

Press Release

RAI WAY APPROVES RESULTS OF THE FIRST QUARTER 2024

**Positive performance in the quarter that marks the start of the new Industrial Plan.
Guidance for the full year confirmed**

- **Key results for the quarter ended 31 March 2024 (vs. 31 March 2023):**
 - **Core revenues of € 68.9m (+1.5%);**
 - **Adjusted EBITDAⁱ of € 46.8m (+5.3%);**
 - **Operating profit (EBIT)ⁱ at € 34.9m (+4.4%);**
 - **Net income of € 23.8m (+1.4%).**
- **Capexⁱⁱ of € 5.3m (€ 6.0m in the first quarter 2023)**
- **Recurring free cash flowⁱⁱⁱ of € 32.6m (+5.3%)**
- **Net debt^{i,iv} of € 90.6m (compared to € 104.9m at 31 December 2023)**
- **Independence requirements of the members of the Board of Statutory Auditors verified**

Rome, 10 May 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 Interim Financial Report for the quarter ended 31 March 2024.

The first quarter 2024 registered revenues of € 68.9 million, showing a 1.5% growth which exceeds the contribution of inflation-link clauses provided by most customer contracts. The favourable trend of all cost items brought to a 5.3% increase of Adjusted EBITDAⁱ at €46.8 million, also thanks to a higher level of capitalization of Personnel costs. Net income was up by 1.4% at € 23.8 million, also reflecting higher amortisations and financial charges, while the typically strong cash generation of the first quarter, equal to € 32.6 million, allowed a reduction of Net Debt^{i,iv}, that stood at € 90.6 million. In light of the reported results, the guidance already in place for the full year is confirmed.

Roberto Cecatto, Chief Executive Officer of Rai Way, commented: "One month after the approval of the new 2024-27 Industrial Plan, we report a positive quarterly performance, which highlights Rai Way's ability to grow beyond the inflation rate while continuing to invest in the projects on which we are building our future".

Key Results for the first quarter 2024

The Company's **core revenues** amount to € 68,9 milioni, up by 1.5% compared to € 67.8 million in the first three months of 2023, thus exceeding the reference inflation rate. **Media distribution services**, which include revenues from RAI, generated a turnover of € 60.9 million, posting a 1.2% increase driven by the inflation indexing of underlying contracts, as well as by the full effect of regional DTT networks. **Digital infrastructure** recorded revenues of € 7.9 million, currently fully generated by tower hosting services, which increased by 4.1% also thanks to the positive trend of business with *fixed wireless access* and radio operators.

Adjusted EBITDAⁱ amounts to € 46.8 million, an increase of 5.3% compared to € 44.4 million recorded in the first quarter of 2023. In addition to higher revenues, Adjusted EBITDAⁱ benefited from reductions in all cost items, including energy (down € 0.3 million compared to a first quarter 2023 characterized by more expensive tariffs even after the benefit of tax credits) and personnel, as development activities drove to a higher portion of capitalized costs (€ +1.1 million compared to the first quarter of 2023). Adjusted EBITDAⁱ margin stood at 68.0% (it was 65.5% in the first three months 2023). Considering the impact of non-recurring costs (€0.1 million in the first quarter 2024 and absent in the corresponding period of 2023), EBITDAⁱ was €46.7 million, up 5.2%.

Operating profit (EBIT)ⁱ amounts to € 34.9 million, an increase of 4.4% over € 33.4 million in the first quarter 2023, impacted by an increase of depreciation and amortization resulting from investment activities.

Net income amounts to € 23.8 million, an increase of 1.4% compared to the figure for the first quarter 2023 when it stood at € 23.5 million, also reflecting the effect of rising interest rates on financial charges.

Capexⁱⁱ, typically limited in the first quarter, amount to € 5.3 million, of which € 4.4 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 € 6.0 million, including € 4.9 million in development activities.

Net invested capital^v amounts to € 303.1 million, with **Net debt^{i,iv}** closing at € 90.6 million (including the impact from the application of the IFRS-16 accounting standard for € 35.9 million) compared to € 104,9 million at 31 December 2023. The Net Debt reduction was driven by the **recurring cash generationⁱⁱⁱ**, equal to € 32.6 million (+5.3% compared to € 31.0 million recorded in the first quarter 2023), which is typically strong in the first quarter of the year.

Outlook

In light of the results of the first three months, the Company confirms the targets for fiscal year 2024, which were provided during the presentation of the 2023 results in accordance with the evolution of strategic initiatives assumed in the Industrial Plan. In details, Rai Way expects:

- growth of the Adjusted EBITDAⁱ compared to 2023, despite the start-up costs of diversification initiatives and the lack of incentives on energy tariffs;
- maintenance investments higher than the previous year; development investments substantially in line with 2023.

The Board of Directors has also previously acknowledged the communication from the Board of Statutory Auditors regarding the positive outcome of the verifications 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 Companies¹ - of the members of the Board of Statutory Auditors, following their appointment by the Shareholders' Meeting held on 29 April, as well as ascertained the existence of the requirements of honorability and professionalism prescribed with regard to these members, as also considered by the Board of Statutory Auditors itself in its evaluations.

Rai Way announces that today, Friday 10 May 2024 at 5:30pm CET, the results of the first quarter 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.

¹It should be noted that the criteria of significance adopted for the assessment of independence referred to in Recommendation No. 7 letter c) and d) of the Corporate Governance Code - also applicable for Statutory Auditors by virtue of the provisions of Recommendation No. 9 of the Code itself - are those indicated within the framework of the Report on Corporate Governance and Ownership Structure of Rai Way for the year 2023.

