

6m Results 2023

 Opinion ⁽¹⁾: In line

 Impact ⁽¹⁾: We will maintain our estimates

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Netex (NTX), is a Spanish technology company (A Coruña) dedicated to the development and commercialisation of software for the education sector. Its two main lines of business are the sale/renewal of licences (32% of revenues 2022e) and the development of projects with customised content (68% of revenues 2022e). Revenues outside Spain represent c. 65%. The founders control c. 51% of the capital.

1H23: NTX still delivering strong revenue growth (+19.6%) and margin recovery

Market Data

Market Cap (Mn EUR and USD)	25.4	28.1
EV (Mn EUR and USD) ⁽²⁾	44.7	49.5
Shares Outstanding (Mn)	8.9	
-12m (Max/Med/Min EUR)	3.52 / 2.86 / 2.36	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽³⁾	5.3	
Factset / Bloomberg	NTX-ES / NTX SM	
Close fiscal year	30-Sep	

REVENUE GROWTH STILL STRONG (+19.6% VS 1S22)... NTX obtained revenue in 1H23 of around EUR 11.8Mn (vs EUR 9.9Mn in 1H22). The sharp year-on-year increase (+19.6% vs 1H22) was the result of: i) the integration during the full period of Virtual College (vs. 3 months last year; 43% of 1H23 growth) and ii) sustained organic growth (57% of the total), unscathed by the macro environment. Among the business lines, the largest increase was in online training (+91%; mostly licences from VC's integration), which saw its weight in the revenue mix increase to 18% (vs 11% in 1H22). The share of international sales in the mix remained at c.65% (in line with 1H22).

Shareholders Structure (%)

José Carlos López Ezquerro	25.4
José Ramón Mosteiro López	25.2
Angel Fandos (Odre 2005)	12.1
3-Gutinvest, S.L.	5.0
Free Float	32.3

ALONGSIDE THE (EXPECTED) SIGNIFICANT IMPROVEMENT IN MARGINS... NTX is starting to unlock the synergies with Virtual College's business, with an increase in gross margin in 1H23 to 76.4% (+7.5 p.p. vs 1H22). Moreover, throughout the integration process NTX has adapted its workforce (we EUR 0.4Mn of one-off expenses), leaving room for margin growth that will become visible as of 2024e. As a result, the wider gross margin fed through to recurring EBITDA in 1H23: EUR 2.2Mn (vs EUR 1.1Mn in 1H22; recurring EBITDA margin 1H23: 18.3% vs 11.5% in 1H22).

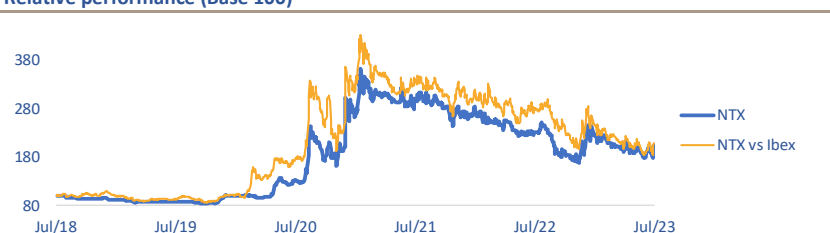
Financials (Mn EUR)	2022	2023e	2024e	2025e
Adj. nº shares (Mn)	8.9	8.9	8.9	8.9
Total Revenues	20.9	26.6	31.4	37.5
Rec. EBITDA	1.9	4.4	6.5	8.2
% growth	100.3	129.3	47.7	25.9
% Rec. EBITDA/Rev.	9.3	16.7	20.8	21.9
% Inc. EBITDA sector ⁽⁴⁾	15.9	8.7	22.0	15.7
Net Profit	-1.3	0.7	2.8	4.6
EPS (EUR)	-0.15	0.07	0.31	0.51
% growth	-306.3	149.7	320.5	65.4
Ord. EPS (EUR)	-0.08	0.07	0.31	0.51
% growth	n.a.	195.3	320.5	65.4
Rec. Free Cash Flow ⁽⁵⁾	2.2	1.2	3.0	4.0
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	18.9	17.8	14.8	10.7
ND/Rec. EBITDA (x)	9.8	4.0	2.3	1.3
ROE (%)	n.a.	46.2	88.2	67.2
ROCE (%) ⁽⁵⁾	n.a.	8.4	18.7	26.7

...AND REDUCTION IN NET DEBT (ND 1H23: EUR 16.6MN). Earnings in 1H23 illustrate our view of NTX's business model (not particularly CAPEX intensive) as a cash generator (rec. FCF in 1H23: EUR 2.2Mn), enabling the company to decrease NH in 1H23 to EUR 16.6Mn (-12% vs 2022; ND/EBITDA 2023e of 3.75x).

