

COMER INDUSTRIES

Change in Recommendation

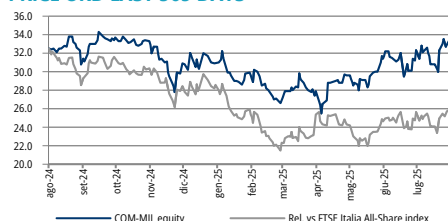
BUY ord. (Prev.: HOLD)

Target: **€ 40.00** (prev.: € 32.00)

Risk: High

STOCKDATA		ORD		
Price (as of 04 Aug 2025)		33.6		
Bloomberg Code		COM IM		
Market Cap (€ mn)		964		
Free Float		12%		
Shares Out (mn)		28.7		
52 week Range		€ 25.5 - 34.3		
Daily Volume		4,405		
Performance (%)	1M	3M	1Y	
Absolute	4.0	13.5	2.1	
Rel to FTSE Italia All-Share	1.3	6.8	-19.3	
MAIN METRICS		2024	2025E	2026E
SALES Adj		942	886	1,229
EBITDA Adj		158	143	178
EBIT Adj		120	103	127
NET INCOME Adj		81.3	70.7	89.0
EPS Adj - €c		284	247	310
DPS Ord - €c		80.0	80.0	90.0
MULTIPLES		2024	2025E	2026E
P/E ord Adj		10.9x	13.6x	10.8x
EV/EBITDA Adj		6.0x	7.7x	6.0x
EV/EBIT Adj		7.9x	10.7x	8.4x
REMUNERATION		2024	2025E	2026E
Div. Yield ord (A)		2.5%	2.4%	2.7%
FCF Yield Adj		8.2%	6.4%	7.1%
INDEBTEDNESS		2024	2025E	2026E
NFP Adj		-58.4	-144	-99.2
D/Ebitda Adj		0.4x	1.0x	0.6x

PRICE ORD LAST 365 DAYS



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UPGRADE TO BUY: A BIG M&A DEAL IN HYDRAULIC AND RESILIENT 2Q

Comer announced a new big acquisition, complementary in terms of products (hydraulic technology) and geography (mainly Asian exposure). There are several challenges, but we believe the deal is value accretive considering the reasonable entry price (5.5x 2024 EBITDA), immediate EPS accretion (although LSD) and the potential synergies, leveraging on the brilliant track record with WPG integration. On Aug-1st we moved to BUY for the new acquisition potential upside and estimates upgrade following better 2Q results

■ A new acquisition strengthening Asia presence and adding hydraulic technology

On Jul-31st COMER announced a binding agreement to **acquire a 70% stake in the NewCo** resulting from the spin-off of Japanese Nabtesco's high-quality **hydraulic products**, components, and accessories used in **construction equipment**. Closing is expected by 4Q25, subject to customary regulatory approvals, which we do not believe are a problem.

■ Nabtesco will retain 30% stake with put options, thus COMER will get 100%

Nabtesco will retain a 30% stake, with some restrictions (including a 2-year lock-up applicable to both shareholders) **and has a put options** exercisable after the approval of NewCo's 2027, 2028, and 2029 financial results (or upon the occurrence of certain events); we therefore believe **COMER will increase its stake to 100% within 2-4 years**.

■ A big deal increasing COMER sales by 30%

The NewCo will start debt-free and in FY24 posted revenues of €272mn (of which 38% in China and 16% in Japan) and an EBITDA of €22mn (margin just 8%).

The deal is quite big for COMER since pro-forma FY24 figures increase by

- **~30% in revenues to €1.21bn** (with construction weight growing to almost 60%)
- **~14% in EBITDA to €180mn** (i.e. 14.8% margin).

■ A reasonable entry price: 2024 EV/EBITDA 5.5x and immediate LSD EPS accretive

COMER will pay €~85mn (subject to a post-closing price adjustment mechanism) for 70% to be financed through a mix of cash and new debt. The **entry multiple appears more than reasonable (2024 EV/EBITDA 5.5x)**, also knowing that Asian CE market is still depressed (according to Volvo, flat in FY25) and the deal is immediately low single-digit EPS accretive.

■ We share the strong strategic rationale because COMER ...

- acquires proprietary high-end **hydraulic systems technology** it did not own
- **diversifies geographically** by more than doubling its presence in Asia (~30% of sales)
- may benefit from **cross-selling** opportunities and gets access to new customers such as Komatsu
- has the possibility to leverage potential **cost synergies** by integrating the supply chain.

■ The relaunch is challenging, but we believe value accretive

Relaunching this business is challenging because the Newco has a vertically integrated, more capital-intensive business model than COMER's, and being Japanese requires the integration of "two very different industrial cultures". Given the **excellent track record** with the German WPG acquisition in 2021 (whose starting EBITDA was <9% and today we believe is close the group's 16%), we believe **management has all the skills to capitalize on this opportunity**.

■ We raise estimates of COMER standalone following better-than-expected 2Q25

1H results highlighted **better-than-expected resilience: 2Q EBITDA margin at 17%** in spite of sales -14% YoY, leading us to **revise upwards FY25 estimates** despite unchanged revenues (EBITDA +8% and adj. EPS +14%). **AG market** is not rebounding yet, but in 2H is expected to **stabilize**. So far COMER has **no problem** in passing through price increases to **offset tariffs in US**.

■ We upgraded to BUY because of both estimates upward revision and new M&A

The positive elements of Comer investments case are confirmed: operating margins above the sector avg., solid financial structure, firepower >€300mn for new M&A (after Nabtesco deal) and FCF conversion >50% (typical for assemblers). On Aug-1st **we upgraded to BUY** because of the combined entity upward revision in estimates following better 2Q results and Nabtesco deal upside potential. **Target +25% to €40PS**. Stock **low liquidity remains an issue**.

MAIN FIGURES - EURmn	2022	2023	2024	2025E	2026E	2027E
SALES Adj	1,237	1,224	942	886	1,229	1,301
Growth	106.8%	-1.1%	-23.0%	-6.0%	38.7%	5.9%
EBITDA Adj	180	205	158	143	178	192
Growth	138.1%	13.9%	-23.2%	-9.2%	24.5%	8.1%
EBIT Adj	143	165	120	103	127	142
Growth	151.4%	15.3%	-27.4%	-13.6%	23.1%	12.0%
PBT Adj	123	127	92.8	78.1	103	121
Growth	127.2%	2.7%	-26.7%	-15.8%	32.4%	17.2%
Net Income Adj	101	108	81.3	70.7	89.0	102
Growth	149.9%	6.5%	-24.4%	-13.0%	25.8%	14.4%

MARGIN - %	2022	2023	2024	2025E	2026E	2027E
EBITDA Adj Margin	14.6%	16.7%	16.7%	16.1%	14.5%	14.8%
Ebit Adj margin	11.5%	13.5%	12.7%	11.7%	10.3%	10.9%
Pbt Adj margin	10.0%	10.3%	9.8%	8.8%	8.4%	9.3%
Net Income Adj margin	8.2%	8.8%	8.6%	8.0%	7.2%	7.8%

SHARE DATA	2022	2023	2024	2025E	2026E	2027E
EPS Adj - €c	352	375	284	247	310	355
Growth	83.7%	6.5%	-24.4%	-13.0%	25.8%	14.4%
DPS ord(A) - €c	75.0	125	80.0	80.0	90.0	100.0
BVPS	15.5	17.7	19.0	20.1	22.0	24.2

VARIOUS	2022	2023	2024	2025E	2026E	2027E
Capital Employed	535	553	566	685	693	690
FCF	60.0	163	60.5	62.1	66.2	87.4
CAPEX	33.9	40.7	49.9	40.0	52.7	55.7
Working capital	254	234	186	200	284	296

INDEBTNESS	2022	2023	2024	2025E	2026E	2027E
Nfp Adj	-149	-94.8	-58.4	-144	-99.2	-33.6
D/E Adj	0.34	0.19	0.11	0.25	0.16	0.05
Debt / EBITDA Adj	0.8x	0.5x	0.4x	1.0x	0.6x	0.2x

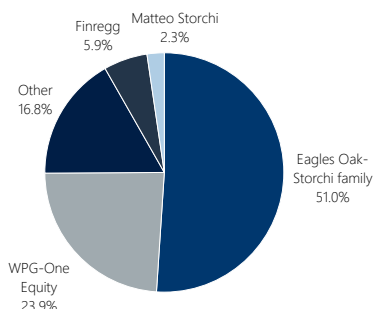
MARKET RATIOS	2022	2023	2024	2025E	2026E	2027E
P/E Ord Adj	8.2x	7.8x	10.9x	13.6x	10.8x	9.5x
PBV	1.7x	1.7x	1.7x	1.7x	1.5x	1.4x

EV FIGURES	2022	2023	2024	2025E	2026E	2027E
EV/Sales	0.8x	0.8x	1.0x	1.3x	0.9x	0.8x
EV/EBITDA Adj	5.4x	4.6x	6.0x	7.7x	6.0x	5.2x
EV/EBIT Adj	6.8x	5.7x	7.9x	10.7x	8.4x	7.0x
EV/CE	1.8x	1.7x	1.7x	1.6x	1.5x	1.4x

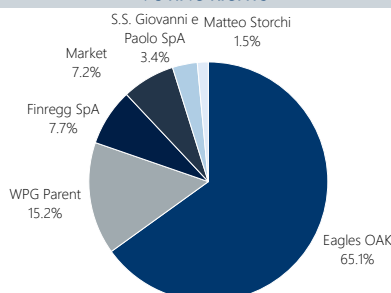
REMUNERATION	2022	2023	2024	2025E	2026E	2027E
Div. Yield ord	2.8%	4.1%	2.5%	2.4%	2.7%	3.0%
FCF Yield Adj	7.8%	18.8%	8.2%	6.4%	7.1%	9.5%
Roce Adj	18.5%	19.3%	12.9%	9.6%	11.3%	12.9%

* Newco consolidated line-by-line since Jan-26 while €120-mm cash-out included in 2025 figures since the closing is expected by 4Q25
Source: Company data and Equita SIM estimates

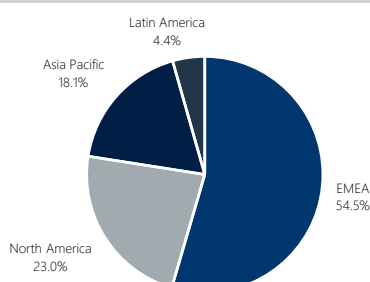
SHAREHOLDERS



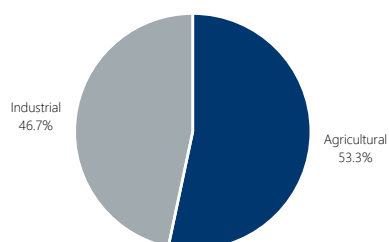
VOTING RIGHTS



GEOGRAPHICAL REVENUES BREAKDOWN



DIVISIONAL REVENUES BREAKDOWN



BUSINESS DESCRIPTION

Founded in 1970 by the Storchi family and originally specialized in the production of transmissions for agricultural machinery, **today COMER Industries (COM - Compagnia Meccanica Riduttori) is a key player in the engineered transmission systems for the largest vehicle manufacturers in the agriculture, industrial and energy sectors**, producing more than 2mn pieces every year. **Eagles OAK**, Storchi family's holding company (equally controlled by Matteo Storchi, his brother Marco, his cousins Cristian and Annalisa), **is the main shareholder (51% stake, or 65% of voting rights through the double voting right mechanism for long-term shareholder), while the private equity One Equity Partners is the second one, with a 23.9% stake** (resulting from the WPG assets contribution).

