



RAI WAY APPROVES THE RESULTS FOR THE NINE MONTHS 2018, WITH PROFITABILITY ABOVE 55% AND NET INCOME UP 7%

- Net income improving by 7.2% at € 47.2 m
- Other key results for the nine months ended 30 September 2018 (vs 30 September 2017):
 - Revenues of € 163.3m (+0.7%);
 - Adjusted EBITDA of € 90.6m (+1.8%);
 - Operating profit (EBIT) of € 65.8m (+3.5%);
- Investments of € 12.3m
- Net debt of € 11.9m (€ 4.8m at 31 December 2017)

Rome, 13 November 2018 – The Board of Directors of Rai Way S.p.A. (Rai Way) examined and unanimously approved the Company's Interim Financial Report for the nine months ended 30 September 2018.

"The performance in the first nine months of the year demonstrates once again Rai Way's ability to continue in the improvement of all the main economic and financial indicators, with profitability above 55%, and net income a further 7% higher than the same period of 2017. Therefore, the results achieved and the visibility we have on the last quarter allow us to reaffirm the guidance for the full year 2018." Aldo Mancino, Rai Way CEO, stated.



Key results for the nine months 2018

The Company's **revenues** amount to € 163.3 million, an increase of 0.7% over € 162.1 million of the nine months 2017. Revenues from RAI are equal to € 138.4 million while the contribution from third-party customers amounts to € 24.8 million.

Adjusted EBITDA amounts to € 90.6 million, an increase of 1.8% over € 89.0 million of the nine months 2017, mainly thanks to higher revenues and efficiencies and despite a lower contribution from the "other revenues and income" line (€0.1 million in the nine months 2018 compared to € 0.8 million in the nine months 2017). The margin on revenues reached 55.5% (54.9% in the nine months 2017). Including the impact of non-recurring items (€ 0.4 million in the nine months 2018 compared to € 0.5 million in the nine months 2017), **EBITDA¹** amounts to € 90.2 million, an increase of 1.9% over € 88.5 million of the nine months 2017.

Operating profit (EBIT) amounts to € 65.8 million, an increase of 3.5% over € 63.6 million of the nine months 2017, mainly due to the higher EBITDA and lower D&A.

Net income amounts to € 47.2 million, an increase of 7.2% over € 44.0 million of the nine months 2017.

In the nine months 2018, **investments** amount to € 12.3 million, of which € 3.6 million in development activities (€ 14.5 million in the nine months 2017, of which € 9.5 million in development and M&A activities).

Net invested capital² amounts to € 179.9 million, with **net debt** closing at € 11.9 million compared to € 4.8 million at 31 December 2017, mainly driven by dividend payment. Excluding this impact, the net debt declines compared to the level 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 nine months 2018 are in line with Company's expectations. The outlook for the full year 2018, disclosed to the market on 21 March 2018, 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, Tuesday 13 November 2018 at 5:30pm CET the results of the nine months 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; %)	3Q17	3Q18	9M17	9M18
Core revenues	54.1	54.3	162.1	163.3
Other revenues and income	0.7	0.0	0.8	0.1
Purchase of consumables	(0.2)	0.1	(0.8)	(0.6)
Service costs	(12.2)	(12.5)	(37.1)	(37.3)
Personnel costs	(9.3)	(9.9)	(33.8)	(32.9)
Other costs	(0.8)	(0.7)	(2.7)	(2.4)
Opex	(22.5)	(23.1)	(74.4)	(73.1)
Depreciation and amortization	(8.5)	(8.2)	(24.9)	(24.4)
Provisions	0.0	0.0	0.0	0.0
Net Operating profit	23.9	23.1	63.6	65.8
Net Finance income (expenses)	(0.4)	(0.3)	(1.3)	(1.0)
Profit before income taxes	23.5	22.7	62.3	64.8
Income taxes	(6.8)	(6.5)	(18.3)	(17.6)
Profit for the year	16.7	16.3	44.0	47.2
EBITDA	32.4	31.2	88.5	90.2
<i>EBITDA margin</i>	59.9%	57.6%	54.6%	55.2%
Non recurring expenses	0.2	(0.2)	(0.5)	(0.4)
Adjusted EBITDA	32.2	31.4	89.0	90.6
<i>Adjusted EBITDA margin</i>	59.6%	57.9%	54.9%	55.5%



