

Company Flash Note

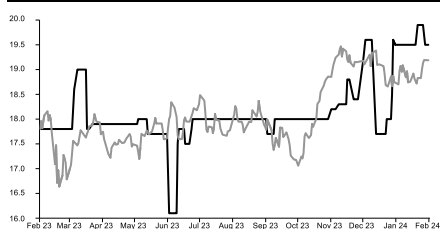
Reason: Company results (post view)

28 February 2024

Buy			
Recommendation unchanged			
Share price: EUR	19.50		
closing price as of 27/02/2024			
Target price: EUR	21.50		
Target Price unchanged			
Upside/Downside Potential	10.3%		
Reuters/Bloomberg CMTM.SCT/CMO SM			
Market capitalisation (EURm)	1,289		
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	19.90 / 16.10		
Abs Perfs 1/3/12 mths (%)	0.00/7.14/9.55		
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	1.0	0.9
EV/EBITDA	4.7	4.1	3.9
EV/EBITDA (adj.)	4.7	4.1	3.9
EV/EBIT	6.5	5.4	5.0
P/E (adj.)	10.5	9.2	8.9
P/BV	1.1	1.2	1.1
OpFCF yield	7.5%	10.2%	10.4%
Dividend yield	3.5%	4.3%	4.5%
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

Analyst(s)

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Fuerte crecimiento del EBITDA.

Resultados mejores de lo previsto y que destacan en un fuerte crecimiento del EBITDA (a pesar de la ralentización vista desde el 2T23) que se apoya en mayores precios, volúmenes y mejoras por los planes de eficiencia. De cara al 2024 se espera un EBITDA estable o con cierto crecimiento y de cara al 2026 un aumento anual del 4%/5%. Mantenemos nuestra visión positiva en el valor.

- ✓ **El EBITDA** está en línea con nuestras estimaciones (EUR 337m), el beneficio neto es un 9% superior y se alcanza una caja neta de EUR 17m vs nuestra estimación de EUR 83m de deuda neta.
- ✓ **Ventas** (EUR 1.349m +6%, -13% 4T23) subida generalizadas gracias a las subidas de precios y volúmenes, aunque se aprecia cierta ralentización desde el 2T23. **En términos I-f-I** el incremento es del 34% (+32% en 4T23, 18% en 2022).
- ✓ **Las ventas de cemento** (volumen) aumentan un 6% en 2023 (+3% en 4T23). Crecimiento en México, Asia, Norte de África y España. Ralentización en el 4T.
- ✓ **En hormigón** el aumento de los volúmenes es elevado (12% en 2023, 14% en 4T23). Crecimiento en todas las áreas geográficas.
- ✓ **El EBITDA** aumenta un 22% (EUR 337m, -14% en 4T23) apoyado en los mayores precios y volúmenes, el impacto de los planes de eficiencia y a pesar de un peor tipo de cambio. **El margen EBITDA** se recupera hasta el 25% desde el 21,8% de 2022.
- ✓ **En términos comparables el EBITDA** (ajustado por tipo de cambio, hiperinflación y a mismo perímetro) crece un 56% por mayor volumen (11%), mayores precios de venta y costes variables (58%) y mayores costes fijos (-11%).
- ✓ **El EBITDA I-f-I** (+56%) sube un 43% en Europa, un 39% en México, un 97% en Sudamérica y sube un 31% en Asia y Norte de África.
- ✓ **Conversión de caja. 64%** (51% en 2022) de conversión del EBITDA en flujo de caja (EUR 215m). WC positivo (EUR 33m) por eficiencia. Reducidos costes financieros, inversiones de mantenimiento y mínimas inversiones de crecimiento.
- ✓ **CF libre, Deuda. CF libre positivo** de EUR 161m con lo que la **deuda** pasa de los EUR 145m de diciembre 2022 hasta una caja neta de EUR 17m en 2023. 65% de la deuda está en euros y el 50% de la tesorería en monedas fuertes. **Líneas de financiación** de EUR 577m (48% utilizadas). Reducidos **vencimientos** en los próximos años.
- ✓ **Perspectivas 2024.** Ventas estables o ligera disminución. EBITDA estable o crecimiento de un dígito bajo por eficiencia y precios de venta. **Objetivos plan estratégico 23-26.** Crecimiento de ventas anual del 3%/4%, del EBITDA del 4%/5% y un rango de pay out del 30%/40%.
- ✓ Avance relevante en los principales indicadores del “2030 Sustainability roadmap” con **el objetivo de reducir las emisiones un 20% en 2030 y lograr un hormigón neutro en C02 en 2050.**
- ✓ **Dividendo del 2023** (EUR 0,92/Acción, +35%).

