



1H 2018 RESULTS PRESENTATION

July 24th, 2018

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1H2018 Key Highlights

A 1H results in line with company's expectations

- Media Capital is part of Prisa consolidation perimeter
- Refinancing agreement effective: debt amortization of €480 Mn and maturities extended until 2022
- Significant progress on savings achieved from the implementation of the announced efficiency plan
- Relevant FX impact

B Santillana improves its EBITDA by 9% excluding FX and IFRS15

- Educational Campaigns performing as expected (South area campaigns show EBITDA growth of 18.8% excluding FX and IFRS15)
- Learning systems continue their expansion (8% students growth)
- Results Temporary Affected by IFRS15 adoption since 1 January 2018

C Radio Improves its Operating Performance by 28% supported by both Spain and LatAm

D Press continues growing in digital. Q2 standalone shows improvement

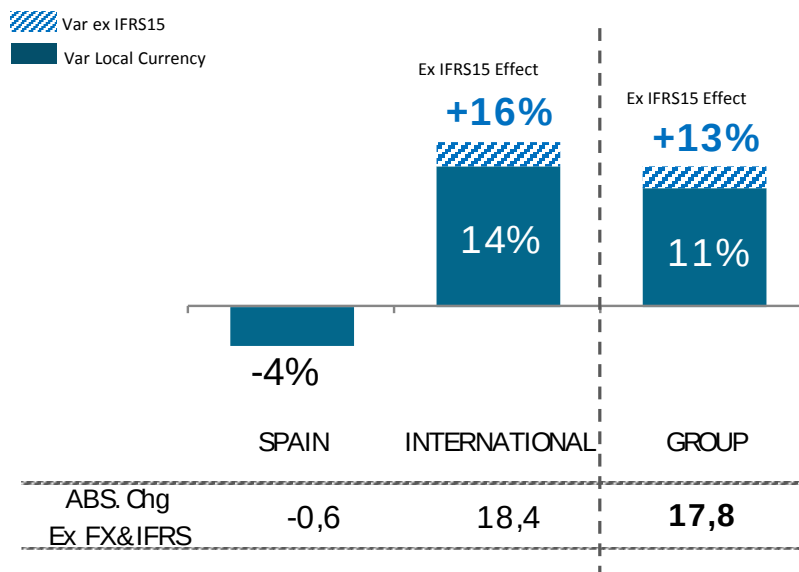
E Media Capital grows in advertising by 2.6% improving its EBITDA by 9%

With the refinancing agreement closed, Prisa has achieved a sustainable financial structure supported by the cashflow generation of its existing assets perimeter with flexibility for growth and value creation. The company targets a Net Debt / consolidated EBITDA ratio below 3x by 2020

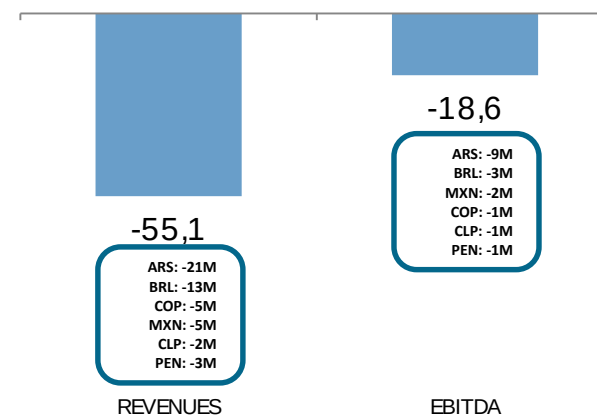
1H2018 Operating Overview

€ Millions	2018	Var. 18/17 on constant ccy & excluding IFRS effect		Var. 18/17	
REVENUES	622	3,0%	20 M€	-5,1%	-33 M€
EXPENSES	493	0,4%	2 M€	-5,7%	-30 M€
EBITDA	128	13,5%	18 M€	-2,7%	-4 M€
EBITDA Margin	20,6%	2 p.p.		0,5 p.p.	
EBIT	94	23,4%	22 M€	1,1%	1 M€
EBIT Margin	15,1%	2,8 p.p.		0,9 p.p.	

EBITDA Variation (%) at constant currency



FX Effect (m€)

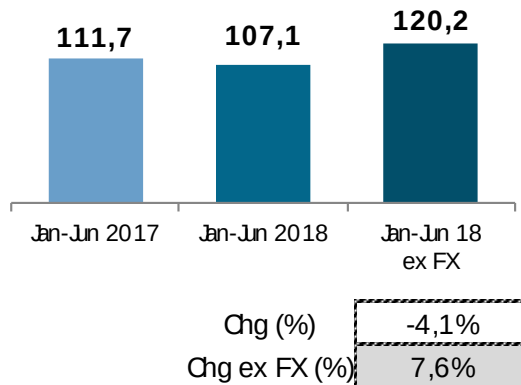


Source: Company information.

