

EQUITY - SPAIN

Sector: Real Estate

Closing price: EUR 1.72 (6 Jun 2024)

Report date: 7 Jun 2024 (11:00h)

Independent Equity Research

Libertas 7 (LIB), is a family group with headquarters in Valencia (Spain) structured around three areas: (i) property development and management, (ii) tourism management, with the leasing of apartments and the management of a hotel, and (iii) financial investment, via the management of its own assets through investment in stocks and private equity. It is managed and controlled by the founding family (c. 80% of capital).

Enrique Andrés Abad, CFA – enrique.andres@institutodeanalistas.com

+34 915 904 226

Market Data

Market Cap (Mn EUR and USD)	37.7	41.0
EV (Mn EUR and USD) ⁽¹⁾	41.8	45.5
Shares Outstanding (Mn)	21.9	
-12m (Max/Med/Mín EUR)	1.76 / 1.10 / 0.89	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽²⁾	2.9	
Factset / Bloomberg	LIB-ES / LIB SM	
Close fiscal year	31-Dec	

Significant upside (still). Despite the recent rally (LTM: +82%)

2024E: AN ATYPICAL (AND "IRRELEVANT") YEAR... The absence of income from the development business makes 2024e a year of transition. The development business is not expected to really take off until 2025e. Consolidated revenue in 1Q24 was EUR 1.0Mn (-87% vs 1Q23), driven almost entirely by the tourist rental business. The company broke even at the EBITDA level.

... IN WHICH RECURRING INCOME IN THE TOURIST BUSINESS AND FROM INVESTMENTS SHOULD LEAVE RECURRING EBITDA AT EUR 1.1MN. In 2024e we are estimating total revenue of EUR 7.1Mn and recurring EBITDA of EUR 1.1Mn (including income of EUR 3.0Mn from the equity portfolio). The tourist division stands out with estimated revenue of EUR 3.5Mn (vs EUR 3.2Mn 2023). In other words, both businesses are "key" to generating recurring income in an atypical year of no income from development.

2025E-2026E: START OF A NEW DEVELOPMENT CYCLE. All eyes should be on 2025e and beyond. Our estimates point to a recovery in a stable development business with the ability to deliver c.56 homes/year in 2025e and 2026e. In 2025e, we are estimating total revenue of EUR 20.6Mn, with EUR 14.5Mn coming from real estate. And with total recurring EBITDA of EUR 4.2Mn (vs EUR 3.0Mn in 2023).

LOW BUSINESS RISK. Thanks to: (i) recurring revenue in the tourist and property management businesses, which ensure breakeven at the EBITDA level without any income from development (as seen in 1Q24), (ii) conservative net debt (EUR 28Mn; net debt/equity: 0.3x); and (iii) high coverage of delivery targets for the coming years.

VERY SIGNIFICANT UPSIDE RELATIVE TO CURRENT VALUATIONS. The value of the investment portfolio net of debt (EUR 35Mn) explains c.93% of LIB's current market value. If we add in the present value of its net deferred tax assets (EUR 12.2Mn), we arrive at a value of 47.2Mn vs a market value of EUR 37.7Mn. In other words, the development and tourist businesses are not priced in. These figures highlight continued significant upside at LIB, despite the rally of the last 12 months: +82%; +48.0% vs Ibex 35. LIB remains an atypical option within the Spanish listed real estate space because of: 1) the resilience of its business model; 2) the chance to "play" the tourist and development businesses; and 3) the fact that momentum is about to take off considering the deliveries slated for 2025e-2026e.

Shareholders Structure (%)

Noguera Family and others	80.0
Treasury stock	3.6
Free Float	16.4

Financials (Mn EUR)

	2023	2024e	2025e	2026e
Adj. nº shares (Mn)	21.9	21.9	21.9	21.9
Total Revenues	13.4	7.1	20.6	22.3
Rec. EBITDA	3.0	1.1	4.2	5.3
% growth	64.8	-65.0	291.6	26.8
% Rec. EBITDA/Rev.	22.7	15.1	20.3	23.7
% Inc. EBITDA sector ⁽³⁾	3.4	8.5	6.4	5.9
Net Profit	2.3	-0.2	2.3	3.3
EPS (EUR)	0.11	-0.01	0.10	0.15
% growth	54.0	-109.8	n.a.	44.1
Ord. EPS (EUR)	0.09	-0.01	0.10	0.15
% growth	37.3	-113.7	909.1	44.1
Rec. Free Cash Flow ⁽⁴⁾	3.1	-2.0	4.9	5.7
Pay-out (%)	32.0	n.a.	39.6	30.5
DPS (EUR)	0.03	0.04	0.04	0.05
Net financial debt	29.1	31.9	28.0	23.4
ND/Rec. EBITDA (x)	9.5	29.9	6.7	4.4
ROE (%)	2.5	n.a.	2.4	3.4
ROCE (%) ⁽⁴⁾	2.6	1.0	3.7	4.9

Ratios & Multiples (x)⁽⁵⁾

	2023	2024e	2025e	2026e
P/E	16.3	n.a.	16.6	11.5
Ord. P/E	18.4	n.a.	16.6	11.5
P/BV	0.4	0.4	0.4	0.4
Dividend Yield (%)	2.0	2.3	2.4	2.7
EV/Sales	3.12	5.92	2.03	1.87
EV/Rec. EBITDA	13.7	39.2	10.0	7.9
EV/EBIT	13.6	n.a.	10.7	8.3
FCF Yield (%) ⁽⁴⁾	8.3	n.a.	12.9	15.2

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	34.4	48.3	81.9	68.6	-39.1	23.4
vs Ibex 35	28.2	32.1	48.0	48.9	-51.7	-1.1
vs Ibex Small Cap Index	29.2	31.2	58.6	51.5	-38.1	-8.4
vs Eurostoxx 50	31.4	43.8	54.2	50.4	-50.9	-18.7
vs Sector benchmark ⁽³⁾	30.6	35.1	51.7	69.5	-16.2	58.5

(1) Please refer to Appendix 3.

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

(3) Sector: Stoxx Europe 600 Real State.

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

(5) 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.

Conclusions

A (safe) investment play with significant upside. Trading at a P/BV multiple of 0.4x (vs 1.0x for its peers)

The recent 1Q24 results (scantly significant) revealed that: (i) 2024 will be (as expected) a year without income from the development business, having delivered the Crisálida development (34 units) in 2023, making this year a largely irrelevant transition year in which (as of 1Q24) the sales backlog stood at EUR 19.1Mn and the unsold stock amounted to EUR 26.5Mn (sharply increasing visibility for the following years); (ii) the tourist rental business is benefitting from strong sector momentum, with revenue of EUR 0.5Mn (+47% vs 1Q23); and (iii) the value of the investment portfolio totals EUR 62.8Mn. The weight of equities in the portfolio was 70% (vs 67% at year-end 2023).

Net debt, meanwhile, stood at EUR 28.1Mn (excluding the impact of IFRS 16). That implies ND/equity of 0.3x, evidencing a very conservative borrowing profile. This, without factoring in the company's (highly liquid) investment portfolio.

Table 1. 1Q24 Results

EUR Mn	3m24 Real	3m23	3m24 Real vs 3m23
Total Revenues	1.0	7.6	-86.5%
EBITDA	0.0	1.4	-97.4%
EBITDA/Revenues	3.5%	18.0%	-14.5 p.p.
EBIT	0.1	1.4	-92.7%
NP	-0.2	0.8	-129.9%
	3m24 Real	2023	
Net Debt	28.1	29.1	-3.5%
Book value	97.1	95.5	1.6%
Investment Portfolio	62.8	60.5	3.8%

And now what? All eyes should be on 2025e and beyond. 2025e will mark the start of a new development cycle

In our estimates for 2024e-2026e, we treat 2024e as a transition year, followed by two years of strong revenue and recurring EBITDA growth, fuelled by the residential development business.

