CEMENTIR

NEUTRAL

Sector: Industrials

Price: Eu14.58 - **Target: Eu16.20**

Improving Trends in 3Q25, 2025 Guidance Within Reach

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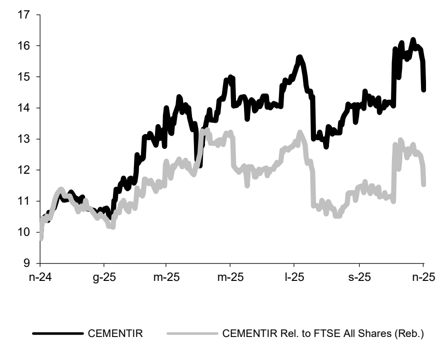
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			from 15.20 to 16.20
	2025E	**2026E**	**2027E**
Chg in Adj EPS	0.3%	-0.4%	-0.4%

CEMENTIR - 12M Performance



Stock Data			
Reuters code:			CEMI.MI
Bloomberg code:			CEM IM
Performance	**1M**	**3M**	**12M**
Absolute	2.8%	11.8%	48.8%
Relative	3.2%	7.1%	22.1%
12M (H/L)			16.20/10.20
3M Average Volume (th):			154.97

Shareholder Data	
No. of Ord shares (mn):	159
Total no. of shares (mn):	159
Mkt Cap Ord (Eu mn):	2,320
Total Mkt Cap (Eu mn):	2,320
Mkt Float - Ord (Eu mn):	663
Mkt Float (in %):	28.6%
Main Shareholder:	
F. Gaetano Caltagirone	66.0%

Balance Sheet Data	
Book Value (Eu mn):	1,870
BVPS (Eu):	11.27
P/BV:	1.3
Net Financial Position (Eu mn):	408
Enterprise Value (Eu mn):	1,941

- **Higher-than-expected margins offset lower revenues:** Cementir reported a pretty decent set of results showing an improvement in trends compared to the subdued 1H. 3Q25 revenues came in at €425mn, +0.3% YoY but 5.4% below our €450mn estimate, reflecting lower volumes than we expected in Denmark and Turkey. We note that 3Q showed an overall acceleration in terms of volumes, with cement and clinker volumes rising by +6.6% YoY in the quarter as an effect of generalised increases across geographical market with the exceptions of Denmark (weak residential, delays in the Fehmarnbelt tunnel project) and Belgium (post-Olympics normalisation in Northern France). Conversely, ready-mix volumes declined 4%, burdened by soft demand in Turkey, Denmark and Belgium. Despite stable revenues, adj. EBITDA (Non-Gaap) reached €115mn, in line with our estimate and +7.5% YoY, with profitability supported by tight cost control. As a matter of fact, the margin expanded by +1.8pp YoY to 27.1%, confirming operating resilience. Net cash stood at €199mn, above our €174mn expectation mainly due to lower CapEx (€23.5mn in 3Q25 vs. €36.6mn in 3Q24), and marking a €55mn improvement QoQ.
- **First hints on 2026:** during the call the focus was mainly on messages entering 2026. Next year management is positive that the recovery will continue and EBITDA and the net cash position will be better than in 2025, even without considering potential upside coming from resolution of conflicts in Gaza and Syria (the process is quite slow and turbulent). The only markets expected to remain soft are China and France, while in the others volume recovery is possible. As for pricing, the company sees little space for price hikes, but thinks players will focus on recovering volumes that have been lost over the past few years. Just by recovering these quantities, in the next 2-3 years they may recover Eu50mn-Eu60mn in EBITDA with prices unchanged.
- **Guidance confirmed:** Cementir reaffirmed FY25 guidance for revenues of ~€1.75bn, ~€415mn of recurring EBITDA (Non-GAAP), and ~€410mn net cash after ~€98mn CapEx. While the EBITDA target implies a demanding +14% YoY in 4Q (vs. +7.5% in 3Q / -1.5% in 9M), management noted that insurance reimbursements for the Belgian plant fire should boost results in 4Q. The net cash target looks achievable, as 4Q typically delivers strong cash generation, with ~€200mn QoQ improvements in recent years.
- **Estimates confirmed.** At this stage we confirm our estimates, which remain only marginally below management's guidance (revenues at ~€1.67bn, EBITDA at €414mn and net cash at €408mn). As for 2027 (the final year of the company's BP) we estimate EBITDA of €454mn, c.3% below the company's €470mn target.
- **NEUTRAL confirmed; target €16.2.** We confirm our NEUTRAL recommendation on the stock following 3Q25 results that have confirmed the company is on track to hit 2025 targets. The main upside opportunity is currently represented by a faster roll-out of reconstruction investments in the Middle East, although this seems unlikely to materialise in early 2026, and the lack of port infrastructure in Palestine to ship cement efficiently poses a challenge. We are lifting our TP due to the rollover of the valuation and the adoption of a higher multiple (4.8x EV/EBITDA vs. 4.5x previously) to reflect the reduced risk-free rate adopted in our valuation models.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	1,694	1,687	1,662	1,760	1,859
EBITDA Adj (Eu mn)	400	412	417	432	453
Net Profit Adj (Eu mn)	193	205	200	212	224
EPS New Adj (Eu)	1.211	1.288	1.256	1.331	1.410
EPS Old Adj (Eu)	1.211	1.288	1.251	1.336	1.415
DPS (Eu)	0.280	0.280	0.280	0.299	0.317
EV/EBITDA Adj	2.6	3.2	4.7	4.1	3.6
EV/EBIT Adj	4.0	4.9	7.1	6.3	5.5
P/E Adj	12.0	11.3	11.6	11.0	10.3
Div. Yield	1.9%	1.9%	1.9%	2.1%	2.2%
Net Debt/EBITDA Adj	-0.5	-0.7	-1.0	-1.3	-1.6

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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 between 5.5% - 6.0% are being used.
Frequency of research: quarterly.
Reports on all companies listed on the FTSEMIB40 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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BUY:	32.06%
OUTPERFORM:	39.69%
NEUTRAL:	27.49%
UNDERPERFORM:	00.76%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (77 in total) is as follows:

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OUTPERFORM:	29.87%
NEUTRAL:	18.18%
UNDERPERFORM:	01.30%
SELL:	00.00%

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