

# Vantage Towers AG

FY23 Q3 Trading Update

31 January 2023



# Our Q3 FY23 at a glance

The commercialization of our business continues with **1,150 net new tenancies in 9M FY23**

**Ancillary revenue opportunities** providing indoor coverage solutions, fixed wireless access, and fibre

**Over 660 new macro sites** delivered in 9M FY23 vs. 320 in 9M FY22, **momentum of build in Q2 and Q3**

**Our GLBO shows strong progress** with over 1,800 contracts and commitments, representing **40% of GLBO target**

**Group Revenue (ex. pass through) at €787.2m** in 9M FY23, a 5.6% YoY growth

We are confident towards the upper half of **FY23 guidance and reaffirm medium-term targets**

# Our commercial story continues to progress

1

## Empowering Europe's digitalization



- A new contract with ČEZ's Telco Pro Services to enable their Public Protection and Disaster Relief (PPDR) network



- Two new agreements with our existing customers to deliver additional tenancies



- A 10-year agreement with National Broadband Ireland to support their high-speed fibre network expansion plan across the country



- A new agreement with SkyTelecom to host their fixed wireless access network

2

## Accelerating better indoor coverage solutions

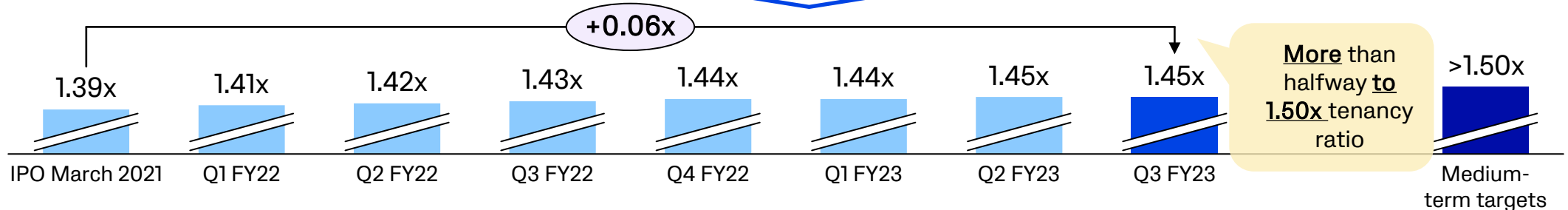


- A new agreement with one of the largest paint producers of the country to install DAS to cover a 12,000 sqm factory space

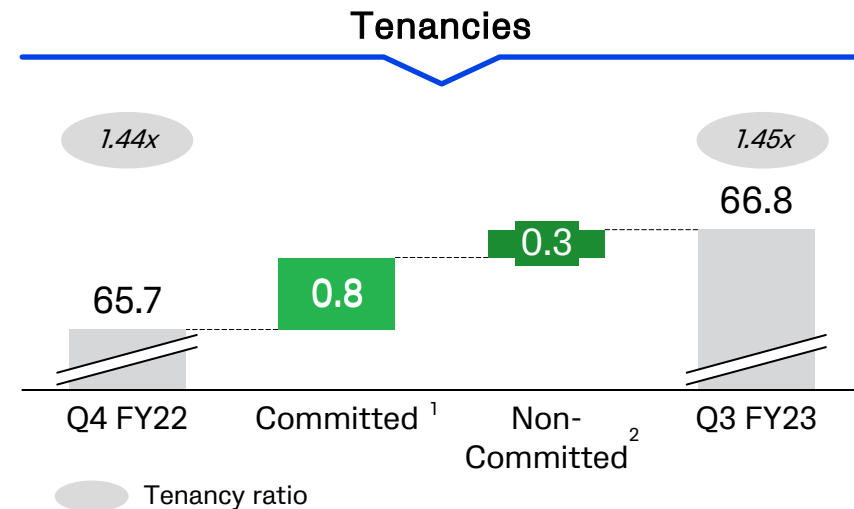
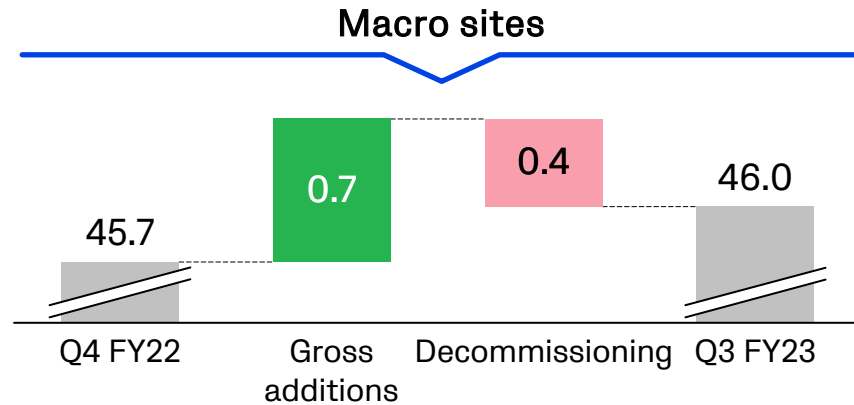


