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*Testo del comunicato*

Vedi allegato.



## CAIROCOMMUNICATION

### Press Release - Results at 30 September 2021 approved

- **In first nine months 2021:**
  - **Strong growth in results versus same period of 2020: EBITDA of Euro 108.7 million (Euro 36.2 million in 2020), EBIT of Euro 54.4 million (Euro -18.1 million in 2020) and net result of Euro 28.8 million (Euro -11.4 million in 2020)**
  - **Consolidated gross revenue, amounting to Euro 836 million, is up by Euro 138.9 million versus first nine months 2020**
  - **The net financial position stands at Euro 1.6 million, improving by Euro 64.8 million versus end 2020 (when the Group had a net financial debt of Euro 63.2 million) and by Euro 101.5 million versus 30 September 2020**
- **In the nine months, RCS achieved a net positive result of Euro 46.6 million and continued to generate positive cash flows. Digital revenue makes for approximately 23% of the total. Advertising sales on online media make for 44.3%. Online advertising on RCS media grew by 31.5% in Italy and by 44.6% in Spain in the nine months**
- ***Corriere della Sera* leading Italian daily newspaper on newsstands and with a total active digital customer base of approximately 346 thousand subscriptions. The customer base of *Gazzetta's* pay products increases too, with approximately 78 thousand subscriptions**
- **Digital subscriptions are also on the rise in Spain: 73 thousand for *El Mundo* and 36 thousand for *Expansión***
- **La7 confirms the high audience levels (3.22% in the all-day share and 4.48% in prime time). In first nine months 2021, advertising sales on La7 and La7d channels grew by 12%, exceeding the figures of 2019**
- **In first nine months 2021, the Cairo Editore magazine publishing segment achieved gross operating profit (EBITDA) of Euro 6.6 million, up versus 2020 (Euro 5.5 million)**

**Milan, 12 November 2021:** at its meeting today, the Board of Directors of Cairo Communication reviewed and approved the Interim Management Statement at 30 September 2021.

Income statement and balance sheet figures (€ millions)	30/09/2021	30/09/2020
Consolidated gross revenue	836.0	697.1
EBITDA	108.7	36.2
EBIT	54.4	(18.1)
Profit (loss) attributable to the owners of the parent	28.8	(11.4)
	<b>30/09/2021</b>	<b>31/12/2020</b>
Net financial position (net financial debt)	1.6	(63.2)

The beginning of 2021 continued to be marked by the health emergency and the containment measures implemented by the authorities, both in Italy and Spain.

Specifically, in Spain at the beginning of the year, and in Italy from the end of February, the number of cases has risen, leading to the adoption again of restrictive measures. Starting from the second half of February in Spain, and from mid-April in Italy, the situation has improved and the containment measures are being gradually lifted.

The great benefits brought by the vaccination campaign have allowed both countries to speed up the reduction of restrictive measures, improving the situation further.

In first nine months 2021, in a context still dominated (in the first months of the year in particular) by the uncertainty brought by the health emergency:

