

# Roularta

## Selling its German magazines, now full focus on its 2 core markets

Media | Belgium

**Roularta Media Group as reached an agreement with Herder Verlag and Agentur2 around the acquisition of G-Geschichte, Plus Magazin and Frau Im Leben. The media group intends to focus its focus on further strategic growth in its two core markets: Belgium and the Netherlands.**

**No impact on our investment case (Accumulate, € 17.5 Target Price) but we welcome that as from now Roularta can continue its ambitious growth strategy focused on digitalisation, innovation, consolidation and sustainability in its two core markets, namely Belgium and the Netherlands.**

Roularta Media Deutschland, Roularta's German subsidiary, was a small player on the German market. Roularta saw few growth opportunities for the three titles within its own German portfolio of magazine brands. Therefore, G-Geschichte will be acquired by Herder Verlag and Plus Magazin and Frau Im Leben will be acquired by Agentur2.

Herder Verlag publishes about 350 new titles a year and is responsible for more than a dozen magazines. The book programme focuses on the themes of politics and history, society, theology, religion, education and lifestyle. The publisher is Manuel Herder, who now represents the sixth generation.

Agentur2 is an agency that brings brands to life through communication. Agentur2 is now seizing the opportunity to enter the publishing world. It does so with extensive expertise in online marketing, prototyping, product development and UX. The successful Plus Magazin, Frau im Leben and Rente & Co brands will be further developed into dynamic multichannel brands.

Recall that at the beginning of January 2025, Marjolein Denekamp will be joining the management team at Roularta as the new CEO of Roularta Media Nederland, the publisher of EW (formerly Elsevier), as well as leading mindstyle and special interest magazines such as Happinez, Flow, Plus and Truckstar. She will be responsible for implementing the Roularta vision and strategy in the Netherlands, with a focus on digitisation, innovation, sustainable growth and partnerships. Marjolein Denekamp (°1983), who holds a Bachelor of Science in Leisure Studies (Breda), gained her first work experience at digital agencies and in the event business. She subsequently worked at Grüner+Jahr Netherlands as chief digital officer and digital strategist. In 2018, she joined Hearst Magazines Netherlands as the chief audience & growth officer, where she focused on the digital transformation of the business, specifically in print. Roularta indicated that -with this valuable experience under her belt- will further implement Roularta's vision and strategy - focused on digitisation, innovation, sustainable growth and partnerships - in the Dutch multimedia landscape. She follows in the footsteps of Erwin van Luit, who left earlier this year.

Share Price: €11.7  
**Target Price: €17.5**  
 Upside/Downside: 49.6%

**Recommendation: Accumulate**  
 Previous Recommendation: Accumulate

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### Key Data

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

Market Cap. (m): €163.0  
 Shares Out. (m): 13.9  
 Volume (Daily): 1323  
 Free Float: 11.5%  
 Price 12m Hi/Lo: 13.8 / 10.1

Performance	1m	3m	12m
Absolute (%)	0.9	6.4	-5.6
Rel. BEL20	1.5	-3.4	-28.4

### Next Corporate Event

Results FY24: 14/03/2025

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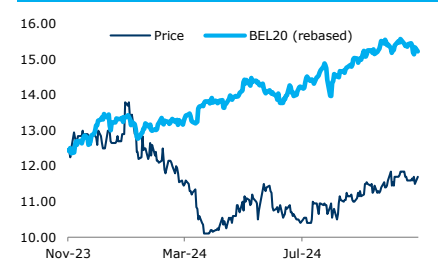
Year To: December	2023A	2024E	2025E	2026E
Sales (€m)	323.5	321.7	327.8	332.9
REBITDA (€m)	21.6	26.4	27.2	28.0
Net earnings (€m)	2.4	5.0	5.3	5.6
Diluted, adjusted EPS (€)	0.20	0.40	0.42	0.45
Dividend per share (€)	1.00	1.00	1.00	1.25
PE (diluted, adjusted)	77.50	29.55	27.62	25.96
EV / REBITDA (x)	5.81	3.49	3.42	3.49
Free cash flow yield (%)	(1.1)	6.2	7.0	6.9
Dividend yield (%)	6.5	8.5	8.5	10.7

