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TP ICAP MIDCAP

EQUITY RESEARCH

FOPE S.P.A
INITIATION OF COVERAGE

BUY
TP 70.0€
Up/Downside: 28%

Lord of the Jewels

FOPE, a historic Italian jewellery maison founded in 1929 in Vicenza, offers a rare combination in listed luxury: a double-digit growth trajectory (revenue CAGR of +18% over 2019-25) that has translated into a total shareholder return of over 19x since the 2016 IPO, a differentiating proprietary technology (Flex'it), a gold-risk management approach that protects absolute margin, and solid cash generation (around €10m net cash). In our view, FOPE brings together the attributes of a future leading player in the sector: heritage, craftsmanship and ambition. BUY, TP €70.0 (+28% upside).

A PREMIUM JEWELLERY BRAND WITH INTERNATIONAL REACH. FOPE designs and distributes high-end 18-karat gold jewellery collections under an *everyday luxury* positioning. Founded in 1929 in Vicenza and led by the Cazzola family across four generations, the maison relies on its iconic Flex'it flexible mesh and on a selective international network spanning 50+ countries (~87% of sales generated abroad).

A STRONG INDUSTRIAL AND COMMERCIAL EDGE. FOPE's positioning rests on four pillars: **(i)** the **patented Flex'it technology** (a significant technological barrier); **(ii)** an **end-to-end integrated value chain** based in Vicenza; **(iii)** an **asymmetric gold risk management framework**; and **(iv)** a **selective wholesale model** (~650 directly-managed multibrand points of sale).

A DEFENSIVE POSITIONING AT THE HEART OF LUXURY POLARIZATION. In a sector penalized by contracting *aspirational* demand, FOPE benefits from a targeted exposure to the **"Absolute" and "Top-tier"** segments of the *consumer pyramid*, which are structurally less cyclical. Jewellery also stands out as the personal luxury category with the most solid medium-term growth prospects.

A NEW STRATEGIC CHAPTER: THE 2029 PLAN. The 2029 Targets (revenue €145-150m, EBITDA €33-35m) imply a ~12-13% CAGR, **set at constant gold prices**. Growth will be evenly split between consolidated markets and new markets, with **entry into China**, the opening of a **French subsidiary**, and the **monobrand network roll-out** (6 boutiques, including Milan Via Sant'Andrea) as structural growth levers.

AN ATTRACTIVE VALUATION. Our DCF (FCFF) yields a **TP of €70.0** (+30% upside). At current levels, FOPE trades at a ~20% discount on 2026e EV/EBITDA multiples versus the most relevant comparable clusters. On top of this comes an **implicit M&A optionality** (proprietary technology, heritage), fully aligned with the *bolt-on* rationale of the large luxury groups.

Key data	
Price (€)	54.5
Industry	Luxury
Ticker	FPE-MIL
Shares Out (m)	5.435
Market Cap (m €)	296.2
Average trading volumes (k shares / day)	0.000
Next event	H1 2026 - 25.09.2026

Source: FactSet

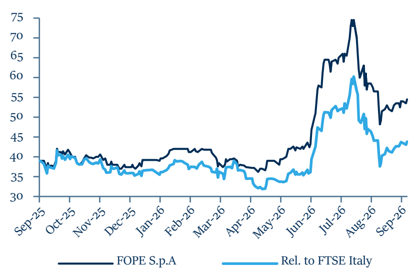
Ownership (%)	
Ines Cazzola (Founder's Family)	34.2
Umberto Cazzola (Founder's Famil	22.5
P4P International Spa	12.3
Free float	30.9

Source: TPICAP Midcap estimates

EPS (€)	12/26e	12/27e	12/28e
Estimates	2.49	3.15	3.74
Change vs previous estimates (%)	na	na	na

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	1.9	-3.5	39.0
Rel FTSE Italy	1.8	-0.6	20.7



Source: FactSet

TP ICAP Midcap Estimates	12/25	12/26e	12/27e	12/28e
Sales (m €)	93.6	115.1	136.4	152.1
Current Op Inc (m €)	17.5	20.5	25.6	30.1
Current op. Margin (%)	18.7	17.8	18.8	19.8
EPS (€)	2.11	2.49	3.15	3.74
DPS (€)	1.10	1.24	1.57	1.87
Yield (%)	2.0	2.3	2.9	3.4
FCF (m €)	11.4	3.7	7.5	12.9

Valuation Ratio	12/26e	12/27e	12/28e
EV/Sales	2.5	2.1	1.9
EV/EBITDA	11.8	9.4	7.8
EV/EBIT	14.1	11.2	9.4
PE	21.9	17.3	14.6

Source: TPICAP Midcap

Consensus FactSet - Analysts:4	12/26e	12/27e	12/28e
Sales	114.8	136.5	165.0
EBIT	21.7	26.8	33.0
Net income	14.6	18.5	23.0

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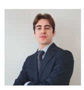


Description

FOPE S.p.A. specializes in the design, manufacturing, and distribution of high-end fine jewelry, blending nearly a century of Italian craftsmanship with proprietary industrial technology. Founded in 1929 in Vicenza — Italy's historic goldsmithing district — and led by the Cazzola family for three generations, the group has successfully evolved from a traditional artisanal workshop into an internationally recognized luxury brand, listed on Euronext Growth Milan since 2016. Leveraging its patented Flex'it technology — micro-springs in 18-karat gold embedded within a flexible mesh — FOPE has built a distinctive positioning within the "everyday luxury" segment, combining timeless design with unmatched wearability. The group operates through a selective wholesale network of approximately 650 multi-brand points of sale across around 50 countries, complemented by a growing portfolio of monobrand boutiques in strategic global locations. By pairing an end-to-end integrated value chain, entirely based in Vicenza, with disciplined capital allocation and a strong family stewardship, FOPE has developed a resilient, high-margin business model where heritage, innovation, and profitability coexist.

SWOT Analysis

Strengths

- Consistent top-line growth over the past decade, significantly outperforming the underlying jewellery market, while progressively consolidating its presence in key mature markets such as Italy, Germany and the UK. This combination of scale-up and geographic diversification provides a solid foundation for further international expansion.
- The company benefits from a stable governance structure, with continued involvement of the founding family and a CEO with long-standing tenure. This ensures strong strategic continuity, disciplined capital allocation and a clear “skin in the game”, which we view as particularly valuable in a business driven by brand equity and long-term positioning.
- FOPE’s patented Flex’it technology and proprietary chain construction represent a unique differentiating factor within the luxury jewellery space, combining design recognisability with technical complexity. This creates a significant barrier to entry and underpins the brand’s positioning in the “everyday luxury” segment, reducing direct comparability with other players.
- The group exhibits robust cash generation and a net cash position, allowing it to fully self-finance its growth strategy. This provides flexibility to accelerate investments in retail, marketing and international expansion without relying on external leverage, a key advantage in the current phase of strategic transition.

Weaknesses

- Relatively niche brand, with limited recognition among the broader luxury consumer base compared to major global maisons. This reflects its historical B2B positioning and may act as a constraint on growth acceleration, particularly in the context of direct-to-consumer expansion.
- The current organization, historically optimized for a wholesale-driven model, remains relatively lean relative to the group’s growth ambitions. The shift towards a more retail-oriented model will require further strengthening of capabilities, particularly in marketing, e-commerce and retail network management.
- The business remains heavily dependent on multibrand retailers, limiting control over the customer experience, access to end-consumer data and the ability to develop direct, long-term customer relationships
- FOPE remains exposed to a structural dilution effect on percentage margins in periods of rising gold prices, which may introduce some short-term volatility in reported profitability.

Opportunities

- FOPE benefits from substantial expansion potential across high-growth geographies, notably in South-East Asia and China, as well as in the United States where market penetration remains relatively low despite strong recent traction.
- The planned expansion of directly-operated and franchised monobrand stores — including the upcoming flagship in Via Sant'Andrea (Milan) — represents a key opportunity to enhance brand globality, strengthen pricing power and support FOPE's progression towards "Tier 2" luxury jewellery players (e.g. Boucheron, Pomellato)
- FOPE could represent a potential acquisition target for major luxury groups, in line with recent transactions in the sector (e.g. Richemont's acquisition of Buccellati or Vhernier), where niche high-end jewellery brands have been integrated into larger platforms.
- The development of new product categories beyond the core bracelet offering — supported by the monobrand strategy — provides scope to increase average ticket size and customer lifetime value, while enhancing FOPE's positioning as a broader lifestyle jewellery brand

Threats

- A sustained increase in gold prices may lead to a dilution of percentage margins, despite the group's ability to preserve absolute profit per piece through its hedging and pricing strategy.
- The increase in marketing spending, required to support brand awareness, may not translate into immediate revenue growth, potentially weighing on short-term profitability.
- Entry into complex markets such as China requires significant upfront investments with limited short-term visibility on returns, which could impact growth trajectory if execution falls short of expectations.
- The company's relatively low free float (7,4%) may result in higher share price volatility and limited liquidity.

Investment Case

1 - A structural tailwind meeting a positioning built for it

The most compelling angle of the FOPE thesis is the **alignment between where the market is heading and where the group already operates**. As aspirational demand contracts and luxury spending concentrates at the top of the *consumer pyramid*, jewellery emerges as the **most attractive personal luxury category** on a medium-to-long-term view (BCG/Altagamma, McKinsey), supported by its intrinsic store-of-value characteristics and the *«less but better»* consumer paradigm. **FOPE sits precisely at that intersection**: an *«Absolute»* to *«Top-tier»* client base and a jewellery-only pure-play profile. Three concrete near-term catalysts crystallize this alignment:

(i) **China market entry** (~1/3 of global jewellery demand, previously uncovered) — first store expected in H2 2026.

(ii) **The roll-out of six single-brand boutiques** (including Milan Via Sant'Andrea) (TP ICAP estimate), marking the transition from a pure wholesale model to a hybrid one.

(iii) **Opening of the French subsidiary**, unlocking a European market historically underdeveloped.

2 - A financial model engineered for resilience, not just growth

FOPE's growth story is well established (**revenue CAGR of +18% over 2019-25, over 2x the branded jewellery market**), but we see the **quality of cash generation and built-in defensiveness** as the more distinctive feature. Three points stand out:

- **Track record of shock absorption**: EBITDA margin at end-2025 (21.9%) sits *above* 2019 pre-pandemic level (19.4%), despite gold nearly tripling — a resilience few luxury peers can match.
- **2026 Acceleration**: our +17% revenue growth estimate stands well above sector medians (~+5%); EBITDA expected at **€34m by 2029 (~22% margin).**
- **Self-Funded Business Plan**: ~€30m of annual OCF fully covers the 2029 investment plan **with no leverage**, while sustaining a meaningful dividend policy.

3 - Valuation gap, capital return track record, and embedded M&A optionality

FOPE trades at **11.6x EV/EBITDA 2026** and **13.8x EV/EBIT 2026**, below the hard-luxury peer median (14.4x and 23.7x). **The discount widens on forward multiples** (**-34% and -47% by 2028**), reflecting the market's failure to price in the acceleration embedded in our estimates. We consider this discount structurally unwarranted, given FOPE's superior growth trajectory and more defensive positioning within the luxury spectrum.

- **DCF-derived TP of €70,0**, implying 15,3x 2026e EV/EBIT — still well under the sector median, hence conservative (with 35% discount).
- **Exceptional Shareholder Track Record**: **+21x total return since 2016 IPO** and ~€28m cumulative dividends distributed.
- **Implicit M&A Optionality**: FOPE ticks every box valued by luxury conglomerates (heritage, proprietary technology, verticalized manufacturing) — in a phase when majors are actively expanding hard-luxury portfolios (**Buccellati, Vhernier, Tiffany at ~16.6x EV/EBITDA**). Not incorporated into our TP, but constitutes a potential re-rating catalyst and downside protection.

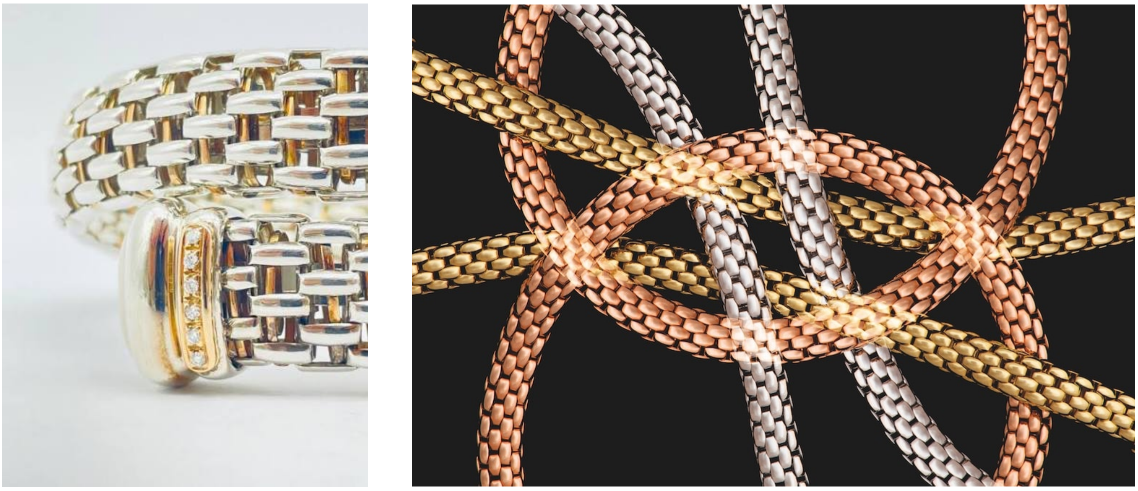
Chapter 1 : History and Corporate Identity

(1.1) A structural tailwind meeting a positioning built for it

FOPE draws its roots from the **Italian goldsmith tradition**, with a history dating back to **1929**, when **Umberto Cazzola** (grandfather of the current Chairman Umberto Cazzola) opened an artisanal workshop in **Vicenza** under the name **Fabbrica Italiana Cinturini Metallici (FICM)**. From the outset, the business specialized in the **production of extensible metal watch bracelets**, marking the beginning of a manufacturing tradition built on the combination of **artisanal craftsmanship and mechanical engineering**.

In **1960**, Odino Cazzola, the founder's son, created the **FOPE brand** and steered the business toward the export of gold cases and bracelets for the high-end watchmaking sector, marking the transition from a local artisan workshop into an internationally oriented player. In the 1970s, Cazzola family extended the business into own-brand jewellery and introduced the **Novecento mesh**, which remains today one of the defining features of FOPE's design language.

Chart 1 : The "Novecento" Mesh: FOPE's signature design element



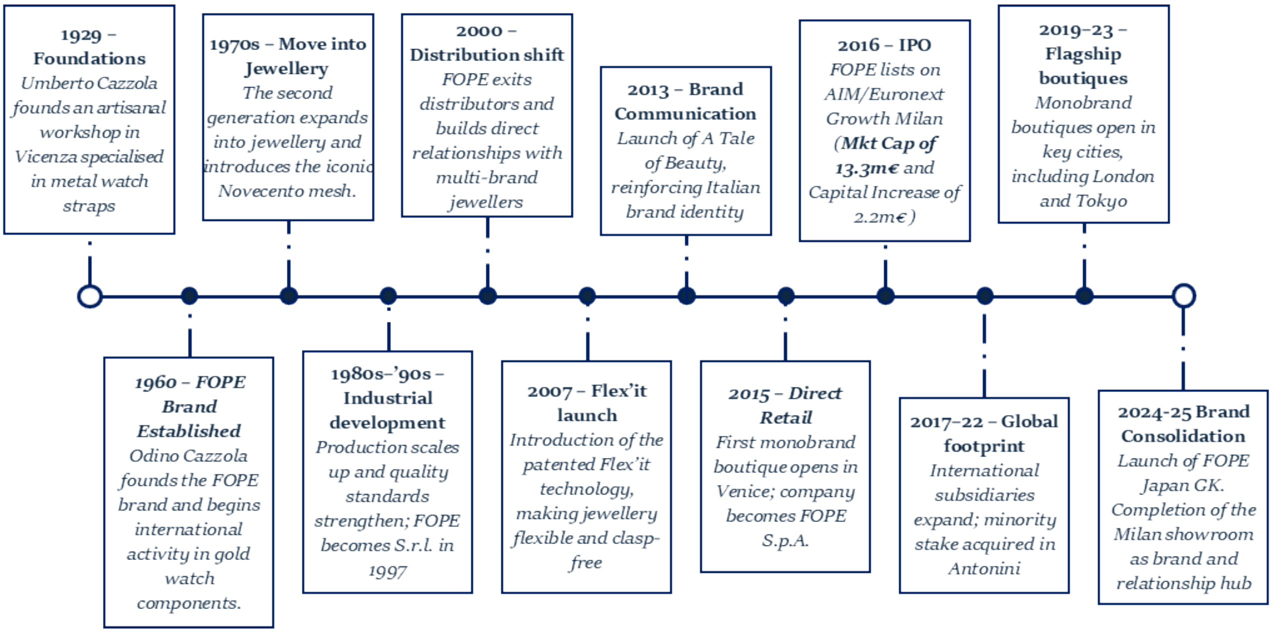
Source: TP ICAP, Company Data

In the 1980s, the product portfolio was consolidated with the introduction of more structured production and quality standards; in **1997**, the company was transformed into FOPE S.r.l. From 2000, FOPE redefined its commercial model by phasing out intermediary distributors and strengthening its **direct relationship with multi-brand jewellery retailers**.

