

FY 2024 Results Presentation

19th March 2025

Way
to go

Rai Way

Disclaimer

Forward-looking statements

This presentation contains forward-looking statements regarding future events and the future results of Rai Way that are based on current expectations, estimates, forecasts, and projections about the industries in which Rai Way operates, as well as the beliefs and assumptions of Rai Way's management. In particular, certain statements with regard to management objectives, trends in results, margins, costs, rate of return and competition tend to be forward-looking in nature. Words such as "expects", "anticipates", "targets", "goals", "projects", "intends", "plans", "believes", "seeks" and "estimates", variations of such words and similar expressions, are intended to identify such forward-looking statements. These forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. Therefore, Rai Way's actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. They are neither statements of historical fact nor guarantees of future performance. Rai Way therefore cautions against relying on any of these forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, the impact of competition, political, economic and regulatory developments in Italy. Any forward-looking statements made by or on behalf of Rai Way speak only as of the date they are made. Rai Way undertakes no obligation to update any forward-looking statements to reflect any changes in Rai Way's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Speakers



Roberto Cecatto, Chief Executive Officer



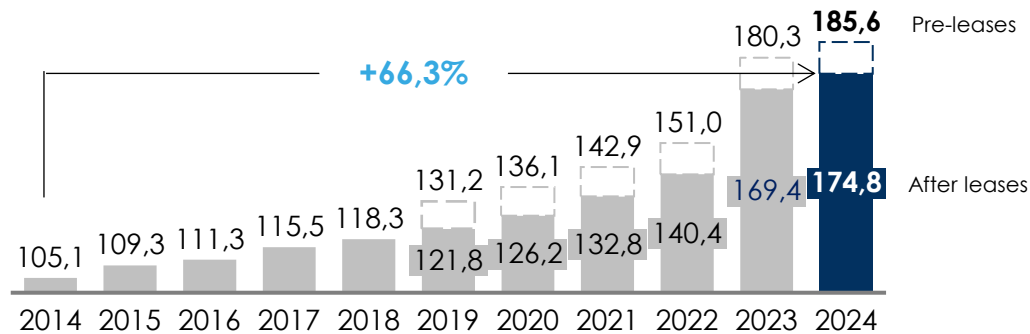
Adalberto Pellegrino, Chief Financial Officer



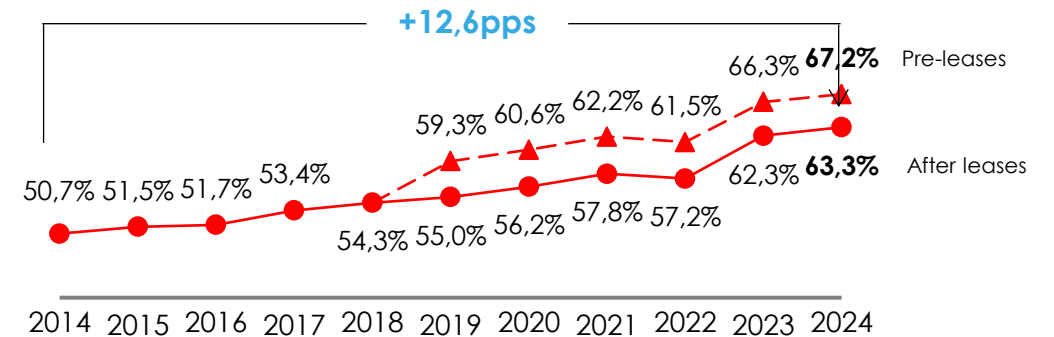
Giancarlo Benucci, Chief Corporate Development Officer

Net income almost tripled in ten years

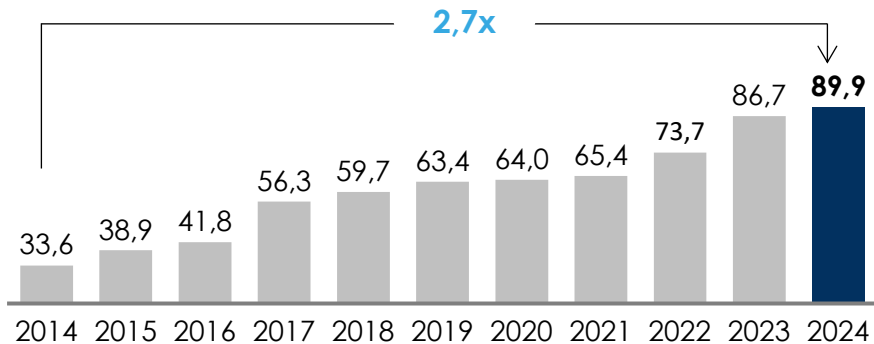
Adj. EBITDA, pre and after leases¹ (€m)



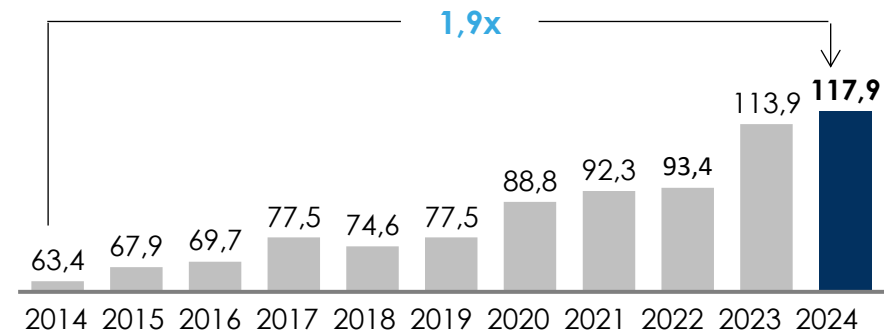
Adjusted EBITDA margin, pre and after leases¹



Net Income (€m)



Recurring Free Cash Flow from Equity FCFE^{1,2} (€m)



Key messages on 2024: focus on execution

Financial Results – 2024 slightly above initial expectations thanks to stronger performance of traditional business:

- **Core Revenues up 1,5% vs 2023**, with an acceleration in the 4Q (+2,7%; Third Parties up 9,1%) supported by first contribution from diversification initiatives
- **Adjusted EBITDA up 2,9% or +5,3m (profitability up 90bps at 67,2%) vs 2023** despite higher energy tariffs and diversification start-up costs, driven by top-line growth, efficiencies in traditional business and certain non-core benefits (e.g., Other revenues and capitalized personnel)
- **Maintenance capex** stable at approx. 15m; **Development Capex** at € 40m, more than half deployed on **diversification projects**
- **Recurring Cash generation** at ca € 118m
- 33,40 €/cent dividend proposed to the AGM, equal to **99,8% pay-out and 5,7% dividend yield⁽¹⁾**

Operating update:

- **Growth path: 2024-27 Industrial Plan** approved; new more business-oriented organization in place
- **Traditional business:** contract for **RAI DAB network extension** secured; healthy **tower hosting** demand from FWAPs and Radio Broadcasters
- **Diversification projects:** new assets operational, with first revenues flowing in; building up promising prospects pipeline and resellers ecosystem
- **Sustainability:** further improvement of ESG profile and ranking

Outlook:

- Excluding changes in energy prices and non-core items, **further underlying Adjusted EBITDA growth over 2024**
- **Industrial analysis of the potential sector aggregation underway**

