
GRUPPO24ORE

1H 2015 Results

July 29, 2015

GRUPPO24ORE

Disclaimer

This presentation contains statements that constitute forward-looking statements based on Il Sole 24 ORE S.p.A.'s current expectations and projections about future events and does not constitute an offer or solicitation for the sale, purchase or acquisition of securities of any of the companies mentioned and is directed to professionals of the financial community.

These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activities and situations relating to the Company.

Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those expressed in or implied by these forward looking statements as a results of various factors, many of which are beyond the ability of Il Sole 24 ORE S.p.A. to control or estimate precisely. Consequently it is recommended that they be viewed as indicative only.

Analysts are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation.

Il Sole 24 ORE S.p.A. undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitations, changes in Il Sole 24 ORE S.p.A. business or acquisition strategy or to reflect the occurrence of unanticipated events.

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.

Agenda

Highlights

Key Financial Data

Financial data by segments

Outlook

Appendix

Highlights

- **Group consolidated revenue reaches €169.0m, (+€5.2m,+3.2% vs. 1H14)**, continuing the positive trend started in 2014, thanks to the strategy implemented to create a multimedia system with a chain of specialist digital dailies, which increases revenue from highly profitable digital information content, along with the good performance of advertising sales and training
 - **Digital revenue from information content** confirms the double-digit growth of 1Q15 and 2014, increasing by €4.3m, or 14% vs. 1H14. 1H15 also improves the performance of digital revenue over print media revenue reported in 1Q15, with the digital component accounting for over 51% of total revenue from information content versus 42% in 1H14. Over the last 18 months, digital revenue from information content has grown by 18%
 - **Overall Group digital revenue** amounts to €53.9m, contributing 31.9% of total revenue (29.6% in 1H14), up by 11.2% vs. 1H14
 - **Circulation revenue from the daily newspaper** confirms the positive trend, growing by 1.5% vs. 1H14, bucking the market's downward trend of 4.4%
 - **System advertising sales amount to €65.3m**, up by 8.7% versus 1H14 and versus the market's drop of 2.7%
 - Rise in revenues from **Training & Events Area (+€1.4m, +9.2%) and Culture (+6.8% yoy)**
- **Ebitda** comes to a positive €0.3m, improving by €1.6m versus a negative €1.2m in 1H14. A result achieved thanks to the increase in revenue, to the constant focus on cost containment, to the effects of the reorganization of a number of business areas, and to the reduction in operating costs of corporate functions
- **Net financial position** comes to -€20.0m (+2.2 million euro at 31 December 2014), improving by €1.2m versus 1Q15

Agenda

Highlights

Key Financial Data

Financial data by segments

Outlook

Appendix

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)	2Q 2014	2Q 2015	Δ%	1H 2014	1H 2015	Δ%
Revenues	79.4	84.2	6.0%	163.8	169.0	3.2%
Other operating income	3.4	3.6	5.2%	6.8	7.0	2.8%
Personnel expense	(26.4)	(27.2)	-3.1%	(54.3)	(54.9)	-1.2%
Direct & operating costs	(57.4)	(61.1)	-6.4%	(114.6)	(119.3)	-4.1%
Provisions	(1.7)	(1.0)	42.7%	(2.9)	(1.4)	51.3%
EBITDA	(2.7)	(1.5)	43.8%	(1.2)	0.3	n.m.
EBITDA Margin %	-3.3%	-1.8%		-0.8%	0.2%	
EBIT	(6.5)	(4.7)	28.2%	(8.7)	(6.7)	23.5%
EBIT Margin %	-8.2%	-5.5%		-5.3%	-3.9%	
Profit/(Loss) before tax	(7.0)	(5.0)	27.9%	(9.9)	(7.3)	26.4%
PBT Margin %	-8.8%	-6.0%		-6.1%	-4.3%	
Net Profit/(Loss) from continuing operations	(7.5)	(5.1)	31.5%	(11.2)	(8.1)	27.8%
Minorities	0.1	0.1	n.m.	0.0	0.3	n.m.
Net profit/(Loss) from discontinued operations	22.1	0.0	n.m.	21.3	0.0	n.m.
Net profit/(Loss) from other discontinued operations	0.0	0.0	n.m.	(1.2)	0.0	n.m.
Net Profit/(Loss) after minorities	14.7	(5.0)	n.m.	8.9	(7.9)	n.m.
Margin %	18.5%	-6.0%		5.4%	-4.6%	
Average n. of employees				1,218	1,230	12
Average n. of employees net of the changes in the scope of consolidation scope in 2015				1,218	1,205	(13)

