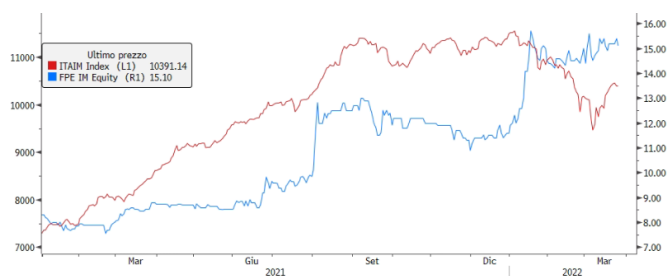


<b>FOPE</b>	<b>Italy</b>	<b>Euronext Growth Milan</b>	<b>Luxury Jewelry</b>
<b>Rating: BUY</b> (unch.)	<b>Target Price: € 20,00</b> (prev. €15,35)	<b>Update</b>	<b>Risk: Medium</b>

Stock performance	1M	3M	6M	1Y
absolute	2,72%	32,46%	20,80%	76,61%
to FTSE Italia Growth	0,50%	40,68%	27,69%	53,53%
to Euronext STAR Milan	3,58%	47,15%	32,43%	64,07%
to FTSE All-Share	7,23%	42,48%	27,36%	74,96%
to EUROSTOXX	5,31%	42,26%	27,95%	75,69%
to MSCI World Index	0,41%	38,28%	22,30%	66,73%

**Stocks performance relative to FTSE Italia Growth**


Stock Data	
Price	€ 15,10
Target price	€ 20,00
Upside/(Downside) potential	32,4%
Bloomberg Code	FPE IM EQUITY
Market Cap (€m)	81,53
EV (€m)	79,66
Free Float	18,10%
Share Outstanding	5.399.608
52-week high	€ 16,00
52-week low	€ 8,50
Average daily volumes (3m)	5.230

**FY21A Results**

I ricavi si attestano a € 40,31 mln, rispetto a un valore pari a € 25,99 mln registrato a fine 2020 e a € 33,00 mln stimati nel nostro precedente report. L'EBITDA, pari a € 8,79 mln, registra un forte aumento rispetto ai € 3,94 mln dell'esercizio precedente e alle nostre attese pari a € 5,70 mln. Anche l'EBITDA Margin, pari al 21,8%, cresce rispetto al 15,2% del 2020, superando notevolmente anche le nostre precedenti stime, pari al 17,3%. L'EBIT è pari a € 6,78 mln (€ 2,34 mln nel 2020) dopo ammortamenti e svalutazioni pari a € 2,01 mln. La NFP, cash positive e pari a € 1,88 mln, mostra un ottimo miglioramento rispetto al 2020A (pari a € 2,42 mln di debito).

Key Financials (€m)	FY21A	FY22E	FY23E	FY24E
Sales	40,3	45,0	50,0	55,0
EBITDA	8,8	9,9	11,1	12,6
EBIT	6,8	7,9	8,7	9,7
Net Profit	5,0	5,8	6,3	6,9
EPS (€)	0,93	1,06	1,17	1,27
EBITDA margin	21,8%	21,9%	22,2%	22,9%
EBIT margin	16,8%	17,4%	17,3%	17,5%
Net Profit margin	12,5%	12,8%	12,7%	12,5%

**Estimates Update**

Alla luce dei risultati pubblicati nella relazione annuale per il 2021A, modifichiamo le stime per l'anno in corso e per i prossimi anni. In particolare, stimiamo ricavi 2022E pari a € 45,00 mln ed un EBITDA pari a € 9,85 mln, corrispondente ad una marginalità del 21,9%. Per gli anni successivi, ci aspettiamo che i ricavi possano aumentare fino a € 55,00 mln (CAGR 21A-24E: 10,9%) nel 2024E, con EBITDA pari a € 12,60 mln (corrispondente ad un EBITDA margin del 22,9%), in crescita rispetto a € 8,79 mln del 2021A (corrispondente ad un EBITDA margin del 21,8%). A livello patrimoniale, stimiamo per il 2024E una NFP cash positive pari a € 8,27 mln.

