

# 2024-2027 Industrial Plan

26<sup>th</sup> March 2024

# Disclaimer

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## 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.

# Agenda

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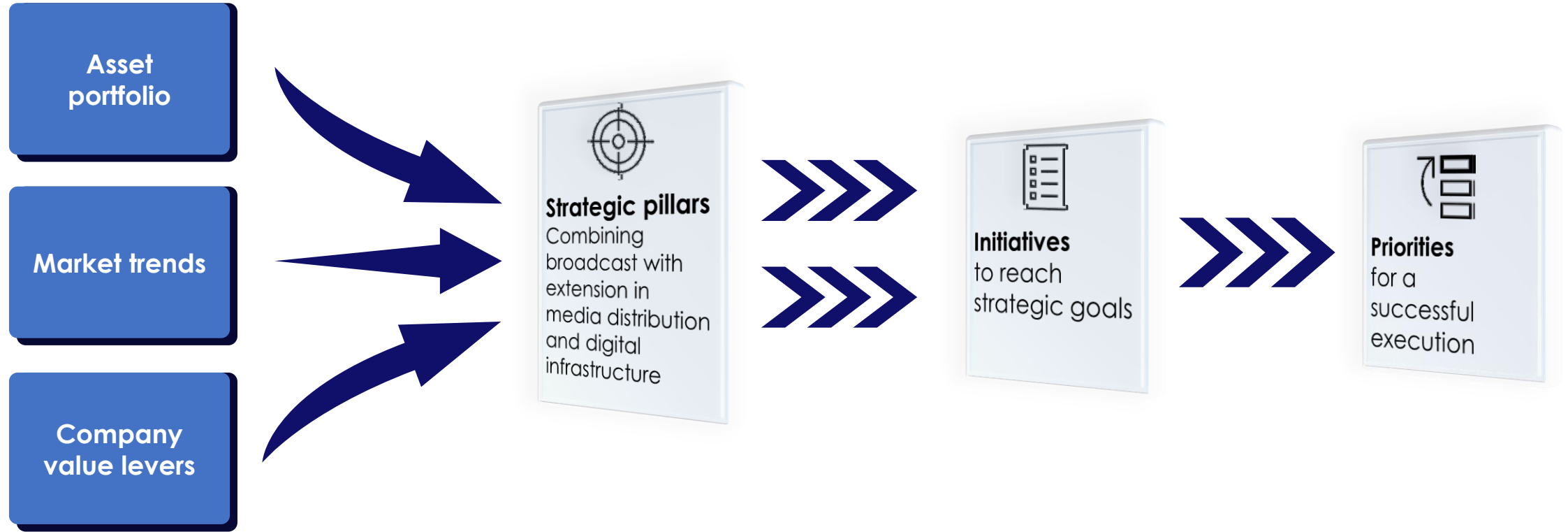


## 2024-2027 Industrial Plan

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### 1. Assets and Market Analysis

# Industrial positioning to support value, priorities to support execution



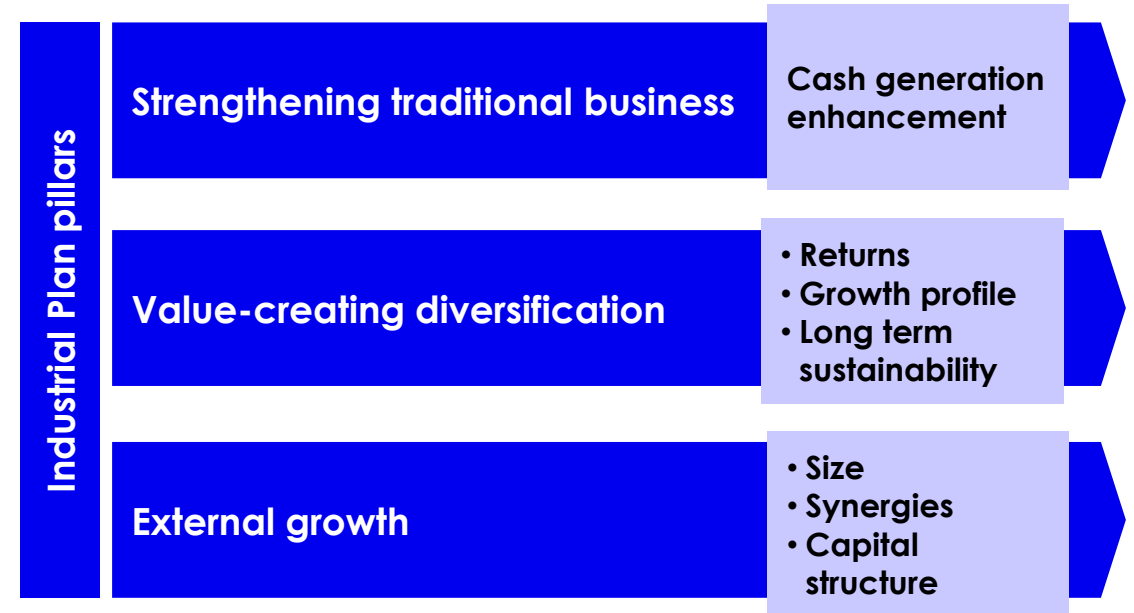
Industrial Plan compatible with both stand-alone and consolidation scenarios

# Key levers to unlock Rai Way's full potential addressed

## Pillars of Rai Way's equity story



## 2024-27 Industrial Plan: addressed value levers



# Best-in-class and diversified asset portfolio underpinning a leading role as media distribution services and integrated digital infrastructure provider



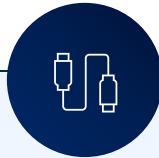
## Towers

- 2,300 broadcast towers



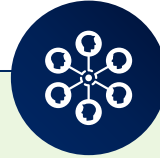
## Broadcast networks

- 3 national MUX for RAI
- 8 regional MUXes
- 7 national radio networks for RAI



## Transmission network

- 6,000km Fiber backbone
- Radio links
- Satellite systems



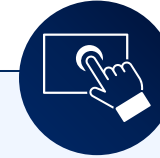
## Data centers

- Network of interconnected edge DCs
- 1 hyperscale DC in Rome (under authorization)



## Edge CDN

- Capillary CDN for low latency video/data distribution



## Control Centers

- 2 NOC for transmission network and diffusion
- 1 SOC



## Land & Real estate



## Distributed workforce

- ~600 employees, half of which across the territory



## Client portfolio

- Media, telco, corporate, and PA clients to leverage for diversification (cross selling)



- **Best broadcast infrastructure**
- **Carrier-neutral, state of the art, integrated infrastructure one-stop-shop for clients' networks and data hosting**
  - **National footprint**

# The latest trends in media and digital infrastructure markets confirm the rationale behind the development guidelines



## Media Services

- **Video consumption** going up, driven by strong OTT platform growth
  - **Video broadcasting:** DTT resilience, confirming view on platform coexistence; broadcast network operators market structure stable following refarming conclusion
  - **Video streaming:** traffic volumes expected to keep growing as younger population increases media consumption
- **Radio:** market growing steadily post-pandemic, with sizeable opportunities to expand DAB network coverage

## Trends



## Digital infrastructure

**Tower and hosting market** still defined by growth opportunities:

- **5G** macro network expansion ongoing (in rural areas) with polarization on captive towerco
- **FWA** network growth, helped by Piano Italia 1 Giga
- Demand from **other client types** (radio x DAB, IoT, ISP, ...)
- **TLC** clients **under pressure**, with risks linked to access network / operator consolidation
- **TowerCos:** established spin-off practice to leverage synergies and push to diversification



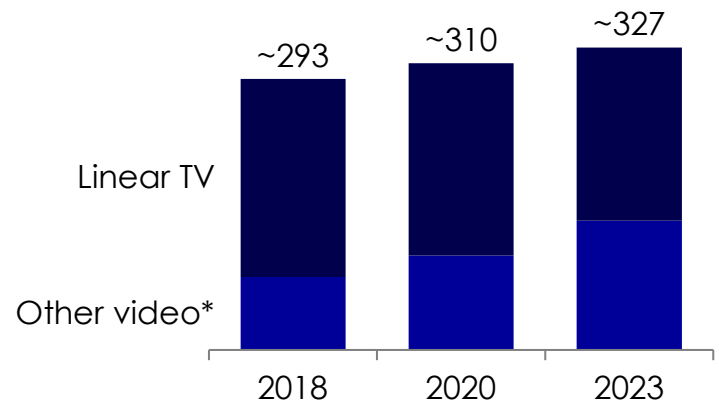
**Data centers:**

- **Demand growth** due to **data traffic increase, cloud adoption, new tech** (AI, IoT, Big Data) and **GDPR**; low latency applications require widespread distribution
- **Offer in Italy still limited** vs potential **fragmented**, and geographically bound

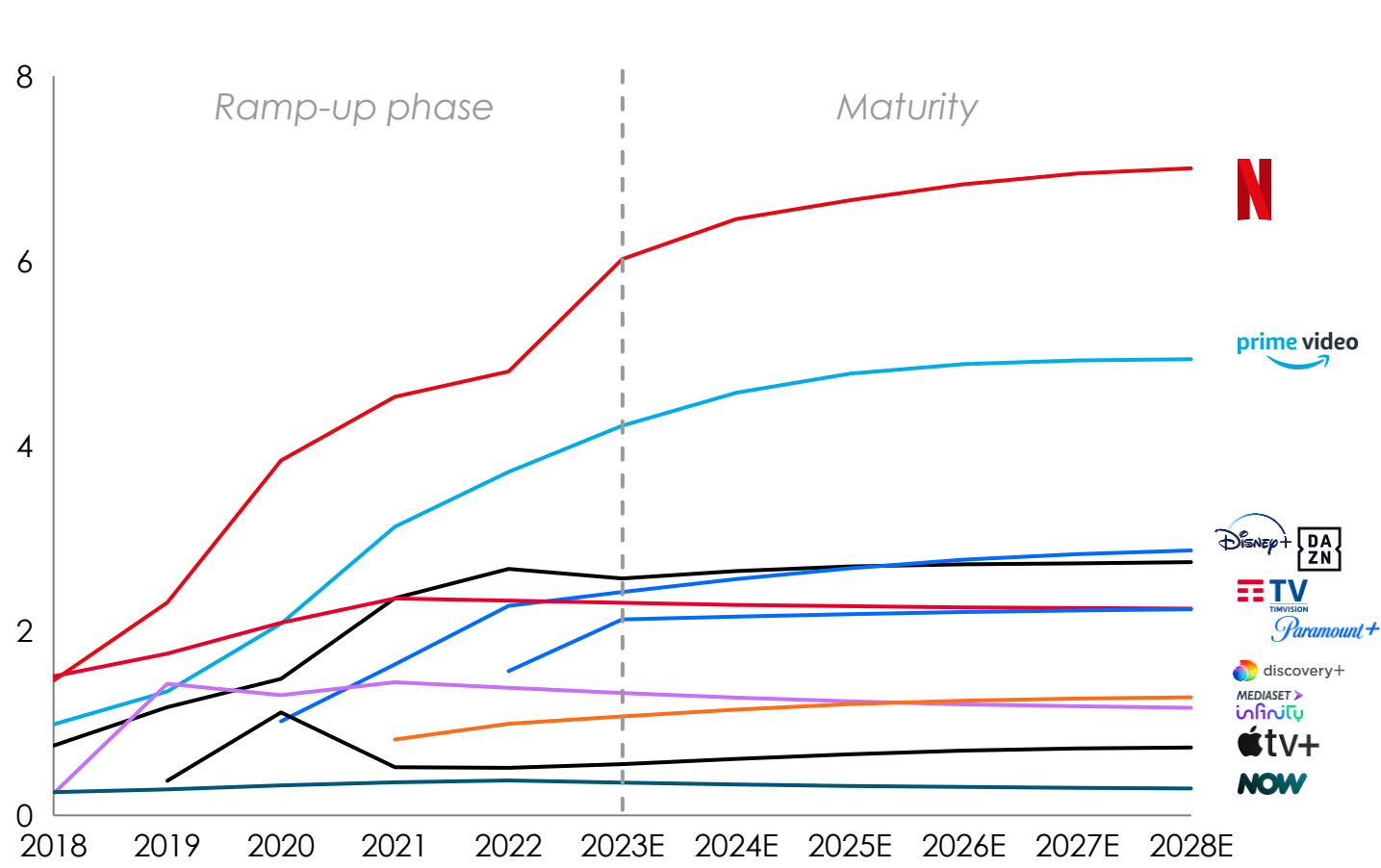


# Video consumption going up, driven by OTT & mobile fruition

Video consumption (minutes/day), adults (18+) in Italy



Growth of streaming subscriptions in Italy (M)



**Key messages**

Media consumption growth driven by OTT and mobile

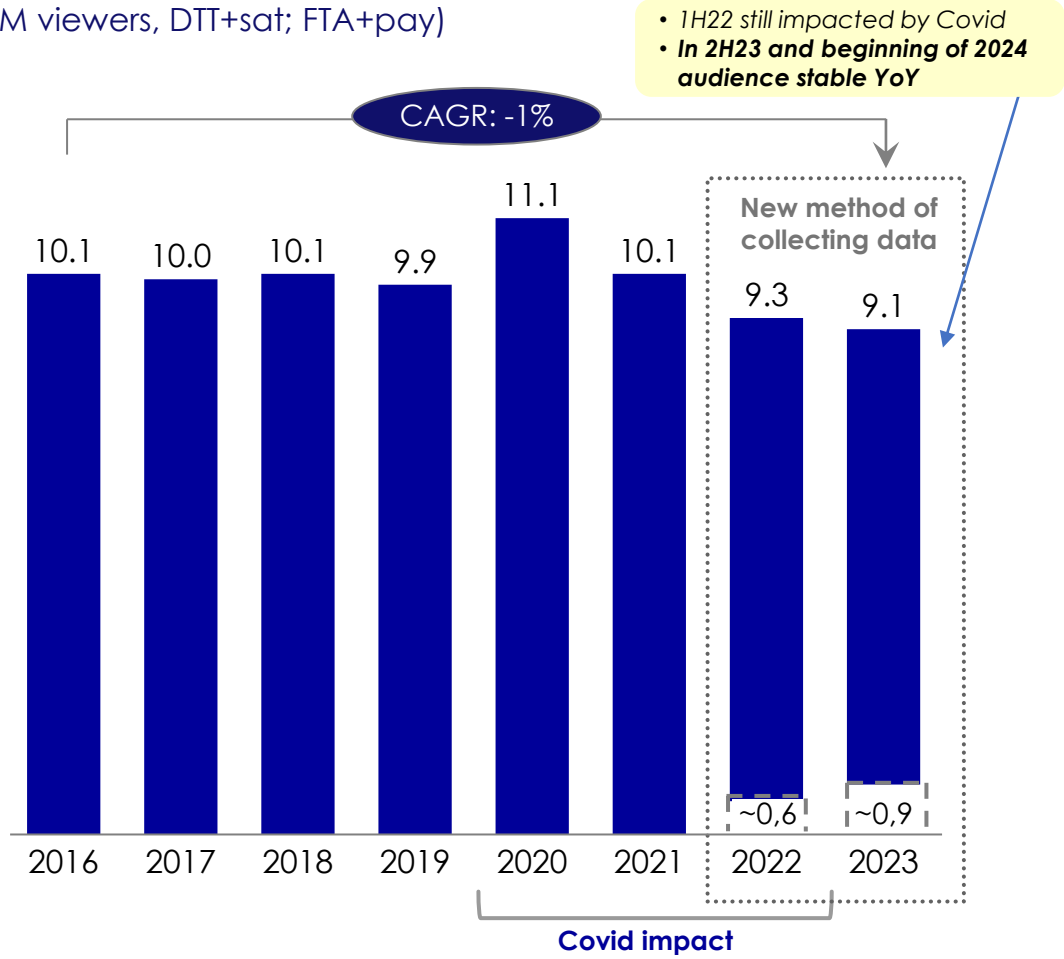
Forecasted slow down in **OTT platform subscription** growth with expected player **consolidation**

\* OTT video (live streaming and VoD), online video and mobile video  
 Source: Ampere Nov. 2023; Media consumption in Italy (PQ Media)

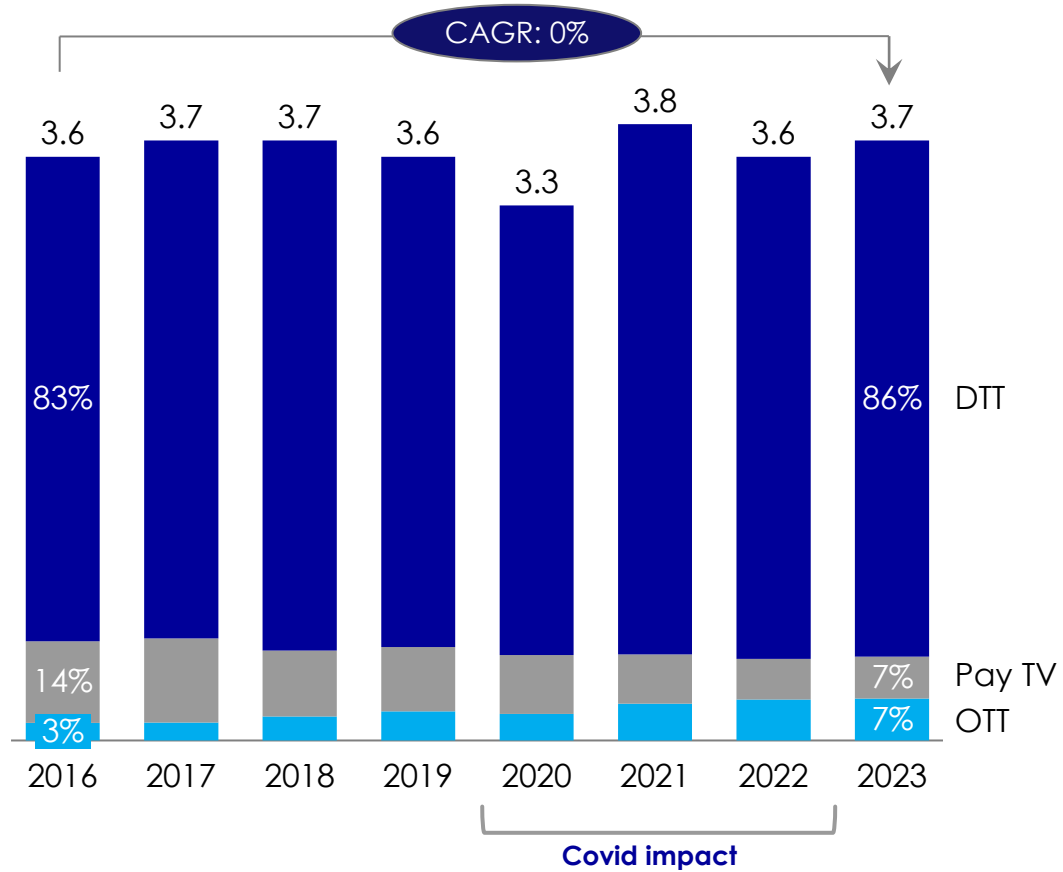


# Despite the period of steep uptake of OTT, linear TV did not lose relevance remaining the platform with the highest audience and adv revenues

