

OMER

Sector: Industrials

OUTPERFORM

Price: Eu2.41 - Target: Eu3.80

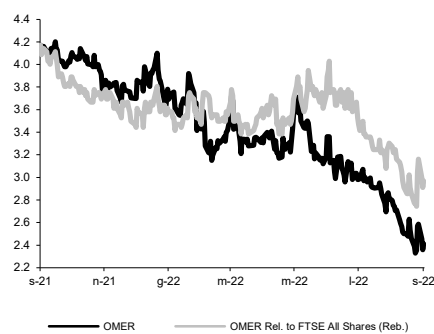
Margins Hit by External Inflationary Pressures; Competitive Position Strong

Gianluca Bertuzzo +39-02-77115.429
 gianluca.bertuzzo@intermonte.it

Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 5.00 to 3.80		
	2022E	2023E	2024E
Chg in Adj EPS	-24.7%	-30.9%	-24.8%

OMER - 12M Performance



Stock Data

 Reuters code: OMR.MI
 Bloomberg code: OMER IM

Performance	1M	3M	12M
Absolute	-14.4%	-28.3%	-42.2%
Relative	-9.0%	-22.0%	-22.9%
12M (H/L)	4.20/2.33		
3M Average Volume (th):	7.11		

Shareholder Data

No. of Ord shares (mn):	29
Total no. of shares (mn):	29
Mkt Cap Ord (Eu mn):	69
Total Mkt Cap (Eu mn):	69
Mkt Float - Ord (Eu mn):	18
Mkt Float (in %):	26.0%
Main Shareholder:	
Russello Fam.	74.0%

Balance Sheet Data

Book Value (Eu mn):	47
BVPS (Eu):	1.63
P/BV:	1.5
Net Financial Position (Eu mn):	20
Enterprise Value (Eu mn):	59

■ **1H22 results.** OMER closed 1H22 with VoP of €31.2mn (+14% YoY, exp. €30.5mn), benefitting from the consolidation of OMER North America (+6%) and organic growth of +8%, split almost equally between higher volumes and prices (including tax breaks in connection with the IPO). The higher volumes have been achieved thanks to the execution of backlog projects and despite some hiccups due to the rise in Covid-19 cases at the start of the year, while the pure pricing effect includes only automatic price adjustments already embedded in contracts. EBITDA was €6.5mn (-17% YoY, vs exp. €6.1mn) for a 20.9% margin due to the increase in material and energy costs, but also higher central costs following the IPO. Lower D&A and interest expenses, but a marginally higher tax rate led to net profit of €3.9mn (-21% YoY, €3.5mn exp.). The net cash position was €16.0mn, in line with forecast, after slightly higher NWC absorption (inventories), but lower CapEx. Use of factoring has remained substantially unchanged. Hard backlog expanded to €118mn vs €113mn as at YE21.

■ **Deterioration of external scenario in last few months.** Inflationary pressure has worsened in recent months. Data show industrial production prices up +21% between the start of the year and July, while the benchmark for aluminium hit a high of +56% YoY in 1Q before settling back to +20% YoY in 2Q22 (aluminium is the main material used, ~€5.5mn in 2021). For reference purposes, the items that have been most subject to inflation such as materials and energy represented ca. 52% of the OMER cost base in 2021, while items that should not have suffered strong inflationary pressure, such as personnel and leasing expenses, accounted for 34%. The remaining part is represented by service costs, with some being inflation sensitive and some related to the growth in the organization following the IPO.

■ **2022 outlook: external shocks impact margins, upside vs our estimates depends on outcome of negotiations with clients.** OMER has an automatic price adjustment mechanism with some clients with a cap at 2-3% of the contract value but talks are in progress for further potential adjustments in light of the inflationary pressure. At present, these negotiations are still in progress; excluding the potential associated benefits for reasons of prudence, we estimate EBITDA will close at €11.5mn. In that sense, any positive outcome from the discussions with clients creates upside.

