

## 2019 Annual Results

### Reworld Media achieves pro forma EBITDA of €40.4m

### The fiscal year illustrates the successful integration of Mondadori France

Consolidated financial statements <sup>1</sup> , audited, in €M	31-12-19	31-12-18	Change
<b>Turnover</b>	<b>294.4</b>	<b>177.5</b>	<b>x 1.7</b>
<b>EBITDA</b>	<b>29.6</b>	<b>11.1</b>	<b>x 2.7</b>
<b>Operating profit</b>	<b>25.5</b>	<b>8.0</b>	<b>x 3.2</b>
<b>Net income Group share</b>	<b>25.4</b>	<b>6.9</b>	<b>x 3.7</b>

REWORLD MEDIA (ALREW) announced pro forma revenue of €462.3m and pro forma EBITDA of €40.4m as at 31 December 2019<sup>2</sup>.

The Group also published consolidated financial statements showing strong growth with turnover of nearly €300m and an EBITDA margin of 10%. The acquisition of Mondadori France marked a major change in dimension for the Group during the year, making it the leader in thematic media in France. The Group's operations enjoyed the strongest tailwinds in the 2<sup>nd</sup> Half, with performance rebounding in the historical scope, after several months dedicated in part to acquisition, and the first progress in the newly-integrated media brands. Having successfully completed the integration of these new assets, Reworld Media continues to expand confidently, bolstered by ownership of its content and audiences.

### Consolidated revenue and profitability significantly on the rise

Reworld Media posted consolidated sales of €294.4m as at 31 December 2019, up by 66% compared to the previous financial year.

- The contribution of new assets from ex-Mondadori France amounted to €118.8m, of which €114.4m came from the Magazine business and €4.4m from Digital.
- On the historical scope, despite disruptions in the 1<sup>st</sup> Half, **the continued growth of media brands in digital reached +21%** for the financial year compared to 2018. The Performance business meanwhile posted stable turnover.

Reworld Media's consolidated EBITDA<sup>3</sup> grew by 165% to €29.6m as at 31 December 2019.

- It includes a contribution of €19.6m from the assets of ex-Mondadori France, mainly from magazines (contribution from digital: €1.2m).

<sup>1</sup> Consolidation of ex-Mondadori France assets as at 1-08-19

<sup>2</sup> With the acquisition of Mondadori France on a full-year basis

<sup>3</sup> Earnings Before Interest, Taxes, Depreciation, and Amortisation

- On the historical scope, EBITDA doubled between H1 and H2 in fiscal year 2019. EBITDA in Print in particular rose from €0.3m in H1 2019 to €2.2m in H2 2019, while in Digital, EBITDA rose from €2.8m to €4.7m (doubling in the Media brands and posting +27% in Performance).

**Reworld Media earned 47% of its consolidated turnover in Digital and 35% on the International market. In addition, 29% of its profitability comes from Digital activities.**

**The Group's operating income more than tripled** as at 31 December 2019 compared with the previous financial year, reaching €25.5m (2018: €8.0m).

The Group recorded an exceptional loss of €34.6m, including an exceptional loss of €-31.8m reported by the entities bought in July 31<sup>st</sup> 2019. Net income from the integrated companies thus amounted to €-10.4m.

**Net income Group share amounted to €25.4m as at 31 December 2019**, compared to €6.9m in the previous year, after reversals of goodwill amortisation amounting to €35.1m.

**On the balance sheet, equity<sup>4</sup> Group share grew to €85.2m** as at 31 December 2019 (vs. €26.8m at the end of 2018), gross cash amounted to €54m and financial debt to €96m.

**Gautier Normand, Chief Executive Officer, explained:** *"Fiscal year 2019 was a time during which we acquired, then integrated a player that is much larger than Reworld Media, all the while ensuring the continuity of all our activities, both historical and new. The Group successfully integrated this external growth and once again posted strong performance at the end of the financial year. Every move we have made to expand since the start has been value-creating. Today, our Group boasts proprietary thematic content and audiences that encompass 1 out of every 2 French people, thanks to which it is able to offer a comprehensive range, through enriched expertise and assets, as well as organised teams. The focus is now on developing our positioning across the entire value chain and supporting our brands as they reach a wider audience. The Group remains true to its strategy with stringent management principles, serving profitable and strategic investments".*

## **2019 pro forma accounts: €462m in turnover and more than €40m in EBITDA**

**On a pro forma basis, Reworld Media posted annual turnover of €462.2m, 31% of which was generated in Digital.** The 31 new integrated media brands in particular generated annual revenue of €10m in Digital, while the Group's 11 historical brands generated €21m in turnover.

**Pro forma EBITDA reached €40.4m as at 31 December 2019 and increased by 75% between H1 and H2** of the financial year. It was up in all the businesses, with new integrated brands posting positive EBITDA in the 2<sup>nd</sup> Half in digital (H2-2019: €1.2m vs H1-2019: -€0.5m) and up 45% for their Magazine business compared with the 1<sup>st</sup> Half.

**EBITDA from Digital activities amounted to 20%.**

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<sup>4</sup> Shareholders' equity (group share) and other shareholders' equity

## Continuous development and profitability with a tried-and-true strategy on a fast-growing media market

*"Reworld Media has changed dimension, taking advantage of its leadership, and clearly has strong growth capabilities with additional high quality media brand capital associated with historical brands that are growing every year. We continue to work in the same direction to deploy our media on the channels where consumers are expecting them, such as recently in podcasts or more recently on television. Reworld Media enjoys an increasingly large, growing market driven by digital and mobility, which offers it significant potential for development and value creation", indicates Pascal Chevalier, Chairman.*

In 2020, Reworld Media launched a large-scale programme to digitise its new assets, the Group is focusing on synergies between its teams and the consolidation of its magazine activities. **As the owner of its content and its audiences, the Group continues to expand with quiet confidence.**

Reworld Media's positioning can be illustrated in particular by the focus placed on phasing out cookies: always a step ahead of its market, Reworld Media moved 18 months in advance of the recent announcement that cookies would be eliminated from browsers, and is even well-positioned to take advantage of it, with certain advertising investments likely to shift towards levers that do not rely on cookies. Thanks to its multi-theme positioning, the Group is able to offer hyper-contextual targeting, a real substitute for data, and in particular rolled out a new offer in January which is already showing excellent returns. It should also be kept in mind that the Group's Performance activity is not dependent on the use of cookies.

*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. Reworld Media has implemented initiatives to ensure the continuity of its operations, all employees are teleworking. Reworld Media is closely following the evolution of the situation.*

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### About Reworld Media:

Reworld Media is the French leader in thematic media (1st thematic press publisher, 4th digital thematic media group<sup>5</sup>) and ranked 5th on the FW500 (ranking of French Tech companies). Founded in 2012, the Group is an international player operating in 11 countries. It has been a pioneer in the digital transition of media assets and is now developing a portfolio of more than 40 media brands such as Dr. Good, Grazia, Marie France, Maison & Travaux, Auto Plus, Gourmand, Top Santé, Télé Magazine, Science & Vie, and others. The Group earns annual pro forma revenue of €462m, operates in 11 countries and employs 970 people.

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<sup>5</sup> OJD - décisionnel OJD - perimeter press magazine (excluding supplements PQN – PQR). Médiamétrie octobre 2019 - ONE Next 2019 V1