



ALANTRA  
INVESTOR DAY



MARCH 30<sup>TH</sup> 2021

# 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**

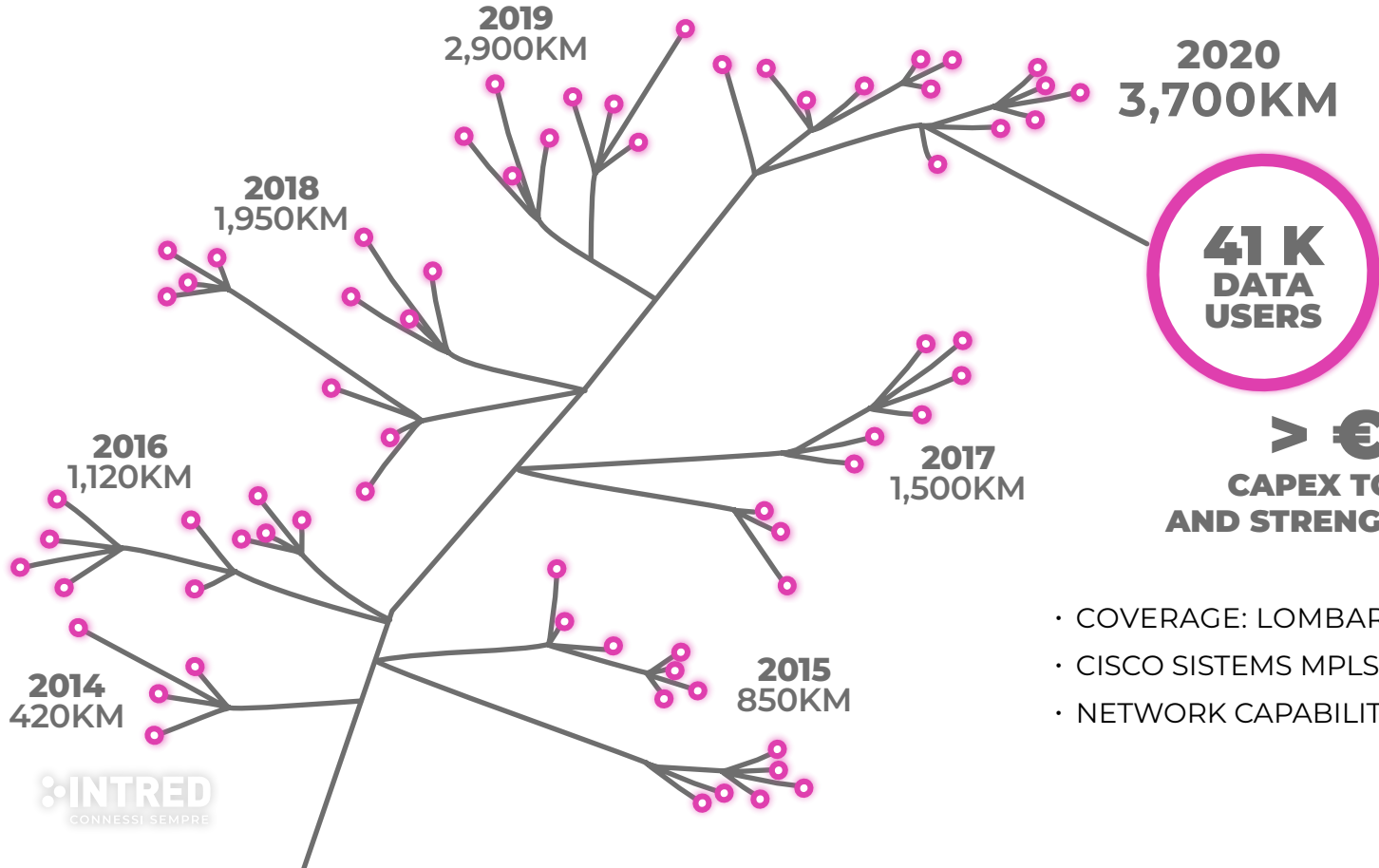


**HOSTING AND HOUSING**



- **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** ( 4%)
- **RECURRING NATURE OF FEES** (>90% of total turnover is recurring)
- **HIGH REVENUES VISIBILITY** (average DSO < 36 days)
- **140 QUALIFIED** and skilled **RESOURCES**

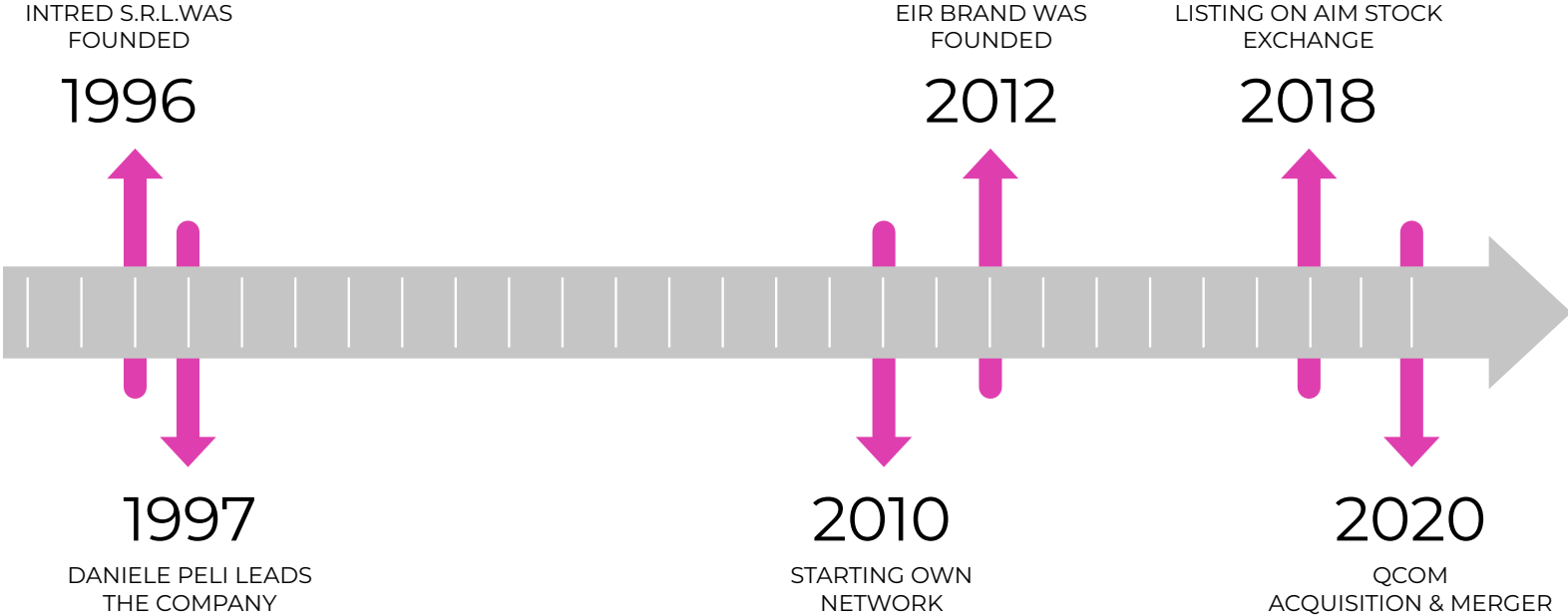
# A NETWORK AT THE FOREFRONT OF INNOVATION



