

EQUITY RESEARCH

COFLE
 FEEDBACK CONFERENCE
BUY
TP 6.1€ (vs 7.3€)
 Up/Downside: 142%

Contrasting Activity

Cofle is experiencing very contrasting dynamics between a very strong AM activity and an OEM division still at the bottom of the cycle.

At the TP ICAP conference, Cofle's management provided an update on the state of its markets. For the OEM division, activity has remained stable at a low level since November, with most clients still cautious. However, management notes a slight uptick in orders since May, with even a key client asking them to keep their capacities ready in case of a resurgence in orders. In contrast, the AM division's activity remains excellent, with a strong influx of orders that the group can only respond to selectively, even requiring the mobilization of additional teams at their Indian sites.

The restructuring plan is progressing as planned. Cofle is reducing its workforce in Turkey in the AM activity dedicated to export in order to transfer its capacities to India and is adjusting its Turkish workforce for the OEM activity in line with the drop in orders. In Italy, the group is managing to redistribute its workforce between the AM and OEM divisions.

Regarding the impact of US tariffs, the group is exposed to the American market through John Deere and INEOS. For the former client, Cofle supplies a German site that is performing well and has significantly reduced its exports to the USA. As for INEOS, it is the manufacturer that exports the most to the USA, and Cofle is currently negotiating with them to appropriately pass on the tariffs.

We are at BUY, with a target price of €6.1.

Key data

Price (€)	2.5
Industry	Automotive
Ticker	CFL-IT
Shares Out (m)	6.156
Market Cap (m €)	15.5
Average trading volumes (k shares / day)	0.288
Next event	9/29/2025
Source: FactSet	

Ownership (%)

Valfin Srl	78.4
Smart Agri Srl	3.7
Lupus Alpha	1.9
Free float	21.6

Source: TPICAP Midcap estimates

EPS (€)	12/25e	12/26e	12/27e
Estimates	-0.89	-0.06	0.12
Change vs previous estimates (%)	na	na	-65.83

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	0.8	0.8	-41.4
Rel FTSE Italy	0.2	-10.1	-50.9



Source: FactSet

TP ICAP Midcap Estimates	12/24	12/25e	12/26e	12/27e	Valuation Ratio	12/25e	12/26e	12/27e
Sales (m €)	62.0	63.9	66.9	69.6	EV/Sales	0.4	0.4	0.3
Current Op Inc (m €)	2.3	3.9	5.0	6.4	EV/EBITDA	3.1	2.5	1.9
Current op. Margin (%)	3.7	6.1	7.5	9.1	EV/EBIT	6.9	5.0	3.4
EPS (€)	-0.91	-0.89	-0.06	0.12	PE	na	na	20.7
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-7.7	2.5	2.0	3.2				

Analyst

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FINANCIAL DATA

Income Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Sales	58.0	64.1	62.0	63.9	66.9	69.6
Changes (%)	4.6	10.6	-3.4	3.0	4.8	4.1
Gross profit	33.0	36.1	35.3	38.2	40.5	42.8
% of Sales	57.0	56.3	56.9	59.8	60.5	61.5
EBITDA	13.0	11.5	6.8	8.6	10.0	11.5
% of Sales	22.5	18.0	11.0	13.5	14.9	16.5
Current operating profit	9.4	8.3	2.3	3.9	5.0	6.4
% of Sales	16.2	13.0	3.7	6.1	7.5	9.1
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	9.4	8.3	2.3	3.9	5.0	6.4
Net financial result	-3.9	-5.3	-5.0	-7.9	-3.9	-3.9
Income Tax	-1.9	-0.6	-0.2	0.0	0.0	-0.2
Tax rate (%)	41.9	42.0	-3.4	0.0	0.0	22.0
Net profit, group share	2.3	0.4	-5.3	-5.2	-0.3	0.7
EPS	0.43	0.13	na	na	na	0.12
Financial Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Goodwill	0.1	0.0	0.0	0.2	0.2	1.2
Tangible and intangible assets	11.0	16.4	18.9	20.3	21.9	23.5
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.3	0.4	0.3	5.8	13.3	20.7
Working capital	20.2	19.4	23.7	21.6	22.6	24.5
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
Assets	31.7	36.2	42.9	47.8	57.9	69.9
Shareholders equity group	27.8	26.6	24.1	18.9	18.6	19.3
Minorities	1.8	2.5	2.8	2.5	2.5	2.5
LT & ST provisions and others	1.8	1.5	1.5	9.4	14.8	22.2
Net debt	-0.5	4.9	14.0	11.6	9.5	6.3
Other liabilities	0.3	0.0	0.0	5.0	12.0	19.0
Liabilities	31.7	36.2	42.9	47.8	57.9	69.9
Net debt excl. IFRS 16	-0.5	4.9	14.0	11.6	9.5	6.3
Gearing net	-0.0	0.2	0.5	0.5	0.5	0.3
Leverage	-0.0	0.4	2.1	1.3	1.0	0.5
Cash flow statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
CF after elimination of net borrowing costs and taxes	6.1	3.8	1.4	5.0	7.5	8.7
Δ WCR	-4.8	1.2	-4.6	1.3	-1.5	-1.3
Operating cash flow	1.3	5.0	-3.3	6.3	6.0	7.4
Net capex	-2.4	-8.5	-4.5	-3.8	-4.0	-4.2
FCF	-1.1	-3.5	-7.7	2.5	2.0	3.2
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	8.3	3.1	-1.2	0.0	0.0	0.0
Dividends paid	-2.8	-1.8	-1.3	0.0	0.0	0.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	0.0	0.1	0.1	0.0	0.0	0.0
Others	0.2	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	4.4	-2.1	-10.1	2.5	2.0	3.2
ROA (%)	4.2%	1.2%	na	na	na	0.7%
ROE (%)	6.6%	1.8%	na	na	na	1.9%
ROCE (%)	17.8%	16.9%	na	6.0%	6.7%	7.2%

