



FY2016 Results Presentation

23rd March 2017

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.

- **On track with the Business Plan**
 - Core Revenues at €251.5m +4.0% YoY
 - Adjusted EBITDA at €123.1m +5.2% YoY
 - Adjusted EBITDA margin at 49%
 - EBITDA - Maintenance Capex at €113m
- **A more efficient Capital Allocation**
 - Mix of share buy back and regular dividend policy
 - FY2016 Net Financial Position at €142.6m, 1.15x on Adjusted EBITDA
 - On February 2017 €100m special dividend distributed
 - To date buy back at 2.53% of the share capital
 - 2.5x NFP/EBITDA ratio confirmed by 2018
- **Dividend distribution proposal: €1.80/share**

- **Small M&A support the value**
 - Additional €50.4m invested in M&A transactions
 - Implied EBITDA* multiple ~8.5x
 - Two transactions in radio business completed (~100 sites)
- **Radio Broadcasting, a new focus**
 - Incorporation of EIT Radio in May: companies acquired in the context of M&A already merged before year end
 - In 2017 the consolidation of small M&A will mainly continue in the radio tower sector

- **Mediaset contract**

- 71.5% on FY16 core revenues
- 7+7 years duration (July 2018/July 2025)
- H2/17 window for renewal

- **Cairo contract**

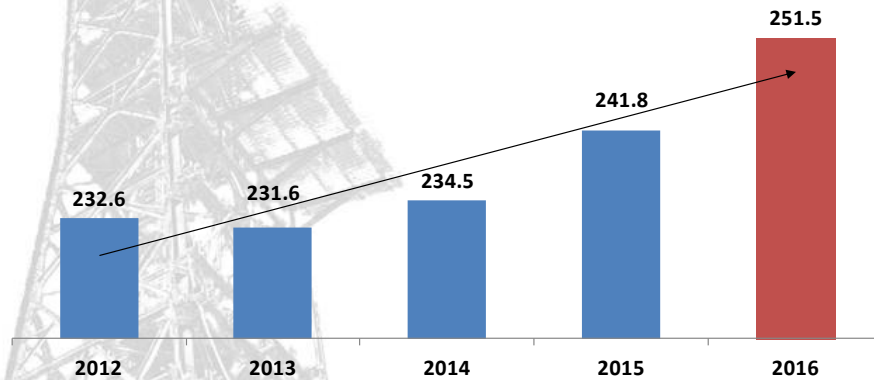
- Network completed
- 3+7+10 years duration (2024 window for renewal)
- €3m revenues in FY16
- €7m revenues in FY17

- **700 Mhz band**

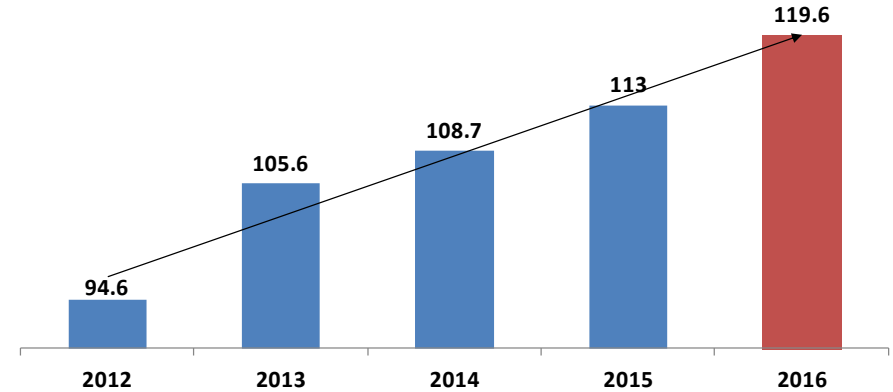
- Band not reallocated from tv to mobile before 2020 (with potential 2 years tolerance)
- Any reallocation of bandwidth below 700Mhz band cannot take place before 2030

Constant Growth Trajectory

Revenues CAGR 2012-2016 at 1.57%



EBITDA CAGR 2012-2016 at 4.8%...



