



CAIROCOMMUNICATION

Press Release - Results at 30 September 2022 approved

- In first nine months 2022:
 - Group EBITDA before non-recurring expense amounted to Euro 93.4 million (Euro 109.6 million in 2021), impacted by the increase in paper and other input costs of approximately Euro 28.1 million
 - The Group achieved growing consolidated gross revenue of Euro 842 million (Euro 836 million in 2021), EBITDA of Euro 81.5 million (Euro 108.8 million in 2021), impacted by non-recurring expense of Euro 11.9 million (expense of Euro 0.8 million in 2021), EBIT of Euro 25.3 million (Euro 54.5 million in 2021), and net profit of Euro 8.3 million (Euro 28.8 million in 2021, when it had benefited from a gain on an equity investment asset of Euro 7.3 million)
- At 30 September, the net financial position stood at Euro 30.5 million (Euro 37 million at end 2021), after distributing dividends of Euro 36.7 million at the Group level and payment of Euro 20 million for the purchase/transaction of the Via Solferino property
- RCS increased revenue and confirmed strong margins from current operations, and continued to generate positive cash flows. At end September, the net financial position stood at Euro 7.6 million (Euro 16.7 million at end 2021), after distributing dividends of Euro 31 million and incurring the mentioned outlays for the Via Solferino property.
- *Corriere della Sera* leading Italian daily newspaper on newsstands with a total active digital customer base of approximately 457 thousand subscriptions. The customer base of *Gazzetta's* pay products increases too, with approximately 138 thousand subscriptions, and for *El Mundo* and *Expansión* in Spain, with 98 thousand and 50 thousand subscriptions, respectively
- La7 achieved high audience levels (3.89% in the all-day share and 5.03% prime time in the nine months, up by 10.8% and 3.7% respectively versus the same period of 2021)
- The Cairo Editore magazine publishing segment achieved EBITDA of Euro 3 million, down versus Euro 6.6 million in 2021, due mainly to the increase in paper costs for approximately 6.8 million

Milan, 14 November 2022: at its meeting today, the Board of Directors of Cairo Communication reviewed and approved the Interim Management Statement at 30 September 2022.

Income statement and balance sheet figures (€ millions)	30/09/2022	30/09/2021
Consolidated gross revenue	842.0	836.0
EBITDA before non-recurring expense	93.4	109.6
EBITDA	81.5	108.8
EBIT	25.3	54.5
Profit (loss) attributable to the owners of the parent	8.3	28.8
	30/09/2022	31/12/2021
Net financial position (net financial debt)	30.5	37.0

The beginning of 2022 was yet again marked by the continuing health emergency. Starting from early February, the situation began to improve in Italy and Spain, allowing both countries to speed up the phase of gradual lifting of restrictions.

After the downtrend of 2020, the economic recovery that started in 2021 was marked by higher prices for transportation and a number of commodities, including printing paper and energy, and in some cases, supply difficulties. This situation is causing a general increase in production costs and difficulties in production processes for several industries. After several years of virtual price stability, in 2021 the national consumer price index recorded a stronger growth in both Italy and Spain than in the more recent past, and both countries in the first nine months of 2022 too are experiencing high inflation rates.

As from end February 2022, the conflict in Ukraine and its consequences, including in terms of economic sanctions against Russia and the impacts on the economy and trade, especially on energy, production and logistics supply chains, are creating an overall situation of great uncertainty, compounding the mentioned cost dynamics already underway since 2021, and a slowdown in the economic growth expected in the relevant markets. The Group has no direct exposure and/or business activities towards the markets affected by the conflict and/or sanctioned entities.

With regard to the Group, this economic context impacts on production costs, and may also affect the performance of the advertising market, as it may influence the advertisers' propensity to spend.

