



# PRISA

## RESULTS PRESENTATION

### Q3 2022

PROMOTORA DE INFORMACIONES, S.A.  
October 25th, 2022

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# Q3 KEY HIGHLIGHTS



# PRISA GROUP Q3 2022 KEY HIGHLIGHTS



## Continued operational improvement in both Media and Education

Despite macro uncertainties since the beginning of the year, businesses continue to show their resilience. EBITDA ex severance costs reached €76m (+80% vs. 9M 2021). Adj. EBITDA Mg 12.9% (+4 pps). Reported EBITDA increased by 4 times compared to the same period last year.



## Boost of digital

Ed-Tech subscription model keeps growing, achieving 2.62m subscriptions. Above FY2022 expectations. EL PAÍS reached 243k subscribers, of which 204K are digital-only (+68% YoY). Increase in audio consumption (streaming hours +19% YoY) and podcast downloads (+43% YoY). Digital revenues increased by 30% in the first nine months of the year.



## Moving forward on the Group's sustainability roadmap

Sustainability Master Plan 2022-2025 has been developed connecting the ESG commitments with our businesses, to provide more value and growth opportunities. Focusing on three clear commitments (Impact on people and society, Responsible management and Committed governance) with 17 goals aligned with those submitted at the CMD. Based on a new materiality analysis, with the involvement of senior management and business units.

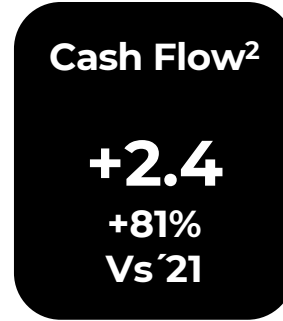


## 2022 Guidance

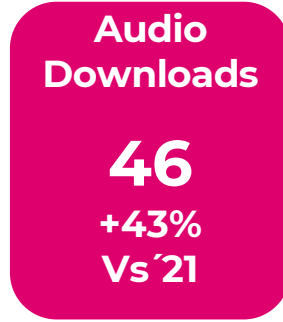
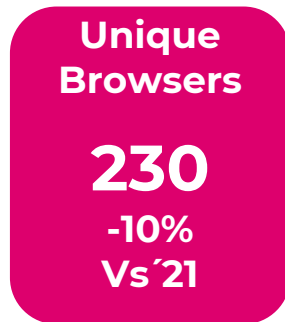
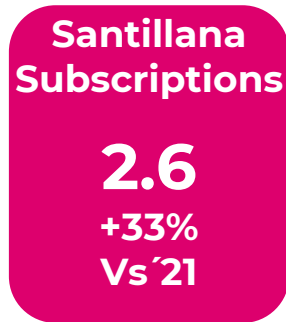
On track to accomplish FY2022 Guidance pending on key Q4 milestones (Advertising market performance and Education Public Sales).

# PRISA GROUP MAIN INDICATORS

## FINANCIAL (€m)



## DIGITAL (m)



1) Excluding severance expenses  
2) Excluding One-Offs

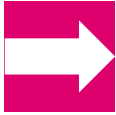
3) Digital-only subscribers

# PRISA GROUP FINANCIALS



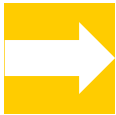
# PRISA GROUP FINANCIAL HIGHLIGHTS

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## Operating performance

Significant increase in adjusted EBITDA: +80% compared to the same period last year. Both Education and Media businesses contributing to EBITDA growth: +69% and +49%, respectively; whilst corporate center significantly reducing costs.



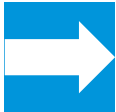
## Cash generation

Cash flow ex one offs (+€2.4m), above last year's figure (+€1.1m), in line with expectations. Total Cash flow - €62.4m (- €28m / -80% YoY) conditioned by the acquisition of Radio's minorities (€32m) and by refinancing and hedging costs (€16m).



## Debt

Net Bank debt €845m vs €756m as of December 2021, particularly impacted by extraordinary effects. c.6.5x Net Financial Debt / LTM EBITDA ratio (vs 8x in December 2021). Interest rate hedging initiated and continuous monitoring of markets for potential additional hedges.



