

Board of Directors approves results as at 31 March 2024

Q1 2024 CLOSSES WITH REVENUE AT +3.8% AND ADJUSTED EBITDA AT +9.3%

OUTLOOK FOR FY 2024 CONFIRMED

- **Consolidated revenues for Q1 2024 of € 166.1 million, up 3.8% on the Q1 2023 figure of € 160 million**
- **Adjusted EBITDA of € 4.8 million in Q1 2024, up 9.3% on the € 4.4 million recorded for the same period of the previous year**
- **Q1 2024 EBIT negative by € 8.7 million, slightly down (by € 0.5 million) compared to 31 March 2023 due to higher amortisation linked to the investment policy**
- **Group net profit as of 31 March 2024, negative by € 7.1 million, down by approximately € 2 million compared to the net loss of € 5.2 million in Q1 2023**
- **Ordinary Cash Flow as of 31 March 2024 positive by € 69 million, slightly up compared to 31 December 2023**
- **IFRS 16 Net Financial Position as of 31 March 2024 at € -205.5 million (net debt), from € -220.8 million in 2023, due to significant cash generation by the business and despite the dividend distribution cash-out and the acquisition of Star Shop**
- **Outlook 2024 confirmed**

Segrate, 14 May 2024 - 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 31 March 2024 presented by Chief Executive Officer Antonio Porro.

"I am very pleased with the economic and financial results achieved in the first quarter. Despite this being the seasonally less relevant period of the year, they allow us to confirm the outlook for the 2024 financial year. Furthermore, in the first few months of the current financial year our Group continued to develop its core businesses, focusing in particular on strengthening its presence in book publishing. We finalised the acquisition of 51% of Star Shop, a distribution and sales outlet management company operating in the comics segment, consolidated since 1st February, and, just a few weeks ago, we completed the acquisition of 100% of Chelsea Green Publishing, a publishing house focused on sustainability issues, which not only allows us to diversify our editorial portfolio, but marks a further step forward in our growth journey outside the Italian trade market, in the United States and the United Kingdom", says **Antonio Porro, Chief Executive Officer and General Manager of the Mondadori Group**.

Consolidated revenues for Q1 2024 amounted to € 166.1 million, having grown by 3.8% on Q1 2023 (€ 160 million). Net of the change in consolidation scope between the two periods under review, resulting from the consolidation of Star Shop, organic revenue growth was 1.5%.

Adjusted EBITDA for Q1 2024 was € 4.8 million, up 9.3% on the € 4.4 million recorded for the same period of 2023, mainly thanks to the performance of the Trade BOOKS and RETAIL areas.

EBITDA for Q1 2024 came to € 5.7 million, compared to € 4.7 million as at 31 March 2023, showing an improvement of approximately € 1.1 million (+22.7%) due to the favourable dynamics of the management and extraordinary components.

The Mondadori Group's **EBIT** for Q1 2024, negative by € 8.7 million, was € 0.5 million lower than the first three months of 2023 owing to the higher amortisation and depreciation recorded in the period, amounting to € 1.5 million, resulting both from the greater investments made in the last twelve months (€ +1 million, including € 0.25 million for the new flagship store project in Piazza Duomo) and from the accounting effects of the Purchase Price Allocation process (€ +0.5 million compared to Q1 2023) connected with the M&A transactions completed during 2023, particularly in the Trade BOOKS area.

Financial expense grew by 0.2 million in total as a result of greater charges linked to the IFRS 16 debt.

The **consolidated result before tax** for Q1 2024 is negative by € 10.2 million, down by approximately € 1.4 million from the € -8.8 million recorded on 31 March 2023, mainly due to a lower contribution (of approximately € 0.7 million) from the earnings of associates, which in the first quarter of 2023 benefited from a non-recurring component resulting from the fair value revaluation of the investment in the company A.L.I. of € 1.3 million.

The **tax component** for Q1 2024 is positive by € 4.1 million compared to € 3.6 million as at 31 March 2023 due to the lower pre-tax result.

The **net profit** attributable to the Group as at 31 March 2024 was negative by € 7.1 million, down compared to the net loss recorded in the first quarter of 2023 (€ -5.2 million) of approximately € 2 million, half of it deriving from the dynamics already mentioned and the remaining part linked to the greater share of the result pertaining to third parties (€ 1 million).

The **Net Financial Position excluding IFRS 16** as of 31 March 2024 was € -133.3 million (net debt), an improvement of more than € 17 million compared to € -150.7 million in Q1 2023, due to significant cash generation by the business and despite the dividend distribution cash-out and the acquisition of Star Shop. The **IFRS 16 Net Financial Position** as of 31 March 2024 amounted to € -205.5 million (net debt), from € -220.8 million in 2023, due to an IFRS 16 debt component of € -72.3 million.

Cash flow from ordinary operations (after cash-out for financial expense and tax) in the twelve months prior to 31 March 2024 amounted to € 69 million and allows the Group to continue to strengthen its financial structure. **Extraordinary cash flow** was negative by € 19.2 million, mainly due to net cash-outs related to acquisitions and disposals of around € 10 million and restructuring costs of around € 5 million.

Consequently, **LTM Free Cash Flow** at 31 March 2024 was positive for € 49.8 million, confirming the Group's capacity to finance its inorganic growth policy and shareholder remuneration policy.

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PERFORMANCE OF BUSINESS AREAS

Trade BOOKS AREA

The first three months of 2024 saw a slight decline of 3.8% (in value) in the book market, resulting in particular from the trend in the months of January-February; in fact, the performance in March decidedly bucked the trend, showing an increase of 8.2% on the previous year.

In this context, the Mondadori Group's publishing houses recorded a 4.7% drop compared to the first three months of 2023, which had however benefited from the publication of "*Spare. Il minore*" (*Spare*), the highly successful biography of Prince Harry published by Mondadori. Net of the revenue made from this book in 2023, Q1 2024 shows growth of 1.8% and therefore a significantly better performance than the reference market.

The Mondadori Group maintained its national leadership with a market share of 27.2% as of March 2024.

Revenue for Q1 2024 **increased by 4.2%**, **1.7%** net of the consolidation of Star Shop: despite the first quarter of 2023 having benefited from the huge success of the publication of "*Spare. Il minore*" (*Spare*), the biography of Prince Harry published by Mondadori. This positive result is attributable in particular to the quality of the editorial plan implemented by the publishing houses and to several special initiatives, as well as to the growth in digital revenues.

The **Adjusted EBITDA** of the Trade BOOKS area for Q1 2024 stood at 14.8 million, having grown by approximately 12% (€ 1.6 million), largely due to the improved profitability of the publishing houses.

Education BOOKS AREA

School textbook publishing experiences a typical seasonal performance that sees sales squeezed in the second half of the year following the adoption campaign: as a result, the relating market shares for 2024 are unavailable at this time. For the same reasons, revenue achieved in the first three months typically represents less than 5% of the annual figure.

In the first quarter of 2024, the school textbooks business recorded an overall **revenue** of € 9.2 million, up 8.4% compared to Q1 2023 (€ 8.5 million) with a positive change attributable to the advance on supplies to top accounts, and therefore showing a performance that is not representative of the trend for the entire financial year.

Adjusted EBITDA in the first quarter of 2024 stood at € -13.8 million compared to € -11.7 million in the same period of 2023, as a result of the advanced production of the new textbooks made available to the sales network to support their promotion. Note that this result is not significant as it stems from the aforementioned seasonality of the business, with the costs of the operational structure and development of the textbooks marketed during the adoption campaign completed at the end of the month of May being recorded during the first quarter.

RETAIL AREA

As previously stated, there was a 3.8% decline (in value) in the book market in Italy in the first three months of 2024 compared to the same period of 2023. In this context there was a substantial stability of the physical channel (+0.4%) and a simultaneous negative trend in the online channel (estimated at -9.8%).

The Mondadori Group's RETAIL area, however, recorded growth of 2.7% in Q1 2024, with a better performance compared to the market. Consequently, Mondadori Retail's market share in the Book product stands at 12.5% (up 0.8% compared to 31 March 2023), driven by an excellent performance of direct and franchised stores.

In the first three months, **revenue amounted** to € 43.8 million, a 9% increase compared to the first quarter of 2023, also due to the consolidation of Star Shop's retail activities. Organic growth amounted to 5.2%, **driven by the Book product**, sales of which **increased by +4.9%** (€ +1.6 million).

In the first three months, the RETAIL area presented an **Adjusted EBITDA** of € 2.3 million, highlighting growth of over 35% compared to the first quarter of 2023 (€ +0.6 million), attributable to the growth in revenues, in particular of the Book product, and the continued development and renewal of the direct store network.

MEDIA AREA

In the first two months of 2024, the advertising market (excluding search, social, classified and OTT) showed an increase of 4% compared to the previous year.

In Q1 2024, the *MEDIA* area recorded revenues of € 32 million, a slight decrease of 1% due to the effect of the **traditional business**, mainly resulting from the structural contraction of joint sales. Conversely, the digital business, which accounts for **approximately 42% of the area's revenues**, show **an overall growth in advertising revenues of 25%** resulting in particular from the positive performance of the MarTech segment and the excellent results of the social agency activities launched in early 2023.

The **Adjusted EBITDA** of the MEDIA area in the first quarter of 2024 stood at € 3.2 million, having grown by approximately 11% compared to the previous year, owing to the performance of the digital business, the constant improvement in operational activities and the reduction in the cost of paper.

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OUTLOOK FOR THE YEAR

In light of the results achieved in the first quarter and the reference markets scenario, the Group believes it can confirm the previously communicated guidance for the 2024 financial year.

Income Statement

- low single-digit revenue growth;
- mid single-digit growth in the Adjusted EBITDA, with margins expected to remain stable at around 17%, thanks to targeted pricing policies and the further reduction of paper and printing costs.

Financial data

In the financial year 2024, the Group is expected to confirm the significant cash generation capacity and therefore an Ordinary Cash Flow of around € 70 million.

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2024-2026 PERFORMANCE SHARE PLAN: ASSIGNMENT OF RIGHTS

The Board of Directors, having heard the Remuneration Committee, resolved on the assignments to the beneficiaries of the rights relating to the 2024-2026 Performance Share Plan, established by resolution of the Shareholders' Meeting of 24 April 2024. Information regarding the beneficiaries and the number of rights assigned are shown - by name, for the beneficiaries who are members of the Board of Directors, and in aggregate form for the other beneficiaries - in the table attached, prepared in compliance with Box 1, Schedule no. 7 of Annex 3A of the Issuer Regulation. The terms and conditions of the Plan are set out in the Directors' Explanatory Report to the Shareholders' Meeting of 24 April 2024 and in the Information Document prepared pursuant to Article 84-bis, paragraph 1 of the Issuers' Regulation, available on the website www.gruppomondadori.it Governance section and on the storage mechanism www.1info.it to the contents of which reference should be made.

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PUBLICATION OF THE MINUTES OF THE SHAREHOLDERS' MEETING

Arnoldo Mondadori Editore S.p.A. informs that the minutes of the Ordinary and Extraordinary Shareholders' Meeting held on 24 April 2024 are available on the authorised storage mechanism 1Info (www.1info.it), in the Governance section of the Company website www.mondadorigroup.com and at the Company's registered office.

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The Interim Management Statement at 31 March 2024 is made available by today through the authorised storage mechanism 1Info (www.1info.it), on www.mondadorigroup.com (Investors section) and at the registered office.

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The presentation of the results at 31 March 2024, approved today by the Board of Directors, is available on www.1info.it and on www.mondadorigroup.com (Investors section). A Q&A session will be held in conference call mode at 4.00 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>.

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.

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Annexes:

- 1. Consolidated Statements of Financial Position*
- 2. Consolidated Income Statement*
- 3. Group cash flow*
- 4. Glossary of terms and alternative performance measures used*
- 5. Information pursuant to Schedule 7 of Annex 3a to CONSOB Regulation no. 11971/1999*

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1. Consolidated Statements of Financial Position

(Euro/millions)	March 31, 2024	March 31, 2023	Chg. %
Trade receivables	134.2	128.5	4.5%
Inventory	162.6	160.7	1.2%
Trade payables	226.0	224.5	0.7%
Other assets (liabilities)	(24.7)	(21.1)	n.s.
Net working capital continuing operations	46.1	43.6	5.9%
Discontinued or discontinuing assets (liabilities)	—	—	n.s.
Net Working Capital	46.1	43.6	5.9%
Intangible assets	387.7	388.8	(0.3)%
Property, plant and equipment	35.8	30.7	16.6%
Investments	15.0	16.6	(9.2)%
Net fixed assets with no rights of use IFRS 16	438.5	436.1	0.6%
Assets from right of use IFRS 16	68.4	67.3	1.7%
Net fixed assets with rights of use IFRS 16	506.9	503.3	0.7%
Provisions for risks	38.3	42.9	(10.6)%
Post-employment benefits	29.1	28.7	1.3%
Provisions	67.4	71.6	(5.8)%
Net invested capital	485.7	475.3	2.2%
Share capital	68.0	68.0	— %
Reserves	218.6	190.8	14.6%
Profit (loss) for the period	(7.1)	(5.2)	n.s.
Group equity	279.5	253.6	10.2%
Non-controlling interests' equity	0.6	0.9	(35.6)%
Equity	280.1	254.5	10.1%
Net financial position no IFRS 16	133.3	150.7	(11.5)%
Net financial position IFRS 16	72.3	70.1	3.0%
Net financial position	205.5	220.8	(6.9)%
Sources	485.7	475.3	2.2 %

2. Consolidated Income Statement

(Euro/millions)	3M 2024		3M 2023		Chg. %
Revenue	166.1		160.0		3.8%
Industrial product cost	56.9	34.2%	56.2	35.1%	1.2%
Variable product costs	22.6	13.6%	21.0	13.1%	7.7%
Other variable costs	29.8	17.9%	29.0	18.1%	2.7%
Structural costs	15.4	9.3%	14.4	9.0%	6.7%
Extended labour cost	37.8	22.8%	36.0	22.5%	5.0%
Other expense (income)	(1.2)	(0.7%)	(1.1)	(0.7%)	n.s.
Adjusted EBITDA	4.8	2.9%	4.4	2.8%	9.3%
Restructuring costs	—	0.0%	0.2	0.1%	n.s.
Extraordinary expense (income)	(1.0)	(0.6%)	(0.5)	(0.3%)	n.s.
EBITDA	5.7	3.5%	4.7	2.9%	22.7%
Amortization and depreciation	10.7	6.4%	9.2	5.8%	16.3%
Amortization and depreciation IFRS 16	3.7	2.2%	3.7	2.3%	0.4%
EBIT	(8.7)	(5.2%)	(8.2)	(5.1%)	n.s.
Financial expense (income)	0.8	0.5%	0.8	0.5%	5.3%
Financial expense IFRS 16	0.6	0.4%	0.4	0.2%	58.6%
Associates (income)	0.1	0.0%	(0.6)	(0.4%)	n.s.
EBT	(10.2)	(6.1%)	(8.8)	(5.5%)	n.s.
Tax expense (income)	(4.1)	(2.5%)	(3.6)	(2.3%)	n.s.
Minorities	1.0	0.6%	—	0.0%	n.s.
Group net result	(7.1)	(4.3)%	(5.2)	(3.2)%	n.s.

