

INTRED

Sector: Tech

Solid positioning in an attractive market

We confirm our BUY rating and we raise our Target Price to Eu11.0 from Eu9.0 per share, providing >20% upside. Intred closed 1H20 with excellent growth and better than expected profitability and cash generation. Considering 1H20 blended profitability of Intred and Qcom (38.2% EBITDA margin), we would expect Intred to reach a 40% EBITDA margin already in 2021, anticipating by one year the profitability level initially targeted at the time of the acquisition. We appreciate Intred's compelling growth opportunity and attractive risk-return profile (high visibility of FCF, double digit growth). The stock is trading at discount relative to peers.

- Positive surprise on margins and cash generation in 1H.** 1H top line (disclosed in August) was up 16.9% YoY to Eu11.7mn. Ultra-broadband continued to drive growth reaching Eu7.2mn (+32% YoY). Recurring fees represented 95.7% of revenues; churn rate declined to 4.0%. All business segments grew with Business (+18% YoY, 54% of 1H20 revenues) and Residential (+20% YoY, 31% of 1H20 revenues) being the largest contributor to growth. EBITDA stood at Eu5.4mn, up by 30.1% YoY, with margin reaching 44.7% from 40.9% last year. Net Profit grew 39.5% YoY reaching Eu2.9mn, with a 23.8% margin (20.3% last year). Net debt stood at Eu1.6mn from Eu8.1mn net cash at YE19, despite Eu10.2mn cash-out for Qcom acquisition and Eu4.8mn capex, thanks to a solid operating cash flow. Qcom (not yet consolidated) already showed improving profitability compared to pre-acquisition levels (25.3% vs <20%) out of Eu5.6mn sales (slightly growing YoY). Qcom closed the period with Eu1.9mn net cash.
- Solid positioning in an attractive market.** The pandemic has given a boost to ultra-broadband demand, while potential negative disruptions (e.g. limited mobility of salesforce, lengthier authorization process for infrastructure works, higher insolvency) have had no visible impact on 1H figures. The ongoing shift of customers from copper to fiber and a lean organization (labour cost incidence down to 13.6% in 1H from 15.3% last year) are providing a stronger than expected contribution to profitability. This gives management a potential additional growth lever (e.g. increasing marketing and commercial activities, accelerating capex). The company is smoothly integrating Qcom, a highly synergic acquisition: a significant cash generation allows Intred to consider any further potential M&A opportunity that may arise. Competitive pressure remains quite low, and the advent of Open Fiber could represent a medium-term risk (discussions with TIM may cause further delays in the expansion of OF's network).
- EBITDA margin of 40% expected one year in advance.** Considering 1H20 blended profitability of Intred and Qcom (38.2% EBITDA margin), we would expect Intred to reach a 40% EBITDA margin already in 2021, anticipating by one year the profitability level initially targeted at the time of the acquisition. Our FY20/21 EPS estimates are increased by 22%/10%. The positive impact related to the full consolidation of Qcom (in the previous report we consolidated it for 10 months) is equal to ca 4% FY20 EPS. We now expect revenues to grow from Eu20.8mn to Eu43.4mn in FY19-22E, (+27.7% CAGR), EBITDA adj. to jump from Eu8.7mn to Eu18.1mn in FY19-22E, (+27.6% CAGR) and net profit to post a 28.0% CAGR. We expect Intred to generate Eu14mn FCF after Eu30mn capex in the next three years.
- BUY reiterated, TP raised to 11.0.** We confirm our BUY rating and we raise our Target Price to Eu11.0 from Eu9.0 per share (ca 24% upside). Our valuation is the result of a DCF method. At our target price the stock would be trading on FY21 at 10.5x EV/EBITDA and 22.0x P/E.

