

OMER

Sector: Industrials

OUTPERFORM

Price: Eu2.83 - Target: Eu4.40

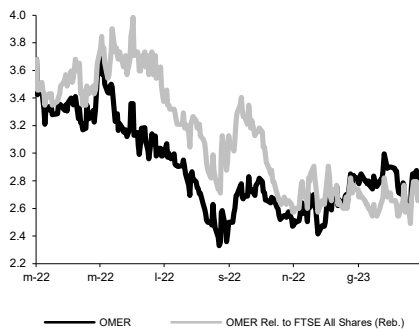
FY22 better-than-expected; Encouraging Indications on FY23

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Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 3.80 to 4.40		
	2023E	2024E	2025E
Chg in Adj EPS	19.4%	21.0%	

OMER - 12M Performance



Stock Data

Reuters code:	OMR.MI
Bloomberg code:	OMER IM

Performance	1M	3M	12M
Absolute	-2.4%	13.2%	-23.1%
Relative	-0.7%	-0.4%	-28.9%
12M (H/L)		3.71/2.33	
3M Average Volume (th):		13.06	

Shareholder Data

No. of Ord shares (mn):	29
Total no. of shares (mn):	29
Mkt Cap Ord (Eu mn):	81
Total Mkt Cap (Eu mn):	81
Mkt Float - Ord (Eu mn):	21
Mkt Float (in %):	25.6%
Main Shareholder:	
Russello Fam.	74.0%

Balance Sheet Data

Book Value (Eu mn):	55
BVPS (Eu):	1.92
P/BV:	1.5
Net Financial Position (Eu mn):	15
Enterprise Value (Eu mn):	80

■ **2H22 results well above forecast.** OMER reported a well above forecast set of 2H22 results thanks to a higher contribution from pricing recovery actions negotiated with clients in order to offset part of the cost inflation. In 2H22, revenues were €32.0mn, up +8% YoY mainly thanks to pricing while volumes were marginally up following delays to the Alstom-Amtrak project in the US (~7% of total). Importantly, the project's production rates are expected to gradually improve this year. EBITDA was €7.2mn (-10% YoY, vs exp. €4.9mn) for a 22.5% margin due to the increase in material and energy costs, but also higher central costs following the IPO. As said earlier, such negatives were in part offset by pricing more than we anticipated. Net income was €4.4mn (-16% YoY vs €2.8mn) thanks to higher operating results. Net cash position was €9.6mn (€20mn exp.) due to NWC driven by higher safety stock (higher stock level and less favourable payment terms), higher material prices and unfavourable timing of invoicing (at YE in connection with pricing negotiations). Management proposed a €0.05 dividend for a 17% payout.

■ **2023 outlook: growth thanks to solid order backlog.** In 2023, OMER expects to grow thanks to a solid order backlog of €116mn at Y22 (+€3mn YoY) which offers essentially two years of visibility. Profitability is seen roughly in line with FY22 levels due to normalization of inflationary dynamics, efficiencies, reversal of negatives seen in 2022 (Covid-related production interruption mainly) and the contribution from the 1MW photovoltaic panels installed (>~1/3 of OMER needs). All in all, we expect revenues up +7% YoY to €67.5mn mainly thanks to volumes. Conservatively, we expect EBITDA margin at 21.0% (vs 21.8% in FY22) for a €14.2mn EBITDA, up +3% YoY. Cash generation is expected to return to robust levels at €7.5mn thanks to the stabilization in the NWC following the 2022 increase and stable YoY CapEx at ~€4mn.

■ **Project newsflow.** In terms of newsflow from projects we highlight: i) after the letter of intent announced last summer, OMER is working on the mock-up of the Dolcevita luxury-holiday train. The opportunity seems to be in the €3-5mn per train (projects aims for 2+4 in option) with potential order confirmation and SoP from 4Q23/1H24; ii) announced in January, OMER was selected by Alstom for train interiors in the B-Line. The contract is worth ~€25mn (€+4mn in option) with contribution from 2024; iii) announced in January, OMER is partnering with Knorr-Bremse for the supply of toilet modules in Mexico. The contract is worth €5mn with contribution from 2023.

■ **Change in estimates.** We are significantly increasing our estimates on the back of the better-than-expected FY22 results and indications for FY23. Our EPS increases by ~20% thanks to higher operating forecast.

