

Maud Servagnat

Equity Analyst

Maud.servagnat@inextenso-finance.fr**Opinion****1. Strong Buy**

Closing price on 3rd of Feb. 2025 € 16.35

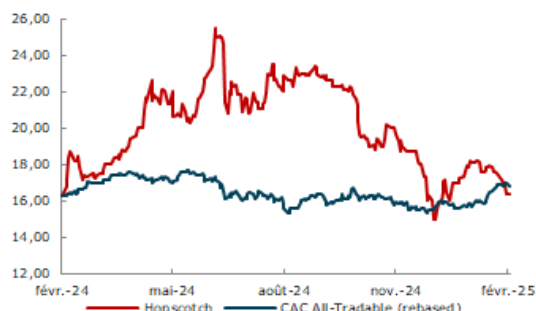
Price objective € 29.1 (+78.1 %)

Market data

Bloomberg Ticker	HOP:FP
Market capitalisation (€m)	50.1
Enterprise value (€m)	62
Free Float (€m)	15.67 (31.30 %)
Number of shares	3 061 222
Daily volume	€ 9 543
Capital turnover rate (1 year)	2.5%
High (52 weeks)	€ 25.5
Low (52 weeks)	€ 14.95

Performances

Absolute perf.	1 month	6 months	12 months
	-10%	-29%	+0%

**Ownership**

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

Agenda

April 1, 2025 : FY2024 results (before market)

Key figures

	2022	2023	2024E	2025E	2026E
Gross Margin (€m)	86,4	93,0	104,8	110,4	115,7
Change (%)	28,8%	7,6%	12,7%	5,4%	4,7%
EBITDA (€m)	13,8	10,5	14,1	14,7	15,4
EBIT (€m)	9,4	9,9	10,0	10,6	11,3
Ebit margin (%)	10,8%	10,7%	9,5%	9,6%	9,7%
Net profit (€m)	6,1	5,2	6,7	7,2	7,8
Net margin (%)	7,0%	5,6%	6,4%	6,6%	6,7%
EPS	2,12	1,74	2,07	2,37	2,55

Ratios

	2022	2023	2024E	2025E	2026E
EV / GM	0,6	0,7	0,6	0,6	0,5
EV / EBITDA	3,8	5,9	4,7	4,1	3,5
EV / EBIT	na	6,6	6,9	5,9	4,9
P / E	na	9,7	7,5	6,9	6,4
Gearing (%)	-25%	29%	35%	17%	2%
Net debt/EBITDA	-50%	87%	99%	54%	7%
ROCE (%)	22%	16%	17%	15%	14%

Hopscotch**Record high 2024 gross margin**

Over the FY, gross margin, a key indicator of activity, was up +12.7% to € 104.8 M (in line with our estimate). Tourism activities, consolidated over the year, contributed 9%. Organic growth thus stood at c.+3%, including c.+5% in France. In Q4, GM grew by +10.8%, including +1% at constant scope, a normalization of activity as expected. The Olympics have strengthened the attractiveness of France, which should support growth over the coming years. Furthermore, we believe that thanks to its solid financial structure, the group will continue its external growth strategy. We adjust our PO to € 29.1 (vs. € 30.5). The stock trades on attractive levels: 3.7x fwd EV/EBITDA and 6x fwd PE. Strong Buy reiterated.

Record 2024 gross margin at € 104.8 M (+12.7% YoY)

Over the FY, gross margin, a key indicator of activity, was up +12.7% to € 104.8 M (in line with our estimate), a more moderate increase than that of turnover (+ 17.7%) because events generate less gross margin than consulting activities. Tourism activities, consolidated over the year, contributed 9%, i.e. approximately +€10 M. Thus organic growth stood at c.+3% over the year and it approached +5% in France, both in events and in PR and Digital consulting. However, international sales fell slightly due to the significant drop in certain customers on the US market. The other zones (Europe, Gulf, Asia) continued their growth.

Q4 GM +10.8% YoY of which +1% organic

In Q4, GM grew by +10.8% to € 32.8 M, including +1% at constant scope, a normalization of activity as expected. This slight increase followed the temporary decline of -4.6% recorded in Q3 due to some postponements post-Olympic, which followed +9% in Q2 and +4% in Q1, growth directly linked to the Olympics.

Outlook: visibility is limited

The Olympics have strengthened the attractiveness of France, which should support growth in 2025 and over the coming years. Moreover, 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. Shorter term, we recall that operating result is structurally higher in H2 than in H1.

