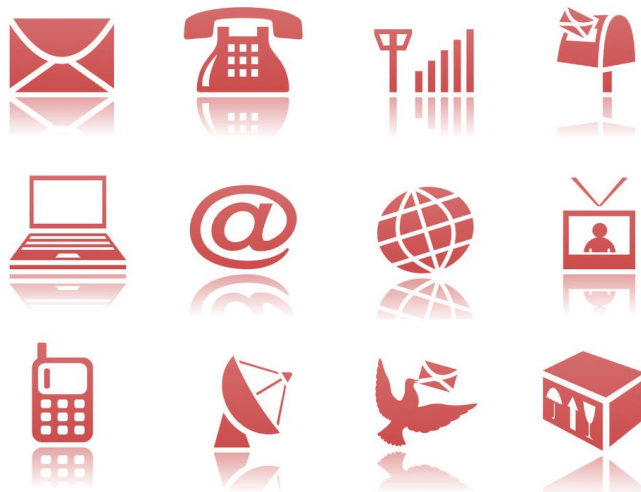


Focus on the balance sheets of the main operators in the fields within the AGCOM's mission



(Financial years 2013 – 2017)

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This Focus is based on the accounting information of the main companies that operate in the fields within the Authority's mission (electronic communication, postal services, media and audiovisual services and network infrastructure operators).

Aggregate data have been calculated for the period 2013-2017.

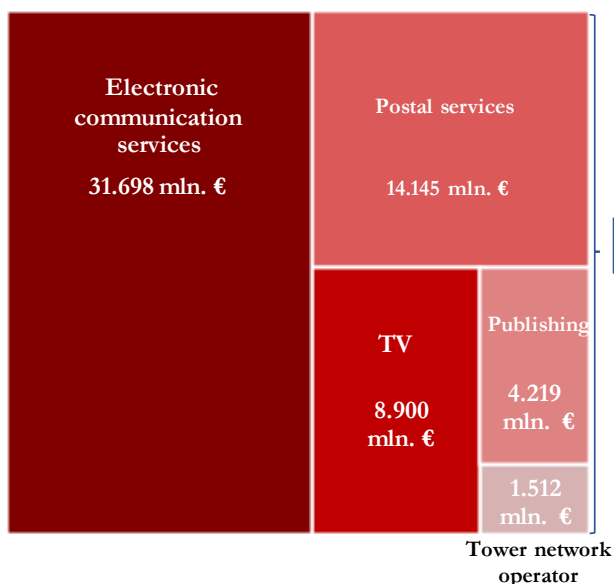
Revenues and number of employees

Revenues

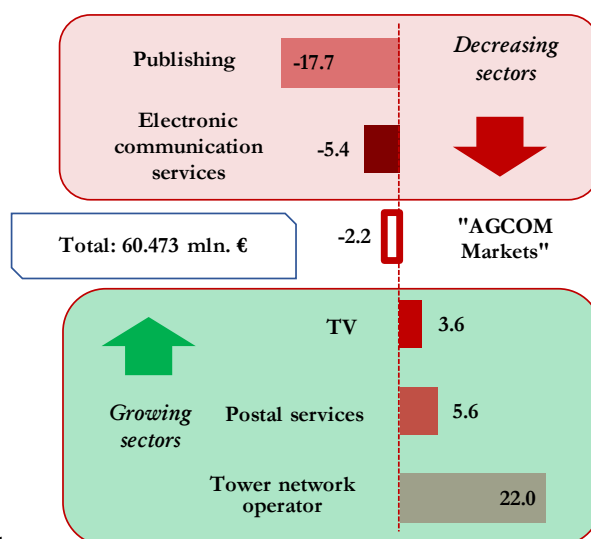
i At the end of 2017, the overall value of revenues in the AGCOM sectors of competence is estimated around **60.473** mln €, a decrease of **2.2%** compared to 2013. About **52.4%** is attributable to the electronic communication services, **23.4%** to postal services and express delivery, **14.7%** to the publishing sector (journal and periodical publishing), **7%** to TV sector and the remaining **2.5%** to the companies that work in the field of network tower infrastructure and integrated services for electronic communications.

