



Inter Media and Communication S.p.A

Fiscal Year ended June 30, 2021 Results Presentation

October 28, 2021

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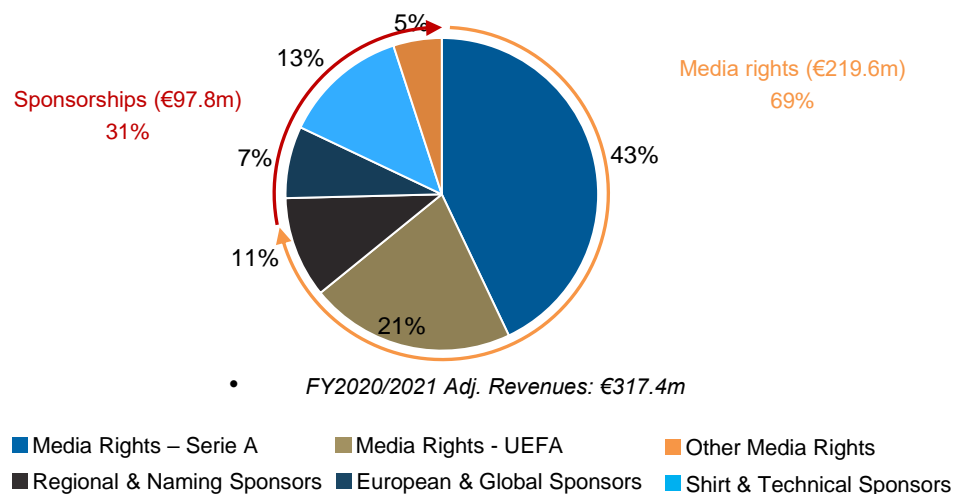
Inter MediaCo at a Glance

- **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 and other owned contents
 - Jersey sponsors (Pirelli until June 30th, 2021 and three new partners since July 1st, 2021 – i.e. Socios, Zytara/Digitalbits and Lenovo) and technical sponsor (Nike since 1998/99 season)
 - Other sponsors include Naming Rights, European, Global and International/Regional 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 31 domestic trophies** (including 19 Serie A championships, 7 Domestic Cups and 5 Domestic Super Cups), 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, Domestic 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 for the 18-19, 19-20, 20-21 and 21-22 seasons.**
- **Victory of 20/21 Serie A championship and achievement of UEL final in 19-20 season**

