IEG

OUTPERFORM

Sector: Media

Price: Eu6.22 - **Target: Eu7.50**

Solid 3Q24 Results, Positive Outlook Confirmed

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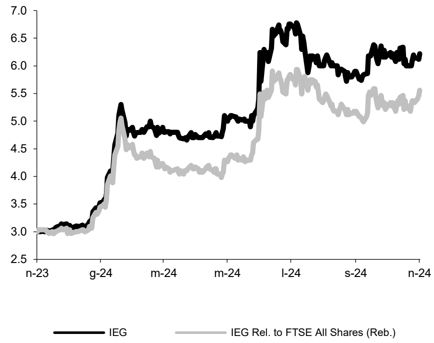
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			Unchanged
	2024E	**2025E**	**2026E**
Chg in Adj EPS	0.1%	1.0%	1.9%

IEG - 12M Performance



Stock Data			
Reuters code:			IEG.MI
Bloomberg code:			IEG IM
Performance	**1M**	**3M**	**12M**
Absolute	1.0%	3.7%	107.3%
Relative	6.3%	3.2%	95.0%
12M (H/L)			6.78/3.00
3M Average Volume (th):			6.88

Shareholder Data	
No. of Ord shares (mn):	31
Total no. of shares (mn):	31
Mkt Cap Ord (Eu mn):	192
Total Mkt Cap (Eu mn):	192
Mkt Float - Ord (Eu mn):	52
Mkt Float (in %):	27.0%
Main Shareholder:	
Rimini Congressi	49.3%

Balance Sheet Data	
Book Value (Eu mn):	130
BVPS (Eu):	4.21
P/BV:	1.5
Net Financial Position (Eu mn):	-72
Enterprise Value (Eu mn):	244

- **3Q24 results slightly better than expected.** Last week, IEG reported a solid set of 3Q24 results, slightly better than expected at operating level, while cash generation was also higher. In detail, revenues closed at Eu47.5mn, up 43% YoY vs. Eu43.7mn expected, partly driven by the favourable calendar effect thanks to the biannual Tecna and Fesqua exhibitions, while adj. EBITDA closed at Eu6.8mn (vs. Eu5.9mn expected), up 14% YoY. The bottom line closed at Eu0.9mn (broadly in line), and the NFP (including non-cash items) closed at Eu80mn (vs. Eu85mn expected), with Eu8mn of CapEx (cash NFP closed at Eu35mn).
- **Divisional performance.** In 3Q24, revenues at Organised events (59% of total revenues in the quarter) came to Eu28.0mn, up 55% YoY (8% above estimates) thanks to the positive pricing effect, the performance of scheduled events such as VicenzaOro (matching the record attendance recorded in September 2023, the first edition with the renovated layout following construction work on the new hall), and the contribution of the biannual Tecna and Fesqua events (the latter is the biggest event in LatAm for the window and door frames market). Services (28% of revenues) closed at Eu13.3mn, up 17% YoY (vs. Eu12.1mn expected) driven by growth in Organised events as well as the enrichment of the offer beyond catering and fitting out of exhibitions. Among the other divisions, Congresses closed with revenues of Eu4.9mn, up strongly YoY and bringing 9M results broadly in line with last year.
- **FY24 guidance confirmed but at the high end of the range.** Guidance for full year 2024 was confirmed, but the company now forecasts that the high end of the range is achievable. In detail: revenues are expected to land between Eu240.0mn and Eu244.0mn (now at the high end of the range), adj. EBITDA expected between Eu60.0mn and Eu63.0mn (now at the high end of the range), NFP between Eu67.0mn and Eu71.0mn (now close to Eu71.0mn), and the cash NFP between Eu27.0mn and Eu31.0mn.
- **Estimates and target price.** In light of results and the outlook provided by management we are only tweaking our FY24 numbers, broadly aligning ourselves with the high end of the guidance range, while also slightly raising 2025-2026E EPS on the back of stronger results in some of the group's organised events. Our target price, still calculated based on a DCF model, is confirmed at Eu7.5.
- **OUTPERFORM (target Eu7.50).** 3Q24 results showed a continuation of the strong progress seen in the last few quarters and management's comments on the group's outlook were once again very constructive. Although the initial macroeconomic signs of a possible economic slowdown call for a degree of extra caution when assessing the industry's prospects, upside to our target price remains healthy. Furthermore, even after the very strong performance YTD the stock doesn't look expensive, with IEG trading at 5.6x and 6.3x EV/EBIT for 2024E and 2025E respectively, vs. 1-year/2-year forward multiples of c.8.5x before Covid-19.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	162	212	245	250	279
EBITDA Adj (Eu mn)	18	50	63	61	75
Net Profit Adj (Eu mn)	2	17	31	24	30
EPS New Adj (Eu)	0.077	0.545	0.992	0.787	0.985
EPS Old Adj (Eu)	0.077	0.545	0.991	0.779	0.967
DPS (Eu)	0.000	0.120	0.126	0.132	0.139
EV/EBITDA Adj	8.2	2.7	3.9	4.2	3.2
EV/EBIT Adj	nm	4.3	5.6	6.3	4.7
P/E Adj	80.6	11.4	6.3	7.9	6.3
Div. Yield	0.0%	1.9%	2.0%	2.1%	2.2%
Net Debt/EBITDA Adj	5.3	1.5	1.1	1.4	1.0

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Frequency of research: quarterly.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

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UNDERPERFORM: stock expected to underperform the market by between –10% and -25% over a 12 month period;

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OUTPERFORM:	48.09 %
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Emittente	%	Long/Short

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