

Press Release

Results at 31 March 2024 approved¹

Consolidated revenue in the quarter amounts to € 168.9 million (€ 179.1 million in 1° quarter 2023), with digital revenue accounting for 26.3% of the total.

EBITDA increases to € 12.6 million (€ 10.6 million in 1° quarter 2023) and the Net Financial Position improves by € 11 million versus end 2023.

***Corriere della Sera* leading Italian daily newspaper on newsstands with a total active digital customer base at end March of 615 thousand subscriptions. The customer base of *Gazzetta's* pay products increases too, with 224 thousand subscriptions, and of *El Mundo* and *Expansión*, with 143 thousand and 89 thousand, respectively.**

In first quarter 2024, RCS retains its position as the leading online publisher in Italy, with an aggregate figure of 31.8 million average monthly unique users (*Audicom*).

Milan, 13 May 2024 – The Board of Directors of RCS MediaGroup S.p.A. met today and reviewed and approved the Interim Management Statement at 31 March 2024.

Income statement (€ millions)	31/03/2024	31/03/2023
Consolidated revenue	168.9	179.1
EBITDA	12.6	10.6
EBIT	(0.6)	(2.6)
Net result	(1.6)	(1.8)

Statement of financial position (€ millions)	31/03/2024	31/12/2023
Net financial debt ¹	12.4	23.4

Group performance

The first quarter of 2024 was dominated by the ongoing conflicts in Ukraine and the Middle East, with their repercussions extending to the economy and trade. These events persist in creating a state of significant overall uncertainty.

Against this backdrop, the Group achieved higher margins (EBITDA, EBIT, and net result) in first three months 2024 than in the same period of 2023 and continued to generate positive cash flows, improving the net financial position by approximately € 11 million versus 31 December 2023.

Mention should be made that RCS's seasonality factors generally impact on the income results of

(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.



the first and third quarters of the year.

The Group's **consolidated net revenue** at 31 March 2024 amounted to € 168.9 million (€ 179.1 million in first quarter 2023). Digital revenue totaled € 44.4 million and makes for approximately 26.3% of overall revenue (approximately 25.2% in first quarter 2023).

Advertising revenue in first three months 2024 amounted to € 57.3 million (€ 64.1 million in the same period of 2023). Specifically, in Spain, advertising sales in the quarter were impacted by the different timing of *Semana Santa* (Easter) and of certain events. Total advertising sales on online media amounted to € 27 million in first quarter 2024, or approximately 47% of total advertising revenue (approximately 45% in first quarter 2023).

Publishing and circulation revenue amounted to € 79.8 million (€ 83 million in the same period of 2023), dropping by € 3.2 million, due mainly to the decline in revenue from add-ons (€ -1.7 million), m-dis circulation revenue attributable to the distribution of third-party publishers (€ -0.8 million), and print circulation revenue from the Group's titles, partly offset by the growth in revenue from digital subscriptions.

Both Italian newspapers retained their circulation leadership in their respective market segments at March 2024 (*ADS January-March 2024*). At end March, the total active customer base for *Corriere della Sera* (digital edition, membership and m-site) reached 615 thousand subscriptions. The customer base of *Gazzetta's* pay products (which includes *G ALL*, *G+*, *GPRO* and *Fantacampionato* products) closed at end March 2024 with 224 thousand subscriptions (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-March 2024, 30.3 million and 15.5 million average monthly unique users and 3.9 million and 2.1 million average daily unique users respectively (*Audicom*). RCS ranks as the top online publisher also in first quarter 2024 in Italy with an aggregate figure of 31.8 million average monthly unique users (net of duplications - *Audicom*).

The main social accounts of the *Corriere System* at 31 March 2024 reached 12.7 million total followers in the first three months (considering *Facebook*, *Instagram*, *X*, *LinkedIn* and *TikTok* - Internal Source). The growth of social profiles also continues for *La Gazzetta dello Sport*, which topped a total social audience of 6.1 million at end March (considering *Facebook*, *Instagram*, *X*, *TikTok* and *YouTube* - Internal Source).

In Spain, *Marca* and *Expansión* once again confirmed their print circulation leadership in their respective market segments at March 2024 (*OJD*). The latest *Estudio General de Medios* survey published in April 2024 confirms Unidad Editorial as the daily news leader with over 1.5 million total daily readers for the three daily titles. Digital subscriptions continue to grow (digital edition and Premium), amounting at March 2024 to over 143 thousand subscriptions for *El Mundo* and approximately 89 thousand subscriptions for *Expansión*. As part of the online activities, *elmundo.es*, *marca.com* and *expansion.com* reached 40.8 million, 86.8 million and 9.4 million average monthly unique browsers in first three 2024, respectively, comprising both domestic and foreign browsers and including apps (*Google Analytics*). The international English-language version of *Marca* achieved 24.6 million average monthly unique browsers at March 2024 (Internal Source), including in the *marca.com* browsers mentioned above.

