



COMER INDUSTRIES

CLOSING PRICE* **EUR33.3**
VALUATION (UPSIDE) **EUR37 (+11%) ■ EUR40 (+20%)**

VALUATION RANGE	EPS 24e	EPS 25e
▼ -3% ▼ -5%	▼ -2%	▼ -7%

Waiting for demand to restart

30 OCTOBER 2024

Securities Research Report
Production time: 17:32* (London time)
Research Analysts & Publishing Entities

Giuseppe Grimaldi

BNP Paribas SA
(+39) 02 8963 1735
giuseppe.grimaldi@bnpparibas.com

Michele Baldelli, CFA

BNP Paribas SA
(+39) 02 8963 1744
michele.baldelli@bnpparibas.com

Q3 showed no change in underlying trends...

COM reported a Q3 still affected by the weak demand environment, though showed margin resiliency. Q3 sales were down by >20% y/y organically with similar trends across the two businesses: AG (-21%) and Industrial (-24%). Regionally, EMEA suffered the most (-32%), while NA was down mid-teens and LATAM and APAC were down MSD (in aggregate). Below the top-line, EBITDA was down 28% but cost control translated into >16% EBITDA margin in Q3. Net debt was modestly up QoQ and closed at cEUR111m.

...as end-markets remain largely negative for this year

The company reiterated the margin outlook for the year, while highlighting that the demand environment remains challenging. Both of COM's major markets are unlikely to show a U-turn inversion in the ST. That said, AG seems close to trough (in term of momentum) while CE is stabilising, and both factors (coupled with the end of the destocking cycle) should be broadly supportive for volume improvement into 2025.

2024/25e estimates cut by 2%/7%. Improved momentum needed to unlock rerating

We cut our numbers, reflecting a spillover of AG weakness into Q4 and a still-soft Industrial environment. As such, our FV range comes down to EUR 37-40/sh (vs former EUR 38-42/sh). YTD the shares have outperformed EU small caps as COM is executing well on costs and showed structurally higher margins against a challenging volume backdrop. The shares are not expensive vs COM's main peers (>10% discount on 2025e EBIT), but improved momentum is needed to support a rerating from this level.

*Closing Price (29 October 2024)	EUR33.3	Performance ⁽¹⁾	1w	1m	3m	12m			
Market cap (EURm)	955	Absolute(%)	0	(1)	(0)	37			
Free float (EURm)	183	Rel. Capital Goods(%)	1	2	(7)	(13)			
EV (EURm)	1,195	Rel. MSCI Small Cap(%)	1	3	1	8			
3m avg volume (EURm)	NC								
Refinitiv / Bloomberg	COME.MI / COM IM								
Country / Sub Sector	Italy / Industrial Machinery								
Financials	12/23	12/24e	12/25e	12/26e	Valuation metrics ⁽²⁾	12/23	12/24e	12/25e	12/26e
EPS, Adjusted (EUR)	3.79	2.80	3.14	3.51	P/E (x)	8.0	11.9	10.6	9.5
EPS, Company (EUR)	3.28	2.30	2.64	3.01	Net yield (%)	4.1	3.8	4.3	4.9
EPS - Refinitiv (EUR)	3.78	2.84	3.30	3.62	FCF yield (%)	16.2	3.6	13.4	9.8
Net dividend (EUR)	1.25	1.25	1.43	1.63	EV/Sales (x)	0.9	1.2	1.1	0.9
Sales (EURm)	1,224	981.6	1,037	1,114	EV/EBITDA (x)	5.6	7.3	6.2	5.4
EBITA, Adj. (EURm)	164.1	120.6	133.0	147.9	EV/EBITA (x)	7.0	9.9	8.3	7.1
Net profit, Adj. (EURm)	108.7	80.3	89.9	100.5	EV/CE (x)	1.4	1.4	1.4	1.3
ROCE (%)	14.2	10.1	11.8	13.3					
Net Debt/EBITDA, Adj. (x)	0.5	0.3	-	-					
All valuation metrics based on adjusted figures									
Source: RNP Paribas Xpans (estimates) Refinitiv (consensus) (1) In listing currency, with dividend reinvested. (2) Yearly average price for FY ended 12/23									

All valuation metrics based on adjusted figures

Source: BNP Paribas Exane (estimates), Refinitiv (consensus) (1) In listing currency, with dividend reinvested (2) Yearly average price for FY ended 12/23

SPONSORED RESEARCH (Not for Distribution in the US or APAC): BNP Paribas SA is receiving compensation from Comer Industries to cover and produce research on the stock. See page 5) for Analyst Certification, Important Disclosures, Non-US Research Analyst disclosures and BNP Paribas Group Corporate Social Responsibility ("CSR") policies. For time of dissemination, please refer to the Cube. In November 2023, Exane SA and BNP Paribas SA completed their legal merger, with BNP Paribas SA as the succeeding legal entity. BNP Paribas Exane is a trade name of BNP Paribas SA and its affiliates and branches. BNP has adopted strict CSR policies that govern financing and investment in certain sectors. *Closing Price (29 October 2024).