Main Ratios	FY21A	FY22E	FY23E	FY24E
EV/EBITDA (x)	9,1	8,1	7,2	6,3
EV/EBIT (x)	11,7	10,1	9,2	8,3
P/E (x)	16,2	14,2	12,9	11,9

**Valuation Update**

Abbiamo condotto la valutazione dell'equity value di Fope sulla base della metodologia DCF e dei multipli di un campione di società comparabili. Il DCF method (che nel calcolo del WACC include a fini prudenziali anche un rischio specifico pari al 2,5%) restituisce un equity value pari a € 114,1 mln. L'equity value, utilizzando i market multiples, risulta essere pari a € 101,9 mln (includendo un discount pari al 25%). Ne risulta un equity value medio pari a € 108,0 mln. Il target price è quindi di € 20,00 (prev. € 15,35). Confermiamo rating BUY e rischio MEDIUM.

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## 1. Economics & Financials

**Table 1 – Economics & Financials**

<b>CONSOLIDATED INCOME STATEMENT (€/mIn)</b>	<b>FY19A</b>	<b>FY20A</b>	<b>FY21A</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
Sales	34,96	25,99	40,31	45,00	50,00	55,00
Other Revenues	0,97	0,47	0,40	0,50	0,50	0,50
<b>Value of Production</b>	<b>35,93</b>	<b>26,46</b>	<b>40,71</b>	<b>45,50</b>	<b>50,50</b>	<b>55,50</b>
COGS	12,89	9,36	16,22	15,55	17,20	18,80
Services	12,05	9,45	11,24	15,20	16,75	18,20
Employees	3,45	3,04	3,74	4,00	4,50	4,90
Other Operating Expenses	0,76	0,67	0,72	0,90	0,95	1,00
<b>EBITDA</b>	<b>6,78</b>	<b>3,94</b>	<b>8,79</b>	<b>9,85</b>	<b>11,10</b>	<b>12,60</b>
<i>EBITDA Margin</i>	<i>19,4%</i>	<i>15,2%</i>	<i>21,8%</i>	<i>21,9%</i>	<i>22,2%</i>	<i>22,9%</i>
D&A	1,35	1,61	2,01	2,00	2,45	2,95
<b>EBIT</b>	<b>5,43</b>	<b>2,34</b>	<b>6,78</b>	<b>7,85</b>	<b>8,65</b>	<b>9,65</b>
<i>EBIT Margin</i>	<i>15,5%</i>	<i>9,0%</i>	<i>16,8%</i>	<i>17,4%</i>	<i>17,3%</i>	<i>17,5%</i>
Financial Management	(0,48)	(0,27)	0,05	(0,10)	(0,10)	(0,10)
<b>EBT</b>	<b>4,95</b>	<b>2,07</b>	<b>6,83</b>	<b>7,75</b>	<b>8,55</b>	<b>9,55</b>
Taxes	0,10	0,40	1,80	2,00	2,22	2,70
<b>Net Income</b>	<b>4,85</b>	<b>1,66</b>	<b>5,03</b>	<b>5,75</b>	<b>6,33</b>	<b>6,85</b>
<b>CONSOLIDATED BALANCE SHEET (€/mIn)</b>	<b>FY19A</b>	<b>FY20A</b>	<b>FY21A</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
<b>Fixed Asset</b>	<b>12,62</b>	<b>13,72</b>	<b>12,76</b>	<b>12,75</b>	<b>12,80</b>	<b>12,85</b>
Account receivable	8,30	5,59	9,32	10,60	11,55	12,60
Inventories	6,20	8,55	10,31	11,70	12,70	13,60
Account payable	5,67	2,47	4,46	4,80	5,35	5,90
<b>Operating Working Capital</b>	<b>8,83</b>	<b>11,67</b>	<b>15,18</b>	<b>17,50</b>	<b>18,90</b>	<b>20,30</b>
Other Receivable	1,79	0,94	1,30	1,55	1,60	1,75
