

FY2023 CONFERENCE CALL

MARCH 18TH 2024



FY2023 – BEST EVER EBITDA MARGIN

OPERATING ACTIVITY

- **Deployment of school tenders well on track**
- **Significant growth in the low penetrated provinces** of Como, Cremona, Lodi, Pavia, Sondrio and Varese, thanks to school tenders connections
- Multi-year **framework agreement for the supply of fiber optical network to Vodafone Italy** to connect its mobile network towers (€3 MN first batch of supply)
- Increased **marketing activities** to improve brand awareness

FINANCIAL RESULTS

- **Turnover at € 50.1 MN, +10.0% YoY**, driven by sales of fiber-optic connections (+16% YoY)
- The **churn rate on sales at 4.4%**, well below the market benchmark
- Sound profitability with an **EBITDA at € 22.5 MN, + 13.5% YoY. Best ever EBITDA margin at 44.6%**
- **EBIT at € 12.7 MN, + 4.2% YoY. EBIT Margin at 25.1%**
- **Net profit at € 8.2 MN, – 5.6% YoY** due to increased financial costs

INFRATEL SCHOOL TENDERS –WHERE WE STAND

SCHOOL TENDER 1 (FEBRUARY 2021)

- Tender's value ~€ 40 MN
- 3,000 schools activated out of 4,000 (>75%)
- Activation period expected to last in Q4 2024
- 5 years of supply
- Activation value € 32 MN, invoiced € 27 MN thereof € 6.3 MN accounted in 2023

SCHOOL TENDER 2 (MAY 2022)

- Tender's value ~€ 19 MN
- 300 schools activated out of 1,200 (25%)
- Activation period expected to last in Q4 2026
- 6 years of supply
- Activation value € 6.2 MN, invoiced €4.8 MN thereof € 2.3 MN accounted in 2023

€ 8.7MN
REVENUES
IN 2023

THE AWARD OF THE TENDERS IS HIGHLY STRATEGIC AND ACCELERATED INTRED EXPANSION IN LOMBARDY:

- WIDESPREAD COVERAGE OF ALL THE MUNICIPALITIES AND PROVINCES OF LOMBARDY
- ACCREDITATION BY ALL PUBLIC BODIES IN THE REGION
- WHOLESALE BUSINESS DEVELOPMENT

