Vantage Towers AG

FY22 Full year Results

16 May 2022

VANTAGE TOWERS

Our Highlights at a glance

Landmark deal with 1&1 in December and Expansion of our value proposition for 5G and DAS

Successful commercialisation with 1,680 net new tenancies in FY22 resulting in a tenancy ratio of 1.44x

We delivered against our targets and achieved our guidance for FY22

Propose full year dividend of €0.63 per share, a total of approx. €319m

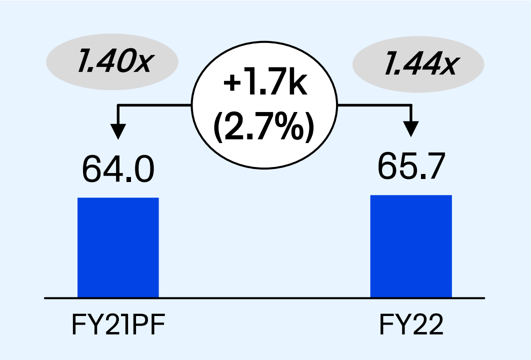
Revised approach to roll-out plan leading to adaptation of BTS and terms for Germany – adding optionality

We announce our FY23 guidance and reaffirm the mid-term guidance

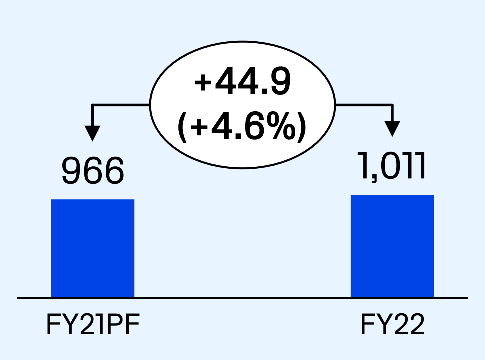
We achieved our FY22 guidance at the upper end

- Strong commercial momentum in FY22: Net increase of 1,680 new tenancies driving our tenancy ratio to 1.44x
- Revenue (ex pass through) and EBITDAaL with strong YoY growth of +4.6% and +3.6% respectively in line with our financial guidance
- Strong RFCF generation of €415m (+8.0% YoY), which is at the top end our updated FY22 guidance range and includes a recurring €15m benefit[1] and a one-off cash tax benefit of €10m from the business carve-out

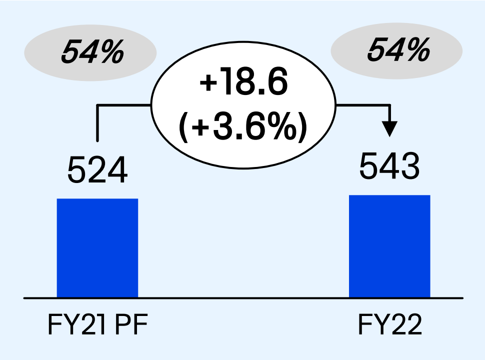
Tenancies (in k)



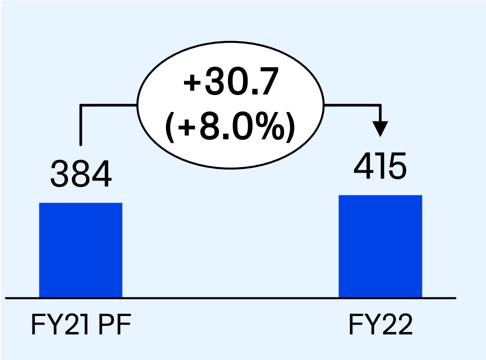
Revenue ex pass through (in €m)[1]



EBITDAaL (in €m)[1]



RFCF (in €m)[1]



Notes

See p.18 for basis of preparation of pro forma results

1) The recurring €15m benefit is derived from optimizing cash interest costs on borrowings and cash tax expenses. For more Details see RFCF upgrade in November 2021 here.

VANTAGE TOWERS

We are diversifying our customer base and expanding our portfolio in Q4

1 Accelerating Europe's transition to 5G

Telefonica

- Agreement with Telefonica for their 5G equipment upgrades on over 1,500 existing sites over the next three years.
- Vantage Towers will modify the infrastructure to host 5G equipment where Telefonica already uses previous technologies.

