VareseNews

The Americans invest in EOLO

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Three hundred million for the next three years. There will be 150 new jobs, and confirmation of the whole Italian leadership.

Today is a new day of celebration at EOLO. **The launch of the new technology that will make it possible to bring 100Mb** into the homes of Italians in thousands of towns, was announced a few weeks ago. Now, the news has come that **American investors have joined the company shareholders, with funds managed by Searchlight Capital Partners, L.P.,** a global private equity firm that operates in the telecommunications industry.

The news had been in the air, since the **Council of Ministers on 18 December**, "on a proposal by the Prime Minister Paolo Gentiloni, decided not to exercise special powers and to allow the deadlines to run in relation to the purchasing by SCP EPC UK Limited of the EOLO S.p.A. shares owned by Cometa S.p.A. (energy, transport and communications sector)."

Luca Spada will remain the CEO of the company, and the Elmec Group will continue to hold 51% of EOLO. **Here** are their comments and reflections on the current situation.

The proceeds will be used to finance the growth of the company, which has planned investments of about €300 million for the period 2018-2020.

Thus, the plan to create the first ultra-broadband, fixed-wireless network at 100 Mega for the

Italian provinces, based on 5G technologies, **is underway**. The new network will give more than 7 million families and businesses in Italy, who suffer a considerable "speed divide", access to an ultra-broadband Internet connection. This is to be added to the €200 million that EOLO has invested over the last few years, to create its own telecommunications network.

EOLO serves more than 300,000 customers, in more than 5200 towns and villages, in 13 Italian regions (Abruzzo, Emilia-Romagna, Friuli-Venezia-Giulia, Lazio, Liguria, Lombardy, Umbria, Le Marche, Piedmont, Tuscany, Trentino-Alto Adige, Valle d'Aosta and Veneto). Many places have fewer than 20,000 inhabitants. These figures make EOLO's fixed-wireless network the most extensive in Italy, and one of the main networks in the world.

At the end of the fiscal year, on 31 March 2018, **EOLO expects to have a revenue of more than €100 million**, 33% more than previous year. Since 2014, EOLO's revenue and margins have seen a 30% increase each year.

"Our business model has aroused the interest of many investors over the years, and we're happy to embark on a development plan with Searchlight, who have consolidated experience and a solid network in our industry, and with whom we share a common vision of how our business should develop," declared Luca Spada, the Chairman and CEO of EOLO.

"Our company is unique in our sector. We give huge areas of the population and thousands of businesses access to the best connection possible in Italy. Our mission is based on the conviction that the frequency bands of 26 and 28 GHz and fixed wireless access are strategic to serving customers with the 100 Mega technology. Searchlight's decision to invest in EOLO confirms the great value that the company has built up over the years."

"We're looking forward to working in partnership with Luca Spada and his team, to bring innovative, ultra-broadband solutions and to reduce the digital divide in Italy," said **Oliver Haarmann, the co-founder of Searchlight**, a global private investment firm that has offices in New York, London and Toronto.

The advisors of Searchlight Capital Partners in the operation have been:

Chiomenti (legal advisor), Kirkland & Ellis (legal advisor), KPMG (financial accounting, tax, IT), Solon Management Consulting (commercial advisor), M37 Ventures (technology and IT advisor) and Aon (insurance). EOLO advisors in the operation include Johan Bode (financial advisor) and Clifford Chance LLP (legal advisor). MPS Capital Service and UniCredit assisted EOLO in financing future investments and in supporting the operation.

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