



PRISA

RESULTS REPORT Q1 2023

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

Index

Overview	3
Grupo Prisa	
Financial Results	4
P&L	5
Cash Flow Statement	6
Financial Net Debt	7
Balance sheet	8
PRISA Media	
Financial Results	9
P&L	11
Santillana	
Financial Results	12
Revenue Breakdown	14
P&L	15
ESG	16
Guidance	17
Group's main KPIs	18
Appendix	
FX Evolution	20
Revenue and EBITDA breakdown	21
Alternative Performance Measures	23

Overview

Grupo PRISA has maintained its **trend of sustained growth in the first quarter of the year, with improved performance for both the Education and Media units, and a rise in revenues, EBITDA, Operating Result (EBIT) and margins.** The company has remained focused on **debt reduction** and in the first quarter managed to improve its leverage thanks to the inflow of funds from the issuance of convertible bonds.

In short, Q1 2023 confirms that the company is on track to meet Guidance 2023 and the Group remains firmly on course to meet the 2025 objectives as set out in its strategic roadmap.

Business growth

Despite a complex and adverse macroeconomic environment of near-constant uncertainty, PRISA presents solid first quarter results, with growth in revenues, EBITDA, Operating Result (EBIT) and margins for both its businesses.

The continued growth of the subscription models at Santillana, the improvement of offline and online advertising at radio and press and the **extraordinary institutional sale in Argentina**, have contributed to first-quarter **revenue growth of 27%**. Inflation and exchange rates in all countries, and especially in Argentina, may affect this growth in the remaining quarters.

This growth highlights the **resilience of our businesses and the strong value of our assets and brands.** Furthermore, **optimum management** within the framework of the Group's organizational structure, has made it possible to translate revenue growth into **improved EBITDA and margins**, thanks to cost control in an environment of rising inflation and rising costs of raw materials. EBITDA is up by a factor of 1.6x compared to 2022 in the first quarter and the EBITDA margin to date has improved by 5.6 p.p.

Highlights

Operational business growth

Both Santillana and PRISA Media continue to show growth in the first quarter of the year, in terms of revenue, EBITDA and margins.

Advertising is up in the first quarter, especially for Radio.

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

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

Focus on debt reduction and cash generation

Debt reduction thanks to the issuance of convertible bonds. This has allowed the early repayment of €110 million of Junior Debt. Net debt / EBITDA ratio is 4.5x, an improvement of 1.7 percentage points vs. December.

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

Focus on debt reduction and cash generation

The company continues to focus on debt reduction and cash generation.

In February, the Group completed the issue of EUR 130 million in mandatory convertible Notes, into newly issued shares, with a fixed 1% annual coupon (not-capitalized) and a mandatory conversion period of 5 years (with two annual voluntary-conversion windows). The convertible notes were fully subscribed, with demand exceeding the offering.

This operation has allowed **early repayment of €110 million of the Junior Financial Debt**, which is the most expensive tranche, thereby lowering the cost of debt, improving the level of leverage, and strengthening Prisa's balance sheet.

In the first quarter of 2023, the net debt/EBITDA ratio stood at 4.5x, down 1.7 percentage points compared to December.

In addition, PRISA has arranged two **new interest rate hedges** during the first quarter, which allows it to cover the risk of upward trends in Euribor interest rates. Thus, almost half of the debt (€400 M of nominal debt) is referenced to interest rate hedges, limiting the increase in interest costs.

Free Cash Flow (FCF) for the quarter is positive, although it does not yet totally reflect improved results – a temporary effect of working capital

On track to meet Guidance 2023 and the 2025 objectives

In short, business growth and debt reduction in the first quarter of 2023 once again confirm that the company is on track to meet Guidance 2023 and to achieve the 2025 objectives as set out in the Strategic Plan.

PRISA Group – Financial Results

Positive 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 +27%, in Operating Result (EBIT) of 116% and an increase of 5.6 percentage points in the EBITDA Margin.**

Revenues

Revenues in the first quarter of the year grew compared to the same period in 2022 thanks to operational improvement in both business units. In total, in the period between January and March, revenues reached €267 m, increasing by +26.7% compared to 2022.

Particularly noteworthy was growth in education sales (+33%) with the figure boosted by the excellent performance of the Southern region campaigns, the growth of subscription models and the extraordinary institutional sale in Argentina. Excluding the impact of Argentina in the first quarter, Prisa's revenues grew +22%.

Meanwhile, advertising sales were up by +7%, with increases in both offline and online advertising. Circulation grew slightly in the first quarter by +1%. Lastly, the Group has increased the diversification of additional business lines thanks to the development of audiovisual production through Lacoproductora and the development of digital businesses.

Both Santillana and PRISA Media saw growth in the first quarter: 32% for the Education business and +18% for the Media business.

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

EBITDA

The improvement in revenue has translated into an improvement in EBITDA, which in Q1 reached €67 m. That's growth of 62.8% compared to the same quarter of 2022. EBITDA margin is 25.2%, up by 5.6% compared to the same period in 2022. EBITDA was boosted by the operational improvement of the businesses and the institutional sale in Argentina. Excluding Santillana Argentina, EBITDA was up by +56% compared to Q1 2022.

