



1Q 2018 Results Presentation  
May 3<sup>rd</sup>, 2018



## Disclaimer



Forward-looking Statements contained in this document, particularly the ones regarding any EIT (EIT 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 EIT 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.

## 1Q18 Highlights



Sound performance across all operational segments

Confirmed *Mid-Single-Digit* Growth in Core Topline: +4.3% YoY

Solid momentum on Adj. EBITDA (+5.8% YoY) driving Margin above 52%

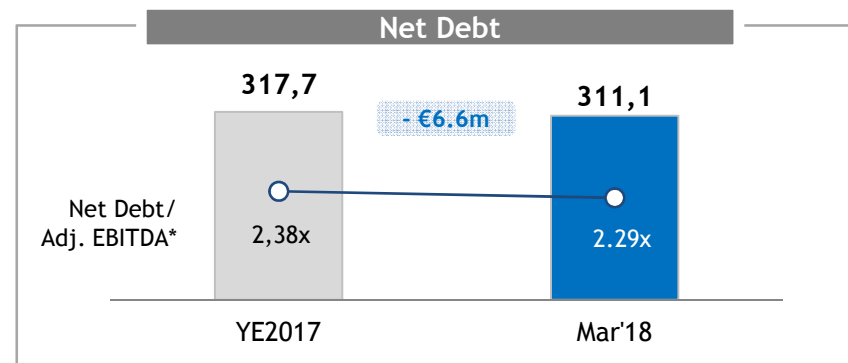
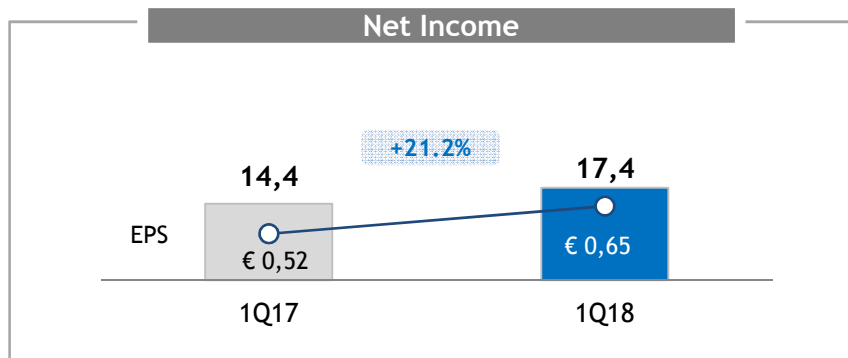
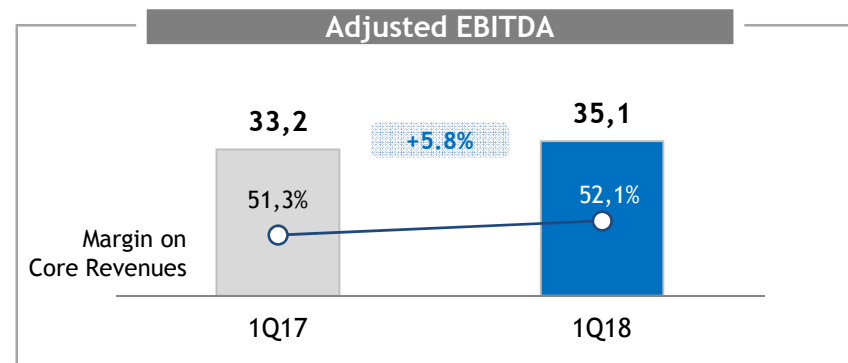
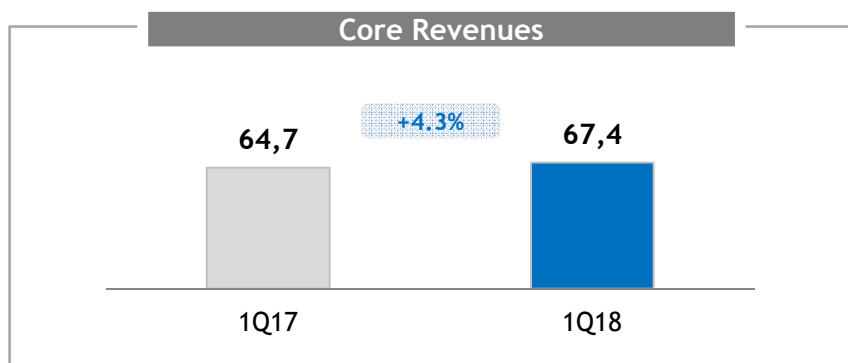
Higher Cash Conversion also benefitting from improved quality of financial metrics

