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Oggetto : Results at 31 December 2022 approved

<p><i>Testo del comunicato</i></p>
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Vedi allegato.



## CAIROCOMMUNICATION

### Press Release - Results at 31 December 2022 approved

- In 2022, the Group achieved:
  - EBITDA before non-recurring expense of Euro 159.2 million (Euro 183.2 million in 2021), impacted by the increase in paper and other input costs of approximately Euro 34.9 million
  - consolidated gross revenue of Euro 1,175.9 million (Euro 1,176 million in 2021), EBITDA of Euro 147.1 million (Euro 179.4 million in 2021), impacted by non-recurring expense of Euro 12.1 million (expense of Euro 3.8 million in 2021), EBIT of Euro 69.3 million (Euro 103.2 million in 2021), and net profit of Euro 32.1 million (Euro 51 million in 2021, when it had benefited from a gain on an equity investment asset of Euro 7.3 million)
- At 31 December, net financial debt stands at Euro 15.2 million (a positive net financial position of Euro 37 million at end 2021), after distributing dividends of Euro 36.7 million at the Group level and incurring outlays of Euro 69.9 million for the purchase/transaction of the via Solferino property
- RCS increased revenue and confirmed strong margins from current operations that continued to generate positive cash flows. RCS ranks as the top online publisher also in 2022 in Italy with an aggregate figure of 31.4 million average monthly unique users (net of duplications) (*Audiweb*)
- *Corriere della Sera* leading Italian daily newspaper on newsstands with a total active digital customer base of approximately 508 thousand subscriptions. The customer base of *Gazzetta's* pay products increases too, with approximately 171 thousand subscriptions, and of *El Mundo* and *Expansión* in Spain, with 101 thousand and 51 thousand subscriptions, respectively
- La7 achieved high audience levels (3.85% all-day share and 4.98% prime time, up by 10% and 4%, respectively, versus 2021)
- The Cairo Editore magazine publishing segment achieved EBITDA of Euro 4.4 million, down versus Euro 9.2 million in 2021, due mainly to the increase in paper costs of approximately Euro 6.5 million
- A dividend of Euro 0.14 per share will be proposed at the Shareholders' Meeting

**Milan, 27 March 2023:** at its meeting today, the Board of Directors of Cairo Communication reviewed and approved the draft financial statements at 31 December 2022.

Income statement and balance sheet figures (€ millions)	31/12/2022	31/12/2021
Consolidated gross revenue	1,175.9	1,176.0
EBITDA before non-recurring expense	159.2	183.2
EBITDA	147.1	179.4
EBIT	69.3	103.2
Profit (loss) attributable to the owners of the parent	32.1	51.0
	<b>31/12/2022</b>	<b>31/12/2021</b>
Net financial position (net financial debt)	(15.2)	37.0

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 gradually lift restrictions over the course of the year.

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 2022 too experienced 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, have created 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 2022, amid uncertainty resulting from the conflict in Ukraine:

- the **Group** achieved revenue in line with 2021 and confirmed the strong margins from current operations that continued to generate positive cash flows with a net financial debt of Euro 15.2 million at 31 December 2022 (a positive net financial position of 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 59.9 million for the purchase of the property;
- **RCS** revenue was in line with 2021 and confirmed the strong margins from current operations. At end December, net financial debt amounted to Euro 31.6 million (a positive net financial position of Euro 16.7 million at end 2021), after distributing dividends of approximately Euro 31 million and incurring the mentioned outlays from the via Solferino property. *Corriere della Sera* achieved remarkable newsstand circulation results and continued the growth of digital operations, with a total active digital customer base (digital edition, membership and m-site) at end December of 508 thousand subscriptions (384 thousand at end 2021). At end December, the customer base for *Gazzetta's* pay products (*G ALL*, *G+*, *GPRO* and *Fantacampionato*) counted 171 thousand subscriptions (80 thousand at end 2021). Digital subscriptions grew in Spain too, reaching at end December 2022 101 thousand subscriptions for *El Mundo* (80 thousand at end 2021) and 51 thousand subscriptions for *Expansión* (41 thousand at end 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 2022.3 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 counted, in the period January-December 2022, 28.7 million and 18.8 million average monthly unique users and 3.9 million and 2.9 million average daily unique users respectively (*Audiweb*). In Spain, as part of the online activities, *elmundo.es*, *marca.com* and *expansion.com* reached 48.9 million, 105.9 million and 11.6 million average monthly unique browsers respectively in 2022, comprising both domestic and foreign browsers and including apps (*Google Analytics*); net operating revenue stood at Euro 845 million, with total digital revenue (Italy and Spain) amounting to approximately Euro 207 million and accounting for approximately 24.5% of total revenue. Total advertising sales from RCS online media amounted to Euro 148.7 million in 2022, making for 43.1% of total advertising revenue.
- the **TV publishing (La7) and network operator segment** confirmed the high audience levels of the La7 channel (3.85% in 2022 in the all-day share and 4.98% in prime time). In 2022, gross advertising sales on La7 and La7d channels amounted to approximately Euro 150 million (Euro 155.5 million in 2021). Specifically, in 2022 La7 was the sixth channel in terms of prime time with a 4.98% share (up by 4% versus 2021), fourth in the early morning slot (7:00/9:00 a.m.) with a 4.09% share, and fifth in the later slot (9:00/12:00 a.m.) with 4.07%. The channel's news and discussion programmes in 2022 all continued to deliver remarkable results: *Otto e Mezzo* with 7.6% average share from Monday to Friday, *TgLa7 edizione delle 20* 5.9% from Monday to Friday, *diMartedì* 6.9%, *Piazzapulita* 6%, *Propaganda Live* 5.8%, *Non è l'Arena* 5.5%, *Omnibus La7* 4%, *Coffee*

*Break* 4.3%, *L’Aria che tira* 5.6%, *Tagadà* 3.8%, *Atlantide* 3.9% and *In Onda* with 4.6%. In 2022, La7 retained its leadership position among generalist TV channels in terms of hours of information (more than 14 hours daily average) and hours of live broadcasting (approximately 11 and a half hours daily average). On the digital front, average monthly unique users in 2022 were 5.9 million (+24% versus 2021) and daily unique users 400 thousand (+20%). La7 also grows on social media with a total of 6.5 million followers of the channel and its active programmes on Facebook, Twitter, Instagram and Tik Tok at end December;

- the **Cairo Editore magazine publishing segment** recorded a decline in results, due mainly to the increase in the cost of paper by approximately Euro 6.5 million (year-on-year).

In 2022, consolidated gross revenue amounted to approximately Euro 1,175.9 million (comprising gross operating revenue of Euro 1,126.7 million and other revenue and income of Euro 49.2 million), down by Euro 0.1 million versus Euro 1,176.0 million in 2021 (comprising gross operating revenue of Euro 1,136.9 million and other revenue and income of Euro 39.1 million).

EBITDA before net non-recurring expense, amounting to Euro 159.2 million (Euro 183.2 million in 2021), was impacted by the increase in paper and other input costs of approximately Euro 34.9 million.

EBITDA and EBIT came to Euro 147.1 million and Euro 69.3 million (Euro 179.4 million and Euro 103.2 million in 2021). Net non-recurring expense came to Euro -12.1 million (expense of Euro 3.8 million in 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 32.1 million (Euro 51 million in 2021, which had benefited from the gain of Euro 7.3 million earned from the sale of Unidad Editorial Juegos S.A.). Conversely, 2022 was affected by non-recurring expense of Euro 12.1 million (Euro 3.8 million in 2021), as well as the mentioned increase in paper and other input costs.

