MONDADORI

BUY

Sector: Media

Price: Eu2.02 - **Target: Eu3.10**

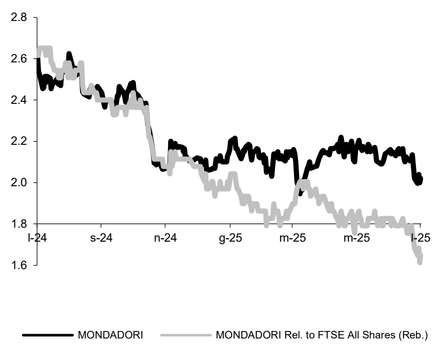
FY Outlook Confirmed with Market Reversal that has Already Begun

Andrea Randone +39-02-77115.364
andrea.randone@intermonte.it
Chiara Pampurini: +39-02-77115.633
chiara.pampurini@intermonte.it

Stock Rating			
Rating:			Unchanged
Target Price (Eu):			Unchanged
	2025E	**2026E**	**2027E**
Chg in Adj EPS	0.0%	0.0%	0.0%

Next Event
3Q Results Out 13 November

MONDADORI - 12M Performance



Stock Data			
Reuters code:			MOED.MI
Bloomberg code:			MN IM
Performance	**1M**	**3M**	**12M**
Absolute	-6.0%	-5.8%	-22.8%
Relative	-9.0%	-14.9%	-43.7%
12M (H/L)			2.63/1.95
3M Average Volume (th):			291.27

Shareholder Data	
No. of Ord shares (mn):	261
Total no. of shares (mn):	261
Mkt Cap Ord (Eu mn):	527
Total Mkt Cap (Eu mn):	527
Mkt Float - Ord (Eu mn):	208
Mkt Float (in %):	39.5%
Main Shareholder:	
Fininvest	53.3%

Balance Sheet Data	
Book Value (Eu mn):	344
BVPS (Eu):	1.32
P/BV:	1.5
Net Financial Position (Eu mn):	-151
Enterprise Value (Eu mn):	678

Thanks to its strong management team and undisputed leadership position, Mondadori has once again shown resilience despite market weakness. Healthy cash flow generation (12% FCF yield in 2026E) represents a strong catalyst, enabling management to propose a clear, sustainable, and generous dividend policy, while supporting further accretive acquisitions. We confirm our €3.1 TP and BUY recommendation. At current prices, Mondadori is trading at 4.2/4.0x EV/EBITDA 25/26E, a discount of ~50% to other book publishers.