■ **OUTPERFORM, TP to €4.4 from €3.8.** OMER reported a much stronger-than-assumed set of FY22 results thanks to a better evolution of pricing negotiations with clients. We believe this confirms the company's solid reputation and trusted relationship with train manufacturers. While the inflationary dynamics weighed on profitability, we view overall profitability and return on capital as a further element of the company's strength. Also in light of the solid indications for 2023 and the appealing valuation (~5.1x the 2023/24 EV/EBITDA), we confirm our positive view on the stock. TP to €4.4 from €3.8 on higher estimates and roll-over of our valuation.

Key Figures & Ratios	2021A	2022A	2023E	2024E	2025E
Sales (Eu mn)	57	63	68	72	75
EBITDA Adj (Eu mn)	16	14	14	16	17
Net Profit Adj (Eu mn)	10	8	8	9	10
EPS New Adj (Eu)	0.364	0.291	0.279	0.322	0.349
EPS Old Adj (Eu)	0.364	0.234	0.233	0.266	
DPS (Eu)	0.282	0.050	0.048	0.055	0.060
EV/EBITDA Adj	6.6	6.8	5.6	4.6	3.9
EV/EBIT Adj	7.4	8.3	7.1	5.8	4.9
P/E Adj	7.8	9.7	10.2	8.8	8.1
Div. Yield	10.0%	1.8%	1.7%	2.0%	2.1%
Net Debt/EBITDA Adj	-1.2	-0.7	-1.1	-1.4	-1.7

OMER – Key Figures						
Profit & Loss (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Sales	41	57	63	68	72	75
EBITDA	9	16	14	14	16	17
EBIT	8	14	11	11	13	14
Financial Income (charges)	-0	0	-0	-0	-0	-0
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	8	14	11	11	12	14
Taxes	-2	-4	-3	-3	-3	-4
Tax rate	19.4%	25.9%	24.8%	26.0%	26.0%	26.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	6	10	8	8	9	10
EBITDA Adj	9	16	14	14	16	17
EBIT Adj	8	14	11	11	13	14
Net Profit Adj	6	10	8	8	9	10
Per Share Data (Eu)	2020A	2021A	2022A	2023E	2024E	2025E
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	0.219	0.356	0.291	0.279	0.322	0.349
EPS Adj f.d	0.219	0.364	0.291	0.279	0.322	0.349
BVPS f.d	0.838	1.398	1.694	1.921	2.195	2.489
Dividend per Share ORD	0.000	0.282	0.050	0.048	0.055	0.060
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	40.8%	79.3%	17.2%	17.2%	17.2%	17.2%
Cash Flow (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Gross Cash Flow	7	12	11	11	12	13
Change in NWC	-6	5	-16	1	-0	-1
Capital Expenditure	-2	-3	-4	-4	-4	-4
Other Cash Items	-0	0	0	0	0	0
Free Cash Flow (FCF)	-1	14	-9	7	8	9
Acquisitions, Divestments & Other Items	0	-0	0	0	0	0
Dividends	-2	-5	0	-1	-1	-2
Equity Financing/Buy-back	0	13	-0	-0	0	0
Change in Net Financial Position	-3	22	-9	6	7	7
Balance Sheet (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Total Fixed Assets	12	13	14	16	16	17
Net Working Capital	16	9	25	24	25	26
Long term Liabilities	-0	-0	-0	-0	-0	-0
Net Capital Employed	28	21	39	40	41	42
Net Cash (Debt)	-3	19	10	15	22	29
Group Equity	24	40	49	55	63	71
Minorities	0	0	0	0	0	0
Net Equity	24	40	49	55	63	71
Enterprise Value (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Average Mkt Cap		114	89	81	81	81
Adjustments (Associate & Minorities)	-4	-10	-14	-14	-14	-14
Net Cash (Debt)	-3	19	10	15	22	29
Enterprise Value		105	93	80	73	66
Ratios (%)	2020A	2021A	2022A	2023E	2024E	2025E
EBITDA Adj Margin	22.5%	28.0%	21.8%	21.0%	22.0%	22.7%
EBIT Adj Margin	19.6%	24.7%	17.8%	16.6%	17.5%	18.2%
Gearing - Debt/Equity	14.4%	-46.6%	-19.7%	-28.0%	-35.4%	-41.1%
Interest Cover on EBIT	47.0	nm	57.0	25.7	147.9	267.6
Net Debt/EBITDA Adj	0.4	-1.2	-0.7	-1.1	-1.4	-1.7
ROACE*	29.7%	56.3%	37.3%	28.6%	31.3%	32.9%
ROE*	25.3%	32.5%	18.8%	15.4%	15.7%	14.9%
EV/CE		4.3	3.1	2.0	1.8	1.6
EV/Sales		1.8	1.5	1.2	1.0	0.9
EV/EBITDA Adj		6.6	6.8	5.6	4.6	3.9
EV/EBIT Adj		7.4	8.3	7.1	5.8	4.9
Free Cash Flow Yield	-0.6%	15.5%	-9.7%	7.7%	8.6%	9.0%
Growth Rates (%)	2020A	2021A	2022A	2023E	2024E	2025E
Sales	22.5%	39.8%	10.9%	6.7%	6.3%	3.9%
EBITDA Adj	49.0%	73.8%	-13.7%	2.9%	11.6%	7.3%
EBIT Adj	52.0%	76.4%	-20.0%	-0.6%	11.9%	8.1%
Net Profit Adj	28.6%	62.1%	-18.4%	-4.3%	15.7%	8.4%
EPS Adj	53.9%	65.8%	-20.1%	-4.2%	15.7%	8.4%
DPS		nm	-82.3%	-4.2%	15.7%	8.4%