For the exclusive use of **Alessandro BRIZZI** at **COMER INDUSTRIES** (31-Oct-2024)

Figure 1: We cut our 2024/25e estimates by 2/7%

	31 Dec 24			31 Dec 25			31 Dec 26		
	Old	New	Revision	Old	New	Revision	Old	New	Revision
Sales	1,017	981.6	(3%)	1,089.9	1,036.9	(5%)	1,156.4	1,113.8	(4%)
COM EBITDA	170.0	163.7	(4%)	190.0	178.8	(6%)	202.5	194.4	(4%)
BNPPE adj. EBIT restated*	123.1	120.6	(2%)	143	133	(7%)	155.8	147.9	(5%)
BNPPE adj. Net profit	82.2	80.3	(2%)	97.1	89.9	(7%)	106.3	100.5	(5%)

Source: BNP Paribas Exane estimates, *not including PPA

Figure 2: Peers table

Name	Country	Price L.C	Mkt cap (EUR bn)	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026
JOST WERKE SE	DE	43.15	0.6bn	8.9x	7.9x	6.8x	7.1x	6.5x	5.3x	5.6x	4.6x	3.6x	0.7x	0.6x	0.5x
BUCHER INDUSTRIES AG-REG	CH	346.5	3.8bn	14.9x	15.7x	14.1x	10.1x	10.5x	9.0x	7.8x	7.9x	7.0x	1.0x	1.0x	0.9x
INTERPUMP GROUP SPA	IT	41.14	4.4bn	18.6x	17.2x	16.1x	13.5x	12.2x	11.1x	10.2x	9.3x	8.5x	2.3x	2.1x	1.9x
DANA INC	US	10.14	1.3bn	10.7x	8.5x	6.7x	9.2x	8.2x	7.1x	4.4x	4.2x	3.8x	0.4x	0.4x	0.3x
MEDIAN				12.8x	12.1x	10.5x	9.7x	9.3x	8.0x	6.7x	6.3x	5.4x	0.8x	0.8x	0.7x
COMER INDUSTRIES SPA	IT	33.3	1.0bn	11.9x	10.6x	9.5x	9.9x	8.3x	7.1x	7.3x	6.2x	5.4x	1.2x	1.1x	0.9x
Premium/(Discount) vs median				-7%	-12%	-9%	3%	-11%	-11%	9%	-1%	1%	44%	34%	33%

Source: BNP Paribas Exane estimates, Bloomberg

Figure 3: Our DCF points to EUR 40/sh

	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Terminal
Sales	396.2	598.1	1,237.6	1,223.9	981.6	1,036.9	1,113.8	1,169.4	1,199.3	1,229.3
% YoY growth		51.0%	106.9%	-1.1%	-19.8%	5.6%	7.4%	5.0%	2.6%	2.5%
Restated EBITDA	47.8	77.2	179.7	204.3	163.6	178.6	194.3	208.2	213.1	218.4
% YoY growth		61.5%	132.9%	13.7%	-19.9%	9.2%	8.6%	7.2%	2.3%	2.5%
% margin	12.1%	12.9%	14.5%	16.7%	16.7%	17.2%	17.4%	17.8%	17.8%	17.8%
Restated EBIT	30.5	56.8	142.8	164.1	120.6	133.0	147.9	162.0	165.5	169.6
% YoY growth		86.3%	151.5%	15.0%	-26.5%	10.2%	11.2%	9.6%	2.2%	2.5%
% margin	7.7%	9.5%	11.5%	13.4%	12.3%	12.8%	13.3%	13.9%	13.8%	13.8%
Tax rate	28.0%	28.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%
NOPAT	21.9	40.9	101.4	116.5	85.6	94.4	105.0	115.0	117.5	120.4
WC change	(73.7)	(96.4)	(83.8)	33.6	(44.2)	31.3	(12.8)	(8.1)	(2.7)	(5.9)
WC	73.7	170.1	233.9	200.3	244.5	213.2	226.9	234.0	236.7	242.6
WC / Sales (%)	18.6%	28.4%	18.9%	16.4%	24.9%	20.6%	20.3%	20.0%	19.7%	19.7%
D&A including RoU, excl PPA & cap. dev. costs	17.3	20.4	37.0	40.2	42.9	45.8	46.4	48.2	47.6	48.8
D&A / Sales (%)	4.4%	3.4%	3.0%	3.3%	4.4%	4.4%	4.2%	3.9%	4.0%	4.0%
Capex	(13.1)	(19.6)	(33.9)	(42.3)	(40.2)	(34.2)	(36.8)	(38.6)	(39.6)	(40.9)
Capex / Sales (%)	3.3%	3.3%	2.7%	3.5%	4.1%	3.3%	3.3%	3.3%	3.3%	3.3%
Operating FCF					44.1	137.1	101.9	114.5	122.8	122.3
Terminal Value										1672
Discount factor						1.0	0.9	0.8	0.7	
Discounted FCF						137.1	91.3	93.5	91.2	

2025-2028 Discounted FCF	413
Discounted terminal value	1242
Enterprise Value	1655
- 2024 Net debt restated	42
- Adjusted lease liability	94
- Other liabilities and commitments	187
- Revalued minority interests	0
+ (Assoc. + revalued investments)	2
Equity value	1334
Diluted shares (m)	28.7
Liquidity discount	15%
Value per share	40

Wacc	9.8%
LT growth	2.5%

Source: BNP Paribas Exane estimates

Figure 4: Our peer-based valuation now points to EUR 37/sh

	EV/EBIT 2025e
Valuation summary	
Median	9x
Premium	0%
Fair multiple	9x
BNPPE Adj. EBIT	133
EV	1237
- Net debt (excluding IFRS 16)	51
- Adjusted lease liability	(39)
- Other liabilities and commitments	(187)
- Revalued minority interests	0
+ (Assoc. + revalued investments)	2
Equity Value	1064
Liquidity discount	0%
Nosh	28.7
Equity value per share	37

Source: BNP Paribas Exane estimates

Forthcoming events

Date	Event
12 Nov. 2024	Q3 Results 2024

Investment case, valuation and risks

Comer Industries

Investment case

We expect synergies and further market share growth to result in a positive earnings trajectory, with an M&A boost potentially coming on top. With the market ignoring sound MT prospects and structurally higher profitability, we believe the current share price offers an attractive entry point.

Valuation methodology

We base our valuation range on a DCF and on peers' 2025e EV/EBIT multiple.

