



**RAI WAY APPROVES THE RESULTS FOR THE FIRST HALF 2018, WITH A FURTHER IMPROVEMENT IN PROFITABILITY AND A 13.1% INCREASE IN NET PROFIT**

- **Key results for the half-year ended 30 June 2018 (vs 30 June 2017):**
  - **Revenues of € 109.0m (+0.9%);**
  - **Adjusted EBITDA of € 59.2m (+4.3%);**
  - **Operating profit of € 42.8m (+7.8%);**
  - **Net profit of € 30.9m (+13.1%);**
- **Investments of € 7.3m**
- **Net debt of € 13.1m (€ 4.8m at 31 December 2017)**

Rome, 26 July 2018 – The Board of Directors of Rai Way S.p.A. (Rai Way), met today under the chairmanship of Raffaele Agrusti, examined and unanimously approved the Company's Financial Statements for the half-year ended 30 June 2018.

*"At the end of the first six months of the year, the operating performance confirms the positive trends already in place, with the steady progresses at both profitability and net profit level, giving us confidence in reaffirming the guidance for the full year 2018. We are also particularly pleased with the recent finalization with RAI of the contract for the extension of coverage of the thematic MUXes, one of the most important activity of the current Industrial Plan. This will benefit not only the business, in terms of capital expenditure and future revenues, but also the service provided to the citizens."* Aldo Mancino, Rai Way CEO, stated.



## Key results for the first half 2018

The Company's **revenues** amount to € 109.0 million, an increase of 0.9% over € 108.0 million for the first half 2017. Revenues from RAI are equal to € 92.5 million while the contribution from third-party customers amounts to € 16.5 million.

**Adjusted EBITDA** amounts to € 59.2 million, an increase of 4.3% over € 56.8 million in the first half 2017, mainly benefiting from higher revenues and efficiencies. The margin on revenues reached 54.3% (52.6% in the first half 2017). Including the impact of non-recurring items (€ 0.3m in the first half 2018 compared to € 0.6m in the first half 2017), **EBITDA**<sup>1</sup> amounts to € 58.9 million, an increase of 5.0% over € 56.1 million of the first half 2017.

**Operating profit (EBIT)** amounts to € 42.8 million, an increase of 7.8% over € 39.7 million in the first half 2017, mainly due to the higher EBITDA.

**Net profit** amounts to € 30.9 million, an increase of 13.1% over € 27.4 million of the first half 2017.

In the first half of 2018, **investments** amount to € 7.3 million, of which € 1.8 million in development activities (€ 12.4 million in the first six months of 2017, of which € 8.6 million in development and M&A activities).

**Net invested capital**<sup>2</sup> amounts to € 164.9 million, with **net debt** closing at € 13.1 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.

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<sup>1</sup> 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

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



## Outlook

The results of the first half of 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.

## Amendment to the Financial Calendar

The Company also informs that the meeting of the Board of Directors for the approval of the results at 30 September 2018 is now scheduled on November 13, 2018 instead of November 14, 2018 as previously communicated.

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*Rai Way announces that today, Thursday 26 July 2018 at 5:30pm CET the results of the first semester 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](http://www.rairway.it) in the Investor Relations section.*

*To take part in the conference call:*

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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:**

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## Income Statement

(€m; %)	2Q17	2Q18	1H17	1H18
<b>Core revenues</b>	<b>54.2</b>	<b>54.9</b>	<b>108.0</b>	<b>109.0</b>
Other revenues	0.0	0.0	0.0	0.0
Purchase of consumables	(0.3)	(0.3)	(0.6)	(0.6)
Service costs	(12.7)	(12.9)	(24.9)	(24.8)
Personnel costs	(12.3)	(11.3)	(24.6)	(23.0)
Other costs	(1.1)	(0.9)	(1.9)	(1.7)
<b>Opex</b>	<b>(26.4)</b>	<b>(25.4)</b>	<b>(51.9)</b>	<b>(50.1)</b>
Depreciation and amortization	(8.3)	(8.2)	(16.5)	(16.2)
Provisions	0.0	0.0	0.0	0.0
<b>Net Operating profit</b>	<b>19.6</b>	<b>21.4</b>	<b>39.7</b>	<b>42.8</b>
Net Finance income (expenses)	(0.4)	(0.3)	(0.8)	(0.7)
<b>Profit before income taxes</b>	<b>19.2</b>	<b>21.0</b>	<b>38.9</b>	<b>42.1</b>
Income taxes	(5.6)	(5.0)	(11.5)	(11.1)
<b>Profit for the year</b>	<b>13.6</b>	<b>16.1</b>	<b>27.4</b>	<b>30.9</b>
<b>EBITDA</b>	<b>27.8</b>	<b>29.5</b>	<b>56.1</b>	<b>58.9</b>
<i>EBITDA margin</i>	51.4%	53.7%	52.0%	54.1%
Non recurring expenses	(0.6)	0.0	(0.6)	(0.3)
<b>Adjusted EBITDA</b>	<b>28.5</b>	<b>29.5</b>	<b>56.8</b>	<b>59.2</b>
<i>Adjusted EBITDA margin</i>	52.6%	53.7%	52.6%	54.3%

