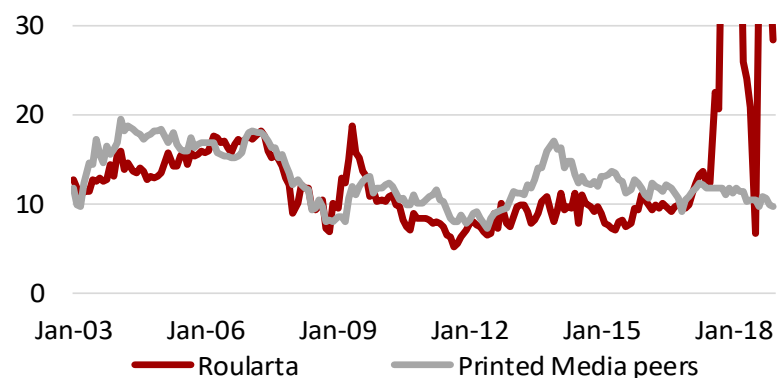




Roularta P/E vs European peers



€m	2014	2015	2016	2017	2018	2019e	2020e
Sales	300.1	291.9	278.6	258.3	278.4	304.3	289.8
EBIT	3.9	12.3	6.7	-13.0	-63.7	-4.1	-1.9
Net profit	-142.5	64.4	21.5	-10.9	79.9	2.2	4.1
EPS (€)	-10.98	4.92	1.65	-0.84	6.14	0.17	0.31
DPS (€)	0.00	0.50	0.50	0.00	5.50	0.50	0.50
P/E (x)	na	3.2	14.7	na	3.2	84.3	45.3
Yield (%)	0.0	3.2	2.1	0.0	28.0	3.5	3.5
Adj. EV/EBIT (x)	36.0	9.6	32.7	na	na	na	na

Source: Merodis Equity Research, Factset
Pricing date: 29/3/2019

Market review and peer benchmarking

8 April 2019

Key monthly insights

Nurturing a defensive profile which should lead to a rerating

A key ingredient in Roularta's equity story is its growingly defensive profile amid a risk-prone sector. Indeed, the Print media sector is hampered by a number of risk-factors including digital disruption threatening their business model (including profitability), the cyclical nature of revenues and stretched balance sheets. Roularta is not immune to any of these threats, but the company has taken measures to alleviate their impact, while providing more agility and defensiveness. The measures include (1) disposals (Mediaaan in 2018 with the full impact in 2019) to provide more focus and to strengthen the balance sheet (€280m cash inflow), (2) acquisitions with limited balance sheet impact (€85m total investment in Mediafin and Sanoma's women magazine titles in 2018 with full impact in 2019) to further strengthen focus while exploiting synergies (cross-selling opportunities such as advertising, subscriptions, events, etc., staff and printing optimisation by repatriating the printing of the acquired titles to Roularta over 2018-19, and negotiating power by becoming the magazine market leader in Belgium), and (3) cost control both at the level of Roularta (opex growing by 5% vs. sales growth of 8% in 2018) and its digital investments (halving Storesquare's loss in 2018 to €2.9m with lower marketing and IT expenses). The overriding impact is a strengthening of Roularta's defensive profile with (1) reduced exposure to cyclical advertising revenues (more stable subscription and newsstand sales account for more than 30% of sales in 2018 vs. 23% in 2017 while advertising revenues have dropped to 47% from 53%) and (2) one of the strongest balance sheets in the sector with a net cash position of €97m and shareholder funds of €224m in 2018 (Belgian non-listed peers De Persgroep and Mediahuis had gearing levels of 14% and 37% respectively in 2017, while European listed peers had levels that average 120%; median of 56%).

Next steps in Roularta's improving equity story

The next steps in Roularta's equity story are: (1) from end-2018, unwinding of the Econocom leasing contract (€9m pa opex savings with full impact in 2019) and (2) repayment of €100m bond at the end of 2018 (€5m annual cost saving), and (3) full-year impact in 2019 of Mediafin and Sanoma acquisitions with an expected positive bottom-line effect.

Valuation assessment

The market currently values Roularta at an enterprise value (EV) of €42m, which includes a market cap of €185m, the value of restated minorities of €7m, €82m of net cash in 2019e as well as the estimated value of €68m for its 50% stakes in Mediafin and Bayard. Our fair equity value estimate is at €19.5/share (from €20). We value the core Print Media activity at an EV of €99m including the Sanoma magazines, assuming an unchanged equity value of €0 for Roularta's existing print business. We believe this business has value, given, among others, Roularta's leading market positions in free newspapers and in (news and business) magazines as well as its state-of-the-art printing facilities, which highlights a clear re-rating potential.

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Equity Research

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Please refer to important disclosures at the end of this report

Goals of this Dashboard

- ➔ Follow-up to our coverage of Roularta which was launched in October 2015 (see below)
- ➔ Tool to keep investors up to date with Roularta's equity story as well as its valuation in a sector context
- ➔ Update investors on recent company and sector news flow

Corporate calendar of Roularta's upcoming announcements and events

- ➔ Tuesday, 21 May 2019: AGM
- ➔ Friday, 14 August: 1H19 results (8.15AM CET; Analyst meeting at 1PM)

Access our recent research reports on Roularta:

- ➔ ["Back on its feet" \(initiation\), 14 October 2015](#)
- ➔ ["When the going gets tough" \(update\), 28 August 2017](#)
- ➔ ["February 2019 market review" \(monthly dashboard\), 5 March 2019](#)

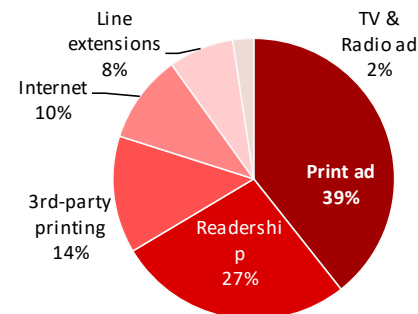
Company description

Roularta is Belgium's leading media company offering

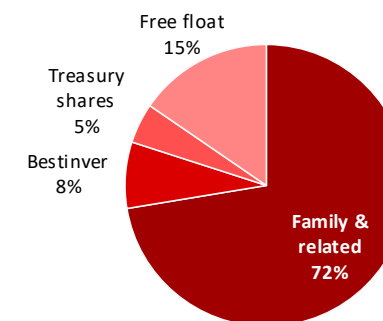
- (1) local weekly free newspapers in Flanders (Deze Week, De Zondag, Steps),
- (2) nationwide weekly news, business and women magazines (Knack, Le Vif L'Express, Trends, Trends Tendence, Libelle/Femme d'Aujourd'hui and Flair and Feeling/Gael),
- (3) internet platforms (Storesquare, Digilocal, Proxistore, own content websites) and
- (4) a 50% JV stake in Mediafin, Belgium's leading daily business newspapers (De Tijd and L'Echo).

Combined group sales are almost entirely generated in Belgium through (1) Print Media Advertising (40% of group in 2017, ie. excluding the Sanoma acquisition), (2) Readers Market (subscriptions and newsstand sales) (28%), (3) Third-Party Printing (14%), (4) Internet advertising and related (10%) and (5) other sources of revenues (inc. Line Extensions) (8%). Roularta's consolidated accounts include the full contribution of its Print Media activity (advertising and readers market ex-Bayard, internet activity, line extensions and third-party printing). The 50% stakes in Mediafin and Bayard are equity-accounted. The company acquired the women magazines in an asset deal with Sanoma (June 2018), with sales in the region of €70m for a consideration of €25m. The company recently restated its business segmentation to include two activities: Media Brands (86% of group sales in 1H18) and Printing Services (14%).