Severance payments had minimum impact. Thus, EBITDA excluding severance shows growth similar to EBITDA, specifically +57.9% (EBITDA excluding severance was thus up 1.6x compared to the first quarter of 2022).

FX

The exchange rate had a positive effect of €9 m on first quarter revenues, mainly due to the appreciation of the Brazilian Real and the Mexican Peso. There was also a positive effect with regard to the Argentine Peso due to the impact of inflation. The effect on EBITDA was positive by €3.4 m.

Net Result

Net book profit totaled €5.2 m compared to €0.1 m in the first quarter of 2022. The net result was affected by operational improvement, by higher financing costs in the period (i. increase in Euribor, ii. higher financing costs for fair value of the debt after the early repayment of part of the Junior Debt iii. higher adjustments for inflation in Argentina) and higher tax expenses associated with higher results.

Cash generation

In Q1 2023, Cash Generation reached €149 m, of which €128 m derived from the net proceeds from the issuance of convertible bonds. Free Cash Flow reached €38 m compared to €43 m in the same period of 2022, chiefly a temporary effect of working capital (payment pending from the public-sector sale Argentina and advance payments). With regard to the payment of interest, there was an increase of €16.3 m vs. 2022, since last year no interest was paid until April, after the closing of the refinancing deal. Two additional interest rate hedges have been contracted, for a nominal amount of €250 m. The Group thus seeks to limit the risk of interest rates on a total amount of debt of €400 m. Overall, in terms of total cash generation, the Group saw an improvement of €108 m.

Santillana Argentina

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

Net Debt and liquidity

Net Bank Debt stands at €714 m, compared to €856 m in December 2022. The €143 m decrease in bank debt is mainly due to the net funds from convertible bonds (€128 m) €110 m of which have been allocated to amortizing Junior Debt.

Taking IFRS 16 liabilities into account, net debt stands at €781 m compared to €926 m in December 2022, representing a 16% decrease. As of March 2023, the Group continues to have a strong liquidity position (€246 m).

PRISA Group – P&L

Reported Results

€ Millions

	JANUARY - MARCH		
	2023	2022	Var.
Operating Revenues	266.9	210.6	+26.7%
Reported EBITDA	67.2	41.3	+62.8%
<i>EBITDA Margin</i>	25.2%	19.6%	+28.4%
EBITDA ex severance expenses	69.1	43.8	+57.9%
<i>EBITDA ex severance expenses Margin</i>	25.9%	20.8%	+24.6%
Reported Operating Result (EBIT)	51.4	23.8	+115.7%
<i>EBIT Margin</i>	19.2%	11.3%	+70.2%
Financial Result	-32.2	-15.5	-108.2%
Interests on debt	-22.1	-16.2	-36.3%
Other financial results	-10.1	0.8	---
Result from associates	0.0	-0.1	---
Profit before tax	19.1	8.2	+131.9%
Income tax expense	14.1	9.0	+57.3%
Minority interest	-0.2	-0.8	+72.0%
Net Profit	5.2	0.1	---

Results at constant currency

€ Millions

	JANUARY - MARCH		
	2023	2022	Var.
Operating Revenues	257.8	210.6	+22.4%
EBITDA	63.8	41.3	+54.6%
<i>EBITDA Margin</i>	24.8%	19.6%	+26.3%
EBITDA ex severance expenses	65.7	43.8	+50.2%
Reported Operating Result (EBIT)	48.7	23.8	+104.6%
<i>EBIT Margin</i>	18.9%	11.3%	+67.1%

PRISA Group – Cash Flow Statement

Cash Flow Statement

€ Millions	JANUARY - MARCH			
	2023	2022	Abs.	%
Reported EBITDA	67.2	41.3	+25.9	+62.8%
Severance expenses	1.9	2.5	-0.6	-22.6%
EBITDA ex severance expenses	69.1	43.8	+25.4	+57.9%
Working capital	-6.9	28.4	-35.3	---
Severance payments	-3.7	-8.8	+5.1	+57.7%
Taxes paid	-5.3	-6.4	+1.2	+18.3%
Capex	-9.4	-7.8	-1.6	-20.7%
Other	0.4	-0.2	+0.6	---
CF BEFORE FINANCING ACTIVITIES	44.2	48.9	-4.7	-9.5%
Interest paid	-17.7	-1.4	-16.3	---
Dividends	2.0	-0.5	+2.6	---
Other CF from financing activities	-5.7	-5.9	+0.3	+4.5%
IFRS 16	-6.4	-5.5	-0.9	-15.8%
Other	0.7	-0.4	+1.1	---
CF FROM FINANCING ACTIVITIES	-21.3	-7.8	-13.5	-172.4%
FREE CASH FLOW (FCF)	37.9	43.4	-5.5	-12.7%
CASH FLOW BEFORE DIVESTMENTS	22.9	41.1	-18.1	-44.2%
Divestments	1.8	0.3	+1.5	+461.2%
CASH FLOW BEFORE OPERATIONS	24.7	41.4	-16.7	-40.3%
Operations	124.2	-0.6	+124.8	---
Convertible notes	127.8	0.0	+127.8	---
Other	-3.7	-0.6	-3.1	-506.9%
CASH FLOW	148.9	40.8	+108.1	+265.1%

