LIGHTHOUSE
INSTITUTO ESPAÑOL DE ANALISTAS

Ecolumber

EQUITY - SPAIN
Sector: Food Products

Closing price: EUR 1.00 (30 Sep 2024)
Report date: 1 Oct 2024 (14:15h)

6m Results 2024
Independent Equity Research

6m Results 2024
Opinion [1]: In line
Impact [1]: We will maintain our estimates

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EcoLumber, S.A. (ECO) is a small national group based in Spain (Barcelona), specialised initially in the forestry business. The company has changed strategic direction, positioning itself in the food industry, as a vertically integrated Group, in the production, processing and sale of nuts. It is controlled by the Board of Directors (62% of capital)

Market Data

Market Cap (Mn EUR and USD)	32.4	36.2
EV (Mn EUR and USD) [2]	51.3	57.2
Shares Outstanding (Mn)	32.4	
-12m (Max/Med/Mín EUR)	1.00 / 1.00 / 1.00	
Daily Avg volume (-12m Mn EUR)	n.a.	
Rotation[3]	n.a.	
Factset / Bloomberg	ECO-ES / ECO SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)[7]

G3T SL	17.8
Onchena	12.8
Brinca 2004 SL	10.6
Acalios	7.3
Free Float	32.9

Financials (Mn EUR)	2023	2024e	2025e	2026e
Adj. nº shares (Mn)	32.4	32.4	32.4	32.4
Total Revenues	23.0	23.5	26.0	29.2
Rec. EBITDA	-1.1	-0.5	0.1	0.8
% growth	*49.6*	*57.6*	*118.0*	*828.5*
% Rec. EBITDA/Rev.	*n.a.*	*n.a.*	*0.3*	*2.7*
% Inc. EBITDA sector [4]	*7.8*	*7.6*	*8.8*	*7.3*
Net Profit	-15.7	-1.5	-0.9	-0.2
EPS (EUR)	-0.48	-0.05	-0.03	-0.01
% growth	*-184.0*	*90.4*	*40.2*	*78.9*
Ord. EPS (EUR)	-0.08	-0.05	-0.03	-0.01
% growth	*29.4*	*33.0*	*40.2*	*78.9*
Rec. Free Cash Flow[5]	-0.3	-1.3	-0.9	-0.3
Pay-out (%)	*0.0*	*0.0*	*0.0*	*0.0*
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	17.4	18.7	19.6	19.9
ND/Rec. EBITDA (x)	n.a.	n.a.	n.a.	24.9
ROE (%)	*n.a.*	*23.2*	*11.7*	*2.3*
ROCE (%)[5]	*n.a.*	*n.a.*	*n.a.*	*2.5*

Ratios & Multiples (x)[6]				
P/E	n.a.	n.a.	n.a.	n.a.
Ord. P/E	n.a.	n.a.	n.a.	n.a.
P/BV	n.a.	n.a.	n.a.	n.a.
Dividend Yield (%)	*0.0*	*0.0*	*0.0*	*0.0*
EV/Sales	2.23	2.19	1.97	1.76
EV/Rec. EBITDA	n.a.	n.a.	n.a.	n.a.
EV/EBIT	n.a.	n.a.	n.a.	n.a.
FCF Yield (%)[5]	*n.a.*	*n.a.*	*n.a.*	*n.a.*

(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.
(7) Others: Otros miembros del Consejo 5.4%, Relocation & Exec. Serv. SL 5.0%, Jovellanos Cartera 5.3%, Transtronic Spain Corp 3.0%

1H 2024 Results: in line. Awaiting restructuring plan resolution

REVENUE NORMALIZATION: REVENUES REACH EUR 9.3MN (-9.5% VS 1H23)... After the sales volume reached in 1H23 due to the extraordinary order intake with Eroski (70% of sales), ECO closes the first half of the year with revenues of EUR 9.3Mn (-9.5% vs 1H23) explained by: (i) a lower selling price due to changes in the product mix (-4.5% vs 1H23) and (ii) a lower volume sold (-4.9% vs 1H23).

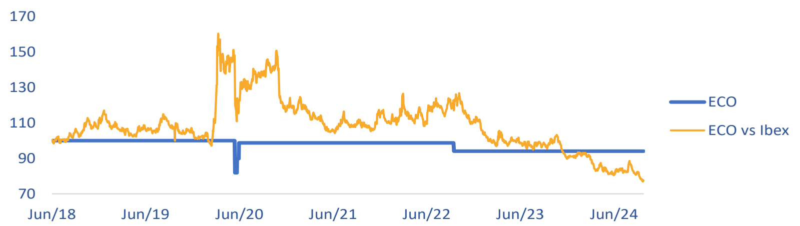
...BUT MARGIN IMPROVEMENT CONTINUES. The improvement in profitability levels observed during 2023 is maintained. Gross margin increases to 19.3% (+1.2pp vs 1H23; c. 13% in 2022) due to the gradual takeoff of AirNuts (+5% vs 1H23; with higher margins) and the improvement in the distribution business. All this, together with cost containment, has resulted in a recurring EBITDA close to breakeven in 1H24 (EUR -0.4Mn vs EUR -0.7Mn in 1H23).

DEBT LEVEL REMAINS STABLE. At the end of 1H24, ECO still maintains a high level of debt (Net Debt: EUR 18Mn; +2% vs 2023). On September 19, 2024, the hearing was held in the Provincial Court following the appeals filed by creditors and banks and is awaiting the ruling (expected during Q4 2024) on the restructuring plan. A favorable resolution would imply a write-off of approximately 60% of the company's liabilities, which would give ECO "wings" to focus on the distribution business. ECO presents negative equity 1H24 EUR -6.6Mn.