■ **Change in estimates.** While we confirm our top-line estimates, we lower our EPS by ~27% in light of the external inflationary pressures as mentioned above. While raw material prices have dropped markedly recently, our forecast includes some easing from 2024 given that prices of WIP used by OMER include energy costs.

■ **OUTPERF., TP from €5.0 to €3.8.** While the deterioration in the external scenario poses relevant challenges, we believe OMER can overcome these headwinds due to solid industrial know-how and financial structure. Indeed, the company continues to invest in production efficiency, increasing in-house power generation (through investments in solar panels) and in June signed a letter of intent for the development of trains for tourism (La Dolce Vita project). Ultimately, given the nature of these headwinds and the elements just mentioned, we believe OMER can also emerge stronger from this period. OUTPERF. confirmed. TP from €5.0 to €3.8 on lower estimates and multiples (sector de-rating), while our WACC increases just slightly (8.1% vs 8.0% prev.) as a higher risk-free rate is offset by a lower ERP in light of the stronger long-term position vs peers as just explained.

Key Figures & Ratios	2020A	2021A	2022E	2023E	2024E
Sales (Eu mn)	41	57	62	66	70
EBITDA Adj (Eu mn)	9	16	11	12	13
Net Profit Adj (Eu mn)	6	10	7	7	8
EPS New Adj (Eu)	0.219	0.364	0.234	0.233	0.266
EPS Old Adj (Eu)	0.219	0.364	0.310	0.338	0.354
DPS (Eu)	0.000	0.282	0.000	0.000	0.000
EV/EBITDA Adj		6.6	5.2	4.6	3.5
EV/EBIT Adj		7.4	6.4	5.8	4.3
P/E Adj	11.0	6.6	10.3	10.3	9.0
Div. Yield	0.0%	11.7%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	0.4	-1.2	-1.8	-2.2	-2.6

OMER – Key Figures						
Profit & Loss (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Sales	33	41	57	62	66	70
EBITDA	6	9	16	11	12	13
EBIT	5	8	14	9	9	11
Financial Income (charges)	-0	-0	0	-0	-0	-0
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	5	8	14	9	9	11
Taxes	-0	-2	-4	-3	-3	-3
Tax rate	4.3%	19.4%	25.9%	27.6%	27.6%	27.6%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	5	6	10	7	7	8
EBITDA Adj	6	9	16	11	12	13
EBIT Adj	5	8	14	9	9	11
Net Profit Adj	4	6	10	7	7	8
Per Share Data (Eu)	2019A	2020A	2021A	2022E	2023E	2024E
Total Shares Outstanding (mn) - Average	29	29	29	29	29	29
Total Shares Outstanding (mn) - Year End	29	29	29	29	29	29
EPS f.d	0.171	0.219	0.356	0.234	0.233	0.266
EPS Adj f.d	0.143	0.219	0.364	0.234	0.233	0.266
BVPS f.d	0.896	0.838	1.398	1.632	1.865	2.132
Dividend per Share ORD	0.000	0.000	0.282	0.000	0.000	0.000
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	63.2%	40.8%	79.3%	0.0%	0.0%	0.0%
Cash Flow (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Gross Cash Flow	6	7	12	9	9	10
Change in NWC	-1	-6	5	-4	0	2
Capital Expenditure	-5	-2	-3	-4	-4	-3
Other Cash Items	-1	-0	0	0	0	0
Free Cash Flow (FCF)	-1	-1	14	1	5	8
Acquisitions, Divestments & Other Items	0	0	-0	0	0	0
Dividends	-1	-2	-5	0	0	0
Equity Financing/Buy-back	0	0	13	0	0	0
Change in Net Financial Position	-3	-3	22	1	5	8
Balance Sheet (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Total Fixed Assets	18	12	13	14	16	17
Net Working Capital	9	16	9	13	13	11
Long term Liabilities	-0	-0	-0	-0	-0	-0
Net Capital Employed	26	28	21	27	28	27
Net Cash (Debt)	-0	-3	19	20	26	34
Group Equity	26	24	40	47	54	61
Minorities	0	0	0	0	0	0
Net Equity	26	24	40	47	54	61
Enterprise Value (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Average Mkt Cap			114	69	69	69
Adjustments (Associate & Minorities)	-4	-4	-10	-10	-10	-10
Net Cash (Debt)	-0	-3	19	20	26	34
Enterprise Value			105	59	54	46
Ratios (%)	2019A	2020A	2021A	2022E	2023E	2024E
EBITDA Adj Margin	18.5%	22.5%	28.0%	18.5%	17.8%	18.8%
EBIT Adj Margin	15.8%	19.6%	24.7%	15.0%	14.1%	15.1%
Gearing - Debt/Equity	1.7%	14.4%	-46.6%	-42.9%	-47.6%	-55.2%
Interest Cover on EBIT	37.6	47.0	nm	231.9	279.6	1658.1
Net Debt/EBITDA Adj	0.1	0.4	-1.2	-1.8	-2.2	-2.6
ROACE*	23.0%	29.7%	56.2%	38.6%	33.9%	38.1%
ROE*	17.2%	25.3%	32.5%	15.4%	13.3%	13.3%
EV/CE			4.3	2.5	2.0	1.6
EV/Sales			1.8	1.0	0.8	0.7
EV/EBITDA Adj			6.6	5.2	4.6	3.5
EV/EBIT Adj			7.4	6.4	5.8	4.3
Free Cash Flow Yield	-1.1%	-0.7%	17.8%	1.7%	6.8%	10.5%
Growth Rates (%)	2019A	2020A	2021A	2022E	2023E	2024E
Sales	53.2%	22.5%	39.8%	8.6%	6.2%	6.3%
EBITDA Adj	91.4%	49.0%	73.8%	-28.2%	2.2%	12.4%
EBIT Adj	115.8%	52.0%	76.4%	-33.9%	-0.2%	13.8%
Net Profit Adj	210.7%	28.6%	62.1%	-34.3%	-0.1%	14.1%
EPS Adj	159.7%	53.9%	65.8%	-35.7%	-0.1%	14.1%
DPS			nm	nm		

