
GRUPPO24ORE

9M 2015 Results

November 12th , 2015

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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Highlights

- **Group consolidated revenue reaches €227.9m, up by €6.8m (+3.1% vs 2014)**, 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
 - **Digital revenue from information content** confirms the double-digit growth of the first two quarters of 2015 and of 2014, **increasing by €4.8m, or 10.6%, vs 9M14**, thanks entirely to the growth of Sole's multimedia system and its vertical dailies. 9M15 also improves the performance of digital revenue over print media revenue reported in 1H15, with the digital component accounting for over 51% of total revenue from information content versus 43% in 9M14
 - **Overall Group digital revenue** amounted to €75.1m, **accounting for 32.9% of total revenue** (30.9% in 9M14), increasing by 10.0% vs 9M14; revenue from the sale of add-ons, books and print magazines dropped by an overall €5.8m vs 9M15, as a result of the market's contraction and the decision to reduce the portfolio of print products
 - **Circulation revenue from the daily newspaper confirms the positive trend**, growing by 0.1% versus 9M14, bucking the market's downward trend of 5.6% in terms of print+digital copies sold (-9.1% market drop in print circulation)
 - **System advertising sales amount to €86.8m**, up by 11.7% versus 2014 and vs the relevant market's 2.4% drop, moving in the opposite direction of the negative media field
 - Rise in revenues from **Training & Events Area (+€1.5m, +7.7%) and Culture (+1.2% yoy)**
- **Ebitda** improves by 4.0 million euro and comes to -12.5 million euro versus -16.5 million euro in 9M14. A result affected by the seasonal nature of the business, 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 -€32.5m (+€2.2m at 31 December 2014), impacted by the seasonal nature of the Group's business activities, whose pace slows over the third quarter

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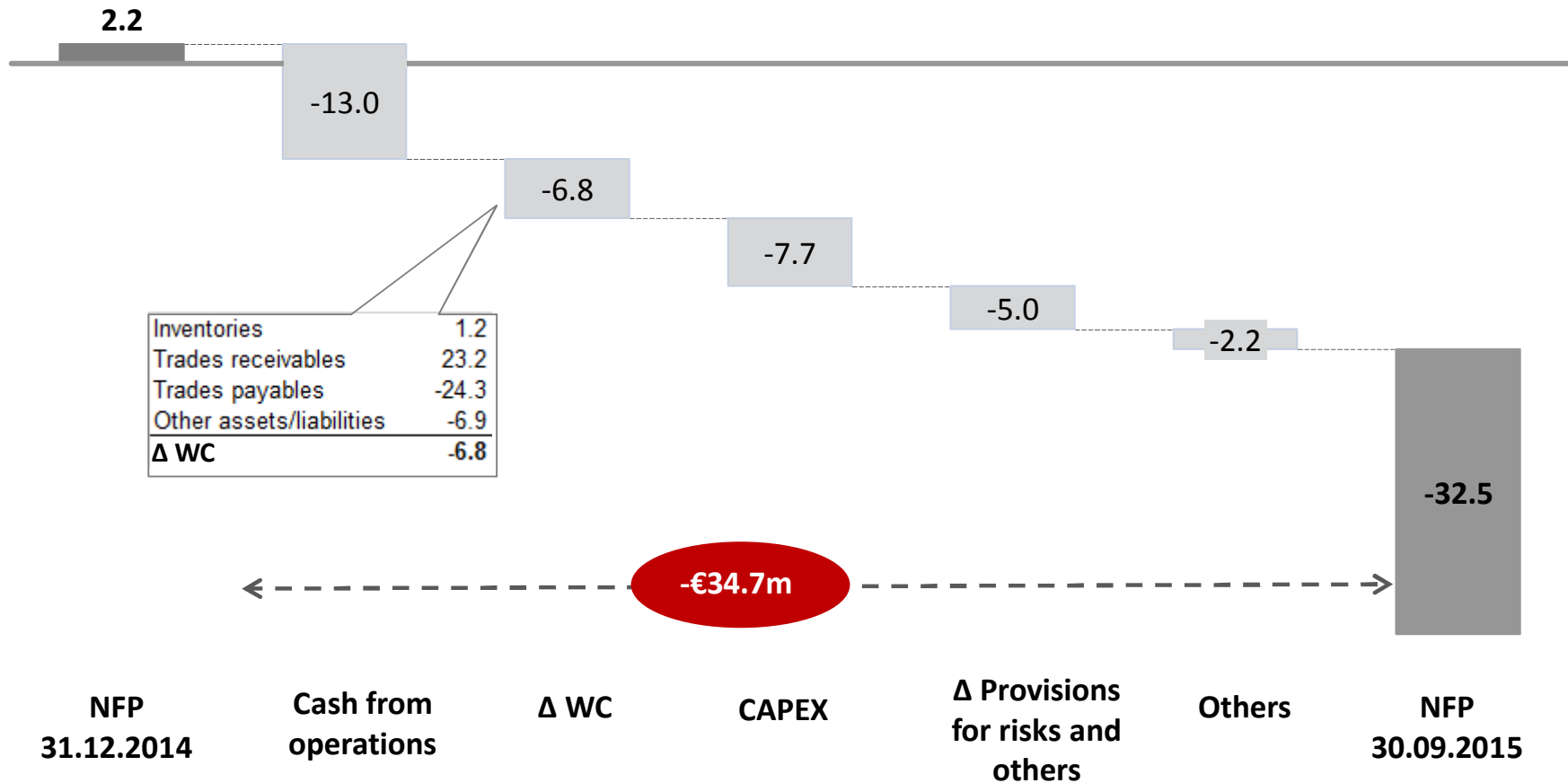
Consolidated Key Financial Data

