Cementir Holding

Cement & Aggregates / Italy

Q3: Cementir builds its 2026 recovery

Earnings Wrap-up - 07/11/2025

During the first nine months of 2025, Cementir Holding delivered a solid operational performance despite a tough macroeconomic environment. Cement volumes continued to grow, helping revenues remain stable at €1.23 billion. EBITDA edged down 2.9% to €287.3 million, affected by a €12.5 million negative FX impact and €2.7 million in non-recurring charges. A standout feature of the period was the sharp improvement in the balance sheet, as net cash more than doubled to €198.5 million.

Fact

- Revenue: €1.23 billion for the first nine months of 2025, broadly stable year-on-year.
- EBITDA: €287.3 million (-2.9% YoY), including a €12.5 million FX headwind and €2.7 million in one-offs.
- Volumes: Cement +2.4%, Aggregates +5.2% in 9M 2025; Q3 cement sales +6.6% YoY.
- Net cash: €198.5 million, up €118.6 million in twelve months after a €50 million dividend payout.
- Full-year guidance: Revenue ~ €1.75 billion, EBITDA ~ €415 million, net cash ~ €410 million by year-end.

Analysis

Volumes

The strongest sign of progress at Cementir is the solid health of its core business. Demand for its building materials is rising. In the first nine months of 2025, the company sold 2.4% more cement and clinker and 5.2% more aggregates than a year earlier — a strong sign that the growth engine is running smoothly.

This momentum gathered pace in the third quarter. Cement and clinker sales jumped 6.6% year-on-year, driven by new production capacity in Egypt and strong performances in Malaysia, Turkey, China, and the United States. The sharp quarterly rise shows that Cementir's recovery is gaining real strength as the year goes on.

Financials

During the first nine months of 2025, Cementir's financial performance remained broadly stable. Group revenue stood at €1.227 billion, slightly below the previous year, while EBITDA reached €287.3 million, a modest 2.9% decline.

The reported softness was mainly due to currency effects. The depreciation of the Turkish lira and the Egyptian pound reduced EBITDA by about €12.5 million. At constant exchange rates, the picture looks stronger: revenue would have increased by 5.6% and EBITDA by 2.6%. The third quarter underlined this positive trend, with EBITDA rising 10.1% year-on-year to €113.8 million, confirming that Cementir's operations are steadily strengthening.

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Buy	**Upside: 46.2%**
Target Price (6 months)	€ 21.3
Share Price	€ 14.6
Market Cap. €M	2,320
Price Momentum	**STRONG**
Extremes 12 Months	9.61 ▶ 16.2
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	-8.42%	3.26%	11.8%	51.7
Building Prod. & Materials	-2.99%	-1.40%	-0.11%	14.8
STOXX 600	-1.21%	-0.24%	4.96%	12.1

Last updated: 18/06/2025	12/24A	12/25E	12/26E	12/27E
Adjusted P/E (x)	7.63	11.0	10.2	10.3
Dividend yield (%)	2.83	1.92	1.92	1.92
EV/EBITDA(R) (x)	3.23	4.72	4.22	3.70
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

Results were also affected by two temporary operational issues. A fire at the alternative fuels feeding system in Belgium and technical problems restarting a production line in Egypt together reduced the EBITDA year-to-date by roughly €8 million, according to management. Both problems have since been resolved — the Belgian facility is repaired and the Egyptian line is back in operation. The company is also in discussions with its insurers to recover up to €20 million related to these and other incidents, which could provide a welcome boost to full-year results once settled.

Regions

Cementir's global performance showed both strengths and challenges, but overall the results leaned clearly positive.

The Nordic and Baltic region was the main growth driver, contributing 47% of group EBITDA. EBITDA in this region rose 7.2% over nine months, supported by excellent cost control and operational efficiency. Lower fuel and electricity expenses helped offset higher raw material costs, allowing margins to expand even in a mixed demand environment.

Belgium also performed well. Reported EBITDA increased 3.0%, a solid result considering the impact of the plant fire. Excluding this one-off event, underlying EBITDA grew 6.9%, thanks to higher sales prices in ready-mixed concrete and the success of value-added services, which balanced weaker cement activity. This shows the benefits of effective commercial execution and a diversified product mix.

In Turkey, EBITDA was down 12.9% for the first nine months because of currency effects, but profitability improved sharply in the third quarter as margins rebounded to 25%. Earlier labour cost increases have now been absorbed, and prices were adjusted to restore profitability. On the export side, the company could benefit from a future reopening of exports to Israel, which currently block about 300,000 tons per year, and from possible reconstruction projects in Gaza and Syria. The plant near Gaza, located around 50 kilometres from the border, is well placed to supply the area once conditions allow. For now, management is keeping expectations cautious and excluding these volumes from its 2026 outlook.

The main weak spots were Egypt, where EBITDA dropped 44.9% due to operational disruptions and currency pressure, and China, where intense price competition continued to weigh on margins.

The Bullish Case

Cementir's strongest argument for investor confidence lies in its solid financial foundation. The company continues to generate strong cash flow, ending the first nine months of 2025 with a net cash position of €198.5 million — an improvement of €118.6 million over the past year, even after distributing €50 million in dividends.

Supported by this financial strength and steady operational recovery, management has reaffirmed its full-year outlook. They expect revenue to reach about €1.75 billion, EBITDA to come in around €415 million, and net cash to rise further to roughly €410 million by the end of the year.

Outlook for 2026: Brighter future ahead

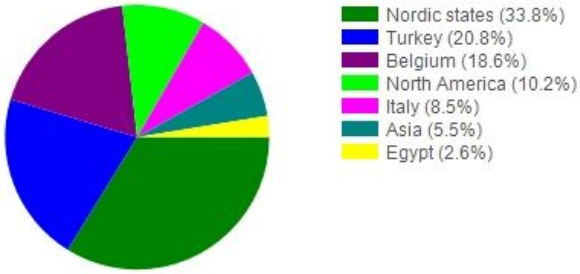
The CEO expressed clear optimism about 2026, noting that after this year's one-off issues, "next year should be better than this year." The main growth driver is expected to be higher sales volumes rather than further price increases. Management estimates that simply returning to the 2022 volume levels could add €50–60 million to EBITDA, supported by the cost savings already in place. While

the recovery is still gradual, the company's fundamentals are steadily improving.

Impact

We maintain our positive outlook and stick to our previous estimations.

Sales by Geography



Valuation Summary

Benchmarks	Value	Weight
DCF	€ 20.6	35%
NAV/SOTP per share	€ 22.2	20%
EV/Ebitda	€ 26.2	20%
P/E	€ 20.6	10%
Dividend Yield	€ 12.3	10%
P/Book	€ 22.9	5%
TARGET PRICE	€ 21.3	100%

Largest comparables

- Holcim
- Heidelberg Materials
- Buzzi
- Vicat

NAV/SOTP Calculation

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

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

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

Capital employed after depreciation	€M	1,736	1,787	1,831

Profits & Risks Ratios

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

Reference P/E (benchmark)	**x**	**7.63**	**11.0**	**10.2**
Free cash flow yield	%	15.1	8.70	9.61
P/Book	x	0.90	1.23	1.12
Dividend yield	**%**	**2.83**	**1.92**	**1.92**

EV Calculation

Market cap	€M	1,539	2,267	2,267
+ 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	1,958	1,821
EV/EBITDA(R)	**x**	**3.23**	**4.72**	**4.22**
EV/Sales	x	0.78	1.12	0.99

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

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