

Roularta

A significant increase in EBITDA with stable sales

Media | Belgium

We saw € 159.5m 1H24 revenues (+0.1% y/y) and 1H24 EBITDA of € 11.4m (+36.5% y/y) so Roularta's continued investment in a multimedia market approach and the further expansion of the Dutch magazines ensured a significant increase in Roularta's EBITDA with stable sales.

We updated our model (Accumulate and € 17.5 TP maintained) as Roularta indicated that -given the uncertain economic context and the budgetary restrictions that continue to confront advertisers- a certain amount of pressure on advertising income should continue to be borne in mind in 2H24. This income remains quite volatile and unpredictable. Roularta nevertheless expects a positive impact on income from readership thanks to recruitment for digital subscriptions and the growing recruitment for print subscriptions via digital channels, especially in Belgium. Roularta claims that a new and younger audience is discovering its digital offer through 'Mijn Magazines': the app, digital kiosk and 24/24 website that offer all the content from all its editorial teams.

A growing readers' market has enabled Roularta to compensate fully for the decline in external printing. In addition, the advertising market is holding up y/y. In terms of profitability, lower paper costs, lower print runs and higher selling prices have resulted in an increase in 1H24 EBITDA of € 3.1m till € 11.4m. Excluding one-off effects, there was even an increase in EBITDA of € 4.3m.

In 1H24, Roularta has continued to invest in the user experience via the 'Mijn Magazines' app, with a view to both increasing reader comfort and acquiring digital subscriptions. In both Belgium and the Netherlands, the subscriber has the choice to take a digital subscription to all the magazines or to one (or more) paper magazine(s) combined with digital access to the other magazines.

1H24 revenues includes the revenue from the Dutch BV RMN Mindstyle with its brands Happinez, Yoga, Psychologie and Flow, which were acquired end FY23. (Lfl 1H24 revenues would have been € 153.4m).

Thanks to higher EBITDA and the sale of some company buildings, the end 1H24 cash position increased slightly € 68.5m (€ 68.3m end FY23).

Share Price: €10.7
Target Price: €17.5
 Upside/Downside: 64.3%

Recommendation: Accumulate
 Previous Recommendation: Accumulate

Analyst Details

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Key Data

Bloomberg: ROU BB
 Reuters: RLRT.BR
 URL: <https://www.roularta.be/>

Market Cap. (m): €148.4
 Shares Out. (m): 13.9
 Volume (Daily): 1323
 Free Float: 11.5%
 Price 12m Hi/Lo: 16.8 / 10.1

Performance	1m	3m	12m
Absolute (%)	2.9	-1.8	-35.2
Rel. BEL20	2.7	-3.8	-45.0

Next Corporate Event

Results 1H24: 14/08/2024

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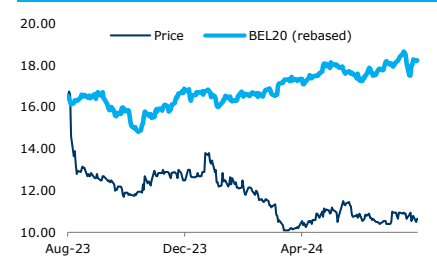
Year To: December	2023A	2024E	2025E	2026E
Sales (€m)	323.5	321.7	327.8	332.9
REBITDA (€m)	21.6	26.4	27.2	28.0
Net earnings (€m)	2.4	5.0	5.3	5.6
Diluted, adjusted EPS (€)	0.20	0.40	0.42	0.45
Dividend per share (€)	1.00	1.00	1.00	1.25
PE (diluted, adjusted)	77.50	26.89	25.14	23.63
EV / REBITDA (x)	5.81	3.00	2.95	3.03
Free cash flow yield (%)	(1.1)	6.9	7.6	7.6
Dividend yield (%)	6.5	9.4	9.4	11.7

Source: KBC Securities

<https://research.kbcsecurities.com>

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Price Chart



Source: Refinitiv Datastream

Revenue from **the Media Brands segment** (The 'Media Brands' segment refers to all brands that are marketed by RMG and its investments) increased y/y 2.7% to € 145.1m. (LfL however € -2.3m). Roularta indicated that the advertising market remained unchanged y/y. For the first time, the increased advertising rates compensated for declining volumes due to the slowing advertising market. Subscription revenue grew y/y 3.3%, thanks to the subscription portfolio from the acquired Mindstyle titles (Happinez, Yoga, Psychologie and Flow). LfL this would be -1.4%.

