

FOPE GROUP: IN 1H2023 GROWTH IN REVENUES (+25%) AND EBITDA MARGIN (26.2%). NET PROFIT OF 5.6 MILLION EURO, +19% ON 1H2022

- **Revenues:** Euro 34.7 m, +25% (1H2022: Euro 27.7 m)
- **EBITDA:** Euro 9.1 m, +37% (1H2022: Euro 6.6 m); **EBITDA margin** 26.2% (1H2022: 24.0%)
- **EBIT:** Euro 8.1 m, +42% (1H2022: Euro 5.7 m); **EBIT margin** 23.3% (1H2022: 20.6%)
- **Net profit:** Euro 5.6 m, +19% (1H2022: Euro 4.7 m)
- **Net financial position:** 5.0 m (FY2022: cash positive for Euro 1.5 m)
- **Equity:** Euro 34.8 m (FY2022: Euro 33.6 m)

Vicenza, 29 September 2023

Today, the Board of Directors of **FOPE** (FPE:IM), a leading Italian fine jewellery company listed on Euronext Growth Milan, has approved the consolidated half-year report at 30 June 2023 which is subject to limited audit.

Diego Nardin, CEO of **FOPE**: *“The result shows to the Group’s stable growth process in its target markets. As is now well-established in our company’s experience, foreign markets, led by America, substantially generated this result, in this period also with the contribution of the Italian market, which kept pace. In June we opened our own monobrand boutique in Tokyo Ginza, confirming the interesting results recorded in Japan, still a very young market for us. The improvement in the delivery capacity of production processes has positively affected the overall volume of sales, allowing the order book recorded at the beginning of the year to be filled on schedule. The fruitful cooperation with our dealers is proceeding, and we confirm our expectation of a positive closing of the current fiscal year.”*

Main consolidated results at 30 June 2023

Net Revenues stood at Euro 34.7 million. They grew by Euro 7.0 million, +25.4%, compared to 1H2022 (Euro 27.7 million), a comparison which is particularly significant since both periods were unaffected by potential influence caused by the Covid-19 pandemic. The increase in Net revenues is attributable to the growth in the volume of sales orders collected during the first half of the year and the fulfillment of the large order backlog recorded at the end of 2022.

EBITDA amounted to Euro 9.1 million, up by 36.6% compared to 1H2022 (Euro 6.6 million) due to the increase in Net revenues. **EBITDA margin** was 26.2%, up on the 24.0% recorded in 1H2022. The margin level on variable costs was in line with the budget values; overheads did not experience significant changes compared to those recorded in 1H2022.

EBIT stood at Euro 8.1 million, +41.6% compared to Euro 5.7 million recorded in 1H2022, after amortisation and depreciation of Euro 1.0 million (Euro 0.9 million in 1H2022). **EBIT margin** was 23.3%, clearly up on 20.6% in 1H2022.

Pre-tax profit amounted to Euro 7.7 million, +34.5% compared to Euro 5.7 million in 1H2022, after financial costs of Euro 387 thousand (financial income of Euro 16 thousand in 1H2022).

Net Profit stood at Euro 5.6 million, +18.6% compared to Euro 4.7 million in 1H2022, after taxes of Euro 2.1 million (Euro 1.0 million in the first half of 2022).

Net Invested Capital, amounting to Euro 39.8 million (Euro 32.1 million at 31 December 2022), consisted of fixed assets of Euro 14.3 million (Euro 14.2 million at 31 December 2022), Net Working Capital of Euro 28.5 million (Euro 20.7 million at 31 December 2022) and provisions of Euro 3.0 million (Euro 2.7 million at 31 December 2022). The increase in Net Working Capital is mainly attributable to the growth in the inventory stock, amounting to Euro 3.78 million, of which a 74% share refers to fine gold and diamonds, and to the increase in trade receivables of Euro 5.46 million. The increase in trade receivables was physiological and proportional to the increase in Net Revenues.

