



# First Nine Months 2019 Results

Grupo Média Capital, SGPS, S.A.

GRUPO MÉDIA CAPITAL SGPS, SA  
Sociedade Aberta  
Sede: Rua Mário Castelhana, n.º 40, Barcarena, Oeiras  
Matriculada na Conservatória do Registo Comercial de Cascais sob o n.º 17831 (Oeiras)  
Pessoa Coletiva n.º 502 816 481 | Capital Social: 89.583.970,80 euros

## FIRST NINE MONTHS 2019 RESULTS

Media Capital increases advertising revenues in radio and digital, while reducing net debt

- In **advertising** revenues, we highlight the Radio & Entertainment segment, as advertising jumped 9%, whereas in the Others segment (which includes Digital), the YoY variation was +14%. Nonetheless, consolidated advertising revenues posted a reduction of 7% YoY to € 78,7 million, due to the TV segment.
- The audience performance of Media Capital's **radios** continues to stand out, with this year's average audience reach being 27.2%, with the second of the four readings taken so far this year being the highest ever for any radio group in Portugal since 2003. Regarding radio formats, Rádio Comercial registered this year the highest number of listeners ever, while M80 had its highest audience share ever in one of the readings. Finally, Cidade FM, targeted for youngsters, had a remarkable recovery this year.
- In **Digital**, and comparing with 2018 data, the number of visits and page views increased by 51% and 50%, respectively. Advertising revenues were also on the upside (+14%).
- In the **TV** segment, and following the market decrease, **advertising** was down 11% YoY. Adjusted EBITDA was € 4.0 million. The opex adjusted for restructuring charges increased by 6%, chiefly due to the spending in contents, with the aim of recovering leadership (especially in prime time). The effort put into costs was more predominant in the first quarter, as in the second and in the third ones, the adjusted opex increase was milder (+3% and +3%, respectively).
- **Media Capital's adjusted EBITDA** was € 12.7 million, decreasing 49% YoY. The adjusted EBITDA margin went from 19.9% to 10.8%.
- **Net financial debt** decreased by € 9.0 million vs the end of 2018, assuming FY 2018 figures adjusted for IFRS 16. At the end of September, net financial debt stood at € 83.9 million.

**Introductory notes:**

1) As informed to the market on the 20<sup>th</sup> of September 2019, Promotora de Informaciones, S.A. (Prisa) celebrated an agreement with Cofina, SGPS, S.A. (Cofina), encompassing the sale of 100% of the share capital and voting rights of Vertix, SGPS, S.A., which owns 94,69% of the share capital and voting rights of Grupo Media Capital SGPS, S.A.. Such operation is subject to certain conditions, including the non-opposition by the Competition Authority and the approval of other competent regulatory entities. With the celebration of the aforementioned agreement, on the 21<sup>st</sup> of September, Cofina published a preliminary announcement of a general public offer for the acquisition of all the share capital of Grupo Media Capital SGPS, S.A..

2) Considering the voluntary audit performed to Grupo Média Capital SGPS, S.A.'s consolidated financial statements at 30 June 2019, the Company's auditor identified several inaccuracies relative to, among other, errors in cut-off at the aforementioned date, related with operating revenues and operating expenses, with the consolidated net profit at 30 June 2019 being overstated in approximately 3,200,000 Euros. It was also identified several payments made to third parties in the amount of approximately 1,600,000 Euros, recognized in the wrong period. Consequently, at 30 June 2019, net assets and liabilities were understated in approximately 300,000 Euros and 3,500,000 Euros, respectively. As a consequence, The Company's Board of Directors approved the third quarter regulatory filings, having considered in the consolidated financial statements the effects identified by the Company's auditor that were applicable at 30 September 2019.

3) On the date of the approval of the third quarter consolidated financial accounts there are claims by two advertising and media agencies concerning operating revenues that are pending payment in a total amount not exceeding 3,274,539 Euros. Such claims were communicated to the Company after the 21<sup>st</sup> of September 2019, date on which Promotora de Informaciones, S.A. (Prisa) agreed to sell to Cofina, SGPS, S.A. (Cofina) its total ownership of Grupo Média Capital, SGPS, S.A. (held through Vertix, SGPS, S.A.), representing 94,69% of its share capital. The analysis made as a result of such claims showed that the inexistence of formal documentation between TVI and the aforementioned two agencies that reflect the claimed amounts. At the present date, the Company is having conversations with these entities without having, at the present date, reached any conclusions about the possible impact that such claims may have on the consolidated financial statements at 30 September 2019.

