



Cementir Holding

Cement & Aggregates / Italy

Price hikes boost the EPS

Competitive pricing but lower cost supports profitability - 18/04/2023

Change in EPS

2023 : € 0.85 vs 0.95	-10.2%
2024 : € 0.94 vs 1.04	-9.91%

Cementir Holding reported better-than-expected results thanks to price increases and higher financial income. For the coming years we expect continued organic growth in Nordics & Baltics (43% of sales) where the company has a leading position in white cement, although this will be more limited (4% yoy) as we see a continued decline in volume and Cementir may not be able to hike its prices as in 2022.

Change in NAV

€ 11.0 vs 9.82	+11.7%
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Cementir Holding has reported a robust balance sheet, leading to a positive net cash position that has increased our NAV by 12% compared to our previous estimates.



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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 : 47.1%

Target Price (6 months)	€ 11.6
Share Price	€ 7.90
Market Cap. €M	1,257
Price Momentum	GOOD
Extremes 12Months	5.25 ▶ 8.25
Bloomberg	CEM IM Equity
Reuters	CEMI.MI

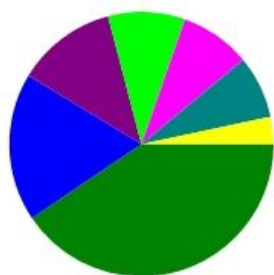

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PERF	1w	1m	3m	12m
Cementir Holding	1.41%	1.15%	22.1%	24.4%
Building Prod. & Materials	4.72%	1.44%	4.17%	5.36%
SXXR Index	1.81%	7.37%	3.02%	4.16%

Last updated: 18/04/2023	12/22A	12/23E	12/24E	12/25E
Adjusted P/E (x)	6.11	9.25	8.44	7.87
Dividend yield (%)	3.37	2.28	2.53	2.78
EV/EBITDA(R) (x)	3.11	3.64	3.27	2.91
Adjusted EPS (€)	1.07	0.85	0.94	1.00
Growth in EPS (%)	47.3	-20.0	9.56	7.33
Dividend (€)	0.22	0.18	0.20	0.22
Sales (€M)	1,723	1,790	1,899	1,992
EBITDA/R margin (%)	19.5	18.8	18.9	18.9
Attributable net profit (€M)	162	133	145	156
ROE (after tax) (%)	13.2	9.58	10.1	10.1
Gearing (%)	-2.01	-9.63	-13.5	-16.9

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Sales by Geography



Nordic states	(40.6%)
Belgium	(18.1%)
Turkey	(12.2%)
Italy	(9.4%)
North America	(8.6%)
Asia	(7.7%)
Egypt	(3.3%)

Consolidated P&L Accounts

		12/22A	12/23E	12/24E
Sales	€M	1,723	1,790	1,899
Change in sales	%	26.7	3.85	6.13
Change in staff costs	%	9.25	4.64	5.57
EBITDA	€M	335	336	359
EBITDA(R) margin	%	19.5	18.8	18.9
Depreciation	€M	-108	-105	-109
Underlying operating profit	€M	208	209	227
Operating profit (EBIT)	€M	204	209	227
Net financial expense	€M	31.0	-20.9	-20.4
of which related to pensions	€M		-1.54	-1.57
Exceptional items & other	€M			
Corporate tax	€M	-54.9	-45.7	-50.1
Equity associates	€M	0.97	1.00	1.00
Minority interests	€M	-19.3	-11.0	-12.0
Adjusted attributable net profit	€M	166	133	145
NOPAT	€M	157	159	172

Cashflow Statement

		12/22A	12/23E	12/24E
EBITDA	€M	335	336	359
Change in WCR	€M	18.2	-4.64	-26.1
Actual div. received from equity holdi...	€M	0.19	0.00	0.00
Paid taxes	€M	-47.7	-45.7	-50.1
Exceptional items	€M			
Other operating cash flows	€M	-17.1	-10.0	-30.0
Total operating cash flows	€M	289	276	253
Capital expenditure	€M	-105	-113	-124
Total investment flows	€M	-139	-143	-154
Net interest expense	€M	31.0	-20.9	-20.4
Dividends (parent company)	€M	-30.8	-34.2	-28.0
Dividends to minorities interests	€M	0.08	0.00	0.00
New shareholders' equity	€M			
Total financial flows	€M	-77.8	-58.7	-52.8
Change in cash position	€M	73.3	74.4	45.9
Free cash flow (pre div.)	€M	215	142	108

Per Share Data

		12/22A	12/23E	12/24E
No. of shares net of treas. stock (year...	Mio	156	156	156
Number of diluted shares (average)	Mio	156	156	156
Benchmark EPS	€	1.07	0.85	0.94
Restated NAV per share	€			
Net dividend per share	€	0.22	0.18	0.20

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 13.7	35%	● Holcim
NAV/SOTP per share	€ 11.0	20%	● Heidelberg Materials
EV/Ebitda	€ 13.6	20%	● Buzzi
P/E	€ 9.54	10%	● Vicat
Dividend Yield	€ 4.49	10%	
P/Book	€ 9.70	5%	
TARGET PRICE	€ 11.6	100%	

NAV/SOTP Calculation

Balance Sheet

		12/22A	12/23E	12/24E
Goodwill	€M	407	411	415
Total intangible	€M	611	617	624
Tangible fixed assets	€M	745	745	745
Financial fixed assets	€M	91.8	69.3	69.3
WCR	€M	-8.51	-3.87	22.3
Other assets	€M	72.0	78.7	78.7
Total assets (net of short term liab.)	€M	1,666	1,647	1,679
Ordinary shareholders' equity	€M	1,368	1,405	1,488
Quasi Equity & Preferred	€M			
Minority interests	€M	155	158	161
Provisions for pensions	€M	26.3	47.2	45.2
Other provisions for risks and liabilities	€M	36.8	36.8	36.8
Total provisions for risks and liabilities	€M	63.1	84.0	82.0
Tax liabilities	€M	174	174	174
Other liabilities	€M	1.11	1.11	1.11
Net debt (cash)	€M	-95.5	-175	-227
Total liab. and shareholders' equity	€M	1,666	1,647	1,679

Capital Employed

		12/22A	12/23E	12/24E
Capital employed after depreciation	€M	1,593	1,568	1,600

Profits & Risks Ratios

		12/22A	12/23E	12/24E
ROE (after tax)	%	13.2	9.58	10.1
ROCE	%	9.86	10.2	10.8
Gearing (at book value)	%	-2.01	-9.63	-13.5
Adj. Net debt/EBITDA(R)	x	0.17	-0.11	-0.24
Interest cover (x)	x	-6.71	10.8	12.1

Valuation Ratios

		12/22A	12/23E	12/24E
Reference P/E (benchmark)	x	6.11	9.25	8.44
Free cash flow yield	%	21.2	11.6	8.82
P/Book	x	0.74	0.87	0.83
Dividend yield	%	3.37	2.28	2.53

EV Calculation

		12/22A	12/23E	12/24E
Market cap	€M	1,014	1,229	1,229
+ Provisions	€M	63.1	84.0	82.0
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-248	-314	-366
+ Leases debt equivalent	€M	153	139	139
- Financial fixed assets (fair value)	€M	91.8	69.3	69.3
+ Minority interests (fair value)	€M	155	158	161
= EV	€M	1,044	1,226	1,175
EV/EBITDA(R)	x	3.11	3.64	3.27
EV/Sales	x	0.61	0.69	0.62

Analyst : Loco Douza, Changes to Forecasts : 18/04/2023.