RECOMMENDATION
BUY (from BUY)

Target Price
2.6 € (from 2.6 €)

Price as of 29/09/2020
1.74€

MONDO TV

Sector: Media
Bloomberg negotiation code: MTV IM
Market STAR/MTA

Market capitalisation	63,360,730 €
Number of Shares	36,414,212^
Shareholders Equity 30.06.2020	62,634,000 €
Outstanding Warrants (1:1)	1,520,000^

^ see page 7

Growth-supporting production/distribution pipeline continues to progress

- Mondo TV Group continues with the planned extension of its production/distribution pipeline. This is thanks in part to major international agreements focusing on products that can offer greater licensing and merchandising potential.
- Despite a downturn in the commercial segment due to the main sector trade shows being cancelled in 2020, the uncertainty surrounding Covid-19 has not, so far, produced any significant negative impact.
- The first half of 2020 ended with a 1% rise in sales revenue (compared to the first half of 2019) but an 8% drop in operating costs enabled the gross operating income (EBITDA) to rise by 7%, strengthening the margin from the previous 70.75% to 74.82%. Group profit grew by over 20%, with annualised ROE at 7.8% up from 6.8% on 30.06.2019.
- Growth rates for the four-year period 2019/2023 have been reviewed. We now estimate revenue will grow at an average annual rate of 12%, EBITDA will grow at an average annual rate of 17.3%, while Group Profit is expected to be € 10.3 million in 2023 up from € 4.95 million forecast for the end of 2020.
- Our recommendation remains to buy at a Target Price of € 2.6 (previously € 2.6).

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Year to 31/12 (k €)	2018	2019	2020E	2021E	2022E	2023E
Sales revenue	18914	23056	24220	27480	31602	36342
EBITDA	11195	16440	18666	21983	26143	31099
EBIT	-54525	6344	8166	9883	13143	16449
Group Profit	-39514	3832	4948	6013	8142	10264
Cash-flow	23215	13997	15948	18733	21882	25814
Equity	58181	60361	65309	71322	79464	89728
NFP	8065	-1375	-813	5033	14402	27579
ROE	-	6.3	7.6	8.4	10.2	11.4

Source: Mondo TV; Estimates: Banca Finnat

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Reference Market

The global market for *Animation, Visual Effects (VFX) and Video Games* was worth 264 billion dollars in 2019, with annual growth rates reaching 2/3% for many segments of the animation industry (source: digital.vector). This growth is attributed to the exponential increase in demand for video content from consumers in recent years. Due to the ever wider use of the internet and multimedia devices, consumers are changing the way they consume (from television, cable and DVD to streaming, video and digital downloads).
The technological evolution of visual effects (VFX), as well as so-called *Augmented Reality* (AR) and *Virtual Reality* (VR), are already radically changing not only the way in which video (including animation) is produced but, above all, the way in which films, videos and games are consumed by end users.
The market growth drivers for the next five-year period will be:

- *Merchandising* will make up an increasingly large part of sales in the animation sector.
- The development of *augmented reality* and *virtual reality* will likely increase the demand for animated content.
- *Artificial intelligence* and *machine learning* will enable not only more customisation of video games but, above all, the acquisition of new clients, the segmentation of purchasing habits, and the implementation of customer retention policies.
- In video games, *predictive analysis* will enable the segmentation of user/consumer behaviour and the forecasting of their types of purchases.
- The expected development of micro-payment systems will also enable users/consumers to purchase more digital content, benefiting the entire video, animation and video games market.

The European animation industry (the European market for *Animation, VFX and Video Games* was worth 65.9 billion dollars in 2019) is also expected to grow at an average annual rate of 2.5/3% thanks in part to the approximately 300 TV channels for children and young people (the main users of animated content). Currently, 65% of the animated content offered by European TV channels is produced in Europe and this market share will doubtless rise even more. These positive growth expectations are leading the company to refocus its business towards European and North American customers and broadcasters, even though approximately 77% of sales revenue still comes from Asia (on 30.06.2020). In time, this figure is set to drop below 50%.
The expected development of the video games market has led Mondo TV to acquire an initial minority stake, equal to 19%, in the share capital of a British start-up (Mars1982). This company develops and distributes online video games, mainly for mobile devices, on third-party intellectual property products. In the first quarter of 2020 the quota rose to 51% (for a book value of €0.3 million).

