

Roularta Media Group

BELGIUM

Bloomberg: ROU:BB

Reuters: RLRT.BR



Market review and peer benchmarking

14 July 2020

Key quarterly insights: 2Q20

Some light at the end of the tunnel while lockdown measures are easing

The Covid-19 outbreak and its lockdown measures from mid-March to May confronted Roularta with two trends: a positive impact on subscriber revenues, but a more severe negative one on advertising revenue, external printing and events related to magazine brands. After cutting the previously proposed dividend (EUR 0.50/share) to nil on 1 April, the Board decided to hand in part of the Directors' fees and Roularta's management will waive its bonus for FY20. However, there are some signs of light ahead as Roularta restarted printing and distributing their free media titles in May, after a five weeks pause of iconic publications such as: De Zondag and De Streekkrant (17% of FY19 sales).

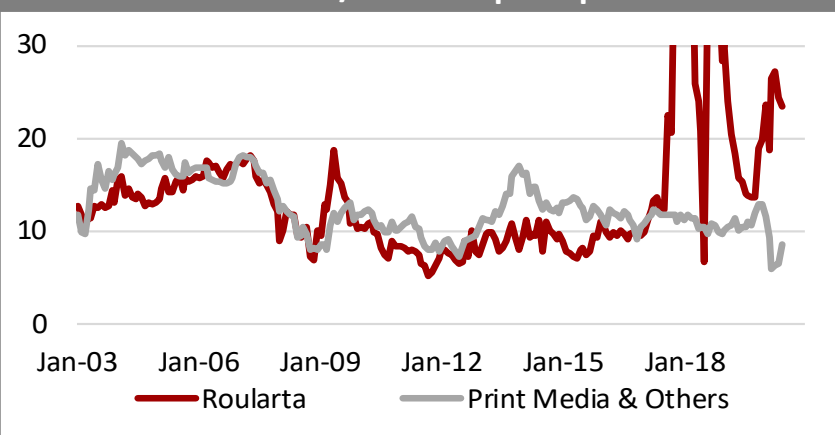
In search for higher yields

On 2 June, Belfius, a Belgian state-owned bank, acquired a minority stake of 30% in Immovlan, Belgium's #2 residential real estate web site, which until then was a 50/50 JV between Roularta and Rossel, another leading Belgian media company. Although the price tag was not disclosed, we expect a decent cash-in for Roularta from this transaction, which could also help to crystallise the value of its remaining 35% stake in Immovlan. The proceeds of the transaction should bring Roularta's net cash position to exceed EUR 100m, providing for a decent leeway to invest in value-accretive M&A opportunities, chasing higher returns than those offered by banks for cash holdings. In line with this strategy, Roularta announced a binding offer on 2 Belgian French-speaking television magazines: Moustique and Télé Pocket, appearing weekly with 50k and 20k copies respectively. This logic of this bid is probably linked to filling the capacity of its printing press as well as exploiting synergies such as content, subscription model and digital roll-out towards these two brands.

Valuation assessment

The market currently values Roularta at an enterprise value (EV) of a mere EUR 12m, which includes a market cap of EUR 163m, the value of restated minorities of EUR 6m, EUR 96m of net cash expected in 2020e as well as the estimated value of EUR 60m for its 50% stakes in Mediafin and Bayard (down from EUR 74m previously estimated). Our fair equity value estimate is at EUR 16/share (from EUR 15). We value the core Print Media activity at an EV of €59m (7.8x EV/EBIT '21e). We believe this business has more potential value, given, among others, Roularta's leading market positions in free newspapers and in (news, business and women) magazines as well as its state-of-the-art printing facilities.

Roularta P/E vs European peers



€m	2016	2017	2018	2019	2020e	2021e	2022e
Sales	278.6	258.3	278.4	298.0	245.5	285.7	283.1
EBIT	6.7	-13.0	-63.7	7.5	-0.1	7.6	12.0
Net profit	21.5	-10.9	79.9	10.9	2.4	10.6	16.0
EPS (€)	1.65	-0.84	6.14	0.83	0.19	0.81	1.22
DPS (€)	0.50	0.00	5.50	0.50	0.00	0.55	0.55
P/E (x)	14.7	na	3.2	16.3	66.0	15.3	10.1
Yield (%)	2.1	0.0	28.0	3.7	0.0	4.4	4.4
Adj. EV/EBIT (x)	32.7	na	na	3.1	na	na	na

Source: Merodis Equity Research, Factset
Pricing date: 30/6/2020

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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
- ⇒ 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

- ⇒ Friday, 14 August 2020: 1H20 results (8.15AM CET; Analyst meeting at 1PM)

Access our recent research reports on Roularta:

- ⇒ ["4Q19 market review" \(quarterly dashboard\), 8 January 2020](#)
- ⇒ ["1Q20 market review" \(quarterly dashboard\), 8 April 2020](#)

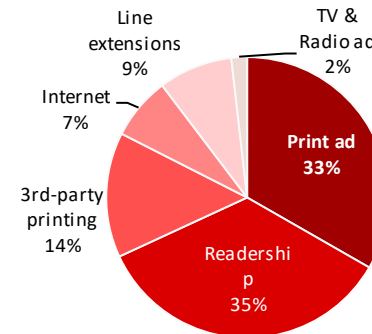
Company description

Roularta is Belgium's leading media company offering

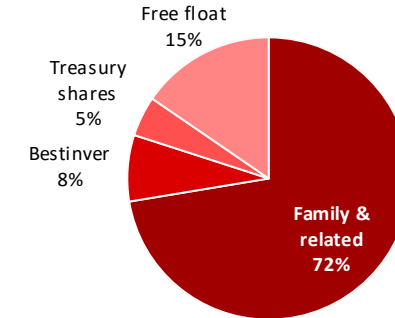
- (1) local weekly free newspapers in Flanders (Deze Week, De Zondag, Steps),
- (2) nationwide weekly news, business and women magazines (Knack, Le Vif L'Express, Trends, Trends Tendance, Libelle/Femme d'Aujourd'hui and Flair and Feeling/Gael),
- (3) internet platforms (Storesquare, Digilocal, Proxistore, 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 (33%), (2) Readers Market (subscriptions and newsstand sales) (35%), (3) Third-Party Printing (14%), (4) Internet advertising and related (7%), (5) other sources of revenues (inc. Line Extensions) (8%) and (6) TV and Radio advertising revenues (2%). 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 restated its business segmentation to include two activities: Media Brands (87% of group sales in 2019) and Printing Services (13%).

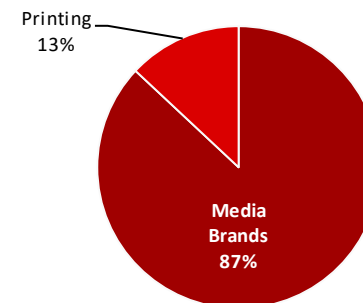
Combined sales breakdown (2019)



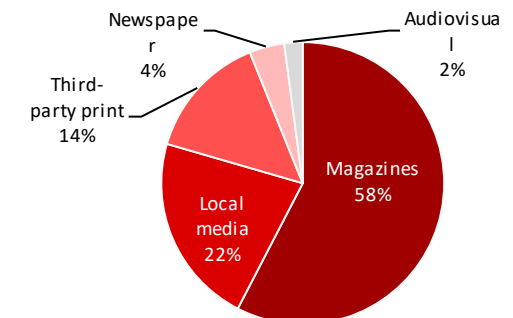
Shareholders



Segment sales (2019)



