



Control Cables & Systems

# INVESTOR PRESENTATION

May 2022

# Cofle «at a glance»

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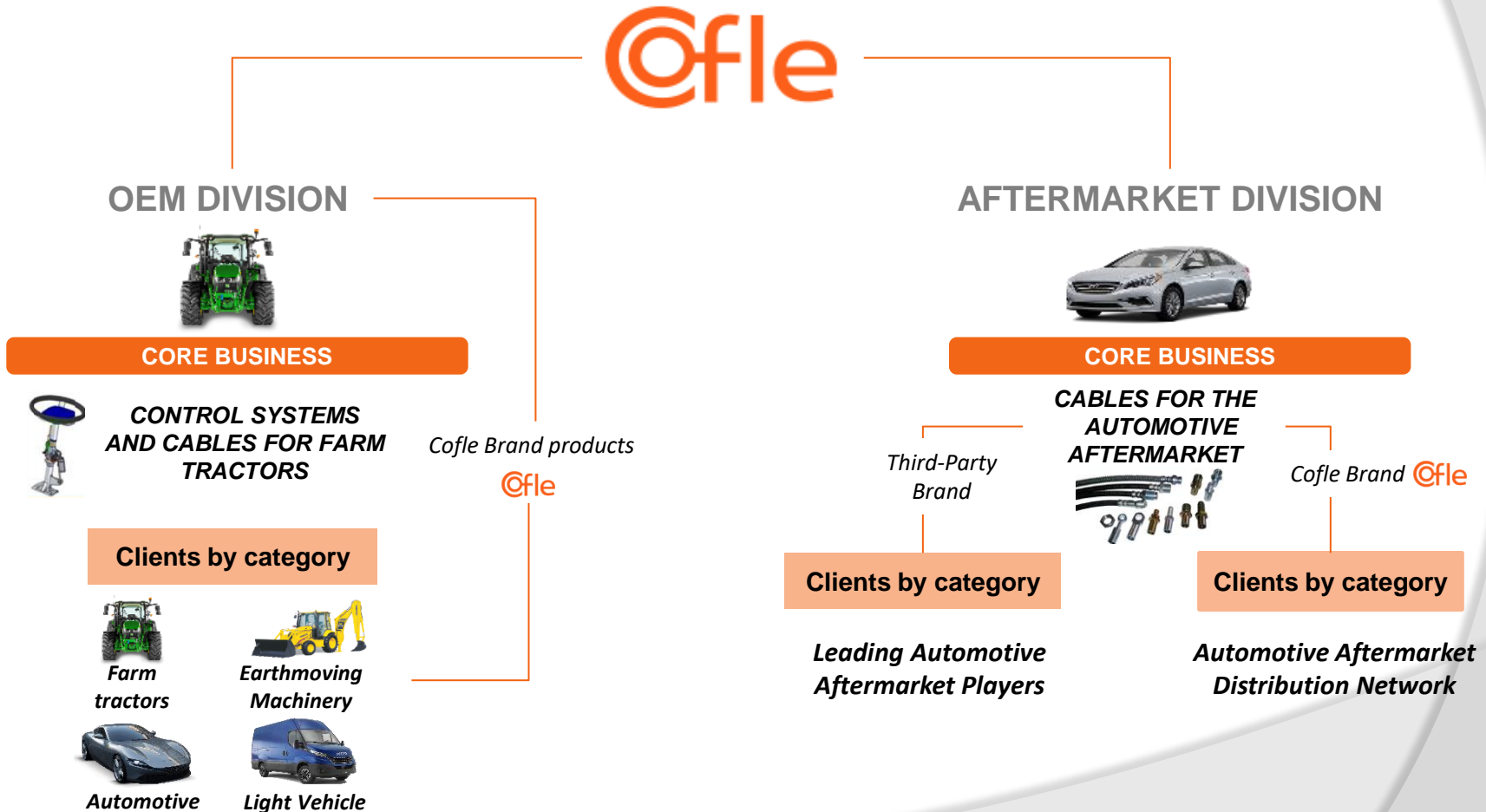
# Cofle Group: Snapshot



One global player, two divisions: OEM and Aftermarket (AM)

*Cofle is a multinational company operating as Original Equipment Manufacturer (OEM) for the top worldwide manufacturers of agricultural & earthmoving machineries, luxury automotive and light commercial vehicles*

*The Aftermarket (AM) division is specialized in the production of automotive aftermarket parts on a global scale*



# Key milestones

## Group history since foundation

- **Evolution from the initial workshop setting to a more industrial one**
- At that time, about 15 people worked for the Group, which, among its many products, included clutch and brake cables for the historic cars of those years, such as the Autobianchi A112 and the unforgettable Fiat Giardinetta
- Significant boost in the Aftermarket industry - Cofle clearly part of this trend
- Set up of production activities in Turkey
- Strong commercial growth and new warehouse in Pozzo D'Adda (1996), **conceived and used exclusively for stocking and selling spare cables: starting point for the later creation of the OEM division**
- **The Group aims at expanding further its products offerings, breaking into underpenetrated markets and seizing on M&A opportunities**
- **November 11<sup>th</sup>: Listing** [EURONEXT GROWTH](#)



- **Bruno Barbieri founds Cofle**, introducing an innovative way in manufacturing Control Cables for the Automotive Industry
- **First production line for Original Equipment Cables (OEM) for the most important Italian brands**
- **Production of cables for the Aftermarket division**
- Founder Bruno Barbieri decides to leave Cofle's management to his son Walter
- **Established presence in China, Brasil, India**

# Cofle Group Today



> 10 mln units of production capacity over approx. 17.000 sqm plants worldwide



## PRODUCTION PLANT

6 in 4 countries



## REPRESENTATIVE OFFICE

2 (US & China)



## WAREHOUSE

4 in 4 countries



## ENGINEERING CENTER

2



## R&D CENTER

2



## EMPLOYEES

500+

## AWARDS



INTESA SAN PAOLO  
AWARD 2020 «Imprese  
vincenti»



BORSA ITALIANA  
AWARD  
«Global Strategy»

### ITALY (HQ) – Plant & Logistic Center



#### Plant description

- Leased
- 5.000 sqm
- production capacity:  
2,5 mln units

### TURKEY – TK 1 OEM Plant



#### Plant Description

- Leased
- 2.000 sqm
- Production capacity:  
1,1 mln units

### TURKEY – TK 2 OEM Plant



#### Plant Description

- Leased
- 2.000 sqm
- Production capacity:  
1,15 mln units

### TURKEY – AM 2 Plant



#### Plant Description

- Leased
- 4.000 sqm
- Production capacity:  
3,0 mln units

### BRASIL – OEM Plant



#### Plant description

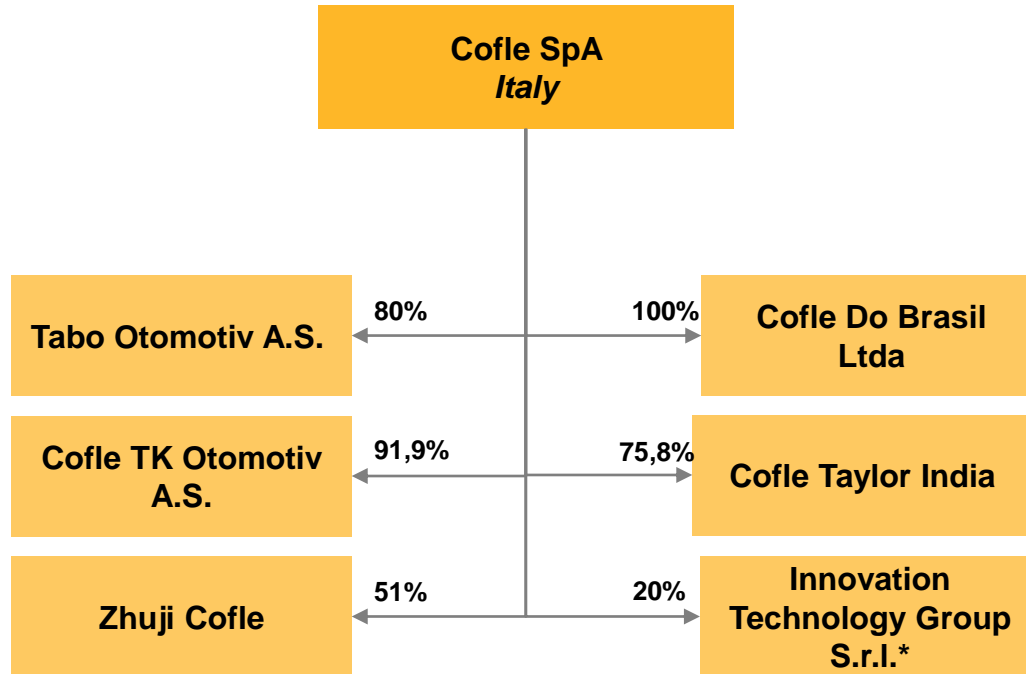
- Leased
- 2.000 sqm
- Production capacity:  
0,45 mln units

### INDIA – AM Plant



#### Plant description

- Leased
- 1.800 sqm
- Production capacity:  
2,5 mln units



## Board of Directors

Chairman & CEO  
**Walter Barbieri**  
 Director  
**Alessandra Barbieri**  
 Director  
**Silvio Benedetti**  
 Independent Director  
**Enrico Mambelli**  
 Director  
**Sergio Buoncristiano**

## Statutory Auditors

Chairman  
**Giuseppe Rota**  
 Auditor  
**Arturo Carcassola**  
 Auditor  
**Ugo Palumbo**  
 Supplementary Auditor  
**Pietro Longaretti**  
 Supplementary Auditor  
**Luca Perico**

## Audit Firm



ITG shareholders: *Walter Barbieri (31%) Pierangelo Margutti (~24%), Alessandro Plebani (~24%)*

Cofle Taylor India Minority Shareholders - *local industrial partner*

Cofle Zhuji Minority Shareholders – *local industrial partner*


Tabo Otomotiv AS & Cofle TK Otomotiv AS: *local industrial partners and local managers*

