

COMER INDUSTRIES

An aerial photograph of a large industrial complex. The central building is white with a blue logo and the text 'comer industries' on its facade. The roof is covered with rows of solar panels. In the foreground, a multi-lane road with several cars is visible. The background shows green fields and a clear blue sky.

MID & SMALL CONFERENCE

London – 18 April 2024

COMER INDUSTRIES AT GLANCE



HEADQUARTER
Reggiolo (RE) ITALY



OFF-HIGHWAY MECHANICAL COMPONENTS
~60% Agriculture & ~40% Industrial



~4.000 EMPLOYEES ACROSS 3 CONTINENTS
75% Europe – 12.5% America – 12.5% Asia



14 PLANTS FOR GLOBAL FOOTPRINT
6 Italy – 3 Germany – 2 USA – 1 Brazil – 1 China – 1 India



1.2 BN€ REVENUES FY2023
16.7% EBITDA margin

Key Pillars

Sharpen strategic direction
towards future growth

Lay foundation for continuous
excellence in performance

Unlock potential in market
capitalization

High-quality power transmission components for agricultural, industrial use and beyond



Gearboxes



Axles



Planetary drives



Tractor attachment system



Driveshafts



Electric wheel drives



Electric Motors



Clutches

Solid financial performance through operational excellence and continuous growth



01 Solid financial performance



02 Continuously ambitious growth



03 Operational excellence



04 Best in class product development



05 Result-driven culture

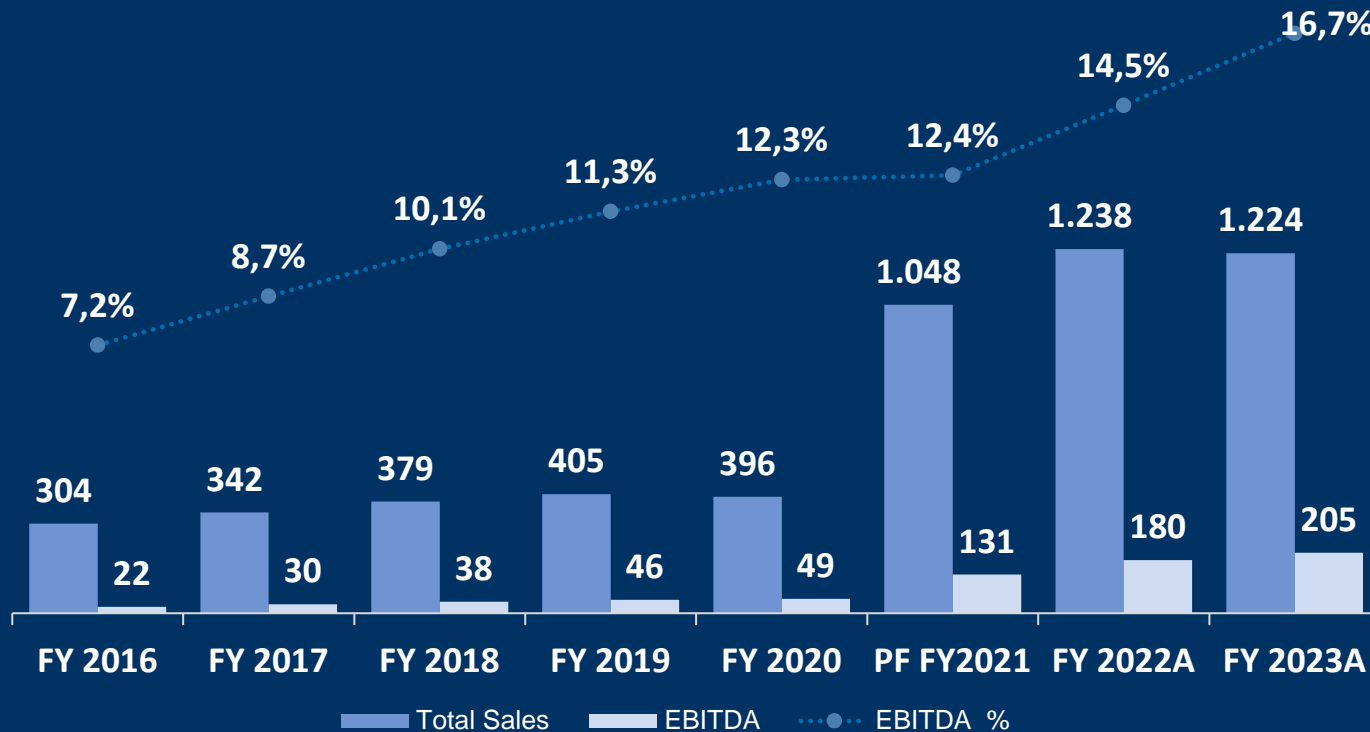


Successful transition: from a family-owned company to managerial excellence



Profitable growth with continuous efficiency improvements and strategic development

Amount in (€m)



- ✓ Cost effectiveness through efficient operations
- ✓ Growth at margins above industry average
- ✓ Strategic development of new revenue opportunities

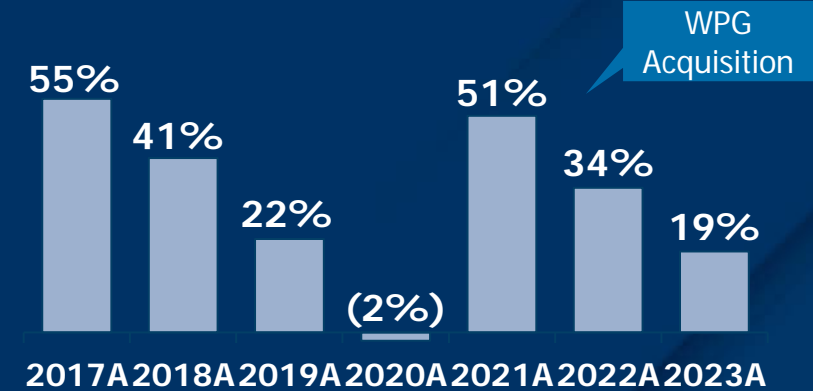
Focus on cash flow generation leading to low leverage and high financial power

€160m
Free Cash Flow

Amount in (€m)

