

6m Results 2024

 Opinion ⁽¹⁾: In line

 Impact ⁽¹⁾: We will maintain our estimates

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Desarrollos Especiales de Sistemas de Anclaje (DESA) is a small industrial group with its corporate headquarters in Barcelona (Spain), specialising (>60 years) in the manufacture and sale of fasteners, staples and tools used in the construction, industry and agriculture sectors. It has an international presence (30% of revenue) and is controlled by its core shareholders (c.75% of capital).

1H24 Results: A low-risk industrial company trading at an 8x P/E

FLAT REVENUE GROWTH (-1% VS 1H23)... DESA closed 1H24 with revenues of EUR 25.6Mn (vs EUR 25.8Mn in 1H23). This performance can be explained by the contraction of domestic sales (-9.9% vs 1H23; 70% of revenue), partially offset by growth in the international business (+30.9% vs 1H23; 30% of revenue) and the recovery of agricultural exports. Below our year-end estimates (+5%).

... ALTHOUGH CHANGES IN THE MIX INCREASE MARGINS. The higher weight of the international business (and the agricultural division, with higher margins due to the end of the droughts suffered in 2023) improve, in percentage terms, the 1H24 Gross Margin by 2.9 pp to 42.5% (vs 39.6% in 1H23, above the 5-year average of 40%). And efficient cost management has led to an improvement in Recurring EBITDA Margin to 11.8% (vs 9.9% in 1H23); in line with what was seen during 1Q24 (Recurring EBITDA Margin 12.7%).

AND REFLECTED IN EBITDA. The improvement in margins is the main catalyst that drives double-digit growth in Recurring EBITDA to EUR 3Mn (+18.1% vs 1H23), in line with our estimates of EUR 5.3Mn for 2024e (strong seasonality in 1H historically).

REDUCING DEBT LEVELS. DESA's cash generation, together with the extraordinary cash inflow from the sale of its French warehouse (EUR 1.2Mn), reduces Net Debt to EUR 7.5Mn (vs EUR 10.7Mn in 2023; Net Debt/EBITDA 24e 1.7x vs. 1.3x for the sector).

WE KEEP OUR ESTIMATES. While 1H24 results show a clear ability to improve margins, the lack of revenue growth leads us to maintain our estimates for 2024 (EBITDA of EUR 5.3Mn).

MULTIPLES POINT TO (MUCH) VALUE IN A (VERY) LOW-RISK INDUSTRIAL BUSINESS. DESA's business model is characterized by its low operational and financial risk. Coupled with a balance sheet that is hyper-healthy due to the extraordinary cash inflow, which opens the door to: (i) an extraordinary dividend or (ii) carrying out inorganic operations that return DESA to the revenue growth path. Despite the good performance of the share price (+14.2% YTD), DESA continues to trade at low multiples: P/E 8x versus c. 13x for its most direct peers. FCF yield 24e: c. 8.4%. Today, DESA's challenge is to return to revenue growth. The improvement in margins has already been achieved. And the store value seems obvious.

Market Data

Market Cap (Mn EUR and USD)	23.2	25.8
EV (Mn EUR and USD) ⁽²⁾	29.5	32.7
Shares Outstanding (Mn)	1.8	
-12m (Max/Med/Min EUR)	13.00 / 12.15 / 11.36	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽³⁾	0.4	
Factset / Bloomberg	DESA-ES / DESA SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

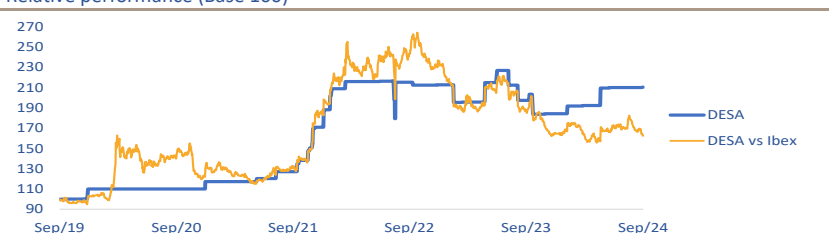
Maden	29.6
SARM	20.2
Gestión Ixua	16.0
Board Members	12.1
Free Float	22.1

Financials (Mn EUR)

	2023	2024e	2025e	2026e
Adj. nº shares (Mn)	1.8	1.8	1.8	1.8
Total Revenues	47.7	50.1	52.4	54.8
Rec. EBITDA	4.8	5.3	5.7	6.2
% growth	-7.7	10.8	8.7	7.3
% Rec. EBITDA/Rev.	10.0	10.6	11.0	11.2
% Inc. EBITDA sector ⁽⁴⁾	10.7	9.8	20.3	18.0
Net Profit	2.1	2.9	3.3	3.7
EPS (EUR)	1.20	1.62	1.86	2.04
% growth	-24.4	35.3	15.3	9.7
Ord. EPS (EUR)	1.31	1.62	1.86	2.04
% growth	-17.3	23.6	15.3	9.7
Rec. Free Cash Flow ⁽⁵⁾	3.9	2.0	2.4	2.6
Pay-out (%)	70.5	51.9	45.0	41.0
DPS (EUR)	0.84	0.84	0.84	0.84
Net financial debt	10.7	9.0	8.2	7.1
ND/Rec. EBITDA (x)	2.2	1.7	1.4	1.1
ROE (%)	11.2	14.5	15.4	15.5
ROCE (%) ⁽⁵⁾	8.3	11.1	12.2	12.8

