

INTRED

Sector: Tech

Sow today to reap tomorrow

We confirm our BUY rating and we raise our Target Price to Eu18.0 from Eu11.0/share, (>20% upside), after incorporating into our estimates better than expected results and the recent award of Infratel's tender. Considering its compelling capex-driven growth opportunity (avg FY21/22E capex/sales>50%, 18% EBITDA CAGR20-23E) and high visibility of FCF, it is reasonable in our view to look at company's multiples over a longer horizon

- **FY20 top line up 16.2% yoy, +70.4% including Qcom full consolidation.** Solid FY20 sales performance (disclosed in February) was driven by new customers additions (from 32k at YE19 to 41k at YE20, o/w ca 4k acquired through Qcom). Churn rate was stable at 4.2%. All business segments grew organically with Business (+17% yoy, 54% of FY20 revenues) and Residential (+21% yoy, 31% of FY20 revenues) being the largest contributor to growth. Network expanded as well, rising to 3,700 km at 31/12/2020 (+4% QoQ).
- **EBITDA above expectations thanks to strong margin expansion.** On a standalone basis, FY20 EBITDA jumped by ca 30% yoy to Eu11.2mn with margin expanding from 40.9% last year to 44.6%, driven by the increasing utilization of proprietary network. Initial integration synergies allowed Qcom's profitability to strongly improve compared to pre-acquisition levels (28% vs <20%), bringing consolidated FY20 EBITDA to Eu14.0mn (up 61% yoy). Net Profit grew 41% yoy reaching Eu6.1mn, missing our expectations due to Eu1.4mn D&A one-off expenses related to the first consolidation of Qcom assets. Net cash stood at Eu0.4mn from Eu8.1mn at YE19, despite ca Eu10mn cash-out for Qcom acquisition and ca Eu11mn capex, supported by a solid operating cash flow. BoD proposed Eu0.04/share dividend (10% payout ratio).
- **Infratel tender to connect schools in Lombardy is highly strategic.** Intred won Infratel's tender for the provision of gigabit connectivity to all the public schools located in Lombardy (ca 4,600) over a five years period. The tender is worth ca Eu40mn, of which 20% to be paid in advance upon the signing of the framework agreement, and the remaining amount to be paid in different installments based on the finalization of works, which must be completed within 3 years. The award of the tender is highly strategic and strongly accelerates Intred expansion in Lombardy (we expect the company to add ca 6,000km to its proprietary network). The company should be able to get in an easier way all the necessary authorizations for network rollout from municipalities, which are interested in having their school provided with fast connectivity. Once created the infrastructure to serve the schools, Intred could easily add new private clients on its "subsidized" network, maximizing ROI and securing long term revenue streams beyond the natural expiration of the contract with Infratel.
- **Sow today to reap tomorrow.** We adjust our estimates to incorporate Infratel tender. We now expect Intred to spend over FY21/22E ca Eu47mn capex for network rollout (avg capex/sales>50%), o/w Eu23mn to connect schools (2,100 schools delivered by YE21, 4,200 by YE22). Annual revenue coming from Infratel will reach its maximum potential (Eu8mn per year) only from 2024 onwards, and the expected acceleration of customer additions on the newly deployed network should be back-end loaded as well. These elements make the acceleration of the capex plan detrimental to FY21E EPS (-9%). Infratel tender provides favorable payment conditions (while Intred spreads revenues over five years, the company receives the whole payment upfront once the connection is delivered), allowing for a significant cumulated FCF (Eu19mn) over FY21-23E. We now expect revenues to grow from Eu35.4mn to Eu56.2mn in FY20-23E, (+16.6% CAGR), EBITDA to jump from Eu14.0mn to Eu23.1mn (+18.3% CAGR) and net profit to post a 22.8% CAGR.
- **BUY reiterated, TP raised to 18.0.** We confirm our BUY rating and we raise our Target Price to Eu18.0 from Eu11.0 per share (>20% upside). Our valuation is the result of a DCF method. At our target price the stock would be trading at 11.6x FY23 EV/EBITDA, or 12.6x if we adjust EV by netting YE23 deferred income related to Infratel tender. Considering its compelling capex-driven growth opportunity and attractive risk-return profile (high visibility of FCF), it is reasonable in our view to look at company's multiples over a longer horizon.