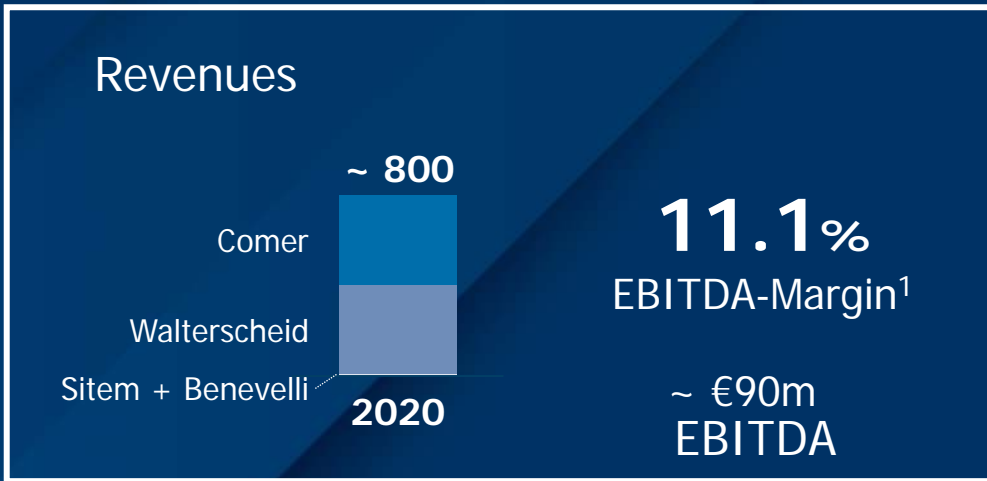


19%
Net debt¹/Equity ratio



High ability to generate value from M&A

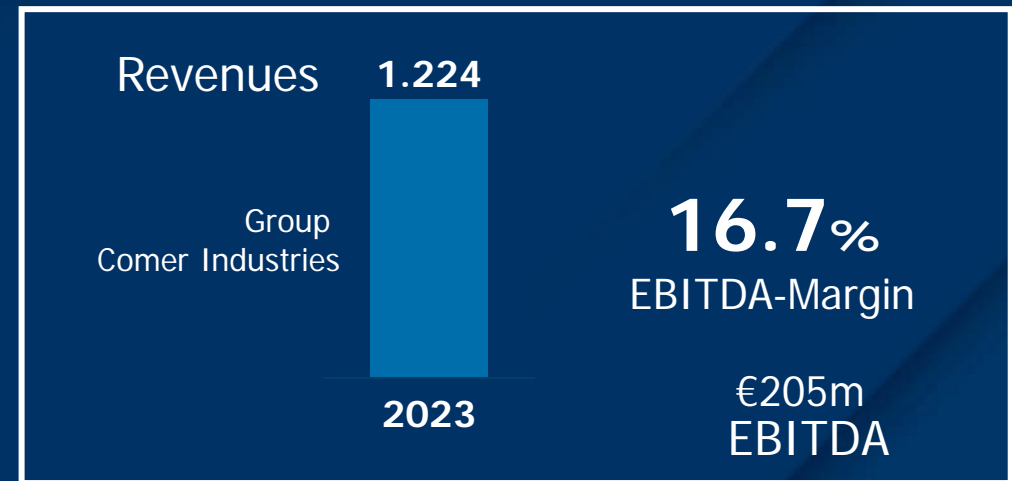
Before Acquisitions



Standalone companies



After Integration



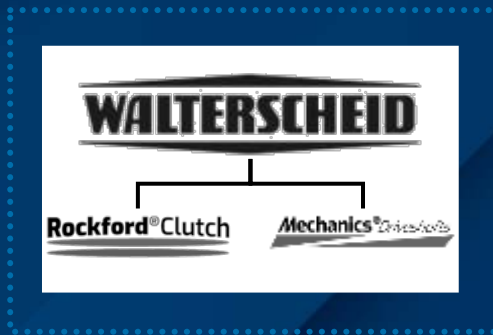
Consolidated company

1. Weighted accordingly as Walterscheid, Benevelli, and Sitem were not part of Comer Industries in 2020 | Value in (€m)

Firepower available for further inorganic growth

2021

2022



~ 400 mn
available for next acquisition¹

FUTURE TARGETS

- » Existing business fields to increase market share
- » New technologies
Electric, electronic and hydraulic for the move towards system supplier
- » Geographical markets
market standing in USA for aftermarket and OEM

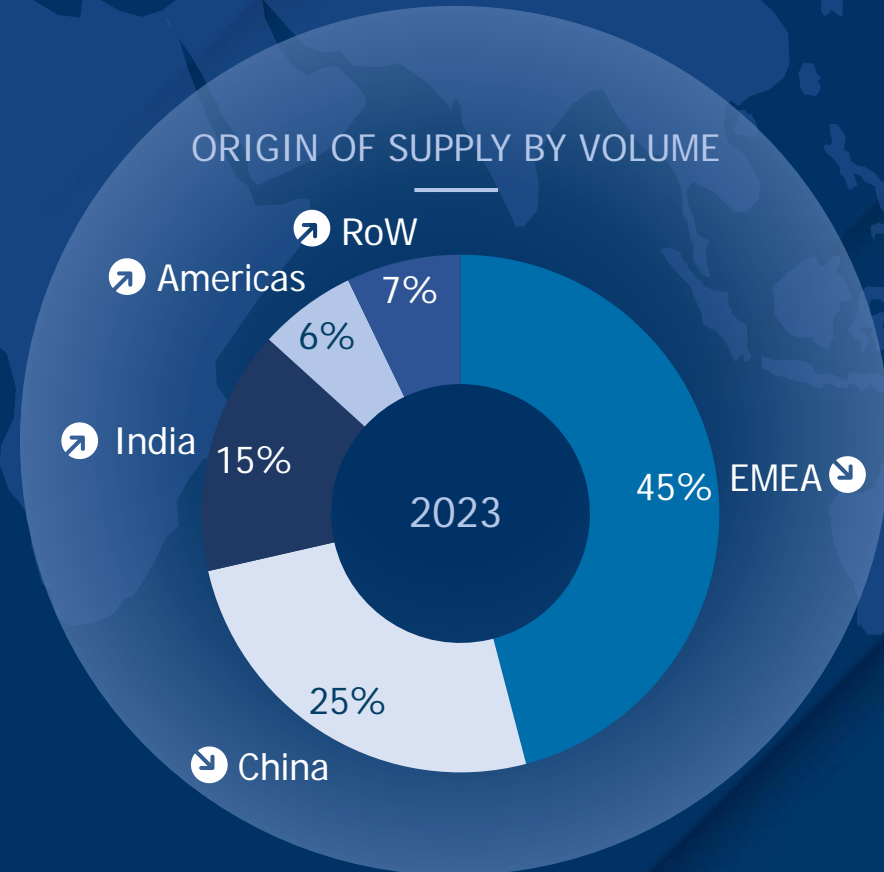
1. Maintaining a conservative capital structure and financial stability with maximum leverage of 2,5x EBITDA

