PRESS RELEASE

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Regulated information EMBARGO – 6 March 2020 at 8:00 am **Roularta Media Group**

Revenue growth of 7% and 3.6 times higher EBITDA.

The important strategic choices taken by Roularta Media Group in 2018 demonstrate their full effect in 2019.

- **Compared to 2018, revenue increased by 6.8% or € 18.8 million to € 295.8 million in 2019.**
- **EBITDA almost quadrupled to € 23.0 million (+ € 16.7 million) compared to last year.**
- **EBITDA margin compared to revenue amounts to 7.8% versus 2.3% last year.**
- **The net result attributable to shareholders is € 10.9 million or € 0.87 per share.**

Thanks to the synergies from acquisitions, the launch of new products, and improved customer offerings, P&L improved on every line, resulting in a strong cash flow position.

Roularta is focusing on its strengths, namely its long-standing subscription strategy combined with thoroughgoing recruitment through the digital channels. The acquisition of the Women's brands resulted in a significant increase in subscription income (+ € 10.6 million in 2019 vs.2018) and newsstand sales (+ € 8.5 million). These items would be 3.8% less without the Women's brands. The challenge remains the falling advertising income (- € 4.0 million incl. the acquired brands and - € 15.8 million excl. the Women's brands).

Roularta is debt-free and enjoyed a cash position of € 95.9 million at the end of 2019. The Board of Directors of Roularta Media Group gives its agreement to appeal to a number of specialized financial institutions to work on an efficient investment strategy for the Group's cash reserves. Special attention will be paid to a balanced structure, a careful approach and a preference for investments in sustainable companies. In this way, these resources remain available for investment in the long term.

Both the Printing Services segment and the Media Brands segment produced strong results. Within the Printing Services segment, we see stable gross margins and decreasing indirect costs, partly due to the disappearance of the Econocom leasing costs.

In the Media Brands segment, we see a rising gross margin both in euros and as a percentage of revenue.

The higher revenue and the improved gross margin percentage (79.6 % in 2019 vs.78.2 % in 2018) of the Group compensated for the higher costs for services and other goods (- € 6.7 million) & personnel (- € 0.7 million).

A significant impairment of € 69.2 million was booked last year on all brands with an indefinite lifetime. From 2019, all brands have a limited lifetime, as a result of which € 5.0 million of depreciation was included in the result; this is € 3.6 million with an impact below EBITDA and € 1.4 million on joint ventures with an impact within EBITDA.

EBITDA amounts to € 23.0 million, of which € 20.5 million for fully consolidated activities and € 2.5 million for joint ventures (their net result via equity change).

Mediafin's contribution is substantial but is not fully reflected under the consolidated IFRS figures. Standalone EBITDA and the net result of 100% Mediafin amount to € 11.1 million and € 5.6 million respectively. After depreciation for the De Tijd, L'Echo, Comfi, BeReal & BePublic brands, the 50% net result amounts to € 1.8 million. This amount is included in the Roularta Media Group 2019 EBITDA. In addition, Roularta received a dividend of € 3.5 million visible in the Group's cash flow statement.

The Board of Directors will propose to the General Meeting the distribution of a gross dividend of € 0.50 per share for the full year 2019.

1. KEY FINANCIAL FIGURES FOR THE FINANCIAL YEAR

1.1 Consolidated key fgures

in thousands of euros	31/12/2019	31/12/2018	Trend	Trend (%)
INCOME STATEMENT				
Sales	295,798	277,008	18,790	6.8%
EBITDA (2)	22,989	6,336	16,653	262.8%
EBITDA - margin	7.8%	2.3%		
EBIT (3)	9,978	-65,547	75,525	-115.2%
EBIT - margin	3.4%	-23.7%		
Net finance costs	-75	-5,075	5,000	-98.5%
Income taxes	429	-1,539	1,968	-127.9%
Net result from continuing operations	10,332	-72,161	82,493	-114.3%
Net result from discontinued operations	0	151,093	-151,093	-100.0%
Net result	10,332	78,932	-68,600	-86.9%
Attributable to minority interests	-521	-1,010	489	-48.4%
Attributable to holders of RMG	10,854	79,942	-69,088	-86.4%
Net result attributable to equity holders of RMG - margin	*3.7%*	*28.9%*		
Number of full time equivalent employees at closing date (4)	1,217	1,287	-70	-5.4%