FOCUS ON: RAI DAB coverage extension contract

CURRENT
COVERAGE



62
sites

~56%
population
converage



AFTER
EXTENSION



~270
sites

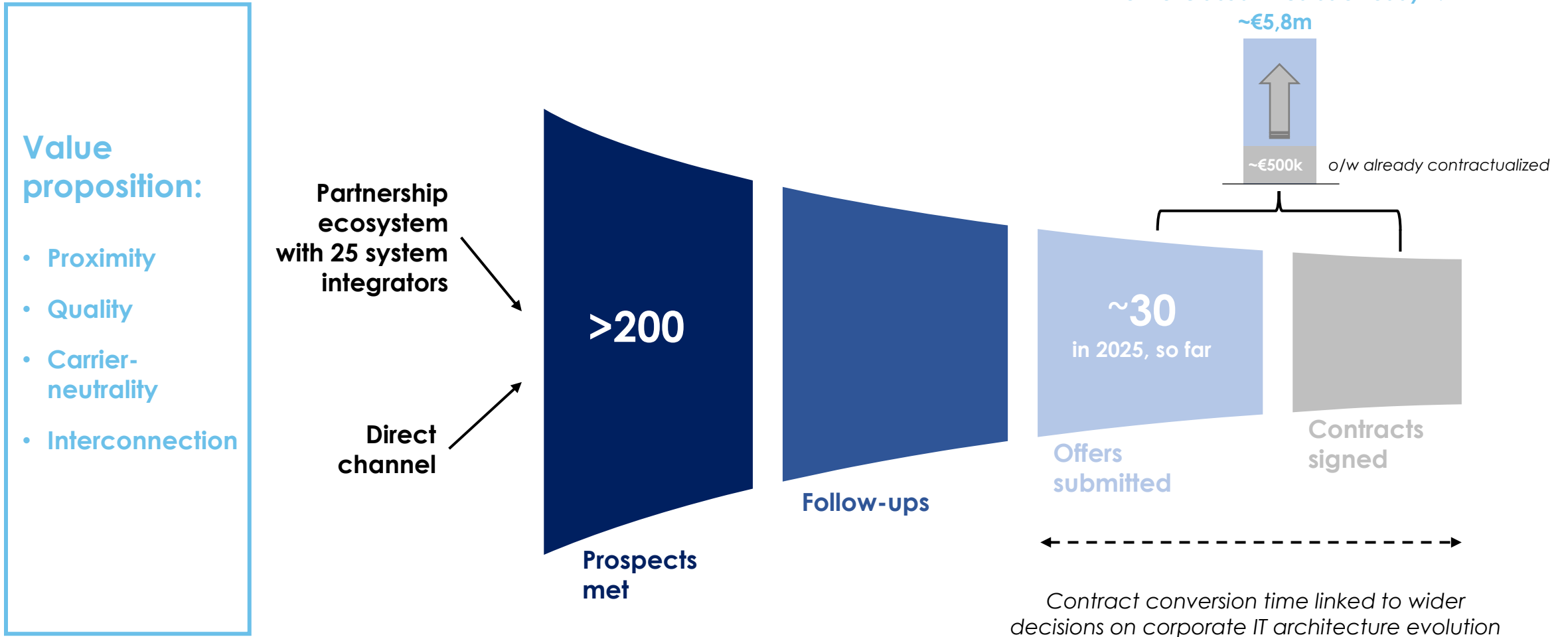
~85%
population
converage

- Roll-out period: **2025-26**
- Estimated development investment: ~ **€ 15m**
- **Project IRR in line** with Industrial Plan target



70%+ of the development investment for RAI assumed in the Industrial Plan already covered, when considering capex already spent in 2024

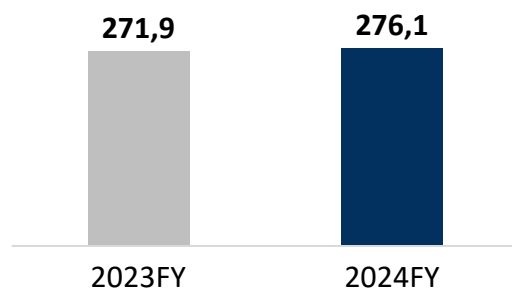
FOCUS ON: Edge DC commercialization



FY 2024 Financial highlights

Core revenues (€m)

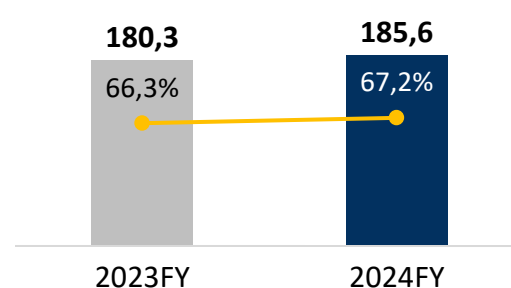
+1,5%



Adjusted EBITDA (€m)

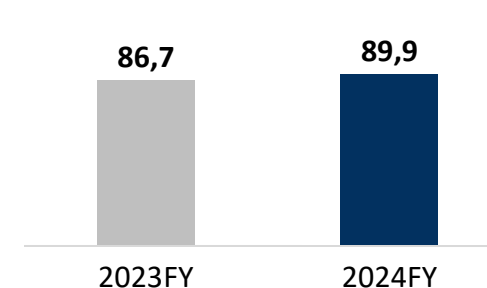
Adjusted EBITDA margin

+2,9%

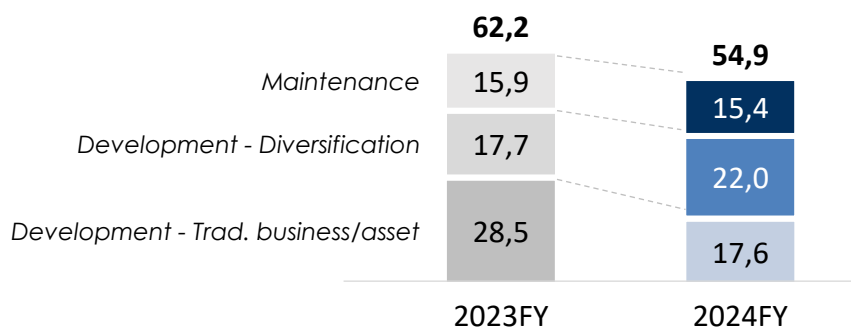


Net Income (€m)

+3,7%

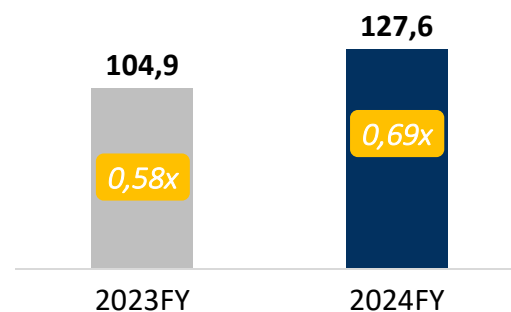


Capex¹ (€m)

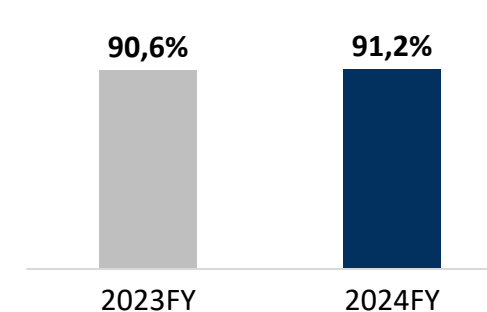


Net Debt (Cash) (€m)

