

<p>Informazione Regolamentata n. 20232-7-2023</p>	<p>Data/Ora Ricezione 30 Marzo 2023 03:57:19</p>	<p>Euronext Growth Milan</p>
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Societa' : COFLE

Identificativo : 174364

Informazione
Regolamentata

Nome utilizzatore : COFLEN02 - BARBIERI

Tipologia : 1.1

Data/Ora Ricezione : 30 Marzo 2023 03:57:19

Data/Ora Inizio : 30 Marzo 2023 07:00:08

Diffusione presunta

Oggetto : DRAFT FINANCIAL STATEMENTS AND
CONSOLIDATED FINANCIAL
STATEMENTS AT 31 DECEMBER 2022

Testo del comunicato

Vedi allegato.



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Press release

THE BOARD OF DIRECTORS OF COFLE S.p.A. HAS APPROVED THE DRAFT FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2022

CONSOLIDATED FIGURES:

- 2022 TOTAL REVENUES TO € 58 MILLION, UP BY + 4,7% COMPARED TO FY2021 (€ 55,4 MILLION)
- 2022 EBITDA ADJUSTED TO € 13 MILLION (€ 13,5 MILLION FY2021)
- EBITDA MARGIN ADJUSTED 2022 EQUAL TO 22,4% (24,4% FY2021)
- NET FINANCIAL POSITION EQUAL TO A CASH SURPLUS OF € 0,8 MILLION (CASH SURPLUS OF € 3,6 MILLION AT 31 DECEMBER 2022)
- PROPOSED DIVIDEND OF € 0,25 PER SHARE
- SHAREHOLDERS' MEETING CALLED ON 28 APRIL 2023

Trezzo sull'Adda (MI), 29 March 2023 – The Board of Directors of Cofle S.p.A. (EGM: CFL) - a leading company in the design, production and worldwide trading of control cables and control systems for the off-road vehicles, automotive and automotive after market sectors – met today to examine and approve the draft financial statements and the consolidated financial statements at 31 December 2022

Walter Barbieri, Cofle's Chairman and CEO, commented as follows: *"We are very satisfied with the continuous growth of the Group, which demonstrates our ability to face the challenges and seize the opportunities offered by the market. 2022 was a very special year also for the many and important strategic initiatives. First, the opening of the new French sales subsidiary, COFLE FRANCE, which will allow us to increase penetration in the French, Spanish, Portuguese, Maghreb and Benelux markets. In addition, the launch of a new series of mechatronic components for agricultural machinery and a new innovative electro braking system .*

From an accounting point of view, the inclusion of Turkey by the IMF in countries with hyperinflation necessitated the application of accounting standards OIC 17 and IAS 29 to the financial statements of Turkish companies, with the consequent inclusion in the consolidated financial statements of an accounting item that does not affect the Group's cash flow. For the coming months, we expect a growth in the demand for new agricultural machinery driven by a greater need for independence of food raw materials by European countries and new regulations on sustainability and safety. With this in mind, we have already started to plan investments in M&A operations and in Research and Development, in order to be able to intercept the opportunities of the agricultural machinery sector, and not only. The new financial resources acquired through the Basket Bond financial instrument should also be read in this direction.

Our presence on a global level, the constant drive towards innovation that, among other things, make us ready for electric motors and allow us to have the most complete product portfolio on the market, represent a guarantee of further growth for the future".



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2022 CONSOLIDATED FINANCIAL HIGHLIGHTS

Revenues amount to € 55,4 million (€ 52,2 million in 2021) and are up by 6,1%.

Turning to the detailed performance of both Group Business Lines:

- the **OEM business line**, which produces cables and control systems in the agricultural, earthmoving machinery, commercial vehicles and the premium automotive sectors, **rose by 20,5% on 2021**;
- the **After Market business line**, specialising in the production of spare parts in the automotive sector, has marked volumes equal to **-17% compared to 2021**, mainly due to the temporary reduction in demand in areas of Eastern Europe and Russia linked to the ongoing conflict.

