

EQUITY - SPAIN
 Sector: Chemicals

 Closing price: EUR 1.00 (1 Apr 2025)
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12m Results 2024
 Independent Equity Research

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 Opinion ⁽¹⁾: In line

 Impact ⁽¹⁾: We will maintain our estimates

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Business description

Kompuestos (KOM), is a Spanish chemical company (Barcelona), that produces mineral based concentrates (fillers) and colour and additive concentrates (masterbatches) for the plastics transformation industry, including resins for the creation of bioplastics. With a nominal production capacity of 220,510 tonnes, it is controlled and run by the founding family (c.65% of capital).

Market Data

Market Cap (Mn EUR and USD)	12.2	13.1
EV (Mn EUR and USD) ⁽²⁾	22.9	24.7
Shares Outstanding (Mn)	12.2	
-12m (Max/Med/Mín EUR)	1.05 / 0.87 / 0.63	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽³⁾	2.4	
Factset / Bloomberg	KOM-ES / KOM SM	
Close fiscal year	31-Dec	

Shareholders Structure (%) ⁽⁵⁾

Ignacio Duch and family	64.6
Noriande Global	9.6
Gestión y administración	5.1
Gant Finance	5.0
Free Float	10.7

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	-1.0	-1.0	23.5	-60.6
vs Ibex 35	-0.6	-13.7	2.8	-80.5
vs Ibex Small Cap Index	-0.6	-11.6	8.3	-78.0
vs Eurostoxx 50	1.7	-8.9	18.0	-80.2
vs Sector benchmark ⁽⁴⁾	2.8	-4.9	35.0	-74.7

(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 2.

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

(4) vs Stoxx Europe 600 Chemicals.

(5) Others: Associats TJ and 333 5.0%

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

2024 Results: 2023 margin improvement consolidated, with c.8% EBITDA/Sales. And c.9% FCF Yield.

EUR 44MN 12M24 REVENUE (VS EUR 46.2MN 12M23). Which implies a -4.7% drop vs 2023. This decrease would have a double cause: 1) the mix of product sold and, to a lesser extent, 2) the staggered drop in prices of the main polymers in the 4Q of the year. The drop is explained by the orientation to a higher value-added mix and some price pressure. But not a volume problem, which has increased by +3.5% vs 2023.

...AND CONSOLIDATION OF MARGIN IMPROVEMENT. The 2024 results again "mirror" those of 2023. Slight weakness in revenue but consolidation of the gross margin (34.6% vs 34.3% 2023; +0.3 p.p.), which implies a substantial jump vs the levels seen until 2022 (c.30%). This improvement is essentially based on the progressive gain in weight in the revenue mix of specialty products (biodegradable, additives), with higher added value and margin. The evolution in the mix of these products is clear: 19% (2021) – 24% (2022 and 2023) – 27% (2024). A trend whose continuity is strategic for KOM. Since the improvement achieved in gross margin (and consolidated in 2024) is transferred to Recurring EBITDA. Which reaches EUR 3.4Mn (vs EUR 3.8Mn 2023) and allows consolidating the "jump" in margins of 2023 (8.2% vs 7.7% in 2024; and 3.8% in 2022).

CONTINUED REDUCTION OF NET DEBT. The production capacity expansions carried out during the 2015-2020 period (CAPEX c. EUR 17Mn) and the investment in the development of new products increased debt. The 2024 level (EUR 10.6MN) implies a -10% reduction vs 2023 (Net Debt/EBITDA c.3x), in a process that should continue thanks to the expected positive FCF generation in 2025.

THE EQUITY STORY REMAINS MARGIN IMPROVEMENT. The 2024 results reconfirm the margin improvement already seen in 2023. The 2024 Recurring EBITDA margin multiplies by 2x that of 2022 and also doubles the 2019-2022 average margin. That is: the margin jump seen in 2023 is consolidated in 2024. Which confirms that in a context of low revenue growth -5y (2024-2019 CAGR -1%) everything pivots on profitability. The equity story remains KOM's margin improvement, which has generated a -5y Recurring EBITDA CAGR of +9% (with a +55% -5y EBITDA growth). The interesting thing is that sector margins (>15%) imply that there is a large margin for improvement for KOM.

