


UPDATE

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Simone

Euronext Growth Milan | Publishing | Italy

Rating

 **BUY**

unchanged

Target Price

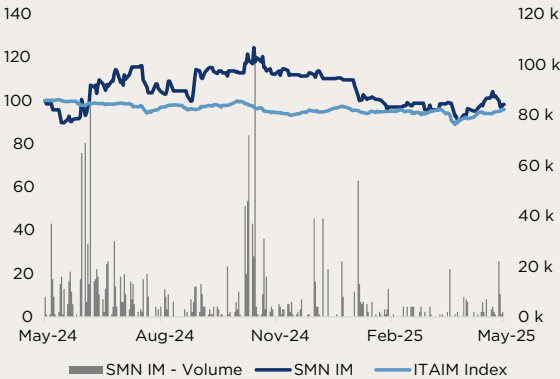
€ 2,60

prev. € 3,00

Key Multiples	FY24A	FY25E	FY26E	FY27E
EV/Sales	0,7x	0,7x	0,7x	0,6x
EV/EBITDA	5,6x	4,9x	3,4x	2,8x
EV/EBIT	15,5x	16,7x	7,3x	5,3x
P/E	13,3x	39,7x	11,4x	7,9x
NFP/EBITDA	n/a	n/a	n/a	n/a

Key Financials (€/mln)	FY24A	FY25E	FY26E	FY27E
Revenues	16,0	16,6	17,6	18,6
Value of Production	17,6	17,6	18,5	19,4
EBITDA	2,1	2,4	3,4	4,1
EBIT	0,8	0,7	1,6	2,2
Net Income	0,9	0,3	1,1	1,5
EBITDA Margin	11,8%	13,6%	18,4%	21,1%
EBIT Margin	4,3%	4,0%	8,6%	11,3%
Net Income Margin	5,1%	1,7%	5,7%	7,7%

Stocks performance relative to FTSE Italia Growth



Stock Data

Risk	Medium
Price	€ 1,59
Target price	€ 2,60
Upside/(Downside) potential	63,8%
Ticker	SMN IM
Market Cap (€/mln)	€ 11,93
EV (€/mln)	€ 11,66
Free Float	27,63%
Share Outstanding	7.500.000
52-week high	€ 2,13
52-week low	€ 1,44
Average Daily Volumes (3 months)	2.393

Stock performance	1M	3M	6M	1Y
Absolute	-1,2%	-1,9%	-14,7%	-3,3%
to FTSE Italia Growth	-6,1%	-2,9%	-16,7%	0,9%
to Euronext STAR Milan	-13,4%	-1,3%	-19,1%	1,2%
to FTSE All-Share	-12,9%	-6,7%	-34,9%	-16,6%
to EUROSTOXX	-11,8%	-1,8%	-29,6%	-11,1%
to MSCI World Index	-12,9%	0,5%	-17,0%	-13,7%

Source: FactSet

Main Ratios	FY24A	FY25E	FY26E	FY27E
Current ratio	3,2x	3,2x	3,3x	3,4x
ROIC	4,8%	4,5%	10,6%	16,7%
ROE	5,2%	4,7%	10,1%	12,8%
ROA	2,5%	2,4%	5,7%	8,0%

Source: Integrae SIM

FY24A Results

In FY24A, Simone reported a Value of Production of € 17.58 million, representing a 6.8% decrease compared to the € 18.87 million recorded in FY23A, and falling short by 8.2% relative to the previous report's estimate of € 19.15 million. EBITDA for FY24A amounted to € 2.08 million, marking a decline from € 3.02 million in FY23A (-31.1%). EBIT, after depreciation and amortization totalling € 1.33 million, amounted to € 0.75 million, down from € 1.98 million in the previous year. Net income amounted to € 0.90 million, below the € 1.21 million recorded in FY23A, reflecting the lower operating profitability for the year. Net income amounted to € 0.90 million, below the € 1.21 million recorded in FY23A, reflecting the lower operating profitability for the year.