## Balance Sheet

(€m)	2017FY	1H2018
<b>Non current assets</b>		
Tangible assets	188.7	179.8
Intangible assets	11.2	11.1
Financial assets, holdings and other non-current assets	0.4	1.3
Non-current tax assets	2.2	3.3
<b>Total non-current assets</b>	<b>202.4</b>	<b>195.5</b>
<b>Current assets</b>		
Inventories	0.9	0.9
Trade receivables	72.0	74.3
Other receivables and current assets	5.4	6.0
Current financial assets	0.1	0.3
Cash	55.9	32.4
Current tax assets	0.0	0.1
<b>Total current assets</b>	<b>134.3</b>	<b>114.0</b>
<b>TOTAL ASSETS</b>	<b>336.7</b>	<b>309.5</b>
<b>Equity</b>		
Share capital	70.2	70.2
Legal reserves	12.2	14.0
Other reserves	37.0	37.1
Retained earnings	57.0	30.5
<b>Total equity</b>	<b>176.4</b>	<b>151.8</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	30.6	15.5
Employee benefits	16.4	15.3
Provisions for risks and charges / Allowances	16.0	15.8
Other non-current liabilities	0.0	0.3
Non-current tax liabilities	0.0	0.0
<b>Total non-current liabilities</b>	<b>63.0</b>	<b>47.0</b>
<b>Current liabilities</b>		
Commercial debt	37.7	34.8
Other debt and current liabilities	28.9	42.6
Current financial liabilities	30.3	30.3
Current tax liabilities	0.4	3.1
<b>Total current liabilities</b>	<b>97.3</b>	<b>110.8</b>
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>336.7</b>	<b>309.5</b>



## Cash Flow Statement

(€m)	2Q2017	2Q2018	1H2017	1H2018
<b>Earnings before taxes</b>	<b>19.2</b>	<b>21.0</b>	<b>38.9</b>	<b>42.1</b>
Depreciation and amortization	8.3	8.2	16.5	16.2
Provisions and others	(0.3)	1.0	0.6	1.5
Net financial Income	0.3	0.3	0.7	0.6
Other non-monetary items	0.0	0.0	0.0	(0.8)
<b>Net operating CF before change in WC</b>	<b>27.5</b>	<b>30.4</b>	<b>56.6</b>	<b>59.6</b>
Change in inventories	0.0	0.0	0.0	0.0
Change in accounts receivable	8.5	(1.4)	(5.9)	(2.3)
Change in accounts payable	0.3	0.1	(7.3)	(2.9)
Change in other assets	0.1	0.7	(1.6)	(0.6)
Change in other liabilities	(6.5)	(3.5)	2.2	3.8
Use of funds	(0.5)	(0.7)	(0.5)	(0.7)
Payment of employee benefits	(1.1)	(1.6)	(1.7)	(2.0)
Change in tax credit/liabilities	0.9	0.6	0.0	0.6
Taxes paid	(21.1)	0.0	(21.1)	0.0
<b>Net operating cash flow</b>	<b>8.0</b>	<b>24.8</b>	<b>20.7</b>	<b>55.5</b>
Investment in tangible assets	(2.9)	(6.1)	(4.7)	(6.9)
Sale of tangible assets	0.1	(0.0)	0.1	0.0
Investment in intangible assets	(0.3)	(0.4)	(0.3)	(0.5)
Sale of intangible assets	0.0	0.0	0.0	0.0
Change in other non-current assets	0.0	(1.0)	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	0.0
Interest received	0.0	(0.0)	0.0	(0.0)
Companies consolidation	(0.3)	0.0	(7.4)	0.0
<b>Investing cash flow</b>	<b>(3.4)</b>	<b>(7.5)</b>	<b>(12.2)</b>	<b>(8.2)</b>
(Decrease)/increase in medium/long-term debt	(0.1)	(0.1)	(15.1)	(15.1)
(Decrease)/increase in current financial liabilities	10.3	0.1	12.2	(0.1)
Change in current financial assets	(0.1)	0.0	(0.1)	(0.2)
Interest paid	(0.1)	(0.0)	(0.4)	(0.3)
Dividends paid	(41.8)	(55.1)	(41.8)	(55.1)
<b>Financing cash flow</b>	<b>(31.8)</b>	<b>(55.0)</b>	<b>(45.2)</b>	<b>(70.7)</b>
<b>Change in cash and cash equivalent</b>	<b>(27.1)</b>	<b>(37.7)</b>	<b>(36.7)</b>	<b>(23.5)</b>
Cash and cash equivalent (beginning of period)	72.1	70.1	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)	45.0	32.4	45.0	32.4