



9M2016 Results Presentation

3rd November 2016

Forward-looking Statements contained in this document, particularly the ones regarding any EIT (Ei Towers) possible or assumed future performance, are or may be forward-looking statements and in this respect they involve some risks and uncertainties.

EIT actual results and developments may differ materially from the ones expressed or implied by the above statements depending on a variety of factors.

Any reference to past performance of EIT shall not be taken as an indication of future performance.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein.

The executive responsible for the preparation of the accounts of Ei Towers SpA, Fabio Caccia, declares that, as per art. 2, 154 bis of the Consolidated Finance Law, the 2015 and 2016 accounting information contained in this release corresponds to that contained in the company's formal accounts.

- **Core Revenues at €186.6m (+3.8% yoy)**
 - Growth driven by volumes (almost exclusively M&A activity)
- **Nine Months Adjusted EBITDA at €92.3m (+8.7% yoy)**
 - Result, before one-off items, in line with FY2016 guidance
 - Adjusted EBITDA margin at 49.4% (+220 bps vs 9M2015)
 - Reported EBITDA at €89.4m
- **Free Cash Flow generation**
 - Free cash flow before small M&A/development capex and buy back at ca €36.4m
 - ca €12.6m Net Free Cash Flow
 - Net Debt at €117.7m

Income Statement

9M 2016 Financial Headlines

Data in €/m	9M 2015 ^(*)	9M 2016	Var. % YoY
Core Revenues	179.8	186.6	3.8%
Other revenues	0.3	1.3	
Total Revenues	180.1	187.9	4.3%
Operating costs	(95.2)	(95.6)	0.5%
- o/w Opex	(63.2)	(64.2)	1.6%
- o/w Labour Cost	(32.0)	(31.4)	-1.9%
Adj. EBITDA	84.9	92.3	8.7%
% on Core Revenues	47.2%	49.4%	
Non recurring items	(3.1)	(2.9)	
EBITDA	81.8	89.4	9.3%
D&A	(28.6)	(27.8)	-2.7%
Provisions	-	(0.9)	
EBIT	53.2	60.6	14%
Net financial charges	(6.3)	(7.0)	11.0%
EBT	46.9	53.7	14.4%
Income taxes	(15.7)	(17.5)	11.0%
Net income	31.2	36.3	16.2%
EPS (€)	1.11	1.29	16.2%

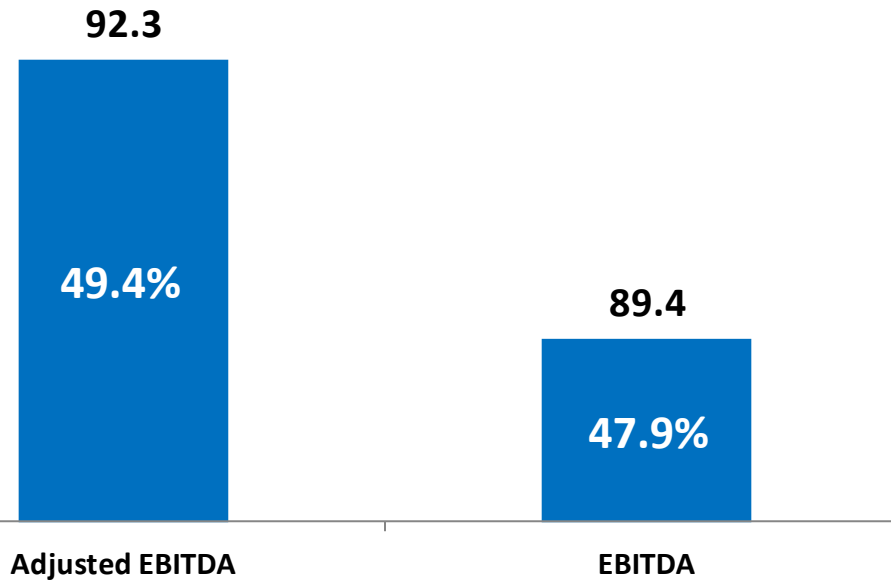
- Growth driven mainly by volumes (M&A)
- Business mix: broadcast 85%; telecom 15%