LIB has three lines of business: (i) property development; (ii) tourist rentals; and (iii) investing. By line of activity we would highlight the following:

- Real estate: 2025e will mark the start of a new development cycle.** In 2024e, we are estimating income from the rental office and commercial premises of c.EUR 0.6Mn. The residential development business will not be a factor. As of 1Q24, the company had sold 76 homes, 55% of which were under presale agreement. In other words, visibility into deliveries in the coming years is high. In 2025e and 2026e, we are forecasting c.56 deliveries per year at an average price of c.EUR 0.3Mn. That implies total revenue in this business line of EUR 14.5Mn and 16.0Mn and recurring EBITDA of EUR 1.7Mn and EUR 2.6Mn in 2025e and 2026e (no extraordinary items), respectively.

Table 2. Estimates Real Estate Area

EUR Mn	2024e	2025e	2026e
Total Revenues	0.6	14.5	16.0
Recurrent EBITDA	-1.5	1.7	2.6
Units delivered	0	56.0	60.0
Unit price		0.3	0.3

The developments underpinning the deliveries forecast for 2025e and 2026e are: (i) The Paseo del Mar development (30 homes; construction was 30% complete at the 1Q24 close; slated for delivery in 2025e); (ii) the Zaida development (23 homes; also under construction and slated for delivery in 2025e); (iii) Gaia (18 homes) and Idalia Nature (34 single-family homes) which are on the market, with LIB in the process of seeking building permits; and (iv) Terrazas Puig (73 multi-family units), put on the market in 2024.

In short, between the developments underway and the land bank (Vesta with capacity for 18 homes; Pamelos with capacity for 60; and Capri IV), LIB has covered its deliveries to 2027. What this confirms is that 2024e is a year of transition, with the development business expected to take off in 2025e. It also proves that the business risk (development portfolio and pace of deliveries) is very low, given the high visibility around targeted deliveries.

- **Tourist business: very strong KPIs (occupancy and prices).** In 2024e, we are forecasting EUR 3.5Mn of revenue (vs EUR 3.2Mn in 2023), rising to EUR 3.9Mn in 2026e (without factoring in capacity increases). As of the 1Q24 close, LIB's capacity consisted of 42 hotel rooms and 76 apartments (unchanged from 1Q23). The revenue growth is therefore coming from higher occupancy (as materialised in 1Q24) and stronger pricing. We are therefore looking for recurring EBITDA of EUR 1.2Mn and EUR 1.3Mn in 2024e and 2026e, respectively.

Table 3. Tourism Area Estimates

EUR Mn	2024e	2025e	2026e
Total Revenues	3.5	3.6	3.9
Recurrent EBITDA	1.2	1.2	1.3

One statistic that vouches for the estimated growth in this business line is that actual revenue + bookings stood at EUR 2.0Mn at the 1Q24 close (vs EUR 1.3Mn the year before), i.e., growth of 52%.

- **Investment portfolio: this area will be marked by the disposal of the private equity portfolio (not included in our numbers).** We are estimating a dividend yield of c.3 to 4% from the equities portfolio, i.e., dividend income of EUR 1.6Mn in 2024e (vs EUR 1.2Mn in 2023), rising to EUR 1.7Mn in 2026e. In 2024e we are also forecasting capital gains of EUR 1.4Mn (vs EUR 1.3Mn in 2023 and an average of EUR 0.8Mn in the last 4 years). In 2025e and 2026e, we are forecasting a return to the average (EUR 0.8Mn). We are estimating recurring EBITDA of EUR 1.5Mn in each of 2024e and 2026e.

Elsewhere, LIB expects to start the process of unwinding its private equity portfolio in 2024e; this is not reflected in our numbers due to the extraordinary nature of the gains. This portfolio accounted for 15% of the total at the 1Q24 close (EUR 9Mn). This process should translate into accounting gains and an inflow of cash.

Table 4. Investment Area Estimates

EUR Mn	2024e	2025e	2026e
Total Revenues	3.0	2.4	2.5
Recurrent EBITDA	1.5	1.3	1.5

In sum, as already noted, all eyes should be on 2025e and beyond. That year we are estimating aggregate revenue of EUR 20.6Mn, with EUR 14.5Mn coming from the development and rental businesses. And total recurring EBITDA of EUR 4.2Mn (vs EUR 3.0Mn in 2023). That would push recurring FCF generation to EUR 4.9Mn and EUR 5.7Mn in 2025e and 2026e, respectively (coupled with the impact on working capital of the home deliveries).

Table 5. Consolidated Estimates 2024e-2026e

EUR Mn	2023	2024e	2025e	2026e
Total Revenues	13.4	7.1	20.6	22.3
Total Revenues growth	16.4%	-47.2%	191.6%	8.3%
Gross Margin	7.6	5.6	9.1	10.3
Gross Margin (o/Revenues)	56.8%	79.6%	44.2%	46.1%
Overhead Cost	(4.6)	(4.6)	(4.9)	(5.0)
% o/Revenues	-34.1%	-64.5%	-24.0%	-22.4%
Recurring EBITDA	3.0	1.1	4.2	5.3
Rec. EBITDA/Revenues	22.7%	15.1%	20.3%	23.7%
EBITDA	3.4	1.1	4.2	5.3
Rec. EBITDA/Revenues	9.8%	16.3%	25.4%	15.1%
EBIT	3.1	0.8	3.9	5.0
Rec. EBIT/Revenues	22.9%	11.6%	19.0%	22.6%
Ordinary profit	2.2	(0.0)	2.5	3.5
Recurrent Free Cash Flow	3.1	(2.0)	4.9	5.7

In a nutshell; pending lift-off in development. The development upside is not priced in (despite the level of visibility). In fact, the investment portfolio net of debt explains (virtually) all of LIB's current market cap.

It is common in the market for companies active in very different lines of business to trade at a discount (a conglomerate discount, where the market penalises a company for the diversity of business activities, particularly if they are not synergistic). In other words, the market values a diversified group at less than the sum of its parts. In our opinion, this is clearly happening at LIB. Despite a very strong rally in the last 12 months (+81.9%; +48.0% vs Ibex 35, +51.7% vs peers), which suggests that the market is beginning to take stock of the scale of the discount.

The value of LIB's investment portfolio net of debt (EUR 28Mn) at 31 March 2024 (EUR 58.6Mn excluding cash, already factored into the net debt calculation), represents c.81% of LIB's current market value (EUR 37.7Mn). This does not even factor in the (more than likely) capital gains on the private equity portfolio (15% of the total). Assuming an exit multiple of 1.5x, we are talking about a private equity portfolio value of around EUR 13.5Mn. In other words, a total portfolio (net of debt) of EUR 35.0Mn (93% of current market value). This shows that LIB remains an atypical - and safe - investment play in the Spanish real estate space.