- **2Q results: business performance overall in line.** 2Q25 results beat our estimates at both revenue and EBITDA level, though the outperformance was almost entirely due to the delivery ahead of schedule of supplies to clients in the Education area, a timing shift that will not affect FY expectations for the division. Excluding this extraordinary element, numbers would overall have been in line with the expected trend. Group revenues in 2Q were up 2% YoY, or down 4% excluding M&A (~€3mn) and revenue brought forward by Education (~€9mn). The trend is almost entirely driven by the Trade book market (down 3.5% YoY) due to a negative market trend (sell-out down 5.9% vs market -6.4%) and the end of the Colosseum concession (ended in April 2024, ~€0.3mn impact). On the positive side, Retail was up 1% YoY, supported by stable sell-out performance (+0.5%) in a declining market (-5%) and new bookstore openings, despite the temporary closure of the Rizzoli bookstore for renovation. Digital Media grew 13%, thanks to the *Benedetta* consolidation and strong MarTech performance, partly offsetting the negative trend in Print. These elements impacted adj. EBITDA, which was down 3% YoY on a like-for-like basis, with solid Retail and Media results partly offsetting the weak performance by the Trade book division. Ordinary cash generation remained strong at €64mn, while net debt was in line with expectations at €220mn ex IFRS16.
- **FY25 guidance confirmed.** Management confirmed the outlook, as the book market is expected to evolve positively in 2H, with a more decisive improvement in the related Group performance. FY25 guidance points to: i) low single-digit increases in revenue and adj. EBITDA; ii) an adj. EBITDA margin of ~17%; iii) ordinary cash flow ≤€70mn; iv) net debt/adj. EBITDA 1.0x.
- **A reversal of the book market trend has already begun to show.** Market data points to signs of recovery in the Trade book segment. In July 2025, sell-out rose 1.7%, with Mondadori outperforming at +5.4%, driven by a strong editorial plan. Retail also grew 1.7%, with Mondadori up 9.5%. The trend is further supported by yesterday's announcement of a planned doubling of library purchase contributions, expected to be formalized and potentially available by year-end, a potential 9% rise in 4Q market sell-out (assuming a flat market). Education is also showing encouraging signs, with a successful adoption campaign pushing Mondadori's market share to 32.4% (vs 31.7%). No updates yet on the results of the scholastic market inquiry, expected soon.
- **Change in estimates.** We are leaving our estimates unchanged. Our estimates on FY25 are aligned to company guidance and point to revenues at €960mn (+2.7% YoY), and adj. EBITDA at €160mn, up 1.3% YoY.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	905	935	960	981	993
EBITDA Adj (Eu mn)	152	158	160	162	164
Net Profit Adj (Eu mn)	71	69	73	77	79
EPS New Adj (Eu)	0.271	0.264	0.280	0.296	0.301
EPS Old Adj (Eu)	0.271	0.264	0.280	0.296	0.301
DPS (Eu)	0.120	0.140	0.154	0.169	0.186
EV/EBITDA Adj	4.5	4.9	4.2	4.0	3.8
EV/EBIT Adj	7.8	8.2	7.0	6.4	6.1
P/E Adj	7.4	7.7	7.2	6.8	6.7
Div. Yield	5.9%	6.9%	7.6%	8.4%	9.2%
Net Debt/EBITDA Adj	1.0	1.1	0.9	0.8	0.6

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 under LEGAL NOTICES. 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 web page CUSTOMER AREA.

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 certify 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 Avenue, 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 between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX 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 1 August 2025 Intermonte's Research Department covered 134 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.84%
OUTPERFORM:	37.31%
NEUTRAL:	29.85%
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:	53.16%
OUTPERFORM:	29.11%
NEUTRAL:	17.73%
UNDERPERFORM:	00.00%
SELL:	00.00%

CONFLICT OF INTEREST

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

Intermonte SIM S.p.A. operates or has operated in the last 12 months as the person in charge of carrying out the share buyback plan approved by the shareholders' meeting of ABITARE IN, ANIMA HOLDING, AZIMUT, CIVITANAVI SYSTEMS, EL.EN., ELICA, INTRED, PHARMANUTRA, SERVIZI ITALIA, SESA, STAR7, TMP GROUP, UNIDATA, VALSOIA, WEBUILD

Intermonte SIM S.p.A. provides or has provided corporate brokerage services to ALLCORE, ALMAWAVE, ANTARES VISION, AQUAFIL, AVIO, CASTA DIVA GROUP, CUBE LABS, CY4GATE, CYBEROO, DIGITOUCH, DOMINION HOSTING HOLDING, ELICA, ESPRINET, EVISO, EXECUS, FINE FOODS & PHARMACEUTICALS NTM, FNM, FRANCHI UMBERTO MARMI, G.M. LEATHER, GPI, GREEN OLEO, GREENTHESIS, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTRED, ISCC FINTECH, ITALIAN EXHIBITION GROUP, LEMON SISTEMI, LUVE, MAPS, MARE ENGINEERING GROUP, NEODECORTECH, NOTORIOUS PICTURES, PREATONI GROUP, REDFISH LONGTERM CAPITAL, REVO INSURANCE, REWAY GROUP, SERI INDUSTRIAL, SPINDOX, STAR7, TALEA GROUP, ULISSE BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA **in the last 12 months**

