

MONDADORI GROUP: CLOSING OF THE ACQUISITION OF DE AGOSTINI SCUOLA

The deal allows the Mondadori Group to become the leading school textbooks publisher

Segrate, 16 December 2021 - The Mondadori Group, in execution of the agreement signed and disclosed to the market last 12 July, announces that it has finalized the acquisition today of 100% of De Agostini Scuola S.p.A. through its subsidiary Mondadori Libri S.p.A..

Completion of the transaction follows the authorization issued by the Antitrust Authority as disclosed last 8 November.

The provisional price paid for the acquisition is € 135.7 million, defined on the basis of an Enterprise Value of € 157.5 million, net of the average normalized net financial position of 2020: the final price will be determined on the basis of the average normalized net financial position of 2021.

The agreed Enterprise Value of € 157.5 million is equal to 7.4 times the reported EBITDA of De Agostini Scuola in 2020.

Considering the financial impacts of the transaction (payment of the consideration and consolidation of the financial position of De Agostini Scuola), the Mondadori Group's consolidated NFP before IFRS16 in 2021, which, on approval of the results at 30 September 2021, envisaged a positive pre-acquisition guidance of approximately € 35 million - is expected to amount to approximately € -100 million.

Accordingly, on a pro-forma level, the NFP/reported EBITDA ratio before IFRS16 - as per the definition of the covenant of the current loan lines - is expected to be lower than 1.0x, while the NFP/adjusted EBITDA ratio (IFRS16) is expected to be lower than 1.5x.

Thanks to this deal, the Mondadori Group strengthens its foothold in the education segment: De Agostini Scuola will in fact join, under the new name of D Scuola S.p.A., Mondadori Education and Rizzoli Education, bringing the total pro-forma 2021 market share to 32.9%.

The Group thus becomes the top player on the textbooks publishing market, leveraging on the names of three solid publishers, each with a distinctive identity and longstanding tradition, a point of reference in the world of teaching and learning, consistent with the strategy of focusing on the core business of books.

The consideration was settled in cash today by drawing on the acquisition-related line of credit, defined as part of the loan agreement signed on 12 May, and on available liquidity.

The balance sheet amounts of the investment will be consolidated as at 31 December 2021, with income statement effects as from 1 January 2022.

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