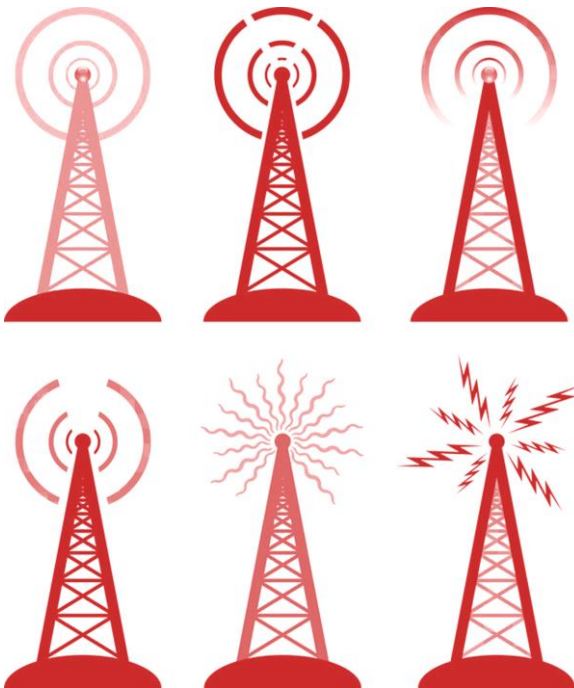




AUTORITÀ PER LE
GARANZIE NELLE
COMUNICAZIONI

Focus on the balance sheets of the main market operators



**Network
infrastructure
and integrated
services for
electronic
communications**

(Financial years 2013 – 2017)

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*This Focus is based on the accounting information of the main companies that operate in the field of **network infrastructure and integrated services for electronic communications** for the period 2013-2017*

Revenues and number of employees

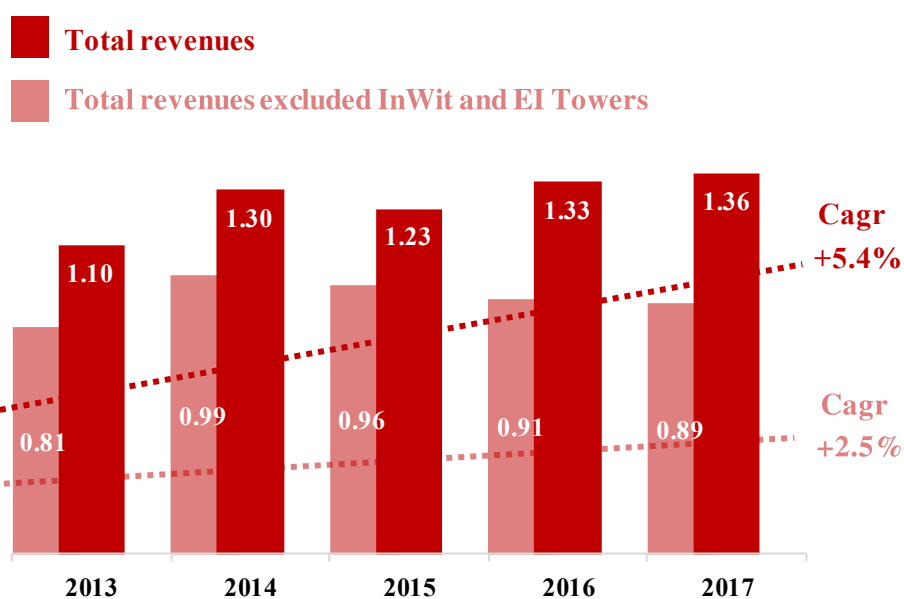
Revenues

i At the end of 2017, the overall value of revenues is estimated around **1.36** billion € (+**2.4%** compared to 2016).

The revenues of the major companies for 2017 increased by **23%** respect to 2013, with an average annual growth rate (**cagr**) of **5.4%**.

The percentage of revenues attributable to InWit and EI Towers, the two major companies in the sector, show an average annual growth ratio (**cagr**) by **+2.5%** lower than those of the whole sector.

