

GRUPPO  MONDADORI

FY 24 Results

Investor Presentation

Antonio Porro – CEO

Alessandro Franzosi – CFO

Milan, March 12, 2025

AGENDA

- 1. FY 2024 Highlights**
2. FY 2024 Results
3. FY 2025 Outlook

FY24 – Corporate Highlights

Another year of growth, continued core business development
and increased Shareholder remuneration



All targets of 2024
Guidance achieved



BOOK =
85% REVENUE
90% EBITDA



Improved economic
performance

+4% vs 2023

Adj. EBITDA



Stronger Balance Sheet

+4% vs 2023

Ordinary Cash Flow



DPS

€ 14 cents

+17% vs 2023

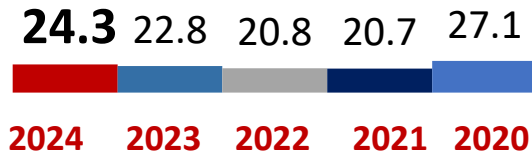
Highlights FY24 – Profitability Trend

€ mn

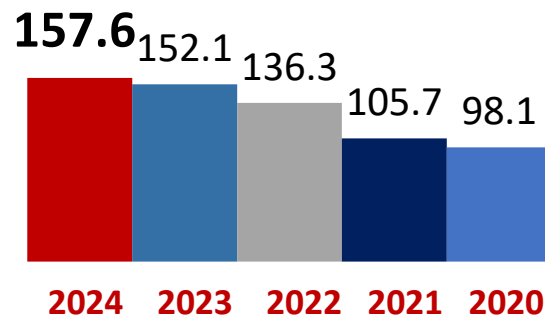


Sustained improvement in economic results

4Q



FY



**Adj. EBITDA
margin**

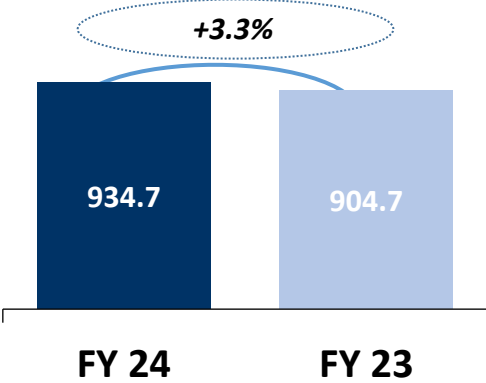
16.9% 16.8% 15.1% 13.1% 13.2%

FY 24 Highlights

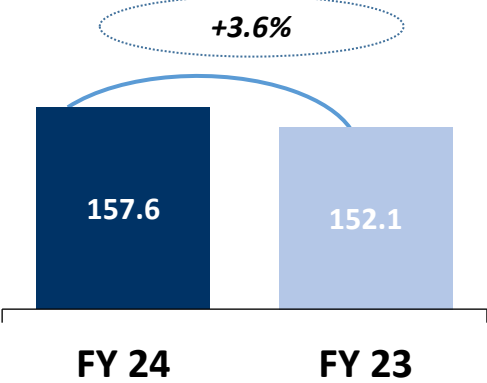


€ mn

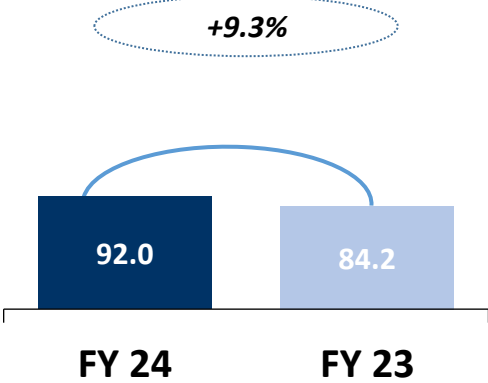
Revenue



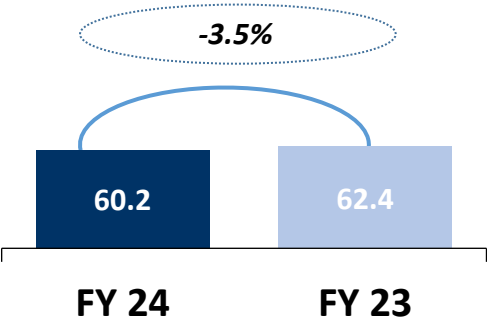
Adjusted EBITDA



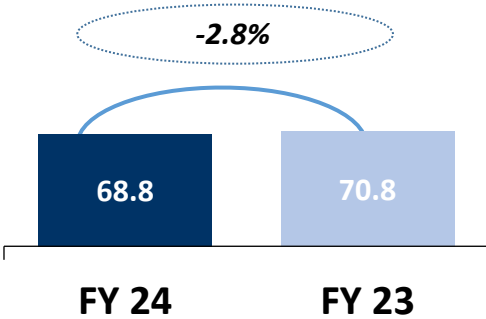
EBIT



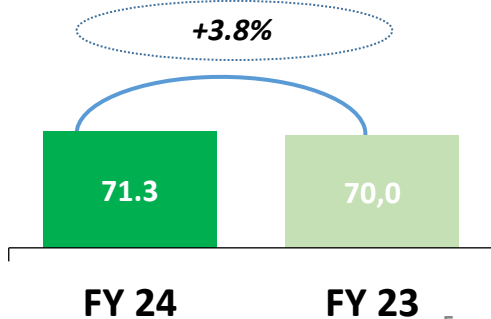
Net profit



Adj. Net Profit



Ordinary cash flow



FY24 Highlights – Results vs Guidance

Results in line with goals

GOALS

RESULTS

REVENUE

Low single-digit growth

+3.3%
(+2.7% consistent with
guidance)

Adj. EBITDA

Mid single-digit growth
(profitability ~17%)

+3.6%
(+2.7% consistent with
guidance)
16.9% EBITDA margin

Ord. Cash flow

~ €70 mn

€71.3 mn

2024 Dividend Policy

Growing Shareholder Remuneration Policy:

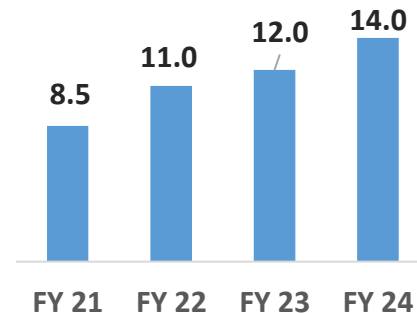
proposed payout of a **dividend of €14 cents/share**
(total cash-out = €36.4 million)*

**Pay-out
ratio = 60%**

**+17% vs
2023**

**Dividend
Yield = ~7%
(31/12/2024)**

CAGR +18%



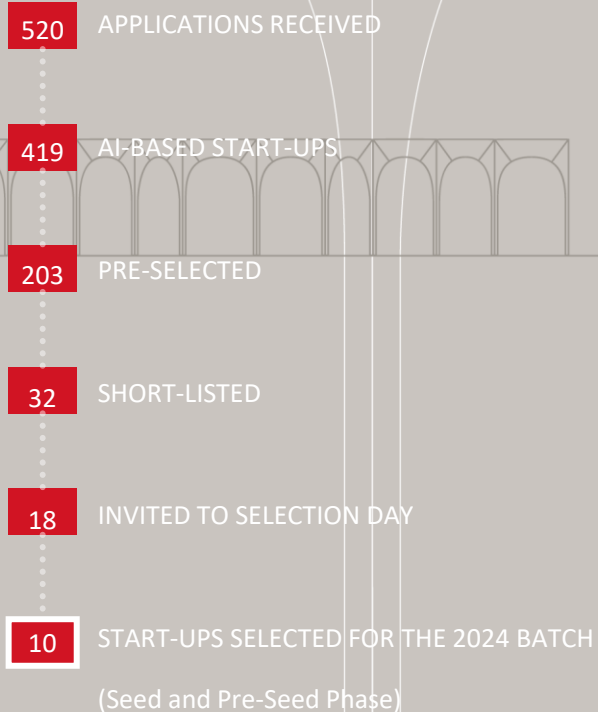
Payment Date:

50% 21 May 2025
50% 26 November 2025

* Calculation based on the number of shares outstanding at 31 December 2024

DL AI Start-up accelerator in Generative Artificial Intelligence

FUNNEL 2024

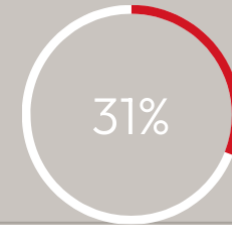


SECTORS

EDUCATION



NEW MEDIA & ADVERTISING



RETAIL



TRADE BOOKS



Investment of 100k in each selected start-up
(acquiring on average around 7% of the capital)
=
Investment of €1 mn for 3 years

AGENDA

1. FY 2024 Highlights

2. **FY 2024 Results**

Market Trend

Economic highlights

Cash flow and NFP

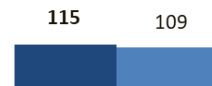
3. FY 2025 Outlook

Trade Books Market - FY 24

After years of growth, one of consolidation

Figures in terms of value – Sell out (€ mn)

Digital Mkt
(6% of total)



+5%

+7.1% Audiobook

+4.0% Ebook

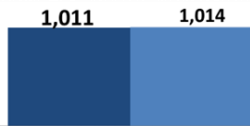
Fonte: AIE, December 2024

Market

TREND 9M

Change in disbursement of "Culture bonus" for 18-year-olds

-0.5%



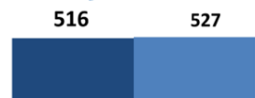
2024 2023

+1.5%



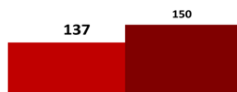
TREND 4Q

-3.4%



2024 2023

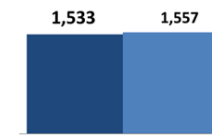
-8.5%



-30 mn "Fondo Biblioteche" Library Fund

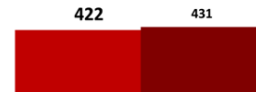
TREND FY

-1.5%



2024 2023

-2.1%



~ -63 mn missing contributions for sustaining demand

Digital



+8.8%

Mondadori Group

27.5%

27.7%

Paperback

57.9%

57.7%

Hardcover

22.0%

22.1%

Mondadori Retail performance

Retail Mkt Share
13.1%
(da 12.8% 2023)

