BUZZI

NEUTRAL

Sector: Industrials

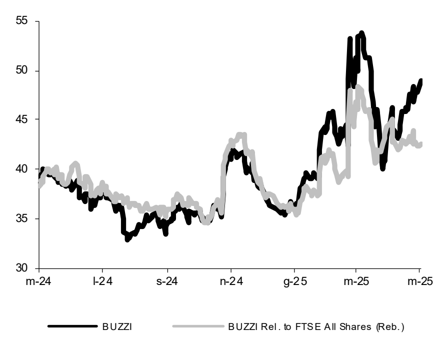
Price: Eu48.94 - **Target: Eu50.00**

1Q in Line. 2025 Guidance Reaffirmed, Highlighting Downside Risk

Carlo Maritano +39-02-77115.358
carlo.maritano@intermonte.it

Stock Rating			
Rating:			Unchanged
Target Price (Eu):			Unchanged
	2025E	**2026E**	**2027E**
Chg in Adj EPS	0.0%	0.1%	0.2%

BUZZI - 12M Performance



Stock Data			
Reuters code:			BZU.MI
Bloomberg code:			BZU IM
Performance	**1M**	**3M**	**12M**
Absolute	13.1%	9.8%	27.9%
Relative	-4.5%	4.1%	13.1%
12M (H/L)			53.80/32.94
3M Average Volume (th):			633.26

Shareholder Data	
No. of Ord shares (mn):	193
Total no. of shares (mn):	193
Mkt Cap Ord (Eu mn):	9,427
Total Mkt Cap (Eu mn):	9,427
Mkt Float - Ord (Eu mn):	4,069
Mkt Float (in %):	43.2%
Main Shareholder:	
Presa+Fimedi	53.0%

Balance Sheet Data	
Book Value (Eu mn):	7,358
BVPS (Eu):	36.24
P/BV:	1.4
Net Financial Position (Eu mn):	1,246
Enterprise Value (Eu mn):	6,686

- **1Q25 trading update with no major surprises.** 1Q25 revenues came in at €972mn, up 8.7% YoY (in line with our estimates and consensus) thanks to the changes in perimeter (consolidation of Brazil and deconsolidation of Ukraine and the Fanna plant in Italy), while on a like-for-like basis the top line was essentially flat (+0.3%), as both volume and pricing variations were marginal in 1Q. The net financial position was cash positive at €755mn, in line with YE24 (€756mn), and slightly higher than our Eu740mn estimate. The geographical breakdown was as follows:
  - **Italy:** sales up 0.7%, with volumes and selling prices slightly higher on a LfL basis;
  - **US:** sales down 3.3%; cement volumes were down, hit by unfavourable weather conditions at the start of the year, only marginally recovering in the last part of the quarter, while pricing remained broadly unchanged. Excluding ForEx, sales would have been down by -6.3% YoY;
  - **Central Europe:** volumes finally started to recover from the depressed level of last year. Pricing, although broadly stable QoQ, had a negative impact on results due to carryover from last year (pricing turned negative from 2Q24 due to low demand).
  - **Eastern Europe:** positive development of volumes, especially in Poland (last year's volumes were penalized by aggressive price increases, which were corrected in the following quarters). Slight improvement in pricing in Czech Republic and more material in Russia.
  - **Brazil:** down 10.5%, as higher volumes and slightly higher prices were offset by the devaluation of the Brazilian Real.
  - **Mexico (consolidated among associates):** down 15.7%, volumes declined due to a slowdown of both private and public projects, while prices increased in both cement and concrete. Results were also penalized by the Mexican peso devaluation (-16.5%).
- **2025 outlook reaffirmed.** The company has confirmed the guidance provided at the end of March, namely a target for a 2025 EBITDA that is close to the result for 2024, albeit continuing to highlight the downside risk from the current uncertain macro scenario. We note that our estimates see EBITDA of Eu1,306mn for 2025, up 2.7% YoY from Eu1,272mn last year, while consensus is slightly more aggressive at Eu1,332mn. Following 1Q25 results, we confirm our estimates, and we would expect consensus estimates to be broadly confirmed as well, remaining comfortably above guidance, taking account of the typically cautious approach by management.
- **Neutral, Eu50.0 TP confirmed.** We recently downgraded the stock after the rally of the last two years, highlighting a valuation that now seems fair compared to the average of the last 10 years. 1Q25 results do not change the picture and as downside risk induced by a potential economic slowdown seems set to prevail in the short term, we stick to our Neutral stance on the name. A faster-than-expected roll-out of infrastructure investments in Germany, as well as more accentuated industrial reshoring in the US, could provide opportunities to turn positive on the name again in the future.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	4,318	4,313	4,584	4,729	4,881
EBITDA Adj (Eu mn)	1,238	1,272	1,306	1,359	1,428
Net Profit Adj (Eu mn)	887	939	894	917	941
EPS New Adj (Eu)	4.604	4.872	4.640	4.761	4.885
EPS Old Adj (Eu)	4.604	4.872	4.639	4.756	4.876
DPS (Eu)	0.600	0.700	0.750	0.800	0.850
EV/EBITDA Adj	2.8	3.6	5.1	4.5	3.9
EV/EBIT Adj	3.5	4.6	6.6	6.0	5.3
P/E Adj	10.6	10.0	10.5	10.3	10.0
Div. Yield	1.2%	1.4%	1.5%	1.6%	1.7%
Net Debt/EBITDA Adj	-0.6	-0.6	-1.0	-1.3	-1.7

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&PMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and – 10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between –10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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As at 31 March 2025 Intermonte's Research Department covered 131 companies.

As of today Intermonte's distribution of stock ratings is as follows:

BUY:	32.59 %
OUTPERFORM:	37.78 %
NEUTRAL:	29.63 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

As at 31 March 2025 the distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (74 in total) is as follows:

BUY:	52.70 %
OUTPERFORM:	29.73 %
NEUTRAL:	17.57 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short

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Further information is available