In **2007**, the launch of the patented **Flex'it** technology marked a major product turning point, giving the group a unique technical differentiator in the luxury jewellery segment. In parallel, the internationalisation process accelerated, with a progressively greater weight of foreign markets and a marked strengthening of brand positioning from 2013.

The journey was completed over **2015–2016**, with the opening of the first single-brand boutique in Venice, the conversion into a joint-stock company (Società per Azioni) and the **listing on AIM / Euronext Growth Milan**, which cemented the group's evolution into a listed family business and provided the platform needed for its subsequent international development. At the IPO, the company raised **€2.2m**, for a post-money market capitalisation of **€13.3m**.

Chart 2 : Timeline: from FOPE's foundation to today



Source: TP ICAP, Company Data

Since its listing in November 2016, FOPE has delivered a solid and consistent growth track record. Consolidated net revenues rose from around **€31m** in 2016 to **€94m** in 2025, corresponding to a CAGR of approximately **+13.1%** over 2016–2025. EBITDA rose from around **€6m** in 2016 to **€21m** in 2025, a CAGR of **+14.6%** — above revenue growth, reflecting a **gradual improvement in operating efficiency** and the **inherent operating leverage** of the model.

Chapter 2 : Innovation and Technological Expertise

FOPE stands out in the contemporary jewellery landscape through a product with a **strong brand identity**, built around distinctive elements combining design, technological innovation and manufacturing tradition. At the heart of its stylistic language lies a **principle of synthesis and repetition**, which recalls, by analogy, minimalism: the FOPE piece indeed rests on organic, repetitive modules, expressed through the **Novecento mesh**, the **Flex'it** technology and the blending of different gold colours.

(2.1) Proprietary Technology and Structural Differentiation

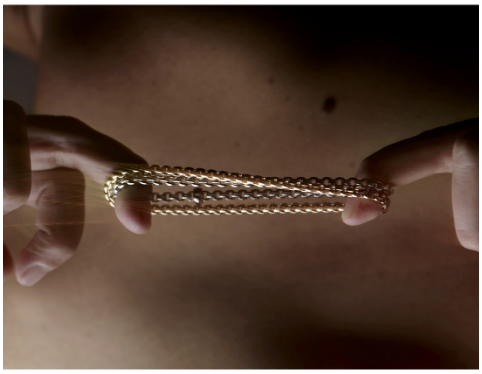
At the heart of FOPE's product innovation lies the Novecento mesh, a soft and fluid structure obtained by assembling individual elements without any welding. Beyond its distinctive aesthetic role, this mesh forms the technical foundation on which one of the group's key innovations was developed: the patented **Flex'it** system, introduced in 2007.

Flex'it technology represents today the cornerstone of FOPE's differentiating positioning. It is based on the integration of micro-springs in 18-karat gold inside the mesh, enabling the creation of jewellery that is both flexible and elastic while being fully crafted in gold. This innovation – at the crossroads of jewellery and engineering – notably removes the need for traditional clasps and offers a significantly enhanced user experience, with pieces that are both comfortable and easy to wear on a daily basis. It thus firmly anchors FOPE within the *«everyday luxury»* segment, offering pieces with high wearability and low stylistic obsolescence.

Beyond the product itself, **Flex'it also constitutes a process innovation**. Manufacturing, entirely located in Vicenza, relies on a close interaction between artisanal know-how and advanced automation systems, ensuring quality, precision and scalable reproducibility. The in-house development of dedicated machinery for the production of the elastic mesh has enabled the group to strengthen its technical capabilities and to erect **significant barriers to entry**, hard to replicate by competitors.

The Luna collection offers a recent illustration of this innovation capability. Regarded as one of the most refined expressions of Flex'it technology, it combines the quadrangular structure of the mesh with circular shapes, symbolizing a search for balance between technique and design. Its development, spanning around 18 months, illustrates the complexity of the innovation process, from designing new mesh architectures to adapting the industrial tools required for their production.

Chart 3 : Flex 'it technology and flexible mesh



Source: Company Data

(2.2) Product Range

FOPE's product portfolio is structured as an integrated, coherent and highly defensible ecosystem, built around proprietary technological platforms — notably the patented **Flex'it** technology and the **Novecento mesh** — which act as fundamental building blocks at both the industrial and stylistic level. These technologies do not merely define the brand's identity: they also create structural barriers to entry, difficult to reproduce, reinforcing the group's control over design, production and quality.

The portfolio logic rests on a deliberate balance between three strategic axes. First, core collections with high rotation ensure commercial recurrence and brand visibility. Second, a progressive move up-market relies on more distinctive lines with higher design content, contributing to a higher average selling price and reinforcing brand identity. Finally, a strategic optionality component — through customization, modularity and unique pieces — targets a more demanding clientele and supports pricing power.

Within this framework, **FOPE adopts a clearly differentiated positioning relative to major traditional maisons** (such as Cartier or Bulgari), through an *everyday luxury* approach. Made in 18-karat gold, the jewellery pieces are designed for daily wear, combining comfort, flexibility and ease of use thanks to Flex'it technology. This proposition allows the group to operate at a relatively accessible entry point (starting from around €2.6k for bracelets and necklaces), while sustaining high margin levels, supported by vertical integration and technological excellence.

This gives rise to a **portfolio structured around complementary strategic clusters, each playing a specific role in value creation:** from highly scalable core lines, to more iconic collections that act as brand-elevation drivers, through to more modular offerings that enable personalisation and strengthen customer relationships and monetisation potential. This architecture allows FOPE to optimise the trade-off between volumes and margins, while supporting a coherent and relatively asset-light international growth trajectory.

Chart 4 : Product portfolio architecture and value creation drivers

Collections et caractéristiques	Collection Incluses	Rôle du Produit	Client cible/ Usage	Pricing
Franchise Coeur (Everyday Luxury)	**Aria, Prima, Essentials, Solo** 	**Base de volumes, stabilité et visibilité des revenus ;** acquisition et fidélisation des clients	**Clientèle Aisée Aspirante ;** port quotidien, auto-achat	**Moyen-Haut** (l'or 18 carats et Flex'it justifient un positionnement premium par rapport au mass premium)
Moteurs de Croissance (Premiumisation)	**Eka, Love Nest, Vendôme, Luna, Super Eka** 	**Hausse de l'ASP et des marges ;** renforcement de la brand equity	**Clientèle Aisée / HNW ;** cadeaux et occasions spéciales	**Haut** (design emblématique + complexité manufacturière)
Plateformes d'innovation	**Panorama You, Bubble Rings, Souls** 	**Capture des méga-tendances** (personnalisation, joaillerie émotionnelle) ; engagement et rétention	**Clientèle Value-Driven ;** cadeaux personnalisés, couple, stacking	**Haut** (prime de personnalisation et de modularité)
Extension de marque / Optionalité	**Montedoria, Eka San Marco (limited/unique pieces)** 	**Effet halo ;** test d'innovations ; PR et désirabilité de marque	**Clientèle UHNW ;** collectionneurs	**Très Haut** (rareté e unicité)

Source: TP ICAP, Company Data

Chapter 3 : An Integrated Business Model, a Source of Entry Barriers

Unlike many of its peers — including larger players — FOPE has built over time a business model resting on **two fundamental strategic pillars**: on one hand, the **direct and near-full control of the industrial value chain** (from product design to raw material risk management); on the other hand, a **pure wholesale distribution model**, based on direct relationships with around **650 selected multibrand points of sale worldwide**, with no reliance on intermediary distributors.

In our view, this industrial and commercial architecture is one of the key foundations of the model's resilience and of its ability to generate a structurally healthy and sustainable margin.

(3.1) An End-to-End Integrated Value Chain

As previously mentioned, FOPE has made its proprietary **flexible mesh** technology the **core of its value proposition**. **The design and development of collections are entirely carried out in-house**, with an approach favouring the continuous evolution of the mesh over the logic of traditional seasonal collections. This distinctive capability rests largely on a **management team with strong sector-specific technical expertise** and on manufacturing skills consolidated within the founding family.

The entire manufacturing activity — from mesh working through to final quality control — **is fully located at the Vicenza headquarters**, where the group employs around 95 staff (2025 figure). This direct control ensures:

- **Absolute quality consistency across every piece produced**, a fundamental requirement for a brand positioned in the premium segment (18-karat gold);
- **Effective protection of the patented know-how** related to the Flex'it mesh, which constitutes a technological barrier difficult to replicate;
- **High industrial flexibility**, enabling the group to rapidly adjust production to shifts in demand by market or category, without reliance on external subcontractors.

Industrial vertical integration also translates into the **fully internalized management of the main process steps**:

- **Prototyping and jewellery design**: a team of specialized designers and goldsmiths develops new collections, consistently with the brand's *Everyday Luxury* philosophy, following a logic of stylistic continuity and deliberate sobriety;
- **Shaping and assembly**: always carried out in Vicenza, these steps rely on highly automated equipment for the extrusion and processing of 18-karat gold — alloyed with other metals (silver, copper, etc.) to reduce its natural ductility. The jewellery structure is then assembled and subjected to additional treatments;
- **Soldering and finishing**: these steps — often outsourced by other players in the sector (notably to specialized workshops within the Vicenza and Valenza districts) — are entirely performed in-house and manually by specialized goldsmiths.

FOPE also carries out the **in-house production of certain key components of the equipment** used in the assembly of jewellery, thereby limiting the dispersion of know-how and reinforcing control over the entire industrial process.

One of the most distinctive — and often underestimated — features of FOPE's business model lies in its **advanced management of raw material risk**, particularly gold.

The group implements a **forward hedging strategy on gold**, based on the volumes budgeted at the beginning of the year, which we will analyze in greater detail later on. This policy — which we describe as an **"asymmetric margin protection" mechanism** — allows FOPE to:

1. **Stabilize working capital requirements** and limit exposure to volatility shocks in the gold price (which fluctuated between $1,700/oz and over $2,000/oz over 2020–2025);

2. **Keep list prices stable over prolonged periods** (revisions are typically annual), a key element for preserving **commercial credibility with retailers**, who can thus plan orders and margins without the risk of pricing obsolescence;

3. **Asymmetrically benefit from phases of declining gold prices**, through a temporary expansion of margins.

A similar logic is applied to currency risk management, through forward hedging operations on USD, EUR and other major currencies tied to the group's key markets (United States, South Korea, Japan).

(3.2) A Wholesale Distribution Model Built on Direct Relationships and Selectivity

FOPE's distribution model relies on a **direct wholesale channel**, which accounts for around **98% of consolidated revenues**. Since 2000, the group has chosen to eliminate any form of intermediation (agents, distributors, local importers) and to directly manage the commercial relationship with its end partners — namely **selected multibrand jewellery retailers and department stores**.

The model is structured around three complementary components:

- **Authorized dealers (B2B)**: multibrand jewellery retailers distributing FOPE products, with a particularly structured and successful presence in the United States and Germany. This channel remains the historical backbone of the model and continues to be the main contributor to Group sales.

- **Hybrid model (shop-in-shop and shared-management monobrand)**: this model represents a **strategic bridge between traditional wholesale and direct retail**, allowing FOPE to strengthen its brand visibility and *brand equity* without bearing the full fixed costs of a fully owned store. It comes in three complementary formats:

    - **Shop-in-Shops** are brand-dedicated corners (a single display case), integrated within multi-brand points of sale. FOPE currently has around 90 worldwide. They provide a first level of brand visibility within the retailer network at a limited cost (for example, Bloomingdale's in the US).

    - **Concession Areas** represent a more advanced format: these are larger dedicated spaces whose layout, furnishing and visual identity are entirely designed by FOPE, offering a sales environment fully consistent with the brand's codes, while benefiting from the natural footfall of the partner department stores. FOPE bears the fit-out capex, while the retailer handles operational management and sales. Emblematic examples include Printemps (Paris) and Takashimaya (Tokyo).

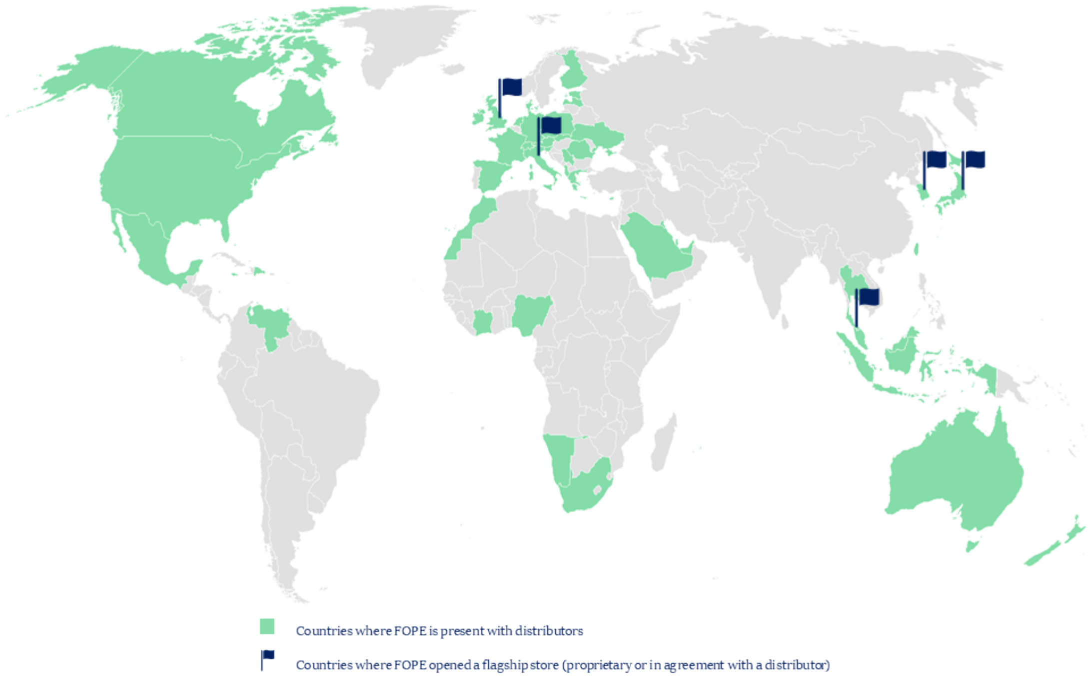
- **The shared-management monobrand boutique model represents a further evolution**: a leading authorized dealer takes responsibility for the opening and operational management of a FOPE-dedicated boutique, leveraging its local expertise and bearing most of the fixed costs (rent, staff, day-to-day operations). FOPE contributes to the initial capex (design, furniture, layout) while retaining direct control over the brand strategy, product mix and communication. This model — both capital-light and highly effective in terms of brand awareness — has proven successful at iconic locations such as **Old Bond Street (London), Kuala Lumpur and Tokyo**.

Chart 5 : FOPE's shared-management monobrand boutiques (London, Tokyo, Kuala Lumpur)

Source: TP ICAP, Company Data

- **Fully-owned monobrand boutiques (B2C)**: this is the most recent format in FOPE's deployment, structurally less profitable in the short term — due to higher fixed costs and the ramp-up phase — but with strong impact in terms of brand awareness, proximity to the end customer and value capture. It is precisely for this reason that the development of this format constitutes **one of the pillars of the group's strategic priorities for the coming years**.

Chart 6 : A diversified geographical footprint



Source: TP ICAP, Company Data

The wholesale network shows a significant degree of concentration, albeit spread across a relatively broad customer base. The top 50 customers alone account for around 50% of consolidated revenue:

- **Strong dependence on a limited number of strategic key accounts**;
- **Long-term commercial relationships**, requiring continuous support in marketing, events and sell-out activities;
- **Elevated bargaining power of the main dealers**, potentially influencing commercial terms and sell-in dynamics.

