Milan, 15 April 2025

Italian Equity Research – FY24 Results

COFLE

BUY

Sector: Industrials

Price: Eu2.68 - **Target: Eu7.50**

Tempered in adversity to be stronger ahead of the restart

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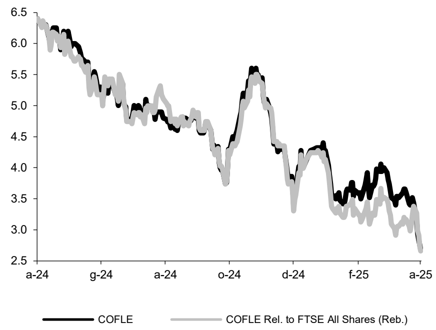
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			from 8.05 to 7.50
	2025E	**2026E**	**2027E**
Chg in Adj EPS	-59.2%	-1.9%	

Next Event

1H25 Results due on September 29th

COFLE - 12M Performance



Stock Data			
Reuters code:			CFL.MI
Bloomberg code:			CFL IM
Performance	**1M**	**3M**	**12M**
Absolute	-29.5%	-37.4%	-58.1%
Relative	-20.0%	-34.4%	-58.8%
12M (H/L)			6.35/2.68
3M Average Volume (th):			6.36

Shareholder Data	
No. of Ord shares (mn):	6
Total no. of shares (mn):	6
Mkt Cap Ord (Eu mn):	16
Total Mkt Cap (Eu mn):	16
Mkt Float - Ord (Eu mn):	4
Mkt Float (in %):	21.6%
Main Shareholder:	
Valfin S.r.l.	78.4%

Balance Sheet Data	
Book Value (Eu mn):	26
BVPS (Eu):	3.74
P/BV:	0.7
Net Financial Position (Eu mn):	-11
Enterprise Value (Eu mn):	30

- **FY24, a year of transition …** Cofle group announced it had closed fiscal year 2024 with net revenues of €60 million, down 1.2% YoY or 7.6% net of the effects of hyperinflation. The effect of inflation on the cost base, and especially on personnel and rents, led to a more than proportional contraction of adjusted EBITDA, which closed at €6.8 million. Net of extraordinary charges of €2.7 million, the Company closed the fiscal year with a consolidated net loss of €5.3 million and net financial debt of €13.9 million. The results, penalised by the contraction of the agricultural market and by Turkish "inflation", were slightly lower than expected due to higher extraordinary expenses and greater operating working capital cash absorption.
- **….and investment….** 2024 was clearly a challenging year from many (perhaps too many) points of view, just as the actions taken by the Company to strengthen its competitive position were equally apparent, in accordance with three different guidelines, namely: (i) launching and implementing a **reorganisation of the own industrial platform**; (ii) **strengthening its organisational safeguards** by adding new, experienced managers; and (iii) launching a **cost-containment plan** that will affect all Group companies.
- **...to gain competitiveness and be ready for the restart.** All these actions are aimed at further strengthening the Company's competitive position, in both the IAM and OE fields, as evidenced by the award of the new orders announced in 2H24. Hence, these actions are aimed not only at recovering efficiency and profitability but also at embedding the cornerstones for future development, looking to electronics and the Indian market, the world's largest for agricultural equipment.
- **2025 Adjusted EBITDA revised down 12%, 2026 EBITDA confirmed.** Taking note of results for 2024, we have revised the basic assumptions in our model: we have postponed a reversal of the trend in the agriculture sector until the end of 2025 but improved the performance expected from the IAM business line. Lower short-term revenues and a different business mix have led us to cut our 2025 adjusted EBITDA estimate by 12% and to confirm our 2026 projections, with an increase in Net Financial Position (NFP) estimated at approximately €6 million over the two-year period 2025-26.
- **BUY, target price at €7.50 (from €8.05)**. We reiterate our positive view on the stock, convinced that actions by management can strengthen the Company's competitive position, in anticipation of the future recovery of the agricultural market. The reorganisation of production, with the strengthening of the Indian subsidiary, new managerial positions as well as the development of a strategic department for electronics will, in our opinion, enable Cofle to seize new opportunities in a constantly evolving market. We therefore confirm our recommendation on the stock to BUY, moving the target price to €7.50 (vs previous €8.05), due to the combination of (i) greater financial debt, (ii) the update to peer multiples, and (iii) the roll-over of our DCF to 2025.

