

1Q2024 Results

Investors Presentation

Antonio Porro – CEO

Alessandro Franzosi – CFO

Segrate – May 14th, 2024

AGENDA

- 1. 1Q 2024 Highlights**
2. 1Q 2024 Results
3. FY 2024 Outlook
4. Annexes

Highlights 1Q24 – Executive Summary



*Improvement of
economic performance*

- Revenue growth by 3.8% vs 1Q23, +1.5% LFL
- Adj. EBITDA growth by 9.3% vs 1Q23
- Rep. EBITDA growth by 22.7% vs 1Q23



*Group financial
structure continues to
strengthen*

Solid cash generation of the business:
Ordinary Cash Flow LTM €69 mn

NFP down by 7% yoy at -205.5 € mn confirming the Group capacity to self-finance the M&A activity and to remunerate Shareholders



*Ongoing
development
focused on the core
business*

Acquisitions finalized:

- 51% of **Star Shop** (consolidated from 02/01): replication in the comics segment of the vertically-integrated business model with which the Mondadori Group already operates in the book segment
- 51% of **Bookrepublic Webnovels**: exploration of innovative ways of reading and entertainment
- 100% of **Chelsea Green Publishing** (consolidated from 05/01): strengthening of international presence in English-speaking markets

Q1

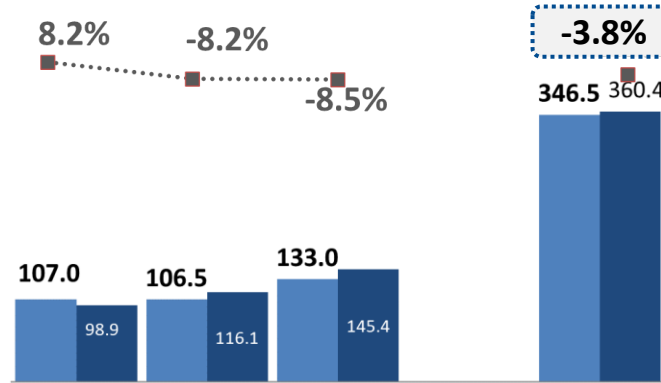
Q2

Trade Book Market – update 1Q 2024

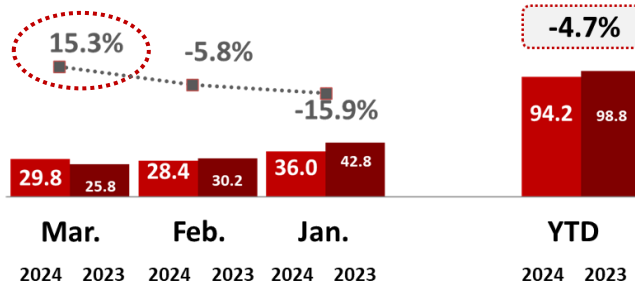
Despite the difficult comparison with 1Q of last year:
3 books in the Top 5

Value data – Sell out
(€ mn)

Market



-2.2% net of «Spare»



Market share
Mondadori Group

2024
27.2%

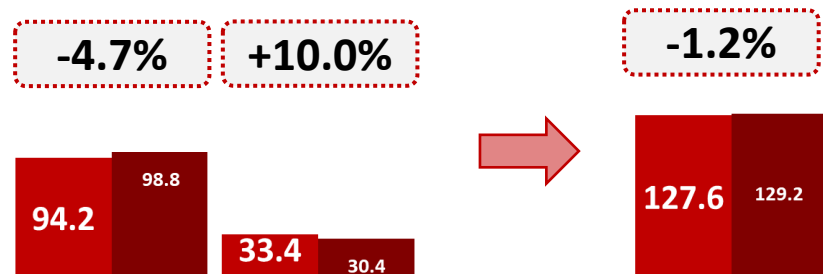
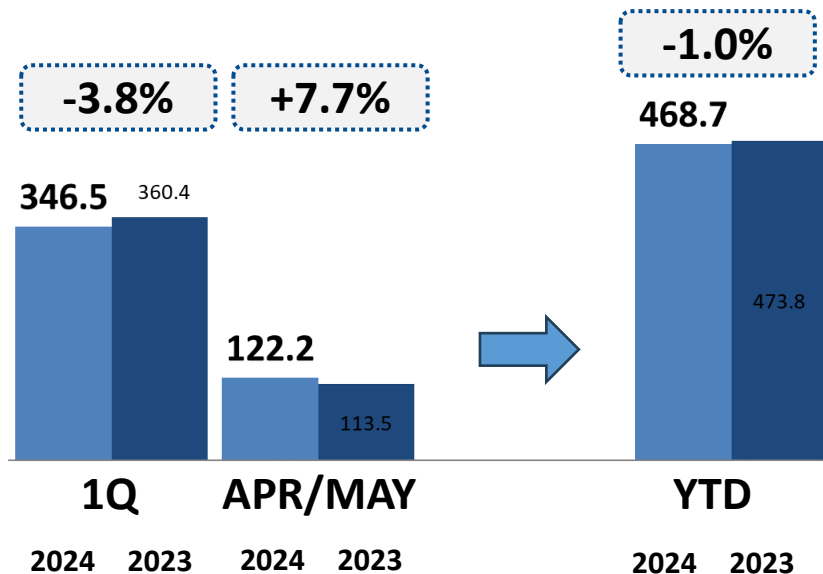
2023
27.4%

+1.8% net of «Spare»

Trade Book Market – YTD 2024

Value data – Sell out
(€ mn)

Market

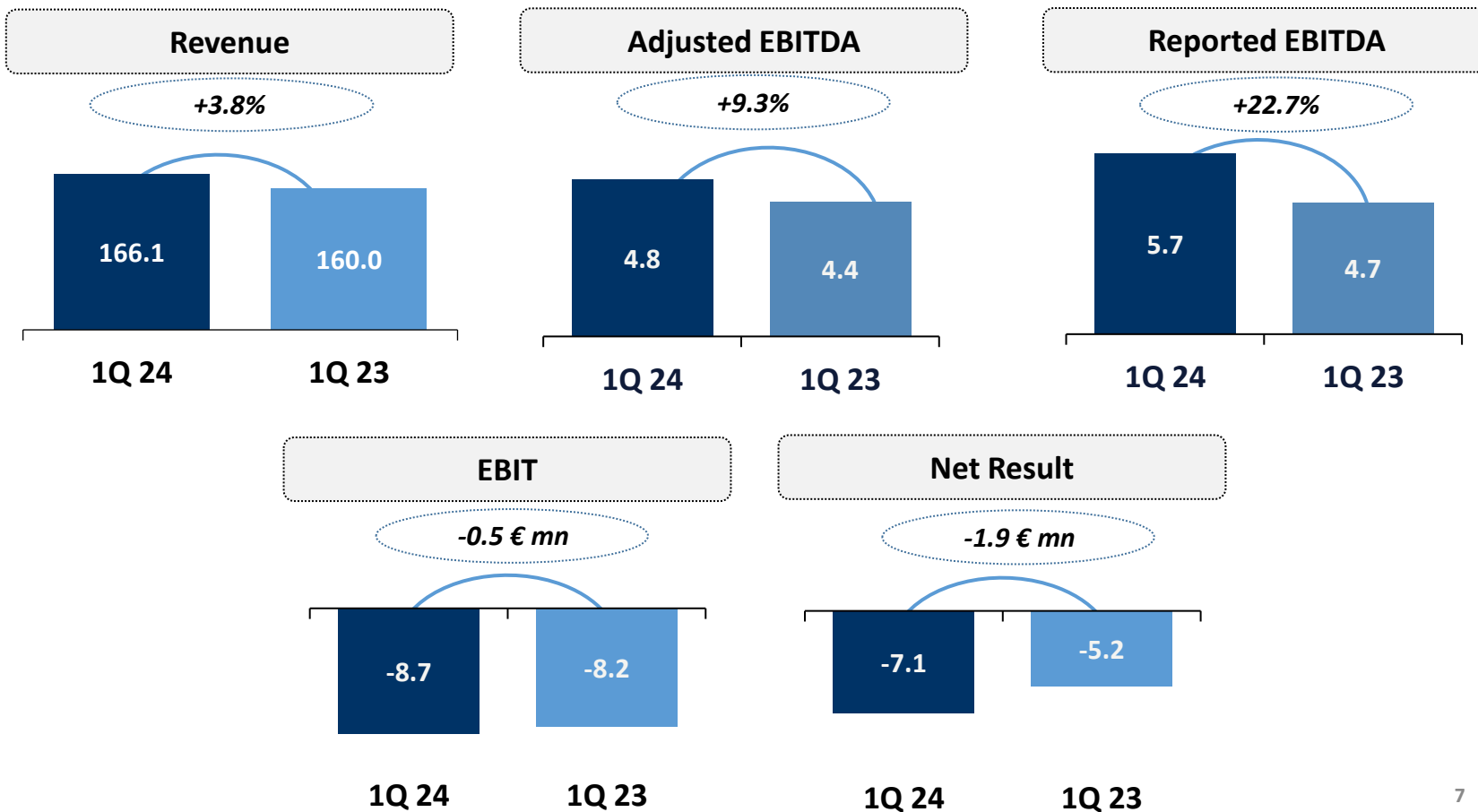


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Highlights – 1Q 24

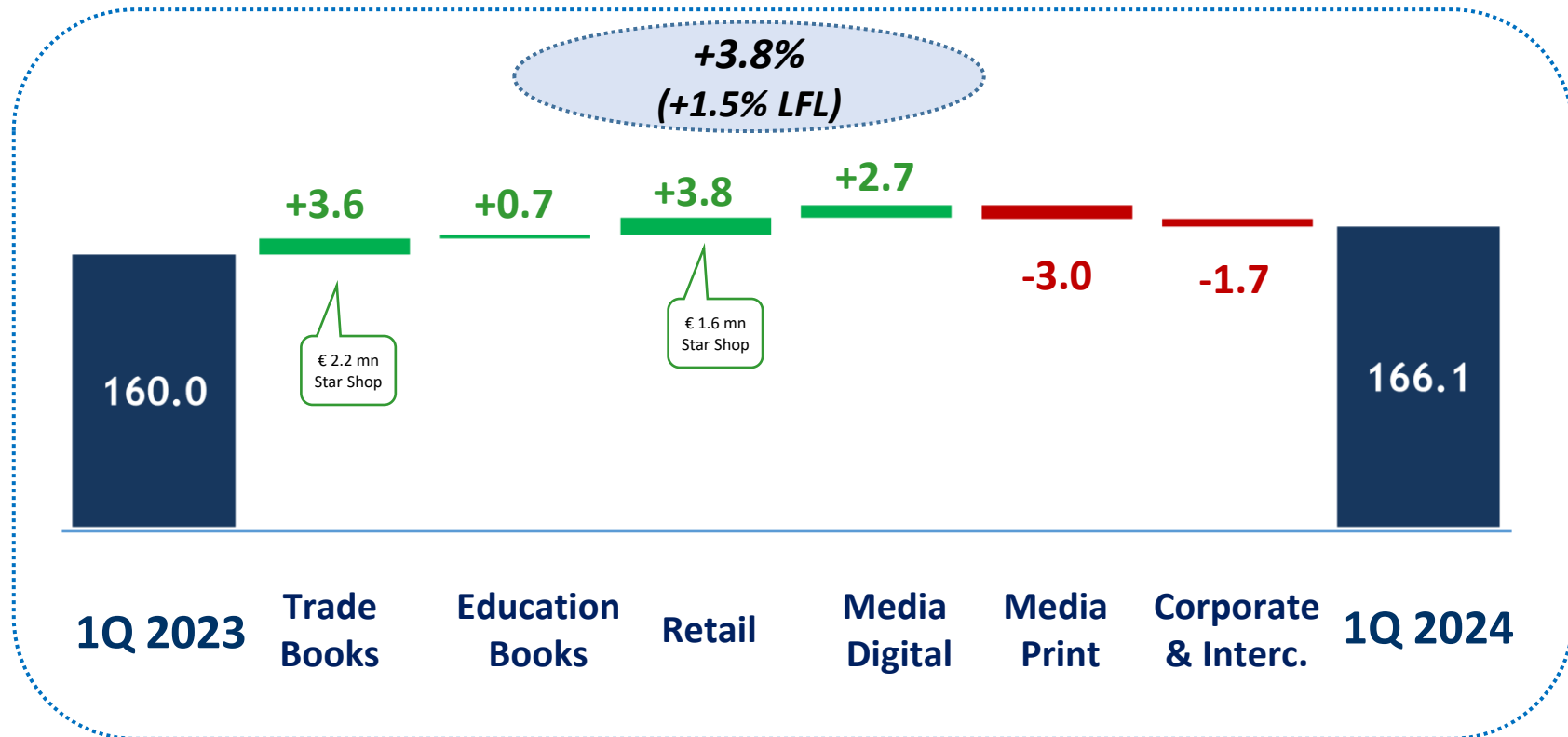
€ mn



Revenue by Business Area – 1Q 24

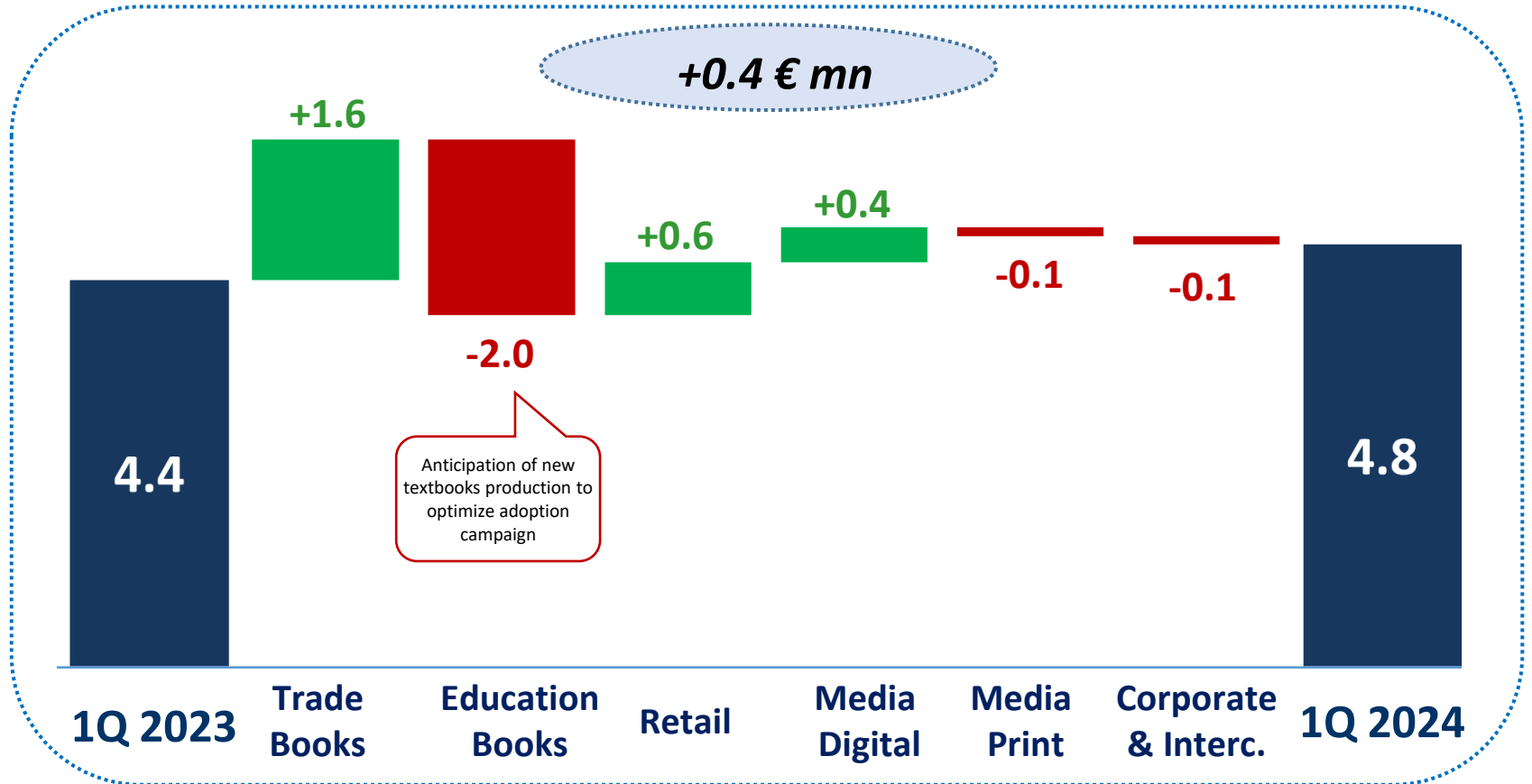
€ mn

All core business areas growing



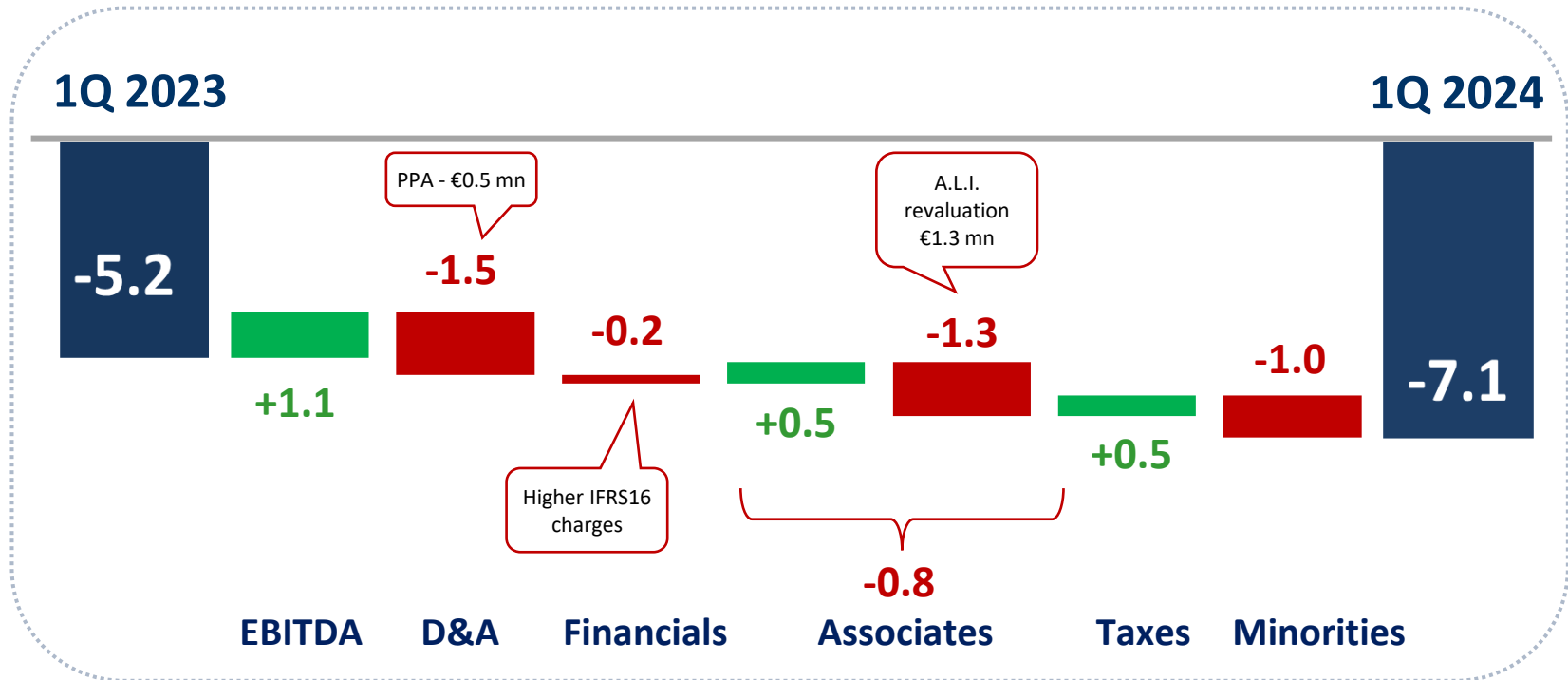
Adjusted EBITDA by Business Area – 1Q 24

€ mn



Net Result - 1Q 24

€ mn

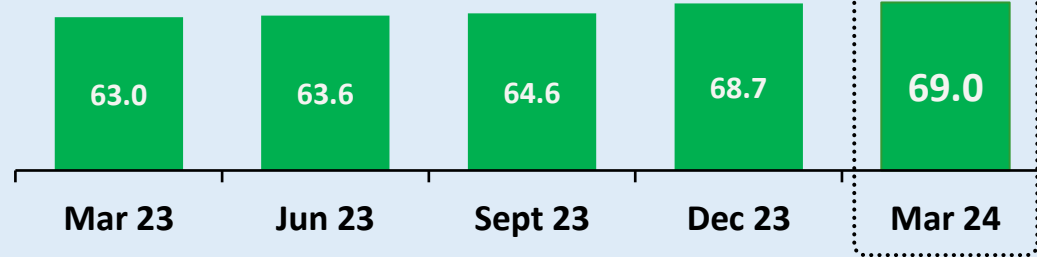


A strengthened financial structure ...

€ mn

Strong business cash generation confirmed

LTM
Ordinary
Cash Flow

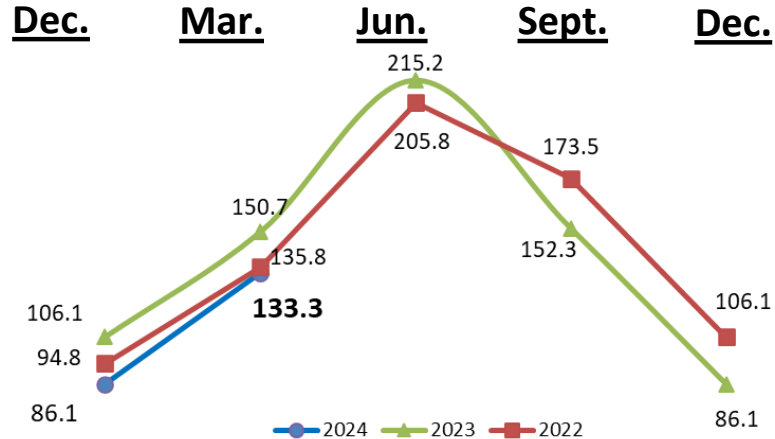


Net of derivatives revaluation to cover interest rates

Net Debt 1Q
Seasonality

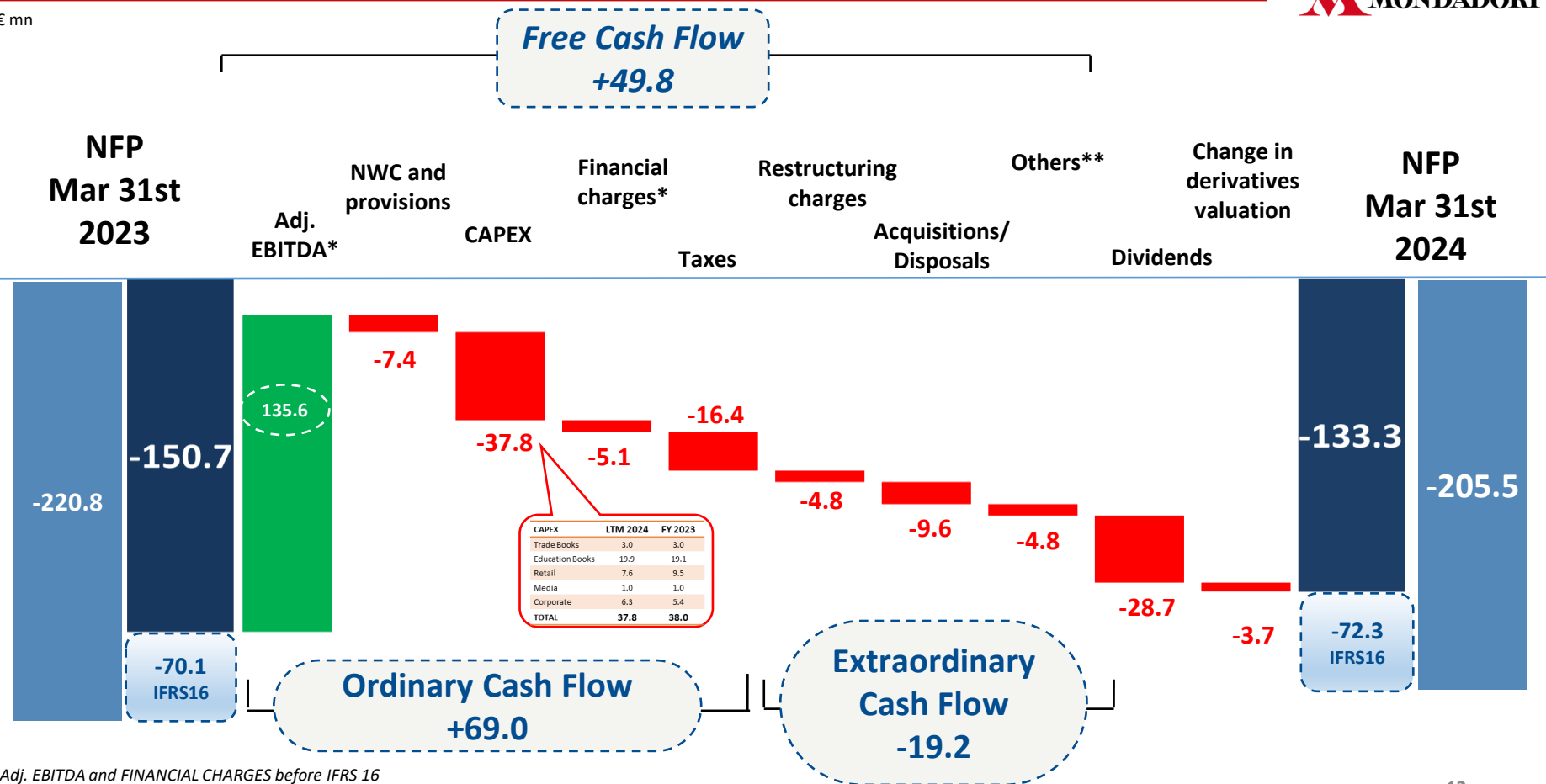
- +41.0** (M&A 1.2)
- +44.6** (M&A 4.1)
- +47.2** (M&A 8.0)

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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Mondadori Group 2024 Target*

REVENUE

Low single-digit growth

Adj. EBITDA

Mid single-digit growth
(profitability at 17%)

**Ordinary
Cash Flow**

~ €70 mn



BACK-UP

AGENDA

Annexes

Business Areas: Books

Business Areas: Retail

Business Areas: Media

Others

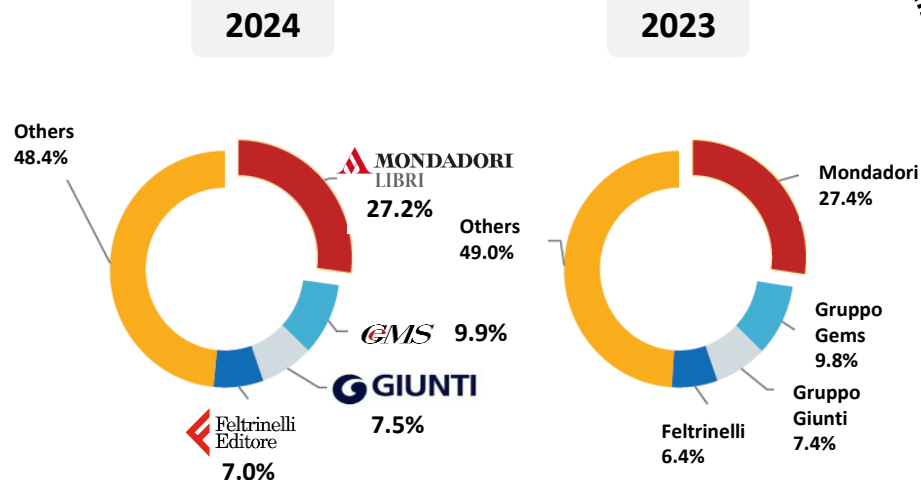
1Q 24 – Books Market Share

2024 Top Ten

3 titles in Top5
6 titles in Top10

#	Title	Author	Publisher
1	L'orizzonte della notte	Carofiglio Gianrico	EINAUDI
2	Tutti i particolari in cronaca	Manzini Antonio	MONDADORI
3	Un animale selvaggio	Dicker Joël	LA NAVE DI TESEO
4	Dare la vita	Murgia Michela	MONDADORI
5	La portalettere	Giannone Francesca	NORD
6	Tra il silenzio e il tuono	Vecchioni Roberto	EINAUDI
7	Cuore nero	Avallone Silvia	RIZZOLI
8	L'educazione delle farfalle	Carrisi Donato	LONGANESI
9	Tutto è qui per te	Volo Fabio	MONDADORI
10	Quando eravamo i padroni del mondo. Roma: l'impero infinito	Cazzullo Aldo	HARPERCOLLINS ITALIA

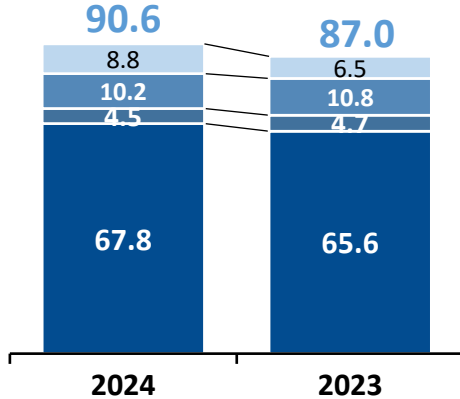
Market Share – Trade



Business 1Q24 – Book and Education

€ mn

Revenues +6.0% (+1.7% LFL)*



Distribution and services (incl.)

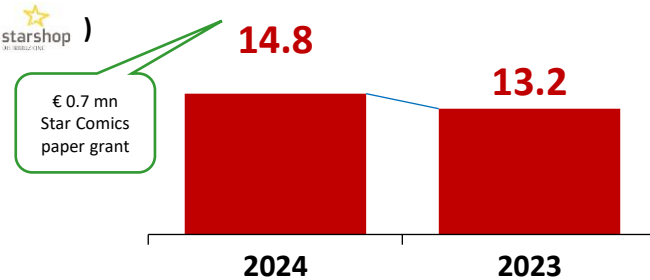
RIP -5.0%

Electa -3.9%

Publishers +3.4%

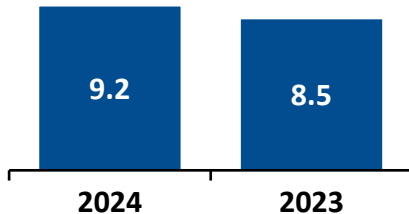
* Net of intercompany

Adj. EBITDA +1.6 € mn

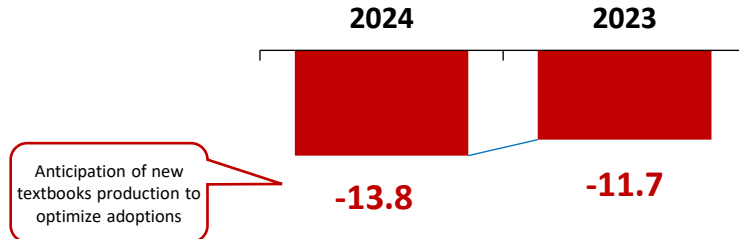


TRADE

Revenues +8.4%



Adj. EBITDA -2.1 € mn



EDUCATION

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Annexes

Business Areas: Books

Business Areas: Retail

Business Areas: Media

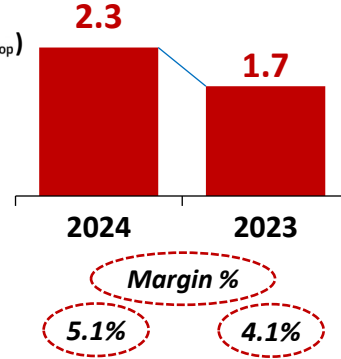
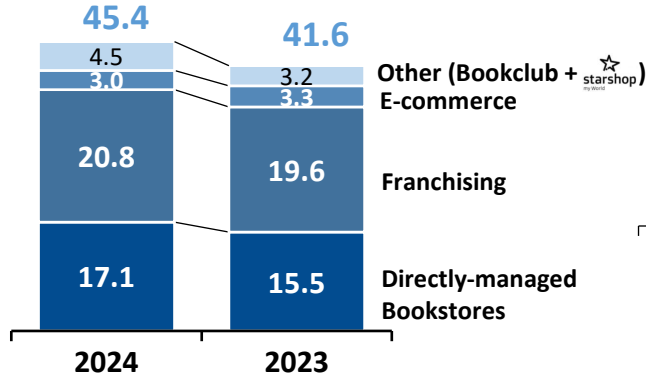
Others

1Q24 Business – Retail

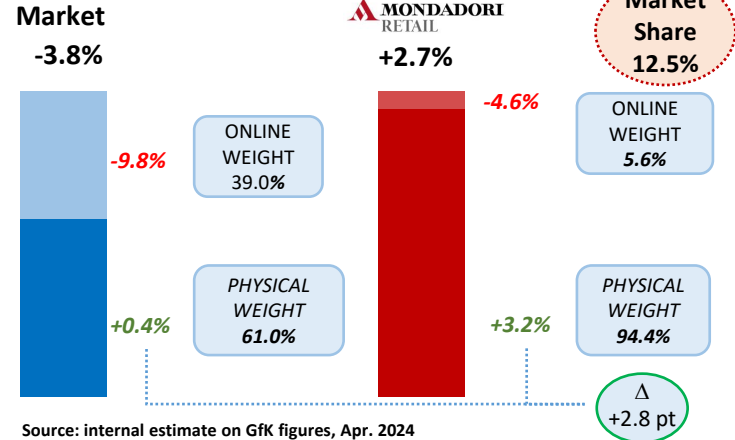
€ mn

Revenue +9.0% (+5.2% LFL)

Adj. EBITDA +0.6 mn



Books Market 1Q 2024



Source: internal estimate on GfK figures, Apr. 2024

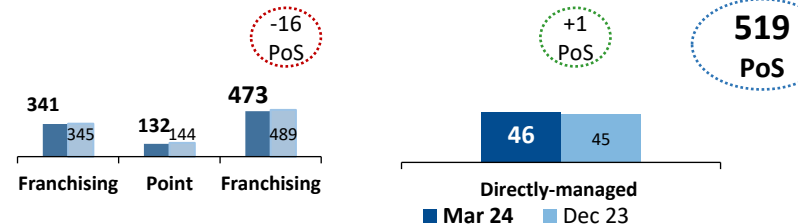
REVENUE

- Books (over 80% of store revenue): +4.9%
- DOS : +10.3%
- Franchising: +6.1%
- 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.

Point of Sale Network: Ongoing razionalization



15 DOS
38 affiliated

AGENDA

Annexes

- Business Areas: Books
- Business Areas: Retail
- Business Areas: Media**
- Others

Business FY24 – Media

€ mn

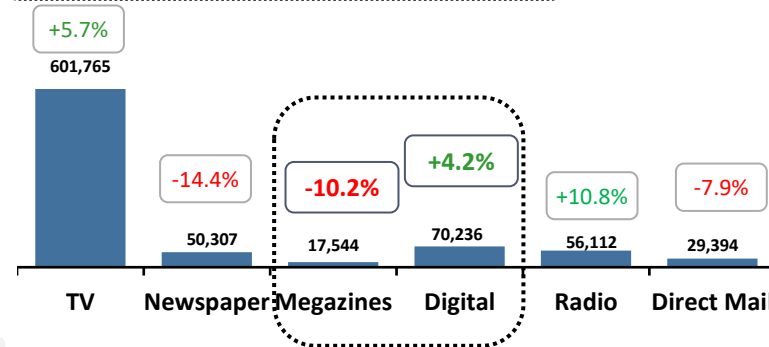
2024 Magaz. Circulations Trend

-5.4%



2024 ADV Market

+4.0%



2024

2023

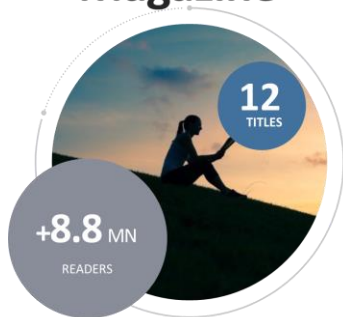
20.4%

20.8%

2024

2023

Magazine



Web



Social



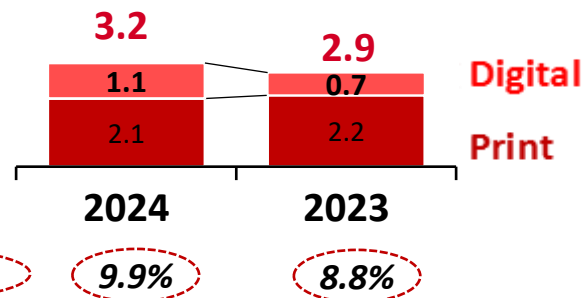
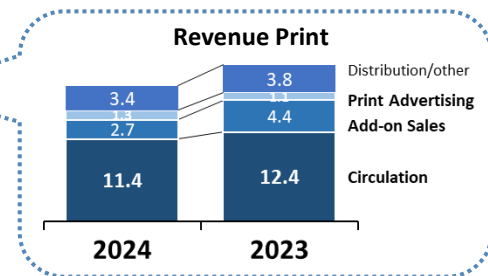
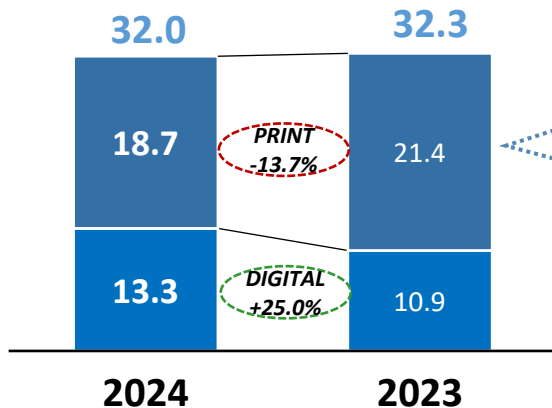
1Q24 Business – Media

€ mn

Revenue -1.0%

42% digital revenue

Adj. EBITDA +0.3€ mn



REVENUE

- **Digital: +25%** thanks to the **increase in ADV revenue** (thanks to MarTech development)
- **Print: -13.7%** due to the reduction of Add-on Sales :
 - **Circulation revenue:** -7.9%, with a better performance of TV magazines (*TV Sorrisi & Canzoni*) -5.0%
 - **Add-on Sales revenue:** -39%, due mainly to the reduction of musical products and Home Video
 - **Others:** -10.6%