Looking at the business segments, in 2022:

- in the **magazine publishing segment (Cairo Editore)**, EBITDA and EBIT came to Euro 4.4 million and Euro 1.9 million (Euro 9.2 million and Euro 7.4 million in 2021). Regarding weeklies, with approximately 1 million average copies sold in the period January-December 2022 (*ADS*), Cairo Editore retains its position as the leading publisher in copies of weeklies sold at newsstands, with an approximately 32% 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 15.6 million (Euro 15.5 million in 2021). EBIT was approximately Euro -0.4 million (Euro -0.7 million in 2021);
- in the **advertising segment**, EBITDA came to Euro 4.8 million (Euro 2.9 million in 2021) and EBIT to Euro 2.6 million (Euro 0.8 million in 2021);
- in the **RCS segment**, in the consolidated financial statements of Cairo Communication, EBITDA before net non-recurring expense, amounting to Euro 134.2 million (Euro 155.3 million in 2021), was impacted by the increase in paper and other input costs of approximately Euro 28 million. EBITDA and EBIT came to Euro 122.1<sup>1</sup> million and Euro 65 million (Euro 151.5 million and Euro 95.5 million in 2021, respectively), impacted by the above non-recurring expense of Euro 12.1 million (expense of Euro 3.8 million in 2021). Initiatives continued on maintaining and developing revenue. In 2022, initiatives continued on maintaining and developing revenue, boosting the RCS Group’s publishing systems’ range of products, developing the digital platforms and enhancing the vertical publishing systems. In Italy, regarding the main initiatives only, *Corriere della Sera* unveiled the new *Login* and ensured editorial coverage of major events through special issues, podcasts, and newsletters devoted to the Russia-Ukraine conflict and the extensive special dedicated to the general elections and post-vote

<sup>1</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 section below “Alternative Performance Measures”. As a result of these differences - relating to allocations to the provisions for risks and charges and the provision for bad debts, which in 2022 totaled Euro 3.7 million - EBITDA shown in the RCS Annual Report at 31 December 2022, approved on 21 March 2023, amounted to Euro 118.5 million.

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 Donne*”, “*Women in Food*”, “*Il tempo della Salute*”, “*Campbus*” and the new project “*@school*”. *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, and the eighth edition of the “*Gazzetta Sports Awards*”. During the Football World Cup, *La Gazzetta dello Sport* produced the “*World Cup Special*” live from Qatar. 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. March 31 saw the restyling of *Amica*, which celebrated its 60th anniversary in November, followed in September by the restyling of *Style Magazine*.

In Spain, regarding the main initiatives only, *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. In late October, “*Expansión*” also enhanced its Saturday proposition with new content on the key current economic and tax topics. 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*”. In November, *YoDona* and *El Mundo* organized the first edition of the festival “*El Tiempo de las Mujeres*”. *ElMundo*, *elmundo.es* and *expansion.es* also produced new daily newsletters and supplements for in-depth coverage of the ongoing conflict in Ukraine.

Consolidated **net financial debt** at 31 December 2022 stood at approximately Euro 15.2 million (a positive net financial position of 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 from the settlement of the litigation over the Via Solferino property and Euro 59.9 million for its purchase.

**Total net financial debt**, which includes financial liabilities from leases recognized in accordance with IFRS 16 (mainly property leases) of Euro 162.4 million, amounted to Euro 177.6 million (Euro 147.8 million at 31 December 2021).

The Board of Directors will propose at the Shareholders’ Meeting the distribution of a dividend of Euro 0.14 per share, gross of tax, with coupon detachment date (coupon no. 16) on 29 May 2023 and payable on 31 May 2023 (record date 30 May 2023).

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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 has fueled 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 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 programmes of *La7*, 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 over these past years, 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 the developments and duration of the conflict in Ukraine and its geopolitical effects, and on the

effectiveness of the public measures - including economic and/or monetary 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 the consequences from the continued conflict in Ukraine and/or cost dynamics, the Group believes that it can set the goal of achieving strongly positive margins (EBITDA) in 2023 as well, up from those achieved in 2022, and to continue with further cash generation from operations.

