



*1H2017 Results Presentation*

*25<sup>th</sup> July 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 accounting information contained in this release corresponds to that contained in the company's formal accounts.

- **Core Revenues at €130.9m (+5.7% yoy)**
  - Growth driven by volumes (mainly M&A activity)
  - Cairo contract contribution
- **First Half Adjusted EBITDA at €66.4m (+9.6% yoy)**
  - Result, before extraordinary items, in line with FY2017 guidance
  - Adjusted EBITDA margin at 50.8% (+180 bps vs 1H2016)
  - Reported EBITDA at €65.7m
- **Sound Free Cash Flow generation confirmed**
  - Normalized figure, before dividends distribution and share buy back, at ca €16.3m
  - €3.6 per share as special dividend in February (cash out €99.7m)
  - €1.8 per share as ordinary dividend in May (cash out €49.4m)
  - Share bought back ca €27.4m
  - Net Financial Position at €-302.8m

# Income Statement

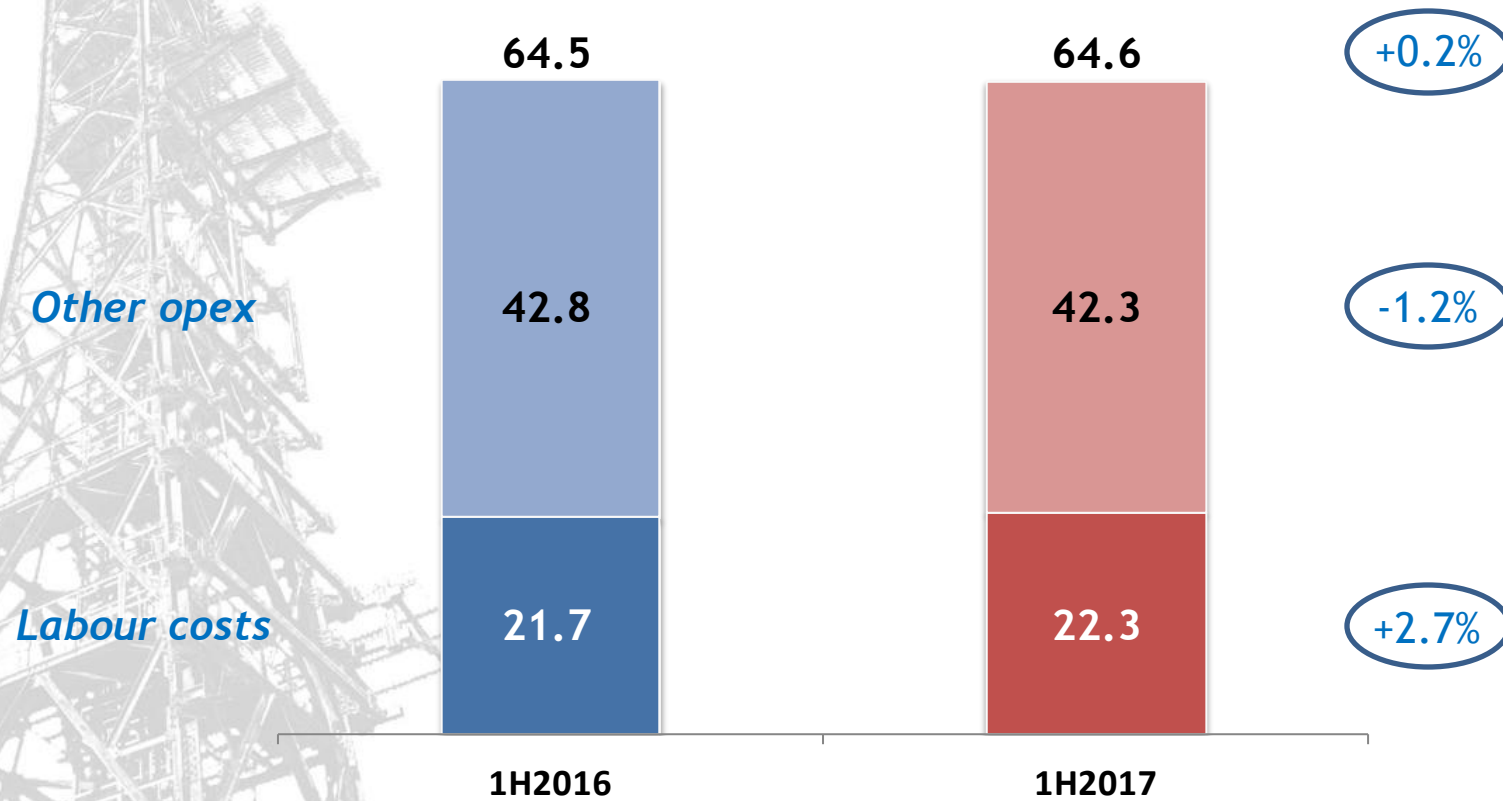
Data in €/m	1H 2016 <sup>(*)</sup>	1H 2017	Var. % YoY
<b>Core Revenues</b>	<b>123.8</b>	<b>130.9</b>	<b>5.7%</b>
Other revenues	1.3	0.1	
<b>Adj. EBITDA</b>	<b>60.6</b>	<b>66.4</b>	<b>9.6%</b>
% Margin	49.0%	50.8%	
One off	(2.5)	(0.7)	
<b>EBITDA</b>	<b>58.2</b>	<b>65.7</b>	<b>13.0%</b>
D&A, Provision	(20.6)	(18.8)	-4.4%
<b>EBIT</b>	<b>37.6</b>	<b>47.0</b>	<b>24.9%</b>
Financial Expenses	(4.6)	(4.9)	7.2%
<b>Pre-tax Profit</b>	<b>33.0</b>	<b>42.1</b>	<b>27.3%</b>
Taxes	(11.1)	(13.2)	19.0%
% Tax Rate	34%	31%	
<b>Net income</b>	<b>21.9</b>	<b>28.9</b>	<b>31.6%</b>
<b>EPS (€)</b>	<b>0.78</b>	<b>1.05</b>	

