

1Q 2025 Results Presentation

14th May 2025

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Rai Way

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Forward-looking statements

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Speakers



Roberto Cecatto, Chief Executive Officer



Adalberto Pellegrino, Chief Financial Officer



Giancarlo Benucci, Chief Corporate Development Officer

Key messages on 1Q 2025

Financial Results – 1Q 2025 trend in line with expectations:

- **Core Revenues up 1,7%** vs 1Q 2024 supported by both segments (Media Distribution and Digital Infrastructure), mainly driven by CPI and rising tower hosting volumes with radio broadcasters and FWAPs
- **Stable Adj. EBITDA (+0,2%)** vs 1Q 2024, as a result of:
 - Solid underlying⁽¹⁾ operating leverage and profitability of the **traditional business**
 - Absorption from **diversification initiatives** in line with expectations and FY guidance
 - Higher energy tariffs offset by non-core benefits
- Typical low level of **maintenance capex** in 1Q; temporary deceleration in **development investments** reflecting the negotiation phase for the DAB project (finalized in 1Q) and the completion of the first phase of new projects deployment
- **Recurring FCFE generation⁽²⁾** at ca € 32m

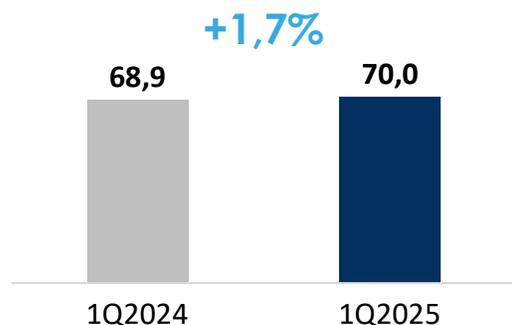
Operating update:

- **CDN:** ongoing commercial negotiations with some major content providers, following positive outcome of the trials
- **Relocation of the Rome HQ** completed

Outlook: guidance for FY 2025 confirmed

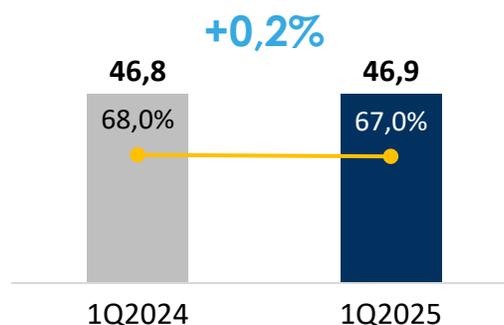
1 Q 2025 Financial highlights

Core revenues (€m)

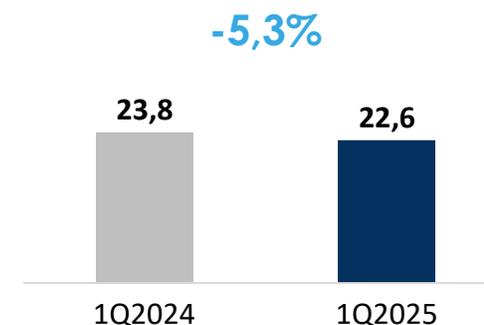


Adjusted EBITDA (€m)

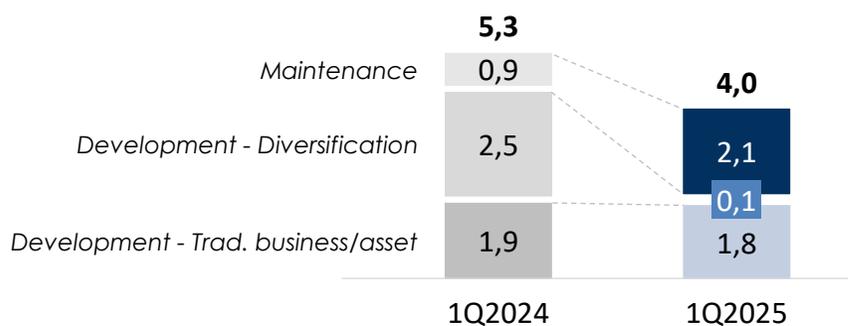
Adjusted EBITDA margin



Net Income (€m)