BUY

Unchanged

TP 18.00

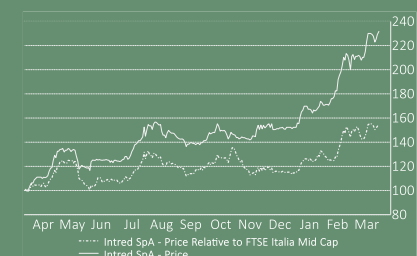
From 11.00

Target price upside 23%

Change in EPS est.	FY21E	FY22E
	-8.9%	0.4%

Ticker (BBG, Reut)	ITD IM	ITD MI
Share price Ord. (Eu)		14.7
N. of Ord. shares (mn)		15.9
Total N. of shares (mn)		15.9
Market cap (Eu mn)		232
Total Market Cap (EU mn)		232
Free Float Ord. (%)		25%
Free Float Ord. (Eu mn)		59
Daily AVG liquidity Ord. (Eu k)		112

	1M	3M	12M
Absolute Perf.	14.7%	50.5%	127.9%
Rel.to FTSEMIDCap	6.8%	37.2%	80%
52 weeks range		6.3	14.5



	FY20A	FY21E	FY22E
Sales	36	42	50
EBITDA adj.	14.0	16.6	20.6
Net profit adj.	6.1	7.2	9.1
EPS adj.	0.386	0.456	0.574
DPS - Ord.	0.040	0.047	0.060
EV/EBITDA adj.	9.2x	13.9x	10.8x
P/E adj.	20.9x	32.1x	25.5x
Dividend yield	0.5%	0.3%	0.4%
FCF yield	1.7%	1.7%	3.7%
Net debt/(Net cash)	(0.4)	(3.8)	(11.6)
Net debt/EBITDA	nm	nm	nm

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Key Data

P&L account (Eu mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Sales	21.2	36.4	41.5	50.2	57.2
Added Value	12.0	20.5	23.0	28.6	32.6
EBITDA reported	8.7	14.0	16.6	20.6	23.1
D&A	(3.0)	(5.9)	(7.0)	(8.5)	(8.8)
EBIT reported	5.8	8.1	9.6	12.1	14.3
Net financial charges	0.1	0.1	0.1	0.1	0.1
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	5.8	8.2	9.7	12.2	14.4
Taxes	(1.5)	(2.1)	(2.4)	(3.1)	(3.6)
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	4.3	6.1	7.2	9.1	10.8
EBITDA adjusted	8.7	14.0	16.6	20.6	23.1
EBIT adjusted	5.8	8.1	9.6	12.1	14.3
Net profit adjusted	4.3	6.1	7.2	9.1	10.8

Margins (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Added Value margin	56.5%	56.3%	55.5%	57.0%	57.0%
EBITDA margin (adj)	41.1%	38.4%	40.0%	41.0%	40.5%
EBIT margin (adj)	27.2%	22.3%	23.1%	24.0%	25.0%
Pre-tax margin	27.6%	22.5%	23.3%	24.2%	25.2%
Net profit margin (adj)	20.4%	16.8%	17.4%	18.1%	18.8%

Growth rates (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Sales	21.3%	71.7%	14.1%	21.0%	13.9%
EBITDA	27.9%	60.6%	18.6%	24.1%	12.5%
EBITDA adjusted	19.6%	60.6%	18.6%	24.1%	12.5%
EBIT	37.4%	41.1%	18.0%	25.7%	18.6%
EBIT adjusted	23.5%	41.1%	18.0%	25.7%	18.6%
Pre-tax	40.4%	40.1%	18.3%	25.8%	18.4%
Net profit	34.8%	41.3%	18.3%	25.8%	18.4%
Net profit adjusted	21.0%	41.3%	18.3%	25.8%	18.4%

