vocento

Results for January-December 2019

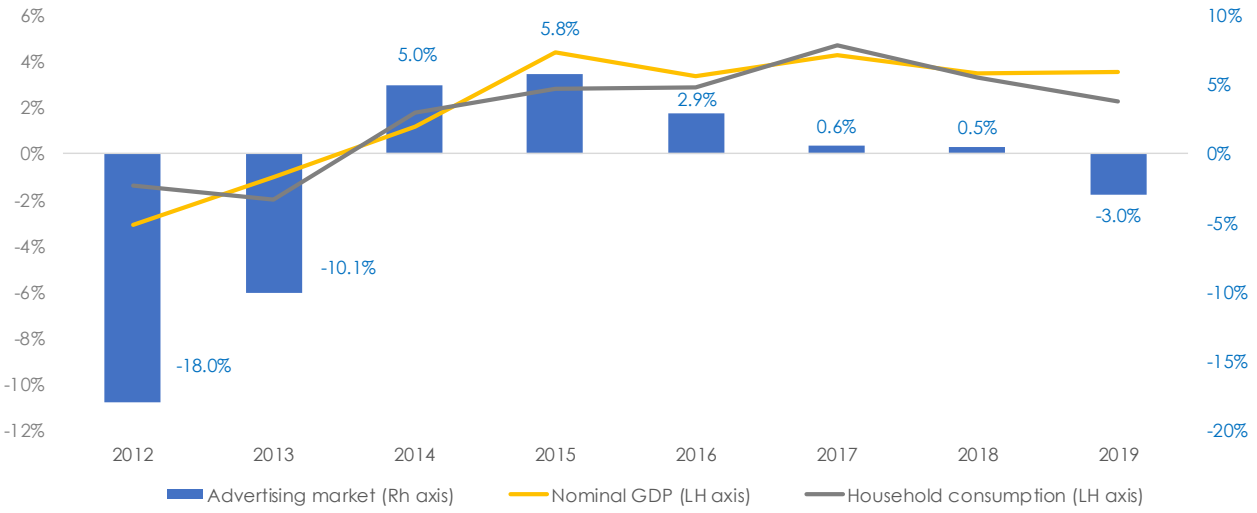
27 FEBRUARY **2020**

INTRODUCTION: VOCENTO, THE ECONOMY AND THE ADVERTISING MARKET

In 2019 the advertising market intensified its decoupling from macroeconomic growth. The Spanish economy grew by +3.5% in GDP in 2019 in nominal terms (including the rise in prices), whicha similar level to that of 2018. In nominal household consumption, there was a slowdown by one percentage point to 2.3% as a result of a deceleration in employment and in consumer financing. Nevertheless, the performance of the overall Spanish economy is a long way from the recession experienced by the conventional advertising market, which contracted last year by -3.0%.

Performance of the Spanish economy and the advertising market

Data in %



Source: i2p and INE. Note 1: advertising market ex social media.

The outlook for 2020 is of slower economic growth (2020E GDP +2.8% in nominal terms according to Funcas), although nominal consumption could rebound (2020E +2.6%) as the savings rate stabilises following last year's decrease. Advertising spend is expected to continue to contract in 2020, with an estimated fall in the conventional advertising market of -3.1%.

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
▪ El Correo	▪ El Comercio	▪ ABC	▪ XL Semanal
▪ La Verdad	▪ Hoy	▪ National printing plant	▪ Mujer Hoy
▪ El Diario Vasco	▪ La Rioja		▪ Mujerhoy.com
▪ El Norte de Castilla	▪ Regional printing plants		▪ Women Now
▪ El Diario Montañés	▪ Regional distribution (Beralán)		
▪ Ideal	▪ News agency (Colpisa)		
▪ Sur	▪ Regional sales companies		
▪ Las Provincias	▪ Other regional		

AUDIOVISUAL			CLASSIFIEDS	GASTRONOMY & AGENCIES
DTT	RADIO	CONTENTS		
▪ National DTT - Net TV	▪ Analog radio licenses ▪ Digital radio licenses	▪ Veralia distribution ▪ Izen	▪ Pisos.com ▪ Autocasión ▪ AutoScout24	▪ 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.

Highlights of the financial performance of the businesses in 2019

Executing the strategy disclosed in the 2019 Investor Day

Revenues increase thanks to digital and diversification

Increase in EBITDA, positive net income

Positive ordinary cash generation, shareholder remuneration

Increased diversification following acquisition of creative agencies

- **Total revenues at VOCENTO in 2019 rise by +2.2%**

  i. Revenues from digital sources and diversified businesses increased by +36.8%.

  Advertising revenues increased by +5.5% in 2019 (+0.2% on a comparable basis, vs -3.0% for the advertising market). Revenues from digital advertising and e-commerce now represent 41.4% of Group advertising revenues.

  Digital advertising increased by +21.8%, despite the impact of ON+ on advertising inventories.

  ii. Local advertising (52.2% of the total) dropped by -3.5%, reflecting a decrease in notices and the impact of the general, regional and local elections held in the year.

  iii. National advertising (+13.7%) increased in line with forecasts, with a strong performance in digital advertising (+29,5%).

- **Reported EBITDA +2.7% to 42,304 thousand euros**

  i. Comparable EBITDA increased by +6.9% to 49,620 thousand euros. Excluding the impact of IFRS16, comparable EBITDA would have been stable. ABC and Classifieds reported an increase in 2019 of +3,537 thousand euros and +3,119 thousand euros, respectively.

  ii. The circulation margin fell by -3,397 thousand euros, with an impact from the increase in the paper price of around +2,000 thousand euros. The printing business in northern Spain was restructured in 4Q19.

  iii. Net profit fell by -42.4% to 6,252 thousand euros, impacted by one-offs.

- **Ordinary cash generation of 25,247 thousand euros and dividend**

  i. Net financial debt rose to 52,811 thousand euros from 42,991 thousand euros in 2018, impacted by IFRS16 (9,989 thousand euros), with NFD/comparable EBITDA standing at 1.1x.

  ii. The Board of Directors has proposed a dividend payment of €0.036 per share (€4.5m).

- **Strategic measures in diversification and digital**

  i. The acquisition of the agencies Tango and Pro Agency have diversified the business profile and supported revenue growth.

  ii. The ON+ subscription services increased their total customer base to 40,000 users. In 2020, all the regional newspapers and ABC are expected to launch premium digital subscription services.

