



Cofina 's acquisition of Media Capital



Presentation

October 2019

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Transaction Overview

- **Cofina – SGPS, S.A. (Cofina) agreed to acquire a stake of 94.69% in Grupo Media Capital, SGPS, SA´s (Media Capital) from Prisa – Promotora de Informaciones, S.A. (Prisa)**
- The transaction will occur through the acquisition of 100% of the share capital of Vertex SGPS, SA (Vertex), an instrumental holding company, for a locked box equity price of €170.6M
- Referentials for Media Capital
 - An Enterprise Value of €255M, a Net Debt of €74.8M¹ as of 30/06/2019 and an Equity Price of €180.2M for a 100% stake
 - An implicit price of €2.13 /share for Media Capital; and,
 - Taking into account LTM 2019² Media Capital´s EBITDA of €35.4M
 - An implied EV/ Media Capital´s EBITDA LTM 2019 of 7.2x
- Net Present Value of forecasted synergies of the transaction is estimated at circa €46M

Transaction Financing

- **Cofina expects to finance the transaction with €220M from debt financing and €85M in cash from a capital increase**
 - €50M of raised funds will be used to pay for transaction costs and refinance Cofina´s existing net debt
 - 50% of the capital increase amount is secured from core shareholders (excluding free float rights)
 - Current core shareholders will maintain more than 50% of share capital after capital increase
- Debt financing is already secured
- Capital increase is subject to approval from the competent corporate bodies of Cofina

Approvals & Timing

- **An SPA between Cofina and Promotora de Informaciones, SA was signed on 20 September**
- The transaction is subject to certain conditions precedent, in particular, regulatory approvals required by applicable laws and to the completion of Cofina´s share capital increase
- acquisition of Prisa´s stake was followed by the announcement of a voluntary tender offer for the remaining shares of Media Capital, which will convert into a mandatory offer following the satisfaction of the conditions precedent set out in the SPA.
- Transaction is expected to close in Q1 2020

Note: (1) Total debt as of 30/06/2019 + Payments of operating leases – operating leases as of 30/06/2019 - cash and equivalents; (2) EBITDA before restructuring costs; EBITDA 1st semester 2019 + EBITDA 2018 – EBITDA 1st semester 2018, based on 1st semester non audited accounts

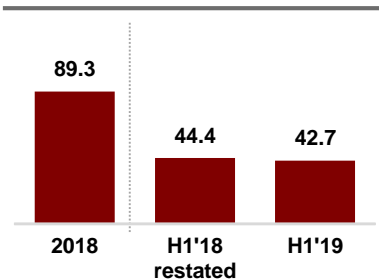


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|---|---|
| <p>Newspapers</p> <p>Important-daily newspaper (Correio da Manhã), free newspaper (Destak) and sports newspaper (Record) in Portugal</p> | <p>Magazines</p> <p>A relevant player in weekly newsmagazines and thematic magazines</p> |
| <p>TV</p> <p>Popular pay-tv channel in Portugal and 4th overall</p> | <p>Digital</p> |

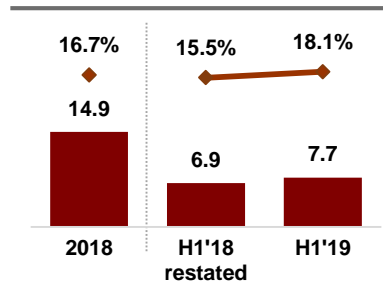


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| <p>TV</p> <p>Widespread group of channels in Portugal</p> | <p>Audiovisual Production</p> <p>A relevant audiovisual producer</p> |
| <p>Radio</p> <p>Well know radio group in Portugal</p> | <p>Other (Digital and Music & Entertainment)</p> |

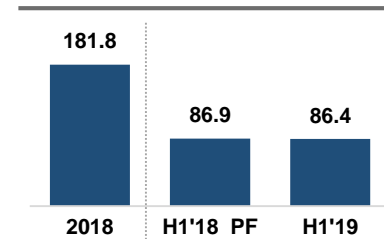
Revenues (€M)



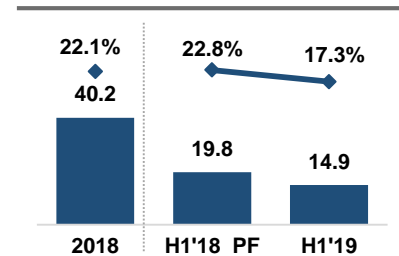
EBITDA^{1,3} (€M and % revenues)



