



Press release - Preliminary consolidated results at 31 December 2023¹

- In 2023, the Group achieved consolidated gross revenue of Euro 1,160.0 million (Euro 1,175.9 million in 2022) while EBITDA grew to Euro 167.5 million (Euro 147.1 million in 2022)
- In the second half of the year, the Group generated positive cash flows, improving the net financial position by Euro 42.2 million versus 30 June 2023
- RCS ranks as the top online publisher also in 2023 in Italy with an aggregate figure of 31.6 million average monthly unique users (net of duplications) (*Audicom*)
- At end December, the RCS Group's titles reached an active digital customer base of over one million subscriptions, 595 thousand for *Corriere della Sera*, Italy's leading newspaper also on newsstands, 214 thousand for *Gazzetta*, 136 thousand for *El Mundo*, and 82 thousand for *Expansión*
- La7 achieved high ratings, 3.4% in the all-day share and 4.9% in prime time, and was the sixth channel for ratings in this time slot, and in autumn (September-December) fifth with a 5.6% share
- The Cairo Editore magazine publishing segment also improved EBITDA versus 2022

Milan, 19 March 2024: The Board of Directors of Cairo Communication S.p.A. met today and reviewed certain preliminary consolidated figures for 2023.

Income statement and balance sheet figures (€ millions)	31/12/2023	31/12/2022
Consolidated gross revenue	1,160.0	1,175.9
EBITDA before net non-recurring expense	167.9	159.2
EBITDA	167.5	147.1
	31/12/2023	31/12/2022
Net financial position (net financial debt)	(4.8)	(15.2)

The draft financial statements and consolidated financial statements of Cairo Communication S.p.A. for 2023 will be reviewed by the Board of Directors at its meeting scheduled on 28 March.

2023 was marked by the continued conflict in Ukraine, with its consequences also in terms of impacts on the economy and trade. This is leading to a state of great uncertainty and a slowdown in anticipated economic growth in relevant markets. With regard to the Group, this context impacted on production costs, paper in particular. Moreover, during 2023, energy and gas costs, after the strong volatility and increases recorded in 2022, have gradually returned to around the values of late summer 2021; paper costs also decreased versus the values of 2022, with anticipated positive effects on the income statement of 2024. Starting in October, a conflict situation has arisen in the Middle East following the Hamas attacks on Israeli territory. This situation has the potential to have increasing geopolitical impacts, further adding to the overall environment of uncertainty.

¹ Figures yet to be audited.

Against this backdrop, in 2023:

- the **Group** increased its margins (EBITDA) versus those of 2022;
- **RCS's** margins (EBITDA) too were up versus 2022. During the year, RCS confirmed remarkable circulation levels at newsstands and continued its growth in the digital field, ranking as the top online publisher also in 2023 in Italy with an aggregate figure of 31.6 million average monthly unique users (net of duplications) (*Audicom*). At end December, the total active digital customer base (digital edition, membership and m-site) of *Corriere della Sera* reached 595 thousand subscriptions (508 thousand at end 2022 - Internal Source), while the customer base of *Gazzetta's* pay products (*G ALL*, *G+*, *GPRO* and *Fantacampionato*) reached 214 thousand subscriptions (171 thousand at end 2022 - Internal Source). Digital subscriptions grew in Spain too, reaching at year end 136 thousand subscriptions for *El Mundo* (101 thousand at end 2022 - Internal Source) and 82 thousand subscriptions for *Expansión* (51 thousand at end 2022 - Internal Source). Both Italian newspapers, *Corriere della Sera* and *La Gazzetta dello Sport*, and in Spain *Marca* and *Expansión*, retained their circulation leadership in their respective market segments (*ADS* for Italy and *OJD* for Spain). *La Gazzetta dello Sport*, with the Audipress 2023/III survey, retained its position as the most-read Italian newspaper with a readership of over 2 million. EGM's latest November 2023 "*General Media Research*" survey confirms Unidad Editorial as the leader in Spanish print media, with almost 1.6 million overall daily readers of its three daily newspapers. The main digital performance indicators confirm the top market position of RCS, with the *Corriere della Sera* and *La Gazzetta dello Sport* brands, which counted in 2023 30.2 million and 17.8 million average monthly unique users, and 3.8 million and 2.5 million average daily unique users (*Audicom*). The main social accounts of the *Corriere System* at 31 December 2023 reached approximately 12.5 million total followers (considering *Facebook*, *Instagram*, *X*, *LinkedIn* and *TikTok* - Internal Source) and those of *La Gazzetta dello Sport* 6 million (considering *Facebook*, *Instagram*, *X* and *TikTok* - Internal Source). In Spain, as part of the online activities, *elmundo.es*, *marca.com* and *expansion.com* reached 44.4 million, 90.6 million and 9.5 million average monthly unique browsers respectively in 2023, comprising both domestic and foreign browsers and including apps (*Google Analytics*). The social audience of Unidad Editorial Group titles (Internal Source) stands at 10.7 million followers for *El Mundo*, 18.6 million for *Marca* and 2.4 million for *Telva* (considering *Facebook*, *Instagram* and *X*) and 1.5 million for *Expansión* (considering *Facebook*, *Instagram*, *X* and *LinkedIn*). Net operating revenue amounted to Euro 826.1 million, with total digital revenue (Italy and Spain) amounting to approximately Euro 217.6 million and accounting for approximately 26% of total revenue. Total advertising sales from RCS online media amounted to Euro 149.1 million in 2023, making for 43% of total advertising revenue;
- the **TV publishing (La7) and network operator segment** achieved high ratings of the La7 channel (3.4% in the all-day share and 4.9% in prime time). Advertising sales on the La7 and La7d channels totaled approximately Euro 150.8 million (Euro 150 million in 2022). Specifically, in the year La7 was the sixth channel in prime time ratings and in autumn (September-December) the fifth, with an average audience of 5.6%. In the morning slots too (7:00/12:00), La7 achieved a 3.5% share in the twelve months, claiming the fifth position in the national ranking. La7d's share in 2023 was 0.5% in both all-day and prime time. The channel's news and discussion programmes in 2023 all continued to deliver remarkable results: *Otto e Mezzo* with 7.4% average share from Monday to Friday, *TgLa7* 8 p.m. edition with 6.1% from Monday to Friday, *diMartedì* with 6.7%, *Piazzapulita* with 5.3%, *Propaganda Live* with 5.8%, *In Viaggio con Barbero* with 5.5%, *Una giornata particolare* with 5.9%, *In Altre Parole* with 5.2% on Saturdays, *In Onda* with 6.2% in access and 4.6% in prime time in the summer months, *Omnibus La7* with 3.8%, *Coffee Break* with 3.9% from Monday to Friday, *L'Aria che tira* with 4.6% in autumn, and *Tagadà* with 3.5%. In 2023, La7 confirmed its leadership among generalist TV stations in terms of news hours (almost 13 hours in the year) and was the second channel in terms of live hours (an average of more than 10 hours per day). On the digital front, average monthly unique users in 2023 were 8.9 million (+52% versus 2022) and daily unique users 710 thousand (+78%). Stream views were 29.9 million per month (+87%). In the year, average monthly unique browsers of Tg.La7.it (2.9 million) grew by 531% versus 2022. At end 2023, followers of La7 and its active programmes on Facebook, X, Instagram and TikTok were over 6.8 million;
- the **Cairo Editore magazine publishing segment** also improved results versus 2022. Regarding weeklies, with approximately 1 million average copies sold in 2023 (*ADS*), Cairo Editore retains its position as the leading publisher in copies of weeklies sold at newsstands, with an approximately 30% market share. Including the average sales of titles out of the *ADS* survey (comprising copies

sold of “*Enigmistica Più*” and of “*Enigmistica Mia*”), average copies sold were approximately 1.1 million;

In 2023, consolidated gross revenue amounted to approximately Euro 1,160.0 million (comprising gross operating revenue of Euro 1,112.0 million and other revenue and income of Euro 48.0 million) versus Euro 1,175.9 million in 2022 (comprising gross operating revenue of Euro 1,126.7 million and other revenue and income of Euro 49.2 million).

