Press Release

RAI WAY APPROVES RESULTS OF THE FIRST HALF 2024

Adjusted EBITDA up 3%; prompt start of Plan activities; guidance for Adjusted EBITDA growth over 2023 confirmed, further supported mainly by non-recurring items

- **Key results for the quarter ended 30 June 2024 (vs. 30 June 2023):**
  - **Core revenues of € 137.6m (+1.2%);**
  - **Adjusted EBITDA[i] of € 93.5m (+3.0%);**
  - **Operating profit (EBIT)[i] at € 68.8m (+6.7%);**
  - **Net income of € 47.2m (+5.2%).**
- **Capex[ii] of € 15.3m (€ 17.9m in the first half 2023)**
- **Recurring free cash flow[iii] of € 64.0m (+3.5%)**
- **Net debt[i,iv] of € 145.9m (compared to € 104.9m at 31 December 2023)**

Rome, 1st August 2024 - 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 Financial Statements for the half-year ended 30 June 2024.

The first six months of 2024 confirmed the trends already recorded in the first quarter, with revenue growth (+1.2% to € 137.6 million) exceeding the mere contribution of inflation indexation clauses included in most customer contracts. Also improving more than proportionally was Adjusted EBITDA[i] (+3.0% to € 93.5 million), which continued to benefit from careful cost control, even though energy cost incentives were no longer available, as well as a temporary higher level of capitalization of personnel costs. Net income, up 5.2% to € 47.2 million, also reflected higher depreciation, amortization and financial expenses. Net Debt stood at € 145.9 million, remaining below last-12-month Adjusted EBITDA, despite the distribution of dividends for € 86.4 million. In light of the reported results, the Company confirms the guidance for Adjusted EBITDA growth over 2023, further supported by certain non-recurring factors as well as improved cost management performance despite higher energy tariffs.

From an operating perspective, the Plan activities got off to a rapid start, supported by a new organizational structure more oriented toward business development: construction activities for the first 5 edge data centers were completed at the end of July and the assets are now available for commercialization, also through collaborations - such as the one recently announced with Oracle - that confirm the quality of the infrastructure and will channel demand to Rai Way's assets. CDN trials have begun, involving primary content providers.

Roberto Cecatto, Chief Executive Officer of Rai Way, commented: "*We are satisfied with the results of the first half of the year: awaiting the contribution of new initiatives, we continue to ensure stable growth in revenues and margins also thanks to a constant focus on cost optimization. Considering this performance, the confidence on EBITDA growth targets for 2024 increases. Presenting the new Industrial Plan, we promised a strong focus on execution, and these first few months have proved particularly intense and fruitful. At the same time, we keep on monitoring the market to catch potential opportunities that should arise, in order to accelerate the deployment of our strategy".*

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Key Results for the first half 2024

The Company's **core revenues** amount to € 137.6 million, up by 1.2% compared to € 136.0 million in the first six months of 2023, thus exceeding the reference inflation rate. **Media distribution services,** which include revenues from RAI, generated a turnover of € 121.8 million, posting a 1.2% increase driven by the inflation indexing of underlying contracts, as well as by the full effect of new regional DTT networks. **Digital infrastructure** recorded revenues of € 15.7 million, currently fully generated by tower hosting services, which increased by 1.1% also thanks to the positive trend of business with fixed-wireless-access and radio operators.

Adjusted EBITDA[i] amounts to € 93.5 million, an increase of 3.0% compared to € 90.8 million recorded in the first half of 2023. In addition to higher revenues, Adjusted EBITDA[i] benefited from reductions of several cost items that were able to more than offset the effect of the increase in energy tariffs (no longer calmed by the tax credits and other incentives that had characterized the first half of 2023), as well as a higher portion of capitalized personnel costs as they were dedicated to development activities (€ +0.8 million compared to the first semester of 2023). Adjusted EBITDA[i] margin stood at 68.0% (it was 66.8% in the first six months 2023). Considering the impact of non-recurring costs (€0.2 million in the first half 2024 and €3.6m in the corresponding period of 2023), EBITDA[i] was €93.4 million, up 7.1%.

Operating profit (EBIT)[i] amounts to € 68.8 million, an increase of 6.7% over € 64.5 million in the first semester 2023, impacted by an increase of depreciation and amortization resulting from investment activities.

