

COMER INDUSTRIES

Earnings Review

BUY ord. (Unchanged)

Target: **€ 38.00** (Unchanged)

Risk: High

STOCKDATA		ORD		
Price (as of 13 May 2024)		31.4		
Bloomberg Code		COM IM		
Market Cap (€ mn)		900		
Free Float		12%		
Shares Out (mn)		28.7		
52 week Range		€ 25.0 - 34.0		
Daily Volume		11,196		
Performance (%)	1M	3M	1Y	
Absolute	-5.7	17.6	-3.4	
Rel to FTSE Italia All-Share	-8.5	5.6	-23.1	
MAIN METRICS		2023	2024E	2025E
SALES Adj		1,224	1,040	1,107
EBITDA Adj		205	172	182
EBIT Adj		165	130	140
NET INCOME Adj		108	89.1	98.8
EPS Adj - €c		375	311	345
DPS Ord - €c		125	100.0	125
MULTIPLES		2023	2024E	2025E
P/E ord Adj		7.8x	10.1x	9.1x
EV/EBITDA Adj		4.6x	5.5x	4.8x
EV/EBIT Adj		5.7x	7.2x	6.2x
REMUNERATION		2023	2024E	2025E
Div. Yield ord (A)		4.1%	3.2%	4.0%
FCF Yield Adj		15.5%	11.1%	10.7%
INDEBTEDNESS		2023	2024E	2025E
NFP Adj		-94.8	-35.8	27.0
D/Ebitda Adj		0.5x	0.2x	n.m.

PRICE ORD LAST 365 DAYS



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AGRICULTURAL MARKET WEAKNESS PARTLY OFFSET BY SYNERGIES

1Q24 results showed the ability to improve margin as a % on sales mainly leveraging on WPG synergies, in spite of agricultural market weakness. Weaker AG market imposes to trim our 2024-25 estimates (on avg. EBITDA -3%), but we confirm our BUY due to synergies not yet exploited and FCF remaining around triple-digit figure.

■ 1Q24 EBITDA margin +130bps YoY in spite of revenues down 21% YoY

1Q24 results issued on May 8th (whose disclosure is limited to three items) were slightly below expectations due to weaker agricultural business:

- **Revenues** -21% YoY to €272mn (with forex only -0.2%) vs. expected €277mn;
- **EBITDA** -15% YoY to €46mn vs expected €46mn;
- **Net debt** €77mn vs expected €71mn.

Despite weak sales, EBITDA margin improved by 130bps YoY to 16.8% thanks to synergies with WPG (unquantified), additional cost efficiencies, and we believe price resilience that allowed to contain the operating leverage to just 11%.

■ Decline only attributable to the agricultural division

At divisional level, 1Q24 revenues:

- **Agricultural** -34% YoY to €150mn also affected by the challenging comparison base (1Q23 was the peak of the cycle with sales up 19% YoY). We believe the division underperformed the market due to destocking of the OEM manufacturers which we expect to continue in 2Q24, as pointed out by CNH;
- **Industrial** +2% YoY to €122mn, better than the trend reported in 1Q24 by OEM operating in the construction market (the most important end-market): Volvo reported flat volumes, CAT down mid-single digit while CNHI down double digit.

■ Management reiterated FY24 qualitative guidance

- sales in line with the trend of major OEM customers (we derive a -15/-20% range);
- operating margins percentage slightly down YoY (FY23 EBITDA margin was 16.7%).

The resilience of the operating margin is mainly attributable to the synergies from the WPG acquisition which were never officially disclosed, but **we estimate at least at 2-3% on sales (i.e. €30-40mn)**. Among the most important ones it is worth mentioning the:

1) rationalization of the industrial footprint, i.e., the shutdown of WPG's Chinese plant in 2023, increased production capacity in India in 2023, and shut down of the Italian plant scheduled in June 2024, **2) optimization of the supply chain**, **3) SAP implementation** and **4) sharing of central costs and R&D**.

■ We trim estimates because Agricultural softness will stay in 2H

The recent news flow showed a slight AG market deterioration:

- **CNH reduced its FY24 outlook** for revenues (-14%/-10% from -12%/-8% YoY) and adj. EBIT margin (13.5%/14.5% from 14%/15%) due to lower EMEA market estimates for tractors (-10% from -7.5%) and combines (-12.5% from -7.5%). Moreover, it pointed out that **the adjustment of production/inventories is expected to continue** in 2Q24;
- **AGCO**, while confirming 2024 tractor market estimates (North America -10% and Western Europe -7.5% YoY), stated that "... **more challenging global market conditions** are expected to continue in 2024 due to lower agricultural commodity prices and expectations of reduction in farm incomes";
- **the latest Purdue University and CEMA reports showing a deterioration in the farmers' sentiment indexes** both in the U.S and Europe.

Following 1Q, **we trim FY24-25 estimates** of sales (on avg. -5%), EBITDA (-3%) consistently with management guidance, and net profit (-5%). **As a consequence, on May 9th we reduced our target by 3% to €38PS** (i.e. 2024-25E adj. PE 12/11x, EV/EBITDA 6.6/5.9x, EV/adj. EBIT 8.7/7.6x and FCF yield 9.2/8.8%).

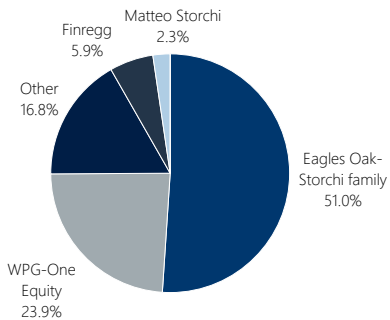
■ Buy confirmed based on the ...

- **positive track record** with the integration of German WPG whose synergies allow to mitigate AG's sector weakness;
- **EBITDA margin above sector average** (>16%) to be confirmed going forward;
- **cheap multiples** (2024-25E adj. PE 10/9x and EV/adj. EBIT 5.5/4.8x) already factoring in the AG market down trend;
- **solid financial structure** (debt-free ex-IFRS 16 in 2024);
- **high FCF conversion** (well above 70%) being predominantly assembler;
- **firepower** in excess of €400mn available for further M&A deals.

