



CAIRO COMMUNICATION

Press Release - Results at 30 June 2023 approved

- In first half 2023, the Group confirmed its consolidated gross revenue at Euro 599.2 million (Euro 598.6 million in 2022) and grew its margins, with EBITDA at Euro 80.2 million (Euro 69 million in 2022), EBIT at Euro 41.1 million (Euro 31.3 million in 2022) and net profit at Euro 15.9 million (Euro 11.3 million in 2022)
- In the first five months of 2023 too, RCS ranks as the top online publisher in Italy with an aggregate figure of 32.3 million average monthly unique users (net of duplications) (*Audicom*)
- At end June, the RCS Group's newspapers reached an active digital customer base of 939 thousand subscriptions, 535 thousand for *Corriere della Sera*, Italy's leading newspaper on newsstands, 211 thousand for *Gazzetta*, 123 thousand for *El Mundo*, and 70 thousand for *Expansión*
- La7 achieved high ratings, 3.4% in the all-day share and 4.6% in prime time, and was the sixth channel for ratings in this time slot in the six-month period, fifth in February with 4.32% and in March with 4.87%
- The Cairo Editore magazines publishing segment confirmed first half 2022 results

Milan, 3 August 2023: at its meeting today, the Board of Directors of Cairo Communication reviewed and approved the Half-Year Report at 30 June 2023.

Income statement and balance sheet figures (€ millions)	30/06/2023	30/06/2022
Consolidated gross revenue	599.2	598.6
EBITDA before net non-recurring expense	80.8	80.3
EBITDA	80.2	69.0
EBIT	41.1	31.3
Profit (loss) attributable to the owners of the parent	15.9	11.3
	30/06/2023	31/12/2022
Net financial position (net financial debt)	(47.0)	(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, 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, on paper in particular, and may also affect the performance of the advertising market, as it may influence the advertisers' propensity to spend.

Moreover, in first half 2023, energy and gas costs, after the strong volatility and increases recorded in 2022, gradually returned to values basically similar to those of end of summer 2021; additionally, paper costs have decreased at the moment 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 half 2023, in a context still marked by uncertainty due to the conflict in Ukraine:

- the **Group** confirmed revenue and grew its margins (EBITDA, EBIT, and net profit) versus the results in the same period of 2022;
- **RCS** too grew its margins (EBITDA, EBIT, and net profit) versus the results in the same period of 2022. *Corriere della Sera* confirmed remarkable newsstand circulation levels and continued the growth of digital operations. At end June, its total active digital customer base (digital edition, membership and m-site) counted 535 thousand subscriptions (508 thousand at end 2022 - Internal Source). At end June 2023, the customer base for *Gazzetta's* pay products (*G ALL*, *G+*, *GPRO* and *Fantacampionato*) counted 211 thousand subscriptions (171 thousand at end 2022 - Internal Source). Digital subscriptions grew in Spain too, reaching at end June 2023 123 thousand subscriptions for *El Mundo* (101 thousand at end 2022 - Internal Source) and 70 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 June 2023 "*General Media Research*" survey confirms Unidad Editorial as the leader in Spanish print media, adding almost 1.6 million overall daily readers of its three daily newspapers. The main digital performance indicators confirm the top market position of RCS, with the *Corriere della Sera* and *La Gazzetta dello Sport* brands which, in the period January-May 2023, counted 31.1 million and 19.8 million average monthly unique users, and in the period January-June 2023, 3.9 million and 2.7 million average daily unique users (*Audicom*). In the first five months of 2023 too, RCS ranks as the top online publisher in Italy with an aggregate figure of 32.3 million average monthly unique users (net of duplications - *Audicom*) The main social accounts of the *Corriere* publications at 30 June 2023 reached approximately 11.7 million total followers (considering *Facebook*, *Instagram*, *Twitter*, *LinkedIn* and *TikTok* - Internal Source) and those of *La Gazzetta dello Sport* 5.7 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, 96.4 million and 9.7 million average monthly unique browsers in first half 2023, comprising both domestic and foreign browsers and including apps (*Google Analytics*). The social audience of Unidad Editorial Group titles (Internal Source) stands at 9 million followers for *El Mundo*, 16.3 million for *Marca* and 2.4 million for *Telva* (considering *Facebook*, *Instagram* and *Twitter*) and 1.4 million for *Expansión* (considering *Facebook*, *Instagram*, *Twitter* and *LinkedIn*). Net operating revenue amounted to Euro 438.6 million, with total digital revenue (Italy and Spain) amounting to approximately Euro 101 million and accounting for approximately 23% of total revenue. Total advertising sales from RCS online media amounted to Euro 67.7 million in first half 2023, making for 38% of total advertising revenue;
- the **TV publishing (La7) and network operator segment** achieved high ratings of the La7 channel (3.4% in the all-day share and 4.6% in prime time). Advertising sales on La7 and La7d channels totaled approximately Euro 74.6 million, up from Euro 73.4 million in first half 2022. Specifically, La7 was the sixth channel in prime time ratings during the six-month period, fifth in February (4.32%) and in March (4.87%). The channel's news and discussion programmes in first half 2023 all continued to deliver remarkable results: *Otto e Mezzo* with 7% average share from Monday to Friday, *TgLa7* 8 p.m. edition with 5.8% from Monday to Friday, *diMartedì* with 6.3%, *Piazzapulita* with 5.1%, *Propaganda Live* with 5.7%, *Atlantide* with 3.5%, *In Onda* with 4.5%, *Omnibus La7* with 3.6%, *Coffee Break* with 3.7%, *L'Aria che tira* with 4.6% and *Tagadà* with 3.4%. In first half 2023, La7 confirmed its leadership among generalist TV stations in terms of news hours (over 2,411 hours in the period) and was the second channel in terms of live hours (approximately 2,000 in the first six months of the year). On the digital front, in the first five months of 2023, average monthly unique users were 8.3 million and in the six-month period daily unique users were 755 thousand. Stream views were 31.5 million per month. At end June, followers of La7 and its active programmes on Facebook, Twitter, Instagram and TikTok total 6.5 million;
- the **Cairo Editore magazine publishing segment** confirmed the results of first half 2023, despite the increase in the cost of paper (Euro 1.7 million) versus first half 2022.