4) Since a large portion of the activities carried out by the companies in the entertainment business (mostly related to events) is managed in tandem with the Group's radio business, Media Capital opted to include these activities in one single operating and reportable segment, now denominated "Radio & Entertainment". For comparability purposes, the maps below are pro-forma, i.e., 2018 figures reflect the adoption of the new segment for 2018 data.

Queluz de Baixo, 23<sup>rd</sup> December 2019

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## 1. Consolidated P&L

€ thousand	9M 2019	9M 2018 PF	% Var	Q3 2019	Q3 2018 PF	% Var
<b>Total operating revenue</b>	<b>118,257</b>	<b>126,003</b>	<b>(6%)</b>	<b>31,875</b>	<b>39,127</b>	<b>(19%)</b>
Television	94,276	103,852	(9%)	24,007	32,484	(26%)
Audiovisual Production	25,449	23,352	9%	10,181	7,638	33%
Radio & Entertainment	17,017	14,273	19%	4,916	4,425	11%
Others	12,103	11,581	5%	4,094	3,862	6%
Consolidation Adjustments	(30,586)	(27,055)	(13%)	(11,324)	(9,282)	(22%)
<b>Total Operating Expenses ex-D&amp;A</b>	<b>106,948</b>	<b>101,512</b>	<b>5%</b>	<b>34,806</b>	<b>34,063</b>	<b>2%</b>
Restructuring Costs	1,419	558	154%	733	205	258%
<b>Total Opex ex-D&amp;A and Restructuring Costs</b>	<b>105,528</b>	<b>100,954</b>	<b>5%</b>	<b>34,072</b>	<b>33,858</b>	<b>1%</b>
<b>EBITDA</b>	<b>11,310</b>	<b>24,490</b>	<b>(54%)</b>	<b>(2,931)</b>	<b>5,063</b>	<b>n.a.</b>
<b>EBITDA Margin</b>	<b>9.6%</b>	<b>19.4%</b>	<b>(9.9pp)</b>	<b>(9.2%)</b>	<b>12.9%</b>	<b>(22.1pp)</b>
<b>EBITDA ex-Restructuring Costs</b>	<b>12,729</b>	<b>25,048</b>	<b>(49%)</b>	<b>(2,198)</b>	<b>5,268</b>	<b>n.a.</b>
<b>EBITDA Margin ex-Restructuring Costs</b>	<b>10.8%</b>	<b>19.9%</b>	<b>(9.1pp)</b>	<b>(6.9%)</b>	<b>13.5%</b>	<b>(20.4pp)</b>
Television	3,991	18,997	(79%)	(5,158)	4,053	n.a.
Audiovisual Production	(478)	458	n.a.	658	163	303%
Radio & Entertainment	7,559	4,726	60%	1,756	1,228	43%
Others	1,163	177	559%	356	(75)	n.a.
Consolidation Adjustments	494	691	(28%)	190	(101)	n.a.
Depreciation and Amortisation	6,997	4,950	41%	2,599	1,921	35%
<b>Operating Income (EBIT)</b>	<b>4,313</b>	<b>19,541</b>	<b>(78%)</b>	<b>(5,530)</b>	<b>3,142</b>	<b>n.a.</b>
Financing Results	(1,701)	(2,343)	27%	(318)	(727)	56%
<b>Profit / (Loss) Before Inc. Tax and No Contrl. Int.</b>	<b>2,611</b>	<b>17,198</b>	<b>(85%)</b>	<b>(5,848)</b>	<b>2,415</b>	<b>n.a.</b>
Income Taxes	(1,427)	(5,117)	72%	1,143	(825)	n.a.
<b>Profit / (Loss) from Continued Operations</b>	<b>1,185</b>	<b>12,081</b>	<b>(90%)</b>	<b>(4,705)</b>	<b>1,589</b>	<b>n.a.</b>
<b>Net Profit / (Loss) for the Period</b>	<b>1,185</b>	<b>12,081</b>	<b>(90%)</b>	<b>(4,705)</b>	<b>1,589</b>	<b>n.a.</b>

In the first nine months of 2019 **operating revenues** were down 6%, reaching € 118.3 million (€ 126.0 million in 2018), with the Q3 YoY variation being -19%. **Adjusted Opex** (excluding D&A and restructuring costs) increased by 5%, going from € 101.0 million to € 105.5 million. In Q3, adjusted opex was up 1%.

Excluding restructuring costs, **EBITDA** was € 12.7 million, which compares with € 25.0 million in the comparable period of last year. The adjusted EBITDA margin went from 19.9% to 10.8%. In the third quarter, adjusted EBITDA was down, from € 5.3 million to € -2.2 million, with the margin changing from 13.5% to -6.9%.

EBIT was € 4.3 million, comparing with € 19.5 million in 9M 2018.

