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Oggetto : EI Towers S.p.A. - FY 2016 results and
share buyback proposal

Testo del comunicato

Vedi allegato.

BOARD OF DIRECTORS 23 MARCH 2017

APPROVAL OF FULL YEAR 2016 CONSOLIDATED RESULTS

- Core revenues at €251.5m
- Adjusted EBITDA¹ at €123.1m (49% of revenues)
- EBITDA at €119.6m (47.6% of revenues)
- EBIT at €75.5m (30% of revenues)
- Net result €44.5m (17.7% of revenues)
- EPS at €1.58
- Net Financial Position at €142.6m
- Dividend per share at €1.80

Lissone 23 March 2017 - The Board of Directors of EI Towers S.p.A., which met today under the chairmanship of Alberto Giussani, approved the consolidated results of the full year 2016.

CONSOLIDATED RESULTS OF EI TOWERS GROUP

- The year 2016 was characterized by a persistent low inflation rate. The growth of core revenues, equal to €251.5m (+ 4% yoy), is therefore due largely to the growth of volumes, mainly associated with the M&A activity.
- Adjusted EBITDA came to €123.1m (49% on core revenues), growing by 5.2% yoy, with an increase of 60 base points on the margin on revenues.
- EBITDA amounted to €119.6m, growing by 5.9% on the same figure of the previous year (equal to €113m).
- EBIT came to €75.5m, representing 30% of core revenues and growing by around 3.5% on the 2015 figure (equal to €73m).
- Net result, after €9.4m of net financial charges and €21.7m of p&l taxes, amounted to €44.5m, (17.7% of core revenues), decreasing by ca 6% yoy. It's worth mentioning that 2015 was positively impacted by a one off item (€2.5m) at the Other Revenues line and by a lower tax rate (€4.2m positive p&l impact coming by deferred tax asset and liabilities).
- EPS amounted to €1.58

¹ Adjusted EBITDA corresponds to the difference between consolidated revenues and operating costs, gross of nonmonetary 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").

- The group's net invested Capital was equal to €780.4m, the Shareholders' Equity amounted to €637.8m and the Net Financial Position came to €142.6m.

RESULTS OF THE PARENT COMPANY

The parent company El Towers S.p.A. reported 2016 revenues at €215.2m, EBITDA at €99.3m and net profit at €37.6m. The Shareholders' Equity as at 31 December 2016 was equal to €593.9m, the Net Financial Position amounted to €165.9m.

DIVIDEND DISTRIBUTION PROPOSAL

The Board of Directors of El Towers S.p.A., in line with the dividend policy approved on 26 July 2016, resolved to propose to the Shareholders' Meeting, which will be held on April 20, 2017, on a single session, the distribution of a dividend of €1.80 per share before taxes by distributing the entire profit for the year and a portion of the share premium reserve.

With reference to the currently outstanding shares as of 22 March, 2017 (no. 28,262,377 shares, less no. 715,724 treasury shares held in portfolio by the Company and equal to 2.53% of the share capital), the total amount of the proposed dividend would be equal to around €49,583,975.4. This amount may decrease if, on the coupon detachment date, the actual number of treasury shares should increase following any purchase carried out in implementation of the buy back plans resolved by the Board of Directors in compliance with Shareholders' Meeting relevant resolutions. The total amount for the payment of the extraordinary dividend shall be taken from the profit for the year and, for the difference, from a portion of the share premium reserve of El Towers S.p.A..

The dividend (coupon n. 4) shall be payable starting from May 24, 2017, with detachment of the coupon on May 22, 2017 and record date on May 23, 2017.

EXPECTATIONS FOR THE FULL YEAR

In 2017 the company will develop the business organically and inorganically with a focus on acquisition of small tower companies operating in the mobile telecom and radio broadcasting sector. EBITDA, for fiscal year 2017, is expected to be in line with the target disclosed to the market. The buy back programme is going ahead of the plan, so the target (buying back 5% of the share capital) could be achieved by the end of this year.

Taking into consideration the special dividend distribution occurred in February 2017, the planned ordinary dividend payment, the ahead-of-the-plan buy back programme and the expected M&A deals, the company believes that, by the end of this year, the leverage ratio (Net Financial Position/EBITDA) should land around 2.5x.

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REMUNERATION REPORT

The Board of Directors approved the Remuneration Report, pursuant to Art. 123-ter of the Legislative Decree no. 58 of 24 February 1998 and subsequent modifications and to the provisions issued by Consob.