NTX IS RECOVERING MARGINS AND STILL GROWING. Reported numbers were in line. Assuming some business seasonality in 2H, we are leaving our estimates unchanged. Our baseline scenario for 12m 2023e calls for revenue of EUR 26.6Mn and recurring EBITDA of EUR 4.4Mn. The equity story remains intact for two reasons: i) the company's strong track record in delivering organic growth and ii) its high operational leverage by extracting technological synergies through M&A and the fixed component of its overhead. Our estimates have NTX trading at an EV/EBITDA 23e multiple of 10x (vs the sector average of 11.3x). NTX is currently outpacing average growth for its peers in revenue and EBITDA by 7p.p. to 2025e (EV/ EBITDA 25e of 5.4x) and shows an eye-catching FCF Yield 25e >15%.

Ratios & Multiples (x) ⁽⁶⁾

	2022	2023e	2024e	2025e
P/E	n.a.	38.7	9.2	5.6
Ord. P/E	n.a.	38.7	9.2	5.6
P/BV	n.a.	14.5	5.6	2.8
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	2.14	1.68	1.42	1.19
EV/Rec. EBITDA	23.2	10.1	6.8	5.4
EV/EBIT	n.a.	19.7	9.1	6.3
FCF Yield (%) ⁽⁵⁾	8.6	4.6	11.8	15.8

Relative performance (Base 100)


Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	15.3	5.1	-11.7	-13.1	53.8	104.3
vs Ibxex 35	12.0	3.6	-25.5	-25.0	17.5	109.2
vs Ibxex Small Cap Index	13.5	3.3	-14.4	-22.5	19.3	90.6
vs Eurostoxx 50	12.4	5.6	-27.6	-24.8	16.2	62.4
vs Sector benchmark ⁽⁴⁾	15.2	-0.3	-24.2	-28.2	25.9	41.6

(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 Technology.

(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.

NTX 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).

6m Results 2023

1H23 Results

Any reference to the results (6M) refers to the period between October 1st and March 31st of the corresponding year.

EUR Mn	1H23	1H22	1H23 vs 1H22	2023e 2023e	2023e vs 2022
Total Revenues	11.8	9.9	19.6%	26.6	27.4%
Licenses	3.4	2.8	21.4%	8.5	33.0%
Projects and Services	8.4	7.1	19.0%	18.0	25.0%
Other income	0.0	0.0	-25.8%	0.0	0.0%
Gross Margin	9.0	6.8	32.7%	19.2	30.1%
<i>Gross Mg/Revenues</i>	<i>76.4%</i>	<i>68.9%</i>	<i>7.5 p.p.</i>	<i>72.1%</i>	<i>1.5 p.p.</i>
Rec. EBITDA⁽¹⁾	2.2	1.1	90.7%	4.4	129.3%
<i>Rec. EBITDA/Revenues</i>	<i>18.3%</i>	<i>11.5%</i>	<i>6.8 p.p.</i>	<i>16.7%</i>	<i>7.4 p.p.</i>
EBITDA⁽²⁾	1.9	0.6	229.8%	4.4	313.7%
<i>EBITDA/Revenues</i>	<i>15.6%</i>	<i>5.7%</i>	<i>10.0 p.p.</i>	<i>16.7%</i>	<i>11.5 p.p.</i>
EBIT	0.5	-0.1	n.a.	2.3	n.a.
PBT	-0.6	-0.5	-15.3%	0.9	156.4%
NP	-0.5	-0.5	-2.2%	0.7	149.7%
		<u>12M22</u>			
Net Debt ⁽³⁾	16.6	18.9	-12.1%	17.8	-6.1%

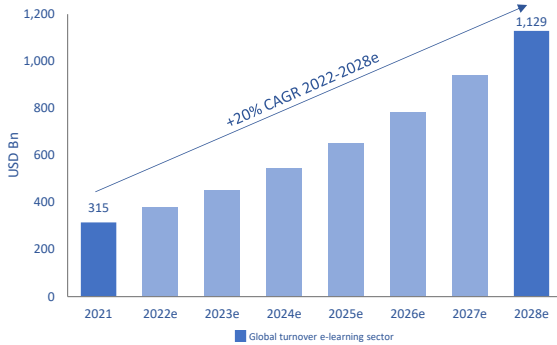
Note 1. Recurring EBITDA excludes: i) "Self-constructed assets" of EUR 0.6Mn in 1H23 (vs. EUR 0.8Mn in 1H22, ii) "Government grants" of EUR 0.1Mn (vs. EUR 0.1Mn), iii) "M&A costs" of EUR 0Mn (vs. EUR 0.65Mn, iv) "Personnel restructuring costs" of EUR 0.4Mn (vs. EUR 0Mn) and v) "Other income" of EUR 0.1Mn (vs. EUR 0Mn).

Note 2. Rec. EBITDA adjusted to strip out the impact of: "Work carried out by the group on its assets" for EUR 0.6Mn and EUR 0.8Mn in 1H23 and 1H22, respectively.