Estimates and Valuation Update

In light of the results published in the annual report for FY24A, we have adjusted our estimates for both the current year and the following years. In particular, we estimate an FY25E value of production of € 17.60 million, and an EBITDA of € 2.40 million, corresponding to a margin of 13.6%. In the following years, we expect the value of production to reach € 19.40 million (CAGR 24A-27E: 3.3%) in FY27E, with EBITDA equal to € 4.10 million (corresponding to a margin of 21.1%), up from € 2.08 million in FY24A (corresponding to an EBITDA margin of 11.8%). From a balance sheet perspective, based on our estimates, the Net Financial Position (NFP) is expected to reach a cash positive value of € 1.33 million in FY25E. We conducted our valuation of the equity value of Simone based on the DCF method and multiples of a sample of comparable companies. The DCF method (including, for prudential purposes, a specific risk of 2.5% in the calculation of the WACC) returned an equity value of € 24.3 million. Using market multiples, the equity value of Simone was calculated as € 14.8 million (including a 25.0% discount). The result is an average equity value of approximately € 19.5 million. **The target price is € 2.60, with a BUY rating and MEDIUM risk.**

Economics & Financials

TABLE 1 - ECONOMICS & FINANCIALS

CONSOLIDATED INCOME STATEMENT (€/mln)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenues	16,93	15,98	16,60	17,60	18,60
Other revenues	1,94	1,61	1,00	0,90	0,80
Value of Production	18,87	17,58	17,60	18,50	19,40
COGS	1,93	1,76	1,70	1,65	1,60
Services	9,09	8,65	8,50	8,50	8,55
Use of assets owned by others	0,55	0,60	0,60	0,60	0,65
Employees	3,86	4,06	4,00	4,00	4,15
Other operating costs	0,42	0,43	0,40	0,35	0,35
EBITDA	3,02	2,08	2,40	3,40	4,10
<i>EBITDA Margin</i>	<i>16,0%</i>	<i>11,8%</i>	<i>13,6%</i>	<i>18,4%</i>	<i>21,1%</i>
D&A	1,04	1,33	1,70	1,80	1,90
EBIT	1,98	0,75	0,70	1,60	2,20
<i>EBIT Margin</i>	<i>10,5%</i>	<i>4,3%</i>	<i>4,0%</i>	<i>8,6%</i>	<i>11,3%</i>
Financial management	(0,18)	0,21	(0,30)	(0,20)	(0,20)
EBT	1,80	0,96	0,40	1,40	2,00
Taxes	0,59	0,06	0,10	0,35	0,50
Net Income	1,21	0,90	0,30	1,05	1,50

CONSOLIDATED BALANCE SHEET (€/mln)	FY23A	FY24A	FY25E	FY26E	FY27E
Fixed Assets	7,59	9,16	8,30	6,80	5,20
Account receivable	3,48	4,03	4,15	4,35	4,55
Inventory	5,10	5,36	5,35	5,40	5,50
Account payable	3,22	3,54	3,55	3,60	3,70
Operating Working Capital	5,35	5,85	5,95	6,15	6,35
Other receivable	2,41	3,56	3,45	3,10	2,85
Other payable	2,54	2,91	2,90	2,85	2,80
Net Working Capital	5,22	6,49	6,50	6,40	6,40
Severance & other provisions	1,24	1,37	1,35	1,40	1,40
NET INVESTED CAPITAL	11,57	14,29	13,45	11,80	10,20
Share capital	4,63	4,63	4,63	4,63	4,63
Reserves	8,14	9,03	9,86	10,13	11,10
Net Income	1,21	0,90	0,30	1,05	1,50
Equity	13,98	14,56	14,78	15,81	17,22
Cash & cash equivalents	8,61	7,54	7,53	8,31	9,42
Financial debt	6,21	7,28	6,20	4,30	2,40
Net Financial Position	(2,41)	(0,27)	(1,33)	(4,01)	(7,02)
SOURCES	11,57	14,29	13,45	11,80	10,20