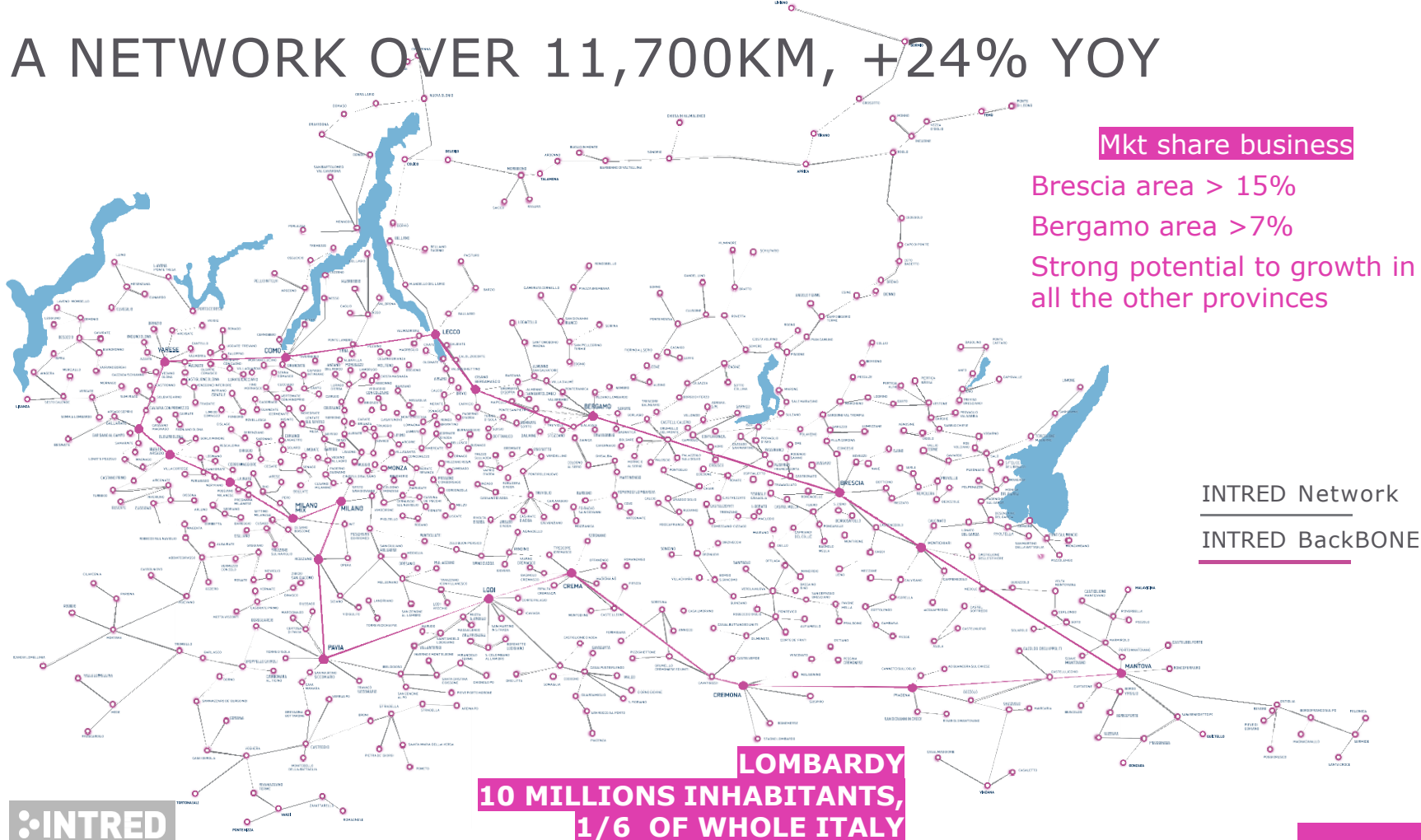
A NETWORK OVER 11,700KM, +24% YOY

Mkt share business

Brescia area > 15%

Bergamo area > 7%

Strong potential to growth in
all the other provinces

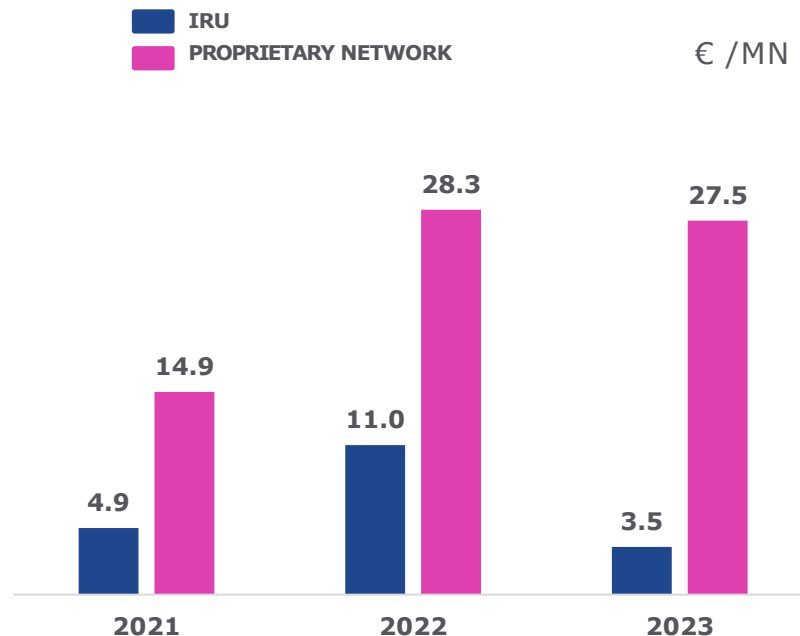
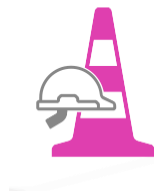