Derivatives	1,36	0,42	0,79	0,90	1,00	1,10
Other Payable	0,77	0,79	3,31	3,50	4,00	4,40
<b>Net Working Capital</b>	<b>11,21</b>	<b>12,24</b>	<b>13,96</b>	<b>16,45</b>	<b>17,50</b>	<b>18,75</b>
Severance Indemnities & Provision	2,96	2,98	2,76	2,90	3,35	3,65
<b>NET INVESTED CAPITAL</b>	<b>20,86</b>	<b>22,99</b>	<b>23,97</b>	<b>26,30</b>	<b>26,95</b>	<b>27,95</b>
Share Capital	5,29	5,29	5,40	5,40	5,40	5,40
Reserves and Retained Profits	10,63	13,62	15,41	17,93	20,80	23,96
Net Profit	4,85	1,66	5,03	5,75	6,33	6,85
<b>Equity</b>	<b>20,77</b>	<b>20,57</b>	<b>25,84</b>	<b>29,08</b>	<b>32,53</b>	<b>36,21</b>
Cash and Cash Equivalent	9,34	9,68	11,98	13,98	18,08	21,77
Short-Term Financial debt	3,80	4,74	5,11	5,20	5,50	6,00
ML Term Financial Debt	5,63	7,36	5,00	6,00	7,00	7,50
<b>Net Financial Position</b>	<b>0,09</b>	<b>2,42</b>	<b>(1,88)</b>	<b>(2,78)</b>	<b>(5,58)</b>	<b>(8,27)</b>
<b>TOTAL SOURCES</b>	<b>20,86</b>	<b>22,99</b>	<b>23,97</b>	<b>26,30</b>	<b>26,95</b>	<b>27,95</b>
<b>CONSOLIDATED CASH FLOW (€/mIn)</b>	<b>FY19A</b>	<b>FY20A</b>	<b>FY21A</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
<b>EBIT</b>	<b>5,43</b>	<b>2,34</b>	<b>6,78</b>	<b>7,85</b>	<b>8,65</b>	<b>9,65</b>
Taxes	0,10	0,40	1,80	2,00	2,22	2,70
<b>NOPAT</b>	<b>5,33</b>	<b>1,93</b>	<b>4,98</b>	<b>5,85</b>	<b>6,43</b>	<b>6,95</b>
D&A	1,35	1,61	2,01	2,00	2,45	2,95
Change in receivable	(0,37)	2,70	(3,73)	(1,28)	(0,95)	(1,05)
Change in inventories	(0,50)	(2,35)	(1,76)	(1,39)	(1,00)	(0,90)
Change in payable	1,44	(3,20)	1,99	0,34	0,55	0,55
<b>Change in OWC</b>	<b>0,57</b>	<b>(2,84)</b>	<b>(3,51)</b>	<b>(2,32)</b>	<b>(1,40)</b>	<b>(1,40)</b>
Other Changes	(2,24)	1,81	1,79	(0,17)	0,35	0,15
Change in Provision	0,20	0,01	(0,22)	0,14	0,45	0,30
<b>OPERATING CASH FLOW</b>	<b>5,21</b>	<b>2,52</b>	<b>5,06</b>	<b>5,50</b>	<b>8,28</b>	<b>8,95</b>
Capex	(4,66)	(2,71)	(1,05)	(1,99)	(2,50)	(3,00)
<b>FREE CASH FLOW</b>	<b>0,55</b>	<b>(0,20)</b>	<b>4,01</b>	<b>3,52</b>	<b>5,78</b>	<b>5,95</b>
Financial Management	(0,48)	(0,27)	0,05	(0,10)	(0,10)	(0,10)
Change in Payable to Banks	1,31	2,67	(1,99)	1,09	1,30	1,00
Change in Equity	(0,06)	(1,86)	0,24	(2,52)	(2,88)	(3,16)
<b>FREE CASH FLOW TO EQUITY (FCFE)</b>	<b>1,32</b>	<b>0,35</b>	<b>2,30</b>	<b>1,99</b>	<b>4,10</b>	<b>3,69</b>

Source: FOPE and Integræ SIM estimates

## 1.1 FY21A Results

**Table 2 – Actual VS Estimates FY21A**

(€/mln)	Sales	EBITDA	EBITDA %	EBIT	Net Income	NFP
<b>FY21A</b>	<b>40,31</b>	<b>8,79</b>	<b>21,8%</b>	<b>6,78</b>	<b>5,03</b>	<b>-1,88</b>
FY21E	33,00	5,70	17,3%	4,10	2,77	1,60
YoY	22,1%	54,2%	4,5%	65,4%	81,6%	N/A

