

Press Release

RAI WAY APPROVES RESULTS FOR THE NINE MONTHS 2024

Solid growth continued; guidance for 2024 confirmed

- **Key results for the nine months ended 30 September 2024 (vs. 30 September 2023):**
 - **Core revenues of € 206.5m (+1.1 %);**
 - **Adjusted EBITDAⁱ of € 142.2m (+2.7%);**
 - **Operating profit (EBIT)ⁱ at € 103.9m (+3.4%);**
 - **Net income of € 70.5m (+1.0%).**
- **Capexⁱⁱ of € 25.1m (€ 27.5m in the first nine months 2023)**
- **Recurring free cash flowⁱⁱⁱ of € 96.2m (+5.1 %)**
- **Net debt^{i,iv} of € 148.2m (compared to € 104.9m at 31 December 2023)**

Rome, 13th November 2024 - 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 2024.

Consistently with the first half of the year, in the first nine months Rai Way recorded core revenue growth of +1.1% to € 206.5 million, higher than the contribution alone of inflation indexation clauses included in most customer contracts. Adjusted EBITDAⁱ stood at € 142.2 million, an improvement of 2.7% also thanks to the strict cost control, with net income growing to € 70.5 million (+1.0%) reflecting higher depreciation and amortization and financial expenses related to the progression of investments. Net debt^{i,iv} stood at € 148.2 million, and - although impacted by investments and dividend distribution - remained below Adjusted EBITDAⁱ calculated over the last 12 months.

Given the results achieved, the Company confirms the guidance for the current year, as most recently reformulated at the time of the publication of the half-year figures.

From an operational standpoint, the completion of the first 5 edge data centers and the launch of the new organizational structure made it possible to define an ad hoc commercialization strategy for the new assets, including CDN, for which trials are continuing in parallel, in collaboration with leading content providers. As part of the improvement in operational efficiency envisaged in the 2024-27 Industrial Plan, Rai Way has also identified a new corporate headquarters in Rome, where it will move

its central functions as early as the second quarter of 2025, consistent with the objectives of strengthening corporate identity and reducing costs.

Roberto Cecatto, Chief Executive Officer of Rai Way, commented: *"The solid results achieved by Rai Way in the first nine months of 2024, consistent with our expectations, allow us to look forward to the last quarter of the year with confidence and to continue to focus on the execution of the strategy. The strong fundamentals of the traditional business ensures we can confidently plan and pursue our diversification path"*.

Key Results for the first nine months 2024

Core revenues amounted to € 206.5 million as of 30 September 2024, up 1.1% from € 204.1 million in the corresponding period of 2023, exceeding the reference inflation rate thanks in particular to the performance of Third Party customers, which generated normalized^y revenue growth of +4.9% in the third quarter. In the nine-month period, **Media distribution services**, that include revenues attributable to RAI, generated revenues of € 182.8 million, up 1.1 percent given the indexing to inflation of the underlying contracts, as well as the entry into full operation of the new regional digital terrestrial networks. **Digital infrastructure**, on the other hand, accounted for € 23.6m in revenues, currently generated entirely by tower hosting services, which accelerated growth to 1.5% from +1.1% in the first six months of the year, driven by telecommunication players (Fixed Wireless and mobile) and radio operators.

Adjusted EBITDAⁱ amounted to € 142.2 million, an increase of 2.7% compared to € 138.4 million recorded in the first nine months of 2023. The improvement was driven by the increase in core revenues, careful cost control and certain non-core benefits (higher level of capitalization of personnel costs and other income), which more than offset the lack of the incentives on energy tariffs recorded in 2023 and the rising start-up costs of new initiatives. Adjusted EBITDAⁱ margin stood at 68.9% (it was 67.8 % in the first nine months of 2023). Considering the impact of nonrecurring charges (€0.2 million in the first nine months of 2024 and €3.6 million in the corresponding period of 2023), **EBITDAⁱ** was €141.9 million, up 5.3 percent.

Operating profit (EBIT)ⁱ amounted to € 103.9 million, an increase of 3.4% over € 100.5 million in the first nine months 2023, impacted by an acceleration of depreciation and amortization resulting from investment activities.

