

OMER

Sector: Industrials

OUTPERFORM

Price: Eu4.20 - Target: Eu5.40

2H24 Beat on “DV” and “Core” Sets the Stage for Strong FY25

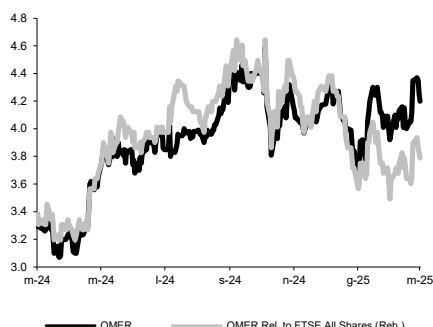
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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	from 5.00 to 5.40		
	2025E	2026E	2027E
Chg in Adj EPS	15.1%	7.7%	

Next Event

1Q25 Results Out 14th of May

OMER - 12M Performance



Stock Data			
Reuters code:	OMR.MI		
Bloomberg code:	OMER IM		
Performance	1M	3M	12M
Absolute	6.1%	0.5%	24.3%
Relative	5.0%	-13.2%	12.4%
12M (H/L)	4.59/3.07		
3M Average Volume (th):	7.69		

Shareholder Data	
No. of Ord shares (mn):	29
Total no. of shares (mn):	29
Mkt Cap Ord (Eu mn):	120
Total Mkt Cap (Eu mn):	120
Mkt Float - Ord (Eu mn):	31
Mkt Float (in %):	25.6%
Main Shareholder:	
Russello Fam.	74.0%

Balance Sheet Data	
Book Value (Eu mn):	74
BVPS (Eu):	2.58
P/BV:	1.6
Net Financial Position (Eu mn):	31
Enterprise Value (Eu mn):	100

OMER delivered 2H24 results that were strong and above expectations, supported by La Dolce Vita and solid core growth. More importantly, prospects for FY25 look solid thanks to an increasing backlog and laser-focused execution of new and existing projects. Positive news also emerged on La Dolce Vita, with earlier-than-expected revenue recognition, but above all, higher profitability. Though it makes a small contribution to our TP given its "one-off" nature, we see significant upside being unlocked once it provides more recurrent business (i.e., we await more details on the commercial success). Overall, we confirm our positive view on the stock, raising our TP to €5.4 (from €5.0) on higher estimates and roll-over, with shares trading at an attractive 5.2x/4.7x EV/EBITDA FY25/26.

■ **2H/FY24 results: strong and well above estimates.** Revenues were €44.7/84.0mn (exp. 35.9/75.1), up +30/25% YoY; EBITDA €10.8/18.7mn (exp. 7.5/15.5), +36/24% YoY with margins of 24.1/22.3% (+1.0/-0.1 YoY). The significant revenue difference (~€9mn total) reflects the contribution of La Dolce Vita (~€6mn), which we cautiously excluded pending signing of the final contract, but also stronger core operations (~€3mn). Net income was €6.6/11.1mn (exp. 4.5/9.1mn), +40/33% YoY thanks to higher operating results. Net cash was €19.9mn, below our 22.1 forecast due to higher NWC linked to La Dolce Vita.

■ **Strong backlog supports growth.** In FY24, hard backlog rose notably from €125mn in FY23 to €168mn (>2.0x revenues), driven by conversion from soft backlog, which fell slightly. The company secured key contracts such as 40 Trenitalia Frecciarossa trains with Hitachi (~€22mn, 2025-28), 221 Chicago Metra cars with Alstom (~€21mn, 2025-29), 130 German regional trains with Knorr-Bremse (~€9mn, 2024-27), and 83 Amtrak American trains with Siemens (~€4mn, 2024-2028).

■ **2025 outlook: activity set to continue at good pace.** Management aims to consolidate results achieved in FY24 focusing on the implementation of long-standing projects as well as development of newly acquired ones. Overall, we believe the outlook supports our estimate, which sees revenues at €86.9mn (+3% YoY), supported by both core operations (+Italy, -US) and La Dolce Vita (see below for details). EBITDA is projected at €19.3mn (+3% YoY), implying stable margins at ~22%.

■ **Tariff risk: situation uncertain, but OMER has mitigants.** Management acknowledged uncertainty on potential US tariffs on aluminium, but we believe the risk is manageable in light of: i) US revenue exposure at 6%; ii) a local manufacturing plant; iii) exportation of semi-finished goods from Italy that should be exempt from tariffs on raw materials; iv) most components having been delivered in FY24; v) ongoing negotiations regarding price pass-through clauses with customers to offset potential cost inflation.

