



1Q 2018 RESULTS PRESENTATION

April 27th, 2018

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1Q2018 Operating Key Highlights

A 1Q results in line with company's expectations

- Relevant FX impact
- Efficiency plan underway with measures starting to materialize
- Positive cash flow generation

B Santillana improves its ebitda by 2% excluding FX and IFRS15

- Educational Campaigns performing as expected
- Learning systems continue their expansion
- Results Temporary Affected by IFRS15 adoption since 1 January 2018

C Radio Improves its Operating Performance by 27% supported by Latam performance

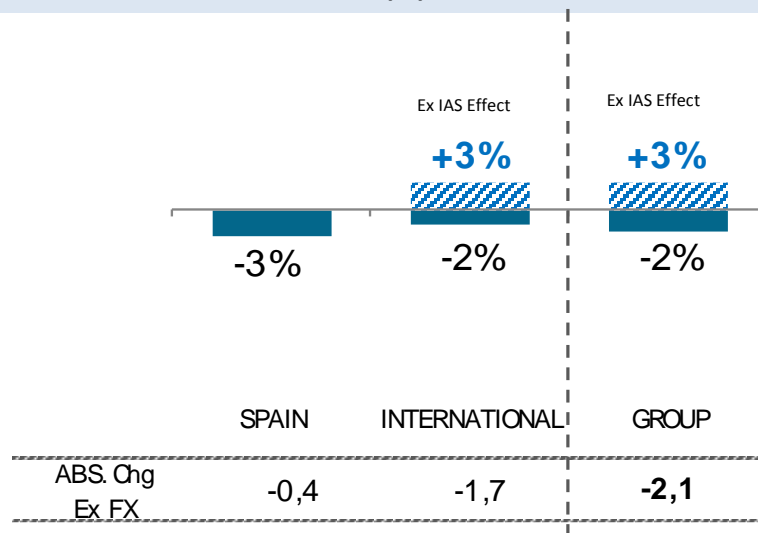
D Press continues growing in digital

E Positive net result of 9,9 million euros

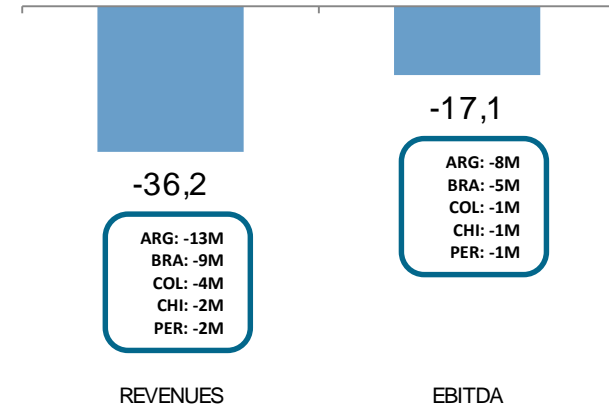
1Q2018 Operating Overview

€ Millions	2018	Var. 18/17 on constant ccy & excluding IFRS effect		Var. 18/17	
REVENUES	282	-0,2%	-1 M€	-13,8%	-45 M€
EXPENSES	216	-1,4%	-3 M€	-10,7%	-26 M€
EBITDA	66	3,0%	3 M€	-22,6%	-19 M€
<i>EBITDA Margin</i>	<i>23,3%</i>	<i>0,8 p.p.</i>		<i>-2,6 p.p.</i>	
EBIT	52	10,8%	7 M€	-20,7%	-14 M€
<i>EBIT Margin</i>	<i>18,5%</i>	<i>2,2 p.p.</i>		<i>-1,6 p.p.</i>	

EBITDA Variation (%) at constant currency

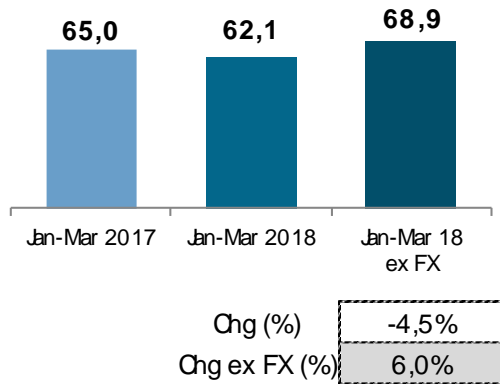


FX Effect (m€)

