



March 7<sup>th</sup>, 2018

# FY'17 Financial Results & Plan Update

**INWIT**

# Safe Harbor

This presentation contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of the customer base, estimates regarding future growth of the business, market share, financial results and other aspects of the activities and situations relating to Infrastrutture Wireless Italiane S.p.A. (INWIT). Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected or implied in the forward-looking statements as a result of various factors. Consequently, INWIT makes no representation, whether expressed or implied, as to the conformity of the actual results with those projected in the forward-looking statements.

Forward-looking information is based on certain key assumptions which we believe to be reasonable as of the date hereof, but forward-looking information by its nature involves risks and uncertainties, which are outside our control, and could significantly affect expected results. Analysts and investors are cautioned not to place undue reliance on those forward-looking statements, which speak only as of the date of this presentation. INWIT undertakes no obligation to publicly release the results of any review to these forward-looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes to INWIT business or acquisition strategy or planned capital expenditures or to reflect the occurrence of unanticipated events.

Inwit FY'17 financial information included in this presentation is taken from Inwit Financial Statement at December 31, 2017, drafted in compliance with the International Financial Reporting Standards, issued by the International Accounting Standards Board and endorsed by the European Union (designated as "IFRS"). Such interim financial statements are unaudited.

FY'15 PF is the annualized value of the reported 9M 2015 results, calculated multiplying the reported result by 12/9. The 3-month 2015 financial data (hereafter '2015 Avg Quarter') included in this presentation for comparative purposes was calculated as 33% of Inwit 9-month financial data for the year ended December 31, 2015. For the 3-month 2014 financial data (hereafter "2014 Avg Quarter"), included in this presentation for comparative purposes, Pro-Forma data is reported when historical data is not available. In the latter case, for reconciliation purposes, the average quarter for FY'14 PF data has been calculated as 25% of Pro-Forma data pertaining to the IPO Prospectus and was determined as historical data plus adjustments, as if the Transaction had virtually taken place on January 1, 2014. For reconciliation purposes, the 1Q'15 pro-forma has been calculated as 25% of FY'14 pro-forma data and the 9M'15 pro-forma has been calculated as 1Q'15PF (2014PF divided by 4) plus 2Q'15 and 3Q'15.

Average Lease costs have been calculated as the annualized value (run-rate) of ground lease for third-party contracts, divided by the amount of third-party sites. The organic base Tenancy Ratio has been determined without including the sites currently being dismantled.

It is to be pointed out that this Company was incorporated on January 14, 2015 and started its operations on April 1, 2015. Data pertaining to the same period of the previous Fiscal Year (FY report at December 31, 2015) only include 9 months of operations and therefore cannot be used for comparison purposes.

# A remarkable +17% growth in 2017



## Continuing our path of growth and efficiency

- ▶ **New Tenants drive up revenues:** FY'17 revenues at **+6.9%** YoY
- ▶ **Cost reduction continues:** Lease reduction of **-4.6%** YoY

Tenancy Ratio

**1.82x**

FY'17

## Investment Plan set to fuel future growth

- ▶ **New sites:** **300** Up & Running Out of **500** active/in progress
- ▶ **Small Cells:** **1,000** Up & Running Out of **2,500** active/in progress
- ▶ **Backhauling:** **140** Up & Running Out of **400** active/in progress

Rev from New Sites  
& New Services

**10.5 mln €**

FY'17

## Strong Financials

- ▶ **FY'17 EBITDA at € 192 mln, implying a +53.8% EBITDA margin**
- ▶ **FY'17 CAPEX at 55.4 mln, +57.4% YoY**
- ▶ **Net Financial Position at € 46 mln**

EBITDA GROWTH

**+17.4%**

FY'17 YoY



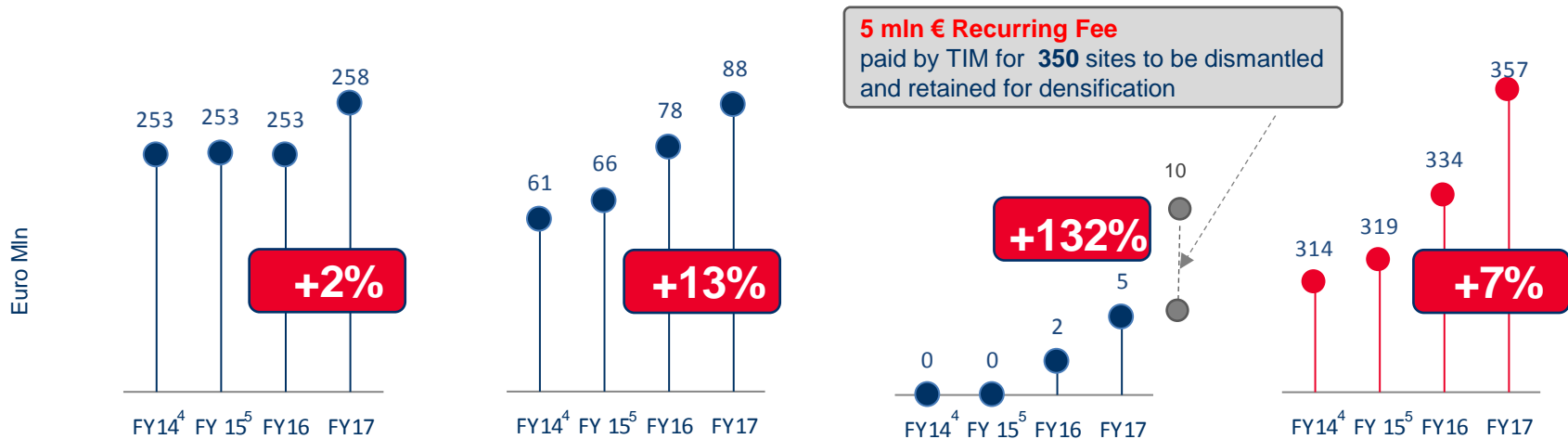
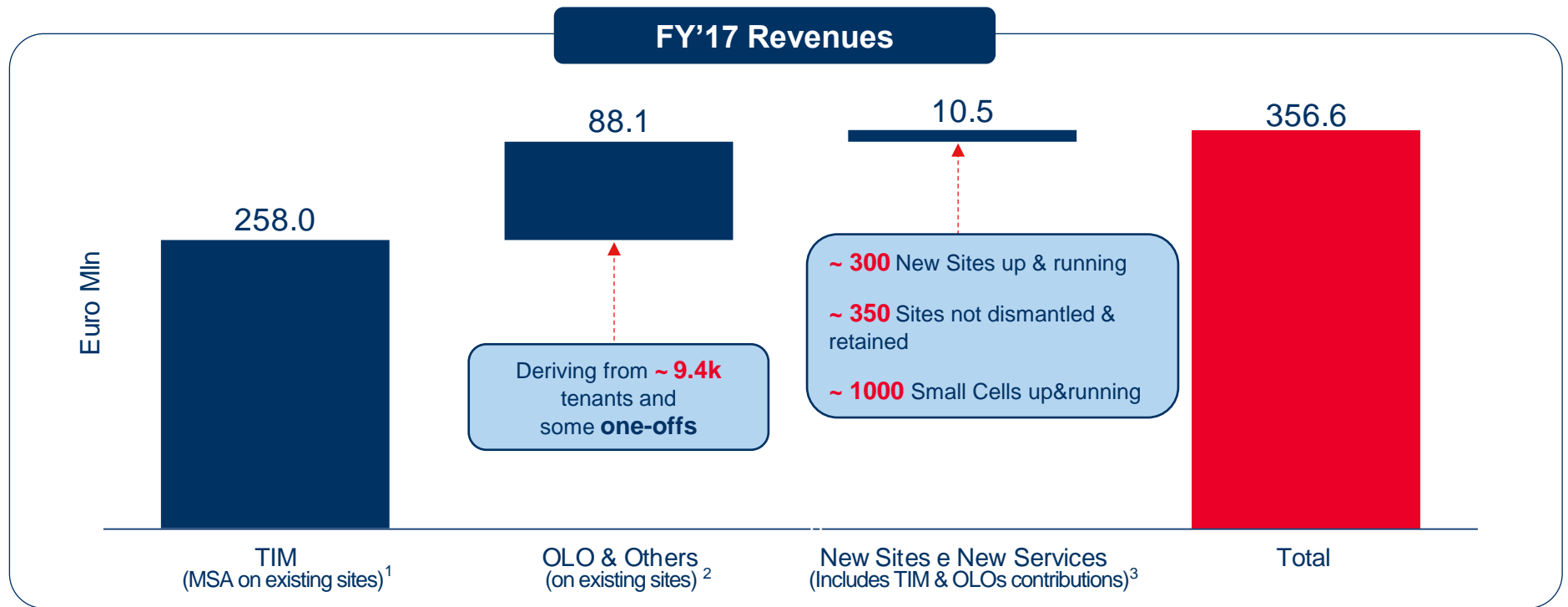
# **FY'17 Financial Results & Plan Update**

