

# BANCA MEDIOLANUM

**BUY**

Sector: Asset mgmt

Price: Eu12.87 - Target: Eu14.50

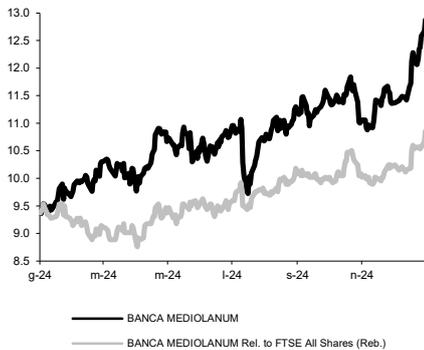
## Record 2024, Trends to Remain Healthy in the Future

**Alberto Villa +39-02-77115.431**  
 alberto.villa@intermonte.it

Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	from 13.00 to 14.50		
	2024E	2025E	2026E
Chg in Adj EPS	16.4%	-1.8%	1.4%

**Next Event**  
 Results Out February, 06

### BANCA MEDIOLANUM - 12M Performance



Stock Data			
Reuters code:	BMED.MI		
Bloomberg code:	BMED IM		
Performance	1M	3M	12M
Absolute	13.3%	12.2%	38.4%
Relative	6.9%	9.0%	20.2%
12M (H/L)	12.87/9.35		
3M Average Volume (th):	1,015.04		

Shareholder Data	
No. of Ord shares (mn):	743
Total no. of shares (mn):	744
Mkt Cap Ord (Eu mn):	9,560
Total Mkt Cap (Eu mn):	9,560
Mkt Float - Ord (Eu mn):	2,821
Mkt Float (in %):	29.5%
Main Shareholder:	
Doris family	40.4%

Balance Sheet Data	
Book Value (Eu mn):	4,122
BVPS (Eu):	5.54

■ **4Q24 results due out on 6 February 2025:** we expect record net profit in FY24 considering recent indications of performance fees at ~€370mn (we had pencilled in €171mn in a clearly conservative assumption) or €319mn in 4Q vs. our €120mn. We therefore expect FY24 net profit to reach €1.1bn, paving the way for a generous dividend which we confirm at €0.9ps (€0.75ps base + €0.15ps extra dividend) with scope for further upside in the extraordinary component. 4Q in details:

- Net commissions income estimated at €284mn (+9% YoY) driven by the insurance business (+18% YoY) and growth in management fees (+19% YoY) with higher AuM thanks to a positive contribution from inflows and performance.
- Contribution margin expected at €467mn (-2% YoY), mainly dented by a drop in the NII contribution (-8% YoY) due to lower interest rates and a higher cost of funding related to commercial initiatives on term deposits.
- Performance fees expected at €318mn vs. €60mn in 4Q23, in line with preliminary company indications.
- Total operating costs seen at €239mn (+9% YoY) factoring in higher bonuses on the record level of performance fees.

■ **2024 inflows: a new annual record.** In addition to the record level of inflows in 2024, the mix was also very positive, with all months from April onwards featuring higher inflows to AuM vs. AuC. We believe this confirms BMED as the best-placed player in the sector to continue to guarantee solid inflows to AuM in every macro environment, thanks to its resilient business model based on the automatic reallocation of liquidity to AuM. We expect a continuation of the positive trend in the coming months, further supported by the transformation of liquidity from expiring term deposits. In terms of AuC, we expect a softening inflows trend, partly offset by new campaigns offering high remuneration of term deposits.

■ **FY24 net profit up 16% on record performance fees, fine tuning on 2025/2026.** We are raising our FY24 EPS by ~16%, with net profit now forecast at €1.1bn! For 2025 we are including an NII decline of almost -5%, slightly below guidance (-3%), to include the success of commercial initiatives. FY25 net inflows are expected at €10.5bn, with €7.45bn into AuM, increasingly benefiting from instalment plans (€1.64bn at 9M24), while margins are supported by the shift of temporary liquidity into equity in products like IIS (Intelligent Investment Strategy) and Double Chance.

■ **OUTPERFORM; target raised to €14.5 or 12.5x P/E'25.** We think the best part of BMED's equity story remains the consistent massive inflows into high-margin AuM, and the company remains well placed to continue to deliver in Italy and Spain. We expect positive news from this year's dividend, while the stock does not look particularly expensive considering operating profitability trends. At our new target price of €14.5 the stock would be trading at 12.5x FY25 earnings with a ~5.5% dividend yield.

Key Figures & Ratios	2023A	2024E	2025E	2026E	2027E
Commissions Income (Eu mn)	1,718	2,022	2,144	2,275	2,418
Total Income (Eu mn)	2,655	3,047	3,138	3,248	3,403
Net Operating Profit (Eu mn)	1,067	1,444	1,144	1,136	1,170
Net Profit Adj (Eu mn)	830	1,101	872	865	891
EPS New Adj (Eu)	1.115	1.479	1.171	1.163	1.198
EPS Old Adj (Eu)	1.115	1.270	1.193	1.147	
DPS (Eu)	0.700	0.900	0.800	0.840	0.900
Market Cap/F.U.M.	11.8%	10.9%	10.0%	9.3%	8.6%
P/E Adj	11.5	8.7	11.0	11.1	10.7
Div. Yield	5.4%	7.0%	6.2%	6.5%	7.0%
ROE	26.0%	30.3%	21.9%	20.4%	19.9%

**DISCLAIMER (for more details go to [DISCLAIMER](#))**

**IMPORTANT DISCLOSURES**

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.