WE MAINTAIN EBITDA ESTIMATES. The seasonality of the business, mainly concentrated in Q4, leads us to maintain recurring EBITDA estimates of EUR -0.5Mn for the end of the year, practically at breakeven.

THE POTENTIAL APPROVAL OF THE RESTRUCTURING PLAN IS THE TURNING POINT. The level of debt is the main constraint of ECO's business model. The resolution of the Provincial Court on the restructuring plan will be key. The good news is the improvement in margins driven by cost containment and improvement in the revenue mix (which brings ECO closer to breakeven). However, the weak momentum and the delicate financial situation impose caution. EV/Sales 24e of 2.2x. The resolution on the restructuring is decisive for ECO (and imminent).

Relative performance (Base 100)



Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	0.0	0.0	0.0	0.0	-4.8	-5.9
vs Ibex 35	-4.0	-7.9	-20.6	-14.9	-29.5	-26.8
vs Ibex Small Cap Index	1.4	1.6	-7.9	-4.9	-5.9	-27.0
vs Eurostoxx 50	-0.8	-2.1	-16.5	-9.6	-22.9	-32.8
vs Sector benchmark[4]	-0.2	-2.9	1.0	2.7	6.2	7.4

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

Table 1.1H24 Results

EUR Mn	6m24 Real	6m23	6m24 Real vs 6m23	2024e	2024e vs 2023
Total Revenues	**9.3**	**10.3**	**-9.5%**	**23.5**	**1.9%**
Gross Margin	**1.8**	**1.9**	**-3.7%**	**4.3**	**4.0%**
Gross Margin/Revenues	*19.3%*	*18.2%*	*1.2 p.p.*	*18.5%*	*0.4 p.p.*
Recurrent EBITDA	**-0.4**	**-0.7**	**46.5%**	**-0.5**	**57.6%**
Rec. EBITDA/Revenues	*n.a.*	*n.a.*	*n.a.*	*-2.0%*	*2.9 p.p.*
EBITDA	**-0.4**	**-0.7**	**45.3%**	**-0.5**	**56.6%**
EBITDA/Revenues	*n.a.*	*n.a.*	*n.a.*	*-2.0%*	*2.7 p.p.*
EBIT	**-0.7**	**-1.0**	**31.2%**	**-1.1**	**39.1%**
PBT	**-0.8**	**-5.0**	**84.3%**	**-1.7**	**88.8%**
NP	**-0.8**	**-11.4**	**93.4%**	**-1.5**	**90.4%**
Ordinary NP	**-0.8**	**-5.1**	**83.8%**	**-1.7**	**33.0%**
Net Debt	18.0	17.6		18.7	

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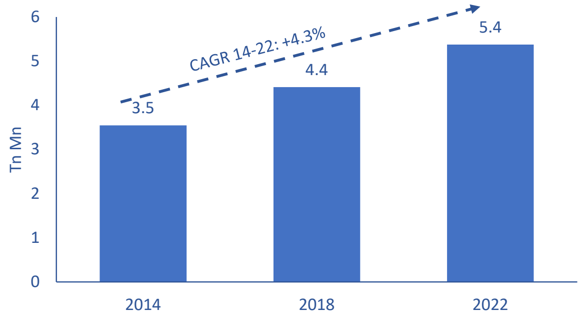
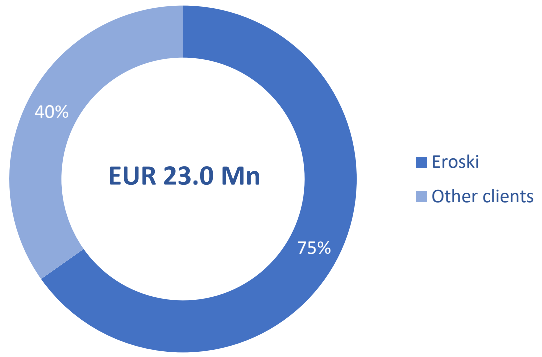
The company in 8 charts

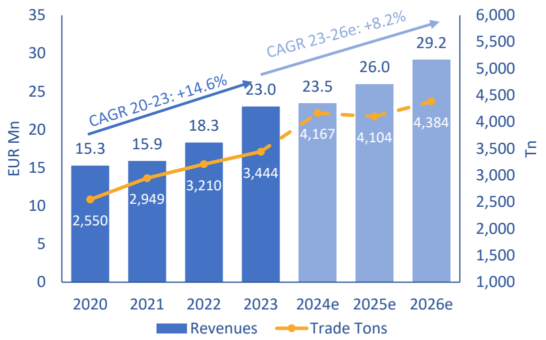
Increasing consumption of nuts (-8y) is one of ECO's key growth drivers (CAGR 14-22: +4.3%)



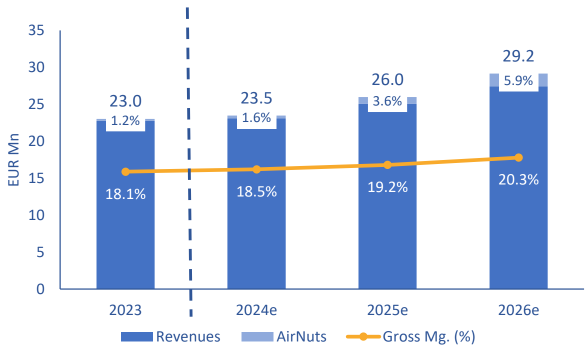
Eroski, ECO's main customer, accounts for75% of the 2023 revenue mix (up from 60% in 2022)



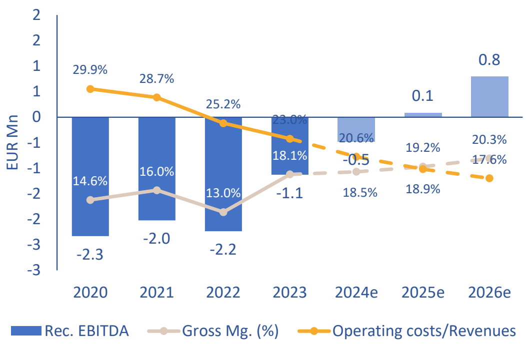
Despite the challenging backdrop, ECO has managed to keep growth in double digits (+14.6% CAGR for the 2020-2023 period)



