

12m Results 2025

 Opinion ⁽¹⁾: Above expectations

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

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Business description

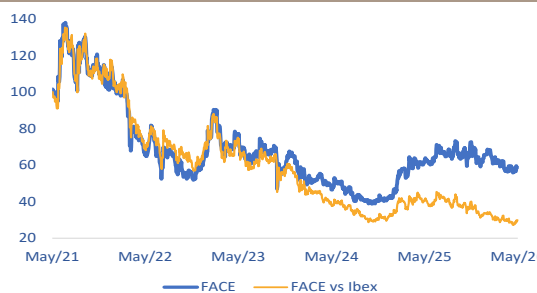
FacePhi (FACE) is a Spanish tech company based in Alicante. It specialises in the development and marketing of software for identity authentication via digital onboarding solutions and biometric authentication. It is present in Latam (today its main market; c. 97% of 2025 revenue) and has a strong position in the financial sector (c. 96% of 2025 revenues).

Market Data

Market Cap (Mn EUR and USD)	60.4	70.7
EV (Mn EUR and USD) ⁽²⁾	66.3	77.5
Shares Outstanding (Mn)	26.6	
-12m (Max/Med/Mín EUR)	2.83 / 2.47 / 2.15	
Daily Avg volume (-12m Mn EUR)	0.04	
Rotation ⁽³⁾	18.9	
Refinitiv / Bloomberg	FACE.MC / FACE SM	
Close fiscal year	31-Dec	

Shareholders Structure (%) ⁽⁵⁾

Nice&Green	28.9
Hancom	6.4
Javier Mira Miró	3.3
Juan Alfonso Ortiz Company	3.0
Free Float	57.7

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	3.2	-3.4	-3.8	-41.2
vs Ibex 35	4.4	0.7	-25.5	-70.1
vs Ibex Small Cap Index	-0.5	-4.6	-15.1	-53.9
vs Eurostoxx 50	1.9	0.1	-11.8	-60.0
vs Sector benchmark ⁽⁴⁾	-6.3	-10.3	-13.5	-56.0

(2) 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).

(3) Please refer to Appendix 1.

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

(5) vs Stoxx Europe 600 Technology.

(5) Others: Autocartera 0.7%

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

2025 results: margins and EBITDA rec. better than expected.

REVENUE GROWTH OF +22.1%, IN LINE. Revenue reached EUR 36.0 Mn (-4.1% vs. our EUR 37.5 Mn estimate). This represents a positive performance considering the heavy exposure to LATAM (97% of 2025 revenue and over 90% of accounts receivable denominated in USD). Likewise, quality metrics showed strong progress in recurring revenue (license/SaaS mix shifted from 52/48 in 2024 to 14/86 in 2025) and an increased weighting of "no-investment" revenue (partners represented 35% of revenue in 2025 versus 25% in 2024). However, geographic concentration failed to improve, confirming FACE as a LATAM-centric company (increasing its weight from 95% to 97%, with no "takeoff" in APAC revenue).

RECURRING EBITDA OF C. EUR 2 MN DRIVEN BY STRUCTURAL COST CONTROL.

Combined personnel and other operating expenses (OPEX) fell by 5.5% versus 2024. This occurred against a backdrop of strong revenue growth and was significantly better than our +5.5% estimate for 2025. The combination of revenue growth, gross margin expansion (91.1% vs. 83.8% in 2024), and lower total OPEX "catapulted" Recurring EBITDA to EUR 2.1 Mn (from EUR -7.8 Mn in 2024), finishing well ahead of estimates (2025e: EUR -2.4 Mn).

TOTAL EBITDA JUMPS TO EUR 10 MN DUE TO TAX LEASE AND CAPITALIZED EXPENSES.

Capitalized expenses remained at EUR 4.6 Mn. Furthermore, other operating income (primarily tax leases) gained weight within FACE's operating results (accounting for 1/3 of total 2025 EBITDA; note that the 2025 audit report includes a qualification regarding the tax lease). FACE reached an agreement with its bank syndicate to extend the maturity of its syndicated loan to 6/14/2026 (from 12/14/2025). We believe that operational improvements and the support of the main shareholder (Nice&Green) will allow the company to manage the EUR 6.5 Mn maturity.

STRONG OPERATING RESULTS PROMPT US TO RAISE ESTIMATES.

Successful execution of the business plan brought Recurring EBITDA breakeven forward by one year and puts positive FCF within reach for 2026. This, combined with the 2024 announcement of the conclusion of the warrant and convertible bond programs, reduces overall risk—specifically execution risk (growth, margin improvement), dilution risk, and refinancing risk (the latter aided by better FCF expectations). While risk has not disappeared (refinancing execution and the audit qualification remain), it has clearly been mitigated. Demanding multiples make it "essential" for the company to maintain the 2025 momentum through 2026e: strong revenue growth and further leveraging/reducing the cost structure to rapidly improve margins and EBITDA. This is the only way to support the stock at current levels (-3.8% over 12 months).

