
GRUPPO24ORE

FY 2015 Results

March 17th, 2016

GRUPPO24ORE

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STATEMENT

The Manager mandated to draft corporate accounting documents of Il Sole 24 ORE S.p.A. Valentina Montanari, attests – as per art.154-bis comma 2 of the Testo Unico della Finanza (dlgs.58/1998) – that all the accounting information contained in this presentation correspond to the documented results, books and accounting of the Company.

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Financial data by segments

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Highlights

- **Group consolidated revenue reaches 325.0 million euro**, up by 12.6 million euro, or +4.0%, continuing the positive trend started in 2014, thanks to the strategy implemented to create a multimedia system with a chain of new specialist digital dailies fully integrated with Il Sole 24 Ore, which increase revenue from highly profitable digital information content. **Advertising sales (+11.2%) and Training (+14.2%) grow. Culture in line (+1.5%)**
 - **Digital revenue from information content** confirms the positive trend of recent years, increasing by 5.7 million euro, or 8.2%, versus 2014, thanks entirely to the growth of Sole's multimedia system and its vertical dailies. Specifically, digital revenue generated by information content from the Daily Il Sole 24 Ore and from vertical newspapers grows by 8.4 million, up by 45%. Digital revenue from content continues to outperform revenue from print content, with the digital component accounting for 55% of total revenue from content versus 47% in 2014
 - **Overall Group digital revenue** amounts to 106.7 million euro, accounting for 32.8% of total revenue (30.7% in 2014), increasing by 11.2% versus 2014
 - **Advertising sales** up by 11.2% versus 2014 and versus the relevant market's 2.2% drop, moving in the opposite direction in the media field
- **Gross operating profit (EBITDA)** comes to a positive 0.9 million euro (-10.7 million euro in 2014), improving by 11.6 million euro. A result achieved thanks to the increase in revenue, to the constant focus on the containment of operating costs of corporate functions, and to the effects of the reorganization of a number of business areas, which allowed the Group to offset the increase in costs from higher revenue
- **The Net Financial Position** comes to -26.8 million euro versus +2.2 million euro at 31 December 2014 (-48.6 million euro at 31 December 2013), which benefited from the cash-in from the disposal of the Software area in May 2014. Cash from operations at +€1.6m. Total net cash from operations improves by 14.7 million euro versus 2014. Benefits came from improved profitability and lower net working capital requirements. Cash was mainly used for investments and outlays for non-recurring charges. It should be noted that the situation of the net financial position fully complies with the financial covenants required in the syndicated loan

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FY 15 financial goals **achieved**

	Target	Focus	Status
Revenues vs. 2014	 Single digit	Increase in digital content revenues in order to offset decrease in paper products revenues	
Total costs vs. 2014	 Single digit	<ul style="list-style-type: none"> Continuing cost cutting through efficiencies in productive and distribution processes and organization optimization Increase but straight focus on revenues related costs 	 Low Single digit 
Ebitda vs. 2014	 Double digit		
NFP vs. YE 2014	Negative affected by Capex and restructuring cash out	Positive cash flow from operation	