Unlike many traditional wholesale models – where it is the dealer who autonomously decides which brands to display – **FOPE directly selects the points of sale in which it wishes to be present**. This approach allows the group to:

- **Preserve the brand's premium positioning**, by avoiding channels or locations deemed inconsistent with the "quiet luxury" image that FOPE seeks to convey;
- **Build a qualitative rather than quantitative network**, by favouring high-end jewellery retailers and selected department stores (e.g. Printemps, Bloomingdale's);
- **Co-design commercial strategies with the authorized dealer**, through shared marketing initiatives, local events and the deployment of dedicated shop-in-shops, which reinforce the brand's visibility at the point of sale.

On the retailer's side, the model remains classic: it purchases the product, resells it in its multi-brand space (while maintaining the FOPE brand) and manages the relationship with the end customer. **FOPE does not intervene directly in the B2C relationship** – with the exception of its own single-brand boutiques, **which represent around 2% of revenue** – but bears the bulk of the marketing and communication costs aimed at stimulating end-consumer demand and generating traffic to partner points of sale.

(3.3) The Limits of a B2B Model: an Early-Stage Shift Toward the End Consumer

FOPE has historically been a purely B2B business, built around the relationship with the authorized dealer rather than with the end consumer. Only in recent years, with the first monobrand store openings and the gradual reinforcement of marketing and communication activities, has the group begun to build a more direct relationship with the customer. This process remains, however, at an early stage, highlighting some structural limitations intrinsic to the current model.

The absence of a scaled proprietary retail network has effectively prevented the group from building direct loyalty programmes with consumers and from collecting behavioural data useful for developing a one-to-one relationship — an inherently complex task when the near-totality of sales flows through dealers who retain ownership of the transaction and control over the end-customer relationship. Similarly, e-commerce has not been a strategic priority until recently: while FOPE operates its own online channel, the investment into a structured digital presence is still under development and does not contribute meaningfully to revenues.

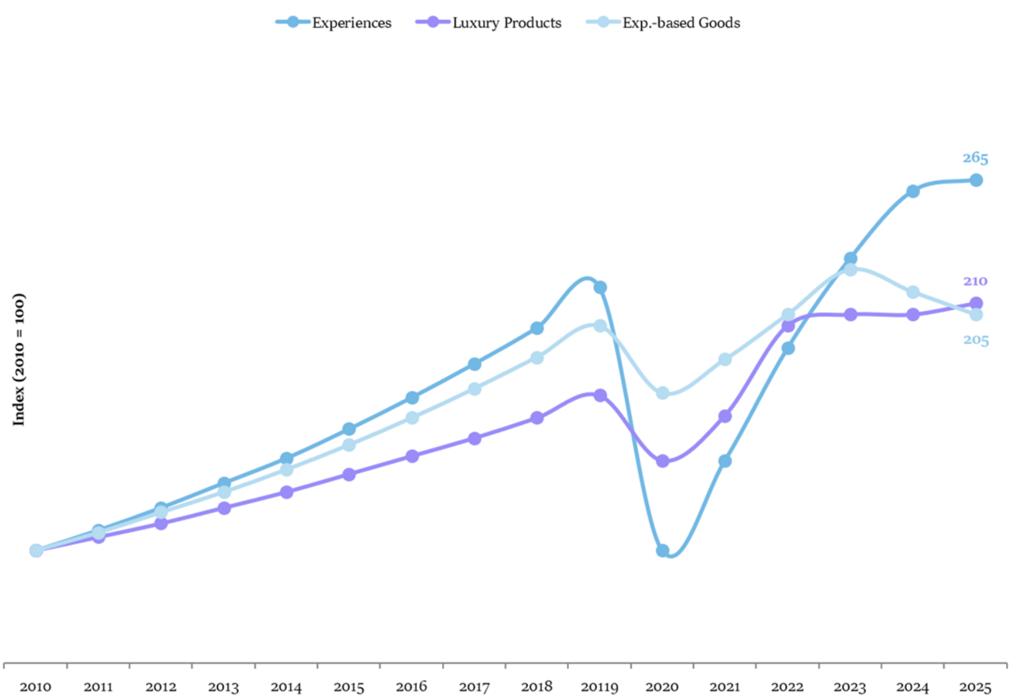
While this architecture has enabled the group to grow with a contained fixed cost structure — without having to bear the investment and operational complexity of an owned retail network — **it also limits control over the end-customer experience** and makes the **transition to more direct distribution models more gradual**. The evolution toward a hybrid model, combining wholesale with a growing direct retail component, currently represents both one of the most significant challenges for the group and one of the main value creation levers for the coming years.

Chapter 4 : Jewellery Sector Dynamics

The global luxury market — in its broadest sense — experienced a phase of sustained expansion over the **2010–2019** decade, with strong growth rates across all its main segments. The 2020 pandemic shock triggered a sharp, cross-segment contraction, followed by a marked rebound over **2021–2022**, driven by pent-up demand and a particularly supportive environment for discretionary consumption.

From **2023** onwards, however, the trajectories of the different segments have started to diverge in an increasingly significant way. According to the **Altagamma–Bain Worldwide Luxury Market Monitor**, the **"Experiences"** segment — including luxury hospitality, cruises and fine dining — continues to display robust growth, supported by the gradual shift in consumer preferences toward experience-led consumption. Conversely, **"Luxury Products"** — encompassing personal luxury goods, including jewellery — recorded in 2025 a **second consecutive year of mild contraction**, reflecting a normalization phase after the exceptional levels reached in the post-pandemic period. An intermediate position is occupied by **"Experience-based Goods"** (luxury cars, yachts, art), whose dynamics appear more heterogeneous.

Chart 7 : Comparative growth across luxury segments (2010 = 100)



Note: Growth at current exchange rates. Experiences = luxury hospitality, cruises, fine dining. Exp.-based goods = fine art, luxury cars, jets, yachts, wines, gourmet food. Luxury products = high-end furniture, personal luxury goods.
Source: “Altagamma Bain Worlwide Luxury Market Monitor - Update Spring 2025”, Bain&Co., TP ICAP

This divergence highlights a **structural shift in consumer behaviour within the luxury universe**, marked by a growing preference for experiences over the ownership of physical goods. Within the "Luxury Products" category itself, however, dynamics remain far from homogeneous, as we discuss in the next section.

From a geographical standpoint, dynamics remain **heterogeneous**: Southern Europe is benefiting from sustained high-end tourist flows; the Middle East — before the crisis linked to the US-Iran conflict — had emerged as one of the main growth engines; China continues to display marked volatility, while other Asian markets such as Japan and South Korea are proving more resilient. On the consumer side, we observe a gradual transition from a **status-driven luxury** toward a **more personal and expressive luxury**, with a growing preference for versatile and wearable products combining **design, functionality and heritage**. In this context, certain categories — in particular **high-end jewellery with a strong brand-heritage component, distinctive identity and recognizable design language** — appear relatively well positioned, thanks to their intrinsic value, emotional dimension and growing role as *everyday luxury* rather than occasional purchases.

(4.1) FOPE: a Structurally Defensive Positioning

The recent weakness observed in the luxury market is largely attributable to the **contraction of the so-called "aspirational" demand** — i.e. the segment of consumers with more limited spending capacity, accessing luxury products on an occasional basis. This component, historically significant in volume terms, has proven particularly sensitive to the macroeconomic environment and disposable income. It has thus progressively reduced its discretionary exposure amid the inflationary pressures and real income compression observed over the past years.

In parallel, the sector is going through a phase of **growing spending polarization**, with an increasingly marked concentration on the highest segments of the *consumer pyramid*. As illustrated by BCG's *True-Luxury Global Consumer Insights* study for Altagamma (Figure 7), **"top-tier clients"** — representing an extremely small share of the population — account for a growing portion of total spending and display the highest growth rates over the period analysed. This segment has indeed recorded a sustained progression, both in absolute value and in relative weight, in contrast with the aspirational component, whose share is gradually shrinking.

Within the consumer pyramid, the **"Absolute"** segment also continues to display solid, consistent growth, acting as the **true backbone of the market**. Conversely, the aspirational component — historically the entry gateway into luxury — is losing relative weight, reflecting a growing difficulty in accessing high-end products. This structural shift illustrates a sectoral dynamic increasingly driven by the **quality and concentration of demand** rather than by **volumes**.

Chart 8 : Marché du luxe personnel et expérientiel — Pyramide de consommation

FOPE's core client base

Cluster	Minimum Luxury Spend per year	Cluster Population (M)			Total Spend (B€)		
		2013	2023	2024	2013	2023	2024
Top-Tier Clients	over 50 k€	0.3	0.6	0.6	88	215	236
% of total		*0.1%*	*0.1%*	*0.1%*	*11.9%*	*21.5%*	*23.1%*
Top Absolute	20 k€	1.3	1.7	1.8	24	44	48
% of total		*0.3%*	*0.4%*	*0.4%*	*3.3%*	*4.4%*	*4.7%*
Entry Absolute	5 k€	14	16	17	77	106	115
% of total		*3.6%*	*3.7%*	*4.0%*	*10.4%*	*10.6%*	*11.3%*
Top Aspirational	2 k€	19	24	22	69	66	60
% of total		*4.9%*	*5.5%*	*5.2%*	*9.4%*	*6.6%*	*5.9%*
Other Aspirational	under 2k€	354	392	383	479	569	563
% of total		*91.1%*	*90.3%*	*90.2%*	*65.0%*	*56.9%*	*55.1%*
Total True Luxury Mkt		**389**	**434**	**424**	**737**	**1000**	**1022**

Source: "True-Luxury Global Consumer Insights, 11th Edition" Altagamma and BCG, TP ICAP

This **growing polarization of demand** in the luxury market plays in favour of players like FOPE, which stand out through a positioning strongly oriented toward the highest segments of the *consumer pyramid*. The group operates primarily in the **"Absolute" and "Top-tier"** segments, characterized by a clientele with strong purchasing power and structurally less sensitive to economic cycle fluctuations.

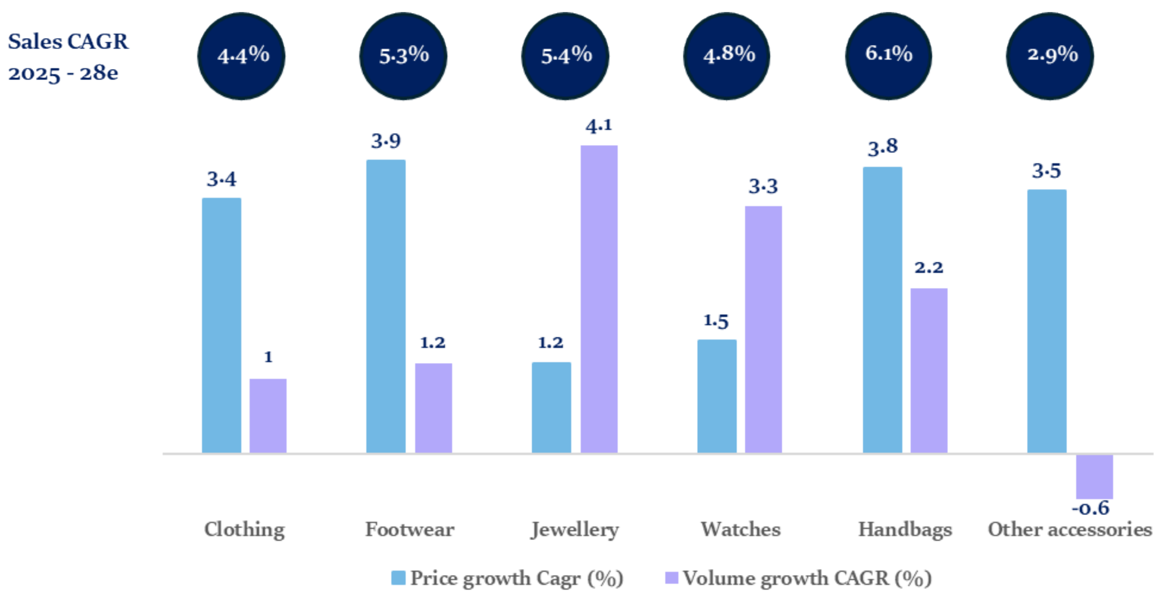
Moreover, the growing concentration of spending on **high-end** clients reinforces the weight of factors such as **brand identity**, **design differentiation** and **perceived quality** — all elements on which FOPE has progressively built its competitive positioning. In this context, the group's focus on high-end jewellery with **strong aesthetic recognition and a high artisanal content** directly matches the preferences of a more sophisticated clientele, increasingly oriented toward **iconic, versatile and durable products**.

(4.2) Jewellery: the Most Dynamic Segment of the Luxury Market

Within the **personal luxury goods** market, jewellery stands out as one of the categories with the **most solid and durable medium-to-long-term growth prospects**, displaying dynamics superior to those of other segments such as leather goods, apparel and accessories. As highlighted by McKinsey's analysis (Figure X), the category has recorded over the past years growth rates above those of the other main luxury categories — both in value and, progressively, in volume — confirming itself as **one of the main growth engines of the sector**, including during the post-pandemic normalization phase.

This outperformance reflects a combination of **structural factors** that set jewellery apart within the luxury universe. First, jewellery products are characterized by a **significantly higher perceived intrinsic value** relative to other categories, sitting halfway between **consumer good and store of value**. The presence of precious materials, combined with product durability and low obsolescence, supports willingness to spend even in more complex macroeconomic environments. This structure makes demand **less volatile** than in other categories more exposed to *fashion* and seasonal dynamics.

Chart 9 : Projected growth across luxury market segments



Source: BoF-McKinsey State of Fashion 2026, TP ICAP

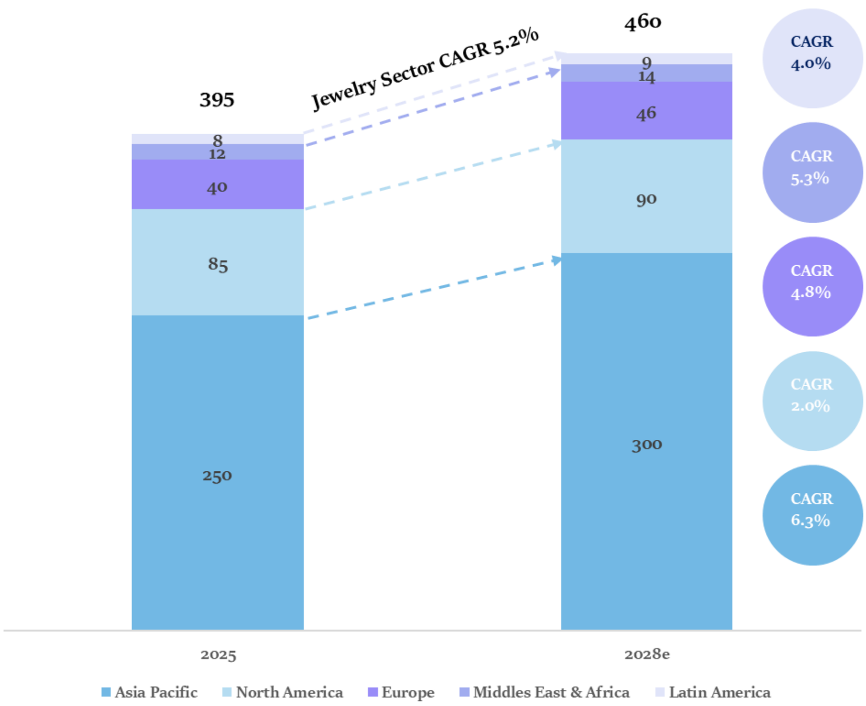
Second, the category directly benefits from the shift in consumer preferences toward more selective purchase patterns, summarized under the **"less but better"** paradigm. Within this framework, consumers tend to reduce the frequency of their discretionary purchases, favouring products of **higher quality, greater symbolic value and longer lifespan**. Jewellery, by its very nature, lends itself particularly well to this type of consumption: often associated with meaningful moments, celebrations or self-gratification purchases, it appears **less substitutable** than other luxury categories.

Finally, jewellery benefits from a **more limited exposure to fashion cycles** and to the saturation phenomena observed in other luxury categories, which translates into a **more stable and less volatile demand trajectory** over time.

