

## COMER INDUSTRIES

Sector: Industrial

### EBITDA margin remains solid despite volume lows

*Comer has been able to maintain a resilient 3Q24 EBITDA margin despite sales slumping by 22% YoY due to a reference market downturn. The 9M EBITDA margin stood at 16.7%, representing high profitability relative to historical levels, amid volumes being at minimum lows. Market challenges are expected to persist in 4Q, keeping limited visibility, in line with last Peer/OEM outlooks. However, we expect the group to confirm its EBITDA margin above 16% on a FY basis (in line with mgmt. indication), thanks to the group's strong cost efficiencies, while benefiting from solid FCF generation, backed by expansion capex made in 1H24 in the US. Given current headwinds in both AG and Industrial, we have reduced FY24E sales by 5.5%, implying a -20% YoY in 4Q24E. We lowered FY25E sales by 6.7%, projecting a top-line growth of 3%, with a back-end-loaded recovery. We confirmed our EBITDA margin projections, targeting 17% by 2026 with a relevant net cash position of Eu81mn, enhancing the group's flexibility to accelerate M&A. We reiterate our BUY rating with TP to Eu38.0/share (from Eu39), mainly due to revised estimates.*

- **Sales dip by 22% amid challenging conditions in both AG and Industrial.** 3Q24 sales totalled Eu213mn, down 22% YoY and 17% QoQ, driven by headwinds across both AG and Industrial segments. AG sales decreased 21% YoY to Eu102mn, an improvement over 1H24 when marked a 35% YoY slump. Industrial sales, contrarily to the modest growth registered in 1H (+4%), exhibited a drop of 24% YoY to Eu112mn, chiefly due to macroeconomic deterioration in Europe and by a challenging YoY comparison (3Q23 was up by 20% YoY). EMEA sales decreased by 32%, primarily impacted by a weak German market, while NAM and APAC declined by 16% and 3%, respectively, in line with the trend seen in 3Q, showing signs of stabilization.
- **Sustained EBITDA margin despite volume bottoming.** 3Q24 EBITDA reached Eu34.1mn (16% margin), down from Eu47.8mn (17.4%) in 3Q23 due to reduced volumes. This quarter is set against the high-profitability baseline of 3Q23, making comparison misleading. 9M24 EBITDA amounted to Eu124mn, with a margin stable YoY at 16.7% despite volumes being at their lowest levels. We believe that the group's rigorous cost management has bolstered profitability resilience, further supported by synergies from the WPG integration. This effective approach to operational efficiencies reflects disciplined oversight, allowing to maintain robust margins even in a challenging environment.
- **Slight increase in Net Debt with near-term reduction expected.** Net debt rose to Eu111mn in 3Q24 (of which Eu39mn is IFRS 16-related), up from Eu107mn in 1H24, maintaining a low leverage ratio of 0.6x net debt/EBITDA. We recall that, in 1H24, Comer undertook extraordinary capex initiatives, including Eu21.6mn for production expansion in Illinois, U.S., and Eu13.5mn for the early settlement of a LTI plan. The Illinois investment is set to double the current plant size and bolster cost efficiencies by increasing proximity to OEMs. With future capex needs primarily focused to maintenance, we expect substantial deleveraging in the coming quarters, creating flexibility for additional M&A, backed by potential firepower exceeding Eu350mn.
- **Mid-term sales projections reduced by 6% average, EBITDA % confirmed.** Prolonged industry softening, driven by still elevated dealer inventories, and reduced volumes, suggest that these pressures may persist in 4Q, consistent with peers and OEM guidance, and 1H25. We have lowered our FY24E sales by 5.5% to Eu961mn, implying a -20% YoY in 4Q24E. With sustained headwinds likely in early 2025, we've also revised FY25E sales down 6.7%, projecting modest growth of 3%, mainly back-end loaded. We confirm our EBITDA margin figures, with an anticipated expansion from 16.4% in 2024 (in line with mgmt. indication) to 17% by 2026. We expect Comer to achieve a breakeven NFP by next year with Eu81mn net cash in 2026.
- **BUY confirmed with TP to Eu38.0/share (from Eu39.0).** We confirm our BUY rating with TP to Eu38.0/share (from Eu39.0) after our estimate's revision and 2024E-25E multiples update. Despite ongoing market downturn, Comer shows solid profitability and cash-generation potential. The recent investment in production capacity expansion signals the group's strategic foresight, positioning it to capitalize effectively when the market cycle shifts, fully benefitting from market recovery.