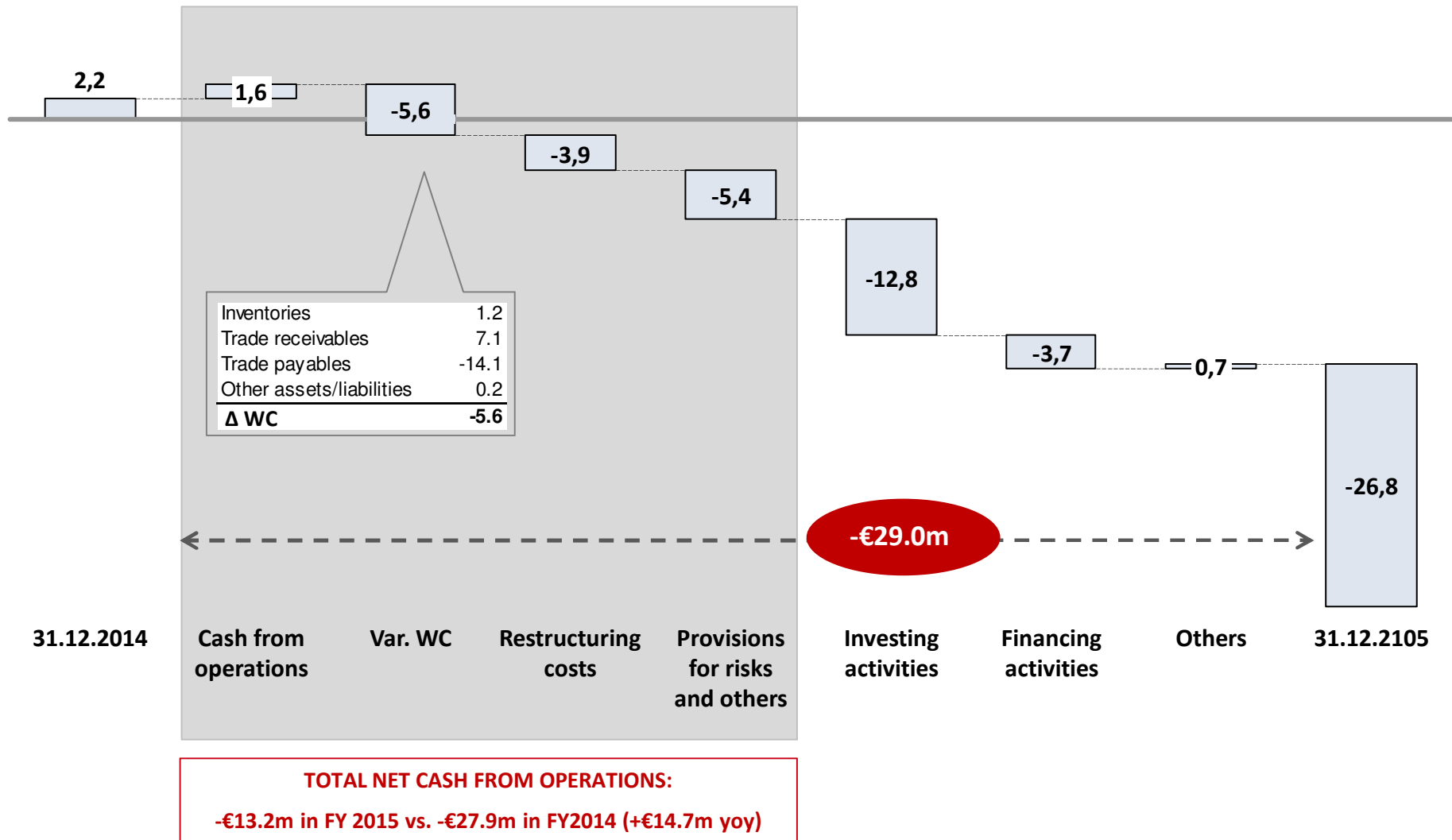
Consolidated Key Financial Data

Financial data are presented on a like-for-like basis net of Business Media and Software Solutions disposals