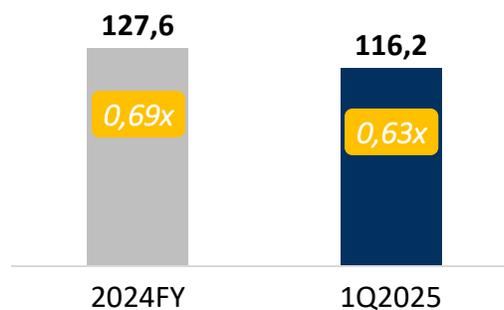


Capex¹ (€m)

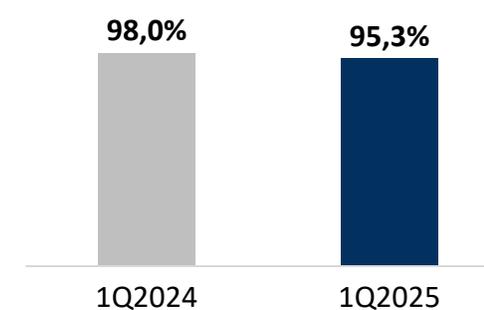


Net Debt (Cash) (€m)

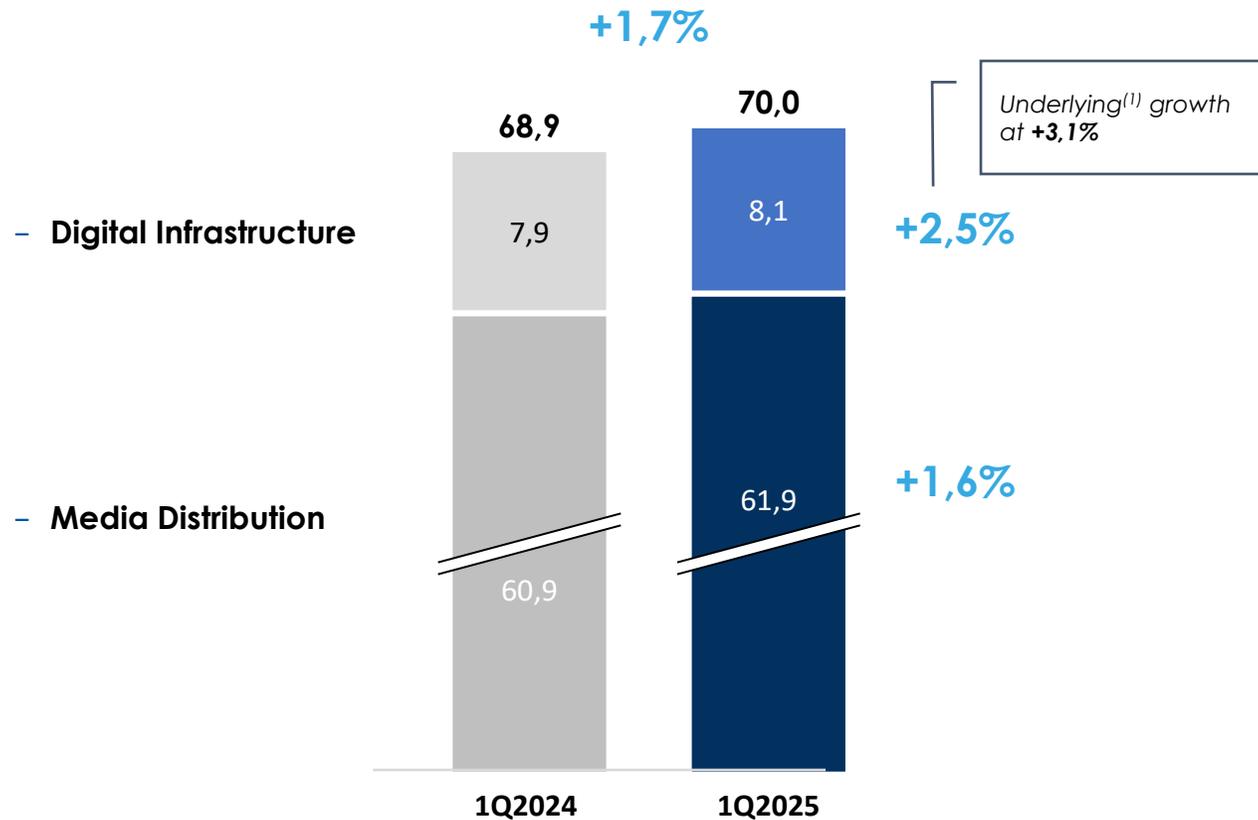
Net Debt/Adjusted EBITDA



Cash Conversion²

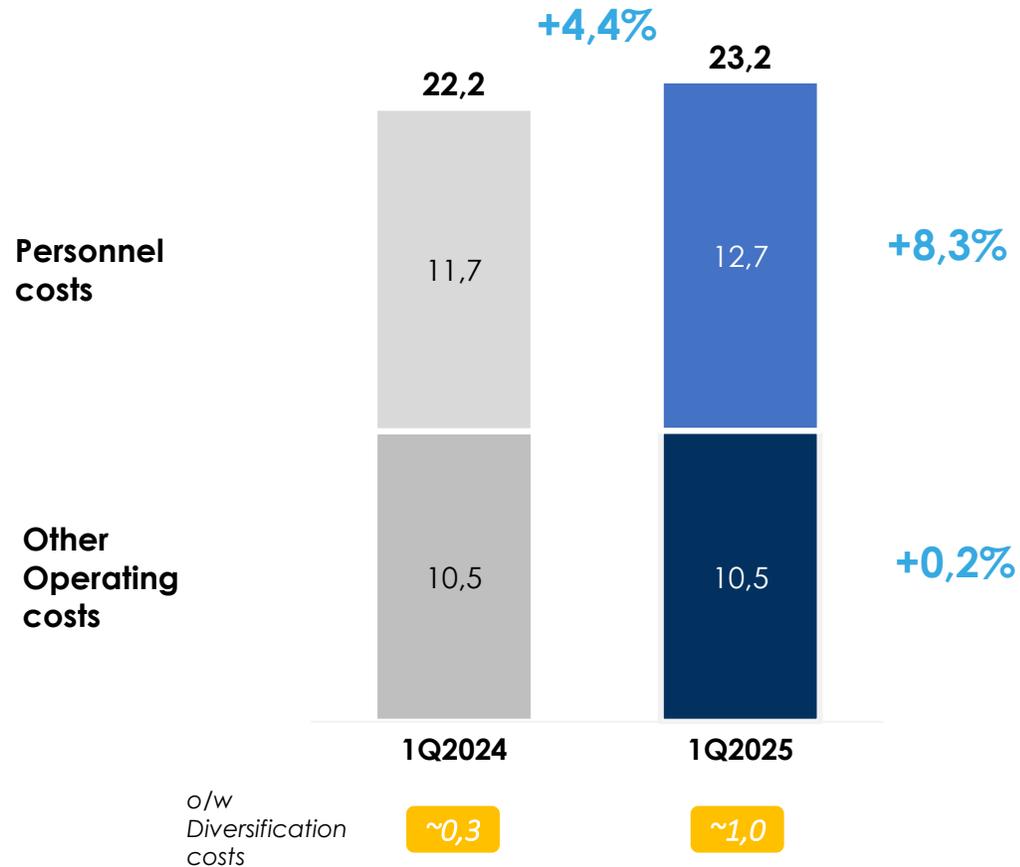


Core revenues



- **Media Distribution up 1,6%**, mainly driven by link to inflation
- **Digital Infrastructures underlying⁽¹⁾ performance up 3,1%**, mainly reflecting:
 - rising volumes with Radio Broadcasters, FWA providers and PA in Tower Hosting
 - first contribution from Edge DC business