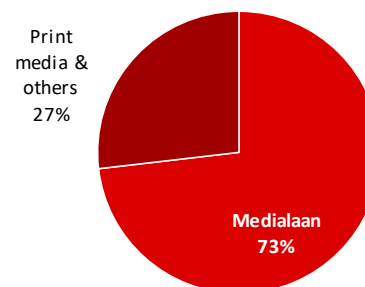
Combined sales breakdown (2017)



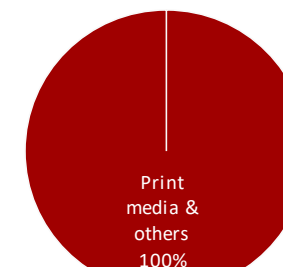
Shareholders



Combined EBIT breakdown (2016)



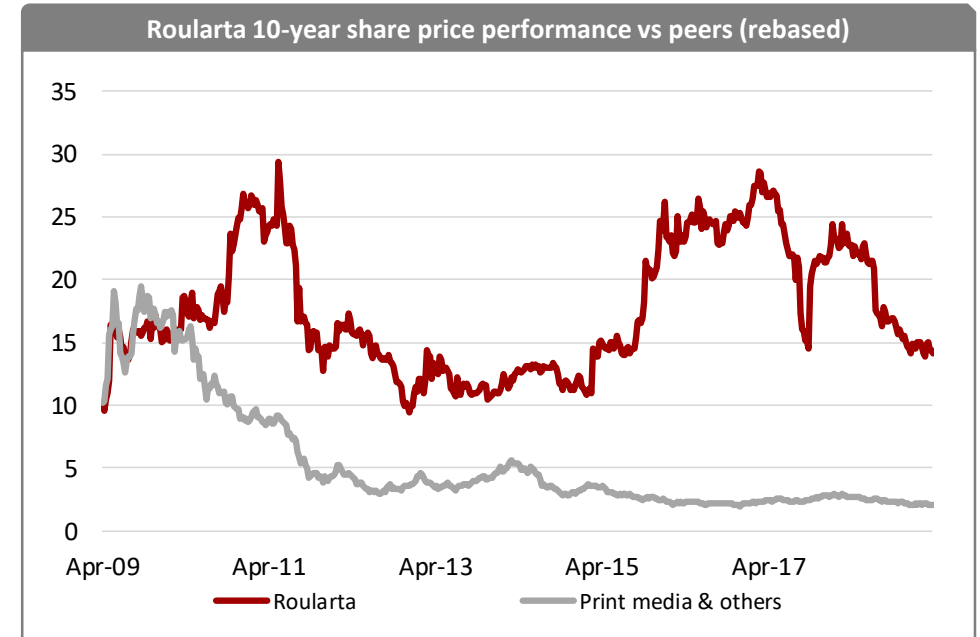
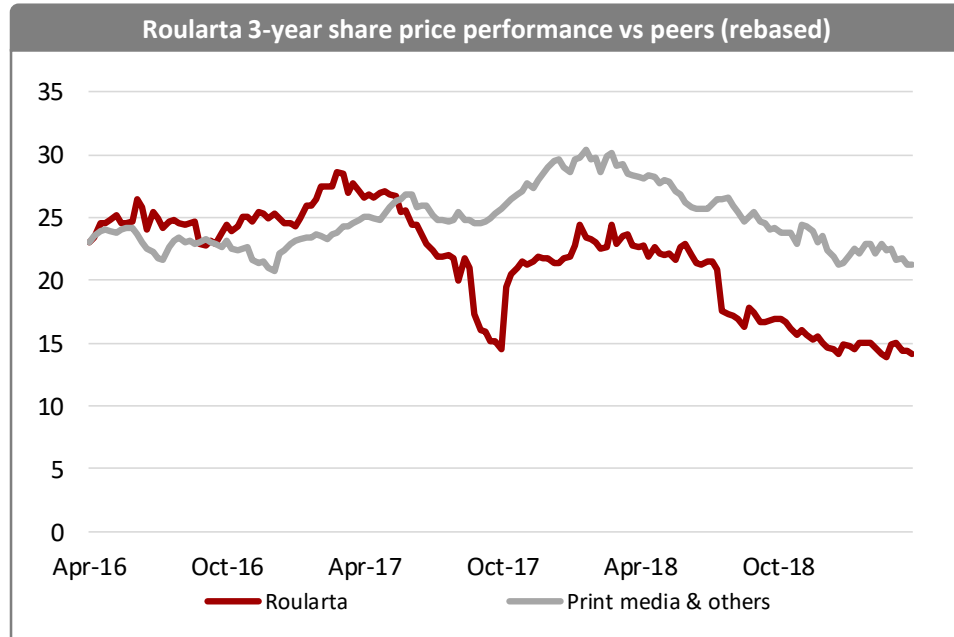
Consolidated EBIT breakdown (2017)



Source: Merodis, Factset

Share price performance

Under pressure since 1Q17, with transformational deals and strong 2H18 to the rescue



Source: Merodis, Factset

Analyst Recommendations, Earnings Expectations

Consensus remains volatile, but improving in the past months

Consensus view

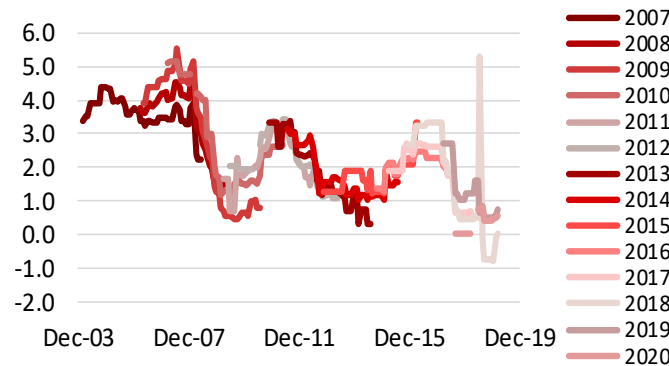
2019 consensus EPS estimates for Roularta were revised up a further 20% after the FY18 results announcement, but still reflecting persistent top line weakness but improved gross margins and lower start-up losses within the digital activities, as well as the full-year effects of the end of Econocom's leasing contract (end-2018) and the repayment of the €100m bond (also end-2018).

Consensus currently expects 2020e earnings of €0.56 (up 16% m-o-m) vs. our forecast of €0.31.

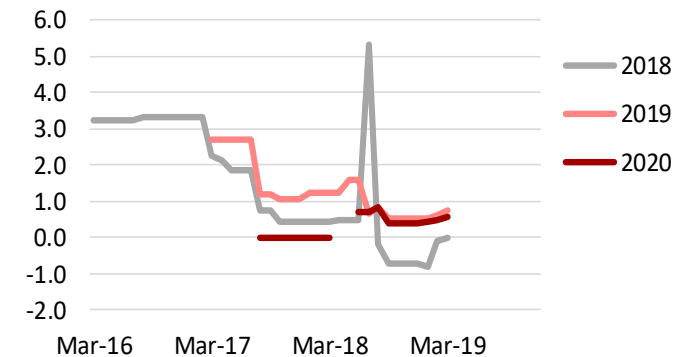
Roularta's share price was flat in March, slightly underperforming the broader market (vs. +2% for the Euro Stoxx 600). The stock outperformed Print Media peers (-5% m-o-m) as well as the Belgian SMCs (-1.4%). The share's 12 months low was €13.5 (close on 20 February 2019), while its high during the year was €23.2 (29 May 2018).

Three brokers cover the stock, Degroof Petercam, KBC Securities and Kepler Chevreux (since September), with Factset indicating a Hold recommendation from KBC Securities and a target price of €16 from €17.50 previously.

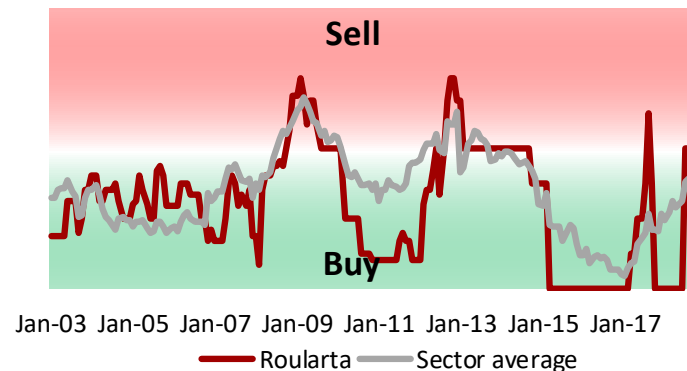
EPS Worms (€/share)



Consensus EPS 2017-19 (€/share)



Analyst recommendations vs. peer average



Merodis Equity Research estimates (MERe) vs. consensus (%)

	<u>2018</u>	<u>2019e</u>	<u>2020e</u>
Sales	0.5	0.6	-0.4
EBITDA	-6.6	-54.0	-29.1
EBIT	0.0	211.5	-27.6
EPS	50,197.0	-77.2	-44.7
DPS	0.0	na	na
Net cash	0.0	98.3	81.1