- the **Group's** revenue, gross operating profit (EBITDA), operating profit (EBIT) and profit attributable to the owners of the parent grew sharply versus the figures of the same period of 2020, a performance that stems also from the rescheduling in the first nine months of the year of the sporting events that had been postponed in 2020 to the fourth quarter or that could not be held;
- gross operating profit (EBITDA), operating profit (EBIT) and profit attributable to the owners of the parent in first nine months 2021 have already outstripped the amounts achieved in the full year 2020;
- **RCS** achieved a net positive result of Euro 46.6 million<sup>1</sup> and continued to generate positive cash flows. *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 346 thousand subscriptions. 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 in first nine months 2021 (*ADS* for Italy and *OJD* for Spain). 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 period January-August 2021, counted 29.7 million and 19.4 million average monthly unique users and 4 million and 3 million average daily unique users respectively (*Audiweb 2.0*). With an aggregate figure of 32.9 million average monthly unique users (net of duplications) in the period January-August 2021 (over 33 million in August), RCS confirms its position as the top online publisher in Italy. At end September, the customer base for *Gazzetta's* pay products (*G ALL*, *G+*, *GPRO* and *Magic*) amounted to 78 thousand subscriptions. In Spain, as part of the online activities, *elmundo.es*, *marca.com* and *expansion.com* reached 52.6 million, 93.8 million and 11.4 million average monthly unique browsers respectively in first nine months 2021, comprising both domestic and foreign browsers and including apps (*Google Analytics*). Digital subscriptions grew significantly, reaching 73 thousand subscriptions for *El Mundo* and 36 thousand subscriptions for *Expansión* at end September 2021. Total digital revenue (Italy and Spain), which amounted to approximately Euro 139.9 million, accounted for approximately 23% of total revenue. Total advertising sales from RCS online media amounted to Euro 103.1 million in first nine months 2021, making for 44.3% of total advertising revenue. Online advertising on RCS media in first nine months 2021 grew by 31.5% in Italy and by 44.6% in Spain versus the same period of 2020;
- the **TV publishing (La7) and network operator segment**<sup>2</sup> achieved a sharp rise in results and confirmed the high audience levels of the La7 channel (3.22% in the all-day share and 4.48% in prime time). In first nine months 2021, advertising sales on La7 and La7d totaled approximately Euro 106 million (Euro 94.6 million in 2020), up by +12% versus the same period of the prior year (when revenue had performed more than 7.5 percentage points better than the TV advertising market), outstripping the figures recorded in the same period of 2019. The channel's news and discussion programmes all continued to deliver remarkable results: *Otto e Mezzo* with 7.5% average share from Monday to Friday, *TgLa7 edizione delle 20* 5.6% from Monday to Friday, *diMartedì* 5.6%, *Piazzapulita* 5.4%, *Propaganda Live* 5.5%, *Non è l'Arena* 6.0%, *Omnibus La7* 3.4%, *Coffee Break* 3.9%, *L'Aria che tira* 5.8%, and *Tagadà* 3.32%;
- the **magazine publishing segment Cairo Editore** achieved higher results than in 2020, confirmed high circulation levels of the publications, and continued to work on improving the levels of efficiency reached in containing own costs.

In first nine months 2021, consolidated gross revenue amounted to approximately Euro 836 million (comprising gross operating revenue of Euro 810.8 million and other revenue and income of Euro 25.2 million) versus Euro 697.1 million in 2020 (comprising gross operating revenue of Euro 685.5 million and other revenue and income of Euro 11.6 million), up by Euro 138.9 million, a trend that stems also from the rescheduling in the first nine months of the year of the sporting events that had been postponed in 2020 to

<sup>1</sup> RCS Interim Management Statement at 30 September 2021, approved on 10 November 2021.

<sup>2</sup> As a result of the changes to the Group's organizational structure, also in terms of decision-making levels, resource allocation, performance monitoring and reporting, the business segments have been reviewed, with the aggregation into a single area named "TV Publishing (La7) and Network Operator" of the two previous "TV Publishing (La7)" and "Network Operator", both mutually synergistic and functional; their aggregation within the Group ensures an effective and efficient management.

the fourth quarter or that could not be held. Revenue for the period (Euro 31.6 million) benefited from the full consolidation of the amounts of m-dis.

Gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 108.7 million and Euro 54.4 million (Euro 36.2 million and Euro -18.1 million in 2020). Net non-recurring income and expense amounted to Euro -0.8 million (Euro -5.8 million in 2020, referring primarily to provisions related to personnel measures).

In first nine months 2021, cost-cutting measures continued in order to promptly adapt the company's organization to the changed environment resulting from the health emergency. The benefits of these cost containment actions at 30 September 2021 amounted to approximately Euro 10.4 million, of which Euro 6.4 million in Italy and Euro 4 million in Spain.

Profit attributable to the owners of the parent came to approximately Euro 28.8 million (Euro -11.4 million in the same period of 2020).

