

Hopscotch

Ready for 2030 ambitions

Solid 2024 operating results

FY2024 EBIT came in at €9.2 M (vs. €9.9 M in 2023) and included -€1 M in non-recurring reorganization expenses in North America. Adjusted for these expenses, EBIT would have been €10.2 M, above our expectations of €10 M. The North American region suffered from a lack of activity (-€1.5 M at GM level), particularly linked to the wine industry, impacted by D. Trump's statements. The operating margin (EBIT/GM) stood at 8.7% (9.7% adjusted for non-recurring expenses). Provisions reversals were significantly lower compared to last year. Personnel and external expenses were under control. The integration of Interface Tourism contributed positively to results with +€9.5 M on gross margin and +€1.2 M on operating profit (12.2% margin). Net profit (group share) came to €4.8 M, representing slight YoY growth (€4.6 M in 2023).

2030 ambitions: consolidation & organic growth to €200 M GM

The Olympic Games were a fantastic international showcase of the group's expertise and technical expertise. This should support growth in 2025 and over the next few years. Furthermore, thanks to its solid financial structure, the group will pursue its dynamic external growth strategy, focused on strengthening its international positions and its promising businesses/sectors such as influence and social. Hopscotch aims to become a leading communications group in the world. The group is therefore targeting (i) €200 M in gross margin by 2030, representing an acceleration of historical average annual growth from +7% to +11.4%, about 50% to 75% through acquisitions and the remaining share organic, and (ii) an EBIT/GM margin of 12% (vs. 8.7% in 2024).

Healthy financial situation that allows future acquisitions

The financial structure is still solid and improving. Acquisitions are an integral part of the group's growth strategy, with a positive track record, as evidenced by the most recent accretive integration, Interface Tourism in July 2023, which represents 9% of the group's gross margin with an EBIT of 12.2%. Furthermore, the Executive Board has proposed a dividend of €0.65 per share (flat YoY).

Attractive valuation – PO € 30.0 (vs € 29.1) - Strong Buy

Considering the publication, the 2030 ambitions and the analysts meeting, we raise our price target to €30.0 (vs. €29.1). The stock is trading at 4.1x EV/EBITDA NTM (12 rolling months) and 7.9x PE NTM, levels that we still consider attractive given the group's dynamics (solid organic growth levers and dynamic external growth strategy), its solid balance sheet and the level of turnover significantly higher than in the past (2024 turnover at €319 M vs. average turnover 2015-2019 at €159 M) with an operating margin rate EBIT/GM at 8.7% in 2024 vs. 4.8% on average over 2015-2019. Strong Buy reiterated.

Maud Servagnat

Equity analyst

Maud.servagnat@inextenso-finance.fr

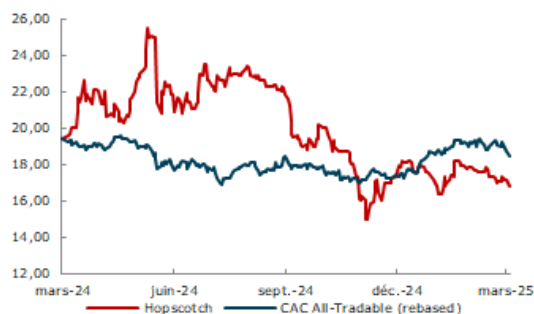
Opinion	1. Strong Buy
Closing price on 1st of Apr. 2025	€ 16.8
Price objective	€ 30.0 (+78.6 %)

Market data

Bloomberg Ticker	HOP:FP
Market capitalisation (€m)	51.4
Enterprise value (€m)	63.3
Free Float (€m)	16.1 (31.30 %)
Number of shares	3 061 222
Daily volume	€ 17 415
Capital turnover rate (1 year)	8.7%
High (52 weeks)	€ 25.5
Low (52 weeks)	€ 14.95

Performances

Absolute perf.	1 month	6 months	12 months
	-6%	-22%	-13%



Ownership

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

Agenda

May 6, 2025 : Q1 2025 Sales/GM (before market)

