



Press Release: Meeting of the Board of Directors of RCS MediaGroup

Results at 30 September 2023 approved¹

In first nine months, consolidated revenue amounted to € 606.8 million (€ 620.2 million in first nine months 2022), with advertising revenue up versus 2022.

EBITDA and EBIT came to € 82.1 million and € 42.8 million, up versus 2022 (€ 71.1 million and € 33.7 million in first nine months 2022).

Net profit amounted to € 27.8 million (€ 23.7 million in first nine months 2022).

RCS generated positive cash flows in third quarter, improving its net financial position by € 24.2 million versus 30 June 2023.

At end September, the Group's titles reached an active digital customer base of 970 thousand subscriptions, 556 thousand for *Corriere della Sera*, Italy's leading newspaper also on newsstands, 211 thousand for *Gazzetta*, 129 thousand for *El Mundo*, and 74 thousand for *Expansión*.

RCS retains its position as the leading online publisher in Italy, with an aggregate figure of 31.7 million average monthly unique users (*Audicom August 2023*).

Milan, 10 November 2023 – The Board of Directors of RCS MediaGroup S.p.A. met today and reviewed and approved the Interim Management Statement at 30 September 2023.

Income statement (€ millions)	30/09/2023	30/09/2022
Consolidated revenue	606.8	620.2
EBITDA before non-recurring expense/income	82.7	83.0
EBITDA	82.1	71.1
EBIT	42.8	33.7
Net result	27.8	23.7

Statement of financial position (€ millions)	30/09/2023	31/12/2022
Net financial debt ¹	45.2	31.6

Group performance

The first nine months of 2023 were marked by the continued conflict in Ukraine, with its consequences also in terms of impacts on the economy and trade. This is leading to a state of great

(1) For the definitions of *Group EBITDA*, *EBIT* and *Net Financial Position* or *Group net financial debt (liquidity)*, reference should be made to the section "Alternative Performance Measures" in this Press Release.



uncertainty and a slowdown in anticipated economic growth in relevant markets.

With regard to the Group, this economic context impacted on production costs, on paper in particular.

Against this backdrop, the Group achieved higher margins (EBITDA, EBIT and net profit) in first nine months 2023 than in the same period of 2022. Mention should be made that RCS's seasonality factors generally impact on the income results of the first and third quarters of the year.

The Group's **consolidated net revenue** at 30 September 2023 amounted to € 606.8 million (€ 620.2 million at 30 September 2022). Digital revenue amounted to € 148.6 million and makes for approximately 24.5% of overall revenue.

Advertising revenue in first nine months 2023 amounted to € 239.7 million, up versus € 238 million in the same period of 2022 (€ +1.7 million). Total advertising sales on online media amounted to € 99.1 million in first nine months 2023, reaching approximately 41.3% of total advertising revenue.

Publishing and circulation revenue amounted to € 249.5 million (€ 269.4 million in first nine months 2022), dropping by € 19.9 million, attributable to a decline in revenue from add-ons (€ -9.6 million) and print circulation revenue, partly offset by growth in digital subscription revenue.

Both Italian newspapers retained their circulation leadership in their respective market segments at September 2023 (*ADS January-September 2023*). *La Gazzetta dello Sport*, with the Audipress 2023/II survey, retained its position as the most-read Italian newspaper with a readership of 2,035,000. At end September, the total active customer base for *Corriere della Sera* (digital edition, membership and m-site) reached 556 thousand subscriptions (508 thousand at end 2022). The customer base of *Gazzetta's* pay products (which includes *G ALL*, *G+*, *GPRO* and *Fantacampionato* products) closed at end September 2023 with 211 thousand subscriptions (171 thousand at end 2022) (Internal Source).

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-August 2023, 30.3 million and 18.6 million average monthly unique users, and in the period January-September 2023, 3.8 million and 2.6 million average daily unique users (*Audicom*). In the first eight months of 2023 too, RCS ranks as the top online publisher in Italy with an aggregate figure of 31.7 million average monthly unique users (net of duplications – *Audicom*).