Cementos Molins: Summary tables

PROFIT & LOSS (EURm)	12/2021	12/2022	12/2023e	12/2024e	12/2025e	01/2026e
Sales	968	1,268	1,400	1,408	1,406	1,429
Cost of Sales & Operating Costs	-726.1	-992.0	-1,065.6	-1,068.3	-1,088.9	-1,117.3
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	242	276	334	340	317	312
EBITDA (adj.)*	242	276	334	340	317	312
Depreciation	-63.9	-77.0	-77.4	-78.1	-79.8	-81.9
Depreciation of Right-of-Use	0	0	0	0	0	0
EBITA	178	199	257	261	237	230
EBITA (adj)*	178	199	257	261	237	230
EBIT	181	202	257	261	237	230
EBIT (adj.)*	181	202	257	261	237	230
Net Financial Interest	-30.2	-26.9	-32.0	-32.2	-23.3	-10.3
Other Financials	0.0	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	-2.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	151	175	223	229	214	220
Tax	-46.4	-62.8	-83.5	-84.8	-79.1	-81.2
<i>Tax rate</i>	<i>30.7%</i>	<i>35.9%</i>	<i>37.5%</i>	<i>37.0%</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)	105	112	139	144	135	138
Net Profit (adj.)	102	110	141	144	135	138
CASH FLOW (EURm)	12/2021	12/2022	12/2023e	12/2024e	12/2025e	01/2026e
Cash Flow from Operations before change in NWC	184	191	238	242	233	239
Change in Net Working Capital	12.0	-11.0	-26.8	-8.5	-6.0	1.7
Cash Flow from Operations	196	180	212	234	227	241
Capex	-193.0	-94.0	-80.0	-100.0	-85.0	-85.0
Net Financial Investments	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow	2.6	86.4	132	134	142	156
Dividends	-27.0	-39.0	-48.8	-54.4	-53.5	-52.3
Other (incl. Capital Increase & share buy backs)	-78.7	-15.4	-21.0	-23.0	0.0	0.0
Change in Net Financial Debt	-103.1	32.0	61.8	56.2	88.2	103
NOPLAT	126	129	160	165	149	145
BALANCE SHEET & OTHER ITEMS (EURm)	12/2021	12/2022	12/2023e	12/2024e	12/2025e	01/2026e
Net Tangible Assets	776	827	837	865	877	887
Net Intangible Assets (incl. Goodwill)	296	368	361	354	348	341
Right-of-Use Assets (Lease Assets)	0.0	0.0	0.0	0.0	0.0	0.0
Net Financial Assets & Other	65.2	66.0	66.0	66.0	66.0	66.0
Total Fixed Assets	1,137	1,261	1,264	1,286	1,291	1,294
Inventories	155	195	204	206	205	209
Trade receivables	236	250	318	324	354	368
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0
Cash (-)	-206.6	-206.7	-206.7	-206.7	-206.7	-206.7
Total Current Assets	598	651	729	736	766	783
Total Assets	1,734.3	1,912.4	1,993.0	2,021.8	2,057.0	2,077.2
Shareholders Equity	919	1,023	1,113	1,203	1,284	1,370
Minority	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity	919	1,023	1,113	1,203	1,284	1,370
Long term interest bearing debt	324	314	252	196	107	4.0
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	123	170	171	167	185	204
Total Long Term Liabilities	447	483	423	363	293	208
Short term interest bearing debt	59.6	37.8	37.8	37.8	37.8	37.8
Trade payables	309	369	420	418	442	461
Other current liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Total Current Liabilities	369	407	458	456	480	499
Total Liabilities and Shareholders' Equity	1,734.3	1,912.4	1,993.0	2,021.8	2,057.0	2,077.2
Net Capital Employed	1,218.5	1,336.9	1,366.4	1,396.8	1,407.9	1,409.3
Net Working Capital	81.7	75.9	102.7	111.2	117.2	115.5
GROWTH & MARGINS	12/2021	12/2022	12/2023e	12/2024e	12/2025e	01/2026e
<i>Sales growth</i>	<i>24.9%</i>	<i>31.1%</i>	<i>10.3%</i>	<i>0.6%</i>	<i>-0.1%</i>	<i>1.7%</i>
EBITDA (adj.)* growth	17.7%	14.4%	20.8%	1.7%	-6.7%	-1.6%
<i>EBITA (adj.)* growth</i>	<i>20.4%</i>	<i>12.2%</i>	<i>28.7%</i>	<i>1.9%</i>	<i>-9.3%</i>	<i>-3.1%</i>
<i>EBIT (adj.)* growth</i>	<i>22.4%</i>	<i>11.3%</i>	<i>27.2%</i>	<i>1.9%</i>	<i>-9.3%</i>	<i>-3.1%</i>

