



## Press Release

### **INWIT BOARD OF DIRECTORS EXAMINES AND APPROVES THE HALF YEAR FINANCIAL REPORT AT JUNE 30, 2019**

- ▶ REVENUES: 195.9 MILLION EUROS. EXCLUDING ONE-OFF REVENUES, THEY TOTAL 191.0 MILLION EUROS, UP 3.3% COMPARED WITH THE SAME PERIOD IN 2018
- ▶ EBITDA: 171.8 MILLION EUROS. ADOPTING EQUAL ACCOUNTING STANDARDS AND EXCLUDING ONE-OFF REVENUES, IT TOTALS 107.7 MILLION EUROS, UP 3.9% COMPARED WITH THE SAME PERIOD IN 2018
- ▶ NET INCOME: 69.2 MILLION EUROS. ADOPTING EQUAL ACCOUNTING STANDARDS AND EXCLUDING ONE-OFF REVENUES, IT TOTALS 72.8 MILLION EUROS, UP 2.6% COMPARED WITH THE SAME PERIOD IN 2018
- ▶ RECURRING FREE CASH FLOW IN 1H 2019 IS 108.2 MILLION EUROS, UP 6.7% YEAR ON YEAR (+6.1% EXCLUDING ONE-OFF REVENUES)
- ▶ 1H INVESTMENTS TOTAL 19.6 MILLION EUROS (DOWN 24.7% YEAR ON YEAR)
- ▶ NET FINANCIAL DEBT (AS PER ESMA RECOMMENDATIONS) AT 30 JUNE IS 744.3 MILLION EUROS. ADOPTING EQUAL ACCOUNTING STANDARDS, IT IS 95.9 MILLION EUROS (UP 47.6 MILLION EUROS COMPARED WITH END OF 2018)
- ▶ FERIGO: “INWIT IS HEADING TOWARDS A MERGER WITH VODAFONE TOWERS SUPPORTED BY AN INDUSTRIAL PERFORMANCE THAT CONTINUES TO ENSURE ITS GROWTH, ESPECIALLY IN THE SECTOR OF NEW BUSINESSES”

Rome, 29 July 2019

The Board of Directors of Infrastrutture Wireless Italiane S.p.A. (INWIT) met today, chaired by Piergiorgio Peluso, and examined and approved the half-year financial report at 30 June 2019.

#### **Main results at 30 June 2019**

In 1H 2019, INWIT confirmed its gradually growing trend, in terms of turnover in the sector of the main national radio-mobile operators and in terms of profitability of its own infrastructure, pursuing the process reducing passive lease costs.

The adoption of the IFRS16 accounting standard as of 2019 has modified the breakdown of the main economic and equity indicators, making the comparison with the results of the previous periods not very immediate.

#### **Infrastrutture Wireless italiane S.p.A.**

Gruppo Telecom Italia - Direzione e coordinamento Telecom Italia S.p.A.

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More detailed figures for 1H 2019 show the following:

- **revenues** totalled 195,877 thousand Euros, up 3.7% compared with the same period 2018 (188,909 thousand). The six-month periods taken into consideration include one-off revenues (totalling 4,830 thousand Euros in 1H 2019 and 3,933 thousand Euros in 1H 2018). Net of such items, the year-on-year comparison with 1H 2018 shows a 3.3% growth;
- **EBITDA** totalled 171,830 thousand Euros, up 59.8% compared with 1H 2018 (+61.2% excluding one-off revenues). Such figure benefits, for a total of 59,296 thousand Euros, from the adoption of the IFRS16 accounting standard;
- **the comparable EBITDA** of 1H 2019 – calculated by adopting the aforesaid accounting standards – totalled 112,534 thousand Euros, up 4.6% (+3.9% net of the aforesaid one-off revenues) compared with 1H 2018;
- **EBIT** was 109,526 thousand Euros, up 9.2% (+8.7%, excluding the mentioned one-off revenues) compared with 1H 2018;
- **the comparable EBIT** of 1H 2019 totalled 103,988 thousand Euros, up 3.7% (+2.9% net of the mentioned one-off revenues) versus 1H 2018;
- **The period result** totalled 69,237 thousand Euros, down 1.3% compared with the same period in 2018 (-2.8% excluding the mentioned one-off revenues);
- **The comparable period result** totalled 72,773 thousand Euros, up 3.7% (+2.6% net of the mentioned one-off revenues) compared with 1H 2018;
- **Net Financial Debt** was 744,146 thousand Euros, 648,425 thousand of which deriving from the implementation of the new IFRS16 accounting standard. Excluding such impact, the adjusted Net Financial Debt would be 95,721 thousand Euros, up 47,633 thousand Euros compared with 31 December 2018.