In first nine months 2022, in a context still marked by uncertainty due to the conflict in Ukraine and the continuing health emergency:

- the **Group** achieved higher revenue than in the same period of 2021, and confirmed the strong margins from current operations that continued to generate positive cash flows, with a net financial position of Euro 30.5 million at 30 September 2022 (Euro 37 million at 31 December 2021), after distributing dividends at the Group level of Euro 36.7 million, and incurring outlays of Euro 10 million for the settlement of the litigation over the Via Solferino property and Euro 10 million as a deposit for the purchase of the same property (purchase completed on 19 October 2022, with a concurrent payment of the balance of the purchase price of Euro 49.9 million);
- **RCS** increased revenue and confirmed the strong margins from current operations. At end September, the net financial position stood at Euro 7.6 million (Euro 16.7 million at end 2021), after distributing dividends of approximately Euro 31 million and incurring the mentioned outlays for the Via Solferino property. *Corriere della Sera* achieved remarkable newsstand circulation results and continued the growth of digital operations: at end September, its total active digital customer base (digital edition, membership and m-site) counted 457 thousand subscriptions (346 thousand on the same date 2021). At end September, the customer base for *Gazzetta's* pay products (*G ALL*, *G+*, *GPRO* and *Magic*) counted 138 thousand subscriptions (78 thousand on the same date 2021). Digital subscriptions grew in Spain too, reaching 98 thousand subscriptions for *El Mundo* (73 thousand on the same date 2021) and 50 thousand subscriptions for *Expansión* at end September 2022 (36 thousand on the same date 2021); 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 2022.2 survey, retained its position as the most-read newspaper in Italy with 1.9 million readers. The main digital performance indicators confirm the top market position of RCS, with the *Corriere della Sera* and *La Gazzetta dello Sport* brands which, in the first eight months of 2022, counted 27.5 million and 18.8 million average monthly unique users and in the January-September 2022 period 3.9 million and 3 million average daily unique users respectively (*Audiweb*). In Spain, as part of the online activities, in first nine months 2022 *elmundo.es*, *marca.com* and *expansion.com* reached 48.6 million, 102.2 million and 11.7 million average monthly unique browsers respectively, comprising both domestic and foreign browsers and including apps (*Google Analytics*). Total digital revenue (Italy and Spain) amounted to approximately Euro 140.9 million and accounted for approximately 23% of total revenue. Total advertising sales from RCS online media amounted to Euro 98.7 million in first nine months 2022, making for 41% of total advertising revenue.
- the **TV publishing (La7) and network operator segment** confirmed the high audience levels of the La7 channel (3.89% in the all-day share and 5.03% in prime time in first nine months, up by 10.8% and 3.7% respectively versus the same period of 2021). In first nine months 2022, advertising sales on La7 and La7d channels totaled approximately Euro 99.5 million (Euro 106 million in 2021). The channel's news and discussion programmes all continued to deliver remarkable results in the nine months: *Otto e Mezzo* with 7.6% average share from Monday to Friday, *TgLa7 edizione delle 20* 5.9% from Monday to Friday, *diMartedì* 6.6%, *Piazzapulita* 6%, *Propaganda Live* 5.6%, *Non è*

l'Arena 5.6%, *Omnibus La7* 4%, *Coffee Break* 4.2%, *L'Aria che tira* 5.7%, *Tagadà* 3.7%, *Atlantide* 4.1% and *In Onda* with 5%. In the nine months, La7 retained its leadership position among generalist TV channels in terms of hours of information (almost 14 and a half hours daily average) and hours of live broadcasting (approximately 11 hours and 17' daily average).

In first nine months 2022, consolidated gross revenue amounted to approximately Euro 842 million (comprising gross operating revenue of Euro 811.5 million and other revenue and income of Euro 30.5 million), up by Euro 6 million versus Euro 836 million in the same period of 2021 (comprising gross operating revenue of Euro 810.8 million and other revenue and income of Euro 25.2 million). Revenue and margins of RCS in first nine months 2021 had benefited from the European events, Italy's results in particular, and the Olympics, which together had generated approximately Euro 8 million in revenue by both Italy and Spain.

EBITDA before net non-recurring expense, amounting to Euro 93.4 million (Euro 109.6 million in the same period of 2021), was impacted by the increase in paper and other input costs of approximately Euro 28.1 million.

