

Reworld Media Buy

France | Media

Beta Profile:  

MCap: EUR91.6m

Target Price: EUR3.60 (5.30)
Current Price: EUR1.73
Up/downside: 108.1%
Market data: 20 November 2024

Change in TP: -32.1%
Change in Sales: -2.7% 24E/-6.0% 25E
Change in Adj EBIT: -8.9% 24E/-9.6% 25E
Change in Adj. EPS: 10.7% 24E/3.1% 25E

Bloomberg: ALREW FP Reuters: ALREW.PA
 Free float 48.3%
 Avg. daily volume (EURm) 0.1
 YTD abs performance -51.4%
 52-week high/low (EUR) 3.86/1.68

Q3 miss amid persistent market headwinds

Why this report?

Q3 sales missed our estimates by 3%, due to lower-than-expected B2C and B2B revenues. This was primarily due to the unfavourable market trends over the period, as both the French political context and Olympic games impacted thematic media spending. As visibility remains low in the short term, we have conservatively adjusted our adj. EPS forecasts by -10/-12/-9% over FY 2024-26E, leading to a revised TP of EUR3.60 (down from EUR5.30).

Key findings

- Q3 sales came in at EUR125m, down by 3% LFL primarily due to a continued decline in the B2C segment, while the B2B division remained stable.
- B2C sales were down by 6.5% LFL, impacted by lower magazine subscription revenues (-4.1%) and lower pay-per-use magazines sales (-7.8%).
- B2B sales were stable, marking another sequential slowdown compared to H1 (+4.3%), due to stable affiliation revenues and the negative impact of the French political context and the Paris Olympics on thematic media advertising.
- Management highlighted the ongoing uncertainty in the macro and political environment, which is leading advertisers to adopt a wait-and-see approach.
- While the upcoming Black Friday and Christmas seasons could provide some upside, the outlook for the digital marketing segment remains uncertain.

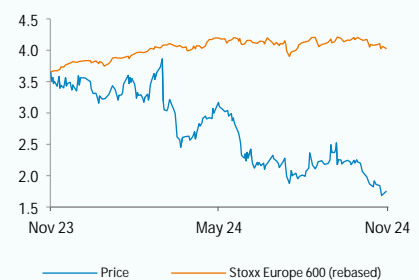
Deconstructing the forecasts

- Considering the miss in Q3 and persistent macro headwinds, we have conservatively cut our sales forecasts by -3%/-6%/-6% over FY 2024-26E.
- While we continue to expect a gradual recovery in B2B and a sequential improvement in B2C, we now assume a slower rebound.
- Therefore, our EPS, adj. estimates are cut by -10%/-12%/-9% over the period.

Updated forecasts and valuation: TP cut from EUR5.30 to EUR3.60

- In our SOP, considering peers current trading multiples, we now apply a 4.4x EV/EBITDA multiple (vs. 5.0x previously) for B2C, and a 3.5x multiple (vs. 4.0x previously) for B2B and Performance.
- Following our updated valuation and forecasts, we cut our TP from EUR5.30 to EUR3.60.
- At our TP and forecasts, the stock would trade at a 6.8x P/E 2025E multiple, which does not seem demanding, considering Reworld's leading position in promising end markets, its sound financial structure (1.8x leverage), and its solid FCF generation (50-60% of EBITDA).

Price performance



FY to 31/12 (EUR)	12/24E	12/25E	12/26E
Sales (m)	536.5	546.3	566.8
EBITDA adj (m)	54.2	63.1	69.0
EBIT adj (m)	44.8	54.9	60.5
Net profit adj (m)	29.3	36.5	40.7
Net financial debt (m)	97.9	76.1	39.6
FCF (m)	20.7	32.3	46.9
EPS adj. and ful. dil.	0.51	0.63	0.70
Consensus EPS	0.50	0.58	0.65
Net dividend	0.00	0.00	0.00
FY to 31/12	12/24E	12/25E	12/26E
P/E adj and ful. dil.	3.4	2.8	2.5
EV/EBITDA	4.2	3.3	2.5
EV/EBIT	5.1	3.8	2.8
FCF yield	22.6%	35.2%	51.2%
Dividend yield	0.0%	0.0%	0.0%
ND(F+IFRS16)/EBITDA	1.8	1.2	0.6
Gearing	40.5%	27.7%	12.7%
ROIC	9.6%	11.3%	12.3%
EV/IC	0.6	0.6	0.5
Sector Most Pref.	Sector Least Pref.		
Informa	Eutelsat		
JCDecaux	Pearson		
Publicis Groupe	Solocal Group		
Springer Nature	Viaplay		

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Q3 sales miss amid tough advertising market

Reworld Media’s Q3/9M sales fell short of expectations amid a softer French advertising market, hampered by political turmoil.