# Organization Chart

Experienced multinational management team




**Walter Barbieri**  
CEO



**Alessandra Barbieri**  
*Head of Global Comm. & Mkt.*

**Diego Galbussera**  
CFO




Total Workforce as of June 2021	
Company	Employees
Cofle Italy	141
Tabo Otomotiv	194
Cofle TK	176
Cofle Zhuji	1
Cofle Do Brasil	17
Cofle Taylor India	20

**Total Employees** 549 as from June 2021



**Gianni Crespi**  
*OEM Sales & Marketing Director*



**Valentina Ressa**  
*AM Division & Logistic Director*



**Matteo Merla**  
*Global Supply Chain & Plants Manager*



**Massimo Mandelli**  
*Quality Assurance Director*

# OEM Business “at a glance” (1/2)



## Off-Road Applications





# OEM Business “at a glance” (2/2)

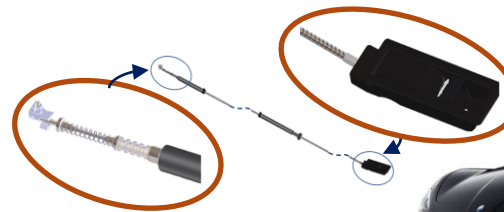
## Premium Luxury Brands Applications



*Gearshift lever, handbrake  
and cables*



*Gear Unlock DCT System cables*



*Front and rear  
bonnet cables*

# Aftermarket (AM) Business “at a glance” (1/2)

## Control Cables for the Automotive Aftermarket Business



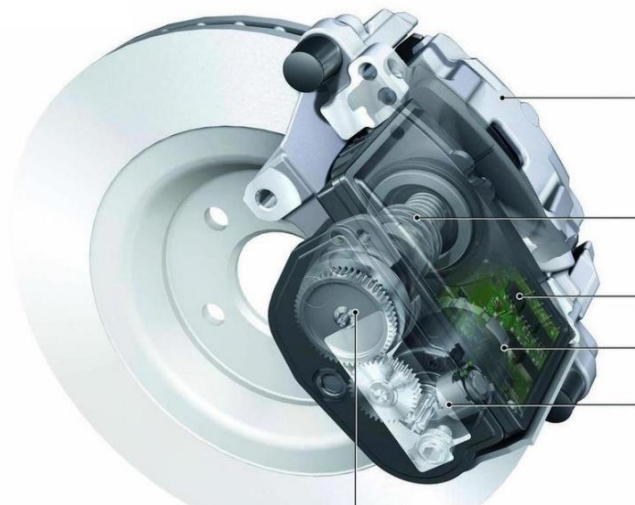
**BRAKE CABLES**



**BRAKE HOSES**



**EPB SYSTEMS**



Brake Caliper

Ball Bearing  
Linear Drive

Control  
Electronics

Brushless  
Electric Motor

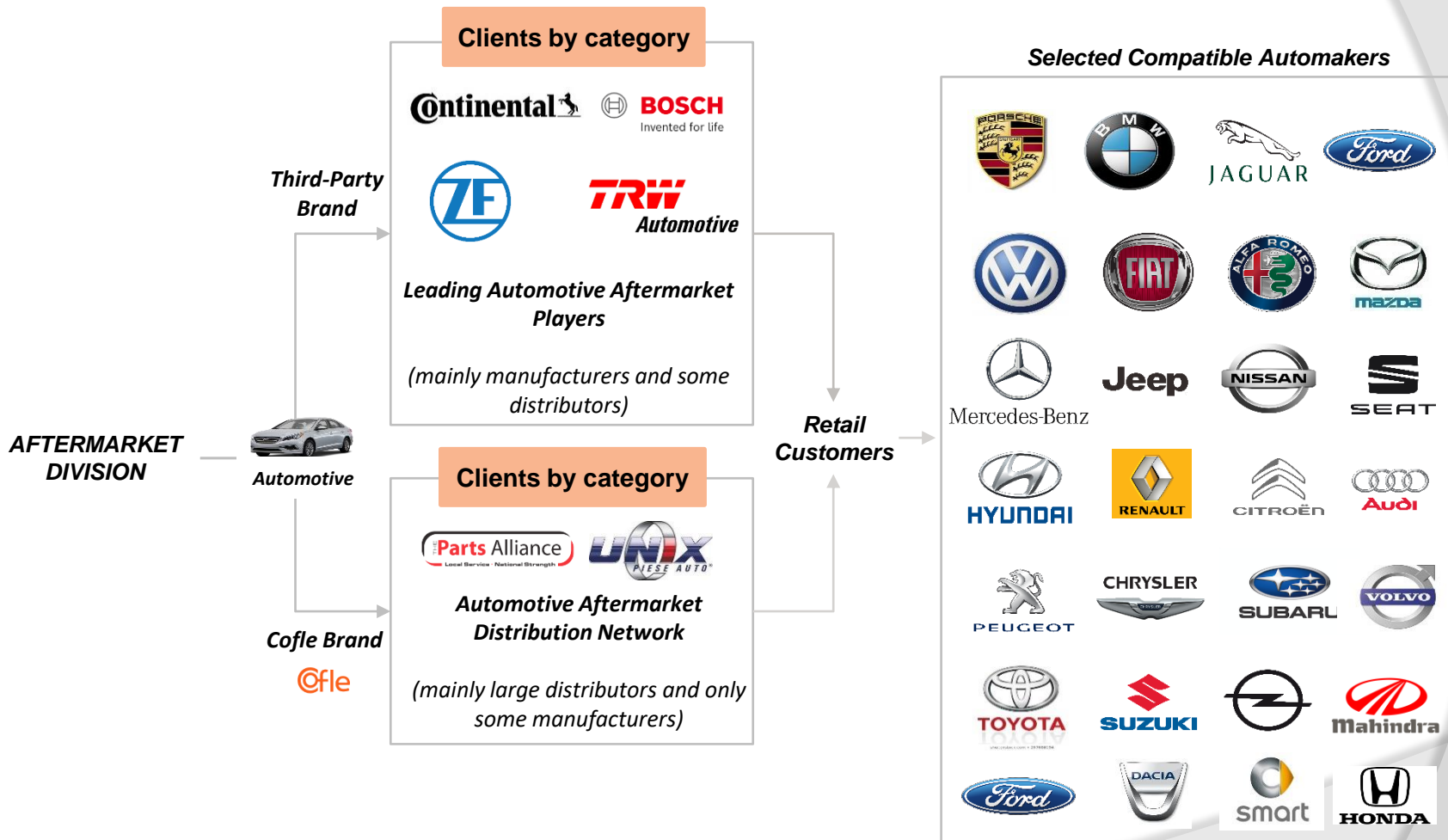
Parking Brake



**EPB PULLER  
CABLES**

# Aftermarket (AM) Business “at a glance” (2/2)

## Cofle Brand and Third-Party Brand products



# KEY INVESTMENT HIGHLIGHTS



Key factors behind the success of an Italian multinational company

Global Growth Scenario

**1** A multinational company operating all over the world

**2** Exceptionally sound path to growth on a global scale

**3** Only at an early stage of international scalability

**4** Strategically positioned to boost long term expansion

Top Positioning

**5** Distinctive Know How

**6** Top Credentials

**7** Focus on innovation to anticipate next future trends

Key Performance

**8** Resilience to global recession and improved profitability

# A multinational company operating all over the world

## Undisputed Global Footprint

# 81%

REVENUES COMING FROM  
ABROAD IN 2020

# 290+

COSTUMERS ACROSS 38  
COUNTRIES IN 2020



PRODUCTION PLANT



WAREHOUSE



ENGINEERING CENTER



R&D CENTER



REPRESENTATIVE OFFICE

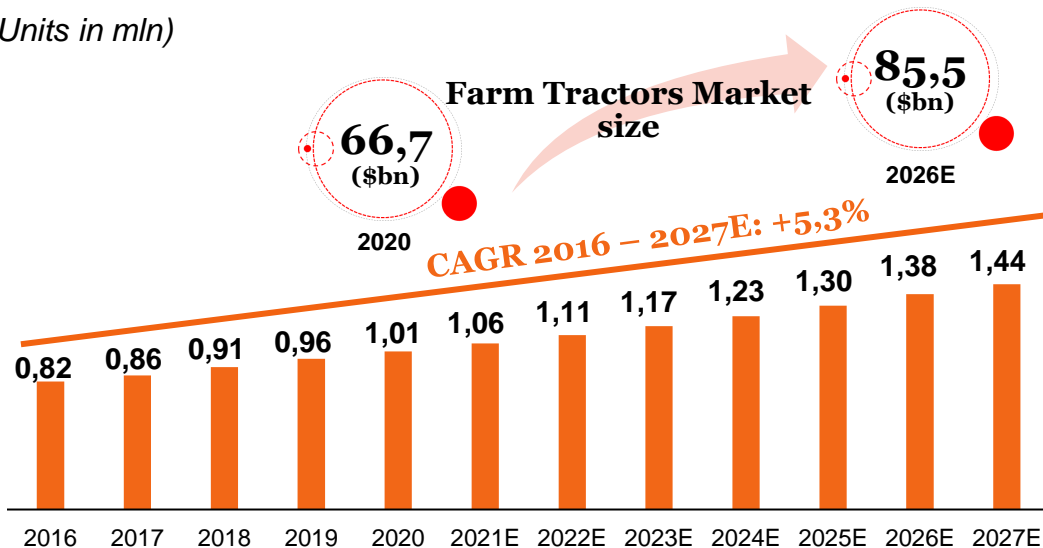


## Exceptionally sound path to growth on a global scale

Catching the wave of a secular trend in population dynamics and food demand

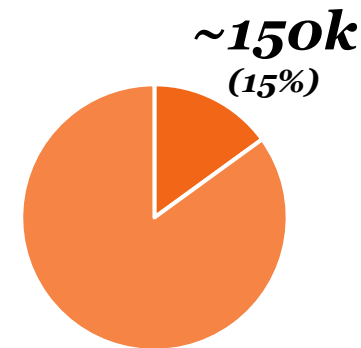
### Global Farm Tractors Market Forecast to 2027