Ratios & Multiples (x) ⁽⁶⁾

	2023	2024e	2025e	2026e
P/E	10.9	8.0	7.0	6.4
Ord. P/E	9.9	8.0	7.0	6.4
P/BV	1.2	1.1	1.0	0.9
Dividend Yield (%)	6.5	6.5	6.5	6.5
EV/Sales	0.62	0.59	0.56	0.54
EV/Rec. EBITDA	6.2	5.6	5.1	4.8
EV/EBIT	8.8	7.0	6.2	5.8
FCF Yield (%) ⁽⁵⁾	17.0	8.4	10.1	11.2

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	0.2	0.2	6.6	14.2	65.7	110.4
vs Ibex 35	-6.1	-5.1	-13.5	-1.3	24.2	62.7
vs Ibex Small Cap Index	2.7	4.7	0.5	9.7	67.0	65.4
vs Eurostoxx 50	0.3	1.9	-6.4	6.8	41.5	53.5
vs Sector benchmark ⁽⁴⁾	-2.0	1.3	-15.9	11.2	75.7	-1.3

(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: Europe Industrial Machinery.

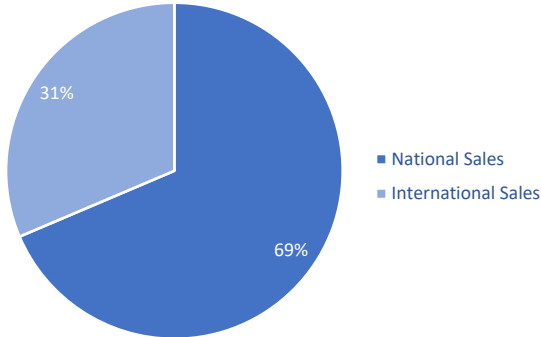
(5) Please see Appendix 2 for the theoretical tax rate (ROCE) and rec. FCF calculation.

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

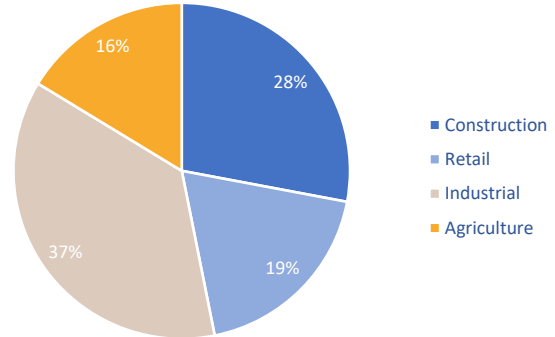
(*) Unless otherwise indicated, all the information contained in this report is based on: The Company, Factset and Lighthouse.

The company in 8 charts

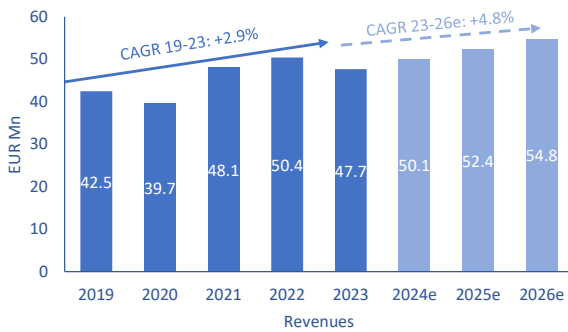
A diversified business: sales from outside Spain (basically Europe) already account for 31%



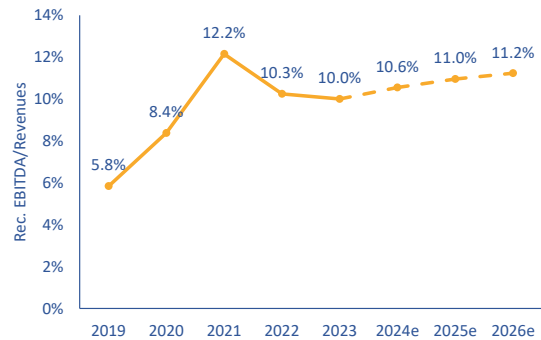
Positioned in the agricultural market (16% of revenue 2023), its main (midterm) growth driver



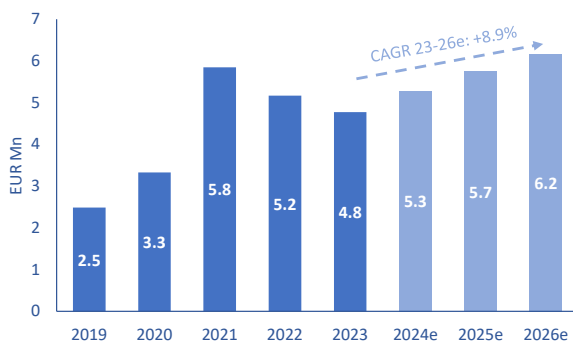
23-26e: Low-single-digit revenue growth (CAGR 23-26e: +4.8%), in line with that seen in the last 5 years



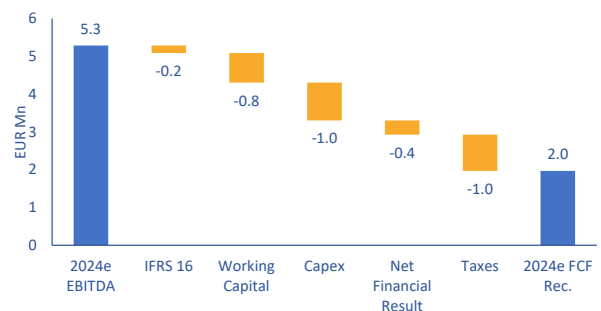
Maintaining an EBITDA margin of > 10% (with the ability to recover levels of c. 11%, still below 2021 highs)



