

Results 2019

ROULARTA MEDIA GROUP



Brussels, March 6th, 2020

Key facts 2019

Xavier Bouckaert



2019 December KEY FACTS

- ✓ The integration of the acquired Women's brands is a big success
- ✓ The new deal is well received in the market and leads to an overall increase of subscription amount in News & Business



2020 ITEMS



- ✓ RMG acquired all shares of Senior Publications (Plus Magazine)
- ✓ RMG sold its 50% participation in Sailer
- ✓ The activities of Storesquare are shutting down
- ✓ New printing Lithoman machine expected operational in Nov 2020



Roularta

Number of Share

13,141,123

Free Float

25%

Stock evolution of the Roularta share



Market cap
31/12/2019
184.6 mio €

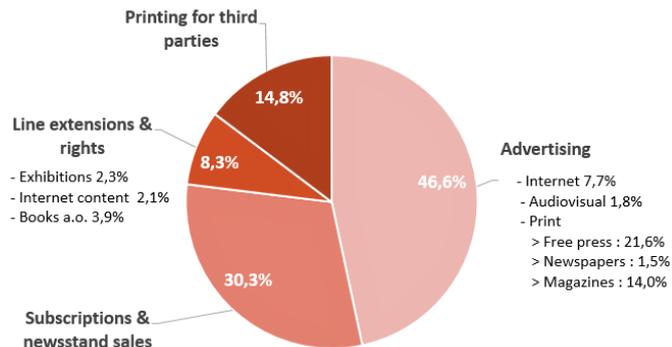
D = Ex-dividend date

Sales YTD 12/2019

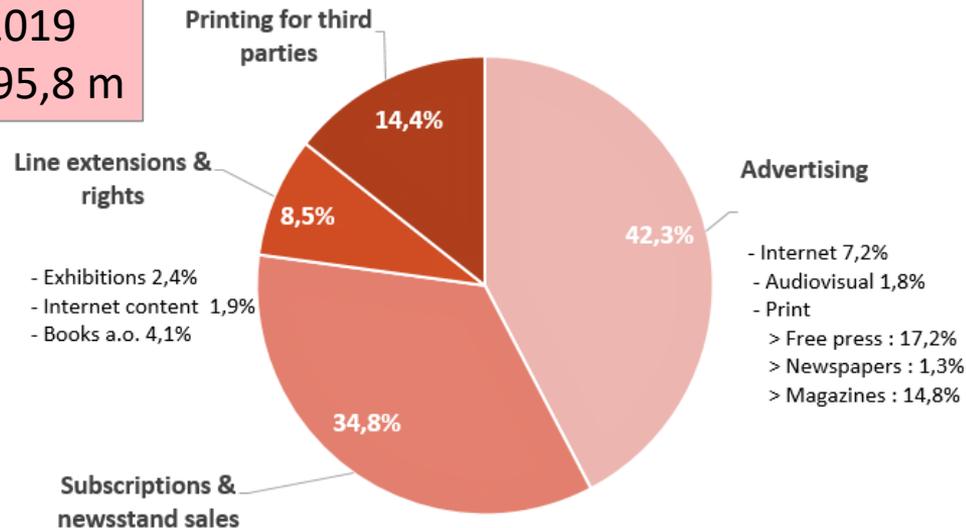


Sales analysis - consolidated sales per kind of revenue

2018
€ 277,0 m

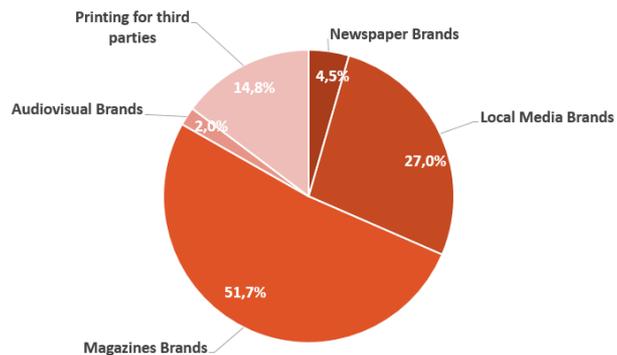


2019
€ 295,8 m

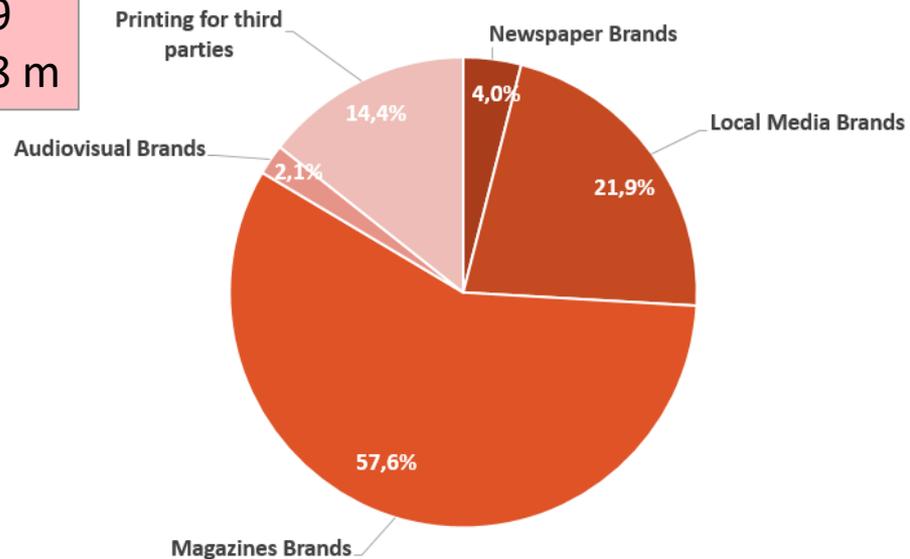


Sales analysis – consolidated sales per business unit

2018
€ 277,0 m



2019
€ 295,8 m