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 is an integrated digital infrastructure operator and a provider of services for media content distribution. It is the only operator of the radio and television broadcasting networks that carry the signals of RAI, the Italian public service concessionaire.

Listed on Euronext Milano since 2014, Rai Way has an extensive presence throughout Italy with around 600 employees at its headquarters in Rome and 21 regional offices, more than 2,300 telecommunication towers, a transmission network of radio links, satellite systems and around 6,000 km of proprietary fibre optics and 2 control centres.

Its infrastructural assets, the excellence of its 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 transmission of data and signals.

For more information:

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1Q 2024 Income Statement

| (€m; %) | 1Q23 | 1Q24 |
|--|---------------|---------------|
| Core revenues | 67,8 | 68,9 |
| Other revenues and income ¹ | 0,9 | 0,1 |
| Purchase of consumables | (0,3) | (0,3) |
| Cost of services | (10,9) | (9,6) |
| Personnel costs | (12,5) | (11,8) |
| Other costs | (0,6) | (0,6) |
| Opex | (24,3) | (22,3) |
| Depreciation, amortization and write-downs | (11,1) | (11,9) |
| Operating profit (EBIT) | 33,4 | 34,9 |
| Net financial income (expenses) | (0,7) | (1,4) |
| Profit before income taxes | 32,7 | 33,5 |
| Income taxes | (9,2) | (9,6) |
| Net Income | 23,5 | 23,8 |
| | | |
| EBITDA | 44,4 | 46,7 |
| EBITDA margin | 65,5% | 67,9% |
| Non recurring costs | - | (0,1) |
| Adjusted EBITDA | 44,4 | 46,8 |
| Adjusted EBITDA margin | 65,5% | 68,0% |

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

Balance Sheet at 31 March 2024

| (€m) | 2023FY | 1Q2024 |
|---|--------------|--------------|
| Non current assets | | |
| Tangible assets | 297,4 | 294,4 |
| Rights of use for leasing | 33,0 | 31,9 |
| Intangible assets | 24,7 | 23,6 |
| Financial assets, holdings and other non-current assets | 0,9 | 0,9 |
| Deferred tax assets | 2,9 | 3,1 |
| Total non-current assets | 359,0 | 353,8 |
| Current assets | | |
| Inventories | 0,8 | 0,8 |
| Trade receivables | 74,8 | 84,3 |
| Other current receivables and assets | 1,4 | 3,4 |
| Current financial assets | 0,3 | 0,4 |
| Cash and cash equivalents | 34,1 | 47,7 |
| Current tax receivables | 0,1 | 0,1 |
| Total current assets | 111,3 | 136,8 |
| TOTAL ASSETS | 470,3 | 490,6 |
| Shareholders' Equity | | |
| Share capital | 70,2 | 70,2 |
| Legal reserves | 14,0 | 14,0 |
| Other reserves | 37,7 | 37,7 |
| Retained earnings | 86,7 | 110,6 |
| Treasury shares | (20,0) | (20,0) |
| Total shareholders' equity | 188,7 | 212,5 |
| Non-current liabilities | | |
| Non-current financial liabilities | 100,4 | 100,4 |
| Non-current leasing liabilities | 17,5 | 16,4 |
| Employee benefits | 8,9 | 8,5 |
| Provisions for risks and charges | 17,9 | 17,9 |
| Other non-current liabilities | 0,3 | 0,3 |
| Total non-current liabilities | 145,0 | 143,6 |
| Current liabilities | | |
| Trade payables | 65,0 | 45,0 |
| Other debt and current liabilities | 48,9 | 64,7 |
| Current financial liabilities | 1,1 | 2,4 |
| Current leasing liabilities | 20,2 | 19,5 |
| Current tax payables | 1,4 | 3,0 |
| Total current liabilities | 136,6 | 134,5 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 470,3 | 490,6 |

1 Q 2024 Cash Flow Statement

| (€m) | 1Q2023 | 1Q2024 |
|---|--------------|--------------|
| Profit before income taxes | 32,7 | 33,5 |
| Depreciation, amortization and write-downs | 11,1 | 11,9 |
| Provisions and (releases of) personnel and other funds | 0,9 | 1,0 |
| Net financial (income)/expenses | 0,7 | 1,3 |
| Other non-cash items | 0,1 | - |
| Net operating CF before change in WC | 45,4 | 47,7 |
| Change in inventories | 0,0 | - |
| Change in trade receivables | (18,6) | (9,6) |
| Change in trade payables | (10,0) | (20,0) |
| Change in other assets | (2,2) | (2,1) |
| Change in other liabilities | 7,9 | 7,5 |
| Use of funds | (0,2) | (0,5) |
| Payment of employee benefits | (0,5) | (0,9) |
| Net cash flow generated by operating activities | 21,8 | 22,3 |
| Investment in tangible assets | (4,8) | (5,0) |
| Investment in intangible assets | (1,2) | (0,2) |
| Change in other non-current assets | (0,0) | 0,0 |
| Net cash flow generated by investment activities | (6,0) | (5,3) |
| (Decrease)/increase in IFRS 16 financial liabilities | (2,5) | (3,3) |
| Change in current financial assets | 0,2 | 0,0 |
| Net Interest paid | (0,1) | (0,1) |
| Dividends paid | (0,2) | - |
| Net cash flow generated by financing activities | (2,6) | (3,4) |
| Change in cash and cash equivalent | 13,2 | 13,6 |
| Cash and cash equivalent (beginning of period) | 35,2 | 34,1 |
| Cash and cash equivalent (end of period) | 48,3 | 47,7 |

Notes

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 €1.4m in the first quarter 2024.

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.