



Cementir Holding

Cement & Aggregates / Italy

Turkey to the rescue

22/03/2022

Change in EPS

2022 : € 0.82 vs 0.85	-3.34%
2023 : € 0.88 vs 0.90	-2.03%

We have updated our model following the FY21 results announcement. 2021 EPS is down by €0.04, the difference arising mainly from the net exchange rate losses of €13.6m. In addition, we have lowered our earnings estimates for 2022 and 2023 (estimated EPS down by €0.03 and €0.02 respectively) given the unfavourable backdrop of energy price inflation.



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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 : 46.5%

Target Price (6 months)	€ 10.2
Share Price	€ 6.98
Market Cap. €M	1,111
Price Momentum	NEGATIVE
Extremes 12Months	6.48 ▶ 9.74
Bloomberg	CEM IM Equity
Reuters	CEMI.MI

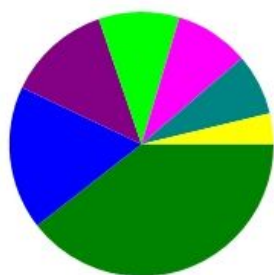

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PERF	1w	1m	3m	12m
Cementir Holding	-0.99%	-11.1%	-14.6%	-15.7%
Building Prod. & Materials	3.42%	-4.18%	-6.98%	5.15%
SXXR Index	4.32%	-0.99%	-3.62%	9.80%

Last updated: 22/03/2022	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	12.0	8.48	7.91	7.38
Dividend yield (%)	2.07	2.72	3.01	3.30
EV/EBITDA(R) (x)	4.93	3.81	3.41	2.83
Adjusted EPS (€)	0.72	0.82	0.88	0.95
Growth in EPS (%)	11.2	13.7	7.14	7.25
Dividend (€)	0.18	0.19	0.21	0.23
Sales (€M)	1,371	1,502	1,585	1,649
EBITDA/R margin (%)	22.7	20.3	20.0	20.1
Attributable net profit (€M)	113	128	137	147
ROE (after tax) (%)	10.6	11.3	11.1	10.6
Gearing (%)	7.47	-0.60	-7.42	-14.5

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Sales by Geography



Nordic states	(39.5%)
Belgium	(17.6%)
Turkey	(12.7%)
North America	(9.9%)
Italy	(9.1%)
Asia	(7.5%)
Egypt	(3.8%)

Consolidated P&L Accounts

		12/21A	12/22E	12/23E
Sales	€M	1,371	1,502	1,585
Change in sales	%	11.9	9.55	5.53
Change in staff costs	%	-3.73	12.7	5.44
EBITDA	€M	311	306	317
EBITDA(R) margin	%	22.7	20.3	20.0
Depreciation	€M	-93.0	-93.2	-94.0
Underlying operating profit	€M	198	195	205
Operating profit (EBIT)	€M	198	195	205
Net financial expense	€M	-26.6	-10.4	-8.40
of which related to pensions	€M		-0.30	-0.34
Exceptional items & other	€M			
Corporate tax	€M	-49.0	-45.9	-49.1
Equity associates	€M	0.82	0.80	0.84
Minority interests	€M	-9.68	-11.0	-11.0
Adjusted attributable net profit	€M	114	128	137
NOPAT	€M	140	137	144

Cashflow Statement

EBITDA	€M	311	306	317
Change in WCR	€M	-7.28	34.0	-55.0
Actual div. received from equity holdi...	€M	0.15	0.00	0.00
Paid taxes	€M	-47.1	-45.9	-49.1
Exceptional items	€M			
Other operating cash flows	€M	-31.1	-31.1	20.0
Total operating cash flows	€M	226	262	233
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	-77.6
Change in cash position	€M	-131	57.5	45.1
Free cash flow (pre div.)	€M	117	180	153

Per Share Data

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	0.82	0.88
Restated NAV per share	€			
Net dividend per share	€	0.18	0.19	0.21

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 13.6	35%	● Buzzi
NAV/SOTP per share	€ 9.82	20%	● Heidelbergcement
EV/Ebitda	€ 9.57	20%	● Holcim
P/E	€ 7.52	10%	● Vicat
Dividend Yield	€ 4.84	10%	
P/Book	€ 6.77	5%	
TARGET PRICE	€ 10.2	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	-16.0	39.0
Other assets	€M	78.7	78.7	78.7
Total assets (net of short term liab.)	€M	1,492	1,474	1,531
Ordinary shareholders' equity	€M	1,088	1,169	1,307
Quasi Equity & Preferred	€M			
Minority interests	€M	139	142	145
Provisions for pensions	€M	32.5	25.5	26.6
Other provisions for risks and liabilities	€M	33.3	33.3	33.3
Total provisions for risks and liabilities	€M	65.8	58.9	60.0
Tax liabilities	€M	156	156	156
Other liabilities	€M	2.04	2.04	2.04
Net debt (cash)	€M	40.4	-54.4	-140
Total liab. and shareholders' equity	€M	1,492	1,474	1,531

Capital Employed

Capital employed after depreciation	€M	1,412	1,395	1,452
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Profits & Risks Ratios

ROE (after tax)	%	10.6	11.3	11.1
ROCE	%	9.88	9.84	9.95
Gearing (at book value)	%	7.47	-0.60	-7.42
Adj. Net debt/EBITDA(R)	x	0.58	0.28	0.00
Interest cover (x)	x	7.45	19.2	25.4

Valuation Ratios

Reference P/E (benchmark)	x	12.0	8.48	7.91
Free cash flow yield	%	8.65	16.6	14.1
P/Book	x	1.25	0.93	0.83
Dividend yield	%	2.07	2.72	3.01

EV Calculation

Market cap	€M	1,356	1,086	1,086
+ Provisions	€M	65.8	58.9	60.0
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-98.9	-194	-279
+ 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	1,163	1,082
EV/EBITDA(R)	x	4.93	3.81	3.41
EV/Sales	x	1.12	0.77	0.68

Analyst : Sejal Varshney, Changes to Forecasts : 22/03/2022.