INTERIM MANAGEMENT STATEMENT FIRST QUARTER 2024

GRUPPO MONDADORI

ARNOLDO MONDADORI EDITORE S.p.A.

Share Capital Euro 67,979,168.40

Registered Office in Milan
Administrative Offices in Segrate (Milan)

CONTENTS

COMPOSITION OF CORPORATE BODIES

CORPORATE OFFICES AND SUPERVISORY BODIES

Board of Directors*

CHAIRMAN
Marina Berlusconi

CEO
Antonio Porro

DIRECTORS
Pier Silvio Berlusconi
Elena Biffi**
Pietro Bracco**
Francesco Currò
Alessandro Franzosi
Paola Elisabetta Galbiati**
Danilo Pellegrino
Riccardo Perotta**
Cristina Rossello
Marina Rubini**

Board of Statutory Auditors*

CHAIRMAN
Sara Fornasiero

STANDING AUDITORS
Francesca Meneghel Ezio Maria Simonelli

ALTERNATE AUDITORS

Mario Civetta Annalisa Firmani Emilio Gatto

* The Board of Directors and the Board of Statutory Auditors currently in office were appointed by the Shareholders' Meeting of 24 April 2024

*** Independent Director

MONDADORI GROUP STRUCTURE

ARNOLDO MONDADORI EDITORE S.P.A.

Trade Books

- Mondadori Libri S.p.A. **100%**
  - Bookrepublic Webnovels S.r.l. **51%**
  - Star Shop Distribuzione S.r.l. **51%**
  - A.L.I. S.r.l. - Agenzia Libraria International **75%**
    - Il Castello S.r.l. **100%**
  - De Agostini Libri S.r.l. **50%**
  - Edizioni Star Comics S.r.l. **51%**
  - Electa S.p.A. **100%**
    - Abscondita S.r.l. **100%**
    - SE S.r.l. **100%**
  - Giulio Einaudi editore S.p.A. **100%**
    - Edizioni EL S.r.l. **50%**
  - Libromania S.r.l. **100%**
  - Grafiche Bovini S.r.l. **100%**
  - Rizzoli International Publications Inc. **100%**
    - Rizzoli Bookstores Inc. **100%**

Education Books

- Mondadori Scuola S.p.A. **100%**
  - D Scuola S.p.A. **100%**
  - Mondadori Education S.p.A. **100%**
  - Rizzoli Education S.p.A. **99,99%**

Retail

- Mondadori Retail S.p.A. **100%**

Media

- Mondadori Media S.p.A. **100%**
  - AdKaora S.r.l. **100%**
    - Hej! S.r.l. **100%**
    - Digital Advertising & Engagement S.L. **100%**
  - Direct Channel S.p.A. **100%**
    - Mondadori Seec (Beijing) Advertising Co.Ltd **50%**
  - Mondadori Scienza S.p.A. **100%**
  - Press-di S.r.l. **20%**
  - Zenzero S.r.l. **73%**
  - Webboh S.r.l. **100%**
  - Power S.r.l. **100%**
- Attica Publications S.A. **41,98%**

Key terms: Subsidiary Companies | Associates

As at 31 March 2024

ORGANISATIONAL STRUCTURE OF THE MONDADORI GROUP

Marina Berlusconi*
Chairman

Antonio Porro*
Chief Executive Officer

Alessandro Franzosi*
Group Chief Financial Officer

Daniele Sacco
Head of Human Resources and Organization. Legal and Corporate Affairs

Federico Angrisano
Communication and Media Relations Director

Francesca Rigolio
Chief Diversity Officer

Enrico Selva Coddè
Vice Chairman and Chief Executive Officer of Mondadori Libri S.p.A.

Gian Luca Pulvirenti
Chief Executive Officer of Mondadori Scuola S.p.A.

Carmine Perna
Chief Executive Officer of Mondadori Retail S.p.A.

Carlo Mandelli
Chief Executive Officer of the Magazine Area of Mondadori Media S.p.A. and Group Strategic Development Manager

Andrea Santagata
Chief Executive Officer of the Digital and MarTech Area of Mondadori Media S.p.A.** and Group Chief Innovation Officer

At 31 March 2024
* Members of the Board of Directors
** From June 2023

Directors’ Report on Operations at 31 March 2024

Mondadori Group Highlights at 31 March 2024

(Euro/millions) Income Statement	3M 2024	3M 2023	*% Chg.*
Revenue	**166.1**	**160.0**	**3.8%**
Adjusted EBITDA*	**4.8**	**4.4**	**9.3%**
EBITDA	**5.7**	**4.7**	**22.7%**
EBIT	**(8.7)**	**(8.2)**	**n.s.**
Adjusted EBIT**	**(8.1)**	**(7.5)**	**n.s.**
Group's net profit	**(7.1)**	**(5.2)**	**n.s.**
Business Areas			
Revenue	**166.1**	**160.0**	***3.8%***
Trade Books	90.6	87.0	*4.2%*
Education Books	9.2	8.5	*8.4%*
Retail	45.4	41.6	*9.0%*
Media	32.0	32.3	***11.0%)***
Corporate & Shared Services	10.8	10.4	*3.9%*
Intercompany	(21.9)	(19.8)	*10.3%*
Adjusted EBITDA	**4.8**	**4.4**	***9.3%***
Trade Books	14.8	13.2	*12.1%*
Education Books	(13.8)	(11.7)	*n.s.*
Retail	2.3	1.7	*35.9%*
Media	3.2	2.9	*10.7%*
Corporate & Shared Services	(1.3)	(1.0)	*n.s.*
Intercompany	(0.4)	(0.7)	*n.s.*
Balance Sheet			
Group Equity	**279.5**	**253.6**	***10.2%***
Net Invested Capital	**485.7**	**475.3**	***2.2%***
Net Financial Position no IFRS 16	**133.3**	**150.7**	***(11.5%)***
Net Financial Position IFRS 16	**205.5**	**220.8**	***(6.9%)***
Operating and Financial Indicators			
Adj. EBITDA on Revenue (%)	**2.9%**	**2.8%**	
Net result on Revenue (%)	**(3.7%)**	**(3.3%)**	
Human resources			
End-of-year headcount	**2,026**	**1,911**	***6.5%***

Changes in this report were calculated on amounts expressed in Euro thousands.

* Gross operating profit before income and expenses of a non-ordinary nature

** EBIT excluding non-ordinary income and expense, depreciation and amortization deriving from the company purchase price allocation and the impairment of intangible assets.

PERFORMANCE OF MAIN INCOME INDICATORS

The first quarter of the current financial year saw our Group continue to **develop its core businesses**, focusing in particular on **strengthening its presence in book publishing**.

During these early months, in fact, Mondadori has:

- finalised the acquisition of 51% of **Star Shop**, operating in the distribution and management of sales outlets in the comics segment and
- finalised the contract for the acquisition of 100% of **Chelsea Green Publishing** in order to diversify its editorial portfolio, through a publishing house focussed on sustainability topics, in the United States and United Kingdom, marking a further step along the growth path, including outside the domestic trade market.

The **Trade Books** area recorded **revenue growth (of approximately 4%)**, despite the slight downturn recorded by the book market in Italy, particularly during the first two months, and confirmed its **national leadership position** with a market share of **27.2%**, thanks to the high quality of the publishing plan, which has allowed the Group to place a total of 6 titles amongst the 10 best-sellers “in value” during the period under review.

The **Retail** area continued along the transformation and development path launched in recent years and despite the mentioned weakness of the book market that characterised the first quarter of the year, successfully posted **more than 5% organic revenue growth**, which, thanks to the excellent results booked by the physical stores, took the **market share** to **12.5%** (up 0.8% compared with 31 March 2023).

The growth compared with the same quarter of the previous year, including comics (direct and franchised) of **Star Shop** is **9%**.

As for the **Education books** area, it is noted that the results for the first quarter are irrelevant, as the business unit only accounts for the costs of the operating structure and the development of textbooks sold during the adoption campaign, which is completed at the end of May. During the financial year 2024, a strategy was implemented of bringing textbook production forward, so as to optimise promotion during the adoption campaign.

At consolidated level, in the first quarter of 2024, the Group reported an **increase in Adjusted EBITDA of around 9%**, due to the **positive trend in revenue** (which **increased** by **3.8%**, i.e. **1.5% on a like-for-like basis**) and the **careful management of operations**, while confirming its ability to guarantee **solid cash generation**, with **LTM cash flow from ordinary operations amounting to €69 million**.

In light of the results achieved in the first quarter, **the outlook for 2024 remains confirmed**, as detailed below.

CONSOLIDATED FINANCIAL HIGHLIGHTS OF FIRST QUARTER 2024

(Euro/millions)	3M 2024		3M 2023		Change %
Revenue		**166.1**	**160.0**		***3.8%***
Industrial product cost	56.9	34.2%	56.2	35.1%	*1.2%*
Variable product costs	22.6	13.6%	21.0	13.1%	*7.7%*
Other variable costs	29.8	17.9%	29.0	18.1%	*2.7%*
Structural costs	15.4	9.3%	14.4	9.0%	*6.7%*
Extended labour cost	37.8	22.8%	36.0	22.5%	*5.0%*
Other expense (income)	(1.2)	(0.7%)	(1.1)	(0.7%)	*n.s.*
Adjusted EBITDA	**4.8**	**2.9%**	**4.4**	**2.8%**	***9.3%***
Restructuring	—	0.0%	0.2	0.1%	*n.s.*
Extraordinary expense (income)	(1.0)	(0.6%)	(0.5)	(0.3%)	*n.s.*
EBITDA	**5.7**	**3.5%**	**4.7**	**2.9%**	***22.7%***
Depreciation and amortisation	10.7	6.4%	9.2	5.8%	*16.3%*
Depreciation and amortisation IFRS 16	3.7	2.2%	3.7	2.3%	*0.4%*
EBIT	**(8.7)**	**(5.2%)**	**(8.2)**	**(5.1%)**	***n.s.***
Financial expense (income)	0.8	0.5%	0.8	0.5%	*5.3%*
Financial expense IFRS16	0.6	0.4%	0.4	0.2%	*58.6%*
Expense (income) from investments	0.1	0.0%	(0.6)	(0.4%)	*n.s.*
EBT	**(10.2)**	**(6.1%)**	**(8.8)**	**(5.5%)**	***n.s.***
Tax expense (income)	(4.1)	(2.5%)	(3.6)	(2.3%)	*n.s.*
Minorities	1.0	0.6%	—	—%	*n.s.*
Group's net profit	**(7.1)**	**(4.3%)**	**(5.2)**	**(3.2%)**	***n.s.***

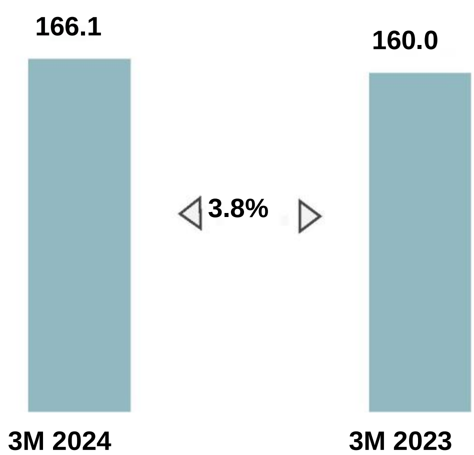
Cost of personnel includes costs for collaborations and temporary employment.