Δ Perimeter: ground lease increase

9M2016 EBITDA

Data in €/m

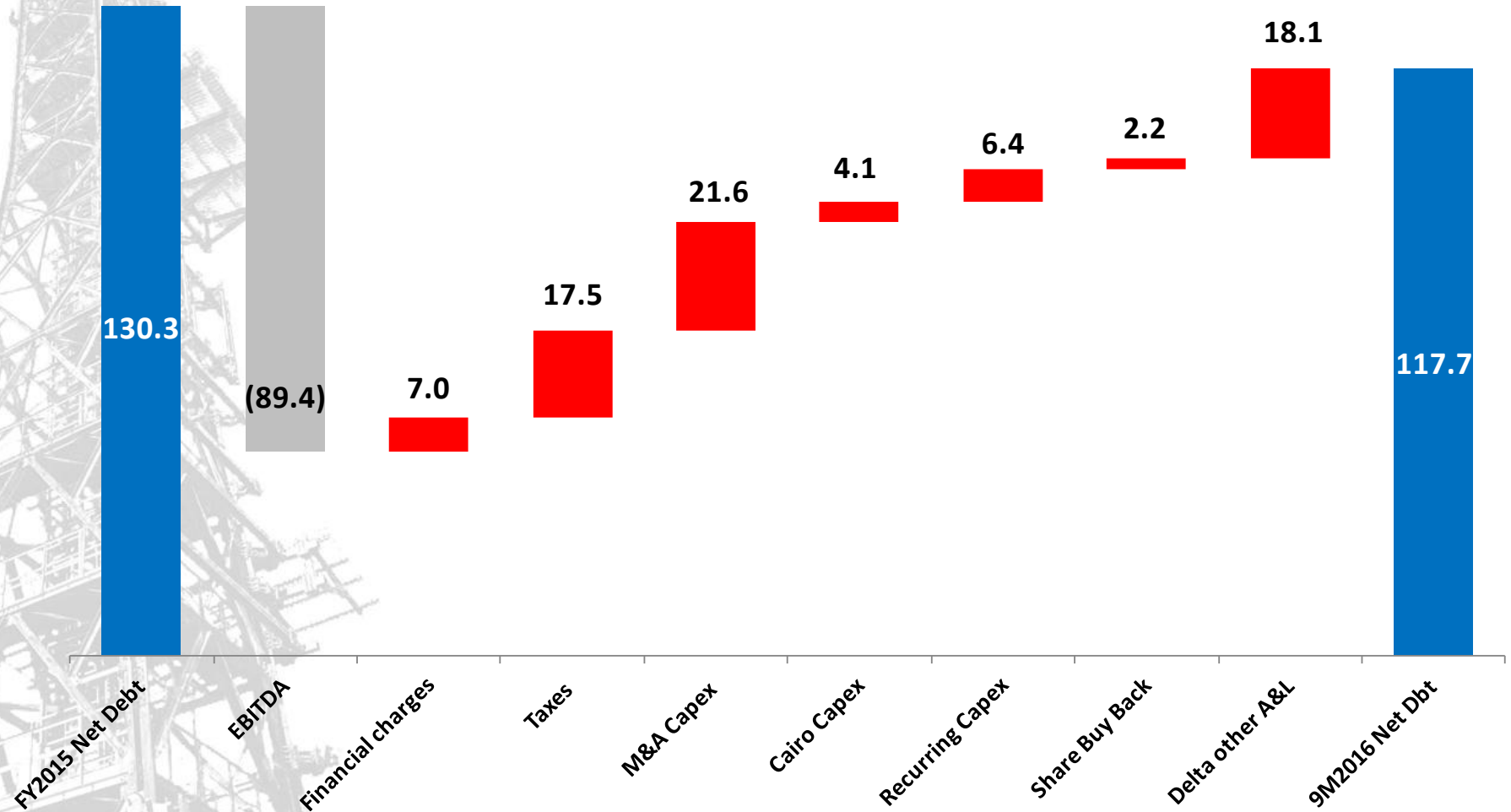
% on Core Revenues



- **Adjustments**
 - M&A costs €2.5m
