

EQUITY - SPAIN
 Sector: Food Products

 Closing price: EUR 3.48 (17 Feb 2025)
 Report date: 18 Feb 2025 (9:55h)

6m Results 2024
 Independent Equity Research

6m Results 2024

Alfredo Echevarría Otegui – alfredo.echevarria@institutodeanalistas.com

 Opinion ⁽¹⁾: Below expectations

+34 915 631 972

 Impact ⁽¹⁾: We will have to lower our estimates

Business description

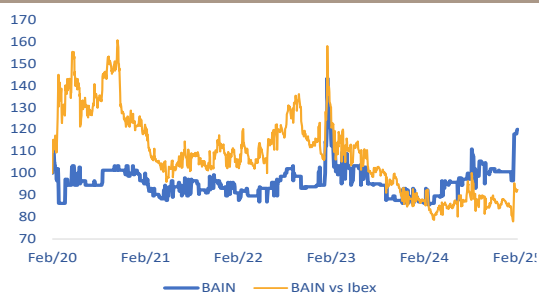
Borges Agricultural & Industrial Nuts, S.A. (BAIN) is a small international group based in Spain (Tarragona), specialising in processing and B2B marketing of nuts. It has an international presence (56% of 2023 revenue) and is a European benchmark in the almond segment (share of c.7%). Its core shareholder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

Market Data

Market Cap (Mn EUR and USD)	80.5	84.4
EV (Mn EUR and USD) ⁽²⁾	45.4	47.6
Shares Outstanding (Mn)	23.1	
-12m (Max/Med/Mín EUR)	3.48 / 2.84 / 2.48	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽³⁾	0.9	
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

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	19.2	17.6	39.2	20.0
vs Ibex 35	9.1	5.1	5.7	-7.6
vs Ibex Small Cap Index	11.9	3.5	18.3	-2.7
vs Eurostoxx 50	11.2	2.1	20.2	-16.2
vs Sector benchmark ⁽⁴⁾	13.2	15.4	54.6	44.2

(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 2.

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

(4) vs Stoxx Europe 600 Food & Beverage.

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

1H2024 Results: below expectations, but the share price will not be affected. The tender offer sets the share price

DROP IN REVENUES... BAIN closed its 1H24 with a sharp drop in revenues (adjusted in 2023 to exclude the agricultural division and make them comparable), to EUR 55.1Mn (-8.9% vs 1H23). Revenues are well below expectations for the full year (EUR 120Mn) and will lead us to lower our estimates. The fall in revenues is mainly due to volumes (c.10.6 MT, excluding by-products; -18.6% vs 1H23).

...DRAGGING EBITDA REC. BELOW BREAK EVEN. The drop in revenues translates into a 1H24 rec. EBITDA of EUR -0.7Mn (vs EUR 0.2Mn in 1H23), and far from break even. This will lead us to lower estimates. 1H24 losses in both EBIT (EUR -1.9Mn) and BN (EUR -1.5Mn), below expectations.

IN A (VERY HIGH) NET CASH POSITION. Following the divestment of the agricultural business (May 2024), the strategic shift has been made and will allow BAIN to focus on its core business (industrial and commercial business). The sale of the agricultural business leaves BAIN in a very healthy balance sheet position, with net cash of c.EUR 36Mn.

APPROVAL OF THE TENDER OFFER BY BORGES INTERNATIONAL GROUP (BIG) FOR BAIN. Yesterday (February 17), the Extraordinary General Meeting of BAIN approved the proposed resolution to delist all of the company's shares and the tender offer made by Borges International Group S.L.U (BIG).

The tender offer is therefore going ahead, targeting the c.11% not controlled by BIG and with the objective of delisting BAIN. Tender offer at EUR 3.48 per share, implying a company valuation of EUR 80 Mn and a premium over the average price -12m of c.+23%). Compared to the maximum pre-offer price, the premium falls to c.+8%. At this point, the squeeze-out would be executed at the same price as the offer. The next step is the approval of the offer by the CNMV. The delisting could take place before May 2025.

IN SHORT, THE TENDER OFFER AND THE PRACTICALLY CERTAIN DELISTING IS THE ONLY IMPORTANT ISSUE TODAY. 1H24 results penalized by the weakness in volumes, not offset by the progressive recovery of nut prices from their lows. But these results will not be quoted, with the share "glued" to the offer price (EUR 3.48 per share), assuming the certain delisting of the stock. The premium and the price offered are reasonable in objective terms, with implied multiples (based on BAIN's potential EBITDA) aligned with the sector benchmark. This makes it advisable to take up the offer.