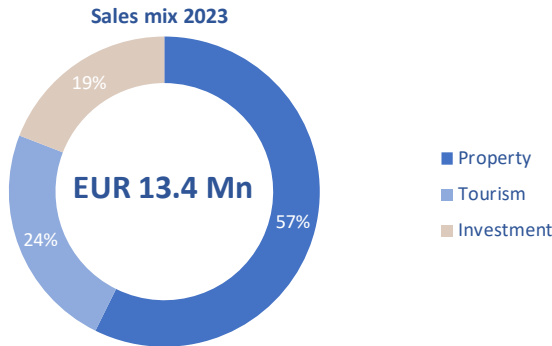
Moreover, LIB ended 1Q24 with EUR 36.0Mn of deferred tax assets and EUR 15.1Mn of deferred tax liabilities for a net asset position of EUR 20.9Mn (implying a saving by preventing cash outflows for tax payments). We estimate that the net present value of the net deferred tax asset (discounting flows to 2039 and assuming a tax rate of 25% and a WACC of 6.6%; refer to pg. 10 of this report) of EUR 12.2Mn. Adding this to the portfolio value (including the capital gains on private equity) net of debt yields a value of c.EUR 47.2Mn vs the current market value of EUR 37.7Mn. This further reinforces the LIB investment thesis: the development and tourist businesses are not priced in. The theoretical upside with respect to existing valuations is, apparently, very high. Despite the rally of the last 12 months (c.+82%).

Alternatively, if we apply the average EV/EBITDA 25x multiple of its main listed comps in the development business (13x) and of its peers in the tourism business (10.1x) we obtain values of EUR 22.1Mn and EUR 12.1Mn, respectively. If we then add in, (only) the value of the equities portfolio (c.EUR 47Mn), excluding the fixed and private equity investments, we arrive at a total value net of debt of EUR 53.1Mn vs the current market value of EUR 37.7Mn, further highlighting the scale of the prevailing market discount.

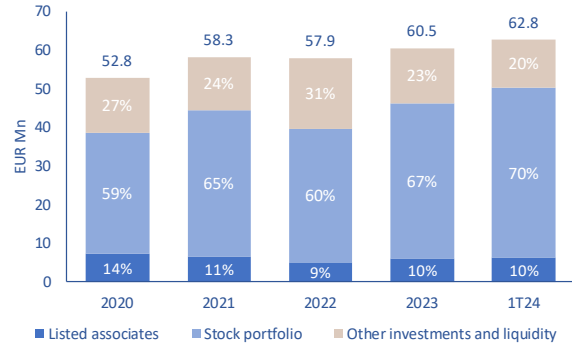
Lastly, we would flag LIB's low risk profile: (i) low business risk, as the recurring income from the tourist and property management businesses ensures breakeven without assuming any revenue from development (as was seen in 1Q24); (ii) low financial risk, with net debt under control (EUR 28Mn; net debt to equity of 0.3x); and (iii) high visibility into deliveries in the coming years (sales backlog of EUR 19.1Mn and stock of unsold housing of EUR 26.5Mn). This supports the idea of a very low risk business model.

The company in 8 charts

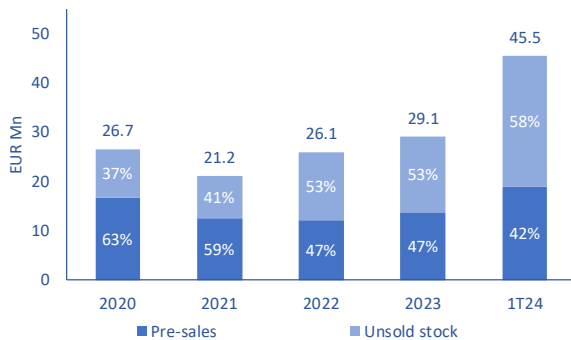
A group with three core businesses: property development, tourism management and financial investment



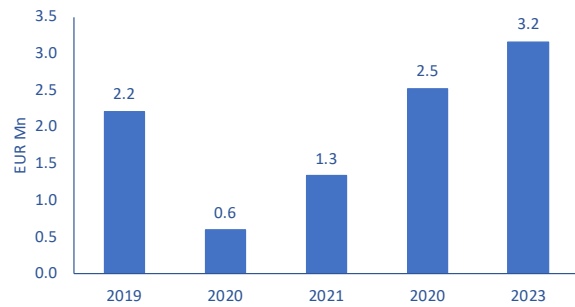
Investment area: provides greater diversification of assets (which reduces group risk), liquidity and profitability



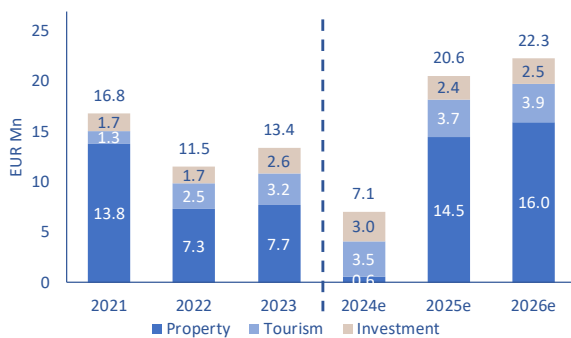
Agreements and bookings (EUR 19.1Mn) and unsold stock (EUR 26.5Mn) lend visibility to the development business



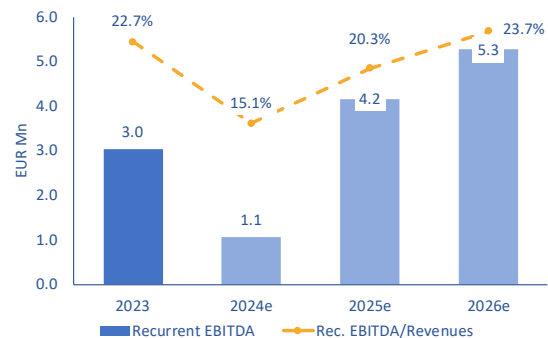
The tourism business is also much bigger than in 2019 (and still has more room to grow)



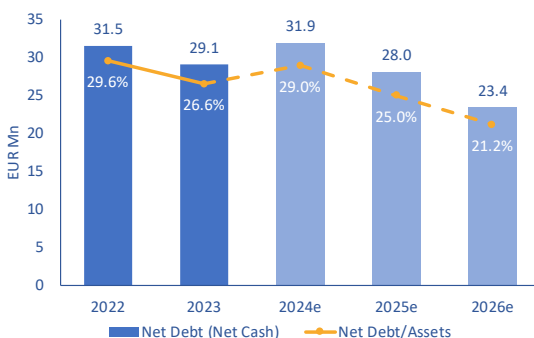
2024e-2025e: the development business will be the main driver of revenue growth



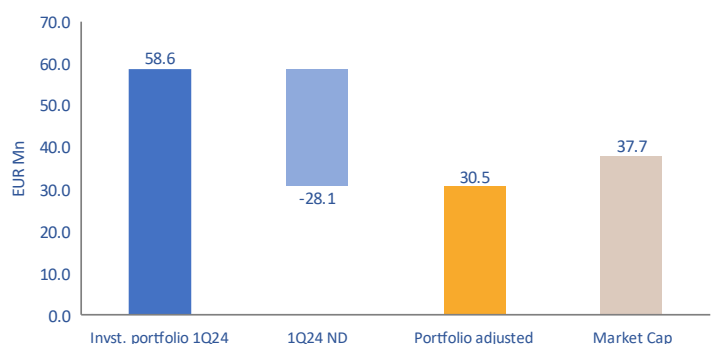
This will be visible in the generation of recurring EBITDA



All while maintaining a comfortable financial position (ND/Assets < 30%)



A potential (and "objectively" evident) reserve of value that has still gone unnoticed by the market



