

# Reworld Media Buy

France | Media

Beta Profile:  

MCap: EUR120.8m

**Target Price:** EUR6.00 (6.20)  
**Current Price:** EUR2.28  
**Up/downside:** 163.2%  
**Market data:** 31 July 2024

**Change in TP:** -3.2%  
**Change in Sales:** -0.9% 24E/0.4% 25E  
**Change in Adj EBIT:** -6.9% 24E/-3.7% 25E  
**Change in Adj. EPS:** -9.1% 24E/-4.6% 25E

Bloomberg: ALREW FP      Reuters: ALREW.PA  
Free float 8.3%  
Avg. daily volume (EURm) 0.2  
YTD abs performance -36.0%  
52-week high/low (EUR) 3.92/2.11

## Q2 sales miss, momentum to improve in H2

### Why this report?

Reworld Media's Q2/H1 sales fell short of expectations amid a softer French advertising market in Q2, impacting the B2B division. B2B sales were up by only 0.6% LFL in Q2, due to tough comps and the impact of the French political uncertainties in June. However, growth in H2 is set to accelerate, as both the B2C and B2B divisions should benefit from easier comps and more favourable market trends. Thus, our view on the name is unchanged. We reiterate our Buy rating, while trimming our TP from EUR6.2 to EUR6.0 based on our updated forecasts.

### Key findings

- Q2 sales came in at EUR135m, down by 2.1% LFL, driven by a slowdown in B2B activities (+0.6% LFL), while its B2C activities continued to decline (-5.4% YOY).
- We expect B2B growth to rebound in H2 2024 on the back of more favourable market trends.
- We like Reworld's risk-reward profile, as the stock trades at 3.4x P/E 2025E.

### Deconstructing the forecasts

- We trim our adjusted EPS forecasts by -9%/-5%/-2% over 2024-26E, due to slightly lower sales in FY 2024 and less optimistic margin assumptions.
- We trim our target price from EUR6.2 to EUR6.0 based on our adjusted forecasts.

FY to 31/12 (EUR)	12/24E	12/25E	12/26E
Sales (m)	555.5	585.4	608.6
EBITDA adj (m)	63.0	72.4	77.9
EBIT adj (m)	51.9	63.6	68.7
Net profit adj (m)	28.7	37.6	41.4
Net financial debt (m)	73.3	39.1	-4.3
FCF (m)	45.3	44.7	53.9
EPS adj. and ful. dil.	0.49	0.65	0.71
Consensus EPS	0.60	0.70	0.80
Net dividend	0.00	0.00	0.00

FY to 31/12	12/24E	12/25E	12/26E
P/E adj and ful. dil.	4.6	3.5	3.2
EV/EBITDA	2.5	1.7	1.0
EV/EBIT	3.0	1.9	1.1
FCF yield	37.5%	37.0%	44.6%
Dividend yield	0.0%	0.0%	0.0%
ND(F+IFRS16)/EBITDA	1.2	0.5	-0.1
Gearing	29.4%	13.5%	-1.3%
ROIC	11.3%	13.9%	14.9%
EV/IC	0.5	0.3	0.2

### Sector Most Pref.

Informa  
Ipsos  
Publicis Groupe  
Vivendi

### Sector Least Pref.

Eutelsat  
Pearson  
Solocal Group  
Viaplay

### Investment case

- Reworld Media's strong digital focus (adtech and contents) is set to improve its growth profile (+4% CAGR 2019-25E pro forma), accelerating in later years as the digital mix grows (61% in 2025E vs. 35% in 2020).
- We expect an accretive impact on EBITDA margins (c. 12.5% in 2025E vs. 9.7% in 2020) from the mix evolution, dragging the ROIC in its wake.
- Solid FCF generation ahead (towards 65% by 2025E) to build a fortress balance sheet, leaving room to continue the build-up strategy.

### Catalysts

- Ongoing trend in digitalisation of corporate communications.
- M&A to be an attractive driver within the fragmented adtech/content landscape.
- Sweet spot in the growing digital communication market.

### Valuation methodology

- Our TP is based on the average of a DCF (12.6% WACC and 2% LTG) and SOP valuation on both divisions.
- In our SOP, we value the company based on each segment and 2024E numbers, applying 5.0x 2024E EBITDA for B2C and 4.0x for B2B and Performance.

### Risks to our rating

- Consumer stickiness, with Reworld Media's ability to retain its clients with quality content (captive audience).
- Execution risk for both its M&A and diversification plans, which might not lead to the expected returns.
- Technological risk related to third-party cookies for adtech, and changes in the behaviour of advertisement buyers.

### Q2 sales down 2.1% LFL amid tough market trends and comps

Reworld Media's Q2/H1 sales fell short of expectations amid a softer French advertising market in Q2, impacted the B2B division.

Q2 sales came in at EUR135m, down by 2.1% LFL, driven by a slowdown in B2B activities (+0.6% LFL), while its B2C activities continued to decline (-5.4% YOY). This was 4% below our forecasts.

