LIGHTHOUSE
INSTITUTO ESPAÑOL DE ANALISTAS

Cevasa

EQUITY - SPAIN
Sector: Real Estate

Closing price: EUR 8.10 (3 Sep 2025)
Report date: 4 Sep 2025 (13:40h)

6m Results 2025
Independent Equity Research

6m Results 2025
Opinion [1]: In line
Impact [1]: We will maintain our estimates

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Compañía Española de Viviendas en Alquiler, Cevasa (CEV), specialises in the development of buildings for long-term renting, mainly in the residential segment (protected homes) in Catalonia, principally in the city of Barcelona and its metropolitan area (where it is the main private property owner).

Market Data

Market Cap (Mn EUR and USD)	188.4	219.7
EV (Mn EUR and USD) [2]	359.4	419.2
Shares Outstanding (Mn)	23.3	
-12m (Max/Med/Mín EUR)	8.40 / 7.19 / 5.85	
Rotation [3]	0.5	
Factset / Bloomberg	CEV-ES / CEV SM	
Close fiscal year	31-Dec	

Shareholders Structure (%) [7]

Vaqué-Boix family	61.7
Banco Santander	24.1
Manuel Valiente	6.5
Others	2.3
Free Float	4.9

Financials (Mn EUR)	2024	2025e	2026e	2027e
Adj. nº shares (Mn)	23.2	23.3	23.3	23.3
Total Revenues	23.0	25.6	27.9	29.7
Rec. EBITDA	16.7	17.5	19.3	20.8
% growth	*13.2*	*4.5*	*10.3*	*8.2*
% Rec. EBITDA/Rev.	*72.7*	*68.1*	*69.1*	*70.0*
% Inc. EBITDA sector [4]	*10.0*	*15.9*	*5.0*	*5.7*
Net Profit	25.1	11.2	12.5	13.7
EPS (EUR)	1.08	0.48	0.54	0.59
% growth	*n.a.*	*-55.6*	*12.0*	*9.1*
Ord. EPS (EUR)	0.42	0.46	0.52	0.56
% growth	*n.a.*	*9.7*	*11.9*	*9.0*
Rec. Free Cash Flow [5]	17.4	9.4	9.8	11.2
Pay-out (%)	*20.3*	*51.6*	*49.6*	*48.8*
DPS (EUR)	0.22	0.25	0.27	0.29
Net financial debt	73.0	75.1	79.7	83.4
ND/Rec. EBITDA (x)	4.4	4.3	4.1	4.0
ROE (%)	*6.3*	*2.7*	*3.0*	*3.2*
ROCE (%) [5]	*5.2*	*2.5*	*2.7*	*2.8*

Ratios & Multiples (x) [6]	2024	2025e	2026e	2027e
P/E	7.5	16.9	15.1	13.8
Ord. P/E	19.3	17.5	15.7	14.4
P/BV	0.5	0.5	0.5	0.4
Dividend Yield (%)	*2.7*	*3.1*	*3.3*	*3.5*
EV/Sales	15.64	14.01	12.89	12.08
EV/Rec. EBITDA	21.5	20.6	18.7	17.2
EV/EBIT	10.1	20.2	18.3	16.9
FCF Yield (%) [5]	*9.2*	*5.0*	*5.2*	*5.9*

(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 Real State.
(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.
(7) Others: Autocartera 0.4%

1H25 results: 12,3% revenues growth, with addicional housing deliveries

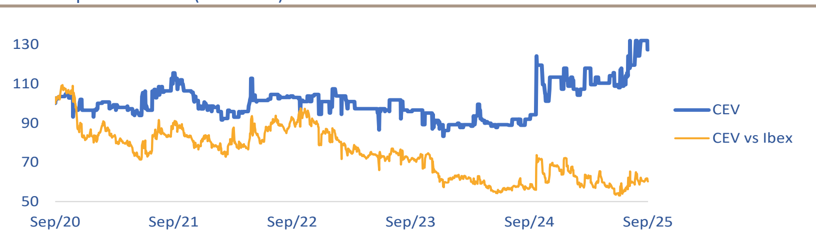
REVENUE GROWS AT DOUBLE-DIGIT RATE (EUR 12.5MN; +12.3% VS. 1H24)… Rental income (EUR 11.5 Mn; +13.4% vs. 1Q25) maintained its growth pace for two reasons: (i) organic growth of +6.3%, mainly due to price updates, and (ii) growth of +7.1% from the impact of last year's purchase of a 150-unit building that was not consolidated in 1H24. On a consolidated basis, CEV recorded revenue of EUR 12.5Mn (+12.3% vs. 1H24). The occupancy rate remained stable vs. 1H24, at 99.5% in residential, 88.6% in garages, 95.0% in storage units, and office occupancy increased to 95.6% vs. 91.9% in 1H24.

...WITH A DECLINE IN THE ASSET MANAGEMENT BUSINESS'S EBITDA MARGIN TO 69.9% (-3.0 P.P. VS. 1H24) AND THE START OF DEVELOPMENT BUSINESS REVENUE. The recurring EBITDA margin for the asset management business in 1H25 reached 69.9% (-3.0 p.p. vs. 1H24), with recurring EBITDA at EUR 8.7Mn (+7.8% vs. 1H24). The margin decline is explained by the consolidation of a new asset, whose margin is below CEV's standard due to a less efficient cost structure, and by higher portfolio renovation costs compared to the previous year.

Total EBITDA (EUR 15.5Mn, +100% vs. 1H24; including the non-recurring contribution from the residential development business) includes the impact of sales from a real estate development in l'Hospitalet (Barcelona), which contributed EUR 1.0Mn to the income statement after considering financial and commercial expenses. In 1H24, there was no revenue from this line. In 1H25, 22 units were delivered at the l'Hospitalet development (5 units in 2Q25), adding to the 53 delivered in 2024, for a total of 75 units out of the development's 76 units. Additionally, construction has continued on another development in Montgat (Barcelona) with 24 units that are being marketed off-plan.

