

Bit Market Services

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Press release

GO INTERNET: THE INTERIM REPORT AT JUNE 30th, 2015 HAS BEEN APPROVED GROWTH OF CUSTOMERS, REVENUES AND PROFIT MARGINS

- Sales revenue increased by +36% equal to EUR 2.441 million (EUR 1.794 million as of 30th June 2014)
- EBITDA grew by +44% equal to EUR 897 thousand (EUR 625 thousand as of 30th June 2014), with an EBITDA Margin at 36% (33% as of 30th June 2014)
- Net profit grew and reached EUR 21 thousand (EUR - 63 thousand as of 30th June 2014)
- Net financial position amounts to EUR 5.188 million as of 30th June 2015 (2.741 million as of 31st December 2014)
- Subscriber acquisition increased by +41.4%, equal to 27,013 active subscribers (19,100 active subscribers as of 30th June 2014)

Gubbio, 23rd September 2015 – GO internet S.p.A. hereby announces that the BoD, which met today, has approved the interim report as of June 30th, 2015.

The Company continues its strong growth with a 36% increase in net sales volume in the first six months of 2015 compared to the first half of 2014. In particular, the Company reached a net sales volume amount of EUR 2,441 thousand mainly due to the growth of the Mobile Internet business with 4G technology that this year has produced 98% of these revenues. The following table shows the breakdown of sales revenues for the first half of 2015 sorted by area of business.

| SALES REVENUE | 30/06/2015 | | 30/06/2014 | | Change | |
|---------------------------------------|--------------|-------------|--------------|-------------|------------|------------|
| <i>(Amounts in thousands of Euro)</i> | | | | | | |
| Phone traffic reseller revenue | 22 | 1% | 31 | 2% | (9) | -29% |
| 4G fees | 2,419 | 99% | 1,763 | 98% | 656 | 37% |
| Sales revenue | 2,441 | 100% | 1,794 | 100% | 647 | 36% |



“In the first half of 2015 we concentrated on the gradual strengthening of GO internet on the market. This constant effort, aimed at the important goal of technological innovation to gain a position of leadership, was made possible in part by the significant agreement signed with Huawei, a global leader of ICT solutions. The agreement with Huawei allowed us to launch our new 4G – LTE service, increasing our offer and bringing the speed of our products up to 100 Mbit/s from 7 Mbit/s” said Giuseppe Colaiacovo, President of GO internet S.p.A.

“The Italian Communication Authority (Agcom) published a consultation on the 3.6-3.8 Ghz band to discuss the rules of a tender to offer this band over the next few months. This is a very important growth opportunity for GO internet because it could allow the Company to extend its network coverage to other Italian regions other than Marche and Emilia Romagna. Also, the Government is promoting the fulfillment of the digital agenda, thus creating a favorable environment for broadband and the Company” said Alessandro Frizzoni, CEO of GO internet S.p.A.

Revenue has increased strongly in the business segment of 4G mobile internet in the regions of Marche and Emilia Romagna, where the Company has an exclusive right of use of the frequencies for Broadband Wireless Access systems in the 3.5 Ghz band and has been offering families and businesses internet and telephone services.

The number of active subscribers increased by 41.4% compared to 30th June 2014. The strong growth and the high market penetration rate of GO internet is largely due to the replacement of the telephone wire (landline) internet connection. On an annual basis there has been a decrease of 560 thousand landlines (Data source: Italian National Centre for Telecommunications Industry Quarterly Monitoring - AGCOM).

The EBITDA amounted to EUR 897 thousand compared to EUR 625 thousand in the first half of 2014 and there was an increase both in absolute terms, compared to the first half of 2014 (+44%), and as a percentage of revenues (36% of sales volume in the first half of 2015, 34% of sales volume in the first half of 2014).

This result is due to the continuous growth of sales and to an improvement of the ratio of operating costs on sales in the first half of 2015. The operating costs, in spite of an increase of their absolute value due to the network infrastructure expansion with the installation of new base stations (site rental and fiber optic transport) and direct and indirect staff, result in a percentage improvement (64% in 2015 vs. 66% in 2014).

The EBIT also has grown in absolute terms (EUR 175 thousand in the first half of 2015, compared to EUR 118 thousand in the first half of 2014), despite an increase in absolute value of amortizations due to new investments for the expansion of the network infrastructure with the installation of new base stations.

As of 30th June 2015 the net invested capital amounts to EUR 9,713 thousand (EUR 7,231 thousand as of 30th June 2014).

The increase in the turnover of the Company, together with investments in network infrastructure with the installation of new base stations, has generated greater liquidity needs faced through a partial use of the financial resources coming from the quotation of the company stocks at AIM Italia, as well as through new mid-long term lines of credit, in addition to the cash flow generated by net current assets which underlines the company's ability to efficiently collect receivables and negotiate extended payment terms with suppliers.



This had an impact on the net financial position that reached EUR 5,188 thousand as of 30th June 2015 compared to EUR 2,741 thousand as of 31st December 2014.

Please find here attached the reclassified financial statements, which are part of the half-year financial statement as of June 30th 2015 according to IAS/IFRS international standards, compared with the financial data as of June 30th, 2014, and with the statement of financial position as of 31st December 2014.

The half-year financial report as of 30th June 2015 is available at the registered office and on the Company's website (www.gointernet.it) in the Investor Relations section.

GO internet S.p.A.

