Investor Presentation

Infrastructure & Energy Day - Euronext
12 September 2024

Way
to go

Rai Way

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.

Agenda

1H2024 results and Outlook

2024-2027 Industrial Plan

- Assets, market trends and strategy
- Financial targets

Key messages

Financial Results – First-half trend in line with expectations:

- **Total Revenues up 1,2% vs 1H2024**, with underlying Third-Party performance at +4% supported by CPI, regional frequencies and hosting services to FWA and radio broadcasters
- **Adjusted EBITDA up 3,0% with profitability improvement of 120bps at 68%,** benefiting from i) higher level of capitalized personnel and ii) other costs rationalization more than offsetting higher energy bill (+25% in the 2Q due to lack of incentives)
- **Development Capex at € 12,2m**, more than half deployed on diversification projects

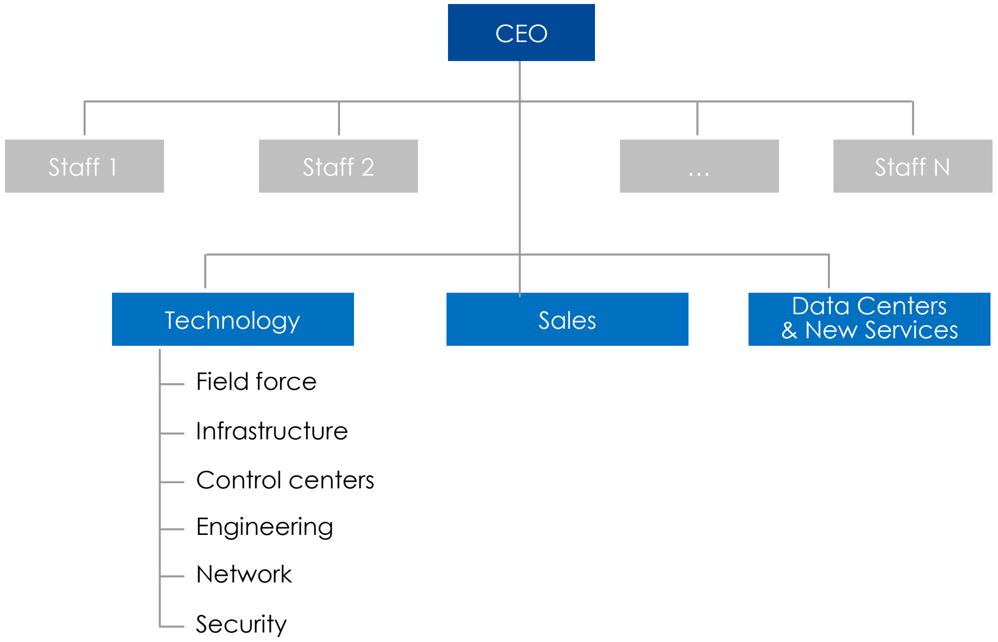
Operations – Relentless focus on Industrial Plan execution:

Traditional business	Diversification	Enablers
○ **Design activities on DAB network extension underway**	○ **First 5 Edge DCs completed** and ready for commercialization ○ Commercial **partnership** with **Oracle** finalized ○ **Edge CDN functional trials started**	○ **New, more business-oriented organization**

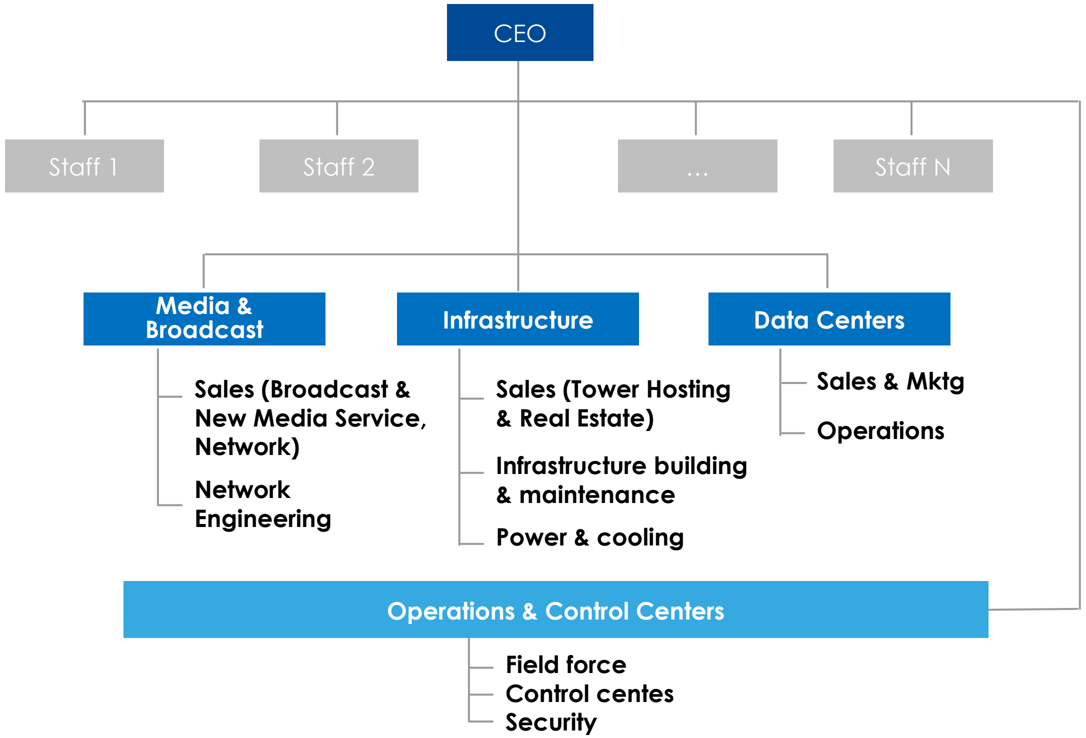
Outlook – FY guidance for Adjusted EBITDA growth over 2023 confirmed

FOCUS ON: New organisational structure

From functional…



…to divisional organisation



- More (new) business oriented
- Specific revenue and management levers allocated to different divisions
- Cross-functional operations to support all businesses

FOCUS ON: first 5 new edge DCs completed

TURIN

- 118 sqm data hall
- 39 racks
- Up to 280 kW IT load

MILAN

- 230 sqm data hall
- 60 racks
- Up to 450 kW IT load

VENICE

- 118 sqm data hall
- 32 racks
- Up to 204 kW IT load

GENOA

- 105 sqm data hall
- 32 racks
- Up to 204 kW IT load

FLORENCE

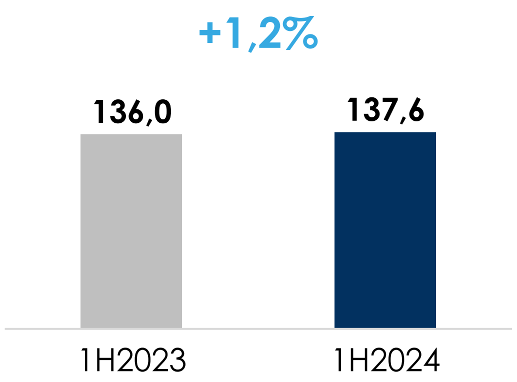
- 185 sqm data hall
- 60 racks
- Up to 432 kW IT load

- **747 sqm data hall**
- **249 racks**
- **1.6 MW** IT load
- Coverage of Northern Italy
- **Commercial partnership** with Oracle signed

- Edge DCs regions to follow: Puglia, Sicilia, Emilia Romagna, Campania

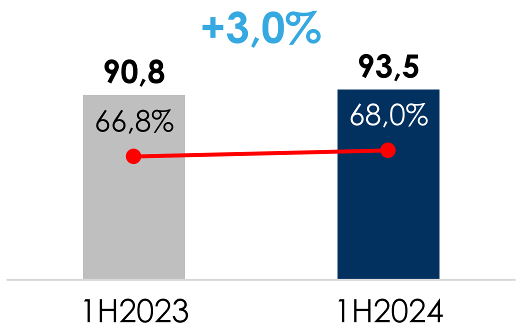
1H2024 Financial highlights

Core revenues (€m)

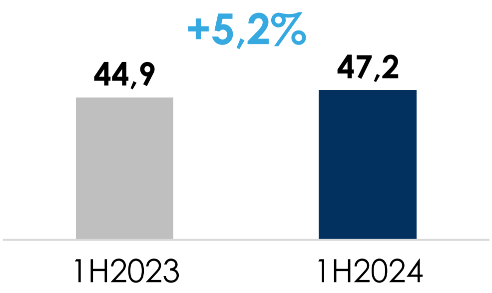


Adjusted EBITDA (€m)

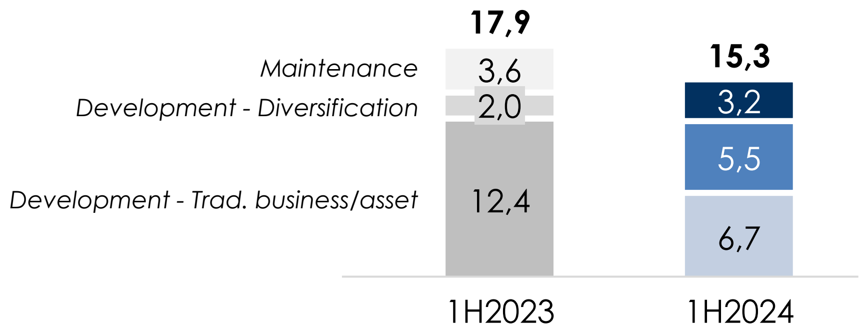
Adjusted EBITDA margin



Net Income (€m)

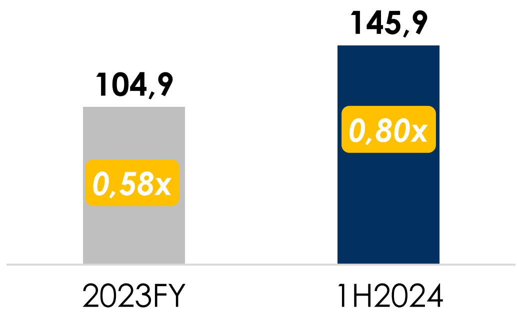


Capex[1] (€m)

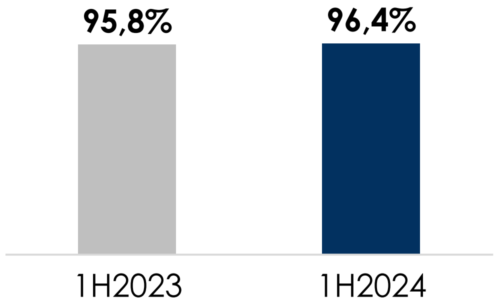


Net Debt (Cash) (€m)

Net Debt/Adjusted EBITDA

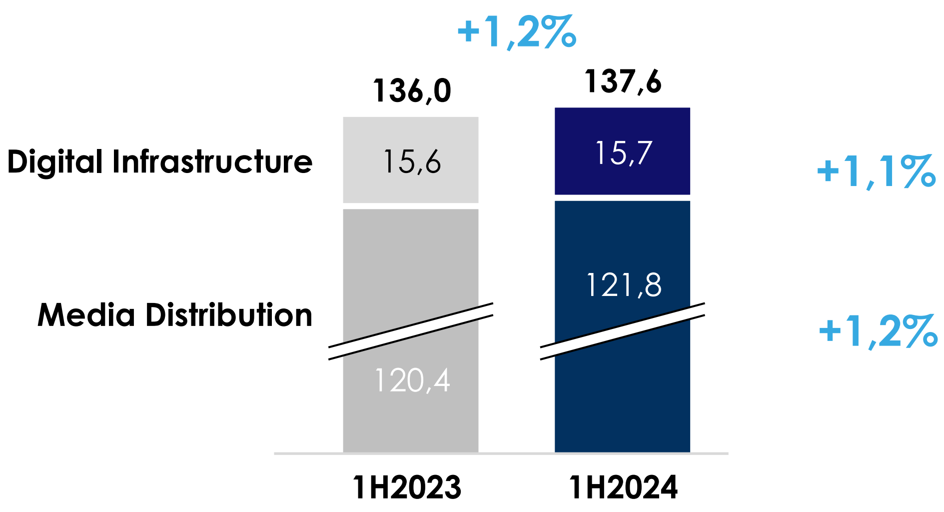


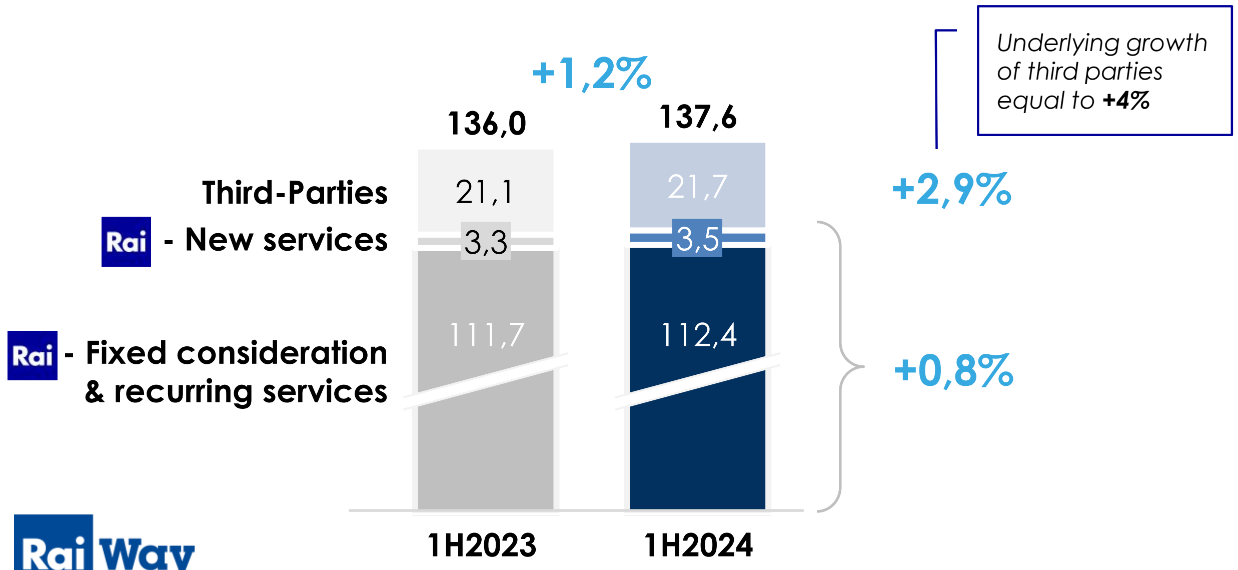
Cash Conversion[2]



1) Excluding component related to IFRS-16 leasing; Development capex include € 0,1 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





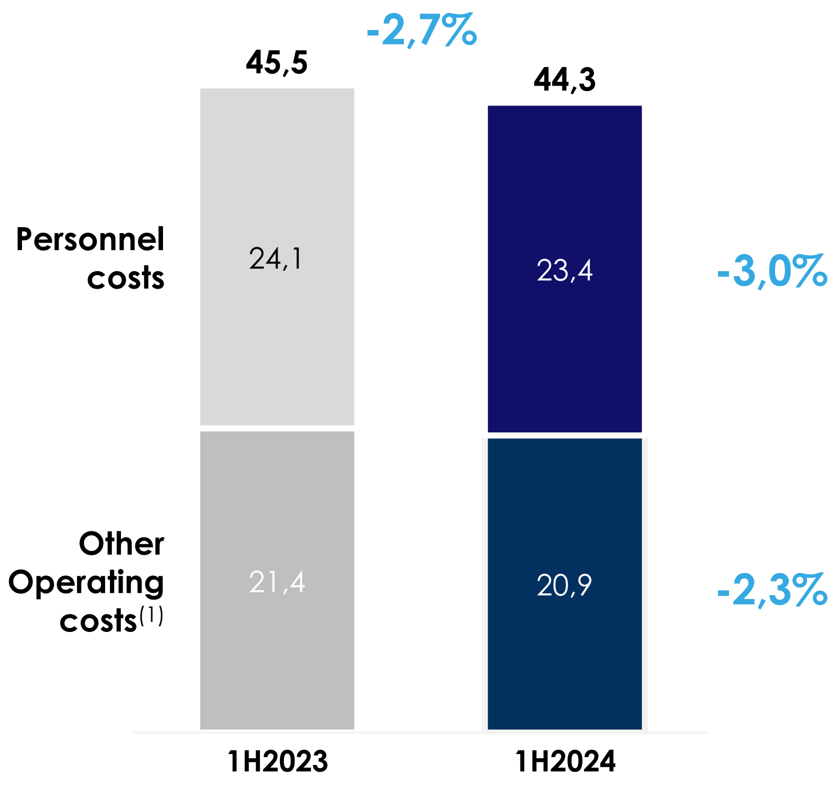
Media Distribution up 1,2% reflecting:

- CPI-link
- new services to RAI (+7,2%), driven by improvement of DTT networks coverage
- contractual step-up in regional broadcasting networks contribution (+10,7%)

Underlying Digital Infrastructures performance +3% (excluding non-core and residual refarming impacts), supported by:

- CPI
- mid-to-high single-digit growth of FWAPs and radio broadcasters in Tower Hosting

Opex (excluding non recurring)



- **Personnel cost broadly flat YoY** when excluding higher level of capitalization compared to 1H23 (€ +0.8m)
- **Other Operating costs down 2,3%:**
  - **Energy bill up 6,9%** in 1H (+25,1% in 2Q) following **lack of incentives** reported in 1H23

	2024			2023			
	1Q	2Q	1H	1Q	2Q	1H	2H
Raw energy[2] price (€/MWh)	101	111	106	160	124	142	126
Tax credit impact (€/MWh)	-	-	-	-40	-34	-37	-
Other tariff components (equivalent per MWh)	92	97	95	90	77	83	66
Total price (equivalent per MWh)	**194**	**208**	**201**	**209**	**167**	**188**	**193**
Consumption (GWh)	**16,6**	**16,8**	**33,4**	**16,6**	**16,6**	**33,3**	**34,1**
Energy bill (€ mln)	**3,2**	**3,5**	**6,7**	**3,5**	**2,8**	**6,3**	**6,6**
Delta %	*-7,6%*	*25,1%*	***6,9%***				

  - **Rationalization of Other costs (-6% or € -1m)** across different lines (fiber rental thanks to switch to proprietary backbone, intercompany services internalization, …)
- **Start-up costs** related to diversification initiatives in 1H24 of ca. € 0,9m, mainly on personnel

1) Other Operating Costs net of tax credits related to electricity expenses reported in 1H2023
2) Average raw energy price paid (€/MWh) Including spread and green energy option

Rai Way

P&L

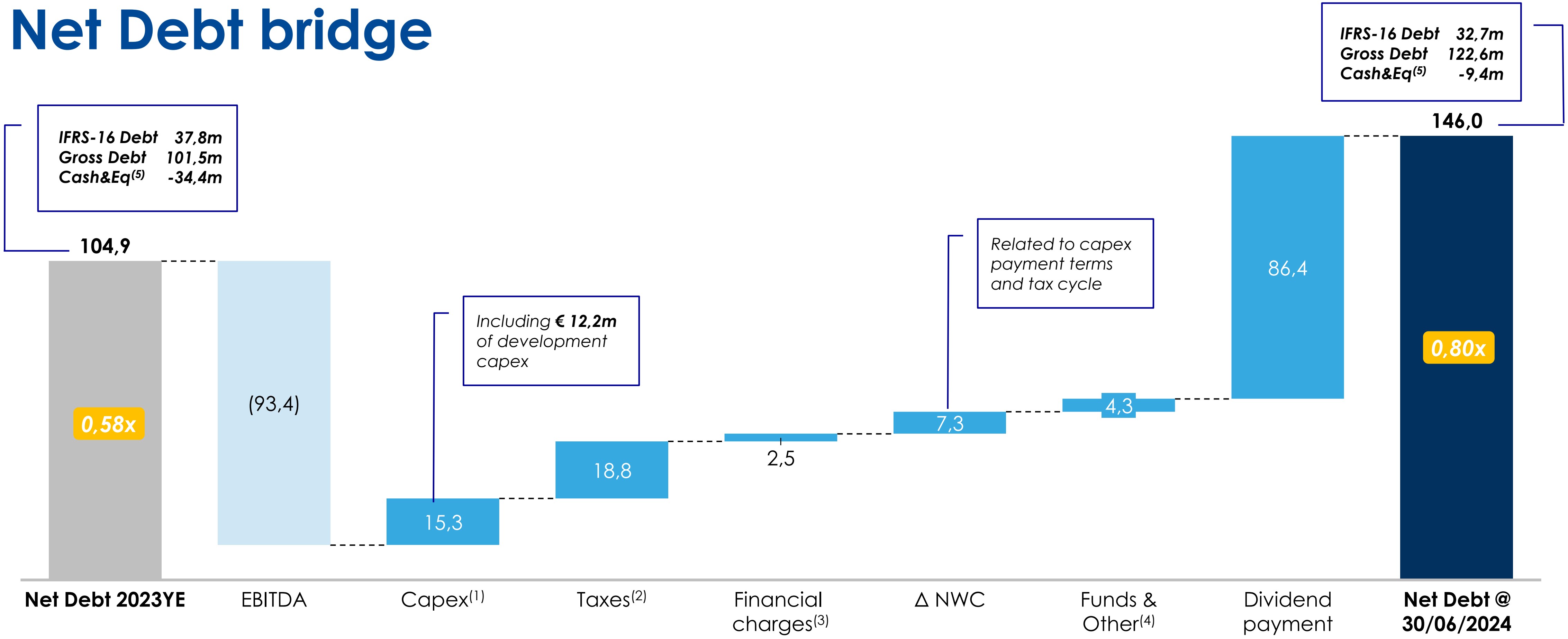
Eur Mln, %	2Q2023	2Q2024	% YoY	1H2023	1H2024	% YoY
Core Revenues	**68,1**	**68,7**	**0,8%**	**136,0**	**137,6**	**1,2%**
Other Revenues & income [1]	0,0	0,1		0,3	0,3	
Adj. EBITDA	**46,3**	**46,7**	**0,8%**	**90,8**	**93,5**	**3,0%**
% margin	*68,0%*	*68,0%*		*66,8%*	*68,0%*	
Non recurring costs	-3,6	-0,1		-3,6	-0,2	
EBITDA	**42,7**	**46,6**	**9,1%**	**87,2**	**93,3**	**7,1%**
% margin	*62,7%*	*67,8%*		*64,1%*	*67,8%*	
D&A [2]	-11,6	-12,7	9,5%	-22,7	-24,6	8,5%
Operating Profit (EBIT)	**31,1**	**33,9**	**9,0%**	**64,5**	**68,8**	**6,6%**
Net financial income (expenses)	-1,0	-1,5	42,6%	-1,8	-2,9	63,2%
Profit before Income taxes	**30,1**	**32,4**	**7,8%**	**62,7**	**65,9**	**5,0%**
Income Taxes	-8,7	-9,1	4,6%	-17,9	-18,8	4,9%
% tax rate	*29,0%*	*28,1%*		*28,5%*	*28,5%*	
Net Income	**21,4**	**23,3**	**9,1%**	**44,9**	**47,1**	**5,1%**

1H24 Net Income up by 5,2% at € 47,2m:

- Higher Adj. EBITDA (+3,0%) and profitability (+120bps at 68%)
  - When excluding impacts from energy tariffs and personnel capitalization, higher growth in 2Q vs 1Q
- Higher D&A as a result of the investment activity
- Financial charges reflecting higher interest rates
- Stable tax rate back

1) 1H23 Other Revenues and income net of tax credit related to electricity expenses
2) Including provisions

Net Debt bridge



1H2024 recurring FCFE[6] at ca. € 64m

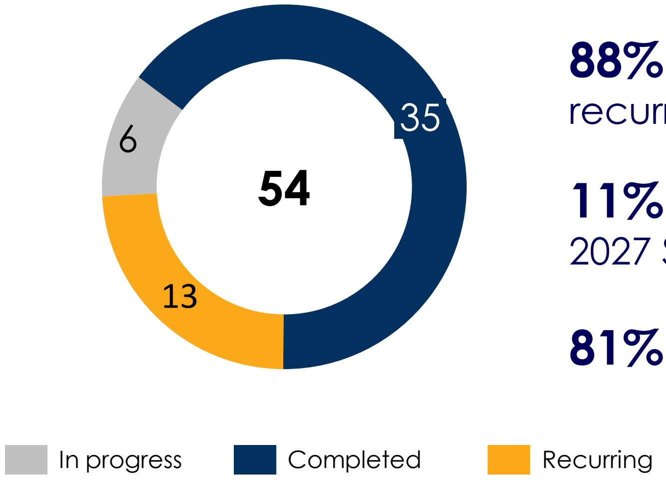
1) Excluding component related to IFRS-16 leasing; 2) P&L taxes; 3) P&L financial charges excluding interests on employee benefit liability and interests on leasing contracts; 4) Including renewal of leasing contracts and interests on leasing contracts; 5) Including current financial assets; 6) Recurring 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

Sustainability: targets achieved

Sustainability Plan 2021-2023

Strategic Guidelines	**6**
Objectives and target	**20+16**
Operational initiatives	**54**

- Increased coverage of the entire DTT network as part of the **refarming process**
- **- 26.4%** of EE consumption vs. 2020 values
- **100%** purchased **renewable energy**
- **Gender Equality Certification**
- **Sustainable Supply Chain Policy**



88% of completed initiatives (including recurring/compliance initiatives)

11% of initiatives to be completed within the 2024-2027 Sustainability Plan

81% of quantitative targets achieved

ESG Rating

CDP
DISCLOSURE INSIGHT ACTION

Feb. 2024
Score: **A-**
Previously B- Management

MSCI

Feb. 2024
Score: **BBB**
Previously BBB

S&P Global

Gen. 2024
Score: **46/100 73°**
Previously 53/100 81°

SUSTAINALYTICS
a Morningstar company

Mar. 2023
Score: **10,9 – Low risk**
Previously 6,6 - Negligible

INTEGRATED GOVERNANCE INDEX

Jun. 2023
Score: **57/98 – 41,8/100**
Previously 44/86 [45,5/100]

Rai Way

Updated outlook for 2024

Outlook based on current level of power futures for 2024[1]

Adjusted EBITDA

Growth of Adjusted EBITDA vs 2023, despite new infra costs and lack of energy tax credits

Growth further supported by i) non-recurring items and ii) better cost management performance more than offsetting higher energy tariffs

- CPI-link (+0,7% for RAI contract)
- Rising contribution from New Services to RAI and broadcasting services to regional broadcasters
- Higher expected energy tariff due to lack of tax credits[1]
- Costs related to new infrastructure/services, broadly offset by lower other opex

Capex

Maintenance capex in line with 2023 level

Development capex in line with 2023 level

- Compared to previous indications, Maintenance now expected in line with 2023 due to deferral of certain activities to next year
- Large majority of development capex devoted to diversification and other Third-Party / internal projects

1) Average level of raw energy price for 2H2024 (excluding spread, green energy option and effect of tax credits) assumed at ca. 105-110€/MWh

Agenda

1H2024 results and Outlook

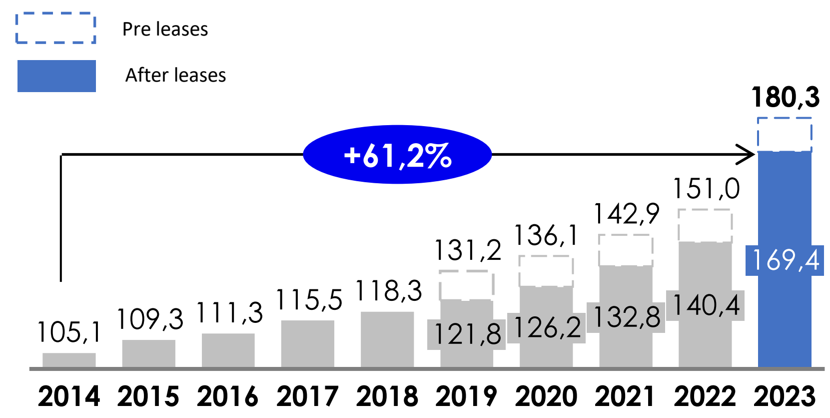
2024-2027 Industrial Plan

- Assets, market trends and strategy
- Financial targets

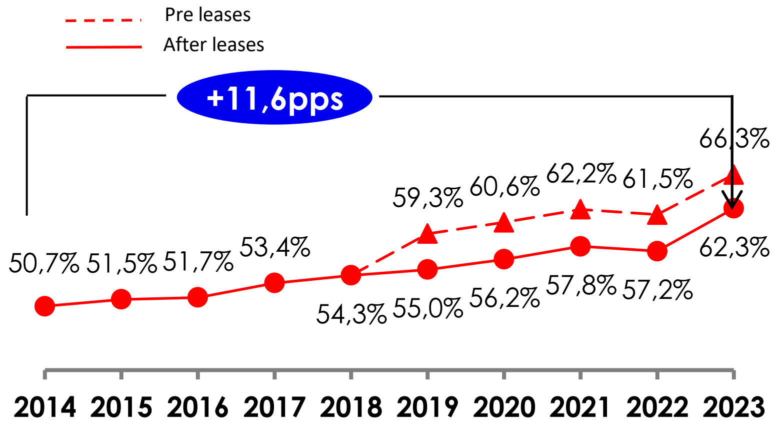
After nine consecutive years of steady growth…

Mln Eur; %

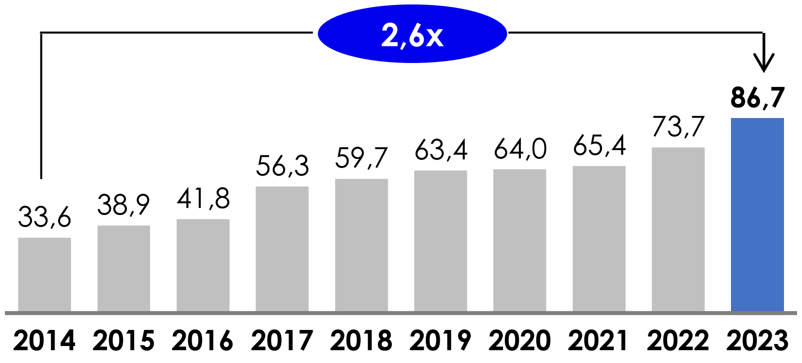
Adj. EBITDA (pre and after leases[1])



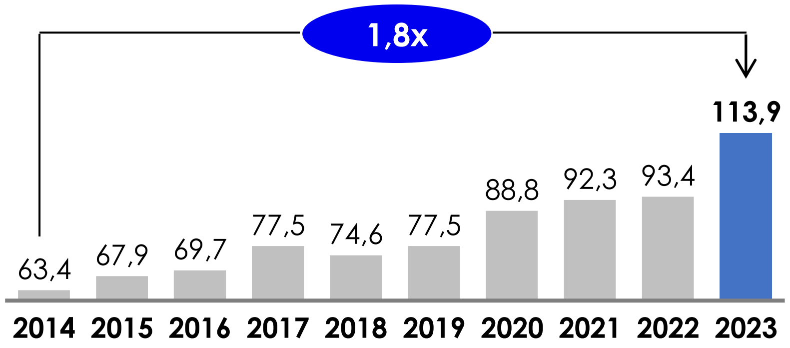
Adjusted EBITDA margin (pre and after leases[1])



NET INCOME



RECURRING FCFE[1,2]



1) Recurring FCFE = Adj. EBITDA – Leases – Net Financial Charges – P&L Taxes – Recurring Maintenance Capex. Figure for 2021 restated to exclude a € 1 mln one-off tax benefit
2) Leases impact estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts

…the new Industrial Plan addresses key levers to unlock Rai Way's full pontential, while preserving its distinctive features

Pillars of Rai Way's equity story

Revenue predictability granted by strong backlog

Protection from macro headwinds

Best-in-class profitability

Record cash generation compared to industry levels

Generous dividend payout

Growth and capital deployment opportunities

2024-27 Industrial Plan: addressed value levers

Industrial Plan pillars	
Strengthening traditional business	Cash generation enhancement
Value-creating diversification	• Returns • Growth profile • Long term sustainability
External growth	• Size • Synergies • Capital structure

Full awareness of key levers

Commitment to execution to unlock relevant Shareholders' value

Best-in-class and diversified asset portfolio underpinning a leading role as media distribution services and integrated digital infrastructure provider

Towers
- 2,300 broadcast towers

Broadcast networks
- 3 national MUX for RAI
- 8 regional MUXes
- 7 national radio networks for RAI

Transmission network
- 6,000km Fiber backbone
- Radio links
- Satellite systems

Data centers
- Network of interconnected edge DCs
- 1 hyperscale DC in Rome (under authorization)

Edge CDN
- Capillary CDN for low latency video/data distribution

Control Centers
- 2 NOC for transmission network and diffusion
- 1 SOC

Land & Real estate

Distributed workforce
- ~600 employees, half of which across the territory

Client portfolio
- Media, telco, corporate, and PA clients to leverage for diversification (cross selling)

- **Best broadcast infrastructure**
- **Carrier-neutral, state of the art, integrated infrastructure one-stop-shop for clients' networks and data hosting**
- **National footprint**

The latest trends in media and digital infrastructure markets confirm the rationale behind the development guidelines

Trends

Media Services

- **Video consumption** going up, driven by strong OTT platform growth
  - **Video broadcasting:** DTT resilience, confirming view on platform coexistance; broadcast network operators market structure stable following refarming conclusion — ≈
  - **Video streaming:** traffic volumes expected to keep growing as younger population increases media consumption — ↗↗
- **Radio:** market growing steadily post-pandemic, with sizeable opportunities to expand DAB network coverage — ↗

Digital infrastructure

Tower and hosting market still defined by growth opportunities:

- **5G** macro network expansion ongoing (in rural areas) with polarization on captive towerco
- **FWA** network growth, helped by Piano Italia 1Giga
- Demand from **other client types** (radio x DAB, IoT, ISP, …)
- **TLC** clients **under pressure**, with risks linked to access network / operator consolidation
- **TowerCos:** established spin-off practice to leverage synergies and push to diversification

↗ ?

