

BANCA MEDIOLANUM

OUTPERFORM

Sector: Asset mgmt

Price: Eu17.08 - Target: Eu20.50

Strong Inflows, Solid Margins, Premium Profile

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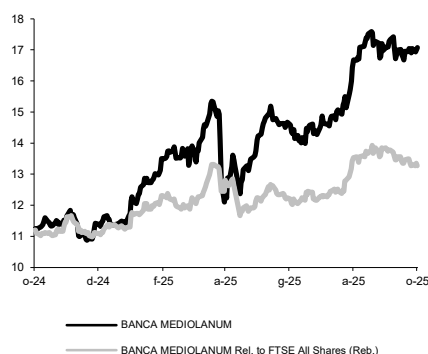
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Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 17.30 to 20.50		
	2025E	2026E	2027E
Chg in Adj EPS	8.5%	6.5%	4.0%

BANCA MEDIOLANUM - 12M Performance



Stock Data

Reuters code:	BMED.MI
Bloomberg code:	BMED IM

Performance	1M	3M	12M
Absolute	0.0%	17.1%	52.5%
Relative	-4.2%	8.9%	23.8%
12M (H/L)	17.59/10.88		
3M Average Volume (th):	1,087.50		

Shareholder Data

No. of Ord shares (mn):	745
Total no. of shares (mn):	745
Mkt Cap Ord (Eu mn):	12,729
Total Mkt Cap (Eu mn):	12,729
Mkt Float - Ord (Eu mn):	3,756
Mkt Float (in %):	29.5%
Main Shareholder:	
Doris family	40.4%

Balance Sheet Data

Book Value (Eu mn):	4,122
BVPS (Eu):	5.53

Banca Mediolanum is expected to continue to show resilient growth and consistent execution, supported by its retail-driven business model and strong network productivity. Solid inflows throughout 9M25, coupled with broadly stable margins, should confirm the group's ability to deliver high-quality recurring earnings. The upward revision to our FY25 earnings and DPS estimates reflects the stronger earnings trajectory and supports our OUTPERFORM rating, with a new TP of €20.5.

■ **3Q25 results due out on 6 November 2025.** We expect 3Q25 results to confirm Mediolanum's solid operating momentum:

- Net commission income expected at a record €577mn (+13.4% YoY / +3.3% QoQ) driven by higher management fees (€362mn) and a growing AuM base, with sustained activity in certificates boosting banking revenues (€64.5mn);
- NII back to growth in 3Q at €203.6mn (+4.2% YoY / +9% QoQ) enhancing visibility on FY guidance (-3% YoY in FY25);
- Performance fees are likely to have remained low in the quarter, but with potential upside in 4Q if markets remain supportive;
- Efficient management of operating costs should have continued, reflecting disciplined ongoing investments in commercial activity.

Overall, we forecast net profit of €243mn (+8% YoY / +4% QoQ) - €720mn in 9M25

■ **Strong 3Q inflows confirm full-year targets are within reach.** Inflows in 3Q25 were solid at €2.0bn in AuM (+37% YoY total), confirming Mediolanum's ability to sustain strong volumes even over the summer period. YTD AuM inflows reached €6.6bn (+21% YoY), already covering most of the FY25 guidance range (€8–8.5bn), while total inflows stand at €8.15bn. We now expect €8.65bn of AuM inflows and €2.2bn to AuA/deposits, for a total of €10.8bn in FY25, implying that Mediolanum is on track to outperform its own guidance.

■ **Change in estimates: FY25/26/27 EPS +8.5%/+6.5%/+4.0%.** Following 9M inflow data and sustained market momentum, we are raising our FY25–27 estimates, mainly reflecting higher recurring revenues, with performance fees now expected at ~€100mn in FY25 (i.e. €47mn in 4Q). Our new FY25/26/27 net profit forecasts stand at €965mn/€948mn/€966mn. We are also raising our DPS expectations to €0.85 / €0.88 / €0.92, consistent with Mediolanum's strong capital generation and attractive shareholder remuneration profile.

