1H 2025 Results Presentation

31st July 2025

Way
to go

Disclaimer

Forward-looking statements

This presentation contains forward-looking statements regarding future events and the future results of Rai Way that are based on current expectations, estimates, forecasts, and projections about the industries in which Rai Way operates, as well as the beliefs and assumptions of Rai Way's management. In particular, certain statements with regard to management objectives, trends in results, margins, costs, rate of return and competition tend to be forward-looking in nature. Words such as "expects", "anticipates", "targets", "goals", "projects", "intends", "plans", "believes", "seeks" and "estimates", variations of such words and similar expressions, are intended to identify such forward-looking statements. These forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. Therefore, Rai Way's actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. They are neither statements of historical fact nor guarantees of future performance. Rai Way therefore cautions against relying on any of these forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, the impact of competition, political, economic and regulatory developments in Italy. Any forward-looking statements made by or on behalf of Rai Way speak only as of the date they are made. Rai Way undertakes no obligation to update any forward-looking statements to reflect any changes in Rai Way's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Speakers

Roberto Cecatto, Chief Executive Officer

Adalberto Pellegrino, Chief Financial Officer

Giancarlo Benucci, Chief Corporate Development Officer

Key messages on 1H 2025

Financial Results:

- Both **Media Distribution and Digital Infrastructure revenues growing above CPI,** supported by
  - DAB coverage extension for RAI
  - rising tower hosting volumes (in particular from Radio broadcasters)
  - initial contribution from diversification initiatives
- **Adjusted EBITDA up 3,0%** (€ +2,8m); excluding certain non-core items[1] **underlying trend in line with FY expectations** with growth of traditional business absorbed by the start-up phase of diversification initiatives
- **Capex level in line with 1H 2024**, with maintenance component impacted by planned non-recurring activities and accelerated phasing of network investments
- **Recurring FCFE generation**[2] at approx. **€ 63m**

Operating update:

- **CDN:** framework agreements with 3 of the main live streaming content providers in Italy
- **Edge DCs:** offering extended to IaaS services to improve the go-to-market and better address the DC needs of medium enterprises arising from private cloud applications; partnership signed with Cubbit (first geo-distributed cloud storage enabler) to power Rai Way cloud storage solution and jointly exploit the market
- **Hyperscale DC:** draft concession agreement with the municipality finalized, signing expected in the upcoming weeks

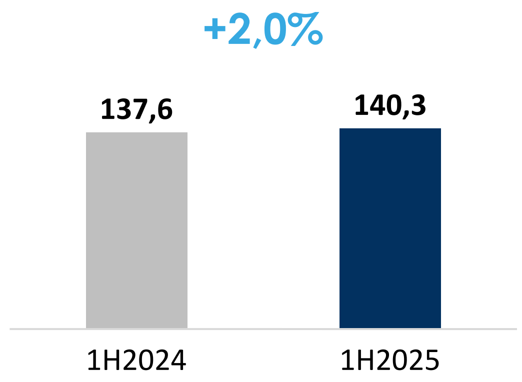
Outlook:

- **FY 2025 Adjusted EBITDA guidance raised**; development capex now expected below 2024 level
- **Analysis on potential sector consolidation progressing**

1) Excluding proceeds from asset sale and different level of energy tariffs, personnel cost capitalization and other non-recurring items
2) Recurring FCFE = Adj. EBITDA – Leases – Net Financial Charges – Adjusted P&L Taxes – Recurring Maintenance Capex

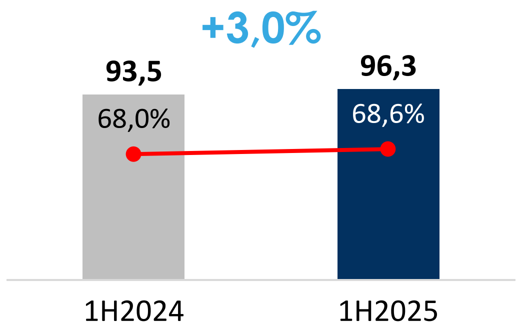
1H 2025 Financial highlights

Core revenues (€m)