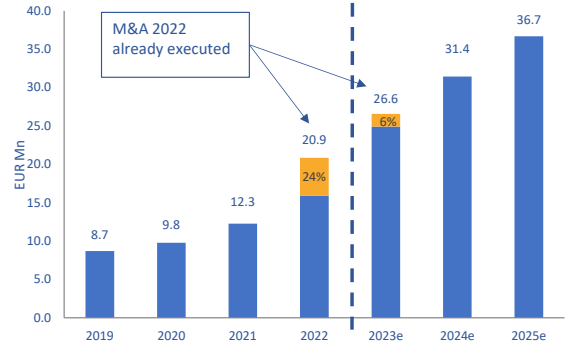
Note 3. Net debt includes convertible bonds signed with Inveready for EUR 7.1Mn and EUR 6.9Mn in 1H23 and 1H22, respectively.

The company in 8 charts

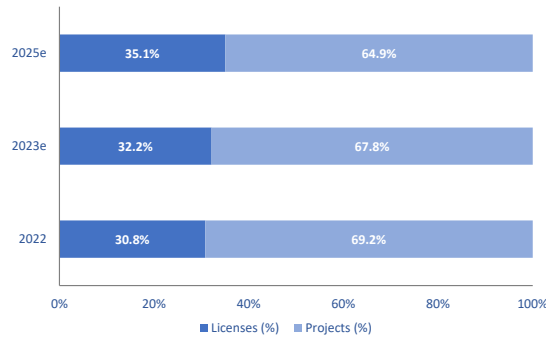
NTX is going to benefit from a very strong sector driver (e-learning)...



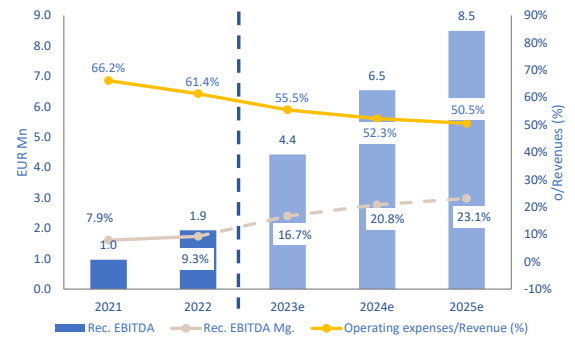
...that will accelerate revenue growth (with M&A as a tailwind)



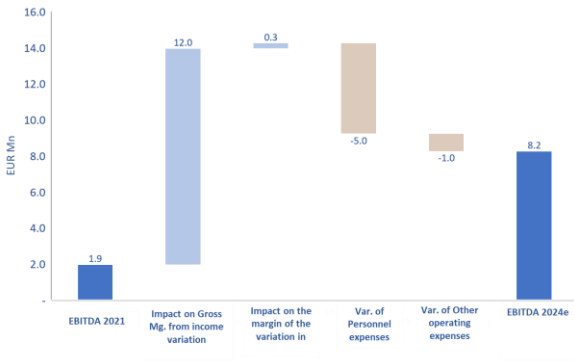
We estimate a progressive increase in the licences business (the most profitable)...



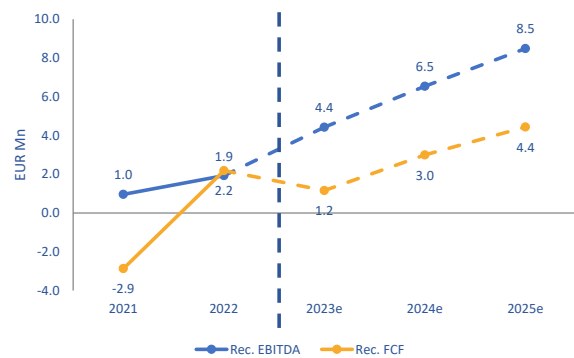
...And high potential for leveraging on its cost structure



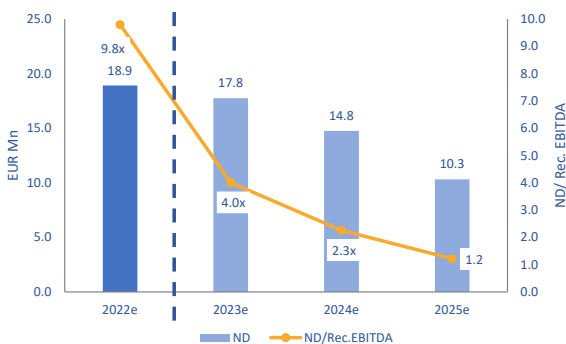
That will enable EBITDA to take off (EUR 8.2Mn in 2025e)



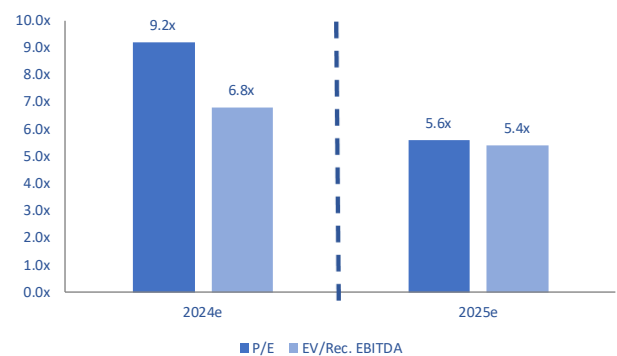
With capacity for cash generation (from 2023e)...