## Liquidity

Cash position stands at €131m, with additional undrawn liquidity lines amounting to €101m. Continuous optimization of liquidity and cash management considering liquidity needs both in Spain and LatAm.



## PRISA GROUP KEY INDICATORS

Q3 results show improvement across all key indicators

- **Revenue increase of 21%** in the first nine months of the year. **+11% in Q3.**
- **Adj. EBITDA grows by 80%** compared to the same period last year. **+9% in Q3.**
- **Cash generation ex one-offs 1.1 million above** same period 2021.
- **Higher capex during the period in c. 5 million** vs the same period previous year explained by increased focus on digital investments.
- Total financial **Net Debt stands at €915m vs. €825m** in December 2021.

	9M'21 (€m)	9M'22 (€m)	Var (%)	Q3'21 (€m)	Q3'22 (€m)	Var (%)
<b>Revenues</b>	486	<b>587</b>	+21%	180	<b>199</b>	+11%
<b>Expenses</b>	468	<b>518</b>	+11%	164	<b>175</b>	+6%
<b>EBITDA</b>	18	<b>69</b>	+285%	15	<b>24</b>	+60%
<b>EBITDA ex severance costs</b>	42	<b>76</b>	+80%	24	<b>26</b>	+9%
<b>% Margin</b>	8.7%	<b>12.9%</b>	+49%	13.4%	<b>13.2%</b>	-2%
<b>EBIT</b>	-29	<b>20</b>	---	-1	<b>10</b>	---
<b>Net Result</b>	-82	<b>-28</b>	+66%	-26	<b>-14</b>	+45%
<b>Cash Flow ex one-offs</b>	1	<b>2</b>	+81%	31	<b>12</b>	-60%
<b>Capex</b>	-30	<b>-35</b>	-17%	-13	<b>-13</b>	-1%
<b>Net Financial Debt Inc. IFRS16</b>	Dic-21 825	<b>915</b>	+11%	---	---	---

## PRISA GROUP – NET PROFIT

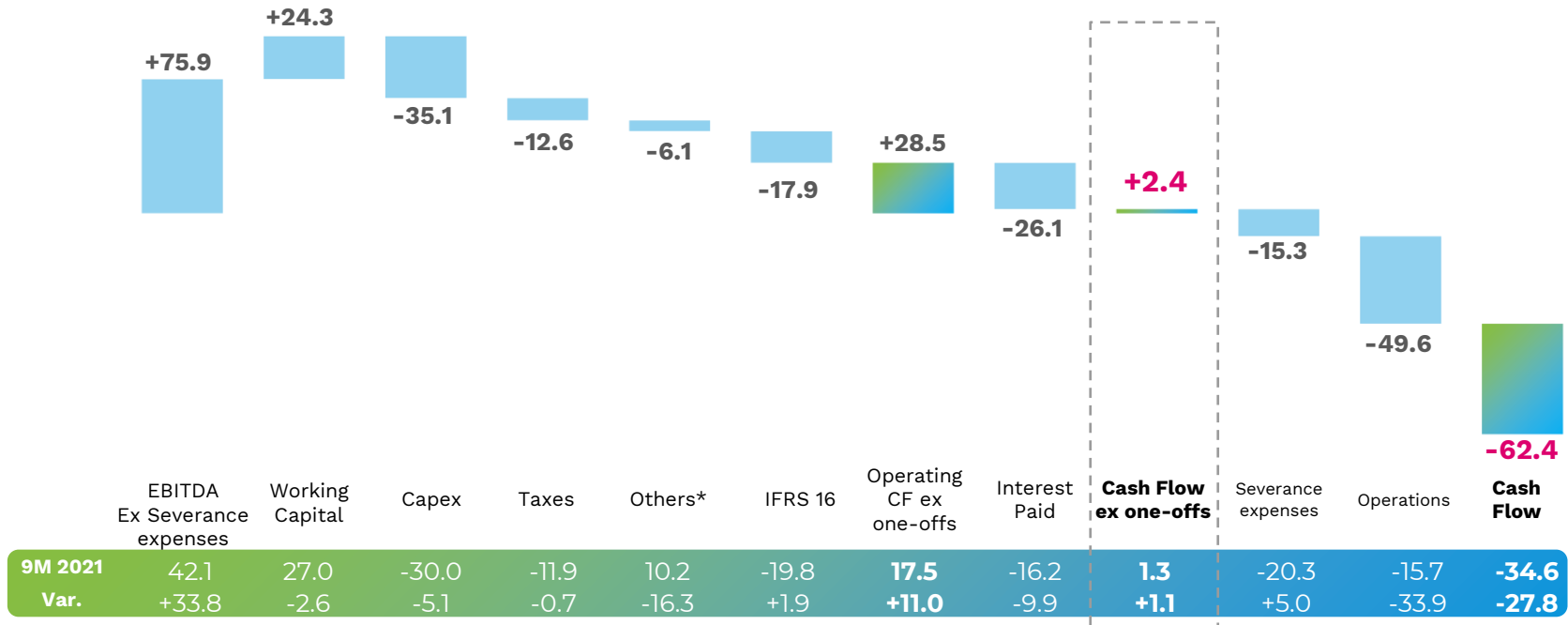
- **EBIT increased** by €49m compared to the same period 2021.
- **Improved financial result** (+7% vs 2021) due to the accounting impact of new financing.
- **Net Profit improvement** (+ €54m YoY) driven by operational growth of the businesses.