Results YTD 12/2019



2017 – 2018 - 2019 evolution

	2017	2018	Trend
Turnover	256,8	277,0	+8%
EBITDA	1,9	6,3	x3,3

	2018	2019	Trend
Turnover	277,0	295,8	+7%
EBITDA	6,3	23,0	x3,6

Consolidated results 2019 12 YTD KEY FIGURES

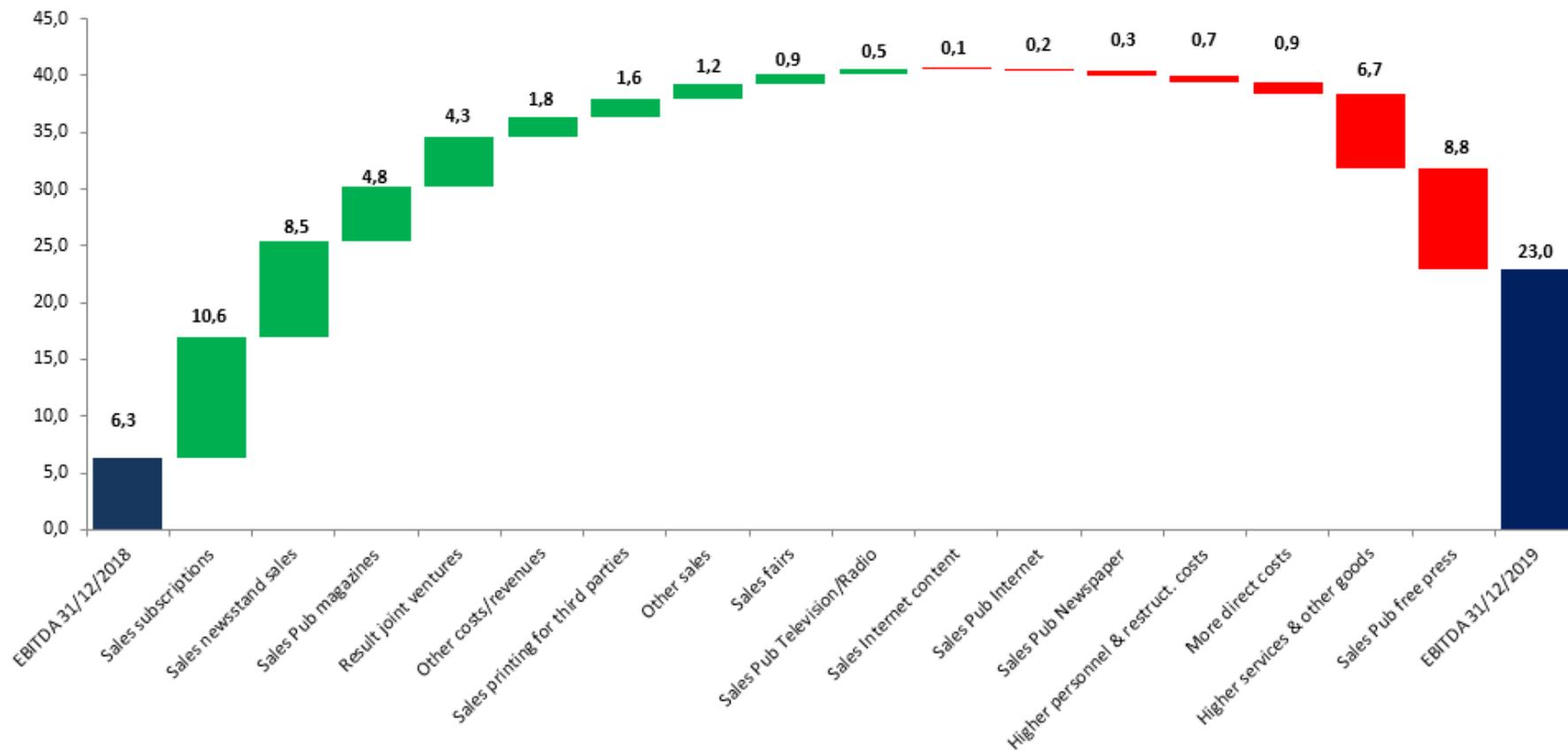
in millions of euros	31/12/19	31/12/18	Trend	Trend (%)
INCOME STATEMENT				
Sales	295,8	277,0	18,8	+ 6,8%
EBITDA ⁽²⁾	23,0	6,3	16,7	+ 262,8%
<i>EBITDA - margin</i>	<i>7,8%</i>	<i>2,3%</i>		
EBIT ⁽³⁾	10,0	-65,5	75,5	+ 115,2%
<i>EBIT - margin</i>	<i>3,4%</i>	<i>-23,7%</i>		
Net finance costs	-0,1	-5,1	5,0	- 98,5%
Income taxes	0,4	-1,5	2,0	- 127,9%
Net result from continuing operations	10	-72,2	82,5	+ 114,3%
Net result from discontinued operations	0,0	151,1	-151,1	- 100,0%
Net result	10,3	78,9	-68,6	- 86,9%
Net result attributable to minority interests	-0,5	-1,0	0,5	+ 48,4%
Net result attributable to equity holders of RMG	11	79,9	-69,1	- 86,4%
<i>Net result attributable to equity holders of RMG - margin</i>	<i>3,7%</i>	<i>28,9%</i>		
Number of full time equivalent employees at closing date ⁽⁴⁾	1.217	1.287		

