

## INWIT: BOARD OF DIRECTORS EXAMINED AND APPROVED THE INTERIM REPORT ON OPERATIONS AS OF 31 MARCH 2020

- ▶ **REVENUES:** UP BY 8.5% ON Q1 2019 TO 103 MILLION EUROS, OR 1.3% NET OF A NUMBER OF “NON-RECURRING” REVENUES.
- ▶ **EBITDA:** 88 MILLION EUROS, UP BY 6.3% ON THE SAME PERIOD OF 2019. NET OF THE AFOREMENTIONED “NON-RECURRING” REVENUES AND “NON-RECURRING” EXPENDITURE, THE GROWTH IS 4.1%.
- ▶ **EBIT:** STANDS AT 56.7 MILLION EUROS, UP BY 9.6% ON Q1 2019.
- ▶ **NET PROFITS:** THE PERIOD RESULT COMES TO 33.5 MILLION EUROS, UP 3.5%.
- ▶ **RECURRING FREE CASH FLOW:** UP BY 16.2% ON Q1 2019 TO 50.3 MILLION EUROS.
- ▶ **FERIGO:** “THE LARGEST INFRASTRUCTURE OPERATOR IS FULLY OPERATIONAL TO SUPPORT THE DEVELOPMENT OF THE COUNTRY AND ITALIAN TELECOMMUNICATIONS. NO SIGNIFICANT IMPACT FROM THE PANDEMIC”.

*Rome, 11 May 2020*

The Board of Directors of **Infrastrutture Wireless Italiane S.p.A. (INWIT)**, met today, chaired by Emanuele Tournon, and examined and approved the Interim Report on Operations as of 31 March 2020.

### Main Results at 31 March 2020

- **Revenues** stand at 103 million euros, up 8.5% on the same period of 2019 (94.9 million euros). It is important to note that there were non-recurring revenues in the 2020 quarter. In particular, for March 2020, they amounted to 6.8 million euros (accounting for active contracts that expired prematurely). Net of these items, the comparison with the same period of 2019 shows growth of 1.3%;
- **EBITDA** is 88 million euros, up by 6.3% on FY 2019. This increase falls to 4.1% if the aforementioned non-recurring revenues and the non-recurring costs of the transaction with Vodafone Towers of 5 million euros are excluded;

- EBIT is 56.7 million euros, an increase of 9.6% on the same period of 2019. Excluding the aforementioned non-recurring revenues/costs, the increase on the same period of 2019 was instead 6.1%;
- The **earnings for the period** stand at 33.5 million euros, up by 3.5% on the same period of 2019 (-2.1% excluding the aforementioned non-recurring revenues/costs);
- Business **investments** for the period came to 8 million euros, up 6.2% on Q1 2019;
- **Recurring free cash flow** for the first quarter of 2020 - as defined in the financial statements documents - comes to 50.3 million euros, up 16.2% on the same period of 2019;
- The **net financial debt** amounts to 3.258 billion euros. Compared to December 2019 (when it was 712.1 million euros), the increase is due both to the loan agreement entered into with a pool of banks, 2.150 billion of which was used to purchase the investment in Vodafone Towers, and to the IFRS16 financial debt relative to the contribution by Vodafone Towers S.r.l. (amounting to 439.3 million euros).

## Industrial activities

During the first quarter of 2020, INWIT continued to consolidate its position in all industrial activities. In particular, the **Tenancy Ratio** (operators per individual site) grew to 1.96 (1.89 in March 2019).

Compared to the same period of 2019, there was a 9% increase in **new sites** created, the number of which rose to 600.

Also compared to Q1 2019, the presence of small **cell and DAS** mobile micro coverage systems increased by 35%, while **backhauling** sections (sites reached by optical fibre to optimise capacity) increased by 1.7 times.

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## The new INWIT

The merger between INWIT and Vodafone Towers was completed on 31 March 2020.

This led to the birth of Italy's biggest operator in the sector, which will make access to its infrastructure available to the whole market. INWIT's stock resulting from the merger includes more than 22 thousand sites distributed across the country plus more than 40 thousand tenants. It includes over 3,500 **small cells and DAS systems** and over 1,000 **backhauling** sections, while the Tenancy Ratio of the new INWIT stands at 1.8x per site, with a wide growth margin.