In first half 2023, consolidated gross revenue amounted to approximately Euro 599.2 million (comprising gross operating revenue of Euro 577 million and other revenue and income of Euro 22.2 million) versus Euro 598.6 million in first half 2022 (comprising gross operating revenue of Euro 580.1 million and other revenue and income of Euro 18.5 million).

EBITDA and EBIT came to Euro 80.2 million and Euro 41.1 million (Euro 69 million and Euro 31.3 million in the same period of the prior year), still impacted by the increase in the cost of paper (Euro -5.4 million), versus the same period of the prior year, when the paper used had been purchased at 2021 prices. Net non-recurring expense came to Euro -0.6 million (Euro 11.3 million in first half 2022, including Euro 10 million in expense from the settlement of the litigation over the Via Solferino/San Marco/Balzan property complex).

Profit attributable to the owners of the parent came to approximately Euro 15.9 million (Euro 11.3 million in first half 2022).

Looking at the business segments, in first half 2023:

- in the **magazine publishing segment (Cairo Editore)**, EBITDA and EBIT came to Euro 1.7 million and Euro 0.8 million (Euro 1.8 million and Euro 0.7 million in first half 2022). Regarding weeklies, with approximately 0.9 million average copies sold in the period January-May 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 5 million (Euro 2.9 million in first half 2022). EBIT was approximately Euro -3.7 million (Euro -4.9 million in first half 2022);
- in the **advertising segment**, EBITDA came to Euro 1.1 million (Euro 1.6 million in first half 2022) and EBIT to Euro -0.1 million (Euro 0.6 million in first half 2022);
- in the **RCS segment**, in Cairo Communication's consolidated financial statements, EBITDA¹ and EBIT came to Euro 72.3 million and Euro 44.1 million (Euro 62.7 million and Euro 35 million in the same period of the prior year), impacted by the increase in the cost of paper (Euro -3,7 million), versus the same period of the prior year, when the paper used had been purchased at 2021 prices. 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 and Salerno editions opened, and exclusive events dedicated to digital subscribers were organized. 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*. *La Gazzetta dello Sport* continued the graphical enhancement of *G+* content, launched the new sections *Stile Gazzetta* and *Il Ciclista*, boosted the online games offer of *Gazzetta.it*, launched the *Gazzetta Motori* YouTube channel, and organized the first edition of *Milano Football Week*. *La Gazzetta's* new *Twitch* channel (with over 2 million cumulative video views since its opening) has quickly established itself among the top channels in Italy. For the *Design Week*, the *Living* and *Abitare* titles with *Corriere della Sera* created a scenic installation, *Solferino 28 Elevators*, inside the courtyard of the historic headquarters, which was open to the public. 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 *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 *Congreso Internacional de Telva*, a part (the Zaragoza and Valencia stops) of *Telva's* series of meetings to celebrate its 60th anniversary.

