

EQUITY - SPAIN

Sector: Textiles, Apparel & Luxury Goods

Closing price: EUR 5.75 (19 Jun 2026)

Report date: 22 Jun 2026 (8:45h)

Update report

Independent Equity Research

Adolfo Domínguez (ADZ) is a small designer fashion textile group, based in Ourense (Spain), specialising (50 years) in the design and sale of fashion items. With international presence (in 2025, Spain 57% o/revenues, Mexico 19%, Japan 3% y Rest of the World 6%), it is managed by the founding family (31% of the capital), which prevails in the Board.

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Why ADZ now? Why is it a compelling investment idea?

Market Data

Market Cap (Mn EUR and USD)	53.3	61.2
EV (Mn EUR and USD) ⁽¹⁾	91.8	105.2
Shares Outstanding (Mn)	9.3	
-12m (Max/Med/Mín EUR)	5.90 / 5.18 / 4.72	
Daily Avg volume (-12m Mn EUR)	0.02	
Rotation ⁽²⁾	7.4	
Refinitiv / Bloomberg	ADZ.MC / ADZ SM	
Close fiscal year	28-Feb	

Shareholders Structure (%)⁽⁶⁾

Adolfo Domínguez	31.5
Puig, S.A.	14.8
Libertas 7	10.3
Indumenta Pueri	8.6
Free Float	22.8

Financials (Mn EUR)	2025	2026e	2027e	2028e
Adj. nº shares (Mn)	9.2	9.3	9.3	9.3
Total Revenues	142.3	142.3	148.2	155.0
Rec. EBITDA	22.3	21.8	24.1	26.8
% growth	32.4	-2.0	10.4	11.1
% Rec. EBITDA/Rev.	15.6	15.3	16.3	17.3
% Inc. EBITDA sector ⁽³⁾	-1.5	10.9	10.1	8.5
Net Profit	1.6	3.0	4.4	6.5
EPS (EUR)	0.18	0.33	0.47	0.70
% growth	80.2	84.6	44.2	48.4
Ord. EPS (EUR)	0.28	0.33	0.47	0.70
% growth	986.4	17.8	44.2	48.4
Rec. Free Cash Flow ⁽⁴⁾	6.5	-1.8	3.5	2.0
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	-1.7	0.1	-3.4	-5.4
ND/Rec. EBITDA (x)	-0.1	0.0	-0.1	-0.2
ROE (%)	9.0	14.4	17.7	21.5
ROCE (%) ⁽⁴⁾	10.9	13.9	16.9	20.3

Ratios & Multiples (x)⁽⁵⁾

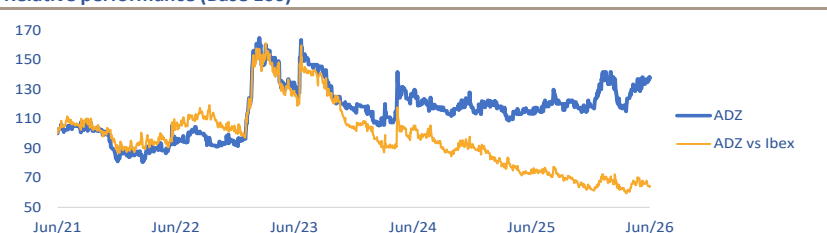
P/E	32.4	17.6	12.2	8.2
Ord. P/E	20.7	17.6	12.2	8.2
P/BV	2.7	2.4	2.0	1.6
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	0.64	0.64	0.62	0.59
EV/Rec. EBITDA	4.1	4.2	3.8	3.4
EV/EBIT	22.7	18.7	13.9	10.6
FCF Yield (%) ⁽⁴⁾	12.1	n.a.	6.5	3.7

WHAT HAS CHANGED AT ADZ IN RECENT YEARS? Over the last few years, ADZ has undergone a transformation process based on: (i) positioning itself as a premium "designer fashion" brand; (ii) repositioning its retail network (379 points of sale in 2025 vs. 396 in 2019); (iii) increased internationalization (Mexico and the rest of Europe); and (iv) the development of omnichannel capabilities (franchises and online sales have gained share at the expense of company-owned stores). This has crystallized into a +11.2% revenue CAGR from 2021 to 2025.

2026E–2028E ESTIMATES: LOWER GROWTH, HIGHER PROFITABILITY. ADZ is now entering a new phase characterized by more moderate growth (+2.9% CAGR 2025–28e), but of higher quality (+6.3% CAGR in recurring EBITDA). Selective internationalization, omnichannel execution, reduced promotional intensity, more efficient inventory management, and a focus on cost control should allow for an expansion of the recurring EBITDA margin (17.3% in 2028e; +2.7 p.p. vs. 2025), bringing ADZ closer to sectoral profitability levels (c. 20% average 2026e EBITDA margin for affordable luxury peers).

WHY IS IT CREDIBLE? PROFITABILITY LEAP IN 2025 AND VALIDATION IN 2026E. The improvement (and convergence) of ADZ's margins has already begun to materialize. In 2025, ADZ raised its gross margin to 60% (+2.8 p.p.) and its recurring EBITDA margin to 15.6% (+3.6 p.p.), demonstrating that its initiatives are beginning to bear fruit. For 2026e, we expect recurring EBITDA to remain essentially flat (EUR 21.8 Mn; -2.0% vs. 2025) in a context of flat revenue growth (0%), placing the recurring EBITDA margin at 15.3%. Validating these profitability levels in 2026e would demonstrate that the leap in 2025 was structural, not one-off, and would reinforce the credibility of a progressive convergence toward sectoral margins (17%–22%).

SIGNIFICANT THEORETICAL UPSIDE IN MULTIPLES IF CONSOLIDATION AND MARGIN CONVERGENCE MATERIALIZE. ADZ continues to trade at a steep discount in terms of EV/Sales (0.6x vs. c. 1.6x for affordable luxury peers), suggesting that the market remains cautious regarding the sustainability of this profitability leap. This leaves upside potential of over +20% if the operational improvement is consolidated in 2026e, which could ascend to +40% if margin convergence continues through 2027e (our base case scenario). ADZ is a holding in the Lighthouse Model Portfolio.

Relative performance (Base 100)


Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	6.5	15.5	19.8	13.9	2.7	38.2
vs Ibex 35	-2.7	0.9	-14.9	1.9	-49.9	-35.5
vs Ibex Small Cap Index	1.5	4.2	6.6	6.9	-27.4	11.0
vs Eurostoxx 50	-1.0	3.0	-1.1	4.8	-28.8	-10.3
vs Sector benchmark ⁽³⁾	-1.7	4.9	-6.6	19.3	-14.6	51.5

(1) Please refer to Appendix 3.

(2) Rotation is the % of the capitalisation traded - 12m.

(3) Sector: TR Europe Apparel & Footwear.

(4) Please see Appendix 2 for the theoretical tax rate (ROCE) and rec. FCF calculation.

(5) Multiples and ratios calculated over prices at the date of this report.

(6) Others: La Previsión Mallorquina de Seguros 7.6%, Rreto Magnum SICAV 4.5%

(*) Unless otherwise indicated, all the information contained in this report is based on: The Company, Refinitiv and Lighthouse.

A strategic pivot and margin expansion support a potential “re-rating”.

A) What has changed?

ADZ is not the same company it was five years ago. Since 2021, it has executed a transformation based on brand positioning, retail network optimization, internationalization, and omnichannel development. As a result, revenue has grown at an 11.2% CAGR (2021–2025), recurring EBITDA has increased nearly fivefold, and the company has restored a net cash position.

The key question is no longer whether ADZ can return to growth (the turnaround has already occurred), but whether it is capable of consolidating and continuing to expand the profitability levels achieved in 2025.

Brand positioning and client rejuvenation

Founded in 1976, ADZ positions itself as a premium “designer fashion” brand (closer to luxury than mass market), grounded in design, material quality, craftsmanship, and durability, while maintaining accessible pricing compared to traditional luxury. The company seeks to occupy a differentiated space within the premium segment, supported by its own recognizable brand identity.

Campaigns such as “Impermeable”, featuring Ilija Topuria (UFC world champion), and a shopping experience more aligned with the brand’s premium positioning, have contributed to increased brand awareness.

This positioning has been accompanied by a progressive renewal of the client base. In 2025, ADZ doubled the volume of new customers aged 18–44, who now represent 36% of the total. This is a particularly relevant indicator for a brand historically perceived as more mature.

Retail network repositioning: fewer stores, higher productivity

ADZ has carried out a deep optimization of its retail network. The number of points of sale decreased from 695 in 2012 to 396 in 2019 and 379 in 2025 (-45% vs. 2012 and -4% vs. 2019) through active management of openings, closures, renovations, and relocations. Since 2020 alone, ADZ has executed 137 openings and 107 closures, reflecting a continuous review of site profitability.

The strategy has shifted from maximizing store count to maximizing profitability per point of sale. Consequently, average revenue per store has increased from c. EUR 200k in 2012 to EUR 367k in 2025 (+84%), a +26% increase compared to 2019.

This transformation is also reflected in the quality of locations (ADZ has reinforced its presence in premium locations) and in the evolution of store formats (AD Flagship, AD Experience, AD Heritage, and AD Touch). Furthermore, 100% of openings, renovations, and relocations in 2025 were concentrated in international markets (a large portion of CAPEX in recent years has been earmarked for store renovations and relocations).

The network optimization has also included a deliberate reduction in exposure to the outlet channel, which accounts for c. 11% of sales and recorded an 8.3% decline in 2025, consistent with the strategy of prioritizing profitability over volume.

