

COMER INDUSTRIES

Change in Recommendation

HOLD ord. (Prev.:Buy)

Target: **€ 32.00** (Prev.: €32.50)

Risk: High

STOCKDATA		ORD		
Price (as of 16 Apr 2025)		28.9		
Bloomberg Code		COM IM		
Market Cap (€ mn)		829		
Free Float		12%		
Shares Out (mn)		28.7		
52 week Range		€ 25.5 - 35.3		
Daily Volume		4,326		
Performance (%)	1M	3M	1Y	
Absolute	3.2	-3.3	-15.0	
Rel to FTSE Italia All-Share	10.5	-4.0	-21.0	
MAIN METRICS		2024	2025E	2026E
SALES Adj		942	886	957
EBITDA Adj		158	133	156
EBIT Adj		120	93.2	117
NET INCOME Adj		81.3	62.0	82.4
EPS Adj - €c		284	216	287
DPS Ord - €c		80.0	80.0	90.0
MULTIPLES		2024	2025E	2026E
P/E ord Adj		10.9x	13.4x	10.1x
EV/EBITDA Adj		6.0x	6.5x	5.3x
EV/EBIT Adj		7.9x	9.2x	7.1x
REMUNERATION		2024	2025E	2026E
Div. Yield ord (A)		2.5%	2.8%	3.1%
FCF Yield Adj		8.2%	6.7%	6.6%
INDEBTEDNESS		2024	2025E	2026E
NFP Adj		-58.4	-31.2	0.7
D/Ebitda Adj		0.4x	0.2x	n.m.

PRICE ORD LAST 365 DAYS



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MARKET VOLUMES STILL WEAK. TARIFF WAR LOWERS VISIBILITY

In spite of the very weak reference market volumes, 2H24 operating performance once again highlighted the business model resilience (even if adjusted for the one-off related to a property asset capital gain). 1H25 environment remains weak and 2H is still cloudy affected by the macroeconomic uncertainty coming from the tariff war. Only because of this volatile environment we downgrade to HOLD

- **4Q24 results slightly better than expected (especially FCF) despite lower sales ...**
 - **Revenues** -27% YoY to €198mn attributable to the decline in volumes (vs exp. €214mn):
 - **Agricultural** division -26% YoY to €113mn affected by sector weakness;
 - **Industrial** division -28% YoY to €86mn still penalized by the macroeconomic trend and the challenging comparison base (in 4Q23 it recorded +16%);
 - **EBITDA** -28% YoY to €33.2mn vs exp. €34.3mn;
 - **Net debt** at €58mn, significantly better (€85mn), despite €5mn higher capex, due to better NWC (higher DPO) and €11mn cash-in for the sale of a US plant not included in our estimates. **Adj. FCF €+74mn** (excluding €13.5mn one-off cash-out for the LTI plan),
 - **DPS** €0.8 (2.8% yield – payment date May 19th) vs expected €0.75.

- **... also thanks to a one off related to a property capital gain**
FY24 EBITDA margin was stable YoY at a very healthy 16.7%, or 15.9% if adjusted for the sale of the plant located in North Carolina for €11mn that in 4Q generated a **€8.9mn capital gain**, included both in the top-line and at the EBITDA level (or 14.5% in 2H24 and 12.3% in 4Q24 representing a slow entry speed in 2025).

- **Farmers sentiment rebounded but tariffs spread uncertainty**
While the market is expected to remain weak in 2025, especially in 1H25 where AEM data suggests US tractor and combines 1Q25 retail sales to be down by 15% and 57% YoY, **we believe the year could approach the bottom of the cycle, as:**
 - we estimate FY25 North American HHP tractor and combine retail sales will hit a level not seen since 2003 (we estimate they account for <20% of COM sales);
 - US farmers' and EU AG manufacturer sentiment surveys (Purdue University and CEMA) recently improved around the peak over the past four years.

However, **the recently started tariff war lowers the visibility** of the reference market volumes, more in general of GDP trend and the sentiment survey reliability.

- **Able to pass-through US tariffs, but market volumes are at risk**
 In FY24 COM generated 23% of sales in the US through its recently expanded plant in Illinois and a commercial subsidiary. However, it **relies on finished products, or components to be assembled mainly coming from outside the US** (EU ~60%, China ~20%, and India ~10%) thus subject to the US tariffs effective since April 2nd. We believe **COM is well positioned to pass-through tariffs leveraging on its leadership**, being very often the sole supplier. However, it is **difficult to figure out the indirect effects** on potentially lower market volumes, main customers perhaps asking for sharing of the additional costs and side effects on NWC.

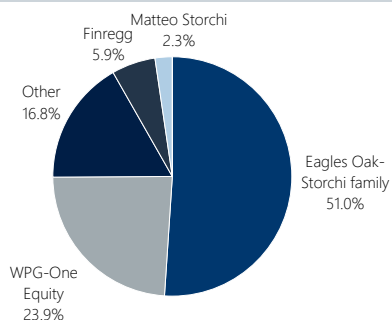
- **We trim our estimates because of weaker market volumes**
 Following the recent macro events, **we reduce our FY25-26 estimates because of lower market volumes** (on avg. EBITDA -4%, adj. net profit -8% and FCF €-4mn) despite sales almost unchanged factoring in the higher prices for the US tariffs pass-through. **Our estimates do not include any potential upside** from the **German €500bn infrastructure plan** and an eventual ceasefire in Ukraine (one of the most important corn producers), which may materialize from FY26.

- **High quality, but downgrade to HOLD for lower market visibility**
The equity story positive features are always valid: operating margins above the sector avg., solid financial structure (2025 debt-free ex-IFRS 16), FCF conversion >50% (typical for assemblers) and firepower >€400mn for new M&A leveraging on its positive track record. However, **we downgrade to HOLD because of the sector's short-term negative news flow and the ongoing tariff war fueling macroeconomic uncertainty.** As a result of lower estimates, our **DFCF-based target price goes down by 2% to €32PS.**

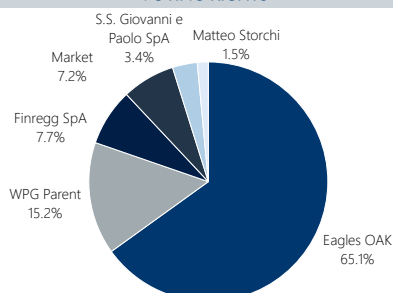
MAIN FIGURES - EURmn	2022	2023	2024	2025E	2026E	2027E
SALES Adj	1,237	1,224	942	886	957	1,005
Growth	106.8%	-1.1%	-23.0%	-6.0%	8.0%	5.0%
EBITDA Adj	180	205	158	133	156	166
Growth	138.1%	13.9%	-23.2%	-15.6%	17.4%	6.3%
EBIT Adj	143	165	120	93.2	117	128
Growth	151.4%	15.3%	-27.4%	-22.1%	26.0%	9.4%
PBT Adj	123	127	92.8	66.0	94.2	108
Growth	127.2%	2.7%	-26.7%	-28.9%	42.9%	14.8%
Net Income Adj	101	108	81.3	62.0	82.4	92.4
Growth	149.9%	6.5%	-24.4%	-23.7%	32.8%	12.2%
MARGIN - %	2022	2023	2024	2025E	2026E	2027E
EBITDA Adj Margin	14.6%	16.7%	16.7%	15.0%	16.3%	16.5%
Ebit Adj margin	11.5%	13.5%	12.7%	10.5%	12.3%	12.8%
Pbt Adj margin	10.0%	10.3%	9.8%	7.4%	9.8%	10.8%
Net Income Adj margin	8.2%	8.8%	8.6%	7.0%	8.6%	9.2%
SHARE DATA	2022	2023	2024	2025E	2026E	2027E
EPS Adj - €c	352	375	284	216	287	322
Growth	83.7%	6.5%	-24.4%	-23.7%	32.8%	12.2%
DPS ord(A) - €c	75.0	125	80.0	80.0	90.0	100.0
BVPS	15.5	17.7	19.0	19.8	21.4	23.3
VARIOUS	2022	2023	2024	2025E	2026E	2027E
Capital Employed	535	553	566	563	577	568
FCF	60.0	163	60.5	55.2	54.8	86.9
CAPEX	33.9	40.7	49.9	40.0	35.0	37.0
Working capital	254	234	186	198	236	248
INDEBTNESS	2022	2023	2024	2025E	2026E	2027E
Nfp Adj	-149	-94.8	-58.4	-31.2	0.7	61.8
D/E Adj	0.34	0.19	0.11	0.05	n.m.	n.m.
Debt / EBITDA Adj	0.8x	0.5x	0.4x	0.2x	n.m.	n.m.
MARKET RATIOS	2022	2023	2024	2025E	2026E	2027E
P/E Ord Adj	8.2x	7.8x	10.9x	13.4x	10.1x	9.0x
PBV	1.7x	1.7x	1.7x	1.5x	1.3x	1.2x
EV FIGURES	2022	2023	2024	2025E	2026E	2027E
EV/Sales	0.8x	0.8x	1.0x	1.0x	0.9x	0.8x
EV/EBITDA Adj	5.4x	4.6x	6.0x	6.5x	5.3x	4.6x
EV/EBIT Adj	6.8x	5.7x	7.9x	9.2x	7.1x	6.0x
EV/CE	1.8x	1.7x	1.7x	1.5x	1.4x	1.3x
REMUNERATION	2022	2023	2024	2025E	2026E	2027E
Div. Yield ord	2.8%	4.1%	2.5%	2.8%	3.1%	3.5%
FCF Yield Adj	7.8%	18.8%	8.2%	6.7%	6.6%	10.5%
Roce Adj	18.5%	19.3%	12.9%	9.4%	12.4%	13.7%