## **Industrial Results**

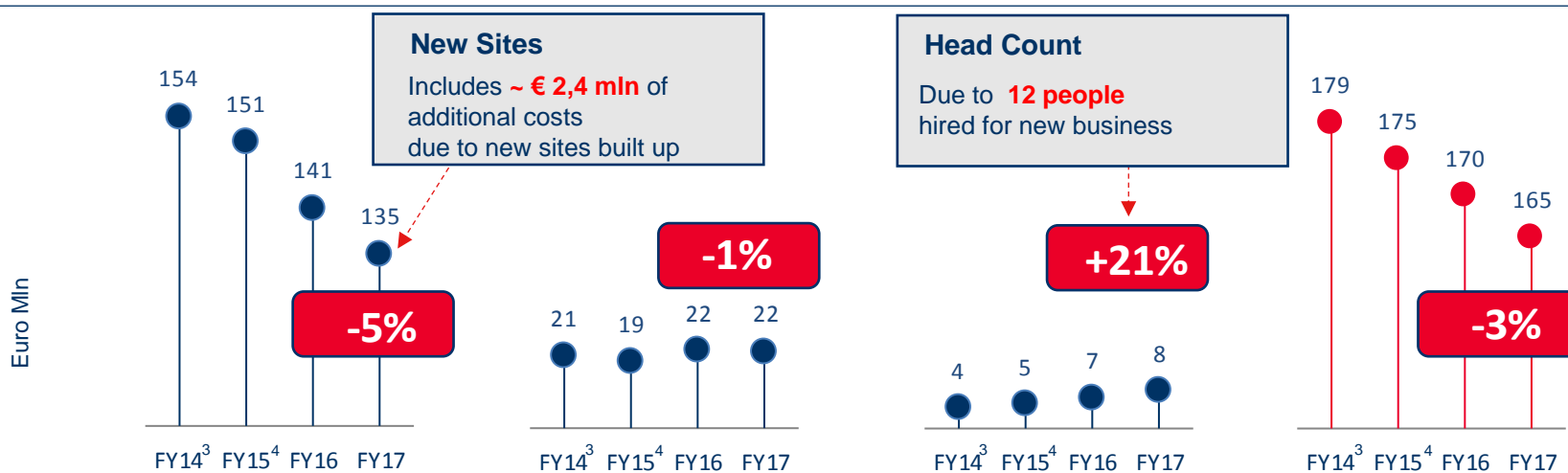
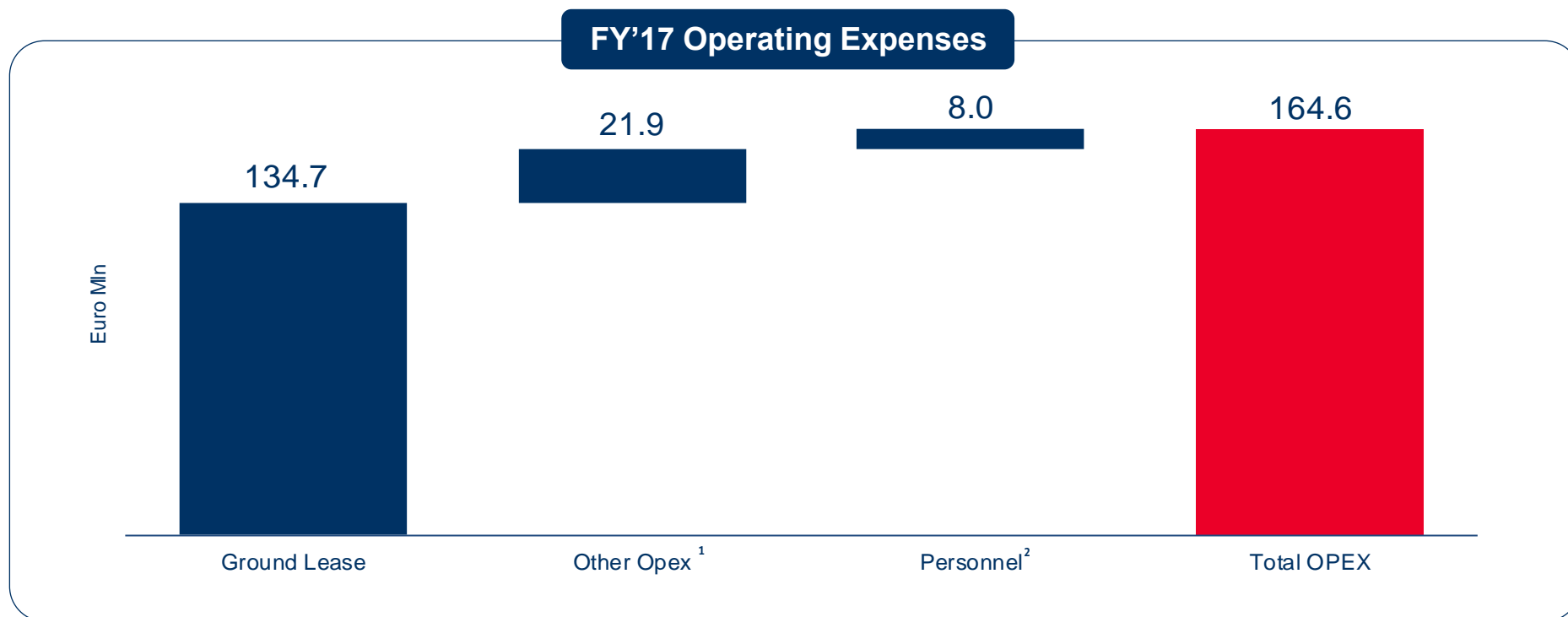
***Oscar Cicchetti – CEO***

