SESA

Sector: Industrials

BUY (unchanged)

Target: €125 (unchanged)

Solid Organic Start, FY27 Guidance Confirmed

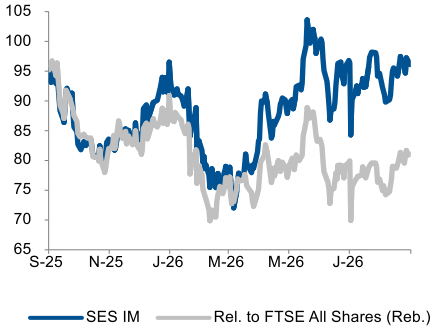
ANALYST(s)

Andrea Randone +39-02-77115.364
andrea.randone@intermonte.it

Change (%)	2027E	2028E	2029E
Eps Adj.	0.2%	0.4%	0.5%

Key Data	September 14, 2026
Price (€)	96.1
Upside/(Downside)	30.1%
Sector	Industrials
Reuters Code	SES.MI
Bloomberg Code	SES IM

Performance (%)	1M	3M	12M
Absolute	1.5%	-2.7%	9.4%
Relative	5.5%	-2.6%	-8.8%
12M (H/L)			103.60/72.05
3M Average Volume (th):			29.87



Shareholder data	
Total no. of Shares (mn):	15
Mkt Cap (€ mn):	1,459
Mkt Float (€ mn):	623
Mkt Float (in %):	42.7%
Main Shareholder:	
Sesa Holding	57.0%

Balance Sheet Data	
Book Value (€ mn)	460
BVPS (€)	34.50
P/BV	2.8
Net Financial Position (€ mn)	-18
Enterprise Value (€ mn)	1,343

1Q results highlighted solid, entirely organic growth of revenues (+6.5% YoY) and EBITDA (+7.6% YoY, margin stable at 7.2%), fully consistent with FY27 guidance that remains unchanged. The group remains firmly focused on FCF generation, as confirmed by LTM FCF before CapEx of Eu203mn. Management is confident of a continuing solid performance across all segments, with SSI returning to growth from 2Q. These trends are supported by Sesa's ability to continue outperforming its core market. We confirm our BUY recommendation, target of Eu125 unchanged.

- **1Q26/27 EBITDA up 7.6% YoY, a touch better.** Revenues for 1Q (1 May – 31 Jul 2026) came to Eu901.1mn, up 6.5% YoY, c.1% better than expected. In 1Q, ICT VAS remained strong, closing at Eu536.9mn, +8.1% YoY and broadly in line with our estimates; Digital Green, at Eu127.4mn, was up 14.4% YoY and c.2% better than expected, and Business Services was up +10.7% YoY to Eu40.8mn (in line on revenues but well ahead at EBITDA level), while SSI was down 3.2% YoY to Eu212.9mn, with growth expected to resume from 2Q. Quarterly group EBITDA came in at Eu65.3mn, up 7.6% YoY, 1.8% better than expected, driven by double-digit EBITDA growth at Business Services (+17.6% YoY, margin up to 21.1% from 19.9%), Green VAS (+23.1% YoY, margin up to 6.0%) and ICT VAS (+10.7% YoY, margin up to 4.6%), while SSI EBITDA was down 2.5% YoY (flat net of disposals) with the margin nonetheless improving to 10.8%. Further down, financial charges (Eu7.5mn, up 4.7% YoY) were slightly above our estimates, taking quarterly Group adjusted net profit to Eu30.1mn (+7.1% YoY), marginally below our forecast. Notably, as at the end of July 2026, net debt stood at Eu23.4mn, c.Eu6mn higher than as at the end of April due to the seasonal absorption of NWC in the quarter, but lower than the Eu64.9mn recorded a year ago; in the last 12 months, FCF before CapEx amounted to Eu203mn.
- **Together with 1Q results, management confirmed the 2027-28 targets**, setting growth targets of +5-7.5% YoY for revenues and +5-10% YoY for EBITDA. Looking at the individual business segments, management has guided for mid-to-high single-digit growth of revenues and profitability for VAS (both ICT VAS and Green VAS, supported by demand for data management, cybersecurity, private AI, and renewable energy); ca. 10% growth of revenues and profitability for Business Services, driven by the development of vertical applications and digital platforms for the Financial Services industry; and low single-digit growth for SSI, reflecting a focus on higher value-added and less labour-intensive areas, with growth resuming from 2Q. Free cash-flow generation should remain strong, with disciplined annual investments of c.Eu100mn. Human Resources were substantially stable at 6,775 as of July 2026 (vs 6,770 as of April 2026), confirming the "focus on organic growth in the Group's core businesses", with the c.Eu60mn annual M&A budget "mainly aimed at the buy-back of minorities to support the group streamlining and integration path" rather than external acquisitions (no M&A execution in 1Q27). The Board has also launched a second Eu5mn share buy-back programme (within the Eu20mn authorised on 27 August), running from 15 September to 15 December.
- **Estimates confirmed.** We confirm our FY27 and FY28 revenues and EBITDA estimates, which are in line with the mid-range of management guidance. Below EBITDA, we have trimmed D&A but rounded up financial charges.