With regard to revenue trends by sector, some significant differences emerge: between 2013 and 2017 the revenues of postal and express delivery services increased by **5.6%**, that of the media, for what concerns the TV segment, by **3.6%**, and that relating to tower network infrastructure and integrated services for electronic communications by **22%**. From an aggregate point of view, this growth trend, was offset by the revenues decrease which concerned the electronic communications sector (**-5.4%**), and that of the media, as regards the publishing segment (**-17.7%**).

Distribution of revenues (2017)



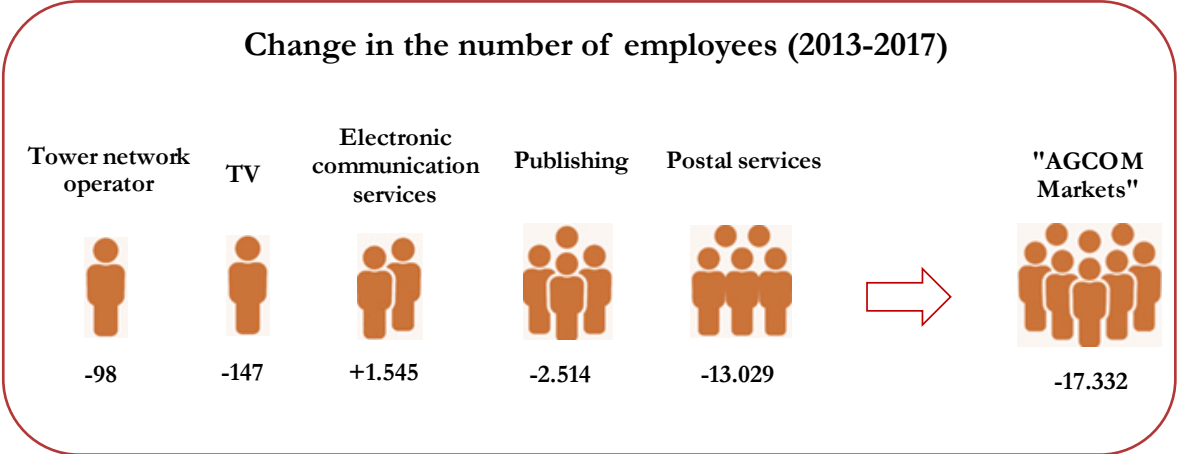
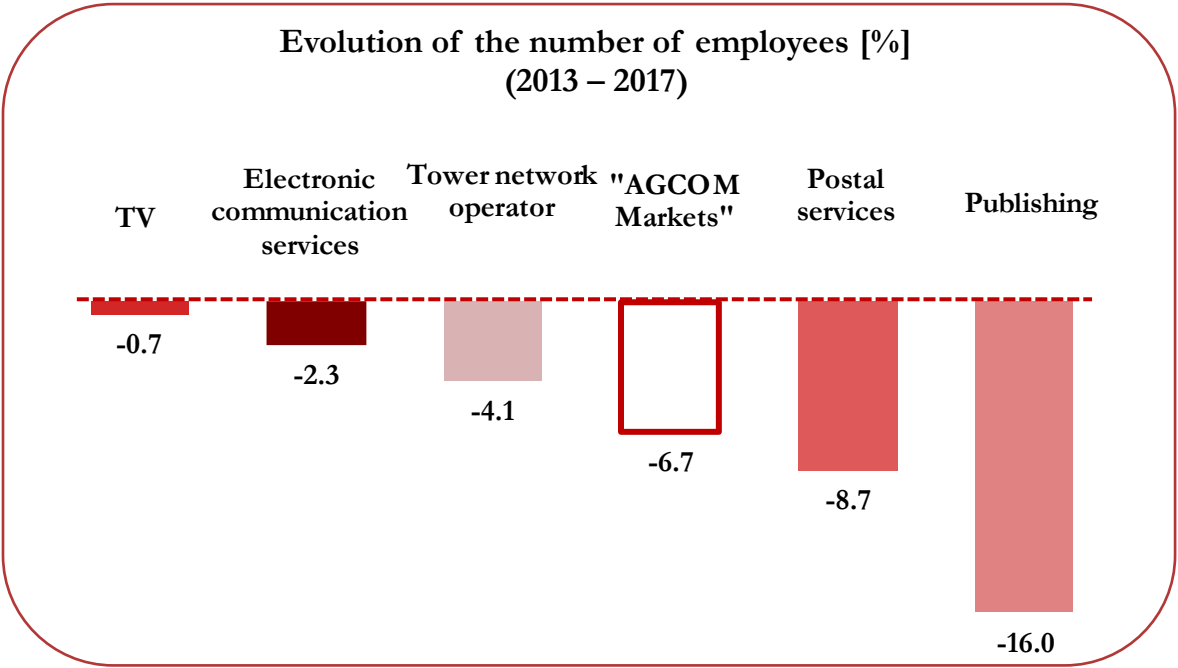
Percentage change in revenues (2013 – 2017)



