

VOCENTO

Results for January-September 2019

12 NOVEMBER 2019



PERFORMANCE OF VOCENTO BUSINESSES

VOCENTO is a multimedia group, whose parent company is VOCENTO, S.A. It is dedicated to the various different areas that comprise the media sector. For the organisation of management information, a number of business lines have been defined: Reports to the market are based on this organization of information, which covers all the businesses in which VOCENTO is present, assigned to their respective business segments.

NEWSPAPERS (offline and online)		
REGIONALS	ABC	SUPPLEMENTS & MAGAZINES
<ul style="list-style-type: none"> ▪ El Correo ▪ La Verdad ▪ El Diario Vasco ▪ El Norte de Castilla ▪ El Diario Montañés ▪ Ideal ▪ Sur ▪ Las Provincias 	<ul style="list-style-type: none"> ▪ El Comercio ▪ Hoy ▪ La Rioja ▪ Regional printing plants ▪ Regional distribution (Beralán) ▪ News agency (Colpisa) ▪ Regional sales companies ▪ Other regional companies 	<ul style="list-style-type: none"> ▪ ABC ▪ National printing plant
		<ul style="list-style-type: none"> ▪ XL Semanal ▪ Mujer Hoy ▪ Mujerhoy.com ▪ Women Now

AUDIOVISUAL			CLASSIFIEDS	GASTRONOMY & AGENCIES
DTT	RADIO	CONTENTS		
<ul style="list-style-type: none"> ▪ National DTT - Net TV 	<ul style="list-style-type: none"> ▪ Analog radio licenses ▪ Digital radio licenses 	<ul style="list-style-type: none"> ▪ Veralia distribution ▪ Izen 	<ul style="list-style-type: none"> ▪ Pisos.com ▪ Autocasión ▪ AutoScout24 	<ul style="list-style-type: none"> ▪ Madrid Fusión ▪ Gastronomika ▪ Tango ▪ Pro Agency
Accounted for by the equity method				

IMPORTANT NOTE

To facilitate the analysis of financial information and understand the organic performance of the Company, it is always indicated in this report when operating expenses, EBITDA, EBIT and the Net Result are affected by non-recurring or extraordinary items. The most important impacts can be grouped into three groups: 1) measures to adjust the workforce and one-offs, 2) changes to the consolidation perimeter and the impacts of strategic business decisions (e.g. the incorporation of AutoScout24 and of the Tango and Pro agencies in 2019), and 3) the reclassification of expenses and changes to debt accounting which have resulted from the application of IFRS 16.

Main highlights of the financial performance of the business in 9M19

Revenue growth continues in the year

Increase in advertising revenues despite weakness in local advertising

Growth and diversification in comparable EBITDA

Ordinary cash flow generation

Increased diversification with acquisition of advertising agencies

- **Total revenues +2.4% in 9M19**
 - i. Advertising revenues increased by +6.7% in 9M19 (on a comparable basis by +0,7% vs -3.0% for the advertising market), despite the impact of ON+ on the advertising inventory.
 - ii. Digital advertising increased by +26,8%; advertising and e-commerce revenues now represent 41.9% of Group revenues.
 - iii. Local advertising decreased by -2.1% in 9M19, mainly impacted by three separate elections and by a -6.9% decline in announcements.
 - iv. National advertising (+15.1%) is growing in line with forecasts thanks to the strong performance of digital (+31.2%).

- **Comparable EBITDA +9.4% to 27,263 thousand euros**
 - i. The circulation margin decreased by -1,815 thousand euros, with an impact from the increase in the price of paper of c. +1,300 thousand euros.
 - ii. Restructuring of printing plants in northern Spain. On completion, VOCENTO will retain two main plants and two supporting plants.
 - iii. Comparable EBITDA increased by +2,331 thousand euros; stable if the impact of IFRS16 is excluded (-0.3%, down -65 thousand euros in 9M19). ABC and Classifieds reported EBITDA growth in 9M19 of +2,332 thousand euros and +2,457 thousand euros, respectively.
 - iv. Increased contribution to EBITDA from digital and diversified businesses.
 - v. Reported EBITDA increased by +845 thousand euros to 20,434 thousand euros.

- **Cash flow generation of 17,121 thousand euros**
 - i. Net financial debt increased to 62,701 thousand euros vs 42,991 thousand euros in 2018, impacted by the application of IFRS16 (-10,308 thousand euros). The NFD/comparable EBITDA ratio is 1.3x.

- **Strategic diversification**
 - i. New initiatives underway following the acquisition of creative agencies Tango and Pro Agency.
 - ii. ON+ subscription services now have 36,000 users.
 - iii. Infoempleo was sold in 4Q19 for 867 thousand euros.

Main financial data

Consolidated Profit and Loss Account

IFRS Thousand euros	9M19	9M18	Var Abs	Var %	9M19 (ex IFRS 16)
Circulation revenues	99,917	105,355	-5,438	-5.2%	99,917
Advertising revenues	118,186	110,764	7,423	6.7%	118,186
Other revenues	66,240	61,427	4,814	7.8%	66,240
Total revenue	284,344	277,546	6,798	2.4%	284,344
Staff costs	-115,241	-112,217	-3,024	-2.7%	-115,241
Procurements	-23,924	-22,981	-944	-4.1%	-23,924
External Services	-123,208	-121,530	-1,677	-1.4%	-125,604
Provisions	-1,537	-1,229	-308	-25.1%	-1,537
Operating expenses (without D&A)	-263,910	-257,957	-5,953	-2.3%	-266,306
EBITDA	20,434	19,589	845	4.3%	18,038
Depreciation and amortization	-14,410	-11,768	-2,642	-22.5%	-12,187
Impairment/gains on disposal of tan. & intan. assets	49	1,561	-1,512	-96.9%	49
EBIT	6,073	9,382	-3,309	-35.3%	5,900
Impairments/reversal of other intangible assets	-1,125	-750	-375	-50.0%	-1,125
Profit of companies acc. equity method	-519	-246	-273	n.r.	-519
Net financial income	-1,878	-2,832	954	33.7%	-1,704
Net income from disposal of non-current assets	-31	6	-37	n.r.	-31
Profit before taxes	2,520	5,560	-3,040	-54.7%	2,520
Corporation tax	-2,138	-2,641	503	19.0%	-2,138
Net profit for the year	382	2,919	-2,537	-86.9%	382
Minority interests	-4,025	-4,325	299	6.9%	-4,025
Net profit attributable to the parent	-3,643	-1,405	-2,238	n.r.	-3,643
Staff costs ex non recurring costs	-108,412	-106,874	-1,538	-1.4%	-108,412
Operating Expenses ex non recurring costs	-257,081	-252,614	-4,467	-1.8%	-259,477
Comparable EBITDA¹	27,263	24,932	2,331	9.4%	24,867
Comparable EBIT ^{1 2}	12,853	13,164	-311	-2.4%	12,680

n.r.: el diferencial es en valor absoluto >1.000%.

¹ Excluding personnel adjustment measures 9M18 -5,343 thousand euros and 9M19 -6,829 thousand euros.

² Excluding result from sale of fixed assets 9M18 1,561 thousand euros and 9M19 49 thousand euros.