Balance Sheet

(€m)	2017FY	9M2018
Non current assets		
Tangible assets	188.7	176.6
Intangible assets	11.2	11.1
Financial assets, holdings and other non-current assets	0.4	1.3
Non-current tax assets	2.2	3.0
Total non-current assets	202.4	192.0
Current assets		
Inventories	0.9	0.9
Trade receivables	72.0	85.0
Other receivables and current assets	5.4	6.3
Current financial assets	0.1	0.1
Cash	55.9	6.7
Current tax assets	0.0	0.1
Total current assets	134.3	99.1
TOTAL ASSETS	336.7	291.1
Equity		
Share capital	70.2	70.2
Legal reserves	12.2	14.0
Other reserves	37.0	37.1
Retained earnings	57.0	46.8
Total equity	176.4	168.1
Non-current liabilities		
Non-current financial liabilities	30.6	0.5
Employee benefits	16.4	15.4
Provisions for risks and charges / Allowances	16.0	16.3
Other non-current liabilities	0.0	0.3
Non-current tax liabilities	0.0	0.0
Total non-current liabilities	63.0	32.5
Current liabilities		
Commercial debt	37.7	37.8
Other debt and current liabilities	28.9	32.7
Current financial liabilities	30.3	18.2
Current tax liabilities	0.4	1.9
Total current liabilities	97.3	90.6
TOTAL NET EQUITY AND LIABILITIES	336.7	291.1

Cash Flow Statement

(€m)	3Q2017	3Q2018	9M2017	9M2018
Earnings before taxes	23.5	22.7	62.3	64.8
Depreciation and amortization	8.5	8.2	24.9	24.4
Provisions and others	0.4	1.0	1.0	2.6
Net financial Income	0.4	0.3	1.1	0.9
Other non-monetary items	0.0	0.0	0.0	(0.8)
Net operating CF before change in WC	32.8	32.2	89.4	91.8
Change in inventories	0.0	0.0	0.0	0.0
Change in accounts receivable	(6.5)	(10.7)	(12.4)	(13.0)
Change in accounts payable	4.5	3.0	(2.8)	0.1
Change in other assets	(0.4)	(0.3)	(2.0)	(1.0)
Change in other liabilities	1.3	2.3	3.5	6.1
Use of funds	(0.2)	(0.0)	(0.8)	(0.8)
Payment of employee benefits	(1.1)	(0.5)	(2.8)	(2.6)
Change in tax credit/liabilities	(0.9)	(0.3)	(0.9)	0.3
Taxes paid	0.0	(19.4)	(21.1)	(19.4)
Net operating cash flow	29.5	6.3	50.2	61.7
Investment in tangible assets	(2.2)	(4.6)	(6.8)	(11.5)
Sale of tangible assets	0.0	0.0	0.1	0.0
Investment in intangible assets	(0.0)	(0.3)	(0.3)	(0.8)
Sale of intangible assets	0.0	0.0	0.0	0.0
Change in other non-current assets	(0.0)	0.0	0.0	(1.0)
Change in holdings	0.0	0.0	0.0	0.0
Change in non-current financial assets	0.0	0.0	0.0	0.1
Interest received	0.0	0.0	0.1	0.0
Companies consolidation	0.0	0.0	(7.4)	0.0
Investing cash flow	(2.1)	(4.9)	(14.3)	(13.2)
(Decrease)/increase in medium/long-term debt	(15.0)	(45.0)	(30.1)	(60.1)
(Decrease)/increase in current financial liabilities	(12.4)	18.0	(0.2)	17.9
Change in current financial assets	0.2	0.2	0.1	0.0
Interest paid	(0.5)	(0.3)	(0.9)	(0.5)
Dividends paid	0.0	0.0	(41.8)	(55.1)
Financing cash flow	(27.7)	(27.1)	(73.0)	(97.8)
Change in cash and cash equivalent	(0.3)	(25.7)	(37.1)	(49.2)
Cash and cash equivalent (beginning of period)	45.0	32.4	81.3	55.9
Cash and cash equivalent of newly consolidated companies (beginning of period)	0.0	0.0	0.4	0.0
Cash and cash equivalent (end of period)	44.6	6.7	44.6	6.7