Risks

To the upside:

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

To the downside:

Cyclical slowdown of its reference markets, price pressure from OEMs.

ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES

Analyst Certification

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

Non-US Research Analyst Disclosure

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

Michele Baldelli	BNP Paribas SA	Giuseppe Grimaldi	BNP Paribas SA
------------------	----------------	-------------------	----------------

Research Analyst Compensation

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

Sponsored Research

The subject company of this research report has commissioned BNP Paribas to cover its stock and, consequently, BNP Paribas has received compensation from the company for the preparation and dissemination of this research report.

Research Analyst-Specific Disclosures

The table immediately below indicates if the research analyst(s) responsible for the preparation of this report (or members of their household) has/have certain conflicts of interest relating to the subject company/ies.

Company/ies	Relevant Disclosures
NONE	

- 1 – The research analyst(s) responsible for the preparation of this report, a member of his/her household or an associate of the research analyst has/have a financial interest in the securities of the subject company/ies indicated in the above table.
- 2 – The research analyst(s) responsible for the preparation of this report, a member of his/her household or an associate of the research analyst serve(s) as an employee, officer, director, or advisory board member of the subject company/ies indicated in the above table.
- 3 – The research analyst(s) responsible for the preparation of this report received compensation from the subject company/ies in the past twelve months.
- 4 – The research analyst(s) responsible for the preparation of this report has/have a material conflict of interest with respect to the subject company/ies indicated in the above table other than those that would fall under 1, 2 or 3 above.

BNP Paribas-Specific Disclosures

BNP Paribas SA, including its branches and affiliates (collectively, “BNPP” or “BNP Paribas”), has relationships with many companies. The numbered disclosures below identify relationships that BNPP has with the subject company/ies that must be disclosed under applicable rules.

Company/ies	Ticker/s	Relevant Disclosures
Comer Industries	COM IM	7; 10; 12
1 – BNPP beneficially owns 1% or more of a class of common equity securities of the subject company/ies.		
2 – BNPP managed or co-managed an offering of securities for the subject company/ies in the past 12 months.		
3 – BNPP received compensation for investment banking services from the subject company/ies in the past 12 months.		
4 – BNPP expects to receive or intends to seek compensation for investment banking services from the subject company/ies in the next 3 months.		
5 – BNPP has entered into a contract with the subject company/ies to provide liquidity in its/their securities.		
6 – BNPP is a market maker in the securities of the subject company/ies.		
7 – BNPP received compensation for products and services other than investment banking services from the subject company/ies in the past 12 months.		
8 – BNPP has or had an investment banking client relationship with the subject company/ies in the last 12 months.		
9 – BNPP has or had a non-investment banking securities services client relationship with the subject company/ies in the last 12 months.		
10 – BNPP has or had a non-securities services client relationship with the subject company/ies in the last 12 months.		
11 – BNPP beneficially owns a net long or short position of more than 0.5% of the total issued share capital of the subject company/ies.		
12 – BNPP is party to an agreement with the issuer relating to the production of the recommendation.		
13 – Sections of this report, with the research summary, target price and rating removed, have been presented to the subject company/ies prior to its distribution, for the sole purpose of verifying the accuracy of factual statements.		
14 – Following the presentation of sections of this report to the subject company/ies, some conclusions were amended.		
15 – A member of BNPP Equity Research is an officer or a member of the Board of the subject company/ies.		
16 – The subject company/ies hold(s) more than 5% of the total issued share capital of BNPP.		

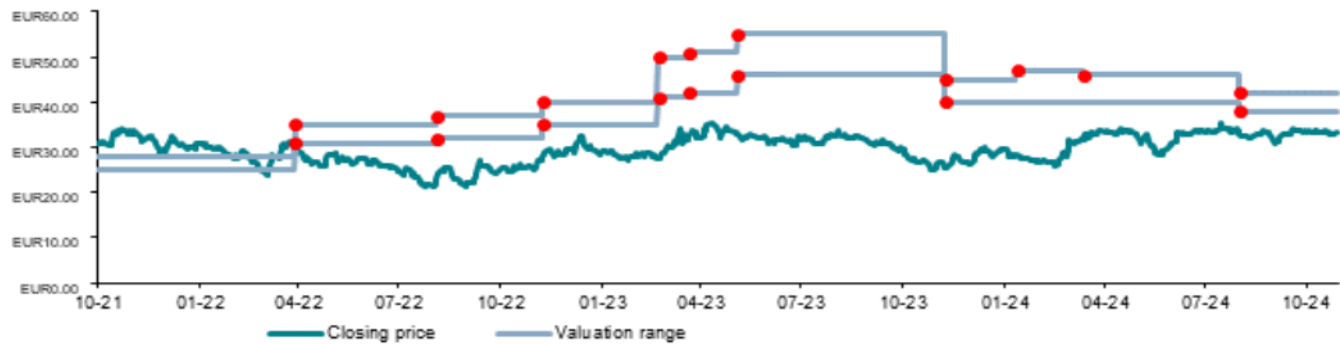
BNP Paribas Financing and Investment Policies

Sustainability is core to BNP Paribas' company purpose: "we are engaged with our clients to create a better future". In line with the United Nations Sustainable Development Goals, the BNP Paribas Group has thus pledged to act as a catalyst in the energy transition, and to contribute to a responsible and sustainable economy. As a bank, we are required to finance a number of industries, some of which can pose major environmental, social and governance (ESG) challenges. That's why, since 2010, BNP Paribas has adopted and regularly reviewed sector policies laying down strict ESG criteria meant to govern our financing and investments in these sensitive areas. They aim to support our customers in their transitions towards sustainable practices. For more details, please refer to: Financing and investment policies - BNP Paribas (<https://group.bnpparibas/en/our-commitments/transitions/financing-and-investment-policies>).

