

POSTE ITALIANE

Sector: Asset mgmt

NEUTRAL

Price: Eu18.36 - Target: Eu16.80

On Track for Guidance Raise

Alberto Villa +39-02-77115.431

alberto.villa@intermonte.it

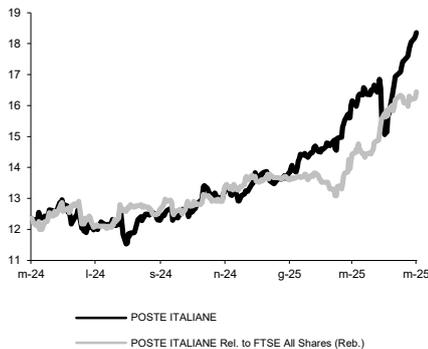
Antonio Gianfrancesco: +39-02-77115.634

antonio.gianfrancesco@intermonte.it

Stock Rating

| | | | |
|---------------------------|---------------------|--------------|--------------|
| Rating: | Unchanged | | |
| Target Price (Eu): | from 15.70 to 16.80 | | |
| | 2025E | 2026E | 2027E |
| Chg in Adj EPS | 0.0% | 0.0% | 0.0% |

POSTE ITALIANE - 12M Performance



Stock Data

| | | | |
|-------------------------|-------------|-----------|------------|
| Reuters code: | PST.MI | | |
| Bloomberg code: | PST IM | | |
| Performance | 1M | 3M | 12M |
| Absolute | 21.9% | 25.9% | 48.5% |
| Relative | 5.3% | 22.4% | 37.1% |
| 12M (H/L) | 18.36/11.53 | | |
| 3M Average Volume (th): | 2,810.03 | | |

Shareholder Data

| | |
|-------------------------------|--------|
| No. of Ord shares (mn): | 1,306 |
| Total no. of shares (mn): | 1,306 |
| Mkt Cap Ord (Eu mn): | 23,980 |
| Total Mkt Cap (Eu mn): | 23,980 |
| Mkt Float - Ord (Eu mn): | 8,561 |
| Mkt Float (in %): | 35.7% |
| Main Shareholder: | |
| Cassa Depositi e Prestiti SpA | 35.0% |

Balance Sheet Data

| | |
|---------------------|-------|
| Book Value (Eu mn): | 7,842 |
| BVPS (Eu): | 9.12 |

- Better-than-expected results lay foundations for 2H25 guidance revision.** 1Q25 revenues (+5% YoY) were slightly better than our estimates, mainly thanks to a powerful beat in the Insurance division and strong NII progression. Adjusted EBIT, excl. systemic charges for the insurance guarantee fund (€19m), rose 13% YoY, 8% better than our expectations. Group net profit was €596mn (vs. €501mn in 1Q24), better than consensus and our estimates. During the conference call, management confirmed that looking at the updated projections, the business trend is currently ahead of initial plans. All in all, we believe the company made a strong start to the year, opening the door for an upward revision of guidance to be announced in 2H.
- 1Q25 performance driven by Financial and Insurance Services.** Interesting insights emerged at divisional level. In Insurance, excellent inflow data, with ~€6bn of Life GWP and an encouraging CSM trend, reflected in €370mn New Business and an annualised release ratio >10%, is expected to bring EBIT to >€350mn for the coming quarters. By contrast, considering the composition of NII and the related benefit in terms of passive leg from the fall in interest rates in the short end of the yield curve, we believe the outstanding 1Q25 NII of €666mn (+13% YoY), is not necessarily replicable in the coming quarters. On the other hand, an acceleration is expected in logistics and Postepay Services revenues, thanks to the repricing of mail tariffs from April and digital payment seasonality turning positive in 2Q.
- Long-term strategic investment in TIM.** During 1Q25, Poste concluded a deal to acquire another ~15% of TIM, bringing its total stake to 24.8%. We believe this is the basis for a long-term strategic relationship between the two companies. We think in the short term, as announced, the synergistic impact of the deal will only come from PosteMobile moving from the Vodafone to TIM network as of January 2026. Further industrial/commercial synergies may only emerge in the medium-long term, with Poste intending to favour Italian telco market consolidation, and potential synergies arising from the cross-distribution of products through the two networks. From a financial point of view, the could be significantly profitable, especially if the rebalancing of TIM's governance structure unlocks value creation initiatives, such as a freeing-up of reserves to remunerate shareholders, the conversion of savings shares or stake disposals.
- NEUTRAL confirmed; target from €15.7 to €16.8.** We are updating our valuation, based on DDM and SOP models: the average of the two now yields a fair value of €16.8ps. The negative impact of a higher ERP in the DDM, now at 6.0% from 5.5% previously, is offset by a re-rating in the SOP mainly due to the insurance, asset management and banking businesses. Our SOP now includes the updated stake in TIM, from 9.81% to 24.8%, at market value. In terms of FY25 estimates, we confirm our expectations, which were already slightly above guidance, as we expect an upward revision in company targets in the coming quarters. We think the current dividend policy, with the FY25 DPS expected at €1.15-1.18 (70% payout ratio) sets a potential "stock price floor" in terms of dividend yield. At the same time, the current yield (~6.3%) does not offer further significant upside in our view. We confirm our NEUTRAL rating.