Key Figures & Ratios	2022A	2023A	2024A	2025E	2026E
Sales (Eu mn)	55	61	60	59	65
EBITDA Adj (Eu mn)	13	12	7	8	10
Net Profit Adj (Eu mn)	3	1	-3	1	3
EPS New Adj (Eu)	0.466	0.206	-0.524	0.102	0.432
EPS Old Adj (Eu)	0.372	0.058	-0.228	0.250	0.440
DPS (Eu)	0.250	0.170	0.000	0.000	0.000
EV/EBITDA Adj	7.2	6.5	7.8	3.9	2.9
EV/EBIT Adj	9.9	9.1	22.3	8.3	4.8
P/E Adj	5.7	13.0	nm	26.3	6.2
Div. Yield	9.3%	6.3%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	0.0	0.4	2.1	1.5	1.0

COFLE – Key Figures

Profit & Loss (Eu mn)	2021A	2022A	2023A	2024A	2025E	2026E
Sales	52	55	61	60	59	65
EBITDA	13	12	10	4	5	8
EBIT	10	8	7	-0	1	4
Financial Income (charges)	1	-4	-5	-5	-3	-2
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	12	5	1	-5	-1	2
Taxes	-2	-2	-1	-0	-0	-1
Tax rate	19.7%	41.7%	43.0%	-3.4%	-2.6%	39.9%
Minorities & Discontinued Operations	-1	-0	-0	0	0	-0
Net Profit	8	2	0	-5	-1	1
EBITDA Adj	13	13	12	7	8	10
EBIT Adj	10	9	8	2	4	6
Net Profit Adj	8	3	1	-3	1	3
Per Share Data (Eu)	**2021A**	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**
Total Shares Outstanding (mn) - Average	6	6	6	6	6	6
Total Shares Outstanding (mn) - Year End	6	6	6	6	6	6
EPS f.d	1.587	0.372	0.058	-0.858	-0.182	0.161
EPS Adj f.d	1.587	0.466	0.206	-0.524	0.102	0.432
BVPS f.d	4.758	4.518	4.328	3.922	3.740	3.901
Dividend per Share ORD	0.330	0.250	0.170	0.000	0.000	0.000
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	24.6%	67.3%	291.0%	0.0%	0.0%	0.0%
Cash Flow (Eu mn)	**2021A**	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**
Gross Cash Flow	13	7	3	1	3	5
Change in NWC	-5	-5	2	-4	3	-1
Capital Expenditure	-5	-3	-9	-5	-3	-3
Other Cash Items	-1	-0	0	0	0	0
Free Cash Flow (FCF)	7	1	4	-3	6	4
Acquisitions, Divestments & Other Items	1	1	0	0	0	0
Dividends	0	-2	-2	-1	0	0
Equity Financing/Buy-back	10	0	0	1	0	0
Change in Net Financial Position	13	-4	-5	-8	3	1
Balance Sheet (Eu mn)	**2021A**	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**
Total Fixed Assets	9	11	17	19	18	17
Net Working Capital	13	19	19	23	20	21
Long term Liabilities	-1	-2	-1	-1	-1	-1
Net Capital Employed	22	29	34	41	37	37
Net Cash (Debt)	4	0	-5	-14	-11	-10
Group Equity	25	28	27	24	23	24
Minorities	1	2	3	3	3	3
Net Equity	26	30	29	27	26	27
Enterprise Value (Eu mn)	**2021A**	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**
Average Mkt Cap	94	93	68	36	16	16
Adjustments (Associate & Minorities)	-1	-1	-2	-3	-2	-2
Net Cash (Debt)	4	0	-5	-14	-11	-10
Enterprise Value	90	93	75	53	30	29
Ratios (%)	**2021A**	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**
EBITDA Adj Margin	24.7%	23.4%	19.0%	11.3%	13.2%	15.7%
EBIT Adj Margin	19.9%	17.0%	13.7%	3.9%	6.1%	9.2%
Gearing - Debt/Equity	-17.6%	-1.7%	19.0%	58.1%	49.0%	42.3%
Interest Cover on EBIT	nm	2.2	1.3	nm	0.5	2.0
Net Debt/EBITDA Adj	-0.3	0.0	0.4	2.1	1.5	1.0
ROACE*	47.6%	33.1%	21.1%	-0.9%	3.4%	10.3%
ROE*	31.5%	10.3%	4.3%	-11.5%	2.4%	10.2%
EV/CE	4.1	3.7	2.4	1.4	0.8	0.8
EV/Sales	1.7	1.7	1.2	0.9	0.5	0.4
EV/EBITDA Adj	7.0	7.2	6.5	7.8	3.9	2.9
EV/EBIT Adj	8.7	9.9	9.1	22.3	8.3	4.8
Free Cash Flow Yield	40.8%	7.1%	23.9%	-17.0%	30.3%	21.7%
Growth Rates (%)	**2021A**	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**
Sales		6.1%	9.4%	-1.1%	-1.6%	10.7%
EBITDA Adj		0.6%	-11.2%	-41.2%	14.8%	31.5%
EBIT Adj		-9.1%	-12.0%	-71.6%	53.5%	66.1%
Net Profit Adj		-65.2%	-55.7%	nm	nm	324.5%
EPS Adj		-70.6%	-55.7%	nm	nm	324.5%
DPS		-24.2%	-32.0%	nm		

