

PRESENTATION



**REWORLD
MEDIA**
LEADING MEDIA GROUP

**ANNUAL
RESULTS 2019**

18 March 2020

INSIGHTS

CONTENTS

VIDEO

DIGITAL

DATA

PRINT

EVENT



I / THE FRENCH LEADER IN THEMATIC MEDIA

- **A PROVEN AND PROFITABLE MODEL**
- **PROPRIETARY CONTENT AND AUDIENCES**
- **STRONG AND SUSTAINABLE GROWTH MARKETS**

THE LEADING FRENCH PLAYER IN THEMATIC MEDIA

.....

Size
Profitability
Power

- €462.2m in annual pro forma revenues
- €40.4m in pro forma EBITDA
- 970 employees - 11 countries
- 42 media brands
- 29m people reached in France every month*

CORONAVIRUS PUBLIC HEALTH CRISIS

.....

Reworld Media has implemented initiatives to ensure the continuity of its operations all employees are teleworking.

In light of the uncertainties due to the Coronavirus epidemic, Reworld Media is currently unable to quantify the impacts of the measures taken in an effort to stem the epidemic, and of the very likely deterioration of the economic environment.

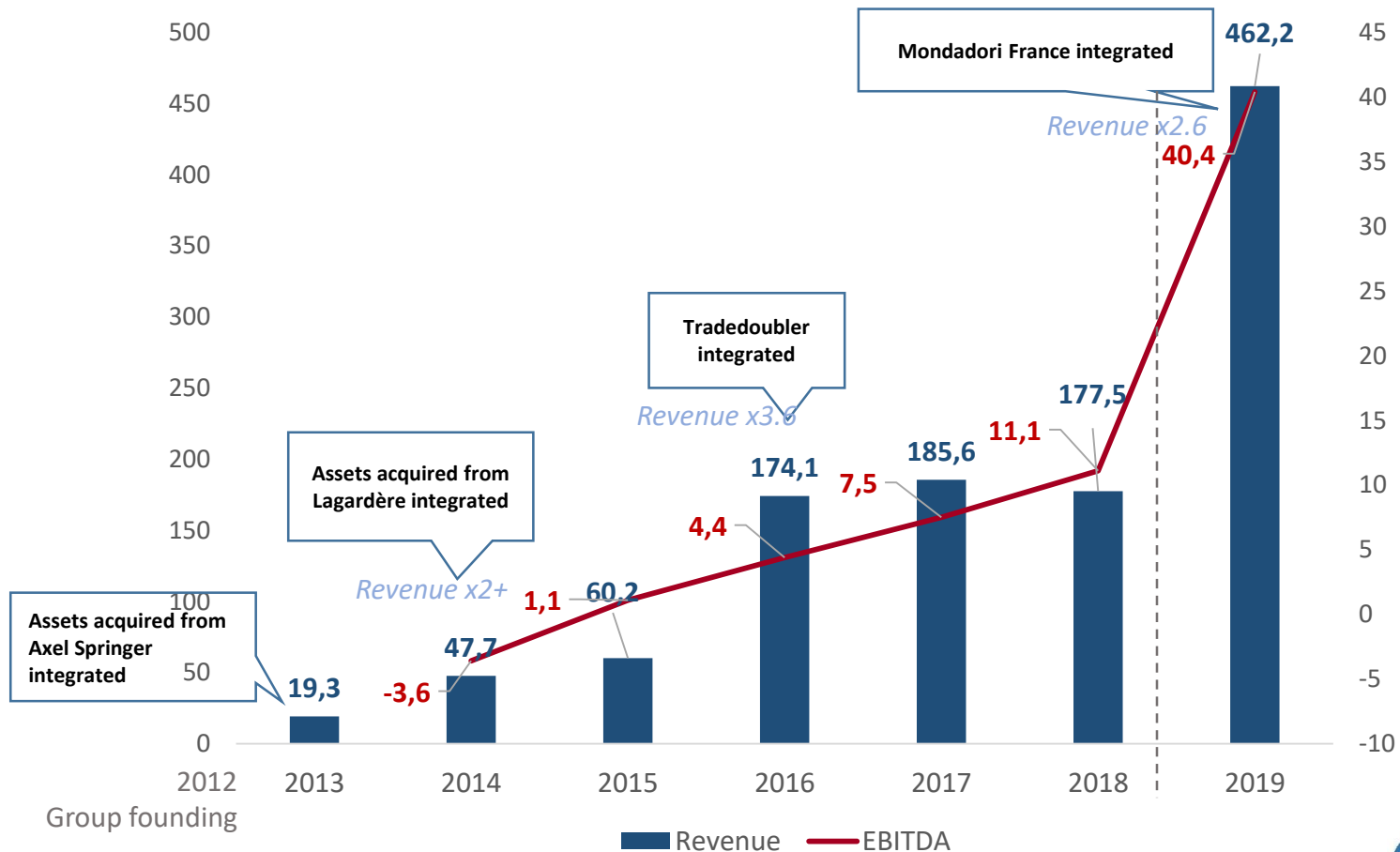
The Group is, of course, following developments very closely

A PROVEN EXTERNAL GROWTH MODEL

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Change in revenue and EBITDA
2013-2018 consolidated figures, 2019 pro forma figures (€m)

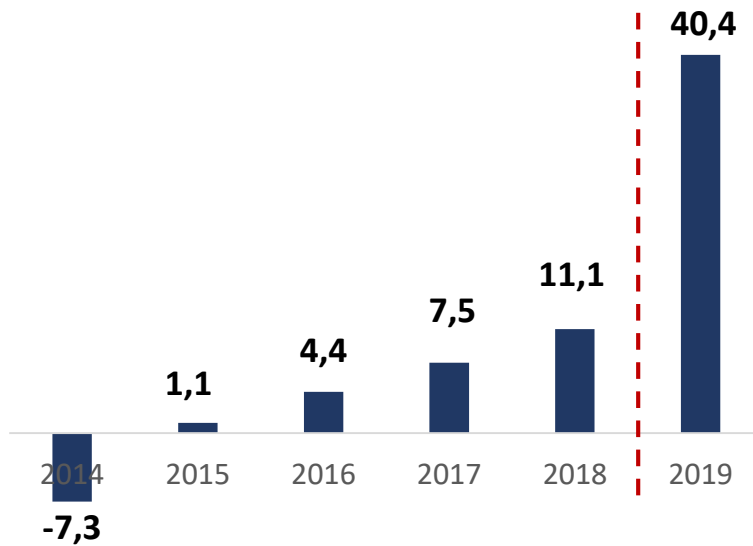
Over 15 acquisitions since the Group's founding, 4 of major magnitude