*Excluding extraordinary items Source: Intermonte SIM estimates

1H22 results

Income statement, key cash flow metrics and net financial position

	2020A	1H21A	2H21A	2021A	1H22A	2H22E	2022E	1H22E	A/E %
Value of production	40.8	27.4	29.6	57.1	31.2	30.7	62.0	30.5	2%
YoY growth %	+22%	n.a.	n.a.	+40%	+14%	+4%	+9%	+11%	
- Raw materials	-13.8	-9.3	-11.5	-20.8	-11.8	-13.2	-25.1	-12.8	
Gross profit	27.0	18.2	18.1	36.3	19.4	17.5	36.9	17.7	9%
YoY growth %	+22%	n.a.	n.a.	+34%	+7%	-3%	+2%	-2%	
Gross margin %	66.1%	66.2%	61.2%	63.6%	62.1%	57.0%	59.5%	58.0%	
+ Non-recurring	0.0	0.0	0.3	0.3	0.0	0.0	0.0	0.0	
- OPEX	-17.8	-10.3	-10.1	-20.3	-12.8	-12.6	-25.4	-11.6	
Adj. EBITDA	9.2	7.9	8.1	16.0	6.5	4.9	11.5	6.1	7%
YoY growth %	+49%	n.a.	n.a.	+74%	-17%	-39%	-28%	-23%	
Adj. EBITDA margin %	22.5%	28.8%	27.2%	28.0%	20.9%	16.0%	18.5%	20.0%	
- D&A	-1.2	-0.8	-1.0	-1.9	-1.0	-1.1	-2.1	-1.1	
Adj. EBIT	8.0	7.1	7.0	14.1	5.5	3.8	9.3	5.0	10%
YoY growth %	+52%	n.a.	n.a.	+76%	-22%	-46%	-34%	-29%	
Adj. EBIT margin %	19.6%	25.8%	23.7%	24.7%	17.7%	12.3%	15.0%	16.4%	
- Non-recurring	0.0	0.0	-0.3	-0.3	0.0	0.0	0.0	0.0	
-/+ Financial exp./inc.	-0.2	0.0	0.0	0.0	0.1	-0.1	0.0	-0.1	
Pre-tax income	7.8	7.1	6.7	13.8	5.6	3.7	9.3	4.9	14%
- Tax income	-1.5	-2.1	-1.5	-3.6	-1.7	-0.9	-2.6	-1.4	
Tax rate %	19.4%	29.4%	22.3%	25.9%	29.6%	24.5%	27.6%	27.6%	
Net income	6.3	5.0	5.2	10.2	3.9	2.8	6.7	3.5	11%
YoY growth %	+29%	n.a.	n.a.	+62%	-21%	-47%	-34%	-29%	
Net income margin %	15.4%	18.2%	17.6%	17.9%	12.6%	9.0%	10.8%	11.6%	
- Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net income attr. to shareh.	6.3	5.0	5.2	10.2	3.9	2.8	6.7	3.5	11%
Cash flow from operations	1.6	14.9	2.4	17.3	-1.3	6.4	5.1	-0.2	524%
Capex	-2.1	-1.6	-1.6	-3.2	-1.7	-2.1	-3.7	-2.5	-34%
FCF	-0.5	13.3	0.9	14.1	-2.9	4.3	1.4	-2.7	7%
Net debt/(cash)	3.5	-3.7	-18.7	-18.7	-16.0	-20.1	-20.1	-16.0	
Net debt/EBITDA	0.4x	n.a.	-1.2x	-1.2x	-1.1x	-1.8x	-1.8x	-1.1x	