The introduction of IFRS 16 is related with the accounting treatment of contracts that qualify as

leases and eliminates the distinction between financing and operating leases, thus leading to the booking of leases with a term of more than twelve months as right-of-use assets in the balance sheet and to the booking of the expenses as depreciations and amortisations as well as in financial results in the P&L as of 1 January 2019. It led to an immaterial impact on consolidated accounts at the EBIT level. 2018 figures were not re-expressed to simulate to impacts on IFRS 16 on last year's numbers.

**Net financial results** improved 27% to € -1.7 million, benefiting from lower interest costs.

**Net profit** was € 1.2 million, comparing with € 12.1 million in 2018. The decrease was mostly due to the worse operating performance. In Q3, net profit went from € 1.6 million to € -4.7 million.



€ thousand	9M 2019	9M 2018 PF	% Var	Q3 2019	Q3 2018 PF	% Var
<b>Operating revenue</b>	<b>118,257</b>	<b>126,003</b>	<b>(6%)</b>	<b>31,875</b>	<b>39,127</b>	<b>(19%)</b>
Advertising	78,709	84,548	(7%)	19,723	25,948	(24%)
Other revenues	39,549	41,454	(5%)	12,152	13,178	(8%)

In 9M 2019, **advertising revenues** was down 7% (-24% in Q3). In TV, advertising was down 7% (-20% in Q3), whereas in Radio & Entertainment, the increase was +9%, with +7% in Q3. In the Others segment (which includes Digital, as well as the holding and shared services), advertising was up 14% (+23% in Q3).

**Other operating revenues**, which comprise mainly audiovisual production, sale of contents, multimedia and retransmission fees, were down 5%, chiefly because of a decrease in the revenues associated with multimedia. In Q3 the YoY variation was -8%. 2019 figures include € 1.0 million from the sale of tangible fixed assets in the Radio segment, registered in the first quarter.

## 2. Television



€ thousand	9M 2019	9M 2018 PF	% Var	Q3 2019	Q3 2018 PF	% Var
<b>Operating revenue</b>	<b>94,276</b>	<b>103,852</b>	<b>(9%)</b>	<b>24,007</b>	<b>32,484</b>	<b>(26%)</b>
Advertising	61,685	69,075	(11%)	14,351	21,057	(32%)
Other revenues	32,590	34,776	(6%)	9,656	11,427	(15%)
<b>Operating Expenses, ex D&amp;A</b>	<b>90,969</b>	<b>85,055</b>	<b>7%</b>	<b>29,435</b>	<b>28,473</b>	<b>3%</b>
Restructuring Costs	684	199	243%	270	43	529%
<b>Total Opex ex-D&amp;A and Restructuring Costs</b>	<b>90,285</b>	<b>84,855</b>	<b>6%</b>	<b>29,165</b>	<b>28,430</b>	<b>3%</b>
<b>EBITDA</b>	<b>3,307</b>	<b>18,797</b>	<b>(82%)</b>	<b>(5,428)</b>	<b>4,010</b>	<b>n.a.</b>
EBITDA margin	3.5%	18.1%	(14.6pp)	(22.6%)	12.3%	(35.0pp)
<b>EBITDA ex-Restructuring Costs</b>	<b>3,991</b>	<b>18,997</b>	<b>(79%)</b>	<b>(5,158)</b>	<b>4,053</b>	<b>n.a.</b>
EBITDA Margin ex-Restructuring Costs	4.2%	18.3%	(14.1pp)	(21.5%)	12.5%	(34.0pp)
Depreciation and amortisation	3,140	1,893	66%	1,167	656	78%
<b>Operating Income (EBIT)</b>	<b>167</b>	<b>16,904</b>	<b>(99%)</b>	<b>(6,595)</b>	<b>3,354</b>	<b>n.a.</b>

In the first nine months of 2019, and considering TVI's FTA (generalist) channel, TVI24, TVI Ficção and TVI Reality, the aggregate group of channels had an audience share of 18.4% in all day and 21.9% in prime time (20h-24h). In the Adults commercial target the audience shares were 19.1% in all day and 22.5% in prime time.



According to GfK (audience provider), TVI had an all day audience share of 16.1% in the Universe target (all individuals).

In the main commercial target – Adults - TVI had an all day share of 16.7%.

As for prime time and for the Universe target, TVI had a share of 20.0%. TVI led in this time slot and target from 2001 to July 2019.

Regarding the prime time for the Adults target, TVI had a share of 20.5%.

During this period, TVI based its programming on local drama (fiction), entertainment, news and sports.

