

Press Release

2021-2024 Business Plan approved

The strategic guidelines for the 2021-2024 Plan, evolving from the previous post-COVID 2020-2023 Plan, see an acceleration of the "*digital first*" transformation of the Group and the resulting reduction of all operating costs

Steady improvement in operating and financial indicators confirmed

Milan, 25 February 2021 - Today, the Board of Directors of the Company approved the 2021-2024 Plan, which reiterates the strategic path and medium-long term objectives contained in the previous post-COVID 2020-2023 Plan approved on 30 June 2020, representing its update, evolution and acceleration.

The estimates contained in the 2021-2024 Plan reflect the new market trend forecasts and incorporate an update of the implementation timeline for the initiatives already set out in the post-COVID 2020-2023 Plan, confirming the investments in print products, first and foremost the re-launch of the Daily in the new format, and in innovative digital initiatives.

The actions of the Plan hinge on a "*digital first*" strategy as the driver of the continued enhancement of the multi-format and multi-platform product system of Il Sole 24 ORE, process efficiency, the sustainability of initiatives and the reduction of all operating costs, including labour costs for all professional categories.

The 2021-2024 Plan confirms the steady improvement of operating and financial indicators, driven by the growth of consolidated revenue and the reduction of costs. Compared to the post-COVID 2020-2023 Plan, the updated estimates show a slower recovery in 2021, due to the effects of the pandemic, and an acceleration in the following years.

The current year in fact continues to be impacted by the COVID-19 health emergency and by a general economic slowdown and great uncertainty in terms of duration of the crisis and potential effects on business.

The exhibition activities of the Culture Area are affected in particular, with a further postponement to the second quarter of 2021 of the events already rescheduled for the end of 2020. Over the period of the Plan, in addition to the contribution of exhibitions, an improvement in results is also expected from the development of new merchandising channels, the enhancement of editorial initiatives and greater coverage of foreign markets.

The Events Area has readily reacted to the pandemic by adapting and enriching its portfolio with the development of a line of digital events and other alternative solutions capable of responding to new market needs.

The launch of the new format of the Daily, scheduled for 16 March 2021, is the most tangible new sign in a broader plan to enhance the value of content (including audio/video/podcast

content) and to continue to renew the offering from a multi-format and multi-platform viewpoint, made possible thanks to the "*digital first*" strategy. Additionally, the new format of Il Sole 24 ORE and related initiatives represent an opportunity to bolster circulation and pursue the engagement of traditional and new relevant targets.

The enhancement of the print and digital portfolio in the professional area leverages on new publishing and technology platforms to develop products and services and to create a product system enhancing the great strength of the brand.

The 2021-2024 Plan also envisages initiatives aimed at strengthening coverage of the radio market and expanding the audience.

As part of a process of accelerated digital transformation of the Group, the 2021-2024 Plan envisages a greater push on investments in new publishing initiatives, supported by innovative product technologies and management systems.

The 2021-2024 Plan sets the strategic objective of reducing the costs of the operating structure through a deep industrial and editorial process reorganization, the streamlining of support and staff structures and the development of distinctive skills.

The forecasts in the 2021-2024 Plan confirm the growth of profitability over time, thanks also to the continued focus on further efficiencies to be achieved in direct and operating costs, and on the containment of labour costs to be achieved both through temporary measures and structural cost reduction actions involving all professional categories.

The forecasts in the 2021-2024 Plan show a deterioration of the net financial position in 2021 and 2022, due mainly to the acceleration of investments and the outlays for personnel restructuring costs, to then gradually improve in following years over the period of the Plan.

The forecasts in the 2021-2024 Plan confirm compliance with existing financial covenants.

The main operating indicators forecast in the 2021-2024 Plan are shown below:

2021-2024 PLAN		
€ millions	2021 Plan	2024 Plan
Revenue	203	245
EBITDA	16	54
EBIT	(2)	36

The main operating indicators forecast in the post-COVID 2020-2023 Plan are shown below:

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

The forward-looking data appearing in the 2021-2024 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 trend of the relevant markets against the assumptions of the Plan, evaluating the actual possibility of rescheduling the initiatives planned, 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.

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