Source: Company data & Intermonte SIM Estimates

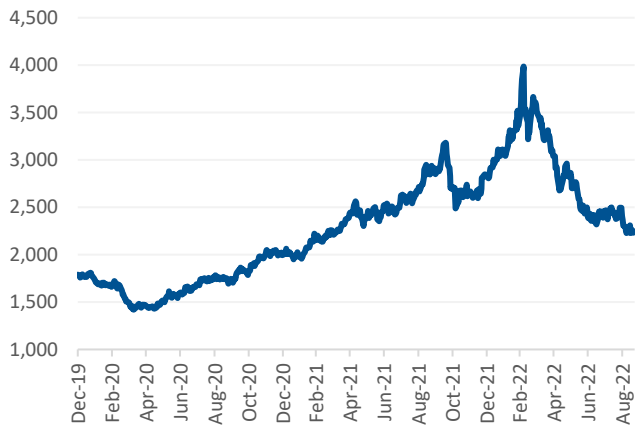
Change in estimates

Change in estimates

	New			Old			Δ %		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Value of production	62.0	65.8	70.0	62.0	66.5	69.8	0%	-1%	0%
YoY growth %	+9%	+6%	+6%	+9%	+7%	+5%			
Adj. EBITDA	11.5	11.7	13.1	15.0	16.4	17.2	-24%	-29%	-24%
YoY growth %	-28%	+2%	+12%	-6%	+9%	+5%			
Adj. EBITDA margin %	18.5%	17.8%	18.8%	24.2%	24.6%	24.7%			
Adj. EBIT	9.3	9.3	10.6	12.5	13.6	14.3	-26%	-32%	-26%
YoY growth %	-34%	-0%	+14%	-11%	+9%	+5%			
Adj. EBIT margin %	15.0%	14.1%	15.1%	20.2%	20.5%	20.5%			
Tax rate %	27.6%	27.6%	27.6%	27.6%	27.6%	27.6%	0.0%	0.0%	0.0%
Adj. EPS	0.23	0.23	0.27	0.31	0.34	0.35	-25%	-31%	-25%
YoY growth %	-36%	-0%	+14%	-15%	+9%	+5%			
Net debt/(cash)	-20.1	-25.5	-33.8	-21.5	-28.8	-37.7	-6%	-12%	-10%
Net debt/EBITDA	-1.8x	-2.2x	-2.6x	-1.4x	-1.8x	-2.2x			