**> € 45M**   
**CAPEX TO BUILD, DEVELOP  
AND STRENGTH THE NETWORK**

- COVERAGE: LOMBARDY REGION
- CISCO SYSTEMS MPLS TECHNOLOGY
- NETWORK CAPABILITY UP TO 100K USERS

# A HISTORY OF PROFITABLE GROWTH

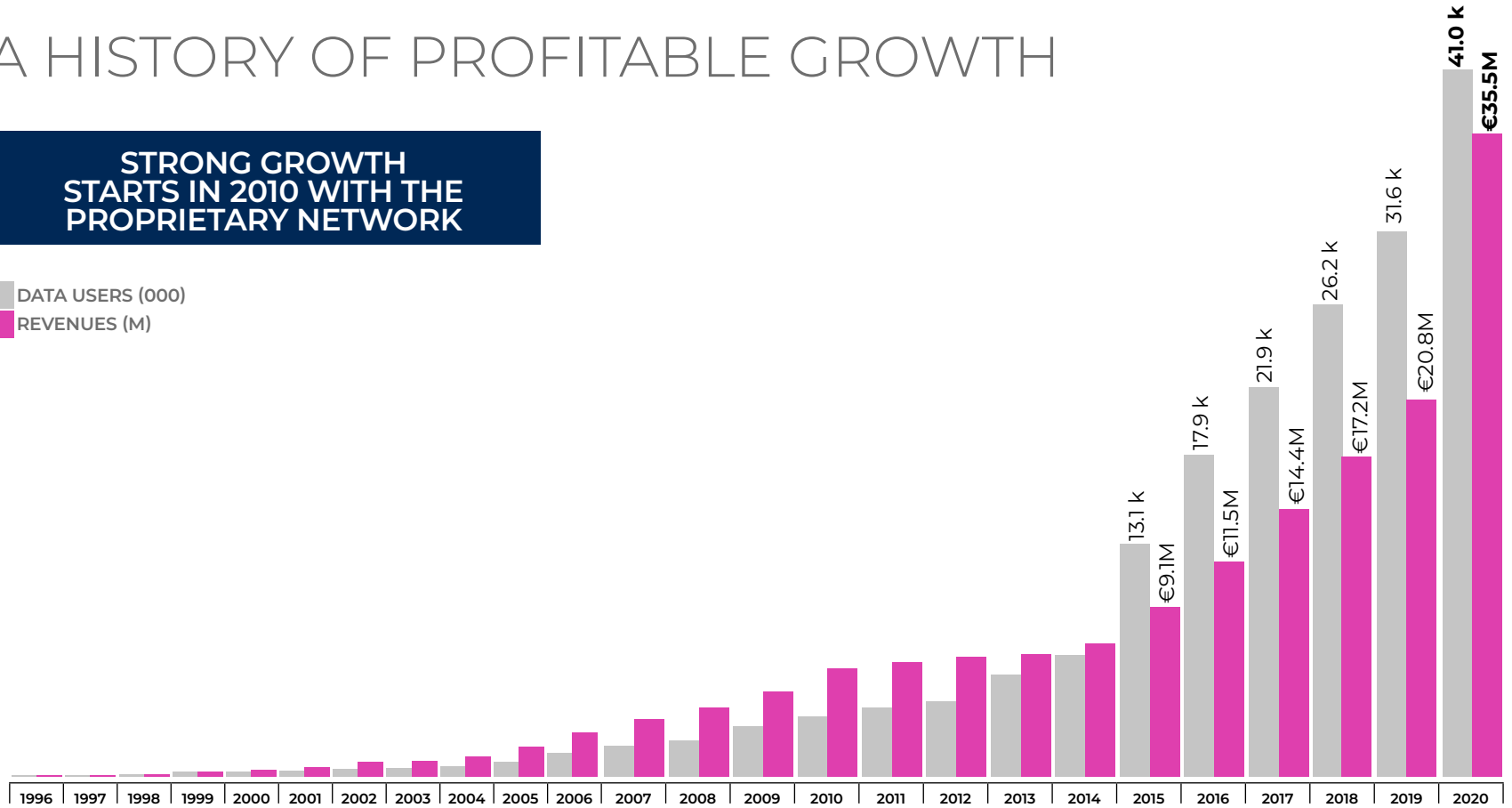


25 YEARS OF EXPERTISE IN THE TLC INDUSTRY

# A HISTORY OF PROFITABLE GROWTH

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

■ DATA USERS (000)  
■ REVENUES (M)



