

# OMER

Sector: Industrials

# OUTPERFORM

Price: Eu3.60 – Target: Eu5.20

## Running Ahead of Schedule

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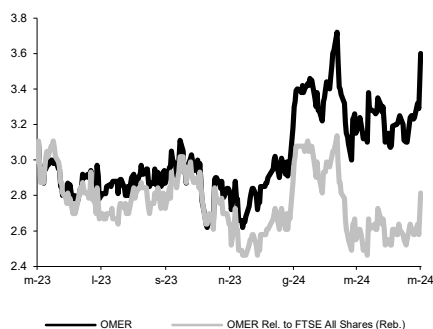
### Stock Rating

<b>Rating:</b>	Unchanged		
<b>Target Price (Eu):</b>	from 5.00 to 5.20		
	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Chg in Adj EPS</b>	6.0%	5.9%	5.9%

### Next Event

1H24 Results Out 23th of September

### OMER - 12M Performance



### Stock Data

Reuters code:	OMR.MI
Bloomberg code:	OMER IM

Performance	1M	3M	12M
Absolute	16.9%	4.7%	20.4%
Relative	11.0%	-6.5%	-7.9%
12M (H/L)	3.72/2.62		
3M Average Volume (th):	14.31		

### Shareholder Data

No. of Ord shares (mn):	29
Total no. of shares (mn):	29
Mkt Cap Ord (Eu mn):	103
Total Mkt Cap (Eu mn):	103
Mkt Float - Ord (Eu mn):	26
Mkt Float (in %):	25.6%
Main Shareholder:	
Russello Fam.	74.0%

### Balance Sheet Data

Book Value (Eu mn):	63
BVPS (Eu):	2.21
P/BV:	1.6
Net Financial Position (Eu mn):	27
Enterprise Value (Eu mn):	87

■ **1Q24 KPIs: solid start to year driven by volume growth.** OMER reported better than expected KPIs in 1Q24 driven by volume growth at both Italy and the US operations. Revenues came to €19.2mn (vs est. €16.7mn), +23% YoY, thanks to higher volumes (+27.5%) while pricing was negative (-4.5%) as contracts with clients are linked to input price trends. Italian plants benefitted from higher requests by Alstom relating to France regional (REG2N), Paris metro (RER) and Stockholm C30 metro trains, while the US subsidiary resumed output at cruise speed as bottlenecks at its main program Alstom-Amtrak Avelia eased (operations were halted in 1H23). EBITDA was €3.8mn (vs est. €3.3mn), +23% YoY, with the margin at 20% in line with expectations and 1Q23. The growth was driven by higher volume and lower input costs, partly offset by higher labour and negative pricing as clients recognized lower than last year compensation for inflation. Net cash rose to €21.0mn (vs est./FY23 €19.8mn) thanks to strong operating results. Backlog was at €124mn, in line with FY23, due to new orders on the Hitachi's Frecciarossa ETR1000 set to begin production in 2025.

■ **La Dolce Vita contract expected to be signed in the next few weeks.** While no update was offered on the La Dolce Vita project, we are still confident a contract will be signed in the next few weeks. We remind that La Dolce Vita is: i) the luxury train project promoted by Arsenale Spa; ii) the initiative has been launched in Italy, but Arsenale is evaluating to expand its activity also abroad such as in Saudi Arabia and Egypt; iii) the opportunity is tangible for OMER as it is said to be in the €6-10mn range of revenues per train; iv) the initial contract should concern two trains (split in two tranches); v) there's an option for another four trains; vi) profitability should be lower than the group average given higher share of external purchases. We don't currently include the project in our explicit estimates, pending the official announcement. However, we embed a €0.1 per share contribution to our TP assuming a "one-off" framework.

■ **Change in estimate.** We are increasing our forecast by 6% reflecting higher production volumes registered in 1Q while leaving the rest of the year substantially unchanged. Our forecasts now assume revenues at €75.1mn, +12% YoY (vs €72.4mn prev.) with profitability confirmed at ~22% for an EBITDA of €16.8mn, +11% YoY, (vs €16.0mn prev.) as volume growth is partly offset by higher labour costs.