Developments in 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](mailto:m.cargnelutti@cairocommunication.it)

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 31 December 2022

The main consolidated income statement figures in 2022 can be compared with the figures in 2021:

(€ millions)	2022	2021
Gross operating revenue	1,126.7	1,136.9
Advertising agency discounts	(62.7)	(66.2)
<b>Net operating revenue</b>	<b>1,064.0</b>	<b>1,070.7</b>
Change in inventory	2.4	0.4
Other revenue and income	49.2	39.1
<b>Total revenue</b>	<b>1,115.7</b>	<b>1,110.3</b>
Production costs	(640.6)	(605.5)
Personnel expense	(315.9)	(321.6)
Non-recurring income (expense)	(12.1)	(3.8)
<b>EBITDA</b>	<b>147.1</b>	<b>179.4</b>
Amortization, depreciation, provisions and write-downs	(77.8)	(76.2)
<b>EBIT</b>	<b>69.3</b>	<b>103.2</b>
Other gains (losses) from financial assets/liabilities	(4.1)	4.6
Net financial income	(8.8)	(11.1)
<b>Profit (loss) before tax</b>	<b>56.4</b>	<b>96.8</b>
Income tax	(4.7)	(16.8)
Non-controlling interests	(19.6)	(28.9)
<b>Profit (loss) from continuing operations</b>	<b>32.1</b>	<b>51.0</b>
Profit (loss) from discontinued operations	0	0
<b>Profit (loss) attributable to the owners of the parent</b>	<b>32.1</b>	<b>51.0</b>

Unaudited reclassified statements

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

€ millions	2022	2021
<b>Profit (loss) for the year</b>	<b>51.7</b>	<b>79.9</b>
<i>Reclassifiable items of the comprehensive income statement</i>		
Gains (losses) from the translation of financial statements denominated in foreign currencies	0.1	-
Gains (losses) from cash flow hedges	1.5	0.1
Reclassification of gains (losses) from cash flow hedges	0.1	0.6
Tax effect	(0.4)	(0.1)
<i>Non-reclassifiable items of the comprehensive income statement</i>		
Actuarial gains (losses) from defined benefit plans	3.3	0.5
Tax effect	(0.7)	(0.1)
Gains (losses) from the fair value measurement of equity instruments	0.0	(0.1)
<b>Total comprehensive income for the period</b>	<b>55.6</b>	<b>80.8</b>
- Owners of the parent	34.8	51.5
- Non-controlling interests - continuing operations	20.8	29.3
	<b>55.6</b>	<b>80.8</b>

Unaudited reclassified statements

## Summary of the main consolidated statement of financial position figures at 31 December 2022

The main **consolidated statement of financial position figures** at 31 December 2022 can be compared with the situation at 31 December 2021:

(€ millions)	31/12/2022	31/12/2021
Property, plant and equipment	110.9	57.0
Rights of use on leased assets	146.4	168.5
Intangible assets	990.2	985.1
Financial assets	36.8	37.2
Deferred tax assets	86.0	86.8
Net working capital	(57.8)	(64.1)
<b>Total assets</b>	<b>1,312.5</b>	<b>1,270.5</b>
Non-current liabilities and provisions	104.7	112.9
Deferred tax provision	163.4	162.1
(Financial position)/Net debt	15.2	(37.0)
Liabilities from leases (pursuant to IFRS 16)	162.4	184.8
Equity attributable to the owners of the parent	525.0	514.4
Equity attributable to non-controlling interests	341.8	333.3
<b>Total equity and liabilities</b>	<b>1,312.5</b>	<b>1,270.5</b>