CONSOLIDATED CASH FLOW (€/mln)	FY23A	FY24A	FY25E	FY26E	FY27E
EBIT	1,98	0,75	0,70	1,60	2,20
Taxes	0,59	0,06	0,10	0,35	0,50
NOPAT	1,40	0,69	0,60	1,25	1,70
D&A	1,04	1,33	1,70	1,80	1,90
Change in NWC	(0,47)	(1,27)	(0,01)	0,10	0,00
<i>Change in receivable</i>	<i>0,23</i>	<i>(0,55)</i>	<i>(0,12)</i>	<i>(0,20)</i>	<i>(0,20)</i>
<i>Change in inventory</i>	<i>(1,02)</i>	<i>(0,26)</i>	<i>0,01</i>	<i>(0,05)</i>	<i>(0,10)</i>
<i>Change in payable</i>	<i>0,52</i>	<i>0,32</i>	<i>0,01</i>	<i>0,05</i>	<i>0,10</i>
<i>Change in others</i>	<i>(0,21)</i>	<i>(0,78)</i>	<i>0,10</i>	<i>0,30</i>	<i>0,20</i>
Change in provisions	(0,01)	0,13	(0,02)	0,05	0,00
OPERATING CASH FLOW	1,96	0,88	2,28	3,20	3,60
Capex	(1,56)	(2,91)	(0,84)	(0,30)	(0,30)
FREE CASH FLOW	0,40	(2,03)	1,44	2,90	3,30
Financial management	(0,18)	0,21	(0,30)	(0,20)	(0,20)
Change in Financial debt	(1,41)	1,07	(1,08)	(1,90)	(1,90)
Change in equity	3,21	(0,32)	(0,07)	(0,02)	(0,09)
FREE CASH FLOW TO EQUITY	2,02	(1,07)	(0,01)	0,78	1,11

Source: Simone and Integrae SIM estimates

Company Overview

Established in Naples in 2011, Simone SpA is a company active in the publishing sector. It heads the Group of the same name, bringing together six companies, Simone SpA, Editrice Ardea Srl, Dike Giuridica Srl, Il Gatto Verde Edizioni Srl, Font Cafè Srl, and Libri e Professioni Srl, and a brand, Edizione Simone, which boast over fifty years of history. Today, the company is a leading reference for the entire Italian publishing sector, standing out for the large quantity of highly specialized contents that it develops, prints, publishes, promotes and sells. Through its brands, it offers study manuals for the legal field, public competitions, professional qualifications, university entrance exams and schools, as well as children's books.

FY24A Results

TABLE 2 – ACTUAL VS ESTIMATES FY24A

€/mln	VoP	EBITDA	EBITDA %	EBIT	Net Income	NFP
FY24A	17,58	2,08	11,8%	0,75	0,90	(0,27)
FY24E	19,15	3,10	16,2%	2,05	1,30	(0,00)
Change	-8,2%	-32,8%	-4,3%	-63,4%	-30,9%	n/a

Source: Integrae SIM

In the annual results press release, Simone SpA CEO, Luca Misso, stated: “We are proud to close a year marked by significant technological investments and the consolidation of our market position, even though certain external events have had a material impact on our financial results. The variance was notably affected by the postponement of revenues associated with several major public tenders, initially expected last autumn but either published at the end of 2024 or, in some instances, not yet issued. Management successfully steered the Group through this context, continuing to grow and invest. Some of the key investments announced at the time of the IPO have been completed, including the enhancement of our online presence and digital innovation, and the acquisition of a 51% stake in Sa.Graf. S.r.l., the expansion of the digital printing facility, and the strategic partnership established with Il Foro Italiano. 2025 is expected to be the year of the Group’s most significant M&A transactions, through which we aim to broaden our editorial offering and pursue diversification into the education and training sector. Regarding core activities, several major tenders have now been unlocked, and we are at the forefront of capitalising on the resulting opportunities.”

