

EQUITY - SPAIN
 Sector: Food Products

 Closing price: EUR 2.82 (29 Jul 2024)
 Report date: 30 Jul 2024 (14:00h)

12m Results 2023
 Independent Equity Research

12m Results 2023

 Opinion ⁽¹⁾: In line

 Impact ⁽¹⁾: We will maintain our estimates

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Borges Agricultural & Industrial Nuts, S.A. (BAIN) is a small international group based in Spain (Tarragona), specialising in processing and B2B marketing of nuts. It has an international presence (56% of 2023 revenue) and is a European benchmark in the almond segment (share of c.7%). Its core shareholder is Borges International Group (89.1% of capital).

A new beginning?

DROP IN REVENUE (AS EXPECTED) IN 2023 (-14.2% VS 2022). In 2023, BAIN completed the sale to Natural Capital Fund of its agricultural division (c. 7% of revenue and 65% of net assets in 2022; c. 2,500 hectares). The agreement includes the sale of all the companies in Portugal and the two in Spain (Extremadura and Granada). This hurt volumes in Tn excluding by-products (-16%), but nut prices held broadly steady (+1.8%) at lows. BAIN reported revenue of EUR 117Mn in 2023 (vs EUR 136.3Mn in 2022), in line with our estimates.

RECURRING EBITDA AT BREAK-EVEN. Gross margin narrowed by 2.3pp to 18.9% in 2023 due to the disposal of BAIN's (higher margin) agricultural division. Momentum for nut prices remained weak. This with the excessive cost structure (despite the sale of the agricultural division) resulted in a recurring EBITDA loss for 2023 of EUR 0.2Mn (vs profit of EUR 0.5Mn in 2022).

THE SALE OF THE AGRICULTURAL DIVISION "SAVED" THE YEAR (NET PROFIT 2023: EUR 21MN VS EUR -2.7MN IN 2022) ... Disposal proceeds contributed extraordinary profit from discontinued operations of EUR 24.4Mn vs ordinary loss before tax of EUR -3.9Mn. The agricultural division would have contributed EUR 10.3Mn in consolidated revenue.

...AND PROVIDED A CAPITAL INJECTION THAT BROUGHT BAIN BACK TO A NET CASH POSITION. The sale price implies a total capital injection of c. EUR 81Mn (of which EUR 12.6Mn is due to be received in 2024/2025). The company's net cash position in 2023 post-sale reached c. EUR 24.7Mn. As we see it, the key factor setting BAIN apart (ND/EBITDA 1x the sector) paves the way for the company to: i) undertake investments to enhance efficiency and ii) consider M&A opportunities to bolster its positioning in the Spanish market.

IN SHORT, A STRATEGIC SHIFT THAT WILL CHANGE THE COMPANY FOR THE BETTER AND UNLOCKS A POTENTIAL (AND UNEXPECTED) VALUATION IDEA. By restructuring the business, BAIN can now focus on its core industrial and commercial business. The sale reduces BAIN's structure significantly, leaving it with an EV of EUR 30Mn (vs EUR 110Mn, TTM) and poised to raise its profitability considerably. All eyes should be on 1H24 earnings, which should provide the 'litmus test' for the outcome of the transaction. Our estimates for 2024e call for revenue of EUR 119.9Mn and recurring EBITDA of EUR 5.5Mn (EBITDA margin 2024e of c.4.6%). BAIN is gaining momentum and provides a unique opportunity despite the challenges it faces: i) nut prices, contingent on the harvest in California, and ii) growth in demand. The shares are trading at an FY24e EV/revenue multiple of 0.25x vs 0.9x for its comps. An apparently straightforward investment idea.

Market Data

Market Cap (Mn EUR and USD)	65.3	70.6
EV (Mn EUR and USD) ⁽²⁾	30.4	32.9
Shares Outstanding (Mn)	23.1	
-12m (Max/Med/Min)	2.84 / 2.65 / 2.48	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽³⁾	0.8	
Factset / Bloomberg	BAIN-ES / BAIN SM	
Close fiscal year	31-May	

Shareholders Structure (%)

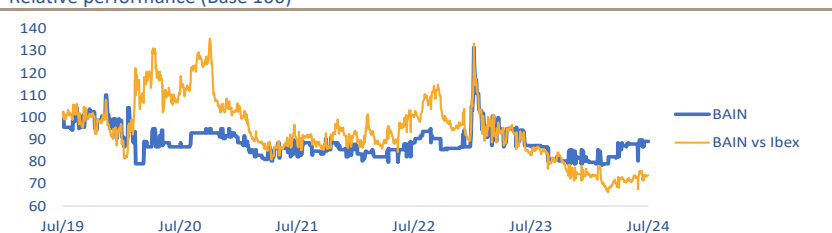
Borges International Group	89.1
Board Members	0.2
Free Float	10.6

Financials (Mn EUR)

	2023	2024e	2025e	2026e
Adj. n° shares (Mn)	23.1	23.1	23.1	23.1
Total Revenues	117.0	119.9	122.9	126.0
Rec. EBITDA	-0.2	5.5	6.0	6.6
% growth	-133.3	n.a.	8.6	9.8
% Rec. EBITDA/Rev.	n.a.	4.6	4.9	5.2
% Inc. EBITDA sector ⁽⁴⁾	7.8	8.7	8.9	7.0
Net Profit	21.0	2.4	3.2	4.0
EPS (EUR)	0.91	0.10	0.14	0.17
% growth	888.4	-88.7	36.2	22.2
Ord. EPS (EUR)	-0.19	0.10	0.14	0.17
% growth	14.3	154.4	36.2	22.2
Rec. Free Cash Flow ⁽⁵⁾	-1.9	-0.6	2.0	2.7
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	-24.7	-36.7	-38.7	-41.3
ND/Rec. EBITDA (x)	n.a.	-6.7	-6.5	-6.3
ROE (%)	30.0	2.9	3.8	4.5
ROCE (%) ⁽⁵⁾	n.a.	6.6	7.1	8.4