PO adjusted to €29.1 (vs € 30.5 €) – Strong Buy reiterated

We revise our EBIT estimate to € 10 M this year and adjust our PO to € 29.1 from € 30.5. The stock trades on 3.7x 12M-forward EV/EBITDA and 6x 12M-forward PE, attractive levels given the group's dynamics, the solid balance sheet which allows for acquisitions, and the achieved level of turnover, significantly higher than in the past (2024 sales at € 319 M vs. average turnover 2015-2019 at € 159 M) while the rate of EBIT/GM doubled (10.1% in 2023 vs. 4.8% on average over 2015-2019). We reiterate Strong Buy.

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Financials

P&L simplified (in € M)	2022	2023	2024E	2025E	2026E
Sales	246,8	271,4	319,2	334,4	350,4
% YoY chg	60,6%	10,0%	17,6%	4,8%	4,8%
Gross Margin	86,4	93,0	104,8	110,4	115,7
Operating income	9,4	9,9	10,0	10,6	11,3
% of gross margin	10,8%	10,7%	9,5%	9,6%	9,7%
Financial result	(0,6)	(2,8)	(0,8)	(0,7)	(0,6)
Earnings before tax	8,7	7,2	9,2	9,9	10,7
Income tax	(2,8)	(2,0)	(2,5)	(2,7)	(2,9)
Net incomegroup share	5,6	4,6	6,3	7,2	7,8
EPS (basic)	2,1	1,7	2,1	2,4	2,5
% YoY chg	39%	-18%	19%	14%	8%

B/S simplified (in € M)	2022	2023	2024E	2025E	2026E
Total non-current assets	32,5	55,0	70,0	71,0	72,0
Customer receivables	74,7	79,5	93,5	97,9	102,6
Other assets	23,7	26,8	31,5	33,0	34,6
Cash	45,4	51,9	40,1	41,0	44,6
Total current assets	176,3	213,2	235,0	242,9	253,8
Total equity	28,0	31,5	40,1	47,4	55,2
Loans and financial debt	21,1	13,9	10,9	5,9	2,7
Rental debts	3,9	26,3	22,3	22,3	22,3
Provisions	8,1	6,3	6,3	6,3	6,3
Total non-current liabilities	33,1	46,6	39,6	34,6	31,3
Payables	43,5	60,5	70,9	73,9	77,1
Loans and financial debts	9,5	17,1	17,1	17,1	17,1
Rental debts	3,9	3,6	3,6	3,6	3,6
Other liabilities	56,9	53,6	63,0	66,0	69,2
Total current liabilities	115,2	135,1	154,9	160,9	167,2
Total equity and liabilities	176,3	213,2	234,6	242,9	253,8
Net debt (net cash)	(6,9)	9,1	13,9	8,0	1,1
Gearing %	-25%	29%	35%	17%	2%
Net debt (net cash) to EBITDA (x)	(0,5)	0,9	1,0	0,5	0,1

CF statement simplified (in € M)	2022	2023	2024E	2025E	2026E
Net cash from operating activities	8,9	14,4	9,7	8,2	8,8
Net cash from investing activities	0,1	(2,7)	(15,0)	(1,0)	(1,0)
Net cash from financing activities	(9,6)	(13,0)	2,3	(5,9)	(4,2)
Net increase in cash and cash equivalents	(0,6)	(1,3)	(3,0)	1,3	3,6

Source: Company and In Extenso Finance estimates

Record FY2024 gross margin at € 104.8 M (+12.7% YoY)

Group published Q4 2024 sales up +7.2% to € 97.7 M. Over the year, sales rose sharply by +17.7% YoY, a direct consequence of the increased event activity linked to the Olympics this summer.

Gross margin, a key indicator of activity, was up +10.8% in Q4 to € 32.8 M. Over the year, GM was up +12.7% to € 104.8 M (in line with our estimate), a more moderate increase than that of sales because events generate less gross margin.

We calculate gross margin organic growth of +1% in Q4, which follows the temporary decline of -4.6% in Q3 due to some postponements post-Olympic, which followed +9% in Q2 and + 4% in Q1, growth directly linked to the Olympics.

Tourism activities, consolidated over the year, contributed 9% of overall GM, ie +€ 10 M in FY 2024 (of which around € 3 M in Q4). In addition to strong expertise in tourism, this acquisition complements Hopscotch's international presence, particularly in Europe.

In FY2024, organic growth approached +5% in France, both in events and in PR and Digital consulting. However, international was down slightly due to the significant drop in certain customers on the US market. The other zones (Europe, Gulf, Asia) continued their growth.