Media Brands segment

Newsstand sales rose y/y 9.8% (LfL -3.2)%. Other revenue rose by € 0.3m y/y (would have been -€ 1.0m LfL). 1H24 Media Brands segment gross margin increased y/y from 76.7% to 78.7% due to a combination of higher sales prices, lower paper prices and lower print runs. In absolute value, the Media Brands segment gross margin increased y/y € 5.7m to € 114.1m.

Revenue from **the Printing Services segment** The 'Printing Services' segment refers to pre-press and printing works activities for internal brands and external Customers) fell -16.7% to € 33.0m impacted by a combination of in-house and external printing (approximately 50/50).

Printing Services segment

HALF-YEAR RESULTS (€ m)

Summary	2022	1H23	2H23	2023	1H24	2H24E	2024E
Media Brands	304.8	141.3	148.9	290.2	145.1	146.6	291.7
Printing Services	78.7	39.6	33.0	72.7	33.0	33.7	66.7
Intersegment sales	-10.4	-21.5	-17.8	-39.3	-18.6	-18.0	-36.6
Total Sales	343.1	159.4	164.1	323.5	159.52	162.2	321.7
% growth	14.3%	-6.0%	-5.4%	-5.7%	0.1%	-1.1%	-0.6%
Cost of goods sold	-65.03	-32.56	-27.82	-60.38	-27.12	-25.97	-53.09
GROSS PROFITS	278.11	127.89	135.25	263.14	133.13	135.52	268.65
Gross margin	81.0%	80.2%	82.4%	81.3%	83.5%	83.5%	83.5%
Personnel	-110.54	-58.77	-55.89	-114.66	-58.93	-56.75	-115.68
% of sales	-32.2%	-36.9%	-34.1%	-35.4%	-36.9%	-35.0%	-36.0%
Other cash costs	-137.49	-60.73	-66.16	-126.89	-62.75	-63.81	-126.57
EBITDA	30.08	8.39	13.21	21.60	11.45	14.96	26.40
% of sales	8.8%	5.3%	8.0%	6.7%	7.2%	9.2%	8.2%
Depreciation	-19.59	-8.84	-9.52	-18.36	-9.90	-10.06	-19.96
EBIT	5.50	-0.46	3.69	3.24	1.55	4.89	6.44
% of sales	1.6%	-0.3%	2.2%	1.0%	1.0%	3.0%	2.0%
NET PROFITS	7.62	-0.83	3.19	2.37	2.40	2.56	4.96
Net margin %	2.2%	-0.5%	1.9%	0.7%	1.5%	1.6%	1.5%

Source: Roularta, KBC Securities

Externally, there is a loss of print orders for brochures, a decrease in print runs and in the number of publications. In house, the lower print runs combined with the lower paper prices charged on to the Media Brands are responsible for the decrease. In absolute value, the Printing Services segment gross margin decreased y/y € 0.5m due to the lower revenue, but it rose as % of revenue from 49.2% to 57.6% due to the lower prices of paper and consumables.

As a result of the above, 1H24 Roularta EBITDA came in at € 11.4m or 7.2% of revenue (vs € 8.4m or 5.3% in 1H23). Increased selling prices, along with lower print runs and 19% lower paper costs y/y, resulted in a gross margin increase of 3.3 percentage points. The costs for services, other goods and personnel have risen compared to last year. This increase is entirely attributable to the acquisition of the Dutch brands mentioned above. Without this acquisition, these costs would have decreased by € 3.6m, with energy costs, among other things, accounting for a substantial decrease of € 0.8m. In addition, EBITDA includes a positive effect due to the sale of two commercial buildings (capital gain of € 2.2m). A one-off positive impact was also recorded last year, following the reversal of the provision on the pending dispute with the former supplier Infobase for an amount of € 3.4m. Excluding these one-off revenues, EBITDA has increased by € 4.3m compared to last year. However, there was also an unexpected write-down of € 0.6m on a customer in 1H24, due to bankruptcy.

