

Tear Sheet:**Cementir Holding N.V.****June 11, 2025**

This report does not constitute a rating action.

S&P Global Ratings anticipates that Cementir will sustain a strong performance in 2025. We anticipate that the operating environment will remain challenging in 2025, affected by uncertainty around implementation of U.S. tariffs and escalating geopolitical tensions. Cementir's locally centered production, which mitigate supply chain risks, should help limit the effect of U.S. tariffs. We now forecast 4.8%-5.1% revenue growth to about €1.76 billion-€1.78 billion in 2025, corresponding to S&P Global Ratings-adjusted EBITDA margin of about 22.3%-22.5%. Cementir's operating performance in 2024 was stable. Reported sales slightly decreased by 0.4% to €1.68 billion from €1.69 billion in 2023, with decline across all geographies except Türkiye and Sweden, driven by lower volumes in some regions and depreciation of currencies in Türkiye and Egypt. Nevertheless, S&P Global Ratings-adjusted EBITDA margin remained stable at 23%, with EBITDA of about €388 million, in line with results in all geographies. Falling debt and stable EBITDA led to a more comfortable net cash position of €223.4 million, from a net cash position of €132.4 million at end-2023.

We expect Cementir to maintain wide rating headroom in 2025-2026. The group remains committed to keeping its debt levels low within its capital structure, which, combined with moderate shareholder remuneration and a considered investment strategy, will support credit metrics consistent with our 'BBB-' rating. We anticipate that Cementir will continue to hold a net cash position over the next two years, given the group's cautious approach to potential acquisitions and prioritizing the strength of its balance sheet. Additionally, its dividend payout ratio is expected to remain around 20%-25%, similar to previous years. Despite ongoing capital expenditure (capex) related to carbon dioxide (CO2) emissions reduction, we see Cementir's credit metrics dropping below our rating thresholds as unlikely, given the current wide rating headroom.

Cementir remains committed to CO2 emissions reduction goals. The group's business plan targets about €50 million-€55 million of cumulative investments in sustainability in 2025-2027, with diverse projects concerning sustainability with focus on increased use of alternative fuels, switch to natural gas in some plants, focus on value chain circularity, and water recycling. In the fourth quarter of 2024, Cementir completed the renovation project of its Belgian plant, which alongside the increase in clinker capacity, will raise alternative fuels use to more than 70% from 40%, and reduce CO2 emissions per ton of clinker by about 6%. Furthermore, in October 2024 Cementir and Air Liquide, through fully owned subsidiary Aalborg Portland, have launched a joint

Primary contact

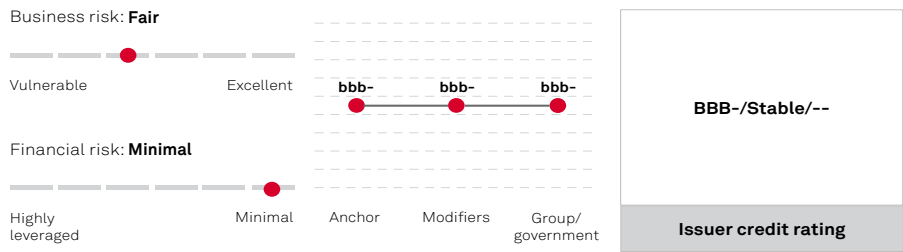
Tatyana Vasileva
Milan
39-3499381283
tatyana.vasileva
@spglobal.com

Secondary contact

Renato Panichi
Milan
39-0272111215
renato.panichi
@spglobal.com

decarbonization project, ACCSION, located in Aalborg, Denmark. This will be one of the first fully onshore carbon capture and storage (CCS) value chains in Europe. Aiming to significantly reduce CO2 emissions of the Aalborg Portland cement plant, the completion of the project would allow the avoidance of 1.5 million tons of CO2 emissions per year of operation. The ACCSION project has been selected by the European Commission to receive €220 million in project support under the EU Innovation Fund. We continue to believe that Cementir’s current balance sheet has sufficient strength to sustain costs associated with decarbonization.