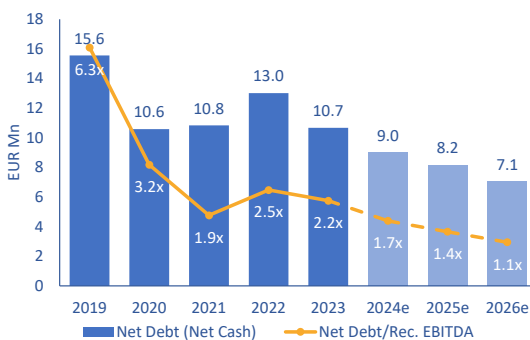
... And allowing the revenue improvement to be passed on to EBITDA (CAGR 23-26e: +8.9%)



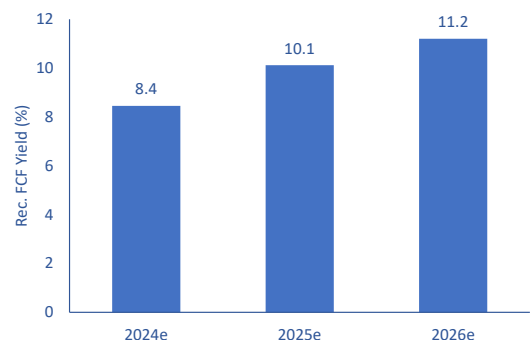
With the capacity to convert c. 30% of EBITDA in FCF



The improvement in debt metrics (ND/EBITDA c. 2x) backs the ability to invest (in non-organic growth too)



FCF Yield c. 9% over the entire estimated period



Valuation inputs

Inputs for the DCF Valuation Approach

	2024e	2025e	2026e	Terminal Value ⁽¹⁾			
Free Cash Flow "To the Firm"	3.4	2.6	2.8	44.6			
Market Cap	23.2	At the date of this report					
Net financial debt	7.5	Debt net of Cash (6m Results 2024)					
					Best Case	Worst Case	
Cost of Debt	3.6%	Net debt cost			3.4%	3.9%	
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=	
Net debt cost	2.9%	Kd = Cost of Net Debt * (1-T)			2.7%	3.1%	
Risk free rate (rf)	3.0%	Rf (10y Spanish bond yield)			=	=	
Equity risk premium	6.0%	R (own estimate)			5.5%	6.5%	
Beta (B)	1.2	B (own estimate)			1.1	1.3	
Cost of Equity	10.2%	Ke = Rf + (R * B)			9.1%	11.5%	
Equity / (Equity + Net Debt)	75.7%	E (Market Cap as equity value)			=	=	
Net Debt / (Equity + Net Debt)	24.3%	D			=	=	
WACC	8.4%	WACC = Kd * D + Ke * E			7.5%	9.4%	
G "Fair"	1.5%				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
Norma Group SE	NOEJ-DE	477.9	12.7	32.3%	5.3	11.1%	0.7	4.8%	13.0%	12.7%	13.0%
Granges AB	GRNG-SE	1,181.4	13.3	24.3%	6.9	13.5%	0.7	12.5%	10.6%	4.0%	66.9%
Trifast Plc	TRI-GB	128.1	12.7	29.6%	6.4	14.0%	0.6	3.9%	9.6%	11.0%	44.9%
Broad Range players			12.9	28.7%	6.2	12.8%	0.7	7.1%	11.1%	9.3%	41.6%
Georg Fischer AG	GF-CH	5,477.1	17.6	14.4%	11.6	9.4%	1.5	3.8%	12.6%	4.2%	18.4%
Bossard Holding AG	BOSN-CH	1,922.6	22.6	12.7%	14.6	9.6%	1.9	5.0%	13.2%	4.4%	-5.5%
Bufab AB	BUFAB-SE	1,265.9	23.9	15.3%	13.8	4.1%	2.2	3.7%	15.7%	7.6%	-14.5%
SFS Group AG	SFSN-CH	5,344.3	18.7	9.4%	11.0	6.9%	1.8	3.5%	15.9%	3.3%	22.4%
Barnes Group Inc	B-US	1,765.3	23.8	26.0%	10.8	16.2%	1.9	6.0%	17.7%	1.8%	n.a.
Highg Tech Specialty players			21.3	15.6%	12.4	9.2%	1.8	4.4%	15.0%	4.3%	5.2%
DESA	DESA-ES	23.2	8.0	12.4%	5.6	8.0%	0.6	4.7%	10.6%	8.4%	-9.3%

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	12.1%	6.3	4.7x
Central	11.0%	5.7	5.1x
Min	9.9%	5.2	5.7x

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

Rec. FCF EUR Mn	CAPEX/Sales 25e				Rec. FCF/Yield 25e			
EBITDA 25e	1.8%	2.0%	2.2%		Scenario			
6.3	3.0	2.9	2.8	➔	Max	13.0%	12.6%	12.1%
5.7	2.5	2.4	2.2		Central	10.6%	10.1%	9.7%
5.2	1.9	1.8	1.7		Min	8.1%	7.6%	7.2%