■ **Positive news from La Dolce Vita project.** Production of the 1st train began in FY24 and will finish in FY25, alongside the 2nd train for FY26 delivery. Revenue per train appears in line with est. (~€8mn), while profitability appears to be higher than prev. exp. (>22% vs 17% prev.). We continue to treat DV as a "one-off", maintaining a €0.10 addition to our TP as the benefits already recognized in FY24 are offset by higher project value on stronger margins (€0.13 vs €0.10 prev.). Greater upside lies in transitioning to a recurrent model, contingent on success of the project and regional expansion (1 train/yr adding ~€0.40 to TP). The promoter holds an option for 4 more trains, with talks underway on a similar project in Saudi Arabia. Our estimates include revenues at ~€8/3mn for FY25/26.

■ **Change in estimates.** We are raising our EPS by 11% on average for FY25/26, driven by contributions from La Dolce Vita project (prev. excluded) and slightly higher core operations reflecting a higher starting from a higher base (3% ex-DV).

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	67	84	87	87	88
EBITDA Adj (Eu mn)	15	19	19	19	19
Net Profit Adj (Eu mn)	8	11	11	11	11
EPS New Adj (Eu)	0.293	0.389	0.392	0.391	0.396
EPS Old Adj (Eu)	0.293	0.317	0.341	0.363	
DPS (Eu)	0.060	0.070	0.000	0.000	0.000
EV/EBITDA Adj	4.8	5.2	5.2	4.7	4.1
EV/EBIT Adj	6.0	6.5	6.6	6.0	5.3
P/E Adj	14.3	10.8	10.7	10.7	10.6
Div. Yield	1.4%	1.7%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	-1.3	-1.1	-1.6	-2.1	-2.7

OMER – Key Figures						
Profit & Loss (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Sales	63	67	84	87	87	88
EBITDA	14	15	19	19	19	19
EBIT	11	12	15	15	15	15
Financial Income (charges)	-0	-1	0	0	0	1
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	11	11	15	15	15	16
Taxes	-3	-3	-4	-4	-4	-4
Tax rate	24.8%	26.6%	26.9%	27.0%	27.0%	27.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	8	8	11	11	11	11
EBITDA Adj	14	15	19	19	19	19
EBIT Adj	11	12	15	15	15	15
Net Profit Adj	8	8	11	11	11	11
Per Share Data (Eu)	2022A	2023A	2024A	2025E	2026E	2027E
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	0.291	0.293	0.389	0.392	0.391	0.396
EPS Adj f.d	0.291	0.293	0.389	0.392	0.391	0.396
BVPS f.d	1.694	1.931	2.262	2.585	2.975	3.371
Dividend per Share ORD	0.050	0.060	0.070	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 (%)	17.2%	20.5%	18.0%	0.0%	0.0%	0.0%
Cash Flow (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Gross Cash Flow	11	11	15	15	16	16
Change in NWC	-16	5	-8	4	-0	-0
Capital Expenditure	-4	-5	-4	-6	-5	-5
Other Cash Items	0	0	-1	0	0	0
Free Cash Flow (FCF)	-9	12	2	13	11	11
Acquisitions, Divestments & Other Items	0	0	0	0	0	0
Dividends	0	-1	-2	-2	0	0
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	-9	10	0	11	11	11
Balance Sheet (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Total Fixed Assets	14	16	17	19	20	20
Net Working Capital	25	20	29	25	25	25
Long term Liabilities	-0	-0	-1	-1	-1	-1
Net Capital Employed	39	35	45	43	44	45
Net Cash (Debt)	10	20	20	31	41	52
Group Equity	49	55	65	74	85	97
Minorities	0	0	0	0	0	0
Net Equity	49	55	65	74	85	97
Enterprise Value (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Average Mkt Cap	89	81	107	120	120	120
Adjustments (Associate & Minorities)	-14	-11	-11	-11	-11	-11
Net Cash (Debt)	10	20	20	31	41	52
Enterprise Value	93	73	98	100	90	79
Ratios (%)	2022A	2023A	2024A	2025E	2026E	2027E
EBITDA Adj Margin	21.8%	22.4%	22.3%	22.2%	22.2%	22.2%
EBIT Adj Margin	17.8%	18.0%	17.9%	17.5%	17.2%	17.1%
Gearing - Debt/Equity	-19.7%	-35.8%	-30.7%	-41.7%	-48.6%	-53.8%
Interest Cover on EBIT	57.0	17.8	nm	nm	nm	nm
Net Debt/EBITDA Adj	-0.7	-1.3	-1.1	-1.6	-2.1	-2.7
ROACE*	37.3%	32.6%	37.4%	34.5%	34.4%	33.9%
ROE*	18.8%	16.2%	18.5%	16.2%	14.1%	12.5%
EV/CE	3.1	1.9	2.4	2.3	2.1	1.8
EV/Sales	1.5	1.1	1.2	1.2	1.0	0.9
EV/EBITDA Adj	6.8	4.8	5.2	5.2	4.7	4.1
EV/EBIT Adj	8.3	6.0	6.5	6.6	6.0	5.3
Free Cash Flow Yield	-6.9%	8.8%	1.8%	9.9%	8.0%	8.0%
Growth Rates (%)	2022A	2023A	2024A	2025E	2026E	2027E
Sales	10.9%	6.3%	24.8%	3.4%	0.1%	0.9%
EBITDA Adj	-13.7%	9.7%	23.9%	2.9%	0.1%	0.9%
EBIT Adj	-20.0%	7.4%	23.8%	1.3%	-1.8%	0.3%
Net Profit Adj	-20.2%	0.8%	32.5%	0.9%	-0.4%	1.4%
EPS Adj	-20.1%	0.9%	32.5%	0.9%	-0.4%	1.4%
DPS	-82.1%	20.0%	16.7%	nm		

