



Inter Media and Communication S.p.A

Financial year ended June 30th 2019 Results Presentation

29th October 2019

This presentation (the “Presentation”) has been prepared by Inter Media and Communication S.p.A. (“Inter Media” or “the Company”) and is its sole responsibility. For purposes hereof, the Presentation shall mean and include the slides that follow, any oral presentation by Inter Media or any person on its behalf, any question-and-answer session that may follow the oral presentation, and any materials distributed at, or in connection with, any of the above.

The information contained in the Presentation has not been independently verified and some of the information is in summary form. No representation or warranty, express or implied, is or will be made by any person as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information or opinions expressed in the Presentation. No responsibility or liability whatsoever is or will be accepted by Inter Media, its shareholders, subsidiaries or affiliates or by any of their respective officers, directors, employees or agents for any loss, howsoever arising, directly or indirectly, from any use of the Presentation or its contents or attendance at the Presentation.

Inter Media cautions that the Presentation may contain forward looking statements in relation to certain of Inter Media’s business, plans and current goals and expectations, including, but not limited to, its future financial condition, performance and results. These forward looking statements can be identified by the use of forward looking terminology, including the words “aims”, “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, “plans”, “predicts”, “assumes”, “shall”, “continue” or “should” or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. By their very nature, all forward looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Inter Media’s control. Inter Media’s actual future financial condition, performance and results of operations may differ materially from the plans, goals and expectations set out in any forward looking statement made by Inter Media. All subsequent written or oral forward looking statements attributable to Inter Media or to persons acting on its behalf should be interpreted as being qualified by the cautionary statements included herein. As a result, undue reliance should not be placed on these forward looking statements.

The information and opinions contained in the Presentation have not been audited or necessarily prepared in accordance with international financial reporting standards and are subject to change without notice. The financial results in this document and the Presentation include certain financial measures and ratios, including Adjusted Media Revenue, Adjusted Revenue, Cash Available for Debt Service, Current / Non Current Operating Assets, Current / Non Current Operating Liabilities, Debt Service Coverage Ratio and certain other related measures that are not presented in accordance with IFRS or Italian GAAP and are unaudited. These measures may not be comparable to those of other companies. Reference to these non-IFRS and non-Italian GAAP measures should be considered in addition to IFRS or Italian GAAP financial measures, but should not be considered a substitute for results that are prepared in accordance with IFRS or Italian GAAP.

The information contained in the Presentation, including but not limited to any forward looking statements, is provided as of the date hereof and is not intended to give any assurance as to future results. No person is under the obligation to update, complete, revise or keep current the information contained in the Presentation, whether as a result of new information, future events or results or otherwise. The information contained in the Presentation may be subject to change without notice and will not be relied on for any purpose.

The Presentation is solely for informational purposes and does not constitute or form part of, and should not be construed as, an offer to sell or issue securities or otherwise constitute an invitation or inducement to any person to purchase, underwrite, subscribe to or otherwise acquire securities in Inter Media or any of its subsidiaries or affiliates. The Presentation does not constitute an invitation to effect any transaction with Inter Media.

The distribution of the Presentation in certain jurisdictions may be restricted by law. Recipients of the Presentation should inform themselves about and observe such restrictions. This document may not be reproduced, redistributed or passed on to any other person, nor may it be published, in whole or in part, for any purpose.

By accepting the Presentation, you agree and acknowledge (i) that the Presentation and its contents may contain proprietary information belonging to Inter Media and (ii) to be bound by the foregoing limitations, undertakings and restrictions.

