

## Press Release

# INWIT: Q1 2024 REPORT APPROVED GROWTH TREND CONTINUES FOR INDUSTRIAL KPIS, REVENUES AND INVESTMENTS

MORE THAN 200 NEW TOWERS, REVENUES +9%, EBITDA<sub>aL</sub> +11.1%, INVESTMENTS +60.1%

- **CONSOLIDATED REVENUES CAME TO** 254.6 MILLION EUROS, UP +9.0% COMPARED WITH THE PREVIOUS YEAR, THANKS TO THE POSITIVE CONTRIBUTION OF THE ADJUSTMENT OF CHARGES TO INFLATION, GROWTH IN HOSTINGS AND THE DEVELOPMENT OF REVENUES FROM NEW SERVICES.
- **EBITDA** TOTALLED 233.0 MILLION EUROS, UP BY +9.0% ON THE PREVIOUS YEAR. MARGIN ON REVENUES STABLE AT 91.5%.
- **EBITDA<sub>aL</sub>** (EBITDA – LEASING COSTS), THE COMPANY’S MAIN OPERATING MARGIN, STOOD AT 184.0 MILLION EUROS, UP BY +11.1% ON AN ANNUAL BASIS. MARGIN ON REVENUES UP FROM 70.9% TO 72.2%, THANKS TO THE INCREASED EFFICIENCY OF RENTAL COSTS.
- **NET PROFITS** FOR THE PERIOD STOOD AT 89.7 MILLION EUROS, UP BY +8.3% COMPARED WITH THE PREVIOUS YEAR.
- **RECURRING FREE CASH FLOW** TOTALLED 150.0 MILLION EUROS, UP BY +9.7% COMPARED TO THE SAME PERIOD OF 2023.
- **INFRASTRUCTURE INVESTMENTS** TO SUPPORT OPERATORS UP BY +60.1% TO 91.6 MILLION EUROS, FOCUSED ON EXTENDING THE NUMBER OF SITES, BUYING LAND AND EXPANDING DEDICATED INDOOR COVERAGE.
- **INFRASTRUCTURE DEVELOPMENT** CONTINUED WITH AN ADDITIONAL 205 SITES (+51.9%) AND 960 NEW HOSTINGS FOR MOBILE OPERATORS, FWA AND OTHER CUSTOMERS. 20 NEW DEDICATED DAS COVERAGES FOR PRIMARY INDOOR LOCATIONS COMPLETED.
- IMPROVED **FINANCIAL LEVERAGE** AT 4.5X IN TERMS OF THE RATIO OF NET DEBT TO EBITDA, COMPARED TO 4.7X IN Q4 2023 AND 4.7X IN Q1 2023.
- GENERAL MANAGER **DIEGO GALLI**: “IN THE CURRENT CONTEXT OF THE TELECOMMUNICATIONS INDUSTRY, INWIT’S PROFITS ARE GROWING THANKS TO THE CONTINUOUS INVESTMENTS MADE IN SHARED INFRASTRUCTURES, ALSO TO REDUCE THE DIGITAL DIVIDE. SHAREHOLDER REMUNERATION IS GROWING WITH 2023 DIVIDEND AT 452.8 MILLION EUROS AND THE BUYBACK PLAN CONTINUES. WE REMAIN FOCUSED ON THE EXECUTION OF THE BUSINESS AND SUSTAINABILITY PLANS WITH THE DEVELOPMENT AND MANAGEMENT OF INTEGRATED OUTDOOR AND INDOOR INFRASTRUCTURES, IN SUPPORT OF THE OPERATORS’ 5G CONNECTIVITY SERVICES”.

**Rome, 7 May 2024** - The Board of Directors of Infrastrutture Wireless Italiane S.p.A. (INWIT), met today, chaired by Oscar Cicchetti, and examined and approved the Interim Report on Operations as of 31 March 2024.

### Q1 2024 main results

The first quarter results confirm the gradual growth in the main industrial KPIs and economic and financial indicators.

Summary indicators	Unit of measurement	Jan-Mar 2024	Jan-Mar 2023	YoY growth
Number of sites (period end)	Thousands	24.3	23.3	4.3%
Total hostings (period end)	Thousands	55.3	51.2	8.0%
of which with OLOs (period end)	Thousands	13.9	12.3	13.0%
Tenancy ratio (period end)	Ratio	2.26x	2.19x	0.07x
SC/DAS remote units (period end)	Thousands	8.1	7.3	11.0%
Real estate transactions	Number	440	320	37.5%
Total Revenues	EUR M	254.6	233.6	9.0%
EBITDA	EUR M	233.0	213.8	9.0%
EBITDA margin	%	91.5%	91.5%	-
EBIT	EUR M	137.8	122.5	12.4%
Earnings for the period	EUR M	89.7	82.9	8.3%
EBITDAaL	EUR M	184.0	165.6	11.1%
EBITDAaL Margin	%	72.2%	70.9%	1.4pp
Recurring Free Cash Flow	EUR M	150.0	136.7	9.7%
Investments	EUR M	91.6	57.2	60.1%
Net Financial Position (NFP)	EUR M	4,189.8	4,059.8	3.2%
Financial leverage (NFP/EBITDA)	Ratio	4.5x	4.7x	(0.3)X

Consolidated revenue growth in Q1 2024 came to +9.0% compared to the previous year, thanks to the increase in hostings for all the main customers, the positive impact of inflation and the deployment of indoor coverage and new services. The organic growth of INWIT's revenues therefore continues (+9.1%), which, coupled with the continuous increased efficiency of lease costs, resulted in a growth of the EBITDAaL margin of 1.4pp, for a percentage of revenues that grows from 70.9% to 72.2%.