Net income amounts to € 70.5 million, an increase of 1.0% compared to the figure for the first nine months 2023 when it stood at € 69.8 million, also impacted by higher financial charges, reflecting rising interest rates as well as a higher amount of financial debt.

In the period, **Capex**ⁱⁱ amount to € 25.1 million, of which € 19.9 million dedicated to development activities, in particular to the 5 edge data centers that went into operation in July. In the corresponding period of 2023, investments had amounted to € 27.5 million, including € 19.7 million in development activities.

Net invested capital^{vi} amounts to € 321.5 million, with **Net debt**^{i,iv} closing at € 148.2 million (including the impact from the application of the IFRS-16 accounting standard for € 30.9 million) compared to € 104.9 million at 31 December 2023, confirming - net of dividend payments and development investments - the positive dynamics of the **recurring cash generation**ⁱⁱⁱ, equal to € 96.2 million (+5.1% compared to €91.5 million recorded in the first nine months 2023).

Outlook

In light of the results of the first nine months of the fiscal year, Rai Way confirms the already announced targets for fiscal year 2024. Specifically, the Company plans:

- growth of the Adjusted EBITDAⁱ compared to 2023, despite the start-up costs of diversification initiatives and the lack of incentives on energy tariffs;
- maintenance and development investments substantially in line with 2023.

Rai Way announces that today, Wednesday 13 November 2024 at 5:30pm CET, the results of the first nine months 2024 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 attend 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.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 re lease 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 is an integrated digital infrastructure operator and service provider for media content distribution. It is the sole operator of the broadcasting and transmission networks that carry the signals RAI, Italy's public service concessionaire. Listed since 2014 on Euronext Milan, Rai Way has a widespread presence throughout Italy with about 600 employees between its headquarters in Rome and 21 regional offices, more than 2,300 telecommunications towers, a transmission network in radio links, satellite systems, about 6,000 km of proprietary fiber optics, a network of distributed data centres and 3 control centers. Its infrastructural assets, excellent technological and engineering know-how, and the high level of professionalism make Rai Way the ideal partner for companies seeking integrated solutions for the development of their network and for the management and the transmission of data and signals.

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9M 2024 Income Statement

(€m; %)	3Q23	3Q24	9M23	9M24
Core revenues	68,2	68,9	204,1	206,5
Other revenues and income ¹	0,1	1,4	1,6	1,7
Purchase of consumables	(0,3)	(0,3)	(0,9)	(0,9)
Cost of services	(9,6)	(10,8)	(30,4)	(29,9)
Personnel costs	(10,0)	(10,0)	(37,5)	(33,5)
Other costs	(0,7)	(0,6)	(2,1)	(1,9)
Opex	(20,6)	(21,7)	(71,0)	(66,2)
Depreciation, amortization and write-downs	(11,6)	(13,5)	(34,3)	(38,1)
Operating profit (EBIT)	36,0	35,1	100,5	103,9
Net financial income (expenses)	(1,2)	(2,1)	(2,9)	(5,0)
Profit before income taxes	34,8	32,9	97,6	98,9
Income taxes	(9,9)	(9,6)	(27,8)	(28,3)
Net Income	24,9	23,4	69,8	70,5
EBITDA	47,6	48,6	134,8	141,9
EBITDA margin	69,9%	70,5%	66,0%	68,8%
Non recurring costs	-	(0,1)	(3,6)	(0,2)
Adjusted EBITDA	47,6	48,6	138,4	142,2
Adjusted EBITDA margin	69,9%	70,6%	67,8%	68,9%

1) Other Revenues and income in 9m2023 include tax credits related to electricity expenses.

