



# 1Q2023 Results Presentation

11 May 2023



## FORWARD LOOKING STATEMENTS

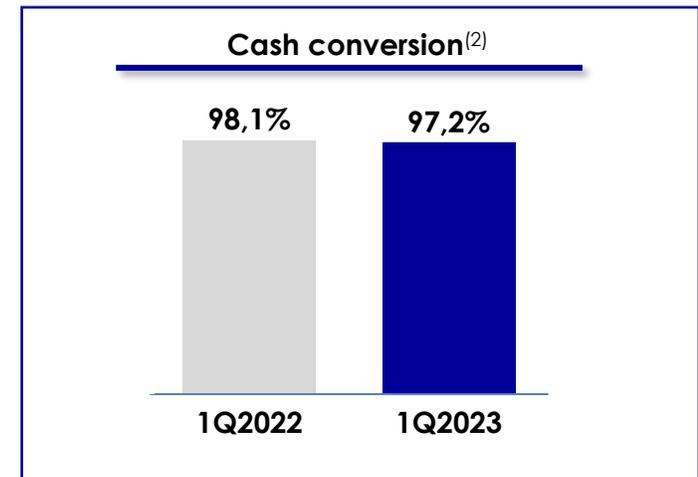
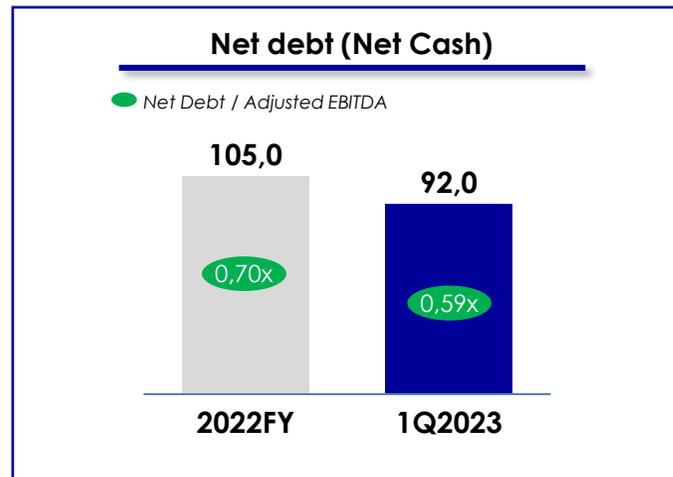
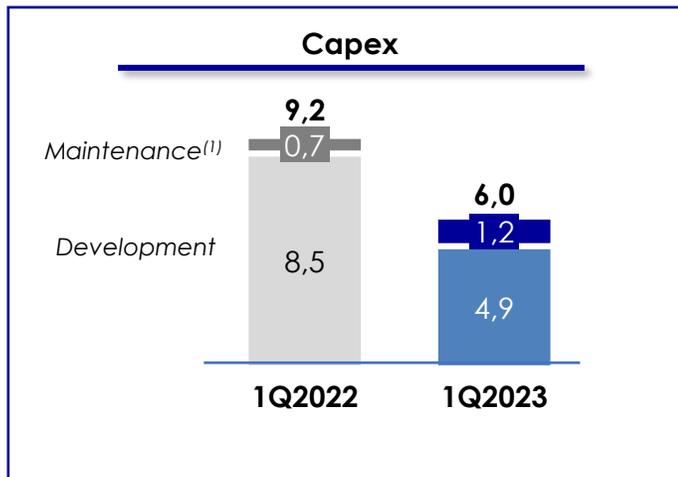
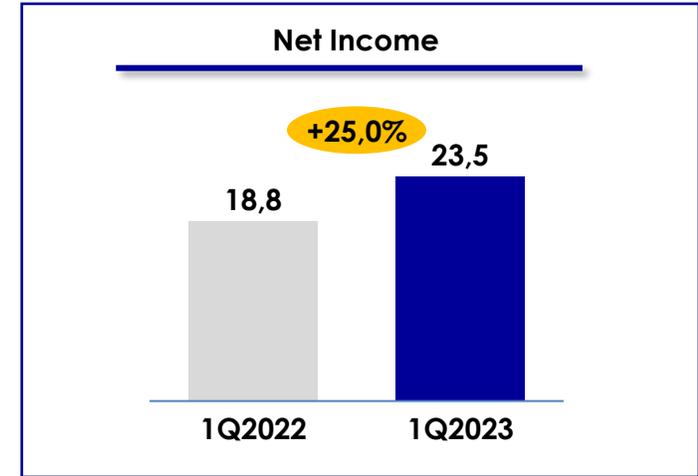
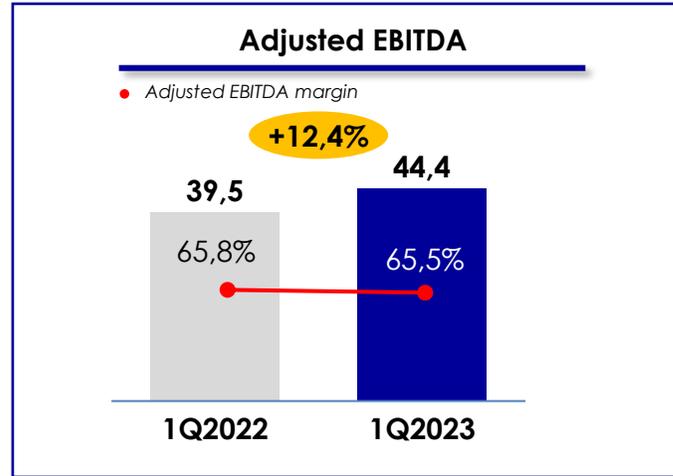
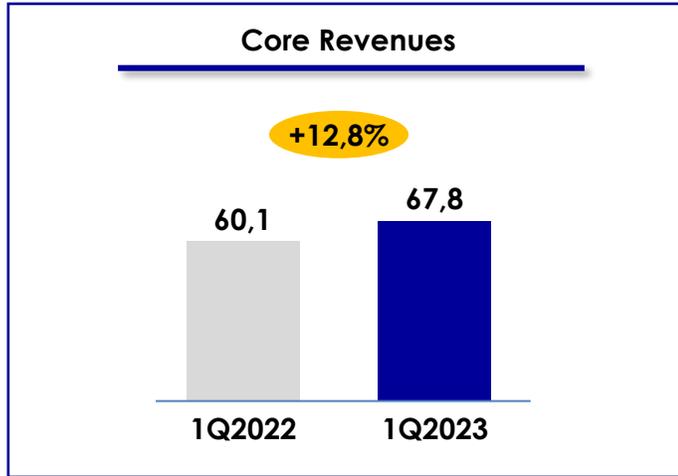
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- **Roberto Cecatto**, Chief Executive Officer
- **Adalberto Pellegrino**, Chief Financial Officer
- **Giancarlo Benucci**, Chief Corporate Development Officer