Looking at the business segments, in first nine months 2021:

- in the **magazine publishing segment (Cairo Editore)**, gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 6.6 million and Euro 5.2 million (Euro 5.5 million and Euro 4.2 million in 2020). Regarding weeklies, with approximately 1.2 million average copies sold in the period January-September 2021 (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 1.4 million;
- in the **TV publishing (La7) and network operator segment**<sup>2</sup>, the Group achieved gross operating profit (EBITDA) of approximately Euro 6.4 million, improving by Euro 6.5 million versus the same period of 2020 (Euro -0.1 million). Operating profit (EBIT) was approximately Euro -5.8 million (Euro -11.8 million in 2020). 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**, gross operating profit (EBITDA) basically broke even, while operating profit (EBIT) came to Euro -1.1 million (Euro 0.7 million and Euro -1.1 million in 2020). The 2021 advertising figures are not immediately comparable to the 2020 figures as they did not include the results of the advertising sales business for RCS. As mentioned earlier, the "Advertising" segment primarily includes the results of the new company CAIRORCS Media;
- in the **RCS segment**, in the consolidated financial statements of Cairo Communication, gross operating profit (EBITDA) and operating profit (EBIT) amounted to Euro 95.8 million<sup>3</sup> and Euro 56 million (Euro 30.1 million and Euro -9.4 million in 2020). Mention should be made that RCS's seasonality factors generally impact on the results of the first and third quarters of the year. Net operating revenue amounted to Euro 610 million. Initiatives continued on maintaining and developing revenue. In Italy, regarding the main initiatives only: *Corriere della Sera* published a series of guides and presented new podcasts (“*Incontri*”, “*L'Ammazzacaffè*”, “*Radio Italians*”, “*Mama non Mama*”) and new newsletters for the titles “*Cook*”, “*Buone Notizie*”, “*La 27esima ora*”, “*Corriere Torino*”, “*Corriere Veneto*” and “*Corriere Bologna*”. On 28 May, the weekly magazine 7 hit the newsstands unveiling a new format and graphical design. Numerous events were organized on the *Digilive* platform, including the *Pianeta 2021* meetings on sustainability. May saw the 12th edition of “*Cibo a regola d'arte*”, with the prize giving of the *2020 Cook Awards*, the fourth edition of “*L'Italia genera Futuro*” while the “*Gazzetta Motori Days*” event was held on *Gazzetta.it*. From 13 to 24 September, the eighth edition of “*Il tempo delle donne*” was held, from 20 September the second edition of *Campus*, and in October in Trento the fourth edition of *Festival dello Sport*. For the European Football Championship, *La Gazzetta dello Sport* developed various initiatives dedicated to the event. July saw the release of the new digital edition of *Corriere della Sera*, and in third quarter 2021, the start of a new boost to the digital offering of local editions. *Gazzetta dello Sport* and *Corriere* organized several initiatives to cover the Tokyo

<sup>3</sup> 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 above section “Alternative Performance Measures”. Additionally, RCS recognizes under “Share of profits (losses) of equity-accounted investees” the Group's share of the results of CAIRORCS Media, fully consolidated by Cairo Communication. As a result of these differences, which lie in the provisions for risks and in the allowance for impairment, totaling Euro 3.2 million in first nine months 2021, and in the pro-rata result of CAIRORCS Media amounting to Euro -0.5 million - EBITDA shown in the RCS Interim Management Statement at 30 September 2021, approved on 10 November 2021, amounted to Euro 92.1 million.

Olympics. In the nine months, *Gazzetta's* pay offer was enriched with content, while activity on social media grew, especially on Instagram. The *Gazzanet* network underwent full graphical restyling. The titles in the magazines area launched various editorial initiatives, including the 25th anniversary of *iO Donna*, the 30th anniversary of *Dove*, celebrated with a graphical restyling of the magazine, and the restyling of *Abitare*, relaunched for its 60th anniversary.

In Spain, regarding the main initiatives only, a new section of *elmundo.es* was launched in February: "*Sostenibles*", focused on green transition, followed in March 2021 by a new section of *Expansión: Economía Sostenible*, on issues of corporate sustainability. *Radio Marca*, thanks to an increased presence of audio content on *marca.com* and other digital platforms, increased its own digital audience. June saw the launch of the new daily podcast *El Mundo al día*. With the start of the European Football Championship, *Marca* and *marca.com* launched several editorial initiatives dedicated to the event. To celebrate its 35th anniversary, *Expansión* organized events and "specials" on digitization, sustainability and the post-Covid economy. On 8 and 9 June, the second edition of "*El Foro Económico Internacional Expansión*" was organized in association with *The European House Ambrosetti*. In July, *marca.com* launched the "*signwall*" for premium content development. 27 September saw the launch of a new editorial initiative of *El Mundo* named "*Gran Madrid*", covering news from the Spanish capital and its autonomous community.