■ **OUTPERFORM confirmed; target raised to €20.5 from €17.3.** We reiterate our positive stance on the stock, raising our TP to €20.5, which implies a multiple of ~16x FY25E/26E P/E and reflects the increasingly recurring nature of Mediolanum's earnings profile, its strong capital base and superior AUM inflows growth. We acknowledge the stock has outperformed the sector and the market in the last 12M but believe the re-rating phase has not yet run its course considering that clients' monthly instalments into AUM are expected to continue to ramp-up and the Italian engine is now increasingly supported by Spanish operations.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Commissions Income (Eu mn)	1,718	2,035	2,285	2,408	2,528
Total Income (Eu mn)	2,655	3,076	3,317	3,435	3,565
Net Operating Profit (Eu mn)	1,067	1,455	1,284	1,261	1,286
Net Profit Adj (Eu mn)	830	1,120	965	948	966
EPS New Adj (Eu)	1.115	1.505	1.295	1.272	1.297
EPS Old Adj (Eu)	1.115	1.505	1.194	1.194	1.247
DPS (Eu)	0.700	1.000	0.850	0.880	0.920
Market Cap/F.U.M.	15.7%	13.1%	11.8%	11.0%	10.3%
P/E Adj	15.3	11.3	13.2	13.4	13.2
Div. Yield	4.1%	5.9%	5.0%	5.2%	5.4%
ROE	26.0%	31.1%	24.4%	22.2%	21.2%

BANCA MEDIOLANUM – Key Figures						
Profit & Loss (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Commissions Income	1,629	1,718	2,035	2,285	2,408	2,528
<i>of which recurring fees</i>	1,232	1,295	1,522	1,734	1,842	1,947
<i>of which variable fees</i>	13	54	377	106	84	92
<i>of which other fees</i>	42	39	61	70	67	70
Interest Income	407	752	811	784	769	774
Other Income	161	185	229	248	257	263
Total Income	2,196	2,655	3,076	3,317	3,435	3,565
Operating & Acquisition Costs	-1,314	-1,422	-1,708	-1,858	-1,967	-2,075
Depreciation	-41	-46	-42	-44	-46	-48
Net Operating Profit	644	1,067	1,455	1,284	1,261	1,286
Provisions, Write downs & Others	0	0	0	0	0	0
Pre-tax Profit	644	1,067	1,455	1,284	1,261	1,286
Taxes	-137	-245	-335	-319	-313	-320
Tax Rate	-21.3%	-23.0%	-23.0%	-24.9%	-24.9%	-24.9%
Minorities	0	0	0	0	0	0
Net Profit	507	822	1,120	965	948	966
Total Extraordinary items	-18	-10	-32	-1	0	0
Net Profit Restated	521	830	1,120	965	948	966
Dividend Payout	371	521	744	633	656	686
Per Share Data (Eu)	2022A	2023A	2024A	2025E	2026E	2027E
Total shares f.d (mn) Year End	743	744	744	745	745	745
EPS Stated	0.682	1.105	1.505	1.294	1.272	1.297
EPS Restated	0.729	1.115	1.505	1.295	1.272	1.297
BVPS	4.006	4.590	5.095	5.531	5.922	6.299
Dividend per Share (ord)	0.500	0.700	1.000	0.850	0.880	0.920
Dividend Pay Out Ratio	71.3%	62.8%	66.4%	65.6%	69.2%	71.0%
Balance Sheet (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Total Loans	36,133	38,954	40,123	41,326	42,566	43,843
Other Assets	4,373	2,681	2,761	2,844	2,930	3,017
Total Assets	73,598	77,831	80,439	83,070	85,730	88,450
Other Liabilities	19,929	22,401	23,073	23,765	24,478	25,213
Group Equity	2,976	3,415	3,791	4,122	4,414	4,694
Minorities	0	0	0	0	0	0
Net Equity	2,976	3,415	3,791	4,122	4,414	4,694
Total Liabilities	73,599	77,831	80,439	83,070	85,730	88,450
Off Balance Sheet (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Total F.U.M	71,635	81,080	97,527	108,053	115,622	123,501
<i>of which mutual funds/discretionary acc.</i>	69,423	78,742	95,166	105,645	113,172	121,008
<i>of which life reserves</i>	2,212	2,338	2,361	2,408	2,450	2,493
Administrated Assets	34,469	39,564	43,563	46,757	49,698	52,424
Direct Deposits	32,257	37,226	41,202	44,349	47,248	49,931
Total A.U.M	103,892	118,306	138,729	152,401	162,870	173,432
Average F.U.M	75,187	76,130	89,304	102,790	111,837	119,561
Average A.U.M	106,233	111,099	128,518	145,565	157,636	168,151
Total Net Inflows	8,297	7,134	10,744	10,806	10,482	10,409
Ratios (%)	2022A	2023A	2024A	2025E	2026E	2027E
Commissions Income/Total Income	74.2%	64.7%	66.2%	68.9%	70.1%	70.9%
Cost/Income (incl. Depreciation)	61.7%	55.3%	56.9%	57.3%	58.6%	59.6%
Commissions Income/Total F.U.M.	2.27%	2.12%	2.09%	2.11%	2.08%	2.05%
<i>of which recurring fees/average F.U.M.</i>	1.64%	1.70%	1.70%	1.69%	1.65%	1.63%
<i>of which variable fees/average F.U.M.</i>	0.02%	0.07%	0.42%	0.10%	0.07%	0.08%
Operating Cost/A.U.M.	1.26%	1.20%	1.23%	1.22%	1.21%	1.20%
Net Operating Profit/Total A.U.M.	0.62%	0.90%	1.05%	0.84%	0.77%	0.74%
Net Profit/Total F.U.M.	0.71%	1.01%	1.15%	0.89%	0.82%	0.78%
ROE	17.3%	26.0%	31.1%	24.4%	22.2%	21.2%
CET1 Ratio						
Total A.U.M./FAs	23.3	26.5	31.1	34.2	36.5	38.9
Market Cap/Total Income	5.8	4.8	4.1	3.8	3.7	3.6
Market Cap/Net Operating Profit	19.8	11.9	8.7	9.9	10.1	9.9
Growth Rates (%)	2022A	2023A	2024A	2025E	2026E	2027E
Total Income	4.5%	20.9%	15.9%	7.8%	3.6%	3.8%
Net Profit	-28.9%	62.2%	36.2%	-13.8%	-1.8%	2.0%
EPS Restated	-21.2%	52.9%	35.0%	-13.9%	-1.8%	2.0%
Total F.U.M.	-9.0%	13.2%	20.3%	10.8%	7.0%	6.8%
Total A.U.M.	-4.3%	13.9%	17.3%	9.9%	6.9%	6.5%

