

# Roularta Media Group

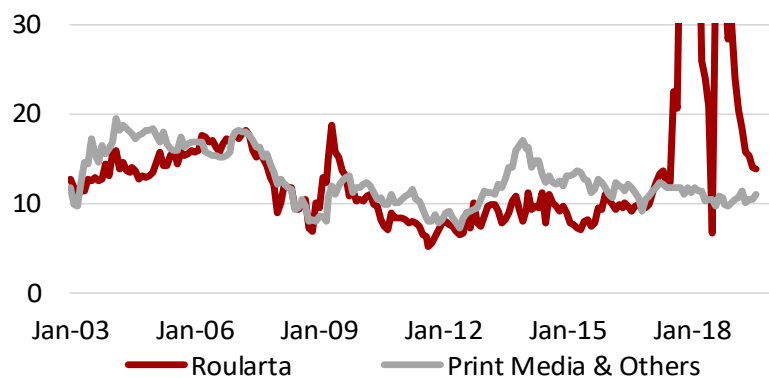
BELGIUM

Bloomberg: ROU:BB

Reuters: RLRT.BR



Roularta P/E vs European peers



€m	2015	2016	2017	2018	2019e	2020e	2021e
Sales	291.9	278.6	258.3	278.4	294.6	285.1	276.6
EBIT	12.3	6.7	-13.0	-63.7	6.1	6.0	6.9
Net profit	64.4	21.5	-10.9	79.9	10.0	11.1	11.4
EPS (€)	4.92	1.65	-0.84	6.14	0.77	0.85	0.87
DPS (€)	0.50	0.50	0.00	5.50	0.50	0.50	0.55
P/E (x)	3.2	14.7	na	3.2	16.0	14.5	14.1
Yield (%)	3.2	2.1	0.0	28.0	4.0	4.0	4.5
Adj. EV/EBIT (x)	9.6	32.7	na	na	1.9	0.7	na

Source: Merodis Equity Research, Factset  
Pricing date: 30/8/2019

# Market review and peer benchmarking

3 September 2019

## Key monthly insights

### Strong 2019 interim results

Roularta reported a strong set of interim results on 14 August, reflecting improved gross margins and, more importantly, strong cost control with an efficient integration of the recent acquisition of the women magazine titles from Sanoma. Organic sales fell by 6.3% due to ongoing weakness in advertising revenues, particularly in the free sheet market (-12.8%). The numbers suggest sales from acquired titles (€14.4m) broadly in line with our forecasts (€15m). Media Brands sales were 2% below our forecast, while Printing sales were in line with our expectations. Roularta performed much stronger than expected at the EBITDA level, mainly thanks to higher-than-expected gross margins (78% vs MERe 77.7%, up from 77.3% in 1H18) and strong cost control (Opex ex-COGS was 7% below our forecast and at 72% of sales vs MERe 75.5%). EPS was stronger-than-expected, also driven by a lower-than-expected minority charge reflecting a lower loss-contribution from Storesquare. FY guidance remains qualitative with management highlighting the ongoing lack of visibility in terms of advertising sales (2H19 weakness should be in line with 1H19) and the strong performance in Printing (high capacity utilisation, confirmed by the recent investment in a new printing press). Net cash reached €85m, down from €95m in December 2019, but quite in line with our FY forecast of €87.5m.

### Earnings revised upwards

We have revised our earnings estimates upwards, reflecting mixed effects between sharper top-line decline (we have cut our sales growth expectations by 4% on average over 2019-21e) driven by ongoing ad spend weakness and stronger cost-control than previously expected (Opex ex-COGS as a % of sales of 71.8% on average over 2019-21e from a previous estimate of 72.8%). Our forecast reflect flattish gross margins at just below 79%. This should lead to an EBITDA margin rising from 6.3% in 2019e (was 3.4%) to 7.1% in 2021e (was 6.4%). Nothing has changed dramatically below the EBITDA level. All in all, we have raised our 2019e EPS forecasts from €0.32 to €0.77 (+142%), 2020e estimates remain unchanged and 2021e have been revised upwards by 2%. Our net cash estimates have, consequently, increased to €102.6m in 2021e from €97.2m previously expected.

### Valuation assessment

The market currently values Roularta with an enterprise value (EV) of a mere €12m, which includes a market cap of €162m, the value of restated minorities of €7m, €88m of net cash in 2019e as well as the estimated value of €70m for its 50% stakes in Mediafiin and Bayard. Our fair equity value estimate is at €19.6/share (unchanged). 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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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

- ➔ Friday, 6 March 2020: FY19 results (8.15AM CET; Analyst meeting at 1PM)
- ➔ Tuesday, 9 May 2020: AGM

## Access our recent research reports on Roularta:

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

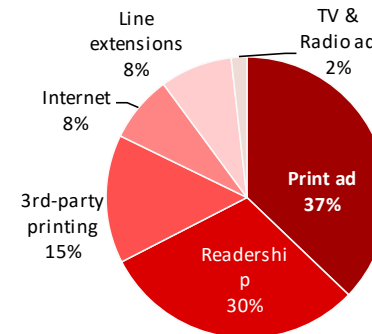
## Company description

**Roularta** is Belgium's leading media company offering

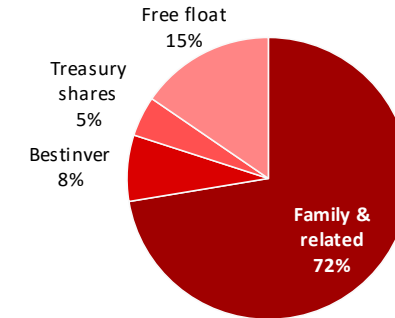
- (1) local weekly free newspapers in Flanders (Deze Week, De Zondag, Steps),
- (2) nationwide weekly news, business and women magazines (Knack, Le Vif L'Express, Trends, Trends Tendance, Libelle/Femme d'Aujourd'hui and Flair and Feeling/Gael),
- (3) internet platforms (Storesquare, Digilocal, Proxistore, 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 (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%).

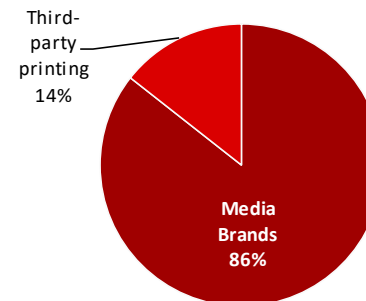
## Combined sales breakdown (2018)