The Company's major technical and managerial know-how is ensured by the use of staff with consolidated specific experience gained over the years within the TIM and Vodafone companies. In addition to the widespread nature and quality of the infrastructure, the key factors of INWIT's competitive positioning are primarily the result of:

- the company's consolidated relationships with the main wireless operators who recognise the relevance of the services offered by INWIT within their value chain;



- the visibility of revenues and significant cash flow generation guaranteed by long-term contracts that can be renewed at expiry;
- inflation rate-indexed contracts;

Based on pro-forma quarterly financial statements, the new INWIT has recorded a turnover of 190.3 million euros, with an EBITDA of 167.1 million euros.

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*“These is the last quarterly report for INWIT as it was established in 2015”, explained CEO Giovanni Ferigo. “As of 31 March, the merger with Vodafone Towers has created Italy’s biggest wireless telecommunication infrastructure operator, which is now fully operational. A new chapter has therefore begun in the history of INWIT. Our more than 22,000 towers constitute a strategic infrastructure that supports the country and all operators – continued Ferigo – that will be developing wireless connections with all the available technologies. The events of the past few months and the consequences of the pandemic are showing that increasingly extensive and high performance connection networks will be essential in the future. Thanks to its capacity to work and operate from a remote position too, INWIT is facing the pandemic without significant repercussions. We completed the merger with Vodafone Towers without delay, being the first to experience completely remote Shareholders’ Meetings, Board of Directors’ meetings and plenary meetings of all employees. Now we are focussed on supporting the development and adjustment of our sites, giving all our necessary support to our customers. The new company’s management team - concluded the CEO - is already working to make INWIT a great story of industrial and financial success”.*

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## Outlook for the 2020 financial year

As a result of the merger with Vodafone Towers S.r.l., INWIT has become the largest operator in the sector in Italy, with the mission of supporting TIM and Vodafone Italia S.p.A. in creating the new network for the development of 5G, also ensuring access to its infrastructure for the entire market.

Meanwhile, the wireless infrastructure market continues to undergo a profound transformation process and a growing demand for services from mobile operators and other radio network players.

Mobile operators need to increase their Service access points to expand their 4G coverage and accomplish the evolution from 4G to 5G.

Fixed Wireless Access providers are also increasing their networks to expand coverage and improve the quality of service offered to customers.

Other radio network players like IoT or Public Safety providers are already in the market and the entrance of new entities specialized in specific product/market segments is expected thanks to the new use cases enabled by 5G. These market dynamics, combined with the growing willingness of operators to share infrastructure, have driven INWIT to forecast additional growth in its traditional business and a sharp acceleration in new businesses.

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The economic and financial results of the INWIT at 31 March 2020 will be illustrated to the financial community during a conference call scheduled for today 11 May 2020 at 6.00 pm (CET). Journalists may listen to the conference call, without asking questions, by calling: +39 0633444. The presentation to support the conference call will be made available in advance in the Investors section of the company website [www.inwit.it](http://www.inwit.it).

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Pursuant to sub-section 2, Article 154-bis of the Consolidated Law on Finance, the Manager responsible for preparing the corporate accounting documents, Diego Galli, has declared that the accounting disclosures contained in this press release correspond to the documentary evidence and the accounting books and records.

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## Disclaimer

INWIT draws up and publishes Interim Reports on Operations for the first and third quarters of each year on a voluntary basis. The Interim Management Report at 31 March 2020 includes the Interim Management Report and the Condensed Financial Statements at 31 March 2020 prepared in accordance with IFRS accounting standards issued by IASB and endorsed by the EU and, in particular, with IAS 34. The accounting effects of the business aggregation with Vodafone Towers S.r.l., defined in accordance with the IFRS 3 accounting standard, have been described in a specific note on the Condensed Financial Statements at 31 March 2020. The Condensed Financial Statements at 31 March 2020 have been subject to a voluntary limited audit.

In addition to the conventional financial indicators envisaged by the IFRS, INWIT uses some alternative performance indicators in order to allow a better assessment of the performance of the economic management and the equity and financial situation.

Also note that the paragraph "Outlook for the year 2020" contains forward-looking statements regarding intentions, beliefs or current expectations of INWIT in relation to the financial results and other aspects of INWIT's activities and strategies. Readers of this press release should not place undue reliance on such forward-looking statements, as final results may differ significantly from those contained in the above-mentioned forecasts owing to a number of factors, the majority of which are beyond the Company's control.

INWIT  
Press Office  
[pressoffice@inwit.it](mailto:pressoffice@inwit.it)

INWIT  
Investor Relations  
+39 06 44084330  
[ir@inwit.it](mailto:ir@inwit.it)