ALTERNATIVE PERFORMANCE MEASURES

This document, in addition to the conventional statements and financial measures required by IFRS, presents a number of reclassified statements and alternative performance measures in order to provide a better understanding of the operating and financial performance of the Group, the definition of which is explained in the section “Glossary of terms and alternative performance measures used”.

INCOME STATEMENT

REVENUE



In Q1 2024, **consolidated revenue** totalled € **166.1** million, showing **growth of 3.8%** compared with the previous year (€ 160.0 million in the same period of 2023). Net of the change in consolidation scope between the two periods under review, resulting from the consolidation of the recently-acquired Star Shop, **organic** revenue **growth** was **1.5%**.

In the **Trade Books** area, revenue recorded a **4.2% increase**, or **1.7%** net of the consolidation of Star Shop's distribution business (from 1 February 2024): despite the fact that the first quarter of 2023 had benefited from the great success of the publication of "Spare. Il minore" (Spare), Prince Harry's biography published by Mondadori; this positive result is particularly due to the quality of the publishing houses' publishing plan, along with certain special initiatives and growth of digital revenue.

In the **Education Books** area, the first quarter of 2024 saw the school business record total **revenue for € 9.2 million**, **up 8.4%** compared with the first quarter of 2023 (€ 8.5 million in the same period of 2023), with a positive change that is mainly due to the bringing forward of supplies to top accounts.

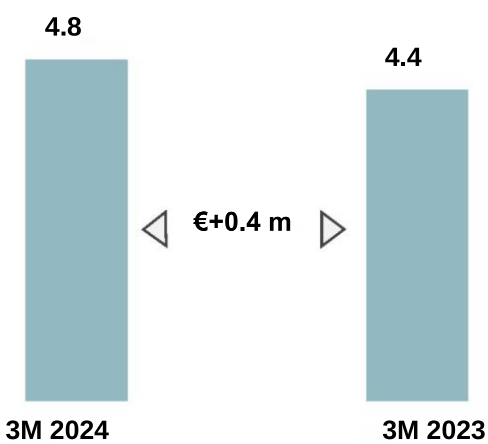
During the quarter under review, the **Retail** area recorded **9.0% growth** compared with the previous year, **driven by the Book product**, whose sales **rose by 4.9%** (€ +1.6 million), thanks in particular to the positive performance of the directly-managed book stores and the consolidation of the retail business of Star Shop, net of which growth came to 5.2%.

The **Media** area presented revenue declining slightly, by **1.0%**, due to the **traditional businesses**, which declined mainly due to the structural reduction in joint sales; by contrast, the **digital businesses**, which account for **around 42% of** the total area **revenue**, showed, during the first three months of FY 2024, **comprehensive growth in advertising revenue of 25%** and, in particular, deriving from the positive performance of the MarTech segment and the excellent results of the social agency businesses started early 2023.

RICAVI by Business Area (Euro/millions)	**3M 2024**	**3M 2023**	***Change %***
Trade Books	90.6	87.0	*4.2%*
Education Books	9.2	8.5	*8.4%*
Retail	45.4	41.6	*9.0%*
Media	32.0	32.3	*(1.0%)*
Corporate & Shared Services	10.8	10.4	*3.9%*
Total aggregated revenue	**188.0**	**179.8**	***4.5%***
Intercompany	(21.9)	(19.8)	*10.3%*
Total consolidated revenue	**166.1**	**160.0**	***3.8%***

Starting 1 February 2024, revenue deriving from Star Shop's distribution business is included in the Trade Books area, whilst revenue from the retail business (directly operated stores and franchisees) is accounted for in the Retail area.

EBITDA



Adjusted EBITDA for Q1 2024 was **€ 4.8 million**, **up 9.3%** on the € 4.4 million recorded for Q1 2023, mainly thanks to the Trade Books and Retail areas.

More specifically, the various business segments achieved the following results:

- the **Trade Books** area showed an adjusted EBITDA of € 14.8 million, **up by around 12% (€ +1.6 million)**, largely due to the improved profitability of the publishing houses, in particular StarComics, also due to the recording of a paper contribution (€ 0.7 million), which in the previous year, had been recorded during the second quarter;

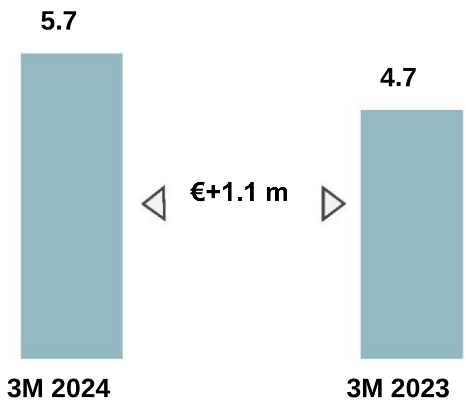
- the **Education Books** highlighted a loss of € 13.8 million during the first quarter of the year, higher than that recorded during the same period of 2023 (€ -11.7 million), mainly due to the bringing forward of production of new textbooks, made available to the sales network so as to optimise their promotion during the adoption campaign;

- the **Retail** area presented a result of € **2.3 million**, **up by more than 35%** compared to Q1 2023 (€ +**0.6** million), attributable to the growth in revenue, in particular of the Book product, and the continued development and renewal of the direct store network;

- during the quarter under review, the **Media** area recorded an **increase of € 0.3 million**, showing around **11% growth** compared with the same period of the previous year, due to the growth of the digital business and constant optimisation of the cost structure, as well as the reduction in the cost of paper in the print area;

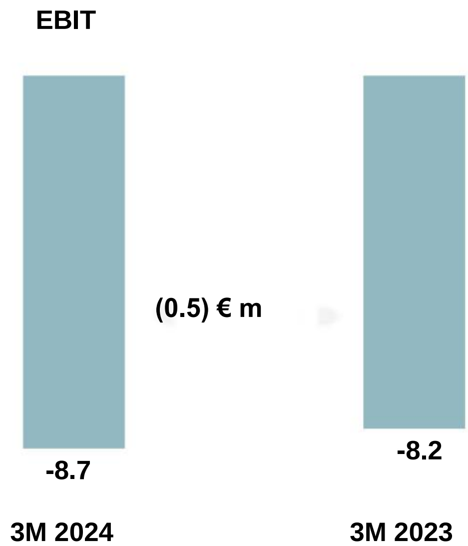
- the **Corporate & Shared Services** area recorded a negative margin of € 1.3 million, slightly worse than the € -1.0 million of Q1 2023, due to the decrease in energy contributions relating to the headquarters' utilities.

Adj. EBITDA by business area (Euro/millions)	**3M 2024**	**3M 2023**	***Change***
Trade Books	14.8	13.2	*1.6*
Education Books	(13.8)	(11.7)	*(2.1)*
Retail	2.3	1.7	*0.6*
Media	3.2	2.9	*0.3*
Corporate & Shared Services	(1.3)	(1.0)	*(0.4)*
Intercompany	(0.4)	(0.7)	*0.3*
Total ADJUSTED EBITDA	**4.8**	**4.4**	***0.4***



Group **EBITDA** for the first quarter of FY 2024 amounted to **€ 5.7 million**, compared to € 4.7 million at 31 March 2023, showing an **improvement of approximately € 1.1 million** attributable to the favourable trend in the operating components mentioned above and the recognition in the current year, in the Media area, of the release of certain provision for risks allocated to cover potential liabilities that did not ultimately arise.

EBITDA by Business Area (Euro/millions)	**3M 2024**	**3M 2023**	***Change***
Trade Books	14.6	13.2	*1.5*
Education Books	(13.8)	(11.7)	*(2.0)*
Retail	2.3	1.7	*0.6*
Media	4.1	3.2	*1.0*
Corporate & Shared Services	(1.3)	(1.0)	*(0.4)*
Intercompany	(0.4)	(0.7)	*0.3*
Total EBITDA	**5.7**	**4.7**	***1.1***

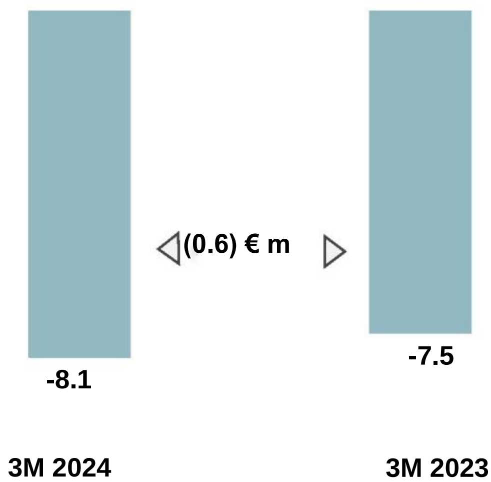


The Mondadori Group's **EBIT** for Q1 2024, **negative by € 8.7 million**, was **€ 0.5** million lower than the same period of 2023 owing to the higher amortisation and depreciation recorded in the period, amounting to € 1.5 million, resulting both from the greater investments made in the last twelve months (€ +1.0 million, including 0.25 for the new flagship store project in Piazza Duomo) and from the accounting effects of the PPA process (€ +0.5 million compared to Q1 2023) connected with the M&A transactions completed during 2023, particularly in the Trade Books area.

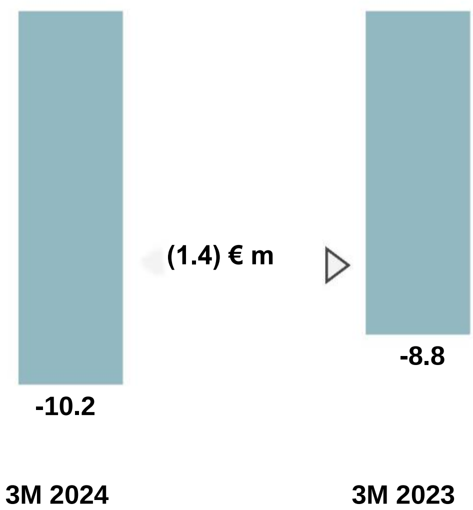
Neutralising the extraordinary items and the impacts of the PPA process, the period's **Adjusted EBIT** would stand at € -8.1 million, compared with the € -7.5 million of the same quarter of the previous year.

