



Inter Media and Communication S.p.A

Fiscal Year Ended June 30th 2020 Results Presentation

October 28th, 2020

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Overview of Inter MediaCo

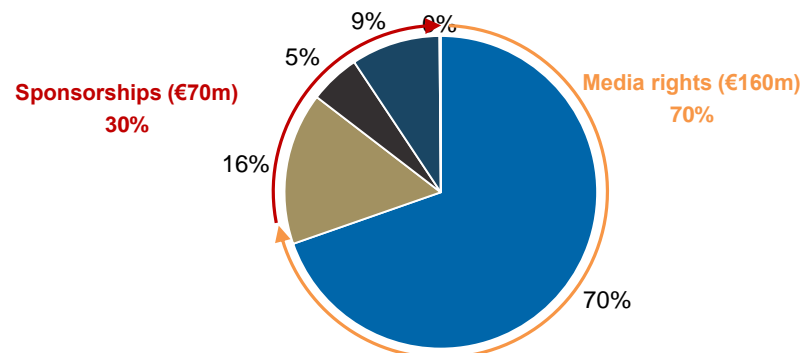
Inter MediaCo at a Glance

- 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 mainly relate to Serie A (centrally managed by Lega Serie A on three-year cycle contracts) and European competitions (centrally managed by UEFA on three-year cycle contracts)
 - Other Media rights relate to archive content rights and distribution of thematic channel
 - 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 sponsorship packages

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 17/18, 18/19 and 19/20, Inter was the **1st club in Italy and in the top 10 clubs in Europe** in terms of average attendance.
- Participation to **UEFA Champions League (“UCL”) Group Stage since 18/19 season. Europa League runners up for the current season.**

FY2019/2020_ Adjusted Revenues¹ Breakdown



FY2019/2020 Adj. Revenues: €230m

- Media Rights
- Regional and Naming Sponsor
- Other Sponsors
- Shirt & Technical

Honours



¹ Adjusted revenue is the aggregate revenue that MediaCo reports on its income statement (the “Revenue²”) 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