In **fiction**, the *novela* “Valor da Vida” stood out as the most watched *novela*, with an average audience of 1 million and 89 thousand viewers, corresponding to a share of 24.0%. Meanwhile, “A

All Day (%)	UNIVERSE	ADULTS
<b>TVI Group</b>	<b>18.4</b>	<b>19.1</b>
SIC Group	22.5	23.4
RTP Group	16.5	17.3
Prime Time (%)	UNIVERSE	ADULTS
<b>TVI Group</b>	<b>21.9</b>	<b>22.5</b>
SIC Group	24.1	24.8
RTP Group	16.8	17.5

Teia” also led in its time slot, with an average audience of 787 thousand viewers and a share of 23.5%. The *novelas* “Amar Depois de Amar”, “Prisioneira” and “Na Corda Bamba” were also premiered during 2019.

In **entertainment**, “Dança com as Estrelas”, led on Sunday nights, with an average audience of 1 million and 166 thousand viewers and a share of 27.3%. The show “Começar do Zero” had a share of 18.6% and more than 750 thousand viewers. Still on Sunday nights, “A Tua Cara Não Me É Estranha” had more than 700 thousand viewers and a share of 19.4%. “Masterchef” was aired as of September, with an audience of nearly 600 thousand viewers.

In **news**, “Jornal das 8” had approximately 900 thousand viewers and a share of 19.2%. It is also worthwhile to highlight the program attached to the “Jornal das 8”, broadcasted on Sunday nights, “Gente Que Não Sabe Estar”, with an average audience above 940 thousand and a share of 21.8%.

In **sports**, TVI is the FTA broadcaster of the Champions League, with a leading share of 41.1% and an average audience of almost 2.0 million individuals. In the male target, the share increases to 48.9%.

In the first nine months of 2019, 23 of the most watched 25 programs among the Portuguese news channels were broadcasted by **TVI24**, TVI’s news channel.

**TVI Reality** is the 49<sup>th</sup> most watched channel, in a total of 150 channels, with a share of 0.3% among pay-tv homes and 192 thousand viewers.

**TVI Internacional** continues to increase its worldwide presence, being currently broadcasted in more than 40 platforms and 22 territories worldwide.

**TVI Ficção** and **TVI24** continued to increase its international presence, also becoming available in Canada, after entering in Switzerland. TVI Ficção is currently broadcasted in 19 territories, whereas TVI24 is present in 4 countries.

Regarding the **sale of contents**, and after winning the International Emmy for Best Telenovela in 2018, “Ouro Verde” was sold in Brasil to both Rede Bandeirantes and to a SVoD platform, as well as to other regions, such as Baltic countries, Macau, Francophone African countries. “Ouro Verde” is the second most sold *novela* by TVI/Plural. Meanwhile, the *novela* “A Impostora” was sold to TF1, in France. The series “Equador” was also licensed to Romania, Croatia, Serbia, Montenegro, Slovenia, Bosnia and Herzegovina and Macedonia.

## FINANCIAL PERFORMANCE

In terms of financial performance, the TV segment had its **operating revenues** decreasing by 9% (-26% in Q3).

**Advertising revenues** were down 11% YoY (-32% in Q3).

In turn, **other revenues**, which include, among other, retransmission fees, sale of contents and multimedia, were down 6% (-15% in Q3), mostly as a result of decreasing multimedia activity.

**Opex excluding restructuring charges** increased by 6% (+3% in Q3), chiefly due to higher costs associated with programming costs, with the aim of recovering the leadership, especially in prime time.

The combined evolution of revenues and costs led to an adjusted EBITDA of € 4.0 million (-79% YoY), whereas in Q3 the figure was € -5.2 million (vs € 4.1 million in Q3 2018).

The introduction of **IFRS 16** did not generate a relevant impact in EBIT.



### 3. Audiovisual Production

€ thousand	9M 2019	9M 2018 PF	% Var	Q3 2019	Q3 2018 PF	% Var
<b>Operating revenue</b>	<b>25,449</b>	<b>23,352</b>	<b>9%</b>	<b>10,181</b>	<b>7,638</b>	<b>33%</b>
Advertising	-	-	-	-	-	-
Other revenues	25,449	23,352	9%	10,181	7,638	33%
<b>Operating Expenses, ex D&amp;A</b>	<b>26,199</b>	<b>23,087</b>	<b>13%</b>	<b>9,624</b>	<b>7,477</b>	<b>29%</b>
Restructuring Costs	272	193	41%	101	1	>999%
<b>Total Opex ex-D&amp;A and Restructuring Costs</b>	<b>25,926</b>	<b>22,894</b>	<b>13%</b>	<b>9,523</b>	<b>7,475</b>	<b>27%</b>
<b>EBITDA</b>	<b>(750)</b>	<b>265</b>	<b>n.a.</b>	<b>557</b>	<b>162</b>	<b>244%</b>
EBITDA margin	(2.9%)	1.1%	(4.1pp)	5.5%	2.1%	3.4pp
<b>EBITDA ex-Restructuring Costs</b>	<b>(478)</b>	<b>458</b>	<b>n.a.</b>	<b>658</b>	<b>163</b>	<b>303%</b>
EBITDA Margin ex-Restructuring Costs	(1.9%)	2.0%	(3.8pp)	6.5%	2.1%	4.3pp
Depreciation and amortisation	2,322	1,839	26%	805	885	(9%)
<b>Operating Income (EBIT)</b>	<b>(3,072)</b>	<b>(1,574)</b>	<b>(95%)</b>	<b>(247)</b>	<b>(723)</b>	<b>66%</b>