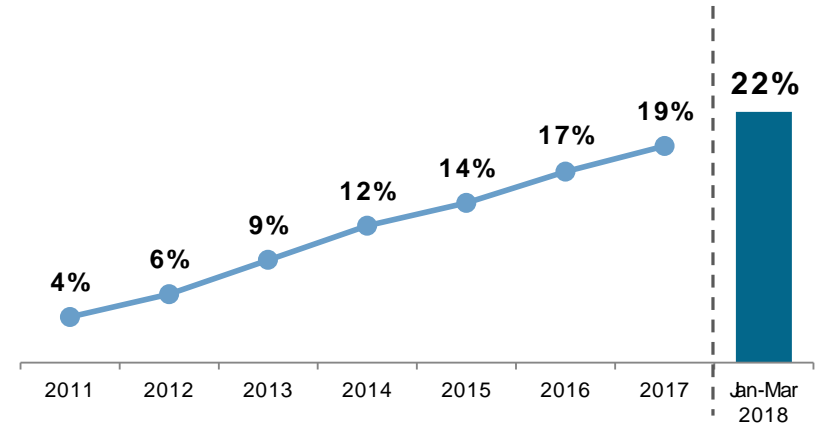


1Q2018 Operating Overview – Digital Transformation

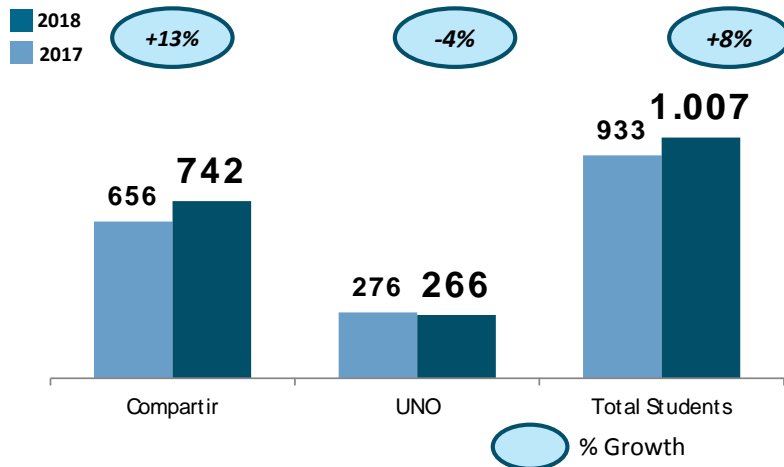
Transformation Revenues (m€)



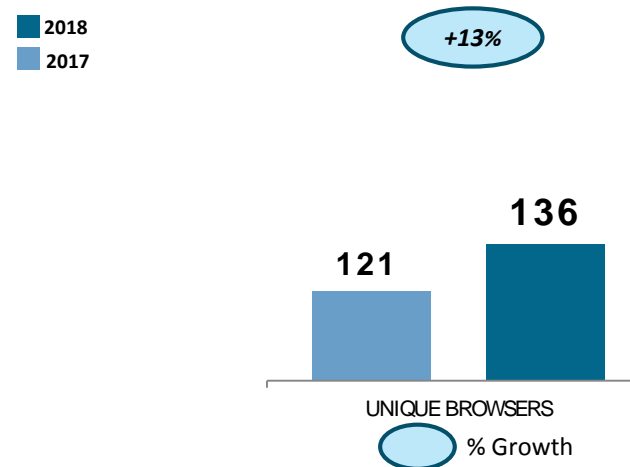
Contribution to Group's Total Revenues



Number of Students (000's)

