



1Q2021 Results Presentation

13 May 2021



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.

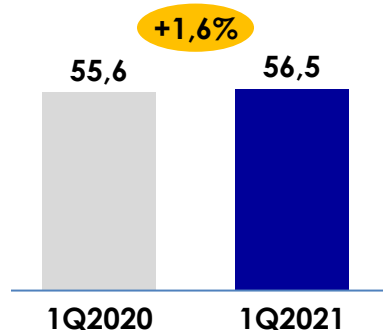
- **Aldo Mancino**, Chief Executive Officer
- **Adalberto Pellegrino**, Chief Financial Officer
- **Giancarlo Benucci**, Chief Corporate Development Officer

- Start of the year **in line with expected trend**:
 - EBITDA up +3,3% with profitability at 60,6% (+100 bps), driven by rising contribution from *refarming* and cost control
 - Development capex supported by *refarming* activities
- Update on ***refarming***:
 - Operations - Coverage extension reached 567 newly activated sites (out of 600); New macro regionalized UHF “DVB T2” MUX & National MUX upgrade to DVB-T2 on track
 - National - Auction process for the additional capacity started by MiSE on 28 April, with offers to be submitted within 30 days and awarding expected in 3Q21
 - Local - Company awarded with frequencies in four additional areas (Puglia & Basilicata, Lazio, Friuli Venezia Giulia and Sicily)
- **Guidance** for the full year **confirmed**

1Q2021 Financial highlights

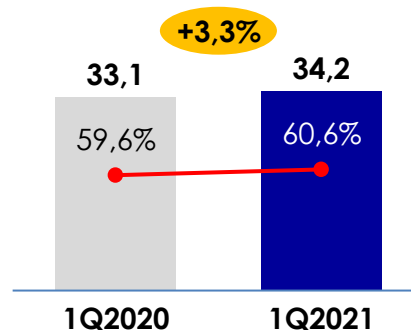
Mln Eur; % % YoY growth

Core Revenues

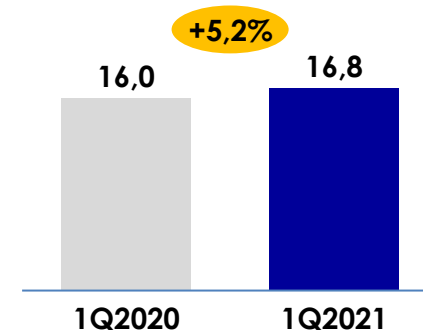


Adjusted EBITDA

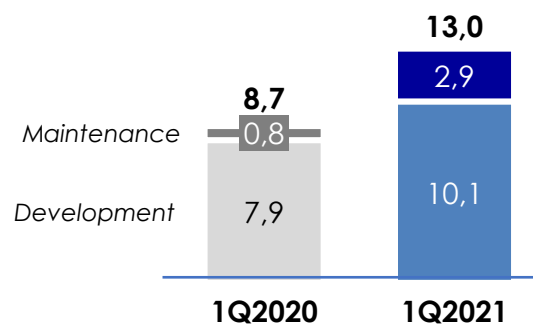
• Adjusted EBITDA margin



Net Income

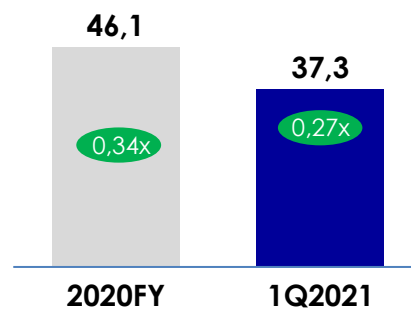


Capex ⁽¹⁾

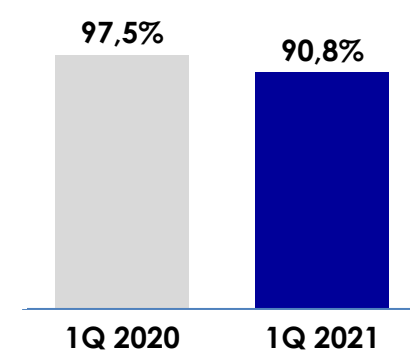


Net debt (Net Cash)

