AYON SOCIETY

EQUITY RESEARCH

Automotive Components | Italy

BREMBO

Investment thesis

A premium braking franchise with four identifiable growth drivers

BRE IM | Capital Group

RATING	TARGET PRICE
BUY	€13.50

18 October 2026

AYON Society | Equity Research

Brembo (BRE IM)

A premium braking franchise with four identifiable growth drivers

Sensify®, low-emission braking and aluminium calipers support product growth; financial capacity helps fund execution.

RATING **BUY** | TARGET **€13.50**

INVESTMENT SUMMARY

We rate Brembo **BUY** with a target price of **€13.50 per share**. Brembo is the global reference in braking systems: number one worldwide in brake discs and aluminium calipers, with a ~18% global share in brake discs, FY2025 revenue of €3.70bn and an EBITDA margin of 16.5%.

Our thesis rests on four identifiable growth drivers:

- **Sensify®.** Brake-by-wire moves Brembo from component supplier to full system integrator. Series production started in May 2026 and software and electronics can increase content per vehicle.
- **Low-emission braking.** Greentive® and Greenance® coated discs and pads benefit from Euro 7 and tighter particulate-emission requirements.
- **Financial strength.** Net debt / EBITDA of 1.17x supports investment, while premium exposure and China partnerships broaden the opportunity.
- **Aluminium calipers.** The multi-decade shift from cast iron supports continued demand for lighter components, without requiring a new technological breakthrough.

On reported FY2025 results and the 25 May 2026 market capitalisation, the shares trade at ~7.1x EV/EBITDA and ~17.3x P/E. The thesis depends on commercial adoption of Sensify®, sustained profitability and disciplined capital allocation.

KEY DATA

Ticker	BRE IM
Sector	Auto parts
HQ	Stezzano (Italy)
Market cap[1]	€3.63bn
Net debt[2]	€719m
EV (simplified)	€4.35bn
EV / EBITDA FY25	~7.1x
P/E FY25	~17.3x
Net debt / EBITDA	1.17x
Bombassei family	53.5%

FINANCIALS

€m	FY2025
Revenue	3,702.7
EBITDA	612.1
EBITDA margin	16.5%
Net income	209.3
Capex	441
Capex / sales	11.9%

[1] Market snapshot of 25 May 2026. [2] At 31 December 2025.

COMPANY OVERVIEW

Brembo designs and manufactures braking systems: brake discs, calipers, pads and complete brake systems, plus electronic brake-by-wire (Sensify®). It supplies car, motorbike and commercial-vehicle makers, competes at the top of motorsport and sells into the aftermarket. The group operates 39 plants in 18 countries, has ~16,000 employees and 10 R&D centers. It is headquartered in Stezzano (Italy) and is a long-standing supplier to Ferrari, Lamborghini, Aston Martin and Maserati.

Sixty years from a small workshop near Bergamo to the global reference in braking systems:

Year	Milestone
1961	Founded in Paladina (Bergamo) by Emilio Bombassei and Italo Breda
1964	Starts producing brake discs for the aftermarket
1975	Begins supplying Ferrari in Formula 1
1995	Listed on the Milan Stock Exchange
2021	Launches Sensify®, its brake-by-wire platform
2026	Sensify® enters series production (May)

Business snapshot

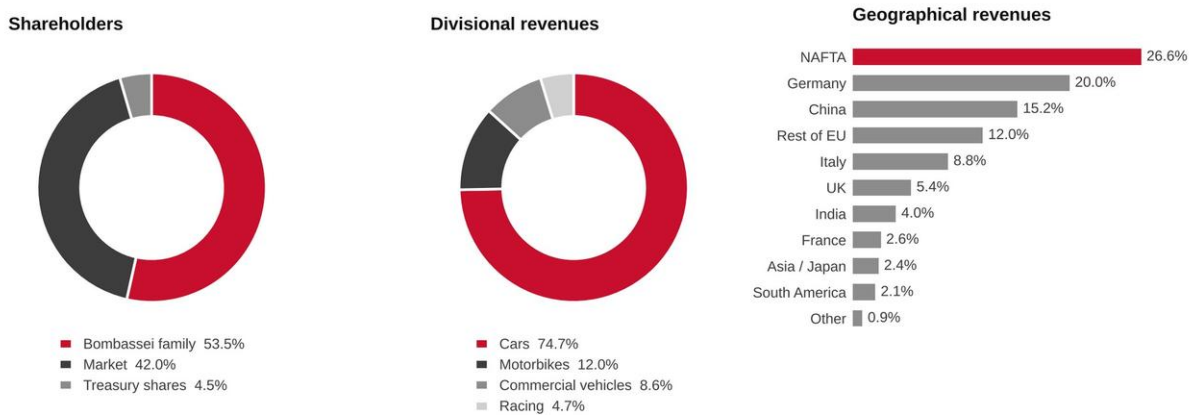


Figure 1: Shareholders, divisional revenues and geographical revenues. Cars represent 74.7% of revenues; the Bombassei family owns 53.5% of the capital.

Source: Company data, AYON Society.