Ratios & Multiples (x) ⁽⁶⁾

	2023	2024e	2025e	2026e
P/E	3.1	27.4	20.1	16.5
Ord. P/E	n.a.	27.4	20.1	16.5
P/BV	0.8	0.8	0.8	0.7
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	0.26	0.25	0.25	0.24
EV/Rec. EBITDA	n.a.	5.5	5.1	4.6
EV/EBIT	n.a.	8.5	7.5	6.6
FCF Yield (%) ⁽⁵⁾	n.a.	n.a.	3.0	4.1

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	2.9	8.5	2.2	9.3	4.4	-10.8
vs Ibex 35	1.3	8.3	-11.0	-0.7	-17.5	-26.0
vs Ibex Small Cap Index	0.9	3.9	-4.3	0.3	3.4	-32.7
vs Eurostoxx 50	4.6	12.2	-5.2	2.6	-10.7	-34.7
vs Sector benchmark ⁽⁴⁾	3.4	12.0	16.9	16.2	24.3	4.0

(1) The opinion regarding the results is on reported EBITDA with respect to our estimate for the year (12m). The impact reflects whether, due to the results, we envisage a significant revision (>5% - 10%, depending on the sector) of our EBITDA estimate (for any of the estimated years).

(2) Please refer to Appendix 3.

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

(4) Sector: Stoxx Europe 600 Food & Beverage.

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

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

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

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This report has been prepared on the basis of information available to the public. The report includes a financial analysis of the company covered. The report does not propose any personalised investment recommendation. Investors should consider the contents of this report as just another element in their investment decision-making process. The final two pages of this report contain very important legal information regarding its contents.

12m Results 2023
Table 1. 12m23 Results

All references to 12M results will be to the period from June 1 to May 31.

The company has published unaudited financial statements for the period from June 1, 2023 to May 31, 2024.

EUR Mn	12m23 Real	12m22	12m23 Real vs 12m22	2023e	2023 vs 2023e
Total Revenues	117.0	136.3	-14.2%	109.7	6.7%
Walnuts	9.4	10.9	-14.2%	8.3	12.6%
Almonds	57.3	83.1	-31.0%	55.0	4.2%
Other nuts	41.0	32.7	25.2%	38.8	5.5%
Other products	8.2	9.5	-14.2%	7.5	8.6%
Recurrent EBITDA¹	-0.2	0.5	-133.3%	2.3	-107.3%
<i>Rec. EBITDA/Revenues</i>	<i>-0.1%</i>	<i>0.4%</i>	<i>-0.5 p.p.</i>	<i>2.1%</i>	<i>-2.2 p.p.</i>
EBITDA¹	0.3	1.0	-65.7%	2.3	-85.4%
<i>EBITDA/Revenues</i>	<i>0.3%</i>	<i>0.7%</i>	<i>-0.4 p.p.</i>	<i>2.1%</i>	<i>-1.8 p.p.</i>
EBIT	-2.0	-2.5	17.6%	1.0	-295.8%
PBT	20.5	-4.6	n.a.	16.8	21.7%
NP	21.0	-2.7	n.a.	14.6	44.3%
Volume ²	24,338	28,968	-16.0%	24,022	1.3%
Net Debt ³	-24.7	39.0	-163.2%	-33.3	25.8%
ND / Equity ³	-0.3 x	0.7 x	-1.0 x	-0.4 x	-0.1 x

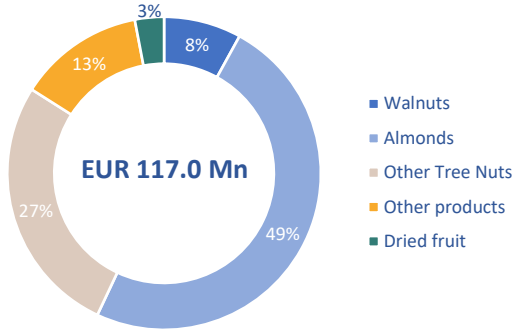
Note 1: EBITDA and Adjusted Recurring EBITDA exclude activations.

Note 2: Excludes by-products.

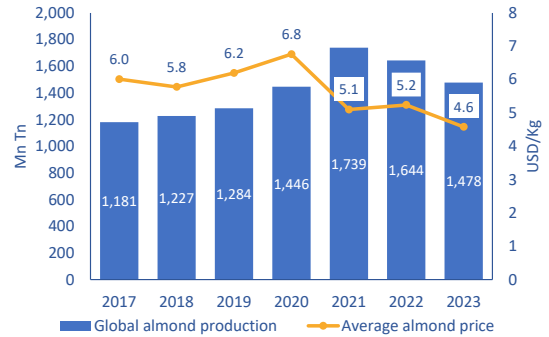
Note 3: Net Debt adjusted to exclude: (i) the impact of IFRS 16 and (ii) Investment property held for sale (EUR 0Mn in 2023 and EUR 2.7Mn in 2022).