**TV audience evolution in Italy**  
(M viewers, DTT+sat; FTA+pay)

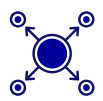


**Video adv revenue share in Italy**  
(B€)



1. New way of collecting data (from May '22) to avoid double counting audience watching connected TV online  
Source: Rai on Auditel figures

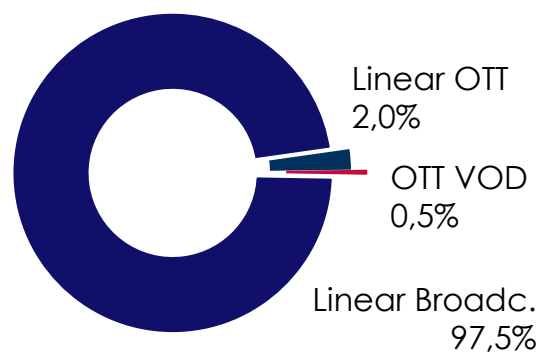
# A long-term view where platforms coexist remains the most likely option



## Content / Platform Polarization

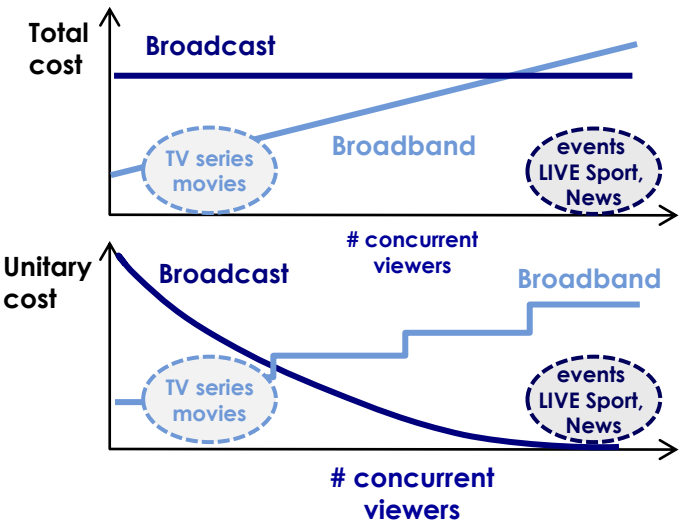
How Sanremo 2022 was viewed

Total Time Spent (TTS)



Broadcast for linear viewing vs OTT for on demand

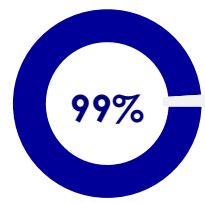
## DTT efficiency for linear distribution



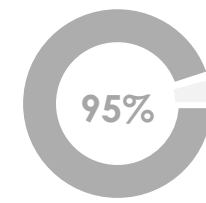
## Public service requirements

Public service obligations

% coverage to be guaranteed



Generalist content and news



Other content

Validation of multiplatform strategy in the RAI-State Service Contract with commitment to improve coverage

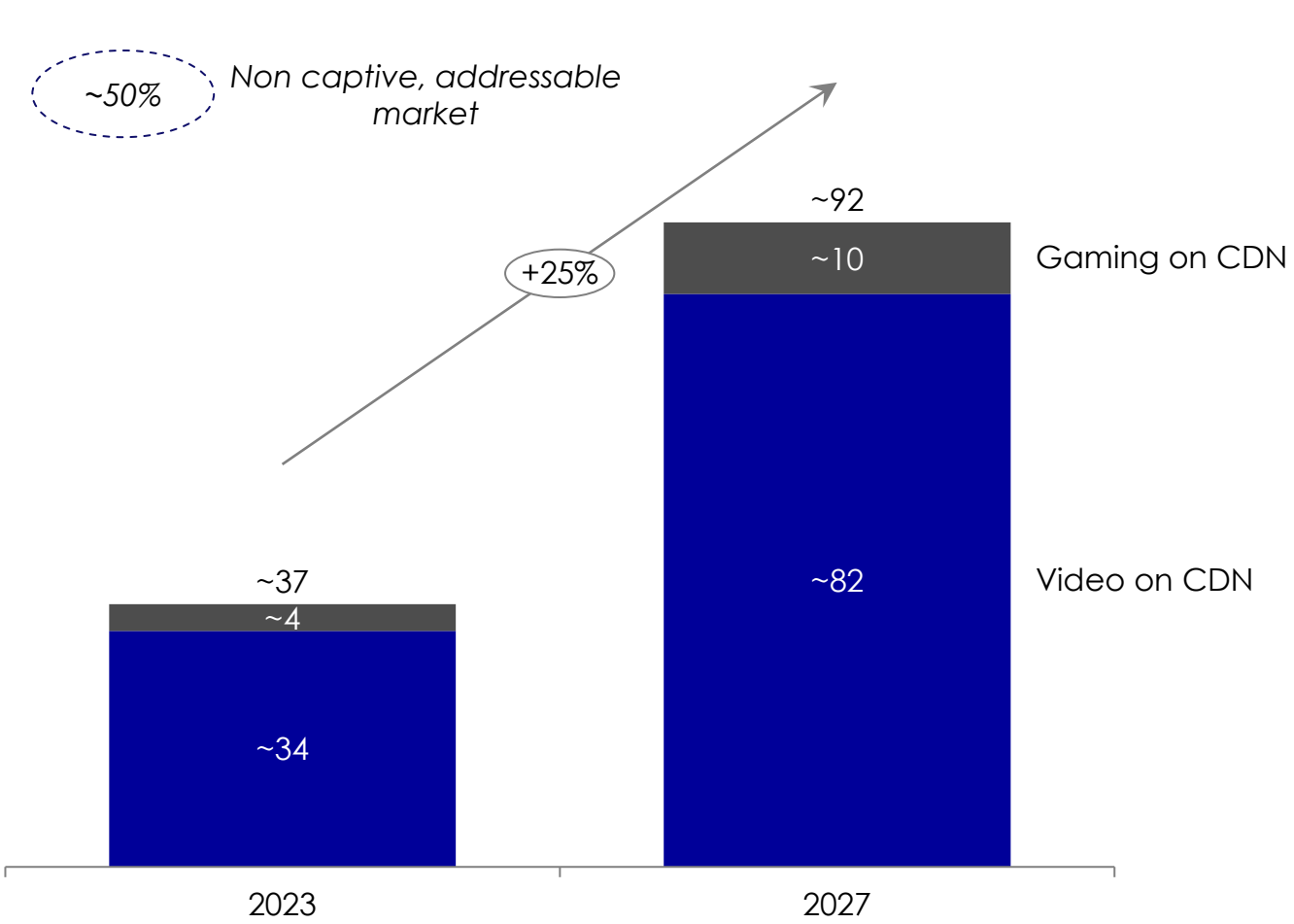
# Broadcasting market characterized by stable relationships between network operators and TowerCos; MUX12 still to be allocated



|                      | Content providers / channels  | Network operators  |  | Tower operators |
|----------------------|---|--|--|-----------------|
|                      |   | Frequencies  | Equipment                              |                 |
| DTT<br>(National TV) | Rai   | 3 MUX - Rai  | Rai Way                                | Rai Way         |
|                      | MEDIASET  | 3 MUX - Mediaset   | ELETTRONICA INDUSTRIALE                |                 |
|                      | sky ZONA DAZN   | 1 MUX - DFREE  | Prima TV + 3Iettronica                 |                 |
|                      | CAIROCOMMUNICATION 7  | 1 MUX - Cairo  | CAIRO NETWORK                          | EI TOWERS       |
|                      | sky Discovery DRAGOSTINI EDITORE sportitalia                                  | 3 MUX - Persidera  | EI TOWERS                              |                 |
|                      |   | MUX12 To be allocated                                      |  |                 |
| DTT<br>(Regional TV) | ~400 channels   | 8 networks in 7 technical areas (coverage >30mln people)   | Rai Way                                | Rai Way         |
|                      |   | 15 networks in 13 technical areas (coverage ~40mln people) | EI TOWERS                              | EI TOWERS       |
| DTH                  | Free  | tivù sat [ Rai MEDIASET etc. ]                             | Rai Way for Rai EI TOWERS for MEDIASET |                 |
|                      | Pay-tv  | sky  | sky                                    |                 |
| OTT                  | TV TIMVISION infinity prime video NOW NETFLIX PREMIUM ONLINE Rai Play Disney+ |  |  |                 |

# Growth in video streaming and gaming fueling traffic managed by Content Delivery Networks

## Forecasted CDN market volumes in Italy ('000 PB)

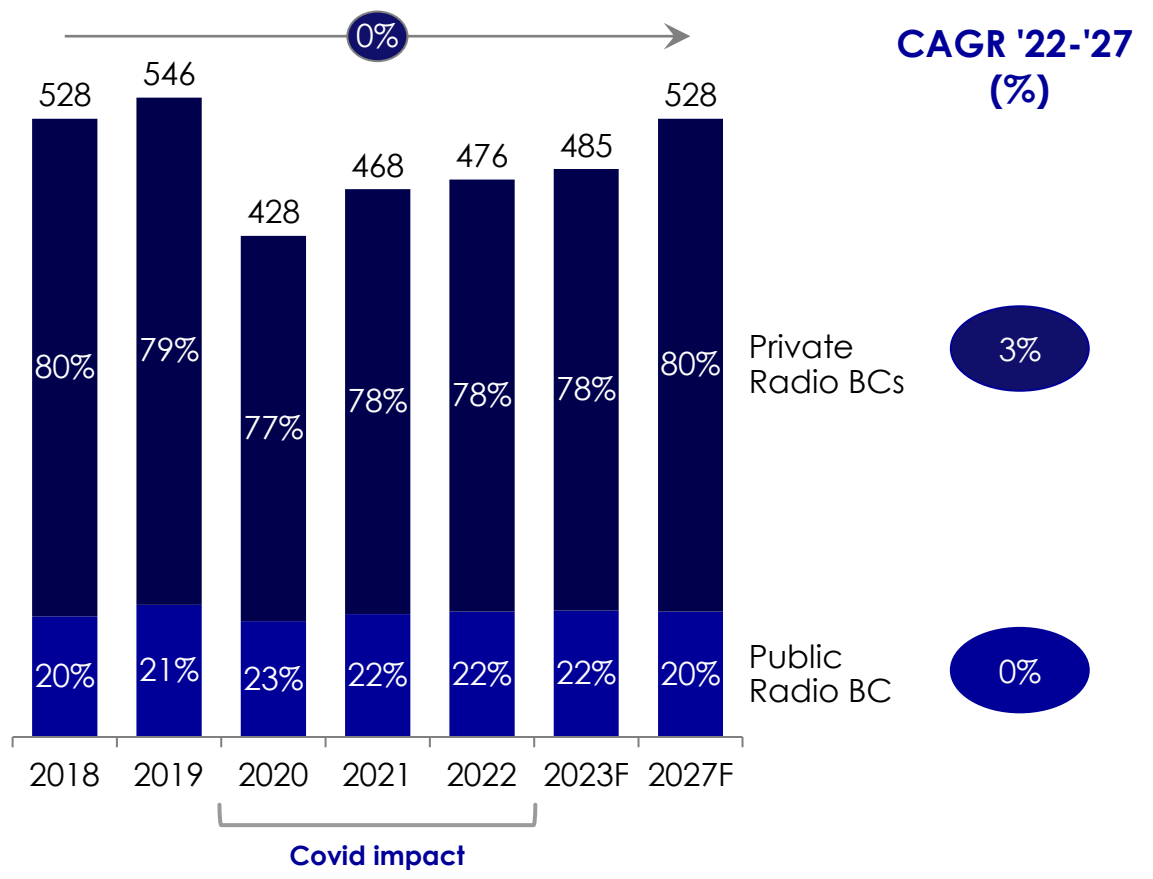


- Gaming Platforms
- eSports
- Streaming Networks
- National Broadcasters
- Retail/Other Video content providers
- OTTs looking for a dedicated platform

Source: PWC (Omdia 2022), VNI CISCO (2018)

# Post-pandemic steady growth for radio broadcasters; opportunities for DAB network coverage enabled by frequencies availability

## Radio Revenues in Italy (M€)



## National DAB coverage



**57%**  
of Italian territories covered

**86%**  
of Italian population covered

**95%**  
Highways covered

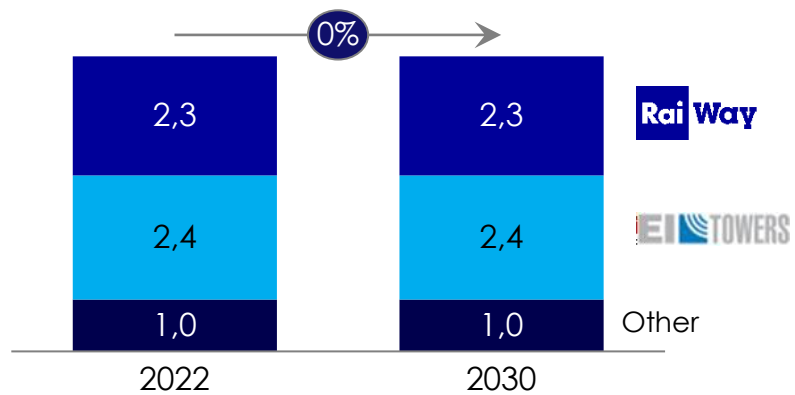
- Following frequencies availability freed up by TV refarming:
  - Public tender to award new DAB frequencies incentivizes **national networks** coverage extension
  - Deployment of **regional DAB** networks in several areas

Source: PWC, Tavolo Editori Radio (TER), Digital Radio

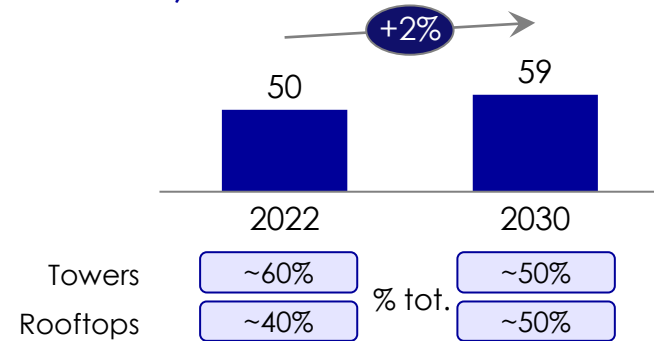
# Telecommunication network rollout still guarantees hosting volume growth

## Macro towers in Italy, 2022-2030

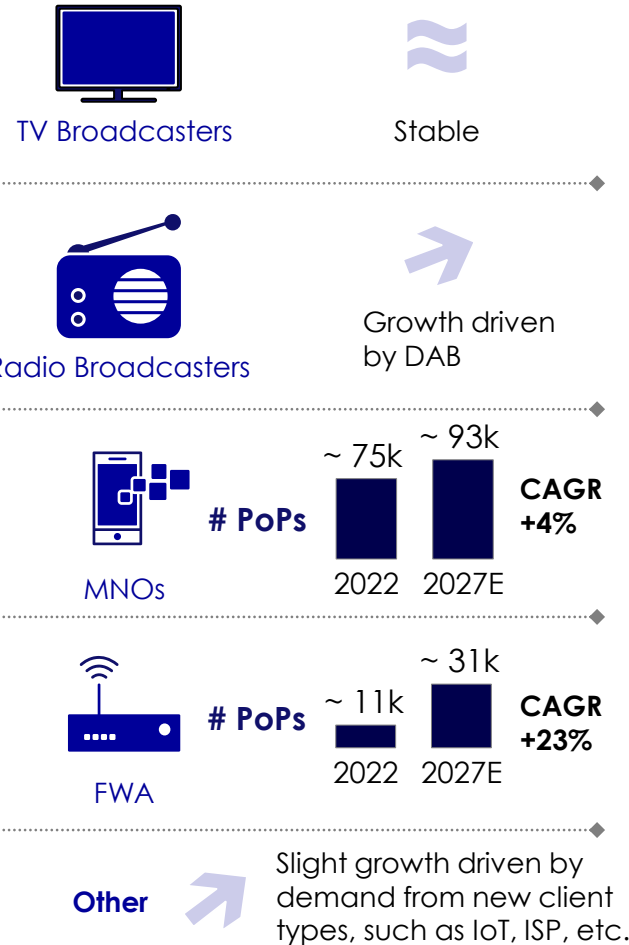
Broadcast towers, by operator, #k



Telco towers, #k



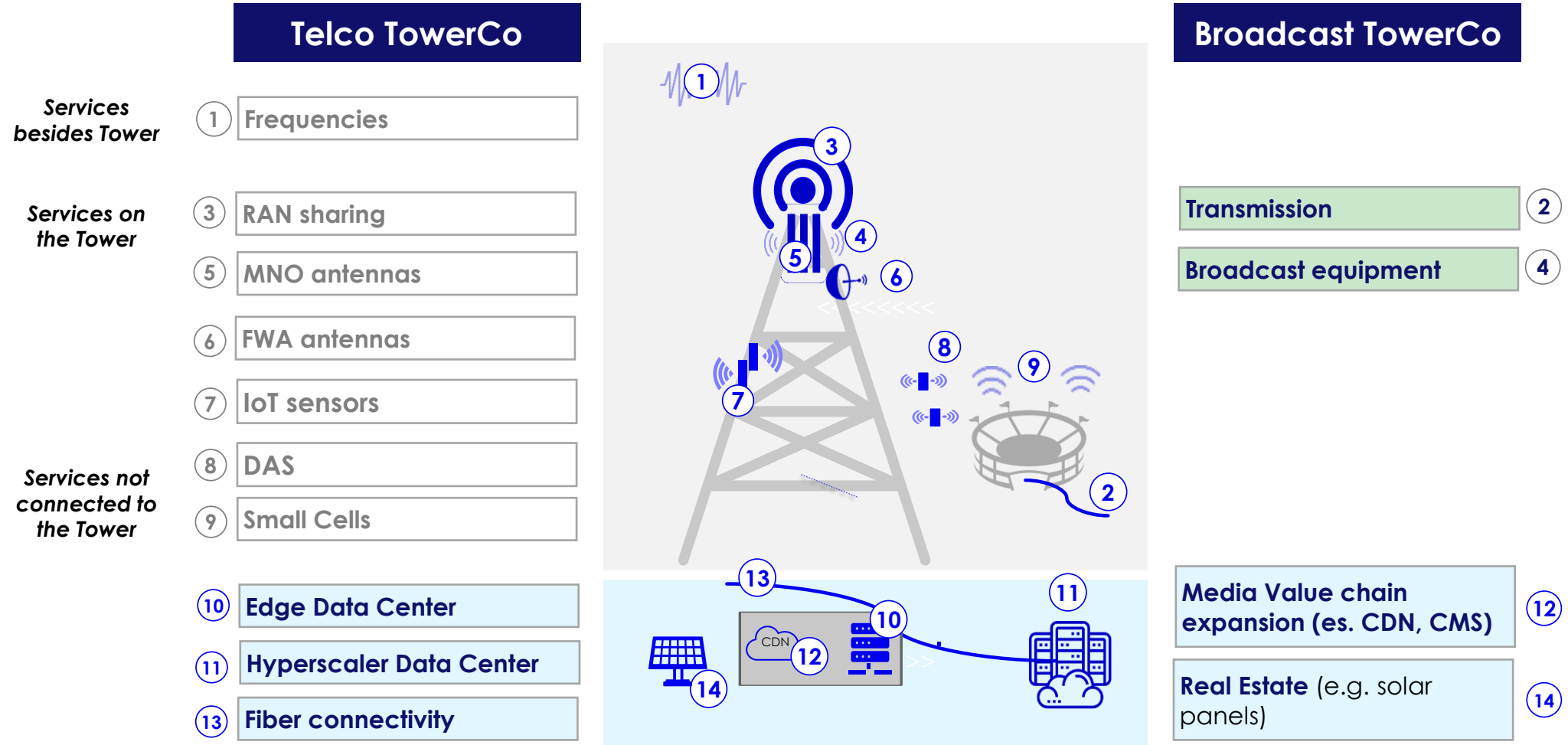
## Clients: market trends



- **Main growth drivers:**
  - **5G adoption** spreading to non-urban areas
  - **Fixed Wireless Network** expansion, also pushed by Piano Italia 1Giga
  - **New client types**
- **Spin-off** trend continuing
- Tower operators **diversifying** to grow