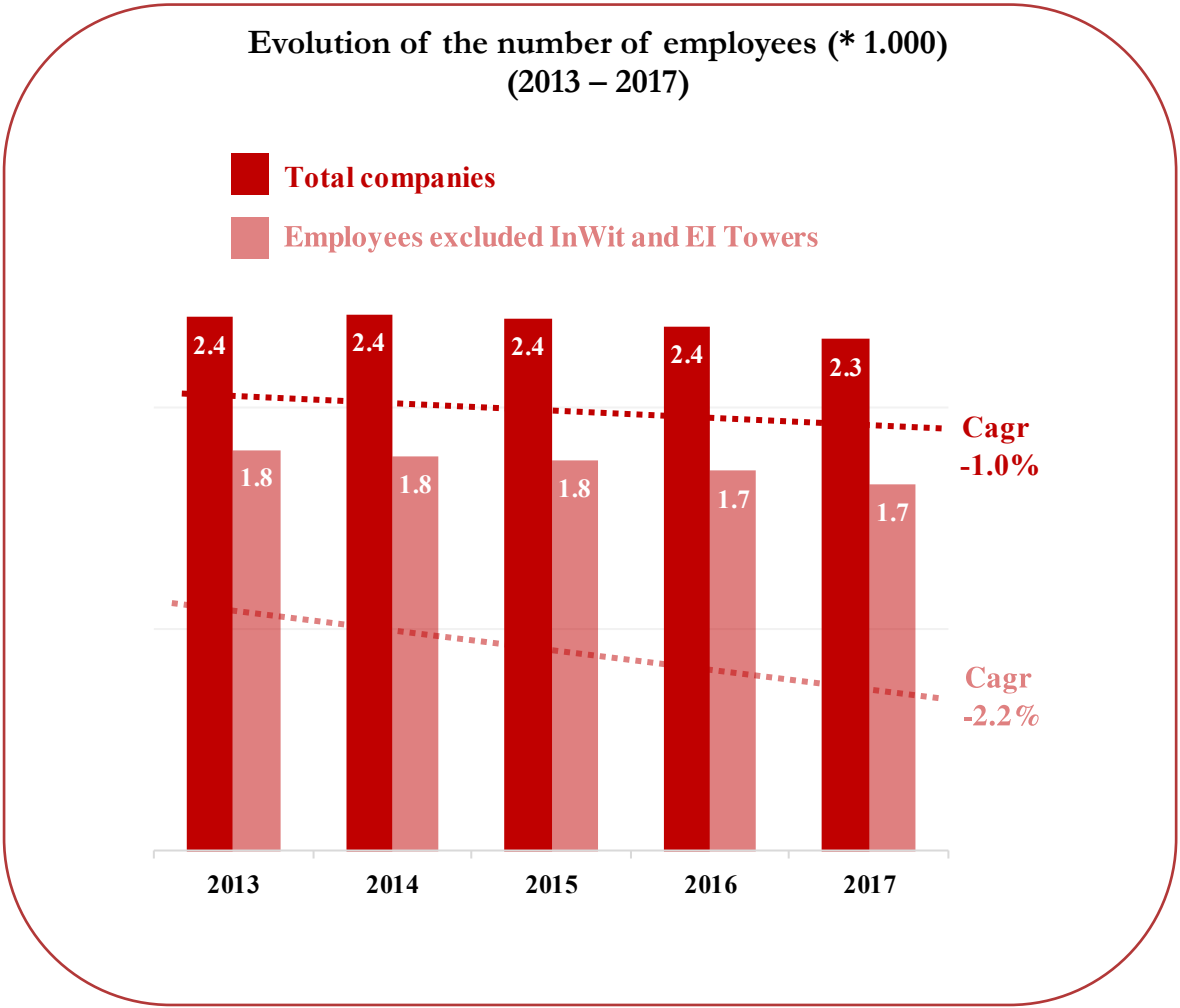
Evolution of the revenues in billions of €
(2013 – 2017)



Number of employees

i In the period under examination (2013 - 2017), the number of employees decreased at the average annual rate of **1%** with a reduction of the workforce of **100** units (from 2,400 employees in 2013 to 2,300 in 2017).