(Units in mln)



Source: 2016-2027E Global and Regional Farm Tractors Industry Production, Sales and Consumption Status and Prospects Professional Market Research Report - Publisher: Farm Tractors Market Research Group of HNY Research, 2021  
Global Industry Analyst : Farm Tractors – Global Market Trajectory & Analytics (2021)

Farm tractors installing Cofle's systems in 2020 worldwide



**Global Farm Tractors 2020: 1,01 mln**

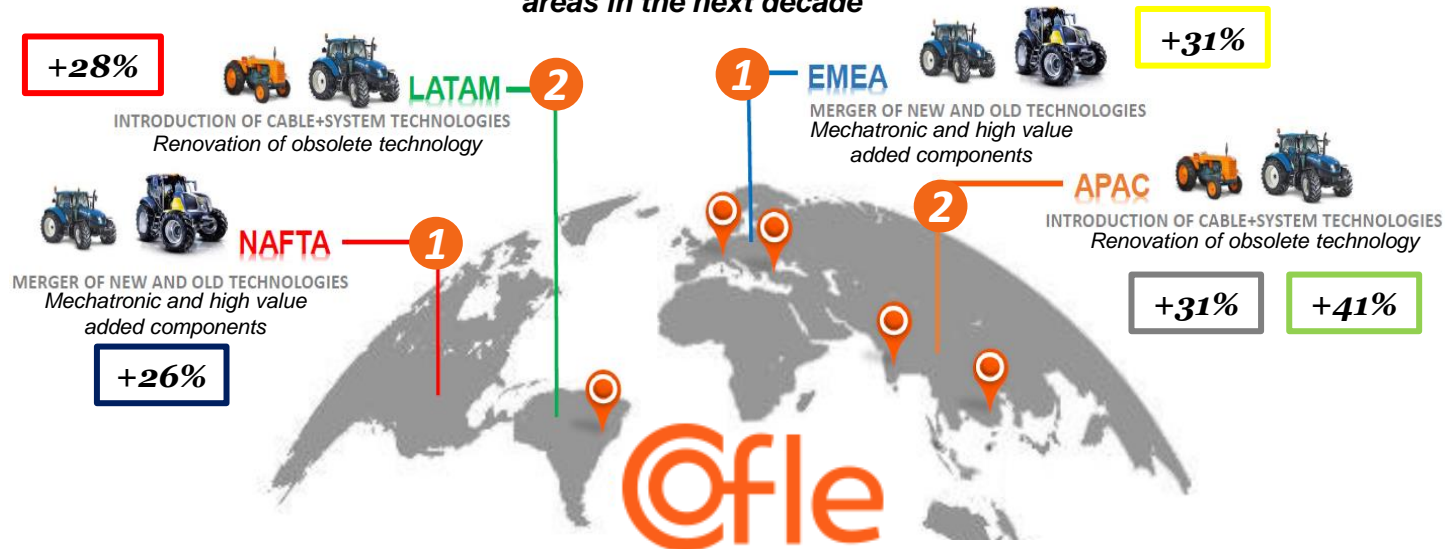
### Market Drivers

- 1** Global area harvested to cereals expected to increase by 14 Mha in the coming decade (between the base period 2018-2020 and 2030)
- 2** Technological upgrade of farm tractors especially in developing countries, and introduction of mechatronic innovation in farm tractors of developed countries
- 3** Environmental-friendly farm tractors upgrades imposed by regulation and policy trends all over the world
- 4** Farming support by governments to increase domestic agri production as strategic policy adopted worldwide

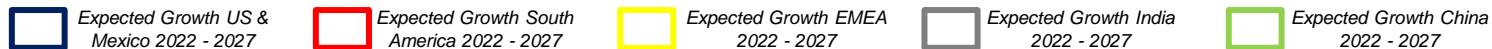
## Only at an early stage of international scalability (1/2)

At the forefront of the key trends in farm tractors industry worldwide

### Major technological changes involving farm tractors by geographical areas in the next decade



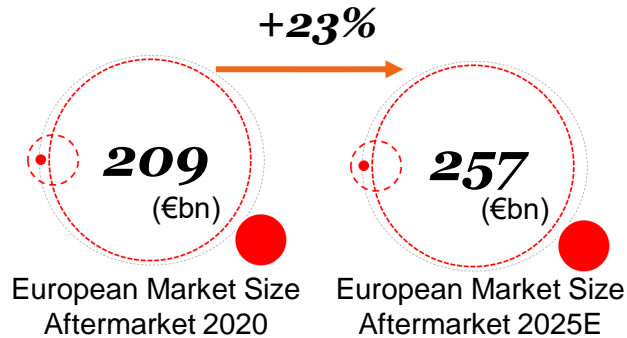
In terms of units of farm tractors produced



- 1 Established presence in EMEA and representative office in NAFTA where Cofle will benefit from the introduction of innovative technologies and mechatronic innovations
- 2 Established presence in APAC e LATAM area where Cofle will benefit from the introduction of state-of-the-art technology to renovate obsolete farm tractors

## Only at an early stage of international scalability (2/2)

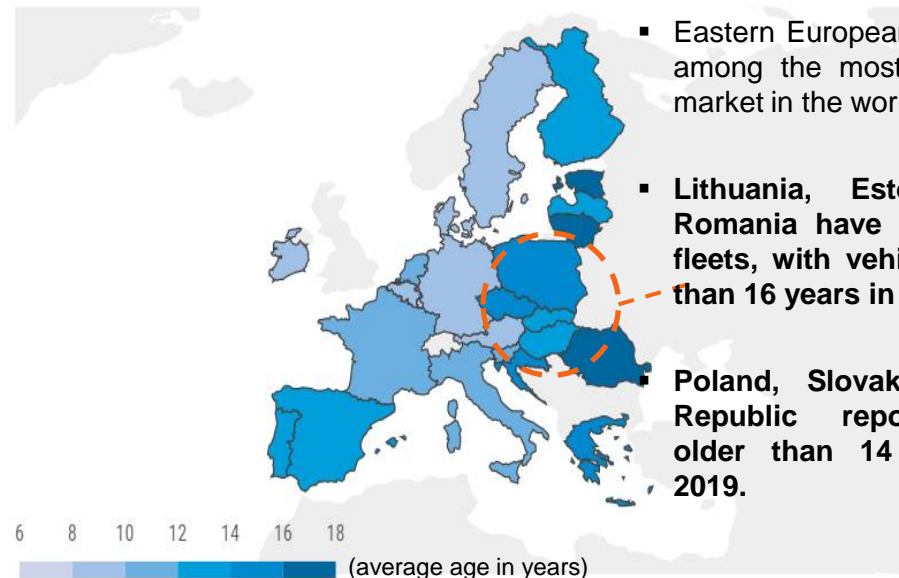
### Planning growth in the European underpenetrated automotive Aftermarket



**Fast – growing european automotive aftermarket expected in the next decade triggered by:**

- mandatory EV adoption by the end of 2035
- expected insufficient EV charging network
- expected exponential growth in used car during the transition

#### Average Age of the EU vehicle fleet



- Eastern European market is among the most promising market in the world.
- Lithuania, Estonia and Romania have the oldest fleets, with vehicles older than 16 years in 2019.
- Poland, Slovakia, Czech Republic report fleets older than 14 years in 2019.



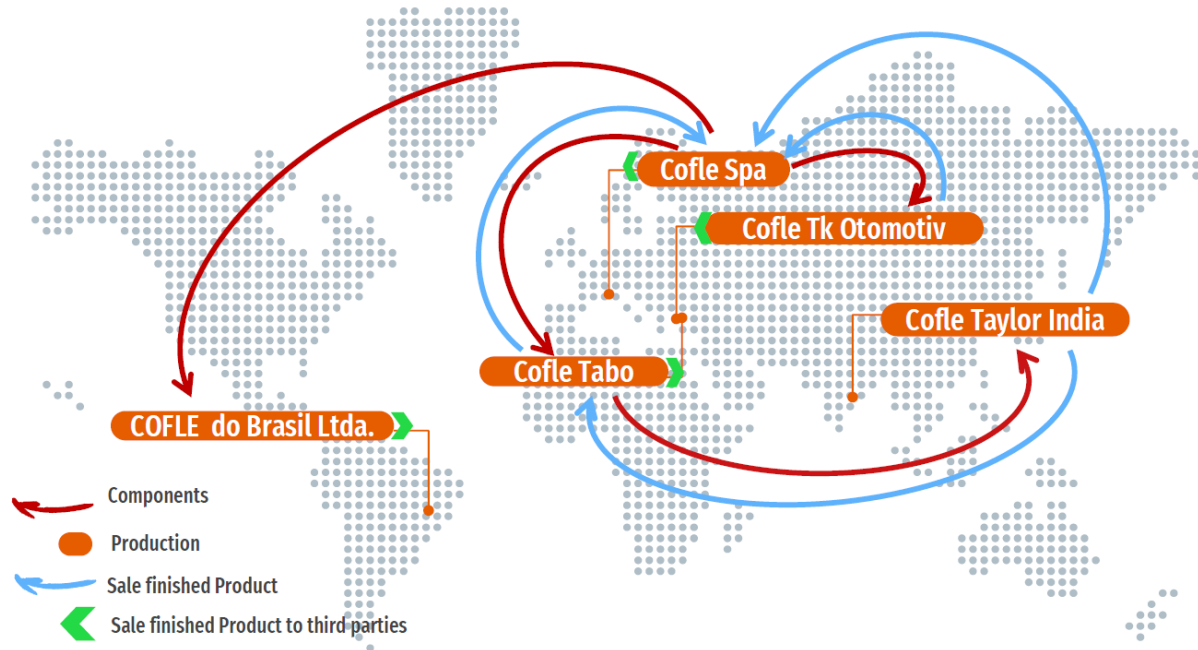
**GO-TO-MARKET STRATEGY**

- 1** Leveraging on Italian and Turkish production plant capacity to serve the more mature western European customers
- 2** Leveraging on Italian and Indian production plant capacity to serve the promising high-growth Eastern European market and acquire market share