The social audience of Unidad Editorial Group titles (Internal Source) stands at 10.9 million



followers for *El Mundo*, 19 million for *Marca* and 2.4 million for *Telva* (considering *Facebook*, *Instagram*, *X* and *TikTok*) and 1.5 million for *Expansión* (considering *Facebook*, *Instagram*, *X*, *TikTok* and *LinkedIn*).

Sundry revenue amounted to € 31.8 million and was basically in line with first three months 2023 (€ 32 million).

EBITDA in first three months 2024 stood at a positive € 12.6 million, an improvement of € 2 million versus first quarter 2023 (€ +10.6 million in first quarter 2023), due mainly to lower raw material and utility costs. Net non-recurring expense and income came to € -0.1 million (€ -0.4 million in first quarter 2023). Mention should be made that RCS's seasonality factors generally impact on the income results of the first and third quarters of the year.

In first quarter 2024, 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, the new digital services "*Chiedi all'Esperto*" and "*Sportello Cancro*" were launched for *Corriere della Sera*, new video columns were created on *Corriere TV*, the *Fast* channel "*Talks by Corriere della Sera*" was launched on Samsung TV Plus, the podcast offer was enhanced, and the cross-media project "*Questa è l'Europa*" was launched. Important events were also organized, including *Obiettivo5*, *Italia Genera Futuro*, the *Pact4Future International Forum*, the series of meetings *Le Economie d'Italia*, "*Come cambia l'informazione, dietro le quinte del Corriere*". *Amica* launched its first podcast series dedicated to fashion in February. *La Gazzetta dello Sport* opened two new social channels, LinkedIn and YouTube, launched a new app that provides access to both the site's news and the newspaper's browser in digital format, opened three new podcast columns, revamped the organization of the cross-platform video area (site and social channels), and launched the *Fantacampionato's "Torneo dei lettori del quotidiano"*. In **Spain**, regarding the main initiatives only, *Lectura* launched its new version in February, in March *Marca* revamped its print edition with a new look and expanded its range of content and created the new section "*Ganamos Juntos*", which supports a social cause each month; in March again, *Expansión* launched a new series of video interviews with leading figures from the Spanish business world. Since January, *Radio Marca* has extended its territorial reach by adding 11 new stations in Castilla and Leon, a region inhabited by 2 million people. In February, *Escuela de Formacion* launched a fully revamped web portal to access its educational offerings. Work also continued on the organization of major events, including participation with *El Mundo* and *La Lectura* in the International Contemporary Art Fair in Madrid, the *Foro Internacional de El Mundo "Europa, un año decisivo"*, which inaugurates a series of initiatives aimed at celebrating the 35th anniversary of the title, and the start of the "*España está de moda*" series of meetings organized by *Telva*.



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

(€ millions)	31/03/2024			31/03/2023		
	Revenue	EBITDA	% of revenue	Revenue	EBITDA	% of revenue
Newspapers Italy	80,4	7,1	8,8%	83,8	6,0	7,2%
Magazines Italy	12,7	(1,1)	(8,7)%	13,7	(2,1)	(15,3)%
Advertising and Sport	45,5	3,4	7,5%	48,3	3,1	6,4%
Unidad Editorial	47,0	3,8	8,1%	50,9	3,3	6,5%
Corporate and Other Activities	20,9	(0,6)	(2,9)%	22,6	0,3	1,3%
Other and eliminations	(37,6)	-	n.s.	(40,2)	-	n.s.
Consolidated	168,9	12,6	7,5%	179,1	10,6	5,9%

EBIT came to € -0.6 million (€ -2.6 million in the same period of 2023). The improvement reflects the above events commenting on EBITDA.

The **Group's net result** at 31 March 2024, amounted to € -1.6 million, (€ -1.8 million in first quarter 2023), overall reflecting the above trends.

At 31 March 2024, the **net financial position** stood at a negative € 12.4 million, improving by € 11 million versus a negative € 23.4 million at 31 December 2023. The change is due mainly to the positive contribution from ordinary operations, partly offset by outlays for capital expenditure and, to a lesser extent, by non-recurring expense in the period. Mention should be made that working capital is still affected by the timing of the collection of tax receivables provided for the publishing industry (at 31 March 2024, € 30.3 million residual receivables also related to the years 2021, 2022 and 2023).

Total net financial debt, which includes financial payables from leases pursuant to IFRS 16 (mainly property leases), totaling € 139.6 million at 31 March 2024, amounted to € 152 million (€ 151.4 million at 31 December 2023).

Business outlook

The first quarter of 2024 was dominated by the ongoing conflicts in Ukraine and the Middle East, with their repercussions extending to the economy and trade. These events persist in creating a state of significant overall uncertainty. The Group has no direct exposure and/or business activities towards the markets affected by the conflicts and/or sanctioned entities.