Table 1. 12m results 2025

EUR Mn	12m25 Real	12m24	12m25 Real vs 12m24	2025e	2025e vs 2025e
Total Revenues	36.0	29.5	22.1%	37.5	-4.1%
Gross Margin	32.8	24.7	32.7%	31.9	2.7%
<i>Gross Margin/Revenues</i>	91.1%	83.8%	7.3 p.p.	85.0%	6.1 p.p.
Recurrent EBITDA ⁽¹⁾	2.1	-7.8	126.4%	-2.4	186.7%
<i>Rec. EBITDA/Revenues</i>	5.7%	n.a.	n.a.	n.a.	n.a.
EBITDA ⁽¹⁾	10.2	-0.7	n.a.	4.2	142.5%
<i>EBITDA/Revenues</i>	28.4%	n.a.	n.a.	n.a.	n.a.
EBIT	1.4	-6.6	121.5%	-1.0	n.a.
PBT	0.3	-7.3	103.8%	-2.0	114.2%
NP	0.4	-8.9	104.2%	-2.0	118.8%
Net Debt	6.3	6.4	-1.8%		

(1) Recurring EBITDA is a "cash" EBITDA; it does not include capitalized expenses. Total EBITDA does include capitalized expenses.

Facephi (FACE) is a BME Growth company

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Appendix 1. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	60.4	
+ Minority Interests	-	12m Results 2025
+ Provisions & Other L/T Liabilities	0.5	12m Results 2025
+ Net financial debt	6.3	3m Results 2025
- Financial Investments	0.2	12m Results 2025
+/- Others ⁽¹⁾	(0.7)	Ver nota
Enterprise Value (EV)	66.3	

(1) Related to the book value (not actuarial) of deferred tax assets

Appendix 2. Main peers (2026e)

	EUR Mn	Biometrics (Niche Players)					Average	Companies with exposure to biometrics					Average
		Egis Technology	Elan Microelectronics	Mitek Systems	OneSpan	Secunet		Diebold Nixdorf Techn.	NEC	NICE	Synaptics		
Market data	Ticker (Factset)	6462.TWO	2458.TW	MITK.O	OSPN.O	YSNG.DE		DBD	6701.T	NICE.TA	SYNA.O		
	Country	Taiwan	Taiwan	USA	USA	Germany		USA	Japan	Israel	USA		
	Market cap	320.5	1,153.5	591.6	378.3	1,172.6		2,269.7	29,998.5	6,295.1	3,339.6		
	Enterprise value (EV)	453.3	1,094.5	565.2	335.8	1,105.4		2,769.3	29,296.8	2,021.7	3,680.5		
Basic financial information	Total Revenues	178.4	368.0	165.1	210.8	502.5		3,346.4	20,422.4	919.6	1,015.1		
	Total Revenues growth	23.9%	10.5%	7.4%	1.3%	9.5%	10.5%	2.8%	4.9%	8.0%	10.5%	6.5%	
	2y CAGR (2026e - 2028e)	-41.4%	8.9%	8.7%	-41.4%	10.1%	-11.0%	-41.4%	3.9%	11.2%	9.8%	-4.1%	
	EBITDA	(13.1)	91.7	50.3	56.1	80.7		447.4	3,143.2	275.8	232.0		
	EBITDA growth	4.3%	3.4%	68.2%	-1.6%	7.8%	16.4%	11.6%	12.5%	11.7%	240.3%	69.0%	
	2y CAGR (2026e - 2028e)	41.4%	5.1%	12.7%	-41.4%	13.8%	6.3%	-41.4%	9.1%	16.7%	18.1%	0.6%	
	EBITDA/Revenues	n.a.	24.9%	30.5%	26.6%	16.1%	24.5%	13.4%	15.4%	30.0%	22.9%	20.4%	
	EBIT	(18.1)	91.7	49.0	48.4	58.3		325.1	2,472.3	237.2	181.7		
	EBIT growth	60.6%	13.8%	193.1%	0.1%	12.9%	56.1%	13.6%	26.4%	25.3%	434.9%	125.0%	
	2y CAGR (2026e - 2028e)	41.4%	2.8%	13.2%	-41.4%	18.1%	6.8%	-41.4%	-41.4%	14.0%	22.0%	-11.7%	
	EBIT/Revenues	n.a.	24.9%	29.7%	23.0%	11.6%	22.3%	9.7%	12.1%	25.8%	17.9%	16.4%	
	Net Profit	(3.5)	77.3	45.5	40.0	39.3		166.0	1,588.0	194.6	152.6		
	Net Profit growth	94.2%	24.0%	505.2%	-35.9%	17.8%	121.1%	92.1%	6.9%	9.9%	414.6%	130.9%	
	2y CAGR (2026e - 2028e)	41.4%	0.0%	9.6%	-41.4%	18.0%	5.5%	-41.4%	9.8%	13.6%	21.8%	0.9%	
	CAPEX/Sales %	0.0%	7.5%	1.4%	5.4%	2.0%	3.2%	1.4%	5.2%	1.7%	3.8%	3.0%	
	Free Cash Flow	n.a.	18.1	36.3	30.1	44.7		223.0	1,792.6	172.9	85.4		
	Net financial debt	17.8	(38.3)	n.a.	n.a.	(100.0)		405.6	(2,195.3)	(204.7)	395.4		
	ND/EBITDA (x)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.9	n.a.	n.a.	1.7	1.3	
	Pay-out	-81.5%	68.6%	n.a.	n.a.	48.5%	11.9%	0.0%	19.0%	0.0%	0.0%	4.7%	
Multiples and Ratios	P/E (x)	n.a.	14.6	13.3	9.9	29.6	16.9	14.0	18.5	11.5	22.7	16.7	
	P/BV (x)	1.3	3.7	n.a.	n.a.	6.2	3.7	n.a.	2.2	1.7	2.9	2.3	
	EV/Revenues (x)	2.5	3.0	3.4	1.6	2.2	2.5	0.8	1.4	2.2	3.6	2.0	
	EV/EBITDA (x)	n.a.	11.9	11.2	6.0	13.7	10.7	6.2	9.3	7.3	15.9	9.7	
	EV/EBIT (x)	n.a.	11.9	11.5	6.9	19.0	12.3	8.5	11.9	8.5	20.3	12.3	
	ROE	n.a.	26.5	n.a.	n.a.	21.5	24.0	n.a.	12.7	13.9	7.3	11.3	
	FCF Yield (%)	n.a.	1.6	6.1	8.0	3.8	4.9	9.8	6.0	2.7	2.6	5.3	
	DPS	0.03	0.19	n.a.	n.a.	2.95	1.05	0.00	0.23	0.00	0.00	0.06	
	Dvd Yield	0.9%	4.9%	0.0%	0.0%	1.6%	1.5%	0.0%	1.0%	0.0%	0.0%	0.3%	