Despite the absence of a consensus for Q2, we feel that the flattish organic performance YOY was below expectations.

The B2C segment reported sales of EUR59m (in line with KECH), down by 5.4% on a LFL basis. This decline reflects the broader market trend in magazines. The decline is back in line with its historical declining trend, while Q1 (-8.5% LFL) was affected by a negative calendar effect caused by some weekly magazines publishing one less issue this year.

The decline in magazine sales (-9.4% YOY) was partially offset by the group's diversification activities, and targeted price hikes (the average basket price was up 1.6% QOQ to EUR5.41).

B2B sales were EUR76m (7% below KECH) and up by only 0.6% LFL, marking a sharp slowdown compared to Q1 (+8.4%). This is explained by a tough comparison basis and the French political context, which was not favourable for advertising spending.

In more detail, the B2B segment benefitted from the success of the group's performance offering (content to commerce, retail media, influencer marketing...), while affiliation and branding were weaker.

**Table 1: Reworld Media Q2 sales vs. Kepler Cheuvreux**

FY-end Dec (EURm)	Q2 2024	Q2 2023	% change	% LFL	KECH	Δ vs. KECH
<b>Total revenues</b>	<b>135</b>	<b>138</b>	<b>-2.1%</b>	<b>-2.1%</b>	<b>141</b>	<b>-4%</b>
...o/w B2C	59	63	-5.4%	-5.4%	59	0%
...o/w B2B	76	75	0.6%	0.6%	82	-7%

Source: Kepler Cheuvreux, Reworld Media

Looking at H1 figures, sales came in at EUR264m, down by 0.9% LFL, or 2% below KECH estimates. This was mostly due to the weaker-than-expected performance of the B2B division in Q2.

**Table 2: Reworld Media H1 sales vs. Kepler Cheuvreux**

FY-end Dec (EURm)	H1 2024	H1 2023	% change	% LFL	KECH	Δ vs. KECH
<b>Total revenues</b>	<b>264</b>	<b>266</b>	<b>-0.9%</b>	<b>-0.9%</b>	<b>270</b>	<b>-2%</b>
...o/w B2C	114	123	-6.9%	-6.9%	114	0%
...o/w B2B	150	144	4.3%	4.3%	156	-4%

Source: Kepler Cheuvreux, Reworld Media

### Fine-tuning our forecasts over 2024-26E

Following the release of Q2/H1 sales, we have slightly adjusted our estimates for 2024-26E.

Despite the miss in Q2, we cut our 2024 sales forecasts by only 1%, as we believe the sales shortfall was an isolated incident due to the French political context in June. Meanwhile, we expect growth in H2 to accelerate, as both the B2C and B2B divisions should benefit from easier comps and more favourable market trends

This leads us to trim our adj. EBITDA forecasts by -6%/-3%/-1% over 2024-26E, due to our updated sales estimates and slightly more conservative margin assumptions.

Therefore, our EPS, adj. estimates are cut by -9%/-5%/-2% over the period.

**Table 3: Reworld Media – summary of estimate changes 2024-26E**

FY-end Dec (EURm)	FY 2023	FY 2024E			FY 2025E			FY 2026E		
	A	prev.	KECH	% rev.	prev.	KECH	% rev.	prev.	KECH	% rev.
<b>Total revenues</b>	<b>549</b>	<b>561</b>	<b>555</b>	<b>-1%</b>	<b>583</b>	<b>585</b>	<b>0%</b>	<b>607</b>	<b>609</b>	<b>0%</b>
% change	8.6%	2.1%	1.1%		4.0%	5.4%		4.0%	4.0%	
<b>% LFL</b>	<b>0.4%</b>	<b>2.1%</b>	<b>1.1%</b>		<b>4.0%</b>	<b>5.4%</b>		<b>4.0%</b>	<b>4.0%</b>	
<b>EBITDA, adj. - KECH</b>	<b>60</b>	<b>67</b>	<b>63</b>	<b>-6%</b>	<b>75</b>	<b>72</b>	<b>-3%</b>	<b>79</b>	<b>78</b>	<b>-1%</b>
% change	-16.2%	11.7%	5.1%		11.8%	15.0%		5.3%	7.5%	
<b>Margin (%)</b>	<b>10.9%</b>	<b>11.9%</b>	<b>11.3%</b>		<b>12.8%</b>	<b>12.4%</b>		<b>13.0%</b>	<b>12.8%</b>	
<b>EBITDA, adj.*</b>	<b>59</b>	<b>64</b>	<b>60</b>	<b>-6%</b>	<b>72</b>	<b>69</b>	<b>-3%</b>	<b>76</b>	<b>75</b>	<b>-1%</b>
% change	-12.2%	8.3%	1.6%		12.1%	15.4%		5.4%	7.7%	
<b>Margin (%)</b>	<b>10.8%</b>	<b>11.4%</b>	<b>10.8%</b>		<b>12.3%</b>	<b>11.9%</b>		<b>12.5%</b>	<b>12.3%</b>	
<b>Net profit, adj.</b>	<b>33</b>	<b>32</b>	<b>29</b>	<b>-9%</b>	<b>39</b>	<b>38</b>	<b>-5%</b>	<b>42</b>	<b>41</b>	<b>-2%</b>
% change	-28.9%	-5.5%	-14.1%		24.6%	30.8%		7.0%	10.3%	
Margin (%)	6.1%	5.6%	5.2%		6.8%	6.4%		6.9%	6.8%	
<b>EPS, adj.</b>	<b>0.59</b>	<b>0.54</b>	<b>0.49</b>	<b>-9%</b>	<b>0.68</b>	<b>0.65</b>	<b>-5%</b>	<b>0.73</b>	<b>0.71</b>	<b>-2%</b>
% change	-27.3%	-7.9%	-16.3%		24.6%	30.8%		7.0%	10.3%	
Capex	10	7	7		6	6		6	6	
<b>FCF</b>	<b>11</b>	<b>50</b>	<b>45</b>	<b>-9%</b>	<b>46</b>	<b>45</b>	<b>-4%</b>	<b>55</b>	<b>54</b>	<b>-1%</b>
DPS	0.00	0.00	0.00		0.00	0.00		0.00	0.00	
<b>Net financial debt / (cash)**</b>	<b>108</b>	<b>69</b>	<b>73</b>	<b>6%</b>	<b>33</b>	<b>39</b>	<b>18%</b>	<b>-11</b>	<b>-4</b>	<b>-61%</b>