Source: Company data and Equita SIM estimates

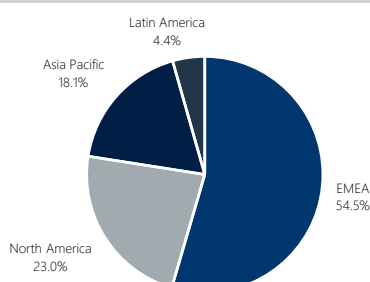
SHAREHOLDERS



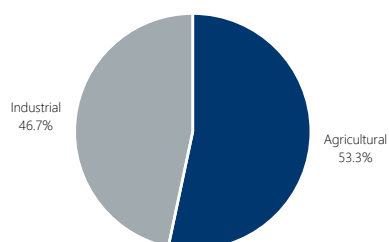
VOTING RIGHTS



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

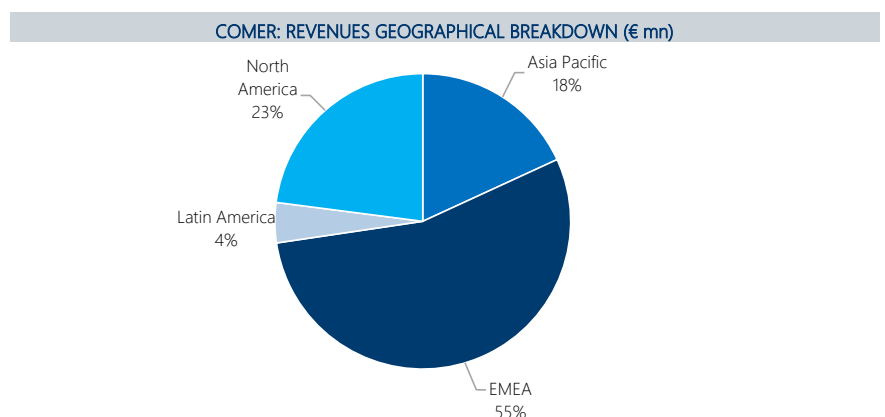
FY24 RESULTS SLIGHTLY BETTER (ESPECIALLY FCF) DESPITE LOWER SALES

COMER: FY24 RESULTS vs EXPECTATIONS (€ mn)					
Group/€ mn	2024E	%	2024	%	Delta
Revenues	958.3	100.0	942.4	100.0	-2%
Change	-22%		-23%		
Adj. EBITDA	158.6	16.6	157.5	16.7	-1%
Change	-23%		-23%		
EBITDA	158.6	16.6	157.5	16.7	-1%
Change	-23%		-23%		
Adj. EBIT	117.8	12.3	119.5	12.7	1%
Change	-28%		-27%		
EBIT	97.6	10.2	99.3	10.5	2%
Change	-32%		-31%		
Pre-tax profit	88.6	9.2	92.8	9.8	5%
Change	-31%		-28%		
Net Income	63.8	6.7	67.2	7.1	5%
Change	-32%		-29%		
Adj. Net Income	78.3	8.2	81.3	8.6	4%
Change	-27%		-24%		
NFP (incl. IFRS-16)	(85.4)		(58.4)		27.0
NFP (ex-IFRS 16)	(44.5)		(21.4)		23.1

Source: Equita SIM estimates and company data

US TARIFFS PASSED-THROUGH, BUT CONSEQUENCES TO BE DOUBLE CHECKED

COM generates about 23% of its sales in North America, entirely in the US.



Source: Equita SIM estimates

As far as US tariffs are concerned, while COM could benefit from its **local production footprint** (leveraging on the manufacturing plant located in Rockford - Illinois) ...

COMER – GLOBAL FOOTPRINT



Source: Company presentation

... **it is exposed to tariffs** since **most of the finished products** (which are marketed in the US) **and components** (which are assembled in the US) are **imported from abroad** (we estimate ~60% from Europe, ~20% from China, ~10% from India and the balance from US local providers).

Based on the current available information (changing almost on a daily basis), assuming tariffs:

- at 10% on European and Indian products and 100% on Chinese imports
- applied to an import price equal to 60% of the selling price

in order to offset the impact of the duties (all other things being equal), **Comer would need to THEORETICALLY increase prices in the US by around 16%** (pro-forma for 12 months), of which three quarters attributable to the triple digit duty on Chinese imports (for which, so far, we ignore the possibility that they may be quickly substituted by alternative providers). Here below we present the sensitivity to different transfer prices and Chinese tariffs.

COMER: THEORETICAL AVERAGE PRICE INCREASE IN THE US NEEDED TO OFFSET TARIFFS*

		Tariffs on Chinese imports				
		55%	78%	100%	123%	145%
Transfer price	50%	9%	11%	14%	16%	18%
	55%	10%	12%	15%	17%	20%
	60%	11%	14%	16%	19%	22%
	65%	12%	15%	18%	20%	23%
	70%	13%	16%	19%	22%	25%

Source: Equita SIM estimates (* based on the current environment), subject to new changes

We believe **COM is well positioned to pass-through this cost leveraging on**

- its market leadership, being the sole supplier of critical components for the vast majority of its business
- the absence of alternative US-based competitors
- the long product homologation process requiring at least 18 months.

It is difficult to predict if the most important customers may ask to share these additional costs and even more difficult **to figure out the indirect effects** in terms of the

- potentially lower market volumes considering the price inflation
- likely negative impact on GDP growth (widespread on multiple industrial sectors)
- side effects on NWC, i.e. likely FCF absorption because of higher purchasing prices causing higher average inventory level
- potential issues for the supply chain.

These effects are **not factored in the market outlooks provided by the most important AG and CE players** which we recap in the following paragraph.

2025 AG MARKET STILL NEGATIVE, ALTHOUGH SENTIMENT IS IMPROVING

While the AG market is expected to remain weak in FY25 (main OEM's 2025 outlook points to a double-digit decline in US large equipment - for more details see also in Appendix 1), **especially in 1H25** (AEM data suggests US tractor and combines retail sales to be down by 15% and 57% YoY in 1Q25) ...

2025 AG MARKET VOLUMES: MOST IMPORTANT OEM CUSTOMERS OUTLOOK

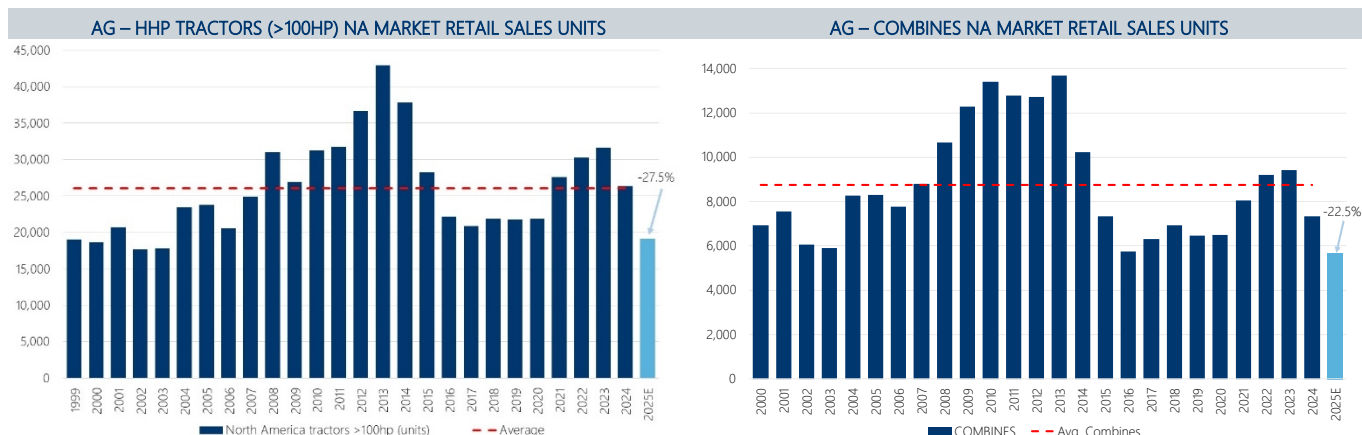
		North America		EMEA	South America	Asia
		Large	Small			
Deere		-30.0%	-10.0%	-7.5%	Flat	down slightly
AGCO*		-25.0%	-2.5%	-2.5%	Flat	
CNH*	HHP	-27.5%		-2.50%	Flat	-2.50%
	LHP		-7.5%			
	Combines	-22.5%		2.50%	Flat	-7.50%
Average		-26%	-7%	-3%	Flat	-5%

