



PRISA

January - June 2023

PROMOTORA DE INFORMACIONES, S.A.
July 25th 2023

RESULTS REPORT

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Overview

Grupo PRISA's focus during 1H 2023 has continued to be **on debt reduction and control** – an endeavor helped by the inflow of funds from the issuance of convertible notes – while maintaining its path of **sustained growth**. **The Group has seen improved performance for both the Education and Media units, and a rise in revenues, EBITDA, Operating Result (EBIT) and margins.**

Additionally, the company **has reinforced the Board of Directors with new talent and has enhanced Group governance in both Spain and in America with the appointments of two Deputy Chairpersons**, thus showing a commitment to the value of PRISA not just in terms of results but also as a benchmark for freedom and as a cornerstone of democracy in the countries where we are present, in both Media and Education.

The results for the first half of 2023 confirm that the company is on track to meet Guidance 2023 and achieve the objectives set out in the 2025 roadmap.

Focus on debt reduction and cash generation

In February, the Group completed the issue of € 130m in mandatory convertible notes – into newly issued shares – with a fixed 1% annual coupon (not-capitalized) and a mandatory conversion period of 5 years.

This operation has led to a reduction in the financial cost of debt, having enabled the **early repayment of €110m of the most expensive tranche**, slashing the cost of interest from approximately 11% to the 1% set for the notes. **76% of these had already been converted into shares in the first window**, which closed in May.

In the first half of 2023, the net debt/EBITDA ratio stands at 5.0x, down by 1.2 compared to December.

Highlights

Focus on debt reduction and cash generation

Debt reduction thanks to the issuance of convertible notes that has made it possible to repay €110m of Junior debt early. The conversion of 76% of these notes into shares was carried out in the month of May

Net debt / EBITDA ratio of 5.0x, an improvement of 1.2 vs. December

Interest rate hedges to mitigate a hike in Euribor and stabilize cash flow

Operational business growth

Both Santillana and Prisa Media continue to show growth in revenues, EBITDA, EBIT and margins

Improvement in advertising in the first half, both for Radio and Press, online and offline

Santillana and El País subscription models continue to grow at a steady pace

Significant impact of extraordinary public sales in Argentina and the lower public sale in Mexico in 2023 (Conaliteg). The results of Santillana Argentina may vary throughout the year depending on⁽¹⁾: i) ARS/€ exchange rate and ii) evolution of inflation; additionally, conversion to cash is also subject to the evolution of exchange rates

In addition, PRISA has contracted two **new interest rate hedges** during the first half, which allow it to cover the risk derived from the upward trend of Euribor interest rates, the reference rate for Group debt. Almost half of the debt (€400 m nominal) is now covered by such hedges.

Cash generation for the first half is positive and has improved by €127m compared to the 1H 2022, although it still does not reflect all the improvement in EBITDA due to a temporary issues affecting working capital (chiefly outstanding collection of payment from public sales).

Business growth

Despite the fact that the environment continues to be complex, PRISA presents solid first-half results, with growth in revenues, EBITDA, Operating Result (EBIT) and margins in both its businesses.

The growth of the subscription models in Santillana, the **extraordinary public sales in Argentina (primary school in the first quarter and secondary school in the second quarter)** and the improvement of offline and online advertising in both radio and press, have led to **1H revenue growth of 14%**, despite **lower Conaliteg public sales for Santillana Mexico**. Inflation and exchange rates in all countries, and especially in Argentina, may affect this growth in H2.

This behavior highlights the **resilience of our businesses and the value of our assets and brands**. In addition, **effective operational management** has made it possible to translate revenue growth into an improvement in **EBITDA, EBIT and margins**, thanks to cost control in an environment of rising inflation and higher prices for raw materials. EBITDA has grown 53% compared to 2022 in the first half and EBITDA margin, to date, has improved by 4 percentage points.

PRISA Group – Financial Results

*Positive 1H performance for both business units, driven by digital revenues in both Education and Media. **Operational improvement compared to the same period of 2022, with an increase in revenue of +14%, an increase in EBITDA of 53% and an increase of 4 percentage points in EBITDA Margin. Low impact of the second quarter due to the seasonality of the businesses.***

Operational growth for both businesses and in all key indicators

Revenues in the first half of the year grew compared to the same period in 2022 due to operational improvement in both business units. In total, in the period between January and June, revenues reached €441m, increasing by +14% compared to 2022.

By business line, the growth in education sales (+17%) stands out, helped by the good performance of the southern campaigns, the growth of subscription models and by extraordinary public sales in Argentina (La Nación, primary school in the first quarter and secondary level in the second quarter), which offset the lower public sales for Conaliteg in Mexico (€-16.7m) in 1H 2023. Excluding the impact of Argentina in the first half, PRISA revenues grew by +9%.

Meanwhile, advertising sales have grown by +5% in the first half, with increases in both offline and online advertising on radio and in the press. In local currency, growth is even higher, +7%. In the second quarter of the year, advertising has been positively impacted by major events in the press (45th Anniversary of Cinco Días) and the significant growth of As, both in Spain and in America (+22%).

Circulation grew slightly in the first half, up +1%. Lastly, the Group continues to diversify into additional business lines thanks to the development of audiovisual production through Lacoproductora and the development of digital businesses, in addition to advertising and subscription activities.

Both Santillana and Prisa Media saw growth in the first half vs. 2022: +16% for the Education business and +10% for the Media business.

In short, despite persistent economic uncertainty in their sectors, both businesses remained resilient and saw solid growth in the first half.

The improvement in revenue translates into an improvement in EBITDA, which in the first half reached €68m – growth of +52.8% compared to the same period of 2022. EBITDA margin is 15.5%, up by 4 percentage points compared to the same period in 2022.

EBITDA was boosted by the operational improvement of the businesses and the public-sector sale in Argentina in 2023 and negatively affected by the lower public sale involving Conaliteg in Mexico.

Excluding the impact of Argentina, EBITDA grew by +37% compared to the first half of 2022.

The exchange rate had a positive effect of €8.7m on 1H revenues, mainly due to the appreciation of the Brazilian Real and the Mexican Peso. The Colombian peso, however, has devalued. The exchange-rate effect on EBITDA was positive by €8.4m.

Net book profit totaled €-36.3m vs €-14m in the first half of 2022, despite the improvement in operating results, impacted by: i. the rise in Euribor rates; ii. higher financing costs for fair value of the debt (refinancing had a positive accounting impact of €16m in 2022, while in 2023, there has been a negative impact of €9m due to the early repayment of part of the Junior debt); iii. higher adjustments for inflation and exchange rate differences in Argentina.

Cash Flow in line with our expectations

1H 2023 has seen cash generation of €62m, €127m more than in 2022, thanks chiefly to the inflow of funds from the convertible notes. All this despite the hike in Euribor interest rates that has led to higher interest costs of €14m and the fact that the operational improvement of the results is not yet reflected in cash due to a temporary issues affecting working capital. In 2022 refinancing payments were greater than the hedging costs of 2023 (+€5.6m) and last year €32m was paid for the purchase of 20% of Radio from Godó. This year has seen the payment of the outstanding €15 m. In the second quarter, due to the seasonality of the business, cash was consumed, but there was an improvement of €19m compared to 2022 (+18%).

Free Cash Flow is negative to date at €-14.6m compared to €+3.2m in the same period of 2022, affected by temporary effects on working capital (chiefly pending collections from public sales), which should be reversed by the end of the year.

