



TP ICAP MIDCAP
CONFERENCE PARIS



MAY 22TH 2024

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

COMPANY OVERVIEW

INTRED, THE FIBER COMPANY

INTRED IS A TELECOMMUNICATION AND INTERNET PROVIDER WITH ITS OWN FIBER NETWORK INFRASTRUCTURE

Founded in 1996 by Daniele Peli, INTRED provides:

BROADBAND CONNECTIVITY

ULTRA BROADBAND CONNECTIVITY

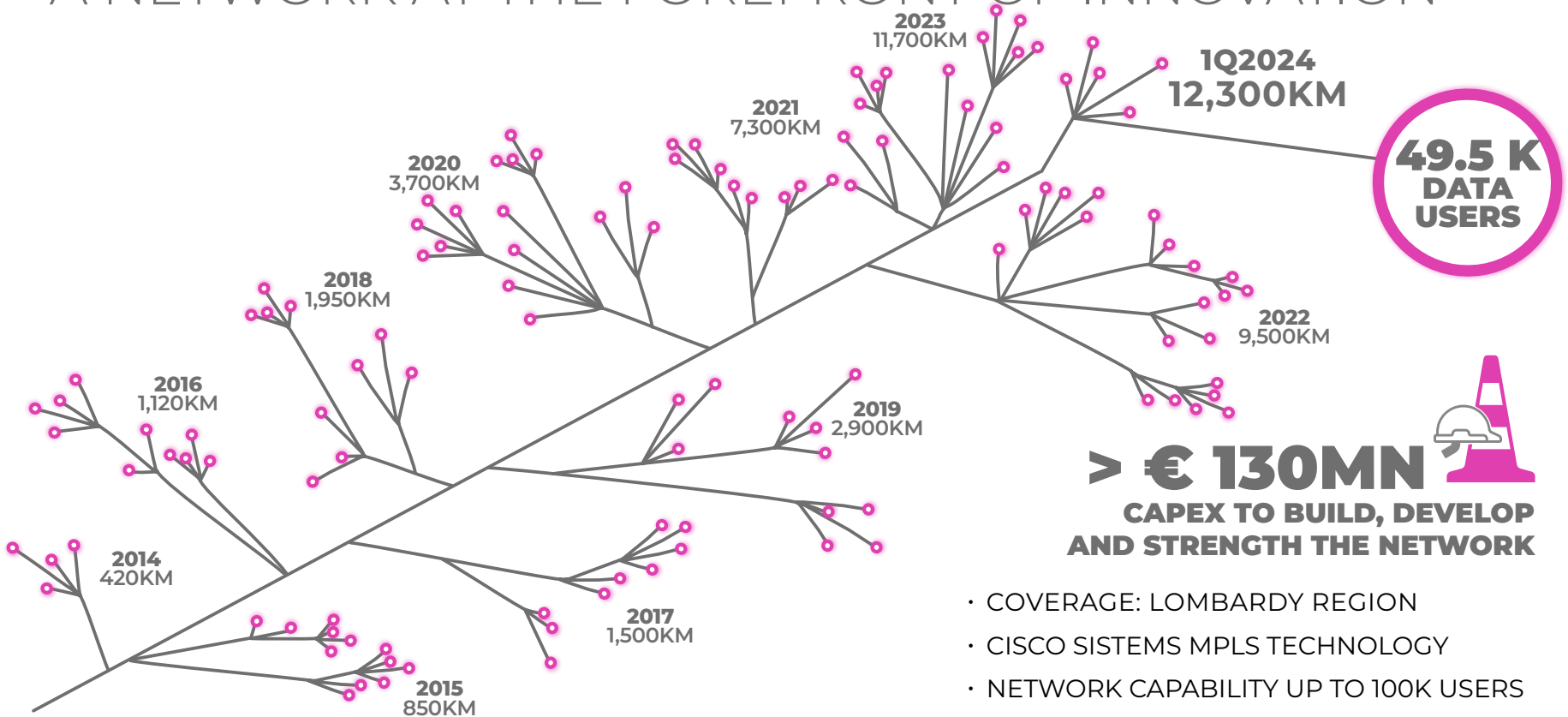
FWA CONNECTIVITY

VOICE

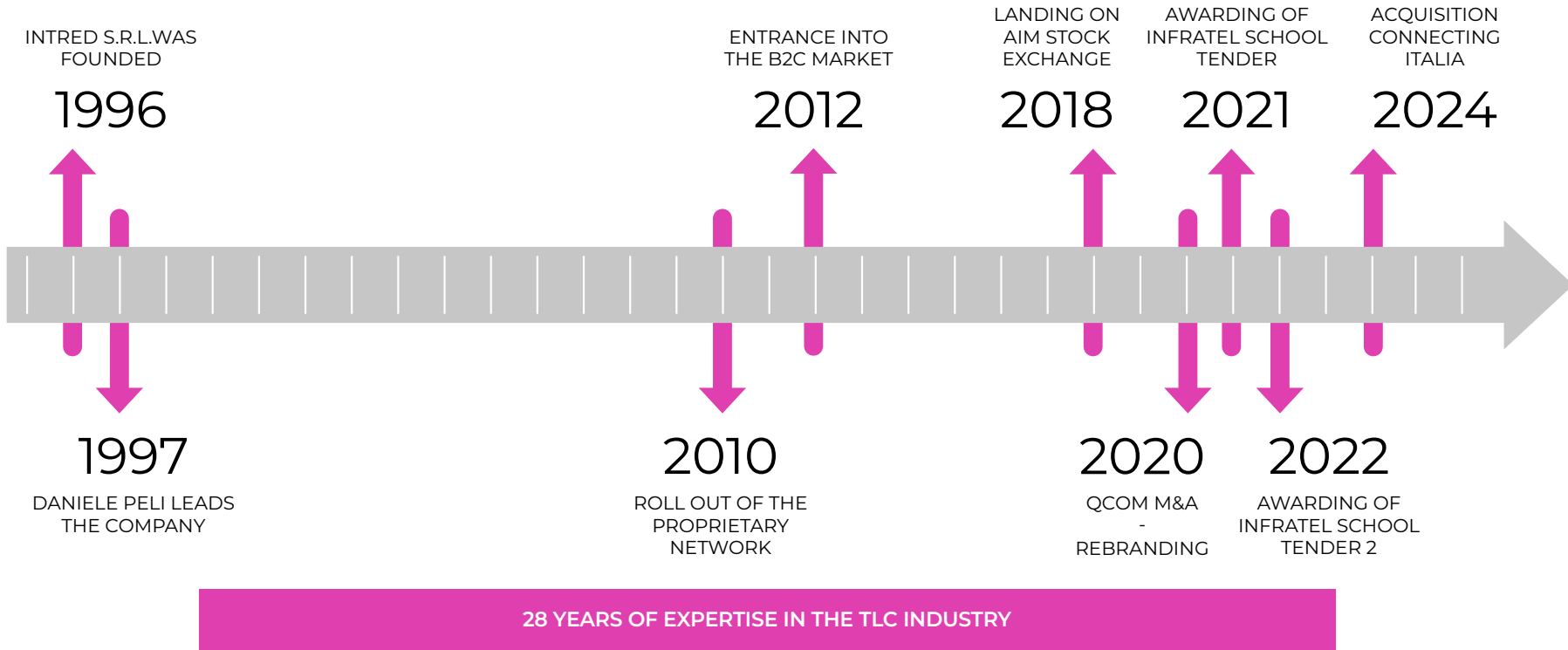
HOSTING AND HOUSING

- **STRONG PRESENCE IN LOMBARDY**, the richest region in Italy, in particular in the Brescia area with a market share of approx. 10%
- Fragmented customer base with a **VERY LOW CHURN RATE** (<5%)
- **RECURRING NATURE OF FEES** (>90% of total turnover is recurring)
- **HIGH REVENUES VISIBILITY** (average DSO < 36 days)
- **190 SKILLED RESOURCES**