International diversification: growth with lower execution risk

International sales have grown from 35.5% of revenue in 2021 to 43.4% in 2025, with a 16.6% CAGR (2021–2025), compared to +7.3% for sales in Spain.

Growth has been concentrated primarily in Mexico and the rest of Europe, which have significantly increased their weight. This expansion has been supported by alliances with strategic partners such as *El Palacio de Hierro*, *Chalhoub Group*, *Liverpool*, *Saint-Honoré*, *Galleries Lafayette*, and *El Corte Inglés*, among others. This model accelerates international growth while

Chart 1. ADZ brand positioning

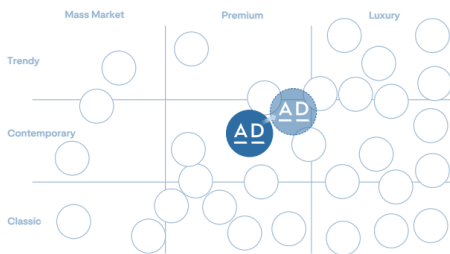


Chart 2. Distribution of new customers by age group, 2024/25–2025/26 (%)

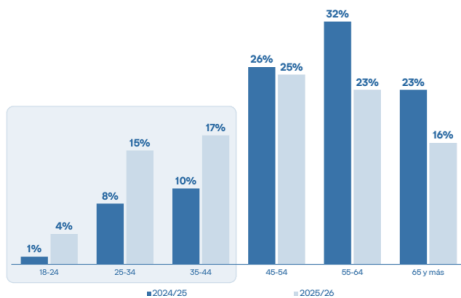


Chart 3. Points of sale and average sales per point of sale

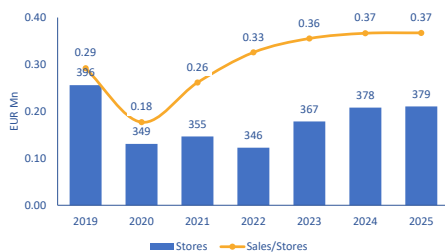
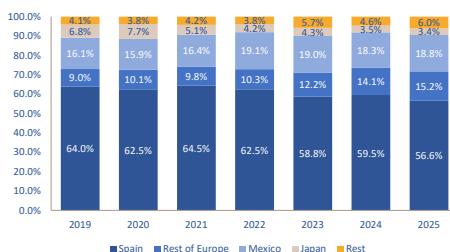
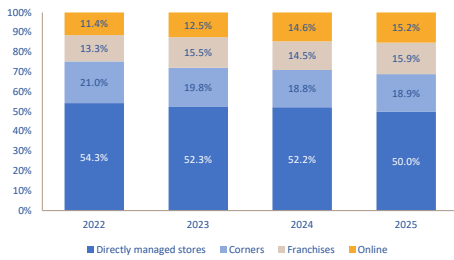


Chart 4. Breakdown of revenue by geography



reducing execution risk and the required investment per opening, also lowering the capital intensity of the business model.

Chart 5. Breakdown of revenue by channel

Channel diversification: increased weight of franchises and online

The transformation is also reflected in the relative weight of sales channels. The contribution of franchises grew from 13.3% of sales in 2022 to 15.9% in 2025 (+13.3% CAGR), while the online channel rose from 11.4% to 15.2% in the same period (+17.5% CAGR).

Both channels exhibit lower capital intensity and higher scalability than directly managed stores. This allows ADZ to have a presence today in 54 countries: 17 with physical stores, 22 operating exclusively online, and 15 with an omnichannel presence.

A transformation also reflected in financial metrics

The operational transformation described above is already visible in the P&L statement. Between 2021 and 2025, revenue grew at an 11.2% CAGR to EUR 142.3 Mn. In parallel, recurring EBITDA increased fivefold, from EUR 4.5 Mn in 2021 (4.8% margin) to EUR 22.3 Mn in 2025 (15.6% margin). This moved EBIT into positive territory, from EUR -9.3 Mn in 2021 to EUR 4.0 Mn in 2025.

Revenue growth, gross margin improvement, and greater operational efficiency have allowed ADZ to achieve four consecutive years of positive net income and close 2025 with a net cash position (excluding IFRS 16 liabilities: EUR 44.3 Mn in 2025). Ultimately, ADZ's transformation is no longer an expectation, but a reality visible in its key operational and financial metrics.

B) The next phase (2026e–2028e): lower growth, higher profitability

After completing the operational turnaround, we believe ADZ is entering a new phase of value creation. Unlike the 2021–2025 period, where revenue growth was the primary engine, the next stage should be marked by progressive margin expansion, improved Return on Capital Employed (ROCE), and stronger cash generation.

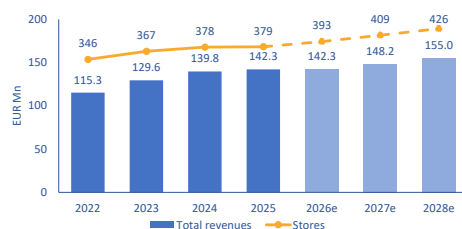
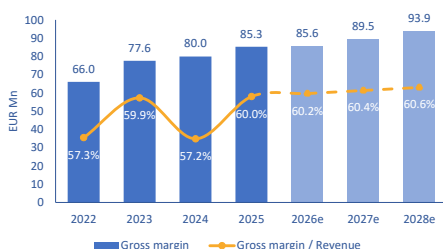
Continuity in international expansion and moderate growth: +2.9% revenue CAGR (2025–28e)

We expect continuity in ADZ's international expansion over the coming years, in line with the strategy the company calls "selective internationalization." Growth should be supported primarily by Latin America (especially Mexico), Eastern Europe, and Asia-Pacific, through agreements with strategic partners with deep local knowledge (*El Palacio de Hierro*, *Chalhoub Group*, *Liverpool*, *Galleries Lafayette*, among others).

This model allows for growth combined with contained capital intensity, relying on franchises and corners rather than directly managed stores. We project the number of points of sale to grow to 393 in 2026e (+3.6%), 409 in 2027e (+4.2%), and 426 in 2028e (+4.2%).

Along with favorable sales trends in the existing store footprint and the lower relevance of the outlet channel, we estimate ADZ will reach revenue of c. EUR 155 Mn in 2028e (2.9% CAGR 2025–28e).

Additionally, we expect the online channel to continue gaining weight, reaching c. 17% of sales in 2028e, due to the ADN ecosystem (a platform hosting all of the brand's personalized services: ADN RENT, ADN BOX, and ADN LIVE) and online growth in the U.S. It should be noted that ADZ does not view the online channel as a liquidation tool, but as a lever for growth ("a gateway to the world") and profitability.

Chart 7. Evolution of store network and revenue

Chart 8. Gross margin evolution

Gross margin expansion is key: 60.6% in 2028e (+0.8 p.p. vs. 2025)

We believe the gross margin improvement observed in 2025 (60%; +2.8 p.p. vs. 2024) represents the start of a trend that should be maintained over the coming years.

The main levers identified by the company are consistent with this goal: improvement of the product mix toward higher value-added categories, structural reduction of promotional intensity, lower dependence on discount campaigns, and more efficient purchasing and inventory management.

Of special importance is the implementation of a more flexible purchasing policy (Open-To-Buy or OTB), which allows purchases to be adapted to real demand trends, reducing the risk of over-inventory and favoring a higher proportion of full-price sales. This is supplemented by logistics cost optimization and greater financial flexibility derived from the net cash position achieved in 2025.

As a result, we estimate a gradual improvement in gross margin (+0.2 p.p./year) to 60.6% in 2028e, placing gross margin growth slightly above sales growth.

Greater operational efficiency and convergence toward sectoral margins: 16.3% rec. EBITDA margin in 2027e and 17.3% in 2028e (+2.7 p.p. vs. 2025)

Gross margin improvement should be accompanied by greater operational efficiency. ADZ is strengthening its back-office and middle-office capabilities through investments in systems, logistics, AI, and RFID (Radio Frequency Identification), among others. This adds to the company's efforts to contain its cost structure over recent years (despite sales growth). At the same time, estimated growth through franchises, corners, and digital channels should contribute to recurring EBITDA growth outpacing sales growth.

Under these assumptions, we estimate recurring EBITDA will evolve from EUR 22.3 Mn in 2025 to EUR 26.8 Mn in 2028e, raising the recurring EBITDA margin to 17.3%. Although still below European affordable luxury peers, these levels would place ADZ closer to sectoral standards (18%–22%) than to those historically recorded by the company (6-year average, excluding 2020, of c. 11%). This, in fact, represents a major leap in margins.

Improvement of ROCE as a synthesis of the transformation

The evolution of ROCE summarizes and condenses ADZ's projected transformation. The combination of "selective" international growth, gross margin expansion, improved operational efficiency, and lower capital intensity (growth via franchises and corners) should translate into a progressive improvement in ROCE over the coming years.

Unlike the 2021–2025 phase, where the focus was on revenue recovery, between 2025 and 2028e, the focus will shift to margin expansion, allowing the return on capital employed to increase from 10.2% in 2025 to 20.3% in 2028e, supported mainly by the increase in the EBITDA margin.