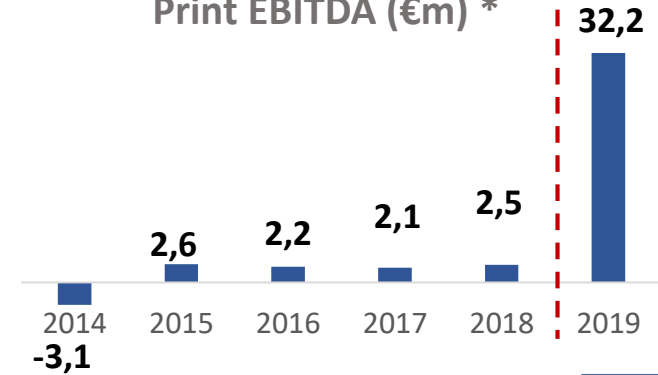
CONSISTENTLY GROWING PROFITABILITY

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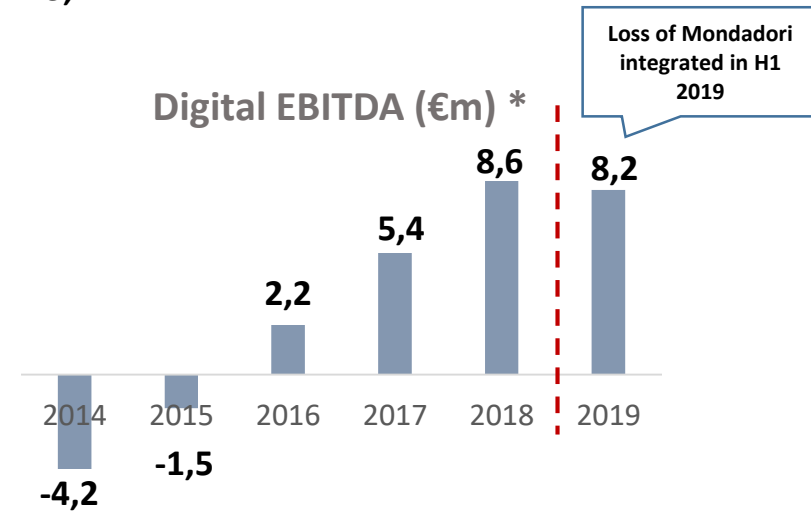
Group EBITDA (€m) *



Print EBITDA (€m) *



Digital EBITDA (€m) *



* Consolidated 2014-2018 EBITDA, pro forma 2019 EBITDA (€m)

2 FUNDAMENTALS: PROPRIETARY CONTENT AND AUDIENCES

.....

>> Reworld Media owns 100% of its editorial content and audience

OUR CONTENT

editorial, video, podcasts, etc.



Nearly 700,000 editorial content items
on more than 20 themes

Over 21,000 proprietary videos

5 M podcasts heard / month



Quality



OUR AUDIENCE



20M unique hits*



Independence

* CENTRICS SITE - MONTHLY

6

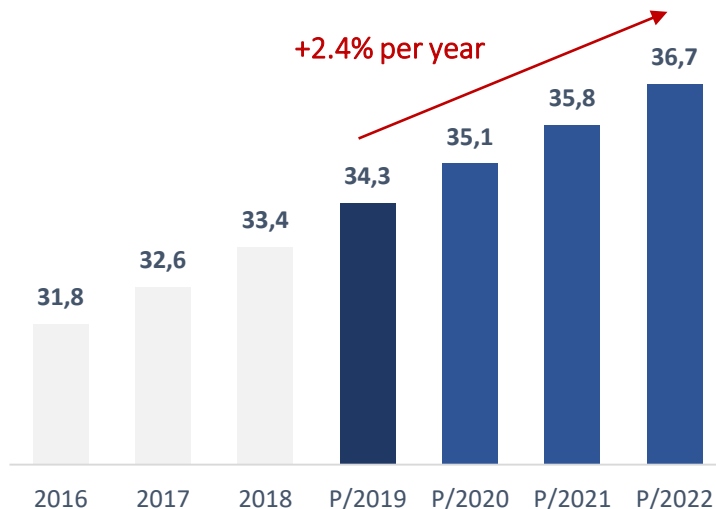
A GROWING MARKET, DRIVEN BY DIGITAL

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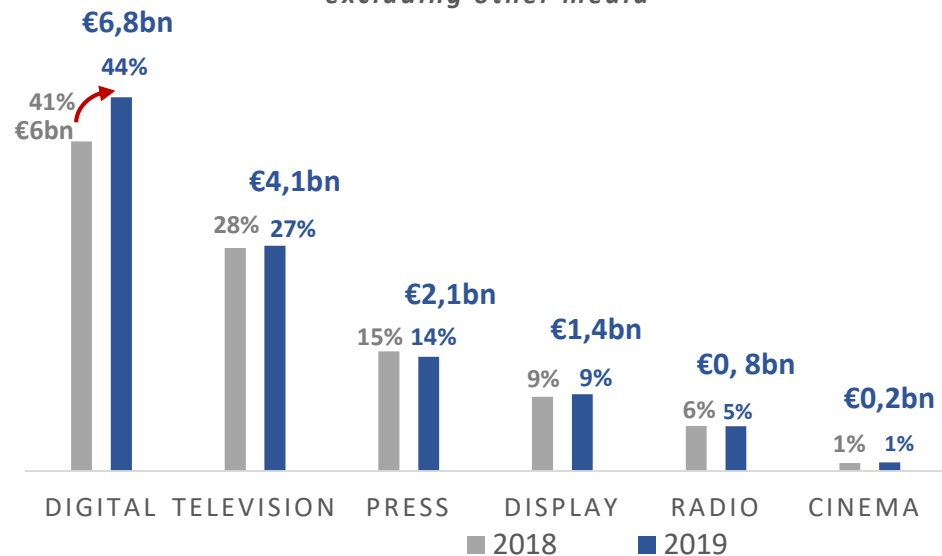
On a growing French communications market...