*Excluding extraordinary items Source: Websim Corporate estimates

On March 28th, Cofle Board of Directors approved the draft Financial Statements and Consolidated Financial Statements for 2024.

On a consolidated basis, the Company closed the year with revenues of €59.9mn, down 1.2% YoY. This performance comes from (i) a double-digit decline (-10.5% YoY) in Original Equipment (OE) revenues, (ii) double-digit growth (+18.4% YoY) in the Independent After Market (IAM) division; and (iii) a positive hyperinflationary/currency effect, worth ≈ €3.7mn in absolute terms.

Cofle: FY24 & 2H24 Consolidated Net Sales @ current FX and net of hyperinflation accounting

(Eu mn)	1H23	2H23	FY23	1H24	*YoY*	2H24	*YoY*	2024	*YoY*
AS REPORTED									
OE BUSINESS LINE	20.4	20.6	41.0	19.3	*-5.4%*	17.4	*-15.6%*	36.7	*-10.5%*
IAM BUSINESS LINE	9.3	10.3	19.6	11.8	*26.9%*	11.4	*10.7%*	23.2	*18.4%*
CONSOLDATED NET SALES	**29.7**	**30.9**	**60.6**	**31.1**	***4.7%***	**28.8**	***-6.8%***	**59.9**	***-1.2%***
NORMALIZED, NET OF HYPERINFLATION									
OE BUSINESS LINE	22.4	18.8	41.2	18.9	*-15.7%*	15.6	*-17.0%*	34.5	*-16.3%*
IAM BUSINESS LINE	10.5	9.2	19.7	11.5	*9.5%*	10.3	*12.1%*	21.8	*10.7%*
CONSOLDATED NET SALES	**32.9**	**28.0**	**60.9**	**30.4**	***-7.7%***	**25.9**	***-7.5%***	**56.3**	***-7.6%***

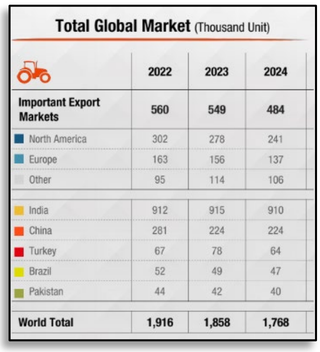
Source: Company data, Websim Corporate elaborations

While at first glance sales revenues deteriorated significantly in the second half of the year (2H24: -6.8% vs. 1H24: +4.7%), in reality normalisation of the data shows that 2H largely replicated the trends already witnessed in the first six months of the year.

Net of the impact of the application of the IAS 29 hyperinflation accounting principle, consolidated turnover came to €56.3mn, down 7.6% YoY, a continuation of the 1H trend (-7.5% YoY). The decline in revenues in 2024 was driven by the performance of the OE division (-16.3%), penalised by the significant global collapse in demand for agricultural and construction machinery, as well as by the halt in production of components for INEOS Grenadier, which was forced to suspend production due to the bankruptcy of a key supplier. Conversely, the IAM division continued to grow at a double-digit rate (+10.7%), posting revenues of €21.8mn, an acceleration in the second half of the year (2H: +12.1%; 1H +9.5%).