Source: Merodis, Factset

Sector benchmarking and valuation analysis

Benchmarking Print Media peers and listed Printing companies

Sector financial benchmarking

Company	Freefloat	Liquidity	Depr/	Capex/	ND/EBITDA			EBITDA margin (%)			EBIT margin (%)			Net margin (%)			ROE (%)			2019-21e CAGR (%)		
	(%) 2019	(daily,€m)	EBITDA	Sales	2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e	EPS	EBITDA	Sales
Impresa	36	0.13		2%																		
Solocal	93	1.34	12%	7%	2.6	1.9	1.3	26.8	30.2	33.0	16.4	22.0	25.0	7.3	12.1	13.6				11.4	0.3	
Gruppo Editoriale	25	0.19	36%	2%	2.0	1.8	1.3	7.9	8.1	7.6	4.6	4.6	4.1	2.1	2.4	2.4	2.6	2.9	2.8	7.2	-4.7	-2.4
Mondadori	46	0.64	33%	1%	0.7	0.5	0.1	10.0	10.7	10.7	7.4	7.9	7.8	4.0	4.5	4.2	21.1	18.8	16.4	2.5	2.7	-0.7
RCS	12	0.92	27%	2%	0.9	0.9		16.6	16.8		13.1	13.3		8.7	7.8		23.9	20.8				
Vocento	53	0.05	48%	2%	0.5	0.0	-0.4	11.2	11.2	11.5	7.0	7.1	7.3	3.1	3.5	3.8				15.0	0.6	-0.8
Sanoma	37	0.94	-383%	3%	1.5	1.0	0.7	25.4	25.6	25.7	14.3	14.4	14.4	10.1	10.1	10.2	21.6	20.4	19.1	1.6	1.8	1.2
Connect	99	0.15	55%	1%	1.7	1.6	1.3	2.9	3.1	3.3	2.1	2.2	2.4	1.1	1.3	1.5				8.2	3.6	-3.2
Tarsus	76	0.21	24%	1%	1.5	1.8	1.1	37.1	33.6	37.8	35.1	29.4	34.5	25.3	21.5	24.7	31.7	20.0	25.7	1.3	4.8	4.0
Wilmington	98	0.13	32%	2%	1.4	1.1	0.6	19.9	20.3	21.0	17.7	18.3	18.8	7.9	8.7	6.8				9.7	7.4	4.4
Independent News	97	0.03	29%	1%	-4.2	-5.1		13.4	12.1		9.8	8.1					16.2	12.2				
Axel Springer	45	8.47	30%	6%	1.3	1.0	0.9	22.9	24.1	25.0	16.3	17.0	18.3	9.0	9.8	9.9	12.2	13.4	14.7	11.1	8.4	3.7
PRINT MEDIA AVERAGE	60	1.10	-5%	3%	0.9	0.6	0.8	17.6	17.8	19.5	13.1	13.1	14.7	7.9	8.2	8.6	18.5	15.5	15.7	7.1	4.0	0.7
PRINT MEDIA MEDIAN	50	0.20	30%	2%	1.4	1.0	0.9	16.6	16.8	21.0	13.1	13.3	14.4	7.6	8.2	6.8	21.1	18.8	16.4	7.7	3.6	0.3
Roularta (consolidated)	15	0.03	1126%	6%	-11.7	-12.1	-8.7	2.9	2.2	3.1	-0.2	-1.3	-0.6	28.7	0.7	1.4	37.6	1.0	2.0	na	5.7	2.0
% prem./(disc.) vs median	-70	-87.3	3619.1	205.6	-907.9	-1,257.0	-1,052.1	-82.4	-86.8	-85.0	-101.4	-110.1	-104.5	278.6	-91.3	-79.5	78.3	-94.6	-88.1	#VALUE!	55.9	493.2

Source: Merodis, Factset

Sector valuation

Company	Country	Price	MCap	P/E			EV/Sales			EV/EBITDA			EV/EBIT			P/B			DYield		
		(local)	(local m)	2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e
Impresa	PORTUGAL	0.27	45																		
Solocal	FRANCE	0.52	304	6.7	4.1	3.6	1.2	1.1	0.9	4.5	3.6	2.8	7.3	4.9	3.7				0.0	0.0	0.0
Gruppo Editoriale	ITALY	0.37	180	13.7	11.6	11.9	0.5	0.5	0.4	5.8	5.6	5.5	10.0	9.8	10.2	0.3	0.3	0.3	0.0	0.0	0.0
Mondadori	ITALY	1.55	403	10.9	10.1	10.4	0.5	0.5	0.5	5.4	4.9	4.5	7.3	6.7	6.2	2.1	1.8	1.6	2.0	2.1	3.6
RCS	ITALY	1.27	659	10.0	9.7		0.8	0.8		5.0	5.1		6.4	6.4		2.2	1.9		3.9	3.9	
Vocento	SPAIN	1.33	161	15.0	13.0	11.4	0.5	0.4	0.4	4.4	3.9	3.4	7.0	6.3	5.4				0.0	0.0	0.0
Sanoma	FINLAND	8.74	1,419	10.4	10.2	10.1	1.5	1.3	1.3	5.8	5.2	4.9	10.3	9.3	8.7	2.2	2.0	1.9	5.5	6.0	6.3
Connect	UNITED KINGDOM	0.38	94	4.6	4.3	4.0	0.1	0.1	0.1	4.0	3.7	3.4	5.4	5.1	4.6				2.6	2.7	2.8
Tarsus	UNITED KINGDOM	3.09	378	10.9	15.5	10.6	3.3	3.8	2.9	8.8	11.4	7.8	9.4	13.1	8.5	3.2	3.0	2.5	3.8	4.1	4.5
Wilmington	UNITED KINGDOM	2.13	186	11.9	11.1	9.9	1.8	1.7	1.5	9.0	8.3	7.2	10.1	9.2	8.0				4.3	4.4	4.5
Independent News	IRELAND	0.07	100	6.2	7.2		0.0	0.0		0.1	0.0		0.2	-0.1		0.9	0.8				
Axel Springer	GERMANY	46.04	4,968	16.6	14.7	13.4	1.8	1.7	1.6	8.0	7.1	6.6	11.2	10.0	9.0	2.0	2.0	2.0	4.7	5.0	5.3
PRINT MEDIA AVERAGE				10.6	10.1	9.5	1.1	1.1	1.1	5.5	5.3	5.1	7.7	7.3	7.1	1.8	1.7	1.7	2.7	2.8	3.0
PRINT MEDIA MEDIAN				10.9	10.2	10.4	0.8	0.8	0.9	5.4	5.1	4.9	7.3	6.7	8.0	2.1	1.9	1.9	3.2	3.3	3.6
Roularta (consolidated)	BELGIUM	14.10	185	2.3	84.3	45.3	0.4	0.1	0.2	12.2	6.3	4.9	-1.6	-10.4	-23.9	0.8	0.9	0.9	39.0	3.5	3.5
% prem./(disc.) vs median				-78.9	729.5	336.6	-57.3	-83.6	-83.2	125.9	23.8	0.9	-121.3	-256.3	-398.0	-59.6	-52.6	-51.3	1,115.2	6.7	-1.0

Source: Merodis, Factset

P/E valuation relative to the sector

A recent re-rating driven by an accounting impact and major digital investments which hurt profitability

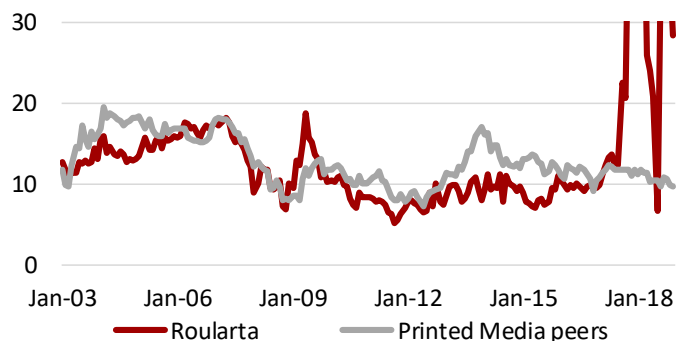
Valuation

On consensus EPS estimates, Roularta shares trade at a P/E 12M forward of 20x, a 90% premium versus Print Media peers in Europe (from a 130% premium in February). Importantly, the volatility is due to the inclusion, within consensus, of the capital gain on the disposal of the Mediaaan stake which has been largely offset by the value impairment of the magazine titles. In addition, profitability at Roularta is still expected to be negatively impacted by start-up losses in the digital ventures as well as weak market conditions in the ad space for Roularta's core activity.

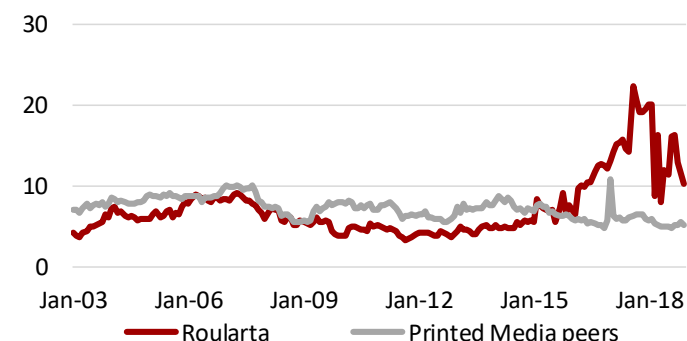
As a reminder, Roularta has disposed of its stake in Mediaaan, which means Roularta is now a Print Media pure play compared to the past when TV broadcasting (through Mediaaan) was the main profit contributor and the key value driver of the stock (in 2016, 73% of Roularta's EBIT and 80% of its EPS was generated by Mediaaan). The rerating compared to the Print Media sector is driven entirely by the share price performance since October 2017 as well as the sharp cut in Roularta's earnings estimates due to launching costs in digital initiatives such as Storesquare.