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Activities & Strategies

Mondo TV Group operates in the production and distribution of animated series and films for television. The company strategy appears to be focused on productions with a high potential for licensing and merchandising, co-produced with third parties, licensing of Group library (1500 titles) exploitation rights to third-parties, and distribution of libraries to third parties.
The main buyers are co-producers, distributors and television broadcasters operating in the public and private over-the-air, cable and satellite transmission in Italy and abroad.
The development of new technologies in the multimedia communication field may also open up interesting new markets and/or market niches for the Group.

Mondo TV Group

- The parent company **Mondo TV S.p.A.** has emphasised its vocation as a "treasure chest", dedicated to the creation and, to a lesser extent, the acquisition of rights on the market designed for exploitation both on television and in *licensing & merchandising*.
- **Mondo TV France S.A.** produces and co-produces animated television series for French television broadcasters and for French-speaking countries. The stake held by Mondo TV S.p.A. is approximately 21%.
- **Mondo TV Suisse S.A.** produces and co-produces animated television series for buyers in the USA, Middle East, Asia and Russia. The stake held by Mondo TV S.p.A. is approximately 61%.
- **Mondo TV Iberoamerica S.A.** sells TV rights to the Group's library in Spain, Portugal and South America; it also produces and co-produces live action and animated television series for Spanish and Portuguese-speaking television broadcasters. The stake held by Mondo TV S.p.A. is 79%.
- **Mondo TV Producciones Canarias S.L.U.** mainly carries out specific production on animated series and television productions, using tax incentives recognised by local authorities. Helped by these tax incentives, the Group recently expanded its studios in Santa Cruz de Tenerife, providing them with the facilities to make their own 3D CGI products and bring executive production in-house. Whilst continuing to work through the third parties it has used to date, the Group will also be able to use the Tenerife studio for future projects requiring stricter quality controls. Key programmes will thus be made in-house, ensuring greater control over the production process and bringing in-house a normally outsourced service (and cost). The stake held by Mondo TV S.p.A., through Mondo TV Iberoamerica S.A., which holds 100% of the share capital, is 79%.

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Mondo TV library buyers



Source: Mondo TV

Library buyers for digital channels



Source: Mondo TV

Mondo TV clients for licensing exploitation



Source: Mondo TV

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The following initiatives are in development for the two-year period 2020/2021:

1) The third series of "Robot Trains" has begun production. The first 26 episodes (out of 52) are expected to be released in autumn/winter 2020 and the remaining 26 will follow in 2021/2022. Mondo TV owns 90% of the rights.
2) The second series of "Invention Story" is in pre-production, with 34 episodes (out of 52) scheduled for completion by the end of 2020. The first series, launched in Italy on free-to-air channel Frisbee and in China on the Mango TV platform, is already available from the end of May 2020 until 2022 in 140 countries on the Kidoodle TV streaming channel, accessible from over 1000 distribution platforms including Apple Store, Android, MAC, PC and multimedia streaming services such as Roku, Apple TV and Amazon's Fire TV.
3) The "Meteoheroes" series, whose switch to Italian channel "Cartoonito" is gaining considerable success with audiences, is enjoying increasing commercial success, including in licensing & merchandising.
4) The "Goo Doil Family" series is in pre-production, with 39 episodes slated for autumn 2021 and the next 39 for autumn 2022. Mondo TV owns 40% of the rights.
5) A hundred or so episodes of the web series "House of Talent", shown on the main digital platforms (YouTube, Facebook, Instagram), were produced in the first half of the year. Mondo TV owns 70% of the rights from exploitation of the web series and related licensing. Production on at least 25 TV episodes should begin in 2021, which may have broad commercial potential.
6) The rights to 600 hours of programming from the Mondo TV library have been sold until March 2023 to the VOD platform run by Rostelecom, Russia's main telephony operator .
7) Exploitation rights to 58 animated television series have been sold to Huawei for two years with possibility of renewal. These series will be shown on online platforms owned by the Chinese operator in 26 countries.
8) A European co-production involving Mondo TV, German broadcaster ZTF, Italy's RAI and the government of the Canary Islands has begun on a 3D animated series, produced entirely in-house at the new Canary Islands-based 3D studio, which may also attract interest from Spanish and Portuguese broadcasters.
9) The subsidiary Mondo TV Producciones Canarias has signed a new co-production contract with Enanimation to produce a 52-episode series entitled "Nina & Olga".
10) A 15-month license agreement has been signed with TIM, which envisages granting SVOD rights to six programmes from the Mondo TV library (including Invention Story, Robot Trains and Sissi), which will be available on TIM's on-demand TV channel, TIM Vision.
11) A one-year agreement has been reached with Samsung for the launch of a Mondo TV-branded children's channel within the Samsung TV Plus service offered as part of a bundle on Samsung devices in Italy. The collaboration envisages the two parties sharing advertising revenues from the offering of over 50 films and over 20 series from the Mondo TV library.
12) Initial co-production with Spanish public broadcaster RTVE and the subsidiary Mondo TV Producciones Canarias (which owns 93% of the intellectual property rights) has begun on 52 episodes of a new series in high definition 2D entitled "Annie & Carola", set for release in the second half of 2022.
13) The collaboration with German company "Toon2Tango", with which Mondo TV began a joint venture to co-produce and distribute at least eight animated television series, is growing ever stronger.