Number of employees

i In the period under examination (2013 - 2017), the number of employees decreased by **7%**, with a reduction of the workforce of **17,300** units (from **258,000** in 2013, to **240,000** people employed in 2017).

In percentages terms, the publishing sector shows the greatest reduction (**-16.9%**), while in absolute terms the postal sector is the one that has lost the greatest number of employees (**13,000** units).



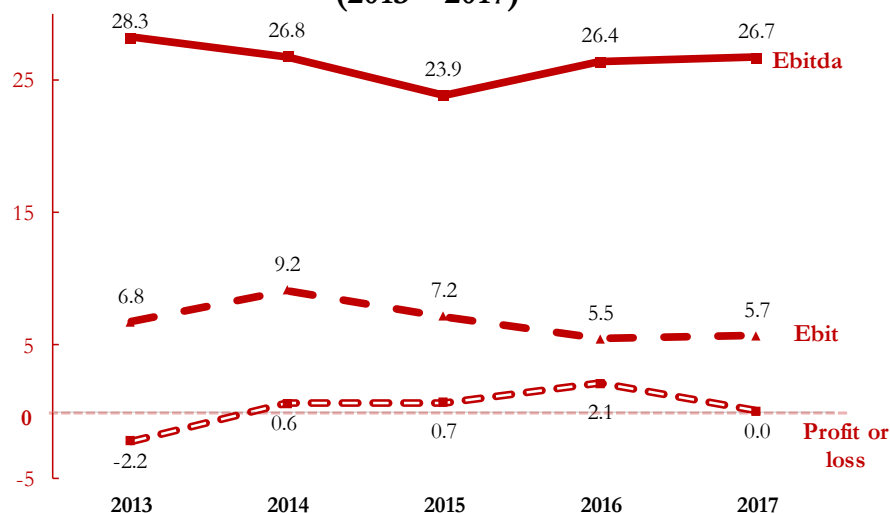
Profitability analysis

Operating margins

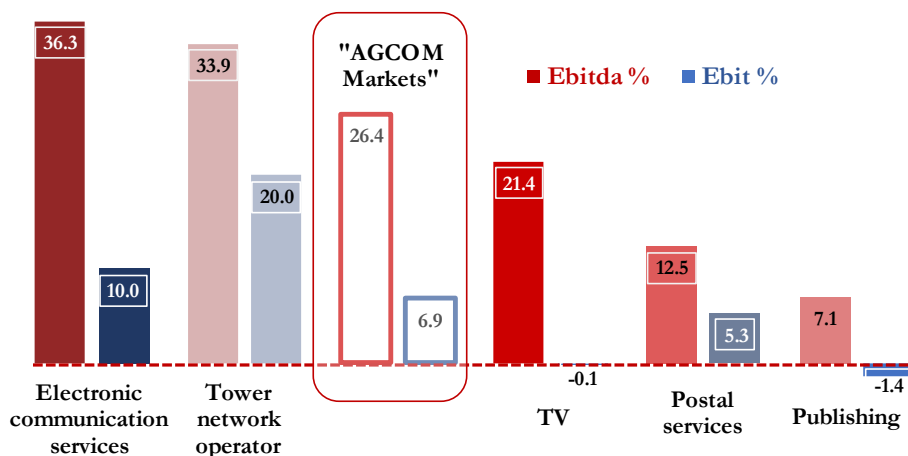
i In 2017, the level of the gross operating margin (**Ebitda**) and the net operating margin (**Ebit**) are lower than those observed in 2013, although both were higher than the values of 2016. The lowest level of profitability concerns the publishing sector, for which it is possible to compute an average negative net margin of **-1.4%** of profits over the last five years.