(4.3) Asia-Pacific: the Main Growth Engine of the Jewellery Market

From a geographical standpoint, the growth of the global jewellery market is increasingly driven by the **Asia-Pacific** region, which stands out as the **main contributor to the expansion expected in the coming years**. As highlighted by McKinsey's analysis (Chart 10), Asia-Pacific is expected to represent the most significant share of incremental market growth to **2028**, driven by the combined contribution of China and India, which today already account for around **two-thirds of the regional jewellery market**.

Chart 10 : Croissance projetée du marché de la joaillerie par zone géographique (Md€)



Source: Euromonitor, McKinsey, TP ICAP

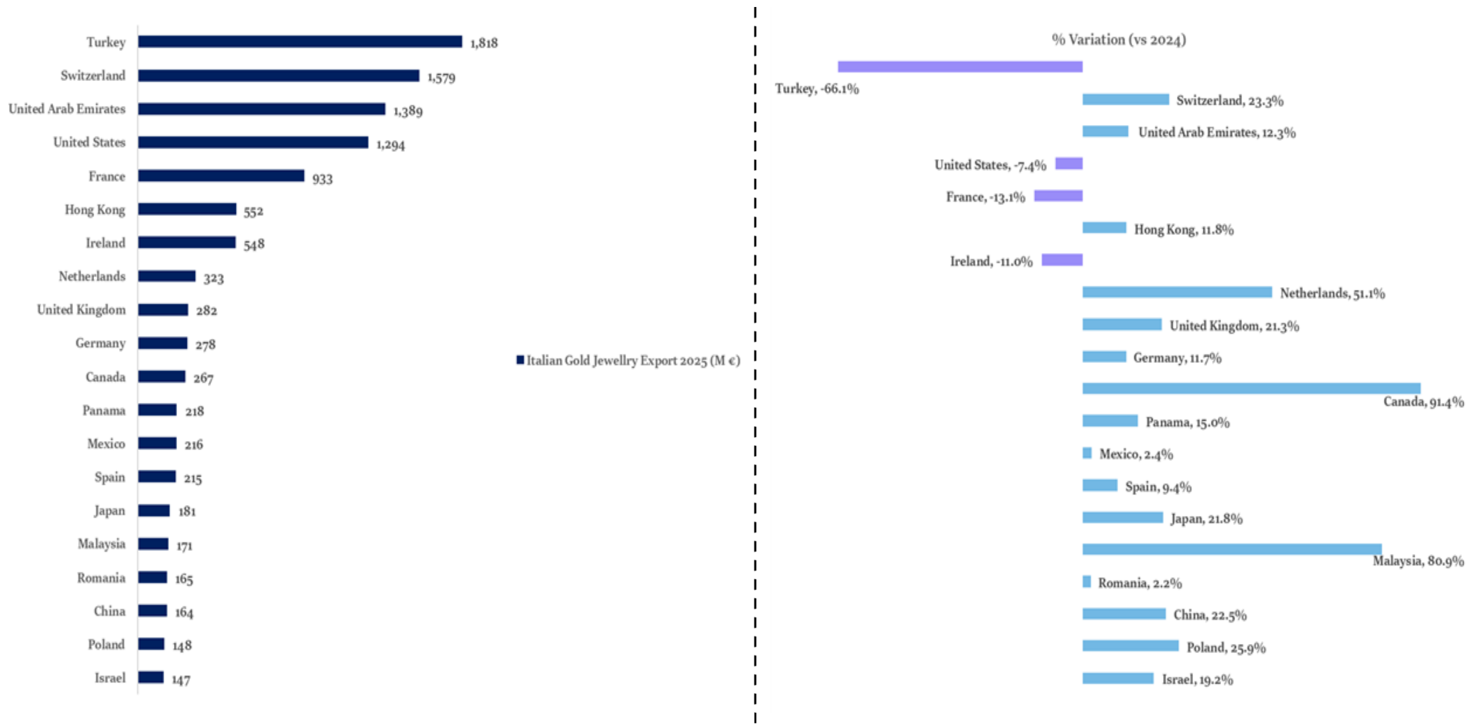
In **China**, jewellery demand continues to benefit from favourable dynamics, on both the demand and supply side. The gradual price increases in **soft luxury** categories — notably leather goods and apparel — has weakened the perceived value of these products, favouring a shift in spending toward **hard luxury** segments, including jewellery. The category also benefits from a growing appeal as a **store of value**, particularly against the backdrop of a weak property market. The supply side is characterized by **increasing granularity**, with positive performances both for **international brands** — accounting for over **50% of the "branded" segment** — and for **domestic players**, capable of capturing consumer preferences through either more accessible value propositions or offerings more deeply rooted in local culture.

In **India** as well, the growth trajectory appears particularly solid. The country has recently overtaken China to become the **second-largest global diamond market**, with an approximately **11% share of global demand**, behind the United States. This growth is driven by **structural drivers**: the expansion of the middle class as well as a strong **cultural affinity for gold and jewellery**, which remain a significant component of household savings and spending. In this context, the market is dominated by **domestic players**, which account for over **90% of the "branded" segment** and benefit from **double-digit** demand growth.

(4.4) Italian Jewellery Exports: a Complex Environment, but Solid Fundamentals

The Italian **jewellery, goldsmith and silversmith** sector closed FY25 with exports of **€12,597m**, down **-18.9%** vs 2024, marking a **sharp deterioration** compared to the sustained growth pace observed over 2021–2024. The trade balance stood at **€9,994m**, down **-24.5%** YoY. Within the sector, **wearable gold jewellery** — accounting for around **86% of sectoral exports** — recorded a contraction of **-21.2%**, partly reflecting the difficulty for end consumers to absorb the increase in the price of the precious metal, with a progressive repositioning toward products with lower unit value. Against the trend, **silver jewellery** contained its decline to **-0.7%**, while **plated base-metal jewellery grew by +8.3%**.

Chart 11 : Exportations italiennes de joaillerie par destination (Top 20, FY 2025)



Source: Federorafi, ISTAT

The Turkey effect: an export reading distorted by atypical flows. The aggregate figure is heavily influenced by **Turkey** — the top destination in 2024 (+468.7%) and down **–66.1%** in 2025, with a loss of over **€3.5bn**. This anomaly relates to the introduction, in 2023, of **quotas on raw gold imports** by the Turkish government: since these restrictions did not apply to **jewellery semi-finished products**, Turkish operators massively imported chains and plates from Italy — particularly from the **Arezzo district** — in order to melt them down and extract the gold as a **store of value**, in a context of double-digit inflation and a sharp depreciation of the Turkish lira. These were therefore essentially financial flows, not end demand for jewellery products. The decline observed in 2025 **reflects the gradual normalization** of these flows, as well as the introduction by Turkish authorities of a **new 6% tax on jewellery imports**.

- **Excluding the Turkey effect, Italian exports would have posted growth of +4.0% in 2025.**

The geographical reading of exports must be nuanced, with several markets reflecting more the logistics-industrial structure of luxury than end demand. Switzerland (+23.3%), France (–13.1%), Ireland (–11.0%) and the Netherlands (+51.1%) thus play a central role in supply chains and precious metals flows. Conversely, markets more exposed to end consumption remain well-oriented, with solid growth in the UAE (+12.3%), Japan (+21.8%), China (+22.5%), the UK (+21.3%) and Germany (+11.7%), while the US (–7.4%) show above-expectations resilience despite the tariff environment.

The Vicenza district against the trend. At district level, the most relevant data point for our analysis relates to the province of **Vicenza** — the second-largest Italian jewellery hub and FOPE's headquarters — which closed 2025 against the national average, with exports up +6.4%, for a value of **€2,655m (20.3% of the national total)**. The main destinations of the Vicenza district display a **balanced geographical diversification**, with the **US (+2.5%)**, the **UAE (+11.2%)**, **Malaysia (+82.9%)** and **Romania (+7.0%)** all in positive territory. The **Arezzo district**, the largest by export value, in contrast bore the direct impact of the normalization of Turkey flows (**–40.9%**), while **Alessandria** benefited from favourable logistics-commercial dynamics (**+27.3%**).

Overall, the picture of Italian jewellery exports highlights a **phase of normalization** after several years of exceptional growth, with the headline weakness largely attributable to **idiosyncratic factors** — notably the Turkey effect — rather than to a **structural deterioration** of demand. The **resilience shown by end-demand markets** — notably UAE, Japan, China and the UK — combined with the **solidity of the Vicenza district**, suggests that the **sector's fundamentals remain intact** for well-positioned players with a diversified geographical base.

Chapter 5 : From a Decade of Growth to a New Strategic Chapter

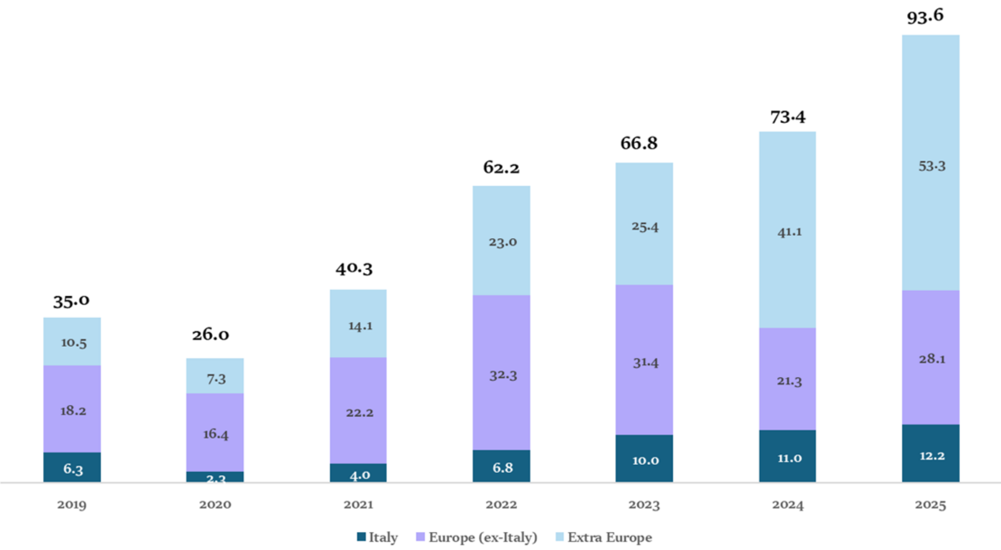
Over the past few years FOPE has posted particularly strong growth, which is not, however, limited to the effect of gold price appreciation on price revisions. **This progression reflects above all a genuine volume dynamic**, driven by continued expansion into new markets and steady market-share gains. **The interplay between this organic growth and the movement in the gold price** nonetheless warrants specific analysis, particularly with regard to its impact on margins, which we explore further in the remainder of this chapter..

(5.1) Top Line – Historical Figures

Over the past years, FOPE has enjoyed a **phase of sustained top-line expansion**, with revenues rising from **€35.0m** in 2019 (pre-Covid) to **€93.6m** at end-2025 — a CAGR of approximately **+18%**, broadly in line with the CAGR observed since the 2016 IPO (**~17%**). This growth pace is **more than 2x that of the branded jewellery market** (2019–2025 CAGR of ~10%) and **more than 3x that of the overall jewellery market** (2019–2025 CAGR of ~5%), reflecting the group's ability to **consistently gain market share over time**.

Even the pandemic phase of 2020 — during which revenues temporarily fell back to **€26.0m** (**–26% YoY**) — was rapidly absorbed, with a return to full capacity as early as 2021 (**€40.3m, +55% YoY**) and a clear **acceleration from 2022 onwards**.

Chart 12: Historical revenue trajectory (2019–2025, €m)



Source: TP ICAP

Europe (excluding Italy), historically the group's core market, has shown a more moderate trajectory, rising from **€18.2m** in 2019 to **€28.1m** in 2025 — a CAGR of approximately **+7%**, with a **relative weight declining from 52% to 30% of the total**. This evolution reflects a **deliberate strategic choice by management**, which has progressively reallocated commercial investments toward higher-growth and higher-profitability markets, without abandoning the European base — which remains a **pillar of stability and revenue recurrence**.

The **Italian domestic market**, while still contained in absolute terms (**€12.2m** in 2025, i.e. ~**13% of the total**), shows steady growth (**CAGR ~+12%**), driven by the **strengthening of brand awareness** and by a **selective expansion of the distribution network**.

The analysis of the **geographical revenue mix** highlights a **deep transformation of the group's commercial profile**. The **"Extra Europe"** region – accounting for around **30% of revenues in 2019** (**€10.5m**) – became the **largest contribution zone** in 2025, reaching **€53.3m**, i.e. a share of **57% of the total**, with a 2019–2025 CAGR of over **+30%**. This growth was primarily driven by the expansion in the **US market** – the world's second-largest jewellery market – and, increasingly, by **penetration of Asian markets**, which represent the main incremental growth pool for the sector in the coming years.

Focus: how FOPE manages raw material risk (gold)

FOPE's cost structure has a fundamental feature: **gold represents the dominant component of cost of sales**. This specificity makes **gross margin dynamics intrinsically tied to the evolution of the gold price**, and understanding the management policy adopted by the group is essential to correctly interpret the historical margin trajectory.

1. Hedging. The group systematically hedges its gold requirements through **rolling commodity swaps** with a **maturity** of up to **24 months**, locking in the purchase price upfront and thereby insulating production costs from market volatility. **At end-2025, the notional of hedges stood at €37.6m**, with a **positive fair value of €10.7m**. Part of the physical gold is also obtained through **gold lending arrangements** with financial institutions (**€38.8m at end-2025**), allowing the group to access the raw material **without tying up capital**.

2. Asymmetric pricing ("ratchet effect"). When gold prices rise, FOPE lifts its list prices by an amount equivalent to the increase in raw material cost, **preserving the absolute gross margin per piece** but accepting a decline in the **relative margin**. For example: if the gold content of a bracelet moves from **€3,000** to **€3,500**, the retail price is uplifted by **€500**, preserving the absolute margin (in the example, **€3,000**).

The key point lies in the asymmetric nature of the mechanism: when gold prices decline, list prices are not reduced, generating a **structurally favourable "ratchet" effect over the long term**. Pricing revisions are also limited to **once per year**, to preserve **commercial credibility with authorized dealers**.

The combination of these two levers — financial hedging and asymmetric pricing — sets up a **structurally defensive margin protection model**, capable of **preserving the absolute margin per piece under any gold price scenario**.

	2019	2020	2021	2022	2023	2024	2025
Commodity hedging notional (M€)	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**23.932**	**34.835**	**37.639**
YoY Growth (%)	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*45.6%*	*8.0%*
Fair value derivati attivi (M€)	**1.300**	**0.023**	**0.792**	**(0.278)**	**0.690**	**3.150**	**10.662**
% margin	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*2.88%*	*9.04%*	*28.33%*
Gold lending from banks (M€)	**8.862**	**5.949**	**9.153**	**11.749**	**10.180**	**23.912**	**38.846**
YoY Growth (%)	*n.a.*	*-32.9%*	*53.9%*	*28.4%*	*-13.4%*	*134.9%*	*62.5%*

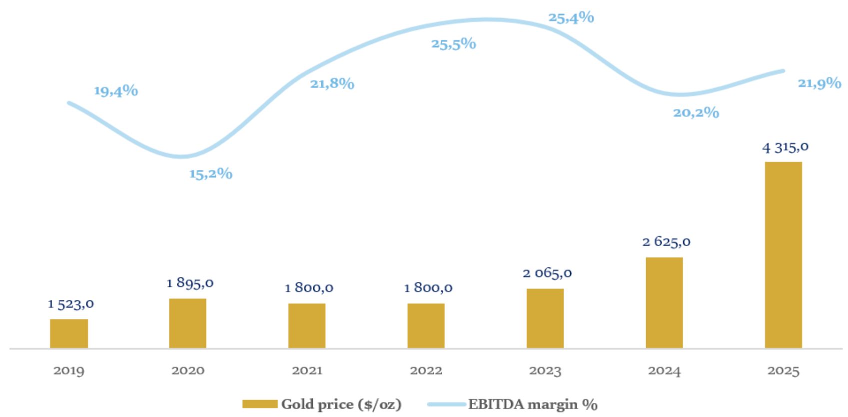
Methodological note: *we do not include the gold lending arrangement (~€39m at end-2025) in our net financial position calculation. This commitment, akin to a raw material inventory held under bailment rather than a financial debt in the strict sense, does not generate any cash repayment flow but only a usage fee (~€0.8m in 2025). This approach is consistent with the group's treatment and reflects the operational nature of the instrument.*

The historical evolution of the group's margins, mapped against the gold price (Chart 13), provides a concrete illustration of how this mechanism operates.