GO internet S.p.A. is an Italian company operating in the Mobile Internet industry. Since 2011, GO internet has been offering families and businesses internet and telephone services using 4th generation wireless technology (4G). The service is offered in the Marche and Emilia-Romagna regions where GO internet has an exclusive right of use of the frequencies for Broadband Wireless Access systems in the 3.5 Ghz band.

GO internet's ISIN code: IT0005038002. Ticker: "GO".

GO internet S.p.A.

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| RECLASSIFIED INCOME STATEMENT | 30/06/2015 | | 30/06/2014 | | Change | |
|---|--------------|-------------|--------------|-------------|------------|--------------|
| <i>(Amounts in thousands of Euro)</i> | | | | | | |
| Sales revenue | 2,441 | 99% | 1,794 | 99% | 647 | 36% |
| Other income net of non-recurring items | 33 | 1% | 23 | 1% | 10 | 42% |
| Production value | 2,474 | 100% | 1,817 | 100% | 657 | 36% |
| (Purchases) | (1,128) | -46% | (823) | -45% | (305) | 37% |
| (Other external charges net of non-recurring items) | (30) | -1% | (28) | -2% | (2) | 6% |
| Personnel costs (Including BoD remuneration) | (419) | -17% | (341) | -19% | (78) | 23% |
| EBITDA | 897 | 36% | 625 | 34% | 272 | 44% |
| (amortisation and depreciation) | (628) | -25% | (481) | -26% | (147) | 31% |
| (other provisions and impairment losses) | (35) | -1% | (25) | -1% | (10) | 41% |
| Non-recurring income (charges) | (58) | 5% | (1) | 0% | (57) | 5735% |
| EBIT | 175 | 7% | 118 | 6% | 57 | 49% |
| Financial income (charges) | (155) | -6% | (136) | -7% | (18) | 13% |
| Pre-tax profit (loss) | 22 | 1% | (18) | -1% | 40 | -221% |
| (Income taxes for the year) | (1) | 0% | (45) | -2% | 44 | -98% |
| PROFIT (LOSS) FOR THE YEAR | 21 | 1% | (63) | -3% | 84 | -133% |

| RECLASSIFIED BALANCE SHEET | 30/06/2015 | | 31/12/2014 | | Change | |
|--|----------------|-------------|----------------|-------------|----------------|-------------|
| <i>(Amounts in thousands of Euro)</i> | | | | | | |
| Trade receivables | 578 | 6% | 1,757 | 24% | (1,179) | -67% |
| (Trade payables and advances) | (4,163) | -43% | (4,749) | -66% | 586 | -12% |
| Final inventories | 736 | 8% | 814 | 11% | (78) | -10% |
| Other short-term operating assets (liabilities) | 1,157 | 12% | 906 | 13% | 251 | 28% |
| Net working capital | (1,692) | -17% | (1,272) | -18% | (420) | 33% |
| Intangible assets | 2,572 | 26% | 2,465 | 34% | 107 | 4% |
| Tangible assets | 8,464 | 87% | 5,652 | 78% | 2,812 | 50% |
| Investments and securities | 0 | 0% | 0 | 0% | 0 | 0% |
| (Employee benefits) | (86) | -1% | (95) | -1% | 9 | -9% |
| Other net assets (liabilities) | 455 | 5% | 481 | 7% | (26) | -5% |
| Invested capital net of financial receivables | 9,713 | 100% | 7,231 | 100% | 2,482 | 34% |
| Equity | 4,525 | 47% | 4,490 | 62% | 35 | 1% |
| (Cash, Banks and similar items) | (1,313) | -14% | (2,284) | -32% | 971 | -43% |
| Due to banks and other lenders | 6,501 | 67% | 5,025 | 69% | 1,476 | 29% |
| Net financial position | 5,188 | 53% | 2,741 | 38% | 2,447 | 89% |
| Equity + Net financial position | 9,713 | 100% | 7,231 | 100% | 2,482 | 34% |



| RECLASSIFIED CASH FLOW STATEMENT | | 30/06/2015 | 31/12/2014 |
|----------------------------------|---|----------------|----------------|
| A) | Cash and cash equivalents at the beginning of the period: | 2,284 | 128 |
| B) | Cash flows from operating activities | 1,073 | 1,527 |
| | Profit/(loss) for the year | 21 | 7 |
| | Change in working capital | 420 | 746 |
| | Change in receivables / payables from deferred tax | (26) | (299) |
| | Amortisation and depreciation, impairment and provisions | 647 | 1,056 |
| | Change in employee post-employment benefits | 11 | 17 |
| C) | Cash flows from investing activities | (3,509) | (3,376) |
| | Investment in (tangible and intangible) assets for the year | (3,547) | (2,633) |
| | Other changes in non-current assets | | (37) |
| | Changes in Equity following IPO costs (IAS 32) | 0 | (1,006) |
| | Other changes in reserves not generating financial transactions | 38 | 300 |
| D) | Cash flows from financing activities | 1,465 | 4,005 |
| | Changes in payables due to banks for loans | (113) | (318) |
| | Changes in short-term payables due to banks | (106) | (554) |
| | Changes in lease payables | 1,699 | (10) |
| | Other changes in financial payables (due to shareholders and third parties) | (15) | (142) |
| | Changes in Equity following IPO (share capital increase and share premium) | 0 | 5,029 |
| E) | Cash flows for the period (B+C+D): | (971) | 2,156 |
| F) | Cash and cash equivalents at the end of the period (A+E): | 1,313 | 2,284 |

Fine Comunicato n.20056-31

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