Source: KBC Securities

<https://research.kbcsecurities.com>

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### Price Chart



Source: Refinitiv Datastream

## FINANCIAL DATA

Income Statement (€ m)	2021A	2022A	2023A	2024E	2025E	2026E
<b>Sales</b>	<b>300.2</b>	<b>343.1</b>	<b>323.5</b>	<b>321.7</b>	<b>327.8</b>	<b>332.9</b>
COGS	(46.6)	(65.0)	(60.4)	(53.1)	(54.1)	(54.9)
Gross profit	253.6	278.1	263.1	268.6	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
<b>EBIT</b>	<b>12.8</b>	<b>5.5</b>	<b>3.2</b>	<b>6.4</b>	<b>6.9</b>	<b>7.3</b>
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
<b>Net earnings (€m)</b>	<b>16.6</b>	<b>7.6</b>	<b>2.4</b>	<b>5.0</b>	<b>5.3</b>	<b>5.6</b>
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
<b>Total fixed assets</b>	<b>208.2</b>	<b>221.9</b>	<b>223.3</b>	<b>225.8</b>	<b>216.2</b>	<b>206.9</b>
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
<b>Total current assets</b>	<b>174.5</b>	<b>159.2</b>	<b>140.2</b>	<b>148.9</b>	<b>159.9</b>	<b>171.2</b>
<b>Total assets</b>	<b>382.7</b>	<b>381.1</b>	<b>363.5</b>	<b>374.7</b>	<b>376.2</b>	<b>378.1</b>
<b>Equity</b>	<b>229.6</b>	<b>226.0</b>	<b>217.0</b>	<b>217.9</b>	<b>210.7</b>	<b>200.7</b>
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
<b>Total long term liabilities</b>	<b>266.3</b>	<b>256.0</b>	<b>240.8</b>	<b>243.0</b>	<b>235.8</b>	<b>225.8</b>
Short term financial debt	1.4	2.6	5.4	15.1	21.6	31.7
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
<b>Total short term liabilities</b>	<b>116.4</b>	<b>125.0</b>	<b>122.6</b>	<b>131.7</b>	<b>140.4</b>	<b>152.3</b>
<b>Total equity and liabilities</b>	<b>382.7</b>	<b>381.1</b>	<b>363.5</b>	<b>374.7</b>	<b>376.2</b>	<b>378.1</b>
Net working capital	18.4	18.4	19.8	23.9	28.6	33.4
Net debt	(101.0)	(73.0)	(56.8)	(52.1)	(50.9)	(46.5)

Source: KBC Securities

<b>Cash Flow Statement (€ m)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
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
<b>Cash flow from operations</b>	<b>40.0</b>	<b>17.8</b>	<b>13.8</b>	<b>20.5</b>	<b>22.2</b>	<b>22.6</b>
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
<b>Cash flow from investments</b>	<b>(25.0)</b>	<b>(26.2)</b>	<b>(15.5)</b>	<b>(10.3)</b>	<b>(10.8)</b>	<b>(11.3)</b>
Dividend payments	(11.7)	(11.8)	(11.8)	(12.5)	(12.5)	(15.6)
Shares issues	0.3	0.2	0.2	(2.4)	0.0	0.0
New borrowings / reimbursements	0.0	0.0	(0.5)	9.7	6.5	10.0
Other cash flow from financing	12.5	(2.3)	(2.5)	0.0	0.0	0.0
<b>Cash flow from financing</b>	<b>1.1</b>	<b>(13.8)</b>	<b>(14.5)</b>	<b>(5.2)</b>	<b>(6.0)</b>	<b>(5.6)</b>
<b>Change in cash &amp; equivalents</b>	<b>16.1</b>	<b>(22.2)</b>	<b>(16.2)</b>	<b>5.0</b>	<b>5.3</b>	<b>5.6</b>
Free cash flow (before acquisitions)	16.9	8.2	(2.3)	10.2	11.3	11.2

Source: KBC Securities

<b>Per Share Data (€)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
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	15.64	15.12	14.40
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

<b>Performance Criteria</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Sales growth (%)	17.1	14.3	(5.7)	(0.6)	1.9	1.6
REDITDA 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 (%)	84.5	81.0	81.3	83.5	83.5	83.5
REBITDA growth (%)	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)	(0.42)	(0.32)	(0.26)	(0.24)	(0.24)	(0.23)
Net debt / EBITDA (x)	(2.74)	(2.43)	(2.63)	(1.97)	(1.87)	(1.66)
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

<b>Valuation Data</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
PE (diluted, adjusted)	13.44	28.59	77.50	29.55	27.62	25.96
EV / Sales (x)	0.4	0.4	0.4	0.3	0.3	0.3
EV / REBIT (x)	9.5	26.5	38.7	14.1	13.3	13.1
EV / REBITDA (x)	3.3	4.8	5.8	3.5	3.4	3.5
P / NBV (x)	1.1	1.1	0.9	0.7	0.8	0.8
FCF yield (%)	6.8	3.4	(1.1)	6.2	7.0	6.9
Dividend yield (%)	5.3	5.4	6.5	8.5	8.5	10.7

Source: KBC Securities

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The company disclosures can also be consulted on our website

<https://research.kbcsecurities.com/portal/portal.html#!/disclosures>

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This publication has been finalised on Nov 6 2024 before market opening.

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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	48.3	33.9
Accumulate	Expected total return (including dividends) between 0% and 15% over a 6-month period	37.1	25.6
Hold	Expected total return (including dividends) between -5% and 5% over a 6-month period	12.9	26.7
Reduce	Expected total return (including dividends) between -15% and 0% over a 6-month period	1.7	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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Subject Company	Relevant disclosure(s) if any
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

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