



GRUPPO  MONDADORI

6th Italian MidCap Conference

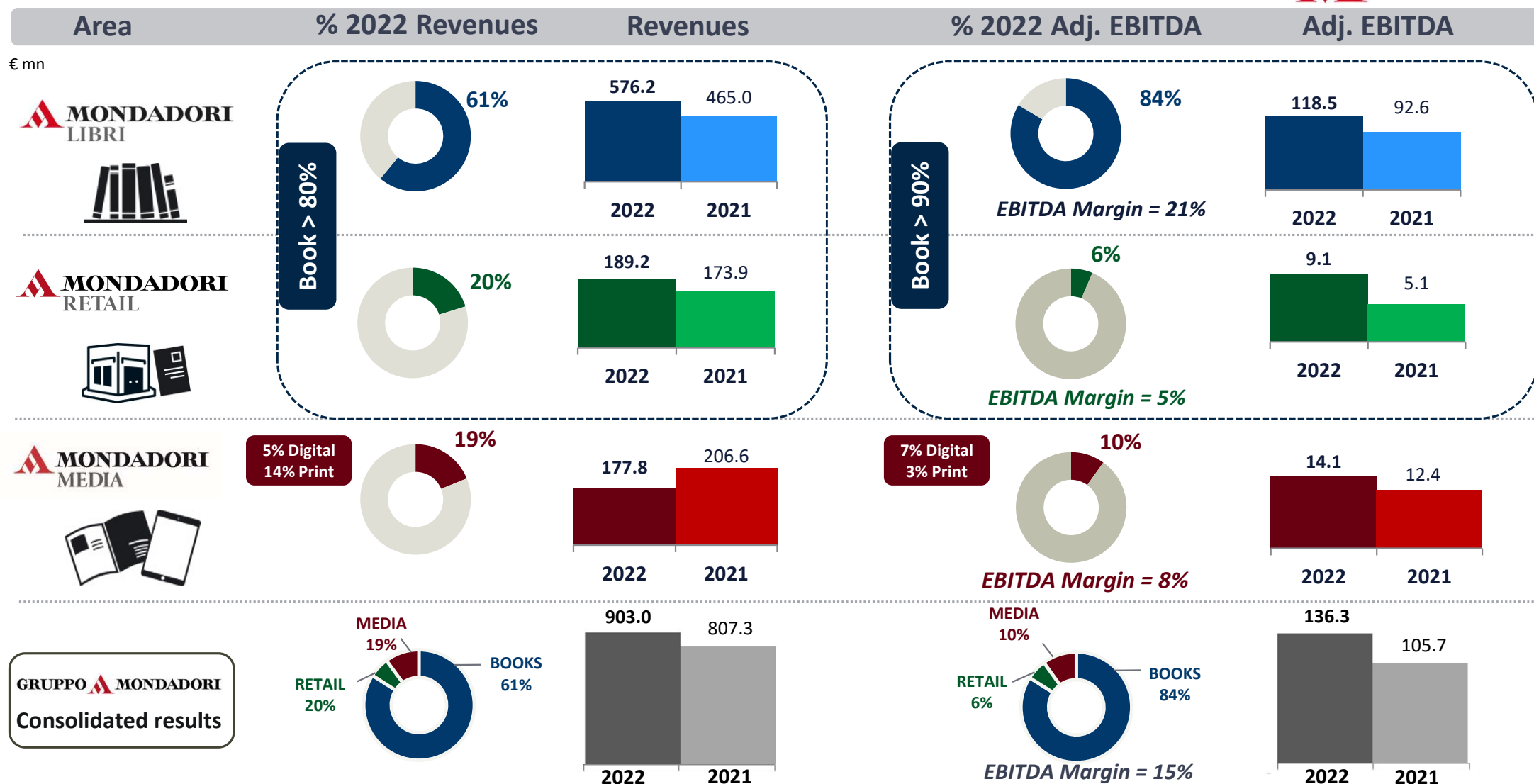
Investors Presentation



MEDIOBANCA


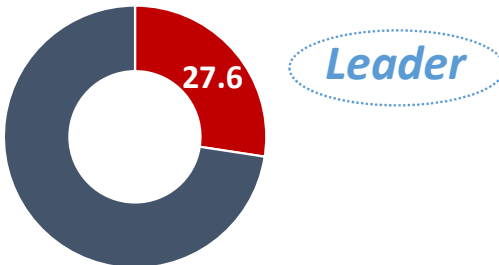
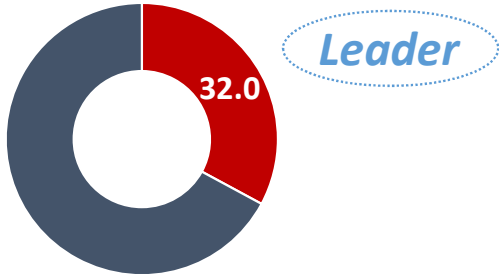
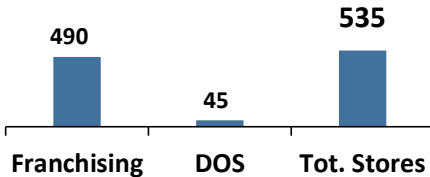



Milan, January 23th, 2024

Mondadori Group in a nutshell – FY 2022



Mondadori Group in a nutshell – Our positioning

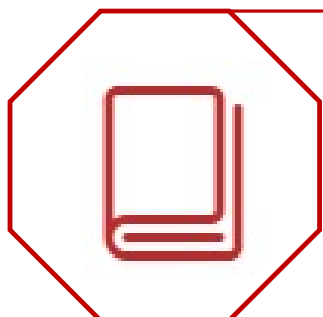


BOOKS	Trade	Education	Retail		
<div>Market Shares % (2023)</div> <div></div>	<div><div>Digital: 7% of editorial rev.</div></div>	<div></div>	<div>First bookshops network</div> <div></div>		
MEDIA	Areas			Print	Digital
<div></div> <div>Multimedia publisher, leader in Italy</div>	<div>Leadership</div> <div><div>TV</div><div>Food</div><div>Tech & Science</div><div>Health & Wellness</div></div>			<div></div> <div>9 brands</div>	<div></div> <div>+100 Social Accounts</div>

AGENDA

- 1. Investment Proposition**
2. 2023 Market Trends
3. Outlook FY 2023
4. Annexes/Results 9M 2023

Mondadori Group – Key Investment Proposition



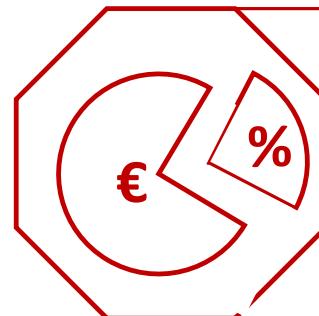
**1. Almost a
«pure» Book
player**



**2. Continued
profitability
improvement**



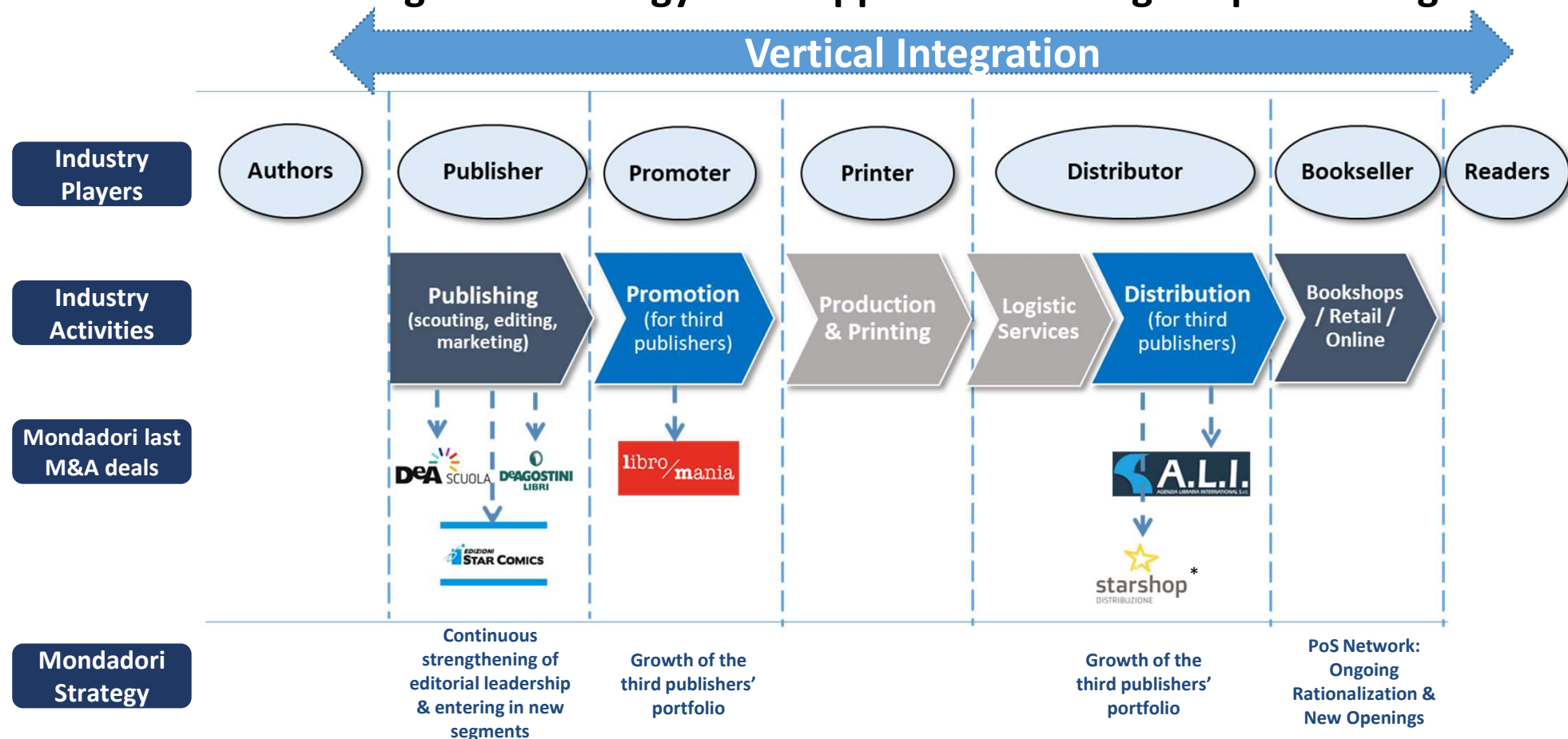
**3. Strong &
Steady Cash
Generation**




**4. A sound
Dividend Policy**

1. Almost a «pure» Book player

Thanks to a strong M&A strategy that supported a strategic repositioning....



* Approved by Antitrust Authority on the 3rd November, 2023

 **Mondadori Group
presence**



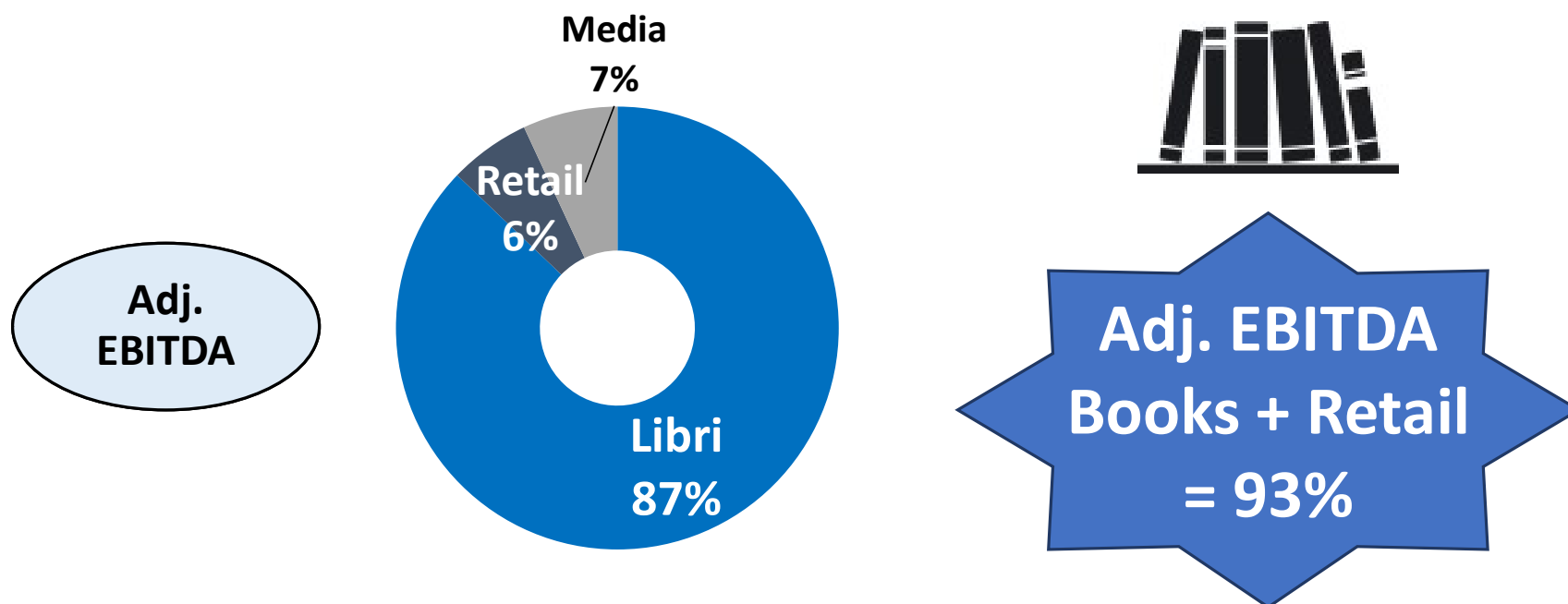
1. Almost a «pure» Book player

€ mn

... the Group is increasingly focusing on Books

The “new Mondadori”

2023E (IFRS16) incl. M&A



2. Continued profitability improvement

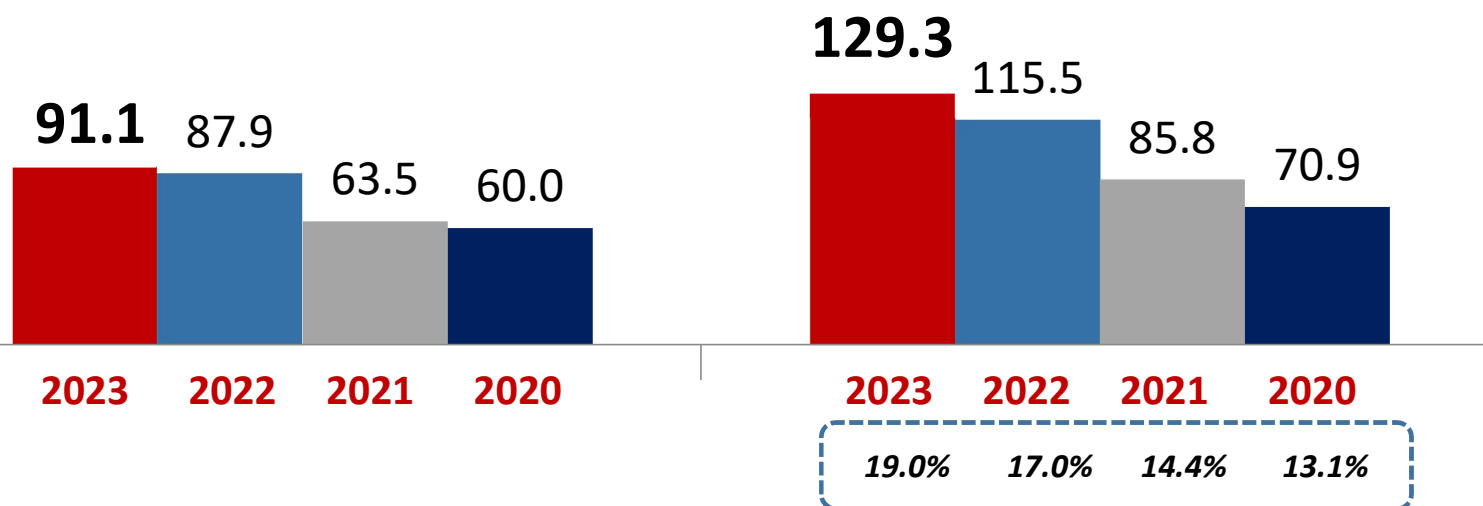
€ mn

3Q

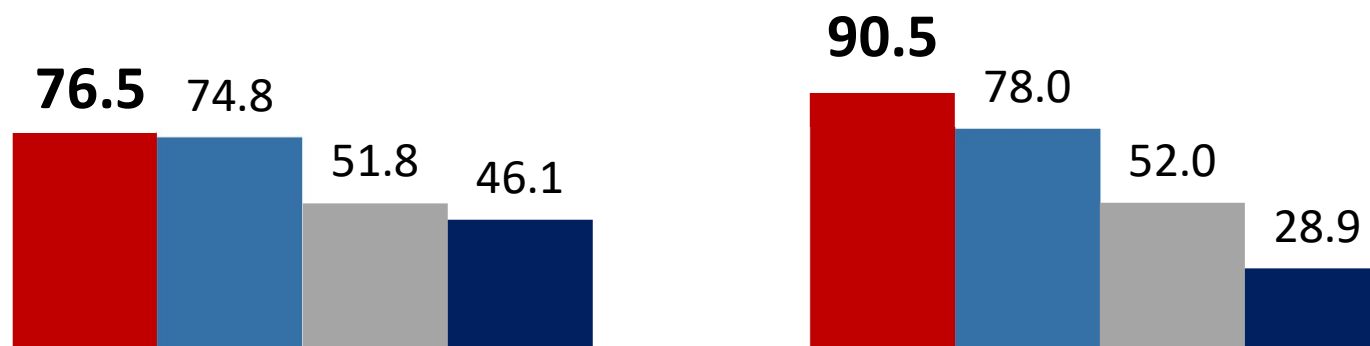
9M

Adj EBITDA

*EBITDA
margin*



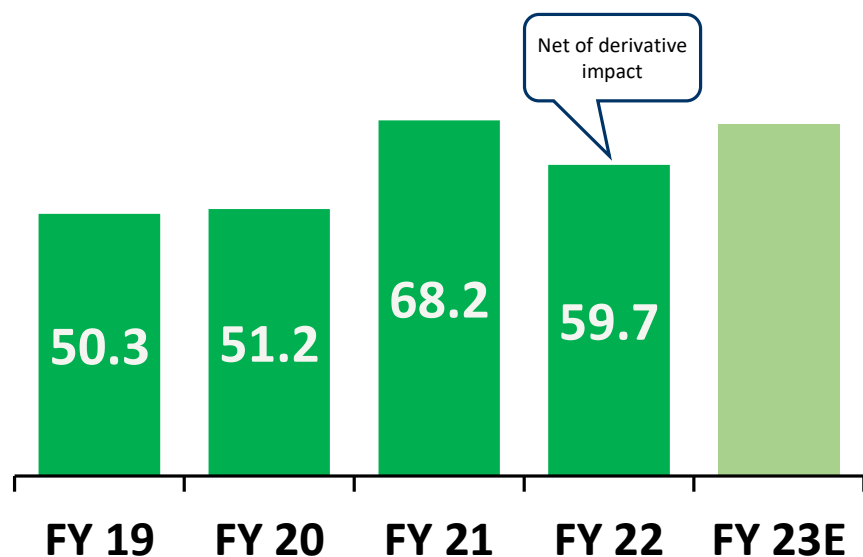
EBIT



3. Strong Cash Flow & Balance Sheet

€ mn

Ordinary Cash Flow

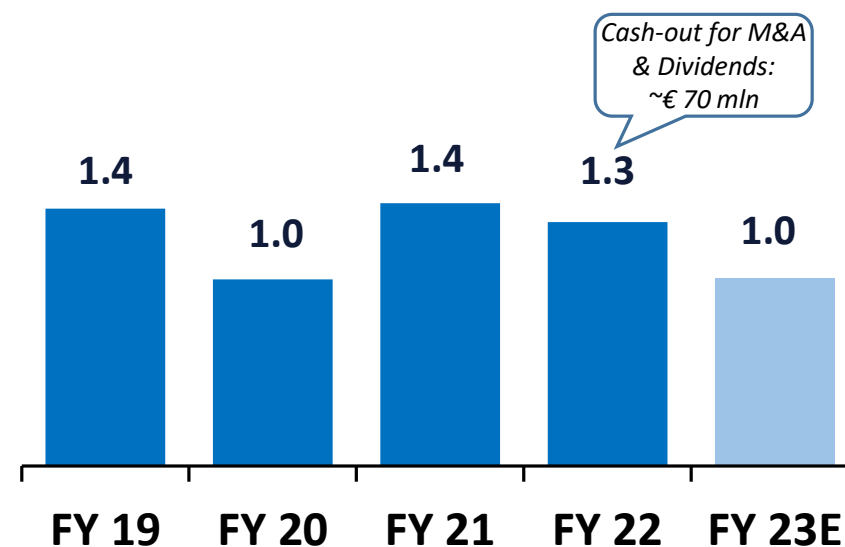


Over 50% Average Cash Conversion*

46% 52% 65% 44%

* OCF / Adj. EBITDA (IFRS16)

Net Debt to EBITDA



Pro-forma post D
Scuola acquisition
(cash-out €131 mln)

4. Capital Allocation Strategy

Capital Allocation Strategy & Value Proposition - active investment policy and steady return on capital

*Invest in the
business*

- **Organic growth and core business consolidation focused on Book:**
 - ✓ Content and digital platform development in school textbook publishing
 - ✓ Selective strengthening of the DOS in the Retail network

*Value
enhancing
acquisitions*

- **M&A (Focus on Books)**
 - ✓ Pursuit of opportunities in Book publishing segments still untapped by the Group (editorial strengthening) and in the Digital business
 - ✓ Pursuit of vertical integration

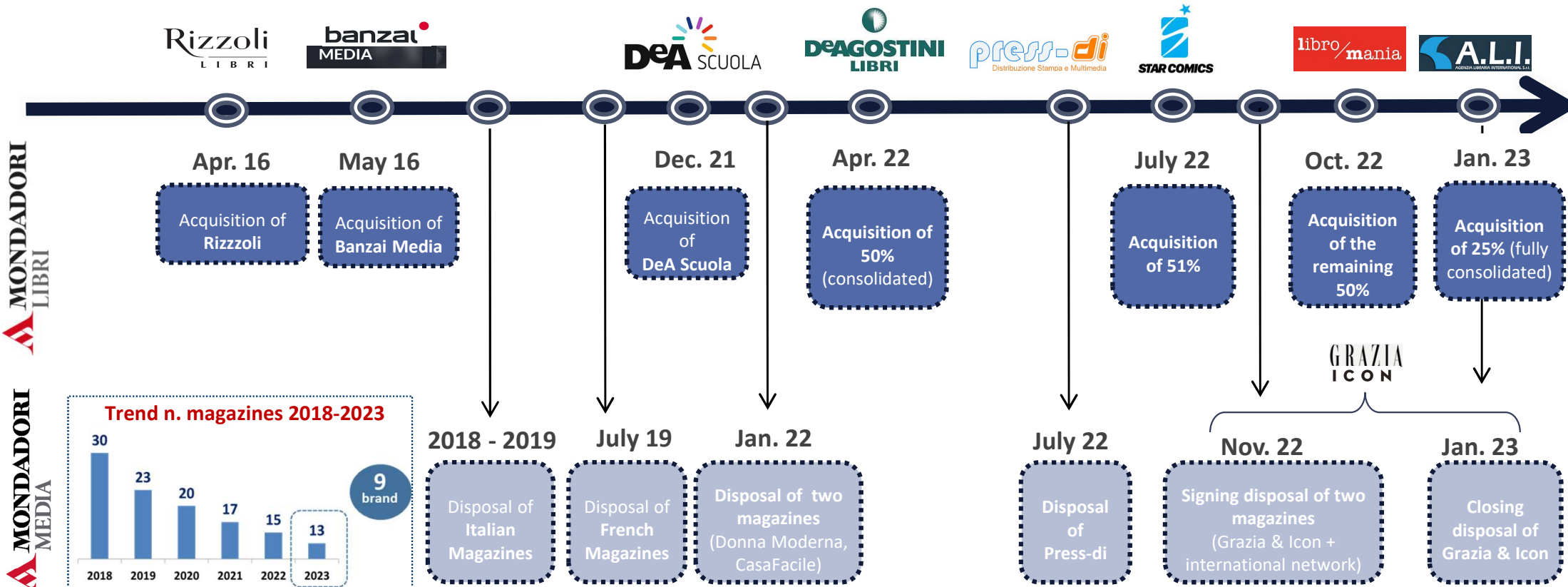
- **Sustainable *Dividend Policy* \geq 40% Ordinary Cash Flow**
(floor = previous year DPS
DPS 2022 = € 11 cents - Dividend Yield 23E > 5%)

*Return to
Shareholders*



M&A as a driver of Strategic Repositioning

- Core business competitive strengthening
- Disposal of non-core asset



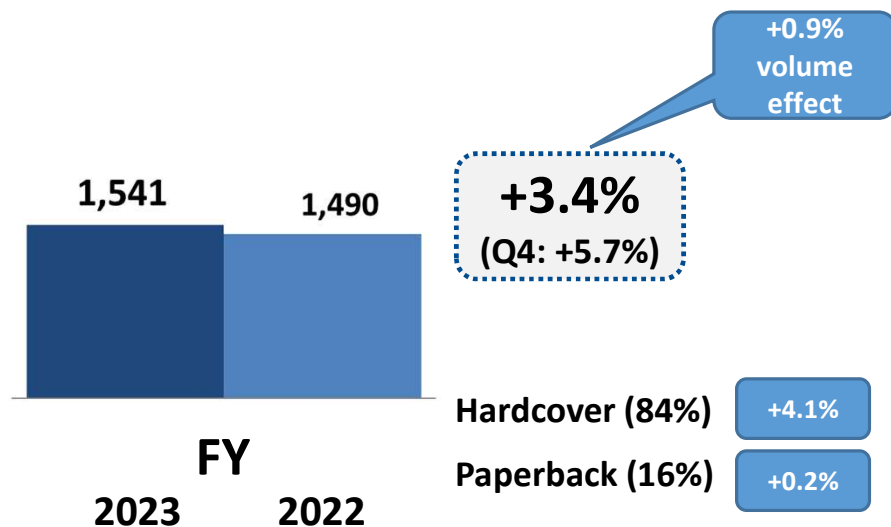
AGENDA

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Books Trade Market – 2023

Value data – Sell out
(€ mn)

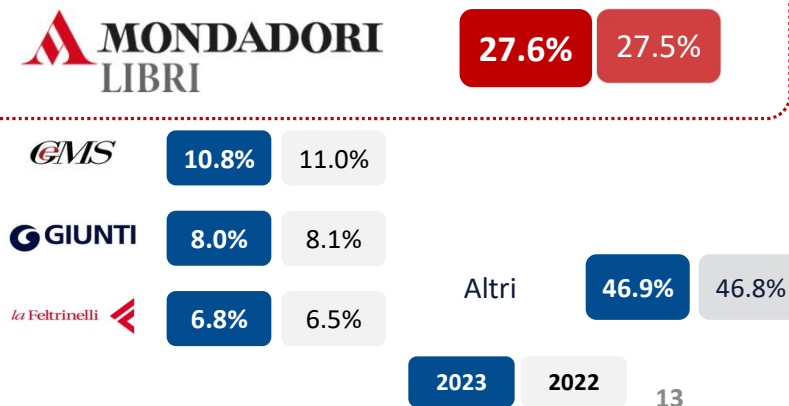
Market



2023 Top Ten

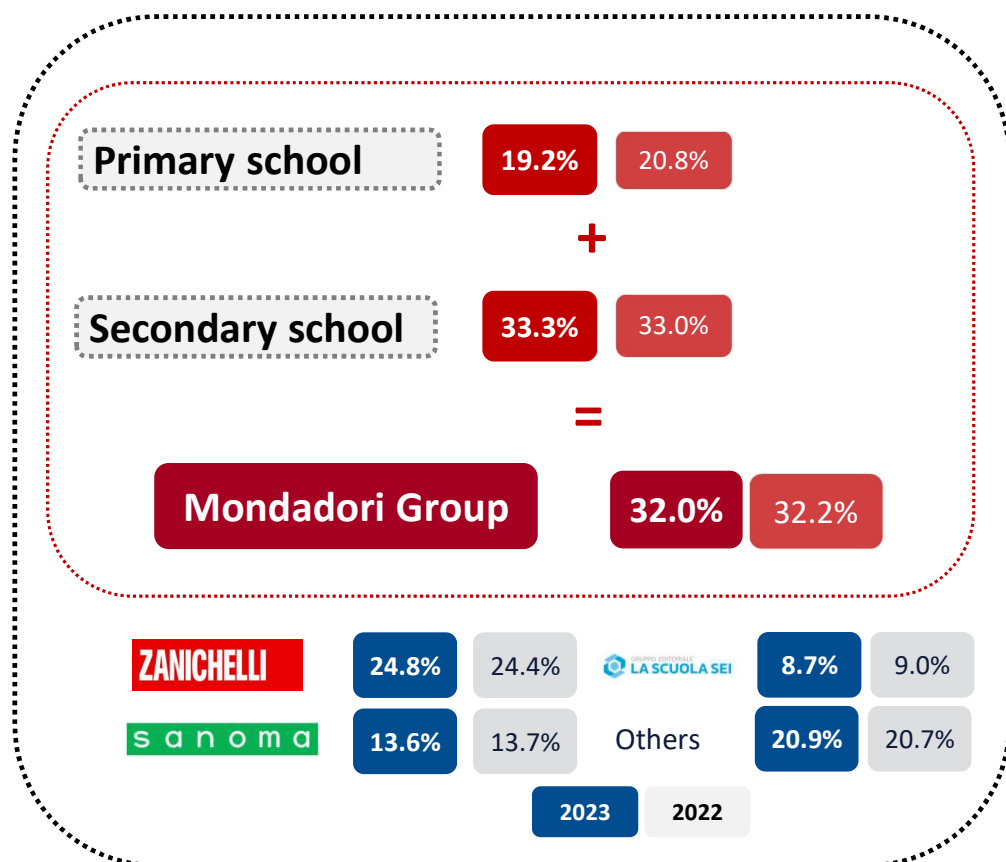


2023 Market Share

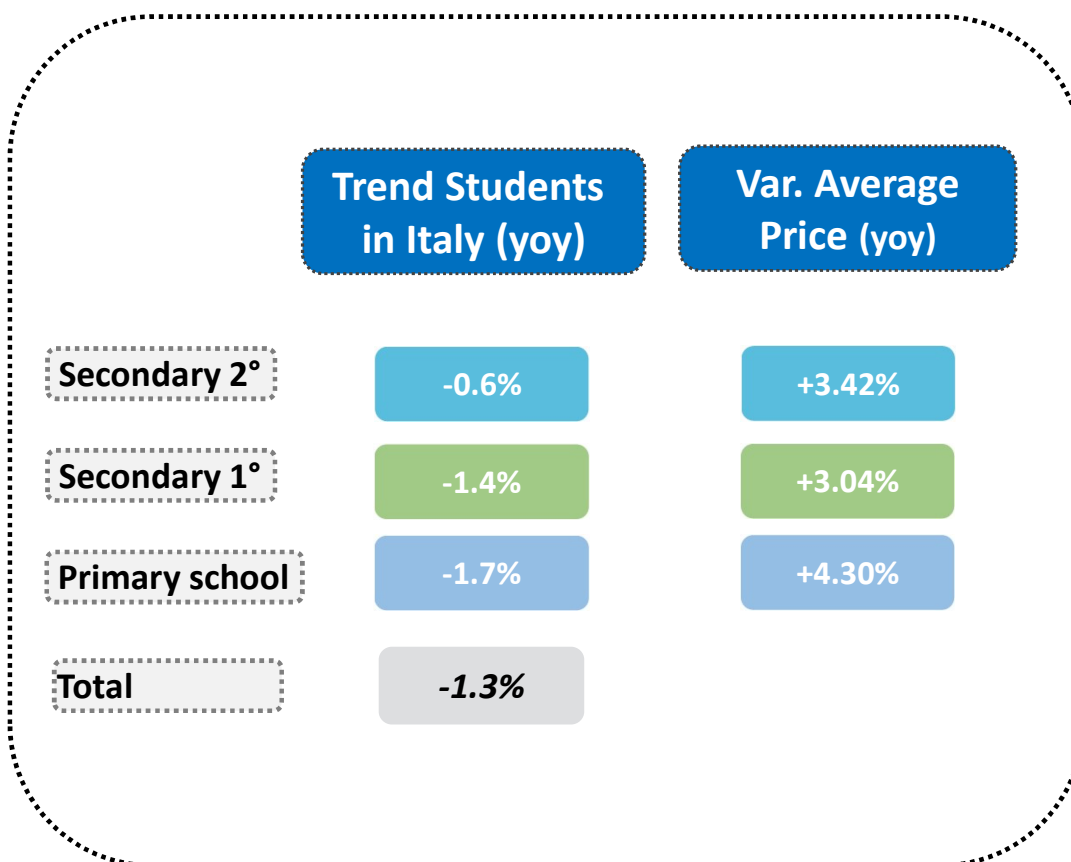


Education Books Market – 2023

Expected Market Share



Trend Quantity/Prices



Source: ESAIE, Oct. 2023

Media Market - 2023

€ mn

2023 Magaz. Circulations Trend



AME
-6.0%

MKT
-8.1%

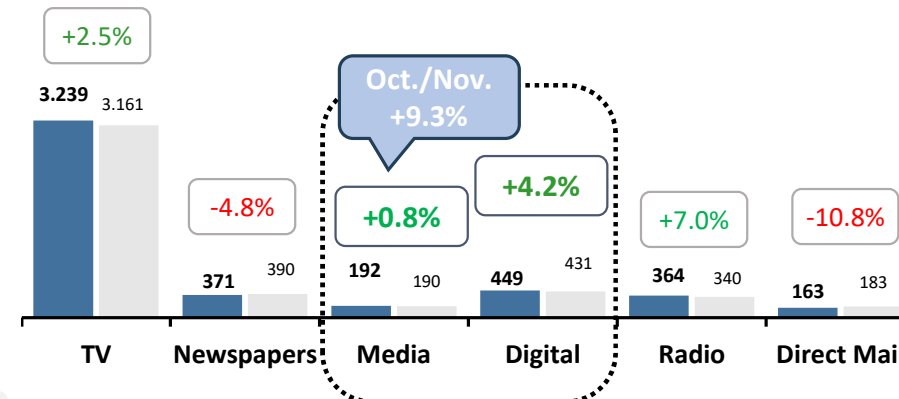
2023
20.2%

2022
19.8%

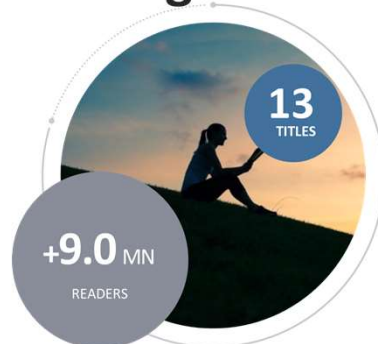
2023
2022

2023 ADV Market 2023

+2.3%



Magazine



Web



Social



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Outlook **FY23** – Guidance Confirmed

FY 2023

REVENUES

Single-digit growth

Adj. EBITDA

High Single / Low Double-digit growth

Net Income

Growth ~ 20%

Ordinary Cash Flow

€65-70 mn
(up to +15% vs FY 2022)

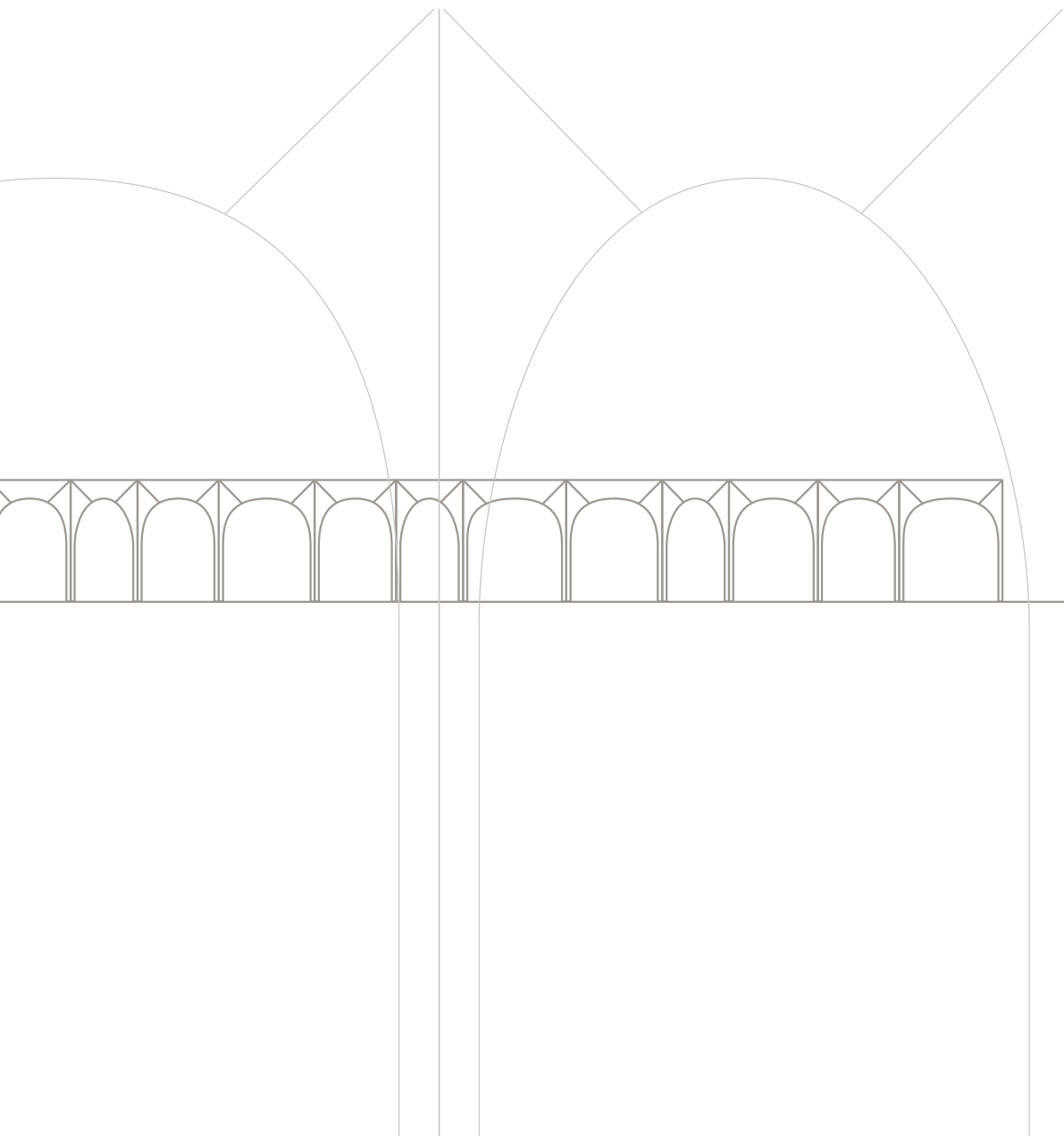


NFP/ Adj. EBITDA (IFRS16)

~ 1.0x (from 1.3x 2022)



BACK-UP



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AGENDA

Results 9M 2023

Highlights 9M23 – Executive Summary



• ***Steady improvement of economic and financial performance***

• ***Solid capital structure***



Guidance 2023

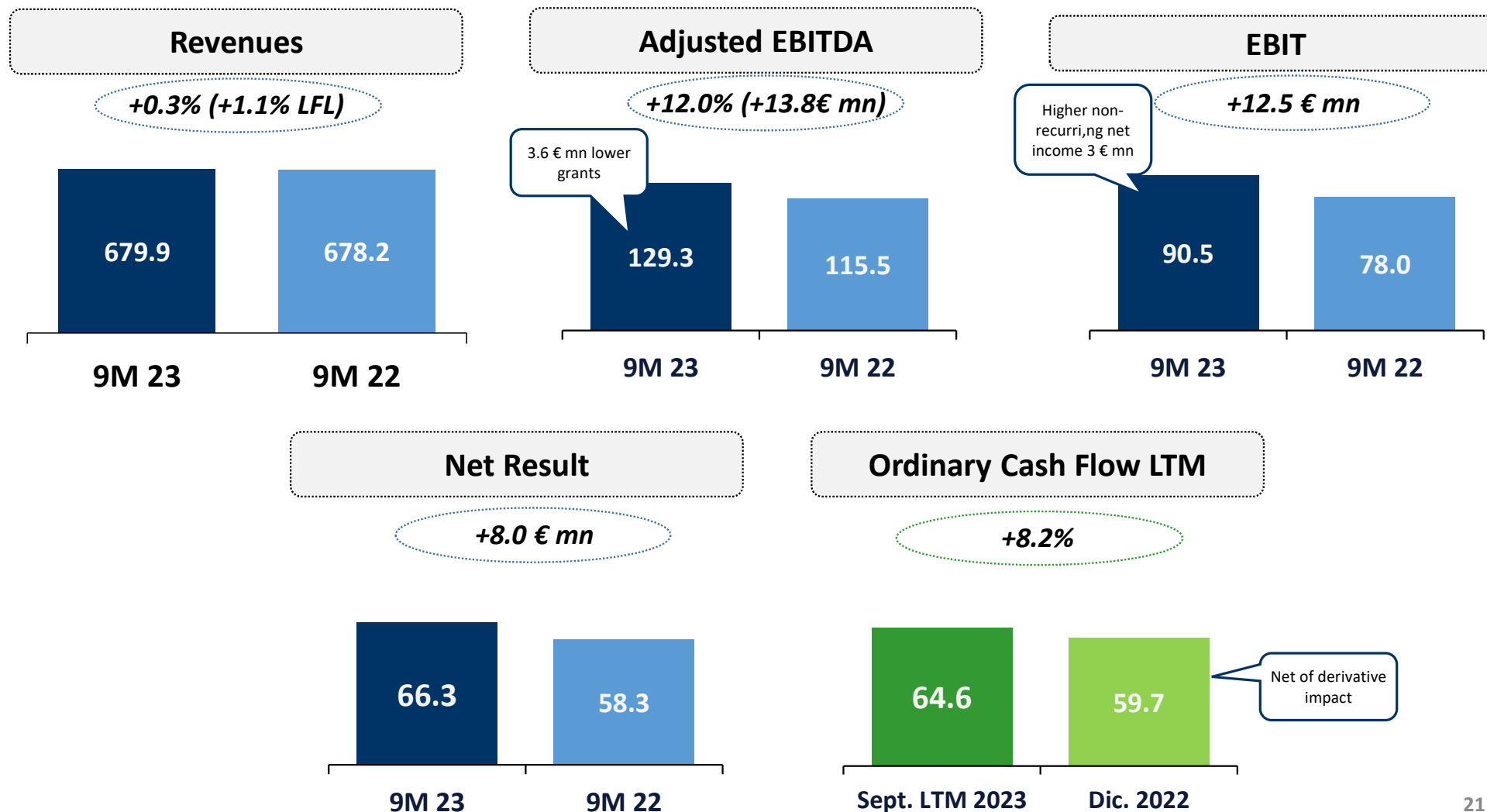
- Adj. EBITDA +13.8€ mn vs 9M22 thanks to improvements across all business areas
- Significant margin improvement (+200 bps vs 9M2022)

- Solid cash generation (Ordinary Cash Flow around 65€ mn LTM)
- NFP reducing by more than 10€ mn in the last 12M despite significant Shareholders remuneration (dividends around 29€ mn)

Confirmed economic and financial outlook for FY

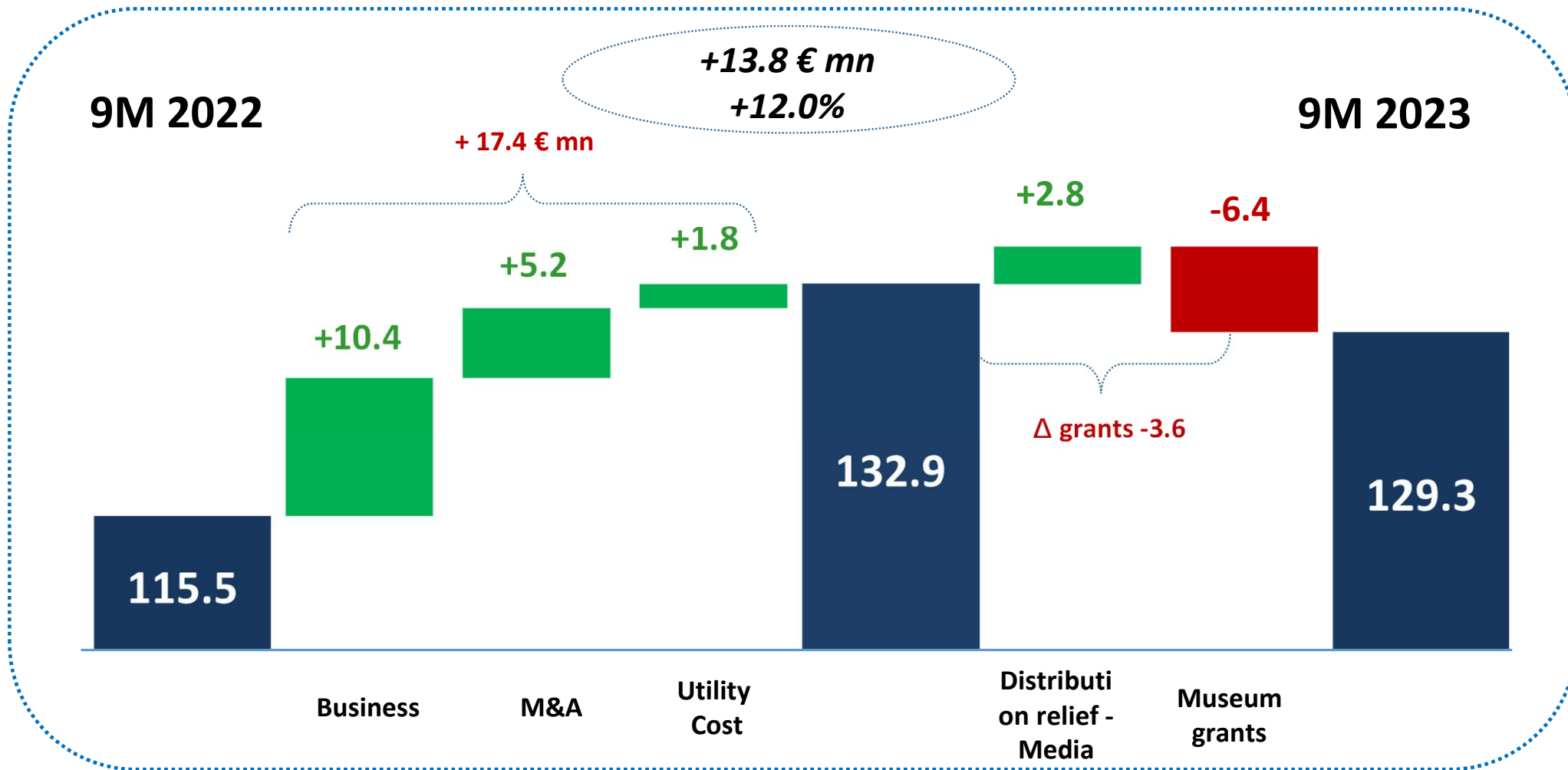
Highlights – 9M23

€ mn



Adjusted EBITDA – 9M²³

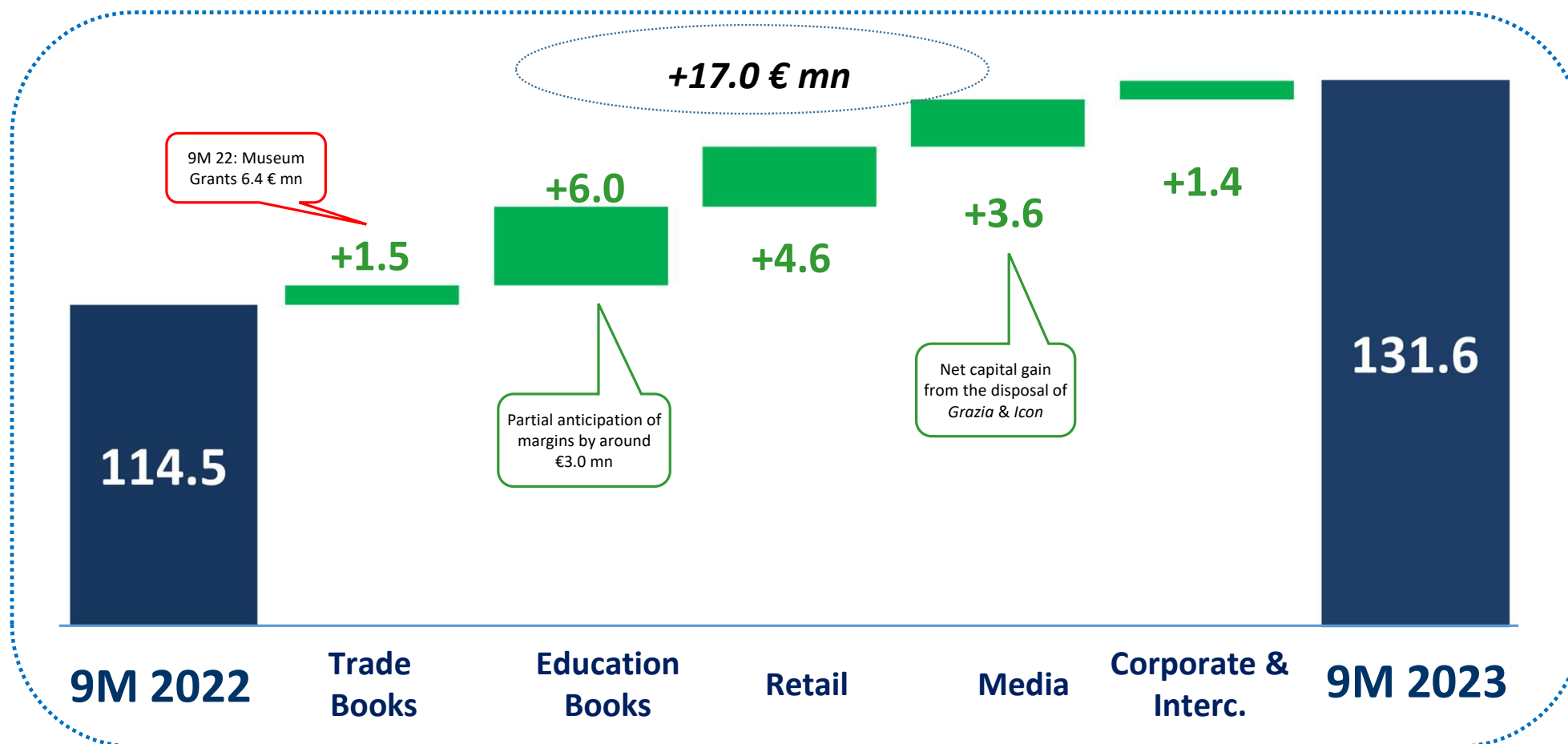
€ mn



EBITDA reported by Business Area – 9M²³

€ mn

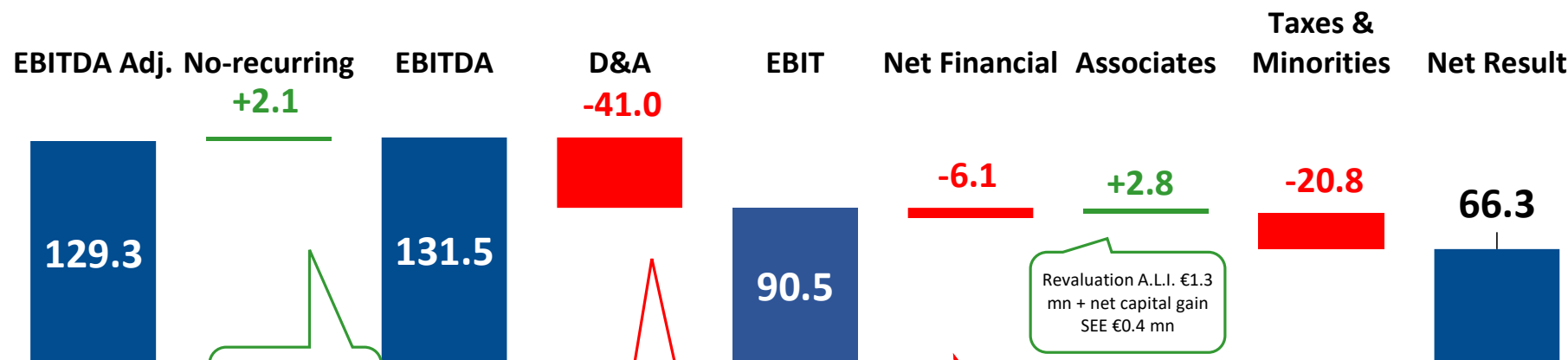
Improvement across all business areas



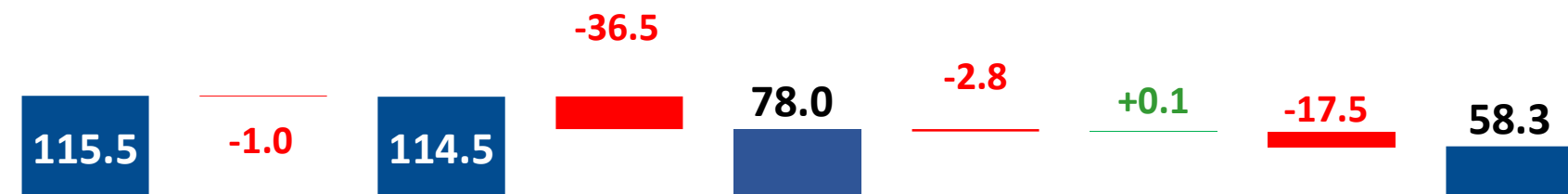
From EBITDA to Net Result 9M²³

€ mn

9M 2023



9M 2022



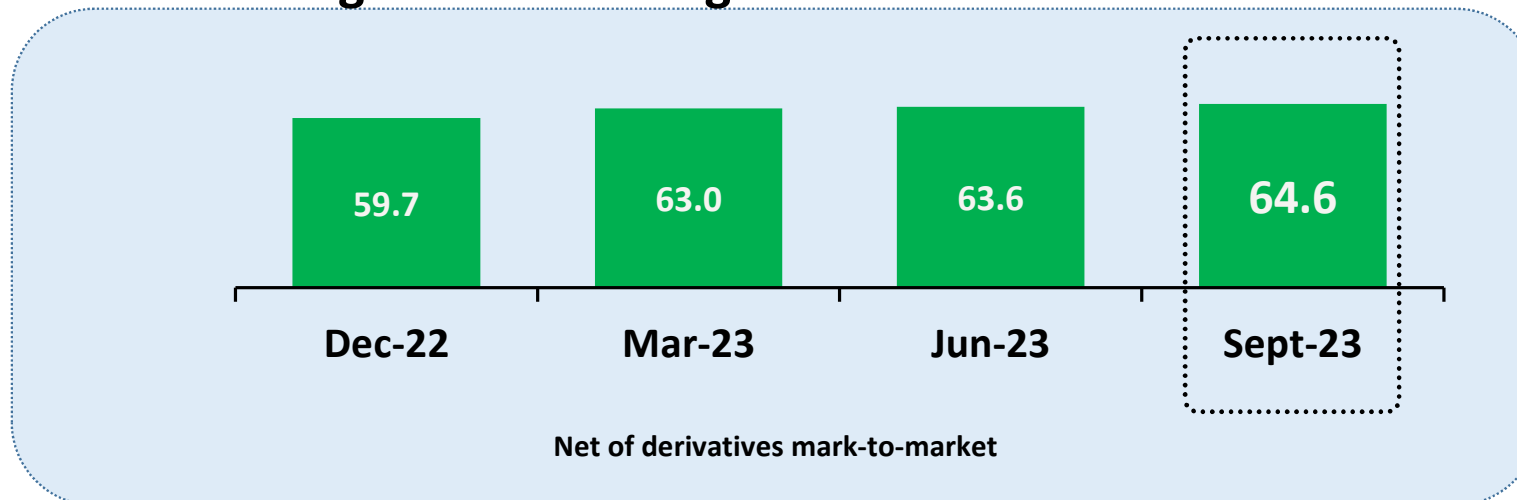
Improvement
of around €8
mn

A strengthened financial structure ...

€ mn

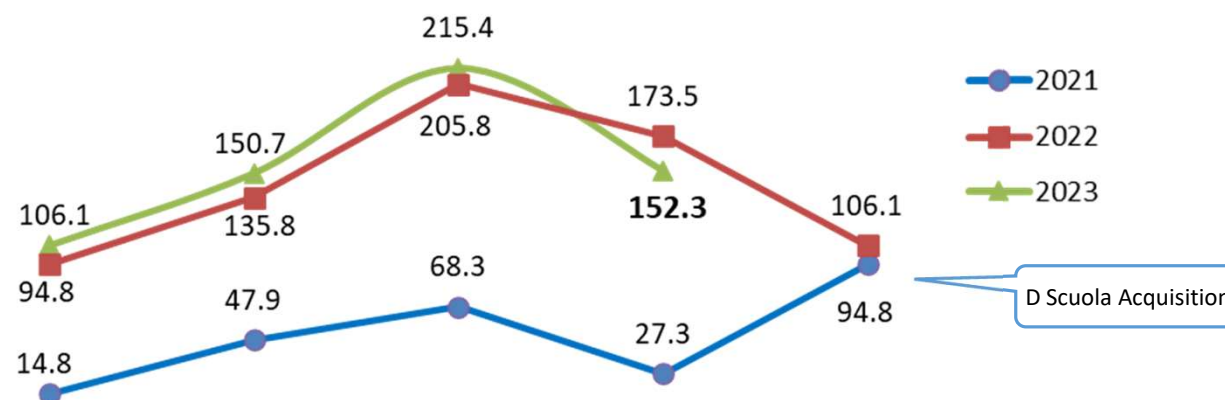
Strong business cash generation confirmed

**LTM
Ordinary
Cash Flow**



Dec. Mar. Jun. Sept. Dec.

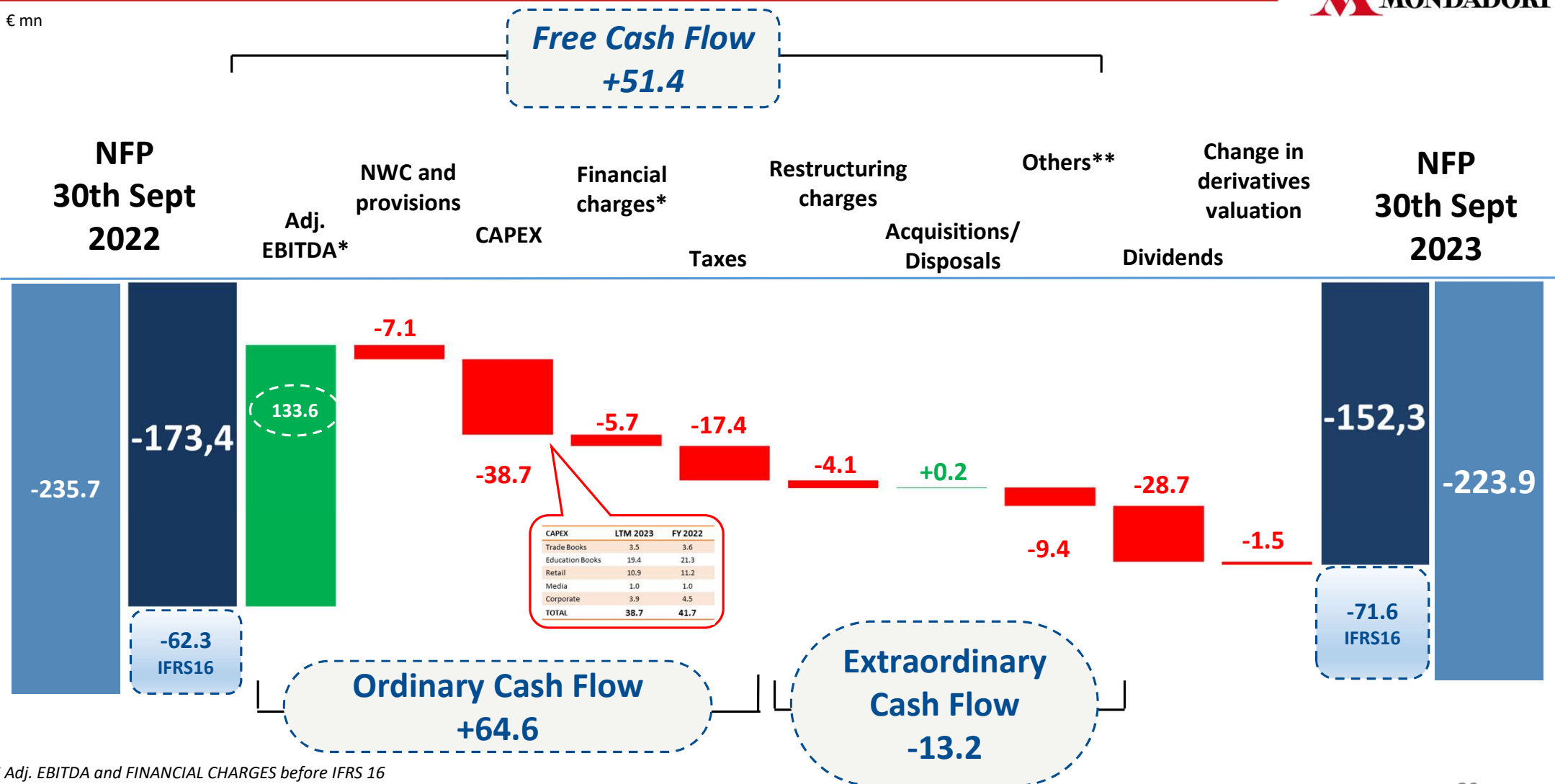
**Trend
Group NFP
(no IFRS16)**



...thanks to a strong cash generation

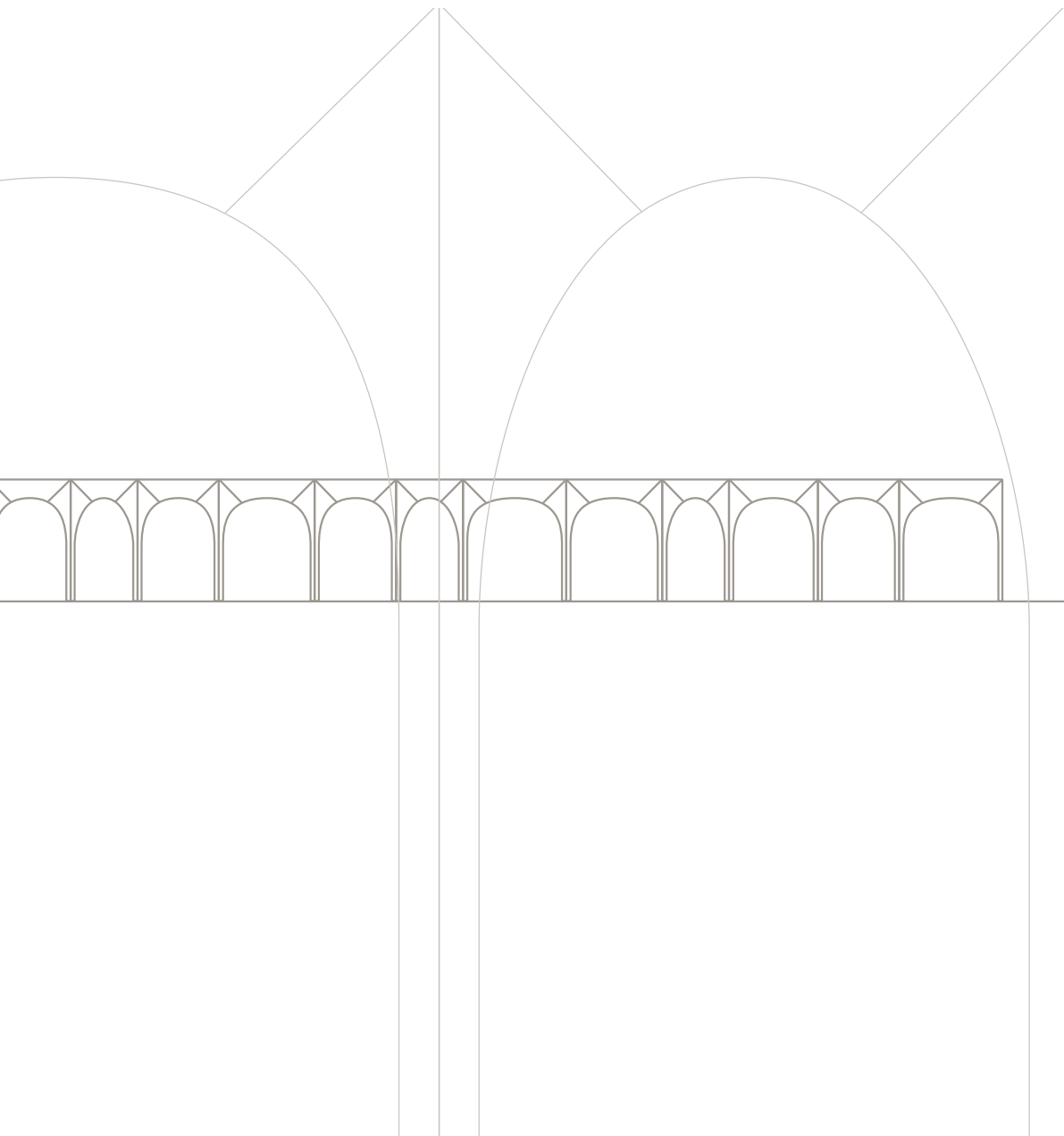


€ mn



* Adj. EBITDA and FINANCIAL CHARGES before IFRS 16

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



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Business Areas 9M 2023

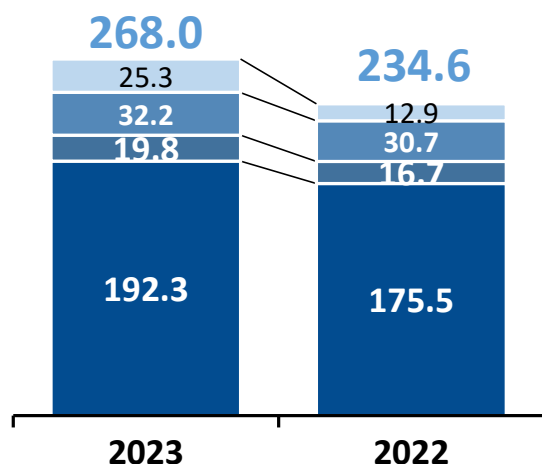
 **Books**
Retail
Media

Business 9M23 – Trade Books



€ mn

Revenues * +14.3% (+3% LFL)



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

RIP +4.9%

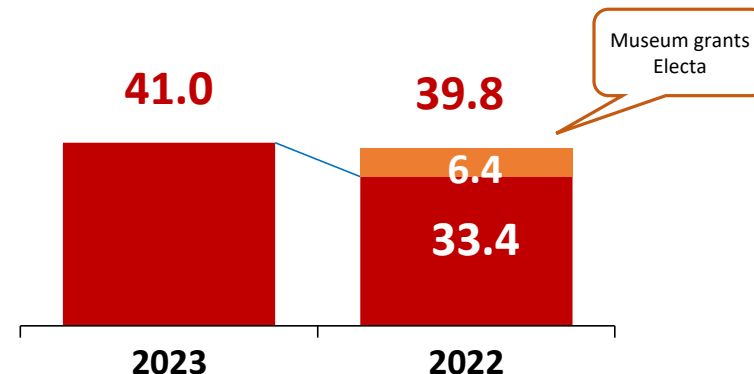
Electa +18.6%

Publishers +9.6%

Digital = 7.3% editorial revenues

* Net intercompany

EBITDA Adj. net grants
+7.6 € mn (+23%)



REVENUES

+14.3% or +3% net of a perimeter variation due to a growth across all business areas:

- +9.6% editorial revenues (+2% LFL) thanks to the quality of the editorial plan
E-book/Audiobook: 7.3% of editorial revenues, up of 12.6% vs 9M22
- +18.6% Electa thanks to museum activities
- +4.9% Rizzoli International Publications thanks to new titles and sponsored books positive performance
- Significant increase in distribution services of third party publishers, thanks to A.L.I. consolidation

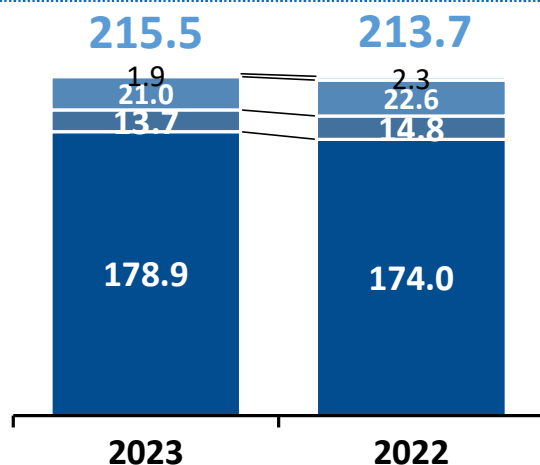
Adj. EBITDA

23% growth of Adj. EBITDA , net of 2022 museum grants, thanks to the top-line growth and the consolidation of new companies

Business 9M23 – Education Books

€ mn

Revenues +0.8%



Other

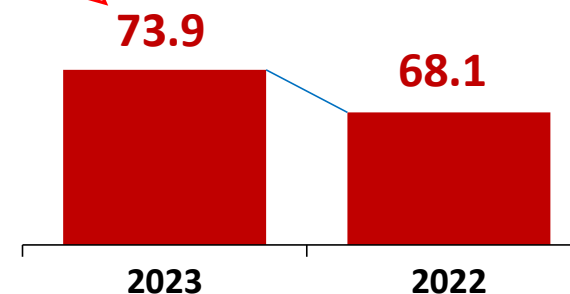
Third Publishers -7.1%

Primary -7.4%

Secondary +2.8%

Adj. EBITDA +5.8 € mn

Partial anticipation of margins
by around €3.0mn



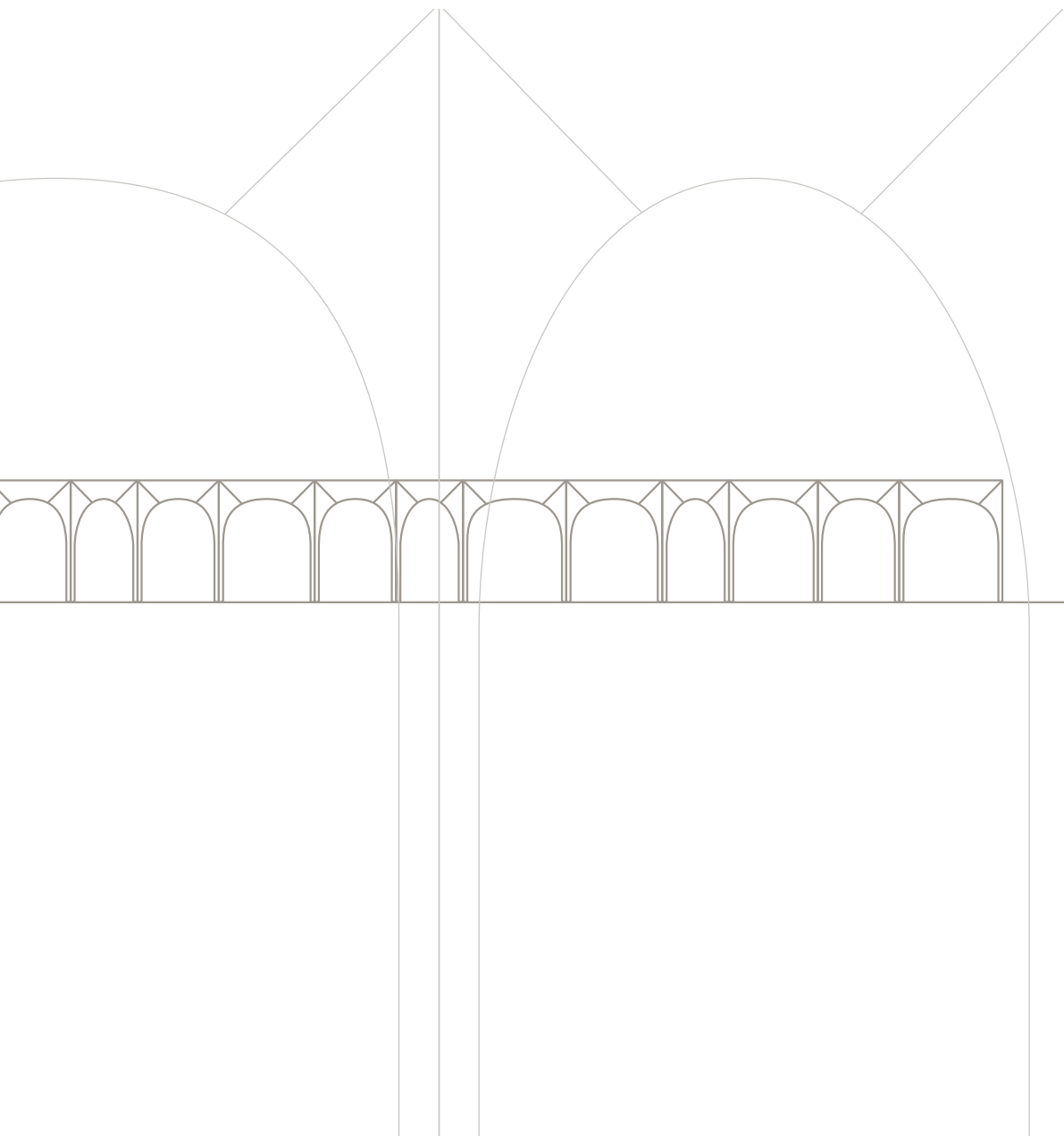
REVENUES

- **Growth of revenues in secondary school** thanks to Mondadori Education and D Scuola performances
- **Declining revenues of primary school**, because of higher volatility and lower profitability.
- As expected, **declining revenues of third publishers**

Adj. EBITDA

Adj. EBITDA growth of 8.5%, thanks to:

- Revenues mix (higher revenues in secondary school and lower revenues of third publishers)
- **Reduction of operating costs**



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Business Areas 9M 2023

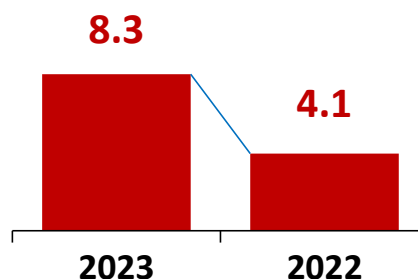
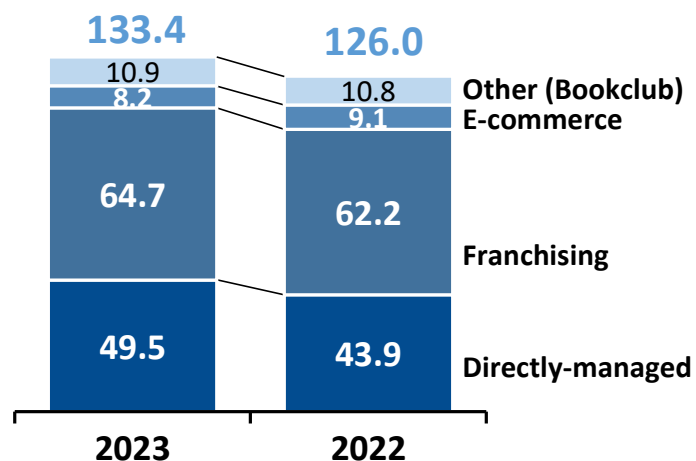
 Books
Retail
Media

Business 9M23 – Retail

€ mn

Revenues +5.9%

Adj. EBITDA +4.2 mn



MONDADORI
RETAIL

Book Market 9M 2023

Mercato

+2.3%

-1.6%
(-6.3m€)

+4.8%
(-29.0m€)

ONLINE
WEIGHT
37.5%*

PHYSICAL
WEIGHT
62.5%

MONDADORI
RETAIL

+5.7%

-3.4%
(-0.2m€)

+6.2%
(-7.4m€)

Market
Share
13.0%

ONLINE
WEIGHT
4.6%

PHYSICAL
WEIGHT
95.4%

Δ
+1.4 pt

Source: internal estimate on GfK figures, Set. 2023
* Internal estimate

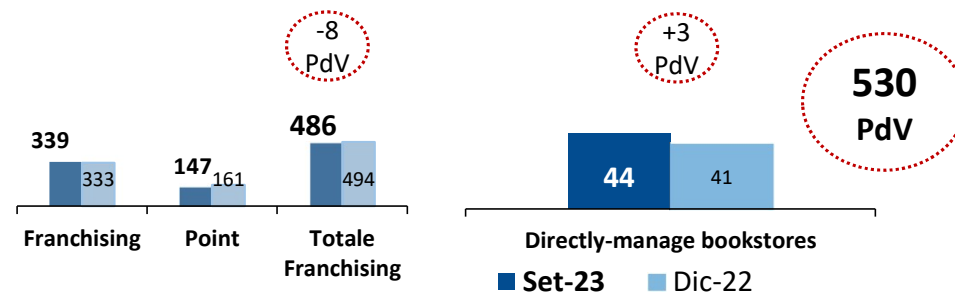
RICAVI

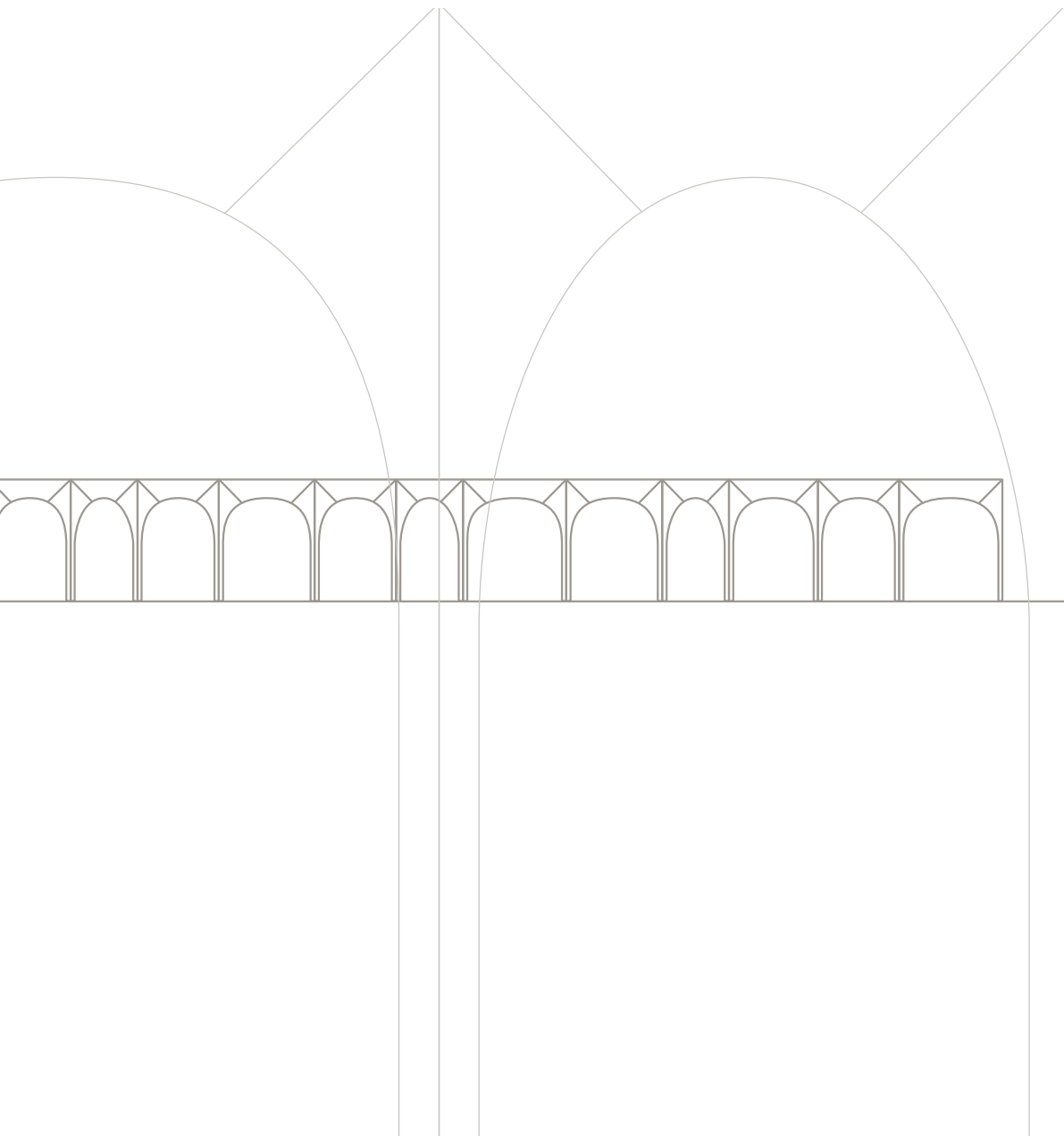
- **Books (87% of store revenue):** revenue up by approximately 7%
- **Directly-managed PoS** reported a sharp recovery in revenue thanks to the development of the network : **+12.8%**
- **Franchising: +4.0%**
- **Online** dropped

