

MONDADORI

Sector: Media

BUY

Price: Eu1.95 - Target: Eu3.00

Solid Cash Generation and High Profitability Set to Continue in 2026

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Stock Rating

Rating: Unchanged

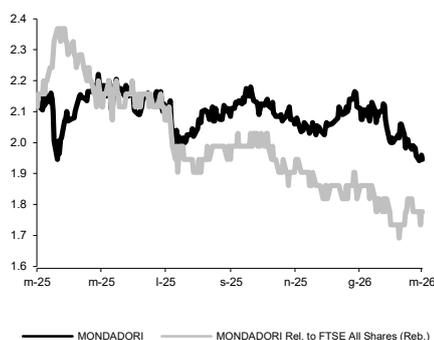
Target Price (Eu): Unchanged

	2026E	2027E	2028E
Chg in Adj EPS	-1.5%	-0.9%	

Next Event

 1Q26 Results Out 13th May

MONDADORI - 12M Performance



Stock Data

Reuters code: MOED.MI

Bloomberg code: MN IM

Performance	1M	3M	12M
Absolute	-2.7%	-5.3%	-8.0%
Relative	2.6%	-2.1%	-17.3%
12M (H/L)		2.22/1.94	
3M Average Volume (th):		511.80	

Shareholder Data

No. of Ord shares (mn):	261
Total no. of shares (mn):	261
Mkt Cap Ord (Eu mn):	508
Total Mkt Cap (Eu mn):	508
Mkt Float - Ord (Eu mn):	200
Mkt Float (in %):	39.5%
Main Shareholder:	
Fininvest	53.3%

Balance Sheet Data

Book Value (Eu mn):	355
BVPS (Eu):	1.36
P/BV:	1.4
Net Financial Position (Eu mn):	-189
Enterprise Value (Eu mn):	697

The release reflected the preliminary results (published on 12 February), confirming solid profitability in a softer environment. The 2026 outlook, already disclosed, envisages low single-digit revenue and EBITDA growth, supported by the Retail division and the Edilportale acquisition, while the Trade book market is expected to be slightly positive and recoup the negative FY25 performance. Profitability should also be supported by an OpEx efficiency plan that has just got underway. CF generation remains healthy (12% FCF yield FY26E), supporting a sustainable and attractive dividend policy (8% div. yield) and further accretive M&A. We confirm our DCF-based TP at €3.0 and our BUY recommendation.

■ **4Q25 preliminary results confirmed, with profitability growth and solid CF generation.** As anticipated, 4Q revenues were down 1% YoY after softer Trade market performance (-1% YoY) as well as lower digital advertising (Media -2% YoY). On the other hand, adj. EBITDA, already disclosed, was up 22% YoY supported by a strong Retail contribution (+30% YoY) as well as positive contributions from Trade and Media. Below the line, higher-than-expected one-offs (partly attributable to the migration of the logistics provider), together with higher D&A, resulted in net profit of €3.9mn. Excluding extraordinary items and PPA, adj. net profit came in at €12.2mn, vs. our €13.8mn estimate. Net debt pre-IFRS 16 stood at €86mn at YE25, compared to €92mn at YE24 and our estimate of €78mn: the difference is explained by ca. Eu10mn M&A costs related to the acquisition of a network of 11 bookstores and a minority investment. Ordinary CF, already disclosed, was solid at €65mn.

■ **2026 guidance confirmed.** FY26 guidance, communicated along with preliminary results last month, has been confirmed, pointing to low single-digit revenue and adj. EBITDA growth, and ordinary cash flow of €65-70mn. The dividend has also been confirmed, in line with both our estimates and the company's policy.

■ **2026 to be supported by Retail and Edilportale. Efficiency plan underway.** The outlook for low single-digit growth in 2026 is mainly expected to be driven by Retail, supported by new bookstores and an easy comparison base (temporary closure of the Rizzoli flagship in 2025). The Digital area should benefit from Edilportale, adding ~€5mn to EBITDA. Trade Books seen stable, with the market recouping last year's weak performance and the year starting above expectations (+2% YoY). While Education is expected flat, potential benefits could come from the refresh of the catalogue, with a potentially higher market share for MN and reduced second-hand sales. The company has launched an OpEx review to improve efficiency (cost optimisation in the short term, AI adoption in the medium/long term). The Edilportale integration has begun, with synergies mainly expected on revenues via cross-selling. No specific comments on M&A, but strong potential for expanding the Retail bookstore network, highly synergistic with Trade, while M&A in digital should be supported by new Mondadori Digital S.p.A.

■ **Change in estimates.** We are confirming our Group top line and EBITDA estimates, with some minor tweaks across divisions (better Retail, lower Media). We are including slightly higher D&A but a lower contribution from minorities following the FY25 performance, resulting in a cut of c.1% in adj. EPS.

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
Sales (Eu mn)	935	932	956	961	967
EBITDA Adj (Eu mn)	158	158	163	165	166
Net Profit Adj (Eu mn)	69	70	73	76	78
EPS New Adj (Eu)	0.264	0.269	0.280	0.290	0.297
EPS Old Adj (Eu)	0.264	0.275	0.285	0.293	
DPS (Eu)	0.140	0.154	0.169	0.186	0.186
EV/EBITDA Adj	4.9	4.6	4.3	4.1	3.9
EV/EBIT Adj	8.2	7.9	7.1	6.7	6.3
P/E Adj	7.4	7.2	6.9	6.7	6.6
Div. Yield	7.2%	7.9%	8.7%	9.6%	9.6%
Net Debt/EBITDA Adj	1.1	1.1	1.2	1.0	0.9

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- 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
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Frequency of research: quarterly.

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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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BUY:	32.58%
OUTPERFORM:	37.88%
NEUTRAL:	29.54%
UNDERPERFORM:	00.00%
SELL:	00.00%

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NEUTRAL:	16.88%
UNDERPERFORM:	01.30%
SELL:	00.00%

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