

INWIT: RESULTS AT 30 SEPTEMBER 2023

STRONG INVESTMENTS TO DEVELOP DIGITAL INFRASTRUCTURES IN SUPPORT OF TELECOMMUNICATIONS OPERATORS

- **INVESTMENTS:** IN Q3 THEY TOTALLED 76.5 MILLION EUROS, UP BY +61.5% COMPARED TO THE SAME PERIOD OF 2022. IN THE FIRST NINE MONTHS OF 2023 THEY TOTALLED 193.6 MILLION EUROS, UP +64.2% COMPARED TO THE SAME PERIOD OF 2022.
- INFRASTRUCTURE GROWTH CONTINUED IN Q3: 230 **NEW SITES**, TAKING THE TOTAL TO ALMOST 24 THOUSAND; MORE THAN 1,000 **NEW HOSTINGS** FOR MOBILE OPERATORS, FWAs AND OTHERS FOR A TOTAL OF MORE THAN 53 THOUSAND.
- **REVENUES:** IN Q3 2023 THEY CAME TO 242 MILLION EUROS, SHOWING GROWTH OF +12.6% COMPARED TO THE SAME PERIOD OF FY 2022. IN THE FIRST NINE MONTHS REVENUES TOTALLED 713.2 MILLION EUROS, UP +12.8% COMPARED TO THE FIRST NINE MONTHS OF 2022.
- **EBITDA_{qL}** (EBITDA – LEASING COSTS): IN Q3 2023, THE COMPANY'S MAIN OPERATING MARGIN TOTALLED 173.8 MILLION EUROS, UP BY +18.5% COMPARED TO THE SAME PERIOD OF FY 2022. IN THE FIRST NINE MONTHS OF 2023 THE EBITDA_{qL} TOTALLED 506.9 MILLION EUROS, +18.1% COMPARED TO THE FIRST NINE MONTHS OF 2022.
- **NET PROFIT:** IN Q3 2023 IT TOTALLED 85.1 MILLION EUROS, UP BY +13.5% COMPARED TO THE SAME PERIOD OF 2022. IN THE FIRST NINE MONTHS OF 2023 IT TOTALLED 248.9 MILLION EUROS, UP +14.7% COMPARED TO THE FIRST NINE MONTHS OF 2022.
- **RECURRING FREE CASH FLOW:** IN Q3 IT TOTALLED 154.3 MILLION EUROS, UP BY +25.6% COMPARED TO THE SAME PERIOD OF 2022. IN THE FIRST NINE MONTHS OF 2023 IT TOTALLED 477.8 MILLION EUROS, UP +36.3% COMPARED TO THE FIRST NINE MONTHS OF 2022.
- **NET DEBT:** AMOUNTED TO 4,275 MILLION EUROS COMPARED WITH 4,339 MILLION EUROS IN Q2 AND 4,195 MILLION EUROS IN THE SAME PERIOD OF 2022. FINANCIAL LEVERAGE IMPROVES TO 4.8X COMPARED WITH 5.0X IN Q2 2023 AND 5.4X IN THE SAME PERIOD OF 2022, AS A RESULT OF EBITDA GROWTH.
- **GUIDANCE:** IN 2023, REVENUES EXPECTED TO GROW IN THE LOWER PART OF THE RANGE PREVIOUSLY COMMUNICATED OF 960–980 MILLION EUROS, EBITDA MARGIN ABOVE 91% OF REVENUES, EBITDA_{qL} MARGIN GROWING TO OVER 71% OF REVENUES AND RECURRING FREE CASH FLOW GROWING IN THE UPPER PART OF THE RANGE PREVIOUSLY COMMUNICATED OF 595–605 MILLION EUROS. 2026 GUIDANCE CONFIRMED.
- GENERAL MANAGER **Diego Galli**: "DURING THE THIRD QUARTER OF 2023, INWIT HAS CONTINUED TO GROW, ALSO THANKS TO AN INVESTMENT PLAN IN EXCESS OF 250 MILLION EUROS DURING THE YEAR. AMIDST A CHALLENGING CONTEXT FOR THE TELECOMMUNICATIONS INDUSTRY, OUR BUSINESS MODEL, BASED ON DIGITAL, SHARED INFRASTRUCTURES, CREATES INDUSTRIAL EFFICIENCY AND HAS PROVEN TO BE RESILIENT AND SUSTAINABLE".