In FY24A, Simone reported a Value of Production of €17.58 million, representing a 6.8% decrease compared to the € 18.87 million recorded in FY23A, and falling short by 8.2% relative to the previous report’s estimate of € 19.15 million. This decline was primarily attributable to non-recurring external factors, including delays in the approval of certain legislative reforms and the postponement of public competitions originally expected in the second half of the year, developments that had a direct impact on the Company’s core business. Specifically, the legal-professional segment recorded a contraction of approximately € 1.40 million compared to 2023, of which around € 0.40 million was attributable to Simone SpA and approximately € 1.00 million to Dike Giuridica Srl. Conversely, the other business lines remained resilient, with the educational segment posting growth of approximately € 0.40 million, driven by the strong performance of the subsidiary Editrice Ardea Web Srl. This result confirms the soundness of the Group’s multi-brand model, which is capable of partially mitigating the volatility of markets more exposed to regulatory cyclicity while remaining aligned with the strategic objectives outlined at the time of the IPO.

EBITDA for FY24A amounted to € 2.08 million, marking a decline from € 3.02 million in FY23A (-31.1%), primarily due to the contraction in revenue and an increase in unit production costs, linked to the fragmentation of the public competition market. The reported figure also fell short of the previous estimate, which projected EBITDA of € 3.10 million. The proliferation of numerous minor tenders, which required the production of a high number of publications in limited print runs, negatively affected operational efficiency and compressed margins. Against this backdrop, the EBITDA margin stood at 11.8%, down from 16.0% in FY23A and below the 16.2% estimated in the previous report.

EBIT, after depreciation and amortization totalling € 1.33 million, amounted to € 0.75 million, down from € 1.98 million in the previous year. The increase in depreciation charges is attributable to the significant investments made during the year, including the new digital printing facility and software development initiatives.

Net income amounted to € 0.90 million, below the € 1.21 million recorded in FY23A, reflecting the lower operating profitability for the year. In the face of a challenging environment in terms of both revenues and margins, the bottom line benefitted from a substantial reduction in the tax burden (-89.8% compared to 2023), owing to the activation of the five-year Patent Box regime. This allowed the Company to increase deductible expenses related to copyright-protected software, significantly reducing the effective tax rate for the period.

From a balance sheet perspective, the Net Financial Position (NFP) for FY24A remained cash-positive at € 0.27 million, down from the cash-positive position of € 2.41 million reported in FY23A. The reduction was primarily due to the aforementioned investments undertaken during the year (approximately € 3.00 million), combined with lower cash flows resulting from the postponement of several major public competitions.

In 2024, the Group continued its growth trajectory with determination, strengthening both its industrial and digital infrastructure. Among the most significant initiatives was the acquisition of the domain www.posizioniaperte.com, aimed at expanding the Group's presence in the private employment market. In addition, a strategic partnership was launched with Contrader Srl to introduce Artificial Intelligence-based solutions for the archiving, management, and enhancement of the Group's extensive editorial assets. A notable investment was also made in a new digital printing facility (approximately € 2.50 million), supported by ZES (Special Economic Zones) and Industry 4.0 incentives, which has enhanced internal production capacity. This was complemented by the acquisition of a 51% stake in Sa.Graf Srl, a transaction that strengthens vertical integration and contributes positively to the Group's margins. Furthermore, in line with its strategy of positioning itself as an innovative content company, the Group completed the launch of the online publication lldiritto.it in 2024, to expand its digital offering in the legal information sector. Overall, 2024 marked the implementation of a series of strategically and technologically significant projects, positioning the Group to seize opportunities related to digitalisation and Artificial Intelligence across its core markets.

Following the close of the financial year, the Group announced a strategic investment in Onepix Academy, a start-up operating in the field of AI applied to competitive examination preparation. The investment was made through a SAFE (Simple Agreement for Future Equity), which will grant the Company a minimum equity stake of 10.0%. The acquisition of a 51.0% stake in Sa.Graf was also finalised through the contribution of 23,000 Simone shares, further strengthening the Group's vertical integration. Lastly, the Company announced the signing of an agreement with Il Foro Italiano Srl for the distribution of the eponymous legal journal, a transaction expected to generate a potentially significant economic impact starting in 2026.