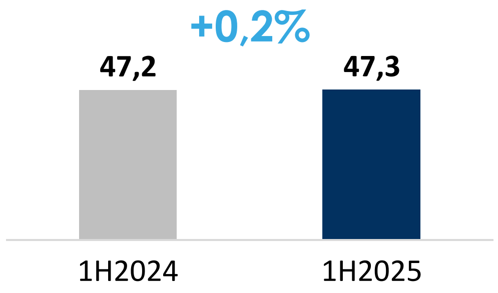


Adjusted EBITDA (€m)

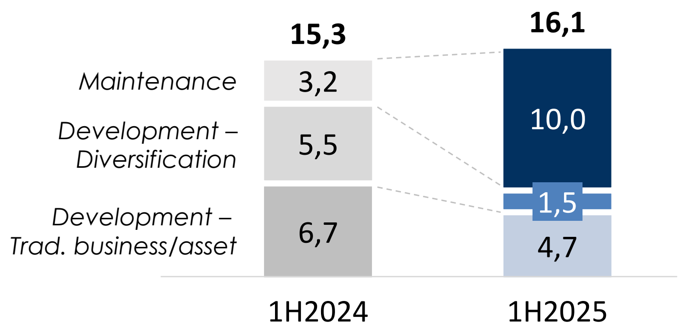
Adjusted EBITDA margin



Net Income (€m)

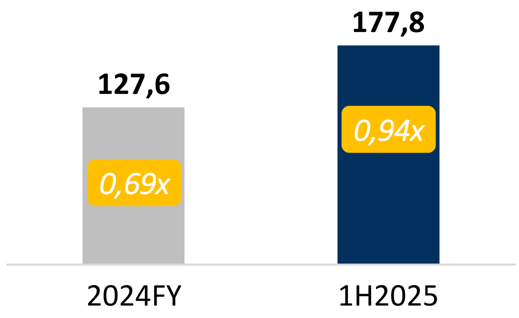


Capex[1] (€m)

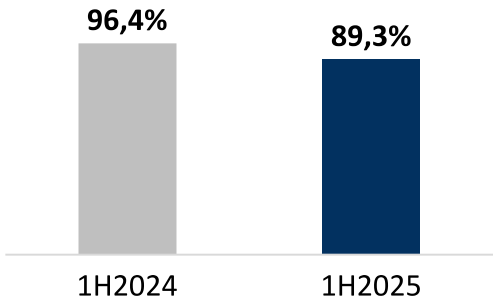


Net Debt (Cash) (€m)