Revenue from the 50% joint venture Mediafin (De Tijd/L'Echo) rose in 1H24 4.9% y/y to € 42.5m (i.e. the 100% value). 1H24 EBITDA amounted to € 9.7m (+6.1% y/y), generating a net result of € 3.4m (-2.5% versus 1H24), even after the depreciation of the De Tijd/L'Echo brands. For the 50% participation, this results in a contribution for Roularta of € 1.7m (€ -0.1m y/y) according to the equity accounting method. Mediafin revenue and EBITDA are not proportionally included in the consolidated figures of Roularta. The fully consolidated businesses in Roularta realised € 10.0m EBITDA in 1H24, compared to € 6.6m in 1H23; the associated businesses and JVs realised € 1.4m EBITDA (their earnings via the equity method), compared to € 1.8m in 1H24. EBIT evolved from € -0.5m in 2023 to € 1.6 million in 2024. In 2024, depreciation was booked among other things on the brands acquired at the end of 2023. The 'Share in the result of associated companies and joint ventures' contains € 2.2m (i.e. the 100% value) of depreciation of brands and customer relationships. Taxes are almost zero compared to € -0.4m in the same period last year, due to losses in the Netherlands. 1H24 net result of Roularta finished at € 2.4m.

We updated our model as Roularta indicated that -given the uncertain economic context and the budgetary restrictions that continue to confront advertisers- a certain amount of pressure on advertising income should continue to be borne in mind in 2H24. This income remains quite volatile and unpredictable. Roularta nevertheless expects a positive impact on income from readership thanks to recruitment for digital subscriptions and the growing recruitment for print

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Outlook

subscriptions via digital channels, especially in Belgium. Roularta claims that a new and younger audience is discovering its digital offer through 'Mijn Magazines': the app, digital kiosk and 24/24 website that offer all the content from all its editorial teams.

Roularta also expects the trend in newsstand sales to be in line with the current market. Revenue from line extensions (travel, books, design, cuisine, etc.) will remain more or less stable.

In the Printing Services segment, Roularta expects revenue to stabilise in 2H24. Distribution costs will rise less than initially estimated, given that its newspapers are delivered with the normal delivery rounds for letters and parcels, and the deadlines for deliveries to the distributor have been adjusted. Additionally, the application of the tax credit will reduce the distribution costs. Roularta mentioned that its newspapers will be distributed by two parties from 1 July 2024, of which bpost is the main one. Roularta also expects stable to slightly rising costs for energy and raw materials. Nonetheless, Roularta is continuing to commit to efficiency measures to counter the persisting inflation, including the uniformization of the Dutch and Belgian processes and systems.

FULL YEAR RESULTS AND FORECASTS (€ m) BEFORE AND AFTER 1H24 RESULTS

Summary	2023	Old 2024	Old 2025	Old 2026	Old 2027	New 2024E	New 2025E	New 2026E	New 2027E
Sales	323.5	330.0	338.9	345.2	348.5	321.7	327.8	332.9	335.0
<i>Sales growth</i>	-5.7%	2.0%	2.7%	1.9%	0.9%	-0.6%	1.9%	1.6%	0.6%
COGS	-60.4	-61.6	-63.3	-64.4	-65.0	-53.1	-54.1	-54.9	-55.3
Gross profit	263.1	268.4	275.6	280.8	283.5	268.7	273.7	278.0	279.7
<i>Gross margin</i>	81.3%	81.3%	81.3%	81.3%	81.3%	83.5%	83.5%	83.5%	83.5%
REBITDA	21.6	25.3	26.3	27.2	27.6	26.4	27.2	28.0	28.3
<i>REBITDA margin</i>	6.7%	7.7%	7.8%	7.9%	7.9%	8.2%	8.3%	8.4%	8.5%
Depreciation and amortisation	-18.4	-18.7	-19.2	-19.6	-19.8	-20.0	-20.3	-20.7	-20.8
EBIT	3.2	6.6	7.1	7.6	7.8	6.4	6.9	7.3	7.5
<i>EBIT margin</i>	1.0%	2.0%	2.1%	2.2%	2.3%	2.0%	2.1%	2.2%	2.3%
Net interest	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pre-tax earnings	3.6	6.6	7.1	7.6	7.8	6.4	6.9	7.3	7.5
Taxes	-1.3	-1.5	-1.6	-1.7	-1.8	-1.5	-1.6	-1.7	-1.7
Consolidated earnings	2.4	5.1	5.5	5.8	6.0	5.0	5.3	5.6	5.8
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	2.4	5.1	5.5	5.8	6.0	5.0	5.3	5.6	5.8