# THE GOVERNANCE

## THE BOARD OF DIRECTORS



**Daniele Peli**  
Chairman and  
Chief Executive Officer



**Marisa Prati**  
Director



**Giulia Peli**  
Director



**Adalberto Salvi**  
Director



**Renzo Torchiani**  
Director



**Fabio Massimo Erri**  
Director



**Alessandro Triboldi**  
Independent Director

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## THE MANAGEMENT



**Daniele Peli**  
CEO

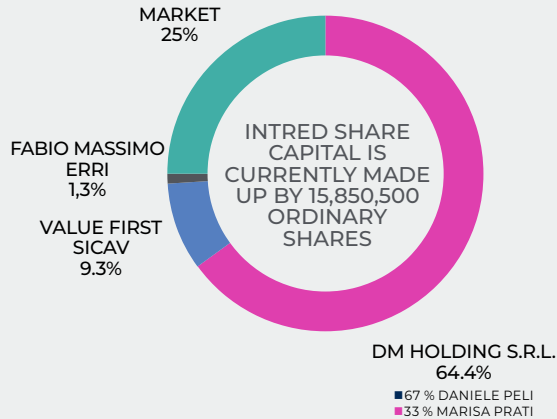


**Filippo Leone**  
CFO

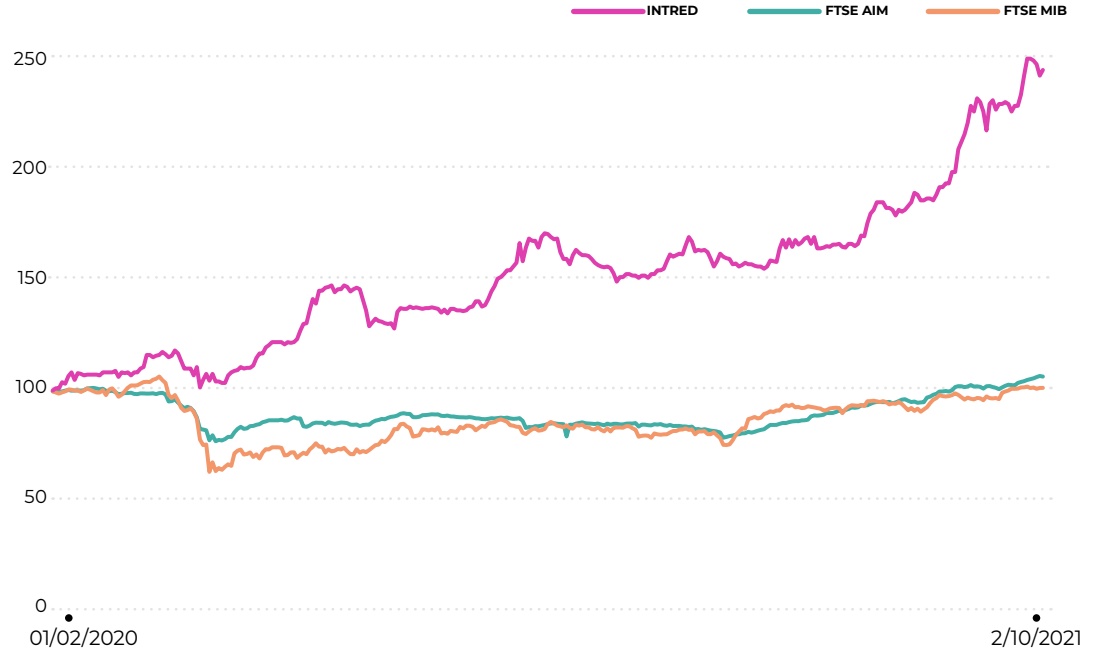


# STOCK & GOVERNANCE

## SHAREHOLDERS' STRUCTURE



## STOCK PERFORMANCES

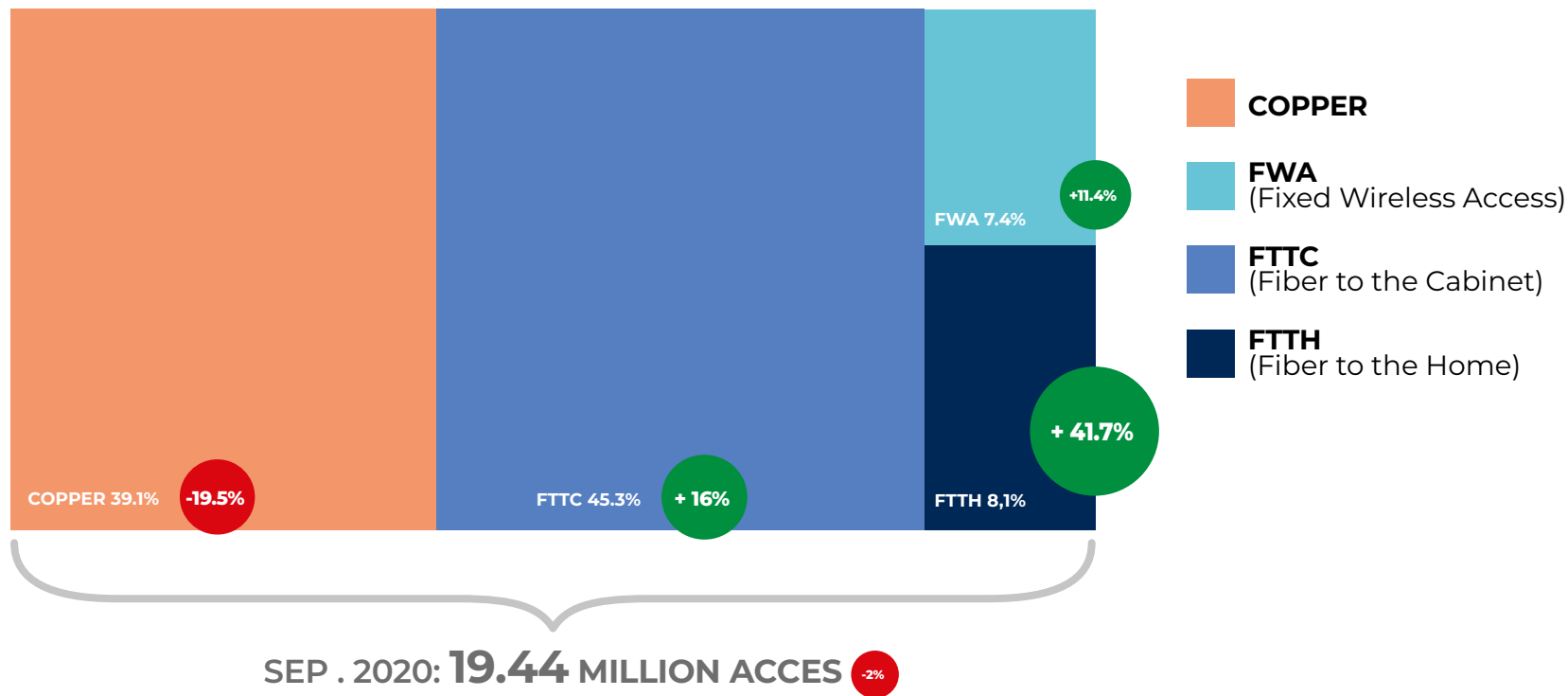


**02/10/2021** price: € 11.20 - Market Cap: €177.5 M - Avg. Volume 12.586

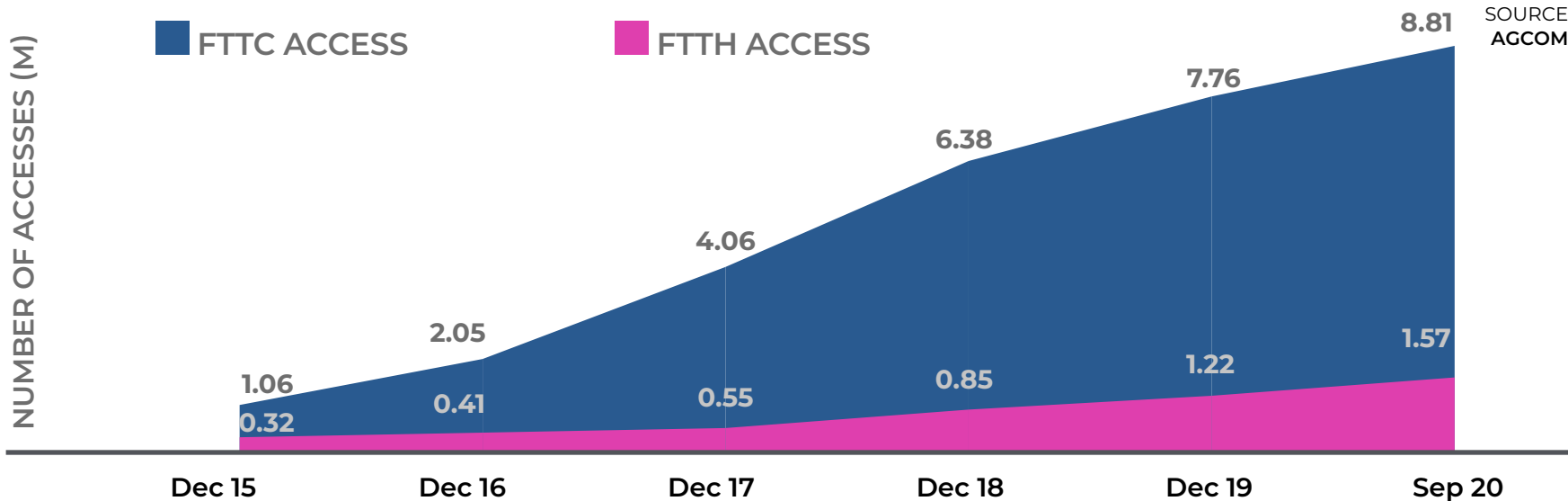
# MARKET OUTLOOK

# MARKET OUTLOOK

## DATA LINES ACCESSES SEP 2020 VS SEP 2019



# MARKET OUTLOOK ULTRA BROADBAND ACCESSSES

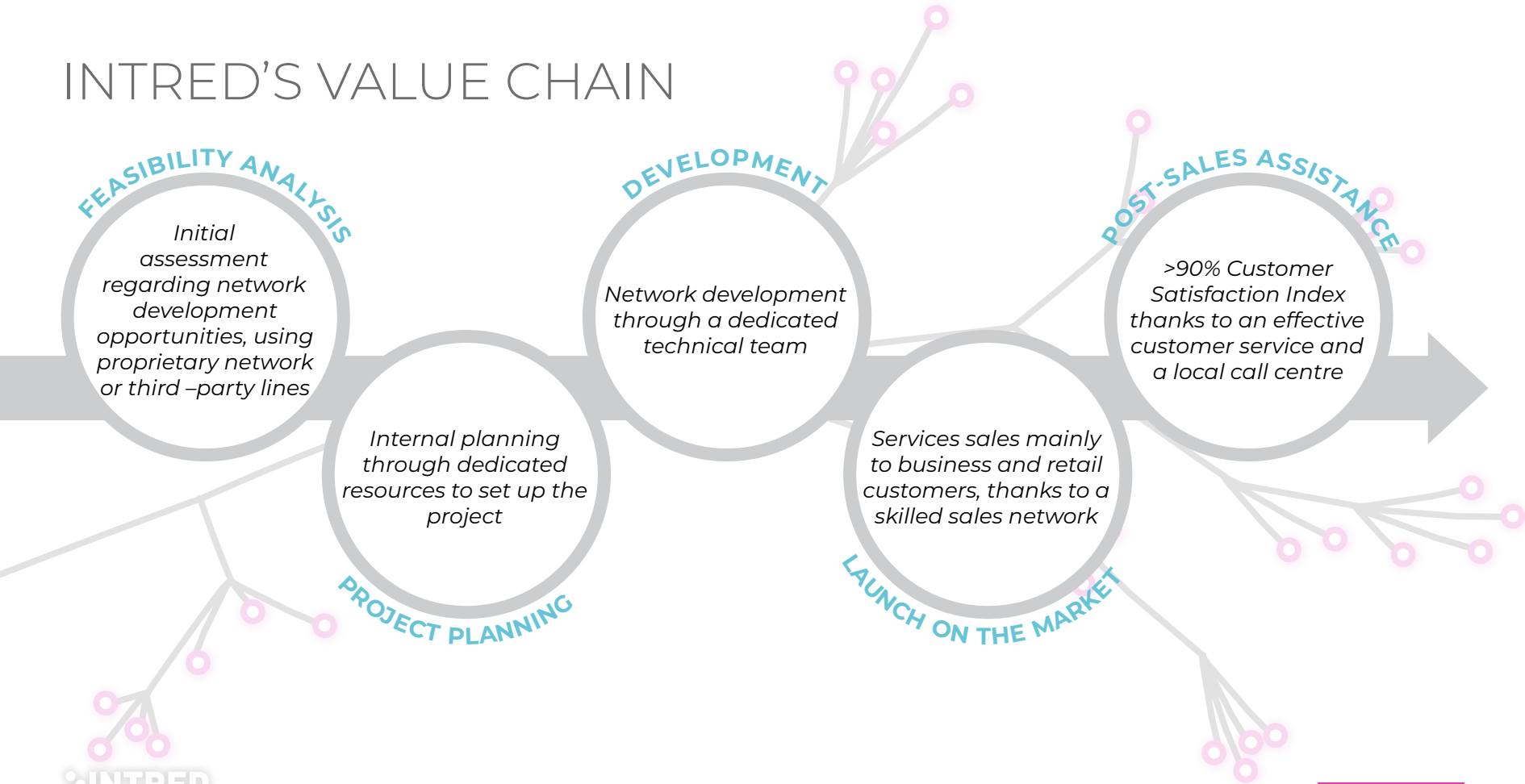


SOURCE  
AGCOM

- Access lines through **copper** network have **decreased by 19.5%(YoY)**.
- The services offered using **FTTC** access technologies (fiber on a mixed copper network) **grew by 16% YoY**, and **FTTH** access services **by +41.7%**.
- Over the entire period observed, the weight of **FTTC+FTTH** accesses **has increased** from 6.8% **to 53.4%** of total access lines.