Key figures

	2023	2024E	2025E	2026E	2027E
Gross Margin (€m)	93,0	104,8	111,2	117,3	123,8
Change (%)	7,6%	12,7%	6,1%	5,5%	5,5%
EBITDA (€m)	10,5	14,0	14,4	15,2	16,0
EBIT (€m)	9,9	9,2	11,2	11,9	12,7
Ebit margin (%)	10,7%	8,7%	10,1%	10,2%	10,3%
Net profit (€m)	5,2	4,9	6,7	7,3	8,0
Net margin (%)	5,6%	4,7%	6,1%	6,3%	6,4%
EPS	1,74	1,58	2,20	2,40	2,61

Ratios

	2023	2024E	2025E	2026E	2027E
EV / GM	0,7	0,6	0,6	0,5	0,4
EV / EBITDA	6,1	4,8	4,8	4,1	3,4
EV / EBIT	6,8	6,5	6,3	5,3	4,4
P / E	9,9	10,5	7,6	7,0	6,4
Gearing (%)	29%	39%	38%	17%	1%
Net debt/EBITDA	0,9	1,0	1,0	0,5	0,0
ROCE (%)	16%	14%	18%	16%	15%

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Company presentation

Communication consultancy, Digital, PR, Influence, Events

Hopscotch is the leading public relations (PR) group in France and the third largest communications group. It is run by its founders and managers, driven by complementary expertise. With more than 800 employees, the group has published 2024 turnover of € 319.2 M and gross margin of € 104.8 M. Hopscotch listed on Euronext Growth Paris on 27 July 2022.

Mix of all communications fields

Hopscotch combines all communication expertise: digital, Public Relations & influence, events, activation, public affairs and marketing services. The group structures its expertise around agencies bearing its name "Hopscotch" (Event / PR / Travel / Decision makers / Congresses), and specialized agencies: Sopexa, Heaven, Sagarmatha, Human to Human, Le Public Système Cinéma, Le Public PR system, Sport (Alizeum, Sport&Co and Uniteam).

Expanding international footprint

The group has developed an integrated international network, with 40 offices spread over 5 continents.

Sustainable CSR approach

Hopscotch has been a pioneer in CSR and devotes increasing resources to developing its results in these areas. The group obtained the EcoVadis Platinum label (less than 1% of the companies evaluated). Hopscotch PR received three stars for the RSE Agences actives label, obtained for the first time by a PR agency in July 2023.

Investment thesis

Unique positioning & enrichment of the offer

The group operates across the entire communications market, with an integrated, global and transversal offering, which closely combines consulting, digital, PR, influence and events. In a mature and competitive market, this unique offering differentiates the group from its competitors. In addition, the group is enriching and diversifying its offering in all sectors and developing business verticals (tourism, sport, CSR, etc.). Hopscotch has also digitized its offer and its campaigns and is benefiting from the continued recovery of events.

Acquisitions to accelerate growth

Acquisitions are a lever to group's growth rate, which targets sectoral and/or geographic collaborations. The group signed the purchase of Interface Tourism (ITG) in July 2023 (€ 20 M sales and € 8 M Gross Margin) and remains on the path of acquisitions. Hopscotch aims to become a world leader in destination marketing.

New profitability profile and accretive acquisitions

The group managed to double its profitability level (EBIT to Gross Margin rate) from c.5% pre-Covid to 10.1% in 2023. Most of the savings in structural costs made during the Covid period are sustainable. We anticipate a continuous gradual improvement in margins for the following years.

Cash-flow generation and healthy financial situation

The Group combines growth prospects (organic & external) with the agility of its cost structure, resulting in significant cash-flow generation (low capex and WCR), and leading to a very healthy financial situation. Company is net cash, which allows it to return to acquisitions. Capital increases could take place to partially finance them.

2030 Ambitions: €200 M Gross Margin and EBIT > 12%

Thanks to its international reach (Europe, Gulf States, Asia), its unique positioning in growing markets, and its proven acquisition strategy, the group aims to achieve €200 M Gross Margin by 2030, with an operating profit margin of 12%. Hopscotch aims to become a leading global communications group.

Attractive valuation – Strong Buy

Shares trade on attractive levels: at about 4.1x EV/EBITDA NTM (12-month rolling) and 7.9x PE.