■ **OUTPERFORM; TP at €5.2.** OMER reported positive KPIs in 1Q24 benefitting from higher volumes and confirming its solid execution. The release suggests that 2024 will be another year of growth and even stronger than our initial expectations based on a solid pipeline of orders while management continues to scout for new projects, clients and markets. On top of that, we await important newsflow on the La Dolce Vita project that could add further steam to the equity story given its potential value creation. We believe that all of this confirms the company's solid reputation and trusted relationship with train manufacturers in an industry with high entry barriers and strong growth potential. We reiterate our OUTPERFORM rating with a TP of €5.2 up vs €5.0 prev. due to higher estimates. The stock is trading at an attractive ~4.8x EV/EBITDA '24/25.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	63	67	75	78	81
EBITDA Adj (Eu mn)	14	15	17	18	19
Net Profit Adj (Eu mn)	8	8	10	11	11
EPS New Adj (Eu)	0.291	0.293	0.343	0.368	0.388
EPS Old Adj (Eu)	0.291	0.293	0.324	0.348	0.366
DPS (Eu)	0.050	0.060	0.000	0.000	0.000
EV/EBITDA Adj	6.8	4.8	5.2	4.5	3.8
EV/EBIT Adj	8.3	6.0	6.5	5.6	4.7
P/E Adj	12.4	12.3	10.5	9.8	9.3
Div. Yield	1.4%	1.7%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	-0.7	-1.3	-1.6	-1.9	-2.3

<b>OMER – Key Figures</b>						
<b>Profit &amp; Loss (Eu mn)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Sales	57	63	67	75	78	81
EBITDA	16	14	15	17	18	19
EBIT	14	11	12	13	14	15
Financial Income (charges)	0	-0	-1	-0	-0	-0
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	14	11	11	13	14	15
Taxes	-4	-3	-3	-3	-4	-4
Tax rate	25.9%	24.8%	26.6%	26.0%	26.0%	26.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	10	8	8	10	11	11
EBITDA Adj	16	14	15	17	18	19
EBIT Adj	14	11	12	13	14	15
Net Profit Adj	10	8	8	10	11	11
<b>Per Share Data (Eu)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
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	0.356	0.291	0.293	0.343	0.368	0.388
EPS Adj f.d	0.364	0.291	0.293	0.343	0.368	0.388
BVPS f.d	1.398	1.694	1.931	2.215	2.583	2.971
Dividend per Share ORD	0.280	0.050	0.060	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 (%)	78.8%	17.2%	20.5%	0.0%	0.0%	0.0%
<b>Cash Flow (Eu mn)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Gross Cash Flow	12	11	11	13	14	15
Change in NWC	5	-16	5	0	-2	-1
Capital Expenditure	-3	-4	-5	-5	-5	-5
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	14	-9	12	9	8	9
Acquisitions, Divestments & Other Items	0	0	0	0	0	0
Dividends	-5	0	-1	-2	0	0
Equity Financing/Buy-back	13	0	0	0	0	0
Change in Net Financial Position	22	-9	10	7	8	9
<b>Balance Sheet (Eu mn)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Total Fixed Assets	13	14	16	18	19	21
Net Working Capital	9	25	20	19	21	22
Long term Liabilities	-0	-0	-0	-0	-0	-0
Net Capital Employed	21	39	35	37	40	42
Net Cash (Debt)	19	10	20	27	34	43
Group Equity	40	49	55	63	74	85
Minorities	0	0	0	0	0	0
Net Equity	40	49	55	63	74	85
<b>Enterprise Value (Eu mn)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Average Mkt Cap	114	89	81	103	103	103
Adjustments (Associate & Minorities)	-10	-14	-11	-11	-11	-11
Net Cash (Debt)	19	10	20	27	34	43
Enterprise Value	105	93	73	87	80	71
<b>Ratios (%)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
EBITDA Adj Margin	28.0%	21.8%	22.4%	22.4%	22.9%	23.2%
EBIT Adj Margin	24.7%	17.8%	18.0%	18.0%	18.4%	18.6%
Gearing - Debt/Equity	-46.6%	-19.7%	-35.8%	-42.1%	-46.2%	-50.9%
Interest Cover on EBIT	nm	57.0	17.8	66.5	114.2	273.8
Net Debt/EBITDA Adj	-1.2	-0.7	-1.3	-1.6	-1.9	-2.3
ROACE*	56.3%	37.3%	32.6%	37.3%	37.6%	37.0%
ROE*	32.5%	18.8%	16.2%	16.6%	15.4%	14.0%
EV/CE	4.3	3.1	1.9	2.4	2.1	1.7
EV/Sales	1.8	1.5	1.1	1.2	1.0	0.9
EV/EBITDA Adj	6.6	6.8	4.8	5.2	4.5	3.8
EV/EBIT Adj	7.4	8.3	6.0	6.5	5.6	4.7
Free Cash Flow Yield	12.5%	-7.9%	10.2%	7.5%	6.6%	8.0%
<b>Growth Rates (%)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Sales	39.8%	10.9%	6.3%	11.6%	3.9%	3.9%
EBITDA Adj	73.5%	-13.7%	9.7%	11.2%	6.5%	5.3%
EBIT Adj	76.0%	-20.0%	7.4%	11.3%	6.6%	4.8%
Net Profit Adj	65.3%	-20.2%	0.8%	17.0%	7.3%	5.3%
EPS Adj	65.3%	-20.1%	0.9%	17.0%	7.3%	5.3%
DPS	nm	-82.1%	20.0%	nm		