Ratings Score Snapshot



Recent Research

- [Credit Conditions Europe Q2 2025: Europe Plots A New Course](#), March 26, 2025
- [European Building Materials Issuers Could Withstand Potential U.S. Tariffs](#), March 3, 2025
- [Issuer Ranking: Global Building Material Companies--Strongest To Weakest](#), Jan. 30, 2025
- [Industry Credit Outlook 2025: Building Materials](#), Jan. 14, 2025

Company Description

Cementir is a Netherlands-based multinational company specializing in the production and distribution of grey and white cement, ready-mix concrete, and aggregates. As the global leader in white cement, it holds a 25% share of global trade. Cementir is the leading cement producer in Denmark and the top concrete producer in Scandinavia. It is the third-largest cement player in Belgium where it also operates one of Europe's largest aggregate quarries. Cementir is a major grey cement operator in Türkiye, where it is also active in industrial waste processing. The company has undergone a significant transformation from a domestic player to a global group with operations in 18 countries and volumes sold in over 80 countries, driven by strategic investments and acquisitions totaling approximately €1.8 billion as of 2024. In 2023-2024, Cementir further strengthened its vertical integration in aggregates and concrete through bolt-on acquisitions in the Nordics, extended its limestone reserves in Malaysia, and acquired Vicat’s minority stake in its Egyptian white cement subsidiary. At the end of 2024, the group reported total revenue of approximately €1.7 billion and adjusted EBITDA of around €389 million.

Cementir’s three product lines are as follows:

- Cement (59% of 2024 sales, 82.7% of reported EBITDA), which includes white and grey cement, is manufactured in 11 plants worldwide, and is used for construction, as well as being an integral part of concrete and premixed materials.
- Ready-mix concrete (26% of 2024 sales, 9.7% of reported EBITDA), which includes an innovative range of products, covering all classes of concrete for construction projects.
- Aggregates (6% of 2024 sales, 8.6% of reported EBITDA), which supply raw material for concrete, masonry, and asphalt, while sand, gravel, granite, and perlite are base materials for the construction of buildings, roads, and infrastructure.

Cementir's operations are geographically well diversified with operations in the following geographic areas:

- Nordic and Baltic (35% of sales in 2024);
- Belgium / France (19% of sales);
- North America (10% of sales);
- Turkiye (20% of sales);
- Egypt (2% of sales);
- Asia-Pacific (6% of sales); and
- Holding and Services (8% of sales), which includes the parent company, Spartan Hive, and Aalborg Portland Digital as well as other smaller companies.

In November 2023, Cementir disposed of the British companies of the Neales Waste Management Group, active in the production of alternative fuels.

Cementir is owned and controlled by the Caltagirone family (directly and indirectly), with about 27% of shares being free float.

Outlook

The stable outlook reflects our view that Cementir will sustain adjusted funds from operations (FFO) to debt well above 45% and adjusted debt to EBITDA below 1.5x. Since 2022, Cementir has benefited from a net cash position, which translated into wide headroom at current rating. We view the group's financial policy and capital allocation strategy as consistent with a 'BBB-' rating.

Downside scenario

We could consider lowering the rating if:

- Large debt-funded acquisitions, capital investments, or shareholder distributions led to credit metrics dropping significantly below our base case, such that FFO to debt fell below 45%, with limited possibility of a swift recovery.
- The group seemed likely to follow a financial policy that did not support FFO to debt above 45% and debt to EBITDA below 1.5x on a sustained basis.

Upside scenario

We consider an upgrade unlikely in the next couple of years, as it would require Cementir to achieve significantly larger business diversification, while keeping the same profitability and credit metrics.

Key Metrics

Cementir Holding N.V.--Forecast summary

Period ending	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027
(Mil. EUR)	2021a	2022a	2023a	2024a	2025e	2026f	2027f
Revenue	1,360	1,723	1,694	1,687	1,760-1,780	1,850-1,950	1,900-2,100
EBITDA	287	313	389	388	390-410	410-430	440-450
Funds from operations (FFO)	231	255	315	311	310-330	340-360	360-370
Cash flow from operations (CFO)	219	281	300	344	290-310	300-320	315-335
Capital expenditure (capex)	82	105	107	128	95-100	100-110	100-115
Free operating cash flow (FOCF)	137	176	194	216	200-210	200-220	200-220
Dividends	25	31	38	58	40-50	50-60	50-50
Discretionary cash flow (DCF)	81	146	156	158	150-170	150-170	150-170