Main financial data

Consolidated Profit and Loss Account

IFRS Thousand euros	2019	2018	Var Abs	Var %	2019 (ex IFRS 16)
Circulation revenues	128,779	139,770	-10,990	-7.9%	128,779
Advertising revenues	168,794	159,952	8,843	5.5%	168,794
Other revenues	96,983	86,294	10,689	12.4%	96,983
Total revenue	**394,557**	**386,016**	**8,541**	**2.2%**	**394,557**
Staff costs	-153,834	-148,466	-5,368	-3.6%	-153,834
Procurements	-33,679	-31,244	-2,435	-7.8%	-33,679
External Services	-162,515	-163,701	1,185	0.7%	-165,723
Provisions	-2,224	-1,408	-816	-58.0%	-2,224
Operating expenses (without D&A)	-352,252	-344,819	-7,433	-2.2%	-355,460
EBITDA	**42,304**	**41,197**	**1,107**	**2.7%**	**39,097**
Depreciation and amortization	-19,189	-15,746	-3,443	-21.9%	-16,207
Impairment/gains on disposal of tan. & intan. assets	365	1,463	-1,098	-75.0%	365
EBIT	**23,480**	**26,914**	**-3,434**	**-12.8%**	**23,255**
Impairments/reversal of other intangible assets	-1,500	-1,000	-500	-50.0%	-1,500
Profit of companies acc. equity method	-439	-187	-252	n.r.	-439
Net financial income	-2,744	-3,683	939	25.5%	-2,518
Net income from disposal of non-current assets	-1,822	171	-1,994	n.r.	-1,822
Profit before taxes	**16,975**	**22,216**	**-5,241**	**-23.6%**	**16,975**
Corporation tax	-4,368	-4,195	-173	-4.1%	-4,368
Net profit for the year	**12,607**	**18,020**	**-5,413**	**-30.0%**	**12,607**
Minority interests	-6,355	-7,159	803	11.2%	-6,355
Net profit attributable to the parent	**6,252**	**10,862**	**-4,610**	**-42.4%**	**6,252**
Staff costs ex non recurring costs	-146,518	-143,259	-3,260	-2.3%	-146,518
Operating Expenses ex non recurring costs	-344,937	-339,611	-5,326	-1.6%	-348,144
Comparable EBITDA[1]	**49,620**	**46,405**	**3,215**	**6.9%**	**46,412**
Comparable EBIT[1 2]	30,431	30,659	-228	-0.7%	30,205

n.r.: the change in absolute terms is over >1.000%. n.a.: not applicable as one of the values is zero.
Note: figures are rounded to the nearest digit.
Note 1: excluding personnel adjustment measures 2018 -5,208 thousand euros and 2019 -7,316 thousand euros.
Note 2: excluding result from fixed asset sales 2018 1,463 thousand euros and 2019 365 thousand euros.

Operating revenues

In 2019 revenues reached a total of 394,557 thousand euros, an increase of +2.2% from 2018. Adjusted for changes to the business portfolio (the acquisitions of AutoScout24, Donosti Eventos, Tango and Pro Agency, and the sale of Infoempleo) and for a change to the registration of subscriptions, revenues fell by -0.9%.

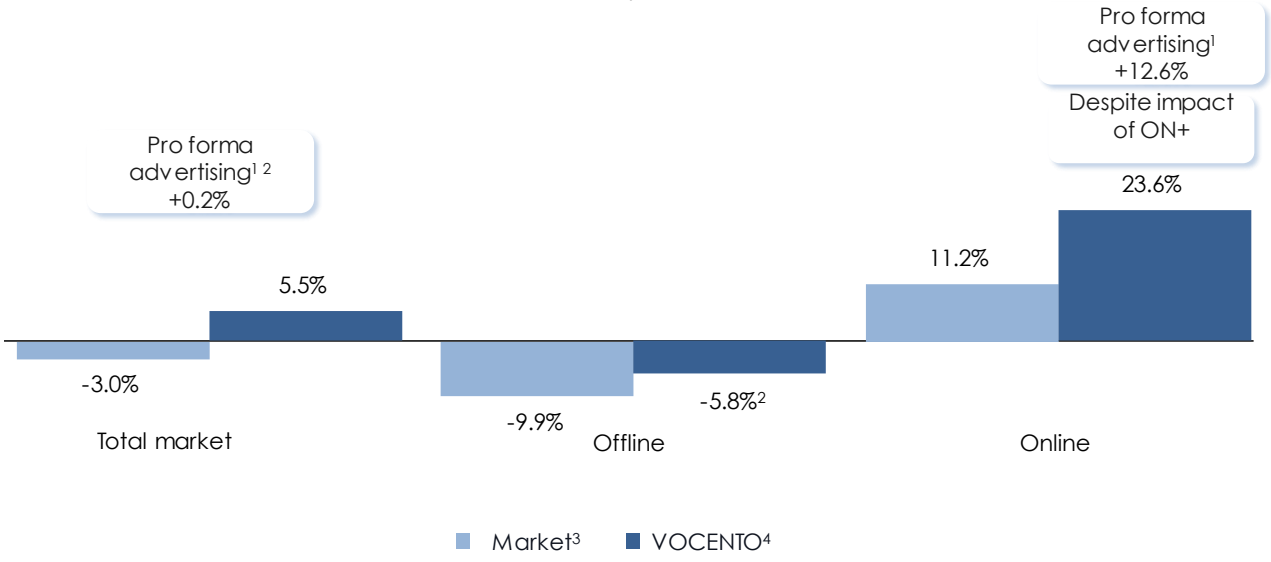
i. Circulation revenues fell by -7.9%, with a fall in the combined circulation of the Regional Press and ABC of -7.3%. The steeper fall at the end of the year reflects an accounting change in how ABC subscriptions are registered (an effect of c. -3,500 thousand euros), with no impact on the circulation margin.

ii. In 2019 advertising revenues increased by +5.5%, with a positive impact from the acquisition of automotive portal AutoScout24 and the reclassification of sponsorships. Excluding these items, there was an increase of +0.2%.

