

Focus on the balance sheets of the main market operators



Publishing sector

(Financial years 2013 – 2017)

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*This Focus is based on the accounting information of the main companies in the **journal and periodical publishing** sector for the period 2013-2017*

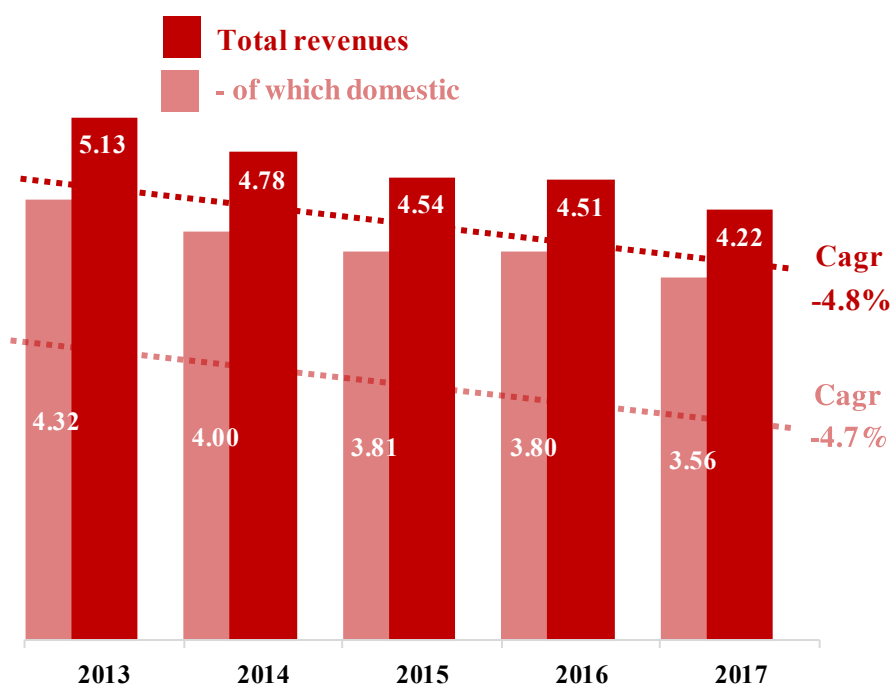
Revenues and number of employees

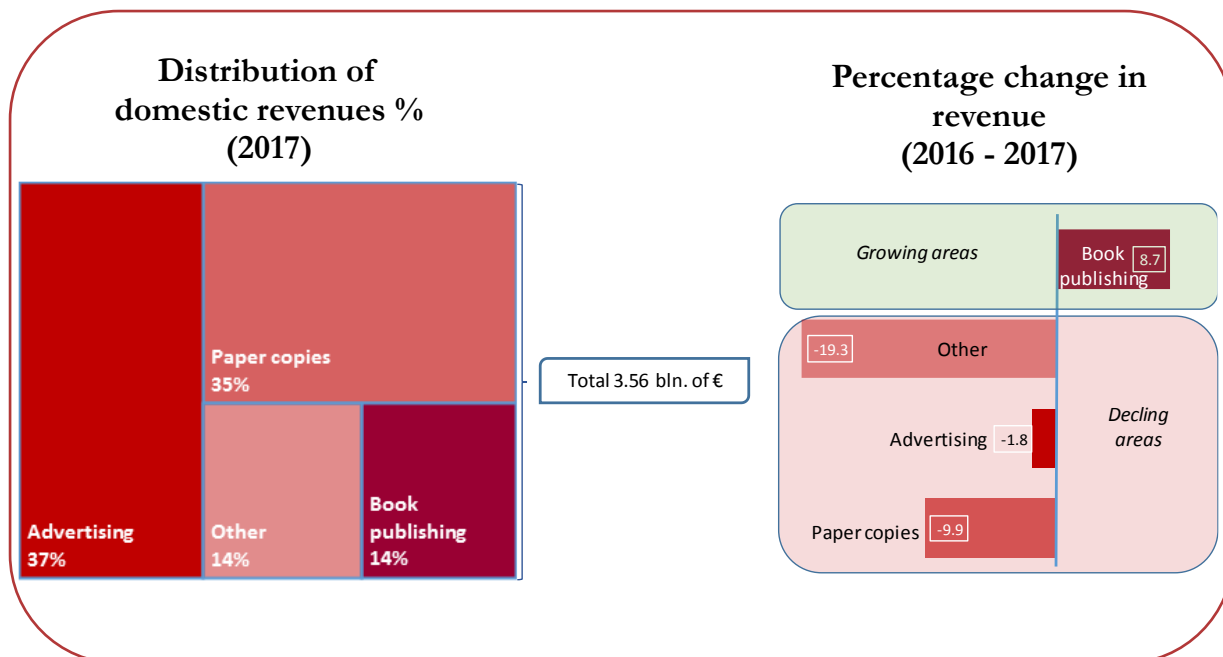
Revenues