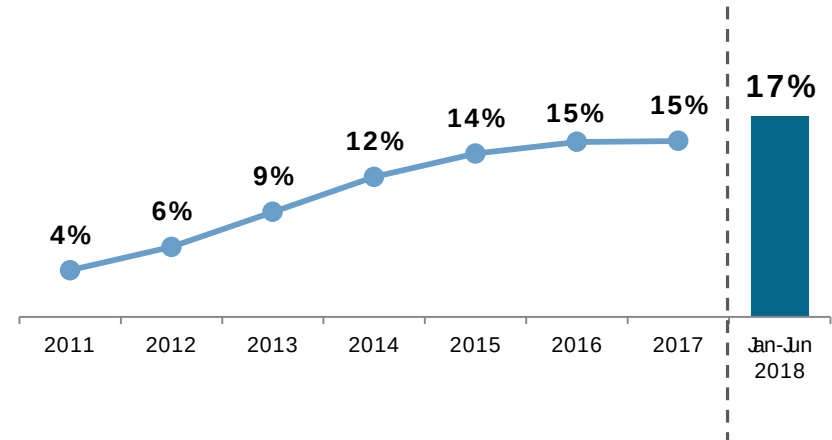
Note: All figures refer to adjusted numbers (excluding mainly redundancies).

1H2018 Operating Overview – Digital Transformation

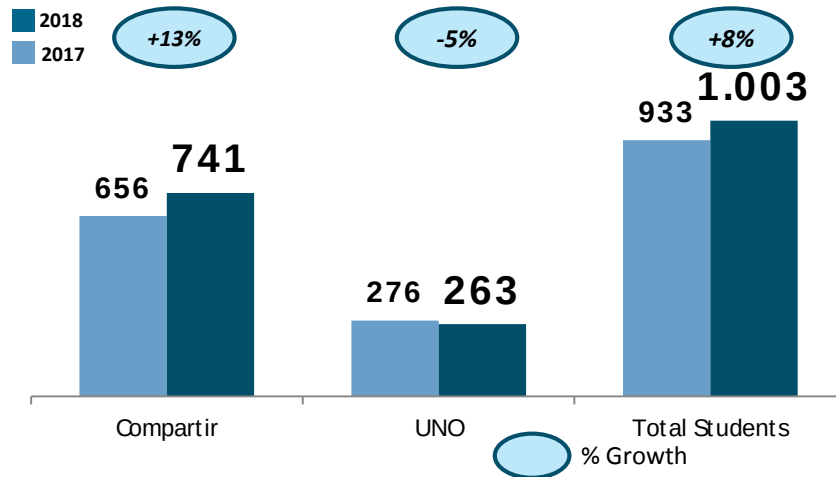
Transformation Revenues (m€)



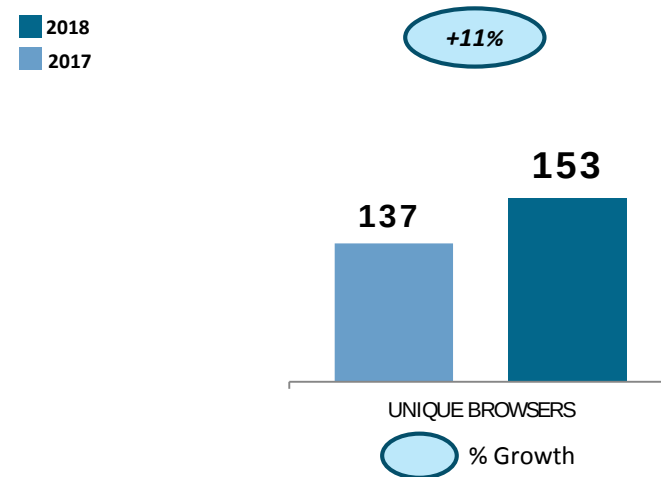
Contribution to Group's Total Revenues



Number of Students (000's)

