

## 2020 Half-Year Results

Growth in operating profitability to EBITDA of 15,1 M€

Healthy balance sheet : treasury of 92 M€

Strong-stated ambitions

Audited, in €m*	30/06/2020 consolidated <sup>1</sup>	30/06/2019 consolidated	30/06/2019 pro forma <sup>2</sup>
<b>Revenue</b>	<b>200.7</b>	86.5	222.6
<b>EBITDA</b>	<b>15.1</b>	3.1	14.7
<b>Operating profit</b>	<b>13.2</b>	1.5	-
<b>Net income Group share</b>	<b>0.6</b>	0.1	-

Reworld Media (ALREW) published consolidated results as at 30 June 2020, up sharply compared to First Half 2019. The Group has demonstrated resilience in its operations and performance in the face of the economic shock caused by the Covid-19 pandemic. It has continued with its business plan over the period, successfully completing the integration of Mondadori France's assets and implementing numerous operational developments.

Reworld Media enjoys the benefit of a diversified range of activities, now organised in a dual BtoC / BtoB model. Built on solid assets and strong expertise - content production/Adtech - this model gives it extensive potential for development, through organic growth as well as external growth. Reworld Media is speeding up the deployment of its strategy, continues to disrupt and consolidate the market, and now aims to achieve one billion euros in annual turnover.

### More than €200 million in consolidated turnover as at 30 June 2020

### Improved operating profitability, both consolidated and proforma

Reworld Media reported **consolidated revenue of €200.7 million as at 30 June 2020, up by 2.3** compared with the 1<sup>st</sup> half of the previous financial year. Consolidated EBITDA amounted to €15.1 million as at 30 June 2020, compared with €3.1 million in the same period of the previous financial year. **The Group's operating profitability thus doubled to 7.5%** as at 30 June 2020, compared with 3.6% at 30 June 2019.

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

<sup>2</sup> 2019 half-year revenue adjusted for the Grazia brand activity

**Based on a pro forma comparison (consolidation of Mondadori France's assets at 1 August 19), the Group experienced a controlled decline in turnover of 13%, despite a very significantly deteriorated economic environment.** Revenue from digital showed strong resilience (turnover: -3%), 80% generated by the Performance business, not exposed to the upheaval caused by the health crisis. Revenue from Print recorded a limited drop of -17%, benefiting among other things from the recurrence of a portfolio of 2.3 million subscribers, and despite in fall in advertising revenues that now only represent 5% of the group's revenues.

**The Group's EBITDA increased by 3%** thanks to the efficient integration of new assets and tightly-managed variable costs in the 2<sup>nd</sup> quarter. The Group's operating margin, which amounted to 7.5%, increased over the 6.4% posted in proforma terms in 1<sup>st</sup> Half 2019.

**Consolidated operating income reached €13.2 million**, as compared to €1.5 million for the 1<sup>st</sup> half of the previous financial year.

The Group posted an exceptional loss of €20.3 million, due primarily to the impact of Presstalis and the restructuring of the Grazia brand.

Including accounting valuation of carryforward tax losses of €9 million, net income amounted to €0.6 million as at 30 June 2020, up slightly compared with €0.1 million at 30 June 2019.

**The Group's activity generated €20.1 million in cash** in 1<sup>st</sup> Half 2020.

**Gautier Normand, Chief Executive Officer, commented:** *"Reworld Media managed to contain its level of activity and improve its level of profitability over the half-year elapsed. We focused our energy on speeding up our business plan during this half-year. Despite the health context, our teams remained fully mobilised, and in particular were behind numerous launches on all media, whether web, print, video, audio or TV, all across our entire scope. The diversity of our business mix provides us with numerous drivers for development; it is a major asset that was particularly visible during the first half of the year, demonstrated in our subscription recurrent rate and the contribution of the Performance business".*

## **A solid balance sheet**

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Reworld Media reported a very healthy balance sheet as at 30 June 2020, with **€89.3 million in equity, a reinforced cash situation at €92 million and a decreasing net debt of €39.8 million.**

During the half year, the Group strengthened its cash position by securing €33 million in financing, including a €10 million ATOUT loan from BPI and a €23 million State-guaranteed Loan from its banking pool.

## **€1 billion in turnover: a new ambition based on a powerful model**

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Of significant size, and with historical expertise centred around content and adtech, Reworld Media is currently developing on two BtoC/BtoB markets with powerful assets:

**> BtoC activity - Content, services and brand platform:** The BtoC division generated annual revenue of €278 million, 44% from subscription and 56% from fee-for-service sales (2019 pro forma). Subscriptions offer a high level of recurrence with €9.6 million in MRR<sup>3</sup>, leading to subscription revenues of €56,5 at June 2020.

**Key data:** 2.3 million paying subscribers to Group content, 900,000 proprietary multi-channel content (editorial, video, audio, TV), 45 proprietary media brands (13 million sales records/month, 21.5 million monthly UVs<sup>4</sup>).

In this business, Reworld Media intends to continue to expand its content and service offer with a view towards developing its subscriber base, fee-for-service sales and average spend, while remaining true to its demand for quality content and services backed to its brands.

**> BtoB activity – AdTech publisher:**

Focused on monetisation, this activity generates annual sales of €184 million, 71% of which is generated by Performance and programmatic advertising, and 29% by branding (proforma 2019).

**Key data:** cutting-edge technologies in Performance, a network of 180,000 affiliated sites, €1.6 billion in additional annual revenue generated by customers in Europe, 10 million contact points/day<sup>5</sup> via content to Group.

The Group is developing on this BtoB market primarily through an increase in its advertising inventory, the launch of new monetisation formats and the consolidation its Performance business.

**Pascal Chevalier, Chairman, stated:** *“Reworld Media’s strategy today goes far beyond digitisation or diversification objectives. Our BtoC positions and the backing from our brands give us formidable power to deploy ever more content and services, to develop and retain our subscribers on verticals that are dear to them. In BtoB, we are making use of our capacity to develop and integrate AdTech solutions, with expert teams, particularly in Performance over the past 20 years, and always one step ahead when it comes to innovation. Our strategy, combined with the Group’s size, gives it considerable potential for growth”.*

**In 2020, Reworld Media has set out a new ambition, targeting one billion euros in turnover.**

**The Group continues to deploy its strategy and is on the lookout for external growth opportunities through targets of significant size, focusing on content, subscriber base and technology solutions.**

Reworld Media’s Half-Year Financial Report can be viewed at [www.reworldmedia.com](http://www.reworldmedia.com).

**About Reworld Media:**

Reworld Media is an international group developing on two markets: the BtoC market, through the deployment of content, services and brand platforms; and the BtoB market, as an Adtech publisher. The Group addresses the BtoC market with multi-support proprietary content (web, print, video, audio, TV) and subscription services via 45 high-quality proprietary media brands (Science & Vie, Grazia, Marie France, Maison & Travaux, Auto Plus, Gourmand, Top Santé, Télé Magazine, etc.) in 6 key verticals. In BtoB, the Group deploys an audience monetisation offer with high added value, including performance, brand content and programmatic advertising. Founded in 2012, Reworld Media has become the French leader in thematic media and is ranked 5th on the FW500 (ranking of French Tech companies). The Group posts pro forma annual sales of €462 million, operates in 11 countries and has 970 employees.

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<sup>3</sup> Monthly recurring revenue

<sup>4</sup> Mediametrie, July 2020

<sup>5</sup> Source internal