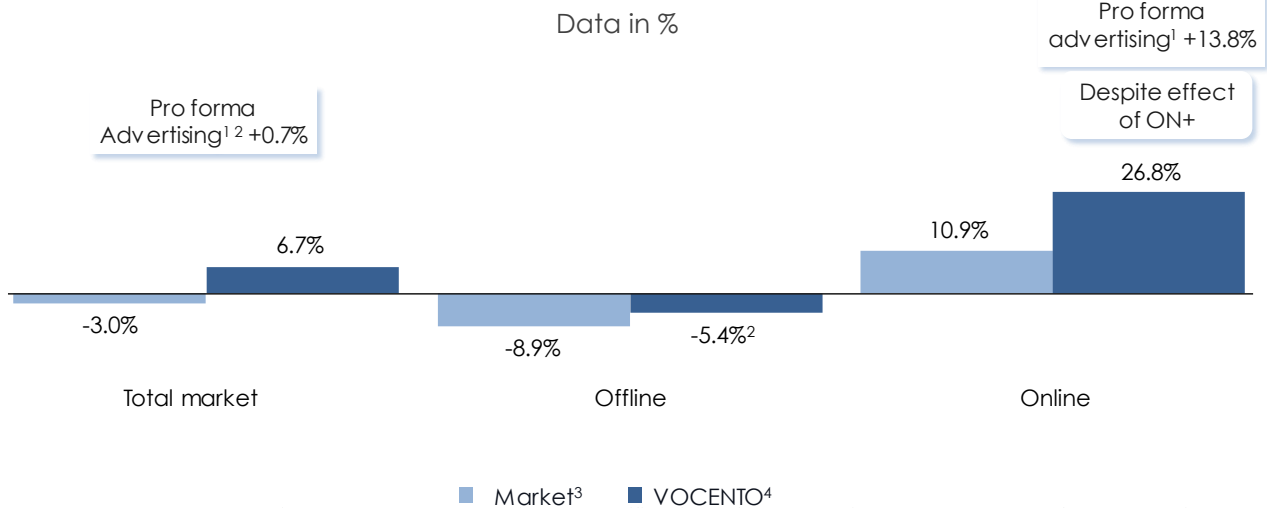
Operating revenues

In 9M19 total revenues rose by +2.4% from the prior-year period and reached 284,344 thousand euros. Adjusted for the acquisitions of AutoScout24, Donosti Eventos and the creative agencies Tango and Pro Agency, revenues would have fallen by -1.0%.

- i. Circulation revenues dropped by -5.2% with a -7.1% decrease in the combined circulation of the Regional Press and ABC.
- ii. Advertising revenues increased by +6.7% in 9M19, with a positive impact from AutoScout24 in the automotive sector and a reclassification of sponsorship revenues as advertising. Excluding these effects, the increase was +0.7%.

VOCENTO's brands once again outperformed both the print advertising market (-8.9% for the market vs -5.4% for VOCENTO) and the online market (+10.9% for the market, +26.8% for VOCENTO). The increase in the online advertising share has been achieved even with the ON+ subscription service reducing the inventory of the local portals.

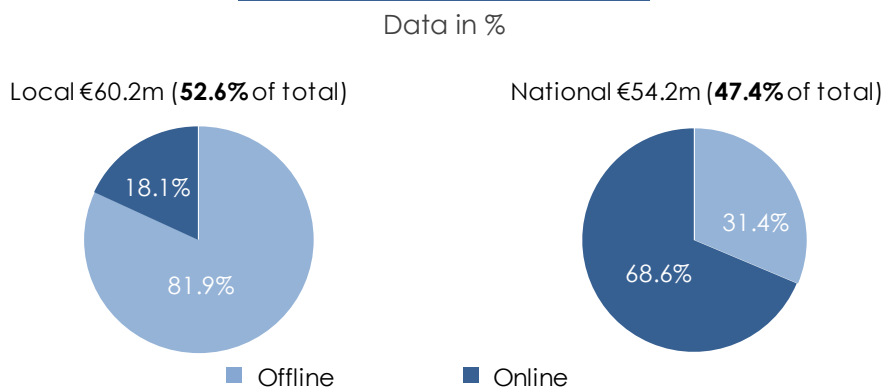
Advertising performance, VOCENTO vs market 9M19



Note 1: constant perimeter. Note 2: excluding reclassification of sponsorships. Note 3: source for market: i2p ex. social media. Note 4: total VOCENTO, VOCENTO offline brands (Regional Press and ABC) and VOCENTO online brands (Local Portals, ABC.es and Classifieds).

In terms of the performance of local and national advertising, local advertising (which represents 52.6% of total advertising revenues at VOCENTO) decreased by -2.1% in 9M19 mainly as a result of a -5.0% drop in offline advertising, impacted by various elections and by a fall in announcements. National advertising increased by +15.1% with a +31.2% rise in online advertising, which now represents 68.6% of total national advertising.

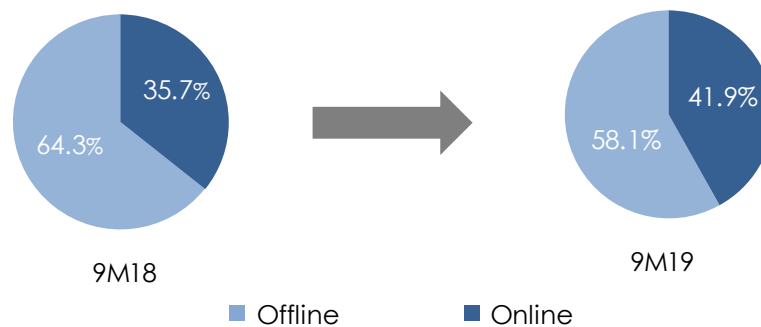
National vs local advertising¹



Note 1: net advertising. Not including Audiovisual, sales companies or eliminations. Data adjusted for reclassification of sponsorships to advertising.

Considering not only VOCENTO's digital advertising revenues but also revenues from new digital businesses based on e-commerce, and booked within other revenues, the contribution of digital was 41.9% in 9M19, up 6.2 p.p. from 9M18.

Evolution of the profile of revenues from advertising and new digital businesses



- iii. Other revenues: up +7.8% vs 9M18, reflecting the performance at Newspapers and Gastronomy and Agencies.

In the period, two advertising agencies were acquired:

- Tango, based in Madrid, is one of Spain's leading independent agencies, with revenues in 2018 of 10,729 thousand euros and an EBIT of 1,079 thousand euros. The agency specialised in trade marketing (actions at points-of-sale), experiential marketing (e.g. Coca-Cola music experience), and in events, via its subsidiary Melé. Major clients include Coca Cola, BMW, Mercedes, Loewe, McDonald's and Mapfre.
- Pro Agency: based in Barcelona is a creative and digital agency, with revenues in 2018 of 1,922 thousand euros and EBIT of 639 thousand euros. Its main areas of activity include design and creativity (such as the search for a sponsor for FC Barcelona's training shirts), digital strategy and social media (e.g. with Unilever Food Solutions).

These acquisitions form part of VOCENTO's strategy to diversify outside the traditional press business and will strengthen business lines such as marketing services, content generation and branded events, which are experiencing higher marketing spend from advertisers.