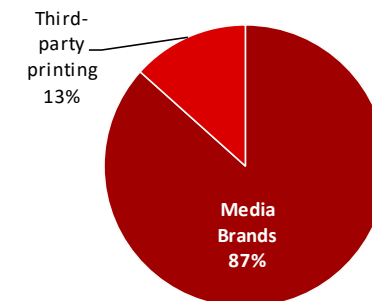
## Shareholders



## Segment sales (2017)



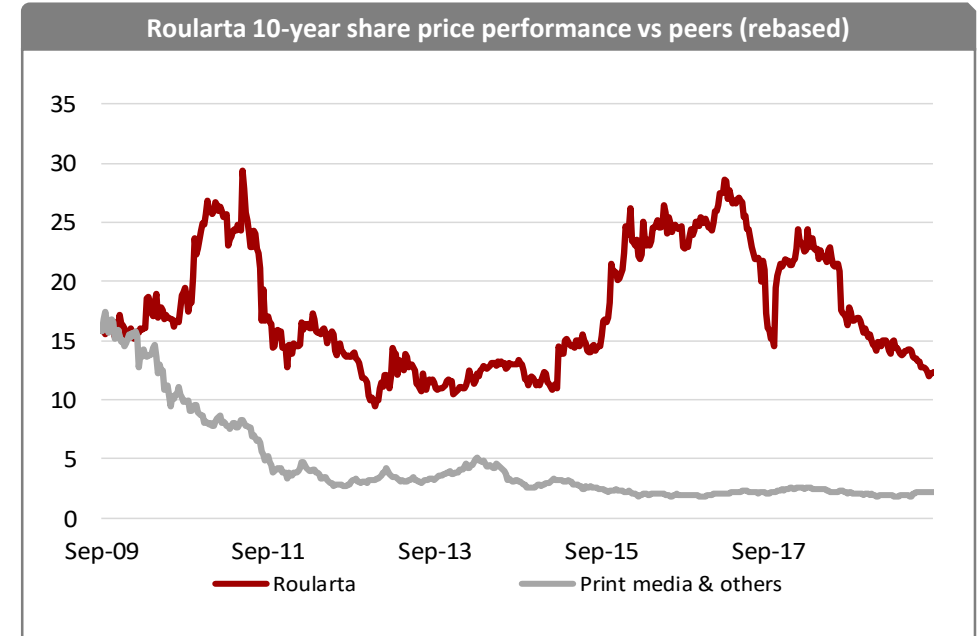
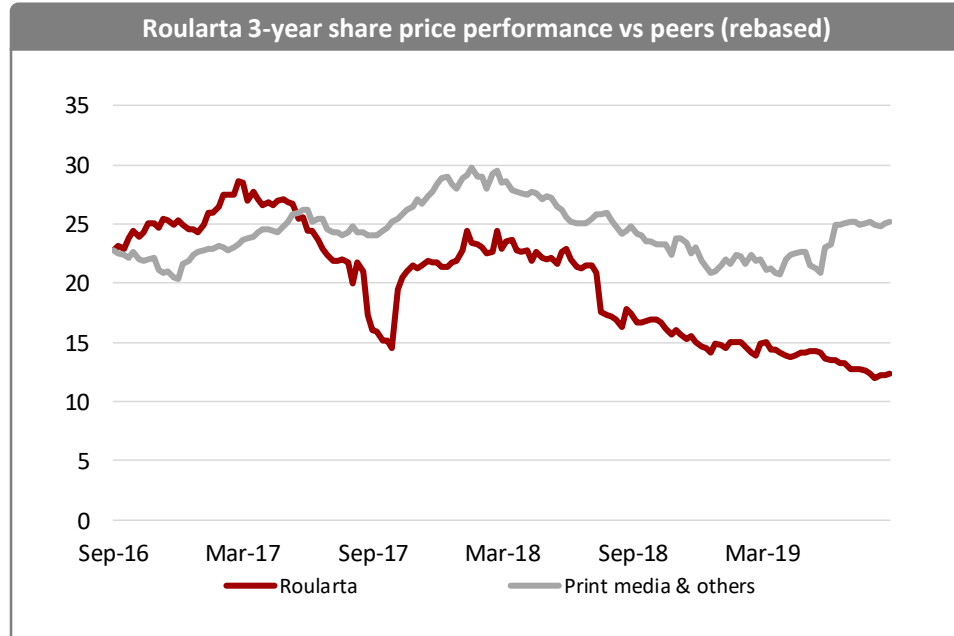
## Segment sales (2018)



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

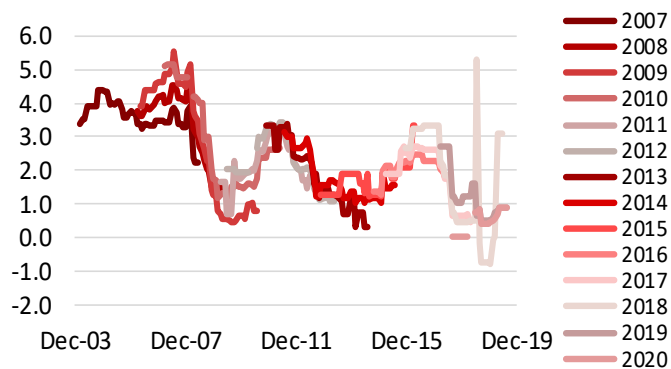
2019 consensus EPS estimates for Roularta are flat m-o-m following a 70%-upwards revision since the FY18 results announcement in early March, but still reflecting persistent top line weakness despite improving gross margins and lower start-up losses within the digital activities, as well as the full-year 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 €0.91 (flat m-o-m) vs. our unchanged forecast of €0.85. We introduced 2021e EPS forecast estimates of €0.86 in April, which has been lifted to €0.87, still showing limited EPS growth y-o-y (less than 3%), which masks 6.3% EBITDA growth. Consensus EPS for 2021e is still at €0.86.

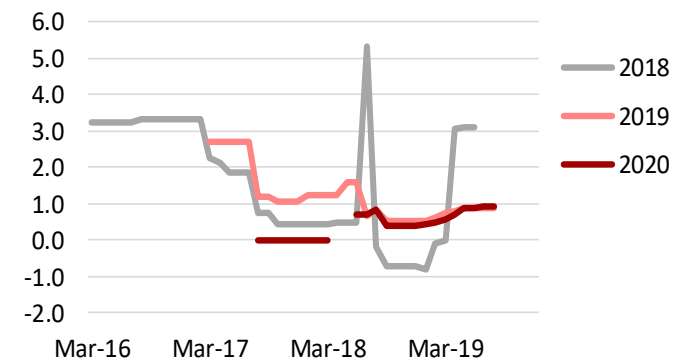
Roularta's share price was down 1% in August, slightly beating the broader market (-1.6% for the Euro Stoxx 600), but underperforming Belgian SMCs (-0.4%) and Print Media peers (+0.3% m-o-m). The share's 12 months low was €11.75 (intraday on 7 August 2019), while its high during the year was €15.20 (22 January 2019).

Two brokers cover the stock, Degroof Petercam and KBC Securities (Hold recommendation). Kepler Chevreux, which initiated coverage in September 2019, is no longer listed on Factset as actively covering the stock.