Source: Integrae SIM

Tramite comunicato stampa, la Società, commentando i risultati annuali, dichiara: *“Chiudiamo positivamente il bilancio 2021 registrando una crescita significativa delle vendite e degli altri indicatori economici e dimostrando una forte solidità patrimoniale. [...] Risultati di bilancio molto positivi, ma soprattutto segnali confortanti che testimoniano la ripresa del processo di crescita della Società, sempre con i paesi esteri in prima linea, e della continua affermazione del brand FOPE nella percezione dei nostri concessionari e dei nostri clienti. Nei primi mesi del 2022 la risposta dei clienti si è mantenuta ad ottimi livelli, confermando aspettative positive per il nuovo anno.”*

I ricavi si attestano a € 40,31 mln, rispetto a un valore pari a € 25,99 mln registrato a fine 2020 e a € 33,00 mln stimati nel nostro precedente *report*. La variazione del fatturato è principalmente riconducibile al consolidamento dei mercati principali in cui opera la Società (America, Regno Unito, Germania). Anche se non ancora di importo significativo, la Società ha inoltre registrato ottimi risultati all’interno del mercato giapponese, considerato uno dei primi mercati al mondo per la gioielleria, rappresentando quindi una grande opportunità di crescita per la Società nei prossimi anni.

L’EBITDA, pari a € 8,79 mln, registra un forte aumento rispetto ai € 3,94 mln dell’esercizio precedente e alle nostre attese pari a € 5,70 mln. Anche l’EBITDA Margin, pari al 21,8%, cresce rispetto al 15,2% del 2020, superando notevolmente anche le nostre precedenti stime, pari al 17,3%. Il maggior valore dell’EBITDA è riconducibile alla buona marginalità sulle vendite, al forte aumento del fatturato rispetto all’esercizio precedente e all’offerta di prodotti di altissima qualità, sintesi perfetta di artigianalità e tecnologia *Made in Italy*.

L’EBIT è pari a € 6,78 mln (€ 2,34 mln nel 2020) dopo ammortamenti e svalutazioni pari a € 2,01 mln. Anche il valore dell’EBIT supera le nostre aspettative, pari a € 4,10 mln. L’Utile Netto si attesta a € 5,03 mln (€ 1,66 mln nel 2020), più alto rispetto a € 2,77 mln delle nostre precedenti stime.

La NFP, *cash positive* e pari a € 1,88 mln, mostra un ottimo miglioramento rispetto al 2020A (pari a € 2,42 mln di debito) e alle nostre stime, pari a € 1,60 mln di debito.

## 1.2 FY22E – FY24E Estimates

**Table 3 – Estimates Updates FY22E-24E**

€/mln	FY22E	FY23E	FY24E
<b>Sales</b>			
New	<b>45,0</b>	<b>50,0</b>	<b>55,0</b>
Old	38,0	44,0	N/A
Change	18,4%	13,6%	N/A
<b>EBITDA</b>			
New	<b>9,9</b>	<b>11,1</b>	<b>12,6</b>
Old	7,8	9,3	N/A
Change	26,3%	20,0%	N/A
<b>EBITDA %</b>			
New	<b>21,9%</b>	<b>22,2%</b>	<b>22,9%</b>
Old	20,5%	21,0%	N/A
Change	1,4%	1,2%	N/A
<b>EBIT</b>			
New	<b>7,9</b>	<b>8,7</b>	<b>9,7</b>
Old	6,2	7,6	N/A
Change	27,6%	14,6%	N/A
<b>Net Income</b>			
New	<b>5,8</b>	<b>6,3</b>	<b>6,9</b>
Old	4,2	5,1	N/A
Change	38,6%	24,1%	N/A
<b>NFP</b>			
New	<b>(2,8)</b>	<b>(5,6)</b>	<b>(8,3)</b>
Old	(1,0)	(2,0)	N/A
Change	N/A	N/A	N/A