- **Strong 1Q23, in line with expectations:**
  - Revenues up 12,8%, mainly driven by CPI-link and rising contribution from regional *refarming*;
  - EBITDA up 12,4% with profitability at 65,5%, despite unfavorable comparison on energy (1Q22 still benefitting from fixed price contract signed in 2021)
  - 1Q capex historically limited
  
- **New Board** in place: focus on **execution** and **value creation**
  
- **Guidance** for the full year **confirmed**

# 1Q2023 Financial highlights

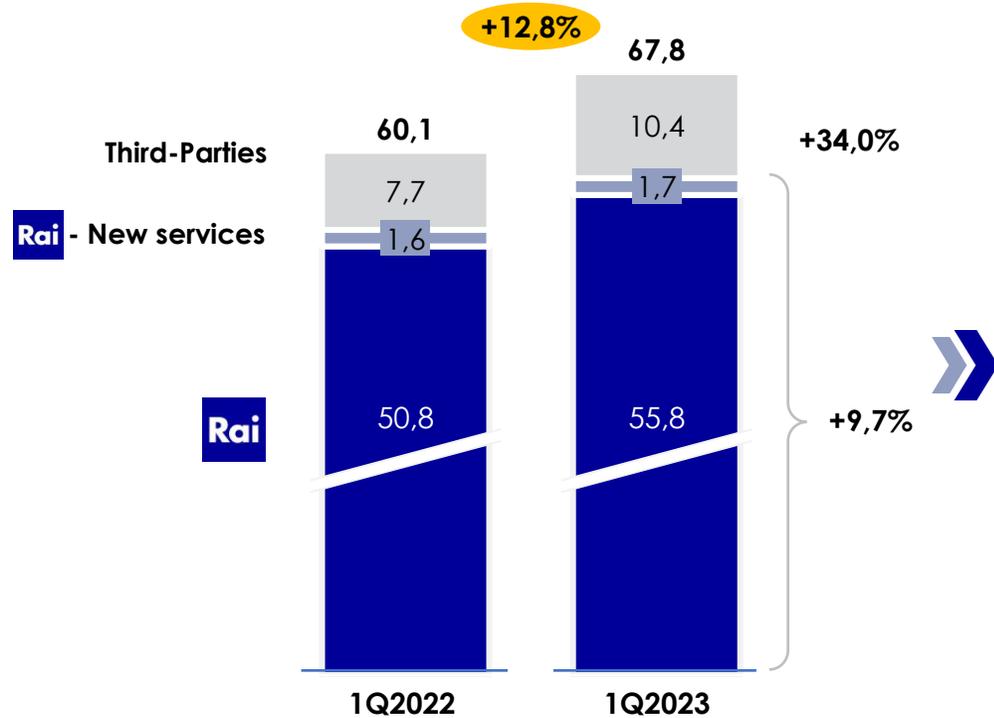
Mln Eur; % ● % YoY growth



1) Maintenance capex excluding component related to IFRS-16 leasing  
 2) Cash conversion = (Adj. EBITDA - Leases - Maintenance Capex) / (Adj. EBITDA - Leases). Leases estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts

# Core Revenues

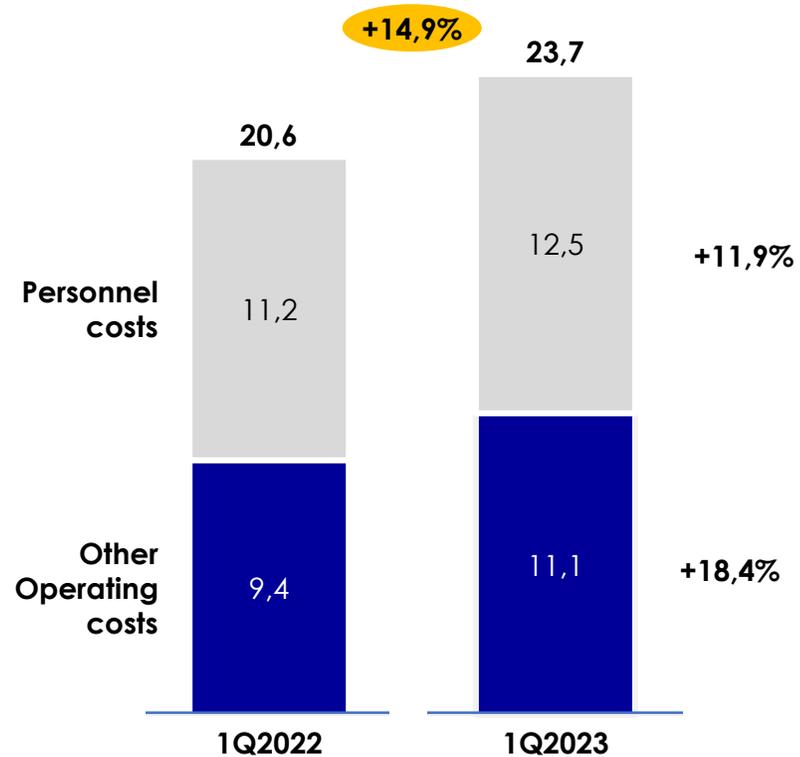
Mln Eur; % ● % YoY growth



- Rai **up 9,7%** reflecting CPI-indexation and termination of a minor radio service effective from 3Q22
- **Third-party revenues up 34%** boosted by new regional MUXes business, CPI-link and supportive trend of FWAPs and radio broadcasters

# Opex (excluding non-recurring)

Mln Eur; % % YoY growth



- Excluding non-core items and lower capitalization compared to 2021, **underlying Personnel cost up 3,6%**
- **Difficult comparison on electricity tariffs** in 1Q (total equivalent cost <sup>(1)</sup> per MWh ca 2x YoY), with 1Q22 still benefitting from raw energy price fixed at 2021 level and 1Q23 tax credits partially offset by lower incentives on ancillary charges
  - Tariff comparison expected to reverse in 2Q and 3Q, still benefitting from lower consumption (-12% in 1Q)
- Excluding impact from electricity tariffs and non-recurring items, **Other Operating costs up approx. 5%**



1) Total electricity cost (including raw energy, spread, green energy option, ancillary components and effect of tax credits) per MWh consumed