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

(€m - rounded figures)	3Q 2014	3Q 2015	Δ%	9M 2014	9M 2015	Δ%	9M 2015 HIGHLIGHTS
Revenues	57.4	58.9	2.7%	221.1	227.9	3.1%	Group consolidated revenue improved by €6.8m (+3.1% yoy): increase in advertising revenues(+11.4%), Training & Event (+7.7% yoy), Culture (+1.2%), newspaper circulation revenues (+0.1%) and digital revenues from information content (+10.6% yoy),
Other operating income	1.8	1.5	-15.6%	8.6	8.5	-1.1%	<i>Overall costs up 1.1% vs. 9M14</i>
Personnel expense	(24.3)	(23.3)	3.9%	(78.5)	(78.2)	0.4%	- <i>Decrease in costs for: raw materials and consumables (-€1.8m), distribution costs (-€1.3m), centralized services of corporate function (-€4.0m yoy)</i>
Direct & operating costs	(49.5)	(49.1)	0.9%	(164.1)	(168.4)	-2.6%	- <i>Personnel expense down by €0.3m</i>
Provisions	(0.6)	(0.9)	-38.4%	(3.6)	(2.3)	35.1%	- <i>Increase in revenues related costs</i>
EBITDA	(15.2)	(12.8)	15.8%	(16.5)	(12.5)	24.1%	Increase in EBITDA: +€4.0m yoy as results of increase in revenues, structure optimization, focus on costs containment and processes efficiencies across all the areas of the Group
EBITDA Margin %	-26.6%	-21.8%		-7.4%	-5.5%		
EBIT	(19.1)	(16.9)	11.3%	(27.8)	(23.6)	15.1%	EBIT, improved by €4.2m yoy, benefits from €1m capital gain related to the sale of Verona production equipment
EBIT Margin %	-33.3%	-28.7%		-12.6%	-10.3%		
Profit/(Loss) before tax	(18.6)	(17.4)	6.5%	(28.6)	(24.7)	13.4%	
PBT Margin %	-32.5%	-29.6%		-12.9%	-10.8%		
Net Profit/(Loss)	(18.7)	(17.3)	7.3%	(29.9)	(25.4)	15.0%	
Minorities	(0.1)	0.1	n.m.	(0.0)	0.4	n.m.	
Net profit/(Loss) from discontinued operations	(0.8)	0.0	n.m.	20.5	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	(19.5)	(17.2)	n.m.	(10.6)	(25.0)	n.m.	Net profit after minorities came to -€25.0m vs. -€10.6m in 9M14: the latter benefited from capital gain related to Software Solutions disposal
Margin %	-34.0%	-29.1%		-4.8%	-11.0%		
Average n. of employees				1.214	1.236	22	
Average n. of employees net of the changes in the scope of consolidation scope in 2015				1.214	1.209	(5)	