Price and Valuation Range Chart

Comer Industries

Historical Closing Price & Valuation Range (closing price as of 29/10/2024)



Source: BNP Paribas

Historical valuation range changes

Date & Time of Dissemination (London time) (1)	Rating	Valuation Range	Closing Price*	Key Changes	Person(s) Involved
30 Oct. 2024 19:50	n/a	EUR37.00 EUR37.00	EUR33.30		G. Grimaldi, M. Baldelli
2 Aug. 2024 19:50	n/a	EUR 38.00 42.00	EUR32.90	Valuation range change	G. Grimaldi
14 Mar. 2024 10:06	n/a	EUR 40.00 46.00	EUR31.80	Valuation range change	G. Grimaldi
15 Jan. 2024 06:24	n/a	EUR 40.00 47.00	EUR28.20	Valuation range change	G. Grimaldi
9 Nov. 2023 09:52	n/a	EUR 40.00 45.00	EUR26.00	Valuation range change	G. Grimaldi
5 May 2023 09:18	n/a	EUR 46.00 55.00	EUR32.90	Valuation range change	G. Grimaldi
22 Mar. 2023 06:17	n/a	EUR 42.00 51.00	EUR32.30	Valuation range change	G. Grimaldi
22 Feb. 2023 06:11	n/a	EUR 41.00 50.00	EUR27.40	Valuation range change	G. Grimaldi, M. Baldelli
9 Nov. 2022 05:59	n/a	EUR 35.00 40.00	EUR27.90	Valuation range change	M. Baldelli
5 Aug. 2022 06:57	n/a	EUR 32.00 37.00	EUR22.90	Valuation range change	M. Baldelli
29 Mar. 2022 20:13	n/a	EUR 31.00 35.00	EUR30.20	Valuation range change	M. Baldelli
9 Apr. 2021 05:54	n/a	EUR 19.00 22.00	EUR16.70	Enter sponsored list	M. Baldelli

(1) Please refer to the Cube for the dissemination time of this report.

- Note:
- Closing price is based on market close price on last business close date.
 - Closing prices and target prices have been adjusted to take into account stock split or corporate actions where applicable.

For policies for managing conflicts of interest in relation to investment research, go to [COI_investment_research.pdf \(cib.bnpparibas\)](#)

The company-specific disclosures, history of recommendations, valuation methodologies and investment case risks for companies covered by this report are available on <https://cube.cib.bnpparibas/slink/sk6EkeKO728t8thH>. For material information about the proprietary models used, please see summary of financials in company-specific research reports and company page on <https://cube.cib.bnpparibas>.

Legal Entity/ies Responsible for the Production of Research

This report is produced by the publishing entity/ies identified on the cover page which is/are member company/ies of the BNPP group of companies. Please refer to the Legal Entity Disclosures and Country-/Regional-Specific Disclosures for their relevant competent authority/ies.

Price at 29 Oct. 24: EUR33.3

Valuation range (EUR): 37.0 (+11%) | 40.0 (+20%)

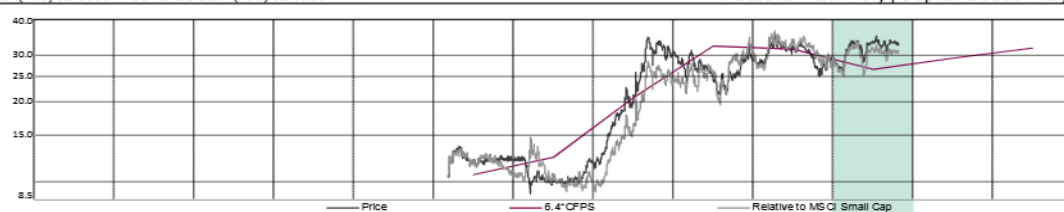
COMER INDUSTRIES

Industrial Machinery | Capital Goods - Italy

Refinitiv / Bloomberg: COME.MI / COM IM

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

Company Highlights	EURm
Enterprise value	1,195
Market capitalisation	955
Free float	183
3m average volume	
Performance (*)	
Absolute	1m (1%) 3m (0%) 12m 37%
Rel. Sector	2% (7%) (13%)
Rel. MSCI Small Cap	3% 1% 8%
12m Hi/Lo (EUR): 35.3 -6% / 25 +33%	
CAGR 2016/2024 2024/2026	
EPS restated	21% 12%
CFPS	NC 9%



Price (yearly avg from Dec. 19 * to Dec. 23)

PER SHARE DATA (EUR)	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19 *	Dec. 20	Dec. 21	Dec. 22	Dec. 23	Dec. 24e	Dec. 25e	Dec. 26e
No of shares year end, basic, (m)	10,000	10,000	10,000	10,000	10,000	20,409	20,409	20,409	20,409	20,409	20,409	20,409
Avg no of shares, diluted, excl. treasury stocks (m)	10,000	10,000	10,000	10,000	10,000	20,650	20,650	20,650	20,650	20,650	20,650	20,650
EPS reported, Gaap	1.30	0.67	1.14	0.92	0.91	1.07	1.37	3.16	3.28	3.28	2.64	3.01
EPS company definition	1.30	0.67	1.14	1.16	1.06	1.27	1.43	3.16	3.28	3.28	2.64	3.01
EPS restated, fully diluted	1.37	0.81	1.13	1.20	0.90	1.06	1.93	3.43	3.79	2.80	3.14	3.51
% change	NC	(55.3%)	84.0%	6.3%	(25.0%)	17.8%	81.8%	77.3%	10.6%	(26.1%)	11.9%	11.8%
Book value (BVPS) (a)	11.4	7.1	7.6	5.2	6.3	7.0	12.1	15.5	17.7	18.8	20.1	21.7
Net dividend	0.50	4.55	0.26	0.80	0.35	0.50	0.50	0.75	1.25	1.25	1.43	1.63