Q3 sales came in at EUR125m, down by 3% LFL primarily due to a continued decline in the B2C segment, while the B2B division remained stable. This was 3% below our estimate, as we had more optimistic assumptions for both divisions.

The B2C segment reported sales of EUR56m (4% below KECH), down by 6.5% on an LFL basis, impacted by the decline in magazine subscription and lower pay-per-use magazine sales. While subscription improved sequentially (-4.1% in Q3 vs. -9.4% in H1), the decline in pay-per-use revenue accelerated (-7.8% in Q3 vs. -6.0% in H1).

The decline in magazine sales (-4.1% YOY) was partially offset by targeted price hikes (the average basket price was up 2.1% QOQ to EUR5.44).

B2B sales were stable at EUR70m (2% below KECH), marking another sequential slowdown compared to H1 (+4.3%). This can be attributed to stable affiliation activity (Tradedoubler +1.0% at constant currency in Q3) and the impact of the French political context and the Paris Olympics on thematic media advertising. On the other hand, the group’s performance offering (content to commerce, retail media, influencer marketing...), branding and socials remained dynamic.

Looking at 9M figures, sales came in at EUR390m, down by 1.6% LFL, or 1% below KECH estimates.

Table 1: Reworld Media Q3 sales vs. Kepler Cheuvreux

FY-end Dec (EURm)	Q3 2024	Q3 2023	% change	% LFL	KECH	Δ vs. KECH
Total revenues	125	129	-2.9%	-3.0%	129	-3%
...o/w B2C	56	60	-6.5%	-6.5%	58	-4%
...o/w B2B	70	70	0.1%	0.1%	71	-2%

Source: Kepler Cheuvreux, Reworld Media

Table 2: Reworld Media 9M sales vs. Kepler Cheuvreux

FY-end Dec (EURm)	9M 2024	9M 2023	% change	% LFL	KECH	Δ vs. KECH
Total revenues	390	396	-1.5%	-1.6%	393	-1%
...o/w B2C	170	182	-6.8%	-6.8%	172	-1%
...o/w B2B	220	213	2.9%	3.0%	221	-1%

Source: Kepler Cheuvreux, Reworld Media

Feedback from meeting with management

Following the release of Q3 sales, we had a quick chat with management. Here are our key takeaways

- **Market trends:** Management indicated that advertisers are still cautious on their spending strategies, as the macro and political outlook remains uncertain. While the Paris Olympics did not provide a significant boost to Reworld's performance, the company expects a gradual improvement in advertising demand in the coming months.
- **FY 2024 outlook:** While Reworld Media does not provide quantified guidance, management seemed a tad more cautious about the FY outlook. The B2C segment is expected to show a slight sequential improvement compared to the 6.5% decline in Q3. Although visibility remains limited in the digital marketing segment, as the Black Friday and Christmas season will be key, B2B sales are set to remain soft as they face an unfavourable comparison basis.
- **Margin outlook:** On profitability, management’s stood by its comments in H1. B2C should be impacted by the decline in volume, mitigated by lower energy and paper costs (purchase price for paper has decreased by 20% YOY). On the other hand, the B2B segment’s profitability is set to decline in H2 compared to H2 2024, due to increased investments in growth opportunities and an unfavourable mix toward affiliation.

Fine-tuning our forecasts over 2024-26E

Following the release of Q3 sales, we have adjusted our estimates for 2024-26E.

Considering the miss in Q3 and persistent macro headwinds, we have conservatively cut our sales forecasts by -3%/-6%/-6% over the FY 2024-26E period.

While we continue to expect a gradual recovery in B2B and a sequential improvement in B2C, we now assume a slower rebound.

This leads us to trim our adj. EBITDA forecasts by -10%/-9%/-7% over 2024-26E, due to our updated sales estimates and slightly more conservative margin assumptions.