Books = 84% of
total Store
Revenue

Market

-1.5%



-4.5%

ONLINE
WEIGH
T
35.5%

PHYSIC
AL
WEIGH
T
64.5%

+0.2%

MONDADORI
RETAIL

+2.0%



+0.6%

ONLINE
WEIGH
T
4.6%

PHYSIC
AL
WEIGH
T
95.4%

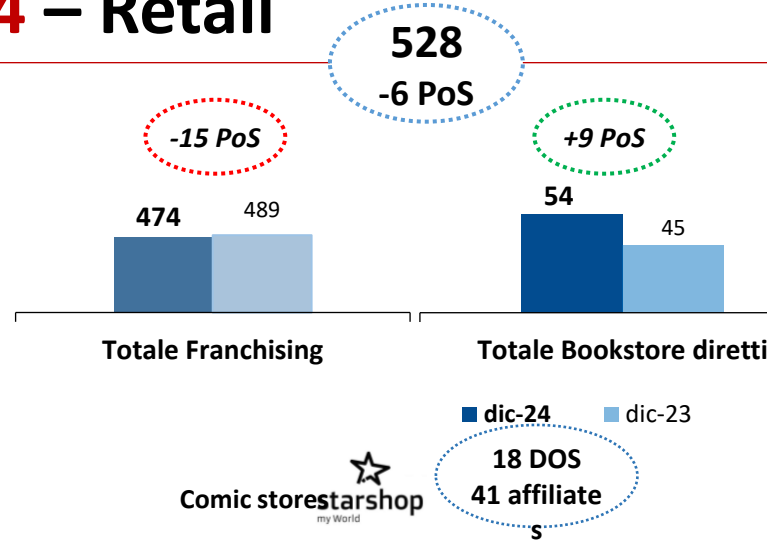
+2.1%

Δ
+1.7pt

Business FY24 – Retail

PoS network

- Selective development of the direct network
- Streamlining of the franchise network



Comic storestarshop
myWorld

18 DOS
41 affiliate

DIRECTLY-MANAGED BOOKSTORES

Continued optimisation of surface areas managed

-43% average store labour cost

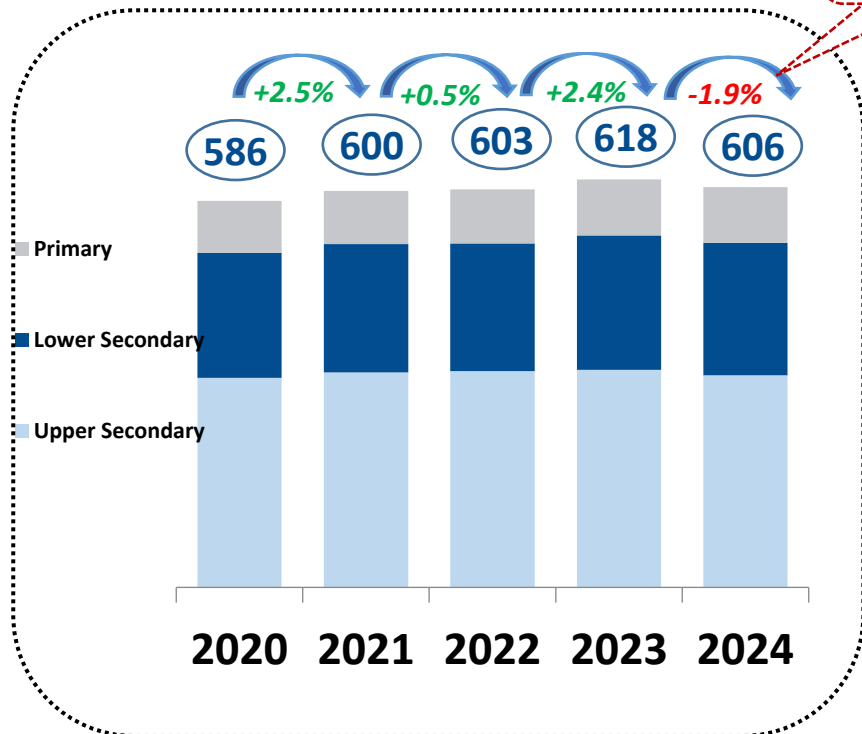
-37% average store rental cost

	2024	2019	Change 24/19
Total PoS	54	35	+19 PoS
Total sqm	18,879	19,781	
Average sqm	350	565	-38%

Education Books Market - FY 24

€ mn

2020-2024 Trend



Greater use of second-hand temporarily stopped the growth trend of the last few years

Student trend in Italy (yoy)

Var. Average price (yoy)

Level	Student trend in Italy (yoy)	Var. Average price (yoy)
Primary school	-2.2%	+2.3%
Secondary school	-1.2%	+3.3%
Total	-1.5%	

2024 Market shares

Company	2024	2023
Mondadori Group	31.8%	32.0%
ZANICHELLI	25.1%	24.8%
LA SCUOLA SEI	8.1%	8.7%
s a n o m a	13.5%	13.6%
Others	21.5%	20.9%

Source: in-house estimates from Databank, 2024

Source: ESAIE 2024

Education Books Market FY 24 – Digital penetration

Ministerial Decree n.781 of 27th September 2013 indicates the following three ways for the adoption of text books and supplementary digital contents

