

9M2024 Results

Investors Presentation

Antonio Porro – CEO

Alessandro Franzosi – CFO

November 13th 2024

AGENDA

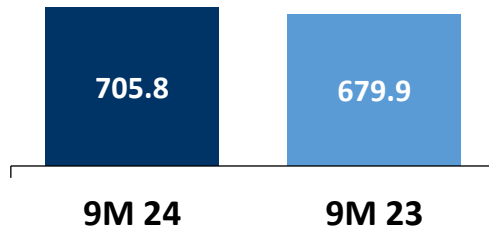
- 1. 9M 2024 Highlights**
2. 9M 2024 Results
3. FY 2024 Outlook
4. Annexes

Highlights – 9M 24

€ mn

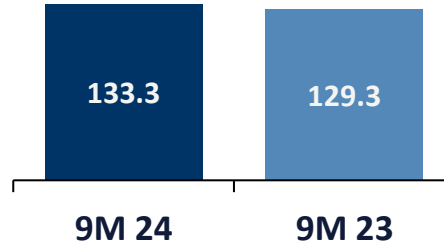
Revenues

+3.8% (+1.1% LFL)



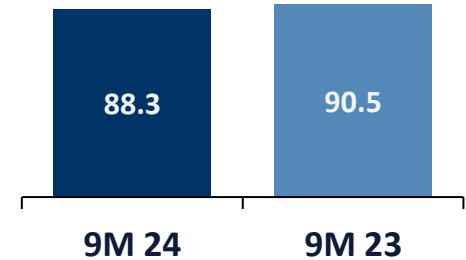
Adjusted EBITDA

+3.1%



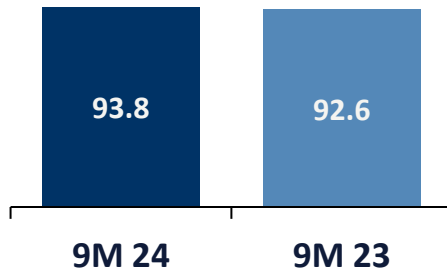
EBIT

-2.2€ mn



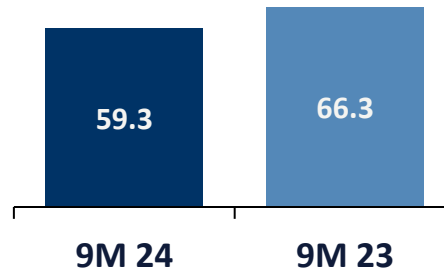
Adjusted EBIT

+1.2€ mn



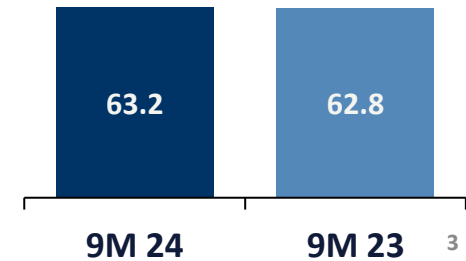
Net Income

-7.0 € mn



Adjusted Net Income

+0.4 € mn



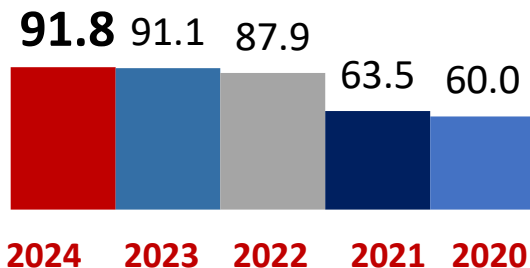
Highlights 9M24 – Trend Adj. EBITDA

€ mn

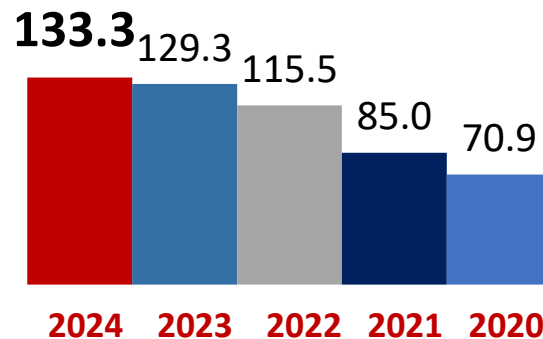


Sustained improvement in economic results

3Q



9M



**EBITDA
margin**

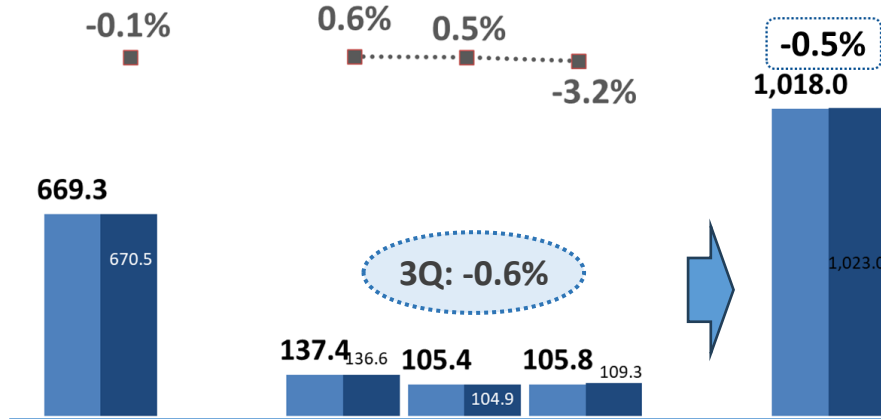
18.9% 19.0% 17.0% 14.4% 13.1%

Highlights 9M24 – Trade Book Market

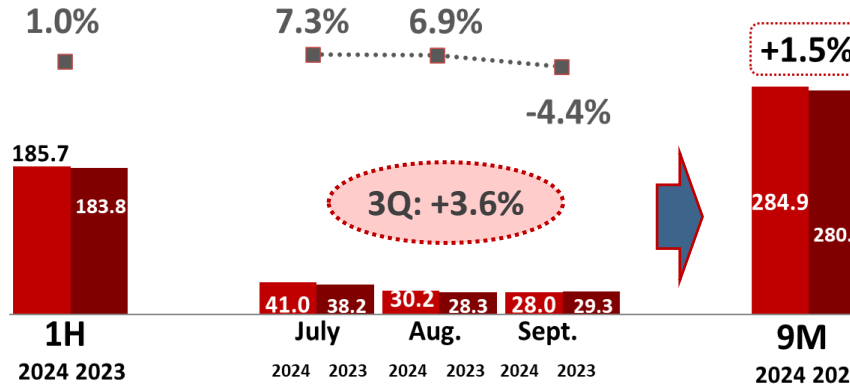
Significant overperformance in 3Q

Value data – Sell out
(€ mn)