Note 1: Financial data, multiples and ratios based on market consensus (Refinitiv).

Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

LIGHTHOUSE

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
05-May-2026	n.a.	2.27	n.a.	n.a.	12m Results 2025	Alfredo Echevarría Otegui
05-Nov-2025	n.a.	2.77	n.a.	n.a.	6m Results 2025	Alfredo Echevarría Otegui
17-Jun-2025	n.a.	2.49	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
05-May-2025	n.a.	2.36	n.a.	n.a.	12m Results 2024	Alfredo Echevarría Otegui
23-Oct-2024	n.a.	1.50	n.a.	n.a.	6m Results 2024	Alfredo Echevarría Otegui
27-May-2024	n.a.	1.93	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
06-May-2024	n.a.	1.80	n.a.	n.a.	12m Results 2023	Enrique Andrés Abad, CFA
12-Feb-2024	n.a.	1.98	n.a.	n.a.	12m 2023 Preliminary results	Enrique Andrés Abad, CFA
03-Oct-2023	n.a.	2.41	n.a.	n.a.	6m Results 2023	Enrique Andrés Abad, CFA
12-Jun-2023	n.a.	2.52	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
04-May-2023	n.a.	2.95	n.a.	n.a.	12m Results 2022	David López Sánchez
09-Feb-2023	n.a.	3.48	n.a.	n.a.	12m 2022 Preliminary results	David López Sánchez
05-Aug-2022	n.a.	2.62	n.a.	n.a.	6m 2022 Preliminary results	David López Sánchez
17-May-2022	n.a.	2.66	n.a.	n.a.	Estimates upgrade	David López Sánchez
08-Feb-2022	n.a.	4.03	n.a.	n.a.	12m 2021 Preliminary results	David López Sánchez
27-Jul-2021	n.a.	4.65	n.a.	n.a.	6m 2021 Preliminary results	David López Sánchez
10-May-2021	n.a.	3.84	n.a.	n.a.	12m Results 2020 - Estimates downgrade	David López Sánchez
01-Feb-2021	n.a.	4.40	n.a.	n.a.	12m 2020 Preliminary results	David López Sánchez
27-Jul-2020	n.a.	6.42	n.a.	n.a.	Estimates downgrade	David López Sánchez
07-May-2020	n.a.	5.54	n.a.	n.a.	Review of estimates	David López Sánchez
21-Jan-2020	n.a.	4.51	n.a.	n.a.	12m 2019 Preliminary results	David López Sánchez
20-Dec-2019	n.a.	2.24	n.a.	n.a.	Initiation of Coverage	David López Sánchez

