



## Press Release

### RAI WAY APPROVES RESULTS OF THE FIRST QUARTER 2021, WITH GROWING EBITDA AND DEVELOPMENT INVESTMENTS

- **Key results for the quarter ended 31 March 2021 (vs. 31 March 2020):**
  - Core revenues of € 56.5m (+1.6%);
  - EBITDA<sup>1</sup> of € 34.2m (+3.3%);
  - Operating profit (EBIT) of € 22.3m (-1.1%);
  - Net income of € 16.8m (+5.2%).
- **Capex<sup>2</sup> of € 13.0m (€ 8.7m at 31 March 2020)**
- **Net debt<sup>3</sup> of € 37.3m (compared to € 46.1m at 31 December 2020)**
- **Independence requirements of the members of the Board of Statutory Auditors verified**

Rome, 13 May 2021 – The Board of Directors of Rai Way S.p.A. (Rai Way) met today under the chairmanship of Giuseppe Pasciucco examined and unanimously approved the Company's Interim Financial Report for the quarter ended 31 March 2021.

Aldo Mancino, Chief Executive Officer of Rai Way, commented: *"The first quarter of 2021 maintained the positive trend in terms of results and growth, with EBITDA up 3.3% compared to the same period last year, while increasing development investments. We confirm our focus on refarming, also in light of the award of local frequencies in four additional regions."*

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<sup>1</sup> The Company assesses performance also on the basis of certain measures not considered by IFRS. Set out below is a description of the components of the indicators that are important for the Company:

. EBITDA (earnings before interest, taxes, depreciation and amortization): this is calculated as profit before income taxes, depreciation, amortization, write-downs and financial income and expenses.

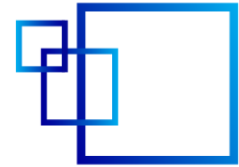
. Adjusted EBITDA: this is calculated as profit before income taxes, depreciation, amortization, write-downs, financial income and expenses and non-recurring expenses/income.

. Operating profit or EBIT (earnings before interest and taxes): this is calculated as profit before income taxes and before financial income and expenses.

. Net Debt: the format for the calculation of Net Debt is the one provided in paragraph 127 of CESR Recommendation 05-054b, which implements Regulation (EC) no. 809/2004.

<sup>2</sup> Excluding investments related to the application of new IFRS 16 Accounting Standard, equal to €2.5m in March 2021

<sup>3</sup> Net Debt including the effect of the application of the IFRS-16 accounting standard



The Board of Directors has previously acknowledged the communication from the Board of Statutory Auditors regarding the positive outcome of the checks and evaluations carried out by the latter on the existence of the independence requirements - provided for by law and by the Corporate Governance Code for Listed Companies<sup>4</sup> - of the members of the Board of Statutory Auditors following their appointment by the Shareholders' Meeting held on 27 April, and ascertained the existence of the regulatory requirements for these members.

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### **Key Results at 31 March 2021**

The Company's **core revenues** amount to € 56.5 million for the quarter ended 31 March 2021, an increase of 1.6% over € 55.6 million in the first quarter 2020. Revenues from RAI, equal to € 48.6 million, reflect the growing contribution from new initiatives for € 3.6 million. Revenues from third-party customers amount to € 7.9 million.

**EBITDA** amounts to € 34.2 million, an increase of 3.3% over € 33.1 million in the first quarter 2020, mainly due to higher top-line and cost control. The margin on revenues reached 60.6% (59.6% in the first quarter 2020). No non-recurring expenses were recorded during the quarter (absent in the same period of 2020 as well).

**Operating profit (EBIT)** amounts to € 22.3 million, a decrease of 1.1% over € 22.5 million in the first quarter 2020 mainly due to higher amortization resulting from increased development investments.

**Net income** amounts to € 16.8 million, an increase of 5.2% compared to the first quarter 2020

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<sup>4</sup> With reference to the criteria for assessing independence set forth in Recommendation no. 7 of the Corporate Governance Code - which are also applicable to Statutory Auditors pursuant to the provisions of Recommendation no. 9 of the Code - it should be noted that, on the basis of what has already been established by the Board of Directors, any relationship/additional remuneration indicated therein is considered significant for the purposes of the provisions of letters c) and d) of the aforementioned Recommendation no. 7, if it entails an annual income equal to or greater than the annual remuneration paid by the Company in the previous year as a non-executive Director



results of € 16.0 million, also benefiting from a one-off tax relief<sup>5</sup> of € 1.0 million.