i In 2017, with a value of **4.2 billion €**, revenues from **journal and periodical publishing** decreased by **900 million €**, compared to 2013, which will have resulted in a **17.7%** reduction between 2013 and 2017 mainly due to the reduction of domestic revenues (from **4.32 billion €** in 2013 to **3.56 billion €** in 2017).

Revenues deriving from the sale of paper copies now account for **35%** of total domestic revenues, with a decrease of **9.9%** compared to 2016.

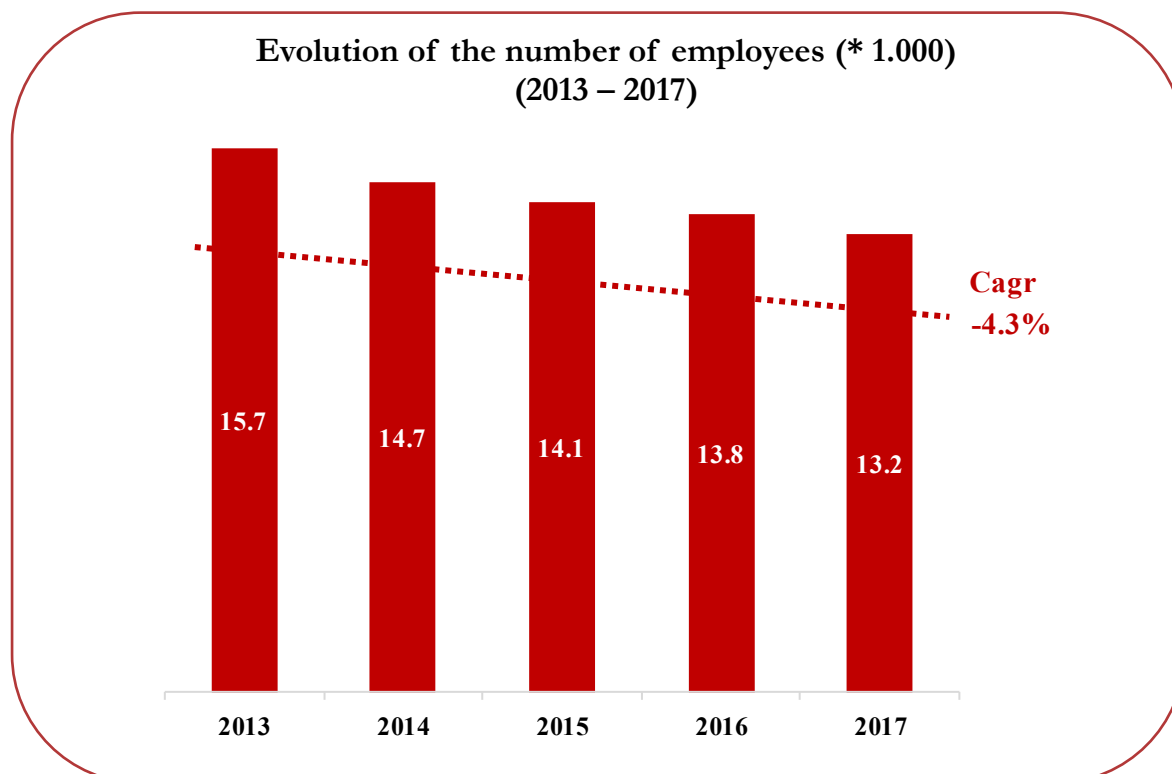
Evolution of the revenues in billions of €
(2013 – 2017)





