

**Maud Servagnat**  
Equity Analyst  
[Maud.servagnat@inextenso-finance.fr](mailto:Maud.servagnat@inextenso-finance.fr)

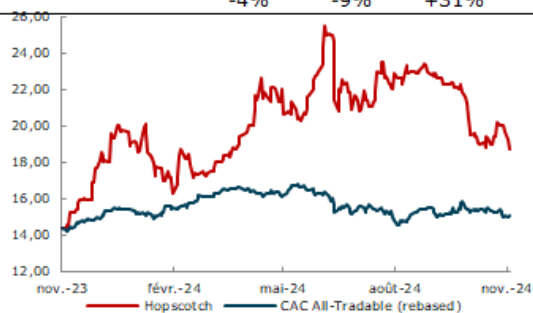
**Opinion** **1. Strong Buy**  
Closing price on 5th of Nov. 24 **€ 18.75**  
Price objective **€ 30.5 (+62.7 %)**

**Market data**

Bloomberg Ticker	HOP:FP
Market capitalisation (€m)	56.3
Enterprise value (€m)	68.2
Free Float (€m)	17.63 (31.30 %)
Number of shares	3 003 722
Daily volume	€ 20 155
Capital turnover rate (1 year)	4.6%
High (52 weeks)	€ 25.5
Low (52 weeks)	€ 14.35

**Performances**

Absolute perf. 1 month 6 months 12 months  
-4% -9% +31%

**Ownership**

Founders : 27,60% ; Reworld Media : 26.41 % ;  
Flottant : 31.30 %

**Agenda**

Feb 4th, 2025 : Q4 sales/GM 2024 (after market)

**Key figures**

	2022	2023	2024E	2025E	2026E
Gross Margin (€m)	86,4	93,0	104,5	109,4	111,6
Change (%)	28,8%	7,6%	12,4%	4,6%	2,0%
EBITDA (€m)	13,8	10,5	17,0	18,0	18,3
EBIT (€m)	9,4	9,9	12,5	13,5	13,8
Ebit margin (%)	10,8%	10,7%	11,9%	12,3%	12,4%
Net profit (€m)	6,1	5,2	8,5	9,3	9,7
Net margin (%)	7,0%	5,6%	8,1%	8,5%	8,6%
EPS	2,12	1,74	2,68	3,10	3,21

**Ratios**

	2022	2023	2024E	2025E	2026E
EV / GM	0,6	0,7	0,7	0,6	0,5
EV / EBITDA	3,7	6,5	4,3	3,6	3,0
EV / EBIT	na	7,3	6,0	4,9	4,1
P / E	na	10,9	6,6	6,0	5,8
Gearing (%)	-25%	29%	32%	10%	-6%
Net debt/EBITDA	-50%	87%	78%	27%	-20%
ROCE (%)	22%	16%	20%	18%	16%

**Hopscotch****Q3 GM up +8.1% - return to normal expected in Q4**

Gross Margin, group's key indicator, was up +8.1% in Q3 to €21.1 M (+14.1% over 9M). We calculate that gross margin organic growth decelerated to -4.6% in Q3, after benefiting from the Olympics in H1 (+9% in Q2 and +4% in Q1). Tourism activities, consolidated this year, contributed +€6.8 M to the 9M. By business, over the 9M, organic growth was fairly evenly distributed between communications consulting activities and event production activities. International activities (ex Sopexa) remain rather stable this year. The group shared its cautious view of the end of the year, on the lack of visibility linked to the economic context and the return to normal after the Olympics. Our estimates are unchanged. **We adjust our PO from € 31.5 to € 30.5** (updated comps). The stock trades on 4.1x fwd EV/EBITDA and 7.3x fwd PE. **Strong Buy**.