BUY

Unchanged

TP 11.00

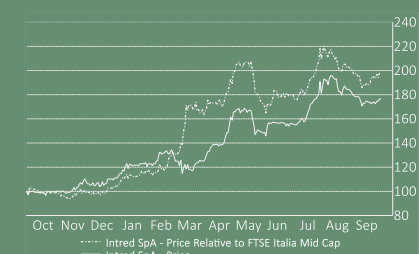
From 9.00

Target price upside 24%

Change in EPS est.	FY20E	FY21E
	22.4%	9.5%

Ticker (BBG, Reut)	ITD IM	ITD MI
Share price Ord. (Eu)		8.9
N. of Ord. shares (mn)		15.9
Total N. of shares (mn)		15.9
Market cap (Eu mn)		141
Total Market Cap (EU mn)		141
Free Float Ord. (%)		25%
Free Float Ord. (Eu mn)		36
Daily AVG liquidity Ord. (Eu k)		86

	1M	3M	12M
Absolute Perf.	-4.1%	12.9%	78.0%
Rel. to FTSEMidCap	-2.2%	10.3%	88.2%
52 weeks range		4.9	9.9



	FY19A	FY20E	FY21E
Sales	21	36	40
EBITDA adj.	8.7	13.5	16.0
Net profit adj.	4.3	6.7	7.9
EPS adj.	0.273	0.424	0.500
DPS - Ord.	0.030	0.047	0.055
EV/EBITDA adj.	7.1x	10.2x	8.5x
P/E adj.	16.1x	21.0x	17.8x
Dividend yield	0.7%	0.5%	0.6%
FCF yield	2.7%	3.9%	2.3%
Net debt/(Net cash)	(8.1)	(3.8)	(6.3)
Net debt/EBITDA	nm	nm	nm

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Key Data

P&L account (Eu mn)	FY18A	FY19A	FY20E	FY21E	FY22E
Sales	17.5	21.2	35.9	40.0	44.1
Added Value	9.9	12.0	19.3	22.2	25.1
EBITDA reported	6.8	8.7	13.5	16.0	18.1
D&A	(2.6)	(3.0)	(4.3)	(5.2)	(5.7)
EBIT reported	4.2	5.8	9.2	10.8	12.3
Net financial charges	(0.0)	0.1	(0.2)	(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	4.2	5.8	9.1	10.7	12.2
Taxes	(0.9)	(1.5)	(2.4)	(2.8)	(3.2)
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	3.2	4.3	6.7	7.9	9.1
EBITDA adjusted	7.3	8.7	13.5	16.0	18.1
EBIT adjusted	4.7	5.8	9.2	10.8	12.3
Net profit adjusted	3.6	4.3	6.7	7.9	9.1

Margins (%)	FY18A	FY19A	FY20E	FY21E	FY22E
Added Value margin	56.5%	56.5%	53.8%	55.5%	57.0%
EBITDA margin (adj)	41.7%	41.1%	37.8%	40.0%	41.0%
EBIT margin (adj)	26.7%	27.2%	25.7%	27.1%	27.9%
Pre-tax margin	23.8%	27.6%	25.3%	26.8%	27.7%
Net profit margin (adj)	20.5%	20.4%	18.7%	19.8%	20.5%

Growth rates (%)	FY18A	FY19A	FY20E	FY21E	FY22E
Sales	18.2%	21.3%	69.4%	11.6%	10.2%
EBITDA	19.5%	27.9%	55.6%	18.1%	13.0%
EBITDA adjusted	27.8%	19.6%	55.6%	18.1%	13.0%
EBIT	18.9%	37.4%	60.3%	17.4%	13.8%
EBIT adjusted	32.3%	23.5%	60.3%	17.4%	13.8%
Pre-tax	19.8%	40.4%	55.5%	18.0%	14.2%
Net profit	26.4%	34.8%	55.5%	18.0%	14.2%
Net profit adjusted	40.8%	21.0%	55.5%	18.0%	14.2%

Per share data	FY18A	FY19A	FY20E	FY21E	FY22E
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	0.202	0.273	0.424	0.500	0.572
EPS adjusted	0.225	0.273	0.424	0.500	0.572
DPS - Ord.	0.020	0.030	0.047	0.055	0.063
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	1.429	1.682	2.076	2.530	3.046

Enterprise value (Eu m)	FY18A	FY19A	FY20E	FY21E	FY22E
Share price Ord. (Eu)	3.0	4.4	8.9	8.9	8.9
Market cap	46.9	69.5	141.1	141.1	141.1
Net debt/(Net cash)	(6.6)	(8.1)	(3.8)	(6.3)	(10.5)
Adjustments	0.5	0.5	0.5	0.5	0.5
Enterprise value	40.8	61.9	137.7	135.3	131.0