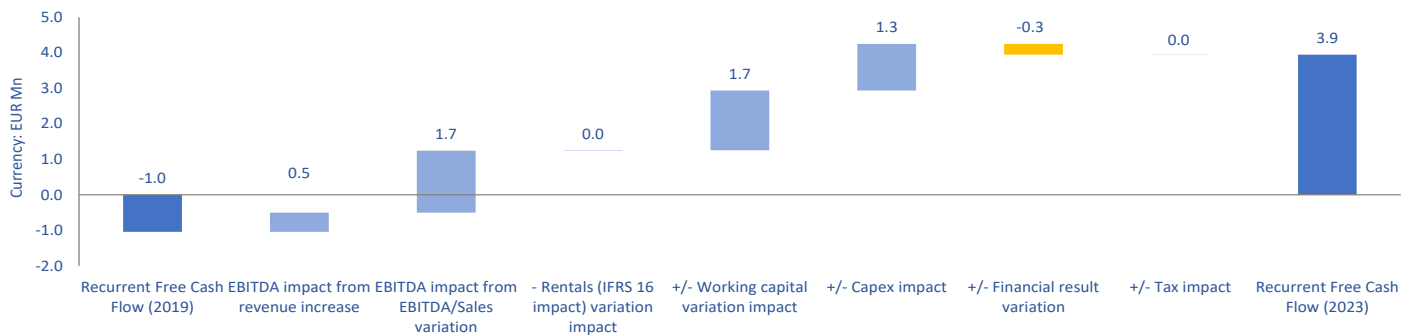
Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e		
Intangible assets	1.1	0.5	0.6	0.6	0.9	0.9	0.9	0.9		
Fixed assets	13.0	13.9	12.3	13.2	11.8	10.7	10.9	11.2		
Other Non Current Assets	1.7	1.5	1.3	0.8	1.5	1.5	1.5	1.5		
Financial Investments	0.0	0.0	1.4	2.5	2.5	2.5	2.5	2.5		
Goodwill & Other Intangibles	-	-	-	-	-	-	-	-		
Current assets	22.7	19.5	26.3	25.9	24.0	25.2	26.4	27.6		
Total assets	38.5	35.4	41.8	43.1	40.7	40.9	42.3	43.7		
Equity	12.5	13.5	15.6	18.8	19.3	20.7	22.5	24.7		
Minority Interests	-	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	0.6	1.4	1.4	1.3	1.3	1.3	1.3	1.3		
Other Non Current Liabilities	0.4	0.3	0.5	0.3	0.4	0.4	0.4	0.4		
Net financial debt	15.6	10.6	10.8	13.0	10.7	9.0	8.2	7.1		
Current Liabilities	9.4	9.6	13.5	9.6	9.0	9.4	9.9	10.3		
Equity & Total Liabilities	38.5	35.4	41.8	43.1	40.7	40.9	42.3	43.7		
CAGR										
P&L (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	19-23	23-26e
Total Revenues	42.5	39.7	48.1	50.4	47.7	50.1	52.4	54.8	2.9%	4.8%
<i>Total Revenues growth</i>	3.5%	-6.7%	21.3%	4.8%	-5.5%	5.0%	4.7%	4.7%		
COGS	(25.7)	(23.8)	(28.8)	(31.4)	(28.9)	(30.2)	(31.6)	(33.1)		
Gross Margin	16.8	15.9	19.3	19.0	18.8	19.8	20.8	21.8	2.8%	5.1%
<i>Gross Margin/Revenues</i>	39.6%	40.0%	40.2%	37.6%	39.4%	39.6%	39.7%	39.7%		
Personnel Expenses	(7.8)	(7.3)	(7.7)	(7.8)	(7.9)	(8.1)	(8.4)	(8.6)		
Other Operating Expenses	(6.5)	(5.3)	(5.8)	(6.0)	(6.1)	(6.4)	(6.7)	(7.0)		
Recurrent EBITDA	2.5	3.3	5.8	5.2	4.8	5.3	5.7	6.2	17.7%	8.9%
<i>Recurrent EBITDA growth</i>	-2.9%	33.9%	75.8%	-11.7%	-7.7%	10.8%	8.7%	7.3%		
<i>Rec. EBITDA/Revenues</i>	5.8%	8.4%	12.2%	10.3%	10.0%	10.6%	11.0%	11.2%		
Restructuring Expense & Other non-rec.	(0.1)	(0.5)	-	-	(0.3)	-	-	-		
EBITDA	2.4	2.8	5.8	5.2	4.5	5.3	5.7	6.2	17.2%	11.1%
Depreciation & Provisions	(1.0)	(1.2)	(1.2)	(1.0)	(0.9)	(0.9)	(0.8)	(0.8)		
Capitalized Expense	0.0	-	-	-	-	-	-	-		
Rentals (IFRS 16 impact)	(0.2)	(0.2)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)		
EBIT	1.2	1.4	4.6	4.0	3.4	4.2	4.7	5.1	28.8%	15.0%
<i>EBIT growth</i>	-27.1%	15.6%	222.0%	-12.0%	-16.0%	25.8%	11.6%	8.5%		
<i>EBIT/Revenues</i>	2.9%	3.6%	9.5%	7.9%	7.1%	8.4%	9.0%	9.3%		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(0.2)	(0.2)	(0.2)	(0.3)	(0.4)	(0.4)	(0.3)	(0.2)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
Ordinary Profit	1.1	1.2	4.3	3.7	2.9	3.9	4.4	4.9	28.6%	18.7%
<i>Ordinary Profit Growth</i>	-29.7%	17.0%	248.7%	-15.1%	-21.0%	32.3%	15.3%	9.7%		
Extraordinary Results	-	-	-	-	-	-	-	-		
Profit Before Tax	1.1	1.2	4.3	3.7	2.9	3.9	4.4	4.9	28.6%	18.7%
Tax Expense	(0.3)	(0.3)	(0.6)	(0.9)	(0.8)	(1.0)	(1.1)	(1.2)		
<i>Effective Tax Rate</i>	23.8%	27.4%	13.4%	23.7%	27.0%	25.0%	25.0%	25.0%		
Minority Interests	-	-	-	-	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	0.8	0.9	3.8	2.8	2.1	2.9	3.3	3.7	27.2%	19.8%
<i>Net Profit growth</i>	-33.8%	11.6%	315.6%	-25.2%	-24.4%	36.0%	15.3%	9.7%		
Ordinary Net Profit	0.9	1.3	3.8	2.8	2.3	2.9	3.3	3.7	27.3%	16.2%
<i>Ordinary Net Profit growth</i>	-27.7%	42.4%	198.0%	-25.2%	-17.3%	24.2%	15.3%	9.7%		
CAGR										
Cash Flow (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	19-23	23-26e
Recurrent EBITDA						5.3	5.7	6.2	17.7%	8.9%
Rentals (IFRS 16 impact)						(0.2)	(0.2)	(0.2)		
Working Capital Increase						(0.8)	(0.8)	(0.8)		
Recurrent Operating Cash Flow						4.3	4.8	5.2	32.9%	-4.2%
CAPEX						(1.0)	(1.0)	(1.1)		
Net Financial Result affecting the Cash Flow						(0.4)	(0.3)	(0.2)		
Tax Expense						(1.0)	(1.1)	(1.2)		
Recurrent Free Cash Flow						2.0	2.4	2.6	55.1%	-12.9%
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						1.2	-	-		
Free Cash Flow						3.2	2.4	2.6	51.1%	-10.8%
Capital Increase						-	-	-		
Dividends						(1.5)	(1.5)	(1.5)		
Net Debt Variation						(1.7)	(0.9)	(1.1)		