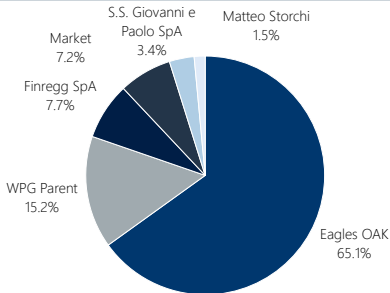
MAIN FIGURES - EURmn	2021	2022	2023	2024E	2025E	2026E
SALES Adj	598	1,237	1,224	1,040	1,107	1,140
Growth	51.0%	106.8%	-1.1%	-15.0%	6.4%	3.0%
EBITDA Adj	75.6	180	205	172	182	182
Growth	50.9%	138.1%	13.9%	-16.3%	5.8%	0.5%
EBIT Adj	56.8	143	165	130	140	142
Growth	75.5%	151.4%	15.3%	-21.2%	8.1%	1.5%
PBT Adj	54.2	123	127	104	117	123
Growth	87.3%	127.2%	2.7%	-18.2%	13.0%	5.2%
Net Income Adj	40.4	101	108	89.1	98.8	103
Growth	78.8%	149.9%	6.5%	-17.1%	10.9%	4.5%
MARGIN - %	2021	2022	2023	2024E	2025E	2026E
EBITDA Adj Margin	12.6%	14.6%	16.7%	16.5%	16.4%	16.0%
Ebit Adj margin	9.5%	11.5%	13.5%	12.5%	12.7%	12.5%
Pbt Adj margin	9.1%	10.0%	10.3%	10.0%	10.6%	10.8%
Net Income Adj margin	6.8%	8.2%	8.8%	8.6%	8.9%	9.1%
SHARE DATA	2021	2022	2023	2024E	2025E	2026E
EPS Adj - €c	192	352	375	311	345	360
Growth	73.1%	83.7%	6.5%	-17.1%	10.9%	4.5%
DPS ord(A) - €c	50.0	75.0	125	100.0	125	125
BVPS	12.1	15.5	17.7	19.4	21.3	23.2
VARIOUS	2021	2022	2023	2024E	2025E	2026E
Capital Employed	466	535	553	533	527	509
FCF	46.6	60.0	163	99.9	96.4	107
CAPEX	20.9	33.9	41.0	35.0	35.0	36.0
Working capital	203	254	234	236	251	257
INDEBTNESS	2021	2022	2023	2024E	2025E	2026E
Nfp Adj	-177	-149	-94.8	-35.8	27.0	97.9
D/E Adj	0.51	0.34	0.19	0.06	n.m.	n.m.
Debt / EBITDA Adj	2.3x	0.8x	0.5x	0.2x	n.m.	n.m.
MARKET RATIOS	2021	2022	2023	2024E	2025E	2026E
P/E Ord Adj	16.0x	8.2x	7.8x	10.1x	9.1x	8.7x
PBV	1.9x	1.7x	1.7x	1.6x	1.5x	1.4x
EV FIGURES	2021	2022	2023	2024E	2025E	2026E
EV/Sales	1.8x	0.8x	0.8x	0.9x	0.8x	0.7x
EV/EBITDA Adj	13.9x	5.4x	4.6x	5.5x	4.8x	4.4x
EV/EBIT Adj	18.6x	6.8x	5.7x	7.2x	6.2x	5.6x
EV/CE	2.3x	1.8x	1.7x	1.8x	1.7x	1.6x
REMUNERATION	2021	2022	2023	2024E	2025E	2026E
Div. Yield ord	2.2%	2.8%	4.1%	3.2%	4.0%	4.0%
FCF Yield Adj	7.1%	7.8%	15.5%	11.1%	10.7%	11.9%
Roce Adj	13.3%	18.5%	19.3%	14.6%	16.4%	17.1%

Source: Company data and Equita SIM estimates

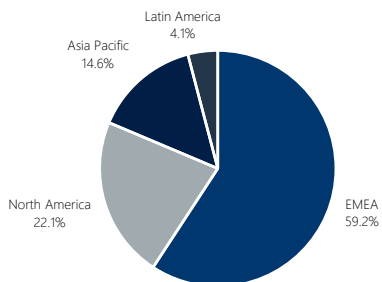
SHAREHOLDERS



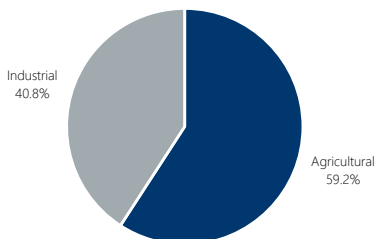
VOTING RIGHTS



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 (COMIND - 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), while private equity One Equity Partners is the second one, with a 23.9% stake** (resulting from the WPG assets contribution).

Headquartered near Reggio Emilia, **COMIND has an international footprint** with ca. 59% of sales generated in EMEA, 22% in NA, 15% 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.

COMIND supplies almost 800 customers in two main sectors:

- **Agricultural** (ca. €724mn or 59% of FY23 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. €500mn or 41%) 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 COMIND 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 COMIND achieved:

- **a transformational deal in 2021**: it acquired the German WPG becoming a world leading powertrain components provider for the off-highway industry. COMIND 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) **COMIND increased sales by 22% CAGR to €1.22bn** (like-for-like +11% CAGR) **and EBITDA by 37% CAGR to €205mn** (like-for-like +31% CAGR).