* guidance mid-point

Source: Volvo, CNH and Deere presentations

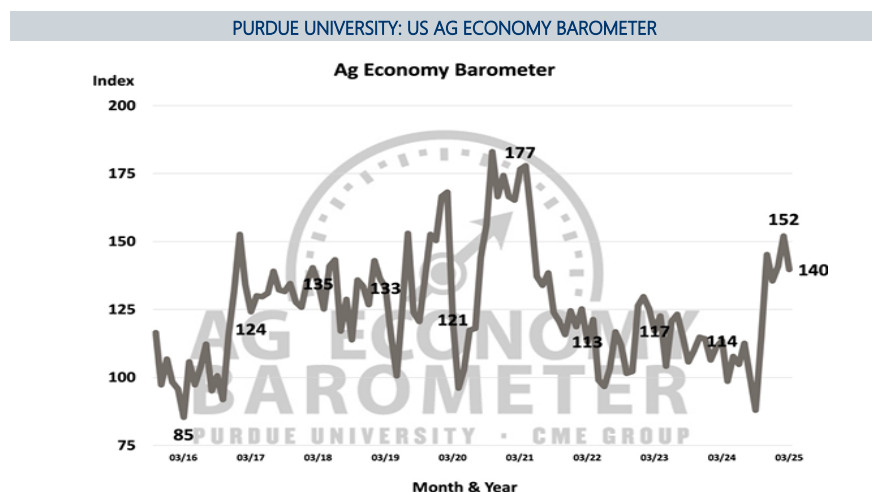
... we believe the year could mark the bottom of the cycle, as:

- **2025 North American HHP tractor and combine retail sales will hit the lowest level since 2003** (we estimate large AG machines account for less than 20% of COM sales);



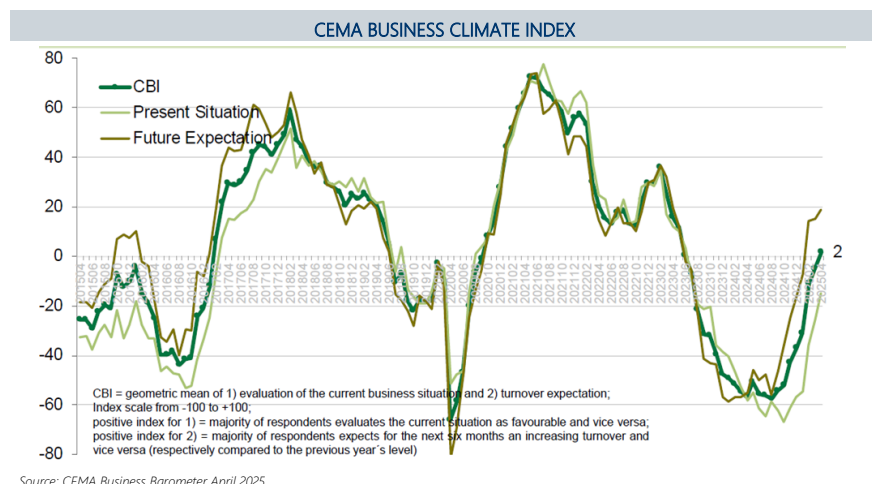
Source: AEM data and Equita SIM Estimates

- **the US farmers' sentiment**, as measured by Purdue University, despite the correction in March, **is close to the peak of the past four years**, thanks to higher crop prices and expectations of a more favorable policy environment following Trump's election;



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

- **the European agricultural machinery producers sentiment**, measured by CEMA, in **April rebounded** to +2 (around breakeven on a +/-100 scale), driven by improved turnover expectations for the next six months.



Source: CEMA Business Barometer April 2025

2025 CONSTRUCTION MARKET TO BE FLAT/SLIGHTLY NEGATIVE

The first projections from major OEM manufacturers indicate a broadly flat to slightly negative construction and industrial market in 2025 (more details in appendix 2).

CONSTRUCTION/INDUSTRIAL MARKET: 2025 VOLUMES OUTLOOK

		North America	Europe	South America	APAC	Global Roadbuilding	Global Forestry
Volvo*		-5%	0%	0%	0%		
CNH*		-8%	-3%	3%	-3%		
Deere	Construction Equipment	-10%				-2.5%	Flat
	Compact Construction Equipment	-5%					
Average		-7%	-1%	1%	-1%	-2.5%	Flat

* mid-point of the guidance

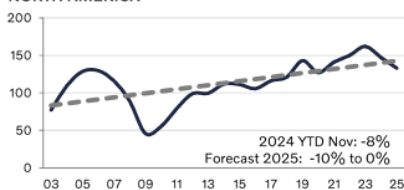
Source: Volvo, CNH and Deere presentations

From a geographical perspective:

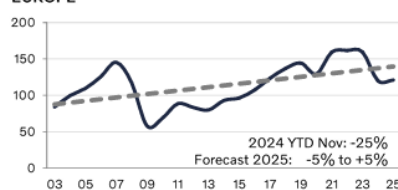
- **North America is expected to be mid-single digit down**, although construction spending remains supported by large multiyear projects and government-related infrastructure investments;
- **Europe continues to show signs of a downward correction**, but the market appears to be stabilizing, as dealers and consumers are beginning to show positive signals.

VOLVO – 2025 CONSTRUCTION MARKET OUTLOOK

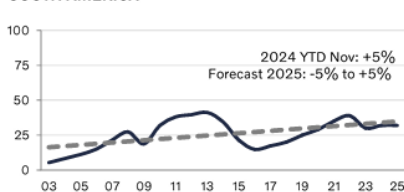
NORTH AMERICA



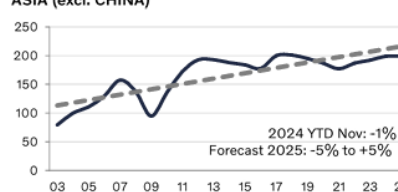
EUROPE



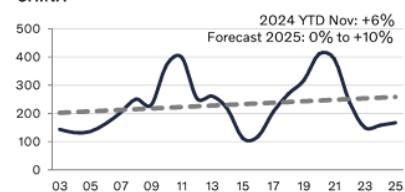
SOUTH AMERICA



ASIA (excl. CHINA)



CHINA



Source: Company website

UKRAINE: A POTENTIAL POSITIVE CATALYST IN CASE OF A CEASEFIRE

As already highlighted in the last notes, in case of peace in Ukraine, the new investments to rebuild the AG machinery fleet and the investment in the construction sector will be tangible (very likely helped by international financing). However, **negotiations still seem not close to a positive finalization.**

In 2023/24 **Ukraine was one of the main producers of corn and wheat** (7th and 9th worldwide, respectively), with exports making up about 15% of corn and 8% of wheat on the global market.

LARGEST CORN PRODUCING COUNTRIES - 2023/24 (as of March 2024)

Rank	Country	Area Harvested	Yield	Production	Exports	Domestic Consumption
1	United States	35,011	11.1	389,694	53,342	316,372
2	China	44,218	6.5	288,842	20	306,000
3	Brazil	21,900	5.7	124,000	52,000	78,500
4	European Union	8,280	7.3	60,100	4,200	77,900
5	Argentina	7,000	8.0	56,000	42,000	14,100
6	India	10,400	3.4	35,500	1,800	34,400
7	Ukraine	3,800	7.8	29,500	24,500	5,000
8	Mexico	6,100	3.9	24,000	50	46,600
9	Russia	2,400	6.9	16,600	5,300	11,200
10	South Africa	3,000	5.2	15,500	2,900	12,900
11	Canada	1,519	9.9	15,076	1,800	16,000
12	Indonesia	4,000	3.2	12,900	2	14,100
13	Nigeria	5,700	2.1	12,000	50	12,700
14	Pakistan	1,650	6.4	10,500	1,500	9,000
15	Ethiopia	2,560	4.1	10,400	-	10,300
	World	202,868	6.1	1,230,241	202,266	1,199,452
	Top 15 as % of World	78%	NM	89%	94%	80%

Source: USDA, as of March 2024 (Marketing year - thousands of hectares, tons per hectare, and thousands of metric tons)

LARGEST WHEAT PRODUCING COUNTRIES - 2023/24 (as of March 2024)

