

VICENZA

FOPE

DAL 1929

**FY22 revenues largely outperforming our estimates**

**Sector: Fashion & Luxury**

**Target Price 36.19 (29.38 pr.)**

Market Cap (€ m) **156.6**

EV (€ m) **156.4**

Market Price (€) **29.00**

**As of 23<sup>rd</sup> January 2023**

**Share Data**

Market	Euronext Growth Milan
Reuters/Bloomberg	FPE.MI/FPE:IM
ISIN	IT0005203424
N. of Shares	5,399,608
Free Float	13.10%
Main Shareholder	Diego Nardin

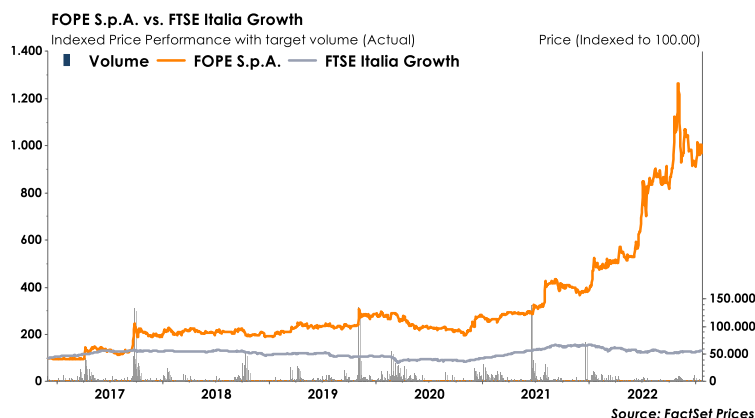
Financials	21A	22E	23E	24E
Sales	40.3	62.2	69.6	78.0
YoY %	+55%	+54%	+12%	+12%
EBITDA	8.8	14.6	15.7	17.5
EBITDA %	21.8%	23.5%	22.5%	22.5%
EBIT	6.8	12.5	13.7	15.8
EBIT %	16.8%	20.2%	19.7%	20.3%
Net Income	5.0	9.6	9.9	11.5
Net Debt	(1.9)	(0.2)	(2.8)	(6.2)
Net Equity	25.8	33.0	38.3	45.0

**Performance**

	1M	3M	1Y
Absolute %	+3.6	-8.2	+95.9
Relative (FTSE Italia Growth)	-0.5	-13.6	+128.9
52-week High/Low (Eu)	38.60	/	14.00

**YoY top-line growth of +54% largely overperforming reference market:** Last week FOPE announced FY22 revenues which according to the note reached Euro 62,2 m, largely outperforming our estimates of Euro 55,2 m (+13%), posting a YoY growth of +54% (Euro 40.3 m in FY21). The excellent performance, in our view highlights how the Company, notwithstanding difficult market conditions during the Covid-years, was able to continue to focus on its strategy to consolidate its position in core markets and exploring new markets with high growth potential while continuing investing in brand awareness. The Company has in fact been able to grow revenues at a FY19-22 CAGR of c. 20% (+78% vs. 2019), largely beyond the reference market which according to Bain-Altgamma WW Monitor 2022 grew at a 10% CAGR between 2019 and 2022. Looking at the second half of the year, revenues stood at c. Euro 34.4 m, +34% vs. 2H21, a very significant result as for the first time in a while none of the periods was particularly influenced by Covid restrictions on travelling. Management highlighted that the result was driven by generalized strong performance across all geographical markets. The note did not provide guidance for FY23, however Management stated that they are looking positively at 2023, despite an uncertain international economic context, as "the specific nature of FOPE's product range and the forecasts on the potential business trend in the luxury sector should back up the positive estimates".

**Upward review of estimates and new TP at Euro 36.19 p.s..** Given the above we reviewed upwards our FY22 estimates to factor in FY22 actual sales (Euro 62.2 million). We also slightly increased YoY growth for FY23-24 (now 12% vs. 10% pr.). We further adjusted EBITDA margin expectations to reflect the higher sales volumes (23.5% for FY22 vs. 22.5% and 22.5% for FY23-24 vs 22% pr. while leaving other assumptions for FY23-24 unchanged. Overall, we made an average increase in Sales, EBITDA and Net Income of +13%, +16% and +14% respectively. Based on our updated estimates we set a new TP of 36.19 p.s. (Euro 29.38 p.s. previously) an increase of +23% vs. our last report. Our valuation, obtained by weighting equally the DCF and the multiple comparison analysis, provides for a potential upside of c. 25%. At our target price the stock would be trading at P/E 22-23 of 20.3x and 19.7x respectively vs. peers at 30.6 and 28.6x.



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Date	Target Price	Market Price	Validity Time
January 24 <sup>th</sup> , 2023	36.19	29.00	12 months
September 27 <sup>th</sup> , 2022	29.38	25.20	12 months
March 9 <sup>th</sup> , 2022	18.79	14.70	12 months
January 28 <sup>th</sup> , 2022	18.11	15.00	12 months
August 4 <sup>th</sup> , 2021	15.55	12.80	12 months
March 15 <sup>th</sup> , 2021	11.42	8.60	12 months
September 24 <sup>th</sup> , 2020	11.37	6.70	12 months
September 25 <sup>th</sup> 2019	12.28	7.45	12 months
March 19 <sup>th</sup> 2019	12.26	7.30	12 months
September 19 <sup>th</sup> 2018	9.05	7.00	12 months
March 28 <sup>th</sup> 2018	8.85	6.80	12 months
September 21 <sup>st</sup> 2017	6.05	5.00	12 months
July 18 <sup>th</sup> 2017	5.40	3.83	12 months

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Luisa Primi, (Senior Analyst, AIAF Associated)

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