***Rafael Perrino – CFO***

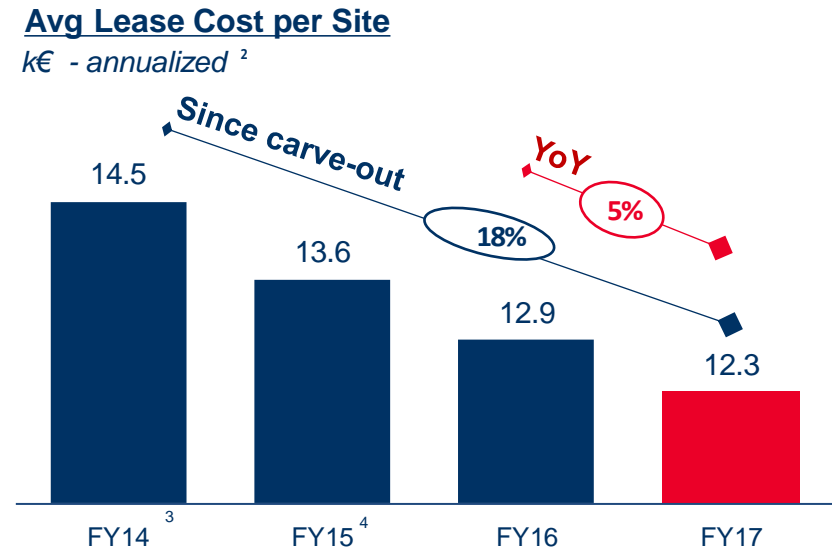
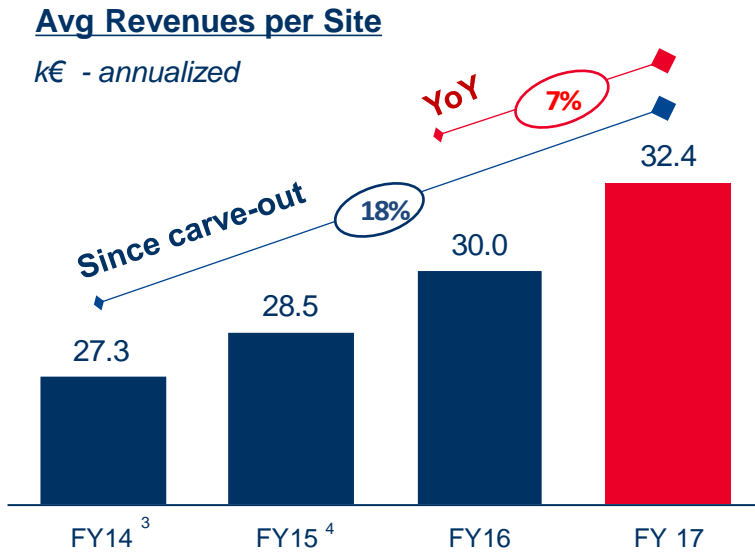
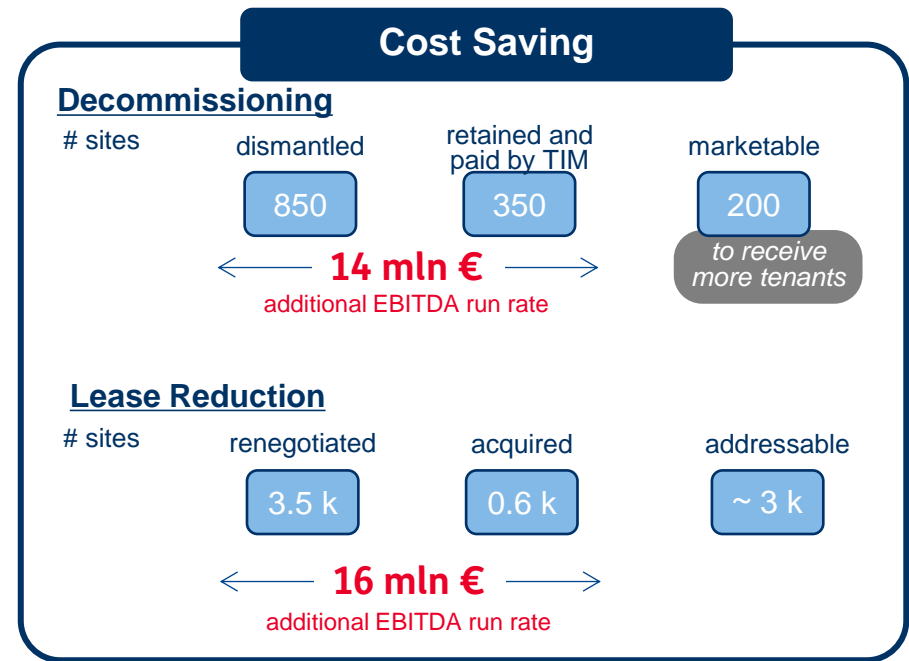
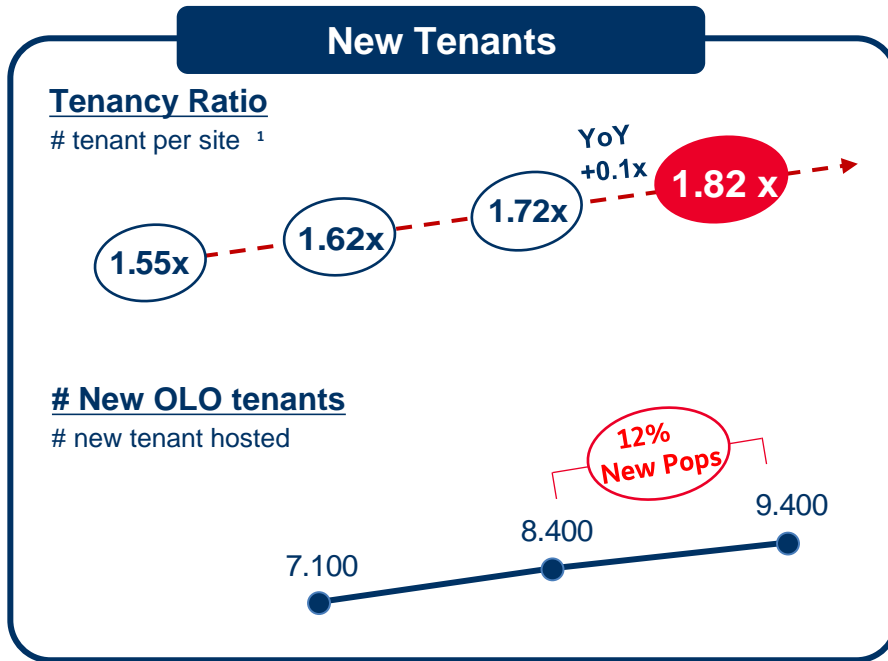
# Revenue growth delivered



