Milan, 23 February 2026

Italian Equity Research – 4Q/FY25 Results

UNIPOL

OUTPERFORM

Sector: Insurance

Price: Eu21.13 - **Target: Eu23.60**

Compounding Capital in Plain Sight

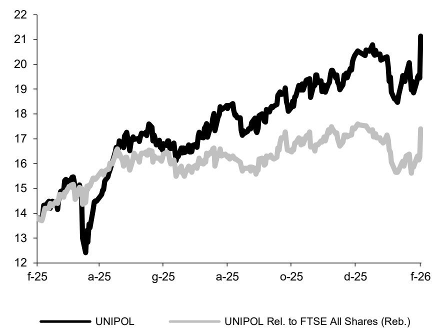
Antonio Gianfrancesco +39-02-77115.634
antonio.gianfrancesco@intermonte.it
Alberto Villa: +39-02-77115.431
alberto.villa@intermonte.it

Stock Rating			
Rating:			Unchanged
Target Price (Eu):			from 22.40 to 23.60
	2026E	**2027E**	**2028E**
Chg in Adj EPS	5.9%	6.1%	4.7%

Next Event

1Q26 Results Out 15 May

UNIPOL - 12M Performance



Stock Data			
Reuters code:			UNPI.MI
Bloomberg code:			UNI IM
Performance	**1M**	**3M**	**12M**
Absolute	6.3%	10.3%	52.8%
Relative	2.7%	2.2%	31.3%
12M (H/L)			21.13/12.41
3M Average Volume (th):			1,329.36

Shareholder Data	
No. of Ord shares (mn):	717
Total no. of shares (mn):	717
Mkt Cap Ord (Eu mn):	15,145
Total Mkt Cap (Eu mn):	15,145
Mkt Float - Ord (Eu mn):	9,535
Mkt Float (in %):	63.0%
Main Shareholder:	
Coop Alleanza 3.0 SC	23.5%

Balance Sheet Data	
Book Value (Eu mn):	11,326
BVPS (Eu):	15.80
Solvency II (%):	235.7%

Unipol is no longer just a solid insurer delivering disciplined underwriting. It is a capital growth story accelerating faster than plan projections and expectations. FY25 results confirm structural earnings strength, but more importantly, show organic capital generation running much faster than initially assumed. With €0.5bn of excess capital already delivered in year one, dividend expectations have effectively shifted higher, and the €2.2bn target already looks obsolete. Focus turns decisively to capital allocation and rising shareholder returns. On our €2.7bn cumulative FY25-27 dividend estimate, the implied cumulative yield approaches 18%. We therefore confirm our OUTPERFORM rating, raising our target price to €23.6.

- **4Q/FY25 results – capital running faster than plan.** FY25 results confirm solid execution, but more importantly, demonstrate that capital generation is outpacing plan assumptions. Net profit reached €1.53bn (+37% YoY), Insurance net profit €1.21bn (+40% YoY), while Solvency rose to 233% (+21pp YoY). Organic capital generation hit €1.4bn, already delivering ~€0.5bn excess in one year, half of the €1bn 2025-27 target. The €1.12 DPS (+32% YoY) beat both our/cons of €1.05/ €0.99. P&C delivered a 92.9% CoR (-0.7 pp YoY) driven by Motor at 94.8% (-5.2 pp YoY), with €926mn pre-tax profit. Life premiums grew 21% YoY, CSM reached €2.79bn (+15% YoY), pre-tax €369mn (+14% YoY). Banking contributed €691mn (+76% YoY).
- **Targets at hand – dividends moving higher.** FY25 results and the tone of the conference call made one thing clear: the plan's shareholder remuneration targets are definitely conservative. We now estimate €2.7bn in cumulative dividends vs. the €2.2bn target, with an effective floor at €2.4bn after management indicated that the €800mn seen in FY25 is replicable. Capital is surging ahead: €0.5bn excess was already generated in year one (half of the €1bn 2025-27 target). We forecast €4.6bn of cumulative net profit vs. €3.8bn in the plan and a 2027 CoR of 91.3% vs. the 92% target, with early NatCat reserving and reinsurance providing an embedded buffer.
- **Estimates: raising FY26/27/28 adj. EPS by +5.9%/+6.1%/+4.7%.** Following FY25 results, we are upgrading later-year estimates to reflect stronger margins and a faster capital build up. In P&C, despite slightly lower premium assumptions (-1.0%/-0.7%/-0.4% for FY26/27/28 respectively), we are lifting pre-tax by +6.1%/+6.5%/+4.2%, on higher financial income and a lower loss ratio (-0.6/-0.8/-0.1pp), with FY26 CoR at 92.0%. Life pre-tax lifted by +17%/+16%/+14% on +9% premium upgrades and stronger CSM momentum. Adj. EPS raised by +5.9%/+6.1%/+4.7%, Solvency seen at 236% in FY26 (+7.6pp). We are also lifting the DPS to €1.25/€1.35/€1.40 (~60% payout), implying ~€2.7bn in cumulative dividends vs. the official 2025-2027 target of €2.2bn.
- **OUTPERFORM confirmed; target raised to €23.6 (from €22.4).** We are updating our valuation on Unipol based on: (i) peers' P/E multiples; (ii) DDM on our new DPS assumptions, as we think the dividend remains a key area of interest; (iii) NAV composed of the insurance segment plus the BPER Banca stake at market value. The average of these approaches yields a fair value of €23.6ps. At target, the stock would be trading at 11.2x/10.4x/10.2x on 2026/27/28 P/E, still undemanding compared to European peers.

Key Figures & Ratios	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Total Net Premiums (Eu mn)	15,621	17,362	17,705	18,481	19,305
Total Net Income (Eu mn)	15,642	17,713	18,125	18,885	19,685
Operating Profit (Eu mn)	1,316	2,058	2,027	2,186	2,199
Net Profit Adj (Eu mn)	1,074	1,482	1,506	1,633	1,654
EPS New Adj (Eu)	1.498	2.068	2.102	2.279	2.308
EPS Old Adj (Eu)	1.498	1.993	1.984	2.147	2.205
DPS (Eu)	0.850	1.120	1.250	1.350	1.400
P/E Adj	14.1	10.2	10.1	9.3	9.2
Div. Yield	4.0%	5.3%	5.9%	6.4%	6.6%
P/BVPS	1.6	1.4	1.3	1.3	1.2

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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 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.
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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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BUY:	31.58%
OUTPERFORM:	37.59%
NEUTRAL:	30.08%
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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