*Excluding extraordinary items Source: Intermonte SIM estimates

2H24 results

Income statement, key cash flow metrics and key financial ratios

Income Statement	1H23A	2H23A	2023A	1H24A	2H24A	2024A	2025E	2H24E	A/E %
Revenues	33.0	34.3	67.3	39.3	44.7	84.0	86.9	35.9	+25%
YoY growth %	+6%	+7%	+6%	+19%	+30%	+25%	+3%	+5%	
Adj. EBITDA	7.2	7.9	15.1	8.0	10.8	18.7	19.3	7.5	+43%
YoY growth %	+10%	+10%	+10%	+11%	+36%	+24%	+3%	-5%	
Adj. EBITDA margin %	21.7%	23.1%	22.4%	20.2%	24.1%	22.3%	22.2%	21.0%	
- D&A	-1.4	-1.6	-3.0	-1.7	-2.0	-3.7	-4.1	-1.6	
Adj. EBIT	5.8	6.4	12.1	6.2	8.8	15.0	15.2	6.0	+47%
YoY growth %	+4%	+10%	+7%	+8%	+38%	+24%	+1%	-6%	
Adj. EBIT margin %	17.5%	18.5%	18.0%	15.9%	19.6%	17.9%	17.5%	16.6%	
- Non-recurring	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Financial income & charges	-0.4	-0.2	-0.7	0.0	0.2	0.2	0.2	0.0	
Pre-tax Income	5.3	6.1	11.4	6.3	8.9	15.2	15.4	6.0	+50%
- Tax income	-1.6	-1.4	-3.0	-1.7	-2.3	-4.1	-4.2	-1.4	
Tax rate %	30.9%	22.8%	26.6%	27.9%	26.2%	26.9%	27.0%	24.1%	
Net Income	3.7	4.7	8.4	4.5	6.6	11.1	11.2	4.5	+46%
YoY growth %	-3%	+4%	+1%	+23%	+40%	+33%	+1%	-4%	
Net Income margin %	11.2%	13.8%	12.5%	11.5%	14.8%	13.3%	12.9%	12.6%	
- Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net income attr. to shareh.	3.7	4.7	8.4	4.5	6.6	11.1	11.2	4.5	
NOSH	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6	
Adj. net income	3.7	4.7	8.4	4.5	6.6	11.1	11.2	4.5	
YoY growth %	-3%	+4%	+1%	+23%	+40%	+33%	+1%	-4%	
Adj. net income margin %	11.2%	13.8%	12.5%	11.5%	14.8%	13.3%	12.9%	12.6%	
Adj. EPS	0.13	0.16	0.29	0.16	0.23	0.39	0.4	0.16	+46%
YoY growth %	-3%	+4%	+1%	+23%	+40%	+33%	+1%	-4%	
Cash flow from operations	11.0	5.5	16.5	1.4	5.1	6.5	19.0	6.6	
Capex	-2.2	-2.7	-4.9	-1.5	-2.6	-4.1	-6.0	-2.5	
FCF	8.8	2.8	11.6	-0.2	2.5	2.3	13.0	4.2	
Div., Buyb., Equity fin.	-1.6	0.0	-1.6	-1.7	0.0	-1.7	-2.0	0.0	
Others	0.1	0.1	0.2	-0.5	0.0	-0.6	0.0	0.5	
Change in NFP	7.3	2.9	10.2	-2.4	2.5	0.1	11.0	4.7	
Net debt/(cash)	-16.9	-19.8	-19.8	-17.4	-19.9	-19.9	-30.9	-22.1	-10%
Key Financial ratio	1H23A	2H23A	2023A	1H24A	2H24A	2024A	2025E	2H24E	A/E %
Hard backlog	133	125	125	122	164	164	167	128	
Hard backlog vs Net Sales	2.0x	1.9x	1.9x	1.7x	2.0x	2.0x	1.9x	1.7x	
NWC/Sales %	29%	29%	29%	34%	34%	34%	29%	32%	
CapEx/Sales %	-6%	-7%	-7%	-6%	-5%	-5%	-7%	-5%	