**Q3 gross margin up +8.1% (+14.1% in the 9M)**

Group published particularly strong Q3 2024 sales, up +61% to €92.2 M (+22.9% YoY overall over the 9M), a direct consequence of the increased event activity linked to the Olympics this summer. However, this activity generates less gross margin than consulting activities. Thus, the gross margin, key indicator of activity, was up more moderately at +8.1% in Q3 to €21.1 M (+14.1% over 9M). We calculate that gross margin organic growth decelerated to -4.6% in Q3, after benefiting from the Olympics in H1 (+9% in Q2 and +4% in Q1). Indeed, over the first 9 months of the year, GM grew by +3.5% on a like-for-like basis, after +7% in H1. Tourism activities, consolidated this year, contributed +€6.8 M to the 9M. By business, over the 9M, organic growth was fairly evenly distributed between communications consulting activities and event production activities. International activities (ex Sopexa) remain rather stable this year.

**Caution in Q4 post-Olympics and given little visibility**

The group shared its cautious view of the end of the year, on the lack of visibility linked to the economic context and the return to normal after this summer's Olympics. In the longer term, we believe that thanks to its solid financial structure, the group will pursue its external growth strategy, focused internationally, and will continue to strengthen its position in promising businesses such as influence and social. Hopscotch aims to become a leading communications group in the world.

**Unchanged estimates: +23% EPS CAGR over 2023-26E**

Our estimates are unchanged at this stage. We look for an operating profit of €12.5 M for the entire 2024 financial year. We recall that operating result is structurally higher in H2 than in H1. Indeed, Hopscotch Season (formerly Sopexa) traditionally experiences strong seasonality with 2/3 of its activity in H2. In addition, Hopscotch Tourism also presents, although less marked, seasonality in favour of H2. We project +23% average growth in net income over 2023-26E.

**PO adjusted to € 30.5 € (vs € 31.5) – Strong Buy reiterated**

We adjust our **PO from € 31.5 to € 30.5** (updated comps). The stock trades on 4.1x 12M-forward EV/EBITDA and 7.3x 12M-forward PE, attractive levels given the group's dynamics, the solid B/S which allows for acquisitions, and the achieved level of turnover significantly higher than in the past (2023 sales at € 272 M vs. average turnover 2015-2019 at € 159 M) while the rate of EBIT/GM doubled (10.5% in 2022 vs. 4.8% on average over 2015-2019). We reiterate **Strong Buy**.

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### Q3 2024 gross margin up +8.1% YoY (+14.1% over the 9M)

Group published particularly strong Q3 2024 sales, up +61% to €92.2 M (+22.9% YoY overall over the 9M), a direct consequence of the increased event activity linked to the Olympics this summer.

However, this activity generates less gross margin than consulting activities. Thus, the gross margin, key indicator of activity, was up more moderately at +8.1% in Q3 to €21.1 M (+14.1% over 9M).

We calculate that gross margin organic growth decelerated to -4.6% in Q3, after benefiting from the Olympics in H1 (+9% in Q2 and +4% in Q1).

Indeed, over the first 9 months of the year, GM grew by +3.5% on a like-for-like basis, after +7% in H1. Tourism activities, consolidated this year, contributed +€6.8 M to the 9M.

By business, over the 9M, organic growth was fairly evenly distributed between communications consulting activities and event production activities. International activities (ex Sopexa) remain rather stable this year.

### H1 2024 gross margin growth components

Variation YoY % - MB	2024				2024 9M
	Q1	Q2	H1	Q3	
Marge Brute Groupe	19,1%	16,2%	17,5%	6,5%	13,8%
Croissance organique	4%	9%	7%	-4,6%	3,5%
Croissance externe	15%	7%	10%	11%	9,5%

Source: Company and IE Finance estimates  
External growth is due to Hopscotch Interface Tourism

### Group sales and Gross Margin – by quarter



Source : Historique Société et IE Finance

## 2024 outlook : back to normal in Q4 with low visibility

The group shared a cautious view of the end of the year, due to the lack of visibility linked to the economic context and the return to normal after this summer's Olympics.