FY2020/2021 _ Adjusted Revenues¹ Breakdown



Honours

19 Serie A Titles



3 Champions League Titles



3 Europa League (UEFA Cup) Titles



7 Coppa Italia Titles



5 Italian Super Cup



2 Intercontinental Cup



1 FIFA Club World Cup

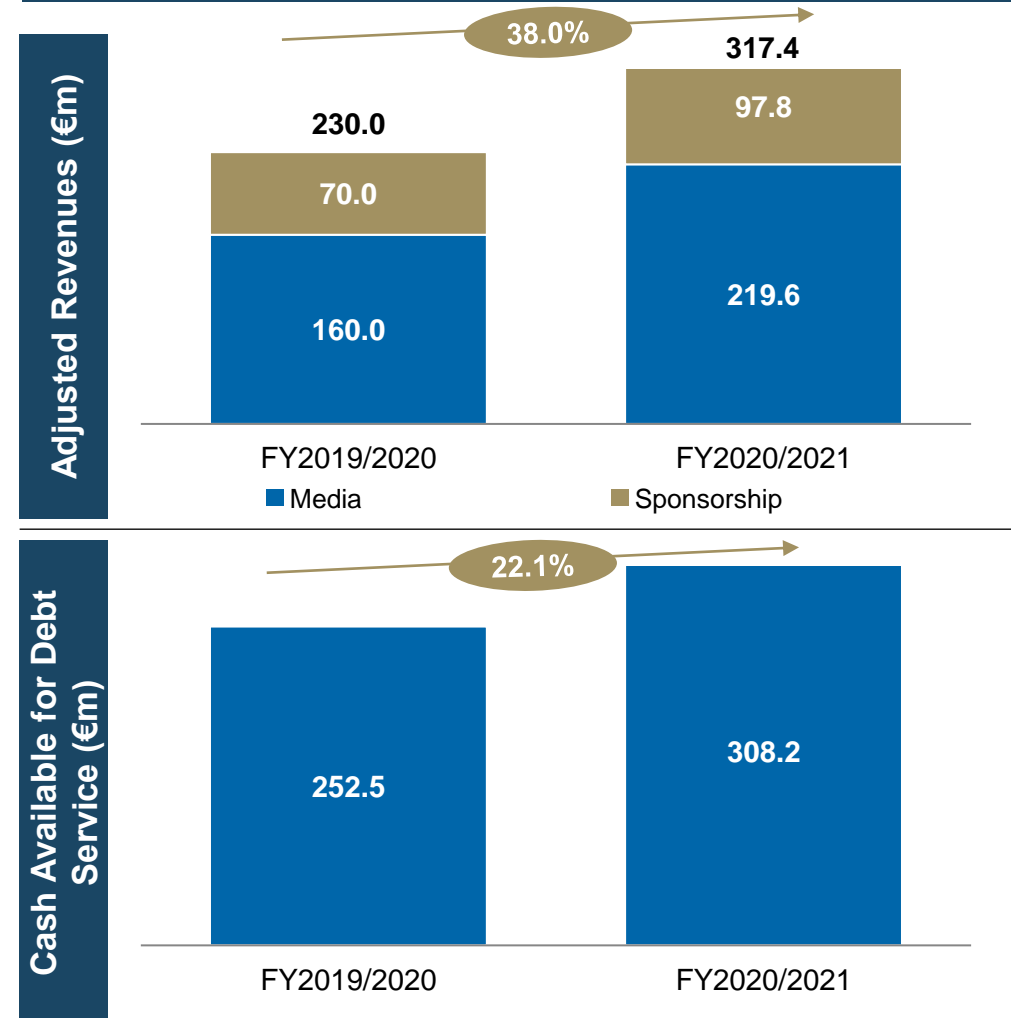


¹ Adjusted revenue is the aggregate revenue that MediaCo reports on its income statement (the “Revenue”²) and the receivables associated with Inter’s broadcasting rights the “Indirect Media Revenue” MediaCo reports on its balance sheet. ² Revenue includes the revenue that MediaCo receives from Inter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

Key Highlights

- Our **Adjusted Revenue** increased by €87.4 million or 38.0% to €317.4 million
- Single components of FY2020/2021 Adjusted Revenue are significantly affected by a deferral from FY2019/2020 resulting from the shift of the last part of the 2019/2020 sporting season July and August 2021.
- On a pro-forma basis (and comparable basis), our Adjusted Revenue decreased by €6.5 million or 2.3% (with pro-forma Adjusted Revenue amounting to € 270.5 million vs. €276.9 million), driven by:
 - a reduction in Sponsorship Revenue affected by compensations granted for contractual benefits not provided due to restrictions related to the pandemic
 - a reduction in UEFA Indirect Media revenue driven by due to the non-access to 2020/2021 UEL competition compared to the UEL final reached in the sporting season 2019/2020
 - An increase in Serie A Indirect Media Revenue driven by (i) advance payments received in Q4 of the fiscal year ended June 30, 2021 in respect of Media Revenue for the sporting season 2021/2022 and (i) the positive impact on the portion of 2020/2021 Media Revenue assigned to us as a result of the victory of 2020/2021 Serie A
- **Cash Available for Debt Service** increased by €55.8 million or 22.1% to €308.2 million driven by the €54.0 million increase in cash inflows (while cash outflows overall are in line with prior period).
- The increase in cash inflows is a result of the combined opposite effect of:
 - (increase) the significant growth of Adjusted Revenue which, as described, has been significantly affected by the shift of the last part of the 19/20 sporting season
 - (decrease) the negative impact of Change in Trade Receivables resulting from the different collection size and timing of International Sponsorship contracts (in FY2019/ 2020 we collected and recovered a significant amount of overdue receivables from prior years)

Key Financials (reported)



Key Operating Performance Highlights



Already Impacting FY2020/2021 Results

Potential Impact on Future Performance

Media Revenues

- **Participation to Group Stage of UCL** also for the **season 2020-21** which ensured **revenues** in the range of **€50 million (excluding shift from 19-20 season)**
- Stability given by **Serie A revenues: €115M** secured also favourably the victory of the 20-21 championship (amount which includes VAT assigned with the receivables and excludes shift from 19-20 season as well as advance payments received on 21-22 rights)
- **Growing KPI's on social platforms** supported by work performed by **internal Media House**