Per share data	FY19A	FY20A	FY21E	FY22E	FY23E
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	15.851	15.851	15.851	15.851
EPS	0.273	0.386	0.456	0.574	0.679
EPS adjusted	0.273	0.386	0.456	0.574	0.679
DPS - Ord.	0.030	0.040	0.047	0.060	0.070
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	1.682	2.037	2.454	2.980	3.600

Enterprise value (Eu m)	FY19A	FY20A	FY21E	FY22E	FY23E
Share price Ord. (Eu)	4.4	8.1	14.7	14.7	14.7
Market cap	69.5	127.6	232.2	232.2	232.2
Net debt/(Net cash)	(8.1)	(0.4)	(3.8)	(11.6)	(17.8)
Adjustments	0.6	1.6	1.6	1.6	1.6
Enterprise value	62.0	128.8	230.1	222.2	216.0

Share price performance

Strong performance since listing in July 2018... (low quality EPS consensus data)



Source: Factset

Cash flow (Eu mn)	FY19A	FY20A	FY21E	FY22E	FY23E
EBITDA adjusted	8.7	14.0	16.6	20.6	23.1
Net financial charges	0.1	0.1	0.1	0.1	0.1
Cash taxes	(1.5)	(2.1)	(2.4)	(3.1)	(3.6)
Ch. in Working Capital	1.8	2.2	15.5	12.1	(1.0)
Other operating items	-	(1.2)	-	-	-
Operating cash flow	9.1	12.9	29.8	29.7	18.6
Capex	(7.2)	(10.8)	(25.8)	(21.1)	(11.5)
FCF	1.9	2.1	4.0	8.6	7.2
Disposals/Acquisitions	0.0	(9.4)	0.0	0.0	0.0
Changes in Equity	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Dividends	(0.3)	(0.5)	(0.6)	(0.7)	(0.9)
Ch. in NFP	1.6	(7.7)	3.3	7.8	6.2

Ratios (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Capex/Sales	34.0%	29.7%	62.1%	42.1%	20.1%
Capex/D&A	2.4x	1.8x	3.7x	2.5x	1.3x
FCF/EBITDA	21.4%	15.3%	23.9%	41.7%	30.9%
FCF/Net profit	43.0%	35.0%	54.9%	94.3%	66.4%
Dividend pay-out	11.0%	10.4%	10.4%	10.4%	10.4%

Balance sheet (Eu mn)	FY19A	FY20A	FY21E	FY22E	FY23E
Working capital	(7.1)	(9.3)	(24.8)	(36.9)	(36.0)
Fixed assets	26.3	42.8	61.6	74.2	76.8
Provisions & others	(0.6)	(1.6)	(1.6)	(1.6)	(1.6)
Net capital employed	18.5	31.9	35.1	35.6	39.3
Net debt/(Net cash)	(8.1)	(0.4)	(3.8)	(11.6)	(17.8)
Equity	26.7	32.3	38.9	47.2	57.1
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY19A	FY20A	FY21E	FY22E	FY23E
Working capital/Sales	-33.6%	-25.5%	-59.8%	-73.5%	-62.8%
Net debt/Equity	nm	nm	nm	nm	nm
Net debt/EBITDA	nm	nm	nm	nm	nm

Valuation	FY19A	FY20A	FY21E	FY22E	FY23E
EV/CE	3.2x	3.8x	6.3x	6.0x	5.3x
P/BV	2.6x	4.0x	6.0x	4.9x	4.1x
EV/Sales	2.9x	3.5x	5.5x	4.4x	3.8x
EV/EBITDA	7.1x	9.2x	13.9x	10.8x	9.3x
EV/EBITDA adjusted	7.1x	9.2x	13.9x	10.8x	9.3x
EV/EBIT	10.8x	15.9x	24.0x	18.4x	15.1x
EV/EBIT adjusted	10.8x	15.9x	24.0x	18.4x	15.1x
P/E	16.1x	20.9x	32.1x	25.5x	21.6x
P/E adjusted	16.1x	20.9x	32.1x	25.5x	21.6x
ROCE pre-tax	32.2%	30.9%	27.3%	32.6%	36.6%
ROE	16.2%	18.9%	18.6%	19.3%	18.9%
EV/FCF	33.3x	60.2x	58.0x	25.9x	30.2x
FCF yield	2.7%	1.7%	1.7%	3.7%	3.1%
Dividend yield	0.7%	0.5%	0.3%	0.4%	0.5%