Gross operating revenue in 2023, split up by main business segment, can be analyzed as follows versus the amounts of 2022:

2023 (€ millions)	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
TV advertising	0	150.8	102.2	0.4	(103.1)	150.3
Advertising on print media, Internet and sporting events	8.6	248.8	2.7	384.6	(234.7)	410.2
Other TV revenue	0	0	1.8	2.8	(0.3)	4.3
Magazine over-the-counter sales and subscriptions	70.1	0	0	336.3	(2.1)	404.3
VAT relating to publications	(1.2)	0	0	(3.4)	0	(4.5)
Sundry revenue	0	3.0	10.2	143.2	(9.0)	147.4
Total gross operating revenue	77.6	402.6	117.0	864.0	(349.2)	1,112.0
Other revenue	9.7	6.7	1.0	37.8	(7.1)	48.0
Total gross revenue	87.3	409.3	118.0	901.8	(356.3)	1,160.0

2022 (€ millions)	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network	RCS	Eliminations and unallocated	Total
TV advertising	0	151.1	102.1	0.4	(103.5)	150.1
Advertising on print media, Internet and sporting events	9.2	248.2	2.6	383.0	(236.5)	406.5
Other TV revenue	0	0	1.3	2.7	(0.3)	3.8
Magazine over-the-counter sales and subscriptions	71.5	0	0	358.5	(2.8)	427.2
VAT relating to publications	(1.2)	0	0	(2.6)	0	(3.8)
Sundry revenue	0	2.7	8.8	141.0	(9.6)	142.9
Total gross operating revenue	79.5	402.0	114.8	882.9	(352.6)	1,126.7
Other revenue	7.9	6.2	4.6	36.0	(5.6)	49.2
Total gross revenue	87.5	408.2	119.5	919.0	(358.2)	1,175.9

EBITDA stood at Euro 167.5 million (Euro 147.1 million in the prior year). Net non-recurring expense came to Euro -0.4 million (Euro 12.1 million in 2022, including Euro 10 million in expense from the settlement of the litigation over the Via Solferino/San Marco/Balzan property complex).

The Group’s performance can be read better by analyzing the results by **main business segment**:

2023 (€ millions)	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
Gross operating revenue	77.6	402.6	117.0	864.0	(349.1)	1,112.0
Advertising agency discounts	0	(52.5)	0	(38.0)	27.8	(62.6)
Net operating revenue	77.6	350.2	117.0	826.1	(321.4)	1,049.4
Change in inventory	(0.0)	0	0	(0.7)	0	(0.7)
Other revenue and income	9.7	6.7	1.0	37.8	(7.1)	48.0
Total revenue	87.2	356.9	118.0	863.2	(328.5)	1,096.8
Production costs	(63.3)	(330.1)	(63.3)	(480.8)	328.5	(608.9)
Personnel expense	(16.1)	(24.0)	(38.1)	(241.7)	(0.1)	(320.0)
Non-recurring income (expense)	0	0	0	(0.4)	0	(0.4)
EBITDA	7.9	2.8	16.6	140.2	0.0	167.5

2022 (€ millions)	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
Gross operating revenue	79.5	402.0	114.8	882.9	(352.6)	1,126.7
Advertising agency discounts	0.0	(52.4)	0.0	(37.9)	27.7	(62.7)
Net operating revenue	79.5	349.6	114.8	845.0	(324.9)	1,064.0
Change in inventory	0.0	0.0	0.0	2.4	0.0	2.4
Other revenue and income	7.9	6.2	4.6	36.0	(5.6)	49.2
Total revenue	87.5	355.8	119.5	883.4	(330.5)	1,115.7
Production costs	(66.7)	(327.5)	(66.5)	(510.6)	330.7	(640.6)
Personnel expense	(16.4)	(23.5)	(37.3)	(238.6)	(0.1)	(315.9)
Non-recurring income (expense)	0.0	0.0	0.0	(12.1)	0.0	(12.1)
EBITDA	4.4	4.8	15.6	122.1	0.1	147.1