Source: Kepler Cheuvreux, Reworld Media, \*excl. share-based payment, \*\*including IFRS 16

### We stick to our Buy rating and trim our TP from EUR6.2 to EUR6.0

While the market environment remains uncertain, as advertisers take more time to make their investment decisions, our stance on the name is unchanged.

After a transitional year, we expect the company's top line and profitability to start improving in FY 2024, due to: 1) the successful integration of Unify's activities; 2) the recovery of the digital marketing market; and 3) the strong momentum of the Social and Retail Media activities.

We expect visibility on the group's end markets to improve by year-end, which should ultimately drive the share price higher. Moreover, we believe the stock's valuation is extremely attractive, at 3.4x P/E 2025E and a >30% FCF yield, considering its leadership position in promising end-markets, its sound financial structure (1.8x leverage), and its solid FCF generation (50-60% of EBITDA), allowing the company to seize both external and organic market opportunities.

Therefore, we reiterate our Buy rating and trim our TP from EUR6.2 to EUR6.0 based on our updated forecasts.

**Company description**

Reworld Media is an independent media company, positioned at the heart of the digital revolution of its industry. Founded in 2012, it built itself a powerful brand magazine portfolio, making it the French leader in the print magazine industry, along with comprehensive adtech expertise. Its activities are divided between two divisions: B2C, which takes part in the digitalisation of consumer trends, and B2B, which focuses on the digitalisation of the corporate communication market.

