Vantage Towers AG

FY22 Half Year Results

15 November 2021

VANTAGE TOWERS

Our H1 FY22 at a glance

We are further **driving the commercialization of our business**

We delivered **~570 net new tenancies** in H1 FY22 resulting in a **tenancy ratio of 1.42x**

GLBO progressing well with 250 signatures in Spain and Germany and over 60 in other markets

We delivered **solid top line growth** in H1 FY22 and are well positioned to accelerate in H2

We **reiterate our FY22 revenue and EBITDAaL margin guidance** and **raise our RFCF guidance**

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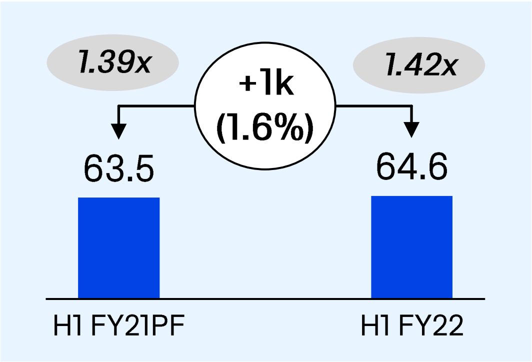
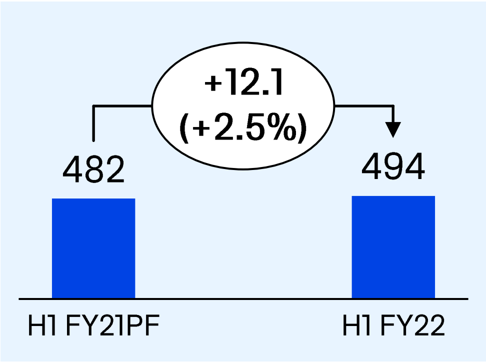
We are raising our RFCF guidance for FY22

- Strong commercial momentum: Net increase of c.570 new tenancies in H1 FY22 driving our tenancy ratio to 1.42x
- Revenue (ex pass through) and EBITDAaL with strong YoY growth of +2.5% and +0.8% respectively in line with our financial guidance
- Strong RFCF generation of €284m mainly driven by a combination of optimising borrowing costs and cash tax expenses leading us to raise our guidance from €390m-€400m to €405m-€415m

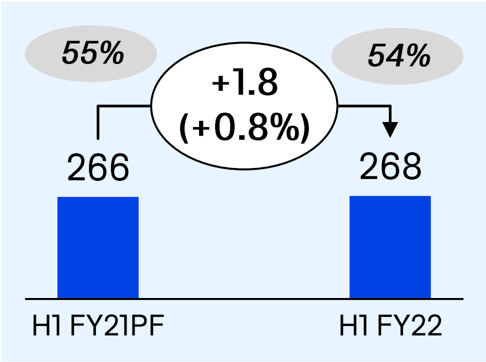
Tenancies (in k)



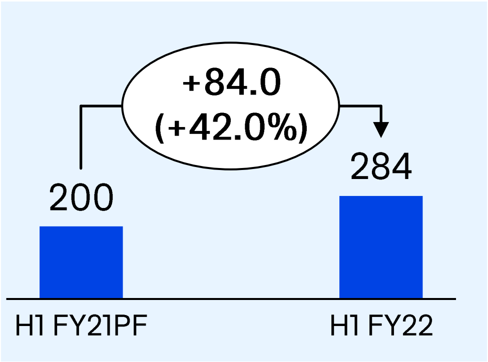
Revenue ex pass through (in €m)[1]



EBITDAaL (in €m)[1]



RFCF (in €m)[1]



Notes

1. See p.15 for basis of preparation of pro forma results for H1/FY21

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We are further driving the commercialization of our business

New tenancies on our macro sites

DIGI

- Agreement signed for two years covering 100 new tenancies

TETRA IRELAND

- 10 years' retention agreement for existing 51 tenancies

itelazpi

- New agreement with Itelazpi for sharing network infrastructure in the Basque territory

IoT / LoRa WAN

SWM Stadtwerke München

- 20 new tenancies for IoT / LoRA WAN foster the digitalization of the energy sector in Germany

CRA

- 300 new tenancies for digital infrastructure provider - Smart devices such as sensors and meters and enables real-time remote data collection

