## RCS MediaGroup

First Half 2016 Results

## Agenda

## Highlights

Market \& Business Trends

First Half 2016 Results

Business Units Backup

## Q2 2016 Results - Key highlights

EUR million

|  | Q2 2015 | Q2 2016 |
| :---: | :---: | :---: |
| Revenue | 289.9 | 284.3 |
|  | 107.7 | 98.6 |
|  | 139.7 | 138.6 |
|  | 42.5 | 47.1 |



- EBITDA + 60\% vs. Q2 2015
- Planned full year EBITDA improvement already achieved in 1 H
- EBITDA rolling last 12 months over 100 million
- Efficiencies over 21 million in Q2, totalling 35 million in IH
- Reasonable to expect total 2016-18 Plan saving target of 60 million achieved in FY 2016


[^0]
## 1H 2016 Results - Key highlights

EUR million

|  | 1H2015 | 1H2016 |
| :---: | :---: | :---: |
| Revenue | 519.3 | 504.1 |
|  | 214.8 | 193.3 |
|  | 236.0 | 236.0 |
|  | 68.5 | 74.8 |


Net
Results
ex OPAS/OPA
costs*


[^1]

- Planned full year EBITDA (+28.2 M) improvement already achieved in $1 \mathrm{H}(+28.5 \mathrm{M})$
- EBITDA rolling last 12 months over 100 million
- Efficiencies at 35 million in 1 H
- Reasonable to expect total 2016-18 Plan saving target of 60 million achieved in FY 2016.

$+28.5 \mathrm{M}$
$+97.5 \mathrm{M}$

- IH back to a positive net result excluding OPAS/OPA costs
- Debt reduced by more than 100 million vs LY


## Agenda

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Market \& Business Trends
First Half 2016 Results

Business Units Backup

## Italy: Advertising Trends

Advertising Gross Revenue, EUR million


## Spain: Advertising Trends

Advertising Gross Revenue, EUR million


1H 2015
TOTAL MARKET


## RCS

## Italy: Newspaper Circulation Trends

0
Circulation, copies/000 per day


Sports Newspapers


Jan-May 2015 Jan-May 2016
(1) Includes newspapers with circulation $>50,000$ copies

## Spain: Newspaper Circulation Trends

(1)


EL手MUNDO


Sources: OJD
RCS

Italy: Online Readership


CORRIERE DELLA SERA


1H 2015
1H2016


1H 2015

## LaGazeettadelloSport it

Tutto il rosa della vita


## Spain: Online Readership

Million Users

## EL OMUNDO.es



## 

Expansión .om




## Agenda

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Market \& Business Trends

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Outlook 2016 and Plan Progress
Business Units Backup

## Q2 and IH 2016 Results - Summary

EUR million

|  | Q2 2016 |  | Q2 2015 |  | $\Delta \%$ | 1H 2016 |  | 1H2015 |  | $\Delta \%$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Total Revenue | 284.3 | 100\% | 289.9 | 100\% | (1.9\%) | 504.1 | 100\% | 519.3 | 100\% | (2.9\%) |
| Circulation | 98.6 |  | 107.7 |  | (8.4\%) | 193.3 |  | 214.8 |  | (10.0\%) |
| Advertising | 138.6 |  | 139.7 |  | (0.8\%) | 236.0 |  | 236 |  | 0.0\% |
| Other | 47.1 |  | 42.5 |  | 10.8\% | 74.8 |  | 68.5 |  | 9.2\% |
| EBITDA ex NR Items | 43.6 | 15.3\% | 27.2 | 9.4\% | 60.3\% | 40.2 | 8.0\% | 11.7 | 2.3\% | $>100 \%$ |
| Non Recurring Items | (1.8) |  | (6.5) |  |  | (2.1) |  | (7.2) |  |  |
| OPAS/OPA Costs | (4.2) |  | - |  |  | (4.2) |  | - |  |  |
| EBITDA | 37.6 | 13.2\% | 20.7 | 7.1\% | 81.6\% | 33.9 | 6.7\% | 4.5 | 0.9\% | >100\% |
| EBIT | 23.8 | 8.4\% | (29.9) | (10.3\%) | ns | 6.3 | 1.2\% | (60.8) | (11.7\%) | ns |
| Net Result | 19.9 | 7.0\% | (60.2) | (20.8\%) | ns | (2.1) | (0.4\%) | (95.4) | (18.4\%) | ns |
| Net Result ex OPAS/OPA | 24.1 | 8.5\% | (60.2) | (20.8\%) | ns | 2.1 | 0.4\% | (95.4) | (18.4\%) | ns |
| NFP |  |  |  |  |  | (422.4) |  | (526.3) |  |  |