The combined price of the transactions was a fixed amount of 10,375 thousand euros plus a variable amount of a maximum of 3,700 thousand euros, depending on the achievement of various milestones, including reaching certain levels of profitability.

EBITDA

Reported EBITDA increased by +4.3% to 20,434 thousand euros, with a positive impact from IFRS16 of 2,396 thousand euros and a negative impact from compensation payments (1,486 thousand euros more than in 9M18). The EBITDA was 9.6%, +0.6 p.p. from 9M18.

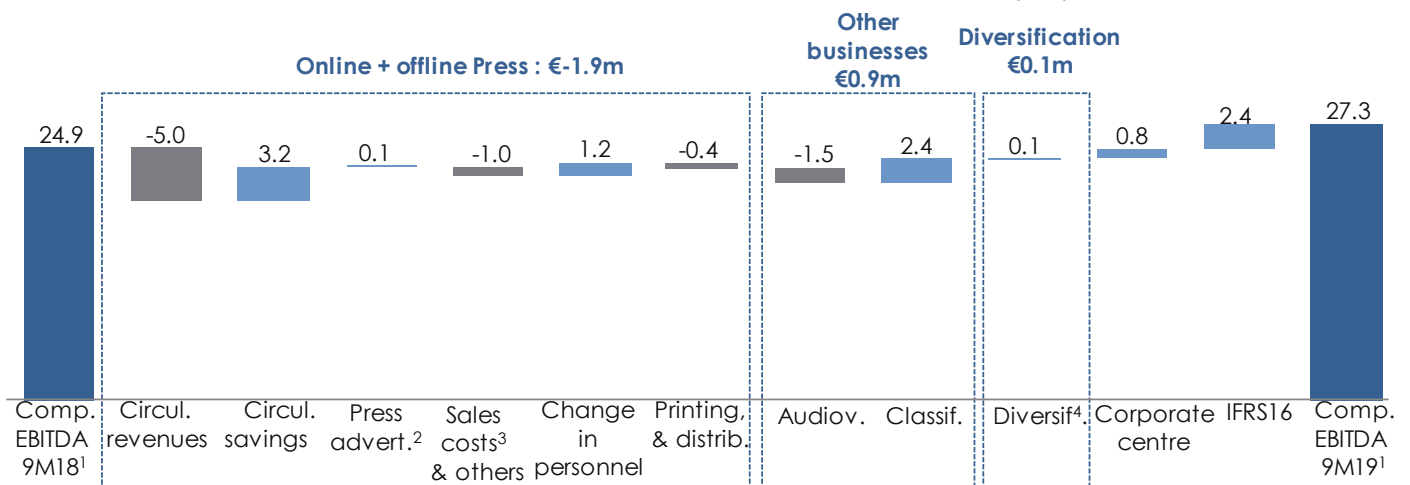
Excluding the impact of compensation payments, comparable EBITDA was 27,263 thousand euros, an improvement of +2,331 thousand euros from the prior-year period.

The main variations vs 9M18 include:

- i. Newspapers: a decrease in circulation revenues and the increase in the price of paper were not fully offset by the cost savings measures that were implemented.
- ii. Growth at Classifieds more than offset the deterioration at Audiovisual (mainly in Content distribution).
- iii. The new diversified business area, Gastronomy and Agencies, had a positive impact of +98 thousand euros, with just one month of contribution from the agencies.
- iv. A positive impact from the application of IFRS16.

Performance of comparable EBITDA, VOCENTO 9M18-9M19

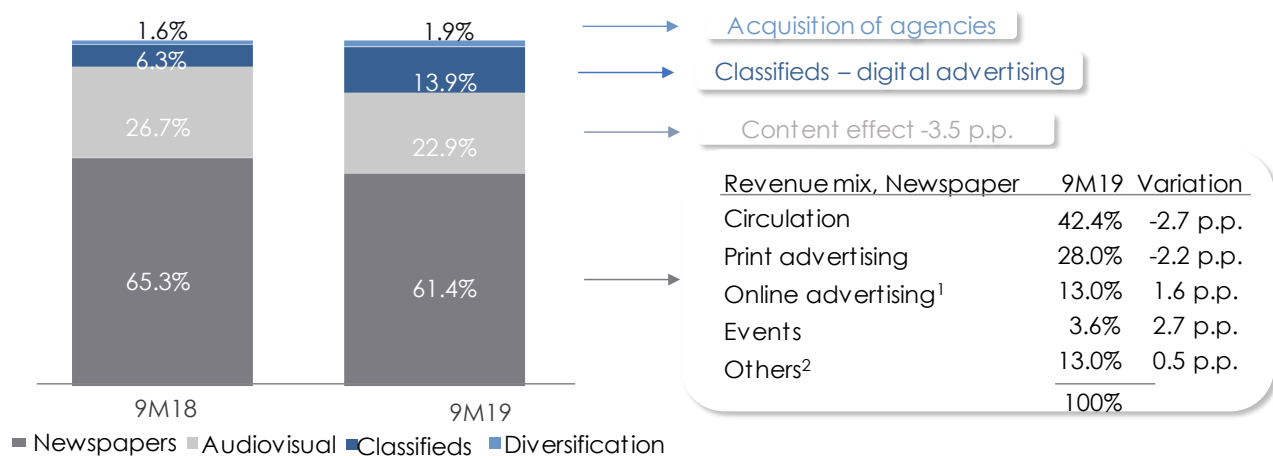
Variation 9M18 vs 9M19 except comparable EBITDA (€m)



Note 1: excluding personnel adjustment measures 9M18 €-5.3m and 9M19 €-6.8m. Note 2: excluding reclassification of sponsorships adv. Note 3: includes higher costs for events, etc. Note 4: Gastronomy and Agencies.

Thanks to Vocento's diversification strategy, digital business areas such as Classifieds and diversified businesses such as the agencies are making an increasing contribution to the company's EBITDA. The comparable EBITDA of the Press business (excluding the corporate centre and the impact of IFRS16) decreased to 61.4% of the total in 9M19. The revenue mix of the Newspapers is also increasingly weighted towards digital and diversified businesses.

Composition of comparable EBITDA (ex. corporate centre and IFRS16)



Nota 1: includes e-commerce revenues. Note 2: mainly printing plants third party revenues and add-ons.

Operating result (EBIT)

The operating result for 9M19 was 6,073 thousand euros, a decrease of -35.3% from 9M18. This is primarily the result of two factors: an increase in compensation payments in 9M19 vs 9M18 and the gains made on real estate sales in the prior-year period.

Equity-accounted earnings

There was a decrease in equity-accounted income of -273 thousand euros in 9M19 vs 9M18. This performance included a significant improvement at content producer Izen as well as start-up losses related to the programmatic advertising platform WeMass.

Writedown of goodwill

There was a goodwill writedown of -1,125 thousand euros, reflecting the recurring impairment to goodwill at the Content division because of the gradual reduction of the residual life of the film rights catalogue.

Financial result and others

The financial result improved by +33.7% from -2,832 thousand euros in 9M18 to -1,878 thousand euros in 9M19, despite a +174 thousand euros impact from IFRS16. The improvement reflects the gradual reduction in average financial debt and the decrease in total financial expenses.

Corporation tax

The tax expense in 9M19 was 2,138 thousand euros, 19.0% less than in the prior-year period.

