

## EQUITY RESEARCH

**TAKE OFF**  
RESULTS REVIEW  
Press release

**BUY**  
**TP 7.3€**  
Up/Downside: 73%

### 2022 Preliminary Revenue

The group continues its growth by announcing preliminary revenue up 13% on the previous year.

Yesterday, Take Off released its preliminary revenue figures for FY 2022, which continued its growth trend.

Revenue increased by 13% yoy to €29.8m (€10.3m in Q4, +19% yoy), well above our estimate of €28m.

The growth was driven by the Take Off division, which, thanks to its business model based on outlet sales, was still able to attract customers. The price advantage is particularly interesting in an inflationary environment where consumers are more price sensitive.

Growth has been achieved both through volumes, which have increased thanks to the opening of 19 new Take Off shops, and through price leverage. In particular, its unique discount model has enabled the group to increase its average selling price (€18.42 in 2022 vs. €15.11 in 2021) while remaining the most competitive in the market.

In a challenging environment for the retail market as a whole, which we believe is not about to end, Take Off has, in our view (thanks to its business model) a significant competitive advantage, which it can continue to exploit in 2023.

#### Key data

|                  |           |
|------------------|-----------|
| Price (€)        | 4.2       |
| Industry         | Retailers |
| Ticker           | TKO-IT    |
| Shares Out (m)   | 15.625    |
| Market Cap (m €) | 65.9      |

#### Ownership (%)

|                              |      |
|------------------------------|------|
| Summit S.p.A.                | 64.2 |
| A. Piccarreta & G.L. Zanardi | 7.4  |
| Algebris Investments         | 5.2  |
| Free float                   | 23.3 |

#### EPS (€)

|                                  | 12/22e | 12/23e | 12/24e |
|----------------------------------|--------|--------|--------|
| Estimates                        | 0.27   | 0.49   | 0.59   |
| Change vs previous estimates (%) | 0.00   | 0.00   | 0.00   |

#### Performance (%)

|                | 1D   | 1M    | YTD   |
|----------------|------|-------|-------|
| Price Perf     | -4.0 | -4.2  | -2.9  |
| Rel FTSE Italy | -4.0 | -11.9 | -10.4 |



| TP ICAP Midcap Estimates | 12/21 | 12/22e | 12/23e | 12/24e | Valuation Ratio | 12/22e | 12/23e | 12/24e | Consensus FactSet - Analysts:3 | 12/22e | 12/23e | 12/24e |
|--------------------------|-------|--------|--------|--------|-----------------|--------|--------|--------|--------------------------------|--------|--------|--------|
| Sales (m €)              | 26.4  | 28.0   | 43.1   | 48.5   | EV/Sales        | 1.8    | 1.2    | 0.9    | Sales                          | 29.3   | 43.4   | 51.3   |
| Current Op Inc (m €)     | 7.7   | 5.9    | 10.4   | 12.3   | EV/EBITDA       | 6.6    | 4.0    | 3.2    | EBIT                           | 5.8    | 9.8    | 12.2   |
| Current op. Margin (%)   | 29.1  | 21.2   | 24.0   | 25.5   | EV/EBIT         | 8.7    | 4.8    | 3.7    | Net income                     | 4.0    | 6.8    | 8.6    |
| EPS (€)                  | 0.36  | 0.27   | 0.49   | 0.59   | PE              | 15.6   | 8.6    | 7.2    |                                |        |        |        |
| DPS (€)                  | 0.18  | 0.13   | 0.24   | 0.29   |                 |        |        |        |                                |        |        |        |
| Yield (%)                | 4.3   | 3.2    | 5.8    | 7.0    |                 |        |        |        |                                |        |        |        |
| FCF (m €)                | 6.1   | 4.2    | 5.7    | 8.4    |                 |        |        |        |                                |        |        |        |