FREE CASH FLOW (FCF)

€ Millions	JANUARY - MARCH			
	2023	2022	Abs.	%
CF BEFORE FINANCING ACTIVITIES	44.2	48.9	-4.7	-9.5%
IFRS 16	-6.4	-5.5	-0.9	-15.8%
FREE CASH FLOW (FCF)	37.9	43.4	-5.5	-12.7%

PRISA Group – Financial Net Debt

TOTAL FINANCIAL NET DEBT

€ Millions

	Mar 2023	Dec 2022	Var. 23/22 Abs.	%
Bank Debt	909.5	1,011.7	-102.2	-10.1%
Non-current Bank debt	880.5	980.8	-100.3	-10.2%
Current Bank debt	28.9	30.8	-1.9	-6.1%
Convertible notes liability	4.0	0.0	+4.0	---
Short term financial investments	-1.5	-1.5	+0.0	+3.0%
Cash&cash equivalents	-227.0	-189.5	-37.5	-19.8%
Present value	28.6	35.8	-7.2	-20.1%
NET BANK DEBT	713.5	856.4	-142.9	-16.7%
IFRS 16 liabilities	67.0	69.2	-2.2	-3.1%
NET BANK DEBT WITH IFRS 16	780.5	925.6	-145.1	-15.7%

TOTAL BANK DEBT BY BUS (including inteco)

€ Millions

	Mar 2023	Dec 2022	Var. 23/22 Abs.	%
Prisa Holding & Other	727.2	828.1	-100.9	-12.2%
Financial debt (bank&coupon)	916.3	1,019.6	-103.3	-10.1%
Cash, short term financial invest.&interco Debt	-189.1	-191.5	+2.4	+1.3%
Santillana	-113.4	-101.2	-12.2	-12.1%
Media	99.7	129.6	-29.9	-23.0%
NET BANK DEBT	713.5	856.4	-142.9	-16.7%

Cash Flow breakdown

€ Millions

INITIAL CASH POSITION DEC'22	189.5
Cash Flow ex FX in cash	148.9
FX in cash	1.4
Debt increase/amortization	-112.8
FINAL CASH POSITION MAR'23	227.0

Financial Net Debt evolution (€m)



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

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

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

Grupo PRISA – Balance Sheet

	ASSETS	
€ Millions	Mar 2023	Dec 2022
FIXED ASSETS	435.6	425.9
Property, plant & equipment	101.9	103.3
Goodwill	120.2	117.2
Intangible assets	105.4	104.9
Long term financial investments	16.2	12.4
Investment in associates	32.7	33.1
Deferred tax assets	59.2	55.0
Other fixed assets	0.0	0.0
CURRENT ASSETS	587.3	556.7
Inventories	66.2	74.7
Accounts receivable	291.8	290.2
Short term financial investments	1.5	1.5
Cash&cash equivalents	227.0	189.5
Assets held for sale	0.8	0.8
TOTAL ASSETS	1,022.8	982.7

	LIABILITIES	
€ Millions	Mar 2023	Dec 2022
SHAREHOLDERS EQUITY	-392.2	-532.2
Issued capital	74.1	74.1
Reserves	-485.3	-607.4
Income attributable to the parent company	5.2	-12.9
Minority interest	13.8	14.1
NON CURRENT LIABILITIES	975.0	1,073.3
Long term financial debt	880.5	980.8
Other long term financial debt	56.7	53.9
Deferred tax liabilities	19.3	19.9
Provisions	15.2	15.3
Other non current liabilities	3.4	3.4
CURRENT LIABILITIES	440.0	441.5
Short term financial debt	28.9	30.8
Other current financial liabilities	31.9	32.8
Trade accounts payable	235.5	254.8
Other short term liabilities	93.9	81.1
Accrual accounts	49.4	41.5
Liabilities held for sale	0.4	0.4
TOTAL LIABILITIES	1,022.8	982.7

PRISA Media

PRISA Media is the largest Spanish-language Media and Entertainment group, at the forefront of digital transformation and 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 has seen significant growth since the start of 2023, easily outperforming the results from the same quarter of 2022. First quarter revenues reached €98 million compared to €83 m in 2022, representing an increase of +18.2%. PRISA Media has continued to perform well quarter by quarter. Advertising, revenues have grown by 7.3% to reach €67 m. Online advertising has grown by +7.0% and offline advertising by +7.4%, improving on the already positive trend of 2022. Circulation revenues grew by +1.4%, mainly due to revenues from digital subscriptions to EL PAÍS, which grew by 35.9% and offset the fall 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 more than 145% (+€10.3m) due 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 Q1 reported EBITDA was €1.9m compared to -€1.8 m in 2022. This represents an improvement of €3.7 m, thanks mainly to improving advertising. EBITDA excluding severance payments reached €2.9 m compared to €0 m in 2022.

In the first quarter, the exchange rate had little impact on PRISA Media's revenues and reported EBITDA. The total impact was -€1m on revenues and +€0.3m on EBITDA.