Source: Intermonte SIM estimates

3Q25 Results Expected to Confirm Solid Operating Trends

We expect Banca Mediolanum's 3Q25 results to confirm the **solid underlying momentum** already reflected in the monthly inflow data, with steady growth in recurring revenues and resilient profitability across business lines. The quarter should show **continued strength in management and investment fees**, supported by healthy AuM growth and a sustained contribution from the retail network, while the **evolution of NII** remains fully consistent with guidance.

Operating performance is likely to benefit from **stable cost discipline** and the group's diversified revenue mix, which continues to balance interest-related and fee-based income. We also anticipate a **limited contribution from performance fees in the quarter**, with the bulk set to be recognised in late 4Q25 if markets remain supportive. Overall, we believe 3Q25 will provide further confirmation of Mediolanum's **resilient business model**, its ability to **outperform on inflows**, and the **visibility on earnings and dividends** that continues to differentiate the group within the Italian asset-gathering arena.

Banca Mediolanum: 3Q25 Intermonte Estimates vs. Consensus

(Eu mn)	3Q24A	3Q25E	YoY	3Q25C	3Q25 E/C
Pre-tax Profit	302	324	7.2%	313	3.7%
Net Profit	224	243	8.3%	239	1.7%

Source: Intermonte SIM; Bloomberg Consensus

3Q25 Financial Estimates

- **Net commission income** expected at **€329mn (+15% YoY)**, driven by higher **management fees (+12% YoY)** supported by larger average AuM and a stronger contribution from **fees related to new inflows**. Solid trends in asset management and insurance continue to enhance visibility on recurring revenues and operating leverage.
- **Net interest income** projected at **€204mn (+5% YoY)**, a gradual recovery as the impact of remunerated deposits fades and funding costs normalise. The NII trajectory confirms **resilience, remaining on-track to achieve FY guidance**.
- **Contribution margin** forecast at **€523mn (+10% YoY)**, supported by strong recurring revenues and disciplined cost management, with **operating costs** expected at **€210mn (+8% YoY)** mainly due to strong performance of network activity.
- **Performance fees** expected at **€11mn (-48% YoY)**, reflecting seasonality and lower crystallisation after a strong 1H25.
- **Net profit** estimated at **€243mn (+8% YoY)**, reflecting solid underlying trends and a gradual normalisation of non-recurring components, confirming **Banca Mediolanum's best-in-class profitability profile** in the Italian asset-gathering arena.

Banca Mediolanum - 3Q25 Expected Results

(Eu mn)	3Q24A	9M24A	3Q25E	9M25E	3Q YoY	9M YoY
Entry Fees	14	42	18	50	32%	19%
Management Fees	324	944	362	1,044	12%	11%
Investment Mgmt Fees	64	186	62	193	(2%)	4%