Net Debt/Adjusted EBITDA

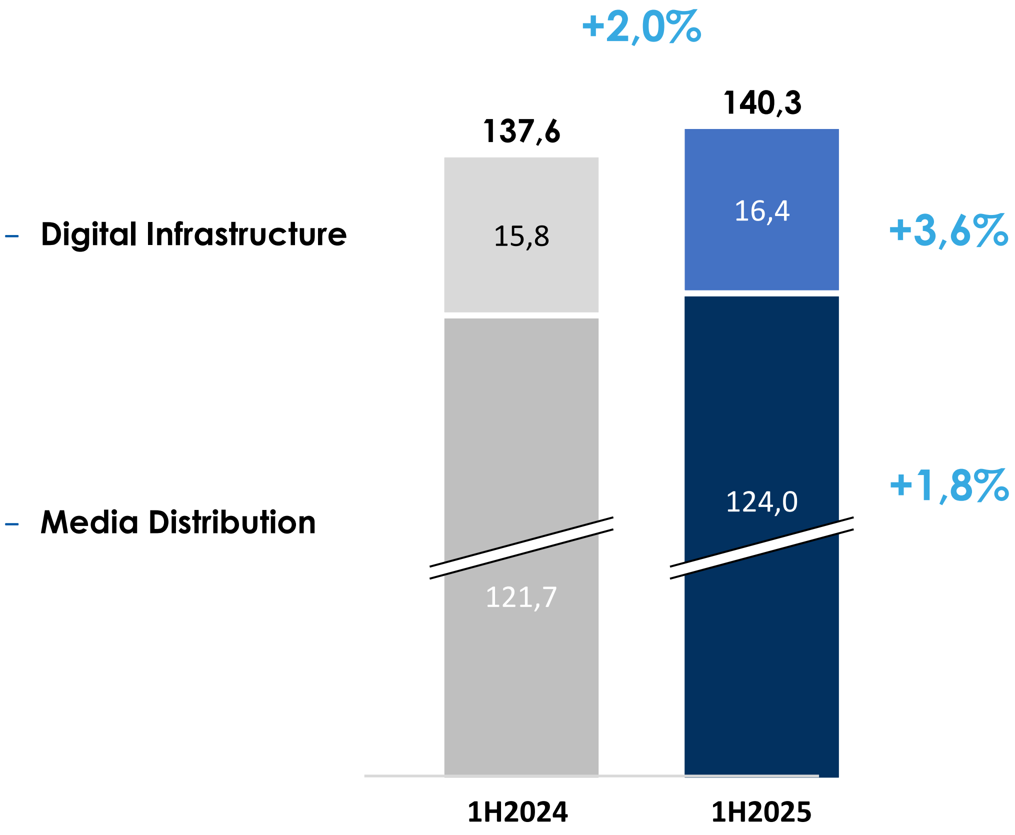


Cash Conversion[2]



1) Excluding component related to IFRS-16 leasing; Development capex include € 0,2 million related to CDN project, reported under IFRS-16 financial liabilities in the financial statements
2) Cash conversion = (Adj. EBITDA after Leases – Maintenance Capex) / Adj. EBITDA after Leases. Leases estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts

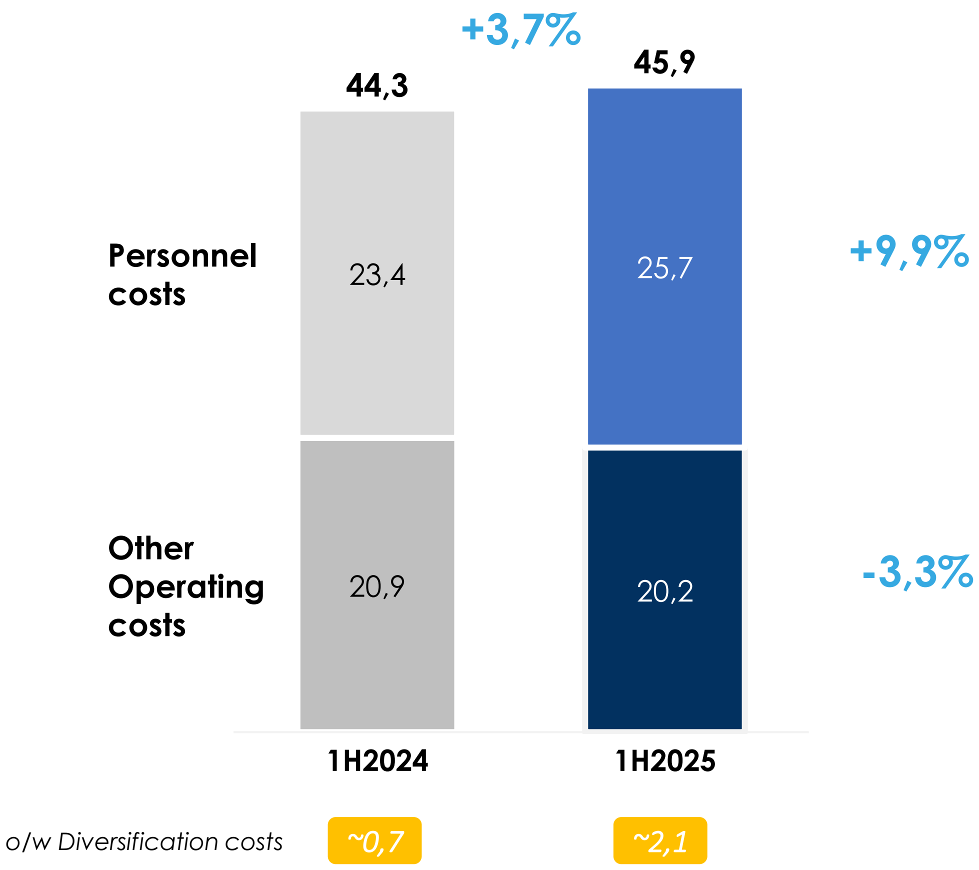
Core revenues



- **Media Distribution up 1,8%,** mainly driven by:
  - link to inflation
  - coverage extension of RAI DAB network (New Services to RAI up 20%)

- **Digital Infrastructures up 3,6%,** driven by:
  - tower hosting, benefitting from strong volumes with Radio Broadcasters (+50%)
  - first contribution from data centers and connectivity