A NETWORK AT THE FOREFRONT OF INNOVATION



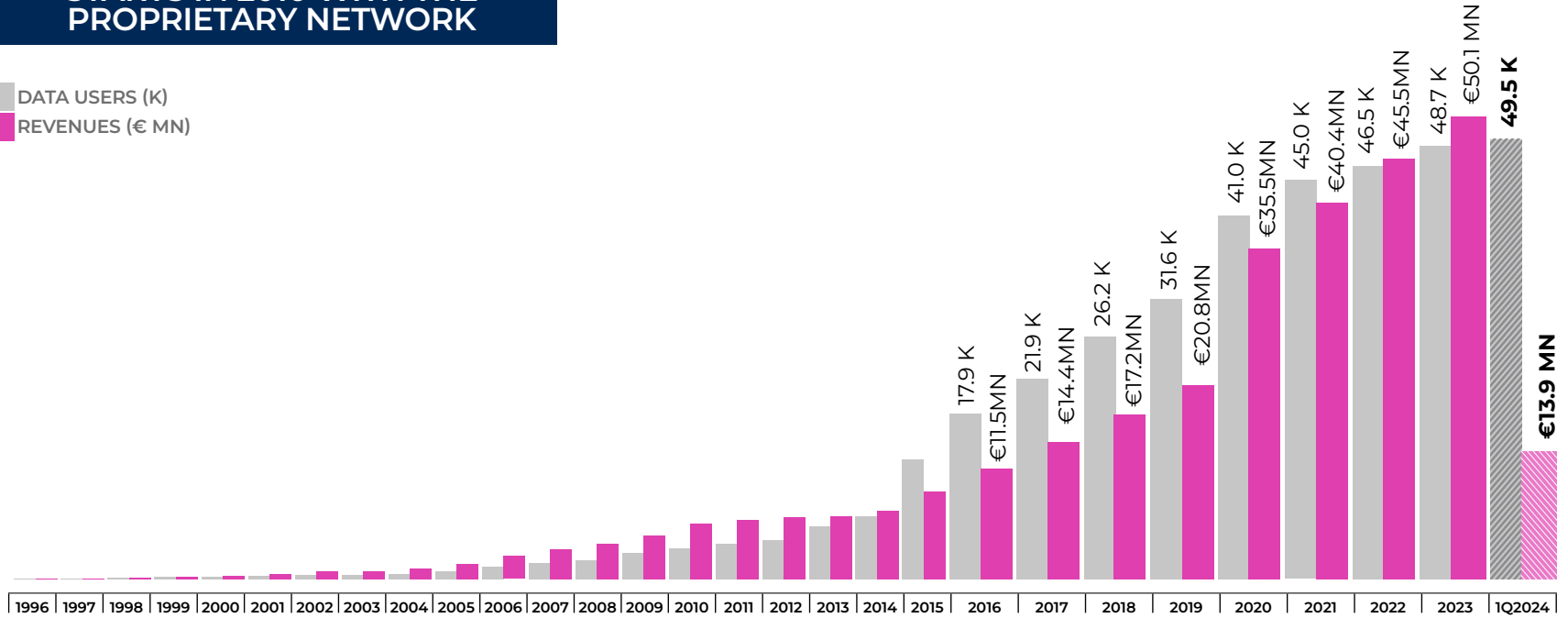
A HISTORY OF PROFITABLE GROWTH



A HISTORY OF PROFITABLE GROWTH

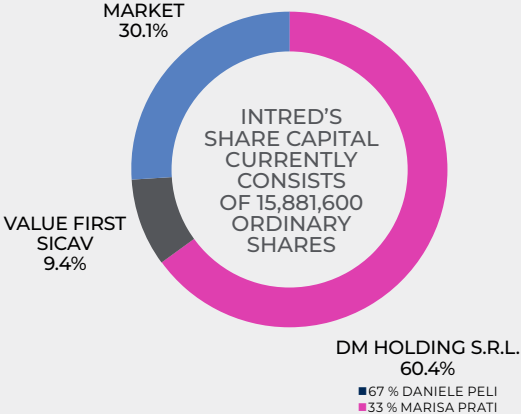
**STRONG GROWTH
STARTS IN 2010 WITH THE
PROPRIETARY NETWORK**

■ DATA USERS (K)
■ REVENUES (€ MN)