1H 2015 HIGHLIGHTS

Group consolidated revenue improved by €5.2m (+3.2% yoy): increase in **newspaper circulation revenues** (+1.5% yoy), **advertising revenues** (+8.4%), **Training & Event** (+9.2% yoy) and **Culture** (+6.8%)

Overall costs up to 2.2% vs. 1H14

- Decrease in costs for: **raw materials and consumables (-€1.1m)**, **distribution costs** down by €1.0m, mainly due to lower print products distribution; **centralized services of corporate function (-€2.2m yoy)**
- Increase in revenues related costs
- Personnel expense up by €0.6m mainly due to the change in the scope of consolidation (MostraMi and Food Giuele 24)

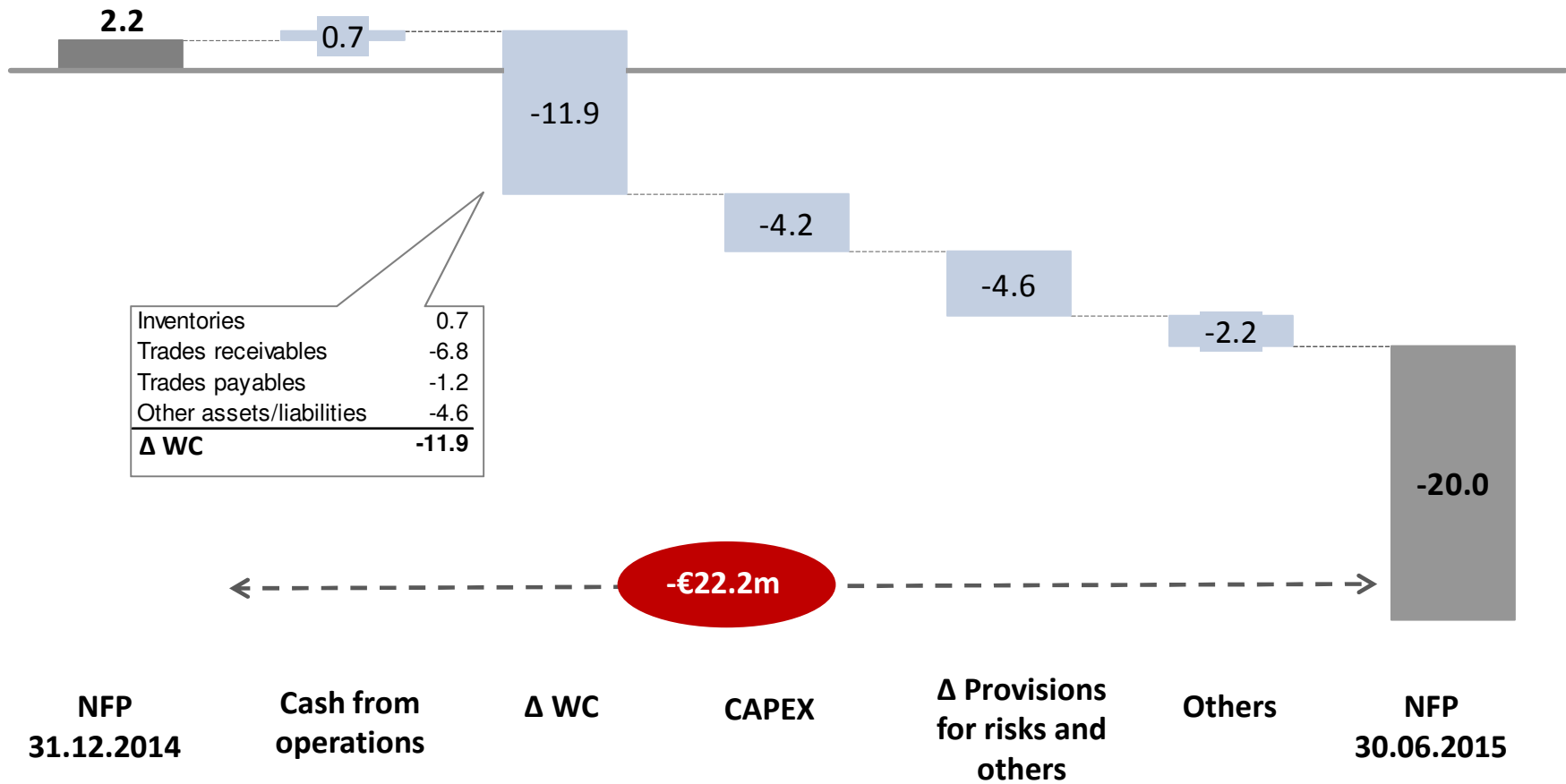
Increase in EBITDA: +€1.6m yoy as results of increase in revenues, constant focus on cost containment, structure optimization and corporate functions cost constrain

