

# OMER

Sector: Industrials

# OUTPERFORM

Price: Eu3.11 - Target: Eu4.40

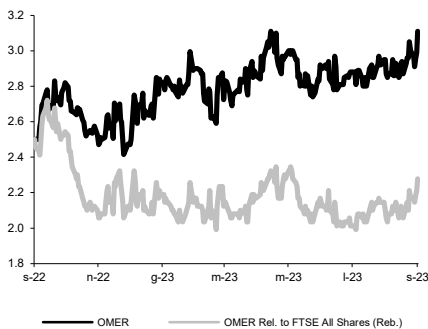
## Solid 1H23; Well Placed to Achieve FY forecast; Positive Commercial Developments

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### Stock Rating

Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2023E	2024E	2025E
Chg in Adj EPS	0.4%	0.2%	-0.2%

### OMER - 12M Performance



### Stock Data

 Reuters code: OMR.MI  
 Bloomberg code: OMER IM

Performance	1M	3M	12M
Absolute	5.4%	7.2%	24.4%
Relative	8.0%	6.8%	-11.7%
12M (H/L)	3.11/2.42		
3M Average Volume (th):	6.45		

### Shareholder Data

No. of Ord shares (mn):	29
Total no. of shares (mn):	29
Mkt Cap Ord (Eu mn):	89
Total Mkt Cap (Eu mn):	89
Mkt Float - Ord (Eu mn):	23
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:	1.6
Net Financial Position (Eu mn):	16
Enterprise Value (Eu mn):	87

■ **1H23 results marginally better than expected.** OMER reported a solid first half, with operating numbers coming in a touch better than expected. 1H23 revenues were €33.0mn (vs. €33.0mn exp.), up +6% YoY, thanks to the positive performance of Italian plants (+7%), a partial contribution from pricing (+5%, bulk of revision in 2H) and despite weak US trends amid project delays not attributable to OMER (-6%, US was ~10/7% of 1H/FY22 revenue). Adj. EBITDA was €7.2mn (vs. €6.8mn exp.), up 10% YoY. The margin was 21.7%, up +0.8pp YoY thanks to a small drop in per-unit input costs and efficiency gains, only partly offset by higher personnel and corporate costs. Net profit was €3.7mn, in line with estimates, -7% YoY due to a slightly higher tax rate (seasonal effect). Net cash was €16.9mn, up significantly from €9.6mn at YE22 thanks to solid operating results and NWC normalisation. The backlog expanded to €133mn or 2.1x LTM sales, up from €116mn at YE22 or 1.9x LTM sales.

■ **2023 outlook: solid 1H23 and increase in backlog provides visibility.** Thanks to a continuation of solid 1H23 trends plus the return to operations of the US and full pricing contribution, we expect OMER to close the year with figures at least in line with our forecast. We therefore confirm our forecast, which points to 2H revenue of €34.6mn, +8% YoY, and EBITDA of €7.0mn for a 20.3% margin.

■ **Positive feedback from “Eccellenze del Made in Italy” event.** Overall, we gained positive feedback from the meetings, where the focus was on:

- **Commercial:** OMER just announced a contract with Hitachi for the Milan Metro consisting of 46 trains, production from 4Q23 until 2025, total value of ~€6.5/13mn, which spread over 2 years implies an annual contribution of 5-10% to revenues. In addition, the programme could pave the way for further contract wins. In the US, OMER is trying to get involved in other projects as the market is receiving support from the Bipartisan Infrastructure Law, while in Europe, it has also started to work with Stadler and CAF, although the impact will be limited for the time being.
- **Inflation:** OMER is signing new contracts with clauses that include automatic price adjustments with indexation to the ISTAT producer price index. Management expects this to reduce the risk from raw material fluctuations, as well as volatility in other production costs. The cap on price revisions is well above the previous 2-3%, but in any case, further revisions must be discussed directly with the client;
- **Capital allocation:** On M&A, the company is working on several dossiers, with a focus on value creation. The key components are creation of industrial and commercial synergies on the one hand and valuations on the other. Something may be announced over the next few months, but any deals are likely to be small in size. On the organic side, investments to upgrade production and make it more efficient continue at a rate of €4-5mn per year.