Share price performance

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



Source: Factset

Cash flow (Eu mn)	FY18A	FY19A	FY20E	FY21E	FY22E
EBITDA adjusted	7.3	8.7	13.5	16.0	18.1
Net financial charges	(0.0)	0.1	(0.2)	(0.1)	(0.1)
Cash taxes	(0.9)	(1.5)	(2.4)	(2.8)	(3.2)
Ch. in Working Capital	1.1	1.8	3.5	1.3	0.5
Other operating items	-	-	-	-	-
Operating cash flow	7.4	9.1	14.5	14.4	15.3
Capex	(6.4)	(7.2)	(9.0)	(11.2)	(10.1)
FCF	1.0	1.9	5.5	3.2	5.1
Disposals/Acquisitions	0.0	0.0	(9.4)	0.0	0.0
Changes in Equity	9.5	0.0	0.0	0.0	0.0
Others	0.1	0.0	0.0	0.0	0.0
Dividends	0.0	(0.3)	(0.5)	(0.7)	(0.9)
Ch. in NFP	10.7	1.6	(4.3)	2.5	4.2

Ratios (%)	FY18A	FY19A	FY20E	FY21E	FY22E
Capex/Sales	36.4%	34.0%	25.0%	28.0%	23.0%
Capex/D&A	2.4x	2.4x	2.1x	2.2x	1.8x
FCF/EBITDA	14.3%	21.4%	40.8%	20.0%	28.3%
FCF/Net profit	32.3%	43.0%	82.3%	40.4%	56.4%
Dividend pay-out	9.9%	11.0%	11.0%	11.0%	11.0%

Balance sheet (Eu mn)	FY18A	FY19A	FY20E	FY21E	FY22E
Working capital	(5.3)	(7.1)	(10.6)	(11.9)	(12.3)
Fixed assets	22.0	26.3	40.3	46.3	50.6
Provisions & others	(0.6)	(0.6)	(0.6)	(0.5)	(0.5)
Net capital employed	16.1	18.5	29.1	33.8	37.8
Net debt/(Net cash)	(6.6)	(8.1)	(3.8)	(6.3)	(10.5)
Equity	22.7	26.7	32.9	40.1	48.3
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY18A	FY19A	FY20E	FY21E	FY22E
Working capital/Sales	-30.5%	-33.6%	-29.5%	-29.7%	-28.0%
Net debt/Equity	nm	nm	nm	nm	nm
Net debt/EBITDA	nm	nm	nm	nm	nm

Valuation	FY18A	FY19A	FY20E	FY21E	FY22E
EV/CE	2.5x	3.2x	4.6x	3.9x	3.4x
P/BV	2.1x	2.6x	4.3x	3.5x	2.9x
EV/Sales	2.3x	2.9x	3.8x	3.4x	3.0x
EV/EBITDA	6.0x	7.1x	10.2x	8.5x	7.3x
EV/EBITDA adjusted	5.6x	7.1x	10.2x	8.5x	7.3x
EV/EBIT	9.7x	10.7x	14.9x	12.5x	10.6x
EV/EBIT adjusted	8.8x	10.7x	14.9x	12.5x	10.6x
P/E	14.6x	16.1x	21.0x	17.8x	15.6x
P/E adjusted	13.1x	16.1x	21.0x	17.8x	15.6x
ROCE pre-tax	30.5%	32.2%	37.8%	33.8%	33.9%
ROE	15.8%	16.2%	20.4%	19.8%	18.8%
EV/FCF	39.3x	33.2x	24.9x	42.3x	25.6x
FCF yield	2.2%	2.7%	3.9%	2.3%	3.6%
Dividend yield	0.7%	0.7%	0.5%	0.6%	0.7%

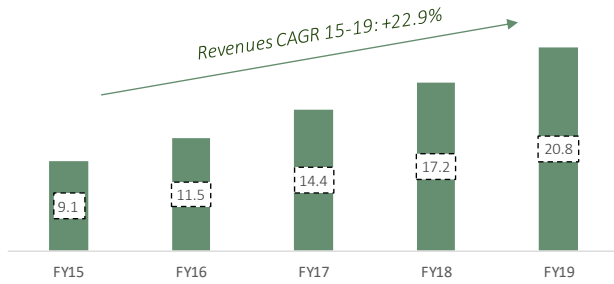
Valuation

Data not available

Key Charts

Revenue trend (FY15-FY19A)