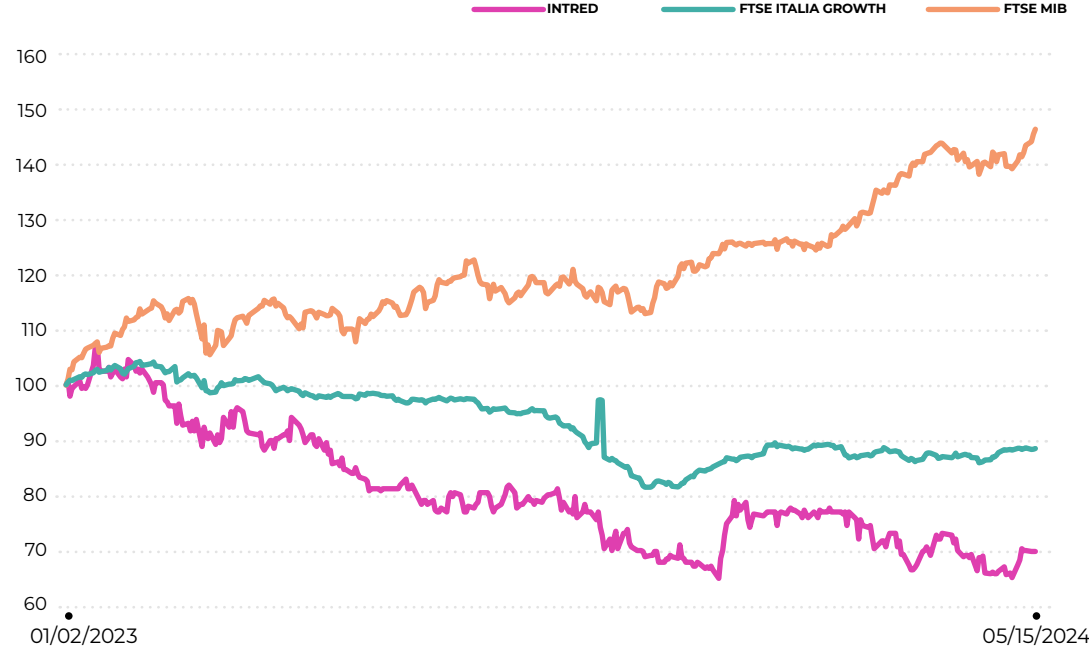


STOCK & SHAREHOLDERS' STRUCTURE

SHAREHOLDERS' STRUCTURE



STOCK PERFORMANCES



May 15 2024 price: € 9.98 - Market Cap: €158.56 MN - Avg. Volume 4,409

THE GOVERNANCE

THE BOARD OF DIRECTORS



Daniele Peli
Chairman and
Chief Executive Officer



Marisa Prati
Vice President



Giulia Peli
Director



Adalberto Salvi
Director



Vincenzo Polidoro
Director



Alberta Marniga
Independent Director



Alessandro Triboldi
Independent Director

THE MANAGEMENT



Daniele Peli
CEO



Egon Zanagnolo
General Manager