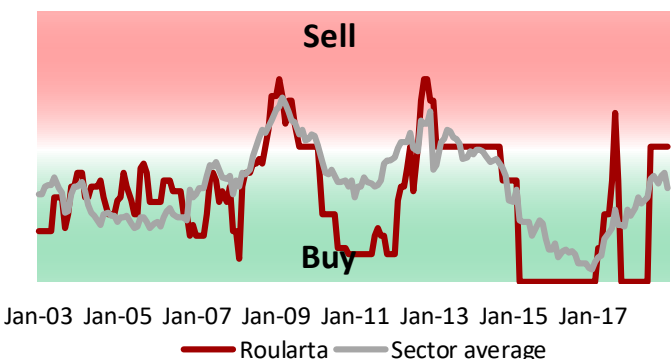
## EPS Worms (€/share)



## Consensus EPS 2017-19 (€/share)



## Analyst recommendations vs. peer average



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

	<b>2018</b>	<b>2019e</b>	<b>2020e</b>
Sales	0.4	0.1	1.2
EBITDA	-3.1	-40.1	0.0
EBIT	-0.2	na	44.4
EPS	97.8	-63.0	-6.0
DPS	0.0	na	na
Net cash	na	-0.1	127.1

Source: Merodis, Factset

# Sector benchmarking and valuation analysis

Benchmarking Print Media peers and listed Printing companies

## Sector financial benchmarking

Company	Freefloat (%) 2019	Liquidity (daily,€m)	Depr/ EBITDA	Capex/ Sales	ND/EBITDA			EBITDA margin (%)			EBIT margin (%)			Net margin (%)			ROE (%)			2019-21e CAGR (%)		
					2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e	EPS	EBITDA	Sales
Impresa	41	0.15		2%																		
Solocal	92	1.75	12%	7%	2.6	2.1	1.6	27.7	31.2	32.6	23.1	26.9	28.5	7.5	10.9	12.8				32.3	8.3	-0.2
Gruppo Editoriale	34	0.18	36%	2%	1.5	1.0		7.7	8.2		4.0	4.3					2.3	2.2				
Mondadori	30	0.36	33%	1%	0.7	0.4	0.1	10.6	10.6	10.7	7.5	7.8	7.8	4.1	4.3	4.3	20.6	17.5	16.4	2.2	-0.5	-0.8
RCS	15	0.72	27%	2%	0.9	1.0		15.8	15.0		12.3	11.5		8.1	6.6		20.7	18.6				
Vocento	55	0.05	48%	2%	1.1	0.9	0.7	10.5	11.6	11.7	6.1	7.2	7.2	2.1	3.1	3.3				15.5	5.1	-0.1
Sanoma	37	0.57	-383%	3%	1.7	1.4	1.1	27.1	26.9	26.9	14.7	14.4	14.4	10.0	9.9	10.0	20.3	19.6	18.6	3.1	1.5	1.9
Connect	99	0.09	55%	1%	2.0	1.6	1.4	2.7	2.9	3.1	1.9	2.1	2.2	1.3	1.5	1.6		6,240.3	11,993.3	7.3	3.2	-3.0
Tarsus	73	1.67	24%	1%	1.6	1.8	0.8	36.7	32.6	36.8	36.3	31.8	36.2							5.3	5.3	5.1
Wilmington	94	0.12	32%	2%	1.5	1.3		19.3	19.6		17.4	17.7		13.9	14.1							
Independent News	#VALUE!	0.29	29%	1%	-4.0	-4.7		13.6	12.5		10.1	8.8		8.9	7.7			11.1				
Axel Springer	44	15.41	30%	6%	1.6	1.5	1.2	22.5	22.4	23.9	15.7	15.3	16.8	9.9	9.6	10.7	11.7	11.4	12.7	4.8	6.0	2.7
<b>PRINT MEDIA AVERAGE</b>	<b>#VALUE!</b>	<b>1.78</b>	<b>-5%</b>	<b>3%</b>	<b>1.0</b>	<b>0.7</b>	<b>1.0</b>	<b>17.6</b>	<b>17.6</b>	<b>20.8</b>	<b>13.5</b>	<b>13.4</b>	<b>16.2</b>	<b>6.7</b>	<b>7.0</b>	<b>7.1</b>	<b>15.1</b>	<b>903.0</b>	<b>3,010.3</b>	<b>10.1</b>	<b>4.1</b>	<b>0.8</b>
<b>PRINT MEDIA MEDIAN</b>	<b>#VALUE!</b>	<b>0.33</b>	<b>30%</b>	<b>2%</b>	<b>1.5</b>	<b>1.3</b>	<b>1.1</b>	<b>15.8</b>	<b>15.0</b>	<b>23.9</b>	<b>12.3</b>	<b>11.5</b>	<b>14.4</b>	<b>7.8</b>	<b>7.2</b>	<b>7.1</b>	<b>20.3</b>	<b>17.5</b>	<b>17.5</b>	<b>5.3</b>	<b>5.1</b>	<b>-0.1</b>
Roularta (consolidated)	15	0.03	1126%	6%	-11.7	-7.9	-4.9	2.9	3.4	6.1	-0.2	-0.6	1.9	28.7	1.4	3.7	37.6	1.9	5.2	64.2	35.6	-1.6
<b>% prem./(disc.) vs median</b>	<b>#VALUE!</b>	<b>-92.1</b>	<b>3619.1</b>	<b>205.6</b>	<b>-864.6</b>	<b>-730.1</b>	<b>-548.8</b>	<b>-81.5</b>	<b>-77.4</b>	<b>-74.6</b>	<b>-101.5</b>	<b>-105.2</b>	<b>-86.6</b>	<b>266.4</b>	<b>-80.9</b>	<b>-47.6</b>	<b>85.5</b>	<b>-89.1</b>	<b>-70.1</b>	<b>1,121.7</b>	<b>599.3</b>	<b>1,424.3</b>

Source: Merodis, Factset

## Sector valuation

Company	Country	Price (local)	MCap (local m)	P/E			EV/Sales			EV/EBITDA			EV/EBIT			P/B			DYield			
				2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e	
Impresa	PORTUGAL	0.22	38																			
Solocal	FRANCE	0.72	420	11.2	8.3	6.4	1.4	1.4	1.2	5.1	4.4	3.7	6.1	5.1	4.2				0.0	0.0	0.0	
Gruppo Editoriale	ITALY	0.26	126	10.7	11.1		0.3	0.3		4.2	3.7		8.0	7.0		0.2	0.2		0.0	0.0		
Mondadori	ITALY	1.40	364	9.7	9.5	9.3	0.5	0.5	0.4	4.6	4.4	4.0	6.5	5.9	5.6	1.8	1.6	1.5	3.5	3.5	4.0	
RCS	ITALY	0.84	435	7.7	7.6		0.6	0.6		3.8	4.1		4.9	5.4		1.5	1.4		7.1	7.1		
Vocento	SPAIN	1.29	156	17.2	13.6	12.9	0.5	0.5	0.5	5.0	4.4	4.3	8.7	7.2	6.9				1.3	1.3		
Sanoma	FINLAND	9.33	1,521	11.9	11.3	11.2	1.7	1.5	1.4	6.1	5.7	5.4	11.3	10.6	10.1	2.3	2.1	2.0	5.3	5.6	5.9	
Connect	UNITED KINGDOM	0.37	91	4.8	4.4	4.1	0.1	0.1	0.1	4.3	3.9	3.5	6.1	5.3	4.8	232.5	338.2	930.0	2.7	2.7	2.7	
Tarsus	UNITED KINGDOM	4.24	520	15.0	20.4	13.5	4.4	4.9	3.8	12.0	15.1	10.3	12.2	15.4	10.5				2.7	2.9	3.0	
Wilmington	UNITED KINGDOM	2.01	175	11.5	10.9		1.7	1.6		9.0	8.4		10.0	9.3					4.5	4.7		
Independent News	IRELAND	0.10		9.4	11.5		0.3	0.3		2.1	2.4		2.9	3.4		1.3	1.2					
Axel Springer	GERMANY	63.00	6,797	23.6	23.9	21.5	2.5	2.4	2.3	11.1	10.8	9.7	16.0	15.8	13.8	2.7	2.7	2.7	3.4	3.5	3.6	
<b>PRINT MEDIA AVERAGE</b>				<b>12.1</b>	<b>12.0</b>	<b>11.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>	<b>6.1</b>	<b>6.1</b>	<b>5.8</b>	<b>8.4</b>	<b>8.2</b>	<b>8.0</b>	<b>34.6</b>	<b>49.6</b>	<b>234.1</b>	<b>3.1</b>	<b>3.1</b>	<b>3.2</b>	
<b>PRINT MEDIA MEDIAN</b>				<b>11.2</b>	<b>11.1</b>	<b>11.2</b>	<b>0.6</b>	<b>0.6</b>	<b>1.2</b>	<b>5.0</b>	<b>4.4</b>	<b>4.3</b>	<b>8.0</b>	<b>7.0</b>	<b>6.9</b>	<b>1.8</b>	<b>1.6</b>	<b>2.4</b>	<b>3.0</b>	<b>3.2</b>	<b>3.3</b>	
Roularta (consolidated)	BELGIUM	12.35	162	2.0	38.8	14.5	0.4	0.1	0.0	12.2	1.8	0.6	-1.6	-10.1	1.8	0.7	0.8	0.8	44.5	4.0	4.0	
<b>% prem./(disc.) vs median</b>				<b>-82.0</b>	<b>249.2</b>	<b>29.8</b>	<b>-40.7</b>	<b>-90.2</b>	<b>-97.1</b>	<b>144.3</b>	<b>-59.4</b>	<b>-86.6</b>	<b>-119.4</b>	<b>-245.2</b>	<b>-73.8</b>	<b>-58.9</b>	<b>-50.9</b>	<b>-68.1</b>	<b>1,360.4</b>	<b>27.9</b>	<b>23.0</b>	