| Key Figures & Ratios | 2023A | 2024A | 2025E | 2026E | 2027E |
|------------------------------|--------|--------|--------|--------|--------|
| Commissions Income (Eu mn) | 2,827 | 2,892 | 2,930 | 3,000 | 3,005 |
| Total Income (Eu mn) | 11,989 | 12,589 | 12,945 | 13,125 | 13,304 |
| Net Operating Profit (Eu mn) | 2,620 | 2,546 | 2,992 | 3,097 | 3,129 |
| Net Profit Adj (Eu mn) | 1,918 | 2,013 | 2,180 | 2,208 | 2,233 |
| EPS New Adj (Eu) | 1.469 | 1.541 | 1.669 | 1.690 | 1.709 |
| EPS Old Adj (Eu) | 1.469 | 1.541 | 1.669 | 1.690 | 1.709 |
| DPS (Eu) | 0.800 | 1.080 | 1.150 | 1.180 | 1.220 |
| Market Cap/F.U.M. | 8.2% | 7.8% | 7.8% | 7.9% | 7.9% |
| P/E Adj | 12.5 | 11.9 | 11.0 | 10.9 | 10.7 |
| Div. Yield | 4.4% | 5.9% | 6.3% | 6.4% | 6.6% |
| ROE | 18.4% | 22.1% | 26.7% | 25.7% | 23.7% |

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 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 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 March 2025 Intermonte's Research Department covered 131 companies.

As of today Intermonte's distribution of stock ratings is as follows:

| | |
|--------------|---------|
| BUY: | 32.59 % |
| OUTPERFORM: | 37.78 % |
| NEUTRAL: | 29.63 % |
| UNDERPERFORM | 00.00 % |
| SELL: | 00.00 % |

As at 31 March 2025 the distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (74 in total) is as follows:

| | |
|--------------|---------|
| BUY: | 52.70 % |
| OUTPERFORM: | 29.73 % |
| NEUTRAL: | 17.57 % |
| UNDERPERFORM | 00.00 % |
| 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, ANIMA HOLDING, AZIMUT, CIVITANAVI SYSTEMS, EL.EN., ELICA, INTRED, PHARMANUTRA, SERVIZI ITALIA, SESA, TMP GROUP, UNIDATA, 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, DIGITOUCH, DOMINION HOSTING HOLDING, ELICA, ENERGY, ESPRINET, EVISO, FINE FOODS & PHARMACEUTICALS NTM, FNM, FRANCHI UMBERTO MARM, G.M. LEATHER, GPI, GREEN OLEO, GREENTHESIS, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTRED, ISCC FINTECH, ITALIAN EXHIBITION GROUP, LEMON SISTEMI, LUVÉ, MAPS, MARE ENGINEERING GROUP, NEODECORTECH, NOTORIOUS PICTURES, REDFISH LONGTERM CAPITAL, REVO INSURANCE, REWAY GROUP, SERI INDUSTRIAL, SG COMPANY, 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, CLEANBNB, COFLE, CROWDFUNDME, CUBE LABS, DIGITOUCH, DOMINION HOSTING HOLDING, ECOSUNTEK, EDILIZIACROBATICA, ELES, ENERGY, EVISO, FAE TECHNOLOGY, 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, RACING FORCE, REDFISH LONGTERM CAPITAL, RETI, SCIUKER FRAMES, SG COMPANY, SIMONE, SOLID WORLD GROUP, SPINDOX, TALEA GROUP, TAMBURI, TINEXTA, TMP GROUP, 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 SAES GETTERS, 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 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 S.p.A. performs or has performed in the last 12 months the role of financial advisor for AQUAFIL, BANCA IFIS, BANCO BPM, MAIRE, RETEX SPA, 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 A2A, AMPLIFON, AZIMUT, 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, WISDOOTREE 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, CIVITANAVI SYSTEMS, COFLE, CYBEROO, DIGITOUCH, ECOSUNTEK, EL.EN., EMAK, ENERGY, GREENTHESIS, MISITANO & STRACUZZI SPA, MONDADORI EDIT., OLIDATA, OMER, PHARMANUTRA, QF ALPHA IMM, REPLY, SAES GETTERS, SERVIZI ITALIA, SESA, SG COMPANY, SOMEC, SYS-DAT, TAMBURI, TESMEC, 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.

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