

EQUITY - SPAIN

Sector: Media

 Closing price: EUR 0.35 (15 Mar 2023)
 Report date: 16 Mar 2023 (14:30h)

12m Results 2022 - Estimates downgrade

Independent Equity Research

12m Results 2022

 Opinion ⁽¹⁾: Below expectations

 Impact ⁽¹⁾: We lower our estimates

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Mondo TV Studios (MONI), is a Spanish company based in Tenerife (the Canary Islands, Spain) that provides animation, co-production and content distribution services (TV and OTT platforms over the internet) focused on children and young people and with activity in Spain, Portugal, Latam and Spanish-speaking areas of the US. MONI forms part of the Mondo TV Group (that controls c. 77% of capital).

2022: despite the strong revenue growth (+27% vs 2021) EBIT remains at breakeven

Market Data

Market Cap (Mn EUR and USD)	7.1	7.5
EV (Mn EUR and USD) ⁽²⁾	11.5	12.1
Shares Outstanding (Mn)	20.0	
-12m (Max/Med/Min EUR)	0.49 / 0.32 / 0.25	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽³⁾	14.0	
Factset / Bloomberg	MONI-ES / MONI SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

Mondo TV S.p.A	76.7
Corradi Family	9.4
Free Float	13.9

Financials (Mn EUR)

	2022	2023e	2024e	2025e
Adj. n ^o shares (Mn)	19.6	20.0	20.0	20.0
Total Revenues	4.9	5.2	6.3	6.9
Rec. EBITDA	-0.3	-0.2	0.2	0.3
% growth	-216.8	23.3	174.5	58.3
% Rec. EBITDA/Rev.	n.a.	n.a.	2.9	4.1
% Inc. EBITDA sector ⁽⁴⁾	10.9	7.5	9.0	
Net Profit	-0.1	0.3	0.8	1.0
EPS (EUR)	0.00	0.01	0.04	0.05
% growth	-577.9	470.9	202.2	25.7
Ord. EPS (EUR)	0.01	0.01	0.04	0.05
% growth	179.0	124.8	202.2	25.7
Rec. Free Cash Flow ⁽⁵⁾	-1.0	-0.3	0.2	0.4
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	5.2	5.4	5.2	4.9
ND/Rec. EBITDA (x)	n.a.	n.a.	29.0	17.0
ROE (%)	n.a.	23.9	48.8	39.5
ROCE (%) ⁽⁵⁾	2.9	8.0	15.6	17.1

Ratios & Multiples (x) ⁽⁶⁾

	2022	2023e	2024e	2025e
P/E	n.a.	27.8	9.2	7.3
Ord. P/E	62.4	27.8	9.2	7.3
P/BV	7.5	5.9	3.6	2.4
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	2.35	2.22	1.83	1.66
EV/Rec. EBITDA	n.a.	n.a.	n.a.	40.2
EV/EBIT	n.a.	25.2	11.8	9.9
FCF Yield (%) ⁽⁵⁾	n.a.	n.a.	2.8	5.4

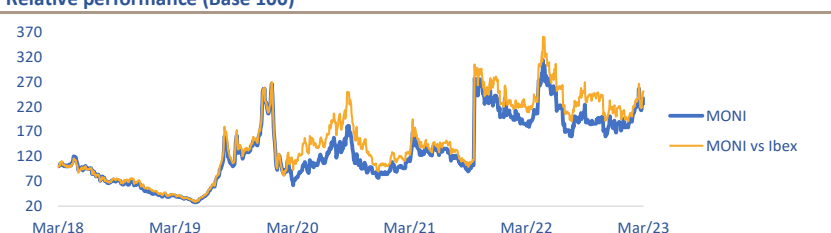
THE DISTRIBUTION BUSINESS HAS DRIVEN TOTAL REVENUE TO EUR 4.9MN (+27% VS 2021). Significant revenue growth explained by the sale of 100 episodes (out of a total of 485) to the RAI, that brought in EUR 2.6Mn in revenue. This contract has resulted in a significant change in the revenue mix, increasing the weight of the distribution business to 54% (vs < 5% in 2021) offsetting lower revenue from other activities (-39% vs 2021; due to lower revenue from production and licences and merchandising).

HOWEVER, THE CHANGE IN THE REVENUE MIX HAS IMPACTED THE MARGIN (2022 GROSS MARGIN: 57.3% VS 91.3% IN 2021). This narrowing of the margin was expected and is due to the higher weighting of the distribution business in the mix (with much smaller margins than the other activities). This, together with the fixed cost structure (2022 operating costs: EUR 3.1Mn, c. 63% corresponding to personnel costs) has weighed on Rec. EBITDA, before capitalised expenses and tax incentives, that ended 2022 at EUR -0.3Mn (vs EUR 0.3Mn in 2021 and our estimate of EUR -0.6Mn).