Market



9M: 4 titles in Top Ten



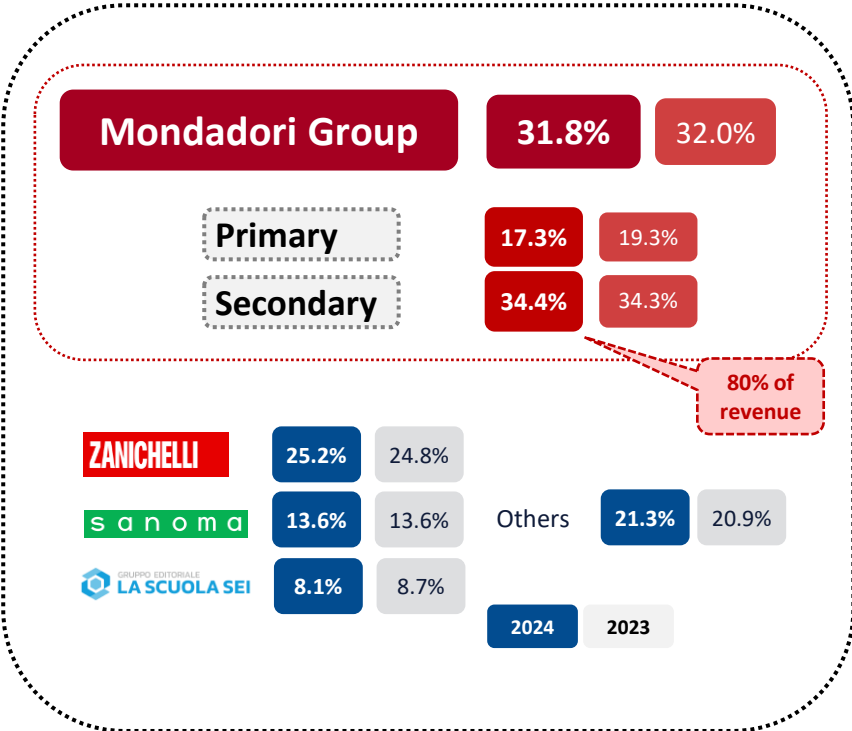
Organic growth of Market Share

Market share Mondadori Group	2024	2023
	28.0%	27.4%

Highlights 9M24 – Education Book Market

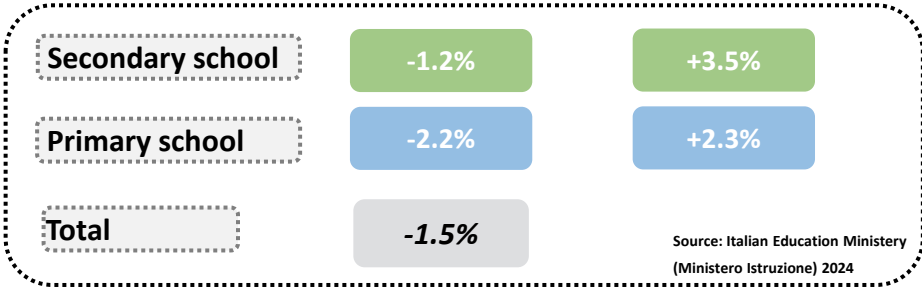


Selective strengthening of Market Share



Student trend in Italy (yoy)

Average Price Var. (yoy)



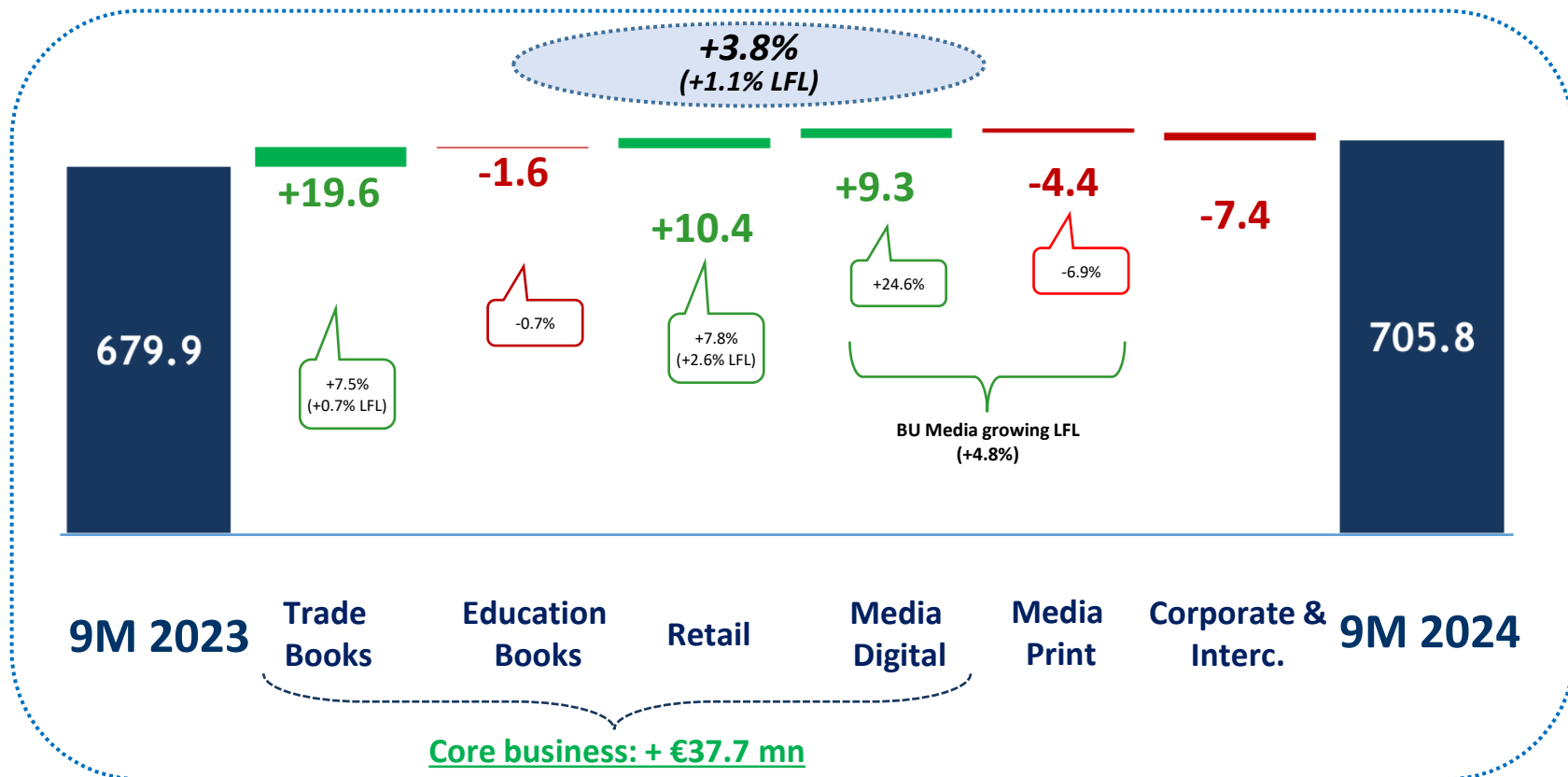
Source: Italian Education Ministry (Ministero Istruzione) 2024