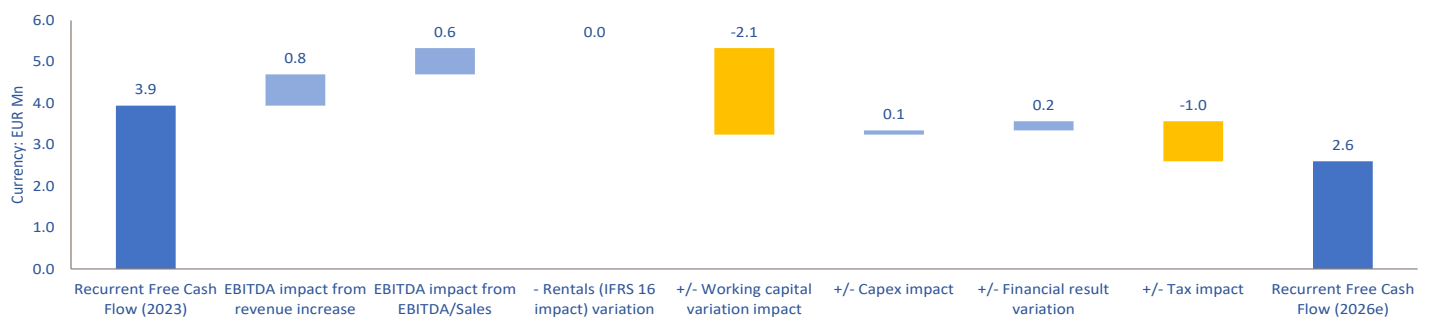
Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
								20-23	23-26e
Recurrent EBITDA	3.3	5.8	5.2	4.8	5.3	5.7	6.2	12.8%	8.9%
<i>Recurrent EBITDA growth</i>	33.9%	75.8%	-11.7%	-7.7%	10.8%	8.7%	7.3%		
<i>Rec. EBITDA/Revenues</i>	8.4%	12.2%	10.3%	10.0%	10.6%	11.0%	11.2%		
- Rentals (IFRS 16 impact)	(0.2)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)		
+/- Working Capital increase	3.4	(2.9)	(3.5)	1.3	(0.8)	(0.8)	(0.8)		
= Recurrent Operating Cash Flow	6.5	2.8	1.5	5.9	4.3	4.8	5.2	-3.4%	-4.2%
<i>Rec. Operating Cash Flow growth</i>	245.8%	-56.8%	-46.5%	290.2%	-26.7%	11.2%	7.9%		
<i>Rec. Operating Cash Flow / Sales</i>	16.4%	5.8%	3.0%	12.3%	8.6%	9.1%	9.4%		
- CAPEX	(1.9)	(0.7)	(0.2)	(1.2)	(1.0)	(1.0)	(1.1)		
- Net Financial Result affecting Cash Flow	(0.2)	(0.2)	(0.3)	(0.5)	(0.4)	(0.3)	(0.2)		
- Taxes	(0.3)	(0.5)	(0.9)	(0.3)	(1.0)	(1.1)	(1.2)		
= Recurrent Free Cash Flow	4.1	1.5	0.1	3.9	2.0	2.4	2.6	-1.0%	-12.9%
<i>Rec. Free Cash Flow growth</i>	490.0%	-64.2%	-90.3%	n.a.	-50.2%	19.7%	10.7%		
<i>Rec. Free Cash Flow / Revenues</i>	10.3%	3.0%	0.3%	8.3%	3.9%	4.5%	4.7%		
- Restructuring expenses & others	(0.5)	-	-	(0.3)	-	-	-		
- Acquisitions / + Divestments	0.3	-	-	-	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	1.2	-	-		
= Free Cash Flow	3.9	1.5	0.1	3.7	3.2	2.4	2.6	-1.6%	-10.8%
<i>Free Cash Flow growth</i>	437.6%	-62.2%	-90.3%	n.a.	-13.8%	-25.7%	10.7%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	17.5%	6.3%	0.6%	17.0%	8.4%	10.1%	11.2%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	16.6%	6.3%	0.6%	15.8%	13.6%	10.1%	11.2%		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
	2020	2021	2022	2023	2024e	2025e	2026e		
Recurrent FCF(FY - 1)	(1.0)	4.1	1.5	0.1	3.9	2.0	2.4		
EBITDA impact from revenue increase	(0.2)	0.7	0.3	(0.3)	0.2	0.2	0.3		
EBITDA impact from EBITDA/Sales variation	1.0	1.8	(1.0)	(0.1)	0.3	0.2	0.1		
= Recurrent EBITDA variation	0.8	2.5	(0.7)	(0.4)	0.5	0.5	0.4		
- Rentals (IFRS 16 impact) variation impact	0.0	0.0	0.0	(0.1)	-	-	-		
+/- Working capital variation impact	3.8	(6.3)	(0.6)	4.8	(2.1)	0.0	(0.0)		
= Recurrent Operating Cash Flow variation	4.6	(3.7)	(1.3)	4.4	(1.6)	0.5	0.4		
+/- CAPEX impact	0.6	1.2	0.5	(1.0)	0.2	(0.0)	(0.0)		
+/- Financial result variation	(0.0)	(0.0)	(0.1)	(0.2)	0.1	0.1	0.0		
+/- Tax impact	(0.1)	(0.1)	(0.4)	0.6	(0.7)	(0.1)	(0.1)		
= Recurrent Free Cash Flow variation	5.1	(2.6)	(1.3)	3.8	(2.0)	0.4	0.3		
Recurrent Free Cash Flow	4.1	1.5	0.1	3.9	2.0	2.4	2.6		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
EBIT	1.4	4.6	4.0	3.4	4.2	4.7	5.1	33.5%	15.0%
* Theoretical Tax rate	27.4%	13.4%	23.7%	27.0%	25.0%	25.0%	25.0%		
= Taxes (pre- Net Financial Result)	(0.4)	(0.6)	(0.9)	(0.9)	(1.1)	(1.2)	(1.3)		
Recurrent EBITDA	3.3	5.8	5.2	4.8	5.3	5.7	6.2	12.8%	8.9%
- Rentals (IFRS 16 impact)	(0.2)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)		
+/- Working Capital increase	3.4	(2.9)	(3.5)	1.3	(0.8)	(0.8)	(0.8)		
= Recurrent Operating Cash Flow	6.5	2.8	1.5	5.9	4.3	4.8	5.2	-3.4%	-4.2%
- CAPEX	(1.9)	(0.7)	(0.2)	(1.2)	(1.0)	(1.0)	(1.1)		
- Taxes (pre- Financial Result)	(0.4)	(0.6)	(0.9)	(0.9)	(1.1)	(1.2)	(1.3)		
= Recurrent Free Cash Flow (To the Firm)	4.2	1.5	0.4	3.8	2.2	2.6	2.8	-3.6%	-9.5%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	553.7%	-64.6%	-74.3%	885.2%	-40.2%	13.9%	9.0%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	10.6%	3.1%	0.8%	7.9%	4.5%	4.9%	5.1%		
- Acquisitions / + Divestments	0.3	-	-	-	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	1.2	-	-		
= Free Cash Flow "To the Firm"	4.5	1.5	0.4	3.8	3.4	2.6	2.8	-5.6%	-9.5%
<i>Free Cash Flow (To the Firm) growth</i>	584.0%	-66.8%	-74.3%	885.2%	-8.3%	-25.8%	9.0%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	14.2%	5.0%	1.3%	12.7%	7.6%	8.7%	9.5%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	15.2%	5.0%	1.3%	12.7%	11.7%	8.7%	9.5%		

