



Press Release

RAI WAY APPROVES RESULTS OF THE FIRST QUARTER 2023

Double-digit growth in all the economic indicators in the first quarter; guidance for the full year confirmed

- **Key results for the quarter ended 31 March 2023 (vs. 31 March 2022):**
 - **Core revenues of € 67.8m (+12.8%);**
 - **EBITDA¹ of € 44.4m (+12.4%);**
 - **Operating profit (EBIT) of € 33.4m (+25.0%);**
 - **Net income of € 23.5m (+25.0%).**
- **Capex² of € 6.0m (€ 9.2m at 31 March 2022)**
- **Net debt³ of € 92.0m (compared to € 105.0m at 31 December 2022)**

Rome, 11 May 2023 – 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 quarter ended 31 March 2023.

Roberto Cecatto, Chief Executive Officer of Rai Way, commented: "The company is on track with its growth path, supported in the first quarter by the contribution of new regional networks and the indexation to inflation. The performance to date, as well as market conditions, allow us to confirm the guidance for 2023. The new Board is aware of the Company's current Industrial Plan that have enabled Rai Way, to date, to establish itself as

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 €1.8m in March 2022

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



a player capable of operating in competitive markets, to record progressive and steady growth due to the technological evolution of its core business and to undertake a diversification plan in areas with high prospective growth. The Board's goal is to accelerate, where possible, the value creation process by acting on operational and financial levers."

Key Results at 31 March 2023

The Company's **core revenues** amount to € 67.8 million for the quarter ended 31 March 2023, an increase of 12.8% over € 60.1 million in the first quarter 2022. Revenues from RAI, rising to € 57.5 million, reflect the indexation to inflation. Revenues from third-party customers amount to € 10.4 million posting a 34.0% increase, well above inflation thanks to the contribution of the new regional digital terrestrial networks.

EBITDA amounts to € 44.4 million, an increase of 12.4% over € 39.5 million in the first quarter 2022, as a result of higher top-line and control on costs, moderately increasing, only partially offset by higher electricity tariffs compared to the same period of the previous year (which benefited from the annual fixed-price supply contract valid until March 2022). The margin on revenues reached 65.5% (65.8% in the first quarter 2022). No non-recurring expenses were recorded during the quarter (as in the same period of 2022).

Operating profit (EBIT) amounts to € 33.4 million, an increase of 25.0% over € 26.7 million in the first quarter 2022, also benefiting from the full depreciation of DVB-T transmission equipment.

Net income amounts to € 23.5 million, an increase of 25.0% compared to the figure for the first quarter 2022, when it stood at € 18.8 million.

Capex⁴, historically limited in the first quarter, amount to € 6.0 million at 31 March 2023, of which € 4.9 million relate to development (€ 9.2 million in the first three months of 2022, of

⁴ Excluding component related to IFRS-16 Leasing



which € 8.5 million of development activities).

Net invested capital⁵ amounts to € 291.5 million, with **net debt** closing at € 92.0 million (including the impact from the application of the IFRS-16 accounting standard for € 39.4 million) compared to € 105.0 million at 31 December 2022.

Outlook

Considering the results for the first three months, the Company confirms its targets for 2023. In particular, Rai Way expects:

- Adjusted EBITDA growth rate in the mid-teens (based on current electricity price forecasts for 2023);
- Maintenance investments in line with the previous year; development investments substantially in line with 2022 but with a different RAI-third parties mix.

Rai Way announces that today, Thursday 11 May 2023 at 5:30pm CET, the results of the first quarter 2023 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, 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 - Presentations and events section of the website www.raiway.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.

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



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 for RAI, the Italian public broadcasting company, and for local broadcaster, also providing services to its business customers.

Rai Way has an extensive experience and technological, engineering and organisational 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 centres and more than 2,300 sites across Italy.

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Income Statement

(€m; %)	1Q22	1Q23
Core revenues	60,1	67,8
Other revenues and income ¹	0,0	0,9
Purchase of consumables	(0,3)	(0,3)
Cost of services	(8,4)	(10,9)
Personnel costs	(11,2)	(12,5)
Other costs	(0,7)	(0,6)
Opex	(20,6)	(24,3)
Depreciation, amortization and write-downs	(12,8)	(11,1)
Provisions	-	-
Operating profit (EBIT)	26,7	33,4
Net financial income (expenses)	(0,4)	(0,7)
Profit before income taxes	26,3	32,7
Income taxes	(7,5)	(9,2)
Net Income	18,8	23,5
EBITDA	39,5	44,4
<i>EBITDA margin</i>	65,8%	65,5%
Non recurring costs	-	-
Adjusted EBITDA	39,5	44,4
<i>Adjusted EBITDA margin</i>	65,8%	65,5%

1) Other Revenues and income include tax credits related to electricity expenses



Balance Sheet

(€m)	2022FY	1Q2023
Non current assets		
Tangible assets	280,8	278,2
Rights of use for leasing	33,4	32,6
Intangible assets	19,5	19,7
Financial assets, holdings and other non-current assets	0,9	0,9
Deferred tax assets	1,8	2,1
Total non-current assets	336,4	333,4
Current assets		
Inventories	0,8	0,8
Trade receivables	66,2	84,9
Other current receivables and assets	2,5	4,6
Current financial assets	1,5	1,2
Cash and cash equivalents	35,2	48,3
Current tax receivables	0,1	0,1
Total current assets	106,2	139,9
TOTAL ASSETS	442,6	473,3
Shareholders' Equity		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	38,2	38,0
Retained earnings	73,7	97,2
Treasury shares	(20,0)	(20,0)
Total shareholders' equity	176,2	199,5
Non-current liabilities		
Non-current leasing liabilities	22,6	21,2
Employee benefits	10,0	10,0
Provisions for risks and charges	15,1	15,4
Other non-current liabilities	0,3	0,3
Total non-current liabilities	48,0	46,9
Current liabilities		
Trade payables	60,5	50,5
Other debt and current liabilities	38,5	54,2
Current financial liabilities	101,5	102,2
Current leasing liabilities	17,6	18,1
Current tax payables	0,4	1,9
Total current liabilities	218,4	227,0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	442,6	473,3



Cash Flow Statement

(€m)	1Q2022	1Q2023
Profit before income taxes	26,3	32,7
Depreciation, amortization and write-downs	12,8	11,1
Provisions and (releases of) personnel and other funds	0,4	0,9
Net financial (income)/expenses	0,4	0,7
Other non-cash items	0,0	0,1
Net operating CF before change in WC	40,0	45,4
Change in inventories	-	0,0
Change in trade receivables	(8,1)	(18,6)
Change in trade payables	(7,2)	(10,0)
Change in other assets	1,1	(2,2)
Change in other liabilities	6,8	7,9
Use of funds	(0,1)	(0,2)
Payment of employee benefits	(1,0)	(0,5)
Change in tax receivables and payables	(0,0)	-
Net cash flow generated by operating activities	31,5	21,8
Investment in tangible assets	(9,1)	(4,8)
Investment in intangible assets	(0,1)	(1,2)
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	(9,2)	(6,0)
(Decrease)/increase in current financial liabilities	(0,0)	-
(Decrease)/increase in IFRS 16 financial liabilities	(3,4)	(2,5)
Change in current financial assets	(0,1)	0,2
Net Interest paid	(0,2)	(0,1)
Dividends paid	-	(0,2)
Net cash flow generated by financing activities	(3,7)	(2,6)
Change in cash and cash equivalent	18,7	13,2
Cash and cash equivalent (beginning of period)	17,2	35,2
Cash and cash equivalent (end of period)	36,0	48,3