Number of employees

i In the period under examination (2013 - 2017), the number of employees decreased at the average annual rate of **4.3%** with a reduction of the workforce of **2,500** units.



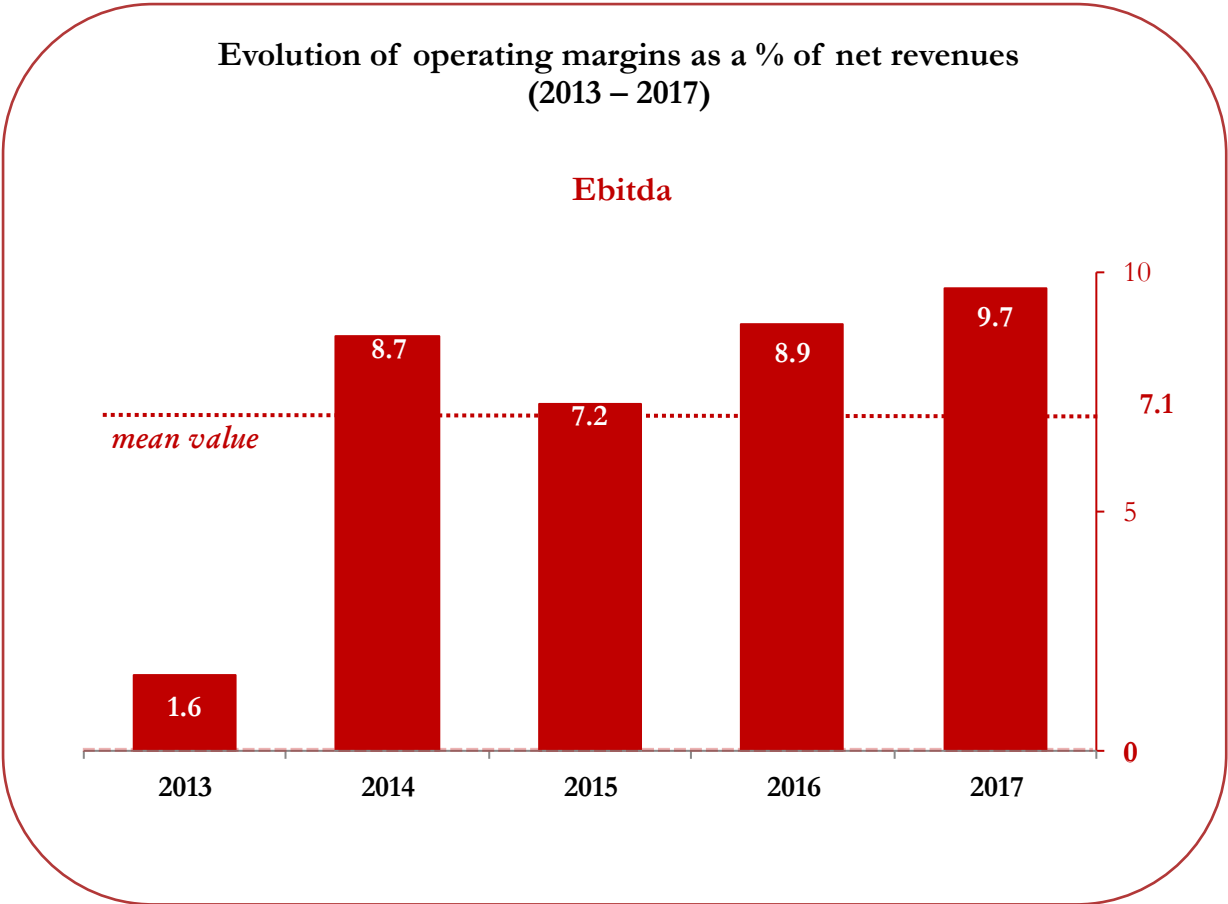
Profitability analysis

Operating margins

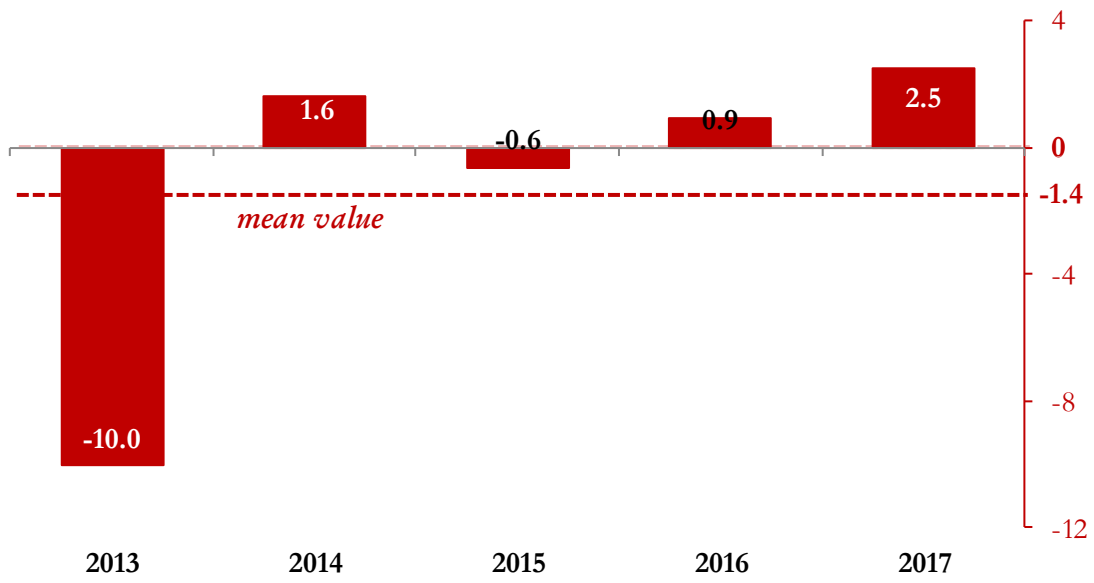
i The evolution of the operating margins of the main companies in the **journal and periodical publishing** sector shows during the period considered (2013 – 2017) an overall increasing tendency.

The gross margin (**Ebitda**), starting from 2014 is worth about **390** million of €; the sharp reduction in revenues was offset by the adoption of reduction and rationalization cost measures. Publishing operating costs fall for the fourth year in row (**-25%** compared to 2013), as the amounts of payroll (**-24%** compared to 2013).