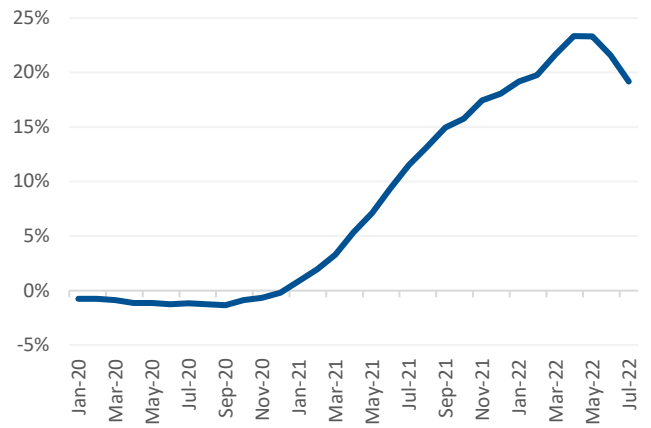
Source: Company data & Intermonte SIM Estimates

Aluminium LME Cash (\$/ton)



Source: FactSet

Growth in Industrial Production Prices



Source: ISTAT

Financials

Income statement, balance sheet, cash flow statement and key financial ratio

Income statement	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Value of production	21.8	33.3	40.8	57.1	62.0	65.8	70.0
YoY growth %	n.a.	+53%	+22%	+40%	+9%	+6%	+6%
- Raw materials	-6.1	-11.2	-13.8	-20.8	-25.1	-27.4	-28.6
YoY growth %	n.a.	+83%	+24%	+50%	+21%	+9%	+4%
- OPEX	-12.4	-16.0	-17.8	-20.3	-25.4	-26.7	-28.2
YoY growth %	n.a.	+29%	+11%	+14%	+25%	+5%	+6%
Adj. EBITDA	3.2	6.2	9.2	16.0	11.5	11.7	13.1
YoY growth %	n.a.	+91%	+49%	+74%	-28%	+2%	+12%
Adj. EBITDA margin %	14.8%	18.5%	22.5%	28.0%	18.5%	17.8%	18.8%
- D&A	-0.8	-0.9	-1.2	-1.9	-2.1	-2.4	-2.6
On sales %	3.6%	2.7%	2.9%	3.2%	3.4%	3.7%	3.7%
Adj. EBIT	2.4	5.3	8.0	14.1	9.3	9.3	10.6
YoY growth %	n.a.	+116%	+52%	+76%	-34%	-0%	+14%
Adj. EBIT margin %	11.2%	15.8%	19.6%	24.7%	15.0%	14.1%	15.1%
- Non-recurring	0.0	0.0	0.0	-0.3	0.0	0.0	0.0
-/+ Financial exp./inc.	-0.1	-0.1	-0.2	0.0	0.0	0.0	0.0
Pre-tax income	2.4	5.1	7.8	13.8	9.3	9.3	10.6
- Tax income	-0.8	-0.2	-1.5	-3.6	-2.6	-2.6	-2.9
Tax rate %	33.4%	4.3%	19.4%	25.9%	27.6%	27.6%	27.6%
Net income	1.6	4.9	6.3	10.2	6.7	6.7	7.7
YoY growth %	n.a.	+211%	+29%	+62%	-34%	-0%	+14%
Net income margin %	7.3%	14.7%	15.4%	17.9%	10.8%	10.2%	10.9%
Adj. EPS	0.05	0.14	0.22	0.36	0.23	0.23	0.27
YoY growth %	n.a.	+160%	+54%	+66%	-36%	-0%	+14%
Condensed balance sheet	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Trade net working capital	6.6	8.4	18.8	11.8	14.5	14.3	12.7
Other current asset/(liab)	0.0	0.6	-2.7	-2.6	-1.6	-1.6	-1.6
Net working capital	6.6	8.9	16.1	9.2	12.9	12.7	11.1
Net fixed assets	13.2	17.6	11.9	12.6	14.2	15.8	16.7
Non-current liabilities	-0.3	-0.3	-0.4	-0.3	-0.3	-0.3	-0.3
Non-current asset/(liab.)	12.9	17.3	11.5	12.3	13.9	15.4	16.4
Net capital employed	19.5	26.2	27.5	21.5	26.8	28.1	27.5
Net debt/(cash)	-2.4	0.4	3.5	-18.7	-20.1	-25.5	-33.8
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity	21.9	25.8	24.1	40.2	46.9	53.6	61.3
Invested capital	19.5	26.2	27.5	21.5	26.8	28.1	27.5
Cash flow statement	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Net Income	1.6	4.9	6.3	10.2	6.7	6.7	7.7
D&A	0.8	0.9	1.2	1.9	2.1	2.4	2.6
Change in NWC & Oth.	-2.5	-1.5	-5.9	5.2	-3.7	0.2	1.6
Cash flow from operations	-0.1	4.3	1.6	17.3	5.1	9.3	11.8
Capex	-0.3	-5.1	-2.1	-3.2	-3.7	-3.9	-3.5
FCF	-0.4	-0.8	-0.5	14.1	1.4	5.4	8.3
Acquisitions	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Div., Buyb., Equity fin.	-0.1	-1.0	-2.0	7.8	0.0	0.0	0.0
Others	2.2	-1.0	-0.5	0.4	0.0	0.0	0.0
Change in NFP	1.7	-2.8	-3.0	22.2	1.4	5.4	8.3
Key financial ratio	2018A	2019A	2020A	2021A	2022E	2023E	2024E
NWC/Sales %	30%	27%	39%	16%	21%	19%	16%
CapEx/Sales %	1.2%	15.4%	5.1%	5.5%	6.0%	6.0%	5.0%
Net debt/EBITDA	-0.7x	0.1x	0.4x	-1.2x	-1.8x	-2.2x	-2.6x
FCF conv. %	-12.6%	-13.3%	-5.7%	88.6%	12.1%	45.9%	63.3%
ROCE %	12.5%	20.1%	29.0%	65.7%	34.8%	33.1%	38.5%
ROE %	7.2%	19.0%	26.2%	25.4%	14.3%	12.5%	12.5%