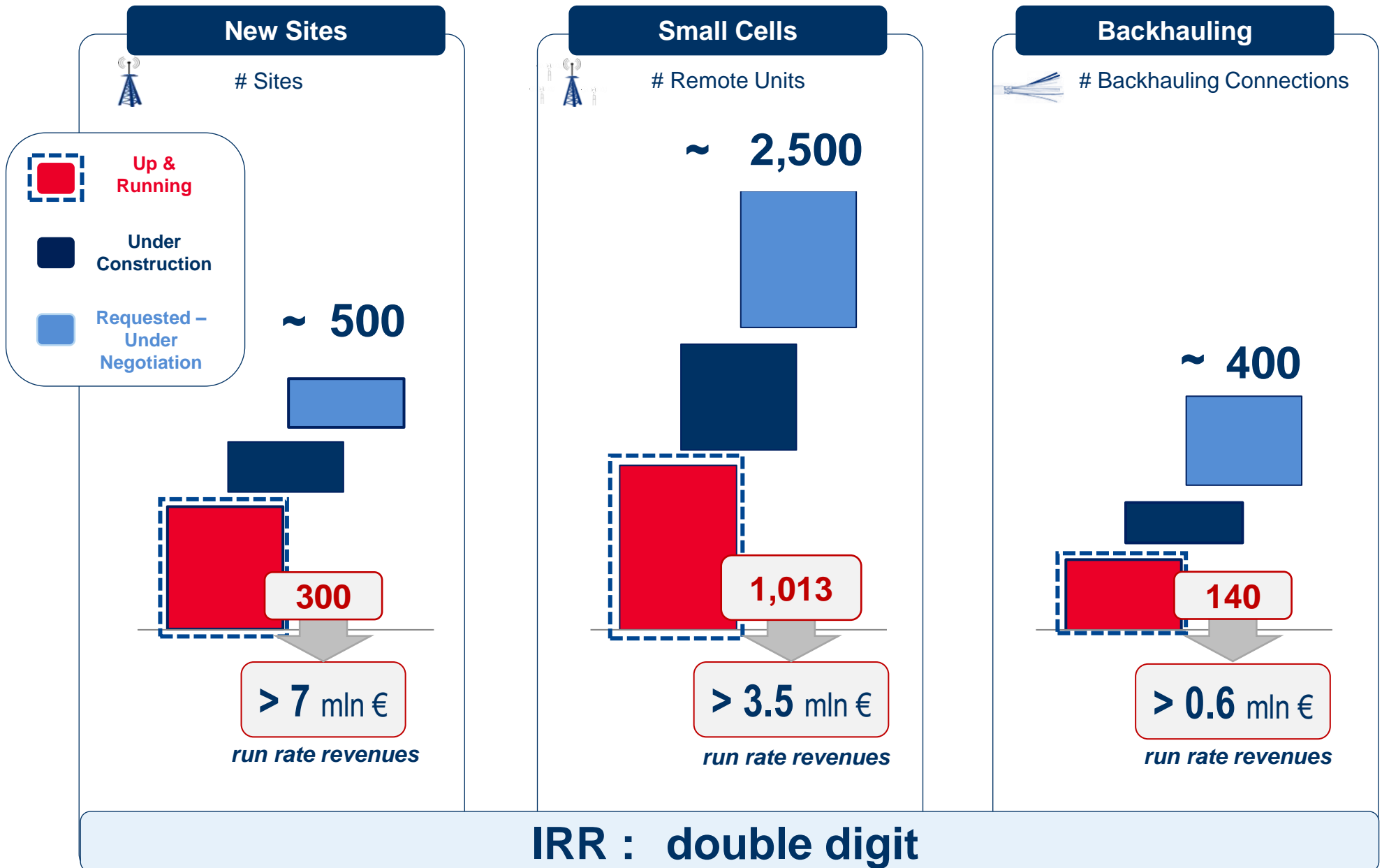
# Additional efficiency secured



# New tenants and Lease reduction key drivers for growth



# New Investments to generate solid additional revenues stream







# **FY'17 Financial Results & Plan Update**

## **Financials**

*Oscar Cicchetti – CEO*

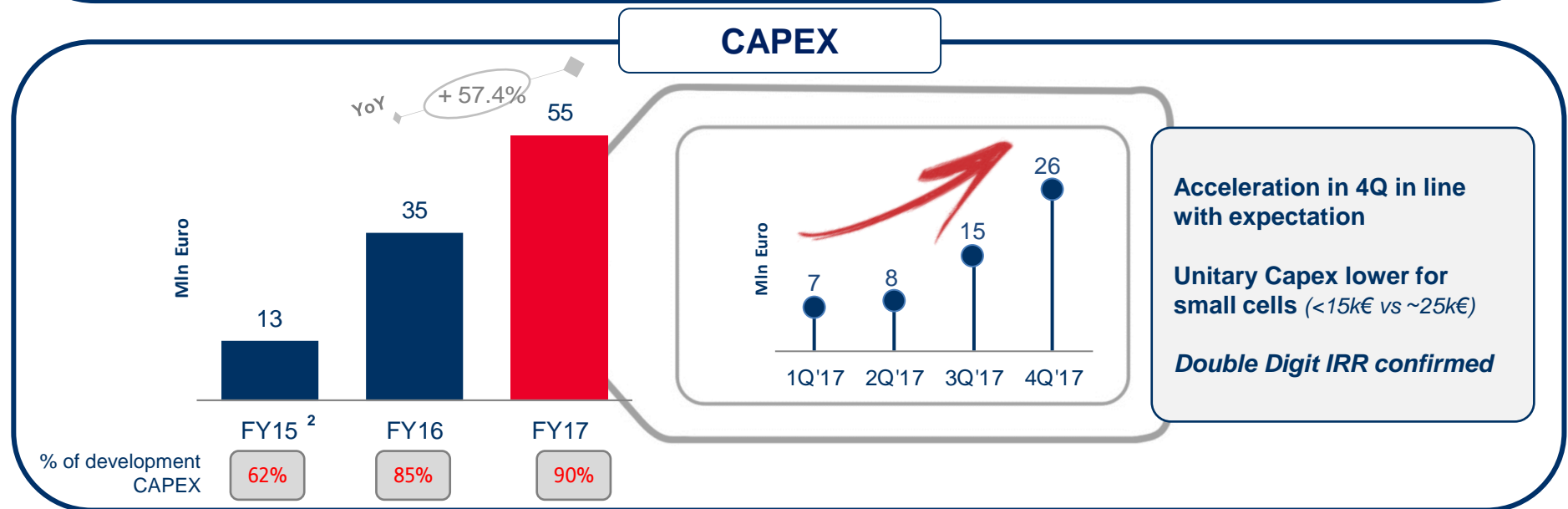
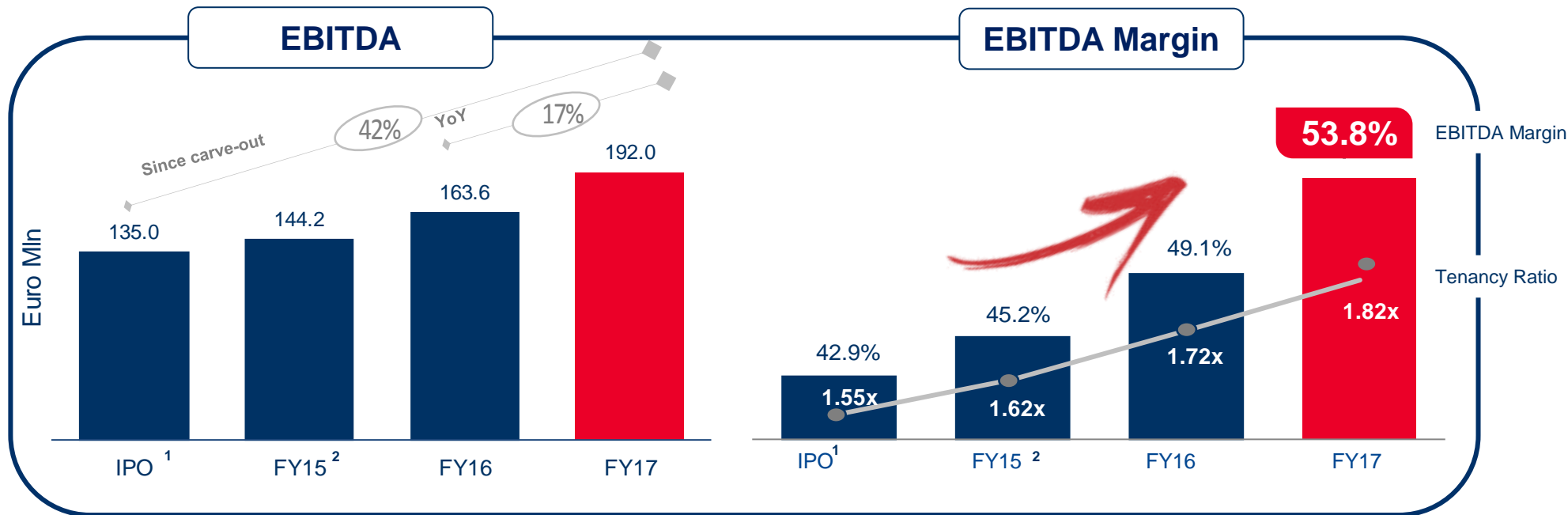
*Rafael Perrino – CFO*