...Digital is the **driving growth** and continues to gain market share

Total communication investment undertaken by advertisers (€bn)
(five traditional media, digital media & other media)



Change in market share by media:
€15.4Bn in investments
excluding other media



8 BUMP 2018

+13% growth in Digital in 2019, according to BUMP

French Unified Advertising Market and Communication Barometer

BUMP Q3 - 2019

POSITIONED ON 2/3 OF THE DIGITAL MARKET

.....

On a French digital advertising market that posted 12% growth in 2019, according to the e-Pub-SRI Observatory,

- Reworld Media covers 2/3 of the levers available in Digital (SRI nomenclature)
- is positioned on the levers with the highest growth (display, affiliation, emailing): +13% on average, which bring in net revenues > €1.5bn
- addresses, in addition, a proprietary media market enjoying **14% growth and estimated at €3.9bn** (site, apps, targeting / datamining, content creation, community management)
- and has invested in the strong growth drivers, namely video: +33% and audio: +19%

LEADERSHIP UNDERPINNED BY 42 MEDIA BRANDS

.....

- 42 proprietary media brands across 6 key universes,
including 31 brands acquired from Mondadori France on 31 July 2019

<p>GRAZIA</p> <p>B I B A</p> <p>SANS</p> <p>MODES & TRAVAUX</p> <p>Nous Deux</p> <p>marie france</p> <p>Féminin</p>	<p>Closer</p> <p>TÉLÉ POCHE</p> <p>TELE magazine</p> <p>Télé Star</p> <p>Disney fun</p>	<p>Good!</p> <p>TOP Santé</p> <p>Vital</p> <p>Pleine Vie</p> <p>Gourmand</p>	<p>SCIENCE & VIE</p> <p>JUNIOR</p> <p>SCIENCE & VIE DÉCOUVERTES</p> <p>LES CAHIERS SCIENCE & VIE</p> <p>GUERRES & Histoire</p> <p>SCIENCE & VIE Questions Réponses</p> <p>DÍAPASON</p> <p>RÉPONSES PHOTO</p>	<p>auto</p> <p>Auto Plus</p> <p>l'auto-journal</p> <p>auto MOTO</p> <p>Fl.fr</p> <p>Football.fr</p> <p>DZFOOT</p> <p>sports.fr</p> <p>sport 35</p>	<p>Maison&Travaux</p> <p>le journal de la Maison</p> <p>CAMPAGNE DECORATION</p> <p>MON JARDIN & ma maison</p> <p>l'Ami jardins</p> <p>la chasse</p> <p>GrandGibier</p> <p>LE CHASSEUR FRANÇAIS</p>
Women's	Entertainment	Health, well-being Cooking	Science Culture	Auto Sport	Home Outdoors

A POWERFUL MEDIA NETWORK

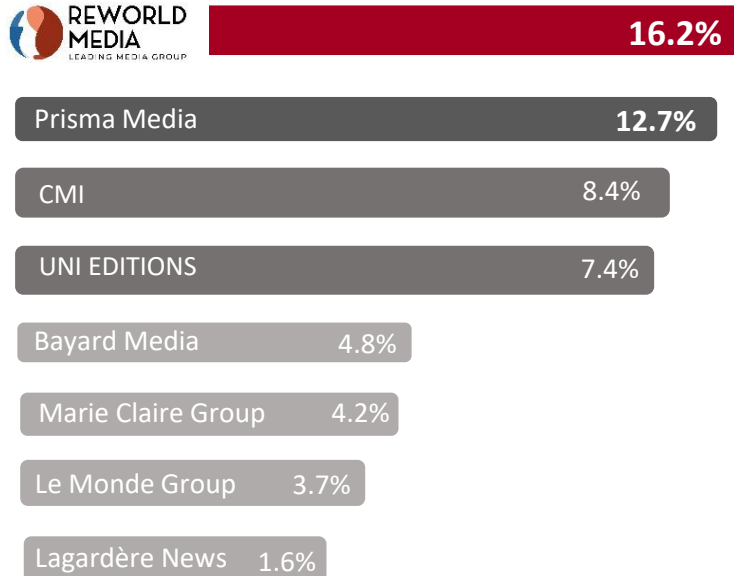
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No. 1 magazine publisher in France

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Market Share - Average annual distribution by publication

