



1Q2020 Results Presentation

Rome, 14 May 2020

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.

- **Aldo Mancino**, Chief Executive Officer
- **Adalberto Pellegrino**, Chief Financial Officer
- **Giancarlo Benucci**, Head of Corporate Development & IR

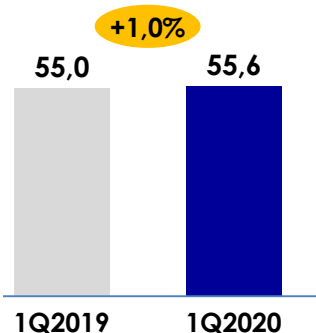
In the new operating environment caused by the COVID-19 outbreak:

- Safety of people protected, preserving business continuity and public service
- First quarter results confirmed solidity and resiliency of the business
- 2020-23 Industrial Plan approved
- Implementation of the *refarming* activities progressing, with a more gradual coverage extension throughout the year due to restrictions to mobility
- Guidance for the full year confirmed

1Q2020 Financial Highlights

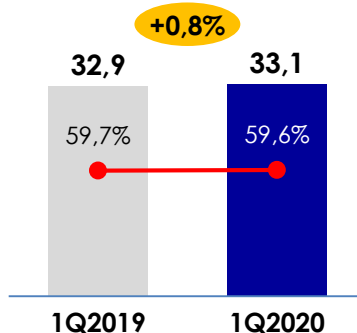
Mln Eur; %  % YoY growth

Core Revenues

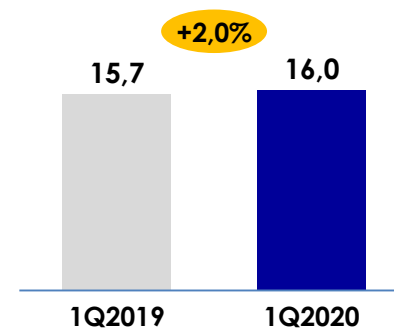


Adjusted EBITDA

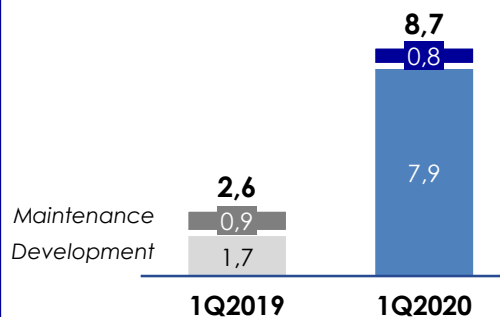
• Adjusted EBITDA margin



Net Income

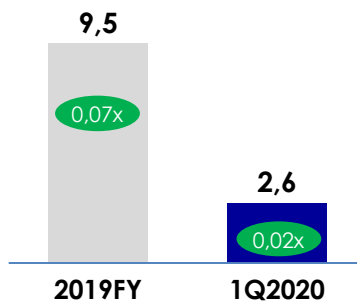


Capex ⁽¹⁾

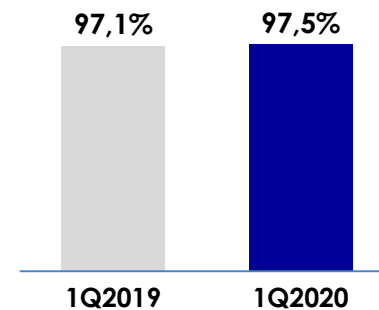


Net debt (Net Cash)