- Possible challenges:
  - MNOs relying mostly on **captive towers**
  - Access networks / operators **consolidation** (creating less demand for new towers, partially offset by RAN-sharing fees)

# TowerCos are diversifying vertically towards new businesses to leverage current assets and capabilities for future-proof growth



Not in scope
Addressed by Rai Way
Already part of Rai Way's portfolio

# Digital Infra demand growth fueled by exponential increase in data traffic and Cloud services that require Data Center infrastructures

**Rising Demand**

*Tech drivers*

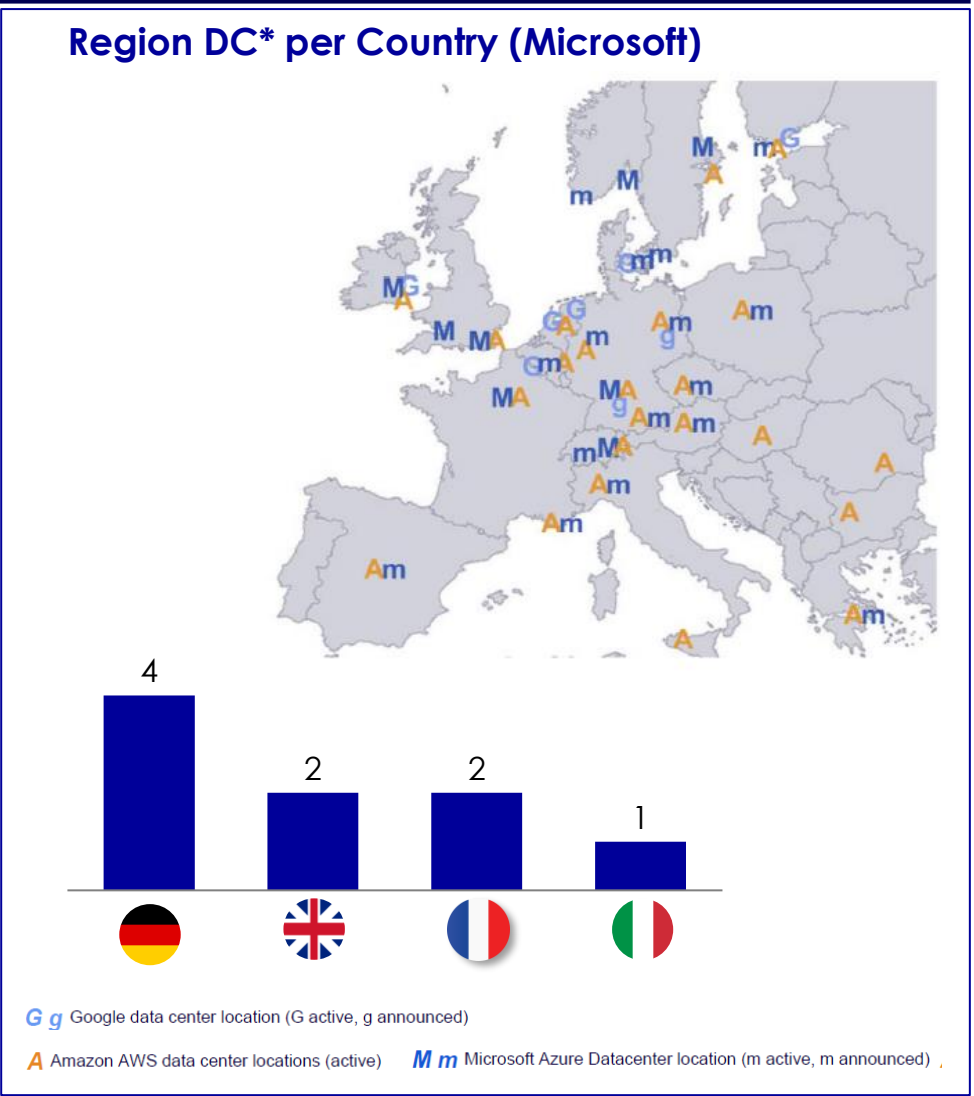
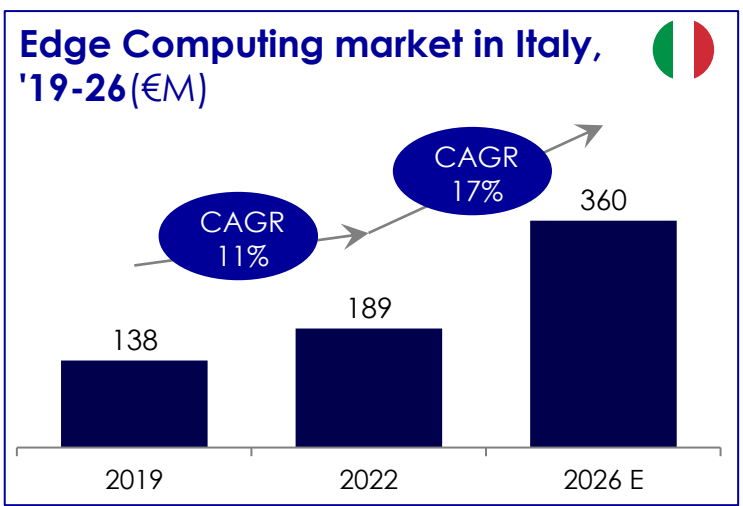
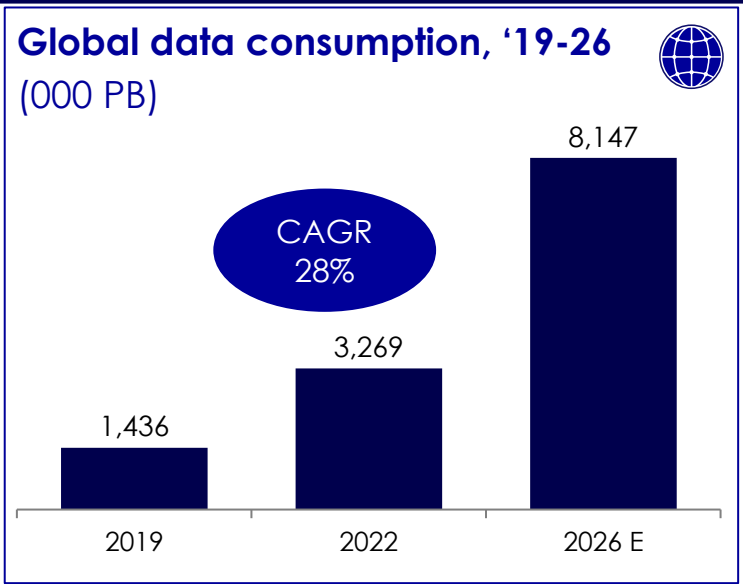
- Data consumption and storage
- 5G & edge computing
- AI

*Client drivers*

- Global Cloud Service providers growth and geo diversification
- Public Admin. (DC rational. and cloud migration)
- Corporate IT externalization (also through hybrid cloud)

*Regulatory drivers*

- GDPR & data sovereignty



\* The Region Data Center (DC) is an area with high concentration of data centers, hence consuming more data than average  
 Source: Gartner IDC; Pwc Entertainment & Media Outlook in Italy 2022-2026; Company Investor report presentations



# Supply however still fragmented and scarce, with opportunities for Rai Way to expand its infra portfolio with hyperscaler and edge DCs

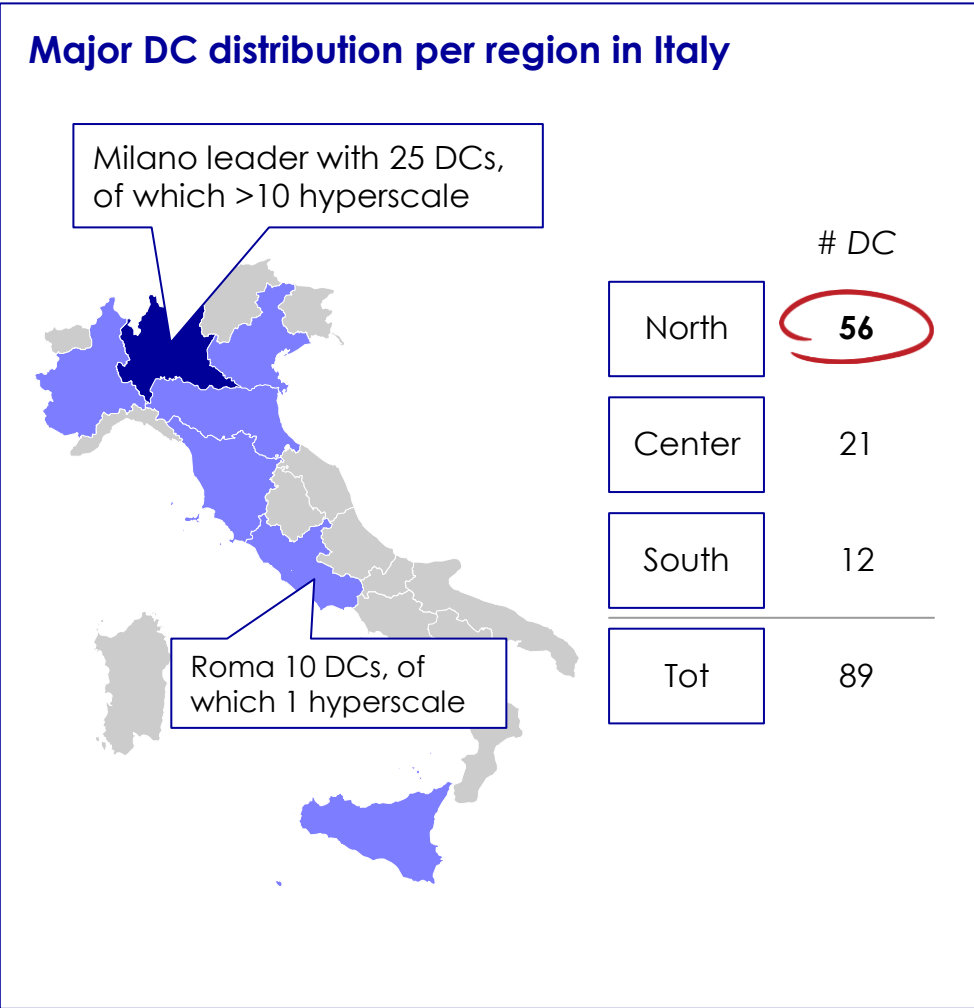
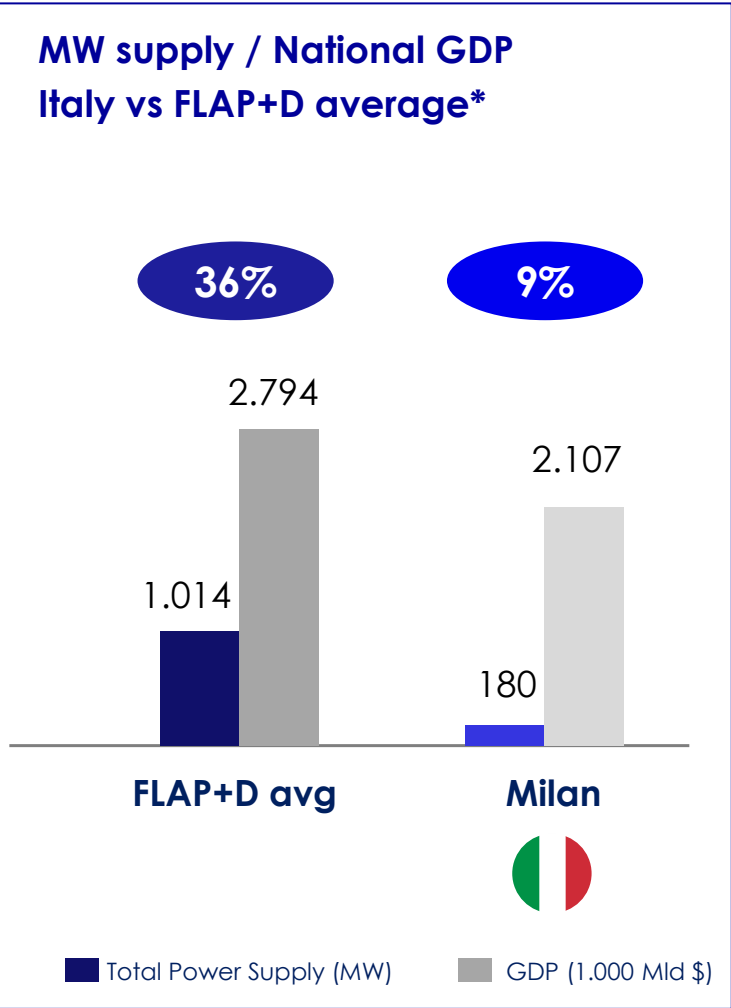
 **Limited Offer**

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**Early-stage market with fragmented and limited offering**

**Quality Hyperscale assets concentrated in the Milan area**

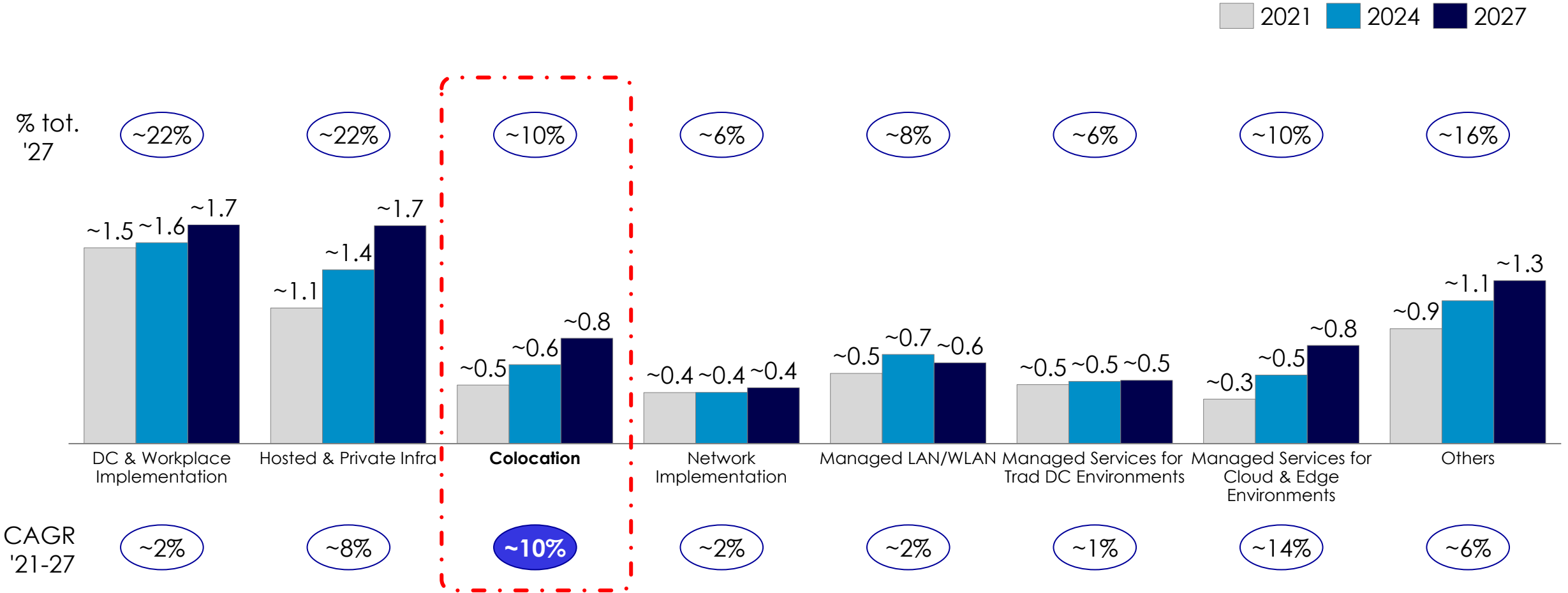
**Possible competitors on edge now limited and with areas of weakness (carrier neutrality, asset quality, focus)**



\*FLAP+D= Frankfurt, London, Amsterdam, Paris + Dublin  
 Source: CBRE 2022; World bank 2021; Datacentermap; Omdia; company websites

# Colocation market expected growth at ~10% p.a. (edge component even higher...)

Infrastructure implementation & Infrastructure Managed Services market, by service type (€B)