In the next Shareholders' Meeting, the Board will propose the approval of the first section of the Report, which outlines the company's policy regarding the remuneration of directors and managers with strategic responsibilities, in compliance with the provisions of Art. 123-ter of the Consolidated Law on Finance.

SHARE BUY BACK

The Board of Directors of El Towers will ask the next Shareholders' Meeting, to renew the authorisation to effect share buy back in line with the provisions of Article 132 of the Legislative Decree no. 58 of 24 February 1998 and subsequent modifications, and Articles 73, 144-bis and Annex 3A, Model no. 4 of Consob resolution no. 11971 of 14 May 1999 as subsequently amended (hereinafter "Issuer Regulations"), and of the Regulation (EU) no. 596/2014, as subsequently amended (the "MAR") and of the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016.

As of today, the Company's share capital subscribed and paid up is equal to Euro 2,826,237.70, subdivided into 28,262,377 ordinary shares, with a nominal value of Euro 0.10 each. The company holds as Treasury Stock, as of 22 March 2017, no. 715,724 shares, representing 2.53% of the share capital, of which no. 6,000 shares are on loan to Mediobanca - Banca di credito Finanziario S.p.A. in its role as specialist pursuant to art. 2.2.3, paragraph 4 of the Regulation of Markets Organised and Managed by the Italian Stock Exchange and related instructions contained in the Regulations. As of today the company's subsidiaries do not hold shares.

With the renewal of the authorisation, the Board intends to pursue the objectives set out below, even operating, should the opportunities arise, in accordance with the accepted market practices, and in any case, in compliance with the applicable laws:

- i) to carry out stabilization of the share performance, in the cases provided by applicable laws, and sustain liquidity;
- ii) to set up a so-called "share store" so that the Company may hold and dispose of the shares for possible use as payment for extraordinary transactions, including the exchanging of equity investments, with other bodies in the context of operations in the interest of the Company;
- iii) comply with the obligations arising (where approved) from share option plans or other shares' assignments to employees or members of the administrative and control bodies of El Towers S.p.A. or of the Company's subsidiaries.

In particular, the proposal includes authorising the Board to purchase shares of the Company, in one or more tranches, up to the maximum legal limit, taking account of the treasury shares held directly and any that might be held by subsidiaries.

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Purchases may be made under Article 2357, the first paragraph of the Civil Code, within the limits of distributable profits and reserves as reported in the last approved Annual Report, resulting in the creation, pursuant to Article 2357-ter, the third paragraph of the Civil Code, of a restricted reserve equal to the amount of shares purchased from time to time, and which must be maintained until shares are transferred.

Upon the purchase of shares or their sale, swap, grant or writedown, the appropriate accounting entries shall be made in accordance with the provisions of the law and applicable accounting principles. In the event of sale, swap, grant or writedown, the amount in relation thereto may be re-used for other purchases, until the expiration of the term of the shareholders' authorization, without prejudice to the quantitative and spending limits and the conditions established by the shareholders' meeting.

The authorization for the purchase will be requested for a period less than the maximum period allowed by prevailing laws and regulations (which is currently 18 months starting from the date of the resolution of the shareholders' meeting), and precisely until the Shareholders' Meeting that will approve the financial statements as of December 31, 2017.

The Board will propose that the purchase price of the shares shall be identified from time to time, with reference to the means chosen to perform the transaction and in respect of legal and regulatory prescriptions or admitted market practices, within a minimum-maximum range determined in accordance with the following criteria:

- the minimum purchase price shall be no more than 20% below the reference price of the shares as registered during the market trading session on the day preceding any individual transaction or the date on which the price is fixed;
- the maximum purchase price shall be no more than 20% above the reference price of the shares as registered during the market trading session on the day preceding any individual transaction or the date on which the price is fixed.

Without prejudice to the above, in the event of purchases of shares being made within the regulated market, the price for the bids to purchase shall not exceed the higher of the price of the last independent transaction and the price of the highest current independent bid to purchase on the market in which the purchase bids are input, in compliance with art. 3, paragraph 2 of the Commission Delegated Regulation (EU) 2016/1052.

The Board also proposes that the authorization shall allow to perform the aforementioned transactions, in one or more tranches, by acquiring shares, in accordance with Article 144-bis Paragraph 1, letters a) and b) of the Issuer Regulations:

- by means of a tender offer or exchange offer;
- on markets regulated according to the operational means established in the regulations covering the organization and operation of the markets, which do not allow for the direct matching of purchase bids with pre-determined offers for sale.