● Net Debt / 1-y rolling Adjusted EBITDA



Cash conversion ⁽²⁾

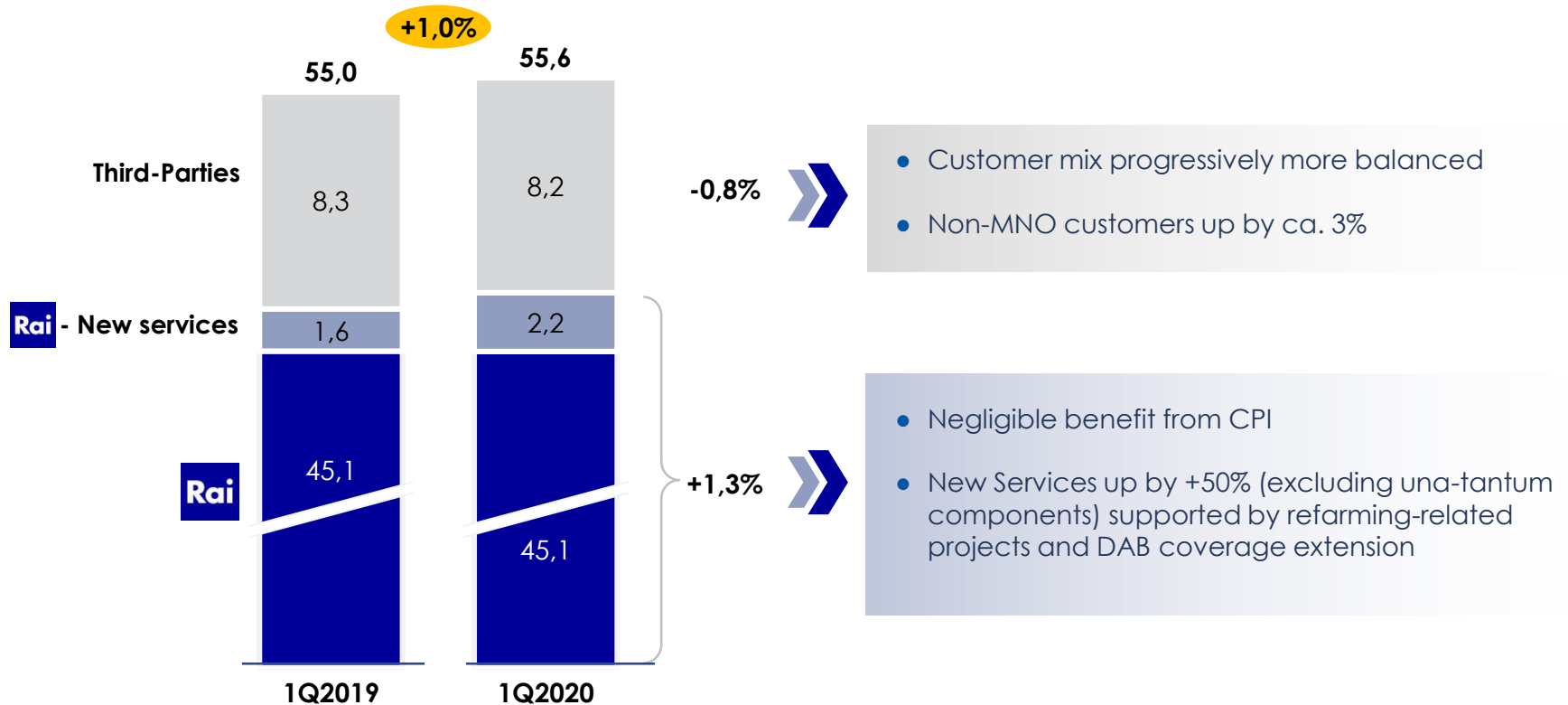


(1) Maintenance capex excluding component related to IFRS-16 leasing