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The animated series "Agent 203" began development in 2020 in addition to three other co-productions, the final outcome of which will depend on the response from the market. Pre-production began on the first of two series, produced by third parties, for which Mondo TV has global distribution rights for TV and licensing.

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Share ownership – Convertible Debenture Loan & Outstanding Warrants

The share capital of parent company Mondo TV S.p.A. is currently made up of 36,414,212 ordinary shares, with the Corradi family holding 39% of the capital and the remaining 61% floated on the market.
The outstanding warrants now in circulation, issued as part of extraordinary finance operations carried out in previous accounting periods and exercisable in a ratio of 1:1 by an initial deadline of 01/04/2021 and subsequently by a second deadline of 19/04/2023, number 1,520,000 overall.

	No. shares	Strike price	Theoretical capital increase
Deadline 01/04/2021	215,000	6.50	1,397,500
	640,000	8.00	5,120,000
	215,000	10.00	2,150,000
	No. shares	**Strike price**	**Theoretical capital increase**
Deadline 19/04/2023	450,000	7.50	3,375,000
Total	**1,520,000**		**12,042,500**

Source: Mondo TV

To strengthen the Group's financial structure and better support its growth plans, the Mondo TV board of directors has called an extraordinary general meeting to rule on a duplicate capital increase to a maximum of € 10.5 million to service the issue of convertible bonds and a further € 4.5 million to service the exercise of a global warrant to be assigned at the same time as the issue of the convertible bonds and exercisable within five years of the issue date, for the subscription of 1,500,000 Mondo TV shares at a price of € 3 per share. These operations will exert an inevitable dilutive effect on the capital. Due to the debenture loan, the effect cannot currently be estimated as it is dependent on the capital share subscribed at the outcome of the bond conversion according to the relative subscription price. The maximum dilution percentage arising from the full exercise of the global warrant and subsequent subscription of converted shares is 4%.

