Milan, 19 March 2026

**Italian Equity Research – 4Q25 Results**

# BREMBO

# NEUTRAL

*Sector: Industrials*

Price: Eu7.95 - **Target: Eu9.00**

## Not Making the Turn Yet

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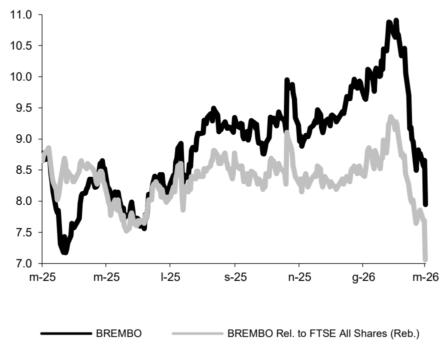
| Stock Rating | | | |
|---|---|---|---|
| **Rating:** | | | Unchanged |
| **Target Price (Eu):** | | | from 9.60 to 9.00 |
| | **2026E** | **2027E** | **2028E** |
| **Chg in Adj EPS** | -6.7% | -9.5% | |

**BREMBO - 12M Performance**




| Stock Data | | | |
|---|---|---|---|
| Reuters code: | | | BRBI.MI |
| Bloomberg code: | | | BRE IM |
| **Performance** | **1M** | **3M** | **12M** |
| Absolute | -27.1% | -15.2% | -8.1% |
| Relative | -22.9% | -14.9% | -20.6% |
| 12M (H/L) | | | 10.91/7.17 |
| 3M Average Volume (th): | | | 493.47 |

| Shareholder Data | |
|---|---|
| No. of Ord shares (mn): | 317 |
| Total no. of shares (mn): | 317 |
| Mkt Cap Ord (Eu mn): | 2,521 |
| Total Mkt Cap (Eu mn): | 2,521 |
| Mkt Float - Ord (Eu mn): | 1,057 |
| Mkt Float (in %): | 41.9% |
| Main Shareholder: | |
| Bombassei | 53.6% |

| Balance Sheet Data | |
|---|---|
| Book Value (Eu mn): | 2,455 |
| BVPS (Eu): | 7.60 |
| P/BV: | 1.0 |
| Net Financial Position (Eu mn): | -670 |
| Enterprise Value (Eu mn): | 3,191 |

**FY25 closed weakly for BRE, driven by forEx headwinds and soft end-markets, with a clear underperformance of Global Light Vehicle Production (GLVP) due to unfavourable exposure to premium OEMs, as mass-market and Chinese brands outperformed. While order intake showed early signs of improvement at the start of 2026, the volatile macro backdrop underpins a flattish FY26 outlook, below our expectations and consensus, triggering a high single-digit downgrade to estimates. With organic growth still elusive, margins and returns on capital at the lowest point for a decade, and limited visibility on a near-term recovery, we reiterate our NEUTRAL view. Although BRE is trading at a c.20% discount to historical multiples, we deem this warranted by weak earnings momentum and sector conditions. TP cut to €9.0 (from €9.6), reflecting lower estimates (-€0.9) and a lower terminal growth rate (-€0.5), partly offset by the FY26/27 rollover (+€0.8).**