*Unaudited reclassified statements*

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

Net financial position (Euro millions)	31/12/2022	31/12/2021	Changes
Cash and cash equivalents	54.3	113.0	(58.7)
Other current financial assets and financial receivables	1.0	0.2	0.8
Current financial assets (liabilities) from derivative	0.9	(0.3)	1.2
Current financial payables	(31.8)	(36.4)	4.6
<b>Current net financial position (net financial debt)</b>	<b>24.3</b>	<b>76.5</b>	<b>(52.2)</b>
Non-current financial payables	(40.0)	(39.6)	(0.4)
Non-current financial assets (liabilities) from derivative instruments	0.4	0.1	0.3
<b>Non-current net financial position (net financial debt)</b>	<b>(39.6)</b>	<b>(39.5)</b>	<b>(0.1)</b>
<b>Net financial position (net financial debt)</b>	<b>(15.2)</b>	<b>37.0</b>	<b>(52.2)</b>
Liabilities from leases (pursuant to IFRS 16)	(162.4)	(184.8)	22.4
<b>Total net financial position (net financial debt)</b>	<b>(177.6)</b>	<b>(147.8)</b>	<b>(29.8)</b>

*Unaudited reclassified statements*



## Consolidated statement of cash flows

The consolidated statement of cash flows at 31 December 2022 can be compared with the statement of cash flows at 31 December 2021:

€ millions	31 December 2022	31 December 2021
Cash	113.0	87.4
Bank overdrafts	-	(0.6)
<b>CASH AND CASH EQUIVALENTS OPENING BALANCE</b>	<b>113.0</b>	<b>86.8</b>
<b>OPERATIONS</b>		
Profit (loss)	51.7	79.9
Amortization/depreciation	71.9	67.7
(Gains) losses and other non-monetary items	(0.2)	(8.7)
(Gains) losses on financial assets/liabilities	4.1	2.1
Net financial expense (income)	8.8	11.1
Dividends from equity-accounted investees	-	-
Income tax	4.7	16.8
(Increase) decrease in employee benefits and provisions for risks and charges	(2.8)	(2.5)
<b>Cash flow from operations before changes in working capital</b>	<b>138.2</b>	<b>166.4</b>
(Increase) decrease in trade and other receivables	(0.1)	19.6
Increase (decrease) in payables to suppliers and other liabilities	4.7	(12.7)
(Increase) decrease in inventory	(15.9)	0.3
<b>CASH FLOW FROM OPERATIONS</b>	<b>126.9</b>	<b>173.6</b>
Income tax received (paid)	(14.7)	(4.3)
Net financial expense paid	(9.1)	(8.8)
<b>CASH FLOW FROM OPERATIONS (A)</b>	<b>103.1</b>	<b>160.5</b>
<b>INVESTING ACTIVITIES</b>		
Net (acquisition) disposal of PPE and intangible assets	(91.9)	(31.1)
Acquisition of investments	(3.0)	(1.5)
Proceeds from the disposal of investments	0.5	7.0
Proceeds from the sale of property, plant and equipment and intangible assets	0.7	10.7
Net decrease (increase) in other non-current assets	0.1	(0.8)
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(93.6)</b>	<b>(15.7)</b>
<b>FINANCING ACTIVITIES</b>		
Net dividends paid	(36.3)	(11.6)
Net change in financial payables and other financial assets	(5.2)	(80.6)
Net change in lease liabilities	(26.9)	(26.1)
Increase (decrease) in non-controlling interests' share capital and reserves	0.1	(0.1)
Other changes in equity	0.0	(0.2)
<b>CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(68.3)</b>	<b>(118.6)</b>
<b>CASH FLOW FOR THE PERIOD (A)+(B)+(C)</b>	<b>(58.7)</b>	<b>26.2</b>
<b>CASH AND CASH EQUIVALENTS CLOSING BALANCE</b>	<b>54.3</b>	<b>113.0</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash	54.3	113.0
Bank overdrafts	-	-
	<b>54.3</b>	<b>113.0</b>

