

GRUPPO  MONDADORI

STAR CONFERENCE

FY21 Results

Investors Presentation

Antonio Porro – CEO
Alessandro Franzosi – CFO

Milan - March 23th, 2022



AGENDA

- 1. Mondadori Group in a nutshell**
2. FY 2021 Highlights
3. FY 2021 Results
4. FY 2021 Business Areas
5. FY 2022 Outlook

Mondadori Group in a nutshell – FY 2021

GRUPPO MONDADORI



Businesses

MONDADORI LIBRI

MONDADORI RETAIL

MONDADORI MEDIA

BOOKS

RETAIL

MEDIA

Brands



% on 2021 Revenue

55%

21%

24%

% on 2021 EBITDA

84%

5%

11%


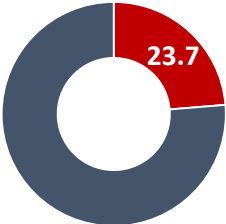
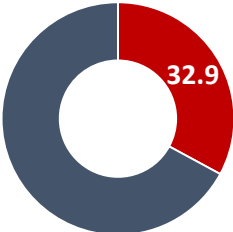
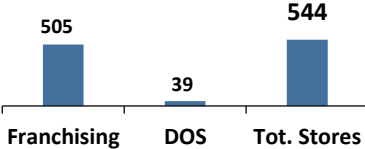
2021 EBITDA Margin


19.9%

2.9%

6.0%

Mondadori Group in a nutshell

BOOKS	Trade	Education	Retail
<p>Market Shares % (2021)</p> 	 <p>23.7 <i>Leader</i></p> <p><i>E-book: 6.7% of editorial rev.</i></p>	 <p>32.9 <i>Leader</i></p>	<p>First bookshops network</p>  <p>505 Franchising 39 DOS 544 Tot. Stores</p>

MEDIA	Areas	Print	Digital				
 <p>Multimedia publisher, leader in Italy</p>	<p><i>Leadership</i></p> <table border="1"> <tr> <td>TV</td> <td>Food</td> </tr> <tr> <td>Tech & Science</td> <td>Health & Wellness</td> </tr> </table>	TV	Food	Tech & Science	Health & Wellness	 <p>15 TITLES</p> <p>10.3 mn readers</p>	 <p>15 DIGITAL BRANDS</p> <p>+110 Social Accounts</p>
TV	Food						
Tech & Science	Health & Wellness						

Mondadori Key Investment Proposition



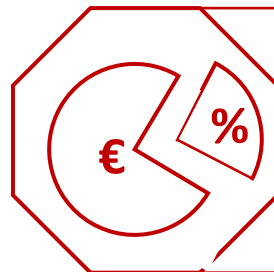
**Almost a «pure»
Book player**



**Strong & Steady
Cash Generation**



**Continued
profitability
improvement**



**Return to a stable
Dividend Policy**

AGENDA

1. Mondadori Group in a nutshell

2. FY 2021 Highlights

Executive Summary
Results vs Guidance
Strategic Repositioning

3. FY 2021 Results

4. FY 2021 Business Areas

5. FY 2022 Outlook

FY 21 Highlights - Executive Summary



Group results beat expectations

Vs 2020:

- Revenue and EBITDA grow across all business areas

Vs 2019:

- Core revenue steady
- Sharp increase in profitability

Best net result achieved by the Group in last 10 years
After 10 years, return to dividend with payout ratio = 50%



Stronger Group financial structure

Improved cash-conversion:
FCF over € 50 mn

NFP net of D Scuola acquisition: cash positive



Growing focus on the Books area

In 2021, strong M&A activity:
3 deals completed and 3 in progress

Acquisition of D Scuola, Mondadori's biggest deal in last 15 years, together with Rizzoli Libri

AGENDA

1. Mondadori Group in a nutshell

2. FY 2021 Highlights

Executive Summary
Results vs Guidance
Strategic Repositioning

3. FY 2021 Results

4. FY 2021 Business Areas

5. FY 2022 Outlook

Group results beat expectations

	GOALS	RESULTS
REVENUE	Single digit growth vs FY20	+8.5%
Adj. EBITDA	Margin > 13% > €100 mn	Margin = 13.1% € 105.7 mn
Net Result	Strong increase (also thanks to «one-off»)	€44.2 vs 4.5 mn
Ord. Cash Flow	€60-65 million	€68.2 million
Free Cash Flow	~ €50 million	€52.1 million
NFP bef. IFRS16	Cash ~ €35 mn (or net debt €100 mn incl. D Scuola)	Cash = €37.4 mn (or net debt €94.8 mn incl. D Scuola)

AGENDA

1. Mondadori Group in a nutshell

2. FY 2021 Highlights

Executive Summary
Results vs Guidance
Strategic Repositioning

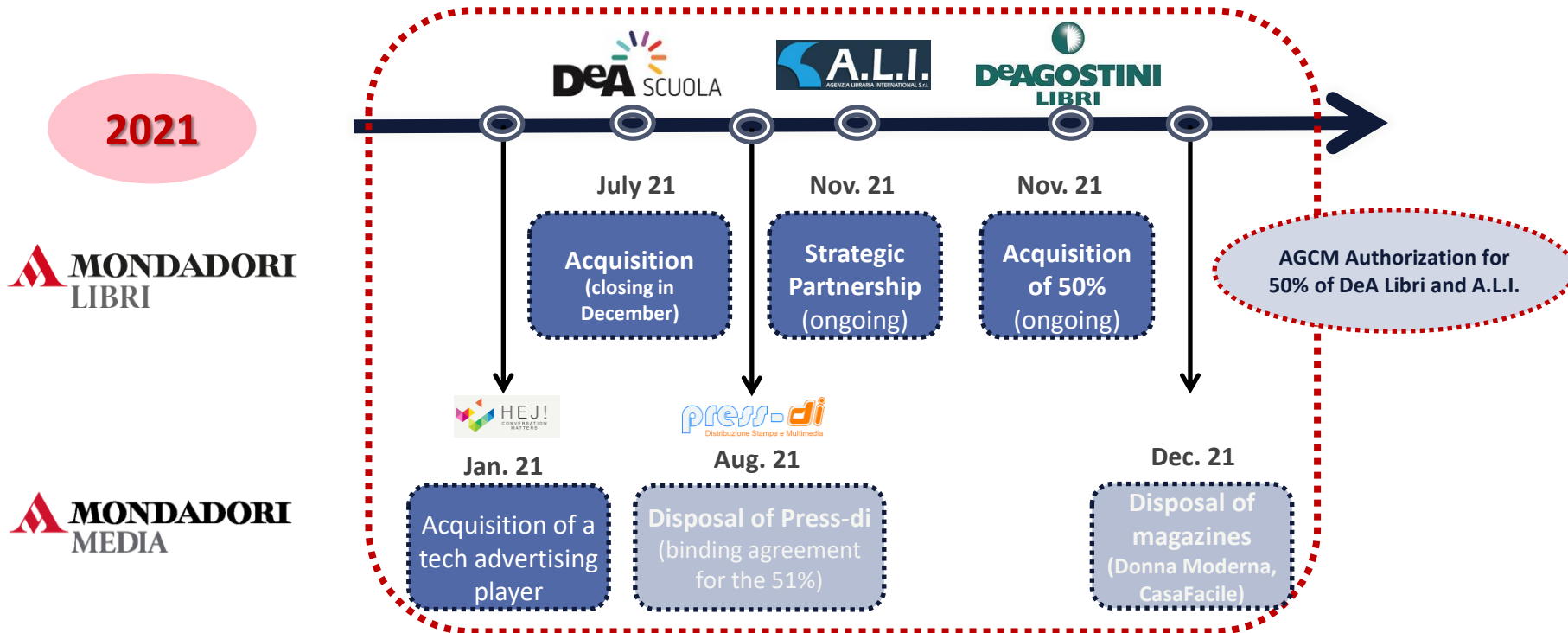
3. FY 2021 Results

4. FY 2021 Business Areas

5. FY 2022 Outlook

Thanks to the 6 M&A deals in 2021 ...

- Core business competitive strengthening – Books & Digital
- Disposal of non-core asset



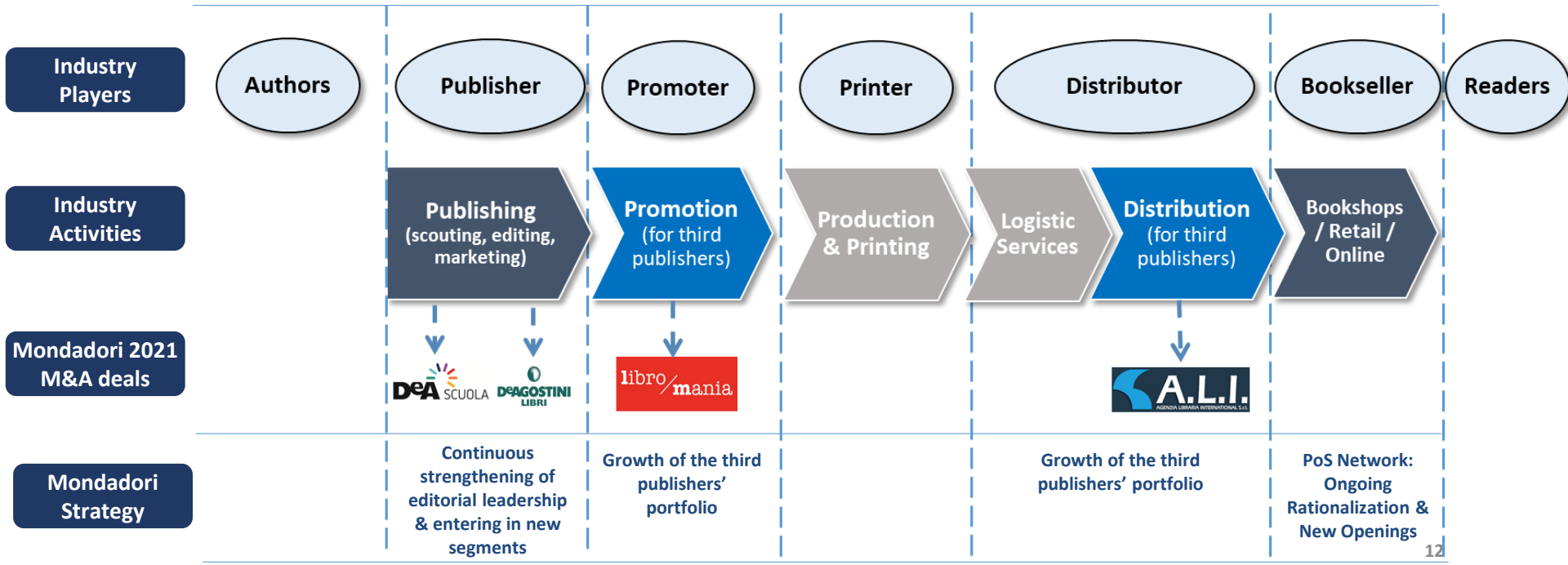
... that allowed Mondadori to increase focus on Books...