\*Excluding extraordinary items Source: Intermonte SIM estimates

## 1Q24 results

### 1Q24 results analysis

Income Statement	1Q23A	2Q23A	1H23A	2H23A	2023A	1Q24A	2Q24E	1H24E	2H24E	2024E	1Q24E	A/E %
<b>Revenues</b>	<b>15.6</b>	<b>17.4</b>	<b>33.0</b>	<b>34.3</b>	<b>67.3</b>	<b>19.2</b>	<b>19.5</b>	<b>38.7</b>	<b>36.4</b>	<b>75.1</b>	<b>16.7</b>	<b>+15%</b>
YoY growth %	+12%	+0%	+6%	+7%	+6%	+23%	+13%	+18%	+6%	+12%	+7%	
<b>Adj. EBITDA</b>	<b>3.1</b>	<b>4.1</b>	<b>7.2</b>	<b>7.9</b>	<b>15.1</b>	<b>3.8</b>	<b>4.6</b>	<b>8.4</b>	<b>8.4</b>	<b>16.8</b>	<b>3.3</b>	<b>+14%</b>
YoY growth %	+0%	+18%	+10%	+10%	+10%	+23%	+12%	+17%	+6%	+11%	+7%	
Adj. EBITDA margin %	19.9%	23.4%	21.7%	23.1%	22.4%	19.8%	23.4%	21.6%	23.2%	22.4%	20.0%	
<b>Net debt/(cash)</b>	<b>-13.5</b>	<b>-16.9</b>	<b>-16.9</b>	<b>-19.8</b>	<b>-19.8</b>	<b>-21.0</b>	<b>-26.8</b>	<b>-26.8</b>	<b>-26.7</b>	<b>-26.7</b>	<b>-19.8</b>	<b>+6%</b>

Source: Company data & Intermonte SIM Estimates

## Change in estimates

### Change in estimates

	New			Old			Δ %		
	2024E	2025E	2026E	2024E	2025E	2026E	2023A	2024E	2025E
<b>Revenues</b>	<b>75.1</b>	<b>78.1</b>	<b>81.1</b>	<b>72.4</b>	<b>75.2</b>	<b>78.1</b>	<b>+4%</b>	<b>+4%</b>	<b>+4%</b>
YoY growth %	+12%	+4%	+4%	+8%	+4%	+4%			
<b>Adj. EBITDA</b>	<b>16.8</b>	<b>17.9</b>	<b>18.8</b>	<b>16.0</b>	<b>17.1</b>	<b>18.0</b>	<b>+5%</b>	<b>+5%</b>	<b>+5%</b>
YoY growth %	+11%	+6%	+5%	+6%	+6%	+5%			
Adj. EBITDA margin %	22.4%	22.9%	23.2%	22.2%	22.7%	23.0%			
<b>Adj. EBIT</b>	<b>13.5</b>	<b>14.4</b>	<b>15.1</b>	<b>12.7</b>	<b>13.6</b>	<b>14.2</b>	<b>+5%</b>	<b>+5%</b>	<b>+5%</b>
YoY growth %	+11%	+7%	+5%	+5%	+7%	+5%			
Adj. EBIT margin %	18.0%	18.4%	18.6%	17.6%	18.1%	18.2%			
<b>Adj. EPS</b>	<b>0.34</b>	<b>0.37</b>	<b>0.39</b>	<b>0.32</b>	<b>0.35</b>	<b>0.37</b>	<b>+6%</b>	<b>+6%</b>	<b>+6%</b>
YoY growth %	+17%	+7%	+5%	+10%	+7%	+5%			
<b>Net debt/(cash)</b>	<b>-26.7</b>	<b>-34.2</b>	<b>-43.3</b>	<b>-26.0</b>	<b>-33.7</b>	<b>-42.3</b>	<b>+3%</b>	<b>+1%</b>	<b>+2%</b>
Net Debt/EBITDA Adj.	-1.6x	-1.9x	-2.3x	-1.6x	-2.0x	-2.3x			

