



**RAI WAY APPROVES RESULTS OF THE FIRST QUARTER 2018, RECORDING
A FURTHER IMPROVEMENT IN PROFITABILITY AND AN INCREASE IN NET PROFIT OF 8%**

- **Key results for the quarter ended 31 March 2018 (vs 31 March 2017):**
 - **Revenues of € 54.0m (+0.4%);**
 - **Adjusted EBITDA of € 29.7m (+4.9%);**
 - **Operating profit of € 21.4m (+6.5%);**
 - **Net profit of € 14.9m (+8.0%);**
- **Investments of € 0.8m**
- **Net cash of € 24.8m (net debt of € 4.8m at 31 December 2017)**

Rome, 9 May 2018 – The Board of Directors of Rai Way S.p.A. (Rai Way) met today under the chairmanship of Raffaele Agrusti and examined and unanimously approved the Company's Interim Financial Report for the quarter ended 31 March 2018.

Moreover, the Board of Directors has confirmed that the Statutory Auditors, who were appointed on 23 April 2018 by the Shareholders' Meeting, are independent as prescribed by paragraph 3 of article 148 of Legislative Decree no. 58/1998, as well as, based on the controls that have been communicated by the Statutory Auditors, as per the independence requirements prescribed by the Corporate Governance Code for listed companies.



Key Results at 31 March 2018

The Company's **revenues** amount to € 54.0 million for the quarter ended 31 March 2018, an increase of 0.4% over € 53.8 million in the first quarter 2017. Revenues from RAI are equal to € 45.7 million while the contribution from third-party customers amounts to € 8.4 million.

Adjusted EBITDA amounts to € 29.7 million, an increase of 4.9% over € 28.3 million in the first quarter 2017 mainly benefiting from efficiency initiatives. The margin on revenues reached 54.9% (52.6% in the first quarter 2017). Including the impact of non-recurring expenses (€ 0.3 million in 2018 compared to no impact in the same period of 2017), **EBITDA**¹ amounts to € 29.4 million, representing an increase of 4.0% over € 28.3 million reported in the first quarter 2017 results.

Operating profit (EBIT) amounts to € 21.4 million, an increase of 6.5% over € 20.1 million in the first quarter 2017 results, also benefiting from lower depreciation and amortisation.

Net profit amounts to € 14.9 million, an increase of 8.0% compared to the first quarter 2017 results of a net profit of € 13.8 million.

In the first quarter of 2018, **investments** amount to € 0.8 million (€ 8.9 million in the first three months of 2017, of which € 7.7 million in development activities and M&A).

Net invested capital² amounts to € 165.9 million, with **net debt** closing at € -24.8 million (cash positive) compared to € 4.8 million at 31 December 2017.

¹ The Company defines EBITDA as profit for the year adjusted by the following items: (i) income taxes, (ii) financial charges, (iii) financial income, (iv) accruals to provisions for risks, (v) amortisation and depreciation and (vi) write-downs of receivables

² Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets



Outlook

The results of the first quarter 2018 are in line with Company's expectations. The outlook for the full year 2018, disclosed to the market on 21 March 2017, is therefore confirmed. In particular, Rai Way is forecasting:

- Adjusted EBITDA to keep growing organically;
- Maintenance capex in the range of 9% of core revenues; going forward, the average level of 8,5% of core revenues is confirmed.

Rai Way announces that today, Wednesday 9 May 2018 at 5:30pm CET, the results of the first quarter 2018 will be presented to the financial community via conference call.

The presentation supporting the conference call will be made available in advance on the Company's website www.rairway.it in the Investor Relations section.

To take part in the conference call:

Italy: +39 02 8020911 - UK: +44 1 212818004 - USA: +1 718 7058796

The manager in charge of preparing the corporate accounting documents, Adalberto Pellegrino, declares, pursuant to article 154-bis of the Consolidated Finance Law (TUF), that the accounting information in this release corresponds to the underlying accounting documents, books and entries.

Disclaimer

This release contains forward-looking statements on the future events and results of Rai Way that are based on current expectations, estimates and forecasts about the sector in which Rai Way operates and on management's current opinions. By their nature these items contain an element of risk and uncertainty as they depend on the occurrence of future events. The actual results could differ, even materially, from those stated for a variety of reasons such as: global economic conditions, the effect of competition and political, economic and regulatory developments in Italy.

**Rai Way S.p.A.**

Rai Way manages and develops the terrestrial broadcast infrastructure which carries the television and radio signals of RAI, Italy's national public broadcasting company, and provides services to its business customers. Rai Way has an extensive experience and technological, engineering and organizational know-how in the Italian media and broadcast infrastructure market. Such a unique expertise, together with the skills and ongoing training of its around 600 employees, makes Rai Way an ideal partner for any companies and entities seeking for integrated solutions to develop their network and transmit their signals.