 - Lay offs €0.4m

Net Debt and Cash Flow Bridge

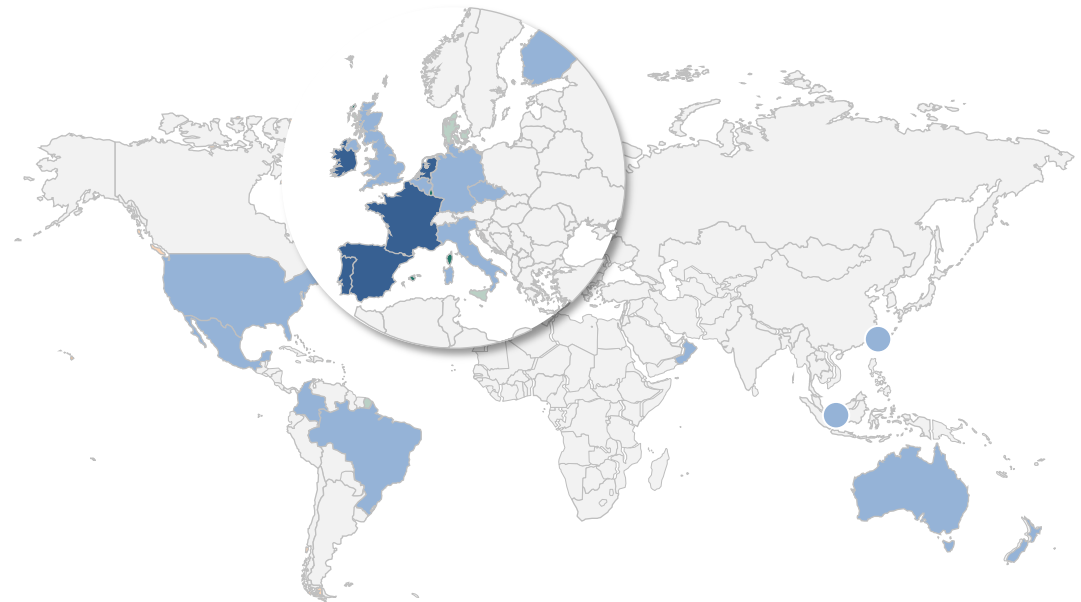
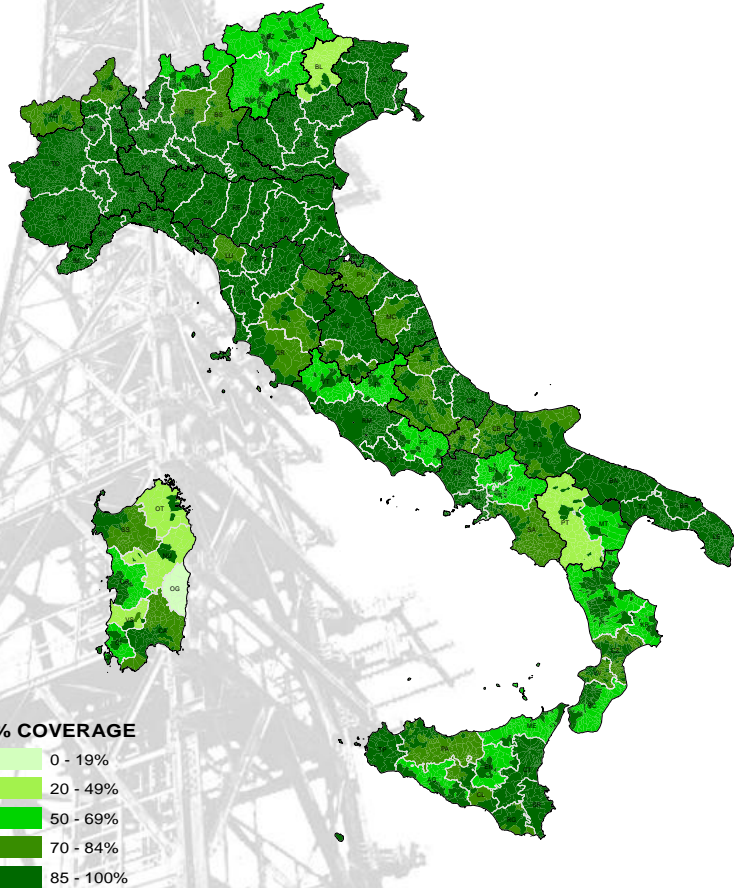
Data in €/m