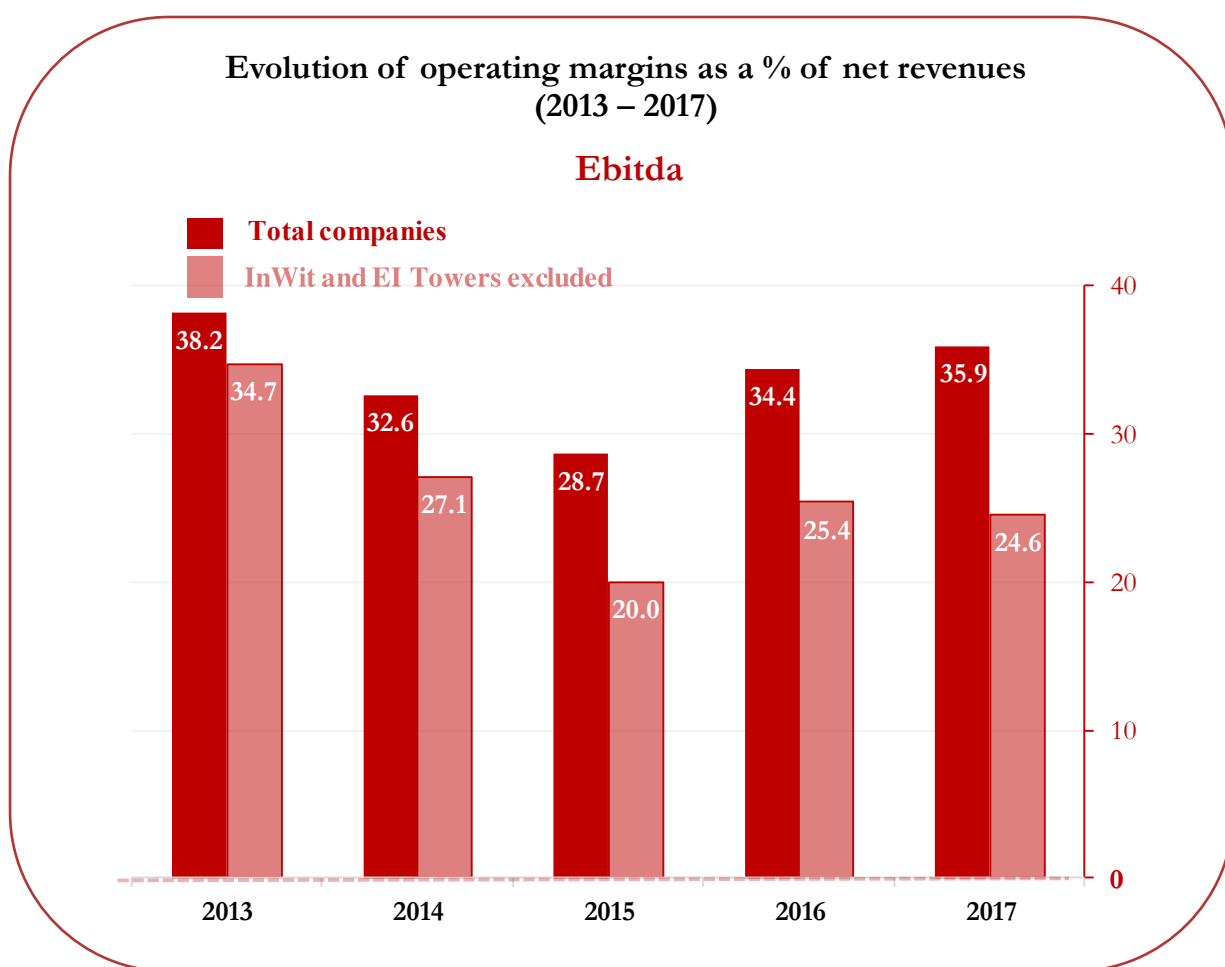
For EI Towers and InWit, the decrease in employment was much sharper (**-3.6%** between 2013 and 2017).



