

Aerospace &amp; Defence

Commentary

Czech Republic

# Colt CZ Group SE

Per rollam vote started, dividend CZK30-32

## Buy

Price 07.06.24	<b>CZK 668</b>
12m target	<b>CZK 921</b>
Upside to TP	<b>37.9%</b>
Dividend	<b>CZK 30</b>
Total return	<b>42.4%</b>

**Sector stance**  
Overweight

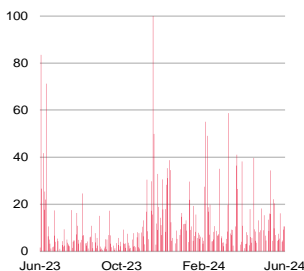
**Investment type**  
Growth story

### 1 year performance



Source: Bloomberg

### Trading volume (in ths of shares)



Source: Bloomberg

### Share data

RIC CZG.PR	Bloom CZG CP
52-week range	518 - 688
Market cap. (CZKb)	23.5
Market cap. (EURb)	1.0
Free float (%)	19
Performance (%) 1m	3m 12m
Share	-2.2 8.6 12.3
Rel. to PX Index	-2.3 2.9 -5.3

Source: Bloomberg

### The latest analysis and report:

[https://bit.ly/Colt\\_analysis\\_Feb24\\_EN](https://bit.ly/Colt_analysis_Feb24_EN)

[https://bit.ly/Colt\\_swissAA\\_EN](https://bit.ly/Colt_swissAA_EN)

[https://bit.ly/Colt\\_2Q23\\_EN](https://bit.ly/Colt_2Q23_EN)

[https://bit.ly/Colt\\_3Q23\\_EN](https://bit.ly/Colt_3Q23_EN)

[https://bit.ly/Colt\\_4Q23\\_EN](https://bit.ly/Colt_4Q23_EN)

[https://bit.ly/Colt\\_1Q24\\_EN](https://bit.ly/Colt_1Q24_EN)

A draft resolution outside the meeting (per rollam) was announced today. Shareholders can vote from today (June 7, 2024) until June 27, 2024. The result of the vote will be announced no later than July 2, 2024.

The dividend for the year 2023 will also be voted on. In total, Colt will distribute CZK1.511m to shareholders. This represents a payout ratio of 73.7% of consolidated net profit for 2023. The **dividend** is expected to be **CZK30-32** per share (gross, depending on the amount of share capital). Colt CZ already announced the CZK30 proposal during the 1Q24 results (May 23, 2024). The dividend proposal represents a gross **yield of +4.7%**.

Shareholders can choose to receive their **payout in cash or shares**. The exchange rate will be set in the range of CZK530-680. The possibility to exercise the right of choice is from July 27, 2024 to August 12, 2024.

The record date for payment of the dividend will be July 4, 2024. If approved, this would mean that **the last trading day for Colt shares entitled to dividends from 2023 earnings would be July 2, 2024**. The payout would begin on October 4, 2024.



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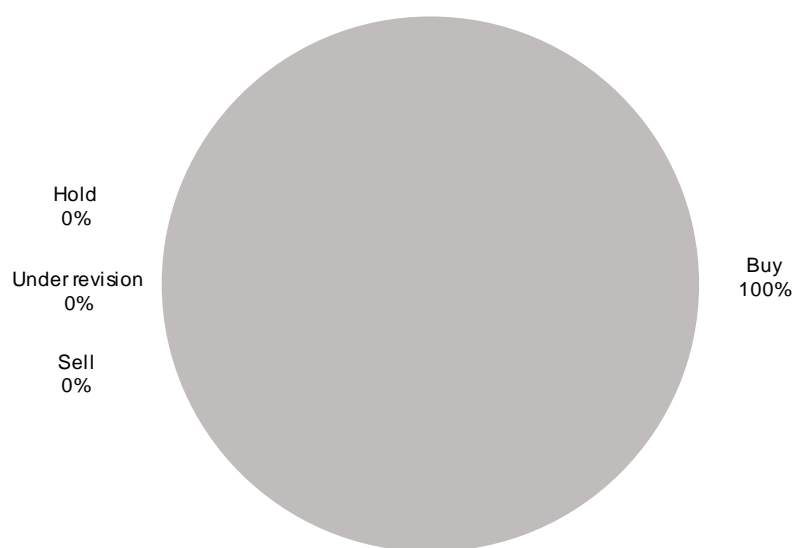
The recommendation in this document and/or the document itself was not disclosed to the issuer before its dissemination.

This recommendation is not updated at regular intervals. The date of the next update has not yet been determined and finally will be influenced by relevant changes of the facts used as the ground for this recommendation to reflect proper development in the industry and/or the analyzed company.