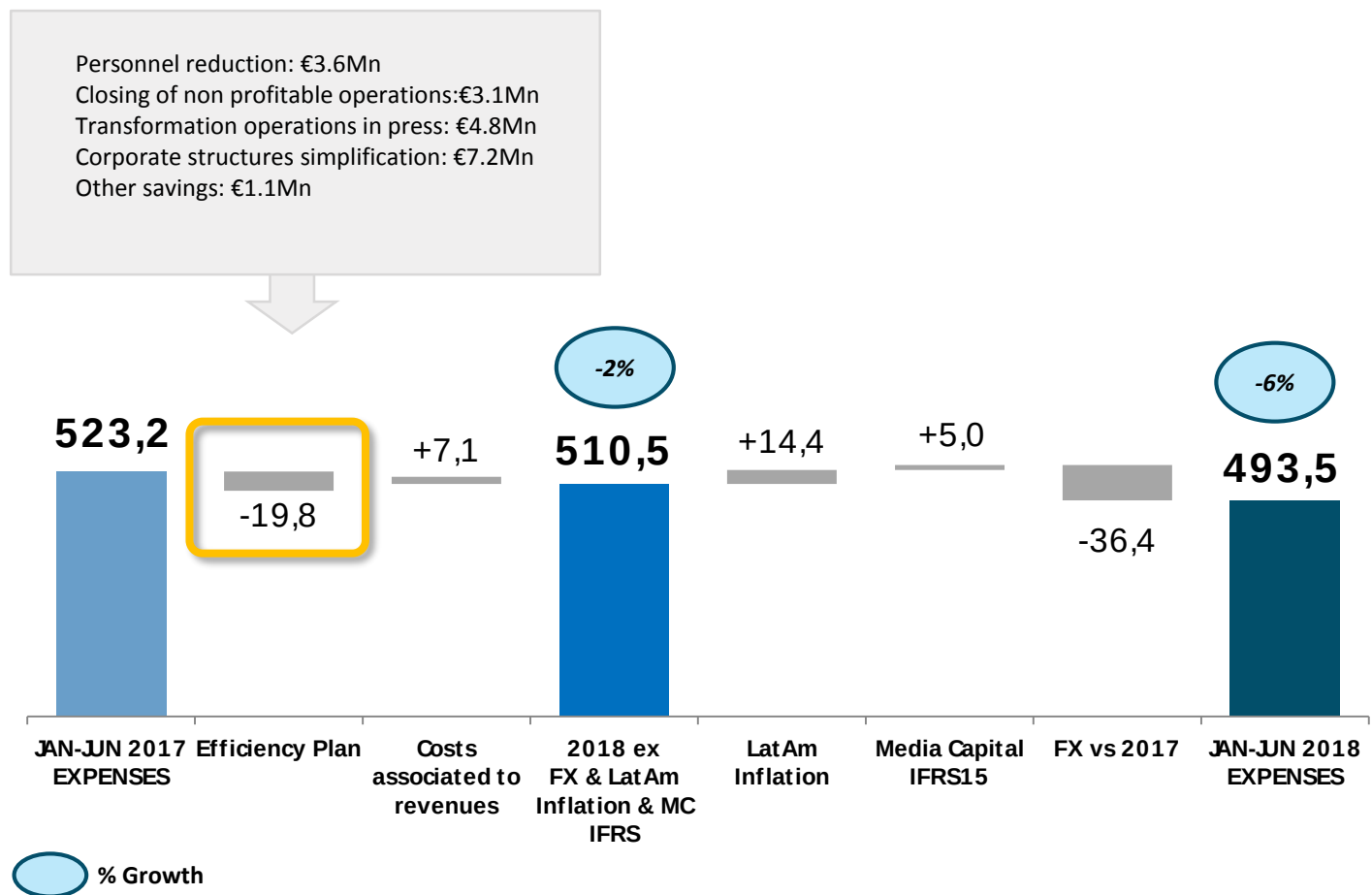


Audience (Million)



Ongoing business transition towards digitalization in all the business units

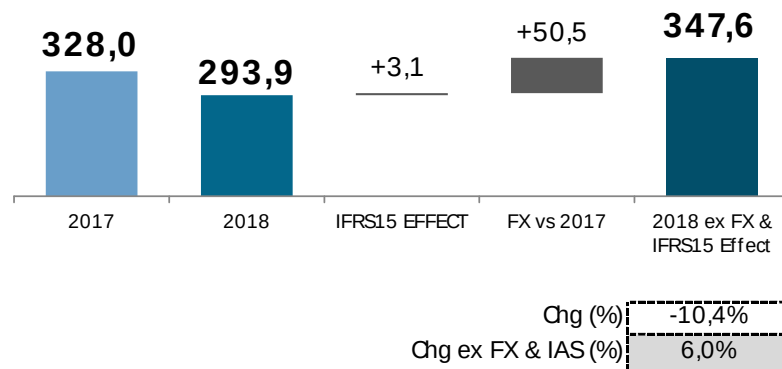
1H2018 Efficiency Plan



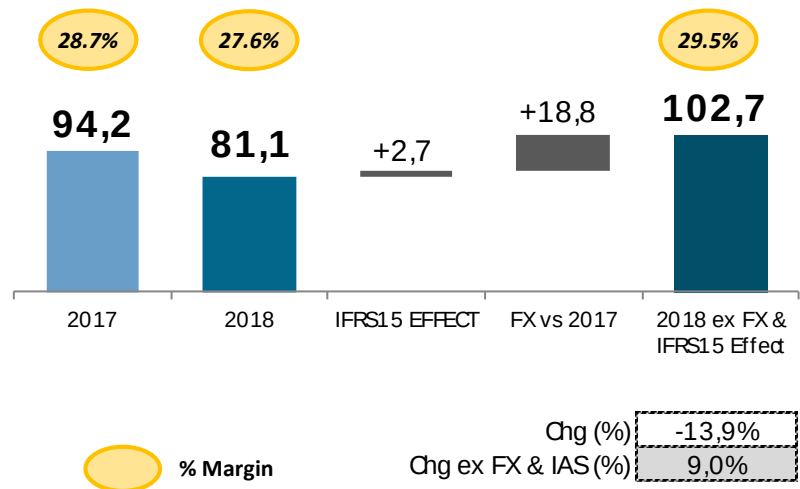
Significant savings achieved from the implementation of efficiency plan across different divisions

1H2018 Operating Overview – Santillana

Revenues (m€)