Rome, 9 November 2023 – The Board of Directors of Infrastrutture Wireless Italiane S.p.A. (**INWIT**), met today, chaired by Oscar Cicchetti, and examined and approved Interim Report on Operations as of 30 September 2023.

Q3 2023 main results

The results for the third quarter of 2023 confirm the solid growth of the main industrial KPIs, revenues and an improvement in profitability and cash generation.

Summary indicators	Unit of measurement	July-Sep2023	July-Sep 2022	YoY growth
New Sites	Number	230	110	>100%
New Hostings	Number	1,020	1,030	(1%)
of which with OLOs	Number	400	470	(15%)
Tenancy ratio (period end)	Ratio	2.21x	2.12x	0.09x
Real estate transactions	Number	495	700	(29%)
Total Revenues	EUR M	242	214.8	12.6%
EBITDA	EUR M	223	195.2	14.2%
EBITDA margin	%	92.2%	90.9%	1.3pp
EBIT	EUR M	128.4	105.7	21.4%
Earnings for the period	EUR M	85.1	75.0	13.5%
EBITDAaL	EUR M	173.8	146.6	18.5%
EBITDAaL Margin	%	71.8%	68.2%	3.6pp
Recurring Free Cash Flow	EUR M	154.3	122.8	25.6%
Investments	EUR M	76.5	47.4	61.5%
Net Financial Position (NFP)	EUR M	4,275	4,195	1.9%
Financial leverage (NFP/EBITDA)	Ratio	4.8x	5.4x	0.6x

Q3 2023 saw a continuation of the development of INWIT's technological infrastructure:

- expanding our towers with 230 new sites, taking the total to almost 24,000;
- continuing the increase in new hostings, amounting to 1,020, taking the total to more than 53,000;
- boosting its efficiency also through its plans to renegotiate rental contracts and purchase land, with 495 thousand real estate transactions.

Revenues totalled 242 million euros, a growth of +12.6%. **EBITDA** was 223 million euros, an increase of +14.2% on the same period of 2022. This growth, together with greater **efficiency in leasing costs**, has led to the expansion of **EBITDAaL**, which totalled 173.8 million euros, an increase of +18.5%, and as a percentage of revenue reached +71.8% in Q3 2023, up by 3.6pp compared to the same quarter of 2022.

Net profit totalled 85.1 million euros, up +13.5% compared to the same period of 2022, while **Recurring Free Cash Flow** amounted to 154.3 million euros (+25.6%). At 30 September 2023, **Net Financial Debt** came to 4,275 million euros, of which approximately 1,013 million euros referred to IFRS16. Financial leverage (ratio of

Net Debt to EBITDA) stood at 4.8x, showing an improvement on the figure recorded at end June 2023 (5.0x) following the partial repayment of the short-term debt and the increase seen in EBITDA.

Main results at 30 September 2023

During the first nine months of FY 2023, all the main economic and financial indicators have shown growth.

Summary indicators	Unit of measurement	Jan-Sep 2023	Jan-Sep 2022	YoY growth
Total Revenues	EUR M	713.2	632.5	12.8%
EBITDA	EUR M	653.2	575.1	13.6%
EBITDA margin	%	91.6%	90.9%	0.7pp
EBIT	EUR M	374.4	303.6	23.3%
Earnings for the period	EUR M	248.9	217.0	14.7%
EBITDAaL	EUR M	506.9	429.4	18.1%
EBITDAaL Margin	%	71.1%	67.9%	3.2pp
Recurring Free Cash Flow	EUR M	477.8	350.5	36.3%
Investments	EUR M	193.6	117.9	64.2%
Net Financial Position	EUR M	4,275	4,195	1.9%
Financial leverage	Ratio	4.9x	5.5x	(0.6x)

Revenues stood at 713.2 million euros, up +12.8 % on the same period of 2022 (632.5 million euros). The periods in question include **one-off revenues** for 0.5 million euros. **EBITDA** was 653.2 million euros, up by +13.6% compared to the first nine months of 2022. **EBITDAaL** was 506.9 million euros, up by +18.1% compared to the same period of 2022. Net profit for the period totalled 248.9 million euros, up +14.7% compared to the same period of 2022. **Recurring Free Cash Flow** for the first nine months of 2023 was 477.8 million euros, up by +36.3% compared to the same period of 2022. **Investments** for the period came to 193.6 million euros, up 75.7 million euros compared to the first nine months of 2022 (+64.2%) and were mainly allocated to the development of new sites, of indoor micro-cell coverage with DASs and the acquisition of land.