Source: Gartner IDC

# Agenda

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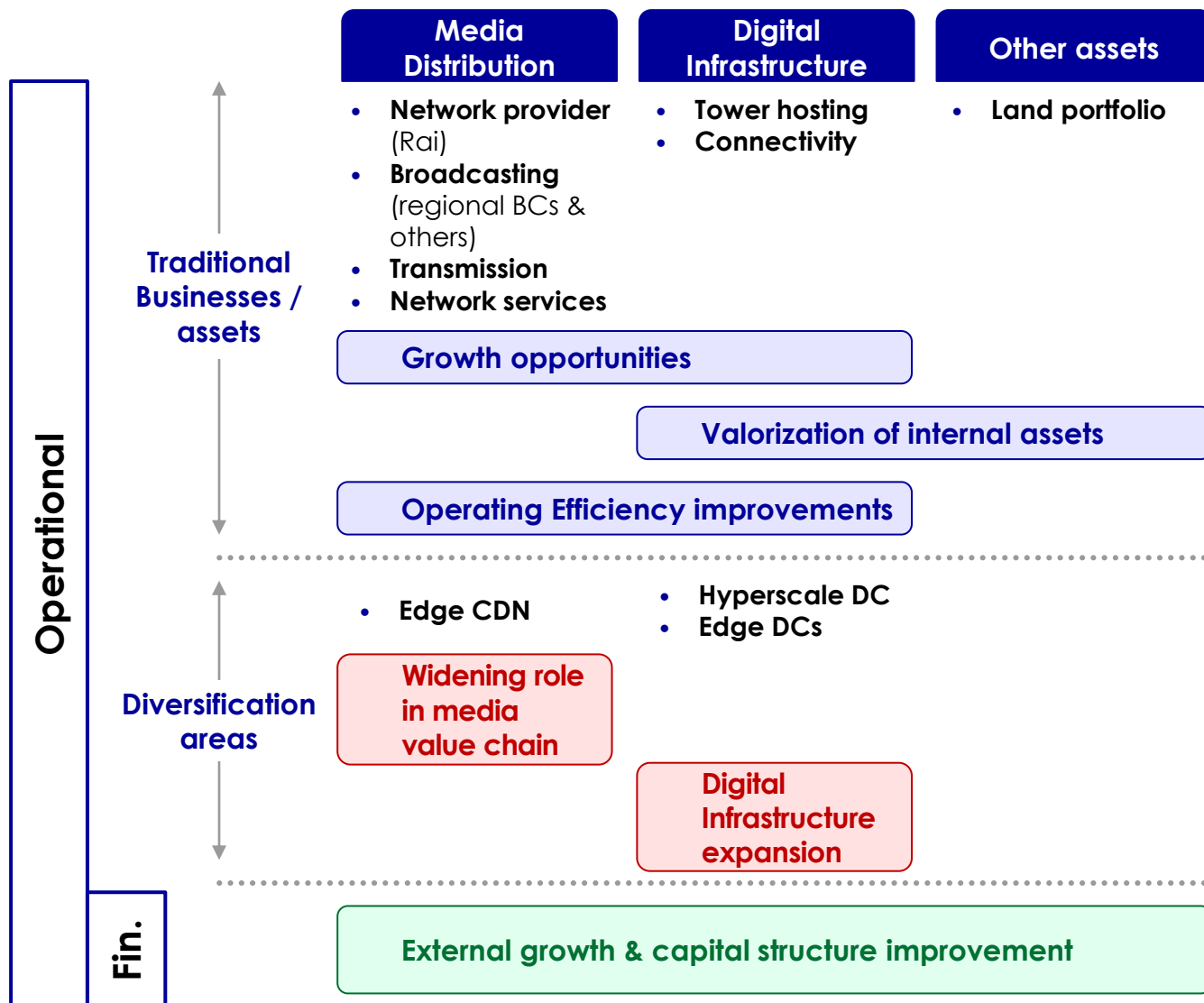


2024-2027 Industrial Plan

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2. Industrial Plan Pillars and Related Initiatives

# 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

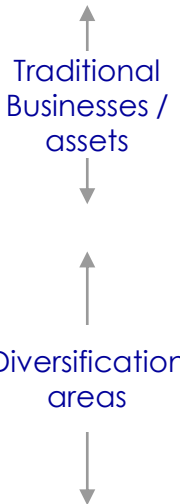
### 3) **Expanding digital infrastructure**, completing roll-out and marketing the Data Center network to support digital transition

### 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

Organic development investments<sup>1</sup>



~€ 98 Mln  
Development Capex

~6,5% recurring maintenance capex on sales level

~€ 138 Mln  
Development Capex<sup>2</sup>

Negligible maintenance capex during plan period

Dividends paid to shareholders

100% Payout ratio

~€ 350M distributed in 2024-27

Growth through acquisitions

~1,4x 2027 Net Debt/ EBITDA<sup>4</sup>

Organic capital structure

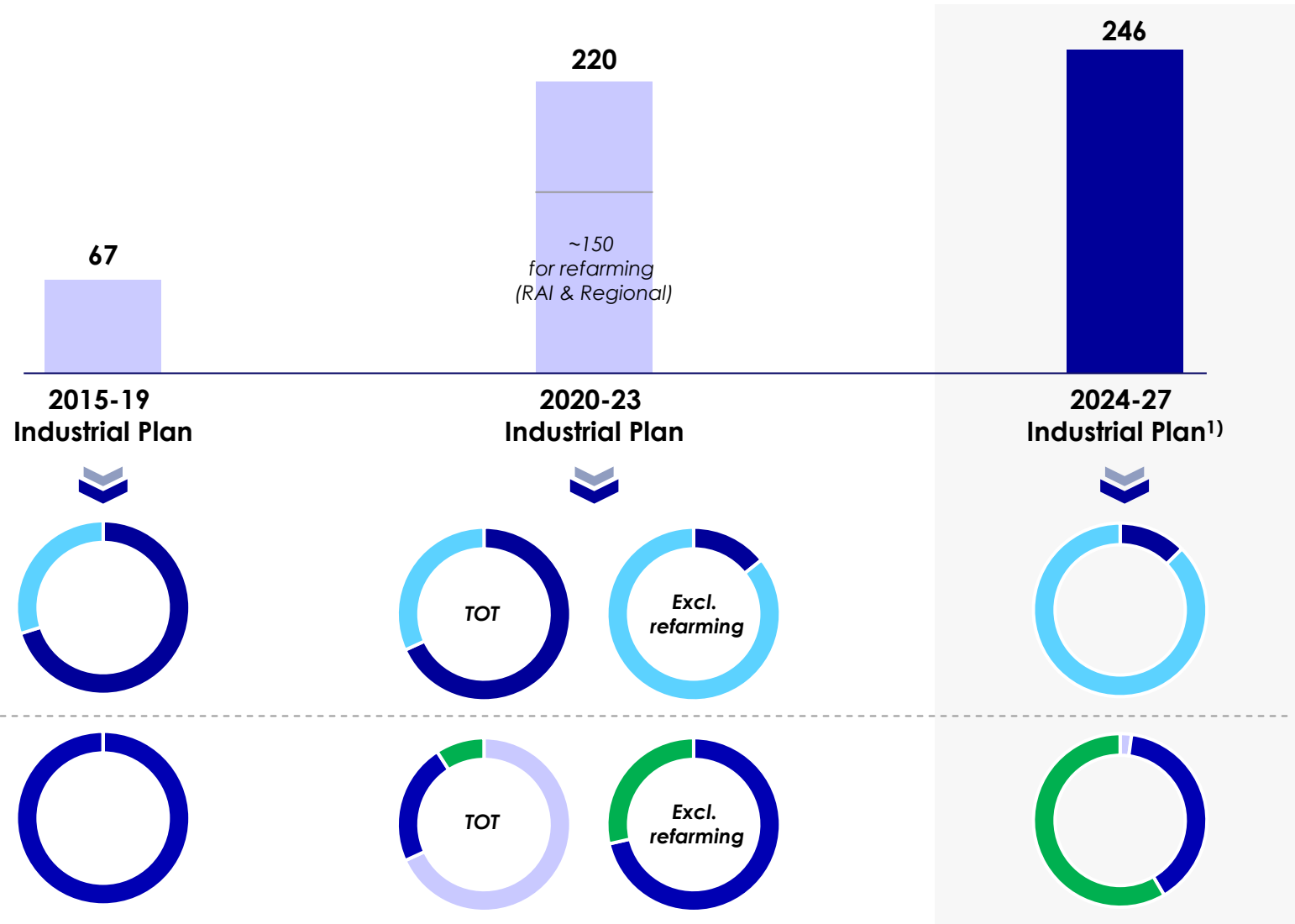
## 2027 Target

- 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 cap<sup>3</sup> 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

# (Organic) Development investments: traditional businesses/assets continue to offer opportunities, acceleration of new infrastructure deployment

Mln Eur



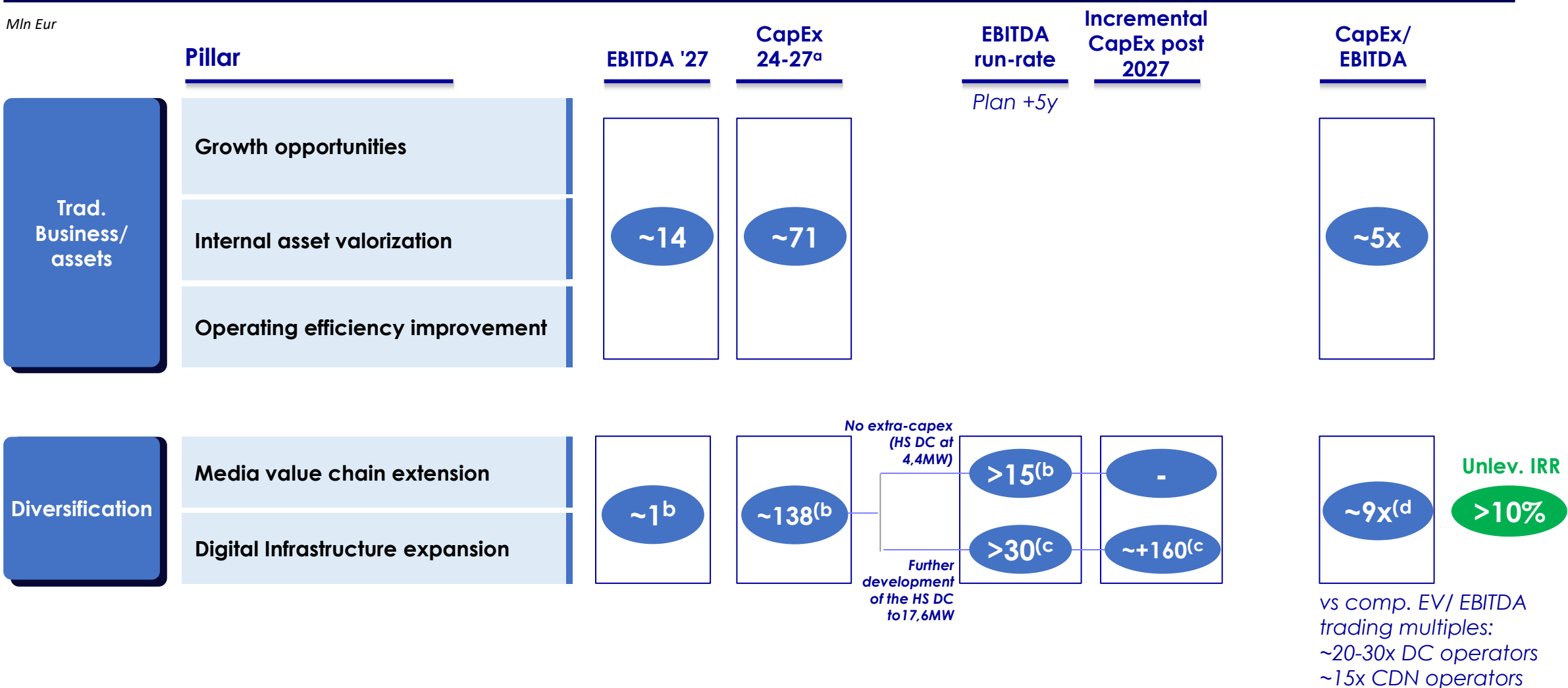
RAI  
Other clients & efficiencies

Traditional businesses/asset  
Refarming  
Diversification areas

1) Capex including capitalized personnel

# Value creation on main projects

Mln Eur



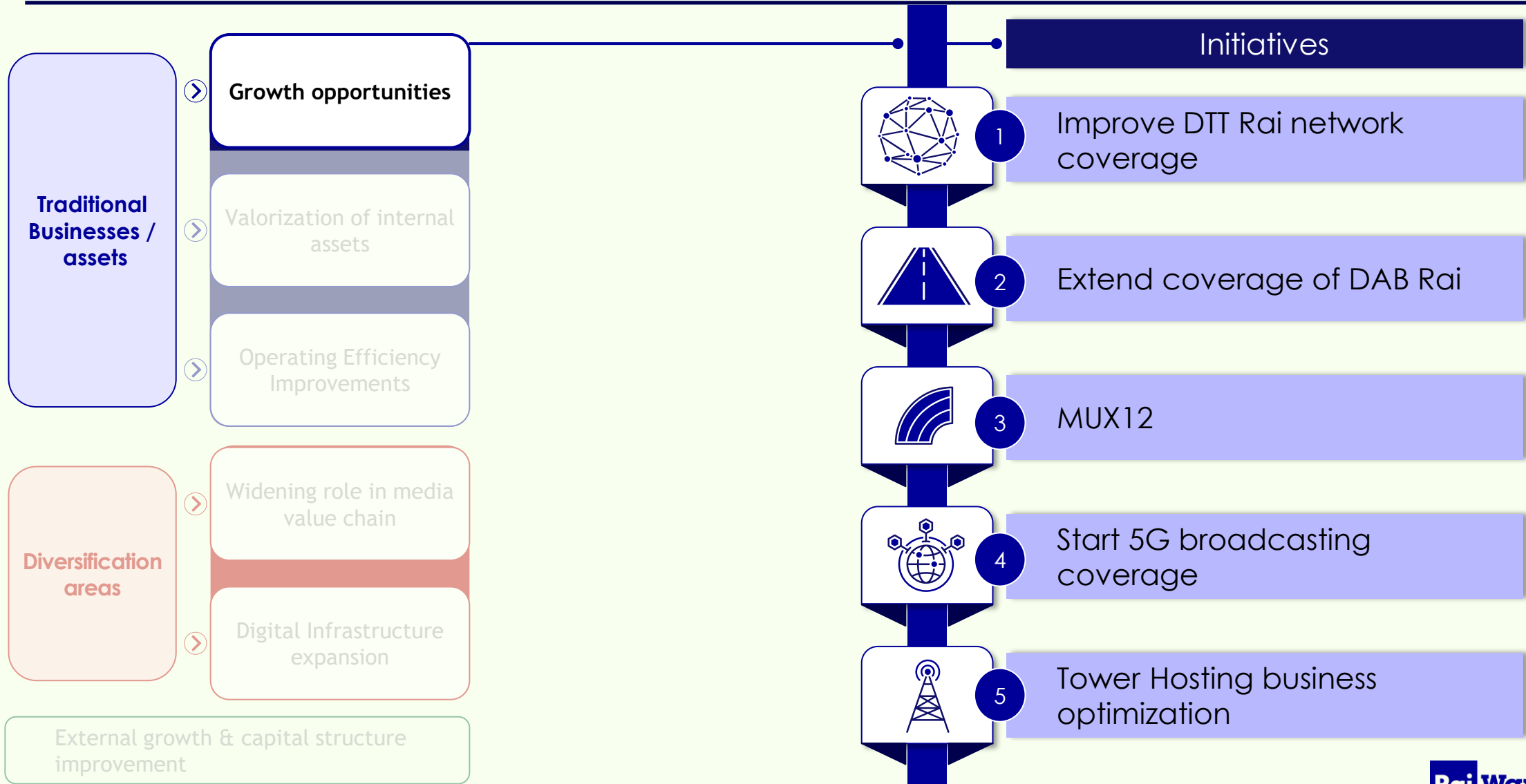
a. Capex figure not including capitalized personnel cost

b. Based on the development of the CDN, 10 edge data center for ca. 3 MW and the first data hall of the hyperscale data center for 4,4 MW

c. Assuming further development of the hyperscale data center to reach 17,6MW (2 out of 4 modules)

d. Multiple calculated including capex spent before 2024 for ca. €21 m

# Strengthening traditional businesses: growth opportunities





# Initiatives to extend networks and optimize tower hosting

## 1 Improve RAI DTT network coverage

Activities to improve network quality

## 3 MUX12

Hosting or network management services  
(in case of MUX awarding)