... that will cut debt in half, taking ND/EBITDA to 1.2x



The multiples, an attraction: 25e P/E 5.6x and 24e EV/EBITDA 5.4x



Valuation inputs

Inputs for the DCF Valuation Approach

	2023e	2024e	2025e	Terminal Value ⁽¹⁾		
Free Cash Flow "To the Firm"	2.2	3.9	4.8	83.1		
Market Cap	25.4	At the date of this report				
Net financial debt	18.9	Debt net of Cash (12m Results 2022)				
					Best Case	Worst Case
Cost of Debt	6.5%	Net debt cost			6.3%	6.8%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	5.2%	Kd = Cost of Net Debt * (1-T)			5.0%	5.4%
Risk free rate (rf)	3.4%	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	10.6%	Ke = Rf + (R * B)			9.5%	11.9%
Equity / (Equity + Net Debt)	57.3%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	42.7%	D			=	=
WACC	8.3%	WACC = Kd * D + Ke * E			7.6%	9.1%
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	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
Instructure Holdings, Inc.	INST-US	3,425.1	33.8	18.3%	20.7	23.1%	8.0	10.1%	38.7%	4.2%	n.a.
Learning Technologies Group	LTG-GB	779.8	9.8	8.5%	6.5	7.3%	1.3	3.7%	20.7%	7.9%	25.1%
Docebo	DCBO-CA	1,169.7	n.a.	65.0%	n.a.	77.6%	6.0	23.3%	7.7%	0.9%	n.a.
Skillsoft	SKIL-US	218.9	n.a.	48.2%	6.9	14.7%	1.2	4.9%	18.0%	10.5%	50.0%
	#N/D	0.00	#N/D	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
E-learning			21.8	35.0%	11.3	30.7%	4.2	10.5%	21.3%	5.9%	37.6%
NTX	NTX-ES	25.4	38.7	n.a.	10.1	36.4%	1.7	18.8%	16.7%	4.6%	85.8%

Free Cash Flow sensitivity analysis (2024e)

A) Rec. EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

Scenario	EBITDA/Sales 24e	EBITDA 24e	EV/EBITDA 24e
Max	22.9%	7.2	6.2x
Central	20.8%	6.5	6.8x
Min	18.7%	5.9	7.6x

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

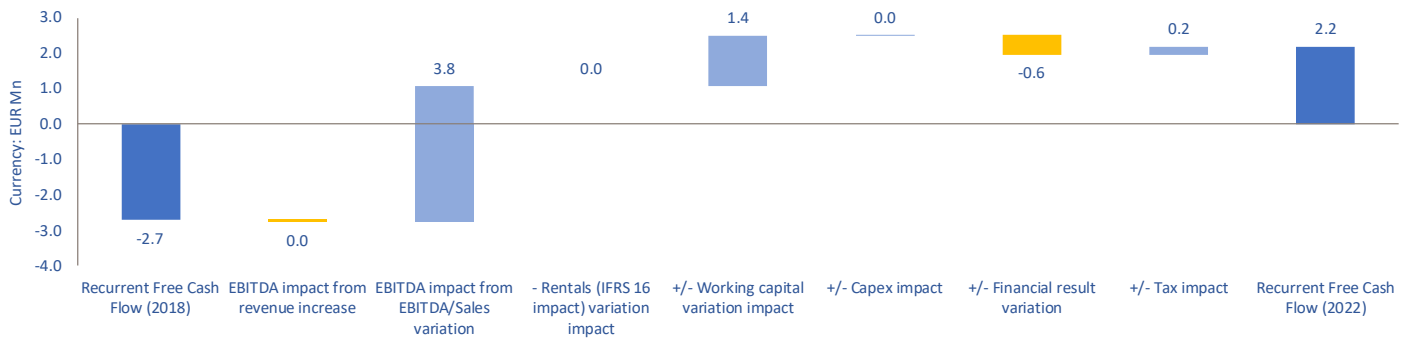
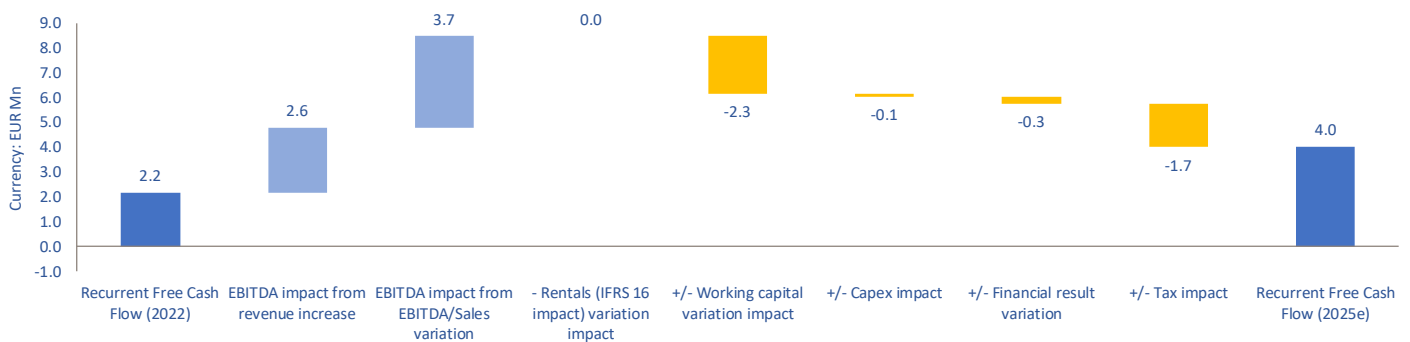
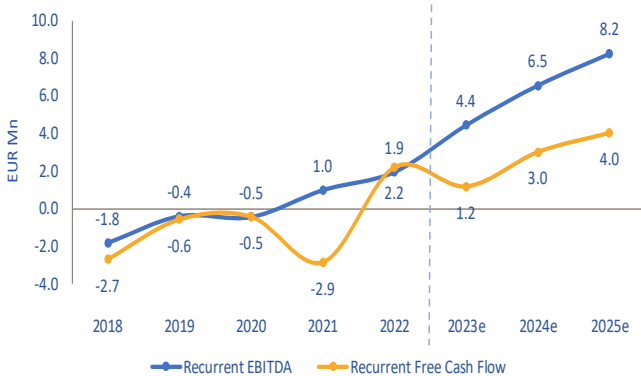
Rec. FCF EUR Mn	CAPEX/Sales 24e				Scenario	Rec. FCF/Yield 24e		
EBITDA 24e	0.6%	0.7%	0.8%		Max	14.5%	14.4%	14.3%
7.2	3.7	3.7	3.6	➔	Central	11.9%	11.8%	11.7%
6.5	3.0	3.0	3.0		Min	9.3%	9.2%	9.1%
5.9	2.4	2.3	2.3					

Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e		
Intangible assets	5.5	6.2	6.5	6.1	9.4	7.2	5.6	4.5		
Fixed assets	0.4	0.4	0.4	0.3	0.5	0.7	1.0	1.3		
Other Non Current Assets	0.2	0.2	0.2	0.5	1.3	1.3	1.3	1.3		
Financial Investments	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2		
Goodwill & Other Intangibles	-	-	-	-	5.9	5.9	5.9	5.9		
Current assets	4.0	4.4	3.7	7.1	8.6	10.6	12.1	14.0		
Total assets	10.4	11.4	11.1	14.3	25.9	26.0	26.2	27.2		
Equity	2.2	2.2	1.3	2.3	1.1	1.7	4.5	9.1		
Minority Interests	-	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	0.1	0.1	0.2	0.1	0.7	0.7	0.7	0.7		
Other Non Current Liabilities	-	-	-	-	-	-	-	-		
Net financial debt	5.3	5.8	6.8	9.0	18.9	17.8	14.8	10.7		
Current Liabilities	2.8	3.2	2.8	2.9	5.2	5.8	6.2	6.7		
Equity & Total Liabilities	10.4	11.4	11.1	14.3	25.9	26.0	26.2	27.2		
CAGR										
P&L (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	18-22	22-25e
Total Revenues	6.7	8.7	9.8	12.3	20.9	26.6	31.4	37.5	32.8%	21.6%
<i>Total Revenues growth</i>	<i>31.6%</i>	<i>29.8%</i>	<i>12.4%</i>	<i>25.4%</i>	<i>70.0%</i>	<i>27.4%</i>	<i>18.4%</i>	<i>19.3%</i>		
COGS	(1.5)	(1.8)	(2.5)	(3.2)	(6.1)	(7.4)	(8.5)	(10.5)		
Gross Margin	5.2	6.9	7.3	9.1	14.7	19.2	23.0	27.0	29.9%	22.4%
<i>Gross Margin/Revenues</i>	<i>77.2%</i>	<i>79.5%</i>	<i>74.2%</i>	<i>74.0%</i>	<i>70.7%</i>	<i>72.1%</i>	<i>73.1%</i>	<i>72.1%</i>		
Personnel Expenses	(5.5)	(6.0)	(6.4)	(6.7)	(10.2)	(11.9)	(13.2)	(15.3)		
Other Operating Expenses	(1.5)	(1.3)	(1.3)	(1.4)	(2.6)	(2.9)	(3.2)	(3.5)		
Recurrent EBITDA	(1.8)	(0.4)	(0.5)	1.0	1.9	4.4	6.5	8.2	32.1%	62.1%
<i>Recurrent EBITDA growth</i>	<i>0.8%</i>	<i>77.0%</i>	<i>-10.8%</i>	<i>304.8%</i>	<i>100.3%</i>	<i>129.3%</i>	<i>47.7%</i>	<i>25.9%</i>		
<i>Rec. EBITDA/Revenues</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>7.9%</i>	<i>9.3%</i>	<i>16.7%</i>	<i>20.8%</i>	<i>21.9%</i>		
Restructuring Expense & Other non-rec.	(0.0)	(0.0)	0.2	0.2	(0.9)	-	-	-		
EBITDA	(1.9)	(0.4)	(0.2)	1.2	1.1	4.4	6.5	8.2	26.6%	97.4%
Depreciation & Provisions	(1.7)	(1.8)	(2.0)	(2.2)	(3.6)	(3.9)	(3.2)	(2.7)		
Capitalized Expense	2.1	2.4	2.5	1.7	2.2	1.7	1.6	1.6		