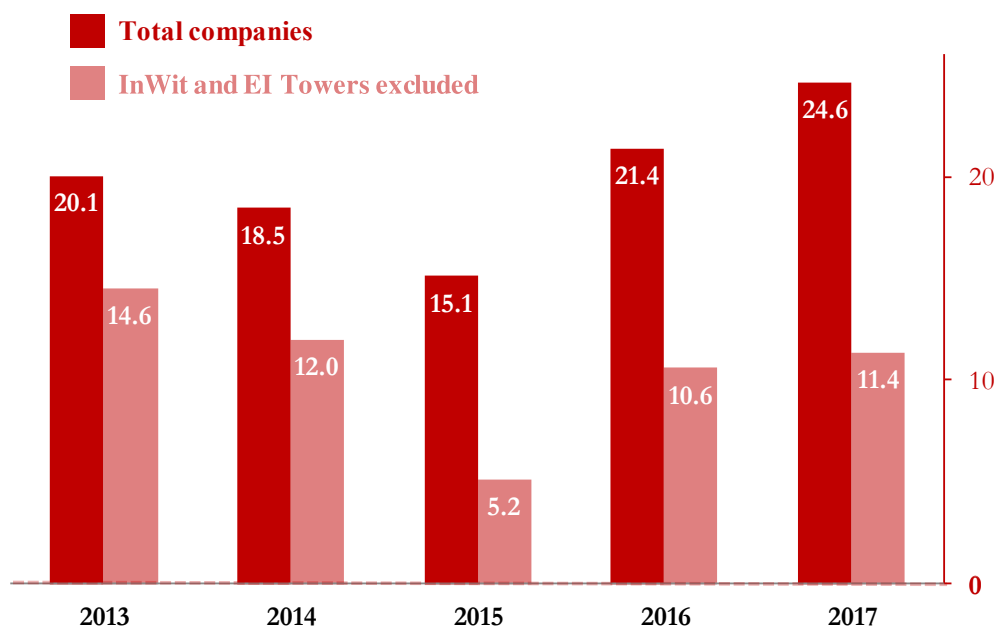
Profitability analysis

Operating margins

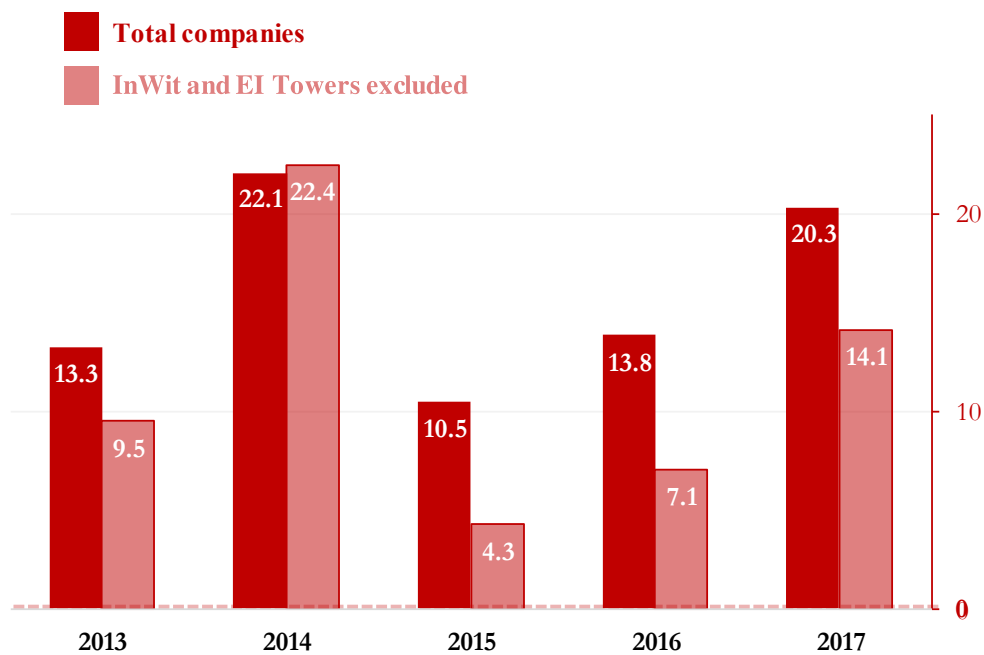
i The evolution of the operating margins of the main companies in the field of network infrastructure and integrated services for electronic communications shows, during the period considered, an initial negative trend, between 2013 and 2015, followed by a growth phase between 2016 and 2017.