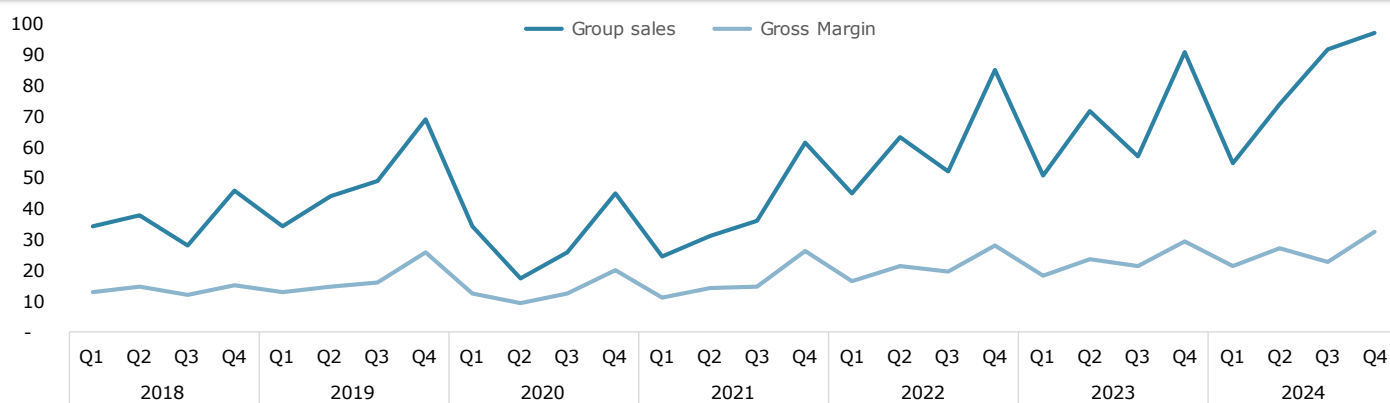
2024 gross margin growth components

Variation YoY % - MB	Q1	Q2	H1	Q3	9M	Q4	H2	2024 FY
Marge Brute Groupe	19,1%	16,2%	17,5%	6,5%	13,8%	10,3%	8,7%	12,7%
Croissance organique	4%	9%	7%	-4,6%	3,5%	1,0%	-1,3%	3,2%
Croissance externe	15%	7%	10%	11%	9,5%	9%	10%	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

Outlook: no guidance communicated

The international visibility of the Olympics reinforces the attractiveness of France. This should support growth in 2025 and over the coming years.

Moreover, 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.

Shorter term, we recall that results are 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.

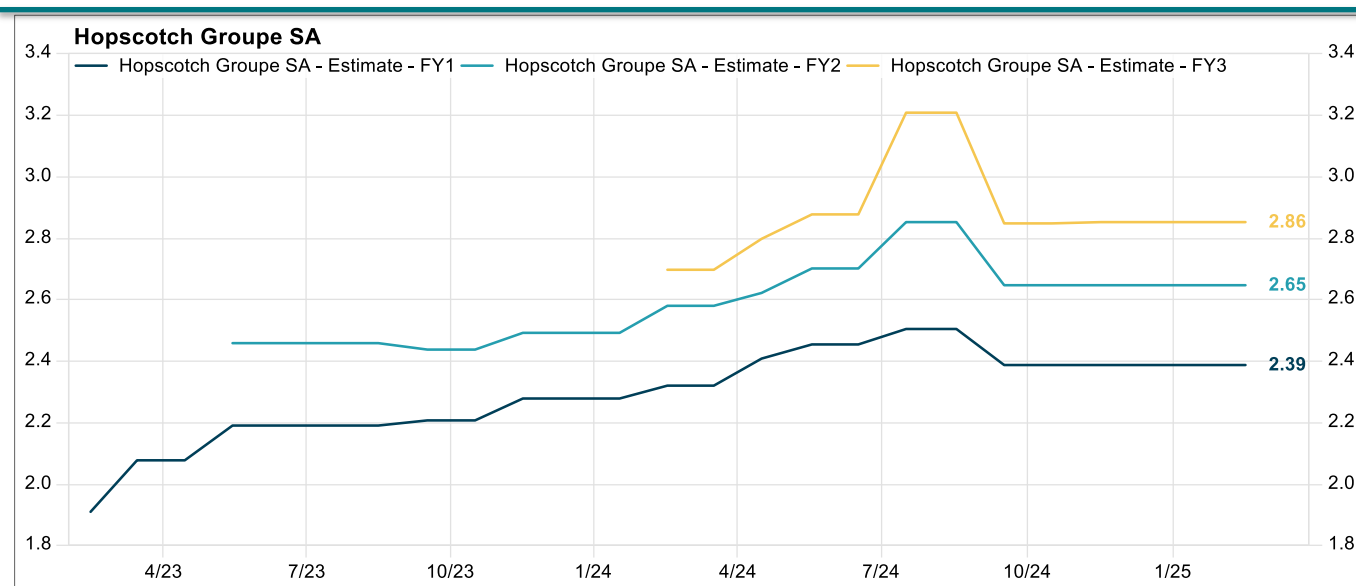
Guidance

	Event	Change	Details
2023			
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	H2 2023 prospects 2024 prospects	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	2023 prospects	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.
2024			
06/02/2024	Q4 sales/GM		X
02/04/2024	FY2023 results	2024 prospects	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
2024			
04/02/2025	Q4 sales/GM		X