# Sound and positive economic trends in all metrics

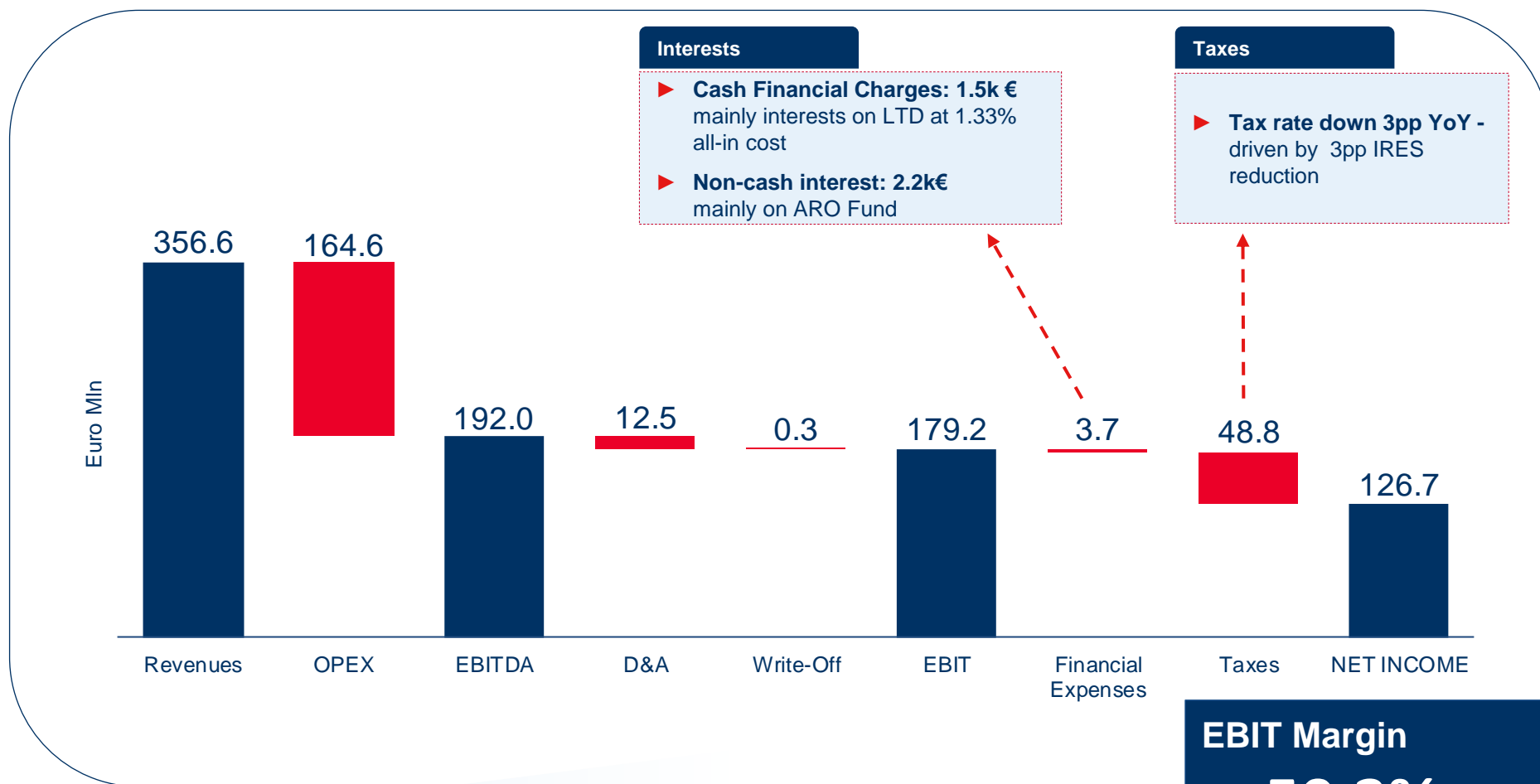
Euro Mln	FY'17	FY'16	YoY %	YoY Abs
<b>Revenues</b>	<b>356.6</b>	<b>333.5</b>	<b>+6.9%</b>	<b>+23.1</b>
TIM (MSA) <sup>1</sup>	258.0	253.0	+2.0%	+5.0
OLOs & others <sup>2</sup>	88.1	78.2	+12.7%	+9.9
New Sites & Small Cells <sup>3</sup>	10.5	2.3	+356.5%	+8.2
<b>OPEX</b>	<b>(164.6)</b>	<b>(169.9)</b>	<b>(3.1%)</b>	<b>+5.3</b>
Ground lease	(134.7)	(141.2)	(4.6%)	+6.5
Other Opex & Accruals <sup>4</sup>	(21.9)	(22.1)	(0.9%)	+0.2
Personnel Costs <sup>5</sup>	(8.0)	(6.6)	+21.2%	(1.4)
<b>EBITDA</b>	<b>192.0</b>	<b>163.6</b>	<b>+17.4%</b>	<b>+28.4</b>
D&A	(12.5)	(13.5)	(7.4%)	+1.0
Write-Off	(0.3)	(2.8)	(90.6%)	+2.5
<b>EBIT</b>	<b>179.2</b>	<b>147.3</b>	<b>+21.7%</b>	<b>+31.9</b>
Financial Expenses	(3.7)	(3.5)	+5.7%	(0.2)
Taxes	(48.8)	(45.8)	+6.5%	(3.0)
<b>NET INCOME</b>	<b>126.7</b>	<b>97.9</b>	<b>+29.5%</b>	<b>+28.8</b>
Capex <sup>6</sup>	(55.4)	(35.2)	+57.4%	(20.2)
<b>OpFCF<sup>7</sup></b>	<b>136.6</b>	<b>135.1</b>	<b>+1.1%</b>	<b>+1.5</b>
<b>Net Debt</b>	<b>45.6</b>	<b>34.3</b>	<b>+33.0%</b>	<b>+11.3</b>