INVESTING TO SUPPORT GROWTH AND PENETRATION IN LOMBARDY

>€ 90MN IN 3 YEARS

CAPEX TO BUILD, DEVELOP
AND STRENGTH THE NETWORK

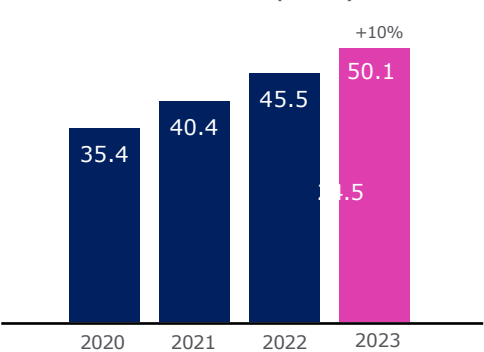
- **FY2023 investments at € 31 MN** focused on FTTH network development in Lombardia area
- Development of **Ultra Wideband connectivity**, disinvesting from broadband connectivity by using the proprietary network
- Development of the fiber network through **IRU contracts with major TLC operators** (Telecom, Fastweb, GTT, Retelit, Open Fiber)



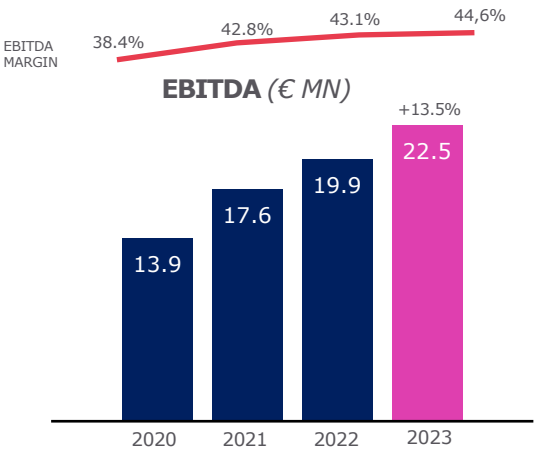
FINANCIALS

FY2023 HIGHLIGHTS - STRONG GROWTH CONTINUES

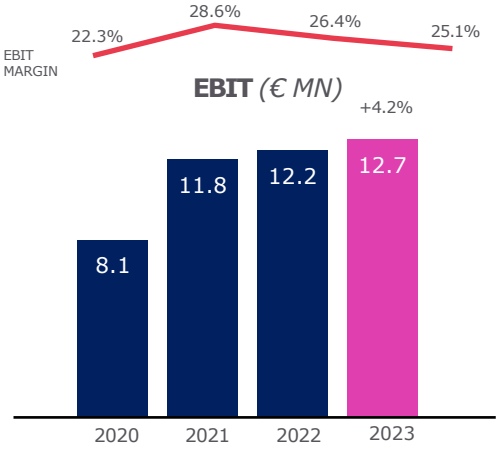
REVENUES (€ MN)



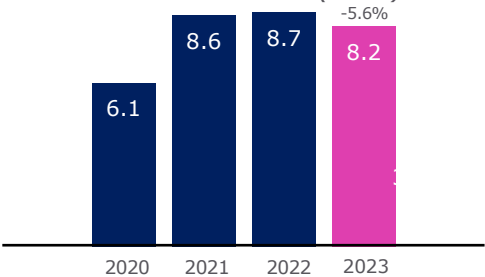
EBITDA (€ MN)



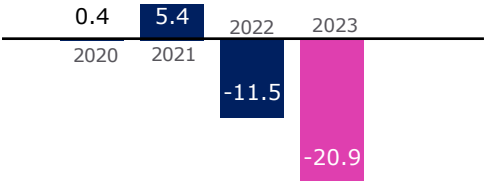
EBIT (€ MN)



NET PROFIT (€ MN)



NET FINANCIAL POSITION (€ MN)