(2) EBITDA = EBIT + depreciations, write-downs and provisions.
(3) EBIT = operating result, including the share in the result of associated companies and joint ventures.
(4) Joint ventures (Mediafin, Bayard etc.) not included

Consolidated revenue for 2019 enjoyed an increase of 6.8%, from € 277.0 to € 295.8 million. This is mainly due to the acquisition of the Women's brands in June 2018, which made a positive contribution of € 67.1 million to revenue. Part of this is advertising income that was partly able to compensate for a declining market in Local Media (-20.1%) and the pay-to-read newspapers (-13.7%).

On the one hand, driven by rising 'consumer' sales, adequate cost control and, on the other hand, due to the better net result of the joint ventures (which is included in EBITDA), **EBITDA** increased from € 6.3 million to € 23.0 million in 2019. EBITDA as a percentage of revenue increased from 2.3% to 7.8%.

The EBITDA of the fully consolidated entities amounts to € 20.5 million compared to € 8.2 million last year; the net result of joint ventures is € 2.5 million compared to - € 1.8 million in 2018. The normalization in 2019 comes after major impairments in 2018 in the German activities for the entities J.M. Sailer Verlag GmbH and Bayard Media GmbH & Co. KG, in which Roularta owns 50% of the shares.

As of January 2019 IFRS 16 Leases is applied, giving rise to a € 1.2 million positive impact on EBITDA in the 2019 figures.

EBIT contains no impairment losses this year, unlike in 2018 where an impairment of € 69.2 million was booked on brands with an indefinite lifetime. Due to this, EBIT evolved from - € 65.5 million in 2018 to € 10.0 million or 3.4% of revenue.

Thanks to full repayment of the bond loan in 2018 and the early repayment of other financial debts, almost no **net financial expenses** were incurred in 2019 (- € 0.1 million).

Taxes include, on the one hand, expected cash-out payments (- € 0.5 million) and, on the other hand, deferred tax income of € 0.9 million. The latter is due to the merger of Roularta Media Group with one of its 100% subsidiaries, Bright Communications BVBA, which had a net deferred tax liability of € 1.0 million. The deferred tax revenues that will result from this will ensure a higher recovery of tax losses brought forward. A deferred tax asset of € 1.0 million has been booked for this.

There will be no discontinued operations in 2019, where in 2018 the **net result from discontinued operations** was related to the sale of 50% of the shares in Medialaan (the TV channels VTM, Q2, Vitaya, CAZ, the radio channels Qmusic and Joe FM, Mobile Vikings, etc.) to DPG (De Persgroep).

Of the amount of - € 0.5 million **minority interest** in 2019, - € 0.6 million comes from the loss at Storesquare NV, where RMG owned 65% of the shares at the end of 2019. This loss-making activity will be stopped in the course of 2020.

The **net result attributable to RMG shareholders** thus amounts to € 10.9 million or € 0.87 per share.

Consolidated key figures per share (in euros)	31/12/2019	31/12/2018	Trend	Trend (%)
EBITDA	1.83	0.51	1.33	262.7%
EBIT	0.80	-5.23	6.02	-115.2%
Net result attributable to equity holders of RMG	0.87	6.37	-5.51	-86.4%
Net result attributable to equity holders of RMG after dilution	0.86	6.35	-5.48	-86.4%
Weighted average number of shares	12,545,621	12,541,645	3,976	0.0%
Weighted average number of shares after dilution	12,560,022	12,597,381	-37,359	-0.3%

2. DISCUSSION OF GROUP SEGMENT RESULTS

2.1 Media Brands

in thousands of euros	31/12/2019	31/12/2018	Trend	Trend (%)
INCOME STATEMENT				
Sales	258,520	241,570	16,950	7.0%
Gross margin	*198,547*	*179,269*	*19,278*	*10.8%*
Gross margin on sales	*76.8%*	*74.2%*		

The Media Brands segment refers to all brands that are marketed by RMG and its participations.