## Q2 and IH 2016 Results - Profit \& Loss

EUR million

|  | Q2 2016 |  | Q2 2015 |  | $\Delta \%$ | 1H2016 |  | 1H2015 |  | $\Delta \%$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Circulation | 98.6 | 34.7\% | 107.7 | 37.2\% | (8.4\%) | 193.3 | 38.3\% | 214.8 | 41.4\% | (10.0\%) |
| Advertising | 138.6 | 48.8\% | 139.7 | 48.2\% | (0.8\%) | 236.0 | 46.8\% | 236.0 | 45.4\% | 0.0\% |
| Other | 47.1 | 16.6\% | 42.5 | 14.7\% | 10.8\% | 74.8 | 14.8\% | 68.5 | 13.2\% | 9.2\% |
| TOTAL REVENUE | 284.3 | 100\% | 289.9 | 100\% | (1.9\%) | 504.1 | 100\% | 519.3 | 100\% | (2.9\%) |
| Operating costs | (171.5) | (60.3\%) | (188.7) | (65.1\%) | (9.1\%) | (323.9) | (64.3\%) | (360.0) | (69.3\%) | (10.0\%) |
| Labour costs | (69.2) | (24.3\%) | (74.0) | (25.5\%) | (6.5\%) | (140.0) | (27.8\%) | (147.6) | (28.4\%) | (5.1\%) |
| EBITDA ex Non Recurring Items | 43.6 | 15.3\% | 27.2 | 9.4\% | 60.3\% | 40.2 | 8.0\% | 11.7 | 2.3\% | >100\% |
| Non Recurring Items | (1.8) | (0.6\%) | (6.5) | (2.2\%) | ns | (2.1) | (0.4\%) | (7.2) | (1.4\%) | ns |
| OPAS/OPA Costs | (4.2) | (1.5\%) | - |  |  | (4.2) |  | - |  |  |
| EBITDA | 37.6 | 13.2\% | 20.7 | 7.1\% | >100\% | 33.9 | 6.7\% | 4.5 | 0.9\% | >100\% |
| D\&A | (13.7) | (4.8\%) | (15.0) | (5.2\%) |  | (27.5) | (5.5\%) | (29.4) | (5.7\%) |  |
| Writeoffs | (0.1) | (0.0\%) | (35.6) | (12.3\%) |  | (0.1) | (0.0\%) | (35.9) | (6.9\%) |  |
| EBIT | 23.8 | 8.4\% | (29.9) | (10.3\%) | ns | 6.3 | 1.2\% | (60.8) | (11.7\%) | ns |
| Net financial incomes (charges) | (7.4) | (2.6\%) | (10.6) | (3.7\%) |  | (15.3) | (3.0\%) | (19.6) | (3.8\%) |  |
| PRE-TAX RESULT | 16.4 | 5.8\% | (40.5) | (14.0\%) | ns | (9.0) | (1.8\%) | (80.4) | (15.5\%) | ns |
| Taxes | (4.7) | (1.7\%) | 2.1 | 0.7\% |  | (1.5) | (0.3\%) | 11.3 | 2.2\% |  |
| NET RESULT FROM CONTINUING OPERATIONS | 11.7 | 4.1\% | (38.4) | (13.2\%) | ns | (10.5) | (2.1\%) | (69.1) | (13.3\%) | ns |
| Net Result from Discontinuing and Discontinued Op. | 8.4 | 3.0\% | (21.6) | (7.5\%) |  | 8.4 | 1.7\% | (26.5) | (5.1\%) |  |
| Minorities | (0.2) | (0.1\%) | (0.2) | (0.1\%) |  | 0.0 | 0.0\% | 0.2 | 0.0\% |  |
| NET RESULT | 19.9 | 7.0\% | (60.2) | (20.8\%) | ns | (2.1) | (0.4\%) | (95.4) | (18.4\%) | ns |
| NET RESULT ex OPAS/OPA | 24.1 | 8.5\% | (60.2) | (20.8\%) | ns | 2.1 | 0.4\% | (95.4) | (18.4\%) | ns |