Ebit



Profit or loss

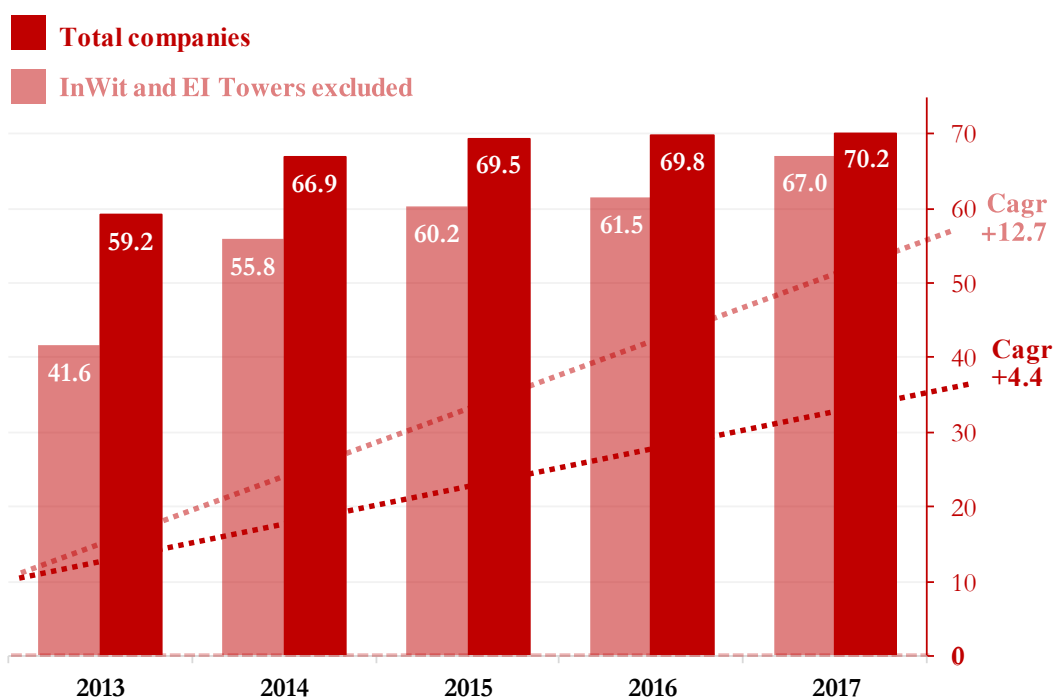


Level of capitalization and investment

Ratio between shareholders' equity and total liabilities

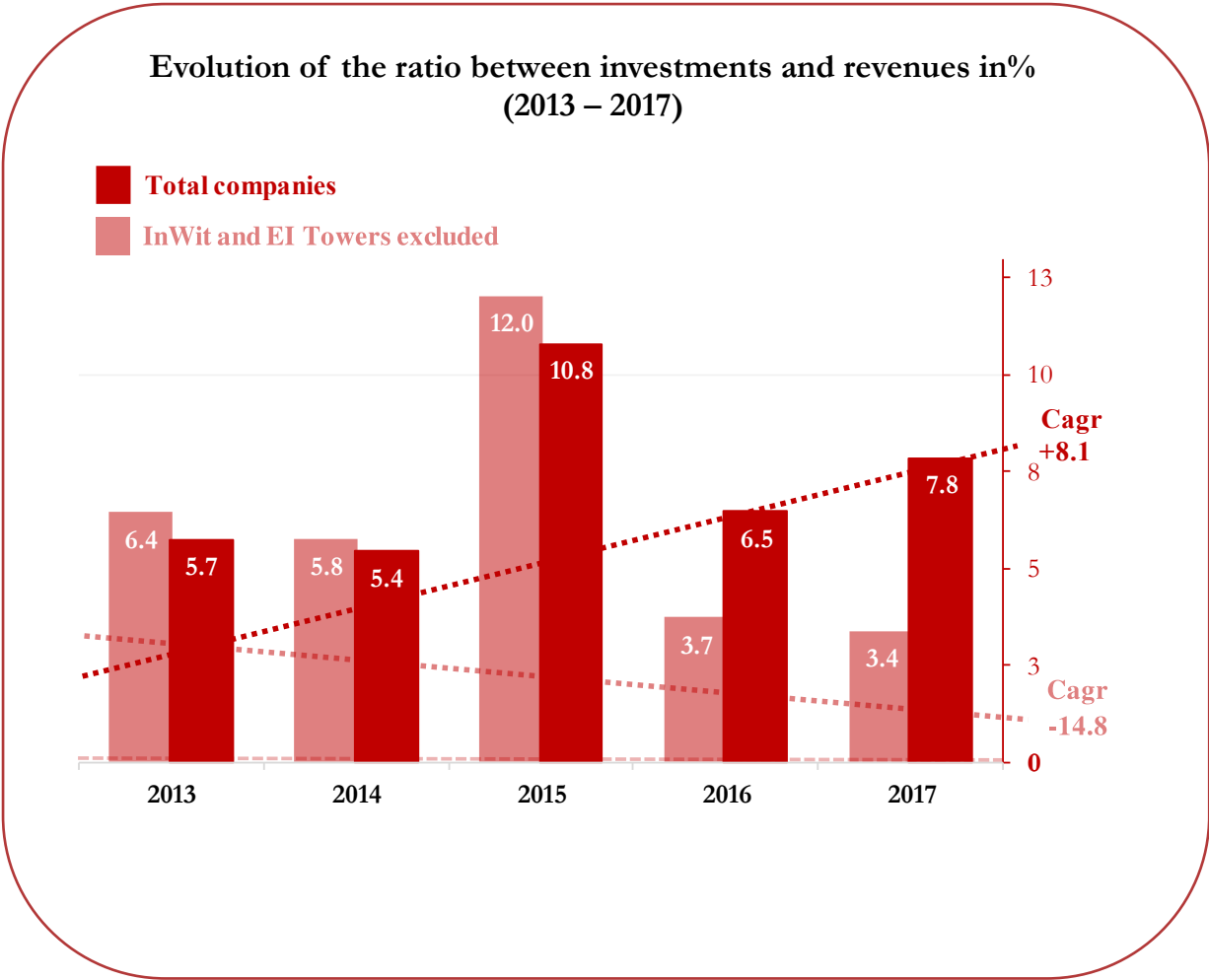
i Between 2013 and 2017, the use of equity (net capital) of the main companies in the sector grew by **11 pp** (from **59.2%** to **70.2%**)

Evolution of the ratio between shareholders' equity and total liabilities in %
(2013 – 2017)



Ratio between investments and revenues

i Between 2013 and 2017, the investments of the main operators were, on average, equal to **7.3%** of revenues'; this translate into an average year value of investments of around **104 million €**.



Methodological note



This analysis, which is based on the accounting information available from the financial statements of the main companies of the sector, provides a set of documents differing from similar analyses carried out by the Italian Communications Authority (AGCOM) and by other research entities.

In particular, there are considerable differences in terms of purpose and information collection within the detailed studies proposed in the Focus by other analysis carried out for regulatory purposes (e.g. "market analysis") or, for instance, in preparing the AGCOM "Annual Report".

The main objective of the Budgets Focus is to provide a synthetic representation of the "health status" (income, assets and employment) of the sector by using duly elaborated information, derived from the statutory financial statements of the companies analysed. In other words, the findings of the Focus are obtained on the basis of all the activities carried out by the main subjects operating in the sector under consideration rather than on the subdivision of these activities by product group.

The quantitative findings emerging from the Focus do not enable comparisons with those made public by the AGCOM. These analysis, which are characterized by a higher level of technical specificity of the requested information, are indeed a methodological tool for a proper identification of the markets subject to the regulatory framework of the Italian Communications Authority (AGCOM) from a geographical and commodity-related point of view.

In particular, there are at least three main elements to be considered:

- the different sample size;*
- the different timing of data collection;*
- the request for off-accounts information characterising most of the specific requests for information that the AGCOM addresses to companies and which, therefore, are not always attributable to specific budget resources in compliance with the Italian Civil Code.*

*The **companies** analysed for this Focus are:*

3Iettronica industriale, Premiata ditta Borghini e Stocchetti, Cairo Network, EI Towers, Eletronica industriale, Europa Way, InWit, Persidera, Prima TV, RaiWay, Telespazio.