Empirical confirmation of the ratchet mechanism. The historical evolution of FOPE's margins over 2019–2025, mapped against the gold price (Chart 13), concretely illustrates how the model works.

Over 2023–2025, the two margins moved in opposite directions. Gross margin (estimated by us, not disclosed by the company for strategic reasons) rebounded to 67.9% in 2024 thanks to list price revisions that over-compensated the gold price increase, before falling back to 53.0% in 2025 as a result of the exceptional appreciation of the gold price (+64% YoY), which exceeded the annual capacity for list price adjustments — a simple time-lag between raw material inflation and the (annual) pace of price revisions. EBITDA margin followed the opposite path: it declined to 20.2% in 2024, not because of any weakening in operational profitability, but as a result of non-recurring costs linked to the reinforcement of the organizational structure (qualified hires, marketing, international subsidiaries), before rebounding to 21.9% in 2025 thanks to the full-year impact of the October 2024 list price revision (~+16%) and to the operating leverage generated by strong volume growth. The fact that EBITDA margin improved in 2025 despite the gross margin compression demonstrates, in our view, an **intrinsic ability of the model to absorb raw material volatility**.

Chart 13: Historical margin trajectory (2019–2025, €m)



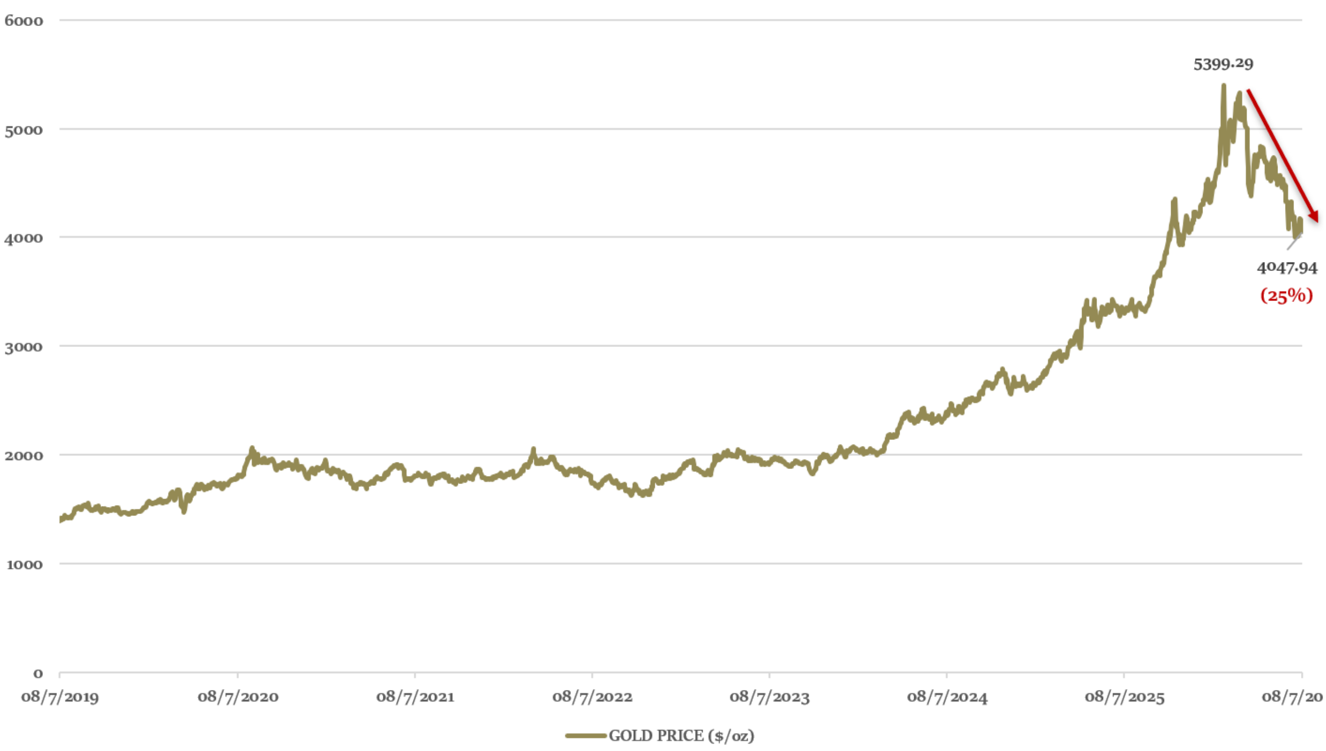
Source: TP ICAP

Operating leverage absorbs volatility, and an asymmetric upside on medium-term margins. Stepping back on the full 2019–2025 period, one observation stands out. The gold price rose from $1,523/oz to $4,315/oz — a +183% appreciation over six years — and in most business models exposed to this raw material, such a dynamic would likely have eroded profitability. At FOPE, gross margin has indeed fluctuated in line with these movements, ranging between 53% during phases of strong metal appreciation and 68% when the repricing mechanism has been able to fully play out. What is striking, in contrast, is the trajectory of EBITDA margin over the same period: after a one-off low at 15.2% in 2020 linked to the pandemic shock, it returned as early as 2021 to a cruising level between 20% and 26%, ending at 21.9% in 2025 despite gold prices at historical highs — better than in 2019 (19.4%), when gold levels were three times lower.

Put differently, the group has absorbed a **near 3x increase in the price of its main raw material without material deterioration in operational profitability** — a performance that reflects both the solidity of pricing power, the effectiveness of the hedging policy, and cost discipline on fixed costs.

On top of this, we highlight one element we consider often underestimated: the gold price has recently retreated from the 2025 peaks, and a stabilization at lower levels would clearly play in FOPE's favour — with list prices never revised downward in the event of a metal price decline, a mechanical rebound in gross margin would become plausible, with a potential positive read-through on operational profitability.

Chart 14: Spot gold price evolution (2019-today, $/oz)



Source: TP ICAP, Refinitiv (as of 08.07.2026)

(5.2) Toward a New Growth Phase: Capital Market Day and 2029 Targets

FOPE now stands at a **key inflection point** in its post-IPO growth trajectory. With revenues having reached **€94m in 2025**, the group has now consolidated a **meaningful scale** within the Italian jewellery landscape. The challenge is now to enter a **new growth phase**: scaling the model further to bridge the gap with the **global jewellery majors**, both in terms of **distribution network and brand recognition**.

It is in this context that the **Capital Market Day held on May 12, 2026** — titled *«A decade listed, a century on the horizon»* — took place, during which management presented to the financial community the **strategic guidelines and 2029 Targets**, ahead of the group's centenary. The targets announced call for **net revenues between €145m and €150m and EBITDA between €33m and €35m** — corresponding respectively to a '25–'29 CAGR of approximately **+12–13%** on the top line and **+12–14%** on EBITDA, with an implicit EBITDA margin in the **23–24%** range, up from the **21.9%** posted in 2025.

Crucially, these targets are **framed at constant gold prices** ($4,600-4,700/oz at the time of the announcement), thus excluding the impact of any price revisions induced by raw material appreciation. This makes them a **pure organic volume growth objective**, which renders the guidance significantly more **conservative** than it may appear at first: any further appreciation of the gold price would translate into **additional upside** relative to the announced levels. Management also estimates that growth will be evenly split — **~50% from consolidated markets** (Europe, US, Italy) and **~50% from new and emerging markets**, with **Asia** playing a central expansion role.

***Key CMD messages*:** the CMD outlined **four main strategic levers** to achieve these targets:

- **Monobrand network rollout.** First — and probably most transformational — lever: the plan calls for the opening of **six boutiques** (three under direct management, three in franchise), starting with the boutique in **Milan, Via Sant'Andrea**, at the heart of the Fashion Quadrangle, expected by end-2026.

- **Entry into the Chinese market.** For the first time, management announced its intention to enter a market historically uncovered, with a **first store opening by autumn 2026** and an **expected contribution of €4m to €5m** by 2029.

- **Opening of a French subsidiary**, an European market previously left underdeveloped as it required a dedicated approach to be fully addressed.

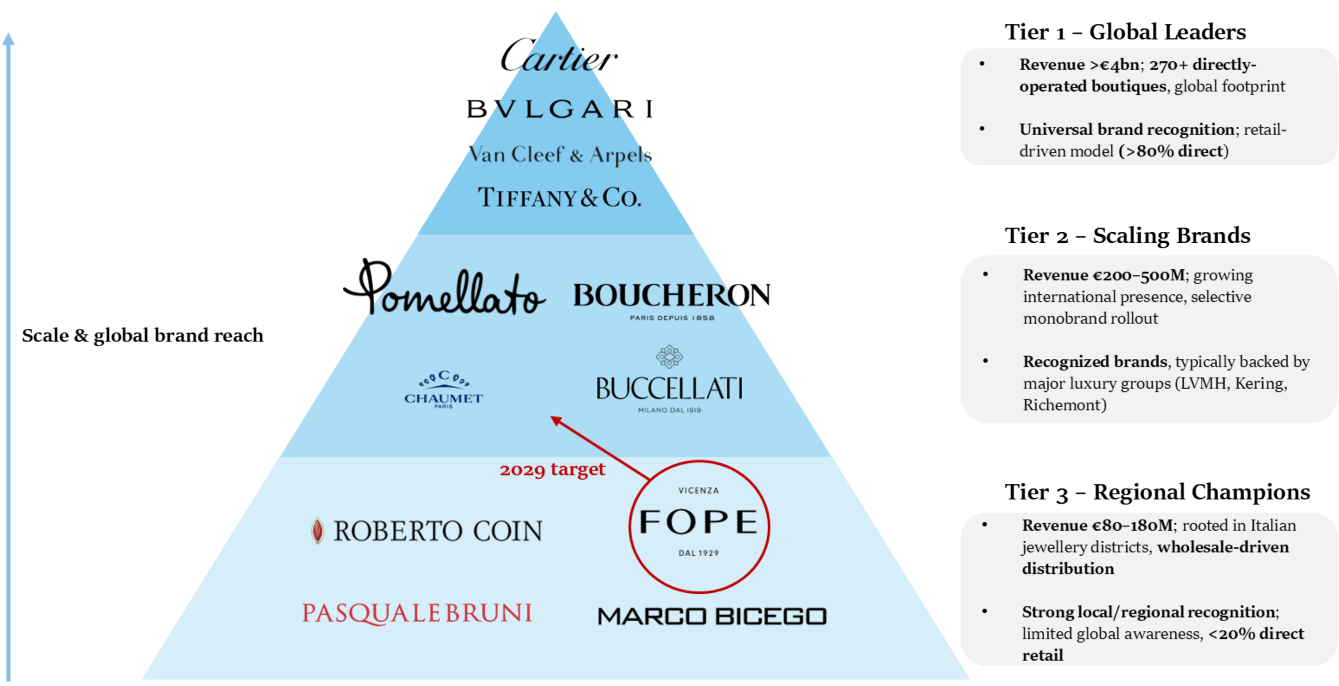
- **Differentiated growth across consolidated markets.** The strategy varies according to maturity: **upselling per point of sale** in Germany (where the dealer network is already saturated), **acquisition of new clients** in the US (where the potential remains significant), and **transversal organic growth** supported by a stepped-up marketing effort.

***Our take*.** We consider the **2029 Targets strongly achievable and even structurally prudent** on the growth side, for three reasons: **(i)** the constant-gold-price framing makes them conservative relative to the current environment; **(ii)** the implicit growth (~12–13% CAGR) is below the historical post-IPO CAGR (~17%), and therefore fully consistent with the group's track record; **(iii)** FOPE now has **concrete growth levers** — China, monobrand, France — that were not present in the past. The main point of attention remains **execution on the retail strategy**, which will require reinforced organizational capabilities but which also represents **the main re-rating catalyst over the medium term**.

(5.3) Competitive Positioning: a "Gap" to Close

The Capital Market Day included a particularly telling **competitive landscape analysis**, which positions FOPE within three brand clusters generating **revenues above €70m – €80m**.

Chart 15: Competitive landscape and FOPE's trajectory toward Tier 2



Source: TP ICAP

The strategic plan's ambition is to **move FOPE closer to Tier 2 by 2029**, through the strengthening of the **direct retail** component and geographical expansion. The shift from a nearly pure **wholesale** model to a **hybrid model** — incorporating a growing share of owned retail — represents both the **main execution challenge** and the **main value creation lever** over the medium term.

(5.4) Top Line – Growth Outlook Pt.1: Four Strategic Growth Levers

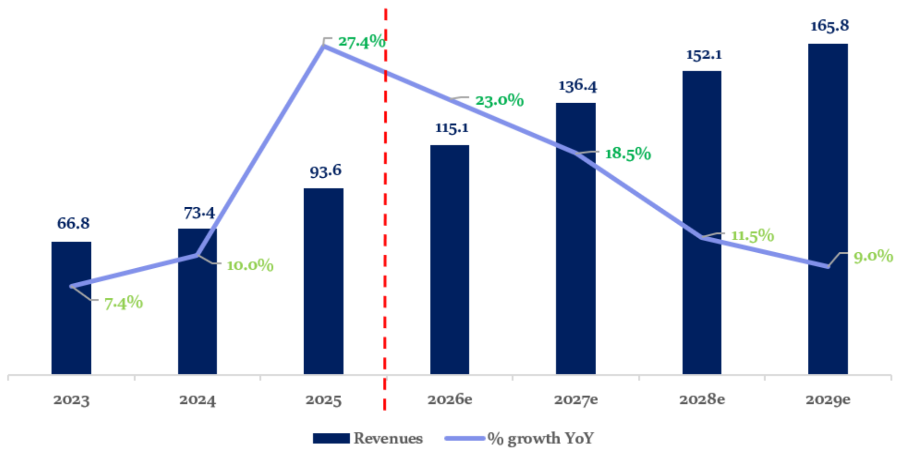
- **Monobrand network expansion.** The Capital Market Day marked a **significant strategic shift** in the group's distribution strategy. Historically positioned on a nearly pure wholesale model (**~98% of revenues generated through authorized dealers**), FOPE announced its intention to progressively develop a **network of monobrand boutiques**, either under direct management or franchise. The first concrete step is the **opening of the Milan boutique, Via Sant'Andrea (Fashion Quadrangle)**, expected by end-2026. Today, the group operates monobrand boutiques in **Venice (Piazza San Marco), London (Old Bond Street), Tokyo, Kuala Lumpur, Isola Bella**, as well as five stores in South Korea. This is a strategic evolution consistent with sectoral dynamics: **the multibrand channel is in structural contraction** in the most mature markets, and the brands establishing themselves through their own retail networks display on average **the highest growth rates**, as confirmed by the competitive landscape analysis presented at the CMD.

- **Penetration of new markets, with China as a strategic priority.** Management announced for the first time its **intention to enter the Chinese market** — historically uncovered due to insufficient resource allocation — with the opening of a **first point of sale by autumn 2026**. China accounts for about **one third of the global jewellery market** and represents the **main incremental growth pool of the sector** for the coming years. In addition, the **opening of a French subsidiary**, a European market historically underdeveloped, complements this expansion, along with continued growth in **Japan** and **South Korea**, where the group is enjoying **strong commercial traction**.

- **Growth on consolidated markets through upselling.** On mature markets such as **Germany** — where FOPE holds the **highest market share in Europe** — the strategy does not target the acquisition of new dealers, but rather **revenue growth per point of sale**, through marketing investments, an expanded product offering and reinforced **Shop-in-Shops**. In the **US**, where market share remains contained despite strong recent growth, expansion will be **hybrid**, combining the addition of new dealers with organic growth on the existing client base. Management confirmed that the US market — despite the **strengthening of tariff barriers** — continues to display **sustained organic growth**, with no signs of demand slowdown.

- **Strengthening brand awareness.** The group has invested more than **€46m** in marketing and communication since its IPO, and intends to maintain this trajectory. The stated ambition is to **become a global luxury brand**, moving from a **historically B2B** approach — centred on the dealer relationship — to a **communication increasingly geared toward the end consumer**, notably through the monobrand boutiques, which will act as **key showcases and brand-building levers**.