## 4 Start RAI 5G broadcasting coverage

5G broadcasting networks in 5 test cities

## 2 DAB coverage...

Extend Rai DAB coverage, currently lower than the other 2 main market players

### ...and "DAB in galleria"

Improve coverage extending the signal in the main tunnels of the major highways



## 5 Tower Hosting Optimization



### Hosting Development

- 5G rollout
- FWA
- DAB (no RAI & local)
- MNO clients stabilization



### Better processes & offering

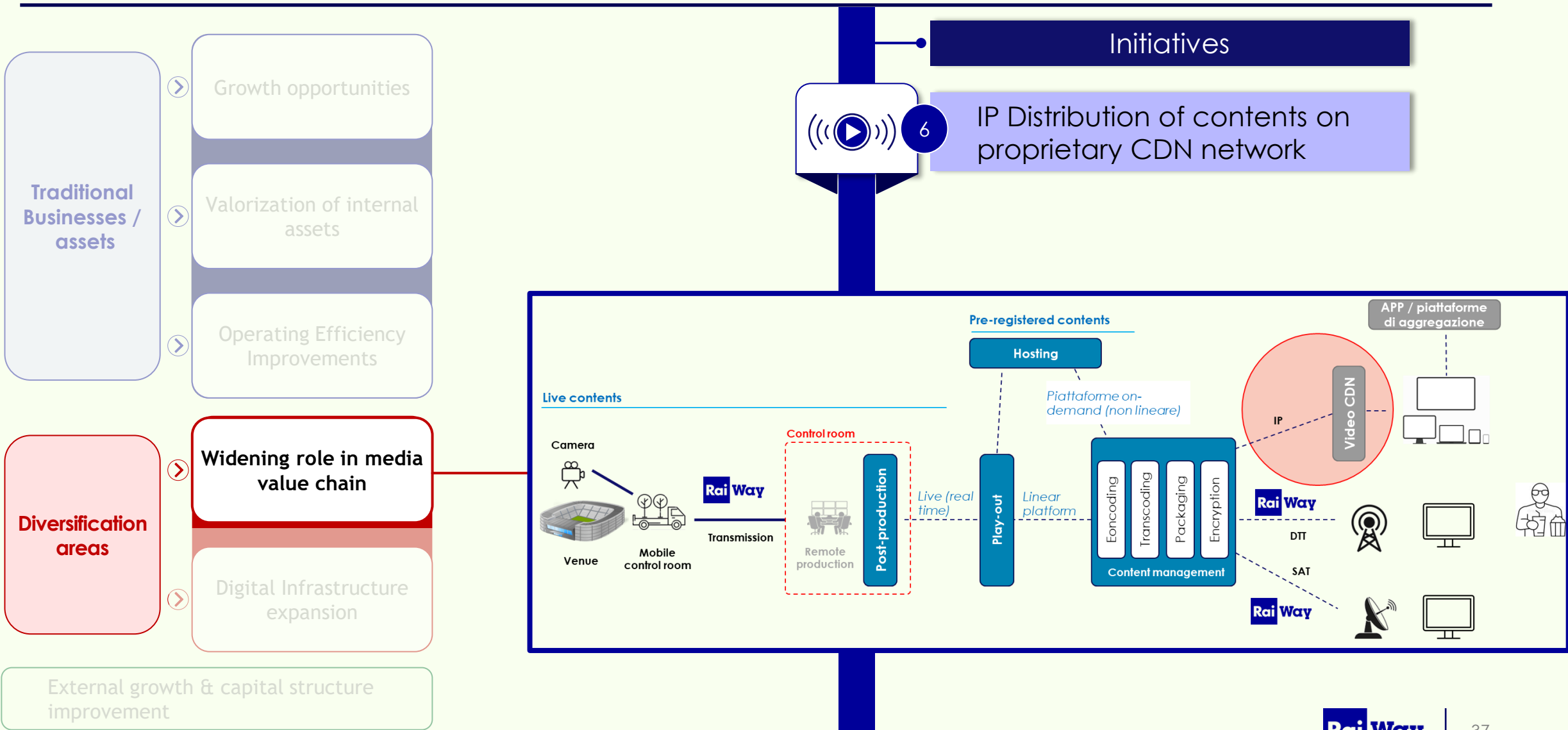
Optimize efficiency of requests logged into the system and internal provisioning process



### Expand offering

- Fiber Backhauling in selected sites
- Radio backhauling

# Widening role in media value chain



# IP distribution of contents on proprietary CDN network: architecture and value proposition

## Distributed national architecture



Distributed PoPs widespread on Italian territory



Synergy with the new infrastructure of Edge Data Centers



Selection of the best tech vendors



Origin and core systems



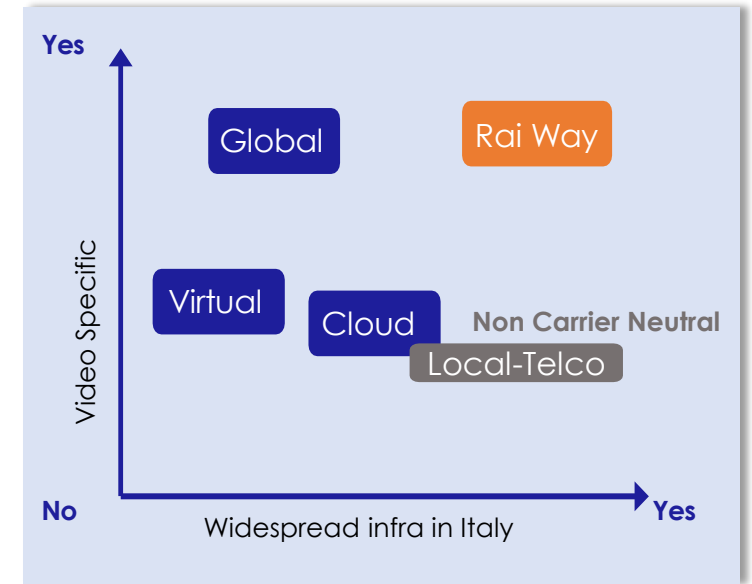
Backbone/IRU



PoP/Edge cache CDN



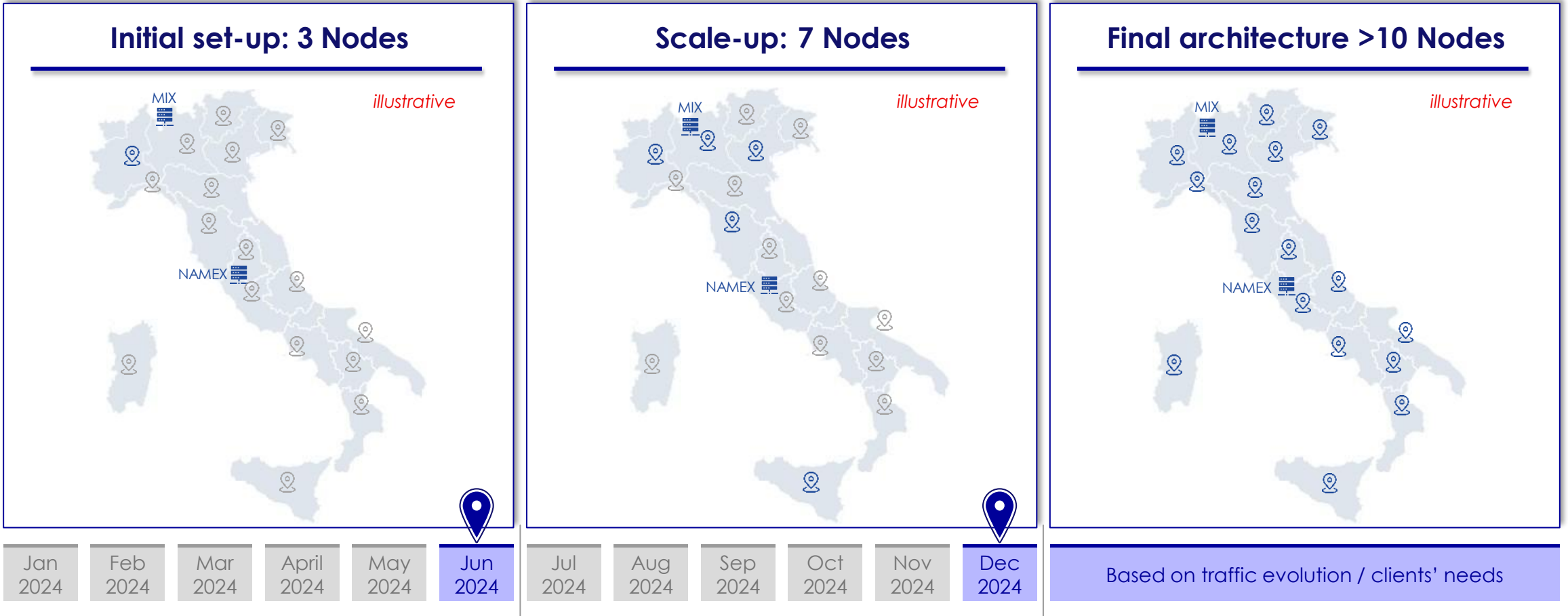
IXP



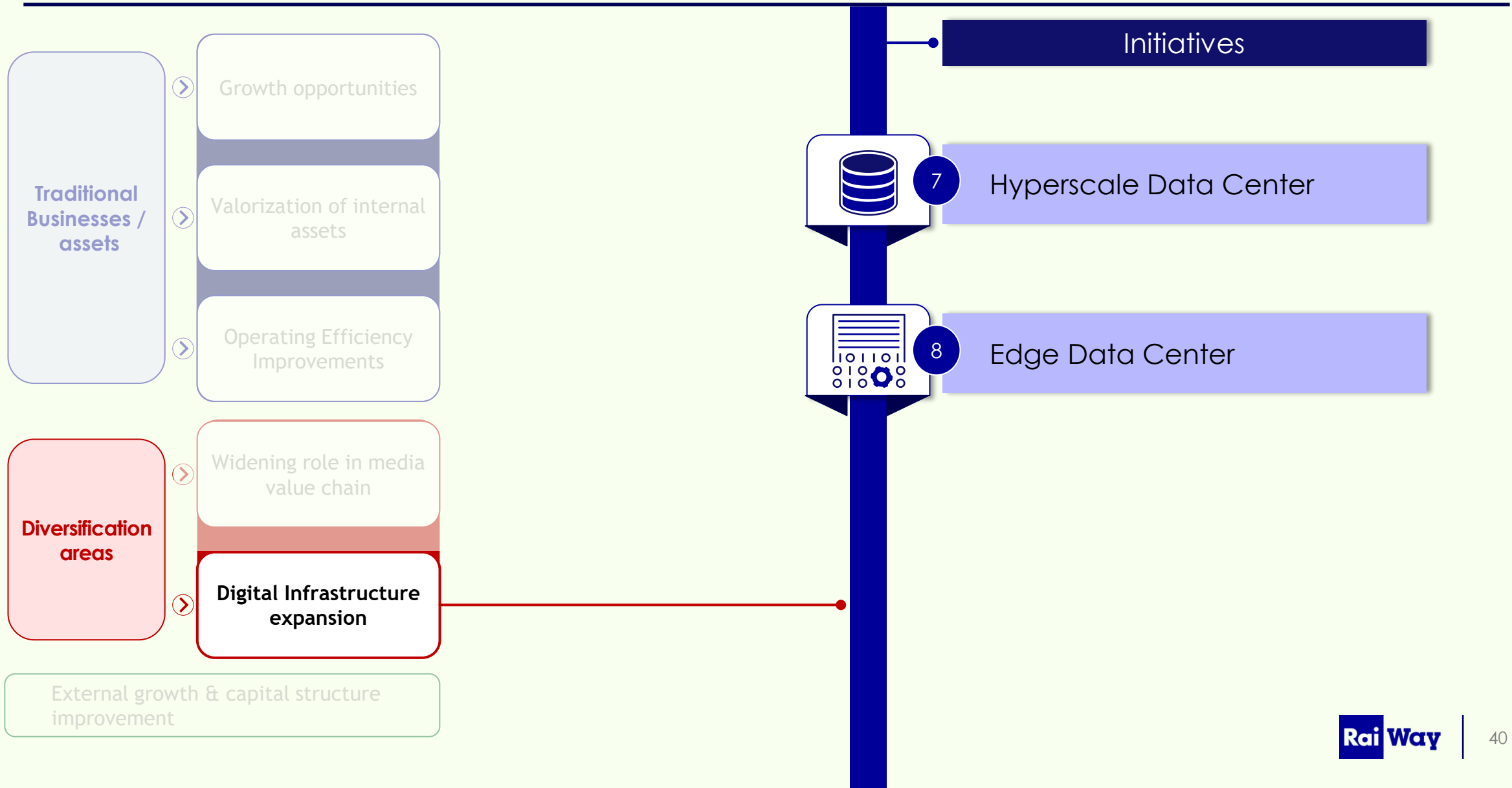
Rai Way to position own Edge CDN solution to address needs for

- Live streaming of Multimedia world (Video, Gaming, ...)
- Low latency services

# Edge CDN creation project to be developed in 3 phases with the first two steps of set-up and scale-up to be completed by end of '24

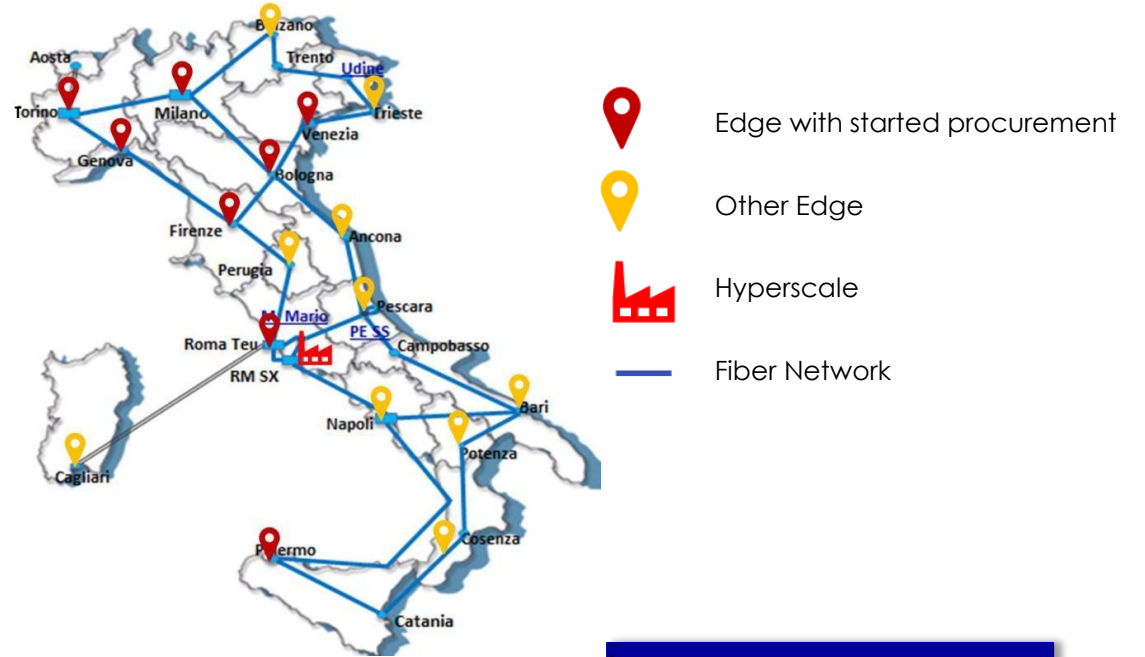
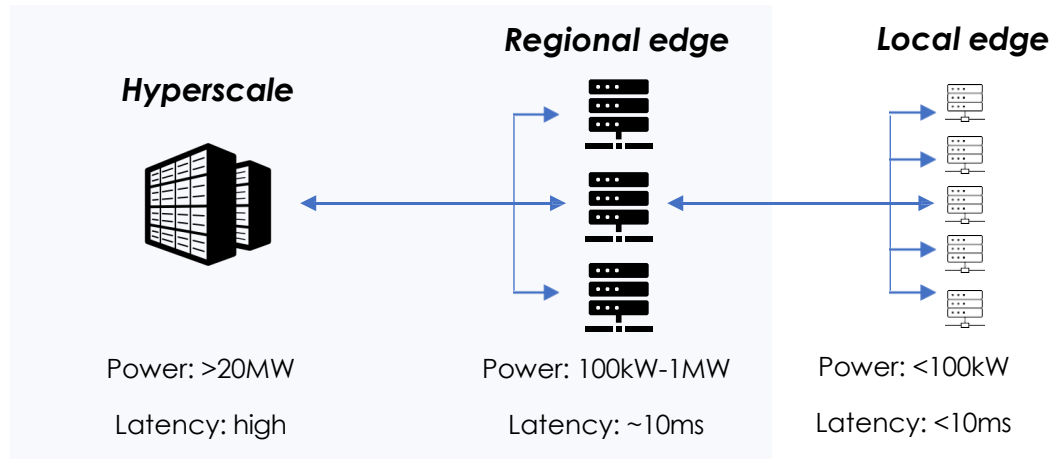


# Digital Infrastructure Expansion



# Rai Way's new digital infrastructure

## The infrastructure project



## Differentiating factors

- **Multi Edge Data Centers network**
- **1 TIER-IV Hyperscale Data Center in Rome** area (ca. 35MW potential, scalable IT load distributed across 4 buildings)
- **Interconnection** through proprietary backbone
- Clear **value proposition** for clients / partners:
  - Independent, reliable and carrier-neutral
  - Integrated Edge DC network to meet low latency requirements
  - Computing Continuum

- **Pure infrastructure offering:** co-location (space, energy, security) and connectivity
- **High synergies with societal assets:**
  - Wide-spread footprint, with space available in relevant areas and brand new quality assets
  - Proprietary backbone
  - Possibility to upsell current clients
  - First mover advantage on edge

# Edge DCs roll-out plan

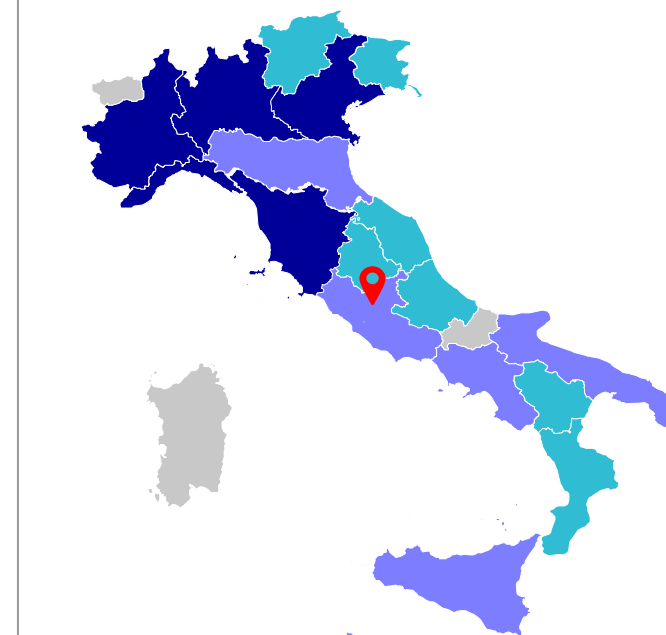
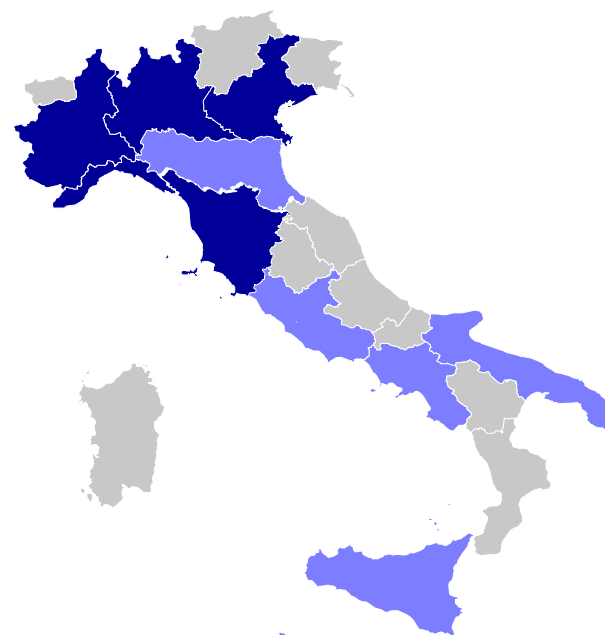
18 Edge Data center: 10 (major) DCs to build in Phase 1 & 2, and more (minor) to build based on demand



