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Oggetto : COFLE\_CONSOLIDATED HALF-YEAR  
FINANCIAL REPORT AS OF JUNE 30, 2024

*Testo del comunicato*

Vedi allegato



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**PRESS RELEASE**

**THE BOARD OF DIRECTORS OF COFLE S.P.A.  
HAS APPROVED THE CONSOLIDATED HALF-YEAR FINANCIAL REPORT AS OF  
JUNE 30, 2024, AND ISSUES GUIDANCE FOR THE FULL YEAR 2024**

**CONSOLIDATED DATA AS OF JUNE 30, 2024:**

- **PRODUCTION VALUE: € 31.8 MILLION, +3.2% COMPARED TO JUNE 30, 2023 (€ 30.8 MILLION)**
- **EBITDA: € 3.6 MILLION (COMPARED TO € 4.2 MILLION AS OF JUNE 30, 2023)**
- **ADJUSTED EBITDA: € 4.4 MILLION (COMPARED TO € 5.4 MILLION AS OF JUNE 30, 2023)**
- **ADJUSTED EBITDA MARGIN: 13.8% (17.5% AS OF JUNE 30, 2023)**
- **NET RESULT: € -2.1 MILLION (COMPARED TO € 0.8 MILLION AS OF JUNE 30, 2023)**
- **NET FINANCIAL POSITION IFRS Adj.: € 14.5 MILLION (€ 9.7 MILLION AS OF DECEMBER 31, 2023)**

**A COST SAVING PLAN AND INTERNATIONAL OPERATIONAL REORGANIZATION INITIATED,  
WITH IMPACT FROM THE SECOND HALF OF 2024**

*Trezzo sull'Adda (MI), September 23, 2024* – The Board of Directors of Cofle S.p.A. (EGM: CFL) - a leading company in the design, production, and global marketing of control systems and cables for off-road vehicles, automotive, and automotive aftermarket sectors - met today and examined and approved the consolidated half-year financial report as of June 30, 2024.

**Walter Barbieri, Chairman and CEO of Cofle, commented:** *"The first half of 2024 has undoubtedly been challenging for our Group due to significant challenges, including the impact of hyperinflation in Turkey and the Agritech sector crisis. However, we have undertaken a series of decisive actions to address these difficulties, with the aim of improving profitability and ensuring long-term stability.*

*In particular, hyperinflation in Turkey has significantly impacted our operating costs, especially due to wage increases and overhead expenses, which were not offset by the depreciation of the Turkish lira as in the past. To mitigate this effect, we have implemented a production and geographical diversification strategy, relocating part of our activities to India, where costs are lower. This move is already helping to recover profitability within the Group while maintaining high-quality standards.*

*Additionally, we are implementing a reshoring plan in Italy to bring back some strategic productions and reduce our dependence on markets subject to economic volatility. These choices, along with a significant review of spending and investments in automation, will enable us to manage operating costs more efficiently. Regarding the Agritech sector crisis, we are facing a global drop in demand, particularly in Europe, where sales have slowed significantly. Nonetheless, we are consolidating our presence in foreign markets, where we see very promising growth prospects. Moreover, thanks to our technological innovation and the quality of our products, we are confident that the sector will begin to stabilize in the second half of 2025, allowing us to regain ground.*

*On the other hand, we are witnessing strong growth in the Aftermarket division, driven by both new clients acquired through the commercial strategies of our French subsidiary and the great interest in our newly patented complete range of EPB (Electronic Parking Brakes), presented at the Frankfurt Motor Show.*

*The strategic choices adopted, along with other initiatives already in the implementation phase, will allow us to face future challenges with greater flexibility and improve our long-term competitiveness. The benefits of these actions will become fully visible starting in 2025, when we expect more solid and stable recovery."*



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### CONSOLIDATED ECONOMIC AND ASSET DATA AS OF JUNE 30, 2024

The following economic results include the impacts of IAS 29 accounting principles applied to the financial statements of Turkish subsidiaries operating in a hyperinflationary environment.

**Revenue** amounted to € 31.1 million, a 4.7% increase compared to the first half of 2023 (€ 29.7 million).

Regarding the performance of both business lines within the Group:

- The **OE Business line**, which produces control cables and systems in the agricultural machinery, earth-moving machinery, commercial vehicles, and premium automotive sectors, recorded revenues of € 19.3 million (€ 20.4 million in the first half of 2023), outperforming the market due to innovation and product quality. The agricultural machinery sector, a key part of the Group's business, experienced a significant global downturn. In Europe, the market contracted by over ten percentage points compared to the same period last year, mainly due to increased production costs and geopolitical uncertainties related to conflicts in Ukraine and the Middle East.
- The **IAM Business line**, specializing in the production of automotive spare parts, recorded the best performance with double-digit growth, bringing revenues to € 11.8 million compared to € 9.3 million in the first half of 2023.