The Print Media sector is currently valued at 10.6x P/E 12M forward (vs. 10.4x previously, ie. a slight re-rating m-o-m) and at 5.4x EV/EBITDA 12M forward (vs. 5.6x previously), which compares to a LT average of 12.8x and 7.2x respectively. The historical valuation range for the sector is 7.3x-19.4x (P/E 12M forward) and 4.7x-10.9x (EV/EBITDA 12M forward), which suggest that the sector remains at the low-end of its historical range.

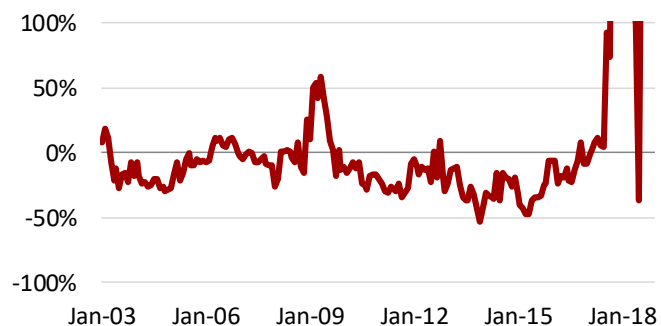
P/E ratio of Roularta vs. Print Media



EV/EBITDA ratio of Roularta vs. Print Media



P/E Premium/(Discount) of Roularta vs. Print Media



EV/EBITDA Premium/(Discount) of Roularta vs. Print Media



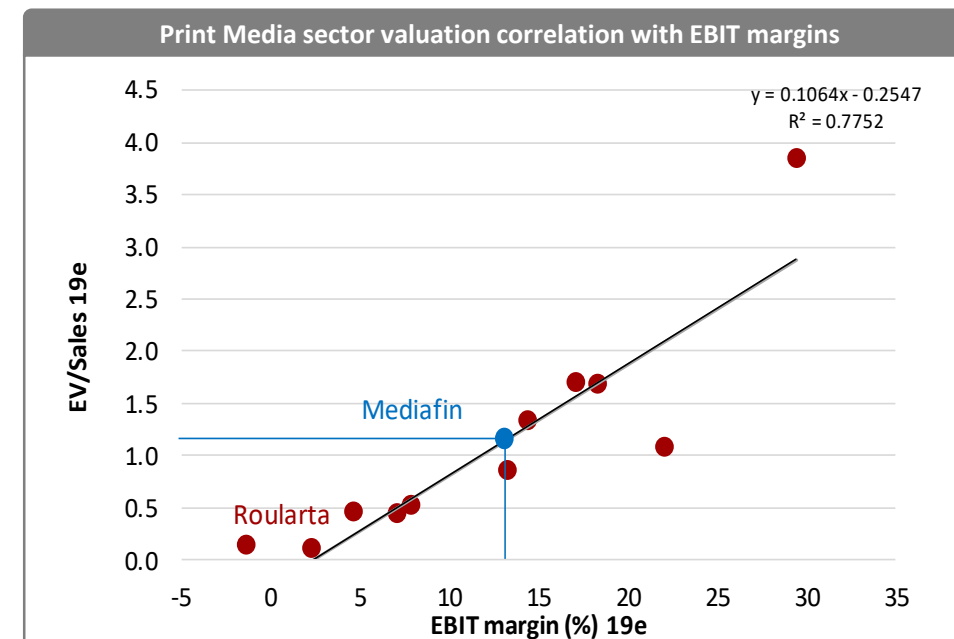
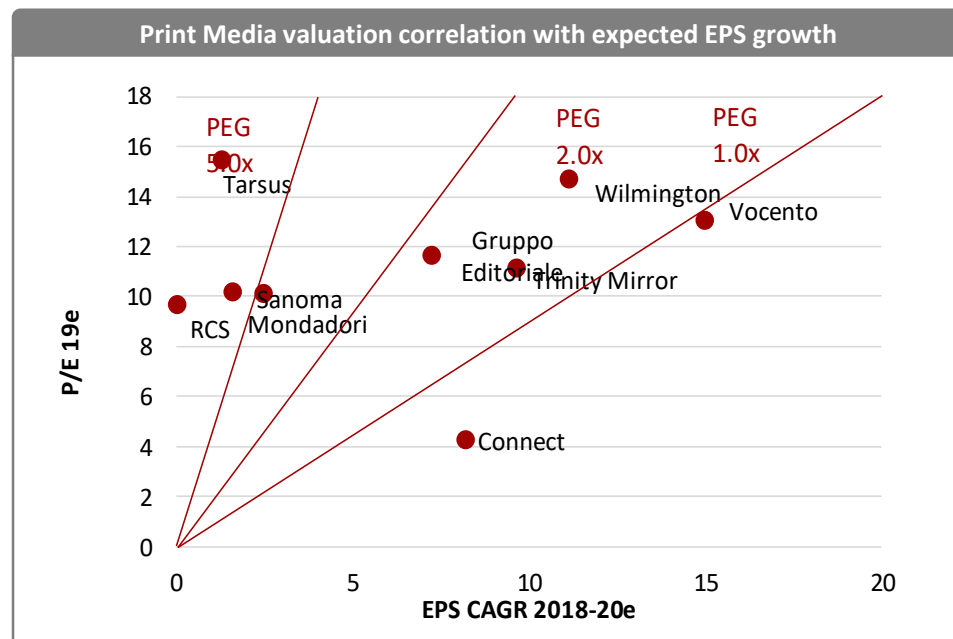
Source: Merodis, Factset

Fair value estimate

Reflecting the Mediaaan disposal, the Mediafin acquisition, and, since July 2018, the Sanoma acquisition

Roularta updated sum-of-the-parts									
(€m)	Ownership (%)	Adjusted EBIT 19e	Discount to peers	EV/EBIT multiple 19e	Net debt 18	Value	Equity value/sh.	Value split	Value w/o discount
Print media	100%	-2.8	na	na		98.8	14.7	75%	98.8
Group enterprise value						98.8			98.8
+ Net Fin. cash (2018)						95.7			95.7
- Other liabilities (2018)						-7.1			-7.1
+ NPV tax asset (balance sheet)						5.8			5.8
+ Equity value of Mediafin stake	50%					44.3	3.4	17%	44.3
+ Equity value of Bayard stake	50%	4.8	10.0	6.6	-5.1	18.4	1.4	7%	20.1
= Estimated market value of equity						255.8			257.6
Total share outstanding (m)						13.1			13.1
Equity value per share						19.5			19.6

Source: Merodis, Factset



Source: Merodis, Factset

Sales growth expectations

Impacted by cyclical and structural effects

Expected Sales Growth

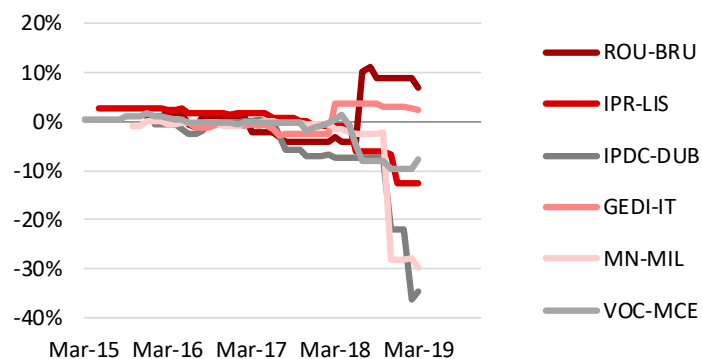
At the end of March, consensus expectations for 2018 Print Media sector sales growth remained flat m-o-m at -16.5%, following sharp downgrades in February for Independent News.

Consensus sales expectations for Roularta in 2019 have slightly deteriorated m-o-m, following a sharp increase in July and August with the inclusion of the Sanoma assets acquired in June 2018 with a full-year impact expected in 2019. Consensus now expects 8.2% sales growth (vs +9.3% MERE).

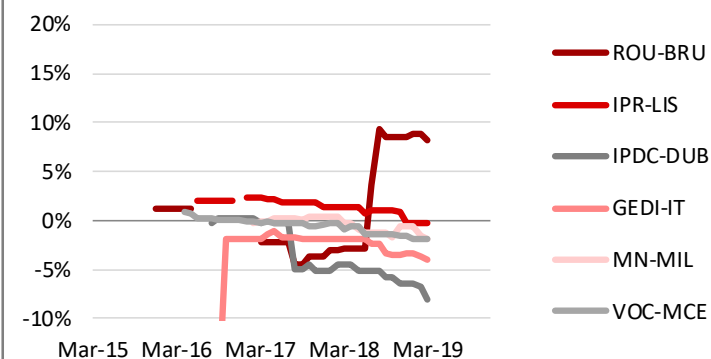
As a reminder the announced disposal of Medialaan and acquisition of Mediafin have no impact on Roularta's consolidated sales as both stakes are equity-accounted JVs.

