



1H 2018 Results Presentation
July 24th, 2018

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.

Sound performance across all operational segments

Mid-Single-Digit Growth in Core Topline: +3.4% YoY

Solid momentum on Adj. EBITDA (+5.1% YoY) driving Margin at around 52%

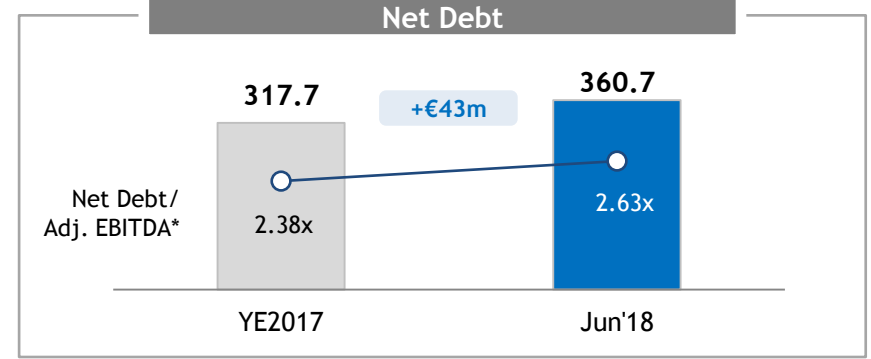
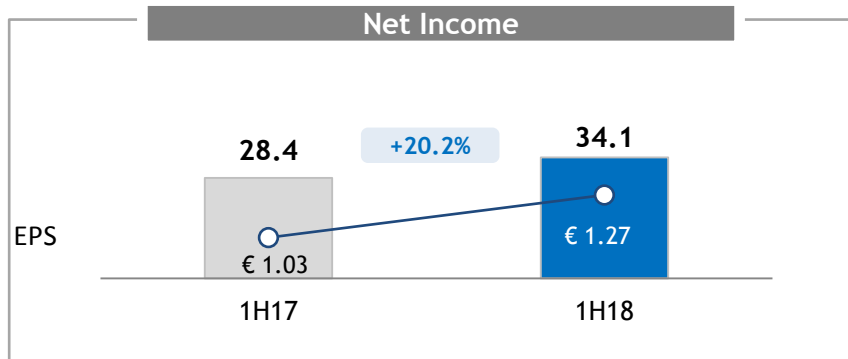
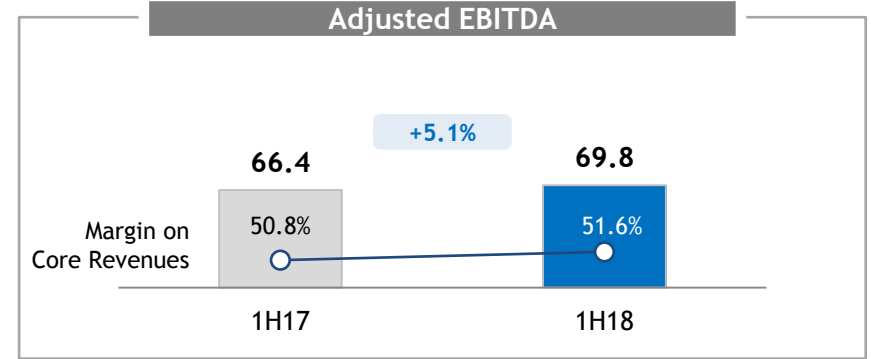
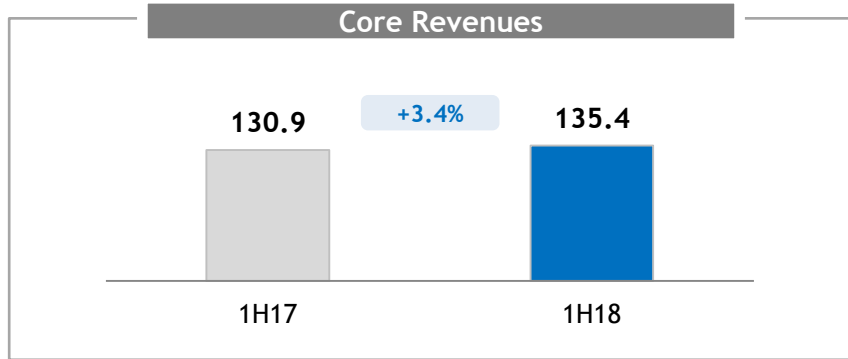
Higher Cash Conversion benefitting from improved quality of financial metrics