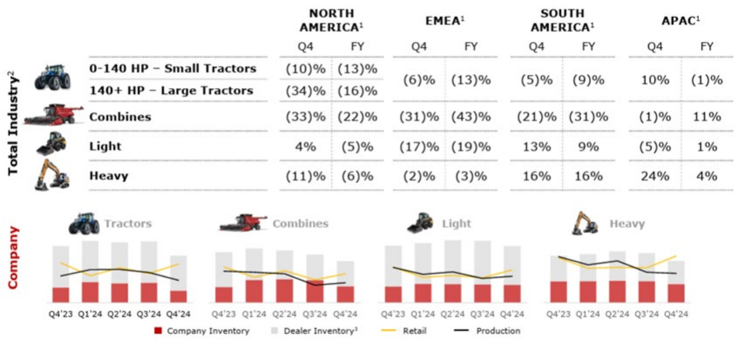
The revenue trend of the OE business line should be placed in the context of a particularly negative agriculture market. In this regard, it is sufficient to note that unit sales in the main Agri sector markets fell double-digit, and that in this context the main producers, as highlighted by CNH Industrial in its FY24 results release, exacerbated the situation by reducing production more than proportionally, with the aim of reducing inventory.

2022-24 Global Agriculture Markets Trend ('000 Units) & FY24/4Q24 CNH Industrial Results (%, YoY)



Total Global Market (Thousand Unit)

	2022	2023	2024
Important Export Markets	**560**	**549**	**484**
North America	302	278	241
Europe	163	156	137
Other	95	114	106
India	912	915	910
China	281	224	224
Turkey	67	78	64
Brazil	52	49	47
Pakistan	44	42	40
World Total	**1,916**	**1,858**	**1,768**



Total Industry[2]	NORTH AMERICA[1] Q4	NORTH AMERICA[1] FY	EMEA[1] Q4	EMEA[1] FY	SOUTH AMERICA[1] Q4	SOUTH AMERICA[1] FY	APAC[1] Q4	APAC[1] FY
0-140 HP – Small Tractors	(10)%	(13)%	(6)%	(13)%	(5)%	(9)%	10%	(1)%
140+ HP – Large Tractors	(34)%	(16)%						
Combines	(33)%	(22)%	(31)%	(43)%	(21)%	(31)%	(1)%	11%
Light	4%	(5)%	(17)%	(19)%	13%	9%	(5)%	1%
Heavy	(11)%	(6)%	(2)%	(3)%	16%	16%	24%	4%

Source: Turk Traktor Company Presentation (February 2025) & CNH Industrial FY24 Results Company Presentation

The image above clearly highlights how the production cuts implemented by CNH Industrial allowed a disproportionate reduction in corporate inventories compared to stock held by the dealer network, reaching the lowest level in the last 5 quarters.

In order to compare Cofle's OE performance with the reference market, we must not forget the interruption imposed by INEOS Grenadier, where production was called to a halt in July and only resumed in February of this year.

Conversely, the IAM business line continued its double-digit growth trajectory, driven by the acquisition of new clients and the optimization of the existing product catalog.

Lower revenues and an expanding cost base, especially for personnel costs and rents, eroded the Company's operating profitability, with Cofle closing 2024 with adjusted EBITDA of €6.8mn (-41% YoY, adjusted EBITDA margin: 11.3%) and reported EBITDA of €4.1mn (-59%, reported EBITDA margin: 6.8%).

Cofle: FY24 & 2H24 Condensed Consolidated Income Statement and Key Financial Indicators