**Management**

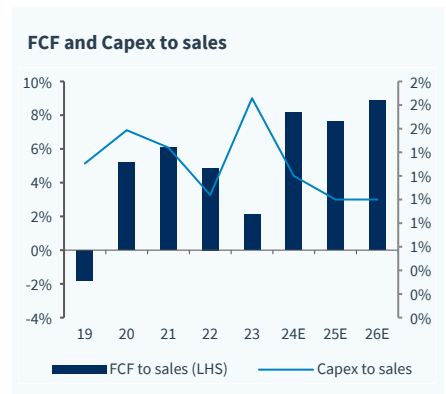
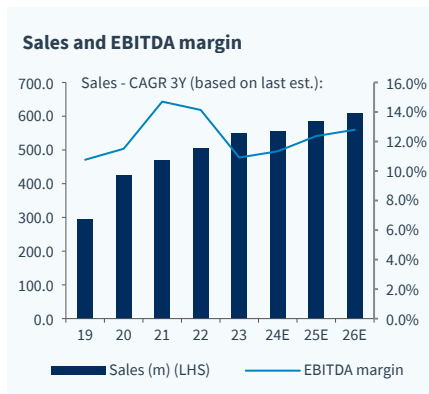
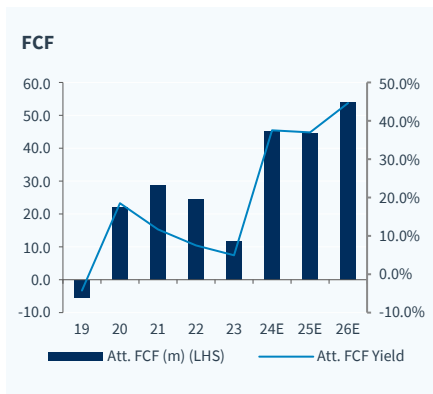
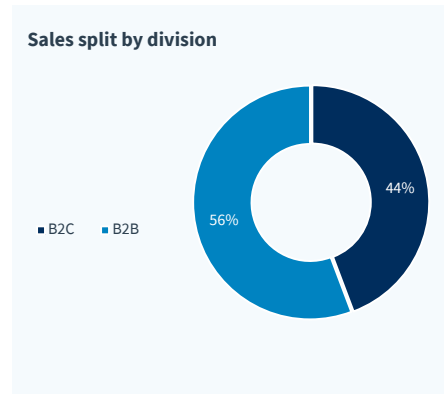
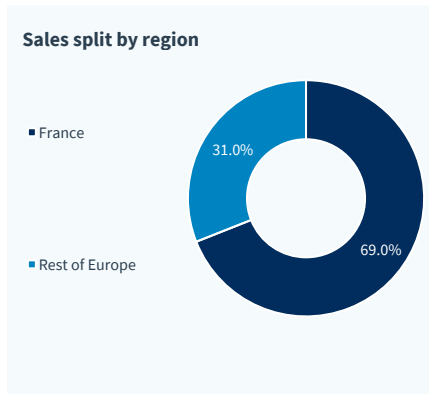
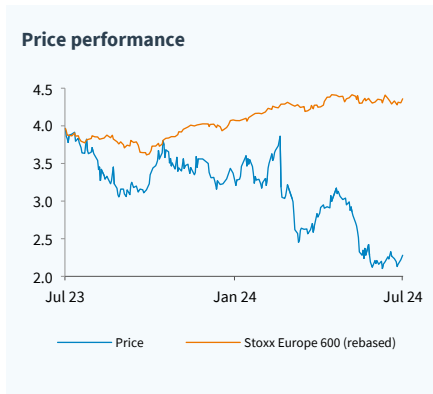
Pascal Chevalier, Chairman  
Gautier Normand, CEO  
Laetitia Quet, CFO



**Key shareholders**

Free float	8.30%
Management	27.20%
DLB Investments	9.78%
Eurazeo	8.30%

**Key data charts**



**SWOT analysis**

**Strengths**

- Top position in magazine allows pricing power and captive audience.
- Digital front-runner attracting online communication investments.
- Expert in adtech tools, a healthy and growing market.

**Weaknesses**

- Past controversies could affect customer content quality perception.
- Still-high exposure to print media, in structural decline.

**Opportunities**

- Adtech fragmented market and media concentration to be hunting ground.
- Tighter third-party cookie regulation, to favour content owners.
- Development outside media.

**Threats**

- Tighter cookies regulation could impact the affiliation business.
- Competition from various players in a fragmented ad-tech market.
- Changing behaviour among either advertisement buyer or customers.