Net Debt/Adjusted EBITDA

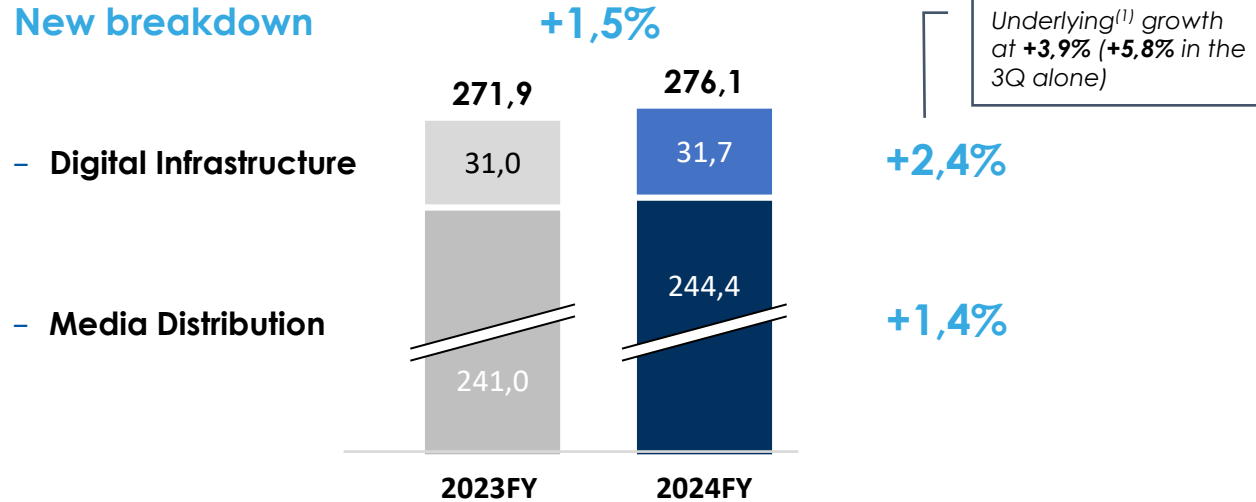


Cash Conversion²

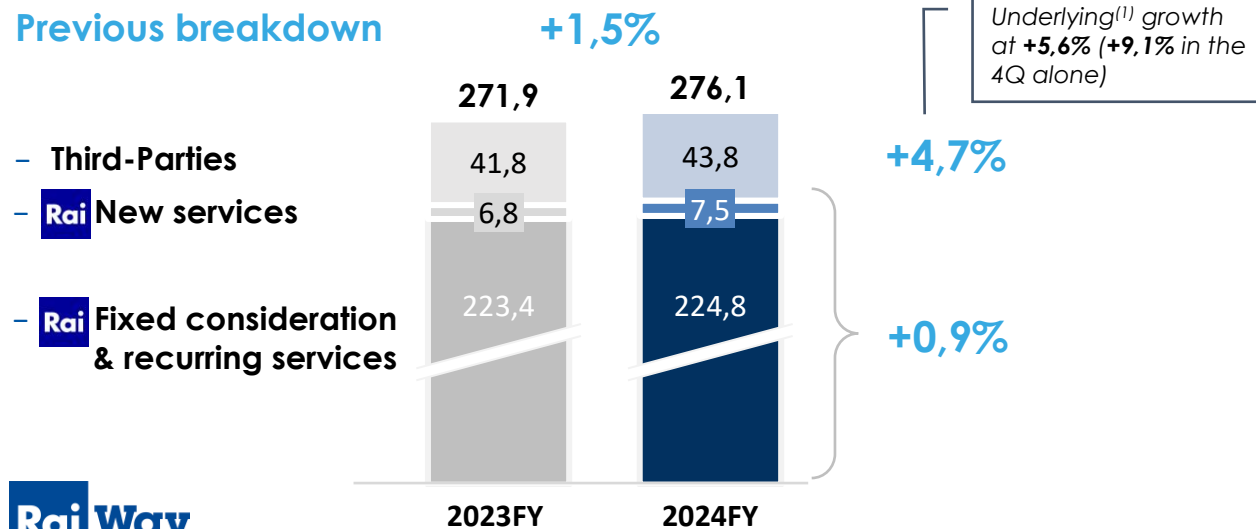


Core revenues

New breakdown

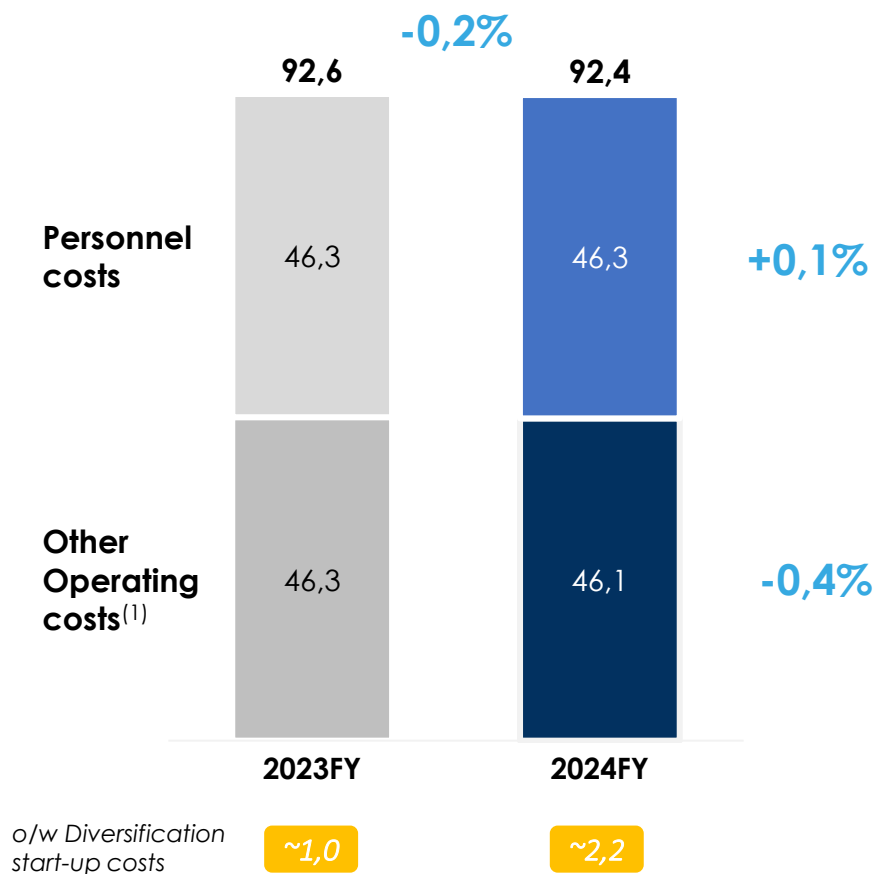


Previous breakdown



- **Media Distribution up 1,4% (+2,4% in 4Q)** driven by:
 - CPI (+0,7% for main contract)
 - DTT coverage improvement
 - Existing DAB network reconfiguration (new services up 10,9%),
 - regional frequencies
 - first contribution from CDN
- **Digital Infrastructures underlying⁽¹⁾ performance at +3,9% (+5,8% in 4Q)**, reflecting:
 - high single-digit growth of FWAPs and Radio Broadcasters in Tower Hosting
 - first contribution from Edge DC business
- **Third-Party Customers underlying⁽¹⁾ growth accelerating in 4Q at +9,1%** also supported by initial contribution of diversification projects

Opex (excluding non-recurring)



