



1Q16 Financial Results

Databook

May 3, 2016

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Disclaimer

The 1Q16 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 equivalent period of the previous year.

Please note that the Limited Review on the Financial Statements of INWIT as of March 31, 2016 has not yet been completed.

The 3-month average 2015 financial information (hereafter ‘Avg Quarter FY15’) included in this presentation for comparative purposes was calculated as 33% of the 9-month financial information of INWIT for the year ended December 31, 2015, and is unaudited.

The 3-month 2014 pro forma financial information (hereafter ‘3M14 PF’) included in this presentation for comparative purposes was calculated as 25% of the pro forma financial information of INWIT for the year ended December 31, 2014 as presented in the IPO prospectus and is unaudited.



Section Profit and Loss

	[Unaudited]		[Unaudited]	[Unaudited]	[Audited]	[Unaudited]	[Unaudited]	[Unaudited]	
Currency: €m	FY14 Pro- forma ¹	3M14 PF ²	3M15 (April-June)	6M15 (April - Sept.)	9M15 (April-Dec.)	FY15 Annualized basis ³	Avg Quarter FY15 ⁴	3M16 (Jan- Mar.)	1Q16-Avg. Quarter FY15 Var.
Revenues	314.0	78.5	79.0	158.8	239.2	318.9	79.7	81.7	2.4%
Telecom Italia	253.0	63.3	63.3	126.7	190.0	253.3	63.3	63.5	0.3%
OLOs	61.0	15.3	15.7	32.1	49.2	65.6	16.4	18.2	10.8%
Operating Expenses	(179.4)	(44.9)	(44.1)	(87.7)	(131.0)	(174.7)	(43.7)	(42.8)	-2.1%
Ground Lease	(154.4)	(38.6)	(38.0)	(76.3)	(113.0)	(150.7)	(37.7)	(35.6)	-5.6%
Personnel Costs	(4.3)	(1.1)	(1.3)	(2.5)	(3.8)	(5.1)	(1.3)	(1.7)	34.3%
Other Operating Costs	(20.7)	(5.2)	(4.8)	(9.2)	(14.2)	(18.9)	(4.7)	(5.5)	16.2%
EBITDA	134.6	33.7	34.9	71.1	108.2	144.3	36.1	38.9	7.9%
D&A	(10.1)	(2.5)	(2.7)	(5.5)	(8.8)	(11.7)	(2.9)	(3.2)	10.0%
Write-off NBV of dismantled sites	-	-	-	-	(3.9)	(5.2)	(1.3)	-	-100.0%
EBIT	41.5	31.1	32.2	65.6	95.5	127.4	31.8	35.7	12.1%
Debt Interest	(1.5)	(0.9)	(0.3)	(0.7)	(1.3)	(1.7)	(0.4)	(0.4)	5.6%
Other Interest (non cash items)	(2.1)	-	(0.5)	(1.1)	(1.5)	(2.0)	(0.5)	(0.5)	-9.0%
Taxes	(38.7)	(9.7)	(10.1)	(20.8)	(29.8)	(39.8)	(9.9)	(11.3)	13.3%
NET INCOME	27.4	20.6	21.3	43.0	62.9	83.9	21.0	23.5	12.1%
90% of Net income (full-year base)					56.7			84.7	

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 this reconciliation, the 3M 2014 PF data has been calculated as 25% of PF EBITDA for the year 2014 as reported in the prospectus prepared for the IPO

Note 3: For the purpose of the reconciliation, the FY15 Annualized data data has been calculated as 133% of the FY2015 financial results (April-December 2015).

Note 4: For the purpose of the reconciliation, the Average Quarter FY15 data has been calculated as 33% of the FY2015 financial results (April-December 2015).



Section Cash Flow

	[Unaudited]	[Unaudited]	[Audited]	[Unaudited]
	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
<i>Currency: €m</i>				
EBITDA	34.9	71.1	108.2	38.9
Capex	(1.9)	(1.9)	(12.5)	(3.8)
EBITDA - Investimenti (capex)	33.0	69.2	95.7	35.1
Var. in trade receivables	(29.4)	(29.6)	(27.6)	(19.0)
Var. in trade payables	13.1	22.1	18.3	6.6
Var. in other receivables / payables after recl.	1.0	(1.3)	(11.0)	0.1
Net Working Capital of Investees (Brescia Coy)				0.4
Var. in Post-Employment benefits	(0.0)	0.2	0.2	0.1
Other variations	0.1	(0.1)	(2.5)	(0.1)
Total var. in net working capital	(15.2)	(8.7)	(22.5)	(11.8)
Var. in tax	0.0	0.0	0.0	(0.0)
Operating Free Cash Flow ¹	17.8	60.5	73.2	23.3
Investment in Brescia Companies	-	-	-	(8.3)
Paid Financial Interest	(0.3)	(0.7)	(1.3)	(0.4)
Free Cash Flow to Equity	17.5	59.8	72.0	14.6
Net Debt Beginning of Period	120.0	120.0	120.0	48.0
Net Debt End of Period	102.5	60.2	48.0	33.4
Var. in Net Debt	(17.5)	(59.8)	(72.0)	(14.6)

Nota 1: Include Debt for Brescia Acquisition and NFP of Brescia companies for a total of €2.3m