2 Strengthening indoor connectivity

- New 10-year agreement to provide DAS for the Military hospital in Prague to empower better coverage of surgical halls

- We will build a DAS solution for Budapest One Office building, Phase II while keeping the site O&M and utilization rights of the on-site antenna system.

- Agreements to provide indoor coverage solutions for a leading supermarket chain and a metro line.

3 Empowering a sustainably connected Europe

elektromotive

- 10-year agreement with the e-mobility company Elektromotive Hungaria to install electro-car chargers on VT's sites.

Ministry of Interior

- 10-year deal for the PPDR sites within the new ecosystem of vendors for government in specific safety regulations and PPDR standards.

1&1 versatel

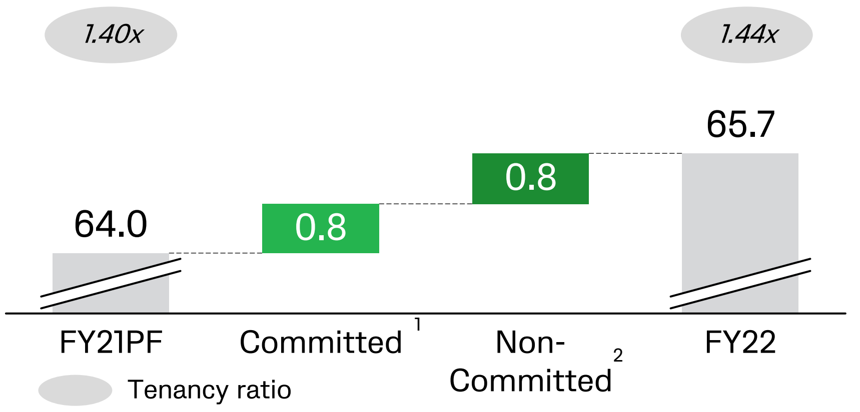
- Fibre sales agent agreement with 1&1 Versatel by which VT will sell 1&1 Versatel's fiber services in VTs' sites.

- 5-year agreement with a service provider to deploy the microwave backbone network.

We are delivering on our commitments

Macro sites

Tenancies



Growth

New sites

- **BTS roll out**

  >510 new macro sites delivered in FY22
- Decommissioning under way in Spain and Other European Markets **following active sharing - no revenue impact** due to portfolio fee mechanism

Tenancies

- **1,680 net tenancy additions** to date
  - **of which c. 1,670 non-Vodafone net additions**
  - **of which >840 non-committed net additions**
- Well on track to deliver our medium term tenancy ratio target of >1.50x

Efficiencies

GLBO

- **GLBO programme progressing**
  - Spain with ~420 signed or committed
  - Germany with ~315 signed or committed
  - Other European markets with ~345 signed or committed

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)

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We are focused on enhancing our BTS production to achieve run rate

Key optimisation levers and objectives ...

Process & Operations

- Optimized tower planning and production processes
- Standardization across tower design and delivery
- Deployment of Warehousing concept for material and towers to ensure availability of material and protect supply chain from disruptions

Supplier & Sourcing

- Diversified supplier landscape, alternative models
- Tight supplier control and forecasting
- Secured capacity of key suppliers

Steering & Control

- Full transparency on production plan and funnel
- Tight demand management and long-term forecasting
- Site-by-site management based on IT, tools & data

Org & Governance

- Scaled organization and structure with regional focus
- End-to-end ownership of tower production
- Best practice sharing and hiring of leading experts

....to build a scalable and efficient BTS production

- ✓ Fast deployment capacity & run rate
- ✓ Cost efficiencies & economies of scale
- ✓ Production control, forecasts & risk management
- ✓ Critical know-how, commitment & accountability

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Adjustment to Vodafone MSA in Germany

The update to our BTS Commitment…

- Vodafone new site commitment in Germany remains 5,500 sites until FY26
- Agreement between Vodafone (VF) and Vantage Towers (VT) to source up to 1,200 sites of these from third-party TowerCos
- Initial contract term 15 years with option to extend
- VT will charge VF according to new rate card and make a high single digit return on cost incurred
- On top, VT will now also make a high single digit return on capex upgrade spent by VF in Germany (incl. existing site portfolio)