PH1, 2024: 5 EDGE

PH2, 2025-26: 10 Edge

After '26: up to 18 Edge + 1 HS DC<sup>1</sup>



■ Phase 1 ■ Phase 2 ■ Phase 3

- ~ 3 MW IT load for the first 10 sites, possibly scalable based on demand
- Interconnected via own optic fiber and locally linked to the public network via ISP
- Built to be sustainable and create value from Rai Way's real estate

1. Initial 4,4 MW (50% of the first module)

# Edge DC Phase 1 approaching completion

## Torino

- Data hall: 118 sqm
- 39 rack
- Up to 280 kW IT Load



## Milano

- 2 data hall of 230 sqm
- 60 rack (+28 cold expansion)
- Up to 450 kW IT Load



## Venezia

- Data Hall: 108 sqm
- 34 rack
- Up to 204 kW IT Load



## Genova

- Data hall: 3 containers of 105 mq
- 32 rack
- Up to 204 kW IT Load



## Firenze

- Data hall: 185 sqm
- 60 rack
- Up to 432 kW IT Load



1,6 MW  
IT Load

249  
rack

747 sqm  
data hall

~27  
M€  
Capex



# Hyperscale DC | Rendering and concept design data



**100%**  
Green  
electricity

## Data Center Modules Configuration

- 4 Modules with 8,8 MW IT Load per Module
- Emergency power supply and air conditioning
- UPTIME Institute TIER IV compliance
- Solar panels; centralized water supply

- **«Conferenza dei Servizi» underway** – authorization possibly within 2024
- Construction time: 12-18 months
- **First data hall availability (4,4 MW) and revenues contribution assumed from 2027**

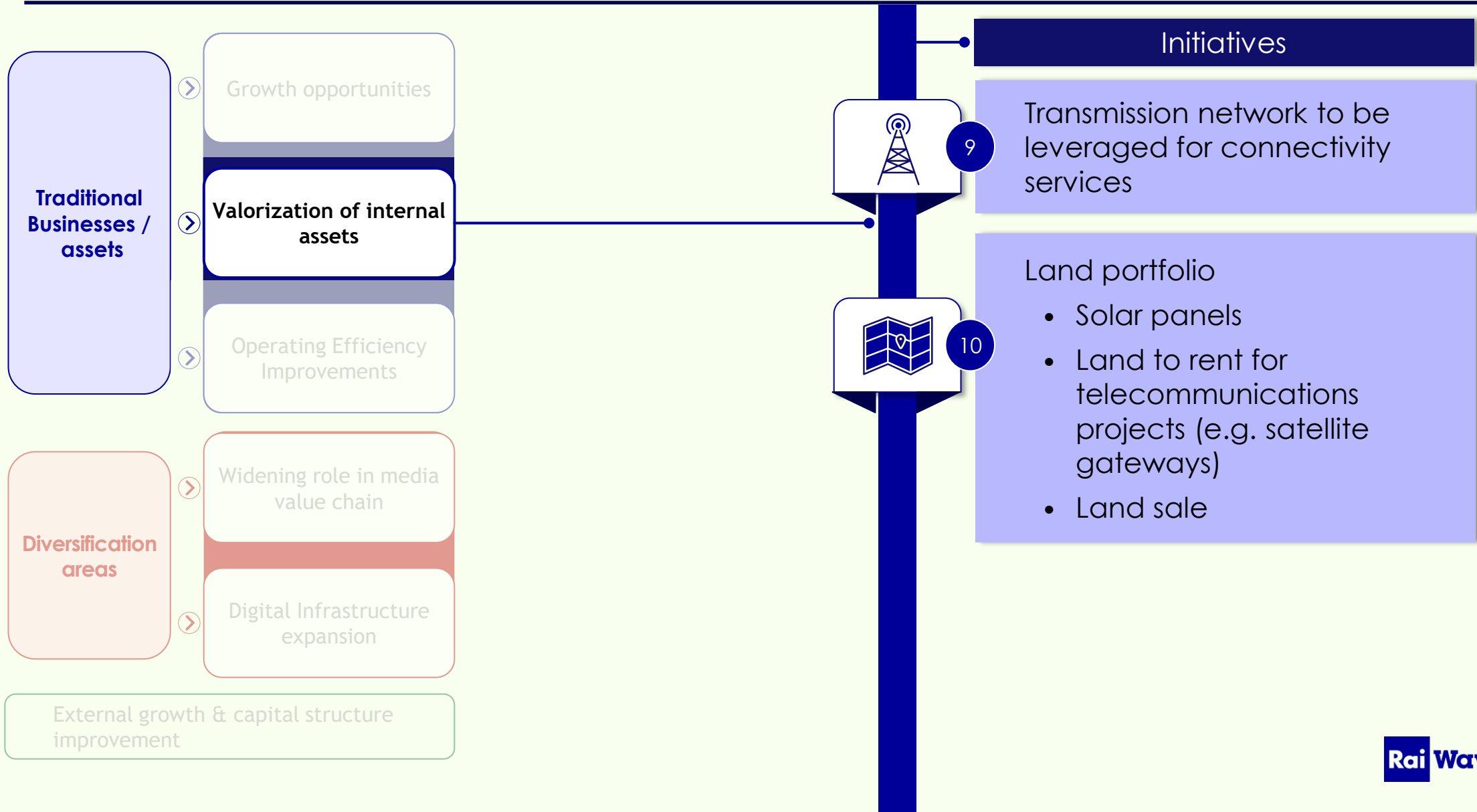
## Why Rome

- Limited hyperscale DC presence (1 live, 4 in development), while Rome expected to become next Italian HS region
- Assets currently concentrated in Northern Italy
- Lower latency for Center/South of Italy vs Milan
- Traffic managed by Rome IXP expected to grow
- Strategic location to aggregate international traffic

# Commercial approach and priorities

|              | Client and needs   | Main sales channel | Commercial Priorities  | Status   |
|--------------|--|--------------------|--|--|
| Data centers | <b>Cloud providers / SaaS</b> <ul style="list-style-type: none"> <li>• Cloud regions</li> <li>• Edge services</li> </ul> | <b>Direct</b>      | <ul style="list-style-type: none"> <li>• Approach potential anchor clients to improve risk-reward of the initiatives</li> <li>• Enter into commercial agreements with indirect partners</li> </ul> | <ul style="list-style-type: none"> <li>• Ongoing discussions with possible anchor clients</li> <li>• Collecting high interest from local cloud/ICT players for regional DCs</li> </ul> |
|              | <b>Telco</b> <ul style="list-style-type: none"> <li>• Cloud</li> <li>• Edge cloud/5G</li> </ul>                          |                    |  |  |
|              | <b>OTT</b> <ul style="list-style-type: none"> <li>• Edge services</li> </ul>   |                    |  |  |
|              | <b>PA</b> <ul style="list-style-type: none"> <li>• Proximity</li> </ul>  | <b>Indirect</b>    |  |  |
|              | <b>Enterprises</b>   |                    |  |  |
| CDN          | <b>Broadcasters</b>  | <b>Direct</b>      | <ul style="list-style-type: none"> <li>• Incentivize trials to prove superior performance</li> <li>• Enter into commercial agreements with indirect partners</li> </ul>                            | <ul style="list-style-type: none"> <li>• Trials planned with targeted customers</li> </ul>   |
|              | <b>OTT</b> <ul style="list-style-type: none"> <li>Content / data distribution</li> </ul>                                 |                    |  |  |
|              | <b>Gaming</b> <ul style="list-style-type: none"> <li>Web acceleration</li> </ul>   | <b>Indirect</b>    |  |  |
|              | <b>Retail / Enterprises</b>  |                    |  |  |

# Valorization of internal assets



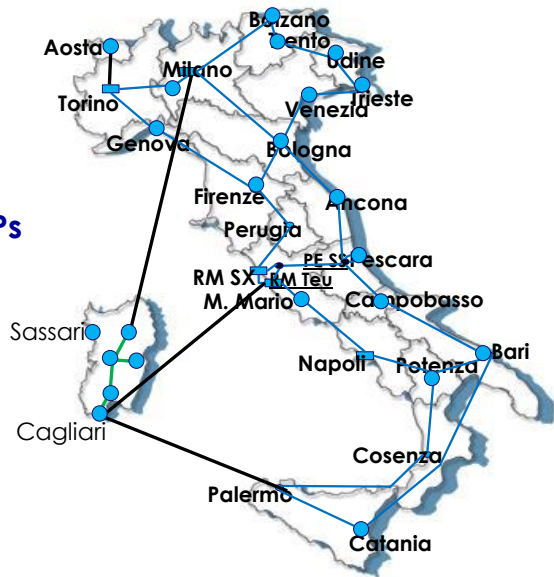
# Transmission network to be leveraged for (wholesale) transport services

## Fiber backbone

**6,000 Km**

- 30 PoP
- Interconnection with main IXPs
- Internal network monitoring

- Regional sites
- Production centers



## Radio-link backbone

**>500 IP links**



Our plan



### Fiber Optics transport services

- Dedicated transport in fiber optics
- Wholesale strategy addressing carriers' needs

### Point to Point radio links transport

- Transport services in grey/white areas not covered by fiber
- Wholesale strategy



# Land portfolio valorization

Rai Way analyzed possibility to create value from ~40 land plots, in 3 possible ways



40

Main land plots analyzed

200

Total hectares of land



Solar panels



Land to rent for telecommunications projects (e.g. satellite gateways)

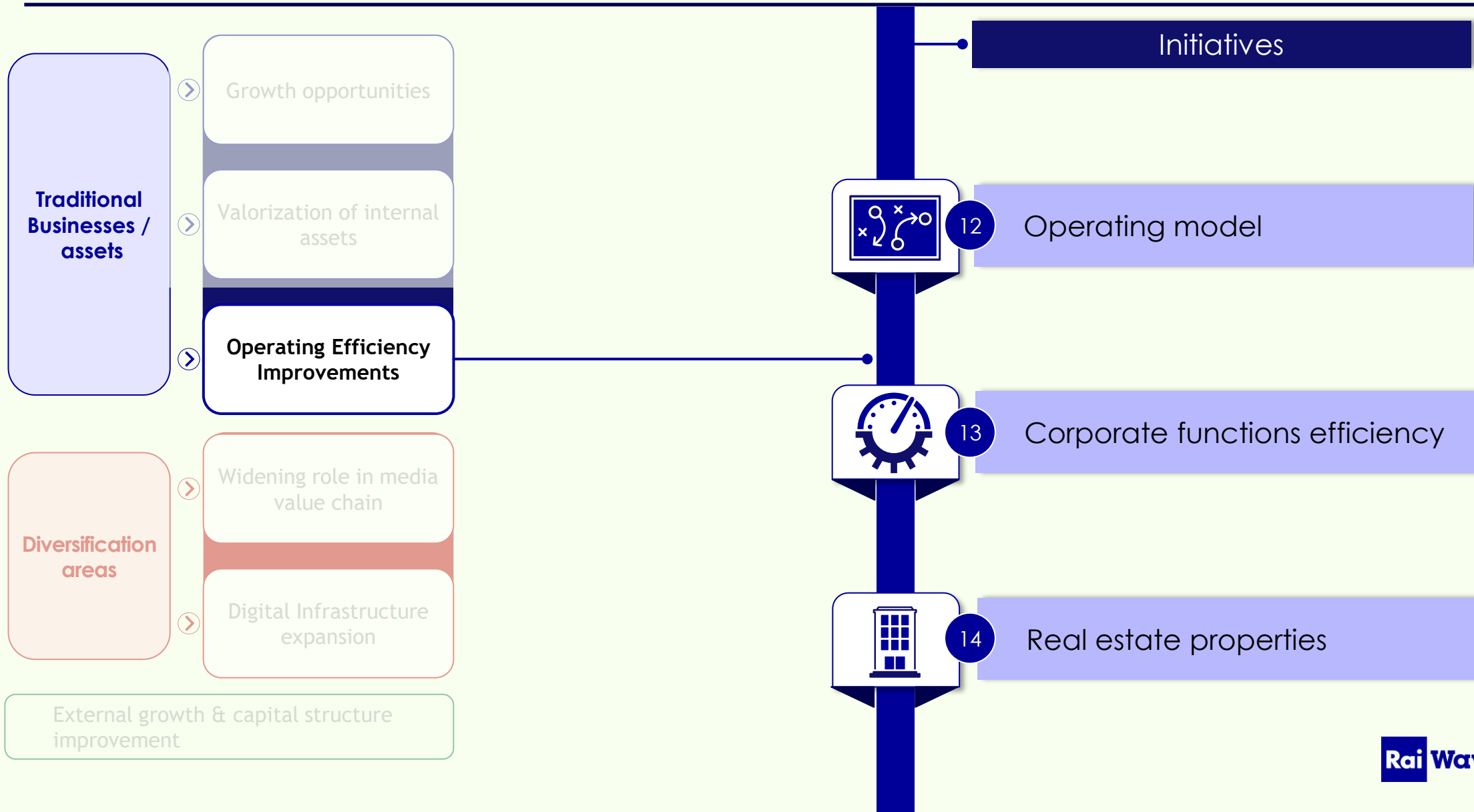


Land sale



- Selected 14 sites for solar panels, with target power of ~ 40 MW and target production of ~75 GWh/year

# Operating Efficiency Improvements



# Enhancing efficiency in operating model improvements, corporate initiatives and real estate property management



## Operating model initiatives

- Reorganization of regional departments
- Digitalization of monitoring of assets through the implementation of **predictive maintenance**

Maintenance accounts for the majority of field force activities



## Real Estate Management

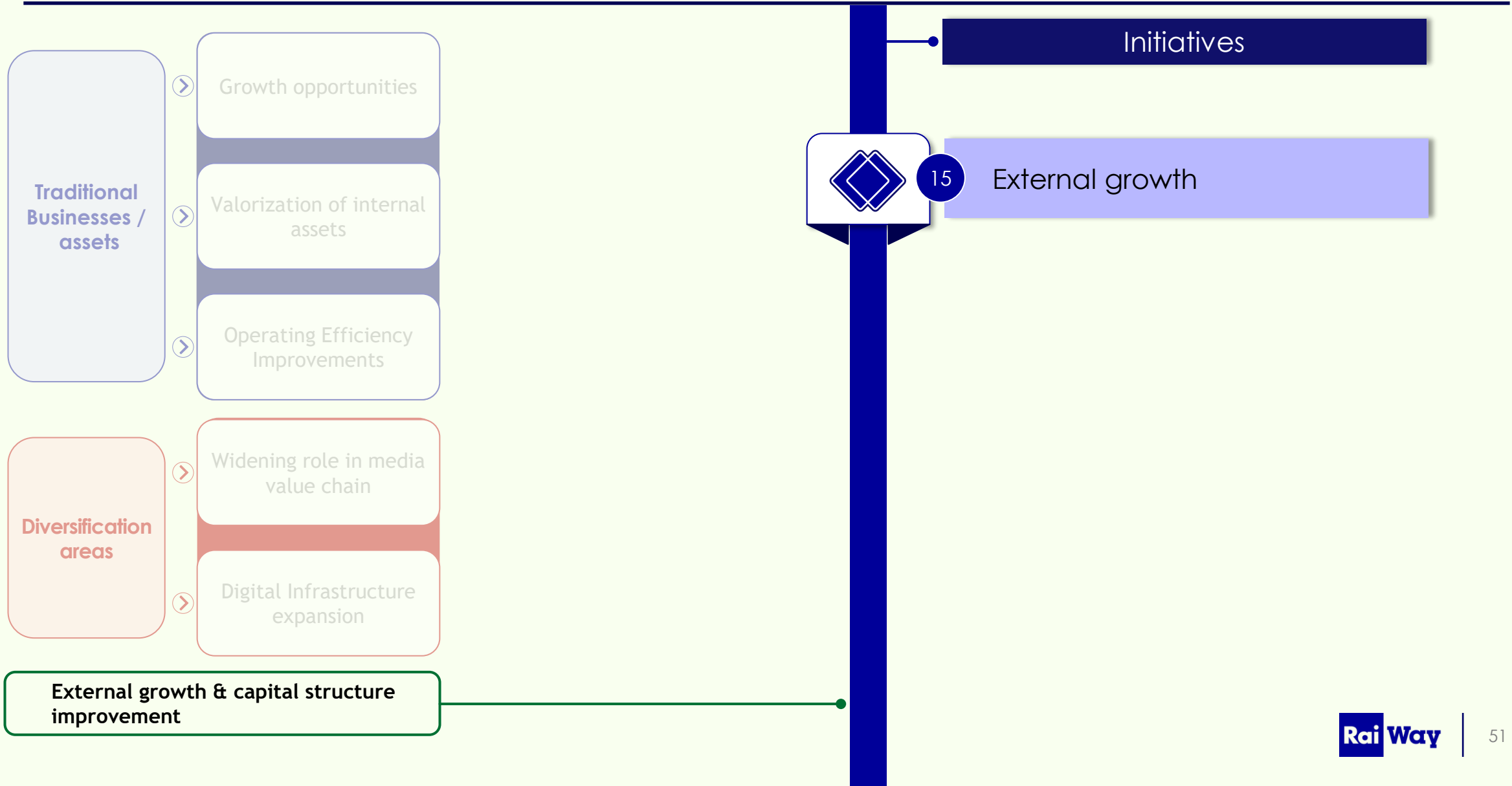
- **Workplace** evolution towards hybrid models (allowing spaces reduction)
- Benchmark on rental costs and service levels to identify **room for further efficiencies**
- Greater use of owned premises
- More efficient management of **headquarter**



## Corporate functions efficiency


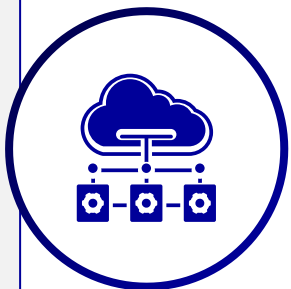
- **Digital transformation** in systems (e.g. new BSS platform) and processes to enable further corporate efficiencies