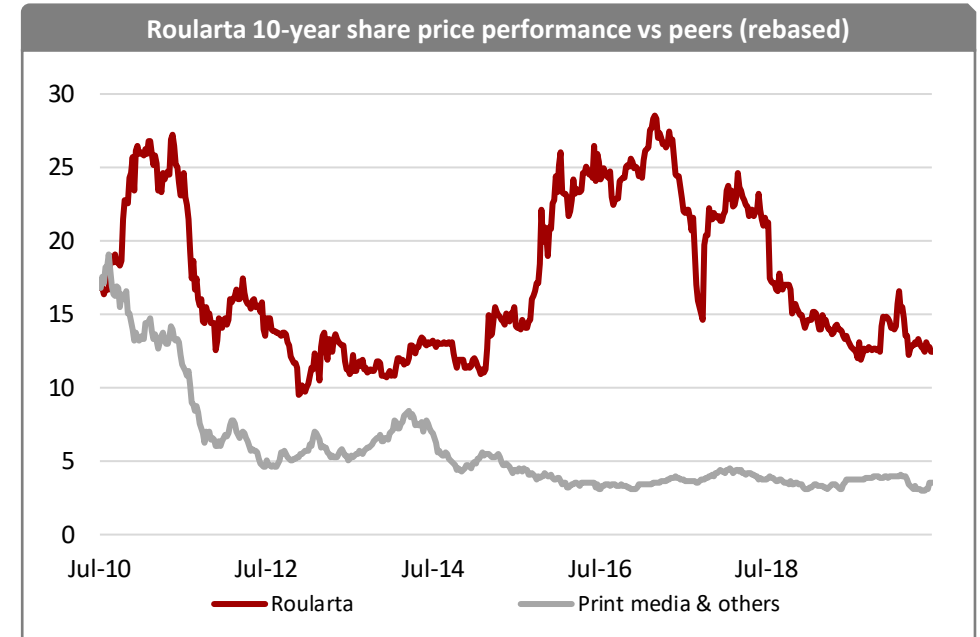
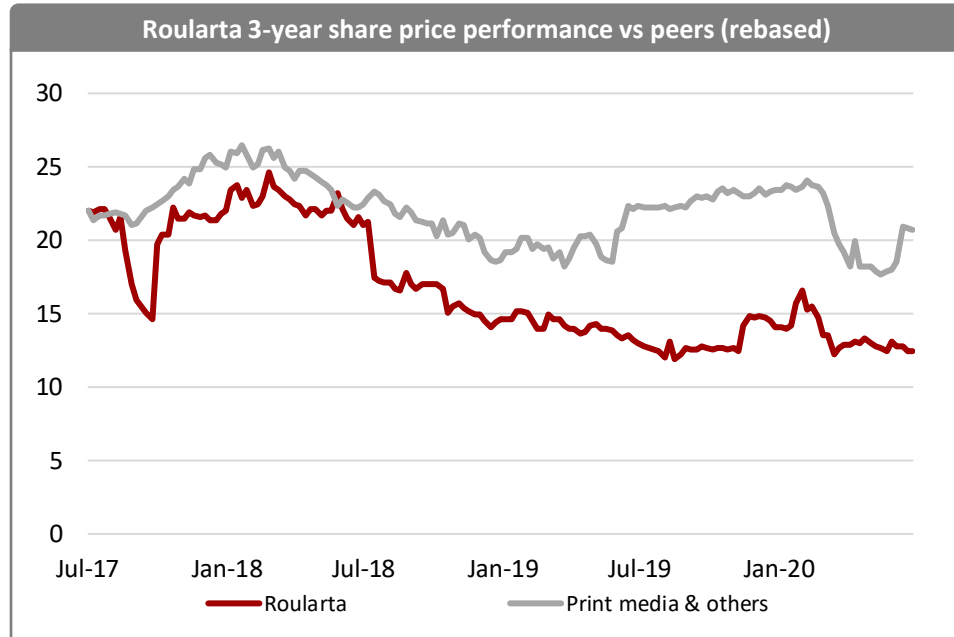
BU sales (2019)



Source: Merodis, Factset

Share price performance

Under pressure since 1Q17, with transformational deals and strong 2H18, 1H19 & 2H19 to the rescue



Source: Merodis, Factset

Analyst Recommendations, Earnings Expectations

Consensus stabilizes after downgrading due to Covid-19

Consensus view

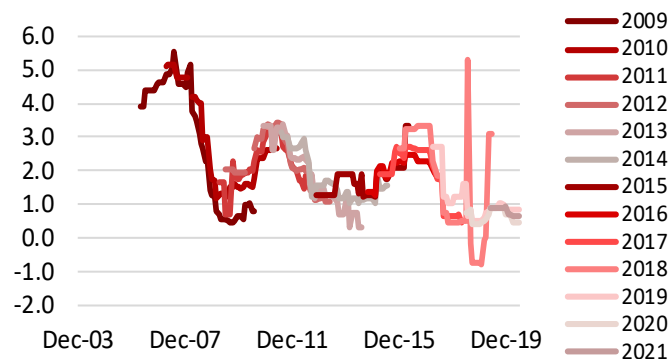
2020 consensus EPS estimates for Roularta have been stable (0% q-o-q) following a 39%-downwards revision since December, 2019. We expect top-line to be severely hit, particularly in 1H20, with an 18% drop in sales which we expect for FY20e. Costs should come down too as the company makes good use of government unemployment subsidies, but we expect a sharp EPS impact (down 77% in 2020e).

Consensus currently expects 2021e earnings of €0.66 (stable 0% q-o-q) per share vs. our forecast of €0.81. Our 2022e EPS forecast, which we expect at €1.22, shows a strong EPS growth y-o-y (51%), reflecting improving EBITDA margins to 8.8% from 7.1% in 2021e.

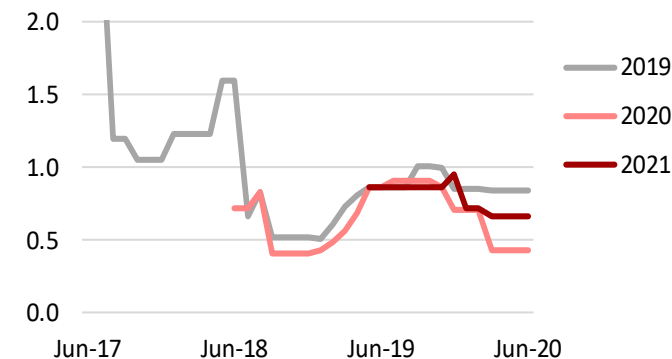
Roularta's share price was down 3.9% in 2Q20, faring worse than the broader market (+12.6% for the Euro Stoxx 600), and lagging behind Belgian SMCs (+8.2%) and Print Media peers (+2.7% q-o-q). The share's 12 months low was €11.75 (intraday on 7 August 2019), while its high during the year was €17.20 (29 January 2020).

Only one broker covers the stock according to Factset, KBC Securities (Hold recommendation with €16 target price). Kepler Chevreux, which initiated coverage in September 2018, is no longer listed on Factset as actively covering the stock and Degroof Petercam does not appear to have published anything recently according to Factset.

EPS Worms (€/share)



Consensus EPS 2017-19 (€/share)



Analyst recommendations vs. peer average



Jan-03 Jan-05 Jan-07 Jan-09 Jan-11 Jan-13 Jan-15 Jan-17 Jan-19
— Roularta — Sector average

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

	<u>2020e</u>	<u>2021e</u>	<u>2022e</u>
Sales	-9.8	1.2	0.0
EBITDA	-17.8	1.5	-0.6
EBIT	-77.3	-5.1	-0.2
EPS	-56.5	23.2	0.4
DPS	-100.0	0.0	0.0
Net cash	8.3	0.1	0.0