AGENDA

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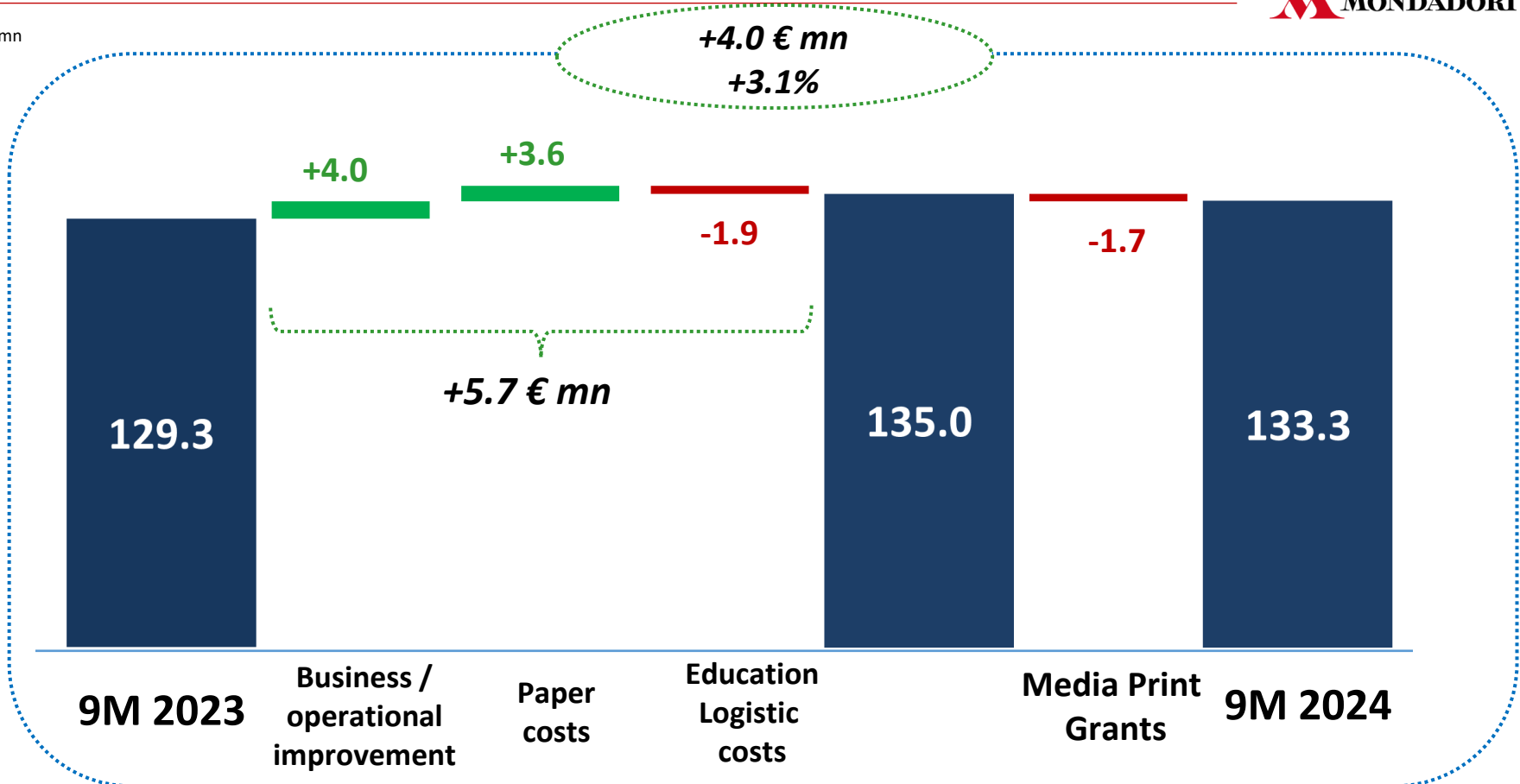
Revenues by Business Area – 9M 24