On track to meet full year guidance

# 1Q18 Group Financial Results



Data in €mln, % YoY



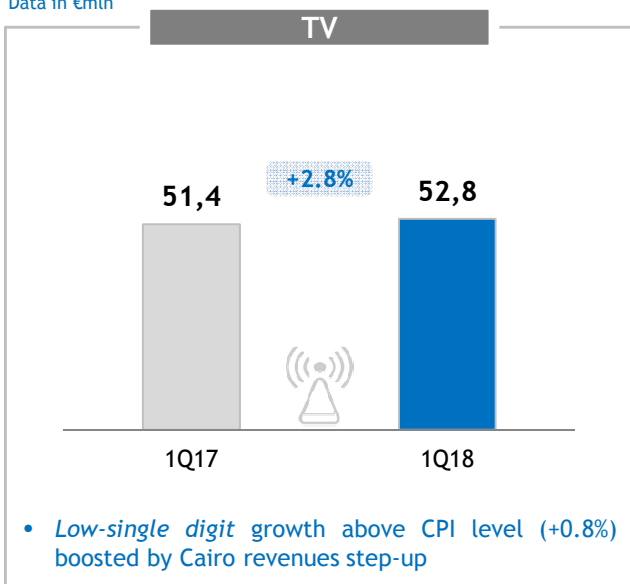
2017 Figures restated due to PPA

\* Based on trailing 12 months Adj.EBITDA

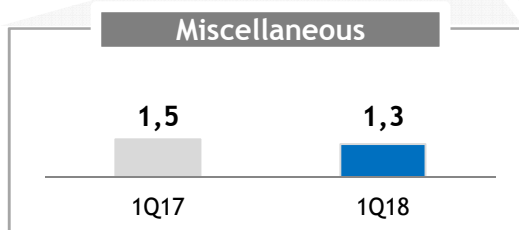
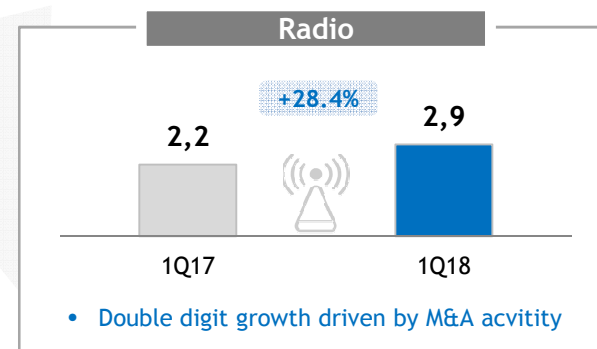
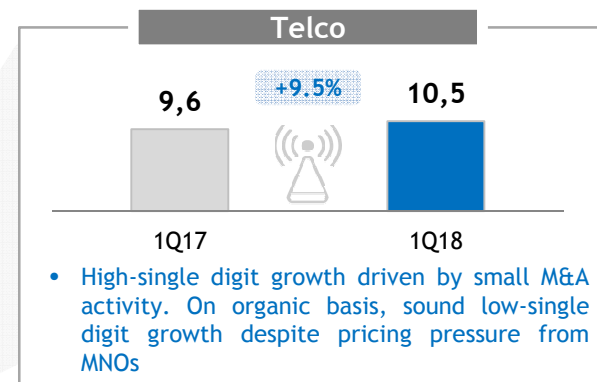
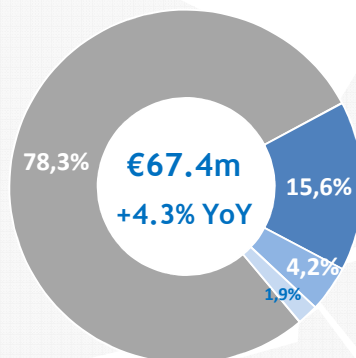
# Business Performance by Segment