Total revenues for 2022 are broken down below by business line, with 2021 corresponding figures::

Cofle Group's total revenues	FY 2022	FY 2021	Var %
OEM business line	38,8 Mil.	32,2 Mil.	+20,5%
AM business line	16,6 Mil.	20,0 Mil.	-17%
Total revenues	55,4 Mil.	52,2 Mil.	+6,1%

The **Total revenues** of € 58.0 million (€ 55.4 million in 2021) shows a growth of 4.7%.

EBITDA ADJUSTED amounts to €13 million (€13.5 million in 2021) with a decrease of 3.7% compared to the previous year, mainly due to higher costs for raw materials and services so far only partially transferred to final customers.

EBITDA amounts to € 12.0 million (€ 12.9 million in 2021) with a decrease of 7.2% compared to the previous year, mainly due to the forementioned higher costs so far only partially passed on to final customers.

EBIT amounts to € 8.4 million (€ 10.4 million in 2021) with a decrease of 18.7% mainly due to higher depreciation resulting from new investments in tangible assets.

In 2022, charges for hyperinflation amounted to € 4.1 million, attributable to the effects of inflation in Turkey that exceeded the threshold of 80% per annum, causing the International Monetary Fund (IMF) to include Turkey among the hyper-countriesinflated.

Net Profit amounts to €2.6 million (€9.3 million in 2021), down 71.4% as a result of the aforementioned application of accounting standards OIC 17 and IAS 29 to the financial statements of Turkish subsidiaries operating in a context of hyperinflation.

The Net Financial Position is equal to a cash surplus of € 0,8 million (cash surplus of € 3,6 milioni in 2021). The net financial position thus deteriorated from the previous year to € 2.8 million.

Net Equity amounts to € 29.6 million (€ 26.1 million in 2021).



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FINANCIAL HIGHLIGHTS OF THE PARENT COFLE S.p.A

The parent's turnover from sales amounts to € 29,7 milioni (€ 30,2 million in 2021) showing a decrease of 1.7%. EBITDA amounts to € 1,5 million (€ 2,5 million in 2021). The net profit for the year is € 3,0 million (€ 8,3 million in 2021). The Net Financial Position (cash) is positive and amounts to € 6,8 million (Net Financial Position positive of € 6,5 million at 31 December 2021)

MAIN EVENTS OF THE YEAR 2022

On **February 14, 2022**, Cofle S.p.A. started the production of low gears and differential lock and release systems for the new 4x4 INEOS Grenadier. The total value of the order in 2022/2023 amounted to € 3.8 million.

On **10 May 2022**, the Board of Directors of Cofle S.p.A. resolved to convert in full no. 750,000 PAS shares into ordinary shares in the ratio of no. 1 ordinary share per n. 1 Price Adjustment Share held.

On **5 September 2022**, the new French sales subsidiary of the Cofle Group, COFLE FRANCE, became operational. The new subsidiary aims to increase penetration in the French, Spanish, Portuguese, Maghreb and Benelux markets, areas previously managed directly from Italy.

From **13 September to 17 September 2022**, Cofle S.p.A. took part in Automechanika in Frankfurt, the world's leading Aftermarket Automotive trade fair, where it premiered its new electro parking brake system (EPB) to international operators.

On **21 September 2022**, Cofle S.p.A. increased its shareholding by 2.48%, from 74% to 76.48%, in the Indian subsidiary Cofle Taylor India Ltd..

On **November 2, 2022**, the First Operating Period of the "Warrant Cofle 2021-2023" was opened, ending on November 30, 2022. No. 2,268 Warrants were exercised and subsequently underwritten, at the price of € 14.95 per share (in the ratio of n. 1 Share for each n. 1 Warrant held), n. 2,268 newly issued Cofle shares.

From **9 November 2022 to 13 November 2022**, Cofle S.p.A. took part in EIMA International 2022, the international exhibition of agricultural and gardening machinery, to present to international operators the new series of mechatronic components for agricultural machinery.

On **11 November 2022**, the Board of Directors of Cofle S.p.A. resolved to issue a €5 million non-convertible bond under the Basket Bond Euronext Growth programme.