Table 1. Breakdown of Return on Capital Employed

	2025	2026e	2027e	2028e
Gross Profit / Revenue	60.0%	60.2%	60.4%	60.6%
Personnel Expenses / Revenue	-27.0%	-27.4%	-27.0%	-26.6%
Other Operating Expenses / Revenue	-17.3%	-17.4%	-17.1%	-16.7%
Other / Revenue	-0.8%	0.0%	0.0%	0.0%
Overhead Costs / Revenue	-45.1%	-44.8%	-44.1%	-43.3%
EBITDA Margin	14.8%	15.3%	16.3%	17.3%
D&A / Revenue	-2.5%	-2.4%	-2.3%	-2.3%
Lease Expenses (IFRS 16) / Revenue	-9.5%	-9.5%	-9.5%	-9.4%
EBIT Margin	2.8%	3.4%	4.5%	5.6%
Revenue / Invested Capital	548.2%	538.1%	505.9%	484.3%
Pre-Tax ROCE	15.5%	18.5%	22.5%	27.1%
Tax Rate	-34.7%	-25.0%	-25.0%	-25.0%
ROCE	10.2%	13.9%	16.9%	20.3%
Revenue Growth	1.8%	0.0%	4.2%	4.6%

C) Why is it credible? Because of what "already" happened in 2025 and what we expect to see in 2026e.

The operational improvement expected for the coming years has already begun to materialize. The 2025 results constitute the first evidence of this transformation.

2025: moderate revenue growth, but a strong leap in profitability

ADZ closed 2025 with revenue of EUR 142.3 Mn (+1.8% vs. 2024), supported by franchises, online, and international growth. However, the most relevant factor was the strong operational improvement recorded during the year: gross margin reached 60.0% (+2.8 p.p. vs. 2024), while

Chart 9. Recurring EBITDA evolution

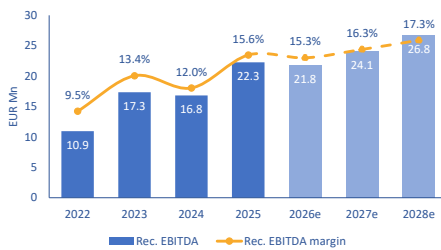
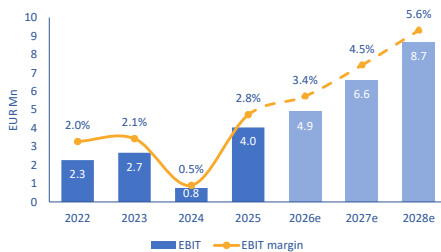


Chart 10. EBIT evolution



recurring EBITDA rose to EUR 22.3 Mn (+32.4%), placing the recurring EBITDA margin at 15.6% (+3.6 p.p.).

The improvement was supported by lower promotional intensity, logistics optimization, a greater weight of the online channel (15.2% of sales), and cost control. The slowdown in revenue growth (11.2% CAGR 2021–2025) is also a reflection of a strategy prioritizing profitability over volume, especially in outlets.

By geography, growth continued to be supported by international markets, with Mexico (+5%) and the Rest of the World (+32%) standing out, while by channel, franchises (+12%) and online (+6%) continued to gain weight.

Operational improvement translated into cash generation

The margin expansion recorded in 2025 was accompanied by a significant improvement in cash generation. The increase in recurring EBITDA, along with an inventory reduction of over EUR 5 Mn and contained CAPEX (EUR 0.8 Mn), allowed for the generation of positive free cash flow and closing the year with a net cash position of EUR 1.7 Mn (excluding IFRS 16 liabilities). This is especially relevant, as it provides financial flexibility to continue executing with contained financial risk.

2026e: the year of "confirmation" of 2025's margin improvement

For 2026e, we estimate stable revenue (EUR 142.3 Mn; 0% vs. 2025), accompanied by a further improvement in gross margin (+0.2 p.p.). Under these assumptions, ADZ should be able to maintain recurring EBITDA levels similar to those achieved in 2025 (EUR 21.8 Mn; 15.3% margin), despite the revenue context.

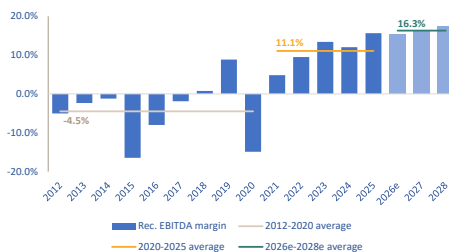
In our opinion, the relevant point is to verify/validate that the margin levels reached in 2025 are sustainable. The consolidation of recurring EBITDA margins around 15% during 2026e could significantly increase the credibility of a progressive convergence toward sectoral levels (18%–22%) over the coming years (2027e–2028e).

D) Valuation: a story of (apparently) unpriced margin consolidation and convergence

ADZ trades at a 0.6x 2026e EV/Sales (vs. 1.6x for affordable luxury peers)

ADZ currently trades at a 2026e EV/Sales of c. 0.6x, with a strong discount compared to c. 1.6x for European affordable luxury peers. A discount that is not novel: over the last 13 years, the company has traded recurrently around 0.6x EV/Sales, mainly reflecting, among other factors, operational profitability historically much lower than the sector (Chart 11; 2012–2020 average recurring EBITDA margin was negative, -4.5%).

Chart 11. Rec. EBITDA margin evolution



However, we believe the context has changed. Since 2021, ADZ has executed a deep transformation based on brand positioning (premium designer fashion), retail network optimization, internationalization, and improved operational efficiency. And 2025 constitutes, in our view, a (first) demonstration of that transformation: 15.6% recurring EBITDA margin (+3.6 p.p. vs. 2024), EUR 22.3 Mn recurring EBITDA (+32%), and 2.8% EBIT margin (+2.3 p.p.).

More importantly, this improvement has been supported mainly by the company's own initiatives (brand, internationalization, online, lower promotional intensity, logistics optimization, and cost discipline) and not by exogenous or extraordinary factors. Therefore, the key question is no longer whether ADZ can reverse its (historically low) margins—that reversal has already occurred—but whether it can consolidate the leap seen in 2025.

Table 2. Multiples analysis of comparable companies

Peers	Figures in EUR Mn, except %		Revenues			EBIT margin (%)			EV / Revenues		
	Market cap	EV	2026e	2027e	FW 12m	2026e	2027e	FW 12m	2026e	2027e	FW 12m
Burberry Group	4,715	5,716	2,942	3,114	3,028	9.9%	12.3%	11.1%	1.94x	1.84x	1.89x
Hugo Boss	2,729	3,604	3,935	4,031	3,983	7.9%	8.7%	8.3%	0.92x	0.89x	0.90x
Salvatore Ferragamo	1,627	2,069	976	1,021	999	3.5%	5.9%	4.7%	2.12x	2.03x	2.07x
Marimekko	425	422	200	210	205	17.1%	17.8%	17.5%	2.10x	2.01x	2.06x
SMCP	396	924	1,217	1,249	1,233	8.1%	8.7%	8.4%	0.76x	0.74x	0.75x
Average						9.3%	10.7%	10.0%	1.57x	1.50x	1.53x
Adolfo Domínguez	53	92	142	148	145	4.1%	5.1%	4.6%	0.64x	0.62x	0.63x

Margin consolidation could drive multiples convergence

Our estimates consider a 15.3% recurring EBITDA margin in 2026e and 16.3% in 2027e, with EBIT margins of 3.4% and 4.5%¹, respectively. These levels are still below European peers, but significantly closer than at any other time in the last decade.

The average 12m forward EV/Sales multiple for affordable luxury peers sits at c. 1.53x. Adjusting this multiple for the expected profitability differential over the next 12 months (10% EBIT margin for peers vs. 4.6% for ADZ), we obtain an adjusted multiple for ADZ of 0.71x, versus the current 0.63x. This implies an upside potential of +20.2%. If ADZ reaches the profitability levels projected for 2027e (5.1%¹ EBIT margin), the multiple would rise to c. 0.78x EV/Sales, equivalent to an upside potential of +40.8%.

Table 3: Valuation by multiples

	Consolidation of 2025 margin improvement	Partial Convergence (2027e Margin)	Further Convergence (2028e Margin)
Affordable luxury players			
Average EBIT margin	10.0%	10.0%	10.0%
Average 12m forward EV/Revenues	1.53x	1.53x	1.53x
ADZ valuation range			
ADZ adjusted EBIT margin*	4.6%	5.1%	6.2%
Implied EV/Revenues (adjusted for profitability differential vs peers)	0.71x	0.78x	0.95x
ADZ 12M Forward Revenue (EUR Mn)	145.3	145.3	145.3
Enterprise Value (EUR Mn)			
- Minority interest	-	-	-
- Provisions and other LT liabilities	45.7	45.7	45.7
- Net financial debt	(1.7)	(1.7)	(1.7)
+ Financial investments	5.6	5.6	5.6
Equity Value (EUR Mn)	64.1	75.1	100.3
Shares (Mn)	9.3	9.3	9.3
Implied value per share (EUR)	6.9	8.1	10.8
Upside vs Current Market Cap	20.2%	40.8%	88.0%

*The adjusted ADZ EBIT margin considered in the "Consolidation of the 2025 improvement" column refers to the estimated adjusted EBIT margin for the next 12 months (4.6%).

Additionally, our projections do not contemplate that margin convergence ends in 2027e; rather, we expect that differential to continue narrowing in 2028e (17.3% rec. EBITDA margin and 5.6% EBIT margin; 6.2% IFRS 16-adjusted EBIT margin). Under this hypothesis, the EV/Sales multiple could rise to 0.95x, implying an upside potential of +88%.