FY25E - FY27E Estimates

TABLE 3 - ESTIMATES UPDATES FY25E-27E

€/mln	FY25E	FY26E	FY27E
Value of Production			
New	17,60	18,50	19,40
Old	20,40	22,05	n/a
<i>Change</i>	-13,7%	-16,1%	n/a
EBITDA			
New	2,40	3,40	4,10
Old	3,55	4,20	n/a
<i>Change</i>	-32,4%	-19,0%	n/a
EBITDA %			
New	13,6%	18,4%	21,1%
Old	17,4%	19,0%	n/a
<i>Change</i>	-3,8%	-0,7%	n/a
EBIT			
New	0,70	1,60	2,20
Old	1,80	2,45	n/a
<i>Change</i>	-61,1%	-34,7%	n/a
Net Income			
New	0,30	1,05	1,50
Old	1,20	1,65	n/a
<i>Change</i>	-75,0%	-36,4%	n/a
NFP			
New	(1,33)	(4,01)	(7,02)
Old	(1,82)	(4,05)	n/a
<i>Change</i>	n/a	n/a	n/a

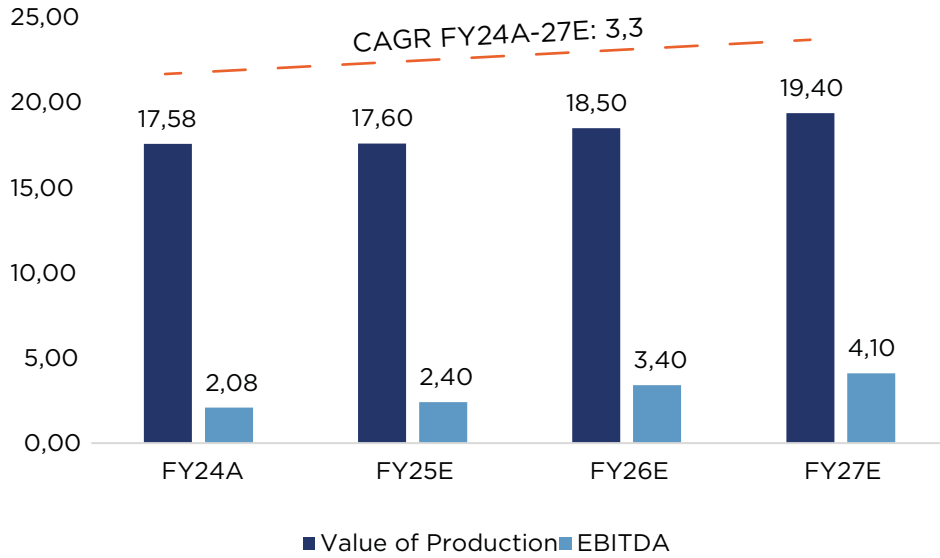
Source: Integrae SIM

In light of the results published in the annual report for FY24A, we have adjusted our estimates for both the current year and the following years.

In particular, we estimate an FY25E value of production of € 17.60 million, and an EBITDA of € 2.40 million, corresponding to a margin of 13.6%. In the following years, we expect the value of production to reach € 19.40 million (CAGR 24A-27E: 3.3%) in FY27E, with EBITDA equal to € 4.10 million (corresponding to a margin of 21.1%), up from € 2.08 million in FY24A (corresponding to an EBITDA margin of 11.8%).