Securing supply cost-effectively with a global supplier base

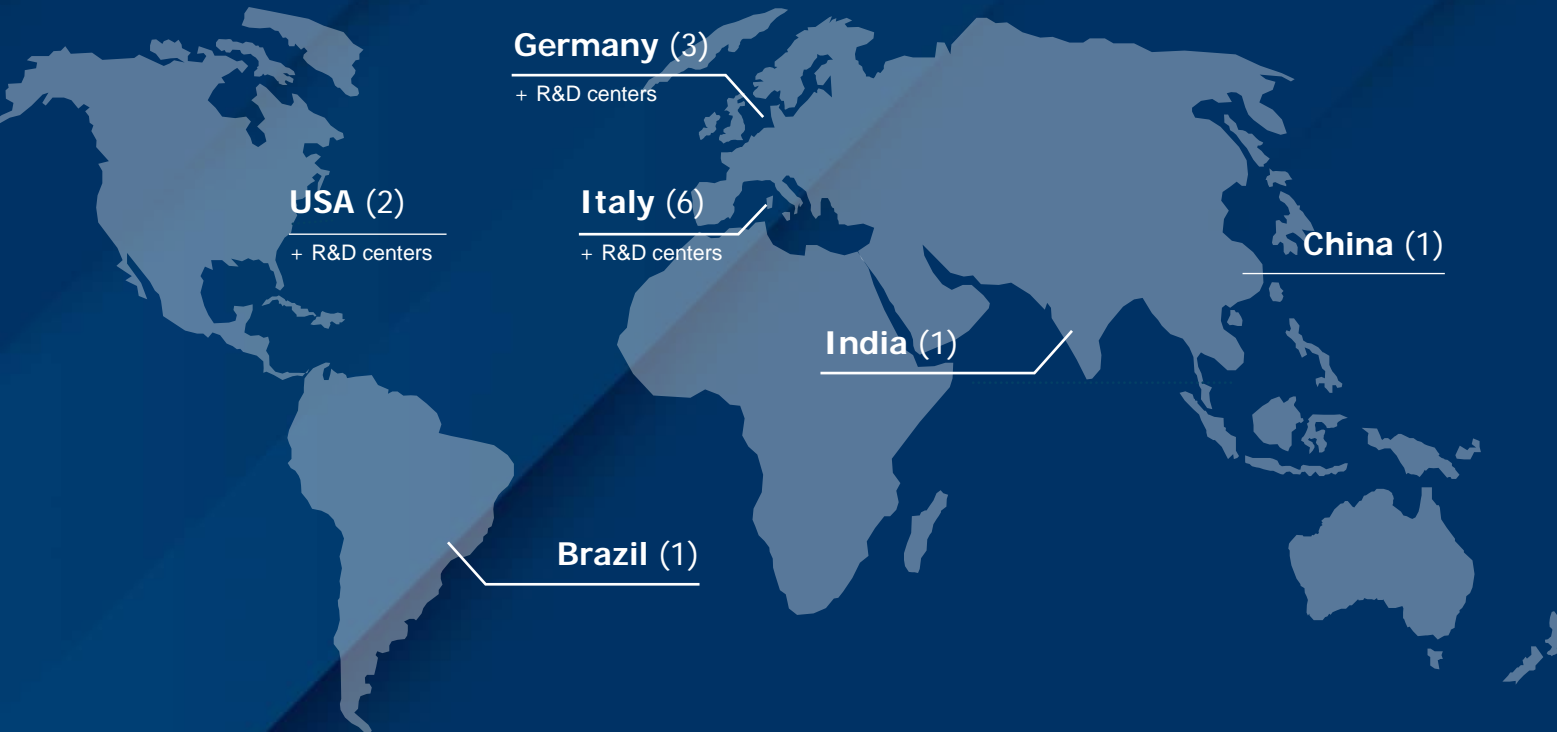
» **Supply chain resilience**
due to multi-supplier concept

» **Cost efficiency**
due to flexibility in sourcing

ORIGIN OF SUPPLY BY VOLUME



High flexibility due to local production footprint in markets



14 Production facilities

9 R&D centers

16-20 weeks Delivery time

+ Value proposition of supply chain resilience for customers

Close to the customer to execute complex projects fast



Long-lasting relationships



Understanding customers



Data and system integration



Physical proximity

Project example

1 year to start of production in a new far-east market

Strong, dedicated teamwork

Transparent processes

Close customer collaboration

Effective supply chain development



1 year

from kick-off to
start of production



Smooth ramp-up
and successful
operations

~ 30

strategic suppliers
involved

> 100.000

units produced
p.a.

Consistent focus on efficiency in end-to-end value chain integration

Data integration
from customer to supplier

Supply and demand forecasting



**Balanced production
capacity**

Total cost approach with flexible
resource allocation leading to
working capital efficiency

Steering cost of ownership
throughout product lifecycle



**Cost-optimized
production**

Involvement of customer and
supplier since the design phase



**Fast time
to market**

Manufacturing approach strictly focused on high quality and continuous improvement

TARGET SETTING IN

Continuous improvement

Efficiency

Sustainable production

Risk Management and Mitigation



Reduction of cost of poor quality
(2017-2023)



CAT
2023 Caterpillar Excellence Award



Silver in Ecovadis sustainability rating
30% direct CO² emission reduction till 2030¹

1. 30% reduction of scope 1 and 2 emissions, 10 % reduction of scope 3 emissions

High durability and reliability of products for heavy use purposes

~ 300 PPM¹

Complain rate
(0.03%)

~ 10 years

Average
product lifetime

~ 75

Active patents

1. Parts per million, customer requirements of 500-2,000 PPM

Customer advancement through co-development

~ 15%

of products developed
in co-development

~ 70%

of products
customized

< 2 years

time to
market

- » High flexibility and short time to market
- » Value creation beyond manufacturing
- » Stable client relationships client-specific competencies

Enhancement of product quality and reliability through digital solutions

Digital Solutions



Predictive maintenance



Condition monitoring



Value added for customers

Innovative advantage against competition

Optimization of product lifetime

Comer Industries management enables strong bottom-line results with visionary outlook