Update on the "Italia 5G" Plan of the NRRP

The "**Italia 5G**" Plan of the NRRP, the programme for the development of new infrastructure in areas of digital divide, is on track to achieve the end-of-year targets. Thanks to careful and effective operational planning, the trend of submitted and already obtained permits continues; the speed and efficiency of the programme is related to the timing of permits and the cooperation of local authorities. In this regard, it is essential for the relevant simplifications adopted by the Government and the Parliament to be fully adopted at local level.

INWIT continues its commitment to representing the value of digital infrastructure in the regions in support of social and industrial transformation, including through close collaboration with institutions and associations representing local communities, as demonstrated by the Memorandums of Understanding to facilitate the development of high-speed connections signed with the Department for Digital Transformation, the National Association of Italian Municipalities (ANCI) and Infratel Italia, and with UNCEM (Italy's National Union of Mountain Municipalities, Communities and Authorities).

Corporate Governance Issues

The Board of Directors approved the calendar of company events for 2024, confirming, for the same financial year, the practice of publishing, on a voluntary basis, the interim reports on operations as at 31 March and 30 September.

7 March 2024	Board of Directors meeting to approve the draft financial statements for the year as at 31 December 2023
23 April 2024	Shareholders' Meeting to approve the financial statements as at 31 December 2023
7 May 2024	Board of Directors meeting to approve the interim report on operations as at 31 March 2024
30 July 2024	Board of Directors meeting to approve the half year financial report as at 30 June 2024
7 November 2024	Board of Directors meeting to approve the interim report on operations as at 30 September 2024

Any changes to the above dates will be communicated without delay. The conference calls to present the accounting data to the financial community will normally be held the day after the Board of Directors meeting for their approval.

Outlook for the 2023 financial year

INWIT is Italy's most important wireless infrastructure operator, on the strength of the most extensive network of macro sites (towers, masts, pylons – macro grids) and systems of micro-cell coverage (Distributed Antenna Systems, DAS and small cells – micro grids), assets that assure a capillary, integrated coverage of the territory in support of connectivity, with a “tower as a service” business model in support of all mobile, FWA and IoT operators.

The reference, technological and market scenario for the Tower Companies sector is characterised by positive structural trends, such as the growing use of data on the move, the current technological transition towards 5G, the need to complete and increase the density of coverage, contributing also to reducing the digital divide and the considerable investments made in digital technologies and infrastructures, also supported by the Next Generation EU programme. In the short-term, in addition to the major demand for connectivity, difficulties and strong competition continue to remain on the Italian telecommunications operator market, impacting the profitability of the sector as a whole. In 2023, these factors resulted in a greater selectivity of investments, which also impacted the infrastructures market. The INWIT business model, which is based on long-term inflation-linked hosting contracts, continues to offer protection and support in this context.

After the 2020 merger with Vodafone Towers and completion of the integration activities in 2021, in 2022 INWIT's industrial and financial results have recorded a greater, more solid growth trend, which is expected to continue this year, through a further improvement of all industrial, economic and financial indicators.

As regards the outlook for financial year 2023, revenue growth is expected in the lower part of the range previously communicated of 960-980 million euros, EBITDA margin is expected at more than 91%, EBITDAaL margin in excess of 71%, up by more than two percentage points compared with 2022, and Recurring Free Cash Flow is expected to grow in the upper part of the range previously communicated of 595-605 million euros. These expectations reflect the continuous development of the number of sites, which is being strengthened in 2023, the increased hosting by all the major mobile, FWA and OTMO operators on the market, further development of indoor DAS/micro-grid hosting and the benefits linked to inflation.