A VERY HIGH FCF YIELD, AND LOW MULTIPLES THAT ARE BEGINNING TO BE REFLECTED IN THE SHARE PRICE. KOM's margin improvement (the one that has already occurred and the potential one) has begun to be priced in (-12m: +23.5%; +35.0% vs sector). The context is that of a stagnation in revenue that is reversible and a margin improvement that is structural. And that should continue in 2025.

The -5y share drop (-60%) implies very low 2024 multiples, with EV/Sales 0.5x (vs 1.0x of the sector). Which is even clearer in a context of potential revenue recovery. KOM's return to 2021 levels (c.EUR 59Mn) would imply EBITDA above EUR 4.5Mn and EV/EBITDA 5.1x (with +50% upside vs the sector, trading at 7.5x). The "to the firm" FCF yield (>9%) is another (objective) indicator of KOM's potential value reserve. Which has begun to be "detected" by the market. Looking ahead to 2025, KOM continues to be a story of "jump" in profitability explained by improvements in the mix, operating leverage, and scalability of investments already made. The reversal of revenue performance with continued margin improvement points to high theoretical potential for valuation.

Kompuestos (KOM) is a BME Growth company

BME Growth is the segment of BME MTF Equity aimed at small and medium sized companies, directed and managed by the Spanish stock market and is subject to the CNMV supervision. BME MTF Equity is not a Regulated Market but instead falls within the classification of a Multilateral Trading Facility (MTF) as defined under the Markets in Financial Instruments Directive (MiFID). In July 2020, BME Growth obtained the status of SME Growth Market, a new category of EU regulations, which in Spain is called Mercado de Pymes en Expansión.

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Appendix 1. Results table

EUR Mn	12m24		12m24 Real
	Real	12m23	vs 12m23
Total Revenues	44.0	46.2	-4.7%
Gross margin	15.3	15.8	-3.6%
<i>Gross margin/Revenues</i>	<i>34.6%</i>	<i>34.3%</i>	<i>0.4 p.p.</i>
Recurrent EBITDA¹	3.4	3.8	-11.0%
<i>Rec. EBITDA/Revenues</i>	<i>7.7%</i>	<i>8.2%</i>	<i>-0.5 p.p.</i>
EBITDA¹	3.3	3.8	-14.1%
<i>EBITDA/Revenues</i>	<i>7.5%</i>	<i>8.3%</i>	<i>-0.8 p.p.</i>
EBIT	1.2	1.4	-10.3%
PBT	-0.2	-0.1	-70.9%
NP	-0.2	-0.1	-38.4%

	12m24		12m24 Real
	Real	12m23	vs 12m23
Net Debt	10.6	11.8	-10.2%
ND / EBITDA	3.2 x	3.1 x	0.0 x

(1) Recurrent Ebitda and Ebitda adjusted to exclude the impact of capitalized expenses.

Appendix 2. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	12.2	
+ Minority Interests	-	12m Results 2024
+ Provisions & Other L/T Liabilities	0.2	12m Results 2024
+ Net financial debt	10.6	12m Results 2024
- Financial Investments	0.1	12m Results 2024
+/- Others		
Enterprise Value (EV)	22.9	

Appendix 3. Main peers (2025e)