EBIT by business segment (Euro/million)	**3M 2024**	**3M 2023**	***Change***
Trade Books	12.2	11.5	*0.7*
Education Books	(19.1)	(16.6)	*(2.5)*
Retail	(0.5)	(0.8)	*0.3*
Media	2.5	1.8	*0.6*
Corporate & Shared Services	(3.4)	(3.4)	*0.0*
Intercompany	(0.4)	(0.7)	*0.3*
Total EBIT	**(8.7)**	**(8.2)**	***(0.5)***

ADJUSTED EBIT



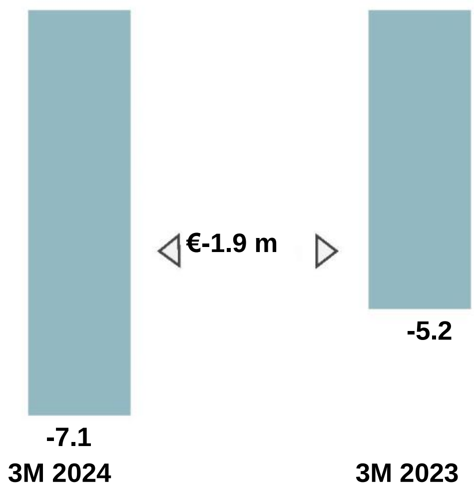
CONSOLIDATED RESULT BEFORE TAX



The **consolidated result before tax** for Q1 2024 is negative by € **10.2** million, **down by approximately € 1.4 million** from the € **-8.8** million recorded on 31 March 2023, mainly due to a lower contribution, **of approximately € 0.7 million, from the earnings of associates**, which in the first quarter of 2023 benefited from the fair value revaluation of the investment in the company A.L.I. of € 1.3 million. Partially offsetting this is the fact that the first quarter of the current year benefits from the non-recording of losses deriving from the investments held in S.E.E. (publisher of *Il Giornale*) and in Mediamond, which in the meantime, have been sold.

Financial expense grew by 0.2 million in total as a result of greater charges linked to the IFRS 16 debt.

NET PROFIT



The **Group's net profit at 31 March 2024**, after the minority share, is **negative** for **€ 7.1 million**, down approximately € 2 million compared wit the net loss of **5.2** of Q1 2023, of which approximately half derive from the dynamics already mentioned and the remainder is linked to a greater share of the profit attributable to minority interests. (€ 1 million).

The **tax component** for Q1 2024 is positive by € 4.1 million compared to € 3.6 million as at 31 March 2023 due to the lower pre-tax result.

FINANCIAL RESULTS

NET INVESTED CAPITAL

The **Group's Net Invested Capital at 31 March 2024** came to **€ 485.7 million,** up, by 2.1%, on the € 475.3 million at 31 March 2023, mainly due to the acquisitions completed in the last twelve months.

The Group's **Net Working Capital** amounted to € 46.1 million, up approximately 6% from the € 43.6 million in the prior twelve months.

Net Fixed Assets are € **506.9** million, up 0.7% compared with the € 503.3 million at 31 March 2023, mainly due to the consolidation of the companies acquired recently, as well as investments made in the Retail area for the opening of new book stores (in particular the flagship store of Piazza Duomo in Milan).

Excluding the effects of IFRS 16, Net Fixed Assets come to € 438.5 million, up on the € 426.2 million of 2023 due to the aforementioned effects.

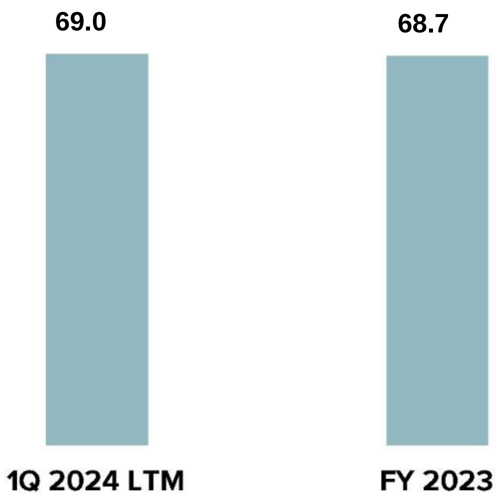
SOURCES

Consolidated equity at 31 March 2024 **increased by approximately € 26 million** compared to the same date of the previous year, despite the distribution of approximately € 29 million in dividends, due to the **Group's positive net profit** recognised in the last twelve months.

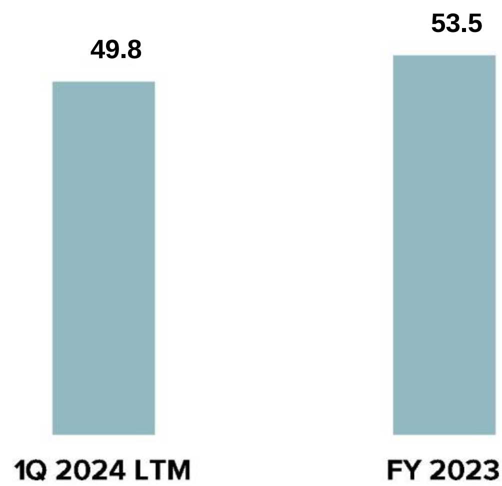
The **Net Financial Position excluding IFRS 16** as of 31 March 2024 was € -133.3 million (net debt), an **improvement of more than € 17 million** compared to € -150.7 million in Q1 2023, due to **significant cash generation by the business** and despite the previously-specified dividend distribution cash-out and the acquisition of Star Shop.

The **IFRS 16 Net Financial Position** as of 31 March 2024 amounted to € **-205.5 million** (net debt), from € -220.8 million in 2022, due to an IFRS 16 debt component of € -72.3 million.

CASH FLOW FROM ORDINARY OPERATIONS



FREE CASH FLOW



Cash flow from ordinary operations (after cash-out for financial expense and tax) in the twelve months prior to 31 March 2024 amounted to € 69 million and allows the Group to continue to strengthen its financial structure.

As of 31 March 2024, the **extraordinary cash flow was negative by € 19.2 million**, mainly due to net cash-outs related to **acquisitions and disposals activities of around € 10 million** and restructuring costs of around € 5 million.

Consequently, **LTM Free Cash Flow at 31 March 2024 was positive for € 49.8 million**, confirming the Group's capacity to finance its inorganic growth policy.

Finally, during the period under review (May 2023), the Group distributed **dividends to its shareholders for approximately € 29 million**.

PERFORMANCE BY BUSINESS AREA

PERFORMANCE BY BUSINESS AREA

(Euro/millions)	Revenue		Adjusted EBITDA		EBITDA		Depreciation and amortisation, and write-downs		Operating income (loss)	
	3M 2024	3M 2023	3M 2024	3M 2023	3M 2024	3M 2023	3M 2024	3M 2023	3M 2024	3M 2023
Trade Books	90.6	87.0	14.8	13.2	14.6	13.2	(2.5)	(1.8)	12.2	11.5
Education Books	9.2	8.5	(13.8)	(11.7)	(13.8)	(11.7)	(5.3)	(4.9)	(19.1)	(16.6)
Retail	45.4	41.6	2.3	1.7	2.3	1.7	(2.8)	(2.5)	(0.5)	(0.8)
Media	32.0	32.3	3.2	2.9	4.1	3.2	(1.7)	(1.3)	2.5	1.8
Corporate & Shared Services	10.8	10.4	(1.3)	(1.0)	(1.3)	(1.0)	(2.1)	(2.5)	(3.4)	(3.4)
Intercompany	(21.9)	(19.8)	(0.4)	(0.7)	(0.4)	(0.7)	—	—	(0.4)	(0.7)
Consolidated total	**166.1**	**160.0**	**4.8**	**4.4**	**5.7**	**4.7**	**(14.3)**	**(12.9)**	**(8.7)**	**(8.2)**

The breakdown of performance by business area reflects the system used by Management to oversee Group performance, in accordance with IFRS 8.

On 1 January 2023, the Books area was divided into two different business areas (Trade Books and Education Books).

TRADE BOOKS

Mondadori Libri S.p.A. is the Group company heading the activities in the **Trade** business unit of the Books Area:

- editorial activities relating to the publication – both in paper and digital formats (e-books and audio-books) – of the fiction, non-fiction, children's and miscellaneous works by the publishing houses, with which the Group holds **a leadership position at national level**, through the trademarks **Mondadori**, **Giulio Einaudi Editore, Piemme, Sperling & Kupfer, Frassinelli, Rizzoli, BUR, Fabbri Editori, Rizzoli Lizard** and **Mondadori Electa.** On 1 April 2022, these were joined by **De Agostini Libri** and, on 1 July 2022, **Star Comics**, Italy's leading comic books publisher, specialised in the publication on the domestic market of the major international productions including, in particular, Japanese manga;

- the company **A.L.I - Agenzia Libraria International**, operating in the distribution of books for third-party publishers, with a customer portfolio of more than 80 publishing houses, whose acquisition was functional to the vertical integration project along the book value chain (consolidated as of 1 January 2023);

- from 1 February 2024, the company **Star Shop Distribuzione** (held 51%), operating in the comets segment with publishing and gadgets, in particular in the distribution of third party publishers in the comics channel and the management of sales outlets - DOSs and franchisees - in the same segment;

- the art and illustrated book publishing business, in which the Group operates with the brands **Electa** (specialised in visual arts, design and architecture) and **Abscondita and SE**. The segment's activities include publishing of works on art, architecture, exhibition catalogues, museum guides and sponsor books in art publishing, as well as the management of museum concessions and the organization of exhibitions and cultural events;

- the publishing house **Rizzoli International Publications**, which operates on the US market with the Rizzoli, Rizzoli New York, Rizzoli Electa and Universe brands and with the Rizzoli Bookstore located in New York.

Relevant market performance

The first three months of 2024 saw a **slight decline of 3.8%** (in value)[1] **in the book market**, resulting in particular from the trend in the first two months of the year; in fact, the performance in **March** decidedly bucked the trend, showing an **increase of 8.2%** on the previous year.