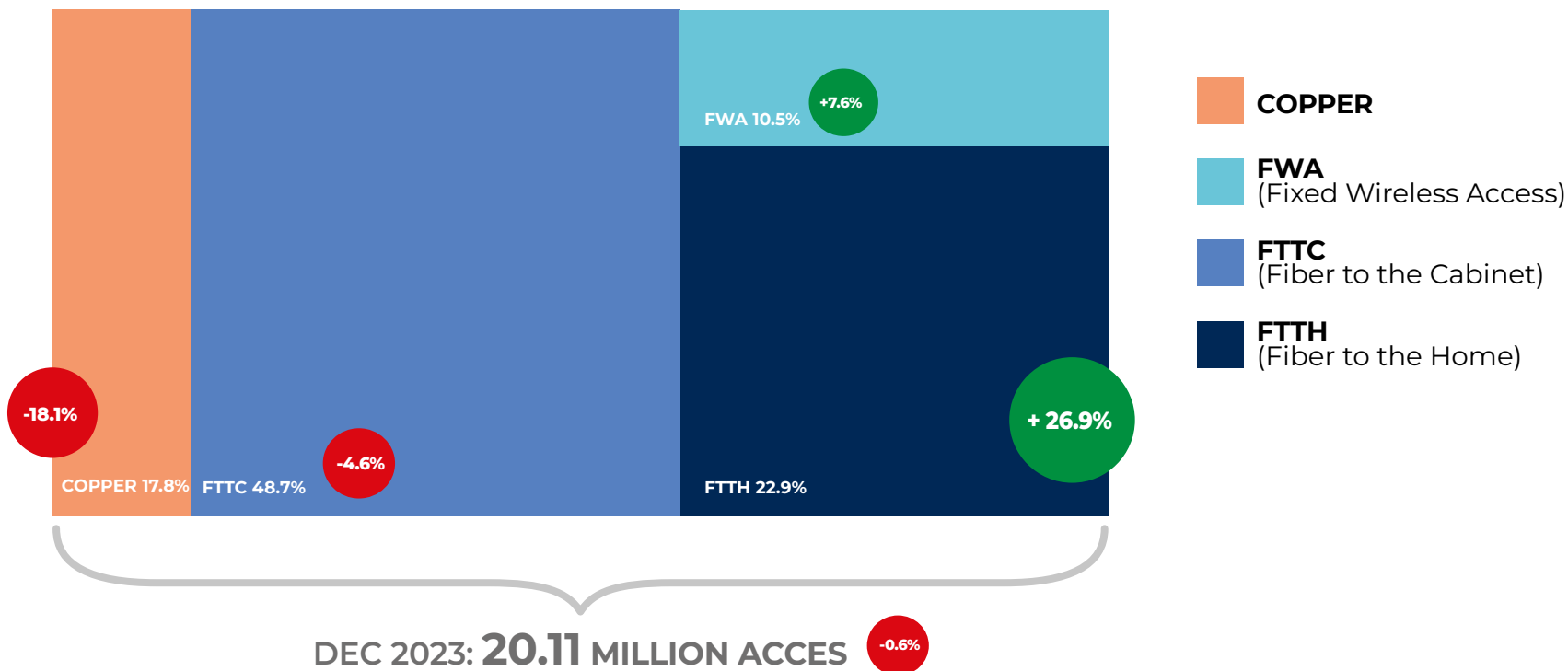


Filippo Leone
CFO

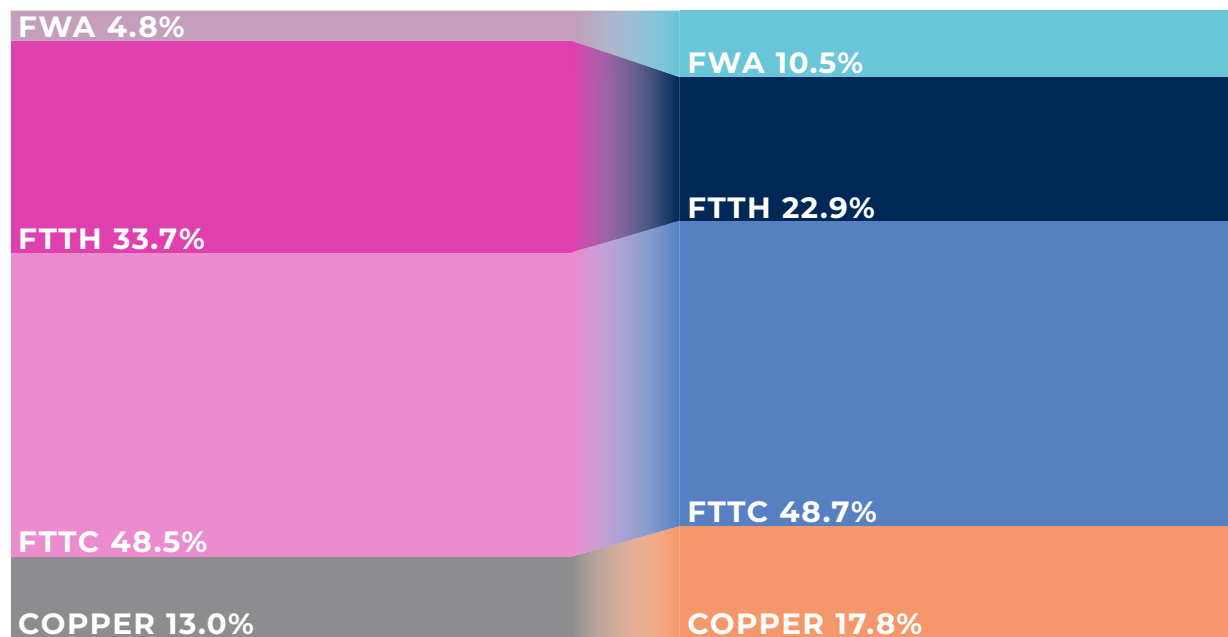
MARKET OUTLOOK

MARKET OUTLOOK

DATA LINES ACCESSES DEC 2023 VS DEC 2022



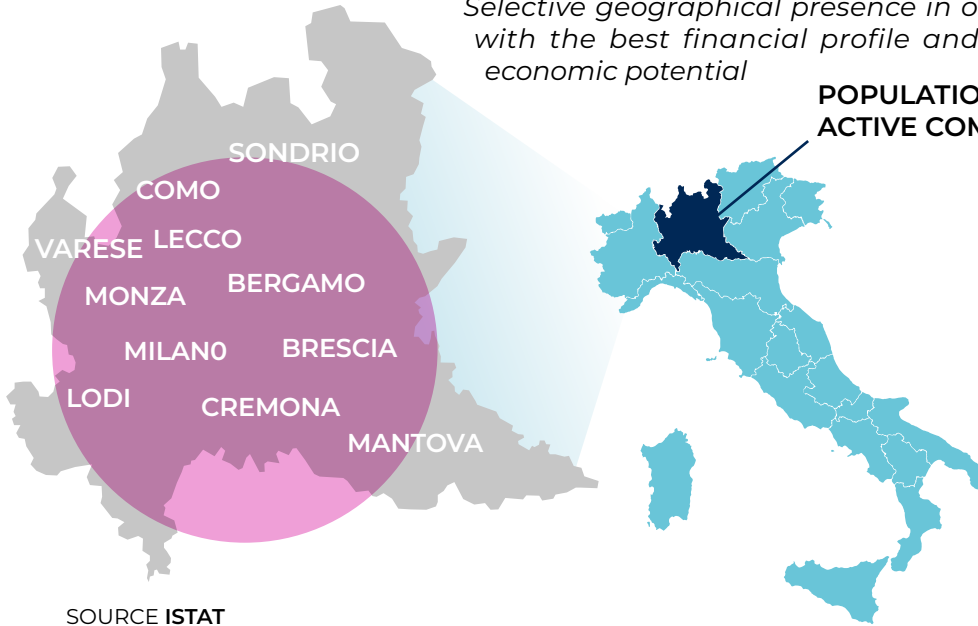
DATA LINES: INTRED VS MARKET OUTLOOK



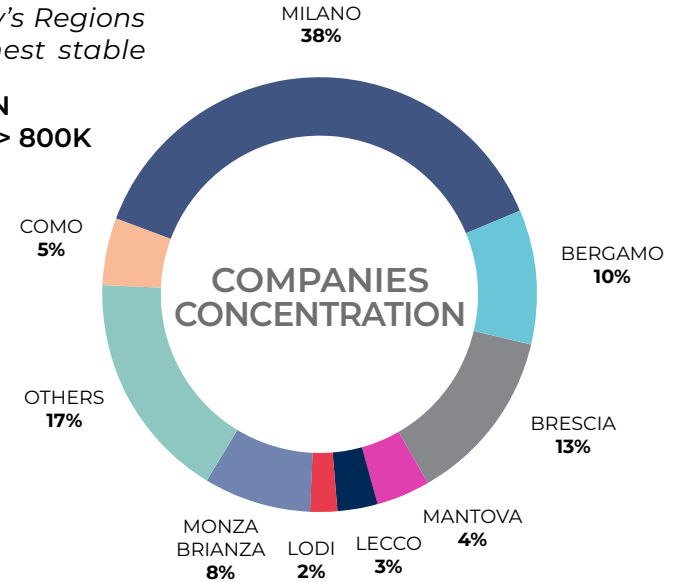
BUSINESS MODEL & STRATEGY

LOMBARDY: THE VIRTUOUS REGION

Selective geographical presence in one of Italy's Regions with the best financial profile and the highest stable economic potential



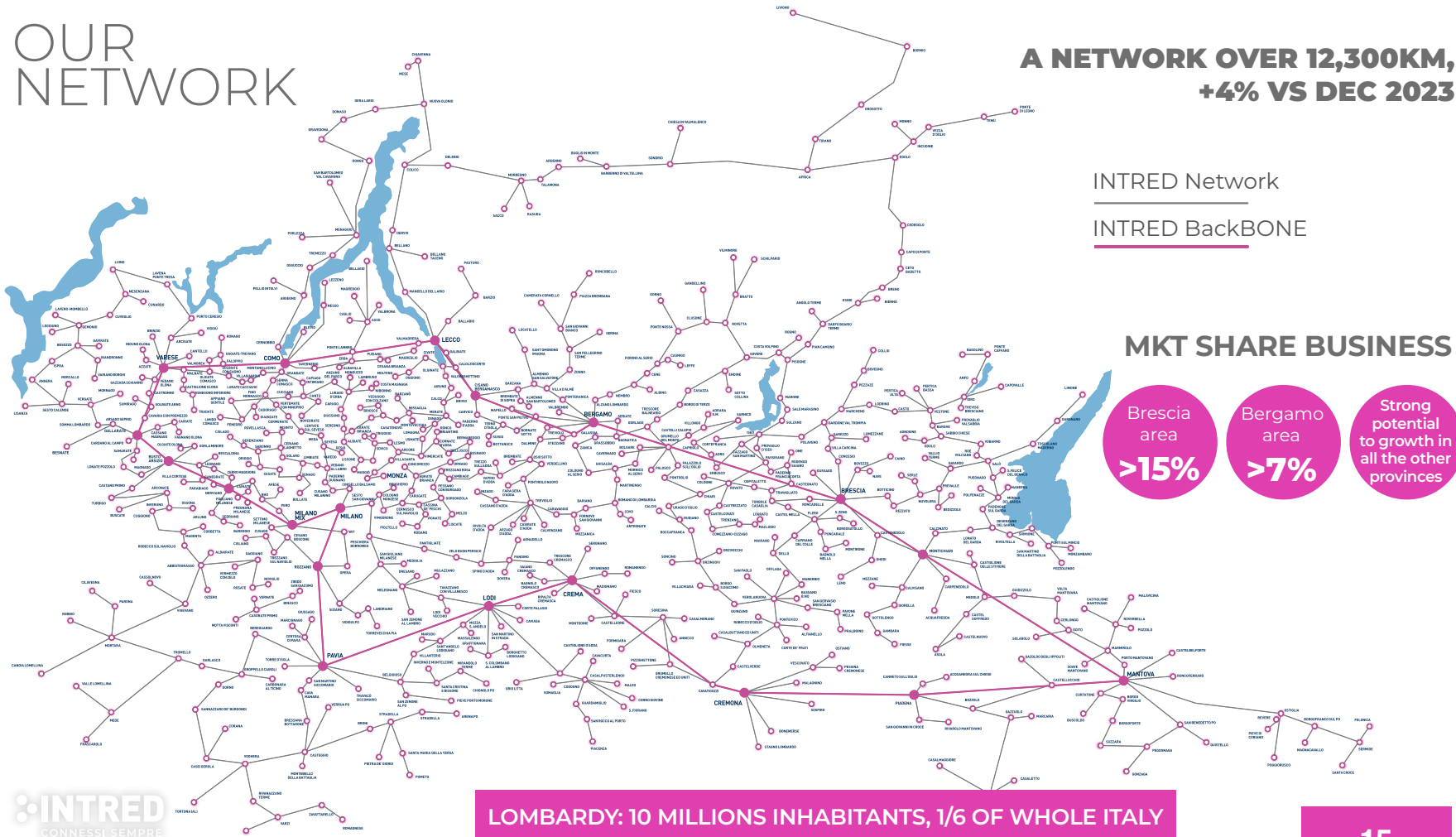
POPULATION: 10.0 MN
ACTIVE COMPANIES: > 800K