Therefore, our EPS, adj. estimates are cut by -10%/-12%/-9% 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.
Total revenues	549	552	537	-3%	581	546	-6%	604	567	-6%
% change	8.6%	0.4%	-2.3%		5.4%	1.8%		3.9%	3.7%	
% LFL	0.4%	0.4%	-2.3%		5.4%	1.8%		3.9%	3.7%	
EBITDA, adj. - KECH	60	60	54	-10%	69	63	-9%	74	69	-7%
% change	-16.2%	0.5%	-9.5%		15.3%	16.4%		6.9%	9.3%	
Margin (%)	10.9%	10.9%	10.1%		12.0%	11.6%		12.3%	12.2%	
EBITDA, adj.*	59	58	53	-8%	67	60	-9%	71	66	-7%
% change	-12.2%	-2.9%	-10.7%		15.8%	14.2%		7.0%	9.6%	
Margin (%)	10.8%	10.4%	9.9%		11.5%	11.1%		11.8%	11.7%	
Net profit, adj.	33	26	24	-10%	35	31	-12%	39	35	-9%
% change	-28.9%	-20.8%	-28.8%		33.6%	30.1%		9.4%	13.5%	
Margin (%)	6.1%	4.8%	4.4%		6.1%	5.7%		6.4%	6.2%	
EPS, adj.	0.59	0.46	0.41	-10%	0.61	0.53	-12%	0.67	0.61	-9%
% change	-27.3%	-22.8%	-30.6%		33.6%	30.1%		9.4%	13.5%	
Capex	10	8	8		6	5		6	6	
FCF	11	27	21	-22%	36	32	-10%	50	47	-7%
DPS	0.00	0.00	0.00		0.00	0.00		0.00	0.00	
Net financial debt / (cash)**	108	92	98	6%	67	76	14%	27	40	49%

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

We stick to our Buy rating while slashing our TP from EUR5.3 to EUR3.6

Following our updated forecasts and valuation methodology, we have cut our target price from EUR5.3 to EUR3.6.

Our target price is based on the average of a DCF (WACC: 12.6%; g 2.0%) and a sum-of-the-parts (SOP). In our SOP, we value the company based on each segment and 2025E numbers, applying 4.4x (vs. 5.0x previously) 2025E EBITDA for B2C, and 3.5x (vs. 4.0x previously) for B2B and Performance.

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 2025 on the back of more favourable macro trends, the recovery of the digital marketing market, and the strong momentum of the Social and Retail Media activities.

We expect visibility on the group's end markets to improve throughout 2025, which should ultimately drive the share price higher. Moreover, we believe the stock's valuation is extremely attractive, at 3.2x 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 stick to our Buy rating.

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	48.32%
Management	27.20%
DLB Investments	9.78%
Eurazeo	8.30%

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.

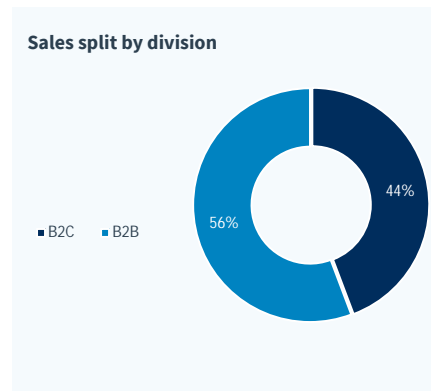
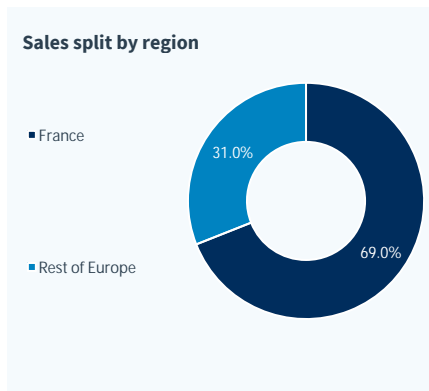
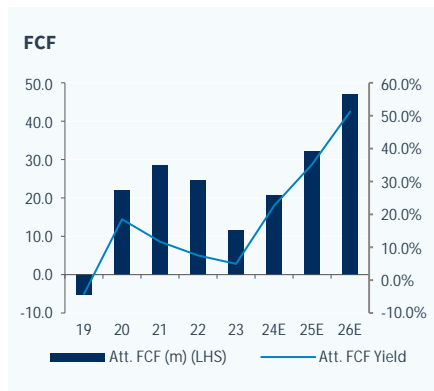
Valuation methodology

- 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 4.4x 2024E EBITDA for B2C and 3.5x 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.

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.