The regulatory context and evolution of digital in Italy



Group's digital platforms

TYPOLOGY C



ONLY DIGITAL

2.5%

+ supplementary digital contents
1.1% in 2020

TYPOLOGY A



ONLY PAPER

1.5%

+ supplementary digital contents
4.9% in 2020

TYPOLOGY B



PAPER + DIGITAL

96%

+ supplementary digital contents
94.0% in 2020

hub
SCUOLA



DeA
SCUOLA

2024

Only one
platform
hub
SCUOLA

AGENDA

1. FY 2024 Highlights

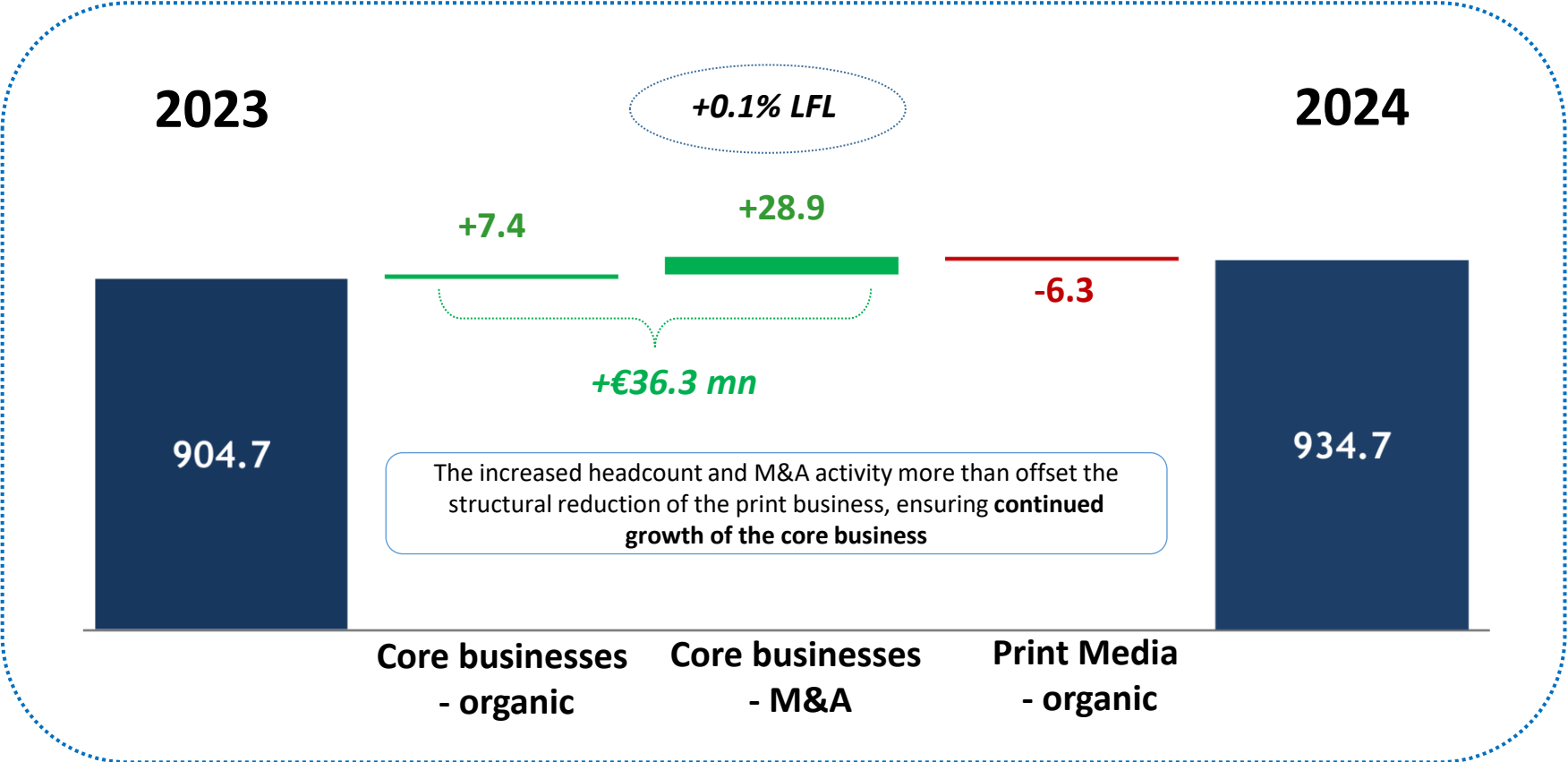
2. **FY 2024 Results**

Market Trend
Economic highlights
Cash flow and NFP

3. FY 2025 Outlook

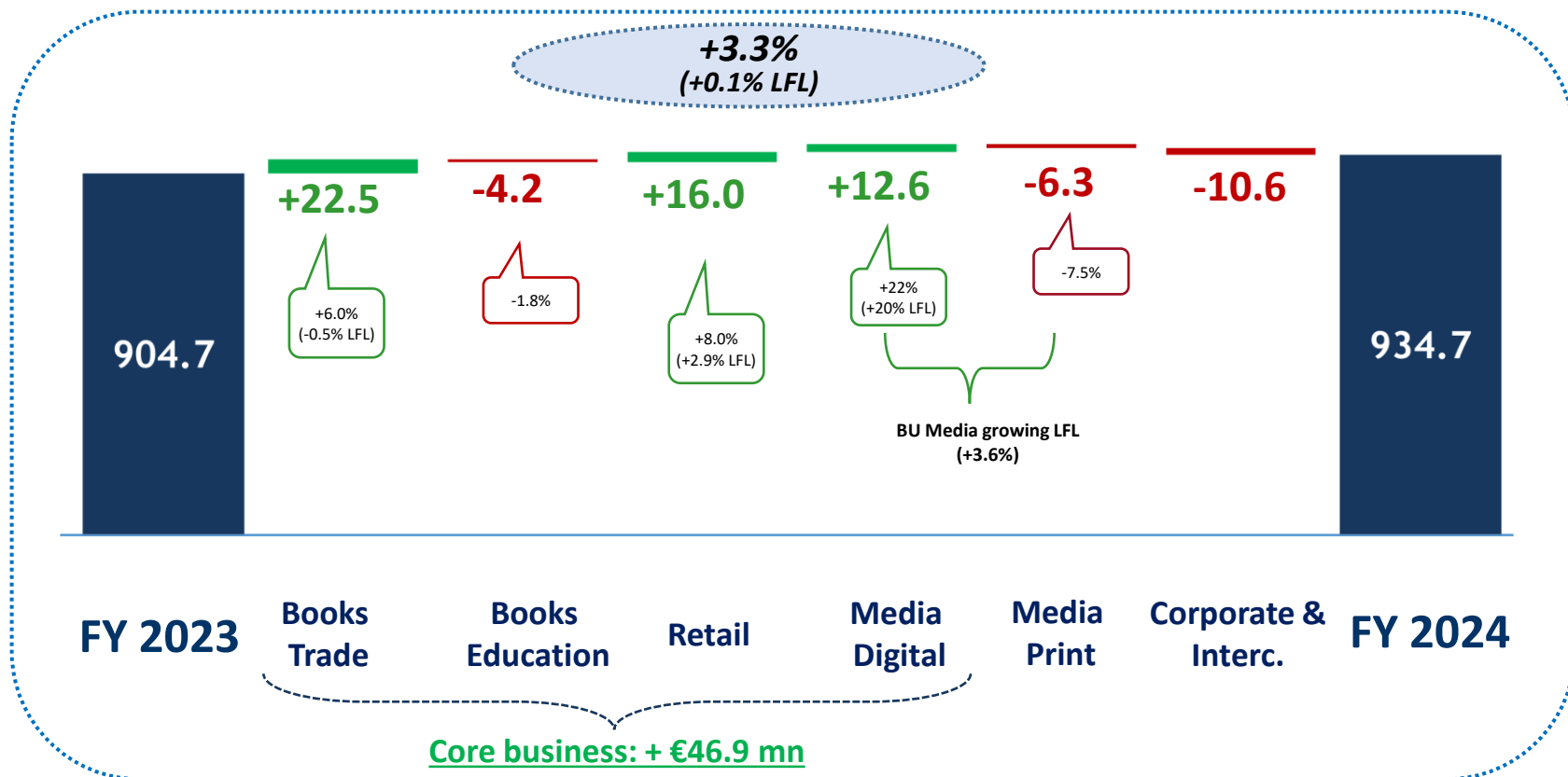
Revenue – FY24

€ mn



Revenue by Business Area – FY 24

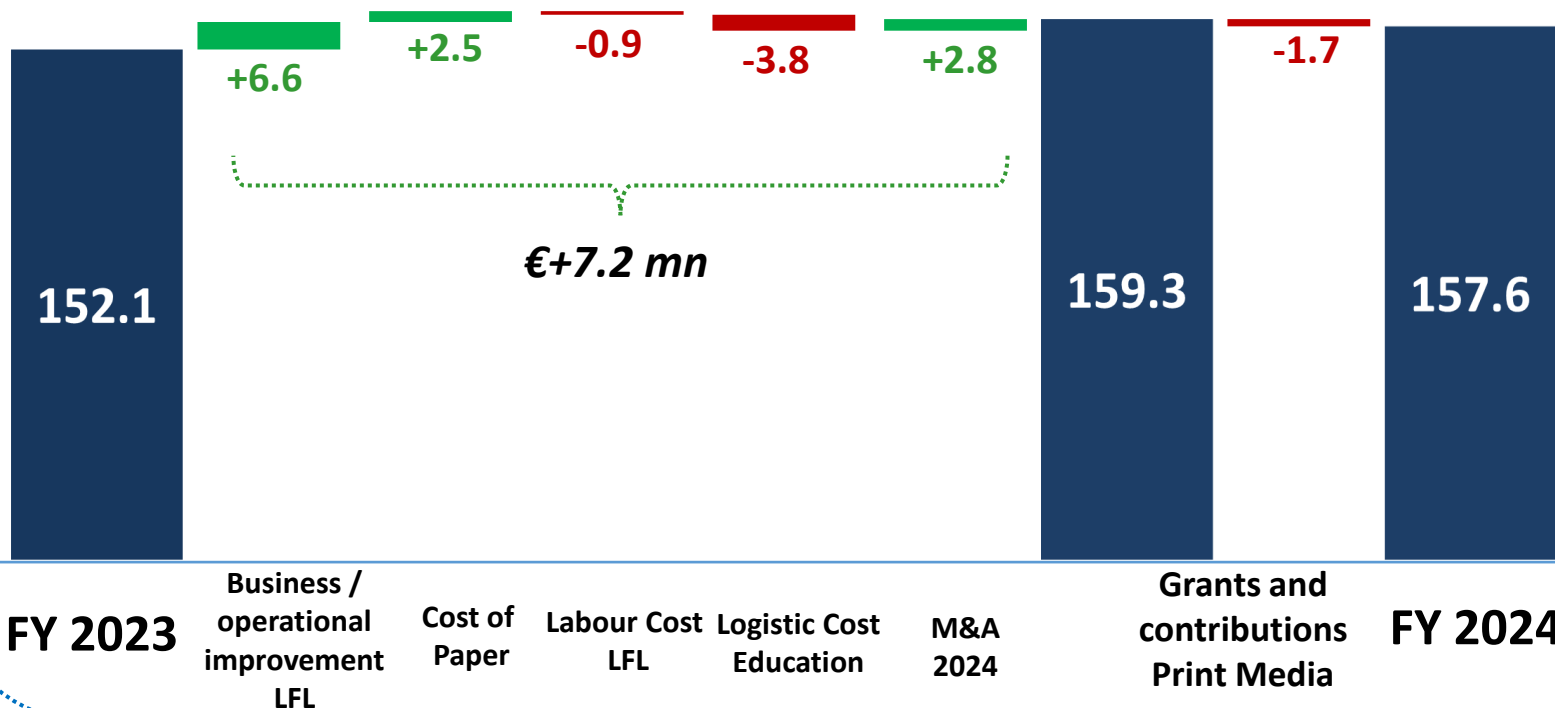
€ mn



Adjusted EBITDA – FY 24