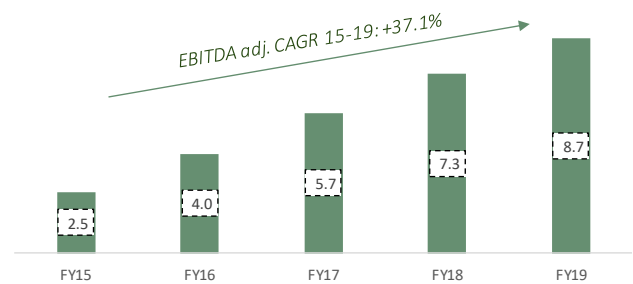
Strong revenues CAGR over the period (+22.9%)



Source: company data

EBITDA margin (FY15A-FY19A)

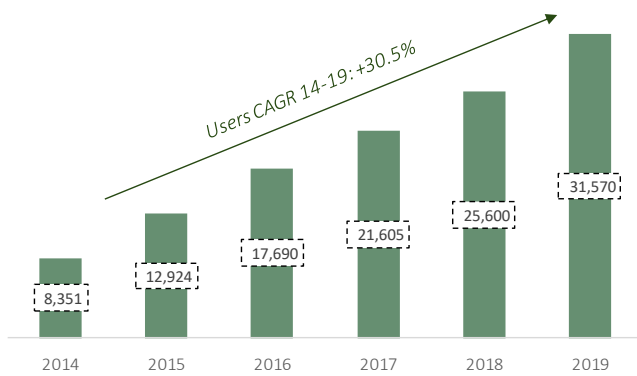
EBITDA margin grew from 26.2% in FY15 to 41.1% in FY19



Source: Company data

Users with datalines (FY14A-FY19A)

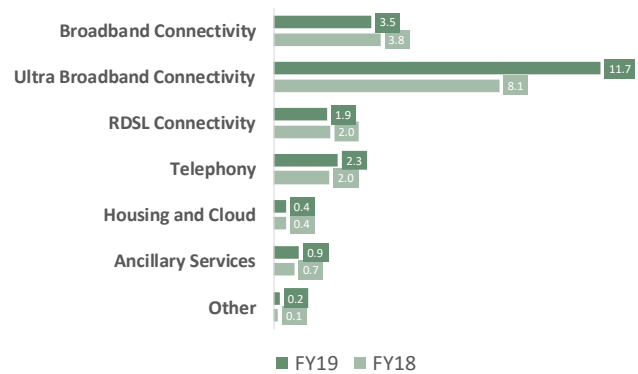
Users with datalines grew 30.5% CAGR over the period



Source: company data

Revenue breakdown by service provided (FY18A-19A)

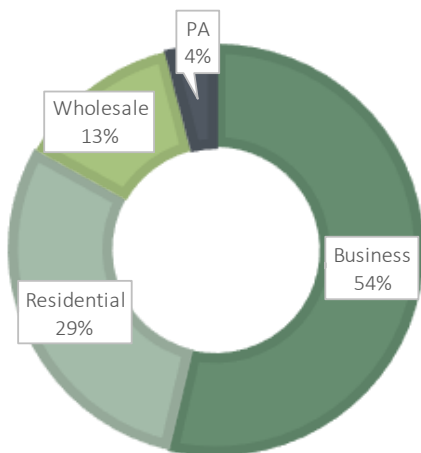
Growth came from Ultra Broadband connectivity (FTTH and FTTC)



Source: company data

Revenue breakdown by segment (FY19A)

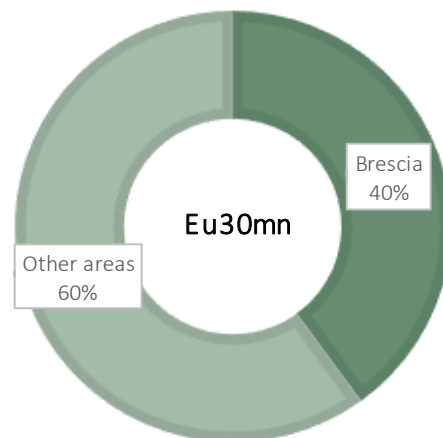
Business customers represent the largest share of Intred's revenues