Advertising

Advertising is the main source of income for PRISA Media, accounting for 68% of revenues. Net advertising revenue rose to €67 m in the quarter compared to €62 m in 2022, an increase of +7.3%.

Since 2022, advertising has been affected by the global macroeconomic situation that has created uncertainty and an unsettled landscape for business. Nevertheless, in the first quarter of 2023 PRISA Media has reported growth both in digital and offline.

Net revenue from online advertising has registered growth of +7.0% in contrast to the slight drop seen in 2022. Offline advertising has also seen a similar boost, specifically, +7.4%, thanks chiefly to the strong performance of Radio in Spain.

Despite the positive performance of advertising during the first quarter, the outlook remains unsettled for the 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 March 2023, circulation revenues reached €13 m, an increase of +1.4% compared to 2022. What's more, the growth in revenue from EL PAÍS digital subscriptions (+35.9%) easily offsets the fall in sales of offline newspapers (-9.3%).

EL PAÍS has reached a total of 287,036 subscribers, of whom 248,908 are exclusively digital. In the first quarter of 2023, the subscription model clocked up more than 21,527 additional net registrations, thereby maintaining the steady rate of acquisition and retention of subscribers seen in previous quarters. Total subscribers are up +46% year-on-year while the figure for digital exclusives is up +60%.

Other income

Other revenues have contributed €17 m, an increase of +145.9% over the same period of 2022 (+€10.3 m).

PRISA Media

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

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 drive further digital transformation.

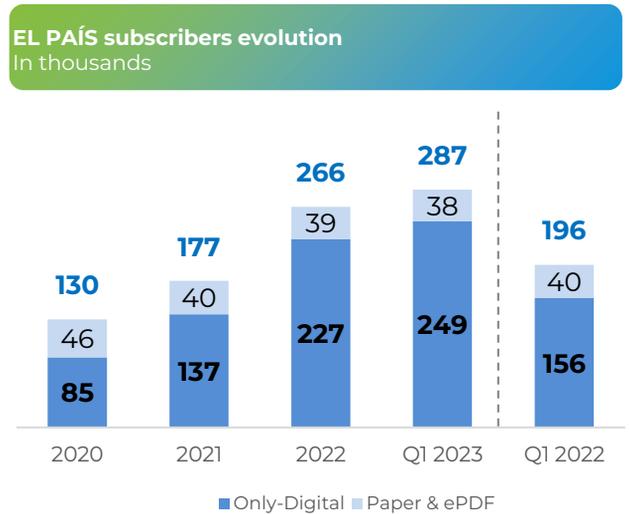
Meanwhile, the acquisition of Lacoproductora in the second quarter of 2022 offers an additional revenue stream for Prisa Media via audiovisual production. Lacoproductora is fully integrated into PRISA Media's Video structure. It creates and develops new formats and is active in marketing and production 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 287,036 subscribers in the first quarter of 2023, an increase of +46%. The number of exclusively digital subscribers, who total 248,908, has grown by +60% compared to the first quarter of 2022.



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 quarter of 2023 confirming the positive trend. As of March 2023, the number of average monthly audio downloads totaled 50 million, an increase of +9.6% and total listening hours reached a monthly average of 89 million, an increase of +14.9% compared to the first quarter of 2022.

PRISA Media – P&L

Reported Results

€ Millions

JANUARY - MARCH

	2023	2022	Var.
Operating Revenues	97.6	82.5	+18.2%
Net Advertising	66.8	62.2	+7.3%
Offline	51.0	47.5	+7.4%
Online	15.7	14.7	+7.0%
Circulation	13.4	13.2	+1.4%
Offline	9.2	10.1	-9.3%
Online	4.2	3.1	+35.9%
Others ⁽¹⁾	17.4	7.1	+145.9%
Reported Expenses	95.7	84.4	+13.4%
Variable	23.9	13.3	+80.1%
Fixed	71.8	71.1	+1.0%
Reported EBITDA	1.9	-1.8	---
<i>EBITDA Margin</i>	<i>2.0%</i>	<i>-2.2%</i>	<i>---</i>
EBITDA ex severance expenses	2.9	0.0	---
<i>EBITDA ex severance expenses Margin</i>	<i>2.9%</i>	<i>0.0%</i>	<i>---</i>
Reported Operating Result (EBIT)	-4.2	-8.9	+52.7%
<i>EBIT Margin</i>	<i>-4.3%</i>	<i>-10.8%</i>	<i>+60.0%</i>

PRISA Media – Financial & Digital KPIs

JANUARY - MARCH

	2023	2022	Var.
Digital Revenues (€ Millions)	24.7	19.3	+28.3%
Non Digital Revenues (€ Millions)	72.9	63.3	+15.2%
Digital Revenues Mix (%)	25.3%	23.4%	+2p.p.
Expenses ex.severance expenses (€ Millions)	94.7	82.6	+14.7%
EBITDA ex.severance expenses (€ Millions)	2.9	0.0	---
Monthly average Unique Browsers (m)	245.9	241.4	+1.9%
Monthly average TLH⁽²⁾ (m)	88.9	77.4	+14.9%
Monthly average Audio Downloads (m)	50.3	45.9	+9.6%
EL PAÍS Only-digital subscribers (k)	248.9	155.9	+59.6%
EL PAÍS Total subscribers (k)	287.0	196.2	+46.3%

(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-Sector 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-Sector Market, which accounts for 30% of Santillana's annual sales, derived, chiefly, from public sales in Brazil and Mexico, above all.