EBIT, improved by €2.0m yoy, benefits from €1m capital gain related to the sale of Verona production equipment

Net profit after minorities came to -€7.9m vs. +€8.8m in 1H14

Net Financial Position walk

€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)	2Q 2014	2Q 2015	Δ%	1H 2014	1H 2015	Δ%
Publishing	55.2	57.7	4.4%	115.4	115.9	0.4%
	(1.0)	0.3	<i>n.m.</i>	2.0	1.9	-8.2%
	-1.7%	0.4%		1.8%	1.6%	
Advertising (System)	27.9	32.0	14.7%	60.1	65.3	8.7%
	0.1	1.4	<i>n.m.</i>	0.9	2.8	<i>n.m.</i>
	0.4%	4.2%		1.4%	4.3%	
Training & Events	7.7	8.1	5.4%	15.4	16.9	9.2%
	0.7	1.4	<i>n.m.</i>	2.0	2.6	31.8%
	8.5%	17.6%		12.7%	15.3%	
Culture	6.0	6.6	11.0%	11.3	12.1	6.8%
	0.3	(1.5)	<i>n.m.</i>	0.8	(1.7)	<i>n.m.</i>
	5.1%	-22.9%		6.9%	-14.3%	
Corporate, intercompany & Others	(17.4)	(20.3)	-16.3%	(38.4)	(41.2)	-7.1%
	(2.8)	(3.0)	-8.7%	(6.9)	(5.2)	24.2%
Il Sole 24 ORE Group	79.4	84.2	6.0%	163.8	169.0	3.2%
	(2.7)	(1.5)	43.8%	(1.2)	0.3	<i>n.m.</i>
	-3.3%	-1.8%		-0.8%	0.2%	

Agenda

Highlights

Key Financial Data

Financial data by segments

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

Outlook

Appendix

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**
- **Radiocor** news agency

(€m - rounded figures)	2Q 2014	2Q 2015	Δ%	1H 2014	1H 2015	Δ%
Circulation/other revenues	37.8	37.4	-1.2%	76.8	74.6	-2.9%
Revenues from advertising	17.4	20.3	16.4%	38.6	41.3	7.0%
Total Revenues	55.2	57.7	4.4%	115.4	115.9	0.4%
EBITDA	(1.0)	0.3	n.m.	2.0	1.9	-8.2%
<i>EBITDA Margin %</i>	-1.7%	0.4%		1.8%	1.6%	