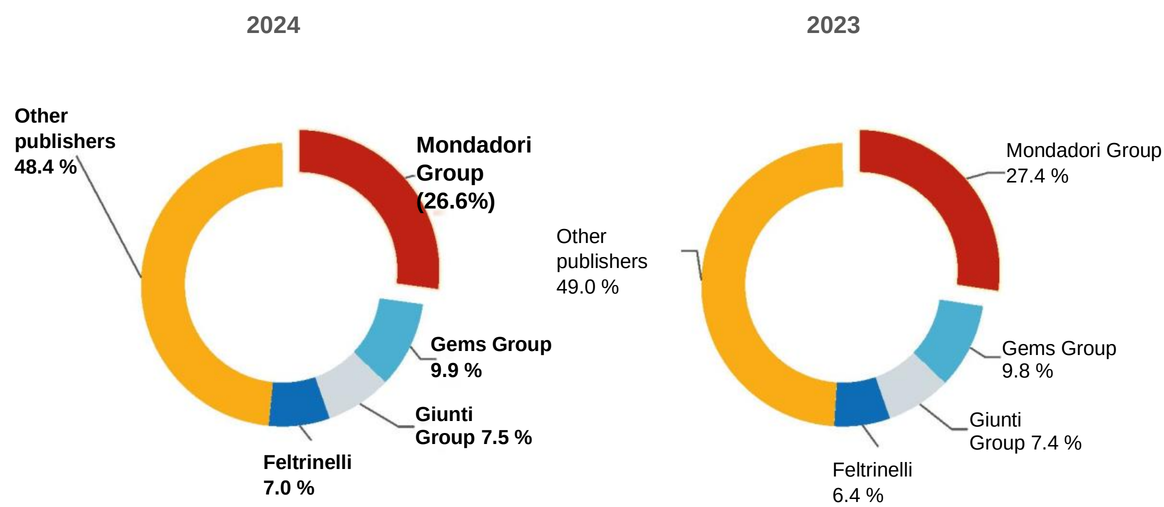
Breaking down the quarter trend into the various segments making up the Trade publishing market, we note that the performance is the results of a more marked reduction in the Comics and Professional publishing segments, whilst the Miscellaneous segment recorded a lesser drop, of 2.1%, compared with the same quarter of the previous year.

In this context, the Mondadori Group publishing houses recorded a **4.7% downturn** during the first quarter of FY 2024: we note that the results achieved by the Group during the first quarter of FY 2023 benefited from the publication of the huge success "Spare. Il minore" (Spare), Prince Harry's biography, published by Mondadori. If netting the revenue made from this book in 2023, **Q1 2024 showed growth of 1.8% and therefore a significantly better performance than the reference market**.

The Mondadori Group maintained its **national leadership** with a **market share of 27.2%** at March 2024 (27.4% in March 2023).

[1] Source: GFK, December 2023

TRADE MARKET SHARES



Source: GfK, March 2024 (in terms of value)

As proof of the quality of its publishing plan and the depth/range of its catalogue, during the year, the Mondadori Group was able to place 826 titles in the ranking of the top 2,500 books sold in terms of value (836 titles in March 2023) and **6 titles in the classification of the top bestsellers**[2].

More specifically, the Group earned itself **first and second position** with the publishing houses Einaudi and Mondadori, as shown by the table below.

#	Title	Author	Publisher
1	**L'orizzonte della notte**	**Carofiglio Gianrico**	**EINAUDI**
2	**Tutti i particolari in cronaca**	**Manzini Antonio**	**MONDADORI**
3	Un animale selvaggio (A Wild Animal)	Dicker Joel	LA NAVE DI TESEO
4	**Dare la vita**	**Michela Murgia**	**MONDADORI**
5	La portalettere	Francesca Giannone	NORD
6	**Tra il silenzio e il tuono**	**Vecchioni Roberto**	**EINAUDI**
7	**Cuore nero**	**Avallone Silvia**	**RIZZOLI**
8	L'educazione delle farfalle	Donato Carrisi	LONGANESI
9	**Tutto è qui per te**	**Fabio Volo**	**MONDADORI**
10	Quando eravamo i padroni del mondo. Roma: l'impero infinito	Aldo Cazzullo	HARPERCOLLINS ITALIA

[2] Source: GFK, March 2024 (ranking in terms of cover value)

The economic performance of the Trade Books Area

Trade Books (Euro/millions)	3M 2024	3M 2023	% Chg.
Revenue	90.6	87.0	*4.2%*
Adj. EBITDA	14.8	13.2	*(2.1%*
EBITDA	14.6	13.2	*11.5%*
EBIT	12.2	11.5	*6.5%*
PPA effects	*0.8*	*0.4*	*100.0%*
EBIT excl. PPA	**13.0**	**11.9**	***9.6%***

Revenue

Revenue in the first quarter of 2024 amounted to **€ 90.6 million**, **up** by approximately **4%** compared with the same quarter of the prior year (+1.7% on a like-for-like basis), divided as follows:

- **+3.4% publishing houses**, despite the first quarter of 2023 having benefited from the huge success of the publication of "Spare. Il minore" (Spare), Prince Harry's biography published by Mondadori, due to the growth in digital revenue and timing brought forward in respect of special initiatives and the sale of rights;

-3.9% Electa, which suffered versus the first quarter of 2023, during which some important exhibitions and fairs came to an end, which had been started in 2022 in Milan and Genoa;

- **-5.0% of Rizzoli International Publications**, decline mainly due to the downturn recorded in the e-commerce channel;

- **+34.2% in third party publisher distribution and services businesses**, which benefited from the **consolidation**, starting 1 February 2024, of the distribution business of **Star Shop**.

Trade Books Revenue (Euro/millions)	3M 2024	3M 2023	% Chg.
Publishing houses	67.8	65.6	*3.4%*
Electa/Abscondita (art, exhibitions and museums)	4.5	4.7	*(3.9%)*
Rizzoli International Publications	10.2	10.8	*(5.0%)*
Distribution and other services	8.8	6.5	*34.2%*
Intercompany	*(0.7)*	*(0.6)*	*n.s.*
Total revenue	**90.6**	**87.0**	***4.2%***

Publishing houses: in the **Hardcover** segment, all the Group's publishing houses has successful titles, including for:

- **Mondadori**: in Italian narrative, we note "*Tutti i particolari in cronaca*" by A. Manzini and "*Germanico*" by V.M. Manfredi and in Miscellaneous, "*La meraviglia del tutto*" by P. Angela and M. Polidoro.

- **Einaudi**: in Stile Libero, we note "*L'orizzonte della notte*" by G. Carofiglio and in Italian narrative "*Tra il silenzio e il tuono*" by R. Vecchioni. We also note the titles "*Grande meraviglia*" by V. Ardone and "*Accabadora*" by M. Murgia from the catalogue.

- **Piemme**: in Non-Fiction "*Il coraggio vince*" by R. Vannacci and "*Palla al centro*" by M. Renzi. In the Children's segment, moreover, the publisher retained its leading position with the titles of *Geronimo Stilton*.

- **Sperling & Kupfer**: in Foreign Fiction "*Iron flame*" by R. Yarros. We note the trilogy "*Love me love me*" by S. Stefania in Paperback.

- **Rizzoli**: in Italian Fiction "*Dare la vita*" by M. Murgia and "*Cuore nero*" by S. Avallone and in Non-Fiction "*Cara Giulia*" by G. Cecchettin.

- **Mondadori Electa**: in Miscellaneous "*In viaggio con la space family*" by V. Bisegna and S. di Sturco. We note the good performance of "*In cucina con la friggitrice ad aria*" by Benedetta Rossi and Buon'Idea from the catalogue.

- **StarComics**: in the comics segment, the success of the series *Demon Slayer*, *Dragon Ball* and *One Piece* was consolidated also during 2024.

Revenue from the sales of **e-books and audiobooks**, which accounted for approximately **7.3%** of total publishing revenue, was **up by 12.4%** versus the same quarter of the previous year. Specifically:

- the number of **e-book** downloads fell by 3.0% vs Q1 2023. The main e-book titles were "*L'orizzonte della notte*" by G. Carofiglio (Einaudi), "*Tutti i particolari in cronaca*" by A. Manzini (Mondadori), "*Cuore nero*" by S. Avallone (Rizzoli), "*Iron flame*" by R. Yarros (Sperling & Kupfer), "*Le armi della luce*" (The Armour of Light) by K. Follett (Mondadori) and "*Fourth wing*" by R. Yarros (Sperling & Kupfer). The e-book catalogue at 31 March 2024 counted almost 35,000 titles;

- the **audiobook** catalogue listening hours (like-for-like) grew by 20.5%.

  The most listened-to titles were "*Iron flame*" by R. Yarros, "*Tutti i particolari in cronaca*" by A. Manzini and "*Fourth wing*" by R. Yarros.

During the first quarter of FY 2024, **Electa** recorded total **revenue of € 4.5 million**, down 3.9% compared with the € **4.7** million of the previous year, given that the museum business suffered the presence, during the early months of 2023, of the queues of two important shows in Milan and in Genoa; during the quarter under review, business continued linked to the Rome archaeological concession (the Colosseum Park and other Institutes), the organisation of exhibitions and the management of the related bookshops.

Sales of goods and merchandising at the bookshops under concession, were positive.

During the first three months of FY 2024, **Rizzoli International Publications** recorded consolidated revenue of approximately € **10.2** million, noting a decline of 5.0% compared with the same period of 2023, caused by fewer purchases by customers on both the e-commerce and other channels, such as special sales, which had recorded high volumes during the first few months of 2023. The performance of retail sales in New York bookstores remained positive; the impact of the EUR/USD exchange rate of € (0.1) million is not relevant.

Distribution and other services: revenue from the distribution of books and other services on behalf of third-party publishers in the first quarter of 2024 amounted to € **8.8** million, an **increase of approximately 34%** over the € 6.5 million of the same period of the previous year, due to the contribution made by the consolidation of Star Shop's distribution business (from 1 February 2024).

EBITDA

Adjusted EBITDA of the Trade Books area for the first quarter of 2024 came to **€ 14.8 million, showing margin growth of around 12% (€ +1.6 million)**, largely due to the improved profitability of the publishing houses, in particular StarComics, also due to the recording of a paper contribution (€ 0.7 million), which in the previous year, had been recorded during the second quarter.

The **profitability** achieved by the Trade Books Area was approximately **16.3%** in Q1 2024, showing improvement on the same period in 2023 (15.1%).

Reported EBITDA - of **€ 14.7 million** - **improved by approximately 11.5% or € 1.5 million**.

First quarter FY 2024 **EBIT** was **€ 12.2 million** compared with the € 11.5 million in 2023, despite higher amortisation/depreciation of approximately € 0.8 million, deriving from both the consolidation of Star Shop (€ + 0.2 million) and the effects of the PPA process relative to the acquisitions completed during the last 24 months (+0.4 million compared with Q1 2023).

Net of the accounting effects deriving from the Purchase Price Allocation process, the **EBIT** of the Trade area would have **increased by approximately 10%** over the same quarter of the previous year.