**Valuation table**

Market data as of: 31 July 2024

FY to 31/12 (EUR)	12/17	12/18	12/19	12/20	12/21	12/22	12/23	12/24E	12/25E	12/26E
<b>Per share data (EUR)</b>										
EPS adjusted	0.10	0.18	0.51	0.65	0.86	0.89	0.64	0.54	0.71	0.78
% Change	-45.4%	83.0%	180.2%	27.9%	31.4%	3.4%	-28.4%	-14.8%	30.8%	10.3%
EPS adjusted and fully diluted	0.09	0.17	0.45	0.59	0.84	0.85	0.58	0.49	0.65	0.71
% Change	-41.1%	86.9%	170.1%	33.0%	41.6%	1.6%	-32.0%	-14.8%	30.8%	10.3%
EPS reported	0.05	0.18	0.52	0.26	0.74	0.81	0.46	0.52	0.69	0.76
% Change	+chg	285.2%	184.8%	-49.9%	186.0%	9.2%	-43.1%	13.2%	31.7%	10.4%
EPS Consensus								0.60	0.70	0.80
Cash flow per share	-0.13	0.10	-0.03	0.59	0.68	0.56	0.41	0.98	0.95	1.13
Book value per share	0.53	0.71	1.74	2.08	2.59	3.33	3.81	4.33	5.02	5.78
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of shares, YE (m)	37.1	37.6	48.9	49.1	52.2	53.0	53.0	53.0	53.0	53.0
Nbr of shares, fully diluted, YE (m)	41.8	41.5	55.9	54.0	53.4	55.1	58.0	58.0	58.0	58.0
<b>Share price</b>										
Latest price / year end	1.8	1.5	2.8	3.2	7.5	5.8	3.6	2.3	2.3	2.3
52 week high	2.8	2.1	3.5	3.4	7.8	7.7	6.4	3.9		
52 week low	1.2	1.1	1.5	1.7	3.0	4.9	3.1	2.1		
Average price (Year)	2.0	1.5	2.6	2.4	4.7	6.2	4.4	2.3	2.3	2.3
<b>Enterprise value (EURm)</b>										
Market capitalisation	74.1	57.7	126.9	119.3	245.3	327.8	235.2	120.8	120.8	120.8
Net financial debt	8.2	10.4	42.0	24.3	28.6	98.2	108.1	73.3	39.1	-4.3
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IFRS 16 debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Market value of minorities	0.0	-0.1	10.8	5.0	-50.5	-25.1	-41.3	-41.3	-41.3	-41.3
MV of equity affiliates (net of tax)	-4.7	-4.4	-6.6	-5.3	-14.4	-14.3	-16.9	-16.9	-16.9	-16.9
Others	8.3	2.9	35.8	29.0	17.9	25.6	18.6	18.6	18.6	18.6
Enterprise value	86.0	66.5	208.9	172.3	226.8	412.3	303.7	154.5	120.3	76.9
<b>Valuation</b>										
P/E adjusted	20.1	8.4	5.1	3.7	5.5	7.0	7.0	4.2	3.2	2.9
P/E adjusted and fully diluted	22.6	9.3	5.8	4.1	5.6	7.2	7.6	4.6	3.5	3.2
P/E consensus								3.8	3.3	2.9
P/BV	3.7	2.2	1.5	1.2	1.8	1.9	1.2	0.5	0.5	0.4
P/CF	na	15.3	na	4.1	6.9	11.0	10.8	2.3	2.4	2.0
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield preference shares (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Share buybacks over market cap (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Attributable FCF yield (%)	-11.0%	0.8%	-4.2%	18.5%	11.7%	7.5%	4.9%	37.5%	37.0%	44.6%
ROE (%)	26.9%	29.5%	44.6%	34.3%	37.8%	30.2%	17.8%	13.3%	15.2%	14.5%
ROIC (%)	12.6%	15.6%	17.1%	16.7%	25.8%	19.0%	13.2%	11.3%	13.9%	14.9%
EV/Sales	0.46	0.37	0.71	0.41	0.48	0.82	0.55	0.28	0.21	0.13
EV/EBITDA adj.	10.7	5.8	6.6	3.5	3.3	5.8	5.1	2.5	1.7	1.0
EV/EBIT adj.	22.2	8.4	8.2	4.6	3.6	6.4	5.2	3.0	1.9	1.1
EV/NOPAT	33.3	12.6	12.3	6.4	4.9	8.5	7.0	4.0	2.5	1.5
EV/IC	2.9	1.7	1.3	1.1	1.2	1.3	0.9	0.5	0.3	0.2
ROIC/WACC	1.0	1.2	1.4	1.3	2.0	1.5	1.0	0.9	1.1	na
EV/IC over ROIC/WACC	2.9	1.4	1.0	0.8	0.6	0.9	0.8	0.5	0.3	na