Source: Roularta, KBC Securities

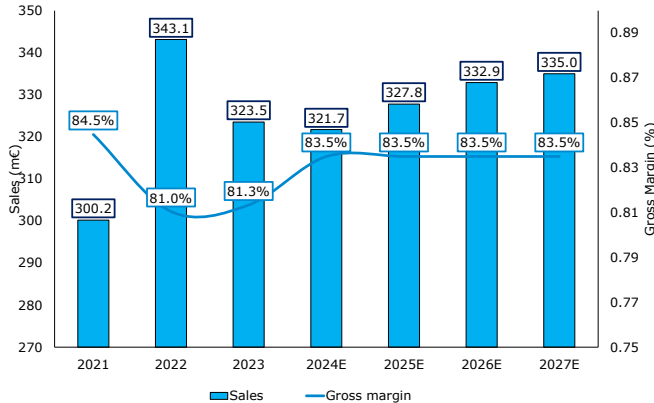
The table below gives an overview of our updated performance and stock price related ratios since 2019 and our forecasts till FY27E.

PERFORMANCE AND STOCK PRICE RELATED RATIOS

Summary	2019	2020	2021	2022A	2023A	2024E	2025E	2026E	2027E
Basic EPS	0.87	0.48	1.42	0.65	0.20	0.43	0.47	0.50	0.52
Dividend (€)	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.25	1.50
Dividend yield	3.7%	7.6%	5.3%	5.4%	6.5%	8.4%	8.4%	10.5%	12.6%
Free cash flow / share	1.50	0.12	1.29	0.63	-0.17	0.75	0.78	0.76	0.72
Free cash flow yield	11.1%	0.9%	6.8%	3.4%	-1.1%	6.3%	6.5%	6.3%	6.0%
Net book value / share	18.25	17.01	17.47	17.20	16.51	16.83	16.36	15.69	14.81
P/ NBV	0.7	0.8	1.1	1.1	0.9	0.7	0.7	0.8	0.8
Reference market capitalisation	179.0	173.5	249.0	244.2	203.7	157.0	157.0	157.0	157.0
Net debt	-95.9	-85.9	-101.0	-73.0	-56.8	-54.9	-53.5	-48.8	-40.6
Enterprise value (€ m)	80.2	78.9	121.7	145.4	125.4	85.5	87.0	91.7	99.8
EV/sales	0.3	0.3	0.4	0.4	0.4	0.3	0.3	0.3	0.3
EV/REBITDA	3.5	4.1	3.3	4.8	5.8	3.4	3.3	3.4	3.6
EV/EBITDA	3.5	4.1	3.3	4.8	5.8	3.4	3.3	3.4	3.6
EV/EBIT	8.0	13.0	9.5	26.5	38.7	12.9	12.2	12.1	12.7
EV/Capital employed	0.6	1.0	1.5	1.5	1.2	0.8	0.8	0.9	1.0
Reference share price (€)	13.6	13.2	19.0	18.6	15.5				
P/E	15.8	27.4	13.4	28.6	77.5	27.6	25.6	24.0	23.2

