

FINCANTIERI

Sector: Industrials

OUTPERFORM

Price: Eu13.11 - Target: Eu18.70

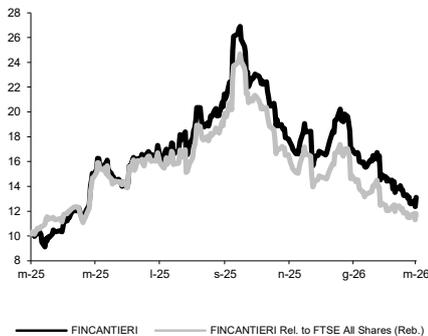
Strong Delivery Awaiting Next Step: Defence Orders

 Antonio Gianfrancesco +39-02-77115.634
 antonio.gianfrancesco@intermonte.it

Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 23.00 to 18.70		
	2026E	2027E	2028E
Chg in Adj EPS	-7.3%	-12.0%	-12.7%

FINCANTIERI - 12M Performance



Stock Data

Reuters code:	FCT.MI		
Bloomberg code:	FCT IM		
Performance	1M	3M	12M
Absolute	-9.2%	-22.1%	29.4%
Relative	-2.0%	-20.0%	18.2%
12M (H/L)	26.92/9.13		
3M Average Volume (th):	3,882.00		

Shareholder Data

No. of Ord shares (mn):	323
Total no. of shares (mn):	358
Mkt Cap Ord (Eu mn):	4,237
Total Mkt Cap (Eu mn):	4,237
Mkt Float - Ord (Eu mn):	1,515
Mkt Float (in %):	35.8%
Main Shareholder:	
CDP	64.2%

Balance Sheet Data

Book Value (Eu mn):	1,374
BVPS (Eu):	3.83
P/BV:	3.4
Net Financial Position (Eu mn):	-1,395
Enterprise Value (Eu mn):	6,094

FY25 results and the CMD definitively shifted our focus to execution on order intake, with the ~€5bn Defence pipeline representing the key catalyst to trigger the next phase of growth. This pipeline enjoys high visibility, supported by European programmes (SAFE), domestic orders and US opportunities. At the same time, Underwater provides further upside, combining structurally-higher margins with strong expansion potential, further supported by M&A optionality enabled by the recent capital raise. This reinforces Fincantieri's positioning along a broader, higher-value-added defence value chain. We believe the stock remains mispriced given the next phase of growth, with Defence order conversion the key near-term catalyst to unlock value, supported by the strong pipeline and embedded operating leverage.

■ **Solid FY25 delivery. 2026 a bridge year with Defence orders the key catalyst.** Fincantieri reported solid FY25 results, with revenues at €9.2bn (+13% YoY), EBITDA €681mn (+34% YoY), a 7.4% margin, in line with upgraded guidance, while leverage came in slightly better than expected (NFP €1.87bn). Order intake remained strong at €20bn (2.2x book-to-bill), supporting visibility. Beyond the numbers, execution is now embedded and the focus shifts to mix-driven growth, with Defence and Underwater as key drivers. 2026 guidance was confirmed (revenues €9.2-9.3bn, margin ~7.5%, NFP/EBITDA ~1.3% incl. capital raise), implying a transitional year, as the key swing factor remains the conversion of the ~€5bn Defence pipeline, which we see as a catalyst for the growth acceleration and margin expansion embedded in the Strategic Plan.

■ **Divisional trends: Naval uptick and Underwater scaling take centre stage.** The divisional picture reinforces the shift towards a more Defence and technology-driven growth profile. Shipbuilding continues to deliver strong numbers (€6.6bn revenues, €17.8bn orders): Cruise seems fully optimised and cash generative, while the focus clearly remains on Naval, where the ~€5bn pipeline turns the debate from demand to timing and execution. Offshore remains in transition, with softer volumes (orders -17%) but improving selectivity and exposure to higher-value niches. Underwater confirms its role as the strategic growth engine (€667mn revenues, +88% YoY), combining scale (WASS consolidation), high margins and M&A optionality. ESI, with an 8.3% margin (+216bp), continues to enhance integration and profitability, supporting an increasingly complex and technology-oriented industrial model.

