



Press Release

RAI WAY APPROVES RESULTS OF THE FIRST HALF 2021

Revenues and Adjusted EBITDA up; guidance for 2021 confirmed

- **Key results for the half-year ended 30 June 2021 (vs. 30 June 2020):**
 - Core revenues of € 113.3m (+2.0%);
 - Adjusted EBITDA¹ of € 69.8m (+2.8%);
 - Operating profit (EBIT) of € 45.7m (+0.6%);
 - Net income of € 33.2m (+1.3%).
- **Capex² of € 29.9m (€ 19.0m at 30 June 2021)**
- **Net debt³ of € 84.5m (compared to € 46.1m at 31 December 2020)**
- **New organisational unit in charge of the infrastructures expansion and new services envisaged in the Industrial Plan**

Rome, 28 July 2021 – The Board of Directors of Rai Way S.p.A. (Rai Way) met today under the chairmanship of Giuseppe Pasciucco examined and unanimously approved the Company's Financial Statements for the half-year ended 30 June 2021.

Aldo Mancino, CEO of Rai Way stated: *"The first half of the year showed a gradual improvement in revenues and EBITDA compared to 2020, which represented a challenging basis of comparison. We are pleased with these results, which allow us to confirm our growth targets for 2021.*

From an operating perspective, we are ready to support the transition process to the new

¹ The Company assesses performance also on the basis of certain measures not considered by IFRS. Set out below is a description of the components of the indicators that are important for the Company:

. EBITDA (earnings before interest, taxes, depreciation and amortization): this is calculated as profit before income taxes, depreciation, amortization, write-downs and financial income and expenses.

. Adjusted EBITDA: this is calculated as profit before income taxes, depreciation, amortization, write-downs, financial income and expenses and non-recurring expenses/income.

. Operating profit or EBIT (earnings before interest and taxes): this is calculated as profit before income taxes and before financial income and expenses.

. Net Debt: the format for the calculation of Net Debt is the one provided in paragraph 127 of CESR Recommendation 05-054b, which implements Regulation (EC) no. 809/2004.

² Excluding investments related to the application of new IFRS 16 Accounting Standard, equal to € 4.3m

³ Net Debt including the effect of the application of the IFRS-16 accounting standard



digital terrestrial television thanks to the combination of technical and engineering expertise and widespread presence on the territory that distinguishes our company."

Key Results at 30 June 2021

The Company's **core revenues** amount to € 113.3 million for the semester ended 30 June 2021, an increase of 2.0% over € 111.1 million in the first half 2020. Revenues from RAI, equal to € 97.6 million, benefit from the progressive contribution from new initiatives for € 7.7 million. Revenues from third-party customers amount to € 15.7 million.

Adjusted EBITDA amounts to € 69.8 million, an increase of 2.8% over € 67.9 million in the first half 2020. This growth is the result of higher revenues that more than offset the expected increase in operating costs resulting from the reduction in the effects of pandemic-related safety measures, which had positively impacted 2020. The margin on revenues reached 61.6% (61.1% in the first half 2020). Considering the absence of non-recurring expenses in the first half of 2021 (€ 1.0 million in the same period of 2020), **EBITDA** amounts to € 69.8 million, representing an increase of 4.3% over € 67.0 million reported in the first half 2020 results.

Operating profit (EBIT) amounts to € 45.7 million, 0.6% higher than the € 45.4 million in the first half 2020, despite the higher depreciation resulting from increased development investments.

Net income amounts to € 33.2 million, slightly up compared to the first half 2020 figure of € 32.8 million, also benefiting from a one-off tax relief⁴ of € 1.0 million already accrued in 1Q.

Capex⁵ amount to € 29.9 million at 30 June 2021, of which € 23.7 million relate to development and M&A activities (€ 19.0 million in the first half 2020, of which € 16.0 million of development activities). The level of development investments mainly reflects the progress of activities related to the *refarming* process, which will lead to a further increase

⁴ The tax relief relates to the € 1 million increase in the maximum limit granted for State aid applied to the calculation of IRAP for the 2020 financial year pursuant to the Support Decree of 22 March 2021 and the Relaunch Decree of 19 May 2020

⁵ Excluding component related to IFRS-16 Leasing



in revenues from the second half of 2021.

Net invested capital⁶ amounts to € 218.6 million, with **net debt** of € 84.5 million (including the impact from the application of the IFRS-16 accounting standard for € 34.3 million) compared to € 46.1 million at 31 December 2020, confirming - net of development investments and dividend payments - the solid recurring cash generation.