# Main Achievements – Full Year View



# Profit & Loss at December 31<sup>st</sup>, 2017

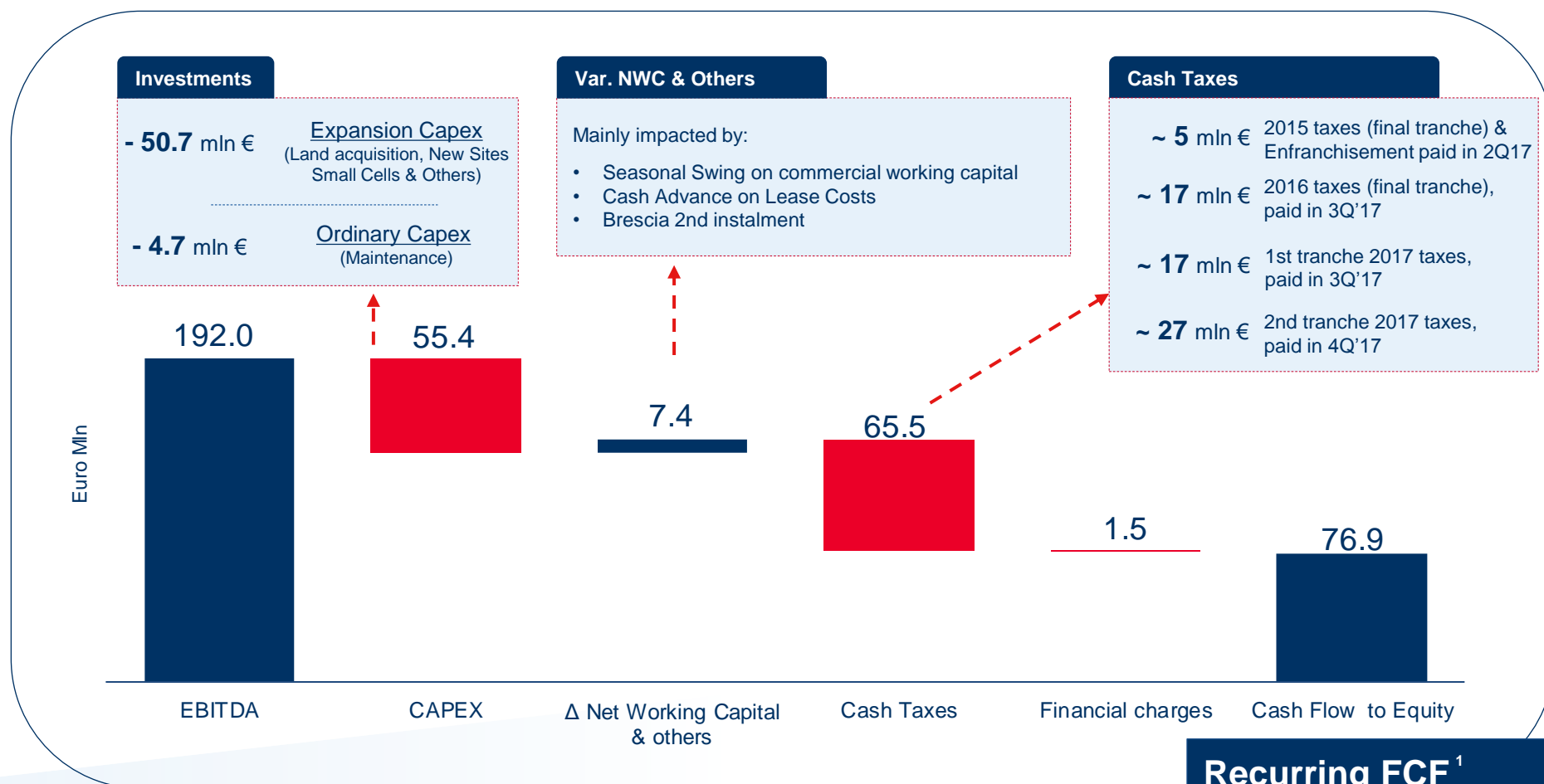


**EBIT Margin**  
**+50.3%**

**EPS<sup>1</sup>**  
**21.1 €cent**

**Solid performance that confirms the growth trajectory**  
**Best in class EBIT Margin**

# Cash Flow at December 31<sup>st</sup>, 2017



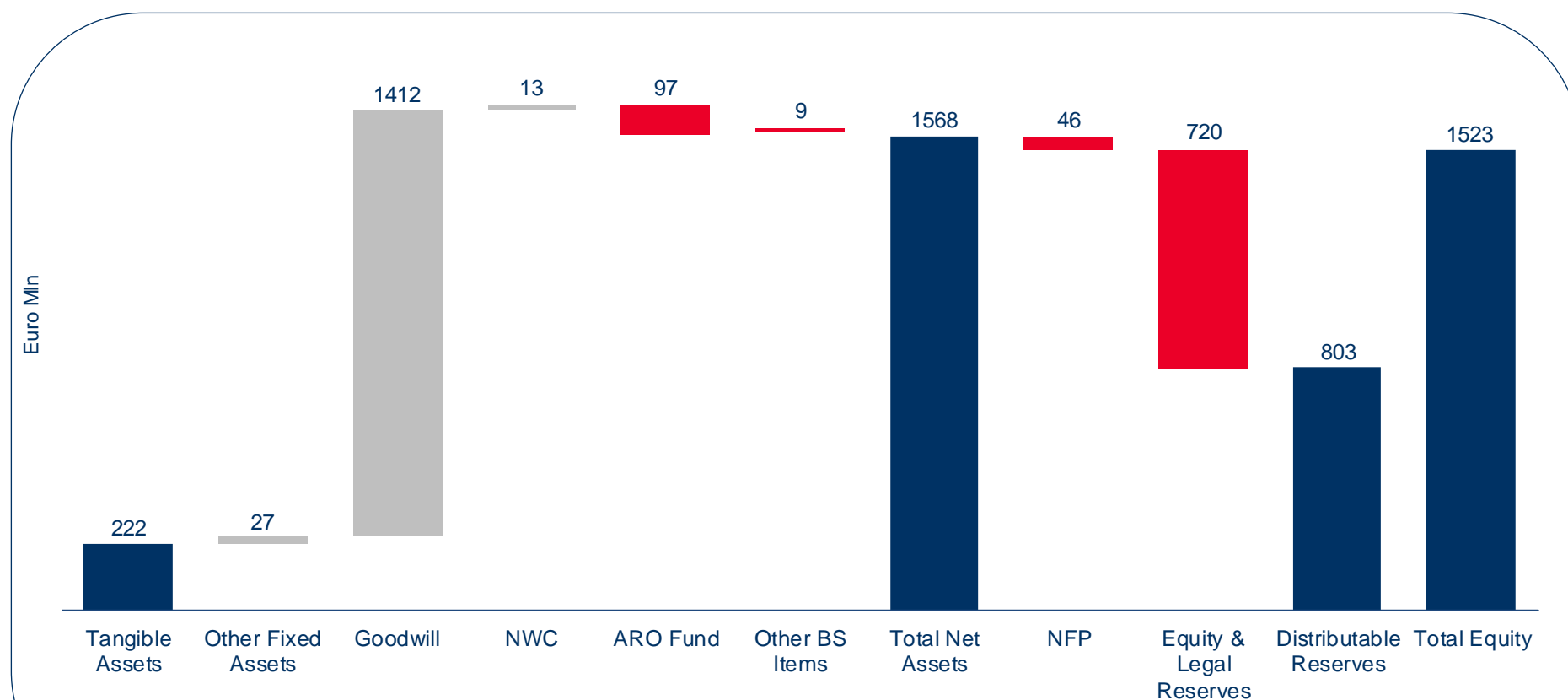
**Positive Cash Flow-to-Equity**, despite increasing investments, allowed a generous dividends' distribution