Chart 16: Revenue evolution and YoY growth (2023–2029e, €m)



Source: TP ICAP

(5.5) Top Line – Growth Outlook Pt.2: Strategic Levers Translated Into Numbers

We have translated the four strategic levers presented above into a growth model combining a **volume component** and a **price component**. On the volume side, the trajectory is built around **three drivers moving in opposite directions over the plan**: the contribution from **consolidated markets** declines from +14% in 2026 to +1% in 2030, reflecting the ongoing upselling strategy and a progressive maturation effect; the **new markets** (China, France, Southeast Asia) symmetrically take over, rising from +1% to +3.5%; and finally, the **migration toward a more retail-driven model** (monobrand + online) contributes +1% to +3% per year. Overall, volume growth converges toward a cruising pace of between **7% and 9%** by 2029–2030 — a level we consider sustainable and consistent with the progressive maturation of the model.

A price component embedded over the short term. Unlike management's 2029 Targets — framed at constant gold prices — our scenario incorporates the **effect of the price increases already partly announced** by the group in response to the appreciation of the gold price. We factor in a **price effect of +10% in 2026** (full-year impact of the October 2025 revision) and a **residual effect of +6% in 2027**, before normalising to 0% over the remainder of the horizon, consistent with our assumption of a gradual stabilisation of the gold price. This price effect should not weigh on the volume trajectory, given the **inelasticity of demand** characteristic of FOPE's High Net Worth and Ultra High Net Worth clientele.

A trajectory above the Targets, aligned with near-term consensus. On this basis, we estimate revenue of **€115.1m in 2026e** and **€136.4m in 2027e** — levels **broadly in line with market consensus** — then **€165.8m in 2029e** and **€178.2m in 2030e**, implying a '25–'30 CAGR of **+13.7%**. The apparent overshoot of management's communicated range (€145–150m by 2029) is entirely explained by the inclusion of the price component: stripped of this effect, our pure organic volume growth trajectory comes out in line with the top of the guidance, confirming the **prudent and achievable** nature of the 2029 Targets.

Chart 17: Central scenario: revenue growth breakdown (2025a–2030e, €m)

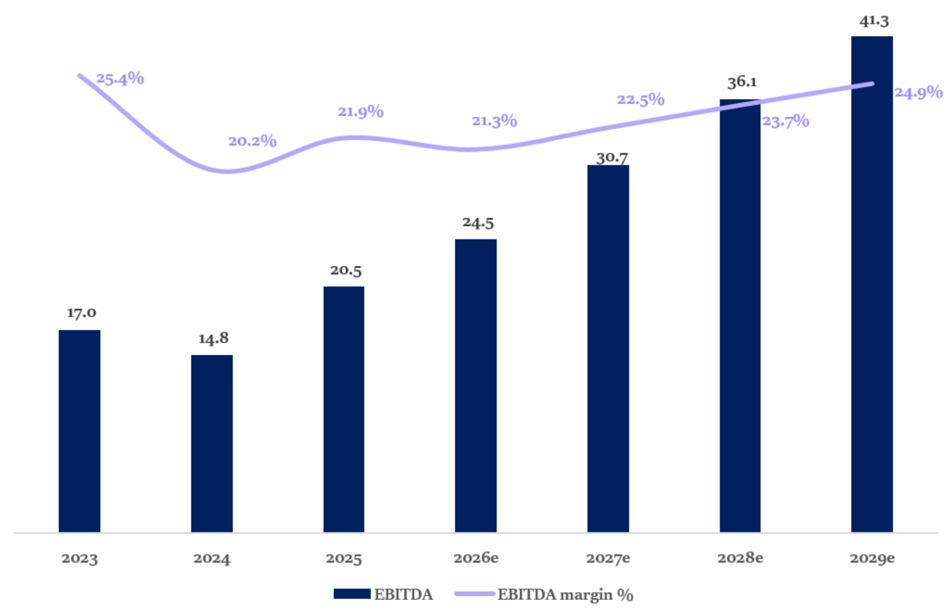
Revenues Evolution	2025	2026e	2027e	2028e	2029e	2030e
Price Effect	9.5	11.5	8.2	-	-	-
% Growth	*13.0%*	*10.0%*	*6.0%*	*0.0%*	*0.0%*	*0.0%*
Volume Effect	10.3	15.0	17.0	17.5	14.9	13.4
% Volume Growth	*14.0%*	*13.0%*	*12.5%*	*11.5%*	*9.0%*	*7.5%*
Consolidated Markets (Upselling / Tailwind branded jewelry)		*13.1*	*11.5*	*9.5*	*5.3*	*1.7*
% Growth		*14.0%*	*10.0%*	*7.0%*	*3.5%*	*1.0%*
New Markets (China France - SE Asia)		*0.9*	*2.3*	*3.4*	*4.6*	*5.8*
% Growth		*1.0%*	*2.0%*	*2.5%*	*3.0%*	*3.5%*
Shift Channel (more monobrand + online)		*0.9*	*1.7*	*2.7*	*3.8*	*5.0*
% Growth		*1.0%*	*1.5%*	*2.0%*	*2.5%*	*3.0%*
% Total Growth	*27.0%*	*23.0%*	*18.5%*	*11.5%*	*9.0%*	*7.5%*
Revenues	93.6	115.1	136.4	152.1	165.8	178.2

Source: TP ICAP

(5.6) EBITDA: Growth Assumptions and Margin Drivers

We forecast **EBITDA growth** from **€20.5m** in 2025 to **€41.3m** in 2029e, with a **progressively expanding EBITDA margin** rising from **21.9% to 24.9%** over the plan horizon, after a **temporary dip to around 21.3%** in 2026e. This corresponds to a **CAGR of approximately +19.1%** over **2025–2029e**, broadly in line with the historical pace (**2019–2025 CAGR of +20.3%**). This level, **above management's communicated range (€33–35m), reflects the inclusion of the price component in our scenario**; stripped of this effect, EBITDA comes out in line with the top of the guidance, confirming the prudent nature of the 2029 Targets. This trajectory reflects both the **operating leverage** generated by strong volume growth and the **continued list-price revisions** linked to gold price appreciation. The **temporary margin dip in 2026e** is, for its part, explained by the **strategic decision to accelerate investment in the monobrand network** — essential to the brand's global repositioning but implying a **short-term increase in costs** — before operating leverage takes over from 2027 onwards.

Chart 18: Historical margin trajectory and forecasts (2023–2029e, €m)



Source: TP ICAP

The main levers we have identified as material for the margin trajectory are the following:

- **Natural operating leverage**, generated by volume growth on an expanding production base (+20% capacity as of Q1 2026).

- **Personnel costs:** we anticipate a natural progression, in line with the group's structuring and growth process, notably to accompany the opening of new boutiques. We nonetheless assume a **stable incidence around 9% of revenues** through the end of the strategic plan.

- **Marketing and communication expenses:** currently at 7% of revenues (booked within services costs), they are **expected to progress gradually**, in line with the ambition to build a globally-scaled brand awareness and to support the rollout of the monobrand network (franchise with dealers + owned boutiques).

- **Leases:** the plan calls for the opening of new directly-managed and franchise boutiques by 2029, with **lease costs expected to rise** — estimated at **€500k to €700k per boutique** — and a **2–3-year ramp-up** to reach break-even. For franchise boutiques, FOPE takes on the initial capex and partially contributes to the lease (based on the terms of the agreement), while operational costs are borne by the partner. These are investments that weigh on margins in the short term but are essential for the transition to a hybrid wholesale/retail model.

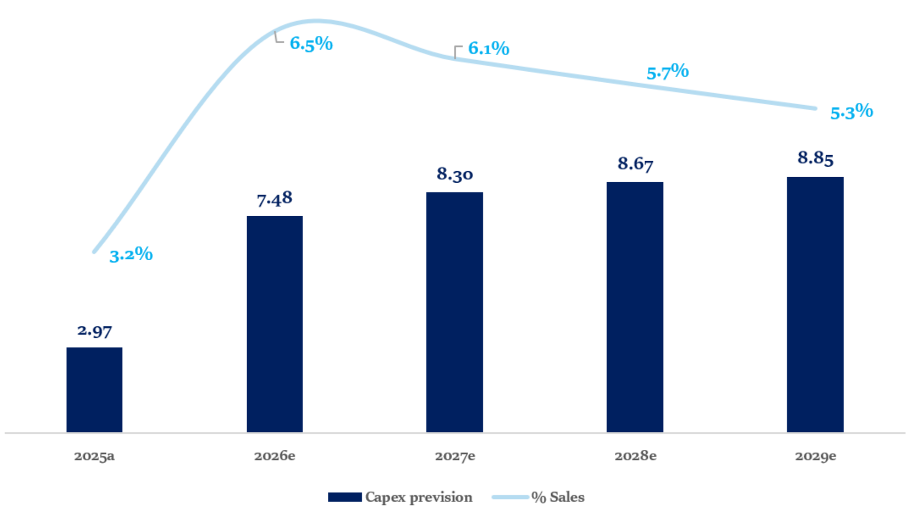
- **Raw materials cost / gross margin:** COGS is expected to grow to **approximately €71m by 2029e**, driven by the increase in production volumes, in a context of gold prices progressively normalizing from recent peaks. **The ~24-month hedging policy and the asymmetric pricing mechanism** ("ratchet effect") protect the absolute margin per piece, but the dilution effect on the relative margin remains structural in phases of sharp gold price appreciation.

(5.7) Cash Generation and Capital Allocation: a Structurally Solid Profile

FOPE presents a particularly robust cash generation profile, with **cumulative operating cash flow expected at around €120m over 2026–2029e**, i.e. **~€30m per year on average**. This capacity rests on the combination of an operating margin in the 21–22% range, an asset-light industrial model and the **absence of material structural financial charges**. The conversion of EBITDA into operating cash is however partially constrained by the **absorption of working capital** (**~€21m cumulative over the period**), largely attributable to the **growth in physical gold inventories** needed to feed expanding production volumes — a dynamic consistent with the **strong growth in the gold-lending arrangement**, which rose from €10m in 2023 to nearly €39m in 2025.

On the investment side, we anticipate capex in strong acceleration, moving from €3.0m in 2025 to around €7m–€9m per year over 2026–2029e, for a **cumulative total of ~€33m**. The revenue incidence is expected to reach 6.5% in 2026e — the peak year linked to the Milan boutique opening — before progressively normalizing around 5.3% by 2029e. **Capex will be balanced between the two components (~50/50)**: on one hand, **expansion capex**, primarily linked to the **rollout of the monobrand network**, to **Shop-in-Shop fit-outs** and to reinforcing production capacity; on the other hand, **maintenance capex**, allocated to equipment renewal, IT systems and the ordinary upkeep of the Vicenza sites. **This represents a significantly higher investment level than the historical track record**, but consistent with the strategic transformation phase in which the group currently operates.

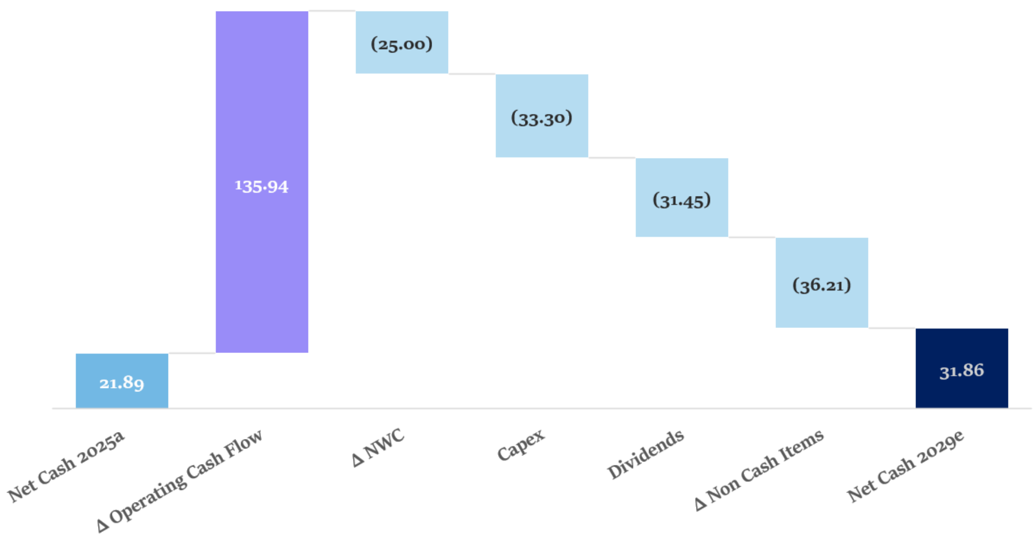
Chart 19: Capex forecast and % of revenue (2025a–2029e)



Source: TP ICAP

Net financial position, already solidly cash positive at €21.9m at end-2025, is expected to further improve to €31.8m by end-2029e, despite the working capital absorption, the investment cycle and a sustained dividend distribution policy (**~€31m cumulative over the period**). The overall financial profile confirms the group's ability to fully self-fund its growth plan, without recourse to additional leverage, while preserving an attractive shareholder remuneration.

Chart 20: Net cash bridge 2025a–2029e (€m)



Source: TP ICAP

Chapter 6 : Comparables and Relative Valuation — An Indicative Framework

FOPE stands as a **profile that is hard to replicate** within the listed luxury universe in Italy and Europe, both because of its size, its categorical specialization and its business model. We therefore believe that a **relative valuation** based on market multiples presents, in this specific case, **significant methodological limitations** and should be **interpreted with caution**, as a complementary tool to the DCF.

We have nonetheless retained a peer group we consider relevant as a reference, structured in **two clusters**. The **first** groups the **listed pure players specialized in hard luxury** (jewellery, watchmaking and adjacent premium luxury segments), which constitute the comparables most directly **matchable in terms of positioning and operating dynamics**. The **second cluster** groups the **"Jewellery & Watches" divisions of the main global luxury groups** (LVMH, Kering, Richemont): although they represent in theory the **reference benchmark** for the category, they suffer from a **significant informational limitation**. As segments of highly diversified conglomerates, the financial figures disclosed at divisional level are limited to a small number of metrics (typically revenue and EBIT, more rarely EBITDA), which makes a rigorous comparison on valuation multiples **impractical**.

Chart 21 : Comparables' financial performance FY24/25/26E

EUR mln	Hermes		
	FY24	FY25	FY26e
Sales	15,170	16,002	16,833
% growth YoY		5.5%	5.2%
EBITDA	6,870	7,367	7,619
% margin	45.3%	46.0%	45.3%
EBIT	6,150	6,569	6,765
% margin	40.5%	41.1%	40.2%

EUR mln	Swatch		
	FY24	FY25	FY26e
Sales	7,041	6,882	6,958
% growth YoY		-2.3%	1.1%
EBITDA	753	612	831
% margin	10.7%	8.9%	11.9%
EBIT	318	148	364
% margin	4.5%	2.2%	5.2%

EUR mln	Pandora		
	FY24	FY25	FY26e
Sales	4,247	4,360	4,386
% growth YoY		2.7%	0.6%
EBITDA	1,384	1,389	1,306
% margin	32.6%	31.9%	29.8%
EBIT	1,069	1,042	950
% margin	25.2%	23.9%	21.7%

EUR mln	Brunello Cucinelli		
	FY24	FY25	FY26e
Sales	1,279	1,408	1,538
% growth YoY		10.1%	9.2%
EBITDA	365	408	456
% margin	28.5%	29.0%	29.6%
EBIT	212	236	261
% margin	16.6%	16.8%	17.0%

EUR mln	Moncler		
	FY24	FY25	FY26e
Sales	3,109	3,132	3,272
% growth YoY		0.7%	4.5%
EBITDA	1,227	1,267	1,338
% margin	39.5%	40.5%	40.9%
EBIT	916	913	968
% margin	29.5%	29.2%	29.6%

EUR mln	Gismondi 1754		
	FY24	FY25	FY26e
Sales	12	10	12
% growth YoY		-14.8%	10.6%
EBITDA	- 0.7	1.3	1.5
% margin	-5.7%	12.5%	13.0%
EBIT	- 1.0	1.0	1.1
% margin	-8.2%	9.6%	9.6%

Source: TP ICAP, Factset Estimates

Chart 22 : Major luxury groups' jewellery divisions: financial performance FY24/25/26E

EUR mln	*LVMH Watches & Jewelry*		
	FY24	FY25	FY26e
Sales	10,458	10,350	10,847
% growth YoY		-1.0%	4.8%
EBITDA	n.a.	n.a.	n.a.
% margin	n.a.	n.a.	n.a.
EBIT	1,546	1,514	1,618
% margin	14.8%	14.6%	14.9%

EUR mln (1)	*Kering Jewelry*		
	FY24	FY25	FY26e
Sales	n.a.	n.a.	1,054
% growth YoY		n.a.	n.a.
EBITDA	n.a.	n.a.	n.a.
% margin	n.a.	n.a.	n.a.
EBIT	n.a.	n.a.	57
% margin	n.a.	n.a.	5.4%

EUR mln	Richemont *Jewellery Maisons*		
	FY24	FY25	FY26e
Sales	15,328	16,539	17,998
% growth YoY		7.9%	8.8%
EBITDA	n.a.	n.a.	n.a.
% margin	n.a.	n.a.	n.a.
EBIT	4896	5037	5,560
% margin	31.9%	30.5%	30.9%

(1): Division created in early 2026; prior-year data not available.
Source: TP ICAP, Factset Estimates

(6.1) Financial Performance of Comparables: Divergent Dynamics Across the Peer Group

Preamble: Before diving into performance details, it is worth emphasizing that none of the companies in the peer group are truly comparable to FOPE.