*Excluding extraordinary items Source: Intermonte SIM estimates

2022 results

Income statement, key cash flow metrics and net financial position

	2020A	1H21A	2H21A	2021A	1H22A	2H22A	2022A	2023E	2H22E	A/E %	2022E	A/E %
Value of production	40.8	27.4	29.6	57.1	31.2	32.0	63.3	67.5	30.7	+4%	62.0	+2%
YoY growth %	+22%	n.a.	n.a.	+40%	+14%	+8%	+11%	+7%	+4%		+9%	
- Raw materials	-13.8	-9.3	-9.9	-19.2	-11.8	-11.7	-23.6	-25.4	-13.2		-25.1	
Gross profit	27.0	18.2	19.7	37.9	19.4	20.3	39.7	42.1	17.5	+16%	36.9	+8%
YoY growth %	+22%	n.a.	n.a.	+40%	+7%	+3%	+5%	+6%	-3%		+2%	
Gross margin %	66.1%	66.2%	66.6%	66.4%	62.1%	63.5%	62.8%	62.4%	57.0%		59.5%	
+ Non-recurring	0.0	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0		0.0	
- OPEX	-17.8	-10.3	-11.7	-21.9	-12.8	-13.1	-25.9	-28.0	-12.6		-25.4	
YoY growth %	+11%	n.a.	n.a.	+23%	+25%	+12%	+18%	+8%	+25%		+25%	
On sales %	43.6%	37.4%	39.4%	38.4%	41.1%	40.9%	41.0%	41.4%	41.0%		41.1%	
Adj. EBITDA	9.2	7.9	8.1	16.0	6.5	7.2	13.8	14.2	4.9	+47%	11.5	+20%
YoY growth %	+49%	n.a.	n.a.	+74%	-17%	-10%	-14%	+3%	-39%		-28%	
Adj. EBITDA margin %	22.5%	28.8%	27.2%	28.0%	20.9%	22.5%	21.8%	21.0%	16.0%		18.5%	
- D&A	-1.2	-0.8	-1.0	-1.9	-1.0	-1.5	-2.5	-2.9	-1.1		-2.1	
Adj. EBIT	8.0	7.1	7.0	14.1	5.5	5.8	11.3	11.2	3.8	+52%	9.3	+21%
YoY growth %	+52%	n.a.	n.a.	+76%	-22%	-18%	-20%	-1%	-46%		-34%	
Adj. EBIT margin %	19.6%	25.8%	23.8%	24.7%	17.7%	18.0%	17.8%	16.6%	12.3%		15.0%	
- Non-recurring	0.0	0.0	-0.3	-0.3	0.0	0.0	0.0	0.0	0.0		0.0	
-/+ Financial exp./inc.	-0.2	0.0	0.0	0.0	0.1	-0.3	-0.2	-0.4	-0.1		0.0	
Pre-tax income	7.8	7.1	6.7	13.8	5.6	5.5	11.1	10.8	3.7	+49%	9.3	+20%
- Tax income	-1.5	-2.1	-1.5	-3.6	-1.7	-1.1	-2.8	-2.8	-0.9		-2.6	
Tax rate %	19.4%	29.4%	22.3%	25.9%	29.6%	19.9%	24.8%	26.0%	24.5%		27.6%	
Net income	6.3	5.0	5.2	10.2	3.9	4.4	8.3	8.0	2.8	+58%	6.7	+24%
YoY growth %	+29%	n.a.	n.a.	+62%	-21%	-16%	-18%	-4%	-47%		-34%	
Net income margin %	15.4%	18.2%	17.6%	17.9%	12.6%	13.7%	13.2%	11.8%	9.0%		10.8%	
Cash flow from operations	1.6	14.9	2.4	17.3	-1.3	-4.0	-5.3	11.4	6.4		5.1	
Capex	-2.1	-1.6	-1.6	-3.2	-1.7	-2.3	-4.0	-4.1	-2.1		-3.7	
FCF	-0.5	13.3	0.9	14.1	-2.9	-6.3	-9.3	7.4	4.3		1.4	
Net debt/(cash)	3.5	-3.7	-18.7	-18.7	-16.0	-9.6	-9.6	-15.4	20.1		20.1	
Net debt/EBITDA	0.4x	n.a.	-1.2x	-1.2x	-1.1x	-0.7x	-0.7x	-1.1x	-1.8x		-1.8x	