STOCKMARKET RATIOS

	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19 *	Dec. 20	Dec. 21	Dec. 22	Dec. 23	Dec. 24e	Dec. 25e	Dec. 26e
P / E (P/EPS restated)					13.4x	10.0x	11.8x	7.8x	8.0x	11.9x	10.6x	9.5x
P / E relative to MSCI Small Cap					78%	21%	77%	57%	51%	85%	88%	91%
FCF yield					4.4%	15.7%	10.6%	7.0%	16.2%	3.6%	13.4%	9.8%
P / BVPS					1.91x	1.51x	1.89x	1.72x	1.71x	1.78x	1.65x	1.53x
Net yield					2.9%	4.7%	2.2%	2.8%	4.1%	3.8%	4.3%	4.9%
Payout					38.8%	47.0%	25.0%	21.9%	33.0%	44.6%	45.7%	46.0%
EV / Sales					0.72x	0.59x	1.40x	0.87x	0.94x	1.22x	1.06x	0.94x
EV / Restated EBITDA (**)					6.5x	4.9x	10.9x	6.0x	5.6x	7.3x	6.2x	5.4x
EV / Restated EBITA					10.4x	7.7x	14.8x	7.6x	7.0x	9.9x	8.3x	7.1x
EV / NOPAT					14.4x	10.7x	20.5x	10.6x	9.8x	14.0x	11.7x	10.0x
EV / OpFCF					11.2x	4.9x	11.5x	10.3x	5.5x	15.1x	6.3x	7.2x
EV / Capital employed (incl. gross goodwill)					1.7x	1.5x	1.2x	1.3x	1.4x	1.4x	1.4x	1.3x

ENTERPRISE VALUE (EURm)

	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19 *	Dec. 20	Dec. 21	Dec. 22	Dec. 23	Dec. 24e	Dec. 25e	Dec. 26e
Market cap	291	234	840	1,080	1,446	1,495	1,402	1,050				
+ Adjusted net debt (including lease liability)	16	55	41	37	29	(3)	177	149	95	55	(38)	(90)
+ Other liabilities and commitments					16	21	193	166	187	187	187	187
+ Revalued minority interests					0	0	1	2	2	2	2	2
- Revalued investments					0	0	1	2	2	2	2	2

P & L HIGHLIGHTS (EURm)

	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19 *	Dec. 20	Dec. 21	Dec. 22	Dec. 23	Dec. 24e	Dec. 25e	Dec. 26e
Sales	327.6	303.7	342.1	379.0	404.6	395.2	598.1	1,237.6	1,223.9	981.6	1,036.9	1,113.8
Restated EBITDA (b) (**)	21.4	21.4	29.3	37.6	44.9	47.8	77.2	179.7	204.3	163.6	178.6	194.3
Depreciation	(11.0)	(11.6)	(12.1)	(12.7)	(16.9)	(17.3)	(20.4)	(37.0)	(40.2)	(42.9)	(45.6)	(46.4)
Restated EBITA (b)	10.4	9.9	17.1	25.0	28.1	30.5	56.8	142.8	164.1	120.6	133.0	147.9
Reported operating profit (loss)	10.4	9.8	17.1	24.9	27.8	30.4	56.8	127.5	144.4	100.4	112.8	127.7
Net financial income (charges)	(1.3)	0.6	(0.4)	(2.1)	(1.3)	(1.0)	(2.0)	(2.6)	(15.3)	(7.5)	(6.3)	(6.3)
Affiliates												
Other	6.4	0.0	0.0	0.0	(0.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax	(2.5)	(3.8)	(5.3)	(7.1)	(7.1)	(7.6)	(15.4)	(34.2)	(35.1)	(27.0)	(30.9)	(35.2)
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net attributable profit reported	13.0	6.7	11.4	15.7	18.5	21.8	39.4	90.7	94.0	66.0	75.6	86.2
Net attributable profit restated (c)	13.7	6.1	11.3	16.2	18.6	22.0	39.9	98.3	108.7	80.3	89.9	100.5

CASH FLOW HIGHLIGHTS (EURm)

	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19 *	Dec. 20	Dec. 21	Dec. 22	Dec. 23	Dec. 24e	Dec. 25e	Dec. 26e
EBITDA (reported) (**)	22.1	22.0	29.8	38.4	45.7	48.6	78.2	180.0	205.0	163.7	178.8	194.4
EBITDA adjustment (b)	(0.7)	(0.5)	(0.5)	(0.8)	(0.7)	(0.8)	(1.0)	(0.3)	(0.7)	(0.2)	(0.2)	(0.2)
Other items	(1.5)	(23.8)	3.9	(0.1)	4.4	5.7	12.7	16.0	3.7	0.2	0.2	0.2
Change in WCR	(3.9)	6.1	8.9	(8.5)	(5.9)	7.5	2.7	(57.4)	41.3	(44.2)	31.3	(12.8)
Operating cash flow	15.9	3.8	42.1	29.0	43.5	61.1	92.6	138.3	249.3	119.5	210.1	181.7
Capex	(14.3)	(16.5)	(12.2)	(15.4)	(17.4)	(17.4)	(19.6)	(33.9)	(42.3)	(40.2)	(34.2)	(36.8)
Operating free cash flow (OpFCF)	1.6	(12.8)	29.9	13.6	26.1	43.7	73.0	104.4	207.0	79.3	175.9	144.9
Net financial items (d) + tax paid	(3.8)	(4.3)	(5.0)	(8.3)	(15.3)	(13.9)	(23.0)	(50.7)	(66.7)	(44.7)	(47.5)	(51.8)
Free cash flow	(2.2)	(17.1)	23.9	5.3	10.8	34.0	50.0	53.7	140.3	34.5	128.3	93.1
Net financial investments & acquisitions	1.0	2.8	3.2	2.6	1.4	1.5	(191.8)	(0.2)	(48.3)	0.0	0.0	0.0
Other	0.0	(20.2)	37.8	(0.7)	(22.7)	7.0	(35.9)	(6.7)	(16.4)	0.0	0.0	0.0
Capital increase (decrease)	3.5	0.0	(4.9)	0.4	30.4	(3.2)	7.9	(4.6)	0.0	0.0	0.0	0.0
Dividends paid	(5.0)	(5.0)	(45.5)	(3.5)	(12.2)	(7.1)	(10.2)	(14.3)	(21.5)	(35.8)	(35.8)	(41.1)
Increase (decrease) in net financial debt	2.6	39.5	(14.6)	(4.0)	(7.6)	(32.3)	180.0	(27.9)	(54.1)	1.3	(92.5)	(52.1)
Cash flow, group share	16	(7)	27	29	34	40	67	145	141	119	131	143