## BUY

Unchanged

### TP 38.0

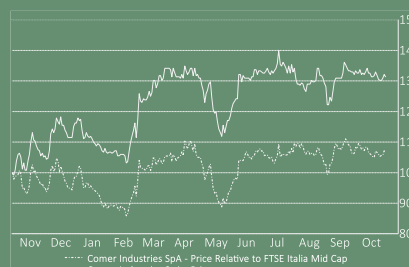
From 39.0

Target price upside 13%

Change in EPS est.	FY24E	FY25E
	-8.6%	-9.9%

Ticker (BBG, Reut)	COM IM	COM.MI
Share price Ord. (Eu)		33.5
N. of Ord. shares (mn)		28.7
Total N. of shares (mn)		28.7
Market cap (Eu mn)		961
Total Market Cap (Eu mn)		961
Free Float Ord. (%)		11%
Free Float Ord. (Eu mn)		106
Daily AVG liquidity Ord. (Eu k)		203

	1M	3M	12M
Absolute Perf.	-0.6%	-0.3%	32.7%
Rel.to FTSEMidCap	1.0%	0.8%	8.5%
52 weeks range		25.0	35.3



	FY23A	FY24E	FY25E
Sales	1,224	961	989
EBITDA adj.	205	158	165
Net profit adj.	109	79	84
EPS adj.	3.8	2.8	2.9
DPS - Ord.	1.25	0.78	0.84
EV/EBITDA adj.	5.8x	7.9x	7.0x
P/E adj.	8.0x	12.2x	11.5x
Dividend yield	4.1%	2.3%	2.5%
FCF yield	18.8%	3.6%	12.5%
Net debt/(Net cash)	95	97	(1)
Net debt/EBITDA	0.5x	0.6x	nm

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# ALANTRA

Italian Equity Research

## Summary Financials (IFRS)

P&L account (Eu mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Net Sales	1,238	1,224	961	989	1,055
EBITDA reported	180	205	158	165	180
D&A	(52)	(61)	(63)	(65)	(62)
EBIT reported	128	144	95	100	118
Net financial charges	(3)	(15)	(7)	(5)	(4)
Associates	0	0	0	0	0
Extraordinary items	0	0	0	0	0
Pre-tax profit	125	129	88	95	114
Taxes	(34)	(35)	(24)	(26)	(31)
Minorities	0	0	0	0	0
Discontinued activities	0	0	0	0	0
Net profit reported	91	94	64	69	83
<b>EBITDA adjusted</b>	<b>180</b>	<b>205</b>	<b>158</b>	<b>165</b>	<b>180</b>
<b>EBIT adjusted</b>	<b>143</b>	<b>165</b>	<b>116</b>	<b>120</b>	<b>138</b>
<b>Net profit adjusted</b>	<b>102</b>	<b>109</b>	<b>79</b>	<b>84</b>	<b>97</b>

Margins (%)	FY22A	FY23A	FY24E	FY25E	FY26E
First margin	nm	nm	nm	nm	nm
EBITDA margin	14.5%	16.7%	16.4%	16.7%	17.0%
EBITDA margin (adj)	14.5%	16.7%	16.4%	16.7%	17.0%
EBIT margin	10.3%	11.8%	9.9%	10.1%	11.2%
EBIT margin (adj)	11.5%	13.4%	12.0%	12.2%	13.1%
Net profit margin	7.3%	7.7%	6.7%	7.0%	7.8%
Net profit margin (adj)	8.2%	8.9%	8.2%	8.5%	9.2%

Growth rates (%)	FY22A	FY23A	FY24E	FY25E	FY26E
Sales	106.9%	-1.1%	-21.5%	2.9%	6.7%
EBITDA	132.0%	13.9%	-23.0%	4.4%	9.1%
EBITDA adjusted	132.0%	13.9%	-23.0%	4.4%	9.1%
EBIT	124.4%	13.2%	-34.0%	5.1%	17.7%
EBIT adjusted	151.3%	15.3%	-29.8%	4.2%	14.7%
Pre-tax	127.8%	3.4%	-31.5%	7.8%	19.6%
Net profit	130.1%	3.6%	-31.7%	7.8%	19.6%
Net profit adjusted	158.3%	6.7%	-27.3%	6.3%	16.2%

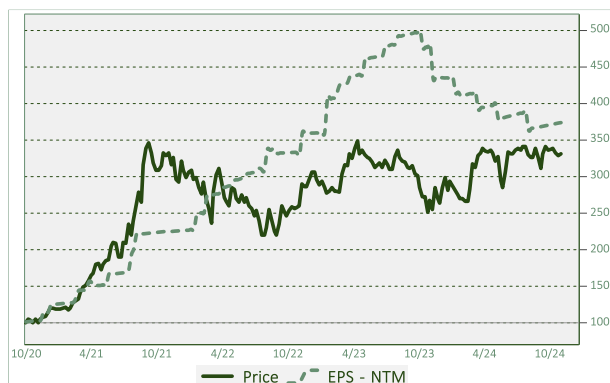
Per share data	FY22A	FY23A	FY24E	FY25E	FY26E
Shares	28.68	28.68	28.68	28.68	28.68
N. of shares AVG	28.68	28.68	28.68	28.68	28.68
N. of shares diluted AVG	28.68	28.68	28.68	28.68	28.68
<b>EPS</b>	<b>3.16</b>	<b>3.28</b>	<b>2.24</b>	<b>2.41</b>	<b>2.89</b>
<b>EPS adjusted</b>	<b>3.55</b>	<b>3.79</b>	<b>2.75</b>	<b>2.93</b>	<b>3.40</b>
<b>DPS - Ord.</b>	<b>0.75</b>	<b>1.25</b>	<b>0.78</b>	<b>0.84</b>	<b>1.01</b>
DPS - Sav.	0.00	0.00	0.00	0.00	0.00
BVPS	15.48	17.70	18.69	20.32	22.36