Data centers:

- **Demand growth** due to **data traffic increase**, **cloud adoption**, **new tech** (AI, IoT, Big Data) and **GDPR**; low latency applications require widespread distribution
- **Offer in Italy still limited** vs potential **fragmented,** and geographically bound

↗↗

2024-27 Industrial Plan Pillars

		Media Distribution	Digital Infrastructure	Other assets
Operational	Traditional Businesses / assets	• **Network provider** (Rai) • **Broadcasting** (regional BCs & others) • **Transmission** • **Network services**	• **Tower hosting** • **Connectivity**	• **Land portfolio**
		Networks coverage extension	Networks coverage extension	
			Valorization of internal assets	Valorization of internal assets
		Operating Efficiency improvements	Operating Efficiency improvements	
	Diversification areas	• **Edge CDN**	• **Hyperscale DC** • **Edge DCs**	
		Widening role in media value chain	Digital Infrastructure expansion	
Fin.		External growth & capital structure improvement	External growth & capital structure improvement	External growth & capital structure improvement

Enhance Rai Way positioning as media distribution services and digital infra provider

1) Strengthening traditional businesses/assets, by:

1.a) Taking advantage of selected **growth opportunities**, mainly related to network coverage extension

1.b) Increasing value of internal asset currently not used to full potential:

1.c) Improving operational efficiency, through:

- Operating model evolution
- Real Estate footprint optimization

2) Widening our role in the Media Value Chain, capturing rising demand for IP content distribution

3) Expanding digital infrastructure, completing roll-out and marketing the Data Center network to support digital transition

4) Speeding up strategy and improving capital structure through **external growth:**

- Achieving synergies and reduction of time-to-market
- Enhancing Shareholders' return

2024–2027 Capital allocation

2027 Target

Organic development investments[1]

Traditional Businesses / assets

~€ 98 Mln Development Capex

~6,5% recurring *maintenance capex on sales level*

- Revenues growth doubling CPI contribution
- Adj. EBITDA +€24m vs '23 (+13%, CAGR +3,2%), with ca. 150bps margin improvement
- Rec. FCFE generation at ~€130 Mln in 2027, +15% vs. 2023

Diversification areas

~€ 138 Mln Development Capex[2]

Negligible *maintenance capex during plan period*

- 2027 Revenues contribution > € 10 Mln
- Marginal contribution to 2027 EBITDA and Rec. FCFE
- Run-rate EBITDA contribution expected > € 15m, with sizeable scalability opportunities

Dividends paid to shareholders

100% Payout ratio

~€ 350M distributed in 2024-27

- Distribution of >25% of market cap[3] over the 4 years Plan horizon

Growth through acquisitions

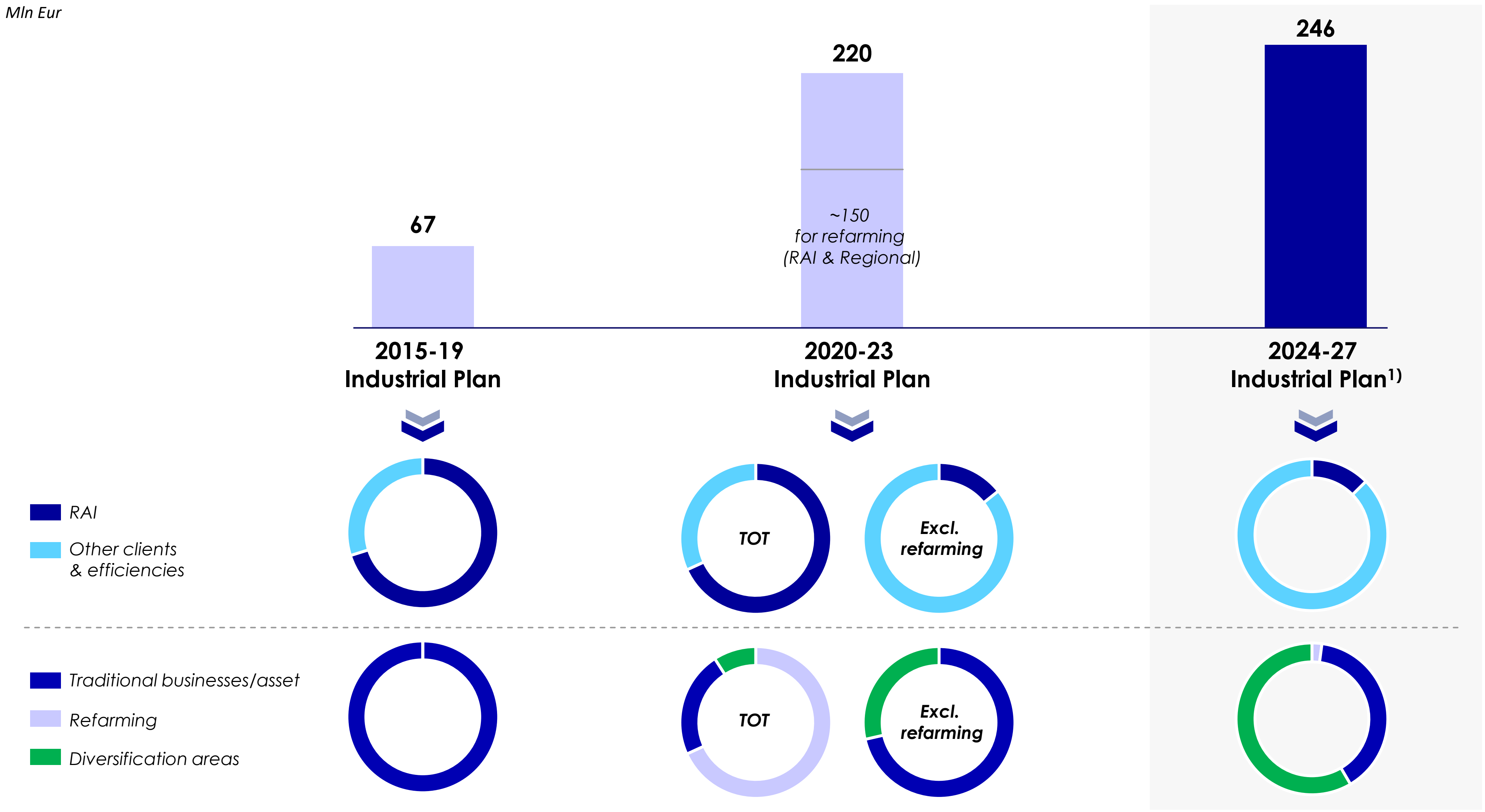
~1,4x 2027 Net Debt/ EBITDA[4]

Organic capital structure

- Availability of resources to finance external growth targeting:
  - industrial synergies
  - diversification acceleration
- Improve capital structure

1. Excluding cost of capitalized personnel. 2. Including development of CDN, 10 edge DC for ca. 3MW and first data hall of the hyperscale DC for 4,4MW (half of Module1) 3. Based on market closing price on 22/03/2024 (4,8 €/share) 4. Post IFRS-16

(Organic) Development investments: traditional businesses/assets continue to offer opportunities, acceleration of new infrastructure deployment



1) Capex including capitalized personnel

Rai Way

Value creation on main projects

Mln Eur

Pillar		EBITDA '27	CapEx 24-27[a]		EBITDA run-rate (*Plan +5y*)	Incremental CapEx post 2027	CapEx/ EBITDA	Unlev. IRR
Trad. Business/ assets	Growth opportunities Internal asset valorization Operating efficiency improvement	~14	~71				~5x	
Diversification	Media value chain extension Digital Infrastructure expansion	~1[b]	~138[b]	*No extra-capex (HS DC at 4,4MW)*	>15[b]	-	~9x[d]	>10%
				Further development of the HS DC to17,6MW	>30[c]	~+160[c]		

vs comp. EV/ EBITDA trading multiples:
~20-30x DC operators
~15x CDN operators

a. Capex figure not including capitalized personnel cost
b. Based on the development of the CDN, 10 edge data center for ca. 3 MW and the first data hall of the hyperscale data center for 4,4 MW
c. Assuming further development of the hyperscale data center to reach 17,6MW (2 out of 4 modules)
d. Multiple calculated including capex spent before 2024 for ca. €21m

Initiatives to extend networks and optimize tower hosting

1 Improve RAI DTT network coverage

Activities to improve network quality

3 MUX12

Hosting or network management services *(in case of MUX awarding)*

4 Start RAI 5G broadcasting coverage

5G broadcasting networks in 5 test cities

2 DAB coverage...

Extend Rai DAB coverage, currently lower than the other 2 main market players

...and "DAB in galleria"
Improve coverage extending the signal in the main tunnels of the major highways

5 Tower Hosting Optimization

Hosting Development

- 5G rollout
- FWA
- DAB (no RAI & local)
- MNO clients stabilization

Better processes & offering

Optimize efficiency of requests logged into the system and internal provisioning process

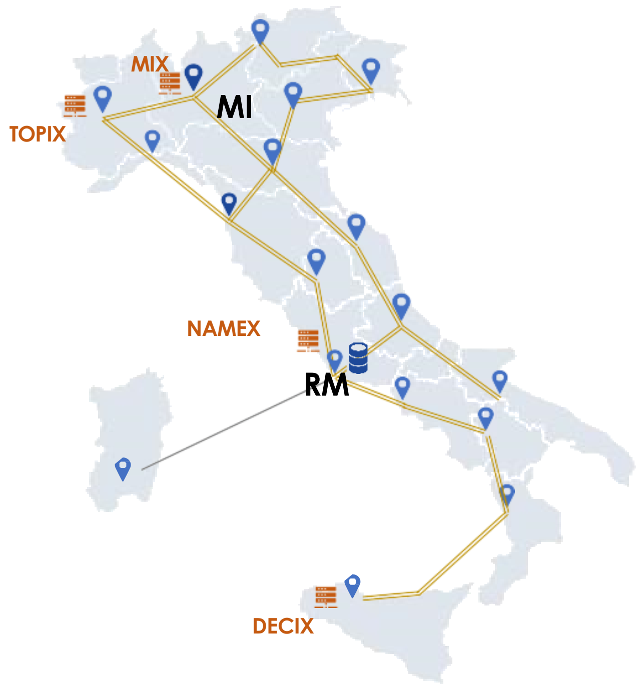
Expand offering

- Fiber Backhauling in selected sites
- Radio backhauling

Source: worlddab.org; ANAS; EURO DAB; DAB Italia

IP distribution of contents on proprietary CDN network: architecture and value proposition

Distributed national architecture



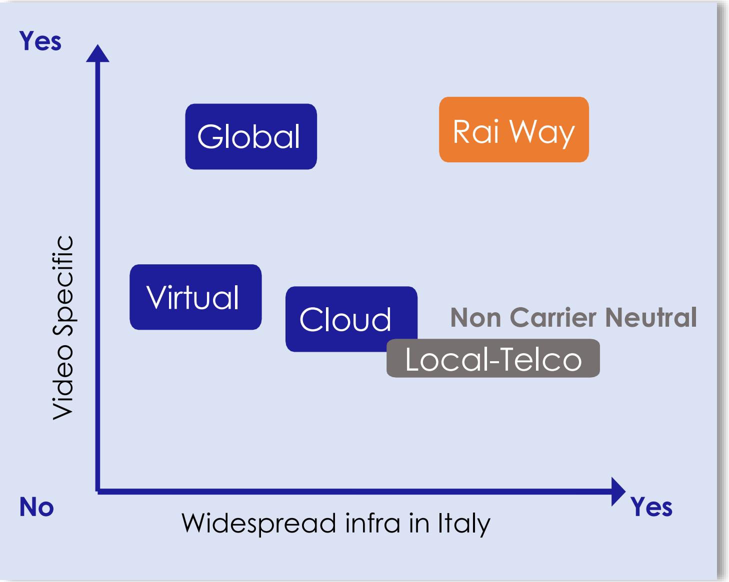
- Distributed PoPs widespread on Italian territory
- Synergy with the new infrastructure of Edge Data Centers
- Selection of the best tech vendors

Origin and core systems

Backbone/IRU

PoP/Edge cache CDN

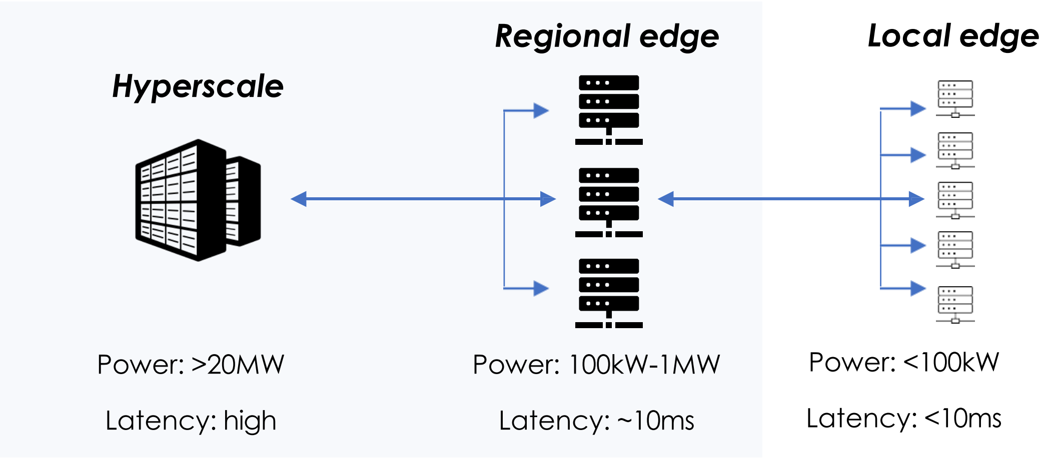
IXP

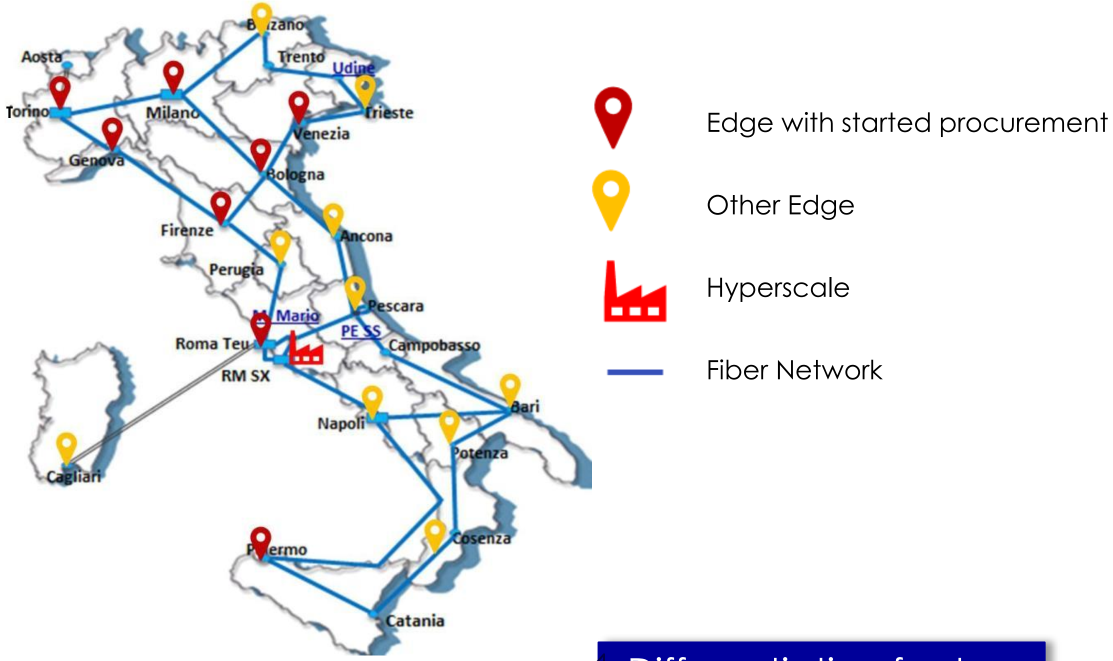


Rai Way to position own Edge CDN solution to address needs for
- Live streaming of Multimedia world (Video, Gaming, ...)
- Low latency services