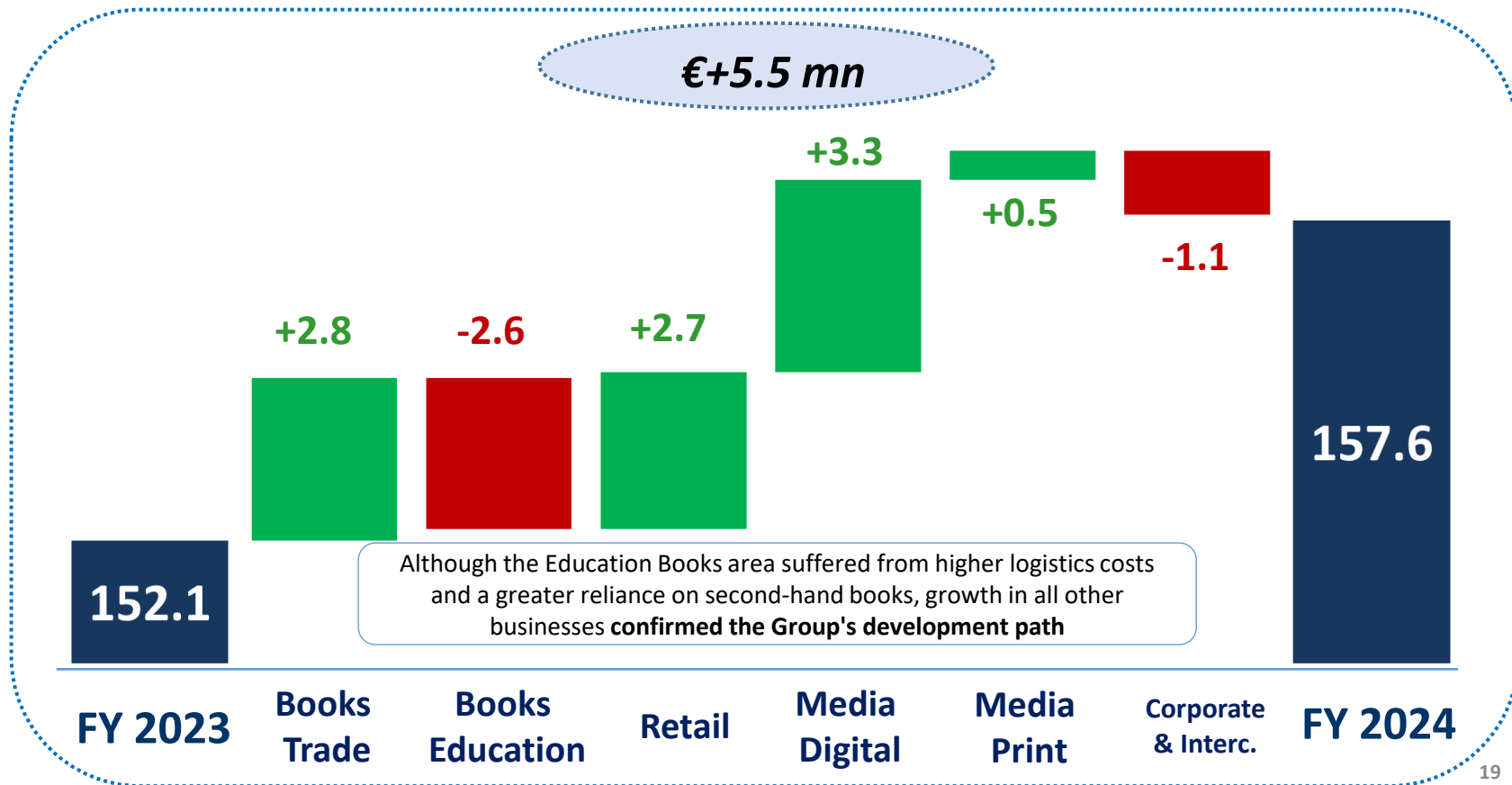
€ mn

€+5.5 mn
+3.6%



Adjusted EBITDA by Business Area – FY 24

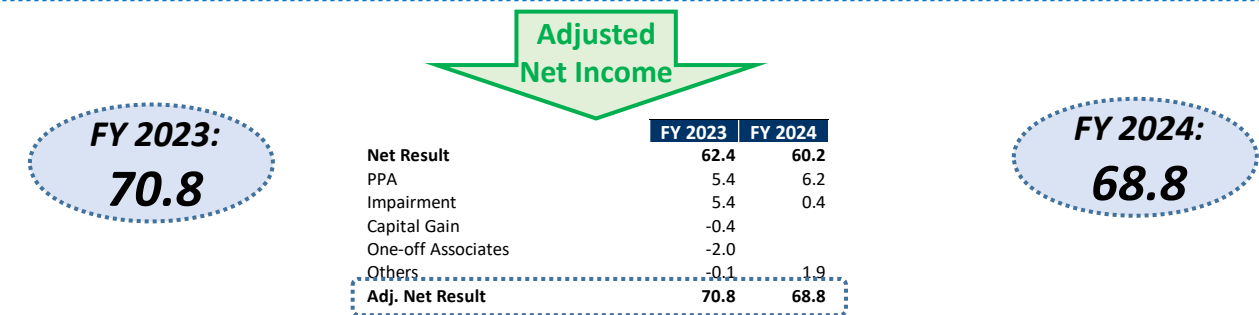
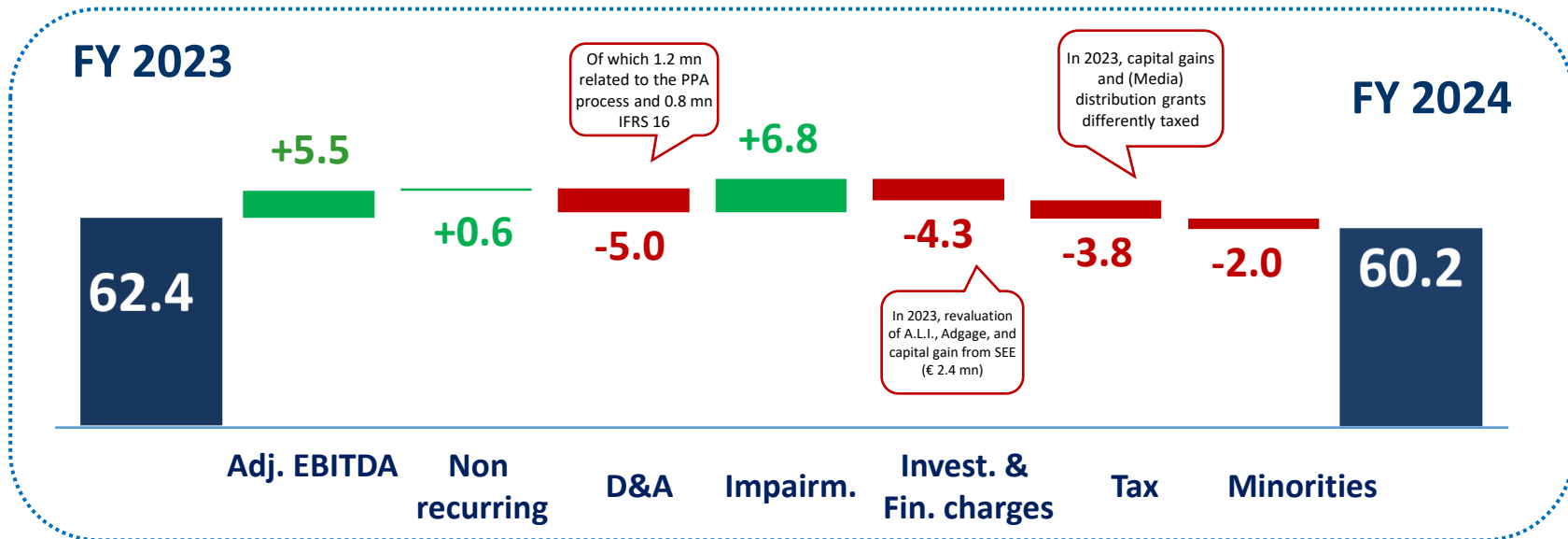
€ mn



Net Profit FY 24

€ mn

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



AGENDA

1. FY 2024 Highlights

2. FY 2024 Results

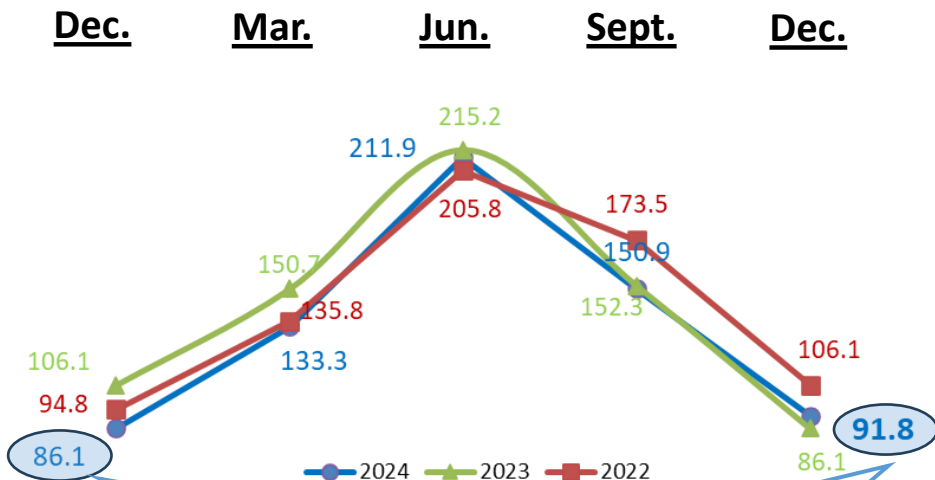
Market Trend
Economic highlights
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3. FY 2025 Outlook

A solid financial structure ...

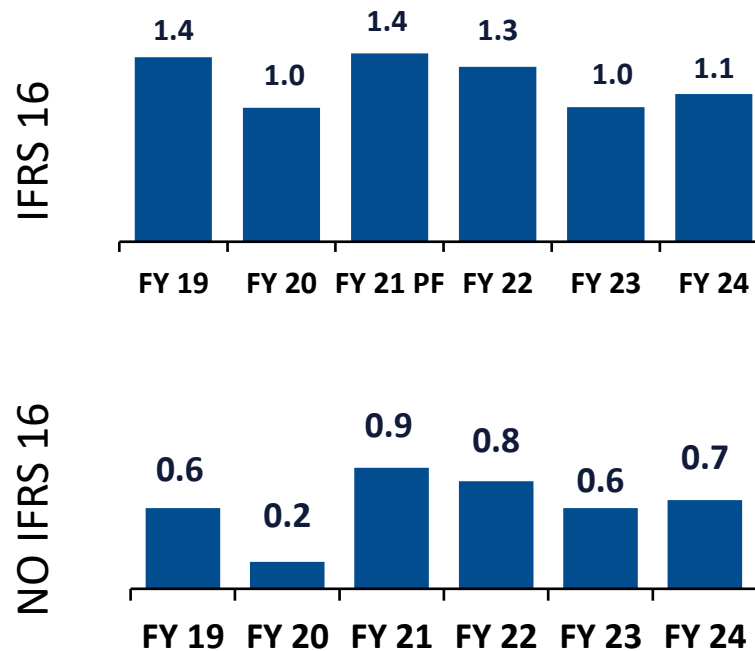
€ mn

Net Debt Trend (no IFRS 16)



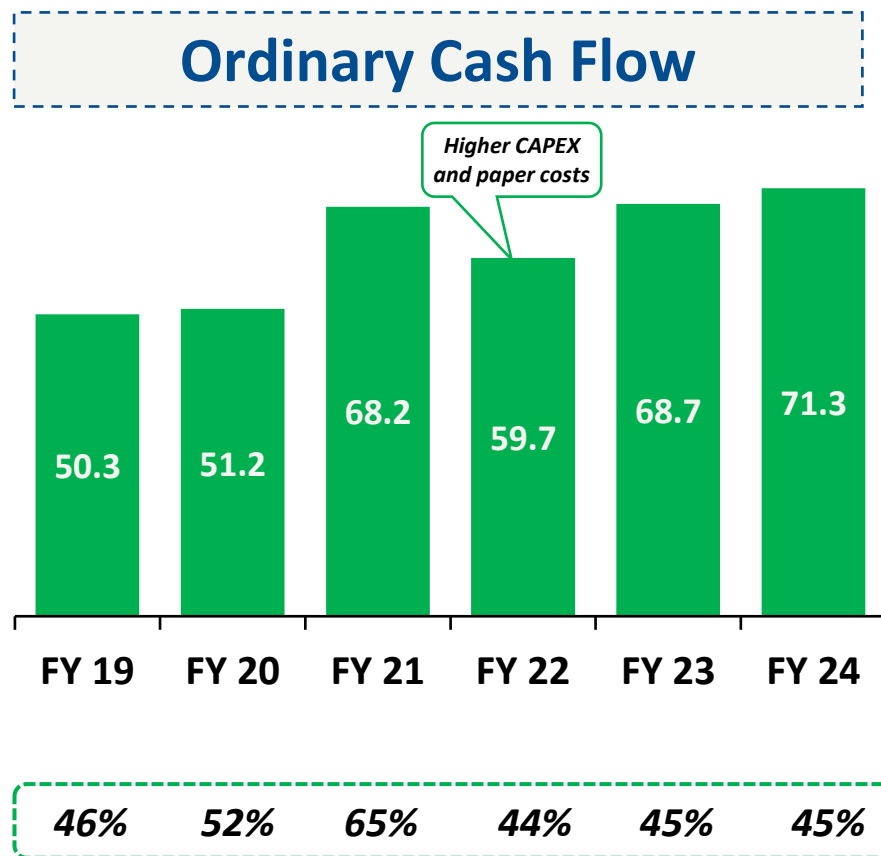
The Group's financial debt remained largely unchanged despite increasing shareholder remuneration and a more aggressive M&A policy

