COMER INDUSTRIES PRICE EUR32.8
VALUATION (UPSIDE) EUR46 (+40%) ▪ EUR55 (+68%)

VALUATION RANGE		EPS 23e	EPS 24e
↗ 10%	↗ 8%	↗ 10%	↗ 8%

AG business in full swing

5 MAY 2023 at 09:17*

Giuseppe Grimaldi
(+39) 02 8963 1735
Giuseppe.Grimaldi@exanebnpparibas.com

Michele Baldelli, CFA
(+39) 02 8963 1744
michele.baldelli@exanebnpparibas.com

Dario Michi
(+39) 02 8963 1733

italian-midcaps@exanebnpparibas.com

Q1 23 marked a strong start…

COMER posted a strong Q1 print running ahead our estimates both on growth and margins thanks to a strong performance of the AG business. Sales (at EUR 346m vs BNPPe of EUR 320m) grew by 11% and were up 8.8% at constant perimeter. The growth was driven by the AG (+18.5%) as industrial business ended almost flat in the quarter. By region, EU (+20%) and NA (+6%) grew nicely, while LATAM and APAC ended down HSD. Profitability expanded by 190bps in Q1 translating into 15.5% EBITDA margin (or EUR 53.6m of EBITDA vs BNPPe at EUR 45m) and c.27% YoY growth. Net debt (including IFRS 16) closed at EUR183m (vs BNPPe of EUR 195m) from EUR 149m in Q4 22 and it mirrors the cash-out for the acquisition of e-COMER (of c. EUR 54m).

…with AG strength likely to keep up in Q2

No guidance was released but the press release mentions the company seeing a trend for the whole year similar to what have been seen in Q1. APAC recovery in H2 may potentially offset a softening coming from the other regions. In our view, the constructive current trading commentaries are well supported. AG was on the bright spot with this trend likely to spill-over into the next quarter (AGCO expects a ramp up in production in Q2 23 – see figure 1) with a flattening in the second part of the year.

2023-25 EPS estimates increased. FV range points to EUR 46-55/sh

We increased our estimates factoring a stronger volume growth in the AG business. This led us to increase our BNPPe adj. EPS by 10% and 8% in 2023e and 2024e, respectively. Our FV value range increases to EUR 46-55/sh, mirroring higher estimates. Stock still trades at >20% discount (2023e EBIT) vs our panel of suppliers, despite the strong momentum. Delivery on growth should support rerating.

Price (4 May 2023)	EUR32.8
Market cap (EURm)	941
Free float (EURm)	180
EV (EURm)	1,246
3m avg volume (EURm)	0.2
Refinitiv / Bloomberg	COME.MI / COM IM
Country / Sub Sector	Italy / Industrial Machinery

Performance[1]	1w	1m	3m	12m
Absolute(%)	(2)	1	15	16
Rel. Capital Goods(%)	NC	NC	NC	NC
Rel. MSCI Small Cap(%)	(2)	1	20	22

Financials	12/22	12/23e	12/24e	12/25e
EPS, Adjusted (EUR)	3.43	3.90	4.22	4.62
EPS, Company (EUR)	3.16	3.52	3.84	4.24
EPS - Refinitiv (EUR)	3.43	3.54	3.89	4.33
Net dividend (EUR)	0.75	0.84	0.91	1.01
Sales (EURm)	1,238	1,300	1,369	1,458
EBITA, Adj. (EURm)	142.8	165.6	178.2	194.3
Net profit, Adj.(EURm)	98.3	111.9	121.0	132.5
ROCE (%)	12.6	13.4	14.2	15.2
Net Debt/EBITDA, Adj. (x)	0.8	0.7	0.3	-

Valuation metrics[2]	12/22	12/23e	12/24e	12/25e
P/E (x)	7.8	8.4	7.8	7.1
Net yield (%)	2.8	2.5	2.8	3.1
FCF yield (%)	7.0	8.9	9.9	11.1
EV/Sales (x)	0.9	1.0	0.9	0.8
EV/EBITDA (x)	6.0	6.1	5.3	4.6
EV/EBITA (x)	7.6	7.5	6.6	5.7
EV/CE (x)	1.3	1.4	1.3	1.2