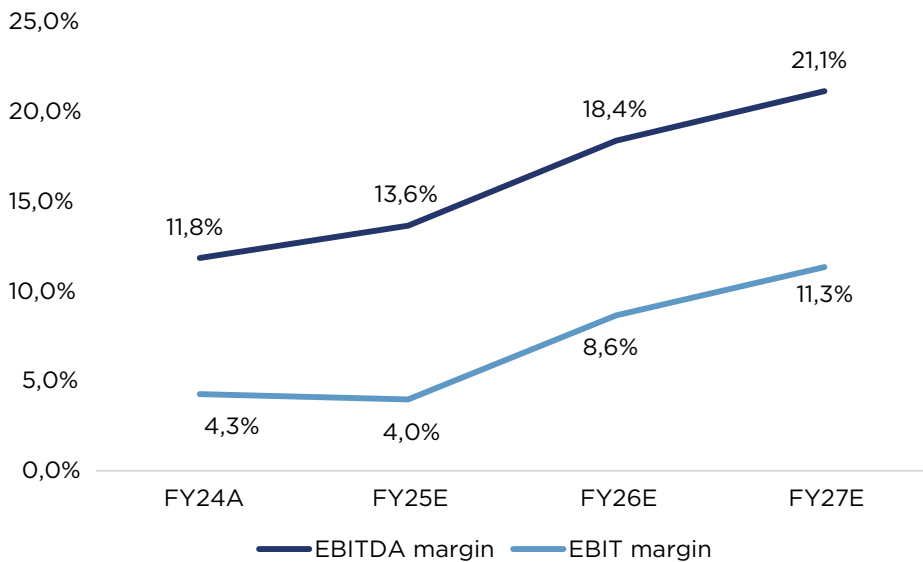
From a balance sheet perspective, based on our estimates, the Net Financial Position (NFP) is expected to reach a cash positive value of € 1.33 million in FY25E.