	9M'21 (€m)	9M'22 (€m)	Var (%)	Q3'21 (€m)	Q3'22 (€m)	Var (%)
<b>EBIT</b>	-29	<b>20</b>	---	-1	<b>10</b>	---
<b>Financial result</b>	-45	<b>-42</b>	+7%	-16	<b>-20</b>	-22%
<b>Equity method companies</b>	0	<b>4</b>	---	0	<b>0</b>	+20%
<b>Profit before tax</b>	-74	<b>-18</b>	+75%	-16	<b>-10</b>	+42%
<b>Tax Expense</b>	10	<b>11</b>	+14%	9	<b>6</b>	-39%
<b>Minority interest</b>	-2	<b>-1</b>	+35%	0	<b>-1</b>	---
<b>Net Profit</b>	-82	<b>-28</b>	+66%	-26	<b>-14</b>	+45%

# CASH FLOW

## 9M 2022 Cashflow evolution

Excludes FX impact on Cash Balance. Millions of Euros.

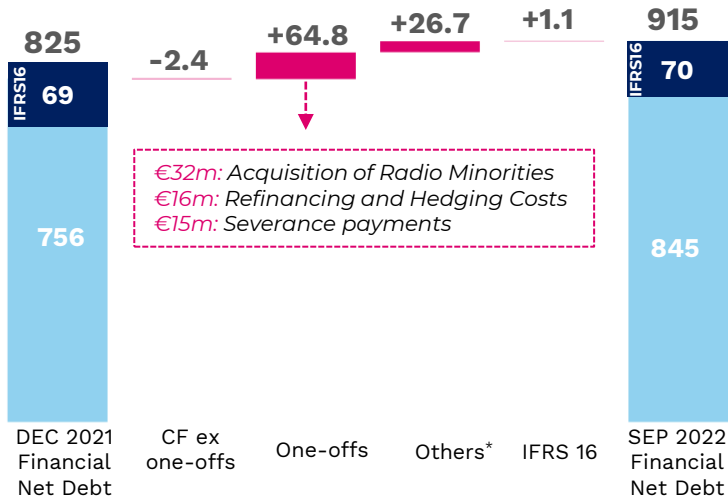


\*Others includes Financial investments, other cash flows, dividends and divestments.

# NET DEBT EVOLUTION AND BANK DEBT PROFILE

## Financial net debt evolution




Millions of Euros.



## Bank debt Profile

Millions of Euros.