Opex (excluding non-recurring)



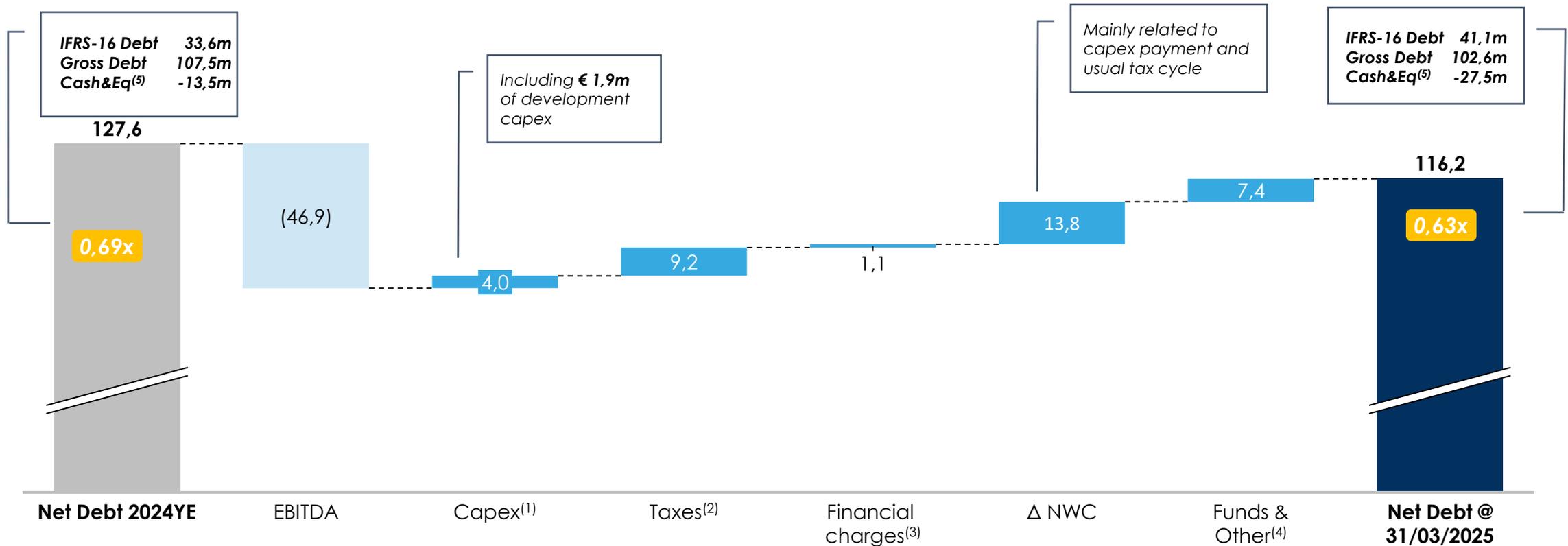
- **Personnel cost up approx. 4% YoY**, when excluding lower level of capitalization compared to 1Q24
- **Broadly stable Other Operating costs** with:
 - higher energy tariffs (+1,1m) and
 - diversification-related costs offset by further cost efficiencies in the traditional business and certain non-recurring benefits

P&L

<i>Eur Mln, %</i>	1Q2024	1Q2025	% YoY
Core Revenues	68,9	70,0	1,7%
Other Revenues & income	0,1	0,1	
Adj. EBITDA	46,8	46,9	0,2%
<i>% margin</i>	68,0%	67,0%	
Non recurring costs	-0,1	0,0	
EBITDA	46,7	46,9	0,4%
<i>% margin</i>	67,9%	67,0%	
D&A ¹⁾	-11,9	-13,8	16,4%
Operating Profit (EBIT)	34,9	33,1	-5,1%
Net financial income (expenses)	-1,4	-1,3	-5,0%
Profit before Income taxes	33,5	31,7	-5,1%
Income Taxes	-9,6	-9,2	-4,6%
<i>% tax rate</i>	28,8%	29,0%	
Net Income	23,8	22,6	-5,3%