NO. 1 IN CIRCULATION

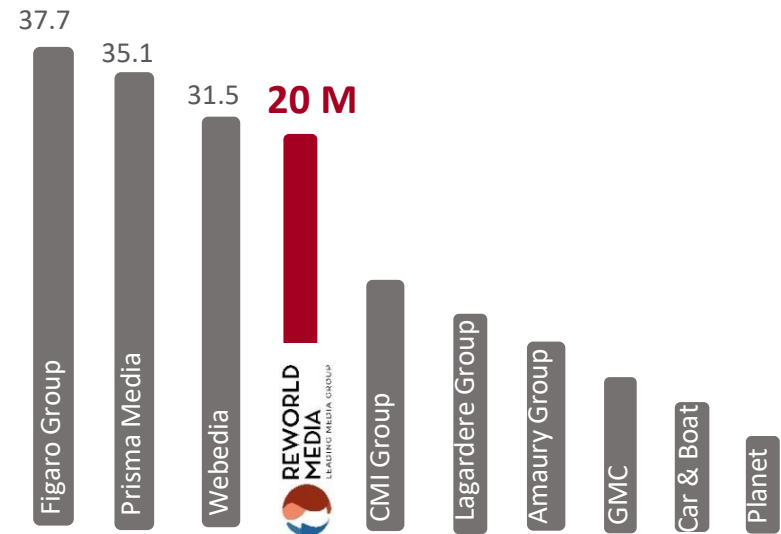


No. 4 thematic media Group in Digital

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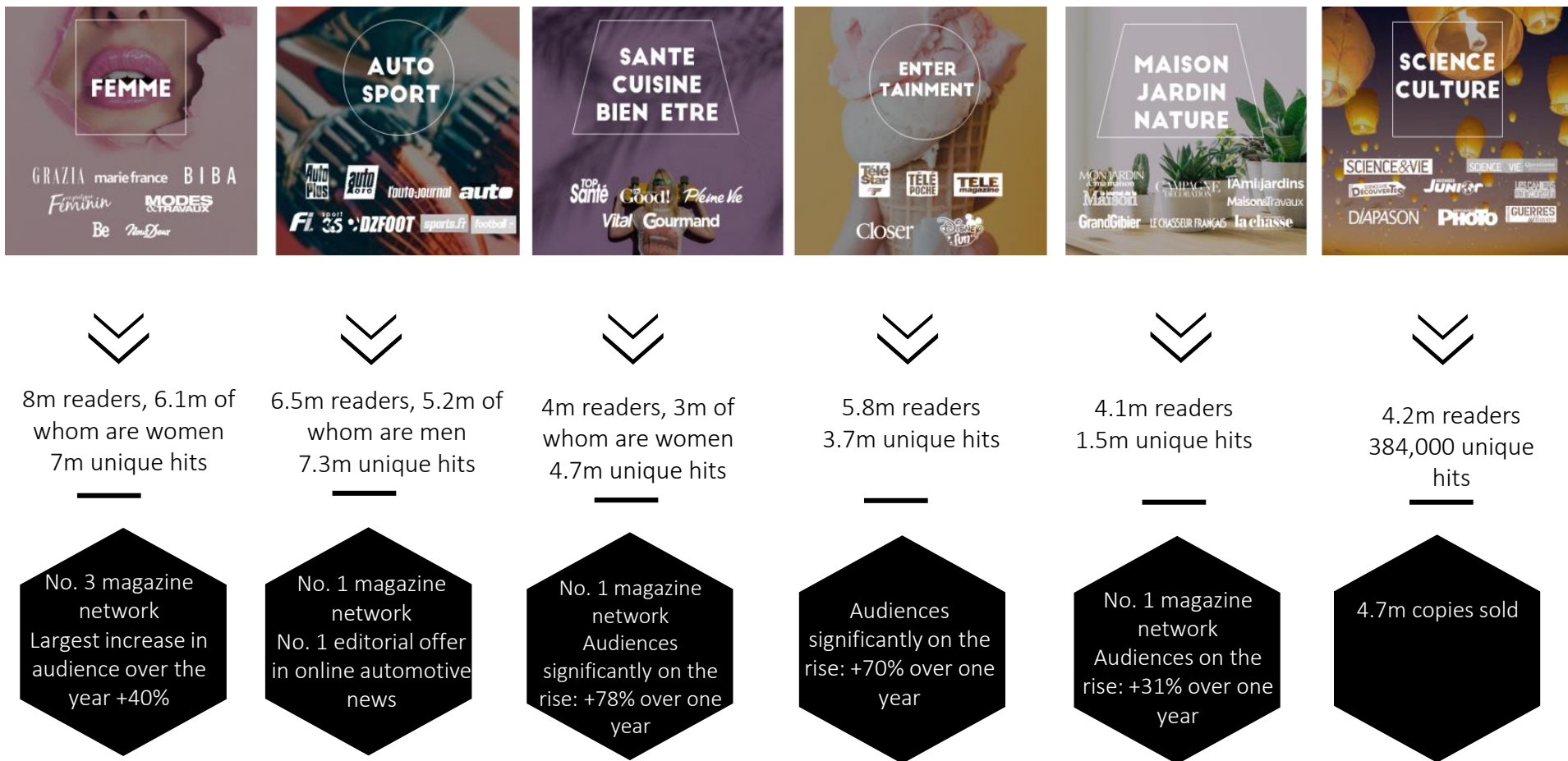
20 M unique hits / month

NO. 4 IN DIGITAL AUDIENCE



AFFINITY COMMUNITIES

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And a network of 180,000 affiliated sites via the affiliation platform

Sources: Mediamétrie December 2019 / 30J Print Audiences by broad theme and media group
One Global 2018 Q3 - Audiences in 000 – annual circulation OJD 2019



II / GROWTH AND PROFITABILITY BOOSTED BY A MAJOR ACQUISITION AND EXPANSION IN DIGITAL

- **MORE THAN €460M IN REVENUE AND
PRO FORMA EBITDA AMOUNTING TO €40M**
- **THE INTEGRATION OF NEW ASSETS BEGAN
PAYING OFF FROM THE VERY FIRST MONTHS**
- **SOLID AVENUES FOR GUARANTEEING FUTURE
GROWTH**

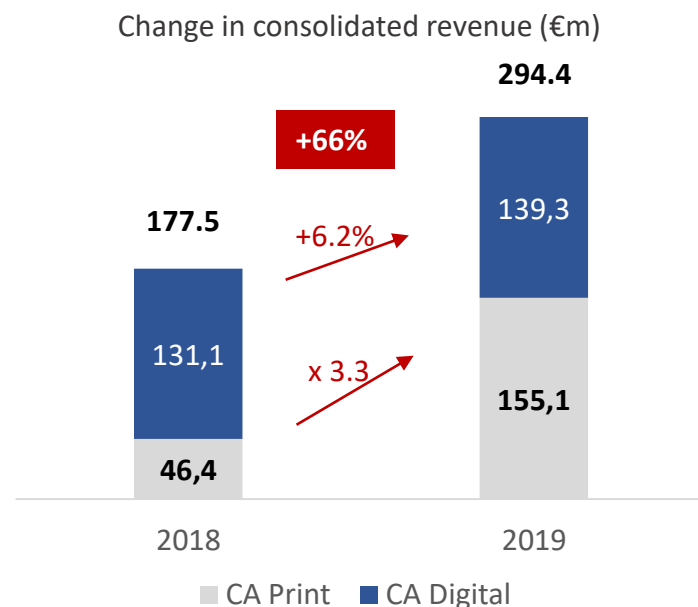
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>> Consolidated revenue grew by 66% in 2019, reaching €294.4m

- Consolidated revenue **Print**, x3.3: €155.1m
- Consolidated revenue **Digital**, +6%: €139.3m

47% of revenue comes from Digital operations
35% of revenue is earned internationally

