

VIRTUAL STAR CONFERENCE

Investors Presentation

FY20 Results

Milan, March 24th 2021

AGENDA

1. FY 2020 Highlights

Executive Summary
Results vs Guidance
Covid-19 Focus
Strategic Repositioning

2. FY 2020 Results

3. 2013-2020 Evolution

4. FY 2020 Business Areas

5. FY 2021 Outlook

2018-2019

Second step in strategic repositioning:

- Disposal of Mondadori France
- Reduction of scope of print activities in Media area
- Digital business development

Operating and financial consolidation

- ✓ Adj. Ebitda € 110.4 mn
- ✓ Cash flow from ordinary operations € 48.4 mn
- ✓ NFP/EBITDA Adj = 0.7x* with NFP at € -55.4 mn

2020

Group resilience in an emergency year:

- Books make for over 90% of Group margin
- Ready and effective response by Management to guarantee:
 - ✓ business continuity and safety conditions in the workplace
 - ✓ protection of profitability through effective cost containment actions

Increased efficiency and further financial deleverage

- ✓ Adj. Ebitda € 98.1 mn
- ✓ Cash flow from ordinary operations € 51.2 mn
- ✓ NFP/EBITDA Adj = 0.2x* with NFP at € -14.8 mn

FY 2020 Highlights - Executive Summary

Q4 2020

- **Steady improvement trend in results confirmed:** overall positive Group performance despite restrictions on the Retail channel to counter the pandemic
- Continued remarkable **growth** of the **Trade Books** market (**approximately +17% yoy**)
- Benefit from grants to museum activities offsetting the negative effects of lockdowns

FY 2020

- **EBITDA margin 13.2%** versus 12.5% in FY19
- **Revenue down by 14%** on like-for-like basis:
 - **Slight decline in Books thanks to Trade's resilience and School Textbook's stability**
 - **Strong decline of the areas**
 - **Media** due to sharp drop in advertising revenue
 - **Retail** due to social distancing measures and resulting store closures
 - **Museum** due to suspension of activities throughout the year
- **Significant cash generation (CF ordinary operations € 51.2 mn)**, thanks also to grants cashed-in, resulting in significant financial deleverage despite the deteriorated context (**NFP -15 mn; NFP/EBITDA = 0.2x***)

COVID-19

- Rapid response and ongoing support to the corporate population to protect health and **business continuity**
- Business continuity kept through technological and organizational actions taken to facilitate the use of **smart-working** solutions
- **Protection of company profitability** through **strong reduction in costs (€ 48 mn)** also thanks tools and social shock absorbers made available by the Government (e.g. CIGO)
- **Support to the supply chain** by granting payment extensions to bookstores and shortening supplier payment terms

* Before IFRS 16

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Results beat expectations

	TARGETS	RESULTS
REVENUE	-16-18% vs FY19	-15.9% (-14% on like-for-like basis);
Adj. EBITDA %	12%	13.2%
CF from ordinary operations	Continued cash generation trend	€ 51 mn vs 48 mn in FY19
NFP (no IFRS 16)	< NFP FY 2019	€ -14.8 mn vs € -55.4 mn at end 2019

FY 2020 Highlights - Results vs Guidance

BUSINESS RESILIENCE

Business resilience thanks to the strength of Books and stringent managerial discipline even in such an out-of-the-ordinary year..

- **Profitability % higher than FY 2019**
- **Increased cash generation**
- **Stronger financials**

COST REDUCTION

.....largely supported by **strong cost reductions..**

- **Personnel expense - € 22 mn**
- **Structural costs - € 6 mn**
- **Operating costs - € > 20 mn**

LONG-TERM SUSTAINABLE COST ACTION

... to form the basis in 2021 of **new, effective cost efficiency actions:**

- **Further efficiency in structural costs**
- **Absence of social shock absorbers calls for actions to contain the rebound in personnel expense**
- **Continued rationalization of the Retail store portfolio**

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People Safety

- Establishment of an **Internal Crisis committee** to manage the crisis
- Publication of a **Corporate Anti-Contagion Protocol**

- Implementation of **Smart working** involving almost all workers
- Launch of an **intranet platform** for seamless dialogue with the company

Provision of **personal** and company **protective** equipment and **sanitation** of workplaces

Adoption of **rapid and effective diagnostic systems**, especially for mass screening: rapid tests made available to all the workers (over **2.550 swab and serological tests** made)

Business Continuity

Measures to **contain personnel expense**, by resorting also to social shock absorbers. use of past holiday entitlement and reduction of variable management remuneration

Further actions to **reduce operating costs**

- **Revision of the publishing plan** of the Trade area
- Merging and **re-scheduling of issues** of a number of **titles** in the Media area

Deferred payment policy for bookstores during lockdown aimed at **supporting the supply chain** of the publishing industry

Actions
on costs

Actions
on revenue

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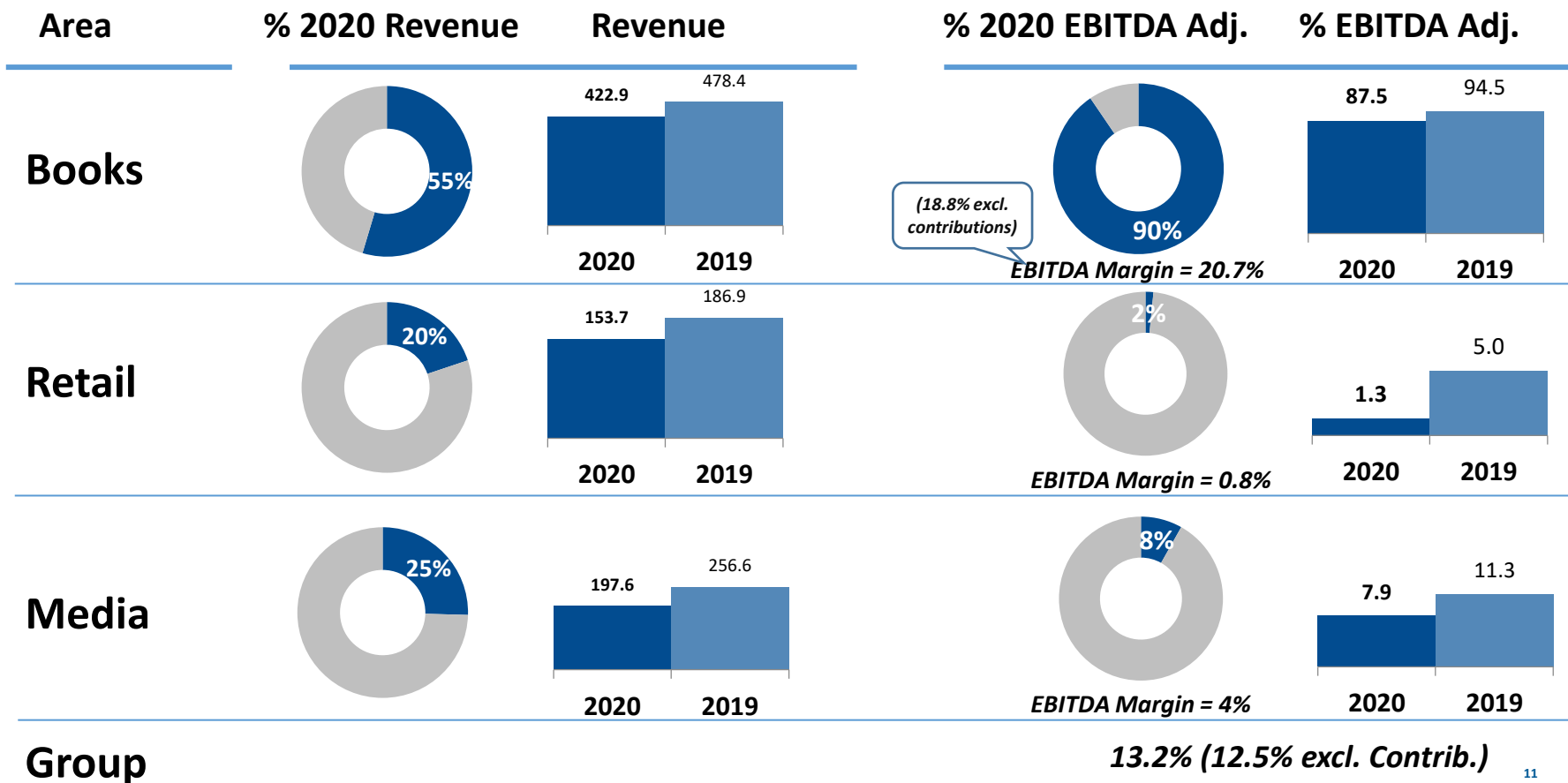
3. 2013-2020 Evolution

4. FY 2020 Business Areas

5. FY 2021 Outlook

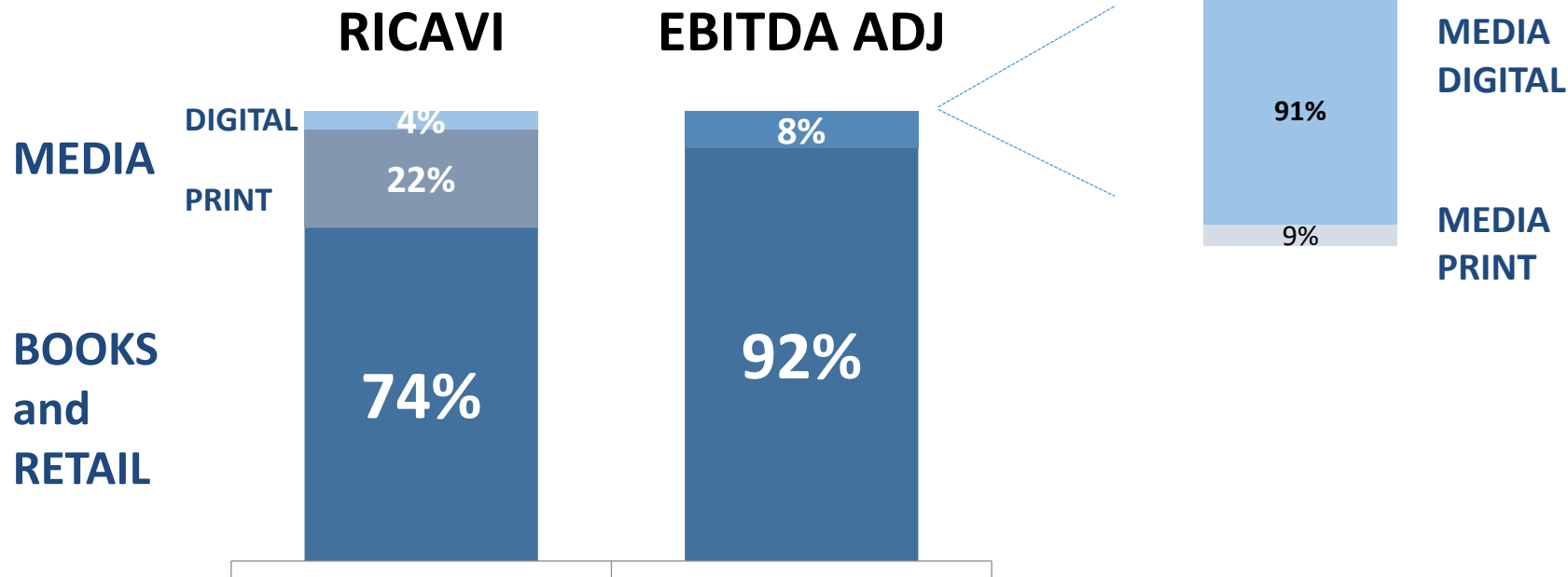
FY 2020 Highlights - Business Areas Snapshot

€ mln



FY 2020 Highlights - Strategic repositioning confirmed

Major business model de-risking path



Books make for over 90% of Group margins...