Headquartered near Reggio Emilia, **COM has an international footprint** with ca. 55% of sales generated in EMEA, 23% in NA, 18% in Asia Pacific and 4% in Latin America. **A distinctive feature is the geographical proximity of its production plants to customers**, i.e. 18 plants globally of which 8 in Italy, 3 in USA, 2 in Germany, 2 in Brazil, 1 in China and 1 in India.

COM supplies almost 800 customers in two main sectors:

- **Agricultural** (ca. €503mn or 53% of FY24 revenues) through the manufacture of gearboxes, drive shafts, PTOs (Power Take-Off), axles and DUJs (Double Universal Joint), TAS (Tractor Attachment System) and ICVD (integrated continuously variable drive);
- **Industrial** (ca. €440mn or 47%) through the production of components such as drive shafts, planetary drives, axles and DUJs, and fan clutches mainly for the Construction equipment business but also many other sectors.

Since products are mainly co-developed and very often tailor-made, **we estimate COM is the exclusive provider for ~70% of its sales (typical in AG)**. This feature coupled with technological skills, long-term relationships with clients, local-for-local approach, represents a **high entry barrier** and explains a **rather concentrated sector** (also due to the consolidation undertook in the past few years).

Through a successful M&A strategy COM achieved:

- **a transformational deal in 2021**: it acquired the German WPG becoming a world leading powertrain components provider for the off-highway industry. COM doubled its revenues, completed its product offering, expanded the geographical coverage in NA, strengthened the penetration of the industrial sector and entered the after-market business with the opportunity to exploit relevant synergies;
- **two bolt-on acquisitions in 2023**: Benevelli Electric Powertrain Solutions and Sitem Motori Elettrici with the aim of getting the know-how and **entering the market for engines and transmissions for electric vehicles**.

Thanks to the strong know-how in manufacturing tailor-made components, the high reliability and the strict relationship with its clients, beyond the abovementioned M&A deals, **in the 7-year period 2016-23** (since the second generation of the Storchi family headed by Matteo took the helm) **COM increased sales by 22% CAGR to €1.22bn** (LFL +11% CAGR) **and EBITDA by 37% CAGR to €205mn** (LFL +31% CAGR). In 2024 sales declined by 23% and EBITDA adj. by 23% because of reference market volumes weaknesses.

COMER: 2020-24 MAIN FIGURES (€ mn)

	2020	2021	2022	2023	2024
Revenues	396.2	598.1	1,237.0	1,223.9	942.4
Change	-2.1%	51.0%	106.8%	-1.1%	-23%
EBITDA	48.1	77.6	180.0	205.0	157.5
Change	6.5%	61.2%	132.0%	13.9%	-23%
FCF	38.1	46.6	60.0	162.9	60.5
Net Debt	(26.7)	(177.0)	(148.9)	(94.8)	(58.4)

Source: Company data

STRENGTHS / OPPORTUNITIES

- Co-development capabilities
- Long-term relationship with customers, often sole provider
- Asset light business model (being assembler)
- Solid financial structure and visible recurring FCF
- Positive M&A track record & new M&A deals
- WPG cost synergies exploitation

WEAKNESSES /THREATS

- Exposure to OEM AG and CE cycles
- Bigger competitors may invest more in R&D
- Flowback from the private equity One Equity Partners owning 23.9% of capital
- Price pressure from larger competitors
- Higher exposure to forex volatility following Nabtesco deal

NABTESCO'S NEWCO DEAL OVERVIEW

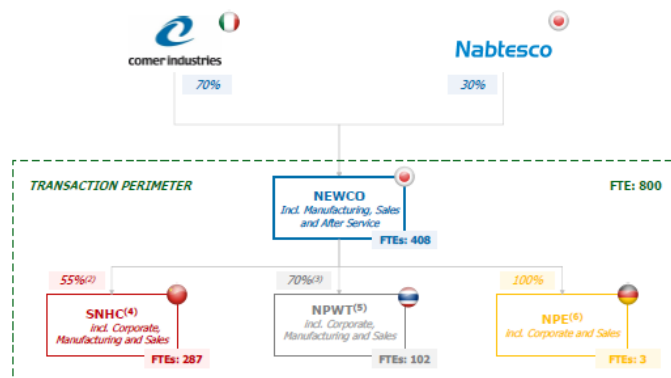
NABTESCO'S NEWCO: TRANSACTION OVERVIEW

Comer to acquire a majority stake in the Nabtesco's Hydraulic Equipment Business

TRANSACTION OVERVIEW

- Nabtesco Corporation to carve-out⁽¹⁾ its Hydraulic Equipment Business on a cash-free and debt-free basis into a company to be newly established in Japan ("NewCo")
- As part of the carve-out process, NewCo will also inherit shareholding in the JVs in China (55%), Thailand (70%) and the subsidiary based in Germany (100%)
- After completion of divesture of all the rights and obligations relating to Hydraulic Equipment Business from Nabtesco Corporation to NewCo, Comer Industries to acquire 70% of the issued and outstanding shares of NewCo in exchange of a cash consideration

RESULTING STRUCTURE



(1) Between signing and closing; (2) Remaining 30% stake owned by Shanghai Electrical Hydraulics And Pneumatics Co., Ltd. and 15% stake by Komatsu Ltd; (3) Remaining 30% stake owned by Komatsu Ltd; (4) Shanghai Nabtesco Hydraulic Co., Ltd.; (5) Nabtesco Power Control (Thailand) Co., Ltd.; (6) Nabtesco Power Control Europe GmbH.

Source: Company presentation

NABTESCO'S NEWCO: TRANSACTION HIGHLIGHTS

PURCHASE PRICE	<ul style="list-style-type: none"> Total consideration for the acquisition of the 70% stake in NewCo of JPY 14,217 million (equivalent to approximately Euro 85 million⁽¹⁾), to be paid in cash at closing Purchase Price subject to a post-closing price adjustment mechanism
FINANCIAL HIGHLIGHTS	<ul style="list-style-type: none"> Pro-forma combined FY 2024 revenues of c.€1,215m⁽²⁾ Pro-forma combined FY 2024 EBITDA of c.€179m⁽²⁾ NewCo to be established on cash-free and debt-free basis
FINANCING	<ul style="list-style-type: none"> Transaction to be funded through a mix of existing cash and drawing of committed debt facilities Expected pro-forma leverage at closing at 1.0x⁽³⁾ Comer Industries to retain strong balance sheet flexibility to support future growth initiatives
GOVERNANCE	<ul style="list-style-type: none"> Lock-up period of 2 years Put option rights in favor of Nabtesco on its 30% stake exercisable between 2027 and 2029 upon occurrence of certain events with put option price based on NewCo's net asset value
TIMING / CLOSING	<ul style="list-style-type: none"> Transaction approved by Comer Industries and Nabtesco Board of Directors Subject to customary condition precedents, including regulatory approvals Closing expected by the end of Q4 2025

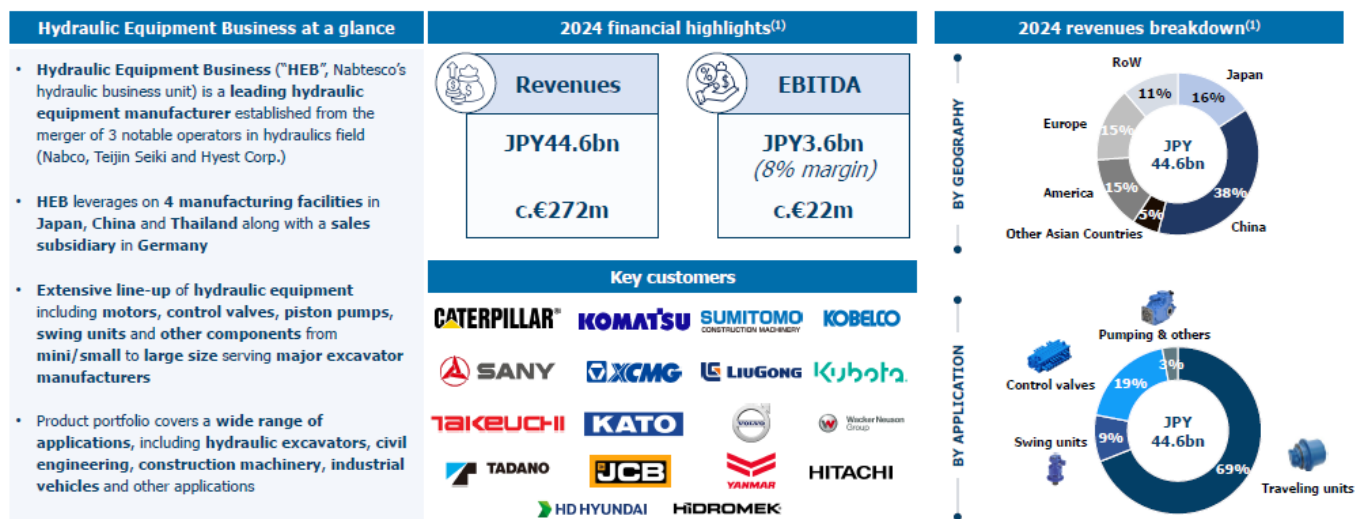
(1) Converted at the average EUR/JPY exchange rate for June 2025 of 166.52;

(2) Hydraulic Equipment Business unaudited carve-out revenues and EBITDA converted at the average yearly EUR/JPY exchange rate for 2024 of 163.85;

(3) Including the potential impact of the put option at the same price as of Closing.

Source: Company presentation

NABTESCO'S NEWCO: LEADING HYDRAULIC EQUIPMENT MANUFACTURER



Note: Historical Financials converted at the average yearly EUR/JPY exchange rate for 2024 of 163.85.

(1) Unaudited carve-out figures.

Source: Company presentation

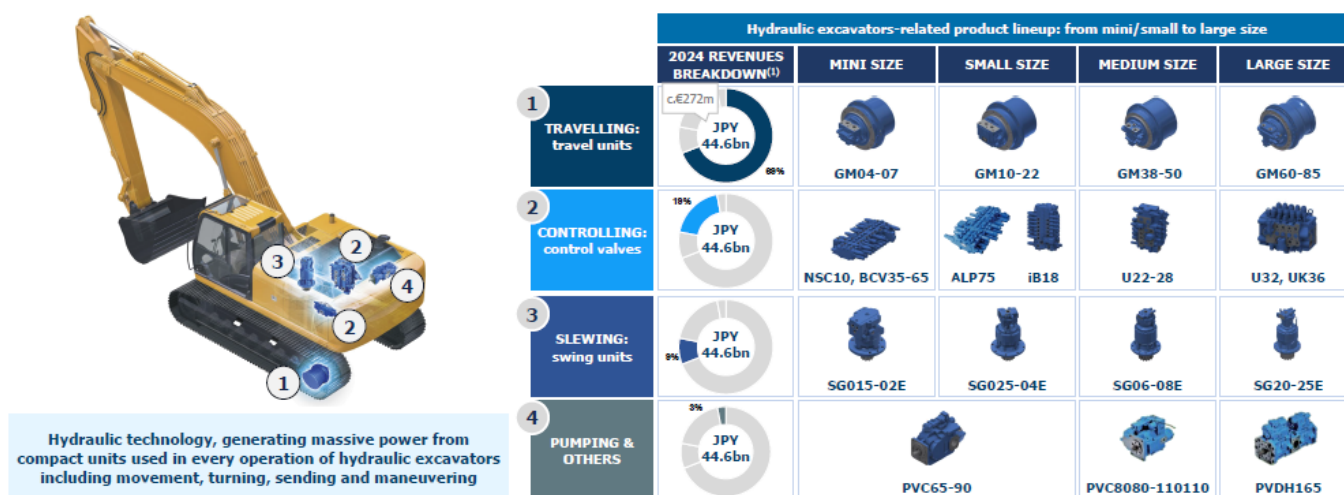
Nabtesco decided to exit the business (representing less than 15% of its sales) to concentrate its effort on the remaining business (railroad vehicles/aircrafts/commercial vehicles equipment, automatic doors and packaging machines) **because of the limited accomplishment to develop the Newco's business in Europe and the US** and the market entered a mature phase with limited organic growth.

