



April 19th 2019

**REWORLD MEDIA**  
**announces the signature of an agreement under conditions**  
**precedent to acquire MONDADORI FRANCE**

REWORLD MEDIA SA announces the signature of an agreement under conditions precedent with the company ARNOLDO MONDADORI EDITORE- SOCIETÀ PER AZIONI (The « **Agreement** ») for the 100% shares acquisition of MONDADORI FRANCE SAS (The « **Transaction** »). The signature of this agreement follows the exercise by ARNOLDO MONDADORI EDITORE- SOCIETÀ PER AZIONI of the Offer agreed in his favour and that the company signed with REWORLD MEDIA SA on February 18<sup>th</sup> 2019. It is recalled that discussions related to the Transaction were the subject of press releases dated September 5<sup>th</sup> 2018, September 27<sup>th</sup> 2018 and February 18<sup>th</sup> 2019.

The employee representative bodies within MONDADORI FRANCE SAS have first been informed and consulted on the considered Transaction under article L2312-18 of the French labor Code and will be shortly gathered pursuant to article L2312-41 of the French labor Code.

REWORLD MEDIA, a pioneer in the digital media market, has an innovative and proven know-how in the development and creation of value of media assets in France. The group has demonstrated a tangible success in the strategy of development for its 11 media brands and the growth of its digital audience, which has led to four consecutive years of significant increase in profitability.

The combination of REWORLD MEDIA and MONDADORI FRANCE would give birth to one of the biggest European media companies with over 50 media brands covering flagship themes (women, auto/sport, decoration, nature, science/leisure, infotainment) distributed through magazines and digital media, with over 1,100 employees in 11 countries and a turnover close to €500m.

The new group would combine complementary skills that would significantly enhance its growth potential in a rapidly changing media market. REWORLD MEDIA would bring its know-how in digitization, new revenue generation and the development of new audiences replicating the successful strategy achieved over the past few years. MONDADORI FRANCE would bring the power of its media brands as well as its strong expertise in magazines.

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REWORLD MEDIA generated an EBITDA<sup>1</sup> of €11.1m as of December 2018, up 49%. The group's operating results doubled in 2018 to reach €8.0m. Group's 2018 net income quadrupling to €6.9m compared to €1.8m in the previous year. Share capital increased by 35% to €26.8m. Cash reached €16.6m at the end of 2018 while financial debt stood at €27m. After this operation in progress, REWORLD MEDIA would become the leading publisher of magazines in France and a major player in the media sector with a combined annual turnover of €483m and an EBITDA of €37.2m<sup>2</sup>.

### Reminder of the terms of the acquisition given in the Agreement

Under the terms of the Agreement, the Transaction would take the form of a transfer to REWORLD MEDIA of 100% of the shares and voting rights of MONDADORI FRANCE SAS including:

- 85.7% of the shares and voting rights would be made through a share purchase at the price of €60m subject to price adjustments based on the financial position at the closing, including €10m in vendor credit, and
- 14.3% of the shares and voting rights would be made through a contribution in kind of MONDADORI FRANCE SAS' shares to REWORLD MEDIA for a value of €10m (the "**Contribution**"), paid in REWORLD MEDIA SA shares as part of a planned capital increase. Regarding this capital increase, each new share tendered as contribution would be valued €2.81 equal to 112.5% of the average closing share price of the last 20 trading days of the REWORLD MEDIA SA share on the Euronext Paris Growth market preceding the fixing of the subscription price of the capital increase by today's Board of Directors (with constraints that this price cannot be lower than €2.2 per share and cannot be higher than €2.9 per share. One or more contribution appraisers will be appointed to evaluate the Contribution.
- Shareholders representing between 45% and 49% of the voting rights on the day of signature of the Offer (February 18<sup>th</sup> 2019), have individually committed to vote in favour of this Contribution. REWORLD MEDIA would benefit, with a right of substitution, of a call option on the shares issued as result.

Consequently, the total valuation of MONDADORI FRANCE SAS for 100% of the capital and voting rights of MONDADORI FRANCE SAS would be equal to €70m (debt free/cash free) and without taking into account a possible earn out of €5m.

### Financing of REWORLD MEDIA

In relation to this Transaction, REWORLD MEDIA plans financing in the form of a non-convertible debt for a total amount of €93.3m (the "**Debt Financing**") including €30m unlockable within the next 3 years and €13,3m dedicated to partly refinance the current debt of the group. The Debt Financing is underwritten by banks and private lenders over a period of 5 to 7 years repayable at term.

It is recalled that REWORLD MEDIA plans to carry out one or more capital increases of at least €3m at a price per share that would be set at €2.81. (same as the price per share adopted for the Contribution)

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<sup>1</sup> Operating profit before depreciations, amortizations and provisions

<sup>2</sup> Cumulated 2018 revenues and EBITDA as per Mondadori results published on 14 March 2019

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## Calendar

The definitive completion of the Transaction is subject to the waiver of precedent conditions listed below.

## Conditions Precedent

According to the terms of the Protocol, the completion of the Transaction is subject to the following cumulative conditions precedent (the " Conditions Precedent "):

- authorization issued by the Autorité de la Concurrence;
- approval of the Contribution by REWORLD MEDIA shareholders;
- REWORLD MEDIA obtaining the Debt Financing (given that the main terms and conditions of the debt financing have been approved with the lenders)

## Participants in the transaction :

Rothschild & Co (Irving Bellotti – Pierre Henri Chappaz) is Reworld Media's advisor on this transaction.

The transaction would be financed by BNP Paribas as mandated arranger coordinator and agent (Xavier de Lestrangé – Sinda Kaak Nicaud) and Société Générale (Nathalie Gabriel - Benoît Douard – Patrick Evin) as mandated arranger ; the funding round being completed by other banks of which LCL, CIC and Intesa San Paolo.

## **About Reworld Media :**

REWORLD MEDIA is an international digital group with a network of eleven proprietary media brands powerful within their B2C segments (marie france, Be, Le Journal de la Maison, Maison & Travaux, Gourmand, Auto Moto, Télé Magazine...) and an international media network with over 180,000 partner sites. The group is unique in its ability to offer international advertisers a global offer combining "Media Branding" (access to all formats: digital, print, event ...) and "Media Performance" (performance campaigns). The group reported a consolidated turnover of €177,5m at the end of December 2018, is present in 11 countries and has 453 employees.

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