As regards shareholder remuneration, on 3 March 2023, the INWIT Board of Directors approved the update to the dividends policy for the period 2023-2026. In particular, the previous dividend policy, which envisaged a dividend of 0.30 euros per share paid in 2021, growing +7.5% per year through to 2023, was extended, with an additional payment of 100 million euros starting from the allocation of 2023 profits (payment in 2024), confirming a dividend growth rate that totals 7.5% per year. In addition, following the authorisation given by the shareholders' meeting on 18 April 2023, on 14 June 2023 INWIT launched the first tranche of the buy-back of treasury shares for a maximum amount of 150 million euros; this will conclude by 15 March 2024.

The economic and financial results of INWIT at 30 September 2023 will be illustrated to the financial community during a conference call scheduled for 9 November 2023 at 6.00 p.m. (CET). Journalists may listen to the conference call, without asking questions, by calling: +39 02 8020927. The presentation to support the conference call will be made available in advance in the Investors section of the company website www.inwit.it.

Pursuant to subsection 2, Article 154-bis of the Consolidated Law on Finance, the Executive responsible for preparing the corporate accounting documents, Rafael Giorgio Perrino, has declared that the accounting disclosures contained in this press release correspond to the documentary evidence and the accounting books and records.

INWIT draws up and publishes Interim Reports on Operations for the first and third quarters of each year on a voluntary basis. The INWIT Interim Report on Operations as at 30 September 2023 was drafted in accordance with art. 154-ter (Financial Reporting) of Legislative Decree 58/1998 (Consolidated Law on Finance - CLF) and subsequent amendments and supplements and prepared in compliance with the international accounting standards issued by the International Accounting Standards Board and approved by the European Union (defined as "IFRS"), as well as the provisions issued in implementation of art. 9 of Leg. Decree 38/2005. The Interim Report on Operations as at 30 September 2023 comprises: the Interim Report on Operations; the Interim Financial Statements of Infrastrutture Wireless Italiane S.p.A. as at 30 September 2023. The Interim Report on Operations at 30 September 2023 is not audited. Note, lastly, that the "Business Outlook for the 2023 financial year" chapter contains forward-looking statements about the Company's intentions, beliefs and current expectations with regard to its financial results and other aspects of the Company's operations 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.

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ATTACHMENTS TO THE PRESS RELEASE

The Consolidated Income Statements, Consolidated Statements of Financial Position and the Consolidated Statements of Cash Flows as well as the Consolidated Net Financial Debt of the Group, herewith presented, are the same as those included in the Condensed Consolidated Financial Statements of the Group for the period from January 1, 2023 to September 30, 2023.

CONSOLIDATED INCOME STATEMENT

(thousands of euros)	1.1 – 9.30. 2023	1.1 – 9.30. 2022
Revenues	713,184	632,511
Acquisition of goods and services - Ordinary expenses	(32,581)	(34,394)
Employee benefits expenses	(13,767)	(15,780)
Other operating expenses - Ordinary expenses	(13,682)	(7,242)
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	653,154	575,095
Depreciation and amortization, gains/losses on disposals and impairment losses on non-current assets	(278,769)	(271,498)
Operating profit (loss) (EBIT)	374,385	303,597
Financial income	289	-
Financial expenses	(82,374)	(57,532)
Profit (loss) before tax	292,300	246,065
Income taxes	(43,428)	(29,075)
Profit for the period	248,872	216,990
Basic and Diluted Earnings Per Share	0.260	0.226

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Assets

(thousands of euros)	09/30/2023	12/31/2022
Assets		
Non-current assets		
Intangible assets		
Goodwill	6,155,962	6,146,766
Intangible assets with a finite useful life	497,744	589,489
Tangible assets		
Property, plant and equipment	1,047,423	933,009
Right-of-use assets	1,174,652	1,091,975
Other non-current assets		
Non-current financial assets	667	910
Miscellaneous receivables and other non-current assets	184,439	232,515
Total Non-current assets	9,060,887	8,994,664
Current assets		
Trade and miscellaneous receivables and other current assets	189,874	194,109
Financial receivables and other current financial assets	278	257
Current income tax receivables	4,915	-
Cash and cash equivalents	59,273	72,852
Total Current assets	254,340	267,218
Total Assets	9,315,227	9,261,882