**2018 dividend proposed: 114 mln €<sup>2</sup>**  
equivalent to 19 euro cent per share, +29% Growth YoY

**Recurring FCF<sup>1</sup>**  
**127.6 mln €**

**Dividend distributed**  
**88.2 mln €**  
Equivalent to 0.15 € / share

# Balance Sheet at December 31<sup>st</sup>, 2017



Net Debt/EBITDA

**0.24x**

Distributable reserves

**803 mln €**

Equivalent to 1.3 € / share

**Intact financial flexibility  
to seize consolidation opportunities**



# FY'17 Financial Results & Plan Update

Plan

*Oscar Cicchetti – CEO*

*Rafael Perrino – CFO*

# Inwit Equity Story reinforced





# Opportunities for growth: OLO contracts

## MORE OLO CONTRACTS

### More tenants from Existing Customers

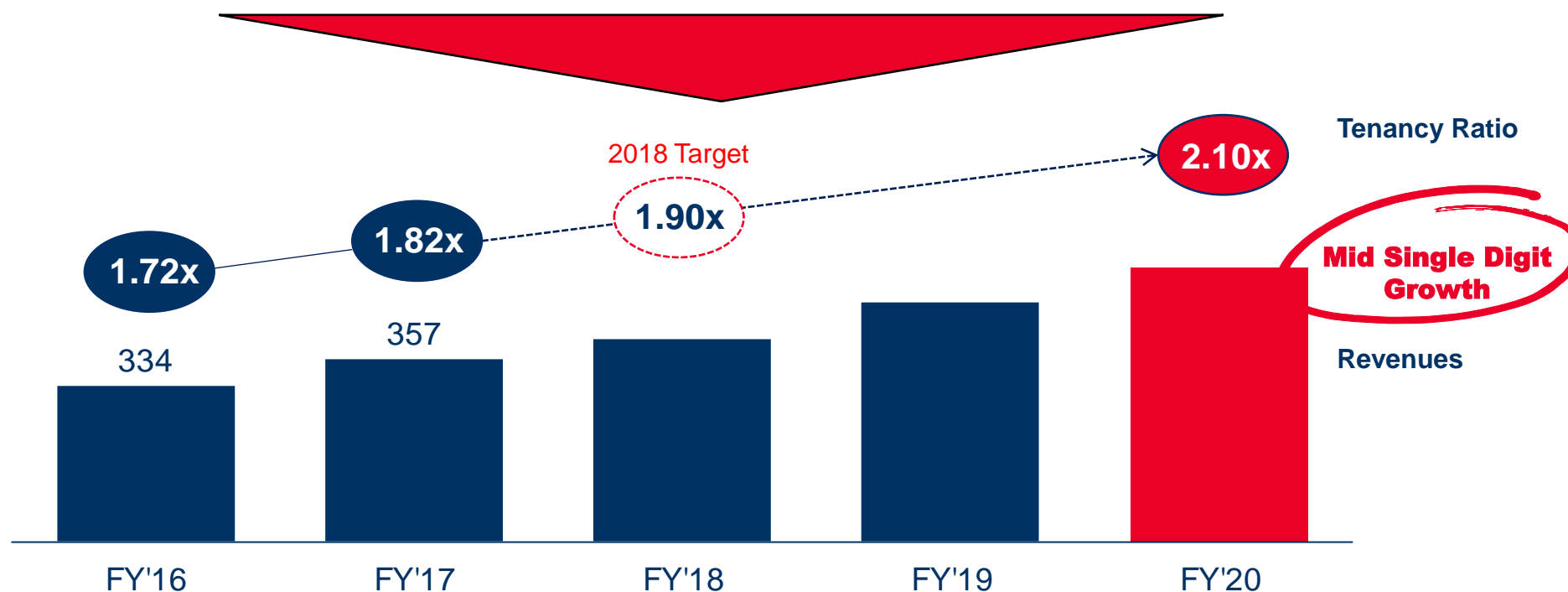
- Leverage on the established relationship to capture additional demand due to network densification needs

### New Prospects

- Address new entrant needs, leveraging on the leadership on the Italian Wireless Infrastructure Market

### Amendments from Existing Customers

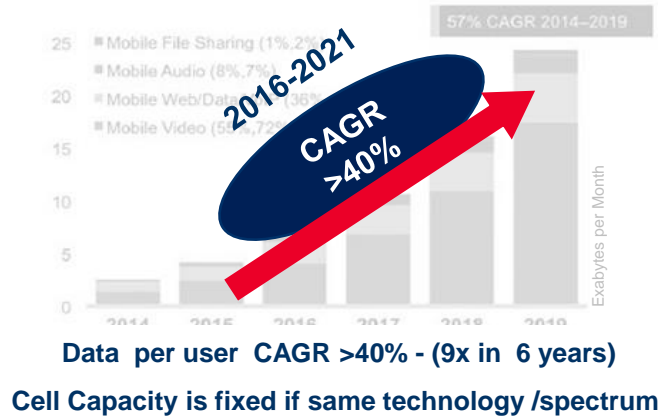
- Fee increase from existing tenants (due to new tech, antenna, freq, etc)



# Opportunities for growth: New businesses

CISCO VNI Jun 17 – ERICSSON Mobility Report Jun 17

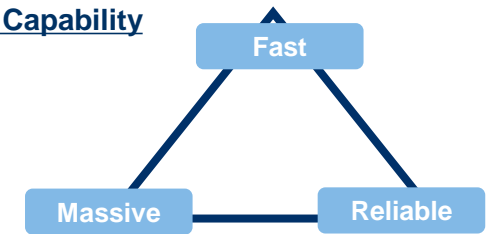
## DATA CONSUMPTION



More Demand

## NETWORK EVOLUTION

### 5G Network Capability



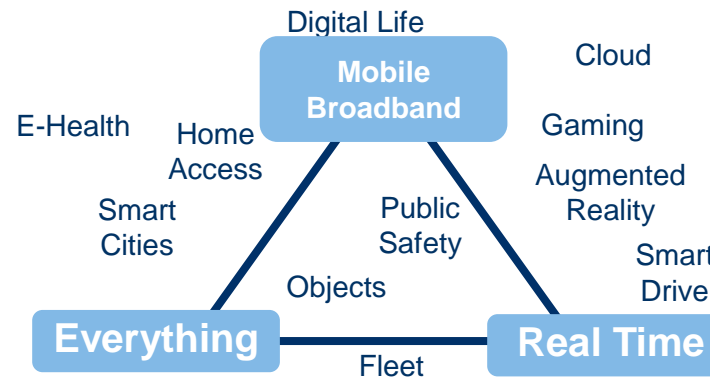
### New Technologies



More Investments

## NEW SERVICES

### New USE CASES



Uncertainties on Monetization

**More Willingness to share infrastructures**

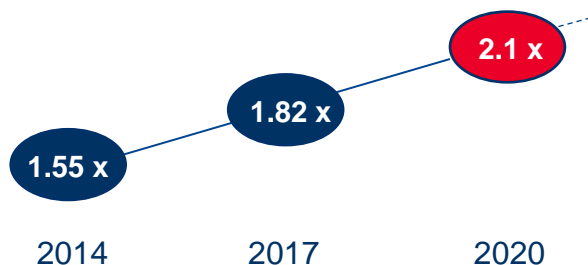
# Opportunities for growth: New businesses

## More Willingness to share infrastructures

### More Customers

- Densification needs of the existing customers
- New Traditional Players (New MNO, New FWA)
- New Radio Players (IoT, Public Safety, etc.)

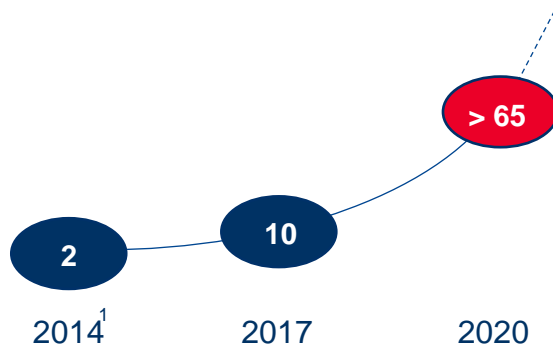
Tenancy ratio



### More Shared Infrastructures

- Small Cells “as a service”
- Shared Fiber Backhauling
- Tower Data Centers
- Active Network Element

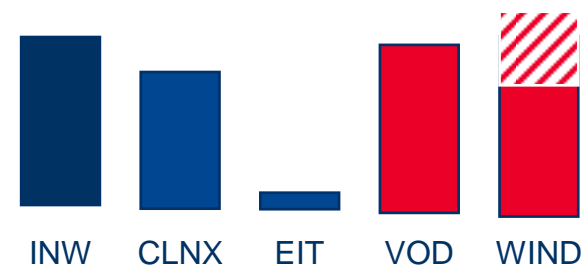
Revenues from new sites & new services  
Mln €