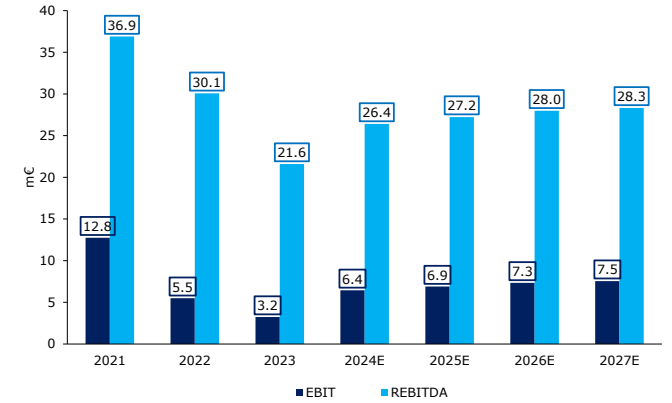
Source: Roularta, KBC Securities

Sales & Gross margin



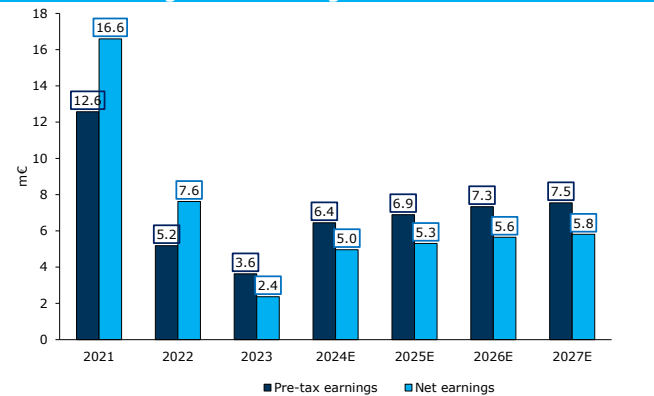
Source: Roularta, KBC Securities

EBIT & (R)EBITDA



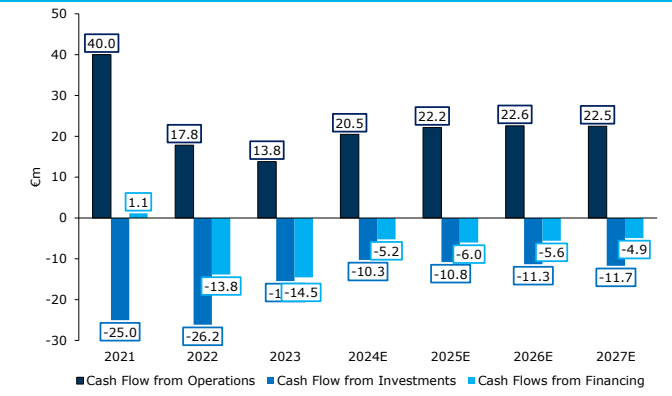
Source: Roularta, KBC Securities

Pre-tax earnings & Net earnings



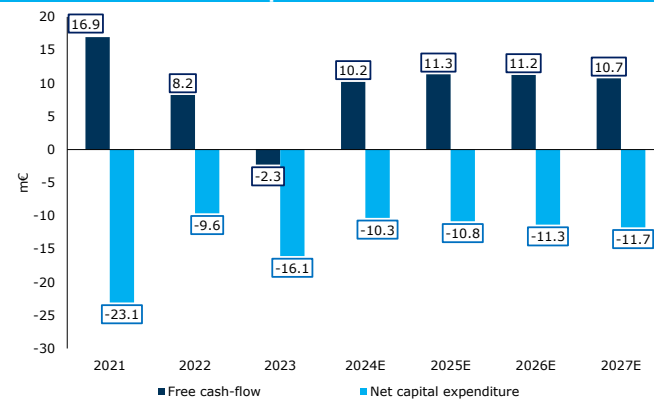
Source: Roularta, KBC Securities

Cash Flow



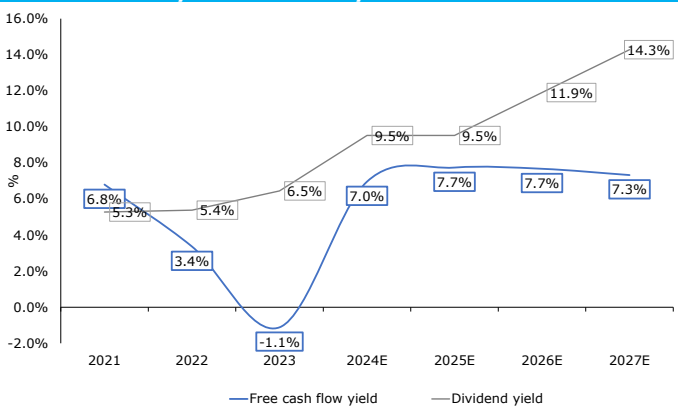
Source: Roularta, KBC Securities

Free cash-flow & Net CapEx



Source: Roularta, KBC Securities

Free cash-flow yield & Dividend yield



Source: Roularta, KBC Securities

OUR BASE CASE DCF POINTS TO A FAIR VALUE OF € 17.6 P/S

Our base case **DCF valuation** is based on an explicit 10-year forecast period from 2024E-2033E and terminal free cash flow growth of 0.00% thereafter. The assumptions underlying our **free operating cash flow** (FOCF) are as follows:

- Operating profit after 2029E at 2.25% of sales
- Tax rate of 25%
- Capex as % of sales at 3.60%.

