



Company Flash Note

Reason: Estimates revision

3 August 2023

Buy

Recommendation unchanged

Share price: EUR 18.00

closing price as of 02/08/2023

Target price: EUR 21.50

from Target Price: EUR 20.10

Upside/Downside Potential 19.4%

Reuters/Bloomberg

CMTM.SCT/CMO SM

Market capitalisation (EURm) 1,190

Current N° of shares (m) 66

Free float 6%

Daily avg. no. trad. sh. 12 mth (k) 1

Daily avg. trad. vol. 12 mth (k) 0.00

Price high/low 12 months 19.00 / 15.00

Abs Perfs 1/3/12 mths (%) 11.80/0.56/16.88

Key financials (EUR) 12/22 12/23e 12/24e

Sales (m) 1,268 1,400 1,408

EBITDA (m) 276 334 340

EBITDA margin 21.8% 23.9% 24.1%

EBIT (m) 202 257 261

EBIT margin 15.9% 18.3% 18.6%

Net Profit (adj.)(m) 110 141 144

ROCE 10.2% 12.3% 12.4%

Net debt/(cash) (m) 145 83 27

Net Debt Equity 0.1 0.1 0.0

Net Debt/EBITDA 0.5 0.2 0.1

Int. cover(EBITDA/Fin.int) 10.3 10.4 10.6

EV/Sales 1.0 0.9 0.9

EV/EBITDA 4.7 3.8 3.6

EV/EBITDA (adj.) 4.7 3.8 3.6

EV/EBIT 6.5 5.0 4.7

P/E (adj.) 10.5 8.5 8.2

P/BV 1.1 1.1 1.0

OpFCF yield 7.5% 11.1% 11.2%

Dividend yield 3.8% 4.7% 4.9%

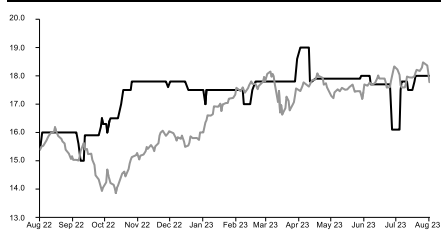
EPS (adj.) 1.67 2.13 2.18

BVPS 15.47 16.83 18.19

DPS 0.68 0.84 0.87

Shareholders

Otinix 33%; Noumea 32%; Cartera de inversiones 24%;



Source: FactSet

— CEMENTOS MOLINS — IGBM (Rebased)

Analyst(s)

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Un año record a la espera de un 2024 más incierto.

El año 2023 será un año record para Cementos Molins, por lo que esperamos un crecimiento abultado del EBITDA (21%, EUR 334m) apoyado en el aumento de precios y en la contribución de los planes de eficiencia. Sin embargo, en 2024 hemos asumido cierta desaceleración que se traducirá en un crecimiento limitado (+2%, EUR 339m). Esperamos una buena generación de caja en 2023/2024 (EUR 62m/EUR 56m) y que se mantenga la sólida estructura financiera (0,2x DN/EBITDA 2023). Cementos Molins es una compañía de soluciones y materiales para el sector de la construcción, de origen familiar, con un modelo de negocio integrado y diversificada geográficamente.