Source: company data

Capex plan (FY19A-FY21E)

Eu30m capex plan over a three-year period to expand outside Brescia province



Source: company data

ALANTRA

Italian Equity Research

Profile

Background	<p>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 Eu35mn for the creation of its network, which at the end of FY19 reached >2,900km 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 (>31k customers at YE19). Intred fully exploits its network by offering its services to corporates (53.7% of FY19 sales), residential users (29.5%) and public administration (4%). Intred also rent its network to other TLC operators through wholesale contracts (12.9%). Churn rate was stable at 4% in 2019. 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.</p>
Positioning	<p>Intred boasts a significant mkt share in the Brescia province (ca 9% of business customers). 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.</p>
Growth	<p>Intred has built an history of outstanding growth: revenues grew organically from Eu7.7mn in FY14 to Eu20.8mn in FY19, posting a 22.9% 5Y 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 41.1% in FY19. 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.</p>
Strategy	<p>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.</p>

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

9M20 sales: 5 Nov 2020

Results

Intred closed 1H20 showing excellent growth and better than expected profitability and cash generation.

Net debt stood at Eu1.6mn from Eu8.1mn net cash at YE19, despite Eu10.2mn cash-out for Qcom acquisition and Eu4.8mn capex, thanks to a solid operating cash flow.

Qcom (not yet consolidated) already showed improving profitability compared to pre-acquisition levels (25.3% vs <20%) out of Eu5.6mn sales (slightly growing YoY). Qcom closed the period with Eu1.9mn net cash.

Eu mn	1H19A	1H20A	YoY %
Business	5.4	6.3	17.5%
On sales %	53.6%	53.9%	
Residential	3.0	3.6	20.3%
On sales %	29.9%	30.8%	
Wholesale & PA	1.7	1.8	8.5%
On sales %	16.6%	15.4%	
Eu mn	1H19A	1H20A	YoY %
Revenues	10.0	11.7	16.8%
on sales %	98.8%	96.9%	
Other revenues and income	0.1	0.4	
on sales %	0.0%	0.0%	
Total Revenues / Value of Producti	10.1	12.1	19.1%
on sales %	100.0%	100.0%	
EBITDA Adjusted	4.1	5.4	30.1%
Ebitda Margin %	40.9%	44.7%	
Exceptional Items	0.0	0.0	
EBITDA Reported	4.1	5.4	30.1%
Ebitda Margin %	40.9%	44.7%	
D&A	(1.4)	(1.6)	
EBIT Reported	2.8	3.8	38.6%
Ebit Margin %	27.3%	31.7%	
Pretax Profit	2.8	3.9	37.5%
Ebit Margin %	0.0%	0.0%	
Taxes	(0.8)	(1.0)	
Tax rate %	-26.8%	-25.8%	
Net Profit	2.1	2.1	0.0%
Net Profit Margin %	20.3%	23.8%	
NFP end of the period	5.7	(1.6)	

Source: Company data and Alantra estimates

Estimates

Change in estimates

Considering 1H20 blended profitability of Intred and Qcom (38.2% EBITDA margin), we would expect Intred to reach a 40% EBITDA margin already in 2021, anticipating by one year the profitability level initially targeted at the time of the acquisition.

(Eu mn)	NEW Estimates				% Change			OLD Estimates		
	FY19A	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Total Revenues / Value of Production	21.2	35.9	40.0	44.1	5.8%	-2.6%	-2.1%	33.9	41.1	45.1
EBITDA Adjusted	8.7	13.5	16.0	18.1	14.1%	6.0%	2.2%	11.9	15.1	17.7
EBIT Adjusted	5.8	9.2	10.8	12.3	21.9%	9.4%	3.7%	7.6	9.9	11.9
Pretax Profit	5.8	9.1	10.7	12.2	22.4%	9.5%	3.7%	7.4	9.8	11.8
Net profit	4.3	6.7	7.9	9.1	22.4%	9.5%	3.7%	5.5	7.2	8.7
Net profit restated	4.3	6.7	7.9	9.1	22.4%	9.5%	3.7%	5.5	7.2	8.7
EPS	0.273	0.424	0.500	0.572	22.4%	9.5%	3.7%	0.347	0.457	0.551
Net financial position	8.1	3.8	6.3	10.5	319.7%	99.3%	57.6%	0.9	3.1	6.7

