

Energy Solar Tech, is a renewable energy company (founded in 2020) that offers its customers energy generation and efficiency technologies through a range of energy outsourcing solutions under the 'Energy as a Service' (EaaS). ETC has traded on BME Growth since 2022. Currently, ETC gets more than 95% of sales from Spain.

As of the date of this report, Lighthouse dropped its coverage of Energy Solar Tech (See page 19).

MOMENTUM: WHAT TO EXPECT FROM 2025E?

2024: high revenue growth. ETC closed 2024 with revenues of EUR 63.6 Mn (+20.9%). For the year energy corrects by c.-30% vs 2023. The revenue growth seen in this price environment confirms the resilience of ETC's business model.

But margin and EBITDA Rec. fall sharply. Recurring EBITDA reaches EUR 6.1 Mn in 2024, with a drop in the EBITDA Rec. Margin/Sales, which is almost halved (9.6% 2024 vs 16.9% 2023). The margin directly reflects the effect of the drop in energy prices in the generation business and to a lesser extent in the outsourcing business.

EQUITY STORY HIGHLIGHTS: WHAT TO WATCH FOR?

Energy as a Service (EaaS) model. ETC builds (and maintains) the asset on the customer's premises —ETC retains ownership— and then sells all the power generated to that customer. This produces recurring revenue, with high switching costs for customers once the asset is installed, which significantly mitigates business or churn risk.

Control of the entire value chain. ETC pursues a vertical integration strategy, enabling it to control from development and construction through to operation and maintenance of wind and photovoltaic (PV) projects. This helps create synergies and diversifies the business mix.

Focus on wind and solar PV generation, acquiring and building generation assets it then owns (higher margins and operating CF), raising the hybrid generation capacity.

2025e-2026e is "key" to test the new strategy. All eyes should focus on how the business business mix shifts towards higher-margin business lines and on operating CF. And is extremely dependent on how quickly the company executes the generation business pipeline. The strategic shift sought by ETC is based on the progressive increase in the weight of generation (reducing the weight of engineering in the mix). The engineering business is safe from the "risk" of energy prices but does not allow aspiring to high margins

RISKS: WHAT TO KEEP AN EYE ON?

Delays in commissioning or in the acquisition of (wind and PV) farms would have a significant impact on projected revenue and profitability (and therefore cash generation) for the forecast period. And would push back this step-up in scale. This implies a serious risk of downward revision to our estimates.

Geographic concentration, with 100% of revenue from Spain. This makes ETC particularly sensitive to regulation, trends in energy prices, and sector and economic circumstances in Spain.

VALUATION METRICS: WHAT DO THE MULTIPLES TELL US?

Awaiting the strategic shift. The problem is margins. And multiples. ETC's vertical integration model has proven its effectiveness in difficult price environments. Now the challenge is to achieve structurally higher margins, well above those of the engineering business. This explains: 1) the decision to increase the weight of generation, 2) the focus on larger (and higher margin) projects in both engineering and outsourcing, 3) entry into new businesses such as data center construction, etc. That is, a profound strategic shift seeking profitable growth. Although its execution is still an unknown and the price environment remains unfavorable.

Both facts explain ETC's strong -12m underperformance. The fact is that the multiples today (2024 EV/EBITDA, 14.1x) are high. And in a context of possible low revenue growth in 2025, they require a very significant margin jump that is not yet visible, and this is key. Sector integrated utilities multiples (2024 EV/EBITDA, c.8x) remain a handicap (12m performance, -19.1%; -31.8% vs sector).

Market Data

Market Cap (Mn EUR and USD)	76.3	87.6
EV (Mn EUR and USD)	86.2	99.0
Shares Outstanding (Mn)	27.0	
-12m (Max/Med/Mín EUR)	3.50 / 2.90 / 2.05	
Daily Avg volume (-12m Mn EUR)	0.02	
Rotation ⁽¹⁾	7.8	
Factset / Bloomberg	ETC-ES / ETC SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)⁽³⁾

Alberto Hernández Poza	21.0
Erbiennergía Inversiones	12.5
José Abel Martín Sánchez	10.6
Alberto Torrego López	10.5
Free Float	44.6

EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	76.3	
+ Minority Interests	0.1	12m Results 2024
+ Provisions & Other L/T Liabilities	0.2	12m Results 2024
+ Net financial debt	11.1	12m Results 2024
- Financial Investments	1.5	12m Results 2024
+/- Others		
Enterprise Value (EV)	86.2	

Main Corporate Governance indicators

KPI	2022	2023	2024
% of independent board members	66.7%	57.1%	80.0%
% of proprietary board members	33.3%	42.9%	20.0%
% of executive board members	0.0%	0.0%	0.0%
% of other directors	0.0%	0.0%	0.0%
% of women on the board of directors	0.0%	0.0%	0.0%
% of women out of total workforce	30.0%	14.5%	16.3%
Board remuneration/staff cost	19.0%	4.4%	4.1%

Historical behavior (base 100)



(%)	-1m	-3m	-12m	-5Y
Absolute	37.4	6.0	-19.1	n.a.