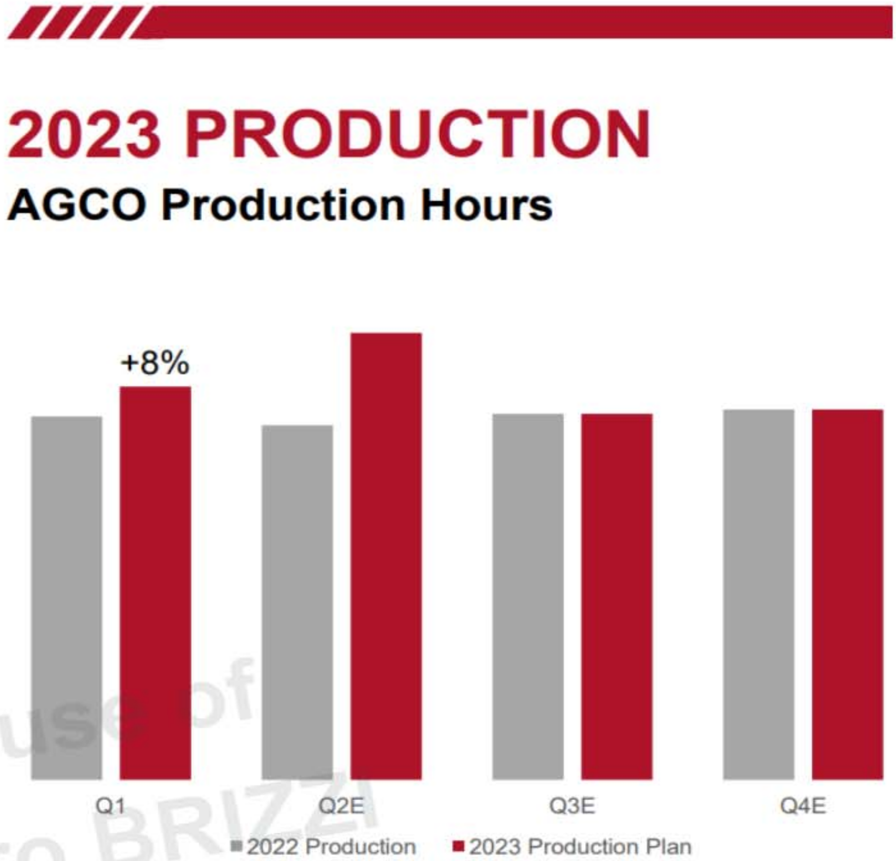
All valuation metrics based on adjusted figures

Source: BNP Paribas Exane (estimates), Refinitiv (consensus) (1) In listing currency, with dividend reinvested (2) Yearly average price for FY ended 12/22

SPONSORED RESEARCH (Not for Distribution in the US): Exane is receiving compensation from Comer Industries to cover and produce research on the stock.* Date and time (London Time) on which the investment recommendation was finalised. It may differ from the date and time of broad dissemination on the website. See Appendix (on p5) for Analyst Certification, Important Disclosures and Non-US Research Analyst disclosures.

Figure 1: AGCO (not covered) sees a stronger production in Q2 23

AGCO production schedule



Source: AGCO Q1 investor presentation

Below a summary of the changes in our estimates

Figure 2: We increased our 2023-25e EPS numbers by 8% on average

Summary of 2023-2025 change in BNPPE estimates

	31 Dec 23			31 Dec 24			31 Dec 25		
	Old	New	Revision	Old	New	Revision	Old	New	Revision
Sales	1,202.7	1,300.2	8%	1,276.4	1,368.9	7%	1,375.8	1,458.5	6%
BNPPE adj. EBITDA	188.9	204.4	8%	206.3	220.9	7%	227.5	241.1	6%
BNPPE adj. EBIT	150.6	165.6	10%	164.6	178.2	8%	182.1	194.3	7%
BNPPE adj. Net profit	101.6	111.9	10%	111.7	121	8%	124.2	132.5	7%

Source: BNP Paribas Exane estimates

Below the main summary of our Fair Value range calculation

Figure 3: Our DCF now points to EUR 55/sh (vs former EUR 51/sh)

	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Terminal
Sales	396.2	598.1	1,237.6	1,300.2	1,368.9	1,458.5	1,518.9	1,571.9	1,625.7	1,666.3
% YoY growth		*51.0%*	*106.9%*	*5.1%*	*5.3%*	*6.5%*	*4.1%*	*3.5%*	*3.4%*	*2.5%*
Restated EBITDA	**47.8**	**77.2**	**179.7**	**204.4**	**220.9**	**241.1**	**250.7**	**259.1**	**267.7**	**274.4**
% YoY growth		*61.5%*	*132.9%*	*13.7%*	*8.1%*	*9.1%*	*4.0%*	*3.4%*	*3.3%*	*2.5%*
% margin	12.1%	12.9%	14.5%	15.7%	16.1%	16.5%	16.5%	16.5%	16.5%	16.5%
Restated EBIT	**30.5**	**56.8**	**142.8**	**165.6**	**178.2**	**194.3**	**201.3**	**208.1**	**213.5**	**218.8**
% YoY growth		*86.3%*	*151.5%*	*16.0%*	*7.7%*	*9.0%*	*3.6%*	*3.4%*	*2.6%*	*2.5%*
% margin	7.7%	9.5%	11.5%	12.7%	13.0%	13.3%	13.3%	13.2%	13.1%	13.1%
Tax rate	28.0%	28.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%
NOPAT	**21.9**	**40.9**	**101.4**	**117.5**	**126.6**	**138.0**	**143.0**	**147.7**	**151.6**	**155.4**
WC change	(73.7)	(96.4)	(63.8)	(10.7)	(12.9)	(16.9)	(11.4)	(10.0)	(10.1)	(7.6)
WC	73.7	170.1	233.9	244.6	257.5	274.3	285.7	295.7	305.8	313.4
WC / Sales (%)	*18.6%*	*28.4%*	*18.9%*	*18.8%*	*18.8%*	*18.8%*	*18.8%*	*18.8%*	*18.8%*	*18.8%*
D&A including RoU, excl PPA & cap. dev. costs	17.3	20.4	37.0	38.8	42.6	46.8	49.3	51.0	54.2	55.5
D&A / Sales (%)	*4.4%*	*3.4%*	*3.0%*	*3.0%*	*3.1%*	*3.2%*	*3.2%*	*3.2%*	*3.3%*	*3.3%*
Capex	(13.1)	(19.6)	(33.9)	(51.2)	(52.6)	(53.1)	(52.3)	(52.5)	(52.7)	(52.5)
Capex / Sales (%)	*3.3%*	*3.3%*	*2.7%*	*3.9%*	*3.8%*	*3.6%*	*3.4%*	*3.3%*	*3.2%*	*3.1%*
Operating FCF	**-47.6**	**-54.7**	**40.7**	**94.4**	**103.7**	**114.8**	**128.6**	**136.3**	**143.0**	**150.8**
Terminal Value										**2487**
Discount factor					1.0	0.9	0.8	0.7	0.7	
Discounted FCF					103.7	100.1	103.3	100.9	97.4	