- **Personnel cost up approx. 3% YoY** when excluding higher level of capitalization compared to 2023 and other non-recurring items
- **Other Operating costs broadly stable YoY** as a result of:
 - **Energy bill up 14,0% (or € +1,8m)** mostly due to higher prices following lack of incentives reported in 2023 (tax credit and lower other tariffs components)
 - **Higher non-core benefits (€ 1,3m)**
 - **Other costs down 2,1% (or € -0,7m) despite rising diversification-related expenses**, driven by efficiencies in the traditional business (mainly on rents, intercompany and professional services)

➤ **Traditional business additional revenues entirely converted into EBITDA**, thanks to operating leverage and efficiencies (excluding the impact of energy tariffs)

2024 vs. 2023	Total		Traditional	Diversific.
	Abs	%		
Δ personnel reported	0,0	0,1%		
- of which Δ capitaliz. & non rec. items	-1,5			
- of which Δ personnel underlying	1,6	3,1%	1,6	0,0
Δ other opex reported	-0,2	-0,4%		
- of which Δ non core items	-1,3			
- of which Δ other opex underlying	1,1	2,4%	-0,1	1,2
. of which Δ energy	1,8	14,0%	1,7	0,1
. of which Δ other	-0,7	-2,1%	-1,7	1,0
Δ Underlying excluding energy tariffs			-0,2	

P&L

<i>Eur Mln, %</i>	4Q2023	4Q2024	% YoY	2023FY	2024FY	% YoY
Core Revenues	67,8	69,6	2,7%	271,9	276,1	1,5%
Other Revenues & income ¹⁾	0,5	0,2		0,9	1,9	
Adj. EBITDA	41,9	43,4	3,6%	180,3	185,6	2,9%
% margin	61,8%	62,3%		66,3%	67,2%	
Non recurring costs	-1,7	-0,1		-5,3	-0,3	
EBITDA	40,2	43,3	7,9%	174,9	185,3	5,9%
% margin	59,2%	62,2%		64,3%	67,1%	
D&A ²⁾	-14,7	-15,3	3,8%	-49,0	-53,3	8,9%
Operating Profit (EBIT)	25,5	28,1	10,2%	126,0	131,9	4,7%
Net financial income (expenses)	-1,6	-1,6	0,5%	-4,5	-6,6	46,7%
Profit before Income taxes	23,9	26,5	10,9%	121,5	125,4	3,2%
Income Taxes	-7,0	-7,1	1,9%	-34,8	-35,4	2,0%
% tax rate	29,3%	26,9%		28,6%	28,3%	
Net Income	16,9	19,4	14,6%	86,7	89,9	3,7%

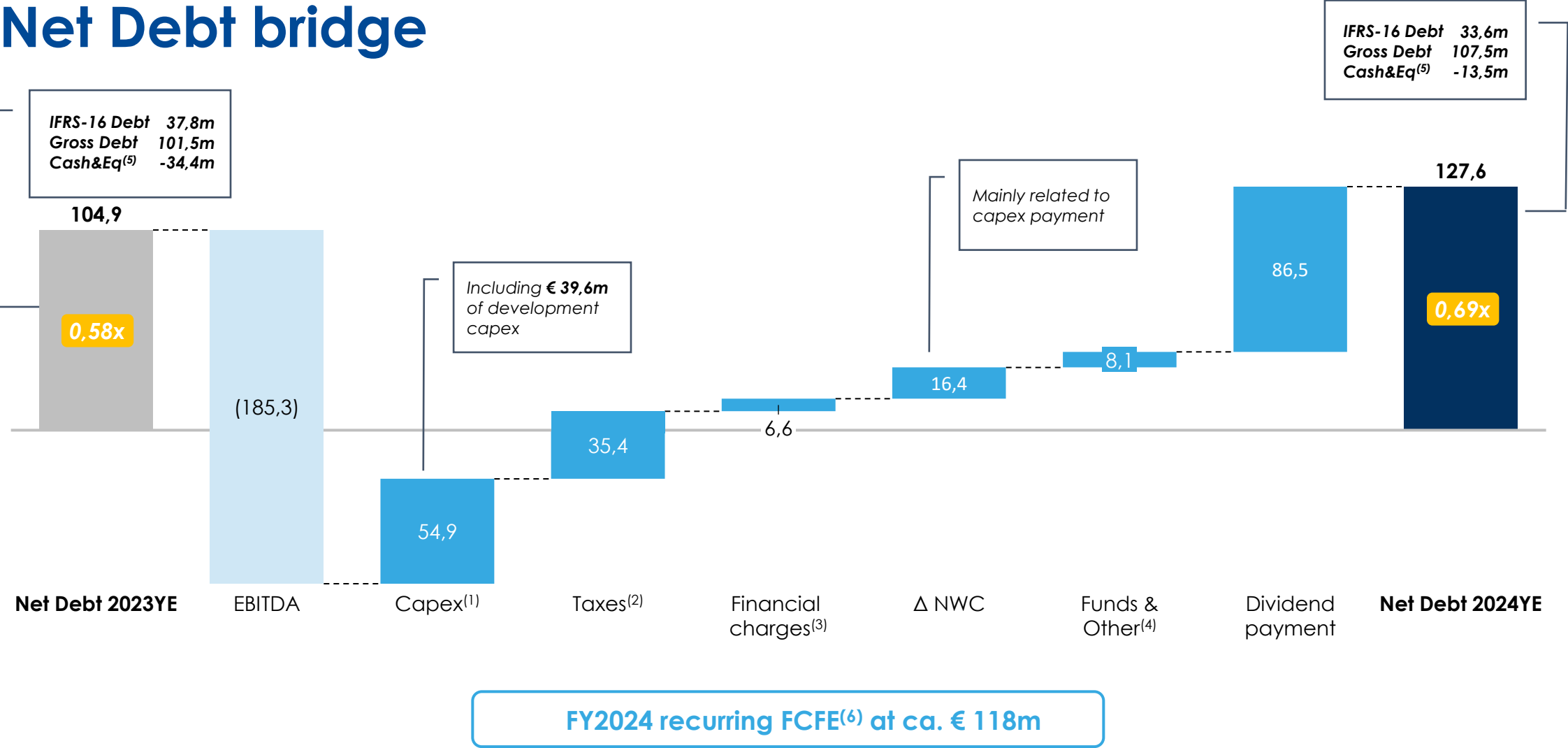
• 2024 Net Income up by 3,7% at € 89,9m:

- **Higher Adj. EBITDA** (+2,9% or +5,3m) and profitability
- **Traditional business still on a healthy growth trajectory**, even when excluding non-core items and diversification impacts

	9M24	4Q24	FY24
Δ Adjusted EBITDA reported	3,8	1,5	5,3
. o/w Δ Other revenues	1,3	-0,3	1,0
. o/w Δ capitalized personnel	1,0	0,4	1,4
. o/w Δ energy tariffs	-1,2	-0,5	-1,7
. o/w Δ other non recurring items	-0,2	1,6	1,4
Underlying Δ Adjusted EBITDA	2,9	0,3	3,2
. o/w Diversification	-0,6	-0,3	-0,9
. o/w Underlying Δ Adj. EBITDA traditional bus.	3,5	0,6	4,1