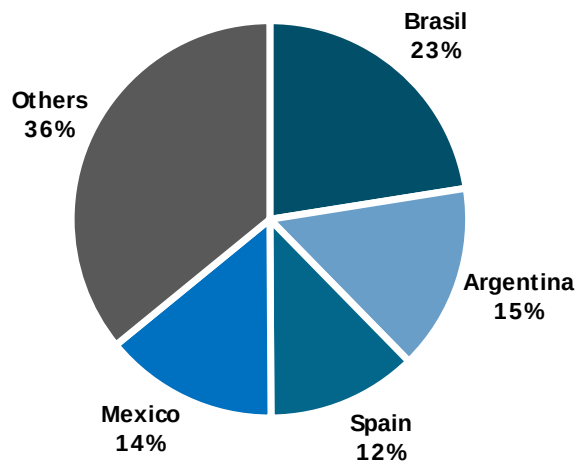
Adjusted EBITDA (€m)



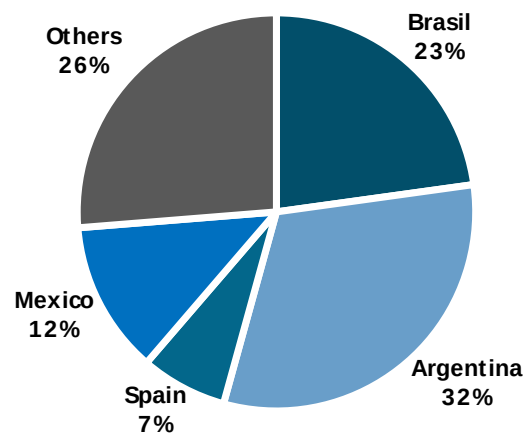
1H performance versus last year affected by FX impact and IFRS15

1H2018 Operating Overview – Santillana (Cont'd)

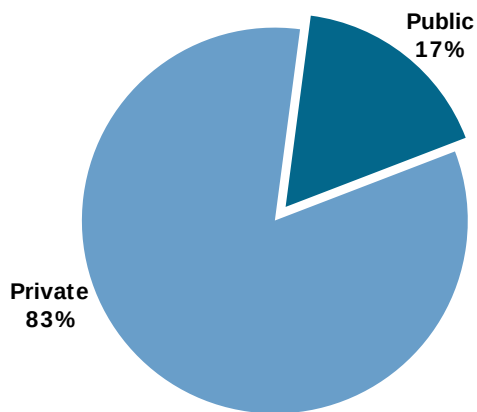
2018 Revenues Split by Geography



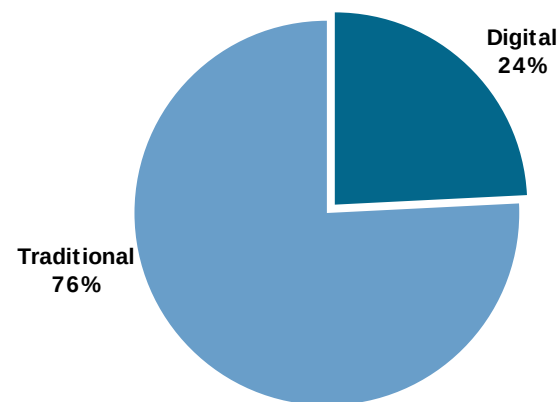
2018 EBITDA Split by Geography



Revenues Split (Public vs. Private)



Revenues Split (Digital vs. Traditional)



1H2018 Operating Overview – Santillana (Cont'd)

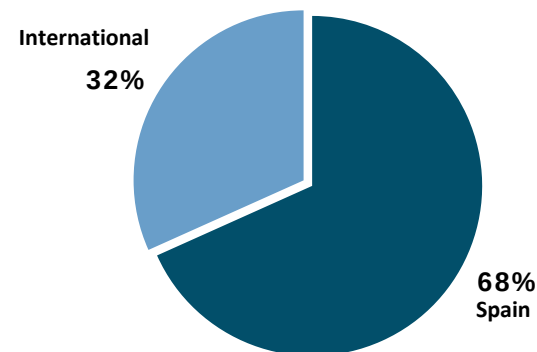
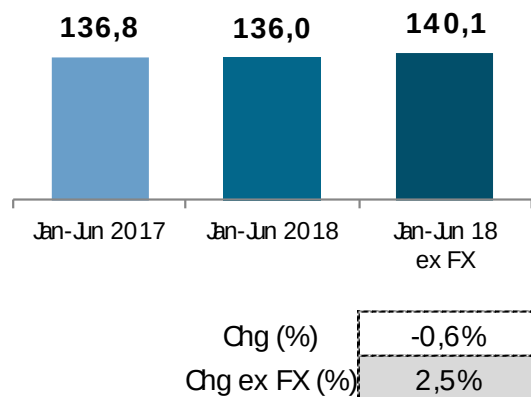
Operating Performance by Business & Regions

