

UNICREDIT

Sector: Banks

NEUTRAL

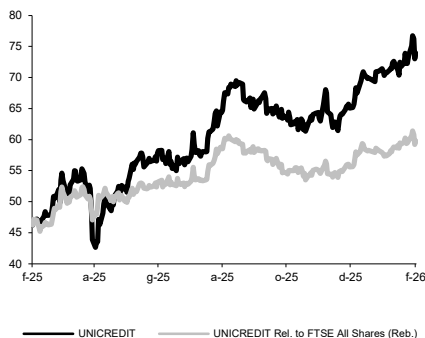
Price: Eu73.94 - Target: Eu80.00

Strong Targets Leveraging on Efficiency

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Stock Rating				
Rating:	Unchanged			
Target Price (Eu):	from 70.00 to 80.00			
	2026E	2027E	2028E	
Chg in Adj EPS	3.8%	7.7%	10.8%	

UNICREDIT - 12M Performance



Stock Data			
Reuters code:	CRDI.MI		
Bloomberg code:	UCG IM		
Performance	1M	3M	12M
Absolute	4.1%	16.4%	60.0%
Relative	3.8%	9.8%	36.4%
12M (H/L)	76.71/42.65		
3M Average Volume (th):	4,817.99		

Shareholder Data	
No. of Ord shares (mn):	1,530
Total no. of shares (mn):	1,447
Mkt Cap Ord (Eu mn):	113,141
Total Mkt Cap (Eu mn):	113,141
Mkt Float - Ord (Eu mn):	90,590
Mkt Float (in %):	80.1%
Main Shareholder:	
Blackrock	5.9%

Balance Sheet Data	
Tangible Equity (Eu mn):	66,974
TEPS (Eu):	46.29
CET1 Ratio Fully Loaded:	14.8%
Gross NPE Ratio:	2.5%

UCG's 2028 targets came in well ahead of both our estimates and consensus, driving a strong performance of the stock.

The company is focusing on a strong growth of its loan book, as well as a strong one regarding TFA, driving positive trends in both NII and total Fees (Net Fees+Insurance). On top, the OpEx reduction, mainly via lower HR costs, will further improve the operating line, targeting >€18bn of Net Operating Profit and a ~€13bn of Net profit in 2028, and a ≥€15bn Net Profit in 2030.

Overall, we raise Adj. EPS by 3.8%/7.7%/10.8% for FY26/27/28, and consequently raise our TP to €80. However, we confirm our NEUTRAL recommendation as we do not see much upside from current levels.

■ **The 4Q25 bottom line** beat expectations primarily due to non-operating tailwinds, specifically the recognition of unexpected goodwill from Alpha and CBK alongside a significant DTA write-up and revaluation linked to the IRAP increase. However, the underlying operational performance was weaker than anticipated, with operating profit missing consensus by 8.0% as a 4.5% top-line shortfall, driven by €240mn in frontloaded hedging costs on equity stakes, outweighed resilient NII and fee income. While OpEx remained in line with forecasts despite seasonal growth, pre-tax profit was further pressured by €1.2bn in integration costs that exceeded estimated magnitudes.

■ **Model updates** now incorporate revised UniCredit targets, leading to a projected increase in Adj. Net Profit of 4.3%/8.1%/11.2% for FY26/27/28. This upward revision is driven by a stronger top-line outlook, with total revenues expected to grow between 2.0% and 4.4% over the period fueled by robust loan growth, an intensified focus on AM/WM fees, and enhanced contributions from equity stakes in Alpha and CBK. Furthermore, profitability is supported by lower anticipated OpEx due to headcount reductions in the outer years and reduced provisions as the bank may leverage existing overlays amidst a benign asset quality environment. Starting in 1Q26, a new reporting restatement will reclassify several top-line items without impacting total revenues, specifically moving commodities interest margin into NII, shifting certificate costs and securitization expenses, and reallocating bancassurance indemnities into fees.

■ **UniCredit's 2026-2030 plan** targets a net profit of ≥€15bn and a sub-30% cost/income ratio by leveraging a cloud-native tech stack and agentic AI to drive efficiency. The strategy prioritizes fee income through 85% value chain internalization and expanding digital channels like "buddy" across 13 markets. Capital management remains robust with a €50bn shareholder distribution target through 2030, supported by an 80% ordinary payout and a disciplined 12.5-13.0% CET1 ratio range.

■ **Valuation:** we are valuing UCG using a GGM based on implicit P/TE, averaging 2027 and 2028 fair values. Given the updated estimates, we are raising our TP to €80, while confirming our NEUTRAL recommendation. The stock is trading at 1.70/1.60/1.50x its FY26/27/28 TE; at target it would trade at 1.73/1.63/1.52x.

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
Total income (Eu mn)	24,865	24,536	25,680	26,708	27,678
Net Operating Profit (Eu mn)	15,458	15,094	16,305	17,400	18,446
Net Profit Adj (Eu mn)	9,336	11,571	10,818	11,864	12,810
EPS New Adj (Eu)	5.994	7.677	7.477	8.420	9.351
EPS Old Adj (Eu)	5.993	7.157	7.200	7.820	8.438
DPS (Eu)	2.395	3.151	3.738	4.210	4.675
P/E Adj	12.3	9.6	9.9	8.8	7.9
Div. Yield	3.2%	4.3%	5.1%	5.7%	6.3%
P/TE	1.91	1.72	1.60	1.50	1.41
ROTE	15.5%	17.9%	16.2%	17.1%	17.8%

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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.

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

As at 10 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%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (72 in total) is as follows:

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

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