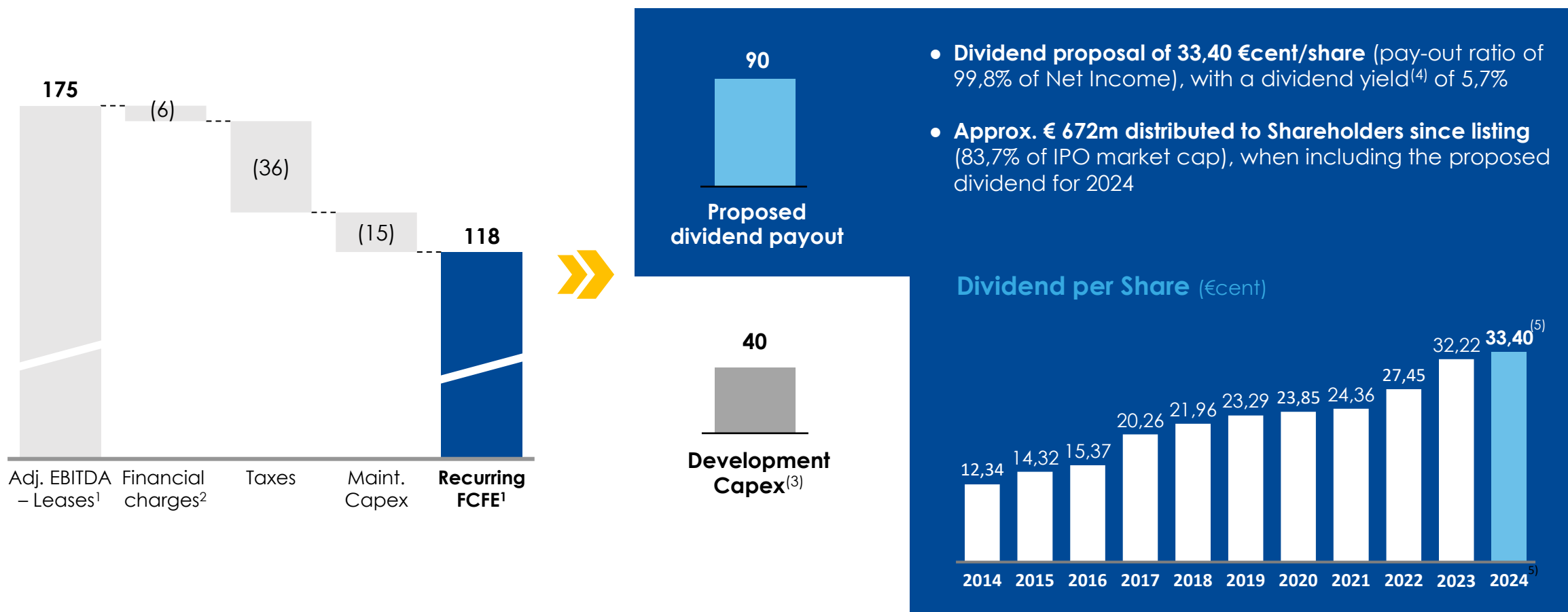
- **Rising D&A** as a result of the accelerating investment activity
- **Higher interest rates** reflected on Financial charges
- **Stable tax rate**

Net Debt bridge



1) Excluding component related to IFRS-16 leasing; 2) P&L taxes; 3) P&L financial charges excluding interests on employee benefit liability and interests on leasing contracts; 4) Including renewal of leasing contracts and interests on leasing contracts; 5) Including current financial assets; 6) Recurring FCFE = Adj. EBITDA – Leases – Net Financial Charges (excl. IFRS-16 component) – P&L Taxes (adjusted to exclude benefits from non-recurring opex) – Recurring Maintenance Capex. Leases estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts;

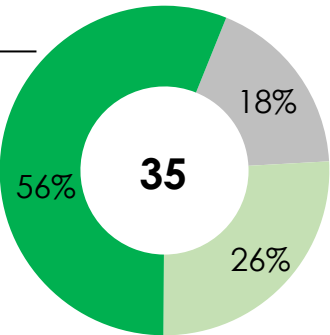
2024 Recurring cash generation and dividend proposal



1. Recurring FCFE = Adj. EBITDA – Leases – Net Financial Charges – P&L Taxes – Recurring Maintenance Capex. Leases estimated as sum of leasing right of use depreciation (excl. dismantling) + financial charges on leasing contracts
2. P&L financial charges excluding interests on employee benefit liability and interests on leasing contracts
3. Development capex include € 4,9m related reported under IFRS-16 financial liabilities in the financial statements
4. Dividend yield based on market closing price on 18/03/2025 (5,86 €/share)
5. Dividend proposal

Sustainability Plan 2024-2027: targets achieved

Sustainability Plan 2024-27



Compliance Voluntary Time Bound

2024 - Accomplishments

- Completion of construction of **first 5 edge data centers** in line with **sustainability requirements**
- - **27.4%** of EE consumption vs. 2020 values
- **100%** purchased **renewable energy**
- Implemented **cybersecurity policies** and initiated activities for **ISO 27001 certification**
- **Top Employers Italy certification** for the ninth consecutive year

2024 – Status of initiatives

- **90%** of the initiatives planned for 2024 have been completed
- **88%** of the 2024 targets have been fully realized
- **100%** of environmental targets achieved

ESG Ratings



Feb. 2025
Score: **A-**
Previously A- Leadership



Feb. 2025
Score: **A**
Previously BBB



Feb. 2025
Score: **46/100 65°**
Previously 46/100 73°



Dec. 2024
Score: **12 – Low risk**
Previously 10.9 – Low risk



Jun. 2024
Score: **55/93 – Conscious**
Previously 57/98 – 41.8/100

2025 Outlook

Adjusted EBITDA



Further healthy Adjusted EBITDA growth of traditional business, substantially offset by:

- **lower benefit from non-core items** vs 2024
- **higher energy prices**⁽¹⁾
- **higher absorption from diversification** (in line with Industrial Plan assumptions)

Capex



- **Maintenance capex above recurring normalized level**, to include extraordinary non-recurring activities
- **Development capex substantially in line with 2024** and dedicated to diversification, DAB roll-out and other Third-Party / internal projects

Q&A Session

Way
to go

Contacts

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Appendix

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Detailed summary of FY2024 Income Statement