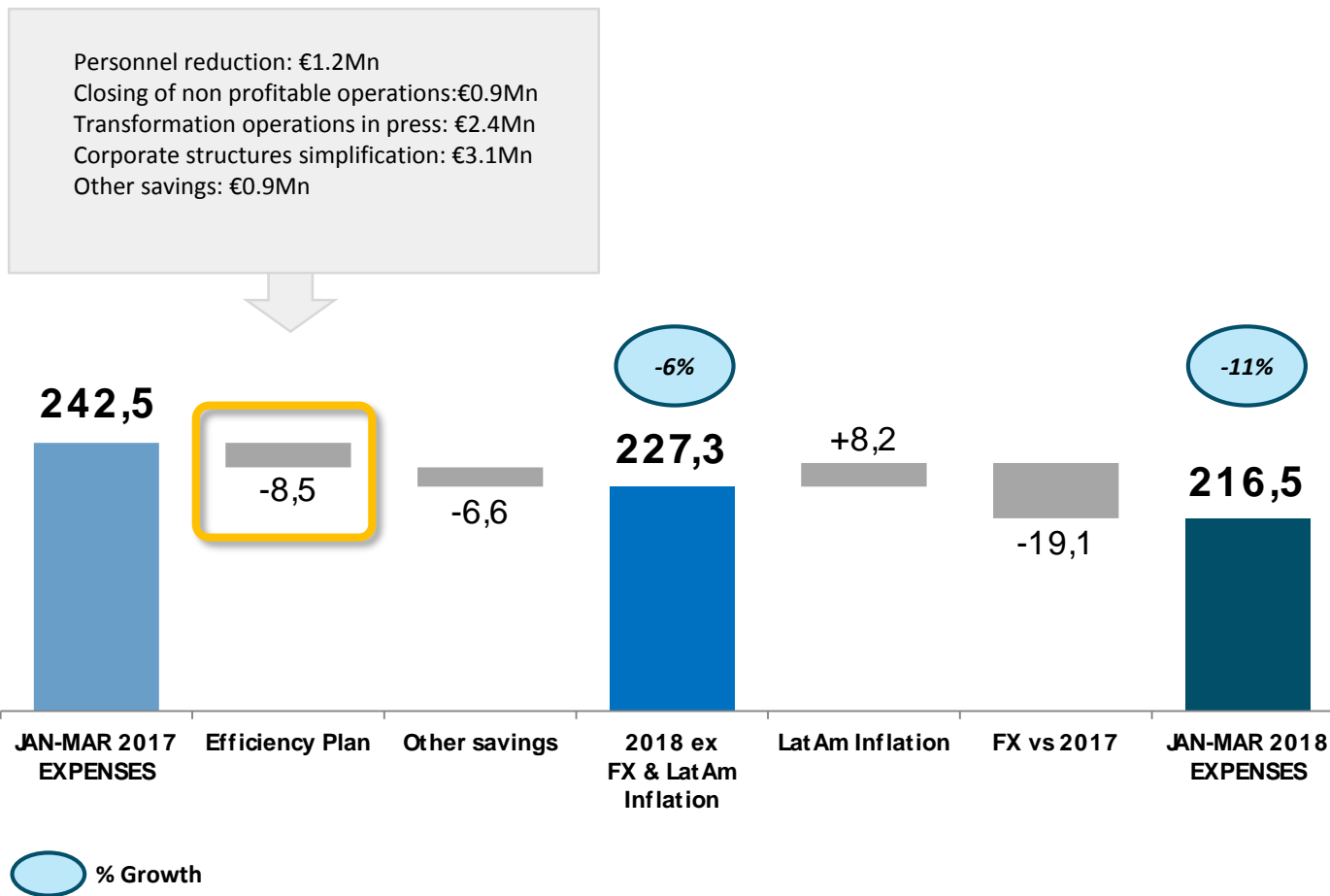


Audience (Million)



Ongoing business transition towards digitalization in all the business units

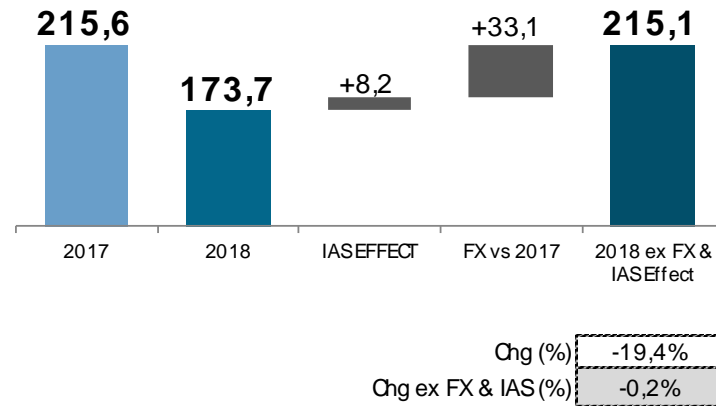
1Q2018 Efficiency Plan



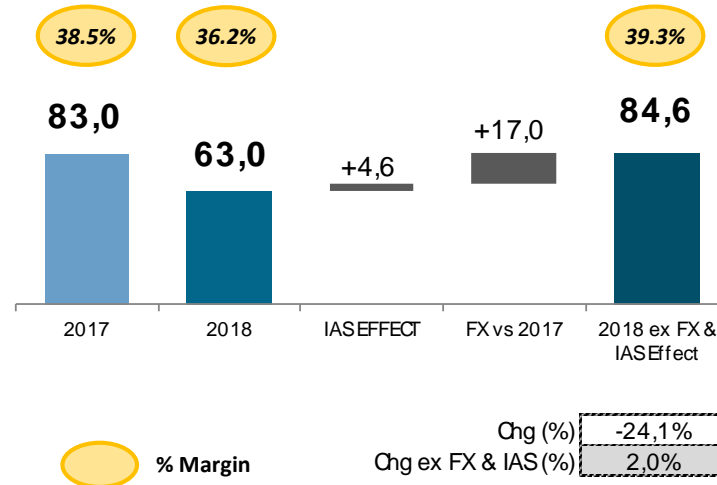
Efficiency measures starting to materialise with cost savings across different divisions