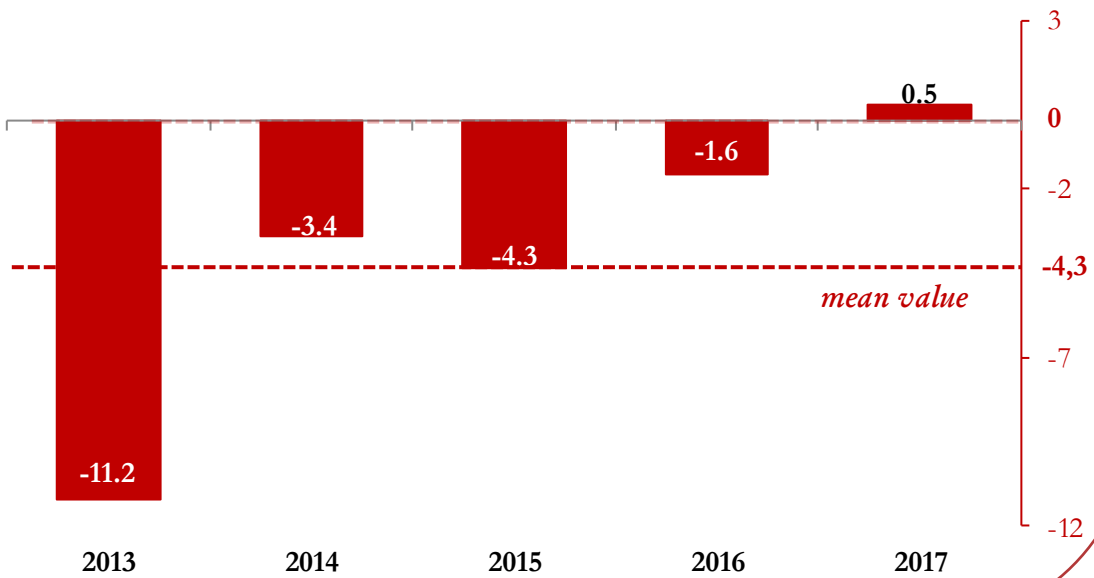
After the decline recorded in 2015, in the following two years the net operating margin (**Ebit**) and the operating results (**Profit or loss**) returns to growth; in 2017 both are positive with an aggregate value of **105** million € for **Ebit** and **21** million € for **Profit**.



