Key Drivers of EL PAÍS Digital Transformation
The 2012 –2017 period has been marked by growth

EBITDA Global
€000

+68%
But it has also been a period with significant changes in the business model.
Where digital steals the limelight

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA Legacy</th>
<th>EBITDA Digital</th>
<th>Structure costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>€000</td>
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<td>2013</td>
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<tr>
<td>2017</td>
<td>€000</td>
<td>€000</td>
<td>€000</td>
</tr>
</tbody>
</table>

- EBITDA Legacy: -28% to +159% to -46%
- EBITDA Digital: +159%
- Structure costs: -28%
This growth is due to a clear and determined committment to the digital transformation of the company
Since 2012, significant increase in digital audiences …

- x3 UNIQUE NAVIGATORS
- x2 PAGES VIEWS
- x42 VIDEO STARTS

+87% ADVOCATE READERS
...and in digital revenues

Digital revenue

Digital advertising versus total advertising

+145%

+90%
Drivers of the digital transformation
Drivers of the digital transformation

- Product Development
- Distribution
- Globality
- Data
Drivers of the digital transformation

Product Development

- Distribution
- Globality
- Data
14 Materia

Reducción de paginación

22 Personalización del contenido (Cxense)

16 Salida responsiva de artículo Brasil y Cataluña

21 App Smart TV

21 Reordenación Editorial de fin de semana

12 Android app America

SEP

OCT

NOV

DIC

FEB

MAR

ABR

MAY

JUN

JUL

AGO

SEP

OCT

NOV

DIC

2014

2015
01 Fukushima, vidas contaminadas (Documental VR)

09
- Prototipo PAW (Progressive Adaptative Web)
- What’s on TV

14
- Alertas e-mail

27
- BOT Facebook

04 Web Responsiva

15
- BOT Twitter
- Piloto Player Youtube

18-20 Portada responsiva Cataluña España América y Brasil

01 Horóscopo

30 App. El PAÍS VR

02 Verne México

03 EL PAÍS SEMANAL

04 EL MOTOR

Facebook Instant Articles

01 TENTACIONES

03 BUENAVIDA

04 BUENAVIDA

27 WEB RESPONSIVA

22 WEB RESPONSIVA

01 Facebook Live

04 Facebook Live

18 Salida responsiva de artículo España y América

183x84 to 801x512

18 iOS App

24 AMP

18-20 Portada responsiva Cataluña España América y Brasil

01 Fukushima, vidas contaminadas (Documental VR)

12 Test A/B en home

NUEVA REDACCIÓN

2016
A space that is...

- open
- structured
- technological
- global
- dynamic
A space that is open

We have reduced the number of individual offices to a minimum and increased to 16 the number of conference rooms and team work cabins. The newsroom now has many more open spaces as well as natural light.
A space that is structured

The core of the newsroom is the Control and Distribution Desk, which is set up as a command centre and from which the production and distribution of content to the various platforms is organized. Both the physical and the virtual work environments have been specifically designed.
A space that is technological

The changes in the workflow are visually reinforced with a spectacular area of screens in the heart of the newsroom that allows monitoring the performance of the EL PAÍS products, with a special focus on mobile consumption, search trends, and social conversation. The video set is also located in this area.
A space that is global

This new technological space provides a 24-hour image of the work produced by the American and Brazilian editions, while the Central Control Desk includes a permanent representative from those editions across the Atlantic.
A space that is dynamic

Depending on circumstances, the layout of the working space can be modified. There is a meeting zone, a library and drawing-boards to boost creativity and team-work.
Product Development

- Verticals
- Mobility
- Video
Verticals

- **Cinco Días**: 41% new readers
- **El Comidista**: 23% new readers
- **Materia**: 28% nuevos
- **Smoda**: 24% nuevos
- **BuenaVida**: 23% nuevos
- **ICON**: 21% nuevos
- **Tentaciones**: 23% nuevos
- **Verne**: 30% nuevos

Source: Omniture, 2017
Product Development

- Verticals
- Mobility
- Video
Evolución de usuarios móviles

Source: Omniture. 2017
Product Development

- Verticals
- Mobility
- Video
Impact across the organization

- Revisión integral de la estrategia de vídeo
  - Product
  - Newsroom
  - Engineering
  - Commercial
  - Analytics
  - UX
  - Legal
YouTube Player for Publishers

- Incremental views and time watch
- New revenue source
- Cost savings on hosting and streaming

Fuente: Omniture. 2017
Drivers of the digital transformation

- Distribution
- Globality
- Data
- Desarrollo de Producto
Brand versus Distribution