Data in €mln



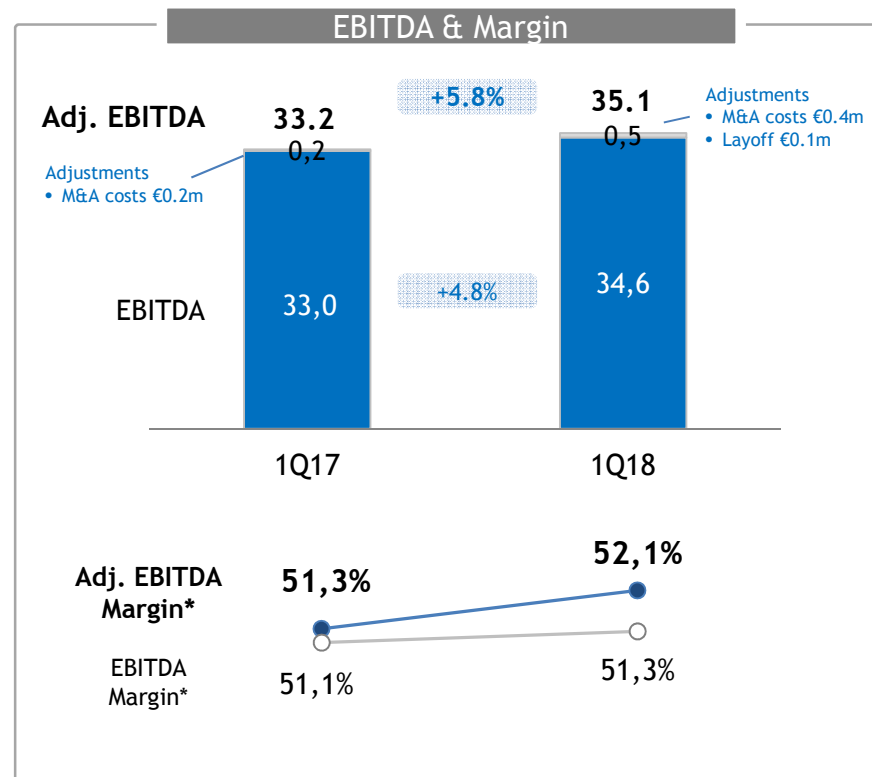
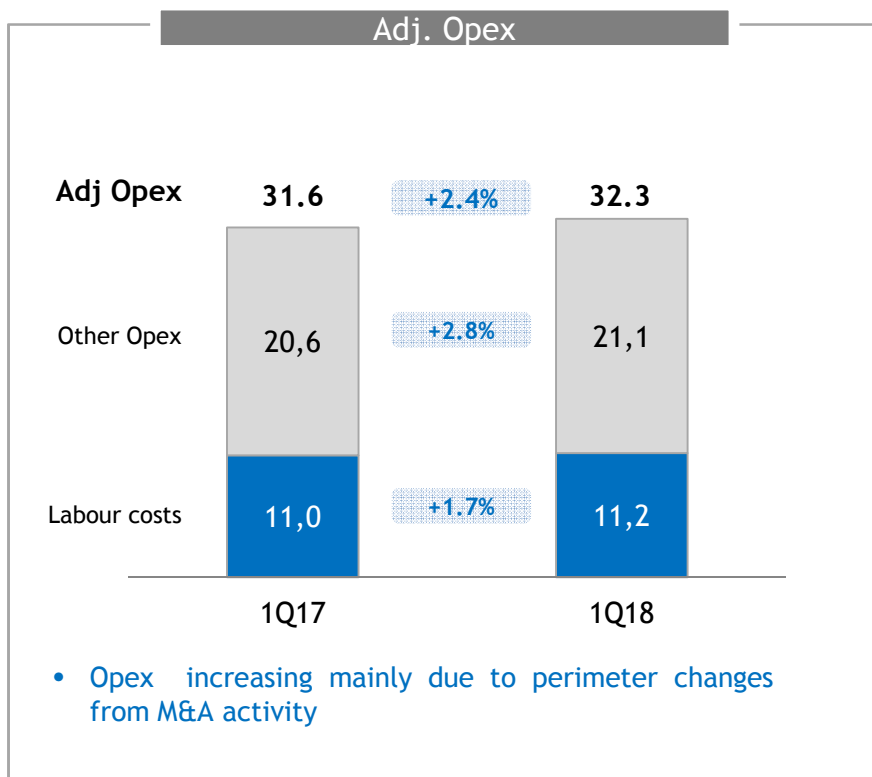
## 1Q18 Core Revenues Breakdown by Segment