Intermonte SIM S.p.A. operates or has operated in the last 12 months as Financial Content Provider on the company ALLCORE, ALMAWAVE, B&C SPEAKERS, BANCA SISTEMA, BIFIRE, CASTA DIVA GROUP, CLEANBNB, COFLE, CROWDFUNDME, CUBE LABS, DIGITOUCH, DOMINION HOSTING HOLDING, ECOSUNTEK, EDILIZIACROBATICA, ELES, ENERGY, EVISO, EXECUS, FAE TECHNOLOGY, FIERA MILANO, FOPE, G.M. LEATHER, GREEN OLEO, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTERCOS, INTRED, ISCC FINTECH, LEMON SISTEMI, MAPS, MARE ENGINEERING GROUP, MASI AGRICOLA, MISITANO & STRACUZZI SPA, NEODECORTECH, NOTORIOUS PICTURES, OLIDATA, OSAI AUTOMATION SYSTEM, PREATONI GROUP, RACING FORCE, REDFISH LONGTERM CAPITAL, RETI, SCIUKER FRAMES, SG COMPANY, SIMONE, SOLID WORLD GROUP, SPINDOX, TALEA GROUP, TAMBURI, TINEXTA, TMP GROUP, TPS, ULISSE BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA

Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of intermediary appointed in the public purchase and/or exchange offer transaction of MARE ENGINEERING GROUP, TINEXTA

Intermonte SIM S.p.A. operates or has operated in the last 12 months as liquidity provider of BANCA SISTEMA, Zest Group SpA

Intermonte SIM is acting as counterparty to WIIT Fin S.r.l. in connection with call and put options having WIIT S.p.A. shares and dividends as reference underlying.Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of financial advisor for AQUAFIL, BANCA GENERALI, BANCA IFIS, BANCO BPM, MARE ENGINEERING GROUP, TINEXTA

Intermonte SIM S.p.A. operates or has operated in the last 12 months as market maker on financial instruments with underlying shares issued by A2A, AMPLIFON, AZIMUT, BANCA IFIS, BANCA MEDIOLANUM, BANCO BPM, BCA MPS, BCA POP SONDRIO, BFF BANK, Bper Banca, BREMBO, BUZZI, CAMPARI, DANIELI & C, DIASORIN, ENEL, ENI, ERG, FERRARI, FINECOBANK, INDUSTRIE DE NORA, INTERPUMP GROUP, INTESA SANPAOLO, INWIT, IREN, ITALGAS, IVECO GROUP, LEONARDO, LOTTOMATICA GROUP, MEDIOBANCA, MFE B, MONCLER, MONDADORI EDIT., NEXI, OVS, PIRELLI & C, POSTE ITALIANE, PRYSMIAN, SAIPEM, SESA, SNAM S.p.A., STELLANTIS, STMICROELECTRONICS, TECHNOGYM, TECHNOPROBE, TELECOM ITALIA, TELECOM ITALIA R, TENARIS, TERNA, UNICREDIT, UNIPOL, WEBUILD

Intermonte Sim S.p.A. has or had in the last 12 months a marketing contract on instruments issued by BARCLAYS, BNP PARIBAS, GOLDMAN SACHS GROUP INC, LEONTEQ, MAREX FINANCIAL, MEDIOBANCA, MORGAN STANLEY, NATIXIS, SOCIETE GENERALE, UNICREDIT, VONTOBEL N, WISDOMTREE IRELAND LIMITED

Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of specialist on financial instruments issued by ABITARE IN, ALKEMY, BANCA IFIS, BANCA SISTEMA, CIVITANAVI SYSTEMS, COFLE, CYBEROO, DIGITOUCH, ECOSUNTEK, EL.EN., EMAK, ENERGY, GREEN OLEO, GREENTHESIS, MISITANO & STRACUZZI SPA, MONDADORI EDIT., OLIDATA, OMER, PHARMANUTRA, QF ALPHA IMM, REPLY, SERVIZI ITALIA, SESA, SG COMPANY, SOMEC, SYS-DAT, TAMBURI, TESMEC, THE ITALIAN SEA GROUP, TINEXTA, TMP GROUP, TXT E-SOLUTIONS, UNIDATA, WIIT **with the obligation to disseminate studies**

Intermonte SIM S.p.A. plays or has played in the last 12 months the role of sponsor for UNIDATA S.p.A.

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website https://www.intermonte.it/it/avvertenze-legali/mifid-ii.html

Further information is available.