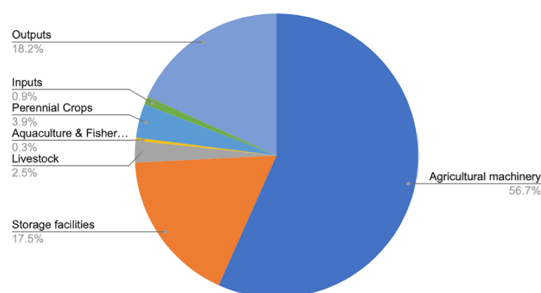
Rank	Country	Area Harvested	Yield	Production	Exports	Domestic Consumption
1	China	23,627	5.8	136,590	900	153,500
2	European Union	24,220	5.5	133,650	36,500	111,500
3	India	31,401	3.5	110,554	300	111,004
4	Russia	28,830	3.2	91,500	51,000	43,000
5	United States	15,084	3.3	49,314	19,323	31,134
6	Canada	10,683	3.0	31,954	24,000	8,700
7	Pakistan	8,860	3.2	28,000	500	30,000
8	Australia	12,500	2.1	26,000	20,000	7,000
9	Ukraine	5,050	4.6	23,400	16,000	7,700
10	Turkey	7,200	2.7	19,500	9,300	20,900
11	Argentina	5,600	2.8	15,900	10,500	6,700
12	Iran	6,200	2.3	14,000	200	17,800
13	United Kingdom	1,725	8.1	14,000	800	15,500
14	Kazakhstan	13,130	0.9	12,111	10,000	6,250
15	Egypt	1,350	6.6	8,870	600	20,600
	World	222,749	3.5	786,701	212,132	798,054
	Top 15 as % of World	88%	NM	91%	94%	74%

Source: USDA, as of March 2024 (Marketing year - thousands of hectares, tons per hectare, and thousands of metric tons)

However, **the ongoing conflict with Russia heavily affected the Ukrainian agricultural sector**, with a reduction in production in the period 2018-24E of about 17% for corn and 6% for wheat (and exports down by 16% and 3%), against an estimated global growth of 12% for corn and 8% for wheat.

BREAKDOWN OF \$10.3BN AGRICULTURAL DAMAGES

Figure 1 Breakdown of damages by category



Source: Kyiv School of Economics

According to the Kyiv School of Economics dated February 2024, **the total damage caused to the Ukrainian agricultural sector amounts to ca. \$80bn** (as of end-2023) of which:

- \$70bn related to lower production, lower output prices, and higher input costs
- \$10.3bn related to agricultural damages, i.e. destruction/damage to agricultural assets. Of this total, 57% (about \$5.8bn) stems from the destruction of over 181k agricultural machines (about 18k tractors destroyed and 5.6k damaged, with an estimated replacement value of \$1.6bn for tractors alone).

FY25 QUALITATIVE GUIDANCE

On March 19th, when FY24 results were issued, **management guided for FY25:**

- **declining sales** of which
 - AG (53% of revenues) down YoY in line with the outlook of its main customers (we estimate a double-digits decline) partially offset by the start of new projects;
 - Industrial (47%) stable or slightly down
- **slightly lower EBITDA margin YoY** which in FY24 was 16.7%, or 15.9% if adjusted for the one-off property capital gain.

At that time, starting from these indications, **we derived FY25**

- **sales down around mid-single digits** leading us to estimate €886mn (-6% YoY drop)
- **EBITDA down double digit**, or margin -120bps: in absolute value -9% vs our previous expectation, leading us to estimate €138mn (-13% YoY).

CHANGE IN FY25-26E ESTIMATES

We trim our 2025-26 estimates solely due to fine tuning on slightly lower reference market volumes assumptions, mainly in the AG division: on average adj. EBITDA -4%, adj. net income-8% and FCF -€4mn, while leaving sales almost unchanged (on avg. -0.5%) because of the above-mentioned price increase implemented starting from April/May in order to offset US tariffs.

COMER: CHANGE IN FY25-26 ESTIMATES (€ mn)											
Group/€ mn	2025E	%	2025E	%	Delta	2026E	%	2026E	%	Delta	Change
Revenues	890.6	100.0	885.9	100.0	-1%	961.8	100.0	956.7	100.0	-1%	-0.5%
Change	-6%		-6%			8%		8%			
Adj. EBITDA	137.6	15.5	132.9	15.0	-3%	162.1	16.9	155.9	16.3	-4%	-3.6%
Change	-13%		-16%			18%		17%			
EBITDA	137.6	15.5	132.9	15.0	-3%	162.1	16.9	155.9	16.3	-4%	-3.6%
Change	-13%		-16%			18%		17%			
Adj. EBIT	100.2	11.3	93.2	10.5	-7%	125.8	13.1	117.4	12.3	-7%	-6.9%
Change	-16%		-22%			26%		26%			
EBIT	80.0	9.0	73.0	8.2	-9%	105.6	11.0	97.2	10.2	-8%	-8.4%
Change	-19%		-27%			32%		33%			
Pre-tax profit	74.5	8.4	66.0	7.4	-11%	104.1	10.8	94.2	9.8	-10%	-10.5%
Change	-20%		-29%			40%		43%			
Net Income	54.0	6.1	47.8	5.4	-11%	75.5	7.9	68.4	7.1	-10%	-10.5%
Change	-20%		-29%			40%		43%			
Adj. Net Income	68.2	7.7	62.0	7.0	-9%	89.5	9.3	82.4	8.6	-8%	-8.5%
Change	-16%		-24%			31%		33%			
FCF	59.1		55.2		-7%	59.5		54.8		-8%	-7.2%
NFP (incl. IFRS-16)	(27.3)		(31.2)		-3.9	9.2		0.7		-8.5	-6.2

Source: Equita SIM estimates

As a double check we report the change in FY25E estimates YTD and the FY25E YoY change of some key items of the **most important customers in the AG/CE sector**, which **are not far from our COM updated figures**.

MAIN AG/CE PLAYERS/CUSTOMERS FY25E ESTIMATES REVISION AND YOY

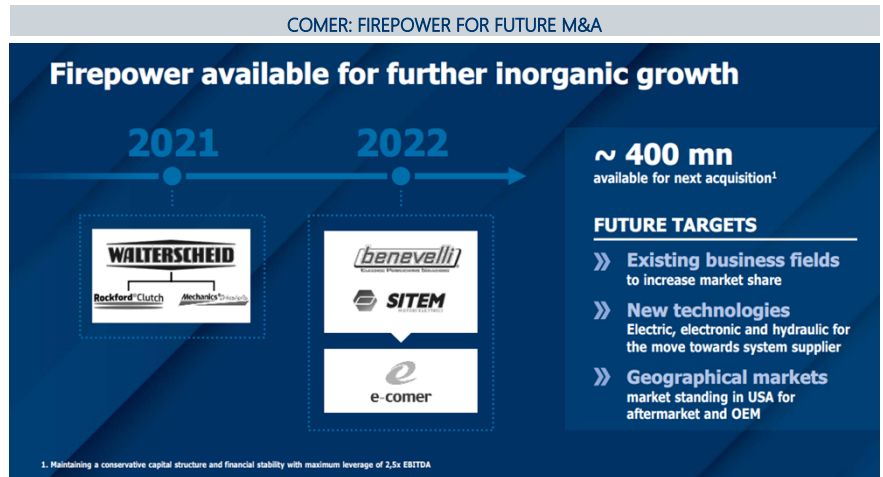
YTD REVISION	YTD STOCK PERF.	2025 ESTIMATES REVISIONS YTD			FY25 YOY CHANGE		
		Revenues	EBITDA	EPS	Revenues	EBITDA	EPS
Agco Corp	-10%	-6%	-10%	-24%	-19%	-28%	-47%
Caterpillar Inc	-19%	-4%	-11%	-10%	-2%	-11%	-9%
Cnh Industrial Nv	2%	-8%	-21%	-25%	-14%	-32%	-35%
Deere & Co	9%	-3%	-7%	-4%	-15%	-30%	-26%
Average	-5%	-5%	-12%	-15%	-13%	-26%	-30%
COMER	-9%	-10%	-20%	-28%	-6%	-16%	-29%

Source: Equita SIM and Factset consensus estimates

FIREPOWER FOR NEW ACQUISITIONS ALWAYS AT €400MN

In spite of weak market volumes, FY24 FCF remained solid (€60.5mn or €64mn excluding the €13.5mn one-off cost for LTI plans). We confirm our expectations of COMER **debt free ex-FRS 16 at the end of FY25**.

The **asset light business model** (being an assembler with fixed costs that account for less than ~30% of total, capex to sales ratio ~3.5% and NWC on sales expected to go back to the 20-22% range) leaves **sizable firepower** available for new acquisitions basically unchanged: we estimate **ca. €400mn**, in line with company indications.



Source: Company presentation (January 2025)

In the past few months, CEO Matteo Storch pointed out that **the company is working on new potential acquisitions**: "... we are currently looking at four or five companies. Valuations are more accessible, the cost of capital is decreasing, and there are good opportunities" (source: Corriere Economia dated October 28th). **We believe the current weak reference markets may increase the likelihood for M&A.**

On November 25th, **Dana announced it put its Off-Highway division up for sale** (including off-highway and motor systems in FY24 generating \$2.8bn sales and \$419mn EBITDA). While we rule out this division to be a suitable potential target for COM due to its much larger size, we believe **COM** could potentially pursue the acquisition of some pieces, if the opportunity arises.