€ mn



Adjusted EBITDA – 9M 24

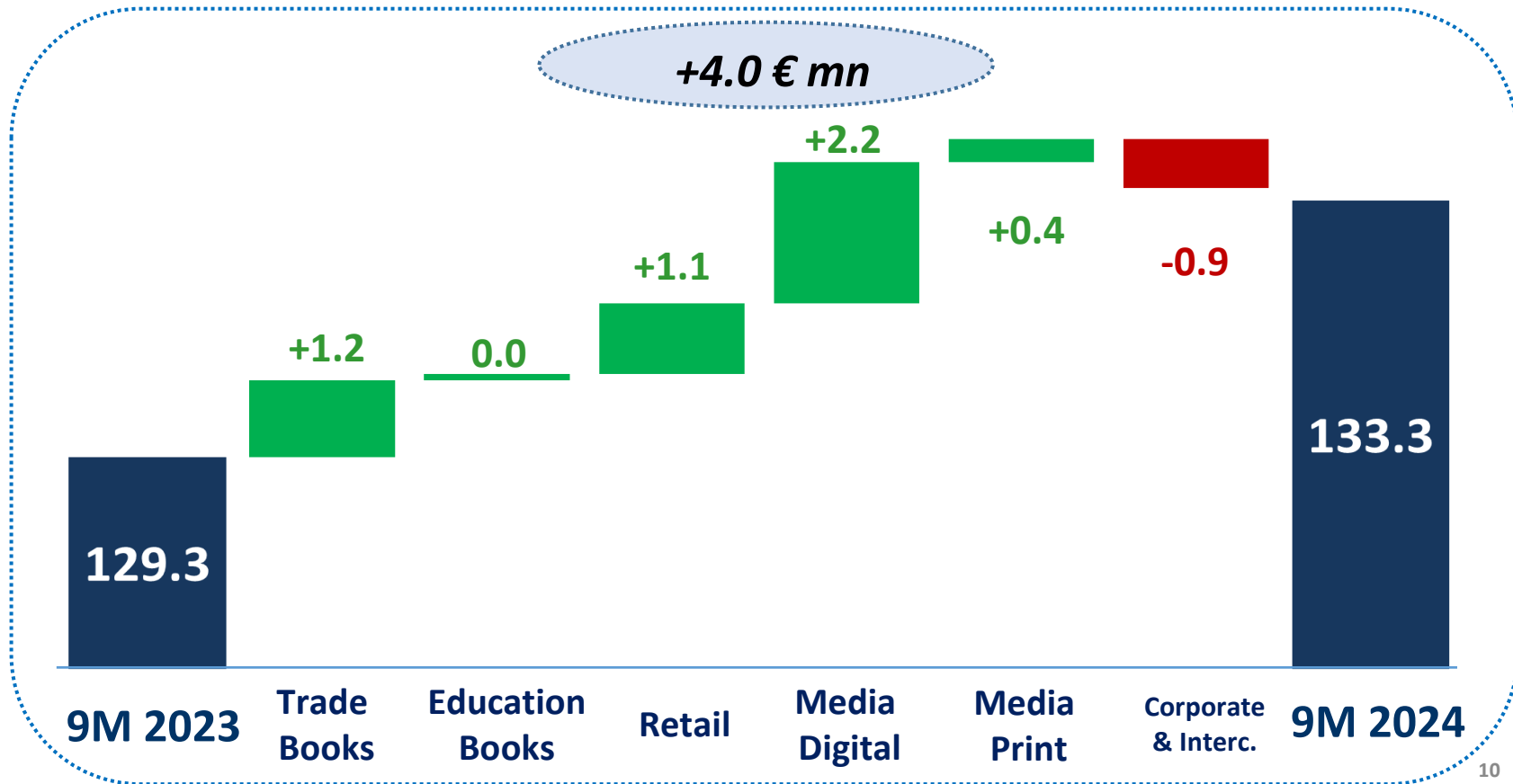
€ mn



Adjusted EBITDA by Business Area – 9M 24

€ mn

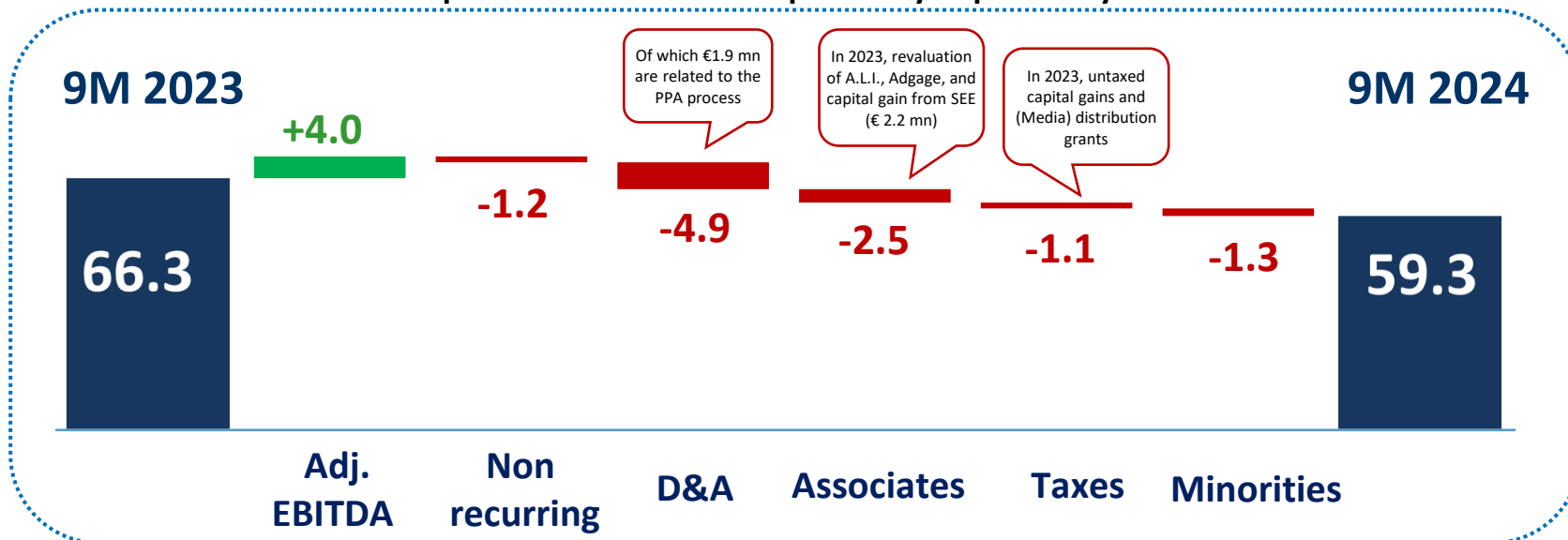
EBITDA growth in all business areas



Net Result 9M 24

€ mn

The 2023 reported Net Income was positively impacted by one-off items



9M 2023:
62.8

Adjusted Net Item

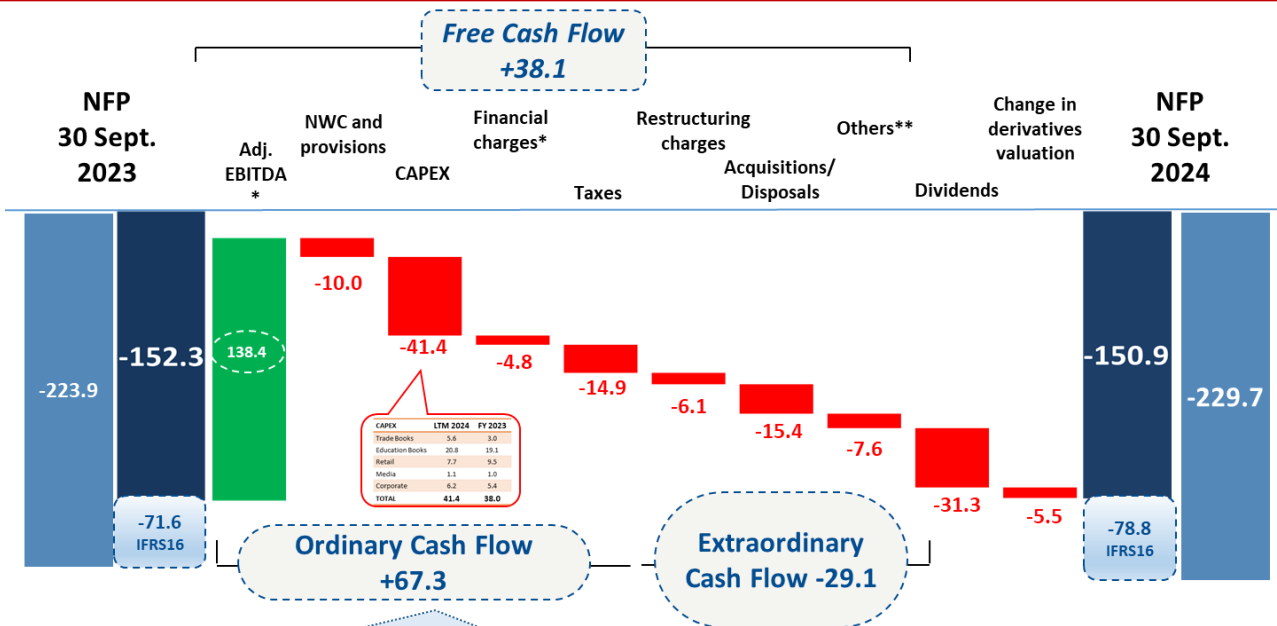
	9M 23	9M 24
Net Result	66.3	59.3
PPA	3.1	4.5
Capital Gain	-8.8	
One-off Associates	-1.8	
Others	4.0	-0.6
Adj. Net Result	62.8	63.2

9M 2024:
63.2

A solid financial structure thanks to significant cash generation

€ mn

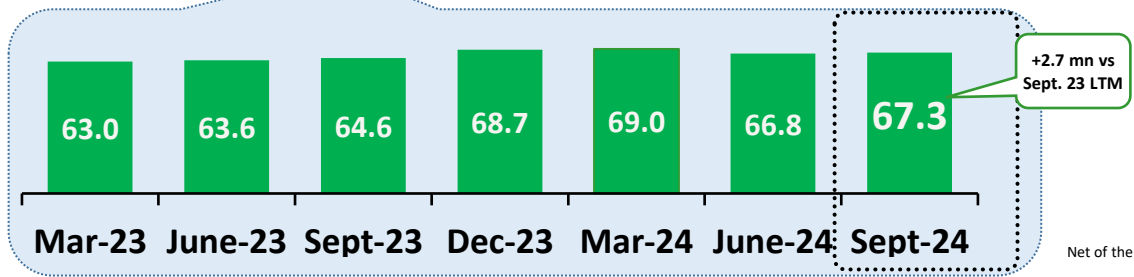
LTM Cash Flow Sept. 2024



CAPEX	LTM 2024	FY 2023
Trade Books	5.6	3.0
Education Books	20.8	19.1
Retail	7.2	3.5
Media	1.1	1.0
Corporate	6.2	5.4
TOTAL	41.4	38.0