Source: Intermonte SIM

## Financials

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

Income Statement	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E
<b>Revenues</b>	<b>33.3</b>	<b>40.8</b>	<b>57.1</b>	<b>63.3</b>	<b>67.3</b>	<b>75.1</b>	<b>78.1</b>	<b>81.1</b>
YoY growth %	+53%	+22%	+40%	+11%	+6%	+12%	+4%	+4%
- Cost of production	-11.2	-13.8	-19.2	-23.6	-23.7	-25.9	-26.6	-27.5
- Total OpEx	-15.9	-17.8	-21.9	-25.9	-28.5	-32.4	-33.5	-34.8
<b>Adj. EBITDA</b>	<b>6.2</b>	<b>9.2</b>	<b>16.0</b>	<b>13.8</b>	<b>15.1</b>	<b>16.8</b>	<b>17.9</b>	<b>18.8</b>
YoY growth %	+93%	+48%	+73%	-14%	+10%	+11%	+6%	+5%
Adj. EBITDA margin %	18.6%	22.5%	28.0%	21.8%	22.4%	22.4%	22.9%	23.2%
- D&A	-0.9	-1.2	-1.9	-2.5	-3.0	-3.3	-3.5	-3.8
<b>Adj. EBIT</b>	<b>5.3</b>	<b>8.0</b>	<b>14.1</b>	<b>11.3</b>	<b>12.1</b>	<b>13.5</b>	<b>14.4</b>	<b>15.1</b>
YoY growth %	+119%	+51%	+76%	-20%	+7%	+11%	+7%	+5%
Adj. EBIT margin %	15.9%	19.6%	24.7%	17.8%	18.0%	18.0%	18.4%	18.6%
- Non-recurring	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	0.0
- Financial income & charges	-0.1	-0.2	0.0	-0.2	-0.7	-0.2	-0.1	-0.1
<b>Pre-tax Income</b>	<b>5.2</b>	<b>7.8</b>	<b>13.8</b>	<b>11.1</b>	<b>11.4</b>	<b>13.3</b>	<b>14.3</b>	<b>15.0</b>
- Tax income	-0.2	-1.5	-3.6	-2.8	-3.0	-3.5	-3.7	-3.9
Tax rate %	4.2%	19.4%	25.9%	24.8%	26.6%	26.0%	26.0%	26.0%
<b>Net Income</b>	<b>4.9</b>	<b>6.3</b>	<b>10.2</b>	<b>8.3</b>	<b>8.4</b>	<b>9.8</b>	<b>10.5</b>	<b>11.1</b>
YoY growth %	+216%	+28%	+62%	-18%	+1%	+17%	+7%	+5%
Net Income margin %	14.8%	15.5%	17.9%	13.2%	12.5%	13.1%	13.5%	13.7%
- Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income attr. to shareh.</b>	<b>4.9</b>	<b>6.3</b>	<b>10.2</b>	<b>8.3</b>	<b>8.4</b>	<b>9.8</b>	<b>10.5</b>	<b>11.1</b>
<b>NOSH</b>	<b>28.8</b>	<b>28.8</b>	<b>28.8</b>	<b>28.7</b>	<b>28.6</b>	<b>28.6</b>	<b>28.6</b>	<b>28.6</b>
<b>Adj. EPS</b>	<b>0.14</b>	<b>0.22</b>	<b>0.36</b>	<b>0.29</b>	<b>0.29</b>	<b>0.34</b>	<b>0.37</b>	<b>0.39</b>
YoY growth %	+164%	+53%	+65%	-20%	+1%	+17%	+7%	+5%
Condensed Balance Sheet	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E
Net working capital	8.9	16.1	9.2	24.9	19.7	19.2	20.8	21.5
Non-current asset/(liab.)	17.3	11.5	12.3	14.1	15.8	17.5	19.0	20.2
<b>Net capital employed</b>	<b>26.2</b>	<b>27.5</b>	<b>21.5</b>	<b>39.0</b>	<b>35.5</b>	<b>36.7</b>	<b>39.8</b>	<b>41.8</b>
Net debt/(cash)	0.4	3.5	-18.7	-9.6	-19.8	-26.7	-34.2	-43.3
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity	25.8	24.1	40.2	48.6	55.3	63.4	74.0	85.1
<b>Invested capital</b>	<b>26.2</b>	<b>27.5</b>	<b>21.5</b>	<b>39.0</b>	<b>35.5</b>	<b>36.7</b>	<b>39.8</b>	<b>41.8</b>
Cash flow Statment	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E
<b>Net Income</b>	<b>4.9</b>	<b>6.3</b>	<b>10.2</b>	<b>8.3</b>	<b>8.4</b>	<b>9.8</b>	<b>10.5</b>	<b>11.1</b>
D&A	0.9	1.2	1.9	2.5	3.0	3.3	3.5	3.8
Change in NWC & Oth.	-1.5	-5.9	5.2	-16.1	5.1	0.4	-1.5	-0.8
<b>Cash flow from operations</b>	<b>4.3</b>	<b>1.6</b>	<b>17.3</b>	<b>-5.3</b>	<b>16.5</b>	<b>13.6</b>	<b>12.5</b>	<b>14.1</b>
Capex	-5.1	-3.1	-3.2	-4.0	-4.9	-5.0	-5.0	-5.0
<b>FCF</b>	<b>-0.8</b>	<b>-1.5</b>	<b>14.1</b>	<b>-9.3</b>	<b>11.6</b>	<b>8.6</b>	<b>7.5</b>	<b>9.1</b>
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Div., Buyb., Equity fin.	-1.0	-2.0	7.8	-0.2	-1.6	-1.7	0.0	0.0
Others	-1.0	0.5	0.3	0.3	0.2	0.0	0.0	0.0
<b>Change in NFP</b>	<b>-2.8</b>	<b>-3.0</b>	<b>22.2</b>	<b>-9.1</b>	<b>10.2</b>	<b>6.9</b>	<b>7.5</b>	<b>9.1</b>
Key Financial ratio	2019A	2020A	2021A	2022A	2023A	2024E	2025E	2026E
Hard backlog	122	118	113	116	125	128	130	133
Hard backlog vs Net Sales	3.7x	2.9x	2.0x	1.8x	1.9x	1.7x	1.7x	1.6x
NWC/Sales %	27%	39%	16%	39%	29%	26%	27%	27%
CapEx/Sales %	-15%	-8%	-6%	-6%	-7%	-7%	-6%	-6%
Net Debt/EBITDA Adj.	0.1x	0.4x	-1.2x	-0.7x	-1.3x	-1.6x	-1.9x	-2.3x
FCF conversion %	-13%	-17%	89%	-67%	77%	51%	42%	48%
ROCE %	20%	29%	66%	29%	34%	37%	36%	36%
ROE %	16%	26%	26%	17%	15%	16%	14%	13%