ASSET PORTFOLIO WITH GREAT VISIBILITY, WITH NEW RESIDENTIAL DELIVERIES WITHIN THE NEW DEVELOPMENT CYCLE. CEV continues to show its ability to increase its rents while maintaining high occupancy levels. The start of the new development cycle, along with the updating of old rents starting in 2025, are the catalysts in the short to medium term. CEV is positioned in the Spanish Real Estate market as a conservative option with low risk. The stock's performance over the last 12 months (+38.5%; +54.3% vs. sector) has led CEV to trade at a 56.0% discount to NAV. We expect the development business to continue to be an additional catalyst in the coming years, with the delivery of one or two developments per year. Likewise, due to low leverage, the acquisition of rental assets in its main market should not be a surprise.

Relative performance (Base 100)



Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	2.5	16.2	38.5	17.0	22.6	27.3
vs Ibex 35	-2.1	11.0	5.6	-8.2	-34.2	-39.7
vs Ibex Small Cap Index	3.3	24.1	19.0	-2.4	-6.0	-16.0
vs Eurostoxx 50	-0.5	17.3	27.8	7.6	-18.4	-21.0
vs Sector benchmark [4]	5.7	25.4	54.3	19.8	32.6	64.0

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

6m Results 2025

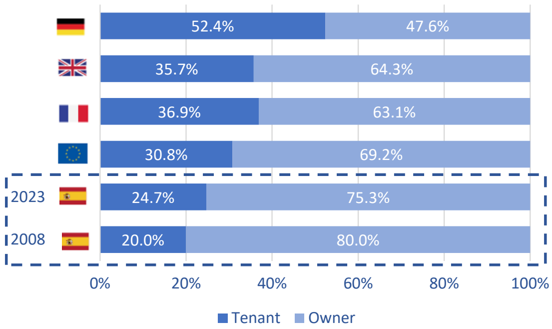
Table 1. Cevasa results for 1H 2025

EUR Mn	6m25	6m24	6m25 vs 6m24
Total Revenues	**12.5**	**11.1**	**12.3%**
Recurrent EBITDA[1]	**8.7**	**8.1**	**7.8%**
Rec. EBITDA/Revenues	*69.9%*	*72.8%*	*-2.9 p.p.*
EBITDA	**15.5**	**7.7**	**100.0%**
EBITDA/Revenues	*123.5%*	*69.4%*	*54.1 p.p.*
EBIT	**14.3**	**16.9**	**-15.7%**
PBT	**12.7**	**15.7**	**-19.4%**
NP	**10.2**	**12.2**	**-16.6%**
Net debt	75.7	69.4	9.0%

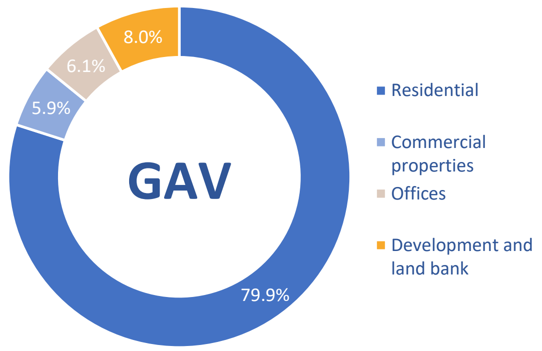
(1) Recurring EBITDA reported by the company for recurring residential rental activity, excluding residential development.

The company in 8 charts

Demand for rented housing has continued to grow (since 2008) and Spain is still a long way from European average levels

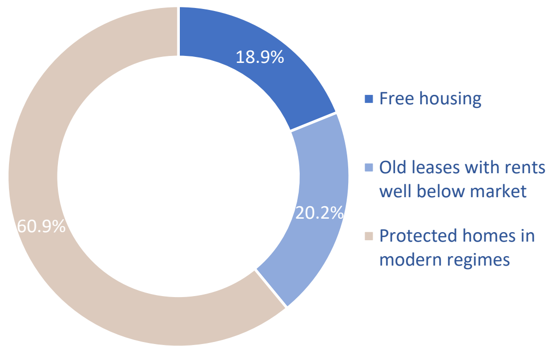


Cevasa (CEV) has a unique exposure to rented housing (c. 80% of GAV 2024)...

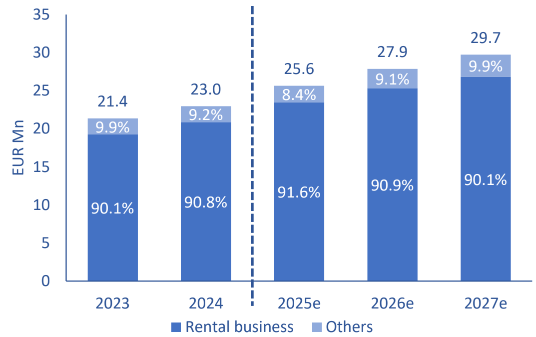


... with a portfolio concentrated in Catalonia (mainly Barcelona and its metropolitan area)

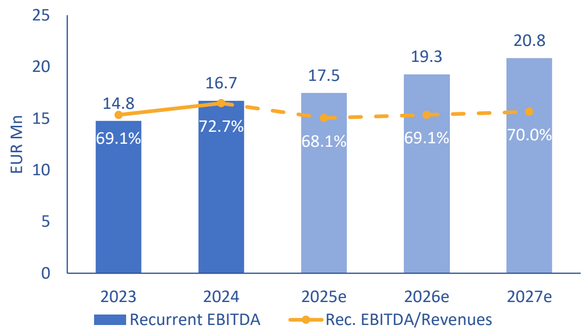
And the particularity of having invested a large percentage in state sponsored housing



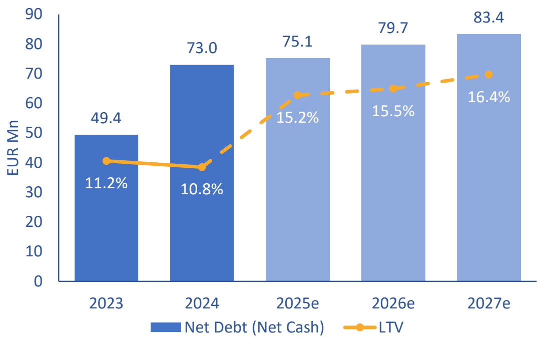
Until 2027e visibility is significant, for revenue (CAGR 24-27e: +9.0%)...