(€m - rounded figures)	4Q 2014			4Q 2015			FY2014			FY2015			FY 2015 HIGHLIGHTS		
	4Q 2014	4Q 2015	Δ%	FY2014	FY2015	Δ%	FY2014	FY2015	Δ%						
Revenues	91.2	97.1	6.4%	312.3	325.0	4.0%				Group consolidated revenue improved by €12.6m (+4.0% yoy): increase in advertising revenues (+11.2%), Training & Event (+14.2% yoy), Culture (+1.5%), flat newspaper circulation revenues and digital revenues from information content (+8.2% yoy),					
Other operating income	4.6	6.0	30.5%	13.2	14.5	9.9%				Overall costs up 0.7% vs. FY14					
Personnel expense	(23.2)	(24.1)	-3.8%	(101.7)	(102.3)	-0.6%				- Decrease in costs for: raw materials and consumables (-€2.0m, -13.6%), distribution costs (-€2.5m, -9.6%), centralized services of corporate function (-€4.9m yoy, -10.9%)					
Direct & operating costs	(65.5)	(62.3)	4.8%	(229.6)	(230.8)	-0.5%				- Personnel expense up by €0.6m due to increases related to contractual dynamics and by the changed scope of consolidation partially offset by the renewal of the solidarity contracts for a number of employee categories					
Provisions	(1.3)	(3.2)	n.m.	(4.8)	(5.5)	-14.7%				- Increase in revenues related costs for: sale costs (+€4.2m, +19.6%), advertising fees to third-party (+€4.1, +22.0%) and Education direct costs (+€1.4m, +8.4%)					
EBITDA	5.8	13.4	n.m.	(10.7)	0.9	n.m.				Positive EBITDA: +€11.6m yoy as results of increase in revenues, structure optimization, focus on costs containment and processes efficiencies across all the areas of the Group and despite Culture ebitda at -€6.0m; business positive seasonality strongly affected 4Q15 result					
EBITDA Margin %	6.4%	13.8%		-3.4%	0.3%										
EBIT	2.0	9.3	n.m.	(25.8)	(14.3)	44.6%				EBIT, improved by €11.5m yoy, benefits from €1m capital gain related to the sale of Verona production equipment					
EBIT Margin %	2.2%	9.6%		-8.3%	-4.4%										
Profit/(Loss) before tax	1.5	8.7	n.m.	(27.0)	(16.0)	40.7%									
PBT Margin %	1.7%	9.0%		-8.6%	-4.9%										
Net Profit/(Loss)	4.4	1.3	-70.0%	(25.5)	(24.1)	5.6%									
Minorities	(0.4)	(0.3)	-28.6%	(0.5)	0.1	n.m.									
Net profit/(Loss) from discontinued operations	(0.3)	0.0	n.m.	20.2	0.0	n.m.									
Net profit/(Loss) from other discontinued operations	(2.8)	0.0	n.m.	(4.0)	0.0	n.m.									
Net Profit/(Loss) after minorities	0.8	1.0	n.m.	(9.8)	(24.0)	n.m.				Net profit after minorities came to -€24.0m vs. -€9.8m in FY14: the latter benefited from capital gain related to Software Solutions disposal. The 2015 result is negatively affected by income taxes of €8.1m (versus +1.5 million euro in 2014), as a result of the reversal of deferred tax assets due to the IRES rate cut as from 2017					
Margin %	0.9%	1.0%		-3.1%	-7.4%										
Average n. of employees															
Average n. of employees net of the changes in the scope of consolidation scope in 2015															
				1,212	1,212	0									

Net Financial Position walk FY 2015

€m – rounded figures



Revenues & EBITDA Breakdown

Financial data are presented on a like-for-like basis net of Business Media and Software Solutions disposals

(€m - rounded figures)		4Q 2014			4Q 2015			Δ%			FY2014			FY2015			Δ%		
Publishing	Revenues	62.4	61.5	-1.4%	222.4	222.3	0.0%												
	EBITDA	6.6	7.9	20.7%	0.8	5.6	n.m.												
	EBITDA margin	10.5%	12.9%		0.4%	2.5%													
Advertising (System)	Revenues	36.5	40.5	11.0%	114.1	127.2	11.5%												
	EBITDA	1.5	2.0	38.1%	1.3	3.9	n.m.												
	EBITDA margin	4.1%	5.0%		1.2%	3.0%													
Training & Events	Revenues	9.3	11.9	27.8%	28.9	33.0	14.2%												
	EBITDA	2.0	3.4	72.6%	3.2	5.2	61.7%												
	EBITDA margin	21.2%	28.7%		11.2%	15.8%													
Culture	Revenues	6.4	6.6	2.1%	19.5	19.8	1.5%												
	EBITDA	0.6	(1.1)	n.m.	0.4	(6.0)	n.m.												
	EBITDA margin	8.8%	-17.4%		2.1%	-30.2%													
Corporate, intercompany & Others	Revenues	(23.4)	(23.5)	0.0%	(72.6)	(77.4)	-6.6%												
	EBITDA	(4.8)	1.2	n.m.	(16.5)	(7.8)	n.m.												
Il Sole 24 ORE Group	Revenues	91.2	97.1	6.4%	312.3	325.0	4.0%												
	EBITDA	5.8	13.4	n.m.	(10.7)	0.9	n.m.												
	EBITDA margin	6.4%	13.8%		-3.4%	0.3%													

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Key Financial Data

Financial data by segments

- Publishing
- System (Advertising)
- Training & Events
- Culture

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Publishing

The division heads up:

- the daily newspaper *Il Sole 24 ORE* (paper and digital version) and its bundled add-ons and magazines, the new digital products
- *www.ilsole24ore.com* website and the paid online content
- **Professional publishing** include integrated product systems of technical and regulatory content targeting professionals, companies and the Public Administration
- The national “news & talk” radio station *Radio 24 and Radiocor* news agency