Rai Way's new digital infrastructure

The infrastructure project





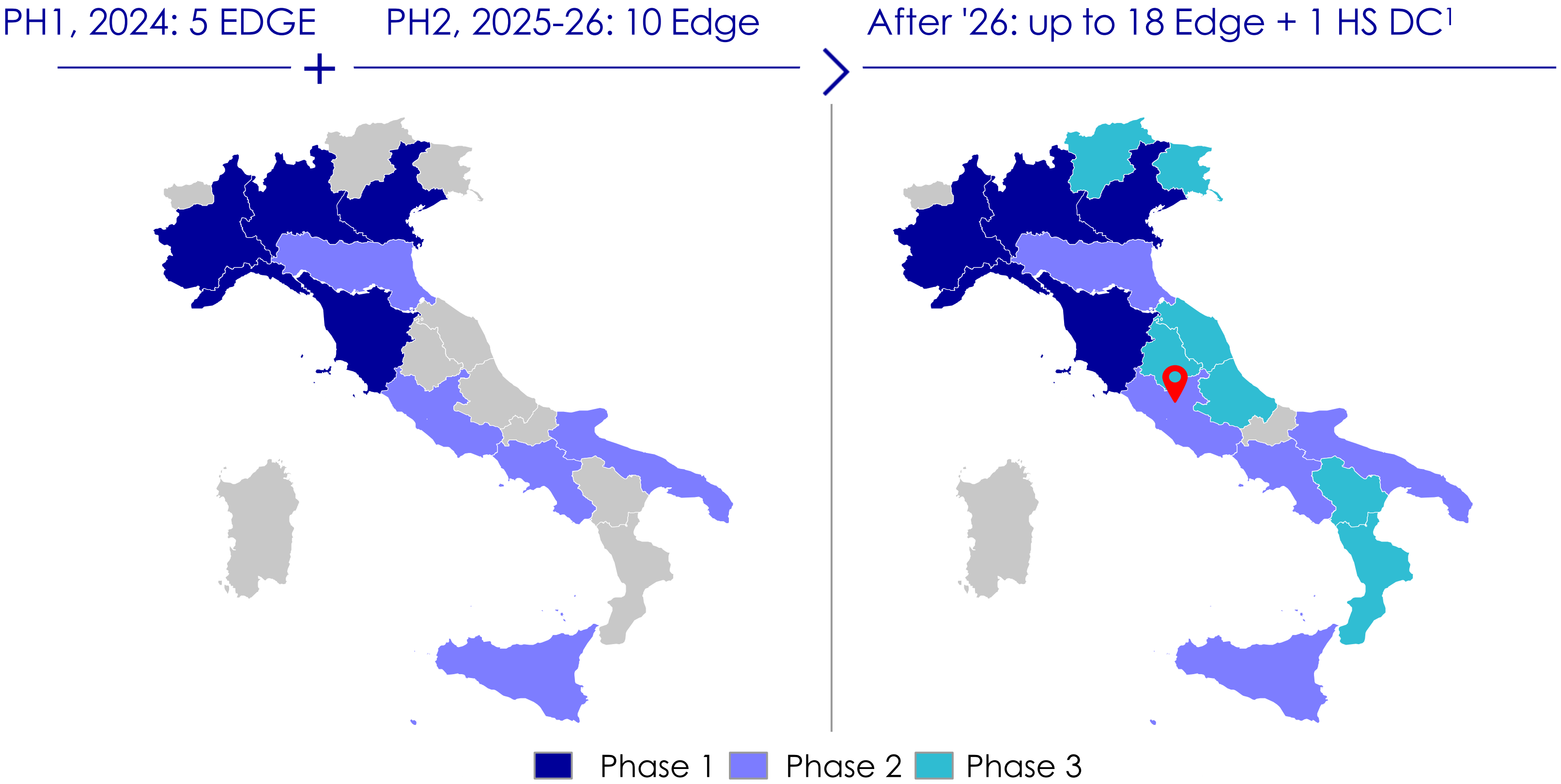
- **Multi Edge Data Centers network**
- **1 TIER-IV Hyperscale Data Center in Rome** area (ca. 35MW potential, scalable IT load distributed across 4 buildings)
- **Interconnection** through proprietary backbone
- Clear **value proposition** for clients / partners:
  - Independent, reliable and carrier-neutral
  - Integrated Edge DC network to meet low latency requirements
  - Computing Continuum

Differentiating factors

- **Pure infrastructure offering:** co-location (space, energy, security) and connectivity
- **High sinergies with societary assets:**
  - Wide-spread footprint, with space available in relevant areas and brand new quality assets
  - Proprietary backbone
  - Possibility to upsell current clients
  - First mover advantage on edge

Edge DCs roll-out plan

18 Edge Data center: 10 (major) DCs to build in Phase 1 & 2, and more (minor) to build based on demand



- ~ 3 MW IT load for the first 10 sites, possibly scalable based on demand
- Interconnected via own optic fiber and locally linked to the public network via ISP
- Built to be sustainable and create value from Rai Way's real estate

1. Initial 4,4 MW (50% of the first module)

Hyperscale DC | Rendering and concept design data

100%
Green electricity

Data Center Modules Configuration

- 4 Modules with 8,8 MW IT Load per Module
- Emergency power supply and air conditioning
- UPTIME Institute TIER IV compliance
- Solar panels; centralized water supply

- **«Conferenza dei Servizi» underway** – authorization possibly within 2024
- Construction time: 12-18 months
- **First data hall availability (4,4 MW) and revenues contribution assumed from 2027**

Why Rome

- Limited hyperscale DC presence (1 live, 4 in development), while Rome expected to become next italian HS region
- Assets currently concentrated in Northern Italy
- Lower latency for Center/South of Italy vs Milan
- Traffic managed by Rome IXP expected to grow
- Strategic location to aggregate international traffic

Transmission network to be leveraged for (wholesale) transport services

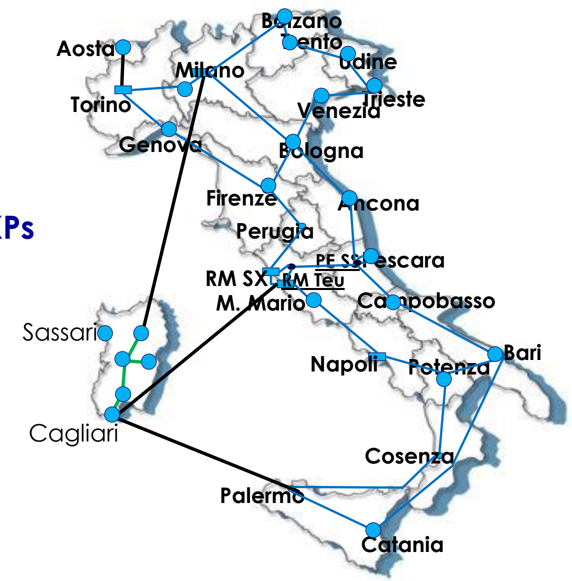
Fiber backbone

6,000 Km

- 30 PoP
- Interconnection with main IXPs
- Internal network monitoring

● Regional sites

▬ Production centers



Radio-link backbone

>500 IP links

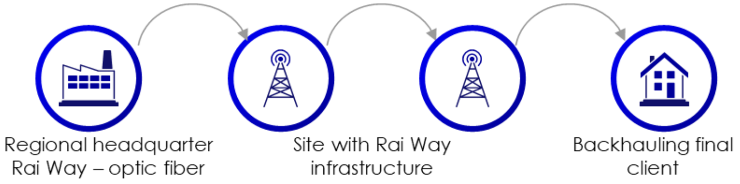
Our plan

Fiber Optics transport services

- Dedicated transport in fiber optics
- Wholesale strategy addressing carriers' needs

Point to Point radio links transport

- Transport services in grey/white areas not covered by fiber
- Wholesale strategy



Land portfolio valorization

Rai Way analyzed possibility to create value from ~40 land plots, in 3 possible ways

40 Main land plots analyzed

200 Total hectares of land

Solar panels

Land to rent for telecommunications projects (e.g. satellite gateways)

Land sale

- **Selected 14 sites for solar panels, with target power of ~ 40 MW and target production of ~75 GWh/year**

Enhancing efficiency in operating model improvements, corporate initiatives and real estate property management

Operating model initiatives

- Reorganization of regional departments
- Digitalization of monitoring of assets through the implementation of **predictive maintenance**

Maintenance accounts for the majority of field force activities

Real Estate Management

- **Workplace** evolution towards hybrid models (allowing spaces reduction)
- Benchmark on rental costs and service levels to identify **room for further efficiencies**
- Greater use of owned premises
- More efficient management of **headquarter**

Corporate functions efficiency

- **Digital transformation** in systems (e.g. new BSS platform) and processes to enable further corporate efficiencies

Target M&A – Areas of interest

		Rationales		
		Industrial synergies	***Capital structure optimization***	***Diversifi-cation***
Traditional Businesses / assets	• Consolidation of national broadcasting infrastructures → **Transformational** • Acquisition of independent (minor) portfolios of broadcast towers → **Strategic Mom & Pop**	✓	✓	

Diversification areas	• Data Center assets:
	  • Independent assets with client portfolio and development opportunities
	  • Assets spun-off by anchor clients (cloud provider, corporate…)
	  • Location and technical features consistent with Rai Way edge network
	→ **Time to Market acceleration of diversification and insourcing of competencies**
			✓	✓

Possible additions to offering	• E.g. system Integrators, P2P network operators, CDN tech/network providers, etc…	✓	✓	✓

Agenda

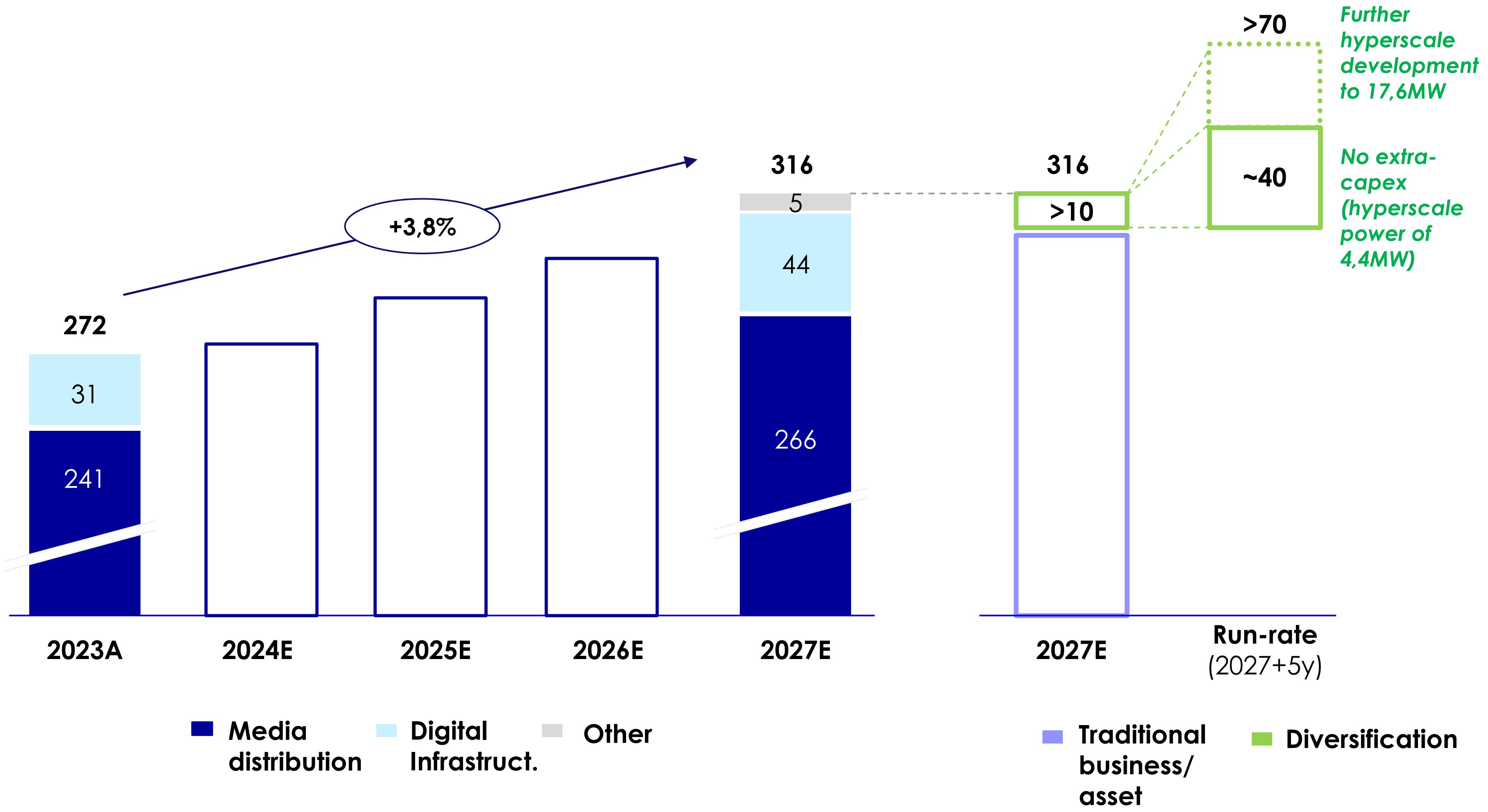
1H2024 results and Outlook

2024-2027 Industrial Plan

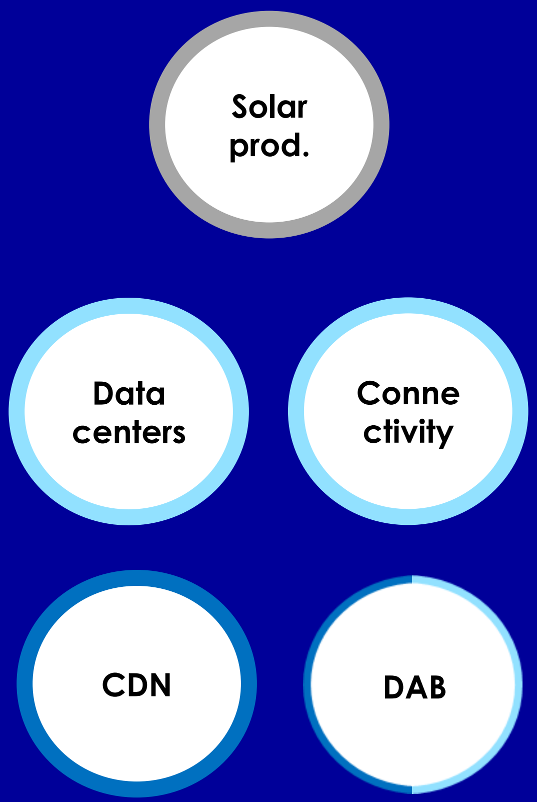
- Assets, market trends and strategy
- Financial targets

Core Revenues: 2023-27 evolution

Mln Eur; %

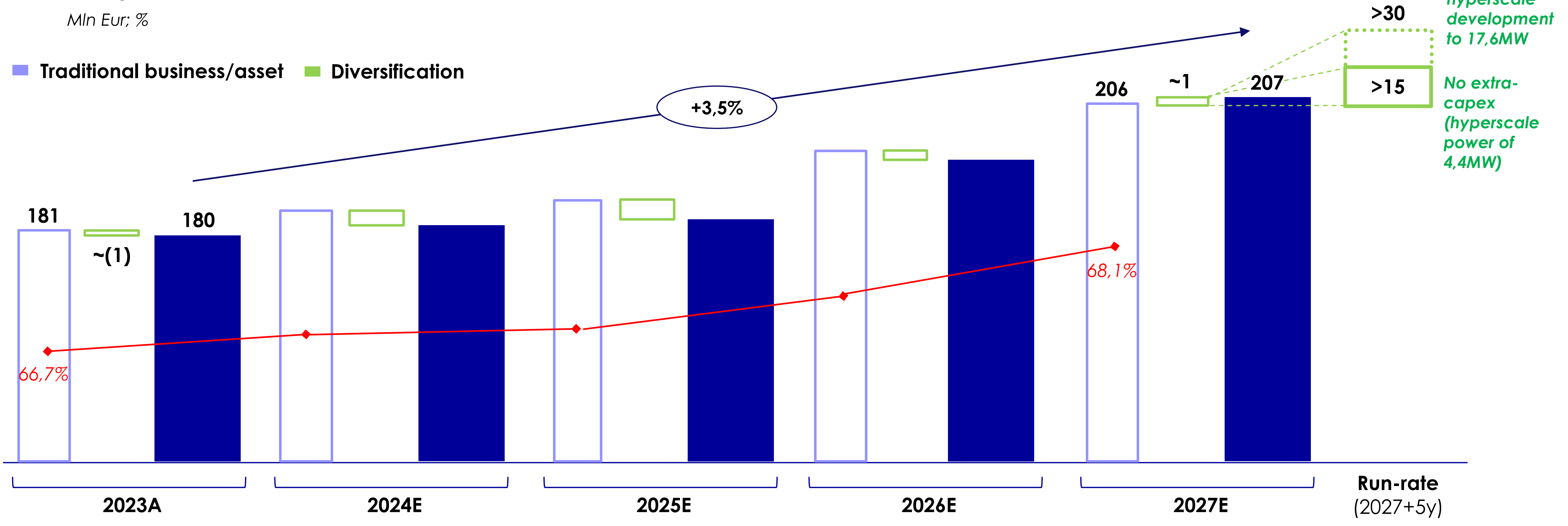


Main drivers



- 2027 figures based on the development of the CDN, 10 edge data center for ca. 3 MW and the first data hall of the hyperscale data center for 4,4 MW
- Assuming further development of the hyperscale data center to reach 17,6MW (2 out of 4 modules) with € 160m additional capex

Adjusted EBITDA: 2023-27 evolution



Traditional business / asset

Margin improvement: **~ +150 bps**

- Oper. leverage
- Oper. model efficiency
- RE rationaliz.