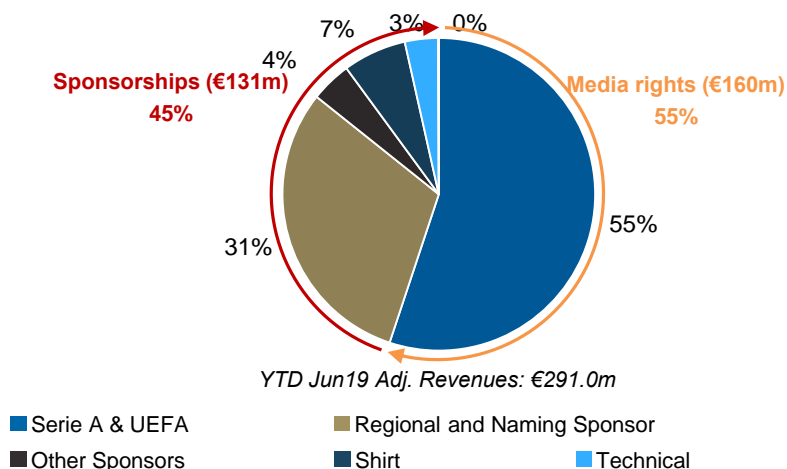


Overview of Inter MediaCo

Inter MediaCo at a Glance

- **Sole manager and operator** of the **media, broadcast and sponsorship** businesses of **Inter**
- Formed in 2014 in connection with the contribution by Inter of its media, broadcast and sponsorship rights business, its historical media archives and the material IP rights relating to the Inter brand
- MediaCo main revenues lines are divided into **Media rights** and **Sponsorships**
 - Media rights for Serie A (centrally managed by Lega Serie A on three-year cycle contracts) and for European competitions (centrally managed by UEFA on three-year cycle contracts)
 - Long term sponsors include Pirelli (jersey sponsor since 1995-96 season) and Nike (technical sponsor since 1998/99 season)
 - Naming Rights, European, Global and International/Regional sponsorship packages

FY2018/19 Adjusted Revenues¹ Breakdown



Inter TeamCo – An Iconic Franchise

- One of the **leading European football clubs**, with a history dating back to 1908
- Only club to have **played every season in Serie A** since the league's inception in 1929 and the only **never been relegated**
 - **Won 30 domestic trophies** (including 18 Serie A championships, 7 TIM Cup titles and 5 Supercoppa TIM titles), 3 UEFA Champions League titles, 3 UEFA Cup titles, 2 Intercontinental Cups and 1 FIFA Club World Cup
 - First Italian team to complete the **“Continental Treble”** by winning the titles in Serie A, TIM Cup and UCL all in the same season in 2010
- During the sporting seasons 2017/18 and 2018/2019, Inter was the **1st club in Italy and in the top 10 clubs in Europe** in terms of average attendance.
- Return to **UEFA Champions League (“UCL”) for the 2018-2019 season confirmed for the season 2019-2020**
- **Exiting the Financial Fair Play Settlement Agreement** signed in May 2015 upon official communication of UEFA in May 2019 **about the fulfillment of the related cumulative break-even requirements**

Honours



¹ Adjusted revenue is the aggregate revenue that MediaCo reports on its income statement (the “Revenue”²) and the receivables associated with Inter’s broadcasting rights the “Indirect Media Revenue” MediaCo reports on its balance sheet. ² Revenue includes the revenue that MediaCo receives from Inter TV and from licensing Inter’s archive content rights (the “Direct Media Revenue”), the revenue MediaCo receives from sponsorship agreements and other income



Key Financial Highlights

Key Highlights

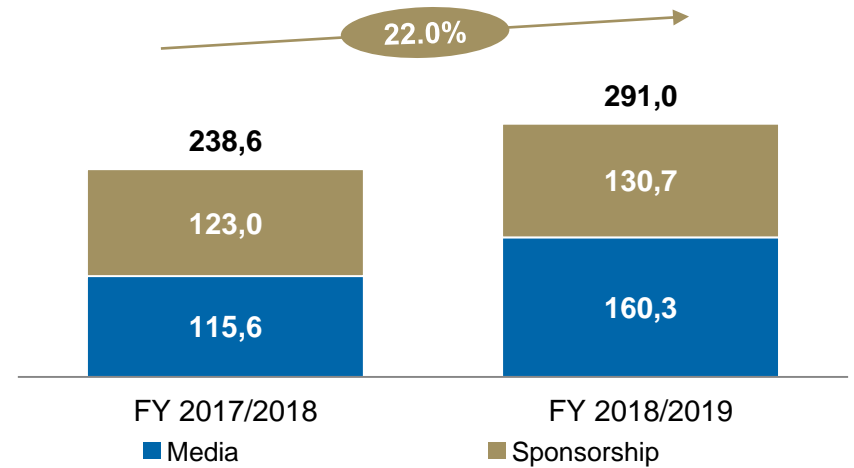
- Adjusted Revenue increased by €52.4 million or 22.0% to €291.0 million for the fiscal year ended June 30, 2019 from €238.6 million for the fiscal year ended June 30, 2018, mainly due to:
 - Participation in the UEFA Champions League for which we booked €47.8 million Indirect Media Revenue in the period. Adding €3.2 million for Europa League, total UEFA Indirect Revenue amount to €51.0 million
 - An increase in Sponsorship Revenue driven by International/Regional sponsorship agreements signed in the last quarter of prior fiscal year and contractual performance bonuses relating to progression in UEFA competitions (until Ro16 of Europa League).