Rentals (IFRS 16 impact)	-	-	-	-	-	-	-	-		
EBIT	(1.4)	0.2	0.3	0.6	(0.3)	2.3	4.9	7.1	31.9%	n.a.
<i>EBIT growth</i>	<i>26.1%</i>	<i>111.2%</i>	<i>60.2%</i>	<i>143.8%</i>	<i>-149.0%</i>	<i>838.0%</i>	<i>117.7%</i>	<i>44.1%</i>		
<i>EBIT/Revenues</i>	<i>n.a.</i>	<i>1.8%</i>	<i>2.6%</i>	<i>5.1%</i>	<i>n.a.</i>	<i>8.5%</i>	<i>15.7%</i>	<i>18.9%</i>		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(0.2)	(0.2)	(0.2)	(0.4)	(1.2)	(1.4)	(1.3)	(1.0)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
Ordinary Profit	(1.6)	(0.0)	0.0	0.2	(1.5)	0.9	3.7	6.1	1.2%	80.9%
<i>Ordinary Profit Growth</i>	<i>25.1%</i>	<i>97.3%</i>	<i>128.7%</i>	<i>n.a.</i>	<i>-926.3%</i>	<i>156.4%</i>	<i>320.5%</i>	<i>65.4%</i>		
Extraordinary Results	-	-	-	-	-	-	-	-		
Profit Before Tax	(1.6)	(0.0)	0.0	0.2	(1.5)	0.9	3.7	6.1	1.2%	80.9%
Tax Expense	(0.0)	0.1	0.1	0.5	0.2	(0.2)	(0.9)	(1.5)		
<i>Effective Tax Rate</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>		
Minority Interests	-	-	-	-	(0.0)	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	(1.6)	0.1	0.1	0.6	(1.3)	0.7	2.8	4.6	5.2%	76.0%
<i>Net Profit growth</i>	<i>25.1%</i>	<i>104.6%</i>	<i>86.4%</i>	<i>358.7%</i>	<i>-306.3%</i>	<i>149.7%</i>	<i>320.5%</i>	<i>65.4%</i>		
Ordinary Net Profit	(1.6)	(0.0)	(0.2)	(0.0)	(0.7)	0.7	2.8	4.6	18.8%	n.a.
<i>Ordinary Net Profit growth</i>	<i>23.4%</i>	<i>98.7%</i>	<i>-980.1%</i>	<i>90.7%</i>	<i>n.a.</i>	<i>195.3%</i>	<i>320.5%</i>	<i>65.4%</i>		
CAGR										
Cash Flow (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	18-22	22-25e
Recurrent EBITDA						4.4	6.5	8.2	32.1%	62.1%
Rentals (IFRS 16 impact)						-	-	-		
Working Capital Increase						(1.5)	(1.1)	(1.4)		
Recurrent Operating Cash Flow						3.0	5.4	6.8	34.1%	33.5%
CAPEX						(0.2)	(0.2)	(0.3)		
Net Financial Result affecting the Cash Flow						(1.4)	(1.3)	(1.0)		
Tax Expense						(0.2)	(0.9)	(1.5)		
Recurrent Free Cash Flow						1.2	3.0	4.0	29.4%	22.4%
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						1.2	3.0	4.0	-27.3%	36.7%
Capital Increase						-	-	-		
Dividends						-	-	-		
Net Debt Variation						(1.2)	(3.0)	(4.0)		