Equity and Liabilities

(thousands of euros)	09/30/2023	12/31/2022
Equity		
Share capital issued	600,000	600,000
Minus: treasury shares	(5,885)	(294)
Share capital	594,115	599,706
Share premium reserve	2,053,205	2,092,743
Legal reserve	120,000	120,000
Other reserves	1,300,993	1,360,633
Retained earnings (losses) including earnings (losses) for the period	248,974	293,363
Total Equity	4,317,287	4,466,445
Liabilities		
Non-current liabilities		
Employee benefits	2,256	2,303
Deferred tax liabilities	198,419	203,517
Provisions for Risks and Charges	235,186	226,319
Non-current financial liabilities	3,885,891	3,879,683
Miscellaneous payables and other non-current liabilities	17,762	15,704
Total Non-current liabilities	4,339,514	4,327,526
Current liabilities		
Current financial liabilities	449,386	273,033
Trade and miscellaneous payables and other current liabilities	208,590	193,064
Provisions for Risks and Charges	450	450
Current income tax payables	-	1,364
Total current Liabilities	658,426	467,911
Total liabilities	4,997,940	4,795,437
Total Equity and Liabilities	9,315,227	9,261,882

CONSOLIDATED CASH FLOW STATEMENT

(thousands of euros)	1.1 – 9.30. 2023	1.1 – 9.30. 2022
Cash flows from operating activities:		
Profit for the period	248,872	216,990
Adjustments for:		
Depreciation and amortization, losses/gains on disposals and impairment losses on non-current assets	278,769	271,498
Net change in deferred tax assets and liabilities	(5,119)	(18,501)
Change in provisions for employee benefits	(108)	(665)
Change in trade receivables	22,906	(39,562)
Change in trade payables	9,021	(28,277)
Net change in miscellaneous receivables/payables and other assets/liabilities	18,239	28,287
Other non-monetary changes	3,131	2,613
Cash flows from operating activities	(a) 575,711	432,383
Cash flows from investing activities:		
Total purchases of tangible and intangible assets for the period and right-of-use assets (*)	(427,653)	(282,591)
<i>Of which change in amounts due to fixed asset suppliers</i>	249,825	135,176
Total purchases of tangible and intangible assets and right-of-use assets on a cash basis	(177,828)	(147,415)
Change in financial receivables and other financial assets	222	218
Other non-current changes	(3,849)	-
Cash flows used in investing activities	(b) (181,455)	(147,197)
Cash flows from financing activities:		
Change in current and non-current financial liabilities	(8,225)	(34,852)
Dividends paid (*)	(335,145)	(306,498)
Treasury shares acquired	(64,488)	(2,133)
Cash flows used in financing activities	(c) (407,858)	(343,483)
Aggregate cash flows	(d=a+b+c) (13,602)	(58,297)
Net cash and cash equivalents at beginning of the period	(e) 72,852	96,320
Net cash and cash equivalents – extraordinary flows	(f) 23	-
Net cash and cash equivalents at end of the period	(g=d+e+f) 59,273	38,023

CONSOLIDATED NET FINANCIAL DEBT

(thousands of euros)	09/30/2023	12/31/2022
A Cash	-	-
B Cash and cash equivalents	59,273	72,852
C Current financial receivables	278	257
D Liquidity (A + B + C)	59,551	73,109
E Current financial payables	-	-
F Current portion of financial payables (medium/long-term)	449,386	273,033
G Current financial debt (E+F)	449,386	273,033
H Net current financial debt (G-D)	389,835	199,924
I Financial payables (medium/long-term)	1,647,945	1,643,594
J Bonds issued	2,237,946	2,236,089
K Trade payables and other non-current payables	-	-
L Non-current financial debt (I+J+K)	3,885,891	3,879,683
M Net Financial Debt as per ESMA recommendations (H+L)	4,275,726	4,079,607
Other financial receivables and non-current financial assets	(667)	(910)
INWIT Net Financial Debt	4,275,059	4,078,697