- **Stability given by Serie A and UEFA revenues.** The new Serie A 2021-24 deal secures revenues in the range of €70mm even in the event of last position at the end of the season. UEFA Group Stage participation guarantees at least €48mm (new cycle)
- **Victory of 20/21 Serie A will ensure a growth in 21-22 UEFA media revenues** (positively affecting market pool)
- **Media Revenue growth via content delivery** through the Media House

Sponsorship Revenues

- **Some reductions and write-off affected by/resulting from compensations** granted for contractual benefits not provided due to restrictions related to the **pandemic**
- **Ability to sign 7 new deals** since 1 July 2020 (plus **6 renewed**) notwithstanding the difficult market environment. This reflects investments in a **dedicated in-house team (with synergies between local and international team to develop the business at global level).**

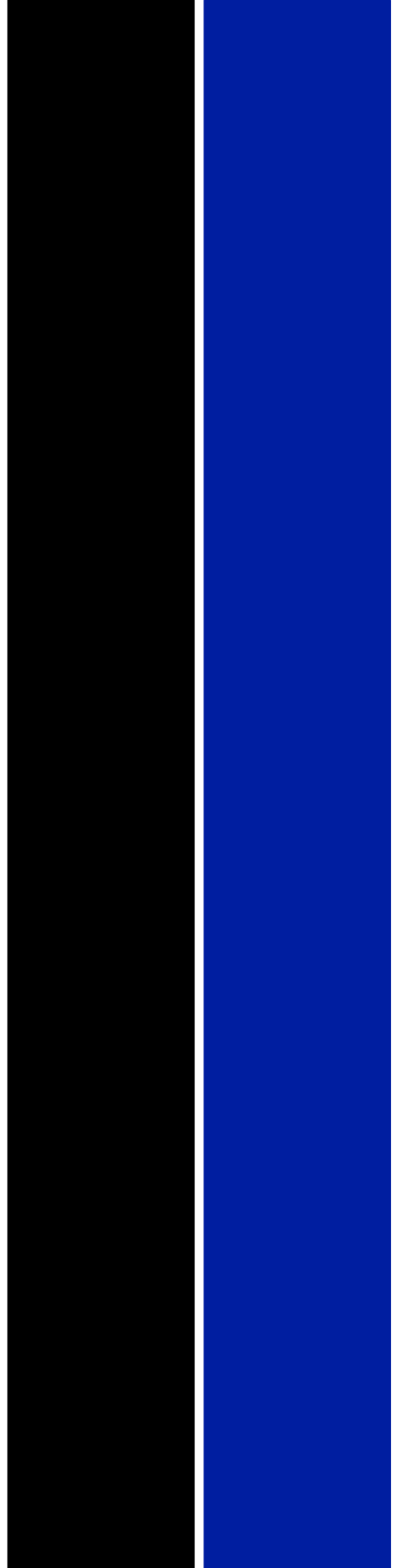
- Secured **three new multi-year jersey sponsorship contracts** (Socios, Zytara/Digitalbits and Lenovo) for **total guaranteed revenue of € 116m in the period FY22-FY25)**
- Since 1 July 2021, **additional signing of 5 new partnerships and 8 renewals.**
- **The increased visibility and sporting performance of the team** resulting in greater engagement and reach to a wider variety of sponsorship
- **No more master contracts in place with Asian agencies.**

TeamCo Update

- **After continuous growth in matchday revenue** in the past years, **all matches played behind closed doors since end of February 2020..** The **estimated loss for the full 2020/2021** is in the region of **€60m**
- **2021-22** is benefitting from **partial stadium reopening** (initially 50% and now 75% capacity) and **positive transfer market balance**