# Focus on Profitability



Data in €mln, % YoY



(\*) As % of Core Revenues

# Income Statement



Data in €mln, % YoY

	1Q17	1Q18	YoY
<b>Core Revenues</b>	64.7	67.4	4.3%
Other income	0.1	0.0	
<b>Total Revenues</b>	<b>64.8</b>	<b>67.5</b>	<b>4.2%</b>
<b>Adj. Opex</b>	<b>(31.6)</b>	<b>(32.3)</b>	<b>2.4%</b>
Labour Costs	(11.0)	(11.2)	1.7%
<i>% of total Opex</i>	34.9%	34.6%	
Other Opex	(20.6)	(21.1)	2.8%
<i>% of total Opex</i>	65.1%	65.4%	
<b>Adj. EBITDA</b>	<b>33.2</b>	<b>35.1</b>	<b>5.8%</b>
% on Core Revenues	51.3%	52.1%	
One off items	(0.2)	(0.5)	
<b>EBITDA</b>	<b>33.0</b>	<b>34.6</b>	<b>4.8%</b>
% on Core Revenues	51.1%	51.3%	
D&A, Provisions	(9.6)	(9.4)	
<b>EBIT</b>	<b>23.4</b>	<b>25.2</b>	<b>7.8%</b>
<i>% on Core Revenues</i>	36.2%	37.4%	
Financial Expenses	(2.5)	(0.7)	
<b>Pre-tax Profit</b>	<b>20.9</b>	<b>24.5</b>	<b>17.4%</b>
Taxes	(6.5)	(7.1)	
<i>% Tax Rate</i>	31.2%	29.0%	
<b>Group Net income</b>	<b>14.4</b>	<b>17.4</b>	<b>21.2%</b>
<i>% on Core Revenues</i>	22.2%	25.9%	
<b>EPS (€)</b>	<b>€ 0.52</b>	<b>€ 0.65</b>	<b>25.0%</b>

➤ Growth rate higher than CPI driven from Cairo revenues, now at full regime, and contribution from small M&A activity

➤ EBITDA growth and margin, net of other revenues, on track to meet FY guidance

➤ Significant reduction in financial charges benefitting from more favourable refinancing conditions related to recent senior bank loan

