

## BoD APPROVES RESULTS AT 30 SEPTEMBER 2022

- Net revenue € 678.2 million, up by 15.2% versus € 588.9 million at 30.09.2021
- Adjusted EBITDA € 115.5 million, improving by 35.8% versus € 85 million at 30.09.2021
- EBIT positive at € 78 million, up by 50% versus € 52 million at 30.09.2021
- Group net profit € 58.3 million, up by 18% versus € 49.4 million at 30.09.2021; +90% net of non-recurring tax items in 2021
- Solid cash generation confirmed, with LTM cash flow from ordinary operations at € 71.4 million
- NFP before IFRS 16 € -173.4 million; IFRS 16 NFP: € -235.7 million

## OUTLOOK: UPWARDS REVISION OF 2022 GUIDANCE

- High single-digit growth of revenue (from mid single-digit)
- Adjusted EBITDA: up by 25% or more (from over 20%)

### Estimates confirmed on:

- Double-digit growth of net profit
- Cash flow from ordinary operations in line with 2021
- Free cash flow in the region of € 10/15 million (before dividend)
- IFRS 16 NFP at 1.3x adjusted EBITDA

Segrate, 10 November 2022 - Today, the meeting of the Board of Directors of Arnoldo Mondadori Editore S.p.A., chaired by Marina Berlusconi, reviewed and approved the Interim Management Statement at 30 September 2022 presented by CEO Antonio Porro.

### HIGHLIGHTS

The current year has seen the Mondadori Group firmly pursue the **strategic path of reshaping its business portfolio**, on the one hand, by **developing and strengthening its presence in book publishing** and, on the other, by **tapering** its exposure to the magazines segment, with a focus on brands with greater multimedia potential.

"The results of these first nine months clearly show the positive impacts from our repositioning plan: the operating-financial metrics grow strongly, with a sharp improvement in revenue and margins across all business areas on a like-for-like basis", said **Antonio Porro, CEO of the Mondadori Group**. "These elements, plus the positive performance of the books market, allow us, despite the higher costs of the main inputs, to further increase our estimates on the trend of revenue and margins at end 2022", concluded Porro.

## PERFORMANCE AT 30 SEPTEMBER 2022

**Consolidated revenue** in first nine months 2022 amounted to € **678.2 million**, up by **15.2%** versus € 588.9 million in the prior year.

Net of the consolidation of D Scuola, effective 1 January 2022, Group revenue **grew by 3.8%**, thanks to the performance of the **Books and Retail areas** and despite the additional asset disposals involving the Media area: net of the effects from the changed consolidation scope, **Group revenue on a like-for-like basis** in the first nine months of the current year would have grown by **5.8%**.

**Adjusted EBITDA** came to a positive € **115.5 million**; excluding the result of D Scuola in the period, adjusted EBITDA closes with a positive € 94.1 million.

As a result, the Group showed an **overall improvement in profitability in excess of € 30 million** versus € 85 million in 2021, **growing by 35.8%**, one third of which attributable to the **positive performance across all business areas, Books and Retail** in particular, and approximately two thirds from the contribution of D Scuola (€ 21.4 million).

**Group EBITDA** came to € **114.5 million** (€ 93 million net of D Scuola), recording an **even stronger improvement of € 34 million (+42.2%** versus € 80.5 million at 30.09.2021), as a result of the abovementioned phenomena and dynamics and of the positive trend of non-ordinary items in the period.

**EBIT** closed at a positive € **78 million** versus € 52 million at 30.09.2021, improving by € 26 million, or **up by 50%**, partly dampened by the effects of the Purchase Price Allocation process related to the acquisition of D Scuola.

Net of the amortization/depreciation resulting from this process, consolidated **EBIT** of the new scope would **grow** by approximately € **29 million** (+55% versus 30.09.2021).

Excluding the contribution of D Scuola, the improvement would amount to € 11.3 million, attributable to the abovementioned operational dynamics.

**Consolidated profit before tax** came to € **75.8 million** (€ 61.2 million excluding the contribution of D Scuola), **increasing by almost 70% versus € 44.8 million** in the same period of 2021. This growth benefits also from the **improvement** in the result of the **associates**, amounting to € 3.5 million, arising from the disposal of the investment in Monradio, from profit for the period of Attica, and from the accounting of the share of the result of A.L.I..

Total **financial expense** for the period, amounting to €2.8 million, **improved by € 1.1 million**, despite the higher average debt and the increase in ancillary expense from the outstanding pool loan, due to the accounting for IFRS 16 purposes of a non-recurring income of approximately € 1.5 million resulting from the early termination and renegotiation, as of July 2022, of the lease contract for the Segrate HQ.

**Group net profit**, after minority interests, amounted to € **58.3 million** (€ 47.9 million excluding the net profit of D Scuola), **up by 18%** versus € 49.4 million in first nine months 2021, which had benefited however from a **non-recurring income** of € **18.7 million** from the realignment of the tax amounts of trademarks and goodwill to their respective statutory amounts.

Neutralizing the one-off tax income of 2021, **net profit in first nine months 2022 would be up by approximately 90%** versus the prior year.

The **net financial position before IFRS 16** stood at € **-173.4 million** and includes, in addition to the effects of the acquisition and consolidation of D Scuola, the debt arising from the acquisitions of A.L.I. and Star Comics, as well as the return to dividend distribution.

**Including the IFRS 16** impact of € 62.3 million - down from 30.09.2021 due mainly to the renegotiation of the lease contract for the Segrate HQ - the NFP stood at € **-235.7 million**.

The **LTM cash flow from ordinary operations** (after cash out for financial expense and tax), amounting to € **71.4 million**, allows the **Group to continue to strengthen its financial structure**.

D Scuola, consolidated as from January 2022, contributed a negative € 1.5 million to the cash flow for the period, consistent with the seasonal nature of the school publishing business.

Mention should be made that the generation of cash flow from ordinary operations benefited from the revaluation, amounting to € **10.1 million** at 30 September 2022, of derivative instruments related to interest rate risk hedges applied to drawdowns of the pool loan taken out in May 2021.

The total **Free Cash Flow** in the past 12 months amounted to a positive € **9.5 million**.

At 30.09.2022, **Group employees** amounted to **1,895 units, up by 4.5%** versus 1,814 units at 30.09.2021 (+81 units), due primarily to the inclusion of **D Scuola** resources (totaling +127 units). Neutralizing the effect of all scope changes - namely, the acquisitions of **D Scuola, De Agostini Libri** and **Star Comics**, and the disposals of titles and assets in the Media area - the Group workforce

would **drop by approximately 1%**, thanks to the continued efforts to increase the efficiency of individual business areas and functions.

### **PERFORMANCE IN THIRD QUARTER 2022**

**In the third quarter, consolidated revenue** amounted to € **323.1 million**, increasing by **20.3%** versus € 268.5 million in the prior year; net of all the effects from changes in the scope, Group revenue would have recorded a **like-for-like growth of +3.4%** in the third quarter.

**Adjusted EBITDA** came to a positive € **88 million**, up by over € **24 million (+38.5%)** versus 2021. **Excluding the contribution of D Scuola**, adjusted EBITDA came to € 65.7 million, increasing by €2.1 million versus third quarter 2021, or by **+3.4%**. This improvement is attributable in particular to the **positive performance** of the **Books** segment, which benefited also from the consolidation of Star Comics as of third quarter 2022, and the **Retail** segment.

Group **EBITDA** came to € **87.7 million** (€ 65.4 million without D Scuola), **improving by € 26.2 million (+42.7%)** versus the prior year, attributable to the business phenomena mentioned earlier, and to the positive trend in non-ordinary items, especially in the Corporate and Media areas.

**EBIT** came to a positive € **74.8 million**, **improving** by approximately € **23 million** versus third quarter 2021. The like-for-like comparison (excluding the contribution of approximately € 20 million from D Scuola) with 2021 shows an increase of € 3 million (**+5.8%**), despite higher amortization and depreciation resulting from increased expenditure made in the last 12 months.

Group **net profit**, after minority interests, amounted to € **55.5 million**, up by **23.2%** versus € 45 million in third quarter 2021; excluding the contribution of D Scuola and net of tax items, which in third quarter 2021 had benefited from a **net non-recurring income of approximately € 9.8 million**, net profit in third quarter 2022 would **increase by 17%** versus the third quarter last year.

### **BUSINESS OUTLOOK**

**In light of the positive operating-financial trend** seen in the first nine months of the year, and despite the geopolitical uncertainty and the persisting problems arising from the increase in costs for raw materials, paper in particular, and for energy consumption, for the full year 2022 the Group believes:

- to be able to **improve the estimate of:**
  - **Revenue, forecast to grow high single-digit** (from mid single-digit);
  - **Adjusted EBITDA, forecast to increase by 25% or more** (from over 20%).given the positive performance recorded by the Book product in the third quarter, as well as the consolidation of the Star Comics publishing house in the second half of the year;
- to be able to **confirm at the consolidated level the other previously disclosed estimates**. Specifically:
  - **Double-digit growth of net profit**, thanks also to significantly lower restructuring costs and to the improved results of associates versus 2021;
  - **Cash Flow from Ordinary Operations** in line with **2021**;
  - **Free Cash Flow** in the region of € **10/15 million** (before dividend);
  - **Group net financial debt** (IFRS 16) at 1.3x adjusted EBITDA.

### **PERFORMANCE OF BUSINESS AREAS**

#### • **BOOKS**

Following the remarkable growth seen in 2021, the year 2022 has witnessed a **consolidation phase of the books market**, which was **basically steady** in terms of both **value (+0.1%)** and **volume (+0.1%)** versus the same period last year<sup>1</sup>.

<sup>1</sup> GfK, September 2022 (Week 39)

Against this backdrop, Mondadori Group publishing houses posted a **2.4% growth in sell-out**, the result of a **gradually improving** performance: in the **third quarter** in particular, the Group recorded a **14.6% increase in sell-out** versus the market's approximately +4% increase.

Thanks to these results, the Group was able to retain its **domestic leadership**, with its **market share growing to 26.9%**.

In the period under review, the Group retained a **leadership** position in the **school textbooks** segment, with a market share including D Scuola at **32.3%**, a slight decline versus 32.9% in the prior year, fully attributable to the primary school segment, marked by greater volatility and lower profitability.

In first nine months 2022, **revenue** in the **Books area** stood at **€ 443.4 million, up by 27.2%** versus € 348.7 million in first nine months 2021, driven by the **positive performance** of the **Trade publishing houses** and the consolidation of D Scuola.

Considering only the like-for-like scope of 2021, revenue in the Books area grew by **5.5%**.

Specifically:

- **revenue** from **Trade** amounted to **€ 223.4 million, up by 11.2%** versus € 200.9 million in the same period of 2021, driven by the **positive performance** recorded by all publishing houses, the upswing of Electa's activities, and the consolidation of De Agostini Libri and Star Comics;
- **total revenue** from **Education** amounted to **€ 213.7 million, up by 48.2%** versus first nine months 2021, due mainly to the changed consolidation scope related to the consolidation of the publishing house D Scuola, which contributed € 67.5 million to revenue for the period. **On a like-for-like basis, revenue was up slightly (+1.4%)** versus the same period of 2021 (€ 144.2 million), due to the early availability of a number of textbooks and the resulting accounting of the related revenue versus the prior year.

**Adjusted EBITDA** of the Books area in first nine months stood at **€ 107.9 million, up by more than € 28 million** including the contribution of D Scuola (€ 21.4 million in the period under review).

Net of D Scuola, adjusted EBITDA on a like-for-like basis would come to **€ 86.4 million** versus € 79.4 million in the same period of 2021, an **improvement of over € 7 million (approximately +9%)**, thanks in particular to the **positive trend of revenue and to the higher contribution of relief granted to museum activities**, amounting to approximately € 3 million.

## • RETAIL

In a **basically steady** domestic **books market** (+0.1%<sup>2</sup>) versus 2021, the **physical channel continued** to grow versus the same period of the prior year, no longer burdened by the restrictions brought by the COVID-19 emergency.

Against this backdrop, in the first nine months, the **market share of Mondadori Retail** increased by 1.4% to reach **12.6%**, driven by the **outstanding performance of physical stores**.

Revenue from the area totaled **€ 126 million, improving** by € 11.6 million (**+10.2%**) versus € 114.3 million in the same period last year.

**The ongoing development and renovation of existing stores and the focus on the core business of books** have enabled the Mondadori Store network to consolidate its role on the market, as shown by the **solid growth in revenue from the Book product (+13.6%)**, which is **higher at the end of the third quarter even than in the pre-COVID period**.

Specifically:

- **directly-managed stores** reported a **sharp upswing in revenue (+35.3%** versus the prior year), due to the abovementioned strategy of focusing on the book product and network development activities;

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<sup>2</sup> GFK (in terms of value)

- the **franchised** channel continued its **progression**, increasing by **+4.9%** versus the same period of the prior year.

**Adjusted EBITDA** closed with a **positive figure and up significantly** to **€ 4.1 million (€ +2.4 million)** versus € 1.7 million in first nine months 2021.

The structural actions put in place in recent years have brought a **strong turnaround in the area's operating and financial performance**, as already seen by last year's results. This target was achieved thanks to the **deep transformation of the company**, the **ongoing renewal and development of the network of physical stores**, as well as **careful cost management and a thorough review of the organization and processes**. All this complemented by **constant work on product innovation** and the **expansion of the product range**.

- **MEDIA**

The Media area recorded **revenue** of **€ 135.3 million** in first nine months 2022, dropping by 9.8% versus € 150 million in the same period of the prior year, but **increasing by 3.1% on a like-for-like basis** (excluding the effect of the deconsolidation of the titles sold at end 2021 and the distribution activities of Press-di).

Specifically:

- **digital activities**, which now account for **24%** of the **area's total revenue**, **rose sharply by +16% (+21.8% on a like-for-like basis of brands)**;
- **traditional print activities on a like-for-like basis** were down by approximately 3%.

**Adjusted EBITDA** in the Media area amounted to **€ 9.3 million, up** versus € 7.8 million in first nine months 2021, the result of two opposing trends that marked the two segments of the area:

- the **print area improved**, thanks to higher income from FuoriSalone 2022, the accounting of a € 1.9 million tax receivable recognized on paper consumption, and the continued actions to curb operating costs launched in prior years;
- the **digital area**, instead, saw its result fall, attributable to one-off editorial and development costs incurred for the launch of *The Wom* and the lower performance of digital brand advertising sales, only partly offset by the strong trend recorded by the MarTech segment.

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**SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2022**

As previously disclosed to the market, on 20 October the subsidiary Mondadori Media S.p.A. was granted by Reworld Media S.A. the option to sell to it the business unit related to the *Grazia* and *Icon* brands through a put option.

The scope of the option includes the print and digital publishing activities of the two titles, as well as the relating international network that ensures the brands' overall presence in over 20 countries with licensed publications.

In 2021, these activities generated revenue of approximately € 18 million.

Based on the terms for exercising the option, the consideration for the scope in question is € 8.5 million, including € 2 million as earn-out conditional on the achievement of certain financial results in 2023 by the activities disposed of. The consideration was defined on the basis of an Enterprise Value of € 11 million (including earn-out), net of the difference between the average net working capital over the last 12 months and the net working capital at the closing date.

The Mondadori Group, pursuant to the provisions of law, will launch the consultation procedure with the trade unions, following which the option will become exercisable.

The decisions taken, as a result of the ongoing assessments, on the exercise of the option and any further phases, terms and conditions of the process underlying the transaction will be promptly disclosed to the market.

The transaction - the possible completion of which will also be subject to the outcome of the assessment procedure by the Offices of the Presidency of the Council of Ministers referred to in Law Decree 21/2012 - would be in line with the Mondadori Group's strategic path of increasing focus on the core business of books and brands with greater potential for multimedia exploitation.

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*The presentation of the results at 30 September 2022, approved today by the Board of Directors, is available on 1Info ([www.1info.it](http://www.1info.it)), on [www.borsaitaliana.it](http://www.borsaitaliana.it) and on [www.gruppomondadori.it](http://www.gruppomondadori.it) (Investors section). A Q&A session will be held in conference call mode at 4.30 pm for the financial community, attended by the CEO of the Mondadori Group, Antonio Porro, and the CFO, Alessandro Franzosi. Journalists will be able to follow the meeting in listening mode only, by connecting to the following phone number +39.02.8020927 or via web at: <https://hditalia.choruscall.com/?calltype=2&info=company>*

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*The Interim Management Statement at 30 September 2022 is made publicly available by today through the authorized storage mechanism 1Info ([www.1info.it](http://www.1info.it)), on [www.gruppomondadori.it](http://www.gruppomondadori.it) (Investors section) and at the registered office.*

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*The Financial Reporting Manager - Alessandro Franzosi - hereby declares, pursuant to Article 154 bis, paragraph 2, of the Consolidated Finance Law, that the accounting information contained herein corresponds to the Company's records, books and accounting entries.*

Annexes:

1. Consolidated balance sheet;
2. Consolidated income statement;
3. Consolidated income statement - III quarter;
4. Group cash flow;
5. Glossary of terms and alternative performance measures used.



**Annex 1**  
**Consolidated balance sheet**

€ millions	FINAL				
	9M 2022	9M 2022	9M 2021	% chg.	% chg.
		excl. D Scuola			excl. D Scuola
TRADE RECEIVABLES	215.1	190.0	195.6	10.0%	(2.9%)
INVENTORY	159.9	150.9	121.8	31.3%	23.9%
TRADE PAYABLES	252.3	221.3	199.9	26.2%	10.7%
OTHER ASSETS (LIABILITIES)	(29.4)	(13.6)	(12.9)	n.s.	5.1%
<b>NET WORKING CAPITAL CONTINUING OPERATIONS</b>	<b>93.4</b>	<b>106.1</b>	<b>104.6</b>	<b>(10.7%)</b>	<b>1.4%</b>
DISCONTINUED OR DISCONTINUING ASSETS (LIABILITIES)	0.0	0.0	(2.7)	n.s.	n.s.
<b>NET WORKING CAPITAL</b>	<b>93.4</b>	<b>106.1</b>	<b>101.9</b>	<b>(8.3%)</b>	<b>4.1%</b>
INTANGIBLE ASSETS	376.0	213.8	189.4	98.6%	12.9%
PROPERTY, PLANT AND EQUIPMENT	19.4	19.4	16.4	18.3%	18.0%
INVESTMENTS	29.5	29.5	16.4	80.0%	79.9%
<b>NET FIXED ASSETS WITH NO RIGHTS OF USE IFRS 16</b>	<b>425.0</b>	<b>262.8</b>	<b>222.2</b>	<b>91.3%</b>	<b>18.2%</b>
ASSETS FROM RIGHTS OF USE IFRS 16	59.3	57.6	80.9	(26.7%)	(28.9%)
<b>NET FIXED ASSETS WITH RIGHTS OF USE IFRS 16</b>	<b>484.3</b>	<b>320.3</b>	<b>303.1</b>	<b>59.8%</b>	<b>5.7%</b>
PROVISIONS FOR RISKS	43.0	41.2	41.1	4.6%	0.2%
POST-EMPLOYMENT BENEFITS	29.2	25.5	29.1	0.1%	(12.5%)
<b>PROVISIONS</b>	<b>72.2</b>	<b>66.7</b>	<b>70.3</b>	<b>2.8%</b>	<b>(5.1%)</b>
<b>NET INVESTED CAPITAL</b>	<b>505.5</b>	<b>359.7</b>	<b>334.7</b>	<b>51.0%</b>	<b>7.4%</b>
SHARE CAPITAL	68.0	68.0	68.0	0.0%	0.0%
RESERVES	141.3	141.2	105.8	33.5%	33.5%
PROFIT (LOSS) FOR THE PERIOD	58.3	47.9	49.4	18.0%	(3.0%)
<b>GROUP EQUITY</b>	<b>267.5</b>	<b>257.1</b>	<b>223.1</b>	<b>19.9%</b>	<b>15.2%</b>
NON-CONTROLLING INTERESTS' EQUITY	2.3	2.3	0.0	n.s.	n.s.
<b>EQUITY</b>	<b>269.8</b>	<b>259.4</b>	<b>223.1</b>	<b>20.9%</b>	<b>16.2%</b>
NET FINANCIAL POSITION NO IFRS 16	173.4	39.8	27.3	n.s.	45.6%
NET FINANCIAL POSITION IFRS 16	62.3	60.4	84.2	(26.1%)	(28.3%)
<b>NET FINANCIAL POSITION</b>	<b>235.7</b>	<b>100.3</b>	<b>111.6</b>	<b>111.2%</b>	<b>(10.2%)</b>
<b>SOURCES</b>	<b>505.5</b>	<b>359.6</b>	<b>334.7</b>	<b>51.0%</b>	<b>7.4%</b>

**Annex 2**  
**Consolidated income statement<sup>3</sup>**

FINAL							
€ millions	9M 2022	9M 2022 excl. D Scuola		9M 2021	% chg.	% chg. LFL	
<b>REVENUE</b>	<b>678.2</b>		<b>611.3</b>	<b>588.9</b>	<b>15.2%</b>		<b>3.8%</b>
INDUSTRIAL PRODUCT COST	211.1	31.1%	195.2	31.9%	173.2	29.4%	21.9%
VARIABLE PRODUCT COSTS	82.1	12.1%	77.1	12.6%	82.6	14.0%	(0.7%)
OTHER VARIABLE COSTS	129.2	19.1%	113.4	18.6%	117.7	20.0%	9.8%
STRUCTURAL COSTS	43.0	6.3%	40.6	6.6%	35.9	6.1%	20.0%
EXTENDED LABOUR COST	105.4	15.5%	98.8	16.2%	100.0	17.0%	5.4%
OTHER EXPENSE (INCOME)	(8.1)	(1.2%)	(7.9)	(1.3%)	(5.5)	(0.9%)	47.5%
<b>ADJUSTED EBITDA</b>	<b>115.5</b>	<b>17.0%</b>	<b>94.1</b>	<b>15.4%</b>	<b>85.0</b>	<b>14.4%</b>	<b>35.8%</b>
RESTRUCTURING COSTS	1.0	0.2%	1.0	0.2%	3.2	0.5%	(67.9%)
EXTRAORDINARY EXPENSE (INCOME)	0.0	0.0%	0.0	0.0%	1.4	0.2%	n.s.
<b>EBITDA</b>	<b>114.5</b>	<b>16.9%</b>	<b>93.0</b>	<b>15.2%</b>	<b>80.5</b>	<b>13.7%</b>	<b>42.2%</b>
AMORTIZATION AND DEPRECIATION	26.1	3.8%	19.7	3.2%	18.2	3.1%	43.3%
IMPAIRMENT AND WRITE-DOWNS	0.0	0.0%	0.0	0.0%	0.3	0.1%	n.s.
AMORTIZATION AND DEPRECIATION IFRS 16	10.4	1.5%	10.0	1.6%	10.0	1.7%	4.2%
<b>EBIT</b>	<b>78.0</b>	<b>11.5%</b>	<b>63.3</b>	<b>10.4%</b>	<b>52.0</b>	<b>8.8%</b>	<b>50.0%</b>
FINANCIAL EXPENSE (INCOME)	2.8	0.4%	2.7	0.4%	2.2	0.4%	24.8%
FINANCIAL EXPENSE IFRS 16	0.0	0.0%	(0.0)	(0.0%)	1.7	0.3%	n.s.
FINANCIAL EXPENSE (INCOME) FROM SECURITIES VALUATION	0.0	0.0%	0.0	0.0%	0.4	0.1%	n.s.
EXPENSE (INCOME) FROM INVESTMENTS	(0.6)	(0.1%)	(0.6)	(0.1%)	2.9	0.5%	n.s.
<b>EBT</b>	<b>75.8</b>	<b>11.2%</b>	<b>61.2</b>	<b>10.0%</b>	<b>44.8</b>	<b>7.6%</b>	<b>69.3%</b>
TAX EXPENSE (INCOME)	17.6	2.6%	13.4	2.2%	(4.6)	(0.8%)	n.s.
<b>NET RESULT FOR THE PERIOD (GROUP AND NON-CONTROLLING INTERESTS)</b>	<b>58.2</b>	<b>8.6%</b>	<b>47.8</b>	<b>7.8%</b>	<b>49.4</b>	<b>8.4%</b>	<b>(3.2%)</b>
MINORITIES	(0.1)	(0.0%)	(0.1)	(0.0%)	0.0	0.0%	n.s.
<b>GROUP NET RESULT</b>	<b>58.3</b>	<b>8.6%</b>	<b>47.9</b>	<b>7.8%</b>	<b>49.4</b>	<b>8.4%</b>	<b>(3.0%)</b>

*Cost of personnel includes costs for collaborations and temporary employment.*

<sup>3</sup> For greater comparability with the prior year, the operating and financial figures at 30 September 2022 are also shown on a basis excluding D Scuola, fully consolidated at the income statement level since 1 January 2022, and at the financial level since 31 December 2021.



**Annex 3**  
**Consolidated income statement - III quarter<sup>4</sup>**

FINAL								
€ millions	3Q 2022	3Q 2022	excl. D Scuola	3Q 2021	% chg.	% chg. excl. D Scuola		
<b>REVENUE</b>	<b>323.1</b>	<b>272.6</b>		<b>268.5</b>	<b>20.3%</b>		<b>1.5%</b>	
INDUSTRIAL PRODUCT COST	98.8	30.6%	87.1	31.9%	78.6	29.3%	25.6%	10.7%
VARIABLE PRODUCT COSTS	35.8	11.1%	32.0	11.7%	31.9	11.9%	12.1%	0.2%
OTHER VARIABLE COSTS	55.2	17.1%	45.3	16.6%	51.5	19.2%	7.1%	(12.0%)
STRUCTURAL COSTS	13.8	4.3%	12.9	4.7%	12.0	4.5%	14.4%	6.9%
EXTENDED LABOUR COST	31.7	9.8%	29.7	10.9%	31.4	11.7%	0.7%	(5.5%)
OTHER EXPENSE (INCOME)	(0.0)	(0.0%)	(0.0)	(0.0%)	(0.6)	(0.2%)	n.s.	n.s.
<b>ADJUSTED EBITDA</b>	<b>88.0</b>	<b>27.2%</b>	<b>65.7</b>	<b>24.1%</b>	<b>63.5</b>	<b>23.7%</b>	<b>38.5%</b>	<b>3.4%</b>
RESTRUCTURING COSTS	0.5	0.2%	0.5	0.2%	1.5	0.6%	(64.4%)	(64.4%)
EXTRAORDINARY EXPENSE (INCOME)	(0.3)	(0.1%)	(0.3)	(0.1%)	0.6	0.2%	n.s.	n.s.
<b>EBITDA</b>	<b>87.7</b>	<b>27.2%</b>	<b>65.4</b>	<b>24.0%</b>	<b>61.5</b>	<b>22.9%</b>	<b>42.7%</b>	<b>6.5%</b>
AMORTIZATION AND DEPRECIATION	9.5	3.0%	7.4	2.7%	6.3	2.3%	51.3%	16.7%
IMPAIRMENT AND WRITE-DOWNS	0.0	0.0%	0.0	0.0%	0.0	0.0%		
AMORTIZATION AND DEPRECIATION IFRS 16	3.4	1.1%	3.3	1.2%	3.3	1.2%	2.1%	(1.8%)
<b>EBIT</b>	<b>74.8</b>	<b>23.1%</b>	<b>54.8</b>	<b>20.1%</b>	<b>51.8</b>	<b>19.3%</b>	<b>44.3%</b>	<b>5.8%</b>
FINANCIAL EXPENSE (INCOME)	1.0	0.3%	1.0	0.4%	1.6	0.6%	n.s.	n.s.
FINANCIAL EXPENSE IFRS 16	(1.1)	(0.3%)	(1.1)	(0.4%)	0.6	0.2%	n.s.	n.s.
EXPENSE (INCOME) FROM INVESTMENTS	(0.5)	(0.2%)	(0.5)	(0.2%)	(0.2)	(0.1%)	n.s.	n.s.
<b>EBT</b>	<b>75.4</b>	<b>23.3%</b>	<b>55.4</b>	<b>20.3%</b>	<b>49.8</b>	<b>18.6%</b>	<b>n.s.</b>	<b>n.s.</b>
TAX EXPENSE (INCOME)	19.4	6.0%	13.8	5.1%	4.8	1.8%	n.s.	n.s.
<b>RESULT FROM CONTINUING OPERATIONS</b>	<b>56.0</b>	<b>17.3%</b>	<b>41.6</b>	<b>15.3%</b>	<b>45.0</b>	<b>16.8%</b>	<b>24.3%</b>	<b>(7.6%)</b>
MINORITIES	0.4	0.1%	0.4	0.2%	(0.0)	(0.0%)		
<b>GROUP NET RESULT</b>	<b>55.5</b>	<b>17.2%</b>	<b>41.1</b>	<b>15.1%</b>	<b>45.0</b>	<b>16.8%</b>	<b>23.2%</b>	<b>(8.6%)</b>

*Cost of personnel includes costs for collaborations and temporary employment.*

<sup>4</sup> For greater comparability with the prior year, the operating and financial figures at 30 September 2022 are also shown on a basis excluding D Scuola, fully consolidated at the income statement level since 1 January 2022, and at the financial level since 31 December 2021.