■ **OUTPERFORM; target €4.4.** OMER reported a solid set of 1H23 results and seems well placed to at least match our FY23 forecast. We have a positive view on the stock on the back of its strong industrial know-how and trusted, long-standing relationships with train producers in an industry with high entry barriers. We appreciate the company’s ability to exploit commercial opportunities available on the market (at value-creating conditions) suggesting the strategy is right and execution is solid. OUTPERFORM; target confirmed.

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	0.273	0.315	0.347
EPS Old Adj (Eu)	0.364	0.291	0.272	0.315	0.347
DPS (Eu)	0.282	0.050	0.047	0.054	0.060
EV/EBITDA Adj	6.6	6.8	6.1	5.0	4.2
EV/EBIT Adj	7.4	8.3	7.7	6.3	5.3
P/E Adj	8.6	10.7	11.4	9.9	9.0
Div. Yield	9.1%	1.6%	1.5%	1.7%	1.9%
Net Debt/EBITDA Adj	-1.2	-0.7	-1.1	-1.5	-1.9

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	-1	-0	-0
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	8	14	11	11	12	13
Taxes	-2	-4	-3	-3	-3	-3
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	0.273	0.315	0.347
EPS Adj f.d	0.219	0.364	0.291	0.273	0.315	0.347
BVPS f.d	0.838	1.398	1.694	1.915	2.183	2.476
Dividend per Share ORD	0.000	0.282	0.050	0.047	0.054	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	2	1	1
Capital Expenditure	-2	-3	-4	-5	-4	-4
Other Cash Items	-0	0	0	0	0	0
Free Cash Flow (FCF)	-1	14	-9	8	9	10
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	8	8
Balance Sheet (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Total Fixed Assets	12	13	14	16	17	18
Net Working Capital	16	9	25	23	22	22
Long term Liabilities	-0	-0	-0	-0	-0	-0
Net Capital Employed	28	21	39	39	39	39
Net Cash (Debt)	-3	19	10	16	24	32
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	89	89	89
Adjustments (Associate & Minorities)	-4	-10	-14	-14	-14	-14
Net Cash (Debt)	-3	19	10	16	24	32
Enterprise Value		105	93	87	79	71
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%	16.7%	17.5%	18.1%
Gearing - Debt/Equity	14.4%	-46.6%	-19.7%	-29.0%	-37.9%	-45.0%
Interest Cover on EBIT	47.0	nm	57.0	15.7	33.6	118.8
Net Debt/EBITDA Adj	0.4	-1.2	-0.7	-1.1	-1.5	-1.9
ROACE*	29.7%	56.3%	37.3%	29.0%	32.3%	34.8%
ROE*	25.3%	32.5%	18.8%	15.1%	15.4%	14.9%
EV/CE		4.3	3.1	2.2	2.0	1.8
EV/Sales		1.8	1.5	1.3	1.1	1.0
EV/EBITDA Adj		6.6	6.8	6.1	5.0	4.2
EV/EBIT Adj		7.4	8.3	7.7	6.3	5.3
Free Cash Flow Yield	-0.6%	14.2%	-8.9%	7.6%	8.8%	9.5%
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%	3.1%	11.5%	7.3%
EBIT Adj	52.0%	76.4%	-20.0%	0.0%	11.4%	7.5%
Net Profit Adj	28.6%	62.1%	-18.4%	-6.2%	15.5%	9.9%
EPS Adj	53.9%	65.8%	-20.1%	-6.0%	15.5%	9.9%
DPS		nm	-82.3%	-6.0%	15.5%	9.9%

