



Cementir Holding

Cement & Aggregates / Italy

White knight in a green armour

29/07/2021

Change in Opinion

Buy vs Add

Change in EPS

2021 : € 0.76 vs 0.69	+9.44%
2022 : € 0.85 vs 0.79	+8.28%

Following a good set of H1 results, along with strong demand momentum and updated guidance, we have revised our estimates upwards. We now assume the FY21 revenue and EBITDA to be €1.35bn and €297m respectively, and estimate them to grow by 6.3% and 7.7% CAGR respectively over 2020-23. As a result, our EPS for FY21 and FY22 have been positively impacted.



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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 : 24.1%
Target Price (6 months)	€ 11.2
Share Price	€ 9.02
Market Cap. €M	1,435
Price Momentum	GOOD
Extremes 12Months	5.12 ▶ 9.72
Bloomberg	CEM IM Equity
Reuters	CEMI.MI

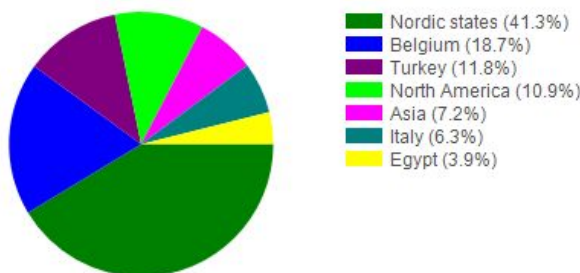

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PERF	1w	1m	3m	12m
Cementir Holding	1.69%	2.15%	-0.28%	55.2%
Building Prod. & Materials	1.47%	0.75%	5.74%	44.6%
SXXR Index	1.72%	1.58%	5.71%	28.2%

Last updated: 29/07/2021	12/20A	12/21E	12/22E	12/23E
Adjusted P/E (x)	9.22	11.9	10.6	10.0
Dividend yield (%)	2.34	1.55	1.55	1.55
EV/EBITDA(R) (x)	4.49	5.28	4.48	3.97
Adjusted EPS (€)	0.65	0.76	0.85	0.90
Growth in EPS (%)	16.2	16.4	12.6	5.71
Dividend (€)	0.14	0.14	0.14	0.14
Sales (€M)	1,225	1,349	1,411	1,474
EBITDA/R margin (%)	21.5	22.0	22.5	22.4
Attributable net profit (€M)	102	120	136	143
ROE (after tax) (%)	9.71	10.8	10.9	10.3
Gearing (%)	17.1	6.58	-2.95	-11.4

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Sales by Geography



Consolidated P&L Accounts

		12/20A	12/21E	12/22E
Sales	€M	1,225	1,349	1,411
Change in sales	%	1.07	10.1	4.63
Change in staff costs	%	1.91	12.5	4.56
EBITDA	€M	264	297	317
EBITDA(R) margin	%	21.5	22.0	22.5
Depreciation	€M	-86.8	-87.9	-89.0
Underlying operating profit	€M	159	190	209
Operating profit (EBIT)	€M	157	190	209
Net financial expense	€M	-15.2	-15.3	-11.1
of which related to pensions	€M		-0.37	-0.41
Exceptional items & other	€M			
Corporate tax	€M	-33.2	-45.5	-51.5
Equity associates	€M	0.57	0.29	0.31
Minority interests	€M	-7.36	-9.48	-11.5
Adjusted attributable net profit	€M	103	120	136
NOPAT	€M	112	134	147

Cashflow Statement

		12/20A	12/21E	12/22E
EBITDA	€M	264	297	317
Change in WCR	€M	38.4	-5.77	20.6
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M	-37.9	-45.5	-51.5
Exceptional items	€M			
Other operating cash flows	€M	-20.7		
Total operating cash flows	€M	243	246	286
Capital expenditure	€M	-58.5	-69.0	-67.0
Total investment flows	€M	-60.2	-96.0	-110
Net interest expense	€M	-15.2	-15.3	-11.1
Dividends (parent company)	€M	-30.9	-22.3	-22.3
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	-4.54	-23.0	
Total financial flows	€M	-88.8	-98.6	-143
Change in cash position	€M	82.6	51.0	33.4
Free cash flow (pre div.)	€M	170	161	208

Per Share Data

		12/20A	12/21E	12/22E
No. of shares net of treas. stock (year...	Mio	159	159	159
Number of diluted shares (average)	Mio	159	159	159
Benchmark EPS	€	0.65	0.76	0.85
Restated NAV per share	€			
Net dividend per share	€	0.14	0.14	0.14

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 14.0	35%	● Buzzi
NAV/SOTP per share	€ 9.78	20%	● Heidelbergcement
EV/Ebitda	€ 12.2	20%	● Holcim
P/E	€ 10.2	10%	● Vicat
Dividend Yield	€ 4.22	10%	
P/Book	€ 8.90	5%	
TARGET PRICE	€ 11.2	100%	

NAV/SOTP Calculation

Balance Sheet

		12/20A	12/21E	12/22E
Goodwill	€M	330	330	330
Total intangible	€M	526	528	530
Tangible fixed assets	€M	691	705	719
Financial fixed assets	€M	83.6	84.4	85.2
WCR	€M	20.0	25.7	5.13
Other assets	€M	83.0	83.0	83.0
Total assets (net of short term liab.)	€M	1,531	1,553	1,550
Ordinary shareholders' equity	€M	1,057	1,178	1,318
Quasi Equity & Preferred	€M			
Minority interests	€M	126	125	124
Provisions for pensions	€M	36.8	28.4	29.1
Other provisions for risks and liabilities	€M	30.4	30.4	30.4
Total provisions for risks and liabilities	€M	67.3	58.8	59.5
Tax liabilities	€M	155	155	155
Other liabilities	€M	2.93	2.93	2.93
Net debt (cash)	€M	122	32.8	-111
Total liab. and shareholders' equity	€M	1,531	1,553	1,550

Capital Employed

		12/20A	12/21E	12/22E
Capital employed after depreciation	€M	1,447	1,469	1,466

Profits & Risks Ratios

		12/20A	12/21E	12/22E
ROE (after tax)	%	9.71	10.8	10.9
ROCE	%	7.71	9.11	10.0
Gearing (at book value)	%	17.1	6.58	-2.95
Adj. Net debt/EBITDA(R)	x	0.94	0.54	0.05
Interest cover (x)	x	10.4	12.7	19.6

Valuation Ratios

		12/20A	12/21E	12/22E
Reference P/E (benchmark)	x	9.22	11.9	10.6
Free cash flow yield	%	17.8	11.2	14.5
P/Book	x	0.90	1.22	1.09
Dividend yield	%	2.34	1.55	1.55

EV Calculation

		12/20A	12/21E	12/22E
Market cap	€M	953	1,435	1,435
+ Provisions	€M	67.3	58.8	59.5
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-4.78	-94.1	-238
+ Leases debt equivalent	€M	127	127	127
- Financial fixed assets (fair value)	€M	83.6	84.4	85.2
+ Minority interests (fair value)	€M	126	125	124
= EV	€M	1,185	1,567	1,423
EV/EBITDA(R)	x	4.49	5.28	4.48
EV/Sales	x	0.97	1.16	1.01

Analyst : Sejal Varshney, Changes to Forecasts : 29/07/2021.