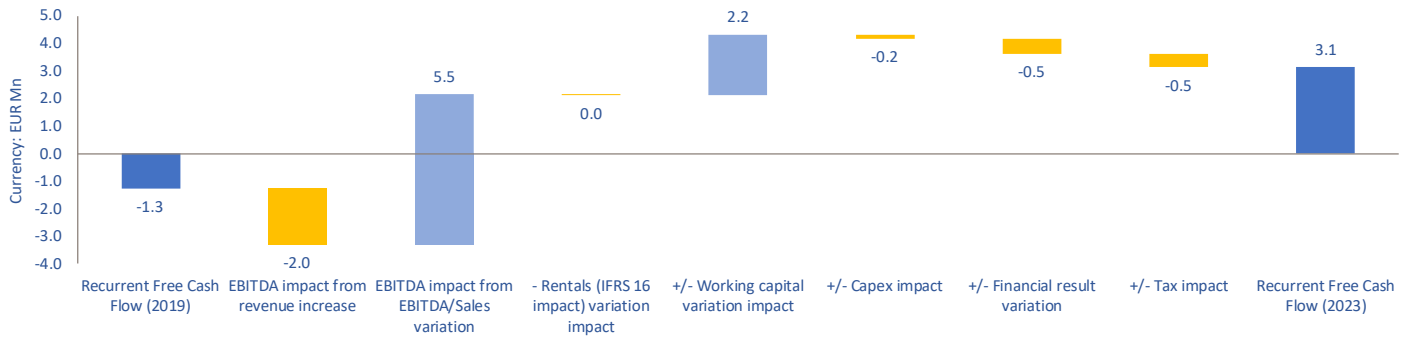
Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
Intangible assets	2.0	2.2	2.0	1.7	1.5	1.5	1.5	1.5		
Fixed assets	38.6	38.0	38.4	37.5	38.6	38.8	39.2	39.6		
Other Non Current Assets	35.3	36.8	36.1	35.9	35.2	35.2	35.2	35.2		
Financial Investments	53.6	43.3	52.0	51.8	55.8	55.9	55.3	54.5		
Goodwill & Other Intangibles	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6		
Current assets	16.7	22.0	15.6	14.8	12.6	13.4	15.7	14.3		
Total assets	146.7	143.0	144.7	142.2	144.3	145.3	147.5	145.6		
Equity	96.1	87.9	91.5	92.3	95.5	94.5	95.8	98.0		
Minority Interests	-	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	13.4	13.4	13.9	13.9	14.9	14.9	14.9	14.9		
Other Non Current Liabilities	2.1	2.2	2.1	1.7	1.5	1.5	1.5	1.5		
Net financial debt	31.3	34.1	32.6	31.5	29.1	31.9	28.0	23.4		
Current Liabilities	3.8	5.4	4.6	2.8	3.3	2.5	7.3	7.9		
Equity & Total Liabilities	146.7	143.0	144.7	142.2	144.3	145.3	147.5	145.6		
P&L (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
Total Revenues	5.6	3.9	16.8	11.5	13.4	7.1	20.6	22.3	24.6%	18.5%
<i>Total Revenues growth</i>	<i>11.4%</i>	<i>-29.3%</i>	<i>328.4%</i>	<i>-31.6%</i>	<i>16.4%</i>	<i>-47.2%</i>	<i>191.6%</i>	<i>8.3%</i>		
COGS	(1.4)	(1.4)	(12.1)	(5.5)	(5.8)	(1.4)	(11.5)	(12.0)		
Gross Margin	4.2	2.5	4.7	6.0	7.6	5.6	9.1	10.3	16.1%	10.6%
<i>Gross Margin/Revenues</i>	<i>75.4%</i>	<i>64.8%</i>	<i>28.0%</i>	<i>51.8%</i>	<i>56.8%</i>	<i>79.6%</i>	<i>44.2%</i>	<i>46.1%</i>		
Personnel Expenses	(2.2)	(1.7)	(2.0)	(2.2)	(2.4)	(2.5)	(2.7)	(2.8)		
Other Operating Expenses	(2.4)	(1.5)	(2.1)	(1.9)	(2.2)	(2.1)	(2.2)	(2.2)		
Recurrent EBITDA	(0.4)	(0.7)	0.6	1.8	3.0	1.1	4.2	5.3	77.9%	20.2%
<i>Recurrent EBITDA growth</i>	<i>-128.2%</i>	<i>-80.8%</i>	<i>184.9%</i>	<i>217.0%</i>	<i>64.8%</i>	<i>-65.0%</i>	<i>291.6%</i>	<i>26.8%</i>		
<i>Rec. EBITDA/Revenues</i>	<i>n.a.</i>	<i>n.a.</i>	<i>3.5%</i>	<i>16.1%</i>	<i>22.7%</i>	<i>15.1%</i>	<i>20.3%</i>	<i>23.7%</i>		
Restructuring Expense & Other non-rec.	0.0	(0.4)	1.1	0.0	0.4	-	-	-		
EBITDA	(0.4)	(1.1)	1.7	1.9	3.4	1.1	4.2	5.3	82.3%	15.9%
Depreciation & Provisions	0.1	(0.0)	0.3	0.3	(0.1)	(0.0)	(0.0)	(0.0)		
Capitalized Expense	-	-	-	-	-	-	-	-		
Rentals (IFRS 16 impact)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)		
EBIT	(0.5)	(1.3)	1.7	1.9	3.1	0.8	3.9	5.0	70.3%	18.0%
<i>EBIT growth</i>	<i>n.a.</i>	<i>-162.3%</i>	<i>234.1%</i>	<i>14.8%</i>	<i>58.7%</i>	<i>-73.4%</i>	<i>380.7%</i>	<i>28.5%</i>		
<i>EBIT/Revenues</i>	<i>n.a.</i>	<i>n.a.</i>	<i>10.0%</i>	<i>16.8%</i>	<i>22.9%</i>	<i>11.6%</i>	<i>19.0%</i>	<i>22.6%</i>		
Impact of Goodwill & Others	2.5	(0.1)	0.8	0.9	1.3	-	-	-		
Net Financial Result	(0.6)	(0.9)	(0.5)	(0.6)	(1.2)	(1.1)	(1.1)	(0.9)		
Income by the Equity Method	0.1	(1.7)	(0.4)	(0.1)	0.0	0.0	0.0	0.0		
Ordinary Profit	1.5	(3.9)	1.6	2.2	3.2	(0.3)	2.8	4.1	21.4%	8.3%
<i>Ordinary Profit Growth</i>	<i>48.7%</i>	<i>-359.7%</i>	<i>140.5%</i>	<i>37.9%</i>	<i>49.5%</i>	<i>-108.7%</i>	<i>n.a.</i>	<i>44.1%</i>		
Extraordinary Results	-	-	-	-	-	-	-	-		
Profit Before Tax	1.5	(3.9)	1.6	2.2	3.2	(0.3)	2.8	4.1	21.4%	8.3%
Tax Expense	(0.4)	0.3	(0.4)	(0.7)	(0.9)	0.1	(0.6)	(0.8)		
<i>Effective Tax Rate</i>	<i>28.8%</i>	<i>n.a.</i>	<i>22.4%</i>	<i>30.6%</i>	<i>28.5%</i>	<i>n.a.</i>	<i>20.0%</i>	<i>20.0%</i>		
Minority Interests	-	-	-	-	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	1.1	(3.6)	1.2	1.5	2.3	(0.2)	2.3	3.3	21.5%	12.4%
<i>Net Profit growth</i>	<i>669.9%</i>	<i>-440.0%</i>	<i>133.8%</i>	<i>23.4%</i>	<i>54.0%</i>	<i>-109.8%</i>	<i>n.a.</i>	<i>44.1%</i>		
Ordinary Net Profit	1.1	(3.5)	0.4	1.5	2.1	(0.3)	2.3	3.3	18.1%	16.9%
<i>Ordinary Net Profit growth</i>	<i>79.5%</i>	<i>-430.9%</i>	<i>111.0%</i>	<i>287.7%</i>	<i>37.3%</i>	<i>-113.7%</i>	<i>909.1%</i>	<i>44.1%</i>		
Cash Flow (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
Recurrent EBITDA						1.1	4.2	5.3	77.9%	20.2%
Rentals (IFRS 16 impact)						(0.2)	(0.2)	(0.2)		
Working Capital Increase						(1.6)	2.4	2.1		
Recurrent Operating Cash Flow						-0.8	6.3	7.1	n.a.	9.1%
CAPEX						(0.1)	(0.4)	(0.4)		
Net Financial Result affecting the Cash Flow						(1.1)	(1.1)	(0.9)		
Tax Expense						-	-	-		
Recurrent Free Cash Flow						(2.0)	4.9	5.7	45.4%	22.3%
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						(2.0)	4.9	5.7	8.7%	20.4%
Capital Increase						-	-	-		
Dividends						(0.8)	(1.0)	(1.1)		
Net Debt Variation						2.9	(3.9)	(4.6)		