Source: Company data & Intermonte SIM Estimates

Valuation summary

Figure 1:

Method	Comment	Value
DCF	WACC 8.1% (vs 8.0% prev.), TGR 1.0%	4.3
"Fair" target multiple	AVG ROIC 2022-24 @ 26% (vs 34% prev.)	3.6
Multiples	AVG '22/'23 EV/EBITDA 6.8x; EV/EBIT 11.0x; P/E 13.7x (-7% vs prev.)	3.4
Target price		3.8
Share price		2.5
Upside/Downside		51%

Source: Intermonte SIM

Multiples @ TP and current price

Implicit multiples @ TP	2020A	2021A	2022E	2023E	2024E
Target price	3.8	3.8	3.8	3.8	3.8
NOSH	28.8	28.8	28.8	28.8	28.8
Equity value	109.3	109.3	109.3	109.3	109.3
Net debt/(cash)	3.5	-18.7	-20.1	-25.5	-33.8
Factoring w/o recourse	4.2	10.1	10.1	10.1	10.1
Enterprise value	116.9	100.6	99.2	93.8	85.5
EV/SALES	2.9x	1.8x	1.6x	1.4x	1.2x
EV/EBITDA	12.7x	6.3x	8.7x	8.0x	6.5x
EV/EBIT	14.6x	7.1x	10.6x	10.1x	8.1x
P/E	17.3x	10.4x	16.3x	16.3x	14.3x
FCF yield %	-0.5%	12.9%	1.3%	4.9%	7.6%

Implicit multiples @ Curr. PX	2020A	2021A	2022E	2023E	2024E
Current price	2.5	2.5	2.5	2.5	2.5
NOSH	28.8	28.8	28.8	28.8	28.8
Equity value	71.9	71.9	71.9	71.9	71.9
Net debt/(cash)	3.5	-18.7	-20.1	-25.5	-33.8
Factoring w/o recourse	4.2	10.1	10.1	10.1	10.1
Enterprise value	79.5	63.2	61.8	56.5	48.1
EV/SALES	1.9x	1.1x	1.0x	0.9x	0.7x
EV/EBITDA	8.7x	4.0x	5.4x	4.8x	3.7x
EV/EBIT	9.9x	4.5x	6.6x	6.1x	4.5x
P/E	11.4x	6.9x	10.7x	10.7x	9.4x
FCF yield %	-0.7%	19.7%	1.9%	7.5%	11.6%

