



A los efectos de lo previsto en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y en el artículo 228 del texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, Promotora de Informaciones, S.A. (la “**Sociedad**” o “**Prisa**”) comunica el siguiente

### **HECHO RELEVANTE**

Prisa Activos Educativos, S.L.U.—filial íntegramente participada de Prisa y titular del 75% del capital de Grupo Santillana Educación Global, S.L. (“**Santillana**”)— ha firmado en el día de hoy un contrato de compraventa para la adquisición de las participaciones representativas del 25% restante de Santillana titularidad de DLJSAP Publishing Limited (“**DLJ**”), sociedad participada por fondos asesorados y gestionados por Victoria Capital Partners (la “**Adquisición**”).

La Adquisición ha sido aprobada por unanimidad en el Consejo de Administración de la Sociedad celebrado en el día de hoy, 26 de febrero de 2019.

El precio de la Adquisición ha quedado establecido en un importe fijo de 312,5 millones de euros (la “**Contraprestación Total**”) y será satisfecho íntegramente en efectivo en la fecha en que se cierre la Adquisición.

Dicho cierre está condicionado a la obtención de la preceptiva autorización de las autoridades de competencia españolas, la cual se espera notificar de inmediato y obtener durante el mes de marzo de 2019, así como a la ejecución de la ampliación de capital referida a continuación.

La Contraprestación Total se espera que se financie mediante una combinación de (i) fondos disponibles en el balance de la Sociedad procedentes principalmente del aumento de capital con derechos de suscripción preferente realizado en febrero de 2018; y (ii) fondos procedentes de un aumento de capital con derecho de suscripción preferente en el importe y con las condiciones que determine el Consejo de Administración de Sociedad.

Banco Santander, S.A. ha suscrito en el día de hoy con la Sociedad un compromiso de aseguramiento, sujeto a los términos habituales en este tipo de documentos, en virtud del cual se ha comprometido a asegurar dicho aumento de capital hasta un importe máximo de 200 millones de euros a un precio de emisión que se determinará en el correspondiente contrato de aseguramiento. Además, accionistas que representan un 42% del capital social de la Sociedad han manifestado ya a la misma su intención de participar en el referido aumento de capital.

La operación proyectada cuenta con los consentimientos precisos por parte de las entidades acreedoras de la Sociedad.

Se adjunta una presentación sobre la lógica estratégica y financiera de la Adquisición.

En Madrid, a 26 de febrero de 2019.

D. Xavier Pujol Tobeña  
Secretario General y del Consejo de Administración



# Purchase of Santillana Minorities

February 2019

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## Executive Summary

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- Prisa announces an agreement with Victoria Capital Partners to acquire Victoria's 25% stake in Santillana
  - SPA already signed and subject to antitrust approval in Spain (expected by March 2019). Acquisition to be financed partially with a capital increase with preferential subscription rights and existing cash
- The transaction is underpinned by a strong strategic rationale with a high value creation potential for Prisa's shareholders while improving company's cash flow profile going forward
  - 100% ownership of the key growth engine of the group
  - \$25.8 m perpetual annual dividend saving
  - Accretive transaction for Prisa's shareholders
- Total consideration offered is €312.5 m fully paid in cash
  - The acquisition price implies an Equity Valuation of €1.25 Bn (Enterprise Value of €1.2 bn) for the 100% share capital of Santillana
  - Implied Enterprise Value / Adj. EBITDA<sup>18</sup> multiple of 7.1x, below the average of precedent transactions multiples in the education sector (above 10x<sup>2</sup>)
- Transaction closing expected in April 2019

1. As of 2018

2. Average multiple based on public data of the following transactions: Kroton / Somos, Abril Educação / Saraiva Educação, Tarpon / Abril Educação, Kroton / Uniasselvi and Vivendi / Editis