The sector is suffering from the structural impact of online media gaining market share over traditional Printed Media and TV in terms of advertising revenues. This is driven by changes in viewership, which is moving from the traditional media to online.

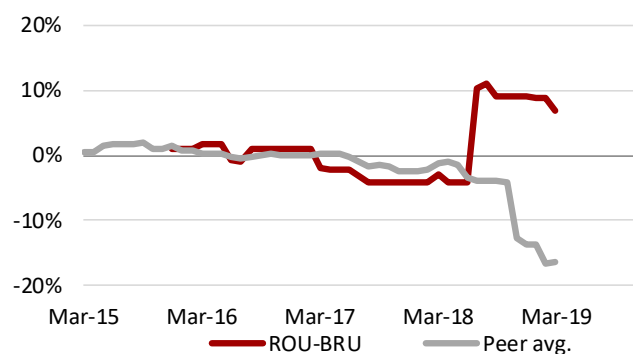
2018 expected sales growth (%)



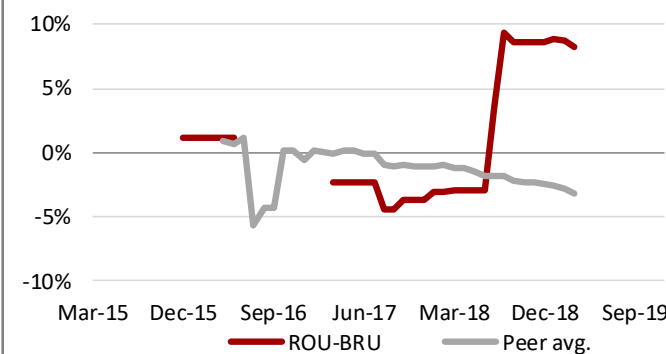
2019 expected sales growth (%)



2018 expected sales growth, Roularta vs. peers



2019 expected sales growth, Roularta vs. peers



Source: Merodis, Factset

EBITDA growth and margin expectations

Advertising revenue pressure hurting margins, but cost cutting to positively impact 2019e

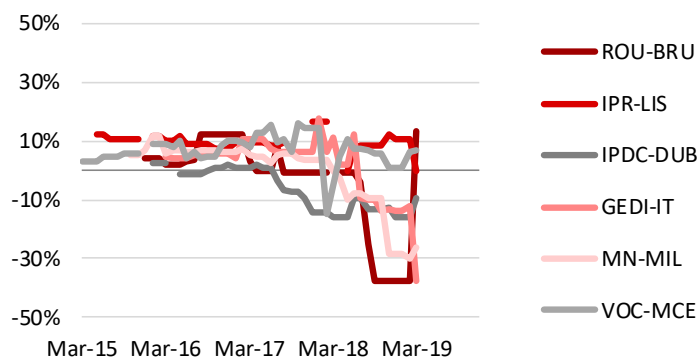
EBITDA expectations

During the month of March, the expected annual EBITDA growth at Roularta by consensus in 2019e remains high, at +162% (from +133% previously expected), compared to the peer average of 8.7% (from -0.2% expected previously). Margin expectations remain below the peer average for 2018 and 2019, albeit with an improving trend.

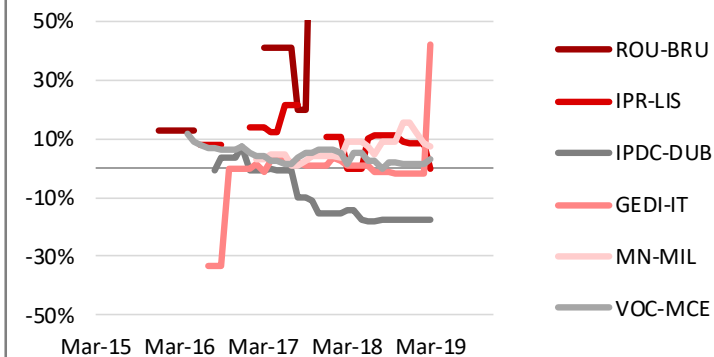
Note that consensus changes to EBIT or EBITDA at Roularta are not interpretable in a straightforward manner. In Roularta's case, its reported EBITDA margin (as reflected by Factset consensus) is positively influenced by the IFRS 11 treatment of its 50% stake in Bayard (and Mediafin, from March 2018), whereby 50% of Bayard's net profit is accounted for in Roularta's EBITDA and EBIT, but where its sales are not accounted for in its top-line. Merodis estimates exclude equity accounted results from the EBITDA and EBIT lines, but other analysts may treat these figures differently, or they may have recently changed their view on them.

The recent transactions will impact IFRS EBITDA and EBIT as the Mediafin net contribution is added as from March 2018. Sanoma's contribution is included in the consolidation scope from July 2018, as reflected in our forecasts.

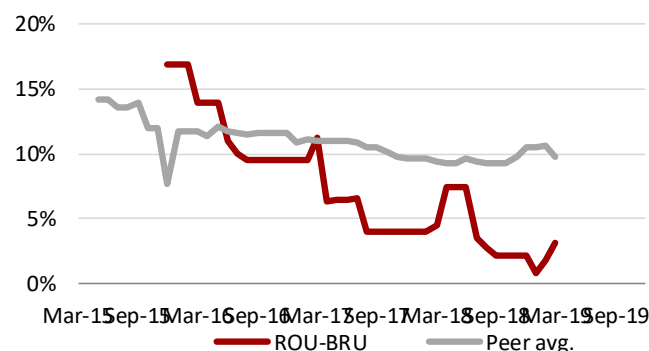
2018 expected EBITDA growth (%)



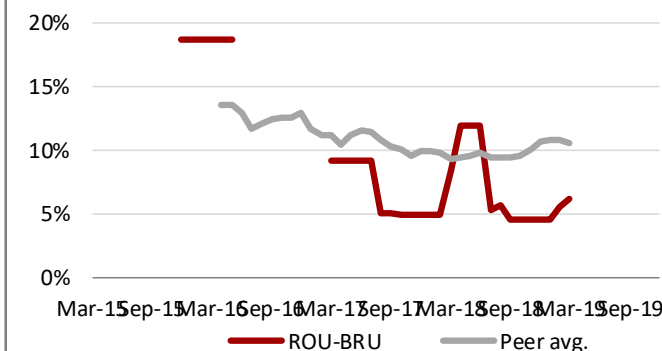
2019 expected EBITDA growth (%)



2018 expected EBITDA margin, Roularta vs. peers



2019 expected EBITDA margin, Roularta vs. peers



Source: Merodis, Factset

Consensus payout expectations

Margin pressure and the Mediaalaan/Mediafin swap may impact the dividend strategy

Dividend payout

Roularta announced on 1 March 2019 that an ordinary dividend of €0.5/share will be paid out on 2018 earnings, which compared to our previous forecast of no dividend. The amount is in line with the historical average dividend of €0.55/share in years when a dividend was paid (13 years over the past 19 since the IPO).

This come in addition to the already-announced €5/share interim dividend (€63m pay out) which was paid out on 19 July 2018. The purpose of the interim dividend was to remunerate shareholders for the €145m capital gain on the Mediaalaan disposal which was closed in February 2018.

Roularta's targeted pay-out ratio is 30%, which is in line with its average payout ratio prior to the acquisition in France of c32% (2002-2006) and broadly in line with the Sector average.

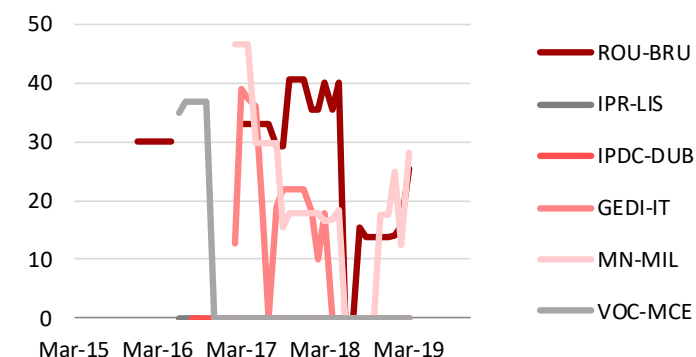
Consensus expects Roularta to pay out a dividend of €0.25/share in 2019e (vs. MERE €0.50), with an expected payout of 25% (vs. 16% previously expected).

The Mediafin acquisition and the Mediaalaan disposal are likely to have a negative impact on Roularta's (ordinary) dividend payment profile given the lower cash-generation potential of Mediafin vs. Mediaalaan. We believe, however, that a €0.50/share dividend in the next years is sustainable given Roularta's €95m net cash position following the Mediaalaan disposal.