On **2 December 2022**, Cofle S.p.A. completed the issuance of the unsecured non-convertible bond for an equivalent amount of € 5 million.

On **13 December 2022**, Cofle S.p.A. obtained from Borsa Italiana the authorization to trade, from 15 December 2022, its Cofle ordinary shares with a minimum unit lot.

On **December 21, 2022**, Cofle S.p.A. published the first sustainability report to show its commitment, consolidated over the years, to environmental, social and governance sustainability and future objectives.



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EXPECTED MANAGEMENT TREND

The forecasts for the first months of 2023 confirm the strong growth of the OEM sector, both thanks to the orders already acquired and to the ramp up of new projects, and the recovery of the turnover of the After Market division. In the coming months, the Group believes it can also benefit from the growth in demand for new agricultural machinery driven by an increasing need for independence on food raw materials by European countries and by new regulations in terms of sustainability and safety.

During the 2023 financial year, a new Plant in Italy will be opened, near the Trezzo sull'Adda Headquarters. This will allow to reorganize and to digitalize the logistics, with the objective to remarkably reduce the times of delivery on the market and to acquire therefore an ulterior competitive advantage, also from a better productive efficiency. The objective, also for 2023, will be to grow more than the market through a higher value offer per machine thanks to the electronic and mechatronics division, thus managing to compensate for any slowdown in demand within a trend that in any case is expected to grow strongly. With regard to the After Market, the full operation of Cofle France will make an important contribution to supporting the growth of the division. Moreover, the Group's strategies include the development of external lines through the contribution of M&A operations, which should further accelerate business growth.

ALLOCATION OF THE NET PROFIT FOR THE YEAR

Together with the approval of the financial statements at 31 December 2021, the Board of Directors resolved to propose that the shareholders, in their meeting, allocate the net profit for the year of € 3.015.165 as follows:

- € 1.538.999 to dividends, equal to € 0,25 per share, with ex-dividend date on 22 May, record date on 23 May and payment on 24 May 2023.
- € 45 to the legal reserve upon reaching the fifth of the share capital pursuant to art. 2430 of C.C.
- € 1.476.121 to profit reserves.

CALLING OF THE ORDINARY SHAREHOLDERS' MEETING

The Board of Directors decided to call the Shareholders in an ordinary meeting on 28 April 2023 at the Headquarters of Trezzo sull'Adda, Via Del Ghezzeo 54, and possibly also by videoconferencing systems, to discuss and resolve on the approval of the Financial Statements at 31 December 2022, to acknowledge the Consolidated Financial Statements at 31 December 2022, the report of the board of statutory auditors and the report of the independent auditors, and to resolve on the allocation of the net profit for the year.

FILING OF THE DOCUMENTATION

The call notice and the related documentation required by applicable regulations will be available to the public, within the legal deadlines, at the company's registered office (Via del Ghezzeo 54 - Trezzo sull'Adda, Milan) and will be also available on the company's website (www.cofle.com), section "Investor Relations/Financial statements and reports" and on the eMarket Storage authorised storage mechanism (www.emarketstorage.com).



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The audit of the draft financial statements is still in progress. The report of the independent auditors will be made available within the legal deadlines. Finally, the attached profit and loss account and balance sheet are reclassified and as such they will not be audited.

This press release is available in the Investor Relations section of the website <https://www.cofle.com/it/>.
Si rende altresì noto che, per la diffusione e lo stoccaggio delle informazioni regolamentate, la Società si avvale del circuito eMarket STORAGE gestito da Teleborsa S.r.l..

About Cofle

The Cofle's Group, founded in 1964, is a multinational company specialising in the design, production and worldwide marketing of cables and remote control systems for the off-road vehicles, automotive and automotive after market sectors. For the realization of its products, the Company has 6 plants located in Italy (1), Turkey (3), India (1) and Brazil (1). Cofle sells its products in 38 countries to about 294 customers. Since 11 November 2021, Cofle has been listed on the Euronext Growth Milan market, organised and managed by Borsa Italiana S.p.A..

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Fine Comunicato n.20232-7

Numero di Pagine: 7