CEO Giovanni Ferigo commented as follows: “Inwit is heading towards a merger with Vodafone Towers backed by an industrial performance that continues to guarantee its growth, especially in the new businesses sector. In fact, this is the seventeenth quarter in which we can boast growth, in terms of both financial and industrial performance. Once again, the results show how much this strategy factors into the growth process: demand is still strong and will be even more so in the 5G era.

We are certain that the evolution of 5G technology will drive a further growth of the tower operators’ business: it is through platforms such as Inwit that all operators will be able to complete 5G coverage more swiftly, thus remarkably saving costs and ensuring an increasingly relevant flow for Inwit”.

## Foreseeable evolution of management in the financial year 2019

The wireless infrastructure market continues its process of radical change, as demand for services increases, both from mobile operators and from other radio network operators.

Mobile operators must increase the number of their service access points in order to extend their 4G coverage and to prepare for the shift from 4G to 5G technology.

Fixed Wireless Access providers are also enlarging their networks to extend coverage and to enhance the quality of the services offered to clients.

Other radio network operators such as IoT and Public Safety providers have already entered the market and the advent of new players, specialised in specific product/market relations is expected, owing to the innovative use models made possible by 5G technology. These market trends, together with the operators’ increasing availability to share these network infrastructure elements allow INWIT to foresee a further growth of traditional business and a boost of new businesses.

With reference to the merger with Vodafone Towers, please read the press release issued on 26 July 2019.

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The manager in charge of the drafting of corporate accounting documents, Mr Rafael Giorgio Perrino, declares – pursuant to paragraph 2, article 154 bis of the Consolidated Financial Act – that the financial disclosure document attached to this press release corresponds to the results shown in the accounting records and books.

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*INWIT voluntarily drafts and publishes the Interim Financial Reports of the first and third quarter of each financial year. The half-year Financial Report at 30 June 2019 includes the Abbreviated Financial Statement at 30 June 2019, drafted in compliance with the IFRS accounting standards issued by the IASB and transposed by the EU and particularly in compliance with IAS 34 Interim Financial Reporting.*

*The Abbreviated Financial Report at 30 June 2019 undergoes a limited accounting audit.*

*The accounting standards adopted for drafting the half-year Financial Report at 30 June 2019 are consistent with the ones adopted for the drafting of the Financial Statement at 31 December 2018 (which are the ones to be referred to, with the exception of the adjustments required by the nature of infra-annual calculations for the adoption of the new IFRS16 accounting principle [Leasing], adopted on 1 January 2019 with a simplified retrospective approach – namely, without redetermining the comparative data of previous financial years), whose effects are illustrated in the chapter “Adoption of the new IFRS 16 standard (Leasing)” as set forth under the Half-Year Financial Report at 30 June 2019, which should be referred to for further details.*

*In order to ensure the comparability of economic and equity results of the first six months of 2019 with the corresponding period of the previous financial year, this press release also lists the economic data and the main equity results of the first six months of 2019, drafted in such a way to make them comparable, using the previous accounting standard IAS 17 (Leasing) and the relevant Interpretations (IFRIC 4, SIC 15 and SIC 27), in order to make a distinction between operational and financial leasing and therefore of the subsequent entering of passive lease contracts in the books.*

*Aside from the conventional financial indicators envisaged by IFRS, Inwit uses some alternative performance indicators, so as to ensure a better assessment of the economic management trend and of the equity and financial situation. The meaning and contents of such indicators are illustrated in the attached document.*

*We also point out that the paragraph “Foreseeable evolution of management in the financial year 2019” contains forward-looking statements concerning the Company’s intentions, convictions or actual expectations with reference to the financial results and to other aspects of the Company’s activities and strategies. The reader of this press release must not unduly rely on these predictive declarations, since the final results may differ considerably from the ones disclosed in such predictions, because of several factors, most of which are beyond the Company’s control.*

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