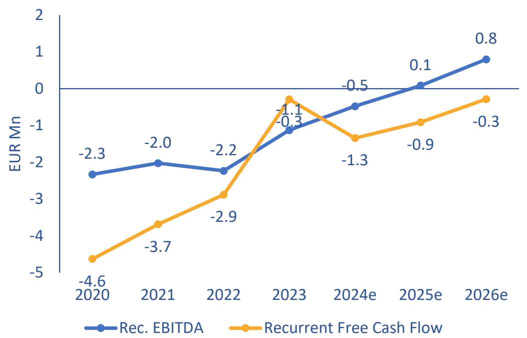
AirNuts' higher weight in the mix (5.9% in 2026e vs 1.2% in 2023) should lift gross margin to 20.3% in 26e (+2.2 p.p. vs 2023)



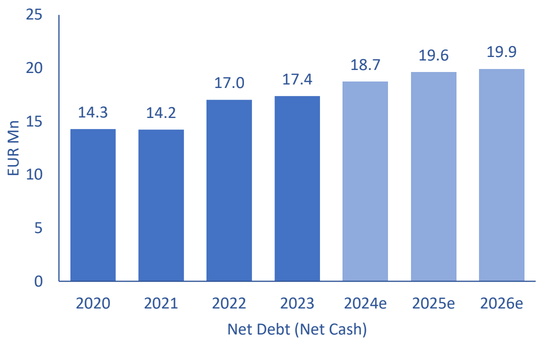
This, coupled with a grip on overhead, should lead to positive EBITDA in 2025e



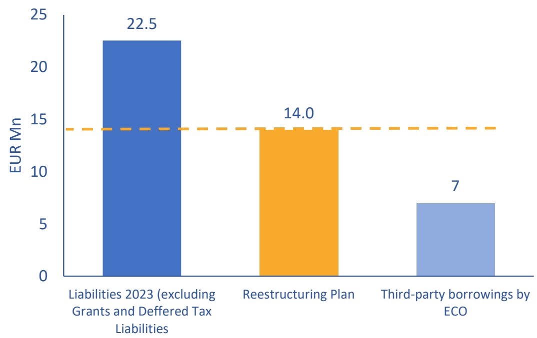
FCF still impacted (2024e-2026e) by CAPEX and high finance costs



Which should push up ND to EUR 19.9Mn in 2026e, although dependent on the restructuring plan...



...the success of which would result in a write-off of c. 60% of 2023 liabilities (c. EUR 14.0Mn c.EUR 7Mn are loans with partners)



Valuation inputs

Inputs for the DCF Valuation Approach

	2024e	2025e	2026e	Terminal Value (1)		
Free Cash Flow "To the Firm"	**(0.9)**	**(0.5)**	**0.2**	**n.a.**		

			Best Case	Worst Case
Market Cap	**32.4**	At the date of this report		
Net financial debt	**18.0**	Debt net of Cash (6m Results 2024)		
Cost of Debt	6.5%	Net debt cost	6.3%	6.8%
Tax rate (T)	20.0%	T (Normalised tax rate)	=	=
Net debt cost	**5.2%**	**Kd = Cost of Net Debt * (1-T)**	**5.0%**	**5.4%**
Risk free rate (rf)	2.9%	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	**7.7%**	**Ke = Rf + (R * B)**	**6.8%**	**8.8%**
Equity / (Equity + Net Debt)	64.3%	E (Market Cap as equity value)	=	=
Net Debt / (Equity + Net Debt)	35.7%	D	=	=
WACC	**6.8%**	**WACC = Kd * D + Ke * E**	**6.1%**	**7.6%**
G "Fair"	**2.0%**		**2.0%**	**1.5%**

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

Inputs for the Multiples Valuation Approach

Company	Ticker Factset	Mkt. Cap	P/E 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
Select Harvest Limited	SHV-AU	307.0	n.a.	n.a.	18.3	29.3%	3.8	8.4%	21.0%	n.a.	n.a.
SIPEF	SIP-BE	596.7	10.1	6.0%	4.6	4.8%	1.6	2.7%	35.2%	n.a.	n.a.
European Industry			10.1	6.0%	11.4	17.0%	2.7	5.5%	28.1%	n.a.	n.a.
Archer-Daniels-Midland (	ADM-US	25,594.0	11.1	1.6%	7.6	1.2%	0.4	2.5%	5.5%	8.9%	-1.4%
ECO	ECO-ES	32.4	n.a.	64.5%	n.a.	91.6%	2.2	11.5%	n.a.	n.a.	53.9%

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	**0.3%**	**0.1**	**596.1x**
Central	**0.3%**	**0.1**	**596.1x**
Min	**0.3%**	**0.1**	**596.1x**

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

Rec. FCF EUR Mn	CAPEX/Sales 25e		
EBITDA 25e	**0.9%**	**1.0%**	**1.1%**
0.1	**(0.9)**	**(0.9)**	**(0.9)**
0.1	**(0.9)**	**(0.9)**	**(0.9)**
0.1	**(0.9)**	**(0.9)**	**(0.9)**

Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e
Intangible assets	4.1	4.1	3.9	3.7	2.8	2.8	2.8	2.8
Fixed assets	19.1	16.3	16.3	14.3	6.4	6.2	6.0	5.9
Other Non Current Assets	0.1	0.4	0.4	0.6	0.6	0.6	0.6	0.6
Financial Investments	0.1	1.8	0.6	0.4	0.0	0.0	0.0	0.0
Goodwill & Other Intangilbles	3.9	3.9	3.9	3.9	-	-	-	-
Current assets	5.9	5.0	6.7	7.4	6.8	6.9	7.5	8.2
Total assets	**33.3**	**31.4**	**32.0**	**30.3**	**16.6**	**16.5**	**16.9**	**17.5**
Equity	17.6	12.6	13.0	8.1	(5.8)	(7.3)	(8.2)	(8.4)
Minority Interests	-	-	-	-	-	-	-	-
Provisions & Other L/T Liabilities	1.2	1.2	1.1	1.0	0.9	0.9	0.9	0.9
Other Non Current Liabilities	1.2	1.5	1.4	1.2	0.2	0.2	0.2	0.2
Net financial debt	10.2	14.3	14.2	17.0	17.4	18.7	19.6	19.9
Current Liabilities	3.1	1.9	2.3	3.0	3.8	3.9	4.3	4.8
Equity & Total Liabilities	**33.3**	**31.4**	**32.0**	**30.3**	**16.6**	**16.5**	**16.9**	**17.5**

									CAGR	
P&L (EUR Mn)	**2019**	**2020**	**2021**	**2022**	**2023**	**2024e**	**2025e**	**2026e**	**19-23**	**23-26e**
Total Revenues	**13.4**	**15.3**	**15.9**	**18.3**	**23.0**	**23.5**	**26.0**	**29.2**	*14.4%*	*8.2%*
Total Revenues growth	*n.a.*	*13.8%*	*4.0%*	*15.1%*	*25.8%*	*1.9%*	*10.7%*	*12.3%*		
COGS	(11.3)	(13.1)	(13.4)	(15.9)	(18.9)	(19.1)	(21.0)	(23.2)		
Gross Margin	**2.2**	**2.2**	**2.5**	**2.4**	**4.2**	**4.3**	**5.0**	**5.9**	*17.6%*	*12.4%*
Gross Margin/Revenues	*16.2%*	*14.6%*	*16.0%*	*13.0%*	*18.1%*	*18.5%*	*19.2%*	*20.3%*		
Personnel Expenses	(1.5)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.1)	(2.2)		
Other Operating Expenses	(2.9)	(2.6)	(2.5)	(2.6)	(3.3)	(2.8)	(2.8)	(3.0)		
Recurrent EBITDA	**(2.2)**	**(2.3)**	**(2.0)**	**(2.2)**	**(1.1)**	**(0.5)**	**0.1**	**0.8**	*15.1%*	*39.4%*
Recurrent EBITDA growth	*-20.3%*	*-7.4%*	*13.1%*	*-10.4%*	*49.6%*	*57.6%*	*118.0%*	*828.5%*		
Rec. EBITDA/Revenues	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*0.3%*	*2.7%*		
Restructuring Expense & Other non-rec.	(0.3)	(0.3)	(0.0)	0.0	0.0	-	-	-		
EBITDA	**(2.5)**	**(2.6)**	**(2.1)**	**(2.2)**	**(1.1)**	**(0.5)**	**0.1**	**0.8**	*18.6%*	*39.7%*
Depreciation & Provisions	(0.5)	(0.6)	(0.9)	(0.9)	(0.5)	(0.5)	(0.4)	(0.4)		
Capitalized Expense	1.0	0.2	1.0	0.7	-	-	-	-		
Rentals (IFRS 16 impact)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)		
EBIT	**(2.2)**	**(3.1)**	**(2.1)**	**(2.6)**	**(1.7)**	**(1.1)**	**(0.4)**	**0.3**	*5.6%*	*29.7%*
EBIT growth	*-564.3%*	*-43.1%*	*31.6%*	*-22.4%*	*33.6%*	*39.1%*	*58.0%*	*170.7%*		
EBIT/Revenues	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*1.1%*		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(0.2)	(0.7)	(0.5)	(0.6)	(0.8)	(0.6)	(0.6)	(0.5)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
Ordinary Profit	**(2.4)**	**(3.8)**	**(2.6)**	**(3.2)**	**(2.5)**	**(1.7)**	**(1.0)**	**(0.2)**	*-0.7%*	*55.9%*
Ordinary Profit Growth	*-415.7%*	*-58.7%*	*31.5%*	*-22.0%*	*22.6%*	*32.3%*	*40.2%*	*78.9%*		
Extraordinary Results	-	(1.5)	-	(2.0)	(12.5)	-	-	-		
Profit Before Tax	**(2.4)**	**(5.3)**	**(2.6)**	**(5.2)**	**(15.0)**	**(1.7)**	**(1.0)**	**(0.2)**	*-57.8%*	*75.8%*
Tax Expense	0.2	0.3	0.1	0.2	0.1	0.2	0.1	0.0		
Effective Tax Rate	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*		
Minority Interests	-	-	-	-	-	-	-	-		
Discontinued Activities	-	-	-	-	(0.8)	-	-	-		
Net Profit	**(2.2)**	**(5.0)**	**(2.5)**	**(5.0)**	**(15.7)**	**(1.5)**	**(0.9)**	**(0.2)**	*-62.8%*	*77.0%*
Net Profit growth	*-377.5%*	*-122.6%*	*49.3%*	*-99.4%*	*-211.8%*	*90.4%*	*40.2%*	*78.9%*		
Ordinary Net Profit	**(2.1)**	**(3.6)**	**(2.6)**	**(3.2)**	**(2.5)**	**(1.7)**	**(1.0)**	**(0.2)**	*-4.8%*	*56.1%*
Ordinary Net Profit growth	*-349.1%*	*-72.5%*	*27.6%*	*-24.6%*	*22.4%*	*33.0%*	*40.2%*	*78.9%*		