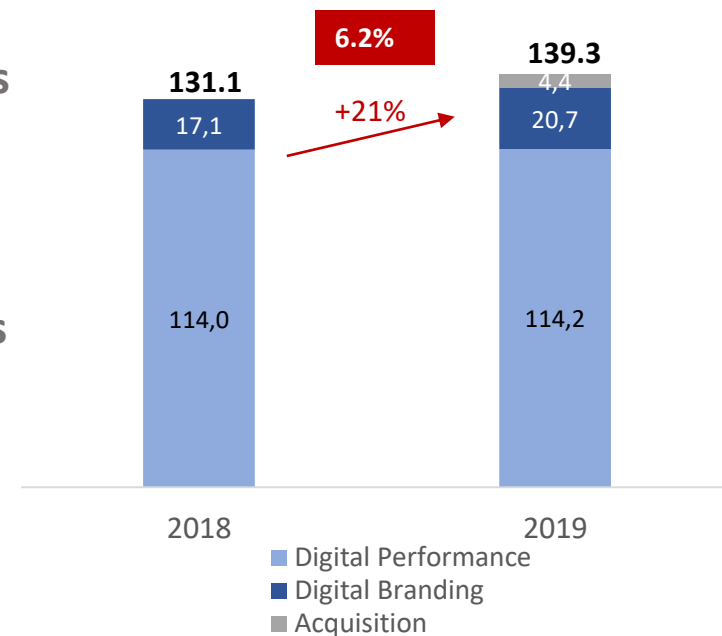
Consolidation of ex-Mondadori France assets
€118.8m



**>> 2019 Consolidated revenue earned in Digital:
€139.3m**

- Continuing growth for the Digital media brands
- Revenue earned on Digital's historical scope:
€134.8m
 - **21% growth in the historical media brands**
in Digital reaching €20.7m (Digital Branding)
 - Turnover stable in Digital Performance
- Contribution of ex-Mondadori France assets to
Digital revenue: €4.4m

Change in consolidated revenue in Digital (€m)

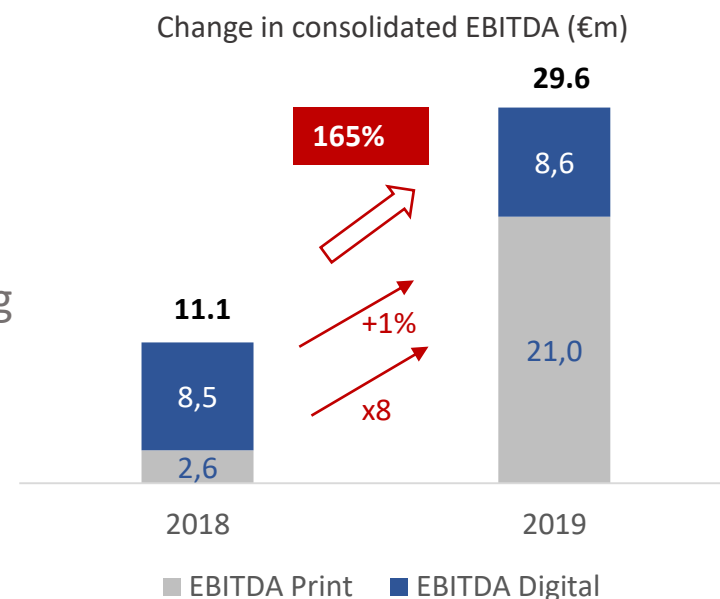


SHARP INCREASE IN CONSOLIDATED EBITDA

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➤➤ Consolidated EBITDA increased by a factor of 2.7 in 2019: €29.6m

- Consolidation of ex-Mondadori France assets: €19.6m, of which €1.2m came in Digital
- Print EBITDA multiplied by a factor of 8, reaching €21.0m
- Digital EBITDA up slightly, to €8.6m
29% of EBITDA comes from Digital



EBITDA margin increases to 10% vs 6% in 2018

CONSOLIDATED ACCOUNTS 2019 (*)

CONSOLIDATED INCOME STATEMENT 2019: NET INCOME OF €25.4M

.....

In €M	31-12-18	31-12-19	Change
Revenue	177.5	294.4	+66%
Operating costs	-166.4	-264.8	+59%
EBITDA	11.1	29.6	x 2.7
Depreciations and provisions	- 3.2	- 4.1	+30%
EBIT	8.0	25.5	x 3.2
Financial results	- 0.6	- 3.9	-€3.3m
Exceptional income	0.1	- 34.6	-€34.7m
Taxes	- 0.4	2.6	+€3.0m
Reversal of goodwill	-0.1	35.1	+€35.2m
Consolidated net income	6.9	24.6	x 3.6
Minority interests	-	0.7	+€0.7m
Net income Group share	6.9	25.4	x 3.7

- EBIT multiplied by more than 3
- Financial result of -€3.9m including interest on bank loans
- Exceptional income of -€34.6m: primarily costs stemming from restructuring (including disposal clauses) of companies acquired in July 2019 (-€31.8m)
- Reversals of goodwill amortisation at +€35.1m (companies acquired in July 2019)
- Minority interests €0.7m: Reintegration of 50% of loss of EMAS (50% owned by the Group and fully consolidated)
- Net income multiplied by 3.7 to more than €25 million

CONSOLIDATED ACCOUNTS 2019 (*)

CASH FLOW €37 MILLION IN CASH GENERATED

.....