Below is the breakdown of consolidated revenues by business unit as of June 30, 2024, compared to the same period of the previous year:

Cofle Group Consolidated Revenues	6M 2024	6M 2023	Var %
OE Division	€ 19.3 MIL	€ 20.4 MIL	-5,4%
IAM Division	€ 11.8 MIL	€ 9.3 MIL	26.9%
<b>Total Revenues</b>	<b>€ 31.1 MIL</b>	<b>€ 29.7 MIL</b>	<b>4.7%</b>

The **Production Value** amounted to € 31.8 million (€ 30.8 million as of June 30, 2023), showing a 3.2% growth.

The **EBITDA** was € 3.6 million (€ 4.2 million in the first half of 2023). The reduction in EBITDA was primarily due to increased operating costs in Turkey, including wages, rents, and overheads caused by inflation. These increases were not offset by the depreciation of the Turkish lira. Additionally, the Agritech market cycle slowdown and increased purchase prices from Turkey reduced Italian operating margins.

To address these challenges, the Group has initiated a **cost-saving plan**, primarily involving the Parent Company, and an **operational reorganization** that will yield positive effects by the end of 2024 and even more so in 2025, improving the Group's profitability. Key initiatives include expense review operations, such as optimizing professional operating costs and rationalizing costs related to production plants, which will lead to an estimated **cost reduction of € 1 million by the first half of 2025**. At the same time, a **reshoring plan** has been initiated, with production gradually being moved back to Italy and India, with the expansion of the production capacity of the Indian plant, supported by the creation of a local supply chain. Production in



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Turkey will be maintained for high-margin direct sales. At the Group level, **the relocation to India is expected to result in operational cost efficiencies estimated at € 1.5 million.**

The **Adjusted EBITDA** is € 4.4 million (€ 5.4 million in the first half of 2023), showing a decline of 18.5%.

The **EBIT** is € 1.3 million (€ 2.7 million in the first half of 2023).

The **Net result** is € -2.1 million (€ 0.8 million in the first half of 2023).

The **Net Financial Position** stands at approximately € 10.3 million (€ 5.0 million as of December 31, 2023).

In the first half of 2024, the Group experienced a cash absorption of approximately € 4 million, mainly due to changes in working capital, investments in fixed assets, dividend payments, and financial charges. The key changes were a € 1.5 million increase in receivables and a € 1.7 million decrease in payables, due to a change in the supplier mix and payment terms. Investments in fixed assets primarily related to the completion of the new logistics hub in Italy and the development of electronic projects, aimed at producing electronic boards and sensors internally. The payment of dividends and the increase in interest rates, particularly in Turkey, further reduced liquidity. These factors will have a lesser impact on cash absorption in the second half of 2024.

The **Adjusted Net Financial Position** (leasing IAS/IFRS) has increased to € 14.5 million (€ 9.7 million as of December 31, 2023).

The **Consolidated equity** is € 28.8 million (€ 29.2 million as of December 31, 2023).

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## 2024 GUIDANCE

For the year 2024, the Group expects **consolidated revenue to be between 55 and 60 million**, reflecting a resilient performance despite macroeconomic and sectoral challenges. **The expected Adjusted EBITDA is between 7 and 8 million**, confirming the Group's ability to maintain a good operating margin even in a slowing market.

As for the **net result forecast** for the end of the year, it will be heavily influenced by hyperinflation and currency fluctuations, making it unreasonable to provide a reliable prediction at this time.

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## DOCUMENTATION FILING

A copy of the **Consolidated Financial Report as of June 30, 2024**, including the report from the audit firm, will be made available to the public within the legal terms at the company's registered office (Via del Ghezzo 54 – Trezzo sull'Adda MI), as well as published on the company's website under the "Investor Relations/Financial Reports" section.

Additionally, it is noted that for the transmission and storage of regulated information, the company uses the **eMarket SDIR** dissemination system and the **eMarket STORAGE** mechanism available at [www.emarketstorage.com](http://www.emarketstorage.com), managed by **Spafid Connect S.p.A.**, based in Foro Buonaparte 10, Milan.