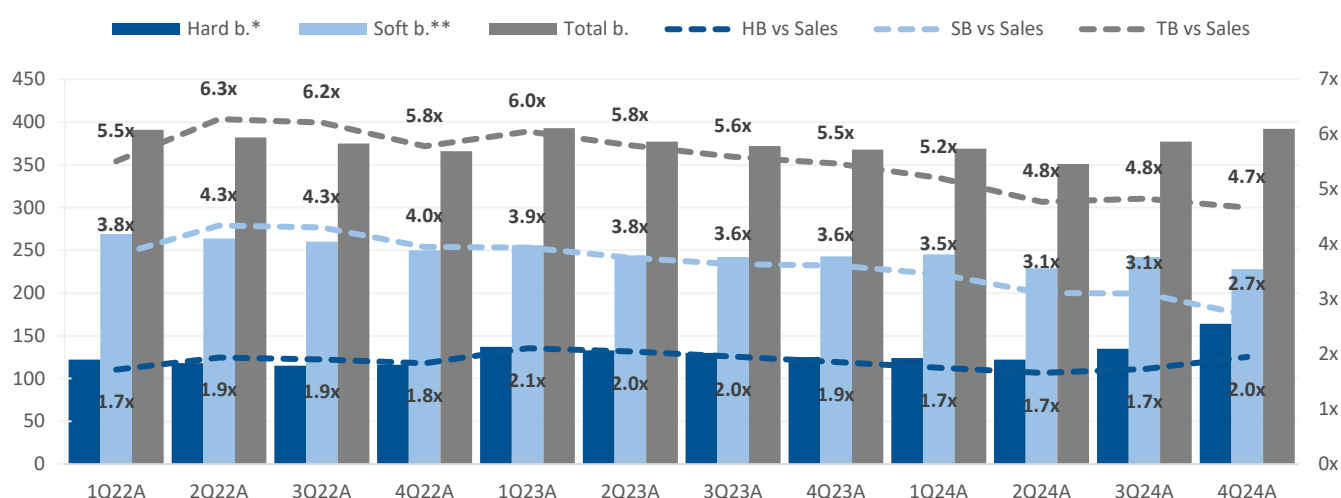
Source: Company data & Intermonte SIM Estimates

Backlog: FY24 Contracts Secured

In FY24, hard backlog rose notably from €125mn in FY23 to €168mn (>2.0x revenues), driven by conversion of soft backlog, which fell slightly. The company secured key contracts including:

- **ETR 1000:** OMER will supply furnishing components and fairings for 40 Frecciarossa ETR 1000 trains commissioned by Hitachi Rail STS for Trenitalia; VoP €22.3mn (15%-20% of €130mn backlog), to be executed across FY25–FY28;
- **Coradia Stream:** OMER will deliver toilet modules for 130 German Coradia Stream trains commissioned by Knorr-Bremse; VoP €9.3mn (5%-10% of €124mn backlog), running from FY24–FY27, with peak execution in FY26–FY27;
- **Amtrak:** OMER will supply interior components for 83 Amtrak trains under a Siemens contract; VoP €3.7mn (2%-4% of €122mn backlog), from FY24–FY28, with major execution in FY25–FY27;
- **METRA Chicago:** OMER will provide technical and furnishing components for 221 Metra multilevel cars commissioned by Alstom; VoP €21.4mn (15%-20% of €122mn backlog), from FY25–FY29, with peak execution in FY26–FY28;

Backlog evolution (€ mn)



Source: Intermonte SIM on Company Data

* Hard Backlog = signed framework agreement and production order received

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

Contracts awarded in 2024



ETR 1000

Supply of furnishing components and fairings for **40 Frecciarossa ETR 1000** trains commissioned to **Hitachi Rail STS** by **Trenitalia**

Value of the order **15%-20%** of the backlog of € 130 million

2025 → 2028



CORADIA STREAM

Supply of toilet modules for **130 high-capacity German regional trains** Coradia Stream commissioned by **Knorr-Bremse**

Value of the order **5%-10%** of the backlog of € 124 million

2024 → 2027



AMTRAK

Supply of interior components for **83 Amtrak American trains** for the Northeast Corridor commissioned by **Siemens**

Value of the order **2%-4%** of the backlog of € 122 million

2024 → 2028



METRA Chicago

Supply of technical and furnishing components for **221 Metra multilevel cars** for Chicago commissioned by **Alstom**

Value of the order **15%-20%** of the backlog of € 122 million

2025 → 2029

Source: company presentation

Positive News from La Dolce Vita

Positive news from La Dolce Vita project. Production of the 1st train began in FY24 and will finish in FY25, alongside the 2nd train for FY26 delivery. Revenue per train appears in line with est. (~€8mn), while profitability appears to be higher than prev. exp. (>22% vs 17% prev.). We continue to treat DV as a "one-off", maintaining a €0.10 addition to our TP as the benefits already recognized in FY24 are offset by higher project value on stronger margins (€0.13 vs €0.10 prev.). Greater upside lies in transitioning to a recurrent model, contingent on success of the project and regional expansion (1 train/yr adding ~€0.40 to TP). The promoter holds an option for 4 more trains, with talks underway on a similar project in Saudi Arabia. Our estimates include revenues at ~€8/3mn for FY25/26.