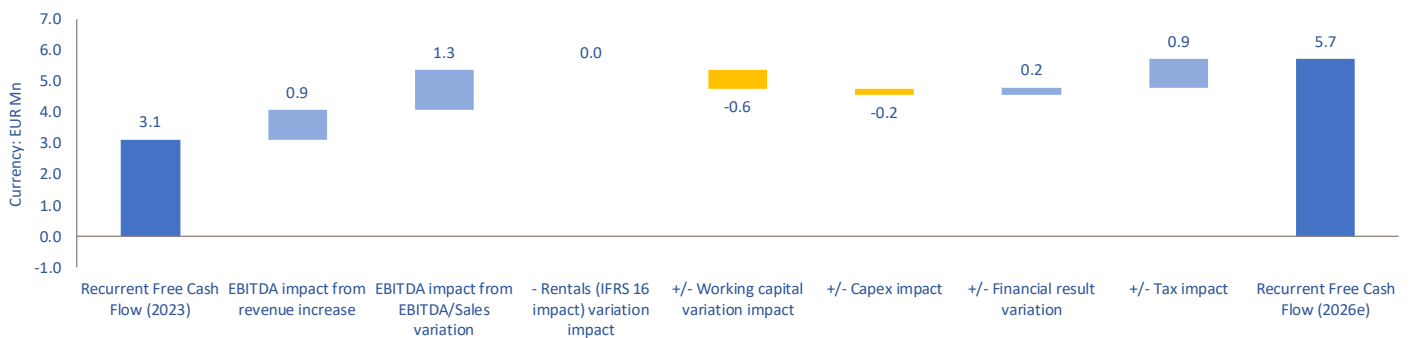
Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
								20-23	23-26e
Recurrent EBITDA	(0.7)	0.6	1.8	3.0	1.1	4.2	5.3	86.0%	20.2%
<i>Recurrent EBITDA growth</i>	-80.8%	184.9%	217.0%	64.8%	-65.0%	291.6%	26.8%		
<i>Rec. EBITDA/Revenues</i>	n.a.	3.5%	16.1%	22.7%	15.1%	20.3%	23.7%		
- Rentals (IFRS 16 impact)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)		
+/- Working Capital increase	(3.7)	5.6	(1.0)	2.7	(1.6)	2.4	2.1		
= Recurrent Operating Cash Flow	(4.6)	6.0	0.6	5.5	(0.8)	6.3	7.1	47.2%	9.1%
<i>Rec. Operating Cash Flow growth</i>	n.a.	229.8%	-89.6%	778.3%	-114.3%	908.3%	12.2%		
<i>Rec. Operating Cash Flow / Sales</i>	n.a.	35.6%	5.4%	41.0%	n.a.	30.8%	31.9%		
- CAPEX	(0.3)	(0.1)	(0.2)	(0.2)	(0.1)	(0.4)	(0.4)		
- Net Financial Result affecting Cash Flow	(0.7)	(0.7)	(0.6)	(1.2)	(1.1)	(1.1)	(0.9)		
- Taxes	0.3	(0.4)	(0.7)	(0.9)	-	-	-		
= Recurrent Free Cash Flow	(5.4)	4.9	(0.9)	3.1	(2.0)	4.9	5.7	37.2%	22.3%
<i>Rec. Free Cash Flow growth</i>	-324.1%	190.8%	-117.5%	465.2%	-164.7%	339.3%	18.1%		
<i>Rec. Free Cash Flow / Revenues</i>	n.a.	29.0%	n.a.	23.4%	n.a.	23.5%	25.7%		
- Restructuring expenses & others	(0.4)	1.1	0.0	0.4	-	-	-		
- Acquisitions / + Divestments	1.1	(0.6)	2.2	(0.2)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow	(4.7)	5.4	1.4	3.3	(2.0)	4.9	5.7	39.4%	20.4%
<i>Free Cash Flow growth</i>	-297.4%	215.6%	-73.7%	132.7%	-161.7%	339.3%	18.1%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	n.a.	13.0%	n.a.	8.3%	n.a.	12.9%	15.2%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	n.a.	14.3%	3.7%	8.7%	n.a.	12.9%	15.2%		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
Recurrent FCF(FY - 1)	(1.3)	(5.4)	4.9	(0.9)	3.1	(2.0)	4.9		
EBITDA impact from revenue increase	0.1	(2.3)	(0.2)	0.3	(1.4)	2.0	0.3		
EBITDA impact from EBITDA/Sales variation	(0.4)	3.5	1.4	0.9	(0.5)	1.1	0.8		
= Recurrent EBITDA variation	(0.3)	1.3	1.3	1.2	(2.0)	3.1	1.1		
- Rentals (IFRS 16 impact) variation impact	-	(0.0)	-	-	-	-	-		
+/- Working capital variation impact	(4.2)	9.4	(6.6)	3.7	(4.3)	4.0	(0.3)		
= Recurrent Operating Cash Flow variation	(4.5)	10.6	(5.4)	4.9	(6.3)	7.1	0.8		
+/- CAPEX impact	(0.3)	0.3	(0.2)	(0.0)	0.1	(0.3)	(0.0)		
+/- Financial result variation	(0.0)	(0.0)	0.1	(0.6)	0.1	0.0	0.1		
+/- Tax impact	0.7	(0.6)	(0.3)	(0.3)	0.9	-	-		
= Recurrent Free Cash Flow variation	(4.1)	10.3	(5.7)	4.0	(5.2)	6.9	0.9		
Recurrent Free Cash Flow	(5.4)	4.9	(0.9)	3.1	(2.0)	4.9	5.7		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
EBIT	(1.3)	1.7	1.9	3.1	0.8	3.9	5.0	64.4%	18.0%
* <i>Theoretical Tax rate</i>	0.0%	22.4%	30.0%	28.5%	0.0%	20.0%	20.0%		
= Taxes (pre- Net Financial Result)	-	(0.4)	(0.6)	(0.9)	-	(0.8)	(1.0)		
Recurrent EBITDA	(0.7)	0.6	1.8	3.0	1.1	4.2	5.3	86.0%	20.2%
- Rentals (IFRS 16 impact)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)		
+/- Working Capital increase	(3.7)	5.6	(1.0)	2.7	(1.6)	2.4	2.1		
= Recurrent Operating Cash Flow	(4.6)	6.0	0.6	5.5	(0.8)	6.3	7.1	47.2%	9.1%
- CAPEX	(0.3)	(0.1)	(0.2)	(0.2)	(0.1)	(0.4)	(0.4)		
- Taxes (pre- Financial Result)	-	(0.4)	(0.6)	(0.9)	-	(0.8)	(1.0)		
= Recurrent Free Cash Flow (To the Firm)	(5.0)	5.6	(0.2)	4.4	(0.9)	5.2	5.7	42.3%	9.1%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	n.a.	212.0%	-103.1%	n.a.	-121.2%	655.8%	10.1%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	n.a.	33.0%	n.a.	32.6%	n.a.	25.0%	25.4%		
- Acquisitions / + Divestments	1.1	(0.6)	2.2	(0.2)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow "To the Firm"	(3.9)	5.0	2.1	4.2	(0.9)	5.2	5.7	45.5%	10.8%
<i>Free Cash Flow (To the Firm) growth</i>	-212.1%	228.9%	-58.3%	101.0%	-122.2%	655.8%	10.1%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	n.a.	13.3%	n.a.	10.4%	n.a.	12.3%	13.6%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	n.a.	11.9%	5.0%	10.0%	n.a.	12.3%	13.6%		