Diversification

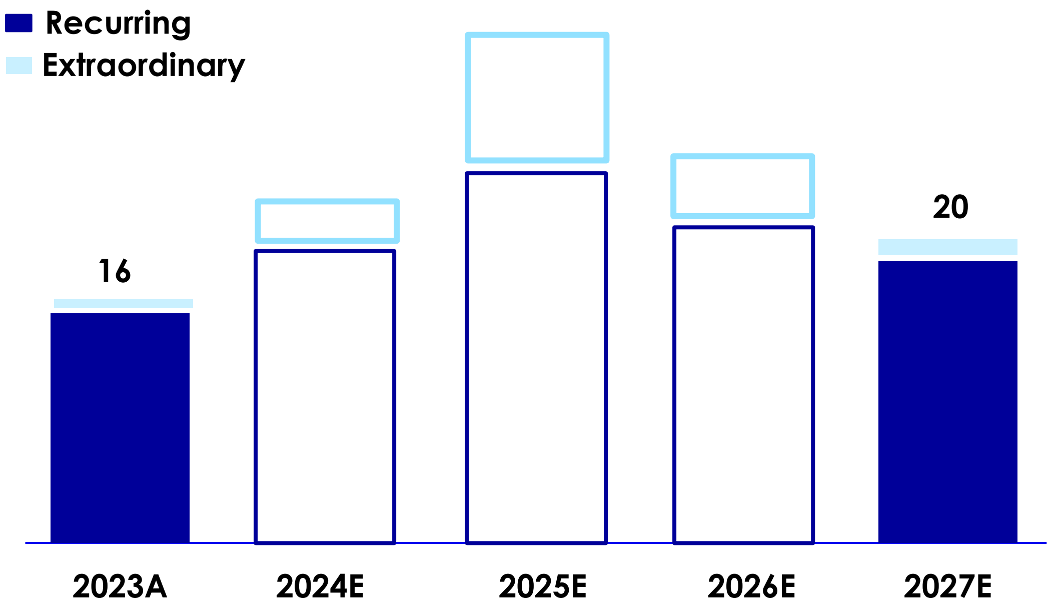
Run-rate margin : **40-50%**

Head-count

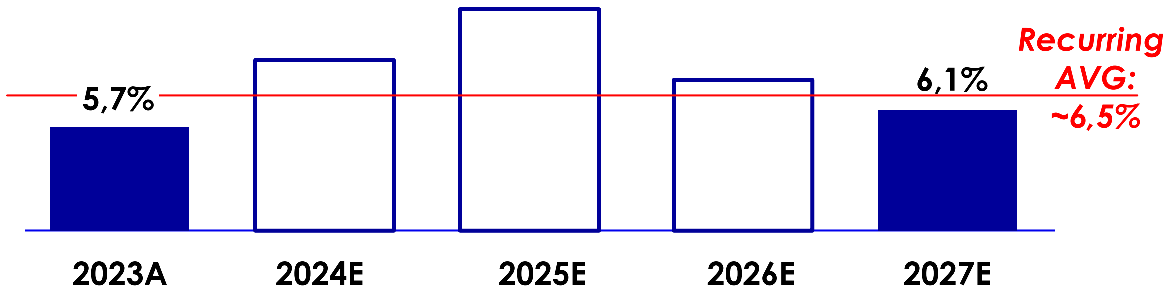
~ +30 mainly to support diversification initiatives (also leveraging on internal reallocation)

Capex

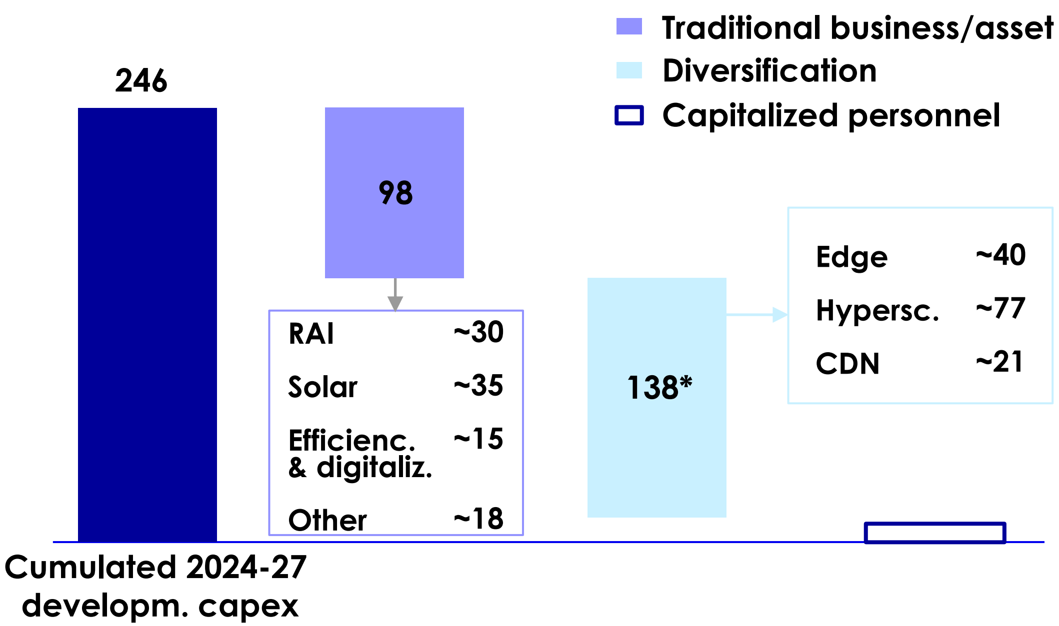
MAINTENANCE

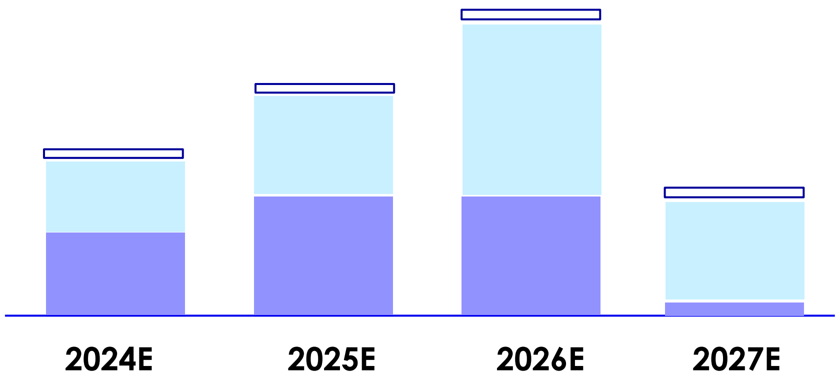


__Recurring maintenance capex on core revenues ratio__



DEVELOPMENT

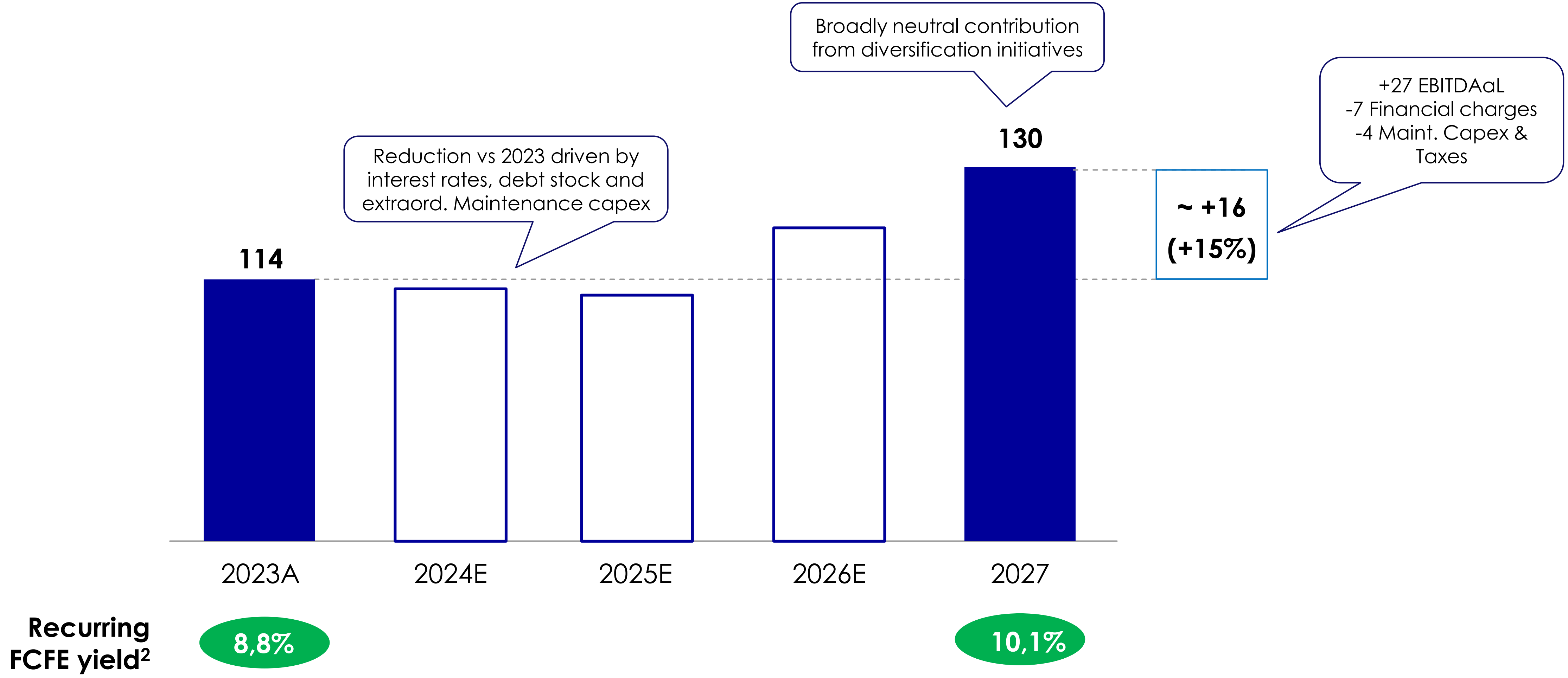




* Based on the development of the CDN, 10 edge data center for ca. 3 MW and the first data hall of the hyperscale data center for 4,4 MW

Recurring FCFE: 2023-27 evolution

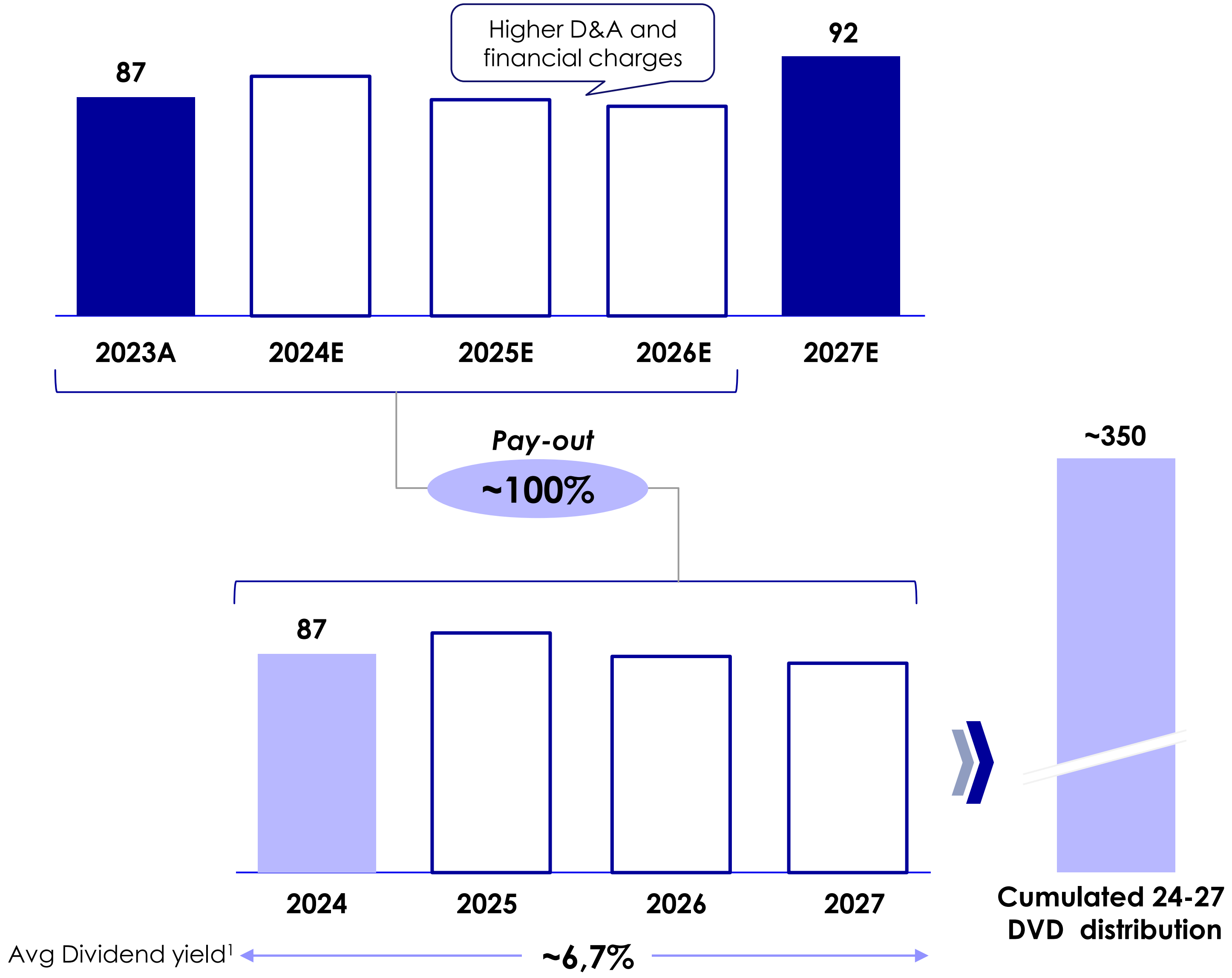
Mln Eur; %



1) Recurring FEFE: Adjusted EBITDA – Leases – Oneri finanziari (excl. Componente leases) – Adjusted P&L Taxes – Recurring Maintenance capex
2) Based on market closing price on 22/03/2024 (4,8 €/share)