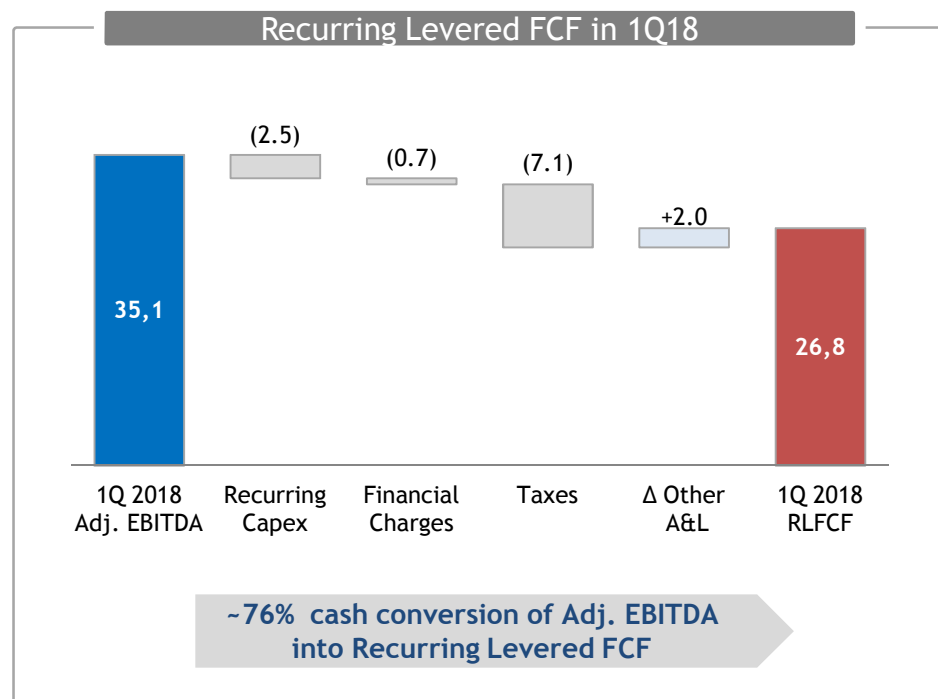
➤ P&L Taxes calculated on expected tax rate for the entire year

# Focus on Recurring Levered FCF (RLFCF)



Data in €mln

	1Q17	1Q18	YoY
Core Revenues	64.7	67.4	4.3%
Adjusted EBITDA	33.2	35.1	5.8%
<i>as % of core revenues</i>	51.3%	52.1%	+0.8pp
Recurring Capex	(1.4)	(2.5)	
Financial Charges	(2.5)	(0.7)	
Taxes	(6.5)	(7.1)	
Delta other A&L	(6.2)	+2.0	
<b>Recurring Levered FCF</b>	<b>16.6</b>	<b>26.8</b>	<b>62.1%</b>
<i>as % of core revenues</i>	25.6%	39.8%	+14.2pp
Cash conversion	49.9%	76.4%	+26.5pp