Ebit



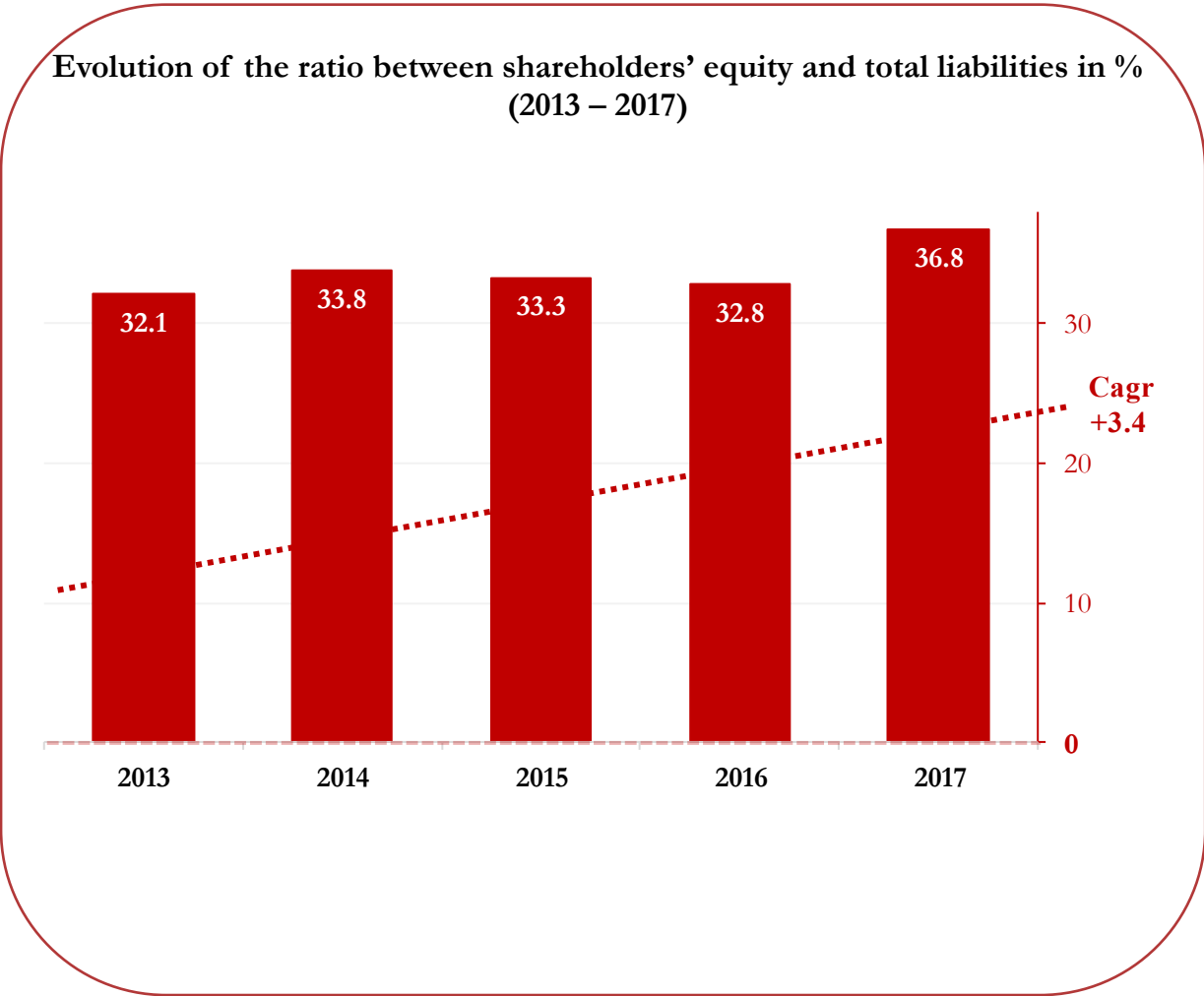
Profit or loss



Level of capitalization and investments