- » Driven by results when following growth opportunities
- » Clear bottom-line focus in every decision made
- » Excellent execution skills in pursuing full excellence with a “can do” mentality

Excellent and proven execution capabilities anchored in the Comer Industries culture and values



- » High focus on results
- » Discipline in execution
- » High speed & fast decision making
- » Efficiency-driven “can do” mentality

Flexibility to accommodate different cultures and create value from diversity

Comer Industries

11 countries

4 continents

Customers

72 countries

4 continents

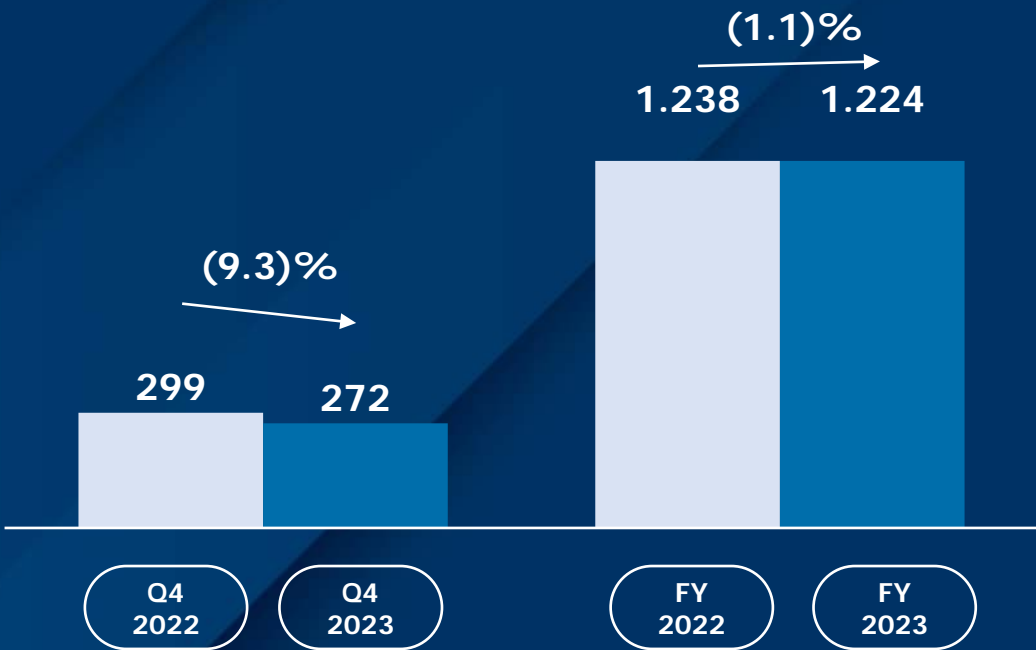
- » Capability to accommodate cultural differences flexibly
- » Value creation from diversity through active integration & steering

ECONOMIC KPI'S

Another record year for EBITDA and margin, with steady revenues above €1.2bn

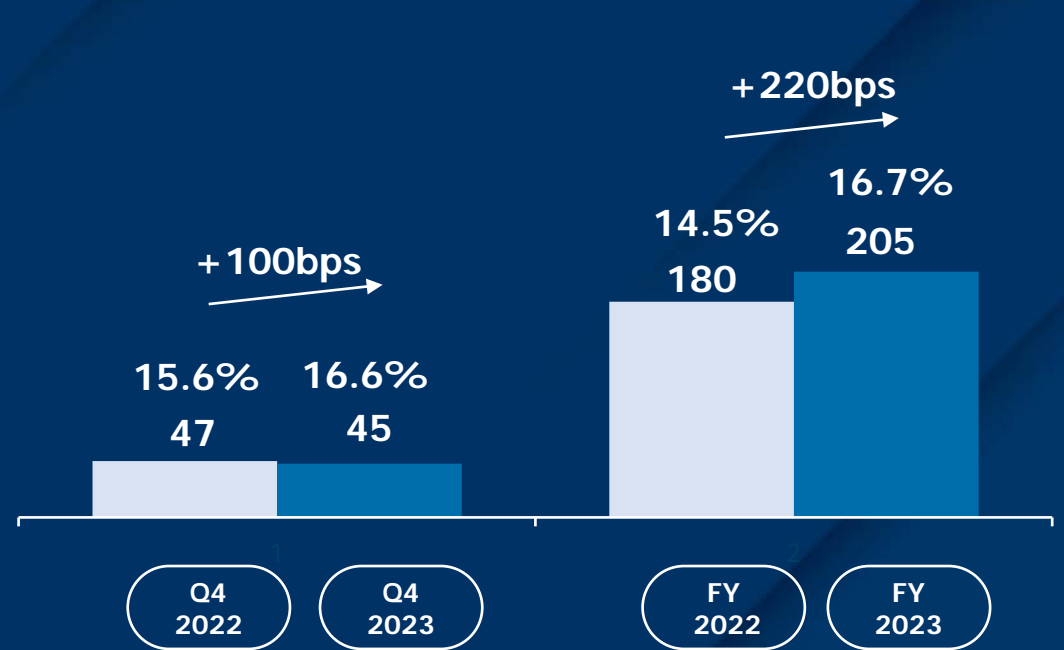
REVENUES

(€m)