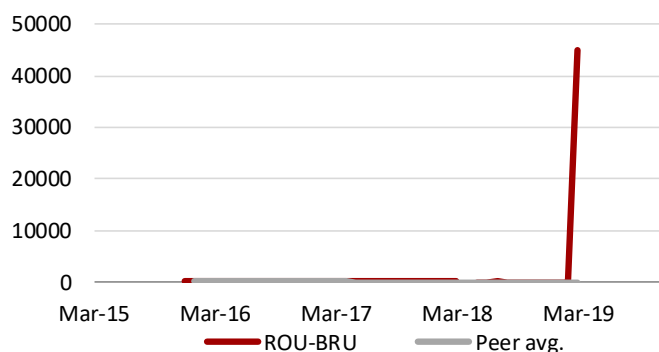
2018 expected Payout, Sector



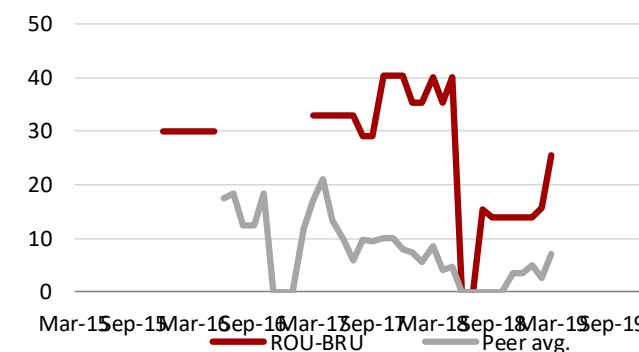
2019 expected Payout, Sector



2018 expected payout, Roularta vs. Peers



2019 expected payout, Roularta vs. Peers



Source: Merodis, Factset

Leverage expectations

No longer an issue post-transactions

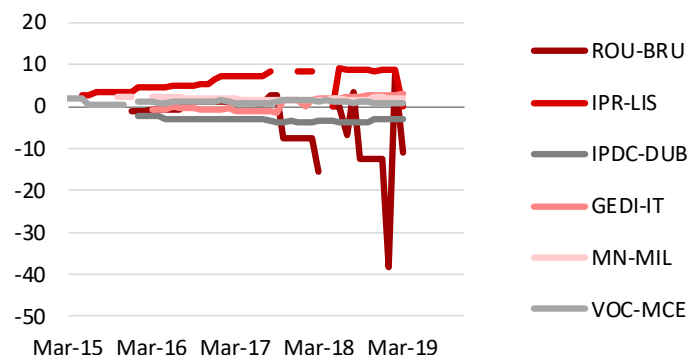
Net-debt-to-EBITDA

The level of expected financial leverage in the Media Sector was high in 2011 and 2012 and again in 2014 (where it exceeded 2.2x Net debt over EBITDA), but trended down since then, before moving back up with, on average, a ratio of 2x. Roularta's ratio has exceeded 2x only during 2014 but has now reached a net cash position of €95m following the recent transactions (including the special €5/share dividend payout to shareholders and the Sanoma acquisition).

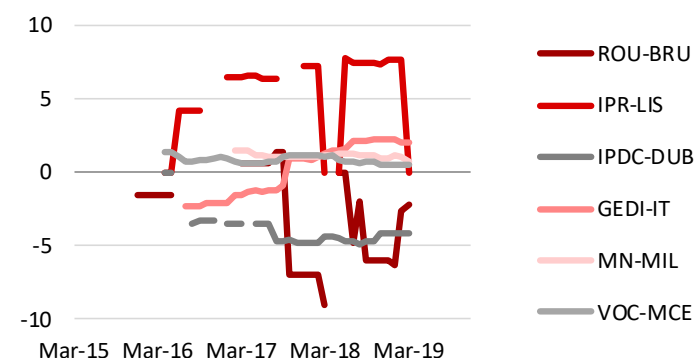
As a reminder, Roularta's covenant threshold of 3.5x net debt over EBITDA is based on annual EBITDA including the company's share of Mediafin's and Bayard's net profit. Based on this definition, the company reported a ratio of 1.5x in 2017 despite the depressed consolidated EBITDA.

Going forward, this has become a non-issue given Roularta's reported net cash position compared to a reported net debt position of €63m at the end of 2017.