- ✓ En 2023 esperamos un fuerte incremento del EBITDA (+21%, EUR 334m) y un ligero aumento en 2024 (+2%, EUR 339m). El aumento del margen EBITDA que estimamos (del 21,8% del 2022 al 23,9% del 2023) radica en el incremento de los precios en un contexto de costes decrecientes. De cara al 2024 esperamos que el margen crezca, aunque de forma reducida (24,1%).
- ✓ En Méjico estimamos un EBITDA de EUR 142m (+38%) y en 2024 un aumento del 2% (EUR 145m). En 2023 se está viendo un comportamiento positivo tanto en precios como en volúmenes lo que conduce a una significativa mejora de los márgenes (del 39,5% del 2022 al 44,5% del 2023). De cara al 2024 esperamos un reducido crecimiento (2%, EUR 145m) por la ralentización que comienza a intuirse.
- ✓ En España también se produce la mejora precios, volúmenes y márgenes, lo que desemboca en una mejora del EBITDA del 40% (EUR 86m) y una mejora sustancial del margen (del 13,7% al 16,3%). Destaca especialmente la actividad de prefabricados. De cara al 2024 esperamos cierto descenso del EBITDA (-4% hasta EUR 82m) en un contexto político poco claro.
- ✓ Por su parte en Argentina esperamos fuertes subidas de precios en moneda local en 2023/2024 para recoger la elevada inflación esperada. En cuanto a volúmenes se refiere esperamos un pequeño descenso en 2023. En conjunto esperamos que el EBITDA alcance los EUR 60m en 2023 (-4%) y que ceda un 3% en 2024.
- ✓ Esperamos que el CF libre sea positivo en los dos próximos años (EUR 62m/EUR 56m) con cierto deterioro de WC (EUR -27m/EUR -8m), inversiones de EUR 80m/EUR 100m que recogen mayores inversiones derivadas del "sustainability roadmap" y asumiendo un pay out del 40%. Aquí no se incluyen posibles inversiones derivadas del plan de crecimiento inorgánico de la compañía.
- ✓ Nuestro rango de valoración se eleva a EUR 22,8-20,1/Acción (considerando un descuento del 15%/25% por iliquidez y descarbonización), con un valor central en EUR 21,5/Acción. La ratio EV/EBITDA 23 que corresponde a este valor central es de 5x. Hemos llevado a cabo un descuento de cash flows en el que las principales hipótesis son. 1) WACC del 9%; 2) g del 1,5%; 3) CF normalizado (2033) que asume un margen EBITDA del 21,7%, una inversión sobre ventas del 9% (EUR 148m) y del circulante del 1%. El CF residual que obtenemos es un 26% inferior que el de pico de ciclo y CF/EBITDA residual es de 5x.

Cementos Molins: Summary tables

	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
PROFIT & LOSS (EURm)						
Sales	775	968	1,268	1,400	1,408	1,406
Cost of Sales & Operating Costs	-569.3	-726.1	-992.0	-1,065.6	-1,068.3	-1,088.9
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	205	242	276	334	340	317
EBITDA (adj.)*	205	242	276	334	340	317
Depreciation	-57.7	-63.9	-77.0	-77.4	-78.1	-79.8
Depreciation of Right-of-Use	0	0	0	0	0	0
EBITA	148	178	199	257	261	237
EBITA (adj)*	148	178	199	257	261	237
EBIT	148	181	202	257	261	237
EBIT (adj.)*	148	181	202	257	261	237
Net Financial Interest	-16.4	-30.2	-26.9	-32.0	-32.2	-23.3
Other Financials	-3.6	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	-2.0	0.0	0.0
Earnings Before Tax (EBT)	128	151	175	223	229	214
Tax	-34.4	-46.4	-62.8	-83.5	-84.8	-79.1
<i>Tax rate</i>	<i>26.9%</i>	<i>30.7%</i>	<i>35.9%</i>	<i>37.5%</i>	<i>37.0%</i>	<i>37.0%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (reported)	93.6	105	112	139	144	135
Net Profit (adj.)	93.2	102	110	141	144	135
CASH FLOW (EURm)						
Cash Flow from Operations before change in NWC	159	184	191	238	242	233
Change in Net Working Capital	10.3	12.0	-11.0	-26.8	-8.5	-6.0
Cash Flow from Operations	170	196	180	212	234	227
Capex	-36.4	-193.0	-94.0	-80.0	-100.0	-85.0
Net Financial Investments	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow	133	2.6	86.4	132	134	142
Dividends	-18.4	-27.0	-39.0	-48.8	-54.4	-53.5
Other (incl. Capital Increase & share buy backs)	-7.3	-78.7	-15.4	-21.0	-23.0	0.0
Change in Net Financial Debt	107	-103.1	32.0	61.8	56.2	88.2
NOPLAT	108	126	129	160	165	149
BALANCE SHEET & OTHER ITEMS (EURm)						
Net Tangible Assets	698	776	827	837	865	877
Net Intangible Assets (incl. Goodwill)	121	296	368	361	354	348
Right-of-Use Assets (Lease Assets)	0.0	0.0	0.0	0.0	0.0	0.0
Net Financial Assets & Other	57.5	65.2	66.0	66.0	66.0	66.0
Total Fixed Assets	876	1,137	1,261	1,264	1,286	1,291
Inventories	94.6	155	195	204	206	205
Trade receivables	208	236	250	318	324	354
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0
Cash (-)	-226.4	-206.6	-206.7	-206.7	-206.7	-206.7
Total Current Assets	529	598	651	729	736	766
Total Assets	1,404.3	1,734.3	1,912.4	1,993.0	2,021.8	2,057.0
Shareholders Equity	802	919	1,023	1,113	1,203	1,284
Minority	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity	802	919	1,023	1,113	1,203	1,284
Long term interest bearing debt	208	324	314	252	196	107
Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Lease Liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	63.7	123	170	171	167	185
Total Long Term Liabilities	272	447	483	423	363	293
Short term interest bearing debt	92.1	59.6	37.8	37.8	37.8	37.8
Trade payables	239	309	369	420	418	442
Other current liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Total Current Liabilities	331	369	407	458	456	480
Total Liabilities and Shareholders' Equity	1,404.3	1,734.3	1,912.4	1,993.0	2,021.8	2,057.0
Net Capital Employed	939.0	1,218.5	1,336.9	1,366.4	1,396.8	1,407.9
Net Working Capital	63.2	81.7	75.9	102.7	111.2	117.2
GROWTH & MARGINS						
<i>Sales growth</i>	<i>-2.8%</i>	<i>24.9%</i>	<i>31.1%</i>	<i>10.3%</i>	<i>0.6%</i>	<i>-0.1%</i>
EBITDA (adj.)* growth	7.2%	17.7%	14.4%	20.8%	1.7%	-6.7%
<i>EBITA (adj.)* growth</i>	<i>5.4%</i>	<i>20.4%</i>	<i>12.2%</i>	<i>28.7%</i>	<i>1.9%</i>	<i>-9.3%</i>
<i>EBIT (adj.)* growth</i>	<i>5.5%</i>	<i>22.4%</i>	<i>11.3%</i>	<i>27.2%</i>	<i>1.9%</i>	<i>-9.3%</i>