Enterprise value (Eu mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Share price Ord. (Eu)	26.7	30.2	33.5	33.5	33.5
Market cap	766	866	961	961	961
Net debt/(Net cash)	149	95	97	(1)	(81)
Adjustments	219	222	189	197	211
Enterprise value	1,134	1,183	1,246	1,157	1,091

Source: Company data, Alantra estimates

### Share price performance

Strong performance since IPO...



Source: Factset

Cash flow (Eu mn)	FY22A	FY23A	FY24E	FY25E	FY26E
EBITDA reported	180	205	158	165	180
Net financial charges	(3)	(14)	(7)	(5)	(4)
Cash taxes	(34)	(21)	(24)	(26)	(31)
Ch. in Working Capital	(57)	41	(16)	9	(21)
Other Op. items	8	(7)	(34)	8	14
<b>Operating cash flow</b>	<b>94</b>	<b>204</b>	<b>77</b>	<b>151</b>	<b>138</b>
Capex	(34)	(41)	(43)	(32)	(34)
<b>FCF</b>	<b>60</b>	<b>163</b>	<b>34</b>	<b>120</b>	<b>104</b>
Disposals/Acquisitions	0	(50)	0	0	0
Changes in Equity	(5)	(5)	0	0	0
Others	(13)	(32)	(0)	0	0
Dividends	(14)	(22)	(36)	(22)	(24)
<b>Ch. in NFP</b>	<b>28</b>	<b>54</b>	<b>(2)</b>	<b>97</b>	<b>80</b>

Ratios (%)	FY22A	FY23A	FY24E	FY25E	FY26E
<b>Capex/Sales</b>	<b>2.7%</b>	<b>3.3%</b>	<b>4.4%</b>	<b>3.2%</b>	<b>3.2%</b>
Capex/D&A	0.6x	0.7x	0.7x	0.5x	0.5x
FCF/EBITDA	33.5%	79.6%	21.6%	72.7%	58.0%
FCF/Net profit	66.4%	173.5%	53.1%	173.1%	126.0%
<b>Dividend pay-out</b>	<b>36.4%</b>	<b>23.7%</b>	<b>38.1%</b>	<b>35.0%</b>	<b>35.0%</b>

Balance sheet (Eu mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Working capital	206	161	177	168	189
Fixed assets	607	665	646	613	585
Provisions & others	(221)	(224)	(190)	(199)	(213)
<b>Net capital employed</b>	<b>593</b>	<b>602</b>	<b>632</b>	<b>582</b>	<b>560</b>
<b>Net debt/(Net cash)</b>	<b>149</b>	<b>95</b>	<b>97</b>	<b>(1)</b>	<b>(81)</b>
Equity	444	508	536	583	641
Minority interests	0	0	0	0	0

Ratios (%)	FY22A	FY23A	FY24E	FY25E	FY26E
<b>Working capital/Sales</b>	<b>16.7%</b>	<b>13.2%</b>	<b>18.5%</b>	<b>17.0%</b>	<b>17.9%</b>
<b>Net debt/Equity</b>	<b>33.6%</b>	<b>18.7%</b>	<b>18.0%</b>	<b>nm</b>	<b>nm</b>
<b>Net debt/EBITDA</b>	<b>0.8x</b>	<b>0.5x</b>	<b>0.6x</b>	<b>nm</b>	<b>nm</b>

Valuation	FY22A	FY23A	FY24E	FY25E	FY26E
<b>EV/CE</b>	<b>1.4x</b>	<b>1.4x</b>	<b>1.5x</b>	<b>1.5x</b>	<b>1.4x</b>
P/BV	1.7x	1.7x	1.8x	1.6x	1.5x
EV/Sales	0.9x	1.0x	1.3x	1.2x	1.0x
EV/EBITDA	6.3x	5.8x	7.9x	7.0x	6.1x
<b>EV/EBITDA adjusted</b>	<b>6.3x</b>	<b>5.8x</b>	<b>7.9x</b>	<b>7.0x</b>	<b>6.1x</b>
EV/EBIT	8.9x	8.2x	13.1x	11.5x	9.2x
<b>EV/EBIT adjusted</b>	<b>7.9x</b>	<b>7.2x</b>	<b>10.8x</b>	<b>9.6x</b>	<b>7.9x</b>
P/E	8.4x	9.2x	15.0x	13.9x	11.6x
<b>P/E adjusted</b>	<b>7.5x</b>	<b>8.0x</b>	<b>12.2x</b>	<b>11.5x</b>	<b>9.9x</b>
ROCE pre-tax	18.5%	20.1%	14.0%	15.0%	17.8%
<b>ROE</b>	<b>22.9%</b>	<b>21.4%</b>	<b>14.7%</b>	<b>14.4%</b>	<b>15.2%</b>
EV/FCF	18.8x	7.3x	36.5x	9.7x	10.5x
<b>FCF yield</b>	<b>7.9%</b>	<b>18.8%</b>	<b>3.6%</b>	<b>12.5%</b>	<b>10.9%</b>
<b>Dividend yield</b>	<b>2.8%</b>	<b>4.1%</b>	<b>2.3%</b>	<b>2.5%</b>	<b>3.0%</b>