SWOT

Strengths

- A value proposition in line with clients' needs, global and transversal offer, underpinned by the complementarity of all Group's areas of expertise: influence, events, activation, digitization, internal communications, public affairs, marketing services, and more
- Ability to innovate (social networks, hybridization of formats, etc.)
- Leadership positioning in France
- Rigorous costs management and higher profitability level gained during the Covid crisis
- Net cash financial situation
- Low capex and WCR

Weaknesses

- Balance of power with clients which limits the ability to value teams and consulting services
- Limited visibility on the business
- A mainly French reach

Opportunities

- Expanding global reach
- Enriching and diversifying the offer (verticals, sectors, etc.)
- Shift from traditional communication tools towards Digital
- Artificial Intelligence

Threats

- Economic crisis
- Deteriorating consumer purchasing power
- Competitive pressure

Valuation methodology

Our price objective of € 30.0 results from an average of two valuation methodologies: discounted cash-flows and comparable trading multiples.

Discounted cash-flow

Discounted cash-flow analysis yields € 37.7 value per share.

Comparable trading multiples

Listed peers' valuation multiples applied to our estimated financials for the group allows to calculate a € 22.4 value per share. We selected peers with turnover less than € 1bn.

Solid FY2024 results adjusted for North America poor performance

The group published solid annual results adjusted from non-recurring charges in North America.

- As a reminder, organic growth for gross margin over the year reached c. +4%. All business lines and all geographic regions were growing, except for North America, where the group experienced a "commercial accident," with GM at €5 M compared to €6.4 M at cruising speed.
- EBIT came in at €9.2 M and included (in personnel costs) -€1 M in non-recurring reorganization expenses in North America (departure of local management). Excluding non-recurring expenses, EBIT would have been €10.2 M, above our expectations of €10 M. The North American region suffered from a lack of activity (-€1.5 M loss of revenue at GM), particularly related to the wine industry, impacted by the side effects of Donald Trump's various declarations on import taxes.
- The operating margin stood at 8.7% (9.7% adjusted for non-recurring expenses in North America).
- We note that provision reversal was significantly lower compared to last year (+€1.5 M vs. +€3.2 M YoY), so the YoY EBIT comparison is not significant.
- Personnel and external expenses were controlled (virtuous growth), despite the additional human resources required this summer in connection with the Olympic Games. These expenses were fully in line with our expectations.
- The integration of Interface Tourism contributed positively to results, with +€9.5 M in gross margin and +€1.2 M in operating profit (12.2% margin). Management reiterated that the integration into the group is not yet complete. Hopscotch Tourism is expected to accelerate the group's international activities.
- It should be noted that the group's margin on Olympic-related operations is lower than that of "traditional" private clients, who were less present this year as a result of the Olympic Games. Nevertheless, the Olympic Games provided an international showcase for the group's expertise and technical expertise.
- The financial result was -€1.6 M. Financial expenses were down this year thanks to more favorable exchange rates. They are expected to increase in 2025 with the increase in debt.
- Net income attributable to equity holders of the parent stood at €4.8 M, representing slight year-on-year growth.

P&L published – half-year

(€ M)	2021	2022	H1	H2	2023	H1	H2	2024
Sales	153.7	246.8	271.4	319.2	271.4	319.2	336.9	319.2
% YoY chg	26%	60.6%	13%	7.6%	10%	5.1%	28%	17.6%
Gross Margin	67.1	86.4	42	51	93	49.3	55.5	104.8
Operating income	8.8	9.4	1.1	8.8	9.9	2.5	6.6	9.2
% YoY chg	na	6.6%			6%			-7.7%
% of gross margin	13.1%	10.8%	2.7%	17.2%	10.7%	5.2%	11.9%	8.7%
Financial result	-1.6	-0.6	-0.6	-2.2	-2.8	-0.6	-1.1	-1.6
Earnings before tax	7.2	8.7	0.5	6.6	7.2	2	5.5	7.5
Income tax	-2.2	-2.8	-0.9	-1.1	-2	-1	-1.1	-2.1
Net income	4.7	6.1	-0.4	5.6	5.2	1	4.4	4.9
% YoY chg	na	28.5%			-14.5%			-5.4%
% of sales	3.1%	2.5%			1.9%			1.5%
EPS (basic)	1.5	2.1			1.7			1.58
% YoY chg	na	38.7%			-17.8%			-9.6%

Source : Historique Société et IE Finance

Still solid financial situation

The financial structure remains solid. At the end of December 2024, shareholders' equity increased to €34.1 M (vs. €31.5 M last year).