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Results as of 30 June 2020

EUR (K)	1H 2019	1H 2020	VAR %	FY2019
Sales revenue	**10965**	**11110**	***1***	**23056**
Other Revenues	38	96		134
Total Revenues	11003	11206	*1.8*	23190
Increase from internal projects	1784	1724		3493
VALUE OF PRODUCTION	**12787**	**12930**	***1.1***	**26683**
Raw Materials & Goods	23	25		59
%	*0.2*	*0.2*		*0.2*
Labour cost	2046	2247	*10*	4073
%	*18.7*	*20.2*		*17.7*
Other operating expenses	2960	2345	*-21*	6111
%	*27*	*21.1*		*26.5*
Total Operating Costs	5029	4617	*-8*	10243
%	*45.9*	*41.6*		*44.4*
EBITDA	**7758**	**8313**	***7***	**16440**
%	*70.8*	*74.8*		*71.3*
Depreciation & Write downs	4496	4745	*6*	10096
%	*41*	*42.7*		*43.8*
EBIT	**3262**	**3568**	**9**	**6344**
%	*29.7*	*32.1*		*27.5*
Financial expenses (income)	78	180		334
PRE-TAX PROFIT	**3184**	**3388**	6.4	**6010**
%	*29*	*30.5*		*26.1*
Taxes	1153	1166		2109
Tax rate (%)	*36.2*	*34.4*		*35.1*
NET INCOME	**2031**	**2222**	9.4	**3901**
%	*15.9*	*20*		*16.9*
Minorities	10	(236)		69
GROUP NET INCOME	**2021**	**2458**	**21.6**	**3832**
%	*18.4*	*22.1*		*16.6*
Cash Flow	6527	6967	*6.7*	13997
%	*59.5*	*62.7*		*60.7*
NFP	1702	-3587		-1375
Equity	59336	62634		60361
ROI	11.4	10.6		10.1
ROE	6.8	7.8		6.3

Source: Mondo TV

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Although the Covid-19 pandemic has not had a particularly negative impact on the Group, the uncertainty surrounding it has generated a downturn in the commercial segment due, in part, to the cancellation of the main trade shows. Consolidated sales revenue to 30 June 2020 grew by just 1% compared to the previous year, rising from € 11 million to € 11.11 million. An 8% drop in operating costs, mainly due to falling advertising costs and the aforementioned trade show cancellations, enabled the gross operating income (EBITDA) to grow by 7% in the half-year period compared to the same period of 2019, up from € 7.76 million to € 8.31 million. Its percentage of sales revenue rose from 70.75% to 74.82%. Net operating income (EBIT) grew by 9% from € 3.26 million on 30 June 2019 to € 3.57 million on 30 June 2020, with ROS up from 29.7% to 32.1%. Lower taxation (down from 36.2% to 34.4%) and tax losses pertaining to third parties of € 236 thousand enabled consolidated Group income to rise 21.6% to € 2.46 million from € 2 million on 30 June 2019, with a return on equity (annualised ROE) up from 6.8% to 7.8%.
Group Shareholders Equity stands at € 62.6 million, up from € 60.4 million on 31 December 2019 and € 59.3 million on 30 June 2019. Net financial position records net debt of € 3.6 million (€ 2.4 million net of IFRS16 lease liabilities) compared to net debt of € 1.4 million on 31 December 2019 (cash equal to € 130 thousand net of IFRS16) and a cash position of € 1.7 million on 30 June 2019. In this respect, it appears significant that available liquidity fell from € 10.5 million on 30 June 2019, to € 8 million on 31 December 2019, to € 5.7 million on 30 June 2020 despite new medium/long-term financing contracts worth a total of € 4.5 million having been signed in this half-year period.
To strengthen the Group's financial structure and better support its growth plans, the Mondo TV board of directors has called an extraordinary general meeting to rule on a duplicate capital increase to a maximum of € 10.5 million to service the issue of convertible bonds and a further € 4.5 million to service the exercise of a global warrant to be assigned at the same time as the issue of the convertible bonds.
With regard to this operation, the board of directors has approved the stipulation, with Atlas Special Opportunities, of an investment agreement that envisages the subscription, by Atlas, following a specific subscription request from the company, of the aforesaid line of convertible bonds, in a single tranche, for a maximum of € 10.5 million (to be converted, under determined contractual conditions, within a maximum of 48 months of issue), as well as the issue, to Atlas, at the same time as the issue of the convertible bonds, of a global warrant, exercisable within five years of the issue date, for the subscription of 1,500,000 Mondo TV shares at a price of € 3 per share for an overall equivalent of € 4.5 million.