• Net Debt / 1-y rolling Adjusted EBITDA



Cash conversion ⁽²⁾

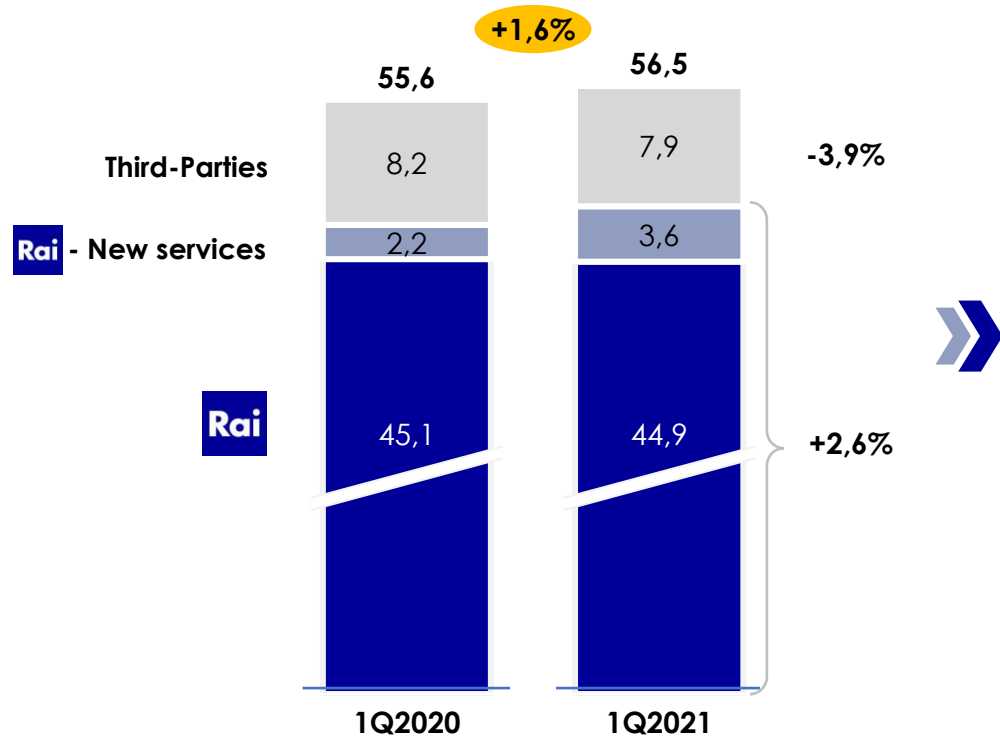


1) Maintenance capex excluding component related to IFRS-16 leasing

2) Cash conversion = (Adj. EBITDA - Leases - Maintenance Capex) / (Adj. EBITDA - Leases). Leases estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts

Core Revenues

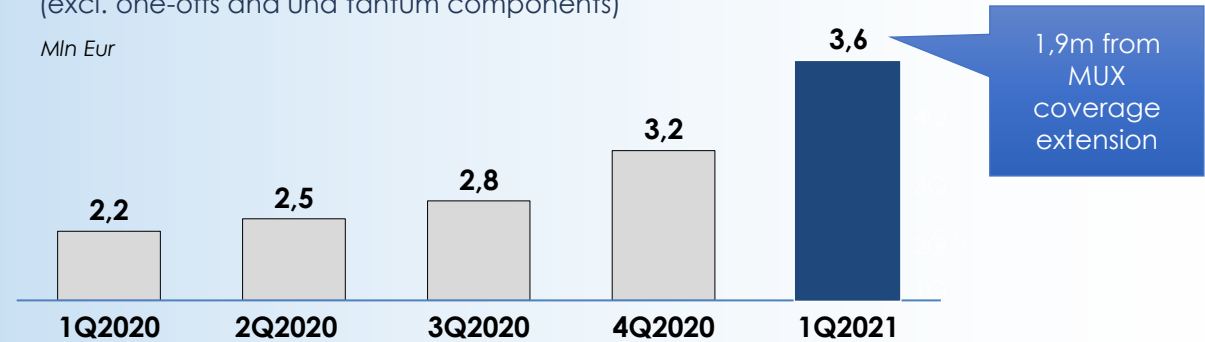
Mln Eur; % +1,6% % YoY growth



- Contribution from New Services to RAI rising as expected, driven by refarming-related projects and DTH reconfiguration