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	(0.4)	(0.5)	1.0	1.9	4.4	6.5	8.2	87.1%	62.1%
<i>Recurrent EBITDA growth</i>	77.0%	-10.8%	304.8%	100.3%	129.3%	47.7%	25.9%		
<i>Rec. EBITDA/Revenues</i>	n.a.	n.a.	7.9%	9.3%	16.7%	20.8%	21.9%		
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	0.1	0.2	(3.4)	0.9	(1.5)	(1.1)	(1.4)		
= Recurrent Operating Cash Flow	(0.3)	(0.2)	(2.4)	2.9	3.0	5.4	6.8	n.a.	33.5%
<i>Rec. Operating Cash Flow growth</i>	86.1%	26.5%	-902.4%	220.3%	3.3%	82.0%	26.5%		
<i>Rec. Operating Cash Flow / Sales</i>	n.a.	n.a.	n.a.	13.8%	11.2%	17.2%	18.2%		
- CAPEX	(0.1)	(0.0)	(0.0)	(0.2)	(0.2)	(0.2)	(0.3)		
- Net Financial Result affecting Cash Flow	(0.2)	(0.2)	(0.4)	(0.8)	(1.4)	(1.3)	(1.0)		
- Taxes	-	-	-	0.2	(0.2)	(0.9)	(1.5)		
= Recurrent Free Cash Flow	(0.6)	(0.5)	(2.9)	2.2	1.2	3.0	4.0	78.5%	22.4%
<i>Rec. Free Cash Flow growth</i>	78.1%	22.8%	-526.6%	176.3%	-46.9%	157.8%	33.9%		
<i>Rec. Free Cash Flow / Revenues</i>	n.a.	n.a.	n.a.	10.5%	4.4%	9.5%	10.7%		
- Restructuring expenses & others	(0.0)	0.2	0.2	(0.9)	-	-	-		
- Acquisitions / + Divestments	-	-	-	(8.5)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow	(0.6)	(0.2)	(2.7)	(7.2)	1.2	3.0	4.0	n.a.	36.7%
<i>Free Cash Flow growth</i>	77.5%	63.4%	n.a.	-171.0%	116.1%	157.8%	33.9%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	n.a.	n.a.	n.a.	8.6%	4.6%	11.8%	15.8%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	n.a.	n.a.	n.a.	n.a.	4.6%	11.8%	15.8%		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
	2019	2020	2021	2022	2023e	2024e	2025e		
Recurrent FCF(FY - 1)	(2.7)	(0.6)	(0.5)	(2.9)	2.2	1.2	3.0		
EBITDA impact from revenue increase	(0.5)	(0.1)	(0.1)	0.7	0.5	0.8	1.3		
EBITDA impact from EBITDA/Sales variation	2.0	0.0	1.6	0.3	2.0	1.3	0.4		
= Recurrent EBITDA variation	1.4	(0.0)	1.4	1.0	2.5	2.1	1.7		
- Rentals (IFRS 16 impact) variation impact	-	-	-	-	-	-	-		
+/- Working capital variation impact	0.6	0.1	(3.6)	4.3	(2.4)	0.3	(0.3)		
= Recurrent Operating Cash Flow variation	2.0	0.1	(2.2)	5.3	0.1	2.4	1.4		
+/- CAPEX impact	0.1	0.0	0.0	(0.1)	(0.0)	(0.0)	(0.0)		
+/- Financial result variation	(0.0)	0.0	(0.3)	(0.3)	(0.6)	0.1	0.2		
+/- Tax impact	0.0	-	-	0.2	(0.4)	(0.7)	(0.6)		
= Recurrent Free Cash Flow variation	2.1	0.1	(2.4)	5.1	(1.0)	1.8	1.0		
Recurrent Free Cash Flow	(0.6)	(0.5)	(2.9)	2.2	1.2	3.0	4.0		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
EBIT	0.2	0.3	0.6	(0.3)	2.3	4.9	7.1	-57.6%	n.a.
* Theoretical Tax rate	0.0%	0.0%	0.0%	0.0%	25.0%	25.0%	25.0%		
= Taxes (pre- Net Financial Result)	-	-	-	-	(0.6)	(1.2)	(1.8)		
Recurrent EBITDA	(0.4)	(0.5)	1.0	1.9	4.4	6.5	8.2	87.1%	62.1%
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	0.1	0.2	(3.4)	0.9	(1.5)	(1.1)	(1.4)		
= Recurrent Operating Cash Flow	(0.3)	(0.2)	(2.4)	2.9	3.0	5.4	6.8	n.a.	33.5%
- CAPEX	(0.1)	(0.0)	(0.0)	(0.2)	(0.2)	(0.2)	(0.3)		
- Taxes (pre- Financial Result)	-	-	-	-	(0.6)	(1.2)	(1.8)		
= Recurrent Free Cash Flow (To the Firm)	(0.4)	(0.3)	(2.4)	2.7	2.2	3.9	4.8	n.a.	20.7%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	84.5%	27.0%	-757.0%	211.9%	-18.9%	78.6%	21.5%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	n.a.	n.a.	n.a.	13.0%	8.3%	12.5%	12.8%		
- Acquisitions / + Divestments	-	-	-	(8.5)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow "To the Firm"	(0.4)	(0.3)	(2.4)	(5.8)	2.2	3.9	4.8	n.a.	41.3%
<i>Free Cash Flow (To the Firm) growth</i>	84.5%	27.0%	-757.0%	-139.5%	137.9%	78.6%	21.5%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	n.a.	n.a.	n.a.	6.1%	4.9%	8.8%	10.7%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	n.a.	n.a.	n.a.	n.a.	4.9%	8.8%	10.7%		