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Outlook 2020 – 2023

Old Estimates

EUR (K)	2018	2019	2020E	2021E	2022E	2023E	CAGR 19/23
Sales Revenue	18914	23056	27625	32344	35578	39136	*14.1*
Value of Production	22199	26683	32425	37144	40378	43936	
Raw materials & goods	57	59	66	74	81	88	
%	*0.3*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	
Labour cost	3816	4073	5625	5906	6226	6350	
%	*20.2*	*17.7*	*20.4*	*18.3*	*17.5*	*16.2*	
Other operating expenses	7131	6111	7031	7440	7471	7436	
%	*37.7*	*26.5*	*25.5*	*23*	*21*	*19*	
Operating Costs	11004	10243	12722	13421	13778	13874	
%	58.2	44.4	46	41.5	38.7	*35.4*	
EBITDA	11195	16440	19703	23724	26600	30062	*16.3*
%	*59.2*	*71.3*	*71.3*	*73.3*	*74.8*	*76.8*	
Depreciation & Write downs	65720	10096	11250	12291	12808	13000	
%	-	*43.8*	*40.7*	*38*	*36*	*33.2*	
EBIT	-54525	6344	8453	11433	13792	17062	*28.1*
%	-	*27.5*	*30.6*	*35.3*	*38.8*	*43.6*	
Financial expenses/(income)	(507)	334	270	270	270	270	
PRE-TAX PROFIT	-54018	6010	8183	11163	13522	16792	
%	-	*26.1*	*29.6*	*34.5*	*38*	*42.9*	
Taxes	(11513)	2109	2537	3460	4192	5206	
Tax rate (%)	-	*35.1*	*31*	*31*	*31*	*31*	
NET INCOME	-42505	3901	5646	7703	9330	11586	
%	-	*16,9*	*20,4*	*23,8*	*26,2*	*29,6*	
minorities	(2991)	69	500	620	746	927	
GROUP INCOME	-39514	3832	5146	7082	8584	10660	*29.1*
%	-	*16.6*	*18.6*	*21.9*	*24.1*	*27.2*	
Cash Flow	23215	13997	16896	19993	22138	24587	
%	*122.7*	*60.7*	*61.2*	*61.8*	*62.2*	*62.8*	
NFP	8065	-1375	1073	9573	20266	33198	
Equity	58181	60361	65507	72589	81173	91833	
ROI	-	10.1	12.6	16.9	20.3	25	
ROE	-	6.3	7.9	9.8	10.6	11.6	
Capex	28592	14305	13500	11000	11000	11000	
NWC	2686	13114	14062	14555	15000	15654	

Source: Mondo TV; Estimates: Banca Finnat

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New Estimates

EUR (K)	2018	2019	2020E	2021E	2022E	2023E	CAGR 19/23
Sales Revenue	18914	23056	24220	27480	31602	36342	*12*
Value of Production	22199	26683	28212	31880	36302	41342	
Raw materials & goods	57	59	56	62	67	73	
%	*0.3*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	
Labour cost	3816	4073	4800	5040	5292	5320	
%	*20.2*	*17.7*	*19.8*	*18.3*	*16.7*	*14.6*	
Other operating expenses	7131	6111	4690	4796	4800	4850	
%	*37.7*	*26.5*	*19.4*	*17.4*	*15.2*	*13.3*	
Operating Costs	11004	10243	9546	9897	10159	10243	
%	58.2	44.4	39.4	36	32.1	*28.2*	
EBITDA	11195	16440	18666	21983	26143	31099	*17.3*
%	*59.2*	*71.3*	*77.1*	*80*	*82.7*	*85.6*	
Depreciation & Write downs	65720	10096	10500	12100	13000	14650	
%	-	*43.8*	*43.4*	*44*	*41.1*	*40.3*	
EBIT	-54525	6344	8166	9883	13143	16449	*26.9*
%	-	*27.5*	*33.7*	*36*	*41.6*	*45.3*	
Financial expenses/(income)	(507)	334	270	270	270	270	
PRE-TAX PROFIT	-54018	6010	7896	9613	12873	16179	
%	-	*26.1*	*32.6*	*35*	*40.7*	*44.5*	
Taxes	(11513)	2109	2448	2980	3991	5016	
Tax rate (%)	-	*35.1*	*31*	*31*	*31*	*31*	
NET INCOME	-42505	3901	5448	6633	8882	11164	
%	-	*16.9*	*22.5*	*24.1*	*28.1*	*30.7*	
minorities	(2991)	69	500	620	740	900	
GROUP INCOME	-39514	3832	4948	6013	8142	10264	*27.9*
%	-	*16.6*	*20.4*	*21.9*	*25.8*	*28.2*	
Cash Flow	23215	13997	15948	18733	21882	25814	
%	*122.7*	*60.7*	*65.8*	*68.2*	*69.2*	*71*	
NFP	8065	-1375	-813	5033	14402	27579	
Equity	58181	60361	65309	71322	79464	89728	
ROI	-	10.1	12	14.4	19.3	24.9	
ROE	-	6.3	7.6	8.4	10.2	11.4	
Capex	28592	14305	14500	12500	12500	12500	
NWC	2686	13114	14000	14387	14400	14537	

