



**Inter Media and Communication S.p.A**

**Six months ended December 31, 2023 \_Results Presentation**

**February 29, 2024**

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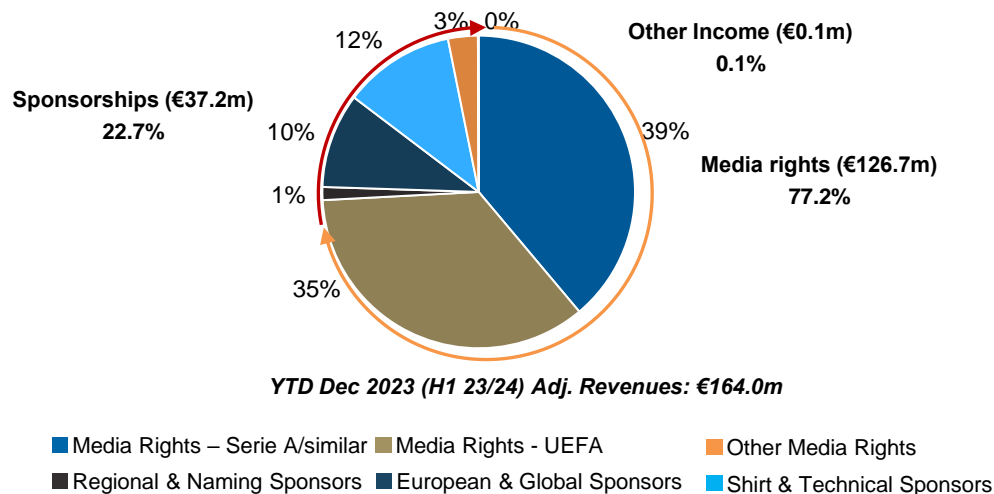
# Overview of Inter Media and Communication («MediaCo»)



## Inter MediaCo at a Glance

- **Sole manager and operator** of the **media, broadcast and sponsorship** businesses of **FC Internazionale Milano SpA** (“Inter” or “TeamCo”)
- 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 and other minor domestic competitions (centrally managed by Lega Serie A on multi-year cycle contracts) and European competitions (centrally managed by UEFA on multi-year cycle contracts)
  - Other Media rights relate to sale of archive content rights and distribution of thematic channel and other owned contents
  - Sponsorships relate to:
    - Jersey sponsors (in 23/24: front: Paramount+; sleeve: eBay; and back: U-Power)
    - Technical sponsor: Nike since 1998/99 season (further renewed until 2031)
    - Other sponsors which include European, Global and International/Regional sponsorship/naming rights packages

## YTD December 2023 (H1 23/24)\_ Adjusted Revenue Breakdown <sup>1</sup>



## 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 36 domestic trophies** including 19 Serie A championships, 9 Domestic Cups (of which the last one in May 2023) and 8 Domestic Super Cups (of which the last one in January 2024), **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
- **Among top 10 clubs at European level for stadium attendance** for the last 6 years (over 70,000 average attendance per match in 22/23 sporting season and in the current one)
- Consistent participation to **UEFA Champions League** (“UCL”) **since 2018/2019**
- **Victory** of 20/21 **Serie A** championship, 21/22 and 22/23 **domestic Cup** and 21/22, 22/23 and 23/24 **domestic Supercup**. **Achievement** of **UEL final** in **19/20** season and of **UCL final** in **22/23** season

## Honours



<sup>1</sup> Adjusted Revenue is the aggregate revenue that MediaCo reports on its income statement (the “Revenue”) and the receivables associated with Inter’s broadcasting rights (the “Indirect Media Revenue”) MediaCo reports on its balance sheet. Revenue includes (i) the revenue MediaCo receives from sponsorship agreements, (ii) the revenue that MediaCo receives from distribution and sale of Inter TV, Inter’s archive content rights and other owned contents (the “Direct Media Revenue”), and (iii) other minor income. Indirect Media Revenue includes Serie A and UEFA media rights.