We believe M&A could be a positive catalyst given the successful track record with WPG, from which we estimate synergies of at least €30-40mn and more to come thanks to the North American reorganization.

VALUATION -2% TO €32PS

After revising our estimates, we trim our DCF-based target price by 2% to €32PS (with 8.3% WACC and 1.5% g factor). At target price the stock would trade at 2025E/26E adj. PE of ~15/11x, EV/EBITDA of ~7/6x, EV/adj. EBIT of ~13/9x (excluding pension liabilities) and FCF yield of ~6/6%.

COMER: DFCF ANALYSIS (€ mn)								
Assumptions			2025E	2026E	2027E	2028E	2029E	Beyond
g	1.5%	Sales	886	957	1,005	1,035	1,066	1,081
WACC	8.3%	Change %	-6.0%	8.0%	5.0%	3.0%	3.0%	1.5%
		EBITDA	133	156	166	166	171	128
		Change %	-15.6%	17.4%	6.3%	-0.1%	3.0%	-25.2%
		Margin	15.0	16.3	16.5	16.0	16.0	11.8
		D&A	-60	-59	-58	-56	-55	-19
		EBIT	73	97	108	109	115	108
		Change %	-26.5%	33.3%	11.3%	0.9%	5.6%	-6.2%
		Margin	8.2	10.2	10.8	10.5	10.8	10.0
		Taxes	-20	-27	-30	-30	-32	-30
		EBIT after Tax	53	71	78	79	84	78
		Change %	-26.5%	33.3%	11.3%	0.9%	5.6%	-6.2%
Valuation								
NPV of Free Cash Flows	326	Capex	-40	-35	-37	-38	-38	-19
NPV of Terminal Value	789	(increase) decrease in WC	-13	-37	-12	-7	-8	-4
Estimated Enterprise Value	1,115	Free Cash Flow before minorities	60	57	87	91	93	74
2024 NFP	-58	FCF Minorities	0	0	0	0	0	0
Adjustment to NFP	-136	Free Cash Flow after minorities	60	57	87	91	93	74
Equity	921							
Peripherals & other	1							
Total Equity	922							
# of shares	28.7							
		Discount Factor	1.00	1.08	1.17	1.27	1.38	1.38
Target Price	32	PV of FCF	60	53	74	72	68	54

Source: Equita SIM estimates

COMER: DFCF SENSITIVITY (€ PS)				
		WACC		
		8.8%	8.3%	7.8%
g	1.0%	28	30	33
	1.5%	30	32	35
	2.0%	32	34	38

Source: Equita SIM estimates

We still 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), **thus prevailing on market multiples** (a valuation method that we only use to draw qualitative indications).

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
- Nabtesco despite having less than 50% of comparable sales and generating the bulk of its business in Asia

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

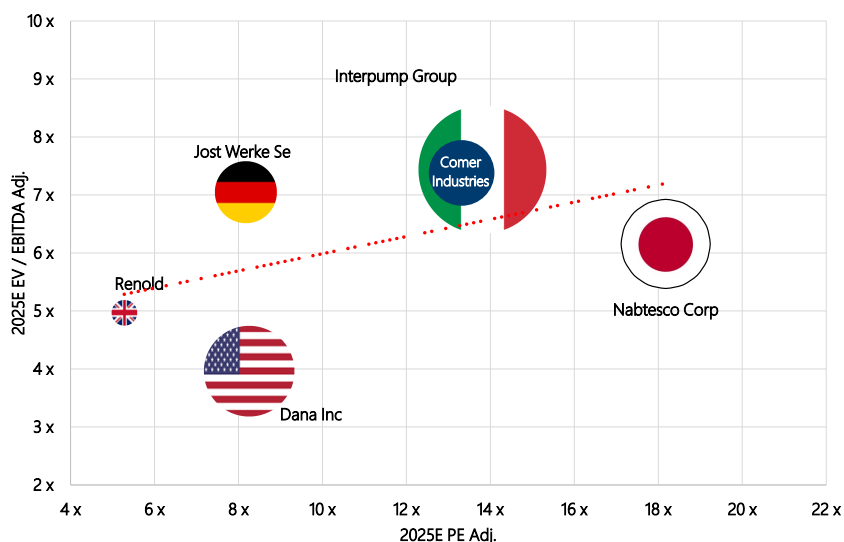
It is worth underlying that **on average these stocks suffered a significant multiples derating since the beginning of the year** with the only exception of Jost Werke which benefited from the acquisition of Hida (announced on Feb-3rd 2025 for \$398mn, adding 35% of sales to its perimeter) and Renold (however less meaningful being a very illiquid stock). On average, excluding Renold and Jost the multiples derating has been double digit: EV/EBITDA and EV/EBIT within the low teens, while PE over 20%.

MAIN COMPARABLES: 2025E ESTIMATES RERATING / DERATING

	as of Jan-1* 2025			as of today			Multiples rerating/(derating)		
	EV/EBITDA	EV/EBIT	P/E	EV/EBITDA	EV/EBIT	P/E	EV/EBITDA	EV/EBIT	P/E
Dana Inc	4.3 x	8.7 x	11.4 x	4.0 x	7.6 x	8.3 x	-7%	-13%	-28%
Nabtesco Corp	6.8 x	12.7 x	25.2 x	6.2 x	11.4 x	18.2 x	-9%	-10%	-28%
Interpump Group	9.7 x	12.9 x	18.3 x	7.4 x	10.3 x	13.8 x	-23%	-20%	-24%
Jost Werke Se	5.8 x	7.6 x	7.9 x	7.0 x	10.1 x	8.2 x	22%	34%	4%
Renold	5.1 x	7.0 x	5.3 x	5.0 x	6.8 x	5.3 x	-3%	-3%	0%
Average	6.3 x	9.8 x	13.6x	5.9 x	9.2 x	10.7 x	-4%	-2%	-15%
Avg. ex-Renold and ex-Jost	6.9 x	11.4 x	18.3 x	5.9 x	9.8 x	13.4 x	-13%	-14%	-27%

Source: Equita SIM and Factset consensus estimates (EV multiples including pension liabilities)

COMPARABLES COMPANIES: 2025E EV/EBITDA and PE *

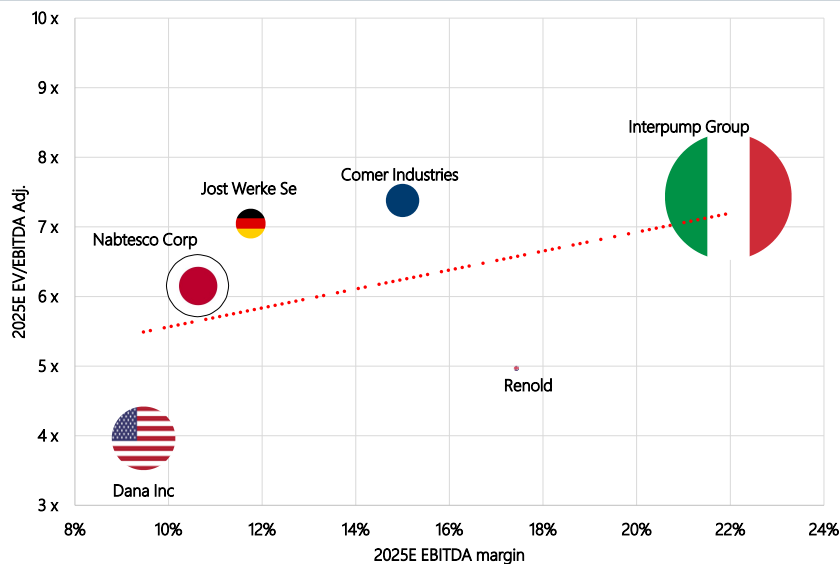


* Dana under US Gaap

Bubble size represents market cap – EV multiples include pension liabilities

Source: Equita SIM and FactSet consensus estimates (as of April 16* 2025)

COMPARABLES COMPANIES: 2025E EV/EBITDA and EBITDA MARGIN *



* Dana under US Gaap

Bubble size represents market cap – EV multiples include pension liabilities

Source: Equita SIM and FactSet consensus estimates (as of April 16* 2025)

By simply applying the 2025E average multiples of the two peer groups (i.e. only the two real competitors and a wider panel) **we get lower valuations than our DFCF**.

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, stronger financial structure (except Nabtesco having net cash) and M&A track record, but the **low stock liquidity and the private equity flowback risk, have a detrimental impact**.

COM: 2025E MULTIPLES COMPARISON *

	Direct competitors (1)	Wider panel (2)	
EV/EBITDA	5.1x	5.9x	
EV/EBIT	9.6x	9.3x	
P/E	13.4x	10.8x	
EQUITY VALUE (€ mn)			Average
EV/EBITDA	533	641	587
EV/EBIT	745	717	731
P/E	830	669	749
Average	703	675	689
VALUE PER SHARE (€)			Average
EV/EBITDA	18.6	22.4	20.5
EV/EBIT	26.0	25.0	25.5
P/E	28.9	23.3	26.1
Average	24.5	23.6	24.0

* EV multiples including pension liabilities (1) only including Dana and Nabtesco (2) also including Interpump, Jost 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 the downward revision in estimates, justified by its higher profitability and a long-term brilliant track record although FY24 results were worse than expected (see also our note #57 dated February 17th 2025, in which we downgraded the stock to HOLD);
- **micro-cap Renold** (just ca. €0.1bn market cap) trading at much lower multiples than the average.