Debt reduction and a strong cash position

Net Bank Debt stands at €801m, compared to €856m in December 2022, with a decrease of -6% and an improvement in the net debt/EBITDA ratio of 1.2 to reach 5.0x, mainly thanks to the net funds from the convertible notes (€128m), of which €110m have been used to repay Junior debt early. Taking into account IFRS 16 liability, total net financial debt stands at €866m compared to €926m in December 2022. As of June 2023, the Group continues to have a strong liquidity position (€162m).

PRISA Group – P&L

Reported Results	JANUARY - JUNE			APRIL - JUNE		
	2023	2022	Abs.	2023	2022	Abs.
	€ Millions					
Operating Revenues	440.7	388.2	+13.5%	173.8	177.6	-2.1%
Reported EBITDA	68.3	44.7	+52.8%	1.1	3.4	-67.3%
<i>EBITDA Margin</i>	<i>15.5%</i>	<i>11.5%</i>	<i>+34.6%</i>	<i>0.6%</i>	<i>1.9%</i>	<i>-66.6%</i>
EBITDA ex severance expenses	72.9	49.7	+46.8%	3.8	5.9	-36.2%
<i>EBITDA ex severance expenses Margin</i>	<i>16.5%</i>	<i>12.8%</i>	<i>+29.3%</i>	<i>2.2%</i>	<i>3.3%</i>	<i>-34.8%</i>
Reported Operating Result (EBIT)	34.9	10.1	+244.8%	-16.5	-13.7	-20.3%
<i>EBIT Margin</i>	<i>7.9%</i>	<i>2.6%</i>	<i>+203.7%</i>	<i>-9.5%</i>	<i>-7.7%</i>	<i>-23.0%</i>
Financial Result	-65.5	-22.4	-191.7%	-33.2	-7.0	-377.4%
Interests on debt	-45.4	-32.4	-40.2%	-23.3	-16.1	-44.1%
Other financial results	-20.1	9.9	---	-10.0	9.2	---
Result from associates	0.4	3.5	-89.2%	0.4	3.6	-89.6%
Profit before tax	-30.2	-8.8	-241.4%	-49.3	-17.1	-188.6%
Income tax expense	5.8	5.5	+5.8%	-8.3	-3.5	-139.7%
Results from discontinued activities	-0.3	0.0	---	-0.3	0.0	---
Minority interest	-0.1	-0.4	+60.3%	0.1	0.5	-81.4%
Net Profit	-36.3	-14.0	-159.0%	-41.5	-14.1	-194.2%

Results at constant currency	JANUARY - JUNE			APRIL - JUNE		
	2023	2022	Var.	2023	2022	Var.
	€ Millions					
Operating Revenues	432.0	388.2	+11.3%	174.2	177.6	-1.9%
EBITDA	59.9	44.7	+34.0%	-3.9	3.4	---
<i>EBITDA Margin</i>	<i>13.9%</i>	<i>11.5%</i>	<i>+20.4%</i>	<i>-2.2%</i>	<i>1.9%</i>	<i>---</i>
EBITDA ex severance expenses	64.6	49.7	+30.1%	-1.1	5.9	---
Reported Operating Result (EBIT)	27.3	10.1	+169.9%	-21.4	-13.7	-56.3%
<i>EBIT Margin</i>	<i>6.3%</i>	<i>2.6%</i>	<i>+142.5%</i>	<i>-12.3%</i>	<i>-7.7%</i>	<i>-59.3%</i>

PRISA Group – Cash Flow Statement

Cash Flow Statement

€ Millions

	JANUARY - JUNE				APRIL - JUNE			
	2023	2022	Abs.	%	2023	2022	Abs.	%
Reported EBITDA	68.3	44.7	+23.6	+52.8%	1.1	3.4	-2.3	-67.3%
Severance expenses	4.6	4.9	-0.4	-7.7%	2.6	2.5	+0.2	+7.4%
EBITDA ex severance expenses	72.9	49.7	+23.2	+46.8%	3.8	5.9	-2.1	-36.2%
Working capital	-41.5	12.4	-53.9	---	-34.6	-16.0	-18.7	-116.9%
Severance payments	-6.7	-12.3	+5.6	+45.5%	-3.0	-3.5	+0.5	+14.6%
Taxes paid	-8.6	-9.0	+0.4	+5.0%	-3.3	-2.6	-0.7	-28.4%
Capex	-20.8	-22.3	+1.6	+7.0%	-11.4	-14.5	+3.2	+21.9%
Other	2.0	-3.2	+5.2	---	1.6	-3.0	+4.6	---
CF BEFORE FINANCING ACTIVITIES	-2.7	15.2	-17.9	---	-46.9	-33.7	-13.2	-39.3%
Interest paid	-37.8	-23.7	-14.1	-59.7%	-20.2	-22.3	+2.2	+9.7%
Dividends	2.0	-1.7	+3.7	---	0.0	-1.2	+1.2	+98.6%
Other CF from financing activities	-12.0	-13.3	+1.3	+10.0%	-6.3	-7.4	+1.1	+14.5%
IFRS 16	-11.9	-12.0	+0.1	+0.5%	-5.5	-6.5	+0.9	+14.3%
Other	0.0	-1.3	+1.3	+97.8%	-0.8	-0.9	+0.1	+15.3%
CF FROM FINANCING ACTIVITIES	-47.8	-38.7	-9.1	-23.5%	-26.5	-30.9	+4.4	+14.2%
FREE CASH FLOW (FCF)	-14.6	3.2	-17.8	---	-52.4	-40.1	-12.3	-30.6%
CASH FLOW BEFORE DIVESTMENTS	-50.4	-23.5	-27.0	-115.0%	-73.4	-64.5	-8.8	-13.7%
Divestments	3.3	1.3	+2.0	+160.6%	1.5	0.9	+0.6	+59.5%
CASH FLOW BEFORE OPERATIONS	-47.1	-22.2	-24.9	-112.4%	-71.9	-63.6	-8.3	-13.0%
Operations	108.6	-42.9	+151.6	---	-15.5	-42.3	+26.8	+63.3%
Convertible notes	127.6	0.0	+127.6	---	-0.3	0.0	-0.3	---
Other	-18.9	-42.9	+24.0	+55.9%	-15.3	-42.3	+27.0	+63.9%
CASH FLOW	61.5	-65.1	+126.6	---	-87.4	-105.9	+18.5	+17.5%

FREE CASH FLOW (FCF) ⁽¹⁾

€ Millions

	JANUARY - JUNE				APRIL - JUNE			
	2023	2022	Abs.	%	2023	2022	Abs.	%
CF BEFORE FINANCING ACTIVITIES	-2.7	15.2	-17.9	---	-46.9	-33.7	-13.2	-39.3%
IFRS 16	-11.9	-12.0	+0.1	+0.5%	-5.5	-6.5	+0.9	+14.3%
FREE CASH FLOW (FCF)	-14.6	3.2	-17.8	---	-52.4	-40.1	-12.3	-30.6%

(1) Free Cash Flow (FCF) = Cash Flow before financing activities minus leases payments (IFRS16).