Net Insurance Result	53	149	56	167	6%	12%
Banking Services Fees	43	141	65	187	50%	33%
Other Fees	12	38	14	41	10%	9%
Gross Commission Income	509	1,500	577	1,682	13%	12%
Acquisition costs	(177)	(502)	(202)	(581)	14%	16%
Other commission exp.	(46)	(125)	(46)	(127)	0%	2%
Net Commission Income	286	874	329	974	15%	11%
Net Interest Income	195	613	204	570	4%	(7%)
Income/(loss) on other inv.	(0)	18	0	24	nm	33%
Impairment on loans	(4.9)	(23)	(10)	(24)	97%	1%
Other revenues and exp.	0.6	(0.7)	0.6	0.5	3%	nm
CONTRIBUTION MARGIN	477	1,481	524	1,545	10%	4%
Total Operating Costs	(195)	(634)	(210)	(661)	8%	4%
OPERATING MARGIN	282	847	314	885	11%	4%
Performance fees & Other	21	50	11	77	(49%)	54%
Profit before taxes	302	897	324	962	7%	7%
Taxes	(78)	(224)	(81)	(241)	4%	8%
NET PROFIT	224	674	243	721	8%	7%

Source: Intermonte SIM

Solid 3Q Inflows and Resilient Mix Prompt Upward Revision to FY25 Estimates

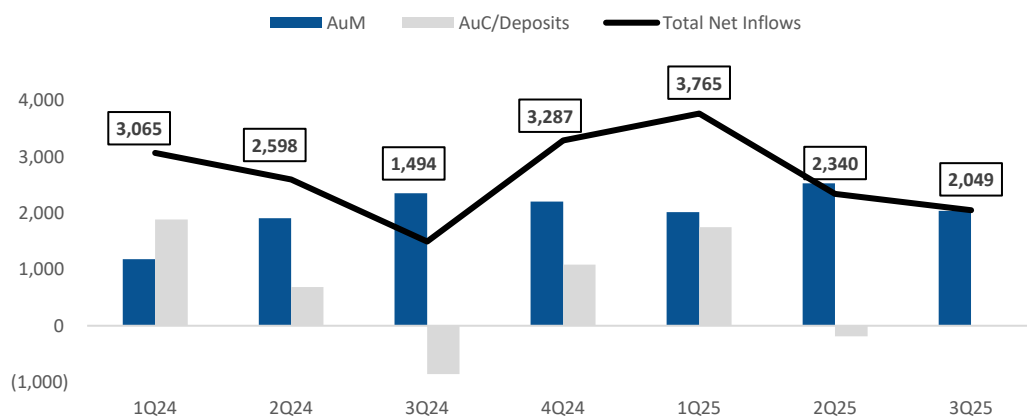
- 3Q25 data confirmed **Banca Mediolanum's structural inflow strength** despite the expected seasonal slowdown during the summer months. The group recorded **€2.0bn in AuM** inflows in the quarter (vs. €2.35bn in 3Q24) and **€11mn of inflows to AuA/deposits** (vs. €858mn outflows in 3Q24), bringing total inflows to **€2.05bn** (vs. €1.49bn in 3Q24, +37% YoY). YTD, AuM inflows have reached **€6.6bn (+21% YoY)** and total inflows **€8.15bn (+14% YoY)**, confirming the continued appeal of Mediolanum's advisory-based model and the steady reallocation of client liquidity towards investment solutions.
- The 3Q performance once again underlined Mediolanum's **ability to capture retail savings flows**, even in the absence of strong market catalysts. The company's unique **automatic investment model** and broad product range have continued to generate consistent managed inflows, highlighting the quality of its network and client engagement. The ongoing **gradual expiry of remunerated deposit campaigns** launched earlier this year, combined with the new 3% term deposit promotion active until end-October, is expected to further sustain managed inflows in 4Q, reinforcing the bank's **margin resilience and visibility on NII**.
- Following 9M inflow data, we are **raising our FY25 estimates above guidance**, now expecting **€8.65bn of AuM inflows** (vs. guidance of €8–8.5bn) and **€2.2bn of AuA/deposit inflows**, implying total inflows of €10.8bn for FY25. These figures suggest Mediolanum will probably exceed its own targets, supported by the strong retail franchise and consistent network productivity. While the FY25 P&L is expected to normalise vs. 2024 due to lower performance fees, the inflow mix remains highly accretive for margins, ensuring a **solid recurring revenue base** and positioning Mediolanum among the best-placed players in the Italian asset gathering sector.