Opex (excluding non-recurring)



Personnel costs:

- **up approx. 6% YoY when excluding lower level of capitalization** compared to 1H24
- Main drivers:
  - renewal of the collective labour agreement
  - planned increase in workforce, also related to diversification initiatives

Other Operating costs:

- Positive impact from some non-core benefits
- On an underlying basis:
  - Higher energy tariffs (+ €0,7m)
  - Broadly stable level of other cost items in the traditional business
  - Diversification initiatives (+ €1,2m)

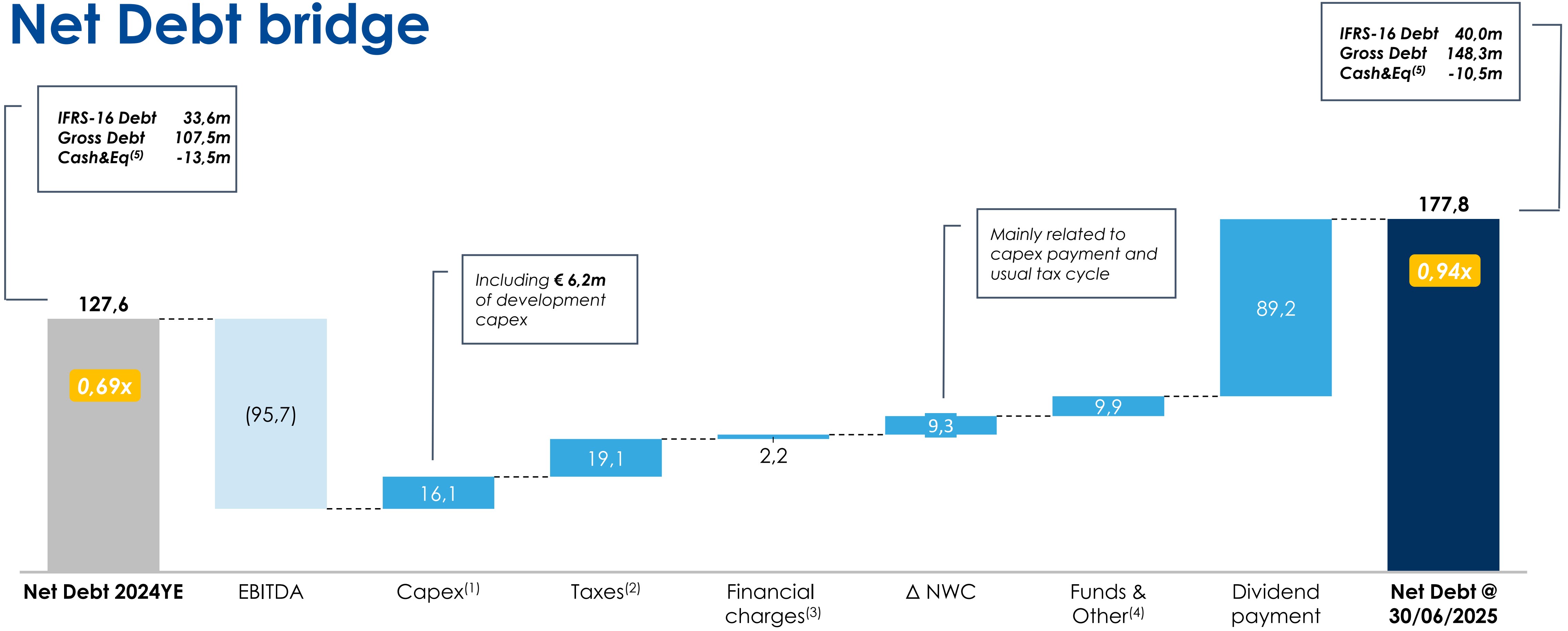
P&L

Eur Mln, %	2Q2024	2Q2025	% YoY	1H2024	1H2025	% YoY
Core Revenues	**68,7**	**70,3**	**2,4%**	**137,6**	**140,3**	**2,0%**
Other Revenues & income	0,1	1,8		0,3	1,9	
Adj. EBITDA	**46,7**	**49,4**	**5,8%**	**93,5**	**96,3**	**3,0%**
% margin	*68,0%*	*70,3%*		*68,0%*	*68,6%*	
Non recurring costs	-0,1	-0,7		-0,2	-0,7	
EBITDA	**46,6**	**48,8**	**4,5%**	**93,4**	**95,7**	**2,4%**
% margin	*67,9%*	*69,3%*		*67,9%*	*68,2%*	
D&A [1)]	-12,7	-12,9	1,3%	-24,6	-26,7	8,6%
Operating Profit (EBIT)	**33,9**	**35,9**	**5,7%**	**68,8**	**69,0**	**0,2%**
Net financial income (expenses)	-1,5	-1,3	-10,4%	-2,9	-2,6	-7,8%
Profit before Income taxes	**32,5**	**34,6**	**6,5%**	**65,9**	**66,3**	**0,6%**
Income Taxes	-9,1	-9,9	8,3%	-18,8	-19,1	1,7%
% tax rate	*28,1%*	*28,5%*		*28,4%*	*28,7%*	
Net Income	**23,4**	**24,7**	**5,8%**	**47,2**	**47,3**	**0,2%**

- **Proceeds from asset sale** included in Other Income
- Non-recurring costs mainly **M&A-related**
- D&A reflecting the **start-up phase of diversification projects**
- Net financial charges benefitting from **lower interest rates**

1) Including provisions

Net Debt bridge



1H 2025 recurring FCFE[6] at ca. € 63m

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 (excl. IFRS-16 component) – P&L Taxes (adjusted to exclude benefits from non-recurring opex) – Recurring Maintenance Capex. Leases estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts;

X,Xx Net Debt/LTM Adjusted EBITDA

Outlook for 2025 updated

Improvement mainly driven by more favorable electricity tariffs and higher non-core benefits

Adjusted EBITDA

- **Adjusted EBITDA now expected above 2024 level**
- Underlying[1] trend confirmed, with further **healthy growth of traditional business** partially offset by **absorption from diversification** (in line with Industrial Plan assumptions)