Appendix 1. Results table

EUR Mn	6m24 vs		
	6m24	6m23 ¹	6m23 ¹
Total Revenues	55.1	60.5	-8.9%
Walnuts	4.4	4.9	-10.5%
Almonds	28.6	29.5	-3.0%
Other nuts	13.2	16.6	-20.4%
Other products	8.8	9.4	-6.4%
Recurrent EBITDA²	-0.7	0.1	n.a.
<i>Rec. EBITDA/Revenues</i>	<i>-1.3%</i>	<i>0.2%</i>	<i>-1.5 p.p.</i>
EBITDA¹	-0.7	0.1	n.a.
<i>EBITDA/Revenues</i>	<i>-1.3%</i>	<i>0.2%</i>	<i>-1.5 p.p.</i>
EBIT	-1.9	-1.1	-82.8%
PBT	-2.0	-2.0	-0.9%
NP	-1.5	-1.7	10.1%

EUR Mn	6m24 vs		
	6m24	12m23	12m23
Net Debt ³	-36.1	-24.7	-46.3%
ND / Equity ³	-0.5 x	-0.3 x	-0.2 x

- (1) 1H23 figures restated to be comparable with 1s24 information following the sale of the agricultural business in the year ended May 31, 2024.
 (2) EBITDA and Adjusted Recurring EBITDA exclude capitalizations.
 (3) Net debt: Net debt adjusted to exclude: (i) the impact of IFRS 16 and (ii) Investment property held for sale.

Appendix 2. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	80.5	
+ Minority Interests	-	6m Results 2024
+ Provisions & Other L/T Liabilities	1.7	6m Results 2024
+ Net financial debt	(36.1)	6m Results 2024
- Financial Investments	0.8	6m Results 2024
+/- Others		
Enterprise Value (EV)	45.4	

LIGHTHOUSE

Calle Núñez de Balboa, 108 1ª Planta
28006 Madrid
T: +34 91 563 19 72
institutodeanalistas.com/lighthouse

Alfredo Echevarría Otegui
Head of research
alfredo.echevarria@institutodeanalistas.com

Pablo Victoria Rivera, CESGA
Equity research
pablo.victoria@institutodeanalistas.com

Jesús López Gómez, CESGA
ESG Analyst & Data analytics
jesus.lopez@institutodeanalistas.com

All Lighthouse research documents are available simultaneously on the Lighthouse website (institutodeanalistas.com/lighthouse) and via third-party aggregators such as Bloomberg, Factset, Capital IQ and Refinitiv.

IMPORTANT LEGAL INFORMATION REGARDING THIS REPORT

LIGHTHOUSE

Lighthouse is a project of IEAF Servicios de Análisis S.L.U. Lighthouse is a research project funded by Bolsas y Mercados Españoles S.A. Lighthouse aims to improve the research coverage of the "orphan stocks" of the Spanish market: those which lack real and continuous research coverage. Lighthouse reports will not include valuation and target price. Lighthouse does not seek to provide investment advice to any natural or legal person. For this reason, Lighthouse will not provide a valuation, target price or investment recommendation for any of the securities analysed.

IEAF Servicios de Análisis S.L.U. is a Spanish company whose corporate purpose is:

1º) To provide information and financial analysis regarding securities issued by any class of legal person traded or not on official secondary markets, and especially (but not exclusively) those securities which are not the object of the recurrent provision of information and analysis by financial analysts who participate in the markets.

2º) To publicise and update the aforementioned financial reports and analysis, in addition to the monitoring and following of the securities on which the information and analysis is provided.

3º) To prepare studies and projects aimed at proposing and implementing measures to improve the information and financial analysis of securities traded on official secondary markets.

IEAF Servicios de Análisis S.L.U. is a company whose sole shareholder is the Instituto Español de Analistas Financieros, a professional, not for profit association.

DISCLAIMER

The Instituto Español de Analistas Financieros hereby certifies that the analyst of IEAF Servicios de Análisis S.L.U. whose name figures as the author of this report, expresses views that reflect their personal and independent opinion of the company analysed without these implying, either directly or indirectly, a personalised recommendation of the company analysed for purposes of providing investment advice. This report is based on the preparation of detailed financial projections from information available to the public and following traditional fundamental research methodology (i.e. it is not a technical or quantitative analysis report). For the analysis methodology used in the preparation of this report, please contact the analyst directly; contact details are included on the front page of this report.

The report includes basic information regarding the main parameters to be used by an investor when making their own valuation (whether by discounted cash flows or multiples). These parameters are the personal opinion or estimate of the analyst. The person receiving this report should use their own judgement when using these parameters and should consider them as another element in their decision-making process in respect of investment. These parameters do not represent a personalised investment recommendation.

