



14th March 2018

## Strong growth in profitability in 2017

EBITDA at €7.5m: +72%

Audited, in €m	31/12/17	31/12/16	Change
Consolidated sales	185,6	174,1	+ 7%
Consolidated EBITDA	7,5	4,4	+ 72%
Of which EBITDA Media Branding <sup>(1)</sup>	5,2	2,7	+ 92%
EBITDA Media Performance <sup>(2)</sup>	2,3	1,6	+ 38%
Operating income	3,9	1,1	x 3,4
Net profit	1,8	-6,6	↗

Reworld Media (ALREW) reports a strong growth in results for 2017, with a consolidated EBITDA at €7.5m, up 72%, a more than tripling of the operating income and a net profit near €2m. Digital activities in Media Branding have reached 20% EBITDA margin validating the group's strategy and the quality of the historical brands. Reworld Media is growing its business with a focus on digital opportunities, innovation and international growth, thanks to a strategic positioning in both the Branding and Performance markets.

### Strong growth driven by the digital transition of media assets

Reworld Media reports a consolidated turnover of €185.6m at the end of december 2017, of whom almost three-quarter generated from digital activities.

Sales grew +7% annually, supported by a **sharp acceleration in digital activities in Media Branding: +57%** after +27% in 2016. This trend more than offsets the structural decline in Print (-4%), which noticeably outperformed its market.

● **The historical Media Branding<sup>(1)</sup> business has grown by 6% in 2017** (sales: €63.8m) and benefited from a doubling of its digital audience, with 28 millions unique visitors in December 2017.

The Group's 11 premium media brands continued their digital growth while the business continued its diversification into events: launch of the Maison&Travaux Innovation Awards and the Prize for "Wellbeing" by marie france.

Market positions in Print have been strengthened: Auto Moto reported the best growth in its segment, enhancing its leadership in monthly magazines while marie france reached a Top 3 position in terms of progression (DFP). The Decoration segment (Maison&Travaux, Mon Jardin & ma Maison...) is now number 2 when taking into accounts the circulation of paid magazines in its category<sup>(3)</sup>.

The Branding business has also benefited from the **merger-absorption of Sporever**, allowing its development in the key sport vertical through the integration of the Media365 brand and benefiting from additional expertise in video content production.

- **Media Performance<sup>(2)</sup>** (Tradedoubler, consolidated over 12 months vs. 10 months in 2016) grew by 7% in 2017 (sales: €121.7m). Recently reorganised, the business focused predominantly on profitability and the efficiency of its offer. Backed by leading proprietary technologies and a network of 180,000 Publishers, its teams have created new packaged solutions for advertisers to respond as accurately as possible to their needs in affiliation, targeting/retargeting, and to manage their digital marketing programs. The acquisition of the Metapic platform during the summer also helped the business build strong positions in the market of influencers.

Reworld Media also launched **atelier.b**, its video production studio, as video format is becoming the most consumed and impactful content among all broadcast channels. More than 5,000 videos a year are produced within the group for its media, advertisers and brands. Reworld Media is the **number 4 French publishers in terms of online video inventories<sup>(4)</sup>**.

With a presence in 11 countries internationally, Reworld Media generated **56% of its annual sales outside France**.

## Sharp rise in profitability driven by digital developments

Reworld Media reports **consolidated EBITDA<sup>(5)</sup> of €7.5m, up 72% year-on-year** due to:

- **a 92% increase in Media Branding EBITDA to €5.2m. Digital contributed €3.2m, reflecting a 20% EBITDA margin**, while print's EBITDA remained stable despite the decline in sales.
- **a 38% increase in Media Performance EBITDA**, which reached **€2.3m** and generated a gross margin rate of over 22%.

The group's operating profit tripled to €3.9m as of December 31, 2017, compared to €1.1m in the previous financial year.

The group recorded an exceptional result of -€2.1m, essentially related to restructuring at Tradedoubler and the move of the teams to a new headquarter in France.

**Net income came to €1.8m, rebounding sharply** after a net loss of €6.6m in 2016.

**Reworld Media posted €19.9m in shareholders' funds<sup>(6)</sup>** as of December 31, 2017, compared to €10.3m at the end of 2016. Cash and cash equivalents amounted to €16.1m and financial debt was €24.3m.

**Gautier Normand, co-founder and Managing Director of Reworld Media, says:** *"Reworld Media is achieving its strategic objectives. Our media brands have strengthened their positions in their respective segments; their digital business has generated strong growth combined with a significant level of profitability. Media Performance has improved its offer while achieving financial break-even. Our group is showing progress for a third consecutive year, which is quite an achievement in our market and demonstrates the validity of our model. The operational and financial situation of the group is solid and very encouraging for the future".*

## Growth and profitability expected for 2018

Within 5 years, Reworld Media has become one of the major players in digital media and was ranked 24th among the 500 most dynamic players in the French digital ecosystem by Frenchweb last April; the group was included into the Forbes Futur40 in July and was elected at the end of the year as one of the 50 winners in the Deloitte In Extensio Technology Fast 50 National Awards.

In the new fiscal year, Reworld Media intends to continue its strong digital growth and develop further synergies between its activities.

The production of content and digital assets monetisation are two drivers of growth in this market. With an opportunistic strategy vis-à-vis the GAFAs, the group has strengthened its programmatic monetisation by choosing to adopt **Google's DoubleClick solution**, which offers many technological and commercial advantages. In recent days, the Group has just launched **Content Squad**, its production entity for editorial and video content, which is involved in more than 20 themes serving all kind of market participants, with either B2C or B2B content strategies.

**Pascal Chevalier, co-founder and President, concludes:** *"Our dual positioning in Branding & Performance is strategic for advertisers; it allows them to increase their visibility amongst the plethora of offers on the web, as well as their revenues. We support them in their media investments by providing them with a very broad sector expertise and a differentiated global solution. We welcome the new European regulations on data protection expected in the spring as they are completely legitimate. They will not stop the progression of our business and the group is prepared for these changes".*

Reworld Media's annual financial report is available at [www.reworldmedia.com](http://www.reworldmedia.com).

- (1) Media branding: Group's media brands activities excluding Tradedoubler, including the Sporever consolidated as of June 1, 2017
- (2) Media Performance: Tradedoubler, consolidated since March 1, 2016
- (3) Source Médiamétrie Nielsen and OJD
- (4) Internal source – 100 millions videos viewed in December 2017, x10 vs 2016
- (5) Operating profit before allocation and amortization and provisions
- (6) Shareholders' equity and other equity

### About Reworld Media:

REWORD MEDIA is an international digital group leader in its activities thanks to a network of eleven proprietary media brands powerful within their B2C segments (marie france, Be, Le Journal de la Maison, Maison & Travaux, Gourmand, Auto Moto, Télé Magazine...) and an international media network with over 180,000 partner sites. The group is unique in its ability to offer international advertisers a global offer combining "Media Branding" (access to all formats: digital, print, event ...) and "Media Performance" (performance campaigns). The group is present in 11 countries and has 489 employees.

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