Capex

- **Maintenance capex above recurring normalized level**, to include extraordinary non-recurring activities
- **Development capex below 2024 level**

Updated to reflect the slight shift to 2026 of certain activities related to various initiatives

1) Excluding changes in Other Income, different level of energy tariffs, personnel cost capitalization and other non-core items

Q&A Session

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Appendix

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Edge DCs: Enterprises reference market

	Type of customer	Typical sales cycle	Why DC is needed: COLOCATION	Why DC is needed: PRIVATE CLOUD
ENTERPRISES	Large	**Simple projects:** up to 6 months **Complex projects:** 12-18 months	Direct Channel	Indirect Channel
	Medium		Direct + Indirect Channel	Indirect Channel
	Small		Indirect Channel	
DIGITAL PLAYERS	Large		Direct Channel	
	Medium / small		Direct Channel	

Rai Way's priority market

Opportunistic approach

Edge DCs: go-to-market improvement

Infrastructure offer extension to better capture the enterprises' DC needs

- Data center requirements originating from private clouds represent approx. half of Rai Way's priority market (medium-size enterprises)
- Needs primarily channeled through System Integrators
- Opportunities to better capture this demand through the **extension of offering to IaaS services,** to include virtualized computational and storage solutions (virtual data center/machines)
- Strong synergies of Rai Way private cloud solutions with unique, neutral, geographically distributed DCs and proprietary fiber network
- **Business Alliance Partnership signed with** Cubbit to power Rai Way cloud storage and jointly exploit the market

- *The first **geo-distributed cloud storage** enabler*
- *Start-up founded at Bologna University in **2016**, now employing **60+ tech talents** after successfully completing acceleration and fundraising campaigns*
- *Proprietary technology adopted by **400+ European companies and partners***
- *Customers: **service providers and enterprises** aiming to deploy their own geo-distributed cloud storage networks*
- ***International tech partners** such as HPE, Acronis, Accenture, and Equinix*