Adjusted ratios

Debt/EBITDA (x)	0.3	--	--	--	--	--	--
FFO/debt (%)	292.5	NM	NM	NM	NM	NM	NM
FFO cash interest coverage (x)	27.9	25.2	25.5	27.5	24.6-25.0	29.4-29.8	36.1-36.5
EBITDA interest coverage (x)	32.1	27.5	28.1	30.5	27.9-28.3	33.3-33.7	40.6-41.0
CFO/debt (%)	277.0	NM	NM	NM	NM	NM	NM
FOCF/debt (%)	173.7	NM	NM	NM	NM	NM	NM
DCF/debt (%)	103.1	NM	NM	NM	NM	NM	NM
EBITDA margin (%)	21.1	18.2	22.9	23.0	22.3-22.5	22.0-22.2	22.2-22.4

All figures are adjusted by S&P Global Ratings, unless stated as reported. a--Actual. e--Estimate. f--Forecast. EUR--euro. NM--Not meaningful.

Financial Summary

Cementir Holding N.V.--Financial Summary

Period ending	Dec-31-2019	Dec-31-2020	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024
Reporting period	2019a	2020a	2021a	2022a	2023a	2024a
Display currency (mil.)	EUR	EUR	EUR	EUR	EUR	EUR
Revenues	1,212	1,225	1,360	1,723	1,694	1,687

Cementir Holding N.V.--Financial Summary

EBITDA	254	254	287	313	389	388
Funds from operations (FFO)	209	203	231	255	315	311
Interest expense	13	13	9	11	14	13
Cash interest paid	13	13	9	11	13	12
Operating cash flow (OCF)	216	247	219	281	300	344
Capital expenditure	63	58	82	105	107	128
Free operating cash flow (FOCF)	152	188	137	176	194	216
Discretionary cash flow (DCF)	125	157	81	146	156	158
Cash and short-term investments	331	414	283	356	412	486
Gross available cash	331	414	283	356	412	486
Debt	287	165	79	0	0	0
Common equity	1,182	1,183	1,228	1,523	1,651	1,856
Adjusted ratios						
EBITDA margin (%)	20.9	20.7	21.1	18.2	22.9	23.0
Return on capital (%)	9.9	10.9	13.6	13.6	17.1	15.5
EBITDA interest coverage (x)	18.9	19.3	32.1	27.5	28.1	30.5
FFO cash interest coverage (x)	17.6	17.1	27.9	25.2	25.5	27.5
Debt/EBITDA (x)	1.1	0.6	0.3	0.0	0.0	0.0
FFO/debt (%)	72.6	123.7	292.5	NM	NM	NM
OCF/debt (%)	75.1	149.9	277.0	NM	NM	NM
FOCF/debt (%)	53.0	114.4	173.7	NM	NM	NM
DCF/debt (%)	43.5	95.6	103.1	NM	NM	NM

Peer Comparison

Cementir Holding N.V.--Peer Comparisons

	Cementir Holding N.V.	Buzzi SpA	Holcim Ltd	Heidelberg Materials AG	Titan Cement International
Foreign currency issuer credit rating	BBB-/Stable/--	BBB/Stable/A-2	BBB+/Stable/A-2	BBB/Stable/A-2	BB+/Stable/B
Local currency issuer credit rating	BBB-/Stable/--	BBB/Stable/A-2	BBB+/Stable/A-2	BBB/Stable/A-2	BB+/Stable/B
Period	Annual	Annual	Annual	Annual	Annual
Period ending	2024-12-31	2024-12-31	2024-12-31	2024-12-31	2024-12-31
Mil.	EUR	EUR	EUR	EUR	EUR
Revenue	1,687	5,101	28,146	21,156	2,644
EBITDA	388	1,495	7,323	4,069	610
Funds from operations (FFO)	311	1,250	5,777	3,031	469
Interest	13	78	632	273	45
Cash interest paid	12	28	557	355	44
Operating cash flow (OCF)	344	1,107	6,040	3,055	419
Capital expenditure	128	448	1,759	1,147	251