Indoor coverage solutions – DAS

WHB GROUP MARADANDÓT ALKOTUNK

- DAS Solution – Neutral host model for Pick-Szeged multifunctional arena in Szeged, Hungary

FTTS

vodafone

- Vantage Towers will become the wholesale agent for FTTS and will act as an intermediary to sell FTTS in VT sites

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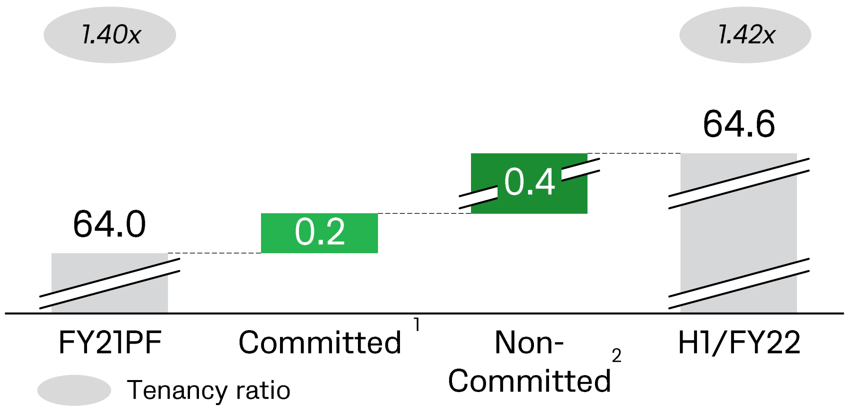
We are delivering on our commitments as an independent tower company

Macro sites

Tenancies



Growth

New sites

- BTS roll out

  ~190 new macro sites delivered in the first half year
- Decommissioning under way in Spain and Other European Markets **following active sharing - no revenue impact** due to portfolio fee mechanism

Tenancies

- **~570 net tenancy additions** to date
  - **of which ~670 non-Vodafone gross additions**
  - **of which >370 non-committed gross additions**
- Well on track to deliver our medium term tenancy ratio target of >1.50x

Efficiencies

GLBO

- GLBO programme progressing
  - Good progress in Spain with ~300 agreements
  - Further progression in Germany with ~120 contracts agreed
  - Promising results in other European markets with ~170 agreements

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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H1 growth positions us well to achieve revenue and EBITDAaL margin guidance

€m, Sep FY22	H1/FY21PF [1]	H1/FY22	yoy	yoy in %
Revenue (ex. pass through)	482	494	12.1	2.5%
Capex recharge revenue	-	5	5.1	
Revenue	482	499	17.2	3.6%
Maintenance costs	(16)	(20)	(4.1)	
Staff costs	(19)	(20)	(1.1)	
Administrative & Other	(31)	(32)	(0.5)	
Adj. EBITDA	416	427	11.4	2.7%
margin (%)	*86%*	*86%*		
Capex recharge revenue	-	(5)	(5.1)	
Ground lease expense	(150)	(155)	(4.5)	
Adj. EBITDAaL	266	268	1.8	0.8%
margin (%)	*55%*	*54%*		

Adj. EBITDA	416	427	11.4	2.7%
Capex recharge revenue	-	(5)	(5.1)	
Lease cash payments	(146)	(121)	25.2	
Maintenance capex	(14)	(12)	(2.0)	
Recurring OpFCF	256	290	33.9	13.2%
Cash conversion (%)	*95%*	*108%*	*11.8%*	
(+/-) Change in Operating Working capital	0	11	n/a	
(-) Tax paid	(48)	(15)	33.0	
(-) Interest	(8)	(1)	7.0	
Recurring free cash flow (RFCF)	200	284	84.0	42.0%

Revenue
- Driven by new tenancies and the contractually agreed inflation escalator in our MSAs
- Further acceleration expected in H2 FY22 mainly driven by colocation, our BTS programme and further expansion of our value propositions

Adj. EBITDAaL
- Maintenance cost increases driven by one-off costs of the Neutral Host project, and other costs as expected with the roll-out of sites
- Increase in ground lease expense primarily reflects the full impact of the prior year lease reassessment