\*Excluding extraordinary items

Source: Intermonte SIM estimates

## 1H23 Results

### Income statement, key cash flow metrics and net financial position

	1H22A	2H22A	2022A	1H23A	2H23E	2023E	1H23E	A/E %
<b>Value of production</b>	<b>31.2</b>	<b>32.0</b>	<b>63.3</b>	<b>33.0</b>	<b>34.6</b>	<b>67.5</b>	<b>33.0</b>	<b>-0%</b>
YoY growth %	+14%	+8%	+11%	+6%	+8%	+7%	+6%	
- Raw materials	-11.8	-11.7	-23.6	-11.6	-11.8	-23.3	-11.0	
<b>Gross profit</b>	<b>19.4</b>	<b>20.3</b>	<b>39.7</b>	<b>21.4</b>	<b>22.8</b>	<b>44.2</b>	<b>22.0</b>	<b>-3%</b>
YoY growth %	+7%	+3%	+5%	+10%	+12%	+11%	+14%	
Gross margin %	62.1%	63.5%	62.8%	64.9%	65.9%	65.4%	66.6%	
+ Non-recurring	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- OPEX	-12.8	-13.1	-25.9	-14.2	-15.7	-30.0	-15.2	
<b>Adj. EBITDA</b>	<b>6.5</b>	<b>7.2</b>	<b>13.8</b>	<b>7.2</b>	<b>7.0</b>	<b>14.2</b>	<b>6.8</b>	<b>+5%</b>
YoY growth %	-17%	-10%	-14%	+10%	-3%	+3%	+5%	
Adj. EBITDA margin %	20.9%	22.5%	21.8%	21.7%	20.3%	21.0%	20.7%	
- D&A	-1.0	-1.5	-2.5	-1.4	-1.5	-2.9	-1.3	
<b>Adj. EBIT</b>	<b>5.5</b>	<b>5.8</b>	<b>11.3</b>	<b>5.8</b>	<b>5.5</b>	<b>11.3</b>	<b>5.5</b>	<b>+4%</b>
YoY growth %	-22%	-18%	-20%	+4%	-4%	+0%	+0%	
Adj. EBIT margin %	17.7%	18.0%	17.8%	17.5%	16.0%	16.7%	16.8%	
- Non-recurring	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
-/+ Financial exp./inc.	0.1	-0.3	-0.2	-0.4	-0.3	-0.7	-0.5	
<b>Pre-tax income</b>	<b>5.6</b>	<b>5.5</b>	<b>11.1</b>	<b>5.3</b>	<b>5.2</b>	<b>10.6</b>	<b>5.1</b>	<b>+5%</b>
- Tax income	-1.7	-1.1	-2.8	-1.6	-1.1	-2.7	-1.3	
Tax rate %	29.6%	19.9%	24.8%	30.9%	21.0%	26.0%	26.0%	
<b>Net income</b>	<b>3.9</b>	<b>4.4</b>	<b>8.3</b>	<b>3.7</b>	<b>4.1</b>	<b>7.8</b>	<b>3.7</b>	<b>-2%</b>
YoY growth %	-21%	-16%	-18%	-7%	-6%	-6%	-5%	
Net income margin %	12.6%	13.7%	13.2%	11.2%	12.0%	11.6%	11.3%	
<b>Cash flow from operations</b>	<b>-1.3</b>	<b>-4.0</b>	<b>-5.3</b>	<b>11.0</b>	<b>1.4</b>	<b>12.4</b>	<b>10.0</b>	
Capex	-1.7	-2.3	-4.0	-2.2	-2.3	-4.5	-2.0	
<b>FCF</b>	<b>-2.9</b>	<b>-6.3</b>	<b>-9.3</b>	<b>8.8</b>	<b>-1.0</b>	<b>7.9</b>	<b>7.9</b>	
<b>Net debt/(cash)</b>	<b>-16.0</b>	<b>-9.6</b>	<b>-9.6</b>	<b>-16.9</b>	<b>-15.9</b>	<b>-15.9</b>	<b>-16.1</b>	
Net debt/EBITDA	-1.1x	-0.7x	-0.7x	-1.2x	-1.1x	-1.1x	-1.1x	