€ Millions	Revenues			Adjusted EBITDA		
	JANUARY - JUNE			JANUARY - JUNE		
	2018	2017	% Chg.	2018	2017	% Chg.
Total Santillana	294,0	328,0	(10,4)	81,1	94,2	(13,9)
Traditional Education and Compartir	267,3	299,1	(10,6)	75,6	85,3	(11,3)
South Campaign	174,2	197,4	(11,8)	69,9	76,3	(8,4)
North Campaign	93,1	101,6	(8,4)	5,8	9,0	(35,8)
UNO System	26,7	28,9	(7,7)	5,5	8,9	(38,4)
	Revenues at Constant Currency & excluding IFRS effect			Adjusted EBITDA at Constant Currency & excluding IFRS effect		
	JANUARY - JUNE			JANUARY - JUNE		
	2018	2017	% Chg.	2018	2017	% Chg.
Total Santillana	347,3	328,0	5,9	102,7	94,2	9,0
Traditional Education and Compartir	317,8	299,1	6,3	97,2	85,3	14,0
South Campaign	219,0	197,4	10,9	90,7	76,3	18,8
North Campaign	98,8	101,6	(2,8)	6,5	9,0	(27,3)
UNO System	29,5	28,9	2,1	5,5	8,9	(38,7)

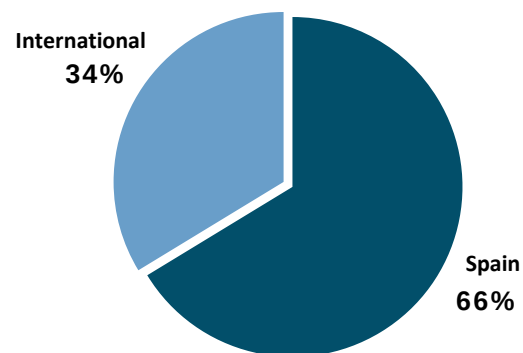
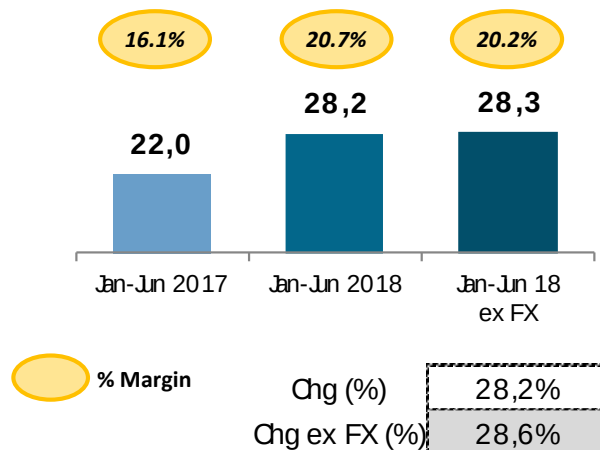
Educational campaigns in general performed in line with expectations: South Campaigns finalized with good performance and North Campaign to be finalized in 3Q

1H2018 Operating Overview – Radio

Revenues Evolution (m€)⁽¹⁾



EBITDA Evolution (m€)⁽¹⁾



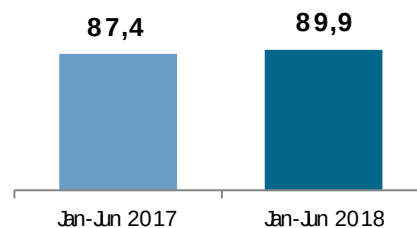
Flat revenues linked to FX impact in LatAm. Strong operational leverage with EBITDA growing by 28%

1H2018 Operating Overview – Radio Spain & Radio LatAm

Radio Spain



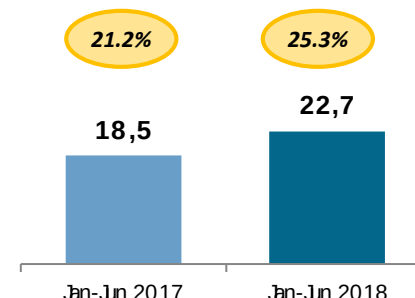
Revenues (m€)



Chg (%) 2,9%

EBITDA (m€)

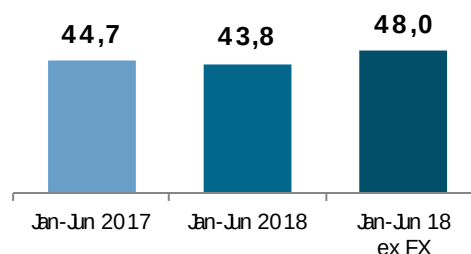
% Margin ->



Chg (%) 22,9%



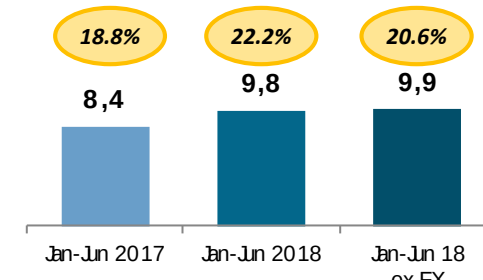
Revenues (m€)



Chg (%) -1,9%
Chg ex FX (%) 7,4%

EBITDA (m€)