Minority interest

Minority interest of -4,025 thousand euros in 9M19 mainly reflects the entry of minority shareholders to Classifieds following the Autoscout24 transaction, as well as minority shareholders at Content and DTT (NET TV).

Net result attributable to the parent company

The net consolidated result in 9M19 was -3,643 thousand euros vs -1,405 thousand euros in 9M18. The decrease reflects the higher level of compensation payments this year and the capital gains on real estate sales recorded in 9M18.

Consolidated Balance Sheet

IFRS thousand euros	9M19	2018	Var abs	% Var
Non current assets	365,816	344,751	21,065	6.1%
Intangible assets	167,707	141,129	26,579	18.8%
Property, plant and equipment	112,195	116,115	-3,921	-3.4%
Investments accounted using equity method	20,170	19,308	862	4.5%
Other non current assets	65,744	68,199	-2,455	-3.6%
Current assets	122,462	124,445	-1,982	-1.6%
Other current assets	98,253	103,886	-5,633	-5.4%
Cash and cash equivalents	24,209	20,559	3,651	17.8%
Assets held for sale	193	294	-100	-34.1%
TOTAL ASSETS	488,471	469,489	18,983	4.0%
Equity	270,467	280,442	-9,974	-3.6%
Bank borrowings and other fin. liabilities	88,458	64,441	24,018	37.3%
Other non current liabilities	38,138	31,876	6,262	19.6%
Other current liabilities	91,408	92,730	-1,322	-1.4%
TOTAL EQUITY AND LIABILITIES	488,471	469,489	18,983	4.0%

Intangible assets

The increase in intangible assets is mainly the result of the recording as an asset of 10,216 thousand euros related to the usage rights of leased property, following the application of IFRS 16, and to the increase in goodwill following the acquisitions completed in 2019.

Plant, property and equipment

The decrease of -3,921 thousand euros reflects among other factors a greater impact from depreciation than from capex.

Other current assets

The decrease of -5,633 thousand euros is mainly the result of a decrease in the balance with customers, reflecting the seasonality of the business.

Net financial position

The net financial position at the end of the period was -62,701 thousand euros, with an impact from IFRS16 of -10,308 thousand euros. NFD/EBITDA (LTM comparable) stood at 1.3x.

Breakdown of net financial debt

IFRS thousand euros	9M19	2018	Var Abs	Var %
Bank borrowings and other financial liabilities (s.t.)	57,158	29,531	27,627	93.6%
Bank borrowings and other financial liabilities (l.t.)	31,301	34,910	-3,609	-10.3%
Gross debt	88,458	64,441	24,018	37.3%
+ Cash and cash equivalents	24,209	20,559	3,651	17.8%
+ Other non current financial asstes	3,042	2,942	100	3.4%
Deferred expenses	1,494	2,051	-557	-27.2%
Net cash position/ (net debt)	-62,701	-42,991	-19,710	-45.8%

Short-term borrowings include:

- i. debt with credit institutions of 22,419 thousand euros, including the reclassification of expenses for the syndicated loan as short-term, and
- ii. other liabilities with a current financial cost of 35,586 thousand euros, mainly related to the issuance of promissory notes, and to a lesser degree to pension plans, also including creditors of short-term lease contracts following the application of IFRS16.

Long-term borrowings include:

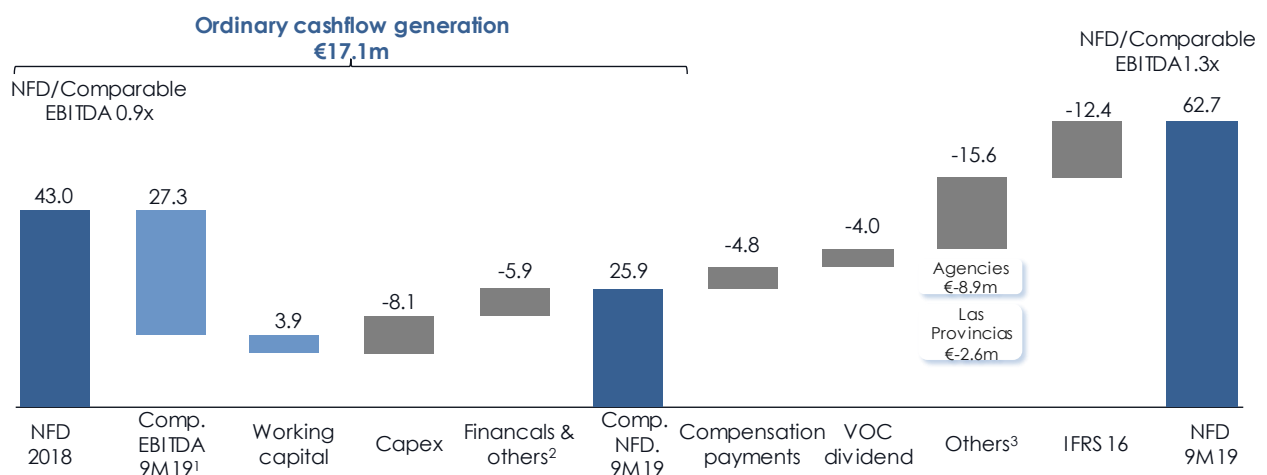
- i. debt with credit institutions of 24,035 thousand euros, including the reclassification of the expenses of the syndicated loan and the valuation of the interest rate hedge on this loan, and
- ii. other liabilities with a non-current financial cost of 7,913 thousand euros, including mainly long-term lease contracts following the application of IFRS16.

In 9M19 positive cash flows from ordinary operations totalled 17,121 thousand euros. The most significant variations include: i) variation in working capital: +3,936 thousand euros, reflecting a combination of higher receivables from clients, lower payments to suppliers and investments in inventories, and ii) capex of -8,143 thousand euros.

Extraordinary movements include: iii) compensation payments of -4,828 thousand euros, iv) the Vocento dividend payment of -4,000 thousand euros, v) other extraordinary cash outflows of -15,580 thousand euros, reflecting among others payments related to the acquisition of the agencies and the renegotiated put options at Las Provincias, and vi) an impact from IFRS16 of -12,423 thousand euros since the start of the year.

Analysis of changes to net financial debt 2018-9M19

Data in €m



Note 1: excluding personnel adjustment measures 9M19 €-6.8m. Note 2: including anticipated income, net financial expenses, dividends to minority interest, taxes. Note 3: including among others payments and cash derived from the acquisition of the agencies and payments related to the options on Las Provincias and to the Autoscout24 transaction.