Source: Factset and Alantra estimates

Peers

Trading multiples

The stock is trading at discount to its peers

Company	Country	Mkt Cap (Eu mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE		
			FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
INTRED	ITALY	141	3.8 x	3.4 x	3.0 x	10.2 x	8.5 x	7.3 x	14.9 x	12.5 x	10.6 x	21.0 x	17.8 x	15.6 x
Premium (discount) to Peers' Median			60%	41%	23%	-12%	-22%	-28%	-27%	-13%	-19%	-27%	-23%	-25%
PEERS			4.6 x	3.7 x	3.5 x	14.5 x	11.3 x	10.3 x	28.1 x	20.5 x	17.3 x	40.4 x	30.4 x	24.2 x
Average			2.4 x	2.4 x	2.4 x	11.6 x	10.9 x	10.1 x	20.4 x	14.3 x	13.1 x	28.7 x	23.2 x	20.6 x
Median														
Cogent Communications Holdings Inc	-	2,455	6.2 x	5.9 x	5.8 x	16.4 x	15.4 x	14.4 x	31.0 x	27.8 x	22.2 x	70.2 x	54.0 x	39.9 x
WideOpenWest, Inc.	-	380	2.4 x	2.4 x	2.4 x	6.5 x	6.2 x	5.9 x	16.3 x	13.8 x	12.4 x	18.4 x	9.4 x	7.4 x
Bredband2 i Skandinavien AB	-	117	1.4 x	1.3 x	1.2 x	11.6 x	10.9 x	10.1 x	16.0 x	14.3 x	13.1 x	24.1 x	22.1 x	20.6 x
PEERS International			3.3 x	3.2 x	3.1 x	11.5 x	10.8 x	10.1 x	21.1 x	18.6 x	15.9 x	37.6 x	28.5 x	22.6 x
Average			2.4 x	2.4 x	2.4 x	11.6 x	10.9 x	10.1 x	16.3 x	14.3 x	13.1 x	24.1 x	22.1 x	20.6 x
Median														
WIIT SpA	-	465	10.6 x	7.5 x	6.7 x	30.2 x	19.8 x	16.4 x	57.0 x	35.0 x	28.4 x	60.5 x	43.2 x	34.8 x
Retelit S.p.A.	-	380	2.4 x	1.5 x	1.5 x	7.6 x	4.5 x	4.6 x	20.4 x	11.4 x	10.5 x	28.7 x	23.2 x	18.6 x
Unidata S.P.A.	-	47	na	na	na	na	na	na	na	na	na	na	na	na
PEERS Italy			6.5 x	4.5 x	4.1 x	18.9 x	12.2 x	10.5 x	38.7 x	23.2 x	19.5 x	44.6 x	33.2 x	26.7 x
Average			6.5 x	4.5 x	4.1 x	18.9 x	12.2 x	10.5 x	38.7 x	23.2 x	19.5 x	44.6 x	33.2 x	26.7 x
Median														

Company	Country	Mkt Cap (Eu mn)	P/BV			Dividend Yield			FCF Yield			Net Debt/EBITDA		
			FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
INTRED	ITALY		4.3 x	3.5 x	2.9 x	0.5%	0.6%	0.7%	3.9%	2.3%	3.6%	nm	nm	nm
PEERS			10.4 x	8.4 x	7.3 x	2.3%	2.7%	3.2%	4.4%	5.9%	9.1%	4.2 x	4.0 x	4.1 x
Average			6.5 x	5.5 x	4.7 x	2.2%	2.5%	2.9%	3.2%	5.1%	6.2%	4.2 x	4.0 x	4.1 x
Median														
Cogent Communications Holdings Inc	-	2,455	na	na	na	4.6%	5.2%	5.9%	3.2%	3.9%	3.6%	3.0 x	2.9 x	3.2 x
WideOpenWest, Inc.	-	380	na	na	na	0.0%	0.0%	0.0%	7.4%	11.6%	24.3%	5.4 x	5.1 x	4.9 x
Bredband2 i Skandinavien AB	-	117	23.4 x	18.5 x	16.0 x	3.4%	4.0%	4.3%	7.7%	6.2%	6.2%	nm	nm	nm
PEERS International			23.4 x	18.5 x	16.0 x	2.7%	3.1%	3.4%	6.1%	7.2%	11.4%	4.2 x	4.0 x	4.1 x
Average			23.4 x	18.5 x	16.0 x	3.4%	4.0%	4.3%	7.4%	6.2%	6.2%	4.2 x	4.0 x	4.1 x
Median														
WIIT SpA	-	465	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.	-	380	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.	-	47	na	na	na	na	na	na	na	na	na	na	na	na
PEERS Italy			4.0 x	3.4 x	3.0 x	1.8%	2.1%	2.8%	1.8%	4.0%	5.7%	nm	nm	nm
Average			4.0 x	3.4 x	3.0 x	1.8%	2.1%	2.8%	1.8%	4.0%	5.7%	nm	nm	nm
Median														