% Margin ->

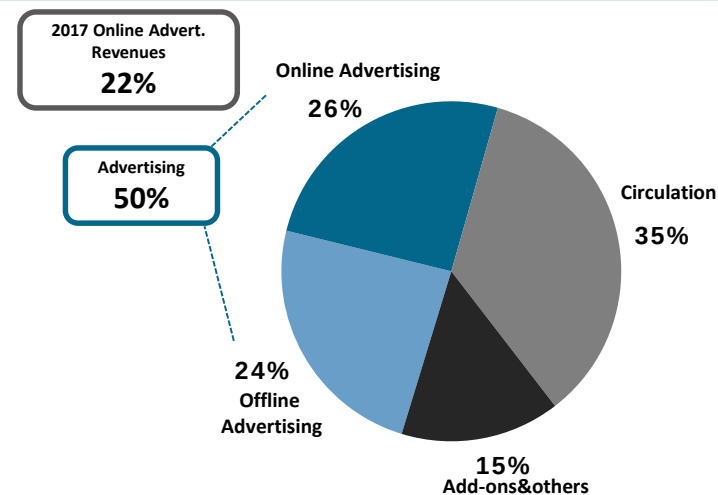
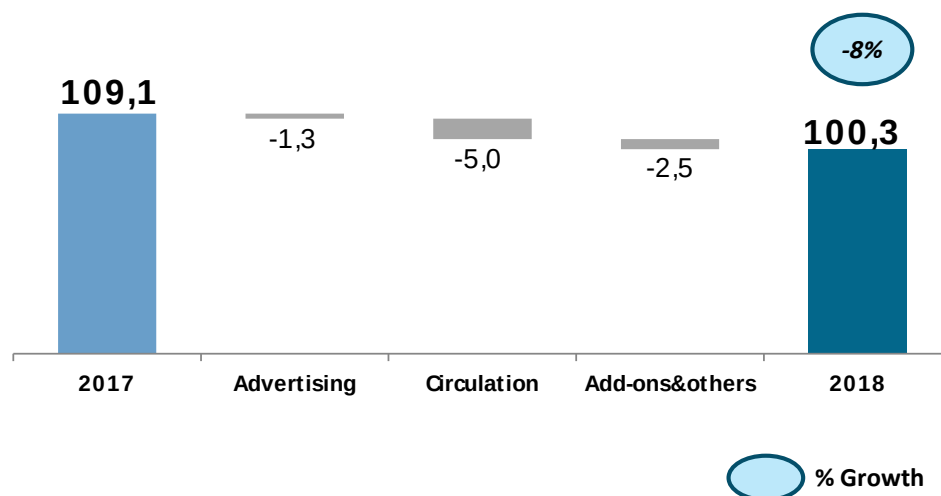


Chg (%) 15,8%
Chg ex FX (%) 17,3%

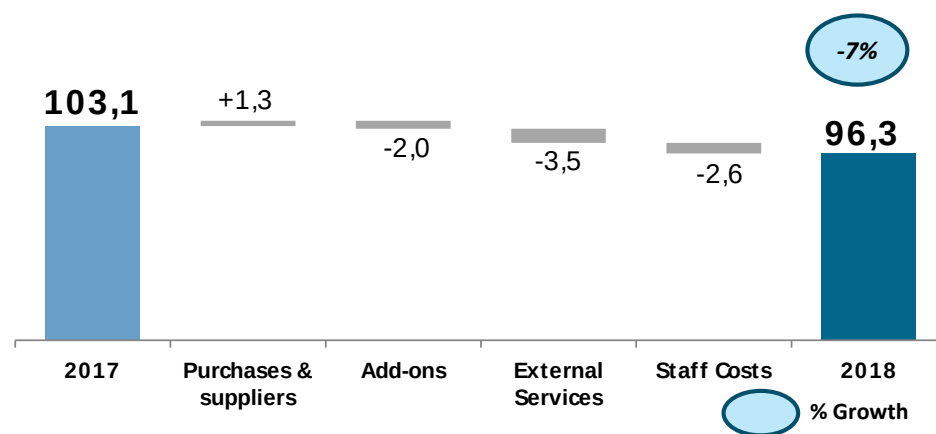
Margins improvement driven by revenue growth supported by good advertising performance both in Spain and LatAm and operational leverage on the back of cost control initiatives

1H2018 Operating Overview – Press

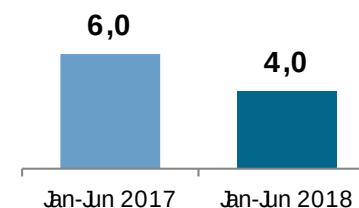
Revenues (m€)



Adjusted Expenses (m€)



Adjusted EBITDA (€m)

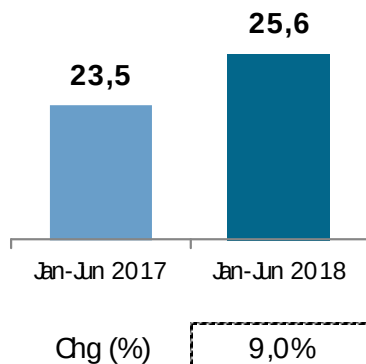


Top line still under pressure mainly due to legacy performance . Operating trends improved in 2Q with good digital advertising performance (+9%) and strong cost control policies in place

