



# Cementir Holding

Cement &amp; Aggregates / Italy

## Reassessing Cementir's Turkish Positioning

Significant news - 30/05/2025

**Cementir sold its small Kars plant in northeastern Turkey for €51m (13x EBITDA). It is a minor move, representing less than 2% of group revenue and EBITDA. With just 0.6Mt capacity (vs. 5.4Mt in Turkey), Kars was a non-core, stand-alone asset outside Cementir's integrated operations in western and central Turkey. However, the disposal aligns with Cementir's strategy to streamline its footprint, free up capital, and focus on higher-growth, vertically integrated regions.**

### Analysis

The €51m disposal of the Kars plant may appear minor at first glance — with the asset contributing just €3.9m in 2024 EBITDA and ~€27m in revenue — but strategically, it sharpens Cementir's positioning in Turkey. Kars was a remote, stand-alone facility in the northeast, lacking the integration and export logistics that define the rest of Cementir's Turkish footprint. Its removal from the portfolio reflects a clear intent: consolidate around the western and southeastern hubs, where synergies across cement, ready-mix, and aggregates are maximised, and where geopolitical proximity to Syria and Ukraine opens long-term optionality.

From a valuation perspective, the rest of Cementir's Turkish operations appear to be an important component of the group's overall equity story. The company's 97.3% stake in Çimentaş İzmir Çimento, which is currently valued at approximately €900m, accounts for close to 39% of Cementir's total market capitalisation (€2.26bn). Çimentaş also holds a 50.3% stake in CimBeton, a listed ready-mix concrete company with a market cap of around €85.5m. While the limited free float (~25%) may contribute to elevated trading multiples (Çimentaş currently trades at 32.9x trailing PE), the listing provides a reference point for estimating the value of Cementir's Turkish footprint. Given this, the relatively high share of group valuation attributable to Turkey may suggest that other parts of the portfolio — including Cementir's white cement leadership, European operations, and net cash position — are not yet fully reflected in the market price.

Cementir's Turkish capacity (excluding Kars) sits at ~4.8mt, with plant locations aligned to likely reconstruction corridors. The Edirne asset is well-placed for Ukraine, while Izmir and Elazığ serve as potential springboards into Syria and broader Levant markets. Even modest volume flows (0.5mt incremental, or ~10% of capacity) could deliver outsized bottom-line impact given Turkey's structurally low utilisation and high operating leverage. With local peers such as OYAK and Limak concentrated in the same regions, Cementir is well positioned to compete — but also uniquely placed as a multinational operator with access to group-wide balance sheet discipline and export relationships.

### Impact

While the Kars disposal has no material impact on Cementir's near-term financials — contributing less than 2% of EBITDA — it reinforces management's disciplined geographic strategy as Cementir quietly de-risks its footprint while preparing for upside.



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Add	Upside: 29.4%
Target Price (6 months)	€ 18.0
Share Price	€ 13.9
Market Cap. €M	2,212
Price Momentum	<b>GOOD</b>
Extremes 12 Months	9.07 ▶ 14.7
Sustainability score	3.8 / 10
Credit Risk	BBB →
Bloomberg	CEM IM Equity
Reuters	CEMI.MI

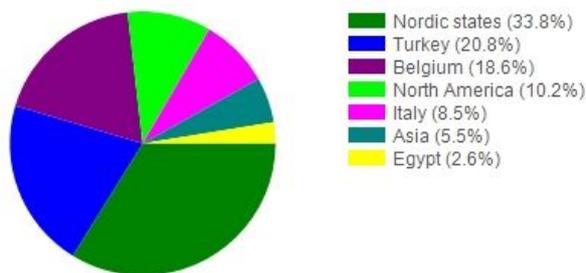
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PERF	1w	1m	3m	12m
Cementir Holding	1.91%	-0.72%	8.88%	41.8
Building Prod. & Materials	-0.49%	4.51%	0.97%	18.0
STOXX 600	-0.43%	4.34%	-1.67%	6.71

Last updated: 21/03/2025	12/24A	12/25E	12/26E	12/27E
Adjusted P/E (x)	7.63	10.5	9.76	9.79
Dividend yield (%)	2.83	2.01	2.01	2.01
EV/EBITDA(R) (x)	3.23	4.47	3.98	3.47
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

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## Sales by Geography



## 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
<b>EBITDA(R) margin</b>	%	<b>24.1</b>	<b>23.7</b>	<b>23.4</b>
Depreciation	€M	-159	-125	-132
Underlying operating profit	€M	262	264	273
<b>Operating profit (EBIT)</b>	<b>€M</b>	<b>262</b>	<b>264</b>	<b>273</b>
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
<b>Adjusted attributable net profit</b>	<b>€M</b>	<b>202</b>	<b>205</b>	<b>222</b>
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
<b>Free cash flow (pre div.)</b>	<b>€M</b>	<b>232</b>	<b>197</b>	<b>218</b>

## 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
<b>Benchmark EPS</b>	<b>€</b>	<b>1.30</b>	<b>1.32</b>	<b>1.42</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	€ 19.9	35%	● Holcim
NAV/SOTP per share	€ 12.7	20%	● Heidelberg Materials
EV/Ebitda	€ 24.0	20%	● Buzzi
P/E	€ 16.8	10%	● Vicat
Dividend Yield	€ 9.58	10%	
P/Book	€ 20.7	5%	
TARGET PRICE	€ 18.0	100%	

### NAV/SOTP Calculation

## 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
<b>Ordinary shareholders' equity</b>	<b>€M</b>	<b>1,717</b>	<b>1,844</b>	<b>2,023</b>
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
<b>Net debt (cash)</b>	<b>€M</b>	<b>-290</b>	<b>-405</b>	<b>-542</b>
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
<b>ROE (after tax)</b>	%	<b>12.5</b>	<b>11.5</b>	<b>11.5</b>
ROCE	%	11.4	11.2	11.3
<b>Gearing (at book value)</b>	%	<b>-14.8</b>	<b>-18.9</b>	<b>-23.4</b>
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
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>7.63</b>	<b>10.5</b>	<b>9.76</b>
Free cash flow yield	%	15.1	9.12	10.1
P/Book	x	0.90	1.17	1.07
<b>Dividend yield</b>	%	<b>2.83</b>	<b>2.01</b>	<b>2.01</b>

## EV Calculation

		12/24A	12/25E	12/26E
Market cap	€M	1,539	2,162	2,162
+ Provisions	€M	56.0	82.2	80.1
+ Unrecognised actuarial 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	1,852	1,716
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>3.23</b>	<b>4.47</b>	<b>3.98</b>
EV/Sales	x	0.78	1.06	0.93

Analyst : Egor Sonin, Changes to Forecasts : 21/03/2025.