ADJUSTED EBIT AT BREAKEVEN (EUR 0.2MN). The tax rebate generated by MONI's audiovisual activity in the Canary Islands (EUR 0.8Mn in 2022; in line with 2021 and our estimates) meant adjusted EBIT was at breakeven (EUR 0.2Mn vs EUR 0.1Mn in 2021). Accordingly, the continuity of the tax incentives (and their monetisation from 2023e) will remain crucial to the business.

NET DEBT: EUR 5.2MN (+24% VS 2021). An increase in debt explained by working capital needs and that, whilst still high (45% of the EV), is mitigated by: i) 38% of gross debt being linked to advance payments of the tax rebate and ii) the financial support of the parent (c. 35% of gross debt is with the group).

WE DOWNGRADE OUR ESTIMATES. 2023E CAN BE SEEN AS A YEAR OF TRANSITION. The worse than expected performance of the animation services business (revenue: -12% vs 2021) leads us to downgrade our estimates for 2023 (2023e revenue: c. EUR 5Mn; -15% vs previous estimate). This explains why 2023e can be seen as a year of transition, in which the distribution business will maintain a high weighting in the mix (similar to that seen in 2022), while waiting for growth in 3D animation services (something that should be visible already in 2024e). The equity story remains to grow beyond the business provided by its parent.

Relative performance (Base 100)


Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	7.3	26.4	24.6	20.4	205.2	126.9
vs Ibox 35	13.8	18.6	17.2	13.1	131.0	150.9
vs Ibox Small Cap Index	12.6	12.9	25.0	6.4	83.2	101.1
vs Eurostoxx 50	13.8	20.2	15.5	13.2	95.6	92.0
vs Sector benchmark ⁽⁴⁾	8.9	19.9	19.3	11.7	83.2	70.8

(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 3.

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

(4) Sector: Stoxx Europe 600 Media.

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

(6) 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.

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This report has been prepared on the basis of information available to the public. The report includes a financial analysis of the company covered. The report does not propose any personalised investment recommendation. Investors should consider the contents of this report as just another element in their investment decision-making process. The final two pages of this report contain very important legal information regarding its contents.

Mondo TV Studios (MONI) 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. 130 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).

12m Results 2022
Estimates downgrade
Table 1. Results 12m22

EUR Mn	12m22		12m22 Real		12m22 Real	
	Real	12m21	vs 12m21	2022e	vs 2022e	
Total Revenues	4.9	3.8	27.0%	5.1	-4.8%	
Animation Services	1.8	2.0	-12.1%	2.3	-23.6%	
Content production	0.2	0.9	-74.1%	0.3	-22.2%	
Content distribution	2.6	0.1	n.a.	2.5	4.8%	
Licensing, merchandising and others	0.0	0.9	-98.6%	0.0	n.a.	
Other income	0.2	0.0	n.a.	0.0	n.a.	
Gross margin	2.8	3.5	-20.4%	3.0	-5.9%	
<i>Gross margin (%)</i>	<i>57.3%</i>	<i>91.3%</i>	<i>-34.0 p.p.</i>	<i>57.9%</i>	<i>-0.7 p.p.</i>	
Recurrent EBITDA¹	-0.3	0.3	-203.5%	-0.6	-53.4%	
<i>Rec. EBITDA/Revenues</i>	<i>n.a.</i>	<i>7.0%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	
Adjusted EBIT²	0.2	0.1	78.0%	0.6	-60.5%	
PBT	0.0	0.0	-17.6%	0.4	-92.3%	
NP	-0.1	0.0	-260.9%	0.4	-1.2	
Net Debt³	5.2	4.2	24.0%	4.9		

Note 1: Recurrent EBITDA adjusted to strip out the impact of capitalised expenses (EUR 0.2Mn and EUR 0.3Mn in 2022 and 2021, respectively).

Note 2: EBIT adjusted to include the impact of tax incentives (EUR 0.8Mn and EUR 0.8Mn in 2022 and 2021, respectively) as these are similar in nature financially to a subsidy, with an impact on free cash flow (from 2023e).

Note 3: Net debt calculated as gross debt (including debt with group companies) less cash and other equivalent liquid assets and short-term investments.