EBITDA and EBIT came to Euro 81.5 million and Euro 25.3 million, respectively (Euro 108.8 million and Euro 54.5 million, respectively, in first nine months 2021). Net non-recurring expense came to Euro 11.9 million (expense of Euro 0.8 million in the same period of 2021) and includes Euro 10 million in expense attributable to the settlement of the litigation over the Via Solferino/San Marco/Balzan property complex.

Profit attributable to the owners of the parent came to approximately Euro 8.3 million (Euro 28.8 million in the same period of 2021, which had benefited from the gain of Euro 7.3 million earned from the sale of Unidad Editorial Juegos S.A.). Conversely, the first nine months of 2022 are affected by non recurring expenses of Euro 11.9 million, compared to Euro 0.8 million of the same period of 2021, as well as by the already mentioned increase in the cost of paper and other production costs.

Looking at the business segments, in first nine months 2022:

- in the **magazine publishing segment (Cairo Editore)**, EBITDA and EBIT came to Euro 3 million and Euro 1.4 million (Euro 6.6 million and Euro 5.2 million in first nine months 2021). Regarding weeklies, with approximately 1 million average copies sold in the period January-September 2022 (ADS), Cairo Editore retains its position as the leading publisher in copies of weeklies sold at newsstands, with an approximately 29% 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 1.2 million;
- in the **TV publishing (La7) and network operator segment**, the Group achieved EBITDA of approximately Euro 2.4 million (Euro 6.4 million in the same period of 2021). EBIT was approximately Euro -9.1 million (Euro -5.8 million in 2021). Mention should be made that the TV publishing segment's seasonality factors generally impact on the results of the third quarter of the year;
- in the **advertising segment**, EBITDA came to Euro 1.9 million (Euro -0.1 million in the same period of 2021) and EBIT to Euro 0.4 million (Euro -1.1 million in 2021);
- in the **RCS segment**, in the consolidated financial statements of Cairo Communication, EBITDA before net non-recurring expense, amounting to Euro 86 million (Euro 96.7 million in the same period of 2021), was impacted by the increase in paper and other input costs of approximately Euro 21 million. EBITDA and EBIT came to Euro 74.1 million¹ and Euro 32.5 million, respectively (Euro 95.9 million and Euro 56.1 million in the same period of 2021), impacted by the mentioned non-recurring expense of Euro 11.9 million (expense of Euro 0.8 million in 2021). Mention should be made that RCS's seasonality factors generally impact on the results of the first and third quarters of the year. Initiatives continued on maintaining and developing revenue. In first nine months, *Corriere della Sera* unveiled the new *Login* and ensured editorial coverage of major events through special issues,

¹ 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, which lie in the provisions for risks and in the allowance for impairment, amounting to a total of Euro 2.9 million in first nine months 2022 - EBITDA shown in the RCS Interim Management Statement at 30 September 2022, approved on 10 November 2022, amounted to Euro 71.1 million. As from the Annual Report at 31 December 2021, the item “Net income (expense) from equity-accounted investees” (Euro 0.1 million in first nine months 2021), previously under EBITDA, has been classified after Operating profit (loss) or EBIT, among financial items.