BALANCE SHEET HIGHLIGHTS (EURm)

	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19 *	Dec. 20	Dec. 21	Dec. 22	Dec. 23	Dec. 24e	Dec. 25e	Dec. 26e
Net operating assets	53	57	56	57	85	80	533	599	620	607	585	566
WCR	79	73	67	78	85	74	170	234	200	244	213	226
Restated capital employed, incl. gross goodwill	132	130	122	135	170	154	703	803	820	851	799	792
Shareholders' funds, group share	114	71	76	89	129	143	346	444	508	538	577	623
Minorities	0	0	0	0	0	0	0	0	0	0	0	0
Provisions/ Other liabilities	16	14	13	17	20	22	224	248	263	263	263	263
Net financial debt (cash)	16	55	41	37	29	(3)	177	149	95	55	4	(48)

FINANCIAL RATIOS (%)

	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19 *	Dec. 20	Dec. 21	Dec. 22	Dec. 23	Dec. 24e	Dec. 25e	Dec. 26e
Sales (% change)	NC	(7.3%)	12.6%	10.8%	6.7%	(2.1%)	51.0%	106.9%	(1.1%)	(19.8%)	5.6%	7.4%
Organic sales growth	(7.7%)	(6.8%)	12.9%	12.6%	5.9%	(0.6%)	42.7%	14.3%	(1.5%)	(18.8%)	6.1%	7.4%
Restated EBITA (% change)	NS	(5.2%)	73.6%	45.7%	12.3%	8.7%	86.3%	151.5%	15.0%	(26.5%)	10.2%	11.2%
Restated attributable net profit (% change)	NC	(55.3%)	84.0%	43.5%	14.6%	18.0%	81.8%	146.2%	10.6%	(26.1%)	11.9%	11.8%
Personnel costs / Sales	20.0%	21.6%	21.3%	18.8%	18.0%	16.9%	14.5%	19.7%	19.7%	25.3%	24.9%	24.1%
Restated EBITDA margin (**)	6.5%	7.1%	8.6%	9.9%	11.1%	12.1%	12.9%	14.5%	16.7%	16.7%	17.2%	17.4%
Restated EBITA margin	3.2%	3.3%	5.0%	6.6%	6.9%	7.7%	9.5%	11.5%	13.4%	12.3%	12.8%	13.3%
Tax rate	16.1%	36.1%	31.8%	31.1%	27.8%	26.0%	28.1%	27.4%	27.2%	29.0%	29.0%	29.0%
Net margin	4.2%	2.0%	3.3%	4.3%	4.6%	5.5%	6.7%	7.9%	8.9%	8.2%	8.7%	9.0%
Capex / Sales	4.4%	5.5%	3.6%	4.1%	4.3%	3.3%	3.3%	2.7%	3.5%	4.1%	3.3%	3.3%
OpFCF / Sales	0.5%	(4.2%)	8.8%	3.6%	6.4%	12.1%	12.2%	8.4%	16.9%	8.1%	17.0%	13.0%
WCR / Sales	24.3%	24.0%	19.4%	20.6%	20.9%	18.6%	28.4%	18.9%	16.4%	24.9%	20.6%	20.3%
Capital employed (excl. gdw./intangibles) / Sales	39.1%	41.2%	34.3%	34.5%	41.1%	37.9%	62.7%	36.0%	35.5%	49.5%	43.8%	42.0%
ROE	12.1%	8.6%	14.8%	18.3%	14.4%	15.3%	11.5%	22.1%	21.4%	14.9%	15.6%	16.1%
Gearing	14%	78%	53%	41%	23%	(2%)	51%	34%	19%	10%	(7%)	(14%)
EBITDA / Financial charges (**)	NS	83.8x	39.8x	26.9x	32.3x	57.8x	61.0x	24.2x	13.8x	21.6x	28.2x	31.0x
Adjusted financial debt (A)+(B) / EBITDA (**)	0.7x	2.6x	1.4x	1.0x	0.6x	NC	2.3x	0.8x	0.5x	0.3x	NC	NC
ROCE excl. gdw./intangibles	5.6%	5.4%	10.3%	13.8%	12.2%	14.6%	10.9%	22.8%	26.8%	17.9%	20.8%	22.5%
ROCE incl. gross goodwill	5.4%	5.2%	9.9%	13.3%	11.9%	14.3%	5.8%	12.6%	14.2%	10.1%	11.8%	13.3%
WACC	8.3%	8.8%	8.2%	8.6%	8.7%	8.7%	8.1%	10.0%	10.0%	9.3%	9.3%	9.3%