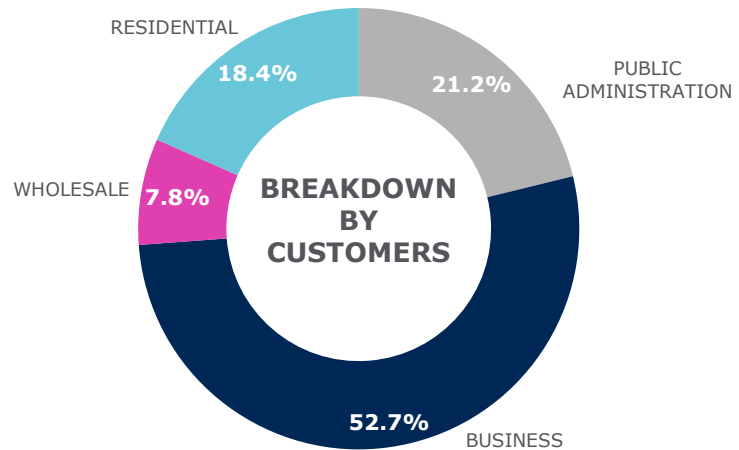
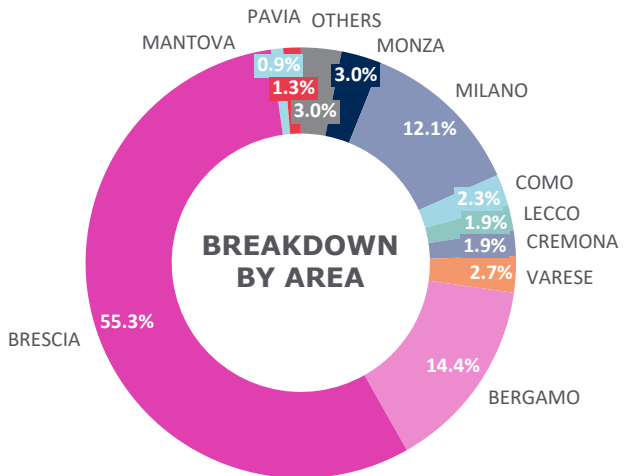
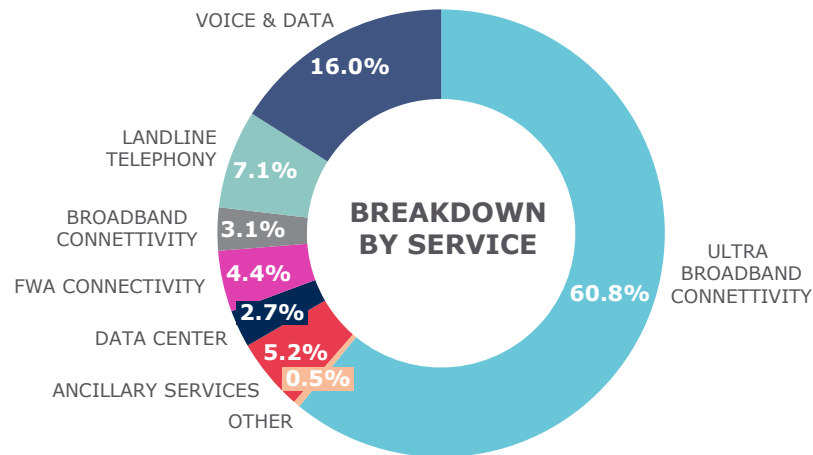


FY2023 INCOME STATEMENT

€/000	2023	2022	YOY	YOY%
VALUE OF PRODUCTION	50,521	46,082	4,438	9.6%
Raw Materials & Stock	(1,835)	(1,641)	(194)	11.8%
Services	(8,040)	(6,692)	(1,348)	20.2%
Other operating costs	(10,019)	(9,965)	(54)	0.5%
Tot Operating Costs	(19,894)	(18,298)	(1,596)	8.7%
Personnel Costs	(8,098)	(7,932)	(165)	2.1%
EBITDA	22,530	19,853	2,677	13.5%
<i>EBITDA Margin</i>	<i>44.6%</i>	<i>43.1%</i>		
Depreciation Amortisazion & Write Downs	(9,861)	(7,692)	(2,168)	28.2%
EBIT	12,669	12,160	509	4.2%
<i>EBIT Margin</i>	<i>25.1%</i>	<i>26.4%</i>		
Net Financial Income (Charges)	(1,154)	17	(1,172)	n.a.
EBT	11,514	12,177	(663)	-5.4%
EBT Margin	22.8%	26.4%		
Taxes	(3,323)	(3,503)	180	-5.1%
NET Income	8,192	8,675	(483)	-5.6%
<i>Net Income Margin</i>	<i>16.2%</i>	<i>18.8%</i>		