Basically, **the planned relaunched of the hydraulic division has been passed from Nabtesco to COMER**, which has the opportunity to leverage on its strong relationships with customers in Europe and North America and exploit cross selling opportunities.

Newco portfolio includes an extensive line-up of hydraulic equipment including motors, control valves, piston pumps, swing units and other components from mini/small to large size:

- **covering a wide range of applications**, including hydraulic excavators, civil engineering, construction machinery, industrial vehicles and other applications
- **serving top-tier global long-standing customers** and has a recognized reputation.

NABTESCO'S NEWCO: EXTENSIVE LINEUP OF HYDRAULIC EQUIPMENT



Note: Historical Financials converted at the average yearly EUR/JPY exchange rate for 2024 of 163.85.

(1) Unaudited carve-out figures.

Source: Company presentation

We share the **strong strategic rationale** for the transaction highlighted by management because COMER ...

NABTESCO'S NEWCO: CLEAR INDUSTRIAL RATIONALE

Transaction to top off technology portfolio enhancing Comer's positioning



Improved **strategic positioning** achieved through the offering of **premium products** based on **fully proprietary mechanical, hydro and electric technologies**

Differentiated and enhanced **product portfolio competitiveness** poised to mitigate potential sectorial and commoditization risks

Upscaled **addressable market** in terms of **sectors** and **geographies** which is expected to further improve **competitive positioning**, thus ultimately fostering **growth perspectives**

Expanded **operations global footprint** to provide **industrial synergies** to compete in both emerging and developed countries

Extensive sales coverage expected to translate in a beneficial commercial impact across both Asia and Western countries
















Electrification to act as safeguard against potential obsolescence of conventional hydro-mechanical technology in certain segments

Best in class **mechanical, hydro and electric** solutions for **off-highway industry**, combining **MADE in ITALY, MADE in GERMANY** and **MADE in JAPAN** philosophies with values devoted to **absolute Quality**, Engineering and Operations **core competences**

Source: Company presentation

- ... acquires a **fully proprietary technology portfolio of high-end hydraulic systems** (a technology it did not previously own)

NABTESCO'S NEWCO: PRODUCT PORTFOLIO

Existing Comer Industries' product portfolio							New products unlocked		
GEARBOXES 		E-MOBILITY 		AXLES & DUJ 		PTO SHAFTS & CLUTCHES 		TRACTOR ATTACHMENT SYSTEMS (TAS) 	
PLANETARY DRIVES 		DRIVESHAFTS 		HYDROSTATIC TRACTION DRIVE (ICVD) 		FAN CLUTCH 		SERVICES  AFTERMARKET PARTS DISTRIBUTION To more than 130 distribution partners around the globe. VALUE ADDED SERVICES Repair, exchange, modification, sustaining and engineering support and draw rate solutions. FIELD SERVICE & DIGITAL SOLUTIONS Field service, preventative and predictive maintenance, condition monitoring and technical consultancy.	
						TRAVEL UNITS 		PISTON PUMPS 	
						SWING UNITS 		MAIN CONTROL VALVES 	
 comer industries							NABTESCO <i>Hydraulic Equipment Business</i>		








Travel and Swing Units complement Comer Industries' PLANETARY DRIVES, integrating hydraulic motors as a key technological component

Source: Company presentation

- ... **transforms COMER's product portfolio in one of the most diversified** among its main competitors (with a limited coverage only in electric and electronic technology)

NABTESCO'S NEWCO: PRODUCT PORTFOLIO POSITIONING

Comer Industries to leverage upon one of the most diversified product offering

		CORE TECHNOLOGY																		
COMPANY	HQ	MECHANICAL									HYDRAULIC				ELECTRIC & ELECTRONIC					
		PT	PT-T	DS	TAS	AG-G	P-FD	P-SD	PTO	FC	HM	HP	MCV	HCV	EM	INV	DC	ECU	SW	SV
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PEER #2		<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
PEER #3		<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
PEER #4		<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
PEER #5		<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	

Strong coverage

Moderate coverage

Limited/no coverage

■ Strong coverage ■ Moderate coverage □ Limited/no coverage

PT: Powertrain; PT-T: Powertrain Transmission; DS: Driveshafts; TAS: Tractor-Attachment Systems; AG-G: Agricultural Gearboxes; P-FD: Planetary Final Drive; P-SD: Planetary Slew Drive; PTO: AG Power take-off driveshafts; FC: Fan Clutches; HM: Hydraulic Motors; HP: Hydraulic Pumps; MCV: Main Control Valves; HCV: Hydraulic Cylinders; EM: Electric Motors; INV: Inverters; DC: DC/DC Converters; ECU: Electronic Control Units; SW: Control Software; SN: Sensing.

Source: Company presentation

- ... **diversifies geographically by more than doubling its presence in Asia** (rising to almost 30% of revenue) with four production plants in Japan, China, and Thailand

COMER: CHANGE IN GEOGRAPHICAL SALES (€ mn)

	2024 COMER standalone	2024 COMER + Newco pf
Asia Pacific	18%	30%
EMEA	55%	46%
Latin America	4%	3%
North America	23%	21%
Total	100%	100%

Source: Equita SIM estimates on company data

- ... **can take advantage of cross-selling opportunities** and get access to new customers, such as the market leader Komatsu

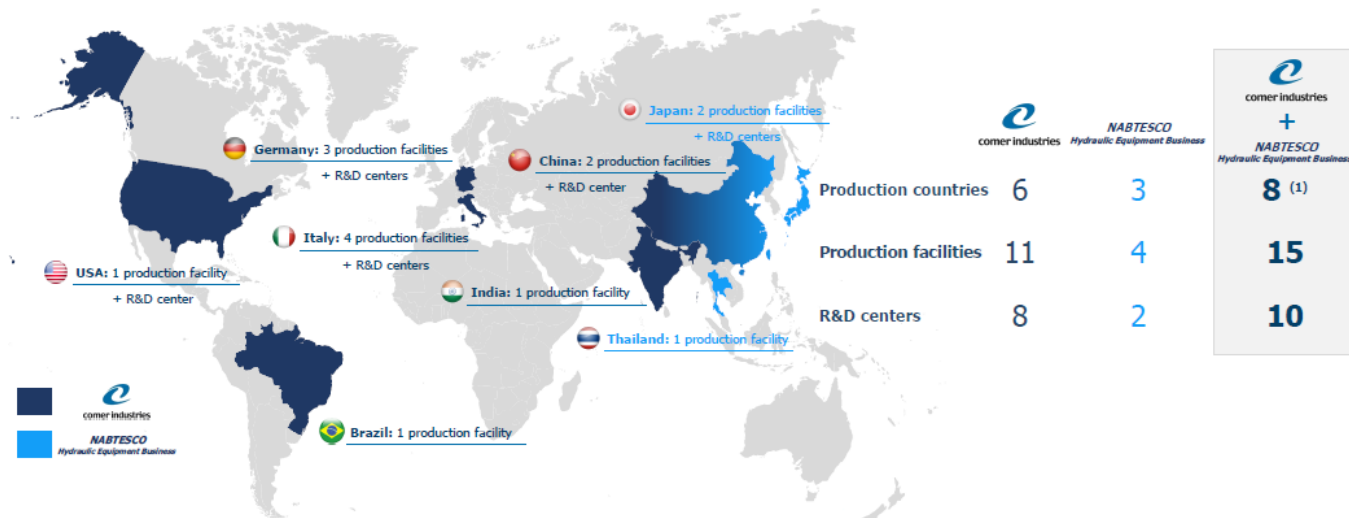
NABTESCO'S NEWCO: CLIENT PORTFOLIO

Existing Comer Industries' client portfolio	New clients unlocked
comer industries	NABTESCO Hydraulic Equipment Business
Upside potential from the expansion into the Japanese Construction Machinery customer base	

Source: Company presentation

- ... **has the possibility to leverage potential cost synergies** by integrating the supply chain (and we do not rule out footprint optimization taking into account the production facilities overlap in China).

NABTESCO'S NEWCO: EXPANDED INDUSTRIAL FOOTPRINT



(1) Reflecting overlap in China
 Source: Company presentation

BETTER THAN EXPECTED 2Q25 RESULTS

2Q25 results (note COMER issues quarterly data only for turnover, EBITDA and NFP) were down YoY, but above expectations across the board, benefiting from better-than-expected volumes:

- **Revenues** -9% YoY to €235mn, vs €221mn exp.;
- **EBITDA** -10% YoY to €40mn vs €34mn;
- **Net debt** to €-70mn vs €-61mn essentially because of temporarily higher NWC absorption.

COMER: 2Q25 / 1H25 RESULTS (€ mn)															
Group/€ mn	1H24	%	2H24	%	1Q25	%	2Q25 Exp.	%	2Q25 Rep.	%	1H25 Exp.	%	1H25 Rep.	%	Change
Revenues	531.0	100.0	411.4	100.0	212.1	100.0	220.6	100.0	235.1	100.0	432.7	100.0	447.2	100.0	3%
Change	-22%		-25%		-22%		-19%		-9%		-19%		-16%		
EBITDA	90.2	17.0	67.3	16.4	31.8	15.0	34.0	15.4	40.0	17.0	65.8	15.2	71.8	16.1	9%
Change	-19%		-28%		-31%		-23%		-10%		-27%		-20%		
EBIT	59.1	11.1	40.2	9.8							37.8	13.7	44.7	10.0	18%
Change	-28%		-36%								-36%		-24%		
Pre-tax profit	53.9	10.2	38.8	9.4							35.8	12.5	43.5	9.7	22%
Change	-29%		-27%								-34%		-19%		
Net Income	38.8	7.3	28.5	6.9							26.1	9.0	31.2	7.0	19%
Change	-29%		-27%								-33%		-20%		
NF Position	-107.1		-58.4		-56.2		-61.2		-69.7		-61.2		-69.7		-8.5
NFP ex-IFRS 16	-66.2		-21.4								-20.3		-36.5		-16.2

Source: Equita SIM estimates and company data

Despite the decline in sales (we believe essentially due to volume declines, while we believe prices remained almost unchanged), the EBITDA margin remained basically stable YoY (down only 20bps to 17%) thanks to **cost efficiencies, synergies deriving from the integration with WPG and, we believe, the positive geographical mix positively affecting the margin** (higher APAC and lower North America).