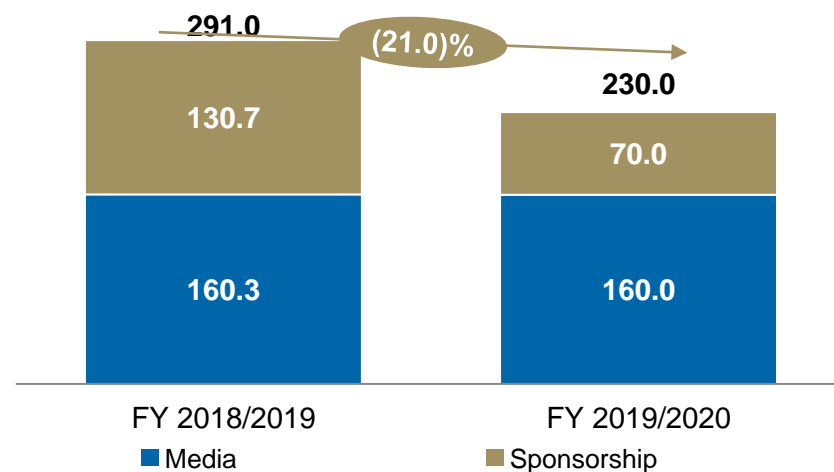
Key Financial Highlights

Key Highlights

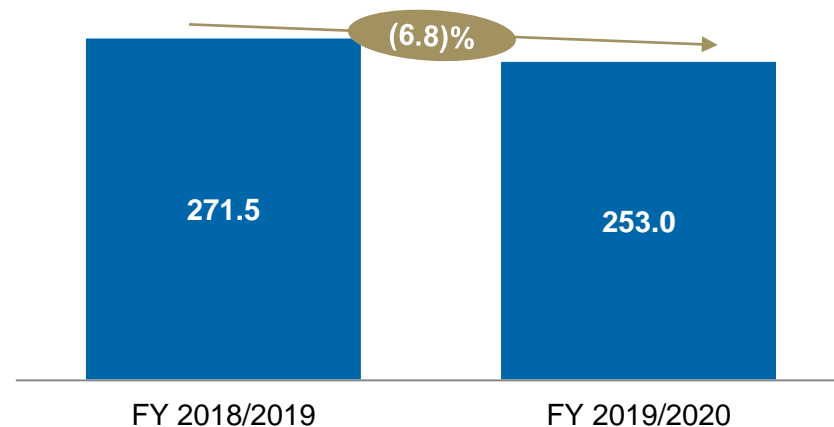
- ⊙ Our **Adjusted Revenue decreased by €61.0 million** or 21.0% to €230.0 million for the fiscal year ended June 30, 2020 from €291.0 million for the fiscal year ended June 30, 2019.
- ⊙ Such decrease has been significantly affected by:
 - **An accounting deferral to fiscal year ending June 30, 2021 for €46.1 million**, resulting from the shift of the last part of 19-20 sporting season to July and August 2020 (as a consequence of the temporary suspension imposed by the pandemic)
 - **a €52.8 million reduction in International Sponsorship Revenue** impacted by cessation and expiry, effective June 30, 2019, of three main contracts
- ⊙ **Excluding the accounting shift, the decrease of our Adjusted Revenue is lower (€14.9 million or 5.1% to €276.1 million)**, with a number of items offsetting most part of the reduction in International sponsorships:
 - Improved performance of the squad in Serie A and Uefa Europa League, generating higher Serie and UEFA media rights and higher performance bonuses on sponsorship contracts
 - increases in Shirt and Technical sponsorship fees and signing of new Global and International sponsorship partnerships since 1 July 2019 for a total an annual value of €7 million
 - Increase in Direct Media Revenue due to signing of the contract for the distribution of the thematic TV channel Inter TV in China
- ⊙ **Cash Available for Debt Service decreased by €18.5 million** or 6.8% to €253.0 million for the fiscal year ended June 30, 2020 from €271.5 million for the fiscal year ended June 30, 2019.
 - €28.4 million decrease in cash inflows driven by (i) decrease in Adjusted Revenue, significantly affected by the impacts of Covid-19 pandemic and, particularly, by the shift above described and (ii) partially mitigated by collection timing of international/regional Sponsorship contracts favorably affecting working capital movement
 - €9.9 million reduction in cash outflows mainly resulting from (i) reduced payment of Income taxes and (ii) the fact that the fiscal year ended June 30, 2019 was affected by repayment to TeamCo of 47% fee of 2017/2018 Naming Rights contract pertaining to TeamCo starting from 21 December 2017

Key Financials

Adjusted Revenues (€m)



Cash Available for Debt Service (€m)





Key Operating Performance Highlights

Already Impacting FY 2019/20 Results

Potential Impact on Future Performance

Media Revenues

- **Participation to Group Stage of UCL also in 19-20 and achievement of UEL final in 19/20 ensured revenues for €42.5 million (with a further €18.5 million, shifted to FY 2020/21)**
- **Stability given by Serie A revenues –achieved revenues for €101.6 million (plus approx. €8.1 million shifted to FY 2020/21) as a result of second place in 19/20**
- **Growing KPI's on social platforms**

- **Covid-19 pandemic has generated some reductions in UEFA media revenues and could also impact Serie A revenues.** Discussions are in progress with broadcasters
- **Media Revenue growth via content delivery** through the Media House

Sponsorship Revenues

- **Growth in Global Sponsorships** reflecting investments in a **dedicated in-house team** since 2018. **(with synergies between local and international team to develop the business at global level). Ten (10) new deals** signed effective 1 July 2019 (plus 7 renewed)
- **Participation to UCL Group 18/19 and 19/20 and achievement of UEL final in 19/20 has increased payments** under many **existing contracts**, including Nike and Pirelli

- **Covid 19 pandemic could affect future revenues**, depending on its evolution and related impacts on the sporting season, on the economy as a whole and on the specific industry of our partners
- **Strengthening of sales team and synergies with Suning** for the marketing and negotiation of further deals (4 new deals already launched starting from new season)
- **The increased visibility of the team** resulting in greater engagement and reach to a wider variety of sponsorship

TeamCo Update

- All matches played behind closed doors since end of February 2020. Mitigation of negative impacts on 19-20 sporting season through activation of business interruption insurance coverage
- With regard to sporting season 20-21 we have not put for sale any season or matchday tickets to date.