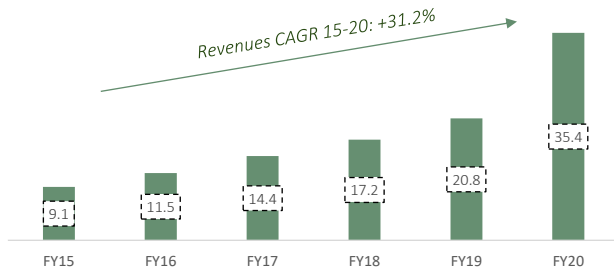
Valuation

Data not available

Key Charts

Revenue trend (FY15-FY20A)

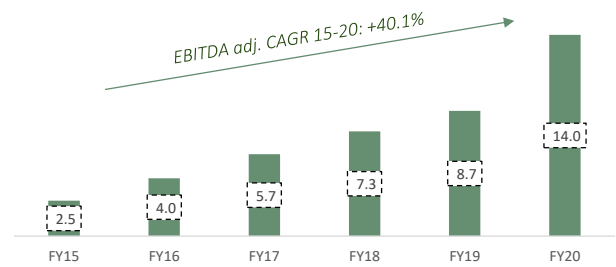
Strong revenues CAGR over the period (+31.2%)



Source: company data

EBITDA margin (FY15A-FY20A)

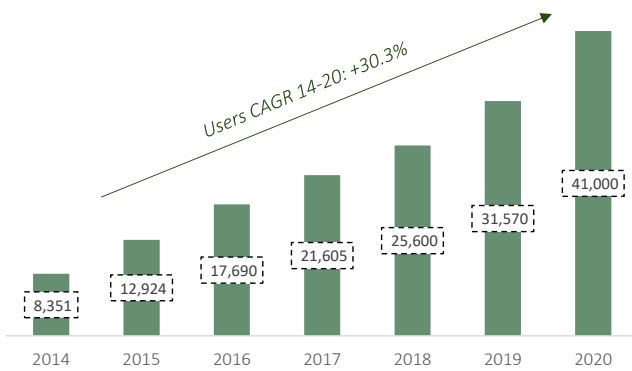
EBITDA margin grew from 26.2% in FY15 to 38.4% in FY20



Source: Company data

Users with datalines (FY14A-FY20A)

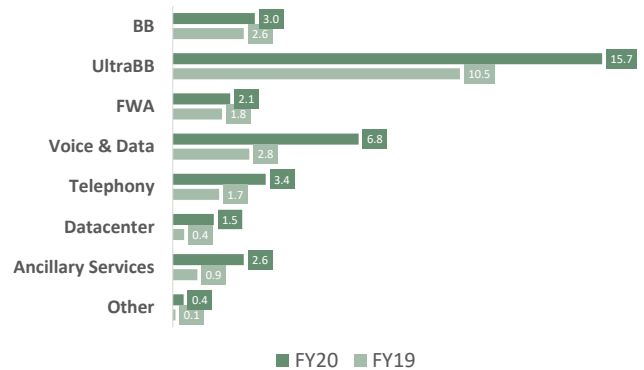
Users with datalines grew 30.3% CAGR over the period



Source: company data

Revenue breakdown by service provided (FY19A-20A)

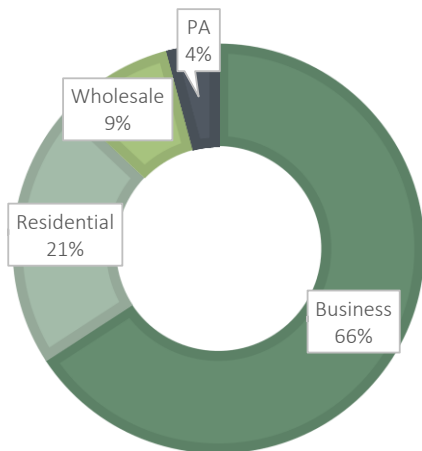
Growth came from Ultra Broadband connectivity (FTTH and FTTC)