PRISA Group – Financial Net Debt

TOTAL FINANCIAL NET DEBT

€ Millions

	Jun 2023	Dec 2022	Var. 23/22 Abs.	%
Bank Debt	919.4	1,011.7	-92.3	-9.1%
Non-current Bank debt	881.1	980.8	-99.8	-10.2%
Current Bank debt	38.4	30.8	+7.5	+24.4%
Convertible notes liability	1.0	0.0	+1.0	---
Short term financial investments	-3.5	-1.5	-2.0	-131.0%
Cash&cash equivalents	-142.5	-189.5	+47.0	+24.8%
Present value	27.0	35.8	-8.8	-24.5%
NET BANK DEBT	801.3	856.4	-55.1	-6.4%
IFRS 16 liabilities	65.0	69.2	-4.1	-6.0%
NET BANK DEBT WITH IFRS 16	866.4	925.6	-59.2	-6.4%

TOTAL BANK DEBT BY BUS (including inteco)

€ Millions

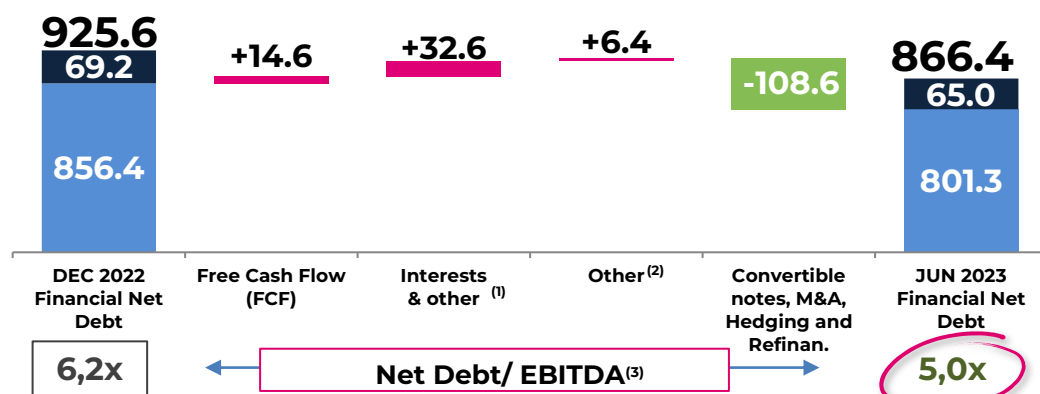
	Jun 2023	Dec 2022	Var. 23/22 Abs.	%
Prisa Holding & Other	742.7	828.1	-85.4	-10.3%
Financial debt (bank& convertible coupon)	915.7	1,019.6	-103.9	-10.2%
Cash, short term financial invest.&interco Debt	-173.0	-191.5	+18.6	+9.7%
Santillana	-66.1	-101.2	+35.1	+34.7%
Media	124.7	129.6	-4.9	-3.8%
NET BANK DEBT	801.3	856.4	-55.1	-6.4%

CASH BREAKDOWN

€ Millions

INITIAL CASH POSITION DEC'22	189.5
Cash Flow ex FX in cash	61.5
FX in cash and deposits	-0.5
Debt increase/amortization	-107.9
FINAL CASH POSITION JUN'23	142.5

Financial Net Debt evolution (€m)



(1) Includes mainly interests payments, divestments and dividends.

(2) Includes mainly PIK, accrued interests, convertible notes coupon and impact of FX on Net debt.

(3) Net Debt/EBITDA ratio calculated considering the financial leverage criteria defined on the Refinancing agreements.

PRISA Group – Balance Sheet

	ASSETS	
€ Millions	Jun 2023	Dec 2022
FIXED ASSETS	453.6	425.9
Property, plant & equipment	100.5	103.3
Goodwill	121.6	117.2
Intangible assets	107.1	104.9
Long term financial investments	17.7	12.4
Investment in associates	35.2	33.1
Deferred tax assets	71.6	55.0
CURRENT ASSETS	474.2	556.7
Inventories	71.2	74.7
Accounts receivable	256.2	290.2
Short term financial investments	3.5	1.5
Cash&cash equivalents	142.5	189.5
Assets held for sale	0.7	0.8
TOTAL ASSETS	927.8	982.7

	LIABILITIES	
€ Millions	Jun 2023	Dec 2022
SHAREHOLDERS EQUITY	-421.9	-532.2
Issued capital	100.8	74.1
Reserves	-500.1	-607.4
Income attributable to the parent company	-36.3	-12.9
Minority interest	13.7	14.1
NON CURRENT LIABILITIES	970.8	1,073.3
Long term financial debt	881.1	980.8
Other long term financial debt	50.5	53.9
Deferred tax liabilities	20.0	19.9
Provisions	16.2	15.3
Other non current liabilities	3.0	3.4
CURRENT LIABILITIES	378.9	441.5
Short term financial debt	38.4	30.8
Other current financial liabilities	17.5	32.8
Trade accounts payable	204.4	254.8
Other short term liabilities	84.0	81.1
Accrual accounts	34.1	41.5
Liabilities held for sale	0.5	0.4
TOTAL LIABILITIES	927.8	982.7

Prisa Media

Prisa Media is the world's largest Spanish-language Media and Entertainment group. It is at the forefront of digital transformation, with leading brands in Spain, Latin America and the USA.

Prisa Media's organizational structure seeks to align the organization around a common purpose and strategy for all the Group's media. This involves focusing efforts on accelerating digitization, enhancing the global reach of products and leveraging the growth potential of the brands. A firm commitment to subscription models and multiple formats is key to ensuring the leadership and quality of the brands.

Financial results

Prisa Media shows growth compared to 2022. 1H Revenues reached €204m compared to €186m in 2022, representing an increase of +9.8%. In constant currency, growth is even higher, +11.1%. Prisa Media has continued to perform well quarter by quarter. In advertising, revenues have grown by 4.9% (+6.6% without the effect of currency exchange rates) to reach €149m. Online advertising has grown by +13.2% and offline advertising by +2.4%, improving on the already positive trend of 2022.

Circulation revenues grew by +1.0%, mainly due to revenues from digital subscriptions to EL PAÍS, which grew by +32.7% and which offset the drop in offline circulation revenues, which were down by -9.3%. There was a notable increase in revenues under the heading of "Other income", which grew by +61.5% (+€11.1m) thanks largely to the diversification of digital income (agreements with platforms for innovative projects) and the incorporation into the company's consolidation perimeter of Lacoproductora, which generates income from audiovisual production.

Prisa Media's 1H 2023 EBITDA was €14.3m compared to €11.4m in 2022. This represents an improvement of €2.9m mainly from advertising. EBITDA excluding severance payments reached €17.0m compared to €14.3m in 2022.

In 1H the impact of exchange rates for Prisa Media was €-2.4m on revenues and €+0.6m on EBITDA.

In the second quarter, Prisa Media saw revenue grow by +3.1% (+4.5% in local currency) although EBITDA was somewhat down compared to 2022 at €-0.8m due to one-offs in 2022 that had had a positive impact

in that quarter (the sale of Radio Miami and reversal of litigation provisions, among others).

Advertising

Advertising is Prisa Media's chief revenue source, accounting for 73% of revenue. Net advertising revenues amounted to €149m compared to €142m in 2022 (in a quarterly basis), representing growth of +4.9% (+6.6% excluding the effect of exchange rates, notably the Colombian peso).

Advertising has been affected by the uncertain outlook of the global macroeconomic situation. Nevertheless, in the first half of 2023 Prisa Media's net advertising showed growth both online (+13.2%) and offline (+2.4%). Both press and radio show growth, with especially significant growth for Radio in Spain, which has offset the drop in advertising in Latin America due to the exchange rate effect in Colombia.

In the second quarter, advertising revenue grew by +3% (+4.8% without the exchange rate effect) affected by uncertainty in the market, mainly in Spain after snap elections were called for the end of July.

Despite the fact that Prisa Media's total advertising in the first half of the year has performed positively with a share gain compared to our competitors, the outlook remains uncertain for coming quarters given the unstable situation of the financial markets and the macro context.