# Key Operating Performance Highlights



## Already Impacting 2023/2024 Results

## Potential Impact on Future Performance

### Media Revenues

- **Stability given by Serie A media rights** (23/24 is the last year of the current 3 years-cycle). Guaranteed revenue for **€78M even in case of last position** in 23/24 Serie A up to **€100M in case of 1<sup>st</sup> position**. (excluding VAT assigned with the receivables). Further **€2M** revenue assigned to MediaCo relating to **Coppa Italia** and **Supercoppa**
- Participation to **UEFA UCL** in **23/24** sporting season ensures minimum guaranteed revenue from UEFA in the region of **€65M**, having the team already achieved Ro16. Upside in case of further progression
- **Other Media Revenue** already contracted for **€9M**

- **Serie A domestic rights already assigned for the next 5 sporting seasons** (ensuring long-term stability) for a moderate decrease (-2.9%) and with the possibility of an increase related to a revenue share mechanism. Process for the assignment of international rights still in progress
- **With the new format already announced by UEFA starting from 24/25**, more distributable resources will be available for the clubs (expectation of ca.+ 30%).
- **Media revenue growth via content delivery** through the Media House.

### Sponsorship Revenues

- Revenues already contracted for 23/24 in the region of **€76M** - i.e. **already €23M higher than 22/23** actual, in particular thanks to one year contract with **Paramount+** for front of main jersey and renewal with **Nike** (until 2031) for a fee increased by 70%. Portfolio enlarged in September 2023 thanks to signing of new back jersey sponsor until June 2027 (**U-Power**)
- **Other new important partnerships signed effective 23/24 fiscal year** (e.g. Enel, Mastercard, Banca BPER, SWM, Qatar Airways, the latter signed in November 2023)

- **Sponsorship revenues already contracted to date for FY 24/25** amount to €72M.
- Other potential upsides **from negotiations in progress for new sponsors / renewal of current contracts expiring in June 2024**
- The increased visibility of Inter (also affected by performance in UCL and Serie A) resulting in greater engagement and reach to a wider variety of sponsorship

### TeamCo Update

- Positive start of 23/24 sporting season in terms of matchday (average attendance per match again over 70k among top clubs in Europe)
- **Balanced transfer market** in summer 2023/winter 2024 sessions (positively affecting FY24 results)
- **Consistent support from shareholder** with new loans for €51M and €86M conversion from loans to equity in the period Jan-Oct 2023

