



## CAIRO COMMUNICATION

### Press Release - Results at 31 March 2023 approved

- In first quarter 2023, the Group achieved consolidated gross revenue of Euro 256.2 million (Euro 253.5 million in 2022), EBITDA of Euro 13.6 million (Euro 14.6 million in 2022), EBIT of Euro -6.5 million (Euro -3.8 million in 2022) and a net result of Euro -3 million (Euro -2.9 million in 2022)
- At 31 March, the net financial debt stood at Euro 13 million (Euro 15.2 million at end 2022)
- RCS ranks as the top online publisher also in the first three months of 2023 in Italy with an aggregate figure of 32 million average monthly unique users (net of duplications) (Audicom)
- *Corriere della Sera* is the leading Italian daily newspaper on newsstands, with a total active digital customer base of approximately 526 thousand subscriptions. The customer base of *Gazzetta's* pay products increases too, with approximately 213 thousand subscriptions, and of *El Mundo* and *Expansión* in Spain, with 115 thousand and 56 thousand subscriptions, respectively
- La7 achieved high ratings (3.32% in all-day share and 4.49% in prime time, and was the sixth channel for ratings in this time slot, with an upward trend in February at 4.32% and March at 4.87%, when La7 was the fifth channel in prime time)
- The Cairo Editore magazines publishing segment confirmed first quarter 2022 results

**Milan, 15 May 2023:** at its meeting today, the Board of Directors of Cairo Communication reviewed and approved the Interim Management Statement at 31 March 2023.

Income statement and balance sheet figures (€ millions)	31/03/2023	31/03/2022
Consolidated gross revenue	256.2	253.5
EBITDA	13.6	14.6
EBIT	(6.5)	(3.8)
Profit (loss) attributable to the owners of the parent	(3.0)	(2.9)
	<b>31/03/2023</b>	<b>31/12/2022</b>
Net financial position (net financial debt)	(13.0)	(15.2)

The beginning of 2023 was still marked by the continued conflict in Ukraine, with its consequences also in terms of impacts on the economy and trade. This has led to a state of great uncertainty and a slowdown in anticipated economic growth in relevant markets, while also exacerbating in 2022 the pre-existing inflationary dynamics since 2021. 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 impacted on production costs, and may also affect the performance of the advertising market, as it may influence the advertisers' propensity to spend.

Moreover, in first quarter 2023, energy and gas costs, after the strong volatility and increases recorded in 2022, gradually returned to values basically similar to those of the end of summer of 2021; additionally, paper costs have decreased versus 2022 figures, with anticipated positive effects on the income statement, primarily from the latter half of 2023, also taking account of the turnover time of existing inventory

In first quarter 2023, in a context still marked by uncertainty due to the conflict in Ukraine:

- **Group** gross revenue was in line with the same period of 2022, with the margins of current operations confirmed;
- **RCS** too basically confirmed gross revenue and margins from current operations. *Corriere della Sera* achieved remarkable newsstand circulation results and continued the growth of digital operations. At end March, its total active digital customer base (digital edition, membership and m-site) counted 526 thousand subscriptions (508 thousand at end 2022). At end March 2023, the customer base for *Gazzetta's* pay products (*G ALL*, *G+*, *GPRO* and *Fantacampionato*) counted 213 thousand subscriptions (171 thousand at end 2022). Digital subscriptions grew in Spain too, reaching at end March 2023 115 thousand subscriptions for *El Mundo* (101 thousand at end 2022) and 56 thousand subscriptions for *Expansión* (51 thousand at end 2022) (Internal Source). 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). EGM's April 2023 "*General Media Research*" survey confirms Unidad Editorial as the leader in Spanish print media with more than 1.5 million daily readers of its three daily newspapers, up by 6% from the last survey in 2022. 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 2023 31.2 million and 19.6 million average monthly unique users, and 4 million and 2.6 million average daily unique users, respectively (*Audicom*). RCS ranks as the top online publisher also in the first three months of 2023 in Italy with an aggregate figure of 32 million average monthly unique users (net of duplications) (*Audicom*). The main social accounts of the *Corriere* publications at 31 March 2023 reached 11.5 million total followers (considering Facebook, Instagram, Twitter, LinkedIn and TikTok - Internal source) and those of *La Gazzetta dello Sport* 5.6 million (considering Facebook, Instagram, Twitter and TikTok - Internal Source). In Spain, as part of the online activities, *elmundo.es*, *marca.com* and *expansion.com* reached 44.4 million, 97.1 million and 10.6 million average monthly unique browsers respectively in first quarter 2023, comprising both domestic and foreign browsers and including apps (*Google Analytics*). The social audience of Unidad Editorial Group titles (Internal Source) stands at 8.8 million followers for *El Mundo*, 16.2 million for *Marca* and 2.3 million for *Telva* (considering Facebook, Instagram, Twitter) and 1.4 million for *Expansión* (considering Facebook, Instagram, Twitter and LinkedIn). Net operating revenue amounted to Euro 179.1 million, with total digital revenue (Italy and Spain) amounting to approximately Euro 45.1 million and accounting for approximately 25.2% of total revenue. Total advertising sales from RCS online media amounted to Euro 28.7 million in first quarter 2023, making for 45% of total advertising revenue;
- the **TV publishing (La7) and network operator segment** improved EBITDA, achieving high audience levels of the La7 channel (3.32% in the all-day share and 4.49% in prime time). Specifically, in the quarter La7 was the sixth channel in prime time ratings, with an increasing trend in February (4.32%) and March (4.87%) when it was the fifth channel. Advertising sales on La7 and La7d channels amounted to approximately Euro 35.4 million (Euro 33.8 million in first quarter 2022). The channel's news and discussion programmes in first quarter 2023 all continued to deliver remarkable results: *Otto e Mezzo* with 6.75% average share from Monday to Friday, *TgLa7 8 p.m.* edition with 5.57% from Monday to Friday, *diMartedì* with 6.13%, *Piazzapulita* with 5.07%, *Propaganda Live* with 5.55%, *Omnibus La7* with 3.55%, *Coffee Break* with 3.73%, *L'Aria che tira* with 4.67%, *Tagadà* with 3.45%, *Atlantide* with 3.41% and *In Onda* with 4.48%. In first quarter 2023, La7 confirmed its leadership among generalist TV channels in terms of news hours (1,185 hours in the period) and was the second channel in terms of live hours (over 1000 in the first three months of the year). On the digital front, in first quarter 2023 the average monthly unique users were 6.6 million and the daily unique users were 473 thousand. Stream views were nearly 19.6 million per month. At end March followers of La7 and its programmes active on Facebook, Twitter, Instagram and TikTok are 6.6 million in total.
- the **Cairo Editore magazine publishing segment** confirmed the results of first quarter 2022, despite an increase in the cost of paper versus first quarter 2022.

In first quarter 2023, consolidated gross revenue amounted to approximately Euro 256.2 million (comprising gross operating revenue of Euro 243.4 million and other revenue and income of Euro 12.8 million), up by Euro 2.7 million from Euro 253.5 million in first quarter 2022 (comprising gross operating revenue of Euro 245.3 million and other revenue and income of Euro 8.2 million).

EBITDA and EBIT came to Euro 13.6 million and to Euro -6.5 million, respectively (Euro 14.6 million and Euro -3.8 million, respectively, in first quarter 2022) and were still affected by the increase in raw material prices, especially paper costs, versus first quarter 2022, when paper used had been purchased at 2021 prices. Net non-recurring expense amounted to Euro -0.4 million (Euro -0.4 million in first quarter 2022). Group's seasonality factors generally negatively impact on the results of the first and third quarters of the year.

The net result attributable to the owners of the parent came to approximately Euro -3 million (Euro -2.9 million in first quarter 2022).

Looking at the business segments, in 2022:

- in the **magazine publishing segment (Cairo Editore)**, EBITDA and EBIT came to Euro 1.2 million and Euro 0.8 million (Euro 1.3 million and Euro 0.8 million in first quarter 2022). Regarding weeklies, with approximately 1 million average copies sold in the period January-March 2023 (ADS), Cairo Editore retains its position as the leading publisher in copies of weeklies sold at newsstands, with an approximately 29% 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 1.1 million;
- in the **TV publishing (La7) and network operator segment**, EBITDA grew to reach approximately Euro 0.9 million (Euro 0.2 million in first quarter 2022). Given the characteristics of La7's programming schedule and distribution of advertising revenue over the year, the first quarter usually has a higher percentage of costs incurred for in-house productions on revenue, compared to the rest of the year. EBIT was approximately Euro -3.4 million (Euro -3.4 million in first quarter 2022);
- in the **advertising segment**, EBITDA amounted to Euro -0.3 million (Euro -0.3 million in first quarter 2022) and EBIT to Euro -0.9 million (Euro -0.7 million in first quarter 2022);
- in the **RCS segment**, in the consolidated financial statements of Cairo Communication, EBITDA<sup>1</sup> and EBIT came to Euro 11.8 million and to Euro -3 million, respectively (Euro 13.5 million and Euro -0.4 million in first quarter 2022) and were still affected by the increase in raw material prices, especially paper costs, versus first quarter 2022, when paper used had been purchased at 2021 prices. Moreover, RCS's seasonality factors generally negatively impact on the results of the first and third quarters of the year. 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 exclusive events dedicated to digital subscribers were organized. Major events were also organized, including the second edition of *Obiettivo5* in association with La Sapienza University of Rome and "*Italia Genera Futuro*" at Palazzo Mezzanotte. *La Gazzetta dello Sport* continued the graphical enhancement of G+ content, launched the new *Stile Gazzetta* section, and boosted the online game offerings of *Gazzetta.it*. *La Gazzetta*'s new *Twitch* channel quickly became one of 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. Work also continued on organizing major events, including the second edition of *Classica di Jaén*, the participation of *El Mundo* and *La Lettura* in the *International Contemporary Art Fair* in Madrid, and the annual *Marca Sport Weekend* in Malaga.