Circulation

Circulation includes both the sale of print newspapers and the sale of digital subscriptions to EL PAÍS.

Between January and June 2023, circulation revenues reached €27m, an increase of +1.0% compared to 2022. The growth in revenue from EL PAÍS digital subscriptions (+32.7%) easily offsets the drop in sales of offline newspapers (-9.3%).

EL PAÍS has reached a total of 308,005 subscribers, of whom 270,866 are exclusively digital. In the first half of 2023, the subscription model logged an additional 43,485 net registrations (21,958 in the second quarter), maintaining the steady rate of acquisition and retention seen in previous quarters. Total subscribers are up by +40% year-on-year, while the figure for digital exclusives is up by +51%.

Prisa Media

Prisa Media is the world's largest Spanish-language Media and Entertainment group. It is at the forefront of digital transformation, with leading brands in Spain, Latin America and the USA.

Other revenue

Other revenues have contributed €29m, an increase of +61.5% over the same period of 2022 (€+11.1m).

Agreements with platforms for innovative digital projects and the development of the podcast market in Spanish through agreements with a range of strategic partners have allowed the Company to continue increasing the diversification of digital revenues and, thereby, drive further digital transformation.

Meanwhile, the acquisition of Lacoproductora in the second quarter of 2022 offers an additional revenue stream for Prisa Media (€+8.6m compared to 2022), via audiovisual production. Lacoproductora is fully integrated into Prisa Media's Video structure. It creates and develops new formats and is active in the marketing and production of original audiovisual products based on the content generated by the Group's different media outlets, for subsequent distribution on different platforms.

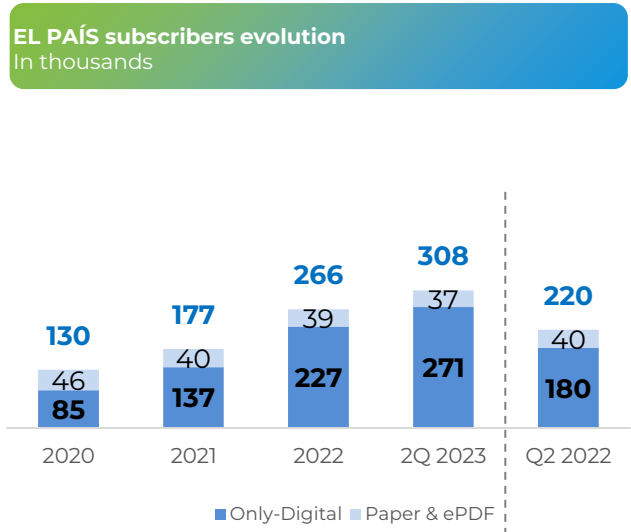
EL PAÍS Subscribers

The EL PAÍS model continues to evolve to offer its subscribers more exclusive, rigorous and quality content and services.

EL PAÍS is the clear market leader for newspaper subscriptions in Spain thanks to its global audiences, the prestige of the brand and the quality of its content.

EL PAÍS reached a total of 308,005 subscribers in the first half of 2023, an increase of +40.3%. The number of exclusively digital subscribers, who total 270,866, has grown by +50.8% compared to the first half of 2022.

In the second quarter the positive trend has continued with strong growth in line with previous quarters and, in terms of subscribers, 21,958 net additions.



A commitment to Audio

Prisa Audio was created in May 2021 as part of the group's digital strategy and commitment to new formats.

Figures for Audio consumption continue to grow, with the first half of 2023 confirming the positive trend. As of June 2023, the number of average monthly audio downloads totaled 50 million, an increase of +4.4%, and total listening hours reached a monthly average of 88 million, an increase of +11.7% compared to the first half of 2022.

Prisa Media – P&L

Reported Results

€ Millions

	JANUARY - JUNE			APRIL - JUNE		
	2023	2022	Var.	2023	2022	Var.
Operating Revenues	204.5	186.2	+9.8%	106.9	103.7	+3.1%
Net Advertising	148.5	141.6	+4.9%	81.8	79.4	+3.0%
Offline	111.2	108.6	+2.4%	60.2	61.1	-1.5%
Online	37.4	33.0	+13.2%	21.6	18.3	+18.2%
Circulation	26.9	26.6	+1.0%	13.5	13.4	+0.6%
Offline	18.3	20.1	-9.3%	9.1	10.0	-9.4%
Online	8.7	6.5	+32.7%	4.4	3.4	+29.9%
Others ⁽¹⁾	29.0	18.0	+61.5%	11.6	10.9	+6.7%
Reported Expenses	190.2	174.8	+8.8%	94.5	90.5	+4.5%
Variable	44.9	32.7	+37.3%	21.0	19.4	+8.1%
Fixed	145.3	142.2	+2.2%	73.5	71.1	+3.5%
Reported EBITDA	14.3	11.4	+25.5%	12.4	13.2	-6.3%
<i>EBITDA Margin</i>	<i>7.0%</i>	<i>6.1%</i>	<i>+14.3%</i>	<i>11.6%</i>	<i>12.8%</i>	<i>-9.1%</i>
EBITDA ex severance expenses	17.0	14.3	+18.8%	14.2	14.4	-1.4%
<i>EBITDA ex severance expenses Margin</i>	<i>8.3%</i>	<i>7.7%</i>	<i>+8.2%</i>	<i>13.2%</i>	<i>13.9%</i>	<i>-4.4%</i>
Reported Operating Result (EBIT)	1.9	-2.5	---	6.2	6.4	-4.0%
<i>EBIT Margin</i>	<i>1.0%</i>	<i>-1.3%</i>	<i>---</i>	<i>5.8%</i>	<i>6.2%</i>	<i>-6.9%</i>

Prisa Media – Digital KPIs

	JANUARY - JUNE			APRIL - JUNE		
	2023	2022	Var.	2023	2022	Var.
Digital Revenues (€ Millions)	54.7	44.1	+24.1%	29.9	23.9	+25.4%
Digital Revenues Mix (%)	26.7%	23.7%	+3p.p.	28.0%	23.0%	+5p.p.
Monthly average Unique Browsers (m)	231.0	240.0	-3.8%			
Monthly average TLH⁽²⁾ (m)	88.2	79.0	+11.7%			
Monthly average Audio Downloads (m)	49.6	47.5	+4.4%			
EL PAÍS Only-digital subscribers (k)	270.9	179.6	+50.8%			
EL PAÍS Total subscribers (k)	308.0	219.5	+40.3%			

(1) Other revenues includes, mainly: strategic partnerships with technology platforms to bolster digital transformation; and audiovisual production (Prisa Video – Lacoproductora).
(2) TLH: Total Listening Hours.

Education – Santillana

Enjoying a clear lead in Latin America, Santillana has focused its strategy on the transformation and digitization of the K-12 education market by transforming towards subscription-based learning models built on its own educational technology (Ed-Tech) platform.

Within the K-12 market, Santillana operates in two areas with different market dynamics. Firstly, the Private-Schools Market, which accounts for 70% of Santillana's annual sales. Here, Santillana is focused on transforming the educational model via the growth of subscription models, which already account for more than 60% of annual private sales.

Secondly, the Public-Schools Market, which accounts for 30% of Santillana's annual sales, with business derived, chiefly, from institutional sales in Brazil and Mexico, above all.

Financial results

Santillana's 1H revenues grew by +16.1% compared to the same period in 2022 to reach €235m. Santillana continues to demonstrate the strength of its businesses with sustainable revenue growth. The 2023 southern campaign performed positively, with growth in all countries and for all businesses.