La Dolce Vita project: opportunity and sensitivity

	Current		Previous	
	Recur.	1-off	Recur.	1-off
Revenue per train	8.0	8.0	8.0	8.0
EBITDA margin %	24%	24%	17%	17%
EBITDA per train	1.9	1.9	1.4	1.4
Accretion vs group	+11%		+7%	
EV/EBITDA target	6.0x	1.0x	4.5x	1.0x

N° of train	1/y		2/tot	
	1/y	2/tot	1/y	2/tot
Enterprise Value - DV	11.6	3.9	6.1	2.7
NOSH	28.6	28.6	28.6	28.6
EV / share	0.40	0.13	0.21	0.10
OMER share price	4.3	4.3	4.3	4.3
As % of share price	+9%	+3%	+5%	+2%

EV/share (1/y train, recurring)	EBITDA margin				
	17%	21%	24%	28%	31%
6	0.21	0.26	0.30	0.35	0.39
7	0.25	0.30	0.35	0.40	0.46
8	0.29	0.35	0.40	0.46	0.52
9	0.32	0.39	0.45	0.52	0.59
10	0.36	0.43	0.50	0.58	0.65

EV/share (2 trains, one-off)	EBITDA margin				
	17%	21%	24%	28%	31%
6	0.07	0.09	0.10	0.12	0.13
7	0.08	0.10	0.12	0.13	0.15
8	0.10	0.12	0.13	0.15	0.17
9	0.11	0.13	0.15	0.17	0.20
10	0.12	0.14	0.17	0.19	0.22

Source: Intermonte SIM

La Dolce Vita project opportunity



EXPANSION OF THE RANGE OF PRODUCTS BY ENTERING NEW MARKET SEGMENTS WITH HIGH ADDED VALUE

3

Develop technology and expertise



Night trains: old market that is now experiencing a recovery, considered an environmentally friendly alternative to short- and medium-haul flights



Luxury train cruising: new luxury market created by Arsenale Group



LA DOLCE VITA ORIENT EXPRESS



DREAM OF THE DESERT



THE SAMARKAND EXPRESS



GUARDIAN OF THE NILE



UNITED ARAB EMIRATES

Source: company presentation

Change in estimates

Change in estimates

	2024A	New 2025E	2026E	2024A	Old 2025E	2026E	2024A	Δ % 2025E	2026E
Revenues	84.0	86.9	87.0	75.1	78.0	81.0	+12%	+11%	+7%
YoY growth %	+25%	+3%	+0%	+12%	+4%	+4%			
Adj. EBITDA	18.7	19.3	19.3	15.5	16.5	17.4	+21%	+17%	+11%
YoY growth %	+24%	+3%	+0%	+2%	+6%	+5%			
Adj. EBITDA margin %	22.3%	22.2%	22.2%	20.6%	21.1%	21.4%			
Adj. EBIT	15.0	15.2	14.9	12.2	13.2	13.9	+21%	+17%	+11%
YoY growth %	+24%	+1%	-2%	+1%	+8%	+6%			
Adj. EBIT margin %	17.9%	17.5%	17.2%	16.2%	16.9%	17.2%			
Adj. EPS	0.39	0.39	0.39	0.32	0.34	0.36	+23%	+15%	+8%
YoY growth %	+33%	+1%	-0%	+8%	+8%	+6%			
Net debt/(cash)	-19.9	-30.9	-41.4	-22.1	-33.5	-42.5	-10%	-8%	-3%
Net Debt/EBITDA Adj.	-1.1x	-1.6x	-2.1x	-1.4x	-2.0x	-2.5x			
"Core"	77.5	78.9	83.7	75.1	78.0	81.0	+0%	+0%	+0%
DolceVita	6.5	8.0	3.3	0.0	0.0	0.0	+21%	+17%	+11%
Revenues	84.0	86.9	87.0	75.1	78.0	81.0	+0%	+0%	+0%
"Core"	16.9	18.3	18.1	15.5	16.5	17.4	+0%	+0%	+0%
DolceVita	1.8	1.0	1.2	0.0	0.0	0.0	+21%	+17%	+11%
EBITDA	18.7	19.3	19.3	15.5	16.5	17.4	+0%	+0%	+0%