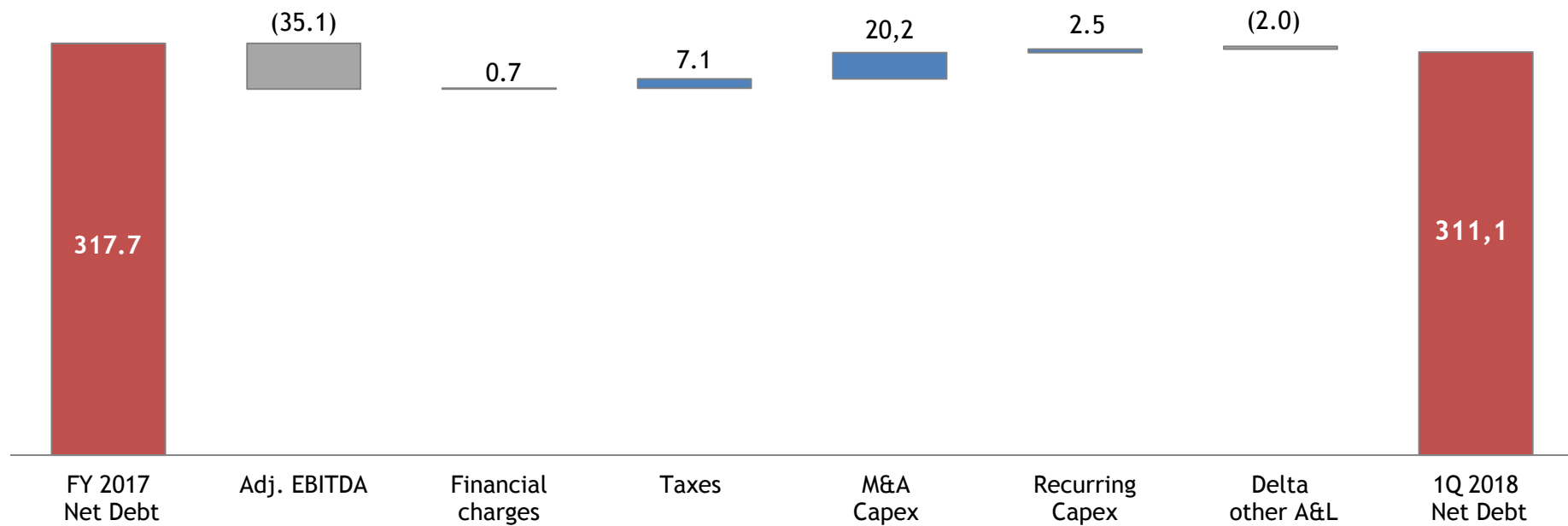




# Net Debt and Cash Flow Bridge



Data in €mln



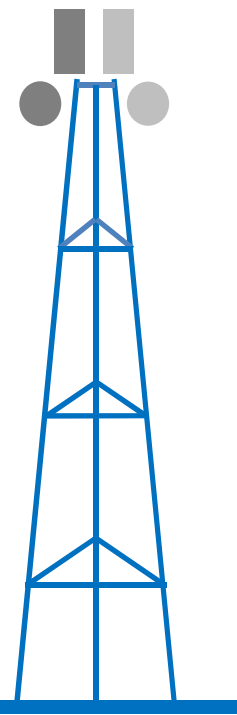
# Reclassified Balance Sheet



Data in €mln

	FY17	1Q18		FY17	1Q18
<b>Non current Assets</b>	<b>902.2</b>	<b>912.1</b>	<b>Net Financial Position</b>	<b>317.7</b>	<b>311.1</b>
Fixed Assets	399.9	401.0	Cash	(8.2)	(25.7)
Goodwill	502.3	511.2	Borrowings	326.0	336.8
<b>Non current Liabilities</b>	<b>(79.5)</b>	<b>(78.5)</b>	<b>Equity</b>	<b>494.2</b>	<b>509.6</b>
<b>Net Working Capital</b>	<b>(10.8)</b>	<b>(12.9)</b>	Group shareholders' Equity	494.2	509.6
			Minority shareholders' Equity	0.04	0.06
<b>Net Invested Capital</b>	<b>812.0</b>	<b>820.7</b>	<b>Net Financial Position + Equity</b>	<b>812.0</b>	<b>820.7</b>

# Small M&A Update



Small M&A

# sites	94
Pro forma EBITDA	~€1.5m
Implied Multiple	~9.5x
<b>Enterprise Value</b>	<b>€14.2m</b>

Land Acquisition & Property Consolidation

# sites	55
Pro forma EBITDA	~€0.7m
Implied Multiple	~8.5x
<b>Enterprise Value</b>	<b>€6.0m</b>

Total 1Q18	
Pro Forma EBITDA	~€2.2m
Implied Multiple	~9x
<b>Enterprise Value</b>	<b>€20.2m</b>

In 2018, additional c.€2m EBITDA expected from M&A activity

Land and Small M&A activity still an important driver for growth

# Closing Remarks and Outlook



## Operational Update

Strong start in 2018 across all the business segments (TV, TLC and Radio)

Preliminary guidelines on 700MHz refarming expected by June 2018

New Business Plan 2018-2022 to be presented by year-end

## Financial Outlook

**FY18 Adj. EBITDA in line with Business Plan 2014-2018 and with current consensus**

**Attractive Ordinary Dividend Policy:**

- Pay out >100% of Consolidated Net Income
- 2018 dividend distribution approved: DPS €2.05/share (~4.2% yield) to be paid on next May 23<sup>rd</sup>

Leverage stable with current levels (inside 2.5x Net Debt/EBITDA)

**In absence of big M&A deals, financial flexibility is kept to:**

## Capital Allocation

Continue to invest in Small M&A and Land acquisition

Return Cash to Shareholders through Dividends

Explore international opportunities

A decorative graphic on the left side of the slide, consisting of a complex network of thin blue lines connecting various nodes, resembling a web or a data network structure.

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