Revenues (€M)



EBITDA^{2,3} (€M and % revenues)



Enterprise Value 16/09/2019: €92.4M
 Net debt 30/06/2019: €42.2M
 Market capitalization 16/09/2019: €50.2M

Enterprise Value 29/08/2019: €290.5M
 Net debt 30/06/2019: €80.9M³
 Market capitalization 29/08/2019: €209.6M

Sources: Cofina and Media Capital, 2018 annual reports and 1st semester 2019 reports; Bloomberg, CAEM/GFK; Mediamonitor/Yumi_Total TV, APCT; Notes: non exhaustive list of media; (1) before restructuring costs and goodwill impairments; (2) before restructuring costs; (3) includes impacts of the introduction of IRFS 16 on 1st semester 2019 figures

Transaction rationale

A transformational deal for Cofina...

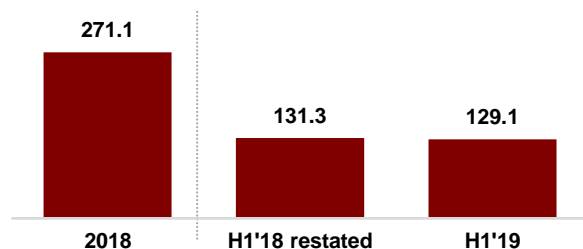
- **Cofina to become a competitive and consolidated Portuguese media player**
 - Media Capital is an integrated media group in Portugal, with competitive market positions in TV and Radio, and a sound cash flow generation that would allow scale, investment and innovation
 - Cofina will be able to resist to the changes in the publishing segment
- **Based on LTM 2019 financials¹, Cofina + Media Capital would constitute a circa €269M sales and €51M EBITDA Media Group, pre-synergies**

... providing for potentially significant synergies

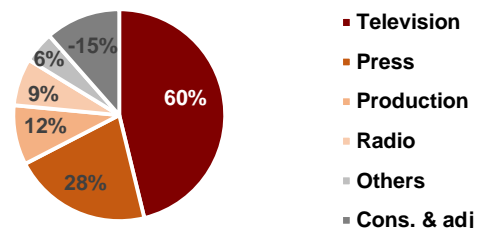
- **Consolidation should allow for an increase in the profitability, innovation, investment and internationalization of the combined companies**
- **The deal should generate relevant synergies with an estimated Net Present Value of €46M**

Combined Cofina + Media Capital financials²

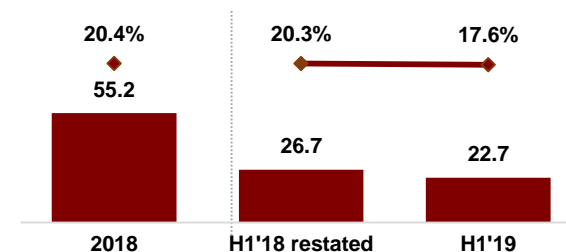
Revenues (€M)



H1'19 Revenues breakdown



EBITDA³ (€M) and margin (%)



Sources: Cofina and Media Capital site, 2018 annual reports and 1st semester 2019 reports, Note: (1) Sales/ EBITDA 1ST semester 2019 + Sales/ EBITDA 2018 – Sales/ EBITDA 1ST semester 2018; (2) considering 100% of Media Capital's financials; (3) before restructuring costs and goodwill impairments

A. Enhanced Competitive Positioning

Cofina to become a consolidated media operator in Portugal, covering all segments: TV, publishing, radio, digital and audiovisual production

Based LTM financials, Cofina and Media Capital would constitute a group with c. € 269 M Revenues and c. € 51 M EBITDA before synergies being better equipped to face global media operators (Amazon, Google, Netflix, Facebook, Hulu)

Proven capabilities of the Management Team and anchor shareholders in public companies like Cofina, Altri or Ramada will contribute for a smooth business integration and an efficient implementation of synergies

B. Improving Leverage Profile

The acquisition of Media Capital will allow Cofina to resist to the changing media environment and the synergies to be potentially extracted from the deal should allow for a swift deleveraging of the group

Cofina expects to secure the full refinancing of its debt for the next 5 years as part of the transaction, ensuring an alignment with the transaction's envisioned cash flow profile

C. Expected Increase in the Liquidity

Following the marketing plan and distribution of the capital increase Cofina intends to incorporate several new shareholders, thereby increasing the Free Float and liquidity of the stock