Mondadori's cash generation financed the **M&A policy** and **rewarded shareholders** while maintaining the Group financial solidity

LTM Ordinary Cash Flow Trend



Net of the evaluation of derivatives on interest rate risk hedging

* Adj EBITDA. e FINANCIAL CHARGES before IFRS 16
 ** Others include cash-out/in related to Extraordinary taxes and Associates charges

AGENDA

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



BACK-UP

AGENDA

Annexes

Business Areas: Books

Business Areas: Retail

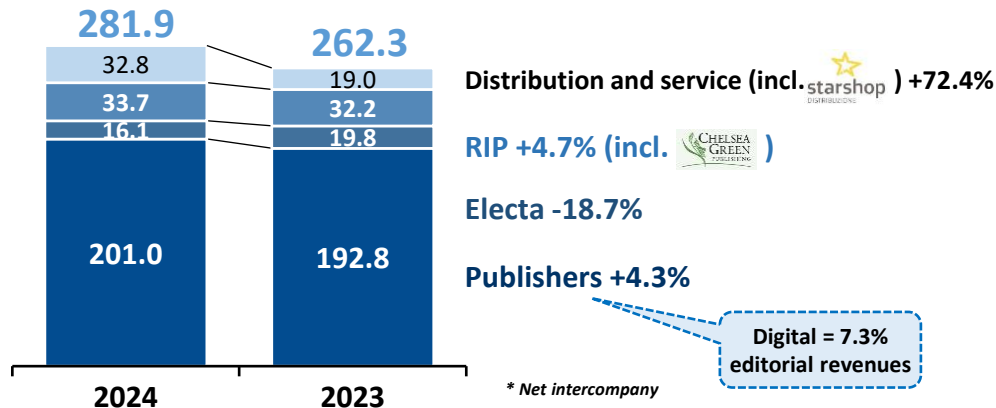
Business Areas: Media

Others

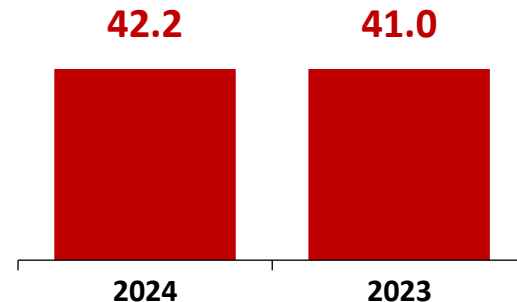
Business 9M24 – Trade Books

€ mn

Revenues +7.5% (+0.7% LFL)*



Adj. EBITDA +1.2 € mn



REVENUES

+7.5% (+0,7% LFL):

- +4.3% editorial revenues as a result of the positive editorial performance also on digital channels
E-book/Audiobook: 7.3% of editorial revenues, up of +12.6% vs 2023
- 18.7% Electa affected by the end of the Colosseum's concession
- +4.7% Rizzoli International Publications thanks to the consolidation of Chelsea Green Publishing
- Significant increase in third party publisher distribution services, thanks to Star Shop consolidation

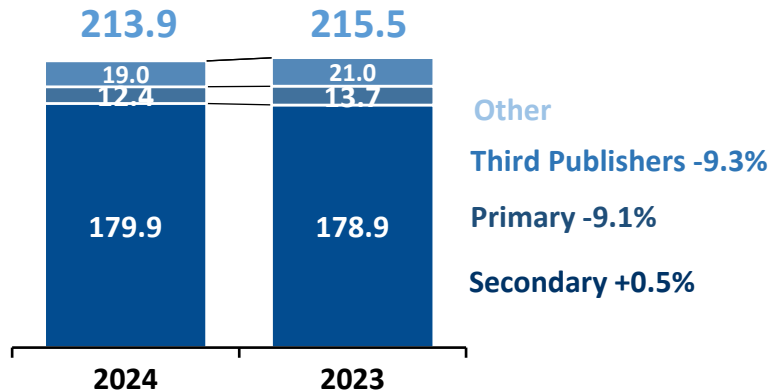
Adj. EBITDA

Adj. EBITDA +3.0% growth; thanks to digital revenue growth and lower impact of industrial costs

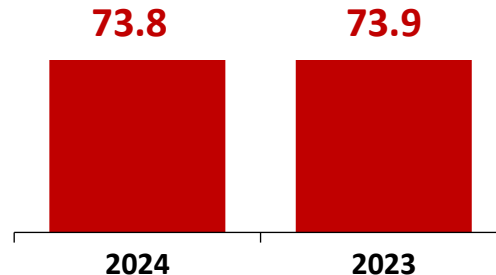
Business 9M24 – Education Books

€ mn

Revenues -0.7%



Adj. EBITDA -0.1 € mn



REVENUES

Slight decrease in revenues:

- Secondary school revenue (80% del totale) slightly growing (+0.5%)
- Primary school revenues decreases– higher volatility and lower profitability
- Third publisher revenues decreases as expected

Adj. EBITDA

Adj. EBITDA in line with the previous period, despite the lower revenues thanks to:

- Positive revenues mix (higher revenues in secondary school and lower revenues of third publishers)
- **Reduction of operating costs** (less incidence of cost of product - especially paper cost)

AGENDA

Annexes

Business Areas: Books

Business Areas: Retail

Business Areas: Media

Others

Business 9M24 – Retail

The 50th bookstore was inaugurated (ROME)

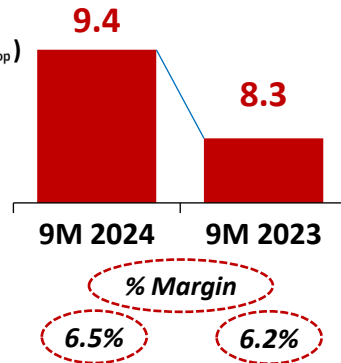
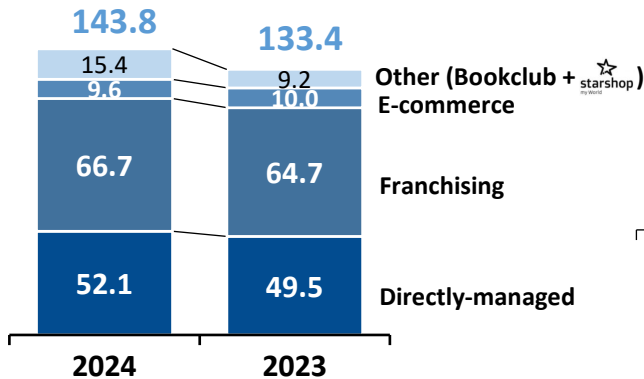


€ mn

Revenues +7.8% (+2.6% LFL)

