



2Q16 Financial Results

Databook

July 26, 2016

Index

click on the links below

Disclaimer
Key Financials
Operating KPIs
Consensus

Contact

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INWIT Website



Disclaimer

The 2Q16 financial information of INWIT has been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the European Union (designated as “IFRS”).

INWIT was incorporated on January 14, 2015 and the Tower Business was contributed to it from the Telecom Italia Group effective as of April 1, 2015. Therefore the financial information of INWIT does not include comparative information related to the 1H16 of the previous year.

Please note that the Limited Review on the Financial Statements of INWIT as of June 30, 2016 has not yet been completed.

FY14 Pro Forma data pertains to the Prospectus for the IPO and was determined as historical data plus adjustments as if the Transaction had virtually taken place on January 1st, 2014.

For the purpose of the reconciliation 2015 Annualized data has been calculated as 133% of the FY2015 financial results (April-December 2015).

The Consensus table shows the consensus data calculated as the arithmetic average of the most recent estimates of Inwit's key financial data made by some independent analysts. Please note that 14 analysts have updated their estimates following the last results presentation. The consensus data contained in the table have information purposes and do not represent a recommendation or solicitation or invitation to buy, sell or keep Inwit's financial instruments. These data represent forecasts made by these independent analysts and do not represent Inwit's management opinions, estimates or forecasts. Inwit is not liable for the completeness and reliability of the consensus data shown in the table.

Financial figures

Quarterly Profit and Loss

	FY14 Pro- forma ¹	2Q15 (April-June)	3Q15 (July -Sept.)	4Q15 (Oct.-Dec.)	FY15 Reported (9M15 - Apr- Dec.)	FY15 Annualized basis ²	1Q16 (Jan-Mar.)	2Q16 (April-June)
<i>Currency: €m</i>								
Revenues	314.0	79.0	79.8	80.4	239.2	318.9	81.7	83.2
<i>TIM - MSA</i>	253.0	63.3	63.3	63.3	190.0	253.3	63.3	63.3
<i>OLOs</i>	61.0	15.7	16.5	17.1	49.2	65.6	18.2	19.3
<i>New Sites (TIM & OLOs)</i>							0.2	0.6
Operating Expenses	(179.4)	(44.0)	(43.6)	(43.3)	(131.0)	(174.7)	(42.8)	(42.4)
<i>Ground Lease</i>	(154.4)	(38.0)	(38.2)	(36.8)	(113.0)	(150.7)	(35.6)	(35.6)
<i>Other Operating Costs</i>	(20.7)	(4.7)	(4.5)	(5.0)	(14.2)	(19.0)	(5.5)	(5.3)
<i>Personnel Costs</i>	(4.3)	(1.3)	(1.2)	(1.3)	(3.8)	(5.1)	(1.7)	(1.5)
EBITDA	134.6	34.9	36.2	37.1	108.2	144.3	38.9	40.8
<i>D&A</i>	(10.1)	(2.7)	(2.8)	(3.3)	(8.8)	(11.7)	(3.2)	(3.3)
<i>Write-off NBV of dismantled sites</i>	-			(3.9)	(3.9)	(5.2)	-	(0.2)
EBIT	124.5	32.2	33.4	29.9	95.5	127.4	35.7	37.4
<i>Financial Expenses</i>	(3.6)	(0.8)	(1.0)	(1.0)	(2.8)	(3.7)	(0.9)	(0.9)
<i>Taxes & Others</i>	(38.7)	(10.1)	(10.7)	(9.0)	(29.8)	(39.8)	(11.3)	(11.4)
NET INCOME	82.2	21.3	21.7	19.9	62.9	83.9	23.5	25.1
EBITDA Margin		44.2%	45.4%	46.1%	45.2%	45.2%	47.6%	49.0%
TAX rate (on EBIT)		31.4%	32.0%	30.1%	31.2%	31.2%	31.7%	30.5%
Net Income on Sales		27.0%	27.2%	24.8%	26.3%	26.3%	28.8%	30.2%