In 2017, the aggregate operating result (**Profit or loss**) as a percentage of revenues, which has been increasing until 2016, showed a decrease of around **2.1** percentage points compared to 2016.

Evolution of the aggregate operating margins as a % of net revenues (2013 – 2017)



Average value of **Ebitda** and **Ebit** as a % net revenues (2013 – 2017)

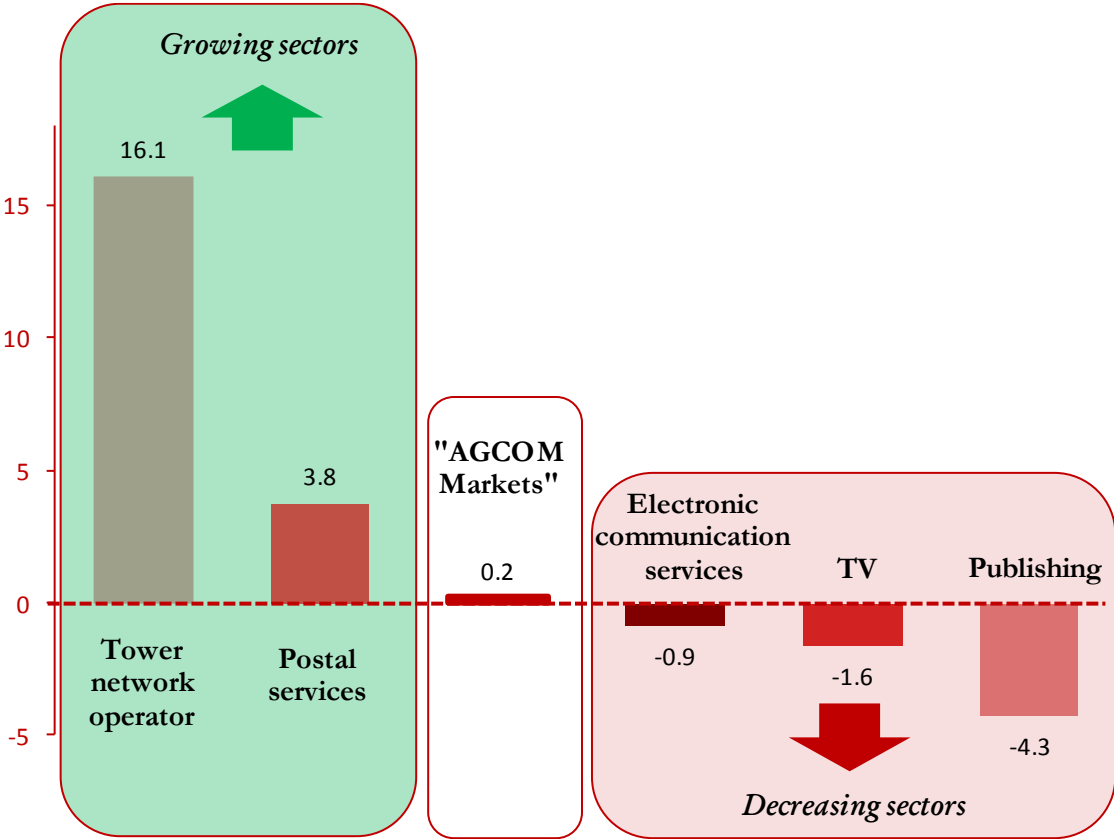


Profit or loss

i The **publishing** sector is facing a sharp downturn with an average five years value of the ratio between profit or loss and total revenues of **-4.3%**, totaling **986 billion €** of losses.

In the 2013-2017 period, the AGCOM sectors of competence recorded an average net profit equal to **0.2%** of revenues, thanks to the positive result of network operators and tower companies and of postal and courier services.