Valuation inputs

Inputs for the DCF Valuation Approach

	2023e	2024e	2025e	Terminal Value ⁽¹⁾		
Free Cash Flow "To the Firm"	(0.1)	0.4	0.6	n.a.		
Market Cap	7.1	At the date of this report				
Net financial debt	5.2	Debt net of Cash (12m Results 2022)				
					Best Case	Worst Case
Cost of Debt	5.0%	Net debt cost			4.8%	5.3%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	4.0%	Kd = Cost of Net Debt * (1-T)			3.8%	4.2%
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%	Ke = Rf + (R * B)			9.3%	11.7%
Equity / (Equity + Net Debt)	57.9%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	42.1%	D			=	=
WACC	7.7%	WACC = Kd * D + Ke * E			7.0%	8.5%
G "Fair"	2.0%				2.0%	1.5%

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

Inputs for the Multiples Valuation Approach

Company	Ticker	Mkt. Cap	P/E 23e	EPS 23e-25e	EV/EBITDA 23e	EBITDA 23e-25e	EV/Sales 23e	Revenues 23e-25e	EBITDA/Sales 23e	FCF Yield 23e	FCF 23e-25e
Toei Animation	4816-JP	3,785.3	27.1	-10.3%	18.2	-8.0%	5.7	-9.4%	31.4%	2.6%	8.5%
Lions Gate	LGF.A-US	1,881.5	n.a.	n.a.	13.1	24.1%	1.1	7.0%	8.2%	6.5%	-3.1%
Wildbrain	WILD-CA	224.1	n.a.	98.2%	11.3	0.0%	2.4	6.8%	21.5%	1.2%	n.a.
Xilam Animation	XIL-FR	131.4	34.0	47.2%	4.5	17.2%	4.1	22.1%	91.1%	n.a.	79.7%
Mondo TV S.p.A.	MTV-IT	35.0	n.a.	n.a.	1.7	10.0%	1.4	5.4%	81.1%	n.a.	n.a.
Your Family Entertainment	RTV-DE	37.4	29.0	32.3%	14.3	19.8%	8.0	19.9%	56.0%	3.2%	35.9%
Audiovisual production and animation			30.0	41.8%	10.5	10.5%	3.8	8.6%	48.2%	3.4%	30.3%
MONI	MONI-ES	7.1	27.8	94.9%	n.a.	78.3%	2.2	15.8%	n.a.	n.a.	83.1%