Cash flow from operations amounted to €9.3 M after neutralizing the impact of IFRS 16 (vs. €5.9 M last year).

The change in working capital was unfavorable at -€7.5 M (vs. €5.7 M a year ago). Working capital was significantly less favorable, due to longer payment terms from government clients (Paris Olympics and Coppa Italia in Riyadh), but they are reliable.

Share buybacks totalled €0.3 M.

The Executive Board proposed the distribution of a dividend of €0.65 per share (same as last year).

2025 Outlook and 2030 ambitions: towards € 200 M GM and 12% EBIT margin

2025

The group benefits from international visibility thanks to its successful Olympic-related operations. This should support growth in 2025 and over the coming years, both nationally and internationally, for major events.

In 2025, the group anticipates "small" organic growth (+4% on average in 2024).

2030 ambitions

Thanks to its international reach (the group is already established in strategic regions: Europe, the Gulf States, and Asia), its unique positioning (combining complementary business lines in communications consulting, influence, and event production) in growing markets, and its proven acquisition strategy (positive track record), the group aims to achieve a gross margin of € 200 M by 2030, with an operating margin of 12%. Hopscotch aims to become a leading global communications group.

This guidance implies a CAGR of +11.4% for the 2024-2030 period, an acceleration compared to approximately +7% at an average annual rate over the 2014-2024 period.

Management specified that 50% to 75% of gross margin's growth will depend on future targeted acquisitions, which will aim to strengthen the group's geographical, sectoral, and business positions in order to penetrate new growth markets, create synergies, and generate long-term value. The remaining share will come from organic growth.

This growth will be beneficial, as the group is targeting an improvement in its operating profit rate from 8.7% in 2024 to 12% by 2030.

The group detailed the four main drivers of this growth:

1. Its solid positioning and the complementarity of its businesses, integrating all the skills needed by its clients. The group combines event expertise with all the communication consulting techniques.
2. Innovation, which is a constant focus of the group, particularly with the development of AI. A team of approximately six people is working on the uses of AI to make it accessible to all group employees on a technical (and moral) level.
3. Pushing regional structures (e.g., Lyon, Marseille, the PACA region, etc.) and international (e.g., acceleration in the Gulf countries).
4. A targeted approach to acquisitions. The group has a positive track record in terms of acquisitions and integrations, as demonstrated by the latest accretive transaction of Interface Tourism. The targets are international (the group has cited the Gulf States, North America, Italy, Spain, Benelux, and Scandinavia), but the group is also interested in expanding its product range in France. Discussions are underway.

We would like to point out that the group's solid financial structure allows for acquisitions. These could be financed in part through debt and/or a capital increase