Net Debt/Adj. EBITDA



...thanks to strong cash generation

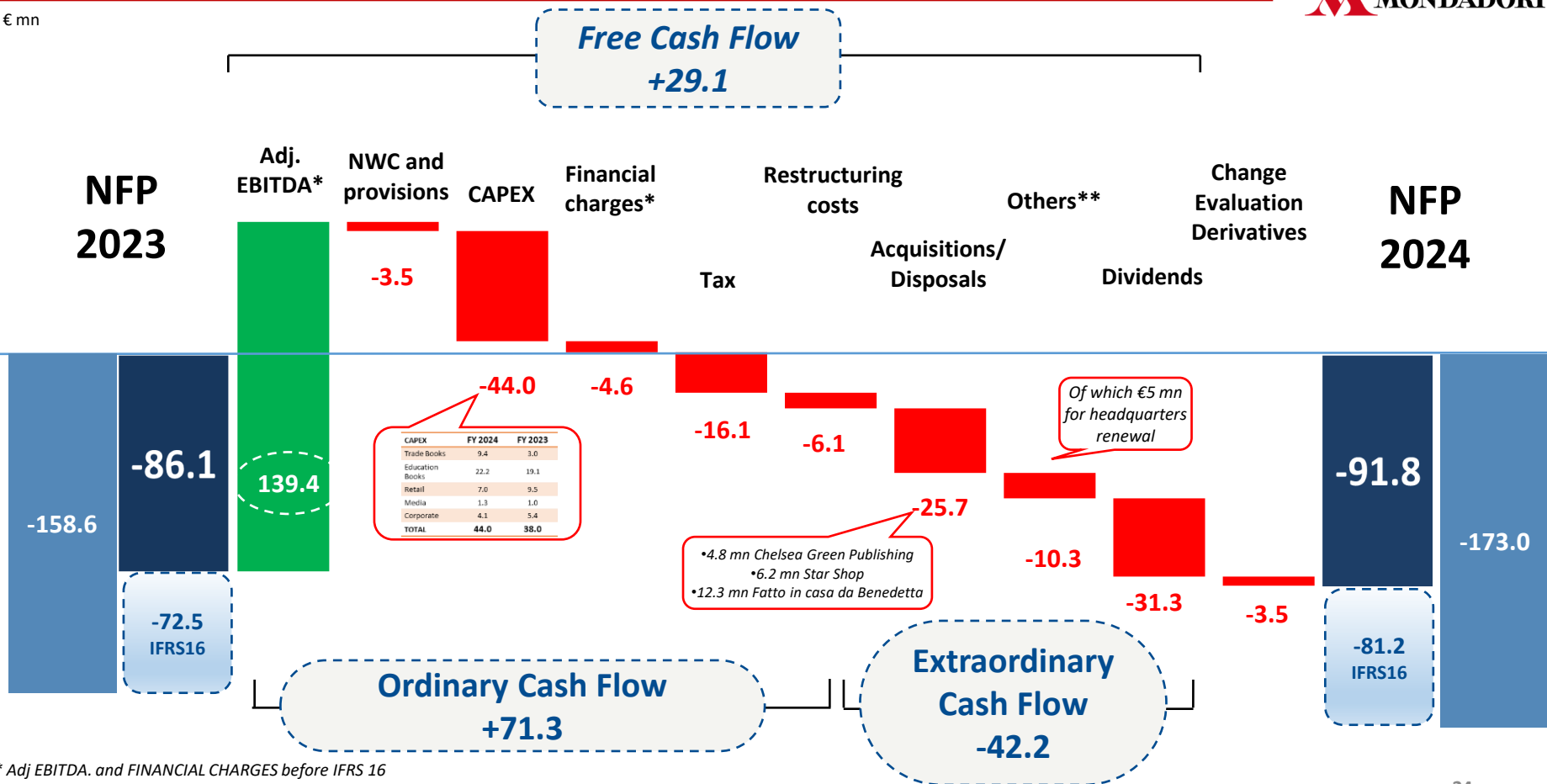
€ mn



* OCF / Adj. EBITDA

Cash Flow FY24

€ mn



* Adj EBITDA, and FINANCIAL CHARGES before IFRS 16

** Others include cash-out/in related to extraordinary taxes and associate charges

AGENDA

1. FY 2024 Highlights
2. FY 2024 Results
- 3. FY 2025 Outlook**

Capital Allocation Strategy & Value Proposition – active investment policy and significant return on capital

*Invest in the
business*

*Value
enhancing
acquisitions*

*Return to
Shareholders*

- **Development for organic growth and consolidation of the core business focused on Books:**
 - ✓ Development of content and digital platform in school textbook publishing
 - ✓ Selective strengthening of the direct Retail store network
 - ✓ Enrichment of the publishing content offering on digital platforms (audio books, Webnovels)
- **M&A (Focus Books and Digital Media)**
 - ✓ Continued strengthening and expansion of the publishing proposal in both Trade and Education Books
 - ✓ Constant technological and content upgrades of the digital offering
- **Growing Dividend Policy**



Outlook - FY 2025 Guidance

Mondadori Group Target*

2025

REVENUE

Low single-digit growth

Adj. EBITDA

Low single-digit growth
(profitability around 17%)

Ordinary Cash Flow

~ €70 mn per annum
(lower in-payments in 2H25 → 1H 2026)

NFP/ADJ. EBITDA IFRS16

~ 1.0 x

Outlook – Dividend Policy

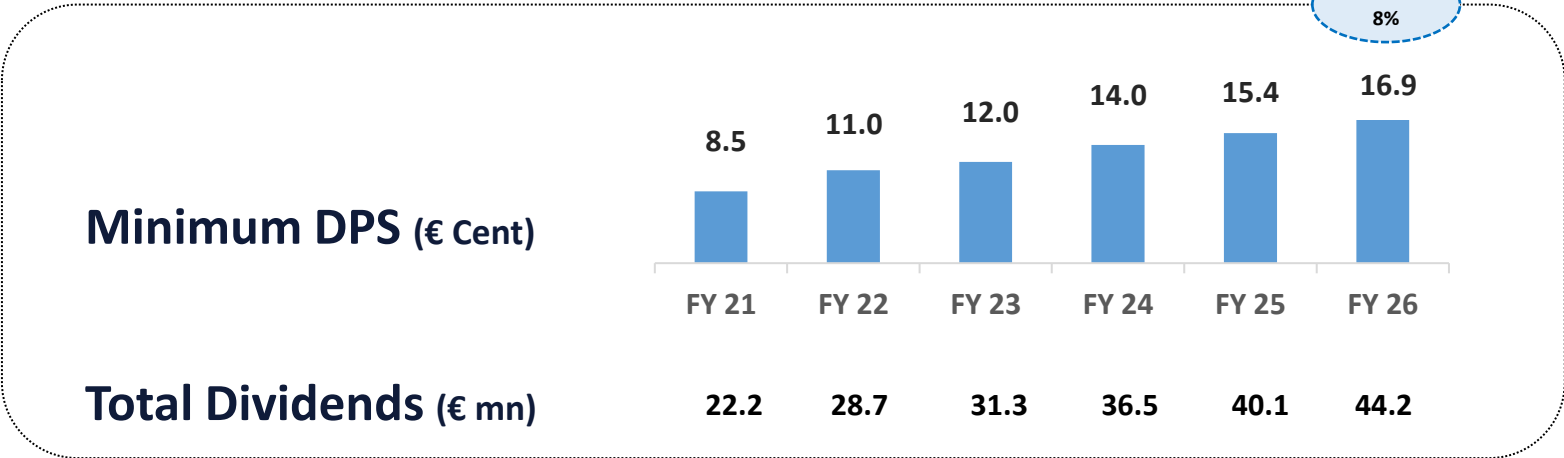
Increasing Shareholder Remuneration



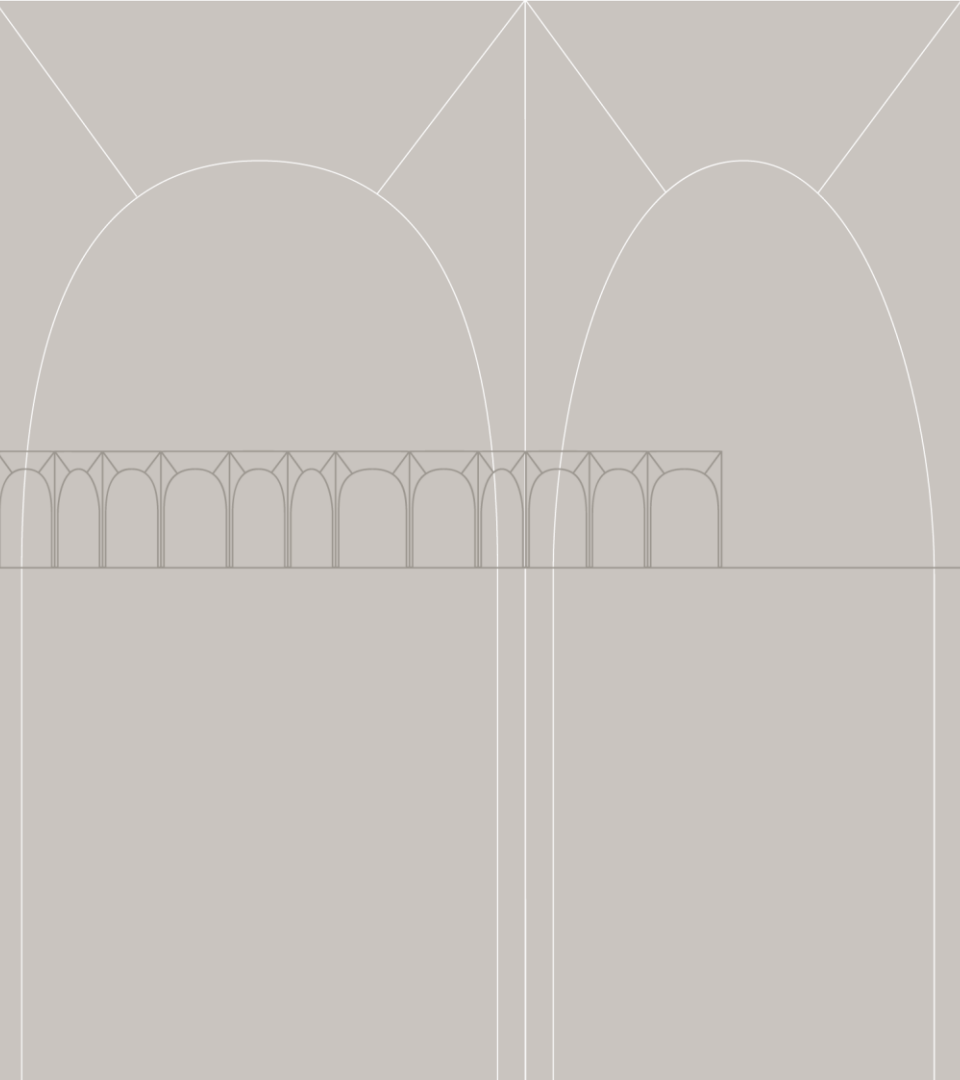
Dividend Policy 2025-2026 >

- 50% Ordinary Cash Flow per share
- DPS previous year +10%

CAGR 2021-26: +15%



*Based on market capitalisation as at 31/12/2024.