Notes
1. See p.15 for basis of preparation of pro forma results for H1/FY21

H1 growth positions us well to upgrade cash flow guidance

€m, Sep FY22	H1/FY21PF [1]	H1/FY22	yoy	yoy in %
Revenue (ex. pass through)	**482**	**494**	**12.1**	**2.5%**
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Recurring free cash flow (RFCF)	**200**	**284**	**84.0**	**42.0%**

Lease cash payments
- Lease cash payments are lower due to seasonality of annual lease payments in actual cash flows
- Pro forma comparative assumptions were based on straight line

Interest and Tax
- The majority of tax payments and interest payments are expected to occur in H2
- We anticipate that some of the year-to-date cash benefits will be retained in the full-year
- Accordingly our RFCF guidance is increased by €15m for the effect of cash optimisation on interest and tax payments

Notes
1. See p.15 for basis of preparation of pro forma results for H1/FY21

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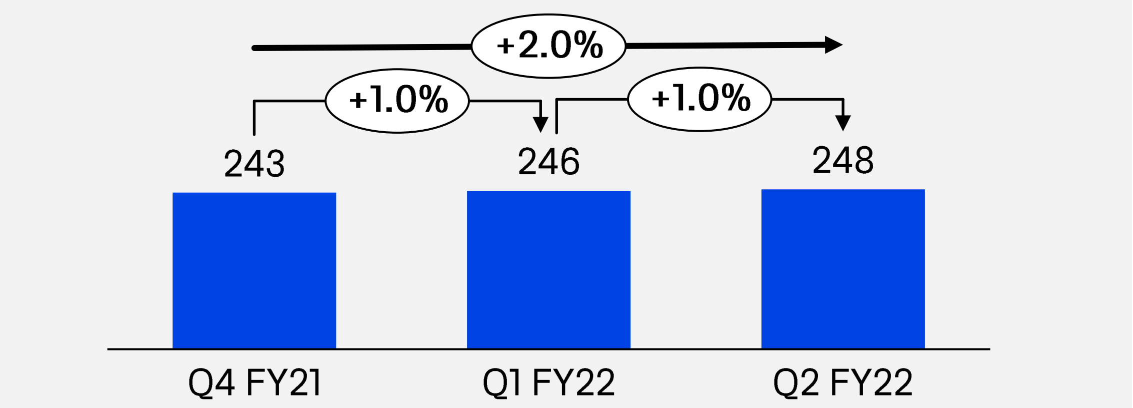
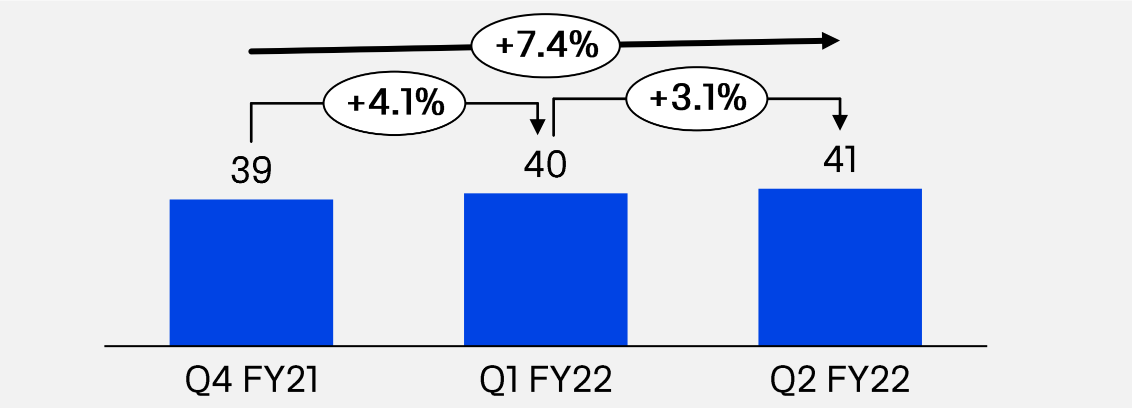
Our Non-Vodafone revenue increased by 7.4% in the first half of the year

Revenue (ex pass through) (in €m)



Non-Vodafone revenue (in €m)



- **Revenue (ex pass through) growth of €5m (+2.0%) in comparison to year end** driven by new tenancies primarily through active sharing in Spain and CPI escalators in the MSA

- **Non-Vodafone revenue** increasing over the first six months to **€41m in Q2 (+€3m, 7.4%)**, demonstrating the quality of our network and our attractiveness for other partners