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

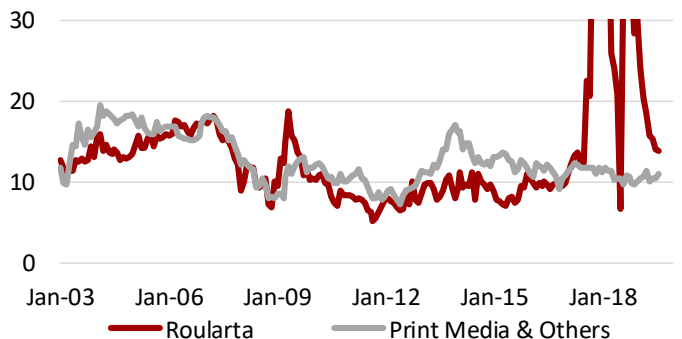
## Valuation

On consensus EPS estimates, Roularta shares trade at a P/E 12M forward of 13.9x, a 27% premium versus Print Media peers in Europe (from a 36% premium in July). 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, albeit diminishing, in the digital ventures as well as weak market conditions in the ad space for Roularta's core activity.

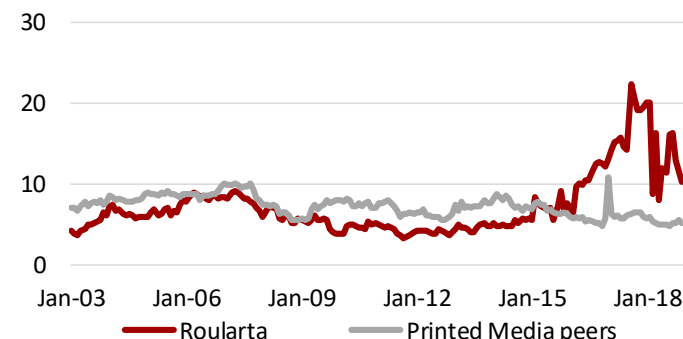
As a reminder, Roularta has disposed of its stake in Mediaaan, which means Roularta is now a Print Media pure play compared to the past when TV broadcasting (through Mediaaan) was the main profit contributor and the key value driver of the stock (in 2016, 73% of Roularta's EBIT and 80% of its EPS was generated by Mediaaan). The re-rating 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 10.9x P/E 12M forward (from 10.5x previously) and at 4.6x EV/EBITDA 12M forward (vs. 4.8x previously), which compares to a LT average of 12.7x and 7.1x respectively. The historical valuation range for the sector is 7.3x-19.4x (P/E 12M forward) and 4.6x-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



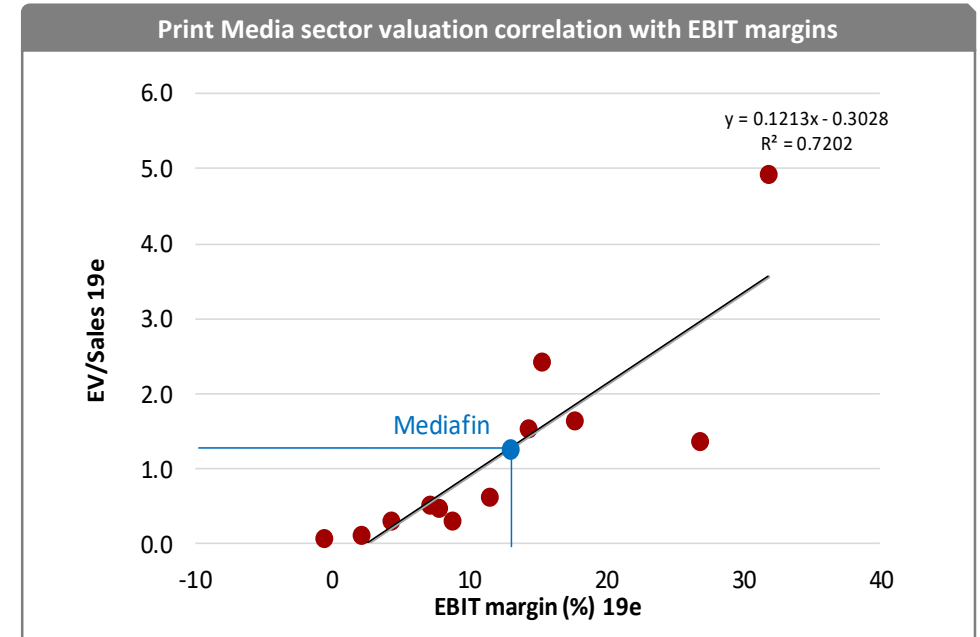
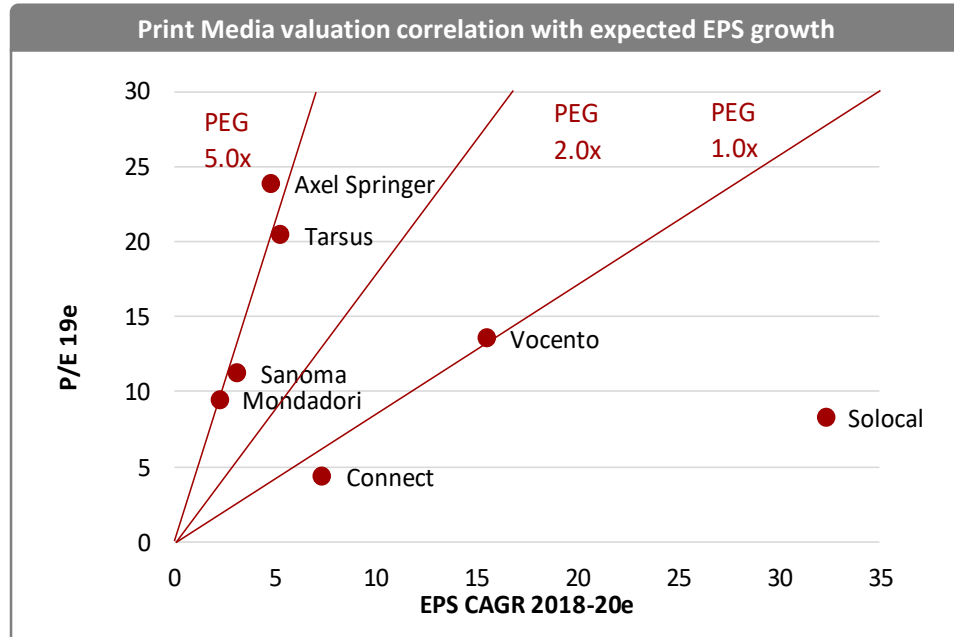
Source: Merodis, Factset