The most obvious gap lies in size: the smallest listed *pure player* in the panel — **Brunello Cucinelli** — generates over €1.4bn in revenue, i.e. **a scale nearly ten times larger than FOPE**. On top of this, there are **marked differences in terms of positioning and distribution model**. The companies retained should therefore be seen as the **best proxies available** on the listed market — but above all as **sectoral references**, rather than true operational comparables in the strict sense.

The panel displays deeply divergent dynamics, mirroring the polarization currently at play in the luxury market. Hermès continues to operate in a category of its own, with resilient growth (**+5.5% in FY25, +5.2% expected in FY26**) and an EBITDA margin close to **45–46%** — out of reach for the rest of the peer group — the result of a unique *pricing power* and a clientele almost exclusively made up of **"Beyond Money"** customers. **Brunello Cucinelli** displays a similarly solid trajectory (**+10.1% in FY25, +9.2% expected in FY26**), with margins expanding toward **29.6%**, driven by a *quiet luxury* positioning particularly aligned with the current cycle dynamics. At the opposite end, **Swatch** posts a revenue decline (**–2.3%**) and margins under pressure (EBITDA margin **8.9%**), penalized by its exposure to the *aspirational* watchmaking segment and by weakness in the Chinese market — a textbook case of the risks weighing on players with more limited *pricing power*. **Pandora** and **Moncler** occupy intermediate positions, with more moderate growth and margins of **~32%** and **~40%** respectively, while **Gismondi 1754**, the only Italian small-cap peer, confirms the **structural difficulty for sub-scale players to generate stable margins**.

Within this landscape, FOPE occupies a resolutely distinctive position. The **+27.4% growth posted in 2025** is markedly higher than that of any other player in the panel — a gap that largely reflects the **scale difference**, but which also testifies to the **solidity of the group's trajectory**. For 2026, we anticipate that FOPE will continue to **materially outperform the panel average**, with revenue growth of around **+17%**, supported by the **full-year impact of the price revisions carried out at end-2025**, by the **launch of the Milan boutique**, and by the **continuation of commercial traction across consolidated markets**.

On the profitability front, the gap versus the panel remains significant — FOPE's EBITDA margin, in the **22%** area, compares to a **sector median above 30%**. This gap should however be interpreted in light of several factors: the **wholesale model**, the still **contained scale**, an **ongoing investment phase**, but above all the **intrinsically different nature of the panel's businesses** and **FOPE's strong exposure to the raw material price**. The latter, while **effectively managed through the hedging policy**, has contributed — in a context of marked gold price appreciation — to a **dilution of the relative margin**.

We also propose a detailed analysis of the comparables' multiples, in order to position FOPE within the panel, while recalling that the retained sample remains highly heterogeneous.

Chart 23: Trading multiples of selected comparables

Company Name	EV/EBITDA			EV/EBIT		
	2026	2027	2028	2026	2027	2028
Brunello Cucinelli	14.4x	13.1x	11.9x	25.2x	22.6x	20.3x
Hermes	21.0x	19.2x	17.6x	23.7x	21.6x	19.8x
Pandora	6.9x	8.8x	7.3x	9.4x	13.4x	10.4x
Richemont	17.1x	15.3x	14.0x	22.3x	19.6x	17.7x
Swatch	12.5x	10.0x	8.5x	28.4x	18.5x	14.2x
Average	**14.4x**	**13.3x**	**11.8x**	**21.8x**	**19.1x**	**16.5x**
Median	**14.4x**	**13.1x**	**11.9x**	**23.7x**	**19.6x**	**17.7x**
FOPE (with TP ICAP est.)	**11.6x**	**9.2x**	**7.9x**	**13.8x**	**11.1x**	**9.4x**
Premium / (Discount) on Median	*-20%*	*-29%*	*-34%*	*-42%*	*-44%*	*-47%*

Source: TP ICAP, Factset Estimates

Une **première observation méthodologique** porte sur l'**écart entre les multiples EV/EBITDA et EV/EBIT** de la société. Pour FOPE, cet écart est **significativement plus contenu** que celui observé chez des acteurs *capital-intensive* tels que **Brunello Cucinelli** ou **Swatch**. Cette dynamique reflète la **spécificité du modèle FOPE**, caractérisé par une **D&A en pourcentage du chiffre d'affaires structurellement contenue** (**~3-4%** vs **8-13%** pour de nombreux peers), conséquence d'un **asset base léger** et de l'**absence d'un réseau retail en propre à l'échelle**. Il convient toutefois de souligner que cet élément est appelé à **évoluer progressivement au cours des prochaines années**, en cohérence avec le **lancement du plan d'expansion monomarque**, qui se traduira par une **hausse du capex et de la D&A en valeur absolue**. L'analyse des multiples **EV/EBIT**, en particulier à moyen terme, doit donc être interprétée **à la lumière de cette transition structurelle**.

(6.2) Our Reading of the Multiples

A closer look at the panel highlights that, at current levels, **FOPE trades at multiples below those of the two most relevant clusters** in our peer group: the **"ultra-premium quiet luxury" cluster** (Hermès, Brunello Cucinelli), with a 2026 EV/EBITDA median of 19.1x, and the **"hard luxury global" cluster** (Richemont), at 17.1x.

On the basis of this panel, FOPE currently trades at a significant discount across all horizons. The discount reaches **-20% on 2026e EV/EBITDA** and **-42% on 2026e EV/EBIT** relative to the peer median, and **widens materially over the following years** — up to **-34% on EV/EBITDA and -47% on EV/EBIT by 2028e**. This widening of the discount on forward multiples reflects, in our view, the market's failure to fully price in the growth acceleration and margin expansion we anticipate.

This discount appears partly justified by specific factors — smaller scale, more limited liquidity and a distribution model still predominantly wholesale — but it also constitutes, in our view, the quantitative evidence of the stock's implicit re-rating potential, as the strategic plan presented at the Capital Market Day progresses in its execution.

Disclaimer: *given the heterogeneity of the comparables panel, we consider that relative valuation does not offer a fully relevant methodological framework for FOPE. We therefore favour a valuation entirely based on the DCF method, better suited to the group's growth trajectory.*

(6.3) Key takeaways from LVMH's and Kering's H1 2026 releases

The half-year results of the world's two largest luxury groups deliver a message of **striking consistency**, which directly reinforces our thesis on FOPE: **in a broadly sluggish luxury market, jewellery stands out as the most resilient and most dynamic category.**

LVMH: jewellery, the group's engine

- **Watches & Jewellery the group's best segment in H1**: revenue of **€5.2bn (+9% organic)**, with **double-digit growth in Q2** across all key regions (US, Asia, Japan);
- **Tiffany and Bvlgari growing mid-teens in Q2**, driven by iconic lines (Serpenti, B.zero1, Tiffany's elevation strategy);
- **Watchmaking remains slightly negative** — a clear illustration of the **jewellery / watchmaking divergence** within hard luxury;
- **Significant increase in operating profit**, confirming the operating leverage of the jewellery model despite Tiffany's retail investments.

Kering: Boucheron and Pomellato leading the way

- **Kering Jewelry, the group's best performer:** half-year revenue of **€521m, +20% YoY** (+18% in Q2 after +22% in Q1) — remarkable in the context of a group under pressure;
- **Boucheron** (success of Quatre XS, notably in Asia) **and Pomellato are showing exceptional momentum;**
- **Jewellery wholesale remains solid (+7% YoY),** while the group accelerates its **"retailization"** (e.g. Boucheron in the UAE) — precisely the wholesale-to-retail transition.

Read-across for FOPE. Three takeaways emerge. **First, jewellery confirms itself as the growth engine of luxury** — both majors singled it out as their most dynamic category in an otherwise sluggish market, validating the defensive and structural angle of our thesis. **Second, the strength is geographically broad-based (US, Japan, Asia),** consistent with FOPE's expansion priorities. **Third, both groups' emphasis on iconic, recognisable lines** as well as on the shift towards more direct retail echoes the two pillars of FOPE's equity story: a distinctive, technology-rooted product identity (Flex'it, Novecento) and the ongoing transition towards a hybrid distribution model.

(6.4) M&A Appeal — A Potential Upside Catalyst

FOPE's profile matches several of the **criteria historically sought** by the major luxury conglomerates in the jewellery segment: a **recognized Italian brand with solid heritage**, a **proprietary technology (Flex'it)**, a **fully verticalized production in Vicenza** and a **proven track record of double-digit organic growth**. In a context where **LVMH, Kering and Richemont** are actively pursuing the **expansion of their hard luxury portfolios** — and where **branded jewellery** is increasingly establishing itself as a **structurally attractive category** — FOPE could constitute a **particularly interesting *bolt-on* acquisition** for a global group looking to reinforce its positioning in the segment.

We however do not incorporate **any M&A scenario** into our formal valuation. The **scarcity of recent transactions** in *branded* jewellery makes any quantitative estimate unreliable. As a reference point, the most comparable historical deals — **Kering's acquisition of Pomellato** (**~14–15x EV/EBITDA, 2013**) and **LVMH's acquisition of Tiffany** (**~16.6x EV/EBITDA, 2019**) — point to the existence of **significant strategic premia**, but differ materially in terms of **scale, timing and market context**. Moreover, the **~75% stake held by the Cazzola family** and its **active involvement in the group's management** suggest that a **change of control is not on the short-term agenda**.

We therefore view the **potential M&A appeal for FOPE as an implicit optionality not reflected in our target price**. This optionality nonetheless offers a **certain degree of downside protection** and could act as a **re-rating catalyst** in the event of a future evolution of the reference shareholders' positioning.

Chapter 7 : Valuation

As mentioned earlier, we believe the most appropriate method to value FOPE is the Discounted Free Cash-Flow (DCF), which makes it possible to capture both the group's expected growth trajectory and its cash-generation capacity, while overcoming the difficulty of identifying genuinely relevant comparables.

(7.1) Valuation: determining the risk-free rate and Equity Risk Premium for FOPE (rf: 3.7%; ERP: 4.9%)

Given **FOPE's geographic profile** — characterised by **significant international diversification (~87% of revenue generated abroad in FY25)** — we determined **the risk-free rate and the Equity Risk Premium** as a **weighted average of the values specific to the geographic areas most representative of the revenue mix,** based on the FY25 split.

Chart 24: Risk-free rate — calculation and rationale

Country	% Sales	Proxy used	Risk Free rate 10Y	Equity Risk Premium
Italy	**13%**	Btp-10y	3.9%	6.7%
EU (ex-Italy)	**30%**	German Bund-10y	3.1%	4.2%
		US 10Y Treasury	4.6%	4.5%
RoW	**57%**	Japan 10Y Government Bond	2.8%	5.1%
		South Korea 10Y Bond	4.2%	4.9%
Aggregate Risk free Rate & ERP			**3.7%**	**4.9%**

Source: Damodaran

Applying these weightings yields an **aggregate Risk Free Rate of 3.5%** and an **aggregate Equity Risk Premium of 4.9%**, levels we consider **consistent with the group's internationalised profile** and **more representative** than a possible adoption of Italian parameters alone. The latter approach would in fact have **overstated the country risk** of a company with a **direct presence in the world's main luxury markets**. This methodological choice also appears to us **consistent with the nature of FOPE's target clientele**, made up of **high-end consumers structurally less exposed to the volatility of individual domestic markets**.

(7.2) DCF Valuation: Other key assumptions

In addition to the Risk Free Rate and the Equity Risk Premium, here are the main assumptions used in building our DCF model:

- **Levered beta of 0.94**, used as a proxy for the Apparel category — frequently adopted to characterise the luxury sector (source: Damodaran). **A beta below 1 appears to us relevant in FOPE's specific case,** as the segment is **structurally more resilient than the broader macroeconomic dynamic,** and the target clientele — **mainly HNWIs** — is less exposed to geopolitical and macroeconomic shocks.

- **Terminal growth rate of 3.0%,** in line with the long-term growth **outlook for the global jewellery market (~2–3%),** with a slight premium reflecting FOPE's positioning in the **high-end segments** and the continuation of its international expansion.

- **Target D/E ratio of 0%:** we project the current financial structure over the long term, already firmly **net cash (~€10m at end-2025).** Although the group will need to fund its investments to support the opening of new points of sale, we expect these investments to be largely self-financed thanks to its strong cash-generation capacity, in line with the strategies already adopted historically.

- **Specific Risk Premium of 100bps,** added to the ERP calculated earlier, to reflect FOPE's **more limited scale** versus the peer panel and, above all, the **reduced liquidity of the stock.**

- **Cost of Debt of 5.3%,** calculated on the basis of 2025a data.

- **Fixed tax rate of 29%,** in line with historical data.

Chart 25: Discounted FCFF Analysis

FOPE Discounted FCFF Organic Growth Scenario (€mn)	Dec-26	Dec-27	Nov-28	Nov-29	Nov-30	Nov-31	Nov-32	Nov-33	Nov-34	Nov-35	Nov-36	Nov-37	Nov-38	Nov-39
Sales	115.1	136.4	152.1	165.8	178.2	190.3	202.0	213.3	224.1	234.4	244.1	253.3	261.9	270.0
EBITDA	**24.5**	**30.7**	**36.1**	**41.3**	**46.4**	**49.6**	**52.6**	**55.6**	**58.4**	**61.0**	**63.5**	**65.9**	**68.1**	**70.2**
EBIT	**20.5**	**25.6**	**30.1**	**34.4**	**38.4**	**41.1**	**43.7**	**46.3**	**48.7**	**51.0**	**53.3**	**55.4**	**57.4**	**59.3**
Taxes	*5.9*	*7.4*	*8.7*	*9.9*	*11.1*	*11.8*	*12.6*	*13.3*	*14.0*	*14.7*	*15.3*	*16.0*	*16.5*	*17.1*
D&A	*4.0*	*5.1*	*6.0*	*7.0*	*8.0*	*8.5*	*8.9*	*9.3*	*9.6*	*9.9*	*10.2*	*10.5*	*10.7*	*10.9*
Delta NWC	*-7.1*	*-7.2*	*-5.6*	*-5.1*	*-4.8*	*-4.5*	*-4.2*	*-3.8*	*-3.3*	*-2.7*	*-2.1*	*-1.4*	*-0.6*	*0.2*
Capex	**-7.5**	**-8.3**	**-8.7**	**-8.9**	**-8.9**	**-9.3**	**-9.7**	**-10.0**	**-10.2**	**-10.5**	**-10.7**	**-10.8**	**-11.0**	**-11.0**
FCFF (TP ICAP)	**4.0**	**7.8**	**13.2**	**17.5**	**21.7**	**23.9**	**26.2**	**28.5**	**30.8**	**33.1**	**35.4**	**37.7**	**40.0**	**42.3**
Discounted visible FCFF (to today)	3.9	6.9	10.7	13.1	14.8	14.9	15.0	14.9	14.8	14.5	14.2	13.9	13.5	13.0

Sum of Disc. Visible FCFF	178.2
Terminal Value	196.7
Implied EV	**374.9**
Net Debt Bridge (Cash Net)	-7.8
Implied Equity Value	**382.7**
NoSh (# mn)	*5.4*
PPS (€ ps)	***70***

Hypothesis	
Terminal Growth Rate	3.0%
Equity Risk Premium	4.9%
Target D/E	0.0%
Beta	0.9
Risk Free Rate	3.8%
Cost of Equity	9.2%
Cost of Debt	5.3%
Tax Rate	28.8%
WACC	9.2%

Source: TP ICAP, Factset Estimates

By applying the assumptions described above and valuing FOPE through an approach **independent of its capital structure** — namely a **DCF based on future free cash flows to the firm (FCFF)** — we arrive at a **target price of approximately €70 per share**. This valuation incorporates the **effect of the list-price increases already visible in 2026 and expected in 2027**, consistent with the price revisions already announced by the group in response to gold price appreciation.