Highlights

- ✓ Overall revenues area increased by 0.4% yoy as result of opposite trends:
 - **Increase in revenues from advertising vs. 1H14 (+7.0% yoy)** as result of increase in radio and magazines advertising revenues and steady newspaper advertising revenues
 - **Digital revenue from information content up by €4.3m**, or 14.0% versus 1H14, has outperformed revenue from print content, now accounting for more than 51% of total revenue from information content (42% vs. 1H14)
 - **Increase in newspaper (print+digital) circulation revenues: +1.5% yoy**
 - **Overall circulation revenues decline by €2.2m vs. 1H14** due to decrease in paper products revenues add-ons, magazines, professional publishing and books related to a market shrinking and a strategic decision to reduce the paper products portfolio
- ✓ **Ebitda** came to a positive €1.9m, confirming the trend of the prior year associated with the digital innovation strategies and product portfolio rationalization and development, and with cost containment and process efficiency

Publishing: Newspaper and website

IL SOLE 24 ORE NEWSPAPER

- Newspaper circulation revenues (paper + digital) grows (+1.5% yoy) bucking market trend (-4.4%)
- With a digital circulation of over 215k copies in May 2015 (+17.5% 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. 378k copies (+2.6% yoy). In addition to print+digital copies, the Sole system is completed by 32.000 digital subscribers
- Enhancement of vertical newspapers launched in 1H15: *Financial Services*, *Consulente Finanziario24*, *Assicurazioni24*, *Quotidiano della Sanità*, *Italy24*
- Positive trend for advertising collection revenues on the international magazine *How to Spend It*, focused on luxury and lifestyle markets

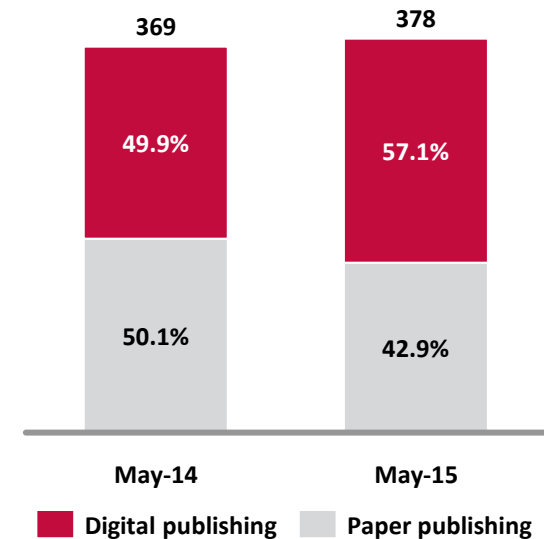
WWW.ILSOLE24ORE.COM WEBSITE

- First fee-based website in Italy, reports in 1H15 an average of almost 727 thousand unique browsers, up by 7.2%, and an increase in page views by 13.4% versus the average in 1H14
- Web site mobile version: increase in unique browsers (+88.9% yoy) and in page views (+42.8% yoy)**)

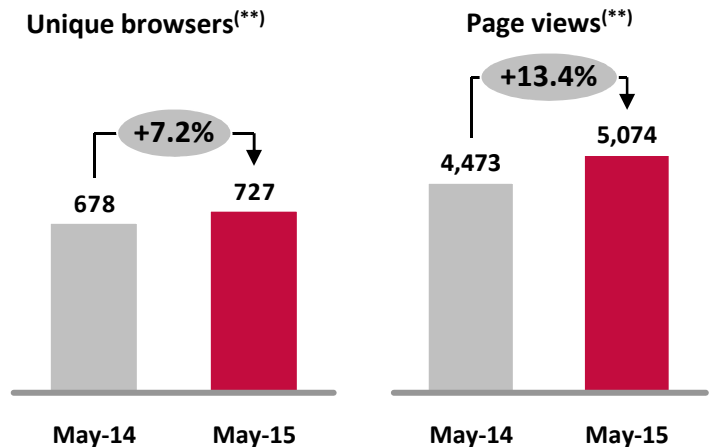
(*) Source: ADS May 2015 (**) Source: Nielsen Site Census/Omniture Site Catalyst

