Cementir Holding

Cement & Aggregates / Italy

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Cementir H1 2025: Stable volumes, shaky margins, confirmed guidance

Earnings Wrap-up - 30/07/2025

Cementir entered 2025 with steady volumes and firm control over its operations. While profits were temporarily weighed down by currency effects and isolated disruptions, the business stayed on course. Full-year guidance — €1.75bn revenue, €415m EBITDA, €410m net cash — is confirmed, with momentum expected to pick up in the second half.

Buy	Upside: 58.3%
Target Price (6 months)	€ 20.7
Share Price	€ 13.1
Market Cap. €M	2,078
Price Momentum	UNFAVORABLE
Extremes 12 Months	9.07 ▶ 15.6
Sustainability score	3.8 /10
Credit Risk	BBB
Bloomberg	CEM IM Equity
Reuters	CEMI.MI

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PERF	1w	1m	3m	12m
Cementir Holding	-8.80%	-12.3%	-6.72%	34.5
Building Prod. & Materials	1.66%	1.97%	11.8%	25.5
STOXX 600	1.11%	1.24%	4.81%	7.54

Last updated: 18/06/2025	12/24A	12/25E	12/26E	12/27E
Adjusted P/E (x)	7.63	9.89	9.17	9.19
Dividend yield (%)	2.83	2.14	2.14	2.14
EV/EBITDA(R) (x)	3.23	4.15	3.68	3.18
Adjusted EPS (€)	1.30	1.32	1.42	1.42
Growth in EPS (%)	0.00	1.85	7.81	-0.27
Dividend (€)	0.28	0.28	0.28	0.28
Sales (€M)	1,687	1,749	1,840	1,985
EBITDA/R margin (%)	24.1	23.7	23.4	22.7
Attributable net profit (€M)	202	205	222	221
ROE (after tax) (%)	12.5	11.5	11.5	10.5
Gearing (%)	-14.8	-18.9	-23.4	-28.0

Company Valuation - Company Financials

Fact

- Revenue: €807.1m, +0.5% vs H1 2024
- EBITDA: €171.5m, -5.7% vs H1 2024
- Net profit: €81.4m, -20.4% vs H1 2024
- Cement volumes: 5.13Mt, +0.1% vs H1 2024
- Net cash: €144m, +€88.6m YoY

Analysis

Cementir's revenue for the first half of 2025 came in at €807.1 million on a non-GAAP basis — a small increase of 0.5% compared to last year. However, that number hides the impact of currency movements. Without FX effects, revenue would have reached €842.1 million, which means real growth would have been 4.8%.
EBITDA fell by 5.7% to €171.5 million. Two main things pulled it down: once again an FX hit, and around €6 million in extra costs caused by disruptions at two plants. One was a fire at the Gaurain site in Belgium. The other was a delayed restart of a production line in Egypt.

Management said both were one-off issues. In Egypt, the line is now working again and lost volumes should be recovered in the second half. In Belgium, the fire forced the plant to use coal instead of alternative fuel, which raised both fuel bills and CO_2 costs. Repairs should be finished by August. Cementir also expects to receive up to €20 million from insurance to cover these damages, and should be treated as one-off income.

The €7 million FX impact is already net of hedging with Egypt and Turkey the worst affected, but in places like Turkey — where inflation is high and interest rates are over 50% — hedging is nearly impossible, as management claimed during the earnings call. The US dollar weakness had little bottom line effect, since most of the company's dollar costs (like fuel and transport) are offset by exports. The white cement business, partly priced in dollars, also helped limit the damage.

Group net profit dropped to €81.4 million — down 20.4% from last year. Pressure came from both FX and inflation. Personnel costs rose by 5.2% to €113 million, mainly because of a retroactive wage hike in Turkey backdated to January, which alone added about €4 million to the cost base.

Capital spending fell to €55.7 million, compared to €74.2 million in the first half of 2024. The net cash position also improved year-on-year, reaching €144 million at the end of June — supported by dividends from subsidiaries and disciplined investment spending.

Regional performance

The Nordic & Baltic region delivered Cementir's best results. It made up half of the Group's EBITDA in H1. Revenue rose by 3.1% to €316 million, and EBITDA increased by 6.8% to €82.8 million. Denmark stood out with strong cement exports, up 7%, and solid profitability thanks to savings on fuel and electricity. Aggregate volumes jumped 16%, which helped offset a 4% drop in ready-mix concrete. In Norway, volumes rose 10% on better weather and new projects. The market is recovering slowly, though there's still too much capacity and tough price competition. Sweden was quieter — volumes dipped slightly, but prices held up, especially in aggregates.

