12m Results 2025
Opinion (1): In line
Impact (1): We will maintain our estimates

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Results 2025: in line. Guidance 2026 focuses on cost reduction.

Business description

LLYC is a communication consultancy company operating in the field of corporate communication, digital marketing and public affairs combining traditional corporate communication services with technological and creative capabilities. It has a leadership position in both Spain and Portugal (c.39% of 2024 revenue), USA (c.31% of 2024 revenue) and in Latam (c. 30% of 2024 revenue).

Market Data

Market Cap (Mn EUR and USD)	67.5	79.2
EV (Mn EUR and USD) (2)	126.0	147.8
Shares Outstanding (Mn)	11.6	
-12m (Max/Med/Mín EUR)	10.60 / 7.81 / 5.40	
Daily Avg volume (-12m Mn EUR)	0.01	
Rotation(3)	4.2	
Refinitiv / Bloomberg	LLYC.MC / LLYC SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)(5)

LLYC Partners	26.1
Octavius Sensus Caucae	21.4
Vivirdemais	13.8
D. Alejandro Romero Paniagua	13.0
Free Float	3.0

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	3.6	-16.5	-25.6	n.a.
vs Ibex 35	-1.2	-16.1	-44.4	n.a.
vs Ibex Small Cap Index	-2.7	-17.3	-35.4	n.a.
vs Eurostoxx 50	-2.4	-15.6	-34.8	n.a.
vs Sector benchmark(4)	-6.4	-10.8	-3.4	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 2.
(3) Rotation is the % of the capitalisation traded - 12m.
(4) vs Stoxx Europe 600 Media.
(5) Others: GPI 9.5%, Luisa García 5.6%, Inversiones Asúa 6.0%, Autocartera 1.7%

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

OPERATING REVENUE (GROSS MARGIN) FALLS -3.8%... LLYC closed 2025 with total revenue of EUR 129.7 Mn, up +12.6% vs. 2024. Operating revenue (total revenue less pass-through third-party expenses) in 2025 was EUR 89.5 Mn, a -3.8% decline vs. 2024. Geographically, 41.6% of operating revenue was generated in Europe, 22.5% in the United States, and 35.9% in Latin America.

RECURRING EBITDA DROPS -22% DUE TO THE SLOWDOWN IN U.S. AND MEXICO OPERATIONS. 2025 Recurring EBITDA reached EUR 13.8 Mn, representing a -22% decrease, impacted by the slowdown in U.S. and Mexico operations and finishing -3.8% below our estimate. These results are reasonably in line with the company's latest guidance.

LLYC attributes the EBITDA decline to: i) the 42-day U.S. government shutdown and subsequent budget cuts, which affected several affiliated entities to which LLYC provided services; and ii) a slowdown in operations in Mexico, as certain clients were impacted by the new tariff policy, leading them to eliminate or reduce planned investments in communication and marketing.

STRONG EBITDA-TO-CASH CONVERSION. Operating cash flow in 2025 totaled EUR 10.3 Mn, representing an EBITDA-to-cash conversion ratio of 83.1%, driven primarily by efficient working capital management.

NEW GUIDANCE IMPLIES A FLAT 2026 FOR GROSS MARGIN AND FOCUSES ON OPERATIONAL EFFICIENCY. LLYC expects 2026 to remain impacted by operational uncertainty in its core markets (with gross margin growth guidance ranging from -1.7% to +0.5%) and anticipates that the cost-reduction plan will serve as the catalyst for EBITDA growth (Recurring EBITDA guidance: +30.4% to +34.1%). This implies a reduction in personnel and operating expenses of 8–10% vs. 2025, and a 15–17% reduction compared to our estimate.

Our 2026 Recurring EBITDA estimate of EUR 15.9 Mn (excluding capitalized expenses) aligns with the lower end of the guidance range. Since the results were reasonably in line with expectations regarding margins and EBITDA, we will maintain our 2026 estimates for the time being.

2026 AS A TRANSITION YEAR FOR GROWTH, AIMING TO IMPROVE EFFICIENCY AND MAINTAIN MID-TERM GROWTH. The investment case hinges on recovering profitability levels in the short term while continuing to grow (both organically and inorganically) over the medium term. This is the underlying assumption of the new guidance; therefore, 2026 will be a transition year from a growth perspective, with a sole focus on improving operational efficiency.