Source: company data

Revenue breakdown by segment (FY20A)

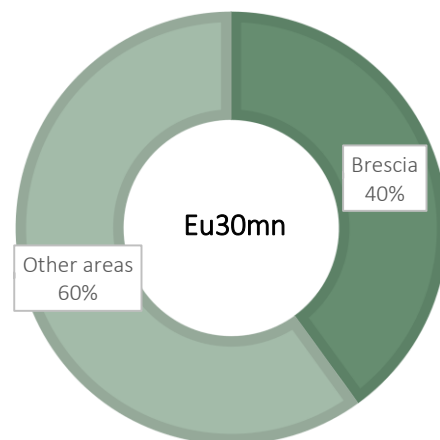
Business customers represent the largest share of Intred's revenues



Source: company data

Capex plan (FY19A-FY21E)

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 FY20 reached >3,700km 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 (66% of FY20 sales), residential users (21%) and public administration (4%). Intred also rent its network to other TLC operators through wholesale contracts (9%). Churn rate was stable at 4% in 2020. 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 Eu35.4mn in FY20, posting a 29% 6Y 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 38.4% in FY20. 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

- Peli Family 64.4%
- Value First 9.1%
- Float 25.2%

Management

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

Next events

- 1Q21 sales 5 May 2021
- 1H21 sales 4 Aug 2021
- 1H21 results 29 Sept 2021

Results

EBITDA above expectations thanks to strong margin expansion.

On a standalone basis, FY20 EBITDA jumped by ca 30% yoy to Eu11.2mn with margin expansion from 40.9% last year to 44.6%, driven by the increasing utilization of proprietary network. Initial integration synergies allowed Qcom's profitability to strongly improve compared to pre-acquisition levels (28% vs <20%), bringing consolidated FY20 EBITDA to Eu14.0mn (up 61% yoy).

Net Profit grew 41% yoy reaching Eu6.1mn, missing our expectations due to Eu1.4mn one-off D&A expenses related to the first consolidation of Qcom assets.

Eu mn	4Q19A	4Q20A	YoY %	FY19A	FY20A	YoY %
Business	3.1	3.6	17.0%	11.2	13.1	17.0%
<i>On sales %</i>	54.5%	55.7%		53.8%	37.0%	
Residential	1.6	2.0	22.7%	6.1	7.4	21.3%
<i>On sales %</i>	29.0%	31.0%		29.3%	20.9%	
Wholesale & PA	1.0	0.9	-13.9%	3.5	3.7	4.8%
<i>On sales %</i>	17.8%	13.3%		17.0%	10.4%	
QCOM	0.0	0.0		0.0	11.2	
<i>On sales %</i>					31.7%	
Eu mn	4Q19A	4Q20A	YoY %	FY19A	FY20A	YoY %
Revenues	5.6	6.5	14.7%	20.8	35.4	70.2%
<i>on sales %</i>				98.3%	97.4%	
Other revenues and income				0.4	0.9	
<i>on sales %</i>				1.7%	2.6%	
Value of Production				21.2	36.4	71.7%
<i>on sales %</i>				100.0%	100.0%	
EBITDA Reported				8.7	14.0	60.6%
<i>Ebitda Margin %</i>				41.1%	38.4%	
D&A				(3.0)	(5.9)	
EBIT Reported				5.8	8.1	41.1%
<i>Ebit Margin %</i>				27.2%	22.3%	
Pretax Profit				5.8	8.2	40.1%
<i>Ebit Margin %</i>				27.6%	22.5%	
Taxes				(1.5)	(2.1)	
<i>Tax rate %</i>				-25.9%	-25.3%	
Net Profit				4.3	6.1	41.3%
<i>Net Profit Margin %</i>				20.4%	16.8%	
NFP end of the period				8.1	0.4	

Source: Company data and Alantra estimates

Estimates

Sow today to reap tomorrow, we adjust our estimates to incorporate Infratel tender.