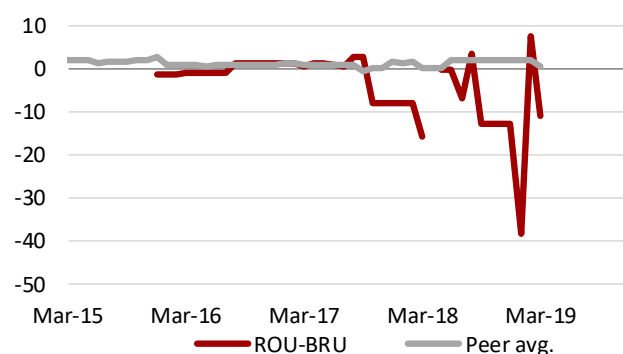
2018 NFD/EBITDA, sector



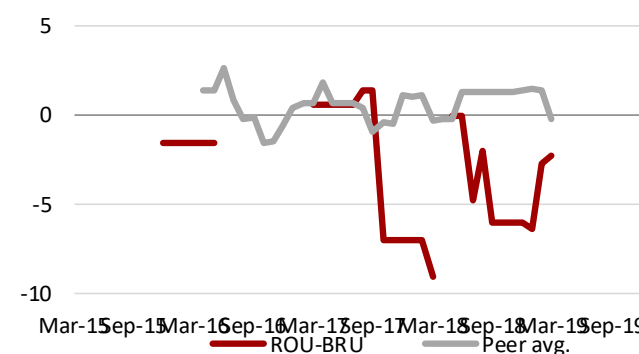
2019 NFD/EBITDA, sector



2018 NFD/EBITDA, Roularta vs. Peers

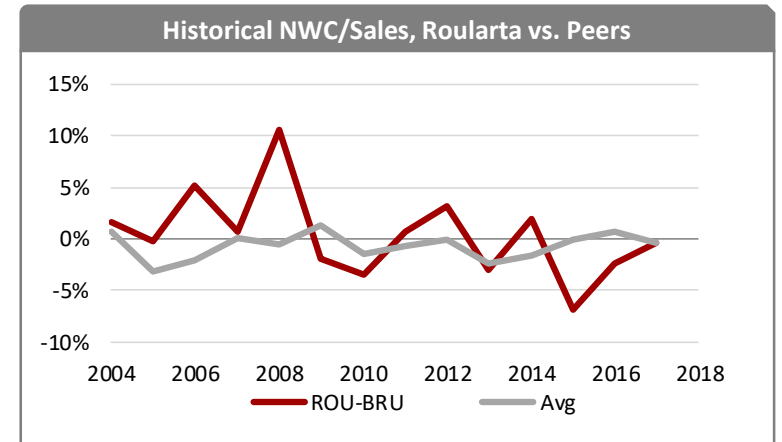
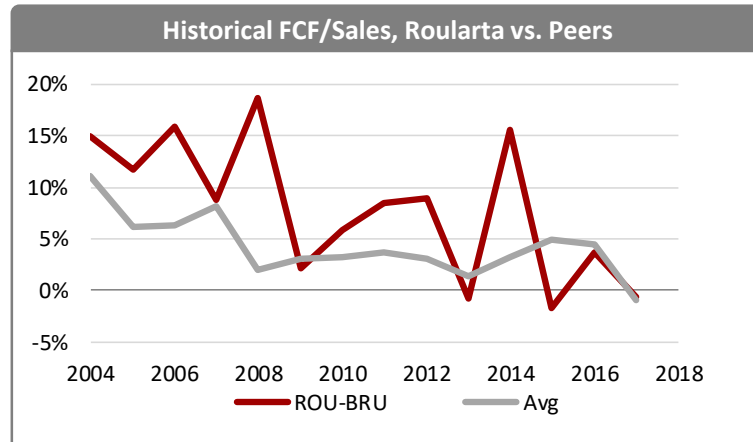
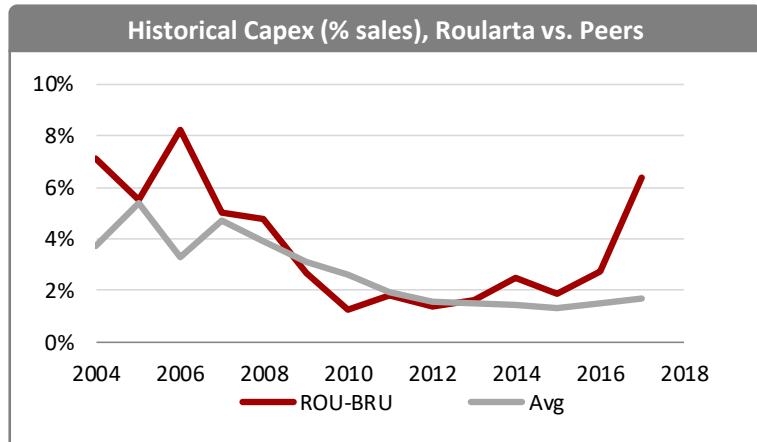
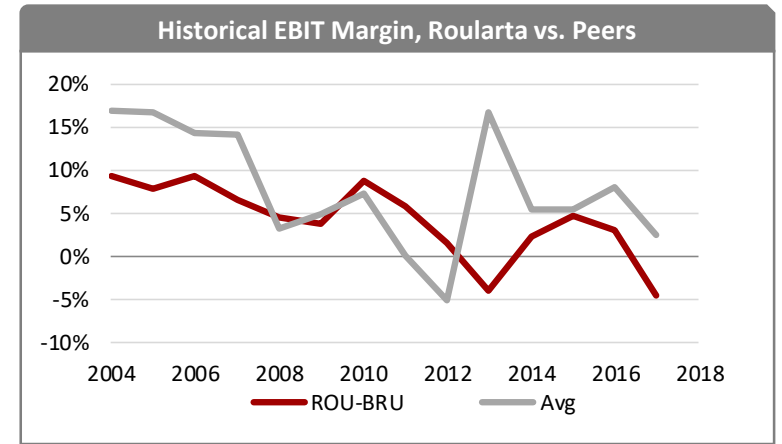
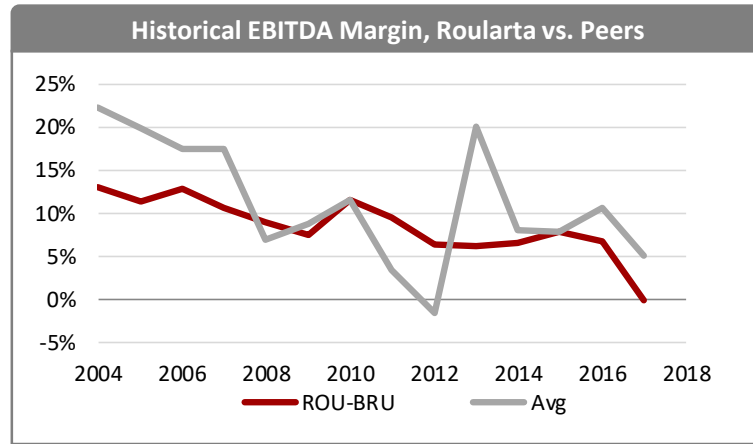
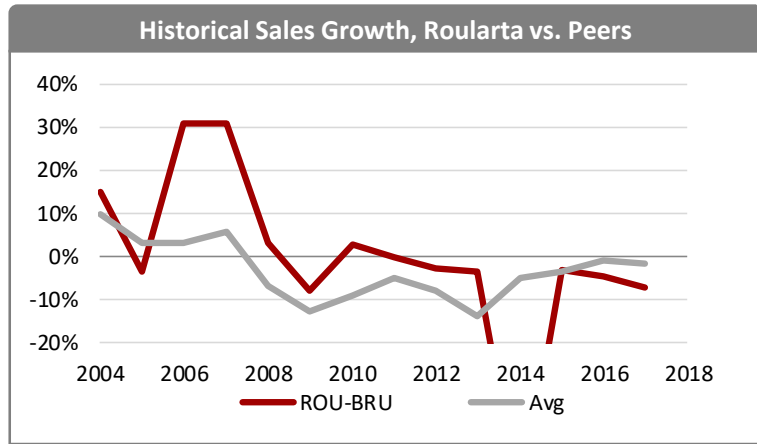


2019 NFD/EBITDA, Roularta vs. Peers



Source: Merodis, Factset

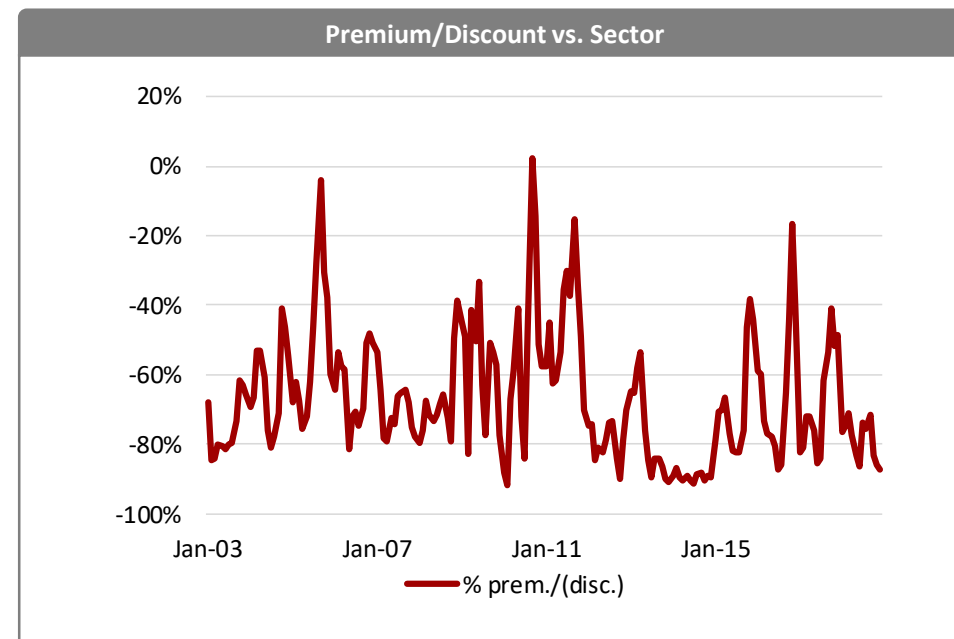
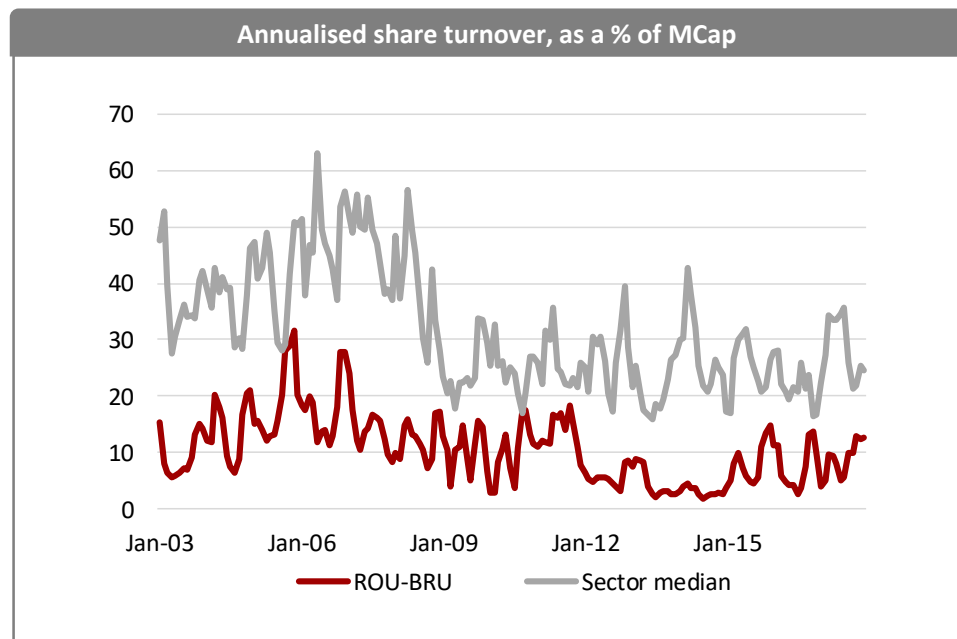
Historical P&L, CF and Balance Sheet Performance



