

Thursday, 10<sup>th</sup> August 2023

modefinance Corporate Credit Rating (Solicited) for

**BORA S.P.A.: B1 (Affirm)**

modefinance published the update of the Solicited Corporate Credit Rating of BORA S.P.A. on the website (<http://cra.modefinance.com/en>) and the rating assigned to the entity is B1 (Affirm).

The analysis revealed that the Company has an adequate economic and financial situation and can face adverse economic conditions in the medium and long term.

BORA S.P.A. is a company based in Maiolati Spontini (Ancona) which has been active for over forty years in design, manufacturing, maintenance and molding services of metal components for the automotive and household appliances sectors, presenting itself today as a leading reality in its sector. In addition to the domestic market, it also serves the main European markets and can boast among its customers some relevant multinational companies.

## Key Rating Assumption

The Company highlights an economic-financial situation that confirms the satisfactory levels of the previous fiscal year. Overall, solvency is deemed satisfactory and under improvement, characterized by adequate capitalization and sustainable financial exposure. The liquidity management appears appropriate, while profitability can be considered more than sufficient despite the slight decline in ROI and ROE indicators. The analysis of cash flows generated by the Company reveals that operational management has ensured a liquidity contribution more than sufficient to support investment activities and the repayment of financial liabilities.

At the Governance level, BORA S.P.A. has a collegial administrative body composed of two members, corresponding to the two shareholders. The Company also has a collegial control body and a Supervisory Board pursuant to Legislative Decree 231/2001, while the auditing activity is entrusted to a specialized company. Compared to the peer group, the Company ranks high in terms of revenue, while solvency and profitability are positioned below their respective industry medians. The peer group demonstrates satisfactory solvency and liquidity level. The latter, however, shows a declining trend in indicators. The profitability area highlights a significant recovery after the 2020 collapse, stabilizing at good levels.

The automotive sector, of primary importance to the Company, continues to be affected by the uncertain macroeconomic environment and supply chain challenges. Nevertheless, estimates for the next five years indicate a gradual recovery in industrial production and sales, both globally and domestically. A significant contribution will also come from electric vehicle sales, thanks to government incentives and improvements in charging infrastructure.

The Italian macroeconomic and geopolitical environment is still uncertain, although the first signs of improvement could lead to an upward revision of the economic forecast for the coming months.

## Sensitivity Analysis

In the following table, the addressing factors, actions or events that could lead to an upgrade or a downgrade are summarized:

Action	Description of the addressing factors, actions or events
<b>Upgrade</b>	<ul style="list-style-type: none"> <li>• The improving trend of solvency indicators continues, with a notable contraction of financial leverage;</li> <li>• Improvement of margins and profitability indicators;</li> <li>• Improvement in the macroeconomic and geopolitical context.</li> </ul> <p>Should these conditions occur, the rating could upgrade up to B1+.</p>
<b>Downgrade</b>	<ul style="list-style-type: none"> <li>• Increasing financial debts and declining solvency;</li> <li>• Deterioration of cash flows;</li> <li>• Worsened macroeconomic and geopolitical context impact the growth prospects of the automotive sector.</li> </ul> <p>Should these conditions occur, the rating could be downgraded to B1-.</p>

### IMPORTANT

The present Corporate Credit rating is issued by modefinance under EU Regulation 1060/2009 and following amendments.

The present rating is solicited and is based on both private and public information. The rated entity and/or related third parties have provided all private information used. modefinance had access to some accounts and other relevant internal documents of the rated entity and/or related third parties. Solicited and unsolicited ratings issued by modefinance are of comparable quality, as the solicitation status has no effect on methodologies used. More comprehensive information on modefinance Corporate Credit Ratings are available at: <http://cra.modefinance.com/en>

The present Corporate Credit Rating is issued on MORE Methodology 2.0 and Rating Methodology 1.0. A comprehensive description of both methodologies, as well as information on modefinance Rating Scale and Mappings, is available at <http://cra.modefinance.com/en/methodologies>.

For information on historical default rates of modefinance Corporate Credit Ratings please refer to ESMA Central Repository: <https://cerep.esma.europa.eu/cerep-web/> and ESMA European Rating Platform [https://registers.esma.europa.eu/publication/searchRegister?core=esma\\_registers\\_radar](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_radar).

modefinance refers to default as a company under bankruptcy, or under liquidation status, or under administration or for which missed payments on a financial obligation are officially recorded.

The quality of the information available on the rated entity and used to determine the present rating was judged by modefinance as satisfactory. Please note that modefinance does not perform any audit activity and is not in a position to guarantee the accuracy of any information used and/or reported in the present document. As such, modefinance can accept no liability whatsoever for actions taken based on any information that may subsequently prove to be incorrect.

The present credit rating was notified to the rated entity in order to identify potential factual errors, as prescribed by the CRA Regulation.

No amendments were applied after the notification process.

The rated entity is not a buyer of ancillary services provided by modefinance.

The rating action issued by modefinance was performed independently. The analysts, members of the rating team involved in the process, modefinance Srl and its members and shareholders do not have any conflicts of interest in relation to the Rated Entity and/or Related Third Parties. If in the future a potential conflict of interest is identified in relation to the persons reported above, modefinance Ratings will provide the appropriate information and if necessary the rating will be withdrawn.

The present Credit Rating is an opinion of the general creditworthiness that modefinance issues on the rated entity, and should be relied upon to a limited degree. The issued rating is subject to an ongoing monitoring until withdrawal.

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