

Press Release

RAI WAY APPROVES RESULTS OF THE FIRST QUARTER 2020

- **Key results for the quarter ended 31 March 2020 (vs. 31 March 2019):**
 - **Core revenues of € 55.6m (+1.0%);**
 - **EBITDA of € 33.1m (+0.8%);**
 - **Operating profit (EBIT) of € 22.5m (+0.3%);**
 - **Net income of € 16.0m (+2.0%);**
- **Capex of € 8.7m**
- **Net debt¹ of € 2.6m (compared to € 9.5m at 31 December 2019)**

Rome, 14 May 2020 – 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 2020.

Key Results at 31 March 2020

The Company's **core revenues** amount to € 55.6 million for the quarter ended 31 March 2020, an increase of 1.0% over € 55.0 million in the first quarter 2019. Revenues from RAI, equal to € 47.3 million, reflect the growing contribution from new initiatives for € 2.2 million. Revenues from third-party customers amount to € 8.2 million.

EBITDA² amounts to € 33.1 million, an increase of 0.8% over € 32.9 million in the first quarter 2019, mainly benefiting from higher revenues. The margin on revenues reached 59.6% (59.7% in the first

¹ Net Debt including the effect of the application of the IFRS-16 accounting standard

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

quarter 2019). No non-recurring expenses were recorded during the quarter (absent in the same period of 2019 as well).

Operating profit (EBIT) amounts to € 22.5 million, substantially in line with the first quarter of 2019, also due to higher depreciation resulting from the increasing investment activity.

Net income amounts to € 16.0 million, an increase of 2.0% compared to the first quarter 2019 net income of € 15.7 million.

Capex³ amount to € 8.7 million at 31 March 2020, of which € 7.9 million relate to development activities (€ 2.6 million in the first three months of 2019, of which € 1.7 million of development activities).

Net invested capital⁴ amounts to € 202.8 million, with **net debt** closing at € 2.6 million (including the impact from the application of the IFRS-16 accounting standard for € 40.4 million) compared to € 9.5 million at 31 December 2019.

Outlook

The results for the first quarter 2020 showed a limited impact on the Company from the COVID-19 emergency.

Based on the information available to date, these impacts are deemed to be manageable throughout the year while maintaining the targets for 2020 as communicated to the market on 12 March:

- further organic growth of the Adjusted EBITDA;
- maintenance capex as a percentage of core revenues substantially in line with 2019 figures.

Should the actual evolution of the COVID-19 emergency differ from what is foreseeable at present, the Company reserves the possibility of updating the outlook for the current year.

³ Excluding component related to IFRS-16 Leasing

⁴ Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets

Rai Way announces that today, Thursday 14 May 2019 at 5:30pm CET, the results of the first quarter 2020 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.raiway.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, 21 local network centers and more than 2,300 sites across Italy.

For more information:

Investor Relations

Ph. +39 06 33173973

+39 06 33174815

investor.relations@raiway.it

Media Relations

SEC and Partners

Giancarlo Frè

Ph. +39 06 3222712

fre@secrp.com

Income Statement

(€m; %)	1Q19	1Q20
Core revenues	55,0	55,6
Other revenues and income	0,1	0,0
Purchase of consumables	(0,3)	(0,2)
Cost of services	(9,5)	(9,7)
Personnel costs	(11,9)	(11,9)
Other costs	(0,5)	(0,6)
Opex	(22,2)	(22,5)
Depreciation, amortization and write-downs	(10,4)	(10,6)
Provisions	0,0	0,0
Operating profit (EBIT)	22,5	22,5
Net financial income (expenses)	(0,4)	(0,2)
Profit before income taxes	22,1	22,3
Income taxes	(6,4)	(6,3)
Net Income	15,7	16,0
EBITDA	32,9	33,1
<i>EBITDA margin</i>	<i>59,7%</i>	<i>59,6%</i>
Non recurring costs	0,0	0,0
Adjusted EBITDA	32,9	33,1
<i>Adjusted EBITDA margin</i>	<i>59,7%</i>	<i>59,6%</i>

Balance Sheet

(€m)	2019FY	1Q2020
Non current assets		
Tangible assets	177,6	178,5
Rights of use for leasing	36,2	35,3
Intangible assets	14,3	13,7
Financial assets, holdings and other non-current assets	1,3	1,3
Deferred tax assets	2,7	2,8
Total non-current assets	232,1	231,6
Current assets		
Inventories	0,9	0,9
Trade receivables	74,8	89,2
Other current receivables and assets	5,0	7,0
Current financial assets	0,3	0,3
Cash and cash equivalents	30,2	37,9
Current tax receivables	0,1	0,1
Total current assets	111,2	135,4
TOTAL ASSETS	343,3	367,0
Shareholders' Equity		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	37,1	37,1
Retained earnings	62,9	78,9
Total shareholders' equity	184,2	200,2
Non-current liabilities		
Non-current financial liabilities	0,3	0,3
Non-current leasing liabilities	26,3	24,8
Employee benefits	14,4	14,4
Provisions for risks and charges	15,9	16,1
Other non-current liabilities	0,0	0,0
Deferred tax liabilities	0,0	0,0
Total non-current liabilities	56,9	55,6
Current liabilities		
Trade payables	54,3	47,8
Other debt and current liabilities	34,1	46,2
Current financial liabilities	0,2	0,2
Current leasing liabilities	13,3	15,5
Current tax payables	0,4	1,5
Total current liabilities	102,3	111,2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	343,3	367,0

Cash Flow Statement

(€m)	1Q2019	1Q2020
Profit before income taxes	22,1	22,3
Depreciation, amortization and write-downs	10,4	10,6
Provisions and (releases of) personnel and other funds	0,6	0,9
Net financial (income)/expenses	0,3	0,2
(Retained earnings)/Losses carried forward - Effect of IFRS adoption	0,0	0,0
Net operating CF before change in WC	33,4	34,0
Change in inventories	0,0	0,0
Change in trade receivables	(14,7)	(14,5)
Change in trade payables	(0,1)	(6,5)
Change in other assets	0,5	(1,9)
Change in other liabilities	6,2	6,6
Use of funds	(0,0)	(0,2)
Payment of employee benefits	(0,6)	(0,5)
Change in tax receivables and payables	0,0	0,0
Taxes paid	0,0	0,0
Net cash flow generated by operating activities	24,8	17,0
Investment in tangible assets	(2,6)	(8,6)
Disposals of tangible assets	0,0	0,0
Investment in intangible assets	(0,0)	(0,1)
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	(2,6)	(8,7)
(Decrease)/increase in medium/long-term loans	0,0	0,0
(Decrease)/increase in current financial liabilities	(0,3)	(0,1)
(Decrease)/increase in IFRS 16 financial liabilities	(1,8)	(0,5)
Change in current financial assets	(0,1)	(0,0)
Net Interest paid	(0,0)	(0,0)
Dividends paid	0,0	0,0
Net cash flow generated by financing activities	(2,1)	(0,6)
Change in cash and cash equivalent	20,0	7,8
Cash and cash equivalent (beginning of period)	17,2	30,2
Cash and cash equivalent of newly consolidated companies (beginning of period)	0,0	0,0
Cash and cash equivalent (end of period)	37,2	37,9