Net Financial Position amounted to Euro 5.0 million, compared to a cash positive NFP of Euro 1.5 million at 31 December 2022 and net debt of Euro 0.2 million at 30 June 2022. The change in the NFP was mainly affected by the reduction in cash and cash equivalents due to the increase in inventories, as well as the increase in exposure to trade receivables. During the reporting period new loans were taken out for Euro 3.0 million and outstanding loans were repaid for Euro 2.32 million.

Equity was Euro 34.8 million, compared to Euro 33.6 million at 31 December 2022. The change is mainly attributable to the result for the period and the distribution of dividends amounting to Euro 4.3 million approved by the Ordinary Shareholders' Meeting on April 28, 2023.

Significant events following the end of the reporting period and outlook

There were no significant operational events to report following the end of the first half of 2023. On the basis of management's expectations for 2023, a positive result is expected. The results for the first months following the end of the reporting period confirm these forecasts and, consequently, the aforementioned expectations.

The press release is available on the websites www.fopegroup.com and www.linio.it

FOPE (FPE:IM; ISIN IT0005203424) is a historic Italian jewellery company established in Vicenza in 1929 and a leader in the fine jewellery market. With about 60 employees, and a strong international presence (about 90% of its revenues), FOPE pursues a strategic growth project based on expanding and consolidating the brand in the international luxury market by leveraging 4 competitive advantages: product quality, perfect combination of Made-in-Italy craftsmanship and technology, recognisable design, and long-standing customer relationships. FOPE operates globally through a well-established and select network of over 700 stores in 50 countries (with a direct presence in the US, Arab, and UK markets through the subsidiaries FOPE USA Inc., FOPE Services DMCC, and FOPE Jewellery Limited, respectively). The business model focuses on maintaining direct business relationships with multi-brand jewellery retailers (either independent or part of groups) that specialise in luxury products such as fine jewellery and watches. FOPE does not work with intermediaries: instead, it enters into direct partnerships that ensure the loyalty and reliability of the customer/retailer as well as an outstanding after-sale service. In 2015, the Company opened its first mono-brand store in Venice's Piazza San Marco and in 2019 a flagship boutique in the prestigious Old Bond Street in London. The entire production cycle—from prototyping to the shipping of finished jewels to over 50 countries—takes place inside the headquarters in Vicenza. FOPE's investments in R&D have led to an extremely high level of standardisation and automation, with proprietary technology that allows to optimise processes and times in order to deliver products of world-class quality. FOPE's jewels range from timeless classics featuring the iconic Novecento mesh to the more recent Flex'it lines, which include the original bracelets made flexible thanks to a patented system of tiny gold springs embedded in the mesh—strikingly elegant collections that always stand out in terms of comfort and portability. FOPE has obtained the voluntary TF (*Traceability & Fashion*) certification and is a certified member of the *Responsible Jewellery Council*. Since 2017 it has drawn up the Sustainability Report adopting the GRI standards.

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CONSOLIDATED INCOME STATEMENT

Euro	30/06/2023	30/06/2022	Change
Revenue	34,677,637	27,664,613	7,013,024
Other revenue and income	352,433	200,730	151,703
External costs	23,099,376	19,059,982	4,039,394
Added value	11,930,694	8,805,361	3,125,333
Personnel costs	2,847,971	2,156,568	691,403
EBITDA	9,082,723	6,648,793	2,433,930
Depreciation and amortisation	996,435	938,356	58,079
EBIT	8,086,288	5,710,437	2,375,851
Financial income and charges	(386,947)	16,022	(402,969)
Pre-tax profit	7,699,341	5,726,460	1,972,881
Earnings before Tax	2,124,466	1,025,971	1,098,495
Net profit	5,574,875	4,700,490	874,385