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Analyst certifications

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Methodology

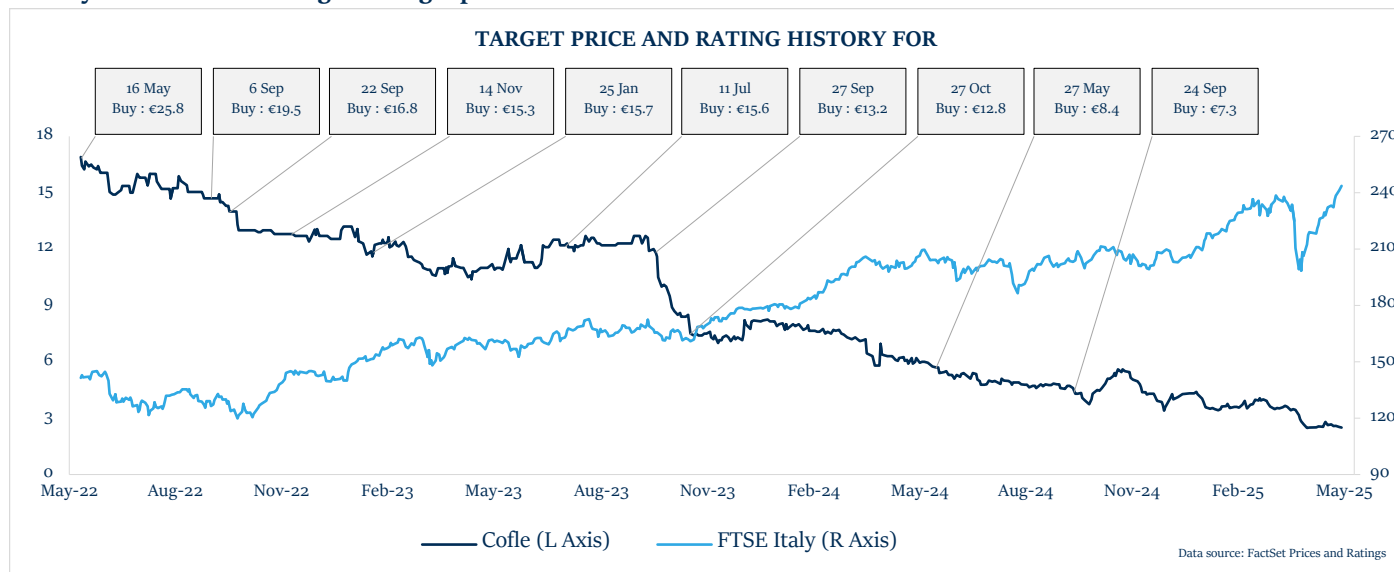
This Report may mention evaluation methods defined as follows:

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.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

Conflict of Interests between TP ICAP Midcap and the Issuer

G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Cofle

History of investment rating and target price – Cofle



Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
31 Mar 25 - 08:07:52	Julien Thomas	€ 7.30	€ 7.30	€ 3.60	Achat	Buy
28 Feb 25 - 07:59:38	Julien Thomas	€ 7.30	€ 7.30	€ 3.82	Achat	Buy
02 Oct 24 - 08:04:03	Julien Thomas	€ 7.30	€ 7.30	€ 4.08	Achat	Buy
24 Sep 24 - 08:24:39	Julien Thomas	€ 8.40	€ 7.30	€ 4.60	Achat	Buy
26 Jul 24 - 07:49:43	Julien Thomas	€ 8.40	€ 8.40	€ 5.00	Achat	Buy
16 Jul 24 - 07:50:57	Julien Thomas	€ 8.40	€ 8.40	€ 4.94	Achat	Buy
27 May 24 - 07:24:46	Julien Thomas	€ 12.80	€ 8.40	€ 5.75	Achat	Buy

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	81%	65%
Hold	14%	65%
Sell	3%	20%
Under review	2%	100%

Midcap employs a rating system based on the following:

Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.

Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.

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

The history of ratings and target prices for the Issuers covered in this report are available on request at <https://researchtpicap.midcapp.com/en/disclaimer>.

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