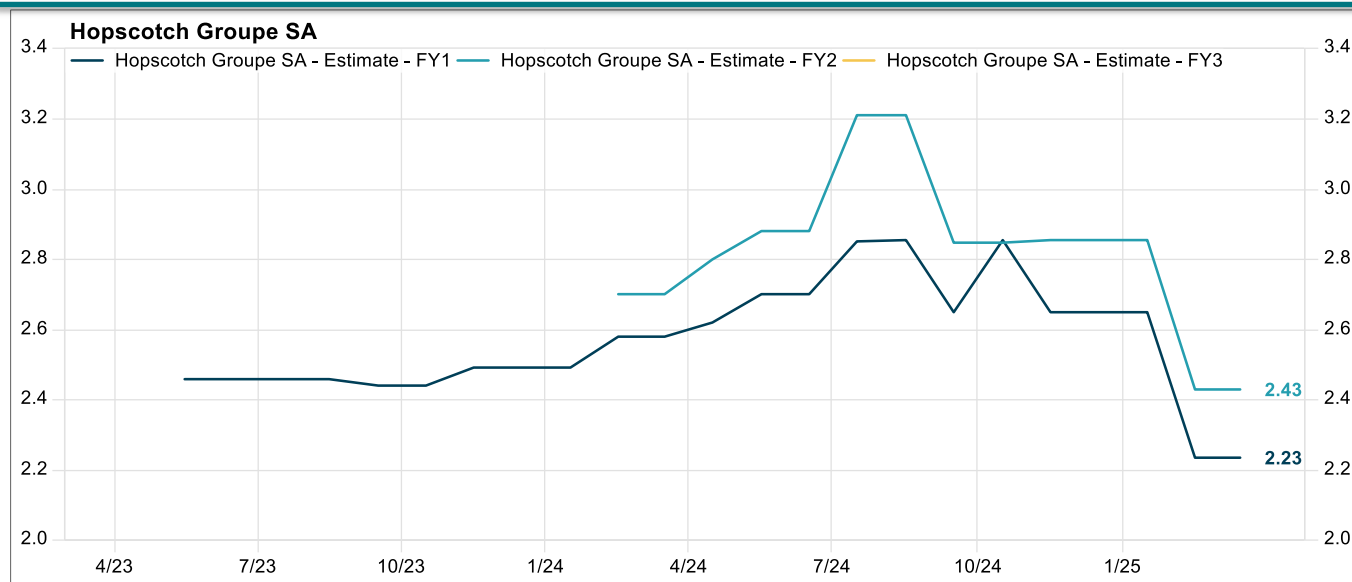
Guidance

2023	Event	Change	Details
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	Momentum will continue in H2 The group aims to maintain the same level of operating margin as last year
		2024 prospects	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
2025			
04/02/2025	Q4 sales/GM		X
31/03/2025	FY2024 results	2025 prospects	New "small" GM organic growth rate
		2030 ambitions	New € 200 M gross margin and 12% OP margin

Source : Company history & IE Finance

EPS expectations illustrate Hopscotch's growth prospects

EPS revisions (€)