⇒ Growth rate higher than CPI largely thanks to small M&A and Cairo contribution

⇒ EBITDA growth and margin, net of other revenues, in line with Industrial Plan 2014/18

# 1H2017 Opex

Data in €/m



# 1H2017 EBITDA

Data in €/m

66.4

65.7

50.8%

50.2%

*% on Core Revenues*

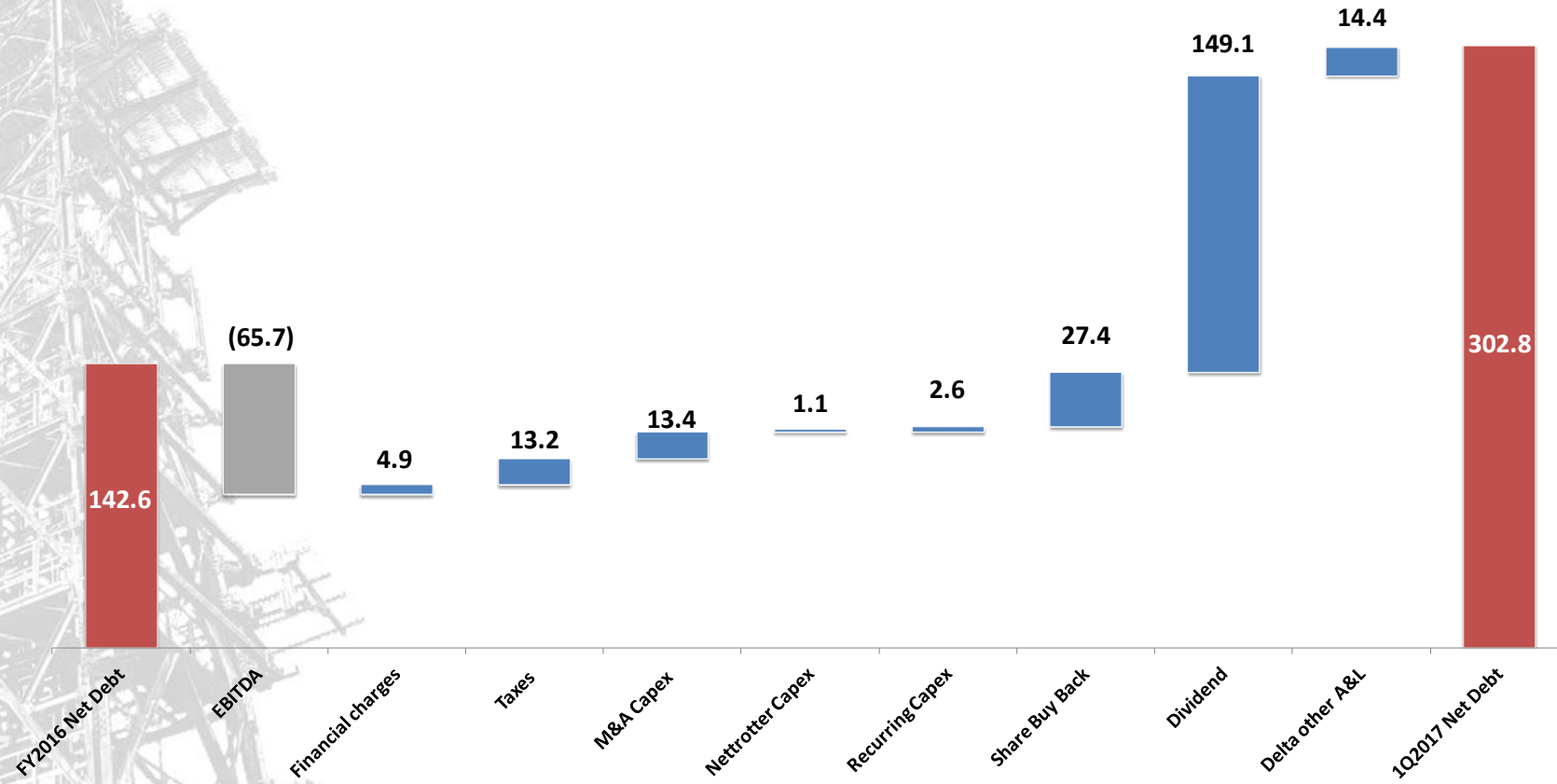
- Adjustments  
– M&A cost €0.7m

Adjusted EBITDA

EBITDA

# Net Debt and Cash Flow Bridge

Data in €/m



# Balance Sheet

Data in €/m	FY 2016	1H2017
<b>Non Current Asset</b>	<b>875.7</b>	<b>874.9</b>
Fixed Asset	371.9	364.4
Goodwill	503.8	510.5
<b>Non Current Liabilities</b>	<b>-73.3</b>	<b>-71.6</b>
<b>Net Working Capital</b>	<b>-22.0</b>	<b>-10.3</b>
<b>Net Invested Capital</b>	<b>780.4</b>	<b>793.0</b>
<b>Net Financial Position</b>	<b>142.6</b>	<b>302.8</b>
Cash	94.0	6.1
Borrowings	236.6	308.9
<b>Equity</b>	<b>637.8</b>	<b>490.2</b>