Consolidated **net debt** at 31 March 2023 stood at approximately Euro 13 million (Euro 15.2 million at end 2022). At end March, the net financial debt of RCS stood at Euro 28.5 million (Euro 31.6 million at end 2022).

**Total net financial debt**, which includes financial liabilities from leases recognized in accordance with IFRS 16 (mainly property leases) of Euro 157.3 million, amounted to Euro 170.3 million (Euro 177.6 million at 31 December 2022).

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<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 above section "Alternative Performance Measures". As a result of these differences, which lie in the provisions for risks and in the allowance for impairment, totaling Euro 1.2 million in first quarter 2023 - EBITDA shown in the RCS Interim Management Statement at 31 March 2023, approved on 12 May 2023, amounted to Euro 10.6 million.

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The beginning of 2023 was still marked by the continued conflict in Ukraine, with its consequences also in terms of economic sanctions applied to Russia and of impacts on the economy and trade. These elements have led 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 situation fueled the inflationary pressure in 2022 and the growing trend in the costs of various inputs already underway since 2021.

With regard to the Group, this economic context impacted 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.

Moreover, during the first quarter 2023, energy and gas costs, after the strong volatility and increases recorded in 2022, have gradually returned to values basically similar to those of the end of summer 2021; paper costs are also decreasing versus the values of 2022, with anticipated positive effects on the income statement, primarily from the latter half of 2023, also taking account of the turnover time of existing inventory

In first quarter 2023 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 confirming strongly positive margins (EBITDA) in 2023, 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.*

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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 March 2023

The main **consolidated income statement figures** in first quarter 2023 can be compared as follows with those of first quarter 2022:

(€ millions)	31/03/2023	31/03/2022
Gross operating revenue	243.4	245.3
Advertising agency discounts	(12.7)	(12.7)
<b>Net operating revenue</b>	<b>230.7</b>	<b>232.6</b>
Change in inventory	1.0	2.1
Other revenue and income	12.8	8.2
<b>Total revenue</b>	<b>244.5</b>	<b>243.0</b>
Production costs	(148.8)	(148.2)
Personnel expense	(81.7)	(79.8)
Non-recurring income and expense	(0.4)	(0.4)
<b>EBITDA</b>	<b>13.6</b>	<b>14.6</b>
Amortization, depreciation, provisions and write-downs	(20.1)	(18.4)
<b>EBIT</b>	<b>(6.5)</b>	<b>(3.8)</b>
Other gains (losses) from financial assets/liabilities	-	(0.4)
Net financial income	(3.0)	(2.1)
<b>Profit (loss) before tax</b>	<b>(9.5)</b>	<b>(6.3)</b>
Income tax	5.6	3.0
Non-controlling interests	0.8	0.4
<b>Profit (loss) for the period attributable to the owners of the parent</b>	<b>(3.0)</b>	<b>(2.9)</b>

*Unaudited reclassified statements*

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

€ millions	31 March 2023	31 March 2022
<b>Profit (loss) for the period</b>	<b>(3.9)</b>	<b>(3.3)</b>
<i>Reclassifiable items of the comprehensive income statement</i>		
Gains (losses) from the translation of financial statements denominated in foreign currencies	0.0	0.0
Gains (losses) from cash flow hedges	(0.1)	0.5
Reclassification of gains (losses) from cash flow hedges	(0.1)	0.1
Tax effect	0.0	(0.1)
<b>Total comprehensive income for the period</b>	<b>(4.0)</b>	<b>(2.7)</b>
- Owners of the parent	(3.2)	(2.5)
- Non-controlling interests	(0.8)	(0.2)
	<b>(4.0)</b>	<b>(2.7)</b>