Belgium and France had a much harder time. This region now makes up 27% of group EBITDA. Revenue fell 4.2% to €164 million, and EBITDA slipped 6.4% to €46.1 million. A fire at the Gaurain plant didn't help — it added to an already weak construction market. Cement volumes dropped 8%, exports fell 7%. There was some improvement in Q2, but demand remains soft, especially around Paris, where volumes are down 20% after the Olympic-related construction boom ended. Ready-mix and aggregates were stable, but prices are still under pressure due to heavy competition.

Turkey was the most volatile region. It now accounts for 12% of group EBITDA. Revenue rose 5% to €165 million, despite a sharp 20% fall in the Turkish lira. EBITDA, however, dropped 25% to €20.1 million due to a sudden and retroactive wage hike backdated to January, plus inflation-linked cost increases. Prices are now catching up, and management expects margins to recover in H2. Domestic cement volumes were up 5%, and export volumes also rose slightly, despite the ongoing ban on sales to Israel. Cementir also confirmed the sale of its old Kars plant (400,000-ton clinker capacity) for €51 million — an opportunistic deal for a low-growth asset. The most valuable plants remain in Izmir, Trakya, and Elazig, with the latter likely to benefit from cement demand linked to Syrian reconstruction.

In North America, white cement volumes fell 3%, but EBITDA held steady at €11.3 million. That's despite bad weather in Texas and York and continued tariff uncertainty. The business stayed profitable thanks to tight cost control and efficient logistics. Cementir is the only domestic producer of white cement in the U.S., which helped protect margins.

Egypt had a tough six months. Revenue fell 11% to €20.9 million, mainly because of a 23% devaluation of the Egyptian pound — even though sales in local currency were actually up 9%. White cement volumes dropped 2%. EBITDA fell 34.5% to €5.1 million. The big issue was technical delays restarting a second clinker line that had been idle for nine years. Cementir had to buy expensive clinker from third parties and missed some shipments. The line is now operational again, and management expects to recover the lost €5 million in EBITDA during the second half.

Asia-Pacific, which accounts for 4% of EBITDA, was mixed. In China, revenue dropped 11.5% and EBITDA plunged nearly 32%. The main problem was weak prices — volumes were only slightly lower. In Malaysia, revenue inched up 1.1%, and cement exports remained stable. But EBITDA still fell 18.1% because of lower export prices and a less favourable product mix. Domestic volumes fell 10%, as some large projects were delayed and others had already pulled forward orders into late 2024.

Volumes and outlook

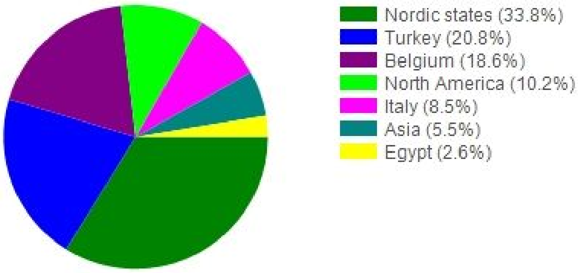
Group cement and clinker volumes rose 0.1%, RMC volumes rose 1.5%, and aggregates grew 4.8%, with a notable acceleration in Q2 (cement +5.6%, aggregates +9.2%). Volumes rose in Turkey, Denmark, Malaysia, and the US, while Belgium and Egypt lagged. Management expects this volume trend to continue in H2, driven by infrastructure ramp-ups and resolved plant issues.

Guidance for 2025 is reaffirmed: €1.75bn in revenue, €415m in EBITDA, and €410m net cash. None of the one-offs are included in this guidance, and management believes the second half could outperform if insurance proceeds are received and Turkish price recovery accelerates. Insurance settlements could add up to €20m, but are not yet included in guidance.

Impact

Cementir has endured an uneasy but manageable first half of 2025. Currency devaluation and production hiccups clouded results, but the core business — especially in the Nordics, Turkey (volumes), and the US — remains fundamentally sound. With volumes accelerating, cost inflation easing, and non-recurring effects largely behind it, the group is on track to deliver its full-year targets. We will not make any changes to our estimations.