... Despite small TV landscape harshness and low inflation

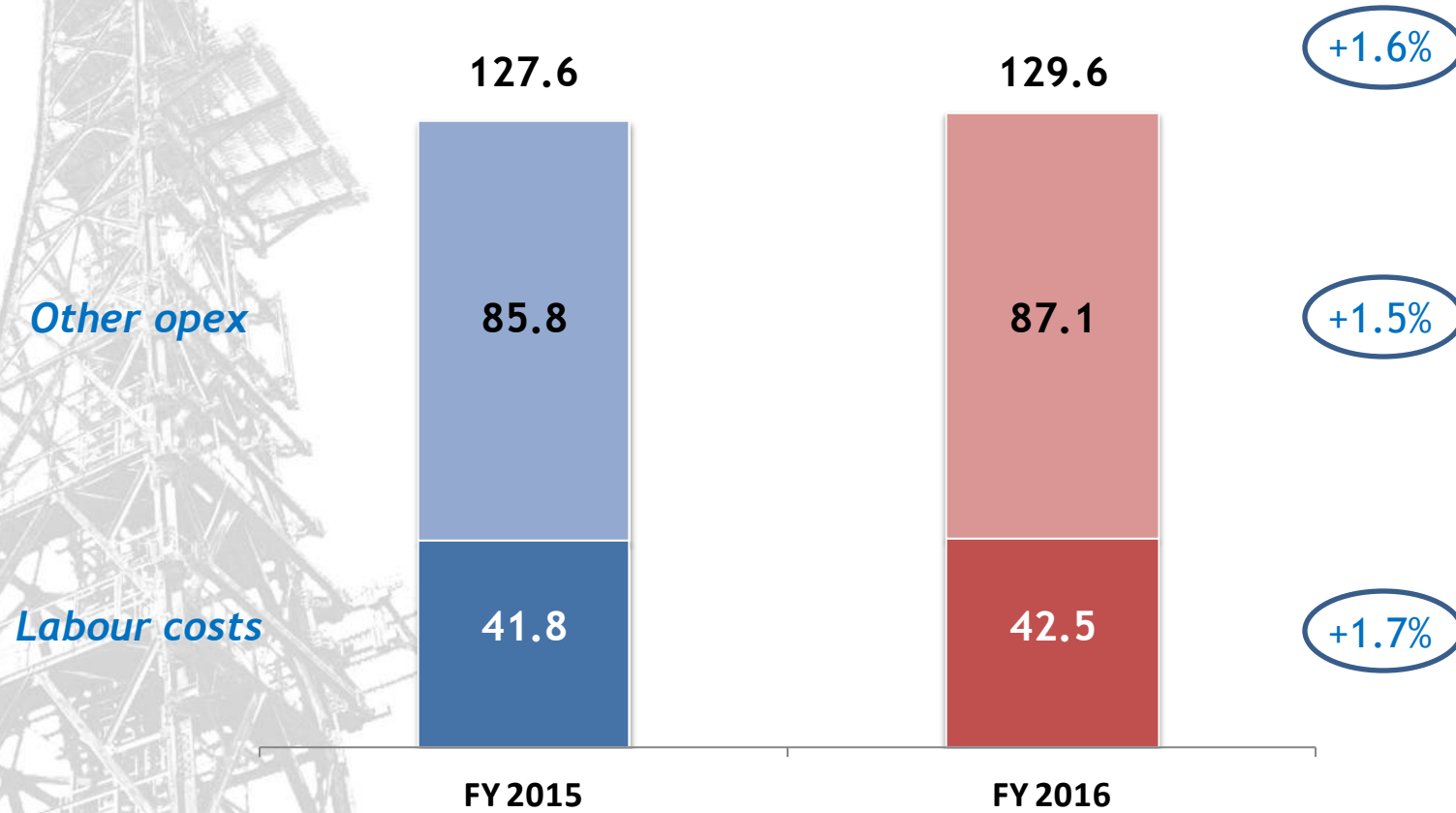
Profit and Loss

Data in €/m	FY 2015*	FY 2016	YoY %
Core Revenues	241.8	251.5	4.0%
Other Revenues	2.8	1.2	
Adjusted EBITDA	117.0	123.1	5.2%
<i>% Margin</i>	48.4%	48.9%	
One off	-4.0	-3.5	
EBITDA	113.0	119.6	5.9%
D&A, Provision	40.0	44.1	
EBIT	73.0	75.5	3.6%
Financial Expenses	-8.6	-9.4	
Pre-tax Profit	64.4	66.1	2.8%
Taxes	17.1	21.7	
<i>% Tax Rate</i>	26.4%	32.8%	
Net Income	47.3	44.5	-5.9%
EPS	1.68	1.58	

- Adjusted EBITDA margin at 49% (+60bps yoy)
- EBITDA in line with company guidance
- FY16 tax rate at 32.8% vs 26.4% in FY2015