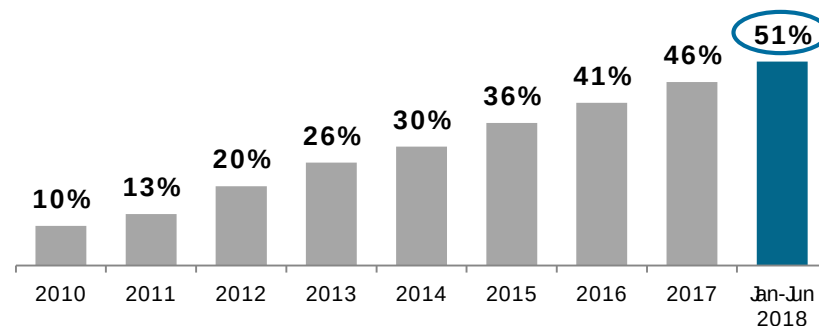
1H2018 Operating Overview – Press

Online Advertising Revenues (m€)

*Includes events

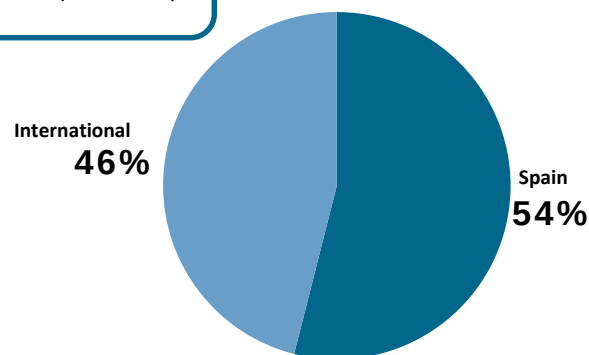


Online Advertising Contribution



Worldwide Audience El País.com (YTD)

85M Unique Browsers
86M Videos (onsite+offsite)



Spain Audience (PC+mobile)

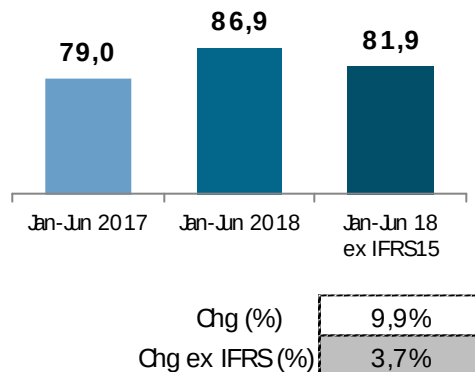
Ranking	PC+Mobile Spain (Jan-May'18 Average)	Unique Users (M)	YoY (%)
1	YOUTUBE	30,8	13%
2	GOOGLE	30,4	14%
3	FACEBOOK	28,8	26%
4	TWITTER	21,2	116%
5	EL PAÍS	20,0	16%
6	EL MUNDO	19,9	23%

Spain figures: Spain unique users (Pc+mobile).

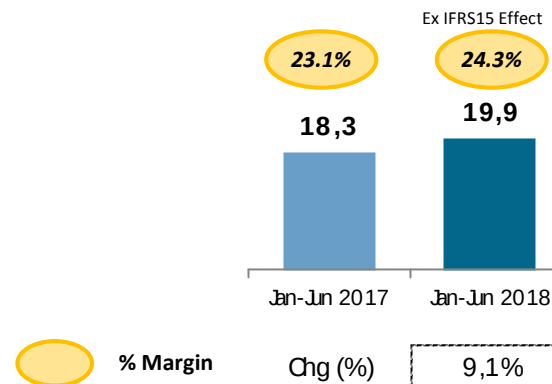
Digital transformation already crystalizing with online advertising representing already 51% of total advertising

1H2018 Operating Overview – Media Capital

Revenues

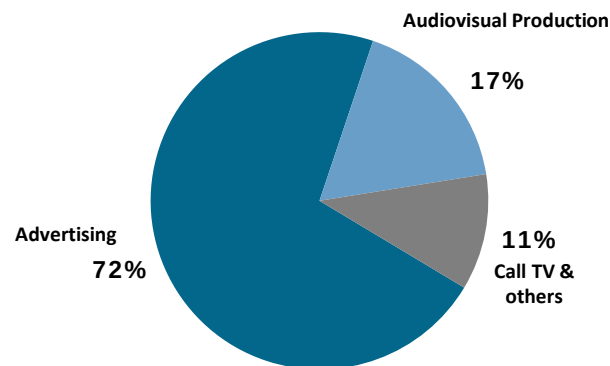


Adjusted EBITDA

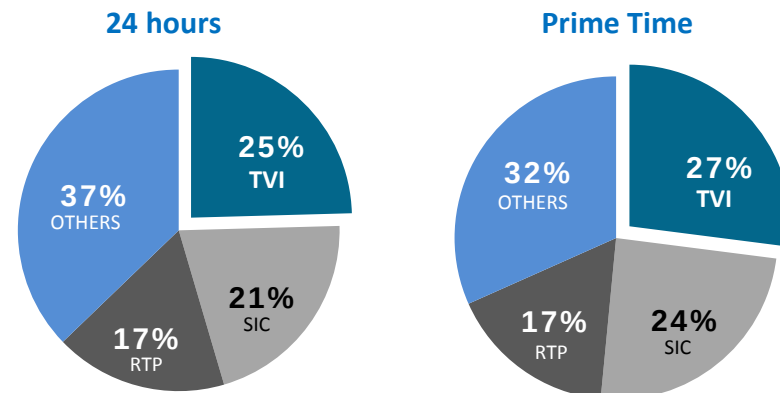


Revenues Breakdown YTD

*Excluding IFRS15 effect



TV Audience by Group (average YTD)