Our base case DCF model points to a fair value of € 17.6 per share

DCF MODEL: CASH FLOWS (€ m)

Summary	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Sales	321.74	327.80	332.91	335.01	336.95	338.63	340.33	342.03	343.74	345.46
Operating Profit	6.44	6.89	7.33	7.55	7.59	7.62	7.66	7.70	7.73	7.77
Taxes	1.48	1.59	1.69	1.74	1.75	-1.90	-1.91	-1.92	-1.93	-1.94
Depreciation/provisions	19.96	20.34	20.65	20.78	20.90	21.01	21.11	21.22	21.32	21.43
Operation C/F	27.89	28.82	29.67	30.07	30.24	26.72	26.86	26.99	27.12	27.26
Capex	-10.30	-10.82	-11.32	-11.73	-11.79	-12.19	-12.25	-12.31	-12.37	-12.44
Changes working capital	-4.43	-3.49	-3.75	-4.14	-4.21	-4.23	-4.25	-4.27	-4.29	-4.32
Free Cash Flow	13.16	14.51	14.61	14.20	14.24	10.30	10.35	10.40	10.46	10.51
Present Value Free	12.14	12.17	11.13	9.83	8.96	5.89	5.38	4.91	4.48	4.09

Source: KBC Securities

DCF MODEL: FAIR VALUE (€ m)

Enterprise value	101.4	Period	101.4	% of value
- Net financial debt	56.8	Years 1-5	54.2	53%
- Minority interests	51.0	Years 6-10	24.7	24%
- Pension provisions	-2.9	Infinity	22.4	22%
Equity Value	206.3			
/ Number of shares (m)	11,719,515	Terminal growth	0.00%	
= Value per share (€)	17.6			

Source: KBC Securities

Our model uses a risk free rate of 2.50%, an equity risk premium of 6.00%, a beta of 1.26, and cost of debt of 4.24%. This translates into a WACC of 10.06% (post-tax). The first 5 years make up 53% of our enterprise value (EV) estimate, the 2029E-2033E period 24% and our terminal value 22%. We correct the enterprise value for net cash, minorities and provisions to obtain a fair value per share of € 17.6.

DCF MODEL: WACC

Bond 10 year	Risk premium	Beta	Cost of Equity	Debt (% of EV)	Tax rate	WACC
2.50%	6.00%	1.26	10.06%	0%	23.00%	10.06%

Source: KBC Securities

This sensitivity analysis shows how the fair value changes with different assumptions and changes in input for WACC (base scenario = 10.06%) and terminal growth (base scenario = 0.00%).

DCF MODEL: SENSITIVITY ANALYSIS

		Terminal growth						
		-0.60%	-0.40%	-0.20%	0.00%	0.20%	0.40%	0.60%
WACC	8.75%	18.4	18.4	18.5	18.5	18.6	18.6	18.7
	9.25%	18.0	18.0	18.1	18.1	18.2	18.2	18.3
	9.75%	17.7	17.7	17.8	17.8	17.8	17.9	17.9
	10.06%	17.5	17.5	17.6	17.6	17.6	17.7	17.7
	10.25%	17.4	17.4	17.4	17.5	17.5	17.6	17.6
	10.75%	17.1	17.1	17.2	17.2	17.2	17.3	17.3
	11.25%	16.9	16.9	16.9	16.9	17.0	17.0	17.0

Source: KBC Securities

FINANCIAL DATA

Income Statement (€ m)	2021A	2022A	2023A	2024E	2025E	2026E
Sales	300.2	343.1	323.5	321.7	327.8	332.9
COGS	(46.6)	(65.0)	(60.4)	(53.1)	(54.1)	(54.9)
Gross profit	253.6	278.1	263.1	268.7	273.7	278.0
Operating costs	(233.3)	(267.6)	(259.9)	(262.2)	(266.8)	(270.6)
Other income & costs	(7.6)	(5.0)	0.0	0.0	0.0	0.0
EBIT	12.8	5.5	3.2	6.4	6.9	7.3
Other non-operating	0.0	0.0	0.0	0.0	0.0	0.0
Net interest	(0.2)	(0.3)	0.4	0.0	0.0	0.0
Pre-tax earnings	12.6	5.2	3.6	6.4	6.9	7.3
Taxes	3.5	(4.6)	(1.3)	(1.5)	(1.6)	(1.7)
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued & other	0.0	0.0	0.0	0.0	0.0	0.0
Consolidated earnings	16.0	0.6	2.4	5.0	5.3	5.6
Minority interests	0.6	7.1	0.0	0.0	0.0	0.0
Net earnings (€m)	16.6	7.6	2.4	5.0	5.3	5.6
Depreciation and amortisation	(24.1)	(24.6)	(18.4)	(20.0)	(20.3)	(20.7)
Non recurring elements included in EBIT	0.0	0.0	0.0	0.0	0.0	0.0
REBITDA (€m)	36.9	30.1	21.6	26.4	27.2	28.0
EBITDA	36.9	30.1	21.6	26.4	27.2	28.0
Adjusted net earnings	16.6	7.6	2.4	5.0	5.3	5.6

