



Press Release

RAI WAY APPROVES RESULTS OF THE FIRST QUARTER 2022

Economic indicators showing sustained growth in the first quarter

- **Key results for the quarter ended 31 March 2022 (vs. 31 March 2021):**
 - Core revenues of € 60.1m (+6.5%);
 - EBITDA¹ of € 39.5m (+15.5%);
 - Operating profit (EBIT) of € 26.7m (+19.9%);
 - Net income of € 18.8m (+11.7%).
- **Capex² of € 9.2m (€ 13.0m at 31 March 2021)**
- **Net debt³ of € 70.8m (compared to € 87.9m at 31 December 2021)**

Rome, 12 May 2022 – The Board of Directors of Rai Way S.p.A. (Rai Way) met today under the chairmanship of Maurizio Rastrello examined and unanimously approved the Company's Interim Financial Report for the quarter ended 31 March 2022.

Aldo Mancino, Chief Executive Officer of Rai Way, commented: "*The first quarter of 2022 closed with improved revenues, profitability and recurring cash generation. The outlook for the rest of the year is confirmed: we are confident to deliver organic EBITDA growth, despite the impact resulting from the current level of electricity costs, and we will keep working on the development guidelines of our Industrial Plan*".

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 €5.0m in March 2022

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



Key Results at 31 March 2022

The Company's **core revenues** amount to € 60.1 million for the quarter ended 31 March 2022, an increase of 6.5% over € 56.5 million in the first quarter 2021, also as a result of indexation to inflation. Revenues from RAI, equal to € 52.4 million, benefit from the contractual step-up driven by *refarming* activities. Revenues from third-party customers amount to € 7.7 million.

EBITDA amounts to € 39.5 million, an increase of 15.5% over € 34.2 million in the first quarter 2021, mainly due to higher top-line, cost control and the effect of government incentives on the ancillary components of the electricity cost (given a substantially stable raw energy price compared to the first three months of 2021 as a result of the supply contract in place until 31 March 2022). The margin on revenues reached 65.8% (60.6% in the first quarter 2021). No non-recurring expenses were recorded during the quarter (absent in the same period of 2021 as well).

Operating profit (EBIT) amounts to € 26.7 million, an increase of 19.9% over € 22.3 million in the first quarter 2021 mainly due to higher depreciation resulting from development investments.

Net income amounts to € 18.8 million, an increase of 11.7% compared to the figure for the first quarter 2021, when – including a one-off tax relief of € 1.0 million – it stood at € 16.8 million.

Capex⁴ amount to € 9.2 million at 31 March 2022, of which € 8.5 million relate to development (€ 13.0 million in the first three months of 2021, of which € 10.1 million of development activities). The level of development investments mainly reflects the progress of activities related to the *refarming* process.

Net invested capital⁵ amounts to € 255.8 million, with **net debt** closing at € 70.8 million (including the impact from the application of the IFRS-16 accounting standard for € 38.0

⁴ Excluding component related to IFRS-16 Leasing

⁵ Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets



million) compared to € 87.9 million at 31 December 2021.

Outlook

Considering the results for the first three months, the trend in electricity prices to date and their expected evolution for the rest of the year (based on the current level of futures contracts), the Company confirms its targets for 2022. In particular, Rai Way is forecasting:

- mid-single-digit revenue growth driven by indexation to inflation and the impacts of *refarming* for both RAI and third-party customers;
- growth of Adjusted EBITDA, assuming a progressive normalization of electricity prices;
- Maintenance investments in line with the level provided in the 2020-23 Industrial Plan; development investments up on 2021 driven by completion of *refarming* activities and deployment of new services.

Rai Way announces that today, Thursday 12 May 2022 at 5:30pm CET, the results of the first quarter 2022 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:

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The replay of the conference call will be available after the end of the event in the Investor Relations - Presentations and events 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.



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; %)	1Q21	1Q22
Core revenues	56,5	60,1
Other revenues and income	0,1	0,0
Purchase of consumables	(0,3)	(0,3)
Cost of services ¹	(9,5)	(8,4)
Personnel costs ¹	(11,9)	(11,2)
Other costs	(0,6)	(0,7)
Opex	(22,3)	(20,6)
Depreciation, amortization and write-downs	(12,0)	(12,8)
Provisions	0,1	-
Operating profit (EBIT)	22,3	26,7
Net financial income (expenses)	(0,3)	(0,4)
Profit before income taxes	22,0	26,3
Income taxes	(5,1)	(7,5)
Net Income	16,8	18,8
EBITDA	34,2	39,5
<i>EBITDA margin</i>	60,6%	65,8%
Non recurring costs	-	-
Adjusted EBITDA	34,2	39,5
<i>Adjusted EBITDA margin</i>	60,6%	65,8%

1) 1Q2021 expenses amounting to c. € 42k reclassified from personnel costs to service costs



Balance Sheet

(€m)	2021FY	1Q2022
Non current assets		
Tangible assets	244,5	244,4
Rights of use for leasing	31,5	33,9
Intangible assets	17,2	16,3
Financial assets, holdings and other non-current assets	1,4	1,5
Deferred tax assets	3,0	3,0
Total non-current assets	297,7	299,1
Current assets		
Inventories	0,8	0,8
Trade receivables	67,8	75,9
Other current receivables and assets	3,9	2,8
Current financial assets	0,5	0,6
Cash and cash equivalents	17,2	36,0
Current tax receivables	0,1	0,1
Total current assets	90,4	116,1
TOTAL ASSETS	388,0	415,2
Shareholders' Equity		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	37,3	37,5
Retained earnings	64,4	83,2
Treasury shares	(20,0)	(20,0)
Total shareholders' equity	165,9	184,9
Non-current liabilities		
Non-current financial liabilities	69,0	69,0
Non-current leasing liabilities	21,4	21,0
Employee benefits	12,3	11,8
Provisions for risks and charges	17,2	17,1
Total non-current liabilities	119,9	118,8
Current liabilities		
Trade payables	51,7	44,5
Other debt and current liabilities	35,2	48,3
Current financial liabilities	0,2	0,4
Current leasing liabilities	15,1	17,0
Current tax payables	0,1	1,3
Total current liabilities	102,2	111,5
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	388,0	415,2



Cash Flow Statement

(€m)	1Q2021	1Q2022
Profit before income taxes	22,0	26,3
Depreciation, amortization and write-downs	12,0	12,8
Provisions and (releases of) personnel and other funds	0,9	0,4
Net financial (income)/expenses	0,3	0,4
Other non-cash items	-	0,0
Net operating CF before change in WC	35,1	40,0
Change in inventories	0,0	-
Change in trade receivables	(14,9)	(8,1)
Change in trade payables	1,3	(7,2)
Change in other assets	(1,6)	1,1
Change in other liabilities	5,6	6,8
Use of funds	(0,0)	(0,1)
Payment of employee benefits	(1,1)	(1,0)
Change in tax receivables and payables	(0,0)	(0,0)
Net cash flow generated by operating activities	24,3	31,5
Investment in tangible assets	(12,9)	(9,1)
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	0,0
Net cash flow generated by investment activities	(12,8)	(9,2)
(Decrease)/increase in current financial liabilities	(0,1)	(0,0)
(Decrease)/increase in IFRS 16 financial liabilities	(1,4)	(3,4)
Change in current financial assets	(0,0)	(0,1)
Net Interest paid	(0,1)	(0,2)
Net cash flow generated by financing activities	(1,7)	(3,7)
Change in cash and cash equivalent	9,8	18,7
Cash and cash equivalent (beginning of period)	4,1	17,2
Cash and cash equivalent (end of period)	13,9	36,0