Appendix 1. Financial Projections

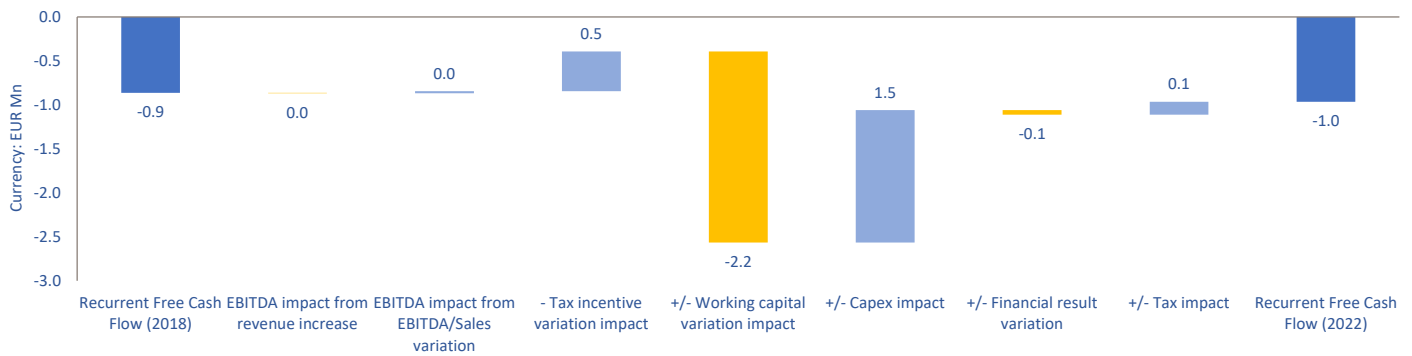
Balance Sheet (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
Intangible assets	3.0	2.1	2.0	1.3	1.4	1.5	1.7	1.9		
Fixed assets	0.1	0.1	0.2	0.4	0.3	0.3	0.3	0.3		
Other Non Current Assets	0.1	0.1	0.8	1.6	2.0	2.3	2.4	2.6		
Financial Investments	0.0	0.0	0.0	1.1	0.8	0.8	0.8	0.8		
Goodwill & Other Intangibles	-	-	-	-	-	-	-	-		
Current assets	1.6	2.2	2.8	2.0	3.7	3.9	4.6	5.0		
Total assets	4.8	4.4	5.9	6.3	8.1	8.7	9.7	10.6		
Equity	(3.9)	1.1	1.0	1.1	0.9	1.2	2.0	2.9		
Minority Interests	-	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	1.0	0.5	1.1	0.2	0.1	0.1	0.1	0.1		
Other Non Current Liabilities	-	-	-	-	-	-	-	-		
Net financial debt	7.1	2.1	2.9	4.2	5.2	5.4	5.2	4.9		
Current Liabilities	0.6	0.7	1.0	0.9	1.9	2.0	2.4	2.7		
Equity & Total Liabilities	4.8	4.4	5.9	6.3	8.1	8.7	9.7	10.6		
P&L (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	18-22	22-25e
Total Revenues	1.4	2.5	2.6	3.8	4.9	5.2	6.3	6.9	36.5%	12.4%
Total Revenues growth	-61.6%	77.7%	5.4%	45.9%	27.0%	5.9%	21.2%	10.7%		
COGS	(0.0)	(0.0)	(0.1)	(0.3)	(2.1)	(2.2)	(2.4)	(2.6)		
Gross Margin	1.4	2.5	2.5	3.5	2.8	3.0	3.8	4.3	19.8%	15.7%
Gross Margin/Revenues	96.6%	99.4%	96.5%	91.3%	57.3%	58.1%	61.0%	62.4%		
Personnel Expenses	(1.0)	(0.9)	(1.6)	(2.4)	(2.0)	(2.0)	(2.3)	(2.6)		
Other Operating Expenses	(0.7)	(0.9)	(0.6)	(0.8)	(1.2)	(1.2)	(1.4)	(1.5)		
Recurrent EBITDA	(0.3)	0.7	0.3	0.3	(0.3)	(0.2)	0.2	0.3	1.3%	42.7%
Recurrent EBITDA growth	-117.8%	310.2%	-55.9%	-12.5%	-216.8%	23.3%	174.5%	58.3%		
Rec. EBITDA/Revenues	n.a.	28.1%	11.7%	7.0%	n.a.	n.a.	2.9%	4.1%		
Restructuring Expense & Other non-rec.	(0.1)	0.5	0.0	(0.1)	(0.1)	-	-	-		
EBITDA	(0.4)	1.2	0.3	0.2	(0.4)	(0.2)	0.2	0.3	-0.5%	38.4%
Depreciation & Provisions	(1.3)	(1.1)	(0.8)	(1.1)	(0.4)	(0.4)	(0.4)	(0.5)		
Capitalized Expense	0.2	0.1	0.2	0.3	0.2	0.3	0.3	0.3		