1Q2018 Operating Overview – Santillana

Revenues (m€)



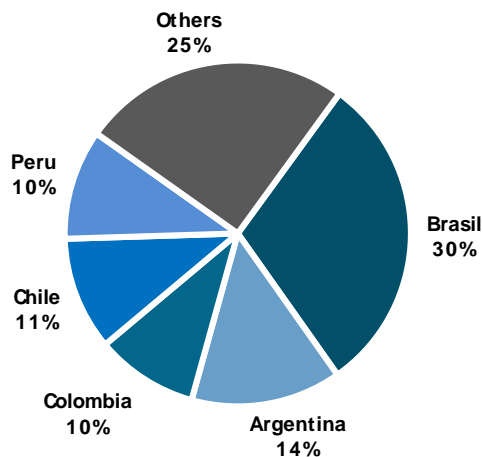
Adjusted EBITDA (€m)



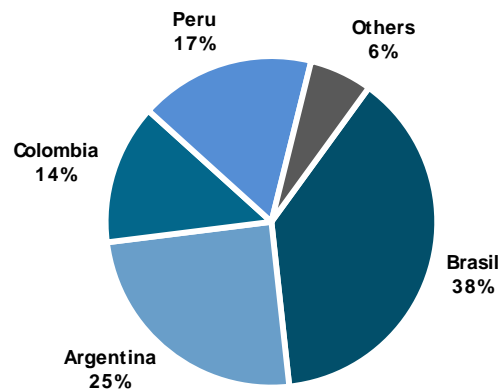
1Q performance versus last year affected by :i) FX impact; ii) IFRS15 and iii) lower institutional sales from Brazil.

1Q2018 Operating Overview – Santillana (Cont'd)

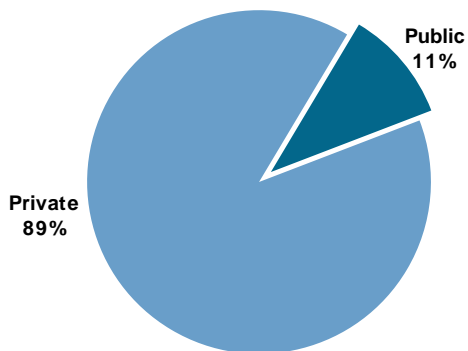
2018 Revenues Split by Geography



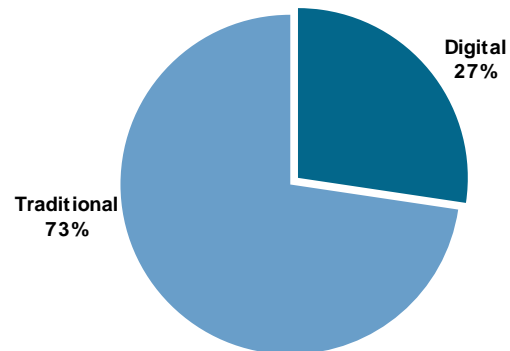
2018 EBITDA Split by Geography



Revenues Split (Public vs. Private)



Revenues Split (Digital vs. Traditional)



1Q2018 Operating Overview – Santillana (Cont'd)

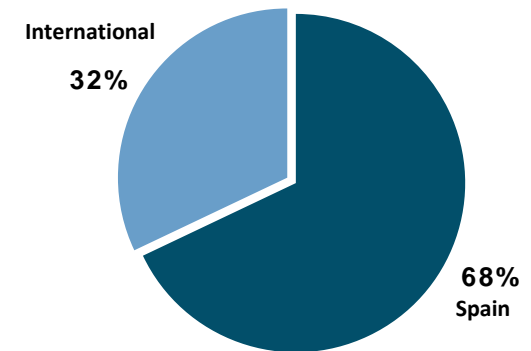
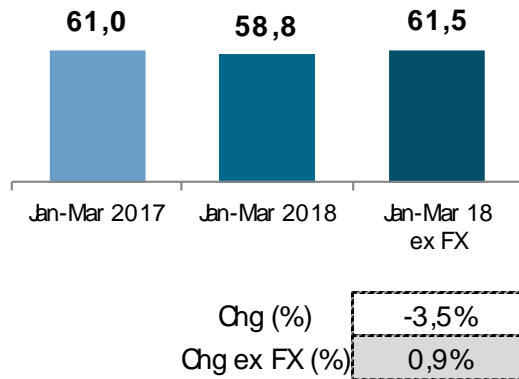
Operating Performance by Business & Regions