Cementos Molins: Summary tables

GROWTH & MARGINS	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Net Profit growth	4.2%	9.4%	8.1%	27.5%	2.7%	-6.7%
EPS adj. growth	4.2%	9.4%	8.1%	27.5%	2.7%	-6.7%
DPS adj. growth	44.8%	33.3%	21.4%	23.7%	3.9%	-6.7%
EBITDA (adj)* margin	26.5%	25.0%	21.8%	23.9%	24.1%	22.5%
EBITA (adj)* margin	19.1%	18.4%	15.7%	18.3%	18.6%	16.9%
EBIT (adj)* margin	19.1%	18.7%	15.9%	18.3%	18.6%	16.9%
RATIOS	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Net Debt/Equity	0.1	0.2	0.1	0.1	0.0	0.0
Net Debt/EBITDA	0.4	0.7	0.5	0.2	0.1	-0.2
Interest cover (EBITDA/Fin.interest)	12.5	8.0	10.3	10.4	10.6	13.6
Capex/D&A	63.5%	319.5%	125.8%	103.4%	128.0%	106.5%
Capex/Sales	4.7%	19.9%	7.4%	5.7%	7.1%	6.0%
NWC/Sales	8.2%	8.4%	6.0%	7.3%	7.9%	8.3%
ROE (average)	11.7%	11.9%	11.4%	13.2%	12.5%	10.8%
ROCE (adj.)	12.3%	10.9%	10.2%	12.3%	12.4%	11.1%
WACC	8.3%	8.3%	8.2%	9.1%	9.1%	9.1%
ROCE (adj.)/WACC	1.5	1.3	1.2	1.4	1.4	1.2
PER SHARE DATA (EUR)***	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Average diluted number of shares	66.1	66.1	66.1	66.1	66.1	66.1
EPS (reported)	1.42	1.58	1.69	2.10	2.18	2.04
EPS (adj.)	1.41	1.54	1.67	2.13	2.18	2.04
BVPS	12.13	13.90	15.47	16.83	18.19	19.42
DPS	0.42	0.56	0.68	0.84	0.87	0.81
VALUATION	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
EV/Sales	1.3	1.4	1.0	0.9	0.9	0.8
EV/EBITDA	4.8	5.7	4.7	3.8	3.6	3.6
EV/EBITDA (adj.)*	4.8	5.7	4.7	3.8	3.6	3.6
EV/EBITA	6.6	7.8	6.5	5.0	4.7	4.8
EV/EBITA (adj.)*	6.6	7.8	6.5	5.0	4.7	4.8
EV/EBIT	6.6	7.7	6.5	5.0	4.7	4.8
EV/EBIT (adj.)*	6.6	7.7	6.5	5.0	4.7	4.8
P/E (adj.)	9.7	11.9	10.5	8.5	8.2	8.8
P/BV	1.1	1.3	1.1	1.1	1.0	0.9
Total Yield Ratio	3.0%	3.2%	4.1%	4.6%	4.5%	4.4%
EV/CE	1.1	1.2	1.0	1.0	0.9	0.8
OpFCF yield	14.7%	0.2%	7.5%	11.1%	11.2%	11.9%
OpFCF/EV	13.6%	0.2%	6.6%	10.3%	11.0%	12.6%
Payout ratio	29.7%	35.4%	40.1%	40.0%	40.0%	40.0%
Dividend yield (gross)	3.1%	3.1%	3.8%	4.7%	4.9%	4.5%
EV AND MKT CAP (EURm)	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Price** (EUR)	13.70	18.30	17.50	18.00	18.00	18.00
Outstanding number of shares for main stock	66.1	66.1	66.1	66.1	66.1	66.1
Total Market Cap	905.8	1,209.9	1,157.0	1,190.1	1,190.1	1,190.1
Gross Financial Debt (+)	299.9	383.2	351.3	289.5	233.3	145.1
Cash & Marketable Securities (-)	-226.4	-206.6	-206.7	-206.7	-206.7	-206.7
Net Financial Debt	73.5	176.6	144.6	82.8	26.6	-61.6
Lease Liabilities (+)	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt	73.5	176.6	144.6	82.8	26.6	-61.6
Other EV components	0.0	0.0	0.0	0.0	0.0	0.0
Enterprise Value (EV adj.)	979.3	1,386.5	1,301.6	1,272.9	1,216.7	1,128.5