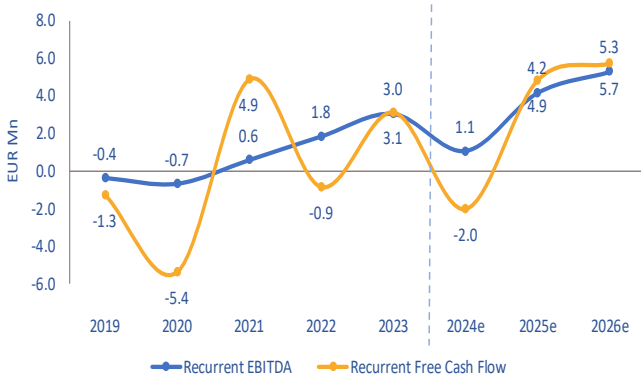
Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



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	37.7	
+ Minority Interests	-	3m Results 2024
+ Provisions & Other L/T Liabilities	0.1	3m Results 2024
+ Net financial debt	28.1	3m Results 2024
- Financial Investments	1.4	3m Results 2024
+/- Others ⁽¹⁾	(22.5)	3m Results 2024
Enterprise Value (EV)	41.8	

(1) Related to: (i) the book value (not actuarial) of deferred tax assets and liabilities (EUR 36.0Mn and EUR 15.1Mn, respectively) and (ii) the market value of treasury stock (c.EUR 1.5Mn)

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	10.1	9.0	5.7	5.2	3.7	5.0	5.6	3.9	16.8	11.5	13.4	7.1	20.6	22.3	2.9%	18.5%
Total Revenues growth	-79.2%	-11.1%	-36.2%	-9.8%	-28.3%	34.6%	11.4%	-29.3%	328.4%	-31.6%	16.4%	-47.2%	191.6%	8.3%		
EBITDA	(8.2)	1.4	0.5	0.3	0.2	(0.0)	(0.4)	(1.1)	1.7	1.9	3.4	1.1	4.2	5.3	9.2%	15.9%
EBITDA growth	73.9%	116.9%	-62.2%	-39.7%	-44.0%	-103.7%	n.a.	-180.8%	256.2%	13.4%	81.7%	-68.7%	291.6%	26.8%		
EBITDA/Sales	n.a.	15.5%	9.2%	6.1%	4.8%	n.a.	n.a.	n.a.	9.8%	16.3%	25.4%	15.1%	20.3%	23.7%		
Net Profit	(48.6)	0.7	1.2	0.9	0.3	0.1	1.1	(3.6)	1.2	1.5	2.3	(0.2)	2.3	3.3	7.4%	12.4%
Net Profit growth	-64.7%	101.4%	72.8%	-20.7%	-64.6%	-58.0%	669.9%	-440.0%	133.8%	23.4%	54.0%	-109.8%	n.a.	44.1%		
Adjusted number shares (Mn)	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	21.0	21.9	21.9	21.9	21.9	21.9		
EPS (EUR)	-2.33	0.03	0.06	0.04	0.02	0.01	0.05	-0.17	0.06	0.07	0.11	-0.01	0.10	0.15	7.4%	12.4%
EPS growth	-64.7%	n.a.	72.9%	-20.7%	-64.6%	-58.0%	n.a.	n.a.	n.a.	18.3%	54.0%	n.a.	n.a.	44.1%		
Ord. EPS (EUR)	-2.33	0.03	0.06	0.04	0.02	0.01	0.05	-0.17	0.02	0.07	0.09	-0.01	0.10	0.15	7.4%	16.9%
Ord. EPS growth	-64.7%	n.a.	72.9%	-20.7%	-64.6%	-64.7%	n.a.	n.a.	n.a.	n.a.	37.3%	n.a.	n.a.	44.1%		
CAPEX	0.0	0.0	0.1	0.1	0.0	(0.2)	(0.1)	(0.3)	(0.1)	(0.2)	(0.2)	(0.1)	(0.4)	(0.4)		
CAPEX/Sales %	n.a.	n.a.	n.a.	n.a.	n.a.	4.8%	1.3%	8.7%	0.4%	1.9%	1.8%	2.0%	2.0%	2.0%		
Free Cash Flow	10.3	17.8	4.9	3.7	3.1	0.9	2.4	(4.7)	5.4	1.4	3.3	(2.0)	4.9	5.7	#####	20.4%
ND/EBITDA (x) ⁽²⁾	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	19.7x	16.8x	8.5x	29.9x	6.7x	4.4x	#	
P/E (x)	n.a.	67.1x	36.3x	45.8x	n.a.	n.a.	29.8x	n.a.	25.7x	12.9x	9.7x	n.a.	16.6x	11.5x		
EV/Sales (x)	2.19x	5.08x	7.12x	7.46x	9.28x	8.86x	8.01x	10.53x	2.64x	2.56x	2.32x	5.92x	2.03x	1.87x		
EV/EBITDA (x) ⁽²⁾	n.a.	32.8x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	27.0x	15.7x	9.1x	39.2x	10.0x	7.9x		
Absolute performance	-64.9%	135.0%	-6.4%	0.0%	-0.1%	-30.1%	6.4%	-12.5%	12.4%	-40.4%	15.4%	68.6%				
Relative performance vs Ibx 35	-71.1%	126.7%	0.8%	2.1%	-7.0%	-17.8%	-4.8%	3.5%	4.1%	-36.8%	-6.0%	48.9%				