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)	3Q 2014	3Q 2015	Δ%	9M 2014	9M 2015	Δ%
Publishing	44.6	44.9	0.7%	160.0	160.8	0.5%
	(7.8)	(4.2)	45.7%	(5.7)	(2.3)	59.0%
	-17.4%	-9.4%		-3.6%	-1.5%	
Advertising (System)	17.6	21.5	21.8%	77.7	86.8	11.7%
	(1.0)	(1.0)	1.5%	(0.1)	1.8	n.m.
	-5.7%	-4.6%		-0.2%	2.1%	
Training & Events	4.1	4.2	2.0%	19.6	21.1	7.7%
	(0.7)	(0.8)	-9.8%	1.2	1.8	44.4%
	-17.3%	-18.6%		6.4%	8.5%	
Culture	1.8	1.2	-33.9%	13.1	13.3	1.2%
	(0.9)	(3.1)	n.m.	(0.2)	(4.8)	n.m.
	-52.2%	-261.4%		-1.3%	-36.5%	
Corporate, intercompany & Others	(10.7)	(12.8)	-19.3%	(49.2)	(54.0)	-9.7%
	(4.8)	(3.7)	22.8%	(11.7)	(8.9)	23.6%
Il Sole 24 ORE Group	57.4	58.9	2.7%	221.1	227.9	3.1%
	(15.2)	(12.8)	15.8%	(16.5)	(12.5)	24.1%
	-26.6%	-21.8%		-7.4%	-5.5%	

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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.ilssole24ore.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)	3Q 2014	3Q 2015	Δ%	9M 2014	9M 2015	Δ%
Circulation/other revenues	33.9	31.8	-6.2%	110.7	106.4	-3.9%
Revenues from advertising	10.7	13.1	22.4%	49.3	54.4	10.4%
Total Revenues	44.6	44.9	0.7%	160.0	160.8	0.5%
EBITDA	(7.8)	(4.2)	45.7%	(5.7)	(2.3)	59.0%
<i>EBITDA Margin %</i>	-17.4%	-9.4%		-3.6%	-1.5%	

Highlights

- ✓ Overall revenues area increased by 0.5% yoy as result of opposite trends:
 - **Increase in revenues from advertising vs. 9M14 (+10.4% yoy):** the daily newspaper Il Sole 24 ORE at +3.0% bucking the daily newspaper market trend at -7.3%^(*)
 - **Digital revenue from information content up by €4.8m**, or 10.6% versus 9M14, has outperformed revenue from print content, now accounting for more than 51% of total revenue from information content (42% vs. 9M14)
 - **Newspaper (print+digital) circulation revenues: +0.1% yoy** against reference market at -5.6% and 9.1% market drop in print circulation^(**)
 - **Overall circulation revenues decline by €4.3m vs. 9M14** due to decrease in paper products revenues add-ons, magazines, professional publishing and books related to a market shrinking
- ✓ **Ebitda**, improved by €3.4m yoy, is still negative, as result of advertising and publishing revenues slowdown in 3Q due to Publishing division business seasonal nature

Publishing: Newspaper and website

IL SOLE 24 ORE NEWSPAPER

- **Newspaper circulation revenues (paper+digital) at +0.1% yoy** bucking the downward market trend of 5.6% (-9.1% market drop on print circulation) as result of the new integrated system solutions
- With a digital circulation of over **223k copies in September 2015 (+15.0% 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. 369k copies (**+0.1% yoy**). In addition to print+digital copies, the Sole system is completed by 34.000 digital subscribers
- Confirmed the upward of advertising collection on the international magazine How to Spend It, focused on luxury and lifestyle markets