**Annex 4**  
**Group cash flow**

LTM				
€ millions	9M 2022	9M 2022	Excl. D Scuola	2021 Excl. D Scuola
<b>INITIAL NFP IFRS 16</b>	<b>(111.6)</b>		<b>(111.6)</b>	<b>(97.6)</b>
FINANCIAL LIABILITIES APPLICATION OF IFRS 16	(84.2)		(84.2)	(82.8)
<b>INITIAL NFP NO IFRS 16</b>	<b>(27.3)</b>		<b>(27.3)</b>	<b>(14.8)</b>
ADJUSTED EBITDA (NO IFRS 16)	121.1		100.1	91.0
NWC AND PROVISIONS	10.6		24.2	10.3
CAPEX NO IFRS 16	(33.7)		(29.6)	(22.0)
<b>CASH FLOW FROM OPERATIONS</b>	<b>98.0</b>		<b>94.7</b>	<b>79.3</b>
FINANCIAL INCOME (EXPENSE) NO IFRS 16	(2.7)		(2.7)	(2.4)
TAX	(21.1)		(16.4)	(13.9)
<b>CASH FLOW FROM ORDINARY OPERATIONS CONTINUING OPERATIONS</b>	<b>74.2</b>		<b>75.7</b>	<b>62.9</b>
CF FROM ORDINARY OPERATIONS DISCONTINUED OR DISCONTINUING OPERATIONS	(2.8)		(2.8)	5.3
<b>CASH FLOW FROM ORDINARY OPERATIONS</b>	<b>71.4</b>		<b>72.9</b>	<b>68.2</b>
RESTRUCTURING COSTS	(10.2)		(10.2)	(6.9)
EXTRAORDINARY TAX	(0.3)		(0.3)	3.4
SHARE CAPITAL INCREASE/DIVIDENDS NON CONTROLLING INTERESTS AND ASSOCIATES	(1.5)		3.5	(0.1)
PURCHASE/DISPOSAL	(179.7)		(52.5)	(8.6)
OTHER INCOME AND EXPENDITURE	(3.7)		(3.7)	(3.5)
CF EXTRAORDINARY OPERATIONS DISCONTINUED OR DISCONTINUING OPERATIONS	(0.1)		(0.1)	(0.3)
<b>CASH FLOW FROM EXTRAORDINARY OPERATIONS</b>	<b>(195.6)</b>		<b>(63.4)</b>	<b>(16.1)</b>
<b>FREE CASH FLOW</b>	<b>(124.1)</b>		<b>9.5</b>	<b>52.1</b>
DIVIDENDS PAID	(22.2)		(22.2)	
<b>TOT. CASH FLOW</b>	<b>(146.3)</b>		<b>(12.7)</b>	<b>52.1</b>
<b>NET FINANCIAL POSITION NO IFRS 16</b>	<b>(173.5)</b>		<b>(39.8)</b>	<b>37.4</b>
IFRS 16 EFFECTS IN THE PERIOD	22.2		24.0	0.7
<b>FINAL NET FINANCIAL POSITION</b>	<b>(235.7)</b>		<b>(100.3)</b>	<b>(44.7)</b>

**Annex 5**

**Glossary of terms and alternative performance measures used**

This document, in addition to the statements and conventional financial measures required by IFRS, presents a number of reclassified statements and alternative performance measures, in order to provide a better understanding of the operating and financial performance of the Group. These statements and measures should not be considered as a replacement of those required by IFRS. With regard to these figures, in accordance with the recommendations contained in CONSOB Communication no. 6064293 of 28 July 2006, and in CONSOB Communication no. 0092543 of 3 December 2015, as well as with the 2015/1415 ESMA guidelines on alternative performance measures (“Non-GAAP Measures”), explanations are given on the criteria adopted in their preparation and the relevant notes to the items appearing in the mandatory statements.

Specifically, the alternative measures used include:

**Gross Operating Profit (EBITDA):** net result for the period before income tax, other financial income and expense, amortization, depreciation and write-downs of fixed assets. The Group also provides information on the percentage of EBITDA on net sales. EBITDA measured 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 gross operating profit (adjusted EBITDA):** gross operating profit as explained above, net of income and expense of a non-ordinary nature such as:

- (i) income and expense from restructuring, reorganization and business combinations;
- (ii) clearly identified income and expense not directly related to the ordinary course of business;
- (iii) as well as any income and expense from non-ordinary events and transactions as set out in CONSOB Communication DEM6064293 of 28/07/2006.

With regard to adjusted EBITDA in first nine months 2021, the following items were excluded from EBITDA:

- a) restructuring costs for a total of € 3.2 million, included in “cost of personnel” in the income statement;
- b) expense of a non-ordinary nature for a total of € 1.4 million, included in “Sundry expense (income)” and “Cost of services”.

With regard to adjusted EBITDA in first nine months 2022, the following items were excluded from EBITDA:

- a) restructuring costs for a total of € 1 million, included in “Cost of personnel” in the income statement;
- b) income of a non-ordinary nature for a total of € 0.014 million, included in “Sundry expense (income)” and “Cost of services”.

**Operating profit (EBIT):** net result for the period before income tax, and other financial income and expense.

**Result before tax (EBT):** EBT or consolidated result before tax is the net result for the period before income tax.

**Net invested capital:** 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).

**Cash flow from operations:** adjusted EBITDA, as explained above, plus or minus the decrease/(increase) in working capital in the period, minus capital expenditure (CAPEX/Investment).

**Cash flow from ordinary operations:** cash flow from operations as explained above, net of financial expense, tax paid in the period, and income/expense from investments in associates.

**LTM cash flow:** cash flow in the last 12 months (Last Twelve Months).

**Cash flow from non-ordinary operations:** 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).

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

Media Relations  
[pressoffice@mondadori.it](mailto:pressoffice@mondadori.it)  
+39 02 7542.3159

Investor Relations  
[invrel@mondadori.it](mailto:invrel@mondadori.it)  
+39 02 7542.2632