



COFINA, SGPS, S.A.
Public Company

Head Office: Rua Manuel Pinto de Azevedo, 818 – Porto
Fiscal Number 502 293 225
Share Capital: 25,641,459 Euro

Financial Information – 1st Quarter of 2019
(Unaudited)

This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards and in accordance with the International Accounting Standard 34 – Interim Financial Reporting, some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

The financial information was prepared in accordance with the International Financial Reporting Standards (IFRS). Since January 1, 2019, IFRS 16 was adopted, and in accordance with this standard, 2018 information was not restated.

(Thousand Euro)	1Q 2019	1Q 2018 restated (d)	Var (%) 1Q19/1Q18
Operational revenues	20,149	20,786	-3.1%
Circulation	10,393	10,392	0.0%
Advertising	5,735	5,565	3.1%
Alternative marketing products and others	4,021	4,829	-16.7%
Operational costs (a)	17,072	18,416	-7.3%
Consolidated EBITDA (b)	3,077	2,370	29.8%
EBITDA Margin	15.3%	11.4%	+3.9 p.p.
Amortizations (-)	905	420	115.5%
EBIT	2,172	1,950	11.4%
EBIT Margin	10.8%	9.4%	+1.4 p.p.
Net financial income / (loss)	(650)	(653)	-0.5%
Profit before taxes	1,522	1,297	17.3%
Income taxes	651	479	35.9%
Net profit of continuing operations	871	818	6.5%
Net profit of discontinuing operations	-	-70	-
Consolidated net profit (c)	871	748	16.4%

(a) Operational costs excluding amortization

(b) EBITDA = earnings before interest, taxes, depreciation and amortization

(c) Net profit attributable to the parent company

(d) Restated according to IFRS 5

Advertising records an increase of 3.1%

Cofina's consolidated operational revenues in the first quarter of 2019 amounted to 20.1 million Euro, corresponding to a 3% decrease over the same period of 2018. This evolution arises from a decrease in the level of alternative marketing products (-17%) because, in the first quarter of 2019, less marketing actions were developed. It should be mentioned, in 2018, the Football World Cup occurred, which comprised more alternative marketing campaigns.

Regarding advertising, a 3% increase was recorded, while circulation revenues kept stable. The increase recorded in advertising is related with the excellent performance of CMTV channel.

Therefore, consolidated EBITDA amounted to 3.1 million Euro, which reflects a 30% increase over EBITDA recorded in the first quarter of 2018. EBIT achieved approximately 2.2 million Euro, which corresponds to a 11% increase.

Net profit of discontinuing operations, in 2018, results from the restatement of 2018 values in order to reflect the disposal of the operation that Cofina held in Brazil, through its subsidiary AdCommedia and its associated Destak Brazil. The profit and loss statement of the first quarter of 2018 was restated in order to segregate into a separate line the profit attributable to those discontinuing units.



Hence, consolidated net profit reached 0.9 million Euro, a 16% increase when compared with the same period of the previous year.

As of March 31, 2019, Cofina's nominal net debt was 43.0 million Euro, which corresponds to a 3.3 million Euro increase comparatively to the nominal net debt recorded in the end of 2018. This increase, besides seasonal effects, is related with investments made, mainly, in the TV segment.

TV Segment

CMTV channel has been recording a very positive performance, beating consistently audience records. Hence, in the end of March 2019, CMTV recorded a 3.9% average annual share, being the channel with the highest audience in the cable and the fourth largest Portuguese channel, behind the Free to Air.

(Thousand Euro)	1Q 2019	1Q 2018	Var (%) 1Q19/1Q18
Operational revenues	3,226	2,566	25.7%
Advertising	1,050	694	51.3%
Transmission fees and others	2,176	1,872	16.2%
Operational costs (a)	2,826	2,263	24.9%
EBITDA (b)	400	303	32.0%
EBITDA Margin	12.4%	11.8%	+0.6 p.p.

(a) Operational costs excluding amortization

(b) EBITDA = earnings before interest, taxes, depreciation and amortization

CMTV total revenues amounted to approximately 3.2 million Euro, a 26% increase. Advertising revenues reached 1 million Euro (+51%) and revenues from transmission fees and others achieved 2.2 million Euro (+16%).

EBITDA recorded was around 0.4 million Euro, a 32% increase over EBITDA recorded in the same period of the previous year of 0.3 million Euro.

EBITDA Margin of this segment achieved 12.4%.

Press Segment

(Thousand Euro)	1Q 2019	1Q 2018 restated	Var (%) 1Q19/1Q18
Operational revenues	16,923	18,220	-7.1%
Circulation	10,393	10,392	0.0%
Advertising	4,685	4,871	-3.8%
Alternative marketing products and others	1,845	2,957	-37.6%
Operational costs (a)	14,246	16,153	-11.8%
EBITDA (b)	2,677	2,067	29.5%
EBITDA Margin	15.8%	11.3%	+4.5 p.p.

(a) Operational costs excluding amortization

(b) EBITDA = earnings before interest, taxes, depreciation and amortization

Press segment contains all paper titles published by Cofina and revenues from the digital market. Hence, in the first quarter of 2019, total revenues amounted to 17 million Euro, a decrease of 7% over the previous year. Advertising revenues recorded a 4% decrease to 4.7 million Euro and

Alternative marketing products and others revenues recorded a 38% decrease, reaching around 1.8 million Euro. Revenues from circulation kept stable, reaching 10.4 million Euro.

Operational costs reached a decrease around 12%. Hence, EBITDA of this segment amounted to 2.7 million Euro, a 30% increase when compared with the previous year. EBITDA Margin achieved 15.8%. It should be noted that Brazil operations were previously included in this segment; therefore the amounts for 2018 were restated.

Impacts of IFRS 16

As of January 1, 2019, Cofina financial statements reflect the adoption of IFRS 16. The Group did not restate the comparative information regarding 2018, according to the possibility stated in this standard. The main impacts of the standard in the quarter under analysis are as follows:

- EBITDA: increase of 0.6 million Euro;
- Amortizations: increase of 0.5 million Euro;
- Financial expenses: increase of 0.2 million Euro;
- Assets ("Right of Use"): increase of 12.1 million Euro;
- Liability ("Lease liability"): increase of 14.5 million Euro;
- Equity: decrease of 1.9 million Euro (net of deferred taxes).

The nominal remunerated net debt of 43.0 million Euro, above mentioned, does not include the lease liability.

Oporto, May 30, 2019