**Average value of profit or loss as a % of revenues
(2013 – 2017)**



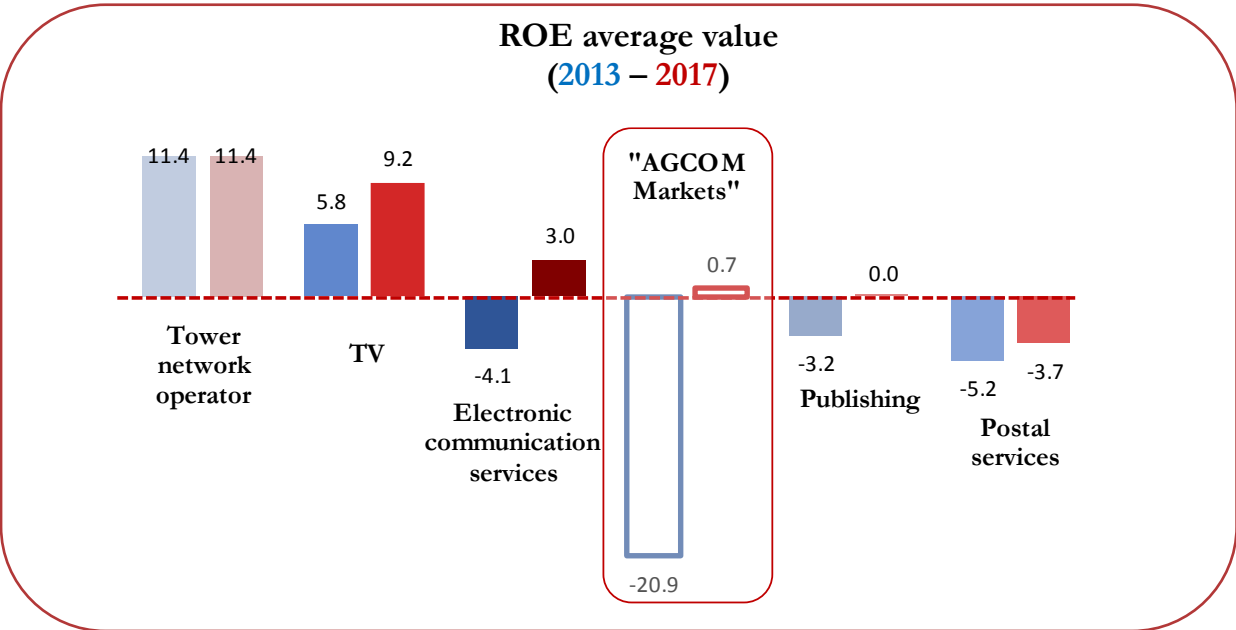
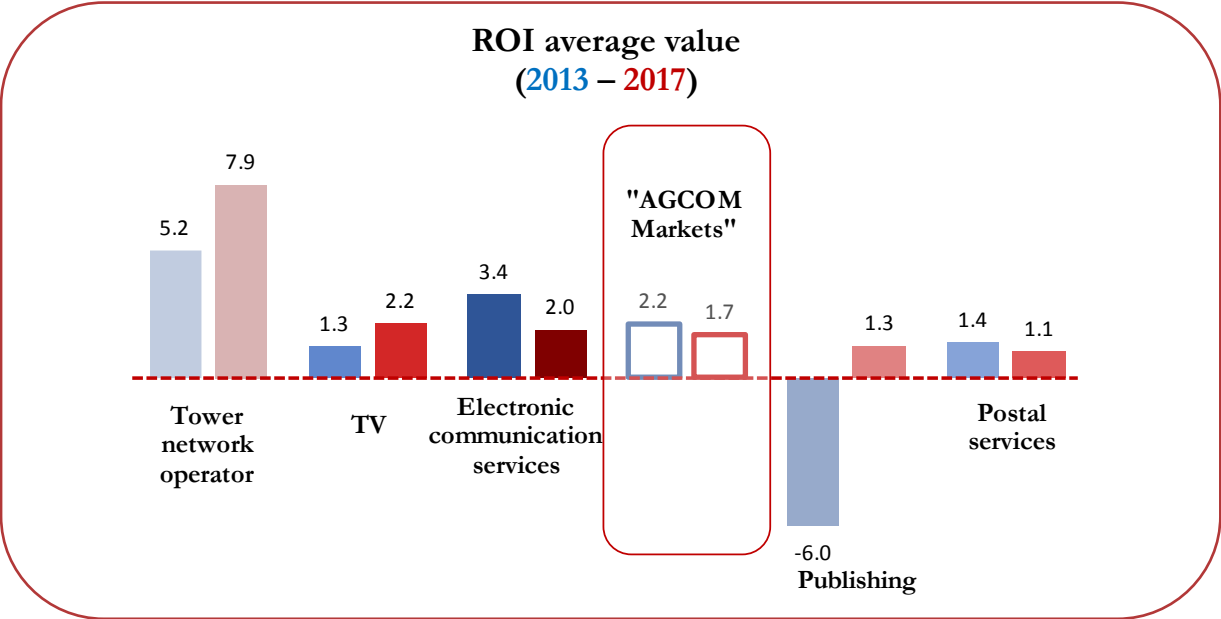
Return on Investment (Roi) and Return on Equity (Roe)