At divisional level, **2Q25 sales were down in both divisions but showing a sequential improvement:**

- Agricultural -11% YoY to €123mn (1H25 -19% YoY)
- Industrial (mainly construction) -7% YoY to €112m (1H25 -11% YoY)

FY25 GUIDANCE UNCHANGED, WE RAISE ESTIMATES (COMER STANDALONE)

Management confirmed FY25 guidance:

- **Revenues trend in line with the outlook of the main customers** (we estimate AG to be down double digit and Industrial stable/slightly down), partially offset by the contribution from the start of new projects; **we leave our estimate unchanged around -6% YoY** with a gradual recovery in the coming quarters (taking into account an easier comparison);
- **Operating margins basically in line with last year** (i.e. EBITDA ~16.7%) although not fully exploiting the footprint restructuring synergies (such as the rationalization in the United States, concentrating the activity in a single plant started-up in 4Q24 with cost benefits expected in 2025); we now forecast FY25 EBITDA margin at 16.1% from previous 15.0%, revising upwards our estimates by 8% to €143mn;
- **Net debt reduction** net of any extraordinary transactions (not quantified); we now expect FCF €~+70mn)

COMER STANDALONE: CHANGE IN FY25E ESTIMATES (€ mn)					
Group/€ mn	2025E Previous	%	2025E Current	%	Delta
Revenues	885.9	100.0	885.9	100.0	0%
Change	-6%		-6%		
EBITDA	132.9	15.0	143.0	16.1	8%
Change	-16%		-9%		
Adj. EBIT	93.2	10.5	103.3	11.7	11%
Change	-22%		-14%		
EBIT	73.0	8.2	83.1	9.4	14%
Change	-27%		-16%		
Pre-tax profit	66.0	7.4	78.1	8.8	18%
Change	-29%		-16%		
Net Income	47.8	5.4	56.6	6.4	18%
Change	-29%		-16%		
Adj. Net Income	62.0	7.0	70.7	8.0	14%
Change	-24%		-13%		
NFP (incl. IFRS-16)	(31.2)		(24.2)		7.0
NFP (ex-IFRS 16)	5.8		12.8		7.0

Source: Equita SIM estimates





COMBINED ENTITY MAIN FIGURES

The **NewCo** will start debt-free and in FY24 posted:

- **revenues of €272mn** (of which 38% in China, 16% in Japan, 15% in America and 15% in Europe);
- **EBITDA of €22mn (margin just 8%)**;
- with 800 employees and 4 plants located in Japan, China and Thailand.

Starting from FY24 pro-forma combined entity figures ...

NABTESCO'S NEWCO: TRANSACTION PRO-FORMA IMPACT

Pro-forma FY2024			
In €m	 comer industries	 NABTESCO Hydraulic Equipment Business ⁽¹⁾	 +  comer industries + NABTESCO Hydraulic Equipment Business
Revenues	942	272	1,215
EBITDA	158	22	179
EBITDA margin (%)	16.7%	7.9%	14.7%
Net Financial Position	58	-	58
Cash-out at Closing for 70% stake	-	-	85 ⁽²⁾
Exercise of the put option	-	-	37 ⁽³⁾
Pro-forma Net Financial Position	-	-	180
Leverage ratio	0.4x	-	1.0x

Note: Historical Financials converted at the average yearly EUR/IPY exchange rate for 2024 of 163.85

(1) Unaudited carve-out figures (2) Converted at the average EUR/IPY exchange rate for June 2025 of 166.52 (3) Assuming the exercise of the put option by Nabtesco at the same price as of Closing.

Source: Company presentation

... we outline our **combined estimates from 2026 onwards** based on the following assumptions for the Newco

- 100% consolidation from Jan-26 (thus no minorities) assuming Natbesco will for sure exercise the put option (in absence of additional details at the same price of closing)
 - Because of this, our 2025E net debt already assume €120mn, including the value of the put option of the remaining 30% stake (i.e. additional €35mn)
- D&A around €12mn p.a., meaning starting ROS around 4%
- future capex around 6.5% on sales, and stable going ahead
- tax-rate ~20%, stable going ahead
- forex unchanged at current level
- main synergies starting from 2027 with sales growing by 9% CAGR and EBITDA margin from initial 8% growing by ~350bps to 11.5% in 2028
- no PPA amortization pending official disclosure (however with no impact on FCF/valuation)

COMER*+NABTESCO** MAIN FIGURES 2025-2026 (€ mn)

Group/€ mn	2025E	%	2025E	%	Delta	2026E	%	2026E	%	Delta
	<i>Including only Nabtesco cash-out (120mn)</i>					<i>Incl. Nabtesco line by line from Jan-26</i>				
Revenues	885.9	100.0	885.9	100.0	0%	956.7	100.0	1,228.7	100.0	28%
Change	-6%		-6%			8%		39%		
Adj. EBITDA	143.0	15.0	143.0	16.1	0%	155.9	16.3	177.9	14.5	14%
Change	-9%		-9%			9%		24%		
EBITDA	143.0	15.0	143.0	16.1	0%	155.9	16.3	177.9	14.5	14%
Change	-9%		-9%			9%		24%		
EBIT	83.1	8.2	83.1	9.4	0%	97.2	10.2	106.9	8.7	10%
Change	-16%		-16%			17%		29%		
Pre-tax profit	78.1	7.4	78.1	8.8	0%	94.2	9.8	103.4	8.4	10%
Change	-16%		-16%			21%		32%		
Net Income	56.6	5.4	56.6	6.4	0%	68.4	7.1	75.6	6.2	11%
Change	-16%		-16%			21%		33%		
Adj. Net Income	70.7	7.0	70.7	8.0	0%	82.4	8.6	89.0	7.2	8%
Change	-13%		-13%			16%		26%		
FCF	62.1		62.1		0%	66.2		68.0		3%
NFP (incl. IFRS-16)	(24.2)		(144.2)		-120	19.1		(99.2)		-118
NFP (ex-IFRS 16)	12.8		(107.2)		-120	56.1		(62.2)		-118

*After estimates revision
Source: Equita SIM estimates

COMER*+NABTESCO MAIN FIGURES 2027-2028 (€ mn)

Group/€ mn	2027E	%	2027E	%	Delta	2028E	%	2028E	%	Delta
Revenues	1,004.6	100.0	1,301.0	100.0	30%	1,034.7	100.0	1,357.9	100.0	31%
Change	5%		6%			3%		4%		
Adj. EBITDA	165.8	16.5	192.4	14.8	16%	165.6	16.0	197.9	14.6	20%
Change	6%		8%			0%		3%		
EBITDA	165.8	16.5	192.4	14.8	16%	165.6	16.0	197.9	14.6	20%
Change	6%		8%			0%		3%		
EBIT	108.2	10.8	122.2	9.4	13%	109.2	10.5	128.4	9.5	18%
Change	11%		14%			1%		5%		
Pre-tax profit	108.2	10.8	121.2	9.3	12%	109.2	10.5	128.4	9.5	18%
Change	15%		17%			1%		6%		
Net Income	78.5	7.8	88.7	6.8	13%	79.2	7.7	94.6	7.0	19%
Change	15%		17%			1%		7%		
Adj. Net Income	92.4	9.2	101.8	7.8	10%	93.1	9.0	107.0	7.9	15%
Change	12%		14%			1%		5%		
FCF	87.4		91.4		5%	91.4		100.1		10%
NFP (incl. IFRS-16)	80.6		(33.6)		-114	143.4		37.8		-106
NFP (ex-IFRS 16)	117.6		3.4		-114	180.4		74.8		-106

*After estimates revision
** Newco consolidated line-by-line since Jan-26 while €120-mn cash-out included in 2025 figures since the closing is expected by 4Q25
Source: Equita SIM estimates

We estimate that in **FY26, pre-synergies, COMER is trading at EV/EBITDA 6.0x and adj. PE ~10.8x** (conservatively assuming no growth for the Newco, consolidated at 100%).

It is worth reminding that **our estimates do not include any potential upside** from the **German €500bn infrastructure plan** and from an eventual ceasefire in Ukraine (one of the most important corn producers worldwide), which might materialize starting from FY26

Relaunching the Newco's business is challenging because:

- its business model is vertically integrated with production plants, and thus more capital-intensive than the light-model of COMER (being mainly assembler);
- being a Japanese company, it requires the integration of "two very different industrial cultures" which represents a brand-new exercise for the company.

Given the **excellent management track record** with the German WPG acquisition finalized in 2021 (whose starting EBITDA was lower than 9% and today we believe is close to the group's 16%), we believe **management has all the skills to capitalize on this opportunity, leveraging on the entry in the hydraulic technology.**

VALUATION +25% FOR BOTH ESTIMATES UPGRADE AND DEAL SYNERGIES

On Aug-1st we upgraded from HOLD to BUY and raised out target price by 25% to €40PS, of which:

- **€5PS from DCF at constant perimeter** (to about €37PS) due to the combined effect of:
 - Increase in estimates as anticipated in our July 31st comment following better-than-expected 1H results (FY25E EBITDA +8% and adj. net profit +14%);
 - Inclusion of the new major contract for the production of axles for CNHI's entire Steiger HHP tractor range, which significantly increases visibility from 2026 onwards;
 - Reduction in WACC (from 8.3% to 7.6% due to the higher debt and the optimization of the capital structure).

COMER STANDALONE: DCF ANALYSIS (€ mn)

Assumptions			2025E	2026E	2027E	2028E	2029E	Beyond
g	1.5%	Sales	886	957	1,005	1,035	1,066	1,082
WACC	7.6%	Change %	-6.0%	8.0%	5.0%	3.0%	3.0%	1.5%
		EBITDA	143	156	166	166	171	128
		Change %	-9.2%	9.1%	6.3%	-0.1%	3.0%	-25.2%
		Margin	16.1	16.3	16.5	16.0	16.0	11.8
		D&A	-60	-59	-58	-56	-55	-19
		EBIT	83	97	108	109	115	108
Valuation		Change %	-16.4%	17.1%	11.3%	0.9%	5.6%	-6.1%
		Margin	9.4	10.2	10.8	10.5	10.8	10.0
NPV of Free Cash Flows	348	Taxes	-23	-27	-30	-30	-32	-30
NPV of Terminal Value	900	EBIT after Tax	60	71	78	79	84	78
Estimated Enterprise Value	1,247	Change %	-16.3%	17.1%	11.3%	0.9%	5.6%	-6.1%
2024 NFP	-58							
Adjustment to NFP	-136	Capex	-40	-35	-37	-38	-38	-19
Equity	1,053	(increase) decrease in WC	-14	-26	-12	-6	-7	-4
Peripherals & other	1	Free Cash Flow before minorities	66	68	87	91	94	74
Total Equity	1,054	FCF Minorities	0	0	0	0	0	0
		Free Cash Flow after minorities	66	68	87	91	94	74
# of shares	28.7							
		Discount Factor	1.00	1.08	1.16	1.25	1.34	1.34
Target Price	37	PV of FCF	66	64	75	73	70	55

Source: Equita SIM estimates

COMER STANDALONE – DCF SENSITIVITY (€ PS)

		WACC		
		8.1%	7.6%	7.1%
g	1.0%	31.7	34.4	37.6
	1.5%	33.9	37.0	40.7
	2.0%	36.5	40.1	44.4

Source: Equita SIM estimates

- **€~3PS from Nabtesco deal potential synergies** (both commercial with cross-selling facilitated by product range expansion and industrial with efficiencies/cost reduction) assuming the Newco may add ~€80mn in revenue by 2028 (+9% CAGR) and improve the EBITDA margin by ~350bps at 11.5% (almost +€20mn), applying 20028E EV/EBITDA 5x (equal to what COMER standalone is currently trading at).