The positive impact on Serie A Indirect Media Revenue of the new 3-year cycle effective from the current season and of the improved final position of the team in Serie A 2017-2018 (4th) compared to prior sporting season (7th) is not evident as (i) in the fiscal year ended June 30, 2018 there was an advance payment on 18/19 audiovisual rights amounting €4.2 million, including 22% VAT and (ii) in the current fiscal year VAT assigned with receivables is lower due to different VAT regime applied by broadcasters.

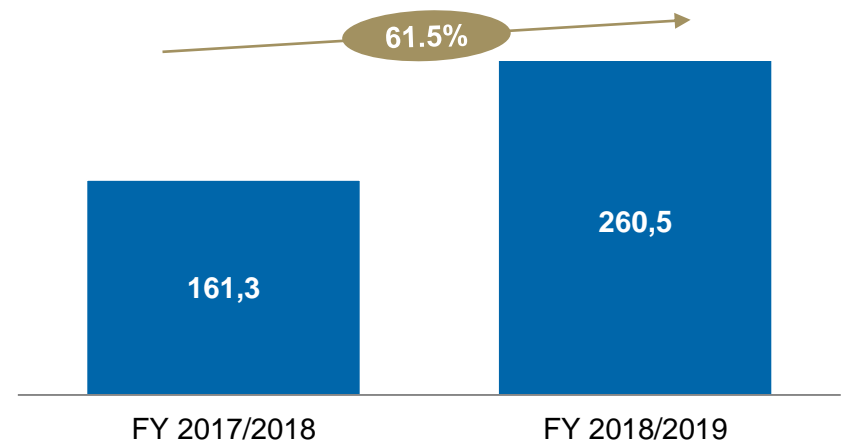
- Cash Available for Debt Service increased by €99.2 million or 61.5% to €260.5 million for the fiscal year ended June 30, 2019 from €161.3 million for the fiscal year ended June 30, 2018 driven by:
 - Growth in Adjusted Revenue
 - the positive impact from collection of a significant amount of outstanding fees of International/Regional Sponsorship contracts (€84.3 million)

Key Financials

Adjusted Revenues (€m)