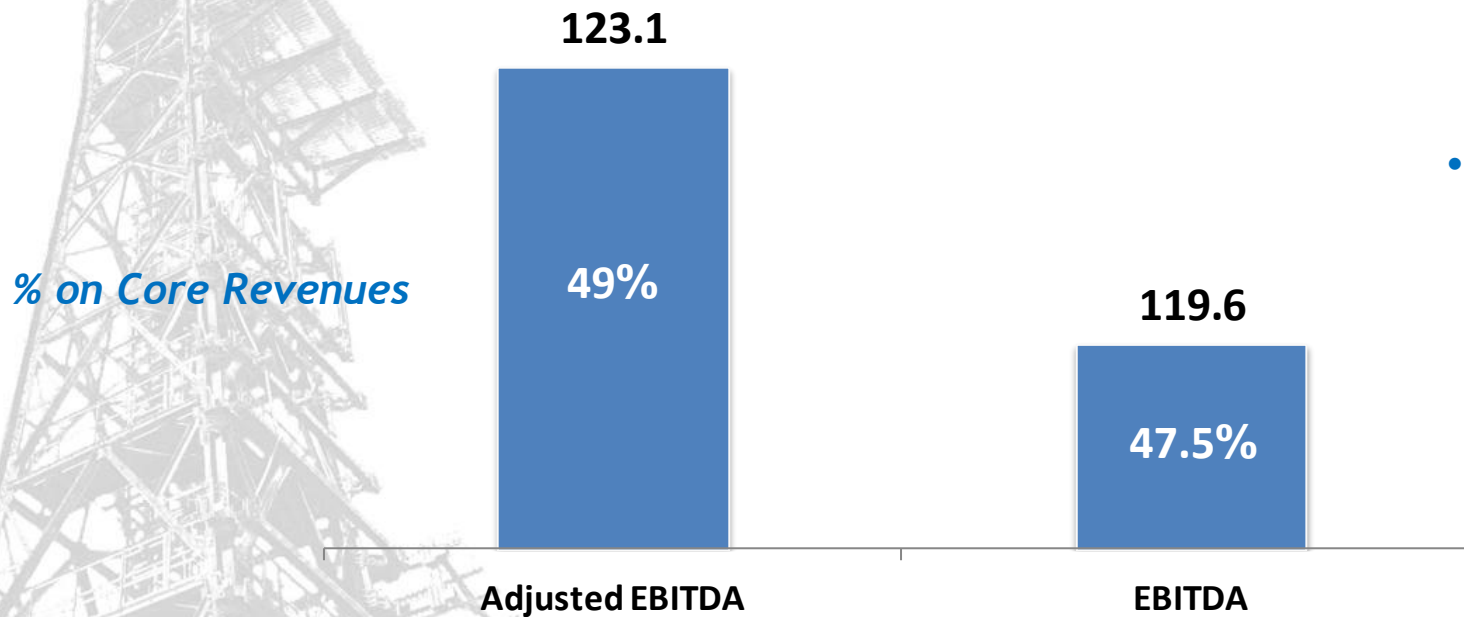
Opex

Data in €/m



FY2016 EBITDA

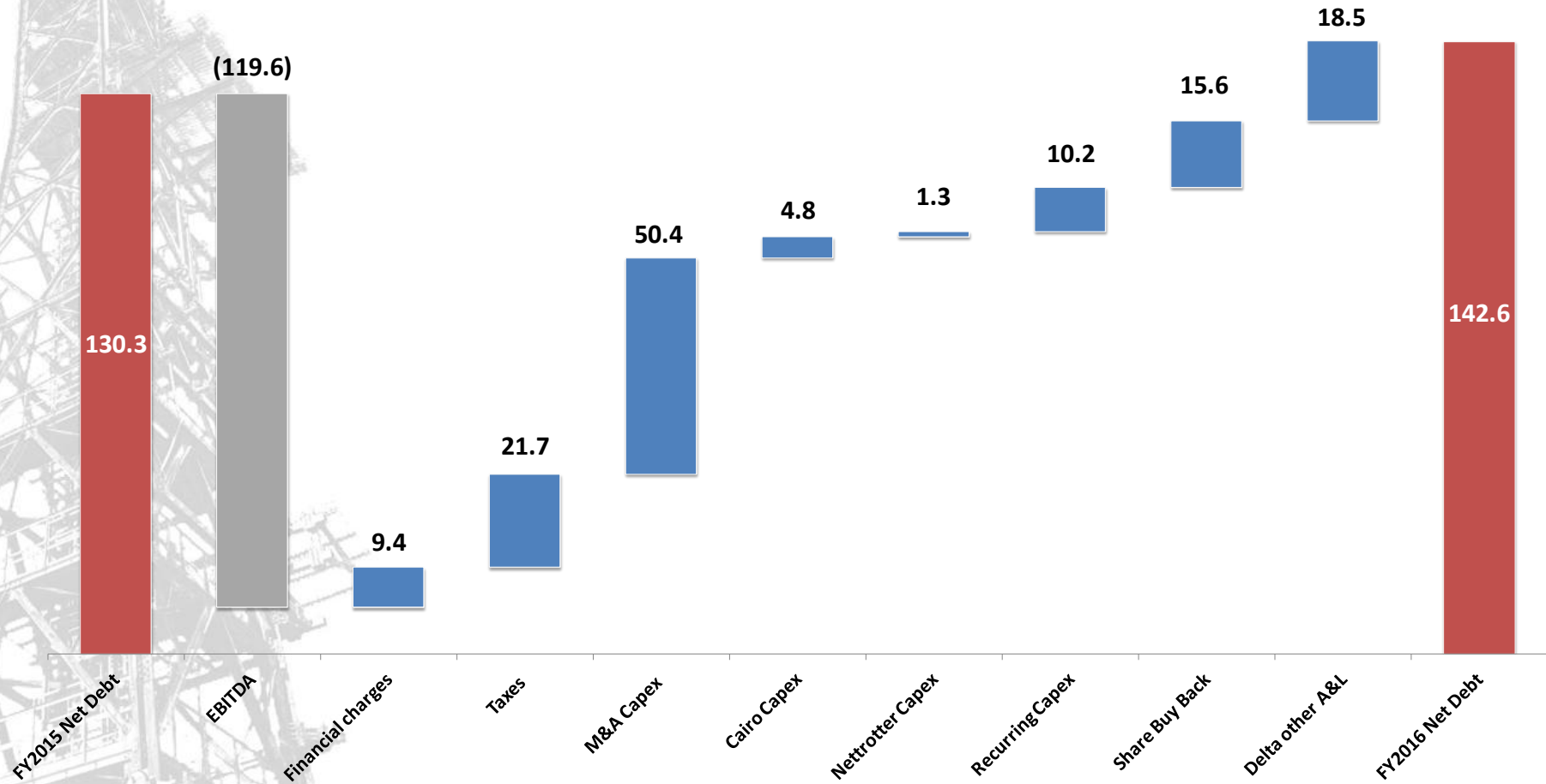
Data in €/m



- Adjustments
 - M&A cost €2.9m
 - Lay offs €0.6m

Net Debt and Cash Flow Bridge

Data in €/m



Balance Sheet

Data in €/m	2015*	2016
Non Current Asset	846.5	875.7
Fixed Asset	366.9	371.9