Source: Company data & Intermonte SIM Estimates

Change in estimates

Change in estimates

	New			Old			Δ %		
	2022A	2023E	2024E	2022E	2023E	2024E	2022A	2023E	2024E
Value of production	63.3	67.5	71.8	62.0	65.8	70.0	+2%	+3%	+3%
YoY growth %	+11%	+7%	+6%	+9%	+6%	+6%			
Adj. EBITDA	13.8	14.2	15.8	11.5	11.7	13.1	+20%	+21%	+20%
YoY growth %	-14%	+3%	+12%	-28%	+2%	+12%			
Adj. EBITDA margin %	21.8%	21.0%	22.0%	18.5%	17.8%	18.8%			
Adj. EBIT	11.3	11.2	12.6	9.3	9.3	10.6	+21%	+21%	+19%
YoY growth %	-20%	-1%	+12%	-34%	-0%	+14%			
Adj. EBIT margin %	17.8%	16.6%	17.5%	15.0%	14.1%	15.1%			
Adj. EPS	0.29	0.28	0.32	0.23	0.23	0.27	+24%	+19%	+21%
YoY growth %	-20%	-4%	+16%	-36%	-0%	+14%			
Net debt/(cash)	-9.6	-15.4	-22.2	-20.1	-25.5	-33.8	-52%	-40%	-34%
Net debt/EBITDA	-0.7x	-1.1x	-1.4x	-1.8x	-2.2x	-2.6x			