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

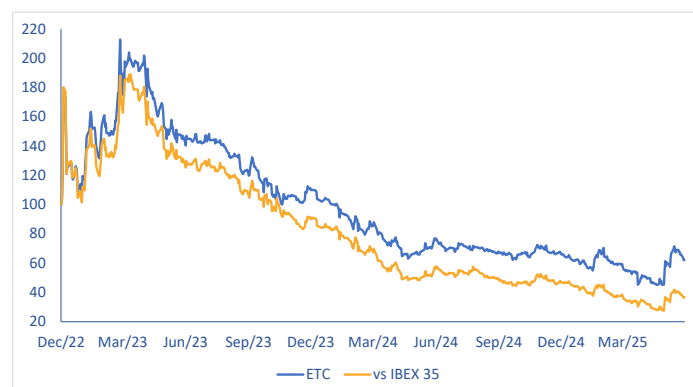
(2) Sector: Stoxx Europe 600 Utilities.

(3) Others: Treasury Stock 0.8%

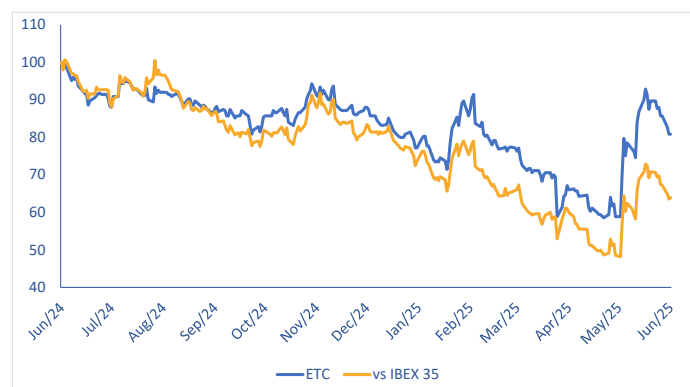


Evolution of the share price

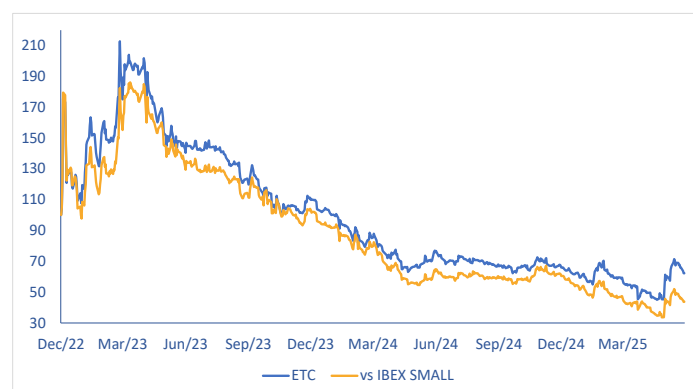
Historical behavior vs Ibex 35 (base 100)



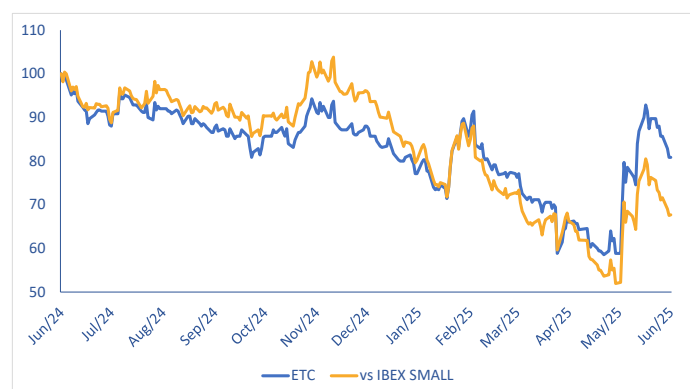
Behavior -1y vs Ibex 35 (base 100)



Historical behavior vs Ibex Small Cap (base 100)



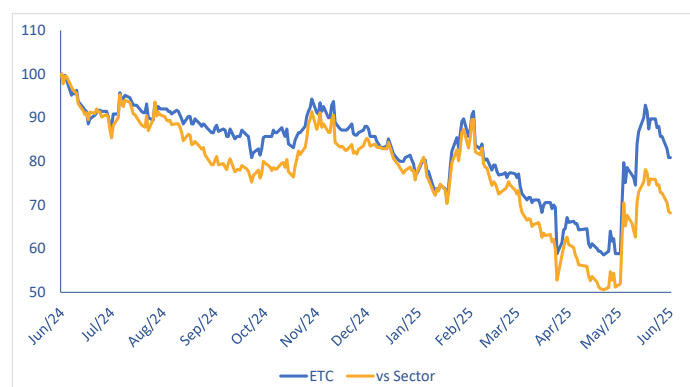
Behavior -1y vs Ibex Small Cap (base 100)



Historical behavior vs Sector⁽¹⁾ (base 100)



Behavior -1y vs Sector⁽¹⁾ (base 100)



(1) Sector: Stoxx Europe 600 Utilities

Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	37.4	6.0	-19.1	1.1	n.a.	n.a.
vs Market						
vs Ibex 35	31.7	-3.4	-36.1	-17.1	n.a.	n.a.
vs Euro STOXX 50	35.3	4.4	-25.6	-8.2	n.a.	n.a.
vs Small Cap References						
vs Ibex Small Cap Index	30.3	-6.7	-32.3	-21.0	n.a.	n.a.
vs Micro Cap Spain Segment ⁽¹⁾	30.8	-1.0	-23.2	-11.0	n.a.	n.a.
vs MSCI Europe Micro Cap	31.3	-2.7	-20.3	-6.2	n.a.	n.a.
vs Sector						
vs Stoxx Europe 600 Utilities	33.2	-6.0	-31.8	-13.1	n.a.	n.a.

(1) Constituents on page 10