This press release is available in the **Investor Relations** section of the website <https://www.cofle.com/en/>.



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#### **About Cofle**

Founded in 1964, the Cofle Group is a multinational company specializing in the design, production, and global marketing of remote control cables and systems for the off-road vehicles, automotive, and automotive aftermarket sectors. It closed 2023 with a production value of €641 million. The company operates six plants located in Italy (1), Turkey (3), India (1), and Brazil (1). Cofle sells its products in 38 countries to around 294 customers. Since November 11, 2021, Cofle has been listed on the **Euronext Growth Milan** market, organized and managed by **Borsa Italiana S.p.A.**

Contacts:

#### **Cofle S.p.A.**

Alessandra Barbieri  
*Head of Group Communications & IR Manager*  
[investor@cofle.it](mailto:investor@cofle.it)

#### **CDR Communication – Corporate Press Office**

Angelo Brunello [angelo.brunello@cdr-communication.it](mailto:angelo.brunello@cdr-communication.it)  
Martina Zuccherini [martina.zuccherini@cdr-communication.it](mailto:martina.zuccherini@cdr-communication.it)

#### **Euronext Growth Advisor**

Banca Profilo S.p.A. [cofle@bancaprofilo.it](mailto:cofle@bancaprofilo.it)



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## ANNEXES

## Consolidated Balance Sheet

<i>Amounts in euros</i>	<b>30/06/2024</b>	<b>31/12/2023</b>
<b>Assets</b>	<b>66.878.978</b>	<b>66.815.879</b>
<b>B) Fixed assets</b>	<b>18.308.254</b>	<b>16.799.158</b>
<b>I) Intangible assets</b>	<b>5.532.580</b>	<b>4.828.219</b>
1) Plant and expansion costs	383.016	510.688
2) Development costs	1.959.164	1.974.402
3) Industrial patent rights and intellectual property rights	214.360	201.458
4) Concessions, licenses, trademarks, and similar rights	1.661.587	1.719.493
5) Goodwill	14.051	16.861
6) Fixed assets in progress and advances	925.027	165.033
7) Other	375.375	240.283
<b>II) Tangible assets</b>	<b>12.590.465</b>	<b>11.569.697</b>
1) Land and buildings	3.569.859	2.962.554
2) Plants and machinery	6.565.010	6.156.822
3) Industrial and commercial equipment	448.474	362.721
4) Other assets	1.898.124	1.535.600
5) Fixed assets in progress and advances	108.999	552.000
<b>III) Financial assets</b>	<b>185.209</b>	<b>401.243</b>
1) Investments in:	5.418	4.681
b) Associated companies	5.418	4.681
2) Loans	100.000	100.000
b) To associated companies	100.000	100.000
2) Due after the next fiscal year	100.000	100.000
3) Other securities	20.968	200.579
4) Derivative financial instruments	58.822	95.983
<b>C) Current assets  </b>	<b>47.521.369</b>	<b>49.577.234</b>
<b>I) Inventories</b>	<b>16.655.637</b>	<b>16.272.475</b>
1) Raw materials, supplies, and consumables	10.753.995	10.825.729
2) Work in progress and semi-finished products	708.705	559.738
4) Finished products and goods	4.140.431	4.322.695
5) Advances	1.052.506	564.314
<b>II) Receivables</b>	<b>16.852.017</b>	<b>15.121.960</b>
1) From customers	13.354.348	11.629.830