Source: KBC Securities

Balance Sheet (€ m)	2021A	2022A	2023A	2024E	2025E	2026E
Intangible assets	77.6	95.0	95.5	95.5	95.5	95.5
Tangible assets	65.6	67.5	70.8	68.2	58.7	49.4
Financial assets	65.0	59.3	56.9	62.0	62.0	62.0
Other fixed assets	0.0	0.0	0.0	0.0	0.0	0.0
Total fixed assets	208.2	221.9	223.3	225.8	216.2	206.9
Inventories	9.4	12.8	10.9	11.8	13.0	14.2
Receivables	53.7	54.8	52.8	55.7	60.0	64.3
Other current assets	4.7	7.1	8.3	8.2	8.4	8.5
Cash & equivalents	106.7	84.5	68.3	73.2	78.5	84.2
Total current assets	174.5	159.2	140.2	148.9	159.9	171.2
Total assets	382.7	381.1	363.5	374.7	376.2	378.1
Equity	229.6	226.0	217.0	220.3	213.1	203.1
Minorities	13.0	(0.2)	(0.2)	1.1	1.1	1.1
Provisions	7.1	6.3	2.9	2.9	2.9	2.9
Long term financial debt	4.2	8.8	6.0	6.0	6.0	6.0
Other long term liabilities	12.4	15.1	15.1	15.1	15.1	15.1
Total long term liabilities	266.3	256.0	240.8	245.4	238.2	228.2
Short term financial debt	1.4	2.6	5.4	12.7	19.2	29.3
Payables	44.8	49.2	43.8	43.6	44.4	45.1
Other current liabilities	70.3	73.2	73.4	73.0	74.3	75.5
Total short term liabilities	116.4	125.0	122.6	129.3	138.0	149.9
Total equity and liabilities	382.7	381.1	363.5	374.7	376.2	378.1
Net working capital	18.4	18.4	19.8	23.9	28.6	33.4
Net debt	(101.0)	(73.0)	(56.8)	(54.5)	(53.3)	(48.9)

Source: KBC Securities

Cash Flow Statement (€ m)	2021A	2022A	2023A	2024E	2025E	2026E
Consolidated earnings	16.0	0.6	2.4	5.0	5.3	5.6
Depreciation, amortisation & impairment	16.6	19.6	18.4	20.0	20.3	20.7
Change in working capital	5.0	(9.7)	(4.7)	(4.4)	(3.5)	(3.7)
Other cash flow from operations	2.4	7.4	(2.3)	0.0	0.0	0.0
Cash flow from operations	40.0	17.8	13.8	20.5	22.2	22.6
Net capital expenditure	(23.1)	(9.6)	(16.1)	(10.3)	(10.8)	(11.3)
Acquisitions / disposals	(2.0)	(18.0)	(1.2)	0.0	0.0	0.0
Other cash flow from investments	0.0	1.4	1.8	0.0	0.0	0.0
Cash flow from investments	(25.0)	(26.2)	(15.5)	(10.3)	(10.8)	(11.3)
Dividend payments	(11.7)	(11.8)	(11.8)	(12.5)	(12.5)	(15.6)
Shares issues	0.3	0.2	0.2	0.0	0.0	0.0
New borrowings / reimbursements	0.0	0.0	(0.5)	7.3	6.5	10.0
Other cash flow from financing	12.5	(2.3)	(2.5)	0.0	0.0	0.0
Cash flow from financing	1.1	(13.8)	(14.5)	(5.2)	(6.0)	(5.6)
Change in cash & equivalents	16.1	(22.2)	(16.2)	5.0	5.3	5.6
Free cash flow (before acquisitions)	16.9	8.2	(2.3)	10.2	11.3	11.2

Source: KBC Securities

Per Share Data (€)	2021A	2022A	2023A	2024E	2025E	2026E
Basic EPS	1.42	0.65	0.20	0.40	0.42	0.45
Diluted, adjusted EPS	1.41	0.65	0.20	0.40	0.42	0.45
Net book value per share	17.47	17.20	16.51	15.81	15.29	14.58
Dividend per share (€)	1.00	1.00	1.00	1.00	1.00	1.25
Weighted average number of shares, diluted (m)	11.74	11.74	11.74	12.53	12.53	12.53

