



GRUPPO  MONDADORI

**2022
MEDIOBANCA
MIDCAP
CONFERENCE**

Investors Presentation

January 19th - 2022

AGENDA

- 1. Mondadori Group in a nutshell**
2. Recent Strategic Developments
3. 9M 2021 Results
4. FY 2021 Outlook

Mondadori Group in a nutshell – as of FY 2020

GRUPPO MONDADORI



Businesses

MONDADORI LIBRI

MONDADORI RETAIL

MONDADORI MEDIA

BOOKS

RETAIL

MEDIA

Brands



% on 2020 Revenues

55%

20%

25%

% on 2020 EBITDA

90%

2%

8%

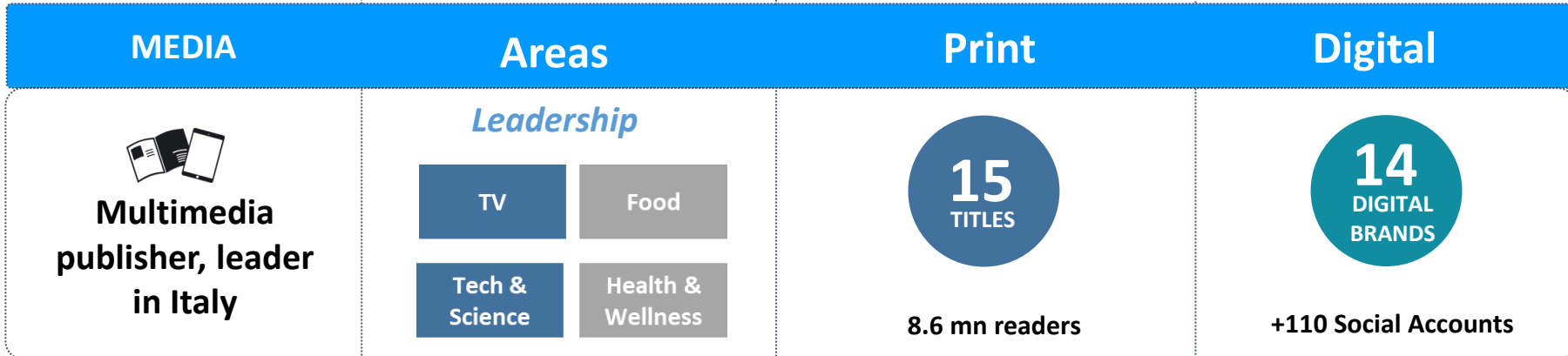
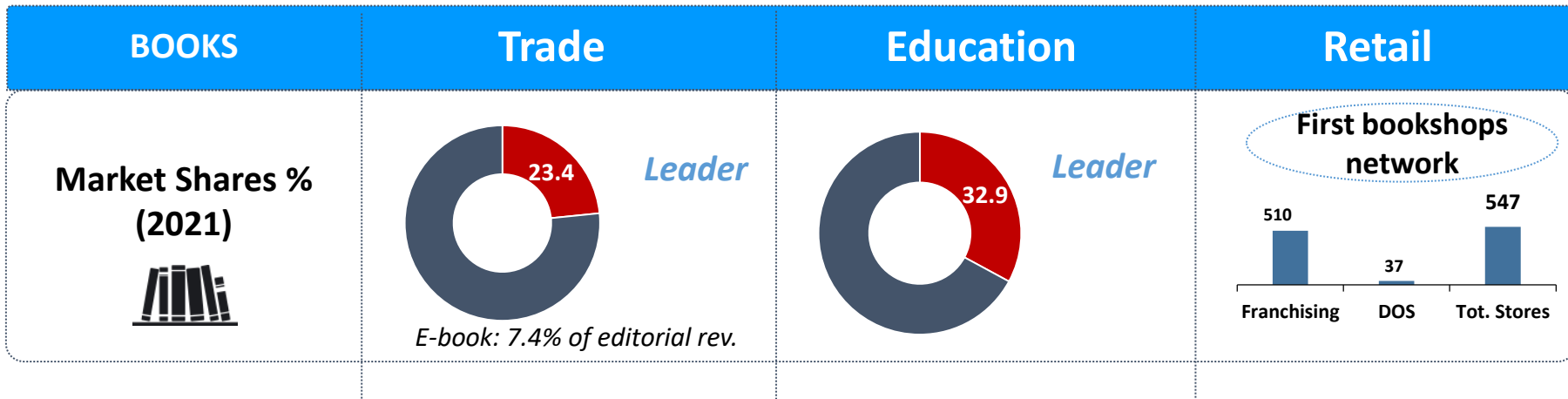
2020 EBITDA Margin

20,7%

0,8%

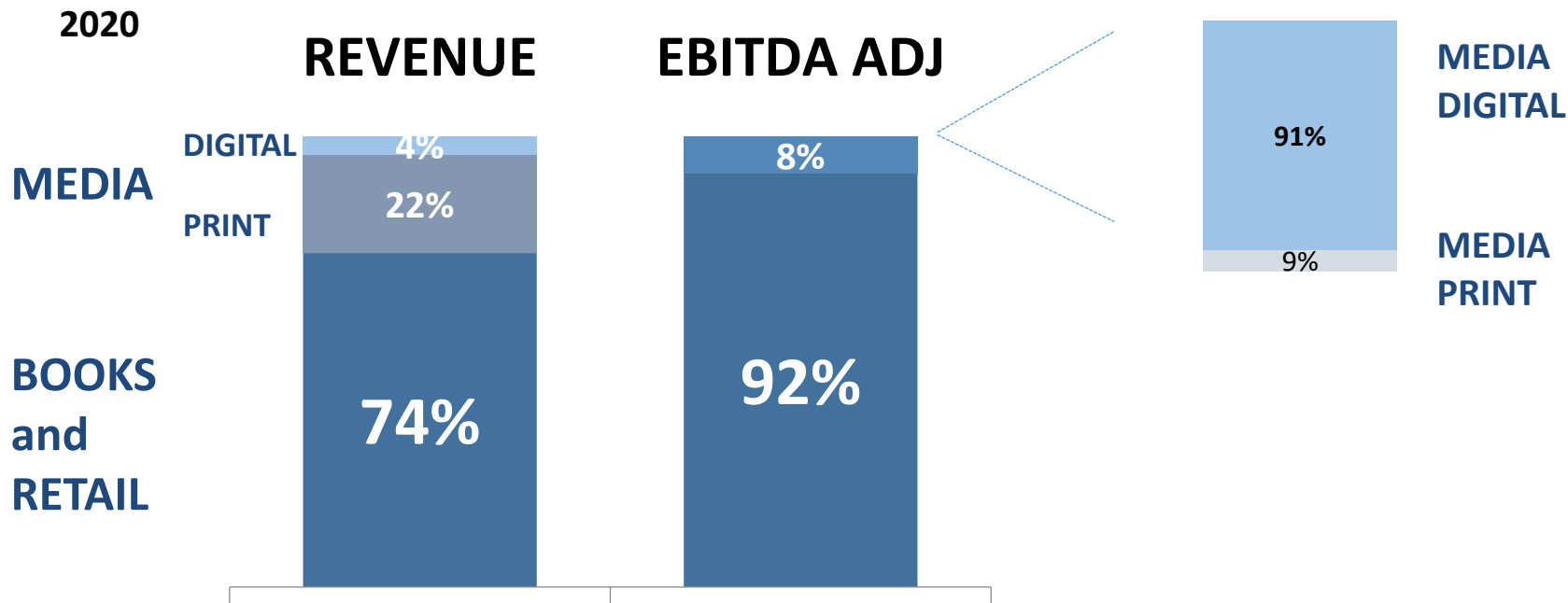
4,0%

Mondadori Group in a nutshell - 2021



Strategic repositioning ongoing...

Major business model de-risking path



Books make for over 90% of Group margins...

... the rest is generated by digital

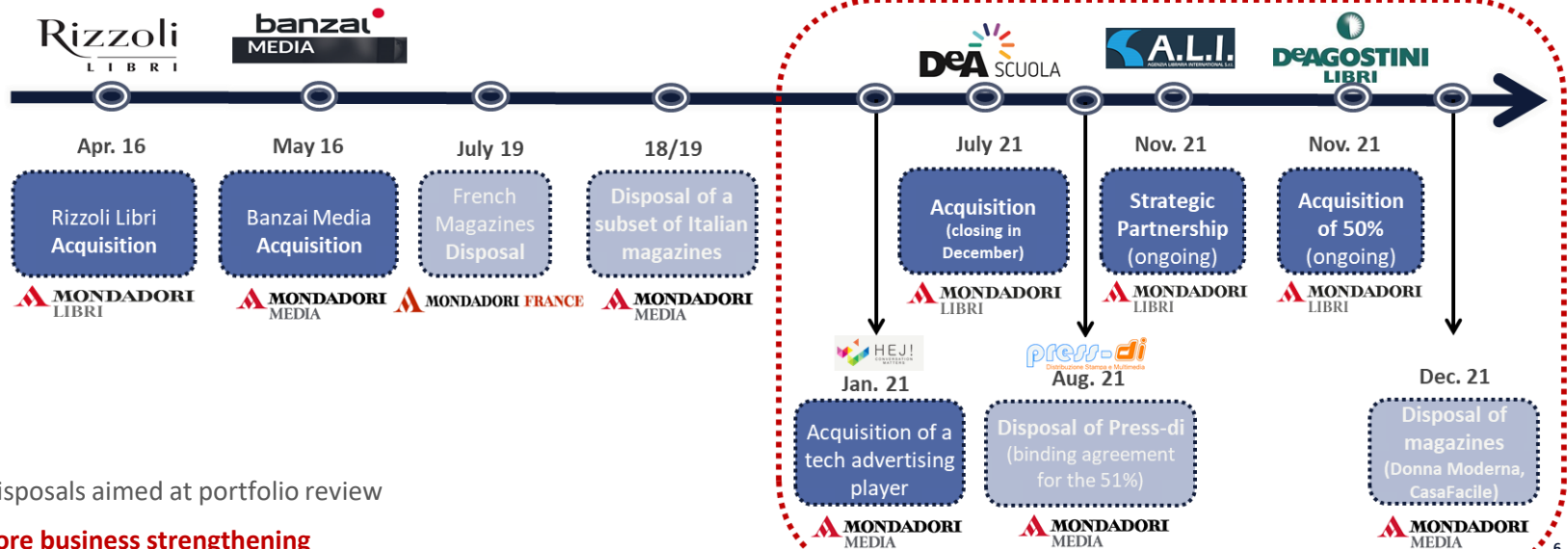
... through an active M&A strategy in the last 5 years

Focus on core business - Books and Digital

- Competitive strengthening also through M&A
- Disposal of non-core asset

2016-2019

2021



Disposals aimed at portfolio review



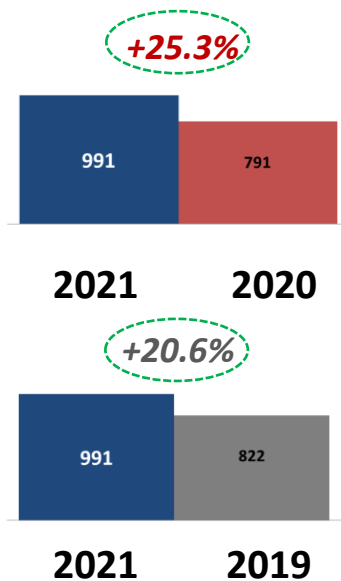
Core business strengthening

Markets – Trade Books 2021

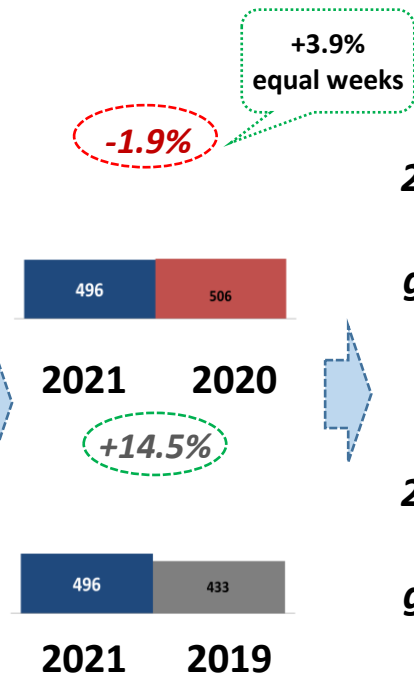
€ mn

Market fast-growing trend confirmed

9M Trend



4Q Trend



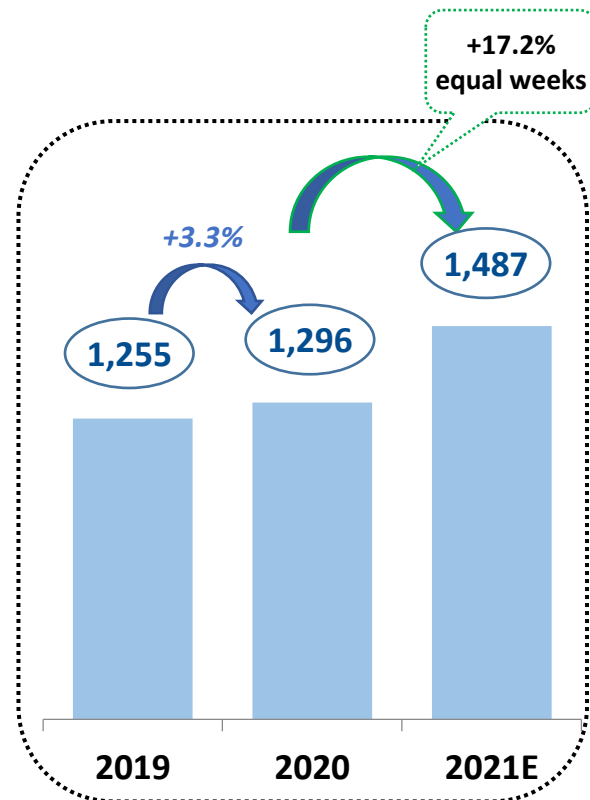
FY trend

2021 vs 2020 growth

+14.7%
(+12.5% net of Professional & Comics)

2021 vs 2019 growth

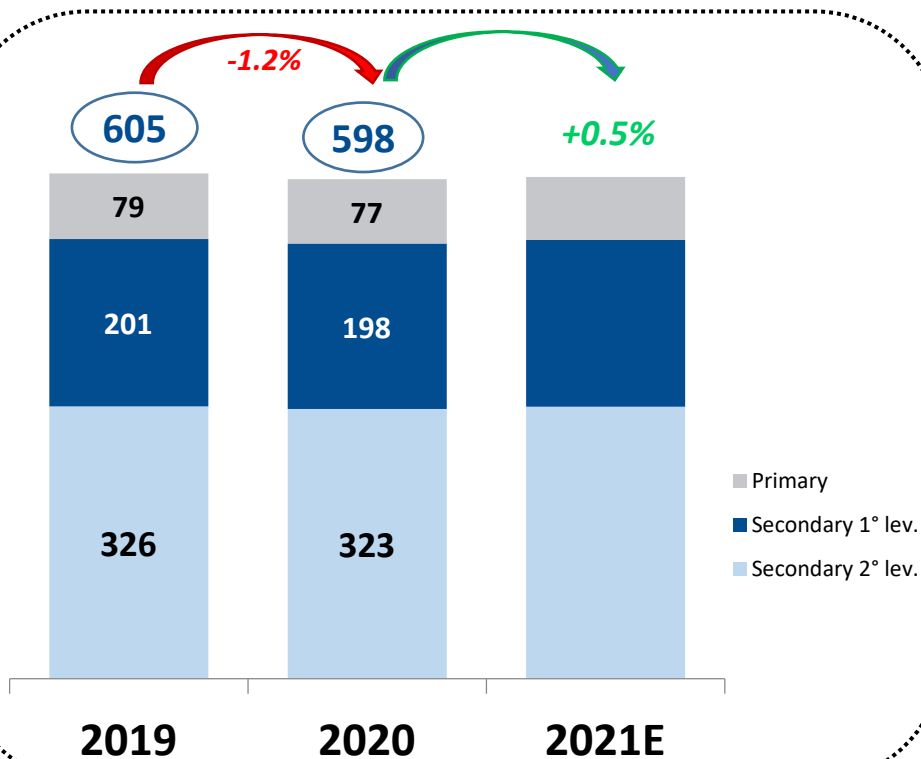
+18.5%
(+13.1% net of Professional & Comics)



Markets – Education Books 2021

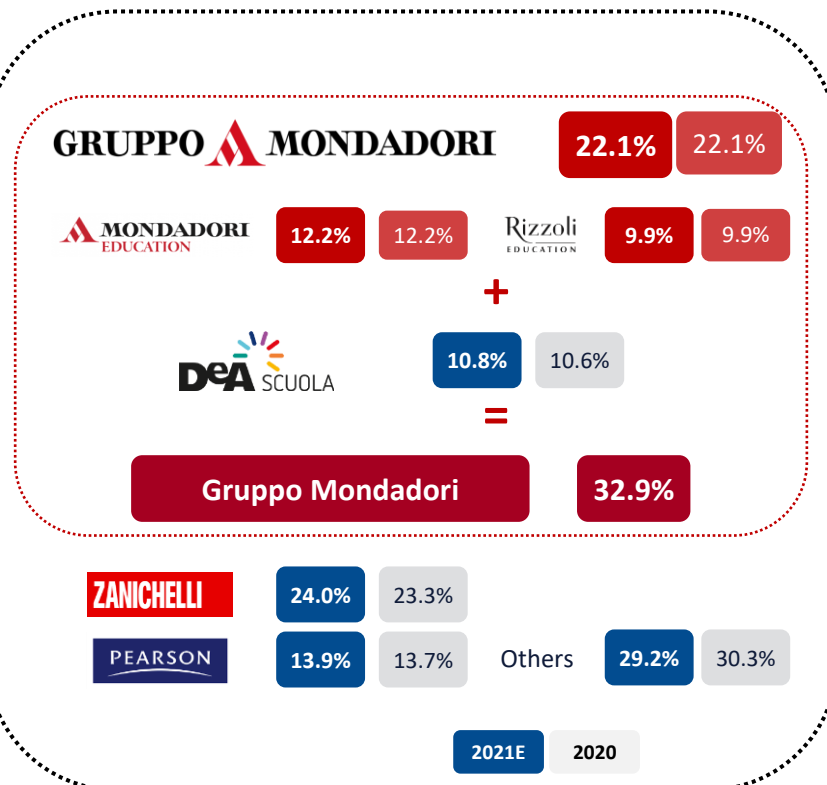
€ mn

2019-2021E Trend



Source: Databank 2020, ESAIE 2020; 2021: Databank recent estimate (July 2021)

2021 Market Shares



Source: AIE, Oct. 2021 (temporary data)

Mondadori Key Investment Proposition



**Almost a «pure»
Book player**



**Strong & Steady
Cash Generation**



**Continued
profitability
improvement**



**Return to a stable
Dividend Policy**

AGENDA

1. Mondadori Group in a nutshell

2. Recent Strategic Developments

- Books strengthening:

- *DeA Scuola Acquisition*
- *Strategic Partnership with A.L.I.*
- *50% acquisition of De Agostini Libri*

- Media rationalization

3. 9M 2021 Results

4. FY 2021 Outlook

Stronger foothold in Education publishing

Shareholder Value Creation

SHORT TERM...

- ▲ Enhancement of the catalogue breadth and quality
- ▲ Strengthening of Group's profitability and cash generation

...MEDIUM/LONG TERM

- ▲ Achievement of an increased efficiency through exploiting operating and structure cost synergies
- ▲ Acceleration in the development of innovative tools and in the adoption of interactive digital content



Ongoing transformation of the Group into an almost "pure" book player

EPS and Free Cash Flow increase

Fully consistent with ongoing strategic repositioning

DeA Scuola - The transaction

Deal Structure

- Acquisition of 100% of the share capital of **De Agostini Scuola S.p.A.** (renamed D Scuola S.p.A.) through the subsidiary Mondadori Libri S.p.A.

Price

- Enterprise Value € 157.5 million**
- Multiple of 7.4x EBITDA in 2020**
- Equity Value € 137.5 million**
- This **price** is based on the Enterprise Value net of the average normalized 2020 NFP; the final price will be determined on the basis of the average normalized 2021 NFP

Financing

- The transaction has been partially funded by the **Acquisition line** that is part of the recently renegotiated credit lines (Loan Agreement, May 2021)
- Line spread: **60 bps**

Value Creation

- Expected **run-rate synergies** of approximately **€ 4/5 million** (within 24 months from acquisition)
- EPS and FCF accretive deal** from first year (starting 2022)
- Improved financial structure after acquisition: on a pro-forma 2021 basis:
 - NFP/Reported EBITDA (no IFRS16) below 1.0x**
 - NFP/Adj. EBITDA (IFRS16) below 1.5x**

DeA – Key Figures

€ mn

FY 2020

| | |
|---------------|----------------|
| REVENUES | € 70.8 mn |
| EBITDA | € 21.4 mn |
| NET PROFIT | € 12.2 mn |
| OPERATING CF* | € 16.2 mn |
| NFP at 31/12 | Cash € 20.8 mn |
| HEADCOUNT** | 128 |

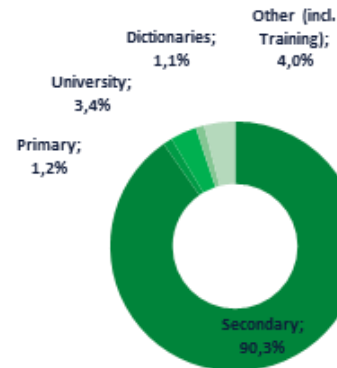
* Cash Flow before interests and taxes

** Average data FY 2020

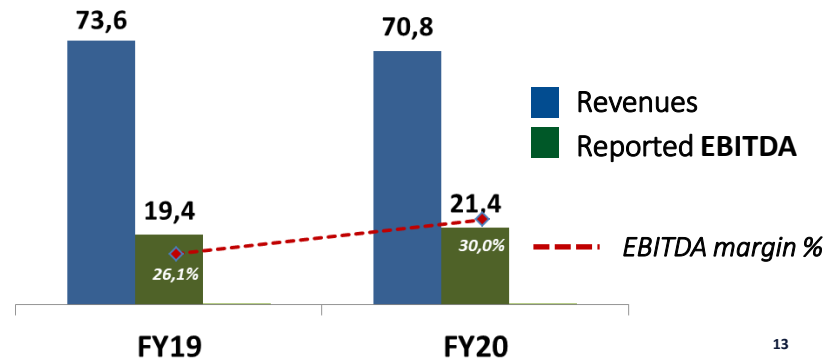
Revenue Breakdown FY 2020

ITA GAAP

K-12 Segment:
91.5%



FY19-20 Trend



Mondadori Post Deal - Expected synergies

Cost Synergies Breakdown



■ Operating Costs

■ Structure costs

Highlights

- ▲ **€4/5 million in run-rate synergies** (within 24 months from acquisition)
- ▲ Expected **synergies** refer to **efficiencies/economies of scale and scope**:
 - in structure costs;
 - in production costs (purchase of raw materials...);
 - in investments in the development of digital content.
- ▲ **Transaction costs** < € 1 million in FY2021

Expected **annual synergies** of approximately **€ 4/5 million**
(run-rate by 2023)

Transaction structure

- ▲ Acquisition of 50% of the share capital
- ▲ **Put&call agreements:** Mondadori has the option to acquire the additional 50% in two different tranches by 30 July 2025
- ▲ The **price** will be paid in **cash** at Closing

Strategic Rationale

- ▲ Portfolio of **more than 80 publishers distributed**
- ▲ **Increase from 7% to 18%* in market share** in the **book distribution segment for third publishers**, a dynamically developing market that requires ongoing improvement in customer service levels

Price - Financials Target

- ▲ **Price (50%) of € 10.8 mn**
- ▲ **FY 2020 (€ mn, ITA GAAP):**

| | |
|------------|-------|
| Revenue | 40.0 |
| EBITDA | 4.6 |
| Net profit | 3.0 |
| NFP (cash) | (5.9) |

Timing

- ▲ **Closing** subject to approval by the Antitrust Authority
- ▲ **Completion** of the deal expected **by first quarter 2022**

* Estimate on Gfk 2020 figures (market value)

Transaction structure

- Acquisition of 50% of the share capital
- Put&call agreements:** options exercisable in second half 2022, which entitle the Mondadori Group to acquire 100% of *Libromania*, actually 100% owned by the target, active in the **promotion of third-party publishers**
- The **price** will be paid in **cash** at Closing

Strategic Rationale

- Partnership** with a publishing house that boasts a rich history and tradition
- Strengthening** of trade books market leadership, with a particular focus on the children's and non-fiction segments (market share of De Agostini Libri = 1.4%*)

Price - Financials Target

- Price (50%, including 100% valuation of Libromania)** of € 4.5 mn
- FY 2021E (€ mn, on a consolidated basis, ITA GAAP):**

| | |
|---------|------------|
| Revenue | 12.6 |
| EBITDA | Break-even |

Timing

- Closing** subject to approval by the Antitrust Authority, given the involvement of the same parties (the Mondadori Group and De Agostini Editore) in the recent De Agostini Scuola deal
- Completion** of the deal expected **by first quarter 2022**

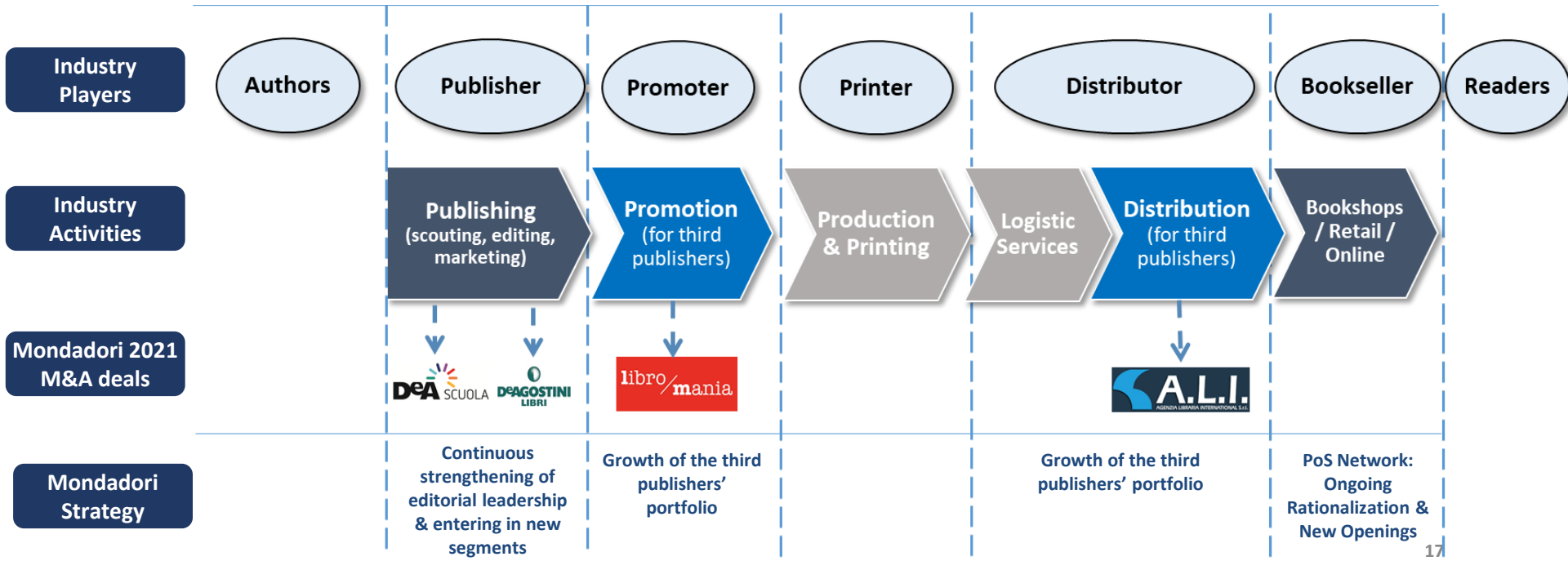
... that allow Mondadori to increase focus on Books...

The Publishing Value Chain & Mondadori increasing integration throughout the industry



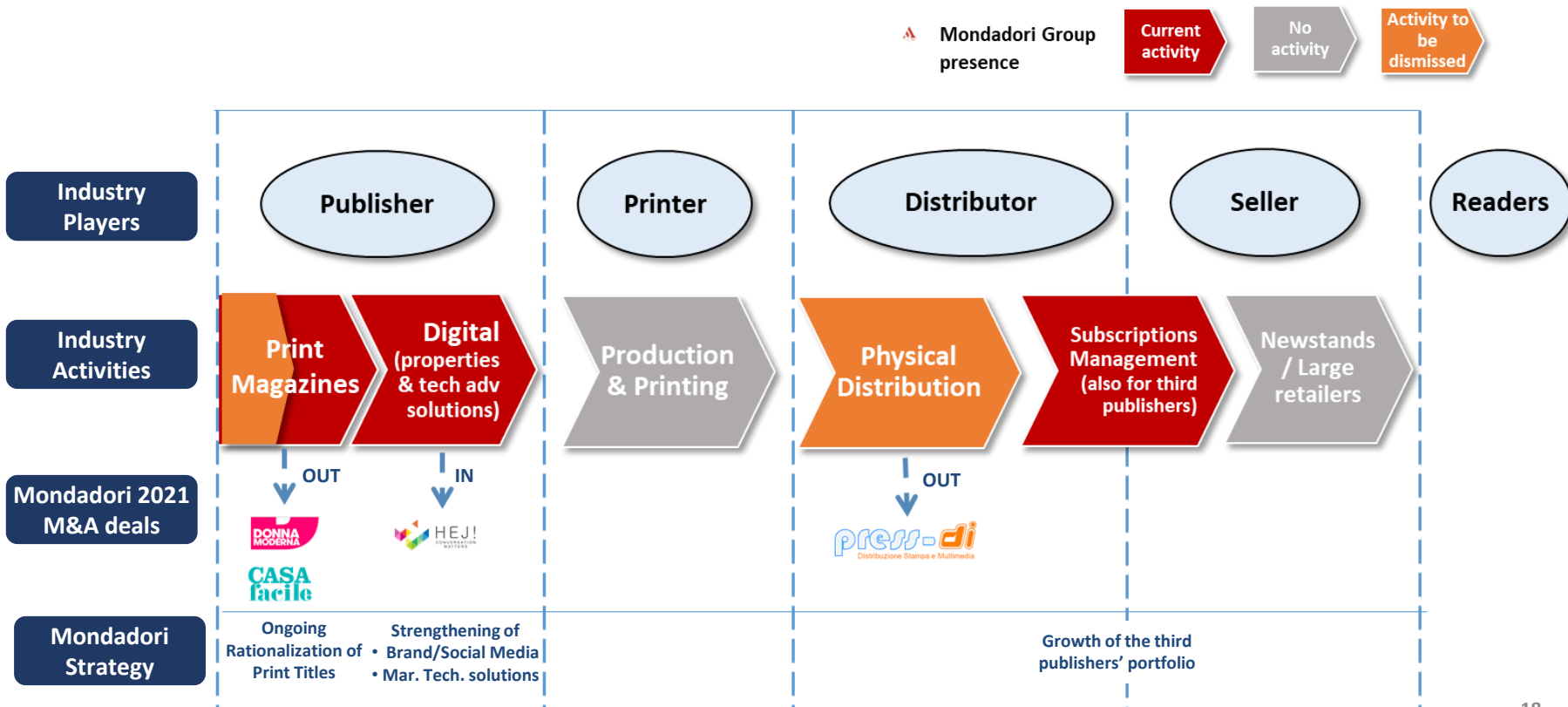
▲ Mondadori Group presence

Current activity (dark grey arrow)
 New activity (blue arrow)
 No current activity (light grey arrow)



... while to continue the rationalization of non core assets

The Media Value Chain



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Growth in revenue and in EBITDA across all business areas and sharp increase in Group profitability

Continued strengthening of and increased focus on the Books area



Books market continues its **fast-growing trend**

+25.3% vs 9M 2020

+20.6% vs 9M 2019

Group results improve:

- Revenue on the rise (+8.7%) vs 9M20
- Adj. EBITDA € +14 mn versus 9M20 (+19.8%)

Further increase in cash generation of the business....

- Cash Flow LTM from ordinary operations € 70.7 mn
- Free Cash Flow LTM € 55 mn

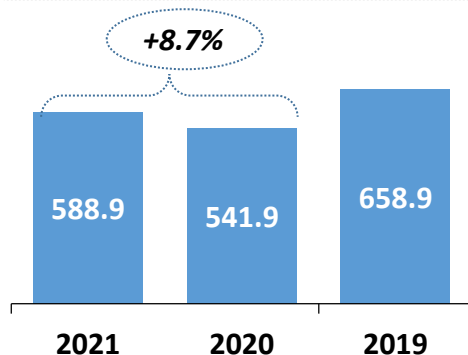
...resulting in a stronger capital/financial position

- NFP before IFRS 16 € -27.3 mn (vs € -82.3 mn at September 2020)

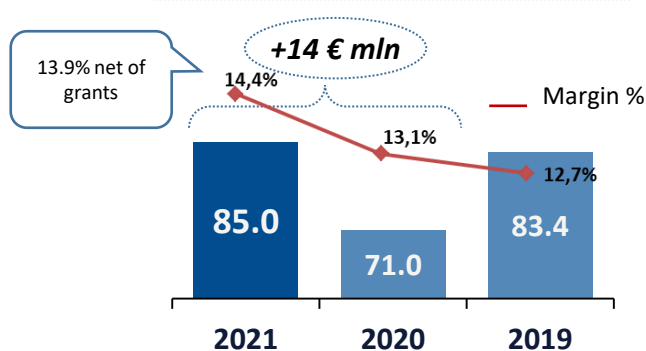
Highlights – 9M21 vs 9M20-9M19

€ mn

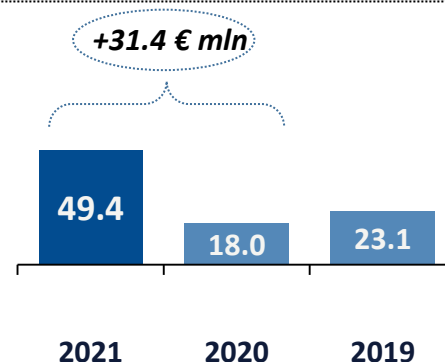
Revenue



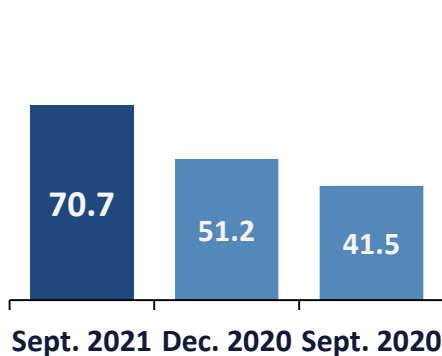
Adj. EBITDA



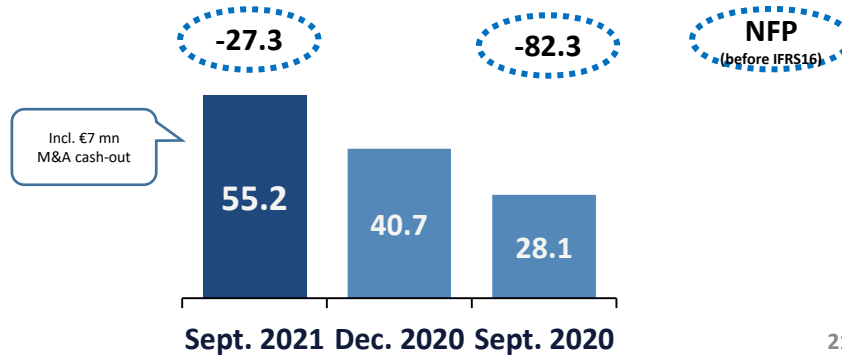
Consolidated Net Result



LTM Ordinary Cash flow



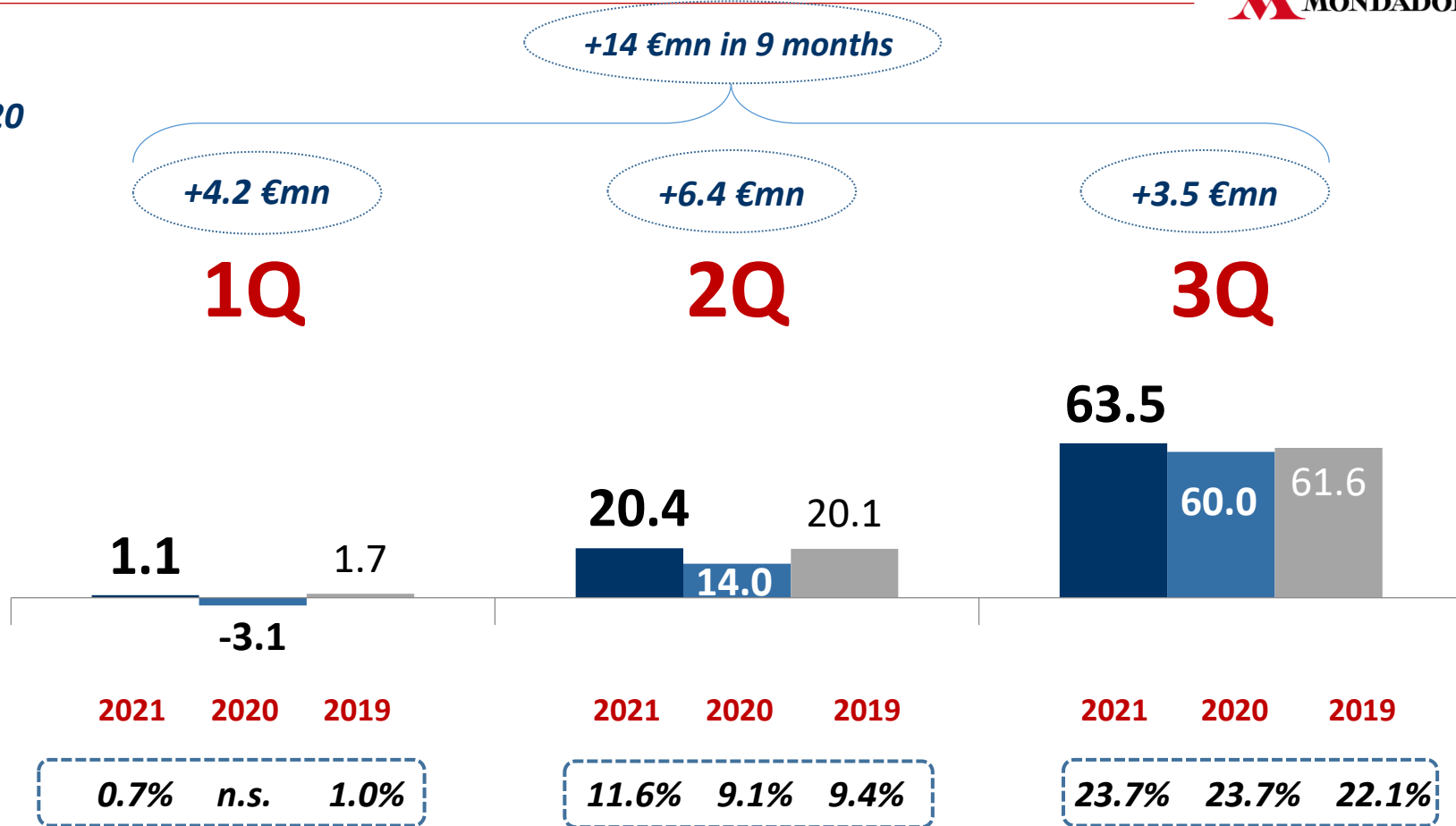
LTM Free Cash Flow



Highlights – EBITDA Adjusted quarter by quarter

€ mn

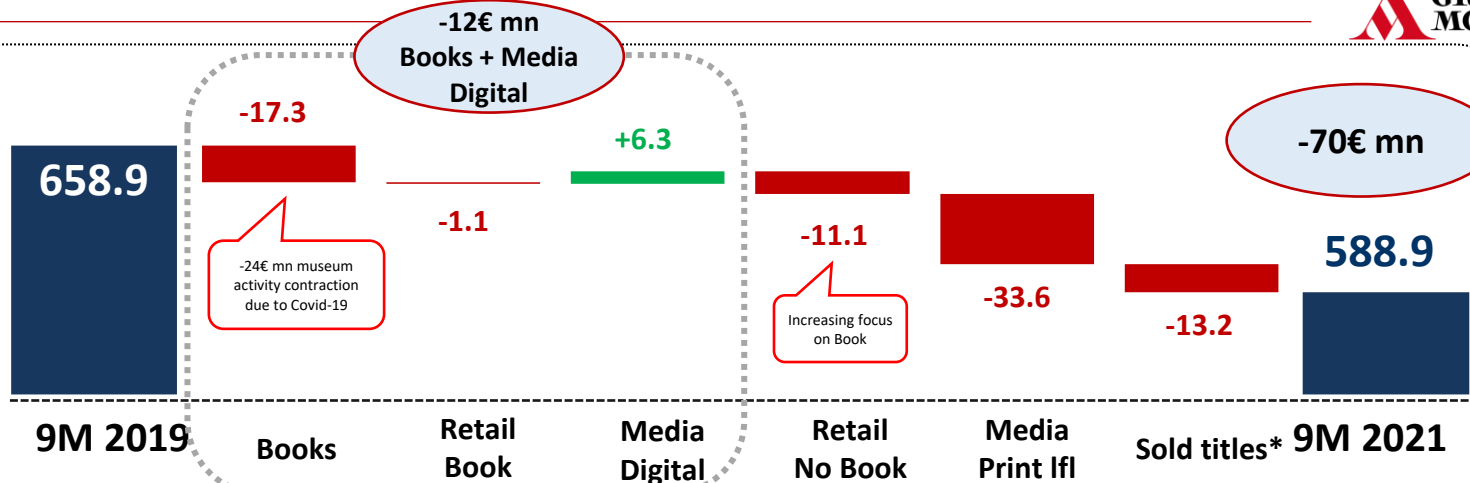
Var. 21-20
yoy



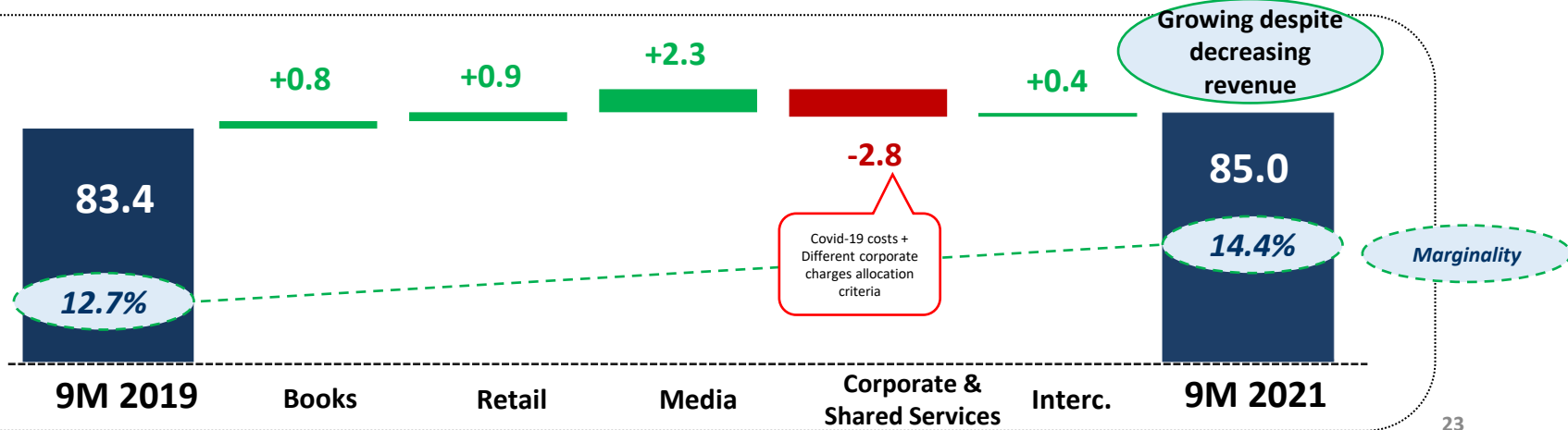
Revenue and Adjusted EBITDA 9M 21 vs 9M 19

€ mn

Revenue



Adj. EBITDA

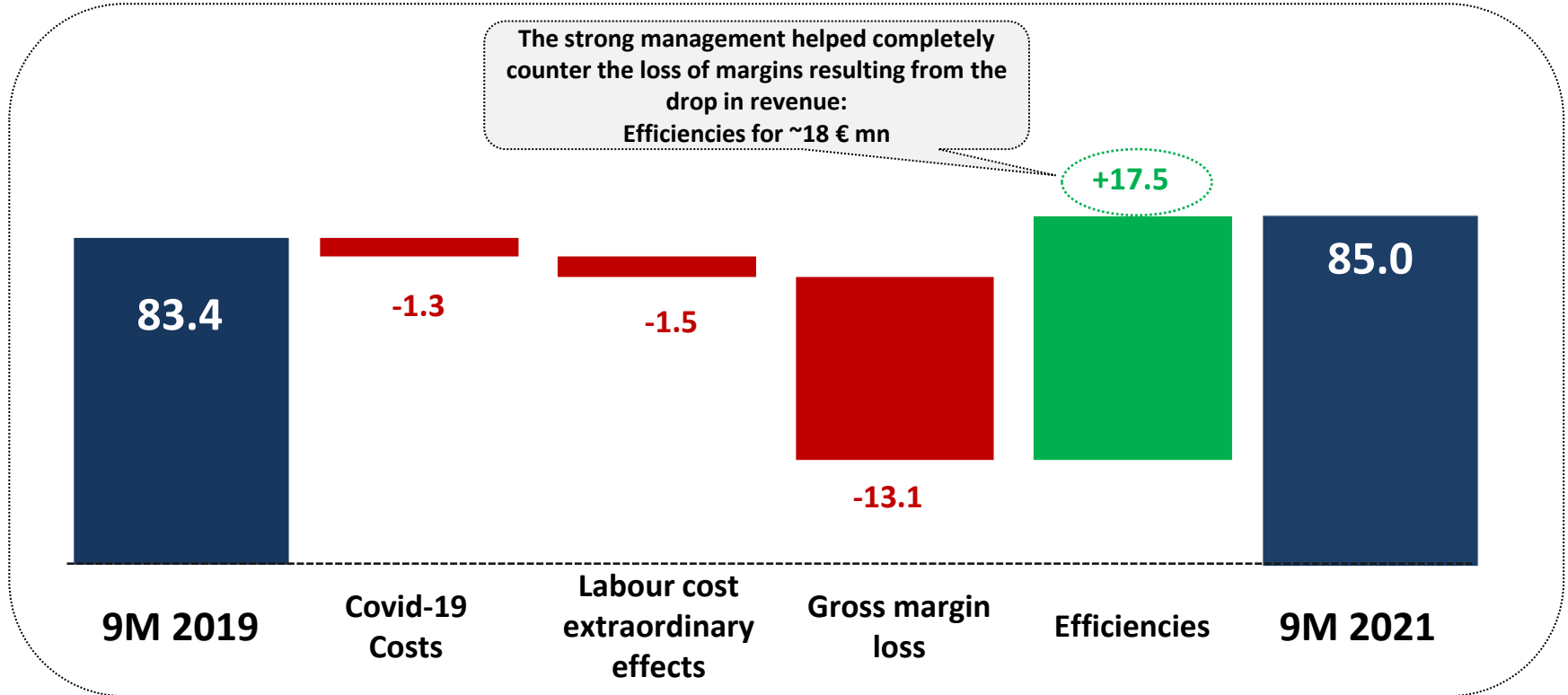


* TuStyle, Confidenze, Starbene, Sale e Pepe, Cucina Moderna

9M 21 vs 9M 19 EBITDA Adjusted

€ mn

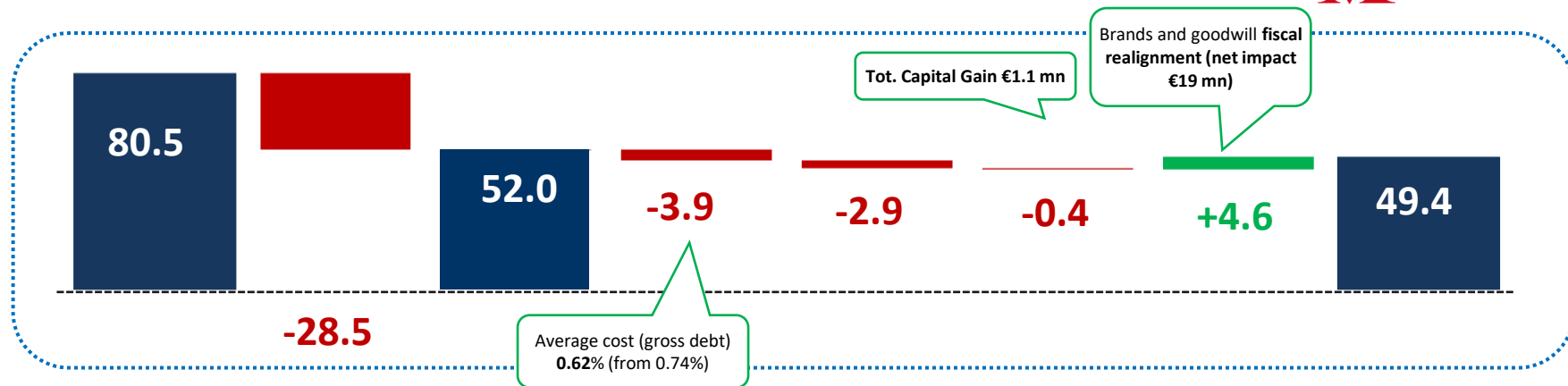
More than €17 mn efficiencies towards 2019



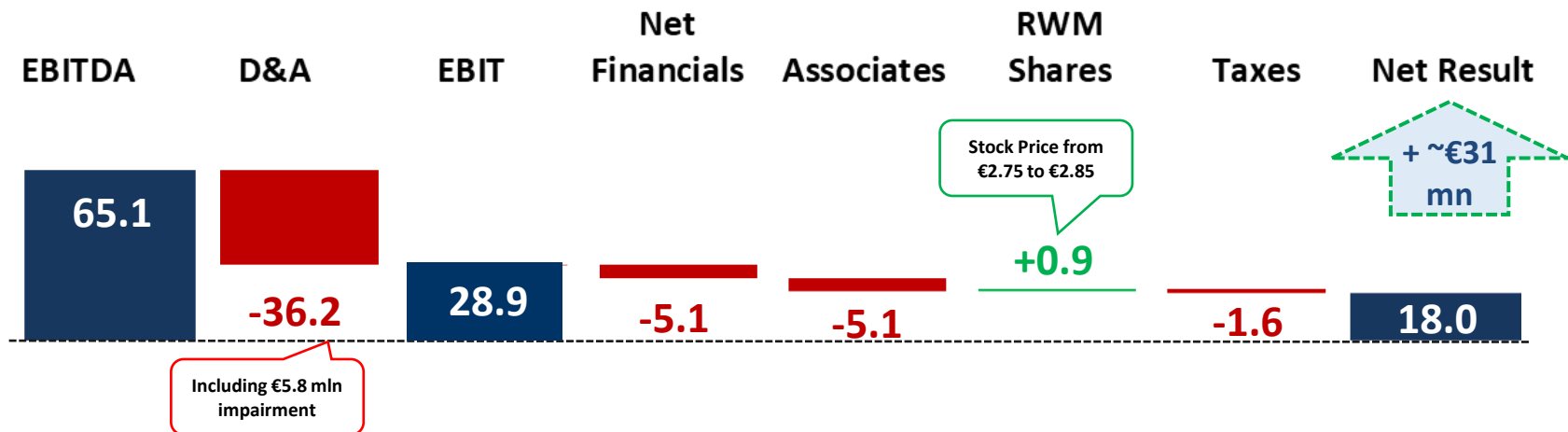
From EBITDA to Net Result 9M21

€ mn

9M 2021



9M 2020

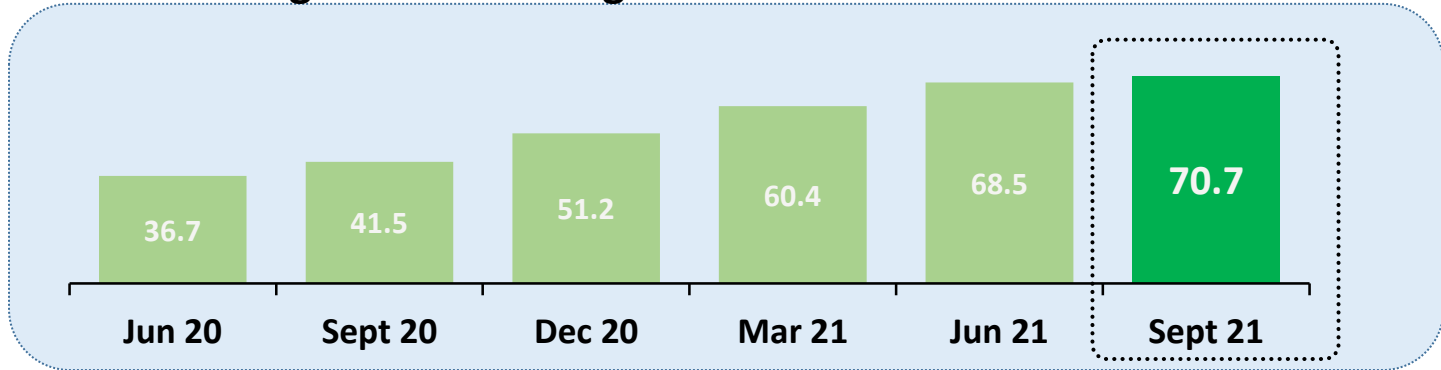


Cash Flow & NFP September 21

€ mn

Strong business cash generation confirmed

Ordinary Cash Flow



Ordinary Cash Flow = Operating CF net of taxes and net financials; LTM in the quarterly results

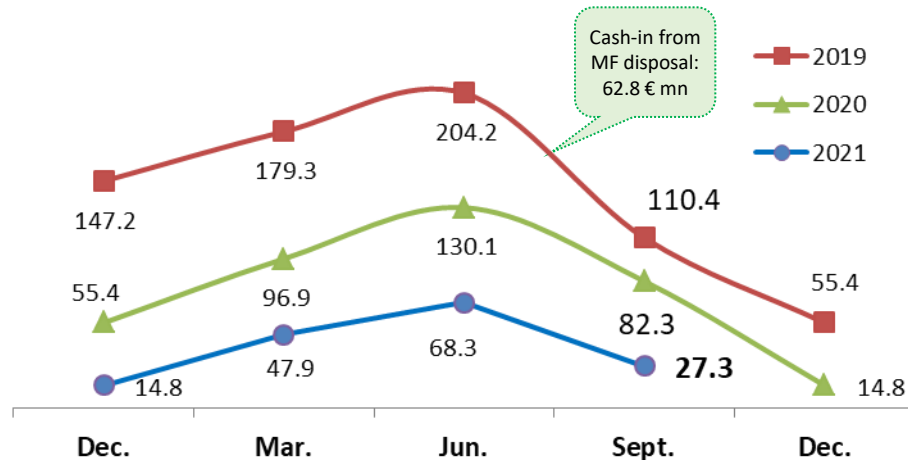
Net Debt 9M Seasonality

+26.0*

+26.9

+12.5

incl. 7 mln
M&A
cash-out



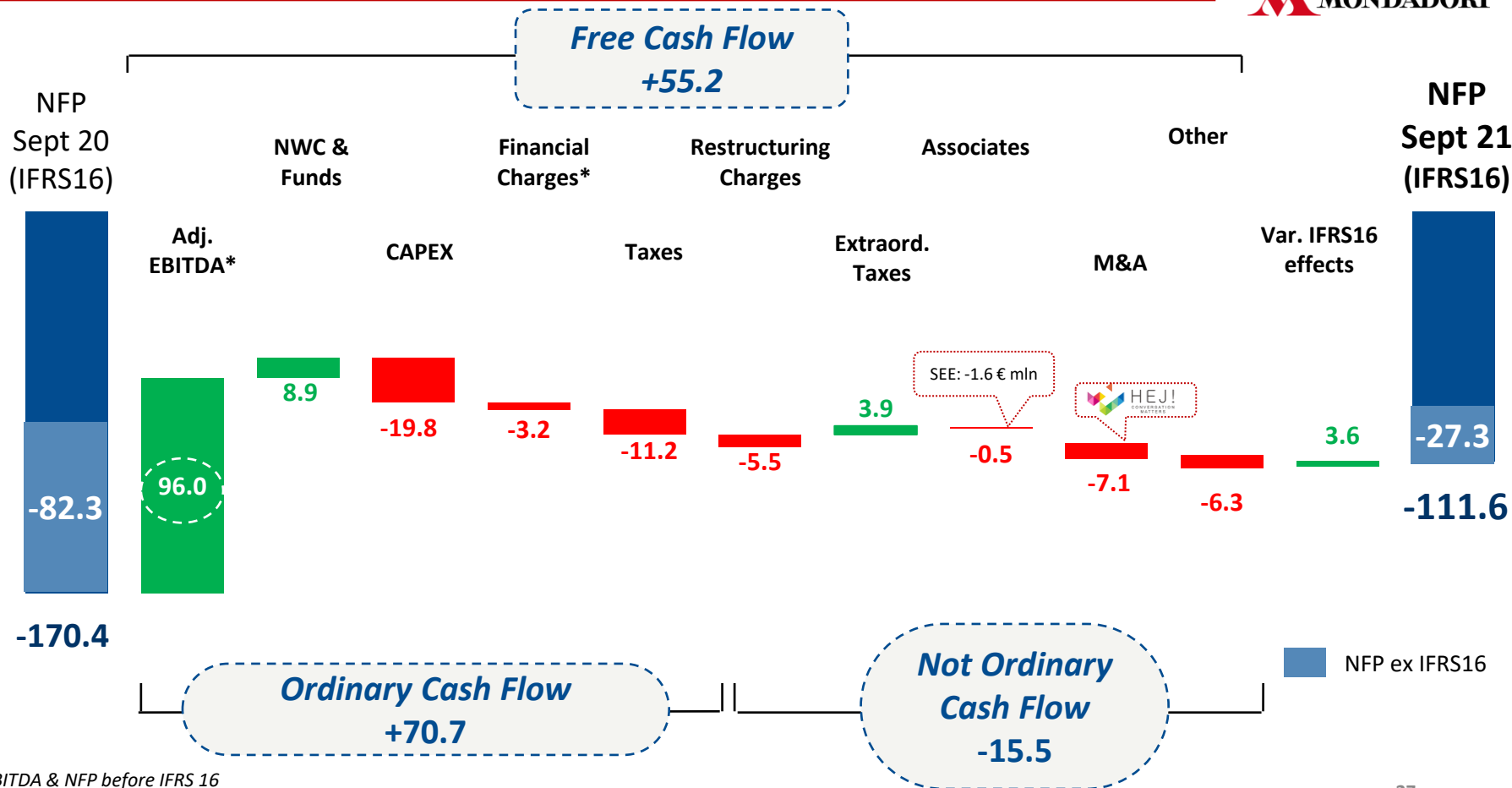
Sept 2021

Decrease by
55€ mn YoY
(before IFRS16)

* Net of Mondadori France cash-in (Lug. 2019)

Consolidated Cash Flow LTM September 21

€ mn





* Adj. EBITDA & NFP before IFRS 16

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FY21 Outlook – FY Targets

2021 GUIDANCE

| | OLD | NEW (current scope) | NEW (including DeA Scuola acquisition) |
|----------------|---|---|---|
| REVENUE | Low single digit growth vs FY20 | Single digit growth vs FY20 | |
| Adj. EBITDA | ~ 12% Margin | > 13% Margin > €100 mn | |
| Net Result | Strong growth (also thanks to «one-off» effects) | Strong growth (also thanks to «one-off» effects) | |
| Ord. Cash Flow | €50-55 million | €60-65 million | |
| Free Cash Flow | N. d. | ~ €50 million | |
| |  |  | |
| NFP | Net cash excl. IFRS16 | Net Cash ~ €35 mn excl. IFRS16 | Net Debt ~ €100 mn excl. IFRS16 |

Focus on consolidation and growth of the core business,
also through extraordinary transactions

- **Strong commitment on pursuit of M&A opportunities with focus on**
 - **core business Books and Digital**
 - **new segments in or adjacent to Book publishing**
- **Preservation of financial flexibility with a target leverage < 2.0/2.5x (no IFRS 16)***



GRUPPO  MONDADORI

BACK-UP

2014 – 2020: the key corporate highlights

2014-2016

First step of Strategic Repositioning

- ✓ Rizzoli Libri acquisition
- ✓ Banzai Media acquisition

Financial rebalancing

- ✓ EBITDA growing from €32 mn to **83 mn**
(margine da 3 a 8%)
- ✓ NFP decreasing from € -363 to **-264 mn**

2017 - 2019

Second step of Strategic Repositioning

- ✓ **Constant portfolio review** (reduction of print activities in Media area & Mondadori France disposal)
- ✓ **Digital business development**

Operating and financial Consolidation

- ✓ EBITDA growing from 83 to **110 mn**
(margin from 8 to 12%)
- ✓ NFP decreasing from € -264 to **-55 mn**

2020

Group Resiliency during pandemic emergency

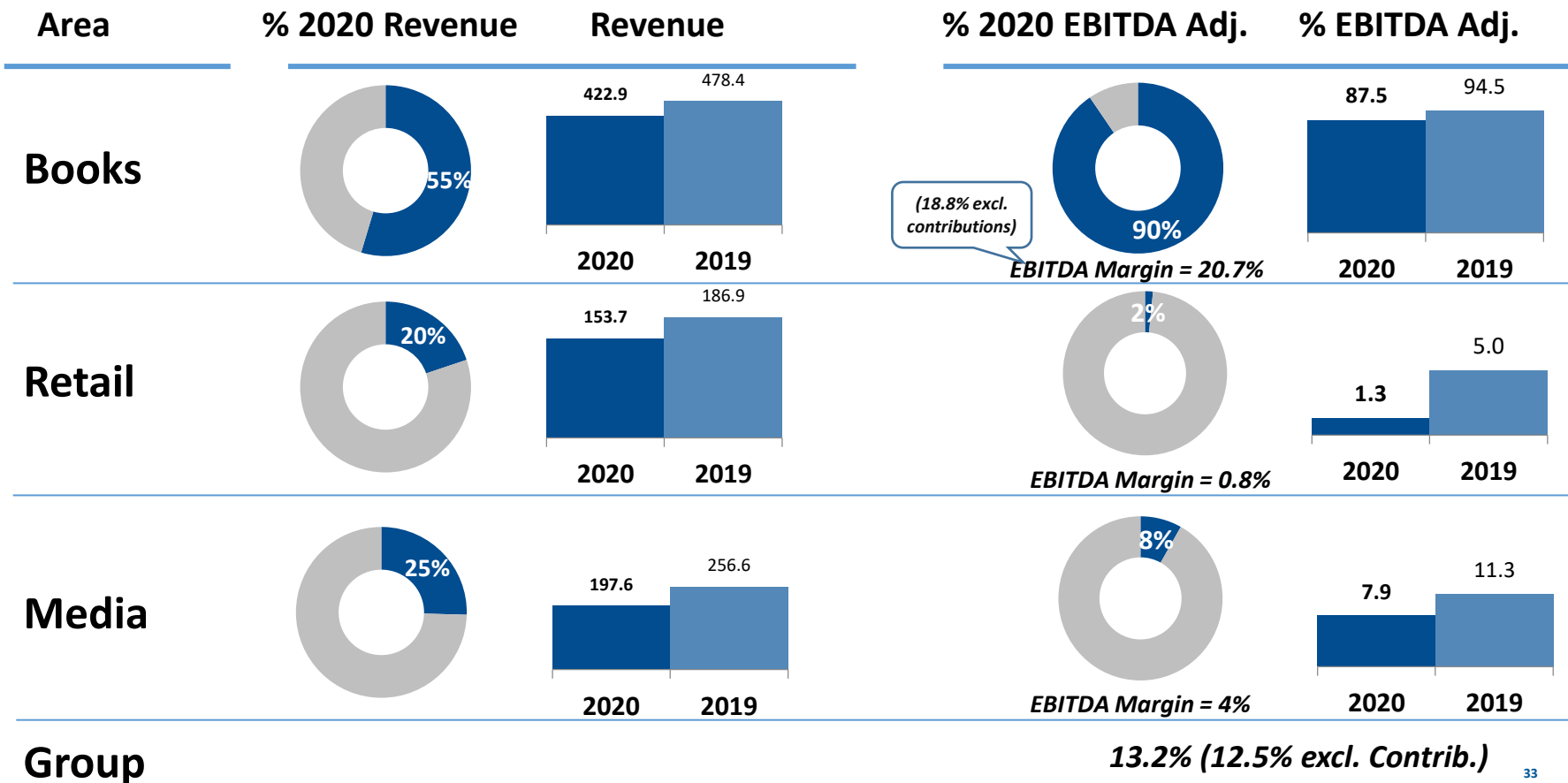
- ✓ **Management ready and effective response to guarantee:**
 - business continuity and safety conditions in the workplace
 - protection of profitability through effective cost containment actions
- ✓ **Books: over 90% of Group margin**

Increased efficiency and further financial deleverage

- ✓ EBITDA margin (€98 mn) > **13%**
- ✓ NFP at € **-15 mn**

FY 2020 Highlights - Business Area Snapshot

€ mln



Funding Overview

€ mn

New pool Loan Agreement

**450
mn**

Term Loan = 95 mn

Revolving (RCF) = 125 mn

Acquisition line = 230 mn*

**Committed
lines**

2021

-27.5

167.5

-15.8

434.2

2022

-167.5

-

-15.8

418.4

2023

-15.8

402.6

2024

-92.5

310.0

2025

-92.5

217.5

2026

-217.5

-

OLD

NEW

Refunds

Availabilities
31/12

Refunds

Availabilities
31/12

* Undrawn availabilities until May 2023

Funding Overview

Covenant

NFP/EBITDA
before IFRS16

NFP before
IFRS16 at 06/30

OLD

NEW

3.25x

3.25x

| | | |
|------|-------|--------------|
| 2021 | 385.0 | 385.0 |
| 2022 | 350.0 | 350.0 |
| 2023 | | 315.0 |
| 2024 | | 280.0 |
| 2025 | | 245.0 |
| 2026 | | 210.0 |

Margin Grid

OLD

95 bps

120
bps

130
bps

165
bps

200
bps

Initial
spread

NEW

70
bps

80
bps

95
bps

120
bps

135
bps

150 bps

NFP / EBITDA
before IFRS16
year-end

1.0

1.5

2.0

2.5

3.0

3.5

AGENDA

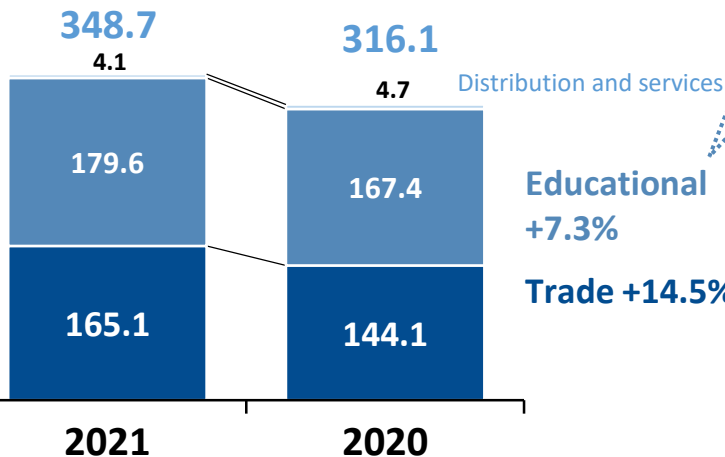
Back-up/9M 2021 Business Areas

Books
Retail
Media

9M21 Business - Books

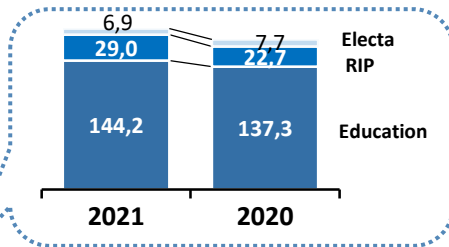
€ mn

Revenue +10.3%

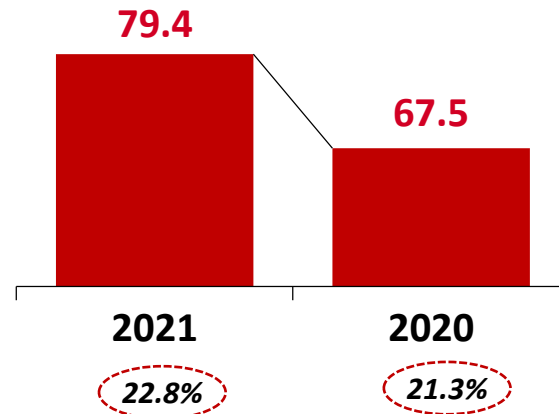


Educational +7.3%

Trade +14.5%



Adj. EBITDA +11.9 € mn



REVENUE

- **Trade: +14.5% YoY**, as a result of the extraordinary growth of the Books market and the quality of the editorial plans in 2021
 - **E-books/Audiobooks: 7.4% of total** (-3.5% yoy and +25% vs 2019)
- **Educational: +7.3% yoy** driven by the **positive results** of School Textbooks in 2021 (revenue +5% due also to a timing effect vs 3Q20) and the sharp increase in **RIP (+27.6%)**, which largely offset the drop in museum activities

Adj. EBITDA

- **Adjusted EBITDA € 79.4 mn, improving by approximately € 12 million** thanks to the performance of the Trade segment, of School Textbooks, of RIP and the relief granted to Electa in the museum segment

Markets – 9M21 Trade Books

9M Best Sellers Ranking

3 titles in the Top10

5 titles in the Top20



Finalist in the Premio Strega LXXV Edition



2

Sept. 2021 Market Shares

GRUPPO MONDADORI **23.4%** 24.6%

| | | | | | |
|--|--------------|-------|---------------|--------------|-------|
| | 11.3% | 11.2% | | 1.3% | 1.4% |
| | 7.5% | 7.8% | | | |
| | 6.0% | 6.0% | Altri editori | 50.6% | 49.1% |

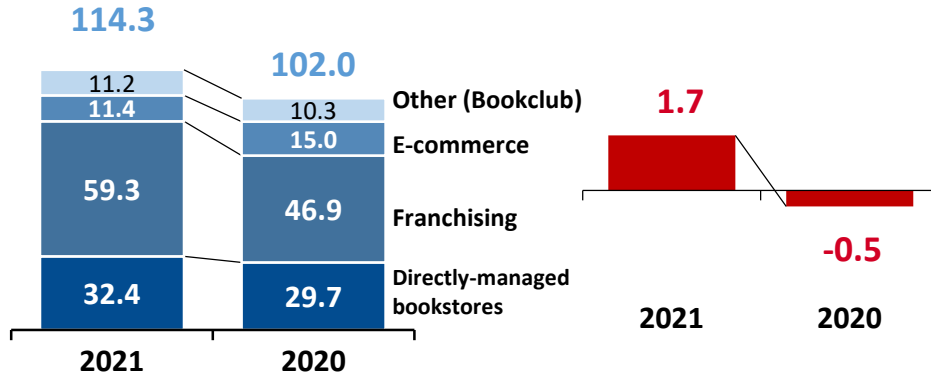
2021 2020

9M21 Business - Retail

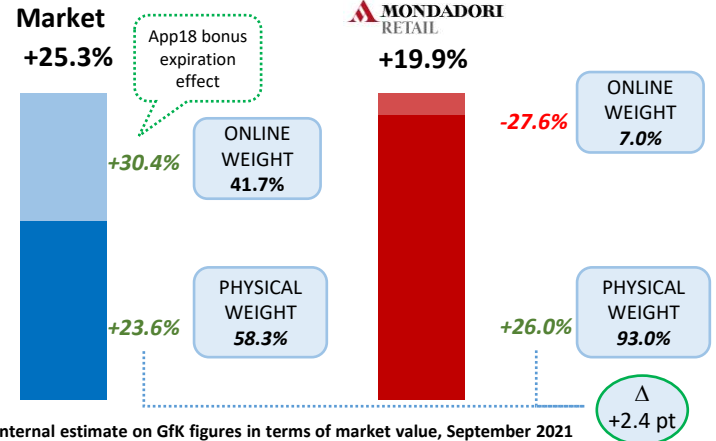
€ mn

Revenue +12.1%

Adj. EBITDA +2.3 € mn



Books Market 9M 2021



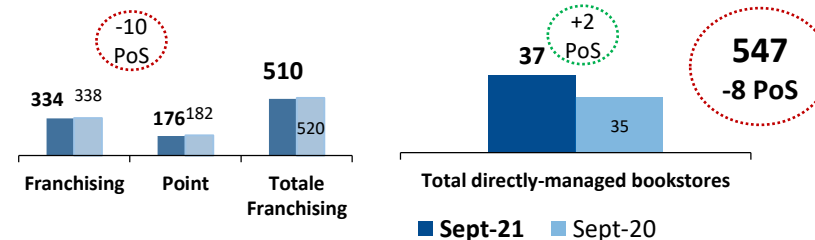
REVENUE

- **Books (84% of total):** revenue up by 16%
- **Directly-managed PoS (+9.1%)** reported a sharp recovery in revenue following the lifting of restrictions
- Greater responsiveness of the **Franchised channel (+26.4%)**
- **Franchised and Online PoS** increase versus 9M19 (+1.9%, +13.1% resp.), despite 35 stores less in the network

Adj. EBITDA

Adjusted EBITDA improves significantly thanks to the rebound in revenue and the continued effective cost containment actions, renewal and development of the physical store network

PoS network: ongoing rationalization



Markets – Media

€ mn

2021 Magaz. Circulations Trend

-6.9%



2021

2020

23.9%

23.7%

22.7%

22.7%

HEARST magazines

5.3%

5.4%

6.0%

6.0%

File Italia Edizioni

4.1%

4.2%

12.8%

12.4%

CONDÉ NAST

2.5%

2.4%

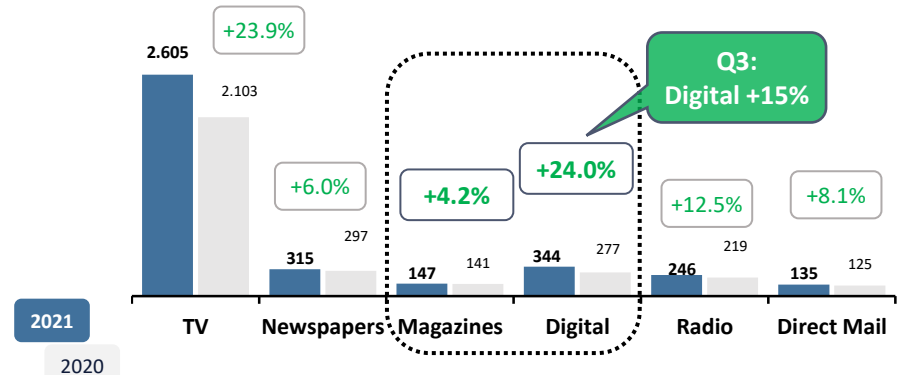
Others

22.9%

23.1%

2021 ADV Market

+19.3%



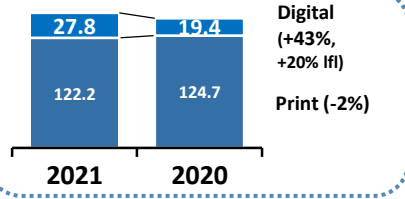
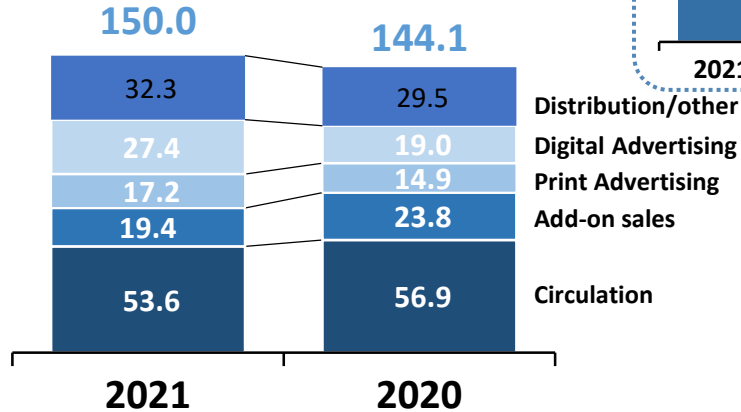
Source: Circulation – Press-di (Aug. 2021), newstands + subs. in value

Source: Adv. – Nielsen (Sept. 2021), value data, excl. Search, social, classified & OTT

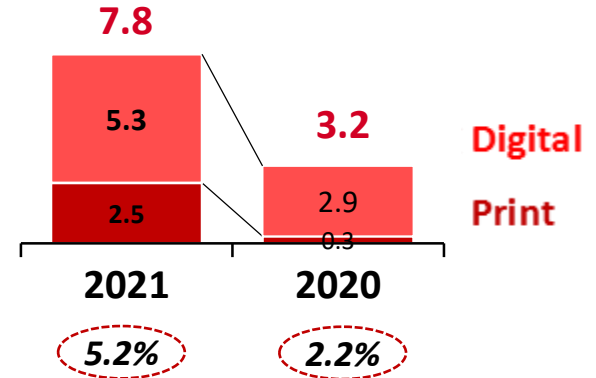
9M21 Business - Media

€ mn

Revenue +4.1%



Adj. EBITDA +4.5 € mn



Margin %

5.2%

2.2%

REVENUE

- Strong progress in **advertising revenue** in the quarter (+39%), bringing 9M growth to **+32%** (+18% on a like-for-like basis); weight of **digital** revenue: **≈60%** (vs 56% in 9M20). Strengthening of tech-advertising following acquisition of **Hej!**
- **Circulation revenue**: -5.8% yoy, with a better trend (-4%) for television titles (50% of circulation revenue)
- **Revenue from add-on sales**: -18% with a positive trend in 3Q (+2.5%), thanks to the successful initiatives in the music area
- **Distribution and others**: +9.5%

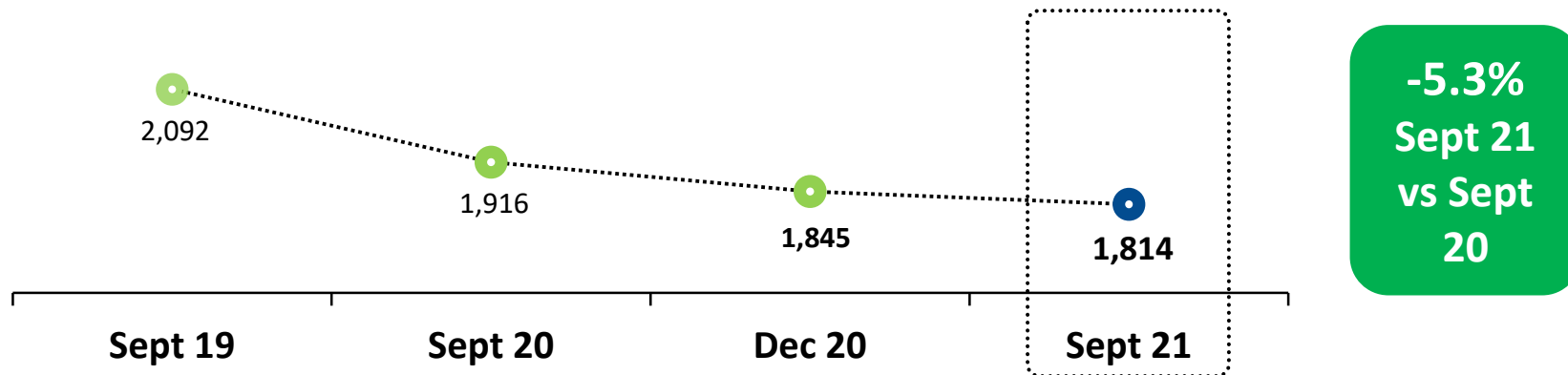
Adj. EBITDA

Adj. EBITDA improves strongly to € 7.8 mn - with **profitability from 2% to 5%** - thanks to the:

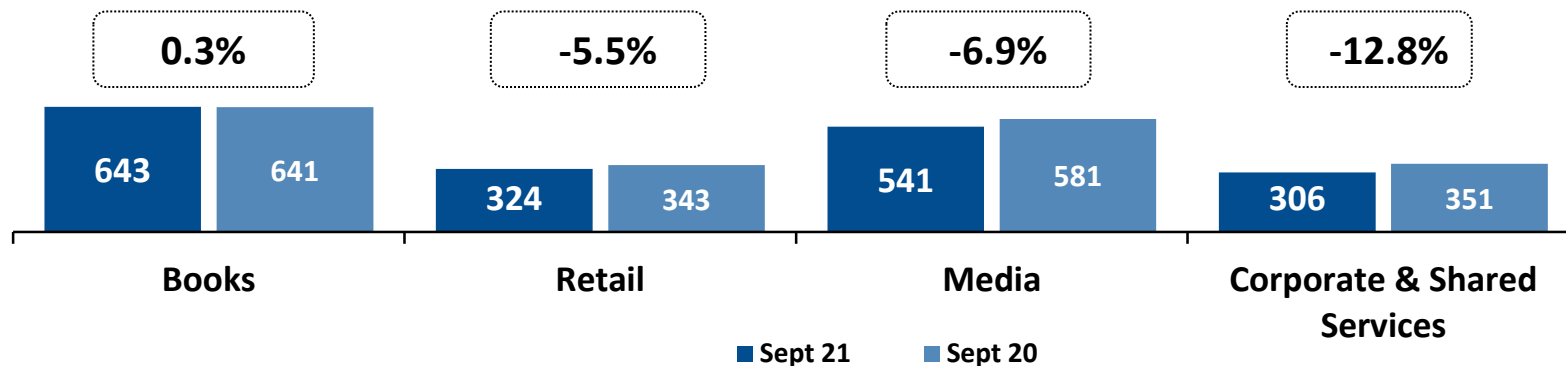
- **stronger contribution from digital operations** (19% of total versus 13% in September 2020), which almost doubled EBITDA
- **marked improvement in print operations** driven by the rebound of advertising sales and the continued effective measures to contain operating costs

9M21 Headcount Evolution

Group Headcount



Headcount by BU



9M2021 P&L

| € million | Sept. 2021 | | Sept. 2020 | | % chg. |
|--|--------------|--------------|--------------|--------------|---------------|
| REVENUE | 588.9 | | 541.9 | | 8.7% |
| INDUSTRIAL PRODUCT COST | 173.2 | 29.4% | 159.6 | 29.4% | 8.5% |
| VARIABLE PRODUCT COSTS | 82.6 | 14.0% | 72.4 | 13.4% | 14.1% |
| OTHER VARIABLE COSTS | 117.7 | 20.0% | 105.4 | 19.4% | 11.7% |
| STRUCTURAL COSTS | 35.8 | 6.1% | 34.0 | 6.3% | 5.2% |
| EXTENDED LABOUR COST | 100.0 | 17.0% | 100.0 | 18.5% | 0.0% |
| OTHER EXPENSE (INCOME) | (5.5) | (0.9%) | (0.5) | (0.1%) | n.s. |
| ADJUSTED EBITDA | 85.0 | 14.4% | 71.0 | 13.1% | 19.8% |
| RESTRUCTURING COSTS | 3.2 | 0.5% | 2.7 | 0.5% | 16.9% |
| EXTRAORDINARY EXPENSE (INCOME) | 1.4 | 0.2% | 3.2 | 0.6% | (56.8%) |
| EBITDA | 80.5 | 13.7% | 65.1 | 12.0% | 23.6% |
| AMORTIZATION AND DEPRECIATION | 18.2 | 3.1% | 19.5 | 3.6% | (6.7%) |
| IMPAIRMENT AND WRITE-DOWNS | 0.3 | 0.1% | 5.8 | 1.1% | (94.8%) |
| AMORTIZATION AND DEPRECIATION IFRS 16 | 10.0 | 1.7% | 10.8 | 2.0% | (7.8%) |
| EBIT | 52.0 | 8.8% | 28.9 | 5.3% | 79.8% |
| FINANCIAL EXPENSE (INCOME) | 2.2 | 0.4% | 3.2 | 0.6% | (29.9%) |
| FINANCIAL EXPENSE IFRS 16 | 1.7 | 0.3% | 1.9 | 0.3% | (12.3%) |
| FINANCIAL EXPENSE (INCOME) FROM SECURITIES VALUATION | 0.4 | 0.1% | (0.9) | (0.2%) | n.s. |
| EXPENSE (INCOME) FROM INVESTMENTS | 2.9 | 0.5% | 5.1 | 0.9% | (43.3%) |
| EBT | 44.8 | 7.6% | 19.6 | 3.6% | 128.7% |
| TAX EXPENSE AND (INCOME) | (4.6) | (0.8%) | 1.6 | 0.3% | n.s. |
| RESULT FROM CONTINUING OPERATIONS | 49.4 | 8.4% | 18.0 | 3.3% | 174.6% |
| MINORITIES | 0.0 | 0.0% | (0.0) | (0.0%) | n.s. |
| GROUP NET RESULT | 49.4 | 8.4% | 18.0 | 3.3% | 174.5% |

3Q2021 P&L

| € million | Q3 2021 | | Q3 2020 | | % chg. |
|--|--------------|--------------|--------------|--------------|---------------|
| REVENUE | 268.5 | | 253.0 | | 6.1% |
| INDUSTRIAL PRODUCT COST | 78.6 | 29.3% | 74.8 | 29.6% | 5.2% |
| VARIABLE PRODUCT COSTS | 31.9 | 11.9% | 29.5 | 11.7% | 8.2% |
| OTHER VARIABLE COSTS | 51.5 | 19.2% | 44.6 | 17.6% | 15.5% |
| STRUCTURAL COSTS | 12.0 | 4.5% | 11.0 | 4.4% | 9.0% |
| EXTENDED LABOUR COST | 31.4 | 11.7% | 33.3 | 13.2% | (5.6%) |
| OTHER EXPENSE (INCOME) | (0.6) | (0.2%) | (0.3) | (0.1%) | n.s. |
| ADJUSTED EBITDA | 63.5 | 23.7% | 60.0 | 23.7% | 5.8% |
| RESTRUCTURING COSTS | 1.5 | 0.6% | 1.1 | 0.4% | 38.2% |
| EXTRAORDINARY EXPENSE (INCOME) | 0.6 | 0.2% | 2.3 | 0.9% | (75.4%) |
| EBITDA | 61.5 | 22.9% | 56.7 | 22.4% | 8.4% |
| AMORTIZATION AND DEPRECIATION | 6.3 | 2.3% | 7.1 | 2.8% | (11.5%) |
| IMPAIRMENT AND WRITE-DOWNS | 0.0 | 0.0% | 0.0 | 0.0% | |
| AMORTIZATION AND DEPRECIATION IFRS 16 | 3.3 | 1.2% | 3.5 | 1.4% | (3.3%) |
| EBIT | 51.8 | 19.3% | 46.1 | 18.2% | n.s. |
| FINANCIAL EXPENSE (INCOME) | 1.6 | 0.6% | 0.8 | 0.3% | 99.1% |
| FINANCIAL EXPENSE IFRS 16 | 0.6 | 0.2% | 0.6 | 0.2% | 0.2% |
| FINANCIAL EXPENSE (INCOME) FROM SECURITIES VALUATION | 0.0 | 0.0% | (7.5) | (3.0%) | n.s. |
| EXPENSE (INCOME) FROM INVESTMENTS | (0.2) | (0.1%) | 1.8 | 0.7% | n.s. |
| EBT | 49.8 | 18.6% | 50.4 | 19.9% | (1.3%) |
| TAX EXPENSE AND (INCOME) | 4.8 | 1.8% | 7.4 | 2.9% | n.s. |
| NET RESULT FOR THE PERIOD (GROUP AND NON-CONTROLLING INTERESTS) | 45.0 | 16.8% | 43.0 | 17.0% | 4.7% |
| MINORITIES | (0.0) | (0.0%) | 0.0 | 0.0% | n.s. |
| GROUP NET RESULT | 45.0 | 16.8% | 43.0 | 17.0% | 4.7% |

9M – 3Q 21 Revenue and Adjusted EBITDA by Business Area

€ mn

Revenue

| | 9M 21 | 9M 20 | Var. % | 3Q 21 | 3Q 20 | Var. % |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Books | 348.7 | 316.1 | +10.3% | 179.8 | 170.2 | +5.6% |
| Retail | 114.3 | 102.0 | +12.1% | 44.6 | 43.0 | +3.6% |
| Media | 150.0 | 144.1 | +4.1% | 52.6 | 48.3 | +8.9% |
| Corporate & Shared Services | 29.6 | 33.2 | | 9.9 | 11.1 | |
| Intercompany | (53.7) | (53.5) | | (18.4) | (19.7) | |
| Total | 588.9 | 541.9 | +8.7% | 268.5 | 253.0 | +6.1% |

Adj. EBITDA

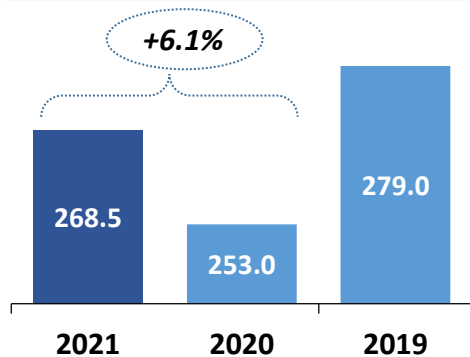
| | 9M 21 | 9M 20 | Var. | 3Q 21 | 3Q 20 | Var. |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|-------|
| Books | 79.4 | 67.5 | +11.9 | 59.6 | 56.5 | +3.1 |
| Retail | 1.7 | (0.5) | +2.3 | 1.3 | 2.3 | (1.0) |
| Media | 7.8 | 3.2 | +4.5 | 3.2 | 1.2 | +2.0 |
| Corporate & Shared Services | (3.3) | (0.4) | (2.9) | (0.6) | (0.2) | (0.4) |
| Intercompany | (0.6) | 1.2 | (1.8) | 0.0 | 0.2 | (0.2) |
| Total | 85.0 | 71.0 | +14.0 | 63.5 | 60.0 | |
| EBITDA Margin % | 14.4% | 13.1% | | 23.7% | 23.7% | |

Different corporate charges allocation criteria

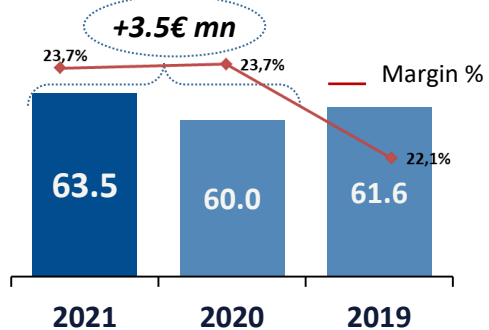
3Q21 vs 3Q20-3Q19

€ mn

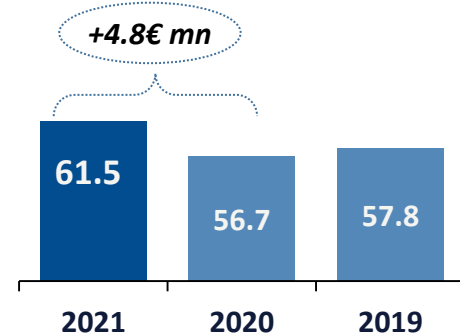
Revenue



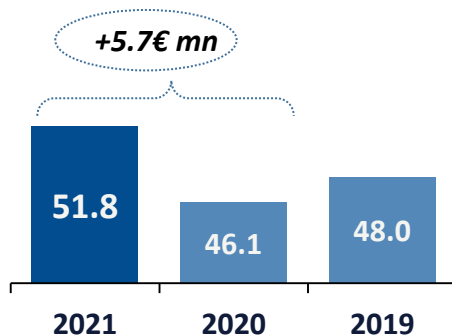
Adj. EBITDA



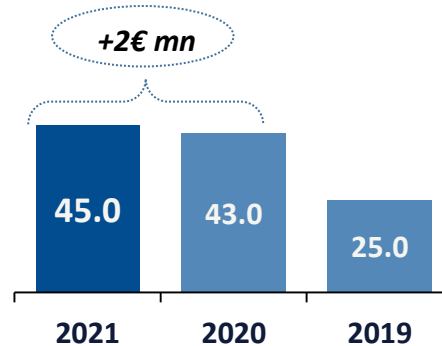
Rep. EBITDA



EBIT



Consolidated Net Result



9M2021 Balance Sheet

| € million | Sept. 2021 | Sept. 2020 | % chg. |
|---|--------------|--------------|----------------|
| TRADE RECEIVABLES | 195.6 | 204.9 | (4.5%) |
| INVENTORY | 121.8 | 125.6 | (3.0%) |
| TRADE PAYABLES | 199.9 | 216.3 | (7.6%) |
| OTHER ASSETS (LIABILITIES) | (13.7) | (7.7) | n.s. |
| NET WORKING CAPITAL | 102.2 | 103.7 | (1.4%) |
| INTANGIBLE ASSETS | 189.5 | 210.4 | (9.9%) |
| PROPERTY, PLANT AND EQUIPMENT | 16.4 | 17.5 | (6.0%) |
| INVESTMENTS | 16.4 | 21.5 | (23.5%) |
| NET FIXED ASSETS WITH NO RIGHTS OF USE IFRS 16 | 222.3 | 249.3 | (10.8%) |
| ASSETS FROM RIGHTS OF USE IFRS 16 | 80.9 | 85.0 | (4.8%) |
| NET FIXED ASSETS WITH RIGHTS OF USE IFRS 16 | 303.3 | 334.3 | (9.3%) |
| PROVISIONS FOR RISKS | 41.1 | 48.3 | (14.8%) |
| POST-EMPLOYMENT BENEFITS | 29.6 | 31.9 | (7.2%) |
| PROVISIONS | 70.8 | 80.2 | (11.8%) |
| NET INVESTED CAPITAL | 334.7 | 357.7 | (6.4%) |
| SHARE CAPITAL | 68.0 | 68.0 | 0.0% |
| RESERVES | 105.8 | 101.3 | 4.4% |
| PROFIT (LOSS) FOR THE PERIOD | 49.4 | 18.0 | n.s. |
| GROUP EQUITY | 223.1 | 187.3 | 19.1% |
| NON-CONTROLLING INTERESTS' EQUITY | 0.0 | 0.1 | n.s. |
| EQUITY | 223.1 | 187.4 | 19.1% |
| NET FINANCIAL POSITION NO IFRS 16 | 27.3 | 82.3 | (66.8%) |
| NET FINANCIAL POSITION IFRS 16 | 84.2 | 88.0 | (4.3%) |
| NET FINANCIAL POSITION | 111.6 | 170.4 | (34.5%) |
| SOURCES | 334.7 | 357.7 | (6.4%) |

Sept. 2021 LTM Cash Flow

| € million | LTM Sept 21 | 2020 |
|---|----------------|----------------|
| INITIAL NFP IFRS 16 | (170.4) | (151.3) |
| FINANCIAL LIABILITIES APPLICATION OF IFRS 16 | (88.0) | (95.9) |
| INITIAL NFP NO IFRS 16 | (82.3) | (55.4) |
| ADJUSTED EBITDA (NO IFRS 16) | 97.2 | 82.4 |
| NWC AND PROVISIONS | 8.9 | 1.2 |
| CAPEX NO IFRS 16 | (19.8) | (21.8) |
| CASH FLOW FROM OPERATIONS | 86.3 | 61.9 |
| FINANCIAL INCOME (EXPENSE) NO IFRS 16 | (3.2) | (3.7) |
| TAX | (11.2) | (6.9) |
| CASH FLOW FROM ORDINARY OPERATIONS CONTINUING OPERATIONS | 71.9 | 51.2 |
| ORDINARY CF FROM DISCONTINUED OR DISCONTINUING OPERATIONS | (1.2) | 0.0 |
| CASH FLOW FROM ORDINARY OPERATIONS | 70.7 | 51.2 |
| RESTRUCTURING COSTS | (5.5) | (5.2) |
| EXTRAORDINARY TAX | 3.9 | 0.1 |
| SHARE CAPITAL INCREASE/DIVIDENDS NON CONTROLLING INTERESTS AND ASSOCIATES | (0.5) | (1.1) |
| M&A ACTIVITIES | (7.1) | (0.5) |
| OTHER INCOME AND EXPENDITURE | (5.7) | (3.8) |
| EXTRAORDINARY CF FROM DISCONTINUED OR DISCONTINUING OPERATIONS | (0.6) | 0.0 |
| CASH FLOW FROM EXTRAORDINARY OPERATIONS | (15.5) | (10.5) |
| FREE CASH FLOW | 55.2 | 40.7 |
| NET FINANCIAL POSITION NO IFRS 16 | (27.3) | (14.8) |
| IFRS 16 EFFECTS IN THE PERIOD | 3.6 | 13.0 |
| FINAL NET FINANCIAL POSITION | (111.6) | (97.6) |

Glossary

- ▶ **EBITDA** is equal to earnings before interest, tax, depreciation and amortization. The Group also provides information on the percentage of EBITDA on net sales. EBITDA computed 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 EBITDA** is gross operating profit 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).
- ▶ **Operating Cash Flow** adjusted EBITDA, as explained above, plus or minus the decrease/(increase) in working capital in the period, minus capital expenditure (CAPEX/Investment).
- ▶ **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.
- ▶ **LTM Cash Flow** cash flow in the last twelve months.
- ▶ **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).

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