Well on track to exceed full year guidance

1H18 Group Financial Results



Data in €mln, % YoY

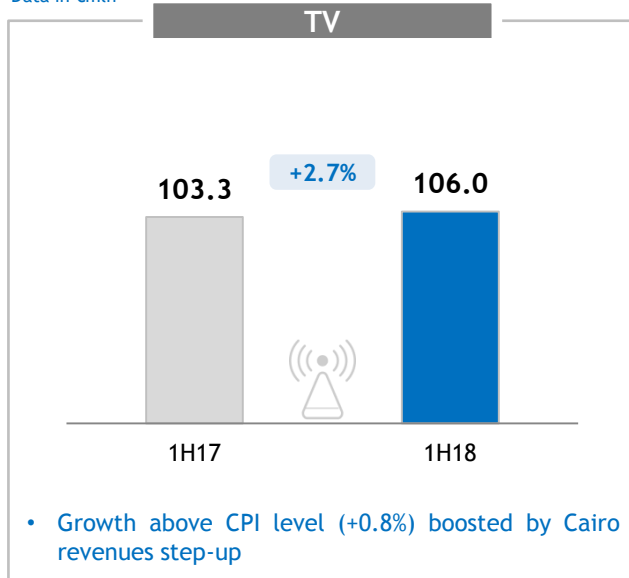


2017 Figures restated due to PPA

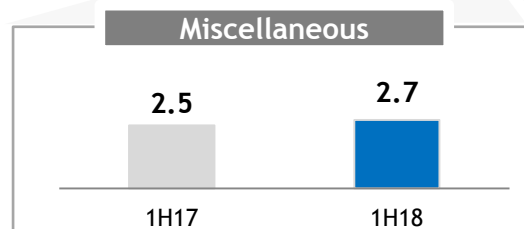
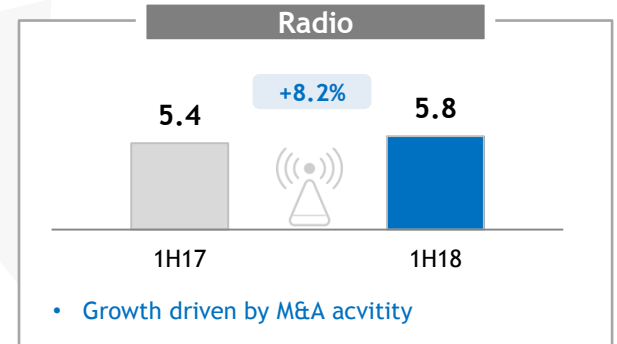
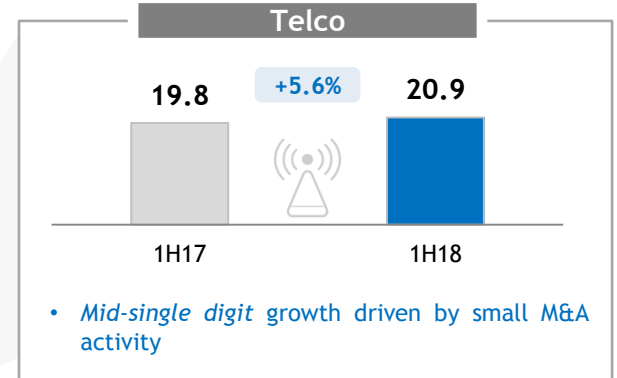
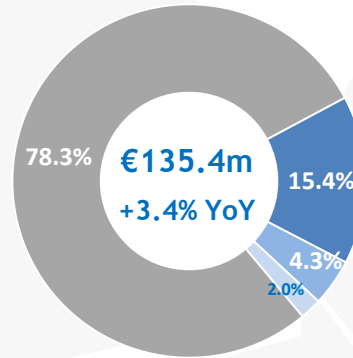
* Based on trailing 12 months Adj.EBITDA