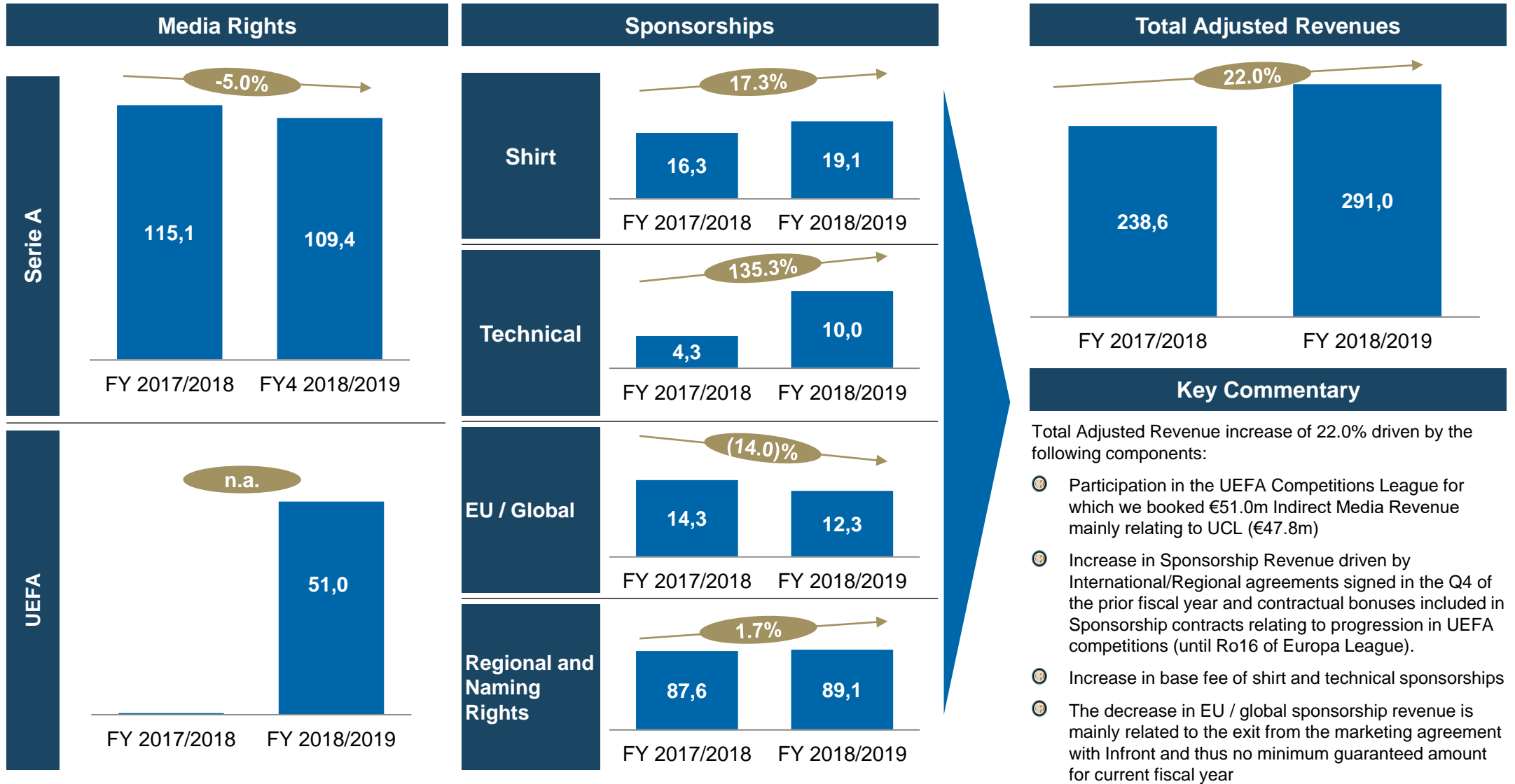
Cash Available for Debt Service (€m)





Revenue Breakdown Evolution

(€m)





Key Operating Performance Highlights

Already Impacting FY2018/19 Results

Potential Impact on Future Performance

Media Revenues

- **Higher UEFA Media Rights** due to participation to **Group Stages of UCL 2018-19** and to **Ro32 and Ro16 of UEL**
- Launch of the **Media House** in the first months of prior year, which is a strategic project to improve media revenues and increase fan engagement through compelling content creation. This also includes **Rebranding of Inter TV**

- **Qualification to Group Stage of UCL** also for the **season 2019-20** ensures further **minimum guaranteed revenues** in the range of **€41 million**
- **Performance in Serie A 2019-20** for which the new 2018-21 deal **secures revenues in the range of €80m** even in the event of last position at the end of the season

Sponsorship Revenues

- **Dedicated in-house team** for the marketing and negotiation of **sponsorship** replaced Infront on 1 July 2018. **Eight (8) new deals** already signed and effective 1 July 2019 (plus **7 renewed**)
- **Qualification to UCL 2018/2019 and 2019/2020** has **increased payments** under many **existing contracts**, including Nike and Pirelli
- **Growth of International/Regional regional sponsorship agreements** highlighting synergies with parent company Suning

- **Strengthening of sales team** for the marketing and negotiation of local regional **sponsorship agreements**
- **Synergies between local and international team** to develop the business at **global level**
- **Progression in Serie A and UCL 2019-20** can further **increase payments** under **our existing contracts**

TeamCo Update

- **Match attendance** numbers in sporting season 2018-19 confirmed the positive trend of prior season, with average per match attendance above **60,000 both in Serie A and UCL** (putting again Inter as the 1st club in Italy and among the top ten clubs in Europe). Positive trend confirmed again in first matches of sporting season 2019-20.



