# CEMENTIR

## NEUTRAL

*Sector: Industrials*

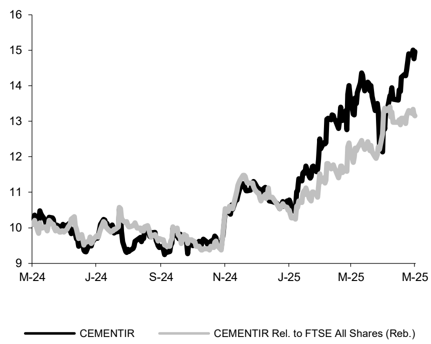
Price: Eu14.96 - **Target: Eu15.20**

## CEM Delivers as Expected in 1Q. Neutral Stance as Price Meets TP

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

| Stock Rating | | | |
|---|---|---|---|
| **Rating:** | from OUTPERFORM to NEUTRAL | | |
| **Target Price (Eu):** | Unchanged | | |
| | **2025E** | **2026E** | **2027E** |
| **Chg in Adj EPS** | -3.3% | -4.1% | -4.6% |

**CEMENTIR - 12M Performance**




| Stock Data | | | |
|---|---|---|---|
| Reuters code: | CEMI.MI | | |
| Bloomberg code: | CEM IM | | |
| **Performance** | **1M** | **3M** | **12M** |
| Absolute | 15.1% | 22.4% | 48.1% |
| Relative | -0.5% | 17.2% | 34.5% |
| 12M (H/L) | 15.00/9.25 | | |
| 3M Average Volume (th): | 118.40 | | |

| Shareholder Data | |
|---|---|
| No. of Ord shares (mn): | 159 |
| Total no. of shares (mn): | 159 |
| Mkt Cap Ord (Eu mn): | 2,380 |
| Total Mkt Cap (Eu mn): | 2,380 |
| Mkt Float - Ord (Eu mn): | 680 |
| Mkt Float (in %): | 28.6% |
| Main Shareholder: | |
| F. Gaetano Caltagirone | 66.0% |

| Balance Sheet Data | |
|---|---|
| Book Value (Eu mn): | 1,872 |
| BVPS (Eu): | 11.28 |
| P/BV: | 1.3 |
| Net Financial Position (Eu mn): | 427 |
| Enterprise Value (Eu mn): | 1,987 |

- **1Q25 in line with estimates and broadly flat YoY.** The company reported a set of 1Q results close to our estimates and substantially in line with last year. In 1Q25, cement volumes declined by 6.2% YoY to 2.2mn tons, primarily due to Turkey's ban on exports to Israel (effective from 2Q24) and weaker demand in most regions, except Malaysia, Egypt, and China. Despite this, the Group's revenues rose by 0.9% YoY to €371mn (vs €373mn exp.), supported by stronger sales in the Nordic & Baltic areas, Turkey (the increase in prices exceeded the decline in volumes and the negative ForEx impact), and Malaysia. At constant 2024 exchange rates, revenues would have been €382.1mn, reflecting a 4.1% increase.
- **Margins hold up well despite falling volumes.** Profitability was in line with expectations, also thanks to a 0.9% decrease in operating costs, driven by a 6.4% drop in raw material costs (lower input prices, reduced production, and favourable exchange rates) and leading to EBITDA (Non-GAAP) of €70mn (in line with expectations), a mere 0.5% rise from the previous year, meaning a margin broadly stable YoY at 18.8% (just a 0.1pp decline YoY). Gains EBITDA in the Nordic & Baltic region and Malaysia were offset by declines elsewhere and a €4.8mn negative currency impact. At constant exchange rates, EBITDA would have been €74.5mn, up 7.5%. Net cash, as expected, declined QoQ following its usual seasonal trend due to maintenance and working capital needs, dropping by €147mn since end-2024 and reaching €143mn.
- **2025 guidance reaffirmed, estimates merely fine-tuned.** Management reaffirmed 2025 guidance, indicating ~Eu1.75bn revenue, ~Eu415mn EBITDA (consensus in line), and a net cash position of ~Eu410mn, following ~Eu98mn of investments (of which Eu14mn dedicated to decarbonization). It was made clear that current guidance excludes any negative repercussion from ongoing political tensions, such as the introduction of tariffs, whose direct impact would be quite limited in our opinion, while indirect impact from an economic slowdown may be more significant. We are making only minor adjustments to our estimates, reflecting a slightly different geographical mix following a stronger-than-expected start to the year in the Nordics in terms of profitability, and a lower contribution from Turkey. Our estimates remain aligned to company guidance regarding EBITDA, while a tad higher for net cash.
- **Downgrade to NEUTRAL, TP kept at Eu15.2.** We continue to believe that the company is well managed and that it could still enjoy further interesting opportunities in the near future especially if the conflicts in Ukraine and Gaza are resolved, eventualities that, however, appear more distant than a few months ago. Nonetheless, the strong performance since the beginning of the year (+39% YTD) has brought the price into line with our target price (which we confirm as well as estimates) and to a closing of the valuation discount versus peers, now in line with the 10-year historical average (c. 34% in terms of EV/EBITDA NTM). For this reason, we downgrade our recommendation to NEUTRAL from Outperform.