... and margins (Rec EBITDA: CAGR 24-27e: +7.6%)



Despite the rebound in investment, leverage will remain at very prudent levels (LTV < 20%)



Trading at a discount of c. 56% to its EPRA NAV/O112NDV

EUR Mn	2022	2023	2024	23-24
GAV	536.2	546.3	593.9	8.7%
EPRA NAV/NRV	483.7	490.2	512.2	4.5%
EPRA NAV/NTA	423.9	427.2	448.2	4.9%
EPRA NAV/NDV	400.9	406.7	425.7	4.7%
Number of shares	23.2	23.2	23.2	0.0%
EPRA NAV/NRV per share	*20.89*	*21.17*	*22.12*	4.5%
EPRA NAV/NTA per share	*18.31*	*18.45*	*19.36*	4.9%
EPRA NAV/NDV per share	*17.32*	*17.57*	*18.39*	4.7%

Valuation inputs

Inputs for the DCF Valuation Approach

	2025e	2026e	2027e	Terminal Value [1]
Free Cash Flow "To the Firm"	**5.6**	**3.6**	**5.0**	**252.4**

			Best Case	Worst Case
Market Cap	**188.4**	At the date of this report		
Net financial debt	**77.5**	Debt net of Cash (6m Results 2025)		
Cost of Debt	4.4%	Net debt cost	4.2%	4.7%
Tax rate (T)	20.0%	T (Normalised tax rate)	=	=
Net debt cost	**3.5%**	**Kd = Cost of Net Debt * (1-T)**	**3.3%**	**3.7%**
Risk free rate (rf)	3.3%	Rf (10y Spanish bond yield)	=	=
Equity risk premium	6.0%	R (own estimate)	5.5%	6.5%
Beta (B)	1.0	B (own estimate)	1.0	1.1
Cost of Equity	**9.3%**	**Ke = Rf + (R * B)**	**8.8%**	**10.4%**
Equity / (Equity + Net Debt)	70.8%	E (Market Cap as equity value)	=	=
Net Debt / (Equity + Net Debt)	29.2%	D	=	=
WACC	**7.6%**	**WACC = Kd * D + Ke * E**	**7.2%**	**8.5%**
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 25e	EPS 25e-27e	EV/EBITDA 25e	EBITDA 25e-27e	EV/Sales 25e	Revenues 25e-27e	EBITDA/Sales 25e	FCF Yield 25e	FCF 25e-27e
Merlin Properties	MRL-ES	7,007.1	22.3	4.8%	25.9	10.7%	19.2	10.9%	74.5%	0.5%	n.a.
Colonial	COL-ES	3,488.0	16.1	8.5%	26.9	8.1%	n.a.	6.9%	81.3%	5.1%	15.6%
Lar España	LRE-ES	#N/D	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Árima	ARM-ES	198.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
REITs			**19.2**	**6.6%**	**26.4**	**9.4%**	**19.2**	**8.9%**	**77.9%**	**2.8%**	**15.6%**
CEV	**CEV-ES**	**188.4**	**16.9**	**10.5%**	**20.6**	**9.3%**	**14.0**	**7.7%**	**70.3%**	**5.0%**	**-8.8%**

Free Cash Flow sensitivity analysis (2026e)

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

Scenario	EBITDA/Sales 26e	EBITDA 26e	EV/EBITDA 26e
Max	**72.6%**	**20.2**	**17.8x**
Central	**69.1%**	**19.3**	**18.7x**
Min	**65.6%**	**18.3**	**19.7x**

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

Rec. FCF EUR Mn	CAPEX/Sales 26e		
EBITDA 26e	4.5%	5.0%	5.5%
20.2	**10.9**	**10.8**	**10.6**
19.3	**9.9**	**9.8**	**9.7**
18.3	**9.0**	**8.8**	**8.7**

Scenario	Rec. FCF/Yield 26e		
Max	**5.8%**	**5.7%**	**5.6%**
Central	**5.3%**	**5.2%**	**5.1%**
Min	**4.8%**	**4.7%**	**4.6%**

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Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	**2020**	**2021**	**2022**	**2023**	**2024**	**2025e**	**2026e**	**2027e**
Intangible assets	1.0	1.1	1.1	1.0	1.3	1.3	1.3	1.3
Fixed assets	461.7	479.8	496.5	499.0	549.9	557.2	567.2	577.3
Other Non Current Assets	4.0	3.4	1.9	1.8	2.1	2.1	2.1	2.1
Financial Investments	7.1	10.3	12.2	11.7	11.5	11.5	11.5	11.4
Goodwill & Other Intangilbles	-	-	-	-	-	-	-	-
Current assets	26.3	34.3	27.7	33.3	27.1	28.3	30.6	32.6
Total assets	**500.0**	**528.8**	**539.3**	**546.9**	**592.0**	**600.4**	**612.7**	**624.7**
Equity	337.2	357.5	383.6	388.2	406.4	411.8	418.1	425.1
Minority Interests	10.5	11.4	12.8	13.5	14.6	15.1	15.6	16.3
Provisions & Other L/T Liabilities	83.7	85.3	89.8	89.8	92.4	92.4	92.4	92.4
Other Non Current Liabilities	-	-	-	-	-	-	-	-
Net financial debt	64.9	69.5	49.6	49.4	73.0	75.1	79.7	83.4
Current Liabilities	3.7	5.0	3.5	6.1	5.6	6.1	6.8	7.6
Equity & Total Liabilities	**500.0**	**528.8**	**539.3**	**546.9**	**592.0**	**600.4**	**612.7**	**624.7**