Detailed summary of 1H 2025 Income Statement

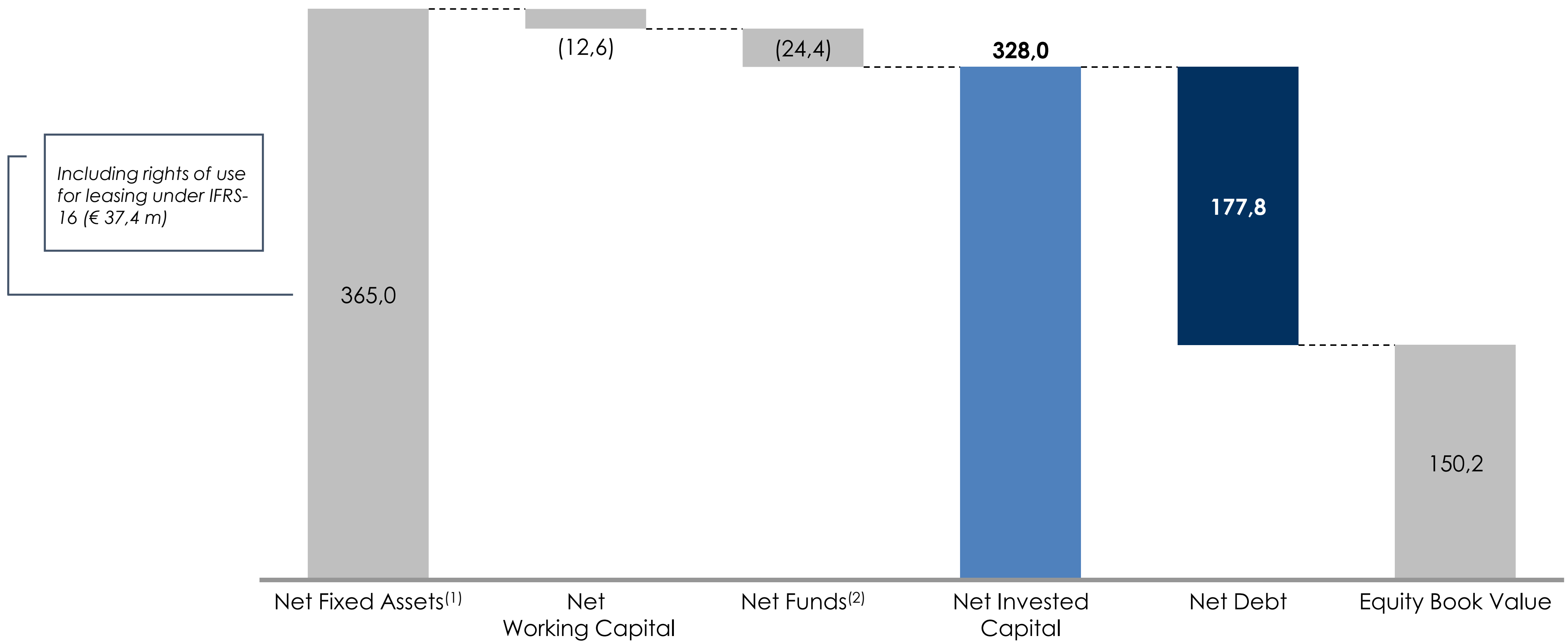
(€m; %)	2Q24	2Q25	1H24	1H25
Core revenues	**68,7**	**70,3**	**137,6**	**140,3**
Other revenues and income	0,1	1,8	0,3	1,9
Purchase of consumables	(0,3)	(0,3)	(0,6)	(0,6)
Cost of services	(9,6)	(9,3)	(19,1)	(18,9)
Personnel costs	(11,8)	(13,1)	(23,5)	(25,7)
Other costs	(0,6)	(0,7)	(1,2)	(1,3)
Opex	**(22,2)**	**(23,4)**	**(44,5)**	**(46,6)**
Depreciation, amortization and write-downs	(12,7)	(12,9)	(24,6)	(26,7)
Operating profit (EBIT)	**33,9**	**35,9**	**68,8**	**69,0**
Net financial income (expenses)	(1,5)	(1,3)	(2,9)	(2,6)
Profit before income taxes	**32,5**	**34,6**	**65,9**	**66,3**
Income taxes	(9,1)	(9,9)	(18,8)	(19,1)
Net Income	**23,4**	**24,7**	**47,2**	**47,3**
EBITDA	**46,6**	**48,8**	**93,4**	**95,7**
EBITDA margin	*67,9%*	*69,3%*	*67,9%*	*68,2%*
Non recurring costs	(0,1)	(0,7)	(0,2)	(0,7)
Adjusted EBITDA	**46,7**	**49,4**	**93,5**	**96,3**
Adjusted EBITDA margin	*68,0%*	*70,3%*	*68,0%*	*68,6%*