									CAGR	
Cash Flow (EUR Mn)	**2019**	**2020**	**2021**	**2022**	**2023**	**2024e**	**2025e**	**2026e**	**19-23**	**23-26e**
Recurrent EBITDA						**(0.5)**	**0.1**	**0.8**	*15.1%*	*39.4%*
Rentals (IFRS 16 impact)						(0.1)	(0.1)	(0.1)		
Working Capital Increase						(0.1)	(0.2)	(0.2)		
Recurrent Operating Cash Flow						**-0.7**	**-0.2**	**0.5**	*19.9%*	*39.2%*
CAPEX						(0.2)	(0.3)	(0.3)		
Net Financial Result affecting the Cash Flow						(0.6)	(0.6)	(0.5)		
Tax Expense						0.2	0.1	0.0		
Recurrent Free Cash Flow						**(1.3)**	**(0.9)**	**(0.3)**	*53.3%*	*0.7%*
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						**(1.3)**	**(0.9)**	**(0.3)**	*53.1%*	*0.7%*
Capital Increase						-	-	-		
Dividends						-	-	-		
Net Debt Variation						**1.3**	**0.9**	**0.3**		

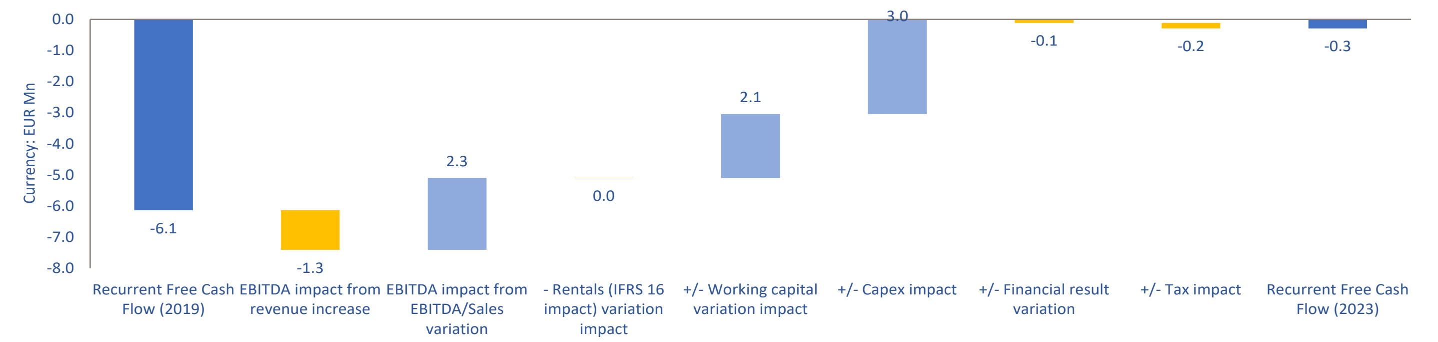
Appendix 2. Free Cash Flow

								CAGR	
A) Cash Flow Analysis (EUR Mn)	**2020**	**2021**	**2022**	**2023**	**2024e**	**2025e**	**2026e**	**20-23**	**23-26e**
Recurrent EBITDA	**(2.3)**	**(2.0)**	**(2.2)**	**(1.1)**	**(0.5)**	**0.1**	**0.8**	***21.5%***	***39.4%***
Recurrent EBITDA growth	*-7.4%*	*13.1%*	*-10.4%*	*49.6%*	*57.6%*	*118.0%*	*828.5%*		
Rec. EBITDA/Revenues	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*0.3%*	*2.7%*		
- Rentals (IFRS 16 impact)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)		
+/- Working Capital increase	(0.3)	(1.4)	0.0	1.4	(0.1)	(0.2)	(0.2)		
= Recurrent Operating Cash Flow	**(2.7)**	**(3.5)**	**(2.3)**	**0.2**	**(0.7)**	**(0.2)**	**0.5**	***27.4%***	***39.2%***
Rec. Operating Cash Flow growth	*6.1%*	*-29.7%*	*34.4%*	*108.1%*	*-444.5%*	*70.5%*	*365.2%*		
Rec. Operating Cash Flow / Sales	*n.a.*	*n.a.*	*n.a.*	*0.8%*	*n.a.*	*n.a.*	*1.7%*		
- CAPEX	(1.9)	0.1	(0.4)	(0.2)	(0.2)	(0.3)	(0.3)		
- Net Financial Result affecting Cash Flow	(0.3)	(0.3)	(0.3)	(0.3)	(0.6)	(0.6)	(0.5)		
- Taxes	0.3	0.1	0.2	-	0.2	0.1	0.0		
= Recurrent Free Cash Flow	**(4.6)**	**(3.7)**	**(2.9)**	**(0.3)**	**(1.3)**	**(0.9)**	**(0.3)**	***60.2%***	***0.7%***
Rec. Free Cash Flow growth	*24.6%*	*20.4%*	*21.8%*	*89.9%*	*-360.8%*	*32.1%*	*68.7%*		
Rec. Free Cash Flow / Revenues	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*		
- Restructuring expenses & others	0.0	-	-	-	-	-	-		
- Acquisitions / + Divestments	0.5	1.0	-	-	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow	**(4.1)**	**(2.6)**	**(2.9)**	**(0.3)**	**(1.3)**	**(0.9)**	**(0.3)**	***58.5%***	***0.7%***
Free Cash Flow growth	*32.4%*	*35.0%*	*-8.9%*	*89.9%*	*-360.8%*	*32.1%*	*68.7%*		
Recurrent Free Cash Flow - Yield (s/Mkt Cap)	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*		
Free Cash Flow Yield (s/Mkt Cap)	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*		

