



# Cementir Holding

Cement &amp; Aggregates / Italy

## Positioned in a niche market

29/04/2024

### Change in EPS

2024 : € 1.08 vs 0.99	+9.87%
2025 : € 1.00 vs 0.87	+15.9%

We have integrated into our model the better-than-expected FY23 results, in which EBITDA was 3% higher than our forecasts, mainly thanks to price hikes and cost management. Despite the lower volumes in 2024, we believe in the company's ability to maintain prices at this high level, and expect cost management to potentially reduce the pressure on margins from personnel costs. Overall, we have incorporated the guidance provided by the company in its 2024-2026 industrial plan, which has had a positive impact on our EPS.

### Change in DCF

€ 14.4 vs 13.9	+3.57%
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We have revised upwards our estimates for capex as the company has increased its guidance for the 2024-2026 period, resulting in a stable DCF despite the higher EBITDA.

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This research has been commissioned and paid for by the company and is deemed to constitute an acceptable minor non-monetary benefit as defined in MiFID II

### Buy Upside : 38.2%

Target Price (6 months)	€ 13.6
Share Price	€ 9.87
Market Cap. €M	1,571
Price Momentum	<b>GOOD</b>
Extremes 12Months	7.05 ▶ 10.5
Bloomberg	CEM IM Equity
Reuters	CEMI.MI

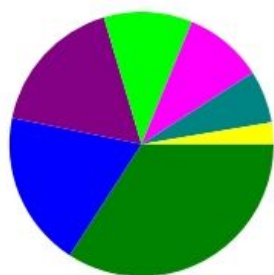
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PERF	1w	1m	3m	12m
Cementir Holding	1.75%	-5.10%	-0.90%	34.8%
Building Prod. & Materials	2.79%	-2.96%	13.9%	35.8%
SXXR Index	2.01%	-0.24%	6.02%	12.7%

Last updated: 29/04/2024	12/23A	12/24E	12/25E	12/26E
Adjusted P/E (x)	6.04	9.10	9.83	9.35
Dividend yield (%)	3.57	2.84	2.84	2.84
EV/EBITDA(R) (x)	2.69	3.59	3.28	2.93
Adjusted EPS (€)	1.30	1.08	1.00	1.06
Growth in EPS (%)	21.6	-16.4	-7.39	5.10
Dividend (€)	0.28	0.28	0.28	0.28
Sales (€M)	1,694	1,794	1,902	2,005
EBITDA/R margin (%)	24.3	21.3	20.7	20.6
Attributable net profit (€M)	202	169	156	164
ROE (after tax) (%)	14.0	10.9	9.45	9.23
Gearing (%)	-10.4	-15.5	-18.7	-22.1

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## Sales by Geography



Nordic states	(34.1%)
Belgium	(19.1%)
Turkey	(17.2%)
Italy	(10.8%)
North America	(9.7%)
Asia	(6.4%)
Egypt	(2.7%)

## Consolidated P&L Accounts

		12/23A	12/24E	12/25E
Sales	€M	1,694	1,794	1,902
Change in sales	%	-1.67	5.87	6.03
Change in staff costs	%	2.49	6.06	2.32
EBITDA	€M	411	382	394
<b>EBITDA(R) margin</b>	<b>%</b>	<b>24.3</b>	<b>21.3</b>	<b>20.7</b>
Depreciation	€M	-115	-116	-133
Underlying operating profit	€M	279	243	236
<b>Operating profit (EBIT)</b>	<b>€M</b>	<b>279</b>	<b>243</b>	<b>236</b>
Net financial expense	€M	11.6	5.15	2.09
of which related to pensions	€M		-0.42	-0.84
Exceptional items & other	€M			
Corporate tax	€M	-75.2	-65.5	-66.7
Equity associates	€M	0.77	1.00	1.00
Minority interests	€M	-14.1	-15.0	-15.9
<b>Adjusted attributable net profit</b>	<b>€M</b>	<b>202</b>	<b>169</b>	<b>156</b>
NOPAT	€M	210	184	178