Cementir Holding N.V.--Peer Comparisons

Free operating cash flow (FOCF)	216	659	4,281	1,909	168
Discretionary cash flow (DCF)	158	401	884	898	80
Cash and short-term investments	486	1,628	5,699	3,120	123
Gross available cash	486	1,628	5,699	3,120	123
Debt	0	0	9,739	7,158	725
Equity	1,856	6,859	29,797	19,975	1,825
EBITDA margin (%)	23.0	29.3	26.0	19.2	23.1
Return on capital (%)	15.5	20.2	13.7	11.1	18.1
EBITDA interest coverage (x)	30.5	19.2	11.6	14.9	13.6
FFO cash interest coverage (x)	27.5	44.9	11.4	9.5	11.7
Debt/EBITDA (x)	0.0	0.0	1.3	1.8	1.2
FFO/debt (%)	NM	NM	59.3	42.3	64.7
OCF/debt (%)	NM	NM	62.0	42.7	57.8
FOCF/debt (%)	NM	NM	44.0	26.7	23.2
DCF/debt (%)	NM	NM	9.1	12.5	11.1

Liquidity

We continue to view Cementir's liquidity as adequate, as we expect that the group's sources of liquidity will cover its uses by more than 1.2x in the next 12 months. We believe that Cementir will have adequate headroom under its leverage and coverage covenants

Principal liquidity sources

Liquidity sources for the 12 months started April 1, 2025, include:

- About €297.2 million of total available cash.
- Cash FFO of about €290 million-€310 million.

Principal liquidity uses

Liquidity uses over the same period include:

- Capex of about €95 million-€100 million.
- Working capital outflows of about €25 million-€30 million.
- Seasonal working capital outflows of about €140 million.
- Debt maturities of about €11 million-€12 million.
- Dividends payout of about €40 million-€50 million.
- Minor acquisitions of about €2 million.
- No share buybacks.

Environmental, Social, And Governance

Environmental factors are a moderately negative consideration in our credit rating analysis of Cementir. Cementir has higher CO2 emissions per ton of grey cement (623 kg/ton in 2024, down

4% versus 2023) and white cement (859 kg/ton in 2024, up 2% versus 2023) than most players based in Europe, the Middle East, and Africa. Furthermore, Cementir has a high share of cement and ready-mixed concrete in total sales volumes (respectively, 42.3% and 18% in 2024), while white cement, typically with higher emissions than grey cement, accounted for about 25% of total production in 2024.

The group's strong commitment to progressive reduction of its CO₂ emissions is supported by Cementir's detailed capex plan, particularly in the EU, to comply with more stringent upcoming regulation. This plan would also enable Cementir to close the gap with peers on grey cement (e.g., Heidelberg Materials AG reported 569 kg/ton in 2023 and 566kg/ton in 2024). The group's revised business plan for 2025-2027 accounts for €53 million of cumulative sustainability investments (about 3% of the group's annual revenue). Total capex would be distributed as follows: €98 million in 2025, €99 million in 2026, and €114 million in 2027. As a result, Cementir targets cutting gross emissions to 417 kg/ton of grey cement by 2030, which is broadly in line with the largest EU-based peers. So far, Cementir is on track to fulfil its 2030 CO₂ emission reduction targets, considering the continuous and consistent reduction over the past few years, reaching 632 kg/ton in 2024 (compared with 696 kg/ton in 2019). The group has several ongoing sustainability-related projects to achieve this target, including plant upgrades in Belgium and Turkiye to increase alternative fuel usage, a carbon capture initiative in Denmark to achieve carbon capture and storage by 2030, switch to natural gas in some plants, focus on value chain circularity, and water recycling.

While Cementir's emissions in grey cement could eventually approach the European average, we see a significant reduction in emissions for white cement as unlikely. We also believe that substitution risk related to white cement is higher than for grey cement. Furthermore, the implementation of the EU's Carbon Border Adjustment Mechanism (CBAM), which will apply in its definitive regime from 2026, while the current transitional phase lasts between 2023 and 2025, introduces a carbon border tax on the production of specific carbon-intensive goods entering the EU, that could make cement importing from neighbors such as Turkiye or Egypt more difficult.

Governance factors are an overall neutral consideration. The company is owned and controlled by the Caltagirone family, which has a track record of investing in business development while preserving balance-sheet strength.

Rating Component Scores

Foreign currency issuer credit rating	BBB-/Stable/--
Local currency issuer credit rating	BBB-/Stable/--
Business risk	Fair
Country risk	Low
Industry risk	Intermediate
Competitive position	Fair
Financial risk	Minimal
Cash flow/leverage	Minimal
Anchor	bbb-
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	bbb-

Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [Criteria | Corporates | General: Corporate Methodology](#), Nov. 19, 2013
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Nov. 13, 2012
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

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