2024-2028 Discounted FCF	505
Discounted terminal value	1695
Enterprise Value	**2200.7**
- 2023 Net debt restated	83
- Adjusted lease liability	91
- Other liabilities and commitments	166
- Revalued minority interests	0
+ (Assoc. + revalued investments)	2
Equity value	**1861**
Diluted shares (m)	28.7
Liquidity discount	15%
Value per share	**55**

Wacc	8.6%
LT growth	2.5%

Source: BNP Paribas Exane estimates

Figure 4: Overview of the peer panel

Company	EV	Market Cap	P / E (x)			EV / EBIT (x)		
			2023e	2024e	2025e	2023e	2024e	2025e
Suplliers								
DANA	3930	1841	18.9x	11.0x	8.9x	11.4x	8.8x	7.3x
INTERPUMP	5396	5231	18.1x	16.8x	15.7x	13.4x	12.0x	10.8x
JOST WERKE	890	733	8.7x	9.0x	9.1x	8.4x	7.8x	6.7x
BUCHER INDUSTRIES	3534	4098	12.8x	13.5x	13.3x	8.4x	8.5x	8.0x
Median			*15.4x*	*12.3x*	*11.2x*	*9.9x*	*8.7x*	*7.7x*
COMER	1178	940.6	*8.4x*	*7.8x*	*7.1x*	*7.5x*	*6.6x*	*5.7x*
% discount (premium) vs suppliers			(45%)	(37%)	(37%)	(24%)	(24%)	(26%)

Source: BNP Paribas Exane estimates

Figure 5: Our peer based valuation points to EUR 46/sh (vs former EUR 42/sh)

Valuation summary	EV/EBIT 2023e	2024e
Median	10x	9x
Premium	*0%*	*0%*
Fair multiple	**10x**	**9x**
EBNP Adj. EBIT	166	178
EV	**1639**	**1551**
- Net debt (exclufing IFRS 16)	(83)	(14)
- Adjusted lease liability	(58)	(58)
- Other liabilities and commitments	(166)	(166)
- Revalued minority interests	0	0
+ (Assoc. + revalued investments)	2	2
Equity Value	**1333**	**1314**
Liquidity discount	0%	0%
Nosh	28.7	28.7
Equity value per share	**46**	**46**
FV		**46**

Source: BNP Paribas Exane estimates

Forthcoming events

Date	Event
3 Aug. 2023	H1 Results 2023

Investment case, valuation and risks

Comer Industries

Investment case

Synergies and further market share seal a visible earnings trajectory with M&A boost potentially coming on top. With market ignoring sound MT prospects and structurally higher profitability, the current share price offers an attractive entry point.

Valuation methodology

We base our valuation range on a DCF (WACC @ 8.6% and LT growth at 2.5% together with a liquidity discount of 15%) and on peers' 2023-2024 EV/EBIT multiple.

Risks

To the upside:
Stronger AG and CE equipment market, higher than expected margin expansion thanks to operating leverage, value accretive M&A deal(s)

To the downside:
Cyclical slowdown of its reference markets, price pressure from OEMs

DISCLOSURE APPENDIX

Analyst Certification

We, Michele Baldelli, Giuseppe Grimaldi, (authors of or contributors to the report) hereby certify that all of the views expressed in this report accurately reflect our personal view(s) about the company or companies and securities discussed in this report. No part of our compensation was, is, or will be, directly, or indirectly, related to the specific recommendations or views expressed in this research report.

Non-US Research Analyst Disclosure

The research analysts at Exane SA (including its branches in the United Kingdom, the European Economic Area or Switzerland) named below were involved in preparing this research report. They are not associated persons of BNP Paribas Securities Corp. and thus they are not registered or qualified in the U.S. as research analysts with the Financial Industry Regulatory Authority (FINRA) or the New York Stock Exchange (NYSE). These non-U.S. analysts are not subject to FINRA Rule 2241 concerning communications with a subject company, public appearances and trading securities held by a research analyst account.