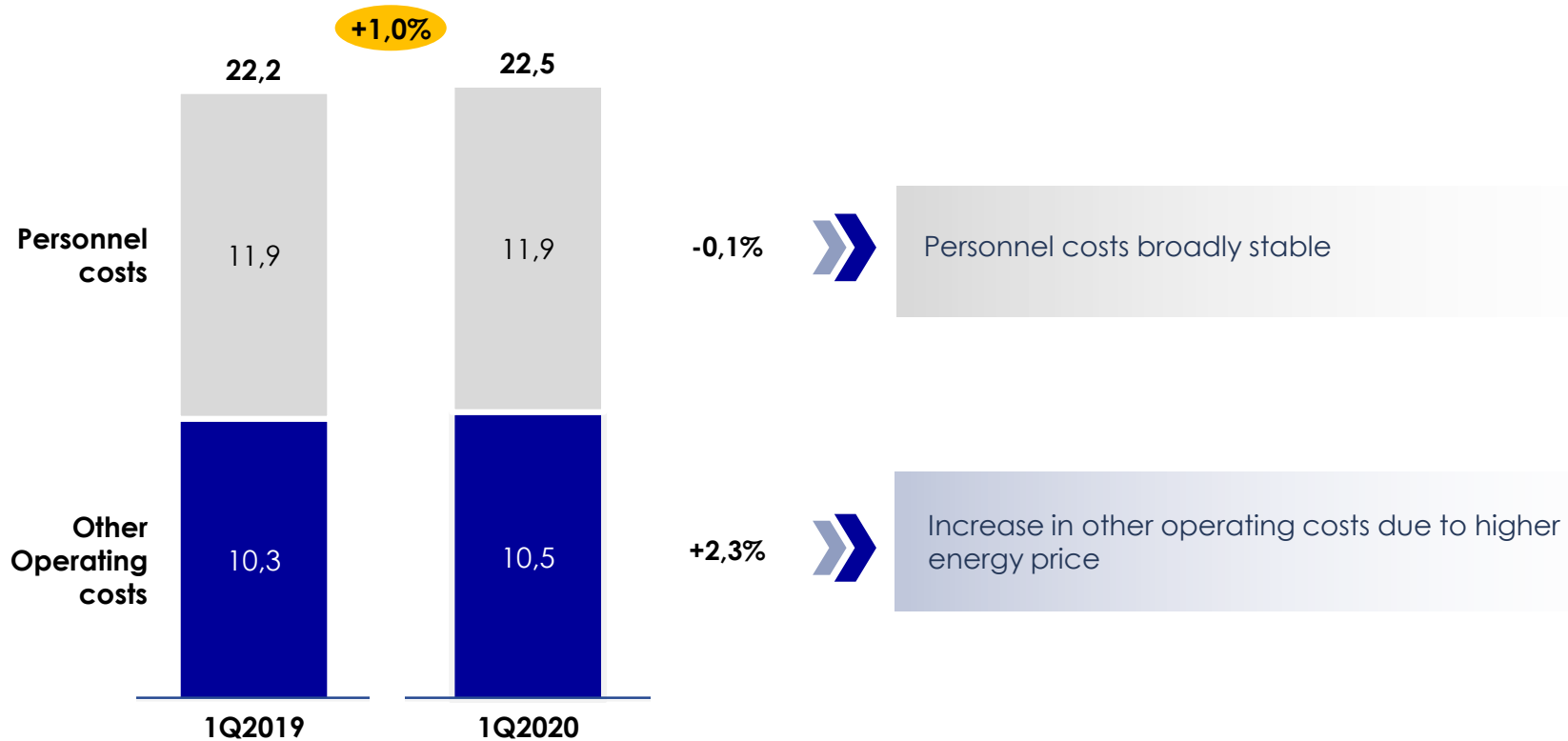
(2) Cash conversion = (Adj. EBITDA – Maintenance Capex) / Adj. EBITDA. All figures before IFRS 16 impact