Business Performance by Segment

Data in €mln

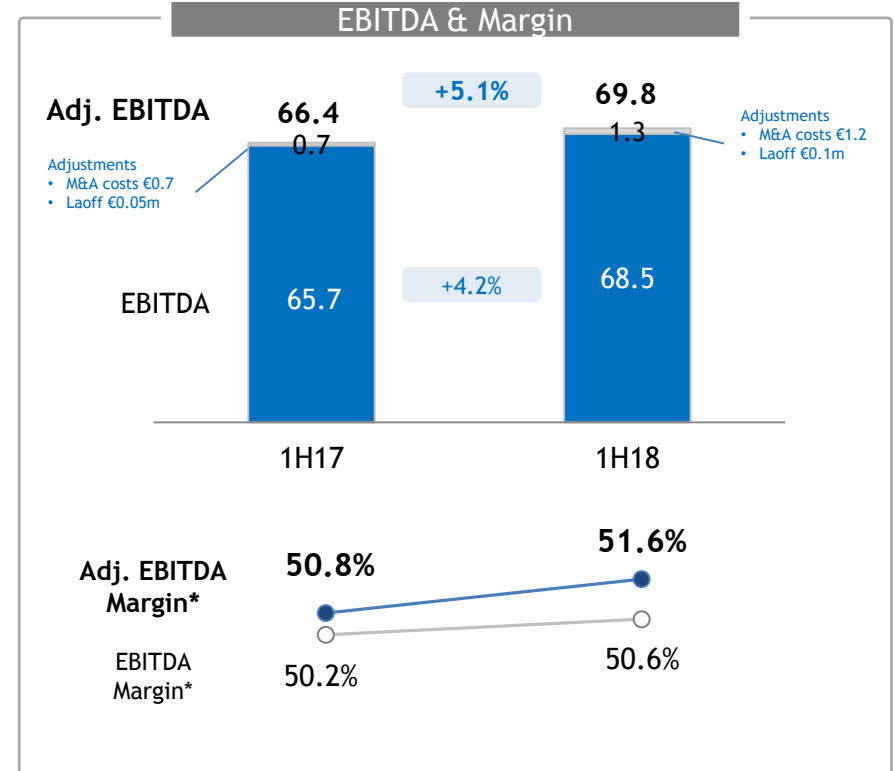
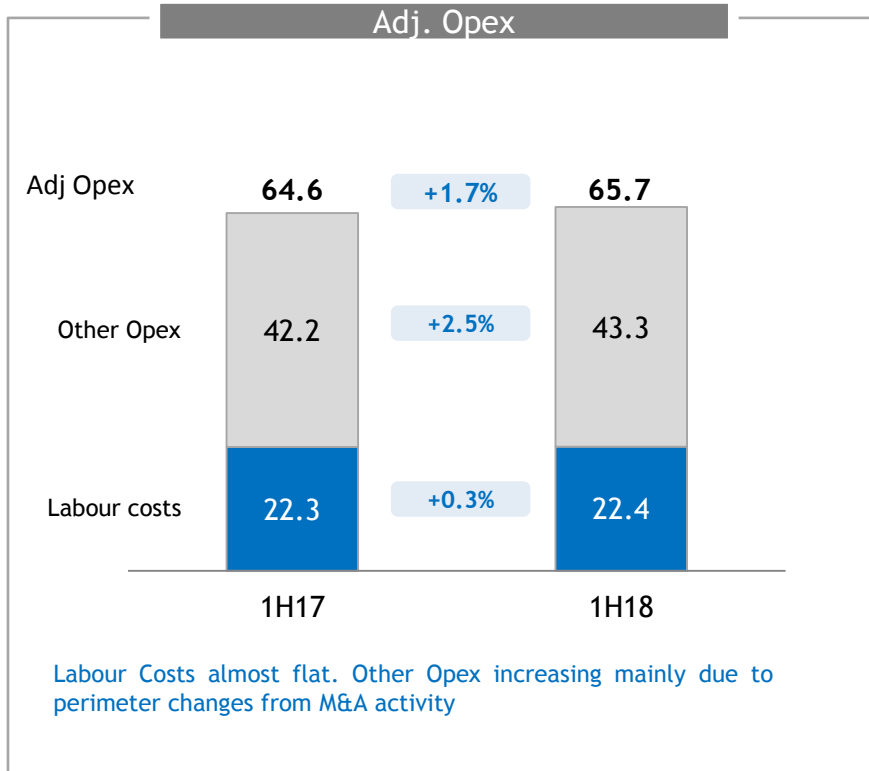