Particularly noteworthy was the successful public sale in Argentina for primary-school level (in the first quarter of the year) and secondary (in the second quarter of the year), which contributed €30.9m to the private education textbook business in 2023, a figure that's €19.5m more than the sale in 2022. Excluding Argentina, Santillana's revenues grew by +6.9%, despite the fact that to date there have been lower revenues from the Conaliteg public sale in Mexico (in 2022 this was worth €16.7m).

Santillana's reported EBITDA reached €55m in the first half, which translates into an increase of €18 M compared to the same period of 2022. In percentage terms, reported EBITDA growth is +50.3% in euros and +29.0% in constant currency. Excluding severance, EBITDA was +47.4% higher in euros (+27.3% in constant currency). If Santillana Argentina is not considered, book EBITDA grows by +27.3%, despite lower public sales in Mexico (Conaliteg).

The private education business has reported a +19.4% increase in revenue in the first half, with a notably robust performance by the subscription models. Excluding the boost for Santillana Argentina, reported EBITDA is up by +7.5%.

Meanwhile, the public market also reported higher sales during the first half, up by +5.3% compared to 2022, despite the lower public sales involving Conaliteg in Mexico (-€16.7 M). It should be noted that the figure includes the positive impact of the registration of sales to the national book plan – PNLD – in Brazil and the institutional sales in Chile in 2022, both delayed from 2022 till 2023. Elsewhere, the positive performance of public sales in Brazil continues apace.

With regard to the northern campaigns, it should be noted there is hardly any effect until June, and it will not be until the third quarter of the year that the main impacts will become apparent.

Santillana Argentina

The results of Santillana Argentina may vary throughout the year depending on⁽¹⁾: i) ARS/€ exchange rate and ii) evolution of inflation; additionally, the conversion to cash will also be subject to the evolution of exchange rates.

Private market sales: Subscription model

Subscription models are Santillana's chief source of revenue, and these continue to transform the student learning process. There were 2,709,000 subscriptions in the first half, an increase of +8.6% compared to the same period in 2022. These figures do not yet include new subscription contracts for the northern campaign (mainly Mexico), which will be reflected in the next quarter. Revenues grew by +7.4% in the first half.

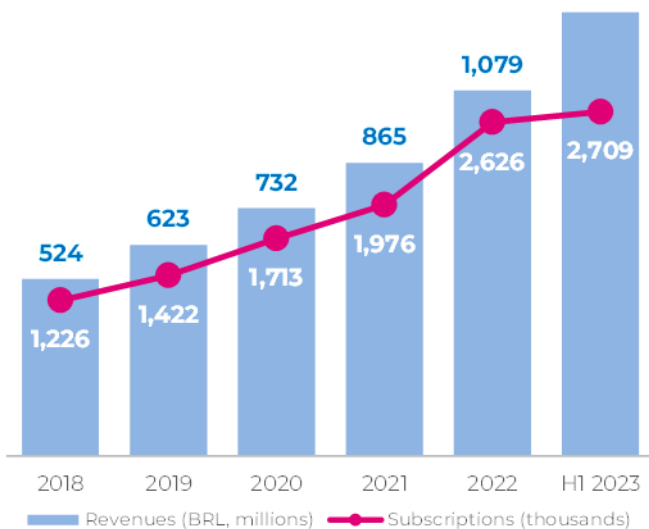
Subscriptions to learning systems show growth in all system models. Flexible systems grew by +7.2%, global systems were up by +4.2% and Supplemental systems (including English) by +15.2%. By country, in Brazil subscriptions grew by +3.7%, in Mexico by +29.8%, in Colombia by +3.0% and in the rest of the countries by +9.0%.

Education – Santillana

Enjoying a clear lead in Latin America, Santillana has focused its strategy on the transformation and digitization of the K-12 education market by transforming towards subscription-based learning models built on its own educational technology (Ed-Tech) platform.

Subscriptions revenues and subscribers evolution

BRL millions & thousands of subscribers



Private market sales: didactic model

First-half 2023, sales for the private didactic business (traditional textbook model) in Latin America amounted to €86m, an increase of +40.0%, +26.3% in constant currency. Despite the ongoing process of transforming students away from the traditional didactic model to the subscription model, the didactic business has grown significantly compared to the first half of 2022, mainly due to the extraordinary public sale in Argentina for primary education (first quarter) and secondary education (second quarter) and thanks to the generally strong performance of the different countries, especially Brazil. Southern region didactic sales campaigns have now ended and have shown a positive trend. Excluding the effect of the extraordinary public sale in Argentina, didactic sales growth continues to be significant(+10.1%).

Public market sales

Public sales amounted to €48m, an increase of +5.3% compared to the figures for 2022, when the figure totaled €45m.

Public sales have been negatively affected by a lower public sale involving Conaliteg in Mexico in the first half, which had totaled €16.7m in 2022. On the other hand, figures have benefitted from the effect of Brazil's PNLD program that was delayed from 2022 to January 2023, for a total of €5.1m, and the public sale reprints in Chile that were delayed from December 2022 to 2023 for a total of €4.3m. In addition, there have been higher public sales in Brazil compared to the first half of 2022.

Santillana – Revenue Breakdown

Revenues by business

€ Millions

	JANUARY - JUNE			APRIL - JUNE		
	2023	2022	Var.	2023	2022	Var.
Education sales	234.0	200.1	+17.0%	64.9	72.8	-10.8%
Private	186.4	154.9	+20.4%	45.2	42.7	+5.9%
Subscription	100.4	93.4	+7.4%	26.9	31.3	-14.1%
Traditional	86.0	61.4	+40.0%	18.3	11.3	+61.0%
Public	47.6	45.2	+5.3%	19.7	30.1	-34.5%
Other revenues	1.1	2.4	-53.8%	0.6	1.4	-56.0%
Operating Revenues	235.1	202.5	+16.1%	65.5	74.1	-11.7%

Revenues by business on constant currency

€ Millions

	JANUARY - JUNE			APRIL - JUNE		
	2023	2022	Var.	2023	2022	Var.
Education sales	222.9	200.1	+11.4%	63.9	72.8	-12.1%
Private	175.3	154.9	+13.2%	43.7	42.7	+2.5%
Subscription	97.7	93.4	+4.6%	25.9	31.3	-17.4%
Traditional	77.6	61.4	+26.3%	17.8	11.3	+57.4%
Public	47.6	45.2	+5.3%	20.2	30.1	-32.8%
Other revenues	1.1	2.4	-55.1%	0.6	1.4	-56.9%
Operating Revenues	224.0	202.5	+10.6%	64.5	74.1	-13.0%

Santillana – Digital KPIs

JANUARY - JUNE

	2023	2022	Var.
Ed-Tech Subscriptions (k)	2,709	2,495	+8.6%
Subscription sales / Private sales	54%	60%	-10.7%