- Net Income evolution in line with the trend envisaged in the Industrial Plan
- Adjusted EBITDA, D&A and financial charges reflecting the **start-up phase of diversification projects**

Net Debt bridge



1Q 2025 recurring FCFE⁽⁶⁾ at ca. € 32m

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;

Outlook for 2025 confirmed

Adjusted EBITDA

Further healthy Adj. EBITDA growth of traditional business, substantially offset by:



- higher energy prices
- higher absorption from diversification (in line with Industrial Plan assumptions)

Capex



- Maintenance capex above recurring normalized level, to include extraordinary non-recurring activities
- Development capex substantially in line with 2024 and dedicated to diversification, DAB roll-out and other Third-Party / internal projects

Q&A Session

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Detailed summary of 1Q 2025 Income Statement

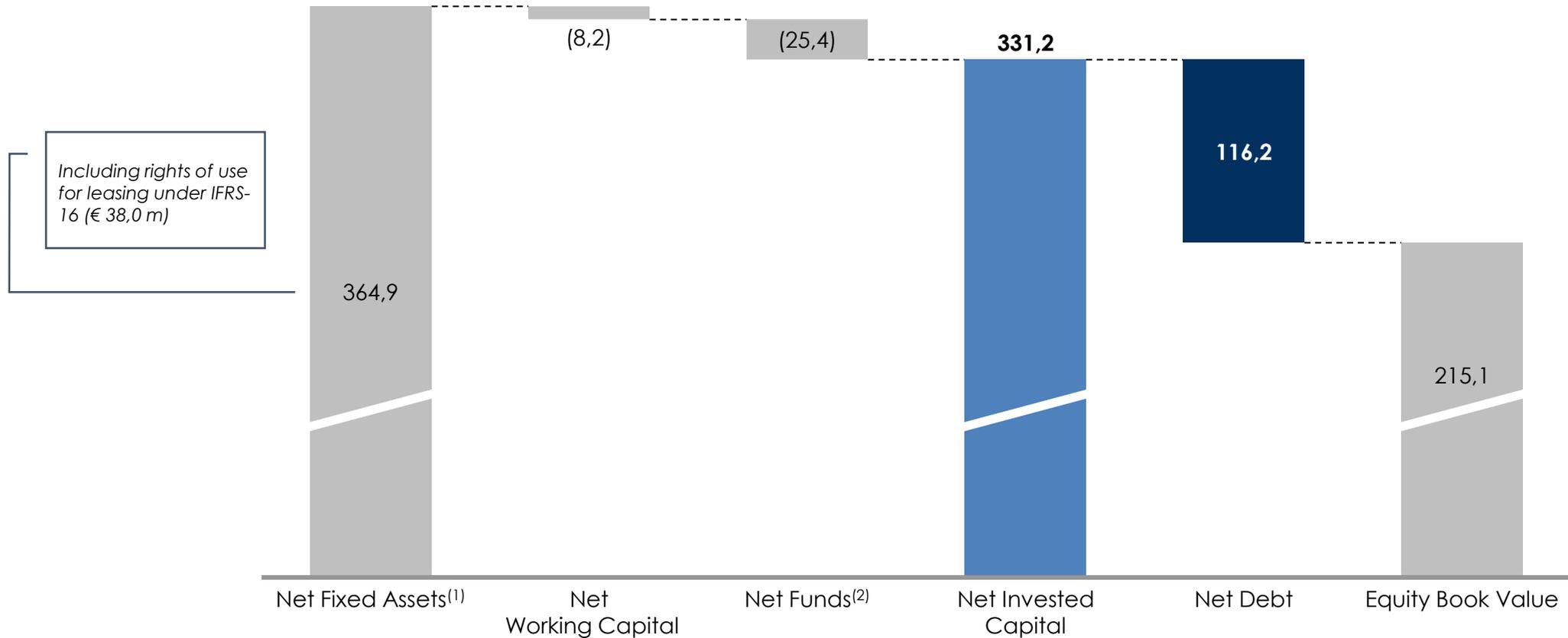
(€m; %)	1Q24	1Q25
Core revenues	68,9	70,0
Other revenues and income	0,1	0,1
Purchase of consumables	(0,3)	(0,3)
Cost of services	(9,6)	(9,6)
Personnel costs	(11,8)	(12,7)
Other costs	(0,6)	(0,6)
Opex	(22,3)	(23,2)
Depreciation, amortization and write-downs	(11,9)	(13,8)
Operating profit (EBIT)	34,9	33,1
Net financial income (expenses)	(1,4)	(1,3)
Profit before income taxes	33,5	31,7
Income taxes	(9,6)	(9,2)
Net Income	23,8	22,6
EBITDA	46,7	46,9
<i>EBITDA margin</i>	67,9%	67,0%
Non recurring costs	(0,1)	-
Adjusted EBITDA	46,8	46,9
<i>Adjusted EBITDA margin</i>	68,0%	67,0%