Source: Intermonte SIM

Financials

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

Income statement	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E
Value of production	21.8	33.3	40.8	57.1	63.3	67.5	71.8	74.6
YoY growth %	n.a.	+53%	+22%	+40%	+11%	+7%	+6%	+4%
- Raw materials	-6.1	-11.2	-13.8	-19.2	-23.6	-25.4	-26.5	-27.2
YoY growth %	n.a.	+83%	+24%	+38%	+23%	+8%	+4%	+3%
- OPEX	-12.4	-16.0	-17.8	-21.9	-25.9	-28.0	-29.5	-30.4
YoY growth %	n.a.	+29%	+11%	+23%	+18%	+8%	+5%	+3%
Adj. EBITDA	3.2	6.2	9.2	16.0	13.8	14.2	15.8	17.0
YoY growth %	n.a.	+91%	+49%	+74%	-14%	+3%	+12%	+7%
Adj. EBITDA margin %	14.8%	18.5%	22.5%	28.0%	21.8%	21.0%	22.0%	22.7%
- D&A	-0.8	-0.9	-1.2	-1.9	-2.5	-2.9	-3.2	-3.4
On sales %	3.6%	2.7%	2.9%	3.2%	3.9%	4.4%	4.5%	4.5%
Adj. EBIT	2.4	5.3	8.0	14.1	11.3	11.2	12.6	13.6
YoY growth %	n.a.	+116%	+52%	+76%	-20%	-1%	+12%	+8%
Adj. EBIT margin %	11.2%	15.8%	19.6%	24.7%	17.8%	16.6%	17.5%	18.2%
- Non-recurring	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	0.0
-/+ Financial exp./inc.	-0.1	-0.1	-0.2	0.0	-0.2	-0.4	-0.1	-0.1
Pre-tax income	2.4	5.1	7.8	13.8	11.1	10.8	12.5	13.5
- Tax income	-0.8	-0.2	-1.5	-3.6	-2.8	-2.8	-3.2	-3.5
Tax rate %	33.4%	4.3%	19.4%	25.9%	24.8%	26.0%	26.0%	26.0%
Net income	1.6	4.9	6.3	10.2	8.3	8.0	9.2	10.0
YoY growth %	n.a.	+211%	+29%	+62%	-18%	-4%	+16%	+8%
Net income margin %	7.3%	14.7%	15.4%	17.9%	13.2%	11.8%	12.9%	13.4%
Adj. EPS	0.05	0.14	0.22	0.36	0.29	0.28	0.32	0.35
YoY growth %	n.a.	+160%	+54%	+66%	-20%	-4%	+16%	+8%
Condensed balance sheet	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E
Net working capital	6.6	8.9	16.1	9.2	24.9	24.4	24.7	25.7
Non-current asset/(liab.)	12.9	17.3	11.5	12.3	14.1	15.2	15.9	16.2
Net capital employed	19.5	26.2	27.5	21.5	39.0	39.6	40.6	42.0
Net debt/(cash)	-2.4	0.4	3.5	-18.7	-9.6	-15.4	-22.2	-29.3
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity	21.9	25.8	24.1	40.2	48.6	55.0	62.9	71.3
Invested capital	19.5	26.2	27.5	21.5	39.0	39.6	40.6	42.0
Cash flow statement	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E
Net Income	1.6	4.9	6.3	10.2	8.3	8.0	9.2	10.0
D&A	0.8	0.9	1.2	1.9	2.5	2.9	3.2	3.4
Change in NWC & Oth.	-2.5	-1.5	-5.9	5.2	-16.1	0.5	-0.3	-1.0
Cash flow from operations	-0.1	4.3	1.6	17.3	-5.3	11.4	12.2	12.4
Capex	-0.3	-5.1	-2.1	-3.2	-4.0	-4.1	-3.9	-3.7
FCF	-0.4	-0.8	-0.5	14.1	-9.3	7.4	8.2	8.6
Acquisitions	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Div., Buyb., Equity fin.	-0.1	-1.0	-2.0	7.8	-0.3	-1.6	-1.4	-1.6
Others	2.2	-1.0	-0.5	0.4	0.4	0.0	0.0	0.0
Change in NFP	1.7	-2.8	-3.0	22.2	-9.1	5.8	6.8	7.1
Key financial ratio	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E
Hard backlog	73	122	118	113	116			
Soft backlog				281	250			
Hard backlog vs VoP	3.4x	3.9x	3.2x	2.1x	1.9x			
NWC/Sales %	30%	27%	39%	16%	39%	36%	34%	34%
CapEx/Sales %	1.2%	15.4%	5.1%	5.5%	6.3%	6.0%	5.5%	5.0%
Net debt/EBITDA	-0.7x	0.1x	0.4x	-1.2x	-0.7x	-1.1x	-1.4x	-1.7x
FCF conv. %	-12.6%	-13.3%	-5.7%	88.6%	-67.2%	52.1%	51.9%	50.9%
ROCE %	12.5%	20.1%	29.0%	65.7%	29.0%	28.3%	30.9%	32.3%
ROE %	7.2%	19.0%	26.2%	25.4%	17.2%	14.5%	14.7%	14.0%

Source: Company data & Intermonte SIM Estimates

Valuation

Valuation summary

Method	Comment	Value
DCF	WACC 8.1%, TGR 1.0%	5.0
"Fair" target multiple	AVG ROIC 2023-25 @ 22% (vs 26% prev.)	4.3
Multiples	AVG '23/'24 EV/EBITDA 6.9x; EV/EBIT 10.4x; P/E 14.1x (unch.)	3.9
Target price		4.4
Share price		2.8
Upside/Downside		55%