The company in 8 charts

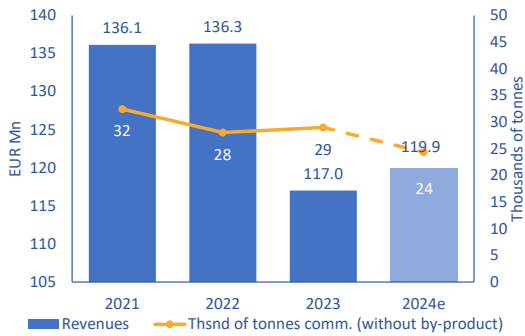
BAIN's business is focused mainly on the sale of nuts (essentially almonds: 49% of the total)



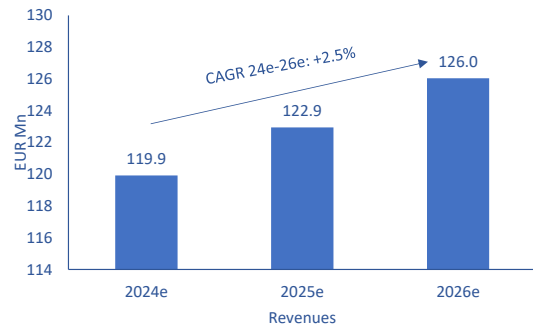
The strong increase in supply (2016-2022) has forced almond prices down (current price: -24% vs 2016)



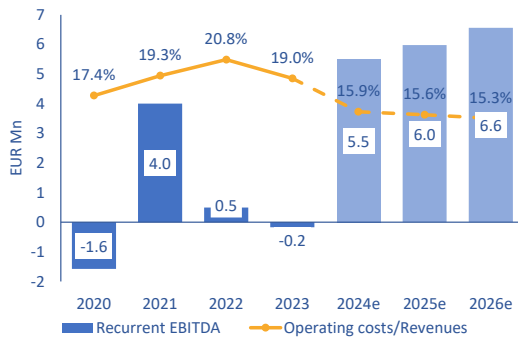
The divestiture of the agricultural business will weigh on revenue performance in 2023 (already impacted by nut prices/volumes)



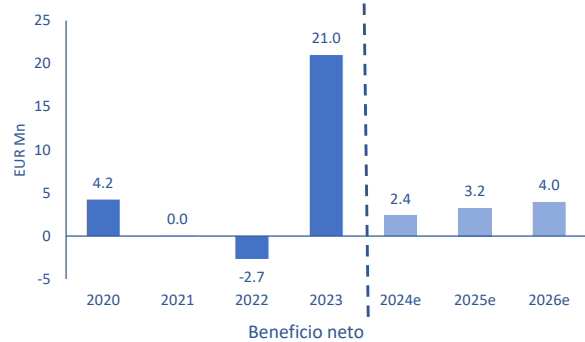
We expect moderate mid-single digit growth (+2.5% CAGR) until 2026e (EUR 126,0Mn)



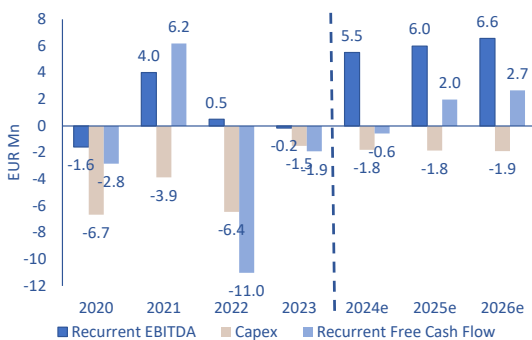
Combined with high fixed costs, this will ensure that EBITDA remains above the break-even



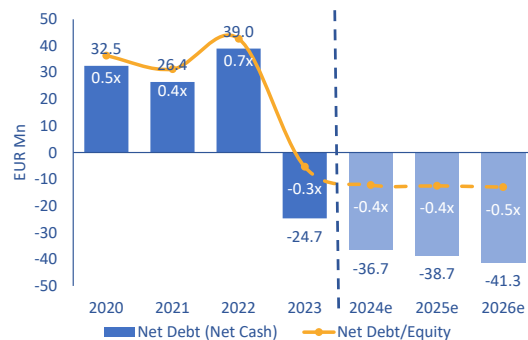
And it will allow BAIN to aim for positive net profit as early as 2024e.



EBITDA growth will be the main catalyst of a return to positive FCF



The extraordinary cash inflow (EUR 81Mn) guarantees a Net Cash position that will allow for significant investments



Valuation inputs

Inputs for the DCF Valuation Approach

	2024e	2025e	2026e	Terminal Value ⁽¹⁾		
Free Cash Flow "To the Firm"	12.7	2.2	2.9	41.1		
Market Cap	65.3	At the date of this report				
Net financial debt	-24.7	Debt net of Cash (12m Results 2023)				
					Best Case	Worst Case
Cost of Debt	5.0%	Net debt cost			4.8%	5.3%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	4.0%	Kd = Cost of Net Debt * (1-T)			3.8%	4.2%
Risk free rate (rf)	3.2%	Rf (10y Spanish bond yield)			=	=
Equity risk premium	6.0%	R (own estimate)			5.5%	6.5%
Beta (B)	0.8	B (own estimate)			0.7	0.9
Cost of Equity	8.0%	Ke = Rf + (R * B)			7.0%	9.0%
Equity / (Equity + Net Debt)	100.0%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	0.0%	D			=	=
WACC	8.0%	WACC = Kd * D + Ke * E			7.0%	9.0%
G "Fair"	2.0%				2.0%	1.5%

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

Inputs for the Multiples Valuation Approach

Company	Ticker Factset	Mkt. Cap	P/E 24e	EPS 24e-26e	EV/EBITDA 24e	EBITDA 24e-26e	EV/Sales 24e	Revenues 24e-26e	EBITDA/Sales 24e	FCF Yield 24e	FCF 24e-26e
Sipef NV	SIP-BE	541.7	9.3	7.9%	4.2	7.1%	1.5	3.4%	35.1%	n.a.	n.a.
Greenyard NV	GREEN-BE	306.0	10.8	29.1%	4.0	5.0%	0.1	3.5%	3.7%	25.0%	-4.0%
European Industry			10.0	18.5%	4.1	6.0%	0.8	3.5%	19.4%	25.0%	-4.0%
Select Harvests	SHV-AU	317.4	n.a.	n.a.	18.9	30.7%	4.0	8.0%	21.1%	5.7%	23.3%
Benchmark			n.a.	n.a.	18.9	30.7%	4.0	8.0%	21.1%	5.7%	23.3%
ADM	ADM-US	28,936.7	11.5	1.0%	7.8	0.3%	0.4	1.9%	5.5%	n.a.	-7.1%
Global Players			11.5	1.0%	7.8	0.3%	0.4	1.9%	5.5%	n.a.	-7.1%
BAIN	BAIN-ES	65.3	27.4	29.0%	5.5	9.2%	0.3	2.5%	4.6%	n.a.	-52.9%