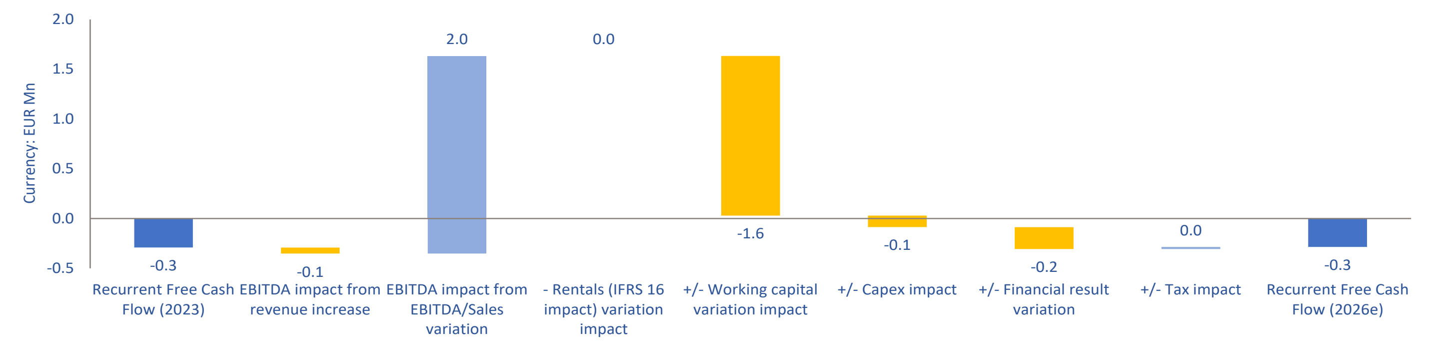
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)	**2020**	**2021**	**2022**	**2023**	**2024e**	**2025e**	**2026e**
Recurrent FCF(FY - 1)	**(6.1)**	**(4.6)**	**(3.7)**	**(2.9)**	**(0.3)**	**(1.3)**	**(0.9)**
EBITDA impact from revenue increase	(0.3)	(0.1)	(0.3)	(0.6)	(0.0)	(0.1)	0.0
EBITDA impact from EBITDA/Sales variation	0.1	0.4	0.1	1.7	0.7	0.6	0.7
= Recurrent EBITDA variation	**(0.2)**	**0.3**	**(0.2)**	**1.1**	**0.6**	**0.6**	**0.7**
- Rentals (IFRS 16 impact) variation impact	(0.0)	0.0	-	-	-	-	-
+/- Working capital variation impact	0.4	(1.1)	1.4	1.4	(1.5)	(0.1)	(0.0)
= Recurrent Operating Cash Flow variation	**0.2**	**(0.8)**	**1.2**	**2.5**	**(0.8)**	**0.5**	**0.7**
+/- CAPEX impact	1.3	2.0	(0.5)	0.2	(0.1)	(0.0)	(0.0)
+/- Financial result variation	(0.1)	(0.0)	(0.0)	0.0	(0.3)	0.1	0.0
+/- Tax impact	0.1	(0.2)	0.1	(0.2)	0.2	(0.1)	(0.1)
= Recurrent Free Cash Flow variation	**1.5**	**0.9**	**0.8**	**2.6**	**(1.1)**	**0.4**	**0.6**
Recurrent Free Cash Flow	**(4.6)**	**(3.7)**	**(2.9)**	**(0.3)**	**(1.3)**	**(0.9)**	**(0.3)**

								CAGR	
C) "FCF to the Firm" (pre debt service) (EUR Mn)	**2020**	**2021**	**2022**	**2023**	**2024e**	**2025e**	**2026e**	**20-23**	**23-26e**
EBIT	**(3.1)**	**(2.1)**	**(2.6)**	**(1.7)**	**(1.1)**	**(0.4)**	**0.3**	***17.8%***	***29.7%***
** Theoretical Tax rate*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*		
= Taxes (pre- Net Financial Result)	-	-	-	-	-	-	-		
Recurrent EBITDA	**(2.3)**	**(2.0)**	**(2.2)**	**(1.1)**	**(0.5)**	**0.1**	**0.8**	***21.5%***	***39.4%***
- Rentals (IFRS 16 impact)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)		
+/- Working Capital increase	(0.3)	(1.4)	0.0	1.4	(0.1)	(0.2)	(0.2)		
= Recurrent Operating Cash Flow	**(2.7)**	**(3.5)**	**(2.3)**	**0.2**	**(0.7)**	**(0.2)**	**0.5**	***27.4%***	***39.2%***
- CAPEX	(1.9)	0.1	(0.4)	(0.2)	(0.2)	(0.3)	(0.3)		
- Taxes (pre- Financial Result)	-	-	-	-	-	-	-		
= Recurrent Free Cash Flow (To the Firm)	**(4.6)**	**(3.5)**	**(2.7)**	**0.0**	**(0.9)**	**(0.5)**	**0.2**	***26.0%***	***n.a.***
Rec. Free Cash Flow (To the Firm) growth	*24.0%*	*25.3%*	*21.1%*	*100.5%*	*n.a.*	*48.9%*	*148.2%*		
Rec. Free Cash Flow (To the Firm) / Revenues	n.a.	n.a.	n.a.	0.1%	n.a.	n.a.	0.7%		
- Acquisitions / + Divestments	0.5	1.0	-	-	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow "To the Firm"	**(4.1)**	**(2.4)**	**(2.7)**	**0.0**	**(0.9)**	**(0.5)**	**0.2**	***26.1%***	***n.a.***
Free Cash Flow (To the Firm) growth	*32.6%*	*41.0%*	*-12.7%*	*100.5%*	*n.a.*	*48.9%*	*148.2%*		
Rec. Free Cash Flow To the Firm Yield (o/EV)	*n.a.*	*n.a.*	*n.a.*	*0.0%*	*n.a.*	*n.a.*	*0.4%*		
Free Cash Flow "To the Firm" - Yield (o/EV)	*n.a.*	*n.a.*	*n.a.*	*0.0%*	*n.a.*	*n.a.*	*0.4%*		