Michele Baldelli	Exane SA Milan branch	Giuseppe Grimaldi	Exane SA Milan branch

BNP Paribas SA and Exane SA Affiliates Involved in Preparation of the Research Report

Exane SA is authorised by the Autorité de contrôle prudentiel et de résolution ("ACPR") and regulated by the Autorité des Marchés Financiers ("AMF") in France.
Exane SA branches based in the European Economic Area are authorized by the ACPR and regulated by the local relevant regulator.
Exane SA Geneva Branch is authorized and regulated by the Swiss Financial Market Supervisory Authority ("FINMA")
Exane SA, London Branch is deemed authorised and regulated by the Financial Conduct Authority. Details of the Financial Services Contracts Regime, which allows EEA-based firms to operate in the UK for a limited period to carry on activities which are necessary for the performance of pre-existing contracts, are available on the Financial Conduct Authority's website.
BNP Paribas Securities Corp. is regulated by FINRA (CRD# 15794) and the Securities and Exchange Commission in the United States.

Research Analyst Compensation

The research analyst(s) responsible for the preparation of this report receive(s) compensation based upon various factors including overall firm revenues, which may include investment banking activities and/or sales and trading activities.

Sponsored Research

The subject Company of this Research report has commissioned Exane to cover its stock and, consequently, Exane has received compensation from the Company for the preparation and dissemination of this research report.

Research Analyst-Specific Disclosures

The research analyst(s) responsible for the preparation of this report (or members of their household) may have a relationship with the companies covered by this research report, as described in the numbered disclosures below. The table immediately below indicates which, if any, of these disclosures apply to the research analyst(s) responsible for preparation of this research report.

Research Analyst(s)	Companies	Disclosures
NONE		

1 – The research analyst(s) responsible for the preparation of this report or a member of his/her household has/have a financial interest in the securities of the subject company/ies, as indicated in the previous table.
2 – The research analyst(s) responsible for the preparation of this report or a member of his/her household serve(s) as an officer, director or advisory board member of the subject company/ies indicated in the previous table.
3 – The research analyst(s) responsible for the preparation of this report received compensation from the subject company/ies indicated in the previous table in the past twelve months.

Exane-Specific Regulatory Disclosures

Exane SA (including Exane SA branches, based in the United Kingdom, in the European Economic Area and in Switzerland), (collectively, “Exane”) has relationships with many companies. The numbered disclosures below identify relationships that Exane has with the company(ies) that are the subject of this research report and that must be disclosed under applicable rules.

Companies	Disclosures
Comer Industries	6; 12

1 – Exane beneficially owns 1% or more of a class of common equity securities of the subject company/ies.
2 – Exane managed or co-managed an offering of securities for the subject company/ies in the past 12 months.
3 – Exane received compensation for investment banking services from the subject company/ies in the past 12 months.
4 – Exane expects to receive or intends to seek compensation for investment banking services from the subject company/ies in the next 3 months.
5 – Exane is a market maker and/or liquidity provider in the securities of the subject company/ies.
6 – Exane, received compensation for products and services other than investment banking services from the subject company/ies in the past 12 months.
7 – Exane had an investment banking, client relationship with the subject company/ies in the last 12 months.
8 – Exane had a non-investment banking securities services, client relationship with the subject company/ies in the last 12 months.
9 – Exane had a non-securities services, client relationship with the subject company/ies in the last 12 months.
10 – Exane beneficially owns at least 0.5% long or short position of the subject company/ies.
11 – Exane received compensation from a Private Equity firm to carry out a bespoke work related to the subject company/ies in the past 12 months.
12 – Exane received or expects to receive compensation for non-investment banking services from the subject company/ies in the past 12 months or in the next 3 months
13 – Sections of this report, with the research summary, target price and rating removed, have been presented to the subject company/ies prior to its distribution, for the sole purpose of verifying the accuracy of factual statements.
14 – Following the presentation of sections of this report to this subject company, some conclusions were amended.
15 – A member for Exane senior management is a member of the Board of the issuer.

BNP Paribas-related disclosures

BNP Paribas SA (including BNP Paribas SA branches and affiliates and BNP Paribas Securities Corp.), (collectively, “BNPP”) has relationships with many companies. The numbered disclosures below identify relationships that BNPP has with the company(ies) that are the subject of this research report and that must be disclosed under applicable rules.