Outlook

The results for the first six months of 2021 are in line with the company's expectations.

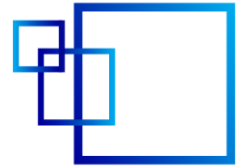
Therefore, based on the information available to date regarding the evolution of the Covid-19 emergency, the previously communicated guidance for 2021 is confirmed:

- growth in Adjusted EBITDA supported by higher revenues, although limited by an increase in operating costs resulting from the expected reduction of the effects recorded in 2020 due to the pandemic emergency and the implementation of new services;
- maintenance capex on core revenues ratio exceeding the 2020 value and development investments increasing due to *refarming* activities.

New organisational unit specifically devoted to infrastructure expansion and new services

The new "Data Centre, Edge Infrastructure & New Services" unit, reporting directly to the Chief Executive Officer, has been established to drive the business diversification envisaged in the Industrial Plan through infrastructure expansion and the development of new services. The unit is assigned to Luca Beltramino, former Managing Director of Supernap Italia and CEO and Chairman of the Board of Directors of TelecityGroup Italia (subsequently Equinix Italia). Most recently, he led the "TIER-Ready" Global Strategy on Edge, Modular and Prefab Data Centers as Senior Vice President Global Programs at Uptime Institute in London.

⁶ Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets



Rai Way announces that today, Wednesday 28 July 2021 at 5:30pm CET, the results of the first half 2021 will be presented to the financial community via conference call.

The presentation supporting the conference call will be made available in advance on the Company's website www.rairway.it, in the Investor Relations section.

To take part in the conference call:

Italy: +39 02 8020911 - UK: +44 1 212818004 - USA: +1 718 7058796

Alternatively, please register [here](#) to receive the weblink to the event directly in your inbox and Outlook Calendar.

The replay of the conference call will be available after the end of the event in the Investor Relations - Events kit section of the website www.rairway.it.

The manager in charge of preparing the corporate accounting documents, Adalberto Pellegrino, declares, pursuant to article 154-bis of the Consolidated Finance Law (TUF), that the accounting information in this release corresponds to the underlying accounting documents, books and entries.

Disclaimer

This release contains forward-looking statements on the future events and results of Rai Way that are based on current expectations, estimates and forecasts about the sector in which Rai Way operates and on management's current opinions. By their nature these items contain an element of risk and uncertainty as they depend on the occurrence of future events. The actual results could differ, even materially, from those stated for a variety of reasons such as: global economic conditions, the effect of competition and political, economic and regulatory developments in Italy.

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Rai Way S.p.A.

Rai Way manages and develops the terrestrial broadcast infrastructure which carries the television and radio signals of RAI, Italy's national public broadcasting company, and provides services to its business customers. Rai Way has an extensive experience and technological, engineering and organizational know-how in the Italian media and broadcast infrastructure market. Such a unique expertise, together with the skills and ongoing training of its around 600 employees, makes Rai Way an ideal partner for any companies and entities seeking for integrated solutions to develop their network and transmit their signals. Rai Way operates throughout the national territory and can rely on its headquarters in Rome, 20 local network centers and more than 2,300 sites across Italy.

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Income Statement

(€m; %)	2Q20	2Q21	1H20	1H21
Core revenues	55,6	56,8	111,1	113,3
Other revenues and income	0,0	0,4	0,0	0,5
Purchase of consumables	(0,0)	(0,3)	(0,2)	(0,7)
Cost of services	(8,6)	(9,3)	(18,3)	(18,7)
Personnel costs	(12,5)	(11,3)	(24,4)	(23,2)
Other costs	(0,7)	(0,8)	(1,2)	(1,4)
Opex	(21,8)	(21,7)	(44,2)	(44,0)
Depreciation, amortization and write-downs	(10,9)	(12,2)	(21,5)	(24,2)
Provisions	-	(0,0)	-	0,1
Operating profit (EBIT)	22,9	23,4	45,4	45,7
Net financial income (expenses)	(0,2)	(0,4)	(0,4)	(0,7)
Profit before income taxes	22,7	23,0	45,0	45,0
Income taxes	(5,9)	(6,7)	(12,2)	(11,8)
Net Income	16,8	16,3	32,8	33,2
EBITDA	33,8	35,6	67,0	69,8
EBITDA margin	60,9%	62,6%	60,2%	61,6%
Non recurring costs	(1,0)	-	(1,0)	-
Adjusted EBITDA	34,8	35,6	67,9	69,8
Adjusted EBITDA margin	62,7%	62,6%	61,1%	61,6%