Free Cash Flow sensitivity analysis (2025e)

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

Scenario	EBITDA/Sales 25e	EBITDA 25e	EV/EBITDA 25e
Max	5.4%	6.6	4.6x
Central	4.9%	6.0	5.1x
Min	4.4%	5.4	5.7x

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

Rec. FCF EUR Mn	CAPEX/Sales 25e				Scenario	Rec. FCF/Yield 25e		
EBITDA 25e	1.3%	1.5%	1.7%		Max	4.3%	4.0%	3.6%
6.6	2.8	2.6	2.3	➔	Central	3.4%	3.0%	2.7%
6.0	2.2	2.0	1.7		Min	2.5%	2.1%	1.7%
5.4	1.6	1.4	1.1					

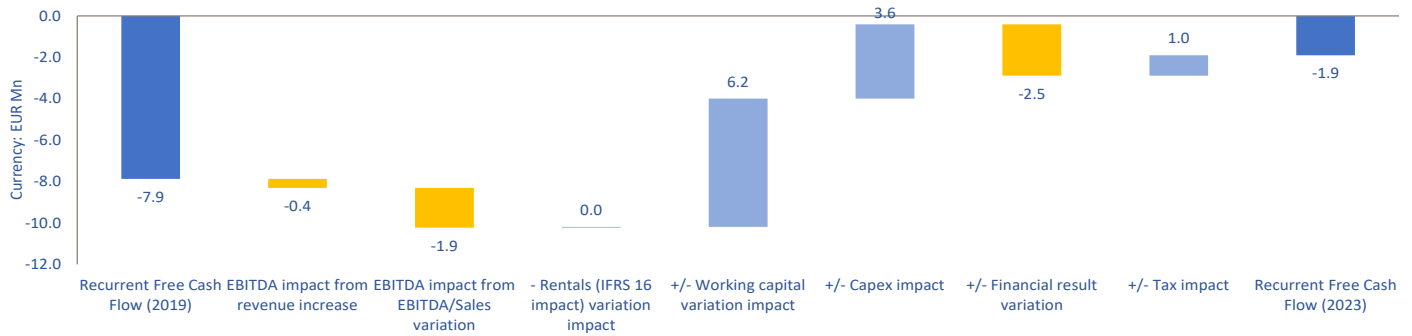
Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
Intangible assets	7.2	7.6	7.7	7.8	0.8	0.8	0.8	0.8		
Fixed assets	73.5	71.7	73.7	79.5	31.5	31.7	31.9	32.2		
Other Non Current Assets	1.6	1.6	1.0	1.7	0.9	0.9	0.9	0.9		
Financial Investments	7.4	3.7	3.7	4.0	13.3	0.7	0.7	0.7		
Goodwill & Other Intangibles	-	-	-	-	-	-	-	-		
Current assets	61.6	50.1	57.3	57.1	40.8	41.6	42.0	42.4		
Total assets	151.3	134.7	143.4	150.1	87.3	75.6	76.2	76.9		
Equity	58.9	61.8	62.2	59.7	80.4	82.8	86.0	90.0		
Minority Interests	2.3	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	2.8	1.2	1.6	1.4	2.4	2.4	2.4	2.4		
Other Non Current Liabilities	7.1	7.6	7.6	8.0	0.7	0.7	0.7	0.7		
Net financial debt	43.8	32.5	26.4	39.0	(24.7)	(36.7)	(38.7)	(41.3)		
Current Liabilities	36.4	31.6	45.6	42.1	28.4	26.3	25.7	25.1		
Equity & Total Liabilities	151.3	134.7	143.4	150.1	87.3	75.6	76.2	76.9		
P&L (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	19-23	23-26e
Total Revenues	180.6	143.4	136.1	136.3	117.0	119.9	122.9	126.0	-10.3%	2.5%
Total Revenues growth	0.0%	-20.6%	-5.1%	0.1%	-14.2%	2.5%	2.5%	2.5%		
COGS	(151.9)	(120.0)	(105.9)	(107.5)	(94.9)	(95.3)	(97.7)	(100.2)		
Gross Margin	28.7	23.4	30.3	28.8	22.1	24.6	25.2	25.8	-6.3%	5.3%
Gross Margin/Revenues	15.9%	16.3%	22.2%	21.2%	18.9%	20.5%	20.5%	20.5%		
Personnel Expenses	(12.9)	(12.2)	(12.1)	(12.5)	(10.2)	(8.7)	(8.8)	(8.6)		
Other Operating Expenses	(13.6)	(12.8)	(14.2)	(15.9)	(12.1)	(10.3)	(10.5)	(10.6)		
Recurrent EBITDA	2.2	(1.6)	4.0	0.5	(0.2)	5.5	6.0	6.6	-20.0%	n.a.
Recurrent EBITDA growth	-54.9%	-172.1%	354.1%	-87.5%	-133.3%	n.a.	8.6%	9.8%		
Rec. EBITDA/Revenues	1.2%	n.a.	2.9%	0.4%	n.a.	4.6%	4.9%	5.2%		