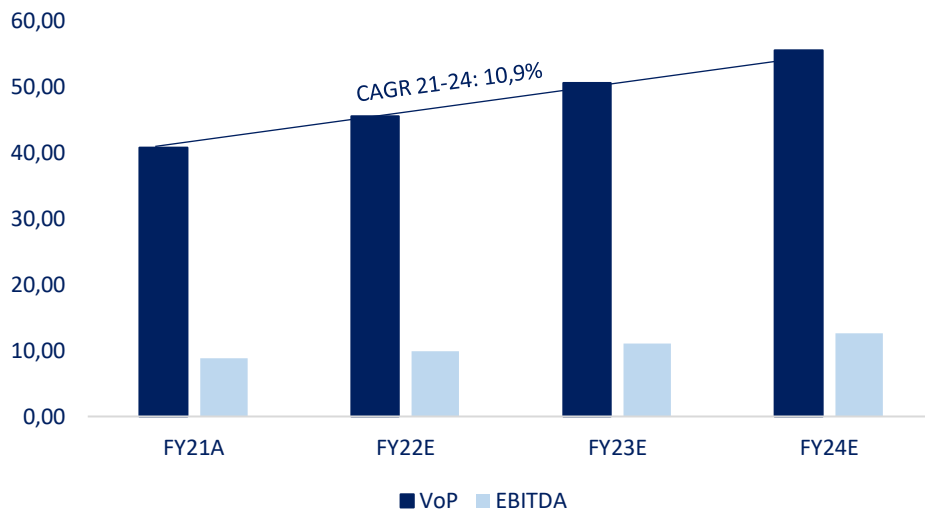
Source: Integrae SIM

Alla luce dei risultati pubblicati nella relazione annuale per il 2021A, modifichiamo le stime per l'anno in corso e per i prossimi anni.

In particolare, stimiamo ricavi 2022E pari a € 45,00 mln ed un EBITDA pari a € 9,85 mln, corrispondente ad una marginalità del 21,9%. Per gli anni successivi, ci aspettiamo che i ricavi possano aumentare fino a € 55,00 mln (CAGR 21A-24E: 10,9%) nel 2024E, con EBITDA pari a € 12,60 mln (corrispondente ad un EBITDA margin del 22,9%), in crescita rispetto a € 8,79 mln del 2021A (corrispondente ad un EBITDA margin del 21,8%). Si evidenzia, inoltre, che per gli anni successivi la Società ha deciso di utilizzare i maggiori ricavi realizzati per focalizzarsi ulteriormente sull'attività di marketing, concentrandosi sull'organizzazione di eventi privati con clienti in vari mercati europei e americani.

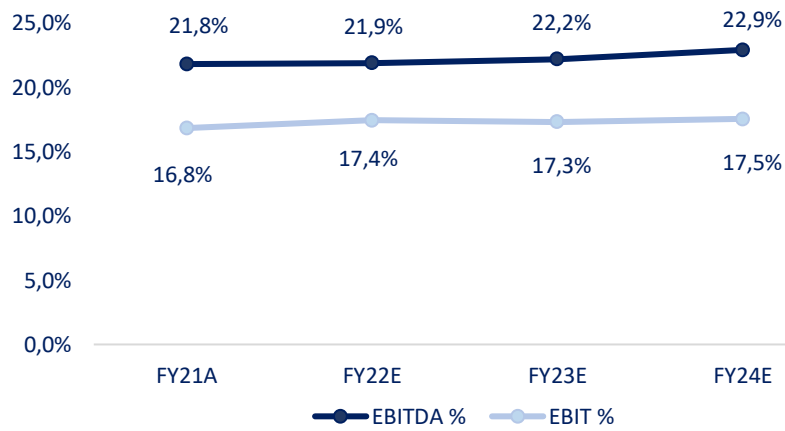
A livello patrimoniale, stimiamo per il 2024E una NFP *cash positive* pari a € 8,27 mln. Per il 2022 e per gli anni successivi, inoltre, ci aspettiamo che la Società continui a distribuire dividendi con un *payout ratio* del 50%.