■ **Change in estimates.** We are updating our estimates following FY25 results, confirmed 2026 guidance and the capital raise, keeping operating assumptions broadly unchanged but reflecting more cautious near-term phasing and EPS dilution. Revenues remain broadly stable (2026-28 -1%), with weaker Offshore (-10%) offset by stronger Cruise (+6%); Naval and Underwater unchanged. EBITDA is down slightly (-1% to -2%) with margins confirmed, as lower Offshore/ESI is balanced by stronger Shipbuilding, where the mix drives expansion. Net profit rises in absolute terms (up to +10% in 2027), but EPS declines (-7% to -13%) due to dilution from the capital raise. For the same reason, leverage improves (~1.3x NFP/EBITDA 2026), supporting strategic flexibility, particularly for external growth in Underwater.

■ **OUTPERFORM confirmed; target from €23.0 to €18.7.** Our updated valuation, based on the simple average of SOP and DCF models, yields a fair value of €18.7. We are adjusting our TP accordingly and, given upside of over 40% to the current share price, confirming our OUTPERFORM rating on the stock.

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
Sales (Eu mn)	8,128	9,194	9,149	9,784	10,887
EBITDA Adj (Eu mn)	509	681	691	815	917
Net Profit Adj (Eu mn)	57	143	149	234	264
EPS New Adj (Eu)	0.176	0.443	0.414	0.652	0.736
EPS Old Adj (Eu)	0.176	0.395	0.447	0.742	0.843
DPS (Eu)	0.000	0.000	0.000	0.300	0.350
EV/EBITDA Adj	6.4	9.3	8.8	7.6	6.8
EV/EBIT Adj	13.2	17.1	15.7	12.6	11.6
P/E Adj	74.3	29.6	31.6	20.1	17.8
Div. Yield	0.0%	0.0%	0.0%	2.3%	2.7%
Net Debt/EBITDA Adj	2.5	2.7	2.0	1.8	1.7

IMPORTANT DISCLOSURES

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.

This report is directed exclusively at market professional and other institutional investors (institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.

The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.

This disclaimer is constantly updated on Intermonte's website www.intermonte.it under LEGAL NOTICES. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the web page CUSTOMER AREA.

Intermonte distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Plural Securities LLC under SEC 15a-6 guidelines. Intermonte is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certifies that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities. Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Plural Securities LLC, 950 3rd Avenue, Suite 1702, NY 10022, USA.

GUIDE TO FUNDAMENTAL RESEARCH

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

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 26 March 2026 Intermonte's Research Department covered 132 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.58%
OUTPERFORM:	37.12%
NEUTRAL:	30.30%
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:	54.55%
OUTPERFORM:	27.27%
NEUTRAL:	16.88%
UNDERPERFORM:	01.30%
SELL:	00.00%

CONFLICT OF INTEREST

In order to disclose its possible conflicts of interest Intermonte SIM states that:

Intermonte SIM S.p.A. operates or has operated in the last 12 months as the person in charge of carrying out the share buyback plan approved by the shareholders' meeting of AZIMUT, EL.EN., ELICA, INTERCOS, INTRED, PHARMANUTRA, SESA, STAR7, SYS-DAT, TMP GROUP, UNIDATA, VALSOIA, WEBUILD

Intermonte SIM S.p.A. provides or has provided corporate brokerage services to AEROPORTO GUGLIELMO MARCONI DI BOLOGNA, ALLCORE, ALMAWAVE, ANTARES VISION, AVIO, CASTA DIVA GROUP, CUBE LABS, CY4GATE, DOMINION HOSTING HOLDING, ELICA, ESPRINET, EVIDO, EXECUS, FINE FOODS & PHARMACEUTICALS NTM, FNM, FRANCHI UMBERTO MARMÌ, GPI, GREEN OLEO, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTRED, ISCC FINTECH, LEMON SISTEMI, LUVE, MAPS, MARE ENGINEERING GROUP, NEODECORTECH, NOTORIOUS PICTURES, PREATONI GROUP, REDELF, REDFISH LONGTERM CAPITAL, REVO INSURANCE, REWAY GROUP, SERI INDUSTRIAL, SPINDOX, STAR7, TECNO, ULISSSE BIOMED, WIIT, XENIA HOTELLERIE SOLUTION, Zest Group SpA in the last 12 months