…creates benefits for Vantage Towers

- Provides optionality
- Reduced capital intensity
- NPV neutral
- 5,500 site commitment unchanged
- Mid-term targets remain unchanged

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We have delivered revenue growth in FY22

€m, March FY22	FY21PF [1]	FY22	yoy	yoy in %
Revenue (ex. pass through)	**966**	**1011**	**44.9**	**4.6%**
Capex recharge revenue	4	12		
Revenue	**970**	**1023**	**53.3**	**5.5%**
Maintenance costs	(37)	(46)		
Staff costs	(40)	(45)		
Administrative & Other	(63)	(66)		
Adj. EBITDA	**830**	**865**	**35.2**	**4.2%**
margin (%)	*86%*	*86%*		
Capex recharge revenue	(4)	(12)		
Ground lease expense	(302)	(310)		
Adj. EBITDAaL	**524**	**543**	**18.6**	**3.6%**
margin (%)	*54%*	*54%*		
Adj. EBITDA	**830**	**865**	**35.2**	**4.2%**
Capex recharge revenue	(4)	(12)		
Cash cost of leases	(292)	(293)		
Maintenance capex	(36)	(29)		
Recurring OpFCF	**498**	**531**	**33.0**	**6.6%**
Cash conversion (%)	*95%*	*98%*		
(+/-) Change in Operating Working capital	n/r	(14)		
(-) Tax paid	(98)	(92)		
(-) Interest	(16)	(10)		
Recurring free cash flow (RFCF)	**384**	**415**	**30.7**	**8.0%**

Revenue
- Revenue growth mainly driven by other chargeable services to MNOs in addition to new tenancies and inflation escalators
- Macro site revenue increased by +2.7% with the increase primarily driven by revenue from non-Vodafone customers
- Energy and other revenue grew by 71.6% driven by other chargeable services to MNOs

Adj. EBITDAaL
- Adj EBITDAaL margin maintained at 54% in spite of cost headwinds
- Maintenance cost increases driven by costs associated with other chargeable services to MNOs and by one-off costs of the Neutral Host project
- Ground lease cost increase reflects inflation escalators and tenancy growth, partly offset by savings from our ground lease buyout (GLBO) projects

Notes: See p.18 for basis of preparation of pro forma results for FY21.

VANTAGE TOWERS

We achieved RFCF at the top end of our guidance

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Recurring free cash flow (RFCF)	**384**	**415**	**30.7**	**8.0%**

Recurring Free Cash Flow

- RFCF growth of 8.0% YoY to €415m includes a recurring benefit from lower cash tax and interest payments (compared to pro forma assumptions) of €15m as we optimized cash interest costs on our borrowings and cash tax expenses
- In addition, there has been a one-off cash tax benefit of €10m from the business carve-out
- Maintenance capex in FY21PF were higher due to the COVID-19 lockdown related backlog of activities in the prior year and normalized in FY22
- Comparative proforma cash was derived from P&L and other account movements. YoY cash movements are not, therefore, directly comparable on a line-by-line basis