New services recurring contribution (excl. one-offs and una tantum components)

Mln Eur



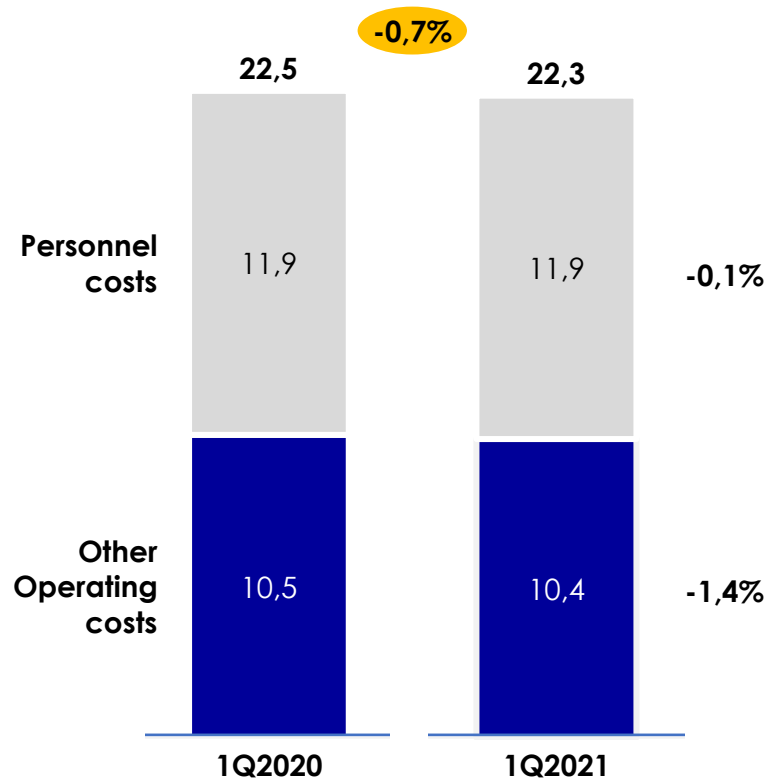
- Third-party revenues still impacted by MNOs' rationalization despite good performance of FWA segment

Opex (excluding non-recurring)

Mln Eur; %



% YoY growth



- Opex trending back to more normal level and broadly in line with 1Q20:
 - Stable personnel cost
 - Operating costs related to implementation of new services (e.g. coverage extension) and higher maintenance offset by lower energy price and efficiencies on connectivity capacity rental

<i>Eur Mln, %</i>	1Q 2020	1Q 2021	% YoY
Core Revenues	55,6	56,5	1,6%
Other Revenues & income	0,0	0,1	
Adj. EBITDA	33,1	34,2	3,3%
<i>% margin</i>	59,6%	60,6%	
Non recurring costs	-	-	
EBITDA	33,1	34,2	3,3%
<i>% margin</i>	59,6%	60,6%	
D&A ⁽¹⁾	-10,6	-11,9	12,8%
Operating Profit (EBIT)	22,5	22,3	-1,1%
Net financial income (expenses)	-0,2	-0,3	59,8%
Profit before Income taxes	22,3	22,0	-1,6%
Income Taxes	-6,3	-5,1	-18,9%
<i>% tax rate</i>	28,4%	23,4%	
Net Income	16,0	16,8	5,2%

• **1Q2021 Net Income up by 5,2% at € 16,8m as a result of:**

- Higher top line
- +100bps profitability, with margin above 60%
- Higher D&A following rising investment activity
- Tax rate at 23,4%, positively impacted by a € 1m one-off Covid-related tax relief