*Unaudited reclassified statements*

## Summary of the main consolidated statement of financial position figures at 31 March 2023

The main consolidated statement of financial position figures at 31 March 2023 can be analyzed versus the situation at 31 December 2022:

(€ millions)	31/03/2023	31/12/2022
Property, plant and equipment	109.0	110.9
Rights of use on leased assets	141.6	146.4
Intangible assets	987.5	990.2
Financial assets	36.1	36.8
Deferred tax assets	92.3	86.0
Net working capital	(65.6)	(57.8)
<b>Total assets</b>	<b>1,300.9</b>	<b>1,312.5</b>
Non-current liabilities and provisions	104.2	104.7
Deferred tax provision	163.7	163.4
(Financial position)/Net debt	13.0	15.2
Liabilities from lease contracts (pursuant to IFRS 16)	157.3	162.4
Equity attributable to the owners of the parent	521.8	525.0
Equity attributable to non-controlling interests	340.9	341.8
<b>Total equity and liabilities</b>	<b>1,300.9</b>	<b>1,312.5</b>

*Unaudited reclassified statements*

The consolidated net financial position at 31 March 2023, versus the situation at 31 December 2022, is summarized as follows:

Net financial position (€ millions)	31/03/2023	31/12/2022	Changes
Cash and cash equivalents	55.1	54.3	0.9
Other current financial assets and financial receivables	1.0	1.0	-
Current financial assets (liabilities) from derivative instruments	0.7	0.9	(0.3)
Current financial payables	(29.9)	(31.8)	1.9
<b>Current net financial position (net financial debt)</b>	<b>26.9</b>	<b>24.3</b>	<b>2.5</b>
Non-current financial payables	(40.3)	(40.0)	(0.3)
Non-current financial assets (liabilities) from derivative instruments	0.4	0.4	-
<b>Non-current net financial position (net financial debt)</b>	<b>(39.9)</b>	<b>(39.6)</b>	<b>(0.3)</b>
<b>Net financial position (net financial debt)</b>	<b>(13.0)</b>	<b>(15.2)</b>	<b>2.2</b>
Liabilities from lease contracts (pursuant to IFRS 16)	(157.3)	(162.4)	5.0
<b>Total net financial position (net financial debt)</b>	<b>(170.3)</b>	<b>(177.6)</b>	<b>7.3</b>

*Unaudited reclassified statements*

## Segment reporting at 31 March 2023

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

2023	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
Gross operating revenue	18.0	81.3	28.1	185.8	(69.9)	243.4
Advertising agency discounts	-	(10.4)	-	(7.0)	4.8	(12.7)
<b>Net operating revenue</b>	<b>18.0</b>	<b>70.9</b>	<b>28.1</b>	<b>178.8</b>	<b>(65.2)</b>	<b>230.7</b>
Change in inventory	(0.0)	-	-	1.0	-	1.0
Other revenue and income	3.5	0.6	0.1	9.3	(0.6)	12.8
<b>Total revenue</b>	<b>21.5</b>	<b>71.5</b>	<b>28.2</b>	<b>189.1</b>	<b>(65.8)</b>	<b>244.5</b>
Production costs	(16.1)	(66.2)	(17.6)	(114.8)	65.8	(148.8)
Personnel expense	(4.2)	(5.6)	(9.7)	(62.2)	(0.0)	(81.7)
Non-recurring income (expense)	-	-	-	(0.4)	-	(0.4)
<b>EBITDA</b>	<b>1.2</b>	<b>(0.3)</b>	<b>0.9</b>	<b>11.8</b>	<b>0.0</b>	<b>13.6</b>
Amortization, depreciation, provisions and write-downs	(0.5)	(0.6)	(4.3)	(14.8)	0.0	(20.1)
<b>EBIT</b>	<b>0.8</b>	<b>(0.9)</b>	<b>(3.4)</b>	<b>(3.0)</b>	<b>0.0</b>	<b>(6.5)</b>
Other gains (losses) from financial assets/liabilities	-	-	-	0.0	-	0.0
Net financial income	(0.0)	(0.1)	0.1	(2.9)	(0.0)	(3.0)
<b>Profit (loss) before tax</b>	<b>0.7</b>	<b>(0.9)</b>	<b>(3.3)</b>	<b>(5.9)</b>	<b>0.0</b>	<b>(9.5)</b>
Income tax	0.4	0.2	0.8	4.2	(0.0)	5.6
Non-controlling interests	-	0.2	-	0.7	(0.0)	0.8
<b>Profit (loss) for the period attributable to the owners of the parent</b>	<b>1.1</b>	<b>(0.6)</b>	<b>(2.5)</b>	<b>(1.1)</b>	<b>0.0</b>	<b>(3.0)</b>