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Our joint ventures meet expectations

INWIT

- INWIT delivered revenues of €383m (33.2% share: €128m) and an adj. EBITDAaL of €251m (33.2%-share: €84m) H1 21[1]
- +1.2k new tenants and 160 new sites in H1 21[1] bringing tenancy ratio to 1.95x
- +570 land renegotiations and buyouts
- 2021 guidance reiterated

INWIT reiterated guidance

- €0.30 DPS for CY20 (VT share: ~€96m) growing by 7.5% per year to €0.37 by CY23[2]
- RFCF of ~€700m by FY26[1]

H1 FY21 Update

INWIT expects EBITDAaL/RFCF in the high-end of range due to faster ground lease cost initiatives and optimized NWC ✓

Cornerstone

- Cornerstone delivered revenues of €176m (50% share: €88m) and an adj. EBITDAaL of €54m (50%-share: €27m) H1 21[1]
- Cornerstone added 49 macro sites until 30 September 2021 keeping the tenancy ratio stable at 2.0x
- Lease agreements renewal under the ECC Code progressing as planned
- Performance in line with our expectations

Reiterated guidance for Cornerstone

- Cornerstone Dividend: 100% of excess cash
- Cornerstone: Mid-single digit RFCF CAGR

RFCF and dividend targets reaffirmed ✓

1. January 1 – June 30 2021
2. As communicated by INWIT in its half-year results presentation and its annual report published 16 March 2021; based on INWIT accounting policies

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We are reaffirming revenue and margin guidance and raising RFCF guidance

	FY21PF Outcome	FY22 Guidance	Medium term targets
Tenancy ratio	1.40x		>1.50x
Revenue (ex. pass through)	€966m	€995-€1,010m	Mid-single digit CAGR
Consolidated Adj. EBITDAaL (excl. INWIT and Cornerstone)	€524m (54% margin)	EBITDAaL Margin broadly stable vs FY21PF	High 50s percentage margin (based on revenue (ex. pass through))
Consolidated RFCF[1] (excl. INWIT and Cornerstone)	€384m	€405-415m	Mid to high single digit CAGR
Dividend	€283m		Payout ratio: 60% of RFCF[2]
Initial leverage	3.8x Net Financial Debt / Adj. EBITDAaL		Flexibility to exceed for growth investment ~€1bn leverage capacity[3]

Notes

1 FY21PF RFCF not impacted by reassessment of IFRS 16 lease term policy (non-cash impact €10m)
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

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Key takeaways

We are further **driving the commercialization of our business**

We delivered **~570 net new tenancies** in H1 FY22 resulting in a **tenancy ratio of 1.42x**

GLBO progressing well with 250 signatures in Spain and Germany and over 60 in other markets

We delivered **solid top line growth** in H1 FY22 and are well positioned to accelerate in H2

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Appendix

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Key performance indicators by segment

€m (unless stated)	Fully-owned segments: Germany H1 FY21PF	Germany H1 FY22	Spain H1 FY21PF	Spain H1 FY22	Greece[1] H1 FY21PF	Greece[1] H1 FY22	Other European Markets H1 FY21PF	Other European Markets H1 FY22	Consolidated H1 FY21PF	Consolidated H1 FY22
Macro sites (#)	19.4k	19.4k	8.8k	8.6k	4.8k	4.8k	12.7k	12.8k	**45.7k**	**45.6k**
Tenancy ratio	1.21x	1.22x	1.64x	1.75x	1.63x	1.66x	1.38x	1.40x	**1.39x**	**1.42x**
Revenue (ex. pass through)	238	241	79	84	63	65	102	105	**482**	**494**
Adj. EBITDAaL	152	148	32	38	26	26	56	57	**266**	**268**
ROpFCF	146	164	29	40	26	29	55	58	**256**	**290**

Notes

1. See p.15 for basis of preparation of pro forma results for H1/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, 2022, 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.

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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 H1 FY22 consolidated financial information in order to show a like for like comparison between the H1 FY21 pro forma figures and our performance in H1 FY22. The consolidated financial performance for H1 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

Key contacts

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Next events

18 Nov

Morgan Stanley TMT Conference

2 Feb 2022

Q3 Trading Update