EDUCATION BOOKS

Mondadori Scuola S.p.A. is the Group company heading the activities in the **school textbooks** and, to a lesser extent, **university textbooks publishing**, in the Books area.

The Mondadori Group covers the school textbooks segment through three publishing houses, **Mondadori Education, Rizzoli Education** and **D Scuola**, which produce textbooks, courses, teaching tools and multimedia content for every school level, from primary school to the first, middle and secondary schools and through to university (Mondadori Education and D Scuola), both with its own brands and through the distribution of third-party publishers (mainly for the teaching of foreign languages).

In terms of **School textbooks** publishing, in FY 2023, the Mondadori Group publishing houses achieved a **market share** (adoptions) of **32%**, confirming its leadership in both primary and secondary schools.

In addition to the traditional products in paper and digital formats, the Companies' range in the Education Books area also includes lines on transversal topics, such as inclusion, guidance, STEM, civic education, environment and digital citizenship, with a view to offering students and teachers teaching resources and tools that can help strengthen basic skills, reduce school abandonment and innovate teaching generally, in line with the objectives of the Italian National Recovery and Resilience Plan (PNRR) set for the educational system.

Relevant market performance

School textbook publishing experiences a typical seasonal performance that sees sales squeezed in the second half of the year following the adoption campaign: as a result, the relating market shares for 2024 are unavailable at this time.

The economic performance of the Education Books Area

Education Books (Euro/millions)	**3M 2024**	**3M 2023**	***% Chg.***
Revenue	9.2	8.5	*8.4%*
Adj. EBITDA	(13.8)	(11.7)	*n.s.*
EBITDA	(13.8)	(11.7)	*n.s.*
EBIT	(19.1)	(16.6)	*n.s.*
PPA effects	*0.8*	*0.8*	*—%*
EBIT excl. PPA	**(18.3)**	**(15.8)**	***n.s.***

Education Books Revenue

Also due to the seasonality of the Education business, which recognises the revenue from the sale of school textbooks in the second half of the year, the revenue achieved in the first three months typically account for less than 5% of the annual figure.

In the first quarter of 2024, the school textbooks business recorded an overall **revenue of € 9.2 million**, up 8.4% compared to Q1 2023 (€ 8.5 million in the same period of 2023) with a positive change attributable to the advance on supplies to top accounts, and therefore showing a performance that is not representative of the trend for the entire financial year.

EBITDA

Adjusted EBITDA in the first quarter of the current financial year for the Education Books area stood at € (13.8) million, a greater loss than the € (11.7) million, as a result of the advanced production of the new textbooks made available to the sales network to support their promotion. Note that this result is not significant as it stems from the aforementioned seasonality of the business, with the costs of the operational structure and development of the textbooks marketed during the adoption campaign completed at the end of the month of May being recorded during the first quarter.

Reported EBITDA for both the first quarter of FY 2024 and the same period of the previous year, is perfectly in line with Adjusted EBITDA, whilst **EBIT** came to € (19.1) million compared with the € (16.6) million of the first quarter of 2023.

Net of the accounting effects deriving from the Purchase Price Allocation relative to D Scuola, the **EBIT** for the Education Books area in the quarter under review came to € -18.3 million.

RETAIL

The Mondadori Group is present in Italy through **Mondadori Retail** S.p.A.:

- in the physical market, with the most extensive network of bookstores: a cultural oversight present in a capillary fashion throughout national territory, thanks to **more than 500 stores** branded Mondadori in all Italian regions and provinces, from large cities to smaller towns, in addition to shops-in-shops and Club Mondolibri corners.
- **on-line** with the e-commerce website mondadoristore.it and the *Bookclub* formula.

This year also saw the continued policy of **developing and maintaining the physical network** implemented in recent years.

At end March, **direct stores** numbered **46 units**; in this business segment, the network renewal and development continued through:

- transformation of existing stores through transfer/downsizing/remodelling projects;
- the selective development of the network, based on a format that is now consolidated in terms of dimensions and value proposition with a clear focus on the book product: direct stores will in fact continue to grow throughout 2024, as shown by the openings of the Milan bookstore in Via Marghera in February and that of Aprilia late April.

As concerns **franchisees**, mainly characterised by stores near small towns, the progressive **focus on the Bookstore format** continued, with medium-sized bookshops offering considerable turnover, through the opening of new book stores and the refitting of existing ones and the parallel closure of the smaller "Mondadori Point" brand and sales outlet.

Relevant market performance

There was a -3.8% decline (in value) in the book market in Italy in the first three months of the year compared to the same period of 2023. In this context there was a **substantial stability of the physical channel (+0.4%)** and a simultaneous negative trend in the online channel (estimated at -9.8%).

The Mondadori Group's Retail area recorded **growth of 2.7%** in Q1 2024, continuing to outperform the **market**; consequently, **Mondadori Retail's market share in the Book product stands at 12.5% (up 0.8% compared to 31 March 2023)**, driven by an excellent performance of direct and franchised stores that come to almost 20% in the physical channel.

Performance of the Retail Area

The transformation process launched over the past years has made for an improvement in operating and management performance, as shown by the **Income Statement for the first quarter of 2024, which highlight further growth in revenue and margins in the Retail area**; we also note that starting 1 February 2024, revenue from the Star Shop business (directly operated stores and franchisees) is booked to this business area.

Retail (Euro/millions)	**3M 2024**	**3M 2023**	***% Chg.***
Revenue	45.4	41.6	*9.0%*
Adj. EBITDA	2.3	1.7	*35.9%*
EBITDA	2.3	1.7	*35.9%*
EBIT	(0.5)	(0.8)	*n.s.*

Revenue

In the first three months, the Retail area posted revenue of **€ 45.4 million**, **up by € 3.8 million** (**+9.0%**) versus the same quarter of the prior year, equal to **5.2% on an organic level**.
The ongoing development and renovation of existing stores and the focus on the core business of books have enabled the Mondadori Store network to consolidate its role in the market, as demonstrated by the **solid growth in revenue from the Book product** (€ +1.6 million, **+4.9%**).

The revenue trend by channel is as follows:

Revenue (Euro/millions)	**3M 2024**	**3M 2023**	***% Chg***
Directly-managed bookstores	17.1	15.5	*10.3%*
Franchised bookstores	20.8	19.6	*6.1%*
Online	3.0	3.3	*(9.1%)*
Store	**41.0**	**38.4**	***6.5%***
Bookclub and other*	4.5	3.2	*40.6%*
Total revenue	**45.4**	**41.6**	***9.0%***

**Includes revenue deriving from the management (direct and franchised) of Star Shop comics, consolidated starting 1 February 2024*

An analysis of the sales by channel reveals:

- additional **growth in revenue from directly-managed bookstores** (+10.3% on the previous year) and **franchisee bookstores** (+6.1% on Q1 2023);
- a contraction in the on-line channel (-9.1% compared to the previous year);

• significant growth of the Bookclub and Other due to the consolidation of Star Shop.

As far as the product categories are concerned:

- the **Book** area, which is the Mondadori Group's core business, was the main component of product revenue **(more than 80% of the total), up comprehensively by 4.9%** on the first quarter of 2023, driven by the excellent performance of physical stores;

- the **Extra Book** turnover has shown a positive trend (+17.6% vs Q1 2023), thanks to the growth in the Impulse sector (stationery and gifts).

EBITDA

The Retail area presents **Adjusted EBITDA** during the first three months of this year, coming in at € **2.3** million, highlighting **significant growth, of 36%**, compared with the first quarter of 2023 (€ +**0.6** million), confirming progression and a progressive improvement in performance that has been ongoing for several years now.

This target was achieved thanks to the deep transformation of the Company as a whole, the ongoing renewal and development of the network of physical stores, as well as careful cost management and a thorough review of the organization and processes.

All this complemented by constant work on product innovation and the expansion of the range of publishing products, accompanied by new services, communication formats for clients and partners, and ongoing training of HQ and store staff.

Reported EBITDA, coming in at € 2.3 million, has also recorded the same **major increase** compared with the previous year, whilst **EBIT, of € -0.5 million** has recorded an improvement of € **0.3** million compared with Q1 of FY 2023, impacted by the higher amortisation/depreciation recorded during the quarter under review of this current financial year.

MEDIA

Mondadori Media S.p.A. is the Group company that encompasses all businesses linked to the development of the brand media and digital activities taking a multichannel approach.

Traditional **print** activities include:

- the publication of magazines (12 at 31 March 2024) and related advertising, as well as add-ons in conjunction with magazines;

- subscription management activities for magazines and daily newspapers, both for the Group's publications and those of third-party publishers, handled by **Direct Channel**. Added to this are services related to database management for third sector clients.

Digital activities include:

- the complete management of leading **websites and social profiles** in the main vertical topics (Cooking, Health & Wellness, Feminine Gen Z, Young, Parenting, in addition to ***Webboh***, the company acquired in 2023, which manages a website and related social profiles aimed at the Young Generation) and the optimisation of the related advertising space through external advertising agencies;

- the **Social Agency** business, in particular the talent agencies *Zenzero* and *Power*, which manage leading creators from the food and beauty & fashion worlds with the aim of developing their activities in the influencer marketing segment;

  the **MarTech** cluster consisting of ***Adkaora***, ***Hej!*** and, in Spain, ***Adgage***, specialised in offering mobile advertising, proximity marketing, performance and conversational marketing solutions.

In 2024, the Mondadori Group retained its position as **Italy's top multimedia publisher**:

- in the print segment with **12 magazines** and **8.8 million readers**[3], Mondadori's market share (in terms of circulation) stood at **20.4%**, down slightly versus March 2023 (20.8%)[4];
- on the web with **12 brands** and approximately **30.1** million average unique users per month[5];
- in social media with a **fan base** at 31 March 2024 of **around 107** million and over **112 profiles**.

Relevant market performance

The relevant markets in the first two months[6] of 2024 performed as follows:

- the advertising market (excluding searches, social networks, classified and OTT) increased by an overall 4.0% versus the prior year; individual segments performed as follows: digital +4.2% (excluding Over The Top), TV +5.7%, newspapers -14.4%, radio +10.8% and magazines -10.2%[7];
- the magazines circulation market declined by 5.4%[8];
- the add-ons market fell by approximately 14%[9].