Implicit multiples @ TP	2020A	2021A	2022A	2023E	2024E	2025E
Target price	4.4	4.4	4.4	4.4	4.4	4.4
NOSH	28.8	28.8	28.7	28.6	28.6	28.6
Equity value	126.5	126.5	126.2	126.0	126.0	126.0
Net debt/(cash)	3.5	-18.7	-9.6	-15.4	-22.2	-29.3
Factoring w/o recourse	4.2	10.1	14.1	14.1	14.1	14.1
Enterprise value	134.2	117.9	130.7	124.7	117.9	110.8
EV/SALES	3.3x	2.1x	2.1x	1.8x	1.6x	1.5x
EV/EBITDA	14.6x	7.4x	9.5x	8.8x	7.5x	6.5x
EV/EBIT	16.8x	8.4x	11.6x	11.1x	9.4x	8.2x
P/E	20.1x	12.1x	15.1x	15.8x	13.7x	12.6x
FCF yield %	-0.4%	11.2%	-7.3%	5.9%	6.5%	6.9%

Implicit multiples @ Curr. PX	2020A	2021A	2022A	2023E	2024E	2025E
Current price	2.8	2.8	2.8	2.8	2.8	2.8
NOSH	28.8	28.8	28.7	28.6	28.6	28.6
Equity value	81.4	81.4	81.2	81.0	81.0	81.0
Net debt/(cash)	3.5	-18.7	-9.6	-15.4	-22.2	-29.3
Factoring w/o recourse	4.2	10.1	14.1	14.1	14.1	14.1
Enterprise value	89.0	72.7	85.7	79.7	72.9	65.8
EV/SALES	2.2x	1.3x	1.4x	1.2x	1.0x	0.9x
EV/EBITDA	9.7x	4.6x	6.2x	5.6x	4.6x	3.9x
EV/EBIT	11.1x	5.2x	7.6x	7.1x	5.8x	4.9x
P/E	12.9x	7.8x	9.7x	10.2x	8.8x	8.1x
FCF yield %	-0.6%	17.4%	-11.4%	9.1%	10.1%	10.7%

Source: Intermonte SIM

Market multiples and performance

Market multiples

Company	Country	Mkt C. (€ mn)	EV_EBITDA			EV_EBIT			PE		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
OMER	ITA	80	6.2x	5.6x	4.6x	7.6x	7.1x	5.8x	9.7x	10.2x	8.8x
Alstom	FRA	9,359	10.5x	8.4x	6.2x	14.6x	10.9x	8.1x	16.9x	12.5x	9.2x
Constr. Aux.	ESP	871	5.4x	4.7x	4.0x	9.2x	7.1x	5.9x	16.7x	10.2x	7.9x
NRC Group	NOR	73	5.5x	3.5x	2.6x	16.0x	6.4x	4.4x	24.6x	5.7x	4.3x
Railcare Group	SWE	40	5.7x	5.2x	4.8x	9.9x	9.0x	8.3x	9.3x	9.6x	8.7x
Salcef Group	ITA	1,332	11.6x	9.4x	8.1x	16.9x	13.3x	11.2x	24.8x	19.2x	16.4x
Stadler Rail	CHE	3,538	12.3x	11.2x	9.5x	18.6x	16.6x	13.7x	48.8x	23.5x	19.3x
Talgo	ESP	380	10.5x	8.1x	6.6x	18.4x	12.0x	9.2x	33.9x	14.8x	11.2x
Vossloh	DEU	716	7.4x	6.9x	6.0x	12.5x	11.3x	9.5x	17.7x	17.1x	14.0x
Somec	ITA	193	11.8x	8.1x	6.5x	57.5x	16.7x	10.8x	86.8x	25.3x	14.3x
Average			9.0x	7.3x	6.0x	19.3x	11.5x	9.0x	31.0x	15.3x	11.7x
Vs Avg			-30%	-22%	-23%	-61%	-38%	-35%	-69%	-34%	-25%

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	81	-2%	+13%	+13%	+13%	-23%				-17%
Alstom	FRA	9,530	-10%	+10%	+50%	+10%	+16%	-40%	-26%	+4%	-27%
Constr. Aux.	ESP	884	-8%	-3%	+11%	-3%	-13%	-33%	-6%	+8%	-28%
NRC Group	NOR	75	-12%	-19%	-34%	-19%	-43%	-32%	-50%	-92%	-28%
Railcare Group	SWE	39	-2%	-9%	-3%	-9%	-10%	-16%	+2%	+731%	-16%
Salcef Group	ITA	1,338	+25%	+23%	+53%	+23%	+7%	+75%	+130%		+49%
Stadler Rail	CHE	3,570	-4%	+8%	+30%	+8%	+1%	-17%	-13%		-8%
Talgo	ESP	385	-13%	-5%	+25%	-5%	-21%	-26%	-21%		-30%
Vossloh	DEU	732	+3%	+7%	+34%	+7%	+13%	+4%	+48%	-37%	-1%
Somec	ITA	195	-7%	-13%	+27%	-13%	-10%	+19%	+98%		-4%
Average			-3%	+1%	+21%	+1%	-8%	-7%	+18%	+123%	-11%