€ Millions	Revenues			Adjusted EBITDA		
	JANUARY - MARCH			JANUARY - MARCH		
	2018	2017	% Chg.	2018	2017	% Chg.
Total Santillana	173,7	215,6	(19,4)	63,0	83,0	(24,1)
Traditional Education and Compartir	158,4	197,4	(19,8)	59,2	76,1	(22,2)
South Campaign	144,4	183,0	(21,1)	80,3	100,6	(20,2)
North Campaign	13,9	14,3	(2,8)	(21,1)	(24,5)	13,7
UNO System	15,4	18,2	(15,6)	3,8	6,9	(45,1)
	Revenues			Adjusted EBITDA		
	at Constant Currency & excluding IFRS effect			at Constant Currency & excluding IFRS effect		
	JANUARY - MARCH			JANUARY - MARCH		
	2018	2017	% Chg.	2018	2017	% Chg.
Total Santillana	215,1	215,6	(0,2)	84,6	83,0	2,0
Traditional Education and Compartir	193,2	197,4	(2,1)	80,2	76,1	5,3
South Campaign	174,9	183,0	(4,5)	102,2	100,6	1,6
North Campaign	18,3	14,3	27,8	(22,0)	(24,5)	10,1
UNO System	21,9	18,2	20,1	4,5	6,9	(35,1)

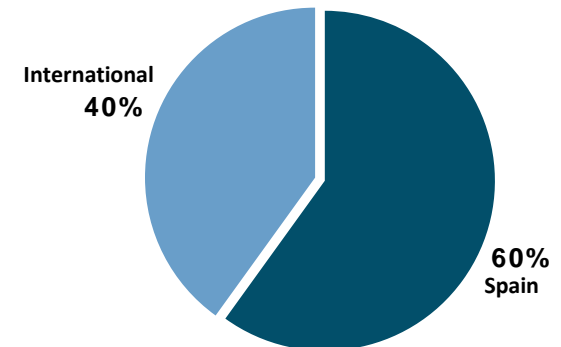
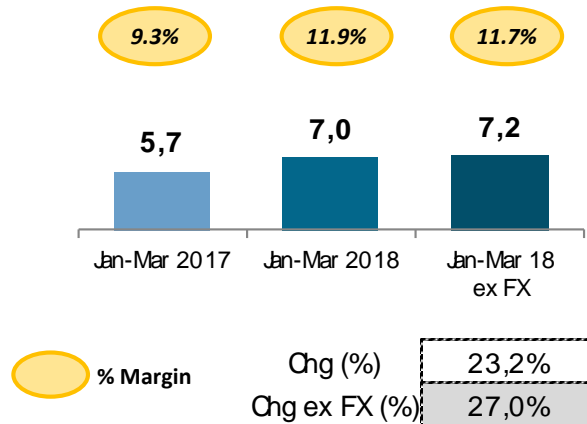
Educational campaigns in general performed in line with expectations

1Q2018 Operating Overview – Radio

Revenues Evolution (m€)⁽¹⁾



EBITDA Evolution (m€)⁽¹⁾



Margins improvement driven by cost control measures in Spain and operational leverage in Latam

Source: Company information.

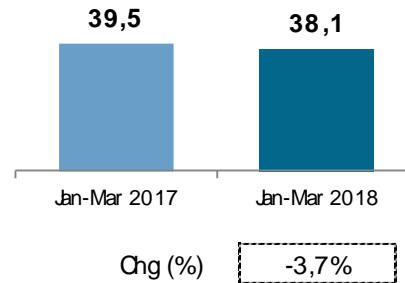
1. Figures exclude 50% of Radio Mexico & Radio Costa Rica.

1Q2018 Operating Overview – Radio Spain & Radio LatAm

Radio Spain

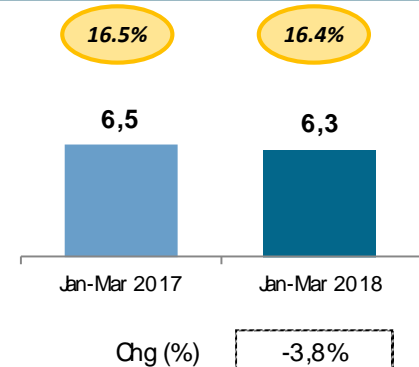


Revenues (m€)



EBITDA (m€)