Plural continues to be one of the main players in the audiovisual production sector, also with a relevant presence in the associated technical services/equipment and scenic design and construction.

In terms of the financial performance, this segment had **operating revenues** of € 25.4 million (up 9%). On the contrary, in Portugal the activity recovered strongly in the second and third quarters, after a sharp drop in the first three months of the year, namely related with *novelas*. It is important to bear in mind that content production (as well as the other activities of Plural) typically does not follow a stable seasonality.

In Spain, the activity stands at residual levels, with a slim and flexible structure, the necessary one to address attractive commercial opportunities.

The **adjusted opex** increased 13%, due to the effort put into the quality of contents. In the third quarter, the variation was more relevant (+27%), as a result of the aforementioned higher activity in Portugal.

The **adjusted EBITDA** stood at € -0.5 million, which compares with € 0.5 million in 9M 2018. Nonetheless, in Q3 there was a YoY improvement, from € 0.2 million to € 0.7 million.

The introduction of **IFRS 16** did not generate a relevant impact in EBIT.



## 4. Radio & Entertainment



€ thousand	9M 2019	9M 2018 PF	% Var	Q3 2019	Q3 2018 PF	% Var
<b>Operating revenue</b>	<b>17,017</b>	<b>14,273</b>	<b>19%</b>	<b>4,916</b>	<b>4,425</b>	<b>11%</b>
Advertising	14,360	13,195	9%	4,427	4,139	7%
Other revenues	2,657	1,078	146%	489	285	71%
<b>Operating Expenses, ex D&amp;A</b>	<b>9,478</b>	<b>9,707</b>	<b>(2%)</b>	<b>3,160</b>	<b>3,357</b>	<b>(6%)</b>
Restructuring Costs	20	160	(88%)	0	160	(100%)
<b>Total Opex ex-D&amp;A and Restructuring Costs</b>	<b>9,458</b>	<b>9,547</b>	<b>(1%)</b>	<b>3,160</b>	<b>3,197</b>	<b>(1%)</b>
<b>EBITDA</b>	<b>7,539</b>	<b>4,566</b>	<b>65%</b>	<b>1,756</b>	<b>1,068</b>	<b>64%</b>
EBITDA margin	44.3%	32.0%	12.3pp	35.7%	24.1%	11.6pp
<b>EBITDA ex-Restructuring Costs</b>	<b>7,559</b>	<b>4,726</b>	<b>60%</b>	<b>1,756</b>	<b>1,228</b>	<b>43%</b>
EBITDA Margin ex-Restructuring Costs	44.4%	33.1%	11.3pp	35.7%	27.8%	8.0pp
Depreciation and amortisation	1,151	840	37%	500	278	80%
<b>Operating Income (EBIT)</b>	<b>6,388</b>	<b>3,726</b>	<b>71%</b>	<b>1,256</b>	<b>790</b>	<b>59%</b>

In the fourth radio audience readings published in 2019, the data continues to point out the outstanding performance of the various formats that belong to Media Capital.

The most recent data by Media Capital registered an aggregate audience share of 34.7%, whereas the reach figure (AAV) was 26.3% (27.2% in the average of the four audience readings), with the AAV of the second reading being the highest ever for any Portuguese radio group since 2003 (28.5%).

In terms of formats, **Rádio Comercial had a share of 22.9%**, with the highest number ever of listeners, with an AAV of 18.4%, corresponding to more than 1.5 million people.

In turn, **M80 has been posting very good results**, with an audience share of 7.0% in the latest reading and having registered its highest figure ever in the first reading (10.2%). M80 stands out as the third most listened-to radio station in Portugal. The AAV attained in the fourth reading of 2019 was 6.2%.

As for other formats, **Cidade FM** had a strong recovery, with an audience share of **3.6%** and an AAV of 3.7%, with the third reading figure (being its highest ever since the fifth reading of 2014).