Financial Results

Santillana's Q1 revenues grew by 32.2% compared to the same period in 2022 to reach €170 m. Santillana continues to demonstrate the strength of its businesses with sustainable revenue growth. The 2023 Southern region campaign performed positively with growth in all countries and businesses.

Notable in the first quarter was the extraordinary institutional sale in Argentina, which contributed €19.4 m to private textbook sales in 2023, which is €9.9 m more than in 2022.

Santillana's reported EBITDA reached €67 m in the quarter, an increase of €22 m compared to the same period of 2022. In percentage terms, reported EBITDA growth is 50.1% in euros and 43.3% in local currency. Excluding severance costs, EBITDA was 49.9% higher in euros (43.1% in local currency). Excluding the boost for Santillana Argentina, reported EBITDA is up by +29%.

During the first quarter, the private education business has reported extraordinary results in the Southern region campaign (which reports during this period), thanks to the extraordinary institutional sale in Argentina, as mentioned above, and the robust growth of the subscription models, which confirms the success of the strategy to accelerate transformation. Indeed, private business has grown by 25.9% in the first quarter. Excluding the effect of the extraordinary sale in Argentina, growth was 18.7%.

Meanwhile, the public market also reported higher sales during the first quarter and were up 84.8% compared to 2022. 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 public sale in Chile in 2022, both delayed from 2022 till 2023. The true performance of the public business will become apparent in the second half of the year.

Due to the seasonality of the business, the second quarter is not expected to be especially significant. The Southern region 2023 campaign will have ended while the Northern region campaign will be just getting underway, the impact of which will become apparent in the third quarter of the year.

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, conversion to cash will also be subject to the evolution of exchange rates.

Private sales

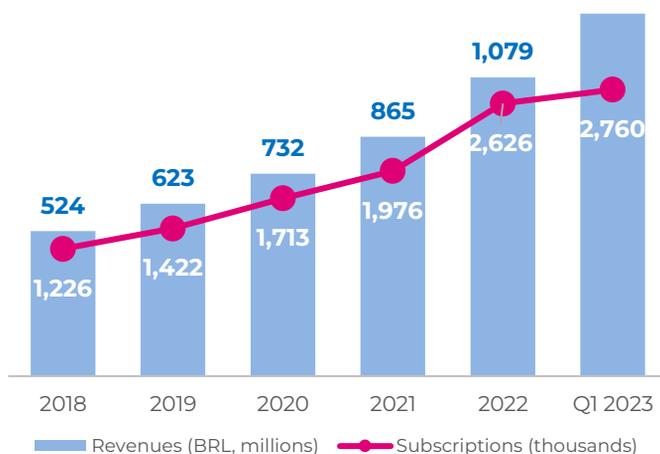
Subscription models

Subscription models are Santillana's chief source of revenue, and these continue to transform the student learning process. There were 2,760,000 subscriptions in the first quarter, an increase of 11.3% compared to the same period in 2022. Revenues grew by 18.3% in the quarter, an increase of +15.7% in constant currency.

Subscriptions to learning systems show growth in all system models. Flexible systems grew 10.5% in terms of the number of subscriptions compared to the first quarter of 2022, Comprehensive systems were up by 3.9% and Supplemental systems (including English) by 18.5%. By country, in Brazil subscriptions grew by 3.8%, in Mexico by 29.8%, in Colombia by 2.7%, in Chile by +43.3% and in the rest of the countries by 14.7%.

Subscriptions revenues and subscribers evolution

BRL millions & thousands of subscribers



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.

Didactic model

First quarter 2023 sales for the private didactic business (traditional textbook model) in Latin America amounted to €68 m, an increase of 35.3%, or 19.3% in local 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 quarter of 2022, mainly due to the extraordinary institutional sale in Argentina and strong performance in Brazil, Southern Central America and Argentina. Southern region didactic sales campaigns are now practically closed and have shown a positive evolution. Excluding the effect of the extraordinary sale in Argentina, didactic sales growth continues to be significant (+19.3%).

Public Market Sales

Public sales amounted to €28 m, a significant increase over the figure for 2022 of €15 m. Santillana's Q1 performance in the public market includes €3.6 m from the PNLD sale in Brazil that was delayed from 2022 to January 2023 and the reprints of public sale from Chile that were delayed from December 2022 to 2023 for a total of €4.3 m.