1H 15 Data

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



www.ilssole24ore.com: main metrics



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

PROFESSIONAL PUBLISHING

- Ongoing development of professional digital publishing products: focus on technological platforms innovation, integration and development process which allowed to enrich Group's contents
- Positive trend for *PlusPlus24Fisco* and *PlusPlus24 Lavoro*, databases focused on tax and labour markets targeted to high-end market
- Development of new database *BancaDati24*, targeted to big clients and enriched with tailored contents
- Decrease in paper products revenues (magazines and book, -23.0% yoy) due to market shrinking and paper products portfolio rationalization. Positive trend in professional paper products sold with newspaper (+5% yoy) focused on law updates and technical issues

RADIO

- Radio 24 steadily ranks 9th among national radios market with approx. 2 millions listeners on average day with ratings up by 4.4% from Monday to Friday in 2Q15 versus 2Q14, reaching 2,175,000 listeners
- Radio 24 grows by 8.9% on Saturdays, driven by the new programmes launched starting from last February. During the whole week in 2Q15, listeners increase by +2.6% (*GFK Eurisko; RadioMonitor*). Share, average quarter-hour audience and listening time performance are all confirmed
- Increase in podcast listening (+32% yoy) with more than 9 million downloaded files

AGENCY & P.A.

- Revenues down by €0.5m vs. 1H14: focus on integration and content sharing between the agency and Il Sole 24 ORE multimedia system and on costs containment in order to improve results

System (Advertising)

(€m - rounded figures)	2Q 2014	2Q 2015	Δ%	1H 2014	1H 2015	Δ%
Revenues from Group's products	21.6	25.3	17.1%	47.8	51.8	8.4%
Revenues from 3rd parties' products	6.3	6.8	6.5%	12.3	13.5	10.2%
Total Revenues	27.9	32.0	14.7%	60.1	65.3	8.7%
EBITDA	0.1	1.4	n.m.	0.9	2.8	n.m.
<i>EBITDA Margin %</i>	<i>0.4%</i>	<i>4.2%</i>		<i>1.4%</i>	<i>4.3%</i>	

Advertising yoy by Area vs Market*

	G. 24 ORE		Market
• Radio	+ 21.3%	✓.	+5.5%
• Online	+ 8.1%	✓.	VS. - 2.2%
• Paper Publishing	+ 6.5%	✓.	- 5.0%

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

Highlights

- **System has strongly outperformed its reference market (+8.7% yoy vs. reference market at -2.7%)** as result of its new business policy, based on an increase in sales prices, portfolio products enlargement, multimedia projects development and on the engagement of a broader diversified client portfolio
- **Radio24 outperforms its reference market** (+21.3% yoy vs. +5.5% yoy) thanks to high quality contents and sale policy, special projects development across the country with customers' sponsored activities
- **Positive trend in revenues on paper products** (+6.5% yoy vs. market at -5.0%) also boosted by advertising collection on HTSI
- Strong increase in advertising collection on internet +8.1% yoy vs. market at -2.2%
- The new organization model put in place starting from the second half of 2014, has positively affected System's performance and its profitability : +€1.9m vs. 1H14

Training & Events

(€m - rounded figures)	2Q 2014	2Q 2015	Δ%	1H 2014	1H 2015	Δ%
Total Revenues	7.7	8.1	5.4%	15.4	16.9	9.2%
EBITDA	0.7	1.4	<i>n.m.</i>	2.0	2.6	31.8%
<i>EBITDA Margin %</i>	8.5%	17.6%		12.7%	15.3%	