**... the rest is
generated by digital**

AGENDA

1. FY 2020 Highlights

2. **FY 2020 Results**

Highlights

Focus EBITDA&Cost Saving
Cash flow & NFP
Headcount

3. 2013-2020 Evolution

4. FY 2020 Business Areas

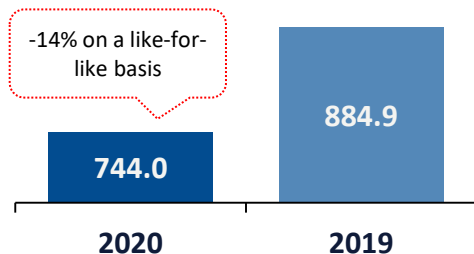
5. FY 2021 Outlook

FY20 Results - Highlights

€ millions

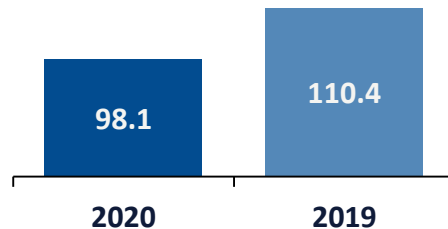
-15.9%

Revenue



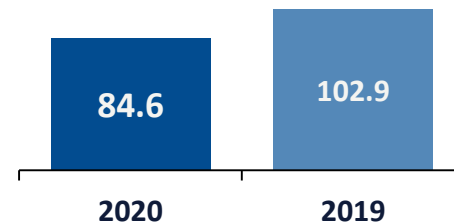
-12.3 € mn

Adj. EBITDA



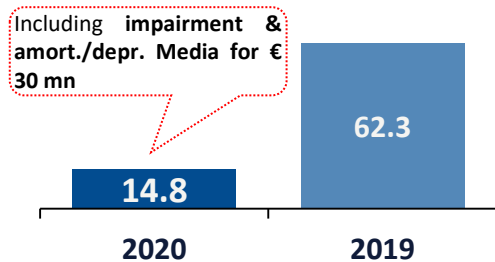
-18.3 € mn

Rep. EBITDA



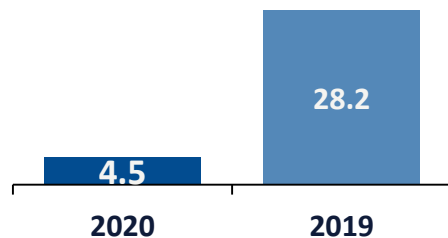
-47.5 € mn

EBIT



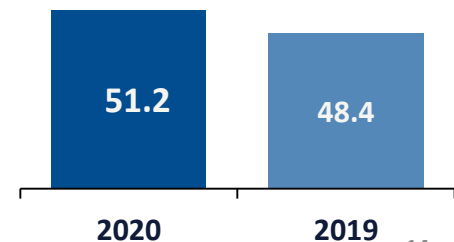
-23.7 € mn

Consolidated Net Result



+2.8 € mn

Cash flow from ordinary operations (cont. oper.)

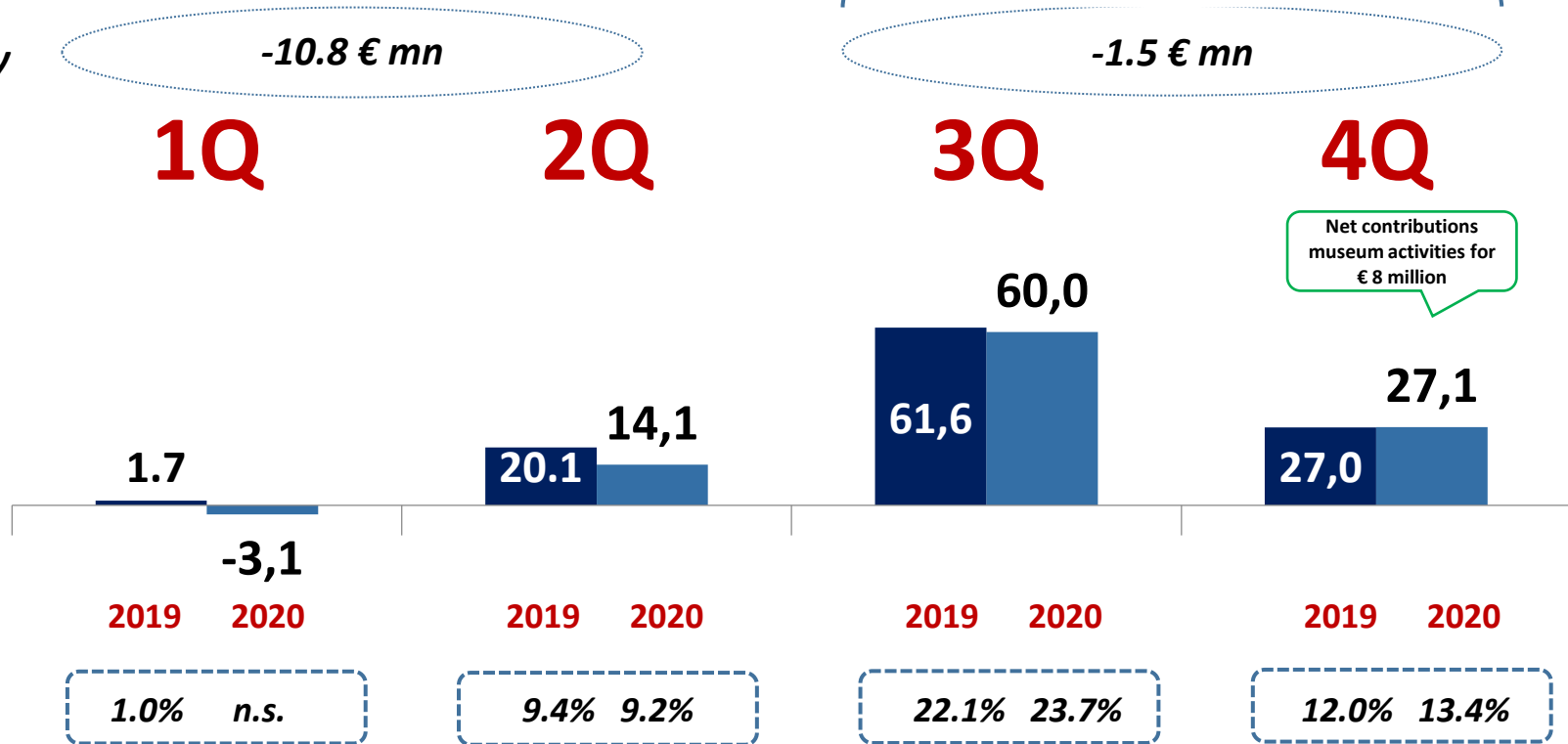


FY20 Results - Steady profitability in an out-of-the-ordinary year

€ millions

Post lockdown, business
performance in line with 2019

Chg. yoy



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2. **FY 2020 Results**

Highlights

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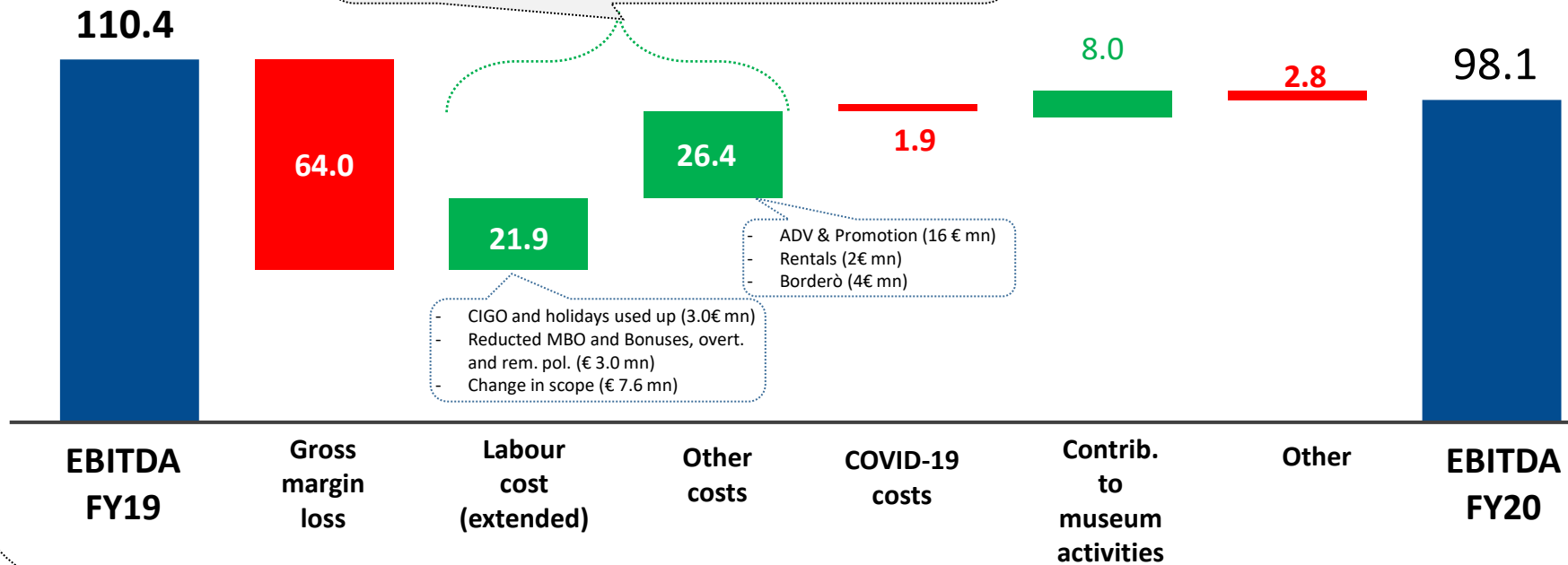
5. FY 2021 Outlook

Cost Saving FY20 vs. FY19

€ millions

The strong cost-cutting policy helped counter the loss of margins resulting from the drop in revenue:

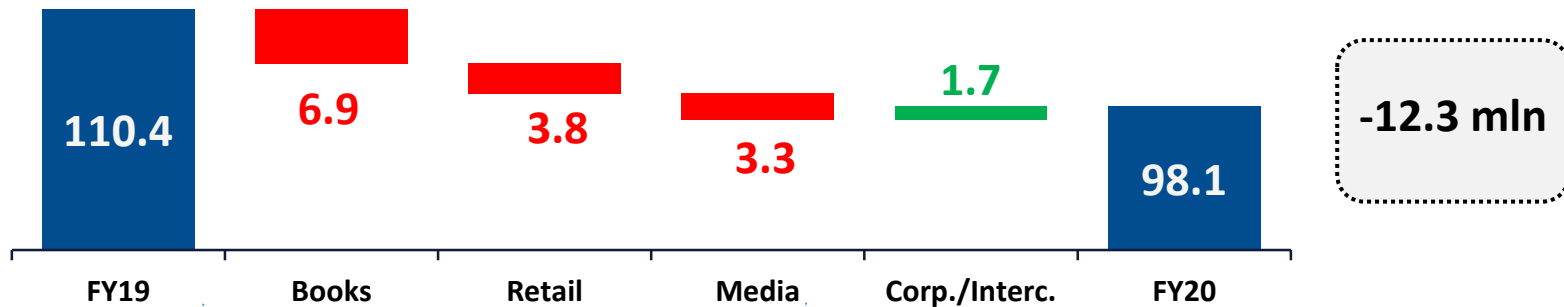
Efficiencies for ~48 € mn



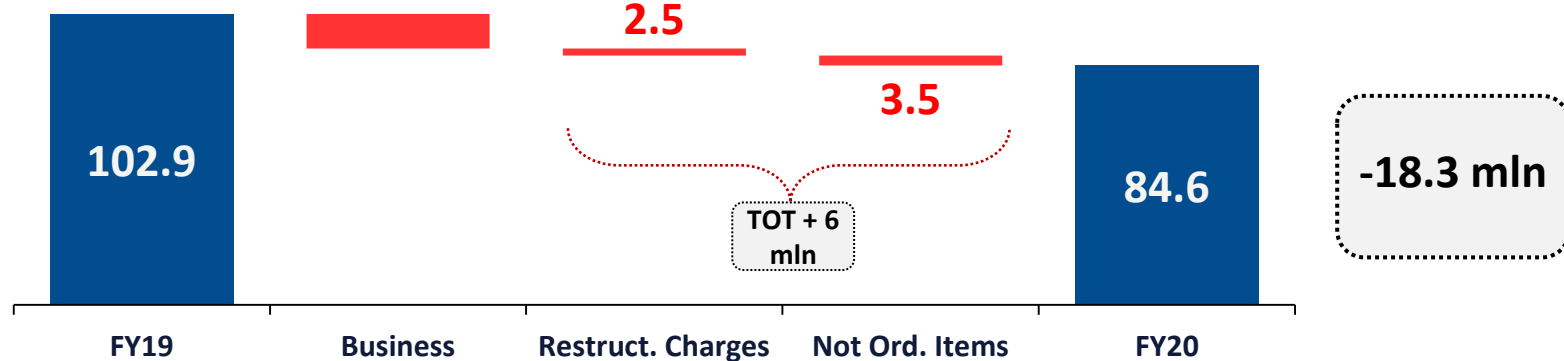
EBITDA FY20 Trend

€ millions

Adj.
EBITDA



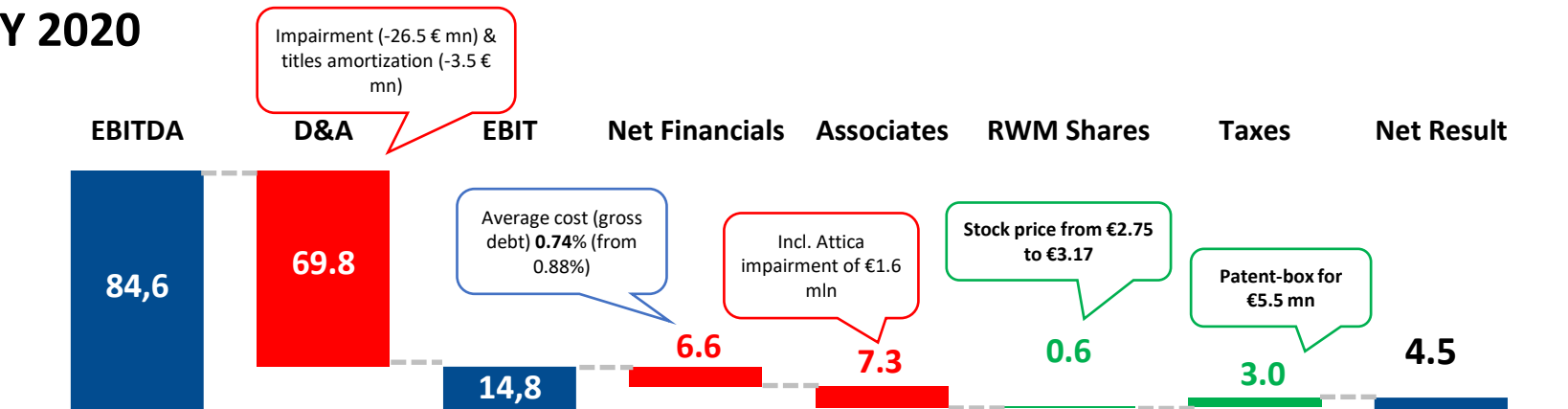
Rep.
EBITDA



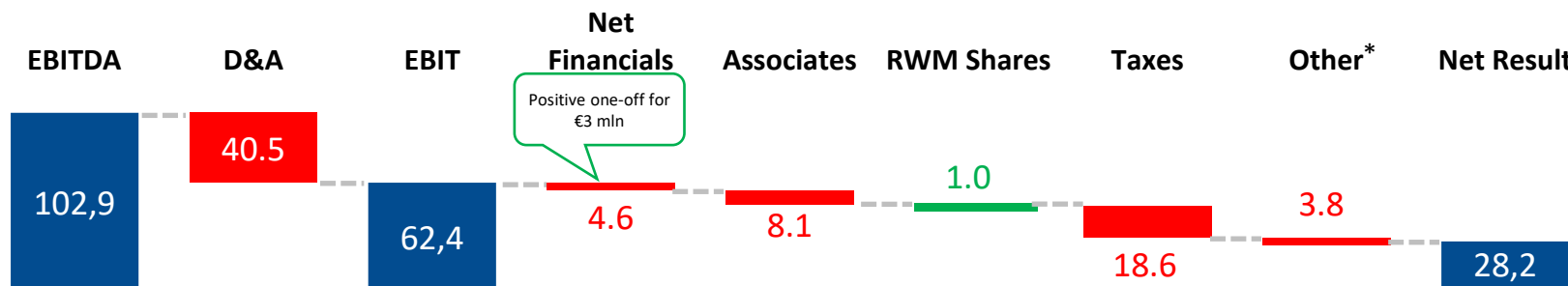
From EBITDA to Net Result FY20

€ millions

FY 2020



FY 2019



* Incl. Minorities & Result from Discontinued Operations

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2. **FY 2020 Results**

Highlights
Focus EBITDA&Cost Saving
Cash flow & NFP
Headcount

3. 2013-2020 Evolution

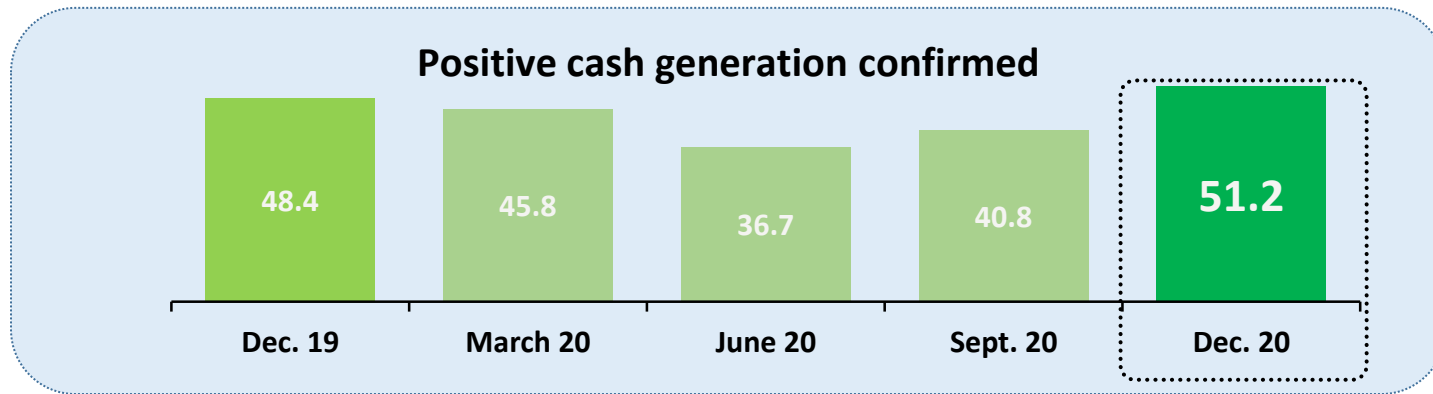
4. FY 2020 Business Areas

5. FY 2021 Outlook

Cash Flow & NFP Dec. 20

€ millions

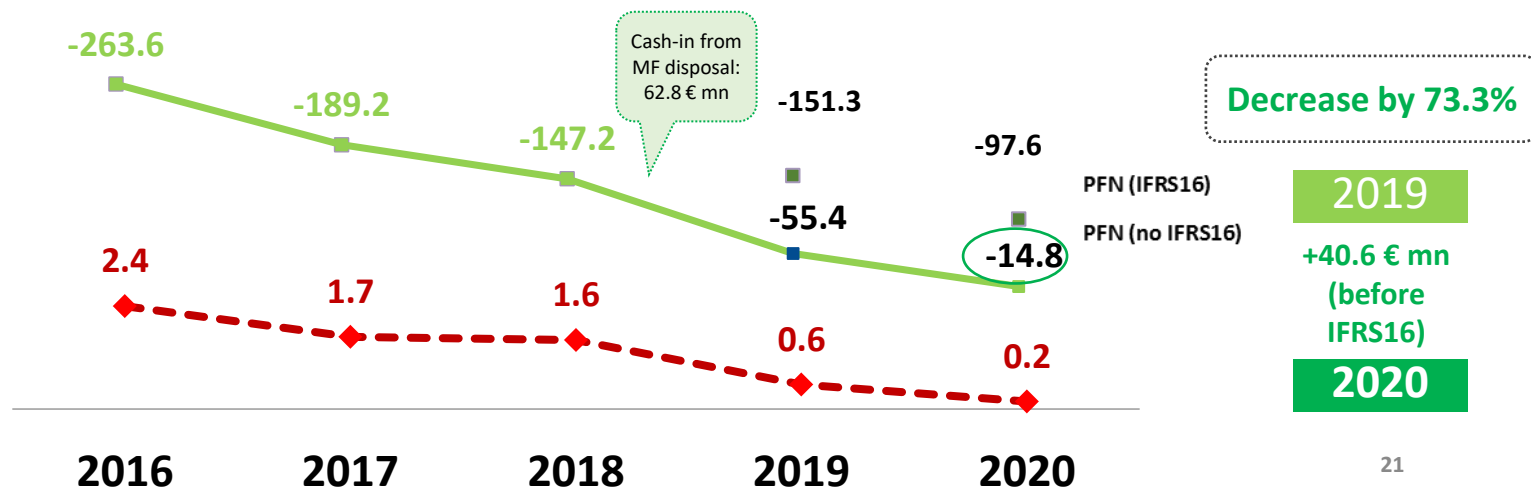
Ordinary Cash Flow



Cash Flow Ordinario = CF Operativo al netto di imposte ed oneri finanziari; LTM nei mesi infrannuali

