

UNIPOL

Sector: Insurance

NEUTRAL

Price: Eu13.72 - Target: Eu14.70

2024 DPS A Good Appetiser Ahead of New Business Plan

 Alberto Villa +39-02-77115.431
 alberto.villa@intermonte.it

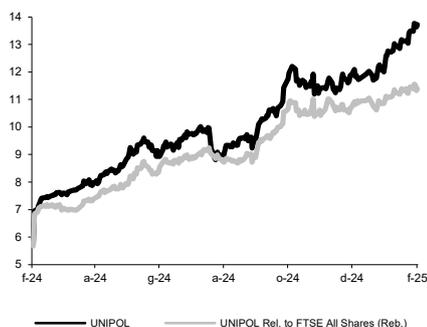
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 12.00 to 14.70		
	2025E	2026E	2027E
Chg in Adj EPS	-4.5%	0.3%	2.2%

Next Event

 New Strategic Plan Out March, 28th

UNIPOL - 12M Performance



Stock Data

Reuters code:	UNPI.MI
Bloomberg code:	UNI IM

Performance	1M	3M	12M
Absolute	12.2%	20.5%	138.9%
Relative	4.1%	10.1%	118.5%
12M (H/L)	13.77/5.74		
3M Average Volume (th):	2,640.07		

Shareholder Data

No. of Ord shares (mn):	717
Total no. of shares (mn):	717
Mkt Cap Ord (Eu mn):	9,834
Total Mkt Cap (Eu mn):	9,834
Mkt Float - Ord (Eu mn):	6,481
Mkt Float (in %):	65.9%
Main Shareholder:	
Coop Alleanza 3.0 SC	22.2%

Balance Sheet Data

Book Value (Eu mn):	9,855
BVPS (Eu):	13.75
Solvency II (%):	215.3%

- 4Q/FY24 results hit by one-offs, but operating trends remain consistent. DPS well above expectations at €0.85:** overall 4Q/FY24 operating trends were consistent with our expectations. Insurance segment net profit was €815mn in FY24, including €173mn of negative pre-tax one-offs related to the Employee Solidarity Fund. The FY24 Combined Ratio was 93.6% (vs. 98.5% in 2023) with 100% in Motor (vs. 97.1% in 2023) and 88% in Non-Motor (vs. 99.8% in 2023). The increased Motor CoR was mainly related to rising claims costs and changes to the law on reference loss valuations for macro injuries. The FY24 Solvency Ratio was 213%, or 263% excluding deductions for banking stakes, lighter than expected due in part to higher dividends.
- Conference call indications:**
 - i) P&C:** Motor premium prices should continue to rise in 2025, but at a slower rate.
 - ii) Nat Cat:** the 4Q24 Emilia Romagna floods cost €40mn. De-risking efforts during 2024 and renewed reinsurance contracts should lessen the future impact.
 - iii) Una Hotels:** Unipol is sounding out the market, but no decisions have been finalised. Sale or partnership possible.
 - iv) BPER / BP Sondrio exchange offer:** Solvency impact depends on acceptance levels, but would in any case be negligible (<6pp). Unipol intends to maintain bank stakes below 20%.
- Change in estimates: FY25 adj. net profit lowered slightly, focus on DPS and new Strategic Plan.** We are revising our net profit assumptions to include some accounting changes for the merger and slightly more prudent net profit trends on the back of normalisation of investment income and a slight structural increase in the NatCat impact. However, we see room for supportive indications in the new Business Plan presentation on 28 March. The positive surprise in DPS for 2024 is raising the bar on dividend expectations for the next three years: we are now pencilling in a payout slightly above 60% or 2025/26/27 DPS of €0.95/1.05/1.15, implying cumulative dividend payments of €2.26bn over the 3-year period, fulfilling the need to retain an attractive level in comparison to European competitors.
- NEUTRAL confirmed; target raised to €14.7 (from €12):** FY24 results were hit by some one-offs but confirmed positive operating trends for the group, and we expect constructive indications from the new Strategic Plan on 28 March. The new plan is expected to focus on technical excellence in P&C, partly thanks to a push on technology, growth in health, and opportunities to expand further in Life bancassurance. Unipol has publicly expressed support for the proposed BPER/BPSO merger, but also ruled out any intention to request regulator consent to rise above 20% of the capital. This position is probably also linked to the significant impact of banking investments on solvency. We are resetting our fair value calculation for Unipol based on: (i) sector peers' P/E multiples, to which we apply a 15% discount to factor in the significant contribution from banking earnings; (ii) a DDM based on our new DPS assumptions, as we think the dividend will remain a key area of interest for investors; (iii) NAV made up by insurance segment business at peers multiples, plus market value of banking stakes. The average of these approaches yields a fair value of €14.7ps, or potential upside of less than 10% to current prices.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Total Net Premiums (Eu mn)	14,930	15,621	16,635	17,499	18,365
Total Net Income (Eu mn)	15,901	16,271	17,400	18,228	19,143
Operating Profit (Eu mn)	1,298	1,316	1,496	1,607	1,717
Net Profit Adj (Eu mn)	834	1,074	1,101	1,180	1,257
EPS New Adj (Eu)	1.164	1.498	1.536	1.646	1.754
EPS Old Adj (Eu)	1.162	1.482	1.609	1.641	1.717
DPS (Eu)	0.380	0.850	0.950	1.050	1.150
P/E Adj	11.8	9.2	8.9	8.3	7.8
Div. Yield	2.8%	6.2%	6.9%	7.7%	8.4%
P/BVPS	1.0	1.0	1.0	1.0	1.0

DISCLAIMER (for more details go to [DISCLAIMER](#))

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 INFORMATION. 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 [PERFORMANCE](#) web page.