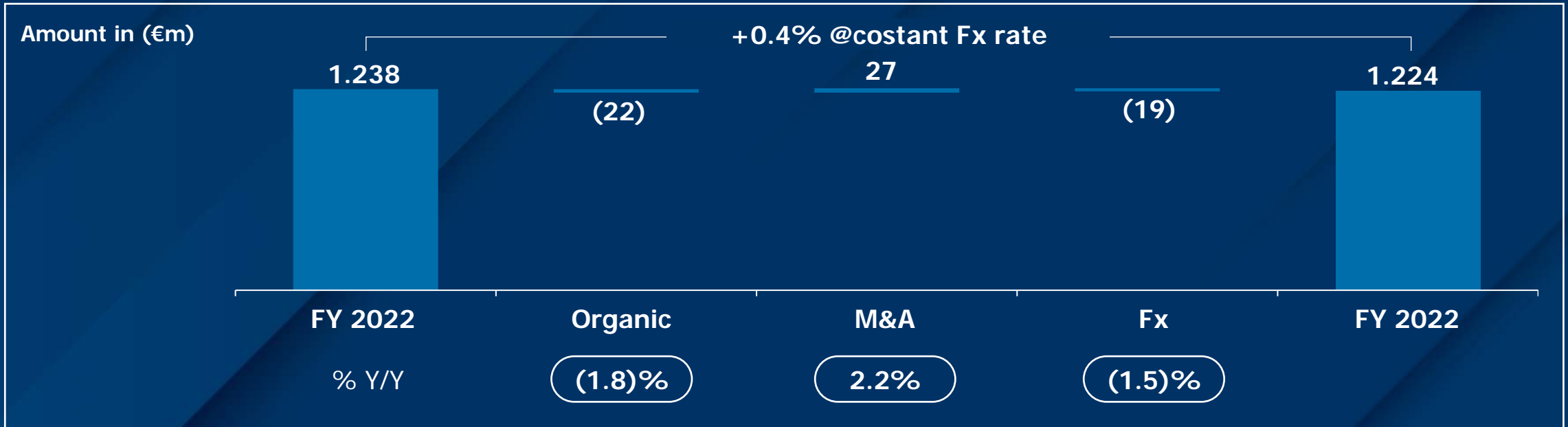
EBITDA

(€m)
(% on Revenue)



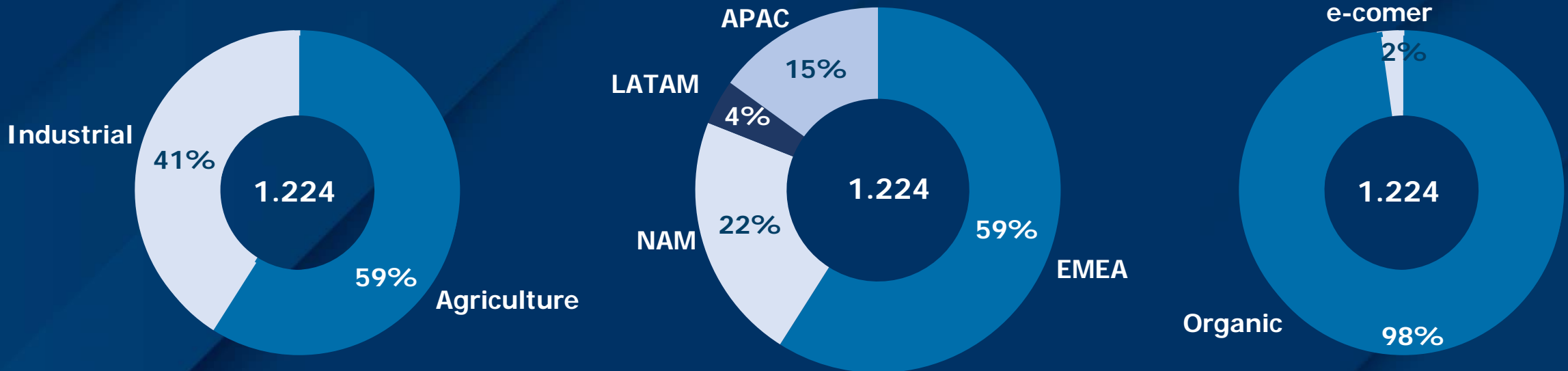
Revenues performance

Organic revenues declined Y/Y as market demand start to slow down in mid-2023



Revenues At a glance

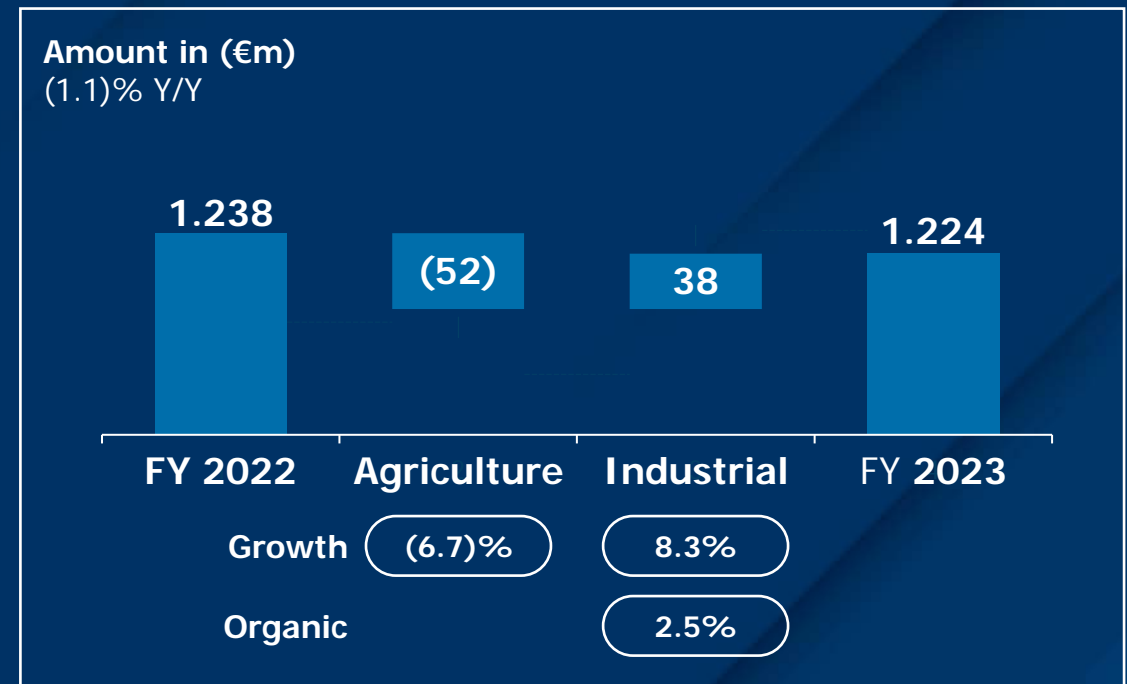
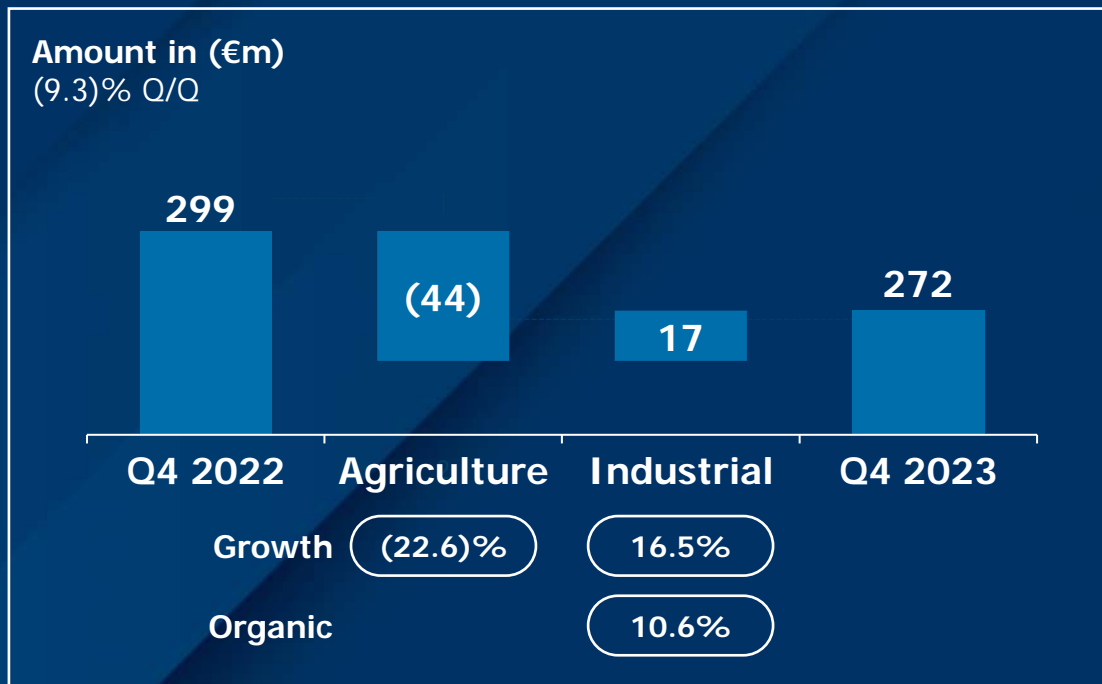
Agriculture sector is at the heart of the business; e-comer is fully included in the Industrial sector
 EMEA incidence ~60% of total Revenues
 e-comer contribution is still marginal @€27mn FY 2023