Source: Alantra estimates and Factset

Financials

Better profitability and stronger growth compared to peers

Company	Country	Mkt Cap (Eu mn)	FY20E - FY22E average margins					CAGR FY19A - FY22E			
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	EPS
INTRED	ITALY	141	39.6%	26.9%	19.7%	25.3%	11.0%	27.7%	27.6%	28.9%	28.0%
PEERS			31.9%	16.5%	8.6%	11.8%	89.7%	17.8%	15.6%	18.9%	20.6%
Average			37.8%	17.2%	7.8%	11.9%	62.0%	7.5%	9.6%	16.7%	23.4%
Median											
Cogent Communications Holdings Inc	-	2,455	38.8%	22.4%	9.2%	8.2%	279.1%	5.5%	8.9%	18.4%	23.4%
WideOpenWest, Inc.	-	380	38.7%	17.2%	3.9%	20.9%	0.0%	-1.3%	0.9%	5.7%	15.8%
Bredband2 i Skandinavien AB	-	117	12.1%	9.1%	7.1%	2.3%	86.5%	7.5%	9.6%	14.3%	12.9%
PEERS International			29.9%	16.2%	6.7%	10.5%	121.9%	3.9%	6.5%	12.8%	17.4%
Average			38.7%	17.2%	7.1%	8.2%	86.5%	5.5%	8.9%	14.3%	15.8%
Median											
WIIT SpA	-	465	37.8%	21.1%	15.0%	11.9%	62.0%	32.5%	34.7%	39.6%	25.8%
Retelit S.p.A.	-	380	32.0%	12.8%	7.8%	15.6%	21.1%	45.0%	24.1%	16.7%	25.0%
Unidata S.P.A.	-	47	na	na	na	na	na	na	na	na	na
PEERS Italy			34.9%	17.0%	11.4%	13.8%	41.5%	38.7%	29.4%	28.2%	25.4%
Average			34.9%	17.0%	11.4%	13.8%	41.5%	38.7%	29.4%	28.2%	25.4%
Median											

Source: Alantra estimates and Factset

Performance

Solid performance in the last 6 months

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
INTRED	ITALY	141	-4.1%	12.9%	41.3%	78.0%	na	na
PEERS	Average		8.8%	9.9%	39.3%	60.7%	59.1%	225.8%
	Median		8.6%	12.2%	37.8%	54.5%	61.0%	227.1%
Cogent Communications Holdings Inc	-	2,455	-7.6%	-22.2%	-22.3%	9.7%	24.6%	129.4%
WideOpenWest, Inc.	-	380	-15.1%	-9.2%	27.4%	-14.5%	-66.0%	na
Bredband2 i Skandinavien AB	-	117	7.4%	10.1%	48.3%	61.4%	69.9%	227.1%
PEERS International	Average		-5.1%	-7.1%	17.8%	18.9%	9.5%	178.3%
	Median		-7.6%	-9.2%	27.4%	9.7%	24.6%	178.3%
WIIT SpA	-	465	38.7%	34.0%	106.0%	192.5%	206.0%	na
Retelit S.p.A.	-	380	19.8%	32.4%	55.5%	54.5%	61.0%	320.9%
Unidata S.P.A.	-	47	9.8%	14.4%	20.9%	na	na	na
PEERS Italy	Average		22.8%	26.9%	60.8%	123.5%	133.5%	320.9%
	Median		19.8%	32.4%	55.5%	123.5%	133.5%	320.9%

Source: Alantra estimates and Factset

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