Net income amounts to € 47.2 million, an increase of 5.2% compared to the figure for the first six months 2023 when it stood at € 44.9 million, also reflecting the effect of rising interest rates on financial charges.

In the period, **Capex**[ii] amount to € 15.3 million, of which € 12.2 million dedicated to development activities, in particular to the 5 edge data centers that will come into service as early as the second half of 2024. In the corresponding period of 2023, investments had amounted to € 17.9 million, including € 14.3 million in development activities.

Net invested capital[v] amounts to € 295.6 million, with **Net debt**[i,iv] closing at € 145.9 million (including the impact from the application of the IFRS-16 accounting standard for € 32.7 million) compared to € 104,9 million at 31 December 2023, confirming - net of dividend payments and development investments - the positive dynamics of the **recurring cash generation**[iii], equal to € 64.0 million (+3.5% compared to €61.8 million recorded in the first six months 2023).

Outlook

In light of the results of the first six months, the targets for fiscal year 2024 are updated as follows:

- growth of the Adjusted EBITDA[i] compared to 2023, despite the start-up costs of diversification initiatives and the lack of incentives on energy tariffs;
- maintenance and development investments substantially in line with 2023.

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Rai Way announces that today, Thursday 1st August 2024 at 5:30pm CET, the results of the first half 2024 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 attend the conference call:
Italy: +39 02 8020911 - UK: +44 1 212818004 - USA: +1 718 7058796
Alternatively, please register here to receive the weblink to the event directly in your inbox and Outlook Calendar.
The replay of the conference call will be available after the end of the event in the Investor Relations – Presentations and Events section of the website www.raiway.it.

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 re lease 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.

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Rai Way S.p.A.
Rai Way is an integrated digital infrastructure operator and service provider for media content distribution.
It is the sole operator of the broadcasting and transmission networks that carry the signals RAI, Italy's public service concessionaire.
Listed since 2014 on Euronext Milan, Rai Way has a widespread presence throughout Italy with about 600 employees between its headquarters in Rome and 21 regional offices, more than 2,300 telecommunications towers, a transmission network in radio links, satellite systems, about 6,000 km of proprietary fiber optics, a network of distributed data centres and 3 control centers.
Its infrastructural assets, excellent technological and engineering know-how, and the high level of professionalism make Rai Way the ideal partner for companies seeking integrated solutions for the development of their network and for the management and the transmission of data and signals.

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1H 2024 Income Statement

(€m; %)	2Q23	2Q24	1H23	1H24
Core revenues	**68,1**	**68,7**	**136,0**	**137,6**
Other revenues and income [1]	0,6	0,1	1,5	0,3
Purchase of consumables	(0,3)	(0,3)	(0,6)	(0,6)
Cost of services	(9,9)	(9,6)	(20,8)	(19,1)
Personnel costs	(15,0)	(11,8)	(27,5)	(23,5)
Other costs	(0,8)	(0,6)	(1,4)	(1,2)
Opex	**(26,0)**	**(22,2)**	**(50,4)**	**(44,5)**
Depreciation, amortization and write-downs	(11,6)	(12,7)	(22,7)	(24,6)
Operating profit (EBIT)	**31,1**	**33,9**	**64,5**	**68,8**
Net financial income (expenses)	(1,0)	(1,5)	(1,8)	(2,9)
Profit before income taxes	**30,1**	**32,5**	**62,7**	**65,9**
Income taxes	(8,7)	(9,1)	(17,9)	(18,8)
Net Income	**21,4**	**23,4**	**44,9**	**47,2**

EBITDA	**42,7**	**46,6**	**87,2**	**93,4**
EBITDA margin	*62,7%*	*67,9%*	*64,1%*	*67,9%*
Non recurring costs	(3,6)	(0,1)	(3,6)	(0,2)
Adjusted EBITDA	**46,3**	**46,7**	**90,8**	**93,5**
Adjusted EBITDA margin	*68,0%*	*68,0%*	*66,8%*	*68,0%*

1) Other Revenues and income include tax credits related to electricity expenses.