**Chart 1 – VoP and EBITDA FY21A-24E**



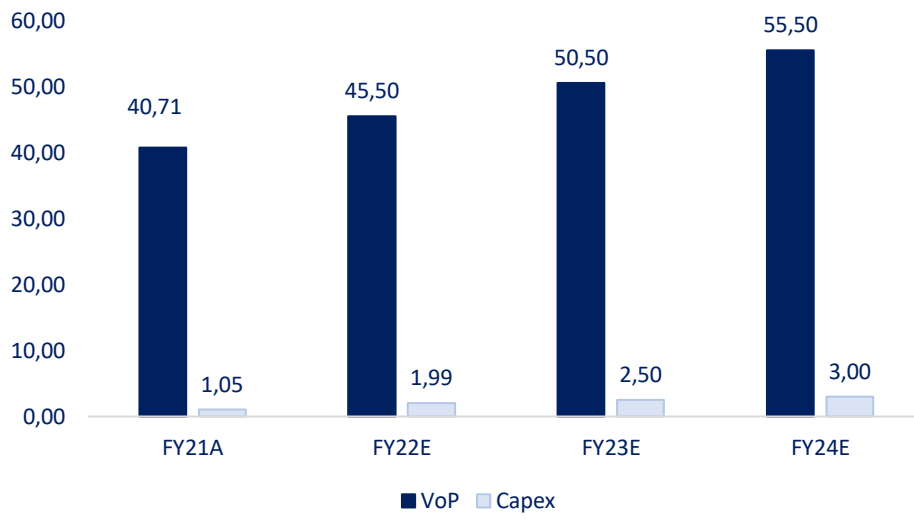
Source: Integrae SIM

**Chart 2 – Margin FY21A-24E**



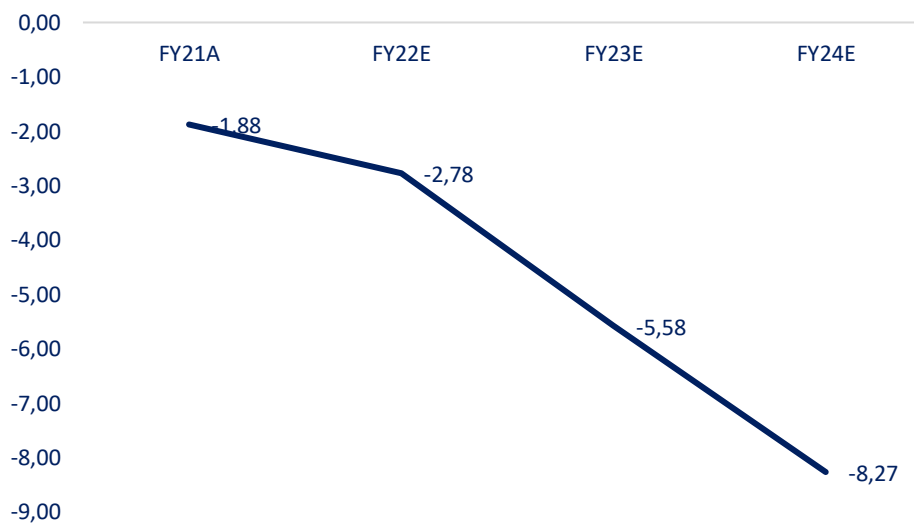
Source: Integrae SIM

**Chart 3 – Capex FY21A-24E**



Source: Integrae SIM

**Chart 4 – NFP FY21A-24E**



Source: Integrae SIM

## 2. Valuation

Abbiamo condotto la valutazione dell'*equity value* di FOPE sulla base della metodologia DCF e dei multipli di un campione di società comparabili.

### 2.1 DCF Method

**Table 4 – WACC**

WACC		6,98%
Risk Free Rate	0,80% $\alpha$ (specific risk)	2,50%
Market Premium	6,42% Beta Adjusted	0,97
D/E (average)	42,86% Beta Relevered	1,26
Ke	9,50% Kd	1,50%

Source: Integrae SIM

A fini prudenziali, abbiamo inserito un rischio specifico pari a 2,5%. Ne risulta quindi un WACC di 6,98%.

**Table 5 – DCF Valuation**

DCF Equity Value		114,1
FCFO actualized	18,7	17%
TV actualized DCF	93,4	83%
<b>Enterprise Value</b>	<b>112,2</b>	100%
NFP (FY21A)	-1,9	

Source: Integrae SIM

Con i dati di cui sopra e prendendo come riferimento le nostre stime ed *assumption*, risulta un *equity value* di **€114,1 mln**.