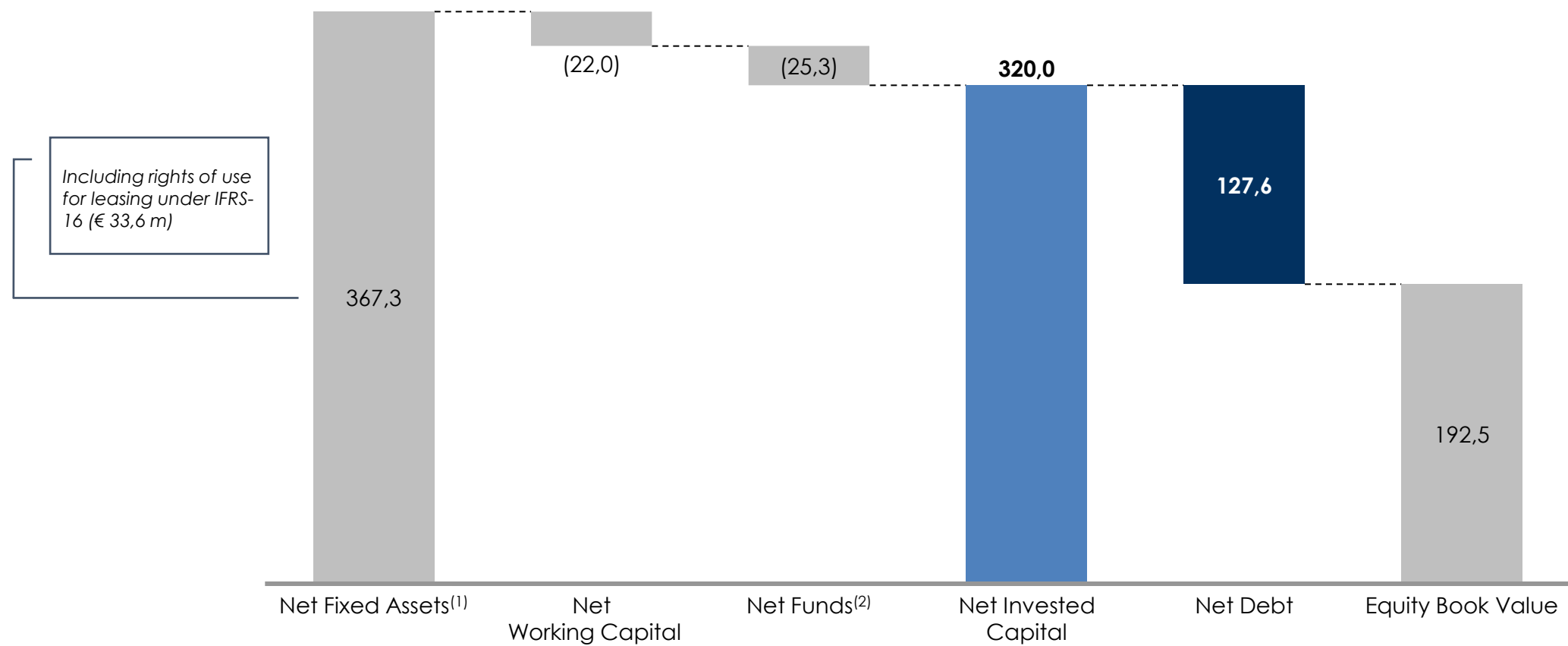
(€m; %)	4Q23	4Q24	FY23	FY24
Core revenues	67,8	69,6	271,9	276,1
Other revenues and income ¹	0,5	0,2	2,1	1,9
Purchase of consumables	(0,4)	(0,4)	(1,3)	(1,3)
Cost of services	(13,4)	(12,1)	(43,8)	(42,0)
Personnel costs	(13,8)	(13,0)	(51,4)	(46,5)
Other costs	(0,6)	(1,1)	(2,7)	(2,9)
Opex	(28,2)	(26,6)	(99,1)	(92,7)
Depreciation, amortization and write-downs	(13,0)	(13,0)	(47,3)	(51,1)
Provisions	(1,7)	(2,2)	(1,7)	(2,2)
Operating profit (EBIT)	25,5	28,1	126,0	131,9
Net financial income (expenses)	(1,6)	(1,6)	(4,5)	(6,6)
Profit before income taxes	23,9	26,5	121,5	125,4
Income taxes	(7,0)	(7,1)	(34,8)	(35,4)
Net Income	16,9	19,4	86,7	89,9
EBITDA	40,2	43,3	174,9	185,3
EBITDA margin	59,2%	62,2%	64,3%	67,1%
Non recurring costs	(1,7)	(0,1)	(5,3)	(0,3)
Adjusted EBITDA	41,9	43,4	180,3	185,6
Adjusted EBITDA margin	61,8%	62,3%	66,3%	67,2%

Summary of Balance Sheet as at 31 December 2024

(€m)	2023FY	2024FY
Non current assets		
Tangible assets	297,4	306,0
Rights of use for leasing	33,0	33,6
Intangible assets	24,7	27,0
Financial assets, holdings and other non-current assets	0,9	0,9
Deferred tax assets	2,9	3,1
Total non-current assets	359,0	370,7
Current assets		
Inventories	0,8	0,8
Trade receivables	74,8	75,1
Other current receivables and assets	1,4	1,9
Current financial assets	0,3	0,0
Cash and cash equivalents	34,1	13,5
Current tax receivables	0,1	0,1
Total current assets	111,3	91,3
TOTAL ASSETS	470,3	462,0

(€m)	2023FY	2024FY
Shareholders' Equity		
Share capital	70,2	70,2
Legal reserves	14,0	14,0
Other reserves	37,7	37,2
Retained earnings	86,7	90,3
Treasury shares	(20,0)	(19,3)
Total shareholders' equity	188,7	192,5
Non-current liabilities		
Non-current financial liabilities	100,4	100,6
Non-current leasing liabilities	17,5	17,4
Employee benefits	8,9	8,5
Provisions for risks and charges	17,9	20,0
Other non-current liabilities	0,3	0,3
Total non-current liabilities	145,0	146,7
Current liabilities		
Trade payables	65,0	53,5
Other debt and current liabilities	48,9	46,0
Current financial liabilities	1,1	6,9
Current leasing liabilities	20,2	16,2
Current tax payables	1,4	0,3
Total current liabilities	136,6	122,8
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	470,3	462,0

Balance Sheet as at 31 December 2024



Rai Way

1)

Including long-term financial items and the rights of use for leasing introduced from 2019 with the application of IFRS 16

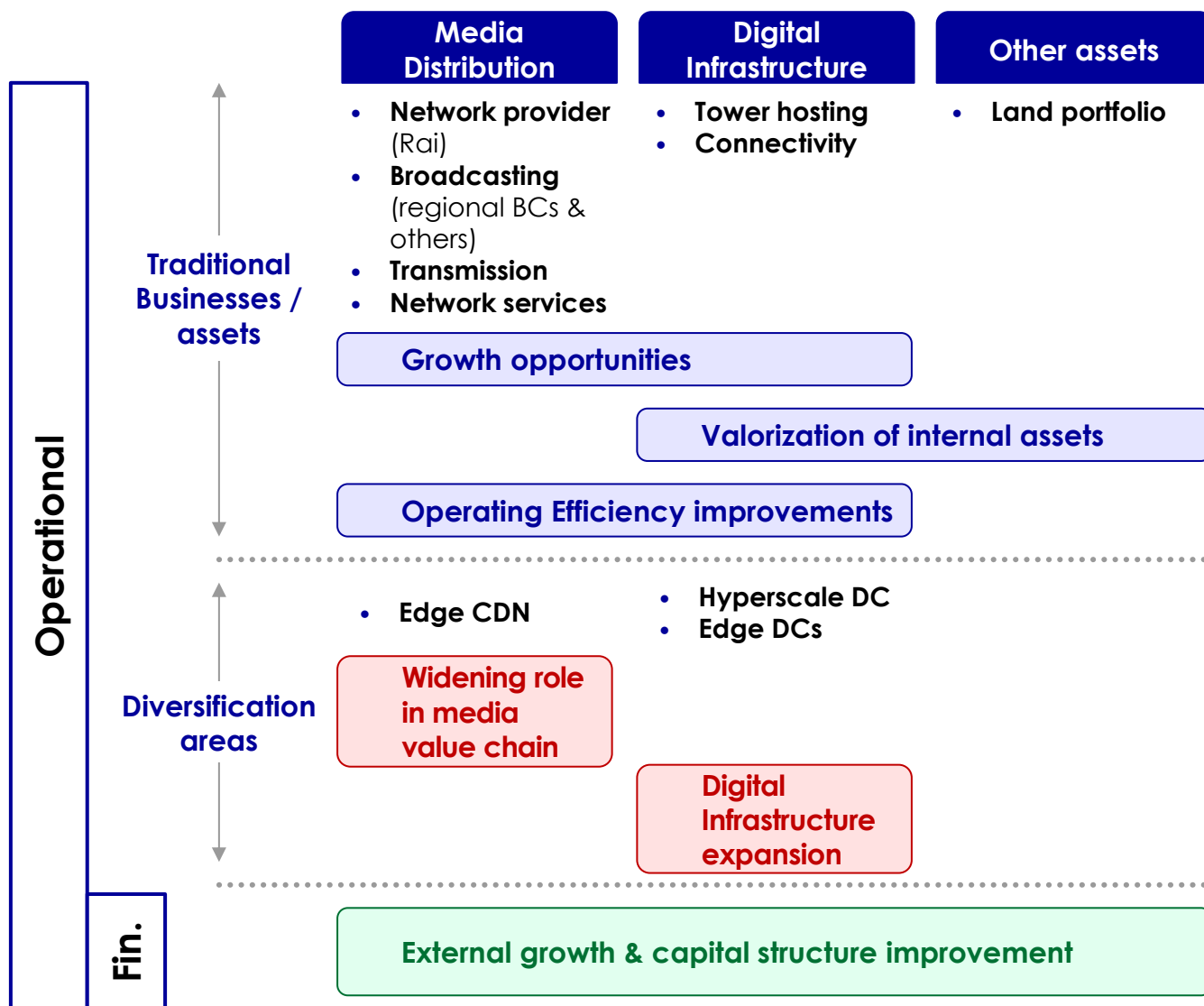
2)