Revenue from the Media Brands segment increased by 7.0% or € 17.0 million to € 258.5 million.

Advertising revenue fell by 3.1% compared to 2018.
Advertising revenue from the complimentary magazines decreased by 20.1% compared to 2018; that of the pay-to-read newspapers fell by 13.7%. These declines were slowed by the 5.2% increase in advertising in magazines thanks to the acquired Women's brands. Advertising income from the various internet sites fell slightly by 0.9%.

Revenue from the readership market (newsstand sales and subscriptions) increased by 22.8% compared to 2018. This is fully thanks to the Women's brands that are now included in revenue for a full year, while in 2018 this was only for half a year. Without these magazines, the readership market would have fallen by -3.8%, mainly due to a fall in newsstand sales. Subscriptions account for 70% of the total readership revenues and newsstand sales for 30%.

Revenue from Line Extensions and miscellaneous rose by 8.9%.

Gross margin increased from 74.2 % to 76.8 %, partly due to lower printing costs and partly due to higher selling prices within the Women's brands.

2.2 Printing Services

in thousands of euros	31/12/2019	31/12/2018	Trend	Trend (%)
INCOME STATEMENT				
Sales	77,222	78,180	-958	-1.2%
Gross margin	*38,959*	*40,286*	*-1,327*	*-3.3%*
Gross margin on sales	*50.5%*	*51.5%*		

The Printing Services segment represents the premedia and printing activities for in-house brands and external customers.

Revenue for the Printing Services segment was stable and amounted to € 77.2 million. The lower amounts (- € 2.4 million) invoiced to the Media Brands segment were largely offset by higher external sales (+ € 1.5 million).

Gross margin compared to revenue decreased slightly by 1% due to the lower charges passed on to the Brands segment. The margins on external sales remained stable or increased slightly.

3. CONSOLIDATED CASH FLOW STATEMENT

in thousands of euros	31/12/2019	31/12/2018
Net Cash Flow relating to operating activities (A)	29,630	7,051
Net Cash Flow relating to investing activities (B)	-16,882	213,582
Net Cash Flow relating to financing activities (C)	-7,266	-167,661
Total decrease / increase in cash and cash equivalents (A+B+C)	5,482	52,972
Cash and cash equivalents, beginning balance	95,956	42,984
Cash and cash equivalents, ending balance	101,438	95,956

The cash flow statement shows positive cash generation of € 5.5 million in 2019 compared to a € 53.0 million cash generation in 2018.

Cash flow from operational activities increased by € 22.6 million to € 29.6 million in 2019, mainly driven by a € 12.3 million increase in EBITDA (excluding the joint ventures), lower interest costs paid (€ 6.3 million) and decreased working capital of € 3.0 million.

Cash flow from investing activities was - € 16.9 million in 2019. The largest cash outflows resulted from the last payment to Sanoma for the acquisition of the Women's brands (€ 7.9 million), investments in software for € 3.4 million, the advance paid on the new printing press (€ 2.6 million), and the earnout on the Sterck brand (€ 0.4 million). The large cash inflow in 2018 was mainly due to the sale of Medialaan (€ 279.6 million) less the purchase of Mediafin (€ 58.0 million) and the Women's brands (€ 15.9 million).

Cash flow from financing activities evolved from - € 167.7 million in 2018 to -€ 7.3 million in 2019. This includes the dividend paid of € 6.3 million and the repayment of the IFRS 16 leasing debts of € 1.4 million. In 2018, the repayment of the bond loan in the amount of € 100 million took place and there was an interim dividend payment of € 62.7 million.