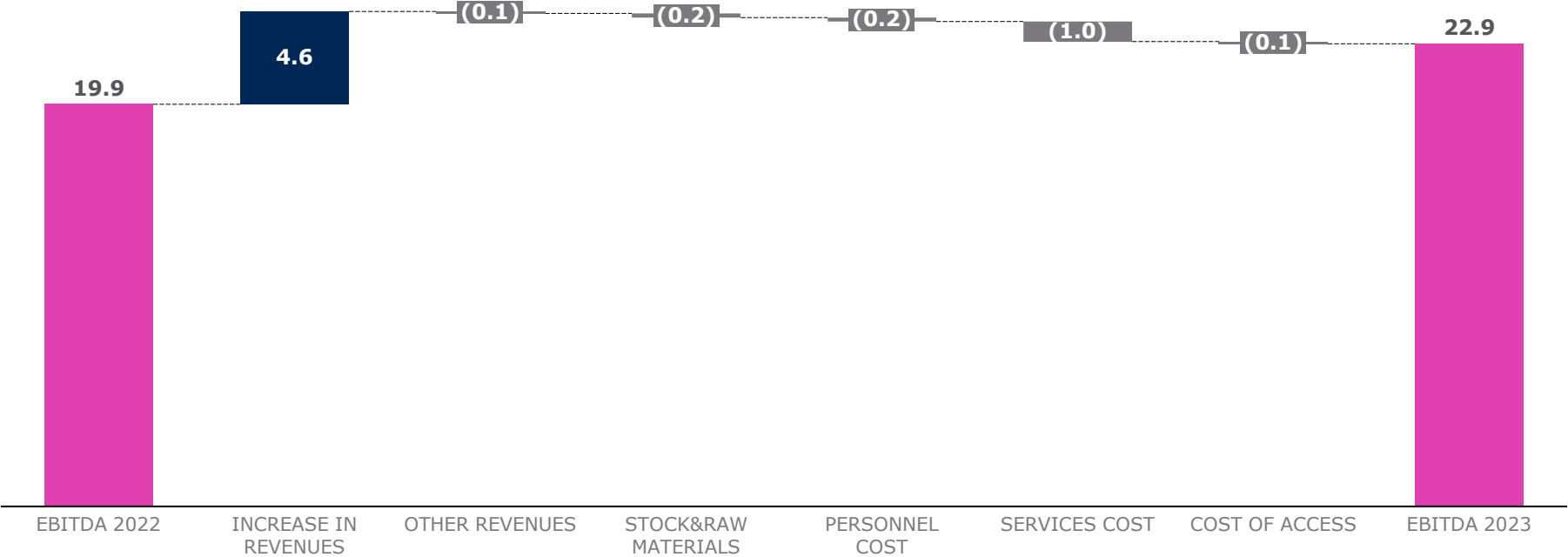
- **Turnover at € 50.1 million, + 10.0% YoY** driven by recurring fees which account for about 85.2%
- Cost of services growth includes **marketing activities to improve brand awarness**
- **Ebitda margin improved to 44.6%**
- Increased financial costs linked to net debt growth to finance capex

