

19th March 2019

2018 annual results significantly up

EBITDA : €11.1m (+49%)

Net income: €6.9m (x4)

Audited, in millions of euros	31-12-18	31-12-17	Change
Consolidated revenues	177.5	185.6	-4%
Consolidated EBITDA	11.1	7.5	+49%
Of whom : EBITDA Media Branding	7.4	5.2	+41%
EBITDA Media Performance	3.8	2.3	+67%
Operating Profit	8.0	3.9	x2
Net Income group share	6.9	1.8	x4

Reworld Media (ALREW) announces results for the year ended December 31, 2018, showing continued strong growth, validating the group's strategy implemented since 2012. Profitability increased significantly in both Media Branding, where EBITDA margin reached an historical high (28%), and in Media Performance (Tradedoubler) which benefited from the new commercial strategy put in place. Driven by its operational and financial strengths, Reworld Media benefits from the strong digital market growth and is showing ambition with the announcement in February 2019 of the offer to acquire 100% of the capital of Mondadori France.

Strong profitability growth across all divisions

The Reworld Media Group consolidated turnover reached €177.5m as of 31 December 2018, a 4% decline compared to the previous year, mainly due to a 6% decline in revenues in Media Performance (Tradedoubler). However, this activity, currently in transition, has been picking up during the last few months of the fiscal year and has significantly contributed to the Group's profitability improvement.

The Reworld Media Group generated an EBITDA⁽¹⁾ of €11.1m as of December 31, 2018, up 49%, which is split as follows:

- **Media Branding EBITDA⁽²⁾: €7.4m, +41%, reaching a record high profitability of 28% in digital.**

This performance was driven by the +50% growth in profitability in the digital activities (Digital Media Branding EBITDA: €4.8m vs €3.2m) and +25% in Print (Print EBITDA: €2.6m vs €2.1m). Media Branding turnover amounted to €63.5m (vs €63.8m), as the +6% revenue growth in Digital (€17.1m) offset the structural decline of the Print revenue, yet outperforming the underlying French print market (Print revenues: -3%: €46.4m in 2018 vs €47.6m in 2017).

- **Media Performance EBITDA⁽³⁾: €3.8m, + 67%**

Tradedoubler recorded a sharp rebound in profitability, with EBITDA more than doubling in the second half of the year compared to the first (H1 2018: €1.2m, H2 2018: €2.6m). The division reached a turnover of €114m, showing positive revenue growth (+2% in H2 2018 vs H2 2017 after -13% in H1) for the first time since its consolidation into the Group and gross margin rising to 22.5%. These very positive developments

were triggered by the new commercial strategy put in place in the last two years: focus on the core business of affiliation, refocus on profitable customers, decentralization of sales functions.

In December 2018, Reworld media strengthened its control in the subsidiary through the launch of a public offer, increasing its stake in Tradedoubler's capital to 40.2%.

In 2018, Digital (Digital Media Branding +Media Performance) represented 74% of Reworld Media Group's revenues, while international accounted for 54% of revenues.

Additionally, the Reworld Media group generated a cash flow of €3.2m and reported a positive change in cash position of €0.5m, which was achieved despite the significant non-recurring investments in 2018 related to the stake increase in Tradedoubler, which were offset by the positive financing cash flow and the debt refinancing in H1.

Net profit multiplied by 4 and equity capital significantly strengthened

Reworld Media's operating results doubled in 2018 to reach 8.0 million euros.

Group's 2018 net income quadrupling to €6.9m compared to €1.8m in the previous year.

Share capital⁽⁴⁾ increased by 35% to €26.8m. Cash reached €16.6m at the end of 2018 while financial debt stood at €27m. As a reminder, in the first half of the year, Tradedoubler successfully refinanced its bond debt issued in 2013 while Reworld Media issued €6m-worth "Euro PP" bonds (private bond denominated in euros).

Gautier Normand, co-founder and Managing Director of Reworld Media, stated: "Profitability kept growing substantially in 2018, after 4 successive years of progression. Investments made in media businesses – print, digital and non-media, were very satisfactory. The strategy implemented by Tradedoubler has led to a rebound in activity in the second half of the year and is very encouraging for the current financial year."

A group powered by a digital audience among the top 10 in thematic media, quality content creation and a strong ambition

Reworld Media recorded 8.5 million unique visitors as of January 2019, up 97% (source: MNR Internet Global January 2019 vs January 2018), the highest growth among digital publishers. The group's 11 digital media brands showed steady progressions, with particularly strong outperformance against their market in terms of audience growth for websites such as Auto Moto (+295%), Maison&Travaux (+288%), Le Journal de la Maison (+204%), Marie France (+186%), ...

Pascal Chevalier, co-founder and Chief Executive Officer, stated: "Digital is clearly the main growth driver. Through our combined Branding and Performance offerings, we address 60% of the digital advertising market. Our positioning in market segments where GAFAs do not operate gives us a solid competitive advantage in a market growing at double-digit rates, especially as we have control over our own technologies, content, audiences and data."

Reworld Media has developed a unique and demonstrated expertise in managing media assets, enabling its brands to grow successfully over time through their websites, newsletters, social networks, events and magazines.

PRESS RELEASE

Driven by ambition and in the wake of its recent operating and financial achievements, Reworld Media announced on February 18th February an offer to buy a 100% stake in Mondadori France (debt free / cash free) for a value of € 70 million (€5 million of potential additional price). The transaction would be financed by a fundraising of approximately €100m made by debt (including a €30m facility available over 3 years).

Both players enjoy complementary skills in the fields of magazines and digital media. Mondadori France would bring to the new group some powerful media brands as well as its strong expertise in magazine activities, while Reworld Media would bring its know-how in digital media, in the creation of incremental new revenues and in the development of audiences.

After this operation, Reworld Media would become the leading publisher of magazines in France and a major player in the media sector with a combined annual turnover of €483m⁽⁵⁾ and an EBITDA of €37.2m⁽⁵⁾.

The project is currently subjected to a process of information and consultation with the employee representative bodies within Mondadori France.

Reworld Media's annual financial report is available at www.reworldmedia.com.

- (1) *Operating profit before depreciations, amortizations and provisions*
- (2) *Media Branding : Media Branding activities outside Tradedoubler, including Sporever, consolidated from 1st June 2017*
- (3) *Media Performance : Tradedoubler, consolidated from 1st March 2016*
- (4) *Equity attributable to shareholders and other equity*
- (5) *Cumulated 2018 revenues and EBITDA as per Mondadori results published on 14 March 2019*

About Reworld Media:

REORLD MEDIA is an international digital group leader in its activities thanks to a network of a dozen 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 453 employees.

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