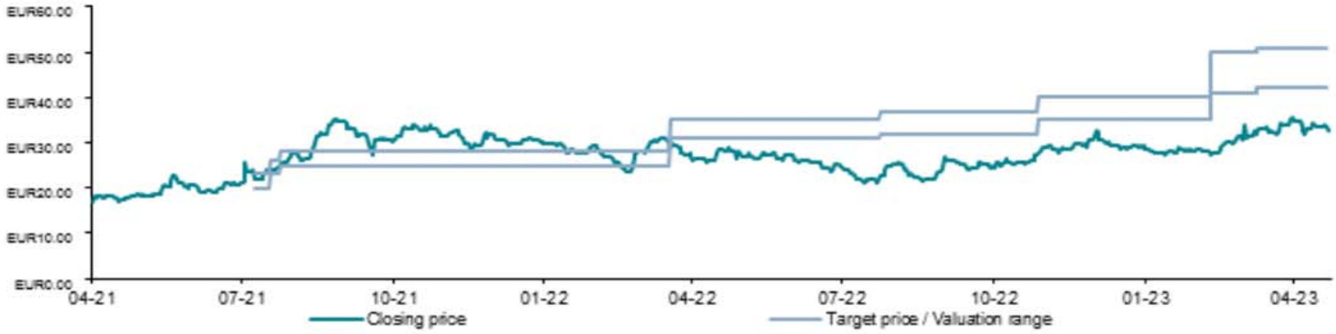
Companies	Disclosures
NONE	

1 – BNPP beneficially owns 1% or more of a class of common equity securities of the subject company/ies.
2 – BNPP managed or co-managed an offering of securities for the subject company/ies in the past 12 months.
3 – BNPP received compensation for investment banking services from the subject company/ies in the past 12 months.
4 – BNPP expects to receive or intends to seek compensation for investment banking services from the subject company/ies in the next 3 months.
5 – BNPP is a market maker and/or liquidity provider in the securities of the subject company/ies. BNPP is willing to sell to and/or buy from clients, the common equity of the subject company/ies on a principal basis.
6 – BNPP, received compensation for products and services other than investment banking services from the subject company/ies in the past 12 months.
7 – BNP Paribas Securities Corp. had an investment banking, client relationship with the subject company/ies in the last 12 months.
8 – BNP Paribas Securities Corp. had a non-investment banking securities services, client relationship with the subject company/ies in the last 12 months.
9 – BNP Paribas Securities Corp. had a non-securities services, client relationship with the subject company/ies in the last 12 months.
10 – BNPP beneficially owns at least 0.5% long or short position of the subject company/ies.
11 – BNPP received compensation from a Private Equity firm to carry out a bespoke work related to the subject company/ies in the past 12 months.
12 – Sections of this report, with the research summary, target price and rating removed, have been presented to the subject company/ies prior to its distribution, for the sole purpose of verifying the accuracy of factual statements.
13 – Following the presentation of sections of this report to this subject company, some conclusions were amended.
14 – A member for BNPP senior management is a member of the Board of the issuer.

Price and Ratings Chart

Comer Industries

Historical closing price & target price **(as of 04/05/2023)**



Source: BNP Paribas Exane

Historical rating & target price changes

The latest company-specific disclosures, valuation methodologies and investment case risks for all other companies covered by this document are available on http://cube.exane.com/compliance.

Price at 04 May 23: EUR32.8

Valuation range (EUR): 46.0 (+40%) | 55.0 (+68%)

COMER INDUSTRIES

Industrial Machinery | Capital Goods - Italy

Refinitiv / Bloomberg: COME.MI / COM IM

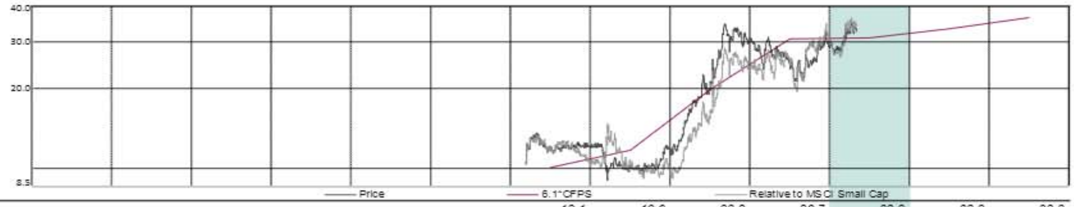
Grimaldi (+39) 02 8963 1735 & Baldelli (+39) 02 8963 1744

Company Highlights	EURm
Enterprise value	1,246
Market capitalisation	941
Free float	180
3m average volume	0.2

Performance (*)	1m	3m	12m
Absolute	1%	15%	16%
Rel. Sector	NC	NC	NC
Rel. MSCI Small Cap	1%	20%	22%