REVENUES BREAKDOWN



EBITDA ANALYSIS: DEC'22 – DEC'23

€/MN

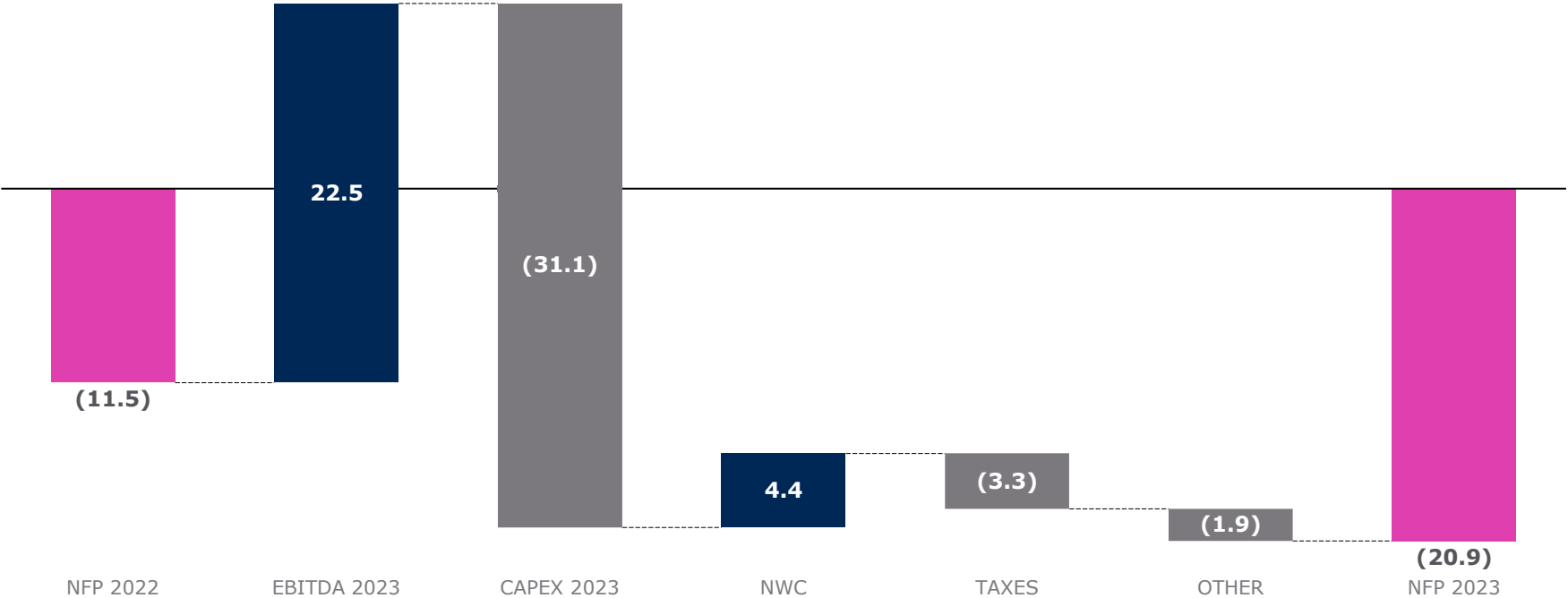


FY2023 BALANCE SHEET

€/000	2023	2022	YOY	YOY%
CURRENT ASSETS	15,749	17,311	(1,563)	-9.0%
CURRENT LIABILITIES	(47,432)	(44,559)	(2,872)	6.4%
NET WORKING CAPITAL	(31,683)	(27,248)	(4,435)	16.3%
TOTAL FIXED ASSETS	109,459	88,583	20,876	23.6%
Staff severance indemnity	(1,532)	(1,798)	266	-14.8%
Provisions for risks and charges	(341)	(11)	(330)	n.a.
NET INVESTED CAPITAL	75,903	59,526	16,377	27.5%
SHAREHOLDERS' EQUITY	(54,996)	(47,993)	(7,003)	14.6%
Cash&cash equivalents	7,864	17,593	(9,729)	-55.3%
Due to banks within 12 months	(7,551)	(13,911)	6,361	-45.7%
Due to banks after 12 months	(21,220)	(15,215)	(6,005)	39.5%
NET FINANCIAL POSITION	(20,907)	(11,533)	(9,374)	81.3%

