5%	6.5%	4.2%	5.8%	1.2 x	2.8 x	2.4 x
Cogent Communications Holdings Inc	UNITED STATES	2,670	na	na	na	6.7%	7.4%	8.1%	3.5%	3.5%	3.8%	3.9 x	4.0 x	3.7 x	
WideOpenWest, Inc.	UNITED STATES	1,185	1.8 x	1.6 x	1.5 x	0.0%	0.0%	0.0%	nm	3.2%	5.4%	2.5 x	2.2 x	1.9 x	
Bredband2 i Skandinavien AB	SWEDEN	120	2.5 x	2.6 x	2.7 x	7.8%	10.0%	12.1%	14.0%	17.1%	18.0%	0.0 x	nm	nm	
PEERS International			Average	2.2 x	2.1 x	2.1 x	4.8%	5.8%	6.8%	8.8%	7.9%	9.1%	2.1 x	3.1 x	2.8 x
			Median	2.2 x	2.1 x	2.1 x	6.7%	7.4%	8.1%	8.8%	3.5%	5.4%	2.5 x	3.1 x	2.8 x
WIIT SpA	ITALY	387	8.1 x	6.9 x	6.2 x	1.8%	2.2%	2.2%	nm	5.0%	6.2%	4.4 x	3.3 x	2.8 x	
Unidata S.P.A.	ITALY	108	3.0 x	2.4 x	na	22.7%	22.7%	na	na	na	na	0.0 x	nm	nm	
Planetel S.p.A.	ITALY	46	2.0 x	1.9 x	1.8 x	0.0%	0.0%	0.0%	9.5%	13.3%	16.1%	-0.2 x	-0.2 x	-0.2 x	
PEERS Italy			Average	4.9 x	4.2 x	4.2 x	6.7%	6.8%	1.6%	6.1%	7.0%	8.4%	1.4 x	1.6 x	1.3 x
			Median	4.7 x	4.0 x	4.7 x	2.0%	2.3%	2.2%	6.1%	5.0%	6.2%	0.0 x	1.6 x	1.3 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	206	42.3%	27.1%	19.8%	29.2%	10.4%	13.5%	13.7%	12.5%	12.4%	
PEERS			Average	32.3%	15.4%	8.8%	16.6%	130.8%	14.2%	17.2%	27.1%	12.6%
			Median	34.6%	14.7%	8.4%	15.3%	68.2%	12.3%	16.0%	18.2%	15.3%
Cogent Communications Holdings Inc	UNITED STATES	2,670	40.2%	21.5%	7.4%	11.4%	407.4%	4.8%	7.2%	9.6%	6.4%	
WideOpenWest, Inc.	UNITED STATES	1,185	42.8%	12.5%	6.6%	30.1%	0.0%	0.6%	9.0%	8.6%	-56.9%	
Bredband2 i Skandinavien AB	SWEDEN	120	16.1%	6.8%	5.4%	0.9%	132.0%	3.0%	6.8%	10.0%	-1.5%	
PEERS International			Average	33.0%	13.6%	6.5%	14.1%	179.8%	2.8%	7.7%	9.4%	-17.4%
			Median	40.2%	12.5%	6.6%	11.4%	132.0%	3.0%	7.2%	9.6%	-1.5%
WIIT SpA	ITALY	387	37.6%	22.1%	11.0%	19.2%	46.7%	22.3%	23.1%	32.6%	35.1%	
Unidata S.P.A.	ITALY	108	31.7%	16.1%	12.9%	28.7%	na	34.6%	24.8%	26.4%	24.2%	
Planetel S.p.A.	ITALY	46	25.5%	13.4%	9.4%	9.3%	68.2%	19.9%	32.3%	75.5%	68.1%	
PEERS Italy			Average	31.6%	17.2%	11.1%	19.0%	57.4%	25.6%	26.7%	44.8%	42.5%
			Median	31.7%	16.1%	11.0%	19.2%	57.4%	22.3%	24.8%	32.6%	35.1%

Source: Alantra estimates and Factset

Performance

Resilient market performance vs peers over the last 6 months

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
INTRED	ITALY	206	-9.4%	-8.5%	-12.8%	-31.9%	160.0%	na
PEERS	Average		-12.2%	-15.8%	-26.4%	-28.0%	67.5%	40.0%
	Median		-8.2%	-19.6%	-21.1%	-30.4%	71.7%	19.7%
Cogent Communications Holdings Inc	UNITED STATES	2,670	-2.7%	-13.3%	-13.4%	-26.2%	-3.6%	7.6%
WideOpenWest, Inc.	UNITED STATES	1,185	-29.9%	-26.3%	-26.0%	-34.6%	117.0%	-16.0%
Bredband2 i Skandinavien AB	SWEDEN	120	-2.3%	-29.6%	-34.9%	-46.0%	26.4%	31.7%
PEERS International	Average		-11.6%	-23.1%	-24.8%	-35.6%	46.6%	7.8%
	Median		-2.7%	-26.3%	-26.0%	-34.6%	26.4%	7.6%
WIIT SpA	ITALY	387	-23.3%	-25.8%	-54.6%	-46.5%	130.2%	136.5%
Unidata S.P.A.	ITALY	108	-13.7%	-2.4%	-13.4%	0.7%	na	na
Planetel S.p.A.	ITALY	46	-1.2%	2.7%	-16.3%	-15.3%	na	na
PEERS Italy	Average		-12.7%	-8.5%	-28.1%	-20.3%	130.2%	na
	Median		-13.7%	-2.4%	-16.3%	-15.3%	130.2%	na

Source: Alantra estimates and Factset

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