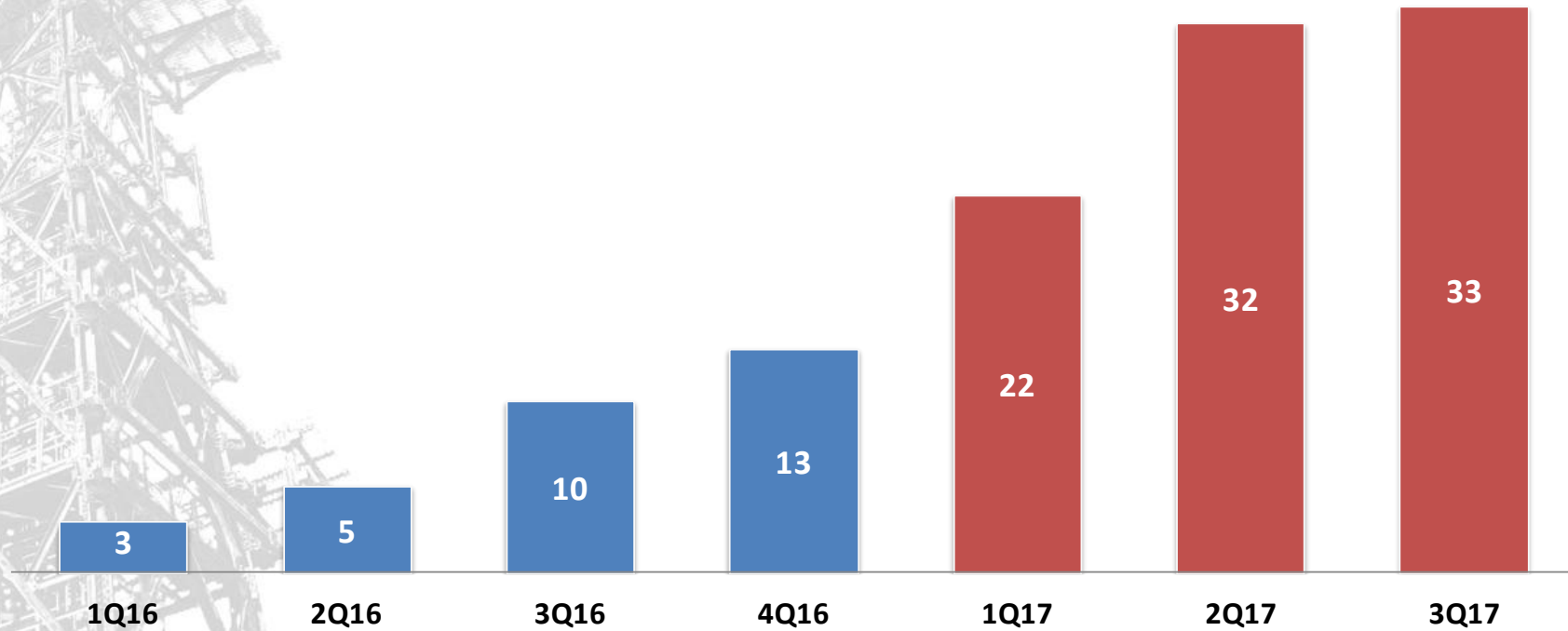
# Small M&A Update

- # 47 sites
- # 22 lots of land
- EV ~€8.1m
- Pro-forma EBITDA ~€1.1m
- Implied multiple: ~8x
- $\Delta$  to €13.4m EV due to earn-out (€0.5m), upfront payment for upcoming closings and ground consolidation (€1.3m)

# Update on Nettetrotter



# of customers



# Update on Nettetrotter

## Prospects

## IoT use cases

## Nettrotter solutions

1. Utilities and service companies

- Smart metering (water)
- Monitoring of water distribution



2. ESCO and energy managers

- Smart building
- Smart metering (energy sector)
- Smart lighting



3. Private security firms

- Back-up channel
- Anti-jammer



4. Insurance companies, customer service, care provider

- Full assistance service
- Proof of life
- Call back



- **Financial targets:**
  - EBITDA ~ €127m
  - Maintenance Capex ~ €12m
  - Tax rate ~ 31-32%
- **Capital allocation**
  - **2.5x Net Debt/EBITDA in 2018:** target to be likely met 1yr in advance (2017 vs 2018)
- **Share Buy Back programme**
  - » Up to 5% of Share Capital
  - » As of June 3.33% of share capital in portfolio (3.11% bought on the market)
- **The proposed capital allocation allows to:**
  - » Pursue investment opportunities (small M&A)
  - » Maintain financial flexibility

- The court of Milan issued an order of dismissal of the proceedings initiated in 2015 against the Directors of EI Towers for the voluntary tender and exchange offer on Rai Way S.p.A.

A large, faded, grayscale image of a tall, lattice-structured tower, likely a telecommunications tower, occupies the left side of the page. The tower is composed of a complex network of metal beams and cross-braces, tapering towards the top. It has several horizontal platforms or sections along its height.

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