Restructuring Expense & Other non-rec.	(0.5)	(0.3)	(0.6)	0.5	0.5	-	-	-		
EBITDA	1.7	(1.9)	3.4	1.0	0.3	5.5	6.0	6.6	-33.2%	n.a.
Depreciation & Provisions	(3.0)	(3.1)	(3.3)	(3.4)	(2.1)	(1.6)	(1.6)	(1.6)		
Capitalized Expense	2.1	1.8	1.1	0.6	0.0	0.0	0.0	0.0		
Rentals (IFRS 16 impact)	(0.3)	(0.4)	(0.4)	(0.6)	(0.3)	(0.3)	(0.3)	(0.3)		
EBIT	0.4	(3.5)	0.9	(2.5)	(2.0)	3.6	4.1	4.6	-62.9%	62.3%
EBIT growth	-89.2%	-980.4%	124.4%	-384.8%	17.6%	276.9%	12.9%	14.1%		
EBIT/Revenues	0.2%	n.a.	0.6%	n.a.	n.a.	3.0%	3.3%	3.7%		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(0.0)	(0.2)	(0.7)	(2.2)	(1.8)	(0.8)	(0.2)	(0.2)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
Ordinary Profit	0.4	(3.8)	0.1	(4.6)	(3.9)	2.8	3.8	4.4	-86.3%	46.4%
Ordinary Profit Growth	-89.7%	n.a.	103.2%	n.a.	16.3%	172.2%	36.2%	15.4%		
Extraordinary Results	-	11.7	-	-	24.4	-	-	-		
Profit Before Tax	0.4	7.9	0.1	(4.6)	20.5	2.8	3.8	4.4	n.a.	-40.1%
Tax Expense	0.0	(2.1)	(0.1)	2.0	0.5	(0.4)	(0.6)	(0.4)		
Effective Tax Rate	n.a.	27.3%	87.7%	n.a.	n.a.	15.0%	15.0%	10.0%		
Minority Interests	(0.1)	(1.5)	-	-	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	0.3	4.2	0.0	(2.7)	21.0	2.4	3.2	4.0	n.a.	-42.7%
Net Profit growth	-93.9%	n.a.	-99.6%	n.a.	889.2%	-88.7%	36.2%	22.2%		
Ordinary Net Profit	0.8	(5.0)	0.5	(5.1)	(4.4)	2.4	3.2	4.0	-64.7%	42.7%
Ordinary Net Profit growth	-77.1%	-711.3%	109.6%	n.a.	14.2%	154.4%	36.2%	22.2%		
Cash Flow (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	19-23	23-26e
Recurrent EBITDA						5.5	6.0	6.6	-20.0%	n.a.
Rentals (IFRS 16 impact)						(0.3)	(0.3)	(0.3)		
Working Capital Increase						(2.8)	(1.0)	(1.0)		
Recurrent Operating Cash Flow						2.4	4.6	5.2	33.5%	35.6%
CAPEX						(1.8)	(1.8)	(1.9)		
Net Financial Result affecting the Cash Flow						(0.8)	(0.2)	(0.2)		
Tax Expense						(0.4)	(0.6)	(0.4)		
Recurrent Free Cash Flow						(0.6)	2.0	2.7	29.9%	50.5%
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						12.6	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						12.0	2.0	2.7	81.7%	-65.2%
Capital Increase						-	-	-		
Dividends						-	-	-		
Net Debt Variation						(12.0)	(2.0)	(2.7)		

