

Results for the 1st half of 2023, ended 30 June 2023

Revenue up +10.3% to €266.4m

EBITDA of €22.5m, i.e. 8.4% margin

Good organic performance over the first half with €26.7m in EBITDA

In €M	06/30/2023	06/30/2022	Change (€M)	Change (%)	Organic scope of business ⁽¹⁾		
					06/30/2023	Change (€M)	Change (%)
BtoC	122.7	124.1	(1.4)	-1.2%	118.6	(5.5)	-4.4%
BtoB	143.7	117.3	26.4	+22.5%	121.4	4.1	+3.5%
Revenue	266.4	241.5	24.9	+10.3%	240.1	(1.4)	-0.6%
BtoC	8.0	13.3	(5.3)	-39.8%	8.5%	(4.8)	-36.3%
BtoB	14.5	17.9	(3.4)	-19.0%	18.2	0.3	+1.8%
EBITDA⁽²⁾	22.5	31.2	(8.7)	-27.9%	26.7	(4.5)	-14.5%
<i>EBITDA margin (%)</i>	<i>8.4%</i>	<i>12.9%</i>			<i>11.1%</i>		

The **Reworld Media Group (ALREW)** once again demonstrated in H1 2023 the **relevance of its model** and its **ability to successfully execute** its development strategy, in particular by the **BtoB division's revenue growth** and the **record profitability** of this division **in organic terms**.

The Group reported **consolidated revenue of €266.4m** at June 30, 2023, up **10.3%** (+€24.9m) compared to H1 2022, and consolidated organically at €240.1m, i.e down -0.6% (-€1.4m). Today, the firm announces its results for the 1st half of 2023.

The integration of Unify, which strengthens Reworld Media's **leadership** in digital and makes it the **1st thematic media platform** in France, is **transformative** and **strategic** for the Group ; he's taking on a **new dimension** in a sustainable digital communication market growth. Operationally, it leads to a significant change in scope within the BtoB division and to the execution of a structural integration plan. Financially, it will generate growth in terms of revenue while having an anticipated adverse impact on profitability during the transitional period, with Unify having generated negative EBITDA of €10m in 2022.

Against a backdrop of **unprecedented inflation**, the Group continues to manage its operations and costs with the same **historical rigour**. The Group's strong editorial and digital expertise, combined with its agility, gives cause for confidence about the success of the integration of the new brands acquired and about continued growth in profitability, in France and internationally.

¹ Consolidated results on a like-for-like basis vs. 1st half of 2022 ending 30 June 2022, excluding Unify and Reworld Media Italia (Grazia and Icon), consolidated respectively since 1 October 2022 and 10 January 2023.

² EBITDA and EBIT excluding expenses related to bonus share plans reclassified as exceptional income.

Consolidated EBITDA of €22.5m (-27.9%) / organic EBITDA of €26.7m (-14.5%)

In H1 2023, **Reworld Media Group's consolidated EBITDA** amounted to **€22.5m**, down 27.9% (-€8.7m) compared to H1 2022, i.e. an **EBITDA margin of 8.4%**. In **organic** terms, the Group's EBITDA reached **€26.7 m**, down 14.5% (-€4.5m), i.e. an **EBITDA margin of 11.1%**.

The decline in consolidated EBITDA was due to the **lower organic profitability** of the **BtoC division** 's activities (€8.5m in EBITDA, -€4.8m) and the **consolidation of acquisitions made** (-€4.2m), while the **BtoB division** posted **record organic EBITDA** for the half-year (€18.2m in EBITDA, 15.0% EBITDA margin).

BtoC : organic EBITDA of €8.5m, down 36.3% (-€4.8m) / 7.1% EBITDA margin

With revenue down -4.4% (-€5.5m), the BtoC division managed to generate **EBITDA of €8.5m** organically, down 36.3% (-€4.8m) compared to H1 2022, i.e **7.1% margin**.

The BtoC division continued to rationalise its distribution to limit the impact of higher production and distribution costs on profitability, as a gradual rise in paper and energy prices far outstripped inflation in in the 2022 financial year, and made its full effects felt in the first half of this year. It only partially offset this decline by means of price increases, by applying increases in line with inflation, in order to preserve its market share and its portfolio of **1.8 million subscriptions**.

Against this backdrop of rigorous management, the BtoC division continued to expand its offering of magazines, with the launch of Grazia Food in Italy, new youth titles in France as well as new versions and special numbers of its flagship brands, and to **diversify its offering**, in particular by launching new collections in editions (37 new in the half-year) and the integration of the SVOD activities of the recently acquired channels (Marmiton TV, Doctissimo TV).