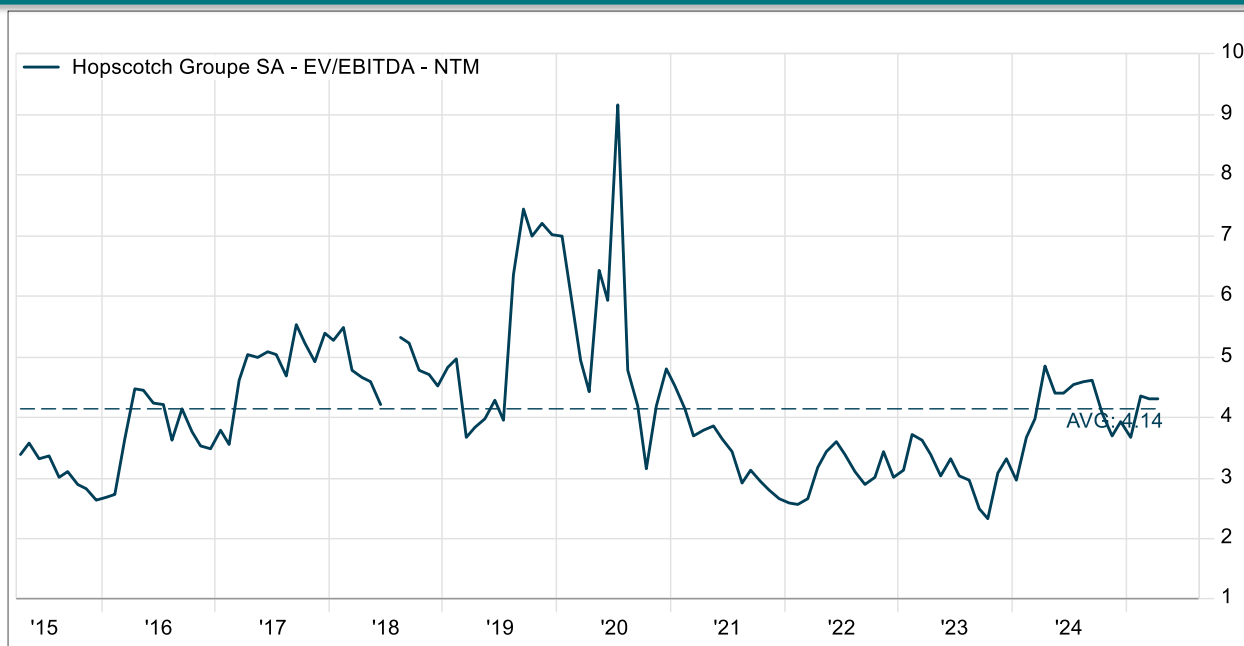


Source : Factset & IE Finance

Attractive valuation levels

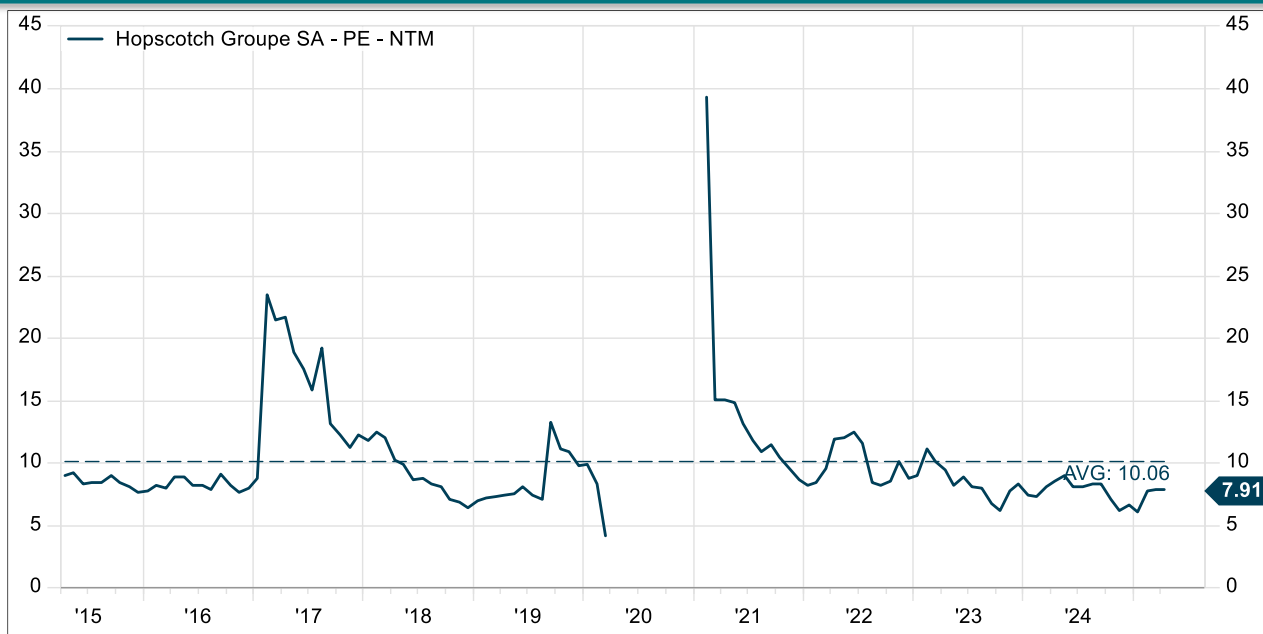
Shares trade on attractive levels: at about 4.1x EV/EBITDA NTM (12-month rolling forward looking) and 7.9x PE NTM.

EV/EBITDA NTM (x)



Source : Factset & IE Finance

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

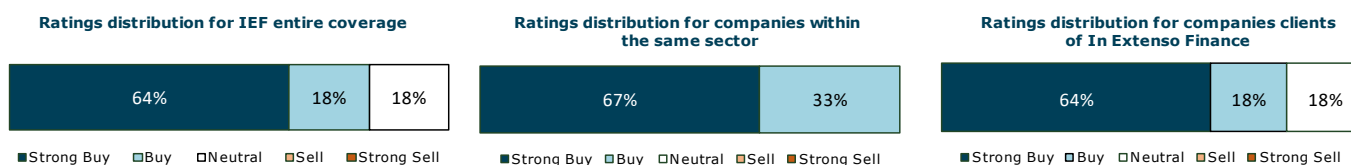
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No	No	No	No	Yes	No	No

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Rating and target price evolution throughout the last 12 months

Date	Rating	Target price
April 2 nd 2025	Annual Study Strong Buy	€ 30.0
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

Ratings distribution



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