NFP Evolution

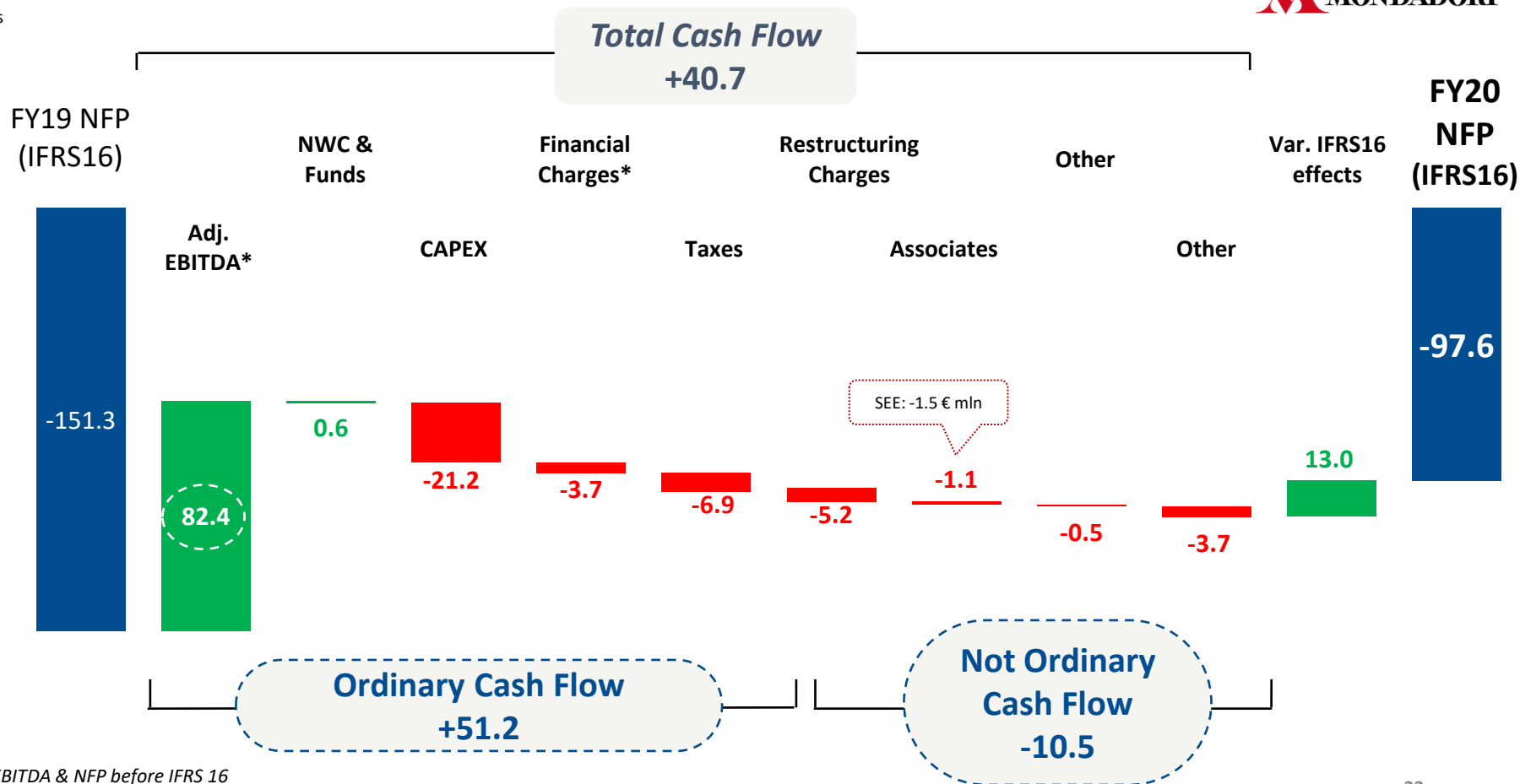
Trend Leverage Ratio*



* Adj. EBITDA & NFP before IFRS 16

Consolidated Cash Flow FY20

€ millions



* Adj. EBITDA & NFP before IFRS 16

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Highlights
Focus EBITDA&Cost Saving
Cash flow & NFP
Headcount

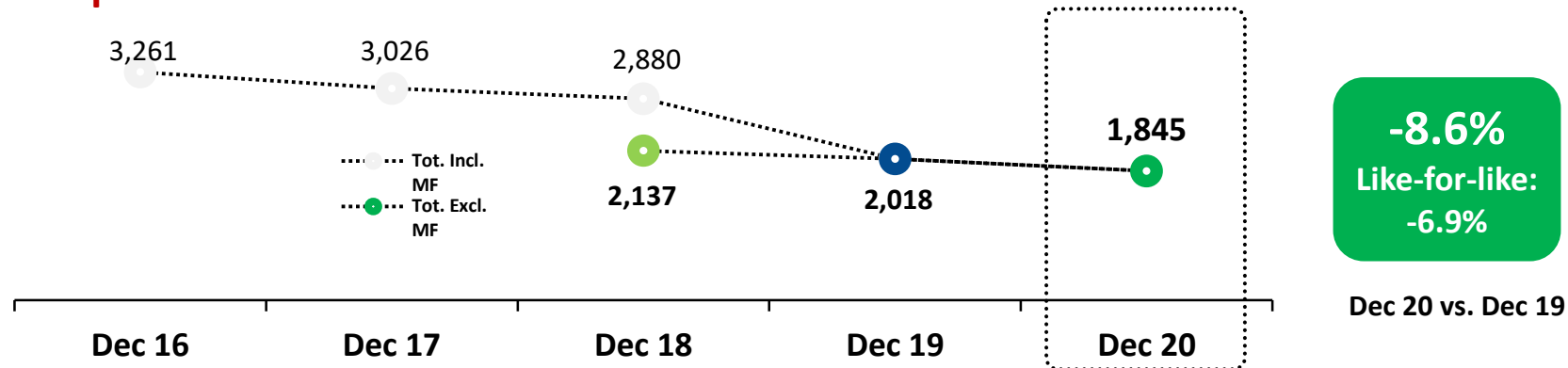
3. 2013-2020 Evolution

4. FY 2020 Business Areas

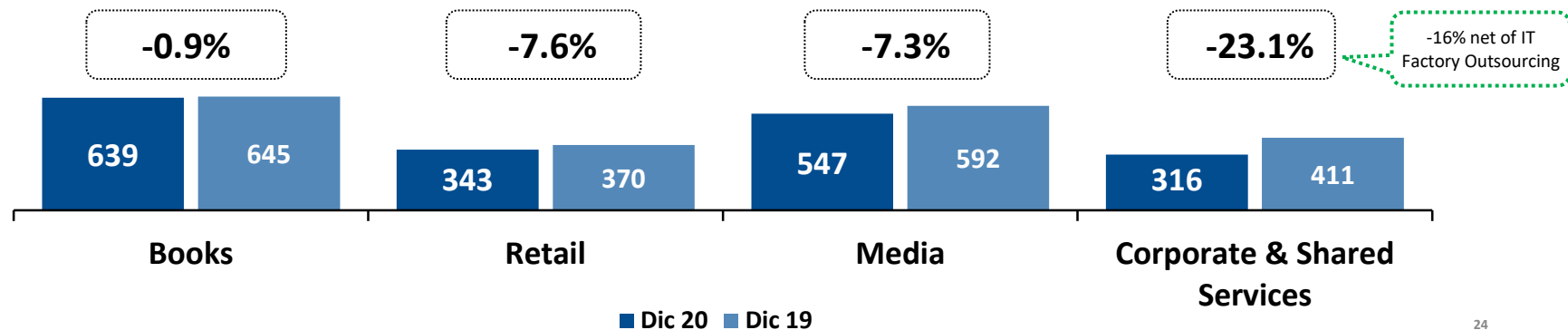
5. FY 2021 Outlook

Headcount evolution FY20

Group Headcount



Headcount by BU



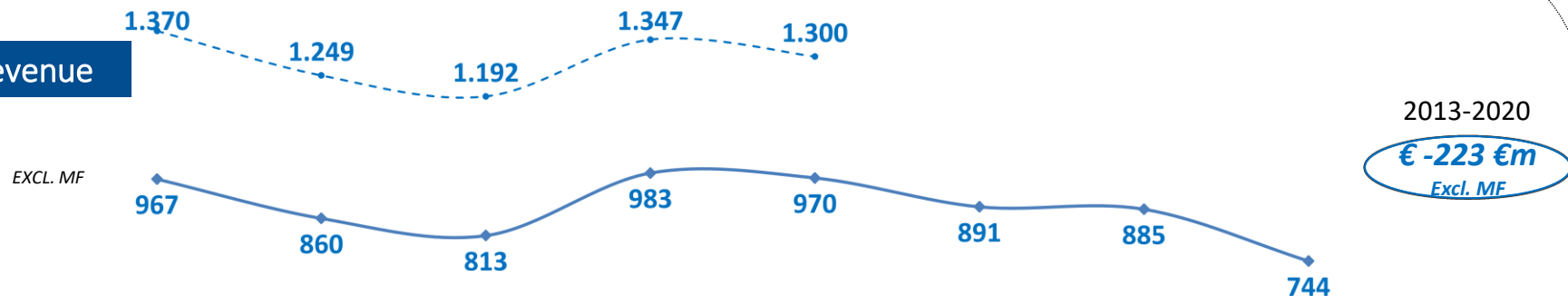
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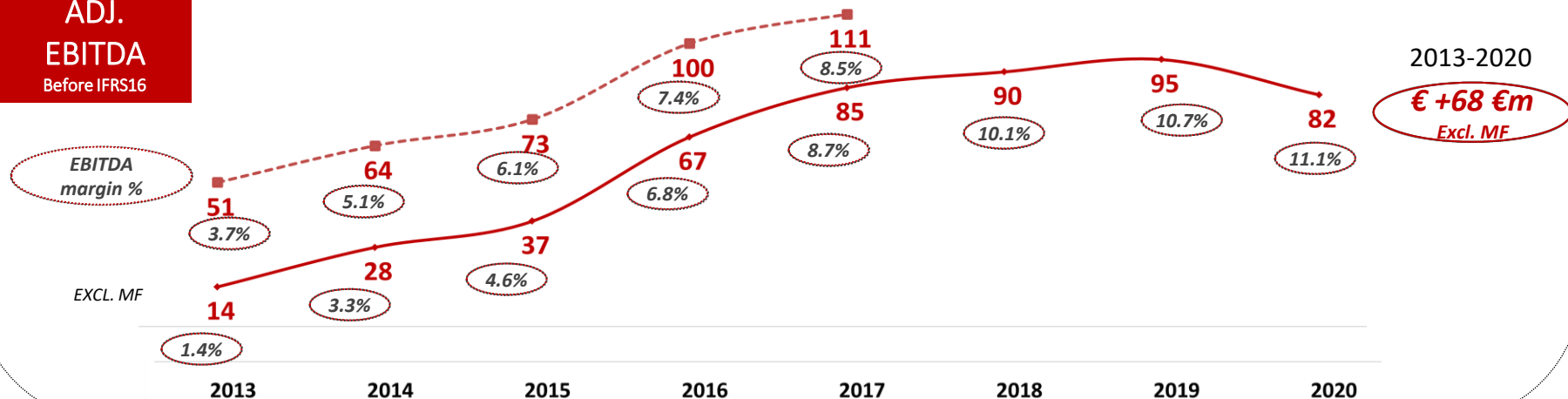
2013 / 2020 Evolution