[^2]
## 2014-2016 EBITDA Evolution by Quarter



## Variance IH 2016 vs IH 2015 - EBITDA



## Q2 and IH 2016 Results - Breakdown Revenue \& EBITDA

EUR million

|  | Q2 2016 |  |  |  |  | Q2 2015 |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Revenue | EbITDA Ex Non Recurring Items | Ebitda ex NR \% | EBITDA | Ebitda\% | Revenue | EbITDA Ex Non Recurring Items | Ebitda ex NR \% | EBITDA | Ebitda\% |
| News Italy | 100.4 | 13.8 | 13.7.7... | 11.6 | 11.6\% | 111.9 | 11.4 | 10.2\% | 9.7 | 8.7\% |
| News Spain | 57.3 | 5.6 | 9.8\% | 5.6 | 9.8\% | 59.2 | 8.3 | 14.0\% | 3.3 | 5.6\% |
| Sport | 111.2 | 29.1 | 26.2\% | 28.7 | 25.8\% | 102.0 | 14.3 | 14.0\% | 14.8 | 14.5\% |
| Other activities | 15.4 | (4.9) | n.S. | (8.7) | n. ${ }^{\text {S }}$ | 16.8 | (6.8) | n.s. | (7.1) | n.s. |
| CONSOLIDATED | 284.3 | 43.6 | 15.3\% | 37.2 | 13.1\% | 289.9 | 27.2 | 9.4\% | 20.7 | 7.1\% |
|  | 1H2016 |  |  |  |  | 1H2015 |  |  |  |  |
|  | Revenue | EBITDA Ex Non Recurring Items | Ebitda ex NR \% | EBITDA | Ebitda\% | Revenue | EBITDA Ex Non Recurring Items | Ebitda ex NR \% | EBITDA | Ebitda\% |
| News Italy | 189.9 | 14.1 | 7.4.... | 11.6 | 6.1\% | 209.8 | 8.2 | 3.9\% | 6.3 | 3.0\% |
| News Spain | 105.0 | 3.3 | 3.1\% | 3.3 | 3.1\% | 108.7 | 4.7 | 4.3\% | (0.4) | (0.4\%) |
| Sport | 181.0 | 31.6 | 17.5\% | 31.2 | 17.2\% | 171.6 | 12.1 | 7.1\% | 12.6 | 7.3\% |
| Other activities | 28.2 | (8.8) | n.s. | (12.6) | n.S. | 29.2 | (13.3) | n.s. | (14.0) | n.s. |
| CONSOLIDATED | 504.1 | 40.2 | 8.0\% | 33.5 | 6.6\% | 519.3 | 11.7 | 2.3\% | 4.5 | 0.9\% |

[^3]
## Balance Sheet

```
EUR million
```

|  | 30/06/2016 |  | 31/12/2015 |  |
| :---: | :---: | :---: | :---: | :---: |
| Net fixed assets | 718.4 | 139.2\% | 745.0 | 125.9\% |
| Tangible \& Intangible fixed assets | 521.1 | 100.9\% | 539.9 | 91.2\% |
| Financial fixed assets | 197.3 | 38.2\% | 205.1 | 34.7\% |
| Net working capital | (47.7) | (9.2\%) | (64.2) | (10.8\%) |
| Reserve for risk and charges | (115.5) | (22.4\%) | (115.6) | (19.5\%) |
| Employee termination indemnity | (39.0) | (7.6\%) | (40.1) | (6.8\%) |
| Net invested capital: assets held for sale | - | 0.0\% | 66.8 | 11.3\% |
|  |  |  |  |  |
| CAPITAL EMPLOYED | 516.2 | 100.0\% | 591.9 | 100.0\% |
|  |  |  |  |  |
| Net financial debt (cash) total | 422.4 | 81.8\% | 486.7 | 82.2\% |
| of which Net financial debt (cash) of assets held for sale | 0.0 | 0.0\% | (44.2) | (7.5\%) |
| Equity | 93.8 | 18.2\% | 105.2 | 17.8\% |
|  |  |  |  |  |
| EQUITY \& NFP | 516.2 | 100.0\% | 591.9 | 100.0\% |