Opportunities

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

Weaknesses

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

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: 20 November 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
Per share data (EUR)										
EPS adjusted	0.10	0.18	0.48	0.65	0.99	0.95	0.74	0.55	0.69	0.77
% Change	-45.4%	83.6%	163.3%	35.7%	51.1%	-3.8%	-22.2%	-25.2%	24.5%	11.5%
EPS adjusted and fully diluted	0.09	0.17	0.42	0.59	0.97	0.92	0.68	0.51	0.63	0.70
% Change	-41.0%	87.5%	153.8%	41.1%	62.9%	-5.4%	-26.2%	-25.2%	24.5%	11.5%
EPS reported	0.05	0.18	0.49	0.26	0.87	0.87	0.57	0.48	0.67	0.75
% Change	+chg	286.6%	167.8%	-46.9%	235.6%	0.2%	-35.3%	-15.5%	40.1%	11.7%
EPS Consensus								0.50	0.58	0.65
Cash flow per share	-0.13	0.10	-0.03	0.59	0.68	0.56	0.41	0.54	0.71	0.99
Book value per share	0.53	0.71	1.74	2.08	2.59	3.33	3.81	4.18	4.75	5.39
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
Share price										
Latest price / year end	1.8	1.5	2.8	3.2	7.5	5.8	3.6	1.7	1.7	1.7
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	1.7		
Average price (Year)	2.0	1.5	2.6	2.4	4.7	6.2	4.4	1.7	1.7	1.7
Enterprise value (EURm)										
Market capitalisation	74.1	57.7	126.9	119.3	245.3	327.8	235.2	91.6	91.6	91.6
Net financial debt	8.2	10.4	42.0	24.3	28.6	98.2	108.1	97.9	76.1	39.6
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	16.2	16.2	16.2	16.2
Enterprise value	86.0	66.8	187.2	172.3	327.9	462.4	383.9	230.1	208.3	171.8
Valuation										
P/E adjusted	20.1	8.4	5.4	3.7	4.8	6.5	6.0	3.1	2.5	2.3
P/E adjusted and fully diluted	22.6	9.2	6.2	4.1	4.9	6.8	6.6	3.4	2.8	2.5
P/E consensus								3.5	3.0	2.7
P/BV	3.7	2.2	1.5	1.2	1.8	1.9	1.2	0.4	0.4	0.3
P/CF	na	15.3	na	4.1	6.9	11.0	10.8	3.2	2.4	1.7
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%	22.6%	35.2%	51.2%
ROE (%)	26.8%	29.5%	42.0%	34.3%	43.5%	32.4%	20.7%	13.9%	15.4%	15.2%
ROIC (%)	12.6%	15.6%	17.1%	16.7%	25.8%	19.0%	13.2%	9.6%	11.3%	12.3%
EV/Sales	0.46	0.38	0.64	0.41	0.70	0.91	0.70	0.43	0.38	0.30
EV/EBITDA adj.	10.7	5.8	5.9	3.5	4.7	6.5	6.4	4.2	3.3	2.5
EV/EBIT adj.	22.2	8.4	7.3	4.6	5.2	7.2	6.6	5.1	3.8	2.8
EV/NOPAT	33.3	12.6	11.0	6.4	7.1	9.6	8.8	6.8	5.1	3.8
EV/IC	2.9	1.7	1.2	1.1	1.7	1.5	1.1	0.6	0.6	0.5
ROIC/WACC	1.0	1.2	1.4	1.3	2.0	1.5	1.0	0.8	0.9	na
EV/IC over ROIC/WACC	2.9	1.4	0.9	0.8	0.8	1.0	1.1	0.8	0.6	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
Sales	185.6	177.5	294.4	424.7	469.8	505.8	549.3	536.5	546.3	566.8
Sales % Change	6.6%	-4.4%	65.8%	44.3%	10.6%	7.7%	8.6%	-2.3%	1.8%	3.7%
Gross profit	80.6	80.5	182.2	284.9	322.2	347.2	356.6	350.9	357.1	370.2
Gross profit margin (%)	43.4%	45.3%	61.9%	67.1%	68.6%	68.6%	64.9%	65.4%	65.4%	65.3%
EBITDA reported	7.5	11.1	29.6	41.4	63.0	66.7	57.7	52.9	59.6	65.3
EBITDA adjusted	8.0	11.4	31.7	48.9	69.1	71.5	59.9	54.2	63.1	69.0
EBITDA margin (%)	4.3%	6.4%	10.8%	11.5%	14.7%	14.1%	10.9%	10.1%	11.6%	12.2%
EBITDA adjusted % Change	81.7%	42.2%	177.4%	54.2%	41.3%	3.5%	-16.2%	-9.5%	16.4%	9.3%
Depreciation and amortisation	-3.6	-3.2	-4.1	-4.0	-4.0	-4.9	-9.2	-8.0	-5.5	-5.7
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	44.8	54.1	59.6
EBIT adjusted	3.9	7.9	25.5	37.4	62.8	64.5	58.0	44.8	54.9	60.5
EBIT margin (%)	2.1%	4.5%	8.7%	8.8%	13.4%	12.7%	10.6%	8.4%	10.1%	10.7%
EBIT adjusted % Change	239.4%	105.4%	220.9%	46.7%	67.9%	2.7%	-10.1%	-22.7%	22.5%	10.2%
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	-3.2	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	31.2	43.6	49.2
Tax	0.3	-0.4	2.6	4.3	-11.1	-8.1	-5.2	-8.6	-10.9	-12.3
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	22.6	32.7	36.9
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	22.6	32.7	36.9
Minorities	0.0	0.0	-0.7	0.3	3.4	1.7	2.8	2.8	2.8	2.8
Net profit reported	1.8	6.9	23.9	12.8	45.6	46.3	30.0	25.3	35.5	39.6
Adjustments	1.9	0.0	-0.4	19.3	6.0	4.1	9.2	4.0	1.0	1.1
Net profit adjusted	3.7	6.9	23.5	32.1	51.6	50.4	39.2	29.3	36.5	40.7
Net profit margin (%)	2.0%	3.9%	8.0%	7.6%	11.0%	10.0%	7.1%	5.5%	6.7%	7.2%
Net profit adjusted % Change	-36.6%	86.3%	242.0%	36.4%	60.8%	-2.4%	-22.2%	-25.2%	24.5%	11.5%
EPS reported (EUR)	0.05	0.18	0.49	0.26	0.87	0.87	0.57	0.48	0.67	0.75
EPS adjusted (EUR)	0.10	0.18	0.48	0.65	0.99	0.95	0.74	0.55	0.69	0.77
EPS adj. and fully diluted (EUR)	0.09	0.17	0.42	0.59	0.97	0.92	0.68	0.51	0.63	0.70
EPS adj. and fully diluted % Change	-41.0%	87.5%	153.8%	41.1%	62.9%	-5.4%	-26.2%	-25.2%	24.5%	11.5%
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)								546.5	554.0	562.6
Consensus EBITDA (EURm)								58.1	60.0	63.5
Consensus EBIT (EURm)								52.8	59.9	63.2
Consensus EPS (EUR)								0.50	0.58	0.65