BtoB: organic EBITDA of €18.2m, up +1.8% (+€0.3m) / 15.0% EBITDA margin

The BtoB division posted a **historical organic EBITDA level over the** first half of the year. With **revenue up +3.5%** (+€4.1m), in line with the digital advertising market, which is slowing but remains positive (+3.8%³ excluding Search), the BtoB division reached **record EBITDA of €18.2m**, up **+1.8% (+€0.3m)** and **consolidated an EBITDA margin of 15.0%** (H1 2022: 15.2%)

While the priority was clearly given to the integration of Unify, the half-year was also marked by the organic launch of **new offers** in growth segments such as **retail media** (*content to commerce*), **social networks** and **influence**, by the **editorial and user experience overhaul** of Psychologies, Melty and Grazia sites and the launch of the Tanin brand website.

Scope effect: negative contribution from acquisitions to consolidated EBITDA of -€4.2m / Major breakthrough in the Unify integration plan

Over the first half, acquisitions contributed €26.3m to consolidated revenue but weighed on profitability, with a **negative contribution to consolidated EBITDA of -€4.2m**, of which -€0.5m to BtoC and -€3.7m to the BtoB division.

The acquisition of Unify's 14 new digital brands (Marmiton, Aufeminin, Doctissimo, Les Numériques, etc.) is a **strategic and structuring operation** for the Group, and at the forefront of the BtoB division, which requires the implementation **of a demanding and complex integration and transformation plan**. Operationally, loss-making activities were discontinued, investments made in the most promising segments, and synergies are gradually being developed, particularly in terms of technology, while ensuring that audiences are maintained. The reorganisation of the workforce was completed at the end of June (pooling within a common framework, relocation to the Boulogne-Billancourt site). After developing the highest-priority levers of monetisation, brands are now in a position to move forward with their commercial redeployment (revamping their offer and the "go-to-market " strategy), with the aim of capitalising on the Group's leadership in digital to increase their market share.

³ Bump, The advertising market in H1 2023 and forecasts, 12 September 2023.

Thanks to the acquisition of Unify, Reworld Media has grown to the **2nd place of digital media groups in France in terms of** audience; it attracts 32.9 million unique visitors each month⁴ (+23.5% in 1 year). It also boasts a social media offering that is both powerful, relying on 77.5 million followers, and complete in terms of expertise (consulting, production, monetisation). The acquisition of Unify now enables the BtoB division to enter the rapidly growing influence segment. This offer was **strengthened** last June by the **acquisition of Zezam**, a performance monetisation solution for influencers, made by Tradedoubler.

EBIT of €21.8m (-25%) / Consolidated net income of €12.3m (-31.7%)

The Group's consolidated **EBIT** (operating income) amounted to **€21.8m** at June 30, 2023, down 25% (-€7.3m), and takes into account a reversal of €3.5m in amortisation of goodwill.

After a financial result of -€4.7m (H1 2022: -€3.6m), exceptional income of -€8.4m (H1 2022: -€2.7m), and a positive income tax statement of €3.5m (H1 2022: -€4.8m) after recognition of deferred tax assets related to the acquisition of Unify, the Group's consolidated net income came to €12.3m, down 31.7% (-€5.7m) compared to H1 2022.

A solid balance sheet

The Group continued to post a solid financial position to 30 June 2023, with shareholders' equity up to €201.6 m (31 December 2022: €190.6m) and free cash flow of €88.8m.

The Group generated €11.7m in cash flow from operations in the year (H1 2022: +€20.1m. After taking into account corporation tax (-€4.1m), as well as exceptional cash flow (-€6.5m) and investments (-€4.9m), in particular ones related to the integration of Unify, free cash flow was negative by -€3.7m (H1 2022: +€7.1m. The repayment of debt and interest of €17.7m (H1 2022: €14.5m), the acquisitions of Grazia and Zezam for €7.8m (H1 2022: €1.7m) as well as currency effects brought the total change in active cash over the first half to -€29.5m.

With financial debt of €203.9m at June 30, 2023 (-€12.6m compared with 31 December 2022), **net debt** stands at **€115.1m**, i.e. a net debt ratio equivalent to **2.0x consolidated EBITDA over the past 12 months**, that does not yet factor in the full effect of acquisitions.