Source: Intermonte SIM

Market multiples and performance

Market multiples

Company	Country	Mkt C. (€ mn)	EV_EBITDA			EV_EBIT			PE		
			2021	2022	2023	2021	2022	2023	2021	2022	2023
OMER	ITA	69	4.0x	5.4x	4.8x	4.5x	6.6x	6.1x	6.9x	10.7x	10.7x
Alstom	FRA	6,567	6.7x	7.3x	5.8x	11.6x	10.5x	7.5x		9.9x	7.7x
Constr. Aux.	ESP	814	4.5x	4.8x	4.0x	6.9x	7.7x	6.1x	9.1x	10.4x	8.1x
NRC Group	NOR	121	6.7x	5.7x	4.0x	23.0x	13.0x	6.8x	27.2x	12.9x	6.9x
Railcare Group	SWE	41	5.3x	5.3x	5.0x	10.3x	9.8x	9.6x	11.8x	11.0x	10.8x
Salcef Group	ITA	855	7.5x	7.4x	6.1x	10.6x	10.8x	8.6x	16.1x	15.9x	13.0x
Stadler Rail	CHE	2,931	9.4x	9.1x	7.7x	13.6x	13.4x	11.1x	20.2x	19.0x	14.0x
Talgo	ESP	326	5.9x	8.2x	5.7x	8.5x	12.6x	8.0x	10.6x	13.3x	9.2x
Vossloh	DEU	537	6.4x	6.1x	5.3x	11.1x	10.6x	8.5x	22.9x	15.3x	11.7x
Somec	ITA	154	8.7x	8.4x	5.8x	19.8x	17.2x	9.8x	22.5x	26.0x	13.2x
Average			6.8x	6.9x	5.5x	12.8x	11.7x	8.4x	17.6x	14.8x	10.5x
Vs Avg			-42%	-22%	-12%	-65%	-43%	-28%	-61%	-28%	2%

Source: Intermonte SIM & FactSet

Stock price performance (total return)

Company	Country	Mkt C. (€ mn)	1m	3m	6m	YTD	1y	2y	3y	10y	Since IPO
OMER	ITA	69	-11%	-26%	-29%	-35%	-40%				-26%
Alstom	FRA	6,567	-21%	-32%	-21%	-47%	-50%	-59%	-52%	-21%	-53%
Constr. Aux.	ESP	814	-21%	-20%	-23%	-36%	-35%	-17%	-43%	-30%	-36%
NRC Group	NOR	121	-14%	-7%	-16%	-26%	+8%	-16%	-68%	-95%	+9%
Railcare Group	SWE	41	-5%	-2%	-6%	-14%	-6%	-21%	-15%	+746%	-13%
Salcef Group	ITA	855	-25%	-21%	-32%	-45%	-22%	+15%	+51%		-8%
Stadler Rail	CHE	2,931	-7%	-16%	-22%	-31%	-28%	-26%	-36%		-30%
Talgo	ESP	326	-3%	-24%	-37%	-53%	-44%	-25%	-51%		-44%
Vossloh	DEU	537	-11%	-2%	-20%	-31%	-33%	-5%	-14%	-50%	-29%
Somec	ITA	154	-24%	-29%	-30%	-40%	-23%	+73%	+6%		-25%

Source: FactSet

OMER in brief

Company description

A leading supplier of interiors for train manufacturers. Established in Palermo in 1990, OMER is engaged in the design and manufacture of interior furnishings for the railway sector. Within the rail market, OMER is positioned as a supplier of leading train producers, such as Alstom, Bombardier, Hitachi and Siemens Mobility, providing tailor-made products based on each project's specification. Its product portfolio is divided into three main categories: i) interiors, such as window panels and luggage racks; ii) cabins for toilet modules; iii) fairings & doors.