VALUATION AND FINANCIAL SNAPSHOT

The multiples below use reported FY2025 results and the 25 May 2026 market snapshot; they are trailing metrics, not forecasts. Net debt of €719m equals 1.17x EBITDA, a level that supports investment in growth, including Sensify® and the planned China partnerships.

Metric	Value	Basis
Market capitalisation	€3,626m	Market snapshot, 25 May 2026
Net debt	€719m	31 December 2025
Enterprise value (simplified)	€4,345m	Market cap + net debt
Revenue	€3,702.7m	FY2025 reported
EBITDA	€612.1m	FY2025 reported
Net income	€209.3m	FY2025 reported
EV / EBITDA	~7.1x	4,345 / 612.1
P/E	~17.3x	3,626 / 209.3
Net debt / EBITDA	1.17x	719 / 612.1
EBITDA margin	16.5%	612.1 / 3,702.7
Capex / sales	11.9%	€441m / 3,702.7

Source: Company reports, AYON Society calculations. Simplified EV excludes other adjustments, including minorities. Market and balance-sheet dates differ.

GROWTH DRIVERS

1. Sensify®: from component supplier to full system integrator

Sensify® is Brembo's brake-by-wire platform: independent electronic control of all four wheels that adapts braking to vehicle load and road conditions. It can simplify hydraulic components and vehicle architecture, and its software and electronics can increase content per vehicle.

- **Milestones:** launched in 2021, first OEM contract, production started in May 2026.
- **Fitment:** standard on 100% of vehicles in one programme for an undisclosed global manufacturer; further customer contracts have been announced.
- **Caveat:** the company has not disclosed revenue per vehicle, margins or volumes, and we do not estimate them.



Sensify® system architecture

2. Greentive® and Greenance®: Euro 7 supports low-emission demand

Greentive® (OEM) is Brembo's coated brake disc technology, designed to reduce wear, brake dust and emissions, with high corrosion resistance that suits EVs. Greenance® brings a disc-and-pad solution to the aftermarket.

- **Over 80%** lower PM10 / PM2.5 particulate emissions (company data).
- **Up to 3x** longer disc life (company data).



Greentive® (top) and Greenance® (bottom)

3. Financial strength and resilient markets

At 1.17x net debt / EBITDA, Brembo has capacity to fund investment. Premium exposure (Ferrari, Lamborghini, Aston Martin, Maserati, Porsche) supports differentiation through performance and brand. In China, Brembo has a cooperation with JAC and two planned joint ventures with NBHX, one for engineering/production and one for commercialisation (company update of 25 May 2026). These are opportunities, not quantified earnings forecasts.

4. Aluminium calipers: the quiet compounder

The transition from cast iron to aluminium has run for over 20 years, and Brembo holds a leading position in a market that remains underpenetrated. Lower unsprung mass improves dynamics and efficiency, supporting both combustion-engine efficiency and electric-vehicle range. Growth does not require a new technological breakthrough.



RISKS

The main risks relate to the automotive cycle and to execution. They are potential risks and monitoring criteria, not statements that failures have occurred.

Risk	What could go wrong
Automotive cycle	Lower production reduces capacity utilisation. FY2025 capex of €441m (11.9% of sales) raises cash-flow sensitivity.
Tariffs and geopolitics	Tariffs, energy and logistics costs can pressure demand and margins. Pricing recovery may lag cost increases.
Competition and customers	Chinese competitors and weaker European customers can pressure volumes, pricing and programme launches.
Acquisitions and capital allocation	Overpaying, integration delays or weak returns on new capacity could reduce cash generation and financial flexibility.
Sensify®: commercial adoption	Performance improvement or customer demand may fall short. Programme delays or limited adoption could slow the return on development spending.
Sensify®: competitive response	Established suppliers could launch comparable systems, reducing differentiation, pricing power and market-share gains.
Sensify®: industrialisation and economics	Validation, reliability and production ramp-up are execution risks. A larger software component does not guarantee higher margins or attractive returns.

What to monitor: new Sensify® awards, production volumes, quality and cash returns.

RELATIVE SHARE PRICE PERFORMANCE

Over the five years to 28 September 2026, Brembo's share price fell 8.00% (total return +5.43%), against a 31.05% decline for the STOXX Europe 600 Automobiles & Parts index (total return −9.37%). On a total-return basis Brembo outperformed the sector by about 14.8 percentage points.



Figure 2: Brembo (orange) vs STOXX Europe 600 Automobiles & Parts (white), price performance in %, 28 Sep 2021 to 28 Sep 2026.

Source: Bloomberg.

INVESTMENT CONCLUSION

BUY, target price €13.50. Brembo is a premium braking franchise with four identifiable growth drivers. Sensify® adds system-integration potential, low-emission braking and aluminium calipers support product growth, and financial capacity helps fund execution. The thesis depends on commercial adoption, sustained profitability and disciplined capital allocation.

IMPORTANT INFORMATION

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Opinions and the target price are those of AYON Society as of 18 October 2026 and may change without notice. Past performance is not a guide to future performance.

IMPORTANT INFORMATION (CONTINUED)

Purpose of this document

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Rating and target price

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