Consolidated **net financial debt** at 30 June 2023 stood at approximately Euro 47 million (Euro 15.2 million at end 2022). The change is explained mostly by the outlays for dividend payout of approximately Euro 31.2 million and for technical expenditure of approximately Euro 18.2 million, offset by the positive

¹ 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 next section “Alternative Performance Measures”. As a result of these differences - regarding provisions for risks and the allowance for impairment, totaling Euro 1.8 million in first half 2023 - EBITDA shown in the RCS Half-Year Report at 30 June 2023, approved on 31 July 2023, amounted to Euro 70.5 million.

contribution of ordinary operations, affected by the current timing of collecting tax credits granted to the publishing industry (at 30 June 2023, the outstanding credit of approximately Euro 26.5 million refers also to 2021 and 2022), and by the dynamics of working capital also due to the seasonality of its performance. At end June, the net financial debt of RCS stood at Euro 69.4 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 153.8 million, amounted to Euro 200.7 million (Euro 177.6 million at 31 December 2022).

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, in first half 2023, energy and gas costs, after the strong volatility and increases recorded in 2022, gradually returned to values basically similar to those of end of summer 2021; additionally, paper costs have decreased at the moment 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 half 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 confirm the goal of achieving strongly positive margins (EBITDA) in 2023, up from those achieved in 2022, and cash generation in the second half of the year, improving the net financial position at the end of the year compared to end 2022.

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
in the section NOTICES AND DOCUMENTS / PRESS RELEASES

Summary of the main consolidated income statement figures at 30 June 2023

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

(€ millions)	30/06/2023	30/06/2022
Gross operating revenue	577.0	580.1
Advertising agency discounts	(29.6)	(30.1)
Net operating revenue	547.4	550.0
Change in inventory	0.9	2.4
Other revenue and income	22.2	18.5
Total revenue	570.5	570.9
Production costs	(325.1)	(329.3)
Personnel expense	(164.5)	(161.4)
Non-recurring income and expense	(0.6)	(11.3)
EBITDA	80.2	69.0
Amortization, depreciation, provisions and write-downs	(39.1)	(37.6)
EBIT	41.1	31.3
Net financial income	(6.1)	(4.2)
Profit (loss) before tax	35.1	27.1
Income tax	(7.2)	(6.2)
Non-controlling interests	(12.0)	(9.5)
Profit (loss) for the period attributable to the owners of the parent	15.9	11.3

Unaudited reclassified statements

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

€ millions	Half year ended 30/06/2023	Half year ended 30/06/2022
Profit (loss) for the period	27.9	20.8
<i>Reclassifiable items of the comprehensive income statement</i>		
Gains (losses) from the translation of financial statements denominated in foreign currencies	-	0.1
Gains (losses) from cash flow hedges	(0.2)	0.9
Reclassification of gains (losses) from cash flow hedges	(0.3)	0.2
Tax effect	0.2	(0.2)
<i>Non-reclassifiable items of the comprehensive income statement</i>		
Actuarial gains (losses) from defined benefit plans	0.2	0.8
Tax effect	(0.1)	(0.2)
Gains (losses) from the fair value measurement of equity instruments	-	-
Total comprehensive income for the period	27.7	22.4
- Owners of the parent	15.7	12.6
- Non-controlling interests - continuing operations	12.0	9.8
	27.7	22.4

Unaudited reclassified statements

Summary of the main consolidated statement of financial position figures at 30 June 2023

The main consolidated statement of financial position figures at 30 June 2023 can be compared as follows with those at 31 December 2022:

(€ millions)	30/06/2023	31/12/2022
Property, plant and equipment	107.5	110.9
Rights of use on leased assets	138.0	146.4
Intangible assets	986.6	990.2
Financial assets	35.4	36.8
Deferred tax assets	85.3	86.0
Net working capital	(23.5)	(57.8)
Total assets	1,329.3	1,312.5
Non-current liabilities and provisions	101.5	104.7
Deferred tax provision	163.7	163.4
(Financial position)/Net debt	47.0	15.2
Liabilities from lease contracts (pursuant to IFRS 16)	153.8	162.4
Equity attributable to the owners of the parent	521.6	525.0
Equity attributable to non-controlling interests	341.7	341.8
Total equity and liabilities	1,329.3	1,312.5

Unaudited reclassified statements

The consolidated net financial position at 30 June 2023, versus the situation at 31 December 2022, can be summarized as follows:

Net financial position (€ millions)	30/06/2023	31/12/2022	Changes
Cash and cash equivalents	62.0	54.3	7.7
Other current financial assets and financial receivables	1.0	1.0	-
Current financial assets (liabilities) from derivative instruments	0.5	0.9	(0.4)
Current financial payables	(52.5)	(31.8)	(20.7)
Current net financial position (net financial debt)	11.0	24.3	(13.4)
Non-current financial payables	(58.4)	(40.0)	(18.4)
Non-current financial assets (liabilities) from derivative instruments	0.4	0.4	(0.0)
Non-current net financial position (net financial debt)	(58.0)	(39.6)	(18.4)
Net financial position (net financial debt)	(47.0)	(15.2)	(31.8)
Liabilities from lease contracts (pursuant to IFRS 16)	(153.8)	(162.4)	8.6
Total net financial position (net financial debt)	(200.7)	(177.6)	(23.1)

Unaudited reclassified statements

Consolidated statement of cash flows

The consolidated statement of cash flows at 30 June 2023 can be compared with the statement of cash flows at 30 June 2022:

€ millions	Half year ended 30 June 2023	Half year ended 30 June 2022
Cash funds	54.3	113.0
Bank overdrafts	0.0	0.0
CASH AND CASH EQUIVALENTS OPENING BALANCE	54.3	113.0
OPERATIONS		
Profit (loss)	27.9	20.8
Amortization/ depreciation	36.6	34.8
(Gains) losses and other non-monetary items	0.0	0.0
(Income) expense from investments	0.0	0.1
Net financial expense (income)	6.1	4.2
Dividends from equity-accounted investees	0.0	0.0
Income tax	7.2	6.2
Increase (decrease) in employee benefits and provisions for risks and charges	(3.8)	(5.3)
Cash flow from operations before changes in working capital	74.0	60.8
(Increase) decrease in trade and other receivables	(18.3)	(2.6)
Increase (decrease) in payables to suppliers and other liabilities	(22.4)	19.0
(Increase) decrease in inventory	3.1	(10.8)
CASH FLOW FROM OPERATIONS	36.5	66.3
Income tax received (paid)	(0.9)	(0.4)
Net financial expense paid	(5.3)	(4.4)
CASH FLOW FROM OPERATIONS (A)	30.3	61.6
INVESTING ACTIVITIES		
Net (acquisition) disposal of PPE and intangible assets	(18.2)	(13.8)
Acquisition of investments	0.0	(3.0)
Proceeds from the disposal of investments	0.5	0.5
Proceeds from the sale of property, plant and equipment and intangible assets	0.0	0.0
Net decrease (increase) in other non-current assets	0.1	(0.0)
CASH FLOW FROM INVESTING ACTIVITIES (B)	(17.5)	(16.3)
FINANCING ACTIVITIES		
Dividends paid	(31.2)	(36.7)
Net change in financial payables and other financial assets	39.0	(22.6)
Net change in lease liabilities	(13.0)	(13.4)
Increase (decrease) in non-controlling interests' share capital and reserves	0.0	0.0
Other changes in equity	(0.1)	0.0
CASH FLOW FROM FINANCING ACTIVITIES (C)	(5.2)	(72.6)
CASH FLOW FOR THE PERIOD (A)+(B)+(C)	7.6	(27.4)
CASH AND CASH EQUIVALENTS CLOSING BALANCE	62.0	85.6
CASH AND CASH EQUIVALENTS		
Cash funds	62.0	85.7
Bank overdrafts	0.0	(0.1)
	62.0	85.6

Segment reporting at 30 June 2023

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

2023	Magazine publishing Cairo	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
Gross operating revenue	37.2	191.8	58.0	456.0	(166.1)	577.0
Advertising agency discounts	-	(24.6)	-	(17.4)	12.5	(29.6)
Net operating revenue	37.2	167.2	58.0	438.6	(153.6)	547.4
Change in inventory	(0.0)	-	-	0.9	-	0.9
Other revenue and income	4.7	2.7	0.4	17.1	(2.8)	22.2
Total revenue	41.9	169.9	58.4	456.6	(156.4)	570.5
Production costs	(31.9)	(156.7)	(33.7)	(259.3)	156.4	(325.1)
Personnel expense	(8.3)	(12.1)	(19.7)	(124.3)	(0.0)	(164.5)
Non-recurring income (expense)	-	-	-	(0.6)	-	(0.6)
EBITDA	1.7	1.1	5.0	72.3	0.0	80.2
Amortization, depreciation, provisions and write-downs	(0.9)	(1.2)	(8.8)	(28.3)	0.0	(39.1)
EBIT	0.8	(0.1)	(3.7)	44.1	0.0	41.1
Other gains (losses) from financial assets/liabilities	-	-	-	0.0	-	0.0
Net financial income	(0.0)	(0.2)	(0.0)	(5.9)	(0.0)	(6.1)
Profit (loss) before tax	0.8	(0.2)	(3.8)	38.3	0.0	35.1
Income tax	0.6	(0.3)	0.9	(8.4)	(0.0)	(7.2)
Non-controlling interests	-	0.1	-	(12.0)	(0.0)	(12.0)
Profit (loss) for the period attributable to the owners of the parent	1.4	(0.5)	(2.9)	17.8	0.0	15.9