Cash flow statement

IFRS thousand euros	9M19	9M18	Var Abs	% Var
Net profit attributable to the parent	-3,643	-1,406	-2,237	n.r.
Adjustments to net profit	25,527	22,221	3,306	14.9%
Cash flows from ordinary operating activities before changes in working capital	21,884	20,815	1,069	5.1%
Changes in working capital & others	3,936	14,359	-10,423	-72.6%
Other payables without financial cost	2,942	4,155	-1,213	-29.2%
Other payables with financial cost	-412	-781	369	47.3%
Income tax paid	-2,284	-2,652	368	13.9%
Interests deduction for tax purposes	-1,492	-1,878	386	20.5%
Net cash flow from operating activities (I)	24,574	34,018	-9,444	-27.8%
Acquisitions of intangible and property, plan and equipment	-8,143	-7,499	-644	-8.6%
Acquisitions of financial assets, subsidiaries and associates	-13,688	2,402	-16,090	n.r.
Interests and dividends received	736	274	462	n.r.
Other receivables and payables (investing)	134	-1,777	1,911	n.r.
Net cash flow from investing activities (II)	-20,962	-6,600	-14,362	n.r.
Interests and dividends paid	-11,862	-9,212	-2,650	-28.8%
Cash inflows/ (outflows) relating to bank borrowings	-6,062	-17,207	11,145	64.8%
Other receivables and payables (financing)	17,510	-1,011	18,521	n.r.
Equity related instruments without financial cost	-2,631	-3,170	539	17.0%
Net cash flows from financing activities (III)	-3,045	-30,600	27,555	90.0%
Net increase in cash and cash equivalents (I + II + III)	567	-3,182	3,749	n.r.
Cash and cash equivalents of acquired companies	3,084	0	3,084	n.a.
Cash and cash equivalents at beginning of the year	20,559	25,558	-4,999	-19.6%
Cash and cash equivalents at end of year	24,209	22,377	1,832	8.2%

Net cash flow from operating activities was 24,574 thousand euros, including among others: (i) payments related to personnel adjustment measures of -4,828 thousand euros, and (ii) a variation in working capital of +3,936 thousand euros, lower than in the prior-year period because of an increase in inventories in 9M19 compared with a decrease in 9M18.

Net cash flow from investing activities was -20,962 thousand euros, vs. -6,600 thousand euros in 9M18, because of the acquisitions of various assets this year which were made in order to diversify the business, compared with the asset sales that were recorded in 9M18

Net cash flow from financing activity was -3,045 thousand euros. This figure includes among others interest payments on debt, a dividend of 4,000 thousand euros paid by VOCENTO, dividend payments by subsidiaries of VOCENTO to minority shareholders, cash outflows resulting from Autoscout 24 transaction and the options on Las Provincias, the commercial paper programme and the repayment of debt in the period.

Capex

The difference between the outflow of 8,143 thousand euros of cash for investments in fixed assets and the capex recorded in accounts of 7,278 thousand euros reflects the fact that the amount of payments pending for investments made in 2018 is greater than the amount of investments recorded but not paid for in 9M19.

Capex by business area

	IFRS thousand euro								
	9M19			9M18			Var Abs		
	Inmat.	Mat.	Total	Inmat.	Mat.	Total	Inmat.	Mat.	Total
Newspapers	4,247	2,232	6,480	3,657	2,443	6,100	590	-211	380
Audiovisual	8	27	35	23	68	91	-15	-41	-56
Classifieds	411	52	463	155	94	249	256	-42	213
Gastronomy & Others	21	22	43	18	0	18	3	22	25
Corporate	217	40	257	173	46	219	44	-7	38
TOTAL	4,904	2,373	7,278	4,026	2,652	6,678	879	-279	600

Information by business area

IFRS Thous& Euro	9M19	9M18	Var Abs	Var % 9M19 (ex IFRS 16)	
Total revenues					
Newspapers	235,796	233,980	1,815	0.8%	235,796
Audiovisual	24,329	27,101	-2,771	-10.2%	24,329
Classifieds	20,885	14,739	6,146	41.7%	20,885
Gastronomy & Agencies	6,184	3,159	3,025	95.7%	6,184
Corporate & adjustments	-2,850	-1,433	-1,417	-98.9%	-2,850
Total revenues	284,344	277,546	6,798	2.4%	284,344
EBITDA					
Newspapers	16,821	16,983	-161	-0.9%	14,471
Audiovisual	7,506	8,993	-1,487	-16.5%	7,506
Classifieds	4,073	2,125	1,948	91.7%	4,027
Gastronomy & Agencies	601	525	76	14.4%	601
Corporate & adjustments	-8,567	-9,036	470	5.2%	-8,567
Total EBITDA	20,434	19,588.89	845.38	4.3%	18,038
Comparable EBITDA					
Newspapers	22,506	22,029	477	2.2%	20,155
Audiovisual	7,506	9,018	-1,513	-16.8%	7,506
Classifieds	4,598	2,141	2,457	n.r.	4,552
Gastronomy & Agencies	624	526	98	18.7%	624
Corporate & adjustments	-7,970	-8,781	811	9.2%	-7,970
Total comparable EBITDA	27,263	24,932	2,331	9.4%	24,867
EBIT					
Newspapers	4,319	7,849	-3,530	-45.0%	4,149
Audiovisual	7,269	8,633	-1,364	-15.8%	7,269
Classifieds	2,863	1,778	1,084	61.0%	2,860
Gastronomy & Agencies	573	522	51	9.8%	573
Corporate & adjustments	-8,950	-9,400	450	4.8%	-8,950
Total EBIT	6,073	9,382	-3,309	-35.3%	5,900
Comparable EBIT					
Newspapers	9,963	11,504	-1,541	-13.4%	9,792
Audiovisual	7,187	8,490	-1,303	-15.3%	7,187
Classifieds	3,388	1,794	1,594	88.9%	3,385
Gastronomy & Agencies	596	522	74	14.1%	596
Corporate & adjustments	-8,280	-9,145	865	9.5%	-8,280
Total comparable EBIT	12,853	13,164	-311	-2.4%	12,680

¹ Excluding personnel adjustment measures 9M18 -5,343 thousand euros and 9M19 -6,829 thousand euros.

² Excluding result from sale of fixed assets 9M18 1,561 thousand euros and 9M19 49 thousand euros.

Newspapers (including offline and online activity)

IFRS Thousand Euro	9M19	9M18	Var Abs	Var %19 (ex IFRS 16)	
Total Revenues					
Regionals	164,321	165,044	-722	-0.4%	164,321
ABC	66,516	64,704	1,812	2.8%	66,516
Supplements & Magazines	16,370	17,322	-952	-5.5%	16,370
Adjustments intersegment	-11,412	-13,090	1,678	12.8%	-11,412
Total Revenues	235,796	233,980	1,815	0.8%	235,796
EBITDA					
Regionals	15,360	18,991	-3,631	-19.1%	14,731
ABC	2,323	-475	2,797	n.r.	601
Supplements & Magazines	-862	-1,534	672	43.8%	-862
Total EBITDA	16,821	16,983	-161	-0.9%	14,471
Comparable EBITDA¹					
Regionals	19,536	22,166	-2,629	-11.9%	18,907
ABC	3,621	1,289	2,332	n.r.	1,900
Supplements & Magazines	-651	-1,426	774	54.3%	-651
Total comparable EBITDA	22,506	22,029	477	2.2%	20,155
EBIT					
Regionals	8,964	14,201	-5,237	-36.9%	8,905
ABC	-3,557	-4,504	946	21.0%	-3,668
Supplements & Magazines	-1,088	-1,849	761	41.2%	-1,088
Total EBIT	4,319	7,849	-3,530	-45.0%	4,149
Comparable EBIT^{1, 2}					
Regionals	13,100	15,984	-2,884	-18.0%	13,041
ABC	-2,259	-2,740	481	17.5%	-2,370
Supplements & Magazines	-878	-1,740	862	49.5%	-878
Total comparable EBIT	9,963	11,504	-1,541	-13.4%	9,792

Note: The main eliminations are the result of: a) sales of supplements (XL Semanal, Mujer Hoy and Corazón CZN TVE) from TESA to the Regional Press and ABC, and b) distribution revenues at Beralán.