This leaves the company trading above the sector (2026e EV/Rec. EBITDA of 7.9x vs. 5.7x). The bet on inorganic growth in the U.S. has so far underperformed due to market conditions following the start of the Trump Administration. The upcoming challenges include: i) successfully completing the announced cost reduction, ii) replacing public sector clients in the U.S. with private sector clients, and iii) replacing Mexican clients affected by tariffs with those from other sectors.

In short: the goal is to stabilize (stop the decline in) revenue within the current scope and lay the groundwork for a return to growth. This assumes that the (nearly) only way to achieve this is to persist in a market (U.S. + Mexico) that remains/will remain weak. This inevitably complicates growth and implies that 2026 will continue to see weak business momentum.

LLYC 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.

BME Growth is the Spanish equity market for companies of reduced capitalization which aim to grow, with a special set of regulations, designed specifically for them, and with costs and process tailored to their particular features. Operations in BME Growth (former MAB) started in July 2009. There are currently c.140 companies listed on it. Companies listed on the MAB can choose to present their financial statements under IFRS or the General Accounting Plan (PGC) and Royal Decree 1159/2010 (NOFCAC).

Appendix 1. Results table

EUR Mn	12m25 Real	12m24	12m25 Real vs 12m24	12m25e	12m25Real vs. 12m25e
Total Revenues	**129,7**	**115,2**	**12,6%**	**131,0**	**-1,0%**
Operating revenues[1]	**89,5**	**93,1**	**-3,8%**	**93,0**	**-3,7%**
Gross Margin/Revenues	*69,0%*	*80,9%*	*-11,8 p.p.*	*71,0%*	*-2,0 p.p.*
Recurrent EBITDA[2]	**11,6**	**14,9**	**-22,0%**	**12,0**	**-3,2%**
Rec. EBITDA/Revenues	*8,9%*	*12,9%*	*-4,0 p.p.*	*9%*	*-0,2 p.p.*
Rec. FCF	0,3	4,5	-94,1%	**-5,5**	**104,8%**
Rec. FCF Yield	*0,2%*	*6,7%*	*-6,5 p.p.*	-4,2%	*4,4 p.p.*
	12m25	**12m24**			
Net Debt/Net Cash[2]	34,8	30,0	16,0%	39,5	-11,9%
ND / EBITDA	*3,0 x*	*2,0 x*	*1,0 x*	*3,3 x*	-9,0%

(1) Operating Revenue: Total revenue less pass-through client services (equivalent to Gross Margin in our figures).
(2) Recurring EBITDA adjusted to exclude the impact of: i) "Capitalized expenses (self-constructed assets)" of EUR 1.2 Mn (estimated) in 2024 and EUR 1.3 Mn (actual) in 2023.

Appendix 2. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	67.5	
+ Minority Interests	1.3	12m Results 2025
+ Provisions & Other L/T Liabilities	22.2	12m Results 2025
+ Net financial debt	34.8	12m Results 2025
- Financial Investments	1.0	12m Results 2025
+/- Others[1]	1.2	12m Results 2025
Enterprise Value (EV)	**126.0**	

(1) Related to the market value of treasury stock and assets held for sale

Appendix 3. Main peers (2026e)

