

# INTRED

Sector: Telecoms

**BUY**

Price: Eu8.80 - Target: Eu16.00

## FY25 Preview: Updating Estimates for Transition to IAS/IFRS

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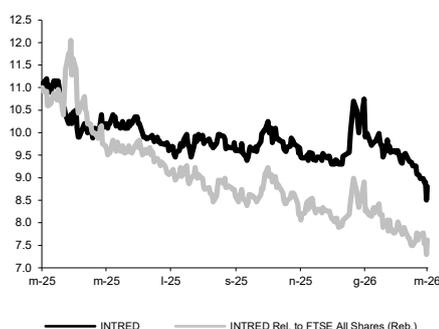
### Stock Rating

Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2025E	2026E	2027E
Chg in Adj EPS	2.8%	-5.0%	-11.7%

### Next Event

FY25 Results: 26 March  
 FY25 Conf. Call: 30 March at 3:30pm CET ([link](#))

### INTRED - 12M Performance



### Stock Data

Reuters code:	INTD.MI		
Bloomberg code:	ITD IM		
<b>Performance</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	-8.3%	-5.4%	-20.0%
Relative	-5.2%	-6.4%	-36.0%
12M (H/L)	11.20/8.50		
3M Average Volume (th):	6.55		

### Shareholder Data

No. of Ord shares (mn):	16
Total no. of shares (mn):	16
Mkt Cap Ord (Eu mn):	140
Total Mkt Cap (Eu mn):	140
Mkt Float - Ord (Eu mn):	42
Mkt Float (in %):	30.2%
Main Shareholder:	
DM Holding S.r.l.	60.3%

### Balance Sheet Data

Book Value (Eu mn):	71
BVPS (Eu):	4.49
P/BV:	2.0
Net Financial Position (Eu mn):	-37
Enterprise Value (Eu mn):	176

**INTRED will report FY25 results on 26<sup>th</sup> March, after preliminary sales (2 February) came in above expectations, confirming solid organic growth driven by recurring, high-visibility revenues and supporting our constructive view on 2026. FY25 will be the first year reported under IAS/IFRS in preparation for a potential transfer to the STAR segment by year-end, and we are therefore updating our estimates to align with these accounting standards. Revisions also incorporate less demanding FY27-28 margin trends and an additional €15mn CapEx in FY27 to expand the new DC.**

- FY25 preliminary sales:** revenues exceeded €55.8mn (FY24: €55.2mn, +1.1% YoY, +2.5% vs our exp.), with a clear mix shift toward recurring revenues (95.6%) and robust underlying growth of over 8%. Core revenues reached €47.4mn, up +8.4% YoY, with 95.6% recurring, confirming the strength and visibility of the business model. Growth by technology: Ultrafast Broadband connections (+11%), Voice & Data services (+6.8%), and Data Centre revenues (+42.4% to €1.9mn. 3.4% of sales). Growth by client: Professional segment (+6.1% YoY), with strong performance also in Wholesale (+17.7%), Public Administration (+35.1%) and Private customers (+5.5%). Strong KPIs: CHURN at 4.4%, best in class for the industry, expansion of the proprietary fibre network to ~15,000km (from ~13,500km in 2024).
- Transition to IAS/IFRS ahead of STAR move.** The STAR move by YE26 is supported by a free float that is well above the minimum requirement of 35% when including First SICAV's 9.4% stake (free float ex-First SICAV at 30.2%). The adoption of IAS/IFRS should not materially change the P&L: the IFRS 16 benefit on EBITDA (c.€0.6mn/year from lease accounting) should be partially offset by the IFRS 2 impact (stock grant cost of c.€0.3mn/year), while the increase in intangible amortisation (c.€1mn) should be largely offset by the elimination of goodwill amortisation, which under IFRS is replaced by annual impairment testing.
- Change in estimates.** We are updating our estimates to reflect: a) stronger FY25 sales momentum, b) the IAS/IFRS 16 transition (cash-neutral), c) less bullish margin progression in FY27-28, d) a new investment cycle in FY27 (~€15mn) for new DC capacity, in addition to the €9mn already planned for FY25-26, resulting in higher D&A and mid-single-digit cuts in EPS for 2026 and low-teen cuts for FY27-28.
- BUY confirmed; target still €16.0.** Preliminary sales confirmed underlying growth of over 8%, reinforcing our constructive view for 2026 (~€60mn sales, +8% YoY). We also expect Data Centre revenues (now >3% of the total) to accelerate further, supported by strong demand for dedicated infrastructure solutions. In addition, management's ambition to move to the STAR segment by year-end provides a clear corporate catalyst. Meanwhile, the company is well placed to pursue differentiation opportunities in adjacent segments, with further upside potential from M&A. Its proprietary network and loyal customer base remain valuable strategic assets, enhancing its positioning in a potential market-consolidation phase. The stock is currently trading at c.6x EV/EBITDA'26 (Unidata c.4x, TLC Sector c.6x).

Key Figures & Ratios	2024A	2025E	2026E	2027E	2028E
Sales (Eu mn)	56	56	61	64	68
EBITDA Adj (Eu mn)	24	26	28	30	31
Net Profit Adj (Eu mn)	7	7	9	10	11
EPS New Adj (Eu)	0.434	0.471	0.546	0.612	0.677
EPS Old Adj (Eu)	0.434	0.458	0.574	0.694	
DPS (Eu)	0.100	0.118	0.120	0.122	0.135
EV/EBITDA Adj	8.4	7.8	6.3	6.0	5.2
EV/EBIT Adj	17.2	16.2	12.4	11.5	9.8
P/E Adj	20.3	18.7	16.1	14.4	13.0
Div. Yield	1.1%	1.3%	1.4%	1.4%	1.5%
Net Debt/EBITDA Adj	1.4	1.6	1.3	1.3	0.8

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 16 March 2026 Intermonte's Research Department covered 131 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.06%
OUTPERFORM:	38.17%
NEUTRAL:	29.77%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (76 in total) is as follows:

BUY:	52.63%
OUTPERFORM:	27.63%
NEUTRAL:	18.42%
UNDERPERFORM:	01.32%
SELL:	00.00%

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