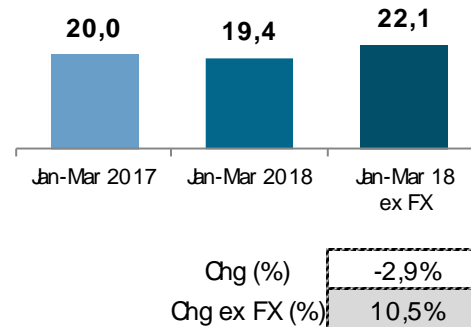
% Margin ->



Radio LatAm⁽¹⁾

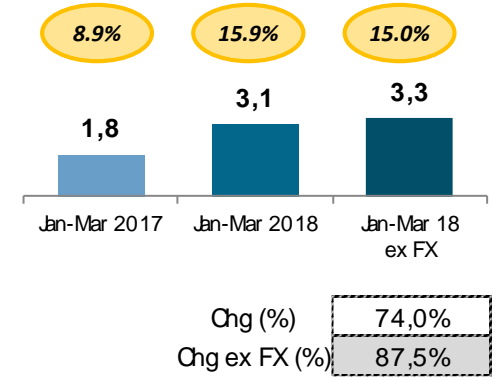


Revenues (m€)



EBITDA (m€)

% Margin ->



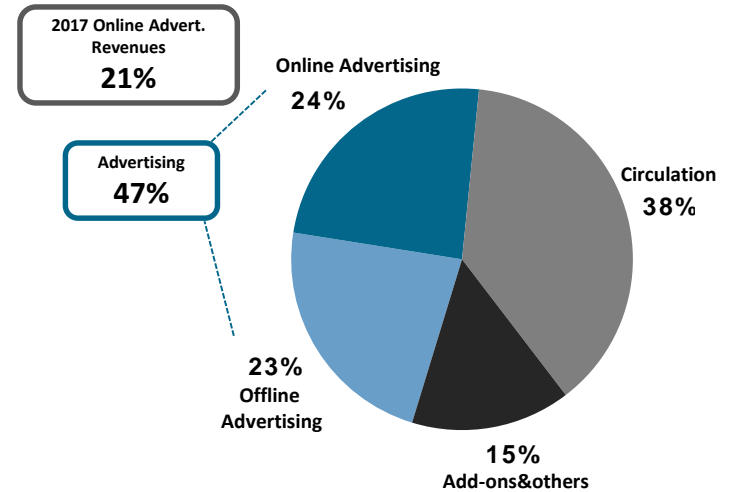
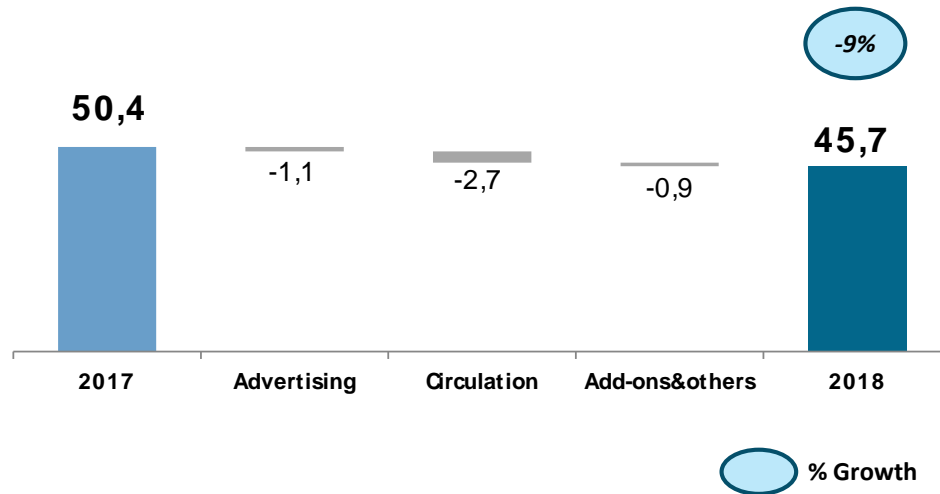
Revenue slight decline mainly linked to (i) Eastern effect in Spain and (ii) FX impact in Latam. Highlights strong performance in Latam

Source: Company information.