**Capex**<sup>6</sup> amount to € 13.0 million at 31 March 2021, of which € 10.1 million relate to development (€ 8.7 million in the first three months of 2020, of which € 7.9 million of development activities).

**Net invested capital**<sup>7</sup> amounts to € 219.0 million, with **net debt** closing at € 37.3 million (including the impact from the application of the IFRS-16 accounting standard for € 36.4 million) compared to € 46.1 million at 31 December 2020.

## Outlook

The results for the first three months of 2021 are in line with the company's expectations.

Therefore, based on the information available to date regarding the evolution of the Covid-19 emergency and in a scenario that assumes the management of 3 Multiplexes for the customer RAI following the *refarming* process, the previously communicated targets for 2021 are confirmed:

- growth in Adjusted EBITDA supported by higher revenues, although limited by an increase in operating costs resulting from the expected reduction of the effects recorded in 2020 due to the pandemic emergency and the implementation of new services;
- maintenance capex on core revenues ratio exceeding the 2020 value and development investments increasing due to *refarming* activities.

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*Rai Way announces that today, Thursday 13 May 2021 at 5:30pm CET, the results of the first quarter 2021 will be presented to the financial community via conference call.*

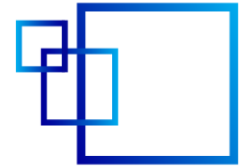
*The presentation supporting the conference call will be made available in advance on the*

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<sup>5</sup> The tax relief relates to the € 1 million increase in the maximum limit granted for State aid applied to the calculation of IRAP for the 2020 financial year pursuant to the Support Decree of 22 March 2021 and the Relaunch Decree of 19 May 2020

<sup>6</sup> Excluding component related to IFRS-16 Leasing

<sup>7</sup> Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets



Company's website [www.raiway.it](http://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 replay of the conference call will be available after the end of the event in the Investor Relations - Events kit section of the website [www.raiway.it](http://www.raiway.it).

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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.

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**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, 20 local network centers and more than 2,300 sites across Italy.*

**For more information:**

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## Income Statement

| (€m; %)                                    | 1Q20          | 1Q21          |
|--|---------------|---------------|
| <b>Core revenues</b>                       | <b>55,6</b>   | <b>56,5</b>   |
| Other revenues and income                  | 0,0           | 0,1           |
| Purchase of consumables                    | (0,2)         | (0,3)         |
| Cost of services                           | (9,7)         | (9,4)         |
| Personnel costs                            | (11,9)        | (11,9)        |
| Other costs                                | (0,6)         | (0,6)         |
| <b>Opex</b>                                | <b>(22,5)</b> | <b>(22,3)</b> |
| Depreciation, amortization and write-downs | (10,6)        | (12,0)        |
| Provisions                                 | -             | 0,1           |
| <b>Operating profit (EBIT)</b>             | <b>22,5</b>   | <b>22,3</b>   |
| Net financial income (expenses)            | (0,2)         | (0,3)         |
| <b>Profit before income taxes</b>          | <b>22,3</b>   | <b>22,0</b>   |
| Income taxes                               | (6,3)         | (5,1)         |
| <b>Net Income</b>                          | <b>16,0</b>   | <b>16,8</b>   |
| <b>EBITDA</b>                              | <b>33,1</b>   | <b>34,2</b>   |
| <i>EBITDA margin</i>                       | 59,6%         | 60,6%         |
| Non recurring costs                        | -             | -             |
| <b>Adjusted EBITDA</b>                     | <b>33,1</b>   | <b>34,2</b>   |
| <i>Adjusted EBITDA margin</i>              | 59,6%         | 60,6%         |