Notes: See p.18 for basis of preparation of pro forma results for FY21

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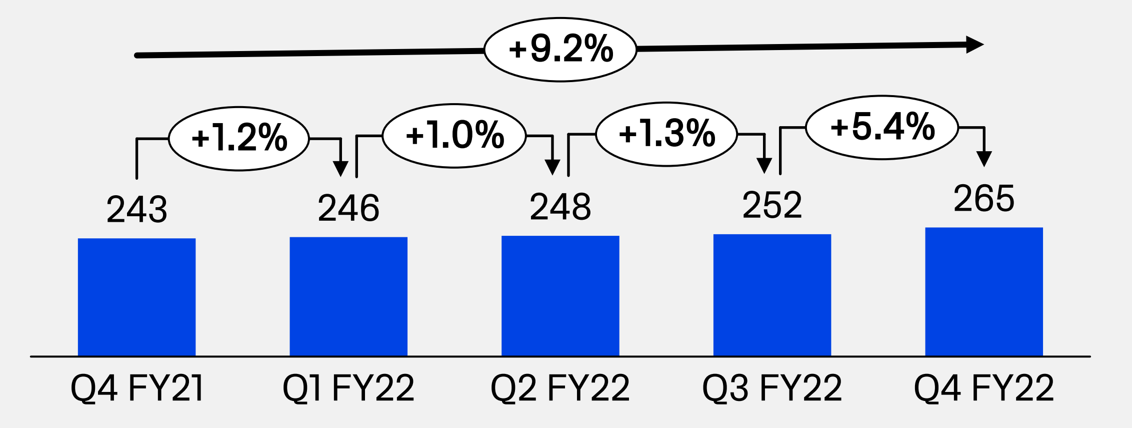
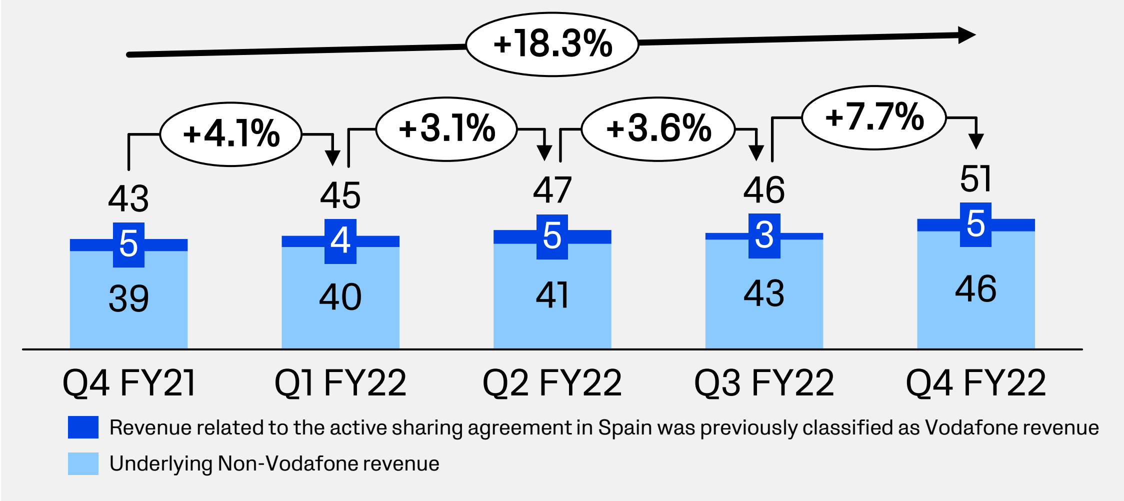
Our Non-Vodafone revenue increased by 18.3%YOY in Q4 FY22

Revenue (ex pass through) (in €m)



Non-Vodafone revenue (underlying) (in €m)



- **Q4 revenue (ex pass through) of €265m (+9.2% YoY)** driven by:
  - Macro site revenue: new tenancies and CPI escalators
  - Energy and other revenue: other chargeable services to MNOs and some increase in energy prices

- **Non-Vodafone revenue**[1] increased to **€51m in Q4 (+€8m, +18.3% YOY)** demonstrating the quality of our grid and our ability to attract other partners

[1] 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.

Our joint ventures delivered on their targets

INWIT

- INWIT delivered revenues of €785m (33.2% share: €261m) and an adj. EBITDAaL of €520m (33.2%-share: €173m) in CY21[1]
- +3.1k new tenants and 380 new sites bringing the total number of macro sites to 22.8k and the tenancy ratio to 2.01x in CY21[1]
- +475 land renegotiations and buyouts
- 2021 guidance achieved

INWIT reconfirmed guidance

- €0.32 DPS for CY21 (VT share: ~€103m) growing by 7.5% per year to €0.37 by CY23[2]
- RFCF of ~€700m by FY26[1]

FY22 guidance

INWIT expects revenue and EBITDAaL to increase in a high single-digit to low double digit range keeping the margin stable whereas RFCF is expected to increase by 34% (mid-point of the guidance)

Cornerstone

- Cornerstone delivered revenues of €436m (50% share: €218m) and an adj. EBITDAaL of €113m (50%-share: €57m) FY22
- Cornerstone added 366 macro sites in FY22 bringing the total number of sites to 14.5k keeping the tenancy ratio stable at 2.0x
- Lease agreements renewal under the ECC Code progressing as planned
- Performance in line with our expectations