4. CONSOLIDATED BALANCE SHEET

in thousands of euros	31/12/2019	31/12/2018	Trend (%)
Balance sheet			
Non-current assets	182,720	184,107	-0.8%
Current assets	170,695	171,000	-0.2%
Balance sheet total	353,415	355,107	-0.5%
Equity - Group's share	227,846	222,561	2.4%
Equity - minority interests	578	1,100	-47.5%
Liabilities	124,990	131,447	-4.9%
Liquidity (1)	1.6	1.5	8.1%
Solvency (2)	64.6%	63.0%	2.6%
Net financial debt	-95,937	-95,658	0.3%
Gearing (3)	-42.0%	-42.8%	-1.8%

(1) Liquidity = current assets / current liabilities.
(2) Solvency = equity (Group's share + minority interests) / balance sheet total.
(3) Gearing = net financial debt / equity (Group's share + minority interests).

On 31 December 2019 **equity - Group share** € 227.8 million compared to € 222.6 million on 31 December 2018. The movement in equity mainly consists of the result over 2019 (+€ 10.9 million) less the dividend (- € 6.3 million).

As of 31 December 2019, the **consolidated net financial cash position** (= current cash less financial debts) was € 95.9 million vs. € 95.7 million the year before. The slight improvement is due to the cash generated of € 5.5 million, which is mainly offset by the financial debts that have been on the balance sheet since 2019 as a result of IFRS 16 Leasing with a value of € 5.0 million.

5. INVESTMENTS (CAPEX)

Total consolidated investments in 2019 amount to € 9.6 million compared to € 39.9 million in 2018. This amount was mainly invested in tangible fixed assets (€ 6.2 million, of which an advance on the new printing press of € 2.6 million) and software (€ 3.4 million). The high amount in 2018 was due to the acquisition of the Sanoma Women's brands (€ 32.9 million), € 2.8 million in investments in software and € 4.2 million in tangible fixed assets (mainly machines for the Printing Services segment).

6. DIVIDEND

The Board of Directors will propose to the General Meeting that a gross dividend of € 0.50 per share be paid for the full year 2019, which means a return of 3.6% on the closing price of 31/12/2019 of 14.05 euros per share.

7. PRESENTATION OF 2019 RESULTS

The presentation of the 2019 annual results can be found on our website www.roularta.be/en under the section: Roularta on the stock market> Financial> Financial reporting> 31-12-2019> Presentation 2019 results. This presentation includes additional technical information on the annual results. The annual report will be available on our website from 17 April.

8. IMPORTANT EVENTS IN 2019 AND THEREAFTER

- In the first half of the year, the companies Tvoj – Magazin D.O.O., Vogue Trading NV and Living & More Verlag GmbH were liquidated.
- A small magazine '*Leben & Erziehen*' was sold by our joint venture Bayard Media GmbH on 01/04/2019. This had a negligible impact on the consolidated figures.
- Bright Communications BVBA was merged with Roularta Media Group in July 2019.
- In August 2019, Roularta Media Group announced that it would make a replacement investment with a new eco-efficient rotary press to solve the shortage of printing capacity. This concerns a Lithoman IV 72-page printing press. The total investment amounts to 12 million euros and the press is expected to be operational in November 2020.
- In November 2019, Woonkijker NV was liquidated.
- At the end of November 2019, Roularta Media Group obtained the ISO 50001 certificate for the printing shop and its headquarters in Roeselare, proof of an efficient energy management system.
- At the beginning of January 2020, Roularta Media Group decided to stop the Storesquare activity from 28 February 2020.
- In February 2020, RMG received an offer for its 50% investment in Regional Media Maatschappij (RMM). The statutory procedure of pre-emptive and resale rights was initiated by the RMM Board of Directors. The sale of RMG's investment in RMM is expected to be completed before the end of the first quarter of 2020.
- At the end of February 2020, RMG acquired the 50% shares of Senior Publications NV (Plus magazine in Belgium), owned by Bayard Group. Bayard Group likewise acquired the 50% shares of Sailer (children's magazines Bimbo, Olli & Molli, ...), owned by RMG. Both transactions are expected to be completed before the end of the second quarter 2020.