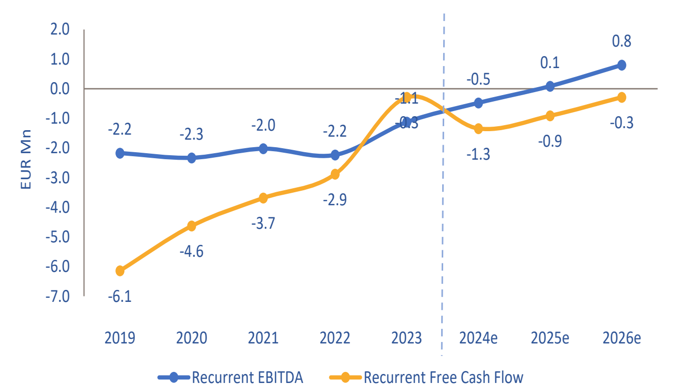
Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



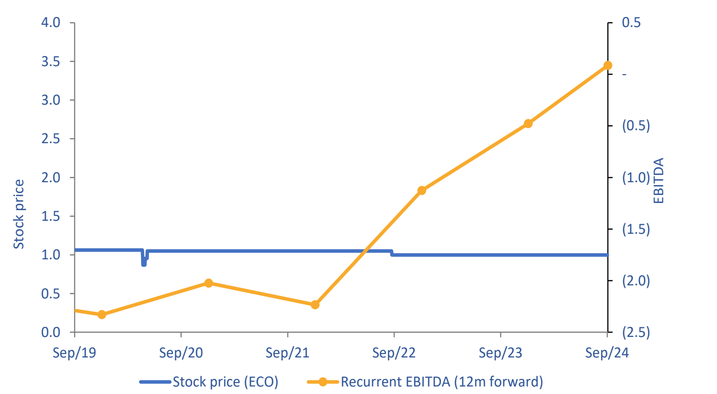
Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



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	32.4	
+ Minority Interests	-	6m Results 2024
+ Provisions & Other L/T Liabilities	0.9	6m Results 2024
+ Net financial debt	18.0	6m Results 2024
- Financial Investments	-	6m Results 2024
+/- Others		6m Results 2024
Enterprise Value (EV)	**51.3**	

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	CAGR 23-26e
Total Revenues					**0.1**	**0.2**	**13.4**	**15.3**	**15.9**	**18.3**	**23.0**	**23.5**	**26.0**	**29.2**	*n.a.*	*8.2%*
Total Revenues growth					*n.a.*	*69.3%*	*n.a.*	*13.8%*	*4.0%*	*15.1%*	*25.8%*	*1.9%*	*10.7%*	*12.3%*		
EBITDA					**(1.2)**	**(2.0)**	**(2.5)**	**(2.6)**	**(2.1)**	**(2.2)**	**(1.1)**	**(0.5)**	**0.1**	**0.8**	*n.a.*	*39.7%*
EBITDA growth					*-217.2%*	*-69.8%*	*-25.8%*	*-2.9%*	*20.3%*	*-7.2%*	*50.1%*	*56.6%*	*118.0%*	*828.5%*		
EBITDA/Sales					*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*0.3%*	*2.7%*		
Net Profit					**0.0**	**(1.4)**	**(2.2)**	**(5.0)**	**(2.5)**	**(5.0)**	**(15.7)**	**(1.5)**	**(0.9)**	**(0.2)**	*n.a.*	*77.0%*
Net Profit growth					*108.2%*	*n.a.*	*-55.8%*	*-122.6%*	*49.3%*	*-99.4%*	*-211.8%*	*90.4%*	*40.2%*	*78.9%*		
Adjusted number shares (Mn)					-	-	-	27.0	27.0	29.5	32.4	32.4	32.4	32.4		
EPS (EUR)					n.a.	n.a.	n.a.	-0.18	-0.09	-0.17	-0.48	-0.05	-0.03	-0.01	n.a.	77.0%
EPS growth					*n.a.*	*n.a.*	*n.a.*	*n.a.*	*49.3%*	*-82.4%*	*n.a.*	*90.4%*	*40.2%*	*78.9%*		
Ord. EPS (EUR)					n.a.	n.a.	n.a.	-0.13	-0.10	-0.11	-0.08	-0.05	-0.03	-0.01	n.a.	56.1%
Ord. EPS growth					*n.a.*	*n.a.*	*n.a.*	*n.a.*	*27.6%*	*-14.1%*	*29.4%*	*33.0%*	*40.2%*	*78.9%*		
CAPEX					(1.5)	(1.0)	(3.2)	(1.9)	0.1	(0.4)	(0.2)	(0.2)	(0.3)	(0.3)		
CAPEX/Sales %					*1670.0%*	*660.8%*	*23.8%*	*12.5%*	*n.a.*	*2.3%*	*0.8%*	*1.0%*	*1.0%*	*1.0%*		
Free Cash Flow					**(2.9)**	**(3.1)**	**(6.0)**	**(4.1)**	**(2.6)**	**(2.9)**	**(0.3)**	**(1.3)**	**(0.9)**	**(0.3)**	n.a.	0.7%
ND/EBITDA (x) (2)					*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	n.a.	24.9x		
P/E (x)					*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	n.a.	n.a.		
EV/Sales (x)					*n.a.*	*n.a.*	*2.66x*	*2.59x*	*2.64x*	*2.57x*	*2.17x*	*2.19x*	1.97x	1.76x		
EV/EBITDA (x) (2)					*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	n.a.	n.a.		
Absolute performance					*-8.3%*	*10.7%*	*0.0%*	*-1.9%*	*0.0%*	*-4.8%*	*0.0%*	*0.0%*				
Relative performance vs Ibex 35					*-14.6%*	*30.2%*	*-10.6%*	*16.1%*	*-7.3%*	*0.8%*	*-18.5%*	*-14.9%*				