Rules governing confidentiality and conflicts of interest

None of the following rules governing confidentiality and conflicts of interest (12) is applicable to this report:

1. This report is non-independent research as it has been commissioned by the company analysed (issuer).
2. In the last 12 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., has had Investment Banking mandates or has managed or co-managed a public offering of the securities of the issuer, or has received compensation from said issuer for Investment Banking services, that exclude brokerage services for prepaid fees.
3. In the next 6 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., expects to receive or intends to obtain compensation for Investment Banking services provided to this company that exclude brokerage services for prepaid fees.
4. The Investment Analyst or a member of the Research Department or a member of their household has a long position in the shares or derivatives of the corresponding issuer.
5. The Investment Analyst or a member of the Research Department or a member of their household has a short position in the shares or derivatives of the corresponding issuer.
6. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a long position of over 0.5% of the issuer's capital.
7. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a short position of over 0.5% of the issuer's capital.
8. At the end of the month immediately prior to the publication of this report, or of the previous month if the report is published in the ten days following the end of the month, the company analysed (the issuer) or any of its subsidiaries held 5% or more of any class of equity security of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U.
9. A senior director or officer of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., or a member of their department is a director, officer, advisor or member of the Board of Directors of the issuer and/or one of its subsidiaries.
10. The Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., acts as broker for the Issuer for the corresponding prepaid fees.
11. The contents of this report related to the financial analysis, financial projections, valuation, investment summary and opinion of the analyst have been reviewed by the issuer prior to its publication.
12. The issuer has made changes to the contents of this report prior to its distribution.

The Investment Analysts who have prepared this Investment Analysis are employees of IEAF Servicios de Análisis S.L.U. These analysts have received (or will receive) compensation according to the general earnings of IEAF Servicios de Análisis S.L.U. To obtain a copy of the Code of Conduct of IEAF Servicios de Análisis S.L.U. (in respect of the Management of Conflicts of Interest in the research department), please use the e-mail address secretaria@institutodeanalistas.com or consult the contents of this Code at <https://institutodeanalistas.com>.

IEAF Servicios de Análisis S.L.U. is compensated by Bolsas y Mercados Españoles, S.A. for the preparation of this report. This report should be considered as just another element in the taking of investment decisions.

A report issued by IEAF servicios de análisis S.L.U.

All rights reserved. The unauthorised use or distribution of this report is prohibited. This document has been prepared and distributed, according to the provisions of the MiFID II by IEAF Servicios de Análisis S.L.U. Its corporate activity is regulated by the CNMV (the Spanish Securities Exchange Commission). The information and opinions expressed in this document do not represent nor are they intended to represent an offer or a solicitation to buy or sell the securities (in other words, the securities mentioned in this report and related warrants, options, rights or interests). The information and opinions contained in this document are based upon information available to the public and have been obtained from sources believed to be reliable by IEAF Servicios de Análisis S.L.U., but no guarantee is given regarding their accuracy or completeness. All comments and estimates reflect solely the opinion of IEAF Servicios de Análisis S.L.U. and do not offer any implicit or explicit guarantee. All the opinions expressed are subject to change without prior warning. This document does not take into account the specific investment objectives, financial position, risk profile or other specific aspects of the person who receives this document, and accordingly they should exercise their own judgement in this respect. Neither the Instituto Español de Analistas Financieros nor its subsidiary, IEAF Servicios de Análisis S.L.U., assumes any responsibility for direct or indirect losses arising from the use of the published research, except in the event of negligent conduct by IEAF Servicios de Análisis S.L.U. The information contained in this report is approved for distribution to professional clients, eligible counterparties and professional advisers, but not for distribution to private individuals or retail clients. Its reproduction, distribution or

publication for any purpose without the written authorisation of IEAF Servicios de Análisis S.L.U. is prohibited. The Instituto Español de Analistas Financieros and/or its subsidiary IEAF Servicios de Análisis S.L.U., their employees and directors, may hold a position (long or short) in an investment knowing that this issuer will be the object of analysis and that this analysis will be distributed to institutional investors. Any further information regarding the contents of this report will be provided upon request. IEAF Servicios de Análisis S.L.U. intends to publish (at least) one quarterly report or note updating the information on the company analysed.

United States. IEAF Servicios de Análisis S.L.U. is not registered in the United States and, consequently, is not subject to the regulations of that country governing the preparation of research and the independence of analysts. This report is distributed solely to major US institutional investors, in reliance on the exemption from registration provided by Rule 15a-6 of the US Securities Exchange Act of 1934, as amended (the "Exchange Act"), and interpretations of this made by the US Securities Exchange Commission.

Major US Institutional Investors. This report will be distributed to "major US institutional investors", as defined by Rule 15a-6 of the US Securities Exchange Commission and of the US Securities Exchange Act of 1934.

Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
18-Feb-2025	n.a.	3.48	n.a.	n.a.	6m Results 2024	Alfredo Echevarría Otegui
03-Feb-2025	n.a.	2.80	n.a.	n.a.	Important news	Alfredo Echevarría Otegui
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

