

MONDADORI

Sector: Media

BUY

Price: Eu2.08 - Target: Eu3.20

Undisputed Market Leader with Strong Cash Generation

Andrea Randone +39-02-77115.364

andrea.randone@intermonte.it

Chiara Pampurini: +39-02-77115.633

chiara.pampurini@intermonte.it

Stock Rating

Rating: Unchanged

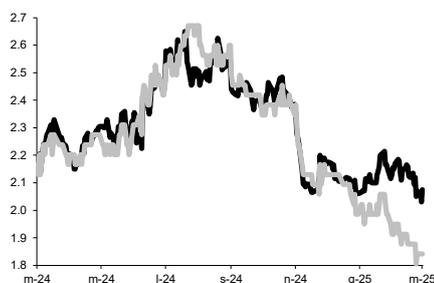
Target Price (Eu): Unchanged

	2025E	2026E	2027E
Chg in Adj EPS	0.1%	1.1%	

Next Event

1Q25 Results Out 14 May

MONDADORI - 12M Performance



— MONDADORI — MONDADORI Rel. to FTSE All Shares (Rel.)

Stock Data

Reuters code: MOED.MI

Bloomberg code: MN IM

Performance	1M	3M	12M
Absolute	-3.7%	-4.4%	-2.6%
Relative	-5.6%	-13.7%	-15.5%
12M (H/L)		2.65/2.03	
3M Average Volume (th):		262.60	

Shareholder Data

No. of Ord shares (mn): 261

Total no. of shares (mn): 261

Mkt Cap Ord (Eu mn): 542

Total Mkt Cap (Eu mn): 542

Mkt Float - Ord (Eu mn): 214

Mkt Float (in %): 39.5%

Main Shareholder:

Fininvest 53.3%

Balance Sheet Data

Book Value (Eu mn): 346

BVPS (Eu): 1.33

P/BV: 1.6

Net Financial Position (Eu mn): -149

Enterprise Value (Eu mn): 690

■ **4Q24 in line overall, with ordinary cash flow beating forecasts.** Mondadori has reported 4Q24 results that were in line with our estimates overall. Sales were up +2% YoY and -2% below our estimate, with lower-than-expected Education book sales (-11% vs our est.) partly offset by better-than-expected Trade books (+3% YoY, +5% vs our est.) and Retail (+8% YoY, +6% vs our est.). Group adj. EBITDA was up +7% YoY and +1% above our estimate, with a 10.6% EBITDA margin (vs 10.1% in 4Q23 and our 10.3% est.). Net debt ex-IFRS16 was €5mn higher than our forecast and last year's figure, mainly due to extraordinary investments to renew the HQ in Segrate, Milan (€5.0mn overall), while importantly, the company delivered strong ordinary CF generation of €71.3mn, better than our €67.0mn estimate, confirming its capacity to finance potential M&A and its shareholder remuneration policy.

■ **2025 outlook consistent with our estimates, dividend distribution better.** The FY25 outlook is consistent with medium-term guidance, pointing to: i) low single-digit increases in revenue and adj. EBITDA, ii) adjusted EBITDA margin ~17%, iii) ordinary cash flow ~€70mn, iv) net debt/adj. EBITDA 1.0x. The group announced a €0.14 dividend per share (60% payout ratio, dividend yield 7%), +17% YoY and more generous than previously indicated by the Group (guidance was DPS +10% YoY/50% payout). The Board is asking the AGM to renew authorisation for a buyback on up to 10% of the share capital.

■ **Positive conference call messages.** As widely foreseen, the Trade book market got the year off to a weak start, featuring: 1) poor e-commerce performance, 2) weak publishing plan and 3) lack of 18App bonus. On the other hand, 2H should show sustained growth thanks to a strong publishing plan (with authors like Dan Brown and Ken Follet) together with easier comps. As for Education, there was no update on the Antitrust investigation, which we do not think represents a risk. The group should benefit from optimisation: in 2025, it will work on logistics, the benefits of which should be seen in 2026. As for M&A, the integration of the recently-acquired Waimea is progressing much better than expected, while the group is developing an exclusive partnerships with startups selected through PLAI. At the same time, the group continues its active exploration of potential M&A deals.

■ **Change in estimate.** We are leaving our estimates largely unchanged, with just some minor adjustments to include: i) c. €1-2mn higher CapEx in the coming years as the group continues to invest to innovate and optimize business operations, ii) higher D&A and PPA, iii) lower minorities after reaching 75.5% in Edizioni Star Comics last 3 March (from 51% previously).

■ **BUY, TP €3.2 confirmed.** We confirm our positive view on the stock on the back of the strong and highly convincing management team, the solidity of the book business and Mondadori's undisputed leadership. Healthy cash flow generation (12% FCF yield) represents a strong catalyst, enabling management to propose a clear, sustainable and generous dividend policy, and should also support further accretive acquisitions. We confirm our DCF-based €3.2 TP and BUY rating. At current prices, MN is trading at 4.2x/3.9x EV/EBITDA 25/26E, a ~50% discount to book publishers.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	905	935	967	989	1,001
EBITDA Adj (Eu mn)	152	158	162	166	168
Net Profit Adj (Eu mn)	71	69	75	80	81
EPS New Adj (Eu)	0.271	0.264	0.288	0.305	0.311
EPS Old Adj (Eu)	0.271	0.262	0.288	0.302	0.311
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	6.9	6.3	5.9
P/E Adj	7.6	7.9	7.2	6.8	6.7
Div. Yield	5.8%	6.7%	7.4%	8.1%	9.0%
Net Debt/EBITDA Adj	1.0	1.1	0.9	0.7	0.6