Santillana – Revenue Breakdown

Revenues by business

€ Millions

JANUARY - MARCH

	2023	2022	Var.
Education sales	169.1	127.3	+32.9%
Private	141.2	112.2	+25.9%
Subscription	73.5	62.1	+18.3%
Traditional	67.7	50.1	+35.3%
Public	27.9	15.1	+84.8%
Other revenues	0.5	1.1	-50.9%
Operating Revenues	169.6	128.4	+32.2%

Revenues by business on constant currency

€ Millions

JANUARY - MARCH

	2023	2022	Var.
Education sales	159.0	127.3	+24.9%
Private	131.6	112.2	+17.3%
Subscription	71.9	62.1	+15.7%
Traditional	59.7	50.1	+19.3%
Public	27.4	15.1	+81.4%
Other revenues	0.5	1.1	-52.8%
Operating Revenues	159.5	128.4	+24.2%

Santillana – Digital KPIs

JANUARY - MARCH

	2023	2022	Var.
Ed-Tech Subscriptions (k)	2,760	2,480	+11.3%
Campaign revenues* (€m)	119.9	98.0	+22.4%
Subscription sales / Private sales	52%	55%	-6.0%

* Campaign revenues from the South campaigns occur between Q4 of the previous year and Q1, Q2 and Q3 of the current year. For the North campaign, campaign revenues are in line with the fiscal year.

Santillana – P&L

Reported Results

€ Millions

	JANUARY - MARCH		
	2023	2022	Var.
Operating Revenues	169.6	128.4	+32.2%
Reported Expenses	102.8	83.8	+22.6%
Reported EBITDA	66.9	44.5	+50.1%
<i>EBITDA Margin</i>	39.4%	34.7%	+13.6%
EBITDA ex severance expenses	67.8	45.2	+49.9%
<i>EBITDA ex severance expenses Margin</i>	40.0%	35.2%	+13.4%
Reported Operating Result (EBIT)	57.3	34.3	+66.7%
<i>EBIT Margin</i>	33.7%	26.7%	+26.2%

Results at constant currency

€ Millions

	JANUARY - MARCH		
	2023	2022	Var.
Operating Revenues	159.5	128.4	+24.2%
Reported Expenses	95.7	83.8	+14.1%
Reported EBITDA	63.8	44.5	+43.3%
<i>EBITDA Margin</i>	40.0%	34.7%	+15.3%
EBITDA ex severance expenses	64.7	45.2	+43.1%
<i>EBITDA ex severance expenses Margin</i>	40.6%	35.2%	+15.2%
Reported Operating Result (EBIT)	55.1	34.3	+60.3%
<i>EBIT Margin</i>	34.5%	26.7%	+29.0%



ESG⁽¹⁾

PRISA Group continues its robust commitment to sustainability, contributing to the development of people and the progress of society in the countries in which it operates.

Q1 2023 ESG HIGHLIGHTS

E

- LOS40 has launched the first **ECO TALK of 2023** focused on the fight against pollution
- PRISA has collaborated with the **WWF campaign "Earth Hour"**, demonstrating its commitment to the environment

S

- PRISA has joined the **Social Impact Cluster and Jobs 2030** initiatives launched by Forética
- Santillana has launched the **"#8MConectadas"** campaign focused on the use of technology and education as a way of empowering women

G

- **42.86%** presence of women on the Board after the incorporation of the Group's CFO as executive director in February 2023

Participant of the UN Global Compact and member of the following ESG indices:



⁽¹⁾ ESG: Environmental, Social & Governance

Guidance

PRISA GROUP

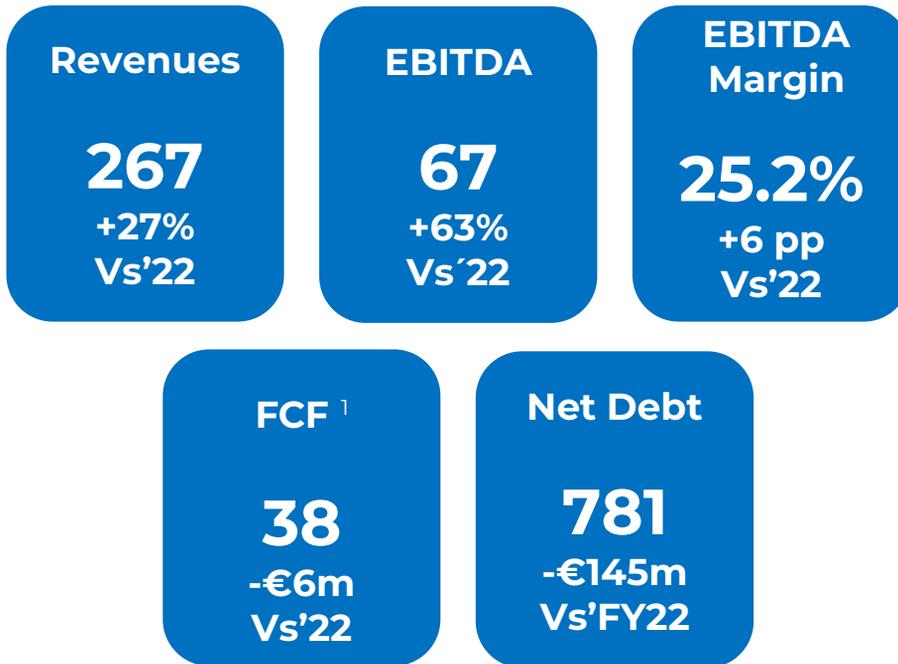
	<u>Guidance</u> <u>2023</u>	<u>Guidance</u> <u>2025</u>
Revenues	> €900m	> €1,000m
Adjusted EBITDA margin	17-18%	22-25%
Free Cash Flow ^(*)	> €40m	> €100m

Guidance for 2025 provided during the March 2022 Capital Markets Day of PRISA. March 2022.