# BUSINESS MODEL & STRATEGY

# INTRED'S VALUE CHAIN

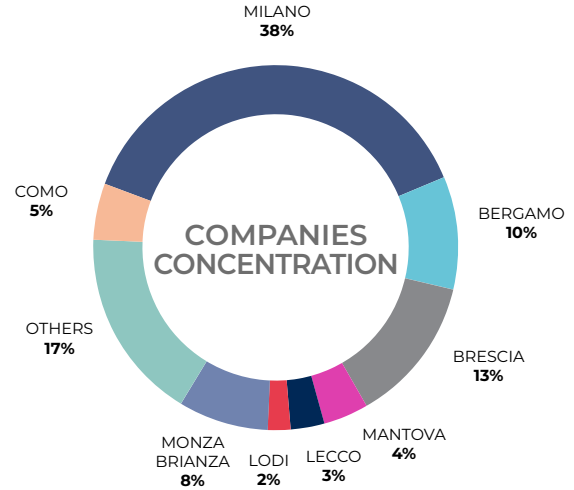


# LOMBARDY: THE VIRTUOUS REGION

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

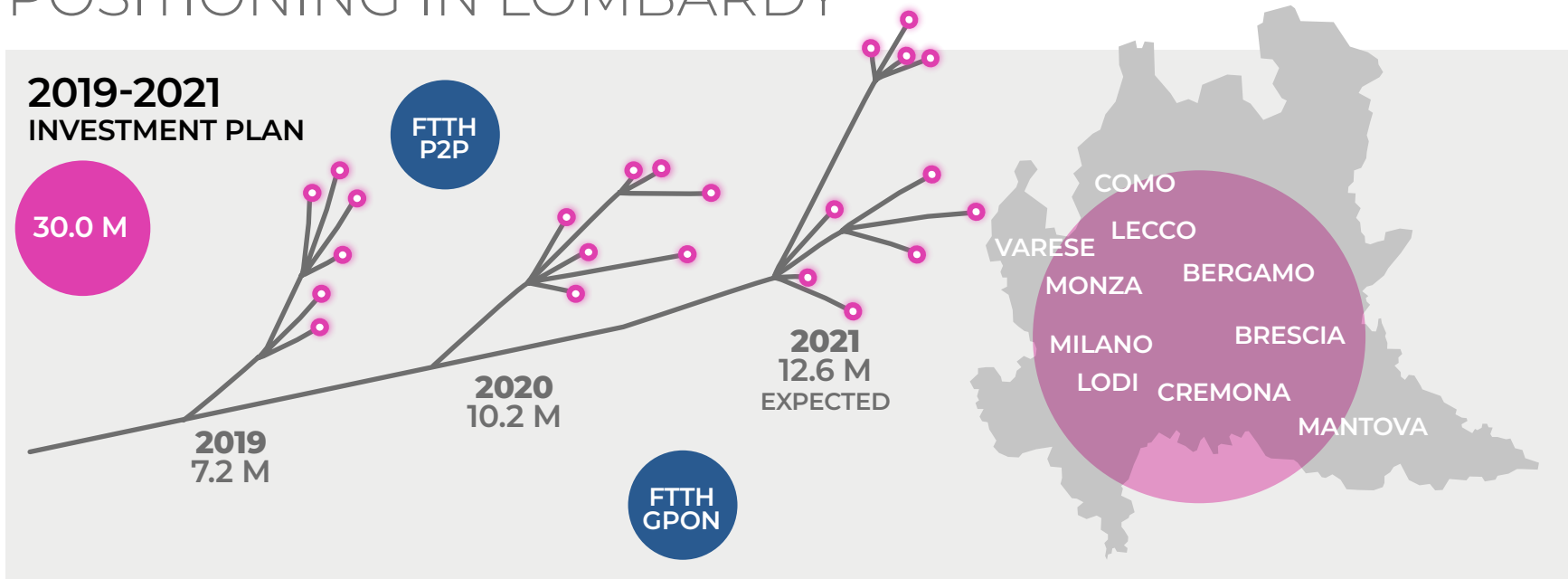


SOURCE ISTAT



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

# INVESTMENTS TO STRENGTHEN THE STRATEGIC POSITIONING IN LOMBARDY



- **To become leader** in the optical fiber connection market of **periferic areas** where the major competitors are not present
- 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)



# 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 4500 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



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

VALUE OF  
THE TENDER:  
**€40**  
MILLION

SCHOOLS  
PROVIDED:  
**4592**

ACTIVATION  
TIME:  
**3 YEARS**  
(60% IN THE FIRST  
YEAR)

DURATION  
OF SUPPLY:  
**5**  
YEARS




The tender, for a basic amount of **€ 273,918,374 M**, is made up of seven lots divided as follows:

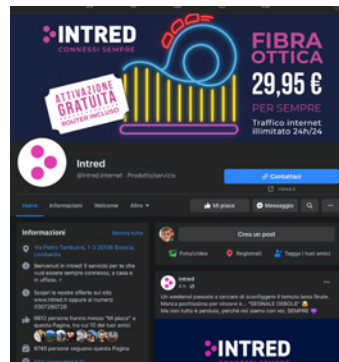
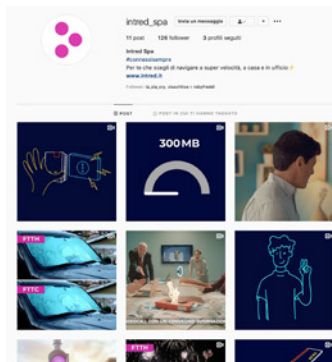
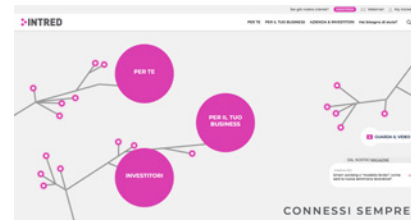
- lot 1 Liguria, Piedmont;
- lot 2 **Lombardy**;
- lot 3 Lazio, Sardinia;
- lot 4 Campania, Basilicata;
- lot 5 Calabria, Sicily;
- lot 6 Tuscany, Veneto;
- lot 7 Marche, Abruzzo, Molise, Puglia.