1H18 Core Revenues Breakdown by Segment



Focus on Profitability

Data in €mln, % YoY



Income Statement

Data in €mln, % YoY

	1H17	1H18	YoY
Core Revenues	130.9	135.4	3.4%
Other income	0.1	0.1	
Total Revenues	131.0	135.5	3.4%
Adj. Opex	(64.6)	(65.7)	1.7%
Labour Costs	(22.3)	(22.4)	0.3%
<i>% of total Opex</i>	34.6%	34.1%	
Other Opex	(42.2)	(43.3)	2.5%
<i>% of total Opex</i>	65.4%	65.9%	
Adj. EBITDA	66.4	69.8	5.1%
<i>% on Core Revenues</i>	50.8%	51.6%	
One off items	(0.7)	(1.3)	
EBITDA	65.7	68.5	4.2%
<i>% on Core Revenues</i>	50.2%	50.6%	
D&A, Provisions	(19.5)	(19.1)	
EBIT	46.3	49.4	6.8%
<i>% on Core Revenues</i>	35.3%	36.5%	
Financial Expenses	(4.9)	(1.4)	
Pre-tax Profit	41.4	48.0	16.1%
Taxes	(13.0)	(13.9)	
<i>% Tax Rate</i>	31.5%	29.0%	
Group Net income	28.4	34.1	20.2%
<i>% on Core Revenues</i>	21.7%	25.2%	
EPS (€)	€ 1.03	€ 1.27	23.3%

➤ 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 with FY guidance

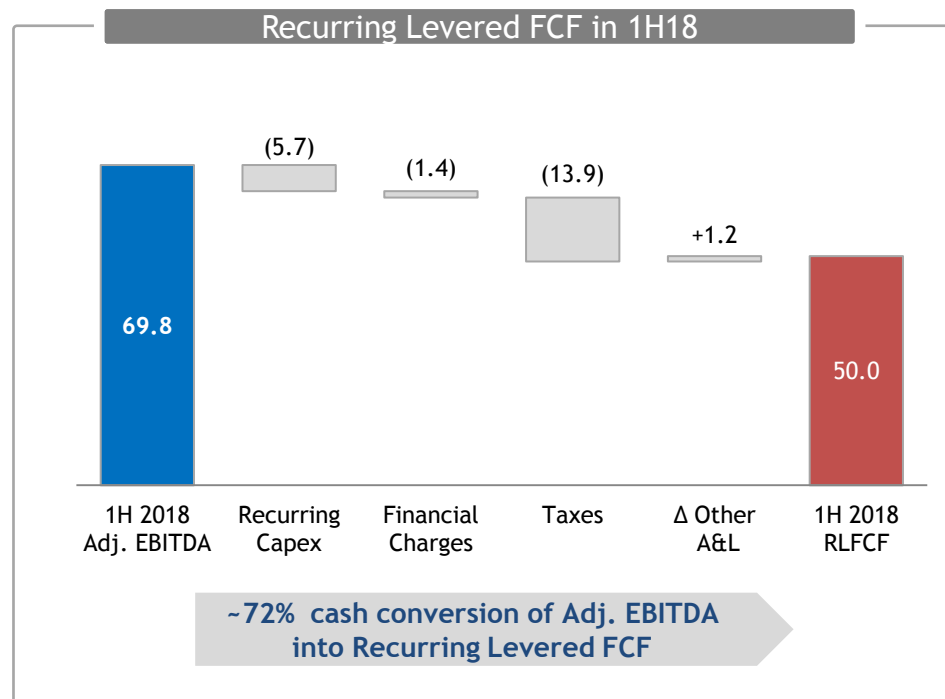
➤ Significant reduction in financial charges benefitting from more favourable refinancing conditions related to senior bank loan refinanced last December

