

## Press Release

### RAI WAY APPROVES RESULTS OF THE FIRST HALF 2022

***Revenues and EBITDA growing; guidance confirmed despite rising pressure from electricity prices in the second half***

- **Key results for the half-year ended 30 June 2022 (vs. 30 June 2021):**
  - Core revenues of € 121.2m (+7.0%);
  - EBITDA<sup>1</sup> of € 78.2m (+11.9%);
  - Operating profit (EBIT) of € 52.5m (+14.9%);
  - Net income of € 37.0m (+11.5%).
- **Capex<sup>2</sup> of € 26.2m (€ 29.9m at 30 June 2021)**
- **Net debt<sup>3</sup> of € 120.0m (compared to € 87.9m at 31 December 2021)**

Rome, 27 July 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 Financial Statements for the half-year ended 30 June 2022.

Aldo Mancino, CEO of Rai Way stated: *"We are very pleased with the performance in the first half of the year and the progress of the initiatives we are implementing. Also in the second quarter, we confirmed the EBITDA growth path despite unprecedented energy price dynamics. The frequency refarming process for RAI has been successfully completed and the new regional multiplexes serving local broadcasters have been launched;*

<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



*commercial activity with mobile operators is bringing encouraging results, also prospectively, and we maintain the focus on the deployment of new infrastructure and other strategic opportunities set out in the Industrial Plan."*

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### **Key Results at 30 June 2022**

The Company's **core revenues** amount to € 121.2 million for the semester ended 30 June 2022, an increase of 7.0% over € 113.3 million in the first half 2021 also supported by indexation to inflation. Revenues from RAI, equal to € 104.6 million, benefit from the step-up driven by *refarming* activities. Revenues from third-party customers amount to € 16.6 million, back on the rise thanks to the growing contribution of the new regional networks developed in the context of *refarming*.

**EBITDA** amounts to € 78.2 million, an increase of 11.9% over € 69.8 million in the first half 2021, as a result of higher revenues and cost containment (partly due to certain non-recurring benefits) that offset the headwinds from the sharp increase in electricity prices. The margin on revenues reached 64.5% (61.6% in the first half 2021). No non-recurring expenses were recorded during the semester (absent in the same period of 2021 as well).

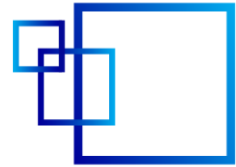
**Operating profit (EBIT)** amounts to € 52.5 million, 14.9% higher than the € 45.7 million in the first half 2021, despite the higher depreciation resulting from development investments.

**Net income** amounts to € 37.0 million, up compared to the figure of the first half 2021, when - including a one-off tax relief of € 1.0 million - it stood at € 33.2 million.

**Capex<sup>4</sup>** amount to € 26.2 million at 30 June 2022, of which € 22.3 million relate to development (€ 29.9 million in the first half 2021, of which € 23.7 million of development activities and M&A). The level of development investments reflects the progress of activities related to the *refarming* process for RAI as well as the implementation of the new regional TV networks and the new assets design activities.

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<sup>4</sup> Excluding component related to IFRS-16 Leasing



**Net invested capital<sup>5</sup>** amounts to € 258.8 million, with **net debt** of € 120.0 million (including the impact from the application of the IFRS-16 accounting standard for € 36.8 million) compared to € 87.9 million at 31 December 2021.

## Outlook

Considering the results of the first half of the year and the recent level of power futures, for 2022FY the Company expects:

- mid-single-digit revenues growth driven by investments in *refarming*, both for RAI and third-party customers, and indexation to inflation;
- Adjusted EBITDA to grow, although limited by the level of electricity prices expected for the rest of the year;
- 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.

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*Rai Way announces that today, Wednesday 27 July 2022 at 5:30pm CET, the results of the first half 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.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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<sup>5</sup> Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets



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; %)	2Q21	2Q22	1H21	1H22
<b>Core revenues</b>	<b>56,8</b>	<b>61,1</b>	<b>113,3</b>	<b>121,2</b>
Other revenues and income	0,4	0,3	0,5	0,3
Purchase of consumables	(0,3)	(0,2)	(0,7)	(0,6)
Cost of services <sup>1</sup>	(9,3)	(10,8)	(18,8)	(19,2)
Personnel costs <sup>1</sup>	(11,3)	(11,1)	(23,2)	(22,3)
Other costs	(0,8)	(0,7)	(1,4)	(1,3)
<b>Opex</b>	<b>(21,7)</b>	<b>(22,8)</b>	<b>(44,0)</b>	<b>(43,4)</b>
Depreciation, amortization and write-downs	(12,2)	(12,9)	(24,2)	(25,7)
Provisions	(0,0)	0,0	0,1	0,0
<b>Operating profit (EBIT)</b>	<b>23,4</b>	<b>25,8</b>	<b>45,7</b>	<b>52,5</b>
Net financial income (expenses)	(0,4)	(0,4)	(0,7)	(0,9)
<b>Profit before income taxes</b>	<b>23,0</b>	<b>25,4</b>	<b>45,0</b>	<b>51,6</b>
Income taxes	(6,7)	(7,2)	(11,8)	(14,6)
<b>Net Income</b>	<b>16,3</b>	<b>18,2</b>	<b>33,2</b>	<b>37,0</b>
<b>EBITDA</b>	<b>35,6</b>	<b>38,6</b>	<b>69,8</b>	<b>78,2</b>
EBITDA margin	62,6%	63,2%	61,6%	64,5%
Non recurring costs	-	-	-	-
<b>Adjusted EBITDA</b>	<b>35,6</b>	<b>38,6</b>	<b>69,8</b>	<b>78,2</b>
Adjusted EBITDA margin	62,6%	63,2%	61,6%	64,5%