Tax incentives	-	-	0.5	0.8	0.8	0.8	0.9	1.0		
Adjusted EBIT¹	(1.6)	0.2	0.2	0.1	0.2	0.5	1.0	1.2	20.8%	79.8%
EBIT growth	-330.5%	113.2%	-15.3%	-24.5%	51.1%	127.9%	113.7%	19.3%		
EBIT/Revenues	n.a.	8.3%	6.7%	3.4%	4.1%	8.8%	15.5%	16.7%		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(0.2)	(0.2)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
Ordinary Profit	(1.8)	0.0	0.1	0.0	0.0	0.3	0.8	1.0	19.2%	n.a.
Ordinary Profit Growth	-441.9%	101.7%	118.8%	-37.9%	-17.6%	637.8%	202.2%	25.7%		
Extraordinary Results	(3.8)	0.0	-	-	-	-	-	-		
Profit Before Tax	(5.6)	0.0	0.1	0.0	0.0	0.3	0.8	1.0	19.0%	n.a.
Tax Expense	0.0	0.0	(0.0)	0.0	(0.1)	-	-	-		
Effective Tax Rate	n.a.	n.a.	25.9%	n.a.	n.a.	n.a.	n.a.	n.a.		
Minority Interests	-	-	-	-	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	(5.5)	0.1	0.1	0.0	(0.1)	0.3	0.8	1.0	66.8%	n.a.
Net Profit growth	n.a.	101.1%	-17.8%	-16.2%	-260.9%	477.7%	202.2%	25.7%		
Ordinary Net Profit	(1.7)	(0.5)	0.0	0.1	0.1	0.3	0.8	1.0	19.9%	n.a.
Ordinary Net Profit growth	-472.3%	72.6%	109.3%	174.0%	-6.1%	128.9%	202.2%	25.7%		
Cash Flow (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	18-22	22-25e
Recurrent EBITDA	(0.2)	0.2	0.3	0.3	(0.3)	(0.2)	0.2	0.3	1.3%	42.7%
Tax incentives	0.5	0.8	0.8							
Working Capital Increase	(0.1)	(0.3)	(0.2)							
Recurrent Operating Cash Flow	0.2	0.7	0.9	0.3	(0.3)	0.2	0.7	0.9	-25.0%	55.5%
CAPEX	(0.3)	(0.3)	(0.3)							
Net Financial Result affecting the Cash Flow	(0.2)	(0.2)	(0.2)							
Tax Expense	-	-	-							
Recurrent Free Cash Flow	(0.3)	0.2	0.4	(0.3)	(0.3)	0.2	0.2	0.4	-2.9%	33.8%
Restructuring Expense & Other non-rec.	-	-	-							
- Acquisitions / + Divestures of assets	-	-	-							
Extraordinary Inc./Exp. Affecting Cash Flow	-	-	-							
Free Cash Flow	(0.3)	0.2	0.4	(0.3)	(0.3)	0.2	0.2	0.4	-13.5%	33.0%
Capital Increase	-	-	-							
Dividends	-	-	-							
Net Debt Variation	0.3	(0.2)	(0.4)							