Source: Company data & Intermonte SIM Estimates

## Change in estimates

### Change in estimates

	New			Old			Δ %		
	2023E	2024E	2025E	2022E	2024E	2024E	2023E	2024E	2025E
<b>Value of production</b>	<b>67.5</b>	<b>71.8</b>	<b>74.6</b>	<b>67.5</b>	<b>71.8</b>	<b>74.6</b>	<b>+0%</b>	<b>+0%</b>	<b>+0%</b>
YoY growth %	+7%	+6%	+4%	+7%	+6%	+4%			
<b>Adj. EBITDA</b>	<b>14.2</b>	<b>15.8</b>	<b>17.0</b>	<b>14.191</b>	<b>15.8</b>	<b>17.0</b>	<b>+0%</b>	<b>+0%</b>	<b>+0%</b>
YoY growth %	+3%	+11%	+7%	+3%	+11%	+7%			
Adj. EBITDA margin %	21.0%	22.0%	22.7%	21.0%	22.0%	22.7%			
<b>Adj. EBIT</b>	<b>11.3</b>	<b>12.6</b>	<b>13.5</b>	<b>11.2</b>	<b>12.6</b>	<b>13.6</b>	<b>+0%</b>	<b>+0%</b>	<b>-0%</b>
YoY growth %	+0%	+11%	+8%	-0%	+12%	+8%			
Adj. EBIT margin %	16.7%	17.5%	18.1%	16.7%	17.5%	18.2%			
<b>Adj. EPS</b>	<b>0.27</b>	<b>0.32</b>	<b>0.35</b>	<b>0.27</b>	<b>0.31</b>	<b>0.35</b>	<b>+0%</b>	<b>+0%</b>	<b>-0%</b>
YoY growth %	-6%	+15%	+10%	-6%	+16%	+10%			
<b>Net debt/(cash)</b>	<b>-15.9</b>	<b>-23.7</b>	<b>-31.9</b>	<b>-15.9</b>	<b>-23.1</b>	<b>-30.1</b>	<b>+0%</b>	<b>+3%</b>	<b>+6%</b>
Net debt/EBITDA	-1.1x	-1.5x	-1.9x	-1.1x	-1.5x	-1.8x			