									CAGR	
P&L (EUR Mn)	**2020**	**2021**	**2022**	**2023**	**2024**	**2025e**	**2026e**	**2027e**	**20-24**	**24-27e**
Total Revenues	**19.1**	**19.4**	**20.4**	**21.4**	**23.0**	**25.6**	**27.9**	**29.7**	***4.8%***	***9.0%***
Total Revenues growth	*0.6%*	*1.9%*	*5.2%*	*4.5%*	*7.5%*	*11.6%*	*8.7%*	*6.7%*		
COGS	(0.8)	(1.2)	(1.7)	(1.0)	(0.8)	(1.8)	(1.9)	(2.0)		
Gross Margin	**18.2**	**18.2**	**18.8**	**20.4**	**22.1**	**23.9**	**26.0**	**27.7**	***5.0%***	***7.8%***
Gross Margin/Revenues	*95.7%*	*93.8%*	*91.9%*	*95.4%*	*96.3%*	*93.1%*	*93.2%*	*93.2%*		
Personnel Expenses	(3.1)	(3.4)	(3.8)	(3.9)	(3.6)	(4.1)	(4.2)	(4.3)		
Other Operating Expenses	(1.6)	(1.6)	(1.8)	(1.7)	(1.8)	(2.3)	(2.5)	(2.6)		
Recurrent EBITDA	**13.5**	**13.3**	**13.2**	**14.8**	**16.7**	**17.5**	**19.3**	**20.8**	***5.5%***	***7.6%***
Recurrent EBITDA growth	*1.7%*	*-1.4%*	*-0.4%*	*11.6%*	*13.2%*	*4.5%*	*10.3%*	*8.2%*		
Rec. EBITDA/Revenues	*70.7%*	*68.3%*	*64.7%*	*69.1%*	*72.7%*	*68.1%*	*69.1%*	*70.0%*		
Net development revenue and non-rec.	(1.0)	0.4	4.4	(0.0)	2.8	0.6	0.6	0.7		
EBITDA	**12.5**	**13.7**	**17.6**	**14.7**	**19.5**	**18.0**	**19.9**	**21.5**	***11.8%***	***3.4%***
Depreciation & Provisions	(0.1)	0.4	(0.1)	0.1	(0.2)	(0.2)	(0.3)	(0.3)		
Capitalized Expense	-	-	-	-	-	-	-	-		
Change in the value of the properties	0.2	17.9	15.5	0.5	16.4	-	-	-		
EBIT	**12.6**	**32.0**	**33.1**	**15.3**	**35.6**	**17.8**	**19.6**	**21.3**	***29.7%***	***-15.8%***
EBIT growth	*-57.7%*	*154.1%*	*3.3%*	*-53.6%*	*132.4%*	*-50.1%*	*10.5%*	*8.4%*		
EBIT/Revenues	*66.1%*	*n.a.*	*n.a.*	*71.8%*	*n.a.*	*69.3%*	*70.5%*	*71.5%*		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(1.3)	(1.5)	(1.3)	(1.6)	(2.8)	(3.1)	(3.3)	(3.4)		
Income by the Equity Method	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)		
Ordinary Profit	**11.3**	**30.5**	**31.7**	**13.7**	**32.8**	**14.6**	**16.4**	**17.8**	***30.4%***	***-18.3%***
Ordinary Profit Growth	*-59.8%*	*169.9%*	*3.9%*	*-56.8%*	*139.2%*	*-55.4%*	*12.0%*	*9.1%*		
Extraordinary Results	-	-	5.9	-	-	-	-	-		
Profit Before Tax	**11.3**	**30.5**	**37.7**	**13.7**	**32.8**	**14.6**	**16.4**	**17.8**	***30.4%***	***-18.3%***
Tax Expense	(1.5)	(5.2)	(7.9)	(2.1)	(6.6)	(2.9)	(3.3)	(3.6)		
Effective Tax Rate	*13.2%*	*16.9%*	*21.0%*	*15.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*		
Minority Interests	(0.6)	(0.9)	(1.1)	(0.7)	(1.1)	(0.5)	(0.6)	(0.6)		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	**9.3**	**24.5**	**28.7**	**10.9**	**25.1**	**11.2**	**12.5**	**13.7**	***28.3%***	***-18.3%***
Net Profit growth	*-57.9%*	*164.8%*	*17.2%*	*-62.0%*	*129.8%*	*-55.4%*	*12.0%*	*9.1%*		
Ordinary Net Profit	**10.0**	**9.3**	**8.3**	**10.5**	**9.7**	**10.7**	**12.0**	**13.1**	***-0.5%***	***10.4%***
Ordinary Net Profit growth	*17.2%*	*-6.4%*	*-11.0%*	*26.5%*	*-7.2%*	*10.2%*	*11.9%*	*9.0%*		

									CAGR	
Cash Flow (EUR Mn)	**2020**	**2021**	**2022**	**2023**	**2024**	**2025e**	**2026e**	**2027e**	**20-24**	**24-27e**
Recurrent EBITDA						**17.5**	**19.3**	**20.8**	***5.5%***	***7.6%***
Rentals (IFRS 16 impact)						-	-	-		
Working Capital Increase						(0.7)	(1.5)	(1.2)		
Recurrent Operating Cash Flow						**16.7**	**17.7**	**19.6**	***18.5%***	***-4.4%***
CAPEX						(1.3)	(1.4)	(1.5)		
Net Financial Result affecting the Cash Flow						(3.1)	(3.3)	(3.4)		
Tax Expense						(2.9)	(3.3)	(3.6)		
Recurrent Free Cash Flow						**9.4**	**9.8**	**11.2**	***49.2%***	***-13.8%***
Net development revenue and non-rec.						0.6	0.6	0.7		
- Acquisitions / + Divestures of assets						(6.3)	(8.8)	(8.8)		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						**3.6**	**1.6**	**3.0**	***-43.3%***	***31.1%***
Capital Increase						-	-	-		
Dividends						(5.8)	(6.2)	(6.7)		
Net Debt Variation						**2.1**	**4.6**	**3.6**		

