

EQUITY RESEARCH

COFLE RESULTS REVIEW

BUY, TP of 25.4€
Up/Downside: +61%

Momentum Confirmed

Cofle reports Q1'22 revenue growth of +9.2% confirming strong momentum for 2021

Cofle has released its Q1'22 revenue amounting to €14.3m, up +9.2% YoY and in line with FY21's strong growth. The OEM division grew by +10.6% thanks to the INEOS Bombardier contract's ramp-up, which went into production in February, and the John Deere contract. The AM division grew by +6.5% YoY.

This growth should result in strong operating leverage, supporting the growth of our EBITDA margin forecast to 25% by 2022.

Cofle still confirms its potential for profitable growth thanks to its attractive positioning and business model. We are reiterating our Buy rating.

Key data

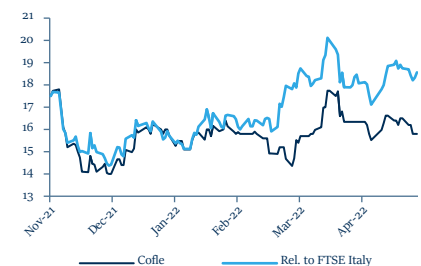
Price (€)	15.8
Industry	Automotive
Ticker	CFL-IT
Shares Out (m)	5.404
Market Cap (m €)	85.4
Next event	9/29/2022

Ownership (%)

Founders	68.0
Free float	32.0

EPS (€)	12/22e	12/23e	12/24e
Estimates	2.10	2.43	2.73
Change vs previous estimates (%)	na	na	na

Performance (%)	1D	1M	YTD
Price Perf	0.0	-3.3	-2.7
Rel FTSE Italy	1.3	1.1	13.5



TP ICAP Midcap Estimates	12/21	12/22e	12/23e	12/24e	Valuation Ratio	12/22e	12/23e	12/24e
Sales (m €)	55.4	63.2	69.2	75.2	EV/Sales	1.1	0.9	0.7
Current Op Inc (m €)	11.0	14.5	16.8	18.9	EV/EBITDA	4.2	3.1	2.4
Current op. Margin (%)	19.8	22.9	24.3	25.1	EV/EBIT	4.9	3.6	2.7
EPS (€)	1.7	2.1	2.4	2.7	PE	7.5	6.5	5.8
DPS (€)	0.0	0.3	0.3	0.3				
Yield (%)	0.0	2.1	2.1	2.1				
FCF (m €)	2.8	11.4	11.7	11.6				

Consensus FactSet - Analysts:2	12/22e	12/23e	12/24e
Sales	58.6	63.2	0.0
EBIT	14.2	16.1	0.0
Net income	10.6	12.3	13.4

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FINANCIAL DATA

Income Statement	12/19	12/20	12/21	12/22e	12/23e	12/24e
Sales	38.1	38.1	55.4	63.2	69.2	75.2
Changes (%)	31.2	0.0	45.5	14.1	9.5	8.6
Gross profit	25.9	24.5	32.4	43.6	47.8	51.9
% of Sales	67.9	64.3	58.5	69.0	69.0	69.0
EBITDA	5.1	6.0	13.4	17.0	19.5	21.8
% of Sales	13.3	15.7	24.3	27.0	28.2	28.9
Current operating profit	4.0	4.7	11.0	14.5	16.8	18.9
% of Sales	10.4	12.3	19.8	22.9	24.3	25.1
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	4.0	4.7	11.0	14.5	16.8	18.9
Net financial result	-0.2	0.3	1.2	0.1	0.1	0.1
Income Tax	-0.9	-1.1	-2.3	-3.2	-3.7	-4.2
Tax rate (%)	23.7	22.4	19.7	22.0	22.0	22.0
Net profit, group share	2.6	3.3	8.2	10.1	11.7	13.1
EPS	0.5	0.7	1.7	2.1	2.4	2.7
Financial Statement	12/19	12/20	12/21	12/22e	12/23e	12/24e
Goodwill	0.3	0.2	0.2	0.2	0.2	0.2
Tangible and intangible assets	4.0	5.7	8.2	9.5	10.9	12.4
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	1.1	1.0	0.7	0.7	0.7	0.7
Working capital	12.2	15.1	15.1	17.4	19.2	20.9
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
Assets	17.6	22.0	24.2	27.8	31.0	34.2
Shareholders equity group	3.1	3.9	18.9	20.7	22.4	23.8
Minorities	3.9	6.2	7.2	8.5	10.0	11.6
LT & ST provisions and others	1.8	1.6	0.8	5.8	10.8	15.8
Net debt	8.3	8.4	-4.6	-14.3	-24.2	-34.0
Other liabilities	0.3	1.5	1.7	6.7	11.7	16.7
Liabilities	17.7	22.0	24.3	27.8	31.0	34.3
Net debt excl. IFRS 16	8.3	8.4	-4.6	-14.3	-24.2	-34.0
Gearing net	1.2	0.8	-0.2	-0.5	-0.7	-1.0
Leverage	1.6	1.4	-0.3	-0.8	-1.2	-1.6
Cash flow statement	12/19	12/20	12/21	12/22e	12/23e	12/24e
CF after elimination of net borrowing costs and taxes	4.4	4.6	11.3	16.6	16.6	16.7
Δ WCR	-5.6	-3.1	-4.7	-2.7	-2.1	-2.1
Operating cash flow	-1.2	1.5	6.6	13.9	14.5	14.6
Net capex	0.0	-0.9	-3.9	-2.5	-2.8	-3.0
FCF	-1.2	0.6	2.8	11.4	11.7	11.6
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	0.0	1.9	-1.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	-1.8	-1.8	-1.8
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	10.3	0.0	0.0	0.0
Changes in exchange rates	0.0	0.0	-0.3	0.0	0.0	0.0
Change in net cash over the year	-1.2	2.5	12.1	9.6	9.9	9.8
ROA (%)	12.3%	11.4%	18.4%	16.2%	15.6%	14.9%
ROE (%)	24.8%	22.6%	24.7%	26.4%	26.2%	26.6%
ROCE (%)	27.1%	21.3%	27.4%	28.3%	26.2%	24.4%