€ mln

Revenue

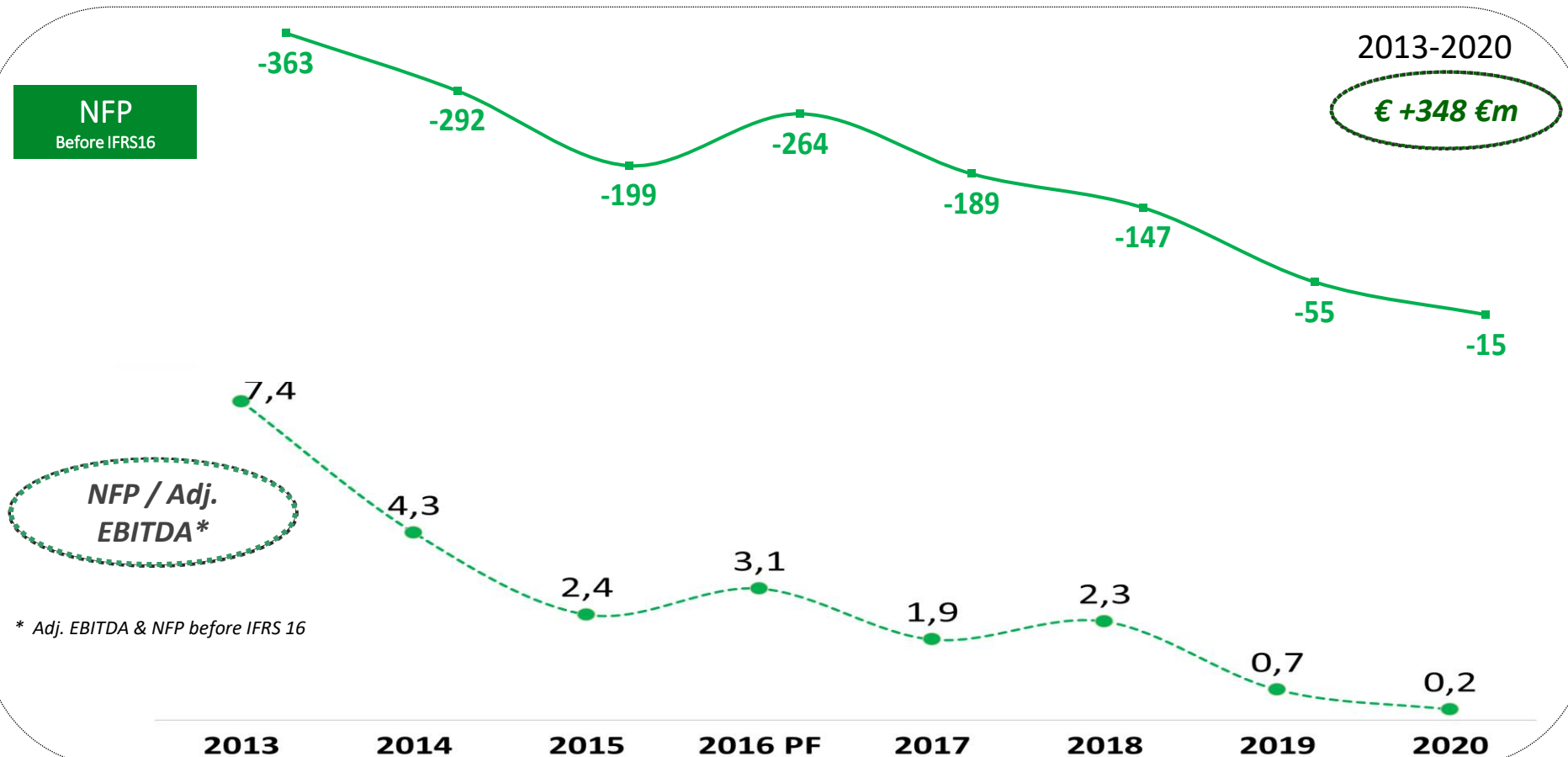


ADJ. EBITDA Before IFRS16



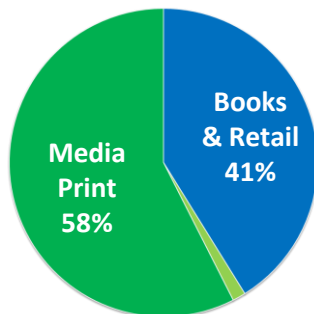
2013 / 2020 Evolution

€ mln

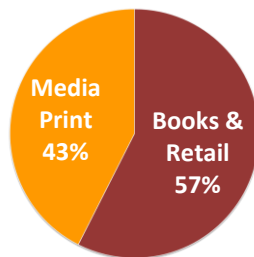


2020 Strategic Repositioning

2014

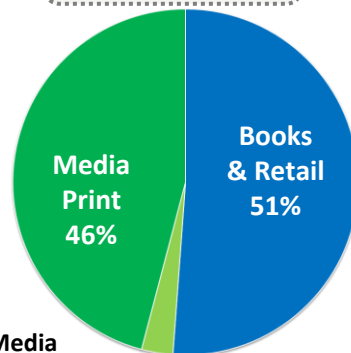


1.249 m€

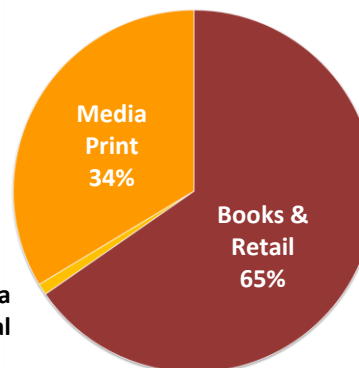


64 m€ 5.1%

2017

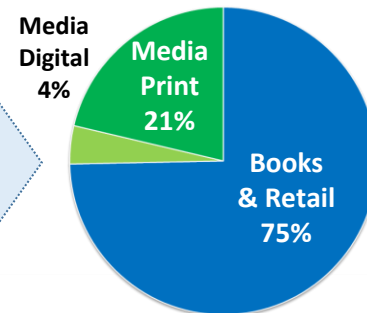


1.300 m€

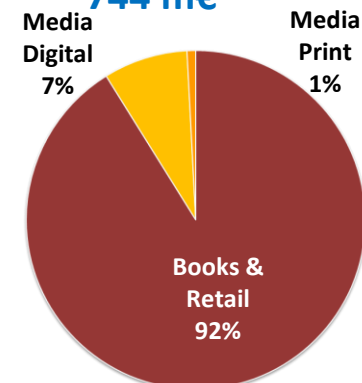


111 m€ 8.5%

2020



744 m€



82 m€ 11.1%

**Revenue
mix**

(% on gross revenue)

**Adj. EBITDA
mix**

(corporate costs not
represented)

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Books

Retail

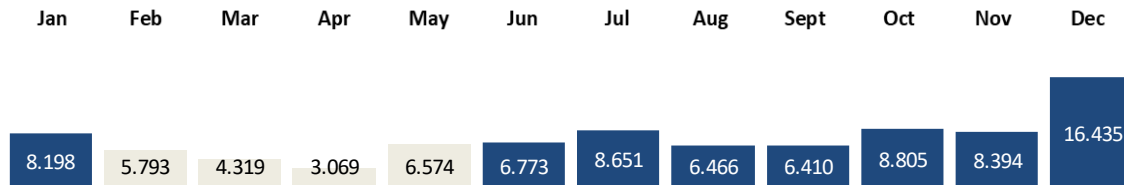
Media

5. FY 2021 Outlook

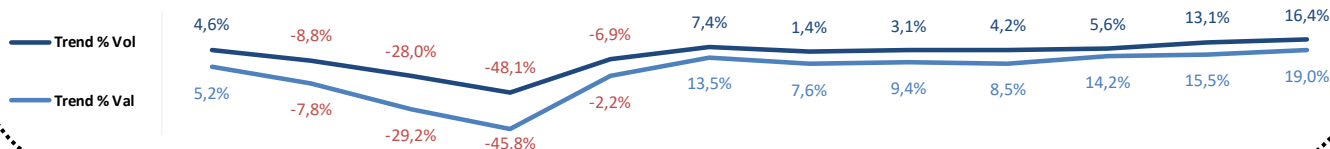
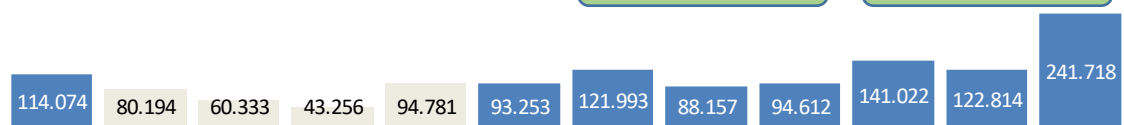
Strong recovery of Trade Books after lock-down: +13.5% yoy

Total Market - Month

**Volume
(.000)**



**Mkt Value
(.000€)**



Q3 +8.4% yoy

Q4 +16.8% yoy

FY

**Mkt Value
(.000€)**

FY 2018 FY 2019 FY 2020



+3.3% yoy

**+3.6% Hardcover
+2.1% Paperback**

**E-Books &
Audiobooks 2020 =
7.4% of Total Mkt**

10 titles in the Top 20 Bestsellers

#	Title	Author	Publisher
1	Fu sera e fu mattina	Follett Ken	MONDADORI
2	Cambiare l'acqua ai fiori	Perrin Valérie	E/O
3	L' enigma della camera 622	Dicker Joël	LA NAVE DI TESEO
4	Il colibrì	Veronesi Sandro	LA NAVE DI TESEO
5	Riccardino	Camilleri Andrea	SELLERIO EDITORE PALERMO
6	Insieme in cucina. Divertirsi in cucina con le ricette di «Fatto in casa da Benedetta»	Rossi Benedetta	MONDADORI ELECTA
7	I leoni di Sicilia. La saga dei Florio	Auci Stefania	NORD
8	Le storie del mistero	Lyon Gamer	MAGAZZINI SALANI
9	Come un respiro	Ozpetek Ferzan	MONDADORI
10	La misura del tempo	Carofiglio Gianrico	EINAUDI
11	Perché l'Italia amò Mussolini (e come è sopravvissuta alla dittatura del virus)	Vespa Bruno	MONDADORI
12	M. L'uomo della provvidenza	Scurati Antonio	BOMPIANI
13	Ah l'amore l'amore	Manzini Antonio	SELLERIO EDITORE PALERMO
14	In cucina con voi! Tutte le nuove ricette di «Fatto in casa da Benedetta»	Rossi Benedetta	MONDADORI ELECTA
15	Io sono l'abisso	Carrisi Donato	LONGANESI
16	A riveder le stelle. Dante, il poeta che inventò l'Italia	Cazzullo Aldo	MONDADORI
17	Il falco	Casati Modignani Sveva	SPERLING & KUPFER
18	Sfida il Signor S con Lui e Sofi. Il fantalibro dei Me contro Te	Me contro Te	MONDADORI ELECTA
19	Una terra promessa	Obama Barack	GARZANTI
20	Le fantafiabe di Lui e Sofi	Me contro Te	MONDADORI ELECTA

*Source: GfK, Dec. 2020 (sell-out market value data)