Previous years suggest that the share price continues to reflect caution regarding ADZ's ability to consolidate the profitability improvement observed in 2025 and continue reducing the gap vs. the sector. In fact, performing the inverse exercise, the 12m forward EV/Sales multiple at which ADZ currently trades would imply a 4.1% EBIT margin, c. 0.5 p.p. lower than the EBIT margin we estimate for the next 12 months.

In our opinion, ADZ presents itself today, firstly, as a story of consolidating the leap in profitability recorded in 2025 and, secondly, as a story of progressive convergence toward profitability levels closer to those of the sector. A convergence supported mainly by the company's own initiatives (over which it has a degree of "control": brand, internationalization, product mix, lower promotional intensity, logistics optimization, and cost discipline) and whose results are already starting to be visible. In short, ADZ presents itself as a story of margin convergence that should be accompanied by a multiples convergence.

¹ The historical (2019–2025) and projected (2026e–2028e) EBIT figures for ADZ include financial expenses associated with lease liabilities under IFRS 16. For example, the 2025 EBIT considered in this report (EUR 4.0 Mn) includes c. EUR 0.9 Mn in IFRS 16-related financial expenses. Excluding this effect, 2025 EBIT would rise to EUR 5.0 Mn, in line with the figure reported by ADZ in its annual accounts.

In this regard, for comparative purposes, the ADZ EBIT margins used in the multiples analysis have been adjusted to eliminate differences in treatment derived from IFRS 16, rendering them comparable with the estimates available for listed companies in the sector. For example, the 2026e adjusted EBIT margin stands at 4.1% (vs. the 3.4% unadjusted margin).

What if the EV/Sales multiple does not change despite the profitability improvement?

Complementary to the multiples analysis, ADZ's value range can be estimated based on the company's potential cash generation capacity. If, despite the consolidation of margin improvements and even subsequent convergence, ADZ's EV/Sales multiple did not change, what would happen? In that case, what *would* happen is that ADZ's cash generation capacity would increase (as a consequence of margin improvement). In this sense, two main possibilities arise:

- i. Consolidation: Maintenance of the profitability levels reached in 2025 (2026e recurring EBITDA margin of 15.3%). 2026e recurring EBITDA of EUR 21.8 Mn.
- ii. Convergence: Continuity in operational improvement and gradual narrowing of the profitability gap with the sector. 2027e recurring EBITDA margin of 16.3%. 2027e recurring EBITDA of EUR 24.1 Mn.

Additionally, with the objective of estimating a "normalized" free cash flow to the firm, the following adjustments are considered: (i) lease payments of c. EUR 13.5 Mn in 2026e and EUR 14.0 Mn in 2027e; (ii) working capital needs in line with the last 5 years (working capital/sales range between 4% and 7%); (iii) maintenance CAPEX equivalent to 2% of sales; and (iv) a 25% tax rate.

Table 4. Valuation by discounted cash flows

	Consolidation of 2025 margin improvement	Partial Convergence (2027e Margin)
EBIT	4.9	6.6
*Theoretical tax rate	25%	25%
= Implied taxes (pre-net financial result)	(1.2)	(1.6)
Recurring EBITDA	21.8	24.1
- IFRS 16 impact	(13.5)	(14.0)
+/- Change in working capital	(0.2)	(0.2)
= Recurring operating cash flow	8.1	9.9
- Capex	(2.8)	(3.0)
- Implied taxes (pre-net financial result)	(1.2)	(1.6)
= Recurring Free Cash Flow (to the Firm)	4.0	5.3
Enterprise Value (EUR Mn)	49.4	64.3
Equity Value (EUR Mn)	56.7	71.6
Shares (Mn)	9.3	9.3
Implied value per share (EUR)	6.1	7.7
Upside vs Current Market Cap	6.3%	34.3%

Under these assumptions, ADZ's "normalized" free cash flow for the firm would stand at (i) c. EUR 4 Mn annually in the case of a consolidation of 2025 profitability levels and (ii) between EUR 5–5.5 Mn in the case of continuing to advance in convergence with the sector. Applying a 10.4% discount rate and a 2% terminal growth rate, we obtain an Equity Value between EUR 56.7 Mn and EUR 71.6 Mn, equivalent to an upside potential between +6.3% and +34.3% relative to the current market capitalization (EUR 50.1 Mn).

The goal of this exercise is not only to estimate a value range for ADZ, but to highlight that the consolidation of the margin leap should translate into greater cash generation capacity, regardless of the EV/Sales multiple and its convergence. Greater cash generation that would eventually be reflected on the balance sheet and potentially in the capacity for shareholder remuneration.

In conclusion: high upside potential (100%) subject to consolidation and margin improvement (with inevitable execution risk)

Therefore, buying ADZ today means assuming execution risk: continuing to advance in the brand's premium and trendy positioning, its rejuvenation, internationalization, structural reduction of discounts, and cost control, consolidating the 2025 profitability improvement and advancing in convergence with the sector.

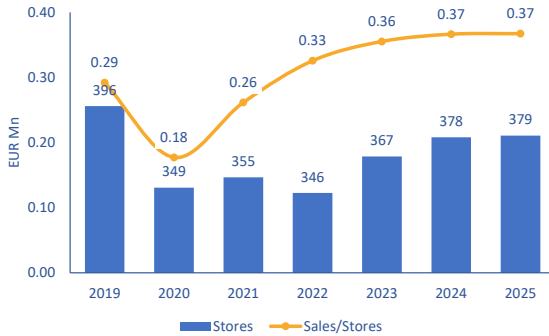
An execution risk that is mitigated by two factors:

- i. Firstly, because the estimated profitability levels are sectoral profitability levels, not exceptional ones (a story of "consolidation and convergence").
- ii. Secondly, because ADZ has already demonstrated over the last few years an ability for transformation both operationally (brand, retail network, internationalization, and omnichannel) and financially (margin expansion and cash generation).

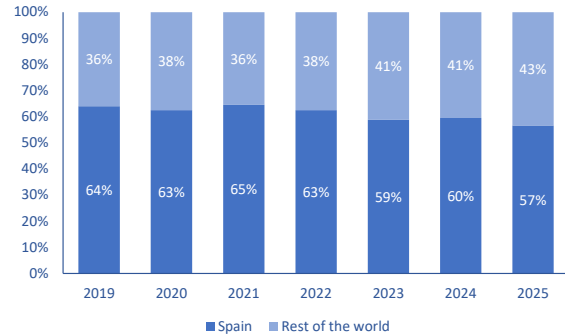
For this reason, we believe that the validation during 2026e of the profitability levels reached in 2025 constitutes the main catalyst, as it significantly reinforces the credibility of a (major) structural change in ADZ's profitability. This also pushes us to think about a convergence of the EV/Sales multiple and, therefore, a high potential. A valuation based on our 2027e recurring EBITDA margin (16.3% vs. 15.3% in 2026e) would imply, through an EV/Sales multiple re-rating, an upside of c. +40% relative to the current market capitalization. This explains the inclusion of ADZ in the Lighthouse Model Portfolio.

The company in 8 charts

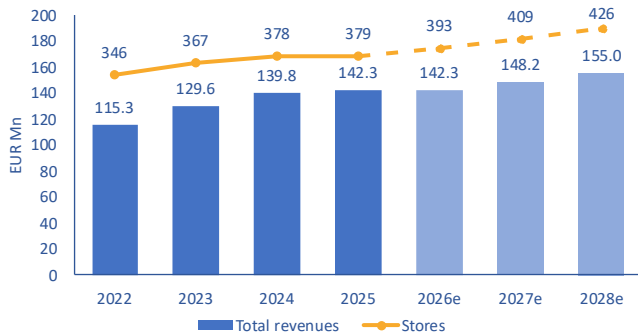
The re-sizing of the retail surface area has increased revenue per point of sale



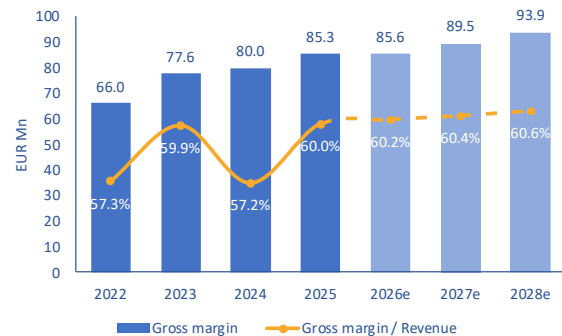
Also supported by greater internationalization (mainly in Mexico and the rest of Europe)



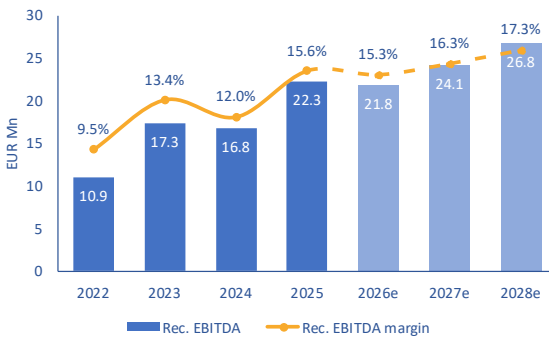
CAGR 2025-2028e of revenues of 2.9%, based on an increase in the store portfolio (mainly international; franchises and corners)