The main methods KB is using for setting target price for stocks are discounted free cash flow analysis and sector comparison. Other methods may also be used if deemed appropriate by the analyst (e.g. sum of parts valuation, discounted dividend valuation, discount / premium to NAV). Target price is set for the time period of 12 months. KB is using three grades of investment recommendation: buy, hold and sell. The recommendation is set for the time period of the next 3-6 months. The most important factor for setting the recommendation is the difference between actual market price and target price calculated by KB equity research. The recommendation also reflects other factors the analyst expects to influence the stock and market in the time period of 3-6 months after its publication. The target price substantially above current price does not automatically mean a buy recommendation for the 3-6 months following the first period of 3-6 months since publication of the recommendation. Valuation methods and factors key for setting the recommendation are explained in the text of each analysis.

The chart below shows the structure of grades of valid investment recommendations of equity research of KB Economic & Strategy Research (8 recommendations).

#### Investment recommendations of KB equity research



Source: Economic & Strategy Research, Komerční banka

#### KB Equity Research ratings on a 12 month period

**BUY:** absolute total shareholder return forecast of 15% or more over a 12 month period.

**HOLD:** absolute total shareholder return forecast between 0% and +15% over a 12 month period.

**SELL:** absolute total shareholder return forecast below 0% over a 12 month period.

Total shareholder return means forecast share price appreciation plus all forecast cash dividend income, including income from special dividends, paid during the 12 month period. Ratings are determined by the ranges described above at the time of the initiation of coverage or a change in rating (subject to limited management discretion). At other times, ratings may fall outside of these ranges because of market price movements and/or other short term volatility or trading patterns. Such interim deviations from specified ranges will be permitted but will become subject to review by research management.

**Overview of recommendations published by KB and relationships with particular issuers**

	CEZ	Colt CZ Group SE	Kofola	MONETA Money Bank	Philip Morris CR	Avast	O2 CR
<b>Overview of last investment research and recommendations related to stocks of particular issuers</b>							
Recommendation	Buy	Buy	Buy	Buy	Buy	End	End
Target price	CZK1,034	CZK921	CZK313	CZK102.8	CZK17,041	of coverage	of coverage
Date	07.09.2023	09.02.2024	29.05.2023	19.10.2023	21.03.2024	07.09.2022	25.02.2022
Price on the day of the publication	CZK923	CZK574	CZK244	CZK84	CZK15,400	CZK205.1	CZK270
Investment horizon	12 months	12 months	12 months	12 months	12 months		
Author	B. Trampota	B. Trampota	B. Trampota	B. Trampota	B. Trampota		
<b>Overview of investment researches and recommendations for last 12M (quarterly)</b>							
Recommendation	Buy	Buy	Buy	Buy	Hold	Buy	Buy
Target Price	CZK1,393	CZK652	CZK381	CZK104.6	CZK18,349	GBp600	CZK362
Date	07.06.2022	16.12.2022	12.05.2022	05.09.2022	03.03.2023	11.02.2021	26.03.2021
Recommendation	In revision	Buy	In revision	Buy	Buy	Buy	Buy
Target Price	In revision	CZK645	In revision	CZK109.7	CZK18,183	GBp466	CZK293
Date	10.05.2022	17.01.2022	15.02.2022	31.08.2021	11.02.2022	30.08.2019	08.01.2020
Recommendation	Buy	In revision	Buy	In revision	Buy	In revision	Buy
Target Price	CZK905	In revision	CZK367	In revision	CZK16,512	In revision	CZK298
Date	10.12.2021	31.03.2021	12.01.2021	07.05.2021	20.11.2020	14.08.2019	12.12.2018
Recommendation	Buy	Buy	In revision	Buy	Buy	Buy	Hold
Target Price	CZK621	CZK357	In revision	CZK97	CZK18,308	GBp342	CZK270
Date	23.07.2020	27.11.2020	26.11.2020	29.10.2019	03.12.2018	15.06.2018	18.08.2017
Valuation methods	DFCF	DFCF	DFCF	DFCF DDM ERM	DDM	DFCF	DFCF DDM
Frequency of rec. (per year)	once	once	once	once	once	once	once
Direct or indirect share (5% or more) of the issuer of the registered capital of KB	no	no	no	no	no	no	no
Other significant financial interest of KB and/or its linked persons in the issuer	no	no	no	no	no	no	no
KB direct or indirect share (0.5% or more) of the registered capital of the issuer.	no	no	no	no	no	no	no
Author's direct or indirect share (0.5% or more) of the registered capital of the issuer.	no	no	no	no	no	no	no
Signific. fin. interest in the issuer of the persons partic. in elaboration of inv. research and rec.	no	no	no	no	no	no	no
<b>Relationships of Komerční banka with particular issuers</b>							
KB Management or co- management of public offerings in the past 12 month	no	yes	no	no	no	no	no
Agreements or contractual relations for providing investment services with the issuer	KB can have concluded agreements with the issuer for providing investment services. This information is protected by bank secret and could not be disclosed.						
Agreement with the issuer on production and dissemination of the research	no	no	no	no	no	no	no
KB market making for common stocks of the issuer	no	no	no	no	no	no	no

Note: DFCF – Discounted free cash flow model, DDM – Discounted dividend model, ERM – Excess return model

Source: Economic &amp; Strategy Research, Komerční banka