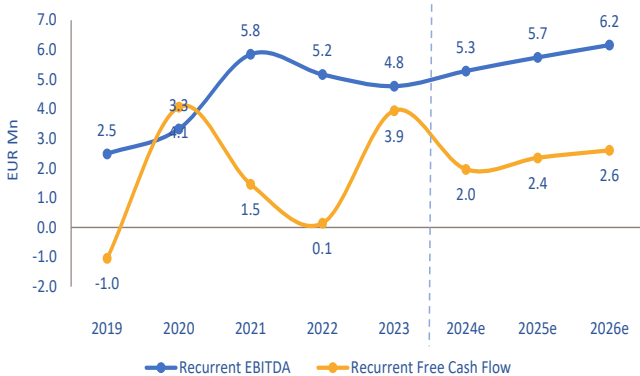
Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



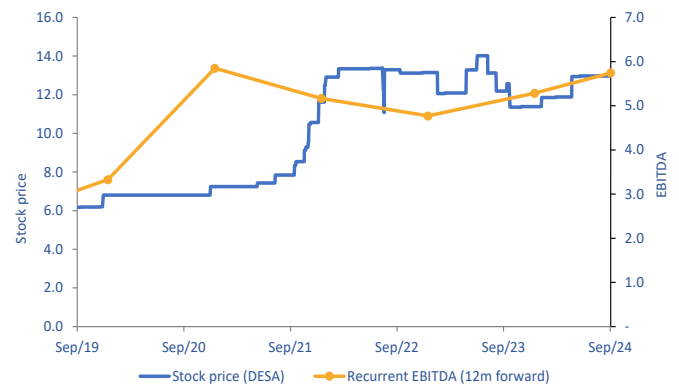
Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



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	23.2	
+ Minority Interests	-	6m Results 2024
+ Provisions & Other L/T Liabilities	1.3	6m Results 2024
+ Net financial debt	7.5	6m Results 2024
- Financial Investments	2.5	6m Results 2024
+/- Others		6m Results 2024
Enterprise Value (EV)	29.5	