# Key Financial Highlights – Adjusted Revenue



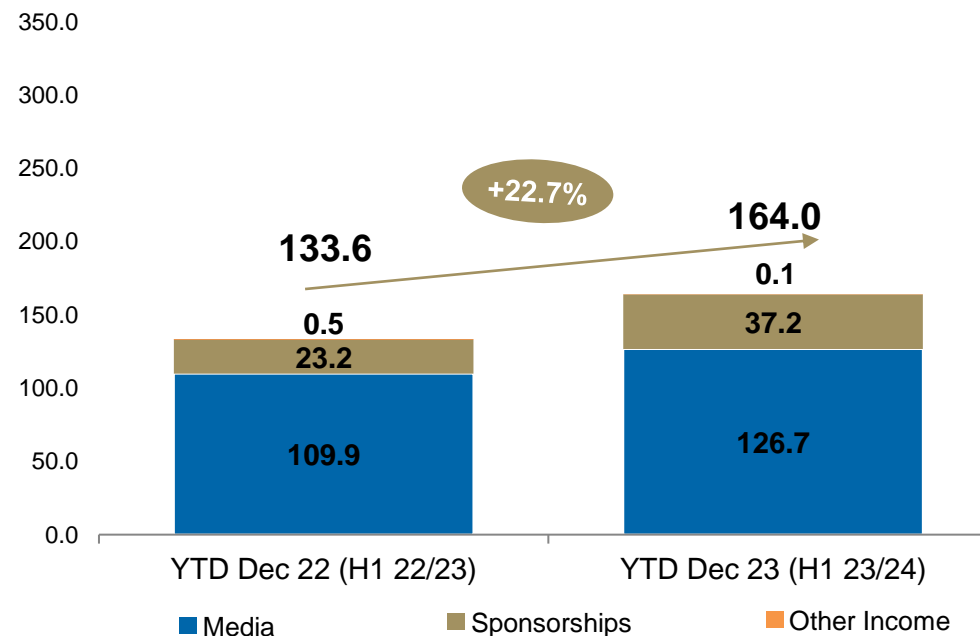
## Key Highlights – Adjusted Revenue

H1 23/24 increase (+€ 30.4M or + 22.7%) driven by:

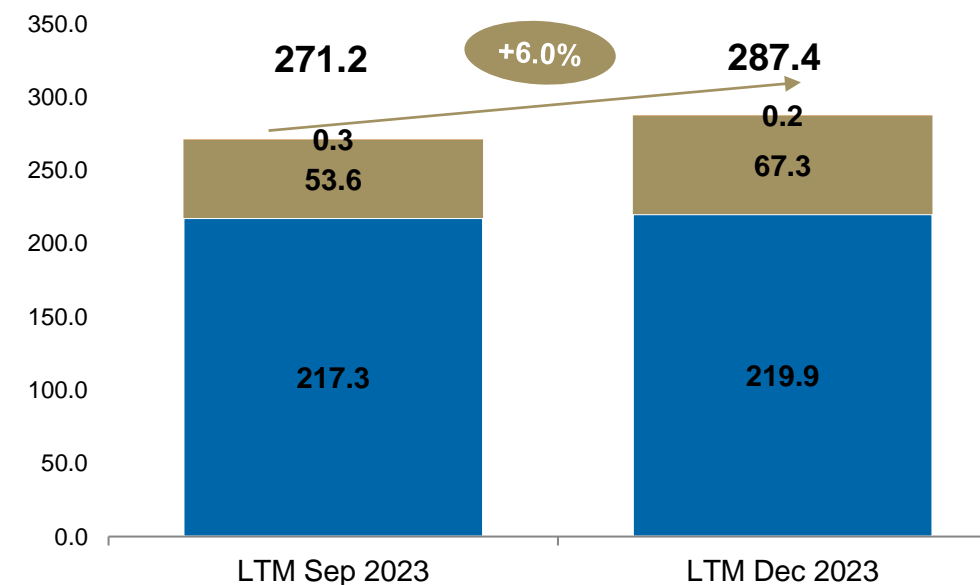
- €14.0 million increase in Sponsorship Revenue (+60.6%) driven by:
  - new jersey sponsorship contract with Paramount+ (after the contractual breach of Digitalbits in prior fiscal year)
  - sleeve sponsorship contract with eBay (in prior year signed at the beginning of Q3)
  - renewal of Nike technical sponsorship for a fee increased by 70%
  - new contracts signed and or renewed after H1 of prior fiscal year until December 31, 2023 (such as, among the others, the ones with LeoVegas, Enel, Mastercard/Banca BPER, SWM and Qatar Airways).
- €13.6 million increase (+30.7%) in UEFA Media revenue due to:
  - Final settlement of 22/23 UCL Prize Money (positively affected by achievement of the final)
  - improvement in 23/24 UEFA ranking
  - H1 22/23 penalized by payment of the €4 million unconditional financial contribution defined by the Settlement Agreement signed in August 2022
- €3.0 million increase (+4.9%) in Serie A revenue mainly thanks to higher net available distributable revenues for the twenty Serie A clubs (resulting from growing annual instalments due by domestic broadcasters over the three years cycle)

## Key Financials- Adjusted Revenue

H1 Adjusted Revenue (€m)



LTM Adjusted Revenue (€m)