TRANCHE	QUANTUM <sup>(**)</sup>	MARGIN	MATURITY
· Super Senior	c. €160m + €80m RCF	E+5.00% Cash	JUN-26
· Senior	c. €575m	E+5.25% Cash	DEC-26
· Junior	c. €185m	E+3.00% Cash + 5.00% PIK	JUN-27
<b>TOTAL</b>	c. €920m	Blended E+5.9%	-

-  **C. €22m interest payment expected in Q4, according to the financing schedule**
-  **Interest rate hedge (CAP) closed on a nominal amount of €150m, whilst monitoring markets for potential additional hedging**
-  **Cash position standing at €131m and additional undrawn liquidity lines amounting to €101m**

\* Includes mainly PIK, accrued interest, capitalized fees and impact of FX on Net debt.

\*\* Includes applicable OIDs.

A hand is shown reaching out towards a glowing digital interface. The interface consists of several rectangular panels with rounded corners, each containing different icons or symbols. The background is a soft, hazy blue and purple gradient. The overall aesthetic is futuristic and high-tech.

**PRISA MEDIA**

# PRISA MEDIA OVERVIEW

## ADVERTISING

Market share leadership among media houses



**+5%**

Net advertising revenue growth vs. 2021 despite macro situation

- ❑ Outstanding behavior in international markets: +20% vs. 2021
- ❑ In Spain, advertising in line with the same period 2021, despite no events (Euro 2021)

## AUDIENCE

vs. 2021

**23m**

Radio listeners

**+7%**



**230m**

Unique Browsers

**-10%**



**46m**

Audio downloads

**+43%**



**79m**

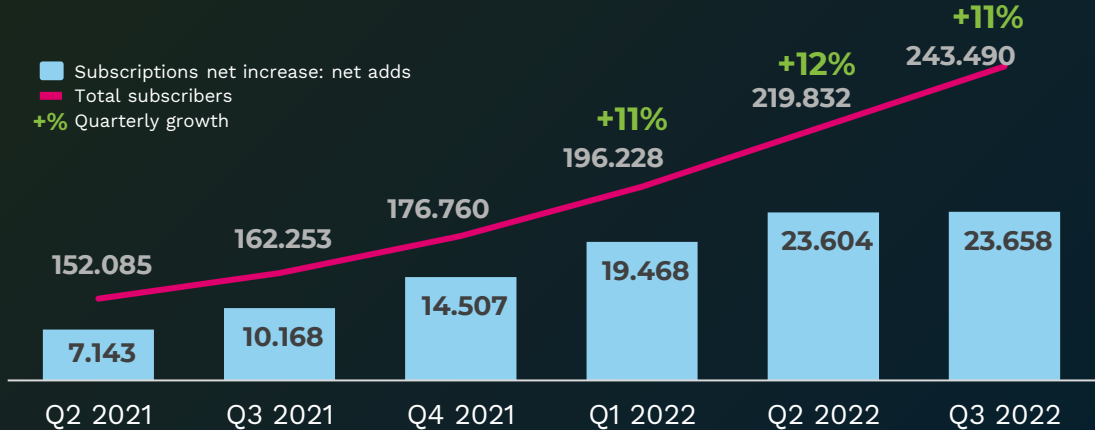
Total Listening Hours

**+19%**



## EL PAÍS DIGITAL SUBSCRIPTION EVOLUTION (k)

Outstanding leadership in the Hispanic market of press digital subscriptions



**+50%**

Total subscribers' growth YoY

- ❑ >243k subscribers, of which >204k are only-digital subscribers
- ❑ >66k digital-only net additions in the first nine months of 2022
- ❑ >11% Compound Quarterly Growth Rate in 2022

## PRISA MEDIA KEY INDICATORS

Results supported by good advertising performance, whilst digital business and efficiency continue to be key levers

### Advertising:

- **Net advertising revenue growth by 6%** vs. 2021 despite no events (Eurocup 2021).
- Advertising revenues driven by Radio, mainly by local and international.

### Circulation:

- Revenue increased by 3% in the 9 months period mainly driven by the online circulation that offsets the decline in offline circulation.