The main social accounts of the *Corriere System* at 30 September 2023 reached approximately 12.2 million total followers (considering *Facebook*, *Instagram*, *X*, *LinkedIn* and *TikTok* – Internal Source). The growth of social profiles also continues for *La Gazzetta dello Sport*, which has a solid presence also on *Twitch*, exceeding a total social audience of 5.9 million at end September (also considering *Facebook*, *Instagram*, *X* and *TikTok* - Internal Source).

In Spain, *Marca* and *Expansión* confirmed their print circulation leadership in their respective market segments at September 2023 too (*OJD*). The latest survey of *Estudio General de Medios* confirms, at June 2023, Unidad Editorial's leading position in Spanish daily news reaching approximately 1.6 million overall daily readers with the titles *El Mundo*, *Marca* and *Expansión*. Digital subscriptions continued to grow, amounting at September 2023 to approximately 129 thousand subscriptions (101 thousand at end 2022) for *El Mundo* and 74 thousand subscriptions for *Expansión* (51 thousand at end 2022) (Internal Source). As part of the online activities, *elmundo.es*, *marca.com* and *expansion.com* reached 44.7 million, 94.2 million and 9.4 million average monthly unique browsers in first nine months 2023, comprising both domestic and foreign browsers and including apps (*Google Analytics*). The social audience of Unidad Editorial Group titles stands at 10.5 million followers for *El Mundo*, 18.5 million for *Marca* and 2.4 million for *Telva* (considering



Facebook, Instagram, X and TikTok) and 1.4 million for *Expansión* (considering Facebook, Instagram, X, TikTok and LinkedIn) (Internal Source).

Sundry revenue closed at € 117.6 million, increasing by € 4.8 million versus first nine months 2022 (€ 112.8 million).

EBITDA in first nine months 2023 came to a positive € 82.1 million, up by € 11 million versus the same period of 2022 (€ +71.1 million). Net non-recurring expense and income came to € -0.6 million (€ -11.9 million at 30 September 2022, due mainly to the transaction over the via Solferino property complex). Mention should be made that the Group's seasonality factors generally impact on the income results of the first and third quarters of the year. **EBITDA before non-recurring expense** came to a positive € 82.7 million, broadly in line with the same result in first half 2022 (€ +83 million).

In 2023, initiatives continued on maintaining and developing revenue, boosting the publishing systems' range of products, developing the digital platforms and enhancing the vertical publishing systems.

In **Italy**, regarding the main initiatives only, for *Corriere della Sera*, new TikTok accounts were opened, video sections of local newspapers were updated and the Trento, Salerno, and Monza editions opened, exclusive events dedicated to digital subscribers were organized, and podcast and newsletter catalogues were enriched. Important events were also organized, including the second edition of *Obiettivo5* in association with La Sapienza University of Rome, "*Italia Genera Futuro*", the *Bilanci di Sostenibilità* award, *Civil Week*, *Tech Emotion*, *Cibo a Regola d'arte*, and the events of *Economia d'Italia*, together with *Living* and *Abitare* the multimedia installation *Solferino 28 Elevators*, inside the courtyard of the historic headquarters, open to the public for the occasion, and the tenth edition of the Festival "*Il tempo delle Donne*". Starting from September, the *corriere.it* website has introduced a feature that allows users to listen to almost all articles, whether from smartphones, computers, or tablets. *La Gazzetta dello Sport* continued the graphical enhancement of G+ content, launched the new sections *Stile Gazzetta*, *Il Ciclista* and *Numbers*, boosted the online games offer of *Gazzetta.it*, launched the *Gazzetta Motori Youtube* channel and the *Gazzabet* remote games site, and organized the first edition of *Milano Football Week*. *La Gazzetta's* new *Twitch* channel (with over 7 million cumulative video views since its opening) has quickly established itself among the top channels in Italy.