COMER: 2019-23 MAIN FIGURES

	2019	2020	2021	2022	2023
Revenues	404.6	396.2	598.1	1,237.0	1,223.9
Change	6.7%	-2.1%	51.0%	106.8%	-1.1%
EBITDA	45.2	48.1	77.6	180.0	205.0
Change	19.0%	6.5%	61.2%	132.0%	13.9%
FCF	33.9	38.1	46.6	60.0	162.9
Net Debt	(29.1)	(26.7)	(177.0)	(148.9)	(94.8)

Source: Company data

STRENGTHS / OPPORTUNITIES

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

WEAKNESSES /THREATS

- Low bargaining power vs its largest OEM customers in the agricultural sector
- Larger 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

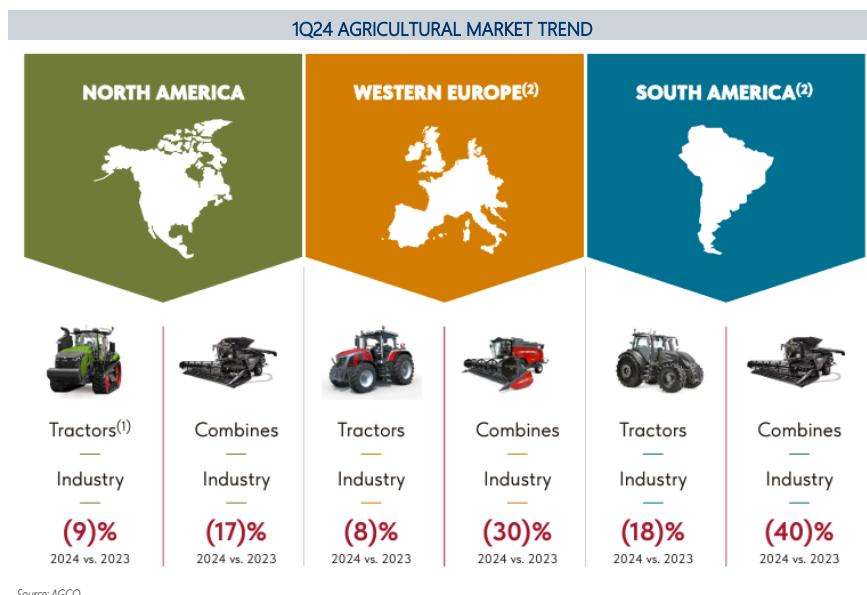
1Q24 SLIGHTLY LOWER, BUT EBITDA MARGIN +130BPS YOY

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- **Industrial** +2% YoY to €122mn, better than the trend reported in 1Q24 by OEM operating in the construction market: Volvo reported flat volumes, CAT down mid-single-digit while CNHI was down double digit.



Despite weak sales performance, EBITDA margin improved by 130bps YoY to 16.8% thanks to synergies with WPG (unquantified), additional cost efficiencies, and we believe price resilience that allowed to contain the operating leverage to 11%.

	Q1-23	EXPECTED		REPORTED	
		Q1-24E	YoY gr. %	Q1-24E	YoY gr. %
Revenues	345.9	276.7	-20%	272.4	-21%
EBITDA	53.6	46.2	-14%	45.8	-15%
Margin	15.5%	16.8%	-	16.8%	-
NFP	-183	-71.0	-	-77.2	-

Source: Equita SIM estimates and Company data

Management confirmed FY24 qualitative guidance:

- sales in line with the trend of major OEM customers;
- operating margins % slightly down (from last year 16.7% EBITDA margin).

Concerning **the synergies from the acquisition of WPG**, the company never officially disclosed a target, but **we estimate cost synergies may be at least 2-3% on sales (i.e. €30-40mn).**

Among the most important synergies it is worth to be mentioned the:

- **rationalization of the industrial footprint: in 2023 the WPG's plant in China was shut down**, concentrating the local production activity in the COMIND's one located in Pinghu;
- **during 2023 production capacity in India was increased** (quantitative details not disclosed), becoming local-for-local, replacing the deliveries until then shipped from Germany and reducing the related transportation costs;
- **in June 2024 the Italian plant located in Pegognana will be shut down**, transferring the production in Germany whose capacity was freed up though the abovementioned Indian capacity increase;
- **optimization of the supply chain**, selecting the best providers among those working with the two companies;
- **SAP implementation** which is ongoing across the group;
- **sharing of central costs and R&D know-how**.

CHANGE IN ESTIMATES: WE TRIM ESTIMATES DUE TO WEAKER AG

As a result of slightly lower 1Q and the recent deterioration in AG sector newsflow, **we trim FY24-25 estimates consistently with management guidance**: revenue on average -5%, EBITDA -3% with FCF still remaining around triple digit (FCF yield 11%).

COMER: CHANGE IN FY24-26 ESTIMATES (€ mn)															
Group/€ mn	2024E	%	2024E	%	Delta	2025E	%	2025E	%	Delta	2026E	%	2026E	%	Delta
Revenues	1,101.5	100.0	1,040.3	100.0	-6%	1,156.6	100.0	1,106.9	100.0	-4%	1,191.3	100.0	1,140.1	100.0	-4%
Change	-10%		-15%			5%		6%			3%		3%		
Adj. EBITDA	179.5	16.3	171.7	16.5	-4%	186.2	16.1	181.5	16.4	-3%	190.6	16.0	182.4	16.0	-4%
Change	-12%		-16%			4%		6%			2%		0%		
EBITDA	179.5	16.3	171.7	16.5	-4%	186.2	16.1	181.5	16.4	-3%	190.6	16.0	182.4	16.0	-4%
Change	-12%		-16%			4%		6%			2%		0%		
Adj. EBIT	138.0	12.5	129.8	12.5	-6%	145.2	12.6	140.3	12.7	-3%	150.9	12.7	142.4	12.5	-6%
Change	-16%		-21%			5%		8%			4%		2%		
EBIT	117.8	10.7	109.6	10.5	-7%	125.0	10.8	120.1	10.8	-4%	130.7	11.0	122.2	10.7	-6%
Change	-18%		-24%			6%		10%			4%		2%		
Pre-tax profit	111.8	10.1	103.6	10.0	-7%	122.0	10.6	117.1	10.6	-4%	131.7	11.1	123.2	10.8	-6%
Change	-13%		-20%			9%		13%			8%		5%		
Net Income	81.0	7.4	75.1	7.2	-7%	88.5	7.7	84.9	7.7	-4%	95.5	8.0	89.3	7.8	-6%
Change	-14%		-20%			9%		13%			8%		5%		
Adj. Net Income	95.0	8.6	89.1	8.6	-6%	102.4	8.9	98.8	8.9	-4%	109.3	9.2	103.2	9.1	-6%
Change	-12%		-17%			8%		11%			7%		4%		
FCF	110.0		99.9		-9%	104.0		96.4		-7%	112.0		106.8		-5%
NFP (incl. IFRS-16)	(20.8)		(35.8)		72%	54.1		27.0		-50%	130.5		97.9		-25%
NFP (ex-IFRS 16)	37.5		22.5		-40%	112.4		85.3		-24%	188.8		156.2		-17%

