



Cementir Holding

Cement & Aggregates / Italy

Competitive pricing but lower cost supports profitability

13/02/2023

Change in EPS

2022 : € 0.90 vs 0.81	+10.6%
2023 : € 0.95 vs 0.87	+9.30%

We have updated our model following the better than expected preliminary FY22 results. The EPS 2022 is up by €0.09 and the EPS 2023 forecast is increased by €0.08, driven by high price increases leading to 13% higher revenue and 6% higher EBITDA than in our previous estimates.

Change in DCF

€ 13.7 vs 12.8	+7.29%
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The strong growth reported this year has enabled an upwards revision to our sales estimates even in a conservative scenario due to the uncertain macroeconomic situation. Since we have increased our 2024 EBITDA forecast, which is the base value for the DCF, the overall valuation has risen, leading to a 5% increase in our Target Price to €11.25.



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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 : 41.1%

Target Price (6 months)	€ 11.2
Share Price	€ 7.97
Market Cap. €M	1,268
Price Momentum	STRONG
Extremes 12Months	5.25 ▶ 7.97
Bloomberg	CEM IM Equity
Reuters	CEMI.MI

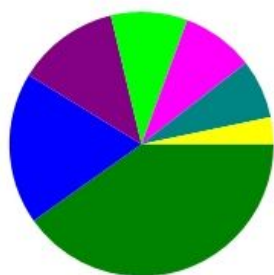

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PERF	1w	1m	3m	12m
Cementir Holding	8.73%	25.7%	29.8%	1.16%
Building Prod. & Materials	-3.76%	4.61%	10.5%	-7.81%
SXXR Index	-0.60%	2.41%	6.29%	-0.51%

Last updated: 13/02/2023	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	12.0	7.23	8.38	7.68
Dividend yield (%)	2.07	2.91	2.63	2.89
EV/EBITDA(R) (x)	4.93	3.05	3.60	2.95
Adjusted EPS (€)	0.72	0.90	0.95	1.04
Growth in EPS (%)	11.2	24.4	5.58	9.16
Dividend (€)	0.18	0.19	0.21	0.23
Sales (€M)	1,371	1,723	1,790	1,899
EBITDA/R margin (%)	22.7	19.5	18.8	18.8
Attributable net profit (€M)	113	140	148	161
ROE (after tax) (%)	10.6	12.3	11.7	11.3
Gearing (%)	7.47	-3.61	-11.0	-16.4

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Sales by Geography



Nordic states	(40.2%)
Belgium	(18.6%)
Turkey	(12.5%)
Italy	(9.4%)
North America	(8.9%)
Asia	(7.2%)
Egypt	(3.3%)

Consolidated P&L Accounts

		12/21A	12/22E	12/23E
Sales	€M	1,371	1,723	1,790
Change in sales	%	11.9	25.7	3.86
Change in staff costs	%	-3.73	28.9	3.81
EBITDA	€M	311	335	336
EBITDA(R) margin	%	22.7	19.5	18.8
Depreciation	€M	-93.0	-100.0	-95.7
Underlying operating profit	€M	198	216	222
Operating profit (EBIT)	€M	198	216	222
Net financial expense	€M	-26.6	-10.4	-8.40
of which related to pensions	€M		-0.44	-0.51
Exceptional items & other	€M			
Corporate tax	€M	-49.0	-55.6	-55.7
Equity associates	€M	0.82	0.89	0.91
Minority interests	€M	-9.68	-11.0	-11.0
Adjusted attributable net profit	€M	114	140	148
NOPAT	€M	149	163	168

Cashflow Statement

		12/21A	12/22E	12/23E
EBITDA	€M	311	335	336
Change in WCR	€M	-7.28	85.5	-112
Actual div. received from equity holdi...	€M	0.15	0.00	0.00
Paid taxes	€M	-47.1	-55.6	-55.7
Exceptional items	€M			
Other operating cash flows	€M	-31.1	-31.1	20.0
Total operating cash flows	€M	226	334	189
Capital expenditure	€M	-81.7	-72.0	-71.0
Total investment flows	€M	-72.7	-95.0	-110
Net interest expense	€M	-26.6	-10.4	-8.40
Dividends (parent company)	€M	-24.7	-28.0	-29.5
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	-4.54	-4.54	
Total financial flows	€M	-291	-110	-77.4
Change in cash position	€M	-131	129	1.47
Free cash flow (pre div.)	€M	117	252	110

Per Share Data

		12/21A	12/22E	12/23E
No. of shares net of treas. stock (year...	Mio	156	156	156
Number of diluted shares (average)	Mio	157	156	156
Benchmark EPS	€	0.72	0.90	0.95
Restated NAV per share	€			
Net dividend per share	€	0.18	0.19	0.21

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 13.7	35%	● Buzzi
NAV/SOTP per share	€ 9.82	20%	● Heidelberg Materials
EV/Ebitda	€ 12.6	20%	● Holcim
P/E	€ 10.1	10%	● Vicat
Dividend Yield	€ 5.48	10%	
P/Book	€ 7.93	5%	
TARGET PRICE	€ 11.2	100%	

NAV/SOTP Calculation

Balance Sheet

		12/21A	12/22E	12/23E
Goodwill	€M	317	317	317
Total intangible	€M	512	514	515
Tangible fixed assets	€M	675	688	688
Financial fixed assets	€M	68.6	69.3	69.3
WCR	€M	18.0	-67.5	44.1
Other assets	€M	78.7	78.7	78.7
Total assets (net of short term liab.)	€M	1,492	1,422	1,536
Ordinary shareholders' equity	€M	1,088	1,187	1,339
Quasi Equity & Preferred	€M			
Minority interests	€M	139	142	145
Provisions for pensions	€M	32.5	27.5	28.5
Other provisions for risks and liabilities	€M	33.3	33.3	33.3
Total provisions for risks and liabilities	€M	65.8	60.8	61.8
Tax liabilities	€M	156	156	156
Other liabilities	€M	2.04	2.04	2.04
Net debt (cash)	€M	40.4	-126	-168
Total liab. and shareholders' equity	€M	1,492	1,422	1,536

Capital Employed

		12/21A	12/22E	12/23E
Capital employed after depreciation	€M	1,412	1,343	1,457

Profits & Risks Ratios

		12/21A	12/22E	12/23E
ROE (after tax)	%	10.6	12.3	11.7
ROCE	%	10.6	12.2	11.5
Gearing (at book value)	%	7.47	-3.61	-11.0
Adj. Net debt/EBITDA(R)	x	0.58	0.04	-0.08
Interest cover (x)	x	7.45	21.7	28.2

Valuation Ratios

		12/21A	12/22E	12/23E
Reference P/E (benchmark)	x	12.0	7.23	8.38
Free cash flow yield	%	8.65	24.8	8.83
P/Book	x	1.25	0.85	0.93
Dividend yield	%	2.07	2.91	2.63

EV Calculation

		12/21A	12/22E	12/23E
Market cap	€M	1,356	1,014	1,239
+ Provisions	€M	65.8	60.8	61.8
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-98.9	-265	-307
+ Leases debt equivalent	€M	139	139	139
- Financial fixed assets (fair value)	€M	68.6	69.3	69.3
+ Minority interests (fair value)	€M	139	142	145
= EV	€M	1,533	1,021	1,210
EV/EBITDA(R)	x	4.93	3.05	3.60
EV/Sales	x	1.12	0.59	0.68

Analyst : Loco Douza, Changes to Forecasts : 13/02/2023.