Amount in (€m)

Revenues by sector

Agriculture sector was impacted by market rebalancing following the peak recorded mid-2023
 Industrial sector benefitted by better economic outlook and financial condition towards the end of 2023
 e-comer contribution can be entirely attributed to the Industrial sector



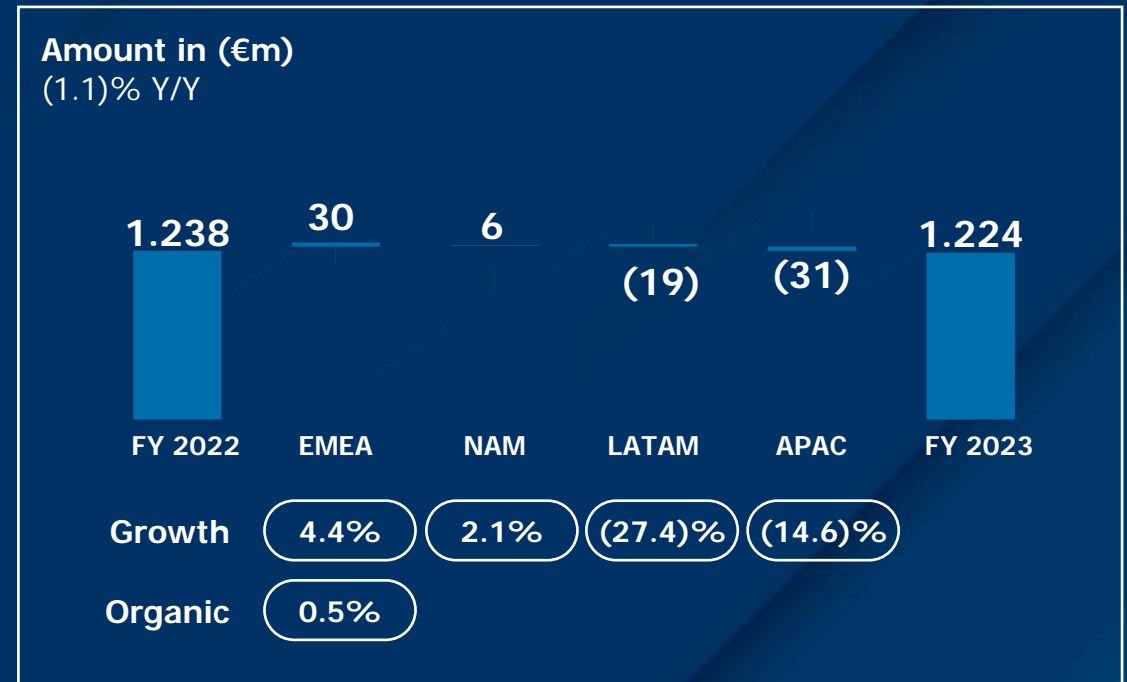
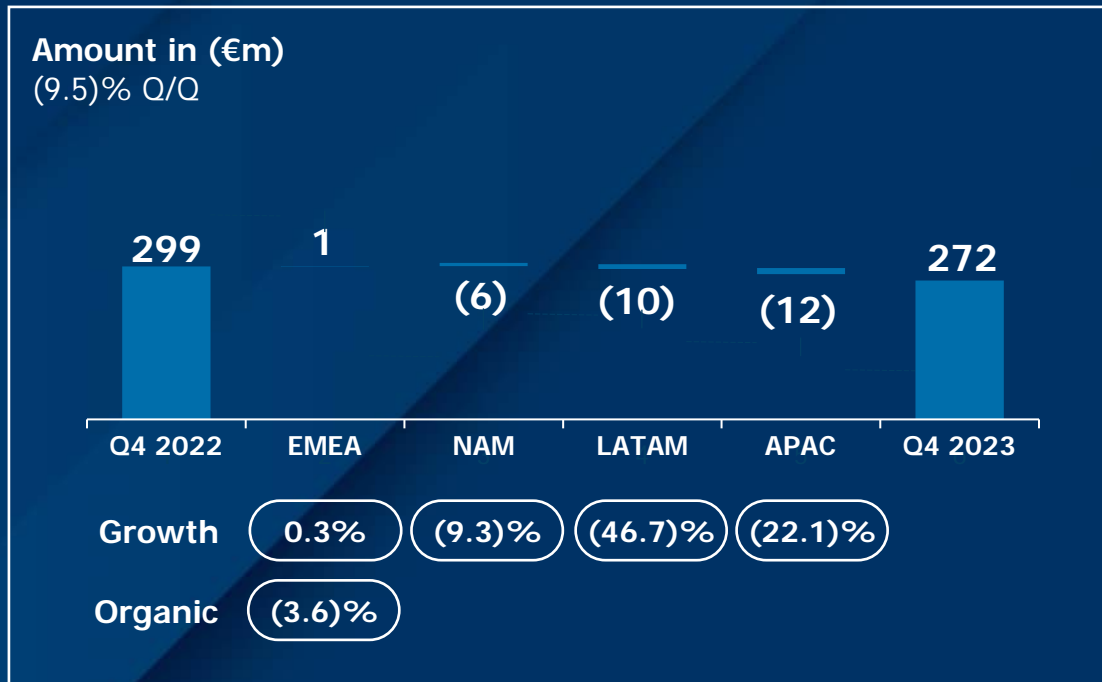
Revenues by Geography