Source: Mondo TV; Estimates: Banca Finnat

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The media is one of the sectors that stands to suffer the least from the current health emergency, and the development of children's programmes, in particular, should breathe new life into the business and bring new opportunities. That said, a downturn in the commercial segment due to the cancellation of the main sector trade shows, has limited growth in sales in the first half of the year. Previous sales estimates now seem unlikely to be met by the end of the year. Expected revenue for the whole of 2020 is now expected to be just 5% higher than 2019 (€ 24.2 million) compared to the 20% we previously estimated (€ 27.6 million). Gross operating income (EBITDA) is estimated to be € 18.7 million (down from the previously estimated € 19.7 million) while net operating income (EBIT) is estimated to be € 8.2 million (down from the previously estimated € 8.45 million). However, an expected drop in operating costs of approximately 7% (we previously estimated they would rise by approximately 24% for 2020) will unexpectedly improve the gross margin from the previously estimated 71.3% to 77.1% (71.3% on 31.12.2019) and the net margin from the previously estimated 30.6% to an expected 33.7% (27.5% on 31.12.2019). Group net income at the end of 2020 is estimated to be €4.95 million compared to the previous estimate of €5.15 million. We have fine-tuned our estimates for the next three-year period (2021/2023), which will inevitably feel the effects of a lower starting base in 2020 (growth in revenues down from 20% to 5%). We believe the interesting production/distribution pipeline that Mondo TV is presenting over the coming years will result in further positive developments, leading us to raise our annual revenue growth estimates for 2022/2023 from 10% to 15%. This enables us to maintain our expectation for double-digit annual growth not only for sales but also for income. For 2019/2023, we therefore consider average annual growth of revenue of 12% to be achievable, with expected average annual growth above 17% for gross operating income (EBITDA) and close to 27% for net margin (EBIT). Profitability growth is expected to be significant, gross profitability reaching 85.6% (in 2023) from the previous estimate of 76.8%, while net profitability should be able to rise to 45.3% (in 2023) from the previous estimate of 43.6%. Group net income is expected to reach € 10.3 million in 2023 with an average annual growth rate in the period of almost 28%. Our estimates do not include any conversion of the envisaged debenture loan. Shareholders equity should rise from € 65.3 million at the end of 2020 to € 89.7 million at the end of 2023 while the net financial position (positive) is estimated to rise to € 27.6 million by the end of the forecast period from a net debt of estimated € 813 thousand at the end of 2020.

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Valuation

For the purposes of valuation, we use the Discounted Cash Flow methodology with the explicit forecast of cash flows generated in the period 2020/2023.
The perpetual growth rate was kept at 0.5% and the WACC is set at 12.45% (previously 12.75%) with a lower Free Risk Rate of 1.2% (previously 1.5%), a Beta Coefficient equal to the unit and a Market Risk Premium of 11.25%.
We obtain an Enterprise Value of € 100 million and an **Equity Value** of **2.6 Euro** per share. Our recommendation is still to buy.