# MARKETING ACTIVITIES TO ATTRACT BUSINESS & HOUSEHOLD CUSTOMERS

**SIGNIFICANT RESOURCES (>3% OF TOTAL REVENUES) HAVE BEEN DEDICATED TO MARKETING ACTIVITIES TO SPREAD INTRED'S NOTORIETY IN LOMBARDY**

## MARKETING ACTIVITIES

- **Rebranding** of the logo
- Renewal of the **website**
- Promotional actions on **social media**   
- Marketing campaign carried out on **local radios & television channels**
- Posters and publications in **local newspapers**
- **Sponsorships**, such as the agreement with Brescia football team and Atalanta football team



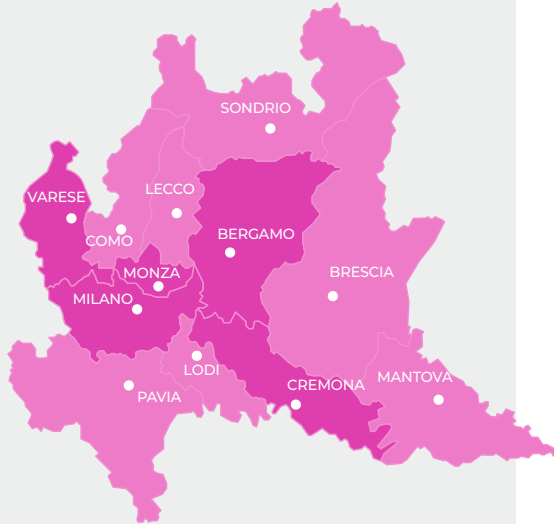
QCOM

# QCOM ACQUISITION

## KEY NUMBER

4,300  
business clients

€11.3 million  
Revenues FY2020



2020: ACQUISITION AND MERGER OF 100% OF QCOM AT A PURCHASE PRICE OF €10.2 MILLION

**GEOGRAPHICAL STRATEGIC FIT WHICH STRENGTHENS BUSINESS IN LOMBARDY,** EXPANDING TO THE BERGAMO, MILAN, MONZA&BRIANZA, CREMONA AND VARESE AREAS

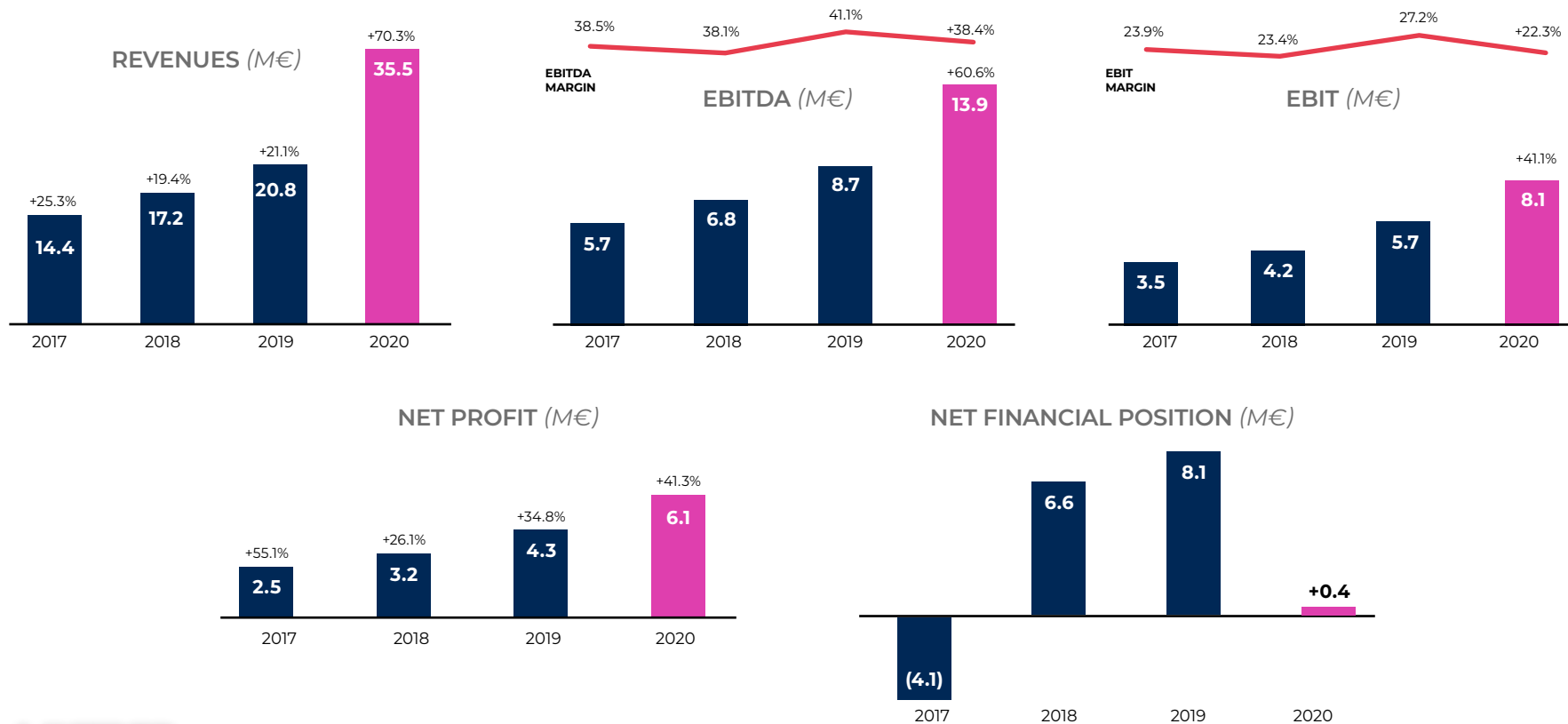
**QCOM IS A RESELLER TLC COMPANY BASED IN BERGAMO,** WITH OPERATIONS THROUGHOUT LOMBARDY SPECIALISED IN THE PROVISION OF FIXED CONNECTIVITY AND OTHER RELATED SERVICES TO OVER 4,000 BUSINESS CUSTOMERS