## Strategically positioned to boost long term expansion

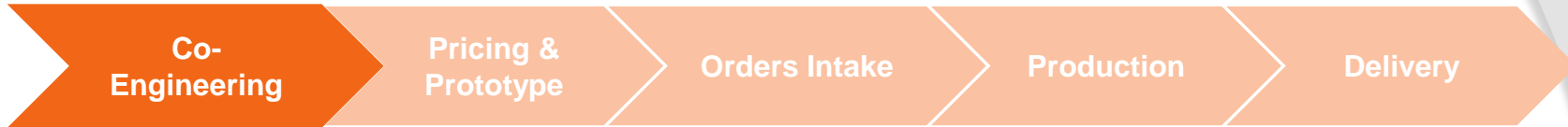
Integrated facilities and platforms in the key areas of the world



- 1 Global integrated facilities to meet top multinational customers' needs centered on shifting from overstretched supply chain to locally based suppliers
- 2 Key competitive advantage by leveraging on established local presence especially in Turkey and India to lower production costs and boost market share

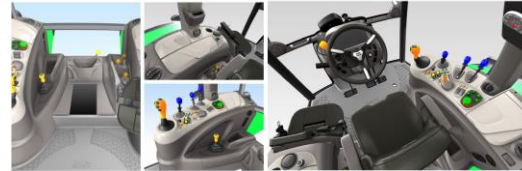
## Distinctive Know How: Focus on excellence

### OEM DIVISION – Excellence in Co-Engineering



**1** Highly customized and tailor made products to meet the excellence requirements of Top clients

**2** OEM project usually takes from 1 to 3 years to be completed, symptomatic of the highly distinctive know-how involved in the OEM business



### AM DIVISION – Excellence in Reverse Engineering



**1** 7000+ references in its extremely wide automotive aftermarket catalog

**2** 200+ additional references per year



## Top Credentials – OEM (1/2)

A highly prestigious and diversified customer base all over the world



- 1 Long term relationship with Top Market Leaders in the world, ranging from CNH to AGCO and John Deere as undisputed proof of leadership: it usually takes at least 2 years to be included in the supplier list of top players
- 2 Traditional niche share of revenues coming from luxury automotive brands (Ferrari & Maserati)
- 3 Traditional niche share of revenues coming from commercial light vehicles brands (IVECO)

## Top Credentials – AM (2/2)

From Top Aftermarket Manufacturers to Top Aftermarket distributors



**BOSCH**

**TRW**  
Automotive



**sbs**  
Automotive

**FTE**  
automotive

**FEDERAL  
MOGUL**

**THE Parts Alliance**  
Local Service · National Strength



**JP·Group a/s**  
AUTOMOTIVE

**WATE-M**  
WAG



**AUTONETES**

**AKWEL**

**Metzger**  
Autoteile

**ALLIANCE  
AUTOMOTIVE GROUP**

- 1 Long term relationship with Top Aftermarket Leaders in the world (Continental & Bosch)
- 2 Long term relationship with Top Aftermarket Distributors in the world (Federal Mogul, Unix)

## Focus on innovation to anticipate next future trends

Commitment to launching disruptive solutions to stand out from the crowd as key principle in more than 50 years of Cofle history



2

R&amp;D CENTER



28

PEOPLE EMPLOYED IN R&D  
ACTIVITIES

2

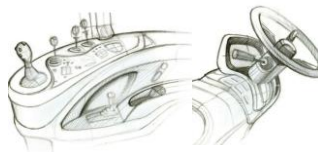
ENGINEERING CENTER



8

REGISTERED PATENTS IN THE  
LAST 5 YEARS ACROSS 5  
COUNTRIES

1

DEDICATED OEM INNOVATION  
HUB

From sketches...

1



...to 3D models...

2

...mockup...

3



...and industrialization

4



Farm tractors evolution in the next 50 years



Today



Tomorrow



In 10 years...



In 20 years...

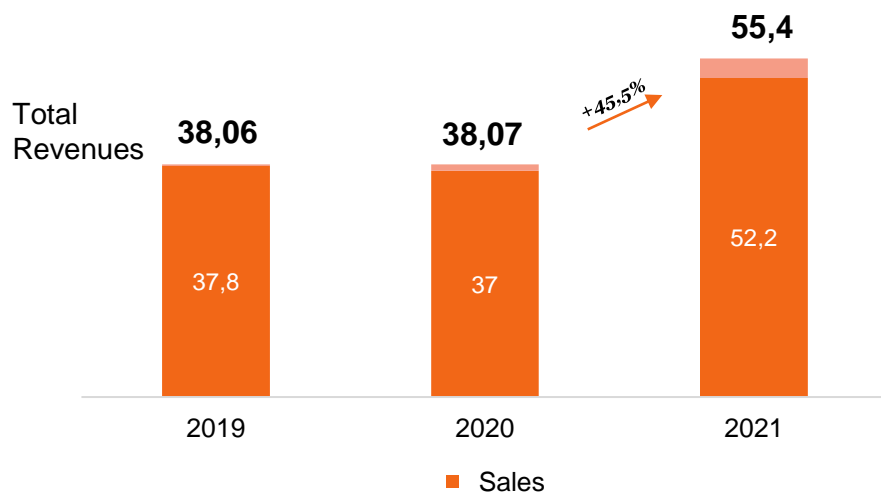


In 50 years...

## Resilience to global recession and improved profitability

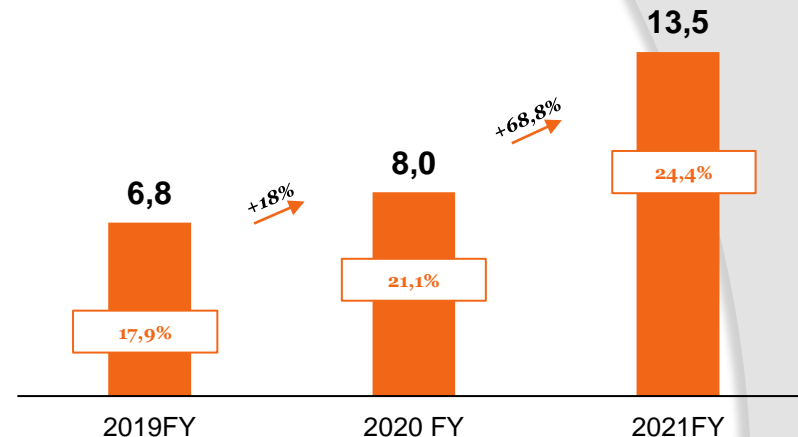
Cofle Total Revenues & Sales 2019/2020/2021FY

(€mln)



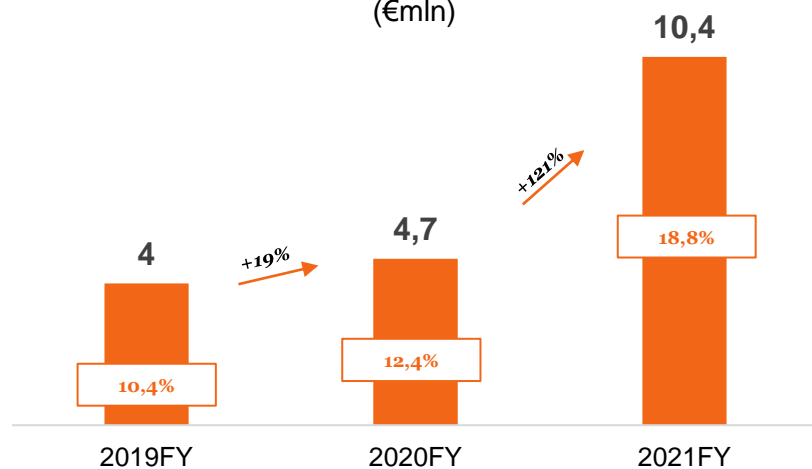
EBITDA IFRS 16 Adj. and EBITDA Margin 2019/2020/2021FY

(€mln)



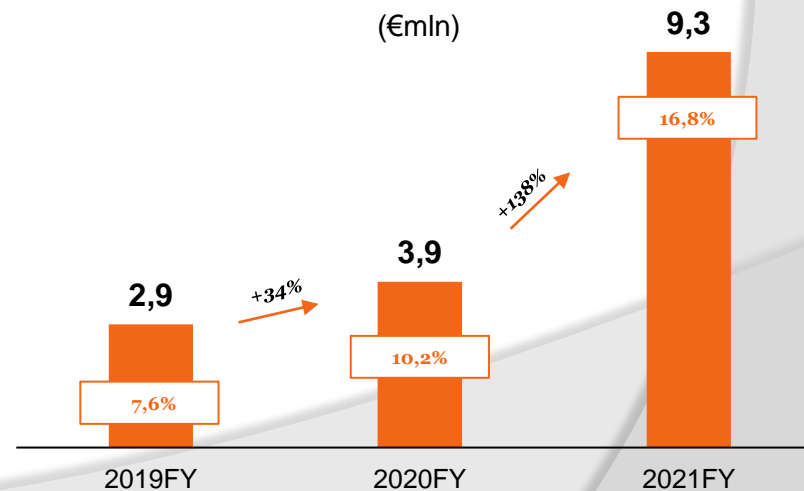
EBIT and EBIT Margin 2019/2020/2021FY

(€mln)



Net Income and Net Income Margin 2019/2020/2021FY

(€mln)