¹ Excluding personnel adjustment measures 9M18 -5,046 thousand euros and 9M19 -5,684 thousand euros.

² Excluding result from fixed asset sales 9M18 1,392 thousand euros and 9M19 41 thousand euros.

Operating revenues: 235,796 thousand euros, an increase of +0.8% vs 9M18.

- i. **Circulation revenues:** fell by -5.2% to 99,917 thousand euros. At [Regional Press](#) circulation revenues fell by -5.5% and at [ABC](#) by -3.8%. Circulation revenues were down by -7.6% at [Supplements and Magazines](#).
- ii. **Advertising revenues:** rose by +1.4% from the prior-year period to 96,094 thousand euros. Advertising revenues at the [Regional Press](#) fell by -0.7% vs 9M18, while advertising revenues at [ABC](#), increased by +12.2%, including a +27.2% increase at ABC.es.

Comparable revenues, adjusted for the reclassification of sponsorship revenues as advertising, fell by -0.6% because of the performance of Supplements and Magazines, while the adjusted revenues of the Regional Press and ABC increased by +0.4%.

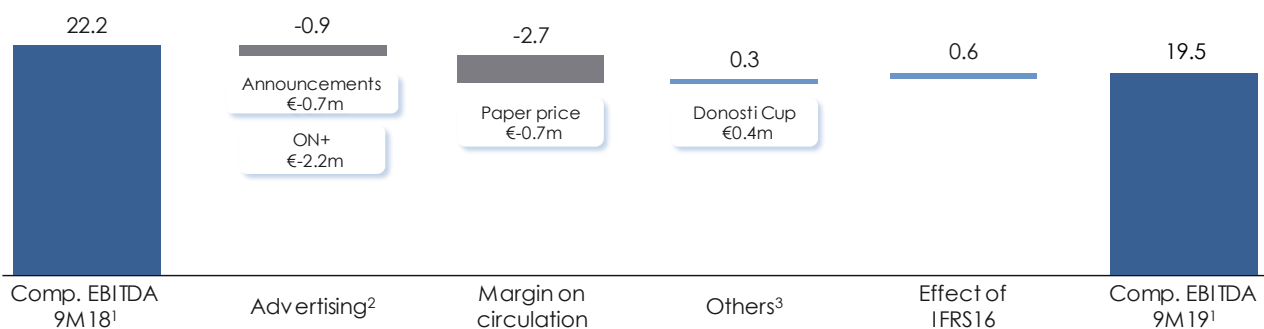
- iii. **Other revenues:** up +17.6% to 39,785 thousand euros, thanks among other factors to the acquisition of the Donosti Cup in 3Q19 and higher revenues from contract printing.

Comparable EBITDA¹: rose to 22.506 thousand euros from 22,029 thousand euros in 9M18. Profitability has been maintained, with a comparable EBITDA margin of 9.5%.

- i. **Regional:** the comparable EBITDA margin of the Regional Press in 9M19 was impacted by the reduction in inventory that resulted from the roll-out of ON+ and by a fall in revenues from announcements. Furthermore, the circulation margin was affected by the increase in the price of paper.

Regionals: performance of comparable EBITDA

Variation 9M18 vs 9M19 except comparable EBITDA €m



Note 1: excluding adjustment measures 9M18 €-3.2m and 9M19 €-4.2m. EBITDA margin 9M19 ex IFRS 16. Note 2: print and digital, excluding reclassification of sponsorships to advertising. Note 3: including among others personnel expenses, sales costs and printing plant margins.

One of the measures that Vocento has implemented in recent years to maintain the profitability of the traditional business has been to restructure its printing plants.

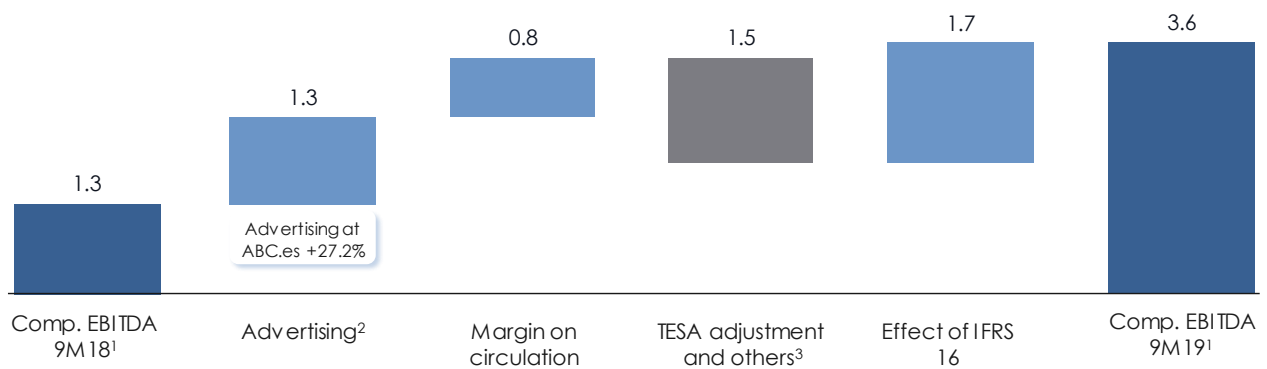
The next step in this plan will be to concentrate printing in northern Spain at Comeco Gráfico Norte. This will be implemented in 4Q19. Annual savings resulting from the increased utilization of the plant will be c. 800-1,200 thousand euros from 1Q20.

- ii. **ABC:** more than doubled its comparable EBITDA from 9M18, thanks to the solid performance of both the advertising market and circulation margins.

¹ Excluding personnel adjustment measures 9M18 -5,046 thousand euros and 9M19 -5,684 thousand euros.

ABC: performance of comparable EBITDA¹

Variation 9M18 vs 9M19 except comparable EBITDA €m



Note 1: excluding adjustment measures 9M18 €-1.8m and 9M19 €-1.3m. EBITDA margin 9M19 ex IFRS 16. Note 2: print and digital ex reclassification of sponsorships to advertising. Note 3: includes among others personnel expenses, sales costs and printing plant margins

- iii. Supplements and Magazines: comparable EBITDA of -651 thousand euros, improving by +774 thousand euros from 9M18.

Audiovisual

IFRS Thousand Euro	9M19	9M18	Var Abs	Var %
Total revenues				
DTT	20,237	21,598	-1,360	-6.3%
Radio	2,517	2,510	6	0.3%
Content	1,744	3,166	-1,422	-44.9%
Adjustments intersegment	-169	-174	5	2.9%
Total revenues	24,329	27,101	-2,771	-10.2%
EBITDA				
DTT	4,239	4,531	-292	-6.4%
Radio	1,909	1,901	9	0.5%
Content	1,357	2,561	-1,204	-47.0%
Total EBITDA	7,506	8,993	-1,487	-16.5%
Comparable EBITDA¹				
DTT	4,239	4,531	-292	-6.4%
Radio	1,909	1,901	9	0.5%
Content	1,357	2,587	-1,229	-47.5%
Total comparable EBITDA	7,506	9,018	-1,513	-16.8%
EBIT				
DTT	4,220	4,545	-326	-7.2%
Radio	1,901	1,889	11	0.6%
Content	1,149	2,198	-1,050	-47.7%
Total EBIT	7,269	8,633	-1,364	-15.8%
Comparable EBIT^{1, 2}				
DTT	4,138	4,376	-239	-5.5%
Radio	1,901	1,889	11	0.6%
Content	1,149	2,224	-1,075	-48.4%
Total comparable EBIT	7,187	8,490	-1,303	-15.3%

Note: eliminations are the result of the sale of programming to National DTT and Radio.

