

1Q2023 Results

Investors Presentation

Antonio Porro – CEO

Alessandro Franzosi – CFO

Segrate – May 10th, 2023

AGENDA

- 1. 1Q 2023 Highlights**
2. 1Q 2023 Results
3. FY 2023 Outlook
4. Annexes

Highlights 1Q23 - Executive Summary



***Improvement of
economic performance***

- Revenue growth by around +4.5% vs 1Q22, +3.6% LFL
- Adj. EBITDA grows across all business areas: +5.5 mn vs 1Q22



***Group financial
structure continues to
strengthen***

Solid cash generation of the business:

Ordinary Cash Flow LTM € 63 mn (+5.5% vs Dec.22)

NFP stable at € -220.8 mn (vs. € -217.4 mn at March 2022) confirming the Group capacity to self-finance the M&A policy and remunerate shareholders



***Launch of the new
development phase
focused on the core
business***

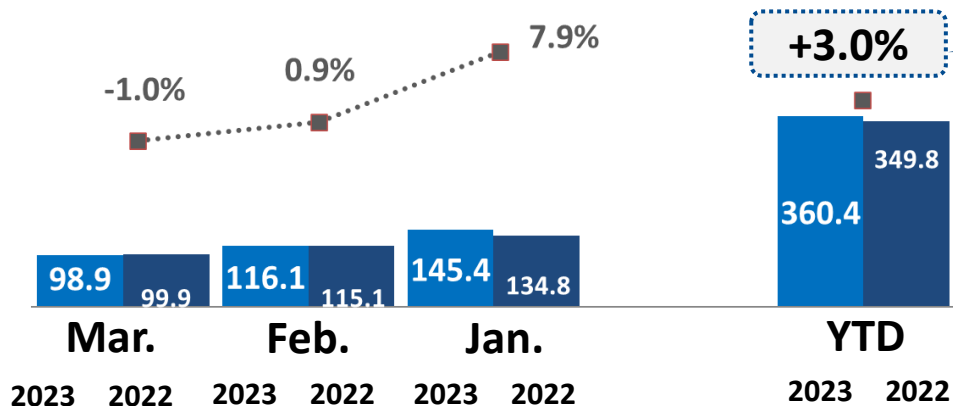
- Strengthening of **publishing leadership** and **vertical integration** in Trade Books publishing activities
- Disposal of *Il Giornale*

Trade Book Market – update 1Q 2023

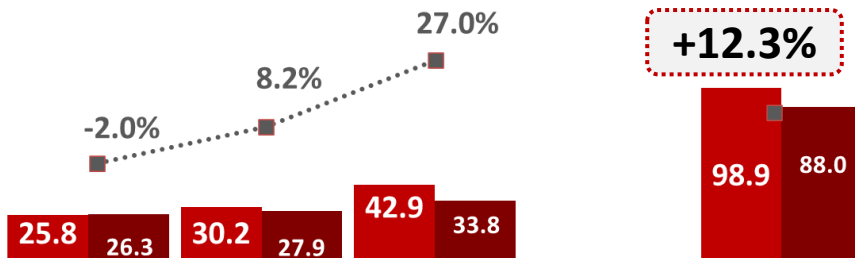
Value data – Sell out
(€ mn)