**Income statement**

FY to 31/12 (EUR)	12/17	12/18	12/19	12/20	12/21	12/22	12/23	12/24E	12/25E	12/26E
<b>Sales</b>	<b>185.6</b>	<b>177.5</b>	<b>294.4</b>	<b>424.7</b>	<b>469.8</b>	<b>505.8</b>	<b>549.3</b>	<b>555.5</b>	<b>585.4</b>	<b>608.6</b>
Sales % Change	6.6%	-4.4%	65.8%	44.3%	10.6%	7.7%	8.6%	1.1%	5.4%	4.0%
Gross profit	80.6	80.5	182.2	284.9	322.2	347.2	356.6	363.0	382.2	397.0
Gross profit margin (%)	43.4%	45.3%	61.9%	67.1%	68.6%	68.6%	64.9%	65.3%	65.3%	65.2%
EBITDA reported	7.5	11.1	29.6	41.4	63.0	66.7	57.7	59.4	68.6	73.9
<b>EBITDA adjusted</b>	<b>8.0</b>	<b>11.4</b>	<b>31.7</b>	<b>48.9</b>	<b>69.1</b>	<b>71.5</b>	<b>59.9</b>	<b>63.0</b>	<b>72.4</b>	<b>77.9</b>
<b>EBITDA margin (%)</b>	<b>4.3%</b>	<b>6.4%</b>	<b>10.8%</b>	<b>11.5%</b>	<b>14.7%</b>	<b>14.1%</b>	<b>10.9%</b>	<b>11.3%</b>	<b>12.4%</b>	<b>12.8%</b>
EBITDA adjusted % Change	81.7%	42.2%	177.4%	54.2%	41.3%	3.5%	-16.2%	5.1%	15.0%	7.5%
Depreciation and amortisation	-3.6	-3.2	-4.1	-4.0	-4.0	-4.9	-9.2	-8.3	-5.9	-6.1
Goodwill impairment	0.0	0.0	0.0	0.0	0.0	1.9	8.0	0.0	0.0	0.0
Other financial result and associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT reported	3.9	7.9	25.5	37.4	59.0	63.8	56.5	51.0	62.8	67.8
<b>EBIT adjusted</b>	<b>3.9</b>	<b>7.9</b>	<b>25.5</b>	<b>37.4</b>	<b>62.8</b>	<b>64.5</b>	<b>58.0</b>	<b>51.9</b>	<b>63.6</b>	<b>68.7</b>
<b>EBIT margin (%)</b>	<b>2.1%</b>	<b>4.5%</b>	<b>8.7%</b>	<b>8.8%</b>	<b>13.4%</b>	<b>12.7%</b>	<b>10.6%</b>	<b>9.3%</b>	<b>10.9%</b>	<b>11.3%</b>
EBIT adjusted % Change	239.4%	105.4%	220.9%	46.7%	67.9%	2.7%	-10.1%	-10.6%	22.7%	8.0%
Net financial items	-0.3	-0.6	-3.9	-6.8	-4.5	-6.3	-9.3	-10.5	-10.5	-10.5
Associates	-2.1	0.0	0.4	-22.5	-1.2	-4.8	-14.8	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before tax	1.5	7.3	22.0	8.1	53.3	52.7	32.4	40.6	52.3	57.4
Tax	0.3	-0.4	2.6	4.3	-11.1	-8.1	-5.2	-10.1	-13.1	-14.3
Tax rate (%)	-8%	6%	-12%	-14%	20%	14%	11%	25%	25%	25%
Net profit from continuing op.	1.8	6.9	24.6	12.4	42.2	44.7	27.2	30.4	39.2	43.0
Net profit from disc. activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	1.8	6.9	24.6	12.4	42.2	44.7	27.2	30.4	39.2	43.0
Minorities	0.0	0.0	0.7	0.3	-3.4	-1.7	-2.8	-2.8	-2.8	-2.8
<b>Net profit reported</b>	<b>1.8</b>	<b>6.9</b>	<b>25.4</b>	<b>12.8</b>	<b>38.8</b>	<b>43.0</b>	<b>24.5</b>	<b>27.7</b>	<b>36.5</b>	<b>40.3</b>
Adjustments	1.9	0.0	-0.4	19.3	6.0	4.1	9.2	1.0	1.1	1.1
<b>Net profit adjusted</b>	<b>3.7</b>	<b>6.9</b>	<b>25.0</b>	<b>32.1</b>	<b>44.9</b>	<b>47.0</b>	<b>33.7</b>	<b>28.7</b>	<b>37.6</b>	<b>41.4</b>
<b>Net profit margin (%)</b>	<b>2.0%</b>	<b>3.9%</b>	<b>8.5%</b>	<b>7.6%</b>	<b>9.6%</b>	<b>9.3%</b>	<b>6.1%</b>	<b>5.2%</b>	<b>6.4%</b>	<b>6.8%</b>
Net profit adjusted % Change	-36.7%	85.7%	263.9%	28.5%	39.8%	4.8%	-28.4%	-14.8%	30.8%	10.3%
EPS reported (EUR)	0.05	0.18	0.52	0.26	0.74	0.81	0.46	0.52	0.69	0.76
EPS adjusted (EUR)	0.10	0.18	0.51	0.65	0.86	0.89	0.64	0.54	0.71	0.78
EPS adj. and fully diluted (EUR)	0.09	0.17	0.45	0.59	0.84	0.85	0.58	0.49	0.65	0.71
EPS adj. and fully diluted % Change	-41.1%	86.9%	170.1%	33.0%	41.6%	1.6%	-32.0%	-14.8%	30.8%	10.3%
DPS (EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DPS % Change										
Payout ratio (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
DPS, preference shares (EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consensus Sales (EURm)								556.7	569.9	579.8
Consensus EBITDA (EURm)								64.5	69.4	73.1
Consensus EBIT (EURm)								53.5	61.5	62.8
Consensus EPS (EUR)								0.60	0.70	0.80