VOCENTO's brands outperformed both the print market in 2019 (-5.8% vs -9.9%) and the online advertising market (+23.6% vs +11.2%). A highlight of the year was the increase in online market share despite the ON+ subscription service reducing the inventory of the local portals.

Advertising performance, VOCENTO vs market 2019

Data in %

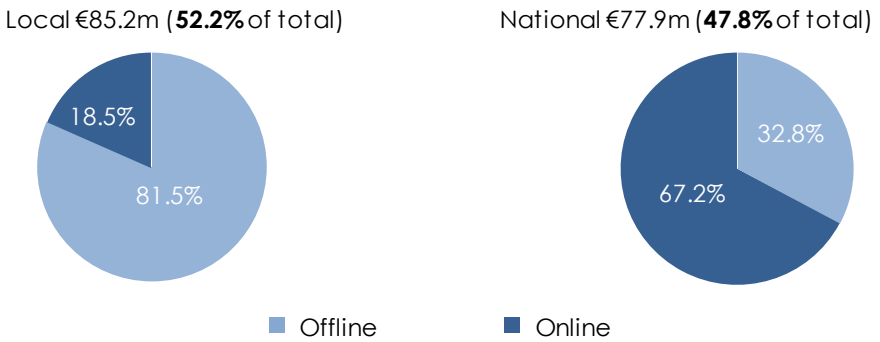


Note 1: constant perimeter. Note 2: excluding reclassification of sponsorship to advertising. Note 3: market source i2p, excluding social media. Note 4: total VOCENTO, offline brands (Regional Press and ABC) and online brands (Local portals, ABC.es and Classifieds) for total market, offline and online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

Analysing advertising revenues by market, local advertising decreased by -3.5% in 2019 mainly because of a fall in print advertising (-5.5%), which was impacted by a decline in notices and by the various elections held in the course of the year. National advertising increased by +13.7%, with a strong online performance (+29.5%) contributing 67.2% of total national advertising.

National advertising[1] vs local

Data in %

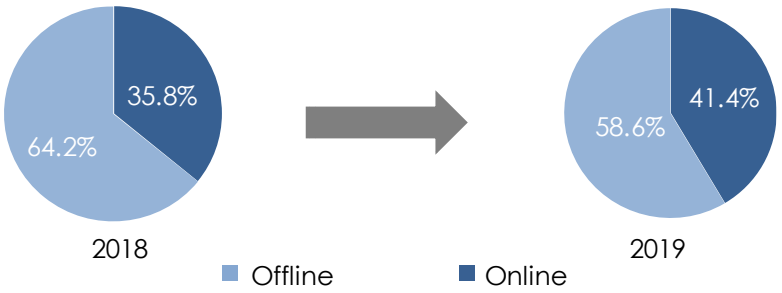


Note 1: net advertising. Not including Audiovisual, sales companies or eliminations. Data adjusted for reclassification of sponsorships to advertising.

Including not only digital advertising revenues but also e-commerce revenues, the contribution of digital advertising and new digital businesses to total advertising revenues increased by +5.6 p.p from 2018 and reached 41.4%.

Changing profile of advertising revenues and contribution of new digital businesses

Data in %



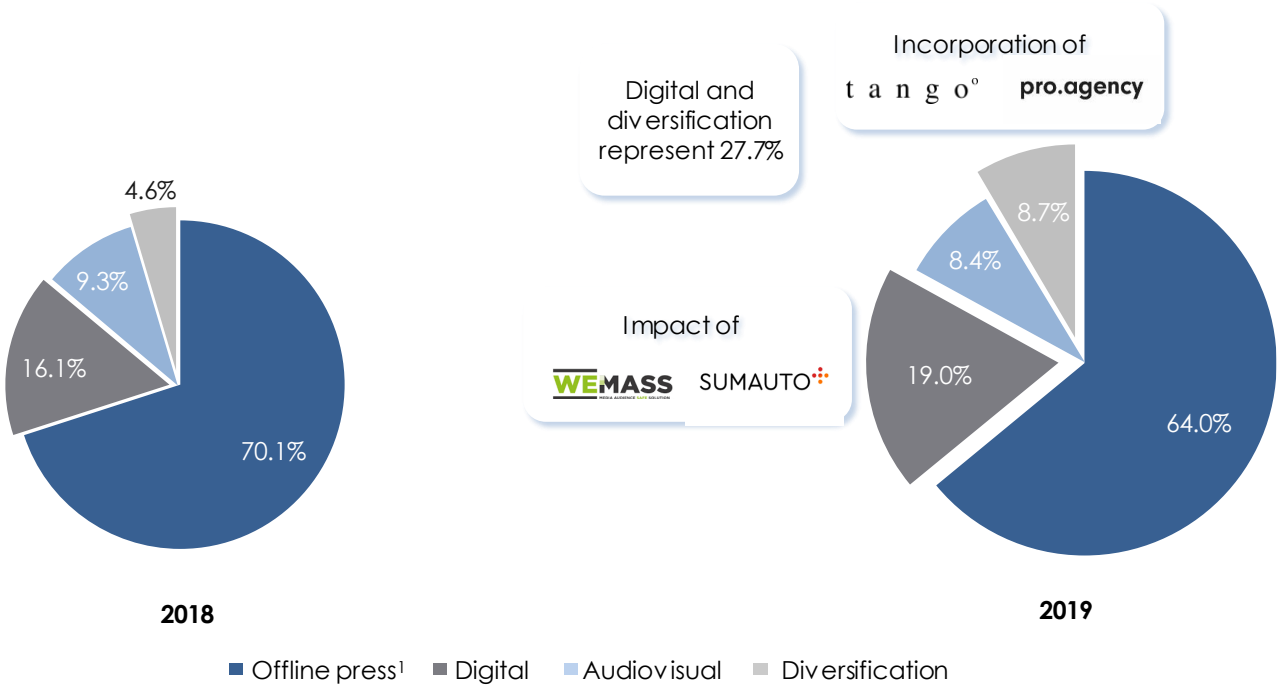
iii. Other Revenues: +1.4% vs 2018, thanks to the increase at Newspapers, Gastronomy and Agencies.

Since 2017, the most significant investments in diversification carried out by VOCENTO include the acquisitions of Madridfusión (2017), AutoScout24 (2018) and Donosti Cup, Tango and Pro Agency (2019).

