

SAIPEM

Sector: Energy

OUTPERFORM

Price: Eu3.10 - Target: Eu3.80

Mozambique LNG Project Officially Relunched

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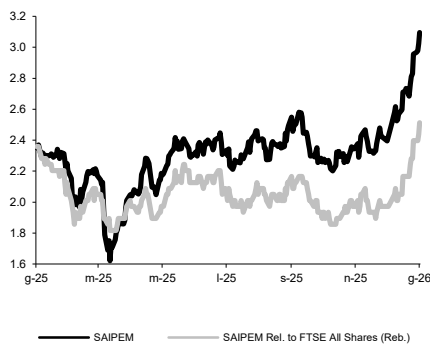
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 3.10 to 3.80		
	2025E	2026E	2027E
Chg in Adj EPS	0.2%	5.3%	9.3%

Next Event

4Q25 Results Out on 24 February

SAIPEM - 12M Performance



Stock Data

Reuters code:	SPMI.MI		
Bloomberg code:	SPM IM		
Performance	1M	3M	12M
Absolute	29.2%	36.1%	31.2%
Relative	27.7%	31.7%	7.1%
12M (H/L)	3.10/1.62		
3M Average Volume (th):	38,877.67		

Shareholder Data

No. of Ord shares (mn):	1,996
Total no. of shares (mn):	1,996
Mkt Cap Ord (Eu mn):	6,176
Total Mkt Cap (Eu mn):	6,178
Mkt Float - Ord (Eu mn):	3,525
Mkt Float (in %):	57.1%
Main Shareholder:	
Eni - Cdp	43.0%

Balance Sheet Data

Book Value (Eu mn):	2,686
BVPS (Eu):	1.35
P/BV:	2.3
Net Financial Position (Eu mn):	60
Enterprise Value (Eu mn):	6,817

The Mozambique LNG project was officially relaunched on Tuesday. The sharp order intake acceleration posted by Saipem in the last two weeks of 2025 (US\$4.1bn) continued the healthy commercial momentum and enabled the company to maintain a record backlog of well over Eu30bn. Saipem's 3Q25 results and the expected backlog execution in 4Q25 offer high visibility on FY25 EBITDA targets (which we deem conservative). We still believe the outlook for the Offshore segment remains strong, despite current oil price volatility, and we expect Saipem's margins and cashflow generation to continue to improve in the coming quarters. Completion of the merger with Subsea 7, expected in 2H26, will be a strong catalyst for the stock in the coming months. OUTPERFORM confirmed; target raised to Eu3.80ps.

- **Mozambique LNG project officially relaunched.** On Tuesday Mozambique President Daniel Chapo and TotalEnergies' CEO Patrick Pouyanne were in Afungi, Cabo Delgado to lead the ceremony for the relaunch of the Mozambique LNG project. Security issues linked to an Islamist insurgency delayed works for years, with the *force majeure* situation only lifted recently. At the end of September, the value of the Mozambique LNG project contract in Saipem's backlog amounted to around Eu2.4bn. We expect an upgrade to the backlog, partly already in 4Q25, related to backlog erosion and potential order changes in the coming quarters.
- **Very strong order intake at YE25.** The sharp acceleration in the order intake recorded by Saipem in the last two weeks of 2025 (US\$4.1bn) continued the healthy commercial momentum and enabled the company to maintain a record backlog of well over Eu30bn. The main contract awarded in the quarter was QatarEnergy's LNG COMP5 package of the North Field Production Sustainability (NFPS) project, worth US\$4.0bn in total (Saipem's share US\$3.1bn).
- **4Q25 results preview (24th February).** In our opinion, Saipem's 3Q25 results and expected 4Q25 backlog execution offer high visibility on FY25 EBITDA targets. We are above guidance for both EBITDA (Eu1.68bn vs. 'approx. Eu1.6bn') and free cash flow (Eu580mn vs. 'at least Eu500mn'). For 2026, we are projecting revenues of around Eu16bn, EBITDA of around Eu1.9bn and Free Cash Flow of around Eu0.6bn.
- **Updated estimates and valuation.** We are raising our revenue and margin projections slightly further for 2026 and the following years, reflecting a higher backlog and an expected prolonged investment cycle in the Offshore and gas monetisation segments. As for the valuation, we are raising our target price from Eu3.10ps to Eu3.80ps, still based on market multiples (9.0x 2026/27 EV/EBIT, from 2026 previously).
- **Share price performance and valuation.** After a very strong performance in 2024, Saipem was affected in 2025 by oil price volatility, especially in mid-April. In the last few weeks, the stock came firmly back into the spotlight, with the share price rising 25% YtD. Despite this jump, on our updated numbers Saipem still trade at a discount vs. its main European peers on 2027 multiples.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	11,874	14,449	15,074	16,026	16,232
EBITDA Adj (Eu mn)	926	1,329	1,678	1,904	2,002
Net Profit Adj (Eu mn)	179	306	327	434	564
EPS New Adj (Eu)	0.090	0.153	0.164	0.218	0.283
EPS Old Adj (Eu)	0.090	0.153	0.163	0.207	0.259
DPS (Eu)	0.000	0.166	0.134	0.124	0.134
EV/EBITDA Adj	3.3	3.8	3.4	3.6	3.1
EV/EBIT Adj	7.0	8.4	8.7	8.5	6.4
P/E Adj	34.5	20.2	18.9	14.2	11.0
Div. Yield	0.0%	5.4%	4.3%	4.0%	4.3%
Net Debt/EBITDA Adj	0.3	0.0	0.2	0.0	-0.3

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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 FTSEMIIB40 Index, most of those on the MIBEX 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 30 January 2026 Intermonte's Research Department covered 133 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.33%
OUTPERFORM:	39.10%
NEUTRAL:	27.82%
UNDERPERFORM:	00.75%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (74 in total) is as follows:

BUY:	52.70%
OUTPERFORM:	31.08%
NEUTRAL:	14.87%
UNDERPERFORM:	01.35%
SELL:	00.00%

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