We now expect Intred to spend over FY21/22E ca Eu47mn capex for network rollout (avg capex/sales>50%!), o/w Eu23mn to connect schools (2,100 schools delivered by YE21, 4,200 by YE22). Annual revenue coming from Infratel will reach its maximum potential (Eu8mn per year) only from 2024 onwards, and the expected acceleration of customer additions on the newly deployed network should be back-end loaded as well. These elements make the acceleration of the capex plan detrimental to FY21E EPS (-9%). Infratel tender provides favourable payment conditions, allowing for a significant cumulated FCF (Eu19mn) over FY21-23E.

(Eu mn)	FY20A	FY21E	FY22E	FY23E	FY20A	FY21E	FY22E	FY23E	FY20A	FY21E	FY22E	FY23E
Value of Production	36.4	41.5	50.2	57.2	1.4%	3.7%	13.9%	na	35.9	40.0	44.1	na
EBITDA Adjusted	14.0	16.6	20.6	23.1	3.2%	3.7%	13.9%	na	13.5	16.0	18.1	na
EBIT Adjusted	8.1	9.6	12.1	14.3	-12.0%	-11.4%	-2.2%	na	9.2	10.8	12.3	na
Pretax Profit	8.2	9.7	12.2	14.4	-9.9%	-9.6%	-0.5%	na	9.1	10.7	12.2	na
Net profit	6.1	7.2	9.1	10.8	-9.1%	-8.9%	0.4%	na	6.7	7.9	9.1	na
Net profit restated	6.1	7.2	9.1	10.8	-9.1%	-8.9%	0.4%	na	6.7	7.9	9.1	na
EPS	0.386	0.456	0.574	0.679	-9.1%	-8.9%	0.4%	na	0.424	0.500	0.572	na
Net financial position	0.4	3.8	11.6	17.8	-88.8%	-39.9%	10.3%	na	3.8	6.3	10.5	na