Cementos Molins: Summary tables

GROWTH & MARGINS	12/2021	12/2022	12/2023e	12/2024e	12/2025e	01/2026e
Net Profit growth	9.4%	8.1%	27.5%	2.7%	-6.7%	2.7%
EPS adj. growth	9.4%	8.1%	27.5%	2.7%	-6.7%	2.7%
DPS adj. growth	33.3%	21.4%	23.7%	3.9%	-6.7%	2.7%
EBITDA (adj)* margin	25.0%	21.8%	23.9%	24.1%	22.5%	21.8%
EBITA (adj)* margin	18.4%	15.7%	18.3%	18.6%	16.9%	16.1%
EBIT (adj)* margin	18.7%	15.9%	18.3%	18.6%	16.9%	16.1%
RATIOS	12/2021	12/2022	12/2023e	12/2024e	12/2025e	01/2026e
Net Debt/Equity	0.2	0.1	0.1	0.0	0.0	-0.1
Net Debt/EBITDA	0.7	0.5	0.2	0.1	-0.2	-0.5
Interest cover (EBITDA/Fin.interest)	8.0	10.3	10.4	10.6	13.6	30.3
Capex/D&A	319.5%	125.8%	103.4%	128.0%	106.5%	103.7%
Capex/Sales	19.9%	7.4%	5.7%	7.1%	6.0%	5.9%
NWC/Sales	8.4%	6.0%	7.3%	7.9%	8.3%	8.1%
ROE (average)	11.9%	11.4%	13.2%	12.5%	10.8%	10.4%
ROCE (adj.)	10.9%	10.2%	12.3%	12.4%	11.1%	10.8%
WACC	8.3%	8.2%	9.0%	9.0%	9.0%	9.0%
ROCE (adj.)/WACC	1.3	1.2	1.4	1.4	1.2	1.2
PER SHARE DATA (EUR)***	12/2021	12/2022	12/2023e	12/2024e	12/2025e	01/2026e
Average diluted number of shares	66.1	66.1	66.1	66.1	66.1	66.1
EPS (reported)	1.58	1.69	2.10	2.18	2.04	2.09
EPS (adj.)	1.54	1.67	2.13	2.18	2.04	2.09
BVPS	13.90	15.47	16.83	18.19	19.42	20.72
DPS	0.56	0.68	0.84	0.87	0.81	0.84
VALUATION	12/2021	12/2022	12/2023e	12/2024e	12/2025e	01/2026e
EV/Sales	1.4	1.0	1.0	0.9	0.9	0.8
EV/EBITDA	5.7	4.7	4.1	3.9	3.9	3.6
EV/EBITDA (adj.)*	5.7	4.7	4.1	3.9	3.9	3.6
EV/EBITA	7.8	6.5	5.4	5.0	5.2	4.9
EV/EBITA (adj.)*	7.8	6.5	5.4	5.0	5.2	4.9
EV/EBIT	7.7	6.5	5.4	5.0	5.2	4.9
EV/EBIT (adj.)*	7.7	6.5	5.4	5.0	5.2	4.9
P/E (adj.)	11.9	10.5	9.2	8.9	9.6	9.3
P/BV	1.3	1.1	1.2	1.1	1.0	0.9
Total Yield Ratio	3.2%	3.8%	4.2%	4.2%	4.1%	
EV/CE	1.2	1.0	1.1	1.0	0.9	0.8
OpFCF yield	0.2%	7.5%	10.2%	10.4%	11.0%	12.1%
OpFCF/EV	0.2%	6.6%	9.5%	10.1%	11.5%	13.8%
Payout ratio	35.4%	40.1%	40.0%	40.0%	40.0%	40.0%
Dividend yield (gross)	3.1%	3.5%	4.3%	4.5%	4.2%	4.3%
EV AND MKT CAP (EURm)	12/2021	12/2022	12/2023e	12/2024e	12/2025e	01/2026e
Price** (EUR)	18.30	17.50	19.60	19.50	19.50	19.50
Outstanding number of shares for main stock	66.1	66.1	66.1	66.1	66.1	66.1
Total Market Cap	1,209.9	1,157.0	1,295.9	1,289.3	1,289.3	1,289.3
Gross Financial Debt (+)	383.2	351.3	289.5	233.3	145.1	41.8
Cash & Marketable Securities (-)	-206.6	-206.7	-206.7	-206.7	-206.7	-206.7
Net Financial Debt	176.6	144.6	82.8	26.6	-61.6	-164.9
Lease Liabilities (+)	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt	176.6	144.6	82.8	26.6	-61.6	-164.9
Other EV components	0.0	0.0	0.0	0.0	0.0	0.0
Enterprise Value (EV adj.)	1,386.5	1,301.6	1,378.7	1,315.9	1,227.7	1,124.3