(€m - rounded figures)	4Q 2014	4Q 2015	Δ%	FY 2014	FY 2015	Δ%
Circulation/other revenues	39.2	38.0	-3.2%	149.9	144.3	-3.7%
Revenues from advertising	23.2	23.6	1.7%	72.5	78.0	7.6%
Total Revenues	62.4	61.5	-1.4%	222.4	222.3	0.0%
EBITDA	6.6	7.9	20.7%	0.8	5.6	n.m.
<i>EBITDA Margin %</i>	<i>10.5%</i>	<i>12.9%</i>		<i>0.4%</i>	<i>2.5%</i>	

Highlights

- ✓ Overall revenues area in line with the previous year as result of:
 - **Increase in revenues from advertising vs. FY14 (+7.6% yoy):** the daily newspaper *Il Sole 24 ORE* at +2.1% bucking the daily newspaper market trend at -6.6%^(*)
 - **Digital revenue from information content up by €5.7m**, or 8.2% versus FY14, has outperformed revenue from print content, now accounting for 55% of total revenue from information content (47% in FY14). Digital revenue from information content from the Daily *Il Sole 24 Ore* and from vertical newspapers grows by 8.4 million, up by 45%
 - **Newspaper (print+digital) circulation: +2.2% yoy** against reference market at -5.6%
 - **Overall circulation revenues decline by €5.5m vs. FY14** due to decrease in paper products revenues (add-ons, magazines, professional publishing and books) and as results of the shifting from paper to digital and strategic decision to rationalize paper products portfolio
- ✓ **Ebitda**, improved by €4.7m yoy, due implementation of digital innovation strategies and to the development of an integrated product portfolio, along with cost containment and process efficiency and strong increase in Radio profitability

Publishing: Newspaper and website

IL SOLE 24 ORE NEWSPAPER

- **Stable newspaper circulation (paper+digital) revenue** bucking the downward market trend of circulation at 5.6% as result of the integrated system solutions (newspaper, vertical newspapers, data base)
- With a digital circulation of over **218k average copies in 2015 (+18.5% yoy)**, **Il Sole 24 ORE ranks first among the national newspapers** and it firmly ranks second in national digital and paper circulation ranking with approx. 375k copies **(+2.2% yoy)**. In addition to print+digital copies, the Sole system is completed by 36.000 digital subscribers
- Focus on vertical newspaper: improvement of *Consulente Finanziario24*, *Assicurazioni24*, *ItalyEurope24* and launch of *Quotidiano Edilizia e Territorio*, *Sanità*, *Quotidiano del Condominio*, *Quotidiano degli Enti Locali e PA*

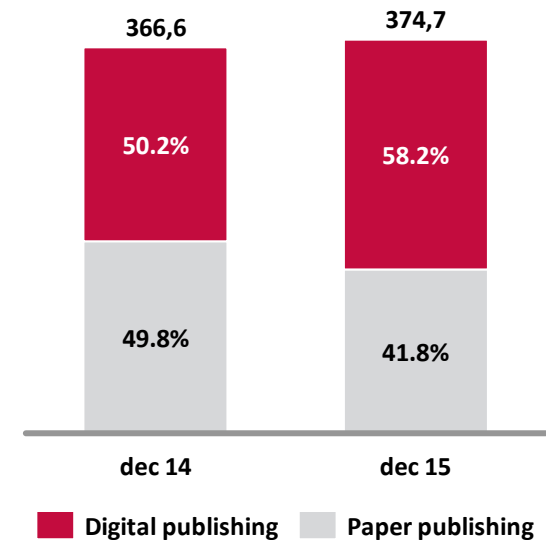
WWW.ILSOLE24ORE.COM WEBSITE

- First fee-based website in Italy, reports in FY15 an average of more than 717 thousand unique browsers, up by 9.6%, and an increase in page views by 13.7% versus the average in FY14
- Web site mobile version: increase in unique browsers (+89.9% yoy) and in page views (+76.1% yoy)^(**)

(*) Source: ADS Dec 2015 (**) Source: Omniture Sitecatalyst

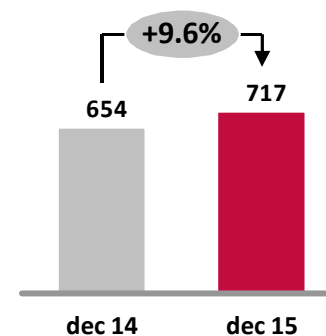
FY 15 Data

Il Sole 24 ORE: digital and paper circulation^(*)

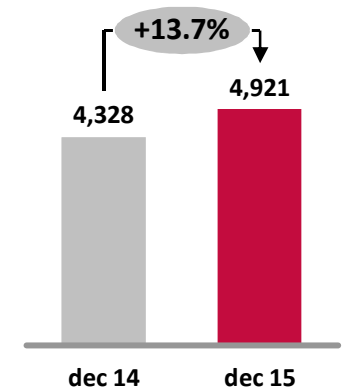


www.ilsole24ore.com: main metrics

Unique browsers^(**)



Page views^(**)



Publishing: Professional Publishing, Radio & Agency and P.A.