Source: Merodis, Factset

Share liquidity

Well-below peers



Source: Merodis, Factset

Financial summary

Enterprise Value (€m): 42
Market Cap. (€m): 185
Free-float MCap (€m): 28

Consolidated P&L (€m)																	CAGR	
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	06-17	18-20e	
Sales	609	767	782	707	712	731	712	677	300	292	279	258	278	304	290	-7.5	2.0	
EBITDA	78	81	70	53	82	70	45	42	20	18	16	1	8	7	9	-32.7	5.7	
EBIT	51	50	33	10	57	36	5	-49	4	12	7	-13	-64	-4	-2	na	-82.8	
Pretax profit	49	36	18	-3	51	28	-4	-57	-3	7	2	-18	-69	-3	-1	na	-87.3	
Net profit	25	16	14	-4	31	15	-3	-58	-142	64	21	-11	80	2	4	na	-77.5	
Cash Flow (€m)																	06-17	18-20e
Adj. EBITDA	72	80	67	36	77	63	39	21	17	15	16	1	8	7	9	-32.2	5.7	
WCR	22	4	62	-10	-19	4	17	-16	4	-17	-8	0	28	4	-2	na	na	
Gros Op CF	95	84	129	26	58	66	56	5	21	-3	8	1	36	10	7	-35.3	-56.1	
Capex	-50	-38	-35	-20	-8	0	-4	-6	-7	-5	-8	-16	-7	-14	-7	-9.6	0.1	
FCF	20	13	74	-8	24	46	44	-10	27	0	5	-26	28	1	4	na	-63.4	
Net disp./ (acq.)	-214	-14	4	57	-9	1	0	1	9	12	16	17	221	-9	0	na	na	
Dividends paid	-8	-8	-9	0	0	-6	-4	0	0	0	-6	-6	-63	-6	-6	-2.3	-68.4	
Equity issue	51	-13	28	2	0	-3	0	0	0	0	0	0	0	0	0	na	na	
Others	-29	-2	-17	-12	0	-16	-19	2	-41	-6	3	10	-28	0	0	na	na	
Net Debt (Incr.)/decr.	-182	-24	81	39	15	22	20	-7	-6	6	18	-5	158	-14	-2	-27.7	na	
Balance Sheet (€m)																	06-17	18-20e
WC	17	13	-49	-39	-20	-24	-41	-25	-51	-21	-13	-13	-41	-45	-42	na	1.9	
Capital Employed	660	689	640	584	602	581	549	511	221	298	295	154	143	144	142	-12.4	-0.5	
Discontinued Assets	0	0	0	0	0	0	0	0	152	0	0	129	0	0	0	na	na	
Cash & Equivalent	42	32	110	72	44	35	79	51	34	39	51	43	96	82	79	0.3	-9.1	
Gross Debt	263	278	275	198	155	124	148	127	116	114	108	106	0	0	0	-8.0	0.0	
Equity	285	284	318	312	345	351	345	287	143	208	222	203	223	209	204	-3.0	-4.2	
Growth (%)																		
Sales	31	31	3	-8	3	0	-3	-3	-58	1	-4	-6	10	10	-4			
EBITDA	40	4	-14	-24	54	-15	-35	-6	-54	-8	-10	-94	712	-17	35			
EBIT	48	-11	-31	-23	131	-32	-73	na	na	139	-58	na	na	na	na			
Net profit	10	-36	-14	na	na	-50	na	na	na	na	-67	na	na	-97	86			
FCF	-51	-36	491	na	na	92	-6	na	na	-100	18859	na	na	-98	475			
NWC	-57	-24	na	-20	-49	19	72	-38	99	-58	-39	-2	222	9	-5			
Capital Employed	123	4	-7	-9	3	-4	-5	-7	-57	35	-1	-48	-7	0	-1			
Shareholder Equity	32	0	12	-2	11	2	-2	-17	-50	45	7	-9	10	-6	-2			
Financial Ratios																		
Gross margin (%)	71	74	75	76	78	76	75	76	72	75	76	76	78	78	79			
EBITDA margin (%)	13	11	9	8	12	10	6	6	7	6	6	0	3	2	3			
EBIT margin (%)	9	7	4	4	9	6	2	-4	2	5	2	-4	0	-1	-1			
Net margin (%)	4	2	2	-1	4	2	0	-9	-47	22	8	-4	29	1	1			
Opex/Sales (%)	87	89	92	92	88	91	94	94	94	92	94	99	96	97	96			
Depreciation/Sales (%)	3	3	3	3	2	2	2	3	3	3	4	4	4	4	4			
Depreciation/EBITDA (%)	25	29	37	42	22	22	34	41	45	52	63	1126	143	160	121			
Tax rate (%)	48	55	31	-84	37	43	28	-3	-89	-671	-4	-82	-2	0	0			
Capex/Sales (%)	8	5	5	3	1	0	1	1	2	2	3	6	3	5	2			
FCF/Sales (%)	3	2	9	-1	3	6	6	-1	9	0	2	-10	10	0	1			
WCR/Sales (%)	4	1	8	-1	-3	1	2	-2	-1	-6	-3	0	10	1	-1			
WCS/Sales (%)	3	2	-6	-6	-3	-3	-6	-4	-17	-7	-5	-5	-15	-15	-15			
Capital Employed/Sales (%)	108	90	82	83	85	79	77	75	74	102	106	59	51	47	49			
Gearing (%)	74	83	50	39	31	25	19	26	56	36	26	31	-43	-39	-38			
Net Debt/EBITDA (x)	2.8	3.0	2.4	2.4	1.4	1.3	1.5	1.8	4.2	4.2	3.5	62.2	-11.7	-12.1	-8.7			
ROCE post-tax (%)	6	3	3	3	6	3	1	6	8	32	8	-9	58	3	7			
ROE (%)	10	6	5	-1	9	4	-1	-18	-66	37	10	-5	38	1	2			
Dividend Payout (%)	33	52	0	0	22	30	0	0	0	10	30	0	90	299	161			
Valuation																	06-17	18-20e
Market Capitalisation (€m)	579	669	393	184	248	275	185	155	162	208	319	306	258	185	185	-5.7	-15.3	
+ Net Financial Debt (€)	222	246	165	127	111	89	70	76	82	76	57	63	-96	-82	-79	-10.9	-9.1	
+ Restated Min. + others (€m)	38	38	22	15	17	16	14	35	20	10	10	10	9	7	7	-11.6	-12.7	
- Associates & Inv. (€m)	16	11	12	10	11	12	14	14	123	176	167	20	72	68	68	1.9	-2.6	
= Enterprise Value (€m)	824	942	568	316	365	369	254	253	141	118	219	358	100	42	45	-7.3	-32.9	
Assoc. NFD (gr. share) (€m)	0	0	0	0	0	0	0	0	0	-7	-10	0	-3	-3	-4			
EV/Sales (x)	1.4	1.2	0.7	0.4	0.5	0.5	0.4	0.4	0.3	0.4	0.8	1.4	0.4	0.1	0.2			
EV/EBITDA (x)	10.5	11.6	8.2	5.9	4.5	5.3	5.6	6.0	7.2	6.6	13.5	356.3	12.2	6.3	4.9			
EV/EBIT (x)	16.1	19.0	17.4	30.9	6.4	10.4	53.7	-5.1	36.0	9.6	32.7	-27.7	-1.6	-10.4	-23.9			
EV/FCF (x)	42.2	75.0	7.7	-37.3	15.1	7.9	5.8	-25.0	5.3	na	42.8	-13.7	3.5	64.4	11.9			
EV/Capital Employed (x)	1.2	1.4	0.9	0.5	0.6	0.6	0.5	0.5	0.6	0.4	0.7	2.3	0.7	0.3	0.3			
P/E (x)	23.3	42.0	28.9	-45.0	8.2	17.9	-74.0	-2.7	-1.1	3.2	14.7	-27.7	3.2	84	45.3			
P/BVPS (x)	2.0	2.4	1.2	0.6	0.7	0.8	0.5	0.5	1.1	1.0	1.4	1.5	1.2	0.9	0.9			
FCF yield (%)	3.4	1.9	18.9	-4.6	9.8	16.9	23.7	-6.5	16.4	0.0	1.6	-8.5	11.0	0.4	2.0			
Per share data																	06-17	18-20e
# of shares	11.01	11.04	13.13	13.13	13.13	13.14	13.14	13.14	13.14	13.14	13.14	13.14	13.14	13.14	13.14	1.6	0.0	
# of avg sh. (FD, ex-treas.)	10.96	11.03	13.26	13.43	13.42	13.21	13.18	13.05	12.97	13.07	13.03	13.03	13.03	13.03	13.03	1.6	0.0	
Share price	52.65	60.61	29.96	14.02	18.85	20.95	14.06	11.81	12.36	15.85	24.24	23.25	19.64	14.10	14.10	-7.2	-15.3	
EPS	2.26	1.44	1.04	-0.31	2.31	1.17	-0.19	-4.44	-11.0	4.92	1.65	-0.84	6.14	0.17	0.31	na	-77.5	
EPS FD	2.26	1.44	1.04	-0.31	2.31	1.17	-0.19	-4.44	-11.0	4.92	1.65	-0.84	6.14	0.17	0.31	na	-77.5	
BVPS	25.88	25.70	24.22	23.75	26.28	26.73	26.23	21.84	10.90	15.80	16.92	15.45	16.94	15.89	15.56	-4.6	-4.2	
DPS	0.75	0.75	0.00	0.00	0.50	0.35	0.00	0.00	0.00	0.50	0.50	0.00	5.50	0.50	0.50	na	-69.8	

Source: Company data, Merodis Equity Research

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