BACK-UP

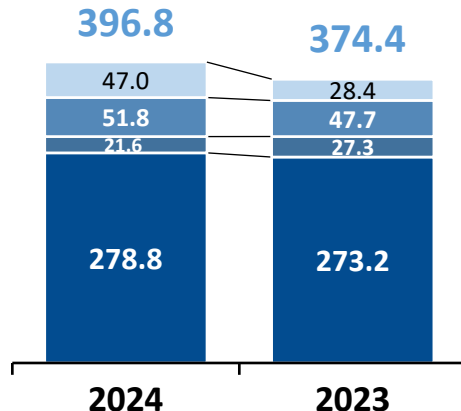
Business FY 2024

Books
Retail
Media

Business FY24 – Trade Books

€ mn

Revenue* +6.0% (-0.5% LFL)



Distribution and service (incl. starshop) +70.3%

RIP +8.6% (incl. Chelsea Green Publishing)

Electa -20.9%

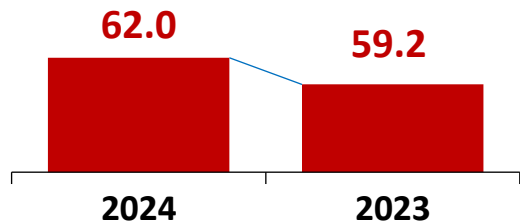
Publishers +2.0%

Digital +8.8% = 7% editorial revenue

* Net intercompany

Adj. EBITDA € +2.8 mn (+4.7%)

Margin 16%



REVENUE

The increase of 6% is divided as follows:

- +2% editorial revenue as a result of the positive performance of digital products
 - E-books/Audiobooks: up by 8.8% compared to 2023
- -21% Electa due to expiry of the concession for the archaeological area of the Colosseum
- +8.6% Rizzoli International Publications thanks to the consolidation of Chelsea Green Publishing
- significant increase in third party publisher distribution activities, thanks to Star Shop consolidation

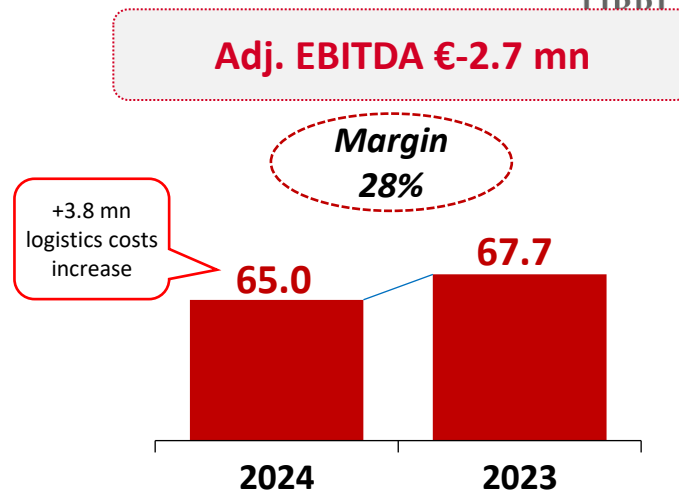
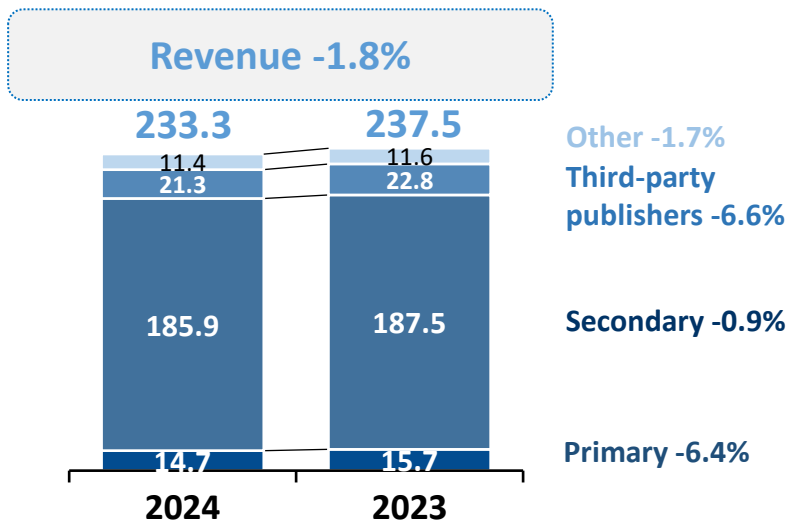
Adj. EBITDA

Adj. EBITDA up by about 5%, thanks to the increase in digital revenue and lower industrial costs (paper costs), which more than offset the reduced profit from museum activities

Area profitability remained at 16%

Business FY24 – Education Books

€ mn



REVENUE

Slight decrease in revenue:

- **Secondary school revenue (80% of the total)** fell slightly (-0.9%), due to the decrease in the number of copies sold compared to those adopted
- **Primary school revenue** down by 6.6% - a segment characterised by greater volatility and lower profitability in which the Group very selectively chooses its interventions and publishing efforts
- **Third publisher revenue** decreases as expected

Adj. EBITDA

Adj. EBITDA down year-on-year due to:

- lower revenue
- **Higher operating costs** (in particular logistics and transport costs)

Despite unfavourable revenue and cost dynamics, the area confirmed **profitability at the highest level in the sector**

Business FY 2024

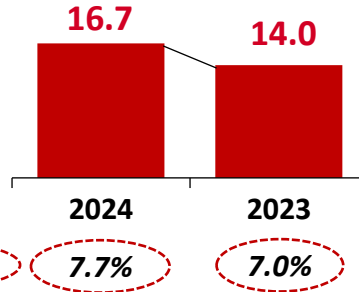
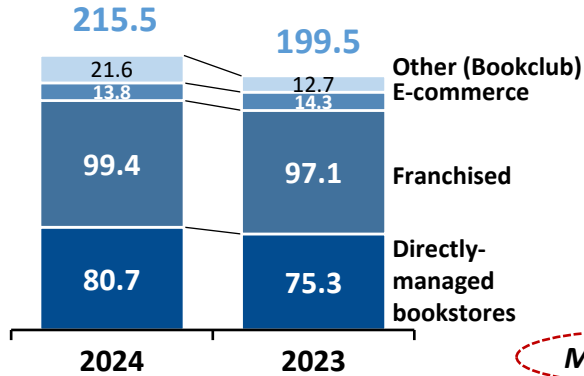
Books
Retail
Media

Business FY24 – Retail

€ mn

Revenue +8.0%
(+2.9% LFL)

Adj. EBITDA €+2.7
mn



REVENUE

- **Book**: revenue up by approximately 3%
- **Direct PoS** increased sales by over 7%
- The **Franchising (+2.3%)** channel continued its upward trend
- The **Online** channel fell by 3% as a result of the change to App 18

Adj. EBITDA

Adjusted EBITDA up by almost 20% thanks to:

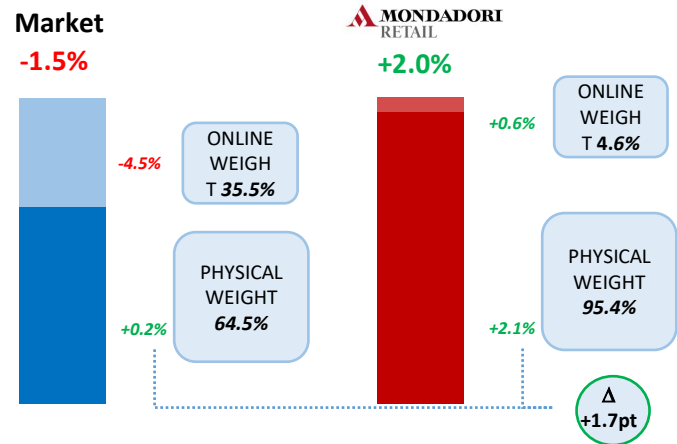
- Book performance
- optimisation and development of the network of physical stores
- greater structure efficiency

Excluding the negative impact of the €0.7 mn restructuring of Marcanise and Nova, **growth** would have been around **24%**

Increasing profit at about **8%**

Book Market FY2024

Books = 84% of total Store Revenue



Mkt Share 13.1%
(from 12.8% in 2023)