Santillana – P&L

Reported Results

€ Millions

	JANUARY - JUNE			APRIL - JUNE		
	2023	2022	Var.	2023	2022	Var.
Operating Revenues	235.1	202.5	+16.1%	65.5	74.1	-11.7%
Reported Expenses	180.1	165.9	+8.6%	77.3	82.0	-5.8%
Reported EBITDA	55.1	36.6	+50.3%	-11.8	-7.9	-49.2%
<i>EBITDA Margin</i>	<i>23.4%</i>	<i>18.1%</i>	<i>+29.5%</i>	<i>-18.0%</i>	<i>-10.7%</i>	<i>-68.9%</i>
EBITDA ex severance expenses	56.9	38.6	+47.4%	-10.9	-6.6	-64.5%
<i>EBITDA ex severance expenses Margin</i>	<i>24.2%</i>	<i>19.1%</i>	<i>+27.0%</i>	<i>-16.7%</i>	<i>-8.9%</i>	<i>-86.3%</i>
Reported Operating Result (EBIT)	34.2	16.7	+105.3%	-23.0	-17.7	-30.3%
<i>EBIT Margin</i>	<i>14.6%</i>	<i>8.2%</i>	<i>+76.8%</i>	<i>-35.1%</i>	<i>-23.8%</i>	<i>-47.5%</i>

Results on constant currency

€ Millions

	JANUARY - JUNE			APRIL - JUNE		
	2023	2022	Var.	2023	2022	Var.
Operating Revenues	224.0	202.5	+10.6%	64.5	74.1	-13.0%
Reported Expenses	176.8	165.9	+6.6%	81.1	82.0	-1.2%
Reported EBITDA	47.3	36.6	+29.0%	-16.6	-7.9	-109.7%
<i>EBITDA Margin</i>	<i>21.1%</i>	<i>18.1%</i>	<i>+16.6%</i>	<i>-25.7%</i>	<i>-10.7%</i>	<i>-140.9%</i>
EBITDA ex severance expenses	49.1	38.6	+27.3%	-15.6	-6.6	-135.6%
<i>EBITDA ex severance expenses Margin</i>	<i>21.9%</i>	<i>19.1%</i>	<i>+15.0%</i>	<i>-24.2%</i>	<i>-8.9%</i>	<i>-170.6%</i>
Reported Operating Result (EBIT)	27.5	16.7	+64.8%	-27.6	-17.7	-56.1%
<i>EBIT Margin</i>	<i>12.3%</i>	<i>8.2%</i>	<i>+49.0%</i>	<i>-42.7%</i>	<i>-23.8%</i>	<i>-79.3%</i>



ESG⁽¹⁾

PRISA continues its firm commitment to sustainability through the development of its Master Plan 2022-2025, contributing through education, information and quality entertainment to equal opportunities and the progress of a democratic society.

Environmental

As part of our commitment to the responsible management of our organization in accordance with our Master Plan 2022-2025 and the implementation of measures to minimize the environmental impact of our operations, the company is progressing in its introduction of sustainability criteria in the planning and management of events. The Ordinary General Shareholders' Meeting and the "Ecosistema Ahora" forum of El País have obtained the sustainable events certification issued by Eventsost, by incorporating actions that protect the environment and boost diversity and inclusion.

In addition, AS newspaper received the Spanish Sports Association Award for its commitment to environmental sustainability and its support for the dissemination of sports linked to nature.

Social

Throughout this first part of 2023, PRISA has deployed various initiatives which have highlighted its commitment to a positive impact on its audiences and students through its content and services, with a special emphasis on sustainability.

Santillana has launched the Sustainable Schools contest in Brazil, Mexico and Colombia, in conjunction with the Organization of Ibero-American States (OEI), and held the First International Congress on Inclusive Education, which analyzed special learning needs in the classroom.

Radio Caracol in Colombia has created "Caracol Sostenible", the first program to raise audience awareness of current social and environmental challenges, as well as to publicize the role of citizens and companies in ESG matters.

Among the social events of international scope was the forum "Women of the Americas for Rights and Wellbeing", held in Mexico with the support of UN Women and the Government of Mexico City, with the participation of prominent leaders from across the region.

Governance

Following recent changes in the composition of the Board of Directors, PRISA is now close to parity with 46.7% women, well above the 40% established by the draft Organic Law on Equal Representation of Men and Women in Decision-Making Bodies.

Finally, PRISA has joined as a founding member of the "Pact for Sustainable Cybersecurity", led by the Spanish Association for the Promotion of Information Security, with the aim of supporting the sustainable management of cybersecurity and data protection for our customers and users.

⁽¹⁾ ESG: Environmental, Social & Governance

Guidance

PRISA Group

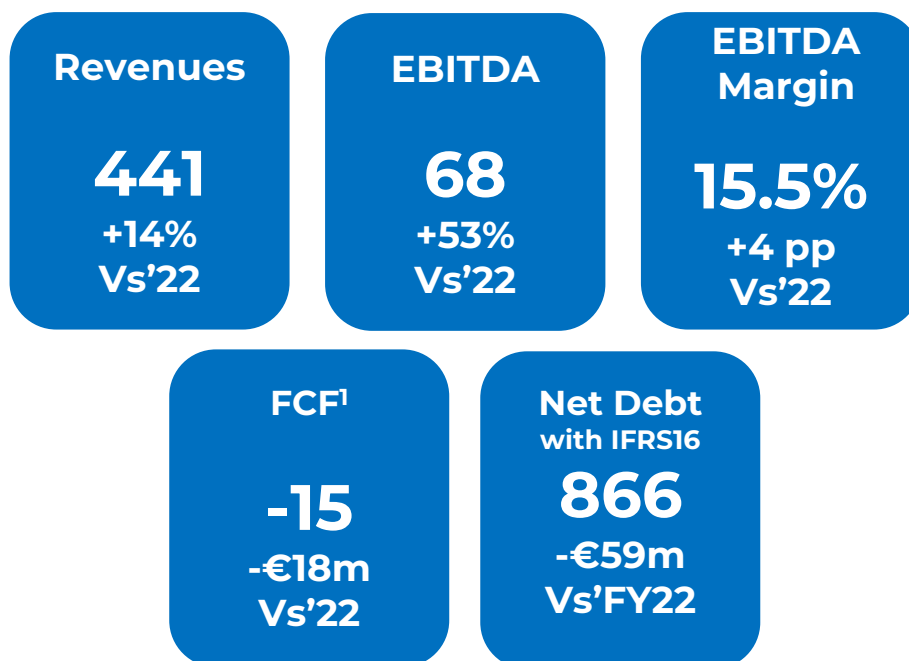
	<u>Guidance 2023</u>	<u>Guidance 2025</u>
Revenues	> €900m	> €1,000m
Adjusted EBITDA margin	17-18%	22-25%
Free Cash Flow ⁽¹⁾	> €40m	> €100m

Guidance for 2025 provided during PRISA's Capital Markets Day (March 2022).

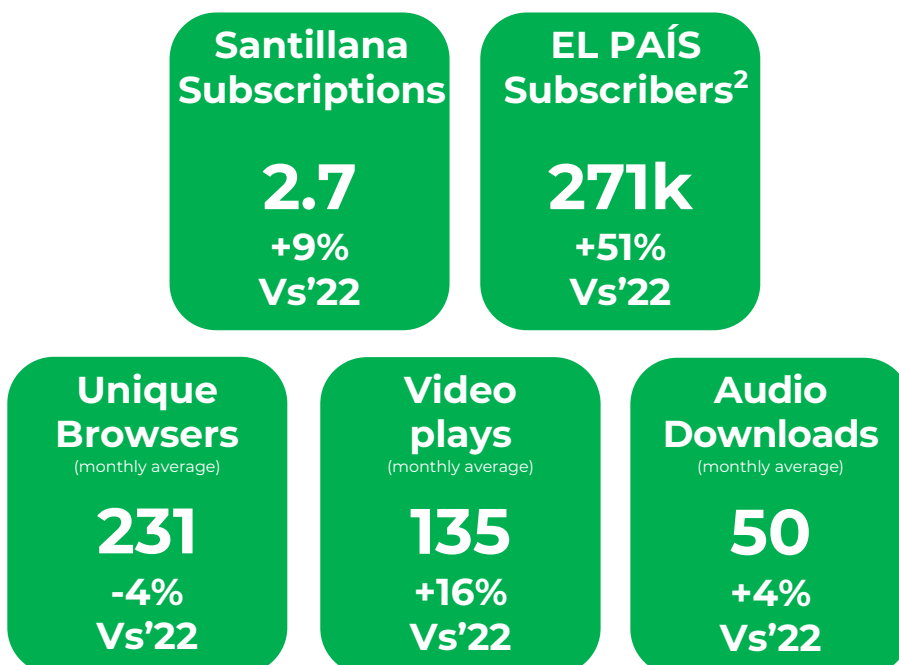
⁽¹⁾ Free Cash Flow = Cash Flow before financing – Leases payments (IFRS16)