These transactions, and other measures such as the organisation of the first WomenNow event, the creation of the programmatic advertising platform WeMass and the launch of the combined commercial offering for Classified advertising in the automotive sector (Sumauto) have helped lead to a reduction in the contribution from Newspapers (offline) and Audiovisual to revenues (-6.1 p.p. and -0.9 p.p. respectively), with digital and diversification now representing 27.7% of total revenues.

Performance of revenues

Data in %



Note 1: adjustments to consolidation in the print business.

EBITDA

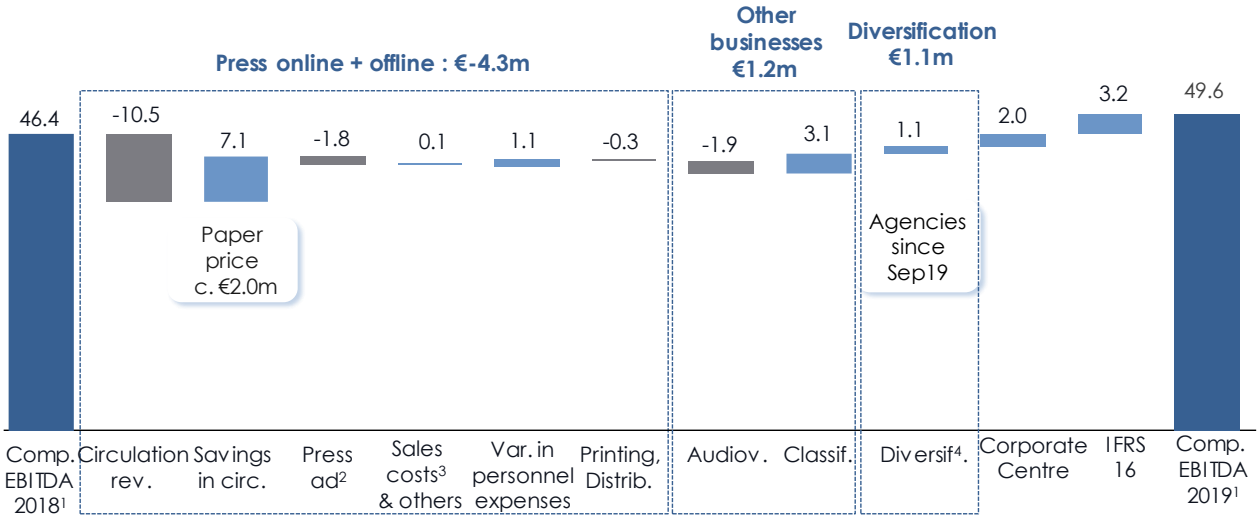
Reported EBITDA increased by +2.7% to 42,304 thousand euros, with a positive impact from IFRS16 of 3,207 thousand euros and a negative impact from compensation payments (which were 2,108 thousand euros higher than in 2018). The EBITDA margin was stable at 10.7%.

Excluding the impact of compensation payments, comparable EBITDA improved by +3,215 thousand euros to 49,620 thousand euros in the year.

In 2019, decreases in EBITDA at the press were offset by the emerging businesses of Classifieds and Agencies.

Detail of movement in comparable EBITDA[1] 2018-2019

Variation 2018 vs 2019 except for comparable EBITDA. All figures in €m



Note 1: excluding personnel adjustment measures 2018 €-5.2m and 2019 €-7.3m. Note 2: excluding reclassification of sponsorship to advertising. Note 3: including higher cost of events, etc. Note 4: Gastronomy and Agencies

Operating result (EBIT)

In 2019 the operating result fell by -12.8% to 23,480 thousand euros, a decrease of -3,434 thousand euros from 2018. The deterioration was mainly the increase in compensation payments in the year and the capital gains from real estate sales recorded in the prior year. The positive effect coming from the IFRS16 at EBITDA is almost compensated at EBIT due to the impact on depreciation (+2,982 thousand euros).

Writedown of goodwill

There was a goodwill writedown of -1,500 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.

Profit of companies accounted by equity method

There was a decrease of -252 thousand euros from 2018. The most significant items included a performance at content production company Izen and start-up losses at the programmatic advertising platform WeMass.

Financial result and others

The financial result improved by +25.5%, from -3,683 thousand euros in 2018 to -2,744 thousand euros in 2019, despite an impact from IFRS16 of +226 thousand euros. The performance was supported by the steady reduction in the average cost of financial debt and by lower interest expenses associated with the syndicated loan.

Net result from divestment of non-current assets

In 2019 this item was -1,822 thousand euros, reflecting the capital loss made on the sale of Infoempleo.

Corporation tax

Corporation tax increased by +4.1% in 2019 to 4,368 thousand euros.

Minority interest

Minority interest fell by -803 thousand euros to -6,355 thousand euros in 2019, corresponding mainly to the performance at Classifieds following the AutoScout24 transaction as well as to DTT (NET TV).

Net result attributable to parent company

The net consolidated result fell to 6,252 thousand euros in 2019 from 10,862 thousand euros in 2018, reflecting an increase in compensation payments, the closure of real estate sales in the prior year and a capital loss on the sale of Infoempleo.

Consolidated Balance Sheet

	IFRS			
IFRS thousand euros	**2019**	**2018**	**Var abs**	**% Var**
Non current assets	**357,159**	**344,751**	**12,409**	**3.6%**
Intangible assets	155,989	141,129	14,860	10.5%
Property, plant and equipment	111,382	116,115	-4,733	-4.1%
Use of leases	7,049	0	7,049	n.a.
Investments accounted using equity method	20,249	19,308	942	4.9%
Other non current assets	62,490	68,199	-5,709	-8.4%
Current assets	**128,372**	**124,445**	**3,927**	**3.2%**
Other current assets	110,675	103,886	6,790	6.5%
Cash and cash equivalents	17,696	20,559	-2,862	-13.9%
Assets held for sale	**193**	**294**	**-100**	**-34.1%**
TOTAL ASSETS	**485,725**	**469,489**	**16,236**	**3.5%**
Equity	282,072	280,442	1,631	0.6%
Bank borrowings and other fin. liabilities	72,564	64,441	8,123	12.6%
Other non current liabilities	34,065	31,876	2,189	6.9%
Other current liabilities	97,023	92,730	4,293	4.6%
TOTAL EQUITY AND LIABILITIES	**485,725**	**469,489**	**16,236**	**3.5%**

Note: figures are rounded to the nearest digit.