CHART 1 - VOP AND EBITDA FY24A-27E



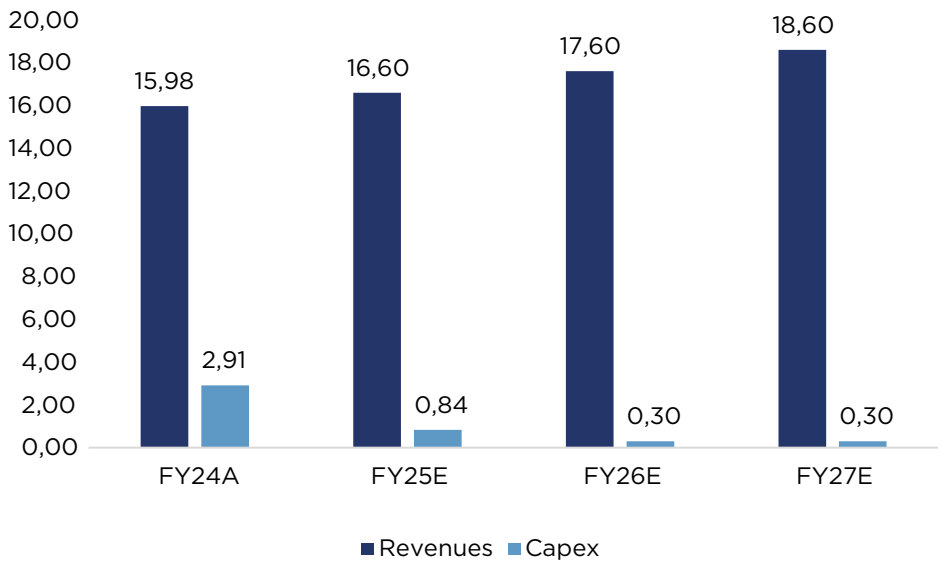
Source: Integrae SIM

CHART 2 - MARGIN FY24A-27E



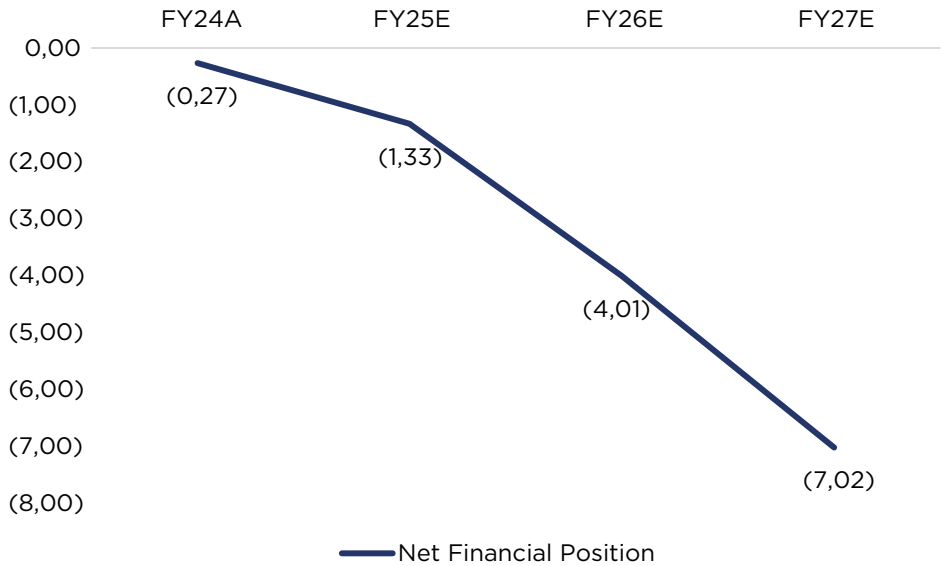
Source: Integrae SIM

CHART 3 – CAPEX FY24A-27E



Source: Integrae SIM

CHART 4 – NFP FY24A-27E



Source: Integrae SIM

Valuation

We conducted our valuation of the equity value of Simone based on the DCF method and multiples of a sample of comparable companies.

DCF Method

TABLE 4 - WACC

WACC			10,46%
D/E 25,00%	Risk Free Rate 2,52%	β Adjusted 1,0	α (specific risk) 2,50%
Kd 5,00%	Market premium 7,26%	β Relevered 1,0	Ke 12,17%

Source: Integrae SIM

For prudential purposes, we included a specific risk of 2.5%. The result is therefore a WACC of 10.46%.

TABLE 5 - DCF VALUATION

DCF	% of EV	
FCFO actualized	6,1	25%
TV actualized DCF	17,9	75%
Enterprise Value	24,0	100%
NFP (FY24A)	(0,3)	
Equity Value	24,3	

Source: Integrae SIM

With the above data and taking our estimates and assumptions as a reference, the result is an equity value of € 24.3 million.

TABLE 6 - EQUITY VALUE SENSITIVITY ANALYSIS

€/mln	WACC							
Growth Rate (g)		9,0%	9,5%	10,0%	10,5%	11,0%	11,5%	12,0%
	3,0%	34,5	31,9	29,8	27,9	26,3	24,8	23,6
	2,5%	32,3	30,1	28,2	26,6	25,1	23,8	22,6
	2,0%	30,4	28,5	26,9	25,4	24,1	22,9	21,8
	1,5%	28,8	27,1	25,6	24,3	23,1	22,0	21,1
	1,0%	27,4	25,9	24,6	23,4	22,3	21,3	20,4
	0,5%	26,2	24,8	23,6	22,5	21,5	20,6	19,8
	0,0%	25,1	23,9	22,8	21,7	20,8	20,0	19,2

Source: Integrae SIM

Market Multiples

Our panel is made up of companies in the same industry as Simone, but many with larger capitalizations. These companies are the same used to calculate Beta for the DCF method. The panel is made up of:

TABLE 7 – MARKET MULTIPLES

Company Name	EV/EBITDA			EV/EBIT			P/E		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Arnoldo Mondadori Editore S.p.A.	4,0 x	4,1 x	4,1 x	6,7 x	6,5 x	6,5 x	8,1 x	7,7 x	n/a
Bloomsbury Publishing Plc	8,7 x	7,9 x	n/a	10,1 x	9,5 x	8,0 x	15,4 x	14,6 x	n/a
John Wiley & Sons, Inc.	7,4 x	n/a	7,1 x	11,9 x	n/a	10,2 x	14,8 x	n/a	10,8 x
Bastei Luebbe AG	6,9 x	6,6 x	n/a	8,1 x	7,8 x	8,4 x	13,6 x	13,0 x	n/a
Pearson PLC	10,7 x	10,2 x	n/a	13,9 x	12,9 x	n/a	17,7 x	16,3 x	n/a
Lagardere SA	9,2 x	8,8 x	n/a	12,2 x	11,7 x	n/a	10,9 x	9,8 x	n/a
Peer median	8,1 x	7,9 x	5,6 x	11,0 x	9,5 x	8,2 x	14,2 x	13,0 x	10,8 x