Appendix 4. Historical performance ⁽¹⁾

Historical performance (EUR Mn)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
															13-23	23-26e
Total Revenues	31.9	32.2	34.0	34.6	38.1	41.1	42.5	39.7	48.1	50.4	47.7	50.1	52.4	54.8	4.1%	4.8%
Total Revenues growth	-0.1%	1.0%	5.7%	1.7%	9.9%	7.9%	3.5%	-6.7%	21.3%	4.8%	-5.5%	5.0%	4.7%	4.7%		
EBITDA	0.4	1.2	1.2	1.9	2.2	2.6	2.4	2.8	5.8	5.2	4.5	5.3	5.7	6.2	26.4%	11.1%
EBITDA growth	295.2%	172.4%	-1.7%	63.7%	16.2%	16.0%	-6.8%	18.8%	106.3%	-11.7%	-13.0%	17.6%	8.7%	7.3%		
EBITDA/Sales	1.4%	3.7%	3.4%	5.5%	5.8%	6.2%	5.6%	7.1%	12.2%	10.3%	9.4%	10.6%	11.0%	11.2%		
Net Profit	(0.6)	(1.7)	(0.2)	0.6	0.8	1.2	0.8	0.9	3.8	2.8	2.1	2.9	3.3	3.7	19.1%	19.8%
Net Profit growth	41.4%	-197.2%	91.0%	510.0%	30.6%	49.1%	-33.8%	11.6%	315.6%	-25.2%	-24.4%	36.0%	15.3%	9.7%		
Adjusted number shares (Mn)	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8		
EPS (EUR)	-0.32	-0.95	-0.09	0.35	0.46	0.69	0.46	0.51	2.11	1.58	1.20	1.62	1.86	2.04	19.1%	19.6%
EPS growth	41.4%	n.a.	91.0%	n.a.	30.8%	49.2%	-33.8%	11.5%	n.a.	-25.0%	-24.4%	35.3%	15.3%	9.7%		
Ord. EPS (EUR)	-0.16	-0.95	-0.01	0.31	0.46	0.69	0.50	0.71	2.11	1.58	1.31	1.62	1.86	2.04	26.0%	16.0%
Ord. EPS growth	42.4%	n.a.	98.8%	n.a.	50.2%	49.2%	-27.7%	42.3%	n.a.	-25.0%	-17.3%	23.6%	15.3%	9.7%		
CAPEX	(0.4)	(0.5)	(0.8)	(1.1)	(1.1)	(1.3)	(2.5)	(1.9)	(0.7)	(0.2)	(1.2)	(1.0)	(1.0)	(1.1)		
CAPEX/Sales %	1.2%	1.6%	2.3%	3.1%	2.8%	3.0%	5.9%	4.9%	1.5%	0.3%	2.5%	2.0%	2.0%	2.0%		
Free Cash Flow	0.6	(0.0)	(1.2)	(1.4)	0.6	(1.2)	(1.1)	3.9	1.5	0.1	3.7	3.2	2.4	2.6	20.1%	-10.8%
ND/EBITDA (x) ⁽²⁾	24.9x	9.2x	10.3x	6.9x	5.7x	5.2x	6.5x	3.7x	1.9x	2.5x	2.4x	1.7x	1.4x	1.1x		
P/E (x)	n.a.	n.a.	n.a.	27.0x	20.0x	9.0x	14.9x	14.3x	5.5x	8.3x	9.5x	8.0x	7.0x	6.4x		
EV/Sales (x)	1.06x	1.05x	1.03x	1.04x	0.92x	0.69x	0.74x	0.71x	0.73x	0.75x	0.65x	0.59x	0.56x	0.54x		
EV/EBITDA (x) ⁽²⁾	n.a.	28.6x	30.1x	19.0x	15.8x	11.1x	13.1x	9.9x	6.0x	7.3x	6.9x	5.6x	5.1x	4.8x		
Absolute performance	0.0%	0.0%	0.0%	0.0%	-3.2%	-33.1%	10.5%	6.5%	60.3%	13.2%	-13.4%	14.2%				
Relative performance vs Ibx 35	-17.6%	-3.5%	7.7%	2.1%	-9.9%	-21.3%	-1.2%	26.0%	48.6%	19.8%	-29.5%	-1.3%				