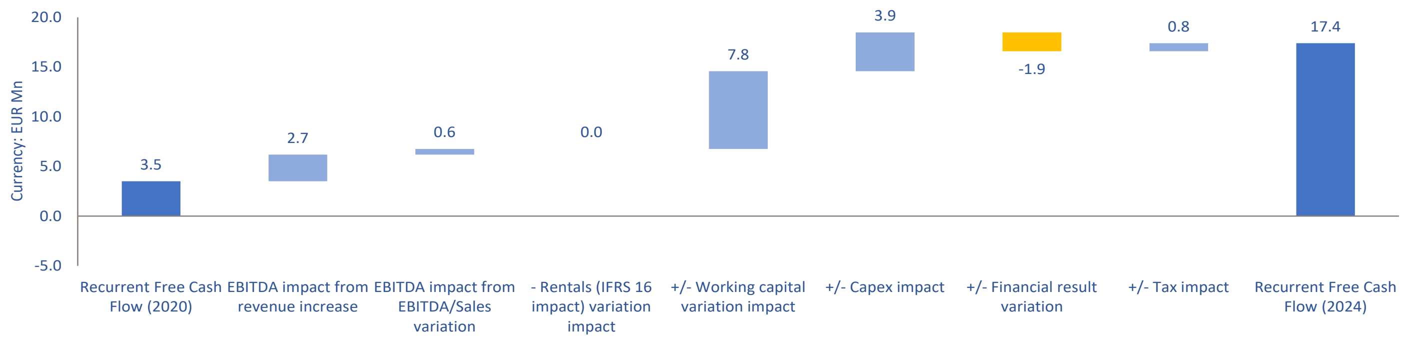
Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	CAGR 21-24	CAGR 24-27e
Recurrent EBITDA	**13.3**	**13.2**	**14.8**	**16.7**	**17.5**	**19.3**	**20.8**	*8.0%*	*7.6%*
Recurrent EBITDA growth	*-1.4%*	*-0.4%*	*11.6%*	*13.2%*	*4.5%*	*10.3%*	*8.2%*		
Rec. EBITDA/Revenues	*68.3%*	*64.7%*	*69.1%*	*72.7%*	*68.1%*	*69.1%*	*70.0%*		
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	(6.8)	5.1	(3.0)	5.7	(0.7)	(1.5)	(1.2)		
= Recurrent Operating Cash Flow	**6.5**	**18.3**	**11.7**	**22.5**	**16.7**	**17.7**	**19.6**	*51.1%*	*-4.4%*
Rec. Operating Cash Flow growth	*-42.8%*	*181.8%*	*-36.0%*	*91.2%*	*-25.5%*	*5.9%*	*10.7%*		
Rec. Operating Cash Flow / Sales	*33.5%*	*89.7%*	*55.0%*	*97.7%*	*65.2%*	*63.6%*	*66.0%*		
- CAPEX	(1.5)	(1.2)	(1.8)	(0.7)	(1.3)	(1.4)	(1.5)		
- Net Financial Result affecting Cash Flow	(1.4)	(1.3)	(1.6)	(3.3)	(3.1)	(3.3)	(3.4)		
- Taxes	(0.6)	(7.9)	(2.1)	(1.1)	(2.9)	(3.3)	(3.6)		
= Recurrent Free Cash Flow	**3.0**	**8.0**	**6.3**	**17.4**	**9.4**	**9.8**	**11.2**	*79.0%*	*-13.8%*
Rec. Free Cash Flow growth	*-13.6%*	*162.7%*	*-21.6%*	*178.5%*	*-46.1%*	*4.3%*	*13.9%*		
Rec. Free Cash Flow / Revenues	*15.6%*	*39.0%*	*29.2%*	*75.7%*	*36.6%*	*35.1%*	*37.5%*		
- Restructuring expenses & others	-	4.4	(0.0)	2.0	0.6	0.6	0.7		
- Acquisitions / + Divestments	(9.4)	4.0	-	(31.5)	(6.3)	(8.8)	(8.8)		
+/- Extraordinary Inc./Exp. affecting Cash Flow	6.3	6.3	-	-	-	-	-		
= Free Cash Flow	**(0.0)**	**22.7**	**6.2**	**(12.1)**	**3.6**	**1.6**	**3.0**	*n.a.*	*31.1%*
Free Cash Flow growth	*-100.4%*	*n.a.*	*-72.5%*	*-293.7%*	*130.2%*	*-56.1%*	*89.5%*		
Recurrent Free Cash Flow - Yield (s/Mkt Cap)	*1.6%*	*4.2%*	*3.3%*	*9.2%*	*5.0%*	*5.2%*	*5.9%*		
Free Cash Flow Yield (s/Mkt Cap)	*n.a.*	*12.0%*	*3.3%*	*n.a.*	*1.9%*	*0.8%*	*1.6%*		