(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) Number of FTEs; joint ventures (Mediafin, Bayard etc.) not included

Waterfall EBITDA CONSOLIDATED actuals 2018 versus 2019 (in € m)



Financials 2019

JEROEN MOUTON



Impact IFRS 16 Lease Liability

Impact from within EBITDA to below EBITDA

IFRS 16 eliminates nearly all off-balance sheet accounting for lessees.

Balance Sheet

Recognised Right-Of-Use Assets (mio €)	31/12/19	31/12/18
Buildings	2,9	0,0
Machinery	0,2	0,0
Cars	3,4	0,0
Total	6,4	0,0

Not visible as CAPEX in CF statement as no “cash-out”.

The initially recognized amount at January 2019 was € 4,7m. First time adoption in 2019.

Profit & Loss

Depreciations (mio €)	31/12/19	31/12/18
Buildings	0,3	0,0
Machinery	0,0	0,0
Cars	1,1	0,0
Total	1,4	0,0

Included in depreciations

Overall P&L impact (mio €)	31/12/19	31/12/18
Lower renting expenses (positive EBITDA impact)	1,2	0,0
Higher depreciation charge (below EBITDA impact)	-1,4	0,0
Impact on financial result (below EBITDA impact)	0,1	0,0
Total	-0,1	0,0

IFRS 16 has a nil impact on net result in P&L

Segment reporting 2019 12 KEY FIGURES

MEDIA BRANDS	31/12/19	31/12/18	Trend	Trend (%)
SALES	258,5	241,6	16,9	+ 7,0%
<i>Sales to external customers</i>	257,3	240,0	17,3	+ 7,2%
<i>Sales from transactions with other segments</i>	1,2	1,6	-0,4	- 23,8%
Gross margin	198,5	179,3	19,3	+ 10,8%
<i>% on sales</i>	76,8%	74,2%		

PRINTING SERVICES	31/12/19	31/12/18	Trend	Trend (%)
SALES	77,2	78,2	-1,0	- 1,2%
<i>Sales to external customers</i>	38,5	37,0	1,5	+ 4,0%
<i>Sales from transactions with other segments</i>	38,7	41,2	-2,4	- 5,9%
Gross margin	39,0	40,3	-1,3	- 3,3%
<i>% on sales</i>	15,1%	16,7%		

Printing services:

Year on year, sales to external parties increased by € 1,5m; sales intercompany decreased by € 2,4m. Intercompany sales represent 50,2% of total vs. 52,7% last year.