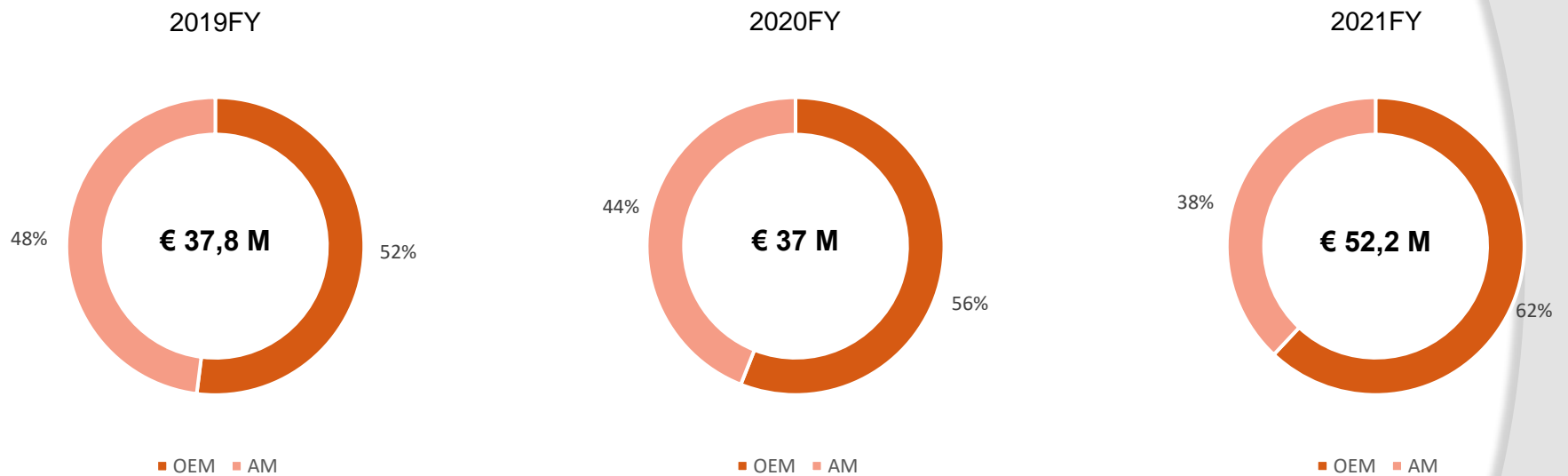


# Financial Highlights

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# Group's Top Line & breakdown 2019/2020/2021 by division

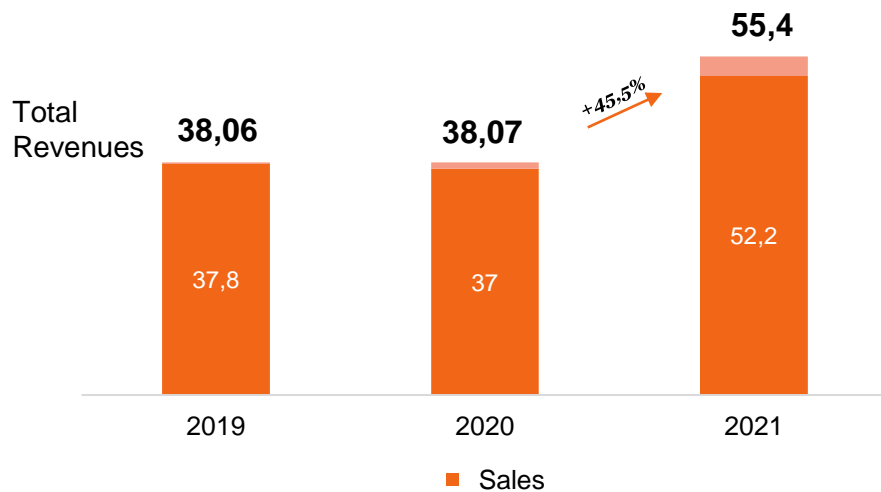
## Cofle Sales' Breakdown by division



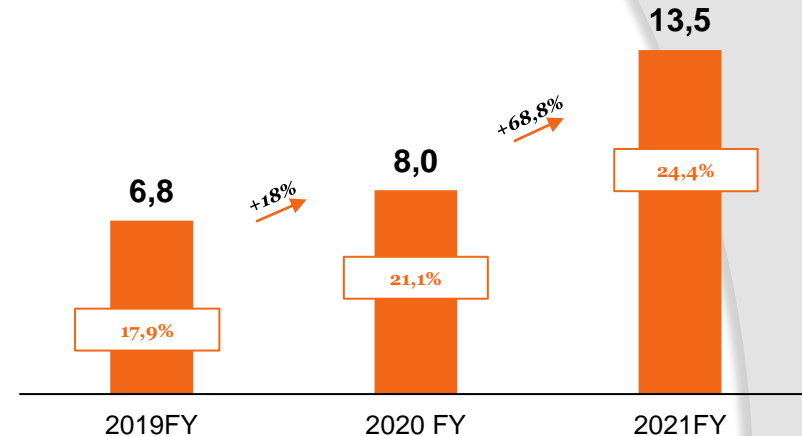


# Financial Highlights

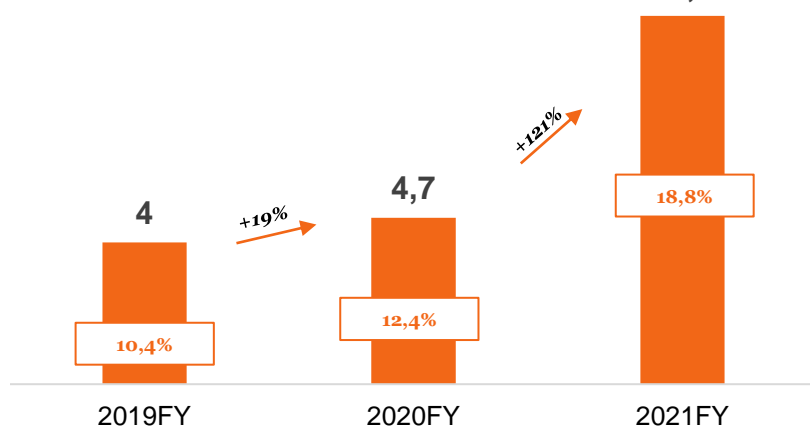
**Cofle Total Revenues & Sales 2019/2020/2021FY**  
(€ln)



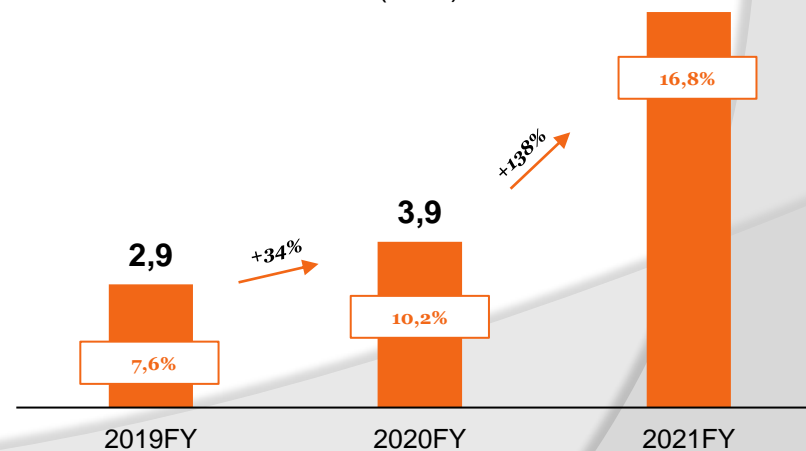
**EBITDA IFRS 16 Adj. and EBITDA Margin 2019/2020/2021FY**  
(€ln)



**EBIT and EBIT Margin 2019/2020/2021FY**  
(€ln)



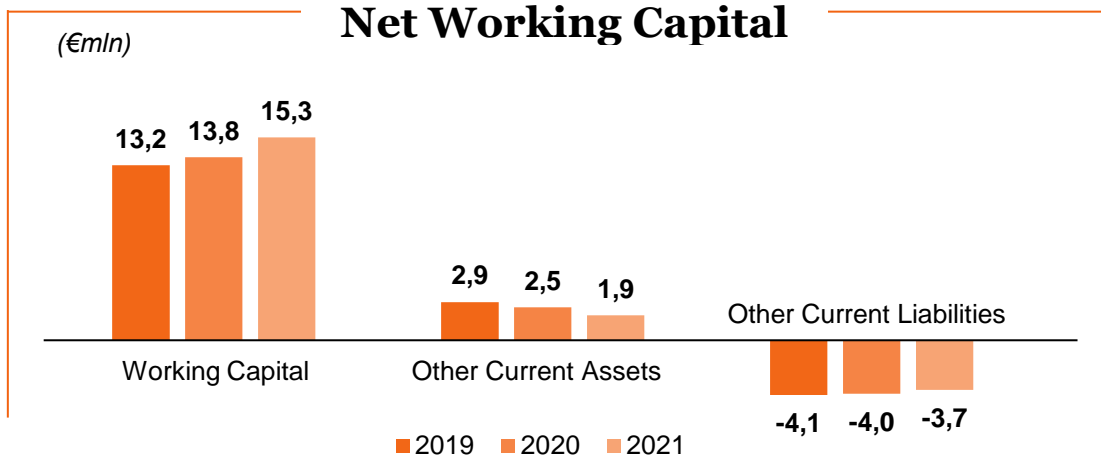
**Net Income and Net Income Margin 2019/2020/2021FY**  
(€ln)