### Valuation

The stock has recently re-rated



## Key Charts

A complete offer in mechatronics and powertrain solutions

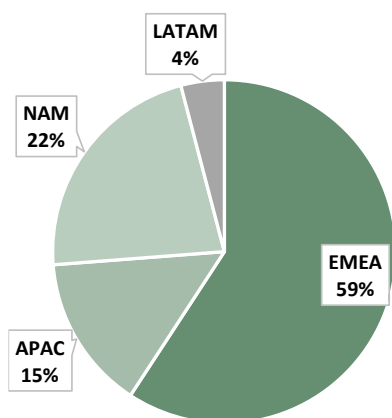
The portfolio of products fully covers the customer needs in AG and Industrial



Source: Company data, Alantra

Sales breakdown by region (FY23A, %)

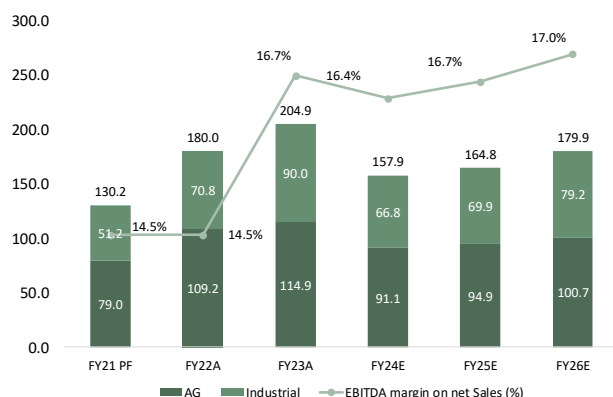
EMEA and NAM sales weighed 59% and 22% on sales, respectively in FY23



Source: Company data, Alantra

Adj. EBITDA and EBITDA margin (FY21A-FY26E, Eum, %)

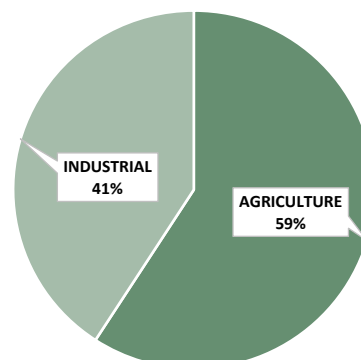
EBITDA is expected to expand to Eu180mn/17.0% margin by FY26E



Source: Company data, Alantra

Sales breakdown by business (FY23A, %)

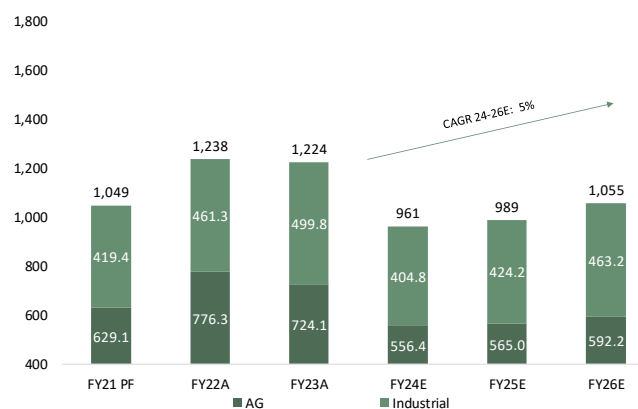
AG sales weighed 59% in FY23 sales; Industrial 41%



Source: Company data, Alantra

Net sales evolution (FY21A-FY26E, Eum)

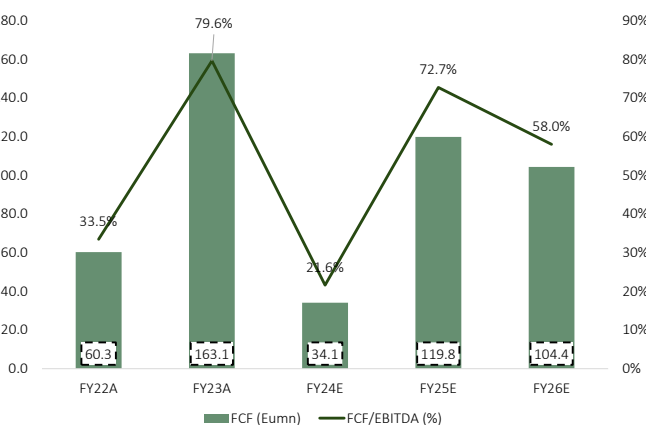
We expect Comer to experience a net sales CAGR 24-26E of 5%