Latest Model update: 30 Oct. 24

(a) Intangibles: EUR385.37m, or EUR13 per share. (b) adjusted for capital gains/losses, exceptional restructuring charges, capitalized R&D; EBITA also adjusted for impairments and am. of intangibles from M&A (c) after EBITA adjustments and financial result/tax adjustments (d) including lease principal post IFRS 16 (*) In listing currency, with div. reinvested, (**) EBITDA post IFRS 16, (1) First application of IFRS 16

Legal Entity Disclosures and Country-/Region-Specific Disclosures

Bahrain: This report is being distributed in Bahrain by BNP Paribas Conventional Wholesale Bank Bahrain, a branch of BNP Paribas S.A. whose head office is in Paris, France (Registered Office: 16 boulevard des Italiens, 75009 Paris, France). BNP Paribas Conventional Wholesale Bank Bahrain is licensed and regulated as a Registered Institution by the Central Bank of Bahrain. This report does not, nor is it intended to, constitute an offer to issue, sell or acquire, or solicit an offer to sell or acquire any securities or to enter into any transaction. The Central Bank of Bahrain assumes no responsibility for the accuracy and completeness of the statements and information contained in this report and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this report.

European Economic Area (EEA): This report is being distributed in the EEA by BNP Paribas S.A. ("BNPP SA") and/or BNP Paribas Arbitrage S.A. ("BNPP Arbitrage"). BNPP SA is incorporated in France with limited liability (Registered Office: 16 boulevard des Italiens, 75009 Paris, France, 662 042 449 RCS Paris, www.bnpparibas.com). BNPP SA is authorised and supervised by the European Central Bank ("ECB") and by the Autorité de Contrôle Prudentiel et de Résolution ("ACPR") in respect of supervision for which the competence remains at national level, in terms of Council Regulation n° 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions. BNPP SA is authorised and regulated by the Prudential Regulation Authority and by the Autorité des Marchés Financiers ("AMF") in France. BNPP Arbitrage is an unlimited liability company, whose registered office is 160/162 boulevard Macdonald 75019 Paris, registered with the Paris Trade and Companies Registry under number 394 895 833. It is authorised and supervised by the ACPR and the AMF in France. This report is intended for distribution in the EEA to persons regarded as professional investors (or equivalent) pursuant to Art. 4 para 1 no. 10 and Annex II of MiFID II and its respective implementation in their home jurisdictions.

Israel: BNP Paribas is not licensed under Israel's Regulation of Investment Advising, Investment Marketing and Portfolio Management Law, 5755-1995 (the "Advice Law") and does not carry insurance pursuant to the Advice Law. This report is only intended for those categories of Israeli residents who are qualified clients listed on the First Addendum to the Advice Law.

Jersey: An investment in the securities that are the subject of this report is only suitable for sophisticated investors who understand the risks involved in acquiring such an investment. Neither BNP Paribas nor the activities of any functionary with regard to this report are subject to all the provisions of the Financial Services (Jersey) Law 1998.

Kingdom of Saudi Arabia: This report may not be distributed in the Kingdom except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this report, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this report. Prospective purchasers of securities in the company/ies that are the subject of this report should conduct their own due diligence on the accuracy of the information herein relating to the subject company/ies. If you do not understand the contents of this report, you should consult an authorised financial advisor.

Qatar: This report is not intended to constitute an offer or provision of Advisory, M&A and Research services under the laws of Qatar. This report has not been and will not be authorised by any regulator in the State of Qatar, including the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or the Qatar Central Bank in accordance with their regulations or any other regulations in Qatar. In addition, this report is not intended to constitute an offer, sale or delivery of financial products under the laws of Qatar. Securities in the company/ies that is/are the subject of this report have not been and will not be authorised by any regulator in the State of Qatar, including the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or the Qatar Central Bank in accordance with their regulations or any other regulations in Qatar. Securities in the company/ies that is/are the subject of this report are not and will not be traded on the Qatar Stock Exchange.

South Africa: BNPP is a bank incorporated in France with a local branch registered with the South African Reserve Bank and registered as an external company in terms of the South African Companies Act, 2008. BNPP is an authorised Financial Services Provider (FSP 44610) and subject to regulation by the Financial Services Board and South African Reserve Bank. It is also a licensed member of the Johannesburg Stock Exchange. BNPP does not expressly or by implication represent, recommend or propose that the information and/or financial products referred to in this report are appropriate to the particular investment objectives, financial situation or particular needs of the recipient. This document further does not constitute advice (whether financial, legal, tax or otherwise) as contemplated in the Financial Advisory and Intermediary Services Act, 2002.

Switzerland: This report is intended solely for customers who are "Qualified Investors" as defined in article 10 paragraphs 3 and 4 of the Federal Act on Collective Investment Schemes of 23 June 2006 and the relevant provisions of the Federal Ordinance on Collective Investment Schemes of 22 November 2006. "Qualified Investors" includes, among others, regulated financial intermediaries such as banks, securities traders, fund management companies and asset managers of collective investment schemes, regulated insurance institutions as well as pension funds and companies with professional treasury operations. This report may not be suitable for customers who are not Qualified Investors and should only be used and passed on to Qualified Investors. For specification purposes, a "Swiss Corporate Customer" is a client which is a corporate entity, incorporated and existing under the laws of Switzerland and which qualifies as a "Qualified Investor" as defined above." BNP Paribas (Suisse) S.A. is authorised as a bank and as a securities dealer by the Swiss Financial Market Supervisory Authority. This report is being distributed in Switzerland by BNP Paribas (Suisse) S.A., registered at the Geneva commercial register under No. CHE-102.922.193. BNP Paribas (Suisse) S.A. is incorporated in Switzerland with limited liability. Registered Office: 2, place de Hollande, 1204 Geneva, Switzerland.