| Key Figures & Ratios | 2023A | 2024A | 2025E | 2026E | 2027E |
|---|---|---|---|---|---|
| Sales (Eu mn) | 1,694 | 1,687 | 1,735 | 1,830 | 1,932 |
| EBITDA Adj (Eu mn) | 400 | 412 | 415 | 434 | 455 |
| Net Profit Adj (Eu mn) | 193 | 205 | 201 | 213 | 227 |
| EPS New Adj (Eu) | 1.211 | 1.288 | 1.260 | 1.339 | 1.426 |
| EPS Old Adj (Eu) | 1.211 | 1.271 | 1.303 | 1.397 | 1.495 |
| DPS (Eu) | 0.280 | 0.280 | 0.284 | 0.301 | 0.321 |
| EV/EBITDA Adj | 2.6 | 3.2 | 4.8 | 4.2 | 3.7 |
| EV/EBIT Adj | 4.0 | 4.9 | 7.3 | 6.4 | 5.6 |
| P/E Adj | 12.3 | 11.6 | 11.9 | 11.2 | 10.5 |
| Div. Yield | 1.9% | 1.9% | 1.9% | 2.0% | 2.1% |
| Net Debt/EBITDA Adj | -0.5 | -0.7 | -1.0 | -1.3 | -1.7 |

Intermonte

**DISCLAIMER (for more details go to DISCLAIMER)**

**IMPORTANT DISCLOSURES**

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.

This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.

The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.

This disclaimer is constantly updated on Intermonte's website www.intermonte.it under LEGAL NOTICES. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the web page CUSTOMER AREA.

Intermonte distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Plural Securities LLC under SEC 15a-6 guidelines. Intermonte is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

**ANALYST CERTIFICATION**

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certify that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities.

Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Plural Securities LLC, 950 3rd Ave, Suite 1702, NY 10022, USA.

**GUIDE TO FUNDAMENTAL RESEARCH**

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.

Explanation of our ratings system:

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

**CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS**

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

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 % |

**CONFLICT OF INTEREST**

In order to disclose its possible conflicts of interest Intermonte SIM states that:

**Intermonte SIM S.p.A. operates or has operated in the last 12 months as the person in charge of carrying out the share buyback plan approved by the shareholders' meeting of** ABITARE IN, ANIMA HOLDING, AZIMUT, CIVITANAVI SYSTEMS, EL.EN., ELICA, INTRED, PHARMANUTRA, SERVIZI ITALIA, SESA, TMP GROUP, UNIDATA, WEBUILD

**Intermonte SIM S.p.A. provides or has provided corporate brokerage services to** ALLCORE, ALMAWAVE, ANTARES VISION, AQUAFIL, AVIO, CASTA DIVA GROUP, CUBE LABS, CY4GATE, CYBEROO, DIGITOUCH, DOMINION HOSTING HOLDING, ELICA, ENERGY, ESPRINET, EVISO, FINE FOODS & PHARMACEUTICALS NTM, FNM, FRANCHI UMBERTO MARMI, G.M. LEATHER, GPI, GREEN OLEO, GREENTHESIS, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTRED, ISCC FINTECH, ITALIAN EXHIBITION GROUP, LEMON SISTEMI, LUVE, MAPS, MARE ENGINEERING GROUP, NEODECORTECH, NOTORIOUS PICTURES, REDFISH LONGTERM CAPITAL, REVO INSURANCE, REWAY GROUP, SERI INDUSTRIAL, SG COMPANY, SPINDOX, STAR7, TALEA GROUP, ULISSE BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA **in the last 12 months**