3. Group cash flow

(Euro/millions)	March 31, 2024 LTM	December 31, 2023
Initial NFP IFRS 16	(220.8)	(177.4)
Financial liabilities application of IFRS 16	(70.1)	(71.3)
Initial NFP No IFRS 16	(150.7)	(106.1)
Adjusted EBITDA (No IFRS 16)	135.6	135.4
NWC and provisions	(7.4)	(6.6)
CAPEX no IFRS 16	(37.7)	(38.0)
Cash flow from operations	90.5	90.7
Financial income (expense) no ifrs 16	(5.1)	(5.1)
Tax	(16.4)	(16.9)
Cash flow from ordinary operations	69.0	68.7
Restructuring costs	(4.8)	(4.8)
Share capital increase/dividends from associates	0.8	0.8
M&A	(9.6)	(5.4)
Other income and expenditure	(5.6)	(6.0)
Cash Flow from extraordinary operations	(19.2)	(15.3)
Free cash flow	49.8	53.5
Dividends	(28.7)	(28.7)
Tot. Cash Flow	21.1	24.8
Variation Derivatives valuation	(3.7)	(4.7)
Net financial position no IFRS 16	(133.3)	(86.1)
IFRS Effects in the period	(2.1)	(1.2)
Final net financial position	(205.5)	(158.6)

4. 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 profit for the period before income tax, other financial income and expense, amortisation, 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:

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

(Euro/thousands)	3M 2024	3M 2023
EBITDA (as shown in the financial statements)	5,744	4,671
Restructuring charges included in "Personnel costs"	42	202
Charges related to acquisitions and disposals of companies and business units, miscellaneous charges (income) and costs for services	(973)	(481)
Adjusted EBITDA (as shown in the Directors' Report on Operations)	4,813	4,392

With regard to adjusted EBITDA in the first quarter of financial year 2023, the following items were excluded from EBITDA:

- restructuring costs for a total amount of € 0.2 million, included in "Cost of personnel" in the income statement;
- income of a non-ordinary nature for a total of € 0.5 million, included in "Sundry expense (income)" and "Cost of services".

With regard to adjusted EBITDA in the first quarter of financial year 2024, the following items were excluded from EBITDA:

- restructuring costs for a total amount of € 0.04 million, included in "Cost of personnel" in the income statement;
- income of a non-ordinary nature for a total of € 1.0 million, included in "Sundry expense (income)" and "Cost of services".

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

Adjusted operating profit (EBIT Adjusted): this is represented by the operating result, as defined above, excluding income and expense of non-ordinary nature, as defined previously, depreciation and amortisation deriving from the company purchase price allocation and the write-downs of intangible assets.

Operating profit (EBT): EBT or consolidated result before tax is the net profit 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 cashfunds 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.

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).

5. Information pursuant to Schedule 7 of Annex 3a to CONSOB Regulation no. 11971/1999

REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS

Name or category	Position (to be shown only for persons appearing by name)	BOX 1 (financial instruments other than stock options)						
		Section 2 Newly-assigned instruments based on the decision of the body responsible for implementing the shareholders' resolution						
		Date of shareholders' resolution	Type of financial instruments	Number of financial instruments assigned by the BoD	Date of assignment	Purchase price of instruments, if applicable	Market price when granted (*)	Vesting period
Antonio Porro	Chief Executive Officer and General Manager of Arnoldo Mondadori Editore S.p.A.	24.04.2024	Rights for the free allocation of Arnoldo Mondadori Editore S.p.A. shares	136,488	RC 08.05.2024 BoD 14.05.2024	N.S.	€ 2.305	From 14.05.2024 until approval of the financial statements at 31.12.2026
Alessandro Franzosi	CFO and Executive Director of Arnoldo Mondadori Editore S.p.A.	24.04.2024	Rights for the free allocation of Arnoldo Mondadori Editore S.p.A. shares	68,244	RC 08.05.2024 BoD 14.05.2024	N.S.	€ 2.305	From 14.05.2024 until approval of the financial statements at 31.12.2026
no. 19 Executives		24.04.2024	Rights for the free allocation of Arnoldo Mondadori Editore S.p.A. shares	643,765	RC 08.05.2024 BoD 14.05.2024	N.S.	€ 2.305	From 14.05.2024 until approval of the financial statements at 31.12.2026

(*) Price on 13/05/2024