Net funds include employee termination indemnities, provision for risks and deferred taxes

Summary of FY2024 Cash Flow Statement

(€m)	4Q2023	4Q2024	FY2023	FY2024
Profit before income taxes	23,9	26,5	121,5	125,4
Depreciation, amortization and write-downs	13,0	13,0	47,3	51,1
Provisions and (releases of) personnel and other funds	5,9	4,2	7,0	5,3
Net financial (income)/expenses	1,5	1,5	4,3	6,4
Other non-cash items	0,0	0,4	0,4	0,6
Net operating CF before change in WC	44,3	45,7	180,4	188,9
Change in inventories	-	-	0,0	-
Change in trade receivables	5,3	6,5	(9,1)	(1,1)
Change in trade payables	28,2	10,8	4,5	(11,6)
Change in other assets	2,4	2,4	1,1	(0,6)
Change in other liabilities	(7,4)	(5,6)	3,6	(1,2)
Use of funds	(1,6)	(0,1)	(2,2)	(1,1)
Payment of employee benefits	(1,9)	(0,9)	(3,6)	(2,7)
Change in tax receivables and payables	(0,1)	(0,0)	(2,3)	(0,1)
Taxes paid	(2,7)	(4,5)	(25,5)	(38,3)
Net cash flow generated by operating activities	66,7	54,2	146,9	132,3
Investment in tangible assets	(27,0)	(20,4)	(47,4)	(41,9)
Investment in intangible assets	(5,7)	(5,2)	(10,0)	(8,1)
Change in other non-current assets	0,0	0,0	0,0	(0,1)
Net cash flow generated by investment activities	(32,7)	(25,6)	(57,4)	(50,1)
(Decrease)/increase in medium/long-term loans	100,4	-	100,4	-
(Decrease)/increase in current financial liabilities	(105,1)	(24,9)	(101,4)	5,0
(Decrease)/increase in IFRS 16 financial liabilities	(4,6)	(3,7)	(13,4)	(16,6)
Change in current financial assets	0,5	0,0	0,1	(0,0)
Net Interest paid	(1,6)	(2,8)	(2,6)	(4,7)
Dividends paid	(0,2)	(0,1)	(73,8)	(86,5)
Net cash flow generated by financing activities	(10,6)	(31,5)	(90,7)	(102,8)
Change in cash and cash equivalent	23,4	(2,9)	(1,1)	(20,6)
Cash and cash equivalent (beginning of period)	10,7	16,4	35,2	34,1
Cash and cash equivalent (end of period)	34,1	13,5	34,1	13,5

2024-27 Industrial Plan Pillars



Enhance Rai Way positioning as media distribution services and digital infra provider

1) Strengthening traditional businesses/assets, by:

- 1.a) Taking advantage of selected **growth opportunities**, mainly related to network coverage extension
- 1.b) **Increasing value of internal asset** currently not used to full potential:
- 1.c) **Improving operational efficiency**, through:
 - Operating model evolution
 - Real Estate footprint optimization

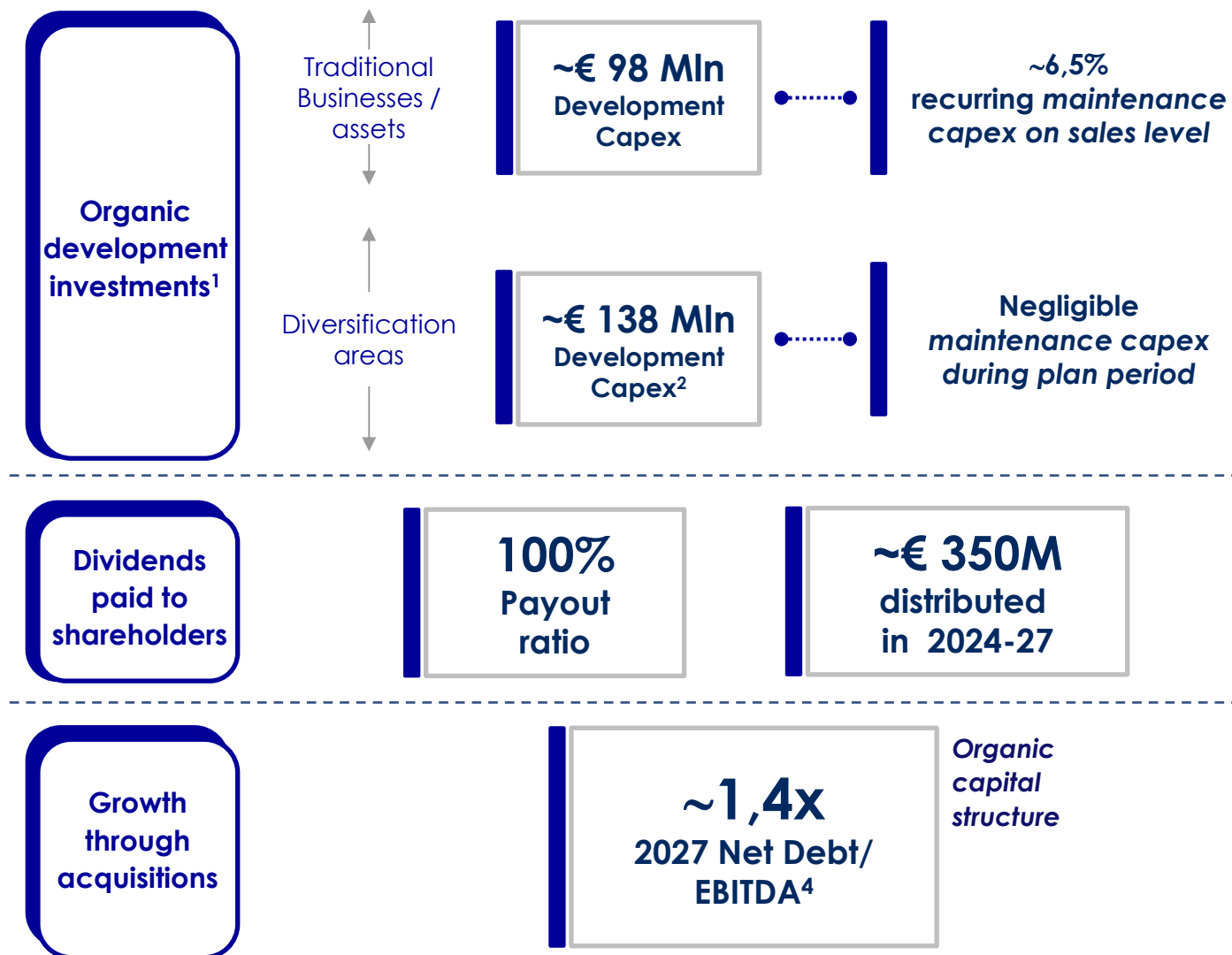
2) **Widening our role in the Media Value Chain**, capturing rising demand for IP content distribution