Source: Merodis, Factset

Sector benchmarking and valuation analysis

Benchmarking Print Media peers and listed Printing companies

Sector financial benchmarking

Company	Freefloat (%) 2020	Liquidity (daily,€m)	Depr/ EBITDA	Capex/ Sales	ND/EBITDA			EBITDA margin (%)			EBIT margin (%)			Net margin (%)			ROE (%)			2020-22e CAGR (%)		
					2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	EPS	EBITDA	Sales
Impresa	41	0.05		2%	6.4			13.7			10.2			5.1			6.7					
Solocal	90	1.98	12%	7%	4.6	5.7	4.2	29.4	24.4	29.5	23.6	18.4	23.6	7.8	-2.2	2.6				-19.1	3.2	3.0
Gruppo Editoriale	33	0.45	36%	2%	0.5	0.0		7.1	7.2					1.2	0.5							
Mondadori	46	0.57	33%	1%	0.1	0.0	0.1	10.5	10.6	11.9	5.5	7.0	8.4	2.5	3.3	4.1	11.0	12.9	15.0			
RCS	15	0.43	27%	2%	3.1	1.9	1.5	10.8	13.0	12.9	4.8	7.3	8.0	2.7	4.7	5.4	7.9	13.0	11.4			
Vocento	55	0.06	48%	2%	3.3	2.1	1.6	6.2	9.3	11.5	1.1	4.6	6.8	-1.6	1.0	2.7				144.9	41.4	3.7
Sanoma	38	1.40	-383%	3%	1.5	1.1	1.0	27.3	29.0	29.5	11.4	13.4	14.0	7.5	9.1	9.7				13.6	8.4	4.2
Connect	94	0.12	55%	1%	1.8	1.4	0.9	2.4	2.8	3.1	1.8	2.2	2.3	1.2	1.5	1.6		39.9	92.3	15.9	9.8	-3.0
Wilmington	88	0.16	32%	2%	2.7	1.4		13.3	17.8		10.7	15.2		5.8	9.2							
Axel Springer	4	0.71	30%	6%																		
PRINT MEDIA AVERAGE	50	0.59	-12%	3%	2.7	1.7	1.5	13.4	14.3	16.4	8.7	9.7	10.5	3.6	3.4	4.3	8.6	21.9	39.6	38.8	15.7	2.0
PRINT MEDIA MEDIAN	43	0.44	32%	2%	2.7	1.4	1.2	10.8	11.8	12.4	7.9	7.3	8.2	2.7	2.4	3.4	7.9	13.0	15.0	14.8	9.1	3.3
Roularta (consolidated)	15	0.03	101%	3%	-7.9	-5.7	-5.1	5.0	7.1	8.8	0.0	2.7	4.2	1.0	3.7	5.6	1.1	4.7	6.8	155.3	42.5	7.4
% prem./(disc.) vs median	-65	-92.3	217.9	35.1	-394.3	-511.4	-515.0	-53.9	-40.1	-29.0	-100.4	-63.8	-48.6	-63.2	52.8	67.9	-86.5	-64.1	-54.5	951.9	366.1	122.1

Source: Merodis, Factset

Sector valuation

Company	Country	Price (local)	MCap (local m)	P/E			EV/Sales			EV/EBITDA			EV/EBIT			P/B			DYield		
				2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e
Impresa	PORTUGAL	0.14	23	2.5			1.0			7.3			9.8			0.2			0.0		
Solocal	FRANCE	0.16	94	4.1		6.3	1.6	1.6	1.4	5.3	6.6	4.9	6.7	8.8	6.1				0.0	0.0	0.0
Gruppo Editoriale	ITALY	0.46	225	46.0	46.0		0.4	0.4		6.1	5.8								0.0	0.6	
Mondadori	ITALY	0.96	248	11.9	9.4	7.3	0.3	0.3	0.3	3.3	3.0	2.8	6.2	4.5	3.9	1.3	1.2	1.0	0.7	4.8	5.8
RCS	ITALY	0.62	319	14.0	7.7	7.7	0.7	0.6	0.6	6.8	4.8	4.4	15.3	8.5	7.1	1.1	0.9	0.8	2.4	4.9	4.9
Vocento	SPAIN	0.74	89	55.2	11.6	9.2	0.5	0.4	0.4	7.6	4.8	3.8	41.0	9.6	6.3				1.4	1.8	5.4
Sanoma	FINLAND	9.01	1,470	16.1	13.2	12.5	1.8	1.6	1.6	6.6	5.6	5.3	15.7	12.1	11.3			2.5	5.6	6.1	6.3
Connect	UNITED KINGDOM	0.17	43	2.5	2.1	1.9	0.1	0.1	0.1	3.0	2.5	1.9	4.0	3.2	2.7	0.7	1.1	4.3	5.8	5.8	6.1
Wilmington	UNITED KINGDOM	1.24	108	18.8	11.0		1.4	1.2		10.2	6.6		12.8	7.7					0.0	4.7	
Axel Springer	GERMANY	63.00	6,797																		
PRINT MEDIA AVERAGE				19.0	14.4	7.5	0.9	0.8	0.7	6.3	4.9	3.8	13.9	7.8	6.2	0.8	1.1	2.2	1.8	3.6	4.7
PRINT MEDIA MEDIAN				14.0	11.0	7.5	0.7	0.5	0.5	6.6	5.2	4.1	11.3	8.5	6.2	0.9	1.1	1.8	0.7	4.7	5.6
Roularta (consolidated)	BELGIUM	12.40	163	66.0	15.3	10.1	0.0	0.0	-0.1	1.0	-0.3	-0.8	-141.1	-0.8	-1.6	0.7	0.7	0.7	0.0	4.4	4.4
% prem./(disc.) vs median				370.9	38.9	34.9	-93.3	-103.9	-114.0	-85.1	-105.6	-119.5	-1,351.7	-109.1	-126.6	-17.3	-34.5	-61.8	-100.0	-6.6	-20.9

Source: Merodis, Factset

P/E valuation relative to the sector

A recent normalisation driven by regained profitability momentum

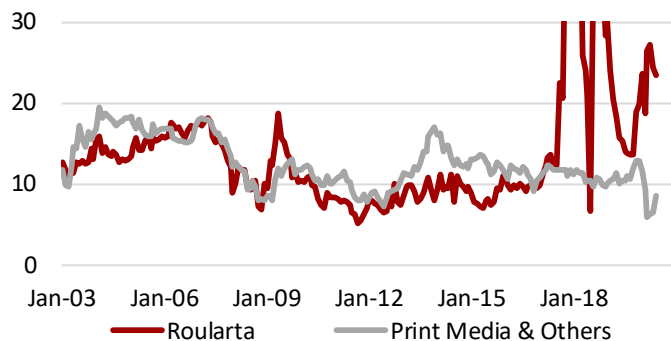
Valuation

On consensus EPS estimates, Roularta shares trade at a P/E 12M forward of 23.4x, a hefty premium versus Print Media peers in Europe (currently at a median of 8.6x; the premium was 348% in March 2020). Importantly, the volatility is due to profitability at Roularta which is still expected to be negatively impacted by weak market conditions in the ad space for Roularta's core activity.

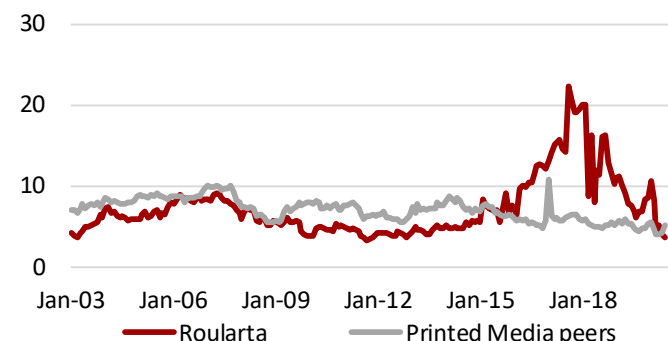
As a reminder, Roularta disposed of its stake in Medialaan in 2018, which means Roularta is now a Print Media pure play compared to the past when TV broadcasting (through Medialaan) was the main profit contributor and the key value driver of the stock (in 2016, 73% of Roularta's EBIT and 80% of its EPS was generated by Medialaan). 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 (discontinued as from 2019).

The Print Media sector is valued at 8.6x P/E 12M forward (from 5.9x in March 2020, ie. a 46% rise due to easing of lockdown measures and reversion of the broader market) and at 5.1x EV/EBITDA 12M forward (vs. 4.0x previously), which compares to a LT average of 12.5x and 7.0x respectively. The historical valuation range for the sector is 5.9x-19.4x (P/E) and 3.9x-10.9x (EV/EBITDA), which suggest that the sector remains at the low-end of its historical range, particularly with regards to EV/EBITDA.