Balance Sheet

(€m)	2020FY	1H2021
Non current assets		
Tangible assets	200,9	211,5
Rights of use for leasing	32,5	32,0
Intangible assets	15,9	15,5
Financial assets, holdings and other non-current assets	2,1	1,9
Deferred tax assets	2,8	3,0
Total non-current assets	254,2	264,0
Current assets		
Inventories	0,9	0,8
Trade receivables	62,6	65,1
Other current receivables and assets	4,2	4,6
Current financial assets	0,7	0,6
Cash and cash equivalents	4,1	5,7
Current tax receivables	0,1	0,1
Total current assets	72,4	76,9
TOTAL ASSETS	326,6	340,8
Shareholders' Equity		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	37,1	37,2
Retained earnings	63,5	32,6
Treasury shares	(20,0)	(20,0)
Total shareholders' equity	164,8	134,1
Non-current liabilities		
Non-current financial liabilities	15,1	56,0
Non-current leasing liabilities	23,9	23,4
Employee benefits	13,2	12,4
Provisions for risks and charges	16,3	16,9
Total non-current liabilities	68,5	108,7
Current liabilities		
Trade payables	45,5	40,2
Other debt and current liabilities	36,0	45,9
Current financial liabilities	0,3	0,5
Current leasing liabilities	11,5	11,0
Current tax payables	0,0	0,5
Total current liabilities	93,3	98,1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	326,6	340,8



Cash Flow Statement

(€m)	2Q2020	2Q2021	1H2020	1H2021
Profit before income taxes	22,7	23,0	45,0	45,0
Depreciation, amortization and write-downs	10,9	12,2	21,5	24,2
Provisions and (releases of) personnel and other funds	(0,2)	0,9	0,7	1,7
Net financial (income)/expenses	0,2	0,3	0,3	0,6
Other non-cash items	0,1	0,1	0,1	0,1
Net operating CF before change in WC	33,6	36,5	67,7	71,6
Change in inventories	0,0	0,0	0,0	0,0
Change in trade receivables	27,2	12,4	12,7	(2,6)
Change in trade payables	(12,5)	(6,6)	(19,0)	(5,3)
Change in other assets	1,5	1,3	(0,4)	(0,4)
Change in other liabilities	(3,8)	(6,5)	2,7	(0,9)
Use of funds	(0,2)	(0,1)	(0,4)	(0,1)
Payment of employee benefits	(0,6)	(0,7)	(1,1)	(1,8)
Change in tax receivables and payables	(0,1)	(0,0)	(0,1)	(0,0)
Taxes paid	-	(0,7)	-	(0,7)
Net cash flow generated by operating activities	45,1	35,7	62,2	59,9
Investment in tangible assets	(9,5)	(15,1)	(18,1)	(28,1)
Disposals of tangible assets	-	0,0	-	0,2
Investment in intangible assets	(0,8)	(0,7)	(0,9)	(0,8)
Disposals of intangible assets	-	0,0	-	0,0
Change in other non-current assets	0,1	0,0	0,1	0,0
Change in non-current financial assets	-	0,0	-	0,1
Business combination	-	(1,0)	-	(1,0)
Net cash flow generated by investment activities	(10,3)	(16,8)	(19,0)	(29,6)
(Decrease)/increase in medium/long-term loans	(0,1)	40,9	(0,1)	40,9
(Decrease)/increase in current financial liabilities	63,4	0,2	63,4	0,0
(Decrease)/increase in IFRS 16 financial liabilities	(3,7)	(3,8)	(4,1)	(5,3)
Change in current financial assets	(0,1)	(0,1)	(0,1)	(0,1)
Net Interest paid	(0,2)	(0,3)	(0,2)	(0,4)
Dividends paid	-	(63,9)	-	(63,9)
Dividends to be paid	(63,3)	-	(63,3)	-
Net cash flow generated by financing activities	(4,0)	(27,0)	(4,6)	(28,7)
Change in cash and cash equivalent	30,9	(8,2)	38,6	1,7
Cash and cash equivalent (beginning of period)	37,9	13,9	30,2	4,1
Cash and cash equivalent (end of period)	68,8	5,7	68,8	5,7