Sales by Geography



Valuation Summary

Benchmarks	Value	Weight
DCF	€ 19.7	35%
NAV/SOTP per share	€ 22.7	20%
EV/Ebitda	€ 26.1	20%
P/E	€ 18.7	10%
Dividend Yield	€ 8.24	10%
P/Book	€ 26.1	5%
TARGET PRICE	€ 20.7	100%

NAV/SOTP Calculation

Largest comparables

- Holcim
- Heidelberg Materials
- Buzzi
- Vicat

Consolidated P&L Accounts

		12/24A	12/25E	12/26E
Sales	€M	1,687	1,749	1,840
Change in sales	%	-0.44	3.70	5.21
Change in staff costs	%	5.94	2.41	6.75
EBITDA	€M	407	415	431
EBITDA(R) margin	**%**	**24.1**	**23.7**	**23.4**
Depreciation	€M	-159	-125	-132
Underlying operating profit	€M	262	264	273
Operating profit (EBIT)	**€M**	**262**	**264**	**273**
Net financial expense	€M	21.7	25.5	27.6
of which related to pensions	€M		-1.37	-1.74
Exceptional items & other	€M			
Corporate tax	€M	-70.4	-71.9	-75.8
Equity associates	€M	1.15	1.00	1.00
Minority interests	€M	-12.8	-13.3	-3.98
Adjusted attributable net profit	**€M**	**202**	**205**	**222**
NOPAT	€M	198	200	207

Cashflow Statement

		12/24A	12/25E	12/26E
EBITDA	€M	407	415	431
Change in WCR	€M	5.26	-33.1	-26.0
Actual div. received from equity holdi...	€M	0.59	0.00	0.00
Paid taxes	€M	-65.1	-71.9	-75.8
Exceptional items	€M			
Other operating cash flows	€M	-10.1	-40.0	-40.0
Total operating cash flows	€M	338	270	289
Capital expenditure	€M	-128	-98.0	-99.0
Total investment flows	€M	-109	-138	-139
Net interest expense	€M	21.7	25.5	27.6
Dividends (parent company)	€M	-58.2	-43.5	-43.5
Dividends to minorities interests	€M	-214	0.00	0.00
New shareholders' equity	€M			
Total financial flows	€M	-373	23.3	5.75
Change in cash position	€M	-141	155	156
Free cash flow (pre div.)	**€M**	**232**	**197**	**218**

Per Share Data

		12/24A	12/25E	12/26E
No. of shares net of treas. stock (year...	Mio	156	156	156
Number of diluted shares (average)	Mio	156	156	156
Benchmark EPS	**€**	**1.30**	**1.32**	**1.42**
Restated NAV per share	€			
Net dividend per share	**€**	**0.28**	**0.28**	**0.28**

Balance Sheet

		12/24A	12/25E	12/26E
Goodwill	€M	448	453	457
Total intangible	€M	643	649	656
Tangible fixed assets	€M	813	821	830
Financial fixed assets	€M	127	128	130
WCR	€M	-23.8	9.31	35.4
Other assets	€M	81.8	72.3	72.3
Total assets (net of short term liab.)	€M	1,819	1,860	1,903
Ordinary shareholders' equity	**€M**	**1,717**	**1,844**	**2,023**
Quasi Equity & Preferred	€M			
Minority interests	€M	139	142	145
Provisions for pensions	€M	25.9	52.1	50.0
Other provisions for risks and liabilities	€M	30.1	30.1	30.1
Total provisions for risks and liabilities	€M	56.0	82.2	80.1
Tax liabilities	€M	197	197	197
Other liabilities	€M	0.24	0.24	0.24
Net debt (cash)	**€M**	**-290**	**-405**	**-542**
Total liab. and shareholders' equity	€M	1,819	1,860	1,903

Capital Employed

		12/24A	12/25E	12/26E
Capital employed after depreciation	€M	1,736	1,787	1,831

Profits & Risks Ratios

		12/24A	12/25E	12/26E
ROE (after tax)	**%**	**12.5**	**11.5**	**11.5**
ROCE	%	11.4	11.2	11.3
Gearing (at book value)	**%**	**-14.8**	**-18.9**	**-23.4**
Adj. Net debt/EBITDA(R)	x	-0.58	-0.78	-1.07
Interest cover (x)	x	-12.1	-9.83	-9.31

Valuation Ratios

		12/24A	12/25E	12/26E
Reference P/E (benchmark)	**x**	**7.63**	**9.89**	**9.17**
Free cash flow yield	%	15.1	9.71	10.7
P/Book	x	0.90	1.10	1.00
Dividend yield	**%**	**2.83**	**2.14**	**2.14**

EV Calculation

		12/24A	12/25E	12/26E
Market cap	€M	1,539	2,031	2,031
+ Provisions	€M	56.0	82.2	80.1
+ Unrecognised acturial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-467	-584	-722
+ Leases debt equivalent	€M	177	179	180
- Financial fixed assets (fair value)	€M	127	128	130
+ Minority interests (fair value)	€M	139	142	145
= EV	€M	1,317	1,722	1,585
EV/EBITDA(R)	**x**	**3.23**	**4.15**	**3.68**
EV/Sales	x	0.78	0.98	0.86

Analyst : Egor Sonin, Changes to Forecasts : 18/06/2025.