

# UNIPOL

Sector: Insurance

## OUTPERFORM

Price: Eu18.67 - Target: Eu21.50

### Caution Masks Strong Operating Trends

Alberto Villa +39-02-77115.431

alberto.villa@intermonte.it

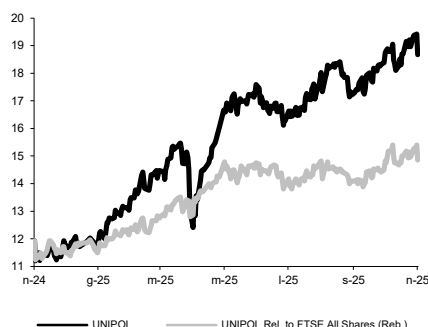
Antonio Gianfrancesco: +39-02-77115.634

antonio.gianfrancesco@intermonte.it

#### Stock Rating

|                    |                     |       |       |
|--------------------|---------------------|-------|-------|
| Rating:            | Unchanged           |       |       |
| Target Price (Eu): | from 21.00 to 21.50 |       |       |
|                    | 2025E               | 2026E | 2027E |
| Chg in Adj EPS     | 12.9%               | 2.9%  | 2.0%  |

#### UNIPOL - 12M Performance



#### Stock Data

|                         |             |           |            |
|-------------------------|-------------|-----------|------------|
| Reuters code:           | UNPI.MI     |           |            |
| Bloomberg code:         | UNI IM      |           |            |
| <b>Performance</b>      | <b>1M</b>   | <b>3M</b> | <b>12M</b> |
| Absolute                | -0.5%       | 3.6%      | 56.5%      |
| Relative                | 0.1%        | 0.2%      | 30.7%      |
| 12M (H/L)               | 19.41/11.20 |           |            |
| 3M Average Volume (th): | 1,415.29    |           |            |

#### Shareholder Data

|                           |        |
|---------------------------|--------|
| No. of Ord shares (mn):   | 717    |
| Total no. of shares (mn): | 717    |
| Mkt Cap Ord (Eu mn):      | 13,382 |
| Total Mkt Cap (Eu mn):    | 13,382 |
| Mkt Float - Ord (Eu mn):  | 8,425  |
| Mkt Float (in %):         | 63.0%  |
| Main Shareholder:         |        |
| Coop Alleanza 3.0 SC      | 23.5%  |

#### Balance Sheet Data

|                     |        |
|---------------------|--------|
| Book Value (Eu mn): | 9,855  |
| BVPS (Eu):          | 13.75  |
| Solvency II (%):    | 218.1% |

Unipol's 3Q print was not particularly exciting at first glance. The combined ratio at 93.5% was slightly higher than expected due to a higher expense ratio and reinsurance costs, and the higher profit was boosted mainly by the contribution of the banking segment. Solvency also missed on banking concentration. However, operating trends mask solid operating trends in our view. We think the equity story is far from over, with Unipol positioned to continue delivering robust insurance results and benefit from the exposure to the banking business, where we see further upside. Unipol is also at the crossroads of future financial sector consolidation, although it is still early to predict what might happen a few years down the road and for now we only incorporate the benefits of the upcoming BPER-BPSO merger. We have revised estimates upwards for 2025, mostly to factor the banking business contribution; we also see DPS'25 trending to exceed €1ps this year. We therefore confirm our OUTPERFORM stance and €21.5 price target as Unipol continues to trade at a discount to the sector and offers enticing returns in terms of ROE and dividends.

- **3Q/9M25 results nothing to write home about at first read.** 3Q total premiums were €3,474mn; P&C premiums €1,995mn with the combined ratio at 93.5% vs 92.3% expected; P&C pre-tax came in at €183mn. Life results were solid and in line with expectations, with premiums at €1,479mn and pre-tax at €96mn. Group pre-tax was €665mn thanks to banking at €367mn, with a positive €170mn one-off due to the BPER/BPSO deal. Net profit was €486mn or €316mn on an adjusted basis. Solvency came in slightly below expectation at 220%, or 265% ex banking.
- **Cautious stance on 3Q numbers confirmed during the call.** Comments were reassuring on current P&C trends and we think were not fully reflected in 3Q results. Indications on solvency and expected capital evolution also confirmed the healthy state of the group (more details below).
- **Estimates: FY25/26/27 adj. EPS raised by +13%/+3%/+2%.** We are revising our estimates for 2025, mostly to factor the higher contribution from the banking segment, partly related to a positive €170mn one-off for the tendering of BPSO shares to BPER, while we estimate a slight reduction of P&C pre-tax due to the aforementioned cautious stance, which will probably not fully reflect the positive underlying operating trends. In terms of dividends, we confirm the payout ratio range of ~50/60% with DPS'25/'26/'27 at €1.05/1.15/1.25, implying cumulative dividends of ~€2.5bn over the 3 years vs. the strategic plan target of €2.2bn.
- **OUTPERFORM confirmed; target raised to €21.5 (from €21.0).** 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 €21.5ps. At target, the stock would be trading at still undemanding multiples compared to European insurers at 11.2x/10.8x/10.1x on '25/'26/'27. Our estimates are also now above company targets for cumulative dividend distribution at €2.47bn vs €2.2bn.