Appendix





Current Trading vs. Contracted Revenues

(€m)

		FY2018/19	Contracted FY2019/20	Highlights	Contract Expiration
TV / Media Rights	Serie A + Direct Media Revenues	109.3	80.0 ²	Ⓢ Serie A audio-visual rights managed centrally by Lega Nazionale Professionisti Serie A	June 2021
			10.4 ³	Ⓢ Exclusive commercialization of Inter Milan archive rights in Italy managed by Infront	2021
			3.9 ⁴	Ⓢ Inter TV: distribution of the Club Channel in Italy (Sky/DAZN platform) and abroad (PPTV in China and IMG for other foreign countries) and a number of technical services / sales to broadcasters	Sky/DAZN: June 2020 IMG: June 2021 PPTV June 2021
	UEFA Competitions (UCL and UEL)	51.0	41.0 ⁵	Ⓢ Rights managed centrally by UEFA	June 2021
Sponsorships	Pirelli	19.1	12.3	Ⓢ Shirt sponsor for last 22 years renewed through 2021	June 2021
	Nike	10.0	12.5	Ⓢ Technical sponsor partner for last 19 years	June 2024
	Training Kit and Training Center	18.4 ¹	8.5 ¹	Ⓢ Multi-year contract with Suning with an annual base fee of €16.5m of which 53% belongs to MediaCo (plus performance bonuses)	June 2020
	Other Sponsors	83.0	41.8 ⁶	Ⓢ Other sponsorship packages including global/regional deals managed in-house and marketing agency in China	2019 – 2024
Other	Miscellaneous	0.2	-	Ⓢ €20 thousand as at 31 December 2018	n/a
Total Revenues		291.0	210.4		

¹ Annual fixed fee of €16.5m of which 53% belongs to MediaCO and 47% to TeamCo (the latter representing the portion of the contract relating to the naming rights of the training center, which will then be assigned to New Youth Training Center ("NewCo") upon its incorporation. €9.7m performance bonus triggered in FY2018/19 only. ² Even if Inter finishes at the bottom of the Serie A league table in season 2019/2020, its revenue received from Serie A broadcasting rights would be approx. €74.4m, grossed up to €80.0m adjusted revenue in line with the effective VAT rate of the past season. ³ €10m in accordance with Infront Archive minimum guarantee and €0.4m for RAI Archive Rights to be recognized in FY 2019/20. ⁴ Only reflects contracted revenue to date from Sky and DAZN for Italian Distribution, from PPTV for distribution in China, from IMG for distribution other foreign countries and from LNP for a number of technical services and sales to broadcasters. ⁵ Minimum Guaranteed amount recognized by UEFA for participation to UCL Group Stage. ⁶ This includes €16.8m contracted to date with various Global/Regional sponsors and €25.0m contracted with Imedia agency for marketing and negotiating sponsorship agreements in Asia



Summary Cash Flow

For the twelve months ended June, 30

	2018	2019
(In Millions of €)		
Adjusted Revenue		
Sponsorship Revenue		
Shirt	16.3	19.1
Technical	4.3	10.0
EU/Global	14.3	12.3
Regional and Naming Rights	87.6	89.1
Direct Media Revenue	14.4	14.5
Other Income	0.6	0.2
Revenue	137.4	145.1
Indirect Media Revenue		
Serie A Indirect Media Revenue	100.7	94.9
UEFA Indirect Media Revenue	0.5	51.0
Adjusted Revenue	238.6	291.0
Cash Inflow		
Change in Current operating assets	(54.6)	0.2
Change in Non current operating assets	(0.4)	0.0
Cash Inflow	183.5	291.2
Cash Outflow		
Personnel Costs	(2.9)	(3.4)
Cost of Services	(9.6)	(11.1)
Other Costs	(0.9)	(1.0)
Income Taxes	(24.4)	(26.5)
Change in Current operating liabilities	13.8	7.0
Change in Non current operating liabilities	(1.5)	(1.9)
Cash Outflow	(25.5)	(36.8)
Exclusion cash outflow for Service Agreement (incl. VAT)**	3.2	6.1
Cash Avail. for Debt Service	161.3	260.5
	€m	Cash available for Debt Service
Net Total MediaCo Debt	261.2	1.0x
FY 2018/19 Cash Available for Debt Service		260.5
FY 2018/19 Debt Service Coverage Ratio		12.5