**Cash flow statement**

Market data as of: 31 July 2024

FY to 31/12 (EUR)	12/17	12/18	12/19	12/20	12/21	12/22	12/23	12/24E	12/25E	12/26E
Net profit before minorities	1.8	6.9	24.6	12.4	42.2	44.7	27.2	30.4	39.2	43.0
Depreciation and amortisation	4.5	3.7	32.5	19.7	10.3	8.5	16.7	8.3	5.9	6.1
Goodwill impairment	0.0	0.1	-35.1	-3.4	0.1	-1.9	-7.3	0.0	0.0	0.0
Change in working capital	-9.0	-4.9	-6.6	9.3	-9.5	-14.3	-17.5	2.8	-5.0	0.4
Others	-2.0	-2.0	-17.0	-9.2	-7.8	-7.0	2.7	10.5	10.5	10.5
<b>Levered post tax CF before capex</b>	<b>-4.7</b>	<b>3.8</b>	<b>-1.5</b>	<b>28.8</b>	<b>35.4</b>	<b>29.9</b>	<b>21.8</b>	<b>52.0</b>	<b>50.5</b>	<b>60.0</b>
% Change	-chg	+chg	-chg	+chg	22.9%	-15.7%	-26.9%	138.0%	-2.8%	18.8%
Capex	-3.5	-3.3	-3.8	-6.7	-6.8	-5.3	-10.2	-6.7	-5.9	-6.1
Capex / Sales (%)	1.9%	1.9%	1.3%	1.6%	1.4%	1.0%	1.9%	1.2%	1.0%	1.0%
<b>Free cash flow</b>	<b>-8.1</b>	<b>0.4</b>	<b>-5.4</b>	<b>22.1</b>	<b>28.7</b>	<b>24.6</b>	<b>11.6</b>	<b>45.3</b>	<b>44.7</b>	<b>53.9</b>
% Change	-chg	+chg	-chg	+chg	29.8%	-14.1%	-52.8%	289.5%	-1.5%	20.7%
Acquisitions	0.0	-1.8	-52.3	-2.5	-3.6	-84.0	-7.2	0.0	0.0	0.0
Divestments	-0.4	-0.6	-1.9	-0.3	-15.8	-0.9	-2.7	0.0	0.0	0.0
Dividend paid	0.0	0.0	0.0	0.0	0.0	-2.0	-0.8	0.0	0.0	0.0
Share buy back	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital increases	0.0	0.0	30.8	3.0	-5.2	0.0	0.0	0.0	0.0	0.0
Others	-4.0	2.4	66.3	27.9	14.9	57.6	-21.3	-10.5	-10.5	-10.5
<b>Change in net financial debt</b>	<b>12.5</b>	<b>-0.5</b>	<b>-37.5</b>	<b>-50.1</b>	<b>-18.9</b>	<b>4.6</b>	<b>20.3</b>	<b>-34.8</b>	<b>-34.2</b>	<b>-43.4</b>
Change in cash and cash equiv.	-12.5	0.5	37.5	50.1	18.8	-4.6	-20.6	34.8	34.2	43.4
Attributable FCF	-8.1	0.4	-5.4	22.1	28.7	24.6	11.6	45.3	44.7	53.9
Attributable FCF / Net profit(%)	-220.4%	6.4%	-21.6%	68.8%	63.9%	52.4%	34.5%	157.8%	118.9%	130.2%
Cash flow per share (EUR)	-0.13	0.10	-0.03	0.59	0.68	0.56	0.41	0.98	0.95	1.13
% Change	-chg	+chg	-chg	+chg	15.5%	-16.8%	-26.9%	138.0%	-2.8%	18.8%
Attributable FCF per share (EUR)	-0.22	0.01	-0.11	0.45	0.55	0.47	0.22	0.86	0.84	1.02
% Change	+chg	+chg	-chg	+chg	22.0%	-15.3%	-52.8%	289.5%	-1.5%	20.7%

