

FINECO

Sector: Asset mgmt

NEUTRAL

Price: Eu21.15 - Target: Eu21.00

Robust Tailwinds Look Well Priced In

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Stock Rating

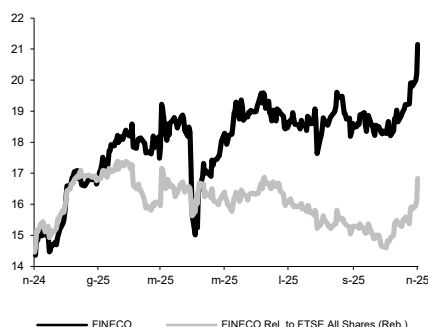
Rating: Unchanged

Target Price (Eu): from 19.50 to 21.00

2025E 2026E 2027E

Chg in Adj EPS 2.4% 4.5% 3.7%

FINECO - 12M Performance



Stock Data

Reuters code: FBK.MI

Bloomberg code: FBK IM

Performance 1M 3M 12M

Absolute 15.2% 16.2% 46.3%

Relative 15.0% 9.9% 20.4%

12M (H/L) 21.15/14.36

3M Average Volume (th): 1,506.47

Shareholder Data

No. of Ord shares (mn): 611

Total no. of shares (mn): 611

Mkt Cap Ord (Eu mn): 12,915

Total Mkt Cap (Eu mn): 12,915

Mkt Float - Ord (Eu mn): 11,778

Mkt Float (in %): 91.2%

Main Shareholder:

Blackrock 8.8%

Balance Sheet Data

Book Value (Eu mn): 2,545

BVPS (Eu): 4.16

3Q25 results slightly above expectations. Outlook broadly confirmed with net inflows (€1.3bn) and brokerage revenues (€35mn) both strong in October. Fineco is well placed to exploit its positioning as a one-stop platform with solid underlying growth potential. 2026 indications were qualitative, pointing to positive contributions from all business areas, and should be explored in more detail in a CMD on 4 March 2026. In our view, the current stock price already reflects most of these strengths, while expansion of investing margins remains subdued and capital remuneration is still below the sector average.

■ **3Q25 results slightly above expectations. Outlook broadly confirmed.** Fineco reported results that were slightly above our estimates and consensus, confirming solid operating trends. Total revenues reached €325mn (flat YoY; +3% QoQ), supported by strong fee income growth (+13% YoY) that offset the expected NII decline (-12% YoY). Operating costs of €87mn were fully in line with guidance, keeping the cost/income ratio at 27%, among the best in the sector. Net profit stood at €163mn (-4% YoY; +6% QoQ), 2% ahead of our forecast. Management confirmed FY25 guidance, reiterating expectations for a QoQ NII recovery starting from 4Q and a record year for brokerage revenues.

■ **Preliminary October inflows: strong overall data, mix affected by BTP Valore placement.** October inflows were very healthy at €1.3bn (+33% YoY), confirming Fineco's strong commercial traction even in a month when the mix was affected by the BTP Valore placement, which led to €0.1bn of outflows from deposits. This was offset by inflows of €0.5bn to AuM and €0.9bn to AuC. Management expects the mix to normalise as of November, with deposit inflows resuming and further supporting the recovery in NII. Fineco also added 19k new clients in October, one of the best monthly results ever, and reported ~€31.5mn in brokerage revenues, confirming a structurally higher floor for trading activity.

■ **Change in estimates: 2025/26/27 EPS +2.4%/+4.5%/+3.7%.** We are raising our estimates, reflecting greater visibility on NII recovery supported by stronger-than-expected deposit growth. Changes also reflect solid commercial momentum, with robust net inflows and a structurally higher brokerage contribution confirmed by record October revenues. We are nudging fee assumptions upwards on continued advisory traction and AuM expansion, while investing margins are expected to remain broadly stable. Operating costs unchanged, in line with guidance (cost/income <30%). We see a more supportive earnings trajectory entering 2026, with Fineco set to benefit from gradual NII improvement and sustained client activity.

■ **NEUTRAL confirmed; TP €21 (from €19.5).** We are updating our valuation to include new estimates and a lower risk-free rate (3.5% vs. 4.0%). Our TP is still based on peer multiples and a DDM. The multiples approach, using international fintech and direct-banking platforms, results in a fair value of ~€22. This is averaged with a DDM valuation, which yields ~€19, reflecting Fineco's lower capital return profile. The new fair value is therefore set at €21, implying 2026/2027 P/E at target of 19.2x/18.2x. NEUTRAL confirmed.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Commissions Income (Eu mn)	550	606	683	734	790
Total Income (Eu mn)	1,238	1,316	1,315	1,379	1,453
Net Operating Profit (Eu mn)	939	984	954	995	1,051
Net Profit Adj (Eu mn)	609	652	644	668	706
EPS New Adj (Eu)	0.997	1.068	1.054	1.093	1.156
EPS Old Adj (Eu)	0.997	1.068	1.029	1.047	1.115
DPS (Eu)	0.690	0.740	0.800	0.840	0.882
Market Cap/F.U.M.	22.3%	19.5%	17.7%	16.3%	15.0%
P/E Adj	21.2	19.8	20.1	19.3	18.3
Div. Yield	3.3%	3.5%	3.8%	4.0%	4.2%
ROE	29.7%	28.5%	26.1%	25.5%	25.4%

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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.

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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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BUY:	32.06%
OUTPERFORM:	39.69%
NEUTRAL:	27.49%
UNDERPERFORM:	00.76%
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:	50.65%
OUTPERFORM:	29.87%
NEUTRAL:	18.18%
UNDERPERFORM:	01.30%
SELL:	00.00%

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