Intermonte

Milan, 25 July 2025

Italian Equity Research – 2Q25 Preview

CEMENTIR

NEUTRAL

Sector: Industrials

Price: Eu13.00 - **Target: Eu15.20**

Soft 2Q Expectations Makes Guidance a Tad More Challenging

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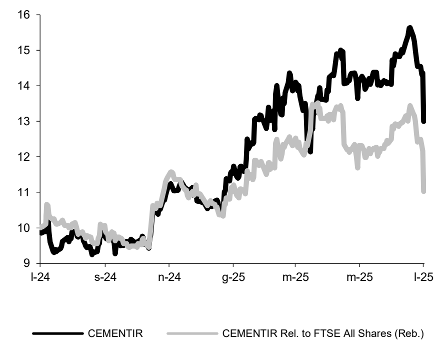
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			Unchanged
	2025E	**2026E**	**2027E**
Chg in Adj EPS	-0.4%	-0.4%	-0.4%

Next Event

Results Out July 29th

CEMENTIR - 12M Performance



Stock Data			
Reuters code:			CEMI.MI
Bloomberg code:			CEM IM
Performance	**1M**	**3M**	**12M**
Absolute	-11.7%	-6.1%	30.0%
Relative	-14.6%	-16.6%	12.5%
12M (H/L)			15.64/9.25
3M Average Volume (th):			80.02

Shareholder Data	
No. of Ord shares (mn):	159
Total no. of shares (mn):	159
Mkt Cap Ord (Eu mn):	2,069
Total Mkt Cap (Eu mn):	2,069
Mkt Float - Ord (Eu mn):	591
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:	1.2
Net Financial Position (Eu mn):	413
Enterprise Value (Eu mn):	1,688

- **Soft quarterly results in sight:** We expect mixed messages from quarterly results, as on the one hand volumes are expected to accelerate from 1Q levels, but on the other hand the negative impact of ForEx, cost inflation and some temporary operational inefficiencies should have affected Group profitability. As for the Group's main geographical markets, we expect a relatively strong quarter in the Nordics (approximately 40% of Group revenue) thanks to a general improvement in both Denmark (we expect export trends to be better than the domestic market) and Norway, with slight margin dilution that should bring adj. EBITDA broadly into line with last year. The situation is different for Belgium & France (approximately 20% of revenue), where we expect the market to continue to be weak, as it is normalising after having been boosted in recent years by infrastructure work related to the Paris Olympics. Due to lower volumes, we also expect a slight margin decline (from 30.0% in 2Q24 to 29.3%), which should bring EBITDA to c.€25.7mn, down 7% YoY. Finally, we expect Turkey (c.20% of total revenues) to still show good trends in volumes sold and selling prices, but a mismatch between cost inflation (inflation in the period c.36% YoY) and the devaluation of the Turkish lira (c.20% in the period) should have had a negative impact on margins, which we expect to decrease by c.5pp YoY, with adj. EBITDA in absolute terms of Eu13.4mn, down by c.24% YoY. Overall, we therefore expect Group turnover of Eu438mn, up 0.4% YoY and adj. EBITDA of Eu102mn, down 9% YoY due to a 3.0pp margin dilution (23.3% from 26.3%). As for cash generation, we expect net cash at the end of June to amount to Eu149mn, up from Eu143mn at the end of March following usual cash generation seasonality.
- **Guidance feasible, but acceleration needed in 2H:** we believe that following 2Q results the company will be able to broadly confirm its 2025 guidance, to which our estimates are more or less aligned (we are only fine-tuning estimates due to a slightly different geographical mix). Guidance points to ~Eu1.75bn of revenue, ~Eu415mn of EBITDA, and a net cash position of ~Eu410mn, following ~Eu98mn of investments (of which Eu14mn dedicated to decarbonisation). Both company targets and our estimates imply an acceleration in the second half of the year that we deem feasible, if challenging, thanks to important projects picking up in key markets and the second production line reaching full speed in Egypt. As a reminder, current guidance excludes any negative repercussions from ongoing geopolitical tensions, such as the introduction of tariffs, whose direct impact would be quite limited in our opinion, while the indirect impact of an economic slowdown could be more significant.
- **NEUTRAL confirmed; target Eu15.2:** we confirm our NEUTRAL recommendation on the stock as we see earnings momentum as more skewed towards the downside in the short term, despite some upside on our estimates exists, mainly depending on the end of conflicts and the start of reconstruction activity in Ukraine and Palestine, areas that could be served by the company's Turkish plants. Having only fine-tuned our estimates, we confirm our target price of Eu15.2.

Key Figures & Ratios	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
Sales (Eu mn)	1,694	1,687	1,713	1,807	1,908
EBITDA Adj (Eu mn)	400	412	414	433	454
Net Profit Adj (Eu mn)	193	205	200	212	226
EPS New Adj (Eu)	1.211	1.288	1.255	1.333	1.420
EPS Old Adj (Eu)	1.211	1.288	1.260	1.339	1.426
DPS (Eu)	0.280	0.280	0.282	0.300	0.319
EV/EBITDA Adj	2.6	3.2	4.1	3.5	3.2
EV/EBIT Adj	4.0	4.9	6.2	5.4	4.9
P/E Adj	10.7	10.1	10.4	9.8	9.2
Div. Yield	2.2%	2.2%	2.2%	2.3%	2.5%
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.

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

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As at 25 July 2025 Intermonte's Research Department covered 134 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.84%
OUTPERFORM:	38.06%
NEUTRAL:	29.10%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (79 in total) is as follows:

BUY:	53.16%
OUTPERFORM:	29.11%
NEUTRAL:	17.73%
UNDERPERFORM:	00.00%
SELL:	00.00%

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