

UNIPOL

Sector: Insurance

OUTPERFORM

Price: Eu19.38 - Target: Eu22.40

Still Rising: Capital Keeps Building, Upside Keeps Growing

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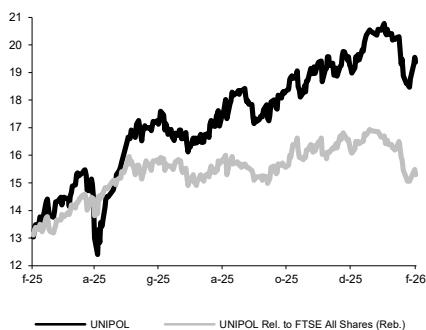
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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	from 21.50 to 22.40		
	2025E	2026E	2027E
Chg in Adj EPS	3.7%	0.1%	0.6%

Next Event

Results Out 20 February

UNIPOL - 12M Performance



Stock Data

Reuters code:	UNPI.MI		
Bloomberg code:	UNI IM		
Performance	1M	3M	12M
Absolute	-5.6%	0.0%	47.4%
Relative	-8.4%	-7.8%	20.6%
12M (H/L)		20.78/12.41	
3M Average Volume (th):		1,255.03	

Shareholder Data

No. of Ord shares (mn):	717
Total no. of shares (mn):	717
Mkt Cap Ord (Eu mn):	13,891
Total Mkt Cap (Eu mn):	13,891
Mkt Float - Ord (Eu mn):	8,746
Mkt Float (in %):	63.0%
Main Shareholder:	
Coop Alleanza 3.0 SC	23.5%

Balance Sheet Data

Book Value (Eu mn):	9,894
BVPS (Eu):	13.80
Solvency II (%):	228.1%

We expect FY25 results to reinforce Unipol's ability to consistently deliver high-quality earnings through disciplined underwriting, stable technical profitability and a capital-light Life business, complemented by a supportive and growing banking contribution. Closing figures should crystallise another year of strong capital generation, shifting the focus of the equity story from execution to capital allocation. With excess capital structurally exceeding planned dividends and valuation multiples that remain undemanding, we believe Unipol offers a compelling combination of yield and visibility, with scope for upside on shareholder remuneration. We therefore confirm our OUTPERFORM rating, raising our target price to €22.4.

■ **4Q25 preview – solid year-end with potential dividend upside.** We expect healthy trends to have continued in 4Q25, with P&C premiums at €2.8bn (+4% YoY) and a 93.2% Combined Ratio (vs. 92.8% in 4Q24), reflecting prudent NATCAT reserving and higher commissions on strong technical trends. Life premiums are seen at €1.3bn with €82mn pre-tax profit. FY25 should have closed strongly, with net profit at €1.53bn, P&C pre-tax at €987mn, and a €688mn banking contribution (including a €242mn one-off from the BPER-BPSO merger), lifting Solvency to ~222% and supporting a €1.05 DPS, with upside optionality, vs. consensus at a touch below €1.

■ **Excess capital generation supports dividend upside.** FY25 results are expected to show further excess capital generation, with the Strategic Plan implying around €1bn of organic capital in excess of projected dividends. This surplus enhances dividend visibility and leaves room for upside versus current through-the-plan payout assumptions: our estimate for cumulative dividend distribution of €2.47bn is above the company's €2.2bn target.

■ **Estimates: FY25/26/27/28 adj. EPS raised by +3.7%/+0.1%/+0.6%/+3.3%.** Estimate changes are limited and mainly reflect a stronger-than-expected banking contribution in FY25, driven by the positive one-off linked to the BPER-BPSO merger ratio. Insurance assumptions are broadly unchanged, with stable P&C margins and a solid Life contribution. We are lifting adj. EPS by +3.7% in FY25, with marginal changes in FY26-27, while +3.3% in FY28 reflects higher capital accumulation and the gradual normalisation of banking earnings, including initial benefits from the BPER-BPSO integration. DPS assumptions are confirmed, with upside optionality supported by excess capital generation. Finally, we believe 2025 includes cautious assumptions on reserving that will allow the company to reach and beat business plan targets.

■ **OUTPERFORM confirmed; target raised to €22.4 (from €21.5).** We are updating our fair value calculation for Unipol based on: (i) sector peers' P/E multiples; (ii) DDM based on our new DPS assumptions, as we think the dividend will remain a key area of interest for investors; (iii) NAV composed of the insurance segment business at peers' multiples plus the stake in BPER Banca at market value. The average of these approaches yields a fair value of €22.4ps. At target, the stock would be trading at 11.3x/10.4x/10.2x on 2026/27/28 P/E, still undemanding compared to European insurers.

Key Figures & Ratios	2024A	2025E	2026E	2027E	2028E
Total Net Premiums (Eu mn)	15,621	16,733	17,148	17,869	18,638
Total Net Income (Eu mn)	15,642	17,183	17,529	18,255	18,954
Operating Profit (Eu mn)	1,316	2,111	1,909	2,054	
Net Profit Adj (Eu mn)	1,074	1,429	1,422	1,539	1,581
EPS New Adj (Eu)	1.498	1.993	1.984	2.147	2.205
EPS Old Adj (Eu)	1.498	1.923	1.982	2.134	2.135
DPS (Eu)	0.850	1.050	1.150	1.250	
P/E Adj	12.9	9.7	9.8	9.0	8.8
Div. Yield	4.4%	5.4%	5.9%	6.4%	
P/BVPS	1.4	1.4	1.4	1.4	1.4

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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 FTSEMBI40 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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As at 5 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 (73 in total) is as follows:

BUY:	53.42%
OUTPERFORM:	31.51%
NEUTRAL:	13.70%
UNDERPERFORM:	01.37%
SELL:	00.00%

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