Key Figures & Ratios	2025A	2026A	2027E	2028E	2029E
Sales (€ mn)	3,357	3,621	3,868	4,113	4,377
EBITDA Adj (€ mn)	241	260	280	300	321
Net Profit Adj (€ mn)	96	106	116	128	138
EPS New Adj (€)	6.184	6.914	7.637	8.400	9.076
EPS Old Adj (€)	6.184	6.915	7.618	8.368	9.031
DPS (€)	1.000	1.330	1.530	1.744	1.933
EV/EBITDA Adj	6.1	5.2	5.5	5.0	4.5
EV/EBIT Adj	7.9	6.8	7.3	6.6	5.9
P/E Adj	13.9	11.8	12.6	11.4	10.6
Div. Yield	1.0%	1.4%	1.6%	1.8%	2.0%
Net Debt/EBITDA Adj	0.3	0.1	0.0	-0.2	-0.4

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein, and any of its parts, is strictly prohibited. None of the contents of this document may be shared with third parties without Company authorization. Please see important disclaimer on the last page of this report

Intermonte

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 certify 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 15 September 2026 Intermonte's Research Department covered 138 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	28.26%
OUTPERFORM:	41.30%
NEUTRAL:	29.72%
UNDERPERFORM:	00.72%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (81 in total) is as follows:

BUY:	49.38%
OUTPERFORM:	29.63%
NEUTRAL:	18.52%
UNDERPERFORM:	02.47%
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, ECOSUNTEK, EL.EN., ELICA, FILA, FINCANTIERI, GIOCAMONDO STUDY, INTERCOS, INTRED, PHARMANUTRA, SALVATORE FERRAGAMO, SESA, SG COMPANY, STAR7, SYS-DAT, TMP GROUP, UNIDATA, VALSOIA, WEBUILD

Intermonte SIM S.p.A. provides or has provided corporate brokerage services to AATECH, ABC COMPANY, AEROPORTO GUGLIELMO MARCONI DI BOLOGNA, ALLCORE, ALMAWAVE, AVIO, CASTA DIVA GROUP, CUBE LABS, CY4GATE, DOMINION HOSTING HOLDING, ELICA, ESPRINET, EVISO, EXECUS, FINE FOODS & PHARMACEUTICALS NTM, GPI, HIGH QUALITY FOOD, IGD, IKONISYS SA, ISCC FINTECH, LEMON SISTEMI, LUVE, MAPS, MARE ENGINEERING GROUP, NEODECORTECH, NOTORIOUS PICTURES, PREATONI GROUP, REDELFI, REDFISH LONGTERM CAPITAL, REVO INSURANCE, REWAY GROUP, SERI INDUSTRIAL, SPINDOX, STAR7, TECNO, ULISSE 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 AATECH, ALLCORE, ALMAWAVE, B&C SPEAKERS, BANCA SISTEMA, BIFIRE, CASTA DIVA GROUP, COFLE, COM.TEL, CUBE LABS, CY4GATE, DOMINION HOSTING HOLDING, ECOSUNTEK, ELES, ELICA, ENERGY, EVISO, EXECUS, FIERA MILANO, FILA, FOPE, G.M. LEATHER, GREEN OLEO, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTERCOS, ISCC FINTECH, LEMON SISTEMI, MAPS, MARE ENGINEERING GROUP, MASI AGRICOLA, MATICA FINTEC, MISITANO & STRACUZZI SPA, NEODECORTECH, NOTORIOUS PICTURES, OLIDATA, PREATONI GROUP, RACING FORCE, REDELFI, REDFISH LONGTERM CAPITAL, SG COMPANY, SIMONE, SPINDOX, TAMBURI, TECNO, TMP GROUP, ULISSE 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, BANCA SISTEMA, MARE ENGINEERING GROUP, POSTE ITALIANE

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 is acting as advisor to Webuild in the voluntary public tender offer promoted on Trevi-Finanziaria Industriale.

Intermonte SIM is acting as advisor to Poste Italiane S.p.A. in the context of the voluntary public purchase and exchange offer promoted on TIM S.p.A. in relation to stock market aspects and institutional investors relationships, as well as intermediary responsible for the coordination of the collection of the offer acceptances.

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 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, POSTE ITALIANE, TELECOM ITALIA, WEBUILD

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 A2A, AMPLIFON, AZIMUT, BANCA GENERALI, BANCA IFIS, BANCA MEDIOLANUM, BANCO BPM, BCA MPS, BFF BANK, Bper Banca, BREMBO, BUZZI, CAMPARI, DANIELI & C, DIASORIN, ENEL, ENI, ERG, FERRARI, FINECOBANK, INDUSTRIE DE NORA, INTERPUMP GROUP, INTESA SANPAOLO, INWIT, IREN, ITALGAS, LEONARDO, LOTTOMATICA GROUP, MEDIOBANCA, MFE B, MONCLER, MONDADORI EDIT., NEXI, OVS, PIRELLI & C, POSTE ITALIANE, PRYSMIAN, SAIPEM, 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, VONTOBEL N

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, FNM, GEFRAN, GREEN OLEO, INTRED, MATICA FINTEC, MISITANO & STRACUZZI SPA, MONDADORI EDIT., OLIDATA, OMER, PHARMANUTRA, POWERSOFT, QF ALPHA IMM, REPLY, SESA, SG COMPANY, SOMEC, STAR7, SYS-DAT, TAMBURI, TESMEC, 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/it/avvertenze-legali/mifid-ii.html

Further information is available.