PROFESSIONAL PUBLISHING

- Ongoing development of professional publishing digital products: boost of technological platforms innovation, development processes and products design and usability aimed at enhancing Group's contents
- *PlusPlus 24Diritto*, database focused on legal issues, has been launched in September 2015 enlarging databases professional offer made up of *PlusPlus24 Lavoro* (launched in April 2015) and *PlusPlus24Fisco* targeted to high-end market, *Condominio24* specialized in apartment building issues and *Banca Dati24* targeted to PA and companies
- Decrease in paper products revenues (magazines and book,-23.0% yoy) due to paper products portfolio rationalization and focus on digital products development

RADIO

- Strong contribution to the Group's EBITDA from Radio 24
- Radio 24 ranks 9th among national radios market with approx. 2 millions listeners on average day
- In the last quarter of 2015, Monday – Friday listeners increased by +6.5% yoy and Sunday listeners increased by 18.5% vs. previous quarter (*GfK Eurisko; RadioMonitor*) as result of changes in the show schedule
- Increase in podcast listening (+36% yoy) with more than 18 million downloaded files

AGENCY & P.A.

- Revenues down by €0.4m vs. FY14: focus on integration and content sharing between the agency and Il Sole 24 ORE multimedia system with a focus on Financial Services' offer

System (Advertising)

(€m - rounded figures)	4Q 2014	4Q 2015	Δ%	FY2014	FY2015	Δ%
Revenues from Group's products	28.9	30.5	5.8%	90.0	98.2	9.1%
Revenues from 3rd parties' products	7.6	9.9	30.9%	24.1	29.0	20.3%
Total Revenues	36.5	40.5	11.0%	114.1	127.2	11.5%
EBITDA	1.5	2.0	38.1%	1.3	3.9	n.m.
<i>EBITDA Margin %</i>	<i>4.1%</i>	<i>5.0%</i>		<i>1.2%</i>	<i>3.0%</i>	

Advertising yoy by Area vs Market*

	G. 24 ORE		Market
• Radio	+ 18.2%	✓.	+8.8%
• Online	+ 11.2%	✓.	VS. - 0.7%
• Paper Publishing	+ 9.4%	✓.	- 5.7%

(*) Source Nielsen Media Research Jan – Dec 2015 for market data

Highlights

- **Sharp rise in revenues vs. the retreat of reference market (+11.5% yoy vs. -2.2%)** due to contents enhancement achieved as result of synergies between advertising agency and publishing&marketing unit, increase in sale prices on overall media and client portfolio enlargement thanks to new licenses acquisition
- **Positive trend in revenues on paper products (+9.4% yoy vs. market at -5.7%):** increase in Newspaper advertising collection (+2.1% yoy vs. market at -6.6%)
- **Radio24 outperforms its reference market with a double digit increase (+18.2% yoy vs. +8.8% yoy)** thanks to high quality contents, targeted sale policy and special projects development
- **Strong increase in advertising collection on internet +11.2% yoy vs. market at -0.7%**
- **Upward trend in revenues and cost containment have positively affected profitability : +€2.5m vs. FY14**

Training & Events

(€m - rounded figures)	4Q 2014	4Q 2015	Δ%	FY 2014	FY 2015	Δ%
Total Revenues	9.3	11.9	27.8%	28.9	33.0	14.2%
EBITDA	2.0	3.4	72.6%	3.2	5.2	61.7%
<i>EBITDA Margin %</i>	21.2%	28.7%		11.2%	15.8%	