In €M	2018	Historical RM	Acquired scope	2019
EBITDA	11.1	10.0	19.6	29.6
Cash impact	-8.0	-7.8	0.4	-7.4
Operating flows	3.1	2.1	20.1	22.2
Exceptional items	0.1	-1.7	-22.0	-23.7
Operational flows	3.2	0.4	-1.9	-1.5
Capex	-5.6	-3.5	-0.5	-4.0
Capital increase	0.0	20.9	0.0	20.9
Financing	2.9	66.0	0.0	66.0
Acquisition	0.0	-51.2	0.0	-51.2
Entry into scope	0.0	0.0	6.8	6.8
Change in cash and cash equivalents	0.5	32.6	4.4	37.0

€37 million in cash generated in 2019

- €22.2 million in cash generated by operating activity
- €66 million in financing:
 - €87 million in new financing
 - -€13.5 million refinanced
 - -€7.5m principal and interest repayment

CONSOLIDATED ACCOUNTS 2019 (*)

CONSOLIDATED BALANCE SHEET EQUITY SIGNIFICANTLY STEPPED UP

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Audited, in €m*	31-12-18	31-12-19
Equity, Group share	26.8	85.2

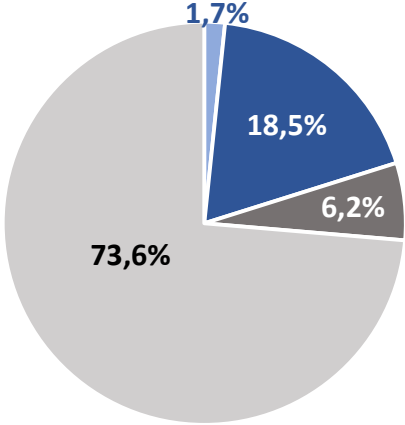
Audited, in €m*	31-12-18	31-12-19
Gross cash	16.6	54.0
Financial debts	27.0	96.0
Net cash and cash equivalents	- 10.4	- 42.0

- **Equity as at 31/12/2019: €85.2m**
- **Capital increases of €21.5m over the year**
 April 2019 – capital increase of €8.95m with institutional investors
 December 2019 – Capital increase of **€12.6m** reserved for ARNOLDO MONDADORI EDITORE
- **Net debt as at 31/12/2019: €42m**
 Debt relief of €87m secured as part of the acquisition of Mondadori companies
 - of which €13.3m dedicated to refinancing of part of the existing debt
 - 5 to 7 year term, amortisable at the end of the term
 - carried out with a banking pool and debt funds

BREAKDOWN OF REVENUE AND EBITDA

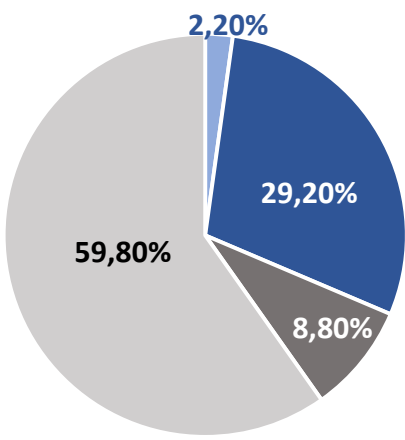
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Breakdown of
2019 pro forma
revenue



- Digital acquisitions
- Historical Digital
- Historical Print
- Print acquisitions

Breakdown of 2019
pro forma EBITDA



- >> 2019 pro forma revenue: €462.2m
31% earned in Digital
 - €144.9m in Digital revenue
 - €317.3m in Print revenue

- >> 25% of pro forma international revenue

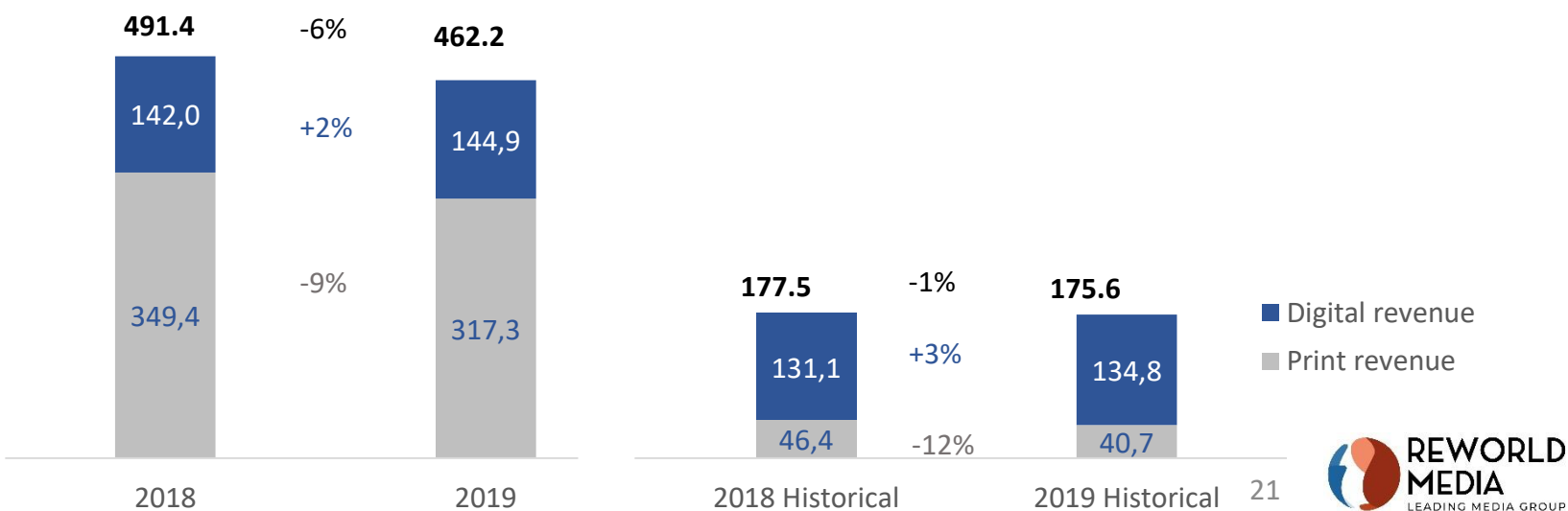
- >> 2019 pro forma EBITDA: €40.4m
20% earned in Digital
 - €8.2m EBITDA in Digital
 - €32.2m EBITDA in Print

2019 PRO
FORMA
ACCOUNTS

FIRST BENEFITS FROM INTEGRATION OF NEW ASSETS
2019 PRO FORMA REVENUE: €462.2M

.....