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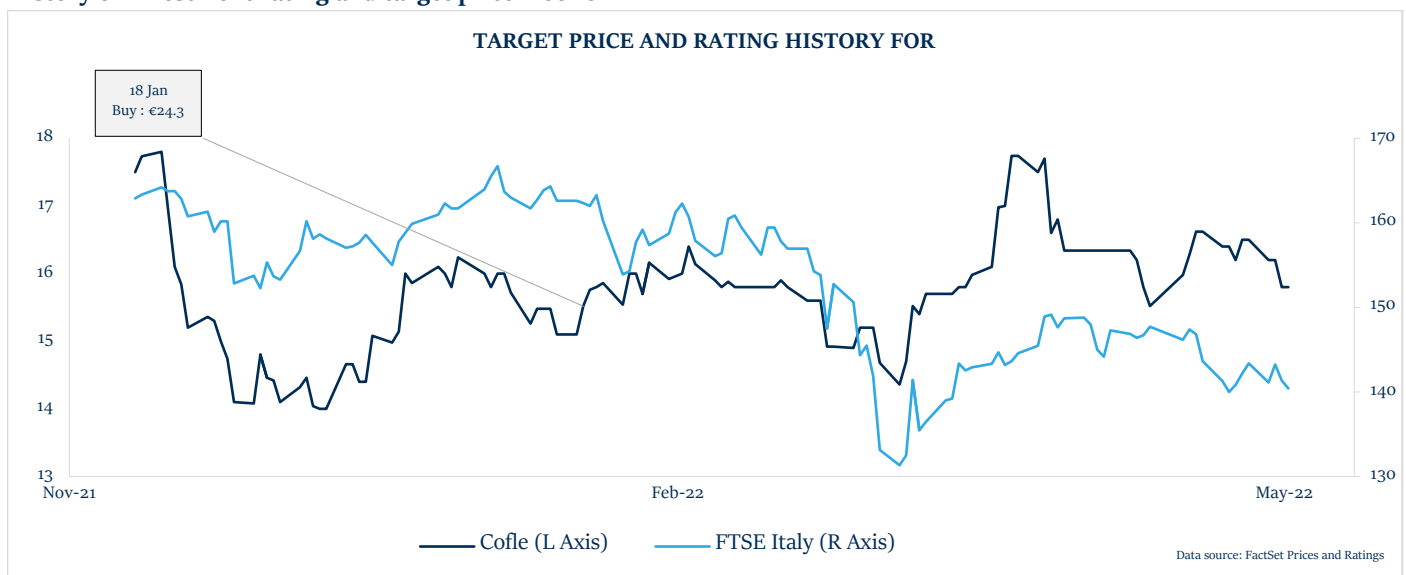
1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
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History of investment rating and target price – Cofle



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Rating	Recommendation Universe*	Portion of these provided with investment banking services**
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Hold	13%	7%
Sell	2%	0%
Under review	0%	0%

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Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

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