(Eu mn)	1H23	2H23	FY23	1H24	2H24	YoY	2024	YoY	2H24E	A vs E	FY24E	A vs E
Net sales	**29.7**	**30.9**	**60.6**	**31.1**	**28.8**	***-6.9%***	**59.9**	***-1.2%***	**26.4**	***9.1%***	**57.5**	***4.2%***
Other revenues	1.0	2.5	3.5	0.6	1.4		2.1		1.9		2.5	
Value of production	**30.7**	**33.4**	**64.1**	**31.8**	**30.2**	***-9.5%***	**62.0**	***-3.3%***	**28.3**	***6.9%***	**60.0**	***3.3%***
Operating expenses	(25.3)	(27.2)	(52.6)	(27.4)	(27.8)		(55.2)		(25.7)		(53.1)	
Adjusted EBITDA	**5.4**	**6.1**	**11.5**	**4.4**	**2.4**	***-61.5%***	**6.8**	***-41.3%***	**2.6**	***-8.0%***	**7.0**	***-3.0%***
% margin	*18.2%*	*19.9%*	*19.0%*	*14.1%*	*8.2%*		*11.3%*		*9.7%*		*12.1%*	
Non recurring items	(1.2)	(0.4)	(1.6)	(0.8)	(1.9)		(2.7)		0.0		(0.8)	
EBITDA	**4.2**	**5.7**	**9.9**	**3.6**	**0.5**	***-91.9%***	**4.1**	***-59.0%***	**2.6**	***-82.0%***	**6.2**	***-34.1%***
% margin	*14.1%*	*18.6%*	*16.4%*	*11.6%*	*1.6%*		*6.8%*		*9.7%*		*10.7%*	
D&A and Provisions	(1.5)	(1.7)	(3.2)	(2.3)	(2.1)		(4.4)		(1.9)		(4.2)	
EBIT	**2.7**	**4.0**	**6.7**	**1.3**	**(1.7)**	***n.m.***	**(0.3)**	***n.m.***	**0.6**	***n.m.***	**2.0**	***n.m.***
% margin	*9.1%*	*13.0%*	*11.1%*	*4.2%*	*-5.8%*		*-0.6%*		*2.4%*		*3.4%*	
Net Financial Charges	(1.1)	(4.2)	(5.3)	(3.2)	(1.8)		(5.0)		(1.3)		(4.6)	
Associates	0.0	1.0	2.0	0.0	0.0		0.0		0.0		0.0	
Pretax Profit	**1.6**	**0.8**	**3.4**	**(1.9)**	**(3.5)**	***n.m.***	**(5.4)**	***n.m.***	**(0.7)**	***n.m.***	**(2.6)**	***106.7%***
Taxes	(0.8)	0.2	(0.6)	(0.2)	0.0		(0.2)		(0.0)		(0.3)	
% tax load ratio	*49.8%*	*-26.5%*	*17.5%*	*n.m.*	*n.m.*		*n.m.*		*n.m.*		*n.m.*	
Consolidated Net Profit	**0.8**	**1.0**	**2.8**	**(2.1)**	**(3.4)**	***n.m.***	**(5.6)**	***n.m.***	**(0.7)**	***n.m.***	**(2.9)**	***94.8%***
Minority interests	(0.2)	(0.2)	(0.4)	0.1	0.2		0.3		0.4		0.6	
Net Profit to CFL shareholders	**0.6**	**0.8**	**2.4**	**(2.0)**	**(3.3)**	***n.m.***	**(5.3)**	***n.m.***	**(0.3)**	***n.m.***	**(2.3)**	***131.4%***
% margin	*2.0%*	*2.5%*	*3.9%*	*-6.4%*	*-11.5%*		*-8.8%*		*-1.1%*		*-4.0%*	
Net Financial Position	**(3.6)**		**(5.1)**	**(10.4)**			**(13.9)**	***173.7%***			**(9.1)**	***52.8%***
Operating Working Capital	**19.2**		**18.7**	**22.4**			**23.4**	***24.9%***			**18.5**	***26.5%***
Capital Expenditures	**(4.9)**	**(4.1)**	**(8.9)**	**(2.8)**	**(2.0)**	***-50.1%***	**(4.8)**	***-46.1%***	**(1.2)**	***65.4%***	**(4.0)**	***20.0%***

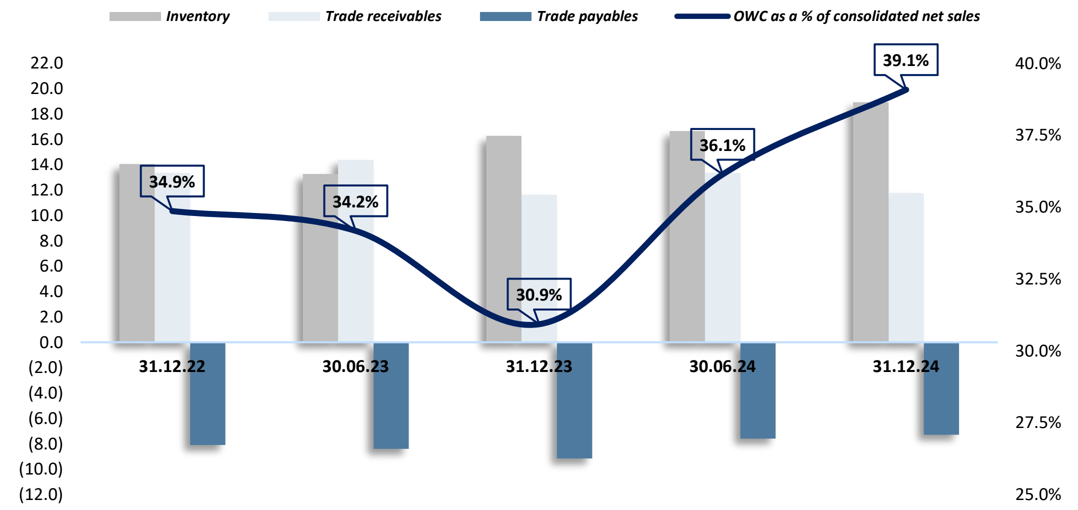
Source: Company Data, Websim Corporate estimates