Cash flow statement

Market data as of: 20 November 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	22.6	32.7	36.9
Depreciation and amortisation	4.5	3.7	32.5	19.7	10.3	8.5	16.7	8.0	5.5	5.7
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	-12.6	-10.9	-0.4
Others	-2.0	-2.0	-17.0	-9.2	-7.8	-7.0	2.7	10.5	10.5	10.5
Levered post tax CF before capex	-4.7	3.8	-1.5	28.8	35.4	29.9	21.8	28.5	37.7	52.6
% Change	-chg	+chg	-chg	+chg	22.9%	-15.7%	-26.9%	30.5%	32.4%	39.4%
Capex	-3.5	-3.3	-3.8	-6.7	-6.8	-5.3	-10.2	-7.8	-5.5	-5.7
Capex / Sales (%)	1.9%	1.9%	1.3%	1.6%	1.4%	1.0%	1.9%	1.5%	1.0%	1.0%
Free cash flow	-8.1	0.4	-5.4	22.1	28.7	24.6	11.6	20.7	32.3	46.9
% Change	-chg	+chg	-chg	+chg	29.8%	-14.1%	-52.8%	78.0%	55.8%	45.5%
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
Change in net financial debt	12.5	-0.5	-37.5	-50.1	-18.9	4.6	20.3	-10.2	-21.8	-36.5
Change in cash and cash equiv.	-12.5	0.5	37.5	50.1	18.8	-4.6	-20.6	10.2	21.8	36.5
Attributable FCF	-8.1	0.4	-5.4	22.1	28.7	24.6	11.6	20.7	32.3	46.9
Attributable FCF / Net profit(%)	-220.5%	6.4%	-22.9%	68.8%	55.5%	48.9%	29.7%	70.6%	88.4%	115.4%
Cash flow per share (EUR)	-0.13	0.10	-0.03	0.59	0.68	0.56	0.41	0.54	0.71	0.99
% Change	-chg	+chg	-chg	+chg	15.5%	-16.8%	-26.9%	30.5%	32.4%	39.4%
Attributable FCF per share (EUR)	-0.22	0.01	-0.11	0.45	0.55	0.47	0.22	0.39	0.61	0.89
% Change	+chg	+chg	-chg	+chg	22.0%	-15.3%	-52.8%	78.0%	55.8%	45.5%

