



RAI WAY APPROVES RESULTS OF THE FIRST QUARTER 2019

- **Key results for the quarter ended 31 March 2019 (vs 31 March 2018 pro-forma¹):**
 - Core revenues of € 55.0m (+1.8%);
 - Adjusted EBITDA of € 32.9m (+2.6%);
 - Operating profit (EBIT) of € 22.5m (+4.1%);
 - Net income of € 15.7m (+5.7%);
- **Capex of € 2.6m**
- **Net debt of € 10.9m. Excluding the impact from the application of the new IFRS-16 accounting standard starting from 1 January 2019, the Company would have reported a net cash position of € 36.7m (compared to a net cash position of € 16.6m at 31 December 2018)**

Rome, 14 May 2019 – The Board of Directors of Rai Way S.p.A. (Rai Way) met today under the chairmanship of Mario Orfeo and examined and unanimously approved the Company's Interim Financial Report for the quarter ended 31 March 2019.

Key Results at 31 March 2019

It should be noted that starting from 1 January 2019 the new IFRS-16 accounting standard was applied. In order to provide a better representation of the performance of the

¹ It should be noted that starting from 1 January 2019 the new IFRS-16 accounting standard was applied. For this reason, it is considered appropriate to provide changes with respect to the economic data as at 31 March 2018 on a pro-forma basis, simulating the application of the aforementioned accounting principle from 1 January 2018, as it is considered more representative for the analysis of the Company's performance.

The key figures of the Interim Financial Report for the quarter ended 31 March 2018 are as follow: revenues of €54.0m; Adjusted EBITDA of €29.7m; EBITDA of €29.4m; operating profit (EBIT) of €21.4m; net profit of €14.9m.



company, the 2018 economic figures are shown on a pro-forma basis, restated to simulate the impact of the application of this accounting standard also on 2018:

<i>Eur Mln</i>	1Q18	1Q18 pro-forma	1Q2019	Δ % 1Q19 vs. 1Q18	Δ % 1Q19 vs. 1Q18PF
Core revenues	54.0	54.0	55.0	1.8%	1.8%
Adjusted EBITDA	29.7	32.0	32.9	10.7%	2.6%
EBITDA	29.4	31.8	32.9	11.7%	3.4%
Operating profit (EBIT)	21.4	21.6	22.5	4.8%	4.1%
Net income	14.9	14.8	15.7	5.4%	5.7%

The comments below refer to the comparison with the pro-forma data.

The Company's **core revenues** amount to € 55.0 million for the quarter ended 31 March 2019, an increase of 1.8% over € 54.0 million in the first quarter 2018. Revenues from RAI, equal to € 46.7 million, reflect the CPI and the contribution for € 1.6 million from new initiatives. Revenues from third-party customers amount to € 8.3 million.

Adjusted EBITDA amounts to € 32.9 million, an increase of 2.6% over € 32.0 million in the first quarter 2018 pro-forma mainly benefiting from higher revenues. The margin on revenues reached 59.7% (59.3% in the first quarter 2018 pro-forma). Considering the absence of non-recurring expenses in the first quarter 2019 (€ 0.3 million in the same period of 2018), **EBITDA²** amounts to € 32.9 million, representing an increase of 3.4% over € 31.8 million reported in the first quarter 2018 pro-forma results.

Operating profit (EBIT) amounts to € 22.5 million, an increase of 4.1% over € 21.6 million in the first quarter 2018 pro-forma results, mainly benefiting from the higher EBITDA.

Net income amounts to € 15.7 million, an increase of 5.7% compared to the first quarter 2018 pro-forma results of a net income of € 14.8 million.

² 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



In the first quarter of 2019, **Capex** amount to € 2.6 million, of which € 1.7 million relate to development activities (€ 0.8 million in the first three months of 2018, of which € 0.2 million in development activities).

Net invested capital³ amounts to € 207.4 million, with **net debt** closing at € 10.9 million including the impact from the application of the new IFRS-16 accounting standard for € 47.5 million. Excluding this impact, the Company would have reported a net cash position of € 36.7 million, compared to a net cash position of € 16.6 million at 31 December 2018, confirming the strong cash generation.

Outlook

The results of the first quarter 2019 are in line with Company's expectations. The outlook for the full year 2019, disclosed to the market on 14 March 2019, is therefore confirmed. In particular, Rai Way is forecasting:

- Further organic growth of the Adjusted EBITDA;
- Maintenance capex on core revenues ratio substantially in line with 2018 figure.