APPENDIX 1: AGRICULTURAL MARKET OVERVIEW

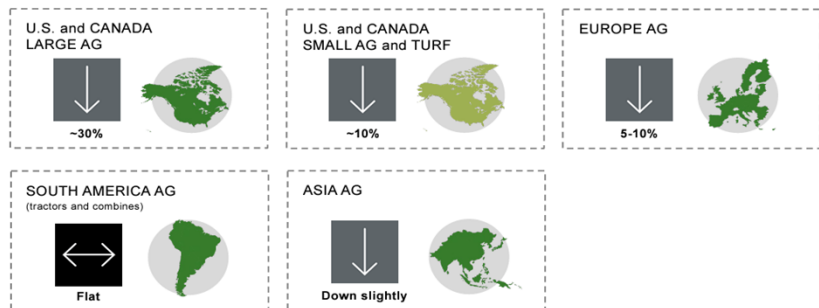
■ MAIN OEMs 2025 OUTLOOK SHOWING FURTHER WEAKNESS

1. **John Deere** (on February 13th when it issued 1Q24 results ending in January):
 - **Confirmed the previous forecast for the 2025 AG market** (issued on 21st November 2024):
 - **US & Canada** region is seen negative, with **Large AG -30% and Small AG -10%**, due to "higher interest rates, macro uncertainty, and elevated used inventory levels";
 - **Europe -5/-10%;**
 - **Pointed out that farmers' environment is improving:**
 - **In North America:** USDA projected 2025 net cash farm income to be up by 22% YoY thanks to "significant government support expected for farmers this year";
 - **In Europe: "Farm fundamentals have stabilized,** albeit down, with less volatile commodity prices and stronger dairy margins offsetting macro uncertainty. Additionally, in Central and Eastern Europe, reduced pressure from Ukrainian grain imports is supporting better than expected farm net incomes";

DEERE – FY25 AGRO INDUSTRY OUTLOOK

Ag and Turf

Industry Outlook (in units) – FY 2025



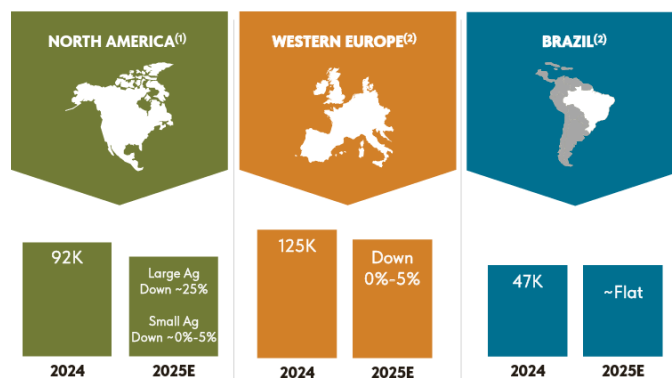
Source: John Deere presentation

- **Confirmed the FY25 company's outlook** (FY ends in October) **of AG divisions, which is expected to be negative:**
 - Production and Precision division (large and mid-size tractors, combines, etc.): revenues -15% YoY, and margins expected at 16-17% from 21.7% in FY24;
 - Small Ag and Turf (compact utility tractors, rotary mowers, etc.): revenues -10% YoY, and margins expected at 13-14% from 14.8% in FY24.
2. **AGCO** (when reported 4Q24 results on February 6th) highlighted:
 - **A weaker than expected 4Q24** with:
 - Revenues below Bloomberg consensus expectations (\$2.89bn vs \$3.15bn);
 - FY24 production hours down by 28% YoY vs -25% forecasted as of 5th November 2024 (when issuing 9M24 results) "as sales in the quarter were below our expectations";
 - **A still negative 2025 AG market** (in line with forecasts released on January 3rd, during an interview with Bloomberg Open Interest):
 - **In North America, volumes are expected to decline by 0/-5% for Small AG and by -25% for Large AG** as "Farmers are delaying equipment purchases due to higher interest rates and tighter profit margins";
 - **In Western Europe, registrations are expected to be down by -5%/0%** as "Yields for grain and oilseeds remain below historical averages, due to droughts in some areas and excessive rain in others. Input costs for things like fertilizer and pest management remain high, further straining profitability";
 - **Brazil** is seen flat 2025 because "Farmer optimism around weather and positive progression of planting for soybeans and corn is expected to support retail demand for tractors";

- **Dealer inventory levels remain elevated especially in North America** “we are still approximately nine months of supply versus our six months target. The current environment will result in significantly lower production levels at least for the first half of 2025”;
- **But 2025 is expected to mark the bottom of the cycle as farmer sentiment is improving:**
 - “We expect the bottom of the cycle to occur in 2025” as
 - “...recent sentiment surveys and many of our recent interactions with farmers show a sense of cautious optimism”;
 - “Recent positive news around the stocks-to-use ratios and commodity price rallies have improved farmers expectations about future profitability”;

AGCO - 2025 MARKET OUTLOOK

Regional Market Outlook – Industry Unit Tractor Sales



⁽¹⁾ Excludes compact tractors
⁽²⁾ Amounts based on Company estimates
 Source: AGCO 4Q24 company presentation

3. **CNH** (released on 4th February 2025) provided similar messages:

- **Weak 4Q24**, with industrial revenues of \$4.13bn (-31% YoY), falling short of the \$4.29bn Bloomberg consensus estimate, partly due to channel inventory reductions;
- **2025 AG market is seen weak in both North America and Europe:**
 - **In North America** low horse power tractors are expected to be down by -10/-5%, high horse power tractors by -30/-25% and combines by -25/-20%;
 - **In Europe tractors** are seen down by -5%/flat while combines flat/+5%;
 - **In South America** tractors and combines are expected to be flat;
 - **Inventory levels require more underproductions** compared to retail demand “we continue to work proactively with our AG dealers to reduce the inventory levels”.

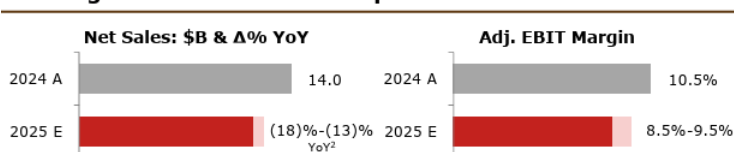
CNH - 2025 MARKET OUTLOOK

Total Industry Unit Forecast¹

	North America	EMEA	South America	APAC
LHP Tractors	(10)% – (5)%	(5)% – flat	flat	(5)% – flat
HHP Tractors	(30)% – (25)%			
Combines	(25)% – (20)%	flat – 5%	flat	(10)% – (5)%

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

CNH Agriculture – Main Assumptions

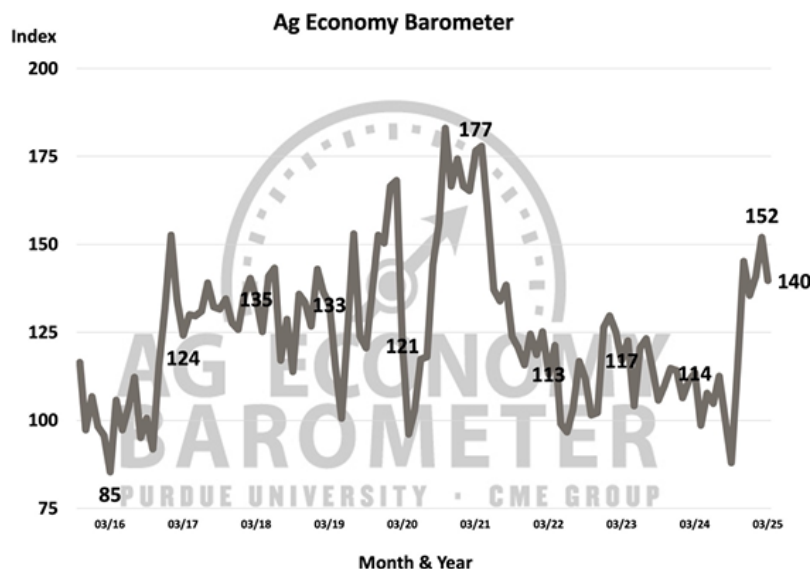


Source: CNHI 4Q24 company presentation

■ LATEST AG SURVEYS SHOW SOME FARMERS' SENTIMENT IMPROVEMENT

- **The latest report from the Purdue University/CME Group Ag Economy Barometer** indicates that US farmer sentiment declined in March, dropping by 12 points to 140, however remaining around its highest levels in the past four years. The overall producer sentiment index was affected by lower crop prices and concerns about the future of agricultural trade and farm policy;