The purchases may occur with means other than those indicated above in accordance with Article 132, Paragraph 3 of Legislative Decree no. 58/1998 or other provisions applicable as of the date of the transaction.

The Shareholders will also be required, pursuant to Article 2357-ter of the Civil Code, to authorise the Board of Directors, on one or more occasions, to utilise shares purchased pursuant to this resolution or already held by the company, even before having reached the maximum

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number permitted and to buy back shares up to the limit established by the authorisation, without prejudice to the relevant resolutions regarding any compensation plans against or without payment, in favour of employees or members of the administrative or control bodies of EI Towers S.p.A. or subsidiary companies, as well as regarding plans for the bonus assignment of shares to shareholders and subsequent provisions provided by the plans.

With the exception of the plans covering the distribution, against or without payment, of options on shares or shares, which will occur at prices determined by the plans, the price for any other sale of treasury shares, which is to be set by the Board of Directors with the authority to delegate the power therefore to one or more directors, may be no more than 10% below the reference price of the shares as registered during the market trading session on the day preceding any individual transaction, in any case without prejudice to the respect of the limits which may be provided by law, also by European legislation, and accepted market practices for the time being in force.

Should the treasury shares be the subject of an exchange, swap, grant or any other act of assignment without cash payment, the economic terms of the transaction shall be determined on the basis of the nature and characteristics of the transaction, also taking into account the market performance of the EI Towers S.p.A. shares.

Shares may be used in the way considered most appropriate in the interests of the company, and in any case in full compliance with applicable laws and accepted market practices. The options on shares or shares to be assigned as part of distribution plans will be assigned with the means and in the terms indicated by the plan regulations. The purchase of treasury shares which is the subject of this authorization request is not instrumental to the reduction of the share capital.

The results of the full year 2016 are being disclosed to the financial community today at 6.00 p.m. (Italian time) via conference call. The reference documents will be made available under the Investor Relations section of the website www.eitowers.it

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 accounting information on the full year 2016 contained in this release corresponds to that contained in the company's formal accounts.

For more information please contact:

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EIT GROUP

CONSOLIDATED INCOME STATEMENT				
	2016		2015 (*)	
	<i>Euro in thousand</i>			
Revenues from sale of goods and services	251.533	100,0%	241.807	100,0%
Other income and revenues	1.204		2.846	
Total Revenues	252.737		244.653	
Operating Costs	129.600		127.617	
Adjusted EBITDA	123.137	49,0%	117.036	48,4%
Non-recurring items	(3.510)		(4.058)	
Gross operating margin (EBITDA)	119.627	47,6%	112.978	46,7%
Amortisation, depreciation	44.087		40.018	
Operating result (EBIT)	75.540	30,0%	72.960	30,2%
Financial charges, net	(9.424)		(8.621)	
Income/(expense) from equity investments			12	
Pre-tax result (EBT)	66.116	26,3%	64.351	26,6%
Income taxes	(21.696)		(17.071)	
Net income	44.420	17,7%	47.280	19,6%
(Profit)/Loss pertaining to minority interests	47		11	
Group's net income	44.467	17,7%	47.291	19,6%

CONSOLIDATED RECLASSIFIED BALANCE SHEET				
	31 December 2016		31 December 2015 (*)	
	<i>Euro in thousand</i>			
Net working capital	(22.016)	-2,8%	(34.391)	-4,6%
Goodwill	503.779		479.541	
Other non-current assets	371.897		366.948	
Non-current liabilities	(73.282)		(72.385)	
Fixed assets	802.394	102,8%	774.104	104,6%
Net invested capital	780.378	100,0%	739.713	100,0%
Net financial position	142.559	18,3%	130.247	17,6%
Shareholders' equity	637.777	81,7%	609.428	82,4%
Minority shareholders' equity	42	0,0%	39	0,0%
Financial position and shareholders' equity	780.378	100,0%	739.713	100,0%

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CASH FLOW STATEMENT	2016	2015
<i>Euro in thousand</i>		
Cash flow generated (absorbed) by operating activities	91.759	85.485
Cash flow generated (absorbed) by investing activities	(77.140)	(77.019)
Cash flow generated (absorbed) by financing activities	(24.092)	(38.922)
Net cash flow of the period	(9.473)	(30.456)

Fine Comunicato n.0722-23

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