In **Spain**, regarding the main initiatives only, in February the new online version of *El Mundo* was launched, while renewing the graphical design and organization of the print version, and in March the online *Cooking* platform was launched. Marca continued to enhance its content by acquiring the rights to broadcast the main matches of the Arab-Saudi league. A new version of the *Expansión* app was launched in September. Work also continued on organizing major events, including the *Classica di Jaén*, the participation of *El Mundo* and *La Lectura* in the International Contemporary Art Fair in Madrid, the *Marca Sport Weekend* in Malaga, the *Marca Family & Sports*, the fourth edition of "*El foro económico internacional Expansión*", the first edition of the new *Expansión Green World & Sustainability* summit, the *Congreso Internacional de Telva*, a part (the Zaragoza, Valencia, and Malaga stops) of *Telva's* series of meetings to celebrate its 60th anniversary.

The table below shows the trend of revenue and EBITDA in each business area.



(€ millions)	30/09/2023			30/09/2022		
	Revenue	EBITDA	% of revenue	Revenue	EBITDA	% of revenue
Newspapers Italy	263,0	26,2	10,0%	281,6	32,0	11,4%
Magazines Italy	47,1	(2,0)	(4,2)%	48,4	(3,5)	(7,2)%
Advertising and Sport	208,0	38,4	18,5%	209,5	39,7	18,9%
Unidad Editorial	161,2	22,4	13,9%	156,1	21,4	13,7%
Corporate and Other Activities	65,2	(2,9)	(4,4)%	63,8	(18,5)	(29,0)%
Other and eliminations	(137,7)	-	n.s.	(139,2)	-	n.s.
Consolidated	606,8	82,1	13,5%	620,2	71,1	11,5%

EBIT came to a positive € 42.8 million, improving by € 9.1 million versus first nine months 2022 (€ +33.7 million), reflecting the above phenomena commenting on EBITDA. The increase in amortization is attributable to expenditure in digital business development.

Net profit at 30 September 2023 amounted to € 27.8 million (€ 23.7 million at 30 September 2022), increasing by € 4.1 million.

At 30 September 2023, **net financial debt** stood at € 45.2 million (€ 31.6 million at 31 December 2022). The change versus end 2022 is explained mostly by the outlays for dividend payout of approximately € 31 million and for technical expenditure, and by non-recurring expense of approximately € 19 million, partly offset by the positive contribution of ordinary operations for approximately € 34 million, affected in the nine months by the current timing of collecting tax credits granted to the publishing industry (at 30 September 2023, the outstanding credit of approximately € 20.3 million refers also to 2021 and 2022), and by the dynamics of working capital. RCS generated positive cash flows in third quarter, improving its net financial position by € 24.2 million versus 30 June 2022 (€ 69.4 million net financial debt)

Total net financial debt, which includes financial payables from leases pursuant to IFRS 16 (mainly property leases), totaling € 132.3 million at 30 September 2023 (€ 142.8 million at 31 December 2022), amounted to € 177.5 million (€ 174.4 million at 31 December 2022).

Business outlook

The first nine months of 2023 were marked by the continued conflict in Ukraine, with its consequences also in terms of impacts on the economy and trade. This is leading to a state of great uncertainty and a slowdown in anticipated economic growth in relevant markets. The Group has no direct exposure and/or business activities towards the markets affected by the conflict and/or sanctioned entities.

This backdrop fueled in 2022 the growing trend in the costs of various inputs already underway since 2021, affecting the Group's production costs, particularly for paper.

Moreover, in 2023, energy and gas costs, after the strong volatility and increases recorded in 2022, gradually returned to values basically similar to those of late summer 2021; additionally, paper costs have decreased versus 2022 figures, with anticipated positive effects on the income statement, primarily from fourth quarter 2023, also taking account of the turnover time of existing inventory. Starting in October, a conflict situation has arisen in the Middle East following the Hamas attacks on Israeli territory. This situation has the potential to have increasing geopolitical impacts, further adding to the overall environment of uncertainty.



Also during this first part of 2023, the Group met the public's strong need to stay informed through its information offering, ensuring a timely service to its readers. 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, focusing on their mission as a non-partisan, trustworthy public service, and establishing themselves as authoritative players in daily print and online information, with strong digital traffic figures.