Financial figures

Profit and Loss								
	[Unaudited]	[Unaudited]	[Unaudited]		[Audited]	[Unaudited]	[Unaudited]	[Unaudited]
	FY14 Pro-forma ¹	3M15 (April-June)	6M15 (April - Sept.)		9M15 (April-Dec.)	FY15 Annualized basis ²	3M16 (Jan- Mar.)	6M16 (Jan - June)
<i>Currency: €m</i>								
Revenues	314.0	79.0	158.8		239.2	318.9	81.7	164.9
<i>TIM - MSA</i>	253.0	63.3	126.7		190.0	253.3	63.3	126.6
<i>OLOs</i>	61.0	15.7	32.1		49.2	65.6	18.2	37.5
<i>New Sites (TIM & OLOs)</i>							0.2	0.8
Operating Expenses	(179.4)	(44.0)	(87.7)		(131.0)	(174.7)	(42.8)	(85.2)
<i>Ground Lease</i>	(154.4)	(38.0)	(76.3)		(113.0)	(150.7)	(35.6)	(72.0)
<i>Personnel Costs</i>	(4.3)	(4.7)	(2.5)		(3.8)	(5.1)	(1.7)	(3.2)
<i>Other Operating Costs</i>	(20.7)	(1.3)	(9.2)		(14.2)	(18.9)	(5.5)	(10.0)
EBITDA	134.6	34.9	71.1		108.2	144.3	38.9	79.7
<i>D&A</i>	(10.1)	(2.7)	(5.5)		(8.8)	(11.7)	(3.2)	(6.5)
<i>Write-off NBV of dismantled sites</i>	-	-	-		(3.9)	(5.2)	-	(0.2)
EBIT	41.5	32.2	65.6		95.5	127.4	35.7	73.1
<i>Financial Expenses</i>	(3.6)	(0.8)	(1.8)		(2.8)	(3.7)	(0.9)	(1.8)
<i>Taxes & Others</i>	(38.7)	(10.1)	(20.8)		(29.8)	(39.8)	(11.3)	(22.7)
NET INCOME	27.4	21.3	43.0		62.9	83.9	23.5	48.6

Note 1: Pro Forma data pertains to the Prospectus for the IPO and was determined as historical data plus adjustments as if the Transaction had virtually taken place on January 1st, 2014

Note 2: For the purpose of the reconciliation, the FY15 Annualized data data has been calculated as 133% of the FY2015 financial results (April-December 2015).

Financial figures

Cash Flow						
		[Unaudited]	[Unaudited]	[Audited]	[Unaudited]	[Unaudited]
	<i>Currency: €m</i>	As of June 30th 2015 (3-mth period)	As of Sept. 30th 2015 (6-mth period)	As of Dec. 31 2015 (9-mth period)	As of March 31 2016	As of June 30th 2016
EBITDA		34.9	71.1	108.2	38.9	79.7
Capex		(1.9)	(1.9)	(12.5)	(3.8)	(11.6)
EBITDA - Investimenti (capex)		33.0	69.2	95.7	35.1	68.1
Var. in trade receivables		(29.4)	(29.6)	(27.6)	(19.0)	(2.5)
Var. in trade payables		13.1	22.1	18.3	6.6	9.8
Var. in other receivables / payables after recl.		1.0	(1.3)	(11.0)	0.1	(1.5)
Net Working Capital of Investees (Brescia Coy)					0.4	0.4
Var. in Post-Employment benefits		-	0.2	0.2	0.1	0.3
Other variations		0.1	(0.1)	(2.5)	(0.1)	(3.8)
Total var. in net working capital		(15.2)	(8.7)	(22.5)	(11.8)	2.8
Operating Free Cash Flow		17.8	60.5	73.2	23.3	70.9
Var. in tax		-	-	-	-	(39.3)
Investment in Brescia Companies		-	-	-	(8.3)	(8.3)
Paid Financial Interest		(0.3)	(0.7)	(1.3)	(0.4)	(0.8)
Free Cash Flow to Equity		17.5	59.8	72.0	14.6	22.5
Dividend Paid						(56.7)
Net Cash Flow		17.5	59.8	72.0	14.6	(34.2)
Net Debt Beginning of Period		120.0	120.0	120.0	48.0	48.0
Net Debt End of Period		102.5	60.2	48.0	33.4	82.3