Source: Intermonte SIM

## Financials

### Income statement, balance sheet, cash flow statement and key financial ratios

Income statement	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E
<b>Value of production</b>	<b>21.8</b>	<b>33.3</b>	<b>40.8</b>	<b>57.1</b>	<b>63.3</b>	<b>67.5</b>	<b>71.8</b>	<b>74.6</b>
YoY growth %	n.a.	+53%	+22%	+40%	+11%	+7%	+6%	+4%
- Raw materials	-6.1	-11.2	-13.8	-19.2	-23.6	-23.3	-24.4	-25.1
YoY growth %	n.a.	+83%	+24%	+38%	+23%	-1%	+4%	+3%
- OPEX	-12.4	-16.0	-17.8	-21.9	-25.9	-30.0	-31.6	-32.6
YoY growth %	n.a.	+29%	+11%	+23%	+18%	+16%	+5%	+3%
<b>Adj. EBITDA</b>	<b>3.2</b>	<b>6.2</b>	<b>9.2</b>	<b>16.0</b>	<b>13.8</b>	<b>14.2</b>	<b>15.8</b>	<b>17.0</b>
YoY growth %	n.a.	+91%	+49%	+74%	-14%	+3%	+11%	+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%	4.3%	4.5%	4.6%
<b>Adj. EBIT</b>	<b>2.4</b>	<b>5.3</b>	<b>8.0</b>	<b>14.1</b>	<b>11.3</b>	<b>11.3</b>	<b>12.6</b>	<b>13.5</b>
YoY growth %	n.a.	+116%	+52%	+76%	-20%	+0%	+11%	+8%
Adj. EBIT margin %	11.2%	15.8%	19.6%	24.7%	17.8%	16.7%	17.5%	18.1%
- 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	-0.7	-0.4	-0.1
<b>Pre-tax income</b>	<b>2.4</b>	<b>5.1</b>	<b>7.8</b>	<b>13.8</b>	<b>11.1</b>	<b>10.6</b>	<b>12.2</b>	<b>13.4</b>
- Tax income	-0.8	-0.2	-1.5	-3.6	-2.8	-2.7	-3.2	-3.5
Tax rate %	33.4%	4.3%	19.4%	25.9%	24.8%	26.0%	26.0%	26.0%
<b>Net income</b>	<b>1.6</b>	<b>4.9</b>	<b>6.3</b>	<b>10.2</b>	<b>8.3</b>	<b>7.8</b>	<b>9.0</b>	<b>9.9</b>
YoY growth %	n.a.	+211%	+29%	+62%	-18%	-6%	+15%	+10%
Net income margin %	7.3%	14.7%	15.4%	17.9%	13.2%	11.6%	12.6%	13.3%
<b>Adj. EPS</b>	<b>0.05</b>	<b>0.14</b>	<b>0.22</b>	<b>0.36</b>	<b>0.29</b>	<b>0.27</b>	<b>0.32</b>	<b>0.35</b>
YoY growth %	n.a.	+160%	+54%	+66%	-20%	-6%	+15%	+10%
<b>Condensed balance sheet</b>	<b>2018A</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Net working capital	6.6	8.9	16.1	9.2	24.9	23.2	22.1	21.5
Non-current asset/(liab.)	12.9	17.3	11.5	12.3	14.1	15.7	16.8	17.4
<b>Net capital employed</b>	<b>19.5</b>	<b>26.2</b>	<b>27.5</b>	<b>21.5</b>	<b>39.0</b>	<b>39.0</b>	<b>38.8</b>	<b>39.0</b>
Net debt/(cash)	-2.4	0.4	3.5	-18.7	-9.6	-15.9	-23.7	-31.9
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	54.8	62.5	70.9
<b>Invested capital</b>	<b>19.5</b>	<b>26.2</b>	<b>27.5</b>	<b>21.5</b>	<b>39.0</b>	<b>38.9</b>	<b>38.8</b>	<b>39.0</b>
<b>Cash flow statement</b>	<b>2018A</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
<b>Net Income</b>	<b>1.6</b>	<b>4.9</b>	<b>6.3</b>	<b>10.2</b>	<b>8.3</b>	<b>7.8</b>	<b>9.0</b>	<b>9.9</b>
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	1.7	1.2	0.5
<b>Cash flow from operations</b>	<b>-0.1</b>	<b>4.3</b>	<b>1.6</b>	<b>17.3</b>	<b>-5.3</b>	<b>12.4</b>	<b>13.5</b>	<b>13.9</b>
Capex	-0.3	-5.1	-2.1	-3.2	-4.0	-4.5	-4.3	-4.1
<b>FCF</b>	<b>-0.4</b>	<b>-0.8</b>	<b>-0.5</b>	<b>14.1</b>	<b>-9.3</b>	<b>7.9</b>	<b>9.1</b>	<b>9.8</b>
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	-1.3	-1.6
Others	2.2	-1.0	-0.5	0.4	0.4	0.0	0.0	0.0
<b>Change in NFP</b>	<b>1.7</b>	<b>-2.8</b>	<b>-3.0</b>	<b>22.2</b>	<b>-9.1</b>	<b>6.3</b>	<b>7.8</b>	<b>8.2</b>
<b>Key financial ratio</b>	<b>2018A</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
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%	34%	31%	29%
CapEx/Sales %	1.2%	15.4%	5.1%	5.5%	6.3%	6.7%	6.0%	5.5%
Net debt/EBITDA	-0.7x	0.1x	0.4x	-1.2x	-0.7x	-1.1x	-1.5x	-1.9x
FCF conv. %	-12.6%	-13.3%	-5.7%	88.6%	-67.2%	55.4%	57.8%	57.7%
ROCE %	12.5%	20.1%	29.0%	65.7%	29.0%	29.0%	32.4%	34.7%
ROE %	7.2%	19.0%	26.2%	25.4%	17.2%	14.3%	14.4%	14.0%