Source: Company data & Intermonte SIM Estimates

## Valuation summary

### Valuation summary

	2024E	2025E	2026E	Average
<b>EBIT</b>	<b>13.5</b>	<b>14.4</b>	<b>15.1</b>	
TAX RATE %	26.0%	26.0%	26.0%	
<b>NOPAT</b>	<b>10.0</b>	<b>10.6</b>	<b>11.1</b>	
INVESTED CAPITAL	36.7	39.8	41.8	
<b>ROIC</b>	<b>27.2%</b>	<b>26.8%</b>	<b>26.7%</b>	<b>26.9%</b>
<b>WACC</b>	<b>8.6%</b>	<b>8.6%</b>	<b>8.6%</b>	
<b>TG</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	
<b>Fair EV/EBIT multiple</b>	<b>9.4x</b>	<b>9.4x</b>	<b>9.4x</b>	<b>9.4x</b>
<b>Enterprise value (EV)</b>	<b>126.7</b>	<b>134.9</b>	<b>141.4</b>	
Net debt/(cash)	-26.7	-34.2	-43.3	
Factoring	10.9	10.9	10.9	
Dividends	-1.7	-1.7	-1.7	
<b>Equity (E)</b>	<b>144.2</b>	<b>159.9</b>	<b>175.5</b>	
NOSH	28.6	28.6	28.6	
<b>TP</b>	<b>5.0</b>	<b>5.6</b>	<b>6.1</b>	
Discount factor	1.00	0.92	0.85	
<b>Target price (TP)</b>	<b>5.0</b>	<b>5.1</b>	<b>5.2</b>	<b>5.1</b>
<b>La Dolce Vita (2 trains seen as "one-off")</b>				<b>0.1</b>
<b>Target price final</b>				<b>5.2</b>
Actual share price				3.7
<b>Upside/(Downside)</b>				<b>+41%</b>