Source: Intermonte SIM

Financials

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

Income Statement	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Revenues	21.8	33.3	40.8	57.1	63.3	67.3	84.0	86.9	87.0	87.8
YoY growth %	+0%	+53%	+22%	+40%	+11%	+6%	+25%	+3%	+0%	+1%
- Cost of production	-6.1	-11.2	-13.8	-19.2	-23.6	-23.7	-29.9	-30.5	-30.5	-30.8
- Total OpEx	-12.4	-15.9	-17.8	-21.9	-25.9	-28.5	-35.4	-37.2	-37.2	-37.6
Adj. EBITDA	3.2	6.2	9.2	16.0	13.8	15.1	18.7	19.3	19.3	19.5
YoY growth %	+0%	+93%	+48%	+73%	-14%	+10%	+24%	+3%	+0%	+1%
Adj. EBITDA margin %	14.7%	18.6%	22.5%	28.0%	21.8%	22.4%	22.3%	22.2%	22.2%	22.2%
- D&A	-0.8	-0.9	-1.2	-1.9	-2.5	-3.0	-3.7	-4.1	-4.3	-4.5
Adj. EBIT	2.4	5.3	8.0	14.1	11.3	12.1	15.0	15.2	14.9	15.0
YoY growth %	+0%	+119%	+51%	+76%	-20%	+7%	+24%	+1%	-2%	+0%
Adj. EBIT margin %	11.1%	15.9%	19.6%	24.7%	17.8%	18.0%	17.9%	17.5%	17.2%	17.1%
- Non-recurring	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0
- Financial income & charges	-0.1	-0.1	-0.2	0.0	-0.2	-0.7	0.2	0.2	0.4	0.6
Pre-tax Income	2.4	5.2	7.8	13.8	11.1	11.4	15.2	15.4	15.3	15.5
- Tax income	-0.8	-0.2	-1.5	-3.6	-2.8	-3.0	-4.1	-4.2	-4.1	-4.2
Tax rate %	33.5%	4.2%	19.4%	25.9%	24.8%	26.6%	26.9%	27.0%	27.0%	27.0%
Net Income	1.6	4.9	6.3	10.2	8.3	8.4	11.1	11.2	11.2	11.3
YoY growth %	+0%	+216%	+28%	+62%	-18%	+1%	+33%	+1%	-0%	+1%
Net Income margin %	7.2%	14.8%	15.5%	17.9%	13.2%	12.5%	13.3%	12.9%	12.9%	12.9%
- Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income attr. to shareh.	1.6	4.9	6.3	10.2	8.3	8.4	11.1	11.2	11.2	11.3
NOSH	28.8	28.8	28.8	28.8	28.7	28.6	28.6	28.6	28.6	28.6
Adj. EPS	0.05	0.14	0.22	0.36	0.29	0.29	0.39	0.39	0.39	0.40
YoY growth %	+0%	+164%	+53%	+65%	-20%	+1%	+33%	+1%	-0%	+1%
Condensed Balance Sheet	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Net working capital	6.6	8.9	16.1	9.2	24.9	19.7	28.6	24.9	24.9	25.1
Non-current asset/(liab.)	12.9	17.3	11.5	12.3	14.1	15.8	16.3	18.2	18.9	19.4
Net capital employed	19.5	26.2	27.5	21.5	39.0	35.5	44.9	43.1	43.8	44.6
Net debt/(cash)	-2.4	0.4	3.5	-18.7	-9.6	-19.8	-19.9	-30.9	-41.4	-52.0
Minorities	0.0	0.0	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	55.3	64.8	74.0	85.2	96.5
Invested capital	19.5	26.2	27.5	21.5	39.0	35.5	44.9	43.1	43.8	44.6
Cash flow Statment	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Net Income	1.6	4.9	6.3	10.2	8.3	8.4	11.1	11.2	11.2	11.3
D&A	0.8	0.9	1.2	1.9	2.5	3.0	3.7	4.1	4.3	4.5
Change in NWC & Oth.	-2.5	-1.5	-5.9	5.2	-16.1	5.1	-8.3	3.7	0.0	-0.2
Cash flow from operations	-0.1	4.3	1.6	17.3	-5.3	16.5	6.5	19.0	15.5	15.6
Capex	-0.3	-5.1	-3.1	-3.2	-4.0	-4.9	-4.1	-6.0	-5.0	-5.0
FCF	-0.4	-0.8	-1.5	14.1	-9.3	11.6	2.3	13.0	10.5	10.5
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Div., Buyb., Equity fin.	-0.1	-1.0	-2.0	7.8	-0.2	-1.6	-1.7	-2.0	0.0	0.0
Others	2.2	-1.0	0.5	0.3	0.3	0.2	-0.6	0.0	0.0	0.0
Change in NFP	1.7	-2.8	-3.0	22.2	-9.1	10.2	0.1	11.0	10.5	10.5
Key Financial ratio	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Hard backlog	73	122	118	113	116	125	164	167	171	174
Hard backlog vs Net Sales	3.4x	3.7x	2.9x	2.0x	1.8x	1.9x	2.0x	1.9x	2.0x	2.0x
NWC/Sales %	30%	27%	39%	16%	39%	29%	34%	29%	29%	29%
CapEx/Sales %	-1%	-15%	-8%	-6%	-6%	-7%	-5%	-7%	-6%	-6%
Net Debt/EBITDA Adj.	-0.7x	0.1x	0.4x	-1.2x	-0.7x	-1.3x	-1.1x	-1.6x	-2.1x	-2.7x
FCF conversion %	-13%	-13%	-17%	89%	-67%	77%	13%	68%	54%	54%
ROCE %	12%	20%	29%	66%	29%	34%	33%	35%	34%	34%
ROE %	7%	16%	26%	26%	17%	15%	17%	15%	13%	12%