Media Capital reinforces its leadership in terms of both market share and profitability growing its ebitda by 9%

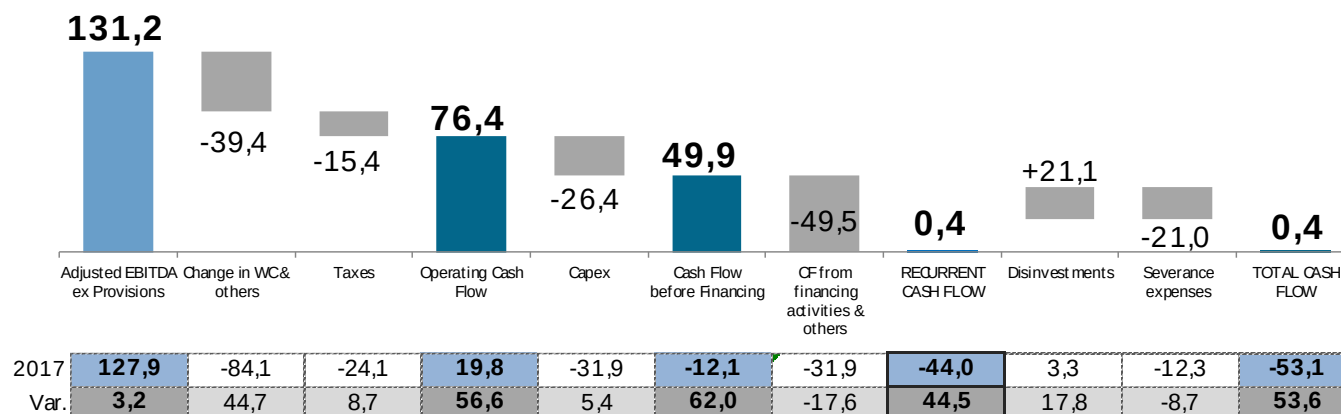
1H2018 Operating Overview – From EBIT to Net Profit

€ Millions	2018	2017	% Chg.
Reported Results			
EBIT	80,5	79,9	0,8
<i>EBIT Margin</i>	<i>12,8%</i>	<i>12,2%</i>	
Financial Result	(44,1)	(26,3)	(67,9)
Interests on debt	(25,2)	(26,9)	6,4
Other financial results	(18,9)	0,7	---
Result from associates	2,4	0,6	---
Profit before tax	38,8	54,1	(28,3)
Income tax expense	22,8	25,1	(9,0)
Results from discontinued activities	0,0	(1,0)	100,0
Minority interest	15,6	14,2	10,1
Net Profit	0,4	13,9	(97,1)

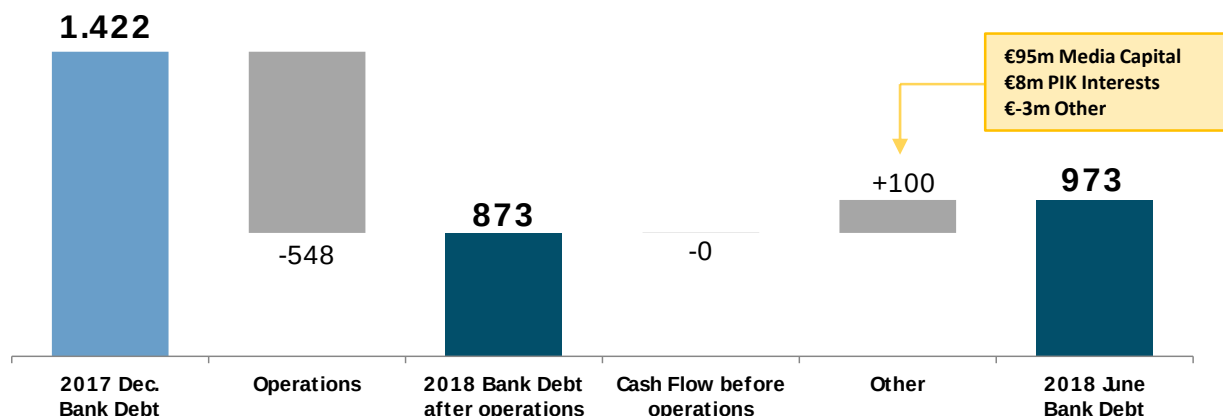
Positive net result mainly impacted by the accounting impact of new refinancing agreement

1H2018 Operating Overview – Cash Flow Generation

Cash Flow Generation (m€)



Net Bank Debt Evolution (m€)



Positive recurrent cashflow generation in the period despite Q2 seasonality: €55 million improvement as a result of wc improvement with DLJ dividend payment and assets disposals compensating each other

Closing Remarks

1 Results performing in line with company's expectations

2 Efficiency plan on track, with further savings to be achieved in the year

3 Cash flow generation in line with plan

4 2018 Guidance reconfirmed