Highlights

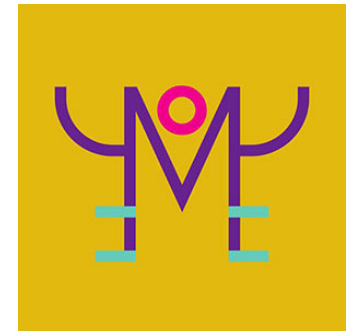
- **Increase in revenues** (+€1.4m, +9.2% vs. 1H14:) thanks to the good performance of the Business School in 1H15, driven by the increase in initiatives completed and in classroom and online attendance, particularly in the Specialization and Executive Masters
- The Annual and Events products grow, thanks to the increase in events accomplished
- Rise in revenues and average profitability in events organised in 1H15 vs. 1H14 led to an increase in overall area Ebitda

Culture

(€m - rounded figures)	2Q 2014	2Q 2015	Δ%	1H 2014	1H 2015	Δ%
Total Revenues	6.0	6.6	11.0%	11.3	12.1	6.8%
EBITDA	0.3	(1.5)	n.m.	0.8	(1.7)	n.m.
EBITDA Margin %	5.1%	-22.9%		6.9%	-14.3%	

Highlights

- Revenues at €12.1m yoy, +6.8% vs. 1H14
- Decrease in Ebitda (-€2.5m) as results of a lower profitability of exhibitions launched in 1H15 and decrease in number of sponsorships and events
- 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 1H15: *Henry Rousseau*, *Tamara De Lempika*, *Africa e Mondi a Milano*, *Nuova Oggettività: Arte in Germania al tempo della Repubblica di Weimar*



Agenda

Highlights

Key Financial Data

Financial data by segments

Outlook

Appendix

FY 2015 OUTLOOK

STRATEGIC KEY PILLARS

Digital innovation of targeted products and services focus on high-end spending target

Content integration (Sistema Sole) leveraged by Newspaper leadership & Brand strength

Culture and Training & Events national and international development

Development of advertising communication integrated projects

Ongoing organizational, production and process efficiency

Continuing migration of all Group's business to the digital side

Reduction in operating costs of corporate functions

Focus on cash generation from operations

FINANCIAL GOALS

Revenues vs. 2014



Single digit

Ebitda vs. 2014



Double digit

NFP vs. 2014

Negative affected by Capex and restructuring cash out

Agenda

Highlights

Key Financial Data

Strategic path

Financial data by segments

Appendix

Consolidated Balance Sheet

(€m - rounded figures)	As at 31 Dec 2014	As at 30 Jun 2015
Non-current assets	208.7	206.6
Current assets	168.6	184.7
Total assets	377.3	391.3
Equity attributable to shareholders of parent	109.8	102.4
Equity attributable to non controlling interests	0.8	0.3
Total equity	110.6	102.8
Non-current liabilities	60.5	55.8
Current liabilities	206.3	232.8
Total liabilities	266.8	288.6
Total equity & liabilities	377.3	391.3

Consolidated Cash Flow

(€m - rounded figures)	1H 2014	1H 2015
Pre tax Profit/(Loss) attributable to owners of the parent	10.1	(7.0)
Adjustments	(9.4)	3.1
Changes in net working capital	(17.2)	(11.9)
Total net cash generated (absorbed) by operating activities	(16.4)	(15.9)
Total net cash absorbed by investing activities	87.8	(4.2)
Free cash flow	71.4	(20.0)
Net cash generated (absorbed) by financing activities	(4.6)	1.2
Net increase (decrease) in cash & cash equivalents	66.8	(18.9)

Consolidated Net Financial Position

(€m - rounded figures)	As at 31 Dec 2014	As at 30 Jun 2015
Cash & cash equivalents	34.5	41.0
Bank overdrafts and loans due within 1 year	(17.2)	(46.0)
Short-term net financial position	17.3	(5.0)
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	(20.0)