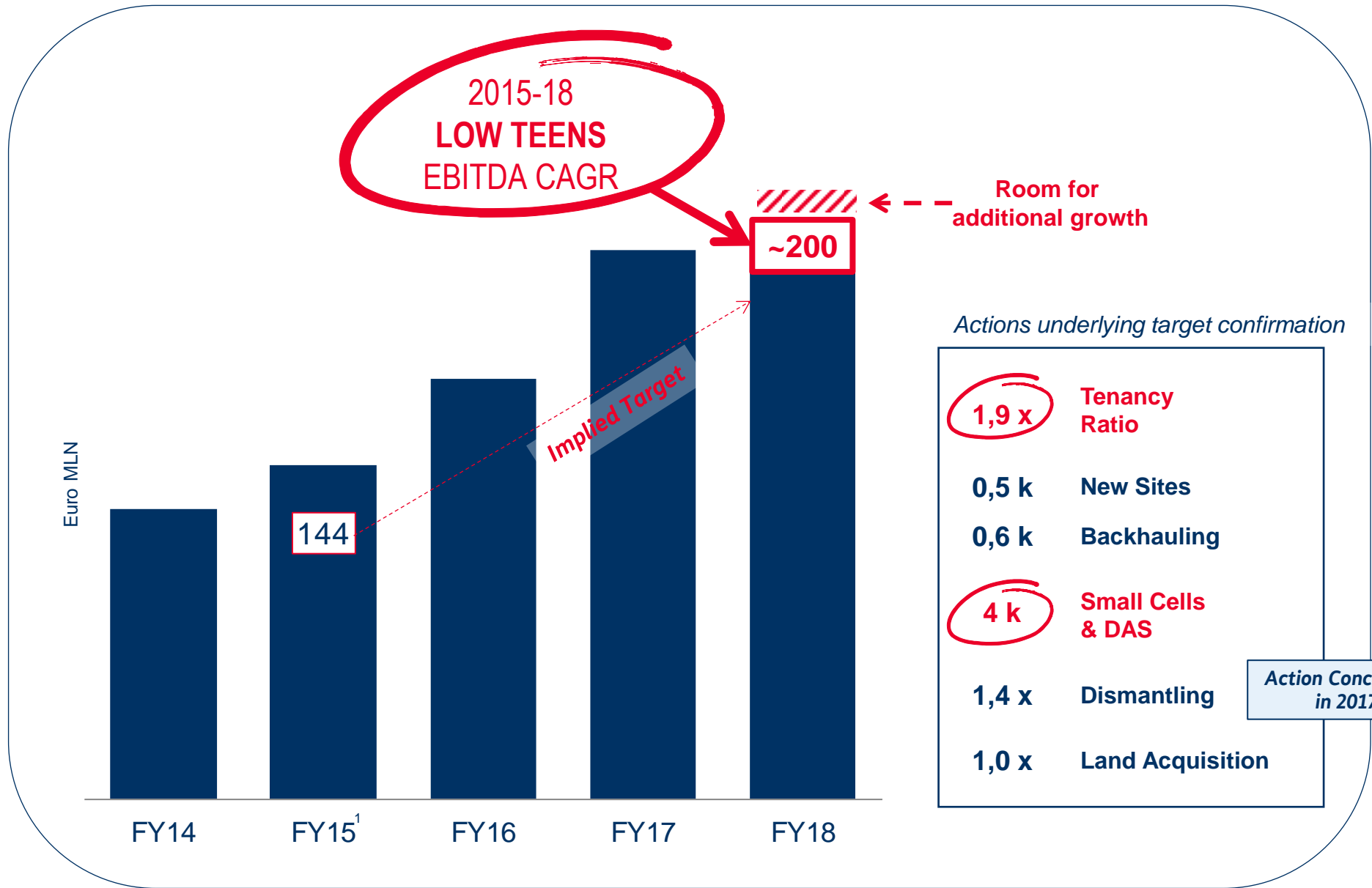
### Consolidation

- New Infrastructures deployed by Towercos
- New Towers from MNOs to TowerCos
- Potential Aggregations among TowerCos

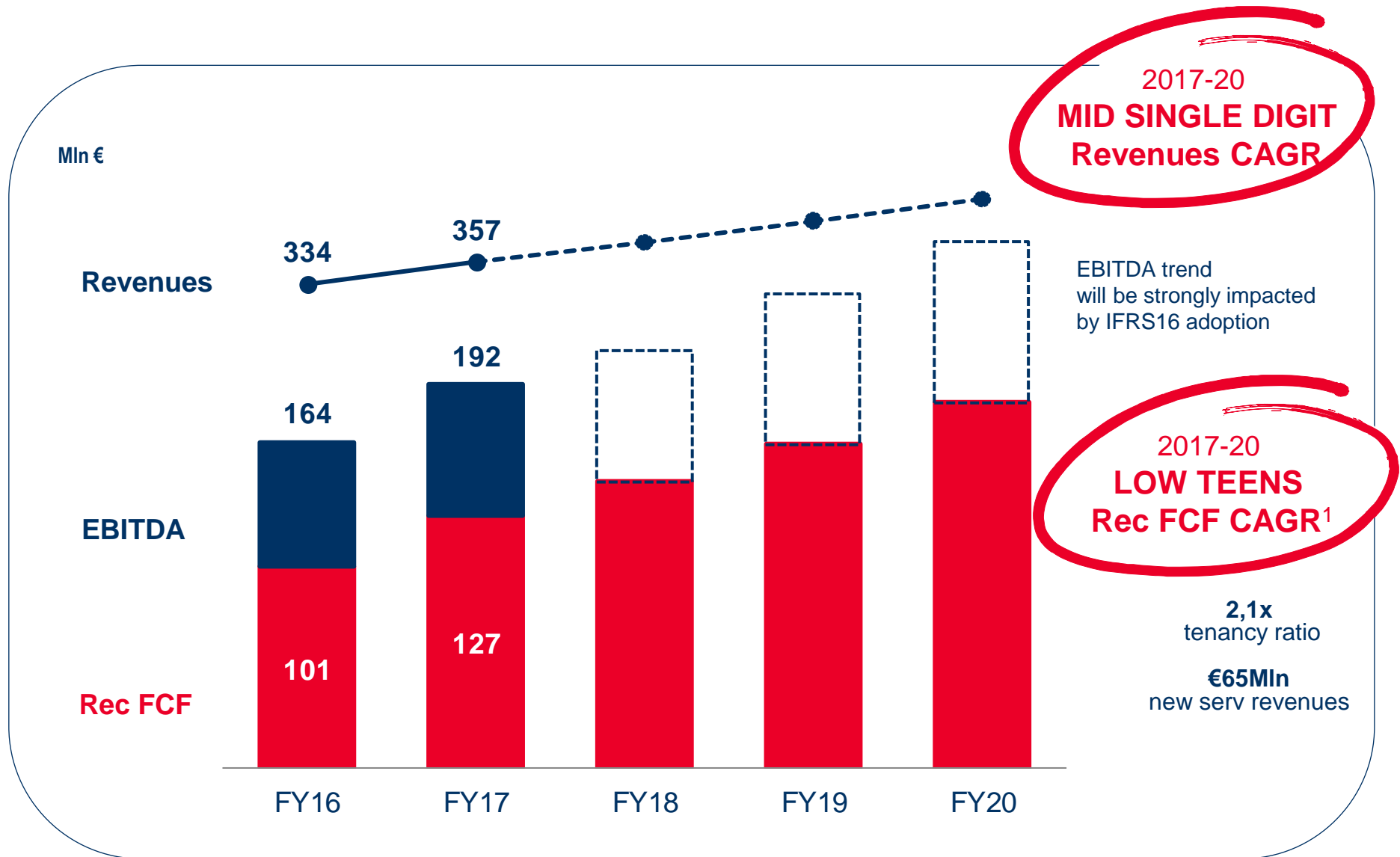
Italian Tower Market



# 2018 Target confirmed



# 2020 Plan Targets





# Q & A Session



More questions?  
Ask Investor Relations

**Michele Vitale**  
Head of Investor Relations

michele.vitale@inwit.it  
f: +39 06 44084 320