Reflecting the Medialaan 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%	-0.5	na	na		98.8	14.7	75%	98.8
<b>Group enterprise value</b>						<b>98.8</b>			<b>98.8</b>
+ 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 <b>Mediafin</b> stake	50%					45.2	3.4	18%	45.2
+ Equity value of <b>Bayard</b> stake	50%	4.6	10.0	7.2	-5.1	19.1	1.5	7%	21.0
<b>= Estimated market value of equity</b>						<b>257.5</b>			<b>259.3</b>
Total share outstanding (m)						13.1			13.1
<b>Equity value per share</b>						<b>19.6</b>			<b>19.7</b>

Source: Merodis, Factset





Source: Merodis, Factset

# Sales growth expectations

Impacted by cyclical and structural effects

## Expected Sales Growth

At the end of August, consensus expectations for 2019 Print Media sector sales decline remained flattish m-o-m at -2.8%.

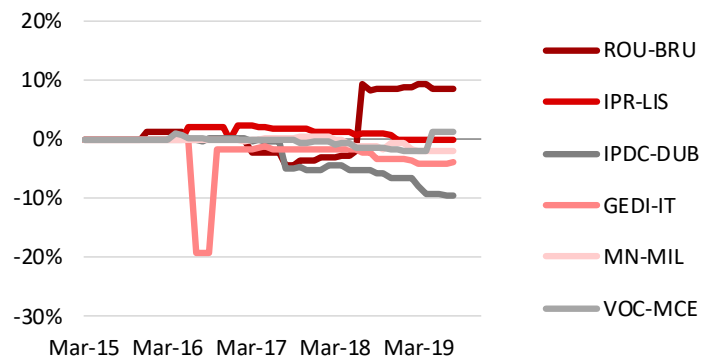
Consensus sales expectations for Roularta in 2019 remained stable m-o-m at +8.6% for the third month in a row (vs. MERE +5.8%) with the follow-on impact of the Sanoma women magazine acquisitions which is consolidated since mid-2018, with the full-year impact expected in 2019.

Sector sales are expected to decline by 2.1% in 2020, with consensus expecting sales at Roularta to drop by 2.0% (vs. MERE -3.2%), unchanged m-o-m.

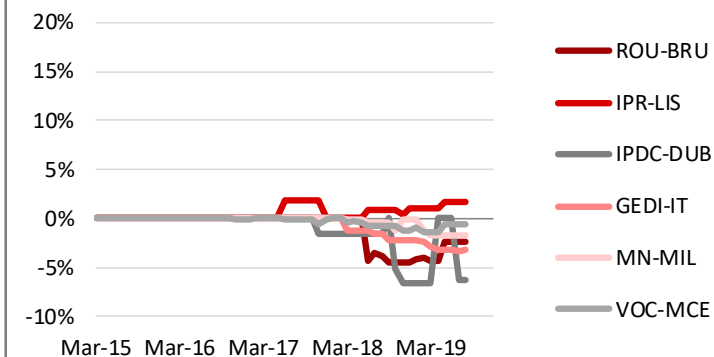
As a reminder the announced disposal of Mediaaan and acquisition of Mediafin have no impact on Roularta's consolidated sales as both stakes are equity-accounted JVs.

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.

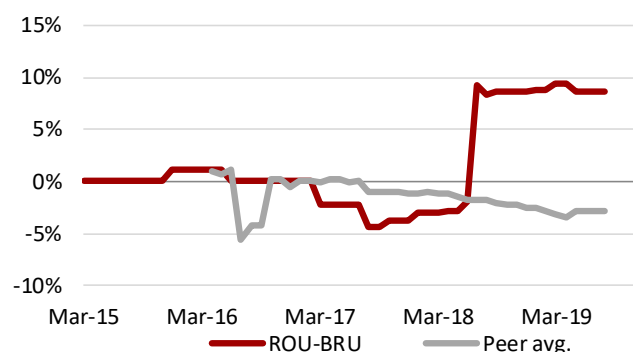
## 2018 expected sales growth (%)



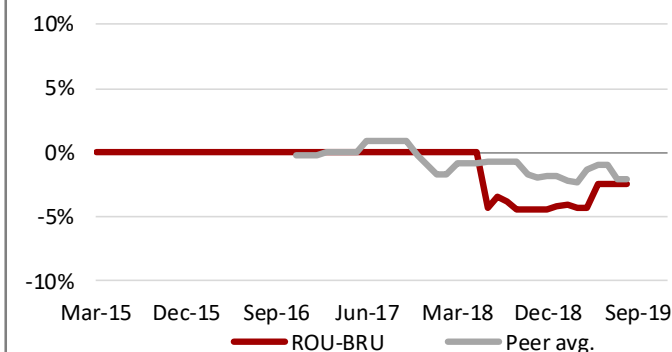
## 2019 expected sales growth (%)



## 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

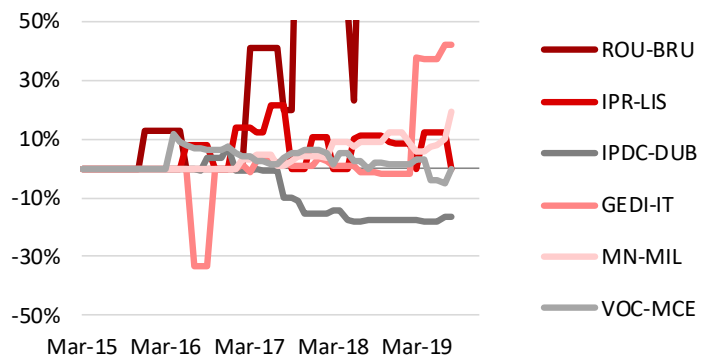
## EBITDA expectations

During the month of August, the expected annual EBITDA growth at Roularta by consensus in 2019e remained unchanged at +69%, compared to the peer average of 11% (from 8.6% previously expected). Margin expectations remain below the peer average for 2018 and 2019, albeit with a slightly improving trend.