Note 1: EBIT adjusted to include the impact of tax incentives with impact in free cash flow.

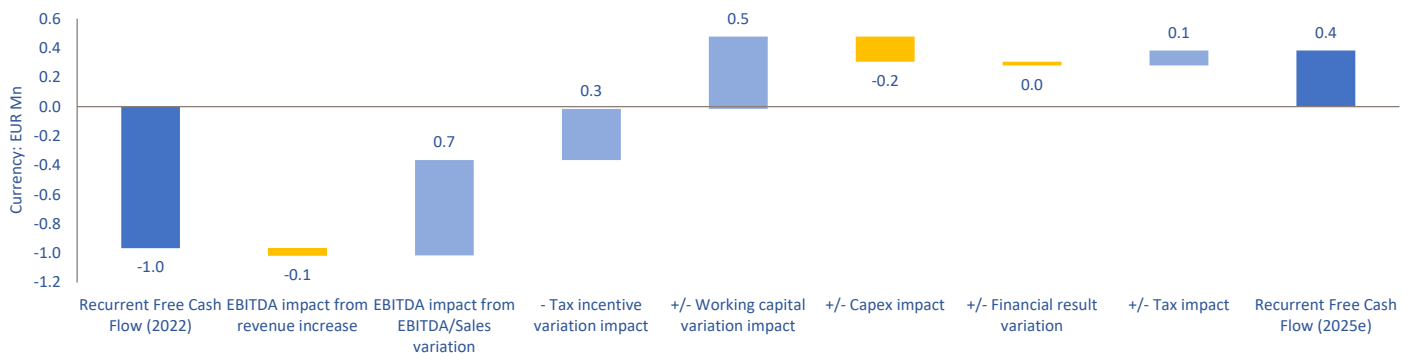
Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
								19-22	22-25e
Recurrent EBITDA	0.7	0.3	0.3	(0.3)	(0.2)	0.2	0.3	-34.8%	42.7%
<i>Recurrent EBITDA growth</i>	310.2%	-55.9%	-12.5%	-216.8%	23.3%	174.5%	58.3%		
<i>Rec. EBITDA/Revenues</i>	28.1%	11.7%	7.0%	n.a.	n.a.	2.9%	4.1%		
+ Tax incentives	-	-	0.0	0.5	0.5	0.8	0.8		
+/- Working Capital increase	(0.4)	(0.4)	0.8	(0.7)	(0.1)	(0.3)	(0.2)		
= Recurrent Operating Cash Flow	0.3	(0.1)	1.0	(0.5)	0.2	0.7	0.9	-58.6%	55.5%
<i>Rec. Operating Cash Flow growth</i>	-77.7%	-139.3%	n.a.	-151.1%	133.6%	305.9%	29.2%		
<i>Rec. Operating Cash Flow / Sales</i>	10.5%	n.a.	26.7%	n.a.	3.4%	11.4%	13.3%		
- CAPEX	(0.2)	(0.5)	(0.3)	(0.2)	(0.3)	(0.3)	(0.3)		
- Net Financial Result affecting Cash Flow	(0.2)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)		
- Taxes	-	-	0.0	(0.1)	-	-	-		
= Recurrent Free Cash Flow	(0.1)	(0.6)	0.6	(1.0)	(0.3)	0.2	0.4	n.a.	33.8%
<i>Rec. Free Cash Flow growth</i>	90.4%	-650.4%	203.3%	-250.4%	70.7%	170.0%	93.2%		
<i>Rec. Free Cash Flow / Revenues</i>	n.a.	n.a.	16.7%	n.a.	n.a.	3.2%	5.5%		
- Restructuring expenses & others	-	-	-	(0.1)	-	-	-		
- Acquisitions / + Divestments	-	0.1	(1.9)	0.1	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	0.5	0.0	(0.1)	(0.1)	-	-	-		
= Free Cash Flow	0.4	(0.5)	(1.3)	(1.1)	(0.3)	0.2	0.4	-66.5%	33.0%
<i>Free Cash Flow growth</i>	163.5%	-232.8%	-142.0%	18.6%	73.7%	170.0%	93.2%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	n.a.	n.a.	9.1%	n.a.	n.a.	2.8%	5.4%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	5.8%	n.a.	n.a.	n.a.	n.a.	2.8%	5.4%		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
Recurrent FCF(FY - 1)	(0.9)	(0.1)	(0.6)	0.6	(1.0)	(0.3)	0.2		
EBITDA impact from revenue increase	(0.3)	0.0	0.1	0.1	(0.0)	(0.1)	0.0		
EBITDA impact from EBITDA/Sales variation	1.3	(0.4)	(0.2)	(0.7)	0.1	0.5	0.1		
= Recurrent EBITDA variation	1.0	(0.4)	(0.0)	(0.6)	0.1	0.4	0.1		
+ Tax incentives	-	-	0.0	0.5	0.0	0.3	(0.0)		
+/- Working capital variation impact	(2.0)	0.0	1.2	(1.4)	0.6	(0.2)	0.1		
= Recurrent Operating Cash Flow variation	(0.9)	(0.4)	1.1	(1.5)	0.7	0.5	0.2		
+/- CAPEX impact	1.5	(0.3)	0.2	0.1	(0.1)	(0.1)	(0.0)		
+/- Financial result variation	(0.1)	0.1	(0.0)	(0.1)	(0.0)	(0.0)	0.0		
+/- Tax impact	0.2	-	0.0	(0.1)	0.1	-	-		
= Recurrent Free Cash Flow variation	0.8	(0.5)	1.3	(1.6)	0.7	0.5	0.2		
Recurrent Free Cash Flow	(0.1)	(0.6)	0.6	(1.0)	(0.3)	0.2	0.4		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
EBIT	0.2	0.2	0.1	0.2	0.5	1.0	1.2	-1.1%	79.8%
* Theoretical Tax rate	0.0%	25.9%	0.0%	30.0%	0.0%	0.0%	0.0%		
= Taxes (pre- Net Financial Result)	-	(0.0)	-	(0.1)	-	-	-		
Recurrent EBITDA	0.7	0.3	0.3	(0.3)	(0.2)	0.2	0.3	-34.8%	42.7%
+ Tax incentives	-	-	0.0	0.5	0.5	0.8	0.8		
+/- Working Capital increase	(0.4)	(0.4)	0.8	(0.7)	(0.1)	(0.3)	(0.2)		
= Recurrent Operating Cash Flow	0.3	(0.1)	1.0	(0.5)	0.2	0.7	0.9	-58.6%	55.5%
- CAPEX	(0.2)	(0.5)	(0.3)	(0.2)	(0.3)	(0.3)	(0.3)		
- Taxes (pre- Financial Result)	-	(0.0)	-	(0.1)	-	-	-		
= Recurrent Free Cash Flow (To the Firm)	0.1	(0.6)	0.7	(0.8)	(0.1)	0.4	0.6	n.a.	40.2%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	121.1%	-677.1%	219.0%	-204.7%	89.1%	582.9%	43.6%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	4.2%	n.a.	18.9%	n.a.	n.a.	6.4%	8.3%		
- Acquisitions / + Divestments	-	0.1	(1.9)	0.1	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	0.5	0.0	(0.1)	(0.1)	-	-	-		
= Free Cash Flow "To the Firm"	0.6	(0.5)	(1.2)	(0.7)	(0.1)	0.4	0.6	-48.0%	40.5%
<i>Free Cash Flow (To the Firm) growth</i>	309.1%	-188.9%	-132.4%	40.0%	88.9%	582.9%	43.6%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	0.9%	n.a.	6.3%	n.a.	n.a.	3.5%	5.0%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	5.2%	n.a.	n.a.	n.a.	n.a.	3.5%	5.0%		