COMER: NEWCO DEAL UPSIDE POTENTIAL (€ mn)				
Newco main figures	2025E *	...	2028E	Incremental
Revenues	272		355	83
CAGR			9%	
EBITDA	a (2028E)	22	41	19
Margin	8.1%		11.5%	
D&A	-12		-12	
EBIT	10		29	19
Margin	3.7%		8.1%	
Target multiple	b	5.0x		
EV	c=a*b	204		
Entry value	d	120		
Value accretion	e=c-d	84		
#shares (mn)	f	28.7		
Value € PS	g=e/f	2.9		

* Assuming 2025 = 2024 and stable currencies
Source: Equita SIM estimates

MULTIPLES COMPARISON COHERENT WITH COMER STANDALONE

We always consider the DCF the best valuation method for COMER because its business model guarantees high FCF visibility (although influenced by NWC volatility and market volumes trend), even after Nabtesco acquisition.

In our view it **prevails on market multiples**, a valuation method that we apply only to get qualitative indications because, as explained in the basic study #17 (initiation of coverage) there are **few listed competitors which however are not pure peers**: we consider

- **Dana** although it is a much larger and diversified conglomerate; in any case **it will soon not anymore be a peer** since last June it agreed to sell its off-highway business to Allison Transmissions for \$~2.7bn; closing is expected in 4Q25, subject to regulatory approvals
- **Nabtesco** despite having less than 50% of comparable sales and generating the bulk of its business in Asia. It also will reduce the comparable business following the recently announced deal with COMER.

For this reason, in performing our multiples comparison, **in our wider panel we include other players** (which over the past few years made acquisitions in COMER's reference markets) **although only a small portion of their business is in direct competition with COMER**: Interpump, Jost Werke and Renold.

By simply applying the 2025E average multiples of the two peer groups (i.e. the only two real competitors and a wider panel) **we get valuations similar to our DCF for the standalone entity (€~37PS) without including any upside from synergies**.

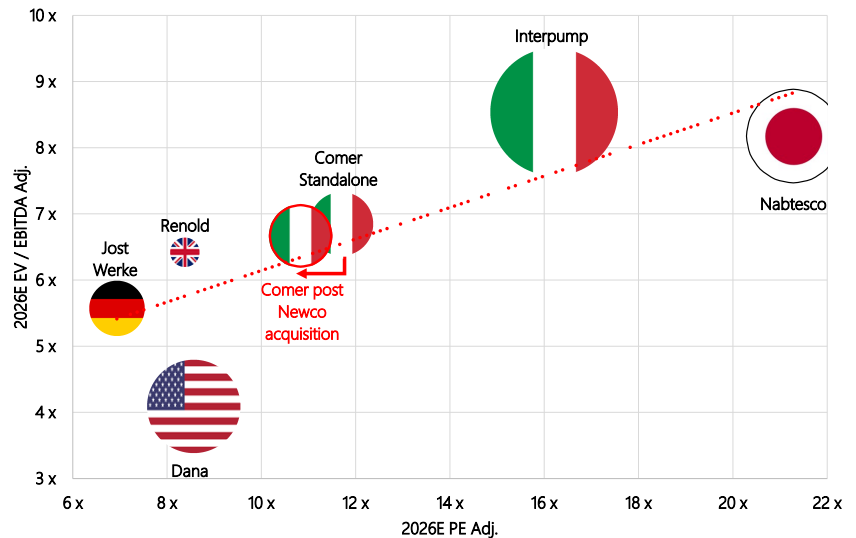
COMER COMBINED ENTITY: 2026E MULTIPLES COMPARISON *			
	Direct competitors (1)	Wider panel (2)	
EV/EBITDA	6.1x	6.6x	
EV/EBIT	10.6x	9.9x	
P/E	14.9x	12.3x	
EQUITY VALUE (€ mn)			Average
EV/EBITDA	877	953	915
EV/EBIT	1,134	1,043	1,088
P/E	1,328	1,092	1,210
Average	1,113	1,029	1,071
VALUE PER SHARE (€)			Average
EV/EBITDA	30.6	33.2	31.9
EV/EBIT	39.5	36.4	37.9
P/E	46.3	38.1	42.2
Average	38.8	35.9	37.3

* EV multiples including pension liabilities (1) only including Dana and Nabtesco (2) also including Interpump, Jost Werke and Renold
Source: Equita SIM and Factset consensus estimates

It is worth mentioning that our **wider panel** include the

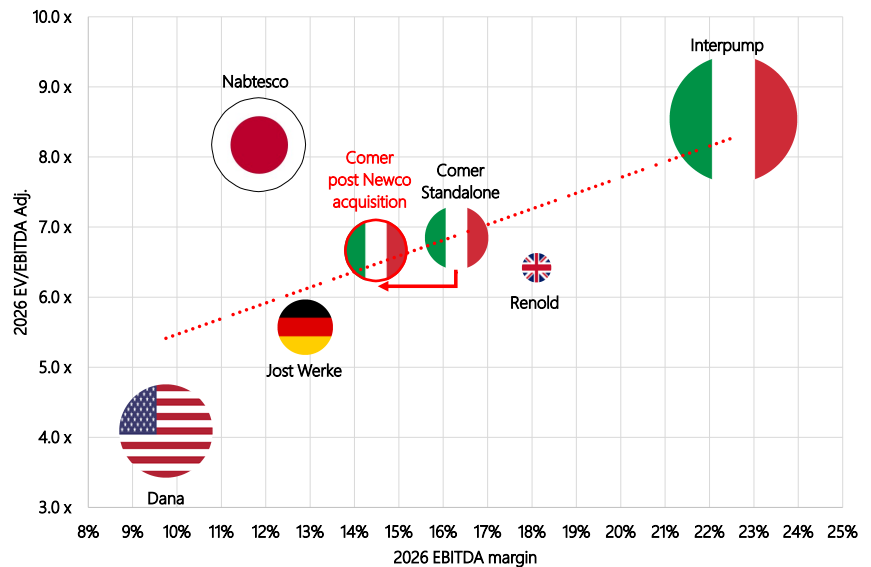
- **best-in-class Interpump** still trading at premium multiples in spite of still weak EPS momentum, justified by its higher profitability and a long-term brilliant track record;
- **micro-cap Renold** (just ca. €0.2bn market cap) trading at multiples broadly in line with the sector.

COMER COMBINED ENTITY: MULTIPLES COMPARISON: 2026E EV/EBITDA and ADJ. PE



Source: Equita SIM estimates based on Factset consensus

COMER COMBINED ENTITY: MULTIPLES COMPARISON 2026E EV/EBITDA and EBITDA MARGIN (%)



Source: Equita SIM estimates based on Factset consensus

We stick to our view that **COMER deserves higher multiples** compared to the average because of

- its best-in-class profitability (second only to Interpump)
- proven operating margins resilience even in the current weak market volumes environment
- stronger financial structure (except Nabtesco having net cash)
- M&A track record with sizable synergies exploited through WPG integration (in our view in excess of €30-40mn p.a. as a result of shut-down of a plant in China, increased production capacity in India, shut-down of a plant in Italy and North American footprint reorganization concentrating all the activity in a single plant)

though the **low stock liquidity and the private equity flowback risk** (One Equity Partners owning 23.9% of capital), **have an inevitable detrimental effect.**

2025 AGRICULTURAL MARKET STILL WEAK, BUT SENTIMENT IMPROVED

The AG market is expected to remain weak in 2025 almost across the board (for instance main OEM's 2025 outlook points ca. 30% decline in North American large equipment with AEM June data showing tractor >100hp and combines retail sales to be down by 26% YoY and 43% YTD) ...

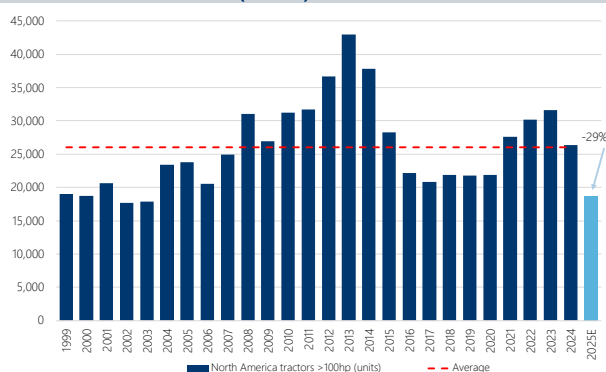
AGRICULTURAL SECTOR: 2025 OEMs OUTLOOK (unit sales YoY change)					
Company As of Region/Segment	Deere 2Q25	AGCO 2Q25	CNH 2Q25	Average	Avg. Δ vs prev. Forecast
North America				-21%	-1%
Large	-30%	-28%	-30%	-29%	0%
Small	-13%	-5%	-10%	-9%	-2%
Combines			-25%	-25%	0%
EMEA	-5%			-4%	0%
Tractors		-8%	-13%	-10%	-3%
Combines			3%	3%	3%
South America	0%	3%	0%	1%	0%
Asia	0%			-7%	+LSD
Tractors			-3%	-3%	0%
Combines			-18%	-18%	-10%

Red figures highlight worst outlook vs prev. estimates
 Green figures highlight better outlook vs prev. estimates
 Black values highlight outlook unchanged vs prev. estimates
 Source: Deere, AGCO, and CNH

... we believe the year could mark the bottom of the cycle, as:

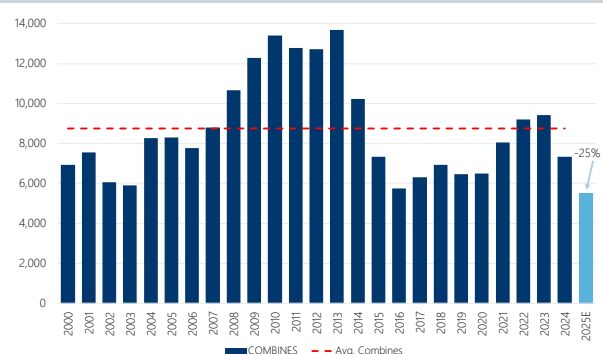
- 2025 North American HHP tractor and combine retail sales will hit the lowest level since 2003;