¹ Excluding personnel adjustment measures in 9M18 of -26 thousand euros.

² Excluding result from sale of fixed assets in 9M18 169 thousand euros and 9M19 82 thousand euros

Operating revenues: fell by -10.2% to 24,329 thousand euros, largely because of lower levels of activity in Content distribution.

Comparable EBITDA: fell by -16.8% to 7,506 thousand euros mainly as a result of the decline in the Content area.

Classifieds

IFRS thousand euros	9M19	9M18	Var Abs	Var %	9M19 (ex IFRS 16)
Total revenues					
Classifieds	20,885	14,739	6,146	41.7%	20,885
Total revenues	20,885	14,739	6,146	41.7%	20,885
EBITDA					
Classifieds	4,073	2,125	1,948	91.7%	4,027
Total EBITDA	4,073	2,125	1,948	91.7%	4,027
Comparable EBITDA¹					
Classifieds	4,598	2,141	2,457	n.r.	4,552
Total comparable EBITDA	4,598	2,141	2,457	n.r.	4,552
EBIT					
Classifieds	2,863	1,778	1,084	61.0%	2,860
Total EBIT	2,863	1,778	1,084	61.0%	2,860
Comparable EBIT^{1 2}					
Classifieds	3,388	1,794	1,594	88.9%	3,385
Total comparable EBIT	3,388	1,794	1,594	88.9%	3,385

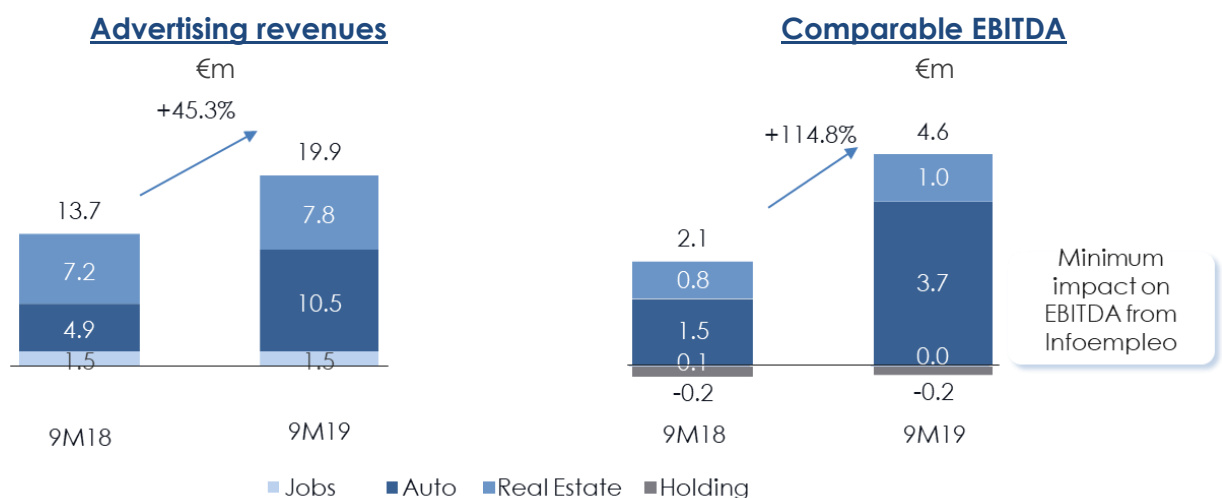
¹ Excluding personnel adjustment measures in 9M18 of -16 thousand euros and in 9M19 of -525 thousand euros.

² Excluding result from sale of fixed assets.

Operating revenues: increased by +41.7% to 20,885 thousand euros, thanks to the acquisition of AutoScout24. Excluding this transaction, revenues increased by +9.0%.

Advertising revenues rose by +45.3% and by +10.1% on a like-for-like basis.

Comparable EBITDA: rose to 4,598 thousand euros in 9M19, +2,457 thousand euros from 9M18. Excluding the automotive transaction, EBITDA would have increased by +31.0%.



In October 2019, Vocento sold its 51% stake in Infoempleo for 867 thousand euros, generating a capital loss of c. 1,850 thousand euros.

Gastronomy and Agencies

IFRS Thousand Euro	9M19	9M18	Var Abs	Var %
Total Revenues				
Gastronomy	4,899	3,026	1,874	61.9%
Agencies & Agencies & Others	1,285	134	1,151	n.r.
Total Revenues	6,184	3,159	3,025	95.7%
EBITDA				
Gastronomy	593	795	-202	-25.4%
Agencies & Others	8	-270	278	102.9%
Total EBITDA	601	525	76	14.4%
Comparable EBITDA				
Gastronomy	595	795	-200	-25.2%
Agencies & Others	29	-270	299	110.6%
Total comparable EBITDA	624	526	98	18.7%
EBIT				
Gastronomy	582	795	-213	-26.8%
Agencies & Others	-9	-273	264	96.6%
Total EBIT	573	522	51	9.8%
Comparable EBIT				
Gastronomy	584	795	-211	-26.6%
Agencies & Others	12	-273	285	104.2%
Total comparable EBIT	596	522	74	14.1%

¹ Excluding personnel adjustment measures of -23 thousand euros in 9M19.

Operating revenues: rose to 6,184 thousand euros, almost double the level of the prior year following the incorporation in September of the advertising agencies, as described on page 6.

Comparable EBITDA: 624 thousand euros, with a contribution of 595 thousand euros from Gastronomy and a positive impact from the agencies in their first month as part of the Group.

Operating data

Newspapers

Average Circulation Data	9M19	9M18	Var Abs	%
National Press - ABC	68,941	74,705	-5,764	-7.7%
Regional Press				
El Correo	53,984	57,983	-3,999	-6.9%
El Diario Vasco	41,334	44,001	-2,667	-6.1%
El Diario Montañés	18,709	19,809	-1,100	-5.6%
Ideal	14,438	15,603	-1,165	-7.5%
La Verdad	10,668	11,880	-1,212	-10.2%
Hoy	8,339	8,979	-640	-7.1%
Sur	12,407	13,460	-1,053	-7.8%
La Rioja	7,468	7,954	-486	-6.1%
El Norte de Castilla	14,403	15,411	-1,008	-6.5%
El Comercio	12,948	13,763	-815	-5.9%
Las Provincias	12,865	14,182	-1,317	-9.3%
TOTAL Regional Press	207,562	223,025	-15,463	-6.9%

Sources:OJD. 2018 non audited data.