- **4Q25: preliminary figures already out (EBITDA below, debt better), net income below.** Revenues, EBITDA and net debt were already disclosed on 29 January. As a reminder (in € mn): revenues came to 913 vs. our/cons. 895/909, flat YoY (o/w organic flat, ForEx -4% and scope +4%); EBITDA was 149 vs. our/cons. 155/152, -7% YoY, for a 16.4% margin; net debt was 719 vs. our/cons. 776/750. By division: Auto (73% of total) was down -3% vs. -6% exp.; Moto (11%) was -5% vs. -2% exp.; Comm. V. (8%) was down -5% vs. -3% exp.; Racing, which includes Öhlins, was up +73% vs. +74% exp. Underperformance vs. GLVP stood at -1pp vs. -6/-8pp in 3Q25/1H25, benefiting from an easier comparison. We believe this is linked to the outperformance of mass-market and Chinese brands (China down -6% organic in FY25 vs. LVP growth of +10%), to which BRE is less exposed. Net income closed at €47mn, down -29% YoY. DPS €0.30, flat YoY, thanks to a higher payout.
- **2026 outlook: below expectations to reflect volatile environment.** FY26 guidance points to flat organic revenues (vs. our/cons. +4%), flat EBITDA margins at 16.5% (vs. our/cons. 16.8/17.0%), CapEx of €350mn (vs. our/cons. 297/326; 407 in FY25) and net debt below €700mn (vs. our/cons. 652/664). Assuming a -1% ForEx impact, guidance implies revenues of €3.67bn (-4% vs. our/cons. ~€3.81bn) and EBITDA of ~€605mn, -6/-7% vs. our/cons. €640mn/€648mn. During the call, management clarified that the year started well in terms of order intake and that guidance would have been for +3-5% organic growth prior to the outbreak of the war in Iran. Current guidance therefore embeds a degree of prudence, also relative to end-market assumptions: Auto flat; Moto up; Comm. Vehicles up; Racing flat**.** On margins, flat EBITDA should benefit from the non-recurrence of start-up costs for new products, offsetting ForEx headwinds. D&A should increase slightly, and the tax rate is expected to remain at 27% (vs. our 26%).
- **From the call.** <u>i) Sensify and Greentell</u>: SoP in 1H and 2H confirmed; adoption driven by safety and regulation, respectively. No visibility on profitability; one new Sensify customer (no details). <u>ii) Capital allocation</u>: M&A remains a priority, but no deals currently under evaluation and no target details disclosed. CapEx expected to decline vs. 2023-25 peaks, albeit less than we and consensus had anticipated. <u>iii) Software development</u>: expansion beyond traditional braking systems, with the JAC agreement a key driver of innovation.
- **Change in estimates.** We are lowering our 2026/27 EPS by 8%, reflecting weaker sales due to lower GLVP outperformance, more in line with management's more cautious view (2pp vs. 6pp previously; we still assume 1% organic growth), negative operating leverage and a slightly higher tax rate, only partly offset by lower D&A. Net debt also increases on higher CapEx, despite better FY25 results.

| Key Figures & Ratios | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| Sales (Eu mn) | 3,841 | 3,703 | 3,708 | 3,857 | 4,011 |
| EBITDA Adj (Eu mn) | 661 | 612 | 616 | 642 | 670 |
| Net Profit Adj (Eu mn) | 263 | 209 | 215 | 233 | 256 |
| EPS New Adj (Eu) | 0.820 | 0.660 | 0.679 | 0.734 | 0.807 |
| EPS Old Adj (Eu) | 0.820 | 0.678 | 0.728 | 0.811 | |
| DPS (Eu) | 0.300 | 0.300 | 0.300 | 0.325 | 0.357 |
| EV/EBITDA Adj | 5.6 | 5.7 | 5.2 | 4.8 | 4.5 |
| EV/EBIT Adj | 9.5 | 10.4 | 9.5 | 8.6 | 7.7 |
| P/E Adj | 9.7 | 12.0 | 11.7 | 10.8 | 9.8 |
| Div. Yield | 3.8% | 3.8% | 3.8% | 4.1% | 4.5% |
| Net Debt/EBITDA Adj | 0.5 | 1.2 | 1.1 | 0.9 | 0.7 |

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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

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As at 19 March 2026 Intermonte's Research Department covered 131 companies. Intermonte's distribution of stock ratings is as follows:

| | |
|---|---|
| BUY: | 32.06% |
| OUTPERFORM: | 38.17% |
| NEUTRAL: | 29.77% |
| 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 (77 in total) is as follows:

| | |
|---|---|
| BUY: | 53.25% |
| OUTPERFORM: | 27.27% |
| NEUTRAL: | 18.18% |
| UNDERPERFORM: | 01.30% |
| SELL: | 00.00% |

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