Source: KBC Securities

Performance Criteria	2021A	2022A	2023A	2024E	2025E	2026E
Sales growth (%)	17.1	14.3	(5.7)	(0.6)	1.9	1.6
REBITDA growth (%)	89.5	(18.5)	(28.2)	22.3	3.1	2.8
Net earnings growth (%)	177.3	(54.1)	(69.0)	109.7	7.0	6.4
Gross margin (%)	84.48	81.05	81.34	83.50	83.50	83.50
REBITDA margin (%)	12.3	8.8	6.7	8.2	8.3	8.4
REBIT margin (%)	4.2	1.6	1.0	2.0	2.1	2.2
Net working capital / sales (%)	6.1	5.4	6.1	7.4	8.7	10.0
Net capital expenditure / sales (%)	(7.7)	(2.8)	(5.0)	(3.2)	(3.3)	(3.4)
Net debt / Equity + Minorities (x)	(41.63)	(32.34)	(26.20)	(24.61)	(24.89)	(23.95)
Net debt / EBITDA (x)	(2.74)	(2.43)	(2.63)	(2.06)	(1.96)	(1.75)
Pay-out ratio (%)	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted return on equity (%)	n/a	n/a	n/a	n/a	n/a	n/a
Adjusted return on capital employed (%)	n/a	n/a	n/a	n/a	n/a	n/a

Source: KBC Securities

Valuation Data	2021A	2022A	2023A	2024E	2025E	2026E
PE (diluted, adjusted)	13.44	28.59	77.50	26.89	25.14	23.63
EV / Sales (x)	0.4	0.4	0.4	0.2	0.2	0.3
EV / REBIT (x)	9.5	26.5	38.7	12.3	11.8	11.7
EV / REBITDA (x)	3.3	4.8	5.8	3.0	2.9	3.0
P / NBV (x)	1.1	1.1	0.9	0.7	0.7	0.7
FCF yield (%)	6.8	3.4	(1.1)	6.9	7.6	7.6
Dividend yield (%)	5.3	5.4	6.5	9.4	9.4	11.7

Source: KBC Securities

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Stock Rating	Definition	% Of Cov Universe	% IB Client in Last Year
Buy	Expected total return (including dividends) of 10% or more over a 6-month period	47.4	29.6
Accumulate	Expected total return (including dividends) between 0% and 15% over a 6-month period	36.0	22.0
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Reduce	Expected total return (including dividends) between -15% and 0% over a 6-month period	2.6	0.0
Sell	Expected total return (including dividends) of -10% or worse over a 6-month period	0.0	0.0

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Business Description for: Roularta

Roularta Media Group (RMG) is a Belgian multimedia group with over 1,300 employees and a turnover of 343m. In Belgium, RMG is a leader in magazine brands in Dutch and French. In the Netherlands, RMG has the second-largest portfolio of magazine brands. In Germany, RMG is a market leader in media for the fifty-plus audience. With Roularta Printing, RMG operates the largest offset printing factory in Belgium, producing newspapers, magazines, and catalogs for the Belgian and international markets. RMG possesses powerful digital tools, such as the 'Mijn Magazines' app (Dutch for 'My Magazines'), featuring a digital kiosk, a 24/24 website with input from all editorial teams, and subscriptions accessible to the entire family.

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Roularta

B, D

The price target for Roularta is based on the following parameters:

We saw € 159.5m 1H24 revenues (+0.1% y/y) and 1H24 EBITDA of € 11.4m (+36.5% y/y) so Roularta's continued investment in a multimedia market approach and the further expansion of the Dutch magazines ensured a significant increase in Roularta's EBITDA with stable sales. Roularta indicated that -given the uncertain economic context and the budgetary restrictions that continue to confront advertisers- a certain amount of pressure on advertising income should continue to be borne in mind in 2H24. This income remains quite volatile and unpredictable. Roularta nevertheless expects a positive impact on income from readership thanks to recruitment for digital subscriptions and the growing recruitment for print subscriptions via digital channels, especially in Belgium. Roularta claims that a new and younger audience is discovering its digital offer through 'Mijn Magazines': the app, digital kiosk and 24/24 website that offer all the content from all its editorial teams. We maintain our Accumulate rating and use a, DCF backed, € 17.5 Target Price.

The risks which may impede the achievement of our price target for Roularta are:

Below is an overview of the stock ratings and target price history in the last 12 months for the stock(s) described in this report. Rating and price history is delayed by 1 month.

Company	Date	Rating	Target Price
Roularta	Mar 1 2024	Accumulate	17.50
Roularta	Aug 18 2023	Accumulate	21.00

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