Net Income & Dividends

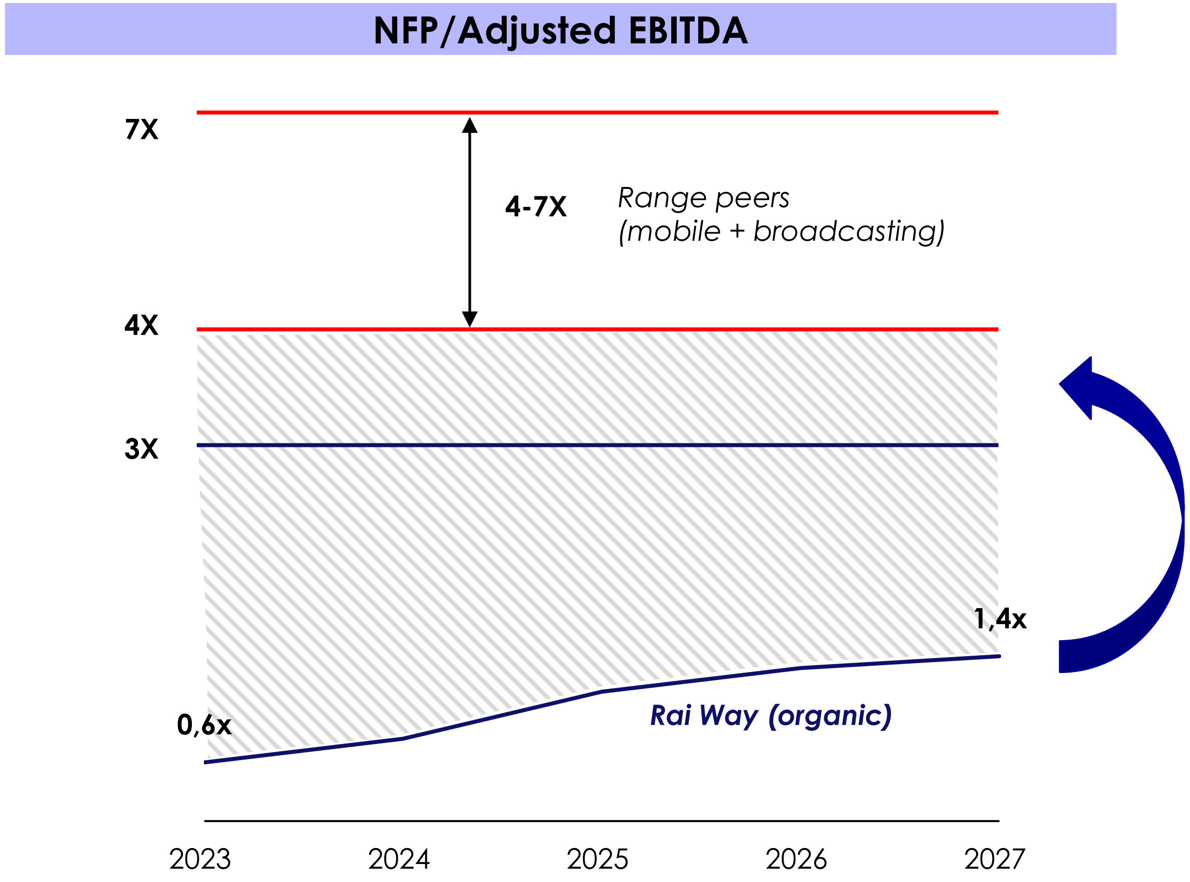
Mln Eur; %



- Proposed **pay-out** of around **100% of Net Income**, in continuity with the past (average **dividend yield(1) equal to ca. 6,7%**)
- Expected distribution of **approx. €350 Mln cumulated dividends** in the 2024-27 period, equal to more than 25% of current market cap(1)

(1) Based on market closing price on 20/03/2024 (4,79 €/share)

Capital structure evolution



(1) Net Financial Position including IFRS-16 leasing

- On an organic basis, 2027E financial leverage (post-dividend payment) at around 1,4x NFP[1]/Adjused EBITDA, giving flexibility to pursue external growth
- **Sustanaible and reasonable level** of financial leverage in a **3-4x range**, also depending on market conditions

M&A FINANCIAL CRITERIA

- Even within the same asset class (e.g. towers, data centers), targets may have different risk profile (e.g., DC already built vs. to be developed, with committed demand vs. without commitment, with high vs. low % fill rate)

→ Unlevered IRR level appropriate for the risk profile of the asset

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Appendix:

- New Core revenues breakdown
- Industrial Plan 2024-27: market trends
- FY 2023 results

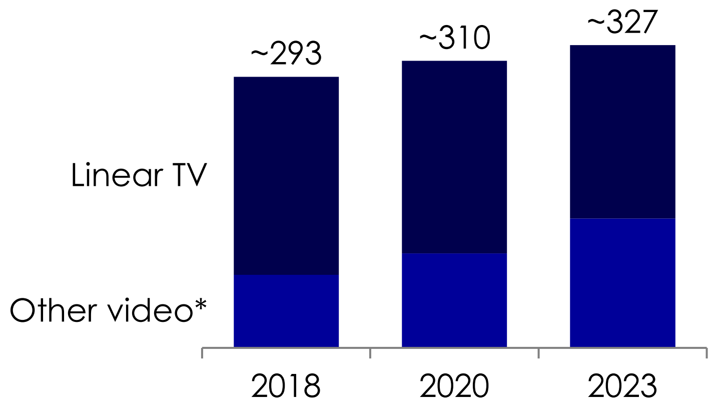
ABC	Traditional business/assets
ABC	Diversification areas

New Core revenues breakdown

	Media Distribution	Digital Infrastructure	Other
	• RAI Service contract (fixed consideration & new services) • Broadcasting (regional Muxes, DAB networks & other clients) • Transmission • Network services • CDN	• Tower Hosting • Connectivity • Edge data centers • Hyperscale data center	• Land valorization (solar energy production, leases, …)
2023 revenues	**240,9**	**31,0**	**-**

Video consumption going up, driven by OTT & mobile fruition

Video consumption (minutes/day), adults (18+) in Italy

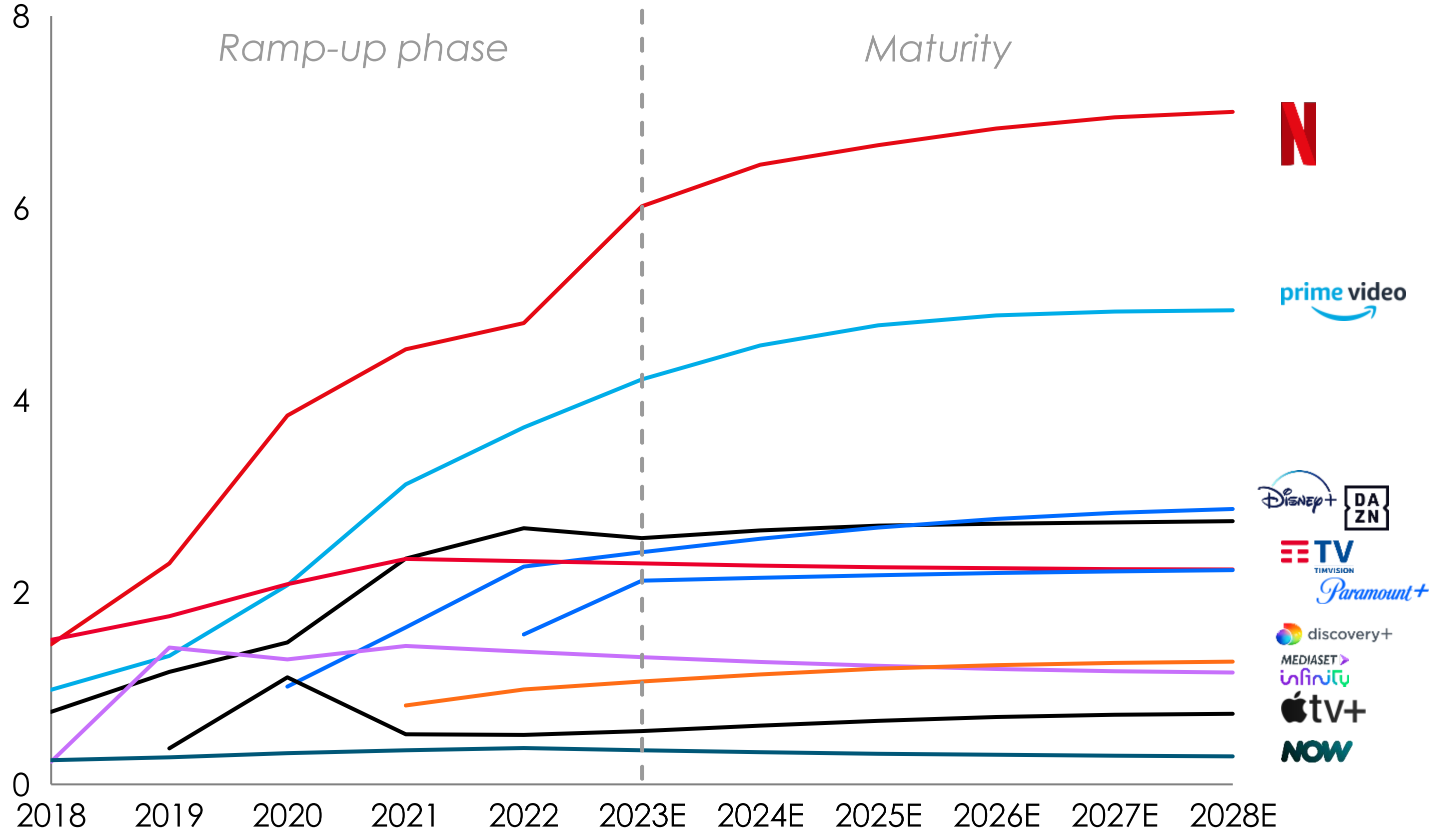


Key messages

Media consumption growth driven by OTT and mobile

Forecasted slow down in **OTT platform subscription** growth with expected player **consolidation**

Growth of streaming subscriptions in Italy (M)

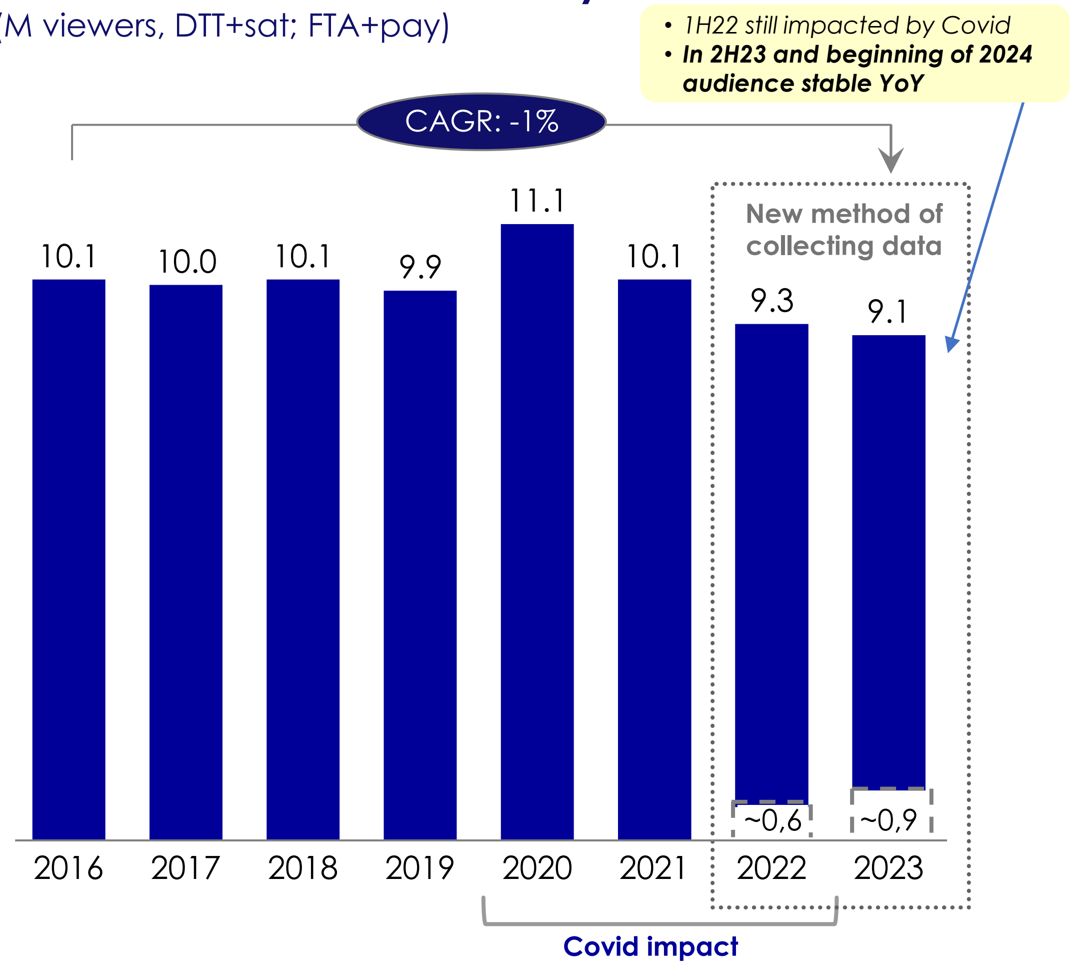


* OTT video (live streaming and VoD), online video and mobile video
Source: Ampere Nov. 2023; Media consumption in Italy (PQ Media)

Despite the period of steep uptake of OTT, linear TV did not lose relevance remaining the platform with the highest audience and adv revenues

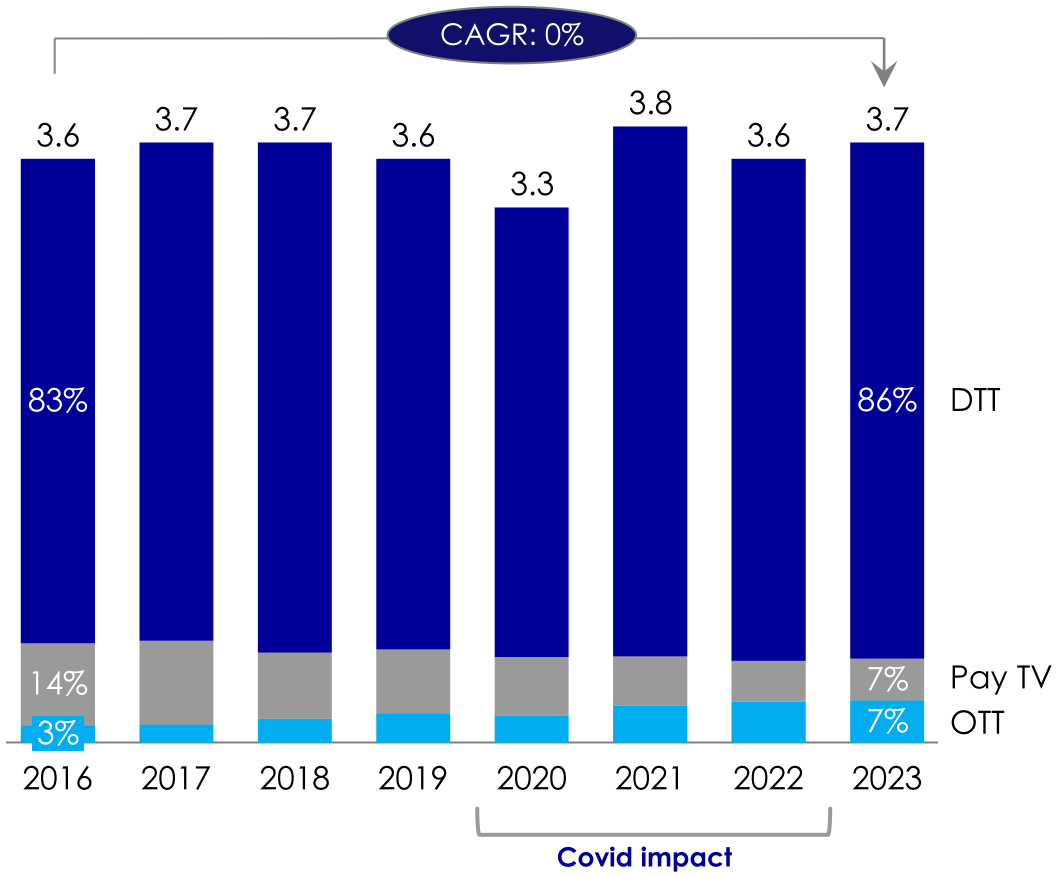
TV audience evolution in Italy

(M viewers, DTT+sat; FTA+pay)



Video adv revenue share in Italy

(B€)



1. New way of collecting data (from May '22) to avoid double counting audience watching connected TV online

Source: Rai on Auditel figures

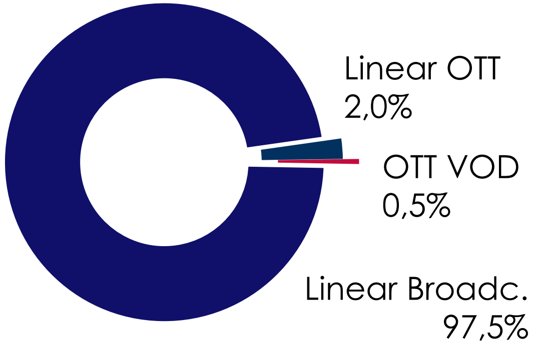
Draft

A long-term view where platforms coexist remains the most likely option

Content / Platform Polarization

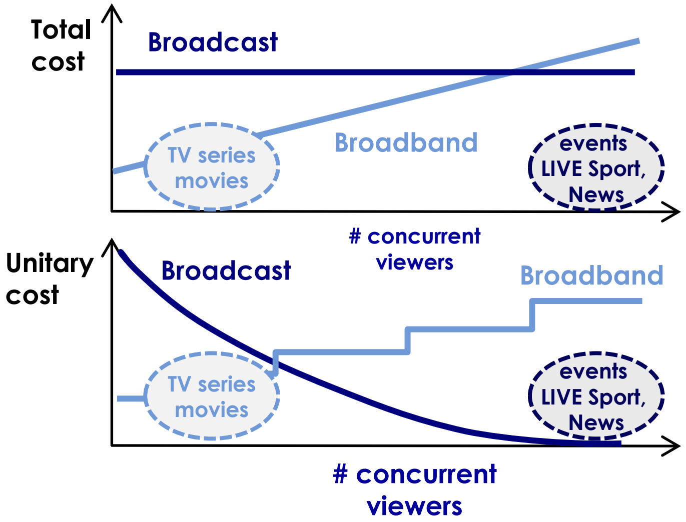
How Sanremo 2022 was viewed

Total Time Spent (TTS)