Net of D&A (€4.4mn) and financial charges (€5.0mn, of which €3.3mn deriving from the application of IAS 29), for which we do not report significant deviations from our estimates, the year ended with a net loss of €5.3mn, of which €3.3mn recorded in 2H24.

From an asset and financial perspective:

- the **Net Financial Position** closed in negative territory for €13.9mn, up €3.5mn in 2H due to negative operating cash flow for €2.4mn and ≈ €2mn of gross investments. Over the year, net financial debt increased by ≈ €9mn, of which €3.3mn due to negative operating cash flow, €4.8mn to gross investments, €1.3mn to the distribution of dividends and €0.5mn to treasury share purchases. Despite the drop in adjusted EBITDA, the leverage ratio was just over 2.0x at 31.12.2024;
- The decline of the agriculture market did not play in favour of efficiency improvements in **Operating Working Capital** which, as at 31.12.2024, stood at €23.4mn, largely attributable to inventory (of which €12.0mn in raw materials and €5mn in finished products), which was up €4.7mn in the last 12 months and €1.0mn in 2H24. In this respect, we believe it is likely that the reorganisation plan that is underway, including the re-shoring of some production to Italy and the offshoring of other production carried out in Turkey to India, may have caused additional cyclical inefficiencies in inventory management, which could be partially reabsorbed in the near future;

Cofle: Last 24M Operating Working Capital Evolution



Source: Company data, Websim Corporate elaborations

- €4.8mn of **gross investments** were made in the year, concentrated on technology. Indeed, the Company completed the installation of new equipment and started operation of its new logistics hub (€1.3mn), while Turkish subsidiary Cofle TK acquired new machinery and plants to increase the robotisation of production (€2.2mn, including investments in R&D), developing a strategically important electronics department aimed at the internal manufacture of electronic boards and sensors;
- As at 31.12.2024, **consolidated shareholders' equity and that of the parent company** closed at €26.9mn and €25.1mn respectively.

Overall, results were slightly lower than our expectations due to higher extraordinary expenses related to the reorganization plan, on the economic side, and greater cash absorption from operating working capital on the capital and financial side.

It cannot be denied that FY24 results suffered from a combination of various unfavourable events, including the adverse agriculture market cycle phase, hyperinflation in Turkey and a lack of Turkish currency consequent devaluation (vs. the euro). It is nevertheless equally clear that in this negative phase of the market the Company has acted to strengthen its competitive position, with three strategic priorities: (i) launching and implementing a **plan to reorganize its own production facilities**, (ii) **strengthening its organizational safeguards** and (iii) launching **cost-containment actions**, starting from the parent company and subsequently to be extended to group' subsidiaries.

Specifically,

- **Operational reorganization** will involve the re-shoring of some production carried out in Turkey to parent company Cofle S.p.A., and the relocation of other Turkish production to Indian subsidiary Cofle Taylor, with the expansion of the Indian plant's capacity. As part of the plan, higher-margin Turkish production for direct sales was confirmed. In this context, shareholders have worked to strengthen organizational structure at the group level, by hiring professionals of proven experience. **Management expects the actions taken to generate operating cost efficiency gains estimated at €1.5mn**;
- The main initiatives of the **cost-containment plan** include an expenditure review, including optimisation of professional operating costs and the streamlining of production site costs. Management expects these actions to drive an **overall reduction in fully-loaded costs**, starting from the second half of the current fiscal year, **estimated at €1mn per year**.

All of these initiatives are aimed at further strengthening the Company's competitive position, both in the IAM and OE sectors, as demonstrated by the new contracts announced in July and December, the former being signed with Bomag, the latter with Brazilian company Marispan.