# Consolidated Net Working Capital



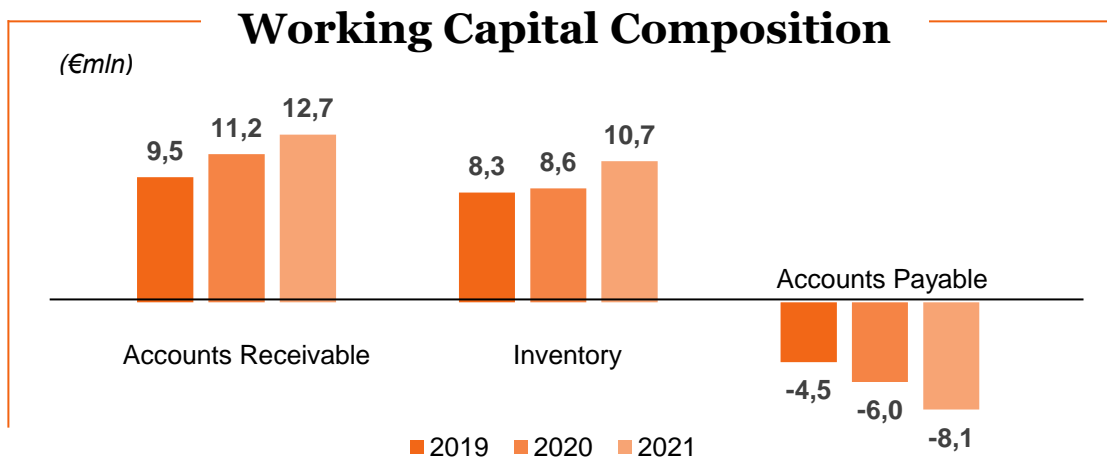
## Net Working Capital Analysis



(€mln)

NWC 2019	NWC 2020	NWC 2021
<b>12,0</b>	<b>12,3</b>	<b>13,5</b>

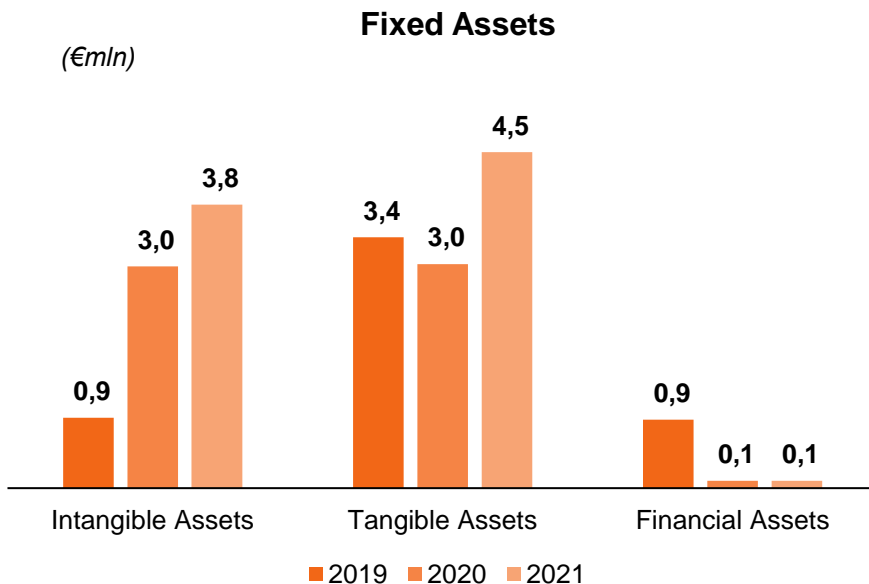
NWC in 2021 increase driven by significant revenues growth



	2019	2020	2021
<b>DSO</b>	~90	~110	~88
<b>DIO</b>	~79	~84	~96
<b>DPO</b>	~74	~102	~87

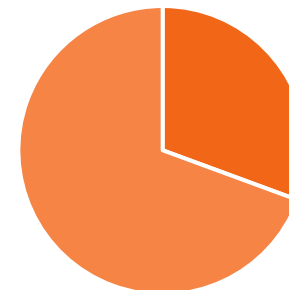
# Fixed Assets and Capex

## Tangible, Intangible and Financial Assets



## Consolidated Capex 2021

**Tangible Capex**  
(3,4 €mln – 69%)



**Intangible Capex**  
(1,5 €mln – 31%)

**Total Capex 2021: 4,9 €mln**

- Financial Assets in 2019 refer to a loan extended to the Barbieri real estate family company reclassified as Current Financial Assets in 2020 and 2021 (Valdiporto Receivable) and due to expire by 1H 2022. In the meantime, the amount is decreased to € 0,6 mln.

# Net Financial Position 2019/2020 – 1H 2021

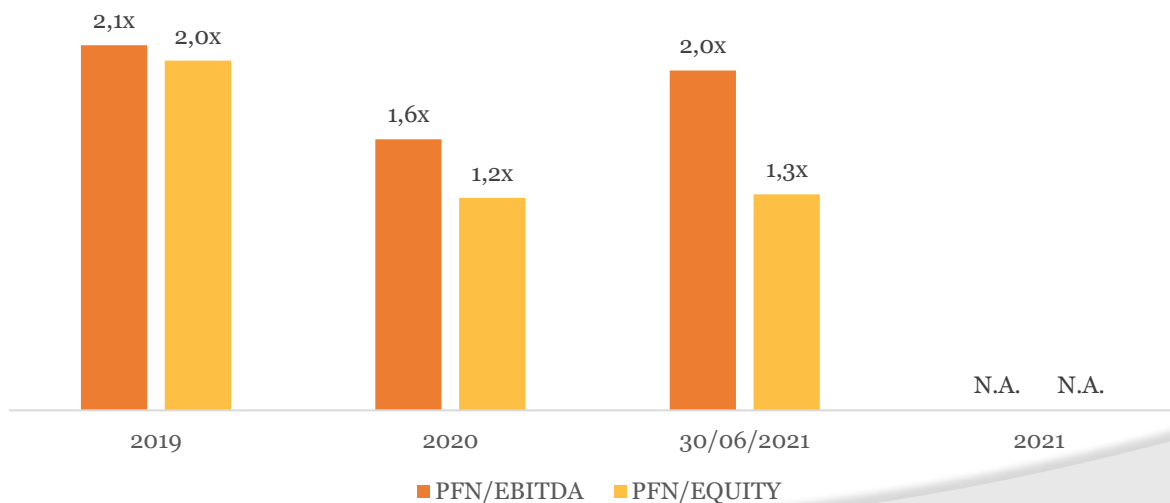


## NFP IFRS 16 2019/2020/2021 & 1H 2021

### Composition of Net Financial Position

(€)	2019	2020	1H 2021	2021
Long Term Financial Debts	5.614.765	8.681.003	11.223.583	9.348.695
Short Term Financial Debts	3.911.922	2.912.042	838.937	1.299.154
Cash and Cash Equivalents	-1.208.245	-3.150.243	-1.644.199	-15.493.769
Other Current Financial Assets		-738.105		0
Shareholder Financial Receivable	-	-418.500	-418.500	429.900
Financial debts vs Parent Company		1.232.500	977.500	722.500
Other Financial Debts	317.838	207.278	162.206	58.870
<b>Net Financial Position ITA GAAP ex Valdiporto</b>	<b>8.636.280</b>	<b>8.725.975</b>	<b>11.139.527</b>	<b>-3.634.650</b>
Valdiporto Financial Receivable*	-145.000	-840.000	-770.000	-600.000
<b>Net Financial Position ITA GAAP</b>	<b>8.491.280</b>	<b>7.885.975</b>	<b>10.369.527</b>	<b>-4.234.650</b>
Ifrs 16 Adjustment	6.001.000	4.768.000	4.517.402	4.266.000
<b>Net Financial Position IFRS 16</b>	<b>14.492.281</b>	<b>12.653.975</b>	<b>14.886.929</b>	<b>31.350</b>

### Financial Ratio 2019/2020/2021 & 1H 2021 – IFRS 16



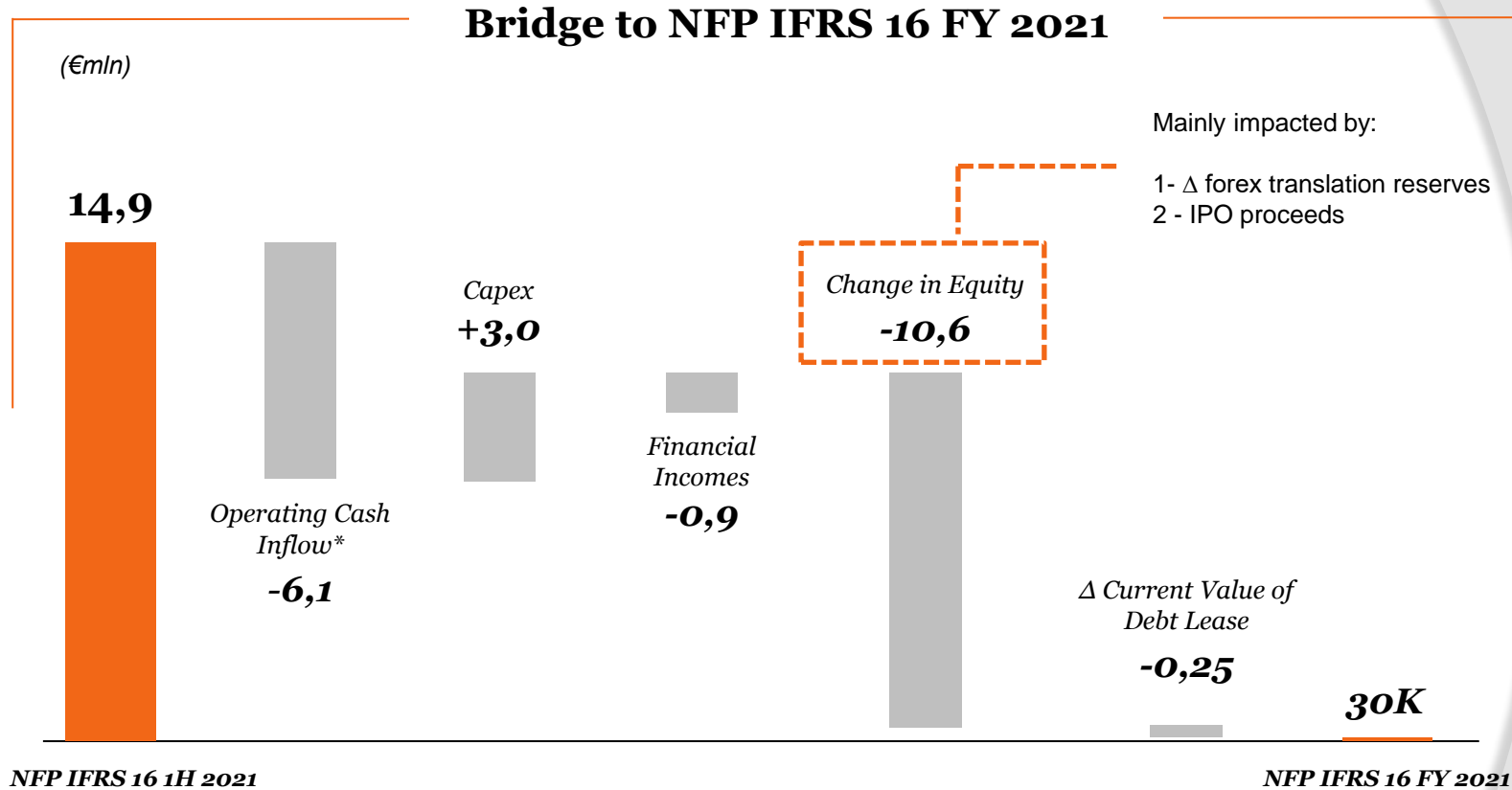
- Valdiporto Financial Receivable refers to a loan extended to the Barbieri real estate family company reclassified as Current Financial Assets in 2020 and due to expire by the 1H 2022.