Regarding innovation, the formats M80 and SmoothFM continued the process started last year, having now a total of 26 web radios (12 by M80, 6 by radio Comercial, 6 by Smooth FM and 2 by

Cidade FM), These are streaming radios that segment the most relevant clusters (both in genre and decades) for these FM formats. Such radios are not based on algorithms but rather on carefully playlists cherry picked by each format's team, both with a vast experience. This offer is available also through apps, and provides an invaluable extension of the FM products, thus increasing contact and brand awareness among listeners and advertisers, while proving that the Group's radios are already fully immersed in the digital transformation process.

On financial grounds, **advertising** improved by 9% YoY (+7% YoY in Q3), clearly outperforming the market.

Other **operating revenues** were up 146%, to € 2.7 million, benefiting not only from the activity of events and spot production, but mostly from the sale of tangible assets, with an impact € 1.0 million, which took place in Q1.

As for **opex**, it decreased by 1% (-1% YoY in Q3), excluding restructuring costs.

**The adjusted EBITDA** improved by 60%, reaching € 7.6million, with the corresponding margin close to 45%. In the third quarter, the adjusted EBITDA improved 43% to € 1.8 million (margin of 36%).

The introduction of **IFRS 16** did not generate a relevant impact in EBIT.





€ thousand	9M 2019	9M 2018 PF	% Var	Q3 2019	Q3 2018 PF	% Var
<b>Operating revenue</b>	<b>12,103</b>	<b>11,581</b>	<b>5%</b>	<b>4,094</b>	<b>3,862</b>	<b>6%</b>
Advertising	2,881	2,531	14%	987	805	23%
Other revenues	9,222	9,050	2%	3,107	3,057	2%
<b>Operating Expenses, ex D&amp;A</b>	<b>11,384</b>	<b>11,410</b>	<b>(0%)</b>	<b>4,101</b>	<b>3,938</b>	<b>4%</b>
Restructuring Costs	444	6	>999%	363	1	>999%
<b>Total Opex ex-D&amp;A and Restructuring Costs</b>	<b>10,940</b>	<b>11,404</b>	<b>(4%)</b>	<b>3,738</b>	<b>3,937</b>	<b>(5%)</b>
<b>EBITDA</b>	<b>719</b>	<b>171</b>	<b>320%</b>	<b>(7)</b>	<b>(76)</b>	<b>91%</b>
EBITDA margin	5.9%	1.5%	4.5pp	(0.2%)	(2.0%)	1.8pp
<b>EBITDA ex-Restructuring Costs</b>	<b>1,163</b>	<b>177</b>	<b>559%</b>	<b>356</b>	<b>(75)</b>	<b>n.a.</b>
EBITDA Margin ex-Restructuring Costs	9.6%	1.5%	8.1pp	8.7%	(1.9%)	10.6pp
Depreciation and amortisation	384	377	2%	127	102	25%
<b>Operating Income (EBIT)</b>	<b>335</b>	<b>(206)</b>	<b>n.a.</b>	<b>(134)</b>	<b>(177)</b>	<b>24%</b>

This segment includes the remaining activities of the Group, including digital, holding and shared services.

In the first nine months of the year, Media Capital reinforced its digital audiences, keeping the leadership in the TV segment (TVI, TVI24 and TVI Player) and now also in Lifestyle, with the own brand "SELFIE".

Comparing with the similar period of 2018, the variation in visits and page views was 51% and

50%, respectively. Video fell by 28% due to the absence of a reality show and to lower TV audiences.

On financial KPIs, **advertising revenues** improved 14% (+23% in Q3), whereas **other operating revenues** were up 2% (+2% in Q3).

**Adjusted EBITDA** was € 1.2 million (vs € 0.2 million in 9M 2018),



## 5. Capex

€ thousand	9M 2019	9M 2018 PF	% Var	Q3 2019	Q3 2018 PF	% Var
<b>Capex</b>	<b>6,030</b>	<b>2,722</b>	<b>122%</b>	<b>3,415</b>	<b>1,698</b>	<b>101%</b>
Television	2,728	1,847	48%	782	1,299	(40%)
Audiovisual Production	1,388	640	117%	1,075	237	354%
Radio & Entertainment	1,284	99	>999%	1,134	75	>999%
Others	630	136	363%	424	87	388%

Overall capex was € 6.0 million, thus 122% YoY, mostly due to investments in high definition and digitalization. Part of the increase was also a

result of the adoption of IFRS 16, which had an impact of € 1.4 million, which took place mostly in Q3.