Goodwill	479.5	503.8
Non Current Liabilities	(72.4)	(73.3)
Net Working Capital	(34.4)	(22.0)
Net Invested Capital	739.7	780.4
Net Financial Position	130.2	142.6
Cash	103.4	94.0
Borrowings	233.6	236.6
Equity	609.4	637.8

(*) Figures restated due to PPA

TELECOM: 14.8% on FY16 core revenues



- Catch any small M&A opportunity
- Continue ground consolidation
- Stabilising relationship with core clients

RADIO: 3.3% on FY16 core revenues



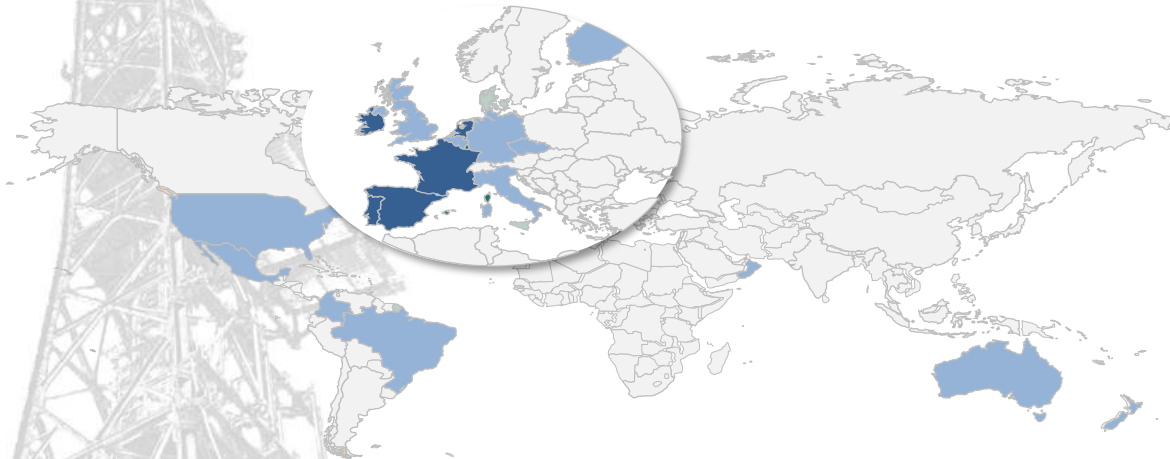
- Focus on M&A
- Ready to provide value added services

2016 Small M&A Activity

- # 248 sites
- # 62 lots of land
- EV ~ €50.4m
- Pro-forma EBITDA* ~ €5.9m
- Implied multiple ~ 8.5x