## Segment reporting at 31 December 2022

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

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	(52.4)	0	(37.9)	27.7	(62.7)
<b>Net operating revenue</b>	<b>79.5</b>	<b>349.6</b>	<b>114.8</b>	<b>845.0</b>	<b>(324.9)</b>	<b>1,064.0</b>
Change in inventory	0.0	0	0	2.4	0	2.4
Other revenue and income	7.9	6.2	4.6	36.0	(5.6)	49.2
<b>Total revenue</b>	<b>87.5</b>	<b>355.8</b>	<b>119.5</b>	<b>883.4</b>	<b>(330.5)</b>	<b>1,115.7</b>
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	(12.1)	0	(12.1)
<b>EBITDA</b>	<b>4.4</b>	<b>4.8</b>	<b>15.6</b>	<b>122.1</b>	<b>0.1</b>	<b>147.1</b>
Amortization, depreciation, provisions and write-downs	(2.5)	(2.2)	(16.0)	(57.1)	0.0	(77.8)
<b>EBIT</b>	<b>1.9</b>	<b>2.6</b>	<b>(0.4)</b>	<b>65.0</b>	<b>0.1</b>	<b>69.3</b>
Other gains (losses) from financial assets/liabilities	0	0	0	(4.1)	0	(4.1)
Net financial income	(0.1)	(0.3)	(0.4)	(8.0)	0.0	(8.8)
<b>Profit (loss) before tax</b>	<b>1.8</b>	<b>2.3</b>	<b>(0.8)</b>	<b>53.0</b>	<b>0.1</b>	<b>56.4</b>
Income tax	0.9	(1.1)	0.0	(4.5)	(0.0)	(4.7)
Non-controlling interests	0	0	0	(19.6)	(0.0)	(19.6)
<b>Profit (loss) from continuing operations</b>	<b>2.8</b>	<b>1.2</b>	<b>(0.8)</b>	<b>28.9</b>	<b>0.1</b>	<b>32.1</b>
Profit (loss) from discontinued operations	0	0	0	0	0	0
<b>Profit (loss) for the period attributable to the owners of the parent</b>	<b>2.8</b>	<b>1.2</b>	<b>(0.8)</b>	<b>28.9</b>	<b>0.1</b>	<b>32.1</b>

### Unaudited reclassified statements

2021 (€ millions)	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
Gross operating revenue	84.2	425.3	112.3	886.3	(371.2)	1,136.9
Advertising agency discounts	0.0	(55.5)	0.0	(40.1)	29.4	(66.2)
<b>Net operating revenue</b>	<b>84.2</b>	<b>369.8</b>	<b>112.3</b>	<b>846.2</b>	<b>(341.8)</b>	<b>1,070.7</b>
Change in inventory	0.0	0.0	0.0	0.4	0.0	0.4
Other revenue and income	4.2	4.1	2.8	33.0	(4.9)	39.1
<b>Total revenue</b>	<b>88.4</b>	<b>373.9</b>	<b>115.2</b>	<b>879.5</b>	<b>(346.7)</b>	<b>1,110.3</b>
Production costs	(61.7)	(346.6)	(61.6)	(482.4)	347.0	(605.5)
Personnel expense	(17.4)	(24.4)	(38.0)	(241.8)	(0.1)	(321.6)
Non-recurring income (expense)	0.0	0.0	0.0	(3.8)	0.0	(3.8)
<b>EBITDA</b>	<b>9.2</b>	<b>2.9</b>	<b>15.5</b>	<b>151.5</b>	<b>0.2</b>	<b>179.4</b>
Amortization, depreciation, provisions and write-downs	(1.9)	(2.1)	(16.2)	(56.0)	0.0	(76.2)
<b>EBIT</b>	<b>7.4</b>	<b>0.8</b>	<b>(0.7)</b>	<b>95.5</b>	<b>0.2</b>	<b>103.2</b>
Other gains (losses) from financial assets/liabilities	0.0	0.0	0.0	4.6	0.0	4.6
Net financial income	0.0	(0.4)	-0.1	(10.6)	0.0	(11.1)
<b>Profit (loss) before tax</b>	<b>7.3</b>	<b>0.4</b>	<b>(0.7)</b>	<b>89.6</b>	<b>0.2</b>	<b>96.8</b>
Income tax	(0.9)	(0.5)	2.7	(18.0)	(0.1)	(16.8)
Non-controlling interests	0.0	0.0	0.0	(28.9)	0.0	(28.9)
<b>Profit (loss) from continuing operations</b>	<b>6.4</b>	<b>(0.1)</b>	<b>1.9</b>	<b>42.7</b>	<b>0.1</b>	<b>51.0</b>
Profit (loss) from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
<b>Profit (loss) for the period attributable to the owners of the parent</b>	<b>6.4</b>	<b>(0.1)</b>	<b>1.9</b>	<b>42.7</b>	<b>0.1</b>	<b>51.0</b>