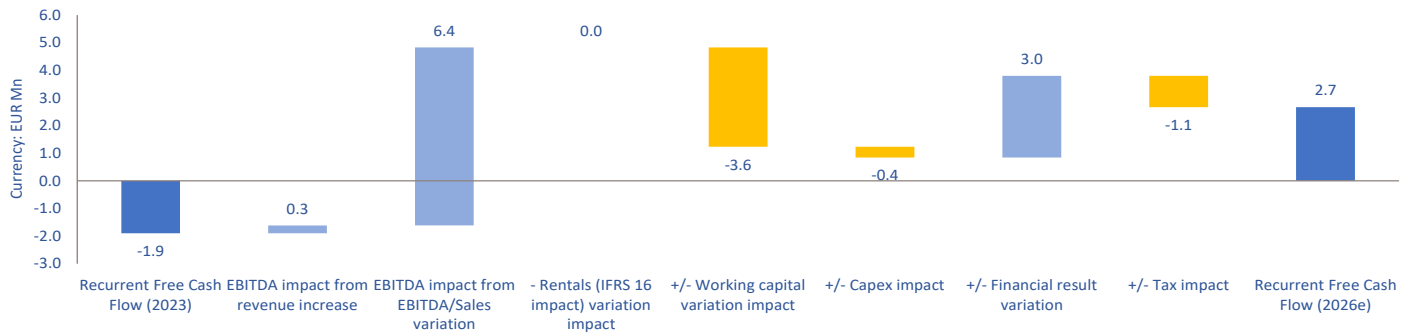
Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
								20-23	23-26e
Recurrent EBITDA	(1.6)	4.0	0.5	(0.2)	5.5	6.0	6.6	52.8%	n.a.
<i>Recurrent EBITDA growth</i>	-172.1%	354.1%	-87.5%	-133.3%	n.a.	8.6%	9.8%		
<i>Rec. EBITDA/Revenues</i>	n.a.	2.9%	0.4%	n.a.	4.6%	4.9%	5.2%		
- Rentals (IFRS 16 impact)	(0.4)	(0.4)	(0.6)	(0.3)	(0.3)	(0.3)	(0.3)		
+/- Working Capital increase	6.8	6.8	(3.3)	2.6	(2.8)	(1.0)	(1.0)		
= Recurrent Operating Cash Flow	4.8	10.4	(3.5)	2.1	2.4	4.6	5.2	-24.2%	35.6%
<i>Rec. Operating Cash Flow growth</i>	369.8%	114.8%	-133.6%	160.3%	16.3%	90.1%	12.7%		
<i>Rec. Operating Cash Flow / Sales</i>	3.4%	7.6%	n.a.	1.8%	2.0%	3.8%	4.1%		
- CAPEX	(6.7)	(3.9)	(6.4)	(1.5)	(1.8)	(1.8)	(1.9)		
- Net Financial Result affecting Cash Flow	(0.7)	(0.8)	(1.6)	(3.2)	(0.8)	(0.2)	(0.2)		
- Taxes	(0.3)	0.5	0.5	0.7	(0.4)	(0.6)	(0.4)		
= Recurrent Free Cash Flow	(2.8)	6.2	(11.0)	(1.9)	(0.6)	2.0	2.7	12.6%	50.5%
<i>Rec. Free Cash Flow growth</i>	63.9%	317.6%	-278.1%	82.8%	69.7%	443.8%	35.1%		
<i>Rec. Free Cash Flow / Revenues</i>	n.a.	4.5%	n.a.	n.a.	n.a.	1.6%	2.1%		
- Restructuring expenses & others	(1.8)	-	-	0.5	-	-	-		
- Acquisitions / + Divestments	16.5	-	-	40.6	12.6	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	24.4	-	-	-		
= Free Cash Flow	11.9	6.2	(11.0)	63.6	12.0	2.0	2.7	74.8%	-65.2%
<i>Free Cash Flow growth</i>	266.7%	-48.0%	-278.1%	677.4%	-81.1%	-83.6%	35.1%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	n.a.	9.5%	n.a.	n.a.	n.a.	3.0%	4.1%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	18.2%	9.5%	n.a.	97.5%	18.4%	3.0%	4.1%		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
Recurrent FCF(FY - 1)	(7.9)	(2.8)	6.2	(11.0)	(1.9)	(0.6)	2.0		
EBITDA impact from revenue increase	(0.4)	0.1	0.0	(0.1)	(0.0)	0.1	0.2		
EBITDA impact from EBITDA/Sales variation	(3.3)	5.5	(3.5)	(0.6)	5.7	0.3	0.4		
= Recurrent EBITDA variation	(3.8)	5.6	(3.5)	(0.7)	5.7	0.5	0.6		
- Rentals (IFRS 16 impact) variation impact	(0.0)	(0.1)	(0.2)	0.3	-	-	-		
+/- Working capital variation impact	10.4	0.0	(10.1)	5.9	(5.3)	1.7	0.0		
= Recurrent Operating Cash Flow variation	6.6	5.5	(13.8)	5.6	0.3	2.2	0.6		
+/- CAPEX impact	(1.6)	2.8	(2.6)	4.9	(0.3)	(0.0)	(0.0)		
+/- Financial result variation	0.0	(0.1)	(0.8)	(1.6)	2.4	0.6	0.0		
+/- Tax impact	-	0.8	0.0	0.2	(1.1)	(0.2)	0.1		
= Recurrent Free Cash Flow variation	5.0	9.0	(17.2)	9.1	1.3	2.6	0.7		
Recurrent Free Cash Flow	(2.8)	6.2	(11.0)	(1.9)	(0.6)	2.0	2.7		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
EBIT	(3.5)	0.9	(2.5)	(2.0)	3.6	4.1	4.6	17.0%	62.3%
* Theoretical Tax rate	0.0%	30.0%	0.0%	0.0%	15.0%	15.0%	10.0%		
= Taxes (pre- Net Financial Result)	-	(0.3)	-	-	(0.5)	(0.6)	(0.5)		
Recurrent EBITDA	(1.6)	4.0	0.5	(0.2)	5.5	6.0	6.6	52.8%	n.a.
- Rentals (IFRS 16 impact)	(0.4)	(0.4)	(0.6)	(0.3)	(0.3)	(0.3)	(0.3)		
+/- Working Capital increase	6.8	6.8	(3.3)	2.6	(2.8)	(1.0)	(1.0)		
= Recurrent Operating Cash Flow	4.8	10.4	(3.5)	2.1	2.4	4.6	5.2	-24.2%	35.6%
- CAPEX	(6.7)	(3.9)	(6.4)	(1.5)	(1.8)	(1.8)	(1.9)		
- Taxes (pre- Financial Result)	-	(0.3)	-	-	(0.5)	(0.6)	(0.5)		
= Recurrent Free Cash Flow (To the Firm)	(1.8)	6.2	(9.9)	0.6	0.1	2.2	2.9	32.5%	68.8%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	73.1%	437.6%	-259.3%	106.0%	-82.9%	n.a.	31.6%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	n.a.	4.6%	n.a.	0.5%	0.1%	1.8%	2.3%		
- Acquisitions / + Divestments	16.5	-	-	40.6	12.6	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	24.4	-	-	-		
= Free Cash Flow "To the Firm"	14.7	6.2	(9.9)	65.6	12.7	2.2	2.9	64.6%	-64.7%
<i>Free Cash Flow (To the Firm) growth</i>	366.3%	-57.6%	-259.3%	760.9%	-80.6%	-82.8%	31.6%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	n.a.	20.5%	n.a.	2.0%	0.3%	7.2%	9.5%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	48.3%	20.5%	n.a.	215.6%	41.8%	7.2%	9.5%		