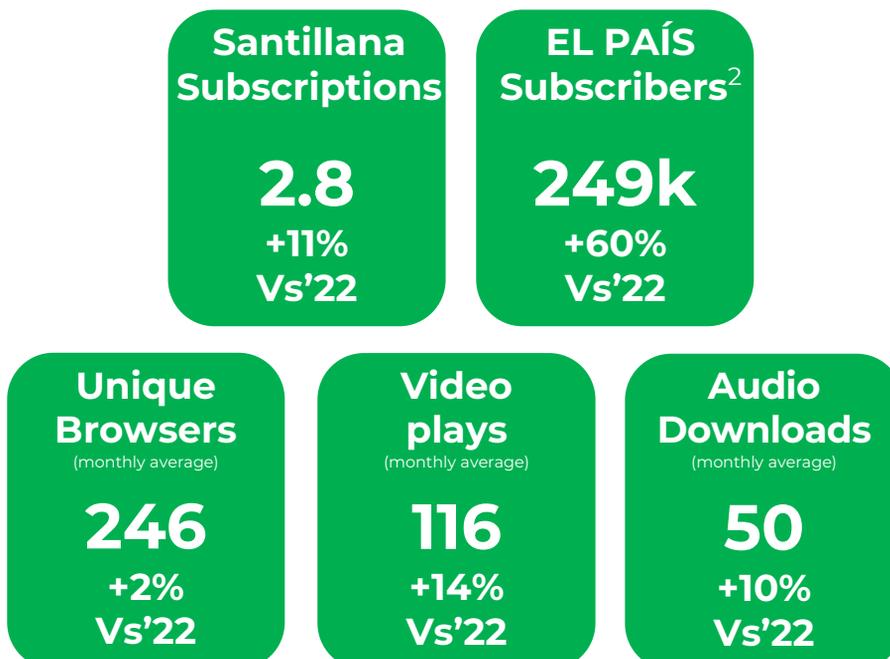
(*) Free Cash Flow = Cash Flow before financing – Leases payments (IFRS16)

PRISA GROUP – MAIN KPIs

FINANCIAL (€ Millions)



DIGITAL (m)



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

2) Digital-only subscribers

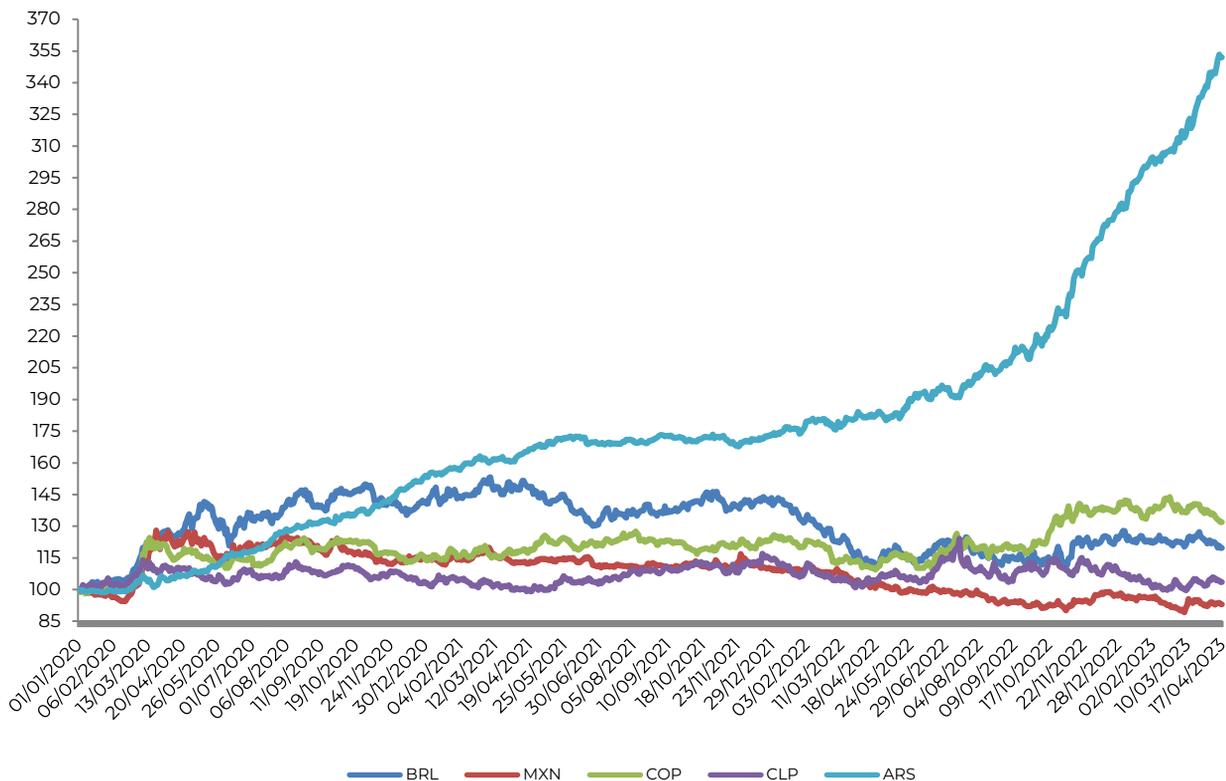
Appendix



1. FX Evolution	20
2. Revenue and EBITDA breakdown	21
3. Alternative Performance Measures	23

FX Evolution

The FX impact on the Group's revenues and EBITDA in the first quarter of 2023 was positive. **The impact was +€9m in revenues and +€3.4m 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

Source: Bloomberg

Breakdown of operating revenue and EBITDA by B.U.

