

Fastweb announces Q2 2018 results: 20th consecutive quarter of growth for broadband customer base and margins. Mobile segment keeps outperforming.

For the first six months of the year Fastweb reports 2,5 million wireline customers - up 4% on 2Q 2017- and revenues of Euro 1.011 million, up 10% on previous year. EBITDA is also growing at Euro 310 million (+5% on a comparable basis) as well as investments at Euro 297 million, equal to 29% of revenues. The extraordinary growth of mobile continues: 1.280 thousand customers at June 30th, up 45% on previous year.

Milan, August 16th, 2018 - Twentieth consecutive quarter of growth for Fastweb. Thanks to the rising number of customers, revenues and margins, Fastweb consolidated its position in the Italian broadband and fixed-mobile convergence market.

Wireline broadband customers continued to increase as Fastweb added 89 thousand new customers, thus bringing the customer base to 2,5 million (+4% on previous year). Revenues in the first 6 months 2018 totaled Euro 1.011 million, up +10% year on year.

The market keeps rewarding Fastweb strategy based on continuous innovation, a commercial proposition based on clear and transparent offers and the elimination of all "hidden costs" in both mobile and wireline telephony.

EBITDA (earnings before interest depreciation and amortisation) at June 30, 2018 totaled Euro 310 million, up 5% on the previous year on a comparable basis.

The expansion of the ultra-broadband network advances and Fastweb UBB services are now available in 16 million households, of which 50% with a proprietary network. Specifically, the number of households connected by a FTTH network (fiber to the home) totaled 3,5 million, also thanks to the contribution of Flash Fiber - the joint venture created with TIM in July 2016 for the roll-out of FTTH in 29 cities - which passed 1,5 million households at the end of March (up 300 thousand compared to the footprint covered at the end of March and in line with investment plans).

Fastweb engagement in the roll-out of ultra-broadband coverage, in the deployment of an extensive Wi-Fi networks - which will be a stepping stone for the roll-out of 5G - and in 5G trials under way in Bari, Matera, Rome and now also in Genova pushed CAPEX in the quarter to Euro 297 million - 29% of its revenues and up 2% compared the same period in 2017. It's an unparalleled figure in the Italian and European telecommunications landscape confirming the steady commitment of Fastweb to the quick deployment of ultrabroadband wireline and wireless infrastructures in the country.

The strategy based on investment in infrastructures pays off also in terms of market share: Fastweb broadband customers with FTTx connectivity between 100 Mbps and 1 Giga totaled 1.205 thousand, up 30% compared to the 926 thousand in the first half of 2017: nearly one out of two residential customers opts for an ultrabroadband connectivity service. A unique market position acknowledged by the AGCOM as well in its quarterly Observatory: *"as far as access above 100 Mb/s Fastweb is by far the leading operator with a market share of nearly 50%"*

The Corporate segment performed extremely well over the quarter. Specifically, new contracts with the central and local Public Administrations as well as the provision of connectivity and value-added services to new corporate customers lead to a 30% growth of the order book compared to the same period in 2017. Fastweb market share in the overall Enterprise Business market is now almost 30% in terms of revenues, thanks to the continuous growth throughout the years.

Another excellent quarter for the mobile segment as well: at June 30 Fastweb has 1.280 thousand mobile customers - up 45% compared to 880 thousand customers on June 30th, 2017, confirming a high acquisition rate despite the higher competition due to a new operator entering the mobile market. A steady growth (+6%) also for the percentage of convergent customers, adopting both wireline and wireless services, which now represent 27% of Fastweb customer base, proving the effectiveness of Fastweb convergent strategy, based on the quality of services enabled by the new 4G and 4G plus network and the commercial proposition based on transparency and the elimination of all hidden costs and additional components.

Relevant facts occurred after the closing of the quarter

On July 30th Fastweb signed a deal to acquire from Tiscali the license for 40 Mhz of spectrum in the 3.5 Ghz band as well as Tiscali's Fixed Wireless Access branch, including FWA infrastructure and 34 FTE. Thanks to this agreement - of approximately Euro 150 million of value - and long-term access to a valuable portion of the spectrum, Fastweb is now in the position to deploy a 5G network in the main Italian cities, starting from 2019, thus strengthening its fixed-mobile convergence strategy. Fastweb will also be in the position to expand its broadband connectivity leveraging Tiscali LTE FWA network to provide high performance access to its customers in extended digital divide areas. Upon fulfilling of a number of conditions the closing of the deal is foreseen for November 2018.

Please note: 2018 financial data are reported following the new IFSR 15 standard. 2018 figures based on old accounting standards are instead used to compare data with the previous year.

For further information:

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