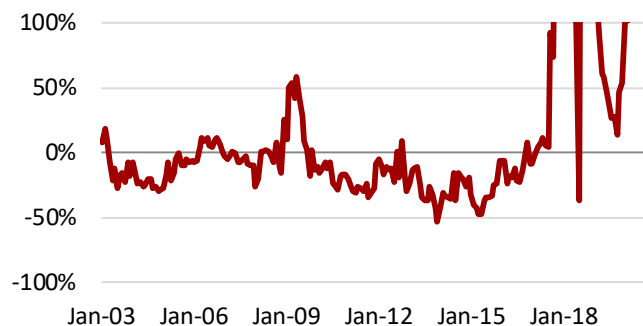
P/E ratio of Roularta vs. Print Media



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

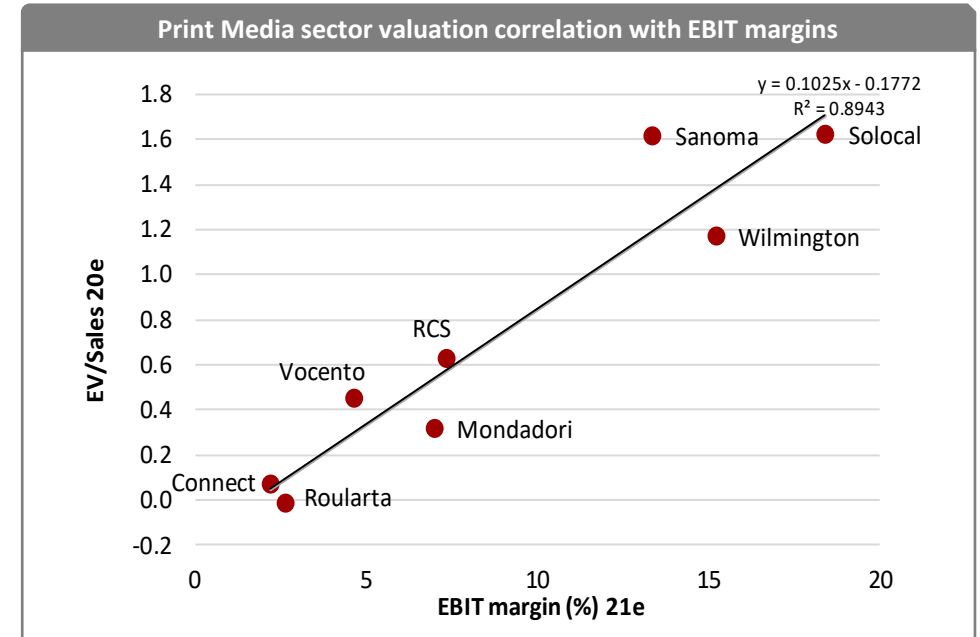
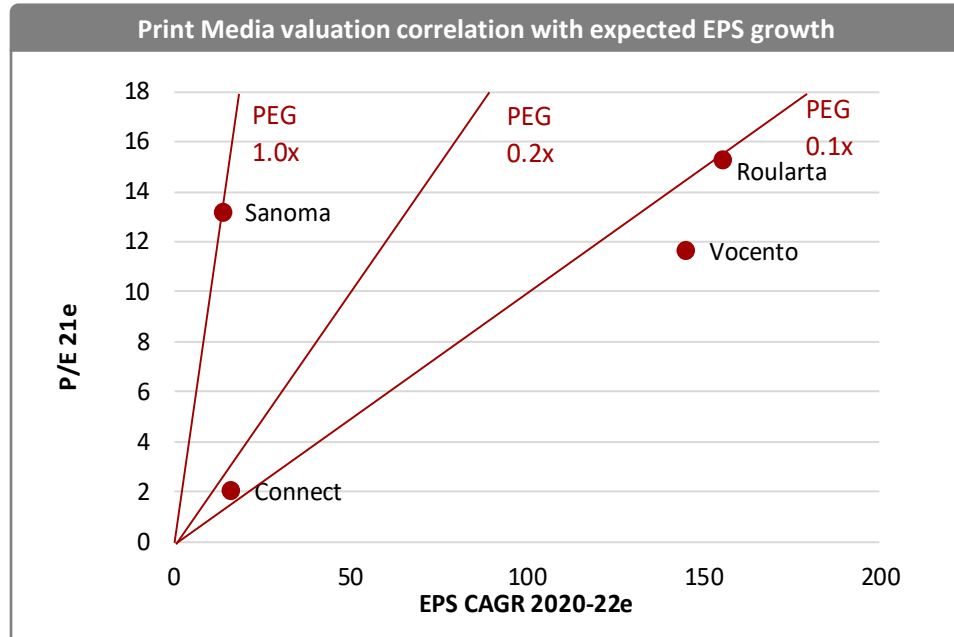


Source: Merodis, Factset

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

Roularta updated sum-of-the-parts										
(EURm)	Ownership (%)	Adjusted EBIT 21e	Discount to peers	EV/EBIT multiple 21e	Net debt 19e	Value	Equity value/sh.	Value split	Value w/o discount	
Print media	100%	7.6	0.0	7.8		59.0	11.8	74%	59.0	
Group enterprise value						59.0			59.0	
- Net Financial Debt/(cash) (19)						95.9			95.9	
- Other liabilities (19)						-5.6			-5.6	
+ NPV tax asset (balance sheet)						5.5			5.5	
+ Equity value of Mediafin stake	50%					43.5	3.3	21%	43.5	
+ Equity value of Bayard stake	50%	2.1	0.0	7.8	-6.1	11.3	0.9	5%	11.3	
= Estimated market value of equity						209.6			209.6	
Total share outstanding (m)						13.1			13.1	
Equity value per share						16.0			16.0	

Source: Merodis, Factset



Source: Merodis, Factset

Sales growth expectations

Impacted by cyclical and structural effects

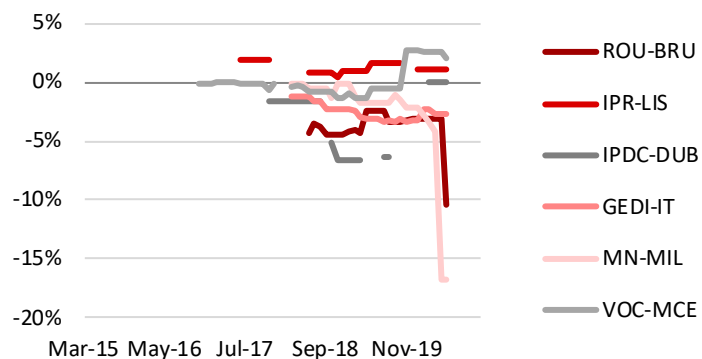
Expected Sales Growth

At the end of June, consensus expectations for 2020 Print Media sales stood at -10.4% (vs. -3.1% in March 2020), reflecting the Covid-19 impact. As a reminder, we expect sales to fall by 18% in FY20e with a more severe impact in 1H20e without any free media ad sales since mid March and even magazine ad revenues down by 50% since the beginning of the lockdown in Belgium on 18 March. The acquisition of 100% of Plus Magazine, a magazine for senior citizens with sales of EUR 6.6m (in 2019), should have a slight positive impact on top-line growth for 2020e.

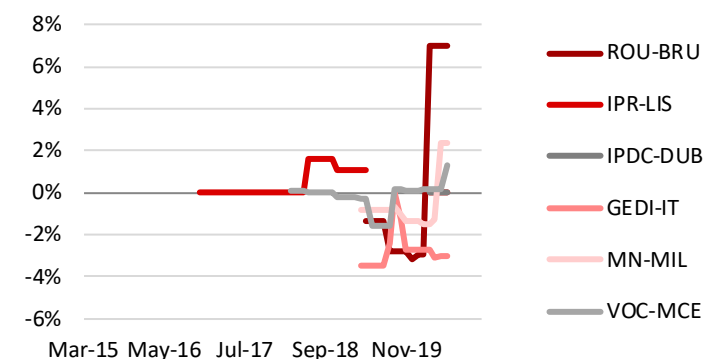
Consensus sales expectations for Roularta in 2021 increased significantly to 7.0% (vs. MERe +16% with a Covid-19 catch-up effect). Sector sales, are expected to increase slightly by 0.2% in 2021 (from -1.4% previously).

In addition to the Covid-19 crisis which is likely to affect many sectors around the world, the media 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.