Source: Equita SIM estimates

As far as the recent industry newsflow is concerned, **CNH (one of the most important customers)**:

- **reduced its FY24 outlook** for revenues (-14%/-10% from -12%/-8%) and adj. EBIT margin (13.5%/14.5% from 14%/15%) due to lower EMEA market estimates for tractors (-10% from -7.5%) and combines (-12.5% from -7.5%).
- pointed out that **the adjustment of production/inventories is expected to continue**: "... despite somewhat significant production cuts, we still did not decrease dealer inventory at the levels we wanted to. So, we've got work to do, we'll get most of that done in the second quarter ...".

CNH – 2024 AGRICULTURAL MARKET OUTLOOK AND COMPANY'S GUIDANCE

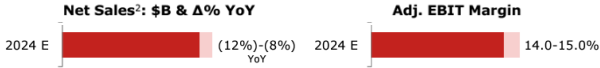
As of FY23 presentation

Total Industry Unit Performance¹

	North America	EMEA	South America	APAC
LHP Tractors	(10%) – (5%)	(10%) – (5%)	~(10%)	(5%) – flat
HHP Tractors	(15%) – (10%)			
Combines	(15%) – (10%)	(10%) – (5%)	(15%) – (10%)	~flat

Total Industry Volume % change FY 2024 vs. FY 2023 reflecting the aggregate for key markets where the Company competes.

CNH Agriculture – Main Assumptions



Source: CNH company presentation

As of 1Q24 presentation

Total Industry Unit Performance¹

	North America	EMEA	South America	APAC
LHP Tractors	~(10)%	~(10)%	~(10)%	(5)% – flat
HHP Tractors	(15)-(10)%			
Combines	(15)-(10)%	(15)-(10)%	(25)-(20)%	~flat

Total Industry Volume % change FY 2024 vs. FY 2023 reflecting the aggregate for key markets where the Company competes.

CNH Agriculture – Main Assumptions

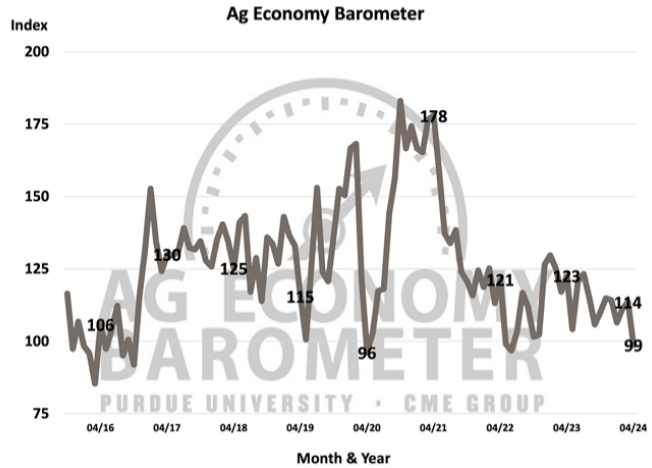


Source: CNH company presentation

In addition, AGCO (another important customer), while confirming 2024 tractor market estimates (-10% in North America and -7.5% in Western Europe), stated that "... **more challenging global market conditions** are expected to continue in 2024 due to lower agricultural commodity prices and expectations of reduction in farm incomes".

Finally, the latest Purdue University report showed a deterioration in the farmers' sentiment index in the U.S to the lowest since June 2022 ...

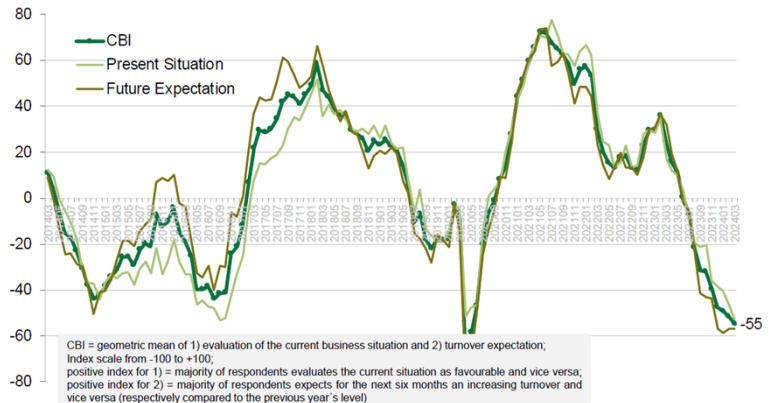
PURDUE UNIVERSITY – AGRICULTURAL ECONOMY BAROMETER IN THE US



Source: Purdue University Center for Commercial Agriculture

... and the CEMA general business climate index for the agricultural machinery industry in Europe which further deteriorated slightly (hitting -55 point from -48 in December), to its lowest level in more than 7 years. However, the outlook appears to be slightly better concerning the FY, considering the gradual stabilization in expectations for the coming order intake (not included in the barometer index calculation).