A great start to the year: 3 books in the Top 5

Market



+0.8%
volume
effect



Market share
Mondadori Group

2023
27.4%

2022
25.2%

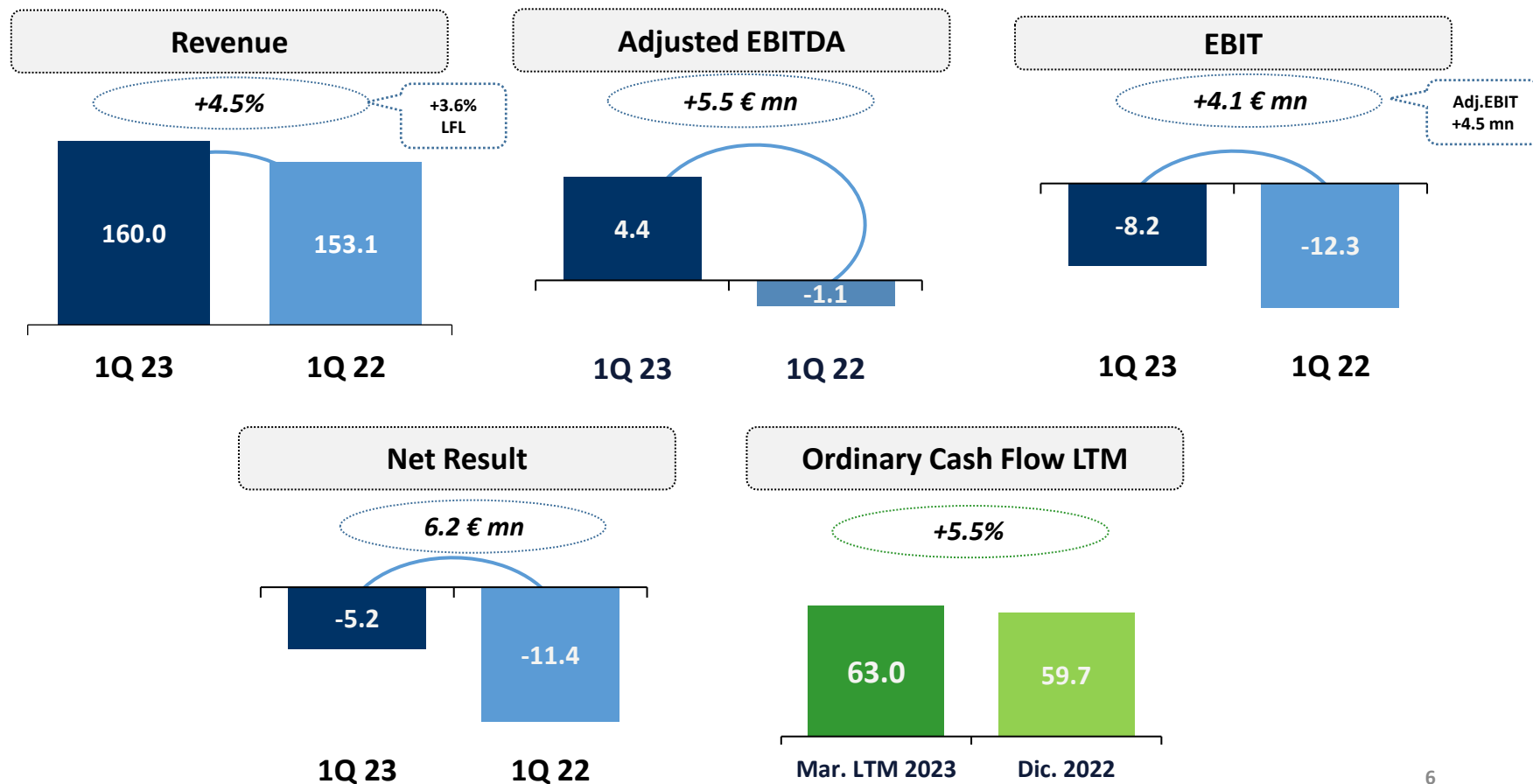
+6.7%
volume
effect

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1. 1Q 2023 Highlights
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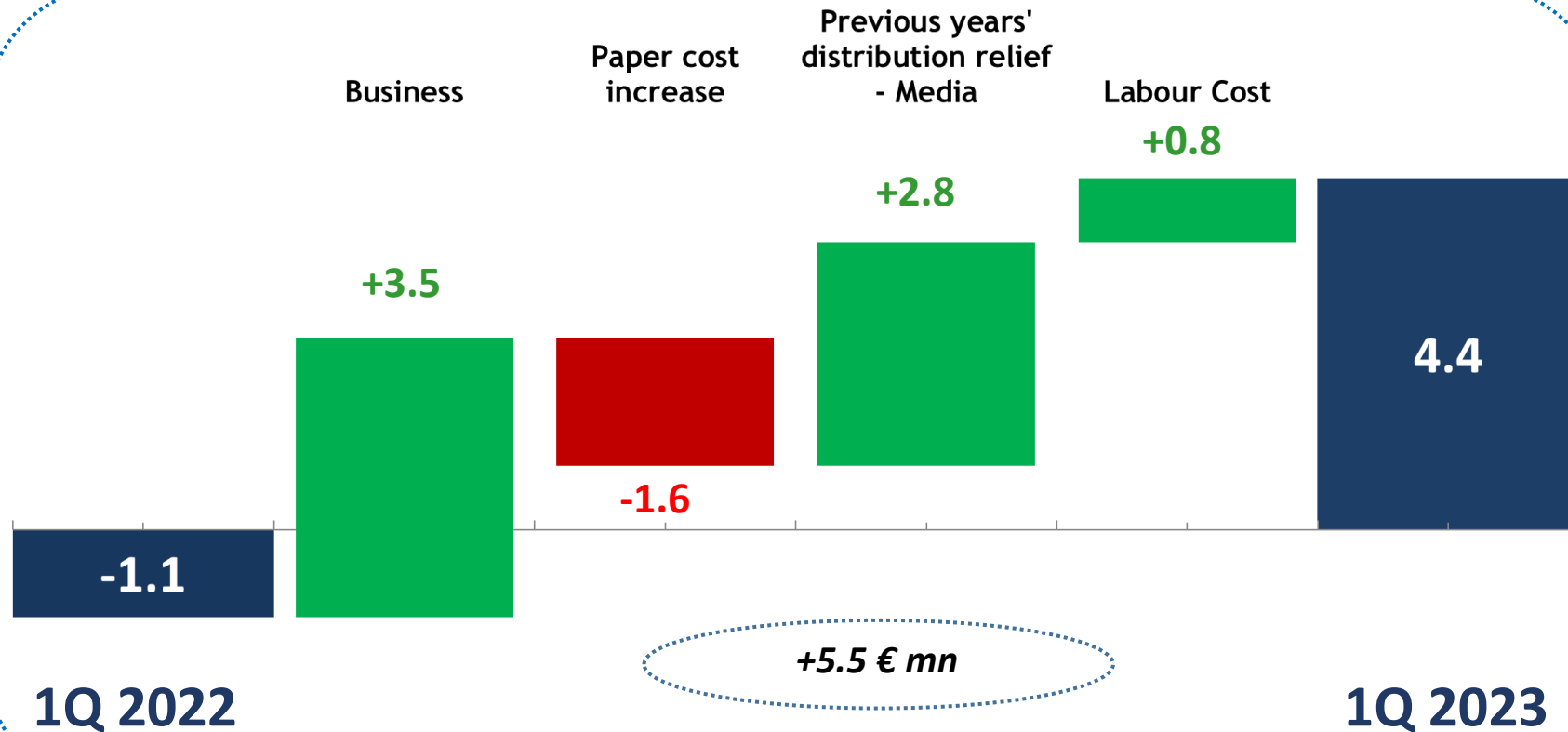
Highlights – 1Q23