Source: Intermonte SIM

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 to 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

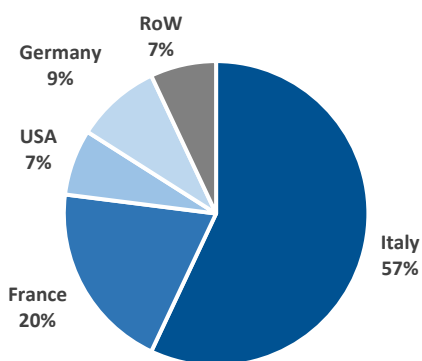
CEO: G. Russello
Chairman: G. Russello
CFO: S. Giosuè

Next BoD renewal: spring 2024
BoD independent members: 1/5

Shareholders

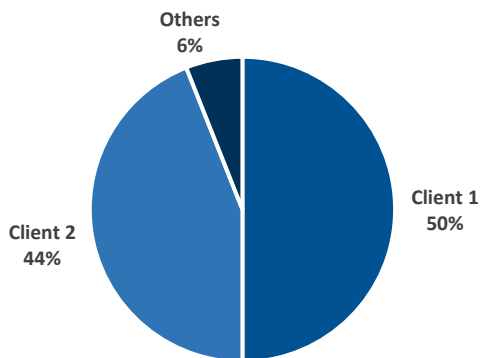
Russello Family	74.0%
Market/others	25.6%

Net sales breakdown by geographical area (2022)



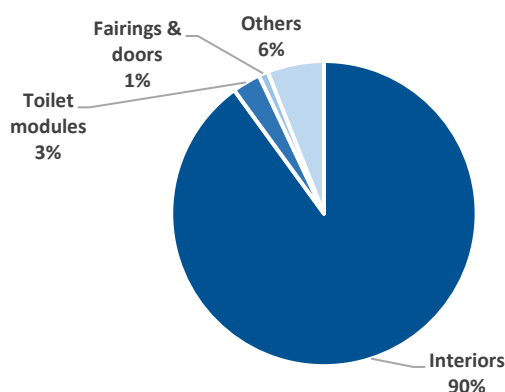
Source: company data and Intermonte SIM estimates

Client concentration (2022)



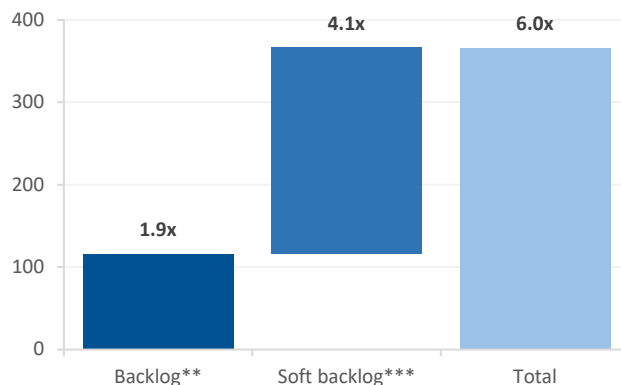
Source: company data

Net sales breakdown by activity (2022)



Source: company data

Backlog and coverage ratio (€ mn, 2022)



Source: company data

* Coverage ratio = backlog / net sales LTM

** Backlog = framework agreement signed and production order received

*** Soft-Backlog = framework agreement signed, awaiting production order

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	OMER		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	4.40	Previous Target (Eu):	3.80
Current Price (Eu):	2.83	Previous Price (Eu):	2.41
Date of report:	31/03/2023	Date of last report:	29/09/2022

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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 industrial 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 of 5.5% 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 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 31 December 2022 Intermonte's Research Department covered 121 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	20.66 %
OUTPERFORM:	48.76 %
NEUTRAL:	28.10 %
UNDERPERFORM	02.48 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (51 in total) is as follows:

BUY:	39.22 %
OUTPERFORM:	49.02 %
NEUTRAL:	11.76 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short

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