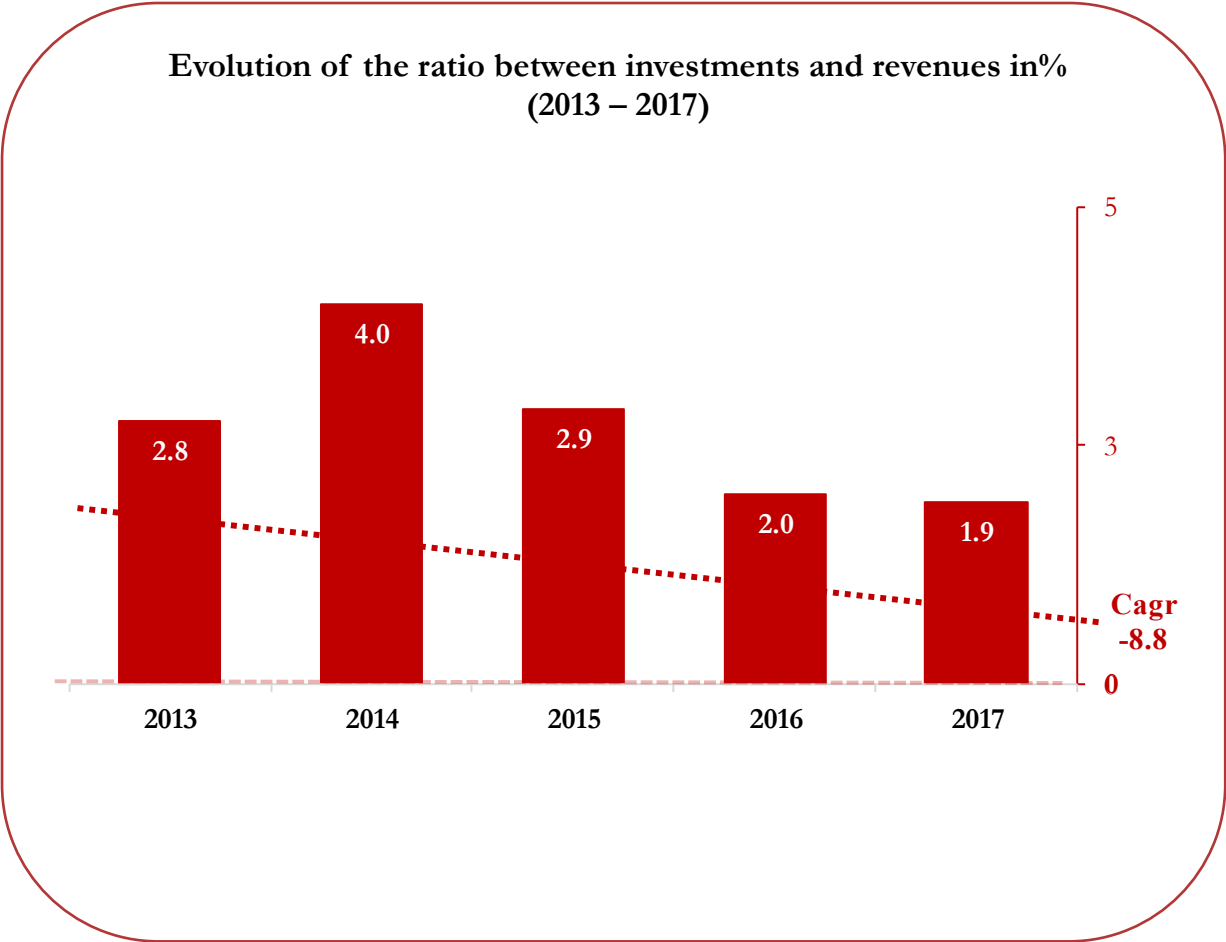
Ratio between shareholders' equity and total liabilities

