

ENEL

Sector: Utilities

OUTPERFORM

Price: Eu7.00 - Target: Eu8.20

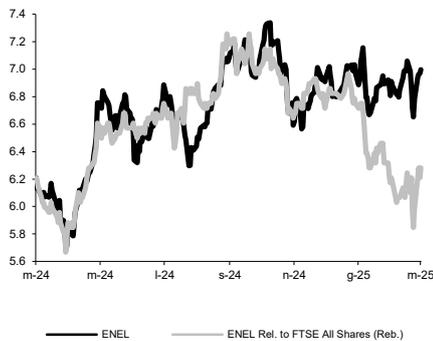
Solid Results, DPS at Eu0.47, 2025 Guidance Confirmed

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Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 7.80 to 8.20		
	2025E	2026E	2027E
Chg in Adj EPS	1.5%	1.9%	1.4%

ENEL - 12M Performance



Stock Data

Reuters code:	ENEI.MI		
Bloomberg code:	ENEL IM		
Performance	1M	3M	12M
Absolute	1.2%	0.7%	12.7%
Relative	1.1%	-7.7%	1.0%
12M (H/L)	7.34/5.70		
3M Average Volume (th):	26,663.94		

Shareholder Data

No. of Ord shares (mn):	10,167
Total no. of shares (mn):	10,167
Mkt Cap Ord (Eu mn):	71,118
Total Mkt Cap (Eu mn):	71,118
Mkt Float - Ord (Eu mn):	48,929
Mkt Float (in %):	68.8%
Main Shareholder:	
Italian treasury	31.2%

Balance Sheet Data

Book Value (Eu mn):	35,900
BVPS (Eu):	3.53
P/BV:	2.0
Net Financial Position (Eu mn):	-56,694
Enterprise Value (Eu mn):	153,751

■ **4Q24 results.** On the macro front, both electricity and gas prices rose further QoQ in 4Q24, with EU CO₂ prices only slightly down. Looking at the domestic market in particular, the electricity PUN averaged Eu128/MWh (+7% QoQ, +3% YoY), while on the production side, hydro and wind were down (-4% and -20% YoY respectively), while solar and thermal were up (+19% and +9% YoY respectively). In this context, ENEL reported solid figures, with EBITDA in line with expectations and the bottom line above. In detail, Group ordinary EBITDA closed at Eu5,352mn (-4% YoY, vs. exp. Eu5,415mn), and ordinary net income was Eu1,289mn (-13% YoY, vs. exp. Eu974mn). In FY24, Group ordinary EBITDA closed at Eu22,801mn (vs. guidance of Eu22.1-22.8bn) and ordinary net income at Eu7,135mn (vs. guidance of Eu6.6-6.8bn). On the balance sheet, net debt closed at Eu55.8bn (vs. exp. Eu55.4bn) down from the Eu58.2bn recorded at the end of September. The 'normalised' FFO reached Eu14.6bn in 2024 vs. Eu14.8bn in 2023, with an FFO/EBITDA cash conversion at 64% (67% in 2023). The dividend was set at Eu0.47ps, above our expectation of Eu0.46ps.

■ **2025 guidance confirmed.** ENEL confirmed 2025 targets, and the implementation of the strategic drivers outlined in the 2025-27 business plan presented in November. For 2025 ENEL confirmed guidance for ordinary EBITDA of Eu22.9-23.1bn and ordinary net income of Eu6.7-6.9bn. Regarding domestic electricity forward sales, ENEL indicated coverage at 100% for 2025 at an average price of Eu117/MWh, and 80% for 2026 at Eu114/MWh, slightly above the assumptions in the 2025-27 Strategic Plan.

■ **Shareholder remuneration: dividend policy confirmed, upside from buyback.** On the dividend side, ENEL confirmed the new policy introduced with the last business plan, with a fixed minimum annual DPS of Eu0.46 and potential upside corresponding to a payout of up to 70% on ordinary group net income. At the May shareholders' meeting, ENEL's BoD will propose a renewal of authorisation for a new buyback programme on up to 500mn shares (4.92% of the share capital), with a total outlay of up to Eu3.5bn (over 18 months).

■ **Updated estimates and valuation.** We are updating our projections, slightly raising estimates for 2025 and the following years, to reflect slightly higher margins in Grids and Retail, partly offset by slightly lower ones in Conventional Generation and Renewables. On the dividend side, we are nudging our DPS projections upwards, based on the confirmed 70% payout policy. As for the valuation, we are lifting our target price from Eu7.80ps to Eu8.20ps, still based on a mix of DCF, SoP, and market multiples.

■ **Investment case.** ENEL reported a solid set of results, notably supported by the growing contribution from Grids. We remind that ENEL's 2025-27 Strategic Plan, presented in November, further enhanced the focus on this business segment, offering greater visibility on expected margin trends, in our opinion. We still believe the growing weight of regulated activities in the business mix, as well as the geographical concentration in Italy and Spain, deserve a stock re-rating. We confirm our positive view on the stock.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	95,565	78,947	80,161	81,532	82,863
EBITDA Adj (Eu mn)	21,969	22,801	23,218	23,891	24,565
Net Profit Adj (Eu mn)	6,508	7,135	6,947	7,175	7,666
EPS New Adj (Eu)	0.640	0.702	0.683	0.706	0.754
EPS Old Adj (Eu)	0.640	0.671	0.673	0.693	0.743
DPS (Eu)	0.430	0.470	0.480	0.490	0.510
EV/EBITDA Adj	6.5	6.5	6.6	6.5	6.5
EV/EBIT Adj	13.3	9.6	10.1	9.9	9.6
P/E Adj	10.9	10.0	10.2	9.9	9.3
Div. Yield	6.1%	6.7%	6.9%	7.0%	7.3%
Net Debt/EBITDA Adj	2.7	2.4	2.4	2.5	2.5

