

IEG

Sector: Media

OUTPERFORM

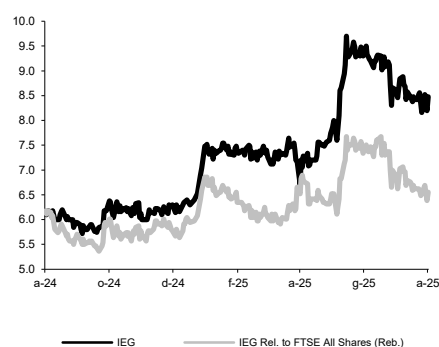
Price: Eu8.48 - Target: Eu10.50

Solid Results and Guidance Confirmed; New BP in Autumn

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| Stock Rating | | | |
|--------------------|--------------------|-------|-------|
| Rating: | Unchanged | | |
| Target Price (Eu): | from 9.50 to 10.50 | | |
| | 2025E | 2026E | 2027E |
| Chg in Adj EPS | 2.7% | 1.4% | 1.2% |

IEG - 12M Performance



| Stock Data | | | |
|-------------------------|-----------|------|-------|
| Reuters code: | IEG.MI | | |
| Bloomberg code: | IEG IM | | |
| Performance | 1M | 3M | 12M |
| Absolute | -1.6% | 8.7% | 37.2% |
| Relative | -5.3% | 0.6% | 7.7% |
| 12M (H/L) | 9.70/5.72 | | |
| 3M Average Volume (th): | 7.71 | | |

| Shareholder Data | |
|---------------------------|-------|
| No. of Ord shares (mn): | 31 |
| Total no. of shares (mn): | 31 |
| Mkt Cap Ord (Eu mn): | 262 |
| Total Mkt Cap (Eu mn): | 262 |
| Mkt Float - Ord (Eu mn): | 71 |
| Mkt Float (in %): | 27.0% |
| Main Shareholder: | |
| Rimini Congressi | 49.3% |

| Balance Sheet Data | |
|---------------------------------|------|
| Book Value (Eu mn): | 159 |
| BVPS (Eu): | 5.14 |
| P/BV: | 1.6 |
| Net Financial Position (Eu mn): | -77 |
| Enterprise Value (Eu mn): | 319 |

- **2Q25 results in line.** Yesterday IEG reported a positive set of 2Q25 results, broadly in line with expectations at all levels. Revenues closed at Eu46.5mn (+8% YoY) vs. Eu45.4mn expected, driven by Organised events and a particularly strong performance in the Congress division; adj. EBITDA was Eu1.0mn, for an EBITDA margin of 26.2% over the entire first half; the bottom line came to Eu-4.5mn (also in line); and net debt (including non-cash items) was Eu111 vs. Eu112mn expected, driven by the seasonal expansion in working capital, an acceleration of CapEx, the dividend payment, as well as the impact of acquisitions on non-cash items.
- **Divisional performance.** In 2Q25, revenues from Organised Events (just 26% of revenues in this seasonally “light” quarter) came to Eu12.0mn, up 8% YoY (+2% vs. estimates) thanks to the positive volume effect, the performance of scheduled events such as Rimini Wellness (190,000m², total visitors +15% vs. the previous edition, +30% increase in international visits), and some successful international events such as Expo eVtol, Drone Show and MundoGeo (the largest events in the Americas in the sectors of geographic intelligence, drones, space and advanced air mobility). Services (46% of revenues) closed at Eu21.4mn, up 3% YoY (Eu22.0mn expected) while among the other divisions, Congresses closed with revenues of Eu8.7mn, up 27% YoY thanks to an enhanced portfolio mix and a higher coverage of the available calendar.
- **FY25 guidance confirmed.** For 2025, the company confirmed its aim of consolidating growth further, fully counteracting the biennial effect (organic growth to fully absorb the negative impact entailed by the absence of Tecna, Fesqua and IBE). Revenues are still expected to land between Eu257mn and Eu262mn, with adj. EBITDA forecast between Eu66mn and Eu68mn, and the NFP between Eu77mn and Eu70mn.
- **Key messages from the call.** CapEx: management has confirmed the CapEx plan and expects spending to accelerate in 2H (c.Eu35mn), with c.Eu60mn and Eu40mn expected for 2026 and 2027 respectively; Fiera Milano: the two companies will remain competitors but identify some products to develop together, agree on shared promotions, etc. No prospective agreements on equity investments. Business plan: management stated that a new business plan should be presented in the autumn.
- **Change in estimates and target price.** In light of results and the outlook provided by management, we are marginally raising our 2025 estimates, mostly on the back of stronger performance in the Congresses business. Our target moves to Eu10.5 on a lower ERP (down to 5.5%), still calculated based on a DCF model.
- **OUTPERFORM confirmed; target Eu10.50 (from Eu9.50).** Results showed a continuation of the strong progress seen in the last few quarters although the tariff spat and some initial signs of a possible economic slowdown call for a degree of extra caution when assessing the industry’s prospects. Even after its strong performance the stock does not look expensive, with IEG trading at 6.4x and 5.4x EV/EBIT for 2025E and 2026E respectively, vs. 1-year/2-year forward multiples of c.8.5x before Covid-19. The business plan update in the autumn could represent a catalyst.

| Key Figures & Ratios | 2023A | 2024A | 2025E | 2026E | 2027E |
|------------------------|-------|-------|-------|-------|-------|
| Sales (Eu mn) | 212 | 250 | 263 | 287 | 291 |
| EBITDA Adj (Eu mn) | 50 | 66 | 68 | 81 | 81 |
| Net Profit Adj (Eu mn) | 17 | 33 | 29 | 34 | 33 |
| EPS New Adj (Eu) | 0.545 | 1.053 | 0.955 | 1.116 | 1.063 |
| EPS Old Adj (Eu) | 0.545 | 1.053 | 0.930 | 1.101 | 1.050 |
| DPS (Eu) | 0.140 | 0.200 | 0.200 | 0.210 | 0.221 |
| EV/EBITDA Adj | 2.7 | 3.2 | 4.7 | 3.9 | 3.7 |
| EV/EBIT Adj | 4.3 | 4.4 | 6.4 | 5.4 | 5.5 |
| P/E Adj | 15.6 | 8.1 | 8.9 | 7.6 | 8.0 |
| Div. Yield | 1.7% | 2.4% | 2.4% | 2.5% | 2.6% |
| Net Debt/EBITDA Adj | 1.5 | 0.9 | 1.1 | 0.9 | 0.7 |

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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
- 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 between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEIMIB40 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.

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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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As at 8 August 2025 Intermonte's Research Department covered 134 companies. Intermonte's distribution of stock ratings is as follows:

| | |
|---------------|--------|
| BUY: | 32.09% |
| OUTPERFORM: | 37.31% |
| NEUTRAL: | 30.60% |
| 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 (79 in total) is as follows:

| | |
|---------------|--------|
| BUY: | 51.90% |
| OUTPERFORM: | 29.11% |
| NEUTRAL: | 18.99% |
| UNDERPERFORM: | 00.00% |
| SELL: | 00.00% |

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