Source: Factset and Alantra estimates

Peers

Trading multiples

The stock is trading at higher multiples than Italian peers

Company	Country	Mkt Cap (Eu mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE			
			FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	
INTRED	ITALY	229	5.5 x	4.4 x	3.8 x	13.9 x	10.8 x	9.3 x	24.0 x	18.4 x	15.1 x	32.1 x	25.5 x	21.6 x	
Premium (discount) to Peers' Median			95%	65%	64%	44%	35%	39%	28%	24%	11%	44%	41%	31%	
PEERS			Average	3.6 x	3.4 x	3.1 x	11.0 x	9.6 x	8.6 x	23.1 x	19.1 x	16.4 x	35.1 x	27.5 x	22.6 x
			Median	2.8 x	2.7 x	2.3 x	9.6 x	8.0 x	6.7 x	18.7 x	14.8 x	13.6 x	22.4 x	18.1 x	16.4 x
Cogent Communications Holdings Inc	UNITED STATES	2,746	6.8 x	6.6 x	6.4 x	17.7 x	16.6 x	15.9 x	35.0 x	30.5 x	26.8 x	82.0 x	59.3 x	48.9 x	
WideOpenWest, Inc.	UNITED STATES	998	3.0 x	3.0 x	3.0 x	7.4 x	7.0 x	6.5 x	16.8 x	14.8 x	13.6 x	20.6 x	16.6 x	13.6 x	
Bredband2 i Skandinavien AB	SWEDEN	191	1.2 x	1.1 x	1.1 x	9.7 x	8.7 x	8.2 x	15.7 x	13.4 x	12.3 x	18.9 x	17.6 x	16.4 x	
PEERS International			Average	3.7 x	3.6 x	3.5 x	11.6 x	10.8 x	10.2 x	22.5 x	19.6 x	17.6 x	40.5 x	31.2 x	26.3 x
			Median	3.0 x	3.0 x	3.0 x	9.7 x	8.7 x	8.2 x	16.8 x	14.8 x	13.6 x	20.6 x	17.6 x	16.4 x
WIIT SpA	ITALY	398	6.9 x	6.2 x	5.5 x	18.3 x	15.7 x	14.0 x	34.3 x	27.0 x	24.1 x	41.8 x	31.6 x	26.9 x	
Retelit S.p.A.	ITALY	374	2.7 x	2.4 x	2.2 x	8.1 x	7.1 x	6.1 x	18.7 x	14.6 x	12.0 x	22.4 x	18.1 x	12.3 x	
Unidata S.P.A.	ITALY	69	2.8 x	2.7 x	2.3 x	9.6 x	8.0 x	6.7 x	25.8 x	24.8 x	21.0 x	38.1 x	37.0 x	32.1 x	
Planetel S.p.A.	ITALY	29	1.9 x	1.7 x	1.4 x	6.1 x	4.3 x	2.9 x	15.3 x	8.6 x	4.7 x	22.1 x	12.5 x	8.0 x	
PEERS Italy			Average	3.6 x	3.2 x	2.8 x	10.5 x	8.8 x	7.4 x	23.5 x	18.7 x	15.4 x	31.1 x	24.8 x	19.8 x
			Median	2.8 x	2.6 x	2.2 x	8.9 x	7.5 x	6.4 x	22.3 x	19.7 x	16.5 x	30.3 x	24.9 x	19.6 x
Company	Country	Mkt Cap (Eu mn)	P/BV			Dividend Yield			FCF Yield			Net Debt/EBITDA			
			FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	
INTRED	ITALY		6.0 x	4.9 x	4.1 x	0.3%	0.4%	0.5%	1.7%	3.7%	3.1%	nm	nm	nm	
PEERS			Average	3.5 x	3.2 x	7.7 x	2.0%	2.3%	2.7%	2.4%	5.9%	8.7%	2.8 x	2.6 x	2.6 x
			Median	3.7 x	3.8 x	3.7 x	1.3%	1.8%	2.8%	2.9%	6.2%	7.6%	3.5 x	3.4 x	3.8 x
Cogent Communications Holdings Inc	UNITED STATES	2,746	na	na	na	4.7%	5.3%	5.9%	3.1%	3.4%	3.2%	3.5 x	3.4 x	3.8 x	
WideOpenWest, Inc.	UNITED STATES	998	na	na	31.2 x	0.0%	0.0%	0.0%	7.2%	8.7%	7.5%	4.9 x	4.6 x	4.2 x	
Bredband2 i Skandinavien AB	SWEDEN	191	3.7 x	3.8 x	3.9 x	5.4%	6.4%	7.4%	6.3%	7.2%	7.6%	nm	nm	nm	
PEERS International			Average	3.7 x	3.8 x	17.5 x	3.4%	3.9%	4.4%	5.5%	6.4%	6.1%	4.2 x	4.0 x	4.0 x
			Median	3.7 x	3.8 x	17.5 x	4.7%	5.3%	5.9%	6.3%	7.2%	7.5%	4.2 x	4.0 x	4.0 x
WIIT SpA	ITALY	398	1.5 x	1.4 x	1.3 x	1.3%	1.8%	2.9%	0.9%	5.1%	8.3%	nm	nm	nm	
Retelit S.p.A.	ITALY	374	6.5 x	5.5 x	4.7 x	2.2%	2.5%	2.8%	2.6%	2.8%	3.1%	nm	nm	nm	
Unidata S.P.A.	ITALY	69	4.4 x	3.9 x	3.5 x	0.0%	0.0%	0.0%	na	na	na	nm	nm	nm	
Planetel S.p.A.	ITALY	29	1.7 x	1.6 x	1.5 x	0.0%	0.0%	0.0%	-5.8%	8.3%	22.2%	-0.1 x	-0.1 x	-0.1 x	
PEERS Italy			Average	3.5 x	3.1 x	2.7 x	0.9%	1.1%	1.4%	-0.7%	5.4%	11.2%	-0.1 x	-0.1 x	-0.1 x
			Median	3.1 x	2.8 x	2.5 x	0.7%	0.9%	1.4%	0.9%	5.1%	8.3%	-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)	FY21E - FY23E average margins					CAGR FY20A - FY23E			
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	EPS
INTRED	ITALY	229	40.5%	24.0%	18.1%	41.4%	10.4%	16.3%	18.3%	20.7%	20.8%
PEERS	Average		32.2%	16.0%	8.7%	13.1%	82.6%	12.6%	19.6%	27.7%	46.4%
	Median		34.4%	16.4%	8.3%	16.0%	55.7%	14.1%	17.6%	16.2%	34.3%
Cogent Communications Holdings Inc	UNITED STATES	2,746	39.5%	21.7%	8.3%	8.3%	328.1%	5.1%	7.2%	13.7%	120.0%
WideOpenWest, Inc.	UNITED STATES	998	42.6%	19.8%	6.4%	21.1%	0.0%	-2.4%	3.5%	15.3%	77.7%
Bredband2 i Skandinavien AB	SWEDEN	191	12.8%	8.3%	5.5%	1.1%	112.7%	31.2%	42.5%	53.0%	28.6%
PEERS International	Average		31.6%	16.6%	6.8%	10.2%	146.9%	11.3%	17.8%	27.3%	75.4%
	Median		39.5%	19.8%	6.4%	8.3%	112.7%	5.1%	7.2%	15.3%	77.7%
WIIT SpA	ITALY	398	38.8%	21.9%	14.3%	16.2%	57.3%	17.5%	23.6%	29.8%	37.6%
Retelit S.p.A.	ITALY	374	34.4%	16.4%	10.3%	16.1%	24.6%	7.7%	12.7%	16.2%	26.7%
Unidata S.P.A.	ITALY	69	32.4%	10.9%	7.7%	na	0.0%	14.1%	17.6%	3.1%	-0.1%
Planetel S.p.A.	ITALY	29	25.3%	12.8%	8.5%	15.9%	55.7%	14.9%	30.1%	62.4%	34.3%
PEERS Italy	Average		32.7%	15.5%	10.2%	16.1%	34.4%	13.6%	21.0%	27.9%	24.6%
	Median		33.4%	14.6%	9.4%	16.1%	40.2%	14.5%	20.6%	23.0%	30.5%