12m Hi/Lo (EUR) : 35.4 -7% / 21.2 +55%

CAGR	2016/2023	2023/2025
EPS restated	30%	9%
CFPS	NC	9%



Price (yearly avg from Dec. 19 * to Dec. 22)					12.1	10.6	22.8	26.7	32.8	32.8	32.8
PER SHARE DATA (EUR)	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
No of shares year end, basic, (m)	10.000	10.000	10.000	17.000	20.409	20.409	28.678	28.678	28.678	28.678	28.678
Avg no of shares, diluted, excl. treasury stocks (m)	10.000	10.000	10.000	13.500	20.620	20.650	20.650	28.678	28.678	28.678	28.678
EPS reported, Gaap	*1.30*	*0.67*	*1.14*	*0.92*	*0.91*	*1.07*	*1.37*	*3.16*	*3.52*	*3.84*	*4.24*
EPS company definition	*1.30*	*0.67*	*1.14*	*1.16*	*1.06*	*1.27*	*1.43*	*3.16*	*3.52*	*3.84*	*4.24*
EPS restated, fully diluted	1.37	0.61	1.13	1.20	0.90	1.06	1.93	3.43	3.90	4.22	4.62
% change	*NC*	*(55.3%)*	*84.0%*	*6.3%*	*(25.0%)*	*17.8%*	*81.8%*	*77.3%*	*13.9%*	*8.1%*	*9.5%*
Book value (BVPS) (a)	11.4	7.1	7.6	5.2	6.3	7.0	12.1	15.5	18.3	21.3	24.6
Net dividend	0.50	4.55	0.26	0.60	0.35	0.50	0.50	0.75	0.84	0.91	1.01
STOCKMARKET RATIOS	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
P / E (P/ EPS restated)					13.4x	10.0x	11.8x	7.8x	8.4x	7.8x	7.1x
P / E relative to MSCI Small Cap					78%	20%	77%	55%	64%	68%	69%
FCF yield					4.4%	15.7%	10.6%	7.0%	8.9%	9.9%	11.1%
P / BVPS					1.91x	1.51x	1.89x	1.72x	1.80x	1.54x	1.33x
Net yield					2.9%	4.7%	2.2%	2.8%	2.5%	2.8%	3.1%
Payout					38.8%	47.0%	25.6%	21.9%	21.4%	21.6%	21.8%
EV / Sales					0.72x	0.59x	1.40x	0.87x	0.96x	0.86x	0.75x
EV / Restated EBITDA (**)					6.5x	4.9x	10.9x	6.0x	6.1x	5.3x	4.6x
EV / Restated EBITA					10.4x	7.7x	14.8x	7.6x	7.5x	6.6x	5.7x
EV / NOPAT					14.4x	10.7x	20.5x	10.6x	10.6x	9.3x	8.0x
EV / OpFCF					11.2x	4.9x	11.5x	10.3x	8.7x	7.6x	6.4x
EV / Capital employed (incl. gross goodwill)					1.7x	1.5x	1.2x	1.3x	1.4x	1.3x	1.2x
ENTERPRISE VALUE (EURm)					**291**	**234**	**840**	**1,080**	**1,246**	**1,178**	**1,100**
Market cap					246	217	471	766	941	941	941
+ Adjusted net debt (including lease liability)	16	55	41	37	29	(3)	177	149	141	72	(6)
+ Other liabilities and commitments					16	21	193	166	166	166	166
+ Revalued minority interests											
- Revalued investments					0	0	1	2	2	2	2
P & L HIGHLIGHTS (EURm)	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
Sales	**327.6**	**303.7**	**342.1**	**379.0**	**404.6**	**396.2**	**598.1**	**1,237.6**	**1,300.2**	**1,368.9**	**1,458.5**
Restated EBITDA (b) (**)	**21.4**	**21.4**	**29.3**	**37.6**	**44.9**	**47.8**	**77.2**	**179.7**	**204.4**	**220.9**	**241.1**
Depreciation	(11.0)	(11.6)	(12.1)	(12.7)	(16.9)	(17.3)	(20.4)	(37.0)	(38.8)	(42.6)	(46.8)
Restated EBITA (b)	**10.4**	**9.9**	**17.1**	**25.0**	**28.1**	**30.5**	**56.8**	**142.8**	**165.6**	**178.2**	**194.3**
Reported operating profit (loss)	10.4	9.8	17.1	24.9	27.8	30.4	56.8	127.5	150.3	162.9	179.0
Net financial income (charges)	(1.3)	0.6	(0.4)	(2.1)	(1.3)	(1.0)	(2.0)	(2.6)	(7.9)	(7.8)	(7.6)
Affiliates											
Other	6.4	0.0	0.0	0.0	(0.9)	0.0	0.0	0.0	0.0	0.0	0.0
Tax	(2.5)	(3.8)	(5.3)	(7.1)	(7.1)	(7.6)	(15.4)	(34.2)	(41.3)	(45.0)	(49.7)
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net attributable profit reported	13.0	6.7	11.4	15.7	18.5	21.8	39.4	90.7	101.1	110.2	121.7
Net attributable profit restated (c)	**13.7**	**6.1**	**11.3**	**16.2**	**18.6**	**22.0**	**39.9**	**98.3**	**111.9**	**121.0**	**132.5**
CASH FLOW HIGHLIGHTS (EURm)	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
EBITDA (reported) (**)	**22.1**	**22.0**	**29.8**	**38.4**	**45.7**	**48.6**	**78.2**	**180.0**	**204.6**	**221.1**	**241.3**
EBITDA adjustment (b)	**(0.7)**	**(0.5)**	**(0.5)**	**(0.8)**	**(0.7)**	**(0.8)**	**(1.0)**	**(0.3)**	**(0.2)**	**(0.2)**	**(0.2)**