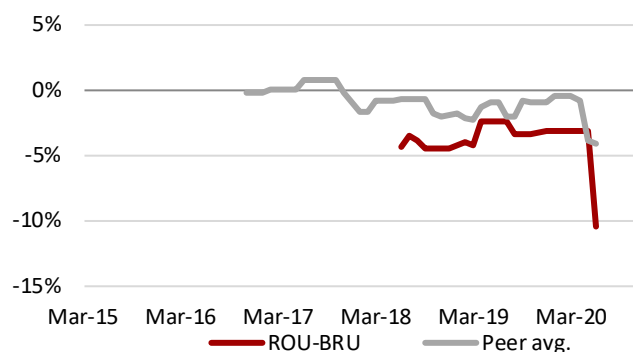
2020 expected sales growth (%)



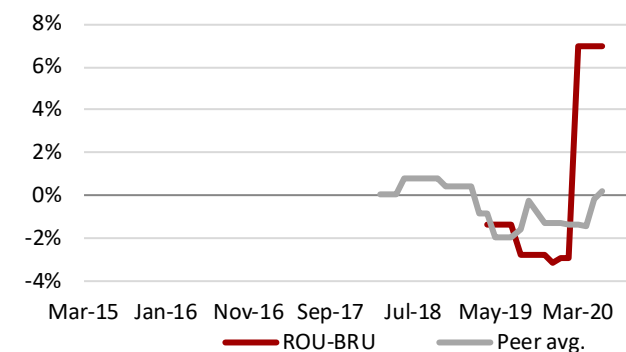
2021 expected sales growth (%)



2020 expected sales growth, Roularta vs. peers



2021 expected sales growth, Roularta vs. peers



Source: Merodis, Factset

EBITDA growth and margin expectations

Advertising revenue pressure keeps hurting margins

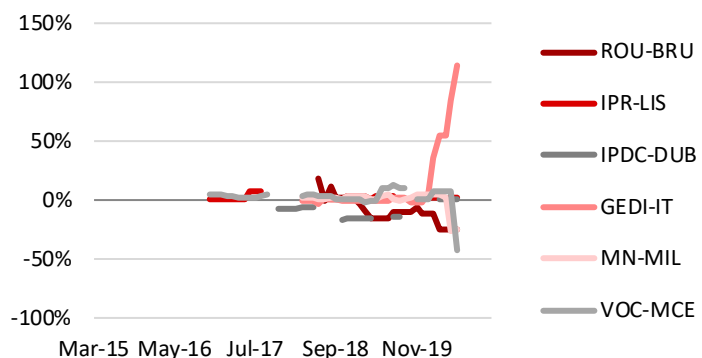
EBITDA expectations

At the end of June, expected consensus EBITDA decline for 2020e at Roularta lies at -25% (significantly declined vs. previously expected -11%, March 2020), compared to the peer average of +12% (from +17% previously expected). Margin expectations remain below the peer average for 2020 and 2021, albeit with a slightly improving trend.

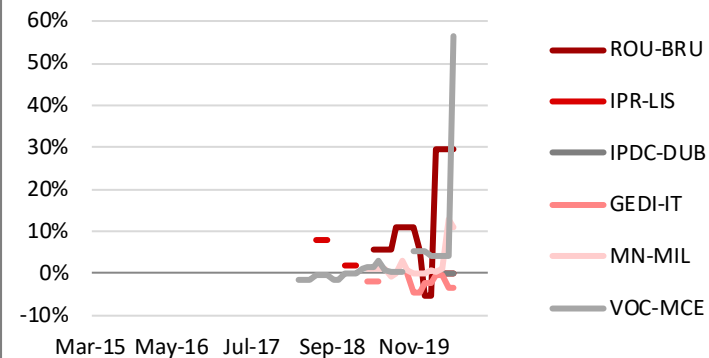
Note that consensus changes to EBIT or EBITDA at Roularta are not interpretable in a straightforward manner. In Roularta's case, its reported EBITDA margin (as reflected by Factset consensus) is positively influenced by the IFRS 11 treatment of its 50% stake in Bayard and Mediafin (from March 2018), 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 transactions 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.

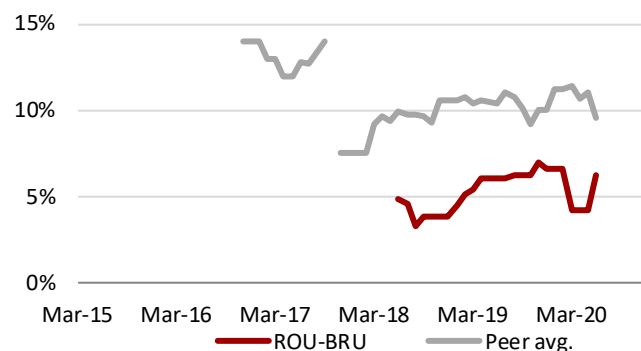
2020 expected EBITDA growth (%)



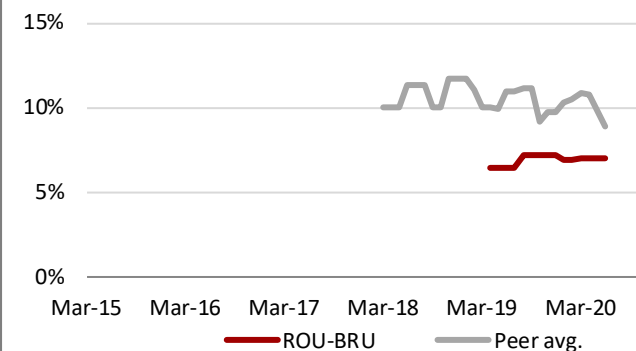
2021 expected EBITDA growth (%)



2020 expected EBITDA margin, Roularta vs. peers



2021 expected EBITDA margin, Roularta vs. peers



Source: Merodis, Factset

Consensus payout expectations

Stable dividend outlook backed by a strong balance sheet

Dividend payout

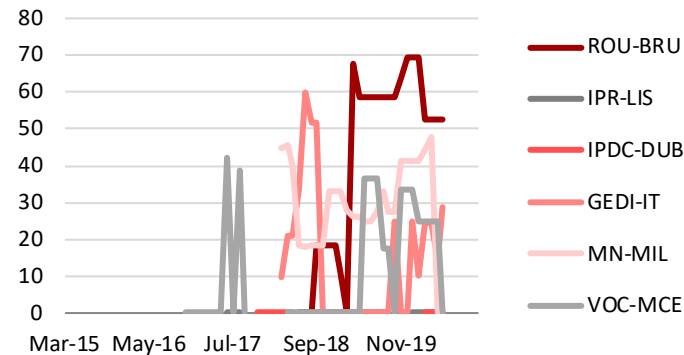
Roularta announced on 6 March 2020 that an ordinary dividend of €0.5/share would be paid out on 2019 earnings, in line with our forecast. The amount is in line with the historical average dividend of €0.55/share in years when a dividend was paid (13 years over the past 19 since the IPO). On 23 March, Roularta announced, however, like many Belgian SMEs, that the Board would, in fact, propose to scrap the dividend due to the Covid-19 crisis and the pursuing lack of visibility from the pandemic.

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.

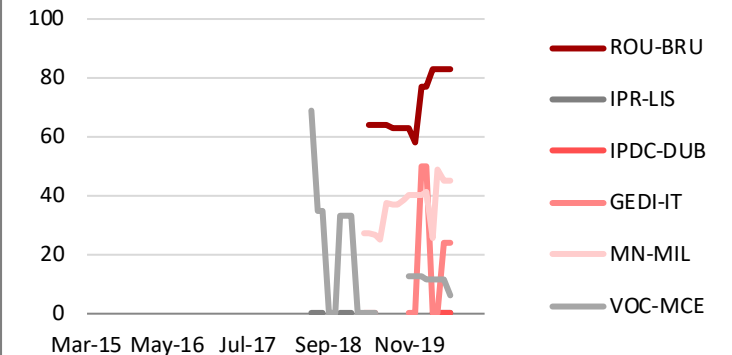
Consensus expects Roularta to pay out a dividend of €0.83/share in 2021e (vs. €0.55/share MERe), which leads to an expected payout of 126%, which is a bit excessive in our view.

The Mediafin acquisition and the Medialaan disposal are likely to have a negative impact on Roularta's (ordinary) dividend payment profile given the lower cash-generation potential of Mediafin vs. Medialaan. We believe, however, that a €0.55/share dividend in the next years is sustainable given Roularta's €96m net cash position.