Business FY 2024

Books
Retail
Media

Business FY24 – Media

€ mn

Magazine Circulation market 2024

-7.6%

AME
-8.2%



2024

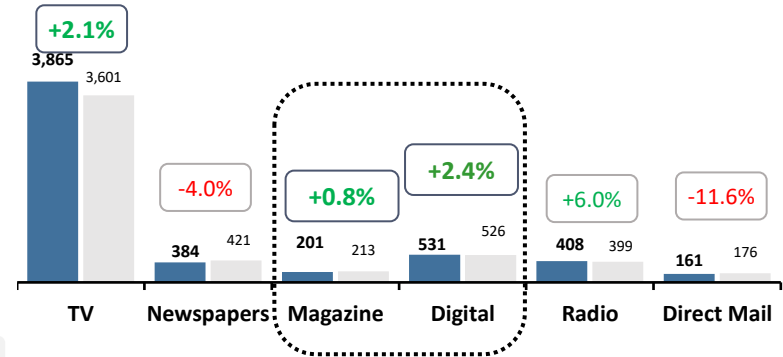
2023

20.1%

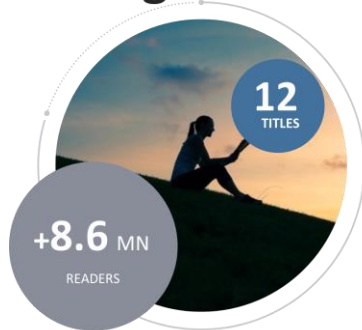
20.2%

Advertising market 2024

+3.9%



Magazines



Web

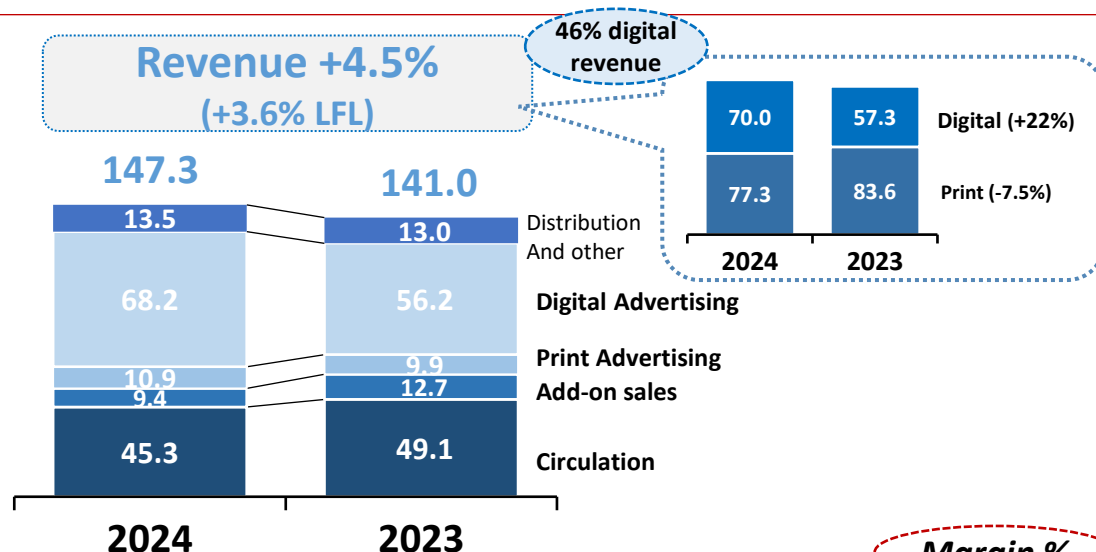


Social

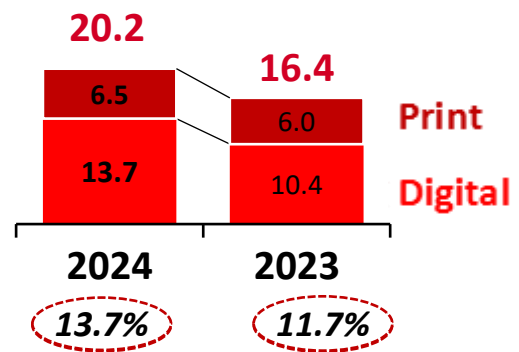


Business FY24 – Media

€ mn



Adj. EBITDA €+3.8 mn



REVENUE

- **Digital: +22%** thanks to **increased advertising activities** of MarTech, social media agencies and Webboh
- **Print: -7.5%** particularly due to the decline of add-on sales revenue:
 - **Circulation:** -7.7%, with a better performance of TV magazines (*TV Sorrisi & Canzoni*) at -5.8%
 - **Add-on Sales:** -26.3%, for reduced sales of Home Video and Music products
 - **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*

Adj. EBITDA

- **Adj. EBITDA up by 23%**
- **Print**, despite the reduced margin on add-on sales and lower contributions, thanks to continued **measures to streamline activities and contain operating costs** (including those for purchasing paper)
- **Digital**, thanks to higher revenue and the contribution of new initiatives (including the brand *Fatto in casa da Benedetta*); **profitability from 18% to 20%**

FY24 Sustainability Statement



ENVIRONMENT



IT Implementation of the **'Book Environmental Footprint'** project (Book product LCA analysis): ongoing integration of algorithms into business processes

- **Extension of the activation of electricity from renewable** sources to offices and direct stores: 66% in 2024 and **100%** from January 1, 2025;
- Continuation of energy efficiency improvements in the renovations and new openings of bookstores/stores of the Group.

Maintaining **100%** purchase of **PEFC/FSC certified** paper for Mondadori Group products.



SOCIAL



Completion of the Care Project for all Group employees and their families with ad hoc initiatives: free psychological support project, with a satisfaction rating of 5 out of 5 from all participants

Extension of training on digitalization and new forms of work: **over 9,500 hours dedicated to AI** in 2024 for the entire Group

- **Gender Pay Gap** 2024 is 28.5%;
- **Equal opportunities and women in managerial positions:** 38% of executives are women;
- **Gender equality certification** UNI PDR 125/2022 achieved in March 2024.



GOVERNANCE



- Formalization of the **anticorruption policy** planned for 2025;
- ESG update plan for the Board of Directors and Board of Statutory Auditors: **interventions focused** on the requirements of the **CSRD Directive carried out in 2024**;
- ESG risk control system: **completion of the procedure** for Sustainability Reporting.

Cross-cutting Objective

Formalization of a **Code of Conduct** for responsible sourcing in the supply chain planned for 2025.

15% LTI 2025-2027

ESG Index

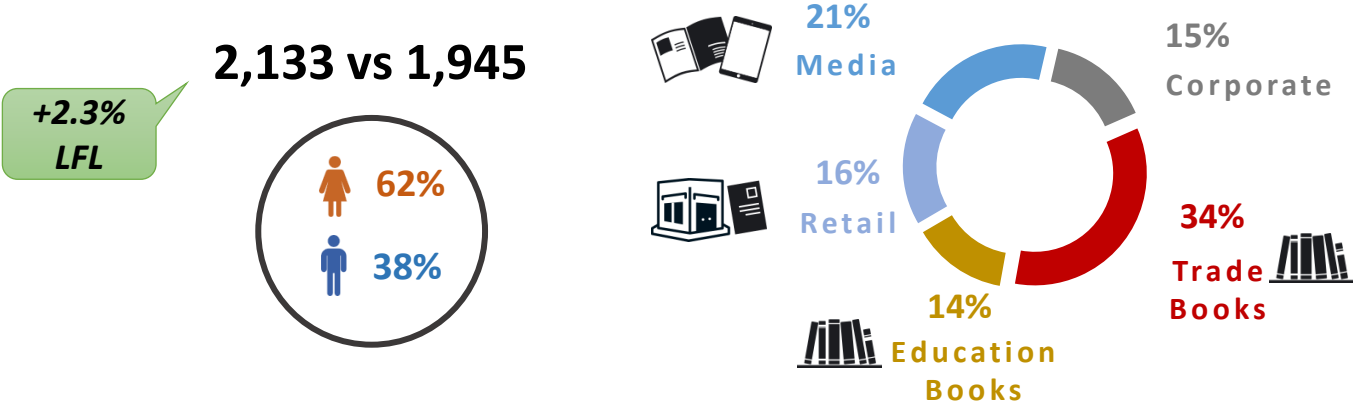
Gender Balance	20%
Equal Pay	20%
D&I Program	40%
Environment	20%

TARGET 2027

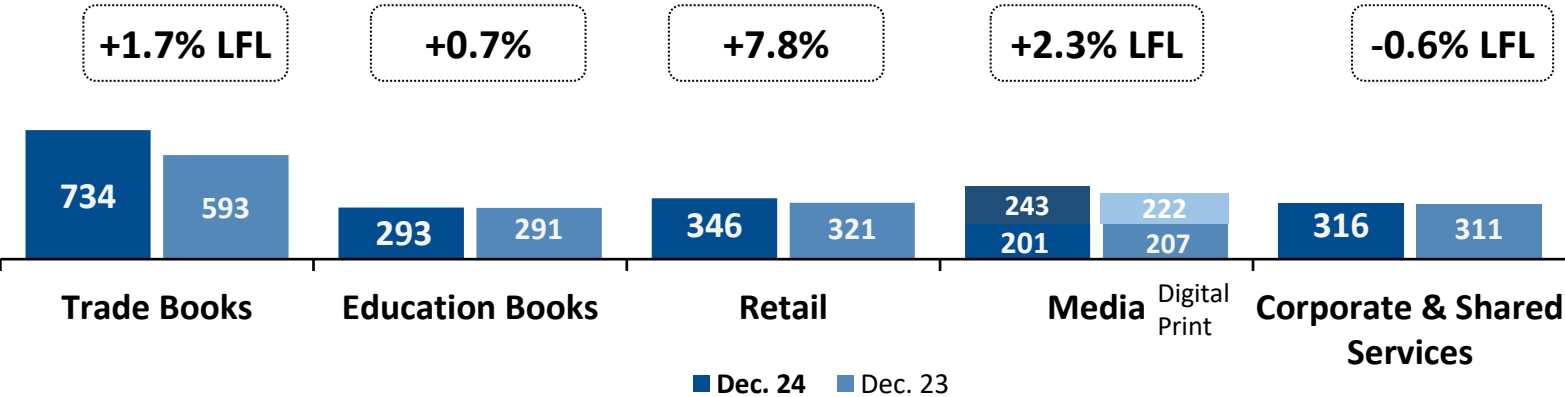
Increased weight of Directors Women	Up to 38%
Pay Gap reduction	-6% vs 2024
Gender Equality Certification	Maintenance & new one in 2027
ITA Headquarter Renewal	LEED & WELL Certifications