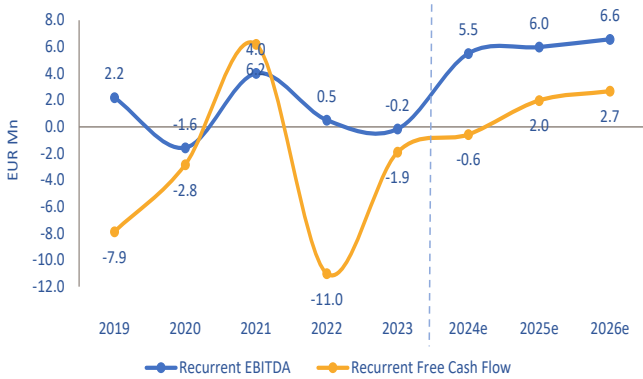
Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



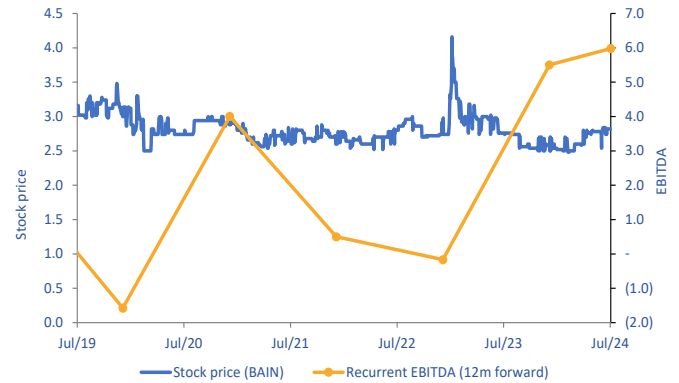
Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



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	65.3	
+ Minority Interests	-	12m Results 2023
+ Provisions & Other L/T Liabilities	3.1	12m Results 2023
+ Net financial debt	(24.7)	12m Results 2023
- Financial Investments	13.3	12m Results 2023
+/- Others		
Enterprise Value (EV)	30.4	

Appendix 4. Historical performance ⁽¹⁾

Historical performance (EUR Mn)																CAGR	
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	13-23	23-26e	
Total Revenues	2.8	2.6	66.2	197.2	195.7	177.8	180.6	143.4	136.1	136.3	117.0	119.9	122.9	126.0	45.3%	2.5%	
Total Revenues growth	44.8%	-6.9%	n.a.	197.9%	-0.7%	-9.2%	1.5%	-20.6%	-5.1%	0.1%	-14.2%	2.5%	2.5%	2.5%			
EBITDA	1.2	1.2	0.9	6.2	5.4	1.9	1.7	(1.9)	3.4	1.0	0.3	5.5	6.0	6.6	-12.3%	n.a.	
EBITDA growth	171.5%	1.7%	-29.2%	607.4%	-13.7%	-65.2%	-11.2%	-212.8%	283.4%	-72.0%	-65.7%	n.a.	8.6%	9.8%			
EBITDA/Sales	43.8%	47.8%	1.3%	3.2%	2.8%	1.1%	0.9%	n.a.	2.5%	0.7%	0.3%	4.6%	4.9%	5.2%			
Net Profit	1.1	0.9	0.1	3.3	3.3	2.4	0.3	4.2	0.0	(2.7)	21.0	2.4	3.2	4.0	34.2%	-42.7%	
Net Profit growth	216.1%	-19.6%	-88.6%	n.a.	-0.3%	-27.7%	-86.8%	n.a.	-99.6%	n.a.	889.2%	-88.7%	36.2%	22.2%			
Adjusted number shares (Mn)	5.6	5.6	5.6	5.6	10.2	23.1	23.1	23.1	23.1	23.1	23.1	23.1	23.1	23.1			
EPS (EUR)	0.20	0.16	0.02	0.59	0.32	0.10	0.01	0.18	0.00	-0.12	0.91	0.10	0.14	0.17	16.5%	-42.7%	
EPS growth	n.a.	-19.6%	-88.6%	n.a.	-45.2%	-68.1%	-86.7%	n.a.	-99.6%	n.a.	n.a.	-88.7%	36.2%	22.2%			
Ord. EPS (EUR)	0.20	0.16	-0.02	0.67	0.35	0.04	0.04	-0.22	0.02	-0.22	-0.19	0.10	0.14	0.17	-11.4%	42.7%	
Ord. EPS growth	n.a.	-19.4%	n.a.	n.a.	-47.8%	-87.8%	-17.8%	n.a.	n.a.	n.a.	14.3%	n.a.	36.2%	22.2%			
CAPEX	(0.3)	(0.3)	(3.3)	(10.0)	(10.0)	(6.2)	(5.1)	(6.7)	(3.9)	(6.4)	(1.5)	(1.8)	(1.8)	(1.9)			
CAPEX/Sales %	9.5%	11.3%	5.0%	5.1%	5.1%	3.5%	2.8%	4.6%	2.8%	4.7%	1.3%	1.5%	1.5%	1.5%			
Free Cash Flow	(0.5)	4.2	(35.9)	(3.1)	2.3	(4.7)	(7.1)	11.9	6.2	(11.0)	63.6	12.0	2.0	2.7	63.9%	-65.2%	
ND/EBITDA (x) ⁽²⁾	0.6x	-2.9x	41.3x	6.4x	6.5x	20.5x	26.3x	n.a.	7.7x	40.4x	-74.5x	-6.7x	-6.5x	-6.3x			
P/E (x)	5.2x	7.6x	n.a.	4.9x	16.8x	38.4x	n.a.	15.8x	n.a.	n.a.	2.8x	27.4x	20.1x	16.5x			
EV/Sales (x)	3.63x	2.25x	0.69x	0.27x	0.53x	0.50x	0.90x	0.79x	0.67x	0.74x	0.23x	0.25x	0.25x	0.24x			
EV/EBITDA (x) ⁽²⁾	8.3x	4.7x	n.a.	8.7x	19.3x	47.5x	n.a.	n.a.	26.5x	n.a.	n.a.	5.5x	5.1x	4.6x			
Absolute performance	-34.0%	16.4%	86.4%	28.9%	87.9%	-27.3%	-24.2%	-4.0%	-9.7%	5.4%	-5.8%	9.3%	24.2%	4.6%			
Relative performance vs Ibx 35	-45.6%	12.3%	100.8%	31.5%	75.0%	-14.5%	-32.2%	13.5%	-16.4%	11.6%	-23.3%	-0.7%					

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 Factset.