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## FINANCIAL DATA

| Income Statement                                      | 12/19       | 12/20       | 12/21       | 12/22e      | 12/23e      | 12/24e      |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Sales   | 32.1        | 21.2        | 26.4        | 28.0        | 43.1        | 48.5        |
| Changes (%)   | 7.6         | -34.0       | 24.6        | 6.1         | 53.9        | 12.5        |
| Gross profit  | 14.1        | 12.4        | 15.9        | 15.0        | 23.1        | 26.2        |
| % of Sales  | 44.0        | 58.4        | 60.3        | 53.5        | 53.7        | 54.0        |
| <b>EBITDA</b>   | <b>6.2</b>  | <b>6.5</b>  | <b>9.5</b>  | <b>7.9</b>  | <b>12.4</b> | <b>14.4</b> |
| % of Sales  | 19.3        | 30.7        | 36.1        | 28.1        | 28.8        | 29.8        |
| <b>Current operating profit</b>                       | <b>4.6</b>  | <b>5.0</b>  | <b>7.7</b>  | <b>5.9</b>  | <b>10.4</b> | <b>12.3</b> |
| % of Sales  | 14.4        | 23.7        | 29.1        | 21.2        | 24.0        | 25.5        |
| Non-recurring items                                   | 0.0         | 0.0         | -0.0        | 0.0         | 0.0         | 0.0         |
| EBIT  | 4.6         | 5.0         | 7.7         | 5.9         | 10.4        | 12.3        |
| Net financial result                                  | 0.5         | -0.0        | -0.5        | -0.5        | -0.5        | -0.5        |
| Income Tax  | -1.5        | -1.2        | -1.6        | -1.2        | -2.2        | -2.7        |
| Tax rate (%)  | 30.2        | 23.5        | 21.6        | 22.6        | 22.6        | 22.6        |
| <b>Net profit, group share</b>                        | <b>3.5</b>  | <b>3.8</b>  | <b>5.6</b>  | <b>4.2</b>  | <b>7.7</b>  | <b>9.2</b>  |
| EPS   | 0.23        | 0.37        | 0.36        | 0.27        | 0.49        | 0.59        |
| Financial Statement                                   | 12/19       | 12/20       | 12/21       | 12/22e      | 12/23e      | 12/24e      |
| Goodwill  | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Tangible and intangible assets                        | 2.7         | 2.0         | 1.4         | 1.5         | 1.6         | 2.0         |
| Right of Use  | 6.7         | 7.8         | 6.6         | 6.6         | 6.6         | 6.6         |
| Financial assets                                      | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Working capital                                       | 2.1         | 3.8         | 5.1         | 5.0         | 6.9         | 7.3         |
| Other Assets  | 2.4         | 2.0         | 1.7         | 1.7         | 1.7         | 1.7         |
| <b>Assets</b>   | <b>13.9</b> | <b>15.6</b> | <b>14.8</b> | <b>14.9</b> | <b>16.9</b> | <b>17.6</b> |
| Shareholders equity group                             | 12.8        | 11.8        | 23.7        | 25.8        | 29.6        | 34.2        |
| Minorities  | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| LT & ST provisions and others                         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Net debt  | -4.7        | -0.1        | -12.1       | -14.2       | -16.1       | -19.9       |
| Other liabilities                                     | 2.5         | 0.8         | 1.0         | 1.0         | 1.0         | 1.0         |
| <b>Liabilities</b>                                    | <b>13.9</b> | <b>15.6</b> | <b>14.8</b> | <b>14.9</b> | <b>16.9</b> | <b>17.6</b> |
| Net debt excl. IFRS 16                                | -4.7        | -0.1        | -12.1       | -14.2       | -16.1       | -19.9       |
| Gearing net   | -0.4        | -0.0        | -0.5        | -0.6        | -0.5        | -0.6        |
| Leverage  | -0.8        | -0.0        | -1.3        | -1.8        | -1.3        | -1.4        |
| Cash flow statement                                   | 12/19       | 12/20       | 12/21       | 12/22e      | 12/23e      | 12/24e      |
| CF after elimination of net borrowing costs and taxes | 5.3         | 5.2         | 7.3         | 6.2         | 9.7         | 11.3        |
| $\Delta$ WCR  | 1.6         | -3.4        | -0.8        | 0.1         | -1.9        | -0.4        |
| Operating cash flow                                   | 6.9         | 1.7         | 6.5         | 6.2         | 7.8         | 10.9        |
| Net capex   | -2.3        | -2.0        | -0.4        | -2.0        | -2.2        | -2.5        |
| FCF   | 4.6         | -0.2        | 6.1         | 4.2         | 5.7         | 8.4         |
| Acquisitions/Disposals of subsidiaries                | 0.0         | -0.1        | 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                                  | -3.2        | 3.4         | -0.9        | 0.0         | 0.0         | 0.0         |
| Dividends paid  | 0.0         | -1.0        | -6.8        | -2.1        | -3.8        | -4.6        |
| Repayment of leasing debt                             | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Equity Transaction                                    | 0.4         | 0.6         | 12.0        | 0.0         | 0.0         | 0.0         |
| Others  | 0.0         | 0.1         | 0.0         | 0.0         | 0.0         | 0.0         |
| Change in net cash over the year                      | 1.8         | 2.8         | 11.1        | 2.1         | 1.8         | 3.9         |
| ROA (%)   | 10.5%       | 9.8%        | 12.1%       | 8.6%        | 13.8%       | 15.1%       |
| ROE (%)   | 27.7%       | 32.2%       | 23.8%       | 16.4%       | 25.9%       | 26.9%       |
| ROCE (%)  | 35.8%       | 30.2%       | 44.3%       | 37.7%       | 56.5%       | 63.9%       |

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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: TAKE OFF

### History of investment rating and target price – TAKE OFF



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| Rating       | Recommendation Universe* | Portion of these provided with investment banking services** |
|--------------|--------------------------|--|
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| Hold         | 13%                      | 37%  |
| Sell         | 1%                       | 0%   |
| Under review | 1%                       | 100%   |

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