

# SAIPEM

Sector: Energy

# OUTPERFORM

Price: Eu3.50 - Target: Eu4.40

## Stronger Offshore E&C, Solid 2026 Guidance

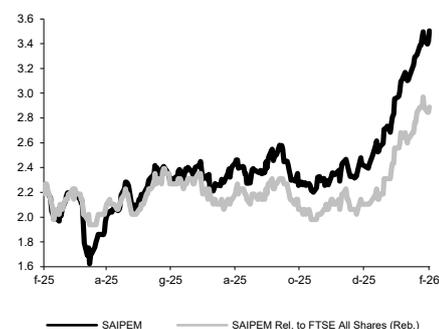
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### Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 3.80 to 4.40		
	2026E	2027E	2028E
Chg in Adj EPS	6.8%	10.3%	11.8%

### SAIPEM - 12M Performance



### Stock Data

Reuters code:	SPMI.MI
Bloomberg code:	SPM IM

Performance	1M	3M	12M
Absolute	18.5%	48.6%	54.4%
Relative	14.0%	38.6%	32.7%
12M (H/L)	3.50/1.62		
3M Average Volume (th):	40,629.01		

### Shareholder Data

No. of Ord shares (mn):	1,996
Total no. of shares (mn):	1,996
Mkt Cap Ord (Eu mn):	6,990
Total Mkt Cap (Eu mn):	6,992
Mkt Float - Ord (Eu mn):	3,989
Mkt Float (in %):	57.1%
Main Shareholder:	
Eni - Cdp	43.0%

### Balance Sheet Data

Book Value (Eu mn):	2,771
BVPS (Eu):	1.39
P/BV:	2.5
Net Financial Position (Eu mn):	338
Enterprise Value (Eu mn):	7,453

SAIPEM's 4Q25 results showed stronger-than-expected operating margins in Asset Based Services (Offshore E&C), while the bottom line fell slightly short, penalized by higher taxes. 2026 guidance was solid, in line with expectations. We continue to believe the outlook for the Offshore segment remains very strong and we expect SAIPEM's margins and cashflow generation to continue to improve in the coming quarters. Completion of the merger with Subsea 7 in 2H26 will be a strong catalyst for the stock. **OUTPERFORM** confirmed; target raised to Eu4.40ps.

■ **4Q25 results.** SAIPEM's 4Q25 results were above our expectations at EBITDA level, thanks to stronger-than-expected operating margins at Asset Based Services (Offshore E&C), while the bottom line was slightly weaker due to higher taxes. Cash flow generation and order intake were in line. In detail: 4Q25 revenues closed at Eu4,515mn (+5% YoY, +20% QoQ, vs. exp. Eu4,092mn), EBITDA at Eu515mn (+21% YoY, +18% QoQ, vs. exp. Eu478mn), and net income at Eu89mn (-12% YoY, +9% QoQ, vs. exp. Eu105mn). Moving to the balance sheet, the net financial position pre IFRS16 was positive at Eu999mn (vs. exp. Eu-940mn), while post-IFRS16 it was negative at Eu272mn (vs. exp. Eu340mn) from Eu411mn as at the end of September. Looking at the different divisions, Asset Based Services (Offshore E&C) closed with EBITDA of Eu424mn (+33% YoY, +26% QoQ, vs. exp. Eu364mn), Energy Carriers (Onshore E&C) at Eu32mn (+78% YoY, +14% QoQ, vs. exp. Eu34mn), and Offshore Drilling at Eu59mn (-32% YoY, -19% QoQ, vs. exp. Eu79mn). Proposed DPS Eu0.17 (Eu330mn), in line with the announced dividend policy.

■ **Order intake at Eu5.4bn, backlog at Eu31.6bn.** On the commercial front, order intake reached Eu5,426mn in the quarter (vs. exp. Eu5,140mn). The main contract awarded in the quarter was QatarEnergy's LNG COMP5 package on the North Field Production Sustainability (NFPS) project, worth US\$4.0bn in total (SAIPEM's share US\$3.1bn). The backlog closed at Eu31,578mn (vs. exp. Eu31,721mn) from Eu30,686mn as at the end of September.

■ **2026 guidance.** SAIPEM sees revenue of approx. Eu15.5bn, EBITDA of approx. Eu1.9bn, fully supported by the current backlog; operating cash flow (post repayment of lease liabilities) of approx. Eu1.0bn, CapEx of approx. Eu450mn, free cash flow (post repayment of lease liabilities) of at least Eu600mn. For the Asset Based Services (Offshore E&C) division in particular, SAIPEM guided for low single-digit growth of revenues and double-digit growth of EBITDA, with a further increase in EBITDA margin.

■ **DVD acquisition not finalized.** Yesterday evening SAIPEM announced that Deep Value Driller decided not to finalize the agreement for the sale of the DVD drillship.

■ **Updated estimates and valuation.** We have updated our revenue and margin projections for 2026 and the following years, increasing Asset Based Services (Offshore E&C), while trimming Energy Carriers (Onshore E&C) and Offshore Drilling. On the bottom line, these translate into a 7-10% increase in net income projections for 2026-27. As for the valuation, we are raising our target price from Eu3.80ps to Eu4.40ps, still based on market multiples (9.0x 2026/27 EV/EBIT).

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
Sales (Eu mn)	14,449	15,497	15,616	15,882	16,008
EBITDA Adj (Eu mn)	1,329	1,716	1,931	2,043	2,097
Net Profit Adj (Eu mn)	306	310	464	622	755
EPS New Adj (Eu)	0.153	0.155	0.232	0.312	0.378
EPS Old Adj (Eu)	0.153	0.164	0.218	0.283	0.338
DPS (Eu)	0.167	0.165	0.166	0.128	0.153
EV/EBITDA Adj	3.8	3.4	3.9	3.4	3.0
EV/EBIT Adj	8.4	8.5	8.4	6.4	5.2
P/E Adj	22.8	22.5	15.1	11.2	9.3
Div. Yield	4.8%	4.7%	4.7%	3.7%	4.4%
Net Debt/EBITDA Adj	0.0	0.2	-0.2	-0.4	-0.6

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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.

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

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Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 26 February 2026 Intermonte's Research Department covered 133 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	31.58%
OUTPERFORM:	38.35%
NEUTRAL:	29.32%
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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