<i>Eur Mln. %</i>	1Q2022	1Q2023	% YoY
<b>Core Revenues</b>	<b>60,1</b>	<b>67,8</b>	<b>12,8%</b>
Other Revenues & income <sup>1)</sup>	0,0	0,3	
<b>Adj. EBITDA</b>	<b>39,5</b>	<b>44,4</b>	<b>12,4%</b>
<i>% margin</i>	65,8%	65,5%	
Non recurring costs	0,0	0,0	
<b>EBITDA</b>	<b>39,5</b>	<b>44,4</b>	<b>12,4%</b>
<i>% margin</i>	65,8%	65,5%	
D&A <sup>2)</sup>	-12,8	-11,1	-13,8%
<b>Operating Profit (EBIT)</b>	<b>26,7</b>	<b>33,4</b>	<b>25,0%</b>
Net financial income (expenses)	-0,4	-0,7	67,2%
<b>Profit before Income taxes</b>	<b>26,3</b>	<b>32,7</b>	<b>24,3%</b>
Income Taxes	-7,5	-9,2	22,4%
<i>% tax rate</i>	28,5%	28,0%	
<b>Net Income</b>	<b>18,8</b>	<b>23,5</b>	<b>25,0%</b>

- **1Q2023 Net Income up by 25,0% at € 23,5m as a result of:**
  - Significantly higher EBITDA
  - Lower D&A following the termination of the useful life of DVB-T equipment
  - Limited impact on financial charges from rising interest rates
  - Stable tax rate

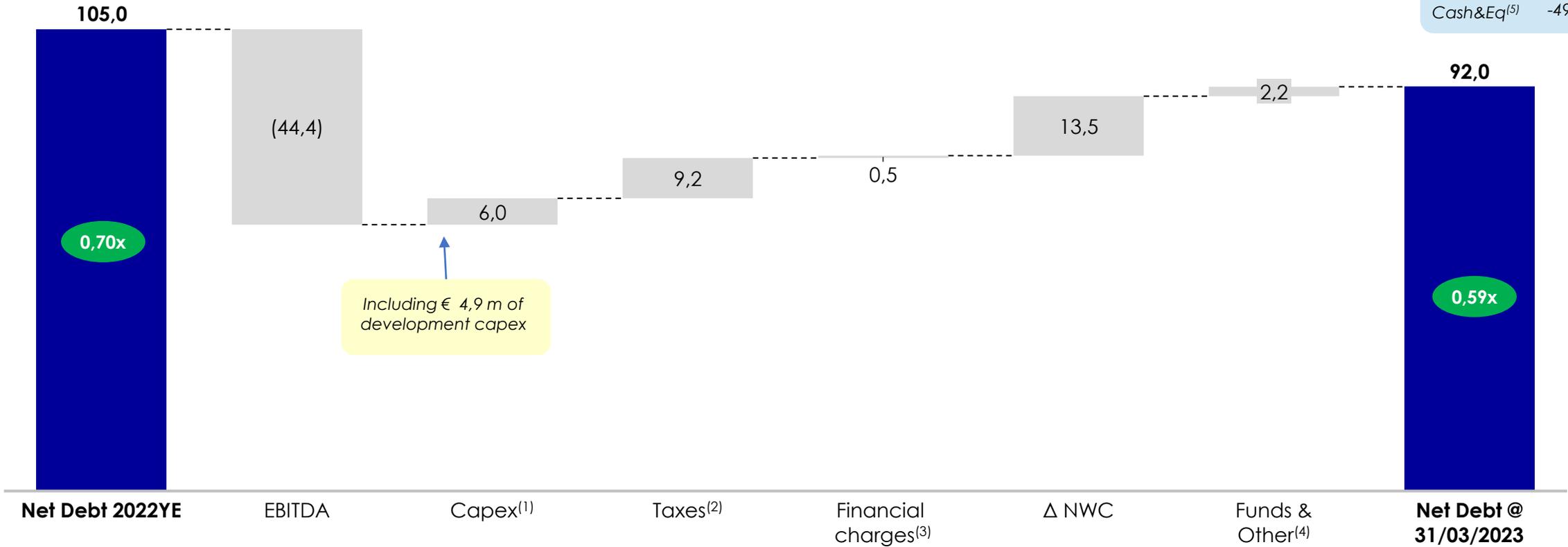


1) Other Revenues and income net of tax credit related to electricity expenses Including provisions; 2) including provisions

# Net Debt bridge

Mln Eur ● Net Debt/ 1y rolling Adj. EBITDA

IFRS-16 Debt	39,4m
Gross Debt	102,2m
Cash&Eq <sup>(5)</sup>	-49,6m



**1Q2023 recurring FCFE<sup>(6)</sup> at ca. € 31m**

1) Excluding component related to IFRS-16 leasing; 2) P&L taxes; 3) P&L financial charges excluding interests on employee benefit liability and interests on leasing contracts; 4) including renewal of leasing contracts and interests on leasing contracts; 5) Including current financial assets  
 6) Recurring FCFE = Adj. EBITDA – Leases – Net Financial Charges – P&L Taxes – Recurring Maintenance Capex. Leases estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts

# Guidance 2023 confirmed

- Outlook based on recent levels of power futures for 2023<sup>(1)</sup>

<b>Adjusted EBITDA</b>	<b>Growth rate in the mid-teens area</b>	<ul style="list-style-type: none"><li>- CPI-link</li><li>- Rising contribution from regional rearing</li><li>- Lower energy prices<sup>(1)</sup> and lower consumption</li><li>- Start-up costs related to new infrastructure/services</li></ul>
<b>Capex</b>	<ul style="list-style-type: none"><li>• <b>Maintenance capex broadly stable vs 2022</b></li><li>• <b>Development capex broadly stable vs 2022, but with different RAI-3<sup>rd</sup> Parties mix</b></li></ul>	<ul style="list-style-type: none"><li>- New infra roll-out (mainly edge &amp; CDN)</li><li>- Backbone upgrade completion</li><li>- Residual rearing investments (both RAI &amp; regional)</li></ul>



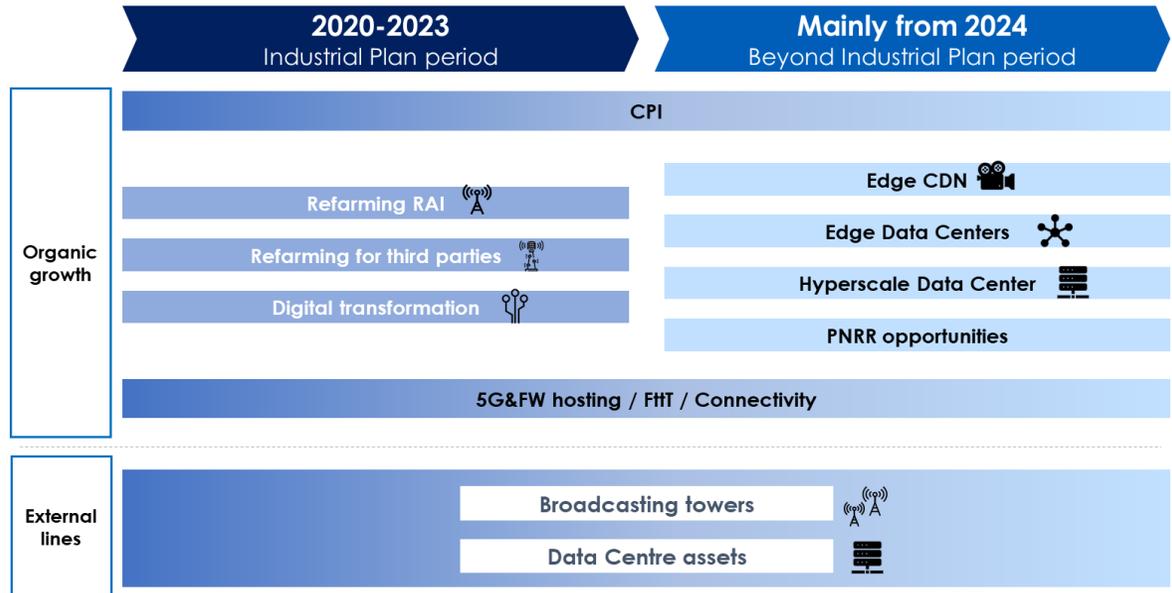
1) Average level of raw energy price for 2023 (excluding spread, green energy option and effect of tax credits) at ca. 150 €/MWh. Source for raw energy futures price: European Energy Exchange website; data as of 10/05/2023