EMEA performance was slightly positive in FY 2023

North American was sustained by domestic demand, thanks to still favourable macroeconomic conditions

APAC was impacted by the negative performance in China, which recovery is still struggling

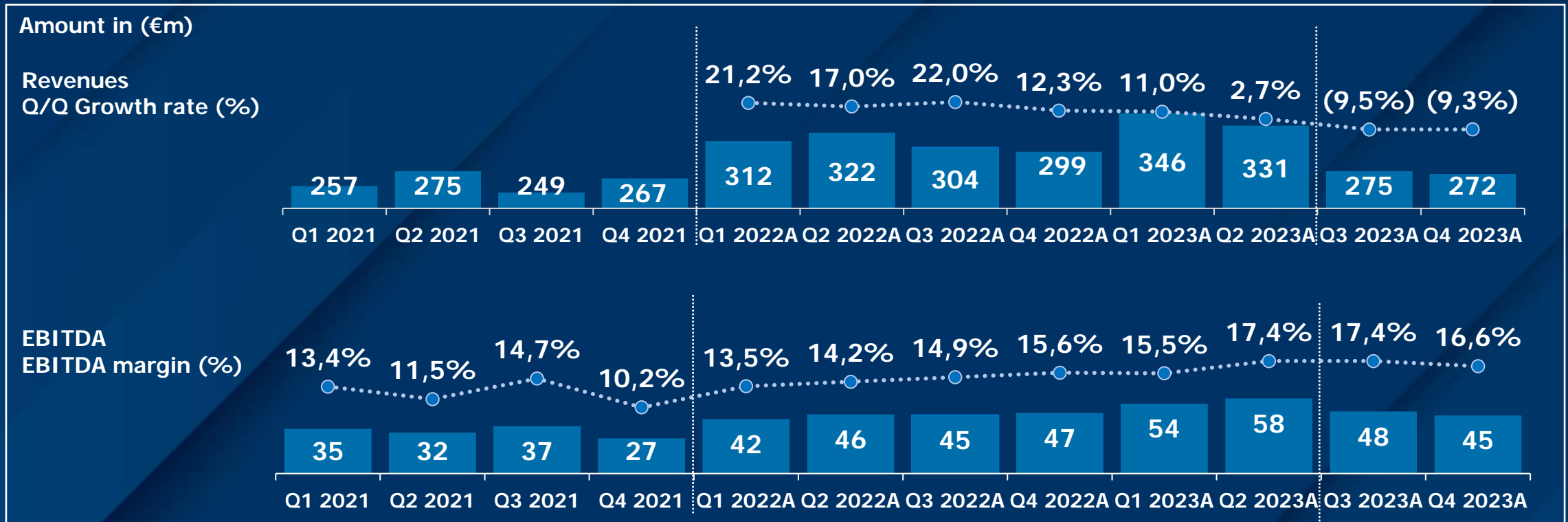
Latin America declined - in absolute terms on the Group's Total revenues - is limited given the small contribution (4.1%)



Business performance

Revenues are rebalancing after 6 quarters of strong demand

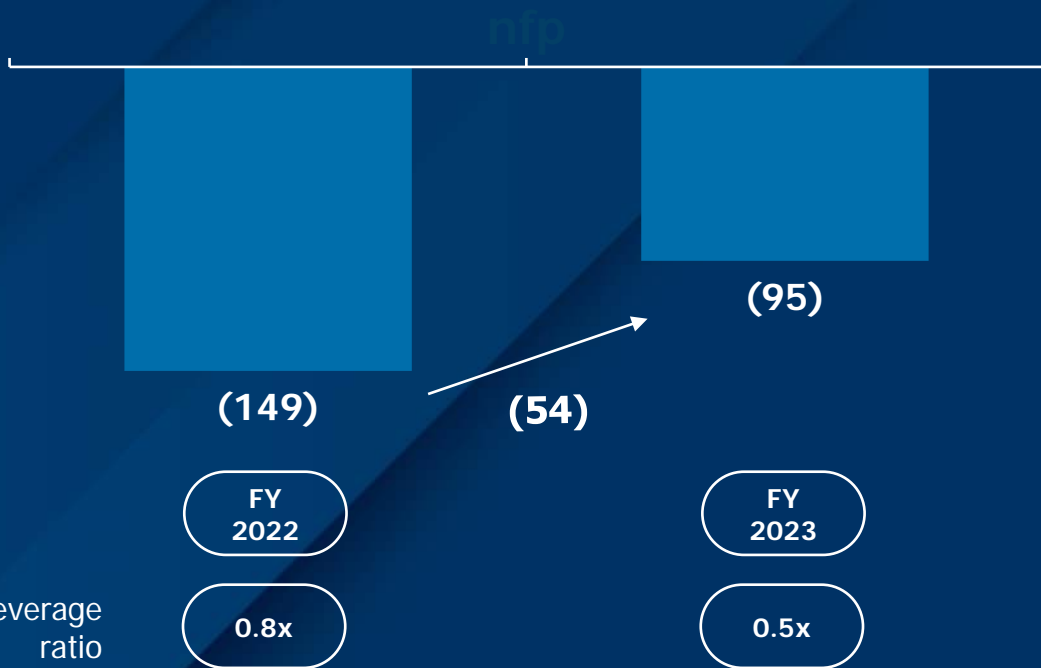
EBITDA margin confirmed at record high level despite of the contraction of the Top line