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

Focus on Recurring Levered FCF (RLFCF)

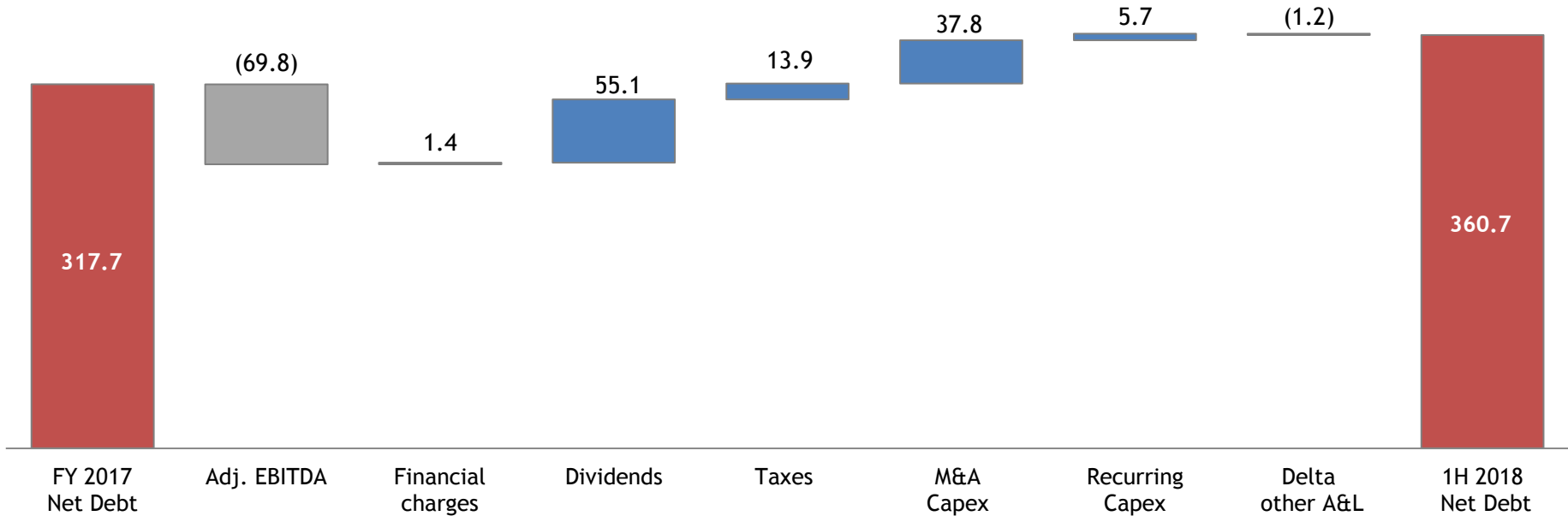
Data in €mln

	1H17	1H18	YoY
Core Revenues	130.9	135.4	3.4%
Adjusted EBITDA	66.4	69.8	5.1%
<i>as % of core revenues</i>	50.8%	51.6%	+0.8pp
Recurring Capex	(3.7)	(5.7)	
Financial Charges	(4.9)	(1.4)	
Taxes	(13.0)	(13.9)	
Delta other A&L	(15.1)	1.2	
Recurring Levered FCF	29.7	50.0	68.3%
<i>as % of core revenues</i>	22.7%	36.9%	+14.2pp
Cash conversion	44.7%	71.6%	+26.9pp