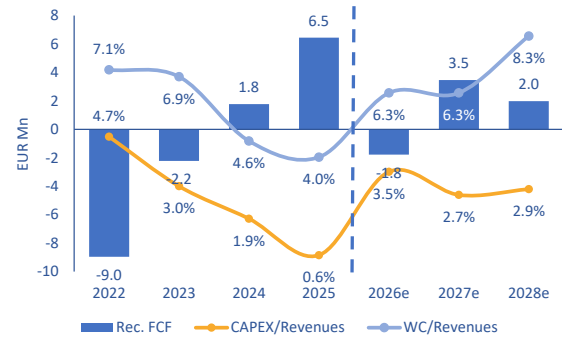
We expect continued (progressive) improvement in gross margin, supported by less intensive promotion and optimization of logistics costs



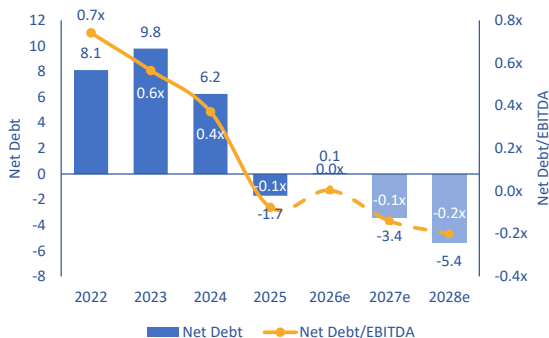
Cost control (in line with recent years) should allow an increase in EBITDA rec. to EUR 26.8 Mn in 2028e (margin of 17.3%)



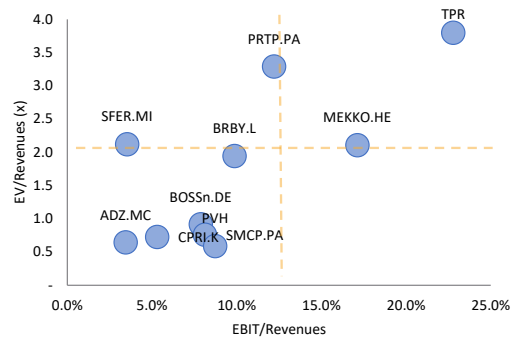
That will make it possible to generate positive FCF in 2027e, despite of CAPEX and working capital



Maintaining a very healthy balance sheet position (net cash, excluding IFRS 16 liabilities)



Trading at a steep discount to European comparables, pointing towards convergence if the operational improvement consolidates



Valuation inputs

Inputs for the DCF Valuation Approach

	2026e	2027e	2028e	Terminal Value ⁽¹⁾			
Free Cash Flow "To the Firm"	(1.1)	4.0	2.0	n.a.			
Market Cap	53.3	At the date of this report					
Net financial debt	-1.7	Debt net of Cash (12m Results 2025)					
					Best Case	Worst Case	
Cost of Debt	6.8%	Net debt cost			6.5%	7.0%	
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=	
Net debt cost	5.4%	Kd = Cost of Net Debt * (1-T)			5.2%	5.6%	
Risk free rate (rf)	3.5%	Rf (10y Spanish bond yield)			=	=	
Equity risk premium	6.0%	R (own estimate)			5.5%	6.5%	
Beta (B)	1.1	B (own estimate)			1.0	1.2	
Cost of Equity	10.4%	Ke = Rf + (R * B)			9.2%	11.6%	
Equity / (Equity + Net Debt)	100.0%	E (Market Cap as equity value)			=	=	
Net Debt / (Equity + Net Debt)	0.0%	D			=	=	
WACC	10.4%	WACC = Kd * D + Ke * E			9.2%	11.6%	
G "Fair"	2.0%				2.5%	1.5%	

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

Inputs for the Multiples Valuation Approach

Company	Ticker Factset	Mkt. Cap	P/E 26e	EPS 26e-28e	EV/EBITDA 26e	EBITDA 26e-28e	EV/Sales 26e	Revenues 26e-28e	EBITDA/Sales 26e	FCF Yield 26e	FCF 26e-28e
Burberry Group	BRBY.L	4,725.6	28.2	37.2%	8.1	12.8%	1.9	5.7%	24.0%	8.1%	3.3%
Hugo Boss	BOSSn.DE	2,728.6	14.5	14.8%	5.4	4.9%	0.9	2.7%	17.1%	13.0%	3.3%
Salvatore Ferragamo	SFER.MI	1,627.1	n.a.	n.a.	10.8	10.7%	2.1	4.7%	19.6%	8.1%	-32.0%
Marimekko	MEKKO.HE	425.2	16.0	9.1%	9.4	7.0%	2.1	5.0%	22.4%	7.1%	4.8%
SMCP	SMCP.PA	395.5	8.0	18.1%	3.8	4.8%	0.8	2.7%	19.8%	22.5%	17.4%
Affordable Luxury players			16.7	19.8%	7.5	8.1%	1.6	4.2%	20.6%	11.8%	-0.6%
Kering	PRTP.PA	33,528.9	41.6	41.7%	13.4	13.9%	3.3	6.7%	24.5%	11.1%	-27.0%
Tapestry	TPR	25,308.6	20.6	11.6%	15.1	9.1%	3.8	5.6%	25.1%	5.4%	6.8%
Capri Holdings	CPRI.K	2,036.2	9.6	15.0%	8.2	12.6%	0.7	2.9%	8.9%	10.6%	-41.4%
PVH Corp	PVH	3,101.9	6.4	8.9%	5.0	0.4%	0.6	2.2%	11.9%	18.9%	-41.4%
Specialised Retail Holdings			19.5	19.3%	10.4	9.0%	2.1	4.3%	17.6%	11.5%	-25.8%
ADZ	ADZ.MC	53.3	17.6	46.2%	4.2	10.7%	0.6	4.4%	15.3%	n.a.	76.6%

Free Cash Flow sensitivity analysis (2027e)

A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

Scenario	EBITDA/Sales 27e	EBITDA 27e	EV/EBITDA 27e
Max	17.9%	26.5	3.5x
Central	16.3%	24.1	3.8x
Min	14.7%	21.7	4.2x

B) Rec. FCF sensitivity to changes in EBITDA and CAPEX/sales

Rec. FCF EUR Mn	CAPEX/Sales 27e			Scenario	Rec. FCF/Yield 27e		
EBITDA 27e	2.4%	2.7%	3.0%		Max	11.8%	11.0%
26.5	6.3	5.8	5.4	Central	7.3%	6.5%	5.7%
24.1	3.9	3.5	3.0	Min	2.9%	2.1%	1.2%
21.7	1.5	1.1	0.7				