Balance Sheet at 30 September 2024

(€m)	2023FY	9M2024
Non current assets		
Tangible assets	297,4	294,2
Rights of use for leasing	33,0	30,4
Intangible assets	24,7	23,2
Financial assets, holdings and other non-current assets	0,9	0,9
Deferred tax assets	2,9	2,0
Total non-current assets	359,0	350,6
Current assets		
Inventories	0,8	0,8
Trade receivables	74,8	81,9
Other current receivables and assets	1,4	4,3
Current financial assets	0,3	0,2
Cash and cash equivalents	34,1	16,4
Current tax receivables	0,1	0,1
Total current assets	111,3	103,6
TOTAL ASSETS	470,3	454,2
Shareholders' Equity		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	37,7	37,2
Retained earnings	86,7	71,0
Treasury shares	(20,0)	(19,3)
Total shareholders' equity	188,7	173,2
Non-current liabilities		
Non-current financial liabilities	100,4	100,5
Non-current leasing liabilities	17,5	15,0
Employee benefits	8,9	8,7
Provisions for risks and charges	17,9	16,4
Other non-current liabilities	0,3	0,3
Total non-current liabilities	145,0	140,8
Current liabilities		
Trade payables	65,0	42,6
Other debt and current liabilities	48,9	45,8
Current financial liabilities	1,1	33,4
Current leasing liabilities	20,2	15,9
Current tax payables	1,4	2,4
Total current liabilities	136,6	140,2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	470,3	454,2

9M 2024 Cash Flow Statement

(€m)	3Q2023	3Q2024	9M2023	9M2024
Profit before income taxes	34,8	32,9	97,6	98,9
Depreciation, amortization and write-downs	11,6	13,5	34,3	38,1
Provisions and (releases of) personnel and other funds	(0,8)	0,9	1,1	1,1
Net financial (income)/expenses	1,1	2,1	2,8	4,9
Other non-cash items	0,1	0,2	0,4	0,2
Net operating CF before change in WC	47,0	49,6	136,1	143,2
Change in inventories	-	-	0,0	-
Change in trade receivables	(5,0)	(7,7)	(14,3)	(7,6)
Change in trade payables	(8,1)	1,1	(23,7)	(22,3)
Change in other assets	(0,1)	(0,6)	(1,3)	(2,9)
Change in other liabilities	7,0	4,1	10,9	4,5
Use of funds	(0,3)	(0,0)	(0,6)	(1,0)
Payment of employee benefits	(0,4)	(0,6)	(1,7)	(1,7)
Change in tax receivables and payables	(0,0)	(0,1)	(2,2)	(0,1)
Taxes paid	(22,8)	(33,8)	(22,8)	(33,8)
Net cash flow generated by operating activities	17,3	12,0	80,3	78,1
Investment in tangible assets	(7,9)	(8,3)	(20,3)	(21,5)
Investment in intangible assets	(1,6)	(0,9)	(4,3)	(2,9)
Change in other non-current assets	0,0	(0,1)	0,0	(0,1)
Net cash flow generated by investment activities	(9,5)	(9,3)	(24,7)	(24,5)
(Decrease)/increase in current financial liabilities	(1,0)	10,0	3,7	29,9
(Decrease)/increase in IFRS 16 financial liabilities	(1,0)	(4,9)	(8,8)	(12,9)
Change in current financial assets	(0,4)	(0,2)	(0,4)	(0,1)
Net Interest paid	(0,1)	(0,4)	(1,0)	(1,8)
Dividends paid	-	(0,1)	(73,7)	(86,5)
Net cash flow generated by financing activities	(2,4)	4,5	(80,1)	(71,3)
Change in cash and cash equivalent	5,4	7,2	(24,5)	(17,7)
Cash and cash equivalent (beginning of period)	5,4	9,2	35,2	34,1
Cash and cash equivalent (end of period)	10,7	16,4	10,7	16,4

Notes

ⁱ 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.

ⁱⁱ Excluding investments related to the application of new IFRS 16 Accounting Standard, equal to €4.1m as of 30 September 2024; investments for the first 9 months include € 0.6m related to the CDN project represented as IFRS-16 financial liabilities in the statement of cash flows.

ⁱⁱⁱ Cash generation (Recurring FCFE) defined as Adj. EBITDA net of Leases, Net Financial Charges, P&L Taxes and Recurring Maintenance Capex. Leases are estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts.

^{iv} Net Debt including the effect of the application of the IFRS-16 accounting standard.

^v Normalized growth excluding certain residual, non-recurring, impacts related to the refarming process.

^{vi} Net invested capital is calculated as the sum of fixed capital, working capital and non-current financial assets.