Intermonte

Milan, 13 February 2026

Italian Equity Research – Company Update

FINCANTIERI

OUTPERFORM

Sector: Industrials

Price: Eu16.50 - **Target: Eu23.00**

Industrial Capacity Meets Structural Demand: The New Cycle

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CMD moves the equity story up a notch. Fincantieri has completed its transition from a restructuring story into a structural quality compounder. The business mix is shifting decisively toward Defence and Underwater: higher-margin, less cyclical activities anchored in geopolitics. Meanwhile Cruise continues to provide stable cashflow and industrial visibility. In our view, the main takeaway from the CMD is not the actual 2030 targets, but the de-risking of the execution path. Capacity constraints are being structurally addressed, there is a tangible Defence pipeline in the near term, and cash generation is sufficient to fund growth without ratcheting up leverage. Underwater alone justifies a strategic premium, given its positioning in a fast-growing, high-barrier market. Downside risk appears increasingly protected by backlog depth, while upside potential is driven by mix expansion, operating leverage and optionality for capital allocation. We see this as the beginning of a multi-year quality growth story.

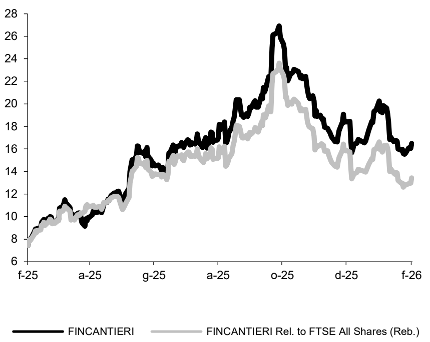
- **When more detail drives greater credibility.** The CMD added substance and execution clarity to previously disclosed targets, materially strengthening confidence in the trajectory to 2030 and beyond. The FY25 EBITDA margin was upgraded to 7.4% and net profit to €110mn, confirming that productivity and mix benefits are already emerging despite headwinds in late 2025. The Plan embeds 2030 CAGRs of 8% and 16% for revenues and EBITDA, with margins expanding to 10% and leverage declining to ~1.0x, while €1.9bn of growth CapEx is fully self-funded. A stable ~€50bn backlog throughout the Business Plan underpins visibility on revenues, and the €5bn near-term Defence pipeline supports tangible 2026 momentum. Overall, we believe the Plan materially upgrades the quality and visibility of the equity story, with operating leverage now anchored in tangible capacity expansion and structural mix improvement.
- **Divisional trends: mix upgrade with visible catalysts.** The divisional picture reinforces our constructive stance on the equity story. Cruise remains fully saturated and cash generative, funding growth, while margins improve through productivity and pricing discipline. The real inflection lies in Naval, where high-teens growth, a €5bn near-term pipeline and expanding capacity shift the debate from demand risk to execution speed. Underwater is the strategic jewel with a €43bn market growing at a ~20% CAGR, high entry barriers and a positioning across submarines, unmanned systems and seabed security. Offshore transitions from cyclical exposure to higher-margin business, with potential additional upside from Arctic icebreaker optionality. ESI deepens vertical integration and recurring revenues with overall growth increasingly defence-weighted and technology-driven.
- **Change in estimates.** Following the CMD, we are fine-tuning estimates at Group level, with 2026-28 revenues broadly unchanged (~-1%) as a more prudent Shipbuilding ramp-up offsets improved Defence visibility. We are trimming EBITDA (by 1-2%) on phasing and mix effects, while margin convergence to 8.5% by 2028 remains intact. We are raising FY26 net profit by 8% on stronger operating performance. The healthy order pipeline and higher starting backlog enhance visibility on early cash generation, fully funding the €1.9bn of CapEx, and supports deleveraging to ~1.7x by 2028 with dividend payments from 2028 (on FY27 results).
- **OUTPERFORM confirmed; target €23.0 from €22.5.** Our updated valuation, based on the simple average of SOP and DCF models, yields a fair value of €23.0. We are adjusting our TP accordingly and, given upside of over 40% to the current share price, we are confirming our OUTPERFORM rating on the stock.

Key Figures & Ratios	2024A	2025E	2026E	2027E	2028E
Sales (Eu mn)	8,128	8,680	9,205	9,852	11,026
EBITDA Adj (Eu mn)	509	642	697	827	935
Net Profit Adj (Eu mn)	57	128	145	241	274
EPS New Adj (Eu)	0.176	0.395	0.447	0.742	0.843
EPS Old Adj (Eu)	0.176	0.348	0.443	0.758	0.858
DPS (Eu)	0.000	0.000	0.000	0.300	0.350
EV/EBITDA Adj	6.4	9.8	9.7	8.4	7.5
EV/EBIT Adj	13.2	17.4	17.1	13.8	12.6
P/E Adj	93.5	41.7	36.9	22.2	19.6
Div. Yield	0.0%	0.0%	0.0%	1.8%	2.1%
Net Debt/EBITDA Adj	2.5	2.8	2.0	1.9	1.7

Stock Rating			
Rating:			Unchanged
Target Price (Eu):			from 22.50 to 23.00
	2025E	**2026E**	**2027E**
Chg in Adj EPS	13.6%	0.9%	-2.1%

Next Event
4Q/FY25 Results: March, 25

FINCANTIERI - 12M Performance



Stock Data			
Reuters code:			FCT.MI
Bloomberg code:			FCT IM
Performance	**1M**	**3M**	**12M**
Absolute	-18.5%	-12.8%	122.4%
Relative	-19.4%	-16.1%	99.3%
12M (H/L)			26.92/7.93
3M Average Volume (th):			2,475.05

Shareholder Data	
No. of Ord shares (mn):	323
Total no. of shares (mn):	324
Mkt Cap Ord (Eu mn):	5,332
Total Mkt Cap (Eu mn):	5,332
Mkt Float - Ord (Eu mn):	1,551
Mkt Float (in %):	29.1%
Main Shareholder:	
CDP	70.9%

Balance Sheet Data	
Book Value (Eu mn):	1,073
BVPS (Eu):	3.31
P/BV:	5.0
Net Financial Position (Eu mn):	-1,372
Enterprise Value (Eu mn):	6,726

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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 13 February 2026 Intermonte's Research Department covered 133 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.33%
OUTPERFORM:	37.59%
NEUTRAL:	29.33%
UNDERPERFORM:	00.75%
SELL:	00.00%

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BUY:	54.17%
OUTPERFORM:	31.94%
NEUTRAL:	12.50%
UNDERPERFORM:	01.39%
SELL:	00.00%

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