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

		Real estate				Tourism					
EUR Mn		Metrovacesa	Aedas Homes	Neinor Homes	Insur	Average	Playa Hotels & Resorts	PPH Hotel Group	Pierre et Vacances	Average	LIB
Market data	Ticker (Factset)	MVC-ES	AEDAS-ES	HOME-ES	ISUR-ES		PLYA-US	PPH-GB	VAC-FR		LIB-ES
	Country	Spain	Spain	Spain	Spain		Netherlands	Netherlands	France		Spain
	Market cap	1,301.4	981.1	914.6	158.7		1,049.2	669.2	676.2		37.7
	Enterprise value (EV)	1,505.1	1,485.8	1,107.8	402.4		2,046.2	2,112.9	3,875.9		41.8
Basic financial information	Total Revenues	675.5	988.9	668.0	187.4		877.4	529.4	1,974.9		7.1
	Total Revenues growth	15.2%	-1.8%	12.4%	33.5%	14.8%	-2.4%	8.8%	10.5%	5.6%	-47.2%
	2y CAGR (2024e - 2026e)	4.8%	4.2%	1.2%	-6.2%	1.0%	4.7%	5.9%	2.5%	4.4%	77.7%
	EBITDA	68.1	155.1	97.3	30.7		245.5	170.8	171.4		1.1
	EBITDA growth	455.1%	-0.9%	-9.6%	64.8%	127.4%	3.5%	13.5%	-64.3%	-15.7%	-68.7%
	2y CAGR (2024e - 2026e)	7.2%	3.3%	-1.6%	-1.5%	1.9%	2.3%	9.5%	8.2%	6.7%	n.a.
	EBITDA/Revenues	10.1%	15.7%	14.6%	16.4%	14.2%	28.0%	32.3%	8.7%	23.0%	15.1%
	EBIT	62.7	148.6	92.4	26.4		160.3	109.7	107.9		0.8
	EBIT growth	590.4%	-2.6%	-7.8%	80.9%	165.2%	-1.0%	12.4%	-49.5%	-12.7%	-73.4%
	2y CAGR (2024e - 2026e)	11.7%	3.8%	-1.3%	-2.2%	3.0%	5.3%	11.6%	10.0%	9.0%	n.a.
	EBIT/Revenues	9.3%	15.0%	13.8%	14.1%	13.1%	18.3%	20.7%	5.5%	14.8%	11.6%
	Net Profit	39.0	98.6	67.1	12.5		69.7	39.6	47.1		(0.2)
	Net Profit growth	287.1%	0.6%	-25.9%	10.9%	68.2%	40.7%	50.3%	174.6%	88.6%	-109.8%
2y CAGR (2024e - 2026e)	11.3%	7.8%	-3.1%	-1.5%	3.6%	21.9%	24.6%	25.0%	23.8%	n.a.	
CAPEX/Sales %	3.4%	15.2%	18.7%	33.0%	17.6%	8.4%	13.6%	4.8%	8.9%	2.0%	
Free Cash Flow	116.8	97.1	145.1	(6.9)		3.4	50.9	(3.4)		(2.0)	
Net financial debt	304.0	366.2	257.7	253.1		770.0	848.4	(42.9)		31.9	
ND/EBITDA (x)	4.5	2.4	2.6	8.3	4.4	3.1	5.0	n.a.	4.1	29.9	
Pay-out	335.0%	87.4%	275.3%	47.2%	186.2%	0.0%	51.2%	0.0%	17.1%	-377.9%	
Multiples and Ratios	P/E (x)	33.8	9.7	13.5	12.1	17.3	15.1	15.2	15.6	15.3	n.a.
	P/BV (x)	0.8	1.0	1.0	1.0	1.0	2.0	1.7	12.7	5.5	0.4
	EV/Revenues (x)	2.2	1.5	1.7	2.1	1.9	2.3	4.0	2.0	2.8	5.9
	EV/EBITDA (x)	22.1	9.6	11.4	13.1	14.0	8.3	12.4	22.6	14.4	39.2
	EV/EBIT (x)	24.0	10.0	12.0	15.2	15.3	12.8	19.3	35.9	22.6	n.a.
	ROE	2.4	10.7	7.6	8.0	7.2	13.4	11.4	81.3	35.4	n.a.
	FCF Yield (%)	9.0	9.9	15.9	n.a.	11.6	0.3	7.6	n.a.	4.0	n.a.
	DPS	0.86	1.98	2.48	0.32	1.41	0.00	0.48	0.00	0.16	0.04
Dvd Yield	10.1%	8.8%	20.3%	3.8%	10.7%	0.0%	3.0%	0.0%	1.0%	2.3%	

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).

Appendix 6. Valuation inputs

Inputs for the DCF Valuation Approach

	2024e	2025e	2026e	Terminal Value ⁽¹⁾		
Free Cash Flow "To the Firm"	(0.9)	5.2	5.7	126.7		
Market Cap	37.7	At the date of this report				
Net financial debt	28.1	Debt net of Cash (3m Results 2024)				
					Best Case	Worst Case
Cost of Debt	1.6%	Net debt cost			1.4%	1.9%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	1.3%	$K_d = \text{Cost of Net Debt} * (1-T)$			1.1%	1.5%
Risk free rate (rf)	3.3%	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	10.5%	$K_e = R_f + (R * B)$			9.3%	11.7%
Equity / (Equity + Net Debt)	57.3%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	42.7%	D			=	=
WACC	6.6%	$WACC = K_d * D + K_e * E$			5.8%	7.4%
G "Fair"	2.0%				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
Metrovacesa	MVC-ES		1,301.4	33.8	11.0%	22.1	7.2%	2.2	4.8%	10.1%	9.0%	-20.4%
Aedas Homes	AEDAS-ES		981.1	9.7	11.2%	9.6	3.3%	1.5	4.2%	15.7%	9.9%	n.a.
Neinor Homes	HOME-ES		914.6	13.5	-1.7%	11.4	-1.6%	1.7	1.2%	14.6%	15.9%	-23.5%
Insur	ISUR-ES		158.7	12.1	-2.5%	13.1	-1.5%	2.1	-6.2%	16.4%	n.a.	n.a.
Real estate				17.3	4.5%	14.0	1.9%	1.9	1.0%	14.2%	11.6%	-22.0%
Playa Hotels & Resorts	PLYA-US		1,049.2	15.1	23.8%	8.3	2.3%	2.3	4.7%	28.0%	0.3%	n.a.
PPHE Hotel Group	PPH-GB		669.2	15.2	20.3%	12.4	9.5%	4.0	5.9%	32.3%	7.6%	37.2%
Pierre et Vacances	VAC-FR		676.2	15.6	18.4%	22.6	8.2%	2.0	2.5%	8.7%	n.a.	n.a.
Tourism				15.3	20.8%	14.4	6.7%	2.8	4.4%	23.0%	4.0%	37.2%
LIB	LIB-ES		37.7	n.a.	n.a.	39.2	n.a.	5.9	77.7%	15.1%	n.a.	n.a.

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	22.3%	4.6	9.1x
Central	20.3%	4.2	10.0x
Min	18.3%	3.8	11.1x

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

FCF Rec. EUR Mn	CAPEX/Sales 25e			Scenario	Rec. FCF/Yield 25e		
EBITDA 25e	1.8%	2.0%	2.2%		Max	14.1%	14.0%
4.6	5.3	5.3	5.2	Central	13.0%	12.9%	12.8%
4.2	4.9	4.9	4.8	Min	11.9%	11.8%	11.7%
3.8	4.5	4.4	4.4				

LIGHTHOUSE

Calle Núñez de Balboa, 108 1ª Planta
28006 Madrid
T: +34 915 904 226
institutodeanalistas.com/lighthouse

Alfredo Echevarría Otegui

Head of research

alfredo.echevarria@institutodeanalistas.com

Luis Esteban Arribas, CESGA

Equity research

luis.esteban@institutodeanalistas.com

Enrique Andrés Abad, CFA

Equity research

enrique.andres@institutodeanalistas.com

José Miguel Cabrera van Grieken

Equity research

jose.cabrera@institutodeanalistas.com

Jesús López Gómez, CESGA

ESG Analyst & Data analytics

jesus.lopez@institutodeanalistas.com

All Lighthouse research documents are available simultaneously on the Lighthouse website (institutodeanalistas.com/lighthouse) and via third-party aggregators such as Bloomberg, Factset, Capital IQ and Refinitiv.

IMPORTANT LEGAL INFORMATION REGARDING THIS REPORT

LIGHTHOUSE

Lighthouse is a project of IEAF Servicios de Análisis S.L.U. Lighthouse is a research project funded by Bolsas y Mercados Españoles S.A. Lighthouse aims to improve the research coverage of the "orphan stocks" of the Spanish market: those which lack real and continuous research coverage. Lighthouse reports will not include valuation and target price. Lighthouse does not seek to provide investment advice to any natural or legal person. For this reason, Lighthouse will not provide a valuation, target price or investment recommendation for any of the securities analysed.

IEAF Servicios de Análisis S.L.U. is a Spanish company whose corporate purpose is:

- 1º) To provide information and financial analysis regarding securities issued by any class of legal person traded or not on official secondary markets, and especially (but not exclusively) those securities which are not the object of the recurrent provision of information and analysis by financial analysts who participate in the markets.
- 2º) To publicise and update the aforementioned financial reports and analysis, in addition to the monitoring and following of the securities on which the information and analysis is provided.
- 3º) To prepare studies and projects aimed at proposing and implementing measures to improve the information and financial analysis of securities traded on official secondary markets.