Source: Company data & Intermonte SIM Estimates

## 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
<b>OMER</b>	<b>ITA</b>	<b>89</b>	<b>6.8x</b>	<b>6.2x</b>	<b>5.0x</b>	<b>8.3x</b>	<b>7.7x</b>	<b>6.3x</b>	<b>10.7x</b>	<b>11.4x</b>	<b>9.9x</b>
Alstom	FRA	8,685	9.7x	8.3x	6.5x	13.3x	10.5x	8.3x	16.3x	14.1x	9.9x
Constr. Aux.	ESP	1,015	5.9x	5.1x	4.1x	9.8x	7.9x	6.1x	19.0x	12.4x	8.9x
NRC Group	NOR	75	5.6x	4.5x	3.4x	15.8x	9.9x	6.5x	24.4x	8.2x	6.3x
Railcare Group	SWE	40	6.2x	5.3x	4.7x	11.4x	8.8x	7.9x	12.7x	10.0x	8.7x
Salcef Group	ITA	1,376	11.7x	9.2x	7.8x	17.1x	13.0x	10.7x	25.5x	18.6x	15.7x
Stadler Rail	CHE	3,692	12.3x	11.1x	9.6x	18.7x	16.7x	13.9x	49.0x	24.0x	19.1x
Talgo	ESP	444	11.3x	8.9x	7.1x	20.0x	12.7x	9.7x	63.9x	18.7x	13.8x
Vossloh	DEU	694	7.4x	6.4x	5.6x	12.3x	10.3x	8.8x	16.7x	16.0x	13.3x
Somec	ITA	195	11.9x	4.5x	4.4x	95.8x	11.8x	9.4x		40.7x	23.1x
<b>Average</b>			<b>9.1x</b>	<b>7.0x</b>	<b>5.9x</b>	<b>23.8x</b>	<b>11.3x</b>	<b>9.0x</b>	<b>28.4x</b>	<b>18.1x</b>	<b>13.2x</b>
<b>Vs Avg</b>			<b>-25%</b>	<b>-12%</b>	<b>-15%</b>	<b>-65%</b>	<b>-31%</b>	<b>-30%</b>	<b>-62%</b>	<b>-37%</b>	<b>-25%</b>

Source: Intermonte SIM & FactSet

### Stock price performance (total return)

Company	Country	Mkt C. (€ mn)	1m	3m	6m	YTD	1y	2y	3y	10y	Since IPO
<b>OMER</b>	<b>ITA</b>	<b>89</b>	<b>+5%</b>	<b>+7%</b>	<b>+13%</b>	<b>+27%</b>	<b>+27%</b>	<b>-23%</b>			<b>-7%</b>
Alstom	FRA	8,685	-12%	-17%	-7%	-0%	+41%	-30%	-43%	+9%	-33%
Constr. Aux.	ESP	1,015	-10%	-1%	+19%	+14%	+34%	-13%	+11%	-8%	-15%
NRC Group	NOR	75	-2%	+7%	+2%	-20%	-35%	-31%	-51%	-70%	-29%
Railcare Group	SWE	40	+5%	+4%	+6%	-1%	+4%	-0%	-15%	+743%	-9%
Salcef Group	ITA	1,376	-10%	-5%	+6%	+29%	+72%	+34%	+95%		+56%
Stadler Rail	CHE	3,692	+9%	+4%	+4%	+12%	+36%	-3%	-0%		-5%
Talgo	ESP	444	-8%	+7%	+17%	+9%	+44%	-19%	+9%		-19%
Vossloh	DEU	694	-3%	-3%	-1%	+4%	+34%	-9%	+26%	-28%	-4%
Somec	ITA	195	-9%	-8%	+1%	-13%	+30%	-5%	+125%		-4%
<b>Average</b>			<b>-3%</b>	<b>-1%</b>	<b>+6%</b>	<b>+6%</b>	<b>+29%</b>	<b>-10%</b>	<b>+17%</b>	<b>+129%</b>	<b>-7%</b>

Source: Intermonte SIM

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	OMER		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	4.40	Previous Target (Eu):	4.40
Current Price (Eu):	3.11	Previous Price (Eu):	2.96
Date of report:	02/10/2023	Date of last report:	21/09/2023

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- 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)

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