**Table 6 – Equity Value – Sensitivity Analysis**

€/mln	Growth rate (g)	WACC						
		5,5%	6,0%	6,5%	7,0%	7,5%	8,0%	8,5%
	2,5%	218,8	187,3	163,7	145,4	130,7	118,8	108,8
	2,0%	190,4	166,4	147,7	132,8	120,7	110,5	102,0
	1,5%	169,1	150,2	135,0	122,6	112,3	103,5	96,1
	1,0%	152,6	137,2	124,6	114,1	105,2	97,6	91,0
	0,5%	139,4	126,6	115,9	106,8	99,1	92,4	86,5
	0,0%	128,6	117,8	108,5	100,7	93,8	87,9	82,6
	-0,5%	119,7	110,3	102,3	95,3	89,2	83,9	79,1

Source: Integrae SIM

## 2.2 Market multiples

Il nostro *panel* è formato da società operanti nello stesso settore di FOPE, ma molte hanno capitalizzazione maggiore. Queste società sono le stesse utilizzate per il calcolo del Beta per il *DCF method*. Il *panel* è composto da:

**Table 7 – Market Multiples**

Company name	EV/EBITDA (x)			EV/EBIT (x)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Compagnie Financière Richemont SA	11,5	10,5	10,3	16,0	14,4	13,4
Kering SA	9,3	8,4	7,6	11,7	10,5	9,6
LVMH Moët Hennessy Louis Vuitton SE	12,8	11,6	10,8	16,5	15,0	13,7
Hermès International SCA	26,7	23,7	20,9	30,2	26,8	24,6
Brunello Cucinelli SpA	14,0	12,4	10,8	32,1	26,8	23,0
<b>Peer Median</b>	<b>12,8</b>	<b>11,6</b>	<b>10,8</b>	<b>16,5</b>	<b>15,0</b>	<b>13,7</b>

Source: Infinitals

**Table 8 – Market Multiples Valuation**

€/mln	2022E	2023E	2024E
<b>Enterprise Value (EV)</b>			
EV/EBITDA	125,9	128,5	136,1
EV/EBIT	129,4	129,7	132,5
<b>Equity Value</b>			
EV/EBITDA	128,7	134,1	144,3
EV/EBIT	132,1	135,2	140,8
<b>Equity Value post 25% discount</b>			
EV/EBITDA	96,5	100,6	108,3
EV/EBIT	99,1	101,4	105,6
<b>Average</b>	<b>97,8</b>	<b>101,0</b>	<b>106,9</b>

Source: Integrae SIM

L'*equity value* di FOPE, utilizzando i *market multiple* EV/EBITDA e EV/EBIT risulta essere pari a € 135,9 mln. A questo valore, abbiamo applicato uno sconto del 25%. Pertanto, ne risulta un *equity value* di € 101,9 mln.



## 2.3 Equity Value

**Table 9 – Equity Value**

<b>Average Equity Value (€/mln)</b>	<b>108,0</b>
Equity Value DCF (€/mln)	114,1
Equity Value multiples (€/mln)	101,9
<b>Target Price (€)</b>	<b>20,00</b>

Source: Integrae SIM

Ne risulta un *equity value* medio pari a € 108,0 mln. Il *target price* è quindi di € 20,00 (prev. €15,35). Confermiamo rating BUY e rischio MEDIUM.

**Table 10 – Target Price Implied Valuation Multiples**

Multiples	FY21A	FY22E	FY23E	FY24E
EV/EBITDA	12,1x	10,8x	9,6x	8,4x
EV/EBIT	15,6x	13,5x	12,3x	11,0x

Source: Integrae SIM

**Table 11 – Current Price Implied Valuation Multiples**

Multiples	FY21A	FY22E	FY23E	FY24E
EV/EBITDA	9,1x	8,1x	7,2x	6,3x
EV/EBIT	11,7x	10,1x	9,2x	8,3x

Source: Integrae SIM

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24/09/2020	6,70	Buy	11,80	Medium	Update
26/03/2021	8,55	Buy	13,00	Medium	Update
29/09/2021	12,30	Buy	15,50	Medium	Update
17/01/2022	15,40	Buy	15,35	Medium	Flash Note
02/03/2022	15,40	Buy	15,35	Medium	Flash Note

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Equity Total Return (ETR) for different risk categories			
Rating	Low Risk	Medium Risk	High Risk
BUY	ETR >= 7.5%	ETR >= 10%	ETR >= 15%
HOLD	-5% < ETR < 7.5%	-5% < ETR < 10%	0% < ETR < 15%
SELL	ETR <= -5%	ETR <= -5%	ETR <= 0%
U.R.	Rating e/o target price Under Review		
N.R.	Stock Not Rated		

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