Source: Company data, Alantra

FCF and EBITDA conversion (FY22A-FY26E, Eum, %)

We expect FCF/EBITDA consistently at attractive levels (>50%)



Source: Company data, Alantra

## Profile

### Background

Comer Industries is a global leader in the design and production of advanced power transmission systems and mechatronic solutions to major OEMs of agriculture and construction equipment. With Eu1.2bn sales in FY23A, the group is a leading tier 1 supplier of cutting-edge powertrain solutions for the agriculture (59% of FY23 sales) and construction equipment (41%) sectors. The group markets a comprehensive range of products (gearboxes, planetary drive, driveshafts, axles, etc.) across EMEA (59% of FY23 sales), NAM (22%), APAC (15%) and LATAM (4%), also thanks to its global footprint. The co-design and development of products in a partnership-like approach with OEMs give high business visibility and make Comer the partner of choice for mission critical engineered mechanics in the off-highway space. The attractive growth experienced in the last decade has been driven both organically, thanks to an established track-record, and through the acquisition of Walterscheid Powertrain Group (WPG) in 2021, which has been transformational in size and value, adding complementary products and accelerating further the global presence. Comer is also successfully diversifying its product catalogue and solutions by adding the e-vertical thanks to the acquisition of Benevelli-Sitem (e.g. e-motors).

### Positioning

Comer competes with large and diversified international companies (e.g. Dana) and with Italian specialists of powertrain systems (Carraro, Bondioli & Pavesi, etc.). The group is larger in size/revenues compared to the latter cluster and boasts a global leading position thanks to an extended best-of-breed products' catalogue (we estimate ca. 25% mkt share in AG, 9% in Industrial). The established track-record coupled with the proximity to major OEMs due to its global footprint, makes Comer to stand out from the crowd. These are strong competitive edges in view of the gradual shift of customers to a buy vs make approach. We believe that the competitive positioning of Comer is well summarized by its ROCE of 15% in FY23, higher than the average of peers of around 8%.

### Growth

We expect Comer to post a 5% FY24-26E CAGR in net sales mainly driven by market share gains in Industrial, new products and increase in share of wallet in AG. EBITDA should register 8% FY24E-26E CAGR to Eu180mn/17% margin in FY26E, thanks to a confirmation of the proven group's pricing power and by additional costs synergies expected from WPG integration. The solid BS is set to strengthen further with expected average FCF/EBITDA conversion of >50% in FY24-26E, thus reaching net cash position by 25E and triggering additional M&A firepower (>Eu350mn).

### Strategy

We believe that Comer Industries is well positioned to consolidate its leadership in the AG segment and increase its market share in the Industrial market. We expect the group to gain further market shares by pivoting on its global footprint, shifting Comer's role from sole supplier to partner of choice. On the M&A side, the group can add new technologies (e.g. hydraulic), to replicate the Benevelli-Sitem deal's rationale, which allowed the group to expand and diversify further the portfolio of products and applications. Indeed, the entrance in the electrified equipment field opened to new opportunities and allows Comer to reap the benefits stemming from the electrification wave.

#### Strengths

- Leading positioning in agriculture equipment market
- A global footprint and capillary presence that maximises proximity to customers
- Established track record with a portfolio of top tier global OEMs (AG and CE)

#### Weaknesses

- Exposure to some market cyclicality
- Limited exposure to AM channel
- Followers in CE market

#### Opportunities

- Growth in food consumption commands efficiencies in agriculture equipment
- Strong market share growth potential in Construction Equipment sector
- New products and technologies through M&A

#### Threats

- Cyclical downturn should impact demand for reference markets (AG and CE)
- Exposure to OEMs, implying some pressure on margins

#### Key shareholders

- Eagles Oak (2° gen Storchi Family): 51%
- WPG Parent BV: 23.9%
- FINREGG (1° gen Storchi Family): 6.2%
- SS Giovanni e Paolo SpA: 5.5%
- Matteo Storchi: 2.3%
- Flee-float: 11.06%

#### Management

- Matteo Storchi - President & CEO
- Stefano Palmieri - CFO
- Alessandro Brizzi - IR

#### Next events

- FY24 results: 19/03/25
- Shareholding meeting: 29/04/25
- 1Q25 results: 29/04/25
- 1H25 results: 01/08/25
- 3Q25 results: 29/10/25

## 3Q/9M24 Results

### 3Q/9M24 results

Sales decreased by 22% amid challenging conditions in both AG and Industrial. Resilient EBITDA margin despite lower volumes.