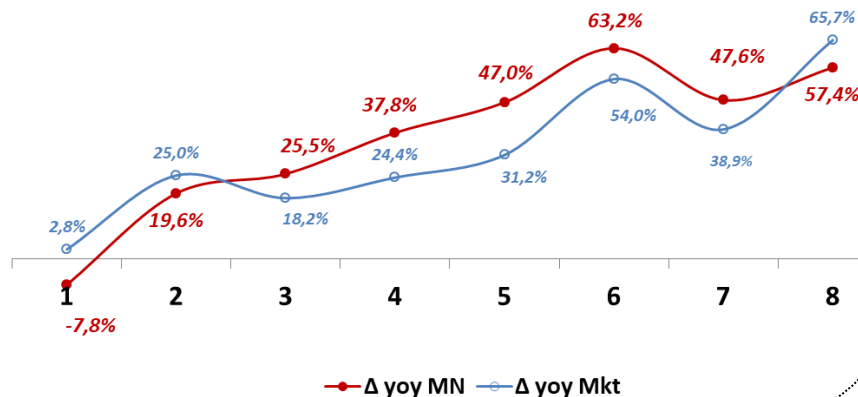
5 titles in the 2021 Top 10

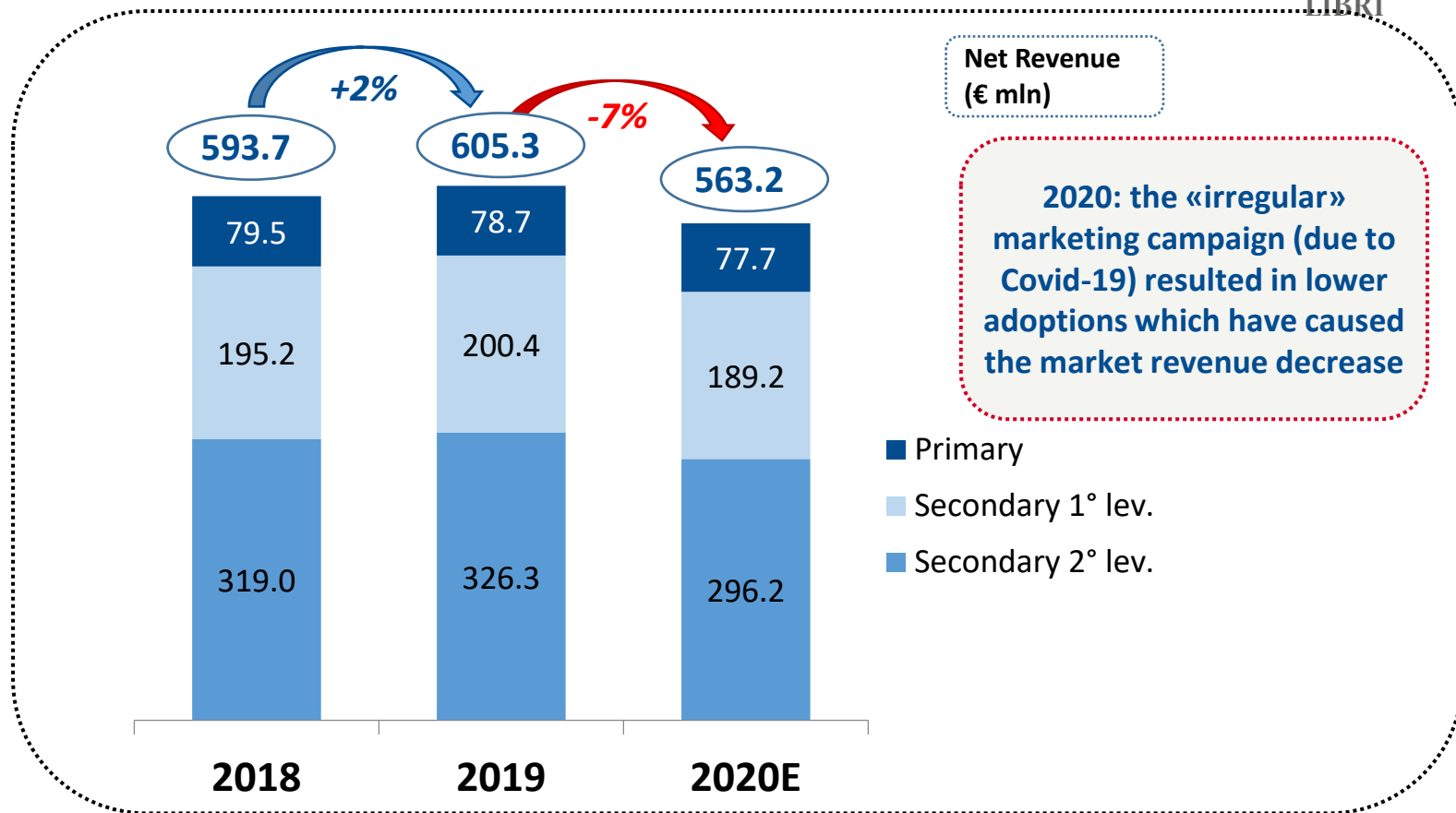


First 8 weeks 2021 trend

Average growth rate
MN +32.9%

Average growth rate
Mkt +30.7%





Trade Market Share

GRUPPO MONDADORI **24.8%** **26.0%**

GMS	11.3%	10.6%	ADELPHI	1.8%	1.6%
GIUNTI	7.6%	8.7%	DEAGOSTINI LIBRI	1.4%	1.6%
La Feltrinelli	5.1%	5.4%	Others	48.0%	46.1%

GRUPPO MONDADORI

Hardcover **18.7%** **20.2%**

Paperback **56.7%** **56.1%**

Education Market Share

GRUPPO MONDADORI **22.1%** **21.7%**

MONDADORI EDUCATION **12.2%** **12.1%** **Rizzoli EDUCATION** **9.9%** **9.5%**

ZANICHELLI	23.2%	22.8%
PEARSON	13.8%	13.8%
DEAGOSTINI LIBRI	10.7%	10.7%
Others	30.2%	31.0%

2020

2019

GRUPPO MONDADORI

Primary **20.5%** **18.2%**

SS1 **25.9%** **25.5%**

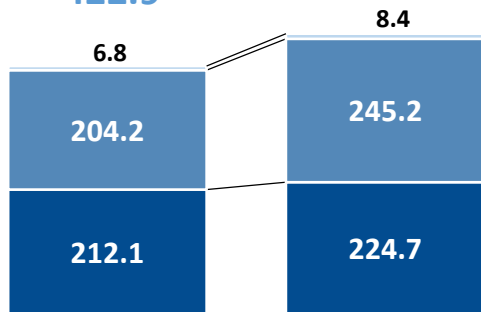
SS2 **20.7%** **20.8%**

Business FY20 – Books

€ millions

Revenue -11.6%
(-4.9% in 4Q)

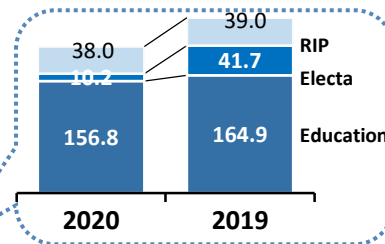
422.9 478.4



Distribution and services

Educational -16.7%

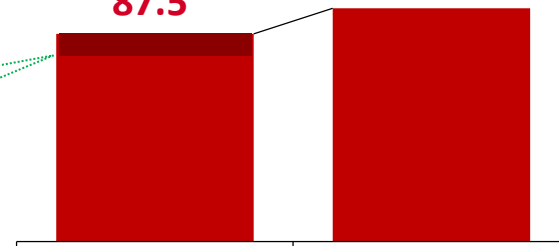
Trade -5.6%



Grants to Electa =
€ 8 million*

Adj. EBITDA -6.9 € mn
(+4.2 € mn in 4Q)

87.5 94.5



2020

2019*

2020

2019

*2019 restated following spin-off of Electa's Trade books BU, incorporated as from 1/1/20 in the Trade books segment.

* Decree MD 521 (16/11/2020) € 10.9 mn, net of provisions

REVENUE

- **Trade:** -5.6% yoy, due to the growing weight of the e-commerce channel
- **E-books up by +27%** due to greater penetration during lockdown (**e-books and audio books = 7.8% of total**)
- **Educational:** -16.7% yoy, due primarily to closure of museums and archaeological sites (under concession) for the COVID-19 emergency (€ -31.5 million); revenue from School textbooks -4.9% yoy, performing slightly better than the relevant market

Adj. EBITDA

- **Adjusted EBITDA** € 87.5 million, down due mainly to the decline in museum activities, only partly offset by grants received.
- **EBITDA margin % basically steady ≈20%**

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Books
Retail
Media

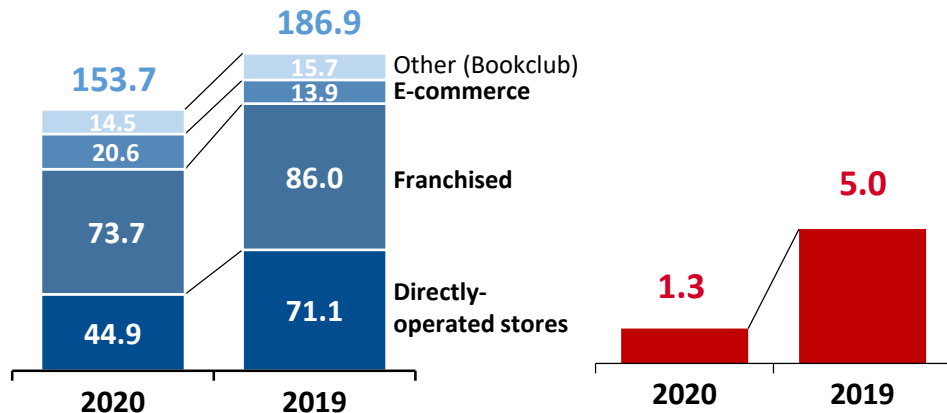
5. FY 2021 Outlook

Business FY20 - Retail

€
millions

Revenue -17.7%
(-14.3% in 4Q)

Adj. EBITDA -3.8 € mn
(-2.4 € mn in 4Q)



REVENUE

- Books:** 12.9% down despite strong impact of COVID-19 lockdowns:
 - of all bookstores from March 12 to end April
 - of PoS in shopping centres during WE and on holidays and pre-holidays in 4Q; in 4Q -0.6% yoy
- Extra-books:** down due also to strategy focused on Books
- Better performance of Franchised segment (-14.3%)** than DOS's one (-37%) **and strong growth of e-commerce (+47.7%)**

Adj.
EBITDA

Adjusted EBITDA down moderately versus the drop in revenue thanks to effective cost containment actions, renovation of the physical store network and structural revision of organization and processes

MONDADORI
RETAIL

Books Market FY2020

Market
+3.3%

Impacted by
lower weight
of online
channel

MONDADORI
RETAIL

-10.5%

+54.9%

ONLINE
WEIGHT
41.7%

+62.3%

ONLINE
WEIGHT
10.3%

-16.5%

PHYSICAL
WEIGHT
58.3%

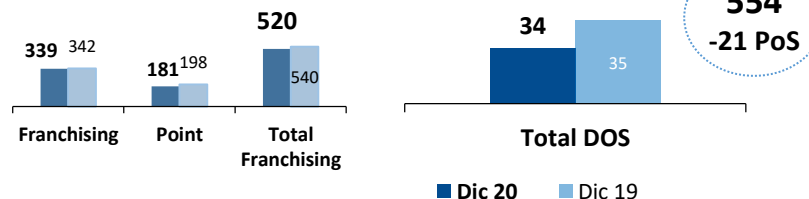
-15.6%

PHYSICAL
WEIGHT
89.7%

Δ
+0.9pt

Source: Internal estimate on GfK figures, December 2020

Points of Sale Network: ongoing rationalization



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Books
Retail
Media

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The Social Multimedia Company



21
MAGAZINES

14
DIGITAL
BRANDS

Leader in 5 verticals

Readers

Unique
Audience

TV



2.2 mln

3.9 mln

Cooking



0.8 mln

25.7 mln

Women / Lifestyle



1.2 mln

12.8 mln

Health & Wellness



15.5 mln

Tech & Science



3.2 mln

8.9 mln

Markets – Media

€ mln

2020 Circulations Trend

-11.8%



2020

24.2%

2019

25.5%

(excl. 5 titles disposal)



22.6%

21.4%

HEARST magazines

5.1%

5.4%



6.1%

5.9%

Gr. La Verità (solo periodici)

4.0%

1.4%

Stile Italia edizioni



12.0%

11.3%

Altri

23.6%

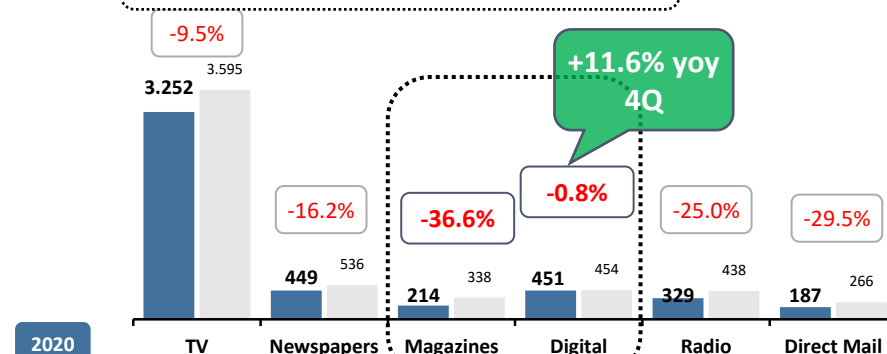
22.8%

Source: Circulation – Press-di (Dec. 2020), newstands + subs. in value



2020 ADV

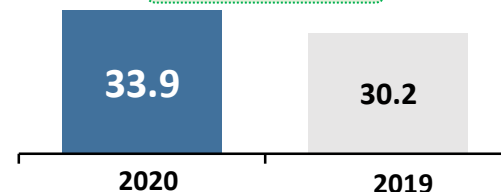
-15.3%



Source: Adv. – Nielsen (Dec. 2020), value data, excl. Search, social, classified & OTT

Mondadori – Web Unique Audience (mn/month)

+12.1% YoY



Source: comScore (Dec. 2020)