Summary of Balance Sheet as at 31 March 2025

(€m)	2024FY	1Q2025
Non current assets		
Tangible assets	306,0	300,7
Rights of use for leasing	33,6	38,0
Intangible assets	27,0	25,5
Financial assets, holdings and other non-current assets	0,9	0,9
Deferred tax assets	3,1	3,2
Total non-current assets	370,7	368,4
Current assets		
Inventories	0,8	0,8
Trade receivables	75,1	85,5
Other current receivables and assets	1,9	3,6
Current financial assets	0,0	0,1
Cash and cash equivalents	13,5	27,4
Current tax receivables	0,1	0,1
Total current assets	91,3	117,4
TOTAL ASSETS	462,0	485,7

(€m)	2024FY	1Q2025
Shareholders' Equity		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	37,2	37,3
Retained earnings	90,3	112,8
Treasury shares	(19,3)	(19,3)
Total shareholders' equity	192,5	215,1
Non-current liabilities		
Non-current financial liabilities	100,6	100,6
Non-current leasing liabilities	17,4	22,0
Employee benefits	8,5	8,4
Provisions for risks and charges	20,0	20,3
Other non-current liabilities	0,3	0,3
Total non-current liabilities	146,7	151,5
Current liabilities		
Trade payables	53,5	35,5
Other debt and current liabilities	46,0	60,7
Current financial liabilities	6,9	2,0
Current leasing liabilities	16,2	19,1
Current tax payables	0,3	1,9
Total current liabilities	122,8	119,1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	462,0	485,7

Balance Sheet as at 31 March 2025



Summary of 1Q 2025 Cash Flow Statement

(€m)	1Q2024	1Q2025
Profit before income taxes	33,5	31,7
Depreciation, amortization and write-downs	11,9	13,8
Provisions and (releases of) personnel and other funds	1,0	1,0
Net financial (income)/expenses	1,3	1,3
Other non-cash items	-	0,1
Net operating CF before change in WC	47,7	48,0
Change in inventories	-	-
Change in trade receivables	(9,6)	(10,5)
Change in trade payables	(20,0)	(18,0)
Change in other assets	(2,1)	(1,6)
Change in other liabilities	7,5	6,9
Use of funds	(0,5)	(0,1)
Payment of employee benefits	(0,9)	(0,6)
Net cash flow generated by operating activities	22,3	24,0
Investment in tangible assets	(5,0)	(3,4)
Investment in intangible assets	(0,2)	(0,6)
Change in other non-current assets	0,0	-
Net cash flow generated by investment activities	(5,3)	(4,0)
(Decrease)/increase in current financial liabilities	-	(6,1)
(Decrease)/increase in IFRS 16 financial liabilities	(3,3)	(0,0)
Change in current financial assets	0,0	(0,0)
Net Interest paid	(0,1)	(0,0)
Net cash flow generated by financing activities	(3,4)	(6,1)
Change in cash and cash equivalent	13,6	13,9
Cash and cash equivalent (beginning of period)	34,1	13,5
Cash and cash equivalent (end of period)	47,7	27,4