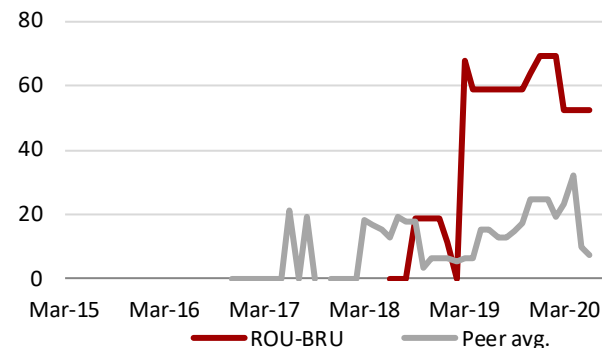
2020 expected Payout, Sector



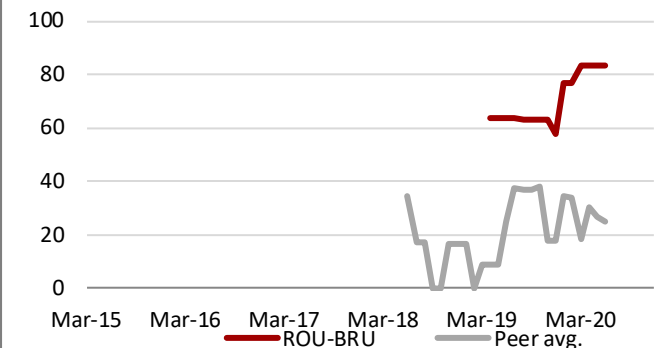
2021 expected Payout, Sector



2020 expected payout, Roularta vs. Peers



2021 expected payout, Roularta vs. Peers



Source: Merodis, Factset

Leverage expectations

No longer an issue post the Medialaan disposal

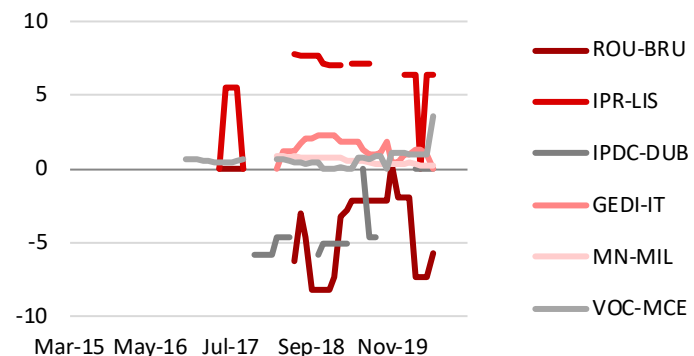
Net-debt-to-EBITDA

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 reached a net cash position of €96m at the end of 2019, following the transactions (Medialaan disposal and the acquisitions of Mediafin and Sanoma women magazine titles) as well as the special €5/share dividend payout to shareholders in 2018.

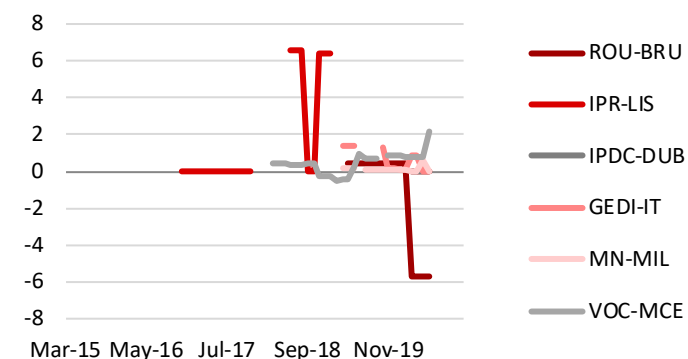
As a reminder, Roularta has paid back its €100m bond in 2018 and benefited from the first full-year impact in 2019. The company has a covenant threshold of 3.5x net debt over EBITDA based on annual EBITDA including the company's share of Mediafin's and Bayard's net profit.

Going forward, this has become a non-issue given Roularta's reported net cash position compared to a reported net debt position of €96m at the end of 2019.

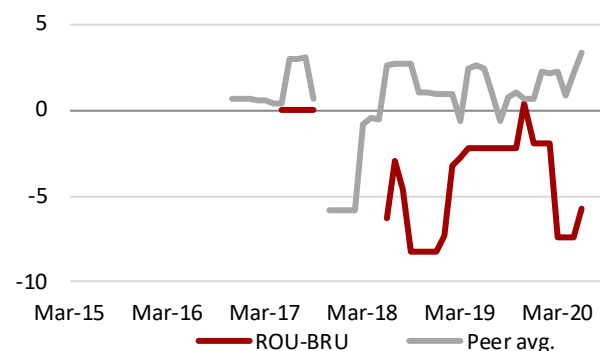
2020 NFD/EBITDA, sector



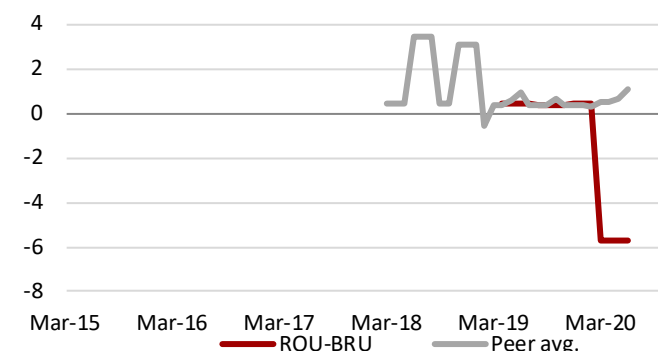
2021 NFD/EBITDA, sector



2020 NFD/EBITDA, Roularta vs. Peers

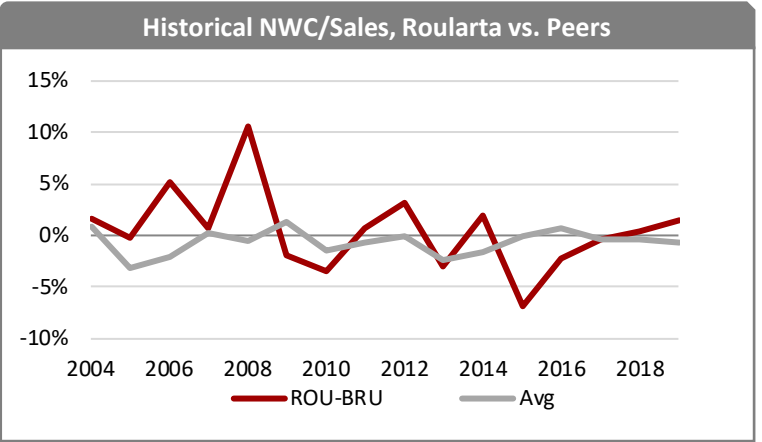
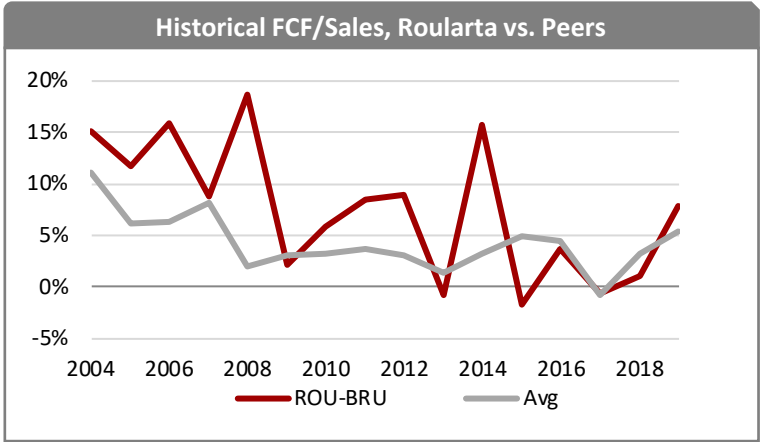
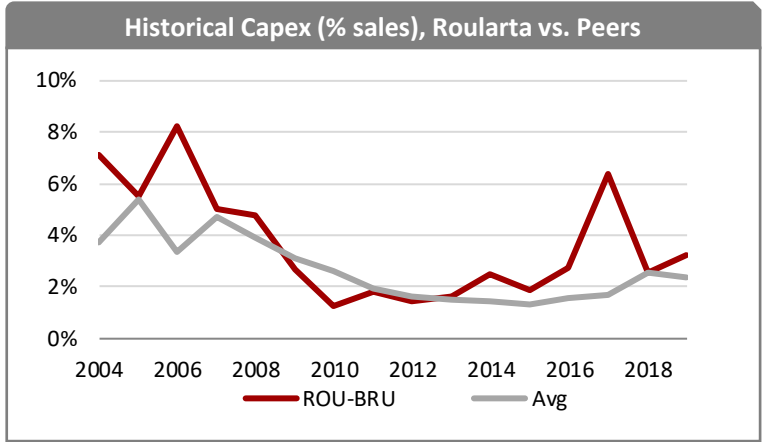
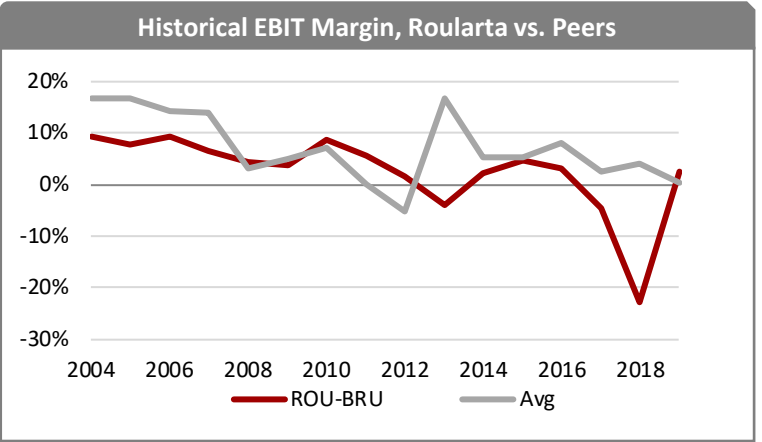
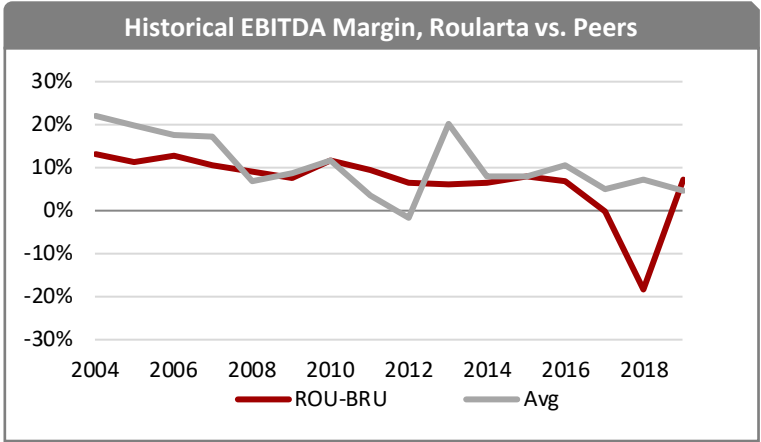
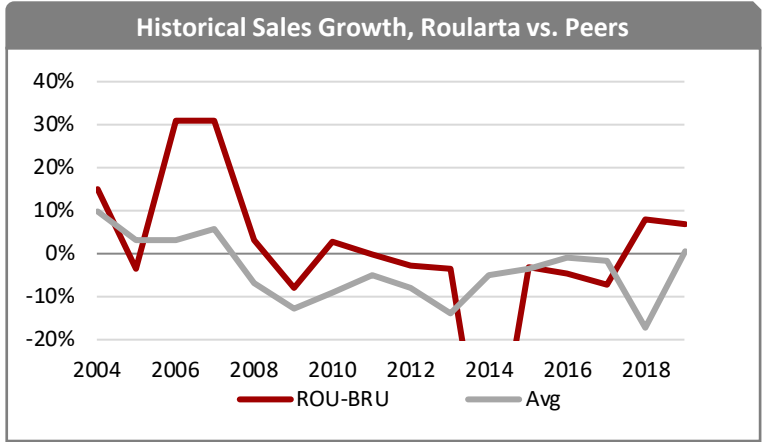