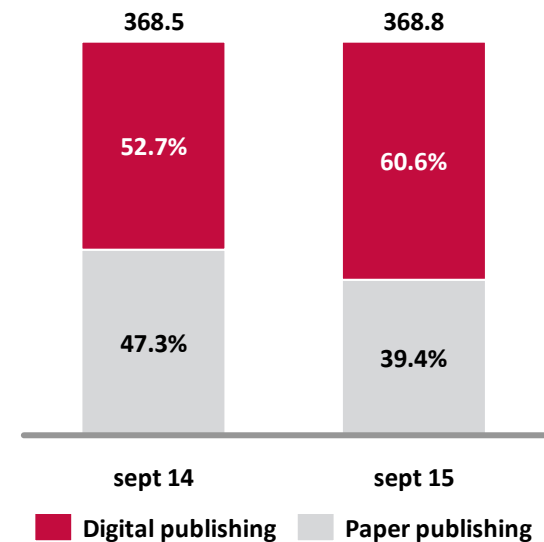
WWW.ILSOLE24ORE.COM WEBSITE

- First fee-based website in Italy, reports in 9M15 an average of almost 705 thousand unique browsers, up by 8.5%, and an increase in page views by 16.4% versus the average in 9M14
- Web site mobile version: increase in unique browsers (+89.1% yoy) and in page views (+59.3% yoy)^(**)

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

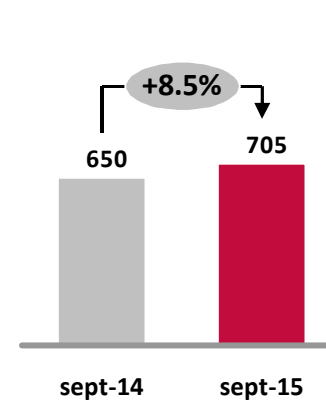
9M 15 Data

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

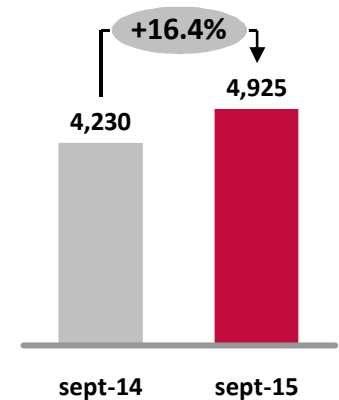


www.ilsole24ore.com: main metrics

Unique browsers^(**)



Page views^(**)



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

PROFESSIONAL PUBLISHING

- Ongoing development of professional digital publishing products: focus on technological platforms innovation, integration and development process which allowed to enrich Group's contents
- **Digital professional publishing revenues at 65% of overall professional revenues**
- *PlusPlus 24 Diritto*, database focused on legal issues, has been launched in September. It enlarges the databases professional offer made by *PlusPlus24Fisco* and *PlusPlus24 Lavoro* focused on tax and labour markets targeted to high-end market
- Ongoing development of digital magazines (*24 Ore Avvocato* and *Consulente Immobiliare*) which offer additional contents compared to the paper versions and a new user experience
- Decrease in paper products revenues (magazines and book, -27.0% yoy) due to market shrinking, paper products portfolio rationalization and the focus on digital products development. Positive trend in professional paper products sold with newspaper (+6% yoy) underpinned by brand awareness and market positioning

RADIO

- Radio 24 ranks 9th among national radios market with more than 2 millions listeners on average day
- 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 (+37% yoy) with more than 13 million downloaded files

AGENCY & P.A.

- Revenues down by €0.4m vs. 9M14: 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)	3Q 2014	3Q 2015	Δ%	9M 2014	9M 2015	Δ%
Revenues from Group's products	13.3	15.9	19.0%	61.1	67.7	10.7%
Revenues from 3rd parties' products	4.3	5.6	30.7%	16.6	19.1	15.5%
Total Revenues	17.6	21.5	21.8%	77.7	86.8	11.7%
EBITDA	(1.0)	(1.0)	1.5%	(0.1)	1.8	n.m.
<i>EBITDA Margin %</i>	-5.7%	-4.6%		-0.2%	2.1%	

Advertising yoy by Area vs Market*

	G. 24 ORE		Market
• Radio	+ 26.0%	✓.	+10.0%
• Online	+ 10.0%	✓.	VS. - 1.3%
• Paper Publishing	+ 10.2%	✓.	- 6.0%

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

Highlights

- **Sharp rise in revenues vs the reference retreating market (+11.7% yoy vs. -2.4%)** as result of the authority of Il Sole 24 ORE and its brand, the quality and quantity improvement of information content on print and digital media and radio which have helped increase advertising prices
- **Positive trend in revenues on paper products (+10.2% yoy vs. market at -6.0%):** increase in Newspaper advertising collection (+3% yoy) and HTSI
- **Radio24 outperforms its reference market (+26.0% yoy vs. +10.0% yoy)** thanks to high quality contents and sale policy, special projects development across the country with customers' sponsored activities
- **Strong increase in advertising collection on internet +10.0% yoy vs. market at -1.3%**
- **Upward trend in revenues has positively affected profitability : +€1.9m vs. 9M14**