i At the end of 2017, the return on investment (ROI) aggregate value (1.7%) were down slightly with respect to the 2.2% value in 2013,

The results for tower network operators, are significantly above the average (7.9%) and recording a growth of 2.7 percentage point compared to 2013.

The lowest value (1.1%) is recorded for the postal and courier services, mainly due to the routine nature and low value adding of the services.

As concerns the return on equity (ROE), at the end of 2017, the value is close to zero (0.7%), mainly due to the under performance of the telecommunication operators.



Level of capitalization and investment

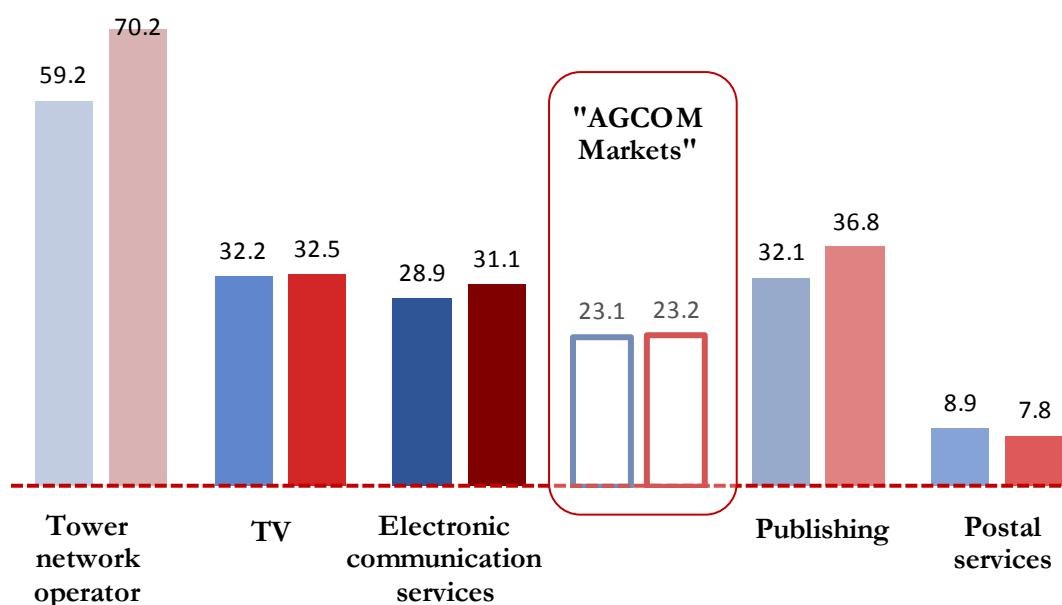
Ratio between shareholders' equity and total liabilities

i Between 2013 and 2017, the use of equity (net capital) in the fields of competence of the Authority, has remained more or less stable at **23%**.

In 2017, the market segment of tower and network operators is the most capitalized among those within the AGCOM scope (**70.2%**). For publishing, electronic communications and the television, the ratio between equity and liabilities capital is more than **30%**, while it is considerably lower for companies operating in the postal and express services sector (**7.8%**).

Evolution of the ratio between shareholders' equity and total liabilities in %

(2013 – 2017)



Ratio between investments and revenues

i Between 2013 and 2017, the aggregate investments of the main companies that operate in the fields within the Authority's mission increased from **14.8%** in 2013 to **19.7%** in 2017.

Evolution of the ratio between investments and revenues in%
(2013 – 2017)