Within our model, we observe an **EBITDA and EBIT CAGR of approximately +8.5% over 2026–2039**. This dynamic appears **consistent with our underlying assumptions**, notably the **continuation of organic growth** and the **gradual increase in volumes**.

The **terminal value** represents around **53% of the total valuation** (€196.7m out of an implied Enterprise Value of €374.9m), a level we consider **balanced** and consistent with a model that **does not rely excessively on long-term assumptions**, but draws significantly on the **explicit forecast period** (~€178m of discounted visible FCFF). After accounting for the **positive net cash position (~€7.8m)**, we derive an **Equity Value of €382.7m**, i.e. a **target price of €70 per share** on a base of 5.4 million shares.

(7.3) Final valuation, TP €70.0, BUY recommendation

Relying exclusively on the DCF method for the reasons outlined above, we estimate an **Equity Value of €380.2m as of 31 December 2026e**, corresponding to a **target price of €70.0 per share**. Based on the current share price, this represents an **upside of approximately 28%**, which justifies the assignment of a **BUY rating**.

At the target price, this valuation would today imply **2026e–27e EV/EBITDA multiples of around 15.3x–12.2x** (based on our EBITDA estimates), a level below the median of the retained peer panel. Likewise, the implied **2026e–27e P/E stands at 28.3x–22.4x**.

In summary, FOPE offers an **expected organic growth profile superior to that of its listed comparables**, driven by the premiumisation of its offering and the disciplined expansion of its distribution network. This growth differential, still **insufficiently reflected in the current valuation**, represents in our view the main driver of the stock's re-rating and fully justifies our **BUY rating**.

Chart 26: Aggregate Target Price

Valuation Method	Details	Equity Value (€mn)	TP (€)	*Weighting (%)*
DCF	Fixed Gold Price	382.5	70.0	*100%*
Multiples Valuation	EV/EBITDA	286.6	52.7	*0%*
	EV/EBIT	407.7	75.0	*0%*
TP ICAP Final Valuation		**382.5**	**70.0**	

Source: TP ICAP, Factset Estimates

Appendix 1: Management Team

The Group retains a **family control structure**, with the **Cazzola family** (founders and majority shareholders) at the chairmanship and a **Board of Directors comprising 6 members**, of whom **4 executives and 2 independents**:

Umberto Cazzola – Chairman

Involved in the group from a very young age, he supported his father Odino in the industrial development of production. He rounded out his training through internships at **major Swiss watchmaking houses**. Designer of the **Flex'it technology**, he continues today to oversee **R&D and technological development**, with a view to the **creation of new meshes** and the **continuous improvement of the production process**.

Ines Cazzola – Vice Chairman

Active in the group from her early years, she supported her father Odino in running FOPE, focusing in particular on **administrative matters**, **production development** and the **design of the collections**. She is today an **active member of the Board of Directors**.

Diego Nardin – Chief Executive Officer

A graduate in Economics and Business, he spent several years as a **Management Consultant** in the *Strategy and Finance* field, within leading consulting firms (**Deloitte Italia, Gruppo Coreconsulting**). Mandated by FOPE's shareholders to draft the **Industrial Development Plan** in **2005**, he joined the Board of Directors the same year and has held the role of **Managing Director (CEO)** since 2008.

Elisa Teatini – Chief Marketing Officer

With the group since **1970**, she quickly took on a key role in running the company, particularly in the **commercial functions** and the **design of the collections**. Already an active member of the Board of Directors, she is today also **responsible for the entire marketing and communication scope**.

Davide Molteni – Independent Director

A graduate in Economics and Business from **Bocconi University in Milan**, registered with the Institute of Chartered Accountants since **1988** and with the Register of Statutory Auditors. From **1986 to 1997**, he worked at a leading audit firm; between **1998 and 2008**, he held the position of **General Manager** of a group specialising in the processing and marketing of stainless-steel products. Since **2009**, he has been **Managing Director of Kaleon S.p.A.**, the company in charge of managing the **Borromeo** family's assets.

Alberto Camerlengo – Independent Director

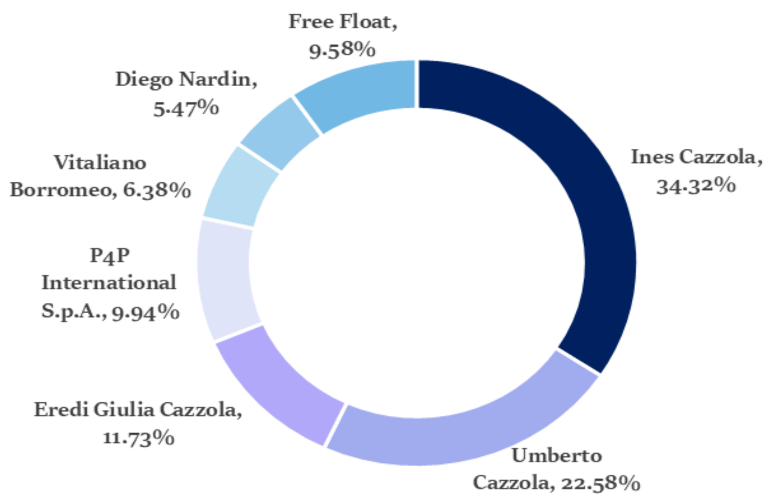
A graduate in Business Economics from **Bocconi University**, registered with the Institute of Chartered Accountants and the Register of Statutory Auditors. He began his career at **Deloitte & Touche**, before moving to the United States as **Controller and Deputy CFO of Retail Brand Alliance** (formerly *Casual Corner Group Inc.*) from **1995 to 1999**. He then joined **Fossil Italia** as **COO**, before moving to **Brooks Brothers Europe** in 2004, which he led as **CEO until 2011**. He subsequently joined **Furla** as **COO and General Manager**, before becoming its **CEO until 2020**, then **Chairman of the Board of Directors**. Since **2024**, he has held the position of **CEO of Alessi S.p.A.**

Appendix 2: Shareholders

The shareholding structure of FOPE is currently as follows:

- **The Cazzola family (74.1% of share capital): Ines Cazzola** is the largest shareholder with **34.32%,** followed by **Umberto Cazzola,** who holds **22.58%** of the share capital. The remaining **11.73%** is held in **bare ownership by the heirs of Giulia Cazzola.** The voting rights attached to this stake are exercised by **Umberto Cazzola.**
- **Diego Nardin, CEO (5.47% of share capital).**
- **P4P International S.p.A. (9.94% of share capital).**
- **Vitaliano Borromeo (6.38% of share capital).**
- **Free Float (9.58% of share capital).**

Chart 27: Shareholders

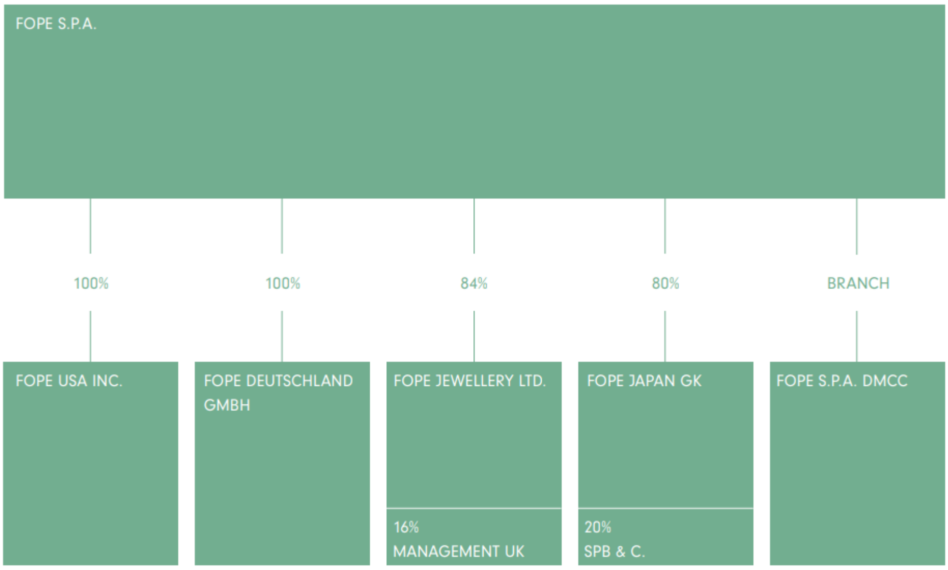


Source: TP ICAP, Company Data

Appendix 3: Organisational Structure

FOPE S.p.A., listed on Euronext Growth Milan (formerly AIM Italia) since **30 November 2016**, is the parent company of a vertically integrated group specialised in the production and distribution of **high-end branded jewellery**

Chart 28 : Company Structure



Source: Company Data

As of **31 December 2025**, the consolidation perimeter comprises **five operating companies**:

- **FOPE S.p.A.** (Vicenza): the parent company, responsible for **technological R&D**, the design and development of collections, integrated manufacturing, logistics, as well as the Group's commercial and marketing organisation.

- **FOPE USA Inc.** (Boca Raton, Miami): a **wholly owned subsidiary**, acting as the distributor for the US market and as an agent for the Caribbean and South American markets.

- **FOPE Jewellery Ltd.** (Solihull, UK): a subsidiary **84%-owned** by FOPE S.p.A., with the remaining **16%** held by two operational managers; distributor for the UK and Irish markets.

- **FOPE Deutschland GmbH** (Mönchengladbach, Germany): a **wholly owned subsidiary**, established in 2022 to ensure a direct presence in the German market.

- **FOPE Japan G.K.** (Tokyo): a subsidiary **80%-owned** by FOPE S.p.A., with the remaining **20%** held by SwissPrimeBrand Co. Ltd.; operational since 2024, it manages distribution in the Japanese market, as well as commercial support, customer service and local marketing activities.

- **FOPE France SAS** (Paris): wholly owned subsidiary, established in September 2026 to drive market penetration and support business development in France.

The Group also operates through the **FOPE S.p.A. – DMCC Branch** (Dubai), an entity established in 2020 to provide assistance and customer service across the Gulf and Southeast Asian markets. FOPE S.p.A. also holds a **20% stake** in **Milano 1919 S.r.l.**, owner of the **Antonini** jewellery brand, a historic Italian high-jewellery maison. This investment **is not included within the consolidation perimeter.**

FINANCIAL DATA

Income Statement	12/23	12/24	12/25	12/26e	12/27e	12/28e
Sales	66.8	73.4	93.6	115.1	136.4	152.1
Changes (%)	7.4	10.0	27.4	23.0	18.5	11.5
Gross profit	39.4	49.9	49.6	62.4	75.9	87.0
% of Sales	59.0	67.9	53.0	54.2	55.7	57.2
EBITDA	**17.0**	**14.8**	**20.5**	**24.5**	**30.7**	**36.1**
% of Sales	25.4	20.2	21.9	21.3	22.5	23.8
Current operating profit	**14.7**	**12.1**	**17.5**	**20.5**	**25.6**	**30.1**
% of Sales	22.0	16.5	18.7	17.8	18.8	19.8
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	14.7	12.1	17.5	20.5	25.6	30.1
Net financial result	-0.9	-0.6	-1.4	-1.5	-1.6	-1.5
Income Tax	3.7	3.1	4.6	5.5	6.9	8.2
Tax rate (%)	26.9	27.0	28.8	28.8	28.8	28.8
Net profit, group share	**10.1**	**8.4**	**11.5**	**13.5**	**17.1**	**20.3**
EPS	1.85	1.54	2.11	2.49	3.15	3.74

Financial Statement	12/23	12/24	12/25	12/26e	12/27e	12/28e
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	13.9	14.6	15.2	18.6	21.7	24.1
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.9	0.8	0.1	0.2	0.4	0.5
Working capital	28.0	30.7	38.9	46.1	53.3	58.9
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
Assets	42.7	46.0	54.2	64.8	75.3	83.6
Shareholders equity group	40.1	45.4	57.6	65.1	75.5	87.2
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	1.4	2.5	5.2	6.0	6.9	7.7
Net debt	0.0	-3.3	-10.0	-7.8	-8.5	-12.8
Other liabilities	1.2	1.4	1.5	1.5	1.5	1.5
Liabilities	42.7	46.0	54.2	64.8	75.3	83.6
Net debt excl. IFRS 16	0.0	-3.3	-10.0	-7.8	-8.5	-12.8
Gearing net	0.0	-0.1	-0.2	-0.1	-0.1	-0.1
Leverage	0.0	-0.2	-0.5	-0.3	-0.3	-0.4

Cash flow statement	12/23	12/24	12/25	12/26e	12/27e	12/28e
CF after elimination of net borrowing costs and taxes	11.0	12.3	16.3	18.3	23.0	27.2
ΔWCR	-5.2	-1.2	-1.9	-7.1	-7.2	-5.6
Operating cash flow	5.8	11.1	14.3	11.2	15.8	21.6
Net capex	-3.0	-3.3	-3.0	-7.5	-8.3	-8.7
FCF	2.8	7.8	11.4	3.7	7.5	12.9
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	1.3	0.6	-0.0	0.0	0.0	0.0
Dividends paid	-4.3	-4.6	-4.6	-6.0	-6.8	-8.6
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	-0.0	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	-0.3	3.9	6.7	-2.3	0.7	4.3

	12/23	12/24	12/25	12/26e	12/27e	12/28e
ROA (%)	16.7%	12.1%	13.2%	14.0%	15.7%	16.5%
ROE (%)	25.3%	18.6%	20.0%	20.8%	22.7%	23.4%
ROCE (%)	26.3%	20.6%	28.1%	26.6%	27.9%	29.1%

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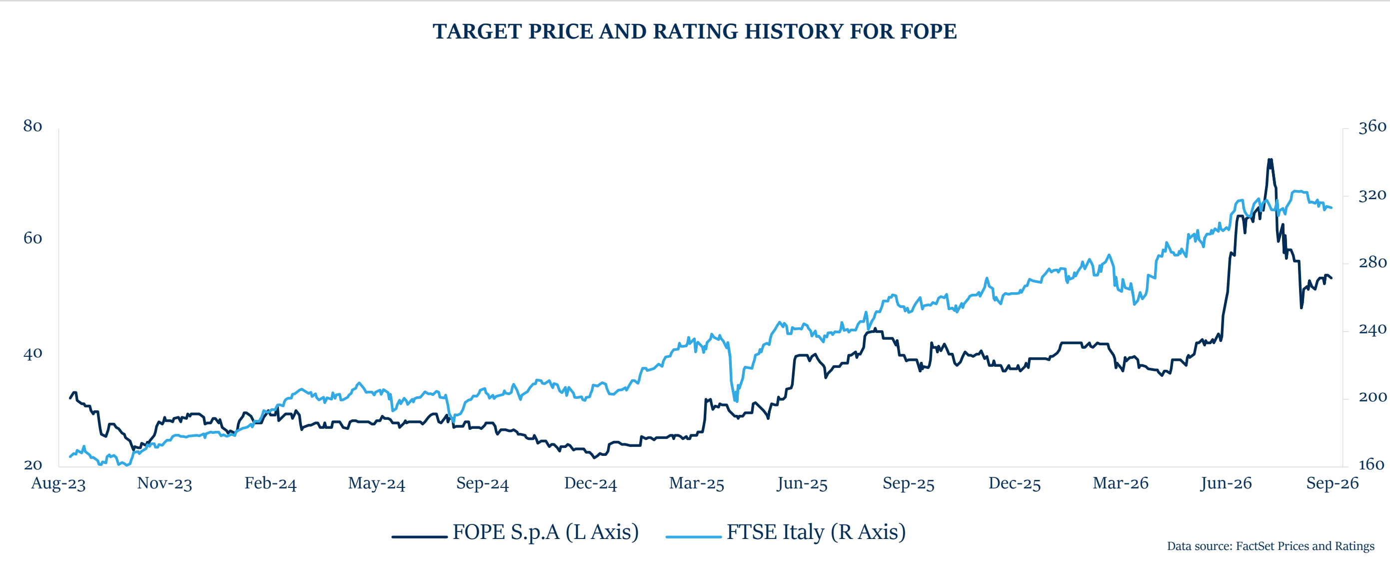
This Report may mention evaluation methods defined as follows:
1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

Conflict of Interests between TP ICAP Midcap and Issuer

G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: FOPE S.p.A

History of investment rating and target price – FOPE S.p.A



Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	67%	76%
Hold	24%	56%
Sell	3%	40%
Under review	6%	80%

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