The industrial results show a large number of hostings and continuous growth in the number of sites created and the Tenancy Ratio, which is confirmed as one of the highest in the sector. 960 new hostings were contracted, due to the contribution of the anchor customers TIM and Vodafone and strong growth of other customers. There is continued growth in new dedicated indoor coverage systems, with 20 installed during the quarter, and approximately 250 remote DAS units installed, as evidence of the growing market interest in dedicated multi-operator solutions and growth of our infrastructure with the addition of 205 new sites.

## **Main economic and financial indicators**

During the first quarter of 2024, all the main economic and financial indicators have shown a positive trend:

- Revenues stood at 254.6 million euros, up +9.0% on the same period of 2023 (233.6 million euros). Net of one-off revenues, present last year, the comparison with the same period of 2023 is confirmed as +9.1%;
- EBITDA stood at 233.0 million euros, up by +9.0% on Q1 2023. YoY growth is +9.1% if the specified one-off revenues are excluded, along with non-recurring economic items. The EBITDA margin of 91.5% is essentially stable;
- EBITDAaL (EBITDA – lease costs), the company's main operating margin, came to 184.0 million euros, up +11.1% per year, for a percentage of revenues growing from 70.9% to 72.2%; this in consideration of the more than proportional increase in EBITDA with respect to the increased lease costs, which went from 48.2 million euros in Q1 2023 to today's 49.1 million euros;
- EBIT is 137.8 million euros, an increase of +12.4% on the same period of 2023;
- Net profit totalled 89.7 million euros, up +8.3% compared to the same period of 2023;
- business investments for the period came to 91.6 million euros, up +60.1% (+34.4 million euros) on the same period of 2023 (57.2 million euros);
- recurring free cash flow for the first quarter of 2024 came to 150 million euros, up +9.7% compared with the same period of 2023, mainly thanks to the growth of EBITDA; net financial debt, amounting to 4,190 million euros (including IFRS16 financial liabilities), was therefore slightly down (0.4%) compared to the figure for December 2023 (4,207 million euros) as a result of cash generation by the company; financial leverage improved at 4.5x in terms of net debt to EBITDA ratio, compared to 4.7x in Q4 2023;

## **Key Performance Indicators (KPIs)**

During this first quarter, INWIT continued to develop its business by:

- increasing the number of hostings on its own sites, 960 units;
- developing its infrastructure and expanding its sites by 205 units;
- continuing the plan for multi-operator microcell coverage in the locations with the highest concentration of users and traffic, developing 20 new dedicated indoor coverage projects and expanding the remote units by around 250;
- continuing to improve its efficiency by pursuing the plan to renegotiate rental contracts and purchase land.

As of 31 March 2024, the average number of operators per site (tenancy ratio) is up again at 2.26x, confirmed as amongst the highest in the sector.

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During the first quarter of 2024, the Company's inherently sustainable business model was strengthened through the achievement of ISO 45001 certification, relating to the Health and Safety Management System, and ISO 14001 certification, relating to the Environmental Management System. INWIT has also added two further valuable steps in its decarbonisation journey: the validation of the Net Zero target to 2040 for its CO2 emissions by the Science Based Target initiative (SBTi) and the A-score, at Leadership level, by CDP Climate Change.

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### **Outlook for the 2024 financial year**

INWIT is Italy's leading wireless infrastructure operator, on the strength of the most extensive network of more than 24 thousand macro sites (towers, masts, pylons - macro grids) and coverage from more than 470 DAS for indoor locations, assets that assure capillary, integrated coverage, fostering territorial 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.

These trends result in a growing market demand for new digital infrastructures and hosting services, underlying the Company's solid growth trend, which has improved continuously in terms of industrial, economic and financial indicators from when it merged with Vodafone Towers in 2020 through to the present. INWIT's Business Plan envisages further growth of such indicators through to 2026, supported by a significant investment plan aiming to intercept the increase in demand.

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 and its investment capacity. The INWIT business model, which is based on long-term inflation linked hosting contracts, offers protection and support in this context.

As regards the outlook for financial year 2024, we expect to see:

- growth of revenues in the range of 1,030-1,060 million euros,
- EBITDA margin in excess of 91%, stable compared with 2023,
- EBITDAaL margin of approximately 73%, up more than 1 percentage point compared with 2023 and
- Recurring free cash flow growing in the range of 620-640 million euros.

As regards shareholder remuneration, the policy is confirmed for the period 2023–2026 approved on 2 March 2023, which envisages an increase in dividends and the launch of a treasury share buy-back plan.

On 23 April 2024, the Shareholder’s Meeting resolved to distribute a total dividend for FY 2023, on the basis of the ordinary shares outstanding at the coupon date, of 452,810,632.77 euros. The dividend will be paid on 22 May 2024 (coupon date 20 May 2024).

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*The economic and financial results of INWIT at 31 March 2024 will be illustrated to the financial community during a conference call scheduled for 7 May 2024 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](http://www.inwit.it).*

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*Pursuant to subsection 2, Article 154-bis of the Consolidated Law on Finance, the Manager 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 Interim Report on Operations at 31 March 2024 includes the Interim Management Report and the Condensed Consolidated Quarterly Financial Statements at 31 March 2024 prepared in accordance with IFRS accounting standards issued by IASB and endorsed by the EU. The condensed quarterly Financial Statements to 31 March 2024 are not audited. Note, lastly, that the “Business Outlook for the 2024 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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