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 certifies 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 Ave, 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 of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 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

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 31 December 2024 Intermonte's Research Department covered 132 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	31.34 %
OUTPERFORM:	43.28 %
NEUTRAL:	25.38 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (71 in total) is as follows:

BUY:	50.70 %
OUTPERFORM:	29.58 %
NEUTRAL:	19.72 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

CONFLICT OF INTEREST

In order to disclose its possible conflicts of interest Intermonte SIM states that:

Intermonte acts as financial advisor to Banco BPM in the context of the offer promoted by UniCredit

Intermonte acts as ECM advisor to Banca Ifis in the offer promoted on illimity Bank

Intermonte acts as financial advisor to Retex S.p.A. – Società Benefit in relation to the voluntary public tender offer launched on Alkemy S.p.A.

Intermonte SIM has provided in the last 12 months / provides / may provide investment banking services to the following companies: Aquafil, Banca Ifis, Banco BPM, Cy4Gate, Esprinet, GPI, Growens, Maire Tecnimont, Tinexta, Unidata and WIT.

Intermonte SIM is acting 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 Specialist and/or Corporate Broker and/or Sponsor and/or Broker in charge of the share buy back activity of the following Companies: Abitare In, Alkemy, Anima Holding, Antares Vision, Aquafil, Avio, Banca Ifis, Banca Sistema, Civitanavi Systems, Cyberoo, Cy4gate, DHH, El.En, Elica, Emak, Esprinet, Fimit - Fondo Alpha, Fine Foods, Franchi Umberto Marmi, GPI, Greenthesis (formerly Ambientthesis), IEG, IndelB, Intred, Luve, Misitano & Stracuzzi, Mondadori, Notorious Pictures, Omer, Pharamutra, Relatech, Reply, Revo Insurance, Reway, Saes Getters, Sciuiker Frames, Servizi Italia, Sesa, Seri Industrial, Somec, Star7, Sy5-Dat Group, Talea, Tamburi, Tinexta, Tesmec, The Italian Sea Group, TXT, Unidata, Webuild and WIT.

Intermonte SIM has a contractual commitment to act as liquidity provider on behalf of third parties for the following company: Banca Sistema.

Intermonte SIM performs as a market maker for the following companies: A2A, Anima, Atlantia, Autogrill, Azimut Holding, BAMI, Banca Generali, Banca Mediolanum, Brembo, Buzzi, CNHI, Enel, ENI, Exor, Fineco, FCA, FTMIB, Generali, Italgas, Iren, Intesa Sanpaolo, Leonardo, Mediobanca, Moncler, Mediaset, Pirelli&C, Prysmian, Poste, Ferrari, Saipem, Snam, STM, Tenaris, Telecom Italia, Telecom Italia sav, Terna, UBI, Unicredit, Unipol, UnipolSai.

Intermonte SIM, through Websim, which constitute the digital division of Intermonte, acts as a Financial Content Provider and/or Specialist and/or Corporate Broker on the following companies: Abitare In, Alkemy, Allcore, Almawave, Banca Sistema, Bifire S.p.A., B&C Speakers, Casta Diva Group, Cleanbnb, Coffe, Crowdfundme, Cube Labs, Cy4gate, Cyberoo, DHH, Digital Bros, Digital Magics, Digitouch, Doxee, Edilziacrobatica Spa, Eles, Elica, Emak, Energy, Esi, Esprinet, Eviso, Fae Technology, Fiera Milano, Fope, FOS, Franchi Umberto Marmi, Giglio Group, GM Leather, GPI, Green Oleo, High Quality Food, Ikonisys, Intercos, Intred, ISCC Fintech, Lemon Sistemi, Lventure Group, Maps Group, Mare Group, Masi Agricola, Matica Fintec, Misitano & Stracuzzi, Neodecortech, Notorious Pictures, Olidata, Osai Automation System, Racing Force Group, Redfish Long Term Capital, Relatech, Reti, Sciuiker Frames, SG Company, Solid World Group, Spindox Digital Soul, Talea, Tamburi, Tesmec, Tinexta, TMP Group, Tps Group, Trendevice, Ulisse Biomed, Xenia Hôtellerie Solution Spa Società Benefit, Wilit, Zest.

Intermonte SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

Emittente	%	Long/Short

© 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 [MIFID](#)

Further information is available