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

		Broad Range players				High Tech Specialty players						
		Norma Group			Average	Georg Fischer	Bossard	Barnes Group			Average	DESA
EUR Mn		SE	Granges AB	Trifast Plc		AG	Holding AG	Bufab AB	SFS Group AG	Inc		
Market data	Ticker (Factset)	NOEJ-DE	GRNG-SE	TRI-GB		GF-CH	BOSN-CH	BUFAB-SE	SFSN-CH	B-US		DESA-ES
	Country	Germany	Sweden	United Kingdom		Switzerland	Switzerland	Sweden	Switzerland	USA		Spain
	Market cap	477.9	1,181.4	128.1		5,477.1	1,922.6	1,265.9	5,344.3	1,765.3		23.2
	Enterprise value (EV)	834.9	1,472.5	173.6		7,708.9	2,114.4	1,543.9	5,847.4	2,755.1		29.5
Basic financial information	Total Revenues	1,213.1	2,005.2	282.6		5,307.2	1,097.4	711.6	3,327.0	1,439.6		50.1
	Total Revenues growth	-0.8%	1.7%	1.8%	0.9%	24.0%	-3.5%	-7.0%	1.8%	10.3%	5.1%	5.0%
	2y CAGR (2024e - 2026e)	4.8%	12.5%	3.9%	7.1%	3.8%	5.0%	3.7%	3.5%	6.0%	4.4%	4.7%
	EBITDA	158.1	213.5	27.2		666.1	144.3	111.8	529.6	254.6		5.3
	EBITDA growth	4.4%	3.0%	23.1%	10.2%	36.8%	-1.7%	-2.5%	8.3%	23.8%	12.9%	17.6%
	2y CAGR (2024e - 2026e)	11.1%	13.5%	14.0%	12.8%	9.4%	9.6%	4.1%	6.9%	16.2%	9.2%	8.0%
	EBITDA/Revenues	13.0%	10.6%	9.6%	11.1%	12.6%	13.2%	15.7%	15.9%	17.7%	15.0%	10.6%
	EBIT	78.5	136.4	17.8		502.1	117.1	86.1	392.6	183.2		4.2
	EBIT growth	6.8%	0.1%	68.9%	25.3%	40.5%	-2.6%	-4.4%	11.1%	98.2%	28.5%	25.8%
	2y CAGR (2024e - 2026e)	19.8%	18.9%	21.3%	20.0%	11.4%	10.7%	5.8%	8.1%	12.9%	9.8%	10.0%
	EBIT/Revenues	6.5%	6.8%	6.3%	6.5%	9.5%	10.7%	12.1%	11.8%	12.7%	11.4%	8.4%
	Net Profit	36.8	90.4	9.8		303.6	81.6	53.3	288.9	(9.8)		2.9
	Net Profit growth	32.2%	1.5%	285.2%	106.3%	21.5%	3.4%	5.3%	2.1%	-168.1%	-27.2%	36.0%
	2y CAGR (2024e - 2026e)	34.1%	25.0%	30.5%	29.9%	16.3%	12.8%	12.2%	9.4%	n.a.	12.7%	12.4%
CAPEX/Sales %	4.8%	5.2%	2.0%	4.0%	3.9%	3.1%	0.8%	5.7%	3.8%	3.5%	2.0%	
Free Cash Flow	60.7	47.5	14.1		230.3	84.5	96.4	178.1	32.5		3.2	
Net financial debt	290.2	250.5	20.4		1,893.9	214.3	232.2	365.5	947.9		9.0	
ND/EBITDA (x)	1.8	1.2	0.8	1.3	2.8	1.5	2.1	0.7	3.7	2.2	1.7	
Pay-out	42.1%	34.8%	35.4%	37.5%	39.8%	40.8%	35.6%	37.8%	-304.5%	-30.1%	51.9%	
Multiples and Ratios	P/E (x)	12.7	13.3	12.7	12.9	17.6	22.6	23.9	18.7	23.8	21.3	8.0
	P/BV (x)	0.7	1.4	0.8	1.0	3.2	4.3	3.7	3.3	1.5	3.2	1.1
	EV/Revenues (x)	0.7	0.7	0.6	0.7	1.5	1.9	2.2	1.8	1.9	1.8	0.6
	EV/EBITDA (x)	5.3	6.9	6.4	6.2	11.6	14.6	13.8	11.0	10.8	12.4	5.6
	EV/EBIT (x)	10.6	10.8	9.7	10.4	15.4	18.1	17.9	14.9	15.0	16.3	7.0
	ROE	5.5	10.7	6.5	7.6	17.9	19.0	15.6	17.9	6.5	15.4	14.5
	FCF Yield (%)	12.7	4.0	11.0	9.3	4.2	4.4	7.6	3.3	1.8	4.3	8.4
	DPS	0.49	0.30	0.03	0.27	1.48	4.33	0.50	2.81	0.58	1.94	0.84
Dvd Yield	3.2%	2.7%	2.7%	2.9%	2.2%	1.8%	1.5%	2.0%	1.7%	1.8%	6.5%	

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
19-Sep-2024	n.a.	13.00	n.a.	n.a.	6m Results 2024	Luis Esteban Arribas, CESGA
27-May-2024	n.a.	12.95	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
07-May-2024	n.a.	11.88	n.a.	n.a.	3m Results 2024	Luis Esteban Arribas, CESGA
01-Mar-2024	n.a.	11.86	n.a.	n.a.	12m Results 2023	Luis Esteban Arribas, CESGA
13-Nov-2023	n.a.	11.36	n.a.	n.a.	9m Results 2023	Luis Esteban Arribas, CESGA
29-Sep-2023	n.a.	12.57	n.a.	n.a.	6m Results 2023	Luis Esteban Arribas, CESGA
12-Jun-2023	n.a.	13.28	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
08-May-2023	n.a.	12.09	n.a.	n.a.	3m Results 2023 - Estimates downgrade	David López Sánchez
24-Mar-2023	n.a.	12.09	n.a.	n.a.	Estimates downgrade	David López Sánchez
28-Feb-2023	n.a.	12.07	n.a.	n.a.	12m Results 2022	David López Sánchez
30-Sep-2022	n.a.	13.12	n.a.	n.a.	6m Results 2022	David López Sánchez
19-Apr-2022	n.a.	13.34	n.a.	n.a.	Estimates upgrade	David López Sánchez
02-Mar-2022	n.a.	13.34	n.a.	n.a.	12m Results 2021	David López Sánchez
01-Oct-2021	n.a.	7.85	n.a.	n.a.	6m Results 2021	David López Sánchez
01-Mar-2021	n.a.	7.25	n.a.	n.a.	12m Results 2020 - Estimates upgrade	Ana Isabel González García, CIIA
28-Jan-2021	n.a.	7.25	n.a.	n.a.	Estimates upgrade	Ana Isabel González García, CIIA
30-Oct-2020	n.a.	6.80	n.a.	n.a.	9m Results 2020	Ana Isabel González García, CIIA
29-Sep-2020	n.a.	6.80	n.a.	n.a.	6m Results 2020	Ana Isabel González García, CIIA
02-Jul-2020	n.a.	6.80	n.a.	n.a.	Estimates downgrade	Ana Isabel González García, CIIA
02-Mar-2020	n.a.	6.80	n.a.	n.a.	12m Results 2019	Ana Isabel González García, CIIA
23-Dec-2019	n.a.	6.80	n.a.	n.a.	Initiation of Coverage	Ana Isabel González García, CIIA