Eu mn	3Q23A	3Q24A	YoY %	9M23A	9M24A	YoY %	4Q23A	4Q24E	YoY %	FY23A	FY24E	YoY %
Net Sales	275	213	-22%	952	744	-22%	272	217	-20.2%	1,224	961	-21.5%
EBITDA	48	34	-29%	159	124	-22%	46	34	-27.0%	205	158	-23.0%
Ebitda Margin %	17.4%	16.0%		16.7%	16.7%		16.9%	15.5%		16.7%	16.4%	
NFP at YE (debt)/cash	(119)	(111)		(119)	(111)		(95)	(97)		(95)	(97)	

Source: Company data and Alantra estimates

### 3Q/9M24 net sales

AG and Industrial sales decreased by 21% and 24% YoY, respectively

Eu mn	3Q23A	3Q24A	YoY %	9M23A	9M24A	YoY %
Sales by sector						
Agriculture	129	102	-21%	572	390	-32%
Industrial	147	112	-24%	381	355	-7%
Sales by geography						
EMEA	155	105	-32%	569	404	-29%
APAC	41	40	-3%	136	131	-4%
NAM	68	57	-16%	209	177	-15%
LATAM	12	11	-7%	39	33	-14%
Net Sales	275	213	-22%	952	744	-22%

Source: Company data and Alantra estimates

## Change in estimates

### Change in Estimates

FY24-25E sales projections reduced by 6% average; EBITDA margin confirmed. FY26E sales has been adjusted to maintain our previous growth rate.

(Eu mn)	NEW Estimates			% Change			OLD Estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net Sales	961	989	1,055	-5.5%	-6.7%	-6.6%	1,017	1,061	1,130
EBITDA Adjusted	158	165	180	-4.5%	-6.8%	-6.6%	165	177	193
EBIT Adjusted	116	120	138	-6.0%	-8.9%	-8.1%	123	132	150
Pretax Profit	88	95	114	-10.4%	-11.8%	-9.7%	99	108	126
Restated Net Profit	79	84	97	-8.6%	-9.9%	-8.4%	86	93	106
EPS	2.8	2.9	3.4	-8.6%	-9.9%	-8.4%	3.0	3.2	4
Net financial position	(97)	1	81	(2)	(13)	(16)	(95)	14	97

Source: Company data and Alantra estimates

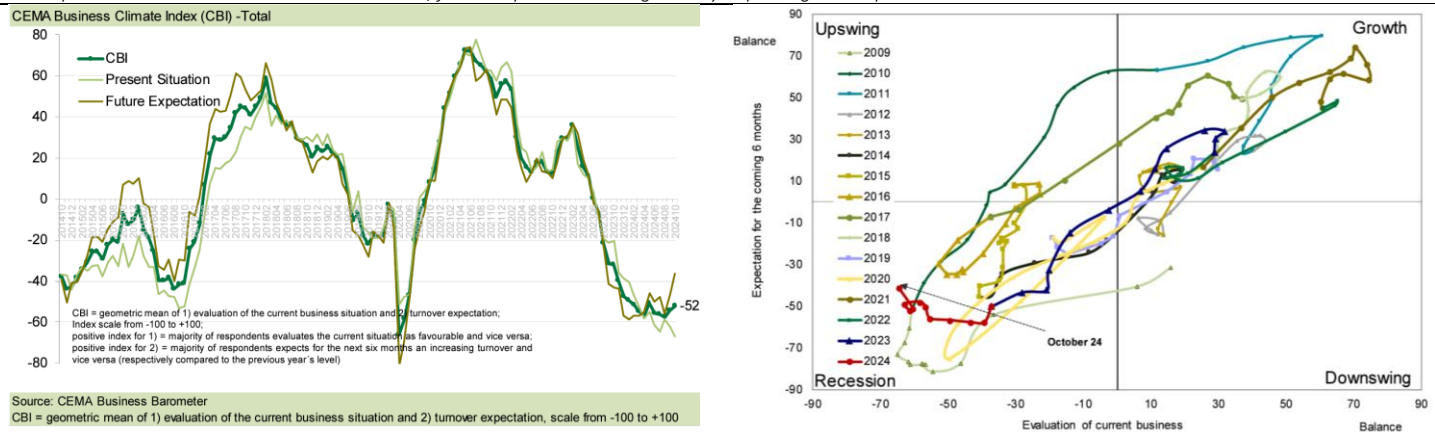


## Negative context remains, expectations improve

The European agricultural machinery industry's business climate index shows a minor uptick yet remains deep in negative territory. In October, the index moved slightly from -54 to -52 (on a -100 to +100 scale). This small improvement marks the second consecutive month of somewhat less negative six-month expectations, though current business sentiment remains deteriorated to an all-time low. According to the survey, dealers are still unable to pass on their order volumes to end customers, resulting in high dealer stock levels across Europe.

### CEMA Business climate index development (LHS) and business cycle (RHS)

*While present situation remains at historical lows, future expectations are gradually improving in Europe.*









Source: CEMA Business Barometer, October 2024

## Peers and OEMs still see headwinds in the short-term

Comer Industries' peer, Dana, released its 4Q24 outlook yesterday, confirming a continued softening across both the AG and Construction markets.