i Between 2013 and 2017, the use of equity (net capital) of the main companies in the sector grew by **4.7 p.p.** (from **32.1%** in 2013 to **36.8%** in 2017)



Ratio between investments and revenues

i Between 2013 and 2017, the investments of the main operators were, on average, equal to **2.7%** of revenues; this translates into an average year value of investments of around **126 million €**.



Methodological note



This analysis, which is based on the accounting information available from the financial statements of the main companies of the sector, provides a set of documents differing from similar analyses carried out by the Italian Communications Authority (AGCOM) and by other research entities.

In particular, there are considerable differences in terms of purpose and information collection within the detailed studies proposed in the Focus by other analysis carried out for regulatory purposes (e.g. "market analysis") or, for instance, in preparing the AGCOM "Annual Report".

The main objective of the Budgets Focus is to provide a synthetic representation of the "health status" (income, assets and employment) of the sector by using duly elaborated information, derived from the statutory financial statements of the companies analysed. In other words, the findings of the Focus are obtained on the basis of all the activities carried out by the main subjects operating in the sector under consideration rather than on the subdivision of these activities by product group.

The quantitative findings emerging from the Focus do not enable comparisons with those made public by the AGCOM. These analysis, which are characterized by a higher level of technical specificity of the requested information, are indeed a methodological tool for a proper identification of the markets subject to the regulatory framework of the Italian Communications Authority (AGCOM) from a geographical and commodity-related point of view.

In particular, there are at least three main elements to be considered:

- the different sample size;*
- the different timing of data collection;*
- the request for off-accounts information characterising most of the specific requests for information that the AGCOM addresses to companies and which, therefore, are not always attributable to specific budget resources in compliance with the Italian Civil Code.*

*The **companies** analysed for this Focus, that represent about 70% of the whole market, are:*

Bresi, Cairo Communications, Caltagirone Editore, Class, De Agostini Editore, Edizioni Condè Nast, Gruppo Editoriale l'Espresso, Arnoldo Mondadori, Monrif, Panini, Periodici S. Paolo, RCS Mediagroup, Sole 24 Ore, Wolters Kluwert.