

## Press Release

### RAI WAY APPROVES RESULTS FOR THE NINE MONTHS 2021

#### *Growth in economic indicators supported by development activities*

- **Key results for the nine months ended 30 September 2021 (vs 30 September 2020):**
  - **Core revenues of € 171.8m (+2.2%);**
  - **Adjusted EBITDA<sup>1</sup> of € 110.0m (+5.2%);**
  - **Operating profit (EBIT) of € 73.3m (+3.7%);**
  - **Net income of € 52.8m (+3.8%);**
- **Capex of € 55.5m<sup>2</sup>**
- **Net debt<sup>3</sup> of € 98.1m (compared to € 46.1m at 31 December 2020)**

Rome, 11 November 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 Interim Financial Report for the nine months ended 30 September 2021.

Aldo Mancino, CEO of Rai Way stated: “We are fully satisfied with the results for the nine months, which allow us to confirm our targets for 2021. In the third quarter, the effects of development activities, particularly the refarming, became increasingly tangible and, together with the various initiatives of the industrial plan, on which we remain focused, lay the foundations for a sustainable growth of our business”.

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<sup>1</sup> 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.

<sup>2</sup> Excluding investments related to the application of new IFRS 16 Accounting Standard, equal to € 5.5m

<sup>3</sup> Net Debt including the effect of the application of the IFRS-16 accounting standard



## Key results for the nine months 2021

As of 30 September 2021, Company's **core revenues** amount to € 171.8 million, an increase of 2.2% over € 168.0 million for the nine months 2020. Revenues from RAI, equal to € 148.4 million, benefit from the increase driven by refarming activities. Revenues from third-party customers amount to € 23.4 million.

**Adjusted EBITDA** amounts to € 110.0 million, an increase of 5.2% over € 104.5 million in the nine months 2020. This growth is the result of higher revenues and decreasing operating costs, despite lower savings compared to the previous year due to pandemic-related safety measures. The margin on revenues reached 64.0% (62.2% in the nine months 2020). Considering the absence of non-recurring expenses in the nine months 2021 (€ 1.1 million in the same period of 2020), **EBITDA** amounts to € 110.0 million, representing an increase of 6.3% over € 103.5 million reported in the nine months 2020.

**Operating profit (EBIT)** amounts to € 73.3 million, rising 3.7% over € 70.7 million of the nine months 2020, despite the higher depreciation resulting from increased development investments.

**Net income** amounts to € 52.8 million, up compared to the nine months 2020 figure of € 50.8 million, also benefiting from a one-off tax relief<sup>4</sup> of € 1.0 million already accrued in the first quarter.

**Capex**<sup>5</sup> amount to € 55.5 million at 30 September 2021, of which € 46.6 million relate to development and M&A activities (€ 34.2 million in the nine months 2020, of which € 28.0 million of development activities). The level of development investments mainly reflects the progress of activities related to the *refarming* process.

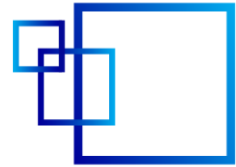
**Net invested capital**<sup>6</sup> amounts to € 251.8 million, with **net debt** of € 98.1 million (including the impact from the application of the IFRS-16 accounting standard for € 33.8 million) compared to € 46.1 million at 31 December 2020, confirming - net of development

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<sup>4</sup> 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

<sup>5</sup> Excluding component related to IFRS-16 Leasing

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



investments and dividend payments - the solid recurring cash generation.

## Outlook

The results for the nine 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 both the expected reduction of the effects recorded in 2020 linked 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.

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*Rai Way announces that today, Thursday 11 November 2021 at 5:30pm CET, the results of the nine months 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.raiway.it](http://www.raiway.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.raiway.it](http://www.raiway.it).*

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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.



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#### 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.



#### **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.*

#### **For more information:**

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## Income Statement

(€m; %)	3Q20	3Q21	9M20	9M21
<b>Core revenues</b>	<b>56,9</b>	<b>58,4</b>	<b>168,0</b>	<b>171,8</b>
Other revenues and income	0,0	0,0	0,0	0,5
Purchase of consumables	(0,3)	(0,3)	(0,5)	(1,0)
Cost of services	(10,2)	(8,8)	(28,5)	(27,5)
Personnel costs	(9,3)	(8,5)	(33,7)	(31,7)
Other costs	(0,6)	(0,7)	(1,9)	(2,0)
<b>Opex</b>	<b>(20,4)</b>	<b>(18,3)</b>	<b>(64,6)</b>	<b>(62,3)</b>
Depreciation, amortization and write-downs	(11,2)	(12,5)	(32,7)	(36,7)
Provisions	(0,0)	0,0	(0,0)	0,1
<b>Operating profit (EBIT)</b>	<b>25,3</b>	<b>27,6</b>	<b>70,7</b>	<b>73,3</b>
Net financial income (expenses)	(0,3)	(0,4)	(0,7)	(1,1)
<b>Profit before income taxes</b>	<b>25,0</b>	<b>27,2</b>	<b>70,0</b>	<b>72,2</b>
Income taxes	(6,9)	(7,6)	(19,2)	(19,4)
<b>Net Income</b>	<b>18,1</b>	<b>19,6</b>	<b>50,8</b>	<b>52,8</b>
<b>EBITDA</b>	<b>36,5</b>	<b>40,1</b>	<b>103,5</b>	<b>110,0</b>
EBITDA margin	64,2%	68,7%	61,6%	64,0%
Non recurring costs	(0,1)	-	(1,1)	-
<b>Adjusted EBITDA</b>	<b>36,6</b>	<b>40,1</b>	<b>104,5</b>	<b>110,0</b>
Adjusted EBITDA margin	64,3%	68,7%	62,2%	64,0%