Adj. EBITDA +1.1 mn

Book Market 9M 2024



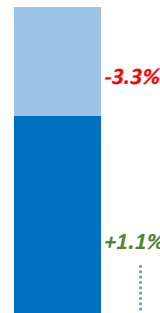
Market

-0.5%



+2.1%

Market Share 13.2%



ONLINE WEIGHT 4.6%

PHYSICAL WEIGHT 95.4%

Δ +1.1 pt

Source: internal estimate on GfK figures Sept. 2024

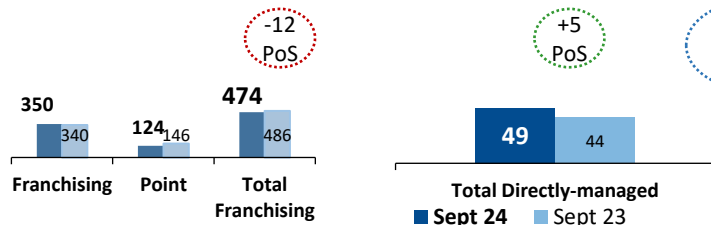
REVENUES

- Book (over 80% of the revenues from PoS): +2.5%
- DOS: +5.3%, +8.6% net of the closure for renovations of the Marcianise bookstore
- Franchising: +3.1%
- Online slight contraction

Adj. EBITDA

Adjusted EBITDA grew slightly (+12.8%) despite a €0,6mn negative impact due to the renovation projects of Marcianise and Nova, without which the growth would have been around 20%

Network of Point of Sales: continuous rationalization activity



523 PoS

Comic stores 17 DOS 40 affiliated

AGENDA

Annexes

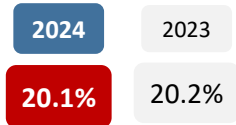
- Business Areas: Books
- Business Areas: Retail
- Business Areas: Media**
- Others

Business 2024 – Media

€ mn

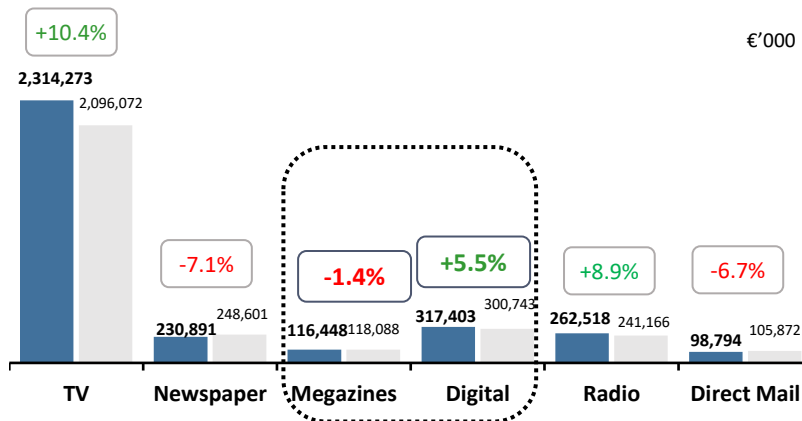
2024 Magaz. Circulations Trend

-6.7%

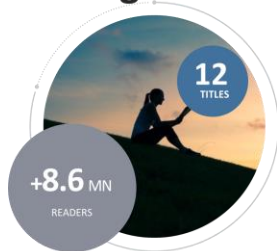


2024 ADV Market

+7.6%



Magazine



Web

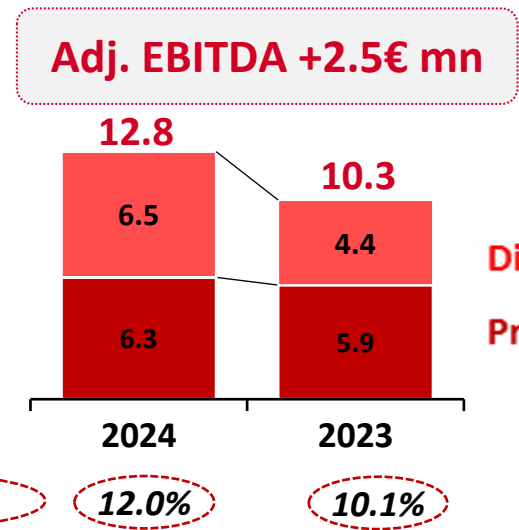
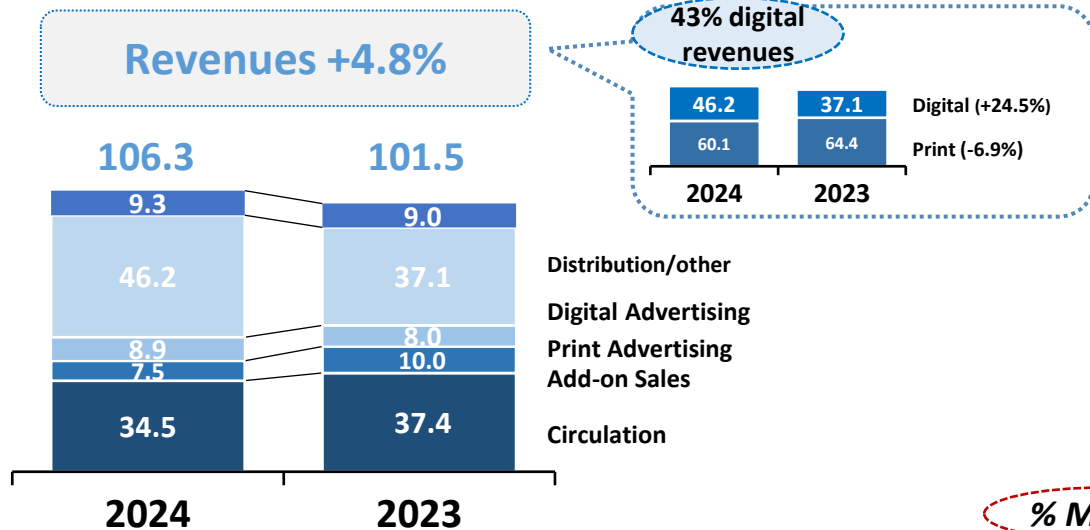


Social



Business 9M 24 – Media

€ mn



REVENUES

- **Digital: +24.5%** thanks to **increased digital activities** of MarTech, social agency and Webboh
- **Print: -6.9%** particularly due to the contraction of Add-on sales revenues:
 - **Circulation revenue** : -7.8%, with a better performance of TV magazines (TV *Sorrisi & Canzoni*) a -5.7%
 - **Add-on Sales revenue**: -25.0%, showing a slight improvement compared to 6M 2024, due to the increase in the number of book-related initiatives
 - **Adv**: +11.0% thanks to the positive performance of the *Interni* event and the results of the new agency for *TV Sorrisi & Canzoni, Chi e Focus*
 - **Others**: +3.8%

Adj. EBITDA

Adj. EBITDA up 25% thanks to the performance of Digital activities

AGENDA

Annexes

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

9M/3Q 24 Revenue and Adj. EBITDA by Business Area

REVENUE by Business Area

(Euro/millions)	9M 2024	9M 2023	Chg. %	Q3 2024	Q3 2023	Chg. %
Trade Books	281.9	262.4	7.5 %	93.4	89.4	4.4 %
Education Books	213.9	215.5	(0.7)%	152.8	157.7	(3.1)%
Retail	143.8	133.4	7.8 %	52.4	49.5	5.9 %
Media	106.4	101.5	4.8 %	34.4	32.8	5.0 %
Corporate & Shared Services	33.7	31.6	6.7 %	11.6	10.5	10.9 %
Intercompany	(73.9)	(64.4)	14.8 %	(25.9)	(22.2)	16.6 %
Total Consolidated Revenues	705.8	679.9	3.8 %	318.7	317.6	0.3 %

