



Cementir Holding

Cement & Aggregates / Italy

Competitive pricing but effective cost management supports profitability

28/07/2023

Change in EPS

2023 : € 1.00 vs 0.85	+17.3%
2024 : € 0.98 vs 0.94	+4.92%

Cementir Holding has announced a strong set of results for H1, leading to a significant upgrade in its EBIT guidance. The company has revised its EBIT projection to around €365m, which marks a considerable improvement from the previous range of €335-345m. Cementir Holding's ability to implement robust pricing strategies across all markets has been the key driver behind this significant upgrade.

Looking ahead to H2 23, we anticipate price stability at the same level as in H1 23, as energy costs are also stabilising. On this basis, we have revised upwards our estimates, resulting in a positive impact on our EPS.

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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 : 47.4%
Target Price (6 months)	€ 12.3
Share Price	€ 8.32
Market Cap. €M	1,324
Price Momentum	STRONG
Extremes 12Months	5.10 ▶ 8.32
Bloomberg	CEM IM Equity
Reuters	CEMI.MI

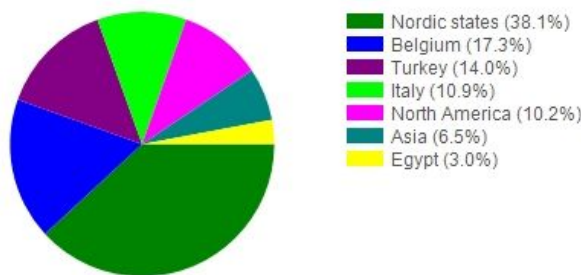
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PERF	1w	1m	3m	12m
Cementir Holding	5.32%	14.4%	12.1%	36.4%
Building Prod. & Materials	4.21%	8.47%	14.6%	38.5%
SXXR Index	1.71%	4.28%	2.70%	13.2%

Last updated: 28/07/2023	12/22A	12/23E	12/24E	12/25E
Adjusted P/E (x)	6.11	8.31	8.48	8.24
Dividend yield (%)	3.37	2.88	3.13	3.37
EV/EBITDA(R) (x)	3.11	3.47	3.28	2.99
Adjusted EPS (€)	1.07	1.00	0.98	1.01
Growth in EPS (%)	47.3	-6.12	-2.01	2.87
Dividend (€)	0.22	0.24	0.26	0.28
Sales (€M)	1,723	1,820	1,929	2,031
EBITDA/R margin (%)	19.5	20.1	19.3	18.9
Attributable net profit (€M)	162	156	153	157
ROE (after tax) (%)	13.2	11.1	10.4	10.1
Gearing (%)	-2.01	-10.3	-14.8	-17.7

[Company Valuation](#) - [Company Financials](#)

Sales by Geography



Consolidated P&L Accounts

		12/22A	12/23E	12/24E
Sales	€M	1,723	1,820	1,929
Change in sales	%	26.7	5.61	6.02
Change in staff costs	%	9.25	4.64	5.57
EBITDA	€M	335	365	372
EBITDA(R) margin	%	19.5	20.1	19.3
Depreciation	€M	-108	-105	-109
Underlying operating profit	€M	208	238	240
Operating profit (EBIT)	€M	204	238	240
Net financial expense	€M	31.0	-24.9	-24.4
of which related to pensions	€M		-1.54	-1.57
Exceptional items & other	€M			
Corporate tax	€M	-54.9	-47.8	-52.1
Equity associates	€M	0.97	1.00	1.00
Minority interests	€M	-19.3	-11.0	-12.0
Adjusted attributable net profit	€M	166	156	153
NOPAT	€M	157	181	182

Cashflow Statement

		12/22A	12/23E	12/24E
EBITDA	€M	335	365	372
Change in WCR	€M	18.2	-4.58	-26.6
Actual div. received from equity holdi...	€M	0.19	0.00	0.00
Paid taxes	€M	-47.7	-47.8	-52.1
Exceptional items	€M			
Other operating cash flows	€M	-17.1	-10.0	-30.0
Total operating cash flows	€M	289	303	263
Capital expenditure	€M	-105	-113	-124
Total investment flows	€M	-139	-143	-154
Net interest expense	€M	31.0	-24.9	-24.4
Dividends (parent company)	€M	-30.8	-34.2	-37.3
Dividends to minorities interests	€M	0.08	0.00	0.00
New shareholders' equity	€M			
Total financial flows	€M	-77.8	-62.7	-66.1
Change in cash position	€M	73.3	97.4	43.3
Free cash flow (pre div.)	€M	215	165	115

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	1.00	0.98
Restated NAV per share	€			
Net dividend per share	€	0.22	0.24	0.26

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 13.7	35%	● Holcim
NAV/SOTP per share	€ 11.1	20%	● Heidelberg Materials
EV/Ebitda	€ 15.3	20%	● Buzzi
P/E	€ 10.6	10%	● Vicat
Dividend Yield	€ 6.12	10%	
P/Book	€ 10.0	5%	
TARGET PRICE	€ 12.3	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	-3.93	22.6
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	1,428	1,509
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	-198	-247
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	1,567	1,600

Profits & Risks Ratios

		12/22A	12/23E	12/24E
ROE (after tax)	%	13.2	11.1	10.4
ROCE	%	9.86	11.5	11.4
Gearing (at book value)	%	-2.01	-10.3	-14.8
Adj. Net debt/EBITDA(R)	x	0.17	-0.16	-0.29
Interest cover (x)	x	-6.71	10.2	10.5

Valuation Ratios

		12/22A	12/23E	12/24E
Reference P/E (benchmark)	x	6.11	8.31	8.48
Free cash flow yield	%	21.2	12.8	8.90
P/Book	x	0.74	0.91	0.86
Dividend yield	%	3.37	2.88	3.13

EV Calculation

		12/22A	12/23E	12/24E
Market cap	€M	1,014	1,294	1,294
+ 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	-337	-387
+ 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	1,268	1,220
EV/EBITDA(R)	x	3.11	3.47	3.28
EV/Sales	x	0.61	0.70	0.63

Analyst : Loco Douza, Changes to Forecasts : 28/07/2023.