EDISON

Spotlight — update

Fourlis Holdings

Retail

10 September 2026

Transition year remains on track

Fourlis's H126 results show continued commercial progress, supported by market share gains and network expansion, albeit revenue slowed through the period due to macroeconomic headwinds. Profitability remains constrained by the group's transformation programmes, the Foot Locker rollout and inflationary cost pressures. The strategic direction is unchanged, with management confident that FY26 is a transition year to build a more scalable operating platform, and the expectation the financial benefits become visible from FY27. Encouragingly, management indicated the transformation is progressing broadly to plan.

Market share gains in weaker markets

H1 revenue increased by 7.6% to c €284m, the gross margin declined to 46.7% (H125: 47.9%) and Fourlis moved to an operating loss of €1.6m (H125 profit of €6.0m) as higher operating costs, space expansion and weak trading in Romania more than offset the benefit from higher sales. Fourlis saw a slowing from Q126's revenue growth of 12.6% to 3.5% in Q226, however we note a significant increase in the comparator from Q125 of c 2% to Q225's 13% growth. Home Furnishings (HF) revenue grew by 3.7% in H126, while Sporting Goods (SG) remained the main growth engine, increasing by 14.2%. Underlying revenue growth slowed for both divisions from Q126 (HF: 3%; SG: 8%) to H126 (HF: 1%; SG: 7%), implying a decline for HF in Q226. There are further signs of moderating growth into Q326, with total revenue growth of 6% to 5 September 2026, including HF at 2% growth and SG at 12%. The weaker HF performance is attributed to subdued consumer confidence, lower average ticket values and softer demand for big-ticket purchases, while management emphasises that Fourlis continues to gain share.

Management confident in second-half delivery

Management reiterated its FY26 guidance for revenue of c €645m, a gross margin of c 46.5% and operating profit of €15–17m. This requires a pick-up in revenue growth and profitability versus H126. Management is explicit the guidance is achievable, pointing to the normal retail seasonality, the contribution from maturing stores and cost mitigation measures underway. It also expects some benefit from loss-making store closures and organisational changes, although most of the transformation costs for the year remain weighted to H226.

Valuation: Discount to peers remains

Fourlis's prospective FY27 P/E multiple is at a 26% discount to its home furnishings peers and a 3% discount to its sporting goods peers shown in our initiation.

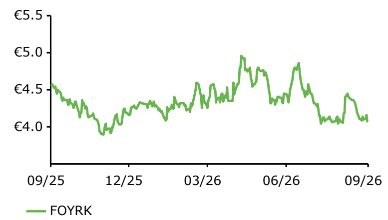
Consensus estimates

Year end	Revenue (€m)	EBITDA (adj) (€m)	EBITDA (€m)	EPS (€)	DPS (€)	P/E (x)	EV/Adj EBITDA (x)	Yield (%)
12/24	529.7	31.7	73.0	0.38	0.15	10.8	7.0	3.7
12/25	593.7	36.1	82.2	0.58	0.15	7.0	6.2	3.7
12/26e	641.2	20.5	68.7	0.24	0.08	17.0	10.8	2.0
12/27e	683.5	38.5	90.3	0.50	0.17	8.2	5.8	4.2

Source: Fourlis Holdings. Note: As at 29 July 2026.

Price €4.08
Market cap €212m

Share price performance



Share details

Code	FOYRK
Listing	ATHENS
Shares in issue	51.9m
Net cash/(debt) at 30 June 2026 (excludes IFRS 16 liabilities of €455m and is net of €114m associate holding in Trade Estates REIC)	€(10.6)m

Business description

Fourlis Holdings operates franchises for retail brands including IKEA, INTERSPORT and Foot Locker in Greece, Cyprus, Bulgaria and Romania. It also has an associate holding in Trade Estates REIC, which invests in quality retail properties and e-commerce infrastructure.

Bull points

- Strong brand partnerships across diversified product categories.
- Ambitious growth plans to expand its footprint, including different formats for certain brands, across more geographies.
- Management is targeting higher profitability and cash generation.

Bear points

- Concentrated exposure in markets with historically higher macroeconomic and regulatory risks.
- Execution risk as existing and new franchises/ licences are opened in countries with limited presence.
- Increasing online retail implies more competition.

Analysts

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