		Media				Communication Agencies
	EUR Mn	WPP	Publicis	Omnicom	Average	Hopscotch Groupe
Market data	Ticker (Factset)	WPP.L	PUBP.PA	OMC		ALHOP.PA
	Country	UK	France	USA		France
	Market cap	3,318.1	20,187.3	18,705.3		41.4
	Enterprise value (EV)	8,378.6	21,794.3	24,451.9		68.2
Basic financial information	Total Revenues	12,181.8	15,031.7	21,453.4		289.7
	Total Revenues growth	*-22.4%*	*-13.6%*	*45.6%*	*3.2%*	*6.8%*
	2y CAGR (2026e - 2028e)	*0.5%*	*4.6%*	*2.1%*	*2.4%*	*3.1%*
	EBITDA	1,764.5	3,354.6	4,128.4		6.8
	EBITDA growth	*-11.0%*	*1.1%*	*69.0%*	*19.7%*	*n.a.*
	2y CAGR (2026e - 2028e)	*3.2%*	*4.8%*	*7.5%*	*5.2%*	*39.3%*
	EBITDA/Revenues	*14.5%*	*22.3%*	*19.2%*	*18.7%*	*2.3%*
	EBIT	1,282.9	2,655.2	3,504.6		5.3
	EBIT growth	*-12.5%*	*2.6%*	*58.8%*	*16.3%*	*n.a.*
	2y CAGR (2026e - 2028e)	*2.8%*	*5.7%*	*7.5%*	*5.3%*	*53.6%*
	EBIT/Revenues	*10.5%*	*17.7%*	*16.3%*	*14.8%*	*1.8%*
	Net Profit	636.3	2,001.6	2,573.7		3.0
	Net Profit growth	*419.5%*	*20.5%*	*n.a.*	*220.0%*	*n.a.*
	2y CAGR (2026e - 2028e)	*9.6%*	*6.1%*	*7.3%*	*7.6%*	*51.7%*
	CAPEX/Sales %	*2.4%*	*1.8%*	*1.1%*	*1.8%*	*0.2%*
	Free Cash Flow	(4.5)	2,288.2	1,733.5		6.2
	Net financial debt	3,599.5	(1,011.2)	2,748.7		(8.0)
	ND/EBITDA (x)	2.0	n.a.	0.7	1.4	n.a.
	Pay-out	*28.9%*	*48.8%*	*23.0%*	*33.5%*	*0.0%*
Multiples and Ratios	P/E (x)	5.2	10.0	7.1	7.4	15.1
	P/BV (x)	1.0	1.8	1.9	1.6	n.a.
	EV/Revenues (x)	0.7	1.4	1.1	1.1	0.2
	EV/EBITDA (x)	4.7	6.5	5.9	5.7	10.0
	EV/EBIT (x)	6.5	8.2	7.0	7.2	12.9
	ROE	*15.1*	*17.8*	*23.6*	*18.8*	*8.7*
	FCF Yield (%)	*n.a.*	*11.3*	*9.3*	*10.3*	*15.0*
	DPS	*0.17*	*3.89*	*2.88*	*2.32*	*0.00*
	Dvd Yield	*0.1%*	*4.9%*	*4.4%*	*3.1%*	*0.0%*

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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Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
04-May-2026	n.a.	5.80	n.a.	n.a.	12m Results 2025	Alfredo Echevarría Otegui
22-Dec-2025	n.a.	7.40	n.a.	n.a.	Estimates downgrade	Alfredo Echevarría Otegui
04-Aug-2025	n.a.	9.35	n.a.	n.a.	6m 2025 Preliminary results - Estimates downgrade	Alfredo Echevarría Otegui
17-Jun-2025	n.a.	8.95	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
04-Feb-2025	n.a.	6.80	n.a.	n.a.	12m 2024 Preliminary results	Alfredo Echevarría Otegui
02-Oct-2024	n.a.	9.35	n.a.	n.a.	6m Results 2024	Luis Esteban Arribas, CESGA
27-May-2024	n.a.	9.52	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
22-Mar-2024	n.a.	8.93	n.a.	n.a.	12m Results 2023 - Estimates upgrade	Luis Esteban Arribas, CESGA
20-Feb-2024	n.a.	9.32	n.a.	n.a.	Important news	Luis Esteban Arribas, CESGA
25-Jan-2024	n.a.	8.09	n.a.	n.a.	12m Results 2023	Luis Esteban Arribas, CESGA
21-Sep-2023	n.a.	9.71	n.a.	n.a.	6m Results 2023 - Estimates downgrade	Luis Esteban Arribas, CESGA
27-Jul-2023	n.a.	10.20	n.a.	n.a.	6m 2023 Preliminary results	Luis Esteban Arribas, CESGA
12-Jun-2023	n.a.	10.07	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
31-Mar-2023	n.a.	9.98	n.a.	n.a.	Important news - Estimates upgrade	Luis Esteban Arribas, CESGA
09-Mar-2023	n.a.	11.14	n.a.	n.a.	12m Results 2022	Luis Esteban Arribas, CESGA
25-Jan-2023	n.a.	9.32	n.a.	n.a.	12m 2022 Preliminary results	Luis Esteban Arribas, CESGA
21-Sep-2022	n.a.	9.98	n.a.	n.a.	6m Results 2022	Luis Esteban Arribas, CESGA
22-Jul-2022	n.a.	10.12	n.a.	n.a.	6m 2022 Preliminary results	Luis Esteban Arribas, CESGA
11-Mar-2022	n.a.	12.59	n.a.	n.a.	12m Results 2021	Luis Esteban Arribas, CESGA
20-Jan-2022	n.a.	12.49	n.a.	n.a.	12m 2021 Preliminary results	Luis Esteban Arribas, CESGA
23-Dec-2021	n.a.	11.14	n.a.	n.a.	Initiation of Coverage	Luis Esteban Arribas, CESGA

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