Adj. EBITDA

Adj. EBITDA up by 11% thanks to the Digital performance

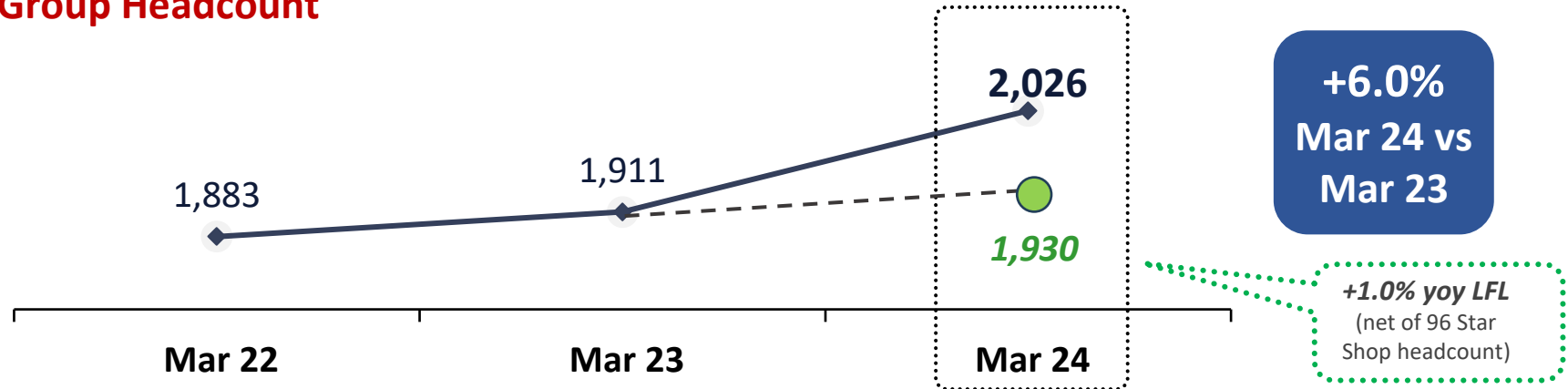
AGENDA

Annexes

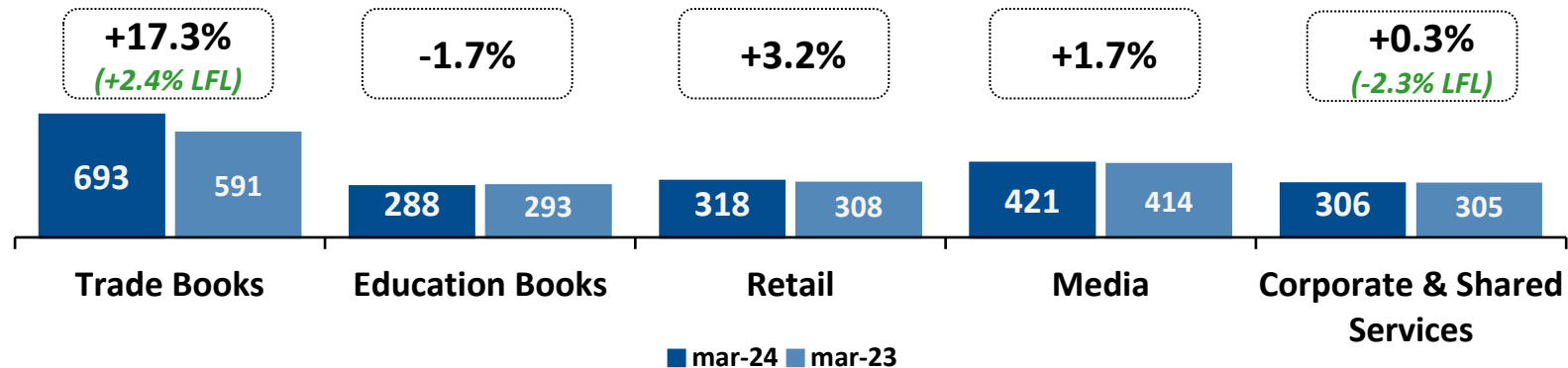
- Business Areas: Books
- Business Areas: Retail
- Business Areas: Media
- Others**

Headcount Evolution 1Q24

Group Headcount



Headcount by BU



1Q 24 Revenue and Adj. EBITDA by Business Area

REVENUE by Business Area

(Euro/millions)	Q1 2024	Q1 2023	Chg. %
Trade Books	90.6	87.0	4.2 %
Education Books	9.2	8.5	8.4 %
Retail	45.4	41.6	9.0 %
Media	32.0	32.3	(1.0) %
Corporate & Shared Services	10.8	10.4	3.9 %
Intercompany	(21.9)	(19.8)	10.3 %
Total Consolidated Revenues	166.1	160.0	3.8 %

Starting from 1 February 2024, the revenues deriving from Star Shop's distribution activities are included in the Trade Books area while the revenues from retail activities (direct and franchised stores) are accounted for in the Retail area.

Adj. EBITDA by Business Area

(Euro/millions)	Q1 2024	Q1 2023	Chg.
Trade Books	14.8	13.2	1.6
Education Books	(13.8)	(11.7)	-2.1
Retail	2.3	1.7	0.6
Media	3.2	2.9	0.3
Corporate & Shared Services	(1.3)	(1.0)	-0.4
Intercompany	(0.4)	(0.7)	0.3
Total Adj. EBITDA	4.8	4.4	0.4

Profit&Loss

1Q2024

(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.

The *Extended Labour Cost* item includes costs relating to collaborations and temporary work.

Balance Sheet

1Q2024

(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 %

- ▶ **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>



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



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