The consolidated **net financial position** at 30 September 2021 stood at approximately Euro 1.6 million, improving by Euro 64.8 million versus end 2020 (Group net financial debt of Euro 63.2 million at 31 December 2020) and by Euro 101.5 million versus September 2020 (Group net financial debt of Euro 99.9 million). At 30 September 2021, the net financial debt of RCS stood at Euro 14.8 million (Euro 59.6 million at 31 December 2020). The net financial position was negatively impacted mainly by the consolidation of m-dis (which carried a debt of Euro 12.2 million at 30 September 2021, due to the seasonal trend in working capital too), and the net effects of dividend payouts for Euro 11.6 million. Conversely, the positive effects of the net proceeds from the sale of investments and fixed assets, totaling Euro 6.3 million, refer mainly to the sale of Unidad Editorial Juegos.

**Total net financial debt**, which includes financial liabilities from leases recognized in accordance with IFRS 16 (mainly property leases) of Euro 162.8 million, amounted to Euro 161.2 million (Euro 244.1 million at 31 December 2020).

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The beginning of 2021 continued to be marked by the health emergency and the containment measures implemented by the authorities, both in Italy and Spain.

The great benefits brought by the vaccination campaign, in terms of cases, hospital and ICUs admission rates and deaths, have allowed both countries to speed up the reduction of restrictive measures, improving the situation. In Italy, measures such as the green pass and rules on access to workplaces, schools and public venues have also been adopted to encourage vaccination, prevention and/or monitoring.

At end October, the percentage of the population over twelve years of age that had completed the vaccination cycle was approximately 83% in Italy and 89% in Spain.

The Group is monitoring developments on a daily basis to minimize the impacts in terms of health and safety in the workplace and on the operating and financial front, by defining and implementing flexible and timely action plans.

In 2021 too, the Group is meeting 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 are playing 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 emergency plays out in the coming months, as well as on the effectiveness of the vaccination campaign and of the public measures, including the economic ones, implemented in the meantime and those to be implemented.

In any event, the Group believes it has adequate management levers to counter the impacts of the health emergency also in 2021 and thus confirm its medium-long term prospects.

In first nine months 2021, the Group's EBITDA already outstripped the amounts achieved in the full year 2020. In view of these results and the actions already implemented and those planned, in the absence of a new rise in the infection curve and/or tighter containment measures, or of a significant return of the regions in the highest risk ranges, the Group believes it can further improve its margins (EBITDA) in 2021 versus those of 2020, and, as a result, its net financial position too.

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

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**In the words of Urbano Cairo, Chairman and CEO of Cairo Communication:** *"The Interim Management Statement at 30 September 2021 bears proof of the strong growth in revenue and margins achieved by RCS and the other business segments, by La7 in particular. I am really satisfied with the Group's zero net financial debt, which confirms our strong cash generation capabilities. Additionally, the Group strengthens its leadership in delivering information in the current relaunch phase of our Country."*

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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.

*The Cairo Communication Group is one of the leading groups in the weekly magazine, TV publishing and advertising sales segments, recognized as one of the first to have developed a multimedia sales approach, beginning with magazines and expanding later into free, digital and pay TV and the Internet. 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, magazines, television, web and sporting events segments.*

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This press release is also available on the Company's website [www.cairocommunication.it](http://www.cairocommunication.it)

in the section NOTICES AND DOCUMENTS / PRESS RELEASES

## Summary of the main consolidated income statement figures at 30 September 2021

The main **consolidated income statement figures** in the first nine months of 2021 can be compared as follows with those of 2020:

(€ millions)	30/09/2021	30/09/2020
Gross operating revenue	810.8	685.5
Advertising agency discounts	(43.7)	(38.2)
<b>Net operating revenue</b>	<b>767.2</b>	<b>647.3</b>
Change in inventory	1.1	(0.2)
Other revenue and income	25.2	11.6
<b>Total revenue</b>	<b>793.4</b>	<b>658.7</b>
Production costs	(441.9)	(389.5)
Personnel expense	(241.9)	(226.5)
Income (expense) from equity-accounted investees	(0.1)	(0.7)
Non-recurring income (expense)	(0.8)	(5.8)
<b>Gross operating profit (EBITDA)</b>	<b>108.7</b>	<b>36.2</b>
Amortization, depreciation, provisions and write-downs	(54.3)	(54.4)
<b>Operating profit (EBIT)</b>	<b>54.4</b>	<b>(18.1)</b>
Other gains (losses) from financial assets/liabilities	6.9	6.3
Net financial income	(7.3)	(9.4)
<b>Profit (loss) before tax</b>	<b>54.0</b>	<b>(21.2)</b>
Income tax	(6.7)	6.6
Non-controlling interests	(18.5)	3.3
<b>Profit (loss) from continuing operations</b>	<b>28.8</b>	<b>(11.4)</b>
Loss from discontinued operations	-	-
<b>Profit (loss) attributable to the owners of the parent</b>	<b>28.8</b>	<b>(11.4)</b>

*Unaudited reclassified statements*

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

€ millions	30 September 2021	30 September 2020
<b>Profit (loss) for the period</b>	<b>47.3</b>	<b>(14.7)</b>
<i>Reclassifiable items of the comprehensive income statement</i>		
Gains (losses) from cash flow hedges	0.1	(0.4)
Reclassification of gains (losses) from cash flow hedges	0.3	0.4
Tax effect	(0.1)	-
<i>Non-reclassifiable items of the comprehensive income statement</i>		
Gains (losses) from the fair value measurement of equity instruments	-	(0.1)
Actuarial gains (losses) from defined benefit plans	0.1	(0.4)
Tax effect	-	0.1
<b>Total comprehensive income for the period</b>	<b>47.6</b>	<b>(14.7)</b>
- Owners of the parent	29.1	(11.4)
- Non-controlling interests	18.5	(3.3)
	<b>47.6</b>	<b>(14.7)</b>

*Unaudited reclassified statements*

## Summary of the main consolidated statement of financial position figures at 30 September 2021

The main consolidated **statement of financial position** figures at 30 September 2021 can be compared as follows with those at 31 December 2020:

(€ millions)	30/09/2021	31/12/2020
Property, plant and equipment	66.4	70.9
Rights of use on leased assets	147.9	164.9
Intangible assets	984.8	982.3
Financial assets	39.4	39.5
Deferred tax assets	95.1	96.3
Net working capital	(87.2)	(58.6)
<b>Total assets</b>	<b>1,246.4</b>	<b>1,295.4</b>
Non-current liabilities and provisions	108.8	109.3
Deferred tax provision	161.9	164.2
(Financial position)/Net debt	(1.6)	63.2
Liabilities from lease contracts (pursuant to IFRS 16)	162.8	180.9
Equity attributable to the owners of the parent	492.0	468.4
Equity attributable to non-controlling interests	322.5	309.4
<b>Total equity and liabilities</b>	<b>1,246.4</b>	<b>1,295.4</b>

*Unaudited reclassified statements*

The consolidated **net financial position** at 30 September 2021, versus the situation at 31 December 2020, can be summarized as follows:

Net financial position (€ millions)	30/09/2021	31/12/2020	Changes
Cash and cash equivalents	90.1	87.4	2.7
Other current financial assets and financial receivables	0.3	6.9	(6.6)
Current financial assets (liabilities) from derivative instruments	(0.3)	(0.1)	(0.2)
Current financial payables	(51.5)	(97.4)	45.9
<b>Current net financial position (net financial debt)</b>	<b>38.6</b>	<b>(3.3)</b>	<b>41.9</b>
Non-current financial payables	(36.9)	(58.9)	22.0
Non-current financial assets (liabilities) from derivative instruments	(0.1)	(1.0)	0.9
<b>Non-current net financial position (net financial debt)</b>	<b>(37.0)</b>	<b>(59.9)</b>	<b>22.9</b>
<b>Net financial position (net financial debt)</b>	<b>1.6</b>	<b>(63.2)</b>	<b>64.8</b>
Liabilities from lease contracts (pursuant to IFRS 16)	(162.8)	(180.9)	18.1
<b>Total net financial position (net financial debt)</b>	<b>(161.2)</b>	<b>(244.1)</b>	<b>82.9</b>