Intangible assets

The increase in this item is mainly the result of the increase in goodwill following the acquisitions made in 2019.

Property, plant and equipment

The decrease by -4,733 thousand euros reflects mainly the fact that depreciation was greater than capex.

Use of leases

The recording of 7,049 thousand euros is explained by the application of IFRS16.

Other non-current assets

The decrease of -5,709 thousand euros reflects the consumption of tax credits.

Other current assets

The increase by +6,790 thousand euros is partially explained by the result of greater stocks of paper.

Net financial position

The net financial position at the end of the period stood at -52,811 thousand euros. NFD/Comparable EBITDA was 1.1x.

IFRS thousand euros	2019	2018	Var Abs	Var %
Bank borrowings and other financial liabilities (s.t.)	43,985	29,531	14,454	48.9%
Bank borrowings and other financial liabilities (l.t.)	28,579	34,910	-6,331	-18.1%
Gross debt	**72,564**	**64,441**	**8,123**	**12.6%**
+ Cash and cash equivalents	17,696	20,559	-2,862	-13.9%
+ Other non current financial asstes	3,383	2,942	441	15.0%
Deferred expenses	1,326	2,051	-726	-35.4%
Net cash position/ (net debt)	**-52,811**	**-42,991**	**-9,819**	**-22.8%**

Note: figures are rounded to the nearest digit.

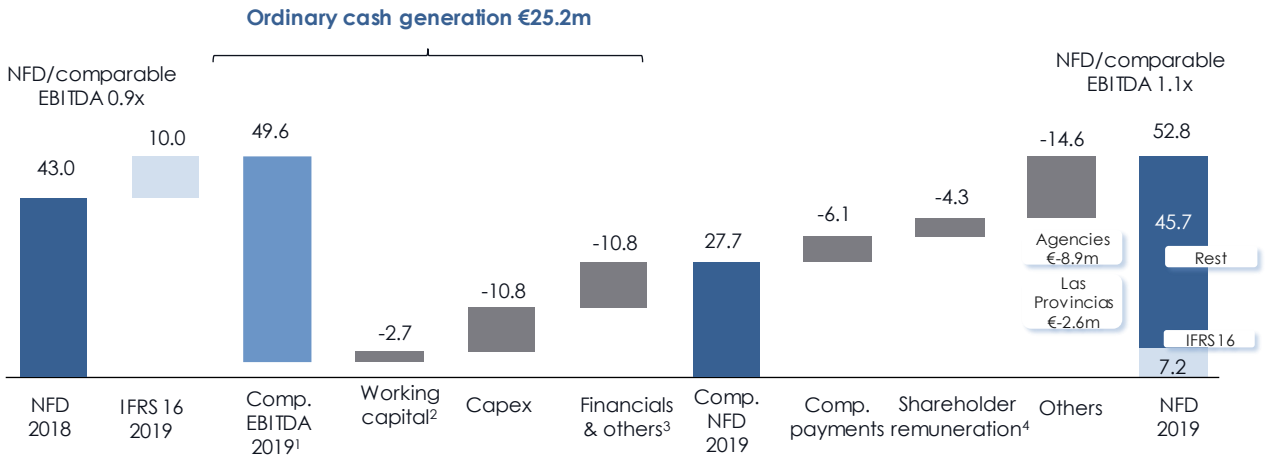
Gross debt included 10,925 thousand euros of short-term borrowings from credit institutions and 23,377 thousand euros of long-term borrowings, as well as a commercial paper balance of 30,124 thousand euros expiring in 2020, another debt with a cost of 984 thousand euros and 7,154 thousand euros of leases related to IFRS 16.

In 2019, VOCENTO generated positive ordinary cash flows from its operations of 25,247 thousand euros. The most significant impact compared with 2018 was the variation in working capital: -2,694 thousand euros, mainly reflecting the increase in paper stocks. In 2018 these stocks decreased and there was an impact on client receivables in 1Q18.

Extraordinary movements included cash outflows associated with the acquisition of the agencies as well as a deferred payment related to the renegotiated put options at Las Provincias.

Analysis of changes to net financial debt 2018-2019

Data in €m



Note 1: excluding personnel adjustment measures 2019 €-7.3m. Note 2: including clients, suppliers, stocks and current taxes (VAT). Note 3: anticipated income, net financial expenses, dividends to minority interest, taxes. Note 4: including dividend payment and share buyback programme. Note: figures are rounded to the nearest digit.

Cash flow statement

IFRS thousand euros	2019	2018	Var Abs	% Var
Net profit attibutable to the parent	**6,252**	**10,860**	**-4,608**	**-42.4%**
Adjustments to net profit	37,466	31,714	5,752	18.1%
Cash flows from ordinary operating activities before changes in working capital	**43,718**	**42,574**	**1,144**	**2.7%**
Changes in working capital & others	-2,694	4,982	-7,676	n.r.
Other payables	-950	14	-964	n.r.
Income tax paid	-3,845	-3,401	-444	-13.0%
Interests deduction for tax purposes	-1,495	-963	-532	-55.2%
Net cash flow from operating activities (I)	**34,735**	**43,206**	**-8,471**	**-19.6%**
Acquisitions of intangible and property, plan and equipment	-10,840	-10,660	-180	-1.7%
Acquisitions of financial assets, subsidiaries and associates	-10,090	2,062	-12,152	n.r.
Interests and dividends received	776	343	433	n.r.
Other receivables and payables (investing)	159	-2,612	2,771	n.r.
Net cash flow from investing activities (II)	**-19,994**	**-10,867**	**-9,127**	**-84.0%**
Interests and dividends paid	-12,393	-11,419	-974	-8.5%
Cash inflows/ (outflows) relating to bank borrowings	-15,508	-13,551	-1,957	-14.4%
Other receivables and payables (financing)	12,926	-1,018	13,944	n.r.
Equity related instruments without financial cost	-2,631	-10,554	7,923	75.1%
Net cash flows from financing activities (III)	**-17,606**	**-36,542**	**18,936**	**51.8%**
Net increase in cash and cash equivalents (I + II + III)	**-2,865**	**-4,203**	**1,338**	**31.8%**
Cash and cash equivalents of discounted operations	**3**	**-797**	**800**	**n.r.**
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	**17,696**	**20,559**	**-2,863**	**-13.9%**

Note: Other payables now includes Other accounts payable, which previously was included as a variation in working capital. Note: figures are rounded to the nearest digit.