HIGH QUALITY BUSINESS CLIENTS, TO WHOM OFFER INTRED COMMERCIAL AND INFRASTRUCTURAL SERVICES

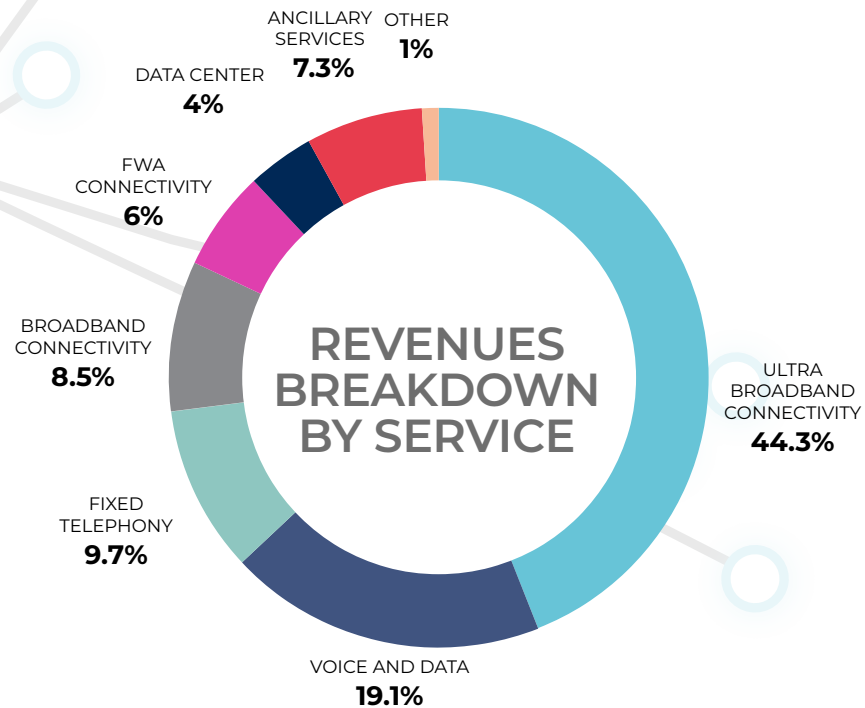
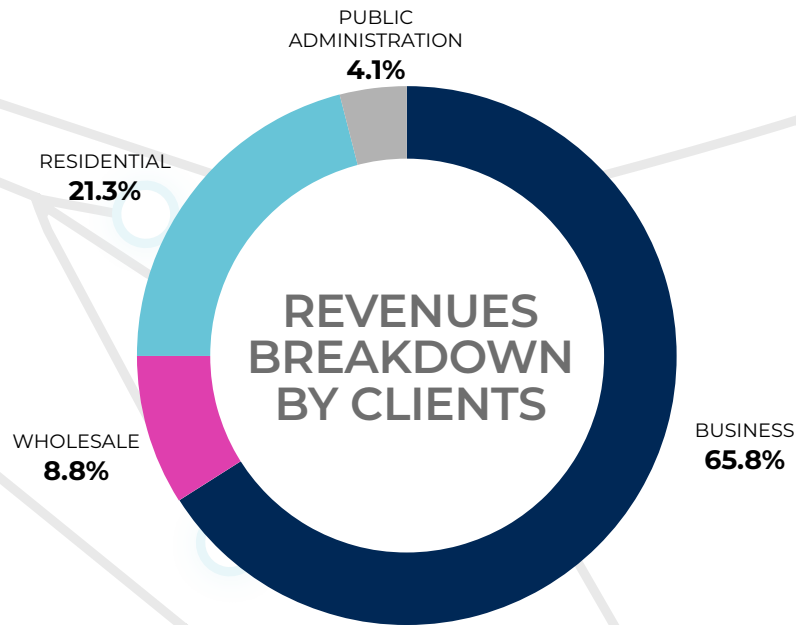
CONSOLIDATION OF INTRED'S STRATEGIC DEVELOPMENT PLAN THROUGH EXTERNAL EXPANSION

# FINANCIALS

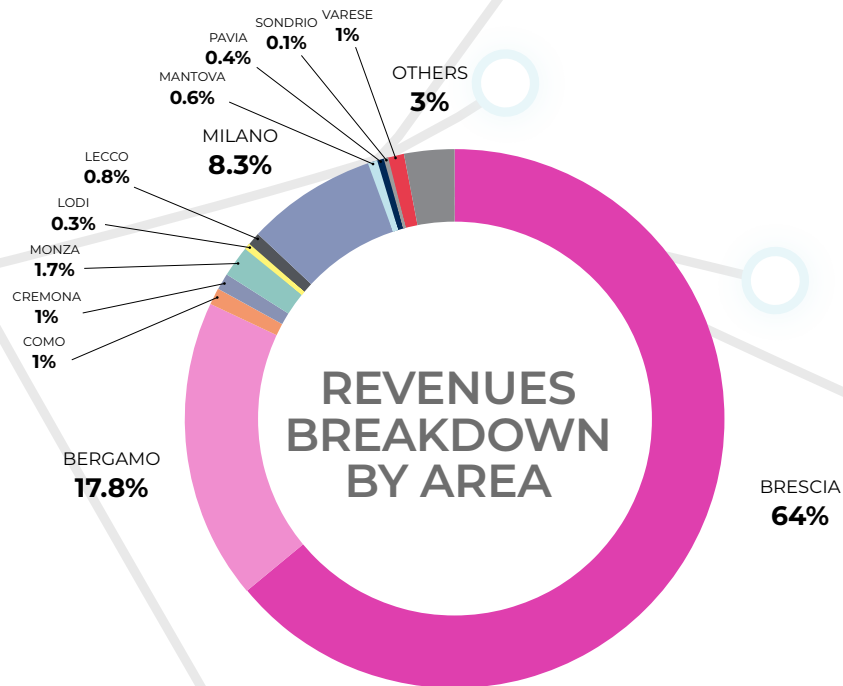
# FINANCIAL HIGHLIGHTS - STRONG GROWTH



# 2020 REVENUES DRIVEN BY FIBER CONNECTIONS



# 2020 REVENUES DRIVEN BY FIBER CONNECTIONS





# 2020 INCOME STATEMENT

€/000	2020	2019	YoY%
<b>Value of Production</b>	<b>36385.3</b>	<b>21186.9</b>	<b>71.7%</b>
Raw materials	(275.5)	(126.7)	117.5%
Services	(5514.7)	(3123.9)	76.5%
Other operating costs	(10118.9)	(5963.0)	69.7%
<b>Tot Operating Costs</b>	<b>(15909.1)</b>	<b>(9213.6)</b>	<b>72.7%</b>
Personnel Costs	(6490.8)	(3265.0)	98.8%
<b>EBITDA</b>	<b>13985.4</b>	<b>8708.3</b>	<b>60.6%</b>
<i>EBITDA margin</i>	38.4%	41.1%	(6.5%)
Depreciation Amortisation & Write Downs	(5861.3)	(2950.2)	98.7%
<b>EBIT</b>	<b>8124.1</b>	<b>5758.0</b>	<b>41.1%</b>
<i>EBIT margin</i>	22.3%	27.2%	(17.8%)
Net Financial Income (Charges)	56.9	82.6	(31.1%)
<b>EBT</b>	<b>8181.0</b>	<b>5840.7</b>	<b>40.1%</b>
<i>EBT margin</i>	22.5%	27.6%	(18.4%)
Taxes	(2069.9)	(1515.3)	36.6%
<b>Net Income</b>	<b>6111.1</b>	<b>4325.3</b>	<b>41.3%</b>
<i>Net Income margin</i>	16.8%	20.4%	(17.7%)