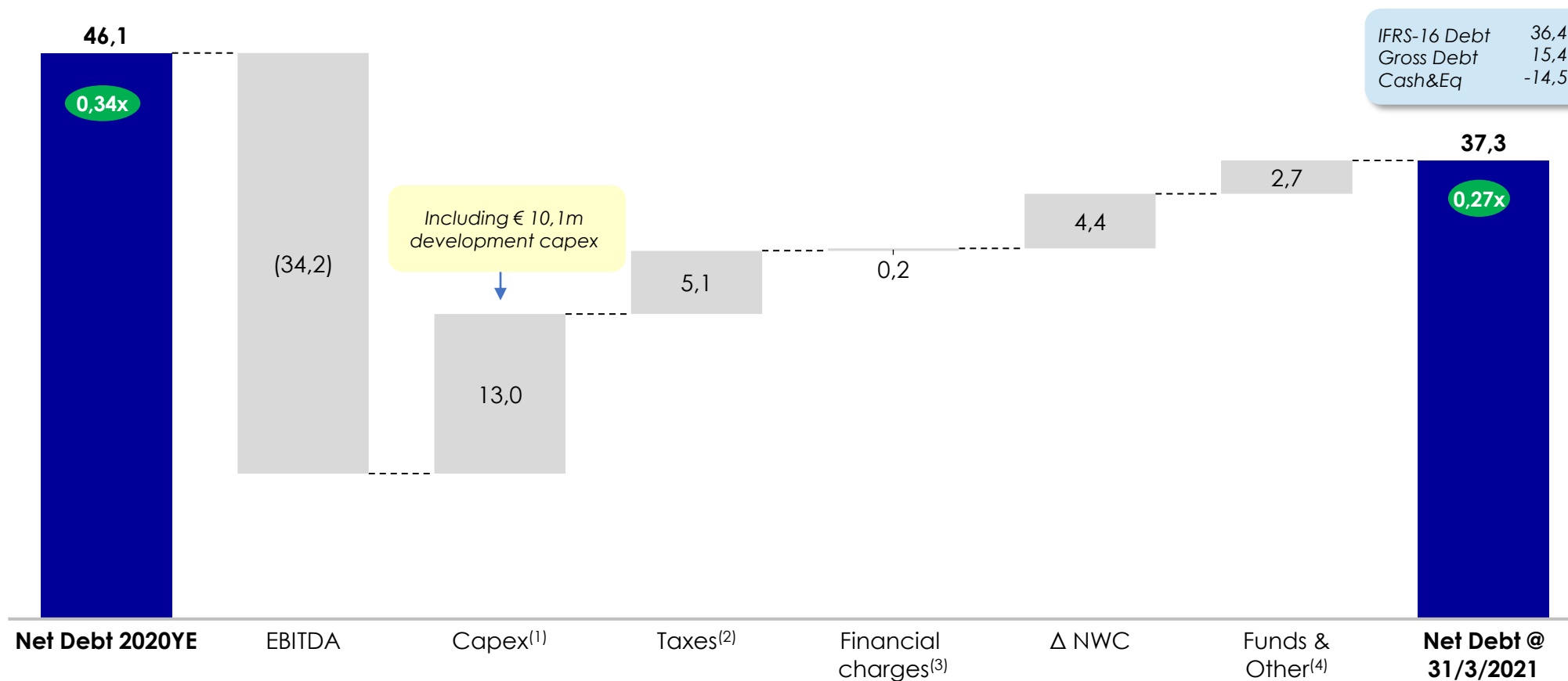


1) Including provisions

Net Debt bridge

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 employee benefit liability and interests on leasing contracts

4) Including renewal of leasing contracts and interests on leasing contracts

- Outlook based on a scenario with 3 MUX managed for RAI after *refarming* and on current visibility on the evolution of pandemic emergency:

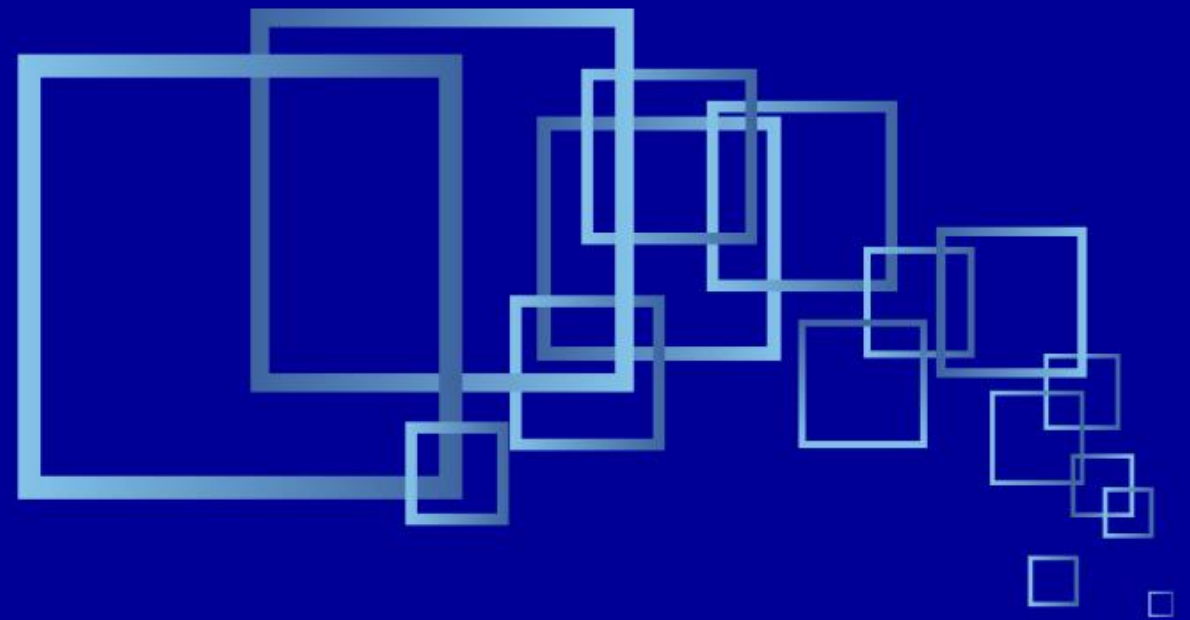
ADJUSTED EBITDA

- **Growth of Adjusted EBITDA** supported by step-up in RAI contract in 2H, although limited by:
 - Tough comparison with 2020 figure, positively impacted by temporary factors mainly related to COVID-19 outbreak
 - Slightly negative CPI recorded in 2020

CAPEX

- **Maintenance capex on core revenues ratio above 2020 figure**; run-rate post-network upgrade confirmed at ca. 6%
- **Development capex above 2020 level**, pushed by *refarming* investments