[3] Source: Audipress III, 2023
[4] Internal source: Press di, February 2024, in terms of value
[5] Source: Comscore, February 2024
[6] At the date on which this Report was prepared, the advertising market data relative to Q1 was not yet available

[7] Source: Nielsen, February 2024
[8] Internal source: Press di, February 2024, in terms of value
[9] Internal source: Press di, February 2024, in terms of value

Performance of the Media Area

Media (Euro/millions)	**3M 2024**	**3M 2023**	***% Chg.***
Revenue	32.0	32.3	*(1%)*
Adj. EBITDA	3.2	2.9	*11%*
EBITDA	4.1	3.2	*31%*
EBIT	2.5	1.8	*33%*

During the first quarter of FY 2024, the Media area recorded revenue for € 32.0 million, showing a slight downturn of approximately 1% compared with the previous year, which shows **different trends** in the two components - digital and print.

Specifically:

- the **digital business**, which accounts for **approximately 42% of the** area's total **revenue**, has shown **growth in advertising revenue of 25%** during the first three months of FY 2024, resulting in particular from the positive performance of the MarTech segment and the excellent results of the social agency activities launched in early 2023;
- the **traditional** print **business declined by 13.7%**, mainly due to the structural drop in add-on sales and readership during the quarter under review.

As regards the single components of revenue, the following is noted:

Media (Euro/millions)	**3M 2024**	**3M 2023**	***% Chg.***
Circulation	11.4	12.4	*(7.9%)*
Add-on sales	2.7	4.4	*(39.2%)*
Print Advertising	*1.3*	*1.1*	*11.7%*
Digital Advertising	*13.3*	*10.6*	*25.0%*
Total Advertising	14.6	11.7	*23.8%*
Distribution/Other revenue	3.4	3.8	*(10.6%)*
Total revenue	**32.0**	**32.3**	***(1.0%)***

- **advertising** revenue - of approximately € 15 million - was **up by approximately 24%**, in particular thanks to the specified **growth in the digital business**, which benefited from the development of the **MarTech** segment, as well as from the new initiatives mentioned previously and, in the print area, the successful start to advertising income managed by the new concession-holder for the brands *TV Sorrisi & Canzoni, Chi* and *Focus*;
- **circulation** revenue (newsstands + subscriptions) **fell by 7.9%**. We note that the performance of the magazine *TV Sorrisi & Canzoni*, which account for over 50% of the total, was better than the overall trend of circulation revenue, booking a smaller decline of only 5.0%.
  Revenue from **add-on products** (DVDs, CDs, miscellaneous objects and books) sold together with the Mondadori newspapers, **declined by around 39%**, yet maintained good levels of profitability, in line with the previous year, thanks to the choice to reduce the releases of products with limited margins, in particular in the music and home video segment.

- Other revenue, which includes revenue from subscription management and non-profit systems, recorded **a decrease** on the same quarter of the previous year, mainly due to fewer brand stretching initiatives linked to the magazines.

EBITDA

Adjusted EBITDA for the Media area came to **€ 3.2 million** in Q1 of FY 2024, showing **growth of approximately 11%** compared with the previous year, due to the digital business segment.

The **EBITDA margin** recorded an **increase of 1 percentage point, from 8.8% to 9.9%**.

Specifically:

- in the **print** area, essential stability of margin has been recorded, despite the reduction of revenue, thanks to the rationalisation of the portfolio of assets offering more stable profitability, the constant optimisation of the cost structure and the positive contribution deriving from the reduction in the cost of paper;
- in the **digital** area, Adj. EBITDA is up by around € 0.4 million compared with the same period of the previous year, thanks to the higher revenue recorded.

Reported EBITDA came to **€ 4.1 million**, up on the € 3.2 million of the first quarter of FY 2023, also due to the booking of the release of certain provision for risks, allocated in respect of potential liabilities that did not ultimately arise.

As a result, **EBIT** was a positive **€ 2.5 million** versus € 1.8 million at 31 March 2023, due to the improvement in operating and non-operating trends described above, despite the higher amortisation and depreciation mainly deriving from the reduction in the residual useful life to 10 years of *TV Sorrisi & Canzoni*, applied in December 2023.

CORPORATE & SHARED SERVICES

The **Corporate & Shared Service** segment includes - besides the Group's top management organizations - the Shared Services functions providing services to Group companies and the different business areas.

These services are mainly associated with activities regarding: Administration, Management Control and Planning, Treasury and Finance, Purchasing, IT, Human Resources, Logistics, Legal and Corporate Affairs, and External and Institutional Relations.

Revenue, which in the first quarter of 2024 increased by approximately 3.9% on the same period of 2023, consisted mainly of the remuneration of services provided to subsidiaries and associates.

Adjusted EBITDA for the area is negative for € 1.3 million and slightly worse than the € -1.0 million of FY 2023, due to the lesser energy contributions in connection with the utilities of the Segrate headquarters.

Including non-ordinary items, total **EBITDA** confirmed the same amounts.

The area's **EBIT**, of € -3.4 million, is essentially stable compared with the same quarter of the previous year (-3.4 million in Q1 2023).

Corporate & Shared Services (Euro/million)	**3M 2024**	**3M 2023**	***Change***
Revenue	10.8	10.4	*0.4*
Adj. EBITDA	(1.3)	(1.0)	*(0.4)*
EBITDA	(1.3)	(1.0)	*(0.4)*
EBIT	(3.4)	(3.4)	*0.0*

STATEMENTS OF FINANCIAL POSITION

The Mondadori Group's **Net Financial Position** (excluding IFRS16) at 31 March 2024 showed a net debt of **€ 133.3 million, down over € 17 million** on the € -150.7 million at 31 March 2023, despite the cash-outs incurred to pay dividends to shareholders and the acquisition of Star Shop, thanks to the **significant cash generation by the Group's businesses in the last 12 months**.

The **IFRS 16 Net Financial Position** came to € -205.5 million, from € -220.8 million recorded at 31 March 2023, including an IFRS 16 debt component of € -72.3 million.

Consequently, the **overall improvement** of the IFRS 16 Net Financial Position at 31 March 2024, stands at over **€ 15 million**.

Net financial position (Euro/millions)	**31/03/2024**	**31 December 2023**	**31/03/2023**
Cash and cash equivalents	21.3	49.7	15.6
Assets (liabilities) from derivative financial instruments	5.7	5.7	9.4
Other financial assets (liabilities)	(29.4)	(25.9)	(32.7)
Loans (short and medium/long term)	(130.9)	(115.7)	(143.0)
Held-for-sale financial assets (liabilities)	0.0	0.0	0.0
Net financial position excluding IFRS16	**(133.3)**	**(86.1)**	**(150.7)**
Financial payables IFRS 16	(72.3)	(72.5)	(70.1)
Total net financial position	**(205.5)**	**(158.6)**	**(220.8)**

The overall credit lines available to the Group at 31 March 2024 amounted to € 615.3 million, € 402.5 million of which committed.

The Group's short-term loans, amounting to € 212.8 million, € 20.0 million of which drawn down at 31 March 2024, include overdraft credit lines on current accounts, advances subject to collection and "hot money" flows.

Committed lines of credit consist of the pool loan agreement (Banco BPM, BNL, Intesa Sanpaolo and Unicredit), amounting to an original € 450.0 million (€ 402.5 million at 31 March 2024), stipulated in May 2021 and maturing on 31 December 2026:

(Euro/millions)	Line of Credit	Of which: unutilised	Of which with interest rate hedge
Term Loan A	47.5[10]	—	47.5
RCF	125.0[11]	125.0	—
Acquisition Line C	230.0[12]	165.0	60.0
Total	**402.5**	**290.0**	**107.5**

An analysis of the Group's Cash Flow for the year ended 31 March 2024, compared to FY 2023, is provided below:

(Euro/millions)	31 March 2024 LTM	31 December 2023
Initial NFP IFRS 16	**(220.8)**	**(177.4)**
Financial liabilities application of IFRS 16	(70.1)	(71.3)
Initial NFP NO IFRS 16	**(150.7)**	**(106.1)**
Adjusted EBITDA (NO IFRS 16)	135.6	135.4
NWC and provisions	(7.4)	(6.6)
CAPEX NO IFRS16	(37.7)	(38.0)
Cash flow from operations	**90.5**	**90.7**
Financial income (expense) no IFRS16	(5.1)	(5.1)
Tax	(16.4)	(16.9)
Cash flow from ordinary operations	**69.0**	**68.7**
Restructuring	(4.8)	(4.8)
Share capital increase/dividends non controlling interests and associates	0.8	0.8
Purchase/disposal	(9.6)	(5.4)
Other income and expenditure	(5.6)	(6.0)
Cash flow from extraordinary operations	**(19.2)**	**(15.3)**
Free cash flow	**49.8**	**53.5**
Dividends paid	(28.7)	(28.7)
Tot. cash flow	**21.1**	**24.8**
Change in Valuation of Derivatives	(3.7)	(4.7)
Net financial position excluding IFRS16	**(133.3)**	**(86.1)**
IFRS 16 effects in the period	(2.1)	(1.2)
Final net financial position	**(205.5)**	**(158.6)**

Cash generation over the twelve months prior to 31 March 2024 is structured as follows.

- **Cash flow from ordinary operations** is **positive for € 69.0 million**, in line with the figure recorded in FY 2023; **business profitability**, net of the negative dynamic of working capital, partly brought about by the operative improvement of the Books business and partly by the decline in the Media Print business and **investments of approximately € 38 million**, generated **cash flow from ordinary operations of € 90.5 million**; the cash-outs relative to payment of tax and financial expense absorbed € 21.5 million.

Cash flow from non-ordinary operations came to a negative **€ 19.2 million** and included mainly cash-out for:

[10] Maturities: 3 equal instalments of € 15.8 million, maturing on 31 December each year until 31 December 2026; the exposure is fully hedged at a fixed rate (-0.086%)
[11] Bullet loan, coming to maturity on 31 December 2026
[12] Final maturity on 31 December 2026, availability period extended until 31 July 2024; annual repayment in equal instalments equal to 1/3 of the drawn amount of the line as from 31 December 2024. The portion used at 31 March 2024 is € 65 million; exposure is hedged at a fixed rate (-0.098%) for € 60.0 million and at a variable rate for € 5.0 million.

- **acquisitions that, net of disposals, amount to approximately € 9.6 million** and that mainly comprise the price for the purchase of 51% of Star Shop Distribuzione, paid on 1 February 2024, equal to € 8 million (including the payable for put/call options relative to the residual 49% of the capital);
- restructuring costs of € 4.8 million.

Consequently, comprehensive **Free Cash Flow** generated by the Group during the twelve months prior to 31 March 2024, was **€ 49.8 million** before the cash out linked to the payment of dividends of € 28.7 million in May 2023.

Below are the investments made by the Group in the two periods (12 months), broken down by business area, illustrating the lower CAPEX incurred by the Retail area (for around € 2 million) that, during the first quarter of 2023, had been particularly impacted by the project to restructure the flagship store in piazza Duomo, Milan.