Cash Flow Model (K €)

	2020E	2021E	2022E	2023E
EBIT	8166	9883	13143	16449
TAXES	2448	2980	3991	5016
NOPAT	5718	6903	9152	11433
D&A	10500	12100	13000	14650
Capex	14500	12500	12500	12500
CNWC	886	387	13	137
FOCF	832	6116	9639	13446

Estimates: Banca Finnat

DCF Model Valuation (k €)	
Perpetual Growth Rate (%)	0.5
WACC (%)	12.45
Discounted Terminal Value	77,338
Cum. Disc. Free Operating Cash Flow	22,706
Enterprise Value	100,044
Net financial position as of 30/06/2020	-3587
Equity Value	96,457
No. Shares	36,414,212
Value per share	**2.65**

Estimates: Banca Finnat

WACC Calculation (%)	
Risk free rate	1.2
Market risk premium	11.25
Beta (x)	1
Cost of Equity	12.45
WACC	**12.45**

Estimates: Banca Finnat

Historical recommendations and target price trend

Date	Rating	Target Price	Market Price
14.04.2020	Buy	2.6 €	1.66 €
10.10.2019	Buy	2.93 €	1.13 €
16.04.2019	BUY	2.94 €	1.27 €

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INCOME STATEMENT (Eur k)	2018	2019	2020E	2021E	2022E	2023E
Sales revenue	18914	23056	24220	27480	31602	36342
Value of Production	22199	26683	28212	31880	36302	41342
Raw materials & goods	57	59	56	62	67	73
Labour cost	3816	4073	4800	5040	5292	5320
Other operating expenses	7131	6111	4690	4796	4800	4850
EBITDA	11195	16440	18666	21983	26143	31099
Depreciation & Write downs	65720	10096	10500	12100	13000	14650
EBIT	-54525	6344	8166	9883	13143	16449
Financial expenses/(income)	(507)	334	270	270	270	270
PRE-TAX PROFIT	-54018	6010	7896	9613	12873	16179
Taxes	(11513)	2109	2448	2980	3991	5016
Tax rate (%)		*35.1*	*31*	*31*	*31*	*31*
minorities	(2991)	69	500	620	740	900
GROUP NET INCOME	-39514	3832	4948	6013	8142	10264
Cash Flow	23215	13997	15948	18733	21882	25814
BALANCE SHEET (Eur k)	**2018**	**2019**	**2020E**	**2021E**	**2022E**	**2023E**
Shareholders Equity	58181	60361	65309	71322	79464	89728
NFP	8065	-1375	-813	5033	14402	27579
Net Invested Capital	48045	62947	67833	68620	68133	66120
FINANCIAL RATIOS (%)	**2018**	**2019**	**2020E**	**2021E**	**2022E**	**2023E**
EBITDA margin	59.2	71.3	77.1	80	82.7	85.6
EBIT margin	-	27.5	33.7	36	41.6	45.3
Net margin	-	16.6	20.4	21.9	25.8	28.2
ROE	-	6.3	7.6	8.4	10.2	11.4
GROWTH RATES (%)	**2018**	**2019**	**2020E**	**2021E**	**2022E**	**2023E**
Sales revenue	-41	22	5	13.5	15	15
EBITDA	-55	47	14	17.8	19	19
EBIT	-410	-	29	21	33	25
Net Profit	-408	-	29	21.5	35	26
Cash Flow	17	-39.7	14	17.5	17	18
VALUATION METRICS	**2018**	**2019**	**2020E**	**2021E**	**2022E**	**2023E**
EPS	-	0.1	0.14	0.16	0.22	0.28
CFPS	0.64	0.38	0.44	0.51	0.6	0.71
BVPS	1.60	1.66	1.79	1.96	2.18	2.46
P/E	-	16.5	12.8	10.54	7.78	6.17
P/CF	2.73	5.3	3.97	3.38	2.89	2.45
P/BV	1.09	1.05	1	0.89	0.80	0.70
EV/SALES	2.92	2.81	2.65	2.12	1.55	0.98
EV/EBITDA	4.94	3.94	3.44	2.65	1.87	1.15
EV/EBIT	-	10.20	7.86	5.90	3.72	2.17

Source: Mondo TV; Estimates: Banca Finnat

Key to Investment Rating (12 Month Horizon)

BUY: Upside potential at least 15%

HOLD: Expected to perform +/- 10%

REDUCE: Target achieved but fundamentals disappoint
SELL: Downside potential at least 15%

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