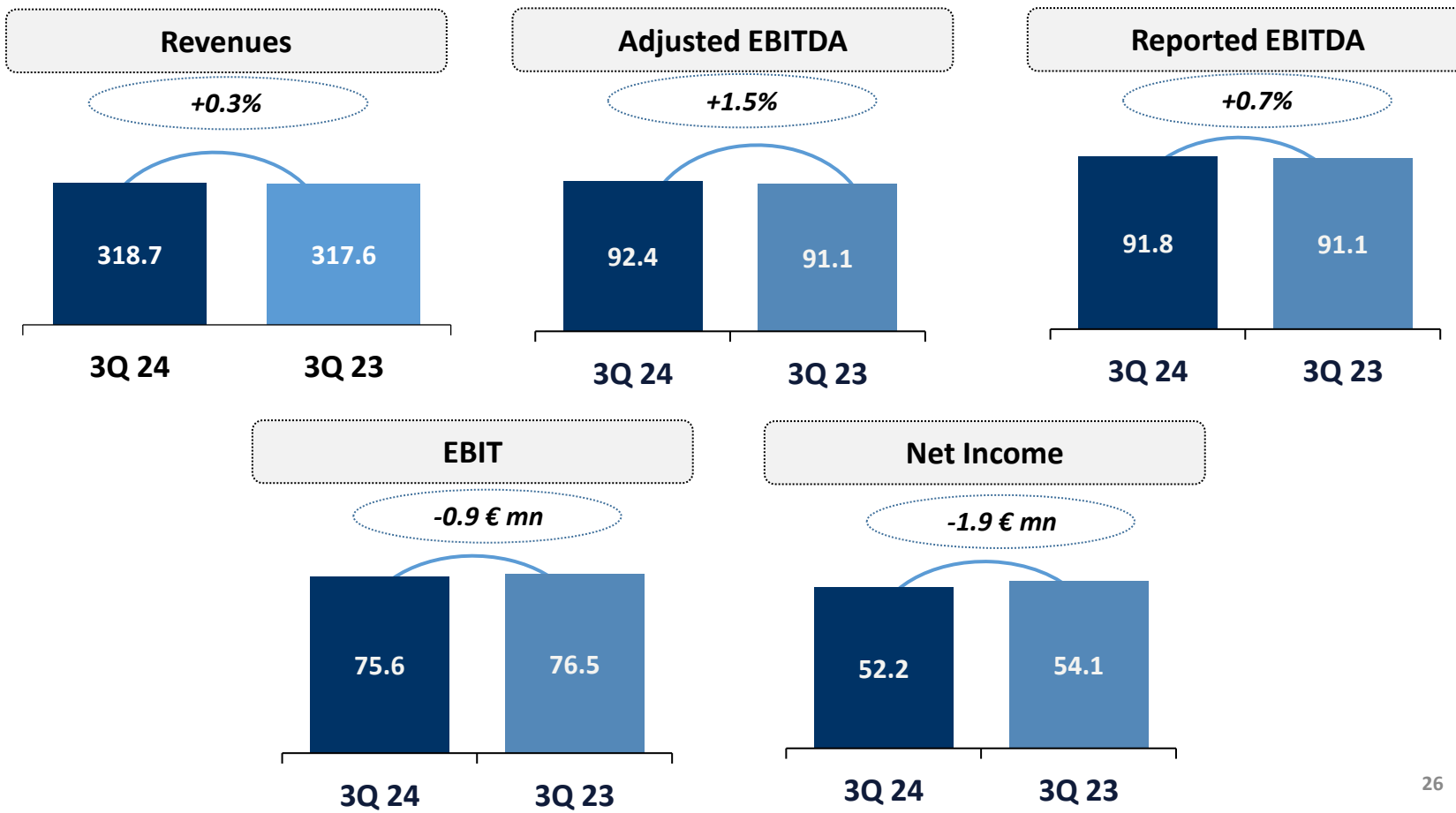
Starting from 1 February 2024, the revenues deriving from Star Shop's distribution activities are included in the Trade Books area while the revenues from retail activities (direct and franchised stores) are accounted for in the Retail area.

Adj. EBITDA by Business Area

(Euro/millions)	9M 2024	9M 2023	Chg.	Q3 2024	Q3 2023	Chg.
Trade Books	42.2	41.0	1.2	14.5	14.7	(0.2)
Education Books	73.8	73.9	0.0	71.9	71.5	0.4
Retail	9.4	8.3	1.1	4.1	4.1	0.0
Media	12.8	10.3	2.6	2.7	1.2	1.4
Corporate & Shared Services	(4.5)	(3.6)	-0.9	(1.1)	(0.6)	(0.5)
Intercompany	(0.5)	(0.5)	0.0	0.2	0.0	0.2
Total Adj. EBITDA	133.3	129.3	4.0	92.4	91.1	1.3