## 6. Cash Flow

€ thousand	9M 2019	9M 2018	% Var	Q3 2019	3T 2018	% Var
Receipts	154,035	165,139	(7%)	48,513	51,941	(7%)
Payments	(137,279)	(140,626)	2%	(47,648)	(50,654)	6%
<b>Cash flows op. activities (1)</b>	<b>16,756</b>	<b>24,513</b>	<b>(32%)</b>	<b>866</b>	<b>1,287</b>	<b>(33%)</b>
Receipts	1,688	1,286	31%	107	0	-
Payments	(4,578)	(2,685)	(70%)	(1,576)	(834)	(89%)
<b>Cash flows inv. activities (2)</b>	<b>(2,890)</b>	<b>(1,399)</b>	<b>(106%)</b>	<b>(1,469)</b>	<b>(834)</b>	<b>(76%)</b>
Receipts	98,030	150,998	(35%)	59,294	89,069	(33%)
Payments	(112,034)	(173,789)	36%	(58,702)	(89,407)	34%
<b>Cash flows fin. activities (3)</b>	<b>(14,004)</b>	<b>(22,791)</b>	<b>39%</b>	<b>592</b>	<b>(338)</b>	<b>n.a.</b>
Cash at the beginning of the period	382	294	30%	256	502	(49%)
Variation of cash (4) = (1) + (2) + (3)	(138)	323	n.a.	(12)	116	n.a.
Effect of FX differences	0	(0)	n.a.	0	(0)	n.a.
<b>Cash at the end of the period</b>	<b>245</b>	<b>617</b>	<b>(60%)</b>	<b>245</b>	<b>617</b>	<b>(60%)</b>

**Operating cash flow** was € 16.8 million (€ 24.5 million in 2018), stemming from the TV and audiovisual segments, in both cases motivated by lower cash inflows, as a result of lower activity.

**Cash flow from investing** stood at € -2.9 million, comparing with € -1.4 million in 2018. Cash flow relate with tangible and intangible assets was € -4.6 million (€ -2.7 million a year ago).

**Cash flow from financing activities** was € -14.0 million (€ -22.8 million in 2018), reflecting the movements in operating and investing cash flow, as well as the variation of cash and equivalents.



## 7. Net debt

€ thousands	Sep 19	Dec 18	Abs Var	% Var	Sep 18	Abs Var	% Var
<b>Group financial debt</b>	<b>84,136</b>	<b>86,044</b>	<b>(1,907)</b>	<b>(2%)</b>	<b>93,754</b>	<b>(9,618)</b>	<b>(10%)</b>
Bank loans / Commercial paper / Bonds	81,098	84,533	(3,435)	(4%)	92,864	(11,766)	(13%)
Other debt	3,038	1,511	1,528	101%	891	2,148	241%
<b>Cash &amp; equivalents</b>	<b>245</b>	<b>382</b>	<b>(138)</b>	<b>(36%)</b>	<b>617</b>	<b>(373)</b>	<b>(60%)</b>
<b>Net debt</b>	<b>83,892</b>	<b>85,661</b>	<b>(1,770)</b>	<b>(2%)</b>	<b>93,137</b>	<b>(9,245)</b>	<b>(10%)</b>

Net debt at the end of September 2019 was € 83.9 million, representing a decrease of € 1.8 million vs the end of 2018. Notwithstanding, **applying the IFRS 16 impact to the YE 2018 figures**, net debt at the end of December would increase by € 7.2 million, standing at € 92.9 million. Hence, adjusting for this impact, **net debt**

**would have decreased by € 9.0 million during this period.**

Media Capital continues to have a sound capital structure. The Group expects to maintain the operating cash flow performance and the reduction of net debt in 2019.

GRUPO MEDIA CAPITAL, S.G.P.S. S.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBRE 2019 AND 2018

(Amounts stated in Euro thousand)

	9 months ended		3 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
<b>OPERATING REVENUES:</b>				
Services rendered	84,514	90,779	22,064	27,691
Other operating revenue	33,744	35,224	9,811	11,435
Total operating revenue	<u>118,257</u>	<u>126,003</u>	<u>31,875</u>	<u>39,127</u>
<b>OPERATING EXPENSES:</b>				
Cost of programs broadcasted and goods sold	(16,227)	(13,778)	(3,353)	(4,819)
Subcontrats and third party supplies	(57,779)	(55,950)	(19,758)	(18,626)
Payroll expenses	(32,566)	(31,255)	(11,721)	(10,435)
Depreciation and amortization	(6,997)	(4,950)	(2,599)	(1,921)
Provisions and impairment losses	116	(99)	154	38
Other operating expenses	(491)	(431)	(129)	(222)
Total operating expenses	<u>(113,945)</u>	<u>(106,462)</u>	<u>(37,405)</u>	<u>(35,985)</u>
Net operating profit	<u>4,313</u>	<u>19,541</u>	<u>(5,530)</u>	<u>3,142</u>
<b>FINANCIAL EXPENSES:</b>				
Financial expense	(1,890)	(2,449)	(479)	(696)
Financial income	188	106	161	(32)
Finance costs, net	<u>(1,701)</u>	<u>(2,343)</u>	<u>(318)</u>	<u>(727)</u>
Profit before tax	2,611	17,198	(5,848)	2,415
Income tax expense	(1,427)	(5,117)	1,143	(825)
Consolidated net profit for continued operations	<u>1,185</u>	<u>12,081</u>	<u>(4,705)</u>	<u>1,589</u>
Attributable to:				
Equity holders of the parent	1,185	12,081	(4,705)	1,589
<b>Earnings per share (Euros)</b>				
Basic	0.0140	0.1429	(0.0557)	0.0188
Diluted	<u>0.0140</u>	<u>0.1429</u>	<u>(0.0557)</u>	<u>0.0188</u>