CEMA – BUSINESS CLIMATE INDEX IN EUROPE



CBI = geometric mean of 1) evaluation of the current business situation and 2) turnover expectation; Index scale from -100 to +100; positive index for 1) = majority of respondents evaluates the current situation as favourable and vice versa; positive index for 2) = majority of respondents expects for the next six months an increasing turnover and vice versa (respectively compared to the previous year's level)

Source: CEMA (European Agricultural Machinery Association) Business Climate index

TARGET TRIMMED BY 3% TO €38PS

On May 9th we trimmed our target price by 3% to €~38PS (DFCF-based valuation with 8.3% WACC and 1.5% g factor), implying 2024-25E adj. PE 12/11x, EV/EBITDA 6.6/5.9x, EV/adj. EBIT 8.7/7.6x and FCF yield 9.2/8.8%.

DFCF ANALYSIS			2024E	2025E	2026E	2027E	2028E	Beyond
Assumptions								
g	1.5%	Sales	1,040	1,107	1,140	1,174	1,210	1,228
WACC	8.3%	<i>Change %</i>	-15.0%	6.4%	3.0%	3.0%	3.0%	1.5%
		EBITDA	172	182	182	188	194	137
		<i>Change %</i>	-16.3%	5.8%	0.5%	3.0%	3.0%	-29.5%
		<i>Margin</i>	16.5	16.4	16.0	16.0	16.0	11.1
		D&A	-62	-61	-60	-59	-58	-15
		EBIT	110	120	122	129	136	122
		<i>Change %</i>	-24.1%	9.6%	1.8%	5.5%	5.3%	-10.4%
		<i>Margin</i>	10.5	10.8	10.7	11.0	11.2	9.9
		Taxes	-30	-33	-34	-35	-37	-33
		EBIT after Tax	79	87	89	93	98	88
		<i>Change %</i>	-24.5%	9.6%	1.8%	5.5%	5.3%	-10.4%
		Capex	-35	-35	-36	-37	-38	-15
		(increase) decrease in WC	-2	-15	-7	-8	-8	-3
		Free Cash Flow before minorities	104	99	106	108	110	85
		FCF Minorities	0	0	0	0	0	0
		Free Cash Flow after minorities	104	99	106	108	110	85
		Discount Factor	1.00	1.08	1.17	1.27	1.37	1.37
		PV of FCF	104	91	91	85	80	62
Valuation								
NPV of Free Cash Flows	451							
NPV of Terminal Value	916							
Estimated Enterprise Value	1,367							
2023 NFP	-95							
Adjustment to NFP	-187							
Equity	1,085							
Peripherals & other	1							
Total Equity	1,086							
# of shares	28.7							
Target Price	37.9							
Upside (Downside)	21%							

Source: Company data and Equita SIM estimates

COMER: DFCF SENSITIVITY (€ PS)

g		Wacc		
		8.8%	8.3%	7.8%
1.0%		33.1	35.7	38.6
1.5%		35.0	37.9	41.2
2.0%		37.2	40.4	44.2

Source: Equita SIM estimates

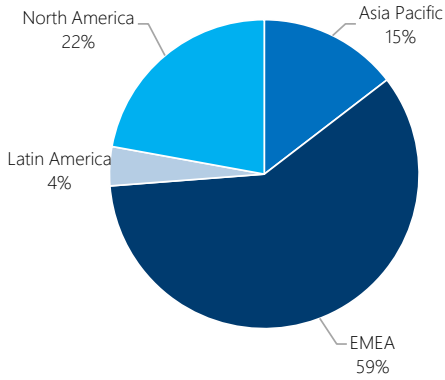
STATEMENT OF RISKS FOR COMER INDUSTRIES

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

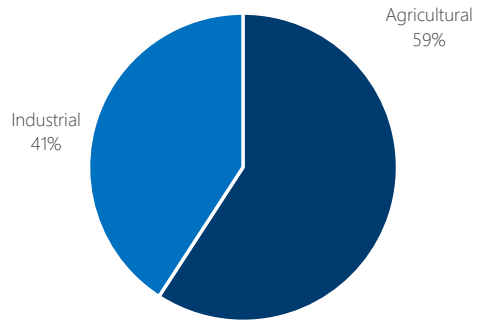
- Significant worsening in the reference macroeconomic scenario
- Significant reference markets volumes slowdown
- AG commodity prices decline
- Price pressure coming from main OEMs customers and/or competitors
- NWC absorption due to inventory increase and/or higher RM prices
- Value destroying M&A deals, significantly increasing the net debt

APPENDIX

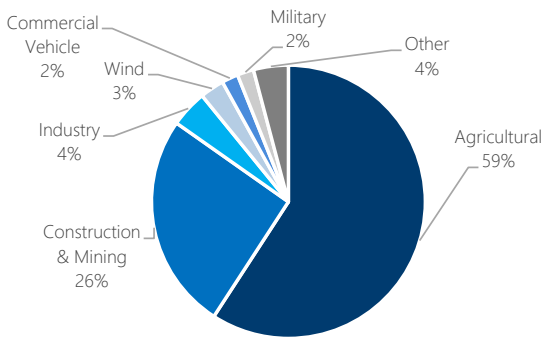
GEOGRAPHICAL REVENUES BREAKDOWN (2023)



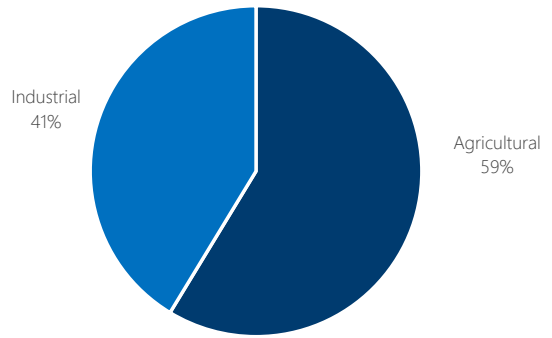
DIVISIONAL REVENUES BREAKDOWN (2023)