		Specialty Chemicals				Close peers		
EUR Mn		BASF	LyondellBasell	Clariant	Average	Avient Corporation	Cabot Corporation	Average
Market data	Ticker (Factset)	BAS-DE	LYB-US	CLN-CH		AVNT-US	CBT-US	
	Country	Germany	UK	Switzerland		USA	USA	
	Market cap	41,631.7	20,955.7	3,256.9		3,122.6	4,213.1	
	Enterprise value (EV)	63,930.7	29,892.4	4,986.2		4,621.2	5,289.9	
Basic financial information	Total Revenues	67,051.2	29,346.7	4,450.1		3,034.6	3,778.2	
	Total Revenues growth	2.7%	-21.3%	2.3%	-5.4%	1.2%	2.3%	1.8%
	2y CAGR (2025e - 2027e)	3.8%	3.5%	4.2%	3.9%	5.0%	3.9%	4.5%
	EBITDA	8,168.6	3,779.3	773.2		512.7	766.1	
	EBITDA growth	5.0%	-1.0%	9.1%	4.4%	7.9%	6.4%	7.2%
	2y CAGR (2025e - 2027e)	11.0%	14.2%	8.1%	11.1%	9.9%	6.5%	8.2%
	EBITDA/Revenues	12.2%	12.9%	17.4%	14.1%	16.9%	20.3%	18.6%
	EBIT	4,039.1	2,481.6	494.1		342.8	624.5	
	EBIT growth	6.5%	3.0%	9.9%	6.5%	23.9%	7.7%	15.8%
	2y CAGR (2025e - 2027e)	18.1%	19.3%	12.8%	16.7%	13.9%	7.0%	10.4%
	EBIT/Revenues	6.0%	8.5%	11.1%	8.5%	11.3%	16.5%	13.9%
	Net Profit	2,507.7	1,773.3	273.4		206.9	383.2	
	Net Profit growth	93.2%	41.3%	6.9%	47.1%	31.9%	10.8%	21.4%
	2y CAGR (2025e - 2027e)	23.6%	21.6%	21.6%	22.3%	16.0%	7.2%	11.6%
	CAPEX/Sales %	7.7%	6.0%	5.2%	6.3%	3.6%	6.7%	5.2%
	Free Cash Flow	837.2	1,671.5	253.9		175.7	287.7	
Net financial debt	20,112.6	7,854.3	1,434.6		1,385.3	859.1		
ND/EBITDA (x)	2.5	2.1	1.9	2.1	2.7	1.1	1.9	
Pay-out	82.5%	92.1%	55.0%	76.5%	34.1%	23.8%	28.9%	
Multiples and Ratios	P/E (x)	13.7	11.7	10.7	12.1	13.1	11.2	12.1
	P/BV (x)	1.1	1.9	1.3	1.4	1.4	3.0	2.2
	EV/Revenues (x)	1.0	1.0	1.1	1.0	1.5	1.4	1.5
	EV/EBITDA (x)	7.8	7.9	6.4	7.4	9.0	6.9	8.0
	EV/EBIT (x)	15.8	12.0	10.1	12.7	13.5	8.5	11.0
	ROE	8.4	16.1	11.8	12.1	10.6	26.8	18.7
	FCF Yield (%)	2.0	8.0	7.8	5.9	5.6	6.8	6.2
	DPS	2.32	5.02	0.46	2.60	0.77	1.65	1.21
	Dvd Yield	5.0%	7.8%	4.6%	5.8%	2.3%	2.1%	2.2%

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

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
02-Apr-2025	n.a.	1.00	n.a.	n.a.	12m Results 2024	Alfredo Echevarría Otegui
28-Aug-2024	n.a.	0.76	n.a.	n.a.	6m Results 2024	Alfredo Echevarría Otegui
27-May-2024	n.a.	0.80	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
13-Mar-2024	n.a.	0.70	n.a.	n.a.	12m Results 2023	Enrique Andrés Abad, CFA
29-Aug-2023	n.a.	0.90	n.a.	n.a.	6m Results 2023	Enrique Andrés Abad, CFA
12-Jun-2023	n.a.	0.88	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
08-May-2023	n.a.	0.80	n.a.	n.a.	3m Results 2023 - Estimates downgrade	David López Sánchez
31-Oct-2022	n.a.	1.07	n.a.	n.a.	6m Results 2022 - Estimates downgrade	David López Sánchez
15-Feb-2022	n.a.	1.94	n.a.	n.a.	12m 2021 Preliminary results	David López Sánchez
29-Oct-2021	n.a.	2.42	n.a.	n.a.	6m Results 2021	David López Sánchez
28-Jul-2021	n.a.	2.38	n.a.	n.a.	Initiation of Coverage	David López Sánchez