Capex by Sector of Activity	**31/03/2024 LTM**	**31 December 2023 FY**
Trade Books	3.0	3.0
Education Books	19.9	19.1
Retail	7.6	9.5
Media	1.0	1.0
Corporate & Shared Services	6.3	5.4
Total	**37.8**	**38.0**

Below is a summary of the Group's financial position at 31 March 2024 versus the same period of the prior year.

(Euro/millions)	31/03/2024	31/03/2023	% Chg.
Trade receivables	134.2	128.5	*4.5%*
Inventory	162.6	160.7	*1.2%*
Trade payables	226.0	224.5	*0.7%*
Other assets/ (liabilities)	(24.7)	(21.1)	*n.s.*
Net working capital from continuing operations	**46.1**	**43.6**	***5.9%***
Discontinued or discontinuing assets (liabilities)	0.0	0.0	*n.s.*
Net working capital	**46.1**	**43.6**	***5.9%***
Intangible assets	387.7	388.8	*(0.3%)*
Property, plant and equipment	35.8	30.7	*16.6%*
Investments	15.0	16.6	*9.2%)*
Net fixed assets with no rights of use IFRS16	**438.5**	**436.1**	***0.6%***
Assets from rights of use IFRS16	68.4	67.3	*1.7%*
Net fixed assets with rights of use IFRS16	**506.9**	**503.3**	***0.7%***
Provision for risks	38.3	42.9	*(10.6%)*
Post-employment benefits	29.1	28.7	*1.3%*
Provisions	**67.4**	**71.6**	***(5.8%)***
Net invested capital	**485.7**	**475.3**	***2.2%***
Share Capital	68.0	68.0	*—%*
Reserves	218.6	190.8	*14.6%*
Profit (loss) for the year	(7.1)	(5.2)	*36.4%*
Group shareholders' equity	**279.5**	**253.6**	***10.2%***
Minority shareholders' equity	0.6	0.9	*(35.6%)*
Equity	**280.1**	**254.5**	***10.1%***
Net financial position excluding IFRS16	133.3	150.7	*(11.5%)*
Net Financial Position IFRS 16	72.3	70.1	*3.0%*
Net financial position	**205.5**	**220.8**	***(6.9%)***
Sources	**485.7**	**475.3**	***2.2%***

The Group's **Net Invested Capital** at 31 March 2024 came to **€ 485.7 million,** up, by 2.2%, on the € 475.3 million at 31 March 2023, mainly due to the acquisitions completed in the last twelve months.

The Group's **Net Working Capital** amounted to **€ 46.1 million**, up approximately 6% from the € 43.6 million in the prior 12 months.

More specifically, the trend of key balance sheet figures versus 31 March 2023:

- **trade receivables** grew by over 4% (€ 6 million), concentrated in the Trade Books area, mainly as a result of the discontinuities in scope between the two periods;
- **inventory** rose by 1.2% (€ 1.9 million), due to the Trade Books area, again due to the expansion of the scope;
- **trade payables** were essentially stable (+0.7%, equal to approximately € 1.5 million) compared with 31 March 2023;
- **intangible assets** dropped by approximately € -1 million compared with March 2023, due to the impairment test performed in December 2023 (correlated in particular with the change in the residual life of the brand *TV Sorrisi&Canzoni* in the Media area and the goodwill of *Piemme* in the Trade Books area) and the amortisation/depreciation recorded in the last twelve months, partially offset by the booking of goodwill and other intangible assets relative to recent acquisitions;
- **tangible assets** increased by approximately € 5 million, mainly due to changes in scope made during the last twelve months and investments made for the opening of new stores in the Retail area, in particular Piazza Duomo, Milan;
- **right-of-use assets** were in line with the figure at March 2023;
- the value of **equity investments** declined by € 1.6 million deriving from the sale of equity investments held in Mediamond S.p.A. (a transaction that took effect on 1 January 2024) and Società Europea di Edizioni S.p.A. (in April 2023), partly offset by the investment in the start-up dedicated to the webnovel segment in the Trade Books area;
- **provisions** (provision for risks and post-employment benefits) declined by around 6% compared with 31 March 2023, due to the release of certain provision for risks allocated to guarantee against potential liabilities that ultimately did not arise.

Consolidated shareholders' equity at 31 March 2024 – of € **280.1 million** – **increases by € 25.6 million** compared with the previous year, confirming the significant degree of capitalisation achieved by the Group, despite the distribution of approximately € 29 million of dividends and the reduction of the reserve that includes the measurement of derivatives for € 2.8 million, as a result of the **Group's positive net profit** booked during the last twelve months (€ 61.2 million).

PERSONNEL

HEADCOUNT

Group employees – on both permanent and fixed-term contracts – amounted to **2,026**, **up by 6.0%** versus 1,911 resources at 31 March 2023 (+115 units).

Neutralising the effect of the scope changes - i.e. the acquisition of Star Shop to date as staff included in total in the Trade Books area - the Group's workforce would be seen to increase slightly (+1.0%) compared with the previous 12 months (1,930).

Group employees at 31 March 2024:

Headcount by Business Area	**31/03/2024**	**31/03/2023**	***% Chg.***
Trade Books	693	591	*17.3%*
Education Books	288	293	*(1.7%)*
Retail	318	308	*3.2%*
Media	421	414	*1.7%*
Corporate & Shared Services	306	305	*0.3%*
Total	**2,026**	**1,911**	***6.5%***

In the **Trade Books** area, net of the employees who joined the Group following the acquisition of Star Shop, the number of employees has grown by 2.4%.

The headcount in the **Retail** area increased by 3.2% due to the opening of some direct sales outlets, despite the measures aimed at achieving greater efficiencies both in the central structures and in the organisational structure of the direct shop network.

The trend recorded by the **Media** area (+1.7%) is due to the Digital segment.

The headcount of the **Corporate & Shared Services** area recorded a stable trend, down 2.3% net of the addition of certain staff functions deriving from the integration of Star Shop.

€ millions	**2024**	**2023**	***% Chg.***
Cost of enlarged personnel (before restructuring)	**37.8**	36.0	*5.0%*

The **cost of personnel** during the first three months of FY 2024 was € 37.8 million, **up 5%** compared with the same quarter of FY 2023: the like-for-like comparison, having neutralised scope changes, shows an increase of 3.3% (€ 1.2 million).

SIGNIFICANT EVENTS IN THE FIRST THREE MONTHS OF 2024

Below are the main extraordinary transactions and the most important events that took place in the first three months of 2024.

On **1 February 2024**, through its subsidiary Mondadori Libri S.p.A., the Mondadori Group finalised the acquisition of **51% of the share capital of Star Shop Distribuzione S.r.l.,** which operates in the comic book and gadget segment and is particularly active in the distribution of third-party publishers in the comic book shop channel and in the management of sales outlets - direct and affiliated - in the same segment.

As communicated to the market on 29 June 2023, following authorisation by the Italian Antitrust Authority pursuant to Law 287/1990 - as previously announced on 3 November 2023 -, the transaction is effective as of the same date, from which date Mondadori has also fully consolidated the company.

As previously stated, the acquisition makes it possible to replicate in the comics segment the vertically-integrated business model with which the Mondadori Group already operates in the book segment.

Under the agreement, Sergio Cavallerin and Matteo Cavallerin - who founded and successfully managed the company - retain management responsibility and continue to hold the role of Executive Directors in the Company.

The **price**, based on an Enterprise Value of € 9 million, covering 100% of the Company, is **€ 4.6 million**, entirely paid in cash at closing, and will be subject to potential adjustment based on the effective net financial position at the closing date.

As previously stated, the agreement includes the signing of put & call option contracts governing the transfer of the residual 49% share of Star Shop Distribuzione. The options will be available for exercise in two equal tranches respectively starting from the approval of the 2025 financial statements and of the 2028 financial statements, at a price to be defined on the basis of the company's results during the three-year periods 2023-2025 and 2026-2028.

SIGNIFICANT EVENTS AFTER 31 MARCH 2024

On **15 April 2024**, the **agreement** was signed **for the acquisition** by the subsidiary Rizzoli International Publications Inc., of **100% of the share capital of Chelsea Green Publishing Company**, a transaction that was then completed on 1 May. Founded 40 years ago by Ian and Margo Baldwin, Chelsea Green Publishing is based in **Vermont (USA)** and in the UK through its subsidiary Chelsea Green Publishing UK Ltd. Its **editorial focus is sustainability** - particularly green, health and wellness issues - and promoting cultural diversity.

The Mondadori Group already has a presence in the United States through its subsidiary Rizzoli International Publications Inc., a leading publisher of illustrated English-language books on Lifestyle and Interior Design, which has also owned the historic Rizzoli bookstore in New York for the past 60 years.

With the acquisition of Chelsea Green Publishing, the Mondadori Group will take a **further step on its international development journey in English-speaking markets**, which recently began with the establishment of London-based Rizzoli UK.

Consideration for the transaction, which was paid fully in cash on the closing date, is set at **$5 million** (on a debt-and-cash free basis) and will be subject to adjustment according to the NFP on the date of completion of the acquisition. In the last approved financial statements (2022), the company reported **consolidated revenue of USD 8.1 million and an operating income of USD 1.1 million**.

On **24 April 2024**, the Shareholders' Meeting of the Company, among other resolutions, appointed the new corporate bodies, who will remain in office for three years until the approval of the financial statements for the year ending 31 December 2026.

The new **Board of Directors** consists of 12 members:

- Marina Berlusconi (Chairman), Antonio Porro, Pier Silvio Berlusconi, Alessandro Franzosi, Danilo Pellegrino, Elena Biffi, Francesco Currò, Cristina Rossello, Paola Elisabetta Galbiati, Marina Rubini, Riccardo Perotta (from the majority list presented by the shareholder Fininvest S.p.A.);

- Pietro Bracco (from the minority list submitted by a grouping of shareholders formed of asset management companies and institutional investors).

The Shareholders' Meeting also appointed the new **Board of Statutory Auditors**, composed as follows:

- Sara Fornasiero as Chairperson (drawn from the minority list submitted by a grouping of shareholders formed of asset management companies and institutional investors);

- Ezio Maria Simonelli and Francesca Meneghel as Standing Auditors (drawn from the majority list submitted by the shareholder Fininvest S.p.A.);

- Annalisa Firmani and Emilio Gatto, as Alternate Auditors (drawn from the majority list submitted by the shareholder Fininvest S.p.A.);

- Mario Civetta, as Alternate Auditor (drawn from the minority list submitted by a grouping of shareholders formed of asset management companies and institutional investors).

The Board of Directors of Arnoldo Mondadori Editore S.p.A., which met after the Shareholders' Meeting, chaired by Marina Berlusconi, **confirmed Antonio Porro as Chief Executive Officer**, granting him the relating management powers.