AG – HHP TRACTORS (>100HP) NA MARKET RETAIL SALES UNITS

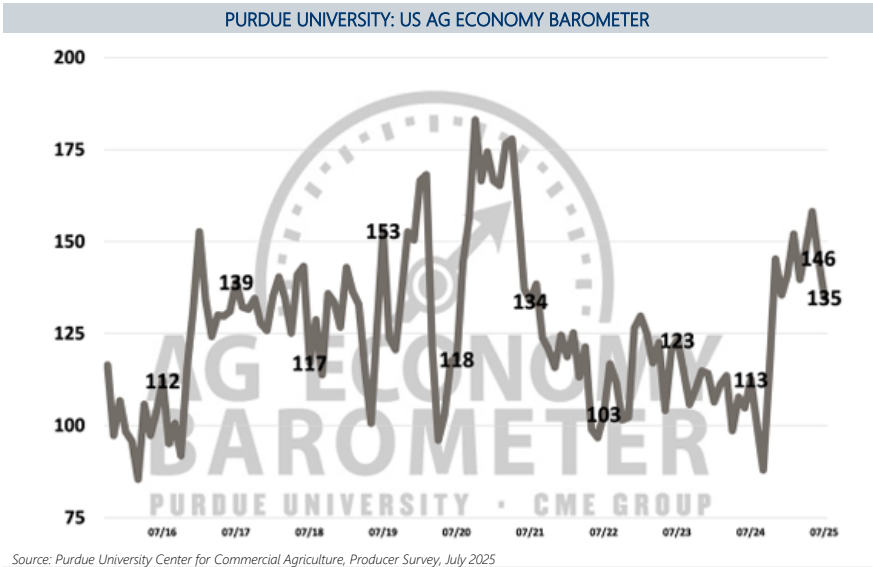


Source: AEM data and Equita SIM Estimates

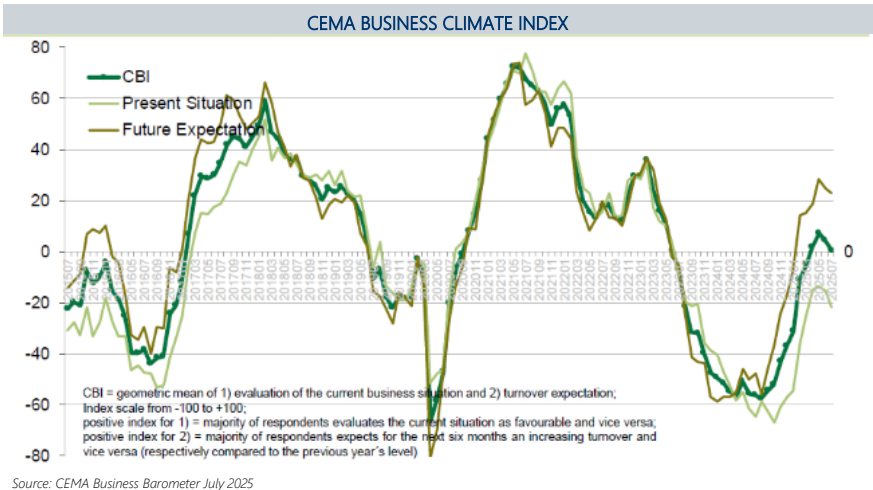
AG – COMBINES NA MARKET RETAIL SALES UNITS



- US farmer sentiment (measured by the Purdue University) is at the highest level since 2021, despite it declined by 11 points in July to 135, due to weaker farm income prospects and future expectations;



- **The European agricultural machinery business climate index**, measured by CEMA, is almost positive and **at the highest level of the last 3 years, despite the slowdown in July (from +4 to 0 points)**. The decline was mainly driven by weaker sentiment in arable equipment, transportation, and components. Confidence remains subdued in France and Germany, while Spain, Poland, and the UK show stronger outlooks; dealer inventories, previously at record highs, have now fallen below the three-year average.



2025 CONSTRUCTION MARKET TO BE FLAT/SLIGHTLY NEGATIVE

During the 2Q25 results, **the main OEMs improved 2025 construction market forecasts by low single digit figures compared to the previous quarter. Projections now foresee flat to SSD declines in Europe and mid-/to high-single-digit declines in North America.**

CONSTRUCTION SECTOR: 2025 OEMs OUTLOOK (unit sales YoY change)					
Company As of Region/Segment	Deere 2Q25	Volvo 2Q25	CNH 2Q25	Average	Avg. Δ vs prev. Forecast
North America		-10%		-8%	1%
Light	-5%		-5%	-5%	4%
Heavy	-10%		-10%	-10%	0%
EMEA		0%		0%	3%
Light			-2.5%	-3%	5%
Heavy			2.5%	3%	5%
South America		0%		0%	-1%
Light			2.5%	3%	0%
Heavy			-3%	-3%	-3%
Asia		0%		0%	3%
Light			-2.5%	-3%	5%
Heavy			2.5%	3%	5%
China		10%		10%	5%
Global				-1%	0%
Forestry	-2.5%			-3%	0%
Roadbuilding	0%			0%	0%

Red figures highlight worst outlook vs prev. estimates

Green figures highlight better outlook vs prev. estimates

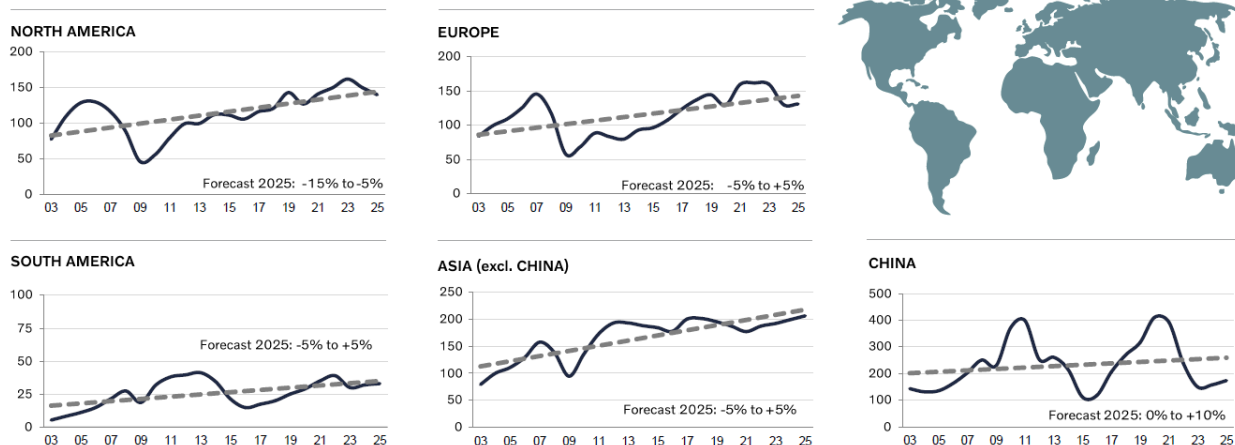
Black values highlight outlook unchanged vs prev. estimates

Source: Volvo, CNH and Deere presentations

More in detail, from a geographical perspective:

- **North America is expected to be down high-single digit**, although construction spending remains supported by large multiyear projects and government-related infrastructure investments;
- **Europe is stabilizing and OEMs revised upwards FY market expectations;**

VOLVO – 2025 CONSTRUCTION MARKET OUTLOOK



Source: Company website as of 1Q25

For more details see also Appendix 2.

APPENDIX 1: AGRICULTURAL MARKET OVERVIEW

■ 2025 AG MARKET OUTLOOK TRIMMED FURTHER BUT SENTIMENT IS STABILIZING

1. AGCO (based on 2Q25 results on July 31st) highlighted:

• 2025 AG market outlook:

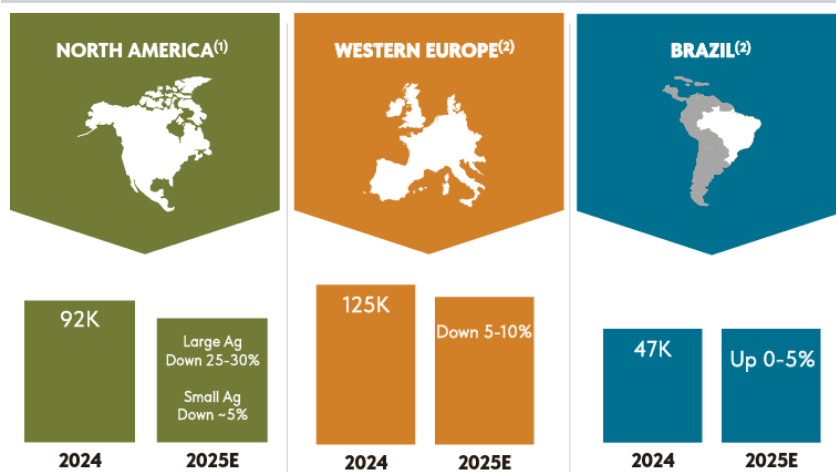
○ North America: farmer sentiment remains cautious as:

- **Uncertainty remains elevated** “Although government aid is expected to support higher net farm income, tight margins persist due to elevated input costs and reduced export demand. The uncertainty for farmers on several fronts has continued to weigh on the willingness to update their equipment”;
- **Inventories are still high:** “dealer inventory units declined approximately 10% from 1Q25, driven by significant production cuts. However, inventory remains elevated at around nine months of supply, above our six-month target, given the lower outlook”; therefore, production hours are expected to decline by 50% YoY in 3Q25 and 4Q25;
- **Industry retail tractor sales declined** by 13% YoY and combines down 33% year-over-year in 1H25, improving from 1Q25 (-14% and -46%, respectively);
- High-horsepower tractors is the weakest segment: “Ongoing uncertainty around grain export demand and elevated input costs are expected to continue weighing on industry demand throughout 2025, especially for larger equipment”;

○ Western Europe: despite market outlook revision, the region is stabilizing, and sentiment is improving:

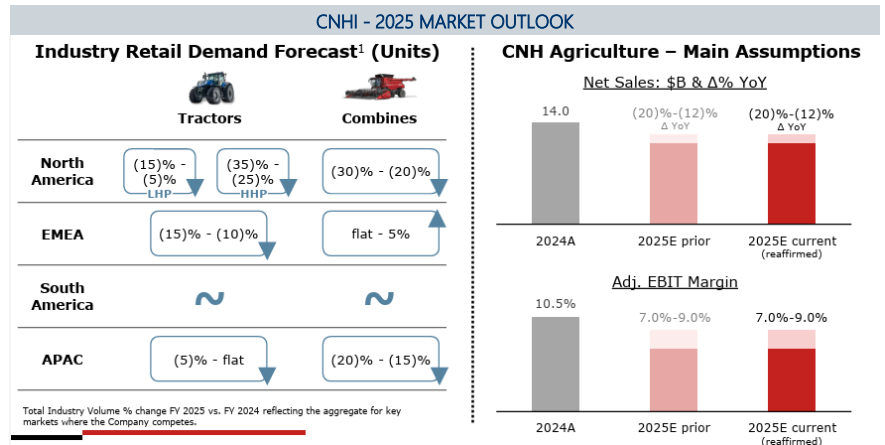
- **Outlook has been revised downward as** “Persistent rainfall and unfavorable growing conditions have continued to weigh on wheat production across key markets. Combined with lower commodity prices and elevated input costs, this is putting further pressure on farm income and leading us to revise our outlook”
 - **Sentiment is improving** “it has been moving more positive for much of the past year. Granted, that improvement trend has paused in the last two months. As AGCO’s largest and most critical region, Europe continues to provide better demand stability”
 - “In Europe, dealer inventory remains just under four months of supply in line with our target”
 - **Industry tractor sales declined by 12% and combines down 8% year-over-year in 1H25**, improving from -17% and -34%, respectively, on 1Q25.
- Brazil: Industry tractor sales increased 6%, while combines fell 9% year-over-year in 1H25. Smaller tractors are driving growth, but “erratic weather and lower prices have made farmers more cautious... many choosing to maintain existing equipment rather than invest in new high-horsepower machinery.”

AGCO - 2025 MARKET OUTLOOK



Source AGCO 2Q25 company presentation

2. **CNH** (released on 1st August 2025) provided similar messages:
- **2025 AG market outlook was confirmed in North America while on Europe CNH has revised downwards the tractors and upwards the combines** (South America unchanged):
 - **In North America** low horsepower tractors are expected to be down by -15/-5% YoY (confirmed), high horsepower tractors by -35/-25% (confirmed) and combines by -30/-20% (confirmed);
 - **In Europe tractors** are seen down by -15/-10% (vs prev. -10/-5%) while combines are expected to be flat/+5% (vs prev. flat);
 - **In APAC**, tractor forecasts were confirmed at -5%/0% while combines deteriorated to -20/-15% (vs prev. -10/-5%).