€ Millions	JANUARY - MARCH		
	2023	2022	Var.
Operating Revenues	266.9	210.6	+26.7%
Education	169.6	128.4	+32.2%
Media	97.6	82.5	+18.2%
Radio	51.9	48.4	+7.3%
Press	34.6	34.2	+1.2%
Other ⁽¹⁾	11.1	0.0	---
Prisa Holding & Other	-0.3	-0.3	-1.4%
EBITDA	67.2	41.3	+62.8%
Education	66.9	44.5	+50.1%
Media	1.9	-1.8	---
Radio	4.0	1.0	+281.0%
Press	-3.1	-2.6	-21.4%
Other ⁽¹⁾	1.1	-0.3	---
Prisa Holding & Other	-1.6	-1.4	-8.9%
EBITDA ex severance expenses	69.1	43.8	+57.9%
Education	67.8	45.2	+49.9%
Media	2.9	0.0	---
Radio	4.2	2.4	+74.1%
Press	-2.8	-2.5	-9.3%
Other ⁽¹⁾	1.5	0.1	---
Prisa Holding & Other	-1.5	-1.4	-7.1%

(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 - MARCH		
	2023	2022	Var.
Operating Revenues on constant currency	257.8	210.6	+22.4%
Education	159.5	128.4	+24.2%
Media	98.6	82.5	+19.5%
Radio	53.1	48.4	+9.7%
Press	34.6	34.2	+1.2%
Other ⁽¹⁾	11.0	0.0	---
Prisa Holding & Other	-0.3	-0.3	-1.4%
EBITDA on constant currency	63.8	41.3	+54.6%
Education	63.8	44.5	+43.3%
Media	1.6	-1.8	---
Radio	3.6	1.0	+248.2%
Press	-3.2	-2.6	-21.8%
Other ⁽¹⁾	1.1	-0.3	---
Prisa Holding & Other	-1.6	-1.4	-8.9%
EBITDA ex sev. expenses on constant ccy	65.7	43.8	+50.2%
Education	64.7	45.2	+43.1%
Media	2.5	0.0	---
Radio	3.8	2.4	+59.9%
Press	-2.8	-2.5	-9.7%
Other ⁽¹⁾	1.5	0.1	---
Prisa Holding & Other	-1.5	-1.4	-7.1%

(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 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 Q1 2023
OPERATING RESULT (EBIT)	57.3	-4.2	-1.7	51.4
Depreciation&amortization charge	9.5	6.2	0.1	15.8
Impairment of assets	0.1	-0.1	0.0	0.1
EBITDA	66.9	1.9	-1.6	67.2

€ Millions	EDUCATION	MEDIA	OTHER	PRISA GROUP Q1 2022
OPERATING RESULT (EBIT)	34.3	-8.9	-1.6	23.8
Depreciation&amortization charge	10.3	6.9	0.2	17.4
Impairment of assets	-0.1	0.2	0.0	0.1
EBITDA	44.5	-1.8	-1.4	41.3

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 Q1 2023
EBITDA	66.9	1.9	-1.6	67.2
Severance expenses	0.9	0.9	0.0	1.9
EBITDA ex severance expenses	67.8	2.9	-1.5	69.1

€ Millions	EDUCATION	MEDIA	OTHER	PRISA GROUP Q1 2022
EBITDA	44.5	-1.8	-1.4	41.3
Severance expenses	0.7	1.8	0.0	2.5
EBITDA ex severance expenses	45.2	0.0	-1.4	43.8

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 - MAR 2023	FX effect	JAN-MAR 23 ex FX	JAN - MAR 2022	Var.Abs. ex FX	Var.(%) ex FX
EDUCATION						
Revenues	169.6	10.2	159.5	128.4	31.1	24.2%
Education sales	169.1	10.1	159.0	127.3	31.7	24.9%
EBITDA	66.9	3.1	63.8	44.5	19.3	43.3%
MEDIA						
Revenues	97.6	-1.0	98.6	82.5	16.1	19.5%
EBITDA	1.9	0.3	1.6	-1.8	3.4	---
PRISA GROUP						
Revenues	266.9	9.1	257.8	210.6	47.2	22.4%
Education sales	169.1	10.1	159.0	127.3	31.7	24.9%
EBITDA	67.2	3.4	63.8	41.3	22.5	54.6%

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, diminished by current financial assets, cash and cash equivalents and is important for the analysis of the Group's financial position. For further information, **please refer to page 7 of this report**

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, excluding extraordinary items.



Investor Relations

+34 91 330 1085

ir@prisa.com

www.prisa.com