Financial figures

Balance Sheet							
	[Unaudited]	[Unaudited]	[Unaudited]		[Audited]		[Unaudited] [Unaudited]
Currency: €m	Contribution as of April 1st 2015	As of June 30th 2015	As of Sept. 30th 2015		As of Dec. 31st 2015		As of Mar. 31st 2016 As of June 30th 2016
Goodwill	1,404.0	1,404.0	1,404.0		1,404.0		1,411.8 1,411.8
Tangible assets	183.8	181.1	178.4		186.4		186.7 188.8
Other fixed assets	-	1.9	1.7		4.0		4.6 6.9
Other fixed assets (deferred taxes)	0.1	0.1	0.1		1.1		- -
Fixed assets	1,587.9	1,587.0	1,584.2		1,595.5		1,603.1 1,607.5
Net Working Capital	8.6	23.9	17.3		0.8		1.2 9.5
Current assets/liabilities	8.6	23.9	17.3		0.8		1.2 9.5
ARO fund	(94.5)	(95.0)	(95.3)		(100.3)		(100.8) (99.9)
Other LT Net Assets/liabilities	(1.9)	(12.1)	(22.9)		(5.0)		(3.6) (0.1)
Non-Current assets/liabilities	(96.4)	(107.1)	(118.2)		(105.4)		(104.4) (100.0)
Invested Capital	1,500.0	1,503.8	1,483.2		1,490.9		1,499.9 1,517.0
Share Capital	600.0	600.0	600.0		600.0		600.0 600.0
Distributable Reserves	660.0	660.0	660.0		660.0		723.0 689.2
Legal Reserve	120.0	120.0	120.0		120.0		120.0 120.0
CY P&L (Fully distributable)	-	21.3	43.0		62.9		23.5 25.1
Total Net Equity	1,380.0	1,401.3	1,423.0		1,443.0		1,466.5 1,434.7
Long Term Debt	120.0	119.6	120.0		119.9		120.3 119.7
Cash & Cash equivalents	-	(17.1)	(59.8)		(71.9)		(86.9) (37.4)
Total Net Financial Position	120.0	102.5	60.2		48.0		33.4 82.3
Total sources of financing	1,500.0	1,503.8	1,483.2		1,490.9		1,499.9 1,517.0

Key Performance Indicators

	PF2014	2Q15	3Q15	4Q15	1Q16	2Q16	
<i>Operational KPIs</i>	As of Dec. 31 2014 PF	As of June 30 2015	As of Sept. 30 2016	As of Dec. 31 2015	As of March 31 2016	As of June 30 2016	
Tenancy Ratio	1.55x	1.59x	1.60x	1.62x	1.64x	1.67x	
Number of Tenants (in K)	17.8	18.3	18.4	18.2	18.3	18.6	
Anchor Tenants	11.5	11.5	11.4	11.1	10.9	10.9	
Anchor Tenants - New Sites "on air"			0.03		0.04	0.02	Note 1
Anchor Tenants - Decommissioning			(0.1)	(0.3)	(0.2)		Note 2
OLOs	6.3	6.8	7.0	7.1	7.4	7.7	
OLOs New Tenants		0.5	0.2	0.2	0.3	0.3	
Organic Number of Sites (in K)	11.5	11.5	11.5	11.2	11.1	11.2	
New Sites "on air"			0.03	-	0.04	0.0	Note 3
Dismantled/ Being Dismantled Sites				(0.2)	(0.3)		Note 4

Note 1: New Sites "on air" refers to New Sites completed during the period and already used by clients.
 Note 2: Site where the anchor tenant left, not necessarily dismantled yet || variation every half
 Note 3: Subtract not marketable sites, which are under dismantling and already decommissioned by the MNOs
 Note 4: Site both already dismantled and under dismantling, excluding the ones marked as marketables || all of them are already