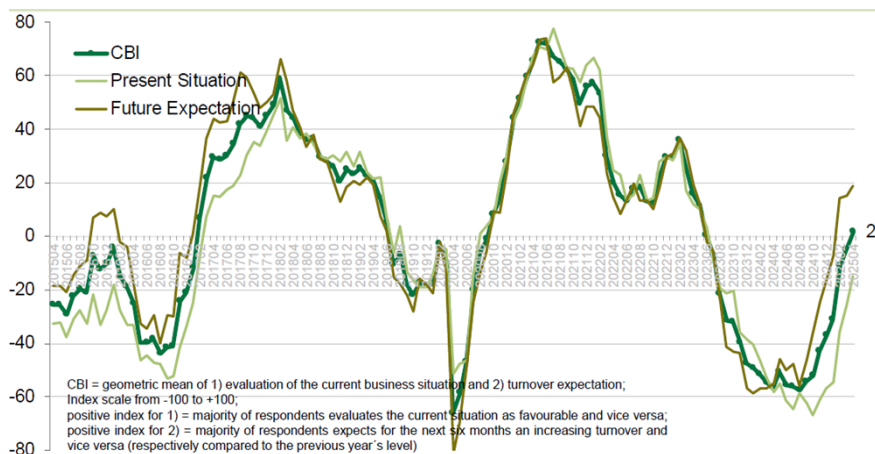
PURDUE UNIVERSITY: US AG ECONOMY BAROMETER



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

- **In Europe, CEMA's April business climate index** (measuring the business sentiment of the agricultural machinery industry in Europe) rose by 7 points to +2 (on a scale of +/- 100 where negative values indicate a recessionary environment), **driven by improved expectations of the current business.** The index is at the highest level of the last two years and it is now around breakeven;

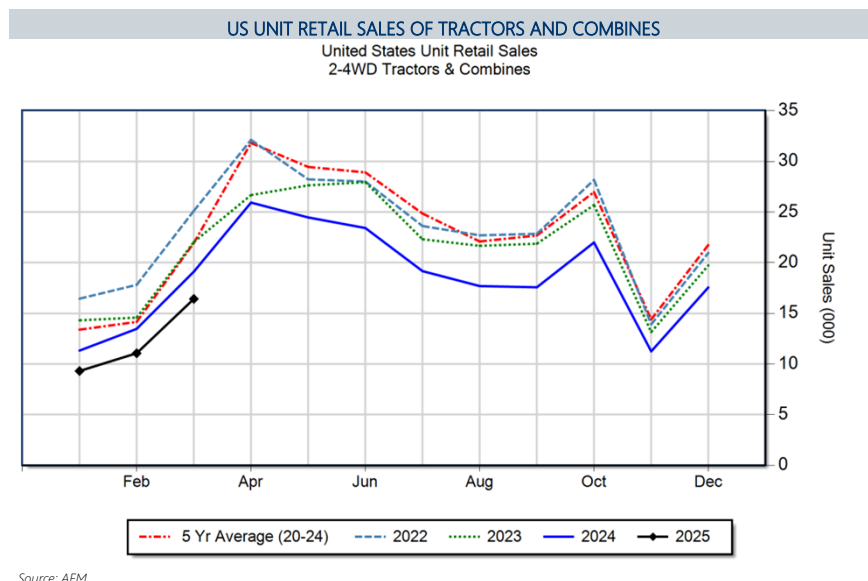
CEMA BUSINESS CLIMATE INDEX



Source: CEMA Business Barometer (April 2025)

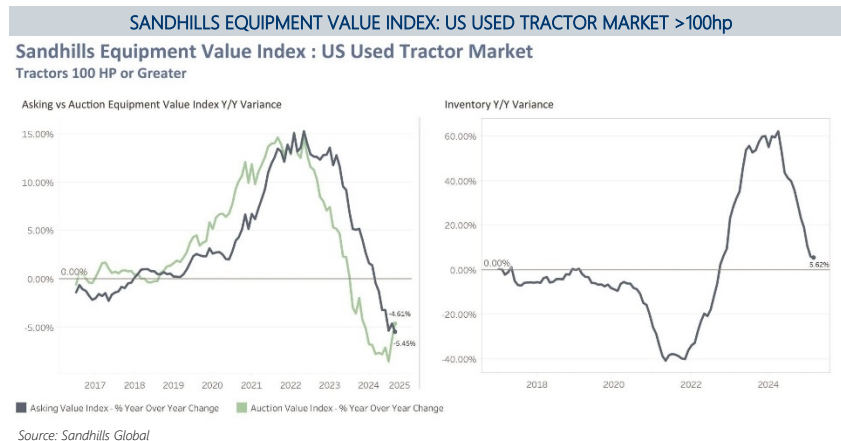
■ US AG RETAIL SALES ARE STILL DECLINING DOUBLE DIGIT

The **US tractor and combine unit retail sales** in March (source: Association of Equipment Manufacturers report) continue to show a sharp decline YoY. >100hp tractors retail sales declined by 19% YoY (vs -22% in February and YTD) and combines retail sales were down by 38% (vs -48% in February and -57% YTD);



The **US secondary market for agricultural machinery** continued to show a trend toward stabilization in March, with

- **auction values stabilizing/slightly rising MoM**, with used >100hp tractors and combines respectively up +0.3%/down -0.1% MoM (although tractors are still down by -5.5% YoY, whilst combines remain +0.8% YoY)
- **slightly higher inventories** for >100hp tractors (i.e., +1.7% MoM and +5.6% YoY) and combines (i.e., up by 0.7% MoM but -5.7% YoY);

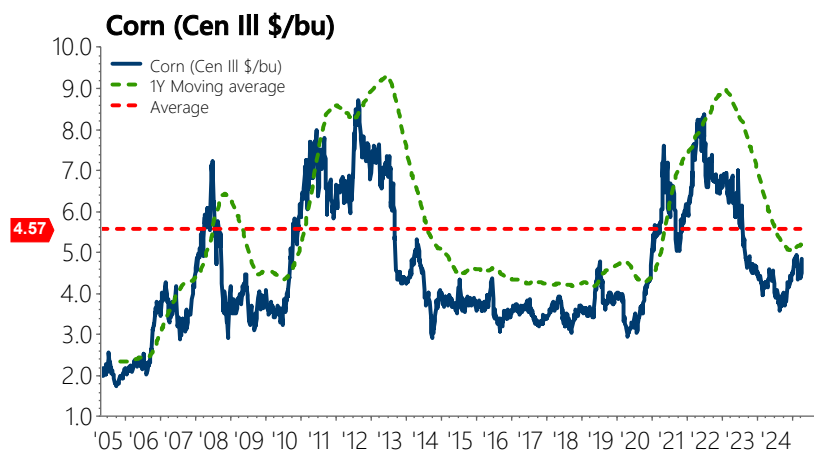


■ MAIN AG COMMODITIES PRICES ARE STABILIZING

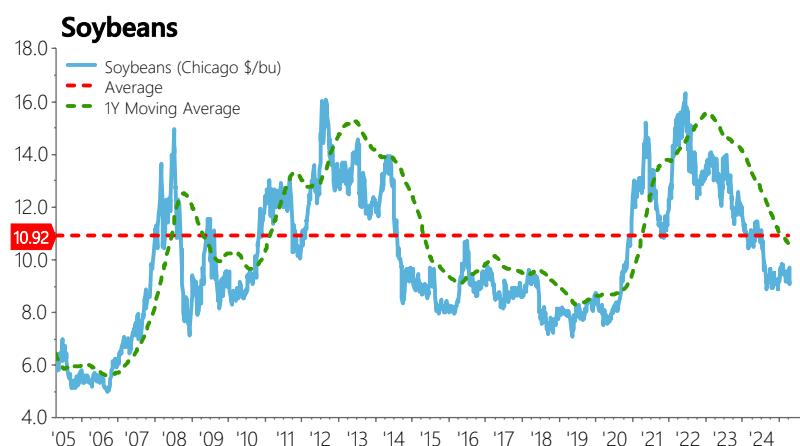
Main AG commodities remain below or close to the last 20-year average, implying farmers' potentially lower revenues and profits, causing lower capex in the next few years. However, in the past few months they stabilized or slightly rebounded, **leaving room for a bit of optimism.**

MAIN AGRICULTURAL COMMODITY PRICES (\$/bu)

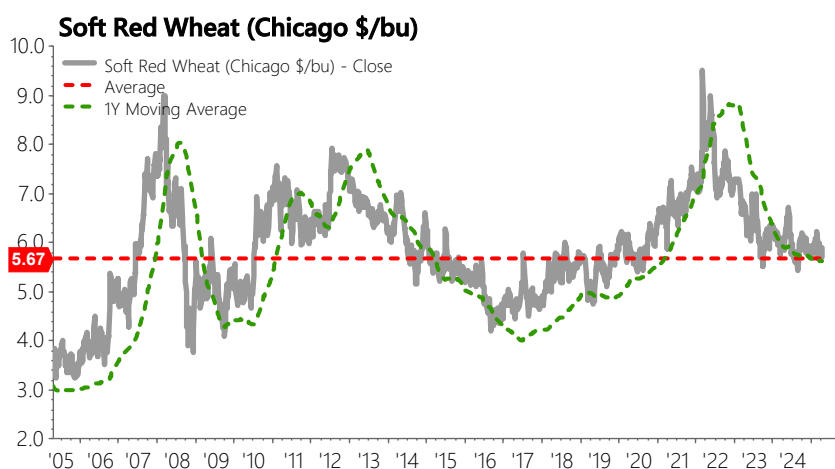
Corn



Soybeans



Soft Red Wheat



APPENDIX 2: CONSTRUCTION MARKET OVERVIEW

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

1. **Caterpillar** (on January 30th, when it issued FY24 results)

- reported its 2025 revenues outlook, projecting a slight decline compared to 2024, falling short of Bloomberg's consensus estimate (+1.7% YoY).