podcasts, and newsletters devoted to the Russia-Ukraine conflict and the extensive special dedicated to the general elections, including live interviews with various political leaders, and post-vote analysis. As for digital projects, it produced many new podcasts and formats. Major events were also organized, such as “*Obiettivo 5-parità di genere*”, “*Civil Week*,” “*Cibo a Regola d’arte*”, “*Italia Genera Futuro*”, “*Il tempo della Donna*”, “*Women in Food*”. *La Gazzetta dello Sport* too organized major events such as “*Gran Galà della Neve e del Ghiaccio*” and “*Festival dello Sport*” in Trento, which recorded 50 thousand attendees, plus a vast digital audience with over 16 million video views. June saw the launch of the new *OGGI*, backed by a strong investment in marketing of over Euro 1.5 million and a major product enhancement. *Amica* was restyled on 31 March, followed in September by *Style Magazine*. In Spain, *El Mundo* launched the cultural magazine *La Lectura* on 14 January, the revamped women's magazine *YoDona* returned to newsstands on 26 March, and the new supplement *Expansión Fiscal* was launched on 22 June. The organization of major events continued, including “*El foro económico internacional Expansión*”, “*Festival dello Sport di Marca*”, the “*Energia e Felicità*” congress of Telva, the *Premio Expansión Jurídico*”, the annual *Motor-Galería de El Mundo* award, and “*Premios de Fútbol*”. *ElMundo*, *elmundo.es* and *expansion.es* also produced new daily newsletters and supplements for in-depth coverage of the ongoing conflict in Ukraine.

The consolidated **net financial position** at 30 September 2022 stood at approximately Euro 30.5 million (Euro 37 million at end 2021), after distributing dividends at the Group level of Euro 36.7 million and incurring outlays of Euro 10 million for the settlement of the litigation over the Via Solferino property and Euro 10 million as a deposit for the purchase of the same property (purchase completed on 19 October 2022). Compared to 30 September 2021, when stood at Euro 1.6 million, the net financial position improves by Euro 28.9, after having distributed dividends for 36.7 million at group level and incurring the mentioned outlays for the Via Solferino property.

Total net financial debt, which includes financial liabilities from leases recognized in accordance with IFRS 16 (mainly property leases) of Euro 170.8 million, amounted to Euro 140.4 million (Euro 147.8 million at 31 December 2021).

The beginning of 2022 was yet again marked by the continuing health emergency, with the spread of the Omicron variant. Starting from early February, the situation began to improve in Italy and Spain, allowing both countries to speed up the phase of gradual lifting of restrictions.

As from end February 2022, the conflict in Ukraine and its consequences, including in terms of economic sanctions against Russia and the impacts on the economy and trade, especially on energy, production and logistics supply chains, are creating an overall situation of great uncertainty and a slowdown in the economic growth expected in the relevant markets. The Group has no direct exposure and/or business activities towards the markets affected by the conflict and/or sanctioned entities.

The current situation is fueling the inflationary pressure and the growing trend in the costs of various inputs already underway since 2021 and, in some cases, also difficulties in supply, therefore in the production processes for several industries.

With regard to the Group, this economic context impacts on production costs, on paper in particular, and may also affect the performance of the advertising market, as it may influence the advertisers' propensity to spend.

In first nine months 2022 too, the Group met the public's strong need to stay informed through its information offering, ensuring a timely service to its viewers and readers. The *La7* programmes, the daily editions of *Corriere della Sera* and *La Gazzetta dello Sport* in Italy, and of *El Mundo*, *Marca* and *Expansión* in Spain, the Group's magazines and web and social platforms have played a pivotal role in informing and reporting on this difficult phase, focusing on their mission as a non-partisan, trustworthy public service, and establishing themselves as authoritative players in daily television, print and online information, with strong television ratings and digital traffic figures.

The developing situation and the potential effects on the business outlook, which will be constantly monitored also in the further course of the year, are unforeseeable at this time as they depend, inter alia, on how the health context plays out, on the developments and duration of the conflict in Ukraine and its geopolitical effects, and on the effectiveness of the public measures - including economic ones - which have been and will be implemented.

In consideration of the actions already implemented and those planned, in the absence of a deterioration of health conditions and/or the consequences of a continuing conflict in Ukraine and/or the trend in costs, the Group believes that it can set itself the target of achieving strongly positive margins (EBITDA) in fourth quarter 2022, slightly lower than those achieved in the same period of 2021 due to the effect of the trend in input costs, and to continue in the fourth quarter with further cash generation from ordinary operations. Developments in the health emergency, the ongoing conflict, 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.