2021 NFD/EBITDA, Roularta vs. Peers



Source: Merodis, Factset

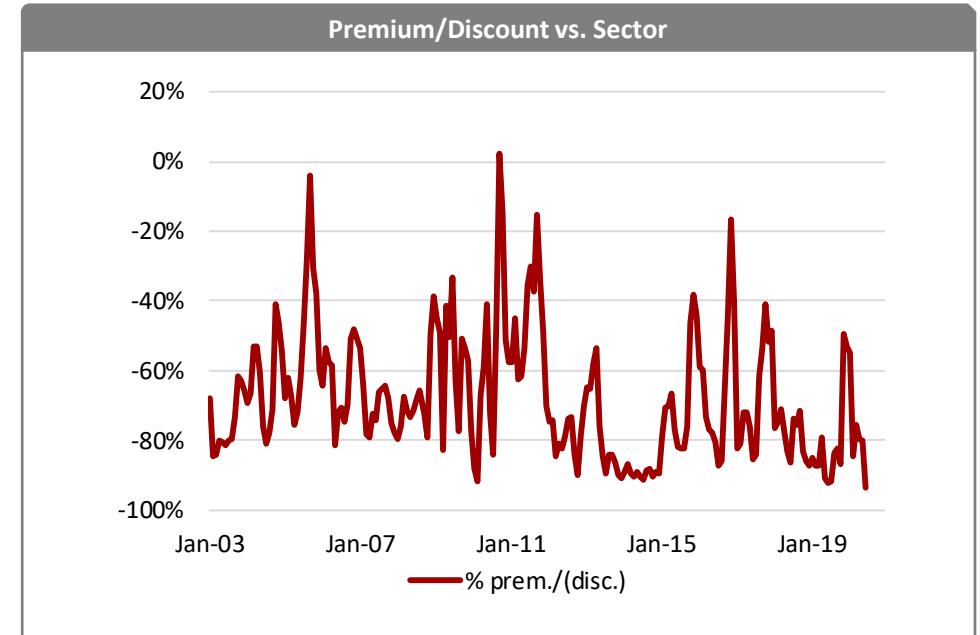
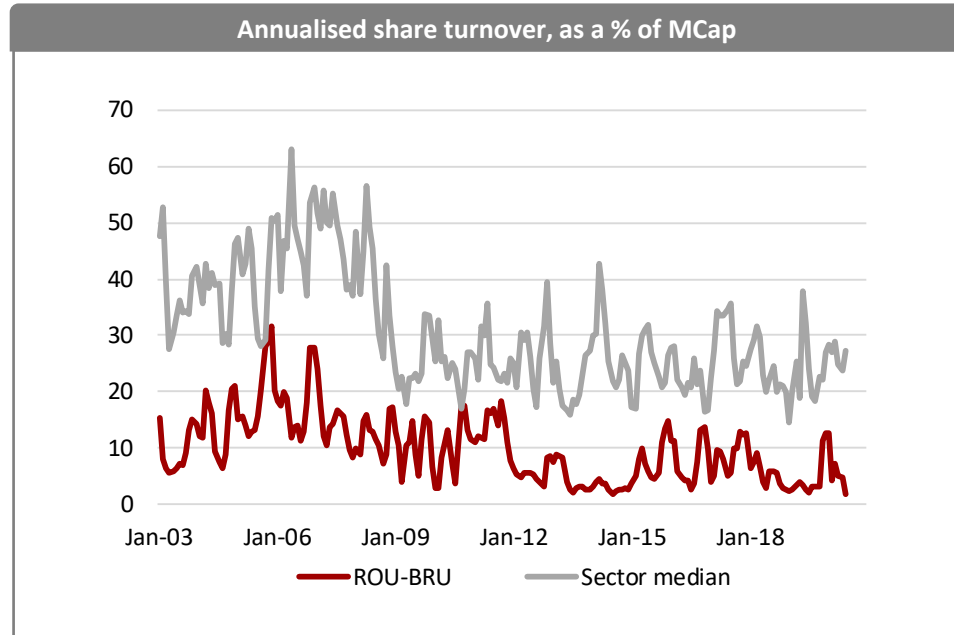
Historical P&L, CF and Balance Sheet Performance