NFP ANALYSIS: DEC'22 – DEC'23

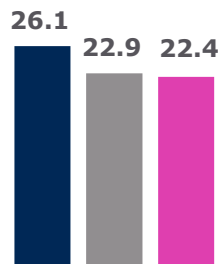
€/MN



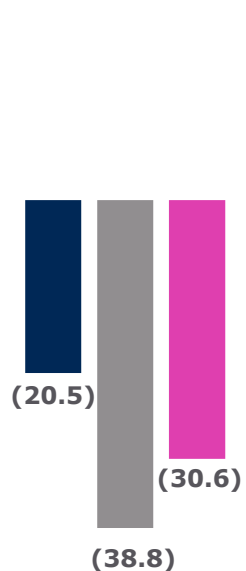
FY2023 FREE CASH FLOW

€/MN

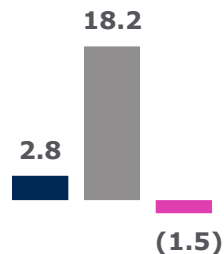
CASH FLOW
FROM OPERATING
ACTIVITIES



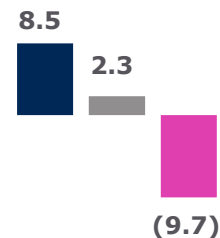
CASH FLOW
FROM INVESTING
ACTIVITIES



CASH FLOW
FROM FINANCING
ACTIVITIES



NET INCREASE/
DECREASE IN CASH &
CASH EQUIVALENTS



■ 2021
■ 2022
■ 2023

OUTLOOK

CONNECTING ITALIA

Connecting Italia, founded in 2012, is a Lombardy operating TLC player specialising in reselling third parties broadband and ultra-wideband connections, landlines, and various digital services to B2B customers

- The aim is **to replicate the successful integration of the past acquisition Qcom**
- **Geographical strategic fit** which strengthens business in Lombardy
- **Acquisition of high quality business clients**
- **Increase profitability by shifting existing B2B clients from third parties infrastructure to the proprietary one**
- Realization of **natural economies of scale** and enhancement of Intred's role in Lombardy

KEY NUMBERS

2,000 BUSINESS CLIENTS (Monza and Milan)

€ 3.0 M REVENUES

CLOSING IN APRIL 2024

MERGER BY THE END OF 2024



OUTLOOK

- The first months of 2024 show a positive trend compared to the same period of the last year
- Investments will continue to be concentrated in the development of the proprietary network, a fundamental tool for generating a solid increase in revenues for the company
 - Investment will be made above all in the FTTH access network, expanding the capillarity of the network throughout Lombardy by developing the activation programs envisaged by the two School Tenders
 - Large Marketing investments to create brand awareness with Andrea Pirlo as testimonial

INVESTMENT CASE

- A NETWORK AT THE FOREFRONT OF INNOVATION
- STRONG LOCAL PRESENCE IN A THRIVING AREA
- BROAD RANGE OF PRODUCTS ADDRESSED TO A WIDE RANGE OF CLIENTS
- ATTRACTIVE RISK-RETURN PROFILE: RECURRING NATURE OF FEES, HIGH REVENUES VISIBILITY AND LOW CHURN RATE
- PROVEN TRACK RECORD AND EXPERIENCED MANAGEMENT TEAM

Next events



April 18, 2024
Shareholders' meeting to approve the Financial Statements as at 31.12.2023

May 7, 2024
Board of Directors' meeting to approve turnover for the first quarter of 2024

August 2, 2024
Board of Directors to approve turnover for the first half of 2024

September 24, 2024
Board of Directors' meeting to approve the Half-Yearly Financial Report as at 30 June 2024

November 5, 2024
Board of Directors to approve turnover for the third quarter of 2024

INVESTOR RELATIONS

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GENERAL INFORMATION ABOUT THE COMPANY

NAME	®	INTRED S.P.A.
HEAD OFFICES	🚩	VIA PIETRO TAMBURINI, 1- 25136 BRESCIA (BS)
SHARE CAPITAL FULLY PAID-UP	💰	10.019.904,00
VAT REG. NO.	📋	02018740981
TAX CODE	📋	11717020157
REA NUMBER	📋	BS - 366982
LEGAL FORM	👤	JOINT-STOCK COMPANY

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