For further information: Mario Cargnelutti, Investor Relations, +39 02 74813240, m.cargnelutti@cairocommunication.it

This press release is also available on the Company's website www.cairocommunication.it
in the section NOTICES AND DOCUMENTS / PRESS RELEASES

Summary of the main consolidated income statement figures at 30 September 2022

The main consolidated income statement figures in first nine months 2022 can be compared as follows with those of 2021:

(€ millions)	30/09/2022	30/09/2021
Gross operating revenue	811.5	810.8
Advertising agency discounts	(41.4)	(43.7)
Net operating revenue	770.1	767.2
Change in inventory	2.5	1.1
Other revenue and income	30.5	25.2
Total revenue	803.1	793.4
Production costs	(474.6)	(441.9)
Personnel expense	(235.2)	(241.9)
Non-recurring income (expense)	(11.9)	(0.8)
EBITDA	81.5	108.8
Amortization, depreciation, provisions and write-downs	(56.1)	(54.3)
EBIT	25.3	54.5
Other gains (losses) from financial assets/liabilities	(0.1)	6.8
Net financial income	(6.4)	(7.3)
Profit (loss) before tax	18.8	54.0
Income tax	(1.1)	(6.7)
Non-controlling interests	(9.4)	(18.5)
Profit (loss) attributable to the owners of the parent	8.3	28.8

Unaudited reclassified statements

The Group statement of comprehensive income can be analyzed as follows:

€ millions	30 September 2022	30 September 2021
Profit (loss) for the period	17.6	47.3
<i>Reclassifiable items of the comprehensive income statement</i>		
Gains (losses) from cash flow hedges	1.4	0.1
Reclassification of gains (losses) from cash flow hedges	0.3	0.3
Tax effect	(0.3)	(0.1)
<i>Non-reclassifiable items of the comprehensive income statement</i>		
Actuarial gains (losses) from defined benefit plans	0.8	0.1
Tax effect	(0.2)	-
Total comprehensive income for the period	19.6	47.6
- Owners of the parent	10.8	29.1
- Non-controlling interests	8.9	18.5
	19.6	47.6

Unaudited reclassified statements

Summary of the main consolidated statement of financial position figures at 30 September 2022

The main consolidated **statement of financial position** figures at 30 September 2022 can be compared as follows with those at 31 December 2021:

(€ millions)	30/09/2022	31/12/2021
Property, plant and equipment	61.6	57.0
Rights of use on leased assets	155.6	168.5
Intangible assets	989.2	985.1
Financial assets	40.5	37.2
Deferred tax assets	87.2	86.8
Net working capital	(94.4)	(64.1)
Total assets	1,239.7	1,270.5
Non-current liabilities and provisions	106.3	112.9
Deferred tax provision	162.3	162.1
(Financial position)/Net debt	(30.5)	(37.0)
Liabilities from leases (pursuant to IFRS 16)	170.8	184.8
Equity attributable to the owners of the parent	500.2	514.4
Equity attributable to non-controlling interests	330.6	333.3
Total equity and liabilities	1,239.7	1,270.5

Unaudited reclassified statements

The consolidated **net financial position** at 30 September 2022, versus the situation at 31 December 2021, can be summarized as follows:

Net financial position (€ millions)	30/09/2022	31/12/2021	Changes
Cash and cash equivalents	81.9	113.0	(31.2)
Other current financial assets and financial receivables	1.8	0.2	1.6
Current financial assets (liabilities) from derivative instruments	0.1	(0.3)	0.4
Current financial payables	(31.7)	(36.4)	4.7
Current net financial position (net financial debt)	52.1	76.5	(24.5)
Non-current financial payables	(22.4)	(39.6)	17.2
Non-current financial assets (liabilities) from derivative instruments	0.8	0.1	0.7
Non-current net financial position (net financial debt)	(21.6)	(39.5)	17.9
Net financial position (net financial debt)	30.5	37.0	(6.5)
Liabilities from leases (pursuant to IFRS 16)	(170.8)	(184.8)	13.9
Total net financial position (net financial debt)	(140.4)	(147.8)	7.4