### DANA 3Q24 results presentation: 2024 End-market outlook

*Peer's Dana is confirming a softening 4Q24 across Agriculture and Construction markets*

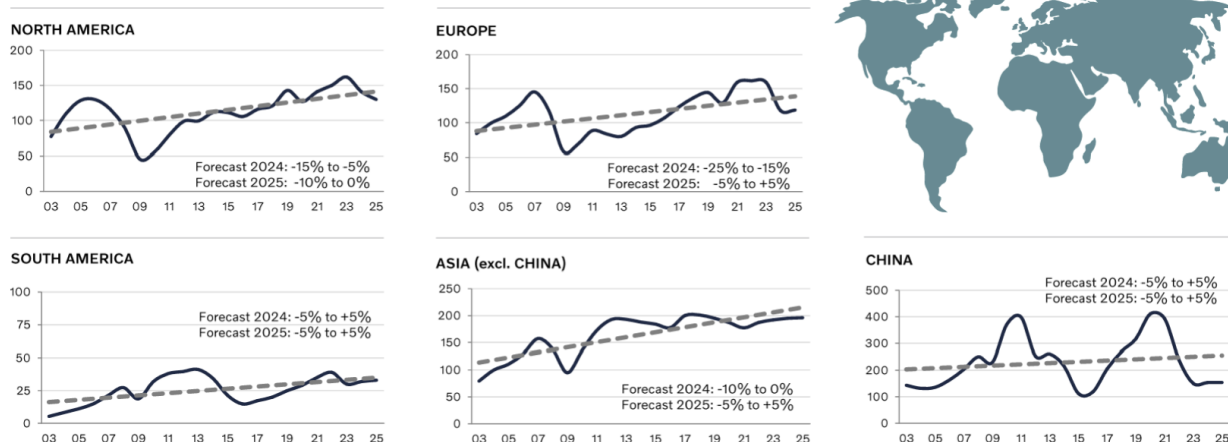
Market	Compared to '23	Update
 Agriculture		Softening
 Construction		Softening
 Mining		No Change

Source: DANA 3Q24 results presentation

Volvo CE, in its recent 3Q24 presentation, reported a mid-to-high-teen decline for FY24E in North America and Europe, with expectations for 2025 showing a gradual recovery trend, moving towards a mid-single-digit decline to flat trajectory in these regions for construction equipment.

## Volvo 3Q24 results presentation: Market environment in CE

*Volvo forecasts a decline in the range of 5/15% in NA and 15/25% in Europe this year for construction equipment. Projections for 2025 hint a gradual normalization.*



Source: Volvo 3Q24 results presentation

## Peers

### Financials – Comer Industries versus selected peers

*Comer financial indicators are in line with industry peers*

Company	Country	Mkt Cap (Eu mn)	FY24E - FY26E average margins					CAGR FY23A - FY26E			
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	Net profit
COMER INDUSTRIES S.p.A.	ITALY	955	16.7%	10.4%	7.2%	3.6%	36.0%	-4.8%	-4.3%	-6.5%	-4.1%
PEERS	Average		17.0%	11.7%	8.2%	3.9%	27.8%	-0.2%	1.3%	2.6%	6.2%
	Median		17.9%	12.2%	9.5%	4.2%	23.9%	1.3%	2.6%	4.2%	7.3%
Interpump Group S.p.A.	ITALY	4,479	23.1%	17.7%	12.0%	5.3%	14.0%	0.9%	0.1%	-1.3%	1.3%
Dana Incorporated	UNITED STATES	1,361	8.5%	4.5%	1.6%	4.1%	33.8%	1.6%	5.0%	9.8%	21.6%
Bucher Industries AG	SWITZERLAND	3,793	12.6%	9.7%	7.7%	4.3%	50.4%	-5.0%	-7.6%	-9.6%	-11.5%
Regal Rexnord Corporation	UNITED STATES	10,440	23.7%	14.8%	11.3%	1.9%	12.9%	1.7%	7.7%	11.7%	13.3%
Off-Highway Components Manufacturers	Average		17.0%	11.7%	8.2%	3.9%	na	-0.2%	1.3%	2.6%	6.2%
	Median		17.9%	12.2%	9.5%	4.2%	na	1.3%	2.6%	4.2%	7.3%
CNH Industrial NV	UNITED STATES	13,120	12.3%	10.4%	8.9%	2.7%	34.5%	-8.3%	-9.3%	-10.1%	-5.1%
Deere & Company	UNITED STATES	102,878	21.7%	18.6%	14.8%	3.9%	25.8%	-7.8%	-13.2%	-14.9%	-10.9%
AGCO Corporation	UNITED STATES	6,928	11.4%	9.1%	5.1%	3.9%	38.1%	-4.4%	-9.8%	-15.8%	-14.6%
Caterpillar Inc.	UNITED STATES	174,008	23.9%	21.0%	15.8%	3.2%	25.3%	0.6%	3.4%	3.1%	4.5%
Off-highway OEMs	Average		17.3%	14.8%	11.2%	3.4%	30.9%	-5.0%	-7.2%	-9.4%	-6.5%
	Median		17.0%	14.5%	11.9%	3.5%	30.2%	-6.1%	-9.6%	-12.5%	-8.0%