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

In consideration of the actions already implemented and those planned, in the absence of a deterioration of the consequences from the continuation and developments of the conflicts in Ukraine and the Middle East and/or cost dynamics, the Group believes that it can confirm the goal of achieving strongly positive margins (EBITDA) in 2023, up from those achieved in 2022, with further cash generation in the fourth quarter of the year, improving the net financial position at the end of the year compared to end 2022.

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

Under paragraph 2, Article 154-bis of the Consolidated Finance Law (TUF), Roberto Bonalumi, in his capacity as Financial Reporting Manager, attests that the financial information contained herein is consistent with the Company's document results, books and accounting records.

RCS MediaGroup is one of the leading multimedia publishing groups, operating primarily in Italy and Spain across all publishing areas, from newspapers to magazines, from digital to books, from TV to new media and training, as well as being one of the top players on the advertising sales market, organizing iconic events and renowned sporting formats such as the Giro d'Italia. The RCS Group publishes the daily newspapers *Corriere della Sera*, *La Gazzetta dello Sport*, *El Mundo*, *Marca* and *Expansión*, as well as numerous magazines, the most popular including *Oggi*, *Amica*, *iO Donna*, *7*, *Yo Dona* and *Telva*.

For further information:

RCS MediaGroup - Investor Relations

Tiziana Magnavacca +39 02 2584 7877 - Investor.Relations@rcs.it - www.rcsmediagroup.it



RCS MediaGroup Reclassified consolidated income statement

(Unaudited figures)

(€ millions)	30 September 2023		30 September 2022		Difference	
		%		%		
	A		B		A-B	%
Net revenue	606,8	100,0	620,2	100,0	(13,4)	(2,2%)
<i>Publishing and circulation revenue</i>	249,5	41,1	269,4	43,4	(19,9)	(7,4%)
<i>Advertising revenue</i>	239,7	39,5	238,0	38,4	1,7	0,7%
<i>Sundry revenue (1)</i>	117,6	19,4	112,8	18,2	4,8	4,3%
Operating costs	(337,5)	(55,6)	(368,1)	(59,4)	30,6	8,3%
Payroll costs	(183,7)	(30,3)	(178,1)	(28,7)	(5,6)	(3,1%)
Provisions for risks	0,2	0,0	(2,4)	(0,4)	2,6	>100
(Write-down)/write-back of trade and sundry receivables	(3,7)	(0,6)	(0,5)	(0,1)	(3,2)	>(100)
EBITDA (2)	82,1	13,5	71,1	11,5	11,0	15,5%
Amortization of intangible fixed assets	(15,9)	(2,6)	(13,8)	(2,2)	(2,1)	
Depreciation of property, plant and equipment	(7,1)	(1,2)	(6,5)	(1,0)	(0,6)	
Amortization/depreciation of rights of use on leased assets	(16,2)	(2,7)	(17,0)	(2,7)	0,8	
Depreciation of investment property	(0,1)	(0,0)	(0,1)	(0,0)	0,0	
Other (write-downs)/write-backs of fixed assets	-	-	-	-	0,0	
EBIT (2)	42,8	7,1	33,7	5,4	9,1	
Financial income (expense)	(8,9)	(1,5)	(5,7)	(0,9)	(3,2)	
Income (expense) from equity-accounted investees	(0,6)	(0,1)	(0,2)	(0,0)	(0,4)	
Other gains (losses) from financial assets/liabilities	1,2	0,2	-	-	1,2	
Profit (loss) before tax	34,5	5,7	27,8	4,5	6,7	
Income tax	(6,7)	(1,1)	(4,0)	(0,6)	(2,7)	
Profit (loss) from continuing operations	27,8	4,6	23,8	3,8	4,0	
Profit (loss) from assets held for sale and discontinued operations	-	-	-	-	-	
Profit (loss) before non-controlling interests	27,8	4,6	23,8	3,8	4,0	
(Profit) loss attributable to non-controlling interests	-	-	(0,1)	(0,0)	0,1	
Profit (loss) for the period attributable to the owners of the parent	27,8	4,6	23,7	3,8	4,1	

(1) Sundry revenue includes primarily revenue for television activities, the organization of events and exhibitions, sales of customer lists and boxed sets, and for distribution activities.