Rai Way announces that today, Tuesday 14 May 2019 at 5:30pm CET, the results of the first quarter 2019 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

³ Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets



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 more than 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, 22 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@secrp.com



Income Statement

(€m; %)	1Q18	1Q18PF ⁽¹⁾	1Q19
Core revenues	54.0	54.0	55.0
Other revenues and income	0.0	0.0	0.1
Purchase of consumables	(0.3)	(0.3)	(0.3)
Cost of services	(11.9)	(9.5)	(9.5)
Personnel costs	(11.7)	(11.7)	(11.9)
Other costs	(0.8)	(0.8)	(0.5)
Opex	(24.6)	(22.3)	(22.2)
Depreciation, amortization and write-downs	(8.0)	(10.2)	(10.4)
Provisions	0.0	0.0	0.0
Operating profit (EBIT)	21.4	21.6	22.5
Net financial income (expenses)	(0.4)	(0.6)	(0.4)
Profit before income taxes	21.1	21.0	22.1
Income taxes	(6.2)	(6.2)	(6.4)
Net Income	14.9	14.8	15.7
EBITDA	29.4	31.8	32.9
<i>EBITDA margin</i>	<i>54.4%</i>	<i>58.8%</i>	<i>59.7%</i>
Non recurring costs	(0.3)	(0.3)	0.0
Adjusted EBITDA	29.7	32.0	32.9
<i>Adjusted EBITDA margin</i>	<i>54.9%</i>	<i>59.3%</i>	<i>59.7%</i>

- 1) Pro-forma figures restated to simulate on 2018 the impact of the application of the new IFRS-16 accounting standard effective from 1 January 2019

Balance Sheet

(€m)	2018FY	1Q2019
Non current assets		
Tangible assets	180.9	175.7
Rights of use for leasing	0.0	47.1
Intangible assets	12.9	12.6
Financial assets, holdings and other non-current assets	1.3	1.3
Deferred tax assets	3.3	3.4
Total non-current assets	198.5	240.1
Current assets		
Inventories	0.9	0.9
Trade receivables	71.5	86.1
Other current receivables and assets	5.8	5.4
Current financial assets	0.1	0.1
Cash and cash equivalents	17.2	37.2
Current tax receivables	0.1	0.1
Total current assets	95.5	129.7
TOTAL ASSETS	294.0	369.8
Shareholders' Equity		
Share capital	70.2	70.2
Legal reserves	14.0	14.0
Other reserves	37.1	37.1
Retained earnings	59.5	75.2
Total shareholders' equity	180.8	196.5
Non-current liabilities		
Non-current financial liabilities	0.4	0.4
Non-current leasing liabilities	0.0	38.8
Employee benefits	15.1	15.1
Provisions for risks and charges	17.0	17.0
Other non-current liabilities	0.3	0.3
Deferred tax liabilities	0.0	0.0
Total non-current liabilities	32.8	71.6
Current liabilities		
Trade payables	45.6	45.5
Other debt and current liabilities	33.9	45.6
Current financial liabilities	0.3	0.2
Current leasing liabilities	0.0	8.8
Current tax payables	0.6	1.6
Total current liabilities	80.4	101.7
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	294.0	369.8



Cash Flow Statement

(€m)	1Q2018	1Q2019
Profit before income taxes	21.1	22.1
Depreciation, amortization and write-downs	8.0	10.4
Provisions and (releases of) personnel and other funds	0.6	0.6
Net financial (income)/expenses	0.3	0.3
(Retained earnings)/Losses carried forward and other non-monetary items	(0.8)	0.0
Net operating CF before change in WC	29.2	33.4
Change in inventories	0.0	0.0
Change in trade receivables	(0.8)	(14.7)
Change in trade payables	(3.0)	(0.1)
Change in other assets	(1.4)	0.5
Change in other liabilities	7.2	6.2
Use of funds	(0.0)	(0.0)
Payment of employee benefits	(0.5)	(0.6)
Change in tax receivables and payables	0.0	0.0
Taxes paid	0.0	0.0
Net cash flow generated by operating activities	30.7	24.8
Investment in tangible assets	(0.8)	(2.6)
Disposals of tangible assets	0.0	0.0
Investments rights of use for leasing IFRS 16	0.0	(49.3)
Investment in intangible assets	(0.0)	(0.0)
Disposals 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
Business combination	0.0	0.0
Net cash flow generated by investment activities	(0.8)	(51.9)
(Decrease)/increase in medium/long-term loans	(15.0)	0.0
(Decrease)/increase in current financial liabilities	(0.2)	(0.3)
(Decrease)/increase in IFRS 16 financial liabilities	0.0	47.5
Change in current financial assets	(0.2)	(0.1)
Net Interest paid	(0.2)	(0.0)
Dividends paid	0.0	0.0
Net cash flow generated by financing activities	(15.6)	47.2
Change in cash and cash equivalent	14.2	20.0
Cash and cash equivalent (beginning of period)	55.9	17.2
Cash and cash equivalent of newly consolidated companies (beginning of period)	0.0	0.0
Cash and cash equivalent (end of period)	70.1	37.2