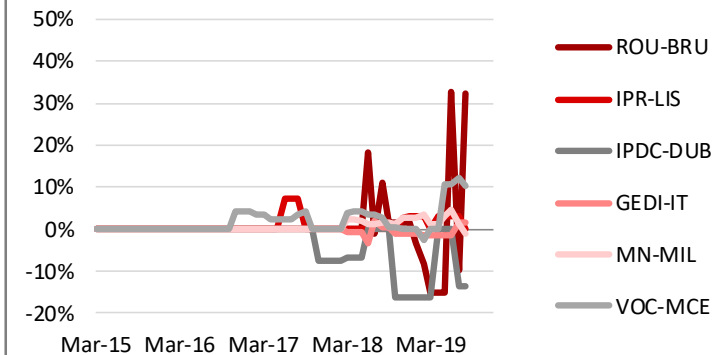
Note that consensus changes to EBIT or EBITDA at Roularta are not interpretable in a straightforward manner. In Roularta's case, its reported EBITDA margin (as reflected by Factset consensus) is positively influenced by the IFRS 11 treatment of its 50% stake in Bayard (and Mediafin, from March 2018),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

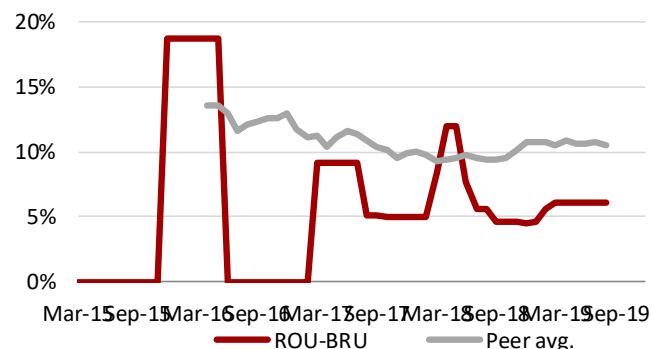
## 2018 expected EBITDA growth (%)



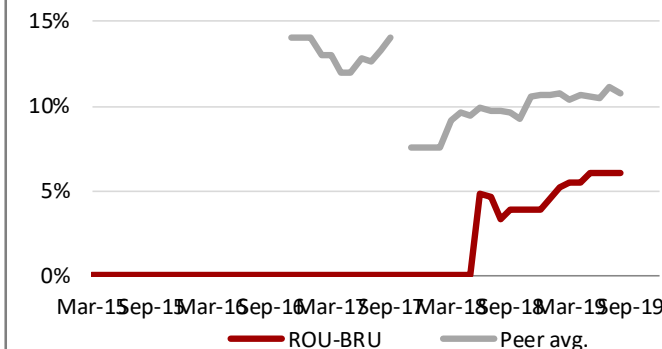
## 2019 expected EBITDA growth (%)



## 2018 expected EBITDA margin, Roularta vs. peers



## 2019 expected EBITDA margin, Roularta vs. peers



Source: Merodis, Factset

# Consensus payout expectations

Robust dividend outlook backed by a strong balance sheet

## 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).

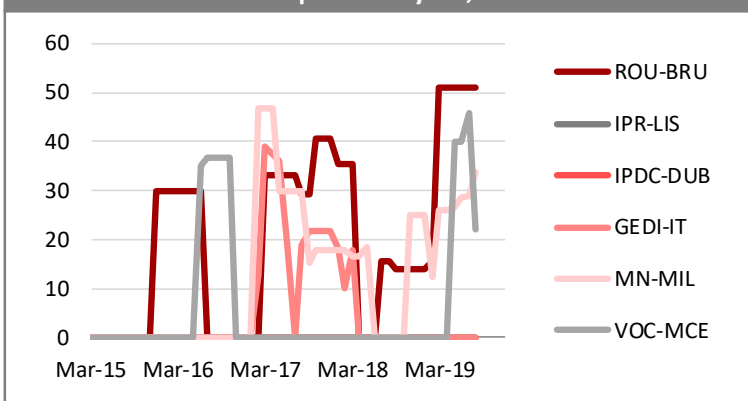
This comes in addition to the €5/share interim dividend (€63m pay out) which was paid out on 19 July 2018. The purpose of the interim dividend was to remunerate shareholders for the €145m capital gain on the Mediaaan disposal which was closed in February 2018.

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.

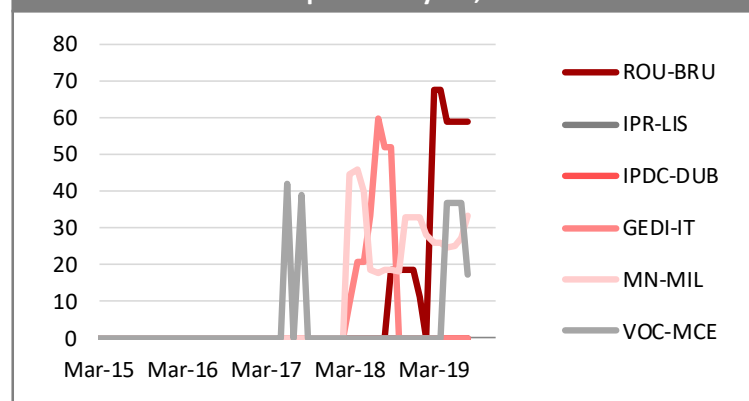
Consensus expects Roularta to pay out a dividend of €0.50/share in 2019e (in line with MERe), with an expected payout of 51%.

The Mediafin acquisition and the Mediaaan disposal are likely to have a negative impact on Roularta's (ordinary) dividend payment profile given the lower cash-generation potential of Mediafin vs. Mediaaan. We believe, however, that a €0.50/share dividend in the next years is sustainable given Roularta's €85m net cash position following the Mediaaan disposal.