1) 1H2021 expenses amounting to c. € 64k reclassified from personnel costs to service costs



## Balance Sheet

(€m)	2021FY	1H2022
<b>Non current assets</b>		
Tangible assets	244,5	251,5
Rights of use for leasing	31,5	32,4
Intangible assets	17,2	15,9
Financial assets, holdings and other non-current assets	1,4	1,6
Deferred tax assets	3,0	2,1
<b>Total non-current assets</b>	<b>297,7</b>	<b>303,5</b>
<b>Current assets</b>		
Inventories	0,8	0,8
Trade receivables	67,8	68,3
Other current receivables and assets	3,9	2,1
Current financial assets	0,5	0,5
Cash and cash equivalents	17,2	17,7
Current tax receivables	0,1	0,1
<b>Total current assets</b>	<b>90,4</b>	<b>89,6</b>
<b>TOTAL ASSETS</b>	<b>388,0</b>	<b>393,1</b>
<b>Shareholders' Equity</b>		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	37,3	37,7
Retained earnings	64,4	36,9
Treasury shares	(20,0)	(20,0)
<b>Total shareholders' equity</b>	<b>165,9</b>	<b>138,8</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	69,0	101,0
Non-current leasing liabilities	21,4	22,3
Employee benefits	12,3	10,5
Provisions for risks and charges	17,2	14,7
<b>Total non-current liabilities</b>	<b>119,9</b>	<b>148,6</b>
<b>Current liabilities</b>		
Trade payables	51,7	39,7
Other debt and current liabilities	35,2	50,4
Current financial liabilities	0,2	0,5
Current leasing liabilities	15,1	14,4
Current tax payables	0,1	0,7
<b>Total current liabilities</b>	<b>102,2</b>	<b>105,7</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>388,0</b>	<b>393,1</b>



## Cash Flow Statement

(€m)	2Q2021	2Q2022	1H2021	1H2022
<b>Profit before income taxes</b>	<b>23,0</b>	<b>25,4</b>	<b>45,0</b>	<b>51,6</b>
Depreciation, amortization and write-downs	12,2	12,9	24,2	25,7
Provisions and (releases of) personnel and other funds	0,9	(1,0)	1,7	(0,6)
Net financial (income)/expenses	0,3	0,4	0,6	0,8
Other non-cash items	0,1	0,1	0,1	0,2
<b>Net operating CF before change in WC</b>	<b>36,5</b>	<b>37,7</b>	<b>71,6</b>	<b>77,7</b>
Change in inventories	0,0	0,0	0,0	0,0
Change in trade receivables	12,4	7,6	(2,6)	(0,5)
Change in trade payables	(6,6)	(5,1)	(5,3)	(12,3)
Change in other assets	1,3	0,7	(0,4)	1,8
Change in other liabilities	(6,5)	(3,4)	(0,9)	3,4
Use of funds	(0,1)	(0,8)	(0,1)	(0,9)
Payment of employee benefits	(0,7)	(0,7)	(1,8)	(1,7)
Change in tax receivables and payables	(0,0)	(0,0)	(0,0)	(0,1)
Taxes paid	(0,7)	(1,7)	(0,7)	(1,7)
<b>Net cash flow generated by operating activities</b>	<b>35,7</b>	<b>34,3</b>	<b>59,9</b>	<b>65,9</b>
Investment in tangible assets	(15,1)	(16,4)	(28,1)	(25,5)
Disposals of tangible assets	0,0	0,0	0,2	0,0
Investment in intangible assets	(0,7)	(0,6)	(0,8)	(0,7)
Disposals of intangible assets	0,0	-	0,0	-
Change in other non-current assets	0,0	0,0	0,0	0,0
Change in non-current financial assets	0,0	0,0	0,1	0,1
Business combination	(1,0)	-	(1,0)	-
<b>Net cash flow generated by investment activities</b>	<b>(16,8)</b>	<b>(16,9)</b>	<b>(29,6)</b>	<b>(26,1)</b>
(Decrease)/increase in medium/long-term loans	40,9	32,0	40,9	32,0
(Decrease)/increase in current financial liabilities	0,2	0,2	0,0	0,2
(Decrease)/increase in IFRS 16 financial liabilities	(3,8)	(2,3)	(5,3)	(5,7)
Change in current financial assets	(0,1)	(0,1)	(0,1)	(0,2)
Net Interest paid	(0,3)	(0,3)	(0,4)	(0,5)
Dividends paid	(63,9)	(65,1)	(63,9)	(65,1)
<b>Net cash flow generated by financing activities</b>	<b>(27,0)</b>	<b>(35,7)</b>	<b>(28,7)</b>	<b>(39,3)</b>
<b>Change in cash and cash equivalent</b>	<b>(8,2)</b>	<b>(18,3)</b>	<b>1,7</b>	<b>0,5</b>
Cash and cash equivalent (beginning of period)	13,9	36,0	4,1	17,2
Cash and cash equivalent (end of period)	5,7	17,7	5,7	17,7