Turkey: This report is being distributed in Turkey by TEB Investment (TEB YATIRIM MENKUL DEĞERLER A.Ş., TEB Kampüs D Blok Saray Mahallesi, Küçüksu Caddesi Sokullu Sokak, No:7 34768 Ümraniye, İstanbul, Turkey, trade register number: 358354, www.tebyatirim.com.tr) and TEB (TÜRK EKONOMİ BANKASI A.Ş., TEB Kampüs C ve D Blok, Saray Mahallesi Küçüksu Caddesi Sokullu Sokak No:7 34768 Ümraniye, İstanbul, Turkey, Trade register number 189356, www.teb.com.tr). Notice published in accordance with "Communique on Principles Regarding Investment Services, Activities and Ancillary Services" No: III-37.1 issued by the Capital Markets Board of Turkey. The investment related information, commentary and recommendations contained herein do not constitute investment advisory services. Investment advisory services are provided in accordance with investment advisory agreements executed between investors and brokerage companies or portfolio management companies or non-deposit accepting banks. The commentary and recommendations contained herein are based on the personal views of the persons who have made such commentary and recommendations. These views may not conform to your financial standing or to your risk and return preferences. Therefore, investment decisions based solely on the information provided herein may fail to produce results in accordance with your expectations.

United Kingdom: In the UK, this report is being distributed by BNP Paribas London Branch, 10 Harewood Avenue, London NW1 6AA; tel: +44 20 7595 2000; fax: +44 20 7595 2555- www.bnpparibas.com. Incorporated in France with Limited Liability. Registered Office: 16 boulevard des Italiens, 75009 Paris, France. 662 042 449 RCS Paris. BNP Paribas is authorised and regulated by the European Central Bank and the Autorité de contrôle prudentiel et de résolution. BNP Paribas is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. BNP Paribas London Branch is registered in the UK under number FC13447. UK establishment number: BR000170. UK establishment office address: 10 Harewood Avenue, London NW1 6AA. This report is intended for distribution to, and is directed at: (a) persons in the UK having professional experience in matters relating to investments and who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (b) high net worth companies, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order; or (c) other persons to whom it may otherwise be communicated lawfully (all such persons being "Relevant Persons"). Any investment or investment activity to which this communication relates is only available to and will only be engaged in with Relevant Persons. Any other persons who receive this communication should not rely on or act upon it.

Other Jurisdictions: The distribution of this report in other jurisdictions or to residents of other jurisdictions may also be restricted by law, and persons into whose possession this report comes should inform themselves about, and observe, any such restrictions. By accepting this report you agree to be bound by the foregoing instructions. This report is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of or located in any locality, state, country, or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.



General Information

This report is for the use of intended recipients only and may not be reproduced (in whole or in part) or delivered or transmitted to any other person without our prior written consent. By accepting this report, the recipient agrees to be bound by the terms and limitations set forth herein. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual recipients. Recipients are advised to use the information contained herein as just one of many inputs and considerations prior to engaging in any trading activity and to seek advice from a financial advisor, taking into account their specific investment objectives, financial situation or particular needs, prior to committing to purchase any investment product. This report does not constitute a prospectus or other offering document or an offer or solicitation to buy or sell any securities or other investments. This report is not intended to provide the sole basis of any evaluation of the subject securities and companies mentioned in this report. Information and opinions contained in this report are published for reference of the recipients and are not to be relied upon as authoritative or without the recipient's own independent verification, or taken in substitution for the exercise of judgment by the recipient. Additionally, the products mentioned in this report may not be available for sale in certain jurisdictions.

BNP Paribas SA (including BNP Paribas SA branches and affiliates and BNP Paribas Securities Corp.), (collectively, "BNPP") has relationships with many companies. The numbered disclosures identify relationships that BNPP has with the company(ies) that are the subject of this research report and that must be disclosed under applicable rules. Effective November 1, 2023, Exane SA was subsumed into BNP Paribas SA. The activities conducted by Exane SA for the prior 12 months that require disclosure are captured by those currently disclosed here by BNPP.

BNPP does, and seeks to do, business with companies covered in its research reports, and expects to receive or intends to seek compensation from such companies. Investors should be aware that BNPP may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. In the normal course of its business, BNPP, as well as its directors, officers and affiliates may have financial or other interests in securities issued by the subject company/ies or the subject company itself that may include ownership of such securities (including derivatives in respect of such securities on market terms), commissions or other compensation in connection with trades in such securities, and financial arrangements in respect of such securities including with underwriters or other persons or companies with interests in such securities.

This report is provided solely for the information of professional investors who are expected to make their own investment decisions without undue reliance on this report and BNPP accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

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

As an investment bank with a wide range of activities, BNPP may face conflicts of interest, which are managed under applicable legal provisions and internal guidelines. You should be aware, however, that BNPP may engage in transactions in a manner inconsistent with the views expressed in this document, either for its own account or for the account of its clients.

Other businesses within BNPP may have issued other publications that may or may not be consistent with the views expressed in this report.

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

In the normal course of its business, BNPP as well as its directors, officers and affiliates may have financial or other interests in securities issued by the subject company/ies or the subject company itself that may include ownership of such securities (including derivatives in respect of such securities on market terms), commissions or other compensation in connection with trades in such securities, and financial arrangements in respect of such securities including with underwriters or other persons or companies with interests in such securities.

All research reports are disseminated and available to all clients simultaneously on our website: <https://cube.cib.bnpparibas>. For additional disclosures, rating and target price history, stock price charts, valuation and risk applicable to the subject company/ies, go to our website: <https://cube.cib.bnpparibas>, or contact relevant BNPP research team, author(s) of this report or your BNPP representative.

Should you require additional information concerning this report please contact the relevant BNP Paribas research team or the author(s) of this report.

© 2024 BNP Paribas Group