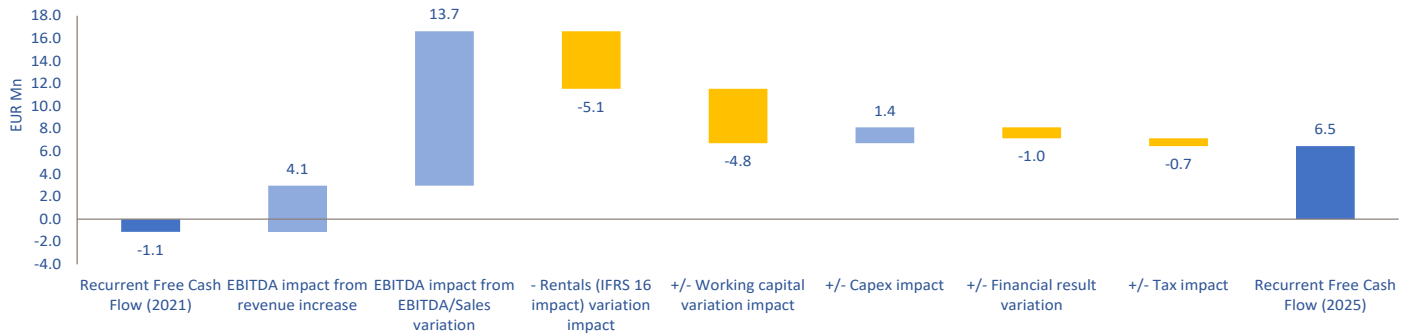
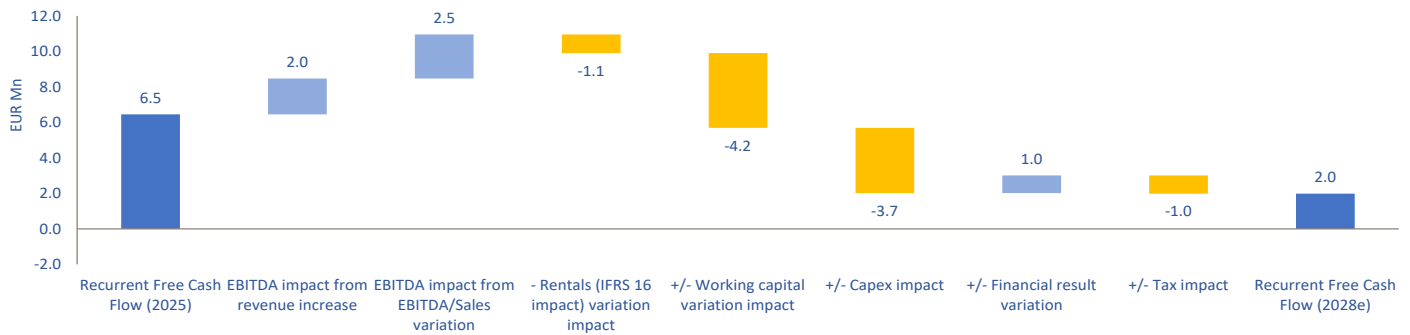
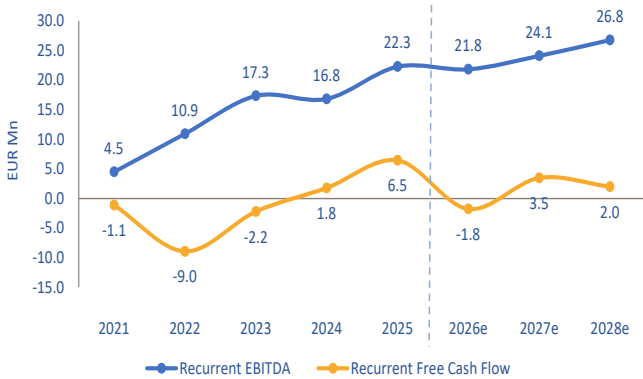
Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2021	2022	2023	2024	2025	2026e	2027e	2028e	CAGR	
Intangible assets	27.8	33.5	41.1	40.2	42.8	42.8	42.8	42.8		
Fixed assets	7.5	9.3	9.0	8.8	6.8	8.5	9.0	10.0		
Other Non Current Assets	2.4	2.7	12.7	13.0	13.0	13.0	13.0	13.0		
Financial Investments	5.7	5.6	7.0	5.7	5.6	5.6	5.6	5.6		
Goodwill & Other Intangibles	-	-	-	-	-	-	-	-		
Current assets	26.5	35.6	37.3	35.7	30.2	33.4	34.8	39.5		
Total assets	69.8	86.7	107.1	103.5	98.4	103.3	105.2	110.9		
Equity	15.5	17.2	18.7	17.0	19.5	22.6	26.9	33.4		
Minority Interests	-	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	1.5	1.4	10.0	10.4	11.8	11.8	11.8	11.8		
Other Non Current Liabilities	29.0	32.7	40.2	40.6	44.3	44.3	44.3	44.3		
Net financial debt	1.7	8.1	9.8	6.2	(1.7)	0.1	(3.4)	(5.4)		
Current Liabilities	22.1	27.4	28.4	29.3	24.5	24.5	25.5	26.7		
Equity & Total Liabilities	69.8	86.7	107.1	103.5	98.4	103.3	105.2	110.9		
P&L (EUR Mn)	2021	2022	2023	2024	2025	2026e	2027e	2028e	CAGR	
Total Revenues	93.2	115.3	129.6	139.8	142.3	142.3	148.2	155.0	11.2%	2.9%
<i>Total Revenues growth</i>	39.5%	23.7%	12.4%	7.9%	1.8%	0.0%	4.2%	4.6%		
COGS	(40.5)	(49.3)	(52.0)	(59.9)	(57.0)	(56.7)	(58.8)	(61.1)		
Gross Margin	52.7	66.0	77.6	80.0	85.3	85.6	89.5	93.9	12.8%	3.2%
<i>Gross Margin/Revenues</i>	56.6%	57.3%	59.9%	57.2%	60.0%	60.2%	60.4%	60.6%		
Personnel Expenses	(28.7)	(33.0)	(34.7)	(37.4)	(38.5)	(39.0)	(40.0)	(41.2)		
Other Operating Expenses	(19.5)	(22.1)	(25.6)	(25.7)	(24.6)	(24.8)	(25.4)	(25.9)		
Recurrent EBITDA	4.5	10.9	17.3	16.8	22.3	21.8	24.1	26.8	49.1%	6.3%
<i>Recurrent EBITDA growth</i>	145.2%	142.9%	58.5%	-3.0%	32.4%	-2.0%	10.4%	11.1%		
<i>Rec. EBITDA/Revenues</i>	4.8%	9.5%	13.4%	12.0%	15.6%	15.3%	16.3%	17.3%		
Restructuring Expense & Other non-rec.	(4.1)	2.4	0.0	0.1	(1.2)	-	-	-		
EBITDA	0.4	13.4	17.4	16.9	21.1	21.8	24.1	26.8	<i>n.a.</i>	8.2%
Depreciation & Provisions	(1.2)	(1.3)	(2.8)	(3.1)	(3.5)	(3.4)	(3.5)	(3.5)		
Capitalized Expense	-	-	-	-	-	-	-	-		
Rentals (IFRS 16 impact)	(8.4)	(9.8)	(11.9)	(13.0)	(13.5)	(13.5)	(14.0)	(14.6)		
EBIT	(9.3)	2.3	2.7	0.8	4.0	4.9	6.6	8.7	24.9%	29.0%
<i>EBIT growth</i>	48.1%	124.3%	17.7%	-71.7%	435.4%	21.3%	34.8%	31.2%		
<i>EBIT/Revenues</i>	<i>n.a.</i>	2.0%	2.1%	0.5%	2.8%	3.4%	4.5%	5.6%		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(0.7)	(1.0)	(1.7)	(0.9)	(1.5)	(0.8)	(0.8)	-		
Income by the Equity Method	-	-	-	-	-	-	-	-		
Ordinary Profit	(10.0)	1.3	1.0	(0.2)	2.5	4.0	5.8	8.7	22.5%	51.1%
<i>Ordinary Profit Growth</i>	47.9%	112.6%	-23.6%	-119.4%	<i>n.a.</i>	61.3%	44.2%	48.4%		
Extraordinary Results	-	-	-	1.3	-	-	-	-		
Profit Before Tax	(10.0)	1.3	1.0	1.1	2.5	4.0	5.8	8.7	22.5%	51.1%
Tax Expense	0.8	(1.1)	(0.2)	(0.2)	(0.9)	(1.0)	(1.5)	(2.2)		
<i>Effective Tax Rate</i>	<i>n.a.</i>	87.5%	24.7%	20.3%	34.7%	25.0%	25.0%	25.0%		
Minority Interests	-	-	-	-	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	(9.3)	0.2	0.7	0.9	1.6	3.0	4.4	6.5	21.5%	58.2%
<i>Net Profit growth</i>	52.1%	101.7%	360.2%	24.4%	80.6%	85.1%	44.2%	48.4%		
Ordinary Net Profit	(5.9)	(1.2)	0.7	(0.3)	2.6	3.0	4.4	6.5	24.9%	36.2%
<i>Ordinary Net Profit growth</i>	73.7%	80.4%	160.4%	-141.4%	988.5%	18.2%	44.2%	48.4%		
Cash Flow (EUR Mn)	2021	2022	2023	2024	2025	2026e	2027e	2028e	CAGR	
Recurrent EBITDA						21.8	24.1	26.8	49.1%	6.3%
Rentals (IFRS 16 impact)						(13.5)	(14.0)	(14.6)		
Working Capital Increase						(3.2)	(0.4)	(3.5)		
Recurrent Operating Cash Flow						5.1	9.7	8.7	56.8%	-2.8%
CAPEX						(5.0)	(4.0)	(4.5)		
Net Financial Result affecting the Cash Flow						(0.8)	(0.8)	-		
Tax Expense						(1.0)	(1.5)	(2.2)		
Recurrent Free Cash Flow						(1.8)	3.5	2.0	66.5%	-32.5%
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						(1.8)	3.5	2.0	34.6%	-33.4%
Capital Increase						-	-	-		
Dividends						-	-	-		
Net Debt Variation						1.8	(3.5)	(2.0)		

Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2022	2023	2024	2025	2026e	2027e	2028e	CAGR	
								22-25	25-28e
Recurrent EBITDA	10.9	17.3	16.8	22.3	21.8	24.1	26.8	26.8%	6.3%
<i>Recurrent EBITDA growth</i>	142.9%	58.5%	-3.0%	32.4%	-2.0%	10.4%	11.1%		
<i>Rec. EBITDA/Revenues</i>	9.5%	13.4%	12.0%	15.6%	15.3%	16.3%	17.3%		
- Rentals (IFRS 16 impact)	(9.8)	(11.9)	(13.0)	(13.5)	(13.5)	(14.0)	(14.6)		
+/- Working Capital increase	(3.8)	(0.7)	2.5	0.7	(3.2)	(0.4)	(3.5)		
= Recurrent Operating Cash Flow	(2.7)	4.7	6.2	9.4	5.1	9.7	8.7	76.4%	-2.8%
<i>Rec. Operating Cash Flow growth</i>	-273.0%	275.7%	31.6%	51.0%	-46.0%	90.7%	-10.7%		
<i>Rec. Operating Cash Flow / Sales</i>	n.a.	3.7%	4.5%	6.6%	3.6%	6.5%	5.6%		
- CAPEX	(5.5)	(3.9)	(2.6)	(0.8)	(5.0)	(4.0)	(4.5)		
- Net Financial Result affecting Cash Flow	(0.5)	(0.9)	(1.2)	(1.0)	(0.8)	(0.8)	-		
- Taxes	(0.2)	(2.1)	(0.7)	(1.1)	(1.0)	(1.5)	(2.2)		
= Recurrent Free Cash Flow	(9.0)	(2.2)	1.8	6.5	(1.8)	3.5	2.0	39.6%	-32.5%
<i>Rec. Free Cash Flow growth</i>	-689.4%	75.2%	180.4%	262.3%	-127.5%	295.7%	-42.8%		
<i>Rec. Free Cash Flow / Revenues</i>	n.a.	n.a.	1.3%	4.5%	n.a.	2.3%	1.3%		
- Restructuring expenses & others	2.4	0.0	0.1	(1.2)	-	-	-		
- Acquisitions / + Divestments	-	-	3.4	0.6	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	(1.4)	0.8	-	-	-		
= Free Cash Flow	(6.5)	(2.2)	3.9	6.7	(1.8)	3.5	2.0	44.7%	-33.4%
<i>Free Cash Flow growth</i>	-24.0%	66.7%	278.2%	73.9%	-126.4%	295.7%	-42.8%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	n.a.	n.a.	3.3%	12.1%	n.a.	6.5%	3.7%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	n.a.	n.a.	7.3%	12.6%	n.a.	6.5%	3.7%		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
	2022	2023	2024	2025	2026e	2027e	2028e		
Recurrent FCF(FY - 1)	(1.1)	(9.0)	(2.2)	1.8	6.5	(1.8)	3.5		
EBITDA impact from revenue increase	1.1	1.4	1.4	0.3	(0.0)	0.9	1.1		
EBITDA impact from EBITDA/Sales variation	5.4	5.0	(1.9)	5.1	(0.4)	1.4	1.6		
= Recurrent EBITDA variation	6.4	6.4	(0.5)	5.4	(0.4)	2.3	2.7		
- Rentals (IFRS 16 impact) variation impact	(1.3)	(2.1)	(1.1)	(0.5)	0.0	(0.5)	(0.6)		
+/- Working capital variation impact	(9.3)	3.1	3.2	(1.8)	(3.9)	2.8	(3.2)		
= Recurrent Operating Cash Flow variation	(4.3)	7.4	1.5	3.2	(4.3)	4.6	(1.0)		
+/- CAPEX impact	(3.2)	1.6	1.3	1.8	(4.2)	1.0	(0.5)		
+/- Financial result variation	(0.5)	(0.4)	(0.2)	0.2	0.1	0.1	0.8		
+/- Tax impact	0.2	(1.9)	1.4	(0.4)	0.1	(0.4)	(0.7)		
= Recurrent Free Cash Flow variation	(7.8)	6.7	4.0	4.7	(8.2)	5.2	(1.5)		
Recurrent Free Cash Flow	(9.0)	(2.2)	1.8	6.5	(1.8)	3.5	2.0		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
	2022	2023	2024	2025	2026e	2027e	2028e	CAGR	
EBIT	2.3	2.7	0.8	4.0	4.9	6.6	8.7	21.2%	29.0%
* Theoretical Tax rate	0.0%	24.7%	0.0%	30.0%	25.0%	25.0%	25.0%		
= Taxes (pre- Net Financial Result)	-	(0.7)	-	(1.2)	(1.2)	(1.6)	(2.2)		
Recurrent EBITDA	10.9	17.3	16.8	22.3	21.8	24.1	26.8	26.8%	6.3%
- Rentals (IFRS 16 impact)	(9.8)	(11.9)	(13.0)	(13.5)	(13.5)	(14.0)	(14.6)		
+/- Working Capital increase	(3.8)	(0.7)	2.5	0.7	(3.2)	(0.4)	(3.5)		
= Recurrent Operating Cash Flow	(2.7)	4.7	6.2	9.4	5.1	9.7	8.7	76.4%	-2.8%
- CAPEX	(5.5)	(3.9)	(2.6)	(0.8)	(5.0)	(4.0)	(4.5)		
- Taxes (pre- Financial Result)	-	(0.7)	-	(1.2)	(1.2)	(1.6)	(2.2)		
= Recurrent Free Cash Flow (To the Firm)	(8.2)	0.2	3.6	7.4	(1.1)	4.0	2.0	42.7%	-35.4%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	n.a.	102.3%	n.a.	103.1%	-115.4%	454.5%	-50.9%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	n.a.	0.1%	2.6%	5.2%	n.a.	2.7%	1.3%		
- Restructuring expenses & others	2.4	0.0	0.1	(1.2)	-	-	-		
- Acquisitions / + Divestments	-	-	3.4	0.6	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	(1.4)	0.8	-	-	-		
= Free Cash Flow "To the Firm"	(5.7)	0.2	5.7	7.7	(1.1)	4.0	2.0	49.4%	-36.2%
<i>Free Cash Flow (To the Firm) growth</i>	-19.8%	104.1%	n.a.	33.8%	-114.9%	454.5%	-50.9%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	n.a.	0.4%	7.7%	15.6%	n.a.	8.5%	4.2%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	n.a.	0.5%	12.1%	16.2%	n.a.	8.5%	4.2%		

Note: Free Cash Flow Yield (s/Market Cap) estimated adjusted for minority interests.

Recurrent Free Cash Flow accumulated variation analysis (2021 - 2025)

Recurrent Free Cash Flow accumulated variation analysis (2025 - 2028e)

Recurrent EBITDA vs Recurrent Free Cash Flow

Stock performance vs EBITDA 12m forward

Appendix 3. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	53.3	
+ Minority Interests	-	12m Results 2025
+ Provisions & Other L/T Liabilities	45.7	12m Results 2025
+ Net financial debt	(1.7)	12m Results 2025
- Financial Investments	5.6	12m Results 2025
+/- Others		
Enterprise Value (EV)	91.8	

Appendix 4. Historical performance⁽¹⁾

Historical performance (EUR Mn)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e	CAGR	
															15-25	25-28e
Total Revenues	108.4	113.2	117.0	113.4	116.2	66.8	93.2	115.3	129.6	139.8	142.3	142.3	148.2	155.0	2.8%	2.9%
Total Revenues growth	-12.8%	4.4%	3.3%	-3.0%	2.5%	-42.5%	39.5%	23.7%	12.4%	7.9%	1.8%	0.0%	4.2%	4.6%		
EBITDA	(17.7)	(9.0)	(2.2)	1.2	11.3	(6.8)	0.4	13.4	17.4	16.9	21.1	21.8	24.1	26.8	12.3%	8.2%
EBITDA growth	n.a.	49.0%	75.6%	153.3%	868.1%	-160.1%	105.5%	n.a.	30.1%	-2.6%	24.7%	3.4%	10.4%	11.1%		
EBITDA/Sales	n.a.	n.a.	n.a.	1.0%	9.8%	n.a.	0.4%	11.6%	13.4%	12.1%	14.8%	15.3%	16.3%	17.3%		
Net Profit	8.0	(22.7)	(6.9)	(0.5)	(8.3)	(19.3)	(9.3)	0.2	0.7	0.9	1.6	3.0	4.4	6.5	-14.6%	58.2%
Net Profit growth	172.2%	-384.8%	69.8%	92.7%	n.a.	-132.5%	52.1%	101.7%	360.2%	24.4%	80.6%	85.1%	44.2%	48.4%		
Adjusted number shares (Mn)	9.1	9.1	9.0	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.3	9.3	9.3		
EPS (EUR)	0.87	-2.48	-0.76	-0.05	-0.90	-2.10	-1.00	0.02	0.08	0.10	0.18	0.33	0.47	0.70	-14.7%	58.0%
EPS growth	n.a.	n.a.	69.4%	92.9%	n.a.	n.a.	52.1%	n.a.	n.a.	24.4%	80.2%	84.6%	44.2%	48.4%		
Ord. EPS (EUR)	-2.14	-2.48	-0.81	0.00	-0.10	-2.44	-0.64	-0.13	0.08	-0.03	0.28	0.33	0.47	0.70	7.9%	36.1%
Ord. EPS growth	-66.7%	-16.3%	67.4%	n.a.	n.a.	n.a.	73.7%	80.5%	n.a.	n.a.	n.a.	17.8%	44.2%	48.4%		
CAPEX	(2.4)	(2.0)	(0.9)	(0.8)	(2.6)	(2.0)	(2.2)	(5.5)	(3.9)	(2.6)	(0.8)	(5.0)	(4.0)	(4.5)		
CAPEX/Sales %	2.2%	1.8%	0.8%	0.7%	2.2%	3.0%	2.4%	4.7%	3.0%	1.9%	0.6%	3.5%	2.7%	2.9%		
Free Cash Flow	20.4	(12.7)	4.3	0.1	(2.6)	(9.4)	(5.3)	(6.5)	(2.2)	3.9	6.7	(1.8)	3.5	2.0	-10.5%	-33.4%
ND/EBITDA (x) ⁽²⁾	n.a.	n.a.	n.a.	-10.2x	-0.9x	n.a.	4.6x	0.6x	0.6x	0.4x	-0.1x	0.0x	-0.1x	-0.2x		
P/E (x)	4.0x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	63.2x	48.1x	28.5x	17.6x	12.2x	8.2x		
EV/Sales (x)	0.08x	0.29x	0.27x	0.48x	0.65x	0.97x	0.65x	0.84x	0.66x	0.63x	0.64x	0.64x	0.62x	0.59x		
EV/EBITDA (x) ⁽²⁾	n.a.	n.a.	n.a.	46.0x	6.6x	n.a.	n.a.	7.3x	4.9x	5.2x	4.3x	4.2x	3.8x	3.4x		
Absolute performance	n.a.	-4.9%	62.2%	29.7%	2.6%	-35.9%	-16.3%	6.1%	24.1%	-5.2%	6.5%	13.9%				
Relative performance vs lbox 35	n.a.	-3.0%	51.0%	52.5%	-8.2%	-24.2%	-22.4%	12.3%	1.1%	-17.4%	-28.6%	1.9%				

Note 1: The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Refinitiv.

Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Appendix 5. Main peers 2026e

		Affordable Luxury players					Specialised Retail Holdings					ADZ	
EUR Mn		Burberry Group	Hugo Boss	Salvatore Ferragamo	Marimekko	SMCP	Average	Kering	Tapestry	Capri Holdings	PVH Corp	Average	ADZ
Market data	Ticker (Factset)	BRBY.L	BOSSn.DE	SFER.MI	MEKKO.HE	SMCP.PA		PRTP.PA	TPR	CPRI.K	PVH		ADZ.MC
	Country	UK	Germany	Italy	Finland	France		France	USA	UK	USA		Spain
	Market cap	4,725.6	2,728.6	1,627.1	425.2	395.5		33,528.9	25,308.6	2,036.2	3,101.9		53.3
	Enterprise value (EV)	5,715.6	3,603.8	2,069.3	421.8	924.4		48,436.3	26,450.8	2,233.5	4,577.0		91.8
Basic financial information	Total Revenues	2,942.2	3,934.6	976.0	200.4	1,217.0		14,725.1	6,965.0	3,073.8	7,779.9		142.3
	Total Revenues growth	5.4%	-7.9%	-0.1%	5.7%	0.0%	0.6%	0.3%	13.8%	1.4%	-0.4%	3.8%	0.0%
	2y CAGR (2026e - 2028e)	5.7%	2.7%	4.7%	5.0%	2.7%	4.2%	6.7%	5.6%	2.9%	2.2%	4.3%	4.4%
	EBITDA	704.9	670.9	191.4	45.0	241.4		3,606.6	1,747.3	272.1	923.5		21.8
	EBITDA growth	11.3%	-14.2%	15.4%	6.0%	5.4%	4.8%	-2.2%	27.4%	56.6%	22.5%	26.1%	3.4%
	2y CAGR (2026e - 2028e)	12.8%	4.9%	10.7%	7.0%	4.8%	8.1%	13.9%	9.1%	12.6%	0.4%	9.0%	10.7%
	EBITDA/Revenues	24.0%	17.1%	19.6%	22.4%	19.8%	20.6%	24.5%	25.1%	8.9%	11.9%	17.6%	15.3%
	EBIT	290.4	309.9	34.4	34.3	98.9		1,797.5	1,587.2	163.0	679.0		4.9
	EBIT growth	44.6%	-26.2%	40.1%	6.3%	9.9%	14.9%	10.1%	29.1%	139.4%	31.5%	52.5%	21.3%
	2y CAGR (2026e - 2028e)	27.7%	10.5%	52.2%	8.9%	10.1%	21.9%	24.9%	8.2%	18.4%	-1.7%	12.5%	33.0%
Multiples and Ratios	EBIT/Revenues	9.9%	7.9%	3.5%	17.1%	8.1%	9.3%	12.2%	22.8%	5.3%	8.7%	12.3%	3.4%
	Net Profit	164.2	183.3	5.1	27.1	49.5		815.8	1,280.0	207.8	477.1		3.0
	Net Profit growth	611.6%	-29.3%	110.4%	11.4%	198.0%	180.4%	724.1%	700.4%	197.5%	n.a.	540.7%	85.1%
	2y CAGR (2026e - 2028e)	37.7%	13.1%	n.a.	8.9%	18.2%	19.5%	41.3%	8.3%	8.1%	-1.7%	14.0%	46.2%
	CAPEX/Sales %	5.9%	5.4%	7.4%	3.7%	3.3%	5.2%	8.2%	2.3%	3.5%	2.6%	4.1%	3.5%
	Free Cash Flow	381.4	354.3	132.5	30.0	89.2		3,737.7	1,367.5	215.9	587.6		(1.8)
	Net financial debt	(322.2)	670.1	445.6	(15.4)	249.1		6,311.2	1,674.2	985.0	1,456.4		0.1
	ND/EBITDA (x)	n.a.	1.0	2.3	n.a.	1.0	1.5	1.7	1.0	3.6	1.6	2.0	0.0
	Pay-out	43.8%	1.5%	0.0%	77.1%	0.0%	24.5%	56.4%	23.4%	0.0%	1.4%	20.3%	0.0%
	P/E (x)	28.2	14.5	n.a.	16.0	8.0	16.7	41.6	20.6	9.6	6.4	19.5	17.6
P/BV (x)	3.7	1.5	2.8	5.1	0.3	2.7	2.1	n.a.	10.3	0.7	4.4	2.4	
EV/Revenues (x)	1.9	0.9	2.1	2.1	0.8	1.6	3.3	3.8	0.7	0.6	2.1	0.6	
EV/EBITDA (x)	8.1	5.4	10.8	9.4	3.8	7.5	13.4	15.1	8.2	5.0	10.4	4.2	
EV/EBIT (x)	19.7	11.6	n.a.	12.3	9.3	13.2	26.9	16.7	13.7	6.7	16.0	18.7	
ROE	14.4	11.2	0.6	33.5	4.4	12.8	5.7	172.0	229.6	10.9	104.5	14.4	
FCF Yield (%)	8.1	13.0	8.1	7.1	22.5	11.8	11.1	5.4	10.6	18.9	11.5	n.a.	
DPS	0.20	0.04	0.00	0.51	0.00	0.15	3.75	1.38	0.00	0.14	1.32	0.00	
Dvd Yield	0.0%	0.1%	0.0%	4.9%	0.0%	1.0%	1.4%	1.1%	0.0%	0.2%	0.7%	0.0%	

Note 1: Financial data, multiples and ratios based on market consensus (Refinitiv). In the case of the company analyzed, own estimates (Lighthouse).

Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

LIGHTHOUSE

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
22-Jun-2026	n.a.	5.75	n.a.	n.a.	Update report	Pablo Victoria Rivera, CESGA
26-May-2026	n.a.	5.45	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
04-May-2026	n.a.	5.50	n.a.	n.a.	12m Results 2025	Pablo Victoria Rivera, CESGA
19-Jan-2026	n.a.	5.55	n.a.	n.a.	9m Results 2025	Pablo Victoria Rivera, CESGA
25-Nov-2025	n.a.	4.88	n.a.	n.a.	6m Results 2025	Pablo Victoria Rivera, CESGA
01-Aug-2025	n.a.	5.10	n.a.	n.a.	3m Results 2025	Pablo Victoria Rivera, CESGA
17-Jun-2025	n.a.	4.72	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
08-May-2025	n.a.	4.86	n.a.	n.a.	12m Results 2024	Pablo Victoria Rivera, CESGA
20-Jan-2025	n.a.	5.08	n.a.	n.a.	9m Results 2024	Alfredo Echevarría Otegui
15-Nov-2024	n.a.	4.87	n.a.	n.a.	6m Results 2024	Luis Esteban Arribas, CESGA
19-Jul-2024	n.a.	5.00	n.a.	n.a.	3m Results 2024	Luis Esteban Arribas, CESGA
27-May-2024	n.a.	5.40	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
29-Apr-2024	n.a.	4.78	n.a.	n.a.	12m Results 2023 - Estimates upgrade	Luis Esteban Arribas, CESGA
18-Jan-2024	n.a.	4.92	n.a.	n.a.	9m Results 2023	Luis Esteban Arribas, CESGA
10-Nov-2023	n.a.	5.00	n.a.	n.a.	6m Results 2023	Luis Esteban Arribas, CESGA
14-Jul-2023	n.a.	6.35	n.a.	n.a.	3m Results 2023	Luis Esteban Arribas, CESGA
12-Jun-2023	n.a.	5.40	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
28-Apr-2023	n.a.	6.00	n.a.	n.a.	12m Results 2022	Luis Esteban Arribas, CESGA
23-Jan-2023	n.a.	4.15	n.a.	n.a.	9m Results 2022	Luis Esteban Arribas, CESGA
28-Nov-2022	n.a.	4.03	n.a.	n.a.	6m Results 2022 - Estimates upgrade	Luis Esteban Arribas, CESGA
15-Jul-2022	n.a.	3.92	n.a.	n.a.	3m Results 2022	Alfredo Echevarría Otegui
28-Apr-2022	n.a.	3.80	n.a.	n.a.	12m Results 2021	Alfredo Echevarría Otegui
24-Jan-2022	n.a.	3.62	n.a.	n.a.	9m Results 2021	Alfredo Echevarría Otegui
02-Dec-2021	n.a.	3.77	n.a.	n.a.	6m Results 2021	Alfredo Echevarría Otegui
01-Sep-2021	n.a.	4.49	n.a.	n.a.	Estimates downgrade	Ana Isabel González García, CIIA
28-Jul-2021	n.a.	4.34	n.a.	n.a.	3m Results 2021	Ana Isabel González García, CIIA
14-Jun-2021	n.a.	4.28	n.a.	n.a.	Estimates upgrade	Ana Isabel González García, CIIA
29-Apr-2021	n.a.	4.50	n.a.	n.a.	12m Results 2020	Ana Isabel González García, CIIA
29-Mar-2021	n.a.	4.20	n.a.	n.a.	Important news	Ana Isabel González García, CIIA
18-Jan-2021	n.a.	4.78	n.a.	n.a.	9m Results 2020 - Estimates downgrade	Ana Isabel González García, CIIA
02-Dec-2020	n.a.	4.60	n.a.	n.a.	6m Results 2020 - Estimates downgrade	Ana Isabel González García, CIIA
17-Sep-2020	n.a.	3.90	n.a.	n.a.	3m Results 2020	Ana Isabel González García, CIIA
25-Jun-2020	n.a.	5.10	n.a.	n.a.	Estimates downgrade	Ana Isabel González García, CIIA
13-Jan-2020	n.a.	6.90	n.a.	n.a.	9m Results 2019	Ana Isabel González García, CIIA
03-Dec-2019	n.a.	7.36	n.a.	n.a.	Initiation of Coverage	Ana Isabel González García, CIIA