Source: Alantra estimates and Factset

Performance

Outperforming peers in the last 12 months

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
INTRED	ITALY	229	14.7%	50.5%	64.2%	127.9%	na	na
PEERS	Average		3.6%	14.3%	38.3%	80.0%	83.3%	188.9%
	Median		-1.6%	8.2%	16.3%	75.9%	60.4%	195.7%
Cogent Communications Holdings Inc	UNITED STATES	2,746	13.8%	14.3%	15.3%	-15.4%	60.4%	80.7%
WideOpenWest, Inc.	UNITED STATES	998	-3.9%	32.6%	162.1%	211.1%	87.8%	na
Bredband2 i Skandinavien AB	SWEDEN	191	-4.2%	0.0%	17.2%	72.9%	43.7%	195.7%
PEERS International	Average		1.9%	15.6%	64.9%	89.5%	63.9%	138.2%
	Median		-3.9%	14.3%	17.2%	72.9%	60.4%	138.2%
WIIT SpA	ITALY	398	-3.5%	-8.0%	-14.8%	79.0%	208.0%	na
Retelit S.p.A.	ITALY	374	1.6%	2.0%	1.3%	51.9%	16.8%	290.2%
Unidata S.P.A.	ITALY	69	23.1%	45.0%	48.4%	80.8%	na	na
Planetel S.p.A.	ITALY	29	-1.6%	na	na	na	na	na
PEERS Italy	Average		4.9%	13.0%	11.7%	70.5%	112.4%	290.2%
	Median		0.0%	2.0%	1.3%	79.0%	112.4%	290.2%

Source: Alantra estimates and Factset

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