3) **Expanding digital infrastructure**, completing roll-out and marketing the Data Center network to support digital transition

4) **Speeding up strategy and improving capital structure** through **external growth**:

- Achieving synergies and reduction of time-to-market
- Enhancing Shareholders' return

2024–2027 Capital allocation



2027 Target

- Revenues growth doubling CPI contribution
- Adj. EBITDA +€24m vs '23 (+13%, CAGR +3,2%), with ca. 150bps margin improvement
- Rec. FCFE generation at ~€130 Mln in 2027, +15% vs. 2023

- 2027 Revenues contribution > € 10 Mln
- Marginal contribution to 2027 EBITDA and Rec. FCFE
- Run-rate EBITDA contribution expected > € 15m, with sizeable scalability opportunities

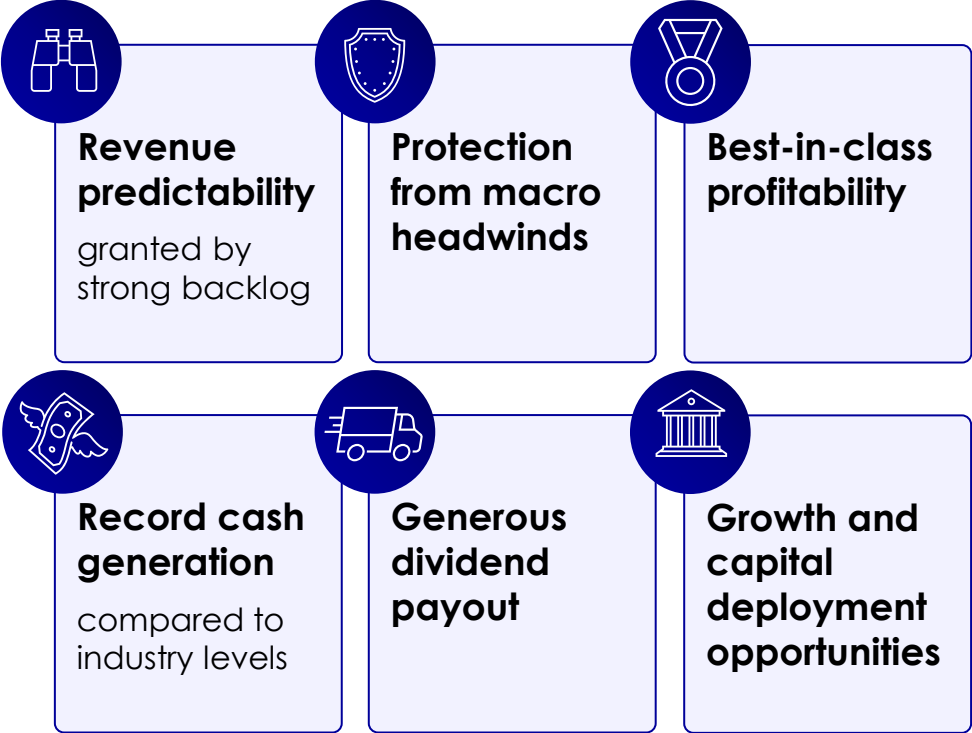
- Distribution of >25% of market cap³ over the 4 years Plan horizon

- Availability of resources to finance external growth targeting:
 - industrial synergies
 - diversification acceleration
- Improve capital structure

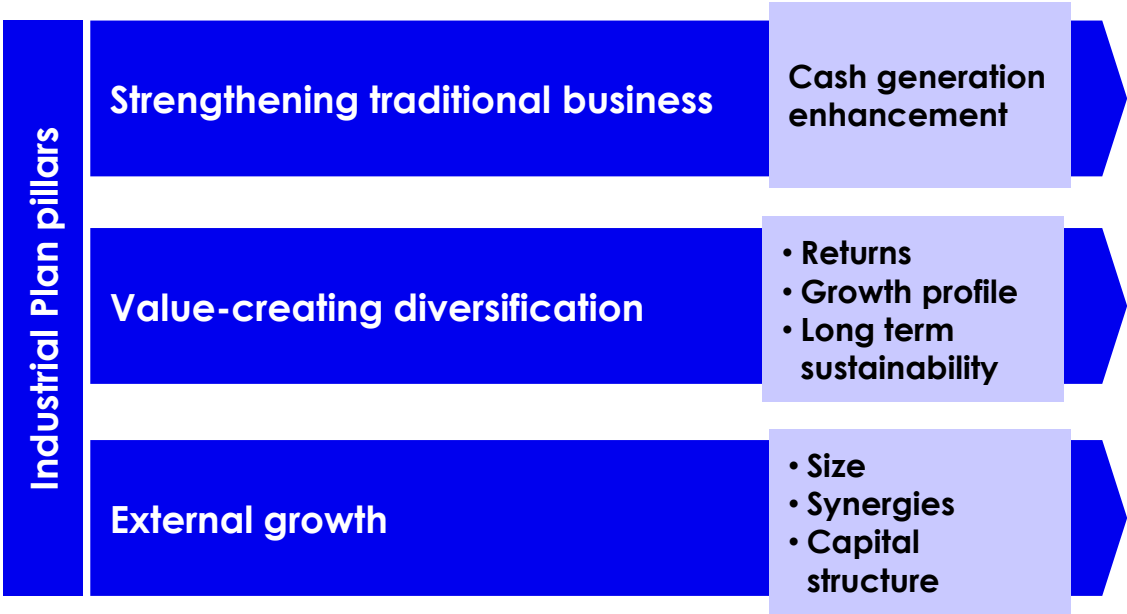
1. Excluding cost of capitalized personnel. 2. Including development of CDN, 10 edge DC for ca. 3MW and first data hall of the hyperscale DC for 4,4MW (half of Module1) 3. Based on market closing price on 22/03/2024 (4,8 €/share) 4. Post IFRS-16

New Industrial Plan addresses key levers to unlock Rai Way’s full pontential, while preserving its distinctive features...

Pillars of Rai Way’s equity story



2024-27 Industrial Plan: addressed value levers



Full awareness of key levers

Commitment to execution to unlock relevant Shareholders’ value

New Core revenues breakdown

	Media Distribution	Digital Infrastructure	Other
	<ul style="list-style-type: none"> RAI Service contract (fixed consideration & new services) Broadcasting (regional Muxes, DAB networks & other clients) Transmission Network services CDN 	<ul style="list-style-type: none"> Tower Hosting Connectivity Edge data centers Hyperscale data center 	<ul style="list-style-type: none"> Land valorization (solar energy production, leases, ...)
Revenues			
- 2023	241,0	31,0	-
- 2024	244,4	31,7	-