| 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  | 1,969  | 1,902  | 2,043  |        |
| Net Profit Adj (Eu mn)     | 1,074  | 1,378  | 1,420  | 1,530  | 1,530  |
| EPS New Adj (Eu)           | 1.498  | 1.923  | 1.982  | 2.134  | 2.135  |
| EPS Old Adj (Eu)           | 1.498  | 1.703  | 1.925  | 2.093  | 2.125  |
| DPS (Eu)                   | 0.850  | 1.050  | 1.150  | 1.250  |        |
| P/E Adj                    | 12.5   | 9.7    | 9.4    | 8.7    | 8.7    |
| Div. Yield                 | 4.6%   | 5.6%   | 6.2%   | 6.7%   |        |
| P/BVPS                     | 1.4    | 1.4    | 1.4    | 1.3    | 1.3    |

#### 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](http://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 10 November 2025 Intermonte's Research Department covered 131 companies. Intermonte's distribution of stock ratings is as follows:

|               |        |
|---------------|--------|
| BUY:          | 32.06% |
| OUTPERFORM:   | 38.93% |
| NEUTRAL:      | 28.25% |
| 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% |

#### 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 ABITARE IN, AZIMUT, ELEN., ELICA, INTERCOS, INTRED, PHARMANUTRA, SESA, STAR7, SYS-DAT, TMP GROUP, UNIDATA, VALSOIA, WEBUILD**

**Intermonte SIM S.p.A. provides or has provided corporate brokerage services to ALLCORE, ALMAWAVE, ANTARES VISION, AQUAFIL, AVIO, CASTA DIVA GROUP, CUBE LABS, CY4GATE, CYBEROO, DOMINION HOSTING HOLDING, ELICA, ESPINET, EVISIO, EXECUS, FINE FOODS & PHARMACEUTICALS NTM, FNM, FRANCHI UMBERTO MARM, G.M. LEATHER, GPI, GREEN OLEO, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTRED, 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, TALEA GROUP, ULISSE BIOMED, 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 ALLCORE, ALMAWAVE, B&C SPEAKERS, BANCA SISTEMA, BIFIRE, CASTA DIVA GROUP, COFLE, CROWDFUNDME, CUBE LABS, DIGITOUCH, DOMINION HOSTING HOLDING, ECOSUNTEK, EDILIZIACROBATICA, ELES, ENERGY, EVISIO, EXECUS, FIERA MILANO, FILA, FOPE, G.M. LEATHER, GREEN OLEO, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTERCOS, INTRED, ISCC FINTECH, LEMON SISTEMI, MAPS, MARE ENGINEERING GROUP, MASI AGRICOLA, MISITANO & STRACUZZI SPA, NEODECORTECH, NOTORIOUS PICTURES, OLIDATA, OSAI AUTOMATION SYSTEM, PREATONI GROUP, RACING FORCE, REDELFI, REDFISH LONGTERM CAPITAL, RETI, SCIUKER FRAMES, SG COMPANY, SIMONE, SPINDOX, TALEA GROUP, TAMBURI, TINEXTA, TMP GROUP, TPS, 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 MARE ENGINEERING GROUP, TINEXTA**

**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 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 is acting as financial advisor to Banca CF+ in the context of the public tender offer promoted on Banca Sistema.**

**Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of financial advisor for AQUAFIL, BANCA GENERALI, BANCA IFIS, BANCO BPM, MARE ENGINEERING GROUP, TINEXTA**

**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 AZA, AMPLIFON, AZIMUT, BANCA GENERALI, BANCA IFIS, BANCA MEDIOLANUM, BANCO BPM, BCA MPS, BCA POP SONDRIO, 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, IVECO GROUP, 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, WISDOMTREE IRELAND LIMITED**

**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, ALKEMY, BANCA IFIS, BANCA SISTEMA, COFLE, CYBEROO, DIGITOUCH, ECOSUNTEK, ELEN., EMAK, ENERGY, GREEN OLEO, MISITANO & STRACUZZI SPA, MONDADORI EDIT., OLIDATA, OMER, PHARMANUTRA, QF ALPHA IMM, REPLY, SERVIZI ITALIA, SESA, SG COMPANY, SOMEK, SYS-DAT, TAMBURI, TESMEK, THE ITALIAN SEA GROUP, TINEXTA, TMP GROUP, TXT E-SOLUTIONS, UNIDATA, WIIT 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 2025 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.