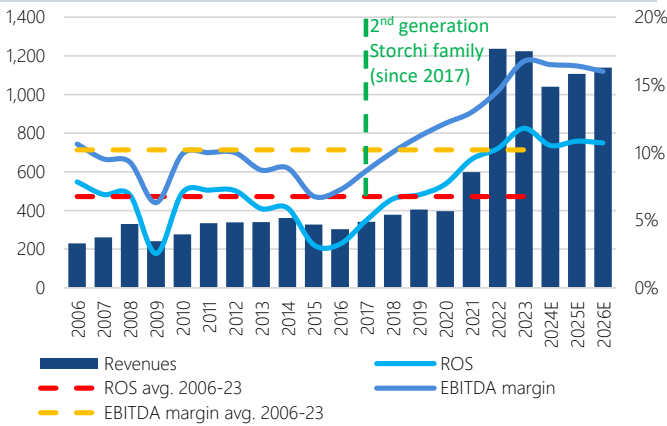
DIVISIONAL REVENUES BREAKDOWN BY END-MARKET (2023 - estimated)



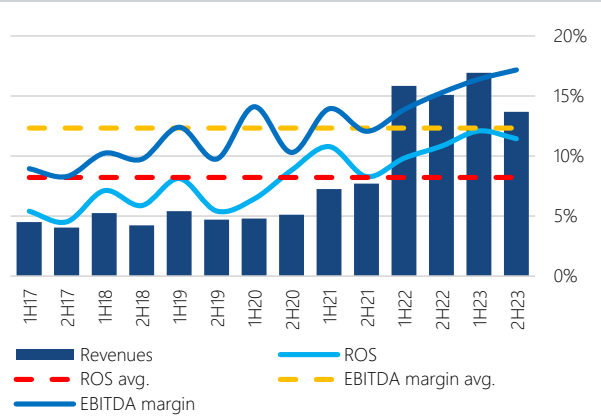
DIVISIONAL EBITDA BREAKDOWN (2023)



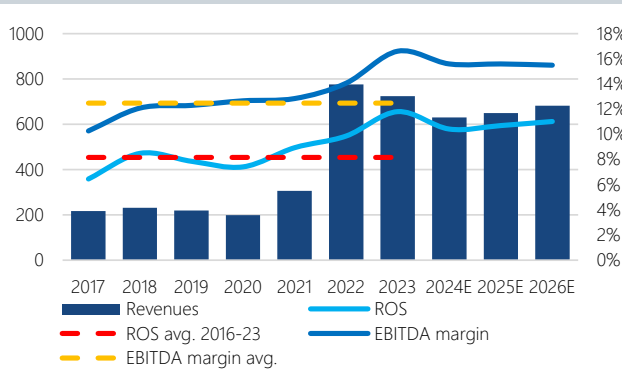
GROUP ANNUAL SALES (€ mn), EBITDA and EBIT MARGIN (%)



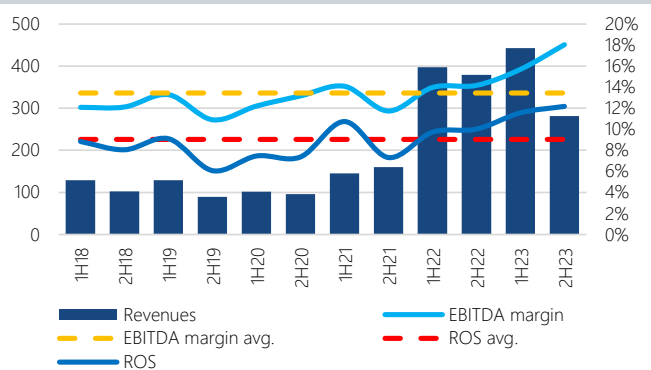
GROUP SEMI-ANNUAL SALES (€ mn), EBITDA and EBIT MARGIN (%)



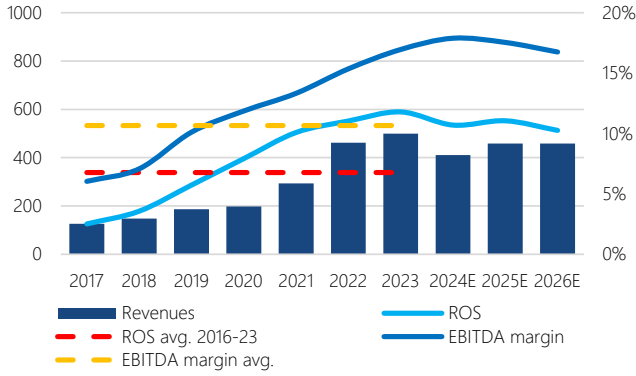
AGRICULTURAL ANNUAL SALES (€ mn), EBITDA and EBIT MARGIN (%)



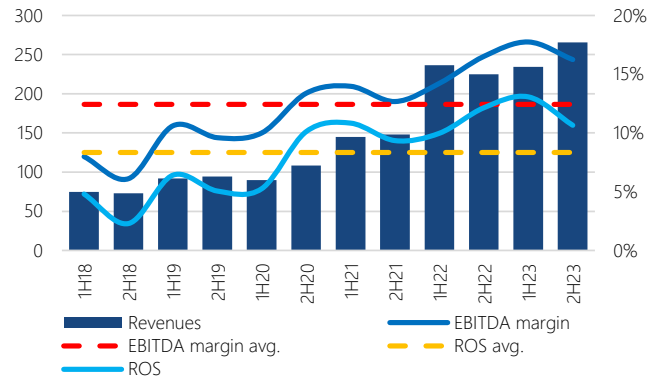
AGRICULTURAL SEMI-ANNUAL SALES (€ mn), EBITDA and EBIT MARGIN (%)