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2022	Magazine publishing Cairo	Advertising	TV publishing La7 and network operator	RCS	Eliminations and unallocated	Total
(€ millions)						
Gross operating revenue	37.5	190.9	55.8	463.8	(168.0)	580.1
Advertising agency discounts	-	(24.6)	-	(18.1)	12.6	(30.1)
Net operating revenue	37.5	166.3	55.8	445.7	(155.4)	550.0
Change in inventory	0.0	-	-	2.3	-	2.4
Other revenue and income	3.4	3.1	1.4	13.1	(2.4)	18.5
Total revenue	40.8	169.5	57.2	461.1	(157.8)	570.9
Production costs	(30.5)	(155.4)	(35.0)	(266.1)	157.8	(329.3)
Personnel expense	(8.6)	(12.4)	(19.3)	(121.1)	(0.0)	(161.4)
Non-recurring income (expense)	-	-	-	(11.3)	-	(11.3)
EBITDA	1.8	1.6	2.9	62.7	(0.1)	69.0
Amortization, depreciation, provisions and write-downs	(1.0)	(1.0)	(7.8)	(27.8)	(0.0)	(37.6)
EBIT	0.7	0.6	(4.9)	35.0	(0.1)	31.3
Other gains (losses) from financial assets/liabilities	-	-	-	(0.0)	-	(0.0)
Net financial income	(0.0)	(0.1)	(0.2)	(3.8)	(0.0)	(4.2)
Profit (loss) before tax	0.7	0.4	(5.1)	31.1	(0.1)	27.1
Income tax	0.2	(0.5)	1.5	(7.4)	0.0	(6.2)
Non-controlling interests	-	-	-	(9.6)	0.0	(9.5)
Profit (loss) for the period attributable to the owners of the parent	0.9	(0.1)	(3.6)	14.1	(0.1)	11.3

Unaudited reclassified statements

Details of consolidated revenue at 30 June 2023

Gross operating revenue in first half 2023, split up by main business segment, can be analyzed as follows versus the amounts of 2022:

2023 (€ millions)	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and	Total
TV advertising	-	74.6	50.7	0.1	(51.3)	74.2
Advertising on print media, Internet and sporting events	4.0	115.3	1.4	196.8	(108.6)	208.8
Other TV revenue	-	-	1.1	1.4	(0.1)	2.4
Magazine over-the-counter sales and subscriptions	33.7	-	-	167.0	(1.1)	199.6
VAT relating to publications	(0.5)	-	-	(1.5)	-	(2.0)
Sundry revenue	-	1.9	4.8	92.2	(5.0)	93.9
Total gross operating revenue	37.2	191.8	58.0	456.0	(166.1)	577.0
Other revenue	4.7	2.7	0.4	17.1	(2.8)	22.2
Total gross revenue	41.9	194.6	58.4	473.1	(168.9)	599.2

2022 (€ millions)	Magazine publishing Cairo Editore	Advertising	TV publishing La7 and network operator	RCS	Eliminations and	Total
TV advertising	-	73.8	50.2	0.0	(51.0)	73.1
Advertising on print media, Internet and sporting events	4.3	115.0	1.1	193.2	(110.2)	203.4
Other TV revenue	-	-	0.8	1.4	(0.1)	2.0
Magazine over-the-counter sales and subscriptions	33.7	-	-	179.4	(1.2)	211.9
VAT relating to publications	(0.5)	-	-	(0.8)	-	(1.3)
Sundry revenue	-	2.1	3.8	90.6	(5.5)	90.9
Total gross operating revenue	37.5	190.9	55.8	463.8	(168.0)	580.1
Other revenue	3.4	3.1	1.4	13.1	(2.4)	18.5
Total gross revenue	40.8	194.1	57.2	476.9	(170.4)	598.6

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).