



Inter Media and Communication S.p.A

3 Months Ended September 30th 2020 Results Presentation

November 30^h, 2020

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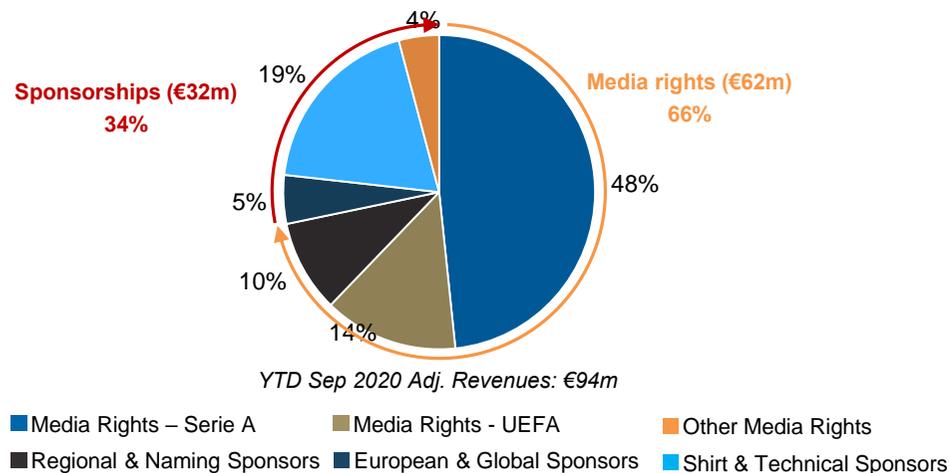


Overview of Inter MediaCo

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)
 - Other sponsors include Naming Rights, European, Global and International/Regional sponsorship packages

YTD September 2020_ Adjusted Revenues¹ Breakdown



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

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 for the 18-19, 19-20 and 20-21 seasons. Achievement of UEFA Europa League final in 19-20 season**
- **Exiting the Financial Fair Play Settlement Agreement** signed in May 2015 upon official communication of UEFA in May 2019