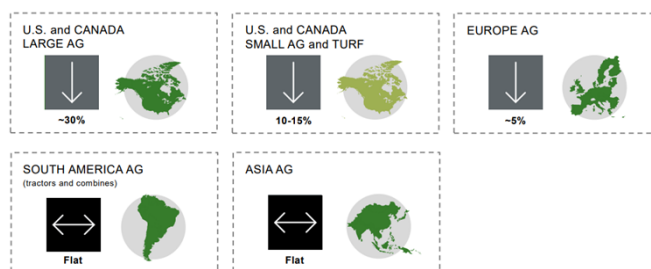
Source: CNHI 2Q25 company presentation

3. **John Deere** (on May 15th when it issued 2Q25 results ending in April):
- **Broadly confirmed the previous forecast for the 2025 AG market** (issued on 21st November 2024), **except Small AG in North America (-10/-15% YoY vs prev. -10%) due to softening demand in the turf and compact utility tractor segments**:
 - **US & Canada** region is seen negative, with **Large AG -30% and Small AG -12.5%**, due to "higher interest rates, macro uncertainty, and elevated used inventory levels";
 - **Europe -5%**;
 - **Pointed out that farmers' environment is improving**:
 - **In North America**: "nearly 75% of the \$10 billion in direct US government payments under the Emergency Commodity Assistance Program have been distributed, providing American farmers with liquidity following a challenging 2024-2025 crop year". However, the tariffs environment and high interest rates keep adding on uncertainties;
 - **In Europe**: "sentiment in the region is trending higher given strong dairy and livestock margins and an improving arable outlook. Stabilized commodity prices and input costs, along with improving interest rate environment, should provide more planning certainty despite the low average yields in key markets";
 - **Lowered the FY25 (FY ends in October) company's outlook of AG divisions, primarily due to tariffs**:
 - Production and Precision division (large and mid-size tractors, combines, etc.): revenues -15% YoY, and margins at 15.5-17% vs prev. 16-17%;
 - Small Ag and Turf (compact utility tractors, rotary mowers, etc.): revenues -15/-10% YoY vs prev. -10%, and margins at 11.5-13.5% vs prev. 13-14%.

DEERE – FY25 AGRO INDUSTRY OUTLOOK

Ag and Turf

Industry Outlook (in units) – FY 2025

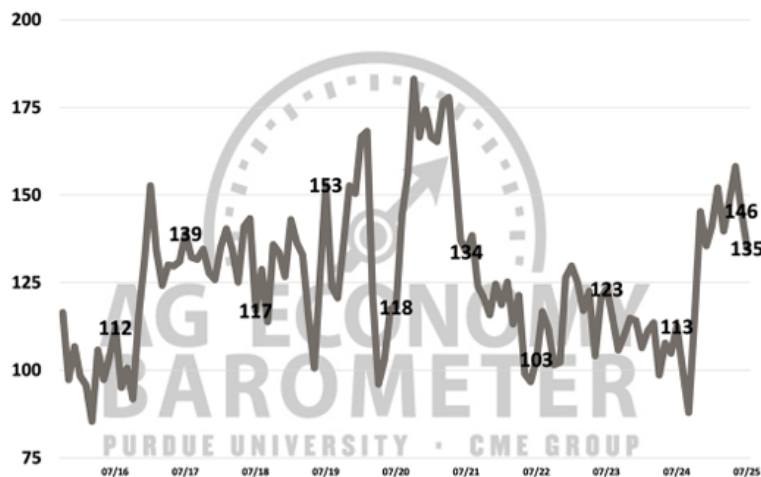


Source: John Deere presentation as of 2Q25

■ LATEST AG SURVEYS SHOW SOME FARMERS' OPTIMISM

- **U.S. farmer sentiment** (measured by the Purdue University) **is at the highest level since 2021, despite it declined by 11 points in June to 135**. The drop was driven by weaker farm income expectations, despite producers were more optimistic about U.S. agricultural trade prospects in July compared to June;

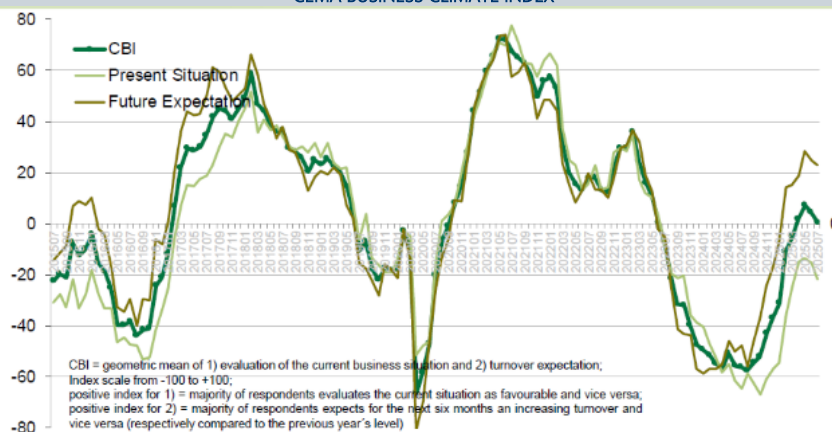
PURDUE UNIVERSITY: US AG ECONOMY BAROMETER



Source: Purdue University Center for Commercial Agriculture, Producer Survey, June 2025

- **The European agricultural machinery business climate index**, measured by CEMA, is almost positive and **at the highest level of the last 3 years, despite the slowdown in July (from +4 to 0 points)**. The decline was driven mainly by weaker sentiment in arable equipment, transportation, and components. Confidence remains subdued in France and Germany, while Spain, Poland, and the UK show stronger outlooks; dealer inventories, previously at record highs, have now fallen below the three-year average.

CEMA BUSINESS CLIMATE INDEX

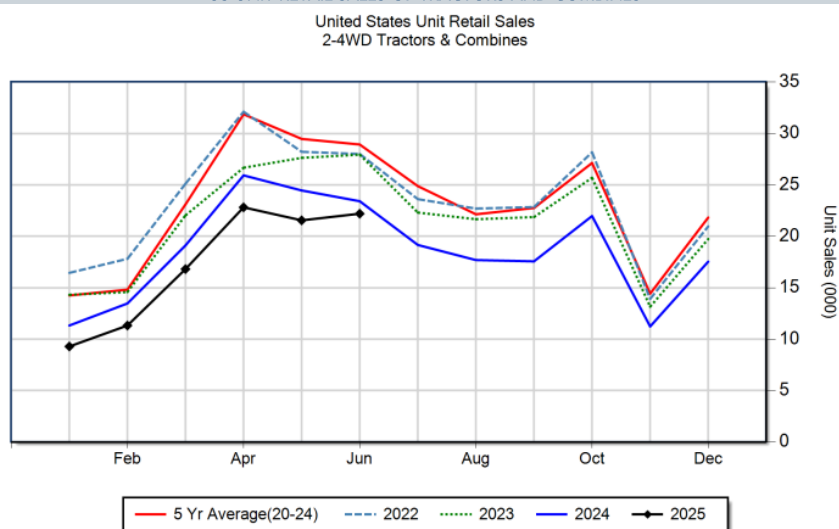


Source: CEMA Business Barometer July 2025

■ US AG RETAIL SALES ARE STILL DECLINING DOUBLE DIGIT

The U.S. primary market for agricultural machinery in June (Association of Equipment Manufacturers report) remained weak, with >100 hp tractor retail sales down **29% YoY (-26% YTD)** and combine sales falling **44% YoY (-43% YTD)**.

US UNIT RETAIL SALES OF TRACTORS AND COMBINES



Source: AEM

The US secondary market for agricultural machinery in June recorded:

- **Auction values:** a flat to down SSD YoY trend, with used >100 HP tractors and combines flat/ -2.7% MoM, respectively;
- **Inventories levels:** the downward trend continue, the 100-174 HP tractor had the most significant impact, with inventory -4.87% MoM and -10.31% YoY and combines -2.7% MoM and -6.5% YoY.

SANDHILLS EQUIPMENT VALUE INDEX: US USED TRACTOR MARKET >100hp

Sandhills Equipment Value Index : US Used Tractor Market Tractors 100 HP or Greater



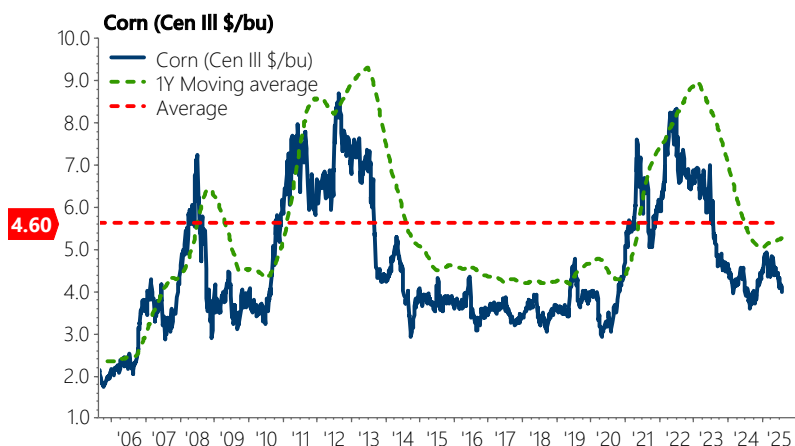
Source: Sandhills Global

■ MAIN AG COMMODITIES PRICES ARE STABILIZING

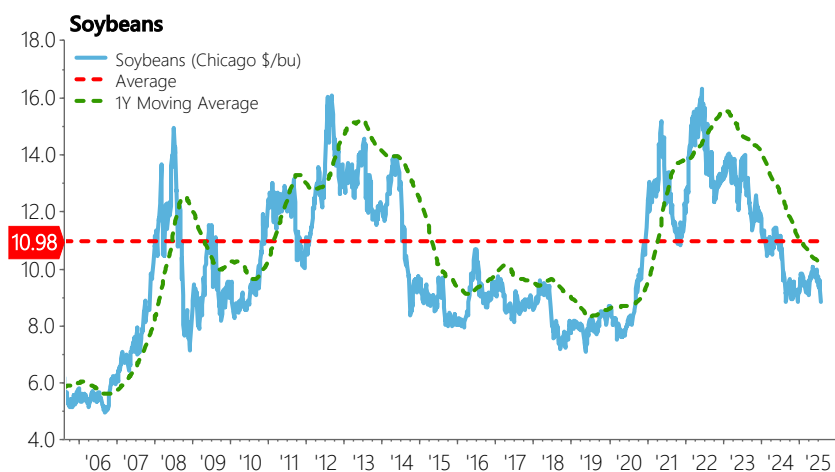
Main AG commodities remain below or near the last 20-year average; this implies farmers' potentially lower revenues and profits, causing lower capex in the next few years. However, in the past few months they stabilized and slightly rebounded, **leaving room for a bit of optimism.**

MAIN AGRICULTURAL COMMODITY PRICES (\$/bu)