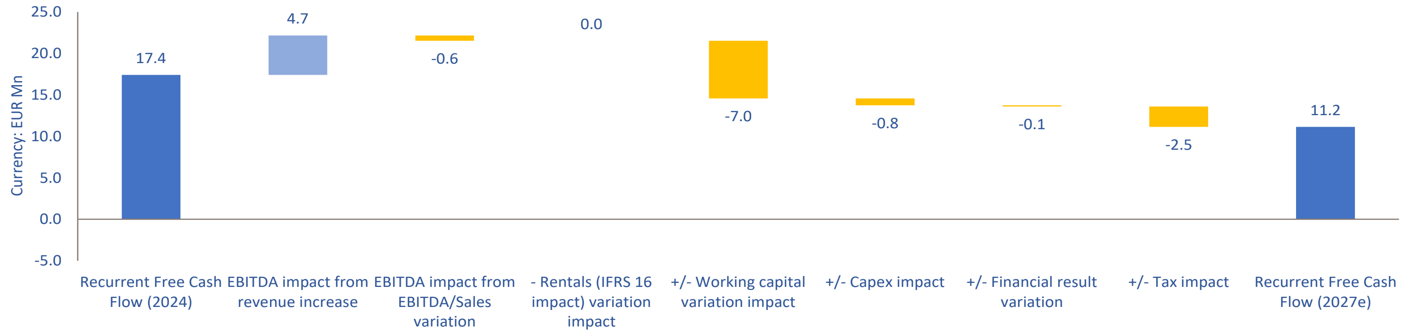
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)	2021	2022	2023	2024	2025e	2026e	2027e
Recurrent FCF(FY - 1)	**3.5**	**3.0**	**8.0**	**6.3**	**17.4**	**9.4**	**9.8**
EBITDA impact from revenue increase	0.3	0.7	0.6	1.1	1.9	1.5	1.3
EBITDA impact from EBITDA/Sales variation	(0.5)	(0.7)	0.9	0.8	(1.2)	0.3	0.3
= Recurrent EBITDA variation	**(0.2)**	**(0.0)**	**1.5**	**1.9**	**0.8**	**1.8**	**1.6**
- Rentals (IFRS 16 impact) variation impact	-	-	-	-	-	-	-
+/- Working capital variation impact	(4.7)	11.9	(8.1)	8.8	(6.5)	(0.8)	0.3
= Recurrent Operating Cash Flow variation	**(4.9)**	**11.8**	**(6.6)**	**10.7**	**(5.7)**	**1.0**	**1.9**
+/- CAPEX impact	3.1	0.3	(0.6)	1.2	(0.6)	(0.1)	(0.1)
+/- Financial result variation	(0.1)	0.1	(0.3)	(1.7)	0.1	(0.1)	(0.1)
+/- Tax impact	1.3	(7.3)	5.8	0.9	(1.8)	(0.3)	(0.3)
= Recurrent Free Cash Flow variation	**(0.5)**	**4.9**	**(1.7)**	**11.2**	**(8.0)**	**0.4**	**1.4**
Recurrent Free Cash Flow	**3.0**	**8.0**	**6.3**	**17.4**	**9.4**	**9.8**	**11.2**

C) "FCF to the Firm" (pre debt service) (EUR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	CAGR 21-24	CAGR 24-27e
EBIT	**32.0**	**33.1**	**15.3**	**35.6**	**17.8**	**19.6**	**21.3**	*3.6%*	*-15.8%*
** Theoretical Tax rate*	*16.9%*	*21.0%*	*15.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*		
= Taxes (pre- Net Financial Result)	(5.4)	(6.9)	(2.3)	(7.1)	(3.6)	(3.9)	(4.3)		
Recurrent EBITDA	**13.3**	**13.2**	**14.8**	**16.7**	**17.5**	**19.3**	**20.8**	*8.0%*	*7.6%*
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	(6.8)	5.1	(3.0)	5.7	(0.7)	(1.5)	(1.2)		
= Recurrent Operating Cash Flow	**6.5**	**18.3**	**11.7**	**22.5**	**16.7**	**17.7**	**19.6**	*51.1%*	*-4.4%*
- CAPEX	(1.5)	(1.2)	(1.8)	(0.7)	(1.3)	(1.4)	(1.5)		
- Taxes (pre- Financial Result)	(5.4)	(6.9)	(2.3)	(7.1)	(3.6)	(3.9)	(4.3)		
= Recurrent Free Cash Flow (To the Firm)	**(0.4)**	**10.2**	**7.6**	**14.7**	**11.9**	**12.4**	**13.9**	*n.a.*	*-1.8%*
Rec. Free Cash Flow (To the Firm) growth	*-107.2%*	*n.a.*	*-25.6%*	*92.5%*	*-18.9%*	*4.2%*	*11.9%*		
Rec. Free Cash Flow (To the Firm) / Revenues	n.a.	50.1%	35.7%	63.8%	46.4%	44.5%	46.6%		
- Acquisitions / + Divestments	(9.4)	4.0	-	(31.5)	(6.3)	(8.8)	(8.8)		
+/- Extraordinary Inc./Exp. affecting Cash Flow	6.3	6.3	-	-	-	-	-		
= Free Cash Flow "To the Firm"	**(3.4)**	**20.6**	**7.6**	**(16.8)**	**5.6**	**3.6**	**5.0**	*-69.8%*	*32.0%*
Free Cash Flow (To the Firm) growth	*-148.4%*	*700.0%*	*-63.0%*	*-320.3%*	*133.3%*	*-36.2%*	*41.4%*		
Rec. Free Cash Flow To the Firm Yield (o/EV)	*n.a.*	*2.9%*	*2.1%*	*4.1%*	*3.3%*	*3.4%*	*3.9%*		
Free Cash Flow "To the Firm" - Yield (o/EV)	*n.a.*	*5.7%*	*2.1%*	*n.a.*	*1.6%*	*1.0%*	*1.4%*		