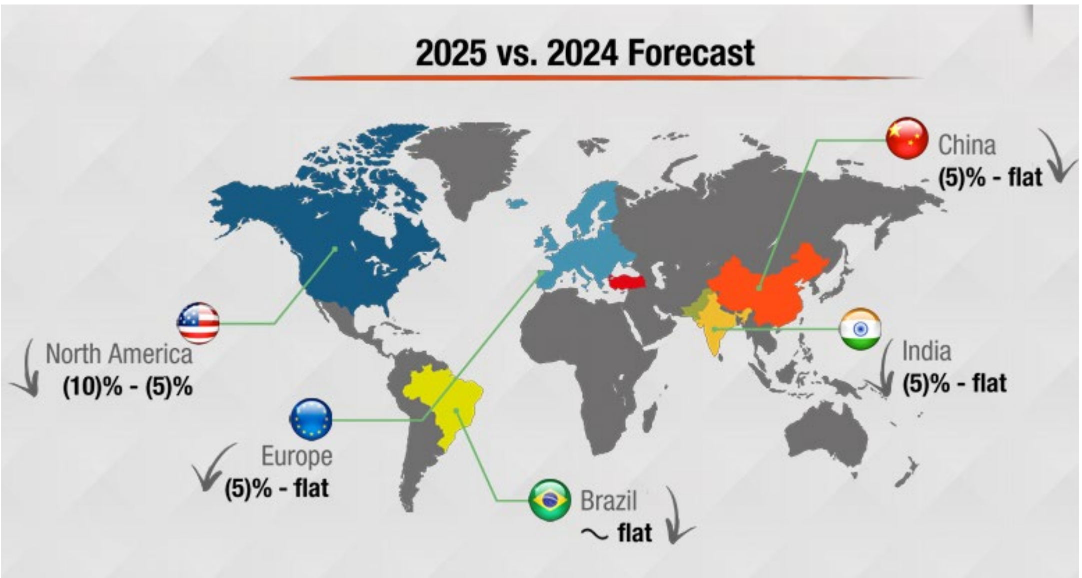
As for 2025 and 2026 estimates, we have slightly revised our basic assumptions for expected Agri market and IAM business line trends, on the one hand, and the cost base on the other.

For the former, the main agriculture sector operators are reporting a continuation of the performance recorded at the end of 2024 into the early months of this year, suggesting a recovery will only materialise in the second part of the year. As difficult as it is to accurately forecast when the actual turning point in the trend may occur, we are confident that the secular growth trend in the agriculture sector and its underlying drivers are intact, and that the current inventory levels, which are particularly low, can favour a resumption of production at a sustained pace.

As a result we have recalibrated our 2025-26 OE growth forecasts, lowering short-term estimates but effectively confirming the expected values for 2026.

By contrast, we have slightly raised our revenue forecasts for the IAM business line due to the particularly strong FY24 performance and the development prospects linked to the acquisition of new clients and the optimization of the existing product catalog.

Agriculture Sector: 2025 Forecasts (Volumes)



Source: Systematics, Turk Traktor Company Presentation (February 2025)

On the cost side, we have factored in the expected benefits of the operational reorganization, as well as those deriving from cost control efforts, for which the fully-loaded benefits are expected to be around €2.5mn. If recent trends are confirmed, a further benefit could come from the devaluation of the Turkish lira (vs. the euro), which is not currently factored into our estimates.

Overall, the actions taken have led us to revise our 2025 estimates downwards (i.e., net revenues: -3%, adjusted EBITDA: -12%) and to substantially confirm the expected values for 2026.

Regarding the balance sheet, while it is believed that part of the diseconomies experienced at year-end in working capital management may only be partially absorbed in the coming fiscal years, we have slightly increased the operating working capital stock and, consequently, the consolidated net financial debt, which, over the two-year period 2025-26, has been increased by an average €6.5 million.

Following the release of FY24 results **we reiterate our positive view on the stock**, convinced that the management actions can strengthen the Company's competitive position, in anticipation of the future recovery of the agriculture market. The reorganization of production, with the strengthening of the Indian subsidiary, new managerial hirings, as well as the development of a strategic department dedicated to electronics will, in our opinion, allow Cofle to seize new opportunities in a constantly evolving market context. We therefore confirm our **BUY** recommendation on the stock, trimming our **target price to €7.50** (from €8.05), based on: (i) slightly higher financial debt, (ii) adjustments to peer multiples, and (iii) the rollover of our DCF valuation model to 2025.