Rai Way operates throughout the national territory and can rely on its headquarters in Rome, 23 local network centers and more than 2,300 sites across Italy.

For more information:**Investor Relations**

Ph. +39 06 33173973

+39 06 33175971

investor.relations@raiway.it

Media Relations**SEC and Partners**

Giancarlo Frè

Ph. +39 06 3222712

fre@segrp.com



Income Statement

(€m; %)	1Q17	1Q18
Core revenues	53.8	54.0
Other revenues	0.0	0.0
Purchase of consumables	(0.3)	(0.3)
Service costs	(12.1)	(11.9)
Personnel costs	(12.3)	(11.7)
Other costs	(0.8)	(0.8)
Opex	(25.5)	(24.6)
Depreciation and amortization	(8.2)	(8.0)
Provisions	0.0	0.0
Net Operating profit	20.1	21.4
Net Finance income (expenses)	(0.5)	(0.4)
Profit before income taxes	19.7	21.1
Income taxes	(5.9)	(6.2)
Profit for the year	13.8	14.9
EBITDA	28.3	29.4
<i>EBITDA margin</i>	52.6%	54.4%
Non recurring expenses	0.0	(0.3)
Adjusted EBITDA	28.3	29.7
<i>Adjusted EBITDA margin</i>	52.6%	54.9%

Balance Sheet

(€m)	2017FY	1Q2018
Non current assets		
Tangible assets	188.7	181.6
Intangible assets	11.2	11.0
Financial assets, holdings and other non-current assets	0.4	0.4
Non-current tax assets	2.2	2.4
Total non-current assets	202.4	195.4
Current assets		
Inventories	0.9	0.9
Trade receivables	72.0	72.9
Other receivables and current assets	5.4	6.7
Current financial assets	0.1	0.3
Cash	55.9	70.1
Current tax assets	0.0	0.0
Total current assets	134.3	151.0
TOTAL ASSETS	336.7	346.4
Equity		
Share capital	70.2	70.2
Legal reserves	12.2	12.2
Other reserves	37.0	37.1
Retained earnings	57.0	71.3
Total equity	176.4	190.7
Non-current liabilities		
Non-current financial liabilities	30.6	15.6
Employee benefits	16.4	16.5
Provisions for risks and charges / Allowances	16.0	16.0
Other non-current liabilities	0.0	0.0
Non-current tax liabilities	0.0	0.0
Total non-current liabilities	63.0	48.1
Current liabilities		
Commercial debt	37.7	34.7
Other debt and current liabilities	28.9	41.4
Current financial liabilities	30.3	30.1
Current tax liabilities	0.4	1.4
Total current liabilities	97.3	107.6
TOTAL NET EQUITY AND LIABILITIES	336.7	346.4



Cash Flow Statement

(€m)	1Q2017	1Q2018
Earnings before taxes	19.7	21.1
Depreciation and amortization	8.2	8.0
Provisions and others	0.9	0.6
Net financial Income	0.4	0.3
Other non-monetary items	0.0	(0.8)
Net operating CF before change in WC	29.2	29.2
Change in inventories	0.0	0.0
Change in accounts receivable	(14.4)	(0.8)
Change in accounts payable	(7.6)	(3.0)
Change in other assets	(1.7)	(1.4)
Change in other liabilities	8.7	7.2
Use of funds	(0.0)	(0.0)
Payment of employee benefits	(0.5)	(0.5)
Change in tax credit/liabilities	(0.9)	0.0
Taxes paid	0.0	0.0
Net operating cash flow	12.7	30.7
Investment in tangible assets	(1.7)	(0.8)
Sale of tangible assets	0.0	0.0
Investment in intangible assets	(0.0)	(0.0)
Sale of intangible assets	0.0	(0.0)
Change in other non-current assets	(0.0)	0.0
Change in holdings	0.0	0.0
Change in non-current financial assets	0.0	0.0
Interest received	0.0	0.0
Companies consolidation	(7.2)	0.0
Investing cash flow	(8.9)	(0.8)
(Decrease)/increase in medium/long-term debt	(15.0)	(15.0)
(Decrease)/increase in current financial liabilities	1.9	(0.2)
Change in current financial assets	(0.0)	(0.2)
Interest paid	(0.3)	(0.2)
Dividends paid	0.0	0.0
Financing cash flow	(13.4)	(15.7)
Change in cash and cash equivalent	(9.6)	14.2
Cash and cash equivalent (beginning of period)	81.3	55.9
Cash and cash equivalent of newly consolidated companies (beginning of period)	0.4	0.0
Cash and cash equivalent (end of period)	72.1	70.1