- Other Current Financial Assets in 2020 refer to short term liquid investments by turkish subsidiaries already cashed in the 1H 2021

- Shareholder Financial Receivable in 2020 equal to €418k has already cashed in July 2021

- At 31/12/2021, Net Financial Position ITA GAAP is equal to € -4,2M (cash) and Net Financial Position IFRS 16 is € 31k (debt), improved by € 12,6M, thanks to the positive operating cash flow and to the proceeds raised in the IPO.

- NFP excluding the Valdiporto Financial Receivable (the collection of which is scheduled for 30/06/2022) is equal to € 3,6M.



\*Including fiscal benefits

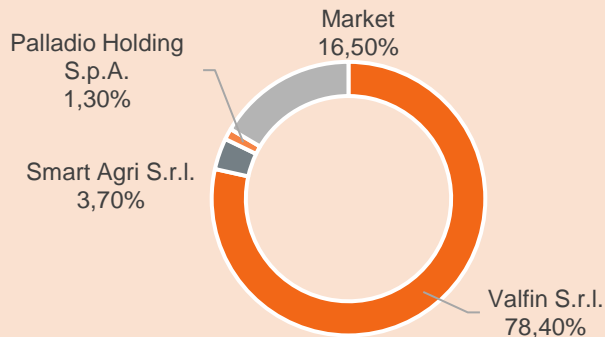
# Update

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# STOCK & SHAREHOLDERS' STRUCTURE



## Shareholders' Structure



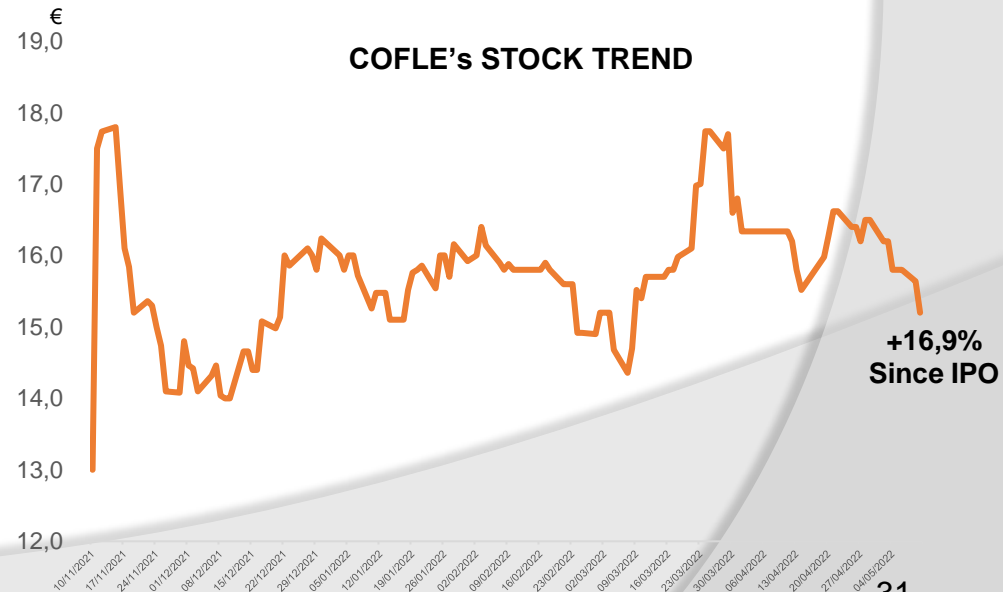
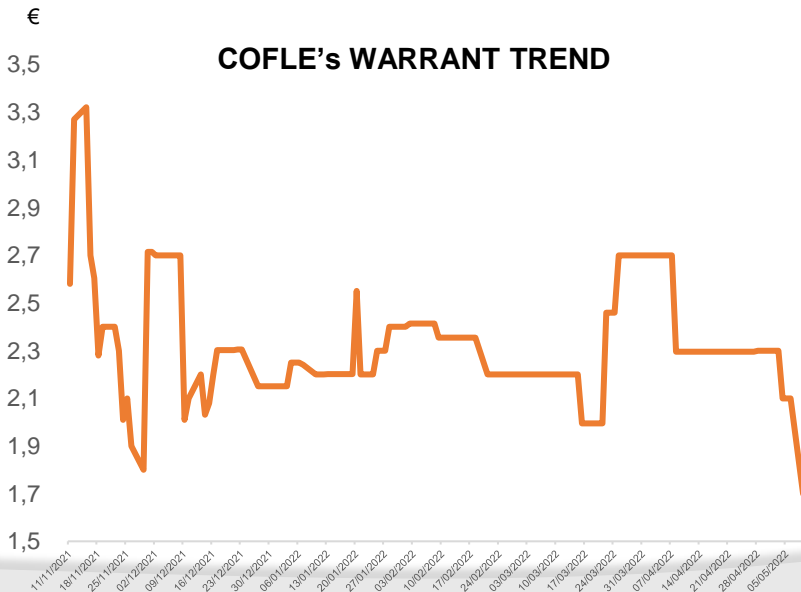
Valfin S.r.l. shareholders: Walter Barbieri 70% (through Finan.Co S.r.l.) and Alessandra Barbieri 30%

## Stock Performances

**Market:** Euronext Growth Milan  
**Ticker:** CFL  
**Shares:** 5.403.728

**Price (10/05/2022):** € 15,20 (+16,9%)  
**Market Cap (10/05/2022):** ~ € 82,1 M  
**Avg. Volume:** 10.614 shares

**IPO PRICE:** €13  
**IPO PROCEEDS:** €17,2M



### GRENADIER



Cofle technology will be aboard the new off-road Ineos Grenadier.

The agreement provides that, following the excellent results obtained in the first test phase, starting from February 2022 will begin the second and final phase of testing on about 700 vehicles prior to start-up of production in the following months, for a total value for the two-year period 2022/2023 equal to 3,8 million euros.



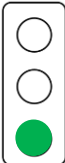


Over the past three years, manufacturers have faced new challenges to reduce tractor emissions and consumption.

With no more transition periods, the European Stage V Regulation is now in force, which further reduces the maximum exhaust emission ceiling compared to Stage IV. The common objective is to reduce pollutant emissions from off-road vehicles.



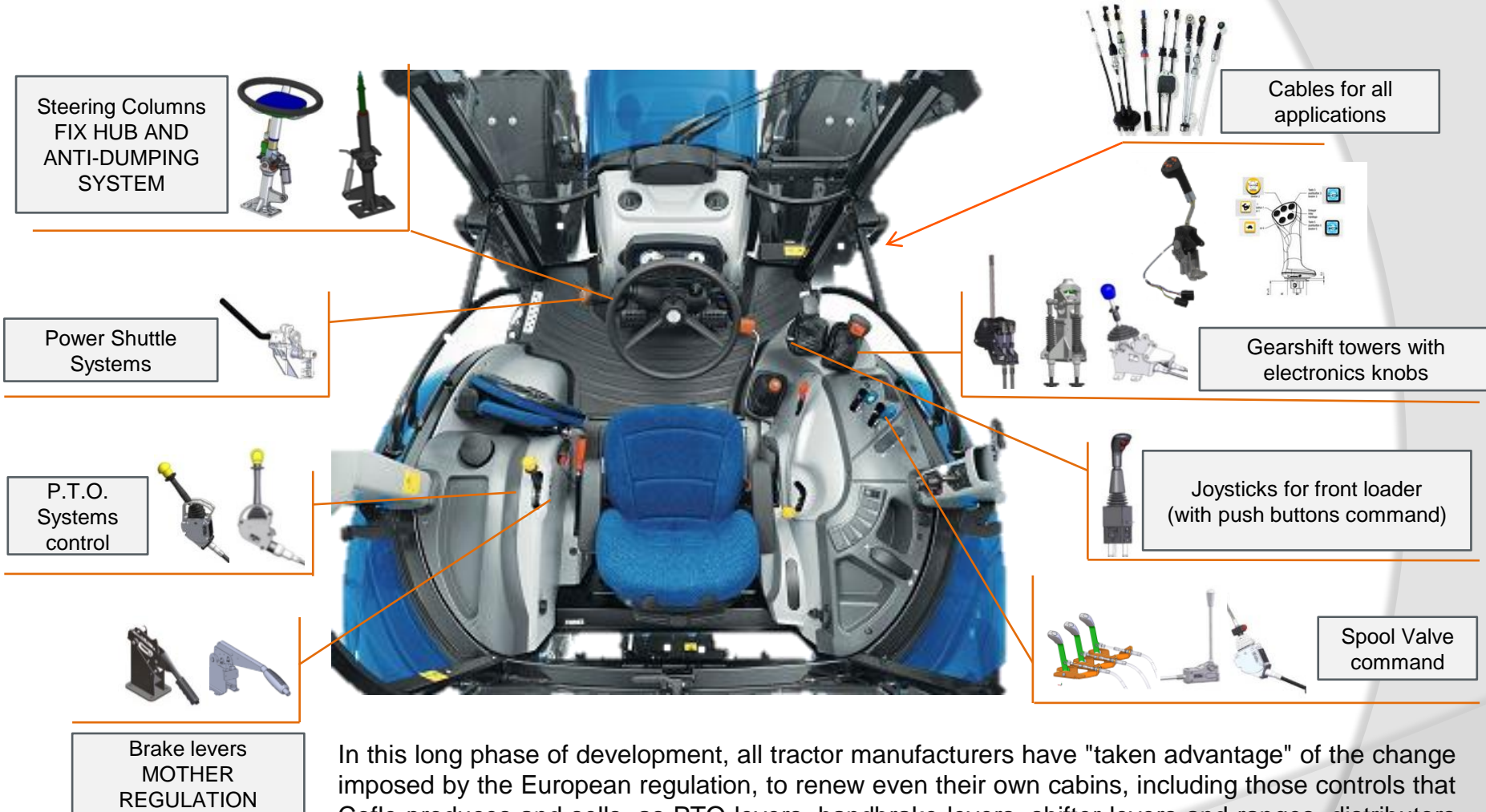
The production of new off-road vehicles has just started