## 1H 2016 Cash Flow

EUR million


## Agenda

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News Italy - P\&L
News
corriere della sera

| Verticals |  |
| :--- | :---: |
| $\overline{\mathrm{IO}} \quad \overline{\text { SEITE }} \quad \overline{\text { STMLE }}$ |  |
| AMIGA ABITARE |  |
| DNGI $\overline{\text { DOVE }} \overline{\text { Living }}$ |  |

TV Oidigicast
lei CACCIA ()PESCA DOVE
Sfera
Bubliffiena baumbino Insieme Dolcentien

EUR million

|  | IH 2016 | IH 2015 | YoY |
| :--- | ---: | ---: | ---: |
| Circulation |  |  |  |
| Advertising | 80.0 | 91.7 | $(12.8 \%)$ |
| Other | 94.2 | 103.1 | $(8.6 \%)$ |
| TOTAL REVENUE | 15.7 | 15.0 | $4.7 \%$ |
|  | OW add on | 189.9 | 209.8 |
| EBITDA ex NR Items | 17.9 | 24.2 | $(26.0 \%)$ |
| EBITDA \% ex NR | 14.1 | 8.2 | $72.0 \%$ |
| Non Recurring Items | $7.4 \%$ | $3.9 \%$ |  |
| EBITDA | $(2.5)$ | $(1.9)$ |  |

News Spain - P\&L
News

## EL車MUNDO Expansión

| P EL | O | fuerat |
| :---: | :---: | :---: |
| TELVA |  | Mryiocon |
|  |  | uationd |

EUR million

|  | IH 2016 | IH 2015 | YoY |
| :--- | ---: | ---: | ---: |
| Circulation |  |  |  |
| Advertising | 41.6 | 47.1 | (II.7\%) |
| Other | 53.1 | 52.5 | $1.1 \%$ |
| TOTAL REVENUE | 10.3 | 9.1 | $13.2 \%$ |
|  | 105.0 | 108.7 | $(3.4 \%)$ |
| EBITDA ex NR Items on | 1.7 | 1.9 | $(10.5 \%)$ |
| EBITDA \% ex NR | 3.3 | 4.7 | $(29.8 \%)$ |
| Non Recurring Items | $3.2 \%$ | $4.3 \%$ |  |
| EBITDA | 0.0 | $(5.1)$ |  |

Sport - P\&L
Editorial Italy
LaGozzettadellloSport

Events and format
International audience

Tuttoil rosa della vita
十 MARCA
EUR million

|  | IH 2016 | 1H 2015 | YoY |
| :--- | ---: | ---: | ---: |
|  |  |  |  |
| Circulation | 72.0 | 76.5 | (5.9\%) |
| Advertising | 66.0 | 57.7 | $14.4 \%$ |
| Other | 43.0 | 37.4 | $15.0 \%$ |
| TOTAL REVENUE |  | 181.0 | 171.6 |
|  | O/W add on | 20.5 | 21.7 |

## Disclaimer

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## Forward-looking Statements

Statements contained in this document, particularly the ones regarding any RCS MediaGroup possible or assumed future performance, are or may be forward looking statements and in this respect they involve some risks and uncertainties.

RCS MediaGroup actual results and developments may differ materially from the ones expressed or implied by the following statements depending on a variety of factors.
Any reference to past performance of RCS MediaGroup shall not be taken as an indication of future performance.
This communication does not constitute an offer or solicitation for the sale, purchase or acQuisition of securities of any of the companies mentioned in any jurisdiction and is directed to professionals of the financial community.

Riccardo Taranto, the Manager responsible for drawing up the company's accounting statements, hereby declares, pursuant to article 154-bis, paragraph 2 of the "Testo Unico della Finanza" (Legislative Decree n. 58/I998), that the information contained in this presentation corresponds to those one contained in the group's documents and books accounting records.


[^0]:    * OPAS/OPA costs $=4.2$ million ** net of Books' NFP

[^1]:    * OPAS/OPA costs $=4.2$ million ** net of Books' NFP

[^2]:    Starting from 30 September 2015, the costs and revenues related to the Books activities were classified as Net Result from Discontinuing and Discontinued Op.
    14 Starting from the Financial Report as of 3I December 2015, net results of equity-accounted investees were classified before EBITDA.

[^3]:    Representation as of management reporting
    Advertising revenues and costs (including overhead costs) for the Italian advertising agency (limited to advertising collection related to RCS publishing ) have been allocated in the individual
    17 business units in the first half 2016 and consistently in in the first half of 2015.