### Unaudited reclassified statements

## Details of consolidated revenue at 31 December 2022

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

2022 (€ millions)	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	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
<b>Total gross operating revenue</b>	<b>79.5</b>	<b>402.0</b>	<b>114.8</b>	<b>882.9</b>	<b>(352.6)</b>	<b>1,126.7</b>
Other revenue	7.9	6.2	4.6	36.0	(5.6)	49.2
<b>Total gross revenue</b>	<b>87.5</b>	<b>408.2</b>	<b>119.5</b>	<b>919.0</b>	<b>(358.2)</b>	<b>1,175.9</b>

2021 (€ millions)	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
TV advertising	0	157.3	106.1	0.5	(107.1)	156.8
Advertising on print media, Internet and sporting events	10.4	266.1	2.5	388.0	(253.1)	413.9
Other TV revenue	0	0	1.2	2.8	(0.4)	3.6
Magazine over-the-counter sales and subscriptions	74.6	0	0	378.4	(2.6)	450.5
VAT relating to publications	(0.8)	0	0	(2.6)	0	(3.4)
Sundry revenue	0	1.9	2.5	119.3	(8.1)	115.6
<b>Total gross operating revenue</b>	<b>84.2</b>	<b>425.3</b>	<b>112.3</b>	<b>886.3</b>	<b>(371.2)</b>	<b>1,136.9</b>
Other revenue	4.2	4.1	2.8	33.0	(4.9)	39.1
<b>Total gross revenue</b>	<b>88.3</b>	<b>429.3</b>	<b>115.2</b>	<b>919.3</b>	<b>(376.1)</b>	<b>1,176.0</b>

## Summary of the main income statement figures of the Parent at 31 December 2022

The main **income statement figures of Cairo Communication S.p.A.** in 2022 can be compared as follows versus those in 2021:

(€ millions)	2022	2021
Gross operating revenue	5.0	5.1
Advertising agency discounts	0	-
<b>Net operating revenue</b>	<b>5.0</b>	<b>5.1</b>
Other revenue and income	1.2	0.3
<b>Total revenue</b>	<b>6.2</b>	<b>5.4</b>
Production costs	(3.1)	(2.6)
Personnel expense	(1.9)	(1.9)
<b>EBITDA</b>	<b>1.2</b>	<b>0.9</b>
Amortization, depreciation, provisions and write-downs	(0.2)	(0.3)
<b>EBIT</b>	<b>1.0</b>	<b>0.6</b>
Net financial income	(0.2)	(0.4)
Other gains (losses) from financial assets/liabilities	25.5	11.7
<b>Profit (loss) before tax</b>	<b>26.4</b>	<b>11.9</b>
Income tax	(0.6)	(0.2)
<b>Profit (loss) for the year</b>	<b>25.7</b>	<b>11.7</b>

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

€ millions	2022	2021
<b>Profit (loss) for the year</b>	<b>25.7</b>	<b>11.7</b>
<i>Other reclassifiable items of the comprehensive income statement</i>		
Gains (losses) from cash flow hedges	0.2	-
Tax effect	(0.0)	-
<i>Other non-reclassifiable items of the comprehensive income statement</i>		
Actuarial gains (losses) from defined benefit plans	0.2	-
Tax effect	(0.0)	-
<b>Total comprehensive income</b>	<b>26.0</b>	<b>11.7</b>

## Summary of the main figures of the statement of financial position of the Parent at 31 December 2022

The main **statement of financial position figures** of Cairo Communication S.p.A. at 31 December 2022 can be compared with the situation at 31 December 2021:

(€ millions)	31/12/2022	31/12/2021
Property, plant and equipment	0.3	0.4
Rights of use on leased assets	0.1	0
Intangible assets	0.2	0.2
Financial assets	325.9	328.8
Other non-current financial assets	4.5	29.4
Net working capital	(24.4)	(29.2)
<b>Total assets</b>	<b>306.7</b>	<b>329.6</b>
Non-current liabilities and provisions	1.1	1.2
(Financial position)/Net debt	45.9	68.6
Liabilities from leases (pursuant to IFRS 16)	0.1	0
Equity	259.6	259.8
<b>Total equity and liabilities</b>	<b>306.7</b>	<b>329.6</b>

*Unaudited reclassified statements*

The **net financial position** of the Parent at 31 December 2022, versus the situation at 31 December 2021, is summarized as follows:

(€ thousands)	31/12/2022	31/12/2021	Change
Cash	14,809	9,755	5,054
Non-current assets for hedging derivatives	0	15	(15)
Current assets for hedging derivatives	207	0	207
Financial payables to La7 S.p.A.	(40,071)	(40,030)	(41)
Financial payables to subsidiaries - intra-group c/a	(15,830)	(28,265)	12,435
Non-current financial payables	0	(5,000)	5,000
Current financial payables	(5,000)	(5,000)	0
<b>Net financial debt</b>	<b>(45,885)</b>	<b>(68,525)</b>	<b>22,640</b>
Liabilities from lease contracts	(84)	(26)	(58)
<b>Total net financial debt</b>	<b>(45,969)</b>	<b>(68,551)</b>	<b>22,582</b>

*Unaudited reclassified statements*

## Statement of cash flows

The **statement of cash flows** at 31 December 2022 of Cairo Communication S.p.A. can be compared with the statement of cash flows at 31 December 2021:

Euro/000	2022	2021
<b>CASH AND CASH EQUIVALENTS</b>	<b>9,755</b>	<b>1,179</b>
<b>OPERATIONS</b>		
Profit (loss)	25,719	11,697
Amortization, depreciation, provisions and write-downs	176	224
Write-down of investments	0	0
Release of provision for the write-down of investments	0	0
Net financial income	(25,337)	(11,354)
Income tax	648	243
Change in post-employment benefits	(15)	44
Change in provisions for risks and charges	0	0
<b>Cash flow from operations before changes in working capital</b>	<b>1,191</b>	<b>853</b>
(Increase) decrease in trade and other receivables	(2,020)	(4,946)
Increase (decrease) in payables to suppliers and other liabilities	(10,060)	8,746
<b>TOTAL CASH FROM OPERATIONS</b>	<b>(10,889)</b>	<b>4,654</b>
Income tax paid	0	0
Financial expense paid	(200)	(382)
<b>TOTAL NET CASH FROM OPERATIONS (A)</b>	<b>(11,089)</b>	<b>4,272</b>
<b>INVESTING ACTIVITIES</b>		
Net (acquisition) disposal of PPE and intangible assets, rights of use on leased assets and intangible assets	(148)	(144)
Interest and financial income received	0	0
Dividends received	25,537	11,736
Liquid assets from the merger of Cairo Pubblicità S.p.A.	327	
(Increase) decrease in investments	(857)	6,231
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>24,860</b>	<b>17,823</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(24,195)	(5,377)
(Increase) decrease in non-current financial assets	24,873	(6,080)
(Increase) decrease in current financial assets	(14)	0
Increase (decrease) in financial payables	(9,439)	(1,736)
Net change in lease liabilities	58	(304)
Other changes in equity	1	(22)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(8,716)</b>	<b>(13,519)</b>
<b>CASH FLOW FOR THE PERIOD (A) + (B) + (C)</b>	<b>5,055</b>	<b>8,576</b>
<b>NET CASH AND CASH EQUIVALENTS CLOSING BALANCE</b>	<b>14,809</b>	<b>9,755</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.

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).

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