Key Comments

- Adjusted Revenue refers to both revenue that Inter MediaCo reports on its income statement (includes Direct Media Revenue and Sponsorship Revenue) as well Indirect Media Revenue that the Issuer reports on its balance sheet (Serie A Indirect Media Revenue and UEFA Indirect Media Revenue). The €52.4m increase (+22.0%) has been driven by:
 - Participation in the UEFA Competitions League for which we booked €51.0m Indirect Media Revenue mainly relating to UCL (€47.8m)
 - Increase in Sponsorship Revenue driven by International/Regional agreements signed in the Q4 of the prior fiscal year and contractual bonuses included in Sponsorship contracts relating to progression in UEFA competitions (until Ro16 of Europa League).
 - Increase in base fee of shirt and technical sponsorships
- Cash Available for Debt Service increased by €99.2 million or 61.5% to €260.5 million for the fiscal year ended June 30, 2019 from €161.3 million for the fiscal year ended June 30, 2018 driven by:
 - Growth in Adjusted Revenue
 - the positive impact from collection of a significant amount of outstanding fees of International/Regional Sponsorship contracts (€84.3 million), generating a positive impact under the line Change in Current Operating Assets; this was partially offset by:
 - an increase in cash outflows mainly due to the repayment of 47% fee of 2017/2018 Naming Rights contract (starting from 21 December 2017) to TeamCo (in prior year MediaCo collected the full €16.5 million annual fee)

We notice that the payment of Income Taxes in the fiscal year ended June 30, 2019 amounted to €5.1 million (€6,7 million in the fiscal year ended 30 June 2018), with the value of related lines in the table above offset by an increase in the line “Change in Current Operating liabilities”



Income Statement

For the twelve months ended June, 30

	2018	2019
(In Millions of €)		
Adjusted Revenue		
Revenue		
Revenue	136.9	144.9
Other Income	0.6	0.2
Total Revenue	137.4	145.1
Operating Costs		
Personnel Costs	2.9	3.4
Cost of Services	9.6	11.1
Other operating costs	0.9	1.0
Accruals for Risks	0.2	-
Write-downs of trade receivables	-	2.5
Depreciation and Amortization	18.2	18.2
Total Operating Costs	31.8	36.2
Operating Profit	105.6	109.0
Net Financial Expenses	(15.6)	(9.8)
Profit Before Tax	90.0	99.1
Income Taxes	(24.4)	(26.5)
Profit for the Period	65.6	72.6



Cash Flow Statement

For the twelve months ended June, 30

	2018	2019
(In Millions of €)		
Adjusted Revenue		
Profit for the period	65.6	72.6
Current taxes	26.4	28.9
Net financial expenses	11.5	9.8
Profit for the period before taxes and interest	103.4	111.4
Depreciation and Amortization	18.2	18.2
Write-downs/(release/uses) of trade receivables	4.1	2.5
Employee severance indemnities	0.0	0.1
Accrual for risks	0.2	-
Deferred tax assets and liabilities	(2.0)	(2.4)
Cash flow from operating activities before changes in working capital	124.0	129.8
Increase in trade and other receivables	(52.3)	2.0
Increase / (Decrease) in trade and other payables	0.6	(58.1)
Other variations in net working capital	(2.3)	(0.9)
Cash flow from operating activities after changes in Net Working Capital	70.1	72.8
Taxes paid	(6.7)	(5.1)
Interest and other financial expenses paid	(17.4)	(14.7)
A. Cash flow from operating activities	46.0	53.0
Investments in Intangible Assets	(0.1)	(0.0)
Investments in Property, Plant and Equipment	(0.1)	(0.2)
B. Cash flow from investing activities	(0.1)	(0.2)
New Finance (Senior Secured Notes 2022)	300.0	-
Transaction fees paid for new finance	(9.0)	-
Repayment of bank loans	(208.0)	(6.3)
Intercompany loans	(112.5)	(16.4)
Debt service account	11.4	(0.1)
Capital/dividend distributions	(28.3)	(22.9)
C. Cash flow from financing activities	(46.4)	(45.7)
Increase / (Decrease) cash and cash equivalents (A+B+C)	(0.5)	7.2
Cash at bank and on hand at the beginning of the period	9.0	8.5
Cash at bank and on hand at the end of the period	8.5	15.7