Main messages from the conference call:

- In **Construction industries** (i.e. machinery in infrastructure and building construction)
 - In **North America** "...we expect a moderately lower sale to users in 2025 versus last year. Construction spend in North America remains healthy, primarily driven by large multiyear projects and government-related infrastructure investments";
 - In **EMEA** "...we anticipate weak economic conditions in Europe will continue, and the healthy level of construction activity in Africa and the Middle East";
 - In **China** it expects "...to remain at relatively low levels for the above 10-ton excavator industry";
- In **Resource Industries** "we anticipate lower sales to users in 2025 compared to last year, partially offset by higher services revenues, including robust rebuild activity. Customers continue to display capital discipline, although key commodities remain above investment thresholds";
- Dealers' inventories are expected to be broadly in line with 2024;
- Prices are expected to be down by ca. 1%**, due to post-sales merchandising programs. However, adj. operating margin is expected on the upper end of the 18/20% range (vs 20% in FY24);

CATERPILLAR: 2025 OUTLOOK

- Expect 2025 full-year sales and revenues to be slightly lower than 2024
- Anticipate another year of services¹ growth
- Do not anticipate a significant change in dealer inventory of machines² by the end of 2025
- Expect 2025 full-year adjusted operating profit margin³ to be in the top half of the target range⁴ relative to the expected corresponding level of sales and revenues
- Expect 2025 full-year ME&T free cash flow⁵ to be in the top half of the annual target range⁴

Source: Caterpillar 4Q24 results presentation

2. **Volvo** (on January 29th, when it issued FY24 results):

- confirmed its 2025 construction market forecasts for Europe, North America, while it raised its outlook for China.

Main messages from the conference call:

- European market** continued to decline in 11M24 (-25% vs FY24 guidance of -25%/-15% YoY) as customer demand remained saturated. **Looking at 2025, the company expects a broader flattish market (-5%/+5%)** as it is "continuing to see signs that the downward correction ... is stabilising ... on the back of positive signs from dealers and customers";
- North American market** 11M24 performance came in the upper end of the 2024 guidance (-8% vs -15%/-5% guidance) supported by stable demand in the non-residential sector. Volvo **confirmed its 2025 US market forecast** (-10%/0% YoY).
- Despite the **South American market** (+5% vs -5%/+5% guidance) **coming in at the high end** of the guidance, mainly driven by an improvement in Brazil, the company **confirmed its 2025 market guidance** (-5%/+5%);
- The Chinese market stood** at +6% YTD November, **above the FY24 guidance** of -5%/+5%, thanks to government policies that continue to stimulate the real estate market. The 2025 guidance was raised from -5%/+5% to 0%/+10%;

VOLVO: 2024 AND 2025 CONSTRUCTION MARKET OUTLOOK

Total market development	Year-to-date November	Forecast	Previous forecast
Change in % measured in units	2024	2025	2025
Europe	-25	-5% to +5%	-5% to +5%
North America	-8	-10% to 0%	-10% to 0%
South America	5	-5% to +5%	-5% to +5%
Asia excl. China	-1	-5% to +5%	-5% to +5%
China	6	0% to +10%	-5% to +5%

Source: Volvo 4Q24 results report

3. **CNH 2025 forecasts** (released on February 4th, when it issued FY24 results) envisages:

- **A still negative North American market**, i.e. down by -10/-5%
- **A slightly negative EMEA trend**, i.e. flat to down by -5%
- **A slightly positive trend in South America**, i.e. flat to +5%
- **2025 Construction sales down by -10/-5%**

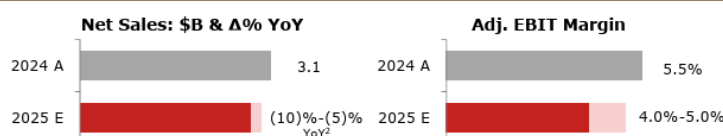
CNH: 2025 CONSTRUCTION MARKET OUTLOOK

Total Industry Unit Forecast¹

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

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

CNH Construction – Main Assumptions



Source: CNH presentation

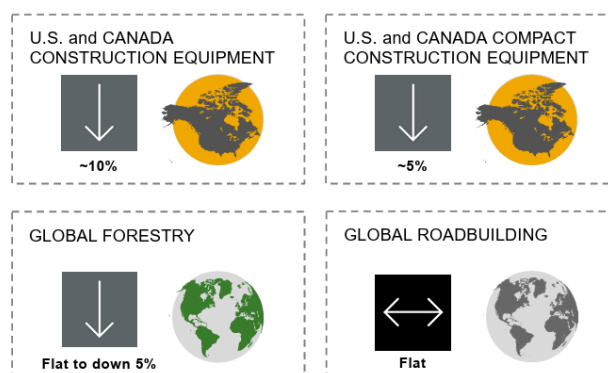
4. **John Deere confirmed its 2025 market forecasts** (released on February 13th, together with 1Q25 results) which envisages:

- **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**.

DEERE – FY25 CONSTRUCTION AND FORESTRY INDUSTRY OUTLOOK

Construction and Forestry

Industry Outlook (in units) – FY 2025



Source: Deere 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

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

- Significant improvement in the reference macroeconomic scenario
- Significant reference markets volumes acceleration
- AG commodity prices rebound
- Price increase allowing to comfortably offset tariffs
- NWC cash generation due to inventory decrease and/or lower RM prices
- Value accretive M&A deals

P&L - €mn	2022	2023	2024	2025E	2026E	2027E
SALES Rep	1,237	1,224	942	886	957	1,005
Growth	106.8%	-1.1%	-23.0%	-6.0%	8.0%	5.0%
EBITDA Rep	180	205	158	133	156	166
Growth	132.0%	13.9%	-23.2%	-15.6%	17.4%	6.3%
Margin	14.6%	16.7%	16.7%	15.0%	16.3%	16.5%
D&A	54.2	63.2	58.2	59.9	58.7	57.6
EBIT Rep	126	142	99.3	73.0	97.2	108
Growth	123.8%	12.8%	-30.0%	-26.5%	33.3%	11.3%
Margin	10.2%	11.6%	10.5%	8.2%	10.2%	10.8%
Financial Expenses	-2.6	-15.3	-6.6	-7.0	-3.0	0.0
PBT Rep	123	127	92.8	66.0	94.2	108
Growth	127.2%	2.7%	-26.7%	-28.9%	42.9%	14.8%
Income Taxes	-34.2	-35.1	-25.5	-18.1	-25.9	-29.7
Tax rate	27.8%	27.8%	27.5%	27.5%	27.5%	27.5%
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0
Net Income Rep	89.0	91.4	67.2	47.8	68.4	78.5
Growth	129.3%	2.8%	-26.5%	-28.8%	42.9%	14.8%
Margin	7.2%	7.5%	7.1%	5.4%	7.1%	7.8%
Net Income Adj	101	108	81.3	62.0	82.4	92.4
Growth	149.9%	6.5%	-24.4%	-23.7%	32.8%	12.2%
Margin	8.2%	8.8%	8.6%	7.0%	8.6%	9.2%
CF Statement	2022	2023	2024	2025E	2026E	2027E
FFO	145	157	117	108	127	136
Chg. in Working Capital	-51.1	20.7	47.7	-12.6	-37.2	-12.1
NCF from Operations	93.9	178	164	95.2	89.8	124
CAPEX	-33.9	-40.7	-49.9	-40.0	-35.0	-37.0
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	-35.0	-37.0
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	-5.0	0.0	0.0
CHG IN NFP	28.1	54.1	36.4	27.2	31.9	61.1

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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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
March 20, 2025	Buy	32.50	High	-
February 28, 2025	Buy	34.00	High	-
November 27, 2024	Buy	35.00	High	-
August 5, 2024	Buy	37.00	High	-
May 9, 2024	Buy	38.00	High	change in estimates/valuation

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

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BUY	55.0%	64.2%
HOLD	42.3%	31.3%
REDUCE	0.7%	1.5%
NOT RATED	2.0%	3.0%

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