Core Revenues

Mln Eur; %  % YoY growth



Mln Eur; %  % YoY growth



Mln Eur; %

| <i>Eur Mln, %</i> | 1Q 2019 | 1Q 2020 | % YoY |
|-----------------------------------|-------------|-------------|-------------|
| Core Revenues | 55,0 | 55,6 | 1,0% |
| Other Revenues & income | 0,1 | 0,0 | |
| Adj. EBITDA | 32,9 | 33,1 | 0,8% |
| % margin | 59,7% | 59,6% | |
| Non recurring costs | 0,0 | 0,0 | |
| EBITDA | 32,9 | 33,1 | 0,8% |
| % margin | 59,7% | 59,6% | |
| D&A ⁽¹⁾ | -10,4 | -10,6 | 1,9% |
| Operating Profit (EBIT) | 22,5 | 22,5 | 0,3% |
| Net financial income (expenses) | -0,4 | -0,2 | -46,1% |
| Profit before Income taxes | 22,1 | 22,3 | 1,1% |
| Income Taxes | -6,4 | -6,3 | -1,0% |
| % tax rate | 29,0% | 28,4% | |
| Net Income | 15,7 | 16,0 | 2,0% |

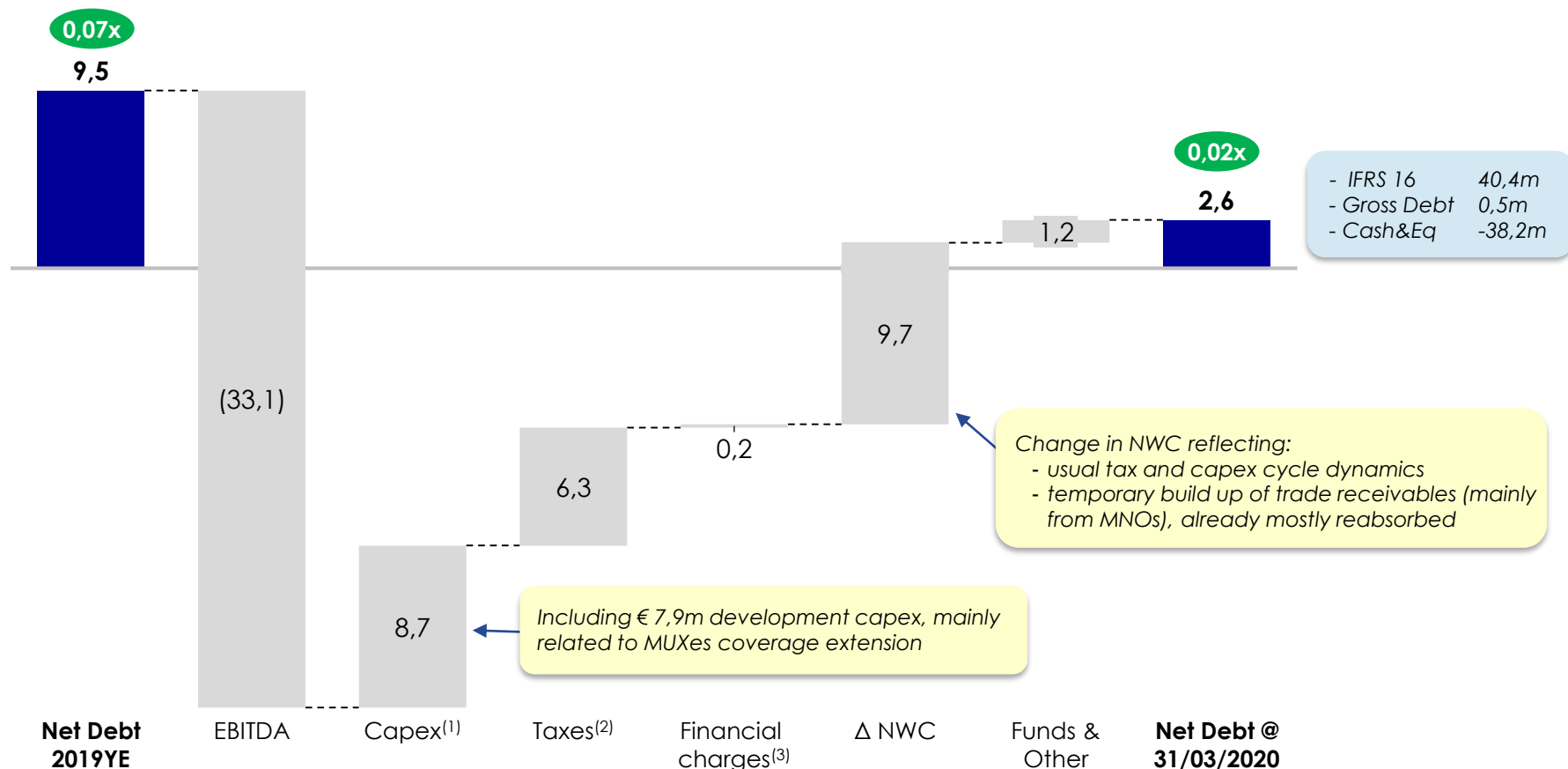
- 1Q2020 Net Income up by 2,0% at €16,0m as a result of:

- Higher top-line
- Steady profitability
- Higher D&A following rising investment activity
- Lower financial expenses
- Tax rate at 28,4%

(1) Including provisions

Cash flow generation

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



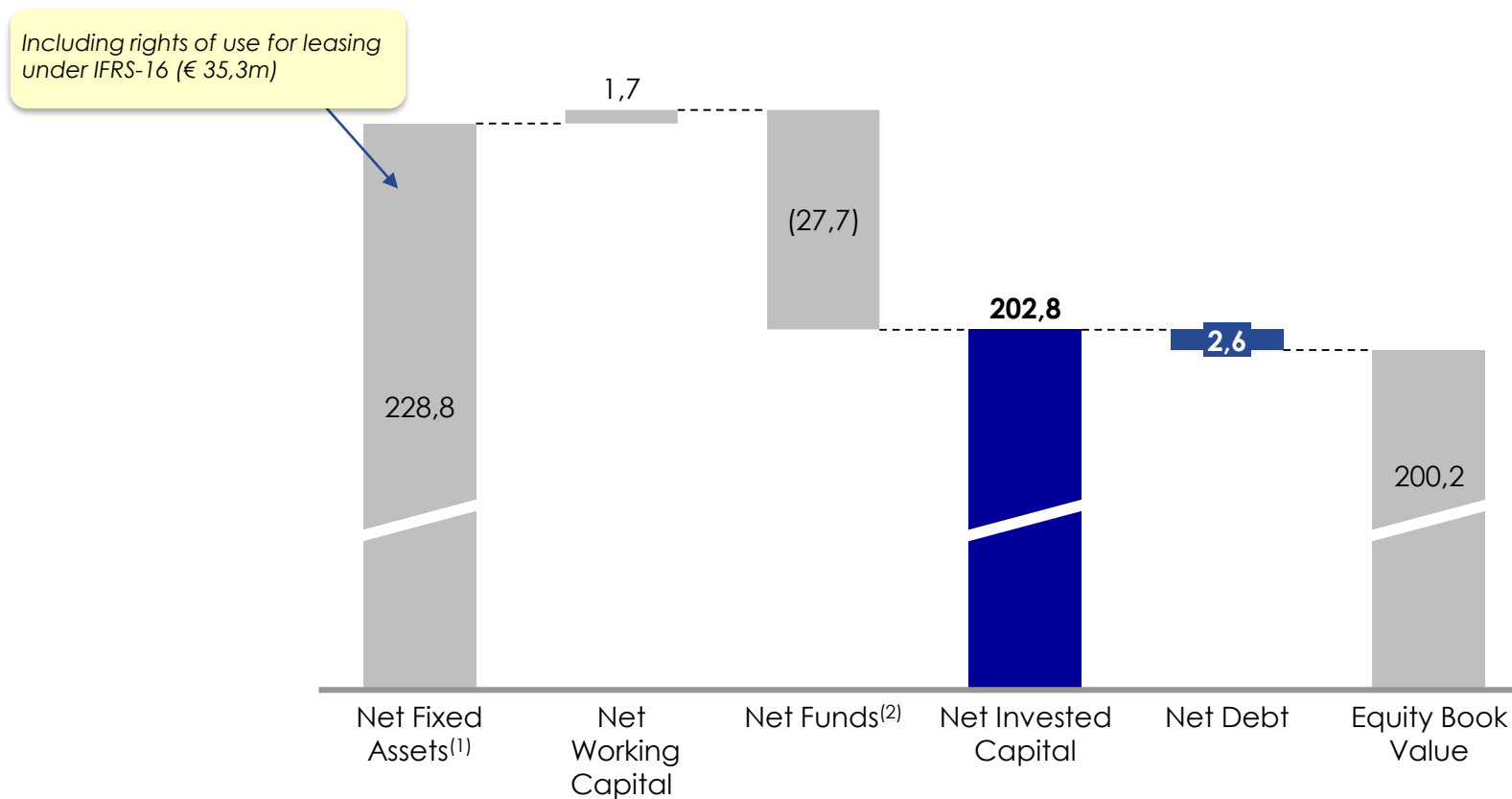
(1) Excluding component related to IFRS-16 leasing