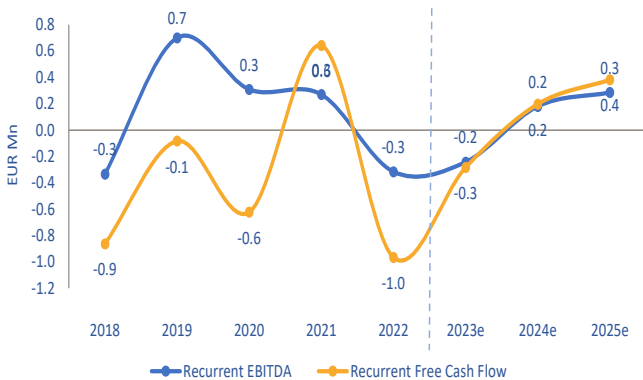
Recurrent Free Cash Flow accumulated variation analysis (2018 - 2022)



Recurrent Free Cash Flow accumulated variation analysis (2022 - 2025e)



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	7.1	
+ Minority Interests	-	12m Results 2022
+ Provisions & Other L/T Liabilities	-	12m Results 2022
+ Net financial debt	5.2	12m Results 2022
- Financial Investments	0.8	12m Results 2022
+/- Others		
Enterprise Value (EV)	11.5	

Appendix 4. Historical performance ⁽¹⁾

Historical performance (EUR Mn)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
															12-22	22-25e
Total Revenues						3.7	1.4	2.5	2.6	3.8	4.9	5.2	6.3	6.9	n.a.	12.4%
Total Revenues growth						n.a.	-61.6%	77.7%	5.4%	45.9%	27.0%	5.9%	21.2%	10.7%		
EBITDA						1.9	(0.4)	1.2	0.3	0.2	(0.4)	(0.2)	0.2	0.3	n.a.	38.4%
EBITDA growth						n.a.	-123.2%	377.0%	-73.4%	-39.1%	-327.4%	45.0%	174.5%	58.3%		
EBITDA/Sales						50.8%	n.a.	47.9%	12.1%	5.0%	n.a.	n.a.	2.9%	4.1%		
Net Profit						0.4	(5.5)	0.1	0.1	0.0	(0.1)	0.3	0.8	1.0	n.a.	n.a.
Net Profit growth						n.a.	n.a.	101.1%	-17.8%	-16.2%	-260.9%	477.7%	202.2%	25.7%		
Adjusted number shares (Mn)						31.4	31.4	33.6	59.4	58.3	19.6	20.0	20.0	20.0		
EPS (EUR)						0.01	-0.18	0.00	0.00	0.00	0.00	0.01	0.04	0.05	n.a.	n.a.
EPS growth						n.a.	n.a.	n.a.	-53.5%	-14.7%	n.a.	n.a.	n.a.	25.7%		
Ord. EPS (EUR)						0.01	-0.05	-0.01	0.00	0.00	0.01	0.01	0.04	0.05	n.a.	n.a.
Ord. EPS growth						n.a.	n.a.	74.4%	n.a.	n.a.	n.a.	n.a.	n.a.	25.7%		
CAPEX						(4.1)	(1.7)	(0.2)	(0.5)	(0.3)	(0.2)	(0.3)	(0.3)	(0.3)		
CAPEX/Sales %						113.0%	119.7%	6.3%	17.5%	7.8%	3.6%	5.0%	5.0%	5.0%		
Free Cash Flow						(4.6)	(0.6)	0.4	(0.5)	(1.3)	(1.1)	(0.3)	0.2	0.4	n.a.	33.0%
ND/EBITDA (x) ⁽²⁾						3.4x	n.a.	1.8x	9.0x	21.5x	n.a.	n.a.	29.0x	17.0x		
P/E (x)						15.8x	n.a.	n.a.	n.a.	n.a.	n.a.	27.8x	9.2x	7.3x		
EV/Sales (x)						5.48x	10.68x	1.93x	8.75x	2.95x	2.22x	2.22x	1.83x	1.66x		
EV/EBITDA (x) ⁽²⁾						10.8x	n.a.	4.0x	n.a.	n.a.	n.a.	n.a.	n.a.	40.2x		
Absolute performance						-44.4%	-67.2%	347.5%	-58.1%	135.6%	-7.5%	-19.2%	n.a.	40.2x		
Relative performance vs Ibex 35						-48.2%	-61.5%	300.2%	-50.4%	118.3%	-2.1%	-27.8%				