Broadcast for linear viewing vs OTT for on demand

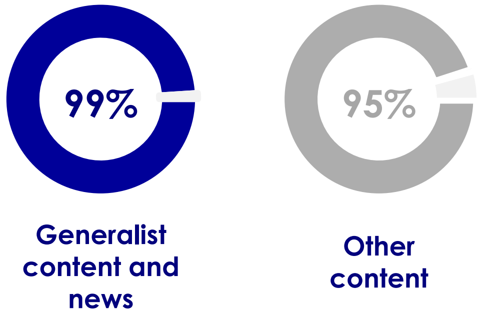
DTT efficiency for linear distribution



Public service requirements

Public service obligations

% coverage to be guaranteed



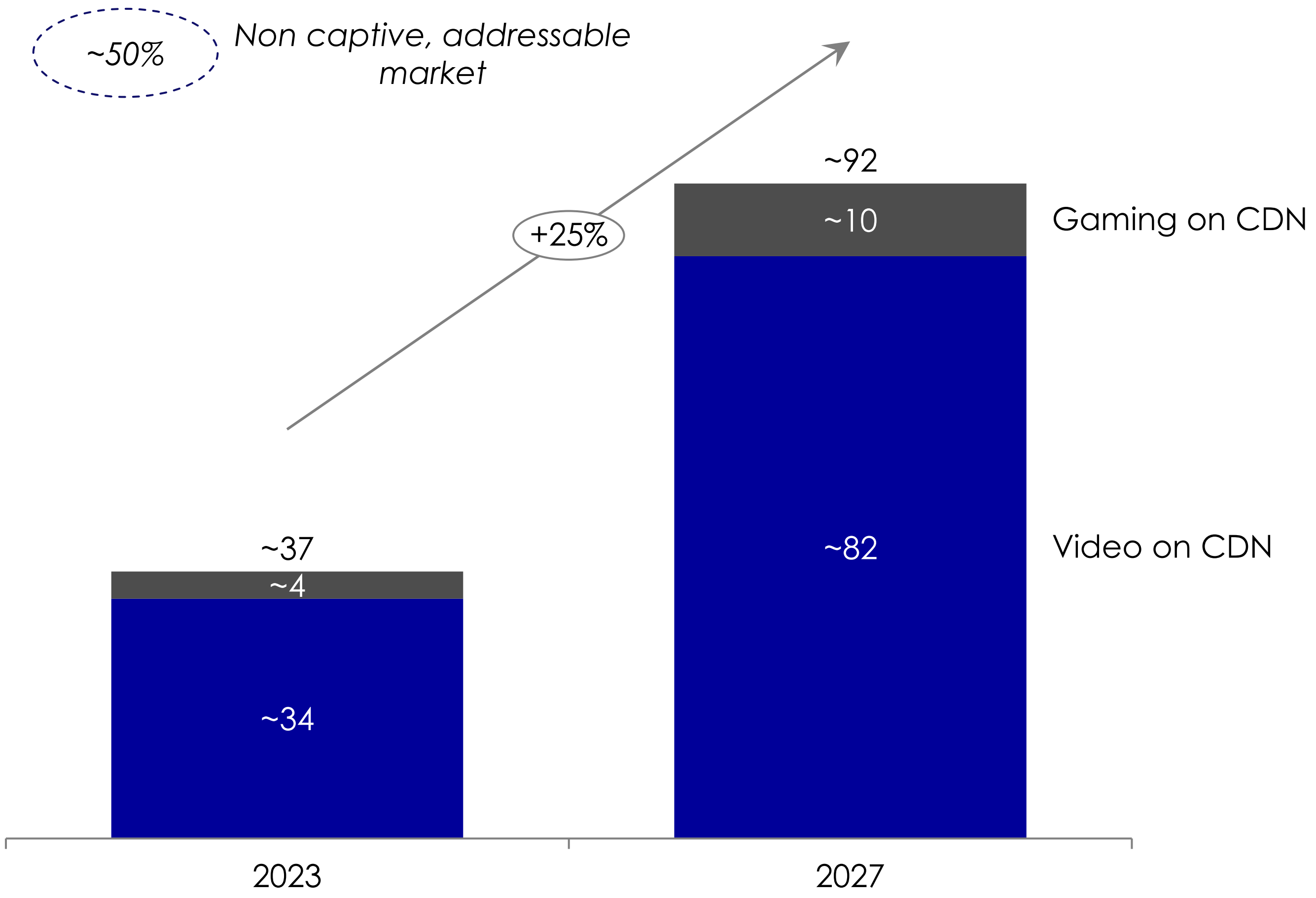
Validation of multiplatform strategy in the RAI-State Service Contract with commitment to improve coverage

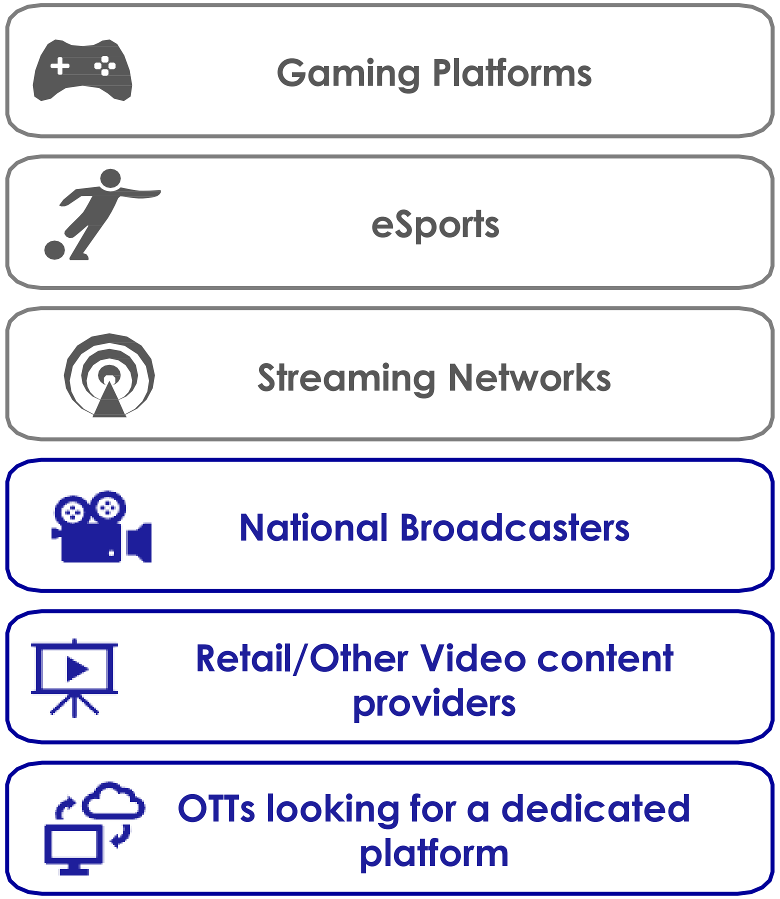
Broadcasting market characterized by stable relationships between network operators and TowerCos; MUX12 still to be allocated

		Content providers /channels	Network operators: Frequencies	Network operators: Equipment	Tower operators
DTT (National TV)		Rai	3 MUX - Rai: Rai	Rai Way	Rai Way
		MEDIASET	3 MUX - Mediaset: Elettronica Industriale		EI Towers
		sky, Zona DAZN	1 MUX – DFREE: Prima TV, 3	Prima TV + 3lettronica	
		Cairo Communication, La7, La7d	1 MUX – Cairo: Cairo Network	EI Towers	
		sky, Discovery Communications, DeAgostini Editore, sportitalia	3 MUX – Persidera	EI Towers	
			MUX12	To be allocated	
DTT (Regional TV)		~400 channels	8 networks in 7 technical areas (coverage >30mln people)	Rai Way	Rai Way
			15 networks in 13 technical areas (coverage ~40mln people)	EI Towers	EI Towers
DTH	Free	tivùsat [Rai, MEDIASET etc.]	Rai Way for Rai	EI Towers for MEDIASET	
	Pay-tv	sky	sky		
OTT		TIM TV TIMVISION, NOW, RaiPlay, infinity, NETFLIX, prime video, Premium ONLINE, Disney+			

Growth in video streaming and gaming fueling traffic managed by Content Delivery Networks

Forecasted CDN market volumes in Italy ('000 PB)

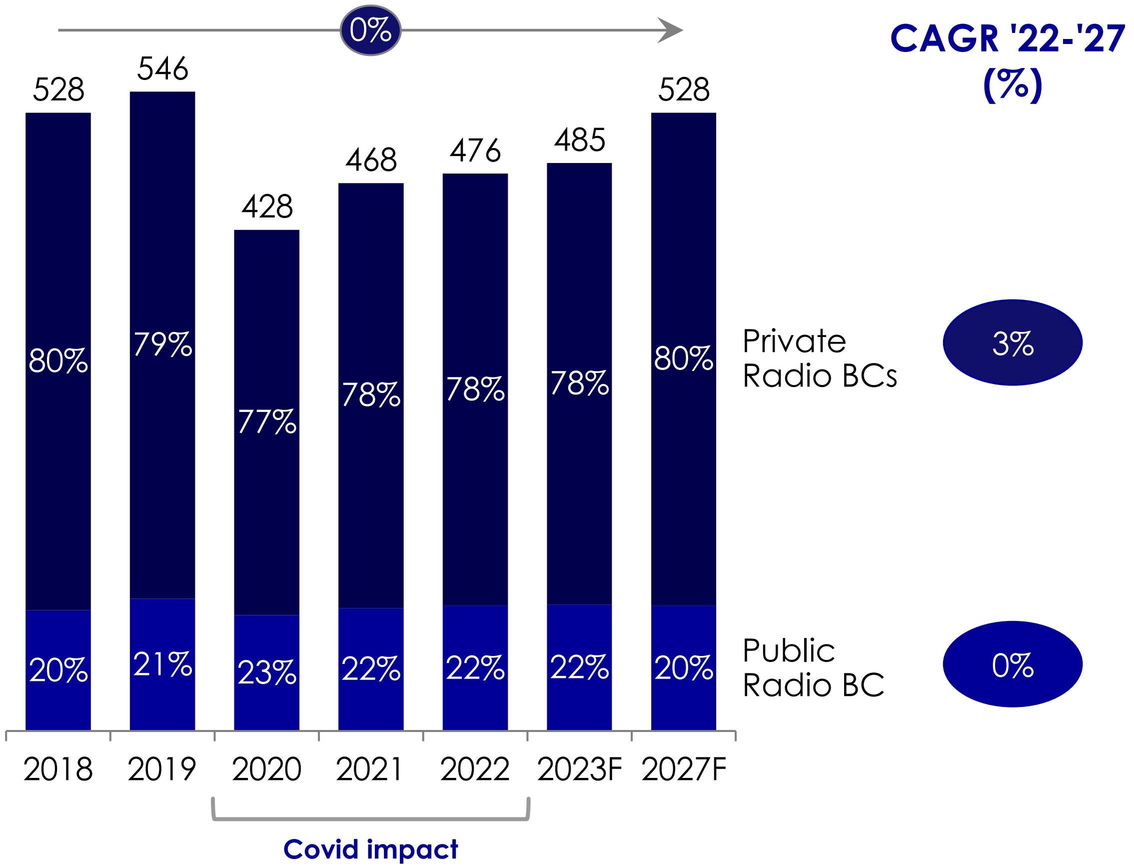




Source: PWC (Omdia 2022), VNI CISCO (2018)

Post-pandemic steady growth for radio broadcasters; opportunities for DAB network coverage enabled by frequencies availability

Radio Revenues in Italy (M€)



National DAB coverage

57%
of Italian territories covered

86%
of Italian population covered

95%
Highways covered

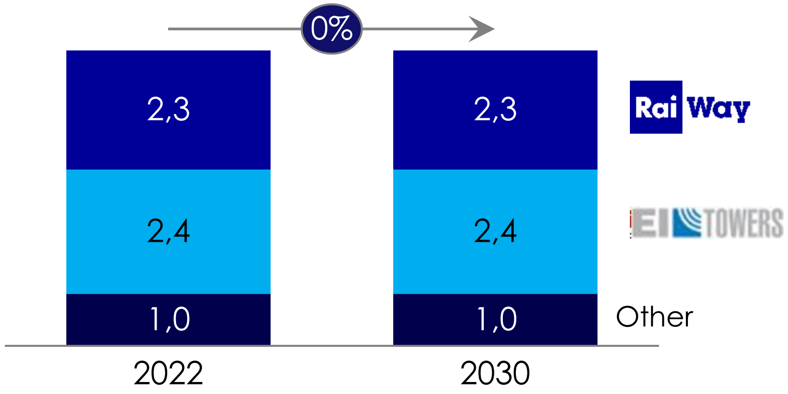
- Following frequencies availability freed up by TV refarming:
  - Public tender to award new DAB frequencies incentivizes **national networks** coverage extension
  - Deployment of **regional DAB** networks in several areas

Source: PWC, Tavolo Editori Radio (TER), Digital Radio

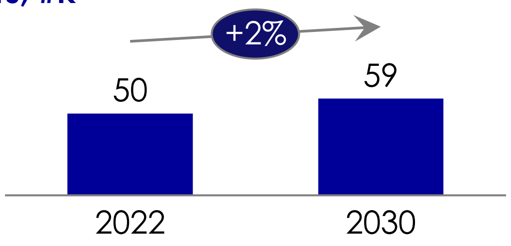
Telecommunication network rollout still guarantees hosting volume growth

Macro towers in Italy, 2022-2030

Broadcast towers, by operator, #k



Telco towers, #k



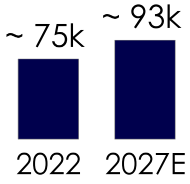
	2022		2030
Towers	~60%	% tot.	~50%
Rooftops	~40%		~50%

Clients: market trends

TV Broadcasters – ≈ Stable

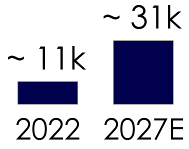
Radio Broadcasters – Growth driven by DAB

MNOs – # PoPs



CAGR +4%

FWA – # PoPs



CAGR +23%

Other – Slight growth driven by demand from new client types, such as IoT, ISP, etc.

