Cenergy Holdings SA

Industrials / Greece

Reuters/Bloomberg: CENEr.AT / CENER GA

March 06, 2025

Cenergy Holdings: FY24 Earnings Review

Rating	**BUY**
Target Price (EUR)	**12.00**
Current Share Price* (EUR)	9.40

*05/03/2025

Cenergy released a very strong FY24 set of results, stronger than our expectations. Revenue was up 10.4% y-o-y at EUR 1,796.4m (AXIAe EUR 1,683.2m) while adj. EBITDA was 27.3% higher y-o-y at EUR 272.1m (AXIAe at EUR 265.2m). Adj. EBITDA margin came in at 15.1%, 200bps stronger than last year, reflecting strong utilization and favourable mix of energy projects both in Cables and Pipes segments. Net income was also very strong at EUR 139.4m, +91% y-o-y.

On a divisional level, Cables reported a strong second half up almost 20% taking FY24 revenue to EUR 1,223.5m, +16.9% y-o-y. Strong project business, up 57% on last year, contributed to adj. EBITDA of EUR 179.4m versus EUR 150.3m last year and a margin expansion of 30bps. Steel Pipes business posted a very strong 2H24 with revenue up 16.3% versus 2H23. This result was much better than our expectations and despite the project rationalization that the company is executing on, indicating strong underlying demand. Project rationalization led to a 16.6% margin, a 280bps margin expansion versus 2H23.

Group order backlog was lower by EUR 40m versus last quarter, now at EUR 3.44bn. Within this, Cables backlog was up by 7% versus 1H and more than 20% higher than last year. Pipes backlog was lower versus last year and 1H but it is a volatile metric.

Cashflow generation was strong, partly assisted by a one-off working capital reduction that is expected to reverse in 2025. This, combined with the equity issuance in October, contributed to a significant total net debt reduction, as FY24 net debt ended at EUR 152.2m (0.56x Net Debt/adj. EBITDA) versus EUR 377.6m last year. Management will propose a dividend of EUR 0.14 per share.

The group is guiding for adj. EBITDA of EUR 300-330m in FY25 versus our expectations of EUR 324m, and EUR 400m in the medium term (FY26/FY27).

In the analyst call, management shared details on the underlying business. Both project and product business in the cable segment is doing well, seeing continuously strong demand. Backlog is expected higher at end of 2025 driven by the continuing strong tendering activity, also in new products like 320kV DC and 525kV cables. Mix towards project business is expected to continue, positively affecting margins while any German stimulus package should be beneficial for infrastructure related producers like Cenergy, according to management. IPTO tendering process is ongoing and in the next couple of months results of the tender are expected. In steel pipes, business is also strong, and business mix has also moved to more sophisticated products, with more than 40% of the orderbook now relating to carbon capture and storage, and hydrogen projects. Maryland project is progressing according to expectations, long-lead-time equipment has been ordered, and the plant is expected to go live in mid-2027. Overall, while capex came in higher than initial expectations in 2024, the increase is not linked to cost overruns and capex, excluding US, is expected to go back to maintenance levels from 2026 onwards. Management clarified that Cenergy has very limited exposure to Chinese raw materials.

We have a Buy recommendation on Cenergy with a target price of EUR 12.00 per share, offering 28% upside from current price levels.

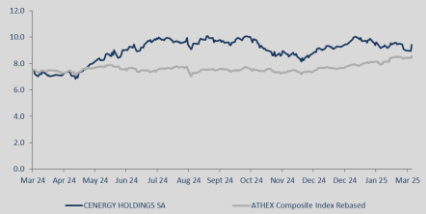
EUR m	4Q23	4Q24	*y-o-y*	FY23	FY24	*y-o-y*
Group Revenues	**458.1**	**536.2**	**17.0%**	**1,627.7**	**1,796.4**	**10.4%**
Cables				*1,046.9*	*1,223.5*	*16.9%*
Steel Pipes				*580.9*	*572.9*	*(1.4%)*
Adj. EBITDA	**68.8**	**78.4**	**14.0%**	**213.8**	**272.1**	**27.3%**
Cables				*150.3*	*179.4*	*19.4%*
Steel Pipes				*64.2*	*93.8*	*46.1%*
Adj. EBITDA margin	*15.0%*	*14.6%*		*13.1%*	*15.1%*	
Net Income	**25.8**	**39.1**	**51.7%**	**73.0**	**139.4**	**91.0%**

Source: The Company, AXIA Research

Stock Data	
Market Cap (EUR m)	1,991.0
Free Float	28.5%
EV (EUR m)	2,483.3
Num. of Shares (m)	212.3

Performance	1m	3m	12m
Absolute (%)	1.2	2.2	24.4
ASE (%)	5.6	11.9	13.8

ADV – 12m (k)	204.8
Price high-12 m (EUR)	10.18
Price low-12m (EUR)	6.80



Company Description
Cenergy Holdings SA manufactures and sells aluminium, copper, cables, steel and steel pipes, and other related products. It operates through two segments: Cables and Steel Pipes. The company offers submarine and land power, power distribution, high-voltage direct current, wind farm, industrial, network, telecommunication, data transmission, signalling and railway signalling, gauging and control, umbilicals, and optical fiber cables, as well as low, medium, high, and extra high voltage power cables; and fiber to the home cables. The company was founded in 1949 and is based in Brussels, Belgium. Cenergy Holdings SA operates as a subsidiary of Viohalco S.A.

Shareholding structure
Viohalco SA: 71.46% | Free Float: 28.54%

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**Total return: % price appreciation equals percentage change in share price from current price to projected target price plus projected dividend yield

Rating history for CENERGY HOLDINGS

Date	Rating	Share Price (EUR)	Target Price (EUR)
18/03/2021	Buy	2.10	3.3
06/11/2024	Buy	8.71	11.70
05/02/2025	Buy	9.16*	12.00

*share price as of 04/02/2025

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