Appendix





Summary Cash Flow

For the fiscal year ended June, 30

	2019	2020
(In Millions of €)		
Adjusted Revenue		
Sponsorship Revenue		
Shirt	29.1	21.2
EU/Global	12.3	12.0
Regional and Naming Rights	89.1	36.3
Direct Media Revenue	14.5	16.1
Other Income	0.2	0.3
Revenue	145.1	85.9
Indirect Media Revenue		
Serie A Indirect Media Revenue	94.9	101.6
UEFA Indirect Media Revenue	51.0	42.5
Adjusted Revenue	291.0	230.0
Change in Current operating assets	0.6	33.2
Change in Non-current operating assets	(0.4)	(0.4)
Cash Inflow	291.2	262.8
Cash Outflow		
Personnel Costs	(3.4)	(3.3)
Cost of Services	(11.1)	(11.5)
Other Costs	(0.9)	(0.3)
Adjusted Tax Expenses	(2.5)	0.5
Change in Current operating liabilities	(6.1)	0.7
Change in Non-current operating liabilities	(1.9)	(1.9)
Cash Outflow	(19.7)	(9.8)
Cash Avail. for Debt Service	271.5	253.0

	€m	Cash available for Debt Service
Net Total MediaCo Debt	255.2	1.0x
FY 2019/20 Debt Service Coverage Ratio		12.17
FY 2020/21 Pro-forma Debt Service Coverage ratio		8.45

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).
- Please refer to slide 4 for the explanation of main drivers of Adjusted Revenue and Cash Available for Debt Service.
- We recommend to refer to the separate document “Financial Results of Inter Media and Communication_Fiscal Year 19-20” for more details (including the explanation of the accounting shift to the fiscal year ending June 30, 2021 resulting from the shift of the last part of the 2019-2020 sporting season to July and August 2020)
- In FY2019/20, Cash Available for Debt Service at €253.0 million resulted in a Debt Service Coverage ratio (“DSCR”) of 12.17:1
- The Pro-forma FY2020/21 DSCR is projected at 8.45:1 keeping into consideration Debt Service of both existing and new Notes (the latter issued in July 2020)



Income Statement

For the fiscal year ended June, 30

	2019	2020
(In Millions of €)		
Revenue		
Revenue	144.9	85.6
Other Income	0.2	0.3
Total Revenue	145.1	85.9
Operating Costs		
Personnel Costs	(3.4)	(3.3)
Cost of Services	(11.1)	(11.5)
Other operating costs	(1.0)	(0.6)
Write-down of trade receivables	(2.5)	(0.5)
Depreciation and Amortization	(18.2)	(18.2)
Provisions for risks and charges	-	(4.2)
Total Operating Costs	(36.2)	(38.3)
Operating Profit	109.0	47.6
Net Financial Expenses	(9.8)	(8.4)
Profit Before Tax	99.1	39.2
Income Taxes	(26.5)	(11.6)
Profit for the Period	72.6	27.6



Cash Flow Statement

For the fiscal year ended June, 30

	2019	2020
(In Millions of €)		
Profit for the period	72.6	27.6
Current taxes	28.9	14.6
Net financial expenses	9.8	8.4
Profit for the period before taxes and interest	77.4	46.6
Depreciation and Amortization	18.2	18.2
Write-downs/(release/uses) of trade receivables	2.5	0.3
Employee severance indemnities	0.1	-
Accrual for risks and charges	-	4.2
Deferred tax assets and liabilities	(2.4)	(3.0)
Cash flow from operating activities before changes in working capital	129.8	70.3
Increase in trade and other receivables	2.0	26.6
Increase / (Decrease) in trade and other payables	(58.1)	(0.3)
Other variations in net working capital	(0.9)	7.4
Cash flow from operating activities after changes in Net Working Capital	72.8	104.0
Taxes paid	(5.1)	(2.6)
Interest and other financial expenses paid	(14.7)	(14.4)
A. Cash flow from operating activities	53.0	87.1
Investments in Intangible Assets	(0.0)	(0.0)
Investments in Property, Plant and Equipment	(0.2)	(0.1)
B. Cash flow from investing activities	(0.2)	(0.1)
Dividends	(22.9)	(48.4)
Intercompany loans	(16.4)	(30.8)
Debt service account	(0.1)	0.1
Repayment of bank loans/Senior Secured Notes 2022	(6.3)	(6.6)
C. Cash flow from financing activities	(45.7)	(85.7)
Increase / (Decrease) cash and cash equivalents (A+B+C)	7.2	1.2
Cash at bank and on hand at the beginning of the period	8.5	15.7
Cash at bank and on hand at the end of the period	15.7	16.9