*Unaudited reclassified statements*



## Segment reporting at 30 September 2021

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

2021	Magazine publishing Cairo Editore	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)
<b>Net operating revenue</b>	<b>63.4</b>	<b>242.9</b>	<b>75.4</b>	<b>610.0</b>	<b>(224.5)</b>	<b>767.2</b>
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
<b>Total revenue</b>	<b>65.9</b>	<b>245.1</b>	<b>77.7</b>	<b>632.5</b>	<b>(227.7)</b>	<b>793.4</b>
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)
Income (expense) from equity-accounted investees	-	-	-	(0.1)	-	(0.1)
Non-recurring income (expense)	-	-	-	(0.8)	-	(0.8)
<b>Gross operating profit (EBITDA)</b>	<b>6.6</b>	<b>(0.0)</b>	<b>6.4</b>	<b>95.8</b>	<b>0.0</b>	<b>108.7</b>
Amortization, depreciation, provisions and write-downs	(1.3)	(1.1)	(12.2)	(39.8)	(0.0)	(54.3)
<b>Operating profit (EBIT)</b>	<b>5.2</b>	<b>(1.1)</b>	<b>(5.8)</b>	<b>56.0</b>	<b>0.0</b>	<b>54.4</b>
Other gains (losses) from financial assets/liabilities	-	-	-	6.9	-	6.9
Net financial income	(0.0)	(0.3)	(0.0)	(6.9)	0.0	(7.3)
<b>Profit (loss) before tax</b>	<b>5.2</b>	<b>(1.4)</b>	<b>(5.8)</b>	<b>56.0</b>	<b>0.0</b>	<b>54.0</b>
Income tax	0.4	0.1	2.6	(9.9)	(0.0)	(6.7)
Non-controlling interests	-	-	-	(18.5)	(0.0)	(18.5)
<b>Profit (loss) from continuing operations</b>	<b>5.6</b>	<b>(1.3)</b>	<b>(3.1)</b>	<b>27.6</b>	<b>0.0</b>	<b>28.8</b>
Profit (loss) from discontinued operations	-	-	-	-	-	-
<b>Profit (loss) for the period attributable to the owners of the parent</b>	<b>5.6</b>	<b>(1.3)</b>	<b>(3.1)</b>	<b>27.6</b>	<b>0.0</b>	<b>28.8</b>