We recall that the result is structurally more important in H2 than in H1. Indeed, Hopscotch Season (formerly Sopexa) traditionally experiences strong seasonality with 2/3 of its activity in H2. In addition, Hopscotch Interface Tourism also presents, although less marked, seasonality in favour of H2. In H2, we expect operating profit of €9.9 M, or €12.5 M for the entire financial year.

In the longer term, we believe that thanks to its solid financial structure, the group will pursue its external growth strategy, focused internationally, and will continue to strengthen its position in promising businesses such as influence and social. Hopscotch aims to become a leading communications group in the world.

### Guidance: cautious view of Q4

	Event	Change	Details
<b>2023</b>			
04/05/2023	Q1 sales/GM		The approach of the 2024 Olympics will lead to a progressive dynamic in the group's activities.
03/08/2023	Q2 sales/GM		X
27/09/2023	H1 results	<a href="#">H2 2023 prospects</a> <a href="#">2024 prospects</a>	Momentum will continue in H2 The group aims to maintain the same level of operating margin as last year 2024 will be rich in major activities, in sports and with the Paris Motor Show among others.
02/11/2023	Q3 sales/GM	<a href="#">2023 prospects</a>	Hopscotch expects to benefit from the same momentum over the full year The group's participation in the sporting events during the summer of 2024 will begin contributing to this momentum in H2 2023, but the main focus will remain on the FY2024.
<b>2024</b>			
06/02/2024	Q4 sales/GM		X
02/04/2024	FY2023 results	<a href="#">2024 prospects</a>	By consolidating the Tourism division in 2024, group's GM will exceed € 100 M and operating result should improve
02/05/2024	Q1 sales/GM		X
01/08/2024	Q2 sales/GM		X
25/09/2024	H1 results		X
05/11/2024	Q3 sales/GM		Cautious view on Q4 due to normalisation post-Olympics and low visibility

Source : Company history & IE Finance

## Share price performance

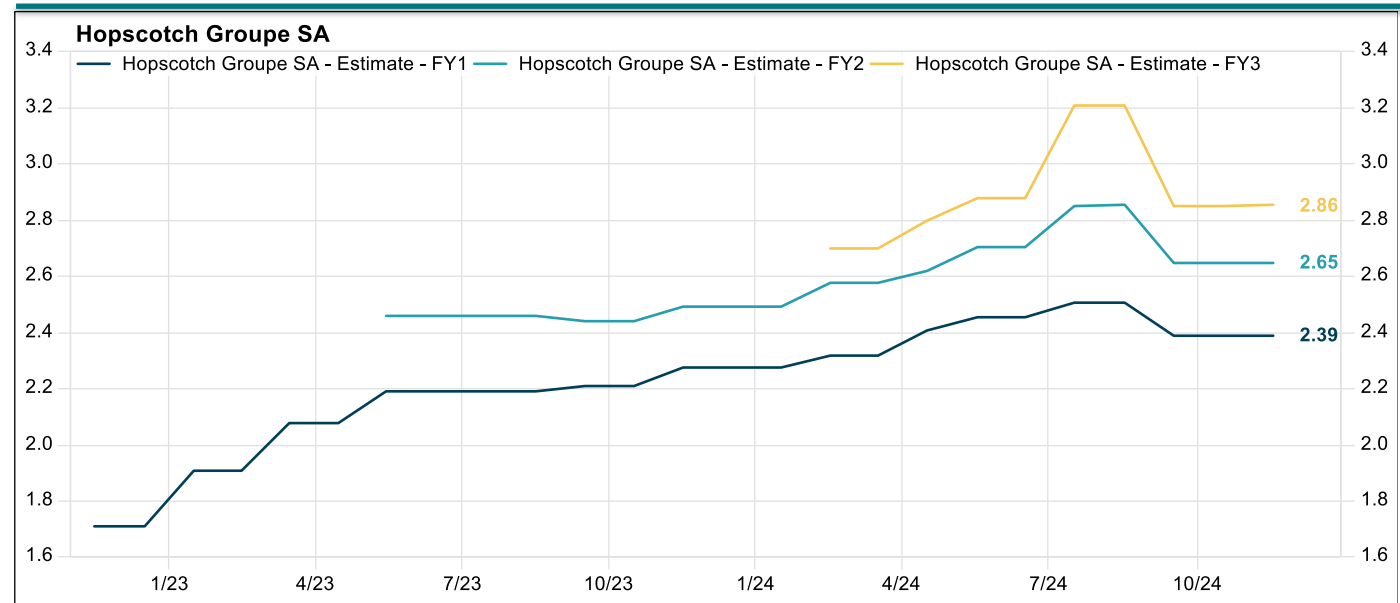
### Share price performance – 12 month-rolling