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1) Due within the next fiscal year	13.354.348	11.629.830
5 bis) For tax credits	2.281.735	2.392.365
1) Due within the next fiscal year	2.281.735	2.392.365
5 ter) For deferred taxes	275.311	305.676
1) Due within the next fiscal year	275.311	305.676
5 quater) From others	940.623	794.089
1) Due within the next fiscal year	940.623	794.089
<b>IV) Cash and cash equivalents</b>	<b>14.013.716</b>	<b>18.182.799</b>
1) Bank and postal deposits	14.007.775	18.177.144
3) Cash on hand	5.941	5.655
<b>D) Ratei e risconti</b>	<b>1.049.355</b>	<b>439.486</b>
<i>Amounts in euros</i>	<b>30/06/2024</b>	<b>31/12/2023</b>
<b>Liabilities</b>	<b>66.878.978</b>	<b>66.815.878</b>
<b>A) Equity</b>	<b>28.829.205</b>	<b>29.179.558</b>
I) Group equity	26.194.999	26.643.687
I) Capital	615.600	615.600
II) Share premium reserve	14.916.771	14.916.771
III) Revaluation reserves	2.434.930	2.434.930
IV) Legal reserve	123.120	123.120
VI) Other reserves, distinctly indicated	(11.806.672)	(10.910.696)
Foreign exchange consolidation reserves	(12.425.901)	(11.529.925)
Consolidation reserve	619.229	619.229
VII) Cash flow hedge reserve	58.822	95.983
VIII) Retained earnings (losses carried forward)	22.179.214	19.078.444
IX) Profit (Loss) for the period	(1.985.226)	359.676
X) Negative reserve for treasury shares	(341.559)	(70.139)
<b>Minority Interests</b>	<b>2.634.207</b>	<b>2.535.870</b>
Capital and reserves of third parties	2.758.008	2.110.672
Profit (Loss) attributable to minority interests	(123.801)	425.199
<b>B) Provisions for risks and charges</b>	<b>679.920</b>	<b>841.972</b>
1) Provisions for severance and similar obligations	149.800	272.880
2) Provisions for taxes, including deferred taxes	523.038	563.464
4) Other provisions	7.082	5.628
<b>C) Employee severance indemnities</b>	<b>556.913</b>	<b>620.423</b>
<b>D) Liabilities</b>	<b>35.803.669</b>	<b>35.436.384</b>
1) Bonds	4.411.301	4.891.899
1) Due within the next fiscal year	1.000.000	1.000.000



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2) Due after the next fiscal year	3.411.301	3.891.899
<b>4) Bank loans</b>	<b>19.392.344</b>	<b>17.725.387</b>
1) Due within the next fiscal year	14.333.351	12.962.758
2) Due after the next fiscal year	5.058.994	4.762.629
<b>5) Loans from other lenders</b>	<b>569.621</b>	<b>639.146</b>
1) Due within the next fiscal year	187.486	139.050
2) Due after the next fiscal year	382.135	500.096
<b>6) Advances</b>	<b>13.249</b>	<b>66.420</b>
1) Due within the next fiscal year	13.249	66.420
<b>7) Payables to suppliers</b>	<b>7.591.540</b>	<b>9.162.550</b>
1) Due within the next fiscal year	7.591.540	9.162.550
<b>12) Tax liabilities</b>	<b>460.128</b>	<b>634.575</b>
1) Due within the next fiscal year	460.128	634.575
<b>13) Payables to social security institutions</b>	<b>501.737</b>	<b>500.766</b>
1) Due within the next fiscal year	501.737	500.766
<b>14) Other payables</b>	<b>2.863.749</b>	<b>1.815.640</b>
1) Due within the next fiscal year	2.863.749	1.815.640
<b>E) Accrued expenses and deferred income</b>	<b>1.009.271</b>	<b>737.542</b>





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**Consolidated Income Statement**

<i>Amounts in euros</i>	<b>30/06/2024</b>	<b>30/06/2023</b>
<b>A) Production value</b>	<b>31.781.047</b>	<b>30.782.090</b>
1) Revenues from sales and services	31.141.172	29.740.621
2) Change in inventories of work in progress, semi-finished, and finished products	261.420	372.548
5) Other revenues and income	378.456	668.921
<b>B) Production costs</b>	<b>30.463.139</b>	<b>28.045.974</b>
6) Costs for raw materials, supplies, consumables, and goods	12.226.251	13.358.691
7) Costs for services	5.992.976	5.561.418
8) Costs for use of third-party assets	1.042.090	701.280
<b>9) Personnel costs</b>	<b>8.795.392</b>	<b>7.156.700</b>
a) Wages and salaries	6.741.127	5.460.789
b) Social security contributions	1.529.477	1.342.006
c) Severance indemnities	175.781	155.241
e) Other costs	349.006	198.664
<b>10) Depreciation and write-downs</b>	<b>2.288.529</b>	<b>1.498.208</b>
a) Amortization of intangible assets	618.824	454.208
b) Amortization of tangible assets	1.669.705	1.043.999
11) Changes in inventories of raw materials, supplies, consumables, and goods	(243.106)	(1.176.085)
14) Other operating expenses	361.008	945.762
<b>Difference between production value and costs (A-B)</b>	<b>1.317.908</b>	<b>2.736.117</b>
<b>C) Financial income and charges</b>	<b>(3.214.092)</b>	<b>(1.086.478)</b>
<b>16) Other financial income</b>	<b>808.065</b>	<b>118.979</b>
b) From securities recorded in fixed assets that do not constitute investments	12.687	0
d) Other income	795.378	118.979
<b>17) Interest and other financial charges</b>	<b>4.515.491</b>	<b>2.627.343</b>
e) Other	4.515.491	2.627.343
<b>17 bis) Gains and losses on foreign exchange</b>	<b>493.334</b>	<b>1.421.887</b>
<b>Result before taxes (A-B + C - D)</b>	<b>(1.896.184)</b>	<b>1.649.639</b>
<b>20) Income taxes for the period, current and deferred</b>	<b>212.844</b>	<b>801.705</b>
a) Current taxes	257.804	651.879
c) Deferred taxes	(44.961)	149.826
<b>21) Profit (Loss) for the period</b>	<b>(2.109.028)</b>	<b>847.934</b>
1) Profit (Loss) attributable to minority interests	(123.801)	202.478
2) Profit (Loss) attributable to the group	(1.985.226)	645.456