- A framework agreement with multiple mobile operators to share DAS sites

### Tenancy ratio since IPO



# Focus on executing against our commercial and operational priorities



## Growth



New sites

- 660 new macro sites delivered in 9M FY23 (vs. 320 in 9M FY22). In Germany, 410 new sites in 9M FY23
- Momentum sustained Q2 and Q3 with 260 new sites each vs. 140 new sites in Q1
- We continue to closely manage the new macro site build programme



Tenancies

- Added 1,150 net new tenancies in 9M FY23 (vs. 1,170 in 9M FY22)
  - of which more than 300 are non-committed net additions
- 9M FY23 tenancy ratio at 1.45x with higher site count of 46.0k
- More than halfway to deliver our medium-term tenancy ratio target of >1.50x

## Efficiencies



GLBO

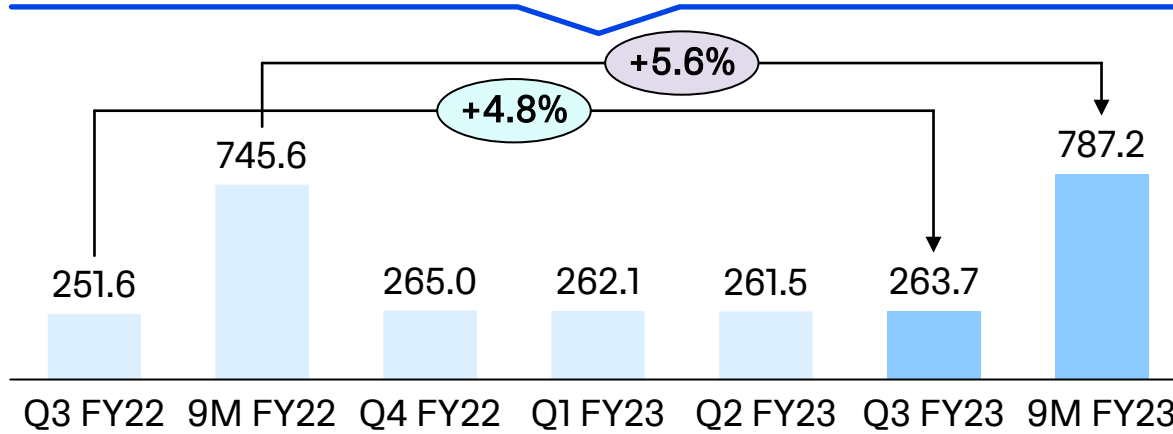
- GLBO programme progressing with over 1,800 signed or committed in total
  - Spain with ~460
  - Germany with ~550
  - Other markets with ~790

**Notes**

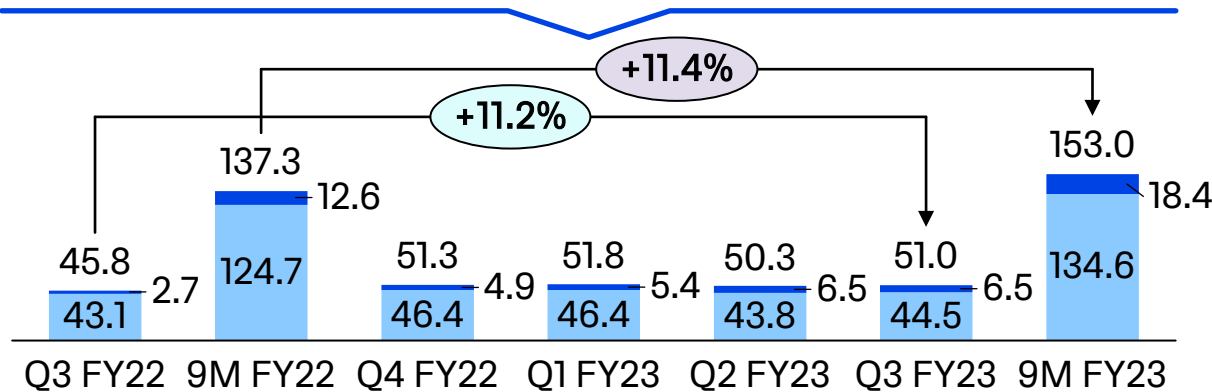
- 1 "Committed" tenancies defined as committed new sites, white spots obligations and committed tenancies
- 2 "Non-committed" tenancies refers to additional lease-up not committed at Capital Markets Day (Nov-20)