Net cash flow from operating activities included an impact on working capital as a result of the increase in stocks of paper.

Net cash flows from investment activities included a variation for acquisitions and asset sales, reflecting the acquisitions made in the year to diversify in the business, compared with the real estate sales completed in 2018.

Moving to net cash flows from financing activity, interest and dividend payments were almost stable despite the 4,000 thousand euros dividend paid by VOCENTO. Regarding other financing receivables and payables, its increase is explained by the issuance of the commercial paper programme partially offset by the payments of leases. The repayment of debt in the period was during 2019 at a similar level to the repayments made in 2018. Finally, corporate movements from companies which were part of the consolidation perimeter included the cash outflow linked to the transaction involving Las Provincias in 2019, while in 2018 payments were made for the minority buyout at Autocasion as part of the AutoScout 24 acquisition.

Capex

The main capex projects undertaken in 2019 were related to continual improvements to the websites, to the launch of ON+ subscription services and to using data to improve our understanding of users.

The difference between the cash outflow of 10,840 thousand euros for investments in fixed assets and the capex recorded in accounts of 11,109 thousand euros reflects the fact that the amount of payments still pending for investments made in 2018 is less than the amount of investments recorded in 2019 but not fully paid for at the end of the period.

Detail of Capex by business area

	2019			2018			Var Abs		
	Inmat.	**Mat.**	**Total**	**Inmat.**	**Mat.**	**Total**	**Inmat.**	**Mat.**	**Total**
Newspapers	6,358	3,523	9,881	5,716	3,847	9,563	642	-324	318
Audiovisual	12	32	44	26	84	110	-14	-51	-66
Classifieds	704	57	762	211	107	318	493	-49	444
Gastronomy & Others	10	52	62	38	11	49	-27	41	13
Corporate	303	58	360	412	51	463	-109	6	-103
TOTAL	**7,387**	**3,722**	**11,109**	**6,403**	**4,099**	**10,502**	**984**	**-378**	**606**

Note: figures are rounded to the nearest digit.

Information by business area

IFRS Thousand Euro	2019	2018	Var Abs	Var %	2019 (ex IFRS 16)
Total revenues					
Newspapers	324,942	326,633	-1,691	-0.5%	324,942
Audiovisual	32,950	36,058	-3,108	-8.6%	32,950
Classifieds	27,831	19,915	7,916	39.7%	27,831
Gastronomy & Agencies	13,693	6,428	7,265	n.r.	13,693
Corporate & adjustments	-4,859	-3,018	-1,841	-61.0%	-4,859
Total revenues	**394,557**	**386,016**	**8,541**	**2.2%**	**394,557**
EBITDA					
Newspapers	35,671	38,294	-2,622	-6.8%	32,525
Audiovisual	10,428	12,254	-1,826	-14.9%	10,428
Classifieds	5,976	3,154	2,822	89.5%	5,915
Gastronomy & Agencies	1,886	837	1,048	n.r.	1,886
Corporate & adjustments	-11,657	-13,342	1,686	12.6%	-11,657
Total EBITDA	**42,304**	**41,196.81**	**1,107.47**	**2.7%**	**39,097**
EBIT					
Newspapers	19,285	25,270	-5,985	-23.7%	19,063
Audiovisual	10,101	11,965	-1,864	-15.6%	10,101
Classifieds	4,397	2,698	1,698	62.9%	4,393
Gastronomy & Agencies	1,841	796	1,045	n.r.	1,841
Corporate & adjustments	-12,144	-13,816	1,672	12.1%	-12,144
Total EBIT	**23,480**	**26,914**	**-3,434**	**-12.8%**	**23,255**
Comparable EBITDA					
Newspapers	42,127	43,244	-1,117	-2.6%	38,981
Audiovisual	10,428	12,280	-1,852	-15.1%	10,428
Classifieds	6,289	3,170	3,119	98.4%	6,228
Gastronomy & Agencies	1,932	838	1,094	n.r.	1,932
Corporate & adjustments	-11,156	-13,127	1,971	15.0%	-11,156
Total comparable EBITDA	**49,620**	**46,405**	**3,215**	**6.9%**	**46,412**

Note: figures are rounded to the nearest digit.

Note 1: excluding personnel adjustment measures 2018 -5,208 thousand euros and 2019 -7,316 thousand euros.

Newspapers (print and online)

Regional Press in 2019: La Rioja, El Norte de Castilla, Sur and La Verdad all launched ON+ digital subscription services. By December 2020, all the regional newspapers will have launched the service. Elsewhere, in line with the Group's strategy of diversifying its revenues, the acquisitions were completed of Donosti Eventos, which organises the Donosti Cup, and the event organisation company Innevento.

ABC in 2019: ABC.es holds the number 1 position in the websites category and is number 2 in the core category, according to comScore. More than 200,000 new users were recorded on ABC.es, of whom 90,000 browse the website while logged in. In 2020, ABC.es will launch a digital subscription service.

Supplements and magazines: in 2019 the first WomenNow event was held, turning Madrid into the international centre of the gender equality debate and shining a light on some extraordinary women. In 2020 the aim is to consolidate the event with the presence of women with a global profile, such as Hillary Clinton.

In 2019, VOCENTO, PRISA and Godó launched WeMass, a programmatic advertising project which combines the inventories of the three partners.

IFRS Thousand Euro	2019	2018	Var Abs	Var %19 (ex IFRS 16)	
Total Revenues					
Regionals	226,114	227,592	-1,478	-0.6%	226,114
ABC	90,755	89,769	986	1.1%	90,755
Supplements& Magazines	22,553	24,068	-1,515	-6.3%	22,553
Adjustments intersegment	-14,480	-14,796	316	2.1%	-14,480
Total Revenues	**324,942**	**326,633**	**-1,691**	**-0.5%**	**324,942**
EBITDA					
Regionals	27,291	32,454	-5,164	-15.9%	26,433
ABC	9,177	5,233	3,943	75.4%	6,888
Supplements& Magazines	-796	606	-1,402	n.r.	-796
Total EBITDA	**35,671**	**38,294**	**-2,622**	**-6.8%**	**32,525**
Comparable EBITDA[1]					
Regionals	31,967	35,694	-3,728	-10.4%	31,109
ABC	10,371	6,834	3,537	51.8%	8,083
Supplements& Magazines	-211	715	-926	n.r.	-211
Total comparable EBITDA	**42,127**	**43,244**	**-1,117**	**-2.6%**	**38,981**
EBIT					
Regionals	19,149	25,579	-6,430	-25.1%	19,068
ABC	1,245	-496	1,741	n.r.	1,103
Supplements & Magazines	-1,108	188	-1,296	n.r.	-1,108
Total EBIT	**19,285**	**25,270**	**-5,985**	**-23.7%**	**19,063**

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. Figures are rounded to the nearest digit.