# Strengths in the current environment



Contractualized revenues provide high visibility and cash generation

  
Unchanged commitment to capital deployment



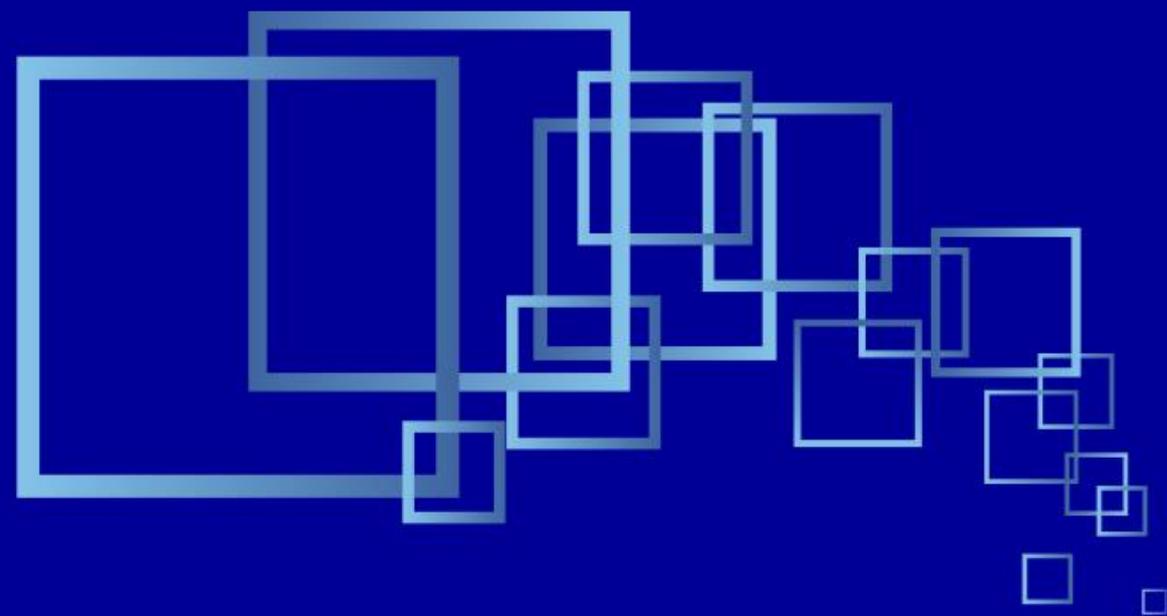
  
Resiliency of the business model



## Supportive scenario

- Top-line not linked to economic cycle
- Net benefit from indexation to inflation
- Digitalization trend

