Fastweb announces first half 2020 results: 28th consecutive quarter of growth for broadband customers, revenues and margins.

At June 30th Fastweb reports 2,692 million wireline customers – up 4% on 1H 2019 – and revenues for 1.105 million Euro, up 5% on previous year. Margins register growth with EBITDA-AL marking a +5% compared to previous year. Also in the second quarter of the year – despite the Covid-19 emergency and the extensive use of smart-working by 100% of employees – Fastweb strengthened its position in the market ensuring full operativity of network and cloud services to its customers.

Milan, August 13th, 2020 – In the second quarter of 2020, Fastweb further consolidated its position in the Italian broadband market, reporting growth in customers, revenues and margins.

In the first six months of the year Fastweb added 55 thousand new wireline broadband customers, thus bringing the customer base to 2,692 million (+4% on previous year). Revenues in the semester totaled 1.105 million Euro, up 5% on 1H 2019.

Reported EBITDA at 30th June 2020 reached 365 million Euro (+ 5% compared to the first half of 2019) whereas EBITDA after lease costs (EBITDAaL) reached 339 million Euro, marking a 5% increase compared to the first half of 2019 on comparable basis.

Even in the second quarter, strongly impacted by COVID emergency, Fastweb confirmed its commitment in technological and infrastructural investments, which totaled 138 million Euro in the quarter (276 million Euro in the semester), equal to 25% of revenues. The roll-out of mobile and fixed wireless access 5G networks goes on in line with the industrial plan. Specifically, the 5G FWA infrastructure will be key to deliver gigabit connectivity to 8 million households in small and medium cities.

Fastweb keeps its focus on its strategy to become an "infrastructured OTT", i.e. able to couple its infrastructural vocation with the user-friendly and immediacy enabled by advanced digital platforms: to the assets that Fastweb will leverage – the extensive FTTx network, 5G spectrum and strategic partnerships – it recently added the acquisition of Cutaway, a firm specialized in the development of ICT and Cloud projects for the Enterprise market and thanks to which it has incorporated key competences to further support its business customers in digital transformation processes.

Fastweb confirms its leadership role in the penetration of ultra-broadband connectivity services. At June 30th 1.852.000 customers subscribed to UBB connections, up 19% compared to previous year. 69% of the customer base (+9 p.p. compared to 1H of 2019), enjoys a UBB connection with download speed up to 1 Gb/s. As highlighted by AGCOM in its recent yearly report Fastweb is the market leader in terms of FTTH connections, with a market share of 36,5%.

The Enterprise market has performed well, thanks to a stable demand of high-speed connectivity by business and public administration. The growth in orders and the acquisition of new customers determined increased revenues totalling 435 million Euro in

the first six months (+5% compared to previous year). A result that confirms Fastweb role as first alternative operator in the segment of enterprises and public administrations with a 30% market share in terms of revenues.

Also the wholesale segment did well with revenues totalling 108 million Euro in the semester, +19% compared to the same period of 2019 and the number of wholesale UBB lines provided to third parties up 39% in 1 year.

Last but not the least, the mobile segment did extremely well, continuing its double-digit growth. At June 30th Fastweb had 1.830 thousand active SIMs, up 18% compared to the same period 2019. Convergent customer adopting mobile as well as wireline services represent 33% of the customer base.

Relevant facts occurred after the closing of the quarter

On August 4th Fastweb signed an agreement with Linkem to extend the coinvestment deal already reached in December 2019 for the roll-out of their 5G FWA networks. Besides the 8 million households and business envisaged by the original deal, Fastweb and Linkem will cover an additional 4 million hh in digital divide areas.
Fastweb is also in discussion with TIM and KKR to confer its 20% share of Flash Fiber, the joint venture created with TIM in 2016, in FiberCop, a coinvestment vehicle in which TIM is planning to transfer its copper secondary network as well as the fiber network developed through FlashFiber. The signing of the deal, originally scheduled for August 4th, has been delayed to August 31st to provide the government a chance to assess the deal and potentially take part to it.

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