Honours





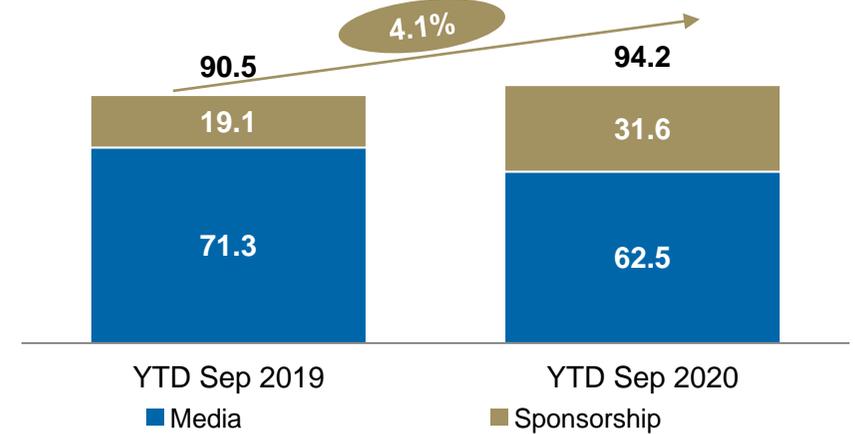
Key Financial Highlights

Key Highlights

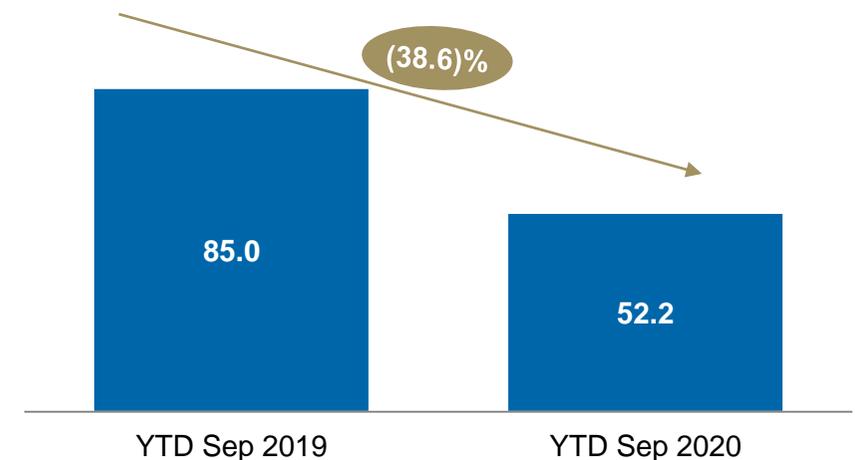
- Our **Adjusted Revenue increased by €3.7 million or 4.1% to €94.2 million** for the three months ended September 30, 2020 from €90.5 million for the three months ended September 30, 2019.
- Single components of **YTD September 2020 Adjusted Revenue are significantly affected by an accounting deferral** resulting from the shift of the end of the 2019/2020 sporting season and of the beginning of the 2020/2021 sporting season
- On a pro-forma basis, (and comparable basis)** the increase of our Adjusted Revenue amounts to €1.6 million or 1.8% (with pro-forma Adjusted Revenue amounting to € 92.1 million), **with all the single components of Sponsorship and Media Rights overall in line with the same quarter of prior fiscal year**
- Cash Available for Debt Service decreased by €32.8 million or 38.6% to €52.2 million** for the three months ended September 30, 2020 from €85.0 million for the three months ended September 30, 2019, driven by the €33.0 million reduction in cash inflows (while cash outflows are in line with prior period around €2 million).
- The reduction in cash inflows is mainly a result of the negative impact of Change in Trade Receivables** resulting from:
 - The different collection size and timing of **International Sponsorship contracts** (in Q1 of prior year we collected and recovered a significant amount of overdue receivables)
 - The general impact on the timing of collection of trade receivables resulting from the pandemic and the consequent shift of the 2019-2020 and 2020-2021 sporting seasons

Key Financials

Adjusted Revenues (€m)



Cash Available for Debt Service (€m)





Key Operating Performance Highlights

Already Impacting YTD Sep 2020 Results

Potential Impact on Performance of next quarters

Media Revenues

- **Participation to Group Stage of UCL** also for the **season 2020-21** which is expected to ensure further **minimum guaranteed revenues** in the range of **€43 million**
- Stability given by **Serie A revenues** - the 2018-21 deal is expected to **secure revenues in the range of €80m** even in the event of last position at the end of the season
- **Growing KPI's on social platforms** supported by work performed by **internal Media House**

- **Progression in Serie A and UCL /UEL 2020-21** can further **increase Indirect Media Revenues**
- **Covid-19 pandemic** has generated **some reductions in UEFA media revenues** and **could also impact Serie A revenues** for which discussions are in progress with broadcasters .
- **Media Revenue growth via content delivery** through the Media House

Sponsorship Revenues

- **Positive Sponsorships numbers** reflecting investments in a **dedicated in-house team** since 2018. **(with synergies between local and international team** to develop the business **at global level)**. **Four (4) new deals** already signed since 1 July 2020 (plus **4 renewed**)
- **Participation to UCL 2018/2019, 2019/2020 and 2020/2021** 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
- **The increased visibility of the team** resulting in greater engagement and reach to a wider variety of sponsorship

TeamCo Update

- **After continuous growth in matchday revenue** in the past years, **all matches played behind closed doors since end of February 2020**. In the sporting season 20-21 we have not put for sale any season or matchday tickets to date.