## Balance Sheet

| (€m)  | 2020FY       | 1Q2021       |
|---|--------------|--------------|
| <b>Non current assets</b>                               |              |              |
| Tangible assets   | 200,9        | 205,0        |
| Rights of use for leasing                               | 32,5         | 32,6         |
| Intangible assets                                       | 15,9         | 15,0         |
| Financial assets, holdings and other non-current assets | 2,1          | 2,0          |
| Deferred tax assets                                     | 2,8          | 2,9          |
| <b>Total non-current assets</b>                         | <b>254,2</b> | <b>257,5</b> |
| <b>Current assets</b>                                   |              |              |
| Inventories   | 0,9          | 0,8          |
| Trade receivables                                       | 62,6         | 77,5         |
| Other current receivables and assets                    | 4,2          | 5,9          |
| Current financial assets                                | 0,7          | 0,6          |
| Cash and cash equivalents                               | 4,1          | 13,9         |
| Current tax receivables                                 | 0,1          | 0,1          |
| <b>Total current assets</b>                             | <b>72,4</b>  | <b>98,8</b>  |
| <b>TOTAL ASSETS</b>                                     | <b>326,6</b> | <b>356,3</b> |
| <b>Shareholders' Equity</b>                             |              |              |
| Share capital   | 70,2         | 70,2         |
| Legal reserves  | 14,0         | 14,0         |
| Other reserves  | 37,1         | 37,1         |
| Retained earnings                                       | 63,5         | 80,3         |
| Treasury shares   | (20,0)       | (20,0)       |
| <b>Total shareholders' equity</b>                       | <b>164,8</b> | <b>181,6</b> |
| <b>Non-current liabilities</b>                          |              |              |
| Non-current financial liabilities                       | 15,1         | 15,1         |
| Non-current leasing liabilities                         | 23,9         | 23,1         |
| Employee benefits                                       | 13,2         | 12,6         |
| Provisions for risks and charges                        | 16,3         | 16,6         |
| <b>Total non-current liabilities</b>                    | <b>68,5</b>  | <b>67,3</b>  |
| <b>Current liabilities</b>                              |              |              |
| Trade payables  | 45,5         | 46,8         |
| Other debt and current liabilities                      | 36,0         | 46,8         |
| Current financial liabilities                           | 0,3          | 0,3          |
| Current leasing liabilities                             | 11,5         | 13,3         |
| Current tax payables                                    | 0,0          | 0,0          |
| <b>Total current liabilities</b>                        | <b>93,3</b>  | <b>107,3</b> |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>       | <b>326,6</b> | <b>356,3</b> |



## Cash Flow Statement

| (€m)  | 1Q2020       | 1Q2021        |
|---|--------------|---------------|
| <b>Profit before income taxes</b>                       | <b>22,3</b>  | <b>22,0</b>   |
| Depreciation, amortization and write-downs              | 10,6         | 12,0          |
| Provisions and (releases of) personnel and other funds  | 0,9          | 0,9           |
| Net financial (income)/expenses                         | 0,2          | 0,3           |
| <b>Net operating CF before change in WC</b>             | <b>34,0</b>  | <b>35,1</b>   |
| Change in inventories                                   | -            | 0,0           |
| Change in trade receivables                             | (14,5)       | (14,9)        |
| Change in trade payables                                | (6,5)        | 1,3           |
| Change in other assets                                  | (1,9)        | (1,6)         |
| Change in other liabilities                             | 6,6          | 5,6           |
| Use of funds  | (0,2)        | (0,0)         |
| Payment of employee benefits                            | (0,5)        | (1,1)         |
| Change in tax receivables and payables                  | -            | (0,0)         |
| <b>Net cash flow generated by operating activities</b>  | <b>17,0</b>  | <b>24,3</b>   |
| Investment in tangible assets                           | (8,6)        | (12,9)        |
| Disposals of tangible assets                            | -            | 0,2           |
| Investment in intangible assets                         | (0,1)        | (0,1)         |
| Change in other non-current assets                      | 0,0          | 0,0           |
| Change in non-current financial assets                  | -            | 0,0           |
| <b>Net cash flow generated by investment activities</b> | <b>(8,7)</b> | <b>(12,8)</b> |
| (Decrease)/increase in current financial liabilities    | (0,1)        | (0,1)         |
| (Decrease)/increase in IFRS 16 financial liabilities    | (0,5)        | (1,4)         |
| Change in current financial assets                      | (0,0)        | (0,0)         |
| Net Interest paid                                       | (0,0)        | (0,1)         |
| <b>Net cash flow generated by financing activities</b>  | <b>(0,6)</b> | <b>(1,7)</b>  |
| <b>Change in cash and cash equivalent</b>               | <b>7,8</b>   | <b>9,8</b>    |
| Cash and cash equivalent (beginning of period)          | 30,2         | 4,1           |
| Cash and cash equivalent (end of period)                | 37,9         | 13,9          |