Adj.
EBITDA

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

Network of Point of Sales: continuous rationalization activity





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AGENDA

Business Areas 9M 2023

 Books
Retail
Media

Business 9M23 – Media

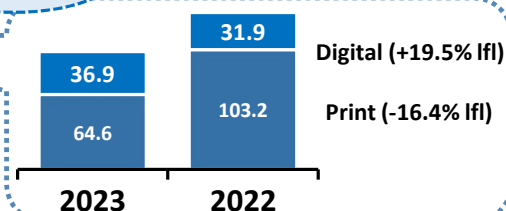
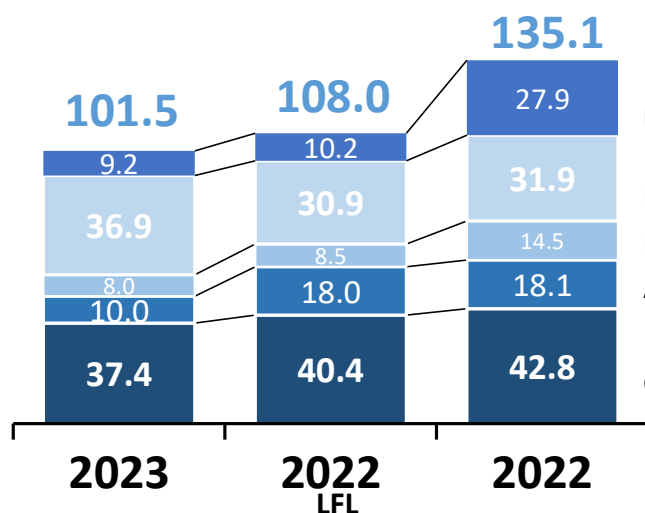


€ mn

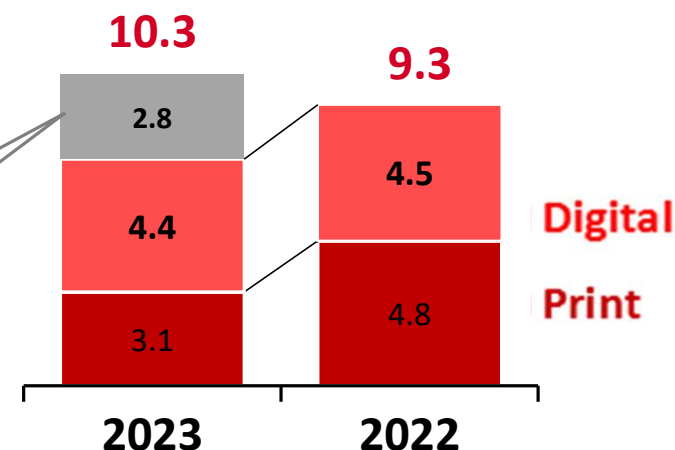
Revenues -25%, -6% lfl

37% digital revenues

Adj. EBITDA +1.0€ mn



Contribution of distribution activities



REVENUES
LFL

- **ADV revenue** increased by **10%** thanks to **increased digital activities**
- **Circulation revenue**: -7.6%, with a better performance of TV magazines and *Chi* (-6.7%)
- **Add-on Sales revenue**: -47.3%, due mainly to the reduction of musical products and Home Video
- **Others**: -8% due to the reduction of subscriptions

Adj.
EBITDA

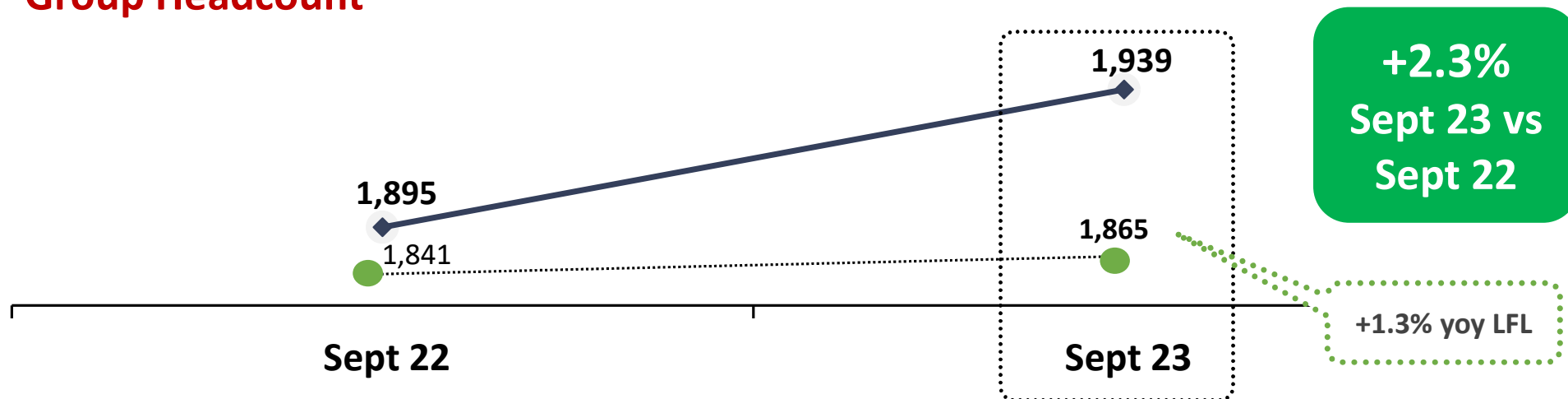
Adj. EBITDA up by 10%, thanks to the Print performance, despite higher paper costs and contraction of add-on sales margin, for:

- Grant for magazines distribution activity (€2.8 milioni)
- The continuing measures to **contain operating costs**

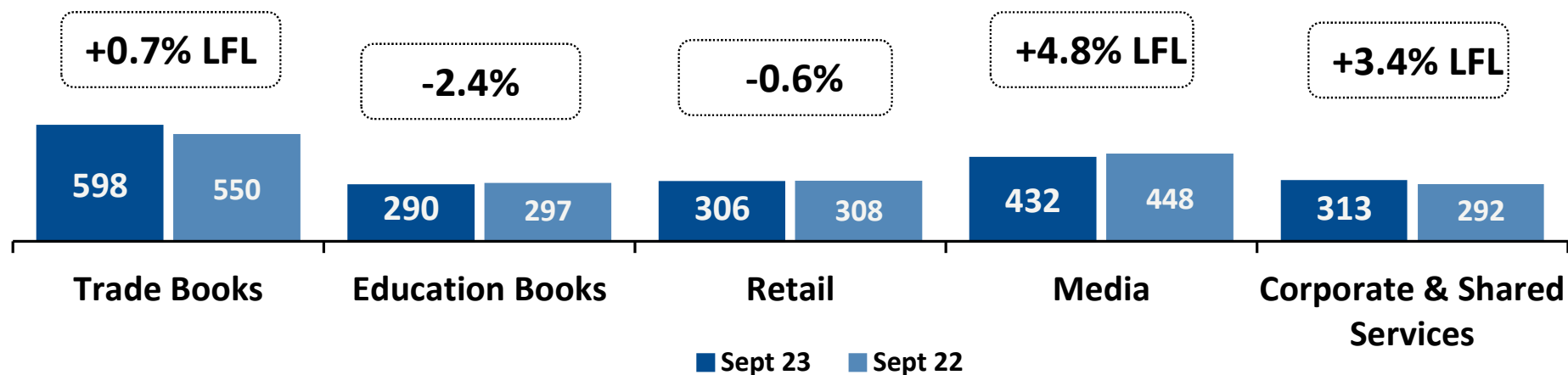
Adj. EBITDA of Digital is stable, the organic growth by companies consolidations is offset by the disposal of printed magazines.

Headcount Evolution - 9M23

Group Headcount



BU Headcount



Mondadori - Company overview



Mondadori in a nutshell

- ❖ Mondadori Group, founded in 1907, is **Italy's main publishing group** with a **leading position** in all the segments of the Italian market:
 - Trade book publishing
 - Education book publishing
 - Consumer magazines
 - Digital
- ❖ Arnoldo Mondadori Editore is listed in the **Italian Stock Exchange** since 1982 (from 2016 in the STAR segment)
- ❖ As of December 31, 2022, Mondadori Group could count on 1,900 Headcounts

Key Figures



> 2,000 new titles published every year



> 100 mn fanbase



> 500 bookshops in Italy



~10% Digital Revenues

Shareholding Structure



Institutional Investors

Retail*

53.3%

37.0%

9.7%



* Incl. 0.3% Treasury Shares

Stock Performance – 2023

Average
Mkt Cap
€500 mn

Key Financials

€ mn

	C 2019	C 2020	C 2021	C 2022
Net Revenues	884,9	743,9	807,3	903,0
Adj. EBITDA	110,4	98,3	105,7	136,4
EBIT	62,3	14,8	45,2	72,7
Net Profit	28,2	4,5	44,2	52,1
Net Financial Position	-151,3	-97,6	-179,1	-177,4

2022 Restatement

€ mn

Revenue

	1Q 22	1H 22	9M 22	FY 22
Trade Books	68.2	148.5	234.6	345.8
Education Books	9.0	49.6	213.7	237.3
Retail	37.2	77.6	126.0	189.2
Media	47.1	98.2	135.3	177.8
Corporate & Shared Services	9.5	19.7	29.6	41.5
Intercompany	(17.9)	(38.4)	(61.0)	(88.6)
Total	153.1	355.1	678.2	903.0

Adj. EBITDA

	1Q 22	1H 22	9M 22	FY 22
Trade Books	9.7	26.2	39.8	55.0
Education Books	(11.7)	(2.4)	68.1	63.5
Retail	0.3	1.4	4.1	9.1
Media	2.0	7.8	9.3	14.1
Corporate & Shared Services	(1.2)	(3.7)	(4.0)	(5.4)
Intercompany	(0.2)	(1.7)	(1.8)	-
Total	(1.1)	27.6	115.5	136.3

Glossary

- ▶ **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).



Investor Relations

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Mondadori Group IR (disponibile su Google Play e 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>