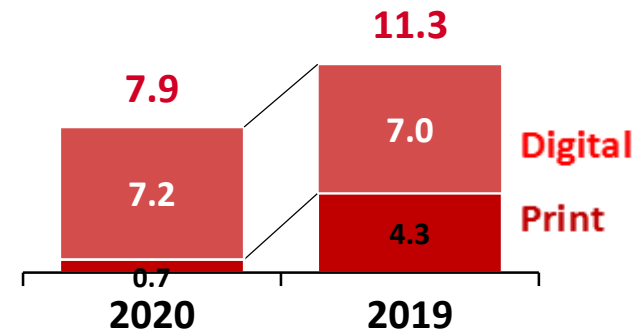
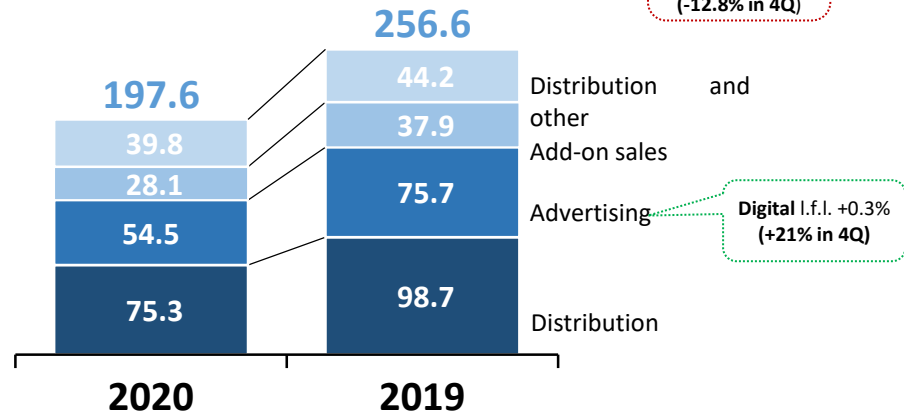
Business FY20 - Media

€ millions

Revenue -23%
(-18.2% in 4Q)

-17.5% on a like-for-like basis of titles
(-12.8% in 4Q)

Adj. EBITDA -3.3 € mn
(-1.1 mn. in 4Q)



REVENUE

- **Advertising revenue:** on l.f.l. basis, dynamics of the **digital** segment (**+0.3% FY; +21% in 4Q**) fail to offset the COVID-19-related sharp decline in print (-41%): overall ≈ -23% yoy; weight of **digital** advertising revenue: ≈57%.
- **Circulation revenue:** ≈-24% yoy, performance affected by COVID-19 impact and, to a lesser extent, by disposal of the 5 titles; on a like-for-like basis, down -14% yoy
- **Revenue from add-on sales:** -26% (-24% l.f.l.), due also to reduced availability of DVD and CD products
- **Distribution and other down:** ≈-10%

Adj. EBITDA

- **Adj. EBITDA** € 7.9 mn down by only € 3.3 mn, despite drop in revenue due to the **effective measures to contain** operating costs (% margins steady)
- **Digital adj. EBITDA** up to € 7.2 mn (in 4Q20 +1 mn vs 4Q19) and **profitability > 22%**

AGENDA

1. FY 2020 Highlights

2. FY 2020 Results

3. 2013-2020 Evolution

4. FY 2020 Business Areas

5. FY 2021 Outlook

Business trends

2021 Guidance

M&A Opportunities

Markets/Offer

Targets

TRADE BOOKS

- Ongoing **positive market performance**
- Increase in market share through a competitive publishing plan

- **Profitability % marginally lower vs 2020** due to "rebound" of operating costs

EDUCATION

- Market **up** thanks to expectation of **major changes in textbook adoption**

- **Revenue up** driven by market dynamics
- **Confirmation of % profitability levels achieved in 2020 and in years prior to COVID-19**

MUSEUMS

- Slight recovery of the segment thanks to eased restrictions on exhibition management activities and access to museum sites

- **Revenue and margins up slightly** (net of 2020 relief)
- **Despite improved performance, profitability remains below pre-COVID-19 levels**

RETAIL

- Segment revenue rebound thanks to buoyant Books market
- Continued streamlining of the offer, **focus on Books** and **rationalization of the points of sale**


- **Sharp increase in profitability across all channels** thanks to the revision of organization and processes and closure of marginal or underperforming points of sale

MEDIA

- **Upswing of print and digital advertising market**

- **Steady % profitability** thanks to **continued growth of digital** and **cost-cutting** measures despite slightly declining revenue

AGENDA

1. FY 2020 Highlights
2. FY 2020 Results
3. 2013-2020 Evolution
4. FY 2020 Business Areas
5. **FY 2021 Outlook** 
 - Business trends
 - 2021 Guidance**
 - M&A Opportunities

2021 GUIDANCE (current scope)

REVENUE

**Low single
digit growth vs FY20**

Adj. EBITDA

11-12% Margin
(~ stable vs FY 20
net of Electa grants)

Net Result

Strong growth
(also thanks to «one-off»
effects)

Ordinary Cash Flow

€40-45 million

NFP*

**Positive (net cash) excl.
IFRS16**

FY2020 impairment =
€26.5 mn

Likely resort to tax
redemption on
intangible assets

M&A growth

Possible return to a
dividend policy

*Including IFRS16: NFP/Adj. EBITDA < 0.8x (from 1.0x FY20)

AGENDA

1. FY 2020 Highlights

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Business trends

2021 Guidance

M&A Opportunities

Strategy focus on consolidation and growth of the core business, also through extraordinary transactions

- **Strong commitment on M&A opportunities with focus on:**

- core business Books (Trade and School Textbooks) and Digital
- new segments in or adjacent to Book publishing

- **Also with financial discipline maintaining Leverage < 2.0/2.5x (no IFRS 16)***

M&A
Headroom:
**€ 200-250
mn**



Q&A



GRUPPO  MONDADORI

BACK-UP



- 1,300 FLU VACCINES TO EMPLOYEES AND THEIR RELATIVES
- PNEUMOCOCCAL VACCINATION TO OVER 55

**> 11,000
TRAINING HOURS**

**> 2,500
SEROLOGICAL, PCR AND RAPID ANTIGEN.
TESTS**

> 2,000 PARTICIPANTS



CERTIFIED PAPER: 99,99%

**PAPER CONSUMPTION:
-20% VS 2019**

CO₂ EMISSIONS: -20% VS 2019



- **NO INCIDENTS OF CORRUPTION** INVOLVING EMPLOYEES OR SUPPLIERS
- **NO LEGAL ACTION INITIATED OR CONCLUDED** AGAINST THE GROUP OR ITS EMPLOYEES FOR INCIDENTS OF CORRUPTION IN THE THREE-YEAR PERIOD 2018-2020

- **NO REPORTS TO THE WHISTLEBLOWING SYSTEM** IN 2020

- **NO LEGAL ACTION** AGAINST THE MONDADORI GROUP **FOR ANTI-COMPETITIVE BEHAVIOR, ANTITRUST VIOLATIONS OR MONOPOLISTIC PRACTICES** IN THE THREE-YEAR PERIOD 2018-2020

Euro/millions	2020		2019		% chg.
REVENUE	744,0		884,9		(15,9%)
INDUSTRIAL PRODUCT COST	225,3	30,3%	279,4	31,6%	(19,4%)
VARIABLE PRODUCT COSTS	112,7	15,1%	115,5	13,1%	(2,5%)
OTHER VARIABLE COSTS	144,9	19,5%	168,8	19,1%	(14,2%)
STRUCTURAL COSTS	49,7	6,7%	60,1	6,8%	(17,3%)
EXTENDED LABOUR COST	131,3	17,6%	153,2	17,3%	(14,3%)
OTHER EXPENSE (INCOME)	(18,0)	(2,4%)	(2,6)	(0,3%)	n.s.
ADJUSTED EBITDA	98,1	13,2%	110,4	12,5%	(11,2%)
RESTRUCTURING COSTS	8,9	1,2%	6,4	0,7%	39,0%
EXTRAORDINARY EXPENSE (INCOME)	4,6	0,6%	1,1	0,1%	299,9%
EBITDA	84,6	11,4%	102,9	11,6%	(17,7%)
AMORTIZATION AND DEPRECIATION	26,8	3,6%	22,4	2,5%	19,9%
IMPAIRMENT AND WRITE-DOWNS	28,6	3,8%	3,6	0,4%	n.s.
AMORTIZATION AND DEPRECIATION IFRS 16	14,4	1,9%	14,6	1,7%	(1,6%)
EBIT	14,8	2,0%	62,3	7,0%	(76,2%)
FINANCIAL EXPENSE (INCOME)	4,1	0,5%	2,2	0,2%	87,6%
FINANCIAL EXPENSE IFRS 16	2,5	0,3%	2,4	0,3%	5,2%
FINANCIAL EXPENSE (INCOME) FROM SECURITIES VALUATION	(0,6)	(0,1%)	(1,0)	(0,1%)	n.s.
EXPENSE (INCOME) FROM INVESTMENTS	7,3	1,0%	8,1	0,9%	(10,7%)
EBT	1,5	0,2%	50,6	5,7%	(96,9%)
TAX EXPENSE (INCOME)	(3,0)	(0,4%)	18,6	2,1%	n.s.
RESULT FROM CONTINUING OPERATIONS	4,5	0,6%	32,0	3,6%	(85,9%)
RESULT FROM DISCONTINUED OR DISCONTINUING OPERATIONS	0,0	0,0%	2,6	0,3%	n.s.
NET RESULT FOR THE PERIOD (GROUP AND NON-CONTROLLING	4,5	0,6%	29,4	3,3%	(84,7%)
MINORITIES	0,0	0,0%	1,2	0,1%	n.s.
GROUP NET RESULT	4,5	0,6%	28,2	3,2%	(84,0%)

-14% like-for-like

Incl. impairment (-26.5€ mn) of some Media brands

Patent Box of €5.5 mln

4Q20 P&L

Euro/millions	Q4 2020		Q4 2019		% chg.
REVENUE	202,1		225,9		(10,6%)
INDUSTRIAL PRODUCT COST	65,8	32,5%	74,0	32,8%	(11,2%)
VARIABLE PRODUCT COSTS	40,3	19,9%	29,3	13,0%	37,5%
OTHER VARIABLE COSTS	39,5	19,5%	41,0	18,2%	(3,7%)
STRUCTURAL COSTS	13,9	6,9%	18,3	8,1%	(24,3%)
EXTENDED LABOUR COST	33,0	16,3%	38,5	17,0%	(14,1%)
OTHER EXPENSE (INCOME)	(17,5)	(8,6%)	(2,2)	(1,0%)	n.s.
ADJUSTED EBITDA	27,1	13,4%	27,0	12,0%	0,3%
RESTRUCTURING COSTS	6,2	3,1%	3,4	1,5%	80,7%
EXTRAORDINARY EXPENSE (INCOME)	1,4	0,7%	(0,9)	(0,4%)	n.s.
EBITDA	19,5	9,7%	24,5	10,8%	(20,3%)
AMORTIZATION AND DEPRECIATION	7,2	3,6%	5,6	2,5%	30,3%
IMPAIRMENT AND OTHER WRITE-DOWNS	22,8	11,3%	3,3	1,5%	n.s.
AMORTIZATION AND DEPRECIATION IFRS 16	3,6	1,8%	3,5	1,6%	2,1%
EBIT	(14,1)	(7,0%)	12,2	5,4%	n.s.
FINANCIAL EXPENSE (INCOME)	0,9	0,4%	1,5	0,7%	(42,5%)
FINANCIAL EXPENSE IFRS 16	0,6	0,3%	0,6	0,3%	(7,1%)
FINANCIAL EXPENSE (INCOME) FROM SECURITIES VALUATION	0,3	0,1%	(2,0)	(0,9%)	n.s.
EXPENSE (INCOME) FROM INVESTMENTS	2,1	1,1%	2,8	1,2%	(24,3%)
EBT	(18,0)	(8,9%)	9,2	4,1%	n.s.
TAX EXPENSE (INCOME)	(4,5)	(2,2%)	2,6	1,1%	n.s.
RESULT FROM CONTINUING OPERATIONS	(13,5)	(6,7%)	6,6	2,9%	n.s.
RESULT FROM DISCONTINUED OR DISCONTINUING OPERATIONS	0,0	0,0%	1,5	0,7%	n.s.
NET RESULT FOR THE PERIOD (GROUP AND NON-CONTROLLING INT)	(13,5)	(6,7%)	5,1	2,3%	n.s.
MINORITIES	0,0	0,0%	(0,0)	(0,0%)	n.s.
GROUP NET RESULT	(13,5)	(6,7%)	5,1	2,3%	n.s.