Appendix





Summary Cash Flow

For the three months ended Sep 30

	2019	2020
(In Millions of €)		
Adjusted Revenue		
Sponsorship Revenue		
Shirt & Technical	6.2	18.0
EU/Global	4.0	4.7
Regional and Naming Rights	9.0	8.9
Direct Media Revenue	3.3	3.9
Other Income	0.0	0.0
Revenue	22.5	35.5
Indirect Media Revenue		
Serie A Indirect Media Revenue	36.4	45.5
UEFA Indirect Media Revenue	31.6	13.1
Adjusted Revenue	90.5	94.2
Change in Current operating assets	(3.3)	(40.4)
Change in Non-current operating assets	(0.1)	0.3
Cash Inflow	87.1	54.1
Cash Outflow		
Personnel Costs	(0.8)	(0.8)
Cost of Services	(2.4)	(2.6)
Other Costs	(0.2)	(0.0)
Adjusted Tax Expenses	(0.2)	(0.7)
Change in Current operating liabilities	0.8	1.4
Change in Non-current operating liabilities	(0.5)	(0.5)
Cash Outflow	(2.1)	(1.9)
Cash Avail. for Debt Service	85.0	52.2

	€m	Cash available for Debt Service
Net Total MediaCo Debt	305.1	1.4x
LTM Sep 2020 Cash Available for Debt Service		220.2

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 S.p.A for the three months ended September 30, 2020” for more details (including the explanation of the impacts of the accounting deferrals resulting from the shift of the end of the 2019-2020 sporting season and of the beginning of the 2020-2021 sporting seasons)
- Net Debt at September 30, 2020 – equal to € 305.1 million – includes the value of the New Notes issued in July 2020
- At September 30, 2020, the ratio Net Debt / LTM Cash Available for Debt Service is 1.4x



Income Statement

For the three months ended Sep, 30

	2019	2020
(In Millions of €)		
Revenue		
Revenue	22.4	35.5
Other Income	0.0	0.0
Total Revenue	22.5	35.5
Operating Costs		
Personnel Costs	(0.8)	(0.8)
Cost of Services	(2.4)	(2.6)
Other operating costs	(0.2)	(0.0)
Write-down of trade receivables	-	-
Depreciation and Amortization	(4.6)	(4.6)
Provisions for risks and charges	-	-
Total Operating Costs	(8.0)	(8.0)
Operating Profit	14.4	27.5
Net Financial Expenses	(2.3)	(2.8)
Profit Before Tax	12.2	24.8
Income Taxes	(3.6)	(6.2)
Profit for the Period	8.6	18.6



Cash Flow Statement

For the three months ended Sep, 30

	2019	2020
(In Millions of €)		
Profit for the period	8.6	18.6
Current taxes	4.0	6.7
Net financial expenses	2.3	2.8
Profit for the period before taxes and interest	15.0	28.0
Depreciation and Amortization	4.6	4.6
Write-downs/(release/uses) of trade receivables	-	-
Employee severance indemnities	0.0	0.0
Accrual for risks and charges	-	-
Deferred tax assets and liabilities	(0.5)	(0.5)
Cash flow from operating activities before changes in working capital	19.1	32.1
Increase in trade and other receivables	(7.2)	(38.5)
Increase / (Decrease) in trade and other payables	40.4	43.3
Other variations in net working capital	4.4	(0.6)
Cash flow from operating activities after changes in Net Working Capital	56.6	36.3
Taxes paid	-	-
Interest and other financial expenses paid	(0.0)	(0.0)
A. Cash flow from operating activities	56.6	36.3
Investments in Intangible Assets	(0.0)	(0.0)
Investments in Property, Plant and Equipment	(0.1)	-
B. Cash flow from investing activities	(0.1)	(0.0)
Dividends	-	(19.4)
Intercompany loans	(22.8)	(61.4)
Debt service and reserve account	(10.3)	(16.0)
New Notes	-	66.1
C. Cash flow from financing activities	(33.1)	(30.7)
Increase / (Decrease) cash and cash equivalents (A+B+C)	23.4	5.5
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	39.1	22.4