**Efficient cost control** with expenses lower than 2021 despite business growth.

**€7.2m EBITDA ex one-offs improvement** vs. same period 2021.

	9M'21 (€m)	9M'22 (€m)	Var (%)	Q3'21 (€m)	Q3'22 (€m)	Var (%)
<b>Revenues</b>	263	<b>278</b>	+6%	88	<b>92</b>	+4%
Advertising	201	<b>210</b>	+5%	68	<b>68</b>	+1%
Circulation	39	<b>40</b>	+3%	14	<b>14</b>	+2%
<b>Expenses</b>	264	<b>260</b>	-2%	87	<b>85</b>	-3%
Variable expense	42	<b>49</b>	+19%	14	<b>17</b>	+25%
Fixed expense	222	<b>210</b>	-5%	73	<b>67</b>	-8%
<b>Digital Revenue Mix</b>	24%	23%	-1 pp	25%	<b>24%</b>	-2%
<b>Geography Revenue Breakdown</b>						
Spain	83%	<b>80%</b>	-3pp	80%	<b>79%</b>	-1 pp
Rest	17%	<b>20%</b>	+3 pp	20%	<b>21%</b>	+1 pp
<b>EBITDA</b>	0	<b>18</b>	---	1	<b>7</b>	+578%
<b>EBITDA ex sev. Expenses</b>	15	<b>22</b>	+49%	6	<b>8</b>	+22%
<b>Adj. EBITDA Margin</b>	5.6%	<b>7.9%</b>	+41%	7.2%	<b>8.5%</b>	+17%

# SANTILLANA





# SANTILLANA OVERVIEW

## LEARNING SYSTEMS

Boosted by market transformation

**+50%**  
Sales (+38% ex FX)

## DIDACTIC

General post pandemic recovery

**+56%**  
Sales (+45% ex FX)

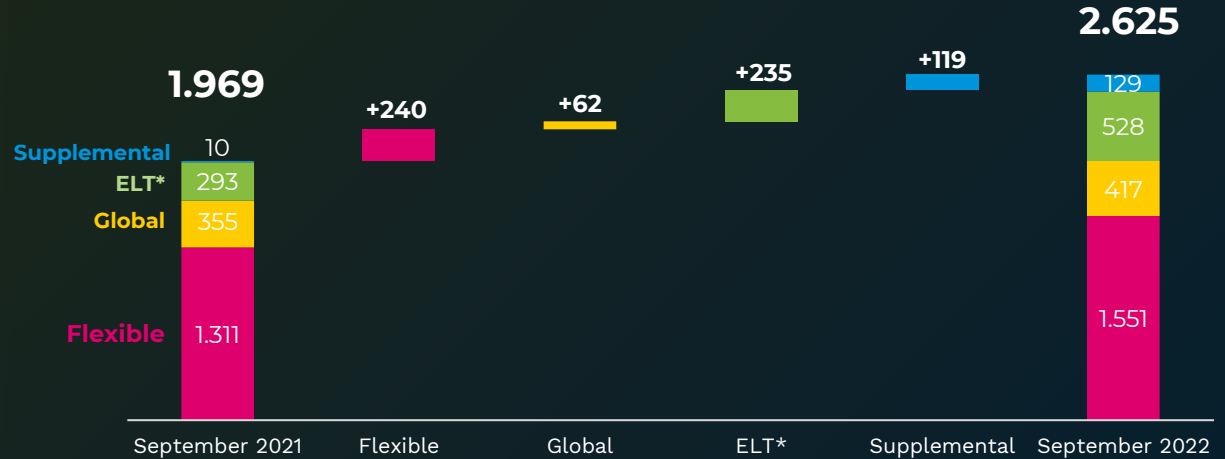
## PUBLIC MARKET

Outstanding performance in Mexico, pending Brazil

**+17%**  
Sales (+2% ex FX)

## LEARNING SYSTEMS SUBSCRIPTIONS EVOLUTION (k)

Acceleration of subscription models with outstanding results in both South and North Campaigns



**+33%**  
Total subscriptions growth YoY

- North Campaign subscriptions +29%
- +117% YoY growth of supplemental and ELT models driven by cross-selling
- >656k net additions in the first nine months of 2022

## SANTILLANA KEY INDICATORS

Strong results driven by the recovery in private business, with significant contribution of subscription models

### Private business

- **2.6m subscriptions** vs 2.5m expected for FY22.
- **Strong performance of subscription models** supported by transformation strategy.
- **Didactic business recovery** supported by return to normality in LatAm schools and extraordinary sales in Argentina.