Looking at the business segments, in 2023:

- for the **magazine publishing segment (Cairo Editore)**, EBITDA came to Euro 7.9 million (Euro 4.4 million in 2022).
- in the **TV publishing (La7) and network operator segment**, EBITDA grew to reach approximately Euro 16.6 million (Euro 15.6 million in 2022);
- in the **advertising segment**, EBITDA came to Euro 2.8 million (Euro 4.8 million in 2022);
- in the **RCS segment**, in Cairo Communication's consolidated financial statements, EBITDA² stood at Euro 140.2 million (Euro 122.1 million in the prior year).

Consolidated **net financial debt** at 31 December 2023 stood at approximately Euro 4.8 million (Euro 15.2 million at end 2022). The change versus 2022 is explained mostly by the outlays for dividend payout of approximately Euro 31.2 million and for technical capital expenditure and non-recurring expense totaling Euro 41.1 million, offset by the positive contribution of ordinary operations, affected by the current timing of collecting tax credits granted to the publishing industry (at 31 December 2023, the outstanding credit of approximately Euro 39.8 million refers also to 2021 and 2022). The Group generated positive cash flows in the second half, improving the net financial debt by Euro 42.2 million versus 30 June 2023 (Euro -47 million). At end December, the net financial debt of RCS stood at Euro 23.4 million (Euro 31.6 million at end 2022).

² Mention should be made that RCS adopts a different definition of EBITDA from the one used by the Cairo Communication Group, as indicated in the section below "Alternative Performance Measures". As a result of these differences - relating to allocations to the provisions for risks and charges and the allowance for impairment, amounting in 2023 to a total of Euro 4 million - EBITDA shown in RCS's press release on preliminary consolidated results released on 15 March 2024 is Euro 136.2 million.

Total net financial debt, which includes financial liabilities from leases recognized in accordance with IFRS 16 (mainly property leases) of Euro 145.4 million, amounted to Euro 150.2 million (Euro 177.6 million at 31 December 2022).

2023 was marked by the continued conflict in Ukraine, with its consequences also in terms of impacts on the economy and trade. This is leading to a state of great uncertainty and a slowdown in anticipated economic growth in relevant markets. Starting in October, a conflict situation has arisen in the Middle East following the Hamas attacks on Israeli territory. This situation has the potential to have increasing geopolitical impacts, further adding to the overall environment of uncertainty. The Group has no direct exposure and/or business activities towards the markets affected by the conflict and/or sanctioned entities. These conflicts, along with their impacts, are still ongoing even in this early part of 2024.

The developing situation and the potential effects on the business outlook, which are constantly monitored, are unforeseeable at this time as they depend, inter alia, on the evolution, developments and duration of the conflict in Ukraine and the conflict in the Middle East and their geopolitical effects.

In consideration of the actions already implemented and those planned, in the absence of a deterioration of the consequences from the continuation and the developments of the conflicts in Ukraine and the Middle East, the Group believes that it can set the goal of achieving strongly positive margins (EBITDA) in 2024, up from those achieved in 2023, and to continue with further cash generation from operations.

Developments in the ongoing conflicts, the overall economic climate and the core segments could, however, affect the full achievement of these targets.

The Financial Reporting Manager of Cairo Communication S.p.A., Marco Pompignoli, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Finance Law, that the accounting information contained herein is consistent with the underlying accounting documents, books and records.

Cairo Communication is one of the leading groups in the publishing and advertising sales segments, recognized as one of the first to have developed a multimedia sales approach. With the acquisition of the control of RCS MediaGroup, Cairo Communication establishes itself as a major multimedia publishing group, well-positioned to become the main player on the Italian market, with a strong international presence in Spain, by leveraging on the high quality and diversification of products in the dailies, web, television, magazines and sporting events segments.

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This press release is also available on the Company's website www.cairocommunication.it
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