Source: Company data & Intermonte SIM Estimates

Valuation

Valuation

	2025E	2026E	2027E	Average
EBIT group	15.2	14.9	15.0	
DolceVita contribution	1.5	0.6	0.0	
EBIT	13.7	14.3	15.0	
TAX RATE %	27.0%	27.0%	27.0%	
NOPAT	10.0	10.5	10.9	
INVESTED CAPITAL	43.1	43.8	44.6	
ROIC	23.2%	23.9%	24.5%	23.9%
WACC	8.6%	8.6%	8.6%	
TG	1.0%	1.0%	1.0%	
Fair EV/EBIT multiple	9.2x	9.2x	9.2x	9.2x
Enterprise value (EV)	126.4	132.3	138.5	
Net debt/(cash)	-30.9	-41.4	-52.0	
Factoring	10.9	10.9	10.9	
Dividends	-2.0	-2.0	-2.0	
Equity (E)	148.4	164.8	181.5	
NOSH	28.6	28.6	28.6	
TP	5.2	5.8	6.3	
Discount factor	1.00	0.92	0.85	
Target price (TP)	5.2	5.3	5.4	5.3
La Dolce Vita (2 trains seen as "one-off")				0.1
Target price final				5.4
Actual share price				4.3
Upside/(Downside)				+25%

		TGR		
		0.0%	1.0%	2.0%
WACC	7.6%	5.6	6.1	6.7
	8.6%	5.0	5.4	5.8
	9.6%	4.6	4.8	5.1

Source: Intermonte SIM

Multiples and performance

Market multiple

Company	EV_EBITDA			EV_EBIT			PE		
	2024	2025	2026	2024	2025	2026	2024	2025	2026
OMER	5.9x	5.2x	4.7x	7.4x	6.6x	6.0x	10.8x	10.7x	10.7x
Alstom	7.8x	6.1x	5.2x	9.5x	7.7x	6.5x	14.5x	11.4x	9.3x
Constr. Aux.	5.4x	4.6x	4.4x	8.0x	6.7x	5.9x	13.2x	9.7x	8.0x
Stadler Rail	8.5x	7.1x	5.0x	18.3x	12.3x	7.9x	51.1x	18.0x	11.3x
Talgo	10.2x	8.7x	6.6x	66.6x	12.2x	8.7x	19.4x	16.7x	10.2x
Vossloh	8.9x	8.0x	7.3x	13.8x	12.4x	10.9x	21.3x	19.0x	16.4x
Somec	4.9x	4.2x	3.3x	19.7x	10.4x	7.2x	40.0x	19.8x	13.1x
Median	7.8x	6.6x	5.1x	13.8x	11.3x	7.5x	21.0x	18.0x	11.3x
Vs Median	-23%	-21%	-9%	-46%	-41%	-20%	-49%	-40%	-5%

Source: Intermonte SIM & FactSet

Stock performance

Company	1m	3m	6m	YTD	1y	2y	3y	10y	Since IPO
OMER	+6%	+0%	-4%	-2%	+26%	+51%	+27%		+28%
Alstom	+4%	-1%	+14%	-0%	+66%	-4%	+11%	+2%	-33%
Constr. Aux.	+6%	+18%	+12%	+17%	+23%	+72%	+44%	+58%	+19%
Stadler Rail	+4%	+8%	-20%	+8%	-23%	-35%	-34%		-41%
Talgo	-6%	+0%	-3%	+2%	-24%	+13%	-13%		-22%
Vossloh	+36%	+55%	+39%	+55%	+50%	+72%	+90%	+40%	+66%
Somec	+0%	-3%	-25%	+1%	-30%	-61%	-62%		-61%
Average	+6%	+10%	-0%	+11%	+12%	+21%	+13%	+33%	-2%

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 custom-made products in accordance with the specifications for individual projects. 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. The company entered the Luxury train market in 2022 through the La Dolce Vita project promoted by Arsenale SpA.