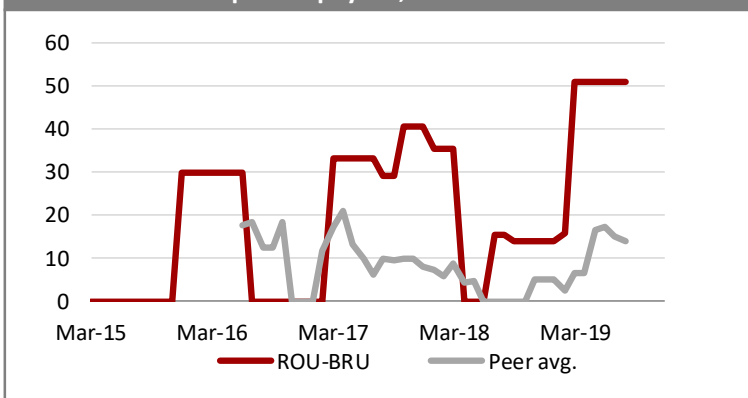
2018 expected Payout, Sector



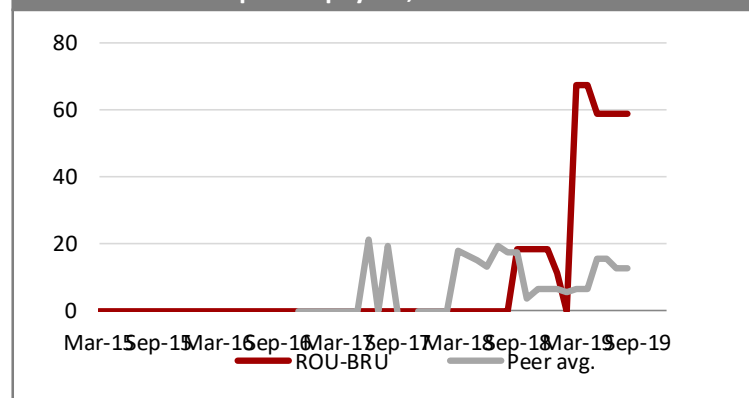
2019 expected Payout, Sector



2018 expected payout, Roularta vs. Peers



2019 expected payout, Roularta vs. Peers



Source: Merodis, Factset

# Leverage expectations

No longer an issue post the Mediaaan disposal

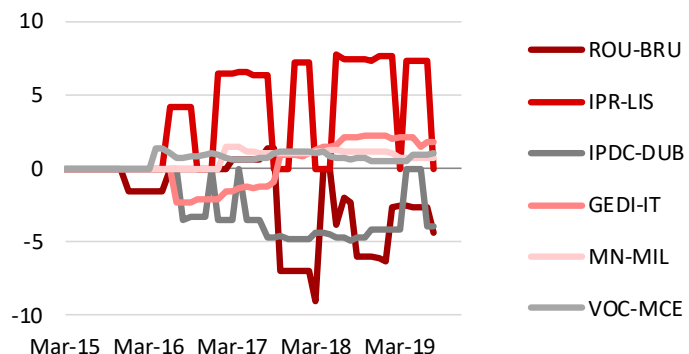
## Net-debt-to-EBITDA

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 now reached a net cash position of €85m following the recent transactions (including the special €5/share dividend payout to shareholders and the Sanoma acquisition).

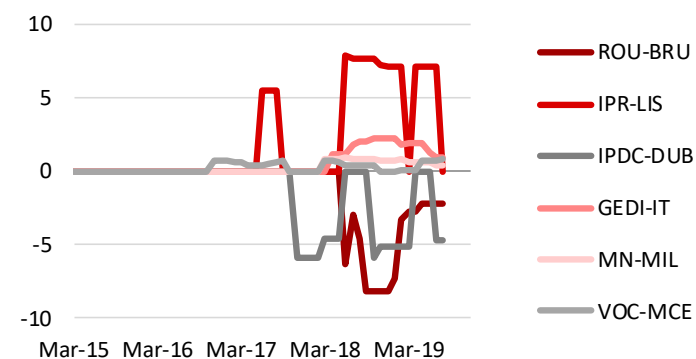
As a reminder, Roularta has paid back its €100m bond in 2018 and should benefit from the first full-year impact in 2019. The company has a covenant threshold of 3.5x net debt over EBITDA based on annual EBITDA including the company's share of Mediafin's and Bayard's net profit.

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

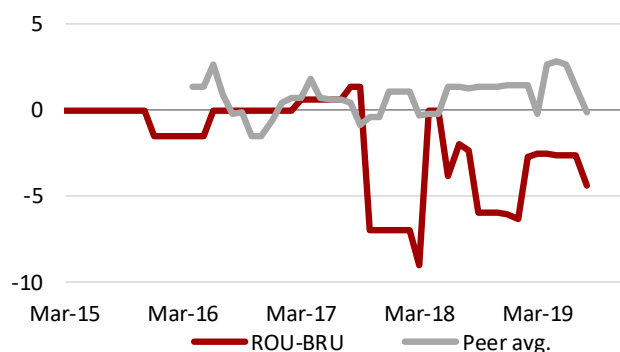
## 2018 NFD/EBITDA, sector



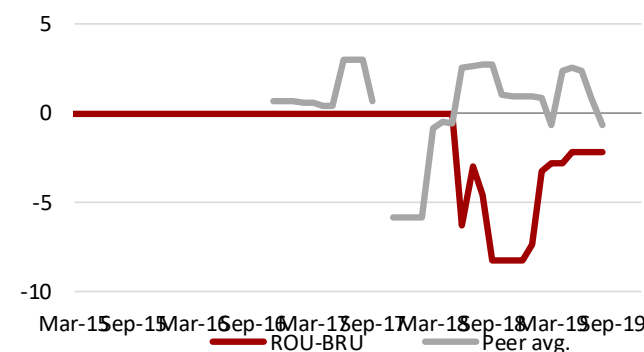
## 2019 NFD/EBITDA, sector



## 2018 NFD/EBITDA, Roularta vs. Peers

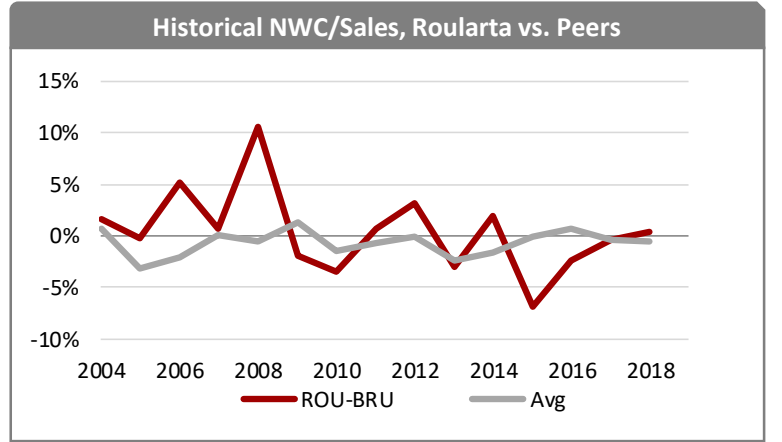
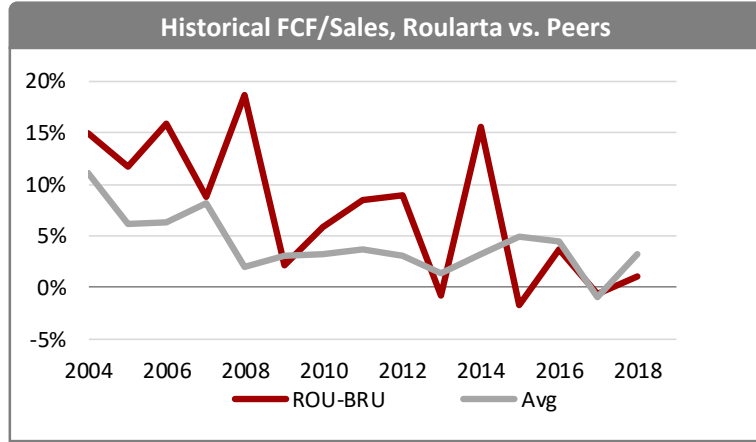
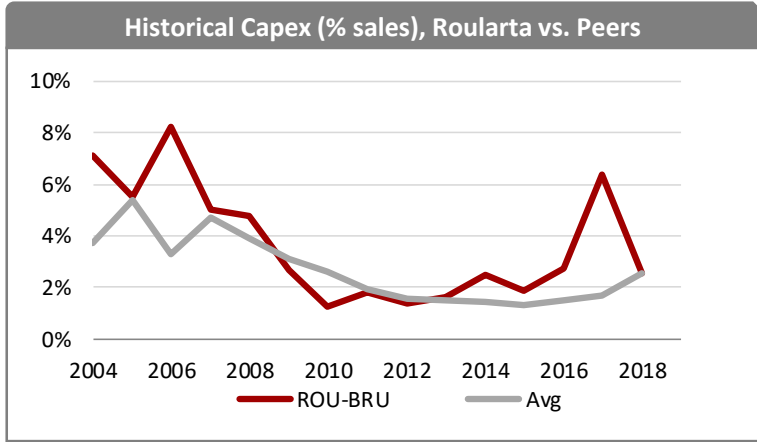
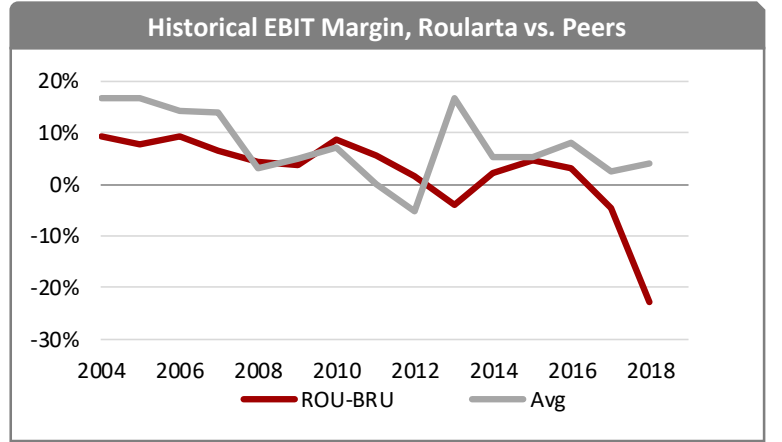
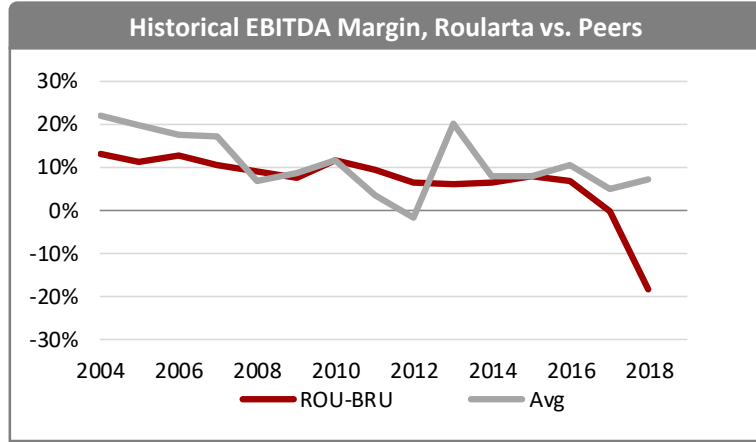
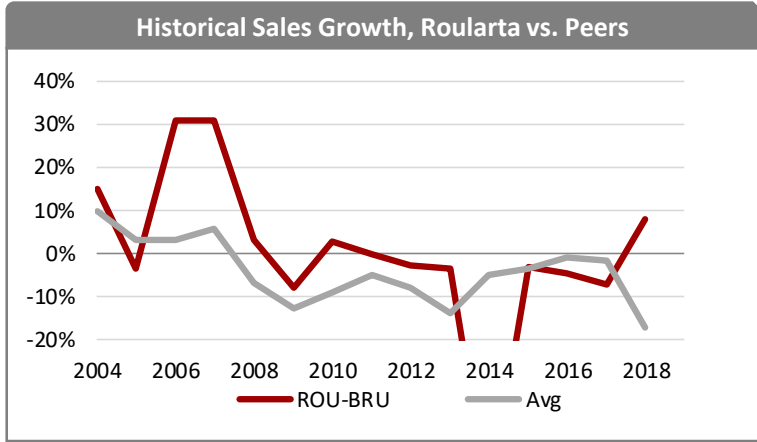