9. OUTLOOK

The outlook for subscription income in 2020 remains positive. Roularta has succeeded in going against the market trend and convincing more people of its quality media and innovative products. Declining newsstand sales follow the current market trend, caused by the closure of distribution points.

The Printing Services segment produces a large number of magazines each week for Belgium (mainly own brands, DPG Media & Mediahuis) and abroad (France, the Netherlands, and others) up to and including finishing and mailing. An additional Lithoman magazine press will become operational in November, which should ensure that the current cash flows continue with an estimated € 0.6 million annual depreciation.

Advertising revenue remains highly volatile for print activities, audiovisual media and internet activities. There are large fluctuations from month to month and late bookings, yielding insufficient visibility to make possible a forecast for 2020.

10. STATUTORY AUDITOR'S REPORT

The statutory auditor has confirmed that his audit activities, which have been carried out thoroughly, have not revealed any significant adjustments that should be included in the accounting information published in the communiqué. *Deloitte Bedrijfsrevisoren* is represented by Charlotte Vanrobaeys.

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ANNEXES

CONSOLIDATED BALANCE SHEET

in thousands of euros	31/12/2019	31/12/2018	Trend
ASSETS			
Non-current assets	**182,720**	**184,108**	**-1,388**
Intangible assets	54,734	57,796	-3,062
Property, plant and equipment	59,894	54,078	5,816
Investments accounted for using the equity method	60,042	63,686	-3,644
Available-for-sale investments, loans, guarantees	2,402	2,526	-124
Trade and other receivables	100	219	-119
Deferred tax assets	5,548	5,803	-255
Current assets	**170,695**	**171,000**	**-305**
Inventories	6,047	6,348	-301
Trade and other receivables	60,061	65,756	-5,695
Cash and cash equivalents	101,438	95,956	5,482
Deferred charges and accrued income	2,460	2,457	3
Total assets	**353,414**	**355,108**	**-1,694**

in thousands of euros	31/12/2019	31/12/2018	Trends
LIABILITIES			
Equity	228,424	223,661	4,763
Group's equity	227,846	222,561	5,285
Issued capital	*80,000*	*80,000*	*-*
Treasury shares	*-23,643*	*-23,705*	*62*
Retained earnings	*166,610*	*162,134*	*4,476*
Other reserves	*4,879*	*4,175*	*704*
Translation differences	*-*	*-43*	*43*
Minority interests	578	1,100	-522
Non-current liabilities	17,626	15,211	2,415
Provisions	8,268	8,083	185
Employee benefits	5,180	5,778	-598
Deferred tax liabilities	142	1,063	-921
Financial debts	3,748	-	3,748
Other payables	287	287	-
Current liabilities	107,364	116,236	-8,872
Financial debts	1,754	298	1,456
Trade payables	45,321	52,790	-7,469
Advances received	25,794	25,175	619
Employee benefits	16,513	16,025	488
Taxes	338	259	79
Other payables	10,884	14,814	-3,930
Accrued charges and deferred income	6,759	6,876	-117
Total liabilities	**353,414**	**355,108**	**-1,694**