Source : Factset & IE Finance

## EPS expectations illustrate Hopscotch’s significant growth prospects

### EPS revisions (€)



Source : Factset & IE Finance

### Attractive valuation

Shares still trade on attractive levels: at about 4.1x EV/EBITDA NTM (12-month forward) and 7.3x PE.

#### EV/EBITDA NTM (x)



#### PE NTM (x)



Source : Factset & IE Finance

## Important disclosures

### In Extenso Finance ratings and target prices definition

In Extenso Finance stock market recommendations reflect the absolute change expected in the share price from a six to twelve-months perspective (in local currencies).

<b>1. Strong Buy</b>	The absolute share price performance is expected to be at least +25 %
<b>2. Buy</b>	The absolute share price performance is expected to be comprised between +10 % and +25 %
<b>3. Neutral</b>	The absolute share price performance is expected to be comprised between +10 % and -10 %
<b>4. Sell</b>	The absolute share price performance is expected to be comprised between -10 % and -25 %
<b>5. Strong Sell</b>	The absolute share price performance is expected to be at least -25 %

Details of valuation methods used by In Extenso Finance in target price calculations are available at [https://finance.inextenso.fr/wp-content/uploads/2022/11/Methodologie\\_Valo\\_Analyse\\_Fin\\_IEFM.pdf](https://finance.inextenso.fr/wp-content/uploads/2022/11/Methodologie_Valo_Analyse_Fin_IEFM.pdf)

### Detection of potential conflicts of interest

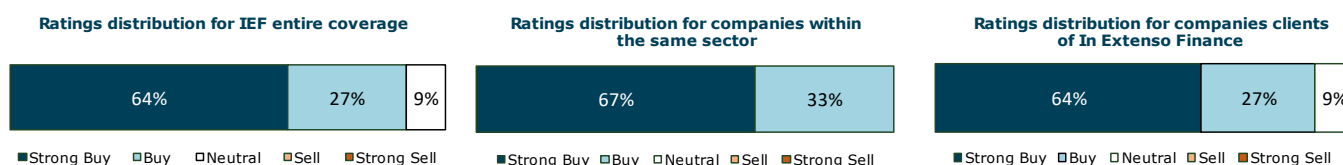
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No	No	No	No	Yes	No	No

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### Rating and target price evolution throughout the last 12 months

Date	Rating	Target price
November 6 <sup>th</sup> 2024	Equity Flash <b>Strong Buy</b>	€ 30.5
September 26 <sup>th</sup> 2024	Semi-annual Study <b>Strong Buy</b>	€ 31.5
August 2 <sup>nd</sup> 2024	Equity Flash <b>Strong Buy</b>	€ 31.5
May 3 <sup>rd</sup> 2024	Equity Flash <b>Strong Buy</b>	€ 30.8
April 3 <sup>rd</sup> 2024	Annual Study <b>Strong Buy</b>	€ 30.8
February 7 <sup>th</sup> 2024	Equity Flash <b>Strong Buy</b>	€ 29.8

### Ratings distribution



## Additional disclosures

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