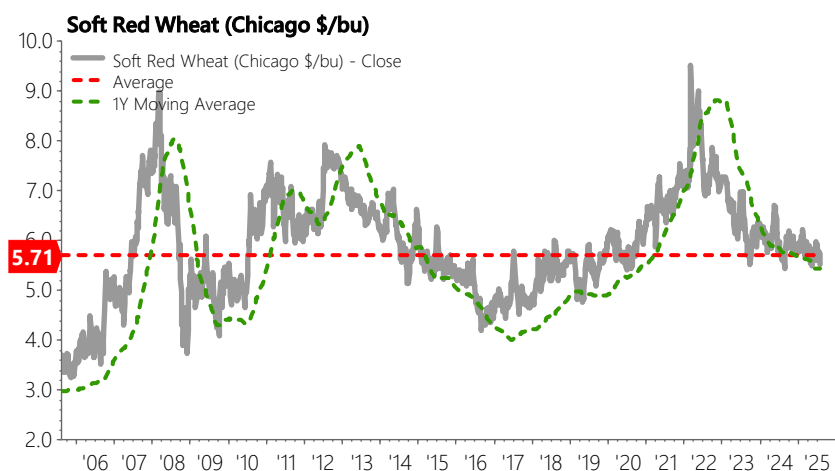
Corn



Soybeans



Soft Red Wheat



Source: Equita SIM on Factset data

APPENDIX 2: CONSTRUCTION MARKET OVERVIEW

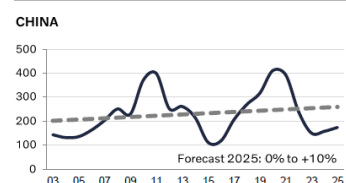
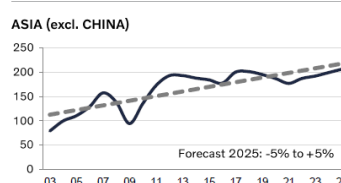
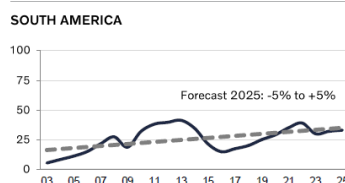
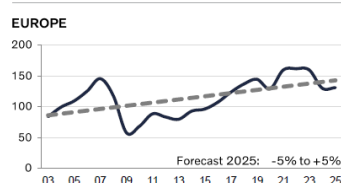
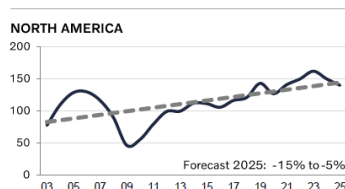
The forecasts of the main OEMs point to a stabilization of the market:

1. **Volvo** (on July 7th, when it issued 2Q25 results):
 - **confirmed its 2025 construction market forecasts for Europe (-5%/+5%) and North America (-15%/-5%), while raising the China outlook to +5%/+15%** (from 0%/+10%).

Main messages from the conference call:

- Europe: "Market environment broadly unchanged with stable demand and solid order coverage";
- North America: "Customers remain in a wait-and-see mode and fleets are being repositioned";
- South America: "Demand remains healthy in agriculture and mining, while other segments are softer";
- China: "Government stimulus is supporting demand, particularly for compact machines";

VOLVO – 2025 CONSTRUCTION MARKET OUTLOOK



Source: Company website as of 2Q25

2. **CNH improved 2025 market forecasts** (released on August 1st, when it issued 2Q25 results) **for the light segment in North America** (Light segment to -10%/0% vs prev. -15%/-5%; Heavy confirmed at -15%/-5%) **and for both segments in EMEA** (Light to -5%/0% vs prev. -10%/-5%; Heavy to 0%/+5% vs prev. -5%/0%), **and China** (Light to -5%/0% vs prev. -10%/-5%; Heavy to 0%/+5% vs prev. -5%/0%).

CNH: 2025 CONSTRUCTION MARKET OUTLOOK

Industry Retail Demand Forecast¹ (Units)

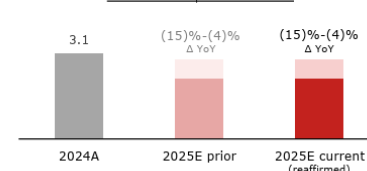
	Light	Heavy
North America	(10)% - flat	(15)% - (5)%
EMEA	(5)% - flat	flat - 5%
South America	flat - 5%	(5)% - flat
APAC	(5)% - flat	flat - 5%

Total Industry Volume % change FY 2025 vs. FY 2024 reflecting the aggregate for key markets where the Company competes.

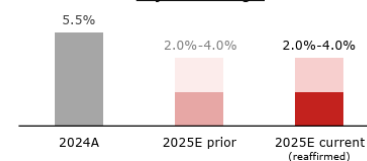
Source: CNH presentation

CNH Construction – Main Assumptions

Net Sales: \$B & Δ% YoY



Adj. EBIT Margin



3. **Caterpillar** (on August 5th, when it issued 2Q25 results) improved slightly the outlook ex-tariffs:

- **Pre-tariff scenario:** FY25 revenues slightly higher than 2024, better than previous expectations of about flat YoY;

Main messages from the conference call:

- **Construction industries** (i.e. machinery in infrastructure and building construction)
 - **In North America** "... sales to users were 3% higher than the prior year and better than anticipated due to growth in both residential and non-residential construction, partially offset by lower rental fleet loading. Despite lower rental fleet loading, dealer rental revenue continued to grow in the quarter";
 - **In EMEA**, "sales to users increased, primarily due to growth in Africa and the Middle East. However, overall growth in the region was below expectations due to weakness in Europe";
 - **In China** "sales were about flat versus the prior year; however, activity in the second quarter was below expectations following a stronger-than-expected first quarter";
- **Resource Industries** "although most key commodities remain above investment thresholds, declining coal prices have caused an increase in the number of parked trucks. As a result, slightly lower rebuild activity is expected throughout the second half of the year. Overall, customer product utilization remains high, and the age of the fleet remains elevated".

CATERPILLAR: 2025 OUTLOOK

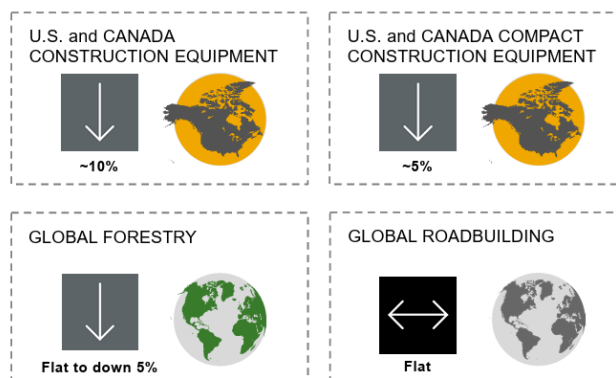
- 2025 full-year sales and revenues slightly higher as compared to 2024, an improvement versus previous expectations of about flat
- 2025 full-year services revenues¹ about flat as compared to 2024, slightly lower than our previous expectations
- 2025 net incremental tariffs² around \$1.3B to \$1.5B
- Excluding the net impact of incremental tariffs², 2025 full-year adjusted operating profit margin³ in the top half of the annual target range⁴
- Including the net impact of incremental tariffs², 2025 full-year adjusted operating profit margin³ in the bottom half of the annual target range⁴
- 2025 full-year ME&T free cash flow⁵ around the middle of the annual target range⁴

Source: Caterpillar 2Q25 results presentation

4. **John Deere confirmed its 2025 market forecasts** (on May 15th when it issued 2Q25 results ending in April) which envisages:

- A **negative construction equipment market** in **the U.S. and Canada**, with overall demand down by **10%**, and **compact construction equipment** down by **5%**;
- A **slightly negative** outlook for **Forestry** (-5% to 0%) and a **stable** global **roadbuilding market**.

EERE – FY25 CONSTRUCTION AND FORESTRY INDUSTRY OUTLOOK



Source: company presentation

STATEMENT OF RISKS FOR COMER INDUSTRIES

The primary elements that **could have a negative impact include:**

- Significant worsening in the reference macroeconomic scenario
- Significant reference markets volumes slowdown
- AG commodity prices decline
- Price pressure coming from main OEMs customers and/or competitors
- NWC absorption due to inventory increase and/or higher RM prices
- Value destroying M&A deals
- Exposure to forex volatility
- Unsuccessful integration of Nabtesco's Newco

P&L - €mn	2022	2023	2024	2025E	2026E	2027E
SALES Rep	1,237	1,224	942	886	1,229	1,301
Growth	106.8%	-1.1%	-23.0%	-6.0%	38.7%	5.9%
EBITDA Rep	180	205	158	143	178	192
Growth	132.0%	13.9%	-23.2%	-9.2%	24.5%	8.1%
Margin	14.6%	16.7%	16.7%	16.1%	14.5%	14.8%
D&A	54.2	63.2	58.2	59.9	71.1	70.3
EBIT Rep	126	142	99.3	83.1	107	122
Growth	123.8%	12.8%	-30.0%	-16.4%	28.7%	14.3%
Margin	10.2%	11.6%	10.5%	9.4%	8.7%	9.4%
Financial Expenses	-2.6	-15.3	-6.6	-5.0	-3.5	-1.0
PBT Rep	123	127	92.8	78.1	103	121
Growth	127.2%	2.7%	-26.7%	-15.8%	32.4%	17.2%
Income Taxes	-34.2	-35.1	-25.5	-21.4	-27.8	-32.5
Tax rate	27.8%	27.8%	27.5%	27.5%	26.9%	26.8%
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0
Net Income Rep	89.0	91.4	67.2	56.6	75.6	88.7
Growth	129.3%	2.8%	-26.5%	-15.8%	33.4%	17.3%
Margin	7.2%	7.5%	7.1%	6.4%	6.2%	6.8%
Net Income Adj	101	108	81.3	70.7	89.0	102
Growth	149.9%	6.5%	-24.4%	-13.0%	25.8%	14.4%
Margin	8.2%	8.8%	8.6%	8.0%	7.2%	7.8%
CF Statement	2022	2023	2024	2025E	2026E	2027E
FFO	145	157	117	117	127	136
Chg. in Working Capital	-51.1	20.7	47.7	-14.4	-25.9	-11.7
NCF from Operations	93.9	178	164	102	101	124
CAPEX	-33.9	-40.7	-49.9	-40.0	-52.7	-55.7
Financial Investments	-0.2	-50.1	0.0	0.0	0.0	0.0
NCF from Investments	-34.1	-90.8	-49.9	-40.0	-52.7	-55.7
Dividends paid	-14.3	-21.5	-35.8	-22.9	-22.9	-25.8
Capital Increases	0.0	0.0	0.0	0.0	0.0	0.0
Other changes in financing	-17.3	-11.5	-42.1	-125	19.4	22.7
CHG IN NFP	28.1	54.1	36.4	-85.8	45.0	65.6

Source: Company data and Equita SIM estimates

INFORMATION PURSUANT TO EU REGULATION 2016/958 supplementing Regulation EU 596/2014 (c.d. MAR)

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In the past EQUITA SIM has published studies on Comer Industries

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RECOMMENDATION/RATING	Low Risk	Medium Risk	High Risk
BUY	ETR >= 10%	ETR >= 15%	ETR >= 20%
HOLD	-5% <ETR< 10%	-5% <ETR< 15%	0% <ETR< 20%
REDUCE	ETR <= -5%	ETR <= -5%	ETR <= 0%

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Date	Rec.	Target Price	Risk.	Comment
August 1, 2025	Buy	40.00	High	worse risk/reward profile
April 22, 2025	Hold	32.00	High	worse risk/reward profile
March 20, 2025	Buy	32.50	High	-
February 28, 2025	Buy	34.00	High	-
November 27, 2024	Buy	35.00	High	-
August 29, 2024	Buy	37.00	High	-
August 5, 2024	Buy	37.00	High	-

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(art. 6, par. 3 Delegated Regulation (EU) 2016/958 of 09 March 2016)

	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	53.7%	60.0%
HOLD	43.0%	34.3%
REDUCE	1.3%	2.9%
NOT RATED	2.0%	2.9%

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