# Consistent development of our Non-Vodafone revenues up 11.4% YoY in 9M FY23

Group Revenue (ex pass through) (in €m)



Non-Vodafone revenue<sup>1</sup> (in €m)



■ Revenue related to the active sharing agreement in Spain was previously classified as Vodafone revenue  
■ Underlying Non-Vodafone revenue

Comment

- Q3 FY23 Group Revenue (ex pass through) of €263.7m (+12.1m, +4.8% YoY) driven by:
  - Inflation escalator
  - Tenancy growth
- Over 95% of our revenue is linked to inflation

- Non-Vodafone revenue increased to €51.0m in Q3 (+€5.2m, 11.2% YoY), demonstrating the quality of our network and our attractiveness for other partners

<sup>1</sup> Please note there has been a transfer of revenues. Revenue related to the active sharing agreement in Spain was previously classified as Vodafone revenue and is now classified as Non-Vodafone revenue.

# We are confident towards the upper half of FY23 guidance

	FY22 Outcome	FY23 Guidance	Medium-term targets <sup>2</sup>
Tenancy ratio	1.44x		>1.50x
Group Revenue (ex. pass through)	€1,011m	3.0%-5.0% YoY	Mid-single digit CAGR
Consolidated Adj. EBITDAaL (excl. INWIT and Cornerstone)	54%	€550m-€570m	High 50s percentage margin (based on Group Revenue (ex. pass through))
Consolidated RFCF (excl. INWIT and Cornerstone)	€415m	€405m-€425m	Mid to high single digit CAGR
Dividend	€319m		Payout ratio: 60% of RFCF <sup>1</sup>
Leverage	3.5x Net Financial Debt/Adj. EBITDAaL		Flexibility to exceed for growth investment ~€1bn leverage capacity <sup>3</sup>

**Notes**

- 1 Including dividends from associates and joint ventures; subject to compliance with applicable laws
- 2 Guidance is relative to FY2021, excluding INWIT and CTIL

- 3 Assuming capacity to invest in organic or inorganic opportunities up to leverage of 5.5x Net Financial Debt / Adj. EBITDAaL to maintain investment grade rating

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TOWERS

# Appendix





# Key performance indicators by segment

€m (unless stated)	Fully-owned segments								Consolidated	
	Germany		Spain		Greece		Other Markets			
	Q3 FY22	Q3 FY23	Q3 FY22	Q3 FY23	Q3 FY22	Q3 FY23	Q3 FY22	Q3 FY23	Q3 FY22	Q3 FY23
Macro sites (#)	19.4k	19.7k	8.6k	8.4k	4.8k	4.9k	12.8k	13.0k	45.7k	46.0k
Tenancy ratio	1.22x	1.24x	1.77x	1.83x	1.68x	1.70x	1.42x	1.45x	1.43x	1.45x
Revenue (ex. pass through)	121.6	129.0	43.8	44.0	33.6	35.9	52.6	54.8	251.6	263.7

# Disclaimer

## Forward-looking statements

This presentation contains "forward-looking statements" with respect to Vantage Towers' results of operations, financial condition, liquidity, prospects, growth and strategies. Forward-looking statements include, but are not limited to, statements regarding objectives, targets, strategies, outlook and growth prospects, including guidance for the financial year ending March 31, 2023, medium-term targets, new site builds, tenancy targets and the tenancy pipeline; Vantage Towers' working capital, capital structure and dividend policy; future plans, events or performance, economic outlook and industry trends.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "will", "could", "may", "should", "expects", "intends", "prepares" or "targets" (including in their negative form or other variations). By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. All subsequent written or oral forward-looking statements attributable to Vantage Towers or any member of the Vantage Towers Group, or any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this document will be realised. Any forward-looking statements are made of the date of this announcement. Subject to compliance with applicable law and regulations, Vantage Towers does not intend to update these forward-looking statements and does not undertake any obligation to do so.

References to Vantage Towers are to Vantage Towers AG and references to Vantage Towers Group are to Vantage Towers AG and its subsidiaries unless otherwise stated.

## Key contacts



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## Next events



Full Year FY23 Results