GRUPO MEDIA CAPITAL, S.G.P.S, S.A.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 SEPTEMBRE 2019 AND 31 DECEMBER 2018

(Amounts stated in Euro thousand)

ASSETS	30.09.2019	31.12.2018
<b>NON-CURRENT ASSETS:</b>		
Goodwill	149,374	149,374
Intangible assets	9,323	9,826
Tangible fixed assets and right-of-use assets	22,568	16,026
Investment in financial assets	5	5
Transmission rights and TV programs	47,254	48,146
Other non-current assets	2,208	2,410
Deferred income tax assets	1,973	2,161
	<u>232,706</u>	<u>227,949</u>
<b>CURRENT ASSETS:</b>		
Transmission rights and TV programs	28,728	31,136
Trade and other account receivable	26,762	30,700
Current tax assets	326	288
Other current assets	5,568	3,436
Cash and cash equivalents	245	382
	<u>61,628</u>	<u>65,941</u>
<b>TOTAL ASSETS</b>	<u><u>294,334</u></u>	<u><u>293,891</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY:</b>		
Share capital	89,584	89,584
Reserves	53,763	32,362
Profit for the period	1,185	21,573
Equity attributable to controlling interests	<u>144,531</u>	<u>143,519</u>
Total Equity	<u>144,531</u>	<u>143,519</u>
<b>LIABILITIES:</b>		
<b>NON-CURRENT LIABILITIES:</b>		
Borrowings	65,047	46,115
Provisions	5,468	5,762
Deferred income tax liabilities	1,041	1,091
	<u>71,556</u>	<u>52,968</u>
<b>CURRENT LIABILITIES:</b>		
Borrowings	19,089	39,929
Trade and other payables	34,633	32,930
Other current liabilities	24,526	24,544
	<u>78,247</u>	<u>97,403</u>
Total liabilities	<u>149,803</u>	<u>150,371</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>294,334</u></u>	<u><u>293,891</u></u>

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBRE 2019 AND 2018

(Amounts stated in Euro thousand)

	<u>30.09.2019</u>	<u>30.09.2018</u>
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	154,035	165,139
Cash paid to suppliers	(77,881)	(78,043)
Cash paid to employees	(32,123)	(29,995)
Cash generated from operations	<u>44,031</u>	<u>57,102</u>
Cash received/(paid) relating to income tax	(75)	(49)
Other cash received/(paid) relating to operating activities	(27,199)	(32,539)
Net cash from operating activities (1)	<u>16,756</u>	<u>24,513</u>
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
The sale of subsidiaries	-	1,286
Disposal of fixed tangible and intangible assets	1,455	-
Investment subsidies	234	-
Interest and similar income	-	0
	<u>1,688</u>	<u>1,286</u>
Payments resulting from:		
Acquisition of tangible assets	(3,965)	(2,413)
Acquisition of intangible assets	(613)	(273)
	<u>(4,578)</u>	<u>(2,685)</u>
Net cash from /(used in) investing activities (2)	<u>(2,890)</u>	<u>(1,399)</u>
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	98,030	150,998
	<u>98,030</u>	<u>150,998</u>
Cash paid relating to:		
Borrowings	(107,465)	(152,251)
Leases	(2,525)	(235)
Interest and other similar expenses	(1,793)	(2,598)
Dividends	-	(18,593)
Other financial expenses	(252)	(112)
	<u>(112,034)</u>	<u>(173,789)</u>
Net cash from/(used in) financing activities (3)	<u>(14,004)</u>	<u>(22,791)</u>
Cash and equivalents at the beginning of the period	382	294
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	(138)	323
Exchange rate effect	0	(0)
Cash and equivalents at the end of the period	245	617