Q&A session



- Investor Relations



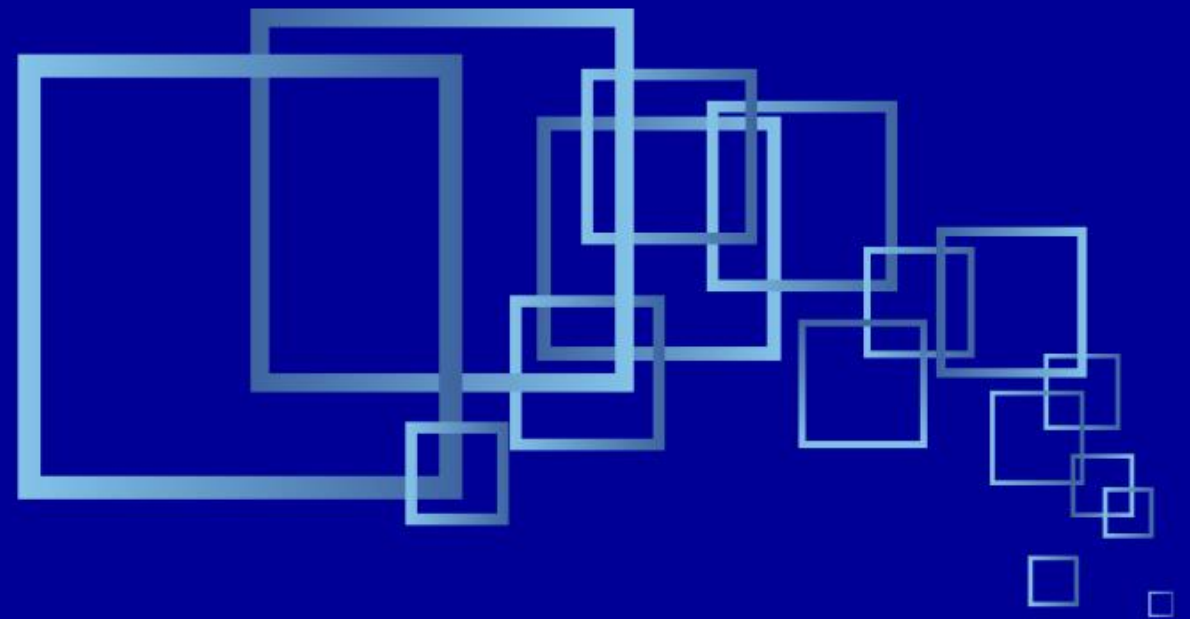
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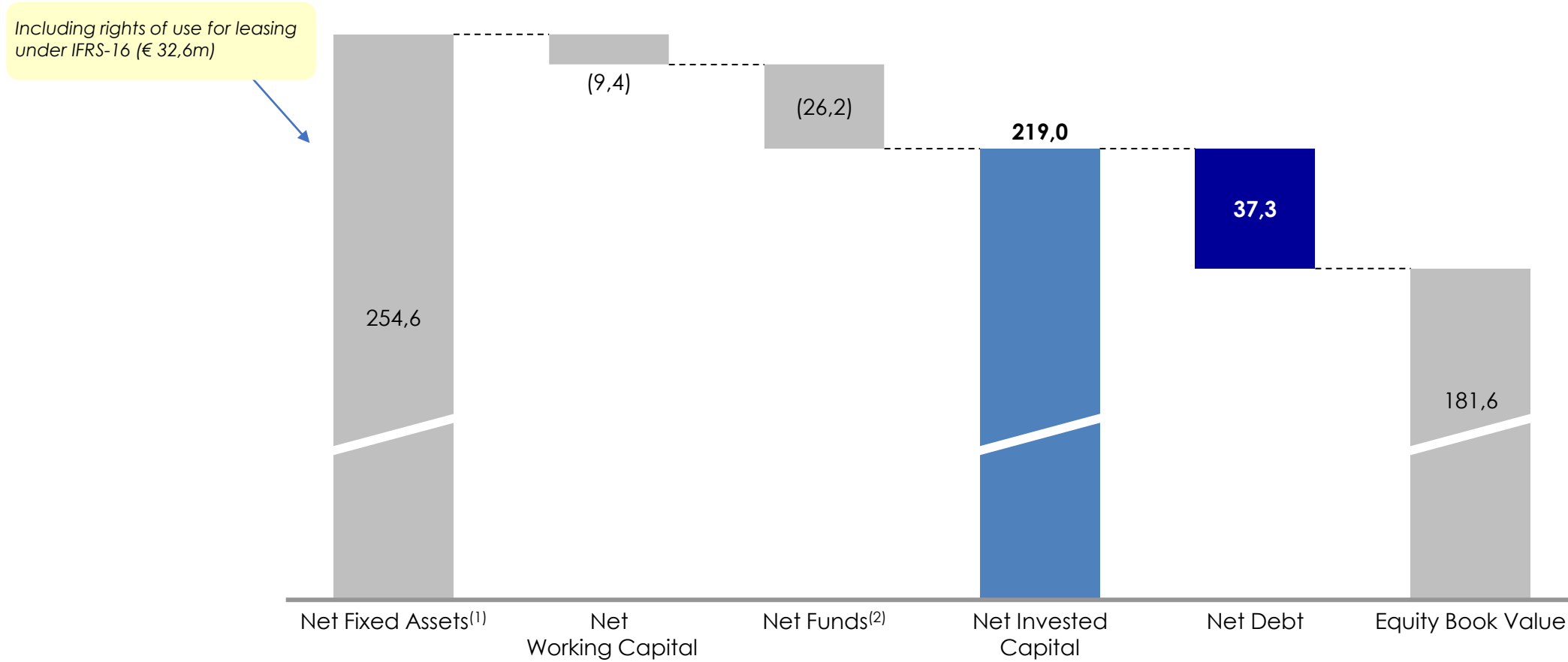
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Appendix