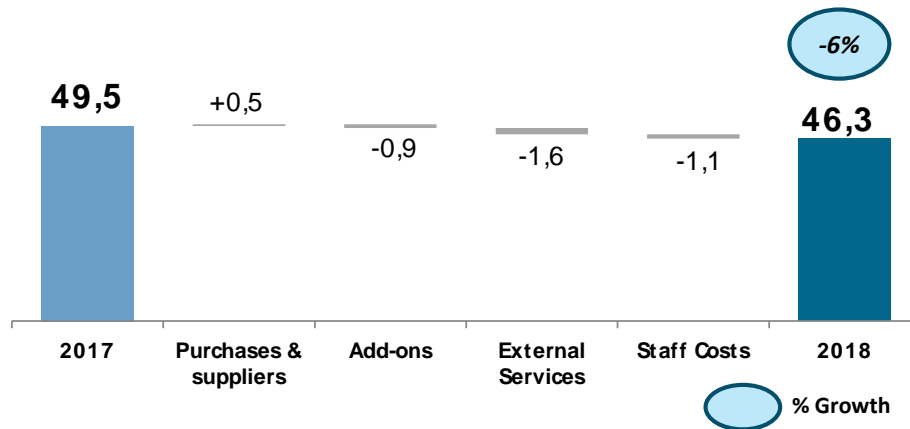
1. Figures exclude 50% of Radio Mexico & Radio Costa Rica.

1Q2018 Operating Overview – Press

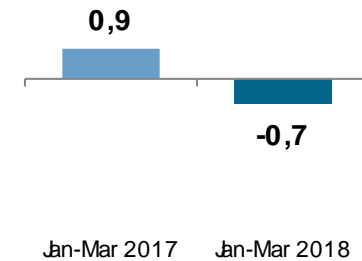
Revenues (m€)



Adjusted Expenses (m€)



Adjusted EBITDA (€m)

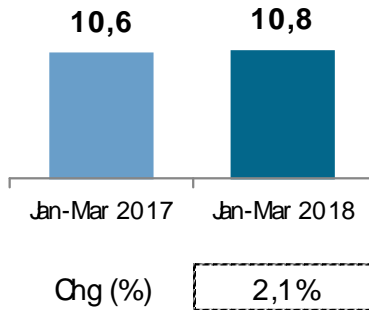


Top line still under pressure mainly due to (i) legacy performance and (ii) advertising affected by Eastern break. Strong cost control policies in place

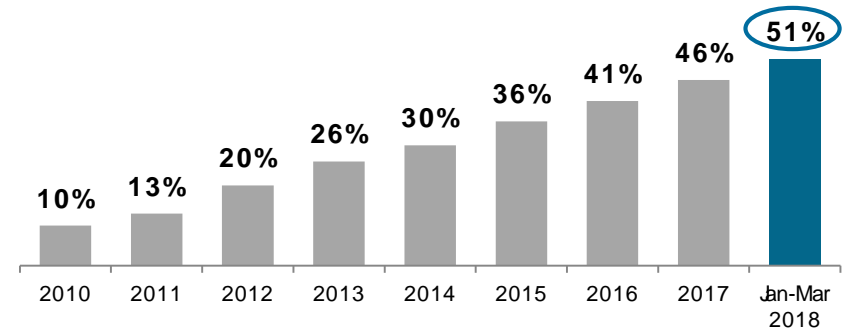
1Q2018 Operating Overview – Press

Online Advertising Revenues (m€)

*Includes events



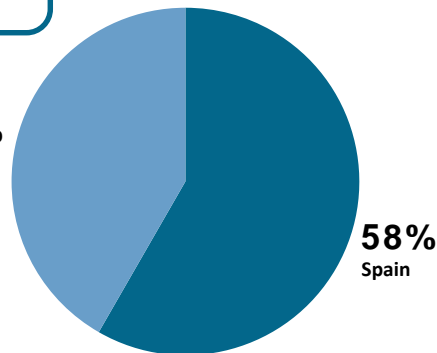
Online Advertising Contribution



Worldwide Audience El País.com (YTD)

84M Unique Browsers
51M Videos (onsite+offsite)

42%
International



Spain Audience (PC+mobile)

Ranking	PC+Mobile Spain (Jan-Mar'18 Average)	Unique Users (M)	YoY (%)
1	YOUTUBE	30,8	11%
2	GOOGLE	30,4	14%
3	FACEBOOK	28,7	25%
4	TWITTER	20,6	109%
5	EL PAÍS	19,5	20%
6	EL MUNDO	19,3	18%

Spain figures: Spain unique users (Pc+mobile).