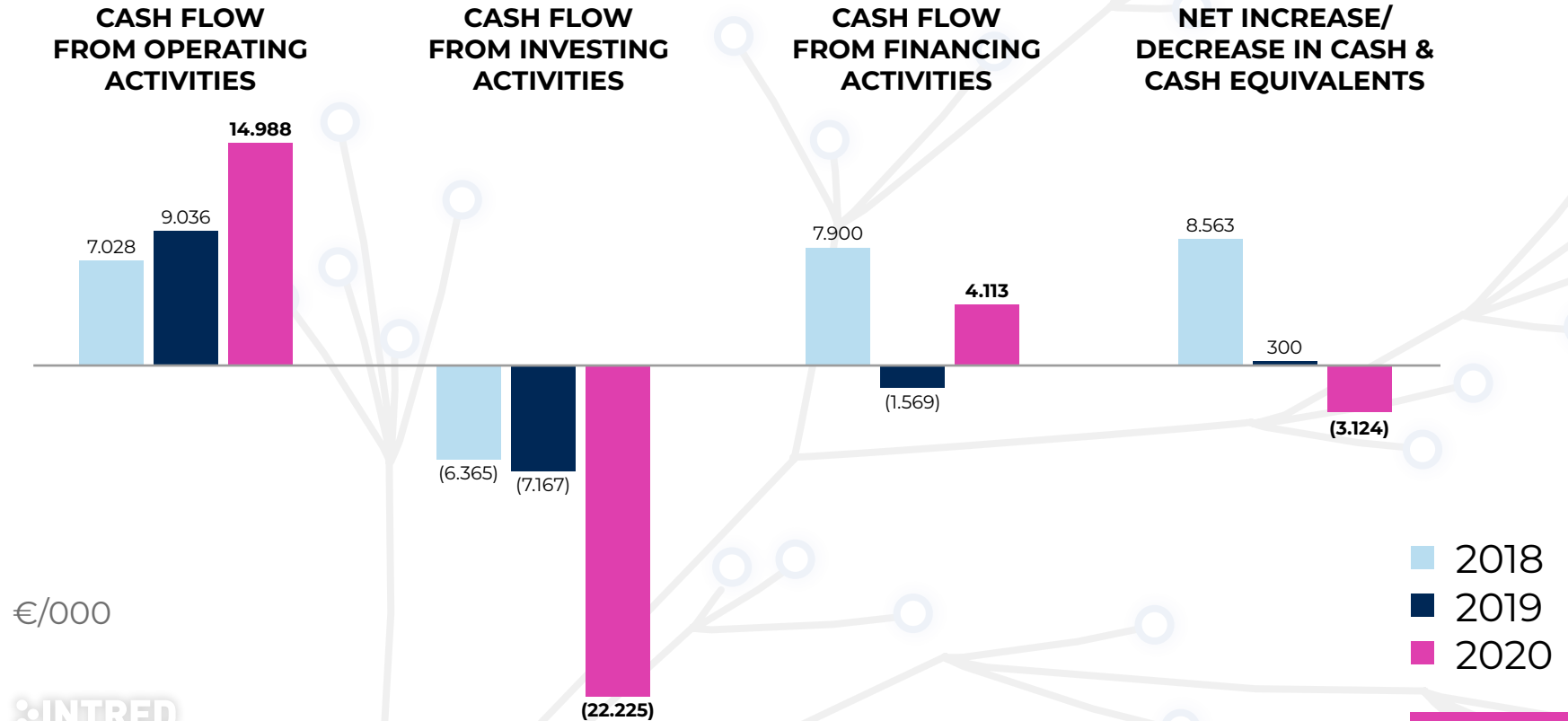
# PRE & POST MERGER INCOME STATEMENT

€/000	2019	INTRED 2020 PRE MERGER	QCOM 2020 PRE MERGER	2020 POST MERGER
<b>Value of Production</b>	<b>21186.9</b>	<b>25176,4</b>	<b>11423,6</b>	<b>36385,3</b>
Raw materials	(126.7)	(154,4)	(121,2)	(275,5)
Services	(3123.9)	(3435,5)	(1870)	(5514,7)
Other operating costs	(5963.0)	(6888)	(3225,2)	(10118,9)
<b>Tot Operating Costs</b>	<b>(9213.6)</b>	<b>(10477,9)</b>	<b>(5216,3)</b>	<b>(15909,1)</b>
Personnel Costs	(3265.0)	(3475)	(3015,8)	(6490,8)
<b>EBITDA</b>	<b>8708.3</b>	<b>11223,5</b>	<b>3191,5</b>	<b>13985,4</b>
<i>EBITDA margin</i>	41.1%	44,6%	27,9%	38,4%
Depreciation Amortisation & Write Downs	(2950.2)	(3764,8)	(1489,6)	(5861,3)
<b>EBIT</b>	<b>5758.0</b>	<b>7458,7</b>	<b>1701,9</b>	<b>8124,1</b>
<i>EBIT margin</i>	27.2%	29,6%	14,9%	22,3%
Net Financial Income (Charges)	82.6	51,8	5,1	56,9
<b>EBT</b>	<b>5840.7</b>	<b>7510,5</b>	<b>0,4</b>	<b>8181</b>
<i>EBT margin</i>	27.6%	29,8%	0,0%	22,5%
Taxes				(2069,9)
<b>Net Income</b>				<b>6111,1</b>
<i>Net Income margin</i>				16,8%

# 2020 BALANCE SHEET

€/000	2020	2019	YOY%
<b>Current assets</b>	<b>7,927.3</b>	<b>4,928.2</b>	<b>60.9%</b>
<b>Current liabilities</b>	<b>(17,213.5)</b>	<b>(12,041.0)</b>	<b>43.0%</b>
<b>NET WORKING CAPITAL</b>	<b>(9,3286.2)</b>	<b>(7,112.8)</b>	<b>30.6%</b>
<b>Total fixed assets</b>	<b>42,762.2</b>	<b>26,257.9</b>	<b>62.9%</b>
Staff severance indemnity	(1,587.2)	(603.7)	162.9%
Provisions for risks and and charges	(17.7)	(21.5)	(17.6%)
<b>NET INVESTED CAPITAL</b>	<b>31,871.1</b>	<b>18,519.9</b>	<b>72.1%</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>(32,297.3)</b>	<b>(26,658.9)</b>	<b>21.2%</b>
Cash & cash equivalents	6,827.2	9,950.9	(31.4%)
Due to banks within 12 months	(1,478.4)	(585.4)	152.6%
Due to banks after 12 months	(4,922.6)	(1,226.5)	301.3%
<b>NET FINANCIAL POSITION</b>	<b>426.2</b>	<b>8139.0</b>	<b>(94.8%)</b>