PRISA Group – MAIN KPIs

FINANCIAL (€ Millions)



DIGITAL (m)



1) FCF= Cash Flow before financing – Leases payments (IFRS16)

2) Digital-only subscribers

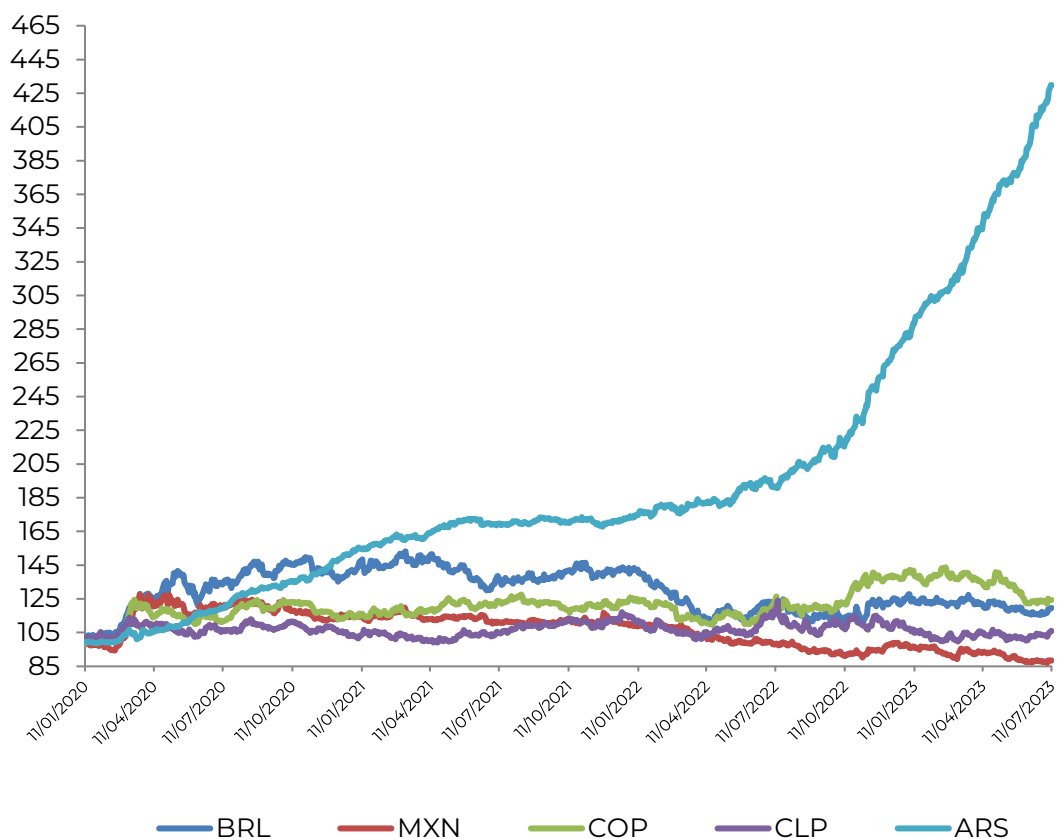
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FX Evolution

The FX impact on the Group's revenues and EBITDA in the first half of 2023 was positive. **The impact was +€8.7m in revenues and +€8.4m in EBITDA.**



	BRL	MXN	COP	CLP	ARG
1Q2020	4,92	22,05	3.912,25	886,27	67,83
2Q2020	5,92	25,67	4.231,20	905,24	74,50
3Q2020	6,29	25,81	4.365,32	912,62	85,71
4Q2020	6,44	24,49	4.354,98	905,93	95,57
1Q2021	6,60	24,51	4.288,58	872,56	106,76
2Q2021	6,38	24,13	4.454,06	863,41	113,36
3Q2021	6,17	23,61	4.534,56	911,47	114,61
4Q2021	6,39	23,72	4.442,68	944,97	114,92
1Q2022	5,86	23,00	4.385,66	906,57	119,65
2Q2022	5,24	21,32	4.175,91	899,16	125,65
3Q2022	5,28	20,37	4.417,41	932,09	136,63
4Q2022	5,38	20,10	4.925,58	931,92	166,33
1Q2023	5,57	20,02	5.103,06	870,72	206,76
2Q2023	5,39	19,25	4.808,35	872,19	253,13

Source: Bloomberg

Breakdown of operating revenue and EBITDA by B.U.

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2023	2022	Var.	2023	2022	Var.
Operating Revenues	440.7	388.2	+13.5%	173.8	177.6	-2.1%
Education	235.1	202.5	+16.1%	65.5	74.1	-11.7%
Media	204.5	186.2	+9.8%	106.9	103.7	+3.1%
Radio	112.1	110.7	+1.3%	60.2	62.3	-3.4%
Press	75.9	72.3	+5.1%	41.3	38.1	+8.5%
Other ⁽¹⁾	16.5	3.3	+404.7%	5.4	3.3	+63.6%
Prisa Holding & Other	1.1	-0.6	---	1.4	-0.3	---
EBITDA	68.3	44.7	+52.8%	1.1	3.4	-67.3%
Education	55.1	36.6	+50.4%	-11.8	-7.9	-48.9%
Media	14.3	11.4	+25.5%	12.4	13.2	-6.3%
Radio	13.8	14.0	-1.7%	9.8	13.0	-24.4%
Press	-1.1	-2.4	+55.7%	2.1	0.2	---
Other ⁽¹⁾	1.6	-0.2	---	0.5	0.1	+687.1%
Prisa Holding & Other	-1.1	-3.3	+67.8%	0.5	-1.9	---
EBITDA ex severance expenses	72.9	49.7	+46.8%	3.8	5.9	-36.2%
Education	56.9	38.6	+47.5%	-10.9	-6.6	-64.1%
Media	17.0	14.3	+18.8%	14.2	14.4	-1.4%
Radio	14.7	15.8	-7.0%	10.5	13.4	-21.6%
Press	0.1	-2.0	---	2.9	0.5	+419.8%
Other ⁽¹⁾	2.3	0.5	+328.6%	0.8	0.4	+89.3%
Prisa Holding & Other	-1.0	-3.3	+68.1%	0.5	-1.8	---

(1) Others include mainly Prisa Media's HQ, Lacoproductora, Podium and intercompany adjustments.

Breakdown of operating revenue and EBITDA at constant currency by B.U.