## Cashflow Statement

		12/23A	12/24E	12/25E
EBITDA	€M	411	382	394
Change in WCR	€M	-13.4	-25.0	-22.7
Actual div. received from equity holdi...	€M	0.11	0.00	0.00
Paid taxes	€M	-61.3	-65.5	-66.7
Exceptional items	€M			
Other operating cash flows	€M	-34.5	-30.0	-40.0
Total operating cash flows	€M	302	262	264
Capital expenditure	€M	-107	-135	-96.0
Total investment flows	€M	-91.8	-165	-136
Net interest expense	€M	11.6	5.15	2.09
Dividends (parent company)	€M	-37.5	-43.5	-43.5
Dividends to minorities interests	€M	0.20	0.00	0.00
New shareholders' equity	€M			
Total financial flows	€M	-141	-68.1	-0.61
Change in cash position	€M	56.8	28.9	128
<b>Free cash flow (pre div.)</b>	<b>€M</b>	<b>207</b>	<b>132</b>	<b>170</b>

## Per Share Data

		12/23A	12/24E	12/25E
No. of shares net of treas. stock (year...	Mio	156	156	156
Number of diluted shares (average)	Mio	156	156	156
<b>Benchmark EPS</b>	<b>€</b>	<b>1.30</b>	<b>1.08</b>	<b>1.00</b>
Restated NAV per share	€			
<b>Net dividend per share</b>	<b>€</b>	<b>0.28</b>	<b>0.28</b>	<b>0.28</b>

## Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 14.4	35%	● Holcim
NAV/SOTP per share	€ 11.8	20%	● Heidelberg Materials
EV/Ebitda	€ 18.0	20%	● Buzzi
P/E	€ 11.8	10%	● Vicat
Dividend Yield	€ 7.94	10%	
P/Book	€ 13.2	5%	
<b>TARGET PRICE</b>	<b>€ 13.6</b>	<b>100%</b>	

### NAV/SOTP Calculation

## Balance Sheet

		12/23A	12/24E	12/25E
Goodwill	€M	405	409	413
Total intangible	€M	593	599	605
Tangible fixed assets	€M	732	739	747
Financial fixed assets	€M	94.1	95.1	96.0
WCR	€M	0.81	25.8	48.5
Other assets	€M	72.3	72.3	72.3
Total assets (net of short term liab.)	€M	1,670	1,711	1,749
<b>Ordinary shareholders' equity</b>	<b>€M</b>	<b>1,503</b>	<b>1,592</b>	<b>1,714</b>
Quasi Equity & Preferred	€M			
Minority interests	€M	148	151	154
Provisions for pensions	€M	22.8	30.8	32.2
Other provisions for risks and liabilities	€M	29.3	29.3	29.3
Total provisions for risks and liabilities	€M	52.1	60.1	61.5
Tax liabilities	€M	184	184	184
Other liabilities	€M	0.25	0.25	0.25
<b>Net debt (cash)</b>	<b>€M</b>	<b>-218</b>	<b>-277</b>	<b>-364</b>
Total liab. and shareholders' equity	€M	1,670	1,711	1,749

## Capital Employed

		12/23A	12/24E	12/25E
Capital employed after depreciation	€M	1,597	1,638	1,677

## Profits & Risks Ratios

		12/23A	12/24E	12/25E
<b>ROE (after tax)</b>	<b>%</b>	<b>14.0</b>	<b>10.9</b>	<b>9.45</b>
ROCE	%	13.1	11.2	10.6
<b>Gearing (at book value)</b>	<b>%</b>	<b>-10.4</b>	<b>-15.5</b>	<b>-18.7</b>
Adj. Net debt/EBITDA(R)	x	-0.53	-0.72	-0.93
Interest cover (x)	x	-24.0	-43.6	-80.4

## Valuation Ratios

		12/23A	12/24E	12/25E
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>6.04</b>	<b>9.10</b>	<b>9.83</b>
Free cash flow yield	%	17.0	8.61	11.1
P/Book	x	0.81	0.96	0.90
<b>Dividend yield</b>	<b>%</b>	<b>3.57</b>	<b>2.84</b>	<b>2.84</b>

## EV Calculation

		12/23A	12/24E	12/25E
Market cap	€M	1,219	1,535	1,535
+ Provisions	€M	52.1	60.1	61.5
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-395	-455	-545
+ Leases debt equivalent	€M	177	179	180
- Financial fixed assets (fair value)	€M	94.1	95.1	96.0
+ Minority interests (fair value)	€M	148	151	154
= EV	€M	1,107	1,374	1,290
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>2.69</b>	<b>3.59</b>	<b>3.28</b>
EV/Sales	x	0.65	0.77	0.68

Analyst : Loco Douza, Changes to Forecasts : 29/04/2024.