-9% like-for-like

Incl. impairment
(-20.7€ mn) of some
Media brands

4Q-FY20 Revenue and Adjusted EBITDA by Business Area

€ mln

Revenue

	4Q 20	4Q 19	Var. %	FY 20	FY 19	Var. %	
Books	106.8	112.4	(4.9%)	422.9	478.4	(11.6%)	
Retail	51.7	60.3	(14.3%)	153.7	186.9	(17.7%)	
Media	53.5	65.4	(18.2%)	197.6	256.6	(23.0%)	-17% like-for-like
Corporate & Shared Services	11.9	9.8	+21.3%	45.1	38.5	+17.1%	
<i>Intercompany</i>	(21.9)	(22.0)	(0.4%)	(75.4)	(75.6)	(0.2%)	
Total	202.1	225.9	(10.6%)	744.0	884.9	(15.9%)	-14% like-for-like

-9% like-for-like

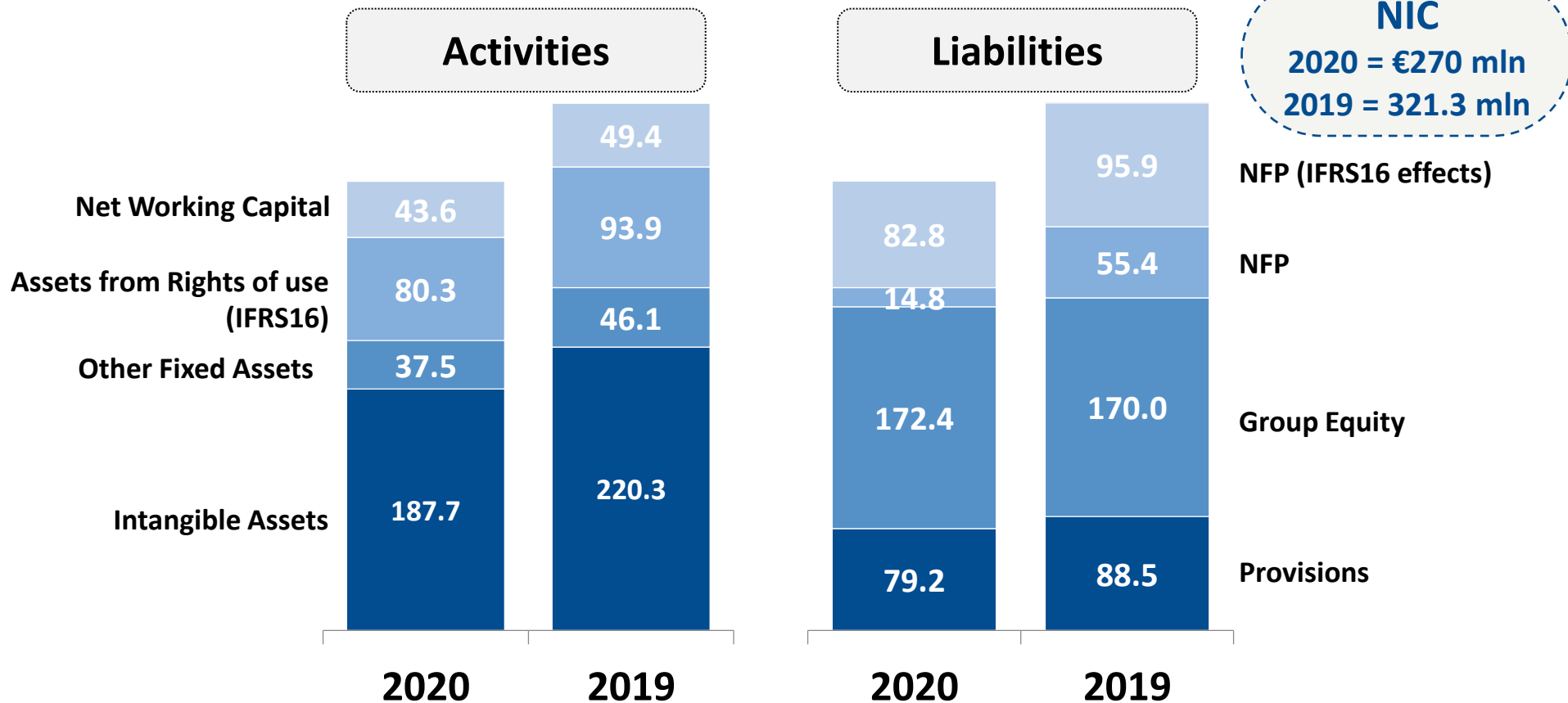
Adj. EBITDA

	4Q 20	4Q 19	Var.	FY 20	FY 19	Var.	
Books	20.1	15.9		87.5	94.5	(6.9)	
Retail	1.8	4.2		1.3	5.0	(3.8)	
Media	4.7	5.8		7.9	11.3	(3.3)	
Corporate & Shared Services	(0.2)	0.1		(0.6)	(0.4)	(0.2)	
<i>Intercompany</i>	0.7	1.0		1.9	0.1	1.9	Intercompany stock effect*
Total	27.1	27.0		98.1	110.4	(12.3)	

* Margin release on intercompany inventory reduction

FY20 Balance Sheet

€ mln



FY20 Balance Sheet

Euro/millions	2020	2019	% chg.
TRADE RECEIVABLES	192,1	222,7	(13,7%)
INVENTORY	111,5	120,8	(7,7%)
TRADE PAYABLES	238,2	273,3	(12,9%)
OTHER ASSETS (LIABILITIES)	(21,8)	(20,7)	n.s.
NET WORKING CAPITAL	43,6	49,4	(11,7%)
INTANGIBLE ASSETS	187,7	220,3	(14,8%)
PROPERTY, PLANT AND EQUIPMENT	17,0	17,9	(5,5%)
INVESTMENTS	20,6	28,1	(26,8%)
NET FIXED ASSETS WITH NO RIGHTS OF USE IFRS 16	225,3	266,4	(15,4%)
ASSETS FROM RIGHTS OF USE IFRS 16	80,3	93,9	(14,6%)
NET FIXED ASSETS WITH RIGHTS OF USE IFRS 16	305,5	360,4	(15,2%)
PROVISIONS FOR RISKS	46,4	55,1	(15,7%)
POST-EMPLOYMENT BENEFITS	32,8	33,4	(1,8%)
PROVISIONS	79,2	88,5	(10,5%)
NET INVESTED CAPITAL	270,0	321,3	(16,0%)
SHARE CAPITAL	68,0	68,0	0,0%
RESERVES	99,9	73,9	35,3%
PROFIT (LOSS) FOR THE PERIOD	4,5	28,2	(84,0%)
GROUP EQUITY	172,4	170,0	1,4%
NON-CONTROLLING INTERESTS' EQUITY	0,0	0,0	n.s.
EQUITY	172,4	170,0	1,4%
NET FINANCIAL POSITION NO IFRS 16	14,8	55,4	(73,3%)
NET FINANCIAL POSITION IFRS 16	82,8	95,9	(13,6%)
NET FINANCIAL POSITION	97,6	151,3	(35,5%)
SOURCES	270,0	321,3	(16,0%)

Incl. TV Sorrisi e Canzoni
amortization (-3.5 € mn)
& some Media brands
impairment (-26.5€ mn)

FY20 Cash Flow

Euro/millions	2020	2019
INITIAL NFP IFRS 16	(151,3)	(255,9)
FINANCIAL LIABILITIES APPLICATION OF IFRS 16	(95,9)	(108,7)
INITIAL NFP NO IFRS 16	(55,4)	(147,2)
ADJUSTED EBITDA (NO IFRS 16)	82,4	94,5
NWC AND PROVISIONS	1,2	(5,4)
CAPEX NO IFRS 16	(21,8)	(18,4)
CASH FLOW FROM OPERATIONS	61,9	70,8
FINANCIAL INCOME (EXPENSE) NO IFRS 16	(3,7)	(1,6)
TAX	(6,9)	(20,7)
CASH FLOW FROM ORDINARY OPERATIONS CONTINUING OPERATION:	51,2	48,4
CF FROM ORDINARY OPERATIONS DISCONTINUED OR DISCONTINUING C	0,0	1,8
CASH FLOW FROM ORDINARY OPERATIONS	51,2	50,3
RESTRUCTURING COSTS	(5,2)	(5,4)
SHARE CAPITAL INCREASE/DIVIDENDS NON CONTROLLING INTERESTS AI	(1,1)	(7,4)
PURCHASE/DISPOSAL	(0,5)	58,4
OTHER	(3,7)	(1,1)
CF EXTRAORDINARY OPERATIONS DISCONTINUED OR DISCONTINUING C	0,0	(3,0)
CASH FLOW FROM EXTRAORDINARY OPERATIONS	(10,5)	41,5
TOTAL CASH FLOW	40,7	91,8
NET FINANCIAL POSITION NO IFRS 16	(14,8)	(55,4)
IFRS 16 EFFECTS IN THE PERIOD	13,0	12,8
FINAL NET FINANCIAL POSITION	(97,6)	(151,3)

- ▶ **EBITDA**

is equal to earnings before interest, tax, depreciation and amortization. The Group also provides information on the percentage of EBITDA on net sales.

EBITDA computed by the Group allows operating results to be compared with those of other companies, net of any effects from financial and tax items, and of depreciation and amortization, which may vary from company to company for reasons unrelated to general operating performance.
- ▶ **Adjusted EBITDA**

is gross operating profit as explained above, net of income and expenses of a non-ordinary nature such as

 - (i) income and expenses from restructuring, reorganization and business combinations;
 - (ii) clearly identified income and expenses not directly related to the ordinary course of business;
 - (iii) as well as any income and expenses from nonrecurring events and transactions as set out in Consob communication DEM6064293 of 28/07/2006.
- ▶ **EBIT**

net result for the period before income tax, and other income and expenses.
- ▶ **EBT**

net result for the period before income tax.
- ▶ **Net Invested Capital**

is equal to the algebraic sum of Fixed Capital, which includes non-current assets and non-current liabilities (net of non-current financial liabilities included in the Net Financial Position) and Net Working Capital, which includes current assets (net of cash and cash equivalents and current financial assets included in the Net Financial Position), and current liabilities (net of current financial liabilities included in the Net Financial Position).
- ▶ **Operating Cash Flow**

adjusted EBITDA, as explained above, plus or minus the decrease/(increase) in working capital in the period, minus capital expenditure (CAPEX/Investment).
- ▶ **Ordinary Cash Flow**

is cash flow from operations as explained above, net of financial expenses, taxes paid in the period, and income/expenses from investments in associates.
- ▶ **LTM Ordinary Cash Flow**

cash flow from ordinary operations in the last twelve months.
- ▶ **Non ord. Cash Flow**

cash flow generated/used in transactions that are not considered ordinary, such as company restructuring and reorganization, share capital transactions and acquisitions/disposals.

2021 Financial Reporting

April 27 2021

Annual General Meeting of the Shareholders for the approval of the Annual Report for the year ended 31 December 2020

May 13 2021

Interim Management Statement at 31 March 2021

July 29 2021

Half-Year Report at 30 June 2021

November 11 2021

Interim Management Statement at 30 September 2021





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