This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.

The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.

This disclaimer is constantly updated on Intermonte's website [www.intermonte.it](http://www.intermonte.it) under LEGAL INFORMATION. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the [PERFORMANCE](#) web page.

Intermonte distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Plural Securities LLC under SEC 15a-6 guidelines. Intermonte is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

**ANALYST CERTIFICATION**

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certifies that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities.

Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Plural Securities LLC, 950 3rd Ave, Suite 1702, NY 10022, USA.

**GUIDE TO FUNDAMENTAL RESEARCH**

The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

- BUY: stock expected to outperform the market by over 25% over a 12 month period;
- OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;
- NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;
- UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;
- SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

**CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS**

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 31 December 2024 Intermonte's Research Department covered 132 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	31.34 %
OUTPERFORM:	43.28 %
NEUTRAL:	25.38 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (71 in total) is as follows:

BUY:	50.70 %
OUTPERFORM:	29.58 %
NEUTRAL:	19.72 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

**CONFLICT OF INTEREST**

In order to disclose its possible conflicts of interest Intermonte SIM states that:

**Intermonte is acting as financial advisor to Retex S.p.A. – Società Benefit in relation to the voluntary public tender offer launched on Alkemy S.p.A.**

Intermonte SIM has provided in the last 12 months / provides / may provide investment banking services to the following companies: Aquafil, Banca Ifis, Civitanavi Systems, Cy4Gate, Esprinet, GPI, Eagle (on Greenthesis shares), Growens, Illimity Bank, Maire Tecnimont, SAES Getters, Tinexta, Unidata and WIT.

**Intermonte SIM is acting as counterparty to WIT Fin S.r.l. in connection with call and put options having WIT S.p.A. shares and dividends as reference underlying.**

Intermonte SIM is Specialist and/or Corporate Broker and/or Sponsor and/or Broker in charge of the share buy back activity of the following companies: Abitare In, Alkemy, Anima Holding, Antares Vision, Aquafil, Avio, Banca Ifis, Banca Sistema, Civitanavi Systems, Cyberoo, Cy4gate, DHH, El.En, Elica, Emak, Esprinet, Fimit - Fondo Alpha, Fine Foods, Franchi Umberto Marmi, GPI, Greenthesis (formerly Ambientthesis), IEG, IndelB, Intred, Luve, Mistano & Stracuzzi, Mondadori, Notorious Pictures, Omer, Pharmanutra, Relatech, Reply, Revo Insurance, Reway, Saes Getters, Sciuiker Frames, Servizi Italia, Sesa, Seri Industrial, Somec, Star7, Sy5-Dat Group, Talea, Tamburi, Tinexta, Tesmec, The Italian Sea Group, TXT, Unidata, Webuild and WIT.

Intermonte SIM has a contractual commitment to act as liquidity provider on behalf of third parties for the following company: Banca Sistema.

Intermonte SIM performs as a market maker for the following companies: A2A, Anima, Atlantia, Autogrill, Azimut Holding, BAMI, Banca Generali, Banca Mediolanum, Brembo, Buzzi, CNHI, Enel, ENI, Exor, Fineco, FCA, FTMIB, Generali, Italgas, Iren, Intesa Sanpaolo, Leonardo, Mediobanca, Moncler, Mediaset, Pirelli&C, Prysmian, Poste, Ferrari, Saipem, Snam, STM, Tenaris, Telecom Italia, Telecom Italia sav, Terna, UBI, Unicredit, Unipol, UnipolSai.

Intermonte SIM, through Websim, which constitute the digital division of Intermonte, acts as a Financial Content Provider and/or Specialist and/or Corporate Broker on the following companies: Abitare In, Alkemy, Allcore, Almawave, Banca Sistema, Bifire S.P.A., B&C Speakers, Casta Diva Group, Cleanbnb, Coffe, Crowdfundme, Cube Labs, Cy4gate, Cyberoo, DHH, Digital Bros, Digital Magics, Digitouch, Doxee, Edilziacrobatica Spa, Eles, Elica, Emak, Energy, Esi, Esprinet, Eviso, Fae Technology, Fiera Milano, Fope, FOS, Franchi Umberto Marmi, Giglio Group, GM Leather, GPI, Green Oleo, High Quality Food, Ikonisy, Intercos, Intred, ISCC Fintech, Lemon Sistemi, Lventure Group, Maps Group, Mare Group, Masi Agricola, Matica Fintec, Misitano & Stracuzzi, Neodecortech, Notorious Pictures, Olidata, Osai Automation System, Racing Force Group, Redfish Long Term Capital, Relatech, Reti, Sciuiker Frames, SG Company, Solid World Group, Spindox Digital Soul, Talea, Tamburi, Tesmec, Tinexta, TMP Group, Tps Group, Trendevic, Ulisse Biomed, Xenia Hôtellerie Solution Spa Società Benefit, Wit, Zest.

Intermonte SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

Emittente	%	Long/Short
-----------	---	------------

**© Copyright 2025 by Intermonte SIM - All rights reserved**

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of Intermonte SIM are provided to its clients only. If you are not a client of Intermonte SIM and receive emailed, faxed or copied versions of the reports from a source other than Intermonte SIM you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of Intermonte SIM.

INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.

INTERMONTE Sim strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid.

Intermonte Sim sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website [MIFID](#)

Further information is available