- **Main growth drivers**:
  - **5G adoption** spreading to non-urban areas
  - **Fixed Wireless Network** expansion, also pushed by Piano Italia 1Giga
  - **New client types**
- **Spin-off** trend continuing
- Tower operators **diversifying** to grow

- Possible challenges:
  - MNOs relying mostly on **captive towers**
  - Access networks / operators **consolidation** (creating less demand for new towers, partially offset by RAN-sharing fees)

Source: Berenberg, TowerXchange, Investor reports, Standard&Poors

TowerCos are diversifying vertically towards new businesses to leverage current assets and capabilities for future-proof growth

Telco TowerCo

Services besides Tower

1. Frequencies

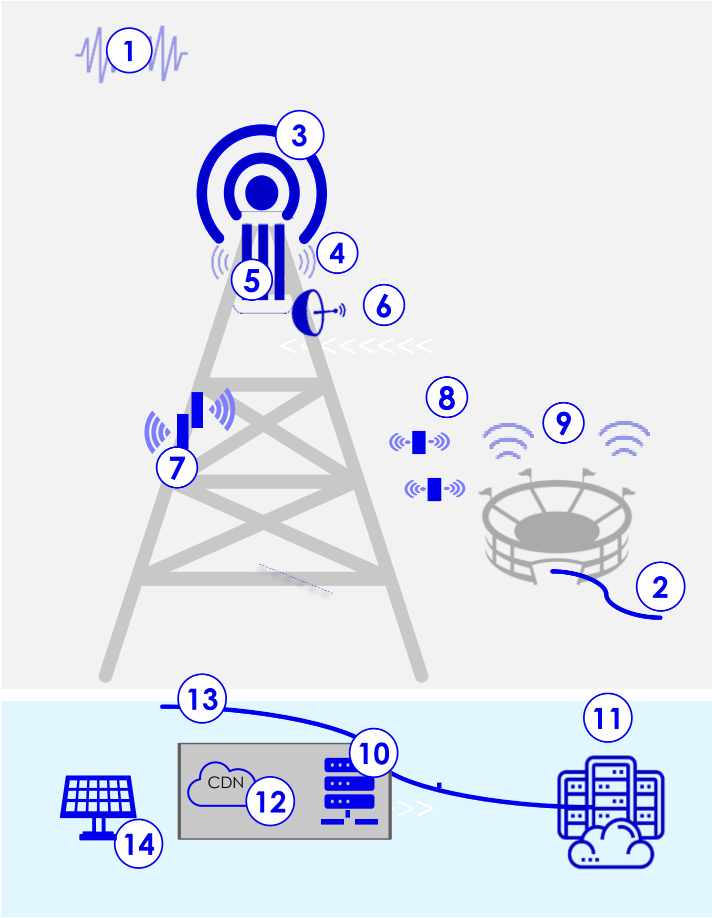
Services on the Tower

3. RAN sharing
5. MNO antennas
6. FWA antennas
7. IoT sensors

Services not connected to the Tower

8. DAS
9. Small Cells

10. **Edge Data Center**
11. **Hyperscaler Data Center**
13. **Fiber connectivity**



Broadcast TowerCo

- **Transmission** (2)
- **Broadcast equipment** (4)
- **Media Value chain expansion (es. CDN, CMS)** (12)
- **Real Estate** (e.g. solar panels) (14)

Not in scope | Addressed by Rai Way | Already part of Rai Way's portfolio

Digital Infra demand growth fueled by exponential increase in data traffic and Cloud services that require Data Center infrastructures

Rising Demand

Tech drivers

Data consumption and storage

5G & edge computing

AI

Client drivers

Global Cloud Service providers growth and geo diversification

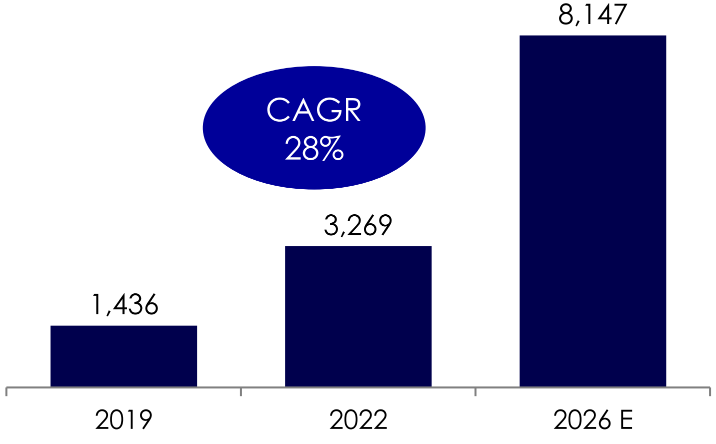
Public Admin. (DC rational. and cloud migration)

Corporate IT externalization (also through hybrid cloud)

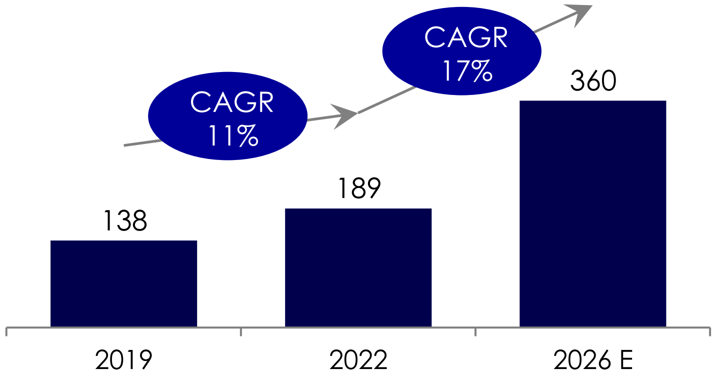
Regulatory drivers

GDPR & data sovereignty

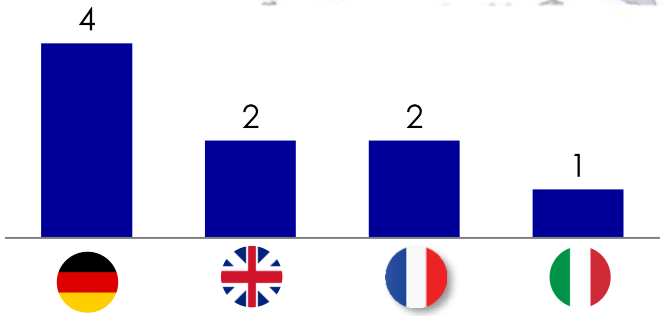
Global data consumption, '19-26 (000 PB)



Edge Computing market in Italy, '19-26(€M)



Region DC* per Country (Microsoft)



G g Google data center location (G active, g announced)

A Amazon AWS data center locations (active)   M m Microsoft Azure Datacenter location (m active, m announced)

* The Region Data Center (DC) is an area with high concentration of data centers, hence consuming more data than average

Source: Gartner IDC; Pwc Entertainment & Media Outlook in Italy 2022-2026; Company Investor report presentations

Supply however still fragmented and scarce, with opportunities for Rai Way to expand its infra portfolio with hyperscaler and edge DCs

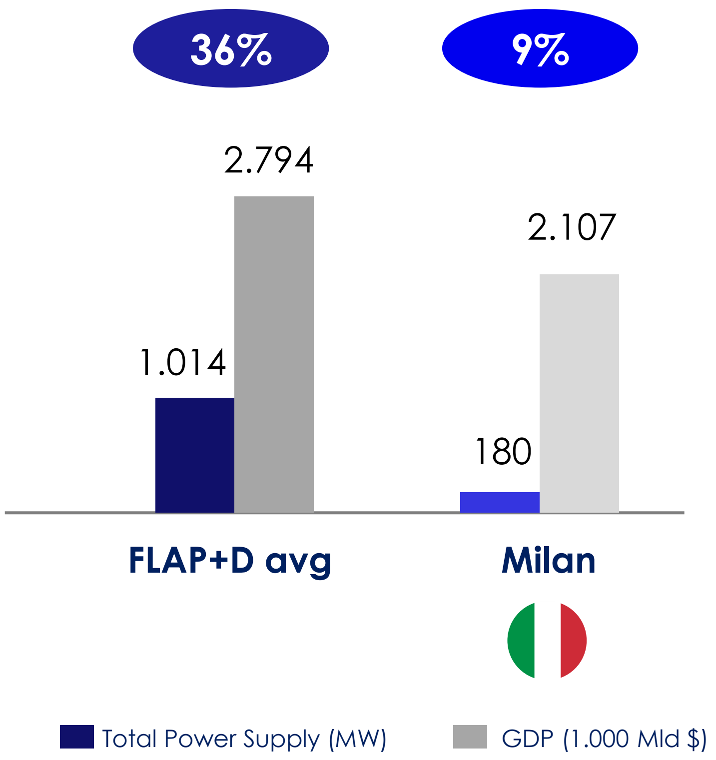
Limited Offer

Early-stage market with fragmented and limited offering

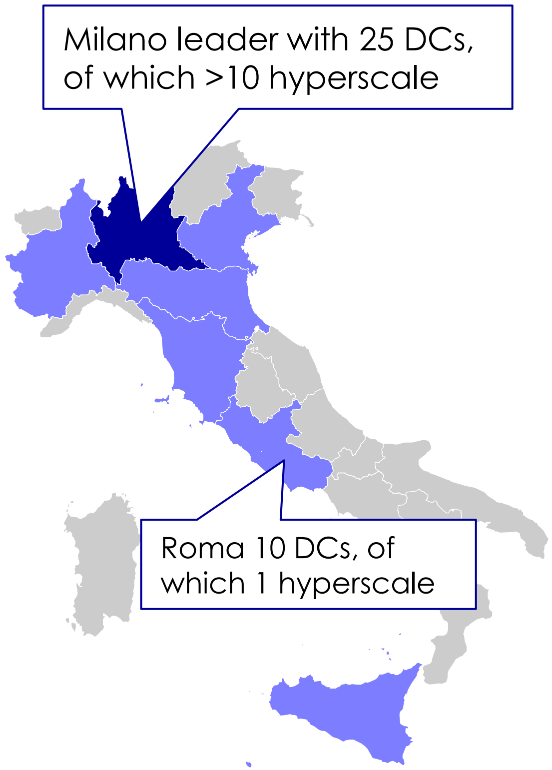
Quality Hyperscale assets concentrated in the Milan area

Possible competitors on edge now limited and with areas of weakness (carrier neutrality, asset quality, focus)

MW supply / National GDP Italy vs FLAP+D average*



Major DC distribution per region in Italy

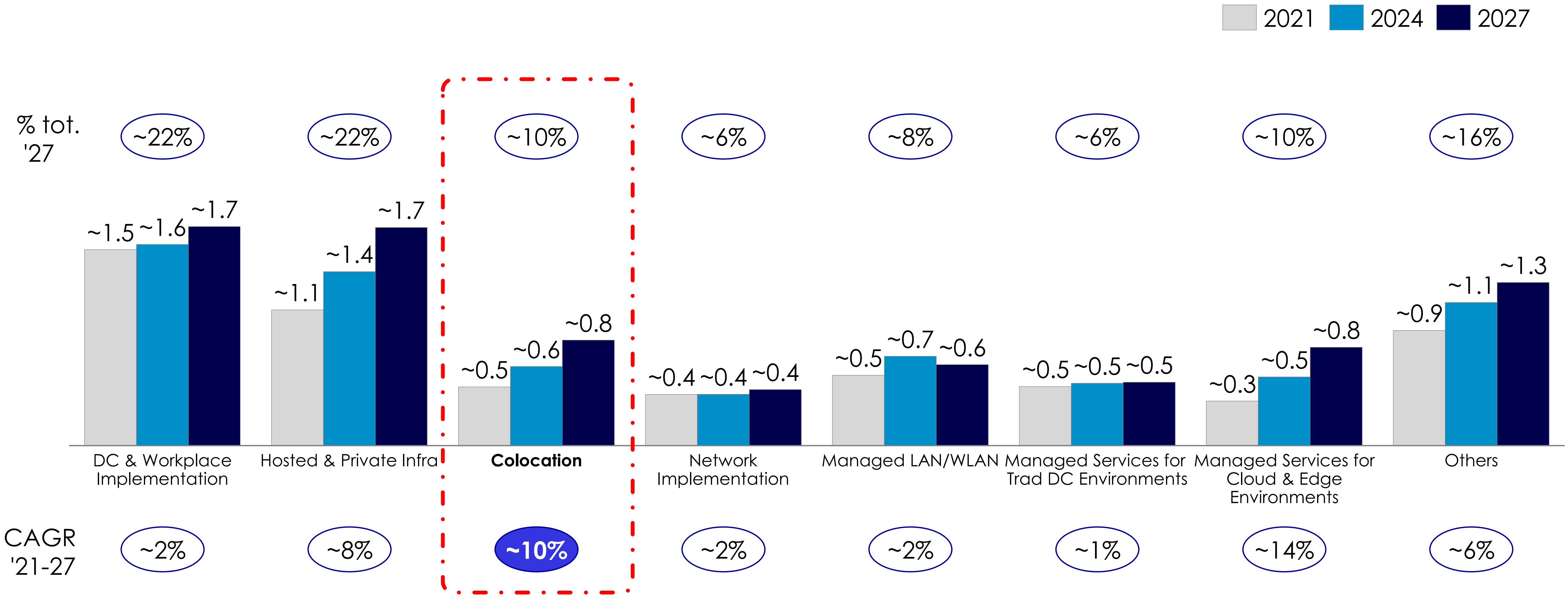


	# DC
North	**56**
Center	21
South	12
Tot	89

*FLAP+D= Frankfurt, London, Amsterdam, Paris + Dublin
Source: CBRE 2022; World bank 2021; Datacentermap; Omdia; company websites

Colocation market expected growth at ~10% p.a. (edge component even higher…)

Infrastructure implementation & Infrastructure Managed Services market, by service type (€B)

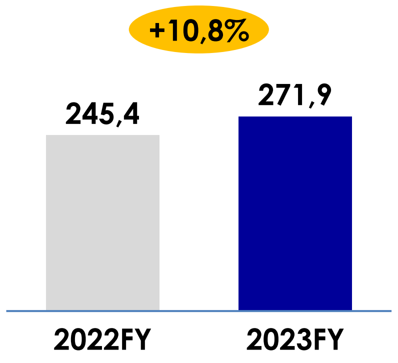


Source: Gartner IDC

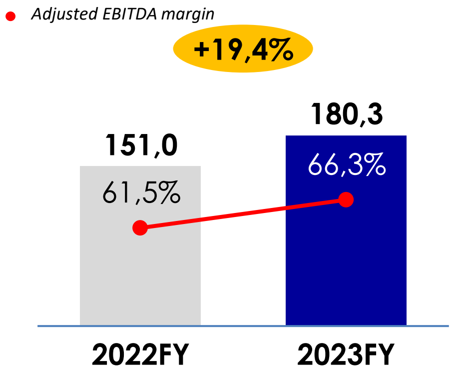
2023FY Financial highlights

Mln Eur; % — % YoY growth

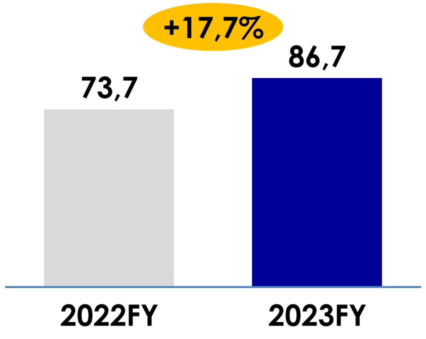
Core Revenues



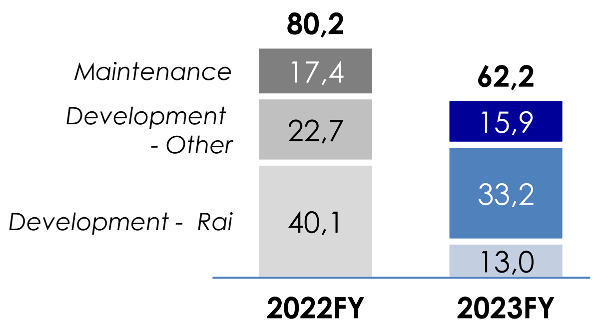
Adjusted EBITDA



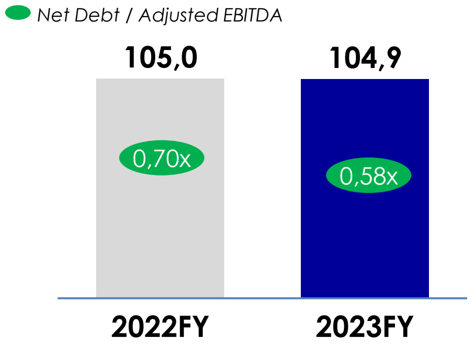
Net Income



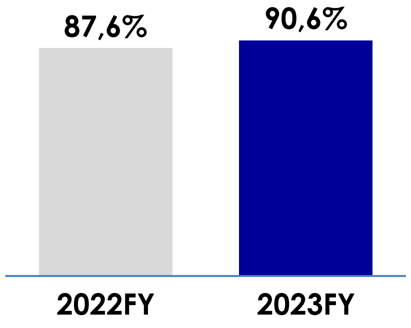
Capex[1]



Net debt (Net Cash)



Cash conversion[2]



1) Capex excluding component related to IFRS-16 leasing. Development capex figure include € 4,8 million related to fiber IRU, 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

Key messages on 2023FY

FINANCIAL RESULTS

- **4Q confirmed the healthy performance of the 9M leading to:**
  - **Core Revenues up 10,8%** (or >12% excluding non-recurring impacts) mainly driven by CPI-link and regional refarming; ~20% growth of Third-parties contribution
  - **Adjusted EBITDA up 19,4%** (margin +475bps at 66,3%) in line with guidance, supported by top-line growth, significant reduction in energy bill and firm cost control on other items
  - Development capex at €46m (Third-Party portion >70%), with a marked **acceleration in 4Q**
  - **Recurring cash generation up >20%** at € 114m
- 32,22 €/cent **dividend** proposed to the AGM, equal to 99,7% pay-out and 6,7% dividend yield(1)

OPERATING UPDATE

- Following confirmed Board support, **all diversification projects underway**; Hyperscale authorization process **moved to next stage**
- Tower hosting benefitting from healthy demand from **FWAPs** and **radio** broadcasters
- **Debt refinancing** finalized
- 88% of 2021-23 Sustainability Plan's initiatives successfully completed enabling further **enhancement of Company's ESG profile**

1) Dividend yield based on market closing price on 22/03/2024 (4,8 €/share)