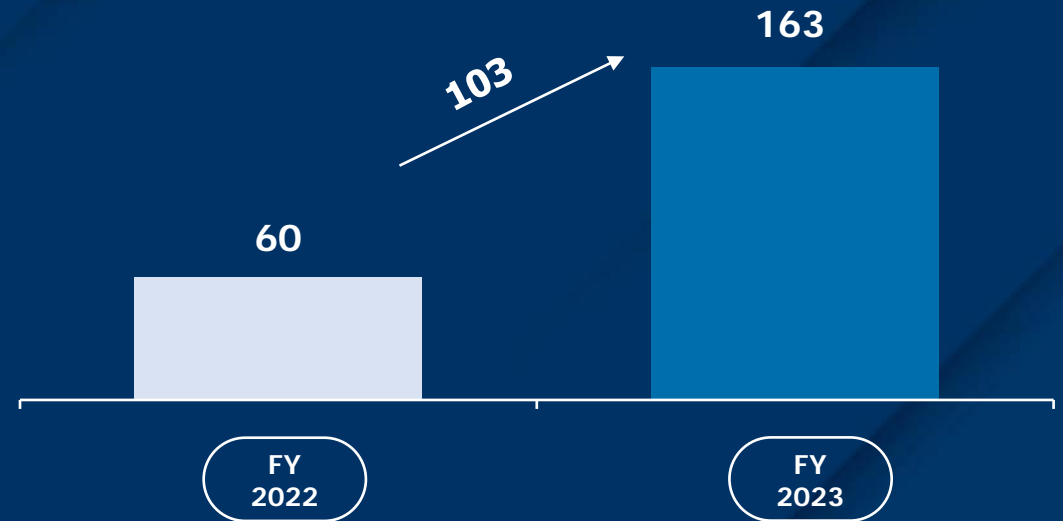
FINANCIAL KPI'S

NET FINANCIAL POSITION

Amount in (€m)



FREE CASH FLOW



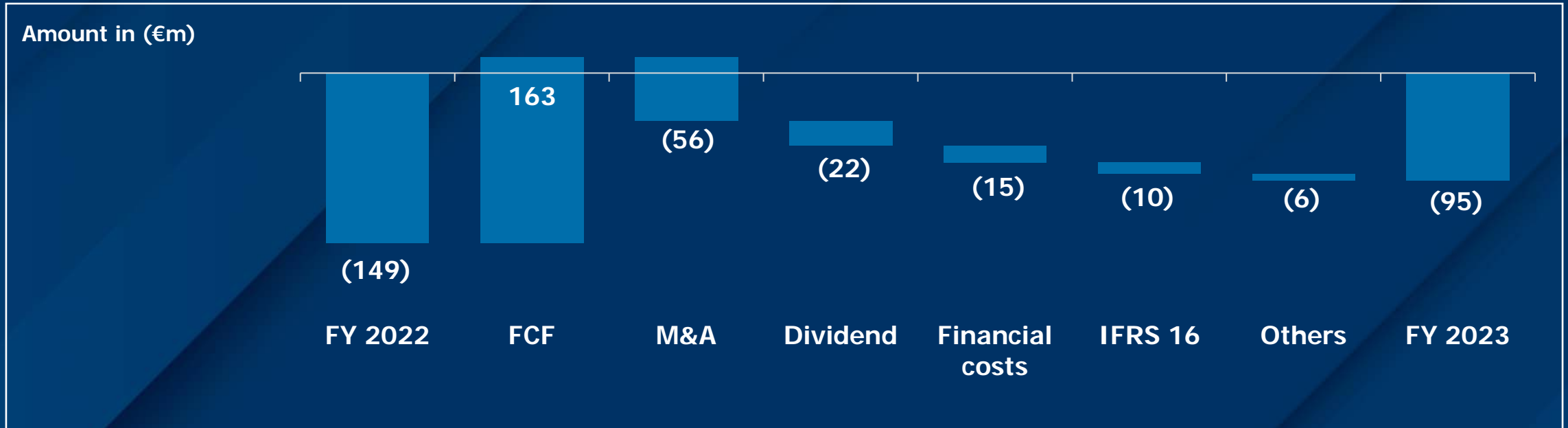
Net financial position

Cash flow generation throughout the year, led to a steady deleveraging



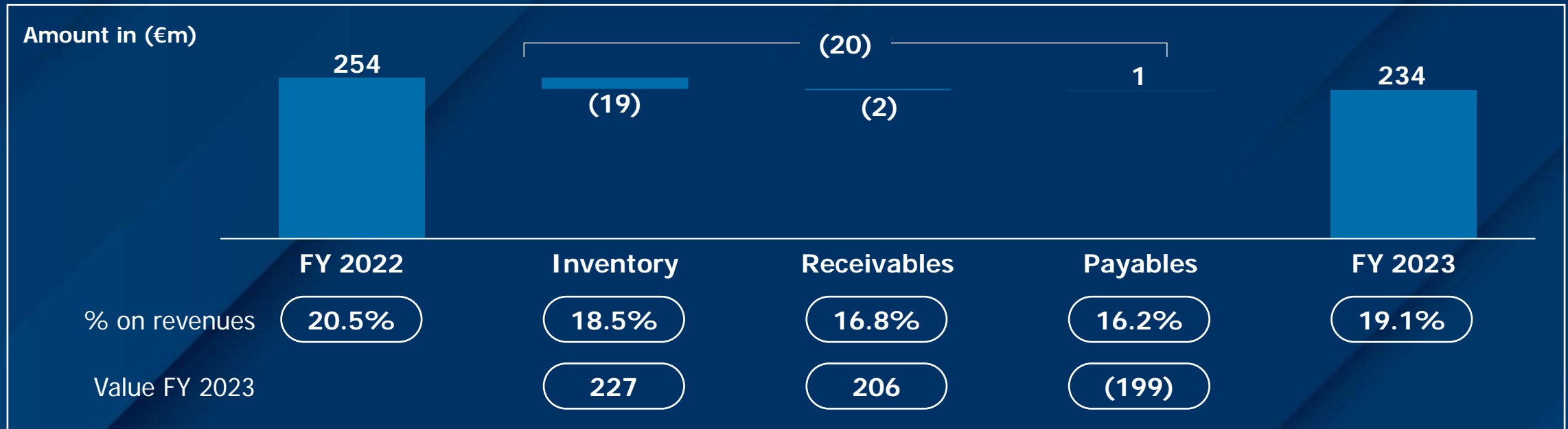
Cash flow

Free cash flow generation was €163m in FY 2023, equal to 79.5% Cash conversion rate



Operating working capital

OWC incidence as of percentage of Revenues fell to 19.1% vs 20.5% in FY 2022



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