

Press Release

## **2022-2025 Business Plan approved**

**The 2022-2025 Plan confirms the strategic guidelines of the previous 2021-2024 Plan, reflecting the developments in the changed market context**

**Steady improvement in operating and financial indicators confirmed over the period of the Plan**

*Milan, 25 February 2022* - Today, the Board of Directors of the Company approved the 2022-2025 Plan, which confirms the strategic guidelines of the previous 2021-2024 Plan approved on 25 February 2021, updated in its development in light also of the changed market context.

The period that has just ended was dominated by the great uncertainty of the market scenario, which continues to be impacted by the Covid-19 health emergency; the period saw a slower than initially expected recovery from the effects of the pandemic, especially in terms of Radio advertising, services to professionals and cultural activities.

Developments in the relevant context have led to a review of some of the initiatives contained in the 2021-2024 Plan and to a rescheduling of their launch time, as well as the introduction of a number of new projects.

Specifically, with regard to Radio, the decline in advertising investments in the area witnessed in 2020, and further still in 2021, has been read not as a temporary drop associated with the pandemic context, but rather as a decline in advertising investments also in the years to come. The resulting downward revision of the forecast growth rates leads to a sharp deterioration of Radio's expected margins against the 2021-2024 Plan, requiring additional efficiency gains over the period of the Plan and the postponement of certain new projects previously envisaged.

The re-planning of exhibitions and other activities in the Culture area, following the health emergency-related closures and restrictions, still has a negative impact on the margins of the area in the first year of the Plan, which then gradually improve in the years that follow.

The development of the suite of products and services for professionals forecasts a lower growth than in the previous Plan, partly as a result of the new outlook for the core markets, whilst maintaining expected high margins.

The overall downward revision of Group revenue, coupled with the increase in raw material procurement and operating costs to support revenue development, leads to a reduction in expected margins against the 2021-2024 Plan.

However, the 2022-2025 Plan confirms a steady year-on-year improvement in operating and financial indicators, driven by the growth in consolidated revenue and the reduction in payroll costs through the structural cost-cutting measures launched back in 2021 involving all professional categories.

Mention should be made that the 2022-2025 Plan does not reflect any impact from the recent conflict in Ukraine and the possible repercussions that it could have on the Italian and European economies, the impact of which is hard to predict at this time on the Group's business.

The 2022-2025 Plan reaffirms, overall, the growth of profitability over time across all business areas, thanks to:

- ✓ product innovation;
- ✓ broadening of the current range of solutions addressed to the financial area;
- ✓ development of partnerships aimed at enhancing the Il Sole 24 ORE brand;
- ✓ enhancement and specialization by skills of the sales networks.

Pursuing the "digital first" strategy as an enabler of the ongoing enhancement of the multi-format and multi-platform product system of Il Sole 24 ORE and of process efficiency, the 2022-2025 Plan envisages a greater push on investments in new editorial initiatives, backed by innovative product technologies and management systems.

The net financial position is expected to deteriorate in 2022, due to the acceleration of capital expenditure and the outlays from early staff departures, and then gradually improve in the following years over the period of the Plan.

The main operating indicators forecast in the 2022-2025 Plan are shown below:

2022-2025 PLAN		
€ millions	2022 Plan	2025 Plan
Revenue	216	246
EBITDA	26	47
EBIT	6	26

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 forward-looking data appearing in the 2022-2025 Plan represent strategic targets set in the frame of corporate planning.

The Group continues to monitor both the performance of the core markets against the assumptions of the Plan and the prospects for a post-pandemic recovery, as well as any repercussions that may arise from the conflict in Ukraine, and the implementation of the actions envisaged in the Plan itself, 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.

On approval of the draft financial statements by the Board of Directors, scheduled for 15 March, further details will be provided on the 2022-2025 Plan in accordance with the *Additional information required by CONSOB pursuant to art. 114 of Legislative Decree no. 58/1998*.

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