The decrease of the intercompany sales is due to 1) lower volumes in Local Media & 2) lower unit-prices intercompany, partly offset by 3) new volume for Women's brands.

Consolidated result

(in thousands of euros)	31/12/19	31/12/18	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
<i>% on sales</i> <i>ppts</i>	79,6%	78,2%	+1,4 ppts
Services and other goods	-118.942	-112.276	-6.667
Personnel costs	-95.192	-94.522	-670
Other operating results	-737	-1.720	983
<i>Other operating income</i>	3.796	4.824	-1.028
<i>Other operating expenses</i>	-4.533	-6.544	2.011
Share in the result of associated companies and joint ventures	2.475	-1.831	4.306
EBITDA	22.989	6.336	16.653
<i>% on sales</i> <i>ppts</i>	7,8%	2,3%	+5,5 ppts
Depreciation, write-down and provisions	-13.011	-71.883	58.872
<i>Depreciation and write-down of intangible and tangible assets</i>	-13.156	-11.658	-1.499
<i>Write-down of inventories and debtors</i>	225	888	-663
<i>Provisions</i>	-80	2.091	-2.171
<i>Impairment losses</i>	0	-63.204	63.204
Operating result - EBIT	9.978	-65.547	75.525
<i>% on sales</i> <i>ppts</i>	3,4%	-23,7%	+27,0 ppts
Financial income	144	268	-124
Financial expenses	-219	-5.343	5.123
Income taxes	429	-1.539	1.969
Net result from continuing operations	10.332	-72.161	82.493
Net result from discontinued operations	0	151.093	-151.093
Net result of the consolidated companies	10.332	78.932	-68.600
<i>% on sales</i> <i>ppts</i>	3,5%	28,5%	-25,0 ppts
Attributable to:			0
Minority interests	-521	-1.010	489
Equity holders of Roularta Media Group	10.854	79.942	-69.088

Capex & depreciations

Capex Consolidated (mio €)	31/12/19	31/12/18
Software	3,4	2,7
Land & Buildings	0,1	0,4
Machines & Equipment	2,8	3,4
Brands (Sanoma)	0,0	32,9
Other (furniture & vehicles, assets under construction,...)	3,3	0,5
Total	9,6	39,9

Depreciations (mio €)	31/12/19	31/12/18
Titles & PPA	3,6	3,4
Impairments	0,0	63,2
Software & other intangibles	2,9	2,7
Tangible assets	6,7	5,5
Total	13,2	74,9

- YTD Dec 19:
 - Asset under construction – advance on new printing press (€ 2,6m)
 - Right-Of-Use Assets recognised under IFRS 16 are not included in the CAPEX table, since they don't incur a "cash-out".
- YTD Dec 18: 'Brands' is the acquisition of Women's brands

- In 2019 all titles & PPA have a definite lifetime and are being depreciated after in 2018 there was an impairment booked of € 63,2m on indefinite titles/rights.

Consolidated Balance Sheet

ASSETS (in thousands of euros)	31/12/19	31/12/18	Trend
NON-CURRENT ASSETS	182.720	184.107	-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
Other 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	-306
Inventories	6.047	6.348	-301
Trade and other receivables	60.061	65.756	-5.695
Tax receivable	688	483	205
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	-1.693

Systematic write down of all intangibles since June 2018

- (1) Asset under construction – advance on new printing press (€ 2,6m)
- (2) Other capex : mainly machinery
- (3) IFRS 16 right-of-use assets (€ + 6,4m) minus
- (4) Regular depreciations (€ -5,2m)
- (5) IFRS 16 depreciations (€ -1,4m)

- Dividend payment of equity companies to Roularta NV of € -5,5m
- Share in net result equity cics: € +2,5 m