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

Appendix 5. Main peers 2024e

		European Industry			Benchmark	Global Players	
EUR Mn		Sipef NV	Greenyard NV	Average	Select Harvests	ADM	BAIN
Market data	Ticker (Factset)	SIP-BE	GREEN-BE		SHV-AU	ADM-US	BAIN-ES
	Country	Belgium	Belgium		Australia	USA	Spain
	Market cap	541.7	306.0		317.4	28,936.7	65.3
	Enterprise value (EV)	591.9	786.4		605.5	35,189.5	30.4
Basic financial information	Total Revenues	399.3	5,312.6		151.7	83,206.7	119.9
	Total Revenues growth	-2.8%	3.4%	0.3%	22.3%	-4.2%	2.5%
	2y CAGR (2024e - 2026e)	3.4%	3.5%	3.5%	8.0%	1.9%	2.5%
	EBITDA	140.1	195.5		32.0	4,539.6	5.5
	EBITDA growth	-3.2%	13.9%	5.3%	269.2%	24.6%	n.a.
	2y CAGR (2024e - 2026e)	7.1%	5.0%	6.0%	30.7%	0.3%	9.2%
	EBITDA/Revenues	35.1%	3.7%	19.4%	21.1%	5.5%	4.6%
	EBIT	93.6	89.0		12.3	2,989.3	3.6
	EBIT growth	-2.5%	40.7%	19.1%	144.8%	12.1%	276.9%
	2y CAGR (2024e - 2026e)	8.2%	9.7%	8.9%	67.0%	-0.4%	13.5%
	EBIT/Revenues	23.4%	1.7%	12.6%	8.1%	3.6%	3.0%
	Net Profit	58.2	27.3		2.9	2,539.7	2.4
	Net Profit growth	-13.4%	99.3%	42.9%	104.2%	-21.1%	-88.7%
	2y CAGR (2024e - 2026e)	8.4%	29.1%	18.7%	n.a.	-3.0%	29.0%
CAPEX/Sales %	24.3%	1.4%	12.8%	8.8%	1.4%	1.5%	
Free Cash Flow	n.a.	76.6		18.2	2,660.9	12.0	
Net financial debt	31.8	455.2		120.9	5,822.1	(36.7)	
ND/EBITDA (x)	0.2	2.3	1.3	3.8	1.3	(6.7)	
Pay-out	28.8%	42.4%	35.6%	0.0%	38.8%	0.0%	
Multiples and Ratios	P/E (x)	9.3	10.8	10.0	n.a.	11.5	27.4
	P/BV (x)	n.a.	0.6	0.6	1.3	1.4	0.8
	EV/Revenues (x)	1.5	0.1	0.8	4.0	0.4	0.3
	EV/EBITDA (x)	4.2	4.0	4.1	18.9	7.8	5.5
	EV/EBIT (x)	6.3	8.8	7.6	49.3	11.8	8.5
	ROE	n.a.	5.5	5.5	1.1	12.2	2.9
	FCF Yield (%)	n.a.	25.0	25.0	5.7	9.2	n.a.
	DPS	1.61	0.23	0.92	0.00	1.82	0.00
	Dvd Yield	3.2%	3.9%	3.5%	0.0%	3.1%	0.0%

Note 1: Financial data, multiples and ratios based on market consensus (Factset). 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).

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Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
30-Jul-2024	n.a.	2.82	n.a.	n.a.	12m Results 2023	Luis Esteban Arribas, CESGA
27-May-2024	n.a.	2.78	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
26-Feb-2024	n.a.	2.70	n.a.	n.a.	6m Results 2023	Luis Esteban Arribas, CESGA
31-Jul-2023	n.a.	2.76	n.a.	n.a.	12m Results 2022 - Estimates downgrade	Luis Esteban Arribas, CESGA
12-Jun-2023	n.a.	2.96	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
27-Feb-2023	n.a.	3.26	n.a.	n.a.	6m Results 2022 - Estimates downgrade	Luis Esteban Arribas, CESGA
01-Aug-2022	n.a.	2.80	n.a.	n.a.	12m Results 2021	Alfredo Echevarría Otegui
01-Mar-2022	n.a.	2.68	n.a.	n.a.	6m Results 2021	Alfredo Echevarría Otegui
02-Aug-2021	n.a.	2.60	n.a.	n.a.	12m Results 2020	Ana Isabel González García, CIIA
17-Jun-2021	n.a.	2.72	n.a.	n.a.	Estimates upgrade	Ana Isabel González García, CIIA
12-Apr-2021	n.a.	2.62	n.a.	n.a.	9m Results 2020	Ana Isabel González García, CIIA
02-Mar-2021	n.a.	2.70	n.a.	n.a.	6m Results 2020 - Estimates downgrade	Ana Isabel González García, CIIA
04-Jan-2021	n.a.	2.88	n.a.	n.a.	3m Results 2020	Ana Isabel González García, CIIA
03-Aug-2020	n.a.	2.80	n.a.	n.a.	12m Results 2019	Ana Isabel González García, CIIA
04-Jun-2020	n.a.	2.98	n.a.	n.a.	Estimates downgrade	Ana Isabel González García, CIIA
31-Mar-2020	n.a.	2.50	n.a.	n.a.	9m Results 2020	Ana Isabel González García, CIIA
02-Mar-2020	n.a.	2.96	n.a.	n.a.	6m Results 2020	Ana Isabel González García, CIIA
16-Oct-2019	n.a.	3.18	n.a.	n.a.	3m Results 2020	Ana Isabel González García, CIIA
01-Aug-2019	n.a.	3.16	n.a.	n.a.	12m Results 2019	Ana Isabel González García, CIIA
25-Apr-2019	n.a.	3.72	n.a.	n.a.	9m Results 2019	Ana Isabel González García, CIIA
11-Apr-2019	n.a.	3.84	n.a.	n.a.	Initiation of Coverage	Ana Isabel González García, CIIA