### Public business

- **Outstanding performance in Mexico**, pending Brazil's Public Sales.

**FX impact:** Revenues (+€27.9m) & EBITDA (+€3.7m).

	9M'21 (€m)	9M'22 (€m)	Var (%)			
<b>Total subscriptions (Thousands)</b>	1.970	<b>2.625</b>	+33%			
<b>Campaign revenues*</b>	121	<b>173</b>	+43%			
<b>% Learning systems / Private sales</b>	62%	<b>61%</b>	-100 bps			
	9M'21 (€m)	9M'22 (€m)	Var (%)	Q3'21 (€m)	Q3'22 (€m)	Var (%)
<b>Revenues</b>	223	<b>310</b>	+39%	92	<b>108</b>	+17%
<b>Expenses</b>	192	<b>255</b>	+32%	74	<b>89</b>	+21%
<b>EBITDA</b>	31	<b>56</b>	+80%	18	<b>19</b>	+5%
<b>EBITDA ex severance expenses</b>	35	<b>59</b>	+69%	20	<b>20</b>	+2%
<b>Adj. EBITDA Margin</b>	15.5%	<b>18.9%</b>	+22%	21.4%	<b>18.6%</b>	-13%

\*Revenues from the South campaigns occur between Q4 of the previous year and Q1, Q2 and Q3 of the current year. For the North campaign, campaign revenues are in line with the fiscal year.



KEY TAKEAWAYS & ESG

## FY2022 GUIDANCE – PRISA GROUP

	<u>2021</u>	<u>2022</u> <u>Guidance</u>
<b>REVENUES</b>	€741m	€770 – 800m
<b>Adj. EBITDA Margin</b>	14.4%	15-17%
<b>CF ex one-offs*</b>	€1.6m	Improvement over 2021

**ON TRACK TO ACCOMPLISH FY2022 GUIDANCE PENDING ON KEY Q4 MILESTONES  
(ADVERTISING MARKET PERFORMANCE AND EDUCATION PUBLIC SALES)**

(\*) One offs including M&A and refinancing costs and Severance payments

## KEY TAKEAWAYS



**01**

Focus on business plan delivery by the Management team according to strategic roadmap, while monitoring closely current macro environment.

**02**

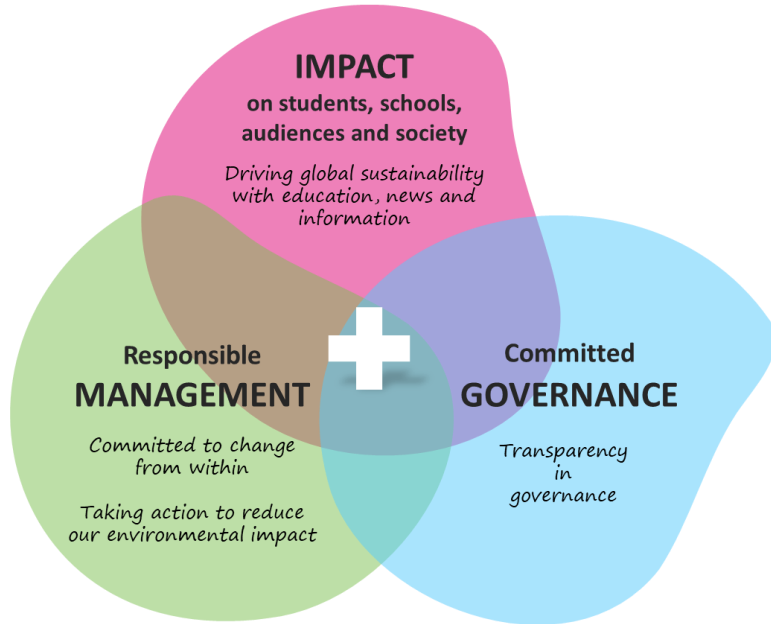
Last quarter of the year with high relevance in both businesses.