		TGR		
		0.0%	1.0%	2.0%
WACC	7.6%	5.4	5.9	6.5
	8.6%	4.8	5.2	5.6
	9.6%	4.4	4.6	5.0

Source: Intermonte SIM

## Multiples and performance

### Market multiples

Company	EV_EBITDA			EV_EBIT			PE		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
<b>OMER</b>	<b>6.2x</b>	<b>5.2x</b>	<b>4.5x</b>	<b>7.8x</b>	<b>6.5x</b>	<b>5.6x</b>	<b>12.3x</b>	<b>10.5x</b>	<b>9.8x</b>
Alstom	10.0x	6.2x	5.0x	10.3x	7.9x	7.8x	16.7x	10.4x	7.7x
Constr. Aux.	5.2x	4.6x	4.2x	8.2x	7.0x	6.2x	12.8x	10.0x	8.3x
NRC Group	5.5x	4.8x	3.8x	16.5x	12.0x	7.7x	30.2x	17.9x	9.0x
Railcare Group	6.9x	6.4x	5.5x	11.2x	10.5x	9.1x	13.5x	13.7x	11.6x
Salcef Group	9.9x	8.7x	7.6x	15.4x	12.8x	10.8x	26.4x	18.0x	15.5x
Stadler Rail	9.3x	9.2x	7.4x	14.8x	14.6x	11.0x	22.8x	20.4x	15.1x
Talgo	10.2x	9.5x	7.8x	14.6x	13.5x	10.5x	32.9x	19.4x	13.8x
Vossloh	6.6x	6.0x	5.4x	10.5x	9.4x	8.3x	21.0x	15.6x	13.6x
Somec	10.5x	6.3x	5.2x	2482.0x	17.9x	12.2x		41.9x	20.7x
<b>Average</b>	<b>8.2x</b>	<b>6.9x</b>	<b>5.8x</b>	<b>287.1x</b>	<b>11.7x</b>	<b>9.3x</b>	<b>22.0x</b>	<b>18.6x</b>	<b>12.8x</b>
<b>Vs Avg</b>	<b>-24%</b>	<b>-24%</b>	<b>-23%</b>	<b>-97%</b>	<b>-45%</b>	<b>-40%</b>	<b>-44%</b>	<b>-44%</b>	<b>-24%</b>

Source: Intermonte SIM

### Stock performance (total return)

Company	Country	Mkt C. (€ mn)	1m	3m	6m	YTD	1y	2y
OMER	ITA	103	+17%	+5%	+29%	+19%	+22%	+15%
Alstom	FRA	7,011	+31%	+56%	+45%	+50%	-30%	-19%
Constr. Aux.	ESP	1,159	+6%	+1%	+11%	+4%	+16%	+26%
NRC Group	NOR	83	+9%	+21%	+9%	+24%	+24%	-31%
Railcare Group	SWE	58	+13%	+29%	+39%	+29%	+57%	+47%
Salcef Group	ITA	1,585	+18%	+13%	+9%	+5%	+16%	+48%
Stadler Rail	CHE	2,975	+6%	+4%	-12%	-3%	-21%	-13%
Talgo	ESP	541	-0%	-4%	-0%	-1%	+46%	+26%
Vossloh	DEU	809	+8%	+15%	+18%	+12%	+17%	+40%
Somec	ITA	106	+8%	-39%	-46%	-46%	-45%	-44%
<b>Average</b>			<b>+12%</b>	<b>+10%</b>	<b>+10%</b>	<b>+9%</b>	<b>+10%</b>	<b>+10%</b>