# Key Financial Highlights – Cash Available for Debt Service

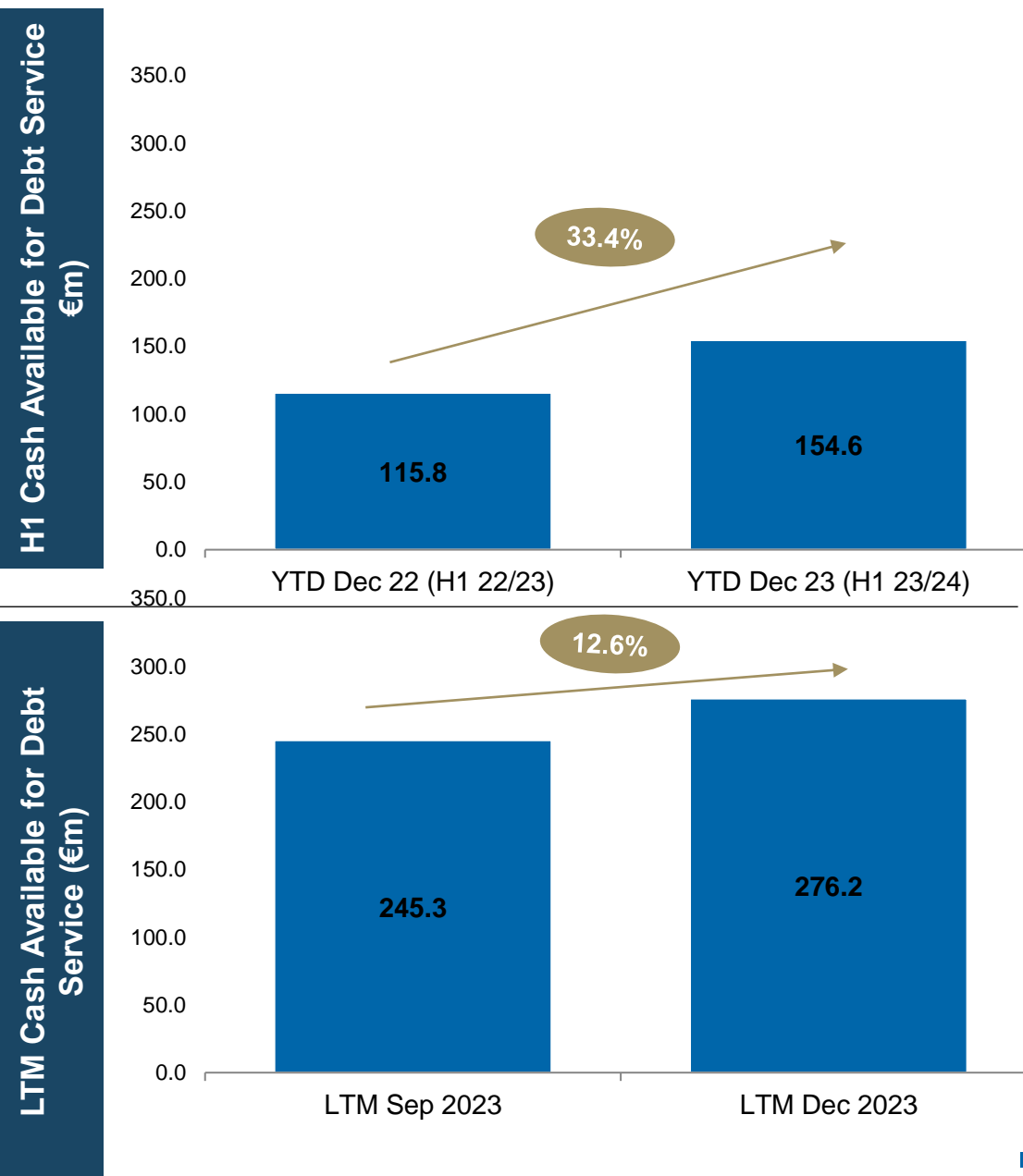


## Key Highlights – Cash Available for Debt Service

H1 23/24 increase (+€ 38.7M or + 33.4%) driven by:

- €41.6 million growth in Cash Inflows (+34.6% from €120.1 million to €161.7 million) as a result of:
  - €30.4M increase in Adjusted Revenue described on previous slide
  - €11.2 million lower negative impact from the dynamics of trade receivables.
- Cash outflows relatively limited in size (between €4 million and €7 million) reflecting the nature of the MediaCo business,

## Key Financials- Cash Available for Debt Service



# Key Financial Highlights – Financial Ratios



## Key Highlights – Financial Ratios

- Historical ratios:
  - Cash Available for Debt Service generated in the Last Twelve Months ended December 31, 2023 is 9.86 x Debt Service Payments due in the same period (€28.0 million)
  - At December 31, 2023, the ratio Net Debt /Cash Available for Debt Service is 1.31x
- Pro-forma estimated ratio:
  - The DCSR pro-forma for the 12 months from January 1, 2024 to December 31, 2024 is currently estimated at 6.79.

This estimate is based on:

- contracted inflows/outflows to the date of this report (hence excluding those contracts expiring on June 30, 2024 although we will start soon the negotiations for renewal or replacement)
- Assumption of final 3<sup>rd</sup> position in Serie A 23/24 (with relatively low volatility in the event of different final position)
- Assumption of elimination at Ro16 of UCL 23/24 (round already achieved and secured, with upside in case of further progression)
- Assumption of participation to 24/25 new UCL format (this assumption has been made considering the current ranking of the 23/24 Serie A).

No inflow has been assumed in respect of outstanding receivables fully written-down as of June 30, 2023 (mainly from Digitalbits and Imedia)

Please refer to the separate long-form document “Financial Results of Inter Media and Communication S.p.A for the six months ended December 31, 2023” for details on the methodology of calculation and related assumptions)

## Ratios

	€m	Ratio
Net Total MediaCo Debt at December 31, 2023	362.2	1.31x
LTM December 2023 Cash Available for Debt Service	276.2	
LTM December 2023 Debt service Coverage Ratio		9.86:1
January 1, 2024 - December 31, 2024 Estimated Cash Available for Debt Service	238.6	
Pro-forma Debt Service Coverage Ratio (estimated for the period January 1, 2024 – December 31, 2024)		6.79:1



**Appendix –  
Summary of  
MediaCo financials**



# MediaCo - Statement of Cash Available for Debt Service



For the six months ended December 31,

	2022	2023
<b>(In Millions of €)</b>		
<b>Adjusted Revenue</b>		
<b>Sponsorship Revenue</b>	<b>23.2</b>	<b>37.2</b>
Shirt	2.5	8.3
Technical	6.3	10.6
EU/Global	12.4	16.1
Regional and Naming Rights	2.0	2.2
<b>Direct Media Revenue</b>	<b>4.9</b>	<b>5.1</b>
<b>Other Income</b>	<b>0.5</b>	<b>0.1</b>
<b>Revenue</b>	<b>28.6</b>	<b>42.4</b>
<b>Indirect Media Revenue</b>		
Serie A and similar Indirect Media Revenue	60.8	63.7
UEFA Indirect Media Revenue	44.3	57.9
<b>Adjusted Revenue</b>	<b>133.6</b>	<b>164.0</b>
Change Current/Non-current operating assets	(13.5)	(2.3)
<b>Cash Inflow</b>	<b>120.1</b>	<b>161.7</b>
<b>Cash Outflow</b>		
Personnel Costs	(1.8)	(2.1)
Cost of Services	(5.8)	(6.3)
Other Costs	(0.1)	(0.2)
Adjusted Tax Expenses	(1.2)	(1.2)
Change Current/Non-current operating liabilities	1.0	(0.9)
Adjusted Service Agreement Fees	3.6	3.6
<b>Cash Outflow</b>	<b>(4.3)</b>	<b>(7.2)</b>
<b>Cash Avail. for Debt Service</b>	<b>115.8</b>	<b>154.6</b>

## 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 and similar Indirect Media Revenue and UEFA Indirect Media Revenue).
- Please refer to previous slides for the explanation of main drivers of Adjusted Revenue and Cash Available for Debt Service.

