Cementir Holding

Cement & Aggregates / Italy

Cementir delivers stable Q1 amid margin pressure

Earnings/sales releases - 09/05/2025

Cementir Holding's first quarter of 2025 did not deliver any grand surprises – positive or negative. However, a flat EBITDA hid contrasting Baltic gains and a bout of Turkish weakness, as well as the usual FX complexities. Cash flow resilience must be saluted.

Fact

- Revenue: €368.1m (vs €368.3m in Q1 2024)
- EBITDA: €66.4m (vs €66.5m in Q1 2024)
- Profit before tax (PBT): €30.3m (vs €58.7m in Q1 2024)
- Outlook for the full year reiterated

Analysis

In Q1 2025, Cementir reported flat revenue of €368.1 million (€368.3 million, down just 0.1%). If you exclude the impact of high inflation in Turkey, adjusted (Non-GAAP) revenue actually grew by 0.9% to €370.5 million. Management said this result was achieved despite "a modest reduction in cement sales volumes," thanks to higher prices and solid demand in places like Malaysia and Denmark. If exchange rates had stayed the same as last year, revenue would have been up 4.1%.

Cementir's EBITDA for Q1 2025 was also flat at €66.4 million, with the margin holding steady at 18.0%. This stability came from good cost control—especially on raw materials and energy—even though salaries went up. If we look at the adjusted (Non-GAAP) figures, EBITDA was slightly higher at €69.7 million (+0.5%).

Profitability took a hit further down the income statement. EBIT dropped by 9.0% to €31.1 million, mainly because of higher depreciation and amortisation costs. The bigger issue was the sharp fall in profit before tax, which fell to €30.3 million—down 48.4% from €58.7 million last year. This was mostly because Cementir did not benefit from the same foreign exchange gains it saw in 2024, especially in Egypt, where last year's results had been boosted by a one-time windfall from a 53% currency devaluation.

In terms of volumes, Cementir sold 6.2% less cement and clinker in Q1 2025, mainly because of export restrictions hitting the Turkish business and weaker demand in several markets. On the other hand, ready-mixed concrete (RMC) volumes rose by 2.1%, thanks to infrastructure projects in Northern Europe and strong export activity in Malaysia. Aggregates volumes stayed about the same as last year, with growth in Turkey and Denmark making up for lower sales in Sweden.

Performance across regions was mixed. The Nordic & Baltic area was the strongest, with EBITDA growing by 24.3% compared to last year. Denmark led the way—grey cement sales were stable, aggregates rose by 12%, and EBITDA grew by 20.2%, helped by "savings made on purchase costs and on fuel and electricity consumption." Norway started to bounce back from a tough 2024, and Sweden

Egor SONIN
buildingmaterials@alphavalue.eu
+33 (0) 1 70 61 10 50
corporate.alphavalue.com

Add	**Upside: 21.5%**
Target Price (6 months)	€ 18.2
Share Price	€ 15.0
Market Cap. €M	2,380
Price Momentum	**STRONG**
Extremes 12 Months	9.25 ▶ 15.0
Sustainability score	3.8 /10
Credit Risk	BBB
Bloomberg	CEM IM Equity
Reuters	CEMI.MI

Download Full Analysis   Company Page

PERF	1w	1m	3m	12m
Cementir Holding	3.60%	15.1%	22.4%	52.2
Building Prod. & Materials	2.75%	15.1%	0.48%	17.7
STOXX 600	1.55%	10.0%	-1.31%	3.85

Last updated: 21/03/2025	12/24A	12/25E	12/26E	12/27E
Adjusted P/E (x)	7.63	11.3	10.5	10.5
Dividend yield (%)	2.83	1.87	1.87	1.87
EV/EBITDA(R) (x)	3.23	4.86	4.36	3.84
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

saw a boost from major construction projects that began last year and are still ongoing.

In contrast, performance in Belgium and France was weaker—EBITDA fell by 7.8% as cement sales dropped 8% and demand in France stayed soft, pushing revenue down by 5.1%. The decline was due to sluggish residential construction, harsh winter weather that temporarily shut down plants, and ongoing price pressure from competitors.

In the U.S., revenue slipped 3% and EBITDA dropped 18.8%, mainly because of severe winter storms in Texas, Florida, and Pennsylvania that disrupted projects and gas supplies.

Turkey's revenue increased by 5.7%, but EBITDA fell 14.3% as higher input costs and a weak lira erased gains from volume growth and pricing. Egypt and China also saw profitability decline—Egypt suffered from a weaker sales mix and rising costs, while China continued to struggle with low prices and high inventory (EBITDA -49.7%). Malaysia, however, was a bright spot: EBITDA rose 22.5%, thanks to strong export demand, better cost control, and a favourable comparison with last year's shipment timing.

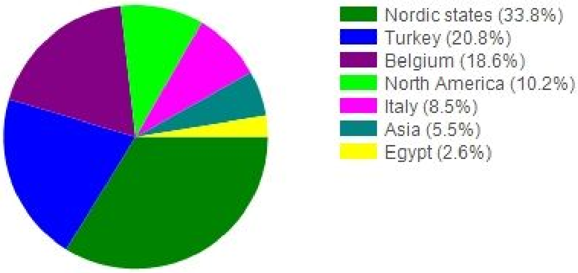
Despite the drop in earnings, Cementir's financial position remains solid. The company ended Q1 2025 with a net cash position of €143.2 million, a significant improvement from €76.6 million a year earlier, even after distributing dividends and making strategic investments. Over the quarter, Cementir invested €31.6 million, including €30 million to increase its ownership in its Egyptian subsidiary—a move aimed at reinforcing its position in a market with long-term potential despite current volatility. It also spent €18 million to acquire a ready-mixed concrete business in Denmark, supporting growth in one of its most stable and profitable regions.

Impact

Despite the decline in EBIT and profit before tax, the Q1 2025 results were in line with the company's expectations. The company acknowledged geopolitical tensions, currency fluctuations, and interest rate uncertainty. Even so, management maintained that no changes to the business plan were needed at this stage.

Cementir has reaffirmed its full-year 2025 guidance, targeting revenue of approximately €1.75 billion, EBITDA of €415 million, and a net cash position of around €410 million by year-end. These targets factor in volume normalisation, inflation-linked price increases, and the effect of the new CO_2 emission tax in Denmark. Reaching guidance would be a positive development.

Sales by Geography



Valuation Summary

Benchmarks	Value	Weight
DCF	€ 19.9	35%
NAV/SOTP per share	€ 12.8	20%
EV/Ebitda	€ 24.3	20%
P/E	€ 17.5	10%
Dividend Yield	€ 9.73	10%
P/Book	€ 21.1	5%
TARGET PRICE	€ 18.2	100%

NAV/SOTP Calculation

Largest comparables

- Holcim
- Heidelberg Materials
- Buzzi
- Vicat

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

		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
Free cash flow (pre div.)	**€M**	**232**	**197**	**218**

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
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

		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
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

		12/24A	12/25E	12/26E
Reference P/E (benchmark)	**x**	**7.63**	**11.3**	**10.5**
Free cash flow yield	%	15.1	8.48	9.37
P/Book	x	0.90	1.26	1.15
Dividend yield	**%**	**2.83**	**1.87**	**1.87**

EV Calculation

		12/24A	12/25E	12/26E
Market cap	€M	1,539	2,327	2,327
+ 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	2,017	1,881
EV/EBITDA(R)	**x**	**3.23**	**4.86**	**4.36**
EV/Sales	x	0.78	1.15	1.02

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