These conflicts, and their impacts, are still ongoing even at the date of approval of this Interim Management Statement.

In first quarter 2024, 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 conflicts in Ukraine and 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 ongoing conflicts and their developments 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 2024, up from those achieved in 2023, and of continuing with further cash generation from operations.

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*.

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RCS MediaGroup

Reclassified consolidated income statement

(Unaudited figures)

(€ millions)	31 March 2024		31 March 2023		Difference	
	A	%	B	%	A-B	%
Net revenue	168,9	100,0	179,1	100,0	(10,2)	(5,7%)
<i>Publishing and circulation revenue</i>	79,8	47,2	83,0	46,3	(3,2)	(3,9%)
<i>Advertising revenue</i>	57,3	33,9	64,1	35,8	(6,8)	(10,6%)
<i>Sundry revenue (1)</i>	31,8	18,8	32,0	17,9	(0,2)	(0,6%)
Operating costs	(94,7)	(56,1)	(104,3)	(58,2)	9,6	9,2%
Payroll costs	(61,1)	(36,2)	(62,9)	(35,1)	1,8	2,9%
Net allocations for risks	(0,2)	(0,1)	(0,1)	(0,1)	(0,1)	(100,0%)
(Write-down)/write-back of trade and sundry receivables	(0,3)	(0,2)	(1,2)	(0,7)	0,9	75,0%
EBITDA (2)	12,6	7,5	10,6	5,9	2,0	18,9%
Amortization of intangible fixed assets	(5,6)	(3,3)	(5,2)	(2,9)	(0,4)	
Depreciation of tangible fixed assets	(2,3)	(1,4)	(2,4)	(1,3)	0,1	
Amortization/depreciation of rights of use on leased assets	(5,2)	(3,1)	(5,5)	(3,1)	0,3	
Depreciation of investment property	(0,1)	(0,1)	(0,1)	(0,1)	0,0	
Other (write-downs)/write-backs of fixed assets	-	-	-	-	0,0	
EBIT (2)	(0,6)	(0,4)	(2,6)	(1,5)	2,0	
Financial income (expense)	(3,1)	(1,8)	(2,9)	(1,6)	(0,2)	
Income (expense) from equity-accounted investees	(0,6)	(0,4)	(0,4)	(0,2)	(0,2)	
Other gains (losses) from financial assets/liabilities	-	-	-	-	-	
Profit (loss) before tax	(4,3)	(2,5)	(5,9)	(3,3)	1,6	
Income tax	2,8	1,7	4,1	2,3	(1,3)	
Profit (loss) from continuing operations	(1,5)	(0,9)	(1,8)	(1,0)	0,3	
Profit (loss) from assets held for sale and discontinued operation	-	-	-	-	-	
Profit (loss) before non-controlling interests	(1,5)	(0,9)	(1,8)	(1,0)	0,3	
(Profit) loss attributable to non-controlling interests	(0,1)	(0,1)	-	-	(0,1)	
Profit (loss) for the period attributable to the owners of the parent	(1,6)	(0,9)	(1,8)	(1,0)	0,2	

(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)

	31 March 2024	%	31 December 2023	%
(€ millions)				
Intangible fixed assets	374,6	66,0	376,5	66,2
Tangible fixed assets	97,5	17,2	98,3	17,3
Rights of use on leased assets	126,4	22,3	114,5	20,1
Investment property	6,7	1,2	6,8	1,2
Financial fixed assets and other assets	116,1	20,5	115,2	20,3
Net fixed assets	721,3	127,1	711,3	125,1
Inventory	19,4	3,4	19,0	3,3
Trade receivables	182,7	32,2	196,4	34,5
Trade payables	(221,5)	(39,0)	(208,5)	(36,7)
Other assets/liabilities	(14,2)	(2,5)	(29,2)	(5,1)
Net working capital	(33,6)	(5,9)	(22,3)	(3,9)
Provisions for risks and charges	(36,3)	(6,4)	(36,4)	(6,4)
Deferred tax liabilities	(55,0)	(9,7)	(54,6)	(9,6)
Employee benefits	(28,7)	(5,1)	(29,3)	(5,2)
Net capital employed	567,7	100,0	568,7	100,0
Equity	415,7	73,2	417,3	73,4
Non-current financial payables	30,8	5,4	30,4	5,3
Current financial payables	0,4	0,1	12,1	2,1
Current financial liabilities from derivatives	-	-	-	-
Non-current financial liabilities from derivatives	-	-	-	-
Financial assets recognized for derivatives	-	-	-	-
Cash on hand and current financial receivables	(18,8)	(3,3)	(19,1)	(3,4)
Net financial debt (liquidity) (1)	12,4	2,2	23,4	4,1
Financial payables from leases pursuant to IFRS 16	139,6	24,6	128,0	22,5
Total financial sources	567,7	100,0	568,7	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-down of fixed 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).