Section Balance Sheet

	[Unaudited]	[Unaudited]	[Unaudited]	[Audited]	[Unaudited]	
	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	Mar. 31 2016 - Dec 31 2015 Var.
<i>Currency: €m</i>						
Goodwill	1,404.0	1,404.0	1,404.0	1,404.0	1,411.8	7.8
Tangible assets	183.8	181.1	178.4	186.4	186.7	0.3
Other fixed assets	-	1.9	1.7	4.0	4.6	0.6
Other fixed assets (<i>deferred taxes</i>)	0.1	0.1	0.1	1.1	-	(1.1)
Fixed assets	1,587.9	1,587.0	1,584.2	1,595.5	1,603.1	7.6
Net Working Capital	8.6	23.9	17.3	0.8	1.2	0.5
Current assets/liabilities	8.6	23.9	17.3	0.8	1.2	7.5
ARO fund	(94.5)	(95.0)	(95.3)	(100.3)	(100.8)	(0.4)
Other LT Net Assets/liabilities	(1.9)	(12.1)	(22.9)	(5.0)	(3.6)	1.4
Non-Current assets/liabilities	(96.4)	(107.1)	(118.2)	(105.4)	(104.4)	9.0
Invested Capital	1,500.0	1,503.8	1,483.2	1,490.9	1,499.9	16.5
Share Capital	600.0	600.0	600.0	600.0	600.0	-
Distributable Reserves	660.0	660.0	660.0	660.0	723.0	62.9
Legal Reserve	120.0	120.0	120.0	120.0	120.0	-
CY P&L (Fully distributable)	-	21.3	43.0	62.9	23.5	(39.4)
Total Net Equity	1,380.0	1,401.3	1,423.0	1,443.0	1,466.5	23.5
Long Term Debt	120.0	119.6	120.0	119.9	120.3	0.4
Cash & Cash equivalents	-	(17.1)	(59.8)	(71.9)	(86.9)	(14.9)
Total Net Financial Position	120.0	102.5	60.2	48.0	33.4	(14.5)
Total sources of financing	1,500.0	1,503.8	1,483.2	1,490.9	1,499.9	9.0



QUARTERLY PROFIT & LOSS

	[Unaudited]		[Audited]		[Unaudited]		
	FY14 Pro-forma ¹	3M14 PF ²	9M15 (April-Dec.)	Avg Quarter FY15 ³	1Q16 (Jan-Mar.)	1Q16-Avg. Quarter FY15 Var.	1Q16-3M14PF Var.
Currency: €m							
Revenues	314.0	78.5	239.2	79.7	81.7	2.4%	4.0%
Telecom Italia	253.0	63.3	190.0	63.3	63.5	0.3%	0.4%
OLOs	61.0	15.3	49.2	16.4	18.2	10.8%	19.2%
Operating Expenses	(179.4)	(44.9)	(131.0)	(43.7)	(42.8)	-2.1%	-4.6%
Ground Lease	(154.4)	(38.6)	(113.0)	(37.7)	(35.6)	-5.6%	-7.9%
Personnel Costs	(4.3)	(1.1)	(3.8)	(1.3)	(1.7)	34.3%	58.2%
Other Operating Costs	(20.7)	(5.2)	(14.2)	(4.7)	(5.5)	16.2%	6.3%
EBITDA	134.6	33.7	108.2	36.1	38.9	7.9%	15.6%
D&A	(10.1)	(2.5)	(8.8)	(2.9)	(3.2)	10.0%	27.3%
Write-off NBV of dismantled sites	-	-	(3.9)	(1.3)	-	-100.0%	n.a.
EBIT	41.5	31.1	95.5	31.8	35.7	12.1%	14.7%
Debt Interest	(3.6)	(0.9)	(1.3)	(0.4)	(0.4)	5.6%	-50.8%
Other Interest (non cash items)	-	-	(1.5)	(0.5)	(0.5)	-9.0%	n.a.
Taxes	(38.7)	(9.7)	(29.8)	(9.9)	(11.3)	13.3%	16.4%
NET INCOME	27.4	20.6	62.9	21.0	23.5	12.1%	14.5%
EBITDA Margin		42.9%	45.2%	45.2%	47.6%	2.4 pp	4.8 pp
TAX rate (on EBIT)		31.1%	31.2%	31.2%	31.6%	0.3 pp	0.5 pp
Net Income on Sales		26.2%	26.3%	26.3%	28.8%	2.5 pp	2.6 pp

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 this reconciliation, the 3M 2014 PF data has been calculated as 25% of PF EBITDA for the year 2014 as reported in the prospectus prepared for the IPO

Note 3: For the purpose of the reconciliation, the FY15 Average Quarter data has been calculated as 33% of the FY2015 financial results (April-December 2015).



Key Performance Indicators

<i>Operational KPIs</i>	As of Dec. 31 2014 PF	As of Dec. 31 2015	As of March 31 2016
Tenancy Ratio	1.55x	1.62x	1.64x
Number of Tenants (in K)	17.8	18.2	18.3
Anchor Tenants	11.5	11.519	11.1
Anchor Tenants - Decommissioning	-	(0.4)	(0.2)
OLOs	6.3	7.1	7.4
Number of Sites (in K)	11.5	11.2	11.1
Sites - Beginning of Period	11.5	11.5	11.2
New Sites "on air"		0.03	0.05
Dismantled/ Being Dismantled Sites		(0.3)	(0.2)

Note 1: New Sites "on air" refers to New Sites completed during the period and already used by clients.
 Note 2: Dismantled, Being Dismantled Sites refer to sites without tenants subject to decommissioning from Telecom Italia and considered as non marketable.