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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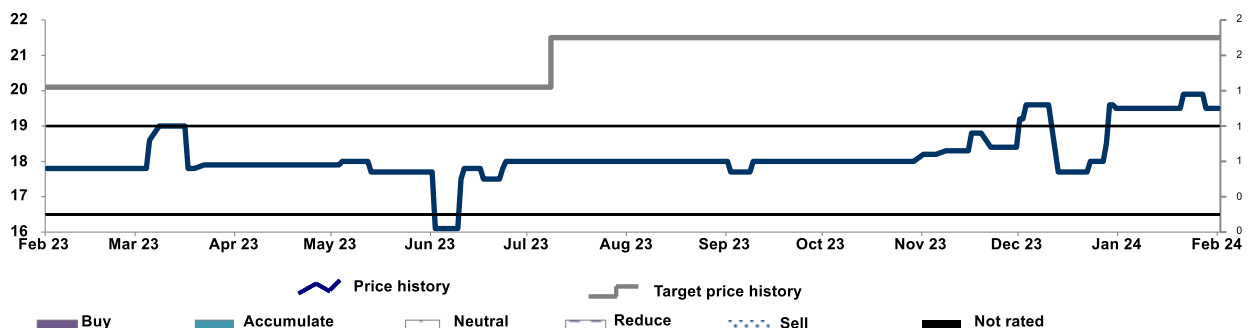
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- has a liquidity contract as outlined by the CNMV's Circular 1/2017 with: Melia Hotels International; Española de Viviendas en Alquiler S.A. (CEVASA); ENCE Energia y Celulosa; Cementos Molins; Desarrollo Especiales de Sistemas de Anclaje, S.A. (DESA).
- has signed a Corporate Brokerage agreement that includes a contractually agreed provision of research services that in return, GVC Gaesco Valores receives a compensation. These reports (sponsored) may/could have been previously shown to the companies: Atrys Health; Audax Renovables; Gigas Hosting; Vytrus Biotech; Nicolás Correa; Prim; Ktesios, Cementos Molins.

Recommendation history for CEMENTOS MOLINS

Date	Recommendation	Target price	Price at change date
03-Aug-23	Buy	21.50	18.00
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)



ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated based on **total return**, measured by the upside/downside potential (including dividends and capital reimbursement) over a **12-month time horizon**. The final responsible of the recommendation of a listed company is the analyst who covers that company. The recommendation and the target price set by an analyst on one stock are correlated but not totally, because an analyst may include in its recommendation also qualitative elements as market volatility, earning momentum, short term news flow, possible M&A scenarios and other subjective elements.



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
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months
- **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	77%
Accumulate	8	10%
Neutral	9	11%
Reduce	2	2%
Sell	0	0%

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

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