## Balance Sheet

(€m)	2020FY	9M2021
<b>Non current assets</b>		
Tangible assets	200,9	227,7
Rights of use for leasing	32,5	30,9
Intangible assets	15,9	15,2
Financial assets, holdings and other non-current assets	2,1	1,9
Deferred tax assets	2,8	2,3
<b>Total non-current assets</b>	<b>254,2</b>	<b>278,0</b>
<b>Current assets</b>		
Inventories	0,9	0,8
Trade receivables	62,6	76,7
Other current receivables and assets	4,2	4,4
Current financial assets	0,7	0,6
Cash and cash equivalents	4,1	6,5
Current tax receivables	0,1	0,1
<b>Total current assets</b>	<b>72,4</b>	<b>89,1</b>
<b>TOTAL ASSETS</b>	<b>326,6</b>	<b>367,1</b>
<b>Shareholders' Equity</b>		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	37,1	37,2
Retained earnings	63,5	52,2
Treasury shares	(20,0)	(20,0)
<b>Total shareholders' equity</b>	<b>164,8</b>	<b>153,7</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	15,1	56,0
Non-current leasing liabilities	23,9	22,7
Employee benefits	13,2	12,3
Provisions for risks and charges	16,3	15,4
<b>Total non-current liabilities</b>	<b>68,5</b>	<b>106,3</b>
<b>Current liabilities</b>		
Trade payables	45,5	42,7
Other debt and current liabilities	36,0	36,2
Current financial liabilities	0,3	15,5
Current leasing liabilities	11,5	11,1
Current tax payables	0,0	1,6
<b>Total current liabilities</b>	<b>93,3</b>	<b>107,1</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>326,6</b>	<b>367,1</b>



## Cash Flow Statement

(€m)	3Q2020	3Q2021	9M2020	9M2021
<b>Profit before income taxes</b>	<b>25,0</b>	<b>27,2</b>	<b>70,0</b>	<b>72,2</b>
Depreciation, amortization and write-downs	11,2	12,5	32,7	36,7
Provisions and (releases of) personnel and other funds	2,3	(0,9)	3,0	0,9
Net financial (income)/expenses	0,2	0,4	0,5	1,0
Other non-cash items	0,0	(0,0)	0,1	0,1
<b>Net operating CF before change in WC</b>	<b>38,7</b>	<b>39,2</b>	<b>106,4</b>	<b>110,9</b>
Change in inventories	0,0	0,0	0,0	0,1
Change in trade receivables	(7,6)	(11,7)	5,2	(14,3)
Change in trade payables	2,8	2,5	(16,2)	(2,8)
Change in other assets	0,5	0,2	0,0	(0,2)
Change in other liabilities	5,3	5,6	8,0	4,7
Use of funds	(2,1)	(0,2)	(2,5)	(0,3)
Payment of employee benefits	(0,4)	(0,6)	(1,6)	(2,4)
Change in tax receivables and payables	0,0	(0,0)	(0,1)	(0,0)
Taxes paid	(21,7)	(21,2)	(21,7)	(21,8)
<b>Net cash flow generated by operating activities</b>	<b>15,4</b>	<b>13,9</b>	<b>77,6</b>	<b>73,8</b>
Investment in tangible assets	(13,4)	(25,0)	(31,5)	(53,1)
Disposals of tangible assets	-	(0,2)	-	0,0
Investment in intangible assets	(1,8)	(0,6)	(2,7)	(1,4)
Disposals of intangible assets	-	-	-	0,0
Change in other non-current assets	(0,0)	0,0	0,1	0,0
Change in non-current financial assets	-	0,0	-	0,1
Business combination	-	-	-	(1,0)
<b>Net cash flow generated by investment activities</b>	<b>(15,2)</b>	<b>(25,7)</b>	<b>(34,1)</b>	<b>(55,3)</b>
(Decrease)/increase in medium/long-term loans	-	-	(0,1)	40,9
(Decrease)/increase in current financial liabilities	(42,6)	15,1	20,8	15,1
(Decrease)/increase in IFRS 16 financial liabilities	(2,6)	(2,4)	(6,7)	(7,7)
Change in current financial assets	(0,0)	0,2	(0,2)	0,1
Net Interest paid	(0,3)	(0,1)	(0,5)	(0,5)
Buyback	(7,7)	-	(7,7)	-
Dividends paid	(63,3)	(0,1)	(63,3)	(64,0)
Dividends to be paid	63,3	-	-	-
<b>Net cash flow generated by financing activities</b>	<b>(53,2)</b>	<b>12,7</b>	<b>(57,7)</b>	<b>(16,0)</b>
<b>Change in cash and cash equivalent</b>	<b>(52,9)</b>	<b>0,8</b>	<b>(14,3)</b>	<b>2,5</b>
Cash and cash equivalent (beginning of period)	68,8	5,7	30,2	4,1
Cash and cash equivalent (end of period)	15,9	6,5	15,9	6,5