Digital transformation already crystalizing with online advertising representing already 51% of total advertising

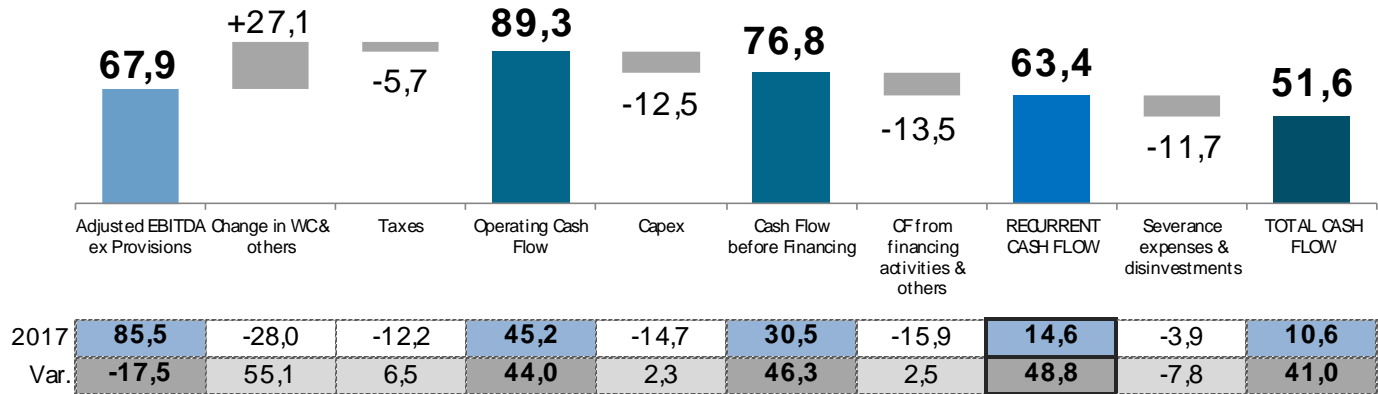
1Q2018 Operating Overview – From EBIT to Net Profit

€ Millions	2018	2017	% Chg.
Reported Results			
EBIT	41,5	58,6	(29,1)
<i>EBIT Margin</i>	14,7%	17,9%	
Financial Result	(14,6)	(16,2)	9,8
Interests on debt	(11,9)	(13,5)	12,0
Other financial results	(2,8)	(2,8)	(0,8)
Result from associates	0,8	0,3	192,5
Profit before tax	27,7	42,6	(35,0)
Income tax expense	12,6	16,2	(22,3)
Results from discontinued activities	0,2	1,1	(80,5)
Minority interest	5,4	5,6	(3,4)
Net Profit	9,9	21,9	(54,8)

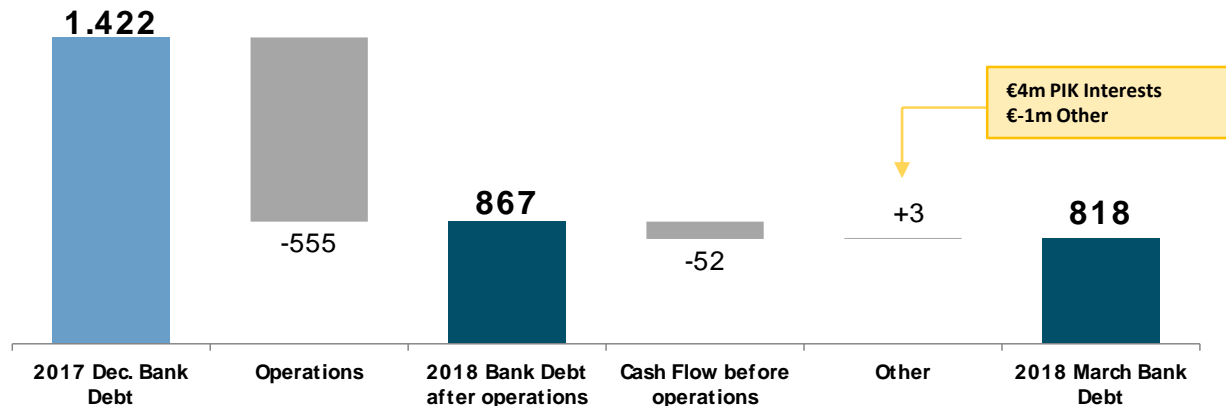
Positive net result with lower interest payment in the period

1Q2018 Operating Overview – Cash Flow Generation

Operating Cash Flow Generation (m€)



Net Bank Debt Evolution (m€)



Positive operating cashflow generation in 1Q amounting €52 million which includes i) €26 million corresponding to cash collections of 2017 institutional sales in Brazil ii) positive temporary effects to be reversed in the next quarters (mainly related to pending transactions one-off costs)

Closing Remarks

1 Results performing in line with company's expectations

2 Efficiency plan on track, with further savings to be achieved in the year

3 Cash flow in line with plan

4 2018 Guidance reconfirmed