Intermonte SIM S.p.A. operates or has operated in the last 12 months as Financial Content Provider on the company ALLCORE, ALMAWAVE, B&C SPEAKERS, BANCA SISTEMA, BIFIRE, CASTA DIVA GROUP, COFLE, COM.TEL, CUBE LABS, CY4GATE, DIGITOUCH, DOMINION HOSTING HOLDING, ECOSUNTEK, ELES, ELICA, ENERGY, EVIDO, EXECUS, FIERA MILANO, FILA, FOPE, G.M. LEATHER, GREEN OLEO, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTERCOS, INTRED, ISCC FINTECH, LEMON SISTEMI, MAPS, MARE ENGINEERING GROUP, MASI AGRICOLA, MATECA FINTEC, MISITANO & STRACUZZI SPA, NEODECORTECH, NOTORIOUS PICTURES, OLIDATA, PREATONI GROUP, RACING FORCE, REDELF, REDFISH LONGTERM CAPITAL, SG COMPANY, SIMONE, SPINDOX, TAMBURI, TECNO, TMP GROUP, TPS, ULISSSE BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA

Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of intermediary appointed in the public purchase and/or exchange offer transaction of ANTARES VISION, MARE ENGINEERING GROUP, TINEXTA

Intermonte SIM S.p.A. operates or has operated in the last 12 months as liquidity provider of BANCA SISTEMA, Zest Group SpA

Intermonte SIM has acted as counterparty to WIIT Fin S.r.l. in connection with call and put options having WIIT S.p.A. shares and dividends as reference underlying.

Intermonte SIM is acting as financial advisor to Banca CF+ in the context of the public tender offer promoted on Banca Sistema.

Intermonte SIM is acting as financial advisor to TIM in relation to the company's saving shares conversion.

Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of financial advisor for BANCA GENERALI, BANCO BPM, MARE ENGINEERING GROUP, TELECOM ITALIA, TINEXTA

Intermonte SIM S.p.A. operates or has operated in the last 12 months as market maker on financial instruments with underlying shares issued by AZA, AMPLIFON, AZIMUT, BANCA GENERALI, BANCA IFIS, BANCA MEDIOLANUM, BANCO BPM, BCA MPS, BCA POP SONDRIO, BFF BANK, Bper Banca, BREMBO, BUZZI, CAMPARI, DANIELI & C, DIASORIN, ENEL, ENI, ERG, FERRARI, FINCOBANK, INDUSTRIE DE NORIA, INTERPUMP GROUP, INTESA SANPAOLO, INWIT, IREN, ITALGAS, IVECO GROUP, LEONARDO, LOTTOMATICA GROUP, MEDIOBANCA, MFE B, MONCLER, MONDADORI EDIT., NEXI, OVS, PIRELLI & C, POSTE ITALIANE, PRYSMIAN, SAPEM, SESA, SNAM S.p.A., STELLANTIS, STMICROELECTRONICS, TECHNOGYM, TECHNOPROBE, TELECOM ITALIA, TELECOM ITALIA R, TENARIS, TERNA, UNICREDIT, UNIPOL, WEBUILD

Intermonte Sim S.p.A. has or had in the last 12 months a marketing contract on instruments issued by BARCLAYS, BNP PARIBAS, GOLDMAN SACHS GROUP INC, LEONTEQ, MAREX FINANCIAL, MEDIOBANCA, MORGAN STANLEY, NATIXIS, SOCIETE GENERALE, UNICREDIT, VONTOBELN

Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of specialist on financial instruments issued by ABITARE IN, AQUAFIL, BANCA IFIS, BANCA SISTEMA, COFLE, COM.TEL, DIGITOUCH, ECOSUNTEK, EL.EN., EMAK, ENERGY, GREEN OLEO, INTRED, MATECA FINTEC, MISITANO & STRACUZZI SPA, MONDADORI EDIT., OLIDATA, OMER, PHARMANUTRA, POWERSOFT, QF ALPHA IMM, REPLY, SESA, SG COMPANY, SOMEC, STAR7, SYS-DAT, TAMBURI, TESMEC, THE ITALIAN SEA GROUP, TINEXTA, TMP GROUP, TXT E-SOLUTIONS, UNIDATA with the obligation to disseminate studies

Intermonte SIM S.p.A. plays or has played in the last 12 months the role of sponsor for UNIDATA S.p.A.

© Copyright 2026 by Intermonte SIM - All rights reserved

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of Intermonte SIM are provided to its clients only. If you are not a client of Intermonte SIM and receive emailed, faxed or copied versions of the reports from a source other than Intermonte SIM you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of Intermonte SIM.

INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.

INTERMONTE Sim strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid.

Intermonte Sim sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MiFID compliant - for our Best Execution Policy please check our Website <https://www.intermonte.it/avvertenze-legali/mifid-ii.html>

Further information is available.