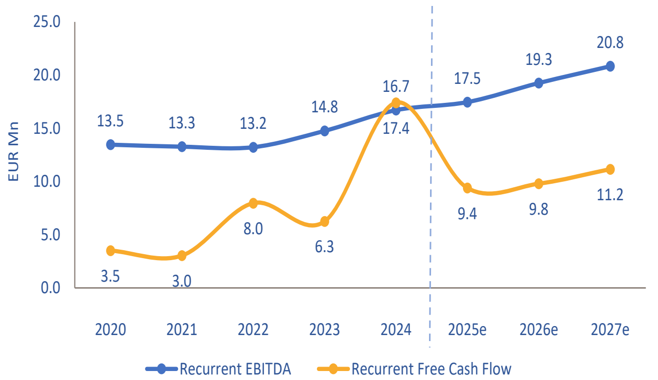
Recurrent Free Cash Flow accumulated variation analysis (2020 - 2024)



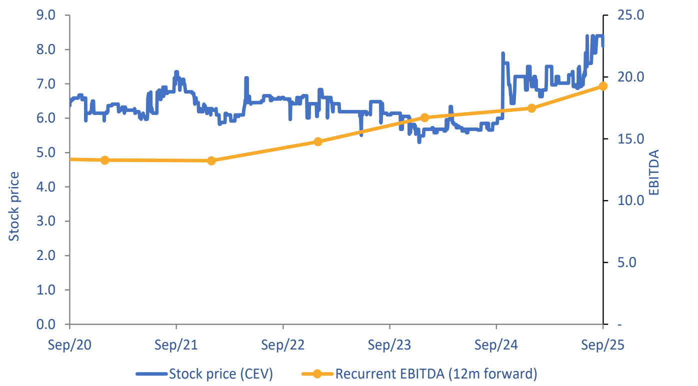
Recurrent Free Cash Flow accumulated variation analysis (2024 - 2027e)



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	188.4	
+ Minority Interests	15.0	6m Results 2025
+ Provisions & Other L/T Liabilities	88.9	6m Results 2025
+ Net financial debt	77.5	6m Results 2025
- Financial Investments	10.4	6m Results 2025
+/- Others		
Enterprise Value (EV)	**359.4**	

Appendix 4. Historical performance (1)

Historical performance (EUR Mn)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e	CAGR 14-24	CAGR 24-27e
Total Revenues	**17.4**	**16.4**	**13.9**	**14.6**	**16.1**	**16.9**	**19.1**	**19.4**	**20.4**	**21.4**	**23.0**	**25.6**	**27.9**	**29.7**	*2.8%*	*9.0%*
Total Revenues growth	*-11.5%*	*-5.5%*	*-15.5%*	*5.2%*	*10.2%*	*5.0%*	*12.7%*	*1.9%*	*5.2%*	*4.5%*	*7.5%*	*11.6%*	*8.7%*	*6.7%*		
EBITDA	**7.3**	**8.5**	**8.6**	**7.9**	**10.0**	**11.0**	**12.5**	**13.7**	**17.6**	**14.7**	**19.5**	**18.0**	**19.9**	**21.5**	*10.3%*	*3.4%*
EBITDA growth	*-9.0%*	*16.1%*	*2.0%*	*-8.1%*	*25.7%*	*9.9%*	*13.8%*	*9.3%*	*28.8%*	*-16.2%*	*32.2%*	*-7.5%*	*10.4%*	*8.3%*		
EBITDA/Sales	*42.0%*	*51.5%*	*62.2%*	*54.4%*	*62.0%*	*64.9%*	*65.5%*	*70.3%*	*86.0%*	*69.0%*	*84.8%*	*70.3%*	*71.4%*	*72.4%*		
Net Profit	**22.6**	**5.6**	**13.0**	**14.5**	**45.0**	**22.0**	**9.3**	**24.5**	**28.7**	**10.9**	**25.1**	**11.2**	**12.5**	**13.7**	*1.1%*	*-18.3%*
Net Profit growth	*647.0%*	*-75.3%*	*134.2%*	*11.6%*	*209.4%*	*-51.2%*	*-57.9%*	*164.8%*	*17.2%*	*-62.0%*	*129.8%*	*-55.4%*	*12.0%*	*9.1%*		
Adjusted number shares (Mn)	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	-	-	23.2	23.3	23.3	23.3		
EPS (EUR)	0.97	0.24	0.56	0.63	1.94	0.95	0.40	1.06	n.a.	n.a.	1.08	0.48	0.54	0.59	1.1%	-18.4%
EPS growth	*n.a.*	*-75.3%*	*n.a.*	*11.6%*	*n.a.*	*-51.1%*	*-57.9%*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*-55.6%*	*12.0%*	*9.1%*		
Ord. EPS (EUR)	0.97	0.24	0.56	0.63	1.94	0.95	0.43	0.40	n.a.	n.a.	0.42	0.46	0.52	0.56	-8.0%	10.2%
Ord. EPS growth	*n.a.*	*-75.3%*	*n.a.*	*11.6%*	*n.a.*	*-51.1%*	*-54.7%*	*-6.5%*	*n.a.*	*n.a.*	*n.a.*	*9.7%*	*11.9%*	*9.0%*		
CAPEX	(0.6)	(1.4)	(4.4)	(26.6)	(3.1)	(2.2)	(4.6)	(1.5)	(1.2)	(1.8)	(0.7)	(1.3)	(1.4)	(1.5)		
CAPEX/Sales %	*3.2%*	*8.4%*	*31.8%*	*182.4%*	*19.4%*	*13.1%*	*24.0%*	*7.5%*	*5.7%*	*8.5%*	*2.9%*	*5.0%*	*5.0%*	*5.0%*		
Free Cash Flow	**3.8**	**(1.6)**	**(4.5)**	**(21.8)**	**4.3**	**6.6**	**5.4**	**(0.0)**	**22.7**	**6.2**	**(12.1)**	**3.6**	**1.6**	**3.0**	**-17.8%**	**31.1%**
ND/EBITDA (x) (2)	*7.0x*	*6.5x*	*4.9x*	*7.9x*	*6.8x*	*5.8x*	*5.2x*	*5.1x*	*2.8x*	*3.4x*	*3.7x*	*4.2x*	4.0x	3.9x		
P/E (x)	*4.9x*	*21.8x*	*13.5x*	*5.8x*	*3.0x*	*8.1x*	*15.4x*	*5.9x*	*n.a.*	*n.a.*	*6.4x*	*16.9x*	15.1x	13.8x		
EV/Sales (x)	*11.83x*	*16.74x*	*10.89x*	*15.94x*	*17.59x*	*13.95x*	*16.24x*	*15.86x*	*14.26x*	*15.03x*	*13.28x*	*14.01x*	12.89x	12.08x		
EV/EBITDA (x) (2)	*28.2x*	*32.5x*	*17.5x*	*29.3x*	*28.4x*	*21.5x*	*24.8x*	*22.6x*	*16.6x*	*21.8x*	*15.7x*	*19.9x*	18.1x	16.7x		
Absolute performance	*-18.8%*	*10.8%*	*44.5%*	*-51.7%*	*61.5%*	*29.6%*	*-19.7%*	*2.1%*	*0.1%*	*-9.7%*	*22.0%*	*17.0%*				
Relative performance vs Ibex 35	*-21.7%*	*19.4%*	*47.5%*	*-55.1%*	*89.9%*	*15.9%*	*-5.1%*	*-5.4%*	*6.0%*	*-26.4%*	*6.3%*	*-8.2%*				