- >> **Print revenue: €317.3M (-9%)**
Outperforming the falling market: uncertainty on Mondadori's end during transfer, and historical teams focused on acquisition in 2019
- >> **Digital revenue: €144.9M, i.e., growth of 2%**
 - Historical Branding €20.7m: strong sales growth at +21% of turnover (market +12%) confirming the Group's digital strategy
 - Acquisition €10.1m: 7% downturn in revenue, uncertainty in 1st Half in connection with the sale, partially offset in 2nd Half
 - Performance Division €114.2m: slower growth, → strategy execution delayed in some countries

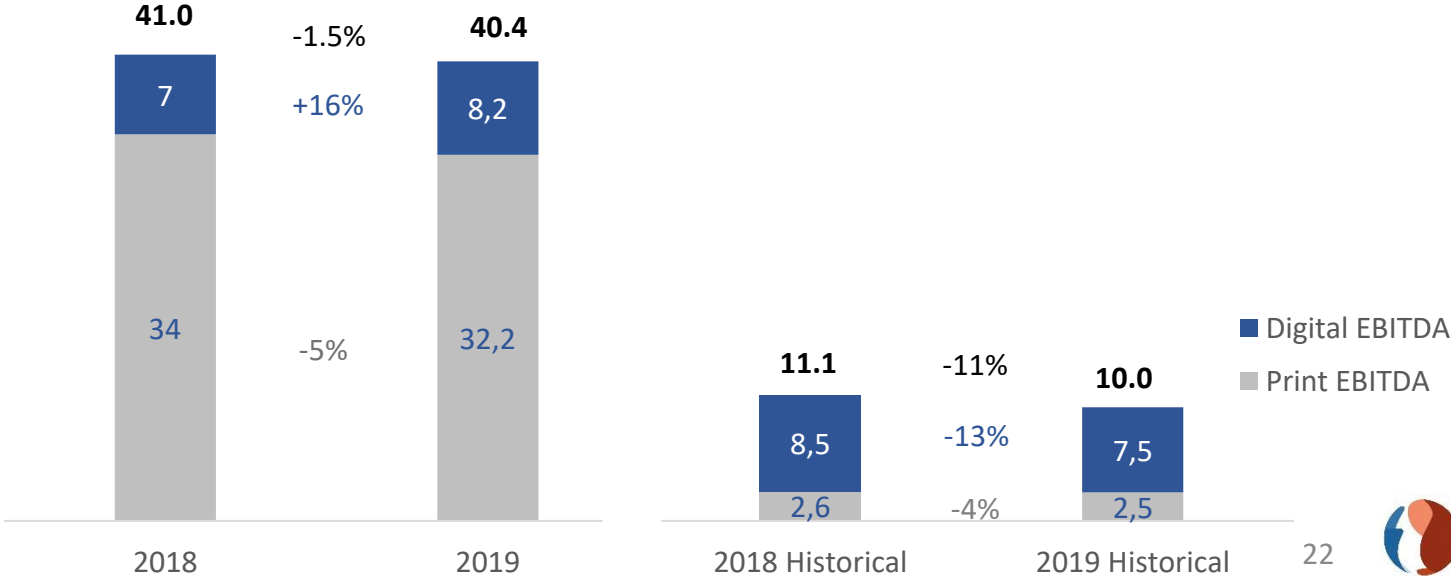


2019 PRO
FORMA
ACCOUNTS

FIRST BENEFITS FROM INTEGRATION OF NEW ASSETS
2019 PRO FORMA EBITDA: €40.4M

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- >> Pro forma EBITDA stable at €40.4m
- >> Print EBITDA: €32.2m (-5%)
1st Half held back by uncertainty on Mondadori's end during transfer, and historical teams focused on acquisition
- >> Digital EBITDA: €8.2m, up by 16%
 - Acquisition €0.7m: excellent execution in 2nd Half with return to profitability (H2 EBITDA at €1.2m)
 - Historical Branding €4.1m: strategy execution delayed in 1st Half, due to acquisition as well as very good trends in the 2nd Half
 - Performance division €3.4m: down by 10%, EBITDA down in 2nd Half



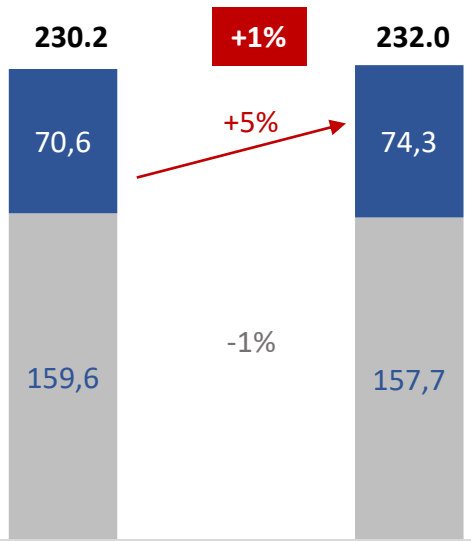
2019 PRO
FORMA
ACCOUNTS

STRONG SURGE IN PROFITABILITY IN 2ND HALF

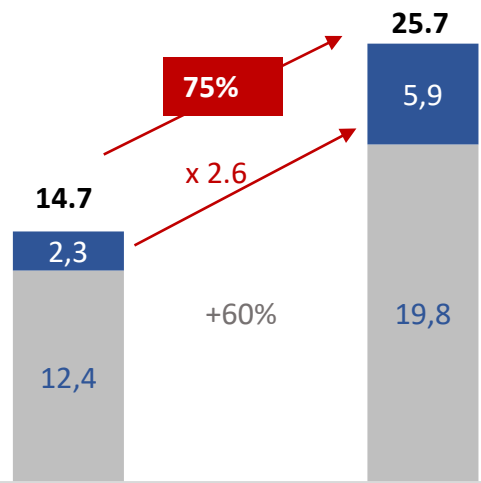
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- >> Profitability sped up in 2nd Half, driven by positive seasonal effect
Revenue growth of 1% between H1 and H2 2019
 - Stable in Print
 - 5% growth in Digital:
 - +23% on historical Branding
 - +15% on the acquired scope
- >> 75% increase in profitability in 2nd Half 2019 (+€11m)
 - Print EBITDA +60% in just one half-year (+€7.4m)
 - Digital EBITDA multiplied by 2.6 (+€3.6m)

Change in 2019 pro forma revenue



Change in 2019 proforma EBITDA

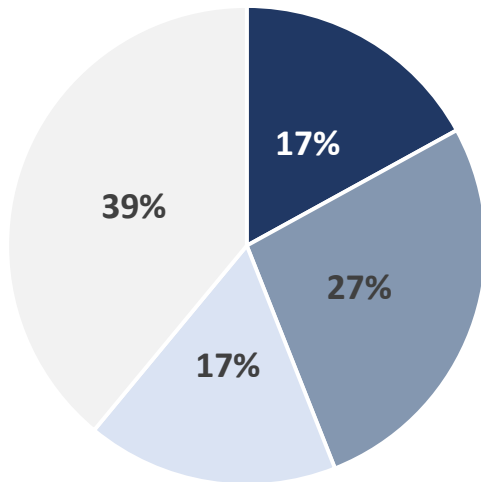


■ Digital
■ Print

DISTRIBUTION OF CAPITAL SHAREHOLDER VALUE

.....