Update on Nettetrotter

Sigfox Global Reach



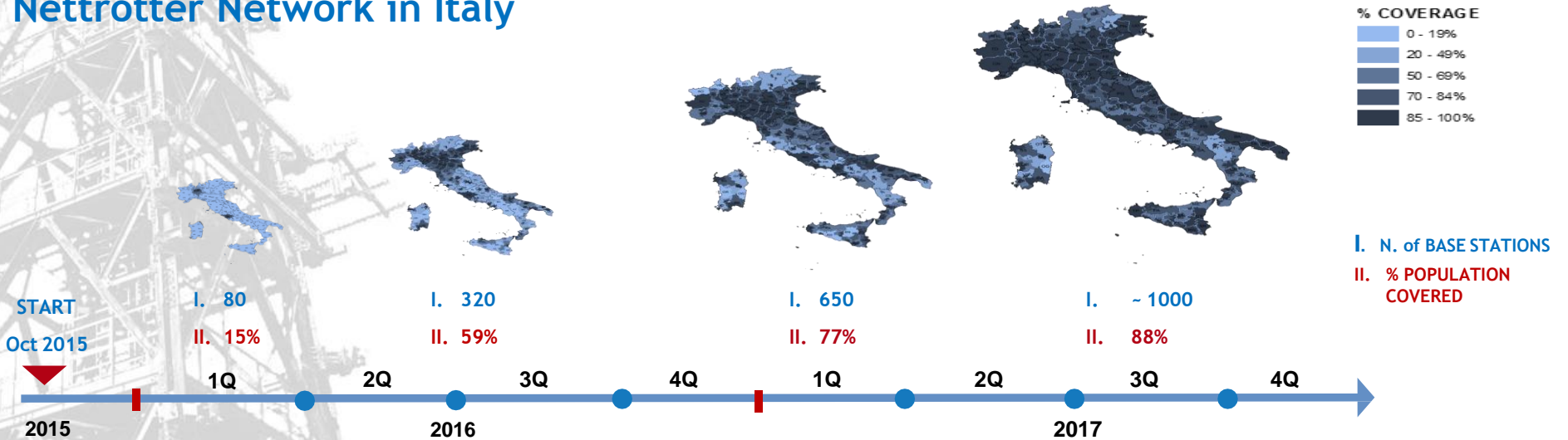
Launched country

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

Nettrotter Network in Italy



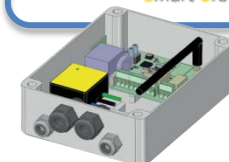
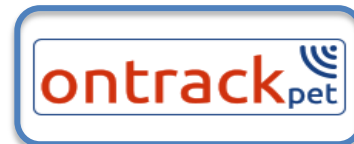
Technology and Service

- **Wide Area:**
 - 15-20 km urban outdoor
 - 20-30 Km extra urban outdoor
 - Antijamming
- **Low Power:**
 - Very low devices consumption (25 mW/TX)
 - Long battery life (years)
- **Distinctive Features:**
 - National network approach
 - Seamless international service (in all countries covered - currently 31)

Nettrotter Business Models

- Pure connectivity
 - Smart object Provider (SOP)
 - Solution as a Service (SAAS)
- } Subject to Profitability Analysis

Already available solutions off-the-shelf



- **Sale orders as of today: €0.7m**
- **Potential revenues**
 - 2017: ~ €1.0m
 - 2018/2019: CAGR ~ 100%
- **Operating break-even*: by the end of 2019**
- **Cumulated Capex: €9.1m by the end of 2017**
 - 2015: €3.2m (mainly BS acquisition)
 - 2016: €1.3m (network roll-out)
 - 2017: €4.6m (final delivery of the network)

2017 Outlook

- EBITDA ~ €127m
- Maintenance Capex ~ €12m
- Tax rate ~ 31-32%

A more efficient Capital Allocation

- **2.5x Net Debt/EBITDA in 2018**
- **Regular Dividend Policy**
 - Pay out *at the least* 100% Consolidated Net Income
 - 2017 dividend distribution proposal: €1.80/share (~3.5% yield)
- **Share Buy Back programme**
 - Up to 5% of Share Capital
 - To date 2.53% of share capital acquired
- **The proposed capital allocation allows to:**
 - Pursue investment opportunities (small M&A)
 - Maintain financial flexibility

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”).

A large, detailed image of a metal lattice tower, likely a telecommunications tower, is positioned on the left side of the slide. The tower is shown from a low angle, looking up, and is rendered in a light grey color, making it semi-transparent against the white background.

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