Source: Merodis, Factset

Share liquidity

Well-below peers



Source: Merodis, Factset

Financial summary

Enterprise Value (€m): 12
Market Cap. (€m): 163
Free-float MCap (€m): 24

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	CAGR	CAGR
Consolidated P&L (€m)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	08-19	20-22e
Sales	767	782	707	712	731	712	677	300	292	279	258	278	298	245	286	283	-8.4	7.4
EBITDA	81	70	53	82	70	45	42	20	18	16	1	8	21	12	20	25	-10.5	42.5
EBIT	50	33	10	57	36	5	-49	4	12	7	-13	-64	8	0	8	12	-12.5	na
Pretax profit	36	18	-3	51	28	-4	-57	-3	7	2	-18	-69	7	1	8	13	-7.9	328.2
Net profit	16	14	-4	31	15	-3	-58	-142	64	21	-11	80	11	2	11	16	-2.1	155.3
Cash Flow (€m)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	08-19	20-22e
Adj. EBITDA	80	67	36	77	63	39	21	17	15	16	1	8	21	12	20	25	-10.2	42.5
WCR	4	62	-10	-19	4	17	-16	4	-17	-8	0	28	-4	-5	9	0	na	-72.6
Gross Op CF	84	129	26	58	66	56	5	21	-3	8	1	36	17	7	29	24	-17.0	84.3
Capex	-38	-35	-20	-8	0	-4	-6	-7	-5	-8	-16	-7	-10	-7	-7	-7	-11.1	0.0
FCF	13	74	-8	24	46	44	-10	27	0	5	-26	28	13	2	25	21	-14.7	203.2
Net disp./acq.)	-14	-4	57	-9	1	0	1	9	12	16	17	221	-8	-2	0	0	na	na
Dividends paid	-8	-9	0	0	-6	-4	0	0	0	-6	-6	-63	-6	0	-7	-7	-3.7	na
Equity issue	-13	28	2	0	-3	0	0	0	0	0	0	0	0	0	0	0	na	na
Others	-2	-17	-12	0	-16	-19	2	-41	-6	3	10	-28	2	0	0	0	na	na
Net Debt (incr./decr.)	-24	81	39	15	22	20	-7	-6	18	-5	158	0	0	0	18	14	-40.3	634.4
Balance Sheet (€m)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	08-19	20-22e
WC	13	-49	-39	-20	-24	-41	-25	-51	-21	-13	-13	-41	-37	-32	-41	-41	-2.6	12.9
Capital Employed	689	640	584	602	549	511	221	298	295	154	143	146	144	144	130	124	-12.6	-7.3
Discontinued Assets	0	0	0	0	0	0	0	152	0	0	129	0	2	0	0	0	na	na
Cash & Equivalent	32	110	72	44	35	79	51	34	39	51	43	96	101	102	120	133	-0.7	14.6
Gross Debt	278	275	198	155	124	148	127	116	114	108	106	0	6	6	6	6	-29.9	0.0
Equity	284	318	312	345	351	345	287	143	208	222	203	223	230	226	229	238	-2.9	2.5
Growth (%)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	08-19	20-22e
Sales	31	3	-8	3	0	-3	-3	-58	1	-4	-6	10	9	-18	16	-1		
EBITDA	4	-14	-24	54	-15	-35	-6	-54	-8	-10	-94	712	151	-40	65	23		
EBIT	-11	-31	-23	131	-32	-73	na	na	na	139	-58	na	na	na	na	58		
Net profit	-36	-14	na	na	-50	na	na	na	na	-67	na	na	-86	-77	333	51		
FCF	-36	491	na	na	92	-6	na	na	-100	18859	na	na	-54	-83	1001	-17		
NWCC	-24	na	-20	-49	19	72	-38	99	-58	-39	-2	222	-9	-14	29	-1		
Capital Employed	4	-7	-9	3	-4	-5	-7	-57	35	-1	-48	-7	2	-1	-10	-4		
Shareholder Equity	0	12	-2	11	2	-2	-17	-50	45	7	-9	10	3	-2	1	4		
Financial Ratios	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	08-19	20-22e
Gross margin (%)	74	75	76	78	76	75	76	72	75	76	76	78	79	79	79	78		
EBITDA margin (%)	11	9	8	12	10	6	6	7	6	6	6	0	3	7	5	7		
EBIT margin (%)	7	4	4	9	6	2	-4	2	5	2	-4	0	3	0	3	4		
Net margin (%)	2	2	-1	4	2	0	-9	-47	22	8	-4	29	4	1	4	6		
Opex/Sales (%)	89	92	92	88	91	94	94	94	92	94	99	96	93	94	92	91		
Depreciation/Sales (%)	3	3	3	2	2	2	3	3	3	3	4	4	4	4	5	4		
Depreciation/EBITDA (%)	29	37	42	22	22	34	41	45	52	63	1126	143	64	101	62	52		
Tax rate (%)	55	31	-84	37	43	28	-3	-89	-671	-4	-82	-2	-6	0	0	0		
Capex/Sales (%)	5	5	3	1	0	1	1	2	2	3	6	3	3	3	2	2		
FCF/Sales (%)	2	9	-1	3	6	6	-1	9	0	2	-10	10	4	1	9	7		
WCR/Sales (%)	1	8	-1	-3	1	2	-2	1	-6	-3	0	10	-1	-2	3	0		
WC/Sales (%)	2	-6	-6	-3	-3	-6	-4	-17	-7	-5	-5	-15	-12	-13	-14	-14		
Capital Employed/Sales (%)	90	82	83	85	77	77	75	74	102	106	59	51	49	59	45	44		
Gearing (%)	83	50	39	31	25	19	26	56	36	26	31	-43	-42	-42	-50	-54		
Net Debt/EBITDA (x)	3.0	2.4	2.4	1.4	1.3	1.5	1.8	4.2	4.2	3.5	62.2	-11.7	-4.7	-7.9	-5.7	-5.1		
ROCE post-tax (%)	3	3	3	6	3	1	6	8	32	8	-9	0	5	0	6	9		
ROE (%)	6	5	-1	9	4	-1	-18	-66	37	10	-5	38	5	1	5	7		
Dividend Payout (%)	52	0	0	22	30	0	0	0	10	30	0	90	60	0	68	45		
Valuation	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	08-19	20-22e
Market Capitalisation (€m)	669	393	184	248	275	185	155	162	208	319	306	258	179	163	163	163	-6.9	0.0
+ Net Financial Debt (€)	246	165	127	111	89	70	76	82	76	57	63	-96	-96	-96	-114	-128	na	15.3
+ Restated Min. + others (€m)	38	22	15	17	14	14	35	20	10	10	10	9	9	6	6	6	-7.9	0.0
- Associates & Inv. (€m)	11	12	10	11	12	14	14	14	123	176	167	20	72	68	60	60	17.0	0.0
= Enterprise Value (€m)	942	568	316	365	369	254	253	141	118	219	358	100	23	12	-6	-20	-25.2	na
Assoc. NFD (gr. share) (€m)	0	0	0	0	0	0	0	0	-7	-10	0	-5	-2	-2	-2	-2		
EV/Sales (x)	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	0.0	0.0	-0.1		
EV/EBITDA (x)	11.6	8.2	5.9	4.5	5.3	5.6	6.0	7.2	6.6	13.5	356.3	12.2	1.1	1.0	-0.3	-0.8		
EV/EBIT (x)	19.0	17.4	30.9	6.4	10.4	53.7	-5.1	36.0	9.6	32.7	-27.7	-1.6	3.1	-141.1	-0.8	-1.6		
EV/FCF (x)	75.0	7.7	-37.3	15.1	7.9	5.8	-25.0	5.3	na	42.8	-13.7	3.5	1.8	5.3	-0.2	-1.0		
EV/Capital Employed (x)	1.4	0.9	0.5	0.6	0.6	0.5	0.5	0.6	0.4	0.7	2.3	0.7	0.2	0.1	0.0	-0.2		
P/E (x)	42.0	28.9	-45.0	8.2	17.9	-74.0	-2.7	-1.1	3.2	14.7	-27.7	3.2	16	66.0	15.3	10.1		
P/BWPS (x)	2.4	1.2	0.6	0.7	0.8	0.5	0.5	1.1	1.0	1.4	1.5	1.2	0.8	0.7	0.7	0.7		
FCF yield (%)	1.9	18.9	-4.6	9.8	16.9	23.7	-6.5	16.4	0.0	1.6	-8.5	11.0	7.2	1.4	15.2	12.7		
Per share data	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	08-19	20-22e
# of shares	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	13,14	13,14	0.0	0.0
# of avg sh. (FD, ex-treas.)	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	13,03	13,03	-0.2	0.0
Share price	60.61	29.96	14.02	18.85	20.95	14.06	11.81	12.36	15.85	24.24	23.25	19.64	13.60	12.40	12.40	12.40	-6.9	0.0
EPS	1.44	1.04	-0.31	2.31	1.17	-0.19	-4.44	-11.0	4.92	1.65	-0.84	6.14	0.83	0.19	0.81	1.22	-2.0	155.3
EPS FD	1.44	1.04	-0.31	2.31	1.17	-0.19	-4.44	-11.0	4.92	1.65	-0.84	6.14	0.83	0.19	0.81	1.22	-2.0	155.3
BVPS	25.70	24.22	23.75	26.28	26.73	26.23	21.84	10.90	15.80	16.92	15.45	16.94	17.48	17.21	17.45	18.09	-2.9	2.5
DPS	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	0.00	0.55	0.55	na	na

Source: Company data, Merodis Equity Research

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