SOURCE ISTAT

MILANO	BRESCIA	BERGAMO	COMO&LECCO	MONZA - BRIANZA
Population: 4.3 MN Companies: > 300k	Population: 1.4 MN Companies: > 100k	Population: 1.1 MN Companies: > 80k	Population: > 0.9 MN Companies: > 60k	Population: > 0.8 MN Companies: > 60k

OUR NETWORK



**A NETWORK OVER 12,300KM,
+4% VS DEC 2023**

INTRED Network

INTRED BackBONE

MKT SHARE BUSINESS

Brescia area
>15%

Bergamo area
>7%

Strong potential
to growth in
all the other
provinces

LOMBARDY: 10 MILLIONS INHABITANTS, 1/6 OF WHOLE ITALY

LOOKING AT INFRATEL'S SUBSIDIES: A STRATEGIC DEAL FOR FUTURE GROWTH

INTRED WON THE LOMBARDY LOT IN THE CALL FOR TENDERS LAUNCHED BY INFRATEL ITALIA: THE TENDER NOTICE PROVIDES FOR THE SUPPLY OF FIBER OPTIC CONNECTIONS TO OVER 4,000 SCHOOLS IN LOMBARDY.

PLUS - THE AWARD OF THE TENDER WOULD BE HIGHLY STRATEGIC AND WOULD ACCELERATE 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

>85%
SCHOOLS
CONNECTED



**10 MILLIONS INHABITANTS,
1/6 OF WHOLE ITALY**

VALUE OF
THE TENDER:
€40
MILLION

SCHOOLS
PROVIDED
>4,000

ACTIVATION
TIME:
3 YEARS

DURATION
OF SUPPLY:
5
YEARS

The tender, for a basic amount of **€ 274 MN**, is made up of seven lots divided as follows:

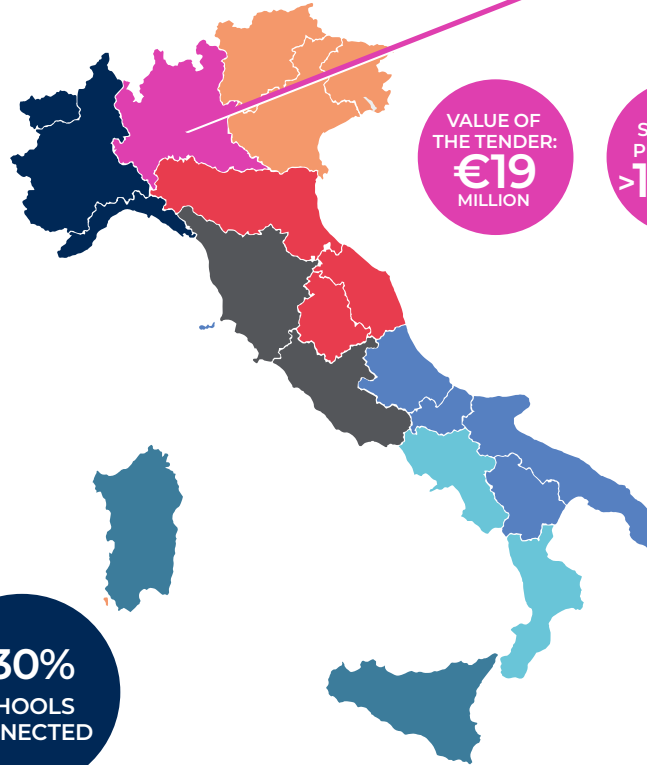
- lot 1 Liguria, Piedmont;
- lot 2 **Lombardy**;
- lot 3 Lazio, Sardinia;
- lot 4 Campania, Basilicata;
- lot 5 Calabria, Sicily;
- lot 6 Tuscany, Veneto;
- lot 7 Marche, Abruzzo, Molise, Puglia.

INFRATEL SCHOOL TENDER 2

INTRED AWARDED THE LOMBARDY LOT OF THE SECOND TENDER ISSUED BY INFRATEL TO CONNECT THE REMAINING 20% OF SCHOOLS LEFT.

THE TENDER IS PART OF THE PNRR AND THE AWARD WILL ALLOW STRONG SYNERGIES WITH THE PREVIOUS ONE, ESPECIALLY IN MANY MUNICIPALITIES WHERE INTRED HAS PLANNED / REALIZED CONNECTIONS TO THE SCHOOLS INCLUDED IN TENDER 1.

>30%
SCHOOLS
CONNECTED



10 MILLIONS INHABITANTS,
1/6 OF WHOLE ITALY

VALUE OF
THE TENDER:
€19
MILLION

SCHOOLS
PROVIDED
>1,200

ACTIVATION
TIME:
4 YEARS

DURATION
OF SUPPLY:
7
YEARS

The tender, for a basic amount of **€ 166 MN**, is made up of eight lots divided as follows:

- lot 1 Liguria, Piedmont, Valle d'Aosta;
- lot 2 **Lombardy;**
- lot 3 Friuli Venezia Giulia, Provincia di Bolzano, Provincia di Trento, Veneto;
- lot 4 Emilia Romagna, Marche, Umbria;
- lot 5 Lazio, Tuscany;
- lot 6 Abruzzo, Basilicata, Molise, Puglia;
- lot 7 Calabria, Campania;
- lot 8 Sardinia, Sicily.

INFRATEL SCHOOL TENDERS –WHERE WE STAND

SCHOOL TENDER 1

FEBRUARY
2021

Tender's value ~€ 40 MN

- 3,300 schools activated out of 4,000 (>75%)
- Activation period expected to last in Q4 2024
- 5 years of supply
- Activation value € 33.2 MN, invoiced € 29 MN thereof € 1.65 MN accounted in 1Q2024

SCHOOL TENDER 2

MAY
2022

Tender's value ~€ 19 MN

- 400 schools activated out of 1,200 (25%)
- Activation period expected to last in Q4 2026
- 7 years of supply
- Activation value € 7.4 MN, invoiced €5.7 MN thereof € 0.75 MN accounted in 2023

The award of the tenders is highly strategic and accelerated expansion in Lombardy:

- Widespread coverage of all the municipalities and provinces of Lombardy
- Accreditation by all public bodies in the region
- Wholesale business development