The green light from the EU for the cultivation of unused agricultural land for the production of cereals and protein crops to cope with the supply alarm due to the Ukrainian crisis potentially unlocks 4 million hectares in Europe, of which 200k in Italy → incentive for agricultural machinery

# OEM NEW PROJECTS UPDATE

## A NEW EU REGULATION TO BOOST REVENUES



In this long phase of development, all tractor manufacturers have "taken advantage" of the change imposed by the European regulation, to renew even their own cabins, including those controls that Cofle produces and sells, as PTO levers, handbrake levers, shifter levers and ranges, distributors levers, cables, etc...

# OEM NEW PROJECTS UPDATE

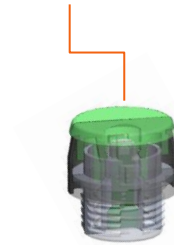
## UPCOMING DEVELOPMENT PROJECTS

Development of innovative electronic products that represent an upgrade of the control system, based on two specific projects for two customers

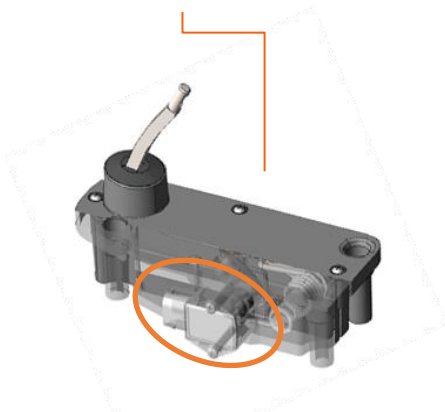
### 2 MICRO PUSH BUTTON REED TECH. & ELECTRONICS KNOBS



### 1 NANO PUSH BUTTON REED TECH.



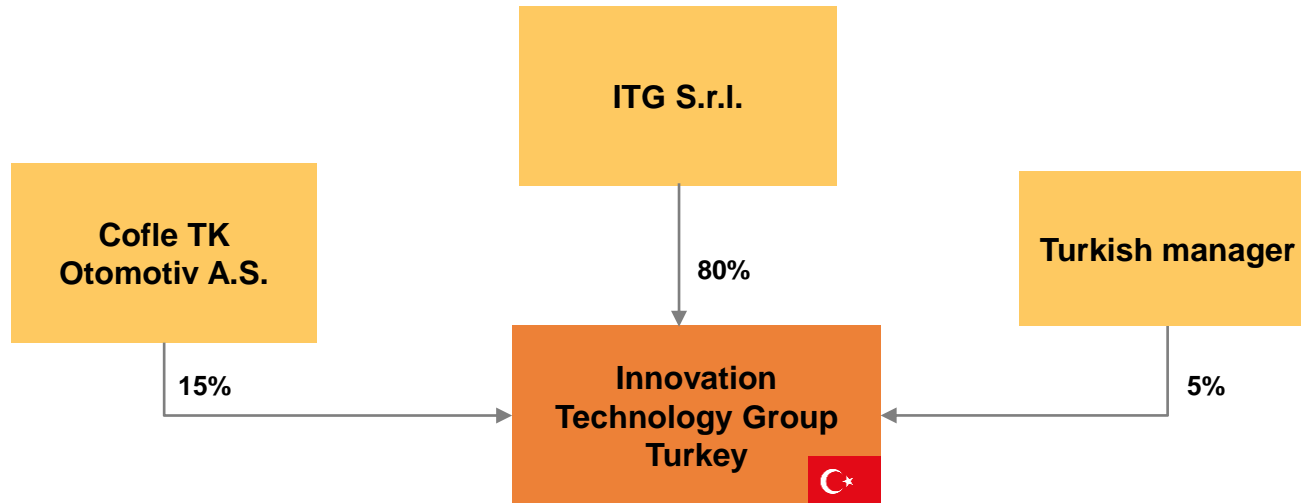
### 3 ELECTRONIC FOOD PEDALS

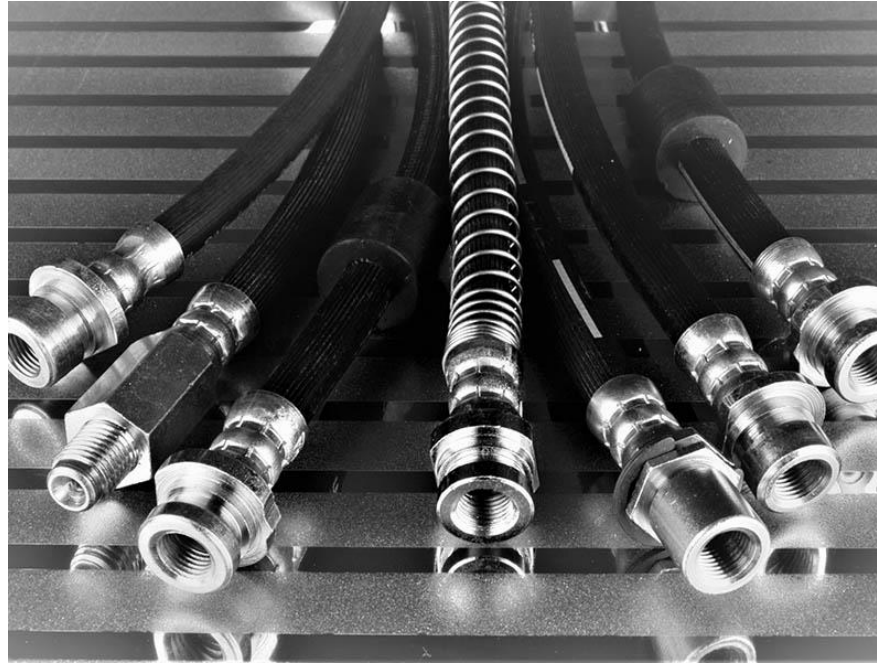


HAL EFFECT SENSOR



**ITG Turkey** design & engineering center (focused on off-road vehicles).





In 2021 there was a big increase in the selling of the new brake hoses: € 416 thousands

# AM NEW PRODUCTS UPDATE

## EPB – Electronic Parking Brake System



**10.701.100**

**92.EB.VK001**

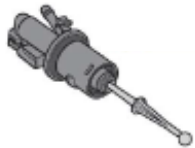
PART NUMBER	QTY.	PART NUMBER	QTY.
10.703.002	1	10.000.MOT	1
10.703.004	1	10.701.000	1
10.703.005 + 10.704.013	1	10.701.001	1
10.703.008	1	10.702.000	1
10.703.014	3	10.702.001	1
10.704.000	2	10.702.004	1
10.704.002	2	10.703.000	1
10.704.014	1	10.703.001	1
10.704.015	2	10.703.011	1
10.704.016	3	10.704.003	2
		10.704.008	2
		10.701.100	1

<b>A3</b>	CAD BY COFLE			N° Comm. <b>3C0998281A</b>	Descrizione <b>EPB VW</b>
SCALA 1:1	Il presente disegno è di proprietà della COFLE e senza la espressa autorizzazione scritta non potrà essere riprodotto né comunicato a terzi la COFLE si riserva di tutelare i propri diritti a termini di legge			DATA <b>18.03.2022</b>	FIRMA <b>Mussio L.</b>
			COFLE S.p.A. DISEGNATO VISTO		Codice <b>92.EB.VK001</b>

System overview:

### Sensors

Clutch position sender



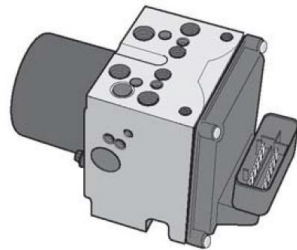
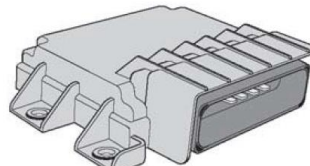
Electromechanical parking brake button



Autohold button



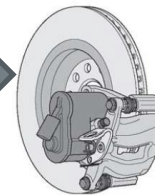
Electromechanical parking control unit



ABS control unit

### Actuators

Left / Right brake EPB



Electromechanical parking brake warning light



Brake system warning light



Electromechanical parking brake fault warning lamp



Autohold warning light



OEM



**M&A: acquisition of target to extract value through product synergies**

**Target size between € 10 e 20 mln**

**Scouting phase: on-going**

Aftermarket



**M&A: acquisition of target specialized in aftermarket distribution (market share acquisition) and/or target specialized in complementary products to expand the already extremely wide product catalog**

**Target size between € 4 e 8 mln**

**Scouting phase: on-going**