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 2025e

	EUR Mn	REITs: Merlin Properties	REITs: Colonial	Average	CEV
Market data	**Ticker (Factset)**	MRL-ES	COL-ES		CEV-ES
	Country	Spain	Spain		Spain
	Market cap	7,007.1	3,488.0		188.4
	Enterprise value (EV)	10,592.9	8,985.1		359.4
Basic financial information	**Total Revenues**	550.3	410.5		25.6
	Total Revenues growth	*9.4%*	*-19.6%*	*-5.1%*	*11.6%*
	2y CAGR (2025e - 2027e)	*10.9%*	*6.9%*	*8.9%*	*7.7%*
	EBITDA	409.8	333.7		18.0
	EBITDA growth	*9.4%*	*0.6%*	*5.0%*	*-7.5%*
	2y CAGR (2025e - 2027e)	*10.7%*	*8.1%*	*9.4%*	*9.3%*
	EBITDA/Revenues	*74.5%*	*81.3%*	*77.9%*	*70.3%*
	EBIT	412.6	337.3		17.8
	EBIT growth	*11.4%*	*3.9%*	*7.7%*	*-50.1%*
	2y CAGR (2025e - 2027e)	*11.3%*	*8.3%*	*9.8%*	*9.4%*
	EBIT/Revenues	*75.0%*	*82.2%*	*78.6%*	*69.3%*
	Net Profit	315.3	206.2		11.2
	Net Profit growth	*11.1%*	*-32.9%*	*-10.9%*	*-55.4%*
	2y CAGR (2025e - 2027e)	*7.1%*	*10.6%*	*8.8%*	*10.5%*
	CAPEX/Sales %	*158.0%*	*35.4%*	*96.7%*	*5.0%*
	Free Cash Flow	34.5	176.3		3.6
	Net financial debt	4,281.5	4,631.4		75.1
	ND/EBITDA (x)	10.4	13.9	12.2	4.3
	Pay-out	*68.2%*	*86.8%*	*77.5%*	*51.6%*
Multiples and Ratios	**P/E (x)**	22.3	16.1	19.2	16.9
	P/BV (x)	0.9	0.6	0.7	0.5
	EV/Revenues (x)	19.2	21.9	20.6	14.0
	EV/EBITDA (x)	25.9	26.9	26.4	20.6
	EV/EBIT (x)	25.7	26.6	26.2	20.2
	ROE	*3.9*	*3.8*	*3.9*	*2.7*
	FCF Yield (%)	*0.5*	*5.1*	*2.8*	*5.0*
	DPS	*0.42*	*0.31*	*0.37*	*0.25*
	Dvd Yield	*3.4%*	*5.6%*	*4.5%*	*3.1%*

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
04-Sep-2025	n.a.	8.10	n.a.	n.a.	6m Results 2025	Alfredo Echevarría Otegui
17-Jun-2025	n.a.	6.92	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
09-May-2025	n.a.	7.26	n.a.	n.a.	3m Results 2025	Alfredo Echevarría Otegui
31-Mar-2025	n.a.	7.21	n.a.	n.a.	12m Results 2024	Alfredo Echevarría Otegui
05-Nov-2024	n.a.	6.82	n.a.	n.a.	9m Results 2024 - Estimates upgrade	José Miguel Cabrera van Grieken
05-Sep-2024	n.a.	5.85	n.a.	n.a.	6m Results 2024	José Miguel Cabrera van Grieken
27-May-2024	n.a.	5.58	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
09-May-2024	n.a.	5.63	n.a.	n.a.	3m Results 2024	José Miguel Cabrera van Grieken
03-Apr-2024	n.a.	6.15	n.a.	n.a.	12m Results 2023	José Miguel Cabrera van Grieken
25-Mar-2024	n.a.	5.96	n.a.	n.a.	12m Results 2023	José Miguel Cabrera van Grieken
06-Nov-2023	n.a.	6.05	n.a.	n.a.	9m Results 2023	José Miguel Cabrera van Grieken
08-Sep-2023	n.a.	6.10	n.a.	n.a.	6m Results 2023	Alfredo Echevarría Otegui
12-Jun-2023	n.a.	6.19	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
05-May-2023	n.a.	6.19	n.a.	n.a.	3m Results 2023	David López Sánchez
04-Apr-2023	n.a.	6.19	n.a.	n.a.	Company visit	David López Sánchez
24-Feb-2023	n.a.	6.42	n.a.	n.a.	12m Results 2022	David López Sánchez
14-Nov-2022	n.a.	6.65	n.a.	n.a.	Initiation of Coverage	David López Sánchez

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