CONSOLIDATED INCOME STATEMENT

in thousands of euros	31/12/2019	31/12/2018	Trend
Sales	**295,798**	**277,008**	**18,790**
Own construction capitalised	2,239	1,407	832
Raw materials, consumables and goods for resale	-62,651	-61,730	-921
Gross margin	**235,386**	**216,685**	**18,701**
% on sales	*79.6%*	*78.2%*	
Services and other goods	-118,942	-112,276	-6,666
Personnel	-95,192	-94,522	-670
Other operating income and expenses	-737	-1,720	983
Share in the result of associated companies and joint ventures	2,475	-1,831	4,306
EBITDA	**22,989**	**6,336**	**16,653**
% on sales	*7.8%*	*2.3%*	
Depreciation, write-down and provisions	-13,011	-71,883	58,872
Depreciation and write-down of intangible and tangible assets	*-13,156*	*-11,658*	*-1,498*
Write-down of inventories and debtors	*225*	*888*	*-663*
Provisions	*-80*	*2,091*	*-2,171*
Impairment losses	*-*	*-63,204*	*63,204*
EBIT	**9,978**	**-65,547**	**75,525**
% on sales	*3.4%*	*-23.7%*	
Financial income	144	268	-124
Financial expenses	-219	-5,343	5,124
Income taxes	429	-1,539	1,968
Net result from continuing operations	**10,332**	**-72,161**	**82,493**
% on sales	*3.5%*	*-26.1%*	
Net result from discontinued operations	**-**	**151,093**	**-151,093**
Net result attributable to:	**10,332**	**78,932**	**-68,600**
Minority interests	-521	-1,010	489
Equity holders of Roularta Media Group	**10,854**	**79,942**	**-69,088**

CONSOLIDATED CASH FLOW STATEMENT

in thousands of euros	31/12/2019	31/12/2018
Cash flow relating to operating activities		
Net result of the consolidated companies	10,332	78,932
Share in the results of associated companies and joint ventures	-2,475	1,046
Dividends received from associated companies and joint ventures	5,530	5,550
Income tax expense / income	-429	1,539
Interest expenses	219	5,343
Interest income (-)	-144	-268
Losses (+)/ gains (-) on disposal of intangible assets and property, plant and equipment	-436	-764
Losses (+)/ gains (-) on disposal of business	-	-150,396
Non-cash items	13,589	71,990
Depreciation of (in)tangible assets	*13,156*	*11,658*
Impairment losses	*-*	*63,204*
Share-based payment expense	*57*	*102*
Increase (+)/ decrease (-) in provisions	*80*	*-2,091*
Other non-cash items	*296*	*-883*
Gross cash flow relating to operating activities	**26,186**	**12,972**
Increase / decrease in trade receivables	6,409	-10,360
Increase / decrease in inventories	391	-779
Increase / decrease in trade payables	399	5,799
Other increases / decreases in working capital (a)	-3,037	6,447
Increase / decrease in working capital	**4,162**	**1,107**
Income taxes paid	-643	-810
Interest paid	-219	-6,485
Interest received	144	267
NET CASH FLOW RELATING TO OPERATING ACTIVITIES (A)	**29,630**	**7,051**

(a) Increases and decreases in current other receivables, deferred charges and accrued income, provisions, employee benefits, other payables, advances received and accrued charges and deferred income.

in thousands of euros	31/12/2019	31/12/2018
Cash flow relating to investing activities		
Intangible assets - acquisitions	-3,433	-2,757
Tangible assets - acquisitions	-6,187	-4,232
Intangible assets - other movements	-	79
Tangible assets - other movements	523	51
Net cash flow relating to acquisition of subsidiaries	-8,218	-73,994
Net cash flow relating to disposal of subsidiaries	-	294,947
Net cash flow relating to loans to investments accounted for using the equity method	350	-86
Available-for-sale investments, loans, guarantees - acquisitions	-	-451
Available-for-sale investments, loans, guarantees - other movements	82	25
NET CASH FLOW RELATING TO INVESTING ACTIVITIES (B)	-16,882	213,582
Cash flow relating to financing activities		
Dividends paid	-6,273	-62,713
Treasury shares	62	82
Other changes in equity	-	416
Proceeds from current financial debts	211	-
Redemption of current financial debts	-	-102,850
Redemption of non-current financial debts	-	-2,425
Repayment of leasing debt	-1,385	-
Decrease in non-current receivables	119	129
Increase in non-current receivables	-	-300
NET CASH FLOW RELATING TO FINANCING ACTIVITIES (C)	-7,266	-167,661
TOTAL DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	5,482	52,972
Cash and cash equivalents, beginning balance	95,956	42,984
Cash and cash equivalents, ending balance	101,438	95,956
NET DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS	5,482	52,972