The Publishing Value Chain & Mondadori increasing integration throughout the industry



▲ Mondadori Group presence

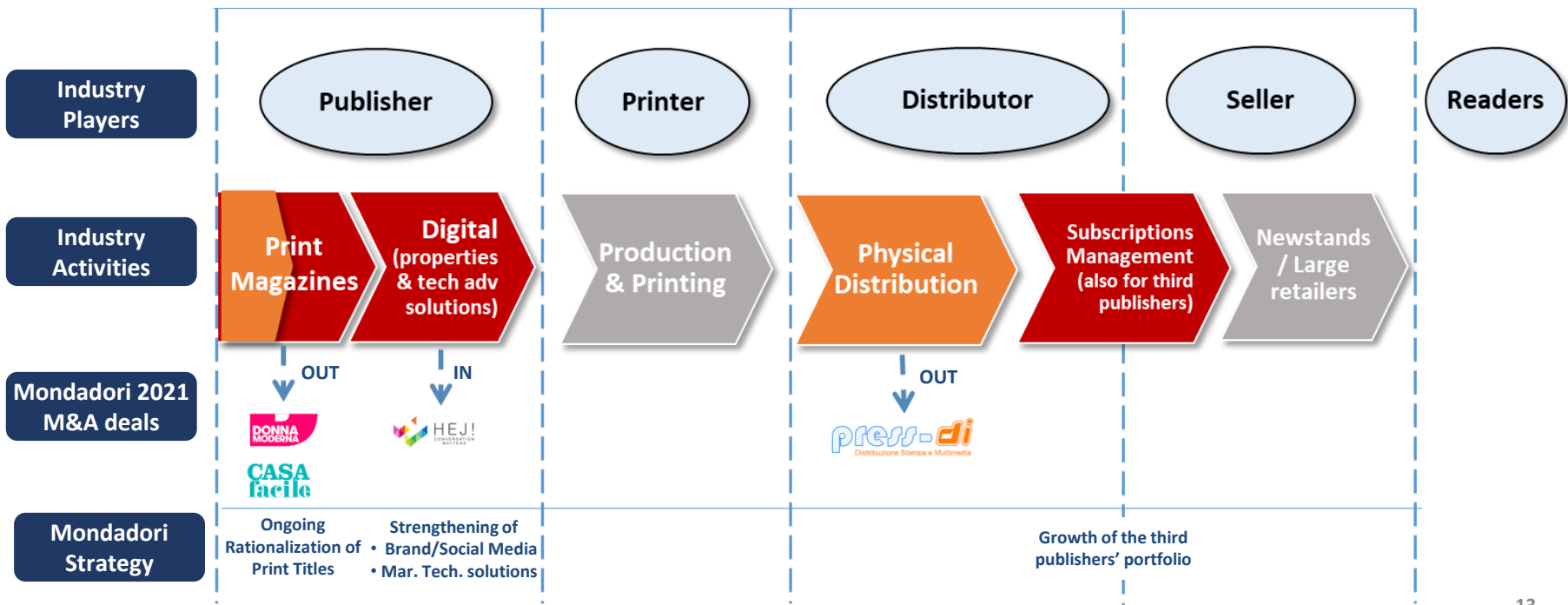
Current activity (dark grey arrow)
 New activity (blue arrow)
 No current activity (light grey arrow)



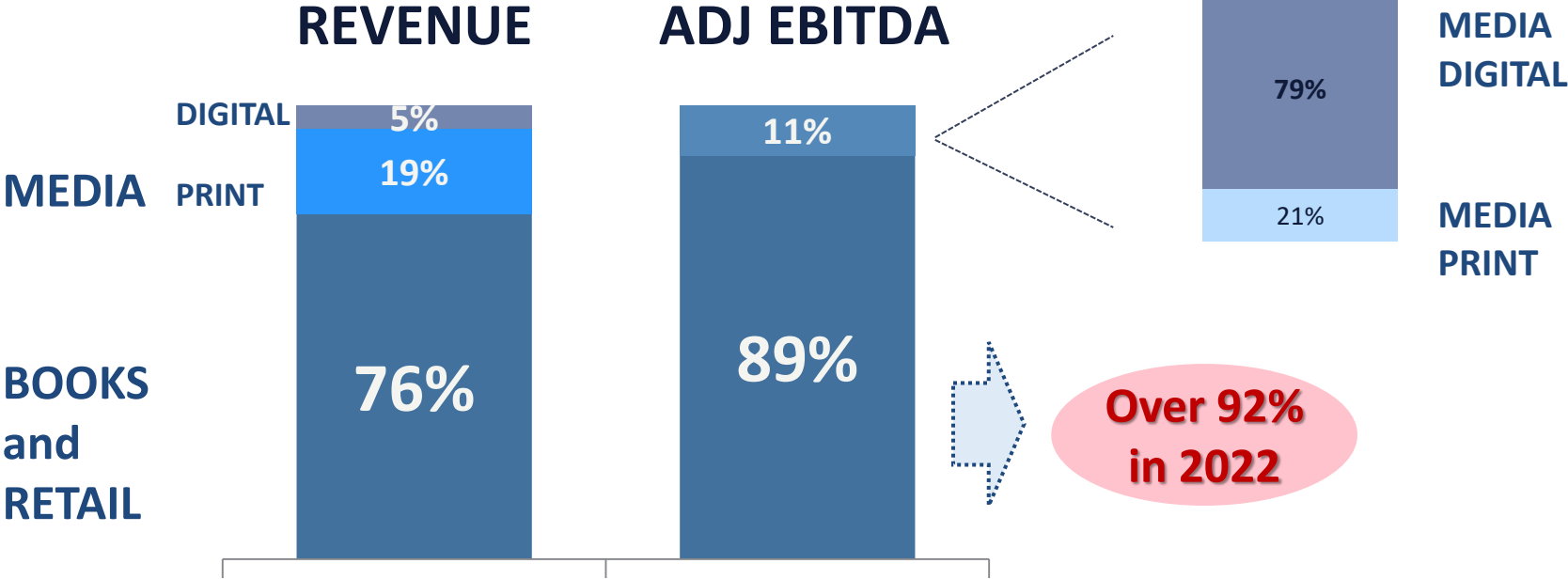
... and to continue the rationalization of non core assets...

The Media Value Chain

▲ Mondadori Group presence




... the strategic repositioning has been pursued



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

... the rest is generated by digital

AGENDA

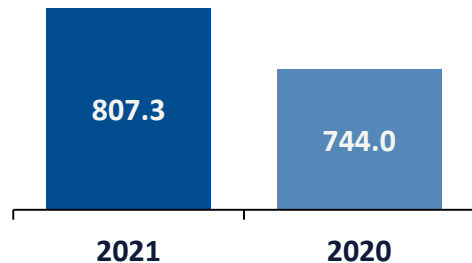
1. Mondadori Group in a nutshell
2. FY 2021 Highlights
3. **FY 2021 Results**  **Group Financials**
Cash flow & NFP
4. FY 2021 Business Areas
5. FY 2022 Outlook

FY21 Group Financials

€ mn

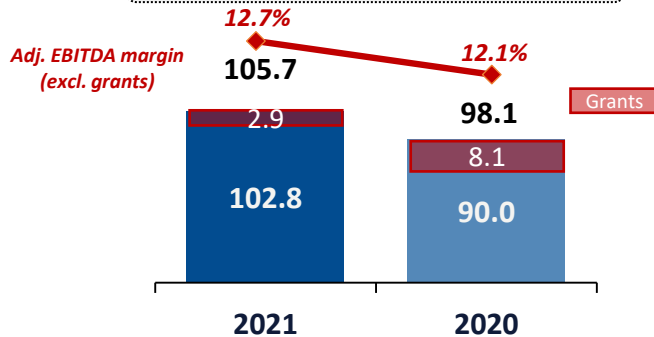
+8.5%

Revenue



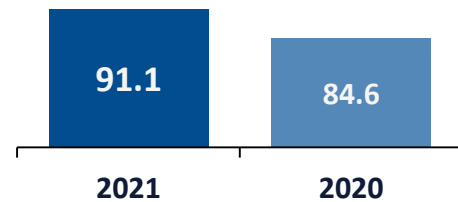
+7.7 € mn

Adj. EBITDA



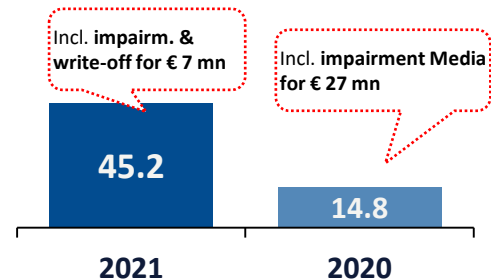
+6.5 € mn

EBITDA



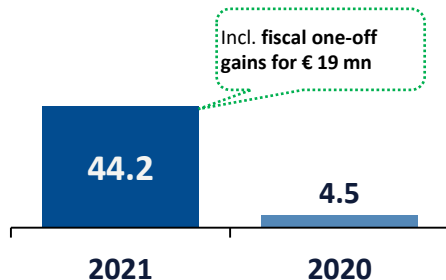
+30.4 € mn

EBIT



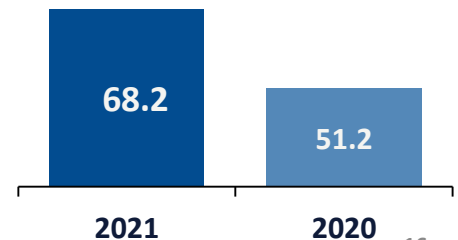
+39.7 € mn

Net Result



+17 € mn

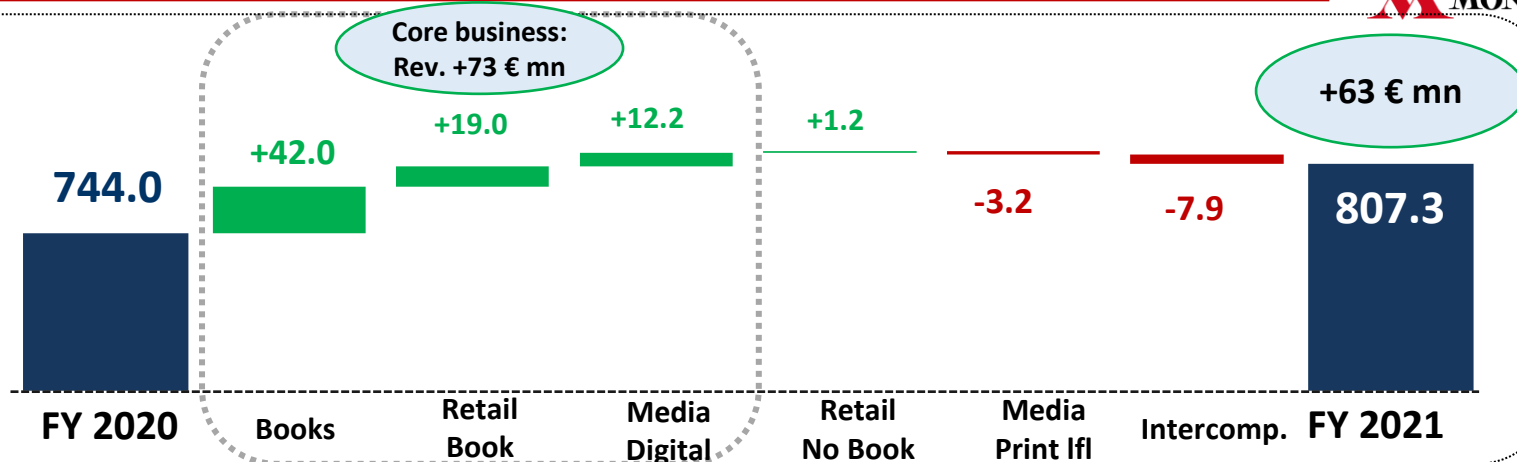
Ordinary Cash Flow



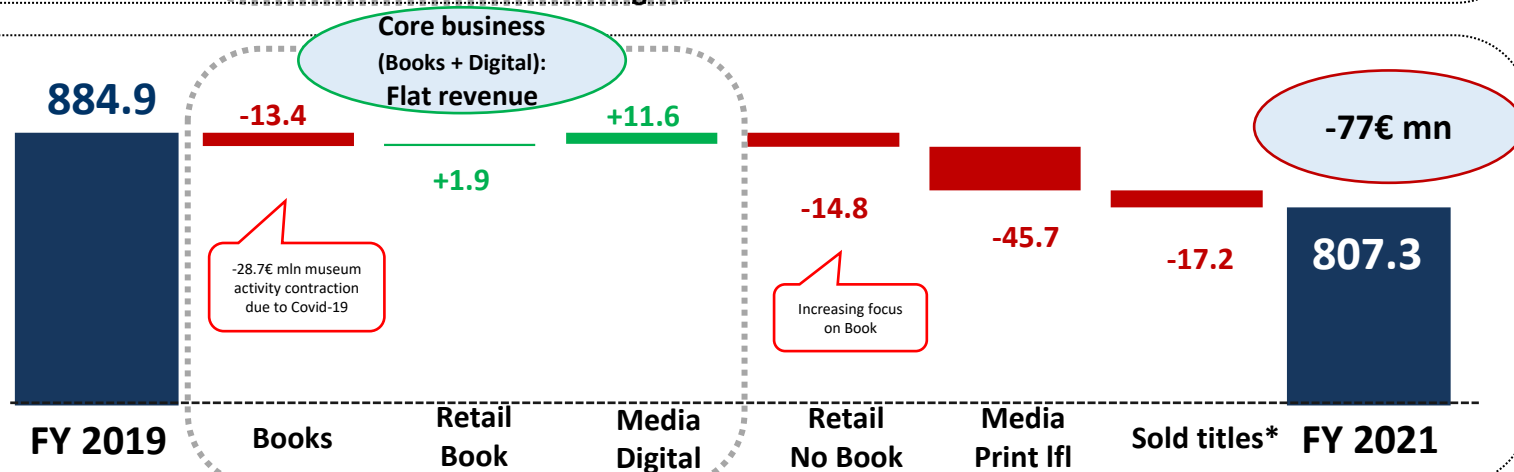
FY 21 vs FY 20-19 Revenue

€ mn

VS FY 2020



VS FY 2019

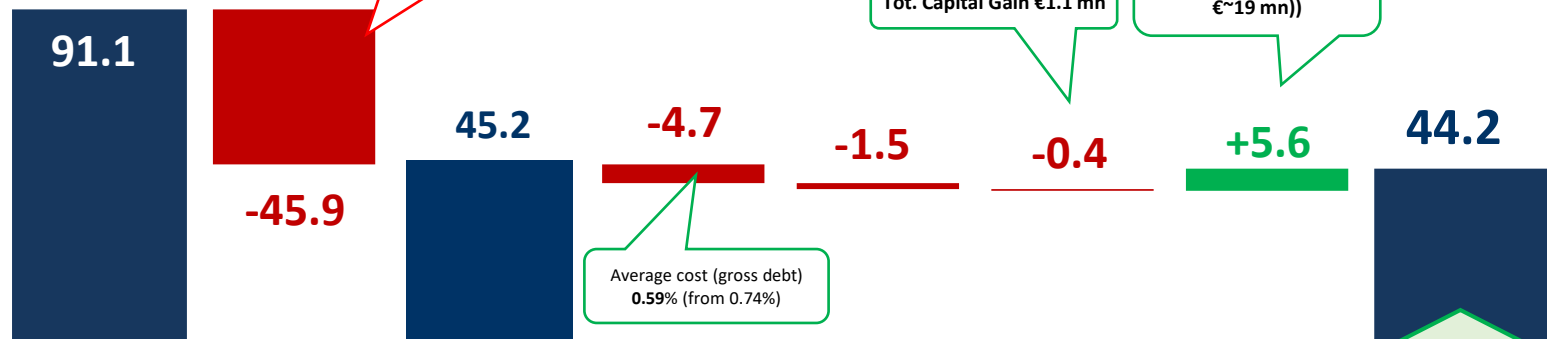


* TuStyle, Confidenze, Starbene, Sale e Pepe, Cucina Moderna

From EBITDA to Net Result FY21

€ mn

FY 2021



FY 2020

EBITDA

D&A

EBIT

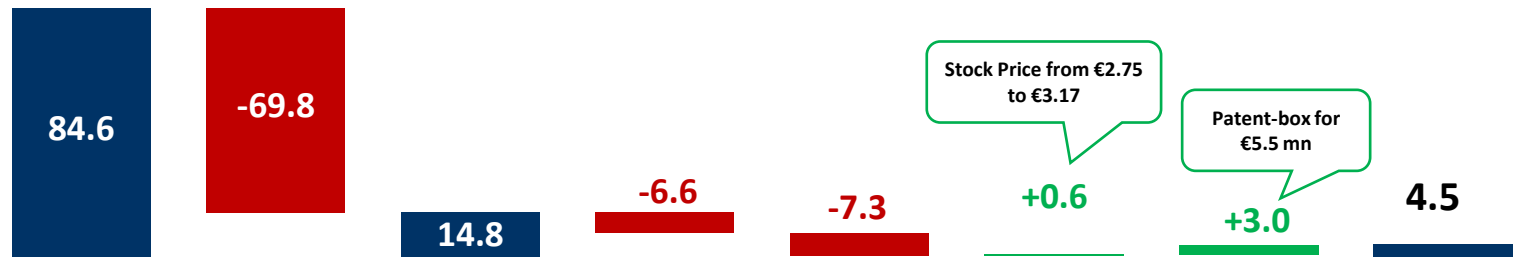
Net Financials

Associates

RWM Shares

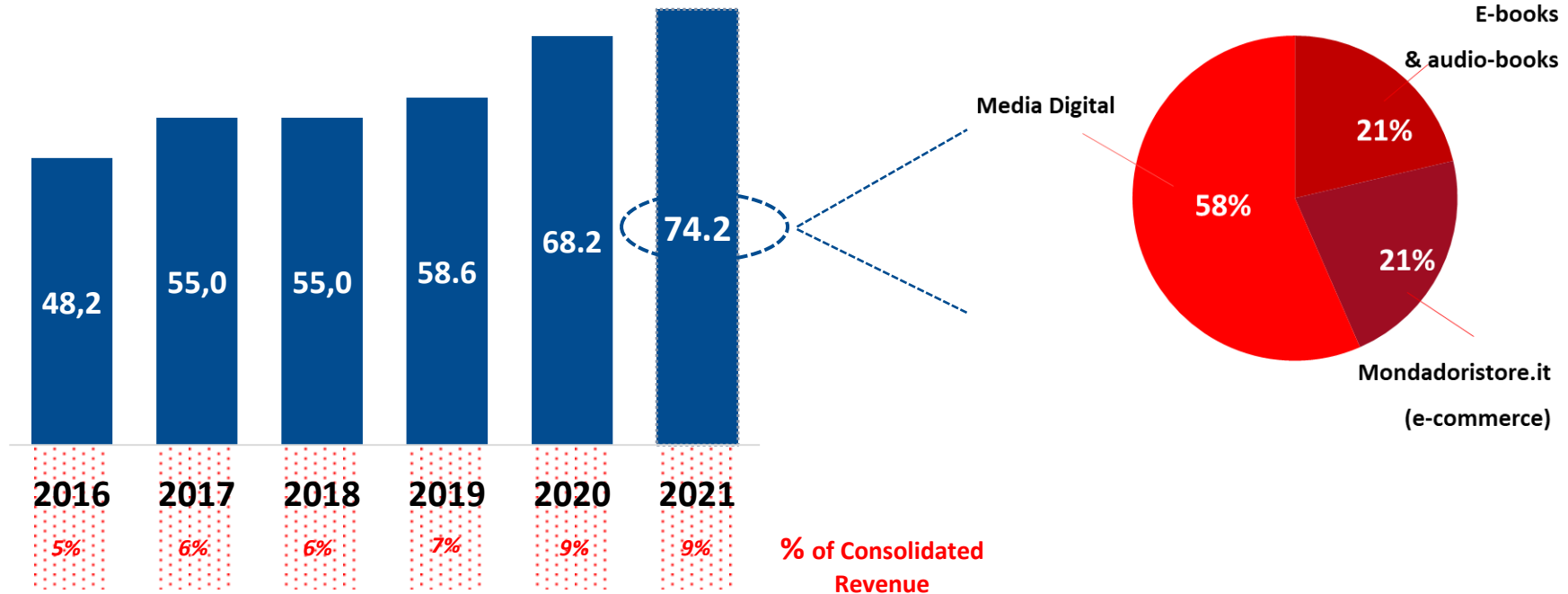
Taxes

Net Result



€ mln

2021 DIGITAL REVENUE



FY 21 Highlights – ESG strategy in Mondadori



Our tangible commitment is to leverage on Diversity to be innovative, competitive, and to attract and retain talent, in short, to create long-term value.

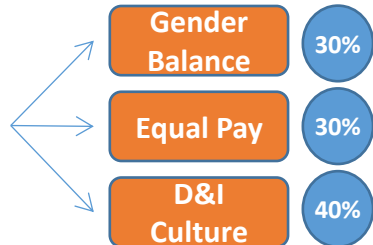
Governance structured through creation of a D&I function (reporting directly to the CEO), aimed at the:

- Promotion of change and an **inclusive culture**
- Implementation of a **KPI system** to oversee the effectiveness of actions taken
- Reshaping of the main **company policies** (selection, promotion and incentives)



2021 first results ...

- Definition of an **Impact Inclusion Index**
- Inclusion of this index as a target in the **Top Management remuneration plans (LTI)**



... in line with UN 2030 Agenda targets




4 QUALITY EDUCATION
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

5 GENDER EQUALITY
Achieve gender equality and empower all women and girls

8 DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

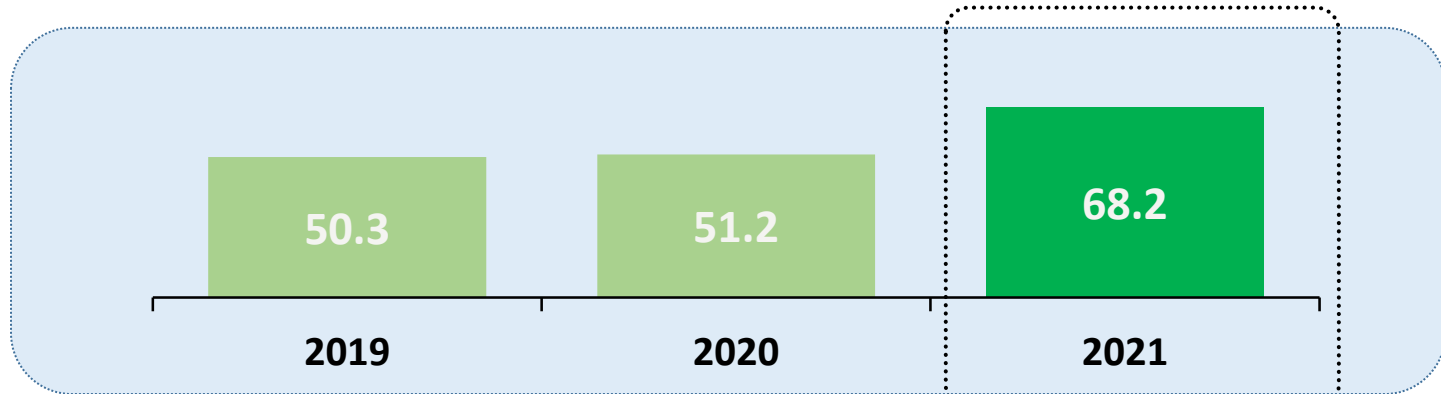
AGENDA

1. Mondadori Group in a nutshell
2. FY 2021 Highlights
- 3. FY 2021 Results**  Group Financials
Cash flow & NFP
4. FY 2021 Business Areas
5. FY 2022 Outlook

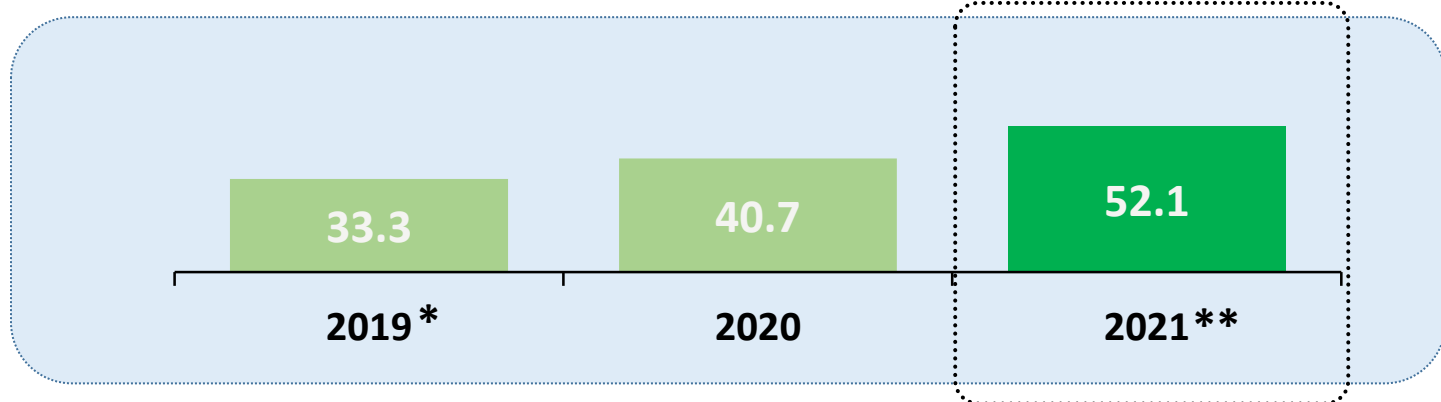
Increasing cash flow generation ...

€ mn

Ordinary Cash Flow



Free Cash Flow



* Excl. Cash-in Mondadori France disposal – July 2019

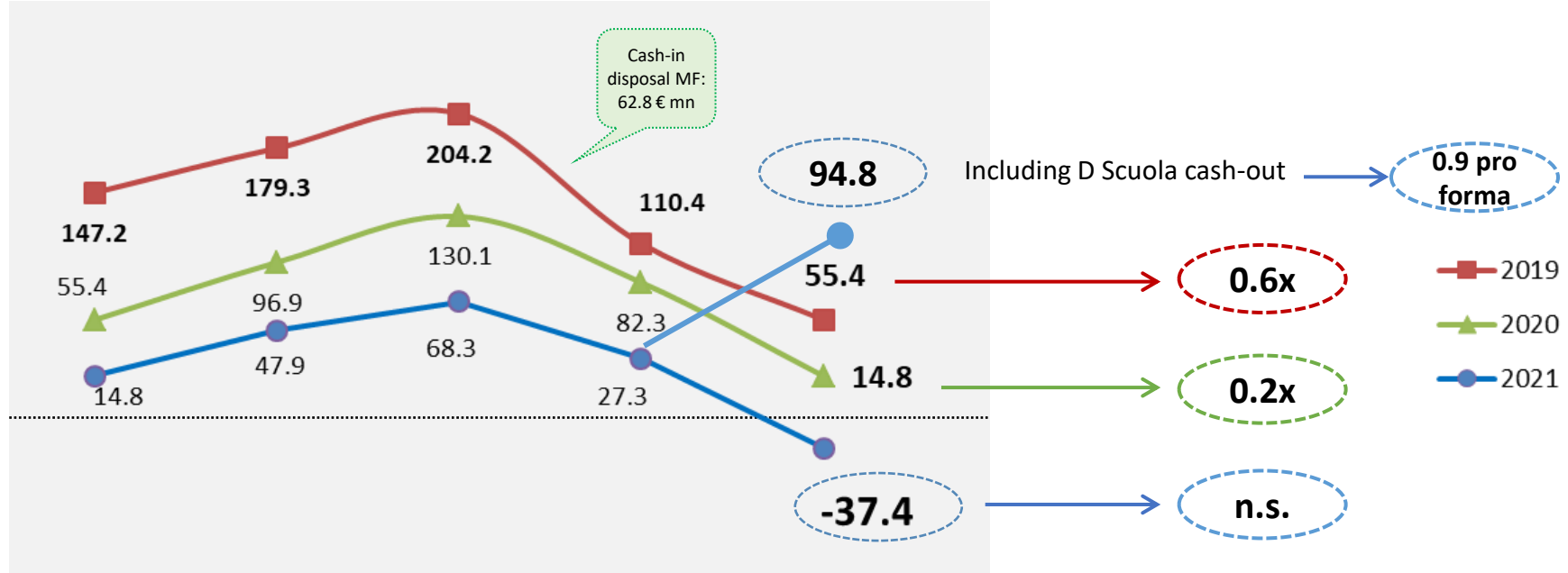
** Excl. Cash-out D Scuola acquisition – December 2021

... and a more solid financial structure

€ mn

Group NFP trend (no IFRS16)

NFP/Adj. EBITDA trend (no IFRS16)



Acquisition line available at end 2021: € 170 mn

The solid structure and financial availability justify the Group's ambitions to continue the inorganic growth path

After more than 10 years, Mondadori returns to a Shareholder Remuneration Policy:

the Board of Directors has proposed the payout of a **dividend of € 8.5 cents**
(equal to approximately **€ 22.1 million**)*

Pay-out ratio = 50%

Dividend Yield = 4.2%
at 31/12/2021
(Share performance 2021 =
+35.1%)

* Calculation based on the number of shares outstanding at today's date

AGENDA

1. Mondadori Group in a nutshell

2. FY 2021 Highlights

3. FY 2021 Results

4. FY 2021 Business Areas

Books

Retail

Media

5. FY 2022 Outlook

Markets – Trade Books 2021

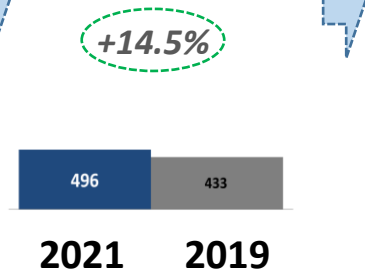
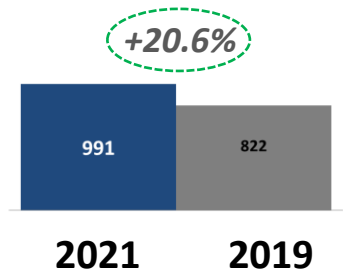
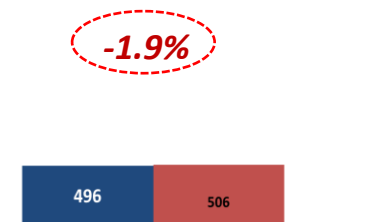
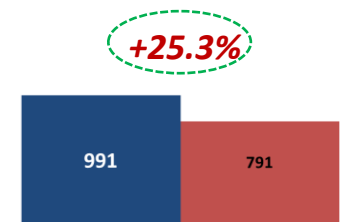
Extraordinary Market Growth vs 2020 and 2019

€ mn

9M Trend

4Q Trend

FY trend

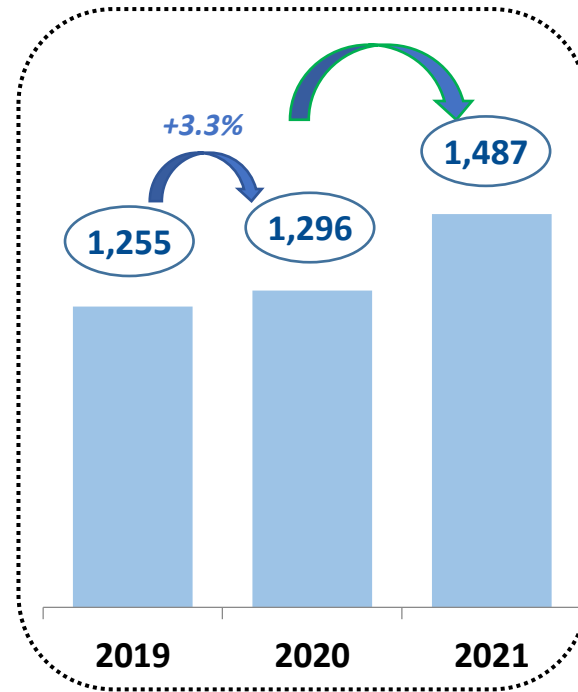


2021 vs 2020 growth

+14.7%
(+12.5% net of Professional & Comics)

2021 vs 2019 growth

+18.5%
(+13.1% net of Professional & Comics)



Market share – Trade Books 2021

Top Ten 2021

#	Title	Author	Publisher
1	L'inverno dei Leoni. La saga dei Florio	Auci Stefania	NORD
2	Cambiare l'acqua ai fiori	Perrin Valérie	E/O
3	Per niente al mondo	Follett Ken	MONDADORI
4	Il sistema. Potere, politica affari: storia segreta della magistratura italiana	Sallusti Alessandro, Palamara Luca	RIZZOLI
5	Tre	Perrin Valérie	E/O
6	La canzone di Achille	Miller Madeline	MARSILIO
7	Una vita nuova	Volo Fabio	MONDADORI
8	La nostra cucina. Fatto in casa da Benedetta. Ricette e storie	Rossi Benedetta	MONDADORI ELECTA
9	Finché il caffè è caldo	Kawaguchi Toshikazu	GARZANTI
10	La disciplina di Penelope	Carofiglio Gianrico	MONDADORI

2 books in Top5

5 books in Top10

3



4



Trade Mkt Shares

GRUPPO MONDADORI **23.7%** **24.8%**

11.2%

11.3%

1.3%

1.4%

7.6%

7.6%

6.2%

5.9%

Others

50.0%

49.0%

2021

2020

GRUPPO MONDADORI

Hardcover

17.8%

18.7%

Paperback

56.6%

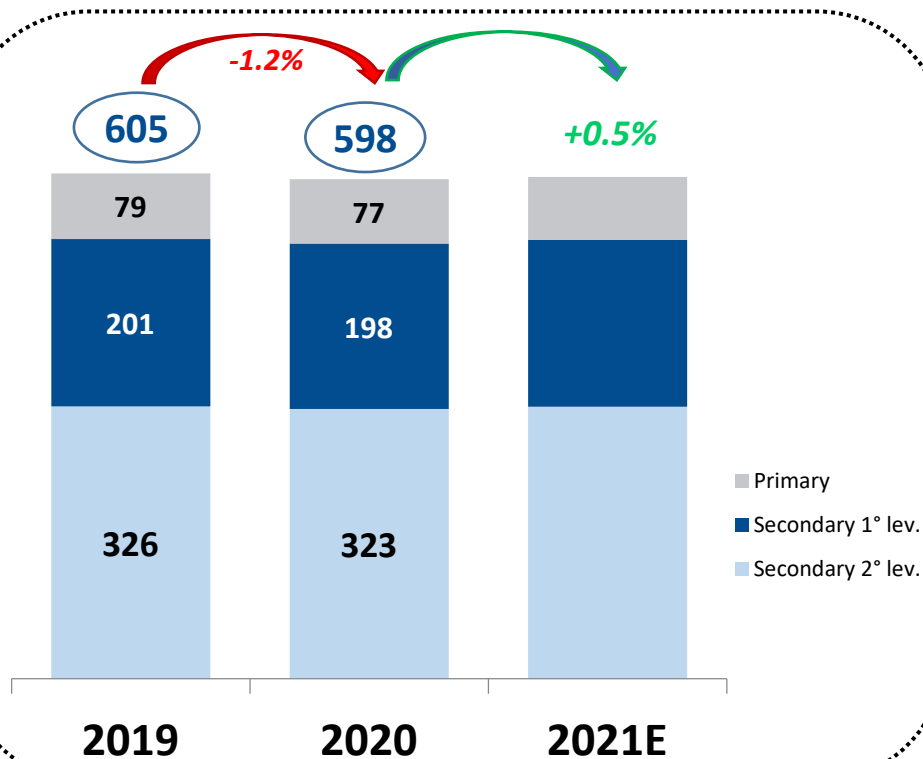
56.6%

Source: GfK, December 2021 (sell-out market values)

Markets – Education Books 2021

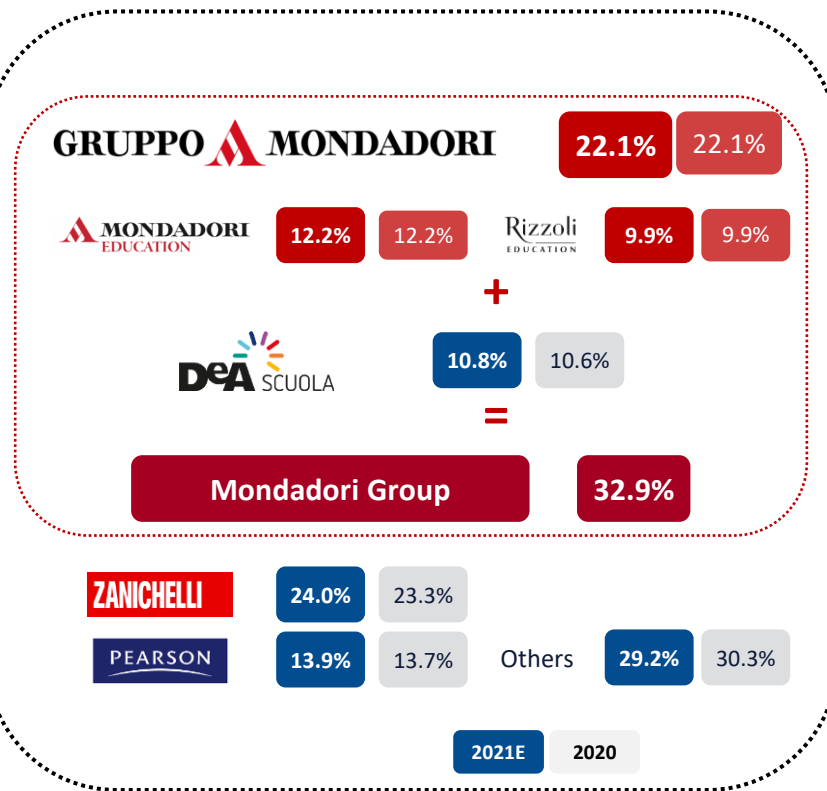
€ mn

2019-2021E Trend



Source: Databank 2020, ESAIE 2020; 2021: Databank recent estimate (July 2021)

2021 Market Shares

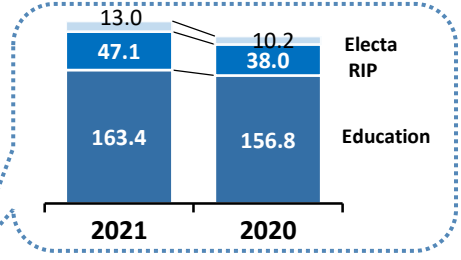
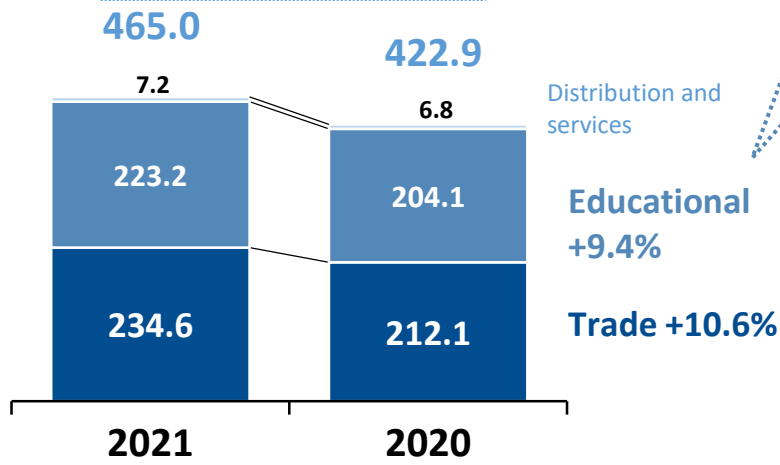


Source: AIE, Oct. 2021

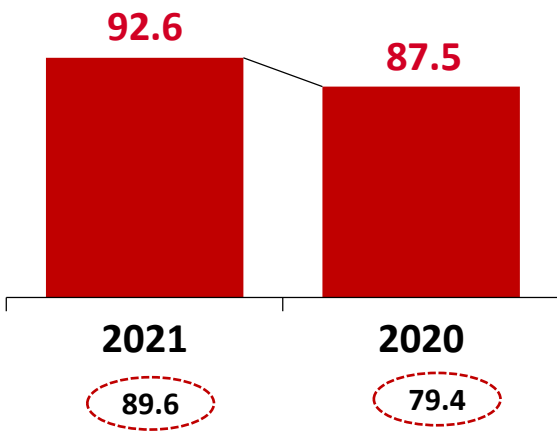
FY21 Business Areas - Books

€ mn

Revenue +9.9%



Adj. EBITDA +5.0 € mn



REVENUE

- **Trade: +10.6% YoY**, as a result of the extraordinary growth of the Books market and the quality of the plans of the publishing houses in 2021
 - E-books/Audiobooks: 6.7% of total (-8.6% yoy and +16.7% vs 2019)
- **Educational: +9.4% YoY** driven by the **positive results of School Textbooks (+4.2%)** and the sharp increase in RIP (+24.1%) as well as the partial recovery of museum activities

Adj. EBITDA

- **Adjusted EBITDA improves by approximately € 5 million** despite lower relief paid to Electa in the museum segment for approximately € 5 million; net of grants, the yoy increase would be over € 10 million

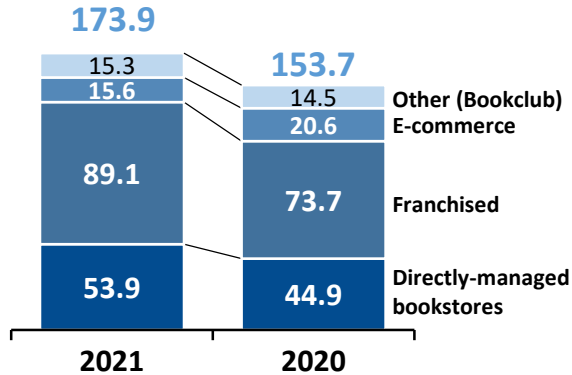
AGENDA

1. Mondadori Group in a nutshell
2. FY 2021 Highlights
3. FY 2021 Results
4. **FY 2021 Business Areas** 
 - Books
 - Retail
 - Media
5. FY 2022 Outlook

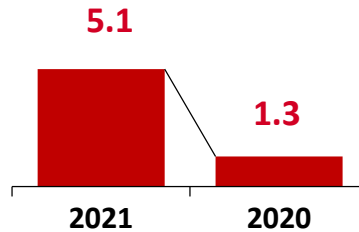
FY21 Business Areas - Retail

€ mn

Revenue +13.1%



Adj. EBITDA +3.9 mn



REVENUE

- **Book**: revenue up by 16.7%
- **Directly-managed PoS (+20.2%)** reported a sharp recovery in revenue following the lifting of restrictions and the development of the network
- The **Franchised** channel (+20.9%) continued its growth, driven by the book product
- **Bookclub** returned to growth (+5.3%) while the **Online** channel is on a downward trend, but growing versus 2019 (-24.5%. +11.9% risp.)

Adj. EBITDA

Adjusted EBITDA improves significantly thanks to:

- recovery of revenue and performance of the Book product
- ongoing effective cost containment actions
- renewal and development of the stores network

Book Market FY2021

Books = 84% of total Store Revenue

Market +14.7%



MONDADORI RETAIL

+16.5%



ONLINE WEIGHT 6.4%

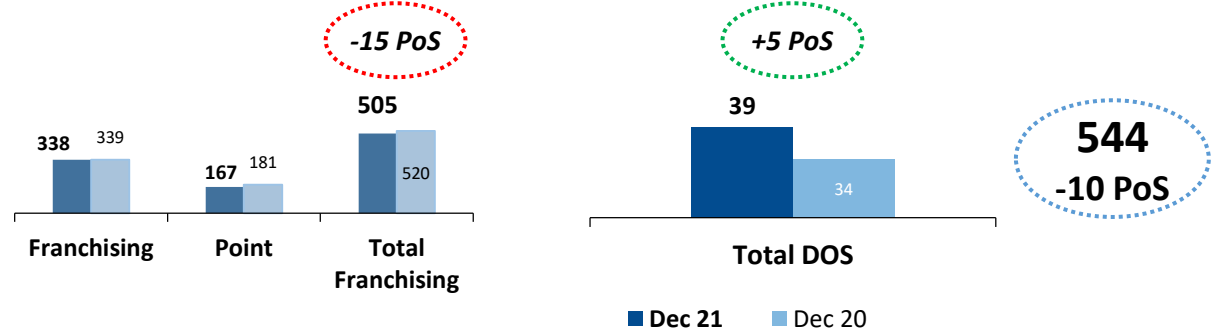
PHYSICAL WEIGHT 93.6%

Δ +7.3pt

Mkt Share 11.4% (11.2% in 2020)

FY21 Business Areas - Retail

PoS network:
ongoing rationalization



Direct PoS network:
reduction in average surface

	2018	2019	2020	2021	Change
Total sqm	20,423	19,314	16,833	18,867	-11/18
Total PoS	35	35	34	39	+4 PoS
Average sqm	583	552	495	484	-17%

AGENDA

1. Mondadori Group in a nutshell

2. FY 2021 Highlights

3. FY 2021 Results

4. FY 2021 Business Areas

Books

Retail

Media

5. FY 2022 Outlook

FY21 Business Areas – Media

€ mn

2021 Magaz. Circulations Trend

-7.7%



2021

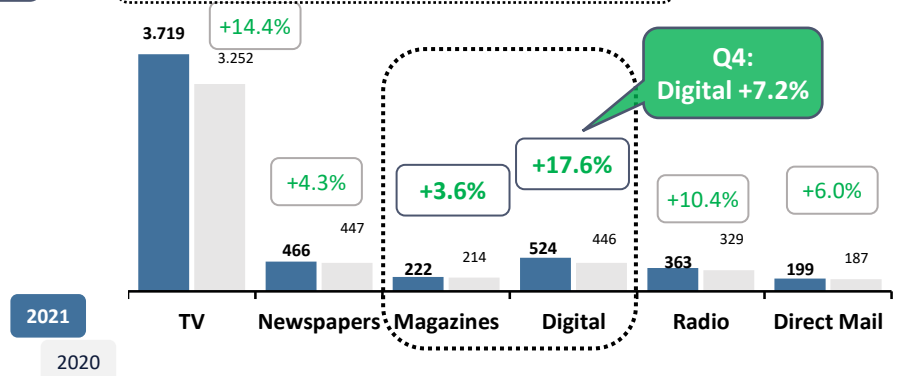
2020

24.1%

24.0%

2021 ADV Market

+12.8%



2018-2021 titles trend



Source: Circulation – Press-di (Dec. 2021), newstands + subs. in value; Adv. – Nielsen (Dec. 2021), value data, excl. Search, social, classified & OTT; Unique Audience: comScore (average 2021)

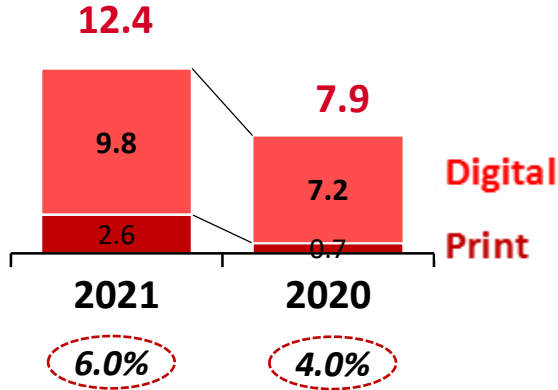
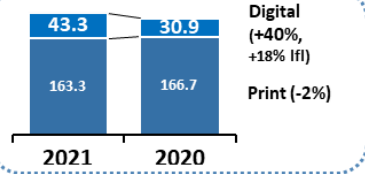
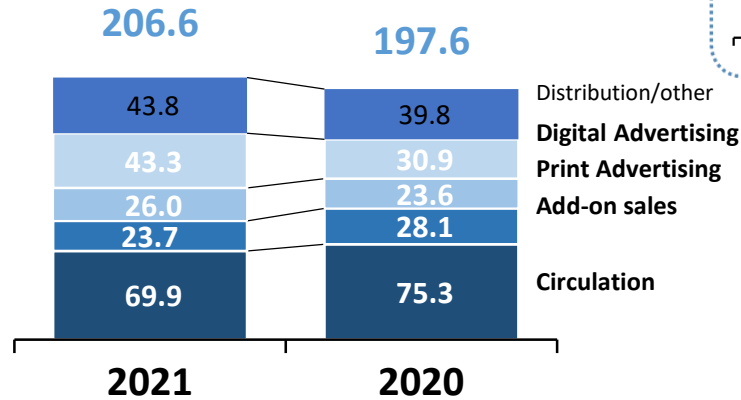
FY21 Business Areas - Media

€ mn

Revenue +4.5%

21% digital revenue

Adj. EBITDA +4.5 € mn



Margin %

6.0%

4.0%

REVENUE

- Advertising revenue up by 27% (+15% on a like-for-like basis); weight of digital adv revenue: ≈62% (vs 57% in 2020). Strengthening of tech-advertising following acquisition of Hej!
- Circulation revenue: -7.1% yoy, in line with the market
- Revenue from add-on sales: -15.8%, due primarily to the unavailability of the DVD product
- Distribution and others: +9.5%

Adj. EBITDA

- Adj. EBITDA improves strongly to € 12.4 mn - with profitability from 4% to 6% - thanks to the:
- stronger contribution from digital (21% of total), with margins in excess of 20%
 - marked improvement in print operations driven by the rebound of advertising sales and the continued effective measures to contain operating costs

AGENDA

1. Mondadori Group in a nutshell
2. FY 2021 Highlights
3. FY 2021 Results
4. FY 2021 Business Areas
- 5. FY 2022 Outlook**

2022 Mondadori Group Targets*

REVENUE

**Mid-single
digit growth**

Adj. EBITDA

Growth > 20%

NET RESULT

Double-digit increase

ORDINARY CASH FLOW

Flat
(due to higher one-off capex)

FREE CASH FLOW

(incl. M&A deals announced, before
dividends)

€40-45 million



NFP/Adj. EBITDA IFRS16

<1.1x (from 1.4x PF 2021)
<0.6x bef. IFRS16 (from 0.9x PF 2021)

FY22 Outlook – Fiscal optimization

€ mn



		2022	2023	2024	2025	2026	2027	TOTALE
Goodwill	147.9							
Fiscal benefit	18.5							
P&L effects		3.7	3.7	3.7	3.7	3.7		18.5
Cash effects			3.7	3.7	3.7	3.7	3.7	18.5

Capital Allocation Strategy - active investment policy and steady return on capital through a solid capital and financial structure

*Invest in the
business*

- **Investment in organic growth and business consolidation:**

- ✓ Content development in school textbook publishing
- ✓ Selective strengthening of the Retail network

*Value
enhancing
acquisitions*

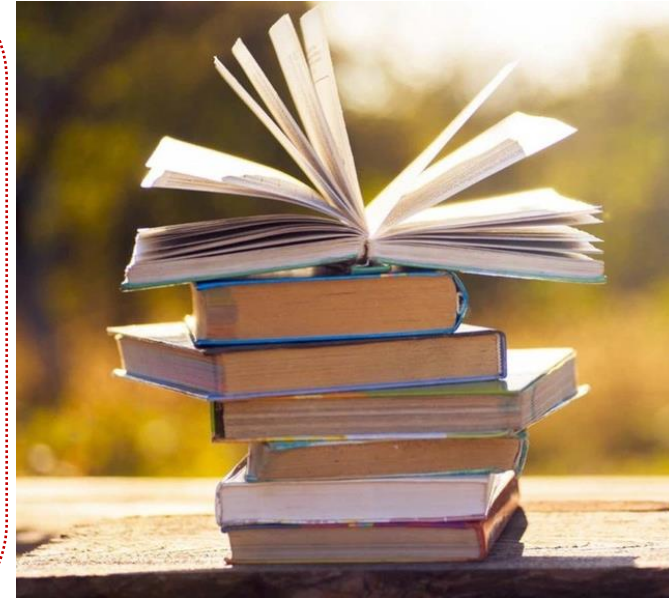
- **M&A (Focus Books and Digital Media)**

- ✓ Completion of announced transactions
- ✓ Pursuit of opportunities in Book publishing segments still untapped by the Group
- ✓ Completion of the rationalization process of the titles held in portfolio

*Return to
Shareholders*

- **Growing and sustainable Dividend Policy over next three years = 40% Ordinary Cash Flow**

(floor min. DPS 2021 = € 8.5 cents - 32% of Ord. Cash Flow)

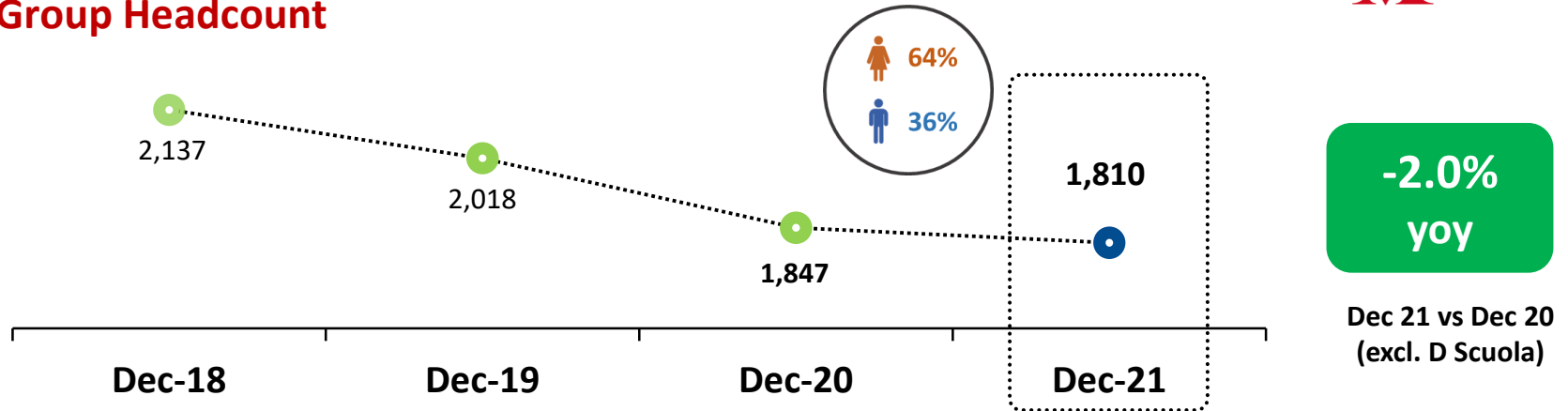


GRUPPO  MONDADORI

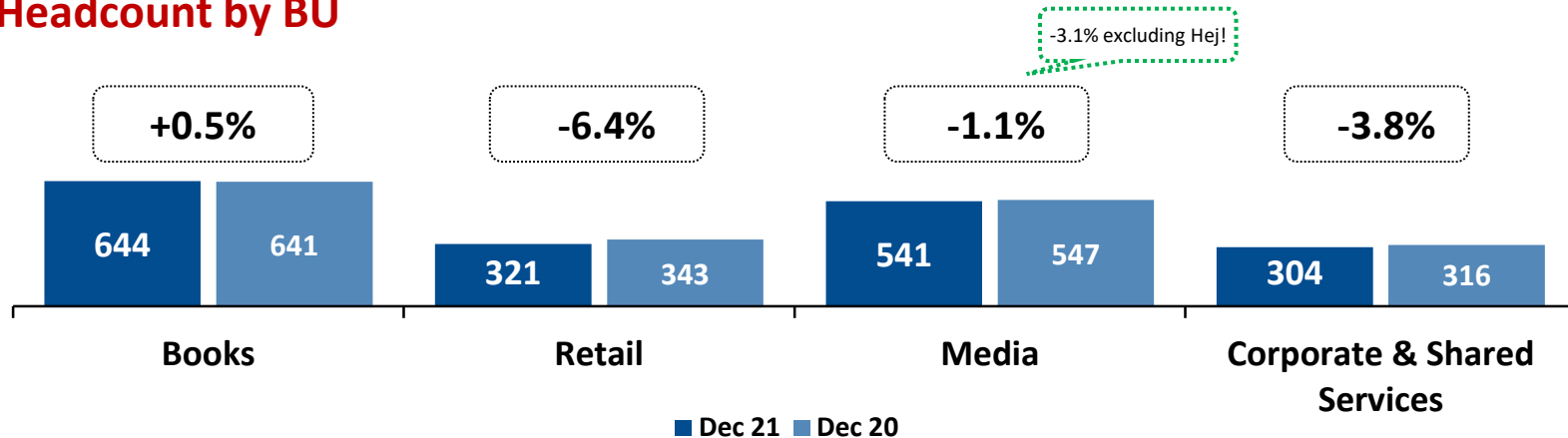
BACK-UP

FY21 Headcount evolution

Group Headcount



Headcount by BU



€ millions	2021		2020		% chg.
REVENUE	807.3		744.0		8.5%
INDUSTRIAL PRODUCT COST	246.6	30.5%	225.3	30.3%	9.4%
VARIABLE PRODUCT COSTS	114.0	14.1%	112.7	15.1%	1.2%
OTHER VARIABLE COSTS	163.3	20.2%	144.9	19.5%	12.7%
STRUCTURAL COSTS	50.3	6.2%	47.9	6.4%	4.9%
EXTENDED LABOUR COST	135.8	16.8%	133.1	17.9%	2.0%
OTHER EXPENSE (INCOME)	(8.3)	(1.0%)	(18.0)	(2.4%)	n.m.
ADJUSTED EBITDA	105.7	13.1%	98.1	13.2%	7.8%
RESTRUCTURING COSTS	11.2	1.4%	8.9	1.2%	26.0%
EXTRAORDINARY EXPENSE (INCOME)	3.4	0.4%	4.6	0.6%	(25.7%)
EBITDA	91.1	11.3%	84.6	11.4%	7.7%
AMORTIZATION AND DEPRECIATION	25.1	3.1%	26.8	3.6%	(6.1%)
IMPAIRMENT AND WRITE-DOWNS	7.4	0.9%	28.6	3.9%	(74.3%)
AMORTIZATION AND DEPRECIATION IFRS 16	13.4	1.7%	14.4	1.9%	(6.7%)
EBIT	45.2	5.6%	14.8	2.0%	205.1%
FINANCIAL EXPENSE (INCOME)	2.5	0.3%	4.1	0.5%	(39.0%)
FINANCIAL EXPENSE IFRS 16	2.2	0.3%	2.5	0.3%	(11.7%)
FINANCIAL EXPENSE (INCOME) FROM SECURITIES VALUATION	0.4	0.1%	(0.6)	(0.1%)	n.m.
EXPENSE (INCOME) FROM INVESTMENTS	1.5	0.2%	7.3	1.0%	n.m.
EBT	38.6	4.8%	1.6	0.2%	n.m.
TAX EXPENSE (INCOME)	(5.6)	(0.7%)	(3.0)	(0.4%)	n.m.
GROUP NET RESULT	44.2	5.5%	4.5	0.6%	n.m.

FY20: some Media titles impairment (26.5 € mn)

FY21: fiscal realignment for €19 mn
FY20: Patent Box for €5.5 mn

FY21 Holding P&L

€ millions	2021		2020		Chg.
REVENUE	41.1		45.1		(4.0)
INDUSTRIAL PRODUCT COST	0.1	0.2%	0.0	0.0%	0.1
VARIABLE PRODUCT COSTS	0.4	0.9%	0.4	0.8%	0.0
STRUCTURAL COSTS	25.0	60.9%	25.8	57.2%	(0.8)
EXTENDED LABOUR COST	21.0	51.2%	20.3	45.1%	0.7
OTHER EXPENSE (INCOME)	(0.1)	(0.2%)	(0.5)	(1.1%)	0.4
ADJUSTED EBITDA	(5.4)	(13.1%)	(0.9)	(2.0%)	(4.5)
RESTRUCTURING COSTS	4.9	11.9%	2.3	5.1%	2.6
EXTRAORDINARY EXPENSE (INCOME)	1.1	2.6%	1.0	2.3%	0.0
EBITDA	(11.4)	(27.7%)	(4.2)	(9.4%)	(7.1)
AMORTIZATION AND DEPRECIATION	3.9	9.4%	4.1	9.0%	(0.2)
AMORTIZATION AND DEPRECIATION IFRS 16	5.6	13.6%	5.9	13.0%	(0.3)
EBIT	(20.8)	(50.7%)	(14.2)	(31.4%)	(6.7)
FINANCIAL EXPENSE (INCOME)	1.8	4.3%	2.3	5.1%	(0.5)
FINANCIAL EXPENSE IFRS 16	1.3	3.1%	1.4	3.2%	(0.2)
EXPENSE (INCOME) FROM SECURITIES VALUATION	0.4	1.1%	(0.6)	(1.3%)	1.0
EXPENSE (INCOME) FROM INVESTMENTS	(65.3)	(159.0%)	(13.2)	(29.2%)	(52.1)
EBT	41.0	99.8%	(4.1)	(9.1%)	45.1
TAX EXPENSE (INCOME)	(3.2)	(7.8%)	(8.6)	(19.1%)	5.4
NET PROFIT (LOSS)	44.2	107.6%	4.5	10.0%	39.7

- Higher write-back of Mondadori Libri S.p.A.
- Write-back of Mondadori Media S.p.A. (write-off in FY 2020)

FY20: Patent Box for €5.2 mn

P&L 4Q21

€ millions	Q4 2021		Q4 2020		% chg.
REVENUE	218.4		202.1		8.1%
INDUSTRIAL PRODUCT COST	73.4	33.6%	65.8	32.5%	11.6%
VARIABLE PRODUCT COSTS	31.4	14.4%	40.3	19.9%	(22.0%)
OTHER VARIABLE COSTS	45.6	20.9%	39.5	19.5%	15.5%
STRUCTURAL COSTS	14.4	6.6%	13.3	6.6%	8.7%
EXTENDED LABOUR COST	35.7	16.4%	33.6	16.6%	6.2%
OTHER EXPENSE (INCOME)	(2.8)	(1.3%)	(17.5)	(8.6%)	n.m.
ADJUSTED EBITDA	20.7	9.5%	27.1	13.4%	(23.6%)
RESTRUCTURING COSTS	8.0	3.7%	6.2	3.1%	30.0%
EXTRAORDINARY EXPENSE (INCOME)	2.0	0.9%	1.4	0.7%	45.7%
EBITDA	10.7	4.9%	19.5	9.7%	(45.5%)
AMORTIZATION AND DEPRECIATION	6.9	3.2%	7.3	3.6%	(4.5%)
IMPAIRMENT AND WRITE-DOWNS	7.1	3.2%	22.8	11.3%	(69.0%)
AMORTIZATION AND DEPRECIATION IFRS 16	3.5	1.6%	3.6	1.8%	(3.6%)
EBIT	(6.8)	(3.1%)	(14.1)	(7.0%)	n.m.
FINANCIAL EXPENSE (INCOME)	0.2	0.1%	0.9	0.4%	(71.9%)
FINANCIAL EXPENSE IFRS 16	0.5	0.2%	0.6	0.3%	(10.0%)
FINANCIAL EXPENSE (INCOME) FROM SECURITIES VALUATION	0.0	0.0%	0.3	0.1%	n.m.
EXPENSE (INCOME) FROM INVESTMENTS	(1.4)	(0.6%)	2.1	1.1%	n.m.
EBT	(6.2)	(2.8%)	(18.0)	(8.9%)	n.m.
TAX EXPENSE (INCOME)	(1.0)	(0.5%)	(4.5)	(2.2%)	n.m.
NET RESULT FOR THE PERIOD (GROUP AND NON-CONTROLL	(5.2)	(2.4%)	(13.5)	(6.7%)	n.m.
MINORITIES	0.0	0.0%	0.0	0.0%	n.m.
GROUP NET RESULT	(5.2)	(2.4%)	(13.5)	(6.7%)	n.m.

FY20: museum grants for €8.1 mn

Some Media titles impairment (20.7 € mn)

FY20: Patent Box for €4.5 mn

FY – 4Q 21 Revenue and Adjusted EBITDA by Business Area

€ mn

Revenue

	4Q 21	4Q 20	Var. %	FY 21	FY 20	Var. %
Books	116.3	106.8	+8.9%	465.0	422.9	+9.9%
Retail	59.6	51.7	+15.3%	173.9	153.7	+13.1%
Media	56.6	53.5	+5.7%	206.6	197.6	+4.5%
Corporate & Shared Services	11.3	11.9	(5.2%)	40.9	45.1	(9.3%)
<i>Intercompany</i>	(25.3)	(21.9)	+15.8%	(79.0)	(75.4)	+4.8%
Total	218.4	202.1	+8.1%	807.3	744.0	+8.5%

Adj. EBITDA

	4Q 21	4Q 20	Var.	FY 21	FY 20	Var.
Books	13.1	20.1	(6.9)	92.6	87.5	+5.0
Retail	3.4	1.8	+1.6	5.1	1.3	+3.9
Media	4.7	4.7	(0.1)	12.4	7.9	+4.5
Corporate & Shared Services	(1.0)	(0.2)	(0.8)	(4.2)	(0.6)	(3.6)
<i>Intercompany</i>	0.5	0.7	(0.2)	(0.1)	1.9	(2.1)
Total	20.7	27.1	(6.4)	105.7	98.1	+7.7

2020: museum grants for €8.1 mn

Different corporate charges allocation criteria

Intercompany stock

FY21 Balance Sheet

€ millions	2021		2020	% chg.
	with D Scuola	without D Scuola		
TRADE RECEIVABLES	165.0	162.5	168.1	(3.4%)
INVENTORY	120.7	114.1	111.5	2.4%
TRADE PAYABLES	223.0	207.1	212.2	(2.4%)
OTHER ASSETS (LIABILITIES)	(42.2)	(23.4)	(22.5)	n.s.
NET WORKING CAPITAL CONTINUING OPERATIONS	20.5	46.0	44.9	2.5%
DISCONTINUED OR DISCONTINUING ASSETS (LIABILITIES)	(7.6)	(7.6)	(2.3)	232.8%
NET WORKING CAPITAL	12.9	38.4	42.6	(9.9%)
INTANGIBLE ASSETS	351.8	187.4	187.3	0.1%
PROPERTY, PLANT AND EQUIPMENT	14.6	14.5	16.9	(14.1%)
INVESTMENTS	18.7	18.7	20.1	(6.7%)
NET FIXED ASSETS WITH NO RIGHTS OF USE IFRS 16	385.2	220.7	224.3	(1.6%)
ASSETS FROM RIGHTS OF USE IFRS16	80.7	78.6	80.2	(2.0%)
NET FIXED ASSETS WITH RIGHTS OF USE IFRS16	465.9	299.3	304.5	(1.7%)
PROVISIONS FOR RISKS	47.1	45.2	45.7	(1.2%)
POST-EMPLOYMENT BENEFITS	33.1	28.3	31.5	(10.3%)
PROVISIONS	80.1	73.4	77.2	(4.9%)
NET INVESTED CAPITAL	398.7	264.3	270.0	(2.1%)
SHARE CAPITAL	68.0	68.0	68.0	0.0%
RESERVES	107.4	107.4	99.9	7.5%
PROFIT (LOSS) FOR THE PERIOD	44.2	44.2	4.5	n.s.
GROUP EQUITY	219.6	219.6	172.4	27.4%
NON-CONTROLLING INTERESTS' EQUITY	0.0	0.0	0.0	n.s.
EQUITY	219.6	219.6	172.4	27.4%
NET FINANCIAL POSITION NO IFRS16	94.8	(37.4)	14.8	n.s.
NET FINANCIAL POSITION IFRS16	84.3	82.1	82.8	(0.8%)
NET FINANCIAL POSITION	179.1	44.7	97.6	(54.2%)
SOURCES	398.7	264.3	270.0	(2.1%)

FY21 Group Cash Flow

€ millions	2021	2020
INITIAL NFP IFRS 16	(97.6)	(151.3)
FINANCIAL LIABILITIES APPLICATION OF IFRS 16	(82.8)	(95.9)
INITIAL NFP NO IFRS 16	(14.8)	(55.4)
ADJUSTED EBITDA (NO IFRS 16)	91.0	82.4
NWC AND PROVISIONS	10.3	1.2
CAPEX NO IFRS 16	(22.0)	(21.8)
CASH FLOW FROM OPERATIONS	79.3	61.9
FINANCIAL INCOME (EXPENSE) NO IFRS 16	(2.4)	(3.7)
TAX	(13.9)	(6.9)
CASH FLOW FROM ORDINARY OPERATIONS CONTINUING OPERATIONS	62.9	51.2
CF FROM ORDINARY OPERATIONS DISCONTINUED OR DISCONTINUING OP	5.3	0.0
CASH FLOW FROM ORDINARY OPERATIONS	68.2	51.2
RESTRUCTURING COSTS	(6.9)	(5.2)
EXTRAORDINARY TAX	3.4	0.1
SHARE CAPITAL INCREASE/DIVIDENDS NON CONTROLLING INTERESTS ANI	(0.1)	(1.1)
PURCHASE/DISPOSAL	(8.6)	(0.5)
OTHER INCOME AND EXPENDITURE	(3.8)	(3.8)
CF EXTRAORDINARY OPERATIONS DISCONTINUED OR DISCONTINUING OP	(0.3)	0.0
CASH FLOW FROM EXTRAORDINARY OPERATIONS	(16.1)	(10.5)
FREE CASH FLOW	52.2	40.7
NET FINANCIAL POSITION NO IFRS 16	37.5	(14.8)
IFRS 16 EFFECTS IN THE PERIOD	0.7	13.0
FINAL NET FINANCIAL POSITION	(44.5)	(97.6)

- ▶ **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.
- ▶ **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
- ▶ **Free Cash Flow** the sum of cash flow from ordinary and non-ordinary operations in the reporting period (excluding payment of dividends, if any).

Financial Reporting 2022

28 April 2022

Shareholders' Meeting for the approval of the draft financial statements and consolidated financial statements at 31 December 2021

12 May 2022

Consolidated results first quarter 2022

28 July 2022

Consolidated results first half 2022

10 November 2022

Consolidated results third quarter 2022





Investor Relations

Nicoletta Pinoia

Tel: +39 02 75422632

invrel@mondadori.it



Mondadori Group IR (available on Google Play & App Store)



<https://twitter.com/gruppomondadori>



<https://www.linkedin.com/company/gruppomondadori>



<https://www.facebook.com/GruppoMondadori>



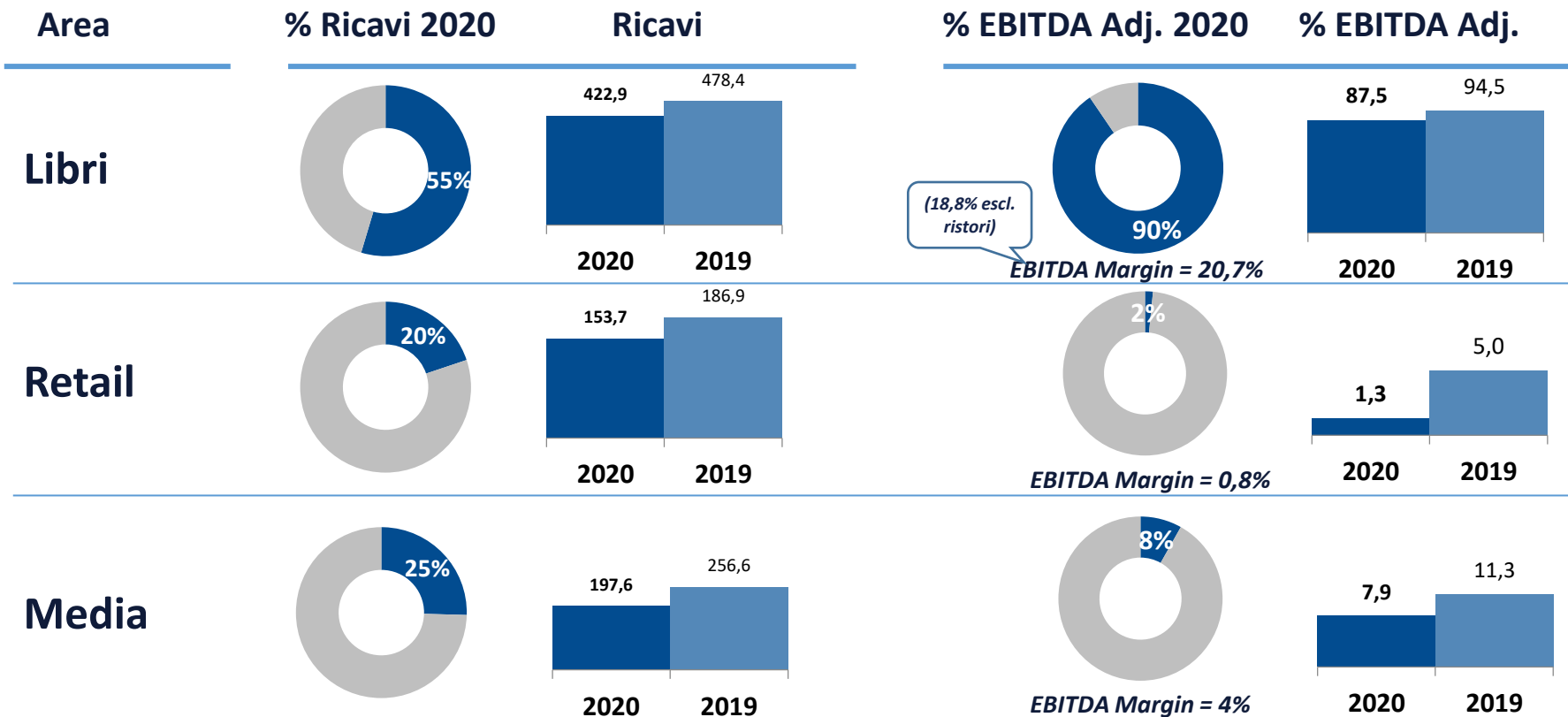
<https://www.instagram.com/gruppomondadori>



<https://www.youtube.com/c/GruppoMondadori>

FY 2021 Highlights - Snapshot delle Aree di Business

€ mln



Gruppo

13,2% (12,5% escl. Ristorori)

Stronger foothold in Education publishing

Shareholder Value Creation

SHORT TERM...

- ▲ Enhancement of the catalogue breadth and quality
- ▲ Strengthening of Group's profitability and cash generation

...MEDIUM/LONG TERM

- ▲ Achievement of an increased efficiency through exploiting operating and structure cost synergies
- ▲ Acceleration in the development of innovative tools and in the adoption of interactive digital content



Ongoing transformation of the Group into an almost "pure" book player

EPS and Free Cash Flow increase

Fully consistent with ongoing strategic repositioning

DeA Scuola - The transaction

Deal Structure

- Acquisition of 100% of the share capital of **De Agostini Scuola S.p.A.** (renamed D Scuola S.p.A.) through the subsidiary Mondadori Libri S.p.A.

Price

- Enterprise Value € 157.5 million
- Multiple of 7.4x EBITDA in 2020
- Equity Value € 137.5 million
- This **price** is based on the Enterprise Value net of the average normalized 2020 NFP; the final price will be determined on the basis of the average normalized 2021 NFP

Financing

- The transaction has been partially funded by the **Acquisition line** that is part of the recently renegotiated credit lines (Loan Agreement, May 2021)
- Line spread: **60 bps**

Value Creation

- Expected **run-rate synergies** of approximately € 4/5 million (within 24 months from acquisition)
- EPS and FCF accretive deal** from first year (starting 2022)
- Improved financial structure after acquisition

DeA – Key Figures

€ mn

FY 2020

REVENUES	€ 70.8 mn
EBITDA	€ 21.4 mn
NET PROFIT	€ 12.2 mn
OPERATING CF*	€ 16.2 mn
NFP at 31/12	Cash € 20.8 mn
HEADCOUNT**	128

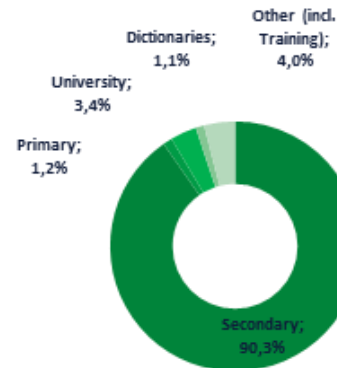
* Cash Flow before interests and taxes

** Average data FY 2020

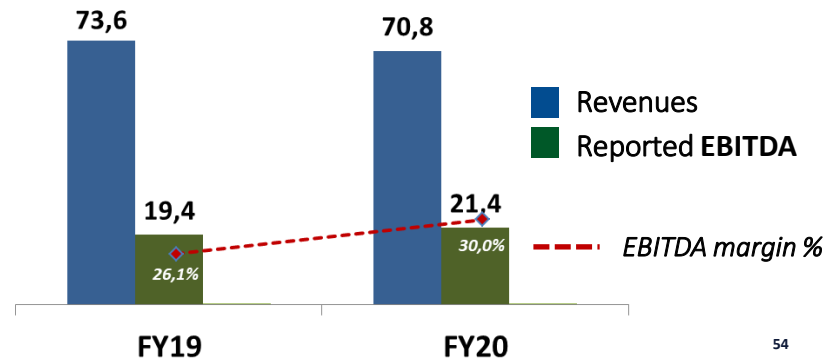
Revenue Breakdown FY 2020

ITA GAAP

K-12 Segment:
91.5%

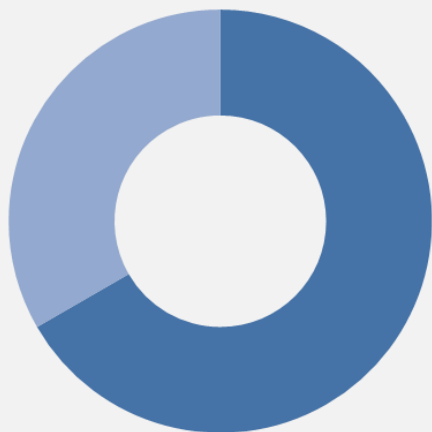


FY19-20 Trend



Mondadori Post Deal - Expected synergies

Cost Synergies Breakdown



■ Operating Costs

■ Structure costs

Highlights

- ▲ **€4/5 million in run-rate synergies** (within 24 months from acquisition)
- ▲ Expected **synergies** refer to **efficiencies/economies of scale and scope**:
 - in structure costs;
 - in production costs (purchase of raw materials...);
 - in investments in the development of digital content.
- ▲ **Transaction costs** < € 1 million in FY2021

Expected **annual synergies** of approximately **€ 4/5 million**
(run-rate by 2023)

Transaction structure

- Acquisition of 50% of the share capital
- Put&call agreements:** Mondadori has the option to acquire the additional 50% in two different tranches by 30 July 2025
- The **price** will be paid in **cash** at Closing

Strategic Rationale

- Portfolio of **more than 80 publishers distributed**
- Increase from 7% to 18%* in market share** in the **book distribution segment for third publishers**, a dynamically developing market that requires ongoing improvement in customer service levels

Price - Financials Target

- Price (50%) of € 10.8 mn**
- FY 2020 (€ mn, ITA GAAP):**

Revenue	40.0
EBITDA	4.6
Net profit	3.0
NFP (cash)	(5.9)

Timing

- Approved** by the Antitrust Authority
- Closing** of the deal expected **by first months 2022**

Transaction structure

- ▲ Acquisition of 50% of the share capital
- ▲ **Put&call agreements:** options exercisable in second half 2022, which entitle the Mondadori Group to acquire 100% of **Libromania**, actually 100% owned by the target, active in the **promotion of third-party publishers**
- ▲ The **price** will be paid in **cash** at Closing

Strategic Rationale

- ▲ **Partnership** with a publishing house that boasts a rich history and tradition
- ▲ **Strengthening** of trade books market leadership, with a particular focus on the children's and non-fiction segments (market share of De Agostini Libri = 1.4%*)

Price - Financials Target

- ▲ **Price (50%, including 100% valuation of Libromania) of € 4.5 mn**
- ▲ **FY 2021E (€ mn, on a consolidated basis, ITA GAAP):**

Revenue	12.6
EBITDA	Break-even

Timing

- ▲ **Approved** by the Antitrust Authority
- ▲ **Completion** of the deal expected by **first quarter 2022**

Funding Overview

€ mn

New pool Loan Agreement

**450
mn**

Term Loan = 95 mn

Revolving (RCF) = 125 mn

Acquisition line = 230 mn*

**Committed
lines**

2021

Refunds

Availabilities
31/12

Refunds

Availabilities
31/12

-27.5

167.5

-15.8

434.2

2022

-167.5

-

-15.8

418.4

2023

-15.8

402.6

2024

-92.5

310.0

2025

-92.5

217.5

2026

-217.5

-

* Undrawn availabilities until May 2023

Funding Overview

Covenant

NFP/EBITDA
before IFRS16

NFP before
IFRS16 at 06/30

OLD

NEW

3.25x

3.25x

2021	385.0	385.0
2022	350.0	350.0
2023		315.0
2024		280.0
2025		245.0
2026		210.0

Margin Grid

OLD

95 bps

120
bps

130
bps

165
bps

200
bps

Initial
spread

NEW

70
bps

80
bps

95
bps

120
bps

135
bps

150 bps

NFP / EBITDA
before IFRS16
year-end

1.0

1.5

2.0

2.5

3.0

3.5