Appendix



Summary Cash Flow



For the fiscal year ended June 30th,

	2020	2021
(In Millions of €)		
Adjusted Revenue		
Sponsorship Revenue	69.5	92.6
Shirt & Technical	21.2	41.1
EU/Global	12.0	18.3
Regional and Naming Rights	36.3	33.2
Direct Media Revenue	16.1	15.9
Other Income	0.3	5.2
Revenue	85.9	113.7
Indirect Media Revenue		
Serie A Indirect Media Revenue	101.6	136.3
UEFA Indirect Media Revenue	42.5	67.3
Adjusted Revenue	230.0	317.4
Change Current/Non-current operating assets*	32.2	(1.2)
Cash Inflow	262.3	316.2
Cash Outflow		
Personnel Costs	(3.3)	(3.1)
Cost of Services	(11.5)	(11.9)
Other Costs*	(4.5)	(3.3)
Adjusted Tax Expenses	(2.5)	(3.6)
Change Current/Non-current operating liabilities*	6.0	7.8
Adjusted Service Agreement Fees	6.1	6.1
Cash Outflow	(9.8)	(8.0)
Cash Avail. for Debt Service	252.5	308.2

* excluding impact of Write-downs of trade receivables and other non-cash items

	€m	Ratio
Net Total MediaCo Debt at June 2021	303.0	1.0x
FY2020/2021 Debt Service Coverage ratio		11.88
FY2021/2022 Pro-forma Debt Service Coverage ratio		7.50

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).
- Pleas 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 S.p.A for the fiscal year ended June 30, 2021” for more details (including the explanation of the impacts of the accounting deferrals resulting from the shift of the last part of the 2019-2020 sporting season to the first months of the fiscal year ended June 30, 2021)

📍 In FY2020/21, Cash Available for Debt Service at €308.2 million resulted:

- In a Net Debt ratio as at 30 June 2021 of 1.0x
- in a Debt Service Coverage ratio (“DSCR”) of 11.88:1

📍 The Pro-forma FY2021/22 DSCR is projected at 7.50:1

Income Statement



For the fiscal year ended June, 30th,

	2020	2021
(In Millions of €)		
Revenue		
Revenue	85.6	108.5
Other Income	0.3	5.2
Total Revenue	85.9	113.7
Operating Costs		
Personnel Costs	(3.3)	(3.1)
Cost of Services	(11.5)	(11.9)
Other operating costs	(0.6)	(0.7)
Write-down of trade receivables	(0.5)	(40.4)
Depreciation and Amortization	(18.2)	(18.2)
Provisions for risks and charges	(4.2)	(3.1)
Total Operating Costs	(38.3)	(77.4)
Operating Profit	47.6	36.3
Net Financial Expenses	(8.4)	(11.1)
Profit Before Tax	39.2	25.2
Income Taxes	(11.6)	(9.1)
Profit for the Period	27.6	16.1

Cash Flow Statement



For the fiscal year ended June 30th.

	2020	2021
(In Millions of €)		
Profit for the period	27.6	16.1
Current taxes	14.6	20.8
Net financial expenses	8.4	11.1
Profit for the period before taxes and interest	50.6	48.0
Depreciation and Amortization	18.2	18.2
Write-downs/(release/uses) of trade receivables	0.3	40.4
Employee severance indemnities	-	0.1
Accrual/(releases/uses) for risks and charges	4.2	2.9
Deferred tax assets and liabilities	(3.0)	(11.7)
Cash flow from operating activities before changes in working capital	70.3	97.9
Increase in trade and other receivables	26.6	(6.8)
Increase / (Decrease) in trade and other payables	(0.3)	2.7
Other variations in net working capital	7.4	5.8
Cash flow from operating activities after changes in Net Working Capital	104.0	99.6
Taxes paid	(2.6)	(1.9)
Interest and other financial expenses paid	(14.4)	(17.3)
A. Cash flow from operating activities	87.1	80.4
Investments in Intangible Assets	(0.0)	(0.1)
Investments in Property, Plant and Equipment	(0.1)	(0.0)
B. Cash flow from investing activities	(0.1)	(0.1)
Dividends	(48.4)	(61.7)
Intercompany loans	(30.8)	(61.4)
Debt service and reserve account	0.1	(3.2)
New Notes	-	66.1
Repayment Existing and New Notes	(6.6)	(8.7)
C. Cash flow from financing activities	(85.7)	(68.9)
Increase / (Decrease) cash and cash equivalents (A+B+C)	1.2	11.4
Cash at bank and on hand at the beginning of the period	15.7	16.9
Cash at bank and on hand at the end of the period	16.9	28.3