



February 18<sup>th</sup> 2019

## REWORLD MEDIA announces offer to acquire MONDADORI FRANCE

**Debt financing circa €100m**  
**Attaining over €35m combined annual EBITDA**

REWORLD MEDIA SA announces the signature today of a purchase offer made to the company ARNOLDO MONDADORI EDITORE- SOCIETÀ PER AZIONI (The « **Offer** ») for the 100% shares acquisition of MONDADORI FRANCE SAS (The « **Transaction** »). The discussions related to the Transaction were the subject of press releases dated September 5<sup>th</sup> and September 27<sup>th</sup>, 2018.

REWORLD MEDIA, a pioneer in the digital media market, has an innovative and proven know-how in the development and creation of value of media assets in France. The group has demonstrated a tangible success in the strategy of development for its 11 media brands and the growth of its digital audience, which has led to four consecutive years of significant increase in profitability.

**The acquisition by REWORLD MEDIA of MONDADORI FRANCE would give birth to one of the biggest European media companies with over 50 media brands covering flagship themes (women, auto/sport, decoration, nature, science/leisure, infotainment) distributed through magazines and digital media, with over 1,100 employees in 11 countries and a turnover close to €500m.**

REWORLD MEDIA, whose annual results will be published on March 19<sup>th</sup>, **estimates EBITDA<sup>1</sup> of around €11M for its fiscal year 2018, a profit increase of more than 45% compared to the previous year.** Furthermore, it should furthermore be noted that MONDADORI published a €26m EBITDA<sup>2</sup> in 2017 for its French subsidiary. On these numbers, the new group would generate a combined annual EBITDA<sup>3</sup> of over €35m.

The new group would combine **complementary skills that would significantly enhance its growth potential** in a rapidly changing media market. REWORLD MEDIA would bring its know-how in digitization, new revenue generation and the development of new audiences replicating the successful strategy achieved over the past few years. MONDADORI FRANCE would bring the power of its media brands as well as its strong expertise in magazines.

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<sup>1</sup> Operating income plus depreciation and amortization expenses

<sup>2</sup> EBITDA BNRI to IFRS

<sup>3</sup> Combined EBITDA is based on data communicated by the two groups = EBITDA Reworld Media estimated for 2018 + EBITDA Mondadori France reported for 2017

### Terms of the Offer

Under the terms of the Offer, the Transaction would take the form of a transfer to REWORLD MEDIA of 100% of the shares and voting rights of MONDADORI FRANCE SAS including:

- 85.7% of the shares and voting rights would be made through a share purchase at the price of €60m subject to price adjustments based on the financial position at the closing, including €10m in vendor credit, and
- 14.3% of the shares and voting rights would be made through a contribution in kind of MONDADORI FRANCE SAS' shares to REWORLD MEDIA for a value of €10m (the "**Contribution**"), paid in REWORLD MEDIA SA shares as part of a planned capital increase.
- Regarding this capital increase, each new share tendered as contribution would be valued at the issue price of the capital increase equal to 112.5% of the average closing share price of the last 20 trading days of the REWORLD MEDIA SA share on the Euronext Paris Growth market preceding the fixing of the subscription price of the capital increase by the Board of Directors, on the day of the signature of the draft agreement to acquire MONDADORI FRANCE SAS, with constraints that this price cannot be lower than €2.2 per share and cannot be higher than €2.9 per share. Shareholders representing to date between 45% and 49% of the voting rights have individually committed to vote in favour of this Contribution. REWORLD MEDIA would benefit, with a right of substitution, of a call option on the shares issued as result.

Consequently, the total valuation of MONDADORI FRANCE SAS for 100% of the capital and voting rights of MONDADORI FRANCE SAS would be equal to €70m (debt free/cash free) and without taking into account a possible earn out of €5m.

### Financing of REWORLD MEDIA

In relation to this Transaction, REWORLD MEDIA plans financing in the form of a non-convertible debt for a total amount of €93.3m (the "**Debt Financing**") including €30m unlockable within the next 3 years and a part dedicated to partly refinance the current debt of the group. The Debt Financing is underwritten by banks and private lenders over a period of 5 to 7 years repayable at term.

In addition, REWORLD MEDIA SA plans to carry out one or more capital increases of at least €3m<sup>4</sup>, in which the management and IDINVEST (reference financial shareholder) would undertake to participate for €3m (including €2m by IDINVEST).

The subscription price of each new share would be equal to 112.5% of the average closing price of the last twenty trading days of the REWORLD MEDIA share on the Euronext Growth Paris market preceding the fixing of the subscription price by the Board of Directors on the day of the signature of the acquisition agreement of MONDADORI FRANCE SAS, considering that this price may not be lower than €2.2 per share and may not be higher than €2.9 per share.

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<sup>4</sup> In accordance with the provisions of Article L. 411-2 of the French monetary and financial code and of the Article 211-2 of the Autorité des Marchés Financiers ("AMF") General Regulations, this transaction will not lead to a Prospectus endorsed by the AMF, the total amount of the Offer being inferior to 8 000 000 € (calculated on a 12 months period).

## PRESS RELEASE

### Calendar

In the event that ARNOLDO MONDADORI EDITORE-SOCIETÀ PER AZIONI exercises the purchase options, the parties will negotiate and execute a purchase agreement subject to Conditions Precedent.

The employee representative bodies within MONDADORI FRANCE SAS will be first informed and consulted on the considered Transaction.

### Conditions Precedent attached to the Offer

The completion of the Transaction would be subject to the following conditions precedent (the " Conditions Precedent "):

- authorization issued by the Autorité de la Concurrence;
- approval of the Contribution by REWORLD MEDIA shareholders;
- REWORLD MEDIA obtaining the Debt Financing

Participants in the transaction :

Rothschild & Co (Irving Bellotti – Pierre Henri Chappaz) is Reworld Media's advisor on this transaction.

The transaction would be financed by BNP Paribas as mandated arranger coordinator and agent (Xavier de Lestrangé – Sinda Kaak Nicaud) and Société Générale (Nathalie Gabriel - Benoît Douard – Patrick Evin) as mandated arranger ; the funding round being completed by other banks of which LCL, CIC and Intesa San Paolo.

### **About Reworld Media :**

REWORLD MEDIA is an international digital group with 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 reported a consolidated turnover of €186m at the end of december 2017, is present in 11 countries and has 489 employees.

Euronext Growth Paris – ALREW - [www.reworldmedia.com](http://www.reworldmedia.com)



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