## 2019 NFD/EBITDA, Roularta vs. Peers



Source: Merodis, Factset

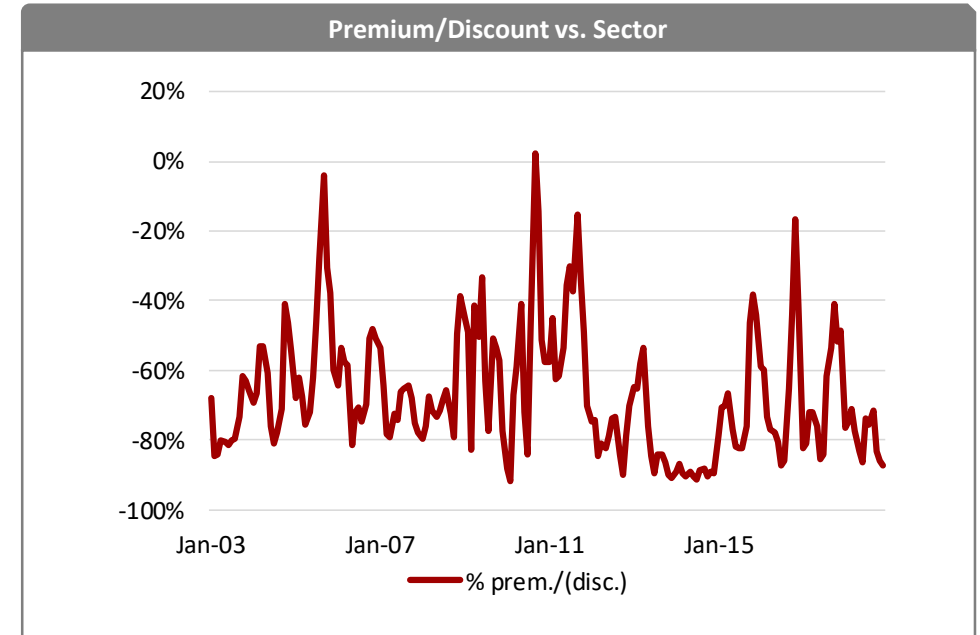
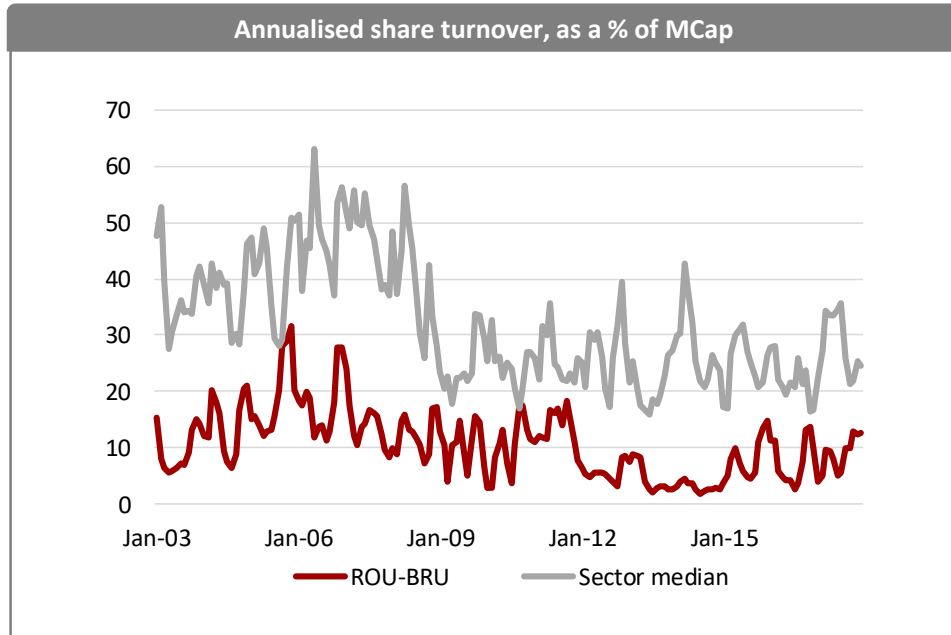
# Historical P&L, CF and Balance Sheet Performance



Source: Merodis, Factset

# Share liquidity

Well-below peers



Source: Merodis, Factset





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