Source: Factset, Alantra

## Trading multiples

Comer Industries is trading at 18% discount to Off-highway Components Manufacturers peer on EV/EBITDA 2025

Company	Country	Mkt Cap (Eu mn)	EV/EBITDA			EV/EBIT			PE			EV/Sales		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
COMER INDUSTRIES S.p.A.	ITALY	955	7.9 x	7.0 x	6.1 x	13.1 x	11.5 x	9.2 x	15.0 x	13.9 x	11.6 x	1.3 x	1.2 x	1.0 x
Premium (discount) to C. Manufacturers' Median			-12%	-18%	-19%	12%	4%	-5%	-7%	-9%	-15%	-20%	-24%	-26%
PEERS			Average	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average
			Median	Median	Median	Median	Median	Median	Median	Median	Median	Median	Median	Median
Interpump Group S.p.A.	ITALY	4,479	10.0 x	9.0 x	8.1 x	13.1 x	11.7 x	10.5 x	18.0 x	16.7 x	15.2 x	2.3 x	2.1 x	1.9 x
Dana Incorporated	UNITED STATES	1,361	4.0 x	3.9 x	3.5 x	8.0 x	7.5 x	6.2 x	11.2 x	7.8 x	6.7 x	0.3 x	0.3 x	0.3 x
Bucher Industries AG	SWITZERLAND	3,793	7.9 x	8.0 x	7.0 x	10.3 x	10.5 x	9.0 x	14.4 x	15.7 x	14.5 x	1.0 x	1.0 x	0.9 x
Regal Rexnord Corporation	UNITED STATES	10,440	11.8 x	10.4 x	9.1 x	19.8 x	16.7 x	13.9 x	17.9 x	14.8 x	12.7 x	2.6 x	2.5 x	2.3 x
Off-Highway Components Manufacturers			Average	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average
			Median	Median	Median	Median	Median	Median	Median	Median	Median	Median	Median	Median
CNH Industrial NV	UNITED STATES	13,120	5.9 x	5.9 x	5.1 x	7.0 x	6.9 x	6.1 x	8.5 x	9.0 x	7.8 x	0.7 x	0.7 x	0.6 x
Deere & Company	UNITED STATES	102,878	17.2 x	19.0 x	17.6 x	19.6 x	22.2 x	20.9 x	16.2 x	18.6 x	16.6 x	3.8 x	4.0 x	3.8 x
AGCO Corporation	UNITED STATES	6,928	7.0 x	7.3 x	6.9 x	8.8 x	9.4 x	8.3 x	12.5 x	13.8 x	10.4 x	0.8 x	0.8 x	0.8 x
Caterpillar Inc.	UNITED STATES	174,008	12.1 x	12.3 x	11.6 x	13.9 x	13.9 x	13.1 x	17.5 x	17.2 x	16.0 x	2.9 x	2.8 x	2.8 x
Off-highway OEMs			Average	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average
			Median	Median	Median	Median	Median	Median	Median	Median	Median	Median	Median	Median

Source: Factset, Alantra

## Performance

The stock price has outperformed its peers over the past 6-12 months

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
COMER INDUSTRIES S.p.A.	ITALY	955	-0.6%	-0.3%	0.0%	32.7%	1.5%	179.8%
PEERS			Average	Average	Average	Average	Average	Average
			Median	Median	Median	Median	Median	Median
Interpump Group S.p.A.	ITALY	4,479	-3.2%	3.5%	-0.7%	5.2%	-35.5%	64.3%
Dana Incorporated	UNITED STATES	1,361	-7.1%	-14.5%	-19.7%	-19.7%	-54.3%	-39.7%
Bucher Industries AG	SWITZERLAND	3,793	-9.9%	-1.4%	-3.7%	9.4%	-24.8%	12.4%
Regal Rexnord Corporation	UNITED STATES	10,440	1.3%	8.8%	1.9%	42.7%	11.2%	123.5%
Off-Highway Components Manufac			Average	Average	Average	Average	Average	Average
			Median	Median	Median	Median	Median	Median
CNH Industrial NV	UNITED STATES	13,120	-0.3%	11.7%	-3.7%	4.1%	-24.0%	18.1%
Deere & Company	UNITED STATES	102,878	-2.9%	7.8%	1.3%	12.4%	18.6%	133.2%
AGCO Corporation	UNITED STATES	6,928	2.0%	-1.8%	-15.9%	-9.4%	-18.0%	31.7%
Caterpillar Inc.	UNITED STATES	174,008	-0.9%	12.5%	10.8%	62.4%	89.9%	174.2%
Off-highway OEMs			Average	Average	Average	Average	Average	Average
			Median	Median	Median	Median	Median	Median

Source: Alantra estimates and Factset



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