# Q&A session



## - Investor Relations



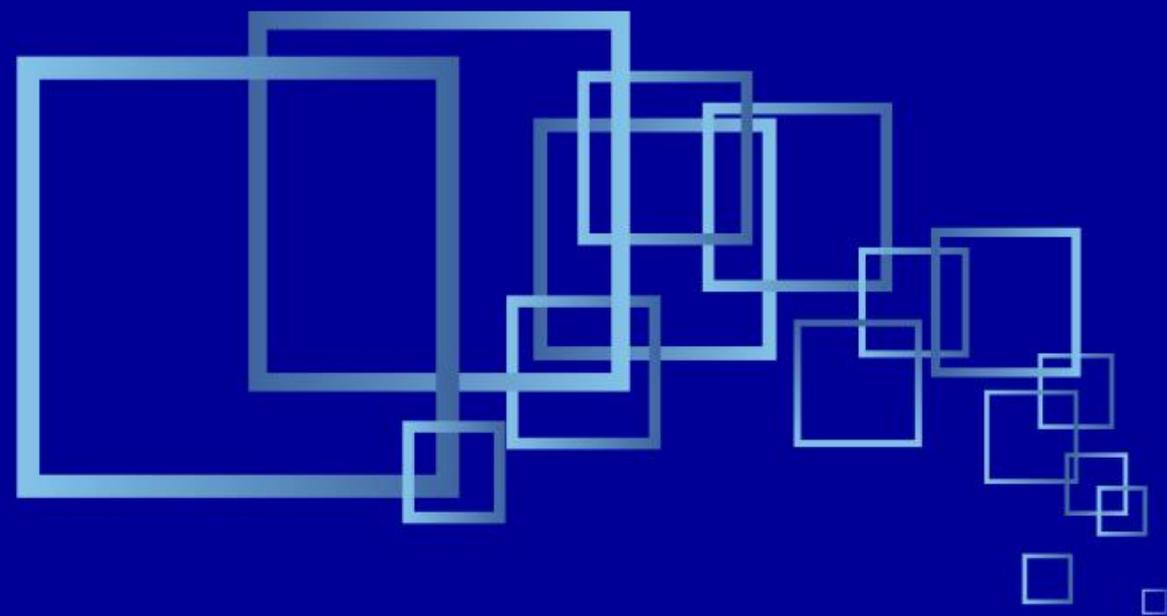
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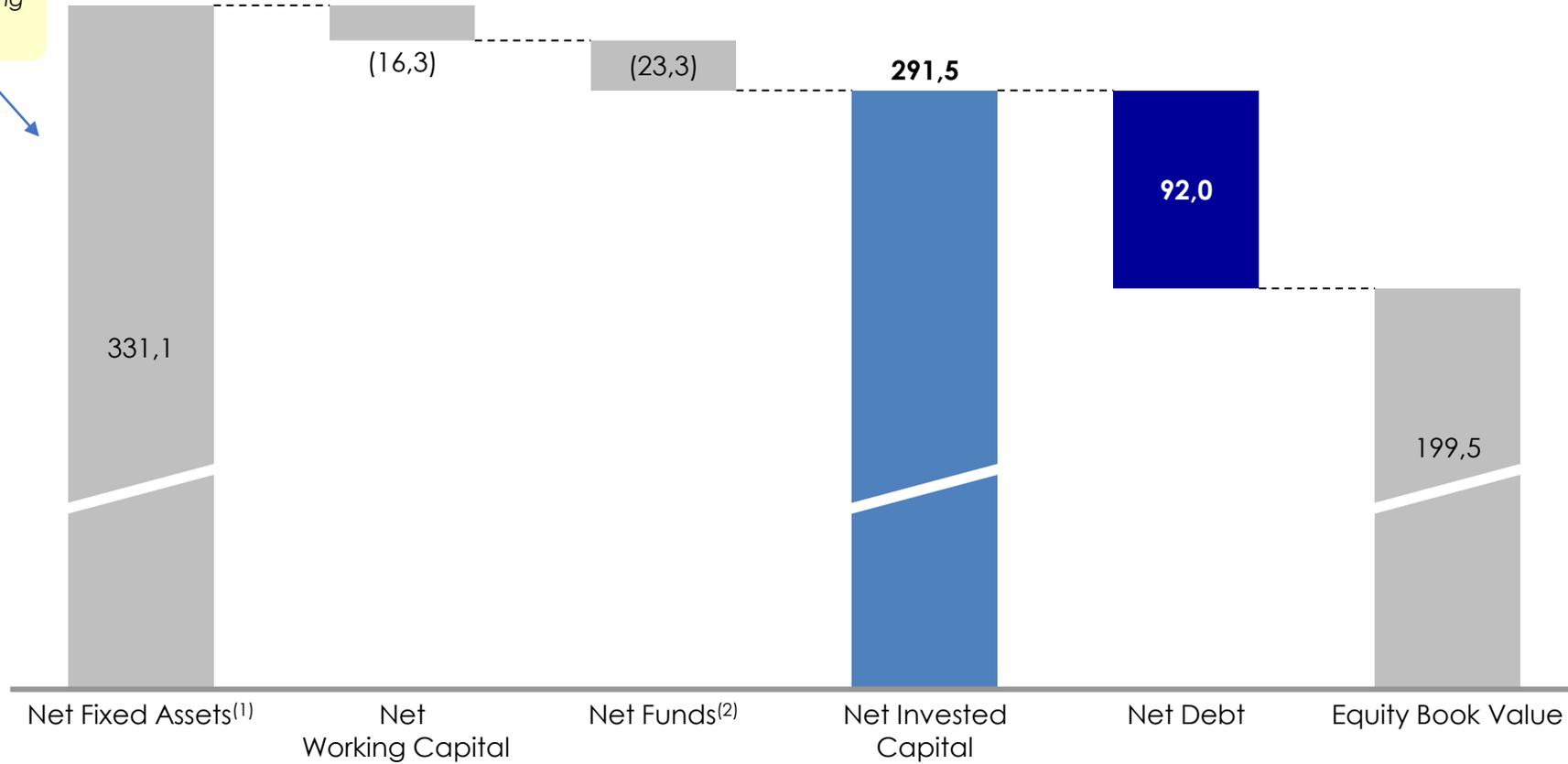
# Appendix



# Balance sheet

Mln Eur

Including rights of use for leasing under IFRS-16 (€ 32,6 m)



1) Including long-term financial items and the rights of use for leasing introduced from 2019 with the application of IFRS 16  
 2) Net funds include employee termination indemnities, provision for risks and deferred taxes