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CONSOLIDATED BALANCE SHEET

Euro	30/06/2023	31/12/2022	Change
Net intangible fixed assets	3,294,272	3,041,035	253,237
Net tangible fixed assets	10,016,576	9,974,191	42,385
Holdings/equity and other financial fixed assets	977,428	1,138,729	(161,301)
Non-current assets	14,288,276	14,153,955	134,321
Warehouse stock	17,707,295	13,922,637	3,784,658
Trade receivables	17,819,935	12,361,591	5,458,344
Current receivables	3,605,179	3,097,071	508,108
Cash flow hedging op. cr. position	208,286	132,082	76,204
Short-term assets for the year	39,340,695	29,513,381	9,827,314
Trade payables	4,725,913	4,688,627	37,286
Current liabilities	6,079,479	4,102,494	1,976,985
Short-term liabilities for the year	10,805,392	8,791,121	2,014,271
Net working capital	28,535,303	20,722,260	7,813,043
Severance pay fund	(1,249,841)	(1,186,417)	(63,424)
End-of-mandate indemnity fund and other funds	(1,065,487)	(1,076,534)	11,047
Expected cash flow hedging op. fund	(697,911)	(473,647)	(224,264)
Provisions for risks and non-current charges	(3,013,239)	(2,736,598)	(276,641)
Total assets	39,810,340	32,139,617	7,670,723
Share capital and equity reserve	(35,125,022)	(33,805,375)	(1,319,647)
Expected cash flow hedging op. reserve	287,486	164,769	122,717
Shareholders' equity	(34,837,536)	(33,640,606)	(1,196,930)
Medium to long-term financial position	(5,088,936)	(4,997,325)	(91,611)
Short-term financial position	116,131	6,498,315	(6,382,184)
Net financial position	(4,972,805)	1,500,990	(6,473,795)
Equity and net financial position	39,810,341	32,139,616	7,670,725

CONSOLIDATED NET FINANCIAL POSITION

Euro	30/06/2023	31/12/2022	Change
Net position short Bank reports and cash values	5,714,829	11,503,771	(5,788,942)
Convertible bond (POC)	0	0	0
Short-term financial position	(5,598,698)	(5,005,456)	(593,242)
Net short-term financial position	116,131	6,498,315	(6,382,184)
Convertible bond (POC)	0	0	0
Medium to long-term financial position	(5,088,936)	(4,997,325)	(91,611)
Net financial position	(4,972,805)	1,500,990	(6,473,795)

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CONSOLIDATED CASH FLOW STATEMENT

Cash Flows	30/06/2023	31/12/2022	Change
Profit for the year	5,574,875	10,832,162	(5,257,287)
Portion of amortisation	996,435	1,919,114	(922,679)
Change in severance pay and end-of-mandate indemnity funds	84,299	(336,624)	420,923
Gross self-financing	6,655,609	12,414,652	(5,759,043)
Change in trade receivables	(5,483,811)	(3,039,977)	(2,443,834)
Change in other short-term receivables	(390,100)	(1,953,904)	1,563,804
Change in inventories	(3,784,658)	(3,613,828)	(170,830)
Change in short-term payables	2,007,814	888,129	1,119,685
Changes in net working capital	(7,650,755)	(7,719,580)	68,825
Cash flow generated by operations	(995,146)	4,695,072	(5,690,218)
Change tangible and intangible fixed assets	(1,292,057)	(2,258,323)	966,266
Change financial fixed assets	43,293	(892,180)	935,473
M/L term financing reimbursement	(2,315,147)	(4,356,236)	2,041,089
Uses of financing	(3,563,911)	(7,506,739)	3,942,828
Financing acquisition	3,000,000	4,000,000	(1,000,000)
Convertible bonds issue	0	0	0
Changes shareholders'equity reserve	(4,255,228)	(2,312,039)	(1,943,189)
Sources of financing	(1,255,228)	1,687,961	(2,943,189)
Cha. expected cash flow hedging op. cr. pos.	(76,204)	662,911	(739,115)
Cha. expected cash flow hedging op. fund	224,264	451,716	(227,452)
Cha. expected cash flow hedging op. reserve	(122,717)	(721,379)	598,662
Cha. expected cash flow hedging op. positions	25,343	393,248	(367,905)
Net cash flow	(5,788,942)	(730,458)	(5,058,484)
Net position banking relationships as at 30/06/2023	4,714,829		
Net position banking relationships as at 31/12/2022	10,503,771	10,503,771	
Net position banking relationship as at 30/06/2022			
Net position banking relationships as at 31/12/2021		11,234,228	
Change in net financial position	(5,788,942)	(730,457)	(5,058,485)