Reaffirmed guidance for Cornerstone

- Cornerstone Dividend: €18m
- Cornerstone: Mid-single digit RFCF CAGR

RFCF and dividend targets reaffirmed

1. January 1 – December 31 2021
2. As communicated by INWIT in its FY21 results presentation and its annual report published ; based on INWIT accounting policies

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Investing in our business ahead of revenue growth

1&1 set up costs

Costs related to colocation on existing sites

BTS acceleration

Cost related to optimising supply chain, deployment, and IT

Build out our supporting teams

Costs related to adding FTEs

Revenue Contribution from FY24 onwards

- To facilitate the acceleration in our business we will spend approx. €10m-€15m of operating expenses ahead of the revenue contribution from FY24
- This represents a margin impact of up to 150bps which we have reflected in our full year guidance for FY23

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Our FY23 guidance and medium-term targets

	FY22 Guidance	FY22 Outcome	FY23 Guidance	Medium term targets[1]
Tenancy ratio		1.44x		>1.50x
Revenue (ex. pass through)	€995-1,010m	✓ €1,011m	3.0%-5.0% YoY	Mid-single digit CAGR
Consolidated Adj. EBITDAaL (excl. INWIT and CTIL)	EBITDAaL Margin broadly stable vs FY21PF	✓ 54%	€550m-€570m	High 50s percentage margin (based on revenue (ex. pass through))
Consolidated RFCF (excl. INWIT and CTIL)	€405-415m	✓ €415m	€405m-€425m	Mid to high single digit CAGR
Proposed Dividend		€319m		Payout ratio: 60% of RFCF[2]
Initial leverage		3.5x Net Financial Debt / Adj. EBITDAaL		Flexibility to exceed for growth investment ~€1bn leverage capacity[3]

Notes
1 Medium-term guidance is stated relative to FY21PF; excluding INWIT and Cornerstone
2 Including dividends from joint ventures; subject to compliance with applicable laws
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

VANTAGE TOWERS

Our Highlights at a glance

Landmark deal with **1&1** in December and **Expansion** of our value proposition for **5G** and **DAS**

Successful commercialisation with **1,680 net new tenancies** in FY22 resulting in a **tenancy ratio of 1.44x**

We delivered against our targets and **achieved our guidance for FY22**

Propose full year **dividend of €0.63 per share**, a total of approx. €319m

Revised approach to roll-out plan leading to adaptation of BTS and terms **for Germany –** adding **optionality**

We **announce our FY23 guidance** and **reaffirm the mid-term guidance**

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Appendix

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Key performance indicators by segment

€m (unless stated)	Fully-owned segments								Consolidated	
	Germany		Spain		Greece		Other European Markets			
	FY21PF	FY22	FY21PF	FY22	FY21PF	FY22	FY21PF	FY22	FY21PF	FY22
Macro sites (#)	19.4k	19.4k	8.7k	8.6k	4.8k	4.8k	12.7k	12.9k	**45.7k**	**45.7k**
Tenancy ratio	1.21x	1.23x	1.70x	1.79x	1.65x	1.68x	1.39x	1.42x	**1.40x**	**1.44x**
Revenue (ex. pass through)	478	492	160	172	126	135	202	212	**966**	**1,011**
Adj. EBITDAaL	296	299	66	81	53	50	109	113	**524**	**543**
ROpFCF	285	289	60	81	47	50	106	110	**498**	**531**

Notes
See p.18 for basis of preparation of pro forma results for FY21

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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 realized. 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.

Rounding

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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Proforma financial information - basis of preparation

The purpose of the Unaudited Pro Forma Financial Information is to illustrate the performance of Vantage Towers as if the reorganisation of the Group had occurred on as at 1 April 2019.

In this presentation we have presented the pro forma H1 FY21 financial information alongside the FY22 consolidated financial information in order to show a like for like comparison between the FY21 pro forma figures and our performance in FY22. The consolidated financial performance for FY21 only reflects results from the date operations were acquired by the Group in the course of FY21.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and does not purport to be indicative of the results of the Company, its consolidated subsidiaries and its equity accounted investments in INWIT and Cornerstone.

VANTAGE TOWERS

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Next events

21 July 2022	Q1 FY23 Trading Update
28 July 2022	Annual General Meeting
14 Nov 2022	Half Year FY23 Results