Other items	(1.5)	(23.8)	3.9	(0.1)	4.4	5.7	12.7	16.0	0.2	0.2	0.2
Change in WCR	(3.9)	6.1	8.9	(8.5)	(5.9)	7.5	2.7	(57.4)	(10.7)	(12.9)	(16.9)
Operating cash flow	**15.9**	**3.8**	**42.1**	**29.0**	**43.5**	**61.1**	**92.6**	**138.3**	**193.9**	**208.2**	**224.4**
Capex	(14.3)	(16.6)	(12.2)	(15.4)	(17.4)	(13.1)	(19.6)	(33.9)	(51.2)	(52.6)	(53.1)
Operating free cash flow (OpFCF)	**1.6**	**(12.8)**	**29.9**	**13.6**	**26.1**	**47.9**	**73.0**	**104.4**	**142.7**	**155.6**	**171.3**
Net financial items (d) + tax paid	(3.8)	(4.3)	(6.0)	(8.3)	(15.3)	(13.9)	(23.0)	(50.7)	(59.1)	(62.7)	(67.3)
Free cash flow	**(2.2)**	**(17.1)**	**23.9**	**5.3**	**10.8**	**34.0**	**50.0**	**53.7**	**83.6**	**92.9**	**104.1**
Net financial investments & acquisitions	1.0	2.8	3.2	2.6	1.4	1.5	(191.8)	(0.2)	(54.0)	0.0	0.0
Other	0.0	(20.2)	37.8	(0.7)	(22.7)	7.0	(35.9)	(6.7)	0.0	0.0	0.0
Capital increase (decrease)	3.5	0.0	(4.9)	0.4	30.4	(3.2)	7.9	(4.6)	0.0	0.0	0.0
Dividends paid	(5.0)	(5.0)	(45.5)	(3.5)	(12.2)	(7.1)	(10.2)	(14.3)	(21.5)	(24.0)	(26.1)
Increase (decrease) in net financial debt	**2.6**	**39.5**	**(14.6)**	**(4.0)**	**(7.6)**	**(32.3)**	**180.0**	**(27.9)**	**(8.0)**	**(68.9)**	**(78.0)**
Cash flow, group share	**16**	**(7)**	**27**	**29**	**34**	**40**	**67**	**145**	**145**	**158**	**174**
BALANCE SHEET HIGHLIGHTS (EURm)	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
Net operating assets	53	57	56	57	85	80	533	569	630	634	635
WCR	79	73	67	78	85	74	170	234	245	257	274
Restated capital employed, incl. gross goodwill	**132**	**130**	**122**	**135**	**170**	**154**	**703**	**803**	**874**	**891**	**909**
Shareholders' funds, group share	114	71	76	89	129	143	346	444	523	610	705
Minorities	0	0	0	0	0	0	0	0	0	0	0
Provisions/ Other liabilities	16	14	13	17	20	22	224	248	248	248	248
Net financial debt (cash)	16	55	41	37	29	(3)	177	149	141	72	(6)
FINANCIAL RATIOS (%)	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
Sales (% change)	NC	(7.3%)	12.6%	10.8%	6.7%	(2.1%)	51.0%	106.9%	5.1%	5.3%	6.5%
Organic sales growth	(7.7%)	(6.8%)	12.9%	12.6%	5.9%	(0.6%)	42.7%	14.3%	5.4%	5.7%	6.5%
Restated EBITA (% change)	NS	(5.2%)	73.6%	45.7%	12.3%	8.7%	86.3%	151.5%	16.0%	7.7%	9.0%
Restated attributable net profit (% change)	NC	(55.3%)	84.0%	43.5%	14.6%	18.0%	81.8%	146.2%	13.9%	8.1%	9.5%
Personnel costs / Sales	20.0%	21.6%	21.3%	18.8%	18.0%	16.9%	14.5%	19.7%	19.3%	18.9%	18.3%
Restated EBITDA margin (**)	6.5%	7.1%	8.6%	9.9%	11.1%	12.1%	12.9%	14.5%	15.7%	16.1%	16.5%
Restated EBITA margin	3.2%	3.3%	5.0%	6.6%	6.9%	7.7%	9.5%	11.5%	12.7%	13.0%	13.3%
Tax rate	16.1%	36.1%	31.8%	31.1%	27.8%	26.0%	28.1%	27.4%	29.0%	29.0%	29.0%
Net margin	4.2%	2.0%	3.3%	4.3%	4.6%	5.5%	6.7%	7.9%	8.6%	8.8%	9.1%
Capex / Sales	4.4%	5.5%	3.6%	4.1%	4.3%	3.3%	3.3%	2.7%	3.9%	3.8%	3.6%
OpFCF / Sales	0.5%	(4.2%)	8.8%	3.6%	6.4%	12.1%	12.2%	8.4%	11.0%	11.4%	11.7%
WCR / Sales	24.3%	24.0%	19.4%	20.6%	20.9%	18.6%	28.4%	18.9%	18.8%	18.8%	18.8%
Capital employed (excl. gdw./intangibles) / Sales	39.1%	41.2%	34.3%	34.5%	41.1%	37.9%	62.7%	36.0%	41.0%	41.3%	41.0%
ROE	12.1%	8.6%	14.8%	18.3%	14.4%	15.3%	11.5%	22.1%	21.4%	19.9%	18.8%
Gearing	14%	78%	53%	41%	23%	(2%)	51%	34%	27%	12%	(1%)
EBITDA / Financial charges (**)	NS	83.8x	39.8x	26.9x	32.3x	57.8x	61.0x	24.2x	25.8x	28.4x	31.6x
Adjusted financial debt (A)+(B) / EBITDA (**)	0.7x	2.6x	1.4x	1.0x	0.6x	NC	2.3x	0.8x	0.7x	0.3x	NC
ROCE, excl. gdw./intangibles	5.6%	5.4%	10.3%	13.8%	12.2%	14.6%	10.9%	22.8%	22.1%	22.4%	23.1%
ROCE, incl. gross goodwill	5.4%	5.2%	9.9%	13.3%	11.9%	14.3%	5.8%	12.6%	13.4%	14.2%	15.2%
WACC	8.2%	8.8%	8.2%	8.6%	8.6%	8.7%	8.0%	9.9%	10.0%	10.0%	10.0%