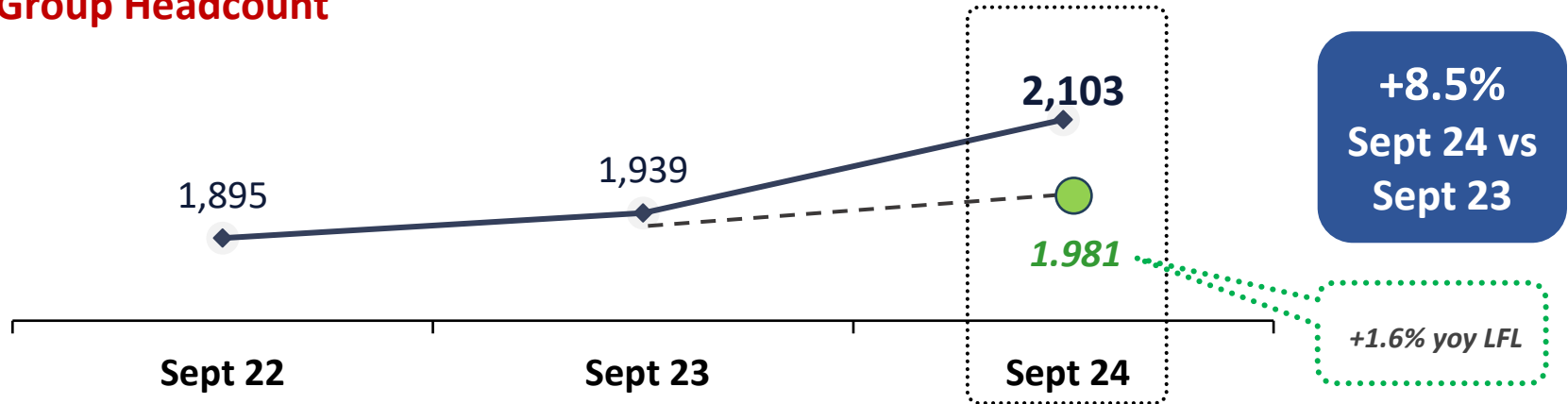
Highlights – 3Q 24

€ mn

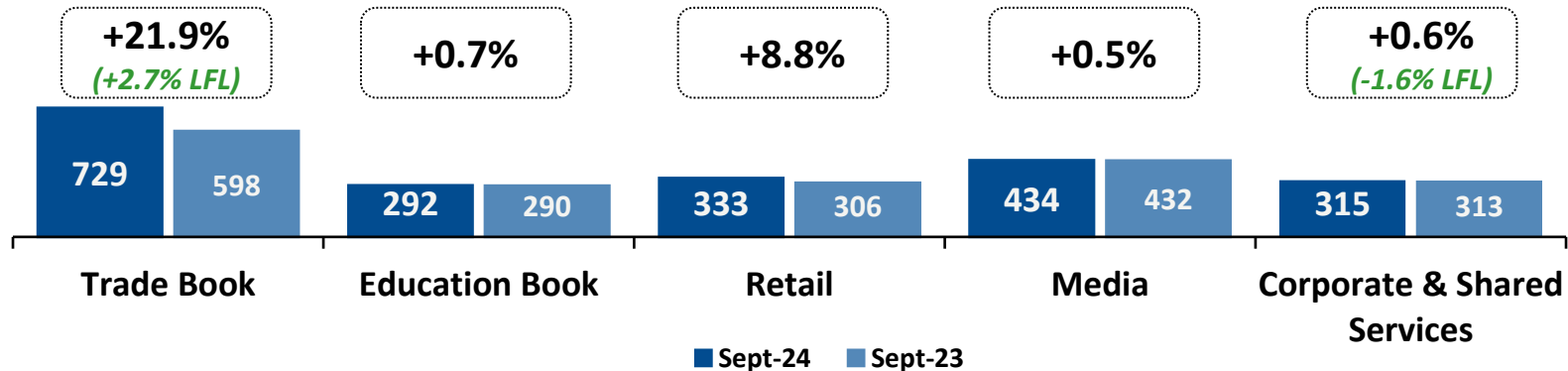


Headcount Evolution 9M 24

Group Headcount



BU Headcount



(Euro/millions)	9M 2024		9M 2023		Chg. %
Revenue	705.8		679.9		3.8%
Industrial product cost	215.0	30.5%	208.8	30.7%	3.0%
Variable product costs	82.4	11.7%	79.0	11.6%	4.2%
Other variable costs	121.5	17.2%	116.7	17.2%	4.1%
Structural costs	49.0	6.9%	43.9	6.5%	11.6%
Extended labour cost	109.1	15.5%	105.5	15.5%	3.5%
Other expense (income)	(4.5)	(0.6%)	(3.2)	(0.5%)	<i>n.s.</i>
Adjusted EBITDA	133.3	18.9%	129.3	19.0%	3.1%
Restructuring costs	0.5	0.1%	1.3	0.2%	<i>n.s.</i>
Extraordinary expense (income)	(1.4)	(0.2%)	(3.4)	(0.5%)	<i>n.s.</i>
EBITDA	134.2	19.0%	131.5	19.3%	2.1%
Amortization and depreciation	34.1	4.8%	29.9	4.4%	14.2%
Amortization and depreciation IFRS 16	11.8	1.7%	11.1	1.6%	5.7%
EBIT	88.3	12.5%	90.5	13.3%	(2.4%)
Financial expense (income)	4.2	0.6%	4.6	0.7%	(10.1%)
Financial expense IFRS 16	2.1	0.3%	1.5	0.2%	34.3%
Associates (income)	(0.3)	0.0%	(2.8)	(0.4%)	<i>n.s.</i>
EBT	82.4	11.7%	87.1	12.8%	(5.4%)
Tax expense (income)	21.6	3.1%	20.5	3.0%	<i>n.s.</i>
Minorities	1.6	0.2%	0.3	0.0%	<i>n.s.</i>
Group net result	59.3	8.4 %	66.3	9.8 %	(10.6)%

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

(Euro/millions)	Q3 2024		Q3 2023		Chg. %
Revenue	318.7		317.6		0.3 %
Industrial product cost	89.4	28.0 %	95.1	30.0 %	(6.1)%
Variable product costs	33.2	10.4 %	33.9	10.7 %	(2.1)%
Other variable costs	52.9	16.6 %	52.6	16.6 %	0.4 %
Structural costs	16.9	5.3 %	14.1	4.5 %	19.7 %
Extended labour cost	34.2	10.7 %	33.0	10.4 %	3.6 %
Other expense (income)	(0.3)	(0.1)%	(2.3)	(0.7)%	n.s.
Adjusted EBITDA	92.4	29.0 %	91.1	28.7 %	1.5 %
Restructuring costs	0.4	0.1 %	1.0	0.3 %	(58.1)%
Extraordinary expense (income)	0.2	0.1 %	(1.1)	(0.3)%	n.s.
EBITDA	91.8	28.8 %	91.1	28.7 %	0.7 %
Amortization and depreciation	12.2	3.8 %	10.8	3.4 %	12.7 %
Amortization and depreciation IFRS 16	4.0	1.3 %	3.8	1.2 %	4.8 %
EBIT	75.6	23.7 %	76.5	24.1 %	(1.2)%
Financial expense (income)	1.9	0.6 %	2.1	0.7 %	(12.1)%
Financial expense IFRS 16	0.8	0.2 %	0.6	0.2 %	31.7 %
Associates	(0.1)	— %	(1.0)	(0.3)%	n.s.
EBT	73.1	22.9 %	74.8	23.6 %	(2.4)%
Tax expense (income)	20.1	6.3 %	20.6	6.5 %	n.s.
Minorities	0.7	0.2 %	0.2	0.1 %	n.s.
Group net result	52.2	16.4 %	54.1	17.0 %	(3.5)%

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

(Euro/millions)	September 30, 2024	September 30, 2023	Chg. %
Trade receivables	230.3	226.6	1.6 %
Inventory	168.3	167.6	0.4 %
Trade payables	266.2	265.3	0.3 %
Other assets (liabilities)	(41.6)	(41.2)	n.s.
Net working capital continuing operations	90.7	87.7	3.4 %
Discontinued or discontinuing assets (liabilities)	—	—	n.s.
Net Working Capital	90.7	87.7	3.4 %
Intangible assets	384.1	385.2	(0.3)%
Property, plant and equipment	39.2	31.1	26.0 %
Investments	14.3	14.2	0.9 %
Net fixed assets with no rights of use IFRS 16	437.6	430.5	1.6 %
Assets from right of use IFRS 16	74.1	68.2	8.7 %
Net fixed assets with rights of use IFRS 16	511.7	498.6	2.6 %
Provisions for risks	31.8	38.4	(17.1)%
Post-employment benefits	28.9	29.0	(0.6)%
Provisions	60.7	67.4	(10.0)%
Net invested capital	541.7	519.0	4.4 %
Share capital	68.0	68.0	— %
Reserves	184.2	160.1	15.0 %
Profit (loss) for the period	59.3	66.3	n.s.
Group equity	311.5	294.4	5.8 %
Non-controlling interests' equity	0.6	0.6	(10.1)%
Equity	312.0	295.0	5.8 %
Net financial position no IFRS 16	150.9	152.3	(0.9)%
Net financial position IFRS 16	78.8	71.6	9.9 %
Net financial position	229.7	223.9	2.6 %
Sources	541.7	519.0	4.4 %

- ▶ **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).



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<https://www.linkedin.com/company/gruppomondadori>



<https://www.facebook.com/GruppoMondadori>



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



<https://www.youtube.com/c/GruppoMondadori>