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2022	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
Gross operating revenue	17.9	79.2	26.1	190.8	(68.8)	245.3
Advertising agency discounts	-	(10.2)	-	(7.2)	4.7	(12.7)
<b>Net operating revenue</b>	<b>17.9</b>	<b>69.0</b>	<b>26.1</b>	<b>183.6</b>	<b>(64.1)</b>	<b>232.6</b>
Change in inventory	0.1	-	-	2.0	-	2.1
Other revenue and income	1.7	0.8	0.9	5.5	(0.8)	8.2
<b>Total revenue</b>	<b>19.7</b>	<b>69.8</b>	<b>27.1</b>	<b>191.2</b>	<b>(64.8)</b>	<b>243.0</b>
Production costs	(14.2)	(64.6)	(17.3)	(116.9)	64.8	(148.2)
Personnel expense	(4.2)	(5.4)	(9.6)	(60.5)	(0.0)	(79.8)
Non-recurring income (expense)	-	-	-	(0.4)	-	(0.4)
<b>EBITDA</b>	<b>1.3</b>	<b>(0.3)</b>	<b>0.2</b>	<b>13.5</b>	<b>(0.0)</b>	<b>14.6</b>
Amortization, depreciation, provisions and write-downs	(0.5)	(0.5)	(3.6)	(13.9)	(0.0)	(18.4)
<b>EBIT</b>	<b>0.8</b>	<b>(0.7)</b>	<b>(3.4)</b>	<b>(0.4)</b>	<b>(0.0)</b>	<b>(3.8)</b>
Other gains (losses) from financial assets/liabilities	-	-	-	(0.4)	-	(0.4)
Net financial income	(0.0)	(0.1)	0.0	(2.1)	(0.0)	(2.1)
<b>Profit (loss) before tax</b>	<b>0.8</b>	<b>(0.8)</b>	<b>(3.4)</b>	<b>(2.9)</b>	<b>(0.0)</b>	<b>(6.3)</b>
Income tax	(0.0)	0.2	1.0	1.9	-	3.0
Non-controlling interests	-	-	-	0.4	0.0	0.4
<b>Profit (loss) for the period attributable to the owners of the parent</b>	<b>0.8</b>	<b>(0.6)</b>	<b>(2.4)</b>	<b>(0.6)</b>	<b>(0.0)</b>	<b>(2.9)</b>

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## Details of consolidated revenue at 31 March 2023

The breakdown of **gross operating revenue** in first quarter 2023, split up by main business segment, can be analyzed as follows versus the amounts of 2022:

2023	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
TV advertising	-	35.4	24.6	0.0	(24.9)	35.2
Advertising on print media, Internet and sporting events	1.4	45.5	0.6	71.1	(42.5)	76.1
Other TV revenue	-	-	0.4	0.7	(0.1)	1.0
Magazine over-the-counter sales and	16.9	-	-	83.8	(0.5)	100.2
VAT relating to publications	(0.2)	-	-	(0.8)	-	(1.0)
Sundry revenue	-	0.4	2.5	31.0	(2.0)	31.8
<b>Total gross operating revenue</b>	<b>18.0</b>	<b>81.3</b>	<b>28.1</b>	<b>185.8</b>	<b>(69.9)</b>	<b>243.4</b>
Other revenue	3.5	0.6	0.1	9.3	(0.6)	12.8
<b>Total gross revenue</b>	<b>21.5</b>	<b>81.9</b>	<b>28.2</b>	<b>195.1</b>	<b>(70.6)</b>	<b>256.2</b>

2022	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
TV advertising	-	34.0	23.4	0.0	(23.5)	33.9
Advertising on print media, Internet and sporting events	1.4	44.9	0.5	70.0	(42.6)	74.1
Other TV revenue	-	-	0.3	0.7	(0.1)	0.9
Magazine over-the-counter sales and	16.7	-	-	90.7	(0.6)	106.8
VAT relating to publications	(0.2)	-	-	0.1	-	(0.2)
Sundry revenue	-	0.3	2.0	29.4	(2.0)	29.7
<b>Total gross operating revenue</b>	<b>17.9</b>	<b>79.2</b>	<b>26.1</b>	<b>190.8</b>	<b>(68.8)</b>	<b>245.3</b>
Other revenue	1.7	0.8	0.9	5.5	(0.8)	8.2
<b>Total gross revenue</b>	<b>19.7</b>	<b>80.0</b>	<b>27.1</b>	<b>196.3</b>	<b>(69.5)</b>	<b>253.5</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.**

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).