IEAF Servicios de Análisis S.L.U. is a company whose sole shareholder is the Instituto Español de Analistas Financieros, a professional, not for profit association.

DISCLAIMER

The Instituto Español de Analistas Financieros hereby certifies that the analyst of IEAF Servicios de Análisis S.L.U. whose name figures as the author of this report, expresses views that reflect their personal and independent opinion of the company analysed without these implying, either directly or indirectly, a personalised recommendation of the company analysed for purposes of providing investment advice. This report is based on the preparation of detailed financial projections from information available to the public and following traditional fundamental research methodology (i.e. it is not a technical or quantitative analysis report). For the analysis methodology used in the preparation of this report, please contact the analyst directly; contact details are included on the front page of this report.

The report includes basic information regarding the main parameters to be used by an investor when making their own valuation (whether by discounted cash flows or multiples). These parameters are the personal opinion or estimate of the analyst. The person receiving this report should use their own judgement when using these parameters and should consider them as another element in their decision-making process in respect of investment. These parameters do not represent a personalised investment recommendation.

Rules governing confidentiality and conflicts of interest

None of the following rules governing confidentiality and conflicts of interest (12) is applicable to this report:

1. This report is non-independent research as it has been commissioned by the company analysed (issuer).
2. In the last 12 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., has had Investment Banking mandates or has managed or co-managed a public offering of the securities of the issuer, or has received compensation from said issuer for Investment Banking services, that exclude brokerage services for prepaid fees.
3. In the next 6 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., expects to receive or intends to obtain compensation for Investment Banking services provided to this company that exclude brokerage services for prepaid fees.
4. The Investment Analyst or a member of the Research Department or a member of their household has a long position in the shares or derivatives of the corresponding issuer.
5. The Investment Analyst or a member of the Research Department or a member of their household has a short position in the shares or derivatives of the corresponding issuer.
6. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a long position of over 0.5% of the issuer's capital.
7. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a short position of over 0.5% of the issuer's capital.
8. At the end of the month immediately prior to the publication of this report, or of the previous month if the report is published in the ten days following the end of the month, the company analysed (the issuer) or any of its subsidiaries held 5% or more of any class of equity security of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U.
9. A senior director or officer of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., or a member of their department is a director, officer, advisor or member of the Board of Directors of the issuer and/or one of its subsidiaries.
10. The Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., acts as broker for the Issuer for the corresponding prepaid fees.
11. The contents of this report related to the financial analysis, financial projections, valuation, investment summary and opinion of the analyst have been reviewed by the issuer prior to its publication.
12. The issuer has made changes to the contents of this report prior to its distribution.

The Investment Analysts who have prepared this Investment Analysis are employees of IEAF Servicios de Análisis S.L.U. These analysts have received (or will receive) compensation according to the general earnings of IEAF Servicios de Análisis S.L.U. To obtain a copy of the Code of Conduct of IEAF Servicios de Análisis S.L.U. (in respect of the Management of Conflicts of Interest in the research department), please use the e-mail address secretaria@institutodeanalistas.com or consult the contents of this Code at <https://institutodeanalistas.com>.

IEAF Servicios de Análisis S.L.U. is compensated by Bolsas y Mercados Españoles, S.A. for the preparation of this report. This report should be considered as just another element in the taking of investment decisions.

A report issued by IEAF servicios de análisis S.L.U.

All rights reserved. The unauthorised use or distribution of this report is prohibited. This document has been prepared and distributed, according to the provisions of the MiFID II by IEAF Servicios de Análisis S.L.U. Its corporate activity is regulated by the CNMV (the Spanish Securities Exchange Commission). The information and opinions expressed in this document do not represent nor are they intended to represent an offer or a solicitation to buy or sell the securities (in other words, the securities mentioned in this report and related warrants, options, rights or interests). The information and opinions contained in this document are based upon information available to the public and have been obtained from sources believed to be reliable by IEAF Servicios de Análisis S.L.U., but no guarantee is given regarding their accuracy or completeness. All comments and estimates reflect solely the opinion of IEAF Servicios de Análisis S.L.U. and do not offer any implicit or explicit guarantee. All the opinions expressed are subject to change without prior warning. This document does not take into account the specific investment objectives, financial position, risk profile or other specific aspects of the person who receives this document, and accordingly they should exercise their own judgement in this respect. Neither the Instituto Español de Analistas Financieros nor its subsidiary, IEAF Servicios de Análisis S.L.U., assumes any responsibility for direct or indirect losses arising from the use of the published research, except in the event of negligent conduct by IEAF Servicios de Análisis S.L.U. The information contained in this report is approved for distribution to professional clients, eligible counterparties and professional advisers, but not for distribution to private individuals or retail clients. Its reproduction, distribution or

publication for any purpose without the written authorisation of IEAF Servicios de Análisis S.L.U. is prohibited. The Instituto Español de Analistas Financieros and/or its subsidiary IEAF Servicios de Análisis S.L.U., their employees and directors, may hold a position (long or short) in an investment knowing that this issuer will be the object of analysis and that this analysis will be distributed to institutional investors. Any further information regarding the contents of this report will be provided upon request. IEAF Servicios de Análisis S.L.U. intends to publish (at least) one quarterly report or note updating the information on the company analysed.

United States. IEAF Servicios de Análisis S.L.U. is not registered in the United States and, consequently, is not subject to the regulations of that country governing the preparation of research and the independence of analysts. This report is distributed solely to major US institutional investors, in reliance on the exemption from registration provided by Rule 15a-6 of the US Securities Exchange Act of 1934, as amended (the "Exchange Act"), and interpretations of this made by the US Securities Exchange Commission.

Major US Institutional Investors. This report will be distributed to "major US institutional investors", as defined by Rule 15a-6 of the US Securities Exchange Commission and of the US Securities Exchange Act of 1934.

Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
07-Jun-2024	n.a.	1.72	n.a.	n.a.	Company visit	Enrique Andrés Abad, CFA
27-May-2024	n.a.	1.50	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
29-Apr-2024	n.a.	1.25	n.a.	n.a.	3m Results 2024	Alfredo Echevarría Otegui
04-Mar-2024	n.a.	1.15	n.a.	n.a.	12m Results 2023	Alfredo Echevarría Otegui
27-Oct-2023	n.a.	0.98	n.a.	n.a.	9m Results 2023	José Miguel Cabrera van Grieken
28-Jul-2023	n.a.	1.08	n.a.	n.a.	6m Results 2023	Alfredo Echevarría Otegui
12-Jun-2023	n.a.	0.94	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
28-Apr-2023	n.a.	0.85	n.a.	n.a.	3m Results 2023	David López Sánchez
02-Mar-2023	n.a.	0.86	n.a.	n.a.	12m Results 2022	David López Sánchez
28-Oct-2022	n.a.	0.93	n.a.	n.a.	9m Results 2022	David López Sánchez
02-Aug-2022	n.a.	1.07	n.a.	n.a.	6m Results 2022	David López Sánchez
03-May-2022	n.a.	1.61	n.a.	n.a.	3m Results 2022	David López Sánchez
02-Mar-2022	n.a.	1.33	n.a.	n.a.	12m Results 2021	David López Sánchez
25-Oct-2021	n.a.	1.83	n.a.	n.a.	9m Results 2021	David López Sánchez
02-Aug-2021	n.a.	2.13	n.a.	n.a.	6m Results 2021	David López Sánchez
07-Jul-2021	n.a.	2.45	n.a.	n.a.	Initiation of Coverage	David López Sánchez