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 manufacturers, 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

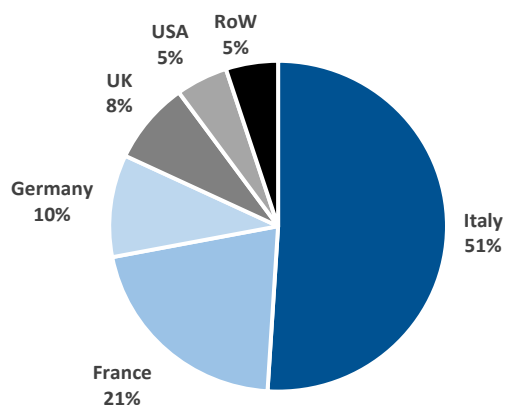
**CEO:** G. Russello  
**Chairman:** G. Russello  
**CFO:** S. Giosuè

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

### Shareholders

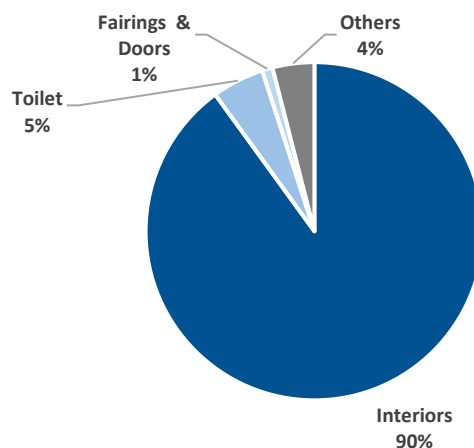
Russello Family	74.0%
Market/others	26.0%

### Net sales breakdown by geographical area (1H23A)



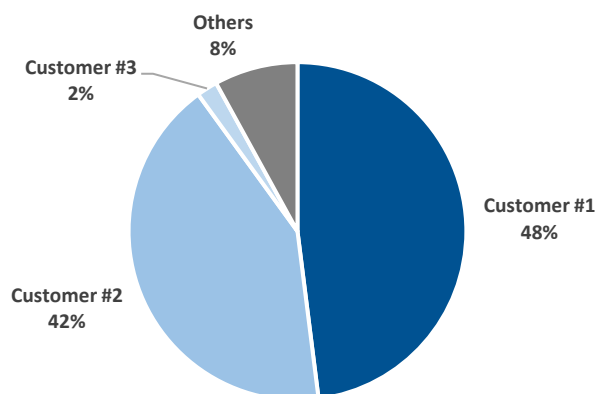
Source: company data

### Net sales breakdown by product (1H23A)



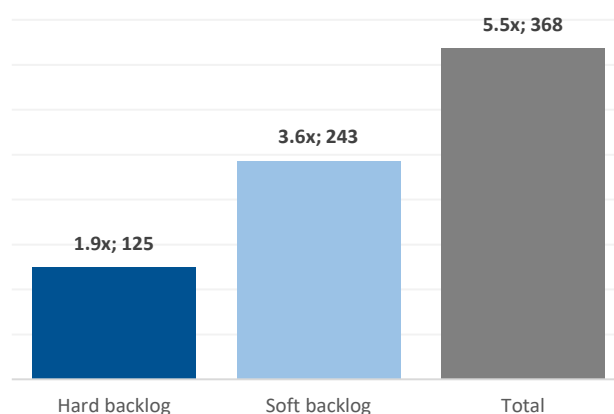
Source: company data

### Client concentration (1H23A)



Source: company data

### Backlog and coverage ratio\* (€ mn, 2023A)



Source: company data

\* Coverage ratio = backlog / VoP 2020 PF

\*\* 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):	5.20	Previous Target (Eu):	5.00
Current Price (Eu):	3.60	Previous Price (Eu):	3.31
Date of report:	17/05/2024	Date of last report:	09/04/2024



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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 4.0% and a risk premium of 5.5% are being used.

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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 March 2024 Intermonte's Research Department covered 116 companies. Intermonte's distribution of stock ratings is as follows:

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OUTPERFORM:	46.22 %
NEUTRAL:	27.73 %
UNDERPERFORM	00.84 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (50 in total) is as follows:

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OUTPERFORM:	51.02 %
NEUTRAL:	10.20 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emitente	%	Long/Short
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