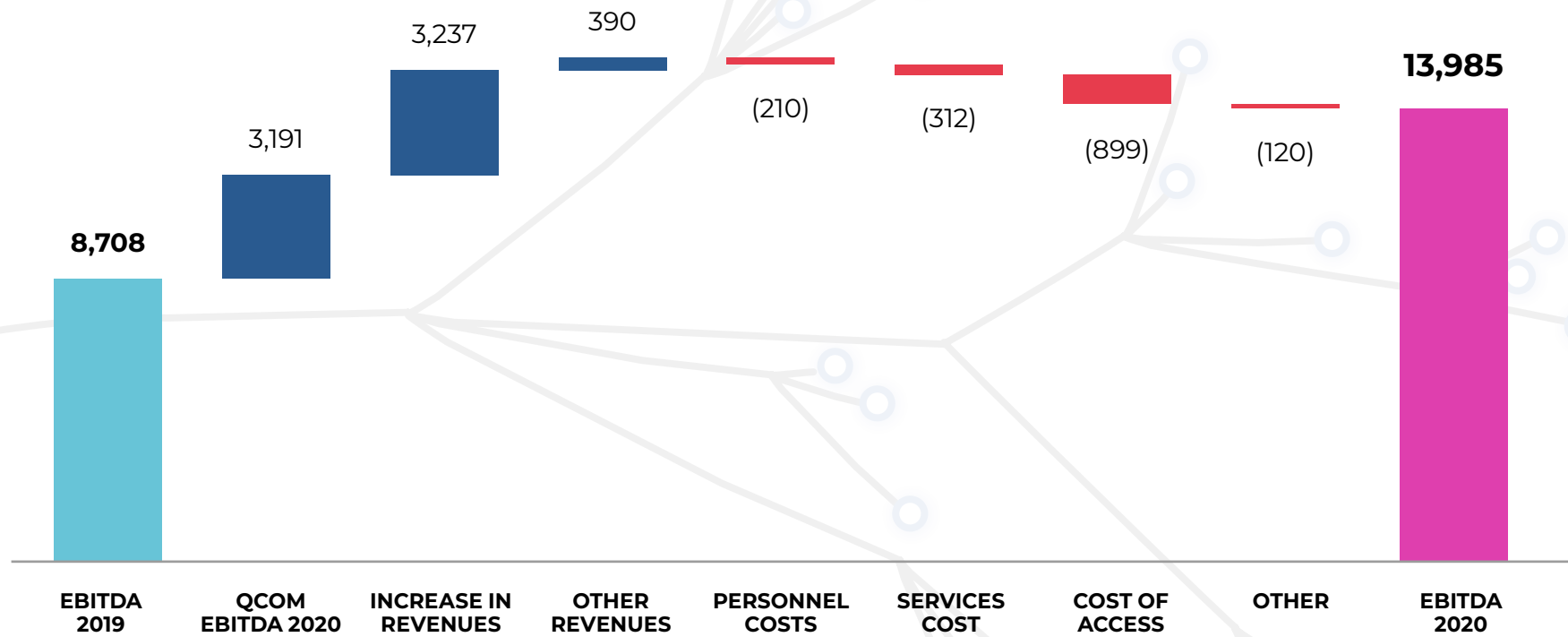
# 2020 FREE CASH FLOW



€/000

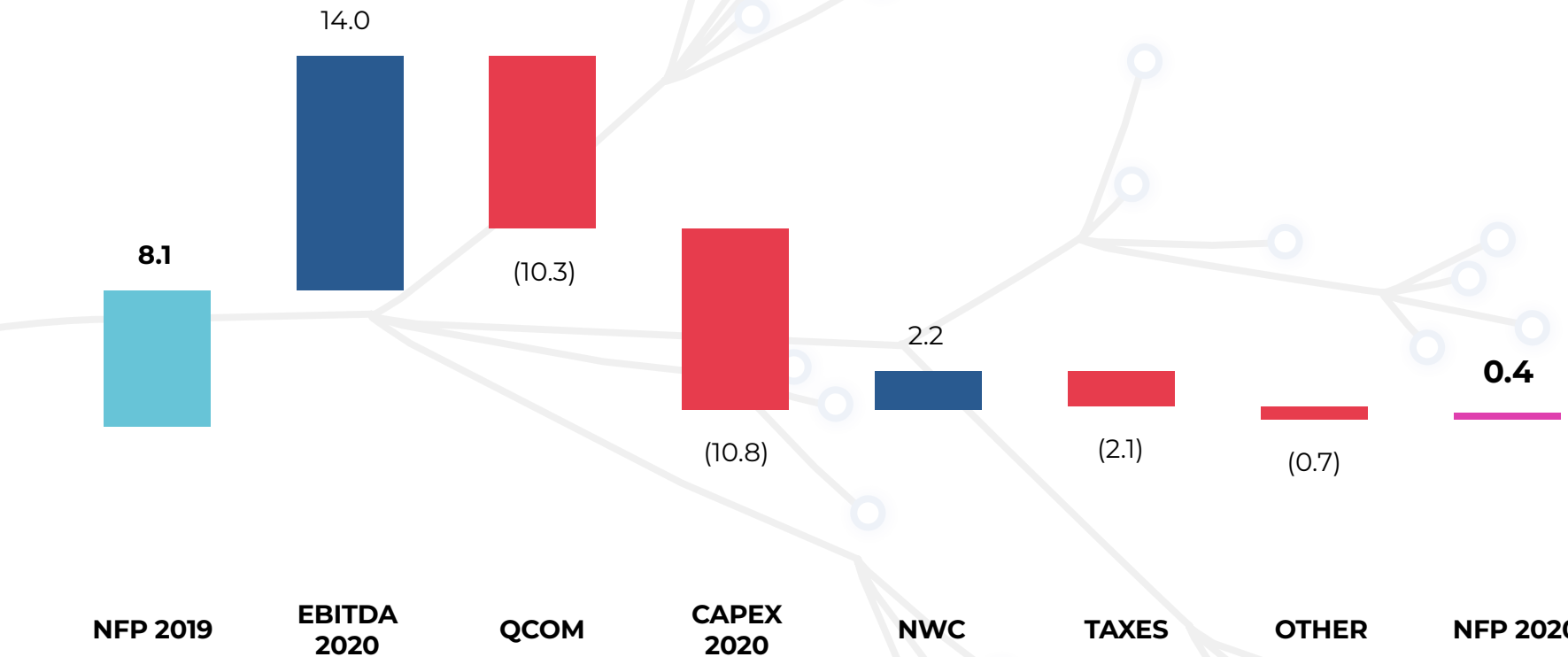
# 2020 EBITDA: ACTUAL VS LAST YEAR

€/000



# CASH FLOW ANALYSIS: DEC'19 – DEC'20

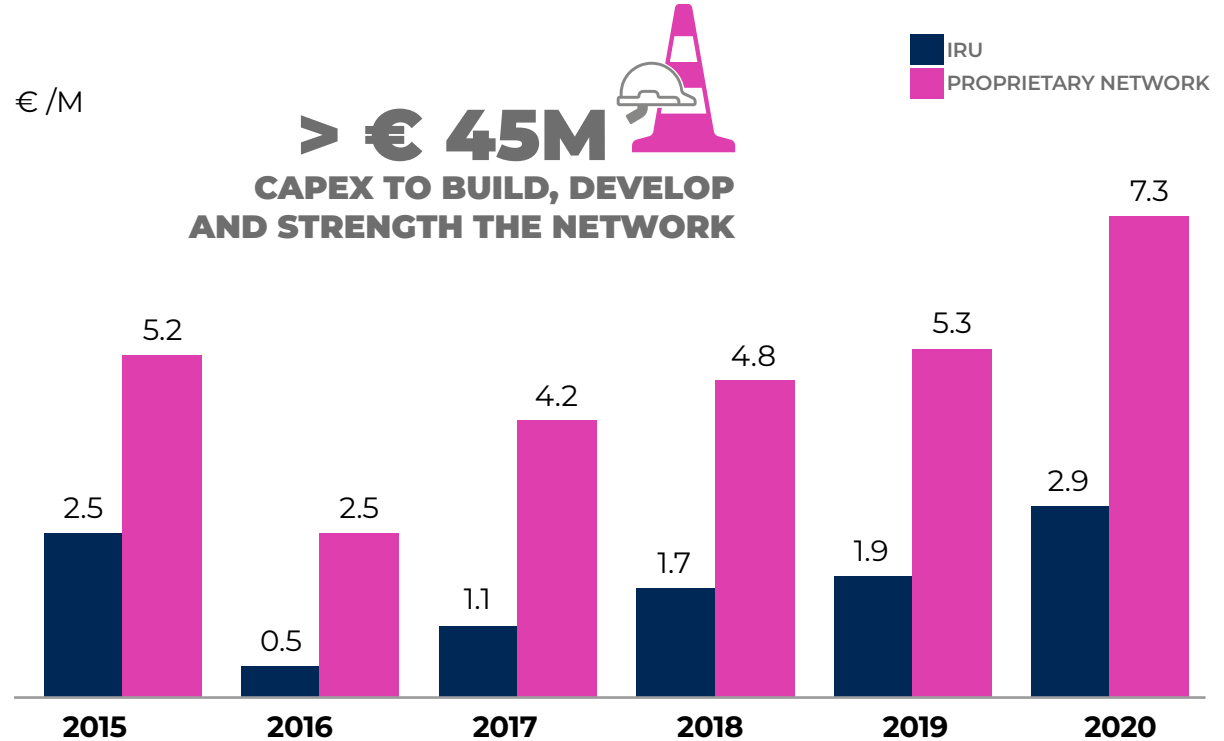
€/M



# 2020: INVESTMENTS CONTINUE

2020 investments at €10.2M focused on FTTC and FTTH networks development in the Brescia, Bergamo, Milano, Monza-Brianza, Mantova, Lodi, Lecco and Como areas.

Most of infrastructure network investments are in tangible fixed assets (71%), related to the development of the network, and in intangible fixed assets, represented by IRU (29%).



## INVESTOR RELATIONS

INTRED  
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IR Advisor  
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## NEXT EVENTS



SHAREHOLDERS' MEETING FOR THE APPROVAL OF  
THE FINANCIAL STATEMENTS AS OF 31.12.2020  
*APRIL 29<sup>TH</sup>, 2021*

## GENERAL INFORMATION ABOUT THE COMPANY

NAME	®	INTRED S.P.A.
HEAD OFFICES	🚩	VIA PIETRO TAMBURINI, 1 - 25136 BRESCIA (BS)
SHARE CAPITAL FULLY PAID-UP	💰	10.000.000,00
VAT REG. NO.	📄	02018740981
TAX CODE	📄	11717020157
REA NUMBER	📄	BS - 366982
LEGAL FORM	👤	JOINT-STOCK COMPANY

🌐 [WWW.INTRED.IT](http://WWW.INTRED.IT) • ✉️ [INFO@INTRED.IT](mailto:INFO@INTRED.IT) • ☎️ 030.72.80.000



The logo features a stylized icon of three white circles on the left, arranged in a triangular pattern. To the right of this icon is the word "INTRED" in a large, bold, white, sans-serif font. Below "INTRED" is the tagline "CONNESSI SEMPRE" 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