Source: Infinaancials

TABLE 8 – MARKET MULTIPLES VALUATION

€/mln	FY25E	FY26E	FY27E
Enterprise Value (EV)			
EV/EBITDA	19,4	26,7	23,0
EV/EBIT	7,7	15,2	18,0
P/E	4,3	13,6	16,2
Enterprise Value post 25% discount			
EV/EBITDA	14,5	20,0	17,2
EV/EBIT	5,8	11,4	13,5
P/E	3,2	10,2	12,1
Equity Value			
EV/EBITDA	15,9	24,1	24,2
EV/EBIT	7,1	15,4	20,5
P/E	3,2	10,2	12,1
Average	8,7	16,6	19,0

Source: Integrae SIM

The equity value of Simone was calculated using EV/EBITDA, EV/EBIT and P/E market multiples. After applying a 25.0% discount, the result is an **equity value of € 14.8 million**.

Equity Value

TABLE 9 - EQUITY VALUE

Average Equity Value (€/mln)	19,5
Equity Value DCF (€/mln)	24,3
Equity Value Multiples (€/mln)	14,8
Target Price (€)	2,60

Source: Integrae SIM

The results give an average equity value of approximately € 19.5 million.

The target price is therefore € 2.60 (prev. € 3.00). We confirm a BUY rating and MEDIUM risk.

TABLE 10 - TARGET PRICE IMPLIED VALUATION MULTIPLES

Multiples	FY24A	FY25E	FY26E	FY27E
EV/EBITDA	9,3 x	8,0 x	5,7 x	4,7 x
EV/EBIT	25,7 x	27,5 x	12,0 x	8,8 x
P/E	21,7 x	65,1 x	18,6 x	13,0 x

Source: Integrae SIM

TABLE 11 - CURRENT PRICE IMPLIED VALUATION MULTIPLES

Multiples	FY24A	FY25E	FY26E	FY27E
EV/EBITDA	5,6 x	4,9 x	3,4 x	2,8 x
EV/EBIT	15,5 x	16,7 x	7,3 x	5,3 x
P/E	13,3 x	39,7 x	11,4 x	7,9 x

Source: Integrae SIM

Disclosure Pursuant to Delegated Regulation UE n. 2016/958

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Date	Price	Recommendation	Target Price	Risk	Comment
21/05/2024	1,65	Buy	3,10	Medium	Update
12/07/2024	1,92	Buy	3,10	Medium	Breaking News
20/09/2024	1,87	Buy	3,10	Medium	Breaking News
16/10/2024	1,89	Buy	3,00	Medium	Update
17/12/2024	1,88	Buy	3,00	Medium	Breaking News
23/12/2024	1,86	Buy	3,00	Medium	Breaking News

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Rating system (long term horizon: 12 months)

The BUY, HOLD and SELL ratings are based on the Upside Potential (increase in value or return that the investment could achieve based on the current price and a future target price set by the analysts), and the risk associated to the share analyzed. The degree of risk is based on the liquidity and volatility of the share, and on the rating provided by the analyst and contained in the report. Due to daily fluctuations in share prices, the upside potential may temporarily fall outside the proposed range

Upside Potential (for different risk categories)

Rating	Low Risk	Medium Risk	High Risk
BUY	Upside \geq 7.5%	Upside \geq 10%	Upside \geq 15%
HOLD	-5% < Upside < 7.5%	-5% < Upside < 10%	0% < Upside < 15%
SELL	Upside \leq -5%	Upside \leq -5%	Upside \leq 0%
U.R.	Under Review		
N.R.	Not Rated		

Valuation methodologies (long term horizon: 12 months)

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- In the IPO phase, Integrae SIM played the role of global coordinator.