Banca Mediolanum: Quarterly Inflows Trend

(Eu mn)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E
AuM	1,180	1,909	2,352	2,201	2,013	2,529	2,038	2,069
AuC/Deposits	1,885	688	(858)	1,086	1,751	(190)	11	583
Total Net Inflows	3,065	2,598	1,494	3,287	3,765	2,340	2,049	2,652

Source: Intermonte SIM; Company Data

Banca Mediolanum - Quarterly Inflows Trend



Source: Intermonte SIM on Company Data

FY25 Guidance: fully achievable and likely to be exceeded on AuM inflows

Management raised **FY25 guidance** during the 2Q25 results presentation, with the **AuM net inflows target lifted to €8–8.5bn** and improving expectations for **NII**, now only forecast to decline **3% YoY**. The revision reflects the gradual expiry of remunerated deposit campaigns launched earlier in the year and the limited impact from the new 3% term deposit promotion running until end-October.

After another quarter of **strong inflows (€2.0bn in 3Q25; €6.6bn YTD)**, we believe Mediolanum is **on track to meet, and probably exceed, its full-year targets**, supported by the bank's retail-focused model, high network productivity, and a still-favourable market environment. Our current forecast for **€8.65bn of AuM inflows in FY25** already stands above the upper end of the guidance range, confirming the structural strength of Mediolanum's asset-gathering franchise and its ability to preserve **margin quality and distribution capacity** even as NII normalises.

Guidance details:

- **FY25 AuM net inflows: €8–8.5bn (our estimate €8.65bn)**
- **FY25 NII: -3% YoY vs. FY24 (improved from -5% previously)**
- **Cost/Income ratio: below 40%**
- **Cost of risk: around 20bp**
- **DPS: increase vs. the 2024 base dividend (€0.75); our estimate €0.85 on FY25 results.**

Change in Estimates

After the solid 9M25 inflow data and the continued strength of financial markets, we are **revising our FY25-27 estimates upward** to reflect the improved outlook for recurring revenues and a higher contribution from performance fees.

- For FY25, we now forecast **net commission income up 6% vs. previous estimates**, supported by the higher level of **management fees (+11% YoY)** and the expected resilience of investment product fees. The revision mainly reflects the **upgrade in FY25 AuM inflows to €8.65bn**, which strengthens visibility on the fee base over the coming quarters.
- **Net interest income** estimates have been revised slightly upwards to **align fully with company guidance**, which points to a **3% YoY decline in FY25** (previously -4% in our model). The adjustment reflects better-than-expected deposit trends and the gradual normalisation of funding costs as remunerated campaigns expire.
- We have significantly raised our expectations for **performance fees**, now projected at **over €100mn for FY25** (vs. €77mn previously). Most of these are expected to be crystallised in late December, depending on the final market performance, which remains the key swing factor for year-end earnings.
- **Total operating costs** remain under control and slightly below initial expectations (seen at +5% YoY), confirming Mediolanum's ability to maintain cost discipline while sustaining commercial activity.