Outlook unchanged, strategic focus maintained

The Group has become essential among the media groups in France, with more than 80 thematic brands, anchored in the daily lives of more than 7 out of 10 French people, and undeniable leadership in thematic areas such as healthcare, automotive and cooking. It consolidates its leading positions in France, rooted in **innovation** and benefiting from the growth of the digital market.

The BtoC Division continues to apply rigorous principles in managing its product circulation, while continuing to develop subscription sales and diversify its offerings. It noted a **14% drop in the purchase price of paper** over the summer of 2023, which should have a positive impact on paper consumption, and therefore on BtoC's production costs in 2nd half-year and 2024.

The **finalisation of the integration of Unify's assets** reinforces growth and profitability rebound outlooks of the BtoB division. The Group is continuing to invest in the most promising levers of monetisation on the digital advertising market and is confident in its ability to build an innovative offering that is perfectly in line with the expectations of a market that, despite the slowdown in growth expected in 2023 (+4.7%, including Search⁵), shows a very dynamic long-term trend.

Internationally, Reworld Media set **new ambitions** last January with the acquisition of **the Grazia brand worldwide** and the direct exploitation of its media in Italy. Already present internationally with Tradedoubler's adtech activities, the Group is entering the **international media market** with one of the most prestigious fashion media brands, published in 25 countries and bringing together 15 million readers, 45 million Internet users and 30 million *followers*

⁴ Médiamétrie/Netratings, overall internet audience in France, average from November 2002 to June 2023 vs. similar period in y-1, in unique monthly visitors.

⁵ Bump, The advertising market for H1 2023 and forecasts, 12 September 2023.

on social networks worldwide. In taking back the brand's operations in the United States last July, the Group has demonstrated its **ability to combine agility with strategies for development and internationalisation**.

Laetitia Quet, Chief Financial Officer - *"The Group was particularly rigorous and agile in managing its activities over the half-year, when the BtoC division was expected to bolster its resilience in a context of exceptional cost inflation and the BtoB division incorporating a significant new volume of activity with major transformations needing to be carried out. We remain very vigilant in the face of inflation and are managing our industrial costs in the BtoC division seeing now less-unfavourable indicators in terms of paper prices. In BtoB, organic performances are significant including continued high profitability and revenue growth in line with our market. New digital media acquired from Unify had an impact on the profitability of the first half of the year, while gradually obtaining the means to meet the profitability standards of the Group's digital media activities. The integration plan is being carried out: it sets out our fundamentals for value creation. With these powerful new brands and new expertise, particularly in social media, the Group has taken on a new dimension in digital; we are convinced that this transaction will be accretive for the shareholder."*

Gautier Normand, Managing Director - *Reworld Media has reached two major growth stages in recent months. Unify's assets represented an unmissable opportunity; this process is relatively complex and different compared to our previous acquisitions since they are digital pure players, but these are pioneering brands on the web that perfectly complement our portfolio of thematic brands. The opening of our international media activities through a brand as powerful as Grazia is also very satisfying. The women media thematic is huge; we will support Grazia's growth in Europe, the United States and Asia. With our editorial know-how and more than 10 years of expertise in adtech, we can address the media sector and the international communication market with large and ambitious projects, while maintaining our level of demand in terms of profitability".*

The consolidated accounts for H1 2023 are available on the Group's website, under the heading "Publications".
The audit procedures on the consolidated accounts have been carried out and the audit report on the certification of the consolidated accounts has been issued

To join Reworld Media's Shareholder Club and enjoy its benefits, come right this way!

About Reworld Media: Reworld Media is a developing Group operating on two markets, BtoC and BtoB.

– The BtoC market through the deployment of content, services and products attuned to consumers' interests, available on a subscription or pay-per-view basis, to a captive audience of over 37 million French people, whom it supports in the digitalisation of their consumption patterns.

– The BtoB market through the monetisation of its own audiences and the coverage of all the communication drivers of the companies it supports in the creation and execution of their communication and commercial strategy.

The Group has to its name 81 multimedia multi-format media brands (print, digital, video, audio, TV, events) that generate audiences in 11 thematic areas (Maison & Travaux, Marie France, Grazia, Auto Plus, Science & Vie, Gourmand, Top Santé, Télé Magazine, etc.) and integrates its own technological performance platform (180,000 affiliated sites worldwide). Founded in 2012, Reworld Media posted annual revenues of €506m in 2022, operates in 16 countries and has 1,377 employees.

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