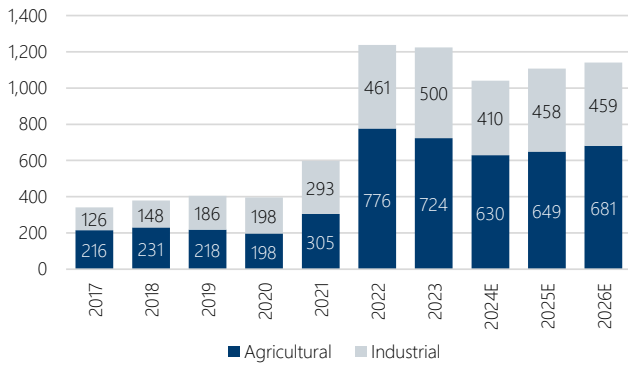
INDUSTRIAL ANNUAL SALES (€ mn), EBITDA and EBIT MARGIN (%)



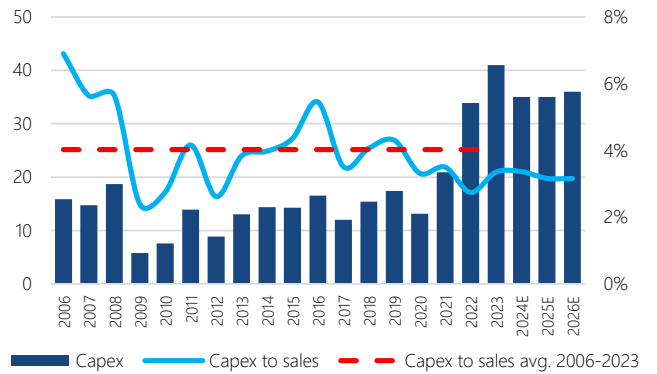
INDUSTRIAL SEMI-ANNUAL SALES (€ mn), EBITDA and EBIT MARGIN (%)



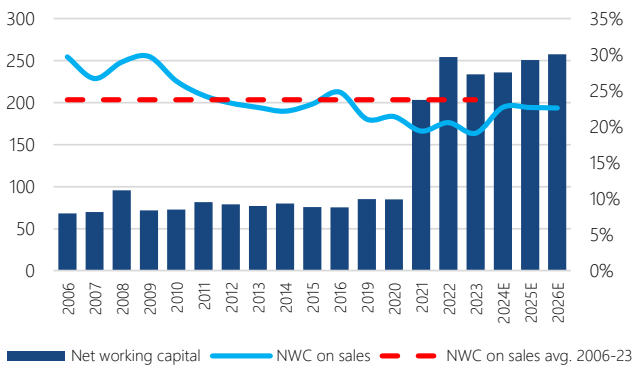
DIVISIONAL ANNUAL SALES TREND (€ mn)



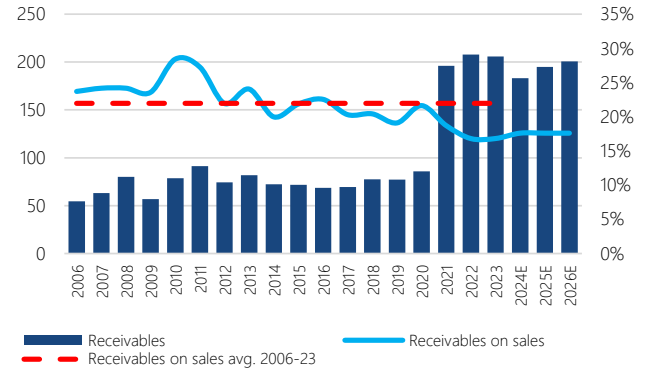
CAPEX (€ mn) & CAPEX TO SALES ratio (%)



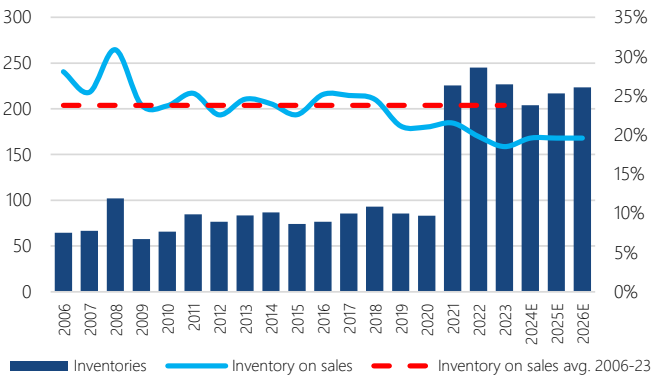
NWC (€ mn) and NWC on SALES (%)



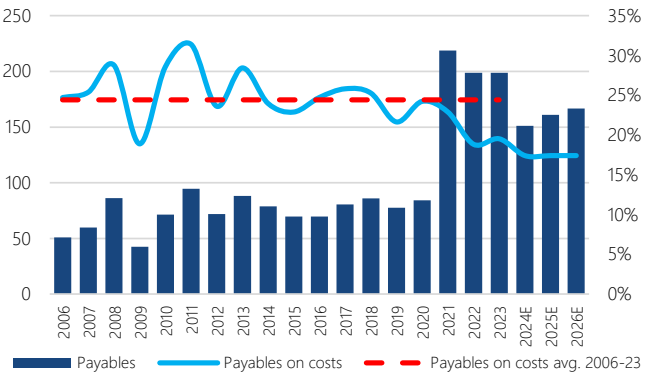
RECEIVABLES (€ mn) and RECEIVABLES on SALES (%)



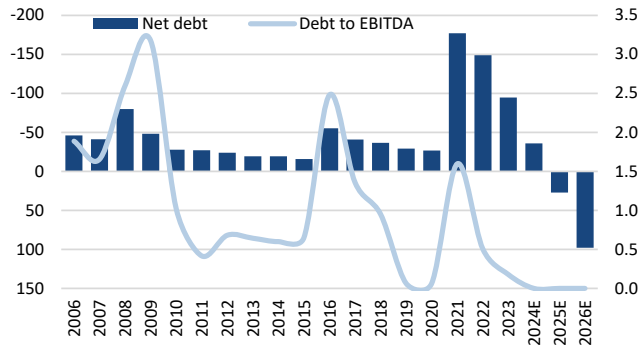
INVENTORY (€ mn) and INVENTORY on SALES (%)