Unaudited reclassified statements

Segment reporting at 30 September 2022

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

2022	Magazine publishing Cairo	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
Gross operating revenue	58.9	265.8	76.5	645.3	(234.9)	811.5
Advertising agency discounts	-	(34.2)	-	(25.1)	17.9	(41.4)
Net operating revenue	58.9	231.6	76.5	620.2	(217.0)	770.1
Change in inventory	0.0	-	-	2.5	-	2.5
Other revenue and income	5.1	4.8	2.3	22.0	(3.7)	30.5
Total revenue	64.0	236.3	78.8	644.7	(220.8)	803.1
Production costs	(48.7)	(216.7)	(48.6)	(381.6)	220.9	(474.6)
Personnel expense	(12.4)	(17.7)	(27.9)	(177.2)	(0.1)	(235.2)
Non-recurring income (expense)	-	-	-	(11.9)	-	(11.9)
EBITDA	3.0	1.9	2.4	74.1	0.1	81.5
Amortization, depreciation, provisions and write-downs	(1.5)	(1.5)	(11.5)	(41.5)	0.0	(56.1)
EBIT	1.4	0.4	(9.1)	32.5	0.1	25.3
Other gains (losses) from financial assets/liabilities	-	-	-	(0.1)	-	(0.1)
Net financial income	(0.1)	(0.3)	(0.4)	(5.7)	(0.0)	(6.4)
Profit (loss) before tax	1.4	0.1	(9.5)	26.8	0.1	18.8
Income tax	0.4	(0.6)	2.7	(3.7)	(0.0)	(1.1)
Non-controlling interests	-	-	-	(9.4)	(0.0)	(9.4)
Profit (loss) for the period attributable to the owners of the parent	1.8	(0.5)	(6.8)	13.7	0.0	8.3

Unaudited reclassified statements

2021	Magazine publishing Cairo	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
Gross operating revenue	63.4	278.8	75.4	636.0	(242.7)	810.8
Advertising agency discounts	-	(35.9)	-	(26.0)	18.2	(43.7)
Net operating revenue	63.4	242.9	75.4	610.0	(224.5)	767.2
Change in inventory	(0.0)	-	-	1.1	-	1.1
Other revenue and income	2.5	2.2	2.3	21.4	(3.2)	25.2
Total revenue	65.9	245.1	77.7	632.5	(227.7)	793.4
Production costs	(46.4)	(226.7)	(43.3)	(353.3)	227.8	(441.9)
Personnel expense	(12.9)	(18.4)	(28.0)	(182.5)	(0.1)	(241.9)
Non-recurring income (expense)	-	-	-	(0.8)	-	(0.8)
EBITDA	6.6	(0.1)	6.4	95.9	0.0	108.8
Amortization, depreciation, provisions and write-downs	(1.3)	(1.1)	(12.2)	(39.8)	(0.0)	(54.3)
EBIT	5.2	(1.1)	(5.8)	56.1	0.0	54.5
Other gains (losses) from financial assets/liabilities	-	-	-	6.8	-	6.8
Net financial income	(0.0)	(0.3)	(0.0)	(6.9)	0.0	(7.3)
Profit (loss) before tax	5.2	(1.5)	(5.8)	56.0	0.0	54.0
Income tax	0.4	0.1	2.6	(9.9)	(0.0)	(6.7)
Non-controlling interests	-	-	-	(18.5)	(0.0)	(18.5)
Profit (loss) for the period attributable to the owners of the parent	5.6	(1.3)	(3.1)	27.6	0.0	28.8

Unaudited reclassified statements

Details of consolidated revenue at 30 September 2022

Gross operating revenue in first nine months 2022, split up by main business segment, can be analyzed as follows versus the amounts of 2021:

2022	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
TV advertising	-	100.0	67.8	0.1	(68.9)	99.0
Advertising on print media, Internet and sporting events	6.1	163.4	1.5	263.0	(156.4)	277.6
Other TV revenue	-	-	1.2	2.0	(0.2)	3.1
Magazine over-the-counter sales and subscriptions	53.7	-	-	271.3	(1.8)	323.2
VAT relating to publications	(0.9)	-	-	(1.8)	-	(2.7)
Sundry revenue	-	2.4	6.0	110.6	(7.6)	111.3
Total gross operating revenue	58.9	265.8	76.5	645.3	(234.9)	811.5
Other revenue	5.1	4.8	2.3	22.0	(3.7)	30.5
Total gross revenue	64.0	270.6	78.8	667.3	(238.7)	842.1

2021	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
TV advertising	-	107.0	71.8	0.2	(72.6)	106.4
Advertising on print media, Internet and sporting events	6.8	170.6	1.9	258.6	(162.0)	276.0
Other TV revenue	-	-	0.9	2.1	(0.3)	2.7
Magazine over-the-counter sales and subscriptions	57.3	-	-	282.5	(1.9)	337.8
VAT relating to publications	(0.7)	-	-	(2.0)	-	(2.7)
Sundry revenue	-	1.2	0.8	94.7	(6.0)	90.6
Total gross operating revenue	63.4	278.8	75.4	636.0	(242.7)	810.8
Other revenue	2.5	2.2	2.3	21.4	(3.2)	25.2
Total gross revenue	65.8	281.0	86.7	657.3	(254.9)	836.0

Alternative performance measures

In this press release, in order to provide a clearer picture of the financial performance of the Cairo Communication Group, besides of the conventional financial measures required by IFRS, a number of alternative performance measures are shown that should, however, not be considered substitutes of those adopted by IFRS.

The alternative measures are:

· **EBITDA:** used by Cairo Communication as a target to monitor internal management, and in public presentations (to financial analysts and investors). It serves as a unit of measurement to evaluate Group and Parent operational performance, with **EBIT**, and is calculated as follows:

Result from continuing operations, before tax

+/- Net finance income

+/- Other income (expense) from financial assets and liabilities

EBIT - Operating profit (loss)

+ Amortization & depreciation

+ Bad debt impairment losses

+ Provisions for risks

EBITDA – Operating profit (loss), before amortization, depreciation, provisions and write-downs.

Net income (expense) from equity-accounted investees, previously classified under EBITDA, as from 2021, has been reclassified to a post-EBIT line item

EBITDA (earnings before interest, tax, depreciation and amortization) is not classified as an accounting measure under IFRS, therefore, the criteria adopted for its measurement may not be consistent among companies or different groups.

RCS defines EBITDA as operating profit/loss (EBIT) before depreciation, amortization and write-downs on fixed assets

The main differences between the two definitions of EBITDA lie in the provisions for risks and in the allowance for impairment, included in the EBITDA definition adopted by RCS, while they are excluded from the EBITDA definition adopted by Cairo Communication. Owing to the differences between EBITDA definitions adopted, in this press release, consolidated EBITDA has been determined consistently with the definition adopted by the parent company Cairo Communication.

Consolidated gross revenue: for a more detailed view, and in consideration of the specific features of the segment, operating revenue - for advertising revenue - includes gross operating revenue, advertising agency discounts and net operating revenue. Consolidated gross revenue is equal to the sum of gross operating revenue and other revenue and income.

The Cairo Communication Group also considers the **net financial position (net financial debt)** as a valid measure of the Group's financial structure determined as a result of current and non-current financial liabilities, net of cash and cash equivalents and current financial assets, excluding financial liabilities (current and non-current) from leases previously classified as operating and recognized in the financial statements in accordance with IFRS 16.

The **total net financial position (net financial debt)** also includes financial liabilities from leases recorded in the financial statements pursuant to IFRS 16, previously classified as operating leases and non-remunerated debt, which have a significant implicit or explicit financing component (e.g. trade payables with a maturity of over 12 months), and any other non-interest-bearing loans (as defined by the "Guidelines on disclosure requirements under the Prospectus Regulation" published by ESMA on 4 March 2021 with document "ESMA32-382-1138" and taken up by CONSOB in communication 5/21 of 29 April 2021).