Unaudited reclassified statements

2020	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
Gross operating revenue	68.5	109.9	68.0	516.4	(77.2)	685.5
Advertising agency discounts	-	(15.7)	-	(22.6)	0.2	(38.2)
<b>Net operating revenue</b>	<b>68.5</b>	<b>94.1</b>	<b>68.0</b>	<b>493.7</b>	<b>(77.0)</b>	<b>647.3</b>
Change in inventory	0.0	-	-	(0.2)	-	(0.2)
Other revenue and income	1.3	0.7	3.0	7.7	(1.1)	11.6
<b>Total revenue</b>	<b>69.8</b>	<b>94.8</b>	<b>71.0</b>	<b>501.1</b>	<b>(78.1)</b>	<b>658.7</b>
Production costs	(51.9)	(87.5)	(44.0)	(284.2)	78.1	(389.5)
Personnel expense	(12.4)	(6.5)	(27.2)	(180.3)	(0.1)	(226.5)
Income (expense) from equity-accounted investees	-	-	-	(0.7)	-	(0.7)
Non-recurring income (expense)	-	-	-	(5.8)	-	(5.8)
<b>Gross operating profit (EBITDA)</b>	<b>5.5</b>	<b>0.7</b>	<b>(0.1)</b>	<b>30.1</b>	<b>(0.0)</b>	<b>36.2</b>
Amortization, depreciation, provisions and write-downs	(1.3)	(1.9)	(11.7)	(39.5)	(0.0)	(54.4)
<b>Operating profit (EBIT)</b>	<b>4.2</b>	<b>(1.1)</b>	<b>(11.8)</b>	<b>(9.4)</b>	<b>(0.0)</b>	<b>(18.1)</b>
Other gains (losses) from financial assets/liabilities	-	-	-	6.3	-	6.3
Net financial income	0.0	(0.4)	(0.3)	(8.8)	(0.0)	(9.4)
<b>Profit (loss) before tax</b>	<b>4.2</b>	<b>(1.5)</b>	<b>(12.1)</b>	<b>(11.8)</b>	<b>(0.0)</b>	<b>(21.2)</b>
Income tax	(0.6)	0.4	3.2	3.6	(0.0)	6.6
Non-controlling interests	-	-	-	3.3	0.0	3.3
<b>Profit (loss) from continuing operations</b>	<b>3.6</b>	<b>(1.2)</b>	<b>(8.8)</b>	<b>(4.9)</b>	<b>(0.0)</b>	<b>(11.4)</b>
Loss from discontinued operations	-	-	-	-	(0.0)	(0.0)
<b>Profit (loss) for the period attributable to the owners of the parent</b>	<b>3.6</b>	<b>(1.2)</b>	<b>(8.8)</b>	<b>(4.9)</b>	<b>(0.0)</b>	<b>(11.4)</b>

Unaudited reclassified statements

## Details of consolidated revenue at 30 September 2021

Gross operating revenue in first nine months 2021, split up by main business segment, can be analyzed as follows versus the amounts of 2020:

2021 (€ millions)	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
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)
Other revenue	-	1.2	0.8	94.7	(6.0)	90.6
<b>Total gross operating revenue</b>	<b>63.4</b>	<b>278.8</b>	<b>75.4</b>	<b>636.0</b>	<b>(242.7)</b>	<b>810.8</b>
Other revenue	2.5	2.2	2.3	21.4	(3.2)	25.2
<b>Total gross revenue</b>	<b>65.8</b>	<b>281.0</b>	<b>86.7</b>	<b>657.3</b>	<b>(254.9)</b>	<b>836.0</b>

2020 (€ millions)	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
TV advertising	-	96.0	65.1	0.4	(65.9)	95.5
Advertising on print media, Internet and sporting events	7.7	13.4	1.5	207.2	(9.9)	219.8
Other TV revenue	-	-	1.2	4.0	(0.5)	4.6
Magazine over-the-counter sales and subscriptions	61.6	-	-	258.8	(0.3)	320.1
VAT relating to publications	(0.8)	-	-	(2.3)	-	(3.1)
Other revenue	-	0.5	0.3	48.4	(0.6)	48.5
<b>Total gross operating revenue</b>	<b>68.5</b>	<b>109.9</b>	<b>68.0</b>	<b>516.4</b>	<b>(77.2)</b>	<b>685.5</b>
Other revenue	1.3	0.7	3.0	7.7	(1.1)	11.6
<b>Total gross revenue</b>	<b>69.7</b>	<b>110.5</b>	<b>71.0</b>	<b>524.0</b>	<b>(78.3)</b>	<b>697.1</b>

### 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; until the presentation of the first consolidated financial statements for the year, which include the date of first-time application of IFRS 16, the statements may undergo thorough review in light of possible developments arising from the entry into force of IFRS 16.

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

+/- Share in associates

#### **EBIT - Operating profit**

+ Amortization & depreciation

+ Bad debt impairment losses

+ Provisions for risks

+ Income (expense) from equity-accounted investees

#### **EBITDA – Operating profit, before amortization, depreciation, provisions and write-downs.**

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 (EBIT) before depreciation, amortization and write-downs on fixed assets, and also includes income and expense from equity-accounted investees.

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 the Interim Management Statement at 30 September 2021, consolidated EBITDA has been determined consistently with the definition adopted by 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 operating leases recognized in the financial statements pursuant to 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).

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