Note 1: The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.
Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Appendix 5. Main peers 2024e

		European Industry			Others	
	EUR Mn	**Select Harvest Limited**	**SIPEF**	**Average**	**Archer-Daniels-Midland Company**	**ECO**
Market data	**Ticker (Factset)**	SHV-AU	SIP-BE		ADM-US	ECO-ES
	Country	Australia	Belgium		USA	Spain
	Market cap	307.0	596.7		25,594.0	32.4
	Enterprise value (EV)	603.4	634.3		32,688.7	51.3
Basic financial information	**Total Revenues**	157.0	392.5		78,770.7	23.5
	Total Revenues growth	*22.9%*	*-4.4%*	*9.3%*	*-6.4%*	*1.9%*
	2y CAGR (2024e - 2026e)	*8.4%*	*2.7%*	*5.5%*	*2.5%*	*11.5%*
	EBITDA	33.0	138.2		4,317.2	(0.5)
	EBITDA growth	*269.7%*	*-4.6%*	*132.6%*	*22.2%*	*56.6%*
	2y CAGR (2024e - 2026e)	*29.3%*	*4.8%*	*17.0%*	*1.2%*	*91.6%*
	EBITDA/Revenues	*21.0%*	*35.2%*	*28.1%*	*5.5%*	*n.a.*
	EBIT	12.6	90.7		2,567.6	(1.1)
	EBIT growth	*144.7%*	*-5.5%*	*69.6%*	*-0.6%*	*39.1%*
	2y CAGR (2024e - 2026e)	*65.3%*	*8.2%*	*36.7%*	*6.7%*	*51.6%*
	EBIT/Revenues	*8.0%*	*23.1%*	*15.6%*	*3.3%*	*n.a.*
	Net Profit	2.7	58.0		2,405.0	(1.5)
	Net Profit growth	*103.8%*	*-13.8%*	*45.0%*	*-22.9%*	*90.4%*
	2y CAGR (2024e - 2026e)	*n.a.*	*6.5%*	*6.5%*	*-2.3%*	*64.5%*
	CAPEX/Sales %	*8.7%*	*24.0%*	*16.3%*	*1.5%*	*1.0%*
	Free Cash Flow	(4.0)	n.a.		2,280.1	(1.3)
	Net financial debt	129.6	30.8		6,667.5	18.7
	ND/EBITDA (x)	3.9	0.2	2.1	1.5	n.a.
	Pay-out	*0.0%*	*28.9%*	*14.4%*	*40.1%*	*0.0%*
Multiples and Ratios	**P/E (x)**	n.a.	10.1	10.1	11.1	n.a.
	P/BV (x)	1.1	n.a.	1.1	1.3	n.a.
	EV/Revenues (x)	3.8	1.6	2.7	0.4	2.2
	EV/EBITDA (x)	18.3	4.6	11.4	7.6	n.a.
	EV/EBIT (x)	47.8	7.0	27.4	12.7	n.a.
	ROE	*1.0*	*n.a.*	*1.0*	*12.0*	*23.2*
	FCF Yield (%)	*n.a.*	*n.a.*	*n.a.*	*8.9*	*n.a.*
	DPS	*0.00*	*1.61*	*0.80*	*1.78*	*0.00*
	Dvd Yield	*0.0%*	*2.9%*	*1.4%*	*3.3%*	*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).

LIGHTHOUSE

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Notes and Reports **History**

Date of **report**	Recommendation	Price (EUR)	Target price (EUR)	Period of **validity**	Reason for **report**	Analyst
01-Oct-2024	n.a.	1.00	n.a.	n.a.	6m Results 2024	Luis Esteban Arribas, CESGA
27-May-2024	n.a.	1.00	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
03-Apr-2024	n.a.	1.00	n.a.	n.a.	12m Results 2023 - Estimates downgrade	Luis Esteban Arribas, CESGA
09-Oct-2023	n.a.	1.00	n.a.	n.a.	6m Results 2023	Luis Esteban Arribas, CESGA
20-Jun-2023	n.a.	1.00	n.a.	n.a.	Important news	Luis Esteban Arribas, CESGA
12-Jun-2023	n.a.	1.00	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
24-Mar-2023	n.a.	1.00	n.a.	n.a.	Estimates downgrade	Luis Esteban Arribas, CESGA
02-Mar-2023	n.a.	1.00	n.a.	n.a.	12m Results 2022	Luis Esteban Arribas, CESGA
03-Oct-2022	n.a.	1.00	n.a.	n.a.	6m Results 2022 - Estimates downgrade	Alfredo Echevarría Otegui
02-Mar-2022	n.a.	1.05	n.a.	n.a.	12m Results 2021	Alfredo Echevarría Otegui
01-Oct-2021	n.a.	1.05	n.a.	n.a.	6m Results 2021	Alfredo Echevarría Otegui
02-Jul-2021	n.a.	1.05	n.a.	n.a.	Estimates upgrade	Ana Isabel González García, CIIA
17-May-2021	n.a.	1.05	n.a.	n.a.	3m Results 2021	Ana Isabel González García, CIIA
04-Mar-2021	n.a.	1.05	n.a.	n.a.	12m Results 2020 - Estimates downgrade	Ana Isabel González García, CIIA
23-Dec-2020	n.a.	1.05	n.a.	n.a.	9m Results 2020 - Estimates downgrade	Ana Isabel González García, CIIA
03-Nov-2020	n.a.	1.05	n.a.	n.a.	6m Results 2020	Ana Isabel González García, CIIA
10-Jun-2020	n.a.	1.05	n.a.	n.a.	Initiation of Coverage	Ana Isabel González García, CIIA

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