Highlights

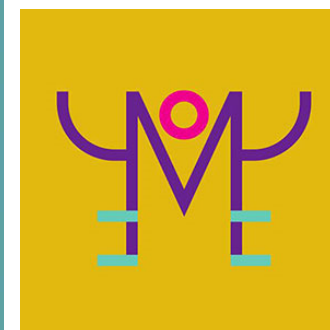
- **Increase in revenues** (+€4.1m, +14.2% vs. FY14) thanks to the good performance of the Business School and Annual & Events divisions
- Business School revenues up by 18% yoy as result of increase in *Master Full Time* (+15% yoy) and *Executive24 and Master24* (+15.3% vs. FY14)
- Launched in 2015 *Mudec Academy* focused on art, design food and digital masters and *My Master24 online*, a six months bespoke master based on the 120 online courses available which may be selected on the basis of personal interests
- Increasing revenues also for Annual and Events (+30.9% yoy) and Newton Management Innovations and Newton Lab (+5.4% vs. 2014)
- Rise in revenues and cost containment have positively affected overall area profitability: +€2m vs. 2014 (+61.7% yoy)

Culture

(€m - rounded figures)	4Q 2014	4Q 2015	Δ%	FY2014	FY2015	Δ%
Total Revenues	6.4	6.6	2.1%	19.5	19.8	1.5%
EBITDA	0.6	(1.1)	n.m.	0.4	(6.0)	n.m.
<i>EBITDA Margin %</i>	8.8%	-17.4%		2.1%	-30.2%	

Highlights

- **Revenues** at €19.8m yoy, +1.5% vs. FY14
- **Decrease in Ebitda (-€6.4m)** as results of a lower profitability of exhibitions launched in FY15 and launch of new activities at Mudec
- On 26 March 2015, the **Museum of Cultures - MUDEC** opened on the former Ansaldo site, with the start of exhibitions. The Museum is managed on a public-private partnership basis between the Municipality of Milan and 24 ORE Cultura. The structure will hold a variety of entertainment opportunities, ranging from the bistrot to the restaurant, from the design store to the bookshop, from the auditorium to the *Mudec Academy*, including spaces for the education of younger visitors
- Exhibitions launched in 2015: *Henry Rousseau, Tamara de Lempicka, Nuova oggettività. Arte in Germania al tempo della Repubblica di Weimar 1919-1933, Da Raffaello a Schiele, Tamara de Lempicka, Gauguin racconti dal Paradiso, BARBIE – the icon*



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FY 2016 OUTLOOK

Revenues vs. 2015



Single digit

- Focus on digital and content revenues
- Education and digital education revenues

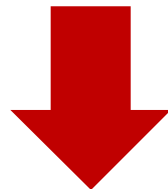
Ebitda vs. 2015



Double digit

- Push on organization optimization
- Efficiencies in productive and distribution processes
- Focus on revenues related costs

NFP vs. 2015



Decrease in net debt

- Software Solution Vendor Loan cash in *(on March, 3rd 2016)*
- Positive cash flow from operations

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Strategic path

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Consolidated Balance Sheet

(€m - rounded figures)

	As at 31 Dec 2014	As at 31 Dec 2015
Non-current assets	208.7	198.1
Current assets	168.6	164.1
Total assets	377.3	362.2
Equity attributable to shareholders of parent	109.8	86.7
Equity attributable to non controlling interests	0.8	0.5
Total equity	110.6	87.2
Non-current liabilities	60.5	53.6
Current liabilities	206.3	221.4
Total liabilities	266.8	275.0
Total equity & liabilities	377.3	362.2

Consolidated Cash Flow

(€m - rounded figures)	FY2014	FY2015
Pre tax Profit/(Loss) attributable to owners of the parent	(11.3)	(15.9)
Adjustments	1.8	12.2
Changes in net working capital	(18.4)	(9.5)
Total net cash generated (absorbed) by operating activities	(27.9)	(13.2)
Total net cash absorbed by investing activities	82.9	(12.8)
Free cash flow	55.0	(26.0)
Net cash generated (absorbed) by financing activities	(15.4)	(1.1)
Net increase (decrease) in cash & cash equivalents	39.6	(27.1)

Consolidated Net Financial Position

(€m - rounded figures)	As at 31 Dec 2014	As at 31 Dec 2015
Cash & cash equivalents	34.5	39.1
Bank overdrafts and loans due within 1 year	(17.2)	(51.0)
Short-term net financial position	17.3	(11.8)
Non-current financial liabilities	(15.0)	(15.0)
Fair value of hedging instruments	(0.0)	0.0
Medium/long-term net financial position	(15.1)	(15.0)
Total net financial position	2.2	(26.8)