(2) P&L taxes

(3) P&L financial charges excluding interests on the employee benefit liability

Balance sheet

Mln Eur; %



(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

In light of the operating evidences and based on the information available so far, impacts from COVID-19 emergency on the company expected to be managed maintaining the full year outlook already disclosed on 12 March

ADJUSTED EBITDA

- Further organic **growth** of **Adjusted EBITDA**

CAPEX

- **Maintenance capex as a percentage of core revenues** expected substantially **in line with the 2019** figures
- **Rising Development capex**, mainly related to *refarming* process

Q&A session

- Investor Relations



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Upcoming Events

| Date | Event |
|------------|-----------------------|
| 24/06/2020 | Shareholders' Meeting |
| 30/07/2020 | 1H20 results |
| 12/11/2020 | 3Q20 results |

Appendix

Detailed summary of Income Statement

| (€m; %) | 1Q19 | 1Q20 |
|--|---------------|---------------|
| Core revenues | 55,0 | 55,6 |
| Other revenues and income | 0,1 | 0,0 |
| Purchase of consumables | (0,3) | (0,2) |
| Cost of services | (9,5) | (9,7) |
| Personnel costs | (11,9) | (11,9) |
| Other costs | (0,5) | (0,6) |
| Opex | (22,2) | (22,5) |
| Depreciation, amortization and write-downs | (10,4) | (10,6) |
| Provisions | 0,0 | 0,0 |
| Operating profit (EBIT) | 22,5 | 22,5 |
| Net financial income (expenses) | (0,4) | (0,2) |
| Profit before income taxes | 22,1 | 22,3 |
| Income taxes | (6,4) | (6,3) |
| Net Income | 15,7 | 16,0 |
| EBITDA | 32,9 | 33,1 |
| EBITDA margin | 59,7% | 59,6% |
| Non recurring costs | 0,0 | 0,0 |
| Adjusted EBITDA | 32,9 | 33,1 |
| Adjusted EBITDA margin | 59,7% | 59,6% |

Summary of Balance Sheet

| (€m) | 2019FY | 1Q2020 |
|---|--------------|--------------|
| Non current assets | | |
| Tangible assets | 177,6 | 178,5 |
| Rights of use for leasing | 36,2 | 35,3 |
| Intangible assets | 14,3 | 13,7 |
| Financial assets, holdings and other non-current assets | 1,3 | 1,3 |
| Deferred tax assets | 2,7 | 2,8 |
| Total non-current assets | 232,1 | 231,6 |
| Current assets | | |
| Inventories | 0,9 | 0,9 |
| Trade receivables | 74,8 | 89,2 |
| Other current receivables and assets | 5,0 | 7,0 |
| Current financial assets | 0,3 | 0,3 |
| Cash and cash equivalents | 30,2 | 37,9 |
| Current tax receivables | 0,1 | 0,1 |
| Total current assets | 111,2 | 135,4 |
| TOTAL ASSETS | 343,3 | 367,0 |

