

Press Release

**Approval of update to 2020-2023 post-Covid Business Plan  
confirming the strategic guidelines and medium-long term goals  
of the previous 2020-2023 Plan**

*Milan, 30 June 2020* - Today, the Board of Directors of the Company approved the update to the 2020-2023 Plan, which incorporates the impact of the Covid-19 health crisis.

The previous 2020-2023 Plan, approved on 12 March 2020, did not reflect the impacts of the Covid-19 health emergency and the extraordinary containment measures introduced by the competent authorities, the scope of which could not be predicted at the time, both in terms of duration and impact on business. The final figures for the opening months of 2020, the economic slowdown brought by the pandemic and the updated estimates by analysts, have required the Company's Management to update their forecasts against a general backdrop that remains highly uncertain.

The updated Plan approved today basically confirms the strategic guidelines and medium-long term goals of the 2020-2023 pre-Covid Plan.

The Covid-19 emergency situation has led, however, to a revision of the forecasts on revenue over the period of the 2020-2023 Plan, specifically for 2020 marked to a great extent by the sudden deterioration of advertising sales, the downward projections for Tax&Legal, although less than advertising, the closure of the Mudec (in accordance with the order of 23/2/2020 of the Ministry of Health and the President of the Lombardy Region and subsequent measures), and the cancellation or postponement of scheduled exhibitions, and the suspension of physical events envisaged in the pre-Covid Plan. These activities were partly rescheduled during the year and partly postponed to 2021. Additionally, the potential offered by the online business has ushered in new initiatives and accelerated development in the digital sphere, leading to a review and implementation of a number of traditional initiatives and activities in a digital perspective.

For this reason too, the Group expects to almost fully recover the drop in revenue versus the forecasts contained in the 2020-2023 pre-Covid Plan over the three-year period 2021-2023, notwithstanding the forecasts of a sharp decline in 2020.

In order to alleviate the negative impacts of the Covid-19 emergency on the Company's results and financial situation, Management has promptly identified and launched, as early as March, a series of further actions to contain all costs of a discretionary nature and structurally reducing direct, operating and personnel costs, the benefits of which have been duly reflected in the new 2020-2023 post-Covid Plan. Additionally, and with particular regard to 2020 and personnel expense, temporary cost curbing actions have been taken on all classes of employees.

The Company has also revised its investment programme for the current year, restating it to the 2020-2023 Plan horizon, while maintaining the overall amount basically in line with the pre-Covid goals in order to allow the development of new products and services. The net financial

position is expected to deteriorate in 2020 (in line with the pre-Covid Plan) versus 31 December 2019, as a result of the planned investments and outlays related to early staff leaving, and then improve in the following years over the period of the Plan.

Despite the sharp drop in revenue expected in 2020 (-10.6% vs. 2019 and -15.4% vs. pre-Covid Plan), the new 2020-2023 post-Covid Plan forecasts a 4.1% increase in the 2019-2023 CAGR of consolidated revenue (albeit slightly down versus 4.6% in the 2020-2023 pre-Covid Plan) and confirms the gradual improvement in operating margins, thanks also to higher efficiencies achievable in direct and operating costs in particular of central structures and the structural reduction in personnel expense regarding all classes of employees.

Below are the main operating indicators forecast in the 2020-2023 post-Covid Plan:

2020-2023 POST-COVID PLAN		
€ million	2020 Plan	2023 Plan
Revenue	178	234
EBITDA	15	40
EBIT	(2)	24

Below are the main operating indicators forecast in the 2020-2023 pre-Covid Plan:

2020-2023 PRE-COVID PLAN		
€ million	2020 Plan	2023 Plan
Revenue	210	238
EBITDA	23	41
EBIT	4	25

The forward-looking data appearing in the 2020-2023 Plan represent strategic targets set in the frame of corporate planning. The Group continues to closely monitor the developments of the Covid-19 health emergency and the potential repercussions on the relevant markets, keeping a proactive and constant eye on the containment of all costs and the identification of initiatives that can further alleviate the risk tied to revenue in order to shield profitability and expected cash flows.

The 2020-2023 post-Covid Plan, approved today and which updates the 2020-2023 Business Plan to reflect the impact of the pandemic, does not envisage the compliance with the financial parameters set for the existing covenants; in this regard, the Company had on 8 May 2020 already submitted a formal request to the lending banks to suspend their recognition at 30 June 2020 (covenant holiday). Today, the Company further clarified such request to the lending banks by confirming the suspension of the recognition of the rolling 12 months EBITDA at 30 June 2020 (covenant holiday) and requesting the change in the value of the financial parameter set for the equity covenant at 30 June 2020 from € 30.0 million to € 24.0 million.

Moreover, as early as 8 May 2020, in order to further strengthen its financial structure, the Company:

- had sent a request to obtain a medium/long-term loan from a pool of banks, backed by a SACE guarantee pursuant to Decree Law no. 23 of 8 April 2020, the so-called "Liquidity Decree";

- had submitted a formal request to extend the securitization line for trade receivables beyond the maturity date currently scheduled at 31 December 2020.

*For further information:*

*Investor Relations:*

Raffaella Romano - Tel: 02 30223728

e-mail: [investor.relations@ilsole24ore.com](mailto:investor.relations@ilsole24ore.com)

*Communication and External Relations:*

Ginevra Cozzi Mob. 335 1350144

e-mail: [ginevra.cozzi@ilsole24ore.com](mailto:ginevra.cozzi@ilsole24ore.com)