<b>Description</b>	<b>Purchase of 25% stake in Santillana from Victoria Capital Partners (“VCP”)</b>
<b>Consideration</b>	<b>€312.5 m (25% stake)</b> <ul style="list-style-type: none"><li>– Implying a Equity Value of €1.25 Bn for the 100% of Santillana and a Enterprise Value / Adj. EBITDA<sup>18</sup> of 7.1x, below the average of precedent transactions multiples in the education sector (above 10x<sup>2</sup>)</li></ul>
<b>Payment</b>	<b>Consideration to be fully paid at closing</b>
<b>Acquisition Financing</b>	<b>€200 m capital increase with preferential subscription rights</b> <ul style="list-style-type: none"><li>– 100% underwriting commitment from Banco Santander</li></ul> <b>Remaining to be paid with existing cash in balance sheet</b> <b>Acquisition consented by the required majority of lenders</b>
<b>Conditions Precedent</b>	<b>Anti-trust clearance in Spain</b> <b>Execution of the capital increase to partially finance the acquisition</b>
<b>Timetable</b>	<b>M&amp;A expected to be fully completed in April 2019</b>

1. As of 2018

2. Average multiple based on public data of the following transactions: Kroton / Somos, Abril Educação/ Saraiva Educação, Tarpon / Abril Educação, Kroton / Uniasselvi y Vivendi / Editis

# Purchase of Santillana Minorities

## Key Strategic Rationale



*Ability to Implement Strategic Plan by Regaining Full Ownership of a Core Asset*

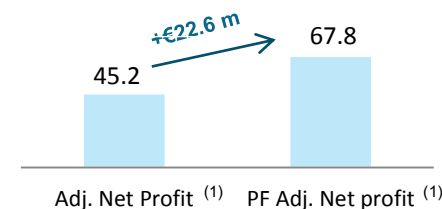
# Transaction Financial Impacts at Group Level

## Impact on P&L

**Adjusted Net Profit<sup>(1)</sup> to increase by the minority interest attributable to Santillana**

- + €22.6 m<sup>(2)</sup>

€m, 2018 figures<sup>(3)</sup>

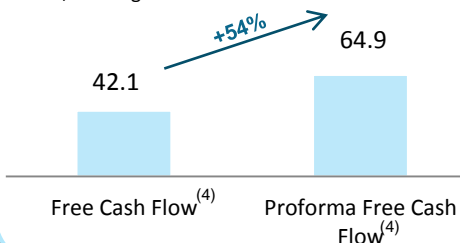


## Impact on Cash Flow Statement

**Cash Flow to increase through a \$25.8 m Perpetual Annual Dividend Saving**

- + 54% or €22.8 m<sup>(3)</sup>

€m, 2018 figures<sup>(3)</sup>



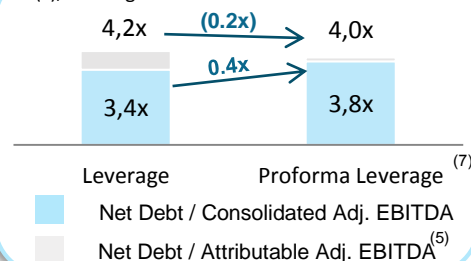
## Impact on Leverage

**Proforma net leverage to increase on a consolidated basis, but to decrease on an attributable basis<sup>(5)</sup>**

- + 0.4x Proforma Net Debt / Consolidated Adjusted EBITDA

- (0.2x) Proforma Net Debt / Attributable Adjusted EBITDA<sup>(5)</sup>

(x), 2018 figures<sup>(3)</sup>



**Full Commitment on Complying With Target Financial Policy of Consolidated Net Leverage<sup>(6)</sup> Below 3.0x by 2020**

1. Net Profit excluding one-offs
2. Total impact will include the minority interest attributable to Santillana (€22.6 m on 2018 basis)
3. As of February 2019. Fx €/\$ 1.13
4. Free cash flow before 2018 capital increase net proceeds
5. Attributable Adjusted EBITDA calculated as the total Adjusted EBITDA of each subsidiary multiplied by the stake that Prisa owns in each subsidiary
6. Based on Net Debt / Consolidated Adjusted EBITDA
7. Assumes a cash deployment of c.€120 m and does not include dividend payment to VCP corresponding to year 2018 nor 2019 accrued dividend until closing.



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