| (€m) | 2019FY | 1Q2020 |
|---|--------------|--------------|
| Shareholders' Equity | | |
| Share capital | 70,2 | 70,2 |
| Legal reserves | 14,0 | 14,0 |
| Other reserves | 37,1 | 37,1 |
| Retained earnings | 62,9 | 78,9 |
| Total shareholders' equity | 184,2 | 200,2 |
| Non-current liabilities | | |
| Non-current financial liabilities | 0,3 | 0,3 |
| Non-current leasing liabilities | 26,3 | 24,8 |
| Employee benefits | 14,4 | 14,4 |
| Provisions for risks and charges | 15,9 | 16,1 |
| Other non-current liabilities | 0,0 | 0,0 |
| Deferred tax liabilities | 0,0 | 0,0 |
| Total non-current liabilities | 56,9 | 55,6 |
| Current liabilities | | |
| Trade payables | 54,3 | 47,8 |
| Other debt and current liabilities | 34,1 | 46,2 |
| Current financial liabilities | 0,2 | 0,2 |
| Current leasing liabilities | 13,3 | 15,5 |
| Current tax payables | 0,4 | 1,5 |
| Total current liabilities | 102,3 | 111,2 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 343,3 | 367,0 |

Summary of Cash Flow Statement

| (€m) | 1Q2019 | 1Q2020 |
|--|--------------|--------------|
| Profit before income taxes | 22,1 | 22,3 |
| Depreciation, amortization and write-downs | 10,4 | 10,6 |
| Provisions and (releases of) personnel and other funds | 0,6 | 0,9 |
| Net financial (income)/expenses | 0,3 | 0,2 |
| (Retained earnings)/Losses carried forward - Effect of IFRS adoption | 0,0 | 0,0 |
| Net operating CF before change in WC | 33,4 | 34,0 |
| Change in inventories | 0,0 | 0,0 |
| Change in trade receivables | (14,7) | (14,5) |
| Change in trade payables | (0,1) | (6,5) |
| Change in other assets | 0,5 | (1,9) |
| Change in other liabilities | 6,2 | 6,6 |
| Use of funds | (0,0) | (0,2) |
| Payment of employee benefits | (0,6) | (0,5) |
| Change in tax receivables and payables | 0,0 | 0,0 |
| Taxes paid | 0,0 | 0,0 |
| Net cash flow generated by operating activities | 24,8 | 17,0 |
| Investment in tangible assets | (2,6) | (8,6) |
| Disposals of tangible assets | 0,0 | 0,0 |
| Investment in intangible assets | (0,0) | (0,1) |
| Disposals of intangible assets | 0,0 | 0,0 |
| Change in other non-current assets | (0,0) | 0,0 |
| Change in holdings | 0,0 | 0,0 |
| Change in non-current financial assets | 0,0 | 0,0 |
| Business combination | 0,0 | 0,0 |
| Net cash flow generated by investment activities | (2,6) | (8,7) |
| (Decrease)/increase in medium/long-term loans | 0,0 | 0,0 |
| (Decrease)/increase in current financial liabilities | (0,3) | (0,1) |
| (Decrease)/increase in IFRS 16 financial liabilities | (1,8) | (0,5) |
| Change in current financial assets | (0,1) | (0,0) |
| Net Interest paid | (0,0) | (0,0) |
| Dividends paid | 0,0 | 0,0 |
| Net cash flow generated by financing activities | (2,1) | (0,6) |
| Change in cash and cash equivalent | 20,0 | 7,8 |
| Cash and cash equivalent (beginning of period) | 17,2 | 30,2 |
| Cash and cash equivalent of newly consolidated companies (beginning of period) | 0,0 | 0,0 |
| Cash and cash equivalent (end of period) | 37,2 | 37,9 |