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**Consolidated Cash Flow Statement**

<i>Ammopunts n euros</i>	<b>30/06/2024</b>	<b>31/12/2023</b>
<b>A) ash flows from operating activities (indirect method)</b>		
Profit (Loss) for the period	(2.109.028)	784.875
Income taxes	212.844	593.049
Interest expense (income)	3.214.092	5.327.543
<b>1) Profit (Loss) for the period before income taxes, interest, dividends, and gains/losses on disposals</b>	<b>1.317.908</b>	<b>6.705.466</b>
<i>Adjustments for non-monetary items that did not affect working capital:     Provisions to fund</i>		
Provisions to funds	0	17.780
Depreciation of fixed assets	2.288.529	3.203.759
Other adjustments for non-monetary items	(517.854)	484.003
<b>Total adjustments for non-monetary items</b>	<b>1.770.675</b>	<b>3.705.542</b>
<b>2) Cash flow before changes in working capital  </b>	<b>3.088.583</b>	<b>10.411.009</b>
<i>Changes in working capital</i>		
Decrease (Increase) in inventories	(383.162)	(2.206.861)
Decrease (Increase) in receivables from customers	(1.724.518)	2.031.409
Increase (Decrease) in payables to suppliers	(1.571.010)	1.070.171
Decrease (Increase) in accrued income and prepaid expenses	(558.590)	218.529
Increase (Decrease) in accrued expenses and deferred income	271.729	101.420
Other decreases (increases) in working capital	849.375	288.814
<b>Total changes in working capital</b>	<b>(3.116.177)</b>	<b>1.503.481</b>
<b>3) Cash flow after changes in working capital</b>	<b>(27.594)</b>	<b>11.914.490</b>
<i>Other adjustments</i>		
Interest received (paid)	(1.015.519)	(5.288.562)
(Income taxes paid)	(286.721)	(1.336.719)
(Use of funds)	(56.804)	(348.964)
<b>Total other adjustments</b>	<b>(1.359.044)</b>	<b>(6.974.246)</b>
<b>Net cash flow from operating activities (A)</b>	<b>(1.386.638)</b>	<b>4.940.244</b>
<b>B) Cash flows from investing activities</b>		
<i>Tangible assets</i>		
(Investments)	(1.758.978)	(7.235.827)
Disposals	167.431	431.518
<i>Intangible assets</i>		
(Investments)	(1.016.147)	(1.662.555)
Disposals	7.929	0
	<b>(737)</b>	<b>258</b>



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*Financial assets*

(Investments)	(737)	258
Disposals	0	0

*Non-current financial assets*

(Investments)	0	(12.533)
Disposals	0	0

**Net cash flow from investing activities (B)****(2.600.503) (8.479.138)****C) Cash flows from financing activities***Third-party funds*

Increase (Decrease) in loans from other lenders	1.666.957	3.154.674
Increase (Decrease) in bonds	(69.525)	206.182
Increase/(Decrease) in payables to parent companies	0	(255.000)
Increase/(Decrease) in bond payables	(500.000)	0

*Own funds*

Other changes in reserve	298.643	121.376
Sale (Purchase) of treasury shares	(271.419)	(70.139)
(Dividends and advances on dividends paid)	(1.306.598)	(1.755.215)

**Cash flow from financing activities (C)****(181.942) 1.401.878****Increase (decrease) in cash and cash equivalents (A ± B ± C)****(4.169.083) (2.137.016)**

<i>Cash and cash equivalents at the beginning of the period</i>	18.182.799	20.319.815
<i>Cash and cash equivalents at the end of the period</i>	14.013.716	18.182.799

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