Balance sheet

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
Cash and cash equivalents	16.1	16.6	54.0	104.1	122.9	118.3	97.7	108.0	129.7	166.2
Inventories	0.1	0.1	3.1	2.5	3.9	4.0	3.4	5.4	5.5	5.7
Accounts receivable	56.9	53.2	115.9	118.4	122.4	153.2	167.7	187.8	191.2	198.4
Other current assets	6.7	8.2	17.7	19.7	17.7	27.9	29.6	29.6	29.6	29.6
Current assets	79.7	78.0	190.8	244.6	266.9	303.4	298.4	330.7	356.0	399.8
Tangible assets	1.6	1.4	1.7	4.0	4.9	5.4	6.9	6.6	6.6	6.6
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
Non-current assets	45.0	46.3	219.1	222.9	243.1	348.7	365.8	365.5	365.5	365.5
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	193.2	185.7	192.7
Other short term liabilities	10.8	7.4	51.1	50.1	35.0	35.1	37.2	37.2	37.2	37.2
Current liabilities	79.1	69.4	195.9	201.8	191.1	220.2	220.9	230.4	223.0	229.9
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
Non-current liabilities	25.9	28.1	117.5	152.8	169.5	241.3	224.3	224.3	224.3	224.3
Shareholders' equity	19.8	26.8	85.2	102.1	135.1	176.3	201.7	221.5	251.5	285.6
Minority interests	0.0	0.0	11.3	10.9	14.3	14.3	17.2	20.0	22.7	25.5
Total equity	19.8	26.8	96.5	113.0	149.4	190.6	218.9	241.5	274.2	311.1
Balance sheet total	124.8	124.4	409.9	467.5	510.0	652.1	664.2	696.2	721.5	765.3
% Change	-0.5%	-0.3%	229.6%	14.1%	9.1%	27.9%	1.9%	4.8%	3.6%	6.1%
Book value per share (EUR)	0.53	0.71	1.74	2.08	2.59	3.33	3.81	4.18	4.75	5.39
% Change	120.4%	33.5%	144.7%	19.2%	24.4%	28.7%	14.4%	9.8%	13.5%	13.6%
Net financial debt	8.2	10.4	42.0	24.3	28.6	98.2	108.1	97.9	76.1	39.6
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	97.9	76.1	39.6
Net fi. debt (+IFRS16) / EBITDA (x)	1.0	0.9	1.3	0.5	0.4	1.4	1.8	1.8	1.2	0.6
Trade working capital	-11.3	-8.7	-25.8	-30.9	-29.8	-27.9	-12.6	0.0	10.9	11.3
Net working capital	-15.4	-8.0	-59.2	-61.2	-47.1	-35.1	-20.2	-7.6	3.3	3.7
NWC/Sales	-8.3%	-4.5%	-20.1%	-14.4%	-10.0%	-6.9%	-3.7%	-1.4%	0.6%	0.7%
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	357.9	368.8	369.2
Net fin. debt / FCF (x)	-1.0	23.8	-7.8	1.1	1.0	4.0	9.3	4.7	2.4	0.8
Gearing (%)	41.3%	38.9%	43.5%	21.5%	19.1%	51.5%	49.4%	40.5%	27.7%	12.7%
Goodwill / Equity (%)	169.9%	131.7%	36.0%	32.8%	0.0%	26.0%	29.0%	26.3%	23.1%	20.4%

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Rating Breakdown	A	B
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Total	100%	100%

Source: Kepler Cheuvreux

A: % of all research recommendations

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Reworld Media (EUR)	21/03/2024 06:48	Equity Research	Buy	6.20	3.86
	01/08/2024 04:33	Equity Research	Buy	6.00	2.28
	26/09/2024 05:22	Equity Research	Buy	5.30	2.52

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