Summary of Balance Sheet as at 30 June 2025

(€m)	2024FY	1H2025
Non current assets		
Tangible assets	306,0	301,1
Rights of use for leasing	33,6	37,4
Intangible assets	27,0	25,9
Financial assets, holdings and other non-current assets	0,9	0,9
Deferred tax assets	3,1	2,9
Total non-current assets	**370,7**	**368,2**
Current assets		
Inventories	0,8	0,8
Trade receivables	75,1	74,2
Other current receivables and assets	1,9	3,7
Current financial assets	0,0	0,1
Cash and cash equivalents	13,5	10,3
Current tax receivables	0,1	0,1
Total current assets	**91,3**	**89,2**
TOTAL ASSETS	**462,0**	**457,4**

(€m)	2024FY	1H2025
Shareholders' Equity		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	37,2	37,5
Retained earnings	90,3	47,8
Treasury shares	(19,3)	(19,3)
Total shareholders' equity	**192,5**	**150,2**
Non-current liabilities		
Non-current financial liabilities	100,6	105,0
Non-current leasing liabilities	17,4	21,5
Employee benefits	8,5	8,1
Provisions for risks and charges	20,0	19,2
Other non-current liabilities	0,3	0,2
Total non-current liabilities	**146,7**	**154,0**
Current liabilities		
Trade payables	53,5	29,1
Other debt and current liabilities	46,0	61,6
Current financial liabilities	6,9	43,3
Current leasing liabilities	16,2	18,5
Current tax payables	0,3	0,7
Total current liabilities	**122,8**	**153,2**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**462,0**	**457,4**

Balance Sheet as at 30 June 2025



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

Summary of 1H 2025 Cash Flow Statement

(€m)	2Q2024	2Q2025	1H2024	1H2025
Profit before income taxes	**32,5**	**34,6**	**65,9**	**66,3**
Depreciation, amortization and write-downs	12,7	12,9	24,6	26,7
Provisions and (releases of) personnel and other funds	(0,9)	0,9	0,2	1,9
Net financial (income)/expenses	1,4	1,3	2,8	2,6
Other non-cash items	0,1	(3,8)	0,1	(3,6)
Net operating CF before change in WC	**45,8**	**45,8**	**93,5**	**93,8**
Change in trade receivables	9,7	11,0	0,1	0,5
Change in trade payables	(3,4)	(5,8)	(23,4)	(23,8)
Change in other assets	(0,3)	(0,2)	(2,3)	(1,8)
Change in other liabilities	(7,2)	(6,9)	0,3	0,0
Use of funds	(0,5)	(1,5)	(1,0)	(1,6)
Payment of employee benefits	(0,3)	(1,0)	(1,2)	(1,6)
Change in tax receivables and payables	(0,0)	(0,9)	(0,0)	(0,9)
Taxes paid	-	(1,9)	-	(1,9)
Net cash flow generated by operating activities	**43,8**	**38,7**	**66,1**	**62,7**
Investment in tangible assets	(8,2)	(9,3)	(13,2)	(12,7)
Disposals of tangible assets	-	1,5	-	1,5
Investment in intangible assets	(1,8)	(2,7)	(2,0)	(3,3)
Change in other non-current assets	0,0	(0,0)	0,0	(0,0)
Net cash flow generated by investment activities	**(10,0)**	**(10,5)**	**(15,2)**	**(14,5)**
(Decrease)/increase in medium/long-term loans	-	4,0	-	4,0
(Decrease)/increase in current financial liabilities	19,9	42,1	19,9	36,0
(Decrease)/increase in IFRS 16 financial liabilities	(4,6)	(0,1)	(8,0)	(0,1)
Change in current financial assets	0,0	(0,2)	0,1	(0,2)
Net Interest paid	(1,3)	(1,8)	(1,4)	(1,8)
Dividends paid	(86,4)	(89,2)	(86,4)	(89,2)
Net cash flow generated by financing activities	**(72,4)**	**(45,2)**	**(75,7)**	**(51,4)**
Change in cash and cash equivalent	**(38,5)**	**(17,0)**	**(24,9)**	**(3,1)**
Cash and cash equivalent (beginning of period)	47,7	27,4	34,1	13,5
Cash and cash equivalent (end of period)	9,2	10,3	9,2	10,3

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