**Intermonte SIM S.p.A. operates or has operated in the last 12 months as Financial Content Provider on the company** ALLCORE, ALMAWAVE, B&C SPEAKERS, BANCA SISTEMA, BIFIRE, CASTA DIVA GROUP, CLEANBNB, COFLE, CROWDFUNDME, CUBE LABS, DIGITOUCH, DOMINION HOSTING HOLDING, ECOSUNTEK, EDILIZIACROBATICA, ELES, ENERGY, EVISO, FAE TECHNOLOGY, FIERA MILANO, FILA, FOPE, G.M. LEATHER, GREEN OLEO, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTERCOS, INTRED, ISCC FINTECH, LEMON SISTEMI, MAPS, MARE ENGINEERING GROUP, MASI AGRICOLA, MISITANO & STRACUZZI SPA, NEODECORTECH, NOTORIOUS PICTURES, OLIDATA, OSAI AUTOMATION SYSTEM, RACING FORCE, REDFISH LONGTERM CAPITAL, RETI, SCIUKER FRAMES, SG COMPANY, SIMONE, SOLID WORLD GROUP, SPINDOX, TALEA GROUP, TAMBURI, TINEXTA, TMP GROUP, ULISSE BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA

**Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of intermediary appointed in the public purchase and/or exchange offer transaction of** SAES GETTERS, TINEXTA

**Intermonte SIM S.p.A. operates or has operated in the last 12 months as liquidity provider of** BANCA SISTEMA, Zest Group SpA

**Intermonte SIM is acting as counterparty to WIIT Fin S.r.l. in connection with call and put options having WIIT S.p.A. shares and dividends as reference underlying.**

**Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of financial advisor for** AQUAFIL, BANCA IFIS, BANCO BPM, MAIRE, RETEX SPA, TINEXTA

**Intermonte SIM S.p.A. operates or has operated in the last 12 months as market maker on financial instruments with underlying shares issued by** A2A, AMPLIFON, AZIMUT, BANCA IFIS, BANCA MEDIOLANUM, BANCO BPM, BCA MPS, BCA POP SONDRIO, BFF BANK, Bper Banca, BREMBO, BUZZI, CAMPARI, DANIELI & C, DIASORIN, ENEL, ENI, ERG, FERRARI, FINECOBANK, INDUSTRIE DE NORA, INTERPUMP GROUP, INTESA SANPAOLO, INWIT, IREN, ITALGAS, IVECO GROUP, LEONARDO, LOTTOMATICA GROUP, MEDIOBANCA, MFE B, MONCLER, MONDADORI EDIT., NEXI, OVS, PIRELLI & C, POSTE ITALIANE, PRYSMIAN, SAIPEM, SESA, SNAM S.p.A., STELLANTIS, STMICROELECTRONICS, TECHNOGYM, TECHNOPROBE, TELECOM ITALIA, TELECOM ITALIA R, TENARIS, TERNA, UNICREDIT, UNIPOL, WEBUILD

**Intermonte Sim S.p.A. has or had in the last 12 months a marketing contract on instruments issued by** BARCLAYS, BNP PARIBAS, GOLDMAN SACHS GROUP INC, LEONTEQ, MAREX FINANCIAL, MEDIOBANCA, MORGAN STANLEY, NATIXIS, SOCIETE GENERALE, UNICREDIT, VONTOBEL N, WISDOMTREE IRELAND LIMITED

**Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of specialist on financial instruments issued by** ABITARE IN, ALKEMY, BANCA IFIS, BANCA SISTEMA, CIVITANAVI SYSTEMS, COFLE, CYBEROO, DIGITOUCH, ECOSUNTEK, EL.EN., EMAK, ENERGY, GREENTHESIS, MISITANO & STRACUZZI SPA, MONDADORI EDIT., OLIDATA, OMER, PHARMANUTRA, QF ALPHA IMM, REPLY, SAES GETTERS, SERVIZI ITALIA, SESA, SG COMPANY, SOMEC, SYS-DAT, TAMBURI, TESMEC, THE ITALIAN SEA GROUP, TINEXTA, TMP GROUP, TXT E-SOLUTIONS, UNIDATA, WIIT **with the obligation to disseminate studies**

**Intermonte SIM S.p.A. plays or has played in the last 12 months the role of sponsor for** UNIDATA S.p.A.

Intermonte SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

| Emittente | % | Long/Short |
|---|---|---|



INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website MiFID

Further information is available