ACQUISITION OF 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 MN REVENUES

CLOSING DONE IN APRIL 2024

MERGER BY THE END OF 2024

PURCHASE PRICE 3,6 MN + NFP



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

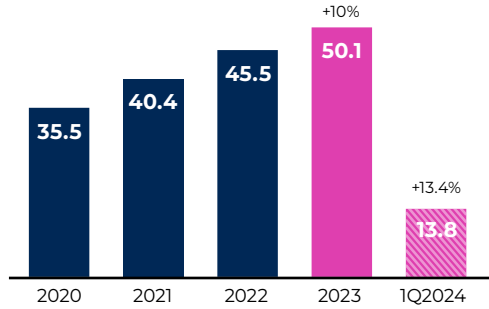
INVESTMENT WILL BE MADE ABOVE ALL IN THE FTTH ACCESS NETWORK, EXPANDING THE CAPILLARITY OF THE NETWORK THROUGHOUT LOMBARDY BY DEVELOPING THE ACTIVATION PROGRAMS ENVISAGED BY THE TWO SCHOOL TENDERS

LARGE MARKETING INVESTMENTS TO CREATE BRAND AWARENESS WITH ANDREA PIRLO AS TESTIMONIAL

FINANCIALS

FINANCIAL HIGHLIGHTS - STRONG GROWTH

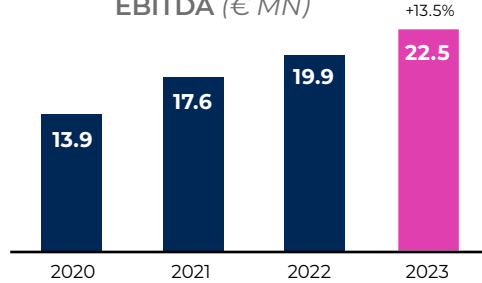
REVENUES (€ MN)



EBITDA MARGIN

38.4% 42.8% 43.1% 44.6%

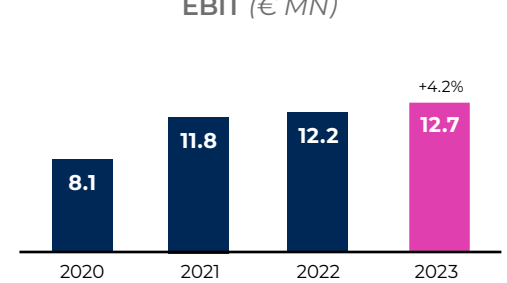
EBITDA (€ MN)



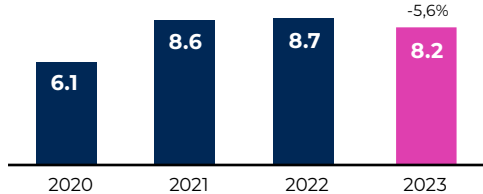
EBIT MARGIN

22.3% 28.6% 26.4% 25.1%

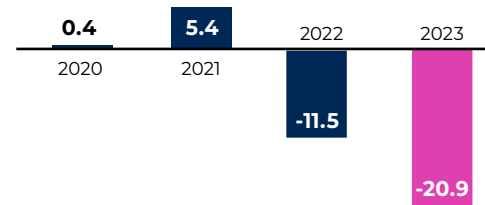
EBIT (€ MN)



NET PROFIT (€ MN)

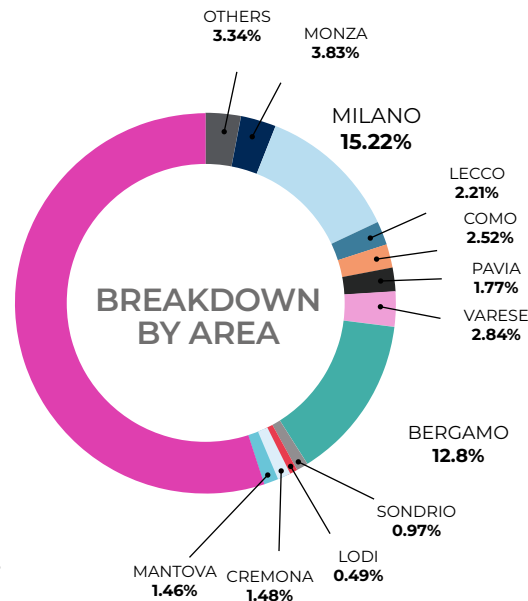
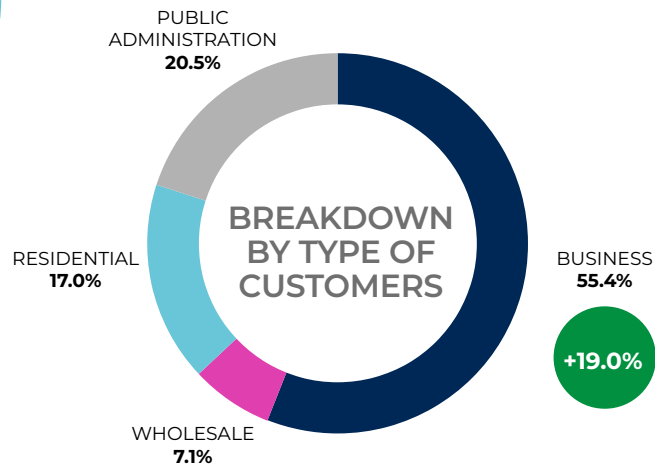
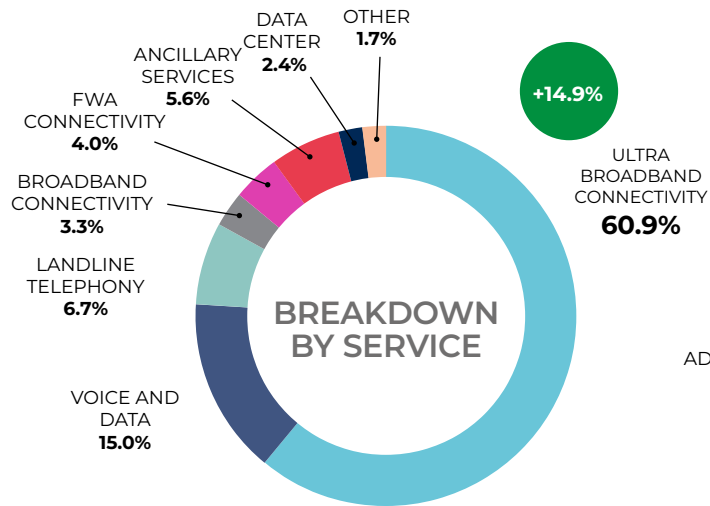


NET FINANCIAL POSITION (€ MN)



1Q2024 REVENUES BREAKDOWN

+13,4%



APPENDIX

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

2023 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%

2023 INCOME STATEMENT

	2023	2022	YOY	YOY%
VALUE OF PRODUCTION	50,521	46,082	4,438	9.6%
Raw Materials	(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>	44.6%	43.1%		
Depreciation Amortisazion & Write Downs	(9,861)	(7,692)	(2,168)	28.2%
EBIT	12,669	12,160	509	4.2%
<i>EBIT Margin</i>	25.1%	26.4%		
Net Financial Income (Charges)	(1,154)	17	(1,172)	n.a.
EBT	11,514	12,177	(663)	(5.4%)
<i>EBT Margin</i>	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>	16.2%	18.8%		

Turnover at € 50.1 million, + 10.0% YoY driven by recurring fees which account for about 85.2%