>> Distribution of capital as at 1/03/20



- Management
- Institutional investors
- Arnoldo Mondadori Editore SPA
- Floating

>> ALREW - FR001082027

- Number of shares: 51,816,696
- Euronext Growth since 16 June 2014
- Bloomberg: ALREW FP



Share price:

- On 17/03/20: €1.96

Market capitalisation €101m

High - 12 months € 3.62

Low - 12 months € 1.50

Average volume – 12 months 25,189 shares

A vertical photograph on the left side of the slide shows a person in silhouette jumping over the ocean. The sun is low on the horizon, creating a bright orange glow that reflects on the water. The sky is filled with soft, colorful clouds in shades of pink, orange, and blue.

III / A VALUE-CREATING CHANGE IN DIMENSION

- **NEXT UP: DIGITISING THE NEWLY
INTEGRATED ASSETS**
- **CONTINUING DEVELOPMENT ON THE 42
MEDIA BRANDS AND EXPERTISE**

EX- MONDADORI FRANCE ASSETS

SUCCESSFUL INTEGRATION – ON THE WAY TO DIGITALISATION

.....

- » First integration phases successful – finalisation in H1-2020
Now investing in digitalisation and the development of new integrated brands

Q4 – 2019

2020

Integration of structures

Digital & non-media investments

*Audience development
for new communities*

- *Technological platform harmonisation*
 - *Website profitability acceleration*
 - *Structuring of editorial teams, HR, Finance, etc.*
 - *Publication production with continued editorial quality*
 - *Commercial offer overhaul*
 - *Management structuring*
- All networks merged into **Reworld MediaConnect**
 - Teams brought together at the Boulogne and Bagneux sites (in progress)
 - **Site makeovers** - Grazia, Biba, Science&Vie, Auto Plus, Auto Journal, Sport Auto + Football/Mercato365
 - **New magazine packages** (Grazia, Biba) and **new magazines** (HS Dr Good, Natur'Elle Senior)
 - Accelerated **podcasts & video production**
 - **Event Diversifications**
 - **TV diversification**
 - Mobile application **creation**

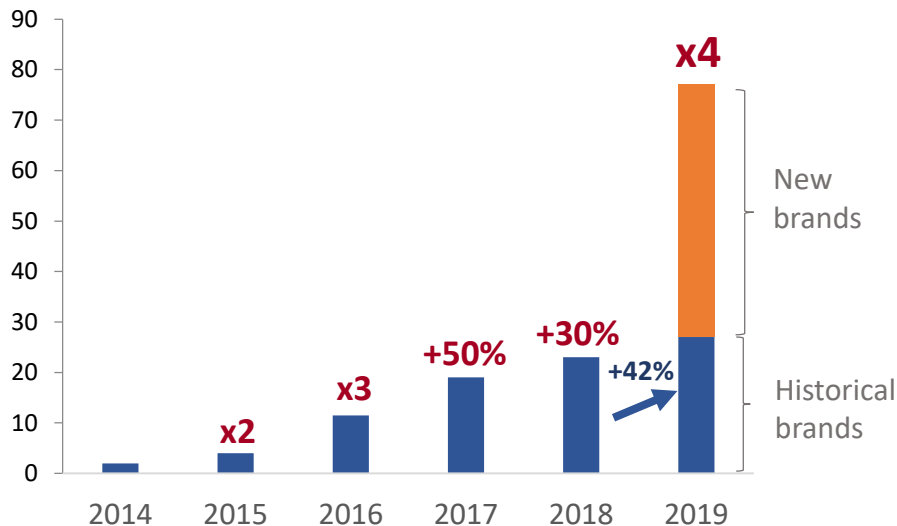
DIGITALISATION

CONTINUOUS AUDIENCE GROWTH

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Average monthly hits

Source: site centrics



- 77m average hits per month in 2019:
27m on the historical scope +42%
50m on the acquired scope
- Significant expansion in digital inventory available on the acquired scope:
25% more page views in Q4 2019 (180 M)
+82% more page views in Q1 2020 (262 M)



Growing traffic,
Generating profitable monetisation

STRATEGY 2020++

.....

Strategic priorities



Digitalisation

Makeovers for sites and distribution channels

Acceleration of audience generation

Channel deployment: video, podcasts, TV, etc.



Synergies & operational developments

Passing on editorial expertise / Digital

Commercial complementarities between Print/Digital

New business lines: podcasts, events, TV, etc.

Production and consulting for third parties (atelier.b, Content Squad...)



Consolidation in Print

First-mover advantage

Editorial quality

New products

Digital recognition



Profitability

Developing digital audience

Financial synergies

Ongoing technological watch

Internationalisation

AUDIENCE DEVELOPMENT

RAMPING UP IN TV

.....



Proven expertise in TV since May 2019 with the launch of Sport en France, *the channel featuring the top in French sport*

A linear channel published by Media365 on behalf of the French National Olympic Committee (CNOSF)

Shown on:
Orange: 174
Bouygues: 192
Free: 190
SFR/Numericable: 129
MolotovT



CONFIDENT IN THE FACE OF THIRD-PARTY COOKIE PHASE-OUT

.....

» In a strong position to take advantage of the announced removal of third-party cookies from browsers

- **The Hyper-Contextual: a substitute just as powerful as data**
 - In January, the new offer was launched: in it, data cookies are replaced by contextual data
 - The advantage of a multi-thematic - multi-context positioning (45 sites, 150 themes covered)
- **Advertising investments will be partially shifted** to levers that do not make use of cookies (context and affiliation)
- **The affiliation platform remains independent** (performance) from cookies



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Sponsor listing

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