FY24 Headcount Evolution

Group Headcount



Headcount per BU



4Q-FY24 Revenue and Adj. EBITDA by Business Area

€ mn

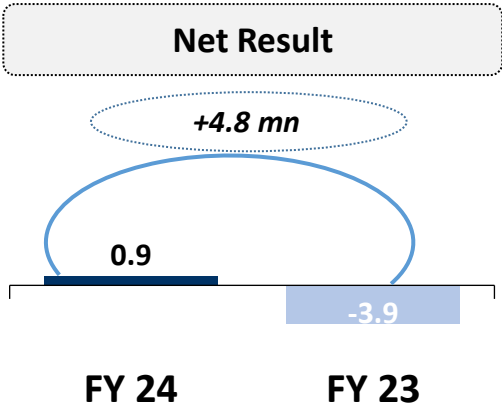
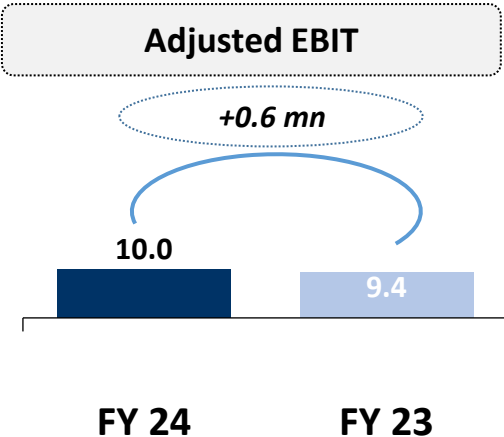
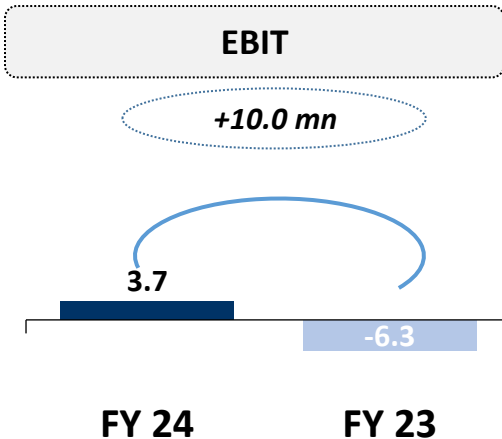
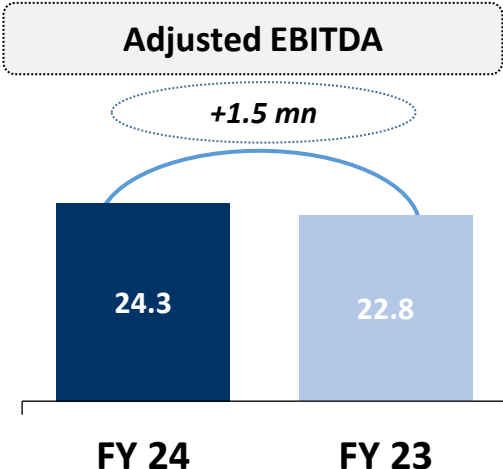
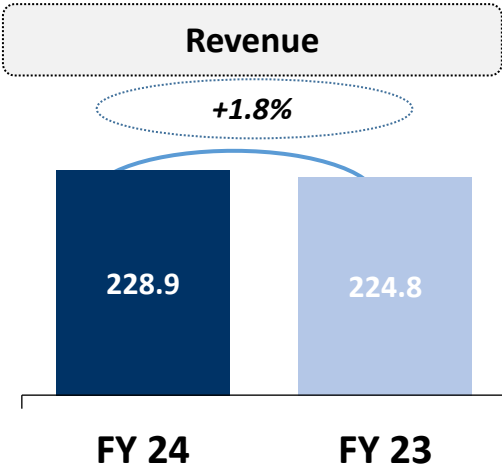
REVENUE by Business Area	(Euro/millions)	FY 2024	FY 2023	Chg. %	Q4 2024	Q4 2023	Chg. %
	Trade Books	396.8	374.3	6.0 %	114.9	112.0	2.6 %
Education Books	233.3	237.5	(1.8)%	19.3	22.0	(12.0)%	
Retail	215.5	199.5	8.0 %	71.7	66.1	8.5 %	
Media	147.3	141.0	4.5 %	40.9	39.5	3.5 %	
Corporate & Shared Services	46.0	43.0	7.0 %	12.3	11.4	7.8 %	
Intercompany	(104.1)	(90.5)	15.0 %	(30.2)	(26.1)	15.6 %	
Total Consolidated Revenues	934.7	904.7	3.3 %	228.9	224.8	1.8 %	

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)	FY 2024	FY 2023	Chg.	Q4 2024	Q4 2023	Chg.
	Trade Books	62.0	59.2	2.8	19.8	18.2	1.5
Education Books	65.0	67.7	-2.6	(8.8)	(6.2)	(2.6)	
Retail	16.7	14.0	2.7	7.3	5.7	1.6	
Media	20.2	16.4	3.8	7.4	6.2	1.2	
Corporate & Shared Services	(5.9)	(5.5)	-0.4	(1.5)	(2.0)	0.5	
Intercompany	(0.4)	0.3	-0.7	0.1	0.8	(0.8)	
Total Adj. EBITDA	157.6	152.1	5.5	24.3	22.8	1.5	

Highlights – 4Q24

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FY24 P&L

(Euro/millions)	FY 2024		FY 2023		Chg. %
Revenue	934.7		904.7		3.3%
Industrial product cost	299.8	32.1%	289.1	32.0%	3.7%
Variable product costs	110.3	11.8%	107.9	11.9%	2.2%
Other variable costs	157.5	16.9%	156.0	17.2%	1.0%
Structural costs	67.1	7.2%	62.4	6.9%	7.5%
Extended labour cost	149.3	16.0%	143.6	15.9%	4.0%
Other expense (income)	(6.9)	(0.7%)	(6.3)	(0.7%)	<i>n.s.</i>
Adjusted EBITDA	157.6	16.9%	152.1	16.8%	3.6%
Restructuring costs	2.4	0.3%	6.5	0.7%	<i>n.s.</i>
Extraordinary expense (income)	0.2	0.0%	(3.3)	(0.4%)	<i>n.s.</i>
EBITDA	155.0	16.6%	148.9	16.5%	4.1%
Amortization and depreciation	46.5	5.0%	42.4	4.7%	9.6%
Impairment & write-downs	0.5	0.1%	7.3	0.8%	(93.1%)
Amortization and depreciation IFRS 16	15.9	1.7%	15.0	1.7%	6.3%
EBIT	92.0	9.8%	84.2	9.3%	9.3%
Financial expense (income)	5.8	0.6%	5.7	0.6%	1.7%
Financial expense IFRS 16	2.5	0.3%	2.1	0.2%	19.1%
Associates (income)	(0.4)	0.0%	(4.2)	(0.5%)	<i>n.s.</i>
EBT	84.1	9.0%	80.5	8.9%	4.5%
Tax expense (income)	21.7	2.3%	17.9	2.0%	<i>n.s.</i>
Minorities	2.2	0.2%	0.2	0.0%	<i>n.s.</i>
Group net result	60.2	6.4%	62.4	6.9%	(3.5)%

4Q24 P&L

(Euro/millions)	Q4 2024		Q4 2023		Chg. %
Revenue	228.9		224.8		1.8 %
Industrial product cost	84.8	37.1 %	80.3	35.7 %	5.7 %
Variable product costs	27.9	12.2 %	28.8	12.8 %	(3.4)%
Other variable costs	36.0	15.7 %	39.3	17.5 %	(8.3)%
Structural costs	18.1	7.9 %	18.5	8.2 %	(2.3)%
Extended labour cost	40.2	17.6 %	38.2	17.0 %	5.3 %
Other expense (income)	(2.4)	(1.1)%	(3.1)	(1.4)%	n.s.
Adjusted EBITDA	24.3	10.6 %	22.8	10.1 %	6.6 %
Restructuring costs	1.9	0.8 %	5.2	2.3 %	(64.2)%
Extraordinary expense (income)	1.6	0.7 %	0.2	0.1 %	n.s.
EBITDA	20.8	9.1 %	17.4	7.7 %	19.4 %
Amortization and depreciation	12.4	5.4 %	12.5	5.6 %	(1.3)%
Impairment & write-downs	0.5	0.2 %	7.3	3.2 %	(93.1)%
Amortization and depreciation IFRS 16	4.2	1.8 %	3.8	1.7 %	8.2 %
EBIT	3.7	1.6 %	(6.3)	(2.8)%	(159.4)%
Financial expense (income)	1.6	0.7 %	1.1	0.5 %	53.1 %
Financial expense IFRS 16	0.5	0.2 %	0.6	0.3 %	(19.2)%
Associates	(0.1)	— %	(1.3)	(0.6)%	n.s.
EBT	1.7	0.7 %	(6.6)	(2.9)%	n.s.
Tax expense (income)	0.1	— %	(2.6)	(1.2)%	n.s.
Minorities	0.7	0.3 %	(0.1)	(0.1)%	n.s.
Group net result	0.9	0.4 %	(3.9)	(1.7)%	n.s.

FY24 Financial Statement

(Euro/millions)	December 31, 2024	December 31, 2023	Chg. %
Trade receivables	175.1	164.4	6.5 %
Inventory	156.6	149.9	4.5 %
Trade payables	273.1	257.1	6.3 %
Other assets (liabilities)	(46.2)	(43.7)	n.s.
Net working capital continuing operations	12.5	13.6	(8.0)%
Discontinued or discontinuing assets (liabilities)	—	1.7	n.s.
Net Working Capital	12.5	15.3	(18.2)%
Intangible assets	399.9	385.1	3.9 %
Property, plant and equipment	44.1	34.7	27.0 %
Investments	15.4	13.6	13.0 %
Net fixed assets with no rights of use IFRS 16	459.4	433.4	6.0 %
Assets from right of use IFRS 16	76.4	68.8	11.2 %
Net fixed assets with rights of use IFRS 16	535.9	502.2	6.7 %
Provisions for risks	29.0	40.8	(28.9)%
Post-employment benefits	29.3	29.2	0.3 %
Provisions	58.3	70.0	(16.7)%
Net invested capital	490.0	447.4	9.5 %
Share capital	68.0	68.0	— %
Reserves	187.9	157.7	19.1 %
Profit (loss) for the period	60.2	62.4	n.s.
Group equity	316.1	288.1	9.7 %
Non-controlling interests' equity	1.0	0.8	34.4 %
Equity	317.1	288.8	9.8 %
Net financial position no IFRS 16	91.8	86.1	6.6 %
Net financial position IFRS 16	81.2	72.5	12.0 %
Net financial position	173.0	158.6	9.1 %
Sources	490.0	447.4	9.5 %

- ▶ **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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