Audience	2 nd Survey 19	2 nd Survey 18	Var Abs	%
National Press - ABC	444,000	429,000	15,000	3.5%
Regional Press	1,640,000	1,694,000	-54,000	-3.2%
El Correo	293,000	358,000	-65,000	-18.2%
El Diario Vasco	195,000	193,000	2,000	1.0%
El Diario Montañés	131,000	149,000	-18,000	-12.1%
Ideal	178,000	136,000	42,000	30.9%
La Verdad	133,000	143,000	-10,000	-7.0%
Hoy	104,000	106,000	-2,000	-1.9%
Sur	123,000	124,000	-1,000	-0.8%
La Rioja	77,000	78,000	-1,000	-1.3%
El Norte de Castilla	150,000	146,000	4,000	2.7%
El Comercio	155,000	137,000	18,000	13.1%
Las Provincias	101,000	124,000	-23,000	-18.5%
Supplements				
XL Semanal	1,518,000	1,664,000	-146,000	-8.8%
Mujer Hoy	915,000	907,000	8,000	0.9%
Mujer Hoy Corazón	169,000	160,000	9,000	5.6%
Inversión y Finanzas	0	23,000	-23,000	-100.0%
Monthly Unique uses (Th)	sep-19	sep-18	Var Abs	%
Vocento	26,959	24,399	2,560	10.5%

Source: comScore.

Audiovisual

National TV Market	sep-19	sep-18	Var Abs
Audience share Net TV	2.9%	3.0%	-0.1 p.p

Source: Kantar Media last month.

Appendix I: Alternative Performance Measures

On 20 October 2015, the CNMV stated its intention to comply with the Guidelines on Alternative Performance Measures published by the European Securities and Market Authority (ESMA) on 30 June 2015 in accordance with Article 16 of EU Regulation 1095/2010 of the European Parliament and Council.

The APMs used in this report include the following:

EBITDA represents the net result of the period before financial income and expenses, other results from financial instruments, tax on profits, amortization, depreciation, the impairment and sale of fixed and non-fixed assets, the writedown of goodwill in the period, excluding (a) the net result from the sale of current financial assets and (b) the results from equity-accounted subsidiaries.

Comparable EBITDA is the adjustment of EBITDA for all non-recurring exceptional revenues and costs, in order to facilitate the comparison between EBITDA in different periods.

Exceptional non-recurring costs include the costs of compensation for dismissals incurred in each period.

EBIT is EBITDA less amortization and depreciation and the result from the impairment or sale of fixed and non-fixed assets.

Comparable EBIT is EBITDA less exceptional and non-recurring revenues and expenses, to facilitate the comparison of EBIT between the periods, and less the result from the sale or impairment of fixed and non-fixed assets. Exceptional non-recurring costs include the costs of compensation for dismissals incurred in each period.

Net Financial Debt (NFD) represents long-term and short-term debt with an explicit financial cost, either with financial institutions or other third parties, plus debt from the issue of bonds, commercial paper, securities convertible into shares or similar financial instruments plus the collateral or guarantees provided to third parties as part of the debt with a financial cost and which are not recorded as liabilities with payment obligations, minus cash plus the mark-to-market value of any hedging instruments apart from hedging for trading. Cash includes cash and other liquid equivalents, plus other current and non-current financial assets held either at financial institutions or with other third parties. The amount of the item of 'debt with credit institutions' is the nominal value and not its amortized cost; i.e. it does not include the impact of deferred arrangement costs. Guarantees of technical and financial capacity are not included in Net Financial Debt.

Comparable Net Financial Debt (NFD) is NFD adjusted for exceptional and non-recurring receivables and payables for comparative purposes. Various exceptional non-recurring payments have been included, as shown in the second table.

Generation of ordinary cash represents the difference between the NFD at the beginning and end of the period, adjusted for non-recurring and exceptional receivables and payables for comparative purposes.

Reconciliation of accounting measures and APMs

Thousand Euros	2019	2018
Net result of the year	382	2,919
Financial income	-349	-264
Financial expenses	2,227	2,951
Other results from financial instruments	0	145
Tax on profits of continued operations	2,138	2,641
Amortization and depreciation	14,410	11,768
Impairment of goodwill	1,125	750
Impairment and result from sale of fixed and non-fixed assets	-49	-1,561
Result from equity-accounted subsidiaries	519	246
Net result of sale of non-current financial assets	31	-6
EBITDA	20,434	19,589
Compensations payments	6,829	5,343
Other one-off costs	0	0
Comparable EBITDA	27,263	24,932
Comparable EBITDA	27,263	24,932
Amortization related to long term lease (IFRS 16)	2,223	0
Financial cost related to long term lease (IFRS 16)	174	0
Comparable EBITDA without the effect of IFRS 16	24,867	24,932
EBITDA	20,434	19,589
Amortization and depreciation	-14,410	-11,768
Impairment and result from sale of fixed and non-fixed assets	49	1,561
EBIT	6,073	9,382
Compensations payments	6,829	5,343
Others one-off costs	0	0
Impairment and result from sale of fixed and non-fixed assets	-49	-1,561
Comparable EBIT	12,853	13,164

Thousand Euros	2019	2018
Long term financial debt with credit institutions	23,388	34,598
Other liabilities with long term financial cost	494	683
Long term liabilities related to lease contracts	7,419	0
Short term financial debt with credit institutions	21,613	11,973
Other liabilities with short term financial cost	32,656	12,987
Short term liabilities related to lease contracts	2,889	0
Cash and cash equivalents	-26,759	-22,377
Other non-current payables with financial cost	-493	-2,213
Arrangement fee for syndicated loan	1,494	2,212
Net financial debt (NFD)	62,701	37,862
Long term liabilities related to lease contracts	-7,419	0
Short term liabilities related to lease contracts	-2,889	0
Net financial debt without the effect of IFRS 16	52,393	37,862
Net financial debt (NFD)	62,701	37,862
Compensation payments in the period	-4,828	-5,397
Taxes and expenses from sale of buildings	403	3,903
IFRS 16 effect	-12,423	0
Payment for renegotiation of put options and others	-2,631	-3,289
Acquisitions of financial assets, subsidiaries and associates	-14,427	-1,699
Vocento dividends paid	-4,000	0
Variations from the scope of consolidation	1,075	0
Comparable net financial debt	25,869	31,380
NFD at start period	42,991	56,153
NFD at end of period	-62,701	-37,862
Compensation payments in the period	4,828	5,397
Taxes and expenses from sale of buildings	-403	-3,903
Tax penalty refund	12,423	0
Payment for renegotiation of put options and others	2,631	3,289
Business purchase	14,427	1,699
Vocento dividends paid	4,000	0
Variations from the scope of consolidation	-1,075	0
Ordinary cash generation	17,122	24,773
Net financial Debt	62,701	37,862
Effect of IFRS 16	-10,308	0
Net Financial debt excluding IFRS 16 effect	52,393	37,862

Disclaimer

This document contains forward-looking statements regarding intention, expectations or estimates of the Company or its management at the date of issue thereof, relating to various aspects, including the growth of various lines of business and the business overall, the market share, the results of the Company and other aspects of the activity and status thereof.

Analysts and investors should bear in mind that such estimates do not amount to any warranty as to the future behaviour or results of the Company, and they shall bear all risks and uncertainties with regard to relevant aspects, and thus, the real future results and behaviour of the Company might be substantially different from what is stated in the said predictions or estimates.

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