Consolidated Balance Sheet

LIABILITIES (in thousands of euros)	31/12/19	31/12/18	Trend
EQUITY	228.424	223.660	4.764
Group's equity	227.846	222.561	5.285
<i>Issued capital</i>	80.000	80.000	
<i>Treasury shares</i>	-23.643	-23.705	62
<i>Retained earnings</i>	166.610	162.134	4.476
<i>Other reserves</i>	4.879	4.175	704
<i>Translation differences</i>		-43	43
Minority interests	578	1.100	-521
NON-CURRENT LIABILITIES	17.626	15.211	2.415
Provisions	8.268	8.083	186
Employee benefits	5.180	5.778	-598
Deferred tax liabilities	142	1.063	-920
Financial debts	3.748		3.748
Other payables	287	287	
CURRENT LIABILITIES	107.364	116.237	-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	489
Taxes	338	259	79
Other payables	10.884	14.814	-3.929
Accrued charges and deferred income	6.759	6.876	-117
TOTAL LIABILITIES	353.414	355.108	-1.693

YTD Dec 19 net result € 11,0 m - dividend payment € 6,3 m

- Storesquare loss of € -1,6m in '18 to € -0,55m in '19 for minority shareholder

Initial recognition of IFRS 16 Lease Liability (€ + 4,7 m) + additions of 2019 (€ + 1,7m) - repayment of principal elements IFRS 16 (€ -1,4 m)

Payment of last installment (€ -7,9 m) to Sanoma following the acquisition of the Women's brands in 2018

Decrease in Current Account towards equity accounted companies as these equity companies paid dividends.

Consolidated cash flow statement

Consolidated cash flow statement (in thousands of euros)	31/12/19	31/12/18
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 eq.	5.482	52.972
Cash and cash equivalents, beginning balance	95.956	42.984
Cash and cash equivalents, ending balance	101.438	95.956

Cash from operating activity @ € 29,6m or € +22,6m vs LY, driven by a € 12,3m increase in EBITDA (excl. JV's), € 6,3m less interests paid and decreased working capital of € 3,0m.

Cash flow from investing activity @ € -16,9m relates mainly to the last installment to Sanoma for the acquisition of the Women's brands in 2018 (€ -7,9m), software (€ -3,4m), the 3Q19 advance payment of € -2,6m for the new Lithoman printing press, the € -1,8m payment for the new collector stapler machine and the earnout on the Sterck acquisition (€ -0,35m). 2018 included € 275m proceeds for the sale of Mediaalaan and the acquisition of the € 56,8m Mediafin investment.

Cash flow from financing activity @ € -7,3m contains the dividend payment of € 6,3m and from 2019 onwards, the repayment of debt relating to the recognised IFRS 16 lease liabilities (€ 1,4m).

Net Result

Consolidated key figures (€ per share)	31/12/19	31/12/18	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%

Proposal by Board of Directors:
Dividend of 0,50€ per share

Consolidated cash flow statement

in thousands of euros	31/12/19	31/12/18
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
<i>Depreciation of (in) tangible assets</i>	<i>13.156</i>	<i>11.658</i>
<i>Impairment losses</i>		<i>63.204</i>
<i>Share-based payment expense</i>	<i>57</i>	<i>102</i>
<i>Increase / decrease in provisions</i>	<i>80</i>	<i>-2.091</i>
<i>Other non-cash items</i>	<i>296</i>	<i>-883</i>
Gross cash flow relating to operating activities	26.186	12.972
Changes in trade receivables	6.409	-10.360
Changes in inventories	391	-779
Changes in trade payables	399	5.799
Other changes in net working capital (a)	-3.037	6.447
Change in net 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

Consolidated cash flow statement

Cash flow from investing activities	31/12/19	31/12/18
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 and sector acquisitions	-8.218	-73.994
Net cash flow relating to disposal of subsidiaries and sector acquisitions	33	294.947
Net cash flow relating to loans to investments accounted for using the equity method	350	-86
Other investments, loans, guarantees - acquisitions		-451
Other investments, loans, guarantees - other movements	49	25
NET CASH FLOW RELATING TO INVESTING ACTIVITIES (B)	-16.882	213.582
Cash flow from financing activities	31/12/19	31/12/18
Dividends paid	-6.273	-62.713
Treasury shares	62	82
Other changes in equity		416
Redemption of current financial debts		-102.850
Redemption of non-current financial debts		-2.425
Repayment of lease liabilities	-1.385	
Decrease in non-current receivables	119	129
NET CASH FLOW RELATING TO FINANCING ACTIVITIES (C)	-7.266	-167.661
TOTAL DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS	5.482	52.972
Cash and cash equivalents, beginning balance	95.956	42.984
Cash and cash equivalents, ending balance	101.438	95.956