**Balance sheet**

<b>FY to 31/12 (EUR)</b>	<b>12/17</b>	<b>12/18</b>	<b>12/19</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24E</b>	<b>12/25E</b>	<b>12/26E</b>
Cash and cash equivalents	16.1	16.6	54.0	104.1	122.9	118.3	97.7	132.6	166.7	210.2
Inventories	0.1	0.1	3.1	2.5	3.9	4.0	3.4	5.6	5.9	6.1
Accounts receivable	56.9	53.2	115.9	118.4	122.4	153.2	167.7	179.1	188.7	196.2
Other current assets	6.7	8.2	17.7	19.7	17.7	27.9	29.6	29.6	29.6	29.6
<b>Current assets</b>	<b>79.7</b>	<b>78.0</b>	<b>190.8</b>	<b>244.6</b>	<b>266.9</b>	<b>303.4</b>	<b>298.4</b>	<b>346.7</b>	<b>390.9</b>	<b>442.0</b>
Tangible assets	1.6	1.4	1.7	4.0	4.9	5.4	6.9	5.2	5.2	5.2
Goodwill	33.6	35.3	34.8	37.1	0.0	49.5	63.4	63.4	63.4	63.4
Other Intangible assets	5.2	5.2	176.1	176.5	223.9	279.4	278.6	278.6	278.6	278.6
Financial assets	4.7	4.4	6.6	5.3	14.4	14.3	16.9	16.9	16.9	16.9
Other non-current assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-current assets</b>	<b>45.0</b>	<b>46.3</b>	<b>219.1</b>	<b>222.9</b>	<b>243.1</b>	<b>348.7</b>	<b>365.8</b>	<b>364.1</b>	<b>364.1</b>	<b>364.1</b>
Short term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	68.3	62.0	144.8	151.7	156.1	185.1	183.7	200.0	204.9	213.0
Other short term liabilities	10.8	7.4	51.1	50.1	35.0	35.1	37.2	37.2	37.2	37.2
<b>Current liabilities</b>	<b>79.1</b>	<b>69.4</b>	<b>195.9</b>	<b>201.8</b>	<b>191.1</b>	<b>220.2</b>	<b>220.9</b>	<b>237.2</b>	<b>242.1</b>	<b>250.2</b>
Long term debt	24.3	27.0	96.0	128.4	151.5	216.5	205.8	205.8	205.8	205.8
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IFRS16 Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long term provisions	1.6	1.1	21.5	24.4	18.0	20.1	18.5	18.5	18.5	18.5
Other long term liabilities	0.0	0.0	0.0	0.0	0.0	4.8	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>25.9</b>	<b>28.1</b>	<b>117.5</b>	<b>152.8</b>	<b>169.5</b>	<b>241.3</b>	<b>224.3</b>	<b>224.3</b>	<b>224.3</b>	<b>224.3</b>
Shareholders' equity	19.8	26.8	85.2	102.1	135.1	176.3	201.7	229.4	265.8	306.1
Minority interests	0.0	0.0	11.3	10.9	14.3	14.3	17.2	20.0	22.7	25.5
<b>Total equity</b>	<b>19.8</b>	<b>26.8</b>	<b>96.5</b>	<b>113.0</b>	<b>149.4</b>	<b>190.6</b>	<b>218.9</b>	<b>249.3</b>	<b>288.6</b>	<b>331.6</b>
<b>Balance sheet total</b>	<b>124.8</b>	<b>124.4</b>	<b>409.9</b>	<b>467.5</b>	<b>510.0</b>	<b>652.1</b>	<b>664.2</b>	<b>710.9</b>	<b>755.0</b>	<b>806.1</b>
% Change	-0.5%	-0.3%	229.6%	14.1%	9.1%	27.9%	1.9%	7.0%	6.2%	6.8%
Book value per share (EUR)	0.53	0.71	1.74	2.08	2.59	3.33	3.81	4.33	5.02	5.78
% Change	120.4%	33.5%	144.7%	19.2%	24.4%	28.7%	14.4%	13.7%	15.9%	15.1%
Net financial debt	8.2	10.4	42.0	24.3	28.6	98.2	108.1	73.3	39.1	-4.3
IFRS16 Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt	8.2	10.4	42.0	24.3	28.6	98.2	108.1	73.3	39.1	-4.3
Net fi. debt (+IFRS16) / EBITDA (x)	1.0	0.9	1.3	0.5	0.4	1.4	1.8	1.2	0.5	-0.1
Trade working capital	-11.3	-8.7	-25.8	-30.9	-29.8	-27.9	-12.6	-15.4	-10.3	-10.7
Net working capital	-15.4	-8.0	-59.2	-61.2	-47.1	-35.1	-20.2	-23.0	-18.0	-18.4
NWC/Sales	-8.3%	-4.5%	-20.1%	-14.4%	-10.0%	-6.9%	-3.7%	-4.1%	-3.1%	-3.0%
Inventories/sales	0.0%	0.0%	1.0%	0.6%	0.8%	0.8%	0.6%	1.0%	1.0%	1.0%
Invested capital	29.6	38.3	160.0	161.7	196.0	313.6	345.5	341.1	346.2	345.7
Net fin. debt / FCF (x)	-1.0	23.8	-7.8	1.1	1.0	4.0	9.3	1.6	0.9	-0.1
Gearing (%)	41.3%	38.9%	43.5%	21.5%	19.1%	51.5%	49.4%	29.4%	13.5%	-1.3%
Goodwill / Equity (%)	169.9%	131.7%	36.0%	32.8%	0.0%	26.0%	29.0%	25.4%	22.0%	19.1%

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Rating Breakdown	A	B
Buy	55%	61%
Hold	32%	28%
Reduce	9%	4%
Not Rated/Under Review/Accept Offer	4%	7%
Total	100%	100%

Source: Kepler Cheuvreux

A: % of all research recommendations

B: % of issuers to which material services of investment firms are supplied

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The below table shows the history of recommendations and target prices changes issued by KEPLER CHEUVREUX research department (Equity and Credit) over a 12 months period.

Company Name	Date	Business Line	Rating	Target Price	Closing Price
Reworld Media (EUR)	16/11/2023 05:52	Equity Research	Buy	6.50	3.75
	21/03/2024 06:48	Equity Research	Buy	6.20	3.86

Credit research does not issue target prices. Left intentionally blank.

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**Reduce:** There is an expected downside.

**Accept offer:** In the context of a total or partial take-over bid, squeeze-out or similar share purchase proposals, the offer price is considered to be fairly valuing the shares.

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**Under review:** An event occurred with an expected significant impact on our target price and we cannot issue a recommendation before having processed that new information and/or without a new share price reference.

**Not rated:** The stock is not covered.

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KEPLER CHEUVREUX, Milan branch	Commissione Nazionale per le Società e la Borsa	CONSOB
KEPLER CHEUVREUX, Amsterdam branch	Autoriteit Financiële Markten	AFM
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