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

Detailed summary of Income Statement

(€m; %)	1Q20	1Q21
Core revenues	55,6	56,5
Other revenues and income	0,0	0,1
Purchase of consumables	(0,2)	(0,3)
Cost of services	(9,7)	(9,4)
Personnel costs	(11,9)	(11,9)
Other costs	(0,6)	(0,6)
Opex	(22,5)	(22,3)
Depreciation, amortization and write-downs	(10,6)	(12,0)
Provisions	-	0,1
Operating profit (EBIT)	22,5	22,3
Net financial income (expenses)	(0,2)	(0,3)
Profit before income taxes	22,3	22,0
Income taxes	(6,3)	(5,1)
Net Income	16,0	16,8
EBITDA	33,1	34,2
<i>EBITDA margin</i>	59,6%	60,6%
Non recurring costs	-	-
Adjusted EBITDA	33,1	34,2
<i>Adjusted EBITDA margin</i>	59,6%	60,6%

Summary of Balance Sheet

(€m)	2020FY	1Q2021
Non current assets		
Tangible assets	200,9	205,0
Rights of use for leasing	32,5	32,6
Intangible assets	15,9	15,0
Financial assets, holdings and other non-current assets	2,1	2,0
Deferred tax assets	2,8	2,9
Total non-current assets	254,2	257,5
Current assets		
Inventories	0,9	0,8
Trade receivables	62,6	77,5
Other current receivables and assets	4,2	5,9
Current financial assets	0,7	0,6
Cash and cash equivalents	4,1	13,9
Current tax receivables	0,1	0,1
Total current assets	72,4	98,8
TOTAL ASSETS	326,6	356,3

(€m)	2020FY	1Q2021
Shareholders' Equity		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	37,1	37,1
Retained earnings	63,5	80,3
Treasury shares	(20,0)	(20,0)
Total shareholders' equity	164,8	181,6
Non-current liabilities		
Non-current financial liabilities	15,1	15,1
Non-current leasing liabilities	23,9	23,1
Employee benefits	13,2	12,6
Provisions for risks and charges	16,3	16,6
Total non-current liabilities	68,5	67,3
Current liabilities		
Trade payables	45,5	46,8
Other debt and current liabilities	36,0	46,8
Current financial liabilities	0,3	0,3
Current leasing liabilities	11,5	13,3
Current tax payables	0,0	0,0
Total current liabilities	93,3	107,3
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	326,6	356,3

Summary of Cash Flow Statement

(€m)	1Q2020	1Q2021
Profit before income taxes	22,3	22,0
Depreciation, amortization and write-downs	10,6	12,0
Provisions and (releases of) personnel and other funds	0,9	0,9
Net financial (income)/expenses	0,2	0,3
Net operating CF before change in WC	34,0	35,1
Change in inventories	-	0,0
Change in trade receivables	(14,5)	(14,9)
Change in trade payables	(6,5)	1,3
Change in other assets	(1,9)	(1,6)
Change in other liabilities	6,6	5,6
Use of funds	(0,2)	(0,0)
Payment of employee benefits	(0,5)	(1,1)
Change in tax receivables and payables	-	(0,0)
Net cash flow generated by operating activities	17,0	24,3
Investment in tangible assets	(8,6)	(12,9)
Disposals of tangible assets	-	0,2
Investment in intangible assets	(0,1)	(0,1)
Change in other non-current assets	0,0	0,0
Change in non-current financial assets	-	0,0
Net cash flow generated by investment activities	(8,7)	(12,8)
(Decrease)/increase in current financial liabilities	(0,1)	(0,1)
(Decrease)/increase in IFRS 16 financial liabilities	(0,5)	(1,4)
Change in current financial assets	(0,0)	(0,0)
Net Interest paid	(0,0)	(0,1)
Net cash flow generated by financing activities	(0,6)	(1,7)
Change in cash and cash equivalent	7,8	9,8
Cash and cash equivalent (beginning of period)	30,2	4,1
Cash and cash equivalent (end of period)	37,9	13,9