€ mn



Adjusted EBITDA – 1Q 23

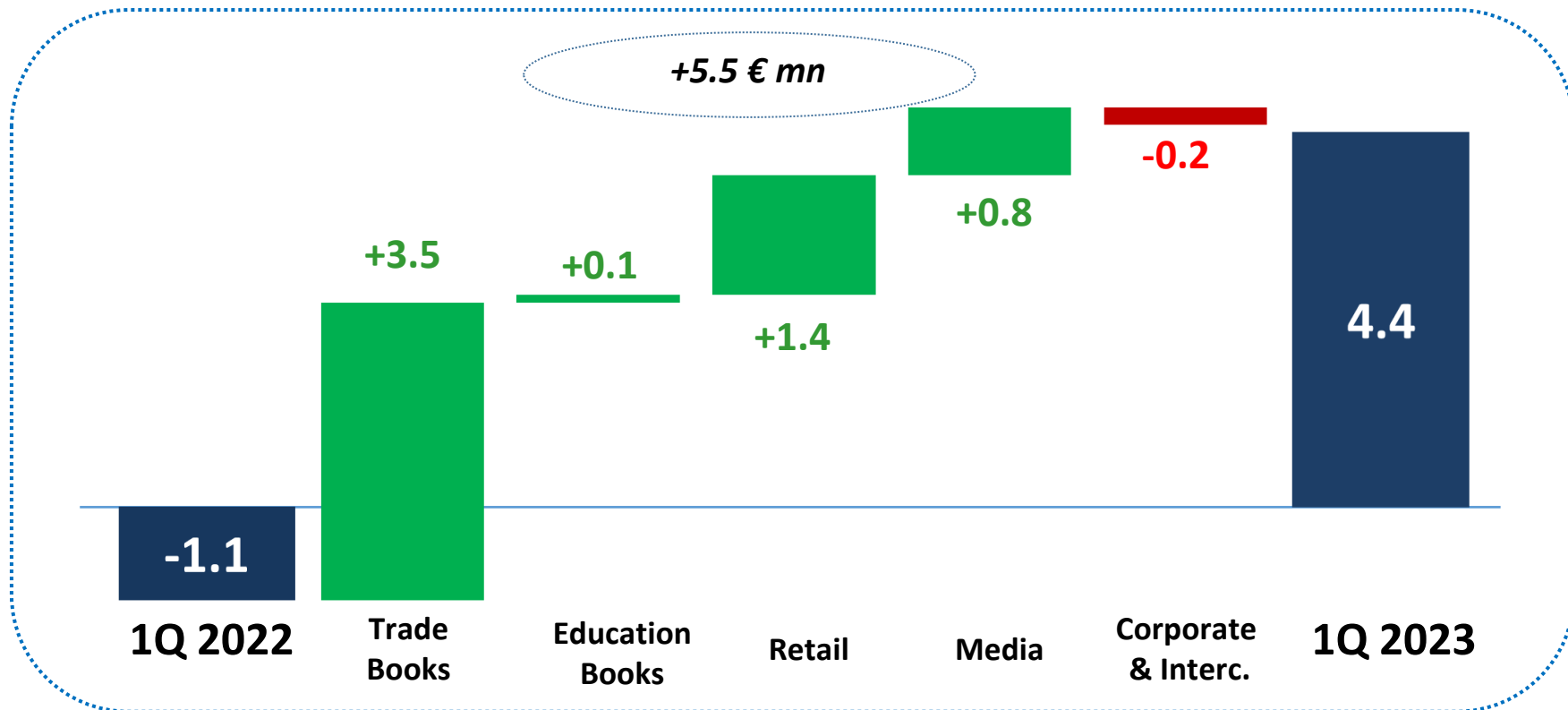
€ mn



Adjusted EBITDA by Business Area – 1Q 23

€ mn

All business areas growing

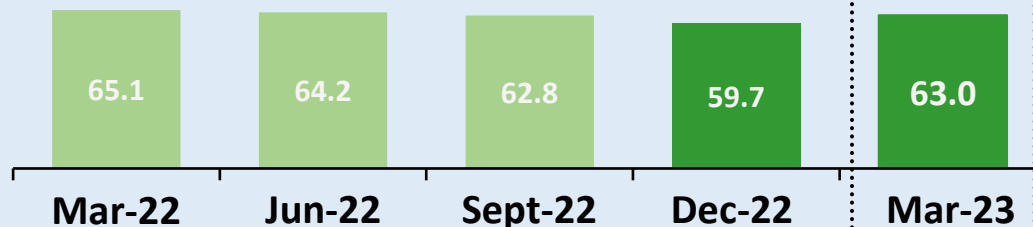


A strengthened financial structure ...

€ mn

Strong business cash generation confirmed

**LTM
Ordinary
Cash Flow**



Overall perimeter
Without D Scuola

Net of derivatives revaluation to cover interest rates

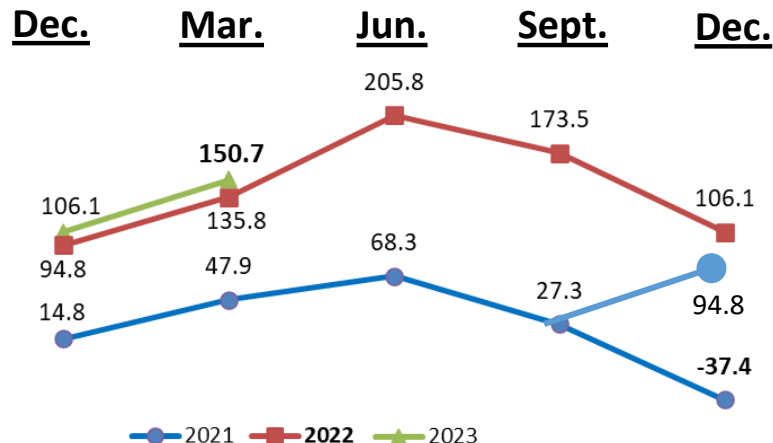
**Net Debt 1Q
Seasonality**

+44.5 (M&A 6.3)

+41.1 (M&A 2.3)

+33.1

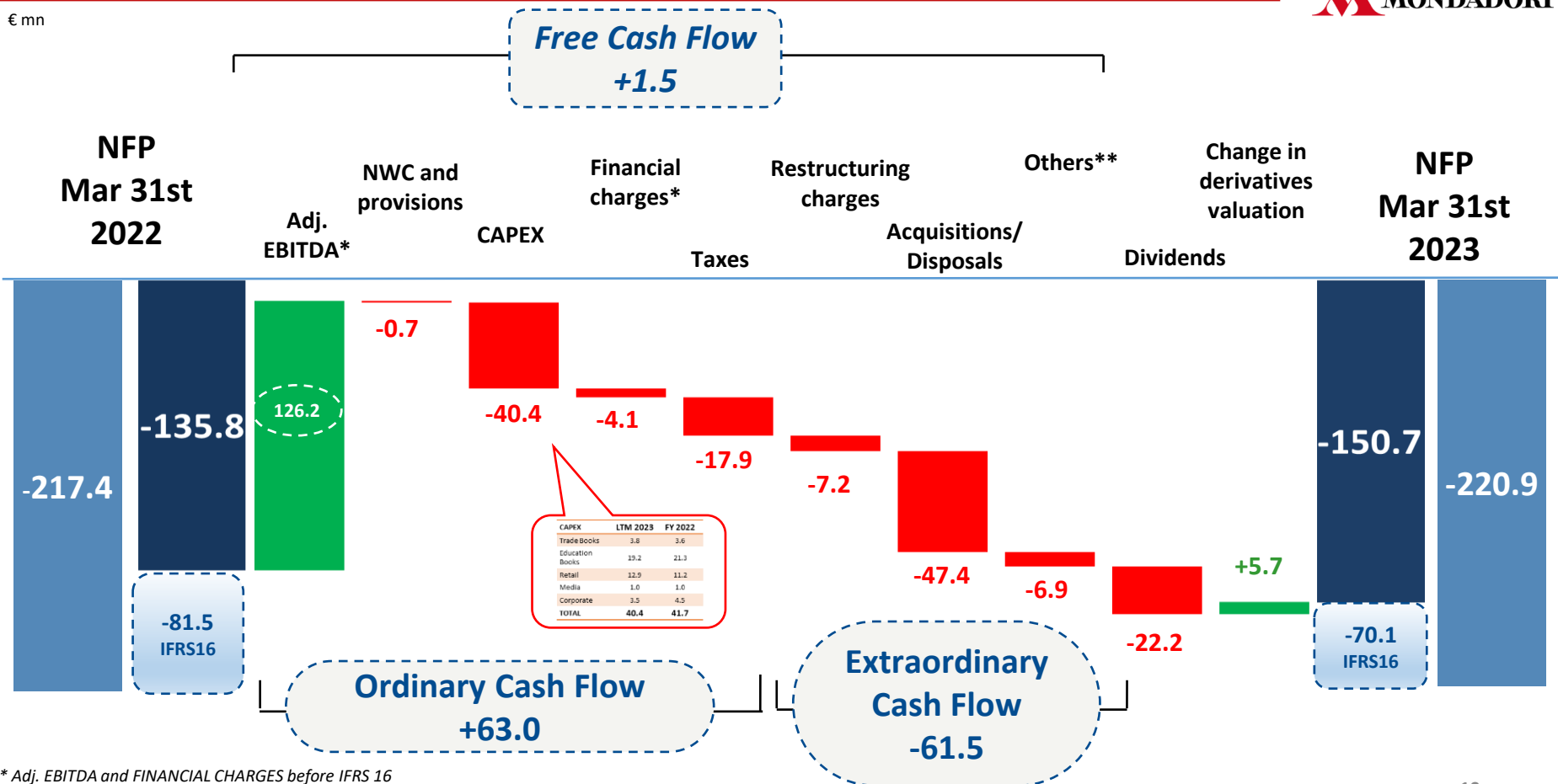
**Trend
Group NFP
(no IFRS16)**



Incl. D Scuola
acquisition

... thanks to a strong cash generation

€ mn



* Adj. EBITDA and FINANCIAL CHARGES before IFRS 16

** Others include cash-out/in related to Extraordinary taxes and Associates charges

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FY23 Outlook – Guidance unchanged

Mondadori Group 2023 Target*

REVENUE

Single-digit growth

Adj. EBITDA

Single-digit growth

(includes further moderate increase in paper cost and lower grants)

Net Result

Growth ~ 10%

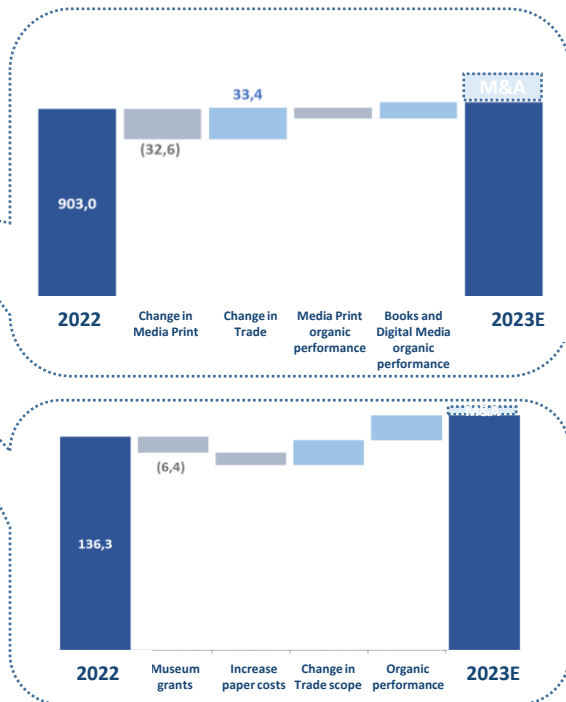
Ordinary Cash Flow

€60-65 mn

(up to +10% net of one-off derivative impacts)

NFP/Adj. EBITDA

~ 1.0x *(from 1.3x 2022)*





BACK-UP


AGENDA

1. 1Q 2023 Highlights

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**Book**
Retail
Media

1Q 23 – Books Market Share

2023 Top Ten

#	Title	Author	Publisher
1	Spare. Il minore	Prince Harry	MONDADORI
2	La vita intima	Ammaniti Niccolò	EINAUDI
3	Dammi mille baci	Cole Tillie	ALWAYS PUBLISHING
4	It starts with us. Siamo noi l'inizio di tutto	Hoover Colleen	SPERLING & KUPFER
5	Fabbricante di lacrime	Doom Erin	MAGAZZINI SALANI
6	La portalettere	Giannone Francesca	NORD
7	Le otto montagne	Cognetti Paolo	EINAUDI
8	La presidente	Giménez-Bartlett Alicia	SELLERIO EDITORE PALERMO
9	Mi limitavo ad amare te	Postorino Rosella	FELTRINELLI
10	Buchi bianchi. Dentro l'orizzonte	Rovelli Carlo	ADELPHI

3 titles in Top5

4 titles in Top10

1



MONDADORI

2



GIULIO EINAUDI EDITORE

4



Sperling & Kupfer

7



GIULIO EINAUDI EDITORE

Market Share – Trade

MONDADORI
LIBRI

25.7% 23.5%

+

EDIZIONI
STAR COMICS

1.7%

1.7%

=

Mondadori Group
(PF)

27.4% 25.2%

EMS

9.8%

10.8%

GIUNTI

7.4%

7.0%

la Feltrinelli

6.4%

6.4%

Altri

48.9%

50.7%

2023

2022

Source: GfK, March 2023 (sell-out value data)

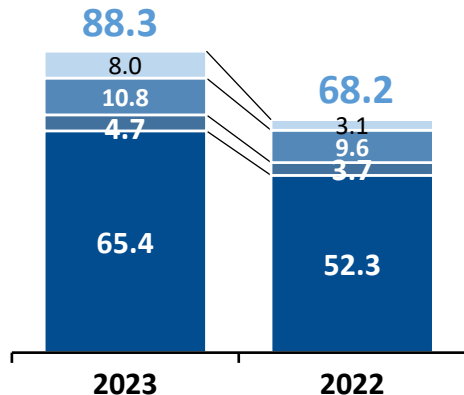
Business 1Q23 – Books

€ mn

Revenue +29.5% (+11.1% LFL) *

Adj. EBITDA +3.5 € mn

TRADE



Distribution and services (incl. A.L.I.)

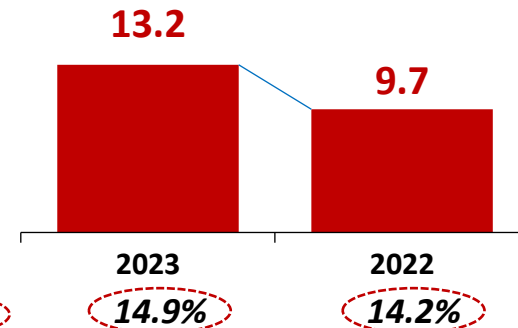
RIP +12.5%

Electa +27%

Publishers +25% (+10% LFL)

* Net of Intercompany

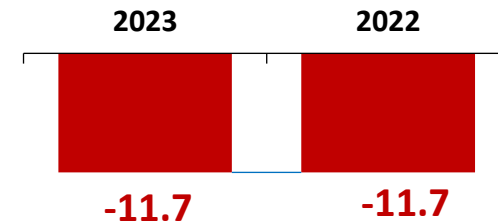
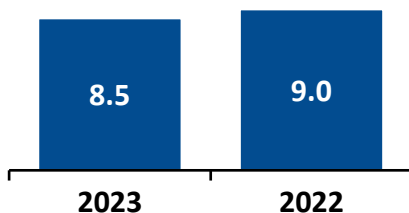
Margin %



Revenue -5.5%

Adj. EBITDA flat

EDUCATION



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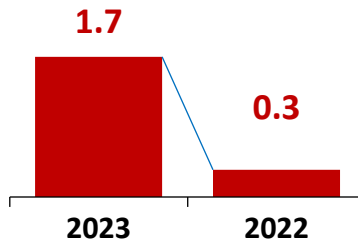
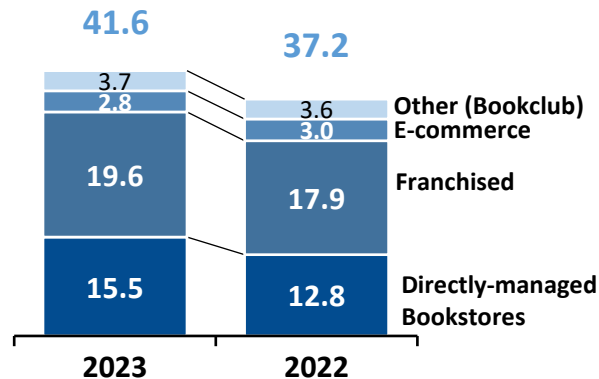
{ Book
Retail
Media

1Q23 Business – Retail

€ mn

Revenue +12%

Adj. EBITDA +1.4 mn



Books Market 1Q 2023

Market
+3.0%

MONDADORI
RETAIL

+11.9%

Market
Share
11.7%

-6.0%

ONLINE
WEIGHT
41.6%

-10.1%

ONLINE
WEIGHT
6.0%

+10.6%

ONLINE
WEIGHT
58.4%

+13.7%

ONLINE
WEIGHT
94.0%

Δ
+3.1 pt

Source: internal estimate on GfK figures, March 2023

REVENUE

- **Books (86% of store revenue):** revenue up by approximately 13%
- **Directly-managed PoS** reported a **sharp recovery in revenue** thanks to the development of the network: **+21%**
- **Franchised:** **+10%**
- **Online** dropped, in line with the market

Adj.
EBITDA

Adjusted EBITDA improved significantly thanks to the growth in revenue, the development of the physical store network and the continued cost containment.

**Over 500 PoS Network:
Ongoing razionalization**

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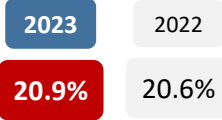
 Book
Retail
Media

Business FY23 – Media

€ mn

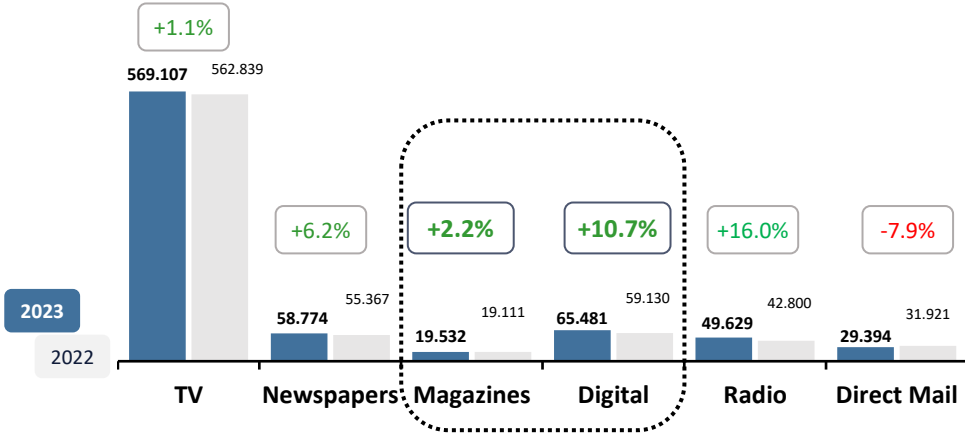
2023 Magaz. Circulations Trend

-6.7%

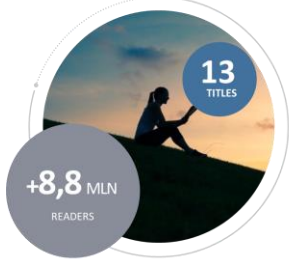


2023 ADV Market

+3.5%



Magazine



Web



Social

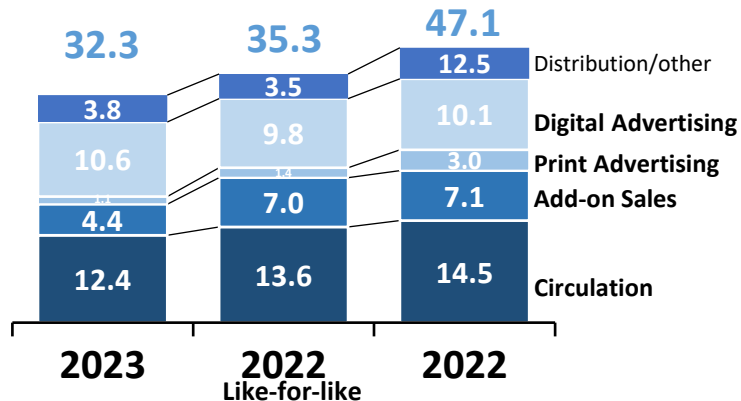


Source: circulation in terms of value (newsstand + subs.) - Press-di (Feb. 2023), ADV: Nielsen (Feb. 2023); Unique Audience: comScore (Feb. 2023 average data); Readership: Audipress III, 2022

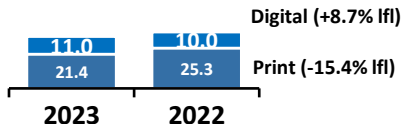
1Q23 Business – Media

€ mn

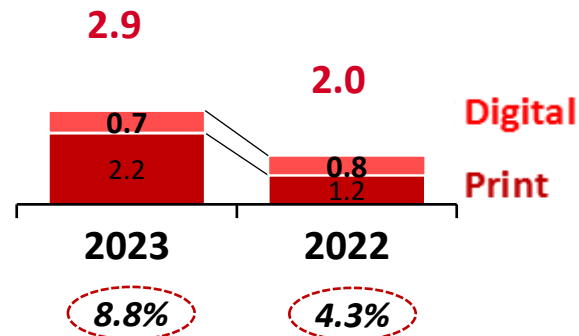
Revenue -31.4%, -8.5% lfl



34% digital revenue



Adj. EBITDA +0.9€ mn



**REVENUE
LFL**

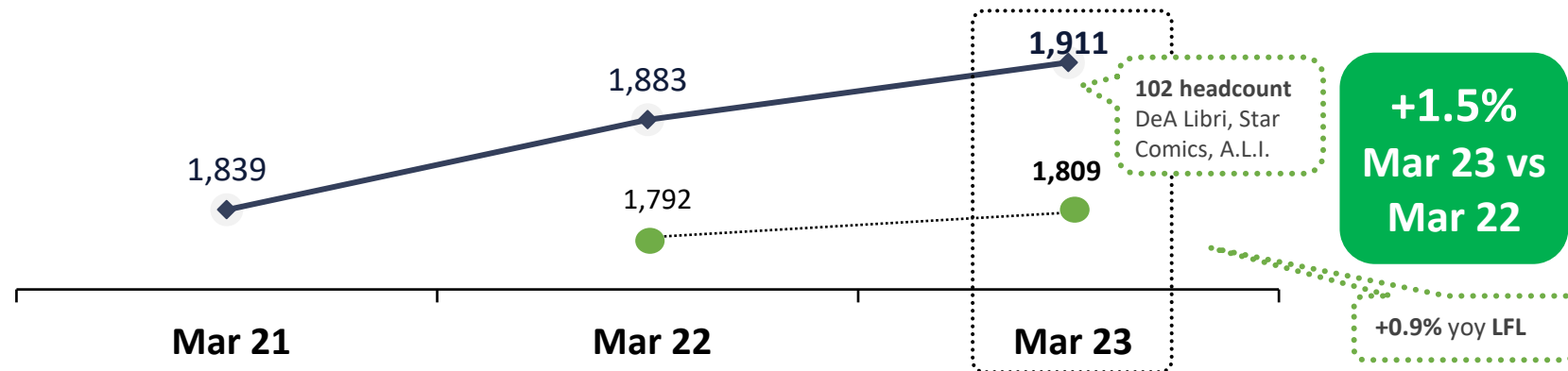
- **ADV revenue** increased by 5% thanks to increased digital activities
- **Circulation revenue**: -9.2%, with a better performance of TV magazines and *Chi* (-7.4%)
- **Add-on Sales revenue**: -37.2%, in line with the market, due mainly to the reduction of musical products and Home Video
- **Others**: +8.2%

**Adj.
EBITDA**

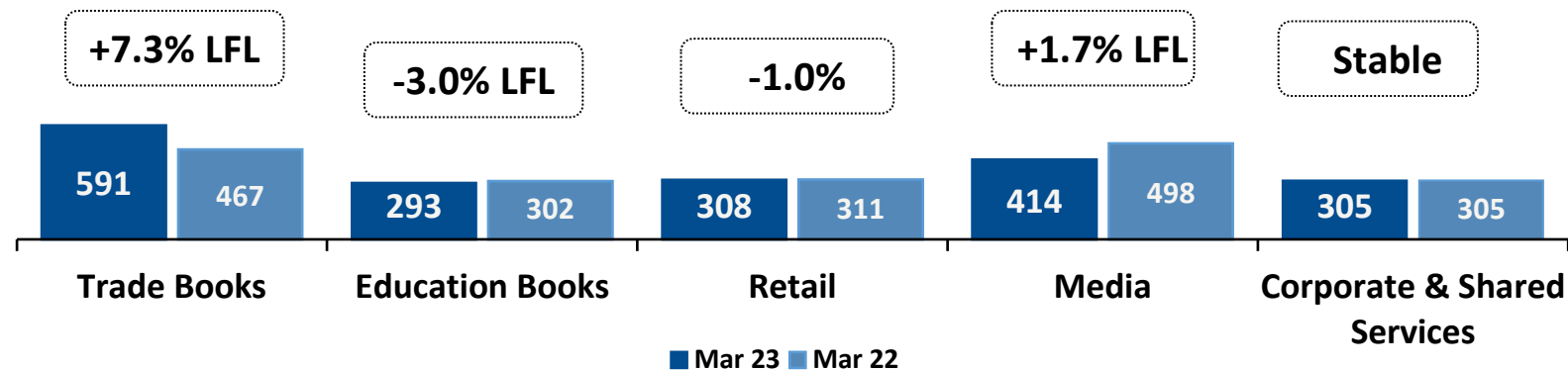
- Adj. EBITDA up by 42%, thanks to the Print performance, despite higher paper costs, for:**
- Grant for magazine distribution activity (€2.8 mn)
 - The continuing measures to **contain operating costs**

Headcount Evolution 1Q23

Group Headcount



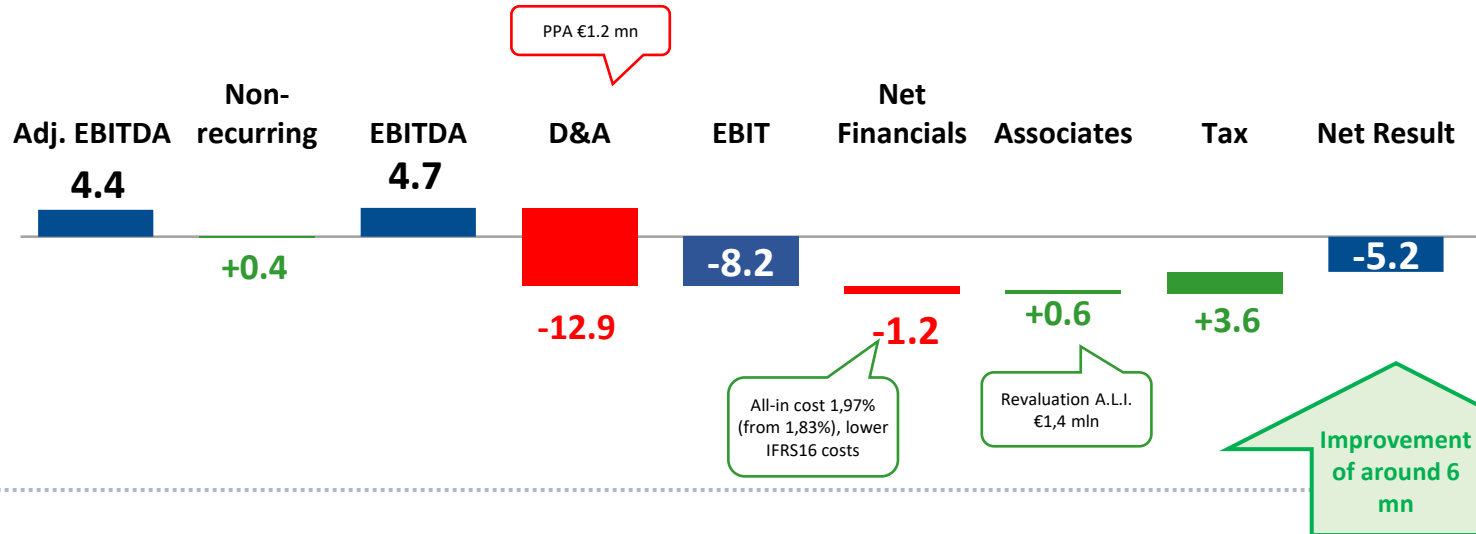
Headcount by BU



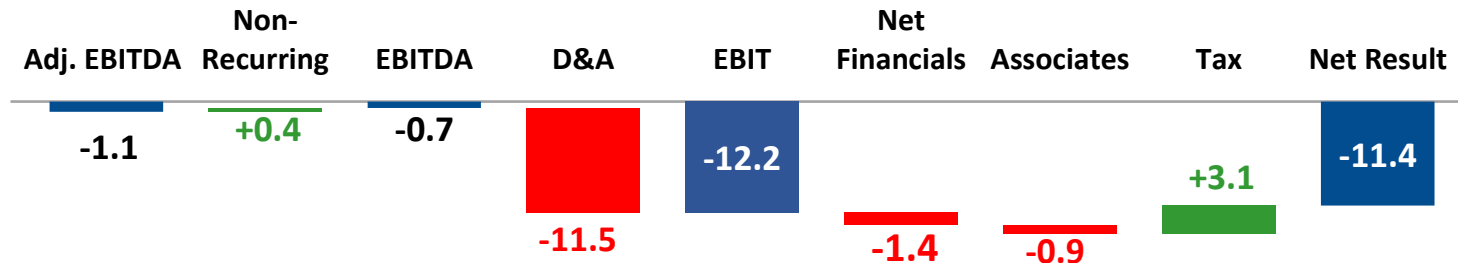
From EBITDA to Net Result – 1Q 23

€ mn

1Q 2023



1Q 2022



1Q23 - Revenue and Adj. EBITDA by Business Area

€ mn

REVENUE by Business Area

(Euro/millions)	Q1 2023	Q1 2022	Chg. %
Trade Books	88,3	68,2	29,5 %
Education Books	8,5	9,0	(5,5) %
Retail	41,6	37,2	12,0 %
Media	32,3	47,1	(31,4) %
Corporate & Shared Services	10,4	9,5	8,8 %
Intercompany	(21,2)	(17,9)	18,4 %
Total Consolidated Revenues	160,0	153,1	4,5 %

Adj. EBITDA by Business Area

(Euro/millions)	Q1 2023	Q1 2022	Var.
Trade Books	13,2	9,7	3,5
Education Books	(11,7)	(11,7)	0,1
Retail	1,7	0,3	1,4
Media	2,9	2,0	0,8
Corporate & Shared Services	(1,0)	(1,2)	0,2
Intercompany	(0,7)	(0,2)	(0,5)
Total Adj. EBITDA	4,4	(1,1)	5,5

(Euro/millions)	Q1 2023		Q1 2022		Chg. %
Revenue	160,0		153,1		4,5%
Industrial product cost	56,2	35,1%	49,7	32,4%	13,1%
Variable product costs	21,0	13,1%	21,4	14,0%	(1,9%)
Other variable costs	29,0	18,1%	34,2	22,3%	(15,1%)
Structural costs	14,4	9,0%	12,6	8,2%	14,9%
Extended labour cost	36,0	22,5%	36,8	24,0%	(2,1%)
Other expense (income)	(1,1)	(0,7%)	(0,5)	(0,3%)	n.s.
Adjusted EBITDA	4,4	2,8%	(1,1)	(0,7%)	n.s.
Restructuring costs	0,2	0,1%	0,2	0,1%	13,7%
Extraordinary expense (income)	(0,5)	(0,3%)	(0,6)	(0,4%)	n.s.
EBITDA	4,7	2,9%	(0,7)	(0,4%)	n.s.
Amortization and depreciation	9,2	5,8%	8,1	5,3%	14,2%
Amortization and depreciation IFRS 16	3,7	2,3%	3,5	2,3%	6,2%
EBIT	(8,2)	(5,1%)	(12,2)	(8,0%)	n.s.
Financial expense (income)	0,8	0,5%	0,8	0,5%	1,7%
Financial expense IFRS 16	0,4	0,2%	0,6	0,4%	(32,8%)
Financial expense (income) from securities valuation	(0,6)	(0,4%)	0,9	0,6%	n.s.
EBT	(8,8)	(5,5%)	(14,4)	(9,4%)	n.s.
Tax expense (income)	(3,6)	(2,3%)	(3,1)	(2,0%)	n.s.
Minorities	—	0,0%	—	0,0%	n.s.
Group net result	(5,2)	(3,2%)	(11,4)	(7,5%)	n.s.

La voce *Extended Labour Cost* include i costi relativi alle collaborazioni e al lavoro interinale.

Balance Sheet 1Q2023

(Euro/millions)	Q1 2023	Q1 2022	% chg.
Trade receivables	128,5	116,8	10,0 %
Inventory	160,7	131,6	22,2 %
Trade payables	224,6	190,7	17,8 %
Other assets (liabilities)	(21,0)	(10,1)	n.s.
Net working capital continuing operations	43,6	47,5	(8,4) %
Discontinued or discontinuing assets (liabilities)	—	(2,3)	(100,0) %
Net Working Capital	43,6	45,2	(3,7) %
Intangible assets	388,8	353,0	10,1 %
Property, plant and equipment	30,7	15,0	104,6 %
Investments	16,6	17,0	(2,4) %
Net fixed assets with no rights of use IFRS 16	436,1	385,0	13,3 %
Assets from right of use IFRS 16	67,3	78,0	(13,7) %
Net fixed assets with rights of use IFRS 16	503,3	463,0	8,7 %
Provisions for risks	42,9	47,2	(9,2) %
Post-employment benefits	28,7	32,0	(10,4) %
Provisions	71,6	79,2	(9,7) %
Net invested capital	475,3	429,0	10,8 %
Share capital	68,0	68,0	— %
Reserves	190,8	155,0	23,1 %
Profit (loss) for the period	(5,2)	(11,4)	(54,4) %
Group equity	253,6	211,6	19,8 %
Non-controlling interests' equity	0,9	—	n.s.
Equity	254,5	211,6	20,3 %
Net financial position no IFRS 16	150,7	135,8	10,9 %
Net financial position IFRS 16	70,1	81,5	(14,0) %
Net financial position	220,8	217,4	1,6 %
Sources	475,3	429,0	10,8 %

▶ **EBITDA**

is equal to net results before interest, tax, depreciation and amortization.

▶ **Adjusted EBITDA**

is EBITDA, 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).

▶ **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).



Social media & IR APP



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



<https://twitter.com/gruppomondadori>



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



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

Investor Relations

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