**2014**
- Brand: 51%
- Social: 13%
- SEO: 26%
- Other: 10%

**2016**
- Brand: 44%
- Social: 23%
- SEO: 32%
- Other: 1%

**2017**
- Brand: 33%
- Social: 24%
- SEO: 41%
- Other: 2%

Source: Omniture. 2017
New formats: Accelerated Mobile Pages

65% * of AMP readers are new to EL PAÍS

* 2017 Average. Omniture
New formats: Facebook Instant Articles

58%* of Instant Articles readers are new to EL PAÍS

* 2017 Average. Omniture
Drivers of the digital transformation
We have scaled our audiences

1º Spanish-speaking news site worldwide

4º México
8º Brasil

Fuente: News Comscore Magazines (Jan 2018) y Omniture. 2017
EL PAÍS, a global brand

EL PAÍS AMÉRICA
Mexico
USA
Colombia
Argentina

EL PAÍS BRASIL

2014 2017
27 52
22 25
Drivers of the digital transformation
Readers have split into **multiple form users** who consume information and entertainment at different levels of involvement and who require a customised approach.
Trust and data at the core of the strategy

AUDIENCES
From Reach to Loyalty

PRODUCT
User-centric approach

TRUST & DATA

MONETIZATION
User-based revenue streams
The new model

From an ANONYMOUS and FREE model to Explore one of KNOWN USERS that extend our revenue models

From generating IMPRESSIONS to generating PROFILED USERS/INTENTIONS

From a GENERAL-ONLY news product to a SPECIALIZED CONTENT PLATFORM

From a PRODUCT CENTRIC ORGANIZATION to a CLIENT CENTRIC ORGANIZATION
Audiences: From Reach to Loyalty

Data as the key distinguishing factor to support the Content, Commercial and Transactional Strategies

Value proposition
Capabilities supporting interaction with the product in a frictionless way

Registration and login navigation
Driver to harvest socio-demographic and behavioral data.

Continuous data processing
Insights both on/off platform through integrations with big tech. players. Propensity models

Data Outcomes
Personalization of content and commercial offer. Optimizing production processes

From anonymous audiences to known (and hopefully loyal) users
Audiences: From Reach to Loyalty

Does this mean that we abandon the discovery of new audiences? Not quite

AMP
AMP brings value both in bringing new visitors and additional revenue

Facebook Instant Articles
Instant Articles brings value in discovering new visitors; revenues, however, are not performing so well.

Other Platforms
Remain in control of the Analytics and Monetization capabilities

Platforms become fishing ponds to discover new audiences with whom to build an engagement strategy

Direct traffic is the most valuable to us since it is the best one for building stronger relationships with readers; social and search, however, have proven to be the main sources of acquisition of new readers
# Product: User-centric approach

<table>
<thead>
<tr>
<th>Privacy and Security</th>
<th>Performance</th>
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<tbody>
<tr>
<td>High <strong>commitment</strong> to guarantee the <strong>safety</strong> and <strong>privacy</strong> of readers.</td>
<td><strong>New key business objective</strong> to meet users' expectations regarding page loading rates.</td>
</tr>
<tr>
<td>Data</td>
<td>Flexible technology</td>
</tr>
<tr>
<td>Strengthen capabilities in data analytics to get <strong>insights</strong> that help driving a more personalized <strong>product and user experience</strong>.</td>
<td>To optimize content production and distribution workflows to effectively deploy new products in an <strong>agile development environment</strong>.</td>
</tr>
</tbody>
</table>

Enhance user experience by use of data and by levering technology capabilities.
Product: User-centric approach

Platform - Verticals
Specific approach to niche communities based on social and demographic analytics.

Mobile
Increasing engagement with the audience by enhancing the mobile product.

Globalization
Global perspective for local audiences

Video
YouTube has proven to be a cornerstone of the video strategy with outstanding time spent KPIs

Innovation
Response to machine learning technologies and voice-activated products across multiple devices
AUDIENCES: From Reach to Loyalty
MONETIZATION / User-based revenue streams
Monetization: User-based revenue model

Once scale has been reached, the moment has come to diversify our revenue streams by exploring user-based transactional opportunities.

1. Digital Advertising Push
   - Premium programmatic advertising
   - Video and audio advertising
   - Audience Extension
   - Product Development and Commercial Innovation

2. Branded Content Development

3. Transactional Model
   - Expand affiliate partnership
   - Prescription model
   - Exploring different user-based revenue models
Thank you