Balance Sheet at 30 June 2024

(€m)	2023FY	1H2024
Non current assets		
Tangible assets	297,4	294,4
Rights of use for leasing	33,0	30,4
Intangible assets	24,7	23,9
Financial assets, holdings and other non-current assets	0,9	0,9
Deferred tax assets	2,9	2,1
Total non-current assets	**359,0**	**351,7**
Current assets		
Inventories	0,8	0,8
Trade receivables	74,8	74,4
Other current receivables and assets	1,4	3,7
Current financial assets	0,3	0,1
Cash and cash equivalents	34,1	9,2
Current tax receivables	0,1	0,1
Total current assets	**111,3**	**88,3**
TOTAL ASSETS	**470,3**	**440,0**
Shareholders' Equity		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	37,7	37,1
Retained earnings	86,7	47,7
Treasury shares	(20,0)	(19,3)
Total shareholders' equity	**188,7**	**149,7**
Non-current liabilities		
Non-current financial liabilities	100,4	100,5
Non-current leasing liabilities	17,5	15,8
Employee benefits	8,9	8,7
Provisions for risks and charges	17,9	16,0
Other non-current liabilities	0,3	0,3
Total non-current liabilities	**145,0**	**141,2**
Current liabilities		
Trade payables	65,0	41,6
Other debt and current liabilities	48,9	64,0
Current financial liabilities	1,1	22,1
Current leasing liabilities	20,2	16,9
Current tax payables	1,4	4,5
Total current liabilities	**136,6**	**149,1**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**470,3**	**440,0**

1H 2024 Cash Flow Statement

(€m)	2Q2023	2Q2024	1H2023	1H2024
Profit before income taxes	**30,1**	**32,5**	**62,7**	**65,9**
Depreciation, amortization and write-downs	11,6	12,7	22,7	24,6
Provisions and (releases of) personnel and other funds	0,9	(0,9)	1,8	0,2
Net financial (income)/expenses	1,0	1,4	1,7	2,8
Other non-cash items	0,2	0,1	0,2	0,1
Net operating CF before change in WC	**43,7**	**45,8**	**89,1**	**93,5**
Change in inventories	-	-	0,0	-
Change in trade receivables	9,4	9,7	(9,3)	0,1
Change in trade payables	(5,7)	(3,4)	(15,7)	(23,4)
Change in other assets	1,0	(0,3)	(1,2)	(2,3)
Change in other liabilities	(3,9)	(7,2)	3,9	0,3
Use of funds	(0,2)	(0,5)	(0,4)	(1,0)
Payment of employee benefits	(0,8)	(0,3)	(1,3)	(1,2)
Change in tax receivables and payables	(2,2)	(0,0)	(2,2)	(0,0)
Taxes paid	-	-	-	-
Net cash flow generated by operating activities	**41,3**	**43,8**	**63,0**	**66,1**
Investment in tangible assets	(7,6)	(8,2)	(12,4)	(13,2)
Investment in intangible assets	(1,5)	(1,8)	(2,8)	(2,0)
Change in other non-current assets	0,0	0,0	0,0	0,0
Net cash flow generated by investment activities	**(9,1)**	**(10,0)**	**(15,2)**	**(15,2)**
(Decrease)/increase in current financial liabilities	4,7	19,9	4,7	19,9
(Decrease)/increase in IFRS 16 financial liabilities	(5,3)	(4,6)	(7,8)	(8,0)
Change in current financial assets	(0,2)	0,0	0,0	0,1
Net Interest paid	(0,8)	(1,3)	(0,9)	(1,4)
Dividends paid	(73,5)	(86,4)	(73,7)	(86,4)
Net cash flow generated by financing activities	**(75,1)**	**(72,4)**	**(77,7)**	**(75,7)**
Change in cash and cash equivalent	**(43,0)**	**(38,5)**	**(29,8)**	**(24,9)**
Cash and cash equivalent (beginning of period)	48,3	47,7	35,2	34,1
Cash and cash equivalent (end of period)	5,4	9,2	5,4	9,2

Notes

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[i] 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.

[ii] Excluding investments related to the application of new IFRS 16 Accounting Standard, equal to €2.6m in the first six months 2024; 1H2024 investments include € 0.1m related to the CDN project represented as IFRS-16 financial liabilities in the cash flow statement.

[iii] Cash generation (Recurring FCFE) defined as Adj. EBITDA net of Leases, Net Financial Charges, P&L Taxes and Recurring Maintenance Capex. Leases are estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts.

[iv] Net Debt including the effect of the application of the IFRS-16 accounting standard.

[v] Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets.