



GRUPPO  MONDADORI

2024
Le eccellenze del Made in Italy

Investors Presentation

September 23th, 2024

AGENDA

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

Highlights 1H24 – Executive Summary



Improvement of economic performance

- Revenue growth by 6.8% vs 1H23, +3.8% LFL
- Adj. EBITDA growth by 7% vs 1H23
- Rep. EBITDA growth by 5.1% vs 1H23



Group financial structure continues to strengthen

**Solid cash flow generation by business:
€67 mn LTM Ordinary Cash Flow**



Ongoing development focused on the core business

- 100% acquisition of **Chelsea Green Publishing** (consolidated from 05/01): strengthen international presence in English-speaking markets
- Launch of **PLAI**, a start-up accelerator focused on **Generative AI**
- Strengthen the leadership position in **food and cooking** through a strategic partnership with **Benedetta Rossi**
- **Call/Put Options on a 10% stake of Adelphi**, exercisable as of May 2027 (EV 100% = € 50 mn)



Highlights 1H24 – Strategic partnership with Benedetta Rossi

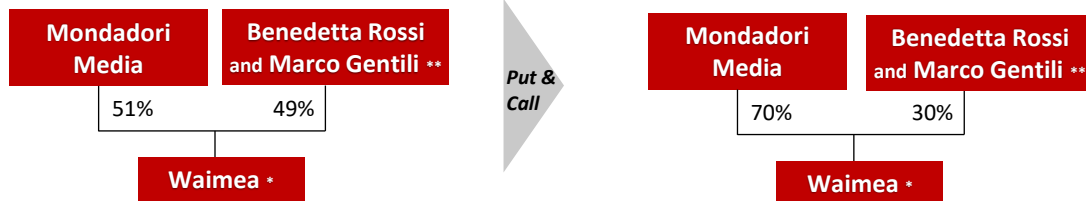
Benedetta Rossi:

Creator	Author	TV host
<p>+ 17 mn followers, 4 mn unique monthly users on the website</p>	<p>2016-2023 9 books published by Mondadori Group (1.5 mn copies)</p>	<p>TV host of many cooking shows</p>

Rationale of the transaction:

- The second largest player in the world in social media within the food & cooking sector
- Over 87 million global followers (Benedetta + GialloZafferano)

Long term partnership:



Put and call can be exercised on 19% of Waimea capital share after the approval of the 2028 financial statements

Economic terms of the transaction:

€'mn	
Revenues 2023	4.5
EBITDA 2023	2.7
Enterprise Value (100%) cash&debt free	13.5
Price at closing date	6.9
Max earn out	3.2

(*) Waimea S.r.l. the company that holds all intellectual property rights and economic exploitation rights for the images of Benedetta Rossi and Marco Gentili

(**) Through Maui Media S.r.l.

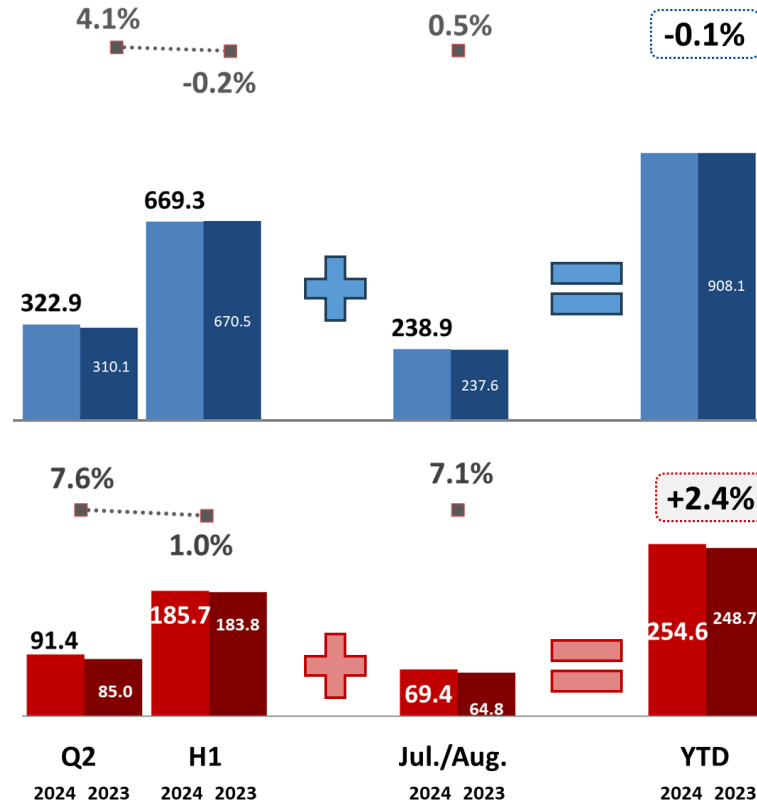
(***) According to internal analysis based on market data, Benedetta and GialloZafferano combined are the second largest player in the world in social media within the food & cooking sector

Trade Book Market – update August 2024

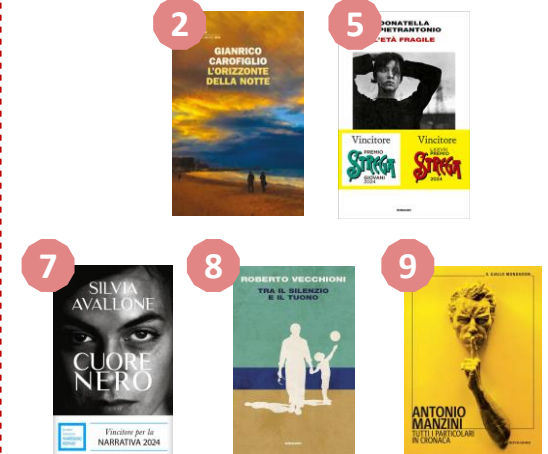
Significant growth also in the third quarter

Value data – Sell out
(€ mn)

Market

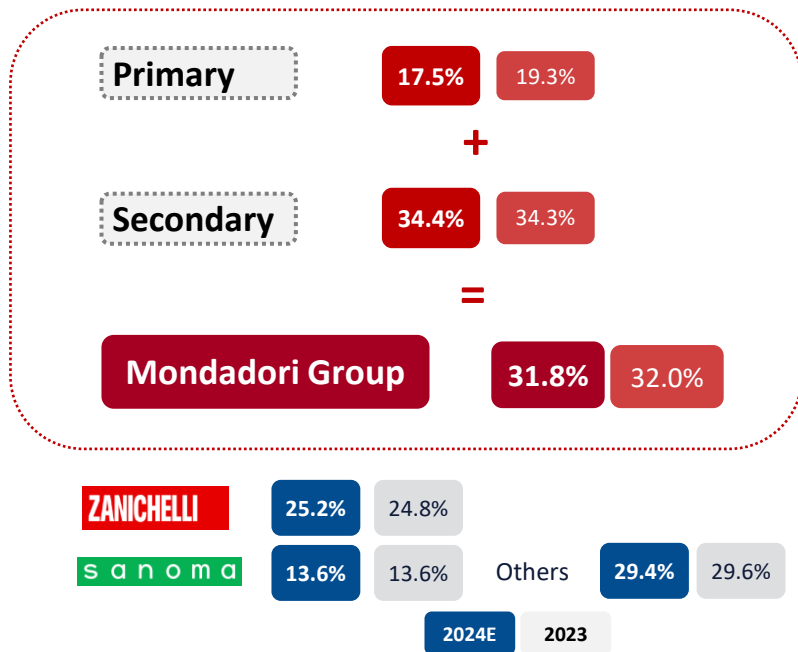


YTD 2024 5 titles in the Top Ten

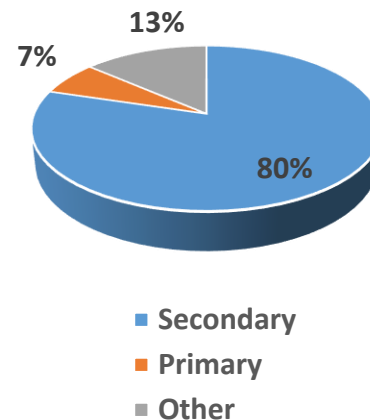


Market Share Mondadori
28.2% 27.5%

Expected Market Shares



Revenues FY2023
(€ 237 mln)



AGENDA

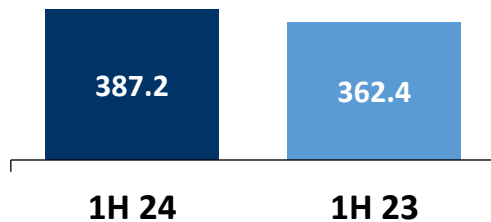
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Highlights – 1H 24

€ mn

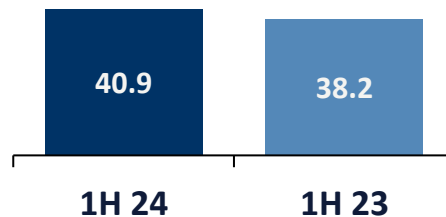
Revenues

+6.8%



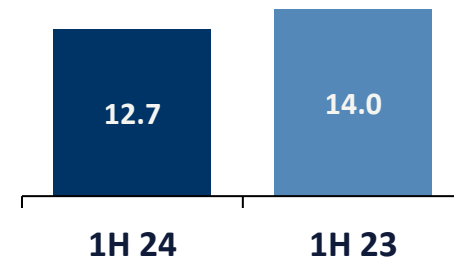
Adjusted EBITDA

+7.0%



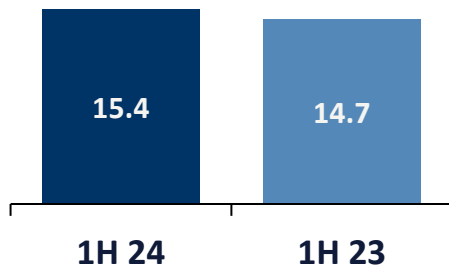
EBIT

-1.3€ mn



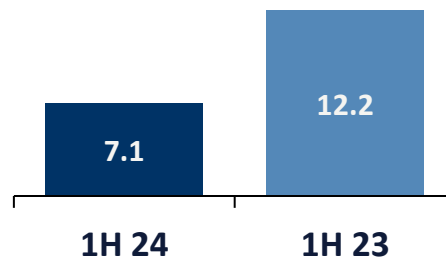
Adjusted EBIT

+0.7€ mn



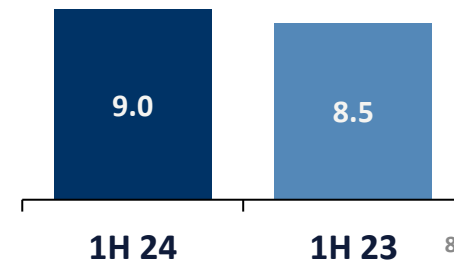
Net Profit

-5.1 € mn



Adjusted Net Profit

+0.5 € mn



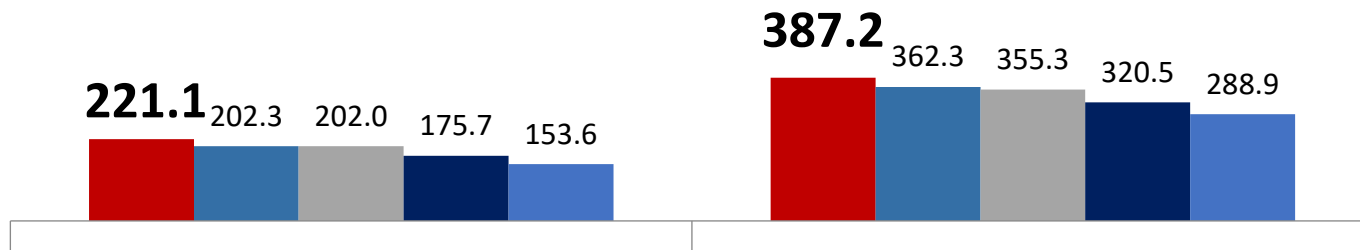
Highlights 1H24 – Trend Revenues/ Adj. EBITDA

€ mn

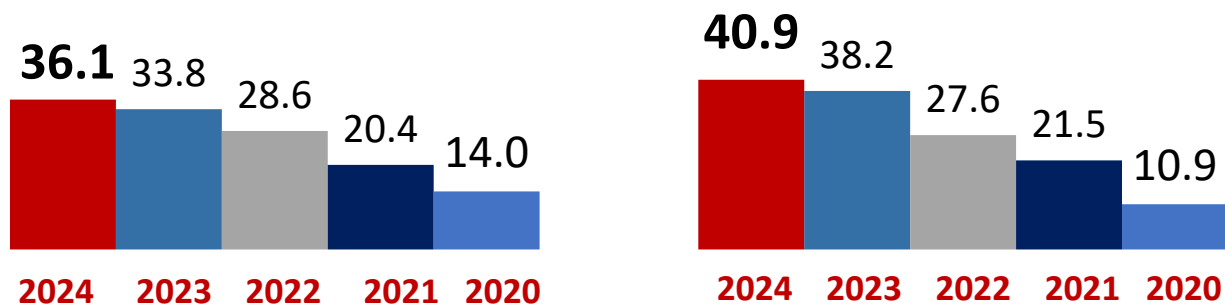
REVENUES

2Q

1H



Adj EBITDA



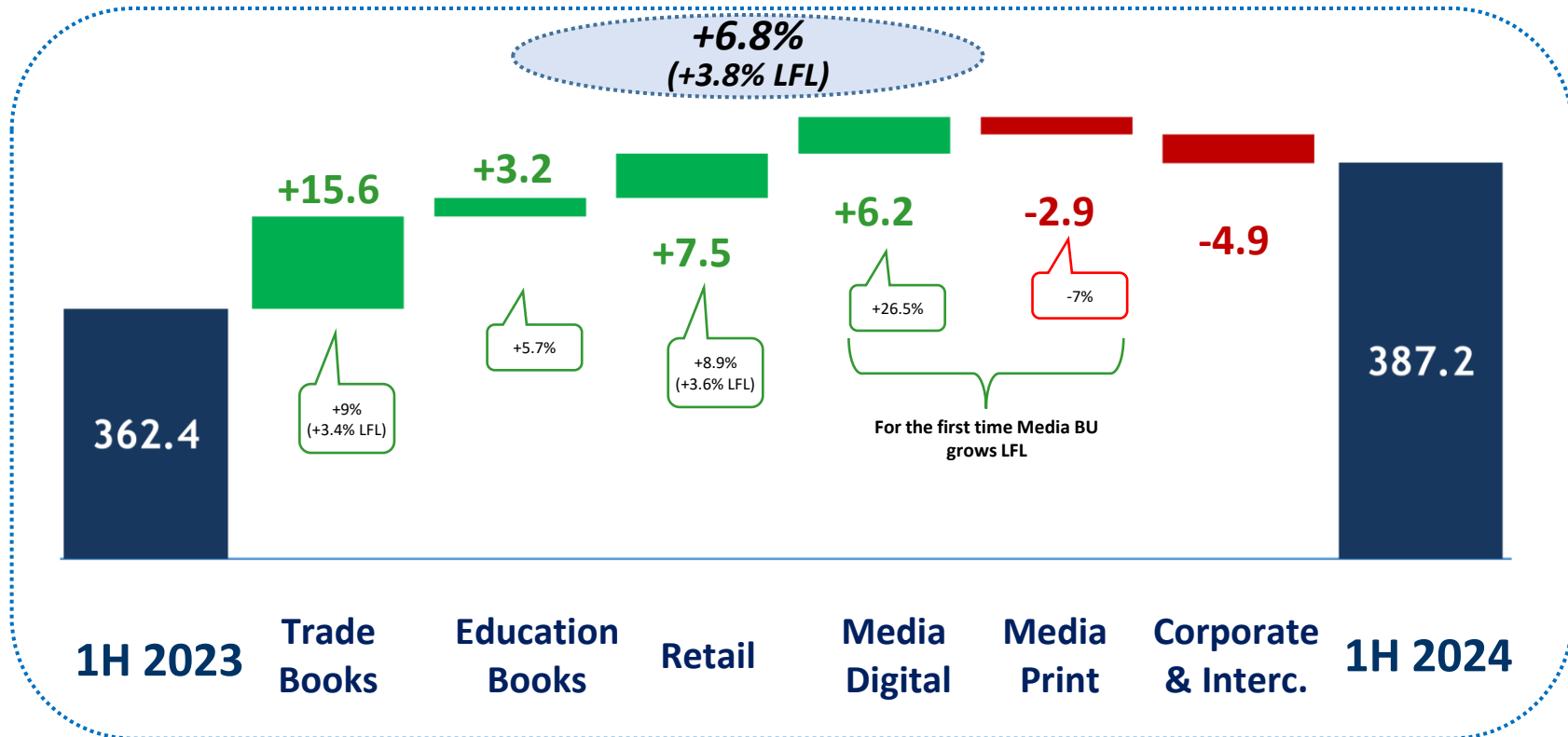
EBITDA
margin

10.6% 10.6% 7.8% 6.7% 3.8%

Revenue by Business Area – 1H 24

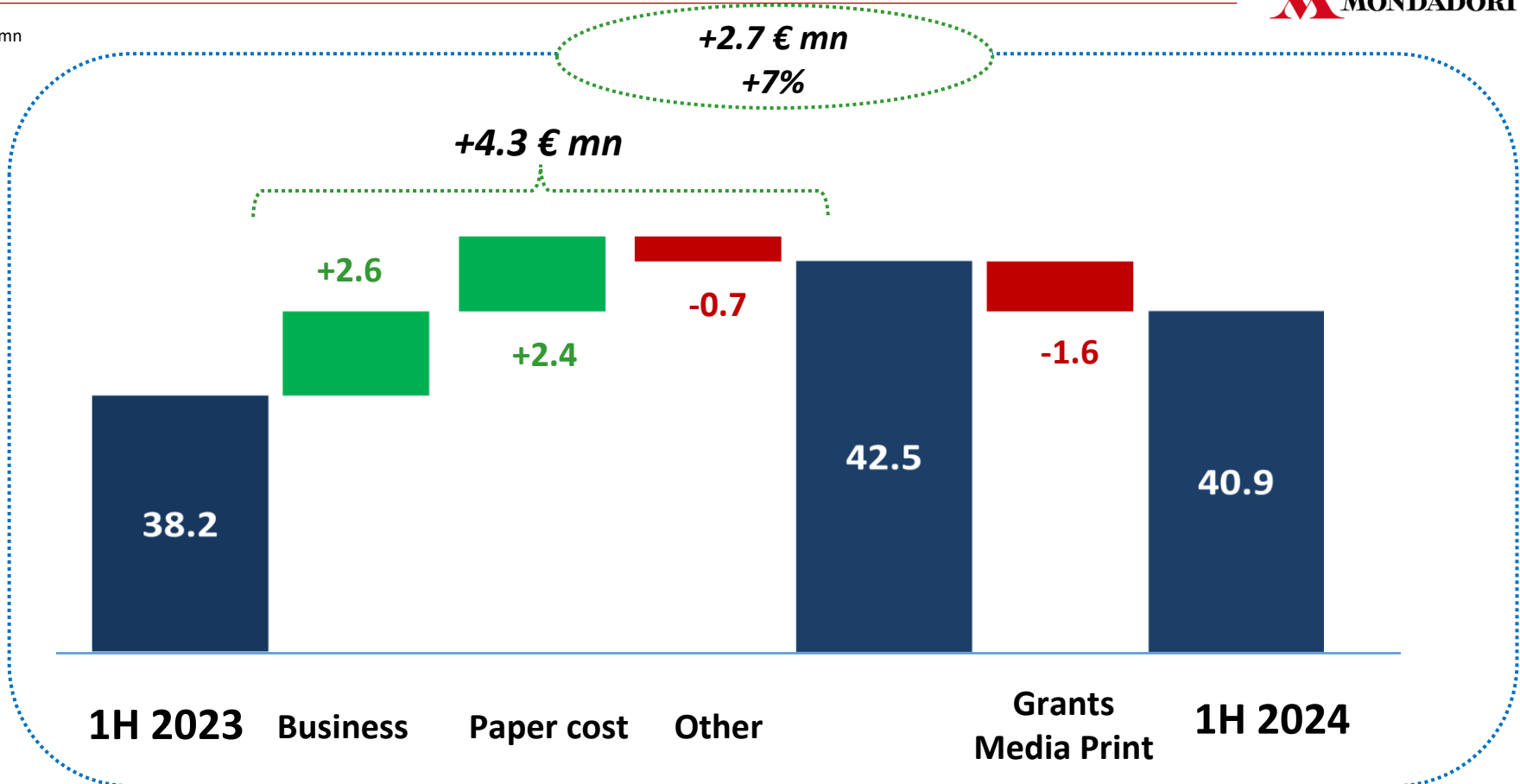
€ mn

All core business areas growing



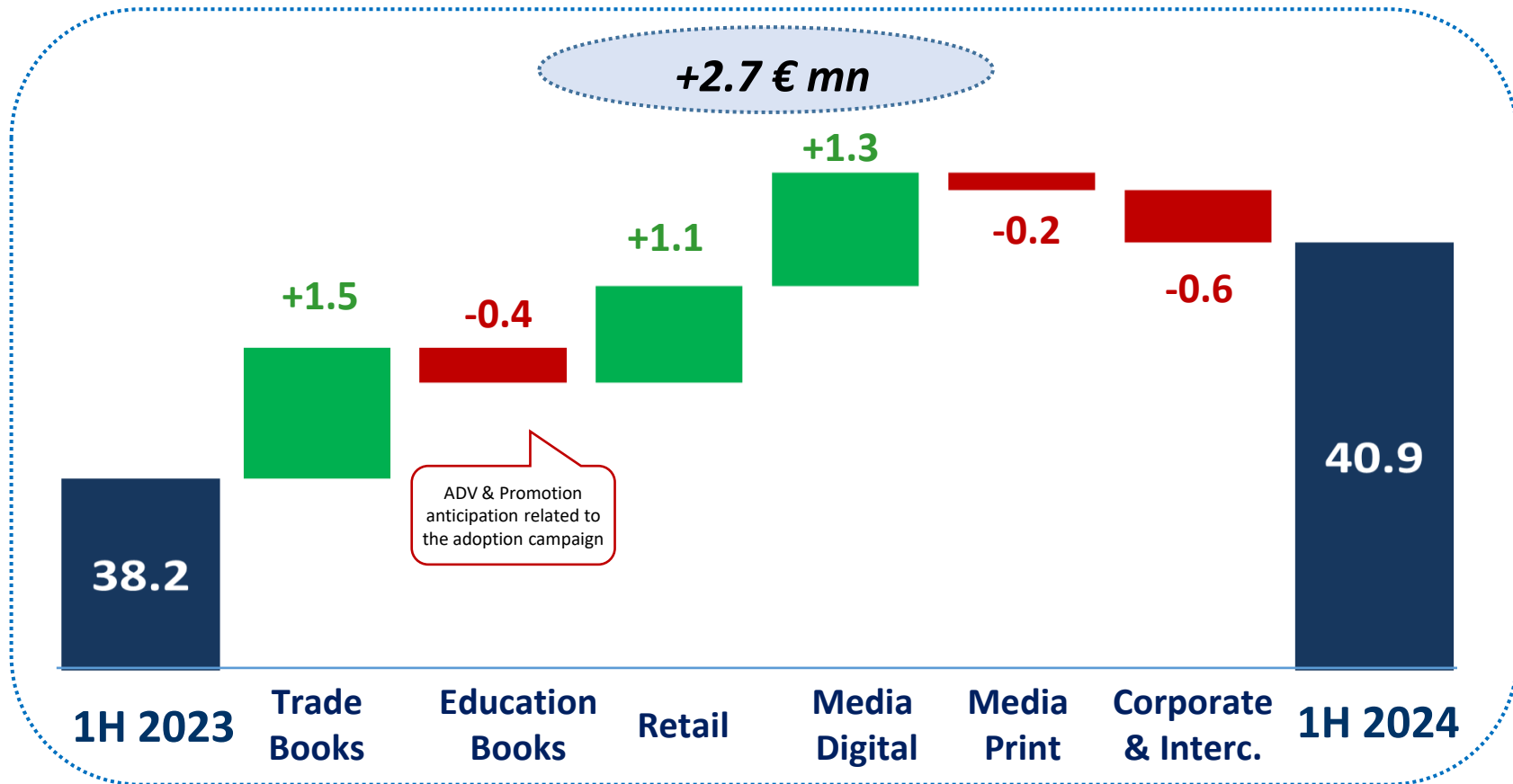
Adjusted EBITDA – 1H 24

€ mn



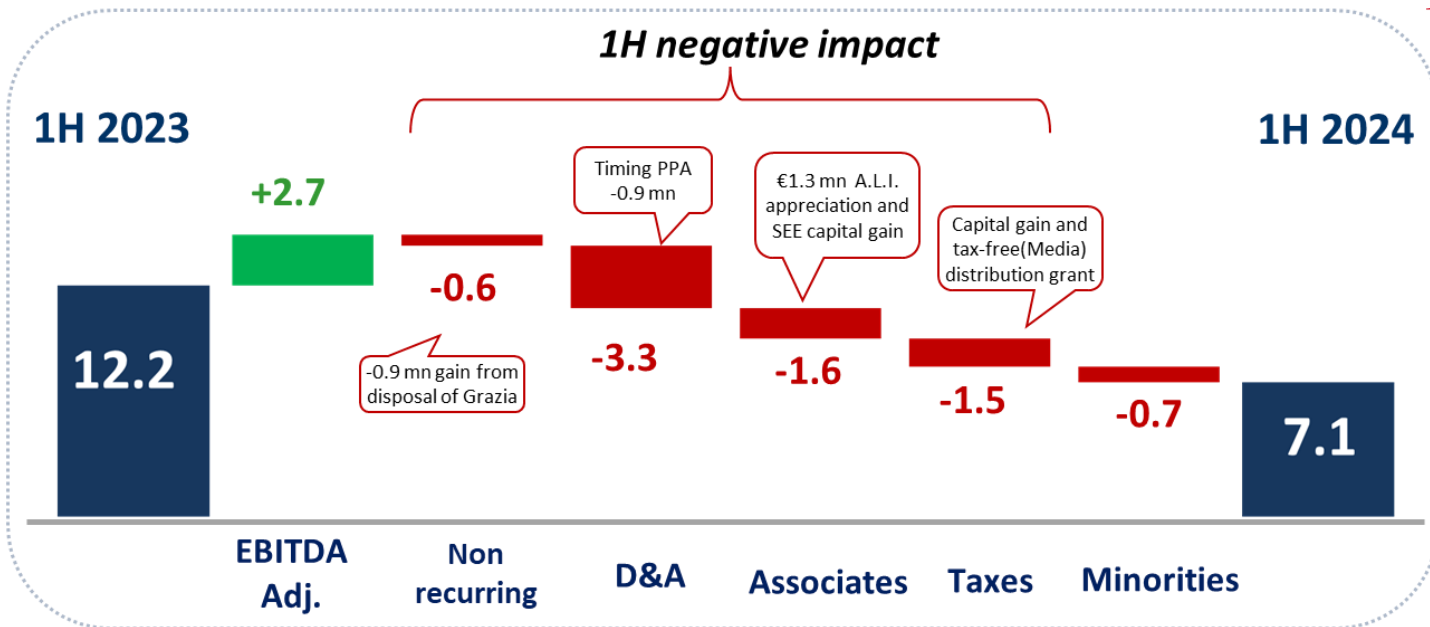
Adjusted EBITDA by Business Area – 1H 24

€ mn



Net Result – 1H 24

€ mn



1H 2023:
8.5

Adjusted Net Result

	1H 23	1H 24
Net Result	12.2	7.1
PPA	2.0	3.0
Capital Gain	-7.5	
One-off Associates	-1.3	
Others	3.1	-1.1
Adj. Net Result	8.5	9.0

1H 2024:
9.0

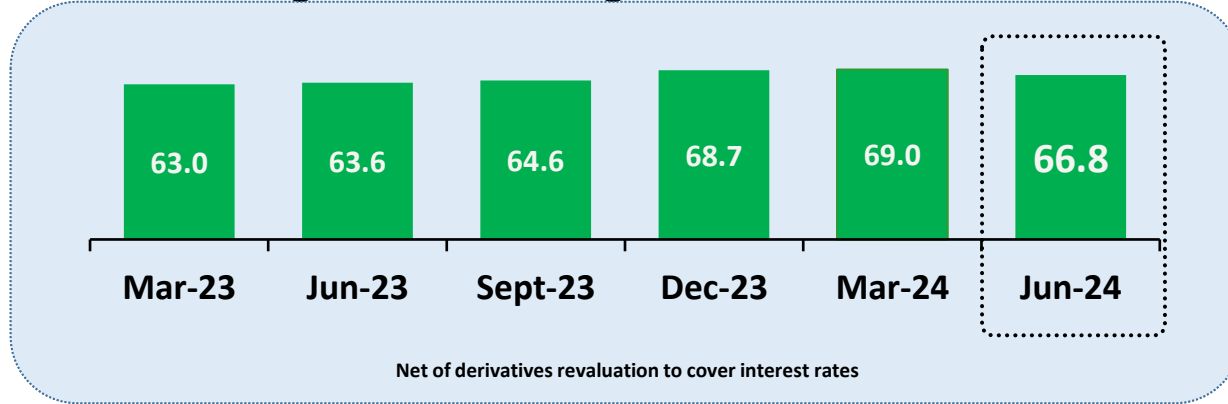
+6%

A strengthened financial structure ...

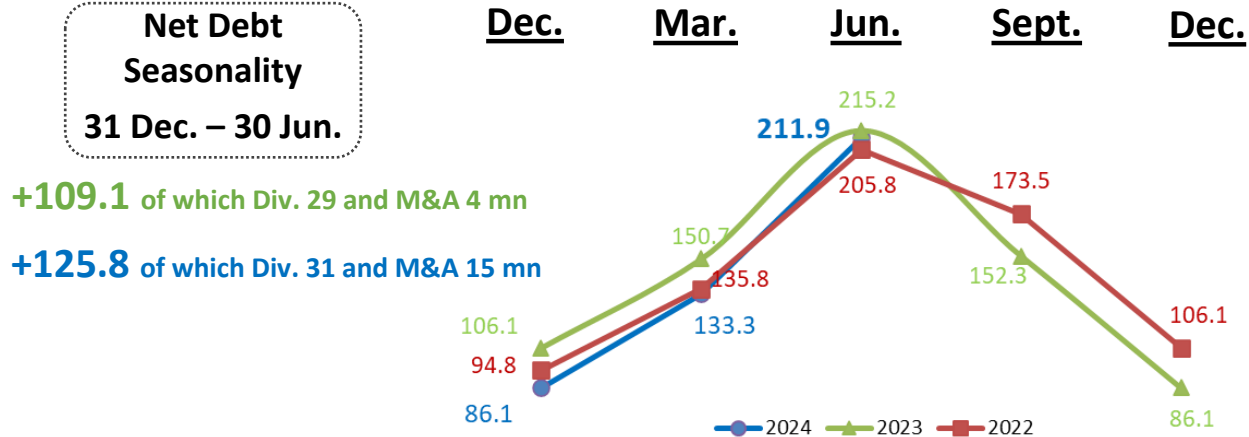
€ mn

Strong business cash generation confirmed

**LTM
Ordinary
Cash Flow**

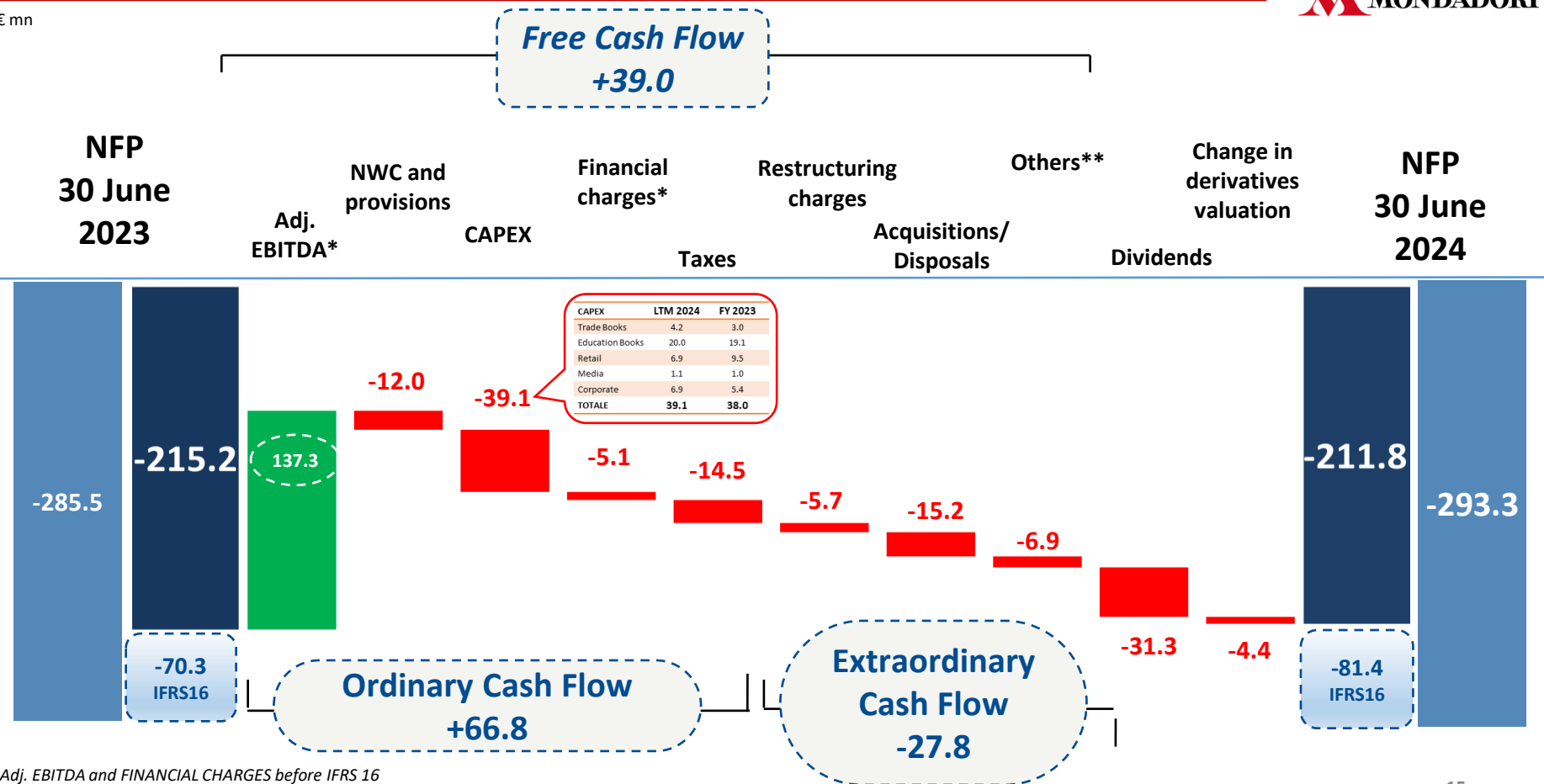


**Trend
Group NFP
(no IFRS16)**



... 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

AGENDA

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FY24 Outlook – Guidance unchanged

Mondadori Group 2024 Target*

REVENUE

Low single-digit growth



Adj. EBITDA

Mid single-digit growth
(profitability at 17%)



**Ordinary
Cash Flow**

~ **€70 mn**
despite higher CapEx of €4 mn for the
renovation of a printing plant





BACK-UP

AGENDA

Annexes

Business Areas: Books

Business Areas: Retail

Business Areas: Media

Others

1H 24 – Books Market Share

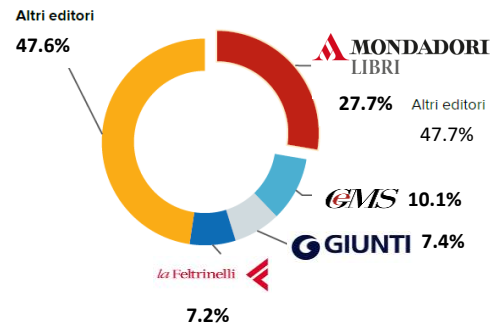
2024 Top Ten

2 titles in Top5
6 titles in Top10

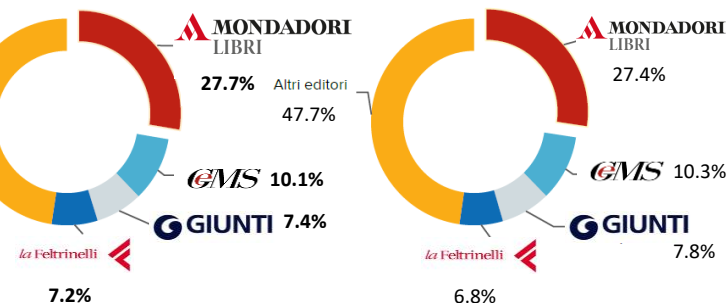
#	Title	Author	Publisher
1	Un animale selvaggio	Joël Dicker	La Nave di Teseo
2	L'orizzonte della notte	Gianrico Carofiglio	Einaudi
3	Quando muori resta a me	Zerocalcare	Bao Publishing
4	la portalettere	Giannone Francesca	Nord
5	Tutti i particolari in cronaca	Manzini Antonio	Mondadori
6	Tra il silenzio e il tuono	Vecchioni Roberto	Einaudi
7	Dare la vita	Murgia Michela	Rizzoli
8	Cuore nero	Avallone Silvia	Rizzoli
9	L'educazione delle farfalle	Carrisi Donato	Longanesi
10	Cuore nascosto	Özpetek Ferzan	Mondadori

Market Share – Trade

June
2024



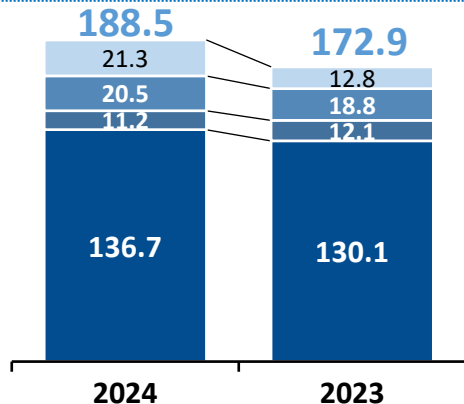
June
2023



Business 1H24 – Book and Education

€ mn

Revenue +9.0% (+3.4% LFL)*



Distribution and services (incl.)

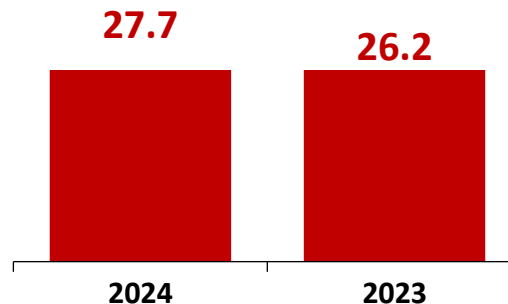
RIP +3.9% (incl.)

Electa -7.7%

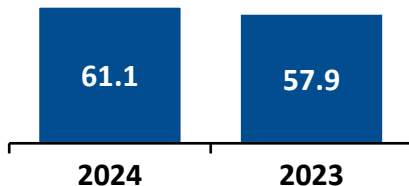
Publishers +5.1%

* Net intercompany

Adj. EBITDA +1.5 € mn



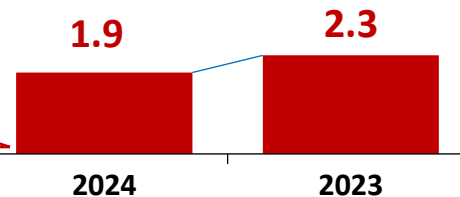
Revenue +5.7%



Anticipation of supplies to directional customers vs 1H23

Adj. EBITDA -0.4 € mn

ADV & Promotion anticipation related to the adoption campaign



AGENDA

Annexes

Business Areas: Books

Business Areas: Retail

Business Areas: Media

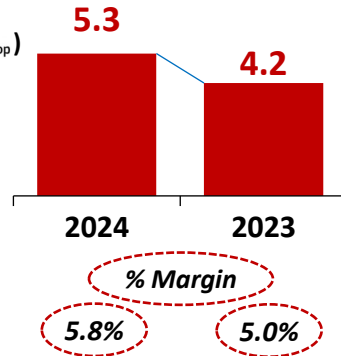
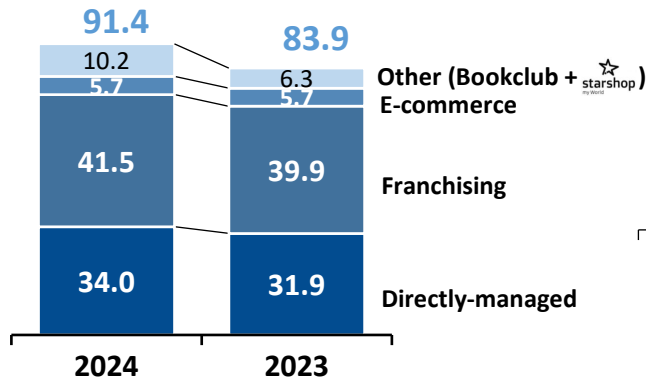
Others

Business 1H24 – Retail

€ mn

Revenue +8.9% (+3.6% LFL)

Adj. EBITDA +1.1 mn



Books Market 1H 2024

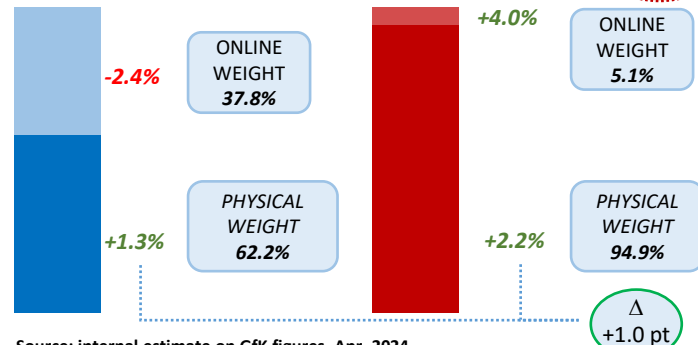
Market

-0.1%

MONDADORI RETAIL

+2.3%

Market Share 12.7%



Source: internal estimate on GfK figures, Apr. 2024

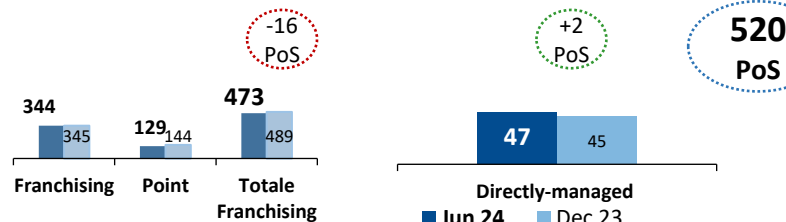
REVENUE

- Books (over 80% of PoS revenue): +3.9%
- DOS : +6.6%, +10% net of the restructuring costs at the Marcianise bookshop
- Franchising: +4.0%
- Online stable

Adj. EBITDA

Adjusted EBITDA -0.5mn due to the Marcianise restructuring, otherwise, it would have grown by +35%

Point of Sale Network: Ongoing razionalization



starshop my World

16 DOS
40 affiliated

AGENDA

Annexes

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

Business 2024 – Media

€ mn

2024 Magaz. Circulations Trend

-6.0%



2024

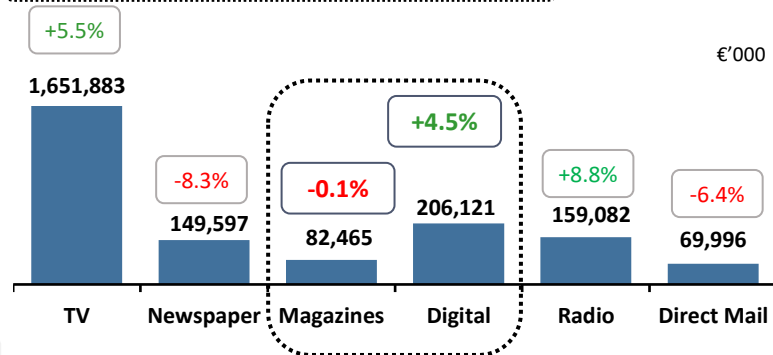
2023

20.2%

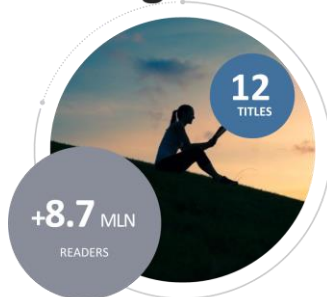
20.5%

2024 ADV Market

+4.5%



Magazine



Web



Social



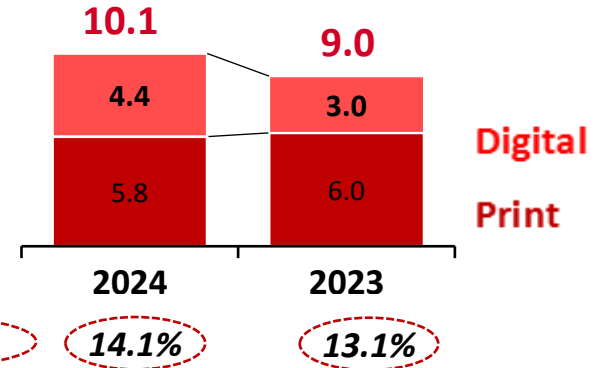
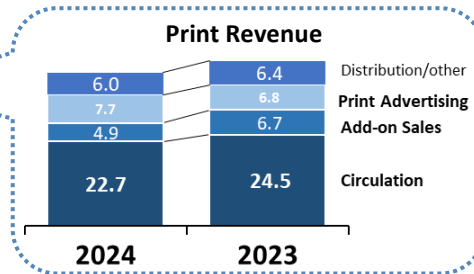
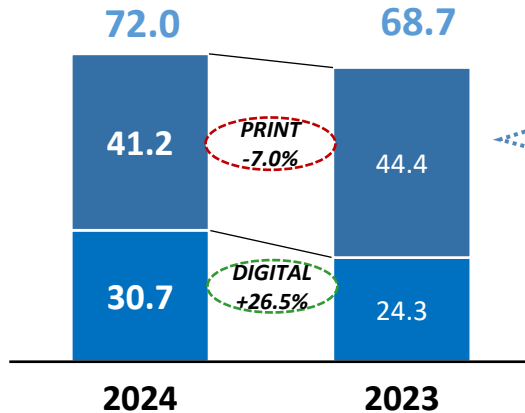
1H24 Business – Media

€ mn

Revenue +4.8%

43% digital revenue

Adj. EBITDA +1.1€ mn



REVENUE

- **Digital: +26.5%** thanks to the increase in Adv activities of MarTech, Social Agencies and Webboh
- **Print: -7.0%** mainly due to add-on sales decrement:
 - **Circulation:** -7.5%, with a better performance of TV magazines (*TV Sorrisi & Canzoni*) -5.0%
 - **Add-on Sales:** -26.6%, in 2Q -2.6% due to a growing number of activities related to Book
 - **Adv:** +13.6% thanks to Interni and a good performance by *TV Sorrisi & Canzoni*, *Chi* and *Focus* new advertising agency
 - **Others:** -7.1%

Adj. EBITDA

Adj. EBITDA grows by 12%, thanks to Digital performance

AGENDA

Annexes

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

1H/2Q 24 Revenue and Adj. EBITDA by Business Area

REVENUE by Business Area

(Euro/millions)	H1 2024	H1 2023	Chg. %	Q2 2024	Q2 2023	Chg. %
Trade Books	188.5	172.9	9.0 %	96.7	86.0	12.5 %
Education Books	61.1	57.9	5.7 %	52.0	49.4	5.2 %
Retail	91.4	83.9	8.9 %	46.0	42.2	8.8 %
Media	72.0	68.7	4.8 %	40.0	36.4	9.9 %
Corporate & Shared Services	22.1	21.1	4.7 %	11.3	10.8	5.4 %
Intercompany	(48.0)	(42.1)	13.9 %	(24.9)	(22.3)	11.6 %
Total Consolidated Revenues	387.2	362.4	6.8 %	221.1	202.4	9.2 %

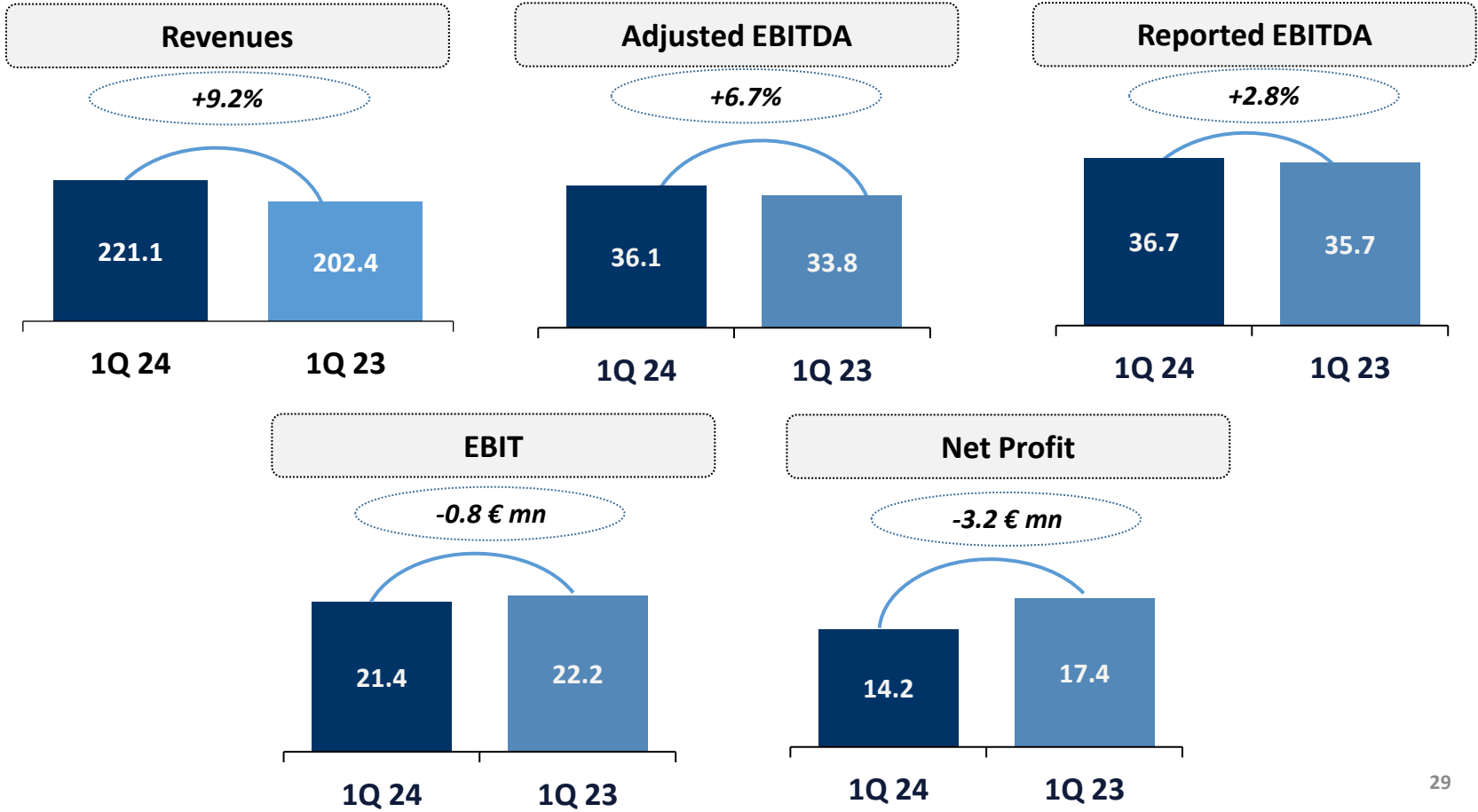
Starting from 1 February 2024, the revenues deriving from Star Shop's distribution activities are included in the Trade Books area while the revenues from retail activities (direct and franchised stores) are accounted for in the Retail area.

Adj. EBITDA by Business Area

(Euro/millions)	H1 2024	H1 2023	Chg.	Q2 2024	Q2 2023	Chg.
Trade Books	27.7	26.2	1.5	12.9	13.1	(0.1)
Education Books	1.9	2.3	-0.4	15.7	14.0	1.6
Retail	5.3	4.2	1.1	3.0	2.5	0.5
Media	10.1	9.0	1.1	7.0	6.2	0.8
Corporate & Shared Services	(3.4)	(3.0)	-0.4	(2.1)	(2.1)	0.0
Intercompany	(0.7)	(0.6)	-0.2	(0.3)	0.1	(0.5)
Total Adj. EBITDA	40.9	38.2	2.7	36.1	33.8	2.3