Source : Company history & IE Finance

EPS expectations illustrate Hopscotch's growth prospects

EPS revisions (€)



Source : Factset & IE Finance

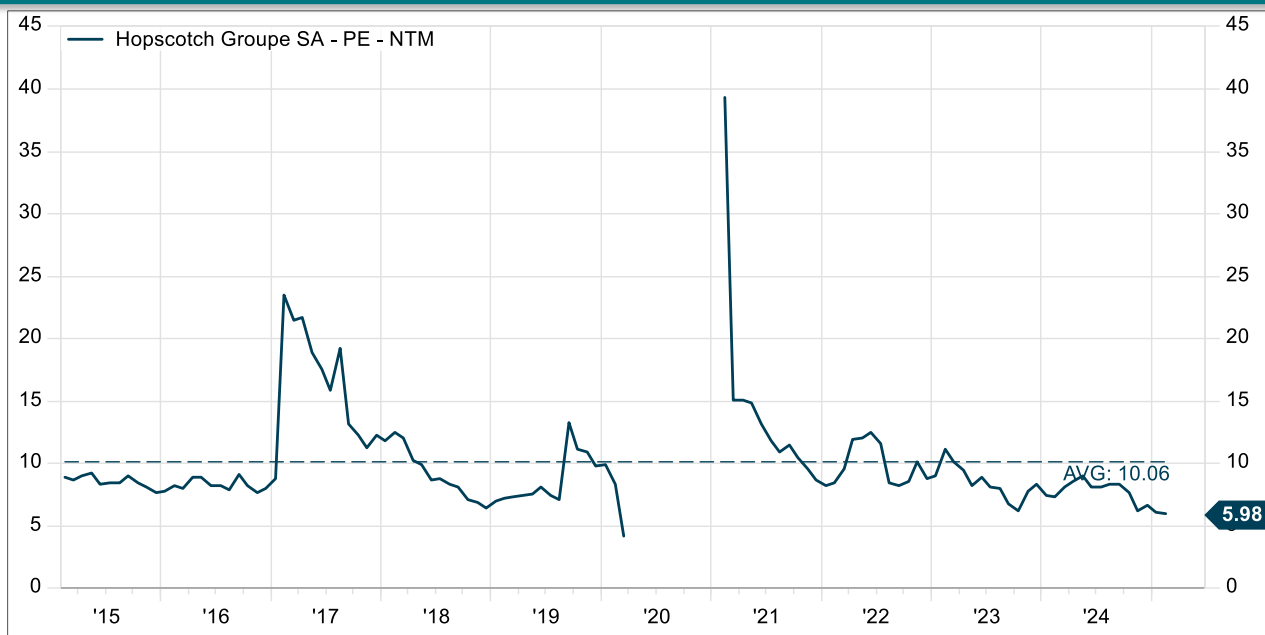
Attractive valuation

Shares still trade on attractive levels: at about 3.7x EV/EBITDA NTM (12-month forward) and 6x 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).

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

Detection of potential conflicts of interest

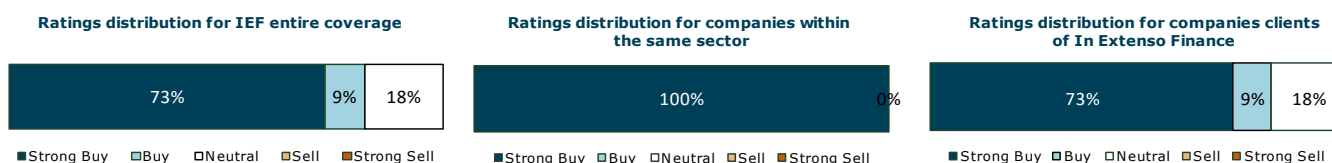
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Rating and target price evolution throughout the last 12 months

Date	Rating	Target price
February 5 th 2025	Equity Flash Strong Buy	€ 29.1
November 6 th 2024	Equity Flash Strong Buy	€ 30.5
September 26 th 2024	Semi-annual Study Strong Buy	€ 31.5
August 2 nd 2024	Equity Flash Strong Buy	€ 31.5
May 3 rd 2024	Equity Flash Strong Buy	€ 30.8
April 3 rd 2024	Annual Study Strong Buy	€ 30.8

Ratings distribution



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