Management

CEO: G. Russello

Chairman: G. Russello

CFO: S. Giosuè

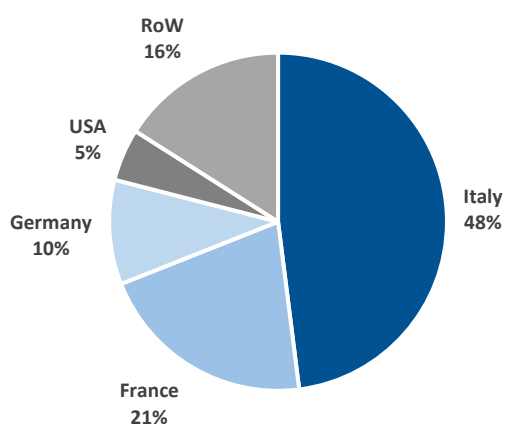
Next BoD renewal: Spring, 2027

BoD independent members: 1/5

Shareholders

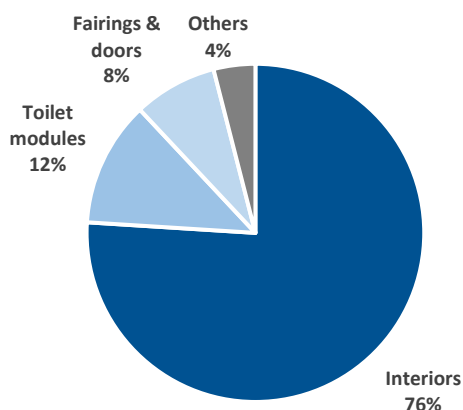
Russello Family	74.0%
Market/others	25.6%

Net sales breakdown by geographical area (2023A)



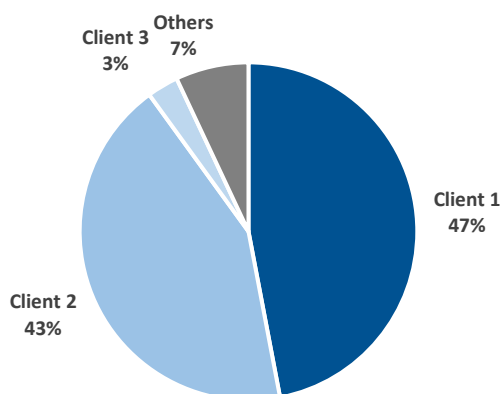
Source: company data

Net sales breakdown by product (2023A)



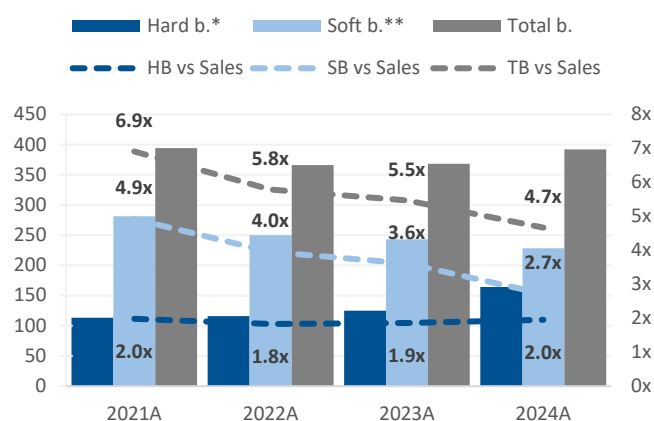
Source: company data

Client concentration (2023A)



Source: company data

Backlog and coverage ratio



Source: company data

* Hard Backlog = signed framework agreement and production order received

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

DETAILS ON STOCKS RECOMMENDATION

Stock NAME	OMER		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	5.40	Previous Target (Eu):	5.00
Current Price (Eu):	4.20	Previous Price (Eu):	4.34
Date of report:	28/03/2025	Date of last report:	11/10/2024

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- 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.

Frequency of research: quarterly.

Reports on all companies listed on the S&PMB40 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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Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 31 December 2024 Intermonte's Research Department covered 132 companies.

As of today Intermonte's distribution of stock ratings is as follows:

BUY:	30.60 %
OUTPERFORM:	43.28 %
NEUTRAL:	26.12 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

As at 31 December 2024 the distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (71 in total) is as follows:

BUY:	50.70 %
OUTPERFORM:	29.58 %
NEUTRAL:	19.72 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Intermonte acts as ECM advisor to Banca Ifis in the offer promoted on illimity Bank

Intermonte acted as financial advisor to Retex S.p.A. – Società Benefit in relation to the voluntary public tender offer launched on Alkemy S.p.A.

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Emittente	%	Long/Short
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