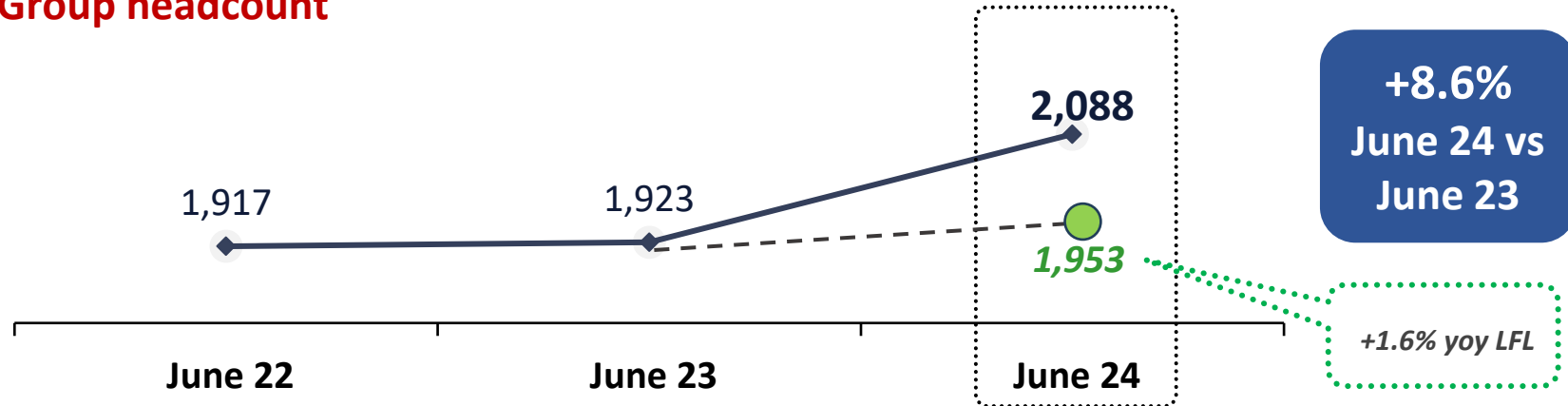
Highlights – 2Q24

€ mn

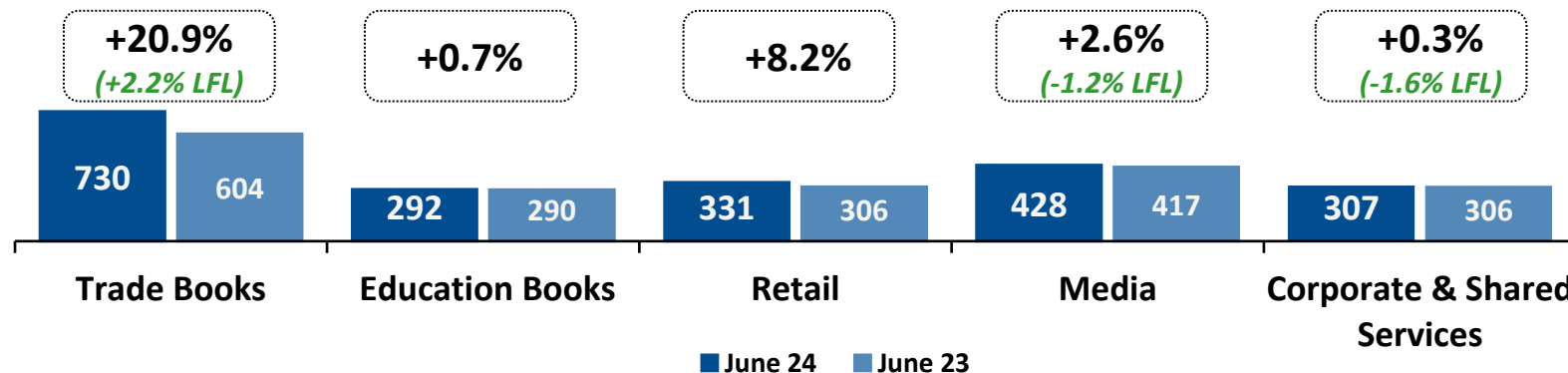


1H24 Headcount evolution

Group headcount



BU headcount



1H 2024 P&L

(Euro/millions)	H1 2024		H1 2023		Chg. %
Revenue	387.2		362.4		6.8%
Industrial product cost	125.6	32.5%	113.7	31.4%	10.5%
Variable product costs	49.2	12.7%	45.1	12.4%	9.0%
Other variable costs	68.6	17.7%	64.0	17.7%	7.1%
Structural costs	32.1	8.3%	29.7	8.2%	7.8%
Extended labour cost	74.9	19.4%	72.5	20.0%	3.4%
Other expense (income)	(4.2)	(1.1%)	(0.9)	(0.2%)	n.s.
Adjusted EBITDA	40.9	10.6%	38.2	10.6%	7.0%
Restructuring costs	0.1	0.0%	0.3	0.1%	n.s.
Extraordinary expense (income)	(1.6)	(0.4%)	(2.4)	(0.7%)	n.s.
EBITDA	42.4	11.0%	40.3	11.1%	5.1%
Amortization and depreciation	21.9	5.7%	19.1	5.3%	15.0%
Amortization and depreciation IFRS 16	7.8	2.0%	7.3	2.0%	6.1%
EBIT	12.7	3.3%	14.0	3.9%	(8.9%)
Financial expense (income)	2.3	0.6%	2.5	0.7%	(8.4%)
Financial expense IFRS 16	1.3	0.3%	1.0	0.3%	35.9%
Associates (income)	(0.2)	(0.1%)	(1.8)	(0.5%)	n.s.
EBT	9.4	2.4%	12.3	3.4%	(23.7%)
Tax expense (income)	1.4	0.4%	(0.1)	—%	n.s.
Minorities	0.8	0.2%	0.1	0.0%	n.s.
Group net result	7.1	1.8 %	12.2	3.4 %	(42.1)%

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

2Q 2024 P&L

(Euro/millions)	Q2 2024		Q2 2023		Chg. %
Revenue	221.1		202.4		9.2 %
Industrial product cost	68.8	31.1 %	57.5	28.4 %	19.7 %
Variable product costs	26.5	12.0 %	24.1	11.9 %	10.2 %
Other variable costs	38.8	17.6 %	35.0	17.3 %	10.8 %
Structural costs	16.6	7.5 %	15.3	7.6 %	8.9 %
Extended labour cost	37.1	16.8 %	36.5	18.0 %	1.9 %
Other expense (income)	(2.9)	(1.3)%	0.2	0.1 %	n.s.
Adjusted EBITDA	36.1	16.3 %	33.8	16.7 %	6.7 %
Restructuring costs	0.1	— %	0.1	— %	24.5 %
Extraordinary expense (income)	(0.7)	(0.3)%	(1.9)	(0.9)%	n.s.
EBITDA	36.7	16.6 %	35.7	17.6 %	2.8 %
Amortization and depreciation	11.2	5.1 %	9.9	4.9 %	13.8 %
Amortization and depreciation IFRS 16	4.0	1.8 %	3.6	1.8 %	12.0 %
EBIT	21.4	9.7 %	22.2	11.0 %	(3.5)%
Financial expense (income)	1.5	0.7 %	1.7	0.8 %	(14.8)%
Financial expense IFRS 16	0.7	0.3 %	0.6	0.3 %	20.6 %
Associates	(0.3)	(0.1)%	(1.2)	(0.6)%	n.s.
EBT	19.6	8.9 %	21.1	10.4 %	(7.3)%
Tax expense (income)	5.6	2.5 %	3.5	1.7 %	n.s.
Minorities	(0.2)	(0.1)%	0.2	0.1 %	n.s.
Group net result	14.2	6.4 %	17.4	8.6 %	(18.6)%

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

1H 2024 Balance Sheet

(Euro/millions)	June 30, 2024	June 30, 2023	Chg. %
Trade receivables	183.2	158.6	15.5 %
Inventory	177.9	177.1	0.4 %
Trade payables	248.2	229.9	8.0 %
Other assets (liabilities)	(12.8)	(9.4)	n.s.
Net working capital continuing operations	100.1	96.4	3.8 %
Discontinued or discontinuing assets (liabilities)	—	—	n.s.
Net Working Capital	100.1	96.4	3.8 %
Intangible assets	387.9	386.1	0.5 %
Property, plant and equipment	37.0	31.4	17.7 %
Investments	14.2	14.0	1.7 %
Net fixed assets with no rights of use IFRS 16	439.1	431.5	1.8 %
Assets from right of use IFRS 16	77.0	67.1	14.7 %
Net fixed assets with rights of use IFRS 16	516.1	498.7	3.5 %
Provisions for risks	33.3	40.5	(17.7)%
Post-employment benefits	28.3	28.4	(0.4)%
Provisions	61.6	68.9	(10.6)%
Net invested capital	554.6	526.1	5.4 %
Share capital	68.0	68.0	— %
Reserves	185.9	159.7	16.4 %
Profit (loss) for the period	7.1	12.2	n.s.
Group equity	260.9	239.9	8.8 %
Non-controlling interests' equity	0.4	0.7	(41.6)%
Equity	261.3	240.6	8.6 %
Net financial position no IFRS 16	211.9	215.2	(1.6)%
Net financial position IFRS 16	81.4	70.3	15.8 %
Net financial position	293.3	285.5	2.7 %
Sources	554.6	526.1	5.4 %

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, 2023, Mondadori Group could count on 1,945 Headcounts

Key Figures



> 2,000 new titles published every year



> 100 mn fanbase

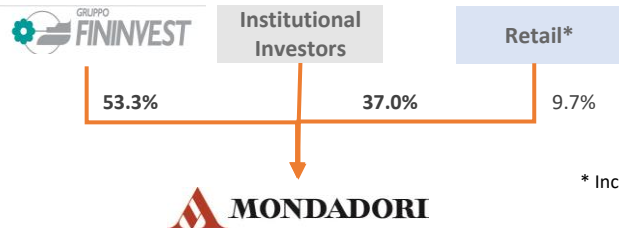


> 500 bookshops in Italy



~10% Digital Revenues

Shareholding Structure



Stock Performance 1 Yr



Average Mkt Cap 2024 €650 mn

Key Financials

€ mn

	C 2019	C 2020	C 2021	C 2022	C 2023
Net Revenues	884.9	743.9	807.3	903.0	904.9
Adj. EBITDA	110.4	98.3	105.7	136.4	152.1
EBIT	62.3	14.8	45.2	72.7	84.2
Net Profit	28.2	4.5	44.2	52.1	62.4
Net Financial Position	-151.3	-97.6	-179.1	-177.4	-158.6

Mondadori Group in a nutshell

Area	2023 Revenue %	Revenue	2023 Adj. EBITDA %	Adj. EBITDA
	64%	611.8 (2023), 576.2 (2022)	81%	126.9 (2023), 118.5 (2022)
	EBITDA Margin = 20.7%			
	21%	199.5 (2023), 189.2 (2022)	9%	14.0 (2023), 9.1 (2022)
	EBITDA Margin = 7.0%			
	15% (6.2% Digital, 8.6% Print)	141.0 (2023), 177.8 (2022)	10% (6.8% Digital, 3.6% Print)	16.4 (2023), 14.1 (2022)
	EBITDA Margin = 11.6%			
	64% (Books), 21% (Retail), 15% (Media)	904.7 (2023), 903.0 (2022)	81% (Books), 9% (Retail), 10% (Media)	152.1 (2023), 136.3 (2022)
	EBITDA Margin = 16.8%			

- ▶ **EBITDA** is equal to net results before interest, tax, depreciation and amortization.
- ▶ **Adjusted EBITDA** is EBITDA, as explained above, net of income and expenses of a non-ordinary nature such as
 - (i) income and expenses from restructuring, reorganization and business combinations;
 - (ii) clearly identified income and expenses not directly related to the ordinary course of business;
 - (iii) as well as any income and expenses from nonrecurring events and transactions as set out in Consob communication DEM6064293 of 28/07/2006.
- ▶ **EBIT** net result for the period before income tax, and other income and expenses.
- ▶ **Adjusted EBIT** EBIT net of income and expenses of a non-ordinary nature, amortization derived from Purchase Price Allocation of the last 5 years and depreciation/impairment.
- ▶ **EBT** net result for the period before income tax.
- ▶ **Adjusted Net Profit** the net result before income and expenses of a non-ordinary nature, amortization derived from Purchase Price Allocation of the last 5 years and depreciation/impairment, net of related fiscal effects and gross of non-recurring fiscal income and expenses.
- ▶ **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

Nicoletta Pinoia

Tel: +39 02 75422632

invrel@mondadori.it



Mondadori Group IR (disponibile su Google Play e App Store)



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