The Board of Directors also appointed the members of the following **Committees** in compliance with the principles established by the Corporate Governance Code:

- <u>Control, Risk and Sustainability Committee:</u> Paola Elisabetta Galbiati (Chairman), Pietro Bracco and Cristina Rossello;

- Remuneration and Appointments Committee: Elena Biffi (Chairman), Paola Elisabetta Galbiati and Cristina Rossello;

- Related Party Committee: Riccardo Perotta (Chairman), Elena Biffi and Marina Rubini.

The Board also appointed, until expiry of its term, therefore, until approval of the financial statements for the year ending 31 December 2026:

- Paola Elisabetta Galbiati as Lead Independent Director;

- Alessandro Franzosi as Financial Reporting Manager.

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES USED

This document, in addition to the statements and conventional financial measures required by IFRS, presents a number of reclassified statements and alternative performance measures, in order to provide a better understanding of the operating and financial performance of the Group. These statements and measures should not be considered as a replacement of those required by IFRS. With regard to these figures, in accordance with the recommendations contained in CONSOB Communication no. 6064293 of 28 July 2006, and in CONSOB Communication no. 0092543 of 3 December 2015, as well as with the 2015/1415 ESMA guidelines on alternative performance measures (“Non-GAAP Measures”), explanations are given on the criteria adopted in their preparation and the relevant notes to the items appearing in the mandatory statements.

Specifically, the alternative measures used include:

Gross Operating Profit (EBITDA): net profit for the period before income tax, other financial income and expense, amortisation, depreciation and write-downs of fixed assets.

The Group also provides information on the percentage of EBITDA on net sales. EBITDA measured by the Group allows operating results to be compared with those of other companies, net of any effects from financial and tax items, and of depreciation and amortization, which may vary from company to company for reasons unrelated to general operating performance.

Adjusted gross operating profit (adjusted EBITDA): gross operating profit as explained above, net of income and income of a non-ordinary nature such as:

- income and expense from restructuring, reorganization and business combinations;
- clearly identified income and expense not directly related to the ordinary course of business;
- any income and expense from non-ordinary events and transactions as set out in CONSOB Communication DEM6064293 of 28/07/2006.

(Euro/thousands)	3M 2024	3M 2023
Gross Operating Profit - EBITDA (as shown in the financial statements)	**5,744**	**4,671**
Restructuring costs under “Cost of personnel"	42	202
Expenses related to acquisition and sale of companies and business units, sundry expense (income) and cost of services	(973)	(481)
Adjusted Gross Operating Profit - Adjusted EBITDA (as shown in the Directors' Report on Operations)	**4,813**	**4,392**

With regard to adjusted EBITDA in the first quarter of financial year 2023, the following items were excluded from EBITDA:

- restructuring costs for a total amount of € 0.2 million, included in “Cost of personnel” in the income statement;
- income of a non-ordinary nature for a total of € 0.5 million, included in “Sundry expense (income)” and “Cost of services”.

With regard to adjusted EBITDA in the first quarter of financial year 2024, the following items were excluded from EBITDA:

- restructuring costs for a total amount of € 0.04 million, included in “Cost of personnel” in the income statement;
- income of a non-ordinary nature for a total of € 1.0 million, included in “Sundry expense (income)” and “Cost of services”.

Operating result (EBIT): net profit for the period before income tax, and other financial income and expense.

Adjusted operating profit (EBIT Adjusted): this is represented by the operating result, as defined above, excluding income and expense of non-ordinary nature, as defined previously, depreciation and amortisation deriving from the company purchase price allocation and the write-downs of intangible assets.

Operating profit (EBT): EBT or consolidated result before tax is the net profit for the period before income tax.

Net invested capital: the algebraic sum of Fixed Capital, which includes non-current assets and non-current liabilities (net of non-current financial liabilities included in the Net Financial Position) and Net Working Capital, which includes current assets (net of cashfunds and cash equivalents and current financial assets included in the Net Financial Position), and current liabilities (net of current financial liabilities included in the Net Financial Position).

Cash flow from operations: adjusted EBITDA, as explained above, plus or minus the decrease/(increase) in working capital in the period, minus capital expenditure (CAPEX/Investment).

Cash flow from ordinary operations: cash flow from operations as explained above, net of financial expense, tax paid in the period, and income/expense from investments in associates.

Cash flow from non-ordinary operations: cash flow generated/used in transactions that are not considered ordinary, such as company restructuring and reorganization, share capital transactions and acquisitions/disposals.

Free Cash Flow: the sum of cash flow from ordinary and non-ordinary operations in the reporting period (excluding payment of dividends, if any).

Total Cash Flow: the sum of cash flow from ordinary and non-ordinary operations in the reporting period (including payment of dividends, if any).

OUTLOOK FOR THE YEAR

In light of the results achieved in the first quarter and the reference markets scenario, **the Group believes it can confirm the previously communicated guidance for the 2024 financial year**.

Income Statement

- **low single-digit revenue growth**;
- **mid single-digit growth in the Adjusted EBITDA**, with **margins** expected to remain stable at around **17%**, thanks to targeted pricing policies and the further reduction of paper and printing costs.

Financial data

In the financial year 2024, the Group is expected to **confirm the significant cash generation capacity** and therefore an **Ordinary Cash Flow** of around **€ 70 million**.

For the Board of Directors

The Chairman
Marina Berlusconi

The Financial Reporting Manager - Alessandro Franzosi - hereby declares, pursuant to Article 154 bis, paragraph 2, of the Consolidated Finance Law, that the accounting information contained in this Interim Management Statement corresponds to the Company's accounting entries, books and results.

The Financial Reporting Manager

Alessandro Franzosi

Mondadori Group

Consolidated Financial Statements at 31 March 2024

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Assets (Euro/thousands)	31/03/2024	31/12/2023
Intangible assets	**387,684**	**385,116**
Land and building	—	—
Plant and equipment	10,630	10,982
Other fixed assets	25,179	23,748
Property, plant and equipment	**35,809**	**34,730**
Assets from rights of use	**68,398**	**68,762**
Equity-accounted investees	14,789	13,340
Other investments	260	260
Total investments	**15,049**	**13,600**
Non-current financial assets	**8,667**	**8,688**
Deferred tax assets	**64,576**	**65,788**
Other non-current assets	**1,653**	**1,726**
Total non-current assets	**581,836**	**578,410**
Tax receivables	**18,462**	**15,541**
Other current assets	**89,236**	**74,195**
Inventory	**162,602**	**149,940**
Trade receivables	**134,202**	**164,438**
Other current financial assets	**3,967**	**2,111**
Cash and cash equivalents	**21,306**	**49,724**
Total current assets	**429,775**	**455,949**
Discontinued or discontinuing operations	—	1,685
Total Assets	**1,011,611**	**1,036,044**

Liabilities (Euro/thousands)	31/03/2024	31/12/2023
Share Capital	67,979	67,979
Treasury shares	(2,371)	(2,371)
Other reserves and profit/loss carried forward	221,006	160,064
Profit (Loss) for the year	(7,093)	62,411
Group equity	**279,521**	**288,083**
Share capital and reserves attributable to non-controlling interests	599	755
Total Equity	**280,120**	**288,838**
Provisions	38,329	40,839
Post-employment benefits	29,066	29,191
Non-current financial liabilities	104,161	95,638
Financial liabilities IFRS 16	59,137	59,275
Deferred tax liabilities	41,280	42,365
Other non-current liabilities	—	—
Total non-current liabilities	**271,973**	**267,308**
Income tax payables	7,710	12,972
Other current liabilities	149,616	145,651
Trade payables	226,016	257,069
Payables to banks and other financial liabilities	63,052	50,998
Financial liabilities IFRS 16	13,124	13,208
Total current liabilities	**459,518**	**479,898**
Liabilities disposed or being disposed of	—	—
Total liabilities	**1,011,611**	**1,036,044**

CONSOLIDATED INCOME STATEMENT

(Euro/thousands)	2024	2023
Revenue from sales and services	**166,101**	**159,963**
Decrease (increase) in inventory	(7,054)	(7,040)
Cost of raw and ancillary materials, consumables and goods	34,204	34,946
Cost of services	100,987	96,820
Cost of personnel	35,601	34,142
Sundry expense (income)	(3,381)	(3,576)
EBITDA	**5,744**	**4,671**
Amortisation and impairment loss on intangible assets	8,769	7,666
Depreciation and impairment loss on property, plant and equipment	1,943	1,542
Amortization/depreciation and impairment loss of assets from rights of use	3,723	3,708
Operating income (loss)	**(8,691)**	**(8,245)**
Financial expense (income)	1,440	1,166
Expense (income) from investments	81	(564)
Result before tax	**(10,212)**	**(8,847)**
Income tax	(4,134)	(3,620)
Result from continuing operations	**(6,078)**	**(5,227)**
Result from discontinued or discontinuing operations	—	—
Net profit	**(6,078)**	**(5,227)**
Attributable to:		
- Non-controlling interests	**1,015**	**(27)**
- Parent Company shareholders	**(7,093)**	**(5,200)**
Earnings per share of continuing operations (expressed in Euro units)	(0.027)	(0.020)
Diluted earnings per share of continuing operations (expressed in Euro units)	(0.027)	(0.020)
Net earnings per share (in Euro units)	(0.027)	(0.020)
Diluted net profit per share (in Euro units)	(0.027)	(0.020)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Euro/thousands)	2024	2023
Net profit	**(6,079)**	**(5,227)**
Items reclassifiable to income statement		
Profit and loss deriving from the conversion of currency denominated financial statements of foreign companies	461	(408)
Other profit (loss) from equity-accounted investees	—	(19)
Effective part of profit/(loss) on cash flow hedge instruments	(21)	(1,022)
Profit and loss deriving from held-for-sale assets (fair value)		
Tax effect on other profit (loss) reclassifiable to income statement	5	245
Items reclassified to income statement		
Effective part of profit/(loss) on cash flow hedge instruments	—	—
Profit and loss deriving from held-for-sale assets (fair value)	—	—
Tax effect on other profit (loss) reclassifiable to income statement	—	—
Items not reclassifiable to income statement		
Actuarial profit (loss)	12	(110)
Tax effect on other profit (loss) not reclassifiable to income statement	(4)	25
Total other profit (loss) net of tax effect	**453**	**(1,289)**
Total net profit (loss)	**(5,626)**	**(6,516)**
Attributable to:		
- Non-controlling interests	**1,014**	**(27)**
- Parent Company shareholders	**(6,640)**	**(6,489)**

For the Board of Directors
The Chairman
Marina Berlusconi