# External growth lever to accelerate strategy and improve capital structure





## Target M&A – Areas of interest

|                                 |   | Rationales           |                                |                 |
|---------------------------------|---|----------------------|--------------------------------|-----------------|
|                                 |   | Industrial synergies | Capital structure optimization | Diversification |
| Traditional Businesses / assets |  <ul style="list-style-type: none"> <li>Consolidation of national broadcasting infrastructures<br/>→ <b>Transformational</b></li> <li>Acquisition of independent (minor) portfolios of broadcast towers<br/>→ <b>Strategic Mom &amp; Pop</b></li> </ul>  | ✓                    | ✓                              |                 |
| Diversification areas           |  <ul style="list-style-type: none"> <li>Data Center assets:           <ul style="list-style-type: none"> <li>Independent assets with client portfolio and development opportunities</li> <li>Assets spun-off by anchor clients (cloud provider, corporate...)</li> <li>Location and technical features consistent with Rai Way edge network</li> </ul> </li> </ul> → <b>Time to Market acceleration of diversification and insourcing of competencies</b> |                      | ✓                              | ✓               |
| Possible additions to offering  | <ul style="list-style-type: none"> <li>E.g. system Integrators, P2P network operators, CDN tech/network providers, etc...</li> </ul>  | ✓                    | ✓                              | ✓               |

# Rai Way's commitment to sustainability: 2024-2027 ESG goals



- **ESG risks** of the ERM catalogue included in the definition of objectives and initiatives
- **New topics** introduced:
  - **Circular economy**
  - **Biodiversity**
  - Developing **partnership and networking activities**
- **Photovoltaic system** design and implementation on a few selected sites

**SUSTAINABLE VALUE CREATION: 6 STRATEGIC GUIDELINES and 13 SDGs**

|  |   |  |
|--|---|--|
|  | <b>Fight climate change and reducing environmental impact</b>   |  |
|  | <b>Promote the well-being and development of our people</b>   |  |
|  | <b>Contribute to the social, cultural and economic development of the community and territory</b>                           |  |
|  | <b>Ensure high standards of health and safety throughout the value chain</b>  |  |
|  | <b>Development and maintenance of a governance system aligned to best practice, integrated with sustainability profiles</b> |  |
|  | <b>Develop technological innovation and contribute to the digitisation of the country</b>                                   |  |



- **Carbon Neutrality** scope 1+2 by 2025
- **Maintain 100% renewable energy purchase**
- **Cybersecurity training** to at least 75% of employees
- **Establishment of an internal control system** related to ESG data and information (“CSRD”)
- **Full management alignment** through the ambitious goals of the new LTI plan

# Agenda

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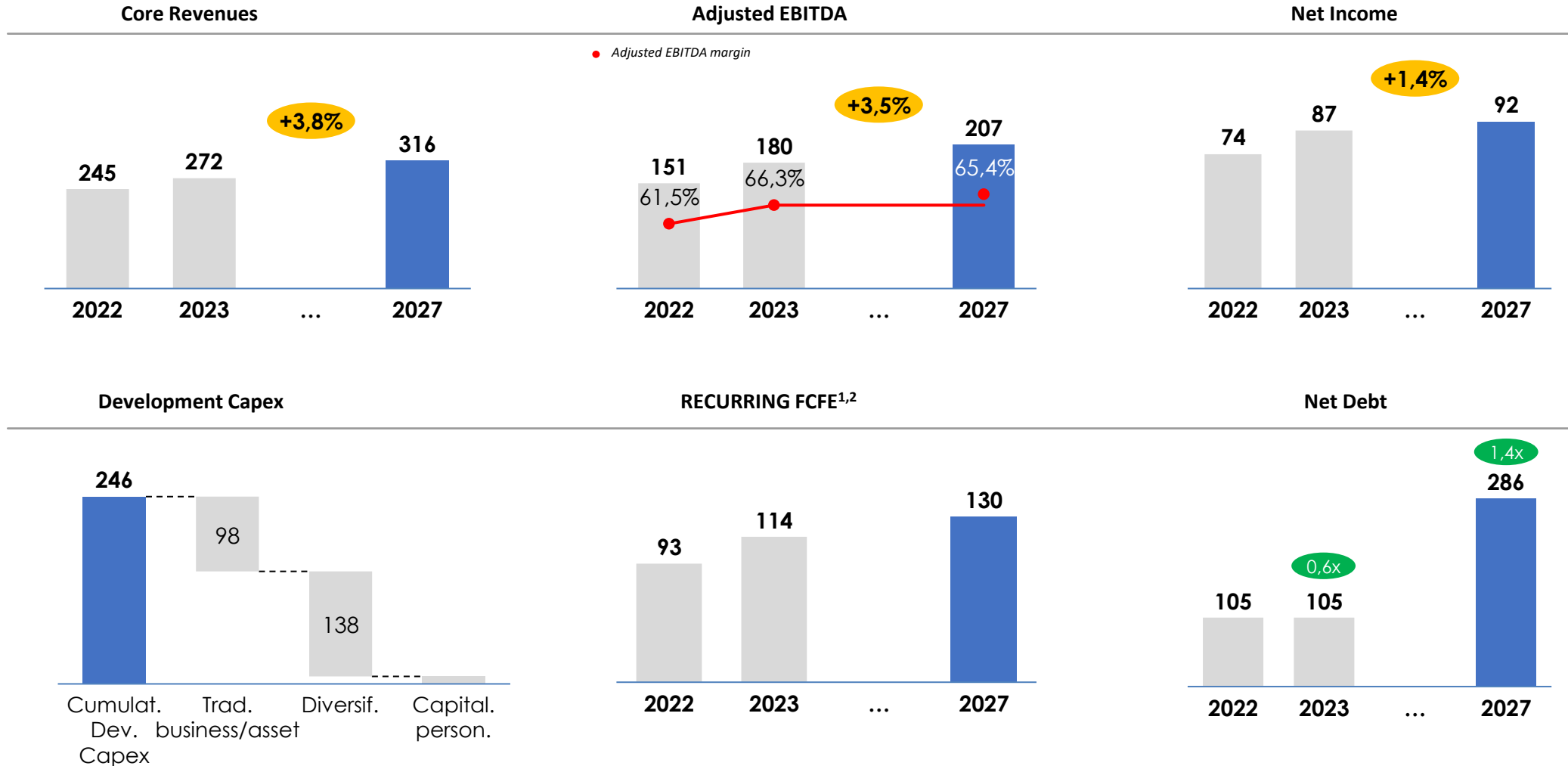


## 2024-2027 Industrial Plan

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### 3. Financial targets

# Key financial highlights<sup>(1)</sup>



1) On organic basis; 2) Based on CPI assumptions of: 0,7% in 2023 and 1,5% in 2024-26, with impact on revenues in the following year; 3) Raw energy price assumption (excluding spread, green option and ancillary component): 95 in 2024 and ca. 85 in 2027 3) Excluding non-cash component related to IFRS-16 Leasing 4) Recurring FCFE = Adjusted EBITDA – Net Financial Charges – P&L Taxes – Recurring Maintenance Capex. All figures adjusted to deduct rents impacted by IFRS-16 from the calculation of cash generation

ABC Traditional business/assets

ABC Diversification areas

# New Core revenues breakdown

## Media Distribution

- RAI Service contract (fixed consideration & new services)
- Broadcasting (regional Muxes, DAB networks & other clients)
- Transmission
- Network services
- **CDN**

## Digital Infrastructure

- Tower Hosting
- Connectivity
- **Edge data centers**
- **Hyperscale data center**

## Other

- Land valorization (solar energy production, leases, ...)

2023  
revenues

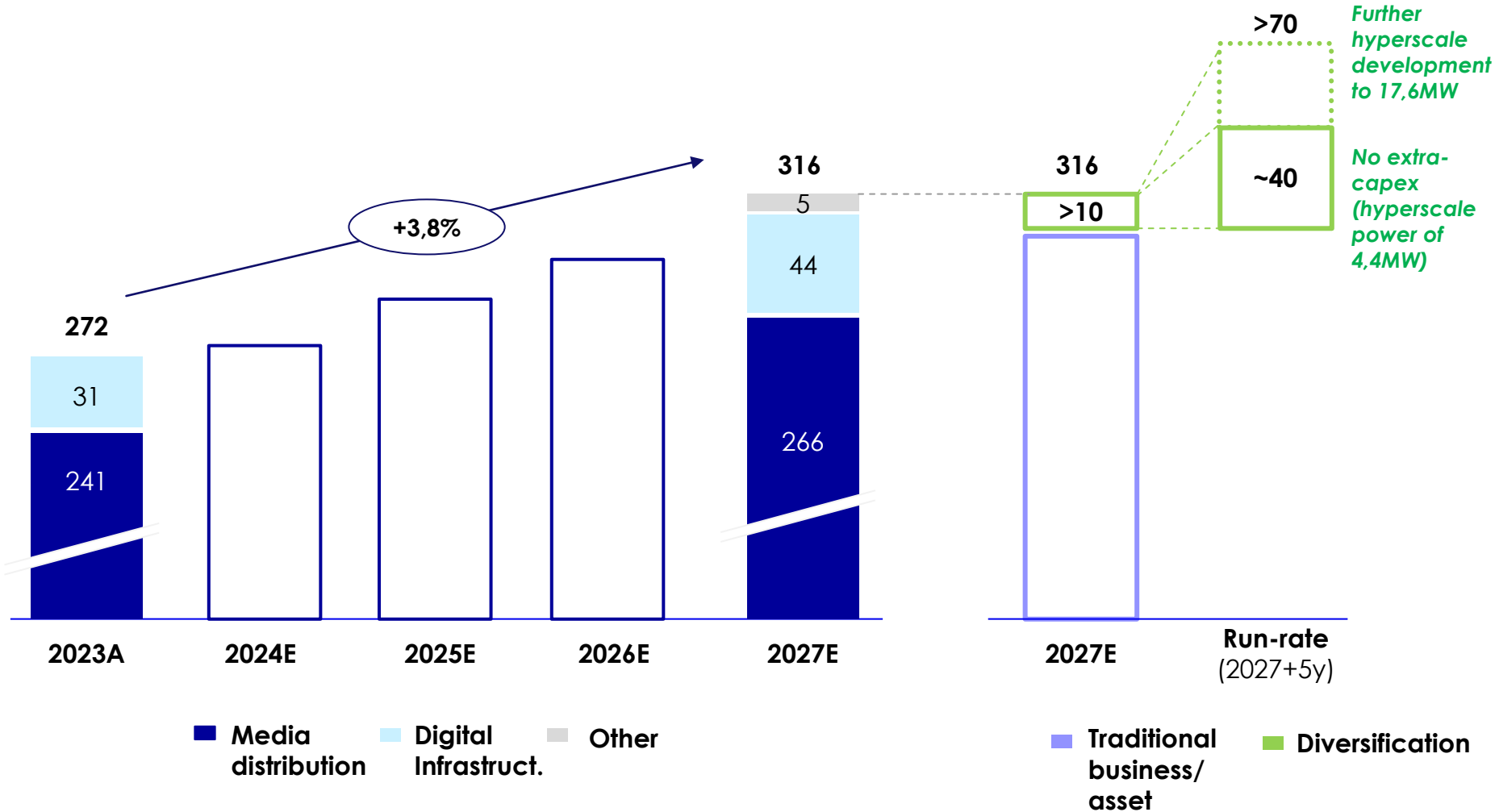
240,9

31,0

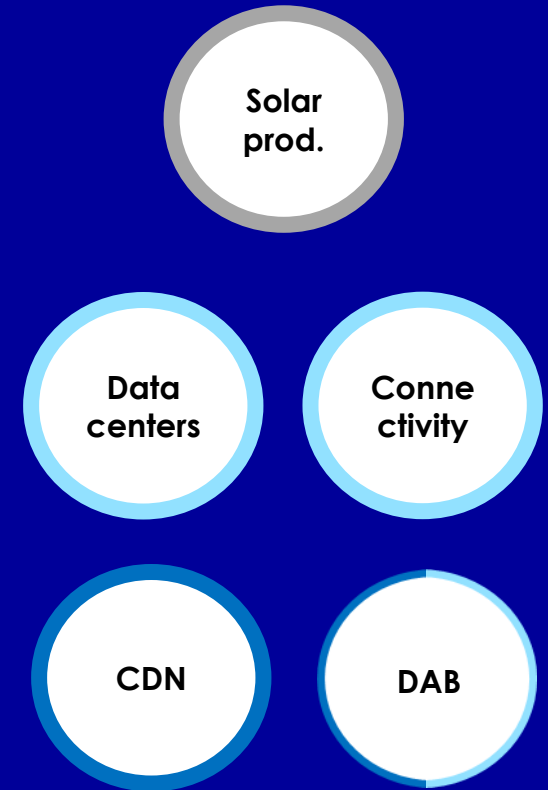
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# Core Revenues: 2023-27 evolution

Mln Eur; %



## Main drivers

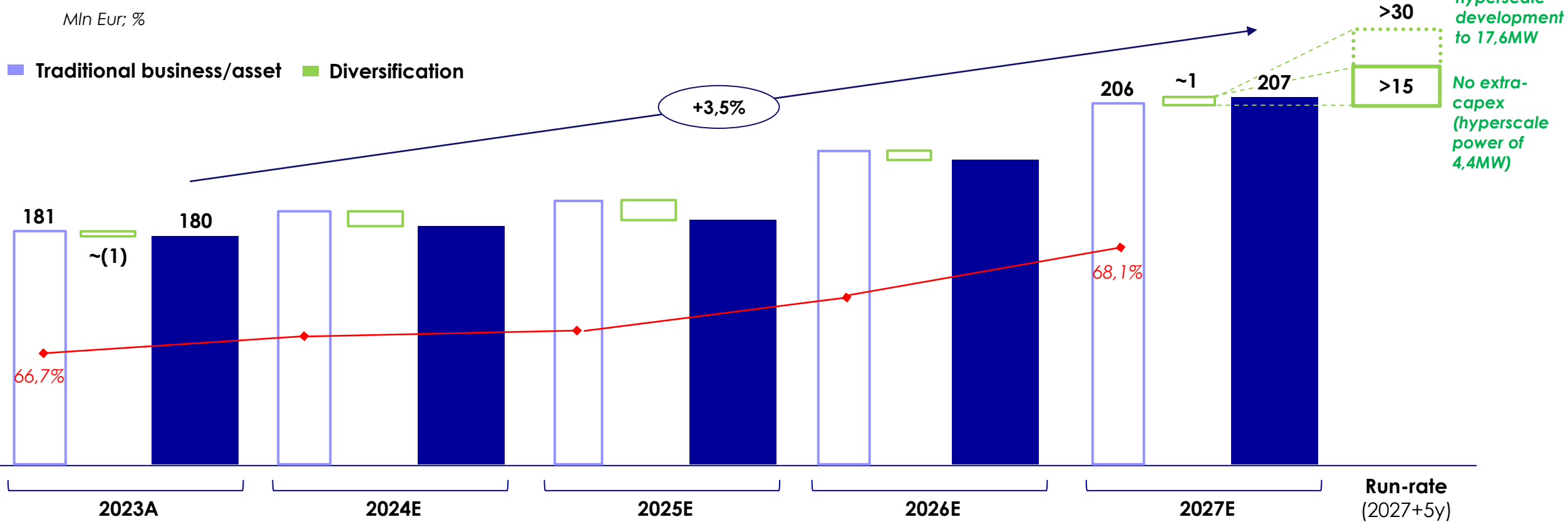


• 2027 figures based on the development of the CDN, 10 edge data center for ca. 3 MW and the first data hall of the hyperscale data center for 4,4 MW  
 • Assuming further development of the hyperscale data center to reach 17,6MW (2 out of 4 modules) with € 160m additional capex

# Adjusted EBITDA: 2023-27 evolution

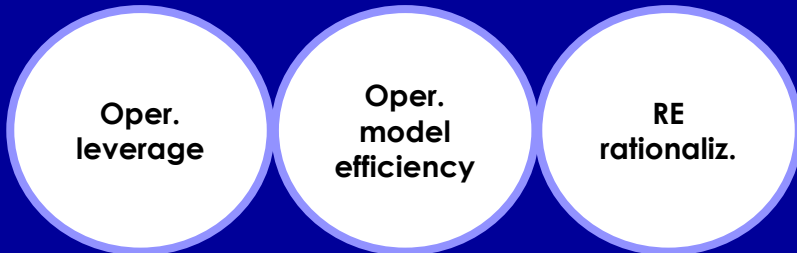
Mln Eur; %

■ Traditional business/asset ■ Diversification



Margin improvement: ~ **+150 bps**

Traditional business / asset



Diversification

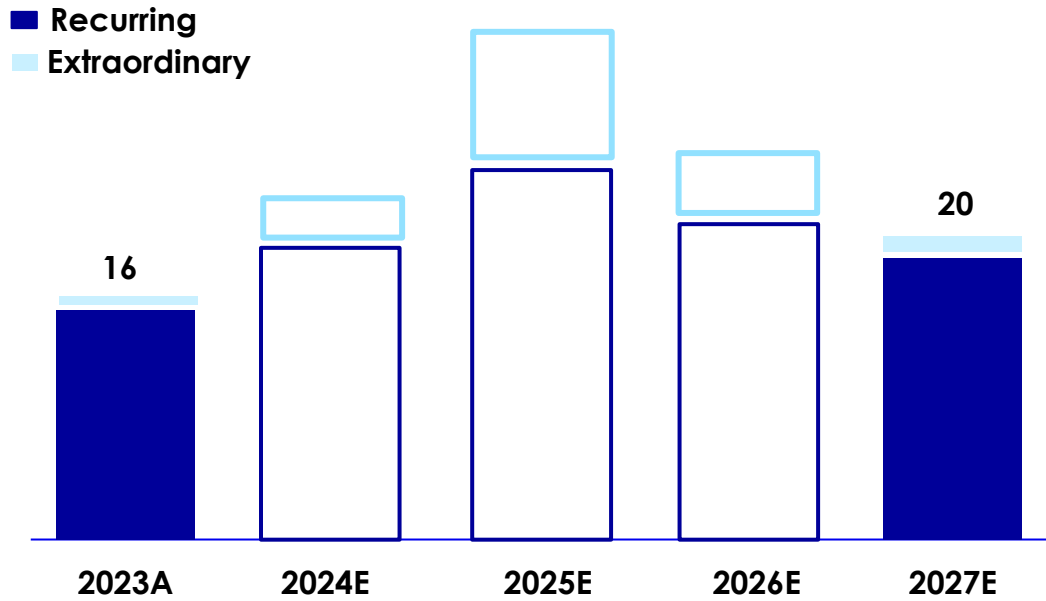
Run-rate margin : **40-50%**

Head-count

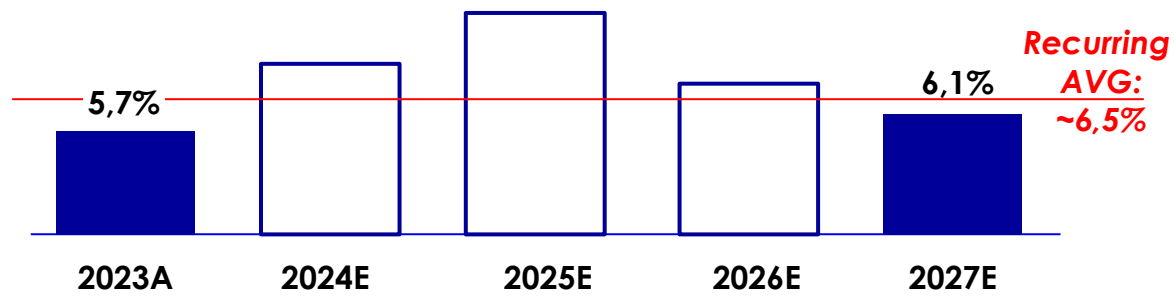
~ +30 mainly to support diversification initiatives (also leveraging on internal reallocation)