# MediaCo - Income Statement



For the six months December 31,

	2022	2023
<b>(In Millions of €)</b>		
<b>Revenue</b>		
Revenue	28.1	42.3
Other Income	0.5	0.1
<b>Total Revenue</b>	<b>28.6</b>	<b>42.4</b>
<b>Operating Costs</b>		
Personnel Costs	(1.8)	(2.1)
Cost of Services	(5.8)	(6.3)
Other operating costs	(0.1)	(0.2)
Write-down of trade receivables *	(0.2)	-
Depreciation and Amortization	(10.3)	(10.3)
Provisions for risks and charges	-	-
<b>Total Operating Costs</b>	<b>(18.2)</b>	<b>(18.9)</b>
<b>Operating Profit</b>	<b>10.4</b>	<b>23.5</b>
<b>Net Financial Expenses</b>	<b>(5.8)</b>	<b>(5.7)</b>
<b>Profit/(Loss) Before Tax</b>	<b>4.6</b>	<b>17.8</b>
<b>Income Taxes</b>	<b>(1.8)</b>	<b>(5.5)</b>
<b>Profit/(Loss) for the Period</b>	<b>2.8</b>	<b>12.4</b>

- Refer to the separate long-form document “Financial Results of Inter Media and Communication S.p.A for the six months ended December 31, 2023” for more details on this and for comments on Income Statement line by line

# MediaCo - Cash Flow Statement



For the six months ended December 31,

	2022	2023
<b>(In Millions of €)</b>		
Profit /(Loss) for the period	2.8	12.4
Current taxes	6.3	6.9
Net financial expenses	5.8	5.7
<b>Profit for the period before taxes and interest</b>	<b>14.9</b>	<b>25.0</b>
Depreciation and Amortization	10.3	10.3
Write-downs/(release/uses) of trade receivables	0.1	(0.0)
Employee severance indemnities accrued	0.1	0.1
Accrual/(releases/uses) for risks and charges	0.0	0.0
Deferred tax assets and liabilities	(4.5)	(1.5)
<b>Cash flow from operating activities before changes in working capital</b>	<b>20.8</b>	<b>33.9</b>
Increase in trade and other receivables	(11.1)	(13.4)
Increase / (Decrease) in trade and other payables	(6.2)	(29.5)
Other variations in net working capital	(2.1)	8.4
<b>Cash flow from operating activities after changes in Net Working Capital</b>	<b>1.4</b>	<b>(0.6)</b>
Taxes paid	(0.0)	-
Interest and other financial expenses paid	(14.0)	(14.1)
Employee severance indemnities paid	(0.1)	(0.1)
<b>A. Cash flow from operating activities</b>	<b>(12.7)</b>	<b>(14.8)</b>
Investments in Intangible Assets	(0.0)	(0.0)
Investments in Property, Plant and Equipment	-	(0.0)
Debt service and reserve account	-	-
<b>B. Cash flow from investing activities</b>	<b>(0.0)</b>	<b>(0.0)</b>
Intercompany loans	-	-
Repayment of Senior Secured Notes 2022	-	-
Issuance Senior Secured Notes 2022 ("tap" – net of transaction fees and OID)	-	-
Issuance Senior Secured Notes 2027 (net of transaction fees)	-	-
Dividends	(2.5)	(5.3)
<b>C. Cash flow from financing activities</b>	<b>(2.5)</b>	<b>(5.3)</b>
<b>Increase / (Decrease) cash and cash equivalents (A+B+C)</b>	<b>(15.2)</b>	<b>(20.2)</b>
<b>Cash at bank and on hand at the beginning of the period</b>	<b>25.5</b>	<b>50.5</b>
<b>Cash at bank and on hand at the end of the period</b>	<b>10.3</b>	<b>30.3</b>

Refer to the separate long-form document "Financial Results of Inter Media and Communication S.p.A for the six months ended December 31, 2023 for comments line by line