Note1: excluding personnel adjustment measures 2018 -4,950 thousand euros and 2019 -6,456 thousand euros.

Profitability at the Regional Press was impacted by:

- A decrease in advertising revenues, as a result of lower revenues from the Public Administration and from notices, as well as the impact of ON+, which has resulted in a reduction of advertising inventory and a total estimated drop in advertising sales of 1.5 million euros.

- A decrease in the circulation margin: this reflects the increased difficulty in offsetting the fall in circulation sales with savings in the costs of printing and distribution, which in 2019 were further affected by an increase in the price of paper. One of the ways in which Vocento is responding is to restructure its printing capacity in northern Spain, closing the plant at San Sebastián and concentrating printing at the plant in Zamudio.

- Other factors in this performance included the acquisition of the Donosti Cup, the increasing contribution to profitability of ON+ subscription services, and an increase in commercial costs.

At ABC there was an increase in EBITDA thanks to the solid performance of advertising, especially digital advertising, as well as to the impact of IFRS16.

Finally, EBITDA at the Supplements and magazines was impacted by the decrease in print advertising.

Audiovisual

IFRS Thousand Euro	2019	2018	Var Abs	Var %
Total revenues				
DTT	27,577	28,847	-1,270	-4.4%
Radio	3,381	3,385	-4	-0.1%
Content	2,217	4,057	-1,840	-45.4%
Adjustments intersegment	-225	-232	7	2.9%
Total revenues	**32,950**	**36,058**	**-3,108**	**-8.6%**
EBITDA				
DTT	6,149	6,445	-295	-4.6%
Radio	2,534	2,557	-23	-0.9%
Content	1,745	3,253	-1,508	-46.4%
Total EBITDA	**10,428**	**12,254**	**-1,826**	**-14.9%**
Comparable EBITDA[1]				
DTT	6,150	6,445	-295	-4.6%
Radio	2,534	2,557	-23	-0.9%
Content	1,745	3,278	-1,534	-46.8%
Total comparable EBITDA	**10,428**	**12,280**	**-1,852**	**-15.1%**
EBIT				
DTT	6,097	6,622	-525	-7.9%
Radio	2,522	2,542	-20	-0.8%
Content	1,482	2,801	-1,319	-47.1%
Total EBIT	**10,101**	**11,965**	**-1,864**	**-15.6%**

Note: figures are rounded to the nearest digit.

Note 1: excluding personnel adjustment measures in 2018 of -26 thousand euros.

The decrease in EBITDA at the area is mainly the result of lower levels of Content distribution.

Classifieds

Following the acquisition of AutoScout24 in 2018 and its integration in VOCENTO in 2019, the Group has created Sumauto, a solution which enables the cross selling of the advertising inventories of VOCENTO's automotive portals. In 2020E the target is for Classifieds revenues to increase by a double-digit rate and to outperform the market, thanks to revenue synergies.

Elsewhere, in October 2019 VOCENTO sold its 51% stake in Infoempleo for 867 thousand euros.

IFRS thousand euros	2019	2018	Var Abs	Var %	2019 (ex IFRS 16)
Total revenues					
Classifieds	27,831	19,915	7,916	39.7%	27,831
Total revenues	**27,831**	**19,915**	**7,916**	**39.7%**	**27,831**
EBITDA					
Classifieds	5,976	3,154	2,822	89.5%	5,915
Total EBITDA	**5,976**	**3,154**	**2,822**	**89.5%**	**5,915**
Comparable EBITDA[1]					
Classifieds	6,289	3,170	3,119	98.4%	6,228
Total comparable EBITDA	**6,289**	**3,170**	**3,119**	**98.4%**	**6,228**
EBIT					
Classifieds	4,397	2,698	1,698	62.9%	4,393
Total EBIT	**4,397**	**2,698**	**1,698**	**62.9%**	**4,393**

Note: figures are rounded to the nearest digit.

Note1: excluding personnel adjustment measures in 2018 of -16 thousand euros and in 2019 -313 thousand euros.

Operating revenues increased by +39.7% thanks to the acquisition of AutoScout24. Excluding this effect, revenues would have increased by +10.1%.

Comparable EBITDA increased by +33.8% with a constant perimeter, thanks to the organic growth of the automotive and real estate categories.

Gastronomy and Agencies

The acquisition in 2019 of Tango and Pro Agency form part of the diversification strategy that VOCENTO explained at its Investor Day. The two agencies strengthen the areas of advertising at the point-of-sale and customer brand strategy, which are segments that are receiving increased marketing investment from advertisers.

The integration of both areas will also enable the Group to generate multiple synergies in areas such as advertising sales and event organisation.

The Gastronomy area is continuing to perform positively, with new events in Spain including "El Encuentro de los Mares" and international fairs such as "Madrid Fusión Bogotá".

IFRS Thousand Euro	2019	2018	Var Abs	Var %
Total Revenues				
Gastronomy	7,986	6,062	1,924	31.7%
Agencies & Others	5,706	366	5,341	n.r.
Total Revenues	**13,693**	**6,428**	**7,265**	**113.0%**
EBITDA				
Gastronomy	1,123	1,099	25	2.3%
Agencies & Others	762	-261	1,024	391.9%
Total EBITDA	**1,886**	**837**	**1,048**	**125.2%**
Comparable EBITDA				
Gastronomy	1,126	1,099	27	2.4%
Agencies & Others	806	-261	1,067	408.9%
Total comparable EBITDA	**1,932**	**838**	**1,094**	**130.5%**
EBIT				
Gastronomy	1,109	1,062	47	4.4%
Agencies & Others	731	-266	997	374.9%
Total EBIT	**1,841**	**796**	**1,045**	**131.2%**

Note: figures are rounded to the nearest digit.