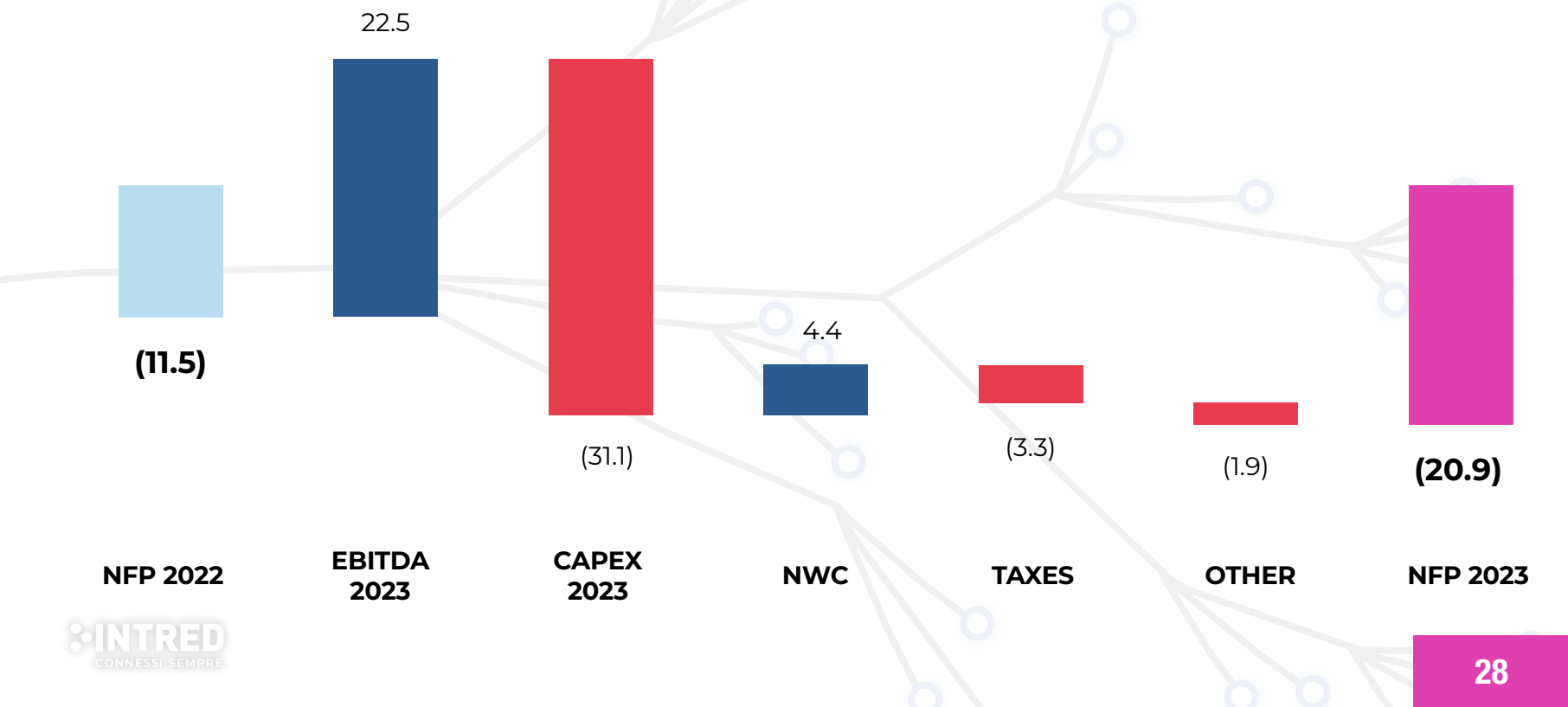
Cost of services growth includes marketing activities to improve brand awareness