- # 112 sites
- # 55 lots of land
- EV ~ €21.6m
- Pro forma EBITDA ~ €2.7m
- Implied multiple ~ 8x
- **FY2016 M&A target portfolio on track**
 - €4-5m EBITDA target within FY2016 confirmed

NETWORK COVERAGE TARGET AS OF 1Q2017

SIGFOX NETWORK:
One contract, one network
24 countries, more than 1 billion people



Launched country

- France
- Spain
- Netherlands
- Portugal
- Ireland
- Luxembourg

On going country deployment

- Czech Republic
- Denmark
- New Zealand
- Taiwan
- Finland
- Oman
- Mauritius
- Mexico
- Malta
- USA
- Italy
- Germany
- Belgium
- United Kingdom
- Australia
- Brazil
- Singapore
- Colombia

Network coverage

- **As of today:**
 - Close to 500 base stations already operating
 - Country's population covered: ~ 70%
 - Number of cities covered > 85%: ~ 2,600 (among these all major Italian cities: Rome, Milan, Naples, Turin, Palermo, Genoa, Bologna, Florence, Bari, Catania, etc.)
 - **As of Q1/2017**
 - Close to 1,000 base stations operating
 - National coverage confirmed
- **Nettrotter develops its IoT Sigfox Network in Italy through EI Towers' and other providers' sites**
 - **Nettrotter has entered into an agreement with a top Italian infrastructure player for the provision of site's installation and management, for up to 800 sites**

Made in Italy

Solutions off-the-shelf (among others)

Water metering

Pet tracker

Smart lighting

Asset management



First clients(*) (vertical)

Water metering

Power monitor

Smart building

Home security

Environmental monitoring

Infrastructural monitoring

A more efficient Capital Allocation

- **Targeting 2.5x Net Debt/EBITDA by year end 2018**
- **Establishing a regular Dividend Policy**
 - Pay out *at the least* 100% Consolidated Net Income
- **Share Buy Back programme**
 - Up to 5% of Share Capital
 - To date ~0.4% acquired
- **The proposed capital allocation allows to:**
 - Pursue investment opportunities (small M&A)
 - Maintain financial flexibility
- **All FY2016 Targets confirmed**

Adjusted EBITDA corresponds to the difference between consolidated revenues and operating costs, gross of non-monetary costs related to depreciations, amortizations and write-downs (net of possible revaluation) of current and non-current assets, of non ordinary economic components related to M&A transactions according IFRS3 or layoffs, of any costs related to atypical and/or unusual deals as defined by Consob communication of July 28 2006 n. DEM 6064293.

EBITDA is the difference between consolidated revenues and operating costs, gross of non monetary costs related to depreciations, amortizations and write-down (net of possible revaluations) of current and non current assets. It is a measure used by the Group management to monitor and evaluate the Company performance and it is not applied as an accounting measure within the IFRS standards (“Non GAAP Measure”).



For more information please contact:

Vincenzo Mangiaracina

Head of Investor Relations

Tel: +39 039 24321

e-mail: investor.relations@eitowers.it