Note1: excluding personnel adjustment measures in 2018 -1 thousand euros, and in 2019 -46 thousand euros.

The Gastronomy division increased revenues by +1,924 thousand euros from the prior year as a result of an increase in gastronomical events.

At the Agencies and Others division, the acquisition of the agencies in September has had an impact of around 6 million euros on revenue and just above 1 million euros on EBITDA.

Operating data

Newspapers

Average Circulation Data	2019	2018	Var Abs	%
National Press - ABC	68,079	74,291	-6,212	-8.4%
Regional Press				
El Correo	53,640	57,547	-3,907	-6.8%
El Diario Vasco	41,063	43,653	-2,590	-5.9%
El Diario Montañés	18,532	19,625	-1,093	-5.6%
Ideal	14,286	15,455	-1,169	-7.6%
La Verdad	10,559	11,654	-1,095	-9.4%
Hoy	8,255	8,904	-649	-7.3%
Sur	12,163	13,251	-1,088	-8.2%
La Rioja	7,450	7,909	-459	-5.8%
El Norte de Castilla	14,325	15,337	-1,012	-6.6%
El Comercio	12,848	13,647	-799	-5.9%
Las Provincias	12,598	14,050	-1,452	-10.3%
TOTAL Regional Press	**205,719**	**221,032**	**-15,313**	**-6.9%**

Sources:OJD. 2018 non audited data.

Audience	2nd Survey 19	2nd Survey 18	Var Abs	%
National Press - ABC	**460,000**	**408,000**	**52,000**	**12.7%**
Regional Press	**1,613,000**	**1,663,000**	**-50,000**	**-3.0%**
El Correo	290,000	327,000	-37,000	-11.3%
El Diario Vasco	186,000	182,000	4,000	2.2%
El Diario Montañés	121,000	149,000	-28,000	-18.8%
Ideal	178,000	146,000	32,000	21.9%
La Verdad	149,000	130,000	19,000	14.6%
Hoy	88,000	112,000	-24,000	-21.4%
Sur	145,000	121,000	24,000	19.8%
La Rioja	74,000	79,000	-5,000	-6.3%
El Norte de Castilla	144,000	144,000	0	0.0%
El Comercio	147,000	154,000	-7,000	-4.5%
Las Provincias	91,000	119,000	-28,000	-23.5%
Supplements				
XL Semanal	1,436,000	1,590,000	-154,000	-9.7%
Mujer Hoy	852,000	900,000	-48,000	-5.3%
Mujer Hoy Corazón	169,000	148,000	21,000	14.2%
Inversión y Finanzas	0	29,000	-29,000	-100.0%

Monthly Unique uses (Th)	dic-19	dic-18	Var Abs	%
Vocento	27,422	25,120	2,302	9.2%

Source: comScore.

Audiovisual

National TV Market	dic-19	dic-18	Var Abs
Audinece share Net TV	2.9%	3.3%	-0.4 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	2,019	2,018
Net result of the year	12,607	18,020
Financial income	-380	-334
Financial exprenses	3,010	3,924
Other results from financial instruments	114	92
Tax on profits of continued operations	4,368	4,195
Amortization and depreciation	19,189	15,746
Impairment of goodwill	1,500	1,000
Impairment and result from sale of fixed and non-fixed assets	-365	-1,463
Result from equity-accounted subisidiaries	439	187
Net result of sale of non-current financial assets	1,822	-171
EBITDA	**42,304**	**41,197**
Compensations payments	7,316	5,208
Other one-off costs	0	0
Comparable EBITDA	**49,620**	**46,405**
Comparable EBITDA	**49,620**	**46,405**
Amortization related to long term lease (IFRS 16)	2,982	0
Financial cost related to long term lease (IFRS 16)	225	0
Comparable EBITDA without the effect of IFRS 16	**46,412**	**46,405**
EBITDA	42,304	41,197
Amortization and depreciation	(19,189)	(15,746)
Impairment and result from sale of fixed and non-fixed assets	365	1,463
EBIT	**23,480**	**26,914**
Compensations payments	7,316	5,208
Others one-off costs	0	0
Impairment and result from sale of fixed and non-fixed assets	(365)	(1,463)
Comparable EBIT	**30,431**	**30,659**

Thousand Euros	2,019	2,018
Long term financial debt with credit institutions	23,377	34,182
Other liabilities with long term financial cost	496	728
Long term liabilities retated to lease contracts	4,706	0
Short term financial debt with credit institutions	10,925	16,573
Other liabilities with short term financial cost	30,612	12,958
Short term liabilities retated to lease contracts	2,448	0
Cash and cash equivalents	-20,906	-23,004
Other non-current payables with financial cost	-173	-497
Arrangement fee for syndicated loan	1,326	2,051
Net financial debt (NFD)	**52,811**	**42,991**
Long term liabilities retated to lease contracts	-4,706	0
Short term liabilities retated to lease contracts	-2,448	0
Net financial debt without the effect of IFRS 16	**45,656**	**42,991**
Net financial debt (NFD)	52,811	42,991
Compensation payments in the period	-6,142	-5,633
Taxes and expenses from sale of buildings	1,768	4,348
Inspection report refund	0	238
Payment for renegotiation of put options and others	-2,631	-3,289
Acquisitions of financial assets, subsidiaries and associates	-14,827	-10,427
Vocento dividends paid	-4,320	0
Variations from the scope of consolidation	1,075	736
Comparable net financial debt	**27,733**	**28,964**
NFD at start period	42,991	56,153
NFD at end of period	-52,811	-42,991
Compensation payments in the period	6,142	5,633
Taxes and expenses from sale of buildings	-1,768	-4,348
Tax penalty refund	0	-238
IFRS 16 effect	9,989	0
Payment for renegotiation of put options and others	2,631	3,289
Business purchase	14,827	10,427
Vocento dividends paid	4,320	0
Variations from the scope of consolidation	-1,075	-736
Ordinary cash generation	**25,247**	**27,189**
Net financial Debt	52,811	42,991
Effect of IFRS 16	-7,154	0
Net Financial debt excludig IFRS 16 effect	**45,656**	**42,991**

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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