Latest Model update: 05 May. 23

(a) Intangibles: EUR357.27m, or EUR12 per share. (b) adjusted for capital gains/losses, exceptional restructuring charges, capitalized R&D; EBITA also adjusted for impairments and am. of intangibles from M&A (c) after EBITA adjustments and financial result/tax adjustments (d) including lease principal post IFRS 16 (*) In listing currency, with div. reinvested, (**) EBITDAR post IFRS16, (1) First application of IFRS 16

LONDON
Branch of Exane SA
10 Harewood Avenue
London NW1 6AA
UK
Tel: (+44) 207 039 9400
Fax: (+44) 207 039 9440

PARIS
Exane SA
6 Rue Ménars
75002 Paris
France
Tel: (+33) 1 44 95 40 00
Fax: (+33) 1 44 95 40 01

FRANKFURT
Branch of Exane SA
Senckenberganlage 19
60325 Frankfurt
Germany
Tel: (+49) 69 42 72 97 300
Fax: (+49) 69 42 72 97 301

MADRID
Branch of Exane SA
Calle Emilio Vargas, 4
28043 Madrid
Spain
Tel: (+34) 91 114 83 00
Fax: (+34) 91 114 83 01

MILAN
Branch of Exane SA
Diamante Tower
Piazza Lina Bo Bardi 3
20124 Milan
Italy
Tel: (+39) 02 89 63 17 13
Fax: (+39) 02 89 63 17 01

STOCKHOLM
Branch of Exane SA
Hovslagargatan 3
111 48 Stockholm
Sweden
Tel: (+46) 8 5663 9820
Fax: (+46) 8 5063 9751

NEW YORK
BNP Paribas Securities Corp.
787 Seventh Avenue
New York, NY 10017
USA
Tel: (+1) 212 841 2000

SAN FRANCISCO
BNP Paribas Securities Corp.
201 Mission Street
San Francisco, CA 94105
USA
Tel: (+1) 212 634 4975

All Exane research documents are available to all clients simultaneously on the Exane website (http://cube.exane.com). Most published research is also available via third-party aggregators such as Bloomberg, Refinitiv, Factset and Capital IQ. Exane is not responsible for the redistribution of research by third-party aggregators.

Important notice: Please refer to our complete disclosure notice and conflict of interest policy available on http://cube.exane.com/compliance

This research is produced by one or more of EXANE SA (including Exane SA branches, based in the United Kingdom, in the European Economic Area and in Switzerland) and BNP Paribas Securities Corp. EXANE SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution ("ACPR") and regulated by the Autorité des Marchés Financiers ("AMF"). Exane SA branches based in the European Economic Area are authorized by the ACPR and regulated by the local relevant regulator. Exane SA Geneva Branch is authorized and regulated by the Swiss Financial Market Supervisory Authority ("FINMA"). Exane SA, London Branch is deemed authorised and regulated by the Financial Conduct Authority. Details of the Financial Services Contracts Regime, which allows EEA-based firms to operate in the UK for a limited period to carry on activities which are necessary for the performance of pre-existing contracts, are available on the Financial Conduct Authority's website.

BNP Paribas Securities Corp. is registered and regulated by the Financial Industry Regulatory Authority ("FINRA") and the U.S. Securities and Exchange Commission. In accordance with the requirements of Financial Conduct Authority COBS 12.2.3R and associated guidance, of article 313-20 of the AMF Règlement Général, and of FINRA Rule 2241, Exane's policy for managing conflicts of interest in relation to investment research is published on Exane's web site (cube.exane.com). Exane also follows the guidelines described in the code of conduct of the Association Francaise des Entreprises d'Investissement ("AFEI") on managing conflicts of interest in the field of investment research. This code of conduct is available on Exane's web site (http://cube.exane.com).

This research is solely for the private information of the recipients. All information contained in this research report has been compiled from sources believed to be reliable. However, no representation or warranty, express or implied, is made with respect to the completeness or accuracy of its contents, and it is not to be relied upon as such. Opinions contained in this research report represent BNPP's and/or Exane's current opinions on the date of the report only. BNPP and/or Exane are not soliciting an action based upon it, and under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy.

While BNPP and/or Exane endeavour to update its research reports from time to time, there may be legal and/or other reasons why BNPP and/or Exane cannot do so and, accordingly, BNPP and/or Exane disclaim any obligation to do so.

This report is provided solely for the information of professional investors who are expected to make their own investment decisions without undue reliance on this report and BNPP and/or Exane accept no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.
(i) this research is intended for general circulation; (ii) this research does not take into account the specific investment objectives, financial situation or particular needs of any particular person; and (iii) advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the research, before the person makes a commitment to purchase the investment product.

This report may not be reproduced, distributed or published by any recipient for any purpose. Any United States person wishing to obtain further information or to effect a transaction in any security discussed in this report should do so only through BNP Paribas Securities Corp., which has distributed this report in the United States and, subject to the above, accepts responsibility for its contents.

For Institutional and Accredited Investors in Singapore who receive this report, please contact BNP Paribas, acting through its Singapore Branch (company registration number: S71FC2142G; address: 10 Collyer Quay, 34/F Ocean Financial Centre, Singapore 049315; tel: (65) 6210 1288; fax: (65) 6210 1980) for all matters and queries relating to this report.

BNPP has acquired VERNER INVESTISSEMENTS, the parent company of Exane. VERNER INVESTISSEMENTS is wholly owned and controlled by BNPP, which holds 100% of the share capital and voting rights of VERNER INVESTISSEMENTS.