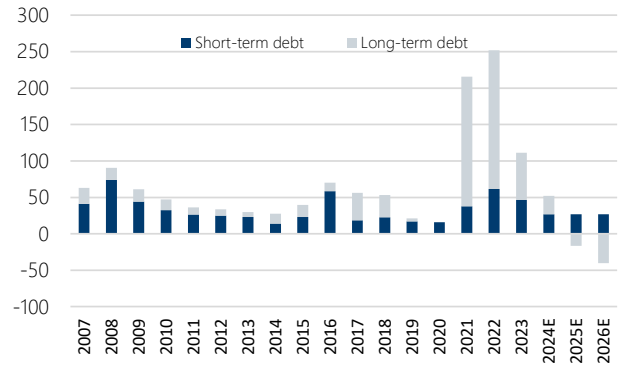
PAYABLES (€ mn) and PAYABLES on COSTS (%)



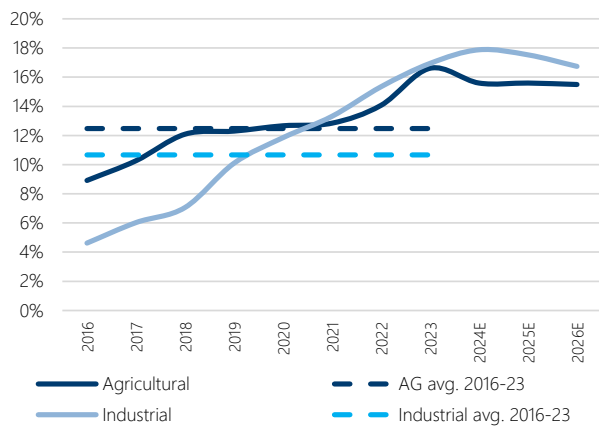
NET DEBT (€ mn) and DEBT to adj. EBITDA* RATIO (x)



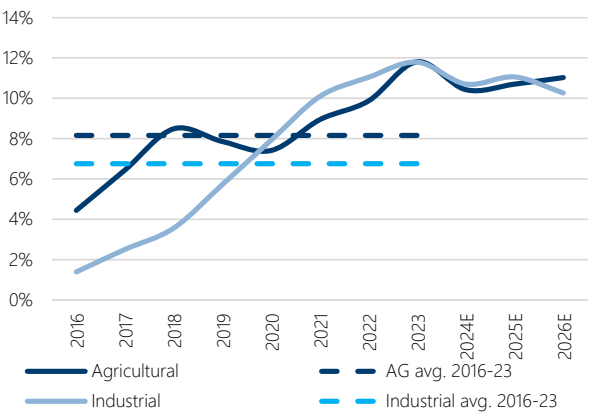
GROSS DEBT SPLIT BETWEEN SHORT-TERM AND LONG-TERM



EBITDA MARGIN (%) BY DIVISION



EBIT MARGIN (%) BY DIVISION



P&L - €mn	2021	2022	2023	2024E	2025E	2026E
SALES Rep	598	1,237	1,224	1,040	1,107	1,140
Growth	51.0%	106.8%	-1.1%	-15.0%	6.4%	3.0%
EBITDA Rep	77.6	180	205	172	182	182
Growth	61.2%	132.0%	13.9%	-16.3%	5.8%	0.5%
Margin	13.0%	14.6%	16.7%	16.5%	16.4%	16.0%
D&A	21.4	54.2	63.2	62.1	61.5	60.2
EBIT Rep	56.2	126	142	110	120	122
Growth	87.9%	123.8%	12.8%	-22.7%	9.6%	1.8%
Margin	9.4%	10.2%	11.6%	10.5%	10.8%	10.7%
Financial Expenses	-2.0	-2.6	-15.3	-6.0	-3.0	1.0
PBT Rep	54.2	123	127	104	117	123
Growth	87.3%	127.2%	2.7%	-18.2%	13.0%	5.2%
Income Taxes	-15.4	-34.2	-35.1	-28.5	-32.2	-33.9
Tax rate	28.4%	27.8%	27.8%	27.5%	27.5%	27.5%
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0
Net Income Rep	38.8	89.0	91.4	75.1	84.9	89.3
Growth	82.1%	129.3%	2.8%	-17.9%	13.0%	5.2%
Margin	6.5%	7.2%	7.5%	7.2%	7.7%	7.8%
Net Income Adj	40.4	101	108	89.1	98.8	103
Growth	78.8%	149.9%	6.5%	-17.1%	10.9%	4.5%
Margin	6.8%	8.2%	8.8%	8.6%	8.9%	9.1%
CF Statement	2021	2022	2023	2024E	2025E	2026E
FFO	60.8	145	163	137	146	150
Chg. in Working Capital	-118	-51.1	20.7	-2.3	-14.9	-6.7
NCF from Operations	-57.6	93.9	183	135	131	143
CAPEX	-20.9	-33.9	-41.0	-35.0	-35.0	-36.0
Financial Investments	-191	-0.2	-49.8	0.0	0.0	0.0
NCF from Investments	-211	-34.1	-90.8	-35.0	-35.0	-36.0
Dividends paid	-10.2	-14.3	-21.5	-35.8	-28.7	-35.8
Capital Increases	165	0.0	0.0	0.0	0.0	0.0
Other changes in financing	-36.4	-17.3	-16.7	-5.0	-5.0	0.0
NCF from Financing	119	-31.6	-38.3	-40.8	-33.7	-35.8
CHG IN NFP	-150	28.1	54.1	59.0	62.8	71.0

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%
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Date	Rec.	Target Price	Risk.	Comment
May 9, 2024	Buy	38.00	High	-
April 2, 2024	Buy	39.00	High	change in estimates/valuation
January 30, 2024	Buy	35.00	High	Initiation of coverage

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HOLD	42.4%	32.9%
REDUCE	0.0%	0.0%
NOT RATED	1.3%	1.4%

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