Training & Events

(€m - rounded figures)	3Q 2014	3Q 2015	Δ%	9M 2014	9M 2015	Δ%
Total Revenues	4.1	4.2	2.0%	19.6	21.1	7.7%
EBITDA	(0.7)	(0.8)	-9.8%	1.2	1.8	44.4%
<i>EBITDA Margin %</i>	-17.3%	-18.6%		6.4%	8.5%	

Highlights

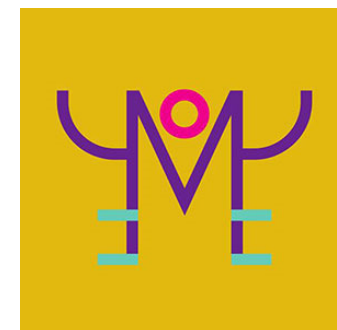
- **Increase in revenues** (+€1.5m, +7.7% vs. 9M14) thanks to the good performance of the Business School and Annual & Events divisions
- Business School revenues up by 10.7% yoy as result of increase in *Master Full Time* (+5.5% yoy) and *Master part-time, Executive24 and Master24* (+10.4% vs. 9M14)
- First Master in English launched: *Luxury Management* focused on “Made in Italy” excellences and luxury industry
- Focus on digital products: launch of *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
- Rise in revenues and average profitability in events organised in 9M15 vs. 9M14 led to an increase in overall area Ebitda

Culture

(€m - rounded figures)	3Q 2014	3Q 2015	Δ%	9M 2014	9M 2015	Δ%
Total Revenues	1.8	1.2	-33.9%	13.1	13.3	1.2%
EBITDA	(0.9)	(3.1)	n.m.	(0.2)	(4.8)	n.m.
EBITDA Margin %	-52.2%	-261.4%		-1.3%	-36.5%	

Highlights

- Revenues at €13.3m yoy, +1.2% vs. 9M14
- Decrease in Ebitda (-€4.8m) as results of a lower profitability of exhibitions launched in 9M15 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 2015: *Henry Rousseau*, *Tamara de Lempika*, *Nuova oggettivà. Arte in Germania al tempo della Repubblica di Weimar 1919-1933*, *Da Raffaello a Schiele*



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FY 2015 OUTLOOK **CONFIRMED**

Revenues vs. 2014



Single digit

Ebitda vs. 2014



Double digit

NFP vs. 2014

Negative affected by Capex and restructuring cash out

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Strategic path

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Consolidated Balance Sheet

(€m - rounded figures)	As at 31 Dec 2014	As at 30 Sept 2015
Non-current assets	208.7	206.5
Current assets	168.6	147.2
Total assets	377.3	353.6
Equity attributable to shareholders of parent	109.8	85.3
Equity attributable to non controlling interests	0.8	0.2
Total equity	110.6	85.5
Non-current liabilities	60.5	55.4
Current liabilities	206.3	212.7
Total liabilities	266.8	268.2
Total equity & liabilities	377.3	353.6

Consolidated Cash Flow

(€m - rounded figures)	9M 2014	9M 2015
Pre tax Profit/(Loss) attributable to owners of the parent	(9.3)	(24.3)
Adjustments	(10.1)	6.3
Changes in net working capital	(16.6)	(6.8)
Total net cash generated (absorbed) by operating activities	(36.0)	(24.8)
Total net cash absorbed by investing activities	88.2	(7.7)
Free cash flow	52.2	(32.5)
Net cash generated (absorbed) by financing activities	(11.7)	2.4
Net increase (decrease) in cash & cash equivalents	40.5	(30.1)

Consolidated Net Financial Position

(€m - rounded figures)	As at 31 Dec 2014	As at 30 Sept 2015
Cash & cash equivalents	34.5	35.6
Bank overdrafts and loans due within 1 year	(17.2)	(53.1)
Short-term net financial position	17.3	(17.5)
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	(32.5)