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 2023e

		Audiovisual production and animation								
EUR Mn		Toei Animation	Lions Gate	Wildbrain	Xilam Animation	Mondo TV S.p.A.	Your Family Entertainment	Average	MONI	
Market data	Ticker (Factset)	4816-JP	LGF.A-US	WILD-CA	XIL-FR	MTV-IT	RTV-DE		MONI-ES	
	Country	Japan	United States	Canada	France	Italy	Germany		Spain	
	Market cap	3,785.3	1,881.5	224.1	131.4	35.0	37.4		7.1	
	Enterprise value (EV)	3,235.3	3,837.0	848.5	168.8	49.2	38.3		11.5	
Basic financial information	Total Revenues	567.5	3,570.8	348.9	41.5	36.0	4.8		5.2	
	Total Revenues growth	39.2%	4.4%	12.1%	0.0%	23.2%	54.1%	13.9%	5.9%	
	2y CAGR (2023e - 2025e)	-9.4%	7.0%	6.8%	22.1%	5.4%	19.9%	6.6%	15.8%	
	EBITDA	178.0	293.3	74.8	37.8	29.2	2.7		(0.2)	
	EBITDA growth	33.1%	-82.5%	22.9%	n.a.	32.6%	n.a.	-8.8%	45.0%	
	2y CAGR (2023e - 2025e)	-8.0%	24.1%	0.0%	17.2%	10.0%	19.8%	8.4%	78.3%	
	EBITDA/Revenues	31.4%	8.2%	21.5%	91.1%	81.1%	56.0%	38.0%	n.a.	
	EBIT	179.8	(1,738.2)	51.3	7.7	7.7	1.6		0.5	
	EBIT growth	38.9%	n.a.	36.8%	n.a.	63.4%	208.8%	37.9%	127.9%	
	2y CAGR (2023e - 2025e)	-9.6%	44.7%	26.8%	36.8%	49.9%	29.8%	24.7%	59.7%	
	EBIT/Revenues	31.7%	n.a.	14.7%	18.6%	21.4%	32.5%	21.6%	8.8%	
	Net Profit	134.5	(1,885.5)	3.9	5.0	6.6	1.1		0.3	
	Net Profit growth	46.7%	-955.4%	179.7%	n.a.	20.4%	n.a.	-243.0%	477.7%	
	2y CAGR (2023e - 2025e)	-10.3%	83.4%	n.a.	46.3%	35.4%	38.0%	39.8%	94.9%	
CAPEX/Sales %	0.6%	1.1%	2.1%	83.5%	100.3%	0.6%	21.8%	5.0%		
Free Cash Flow	99.0	122.7	2.6	(4.0)	(1.9)	1.2		(0.3)		
Net financial debt	(517.0)	2,037.1	388.6	28.8	12.3	(4.7)		5.4		
ND/EBITDA (x)	n.a.	6.9	5.2	0.8	0.4	n.a.	4.3	n.a.		
Pay-out	23.3%	0.0%	0.0%	n.a.	n.a.	0.0%	7.8%	0.0%		
Multiples and Ratios	P/E (x)	27.1	n.a.	n.a.	34.0	n.a.	29.0	30.5	27.8	
	P/BV (x)	4.6	2.7	4.8	2.5	n.a.	1.7	3.6	5.9	
	EV/Revenues (x)	5.7	1.1	2.4	4.1	1.4	8.0	3.3	2.2	
	EV/EBITDA (x)	18.2	13.1	11.3	4.5	1.7	14.3	11.8	n.a.	
	EV/EBIT (x)	18.0	n.a.	16.5	21.9	6.4	24.6	18.8	25.2	
	ROE	17.2	n.a.	7.6	7.2	n.a.	5.7	10.7	23.9	
	FCF Yield (%)	2.6	6.5	1.2	n.a.	n.a.	3.2	3.4	n.a.	
	DPS	0.76	0.00	0.00	0.00	n.a.	0.00	0.19	0.00	
Dvd Yield	0.8%	0.0%	0.0%	0.0%	n.a.	0.0%	0.2%	0.0%		

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).

LIGHTHOUSE

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
16-Mar-2023	n.a.	0.354	n.a.	n.a.	12m Results 2022 - Estimates downgrade	David López Sánchez
23-Nov-2022	n.a.	0.264	n.a.	n.a.	9m Results 2022	David López Sánchez
14-Sep-2022	n.a.	0.350	n.a.	n.a.	6m Results 2022	David López Sánchez
25-May-2022	n.a.	0.430	n.a.	n.a.	Initiation of Coverage	David López Sánchez