(2) For the definitions of EBITDA and EBIT, reference should be made to the section "Alternative Performance Measures" in this Press Release.



RCS MediaGroup

Reclassified consolidated statement of financial position

(Unaudited figures)

(€ millions)	30 September 2023	%	31 December 2022	%
Intangible fixed assets	376,7	66,6	373,0	65,8
Property, plant and equipment	98,8	17,5	103,5	18,3
Rights of use on leased assets	117,8	20,8	128,3	22,6
Investment property	6,8	1,2	6,9	1,2
Financial fixed assets and other assets	115,5	20,4	118,6	20,9
Net fixed assets	715,6	126,5	730,3	128,8
Inventory	23,9	4,2	31,9	5,6
Trade receivables	181,7	32,1	198,2	35,0
Trade payables	(202,1)	(35,7)	(225,9)	(39,9)
Other assets/liabilities	(22,9)	(4,0)	(30,6)	(5,4)
Net working capital	(19,4)	(3,4)	(26,4)	(4,7)
Provisions for risks and charges	(45,9)	(8,1)	(51,5)	(9,1)
Deferred tax liabilities	(54,6)	(9,7)	(54,3)	(9,6)
Employee benefits	(29,9)	(5,3)	(31,3)	(5,5)
Net capital employed	565,8	100,0	566,8	100,0
Equity	388,3	68,6	392,4	69,2
Non-current financial payables	30,4	5,4	30,0	5,3
Current financial payables	39,2	6,9	26,8	4,7
Current financial liabilities from derivatives	-	-	-	-
Non-current financial liabilities from derivatives	-	-	-	-
Financial assets recognized for derivatives	(0,2)	(0,0)	(0,7)	(0,1)
Cash on hand and current financial receivables	(24,2)	(4,3)	(24,5)	(4,3)
Net financial debt (liquidity) (1)	45,2	8,0	31,6	5,6
Financial payables from leases pursuant to IFRS⁽¹⁾	132,3	23,4	142,8	25,2
Total financial sources	565,8	100,0	566,8	100,0

(1) For the definition of the Group's Net Financial Position or Net Financial Debt, reference should be made to the section "Alternative Performance Measures" in this press release.



Alternative performance measures

In order to provide a clearer picture of the financial performance of the RCS 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. In accordance with CESR/05178b recommendation published on 3 November 2005, the methods used for building the main alternative performance measures that Management considers useful for monitoring the Group's performance are shown below.

EBITDA: to be understood as earnings before interest, tax, amortization/depreciation and write-downs on non-current assets. The measure is used by the RCS Group 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 the operational performance of the RCS Group.

EBITDA before non-recurring expense/income: to be understood as EBITDA as specified above before components of income (positive and/or negative) deriving from events or transactions, the occurrence of which is non-recurring, or deriving from transactions or events that are unlikely to occur frequently in the normal course of business.

EBIT: to be understood as the Result before tax, gross of "Financial Income (Expense)", "Income (Expense) from equity-accounted investees", and "Other gains (losses) on financial assets/liabilities".

Group Net Financial Position or Group net financial debt (liquidity): this is a valid measure of the financial structure of the RCS Group. It is calculated as the result of current and non-current financial payables, net of cash and cash equivalents and current financial assets, as well as non-current financial assets from derivative instruments, excluding financial liabilities (current and non-current) from leases.

The Total Net Financial Position or total net financial debt (liquidity): to be understood as the Group's Net Financial Position as defined above, it includes financial liabilities from short and/or long-term lease agreements 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, and excludes financial receivables with a maturity of over 90 days (as defined by the "Guidelines on disclosure requirements under the Prospectus Regulation" published by ESMA on 4 March 2021 with the document "ESMA32-382-1138" and taken up by CONSOB in communication 5/21 of 29 April 2021).