Key Drivers of EL PAÍS Digital Transformation
The 2012 –2017 period has been marked by growth
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>Legacy EBITDA</th>
<th>Digital EBITDA</th>
<th>Structure costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
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<td>2013</td>
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<td>2015</td>
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<tr>
<td>2016</td>
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<td></td>
</tr>
<tr>
<td>2017</td>
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</tr>
</tbody>
</table>

€000

-46%
+159%
-28%
This growth is due to a clear and determined commitment 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
€000

2012 2013 2014 2015 2016 2017

39% 46%

+145%

Digital advertising versus total advertising

2012 2013 2014 2015 2016 2017

18% 23% 29% 34%

+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
2014

- 14 Materia
- 6 El PAÍS Cataluña

2015

- Android app América
- 12 Reordenación Editorial de fin de semana
- 21 Personalización del contenido (Cxense)
- 16 Salida responsiva de artículo Brasil y Cataluña
- 22 Reducción de paginación
- 16 APP iWatch
Fukushima, vidas contaminadas (Documental VR)

01 Verne México
03 EL PAÍS SEMANAL
04 EL MOTOR

Facebook Instant Articles

Prototipo PAW (Progressive Adaptative Web)

What’s on TV

Alertas e-mail

BOT Facebook

Web Responsiva

Facebook Live

Web Responsiva

BOT Twitter

Piloto Player Youtube

Facebook Instant Articles

Verne México (Prototipo)

12 Facebook Instant Articles

IOS App

24 AMP

Salida responsiva de artículo España y América

18-20 Portada responsiva Cataluña España América y Brasil

01 Fukushima, vidas contaminadas (Documental VR)

12 Test A/B en home

27 BOT Facebook

Web Responsiva

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
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
Evolución de usuarios móviles

>70% 2018

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
Brand versus Distribution

<table>
<thead>
<tr>
<th>Year</th>
<th>Brand</th>
<th>Social</th>
<th>SEO</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>51%</td>
<td>13%</td>
<td>26%</td>
<td>10%</td>
</tr>
<tr>
<td>2016</td>
<td>44%</td>
<td>23%</td>
<td>32%</td>
<td>1%</td>
</tr>
<tr>
<td>2017</td>
<td>33%</td>
<td>24%</td>
<td>41%</td>
<td>2%</td>
</tr>
</tbody>
</table>

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

Product Development
Distribution
Globality
Data
We have scaled our audiences

American: 2017 36% 2014 28%
Spanish: 2017 55% 2014 64%
Rest of the World: 2017 9% 2014 8%

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
The new model

From an **ANONYMOUS** and **FREE** model

from generating **IMPRESSIONS**

from a **GENERAL-ONLY** news product

from a **PRODUCT CENTRIC** ORGANIZATION

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to

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to

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to

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Explore one of **KNOWN USERS** that extend our revenue models

generating **PROFILED USERS/INTENTIONS**
a **SPECIALIZED CONTENT PLATFORM**
a **CLIENT CENTRIC ORGANIZATION**
AUDIENCES: From Reach to Loyalty
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

<table>
<thead>
<tr>
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<th>AMP</th>
<th>Facebook Instant Articles</th>
<th>Other Platforms</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>AMP brings value both in bringing new visitors and additional revenue</td>
<td>Instant Articles brings value in discovering new visitors; revenues, however, are not performing so well.</td>
<td>Remain in control of the Analytics and Monetization capabilities</td>
</tr>
</tbody>
</table>

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 - CENTRIC APPROACH
Product: User-centric approach

Privacy and Security
High commitment to guarantee the safety and privacy of readers.

Data
Strengthen capabilities in data analytics to get insights that help driving a more personalized product and user experience.

Performance
New key business objective to meet users’ expectations regarding page loading rates.

Flexible technology
To optimize content production and distribution workflows to effectively deploy new products in an agile development environment.

Enhance user experience by use of data and by leveraging technology capabilities.
Platform - Verticals
Specific approach to niche communities based on social and demographic analytics.

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

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

Globalization
Global perspective for local audiences

Innovation
Response to machine learning technologies and voice-activated products across multiple devices.

Product: User-centric approach
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
EL PAÍS

Thank you