EBITDA margin improved to 44.6%

Increased financial costs linked to net debt growth to finance capex

CASH FLOW ANALYSIS: DEC'22 – DEC'23

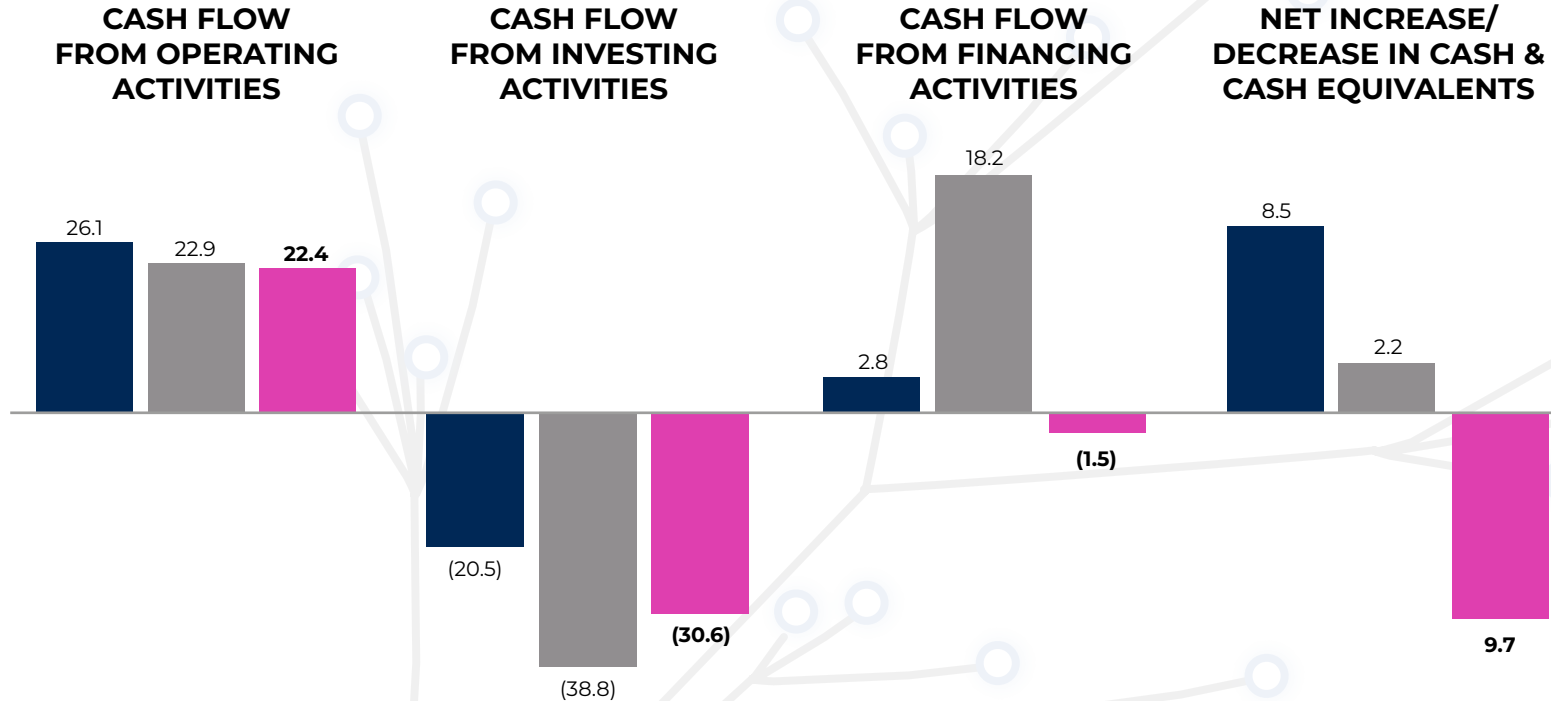
€/MN



2023 FREE CASH FLOW

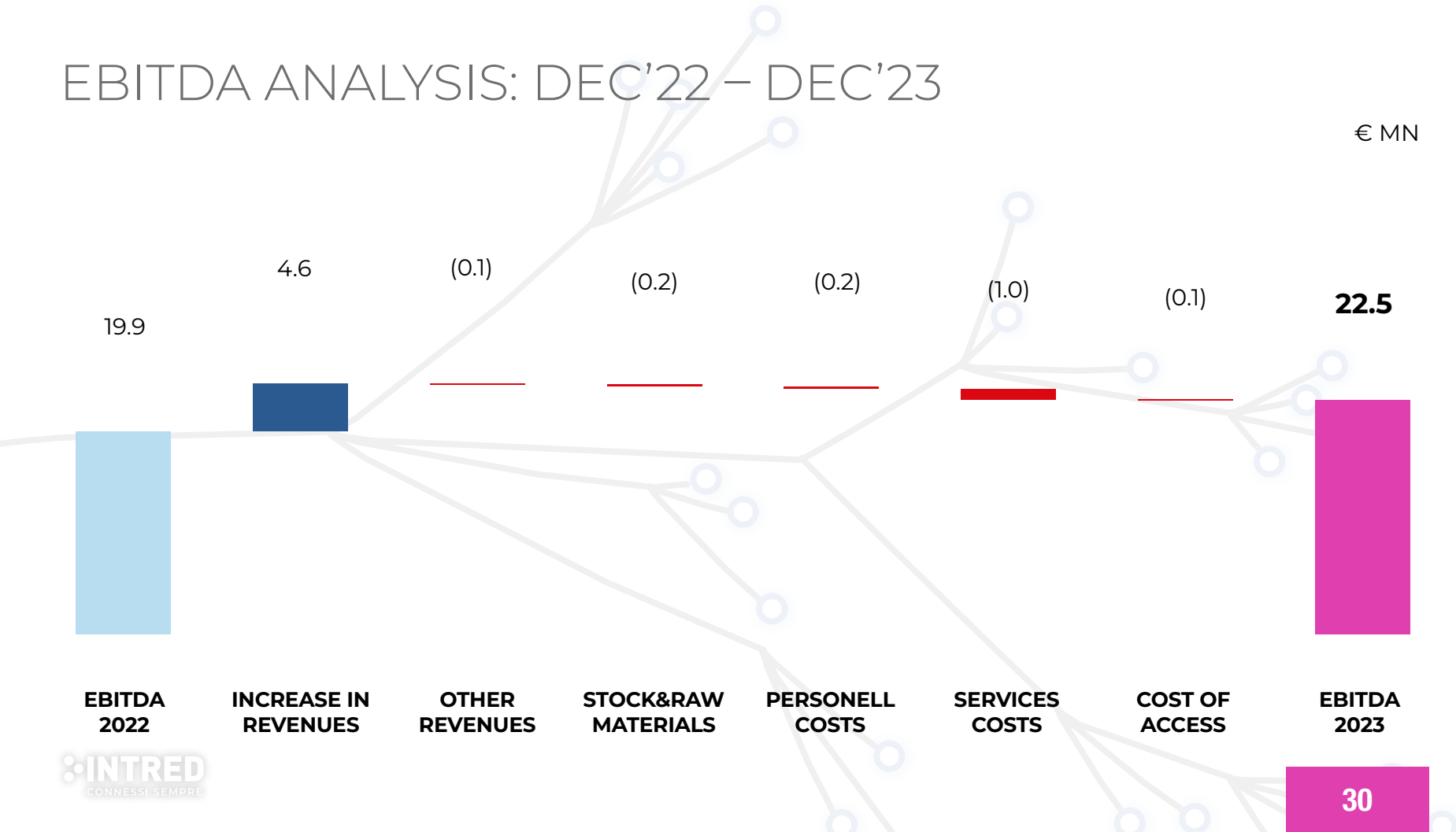
■ 2021
■ 2022
■ 2023

€/MN




EBITDA ANALYSIS: DEC'22 – DEC'23

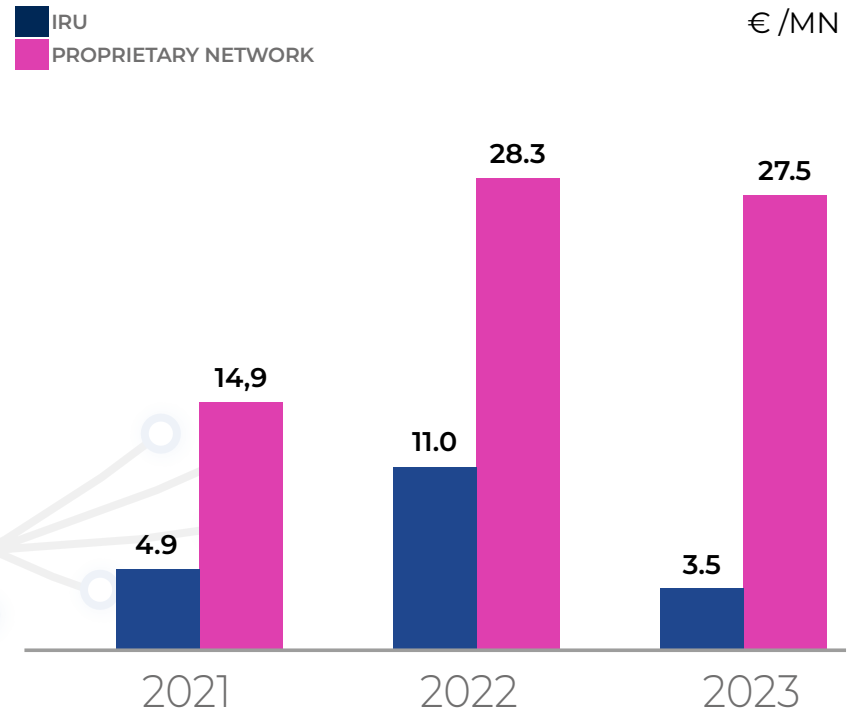
€ MN



INVESTING TO SUPPORT GROWTH AND PENETRATION IN LOMBARDY

- **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)

**> € 90MN
IN 3 YEARS** 
**CAPEX TO BUILD, DEVELOP
AND STRENGTH THE NETWORK**



Next events



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

💻 WWW.INTRED.IT • ✉️ INFO@INTRED.IT • ☎️ 1949

The logo features a stylized icon of three white circles on the left, arranged in a triangular pattern. To the right of the icon, the word "INTRED" is written in a large, bold, white, sans-serif font. Below "INTRED", the tagline "CONNESSI SEMPRE" is written in a smaller, white, sans-serif font. The entire logo is centered on a background of a repeating wavy pattern in a light pink color.

INTRED
CONNESSI SEMPRE