# Capex

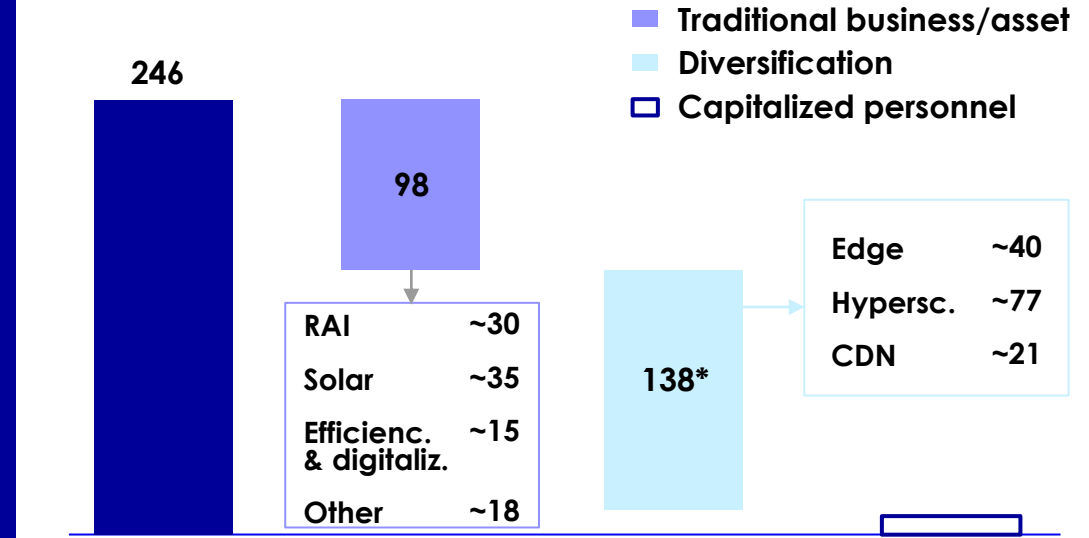
MAINTENANCE



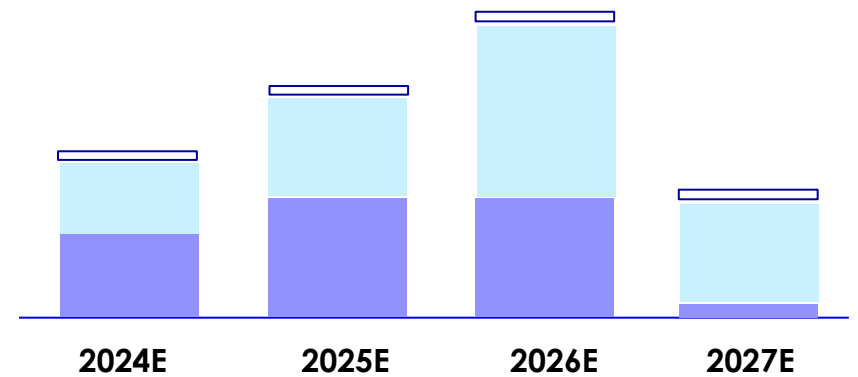
Recurring maintenance capex on core revenues ratio



DEVELOPMENT



Cumulated 2024-27 developm. capex

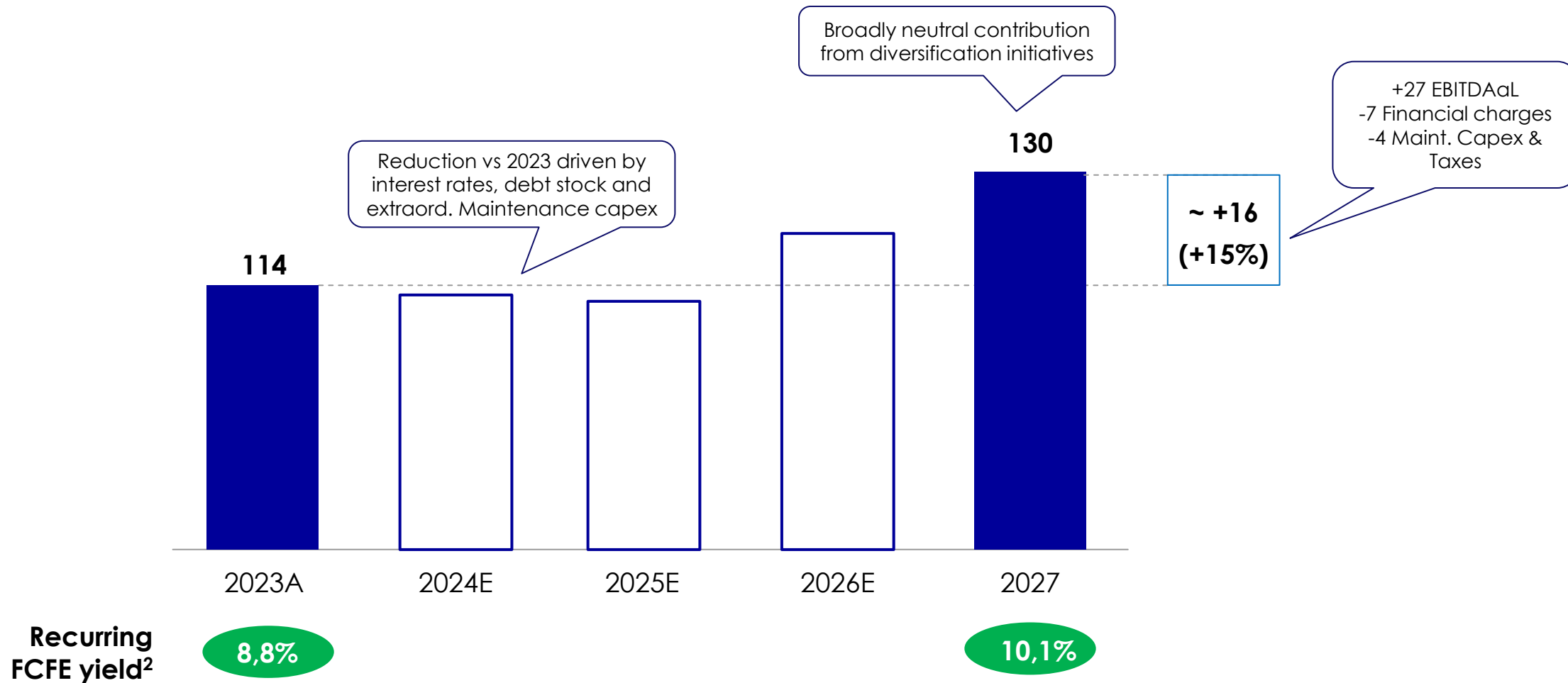


\* Based on the development of the CDN, 10 edge data center for ca. 3 MW and the first data hall of the hyperscale data center for 4,4 MW



## Recurring FCFE: 2023-27 evolution

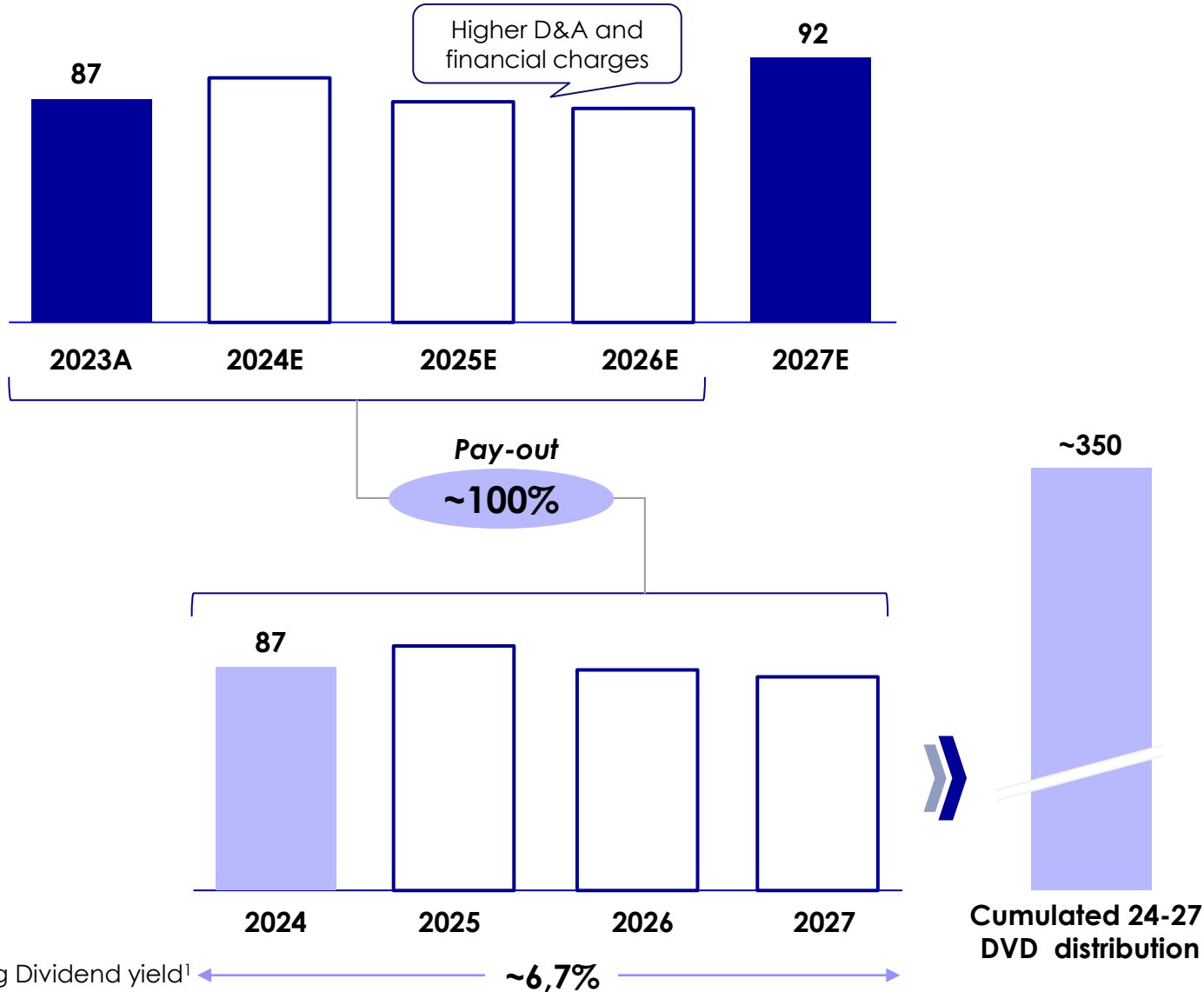
Mln Eur; %



1) Recurring FCFE: Adjusted EBITDA – Leases – Oneri finanziari (excl. Componente leases) – Adjusted P&L Taxes – Recurring Maintenance capex  
 2) Based on market closing price on 22/03/2024 (4,8 €/share)

# Net Income & Dividends

Mln Eur; %

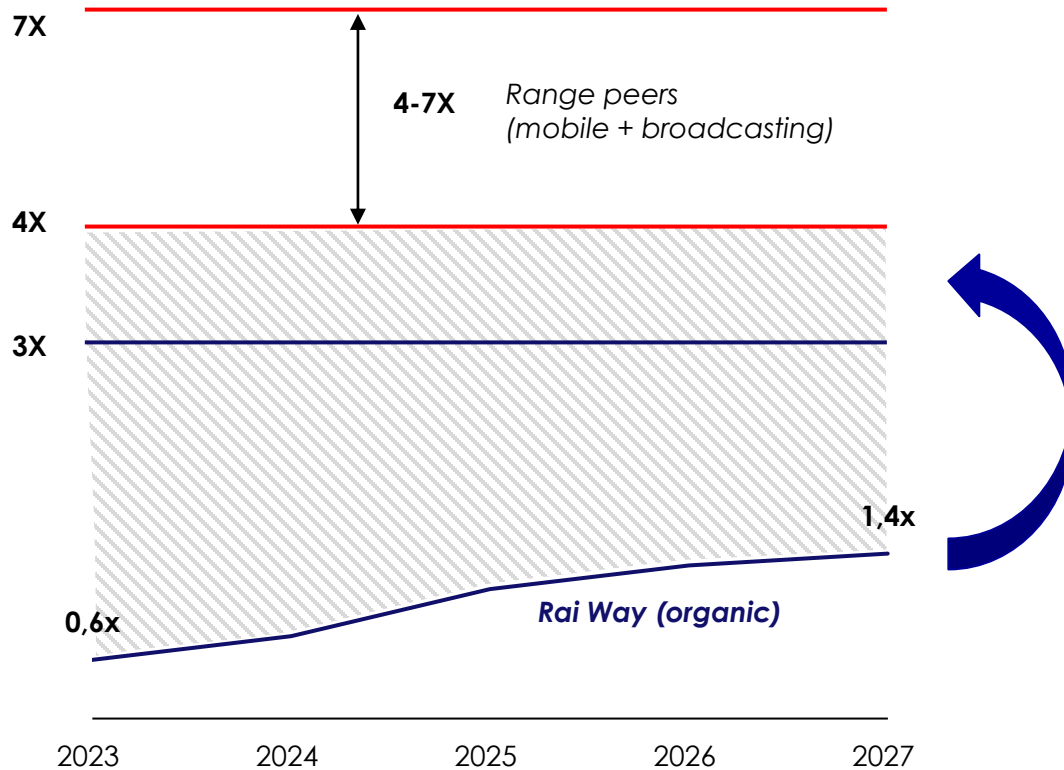


- Proposed **pay-out** of around **100% of Net Income**, in continuity with the past (average **dividend yield<sup>(1)</sup>** equal to **ca. 6,7%**)
- Expected distribution of **approx. €350 Mln cumulated dividends** in the 2024-27 period, equal to more than 25% of current market cap<sup>(1)</sup>

(1) Based on market closing price on 20/03/2024 (4,79 €/share)

# Capital structure evolution

## NFP/Adjusted EBITDA



- On an organic basis, 2027E financial leverage (post-dividend payment) at around 1,4x NFP<sup>(1)</sup>/Adjusted EBITDA, giving flexibility to pursue external growth
- **Sustainable and reasonable level** of financial leverage in a **3-4x range**, also depending on market conditions

### M&A FINANCIAL CRITERIA

- Even within the same asset class (e.g. towers, data centers), targets may have different risk profile (e.g., DC already built vs. to be developed, with committed demand vs. without commitment, with high vs. low % fill rate)

→ **Unlevered IRR level appropriate for the risk profile of the asset**

(1) Net Financial Position including IFRS-16 leasing

# Agenda

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## 2024-2027 Industrial Plan

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### 4. Closing remarks

## A clear industrial path...

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**Renewed focus on 2 business segments (media distribution and digital infra) with a clear industrial proposition enabled by a modern, integrated digital asset portfolio**

**Traditional business continues to offer growth opportunities (networks expansion, efficiencies, asset valorization) thanks to a unique business model and competencies**

**Synergic, value-creating diversification confirmed, ensuring long-term sustainable growth**

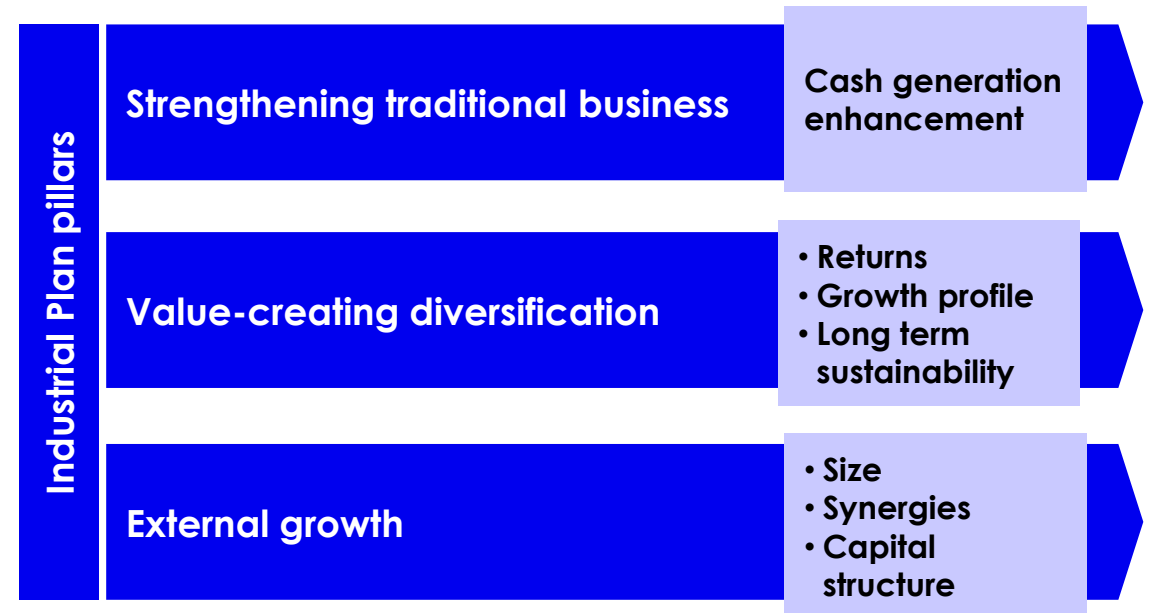
**External growth to accelerate strategy and improve capital structure**

# ....addressing key levers to unlock Rai Way's full potential, 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**

## ...and defining near-term priorities for a successful execution

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**Move forward with assets roll-out**

**Finalize commercial agreements on new infra and services**

**Effort to accelerate on external growth**

# Investor Relations contacts

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