**03**

Continue to carry out initiatives to bolster our sustainability commitment.

# SUSTAINABILITY MASTER PLAN 2022-2025

PRISA's Sustainability Master Plan 22-25 focuses on three clear commitments...



... and 17 goals aligned with those submitted at the CMD, to support the PRISA strategic SDGs

Cross-cutting SDG

**E**

- Carbon neutrality by 2035
- To improve management systems to prevent, mitigate and offset environmental impact

**S**

- To be a key player in the progress and transformation of education centers in Latin America
- To set the gold standard in raising awareness around the major social and environmental challenges of the 21st century through our brands' specialized content and campaigns
- To guarantee the truth and reliability of all information and news
- To set an example of diversity in our educational content and media campaigns
- Continuous improvement regarding the accessibility of our content
- To be seen as a major driver of sustainability among advertisers and at events
- A commitment to social action
- A commitment to the retention and development of talent
- Increased diversity and equality in our teams

**G**

- Reinforcement of Sustainability in Governance
- Excellence in ethics and compliance management
- Privacy protection and data security
- Integration of ESG risks and opportunities in decision making
- Increased transparency with stakeholders through reporting and communication
- Continuous improvement of ESG due diligence across the supply chain





## Investor Relations

+34 91 330 1085

ir@prisa.com

www.prisa.com

## FORTHCOMING EVENTS CALENDAR

**8<sup>th</sup>-10<sup>th</sup> November 2022: JB Capital Iberian Conference**

*More information available on the event website*

**23<sup>rd</sup> November 2022: Foro LATIBEX 2022**

*More information available on the event website*

**11<sup>th</sup>& 12<sup>th</sup> January 2023: Spain Investors Day**

*More information available on the event website*

**1<sup>st</sup> & 2<sup>nd</sup> February 2023: XXIX Santander Iberian Conference**

*More information available on the event website*

**February 2023: FY2022 Results**

*More information available closer to the date of the event*

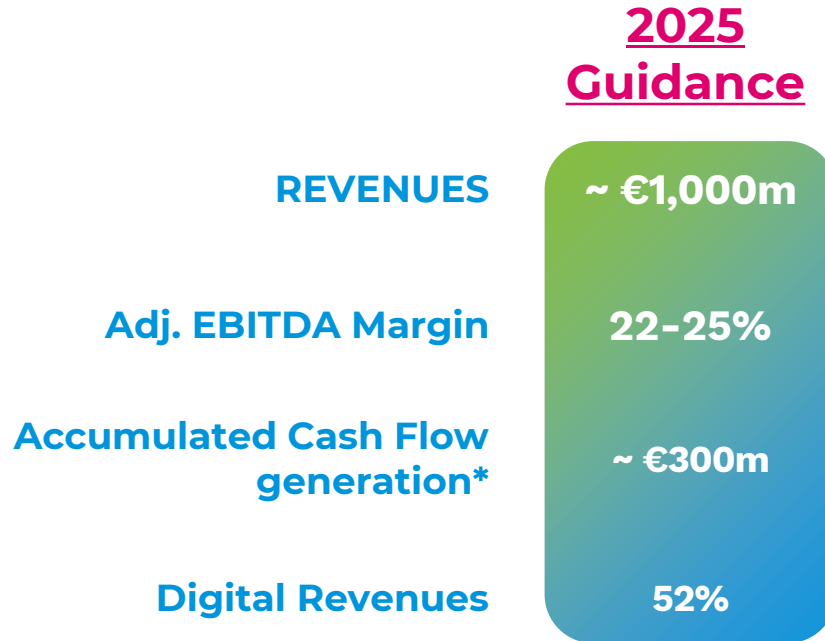
# APPENDIX





## 2025 GUIDANCE CMD – PRISA GROUP

Guidance for 2025 provided during the Capital Markets Day of PRISA.



\* Excluding interest payment (Free Cash Flow before debt service).