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Cofle: 2025-2026 Estimates Revision

(Eu mn)	2024A	2025 New	2026 New	2024E	2025 Old	2026 Old	Δ FY24 (%)	Δ FY25 (%)	Δ FY26 (%)
Net sales	**59.9**	**58.9**	**65.3**	**57.5**	**60.7**	**64.8**	***4.2%***	***-3.0%***	***0.7%***
Other revenues	2.1	2.5	2.5	2.5	2.5	2.5			
Value of production	**62.0**	**61.5**	**67.8**	**60.0**	**63.3**	**67.3**	***3.3%***	***-2.8%***	***0.7%***
Operating expenses	(55.2)	(53.7)	(57.6)	(53.1)	(54.4)	(57.2)			
Adjusted EBITDA	**6.8**	**7.8**	**10.2**	**7.0**	**8.8**	**10.1**	***-3.0%***	***-12.1%***	***1.3%***
% margin	*11.3%*	*13.2%*	*15.7%*	*12.1%*	*14.6%*	*15.6%*			
Non recurring items	(2.7)	(2.3)	(2.2)	(0.8)	0.0	0.0			
EBITDA	**4.1**	**5.5**	**8.0**	**6.2**	**8.8**	**10.1**	***-34.1%***	***-38.1%***	***-20.5%***
% margin	*6.8%*	*9.3%*	*12.3%*	*10.7%*	*14.6%*	*15.6%*			
D&A and Provisions	(4.4)	(4.1)	(4.2)	(4.2)	(4.0)	(4.1)			
EBIT	**(0.3)**	**1.3**	**3.8**	**2.0**	**4.8**	**6.0**	***n.m.***	***-72.6%***	***-36.6%***
% margin	*-0.6%*	*2.2%*	*5.8%*	*3.4%*	*8.0%*	*9.3%*			
Net Financial Charges	(5.0)	(2.6)	(1.9)	(4.6)	(1.9)	(1.2)			
Associates	0.0	0.0	0.0	0.0	0.0	0.0			
Pretax Profit	**(5.4)**	**(1.3)**	**1.9**	**(2.6)**	**2.9**	**4.8**	***n.m.***	***n.m.***	***-59.5%***
Taxes	(0.2)	(0.0)	(0.8)	(0.3)	(1.1)	(1.6)			
% tax load ratio	*-3.4%*	*-2.6%*	*39.9%*	*-9.8%*	*36.8%*	*33.3%*			
Consolidated Net Profit	**(5.6)**	**(1.4)**	**1.2**	**(2.9)**	**1.9**	**3.2**	***n.m.***	***n.m.***	***-63.5%***
Minority interests	0.3	0.2	(0.2)	0.6	(0.3)	(0.5)			
Net Profit to CFL shareholders	**(5.3)**	**(1.1)**	**1.0**	**(2.3)**	**1.5**	**2.7**	***n.m.***	***n.m.***	***-63.5%***
% margin	*-8.8%*	*-1.9%*	*1.5%*	*-4.0%*	*2.5%*	*4.2%*			
Net Financial Position	**(14.0)**	**(11.3)**	**(10.2)**	**(9.1)**	**(5.5)**	**(2.5)**	***54.5%***	***104.8%***	***301.2%***
Operating Working Capital	**23.4**	**20.6**	**21.9**	**18.5**	**17.8**	**18.5**	***26.5%***	***15.8%***	***18.5%***
Capital Expenditures	**(4.8)**	**(3.0)**	**(3.0)**	**(4.0)**	**(3.0)**	**(3.0)**	***20.0%***	***0.0%***	***0.0%***

Source: Company Data, Websim Corporate estimates

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	**COFLE**		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	7.50	Previous Target (Eu):	8.05
Current Price (Eu):	2.68	Previous Price (Eu):	4.60
Date of report:	15/04/2025	Date of last report:	21/10/2024

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.
Frequency of research: quarterly.
Reports on all companies listed on the S&PMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.
A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.
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BUY: stock expected to outperform the market by over 25% over a 12 month period;
OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;
NEUTRAL: stock performance expected at between +10% and – 10% compared to the market over a 12 month period;
UNDERPERFORM: stock expected to underperform the market by between –10% and -25% over a 12 month period;
SELL: stock expected to underperform the market by over 25% over a 12 month period.
Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.
As at 31 March 2025 Intermonte's Research Department covered 131 companies.
As of today Intermonte's distribution of stock ratings is as follows:

BUY:	32.59 %
OUTPERFORM:	37.78 %
NEUTRAL:	29.63 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

As at 31 March 2025 the distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (74 in total) is as follows:

BUY:	52.70 %
OUTPERFORM:	29.73 %
NEUTRAL:	17.57 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short

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