As a result, we now expect **net profit of €965mn in FY25** (+8% vs. our previous estimate), **€948mn in FY26** and **€966mn in FY27**, implying 7-8% EPS growth over the period. We are also raising our **DPS forecasts to €0.85/€0.88/€0.92** for FY25-27, reflecting the solid capital generation and dividend capacity.

Overall, our updated assumptions point to a **strong earnings trajectory** sustained by robust inflows, resilient NII, and potential upside from performance fees, confirming **Banca Mediolanum's superior cash generation and payout visibility** within the Italian asset gathering sector.

Banca Mediolanum - Change in estimates

(Eu mn)	FY25E New	FY26E New	FY27E New	FY25E Old	FY26E Old	FY27E Old	FY25E % chg	FY26E % chg	FY27E % chg
Entry Fees	70	67	70	65	59	63	7.0%	12.9%	12.0%
Management Fees	1,425	1,526	1,623	1,371	1,463	1,574	4.0%	4.2%	3.1%
Investment Management Fees	256	267	275	264	275	283	(2.7%)	(2.9%)	(2.9%)
Net Insurance Results	225	233	237	221	238	255	2.2%	(2.1%)	(7.1%)
Banking Services Fees	253	258	263	217	227	237	16.8%	14.0%	11.3%
Other Fees	55	58	61	55	62	68	0.0%	(6.7%)	(10.9%)
Gross Commission Income	2,285	2,408	2,528	2,192	2,324	2,479	4.2%	3.6%	2.0%
Acquisition Costs	(795)	(847)	(901)	(779)	(826)	(888)	2.1%	2.6%	1.4%
Other Commission Expenses	(178)	(185)	(191)	(180)	(186)	(193)	(1.0%)	(1.0%)	(1.0%)
Net Commission Income	1,311	1,377	1,437	1,233	1,312	1,398	6.4%	5.0%	2.7%
Net Interest Income	784	769	774	776	767	774	0.9%	0.3%	0.0%
Income/(loss) on other inv.	24	25	27	24	25	27	0%	0%	0%
Impairments on Loans	(33)	(33)	(33)	(33)	(33)	(33)	0.0%	0.0%	0.0%
CONTRIBUTION MARGIN	2,085	2,137	2,204	1,999	2,070	2,165	4.3%	3.2%	1.8%
Total Operating Costs	(928)	(981)	(1,032)	(931)	(985)	(1,035)	(0.4%)	(0.4%)	(0.4%)
OPERATING MARGIN	1,158	1,156	1,172	1,068	1,086	1,130	8.4%	6.5%	3.7%
Other non-operating items	126	105	114	113	94	103	11.9%	11.6%	11.0%
Profit before taxes	1,284	1,261	1,286	1,181	1,180	1,233	8.7%	6.9%	4.3%
Taxes	(319)	(313)	(320)	(290)	(290)	(303)	9.8%	8.0%	5.4%
NET PROFIT	965	948	966	890	890	929	8.4%	6.5%	4.0%
DPS (Eu)	0.850	0.880	0.920	0.800	0.840	0.900	6.3%	4.8%	2.2%
Net Inflows	10,806	10,482	10,409	10,745	10,482	10,409	0.6%	0.0%	0.0%

Source: Intermonte SIM

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	BANCA MEDIOLANUM		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	20.50	Previous Target (Eu):	17.30
Current Price (Eu):	17.08	Previous Price (Eu):	12.70
Date of report:	09/10/2025	Date of last report:	01/08/2025

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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
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Frequency of research: quarterly.

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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

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OUTPERFORM:	39.39%
NEUTRAL:	30.31%
UNDERPERFORM:	00.00%
SELL:	00.00%

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NEUTRAL:	18.42%
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