# Detailed summary of Income Statement

(€m; %)	1Q22	1Q23
<b>Core revenues</b>	<b>60,1</b>	<b>67,8</b>
Other revenues and income <sup>1</sup>	0,0	0,9
Purchase of consumables	(0,3)	(0,3)
Cost of services	(8,4)	(10,9)
Personnel costs	(11,2)	(12,5)
Other costs	(0,7)	(0,6)
<b>Opex</b>	<b>(20,6)</b>	<b>(24,3)</b>
Depreciation, amortization and write-downs	(12,8)	(11,1)
Provisions	-	-
<b>Operating profit (EBIT)</b>	<b>26,7</b>	<b>33,4</b>
Net financial income (expenses)	(0,4)	(0,7)
<b>Profit before income taxes</b>	<b>26,3</b>	<b>32,7</b>
Income taxes	(7,5)	(9,2)
<b>Net Income</b>	<b>18,8</b>	<b>23,5</b>
<b>EBITDA</b>	<b>39,5</b>	<b>44,4</b>
<i>EBITDA margin</i>	65,8%	65,5%
Non recurring costs	-	-
<b>Adjusted EBITDA</b>	<b>39,5</b>	<b>44,4</b>
<i>Adjusted EBITDA margin</i>	65,8%	65,5%

<sup>1)</sup> Other Revenues and income include tax credits related to electricity expenses

# Summary of Balance Sheet

(€m)	2022FY	1Q2023
<b>Non current assets</b>		
Tangible assets	280,8	278,2
Rights of use for leasing	33,4	32,6
Intangible assets	19,5	19,7
Financial assets, holdings and other non-current assets	0,9	0,9
Deferred tax assets	1,8	2,1
<b>Total non-current assets</b>	<b>336,4</b>	<b>333,4</b>
<b>Current assets</b>		
Inventories	0,8	0,8
Trade receivables	66,2	84,9
Other current receivables and assets	2,5	4,6
Current financial assets	1,5	1,2
Cash and cash equivalents	35,2	48,3
Current tax receivables	0,1	0,1
<b>Total current assets</b>	<b>106,2</b>	<b>139,9</b>
<b>TOTAL ASSETS</b>	<b>442,6</b>	<b>473,3</b>

(€m)	2022FY	1Q2023
<b>Shareholders' Equity</b>		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	38,2	38,0
Retained earnings	73,7	97,2
Treasury shares	(20,0)	(20,0)
<b>Total shareholders' equity</b>	<b>176,2</b>	<b>199,5</b>
<b>Non-current liabilities</b>		
Non-current leasing liabilities	22,6	21,2
Employee benefits	10,0	10,0
Provisions for risks and charges	15,1	15,4
Other non-current liabilities	0,3	0,3
<b>Total non-current liabilities</b>	<b>48,0</b>	<b>46,9</b>
<b>Current liabilities</b>		
Trade payables	60,5	50,5
Other debt and current liabilities	38,5	54,2
Current financial liabilities	101,5	102,2
Current leasing liabilities	17,6	18,1
Current tax payables	0,4	1,9
<b>Total current liabilities</b>	<b>218,4</b>	<b>227,0</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>442,6</b>	<b>473,3</b>

# Summary of Cash Flow Statement

(€m)	1Q2022	1Q2023
<b>Profit before income taxes</b>	<b>26,3</b>	<b>32,7</b>
Depreciation, amortization and write-downs	12,8	11,1
Provisions and (releases of) personnel and other funds	0,4	0,9
Net financial (income)/expenses	0,4	0,7
Other non-cash items	0,0	0,1
<b>Net operating CF before change in WC</b>	<b>40,0</b>	<b>45,4</b>
Change in inventories	-	0,0
Change in trade receivables	(8,1)	(18,6)
Change in trade payables	(7,2)	(10,0)
Change in other assets	1,1	(2,2)
Change in other liabilities	6,8	7,9
Use of funds	(0,1)	(0,2)
Payment of employee benefits	(1,0)	(0,5)
Change in tax receivables and payables	(0,0)	-
<b>Net cash flow generated by operating activities</b>	<b>31,5</b>	<b>21,8</b>
Investment in tangible assets	(9,1)	(4,8)
Investment in intangible assets	(0,1)	(1,2)
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>(9,2)</b>	<b>(6,0)</b>
(Decrease)/increase in current financial liabilities	(0,0)	-
(Decrease)/increase in IFRS 16 financial liabilities	(3,4)	(2,5)
Change in current financial assets	(0,1)	0,2
Net Interest paid	(0,2)	(0,1)
Dividends paid	-	(0,2)
<b>Net cash flow generated by financing activities</b>	<b>(3,7)</b>	<b>(2,6)</b>
<b>Change in cash and cash equivalent</b>	<b>18,7</b>	<b>13,2</b>
Cash and cash equivalent (beginning of period)	17,2	35,2
Cash and cash equivalent (end of period)	36,0	48,3