€ Millions	JANUARY - JUNE			APRIL - JUNE		
	2023	2022	Var.	2023	2022	Var.
Operating Revenues on constant currency	432.0	388.2	+11.3%	174.2	177.6	-1.9%
Education	224.0	202.5	+10.6%	64.5	74.1	-13.0%
Media	206.9	186.2	+11.1%	108.3	103.7	+4.5%
Radio	114.6	110.7	+3.5%	61.6	62.3	-1.2%
Press	75.9	72.3	+5.1%	41.3	38.1	+8.6%
Other ⁽¹⁾	16.4	3.3	+401.9%	5.4	3.3	+63.6%
Prisa Holding & Other	1.1	-0.6	---	1.4	-0.3	---
EBITDA on constant currency	59.9	44.7	+34.0%	-3.9	3.4	---
Education	47.3	36.6	+29.0%	-16.5	-7.9	-109.3%
Media	13.7	11.4	+20.4%	12.1	13.2	-8.1%
Radio	13.2	14.0	-6.2%	9.5	13.0	-26.7%
Press	-1.1	-2.4	+54.6%	2.1	0.2	---
Other ⁽¹⁾	1.6	-0.2	---	0.6	0.1	+765.7%
Prisa Holding & Other	-1.1	-3.3	+67.8%	0.5	-1.9	---
EBITDA ex sev. expenses on constant currency	64.6	49.7	+30.1%	-1.1	5.9	---
Education	49.1	38.6	+27.3%	-15.6	-6.6	-135.1%
Media	16.5	14.3	+15.2%	14.0	14.4	-2.7%
Radio	14.1	15.8	-10.6%	10.3	13.4	-23.2%
Press	0.1	-2.0	---	2.8	0.5	+417.4%
Other ⁽¹⁾	2.3	0.5	+341.5%	0.8	0.4	+101.2%
Prisa Holding & Other	-1.0	-3.3	+68.1%	0.5	-1.8	---

(1) Others include mainly Prisa Media's HQ, Lacoproductora, Podium and intercompany adjustments.

Alternative Performance Measures (APMs)

EBITDA

The Group uses **EBITDA** as a benchmark, among others, to monitor the performance of its businesses and to set its operational and strategic targets, therefore, this “alternative performance measure” is important for the Group and is used by other companies in the sector. EBITDA is defined as operating results plus assets depreciation and amortization charge, impairment of goodwill and impairment of assets.

€ Millions	EDUCATION	MEDIA	OTHER	PRISA GROUP H1 2023	EDUCATION	MEDIA	OTHER	PRISA GROUP Q2 2023
OPERATING RESULT (EBIT)	34.3	1.9	-1.3	34.9	-23.0	6.2	0.4	-16.5
Depreciation&amortization charge	20.6	12.4	0.3	33.3	11.1	6.2	0.1	17.5
Impairment of assets	0.2	0.0	0.0	0.2	0.1	0.0	0.0	0.1
EBITDA	55.1	14.3	-1.1	68.3	-11.8	12.4	0.5	1.1

€ Millions	EDUCATION	MEDIA	OTHER	PRISA GROUP H1 2022	EDUCATION	MEDIA	OTHER	PRISA GROUP Q2 2022
OPERATING RESULT (EBIT)	16.7	-2.5	-4.1	10.1	-17.7	6.4	-2.4	-13.7
Depreciation&amortization charge	20.3	13.7	0.8	34.8	10.0	6.8	0.6	17.4
Impairment of assets	-0.3	0.2	-0.1	-0.2	-0.2	0.0	0.0	-0.2
EBITDA	36.6	11.4	-3.3	44.7	-7.9	13.2	-1.9	3.4

The Group also uses as an “alternative performance measure”, the **EBITDA excluding severance expenses**, which is defined as the EBITDA plus the severance expenses. This measure is important as PRISA considers that this is a measure of the profitability and performance of its businesses as it provides information on the profitability of its assets net of severance expenses.

€ Millions	EDUCATION	MEDIA	OTHER	PRISA GROUP H1 2023	EDUCATION	MEDIA	OTHER	PRISA GROUP Q2 2023
EBITDA	55.1	14.3	-1.1	68.3	-11.8	12.4	0.5	1.1
Severance expenses	1.8	2.7	0.0	4.6	0.9	1.8	0.0	2.6
EBITDA ex severance expenses	56.9	17.0	-1.0	72.9	-10.9	14.2	0.5	3.8

€ Millions	EDUCATION	MEDIA	OTHER	PRISA GROUP H1 2022	EDUCATION	MEDIA	OTHER	PRISA GROUP Q2 2022
EBITDA	36.6	11.4	-3.3	44.7	-7.9	13.2	-1.9	3.4
Severance expenses	2.0	2.9	0.0	4.9	1.3	1.1	0.0	2.5
EBITDA ex severance expenses	38.6	14.3	-3.3	49.7	-6.6	14.4	-1.8	5.9

Alternative Performance Measures (APMs)

EXCHANGE RATES IMPACT

PRISA defines the **impact of exchange rates** as the difference between the financial figure converted at the exchange rate of the current year and the same financial figure converted at the exchange rate of the previous year. The Group monitors both operating income and profit from operations excluding the aforementioned exchange rate effect for comparability purposes and to measure management by isolating the effect of currency fluctuations in the various countries. This “alternative performance measure” is therefore important in order to be able to measure and compare the Group's performance in isolation of the exchange rate effect, which distorts comparability between years.

€ Millions	JAN-JUN 2023	FX effect	JAN-JUN 23 ex FX	JAN-JUN 2022	Var.Abs. ex FX	Var.(%) ex FX
EDUCATION						
Revenues	235.1	11.1	224.0	202.5	21.5	10.6%
Education sales	234.0	11.1	222.9	200.1	22.9	11.4%
EBITDA	55.1	7.8	47.3	36.6	10.6	29.0%
MEDIA						
Revenues	204.5	-2.4	206.9	186.2	20.7	11.1%
EBITDA	14.3	0.6	13.7	11.4	2.3	20.4%
PRISA GROUP						
Revenues	440.7	8.7	432.0	388.2	43.8	11.3%
Education sales	234.0	11.1	222.9	200.1	22.9	11.4%
EBITDA	68.3	8.4	59.9	44.7	15.2	34.0%

€ Millions	Q2 2023	FX effect	Q2 23 ex FX	Q2 2022	Var.Abs. ex FX	Var.(%) ex FX
EDUCATION						
Revenues	65.5	1.0	64.5	74.1	-9.6	-13.0%
Education sales	64.9	0.9	63.9	72.8	-8.8	-12.1%
EBITDA	-11.8	4.8	-16.5	-7.9	-8.6	-109.3%
MEDIA						
Revenues	106.9	-1.4	108.3	103.7	4.6	4.5%
EBITDA	12.4	0.3	12.1	13.2	-1.1	-8.1%
PRISA GROUP						
Revenues	173.8	-0.4	174.2	177.6	-3.3	-1.9%
Education sales	64.9	0.9	63.9	72.8	-8.8	-12.1%
EBITDA	1.1	5.0	-3.9	3.4	-7.3	---

Alternative Performance Measures (APMs)

NET BANK DEBT

The Group's **net bank debt** is an “alternative measure of performance” and includes non-current and current bank borrowings, excluding present value in financial instruments/loan arrangements costs, and the convertible notes coupon liability, diminished by current financial assets, cash and cash equivalents and is important for the analysis of the Group's financial position.

FREE CASH FLOW (FCF)

PRISA defines the **free cash flow**, as it appears in **page 6 of this report**, as the addition of the cash flow before financing minus IFRS 16 payments (leases). This “alternative performance measure” is important for the Group as it shows the cash flow generation recurrent capacity of the company for debt service.



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