Management

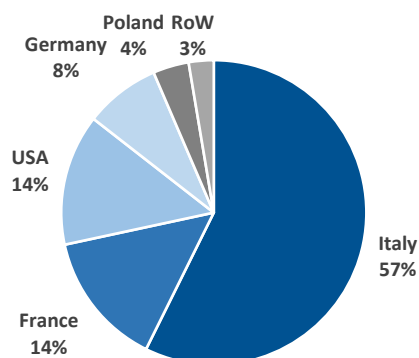
CEO: G. Russello
Chairman: G. Russello
CFO: S. Giosuè

Next BoD renewal: Spring, 2024
BoD independent members: 1/5

Shareholders

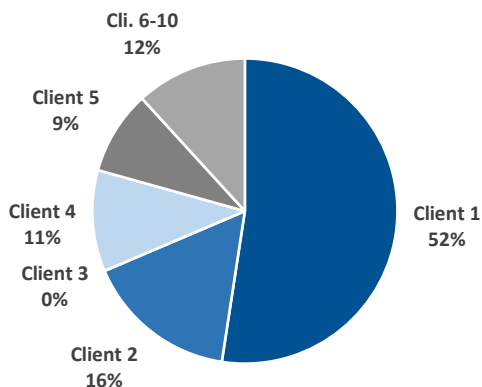
Russello Family	74.0%
Market/others	26.0%

Net sales breakdown by geographical area (2020 PF)



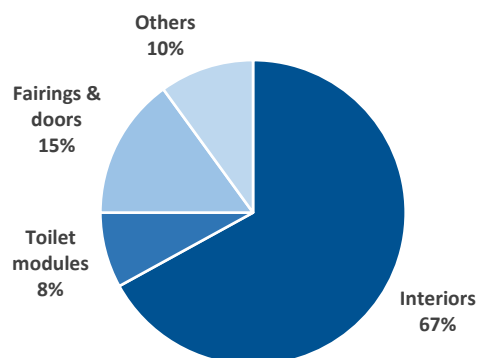
Source: company data and Intermonte SIM estimates

Client concentration (2020 PF)



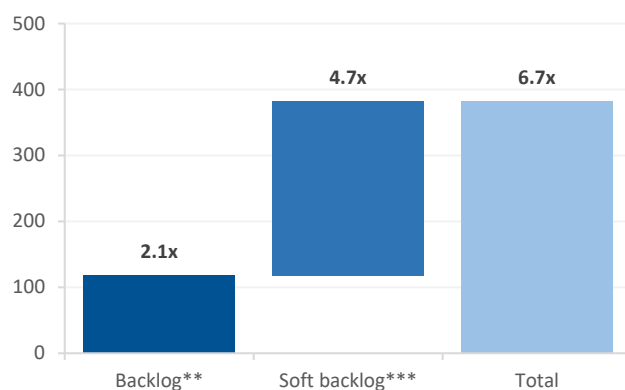
Source: company data

Net sales breakdown by activity (2020 PF)



Source: company data

Backlog and coverage ratio* (€ mn, 1H22)



Source: company data

* Coverage ratio = backlog / Net Sales LTM

** Backlog = signed framework agreement and production order received

*** Soft-Backlog = signed framework agreement, waiting for production order

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	OMER		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	3.80	Previous Target (Eu):	5.00
Current Price (Eu):	2.41	Previous Price (Eu):	3.68
Date of report:	29/09/2022	Date of last report:	31/03/2022

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- 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 2.5% and a risk premium of 5.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 Index, most of those on the MIBEX 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 their 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 30 June 2022 Intermonte's Research Department covered 120 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	21.95 %
OUTPERFORM:	48.78 %
NEUTRAL:	27.64 %
UNDERPERFORM	01.63 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (53 in total) is as follows:

BUY:	25.00 %
OUTPERFORM:	57.69 %
NEUTRAL:	17.31 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short
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