Net Debt and Cash Flow Bridge

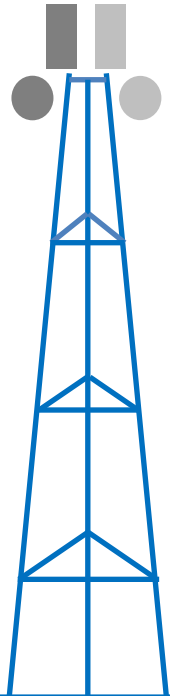
Data in €mln



Reclassified Balance Sheet

Data in €mln

	FY17	1H18		FY17	1H18
Non current Assets	902.2	921.9	Net Financial Position	317.7	360.7
Fixed Assets	399.9	410.0	Cash	(8.2)	(34.0)
Goodwill	502.3	511.9	Borrowings	326.0	394.7
Non current Liabilities	(79.5)	(77.7)	Equity	494.2	470.2
Net Working Capital	(10.8)	(13.3)	Group shareholders' Equity	494.2	470.1
			Minority shareholders' Equity	0.04	0.08
Net Invested Capital	812.0	830.8	Net Financial Position + Equity	812.0	830.8



Small M&A

# sites	111
Pro forma EBITDA	~€1.9m
Implied Multiple	~9.8x
Enterprise Value	€18.6m

Land Acquisition & Property Consolidation

# sites	106
Pro forma EBITDA	~€1.2m
Implied Multiple	~7x
Enterprise Value	€8.1m

Total 1H18	
Pro Forma EBITDA	~€3.1m
Implied Multiple	~9x
Enterprise Value	€26.7m
Upfront payment	€9m
M&A related cost	~€2.1m
M&A Capex	€37.8m

In 2H2018, additional c.€2.5-3m pro forma EBITDA expected from M&A activity:
 -€1.5-2m in pipeline
 -€1m almost secured thanks to upfront payments in 1H

Land and Small M&A activity still a key driver for growth

Key Elements of the Offer

- On July 16th, 2i Towers has launched a Voluntary Public Tender Offer on the entire share capital of EI Towers S.p.A.
- 2i Towers is a special purpose company fully owned by 2i Towers Holding, which is indirectly controlled by F2i, with an important minority stake held by Mediaset
- Offer price of €57 per share, which entails a premium equal to 19.2% compared to the weighted average of the prices recorded during the 6 months preceding the announcement of the transaction
- The completion of the transaction is subject to, *inter alia*, the achieving by 2i Towers of an equity interest above 90% of EI Towers share capital and the unconditional approval of the Antitrust Authority
- Strategic rationale: «*This transaction aims to strengthen the industrial outlook of EI Towers through a gradual ownership separation and distinction between companies holding telecommunications infrastructure assets and companies providing television contents, an event which has already been started some time ago with success on an international level.*» (F2i Press Release, July 16th, 2018)

Next Steps for EI Towers

- Financial Advisors appointed by EI Towers to assist both Board of Directors and Its Independent Directors

Operational Update

- Solid organic performance across all the business segments (TV, TLC and Radio)
- TowerTel: framework agreement to support Iliad in its network deployment
- Mediaset: New contract with Elettronica Industriale effective from 1 July 2018

Focus on 700Mhz Refarming

- On June 30th, AGCOM released the New National Frequency Plan (PNAF 2018) which fully reflects the preliminary guidelines set by 2018 Budget Law
- The PNAF 2018 envisages the transition from the current 20 national MUXes in DVB-T to 15 MUXes in DVB-T2, of which 10 national in UHF band, 4 local in UHF band and 1 regional in band III VHF
- Despite this, AGCOM expressed a few concerns to the Italian Government to underline some critical issues on the implementation, which could result in a revision of the roadmap

Financial Outlook

- FY2018 EBITDA slightly above €138mIn, in line with updated consensus

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.

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