Source: Company, GVC Gaesco Valores estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.)= EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.)= EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

***EPS (adj.) diluted= Net Profit (adj.)/Avg DIL. Ord. (+ Ord. equivalent) Shs. EPS (reported) = Net Profit reported/Avg DIL. Ord. (+ Ord. equivalent) Shs.

Sector: Materials, Construction & Infrastructure/Cement

Company Description: Cementos Molins is a building materials producer (family owned) present mostly in Spain, Mexico and Argentina.



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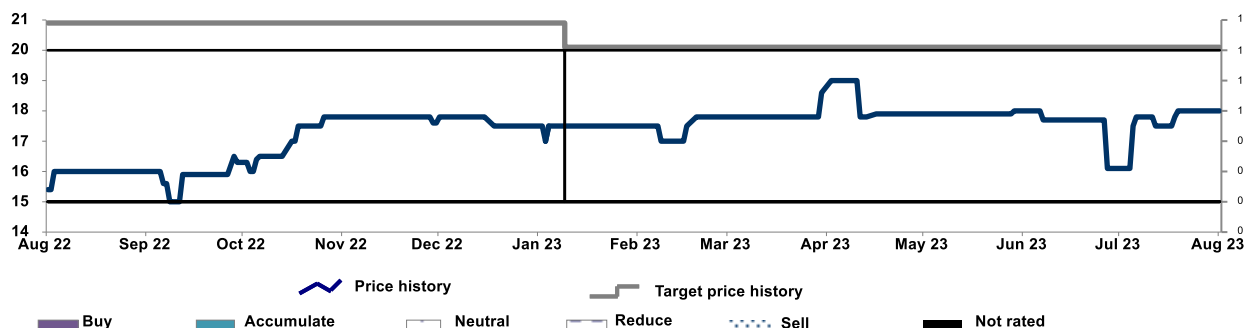
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Recommendation history for CEMENTOS MOLINS

Date	Recommendation	Target price	Price at change date
10-Jan-23	Buy	20.10	17.50
23-Nov-21	Neutral	20.90	18.70
09-Apr-21	Buy	18.10	15.30

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows GVC Gaesco Valores continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Rafael Fernández de Heredia (since 08/04/2021)



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The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B), Accumulate (A), Neutral (N), Reduce (R) and Sell (S)**.

Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months
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- **Rating Suspended:** the rating is suspended due to: a) a capital operation (take-over bid, SPO, etc.) where a Member of ESN is or could be involved with the issuer or a related party of the issuer; b) a change of analyst covering the stock; c) the rating of a stock is under review by the Analyst.
- **Not Rated:** there is no rating for a stock when there is a termination of coverage of the stocks or a company being floated (IPO) by a Member of ESN or a related party of the Member.

Note: a certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

GVC Gaesco Valores, S.V., S.A. Ratings Breakdown

Recommendation	Number of stocks covered	%
Buy	62	79%
Accumulate	8	10%
Neutral	7	9%
Reduce	1	1%
Sell	0	0%

For full ESN Recommendation and Target price history (in the last 12 months), please see ESN Website [Link](#)

Date and time of production: **3 August 2023 12 CET**

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