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	25.4	
+ Minority Interests	-	12m Results 2022
+ Provisions & Other L/T Liabilities	0.7	12m Results 2022
+ Net financial debt	18.9	12m Results 2022
- Financial Investments	0.2	12m Results 2022
+/- Others		
Enterprise Value (EV)	44.7	

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					5.4	5.1	6.7	8.7	9.8	12.3	20.9	26.6	31.4	37.5	n.a.	21.6%
Total Revenues growth					n.a.	-6.2%	31.6%	29.8%	12.4%	25.4%	70.0%	27.4%	18.4%	19.3%		
EBITDA					0.0	(1.9)	(1.9)	(0.4)	(0.2)	1.2	1.1	4.4	6.5	8.2	n.a.	97.4%
EBITDA growth					n.a.	n.a.	-1.3%	76.2%	46.8%	591.0%	-8.7%	313.7%	47.7%	25.9%		
EBITDA/Sales					0.3%	n.a.	n.a.	n.a.	n.a.	9.6%	5.1%	16.7%	20.8%	21.9%		
Net Profit					0.0	(2.2)	(1.6)	0.1	0.1	0.6	(1.3)	0.7	2.8	4.6	n.a.	76.0%
Net Profit growth					n.a.	n.a.	25.1%	104.6%	86.4%	358.7%	-306.3%	149.7%	320.5%	65.4%		
Adjusted number shares (Mn)					-	-	-	8.9	8.9	8.9	8.9	8.9	8.9	8.9		
EPS (EUR)					n.a.	n.a.	n.a.	0.01	0.02	0.07	-0.15	0.07	0.31	0.51	n.a.	76.0%
EPS growth					n.a.	n.a.	n.a.	n.a.	86.4%	n.a.	n.a.	n.a.	n.a.	65.4%		
Ord. EPS (EUR)					n.a.	n.a.	n.a.	0.00	-0.02	0.00	-0.08	0.07	0.31	0.51	n.a.	n.a.
Ord. EPS growth					n.a.	n.a.	n.a.	n.a.	n.a.	90.7%	n.a.	n.a.	n.a.	65.4%		
CAPEX					-	(0.1)	(0.2)	(0.1)	(0.0)	(0.0)	(0.2)	(0.2)	(0.2)	(0.3)		
CAPEX/Sales %					0.0%	1.1%	2.5%	0.7%	0.5%	0.3%	0.7%	0.7%	0.7%	0.7%		
Free Cash Flow					(2.1)	(1.0)	(2.7)	(0.6)	(0.2)	(2.7)	(7.2)	1.2	3.0	4.0	n.a.	36.7%
ND/EBITDA (x) ⁽²⁾					n.a.	n.a.	n.a.	n.a.	n.a.	7.7x	17.7x	4.0x	2.3x	1.3x		
P/E (x)					n.a.	n.a.	n.a.	n.a.	n.a.	50.2x	n.a.	38.7x	9.2x	5.6x		
EV/Sales (x)					n.a.	n.a.	3.39x	1.97x	1.94x	3.38x	2.70x	1.68x	1.42x	1.19x		
EV/EBITDA (x) ⁽²⁾					n.a.	n.a.	n.a.	n.a.	n.a.	35.4x	n.a.	10.1x	6.8x	5.4x		
Absolute performance					n.a.	n.a.	-34.8%	7.8%	164.7%	-1.6%	-9.1%	-13.1%				
Relative performance vs Ibex 35					n.a.	n.a.	-23.4%	-3.6%	213.1%	-8.9%	-3.8%	-25.0%				

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

		E-learning					
		Instructure Holdings, Learning Technologies					
EUR Mn		Inc.	Group	Docebo	Skillsoft	Average	NTX
Market data	Ticker (Factset)	INST-US	LTG-GB	DCBO-CA	SKIL-US		NTX-ES
	Country	USA	UK	Canada	USA		Spain
	Market cap	3,425.1	779.8	1,169.7	218.9		25.4
	Enterprise value (EV)	3,792.1	932.2	972.4	636.7		44.7
Basic financial information	Total Revenues	473.5	697.5	160.8	513.6		26.6
	Total Revenues growth	10.4%	1.0%	26.2%	2.5%	10.0%	27.4%
	2y CAGR (2023e - 2025e)	10.1%	3.7%	23.3%	4.9%	10.5%	18.8%
	EBITDA	183.4	144.4	12.4	92.5		4.4
	EBITDA growth	47.6%	-17.4%	402.5%	73.2%	126.5%	313.7%
	2y CAGR (2023e - 2025e)	23.1%	7.3%	77.6%	14.7%	30.7%	36.4%
	EBITDA/Revenues	38.7%	20.7%	7.7%	18.0%	21.3%	16.7%
	EBIT	178.0	128.4	4.4	(62.0)		2.3
	EBIT growth	n.a.	9.5%	171.9%	42.7%	74.7%	838.0%
	2y CAGR (2023e - 2025e)	13.4%	6.4%	n.a.	45.1%	21.7%	77.1%
	EBIT/Revenues	37.6%	18.4%	2.8%	n.a.	19.6%	8.5%
	Net Profit	(32.2)	84.2	6.3	(135.8)		0.7
	Net Profit growth	-4.1%	139.4%	0.6%	81.0%	54.2%	149.7%
	2y CAGR (2023e - 2025e)	n.a.	10.5%	n.a.	9.4%	9.9%	n.a.
CAPEX/Sales %	1.1%	2.3%	0.6%	1.0%	1.2%	0.7%	
Free Cash Flow	142.9	61.9	10.4	23.0		1.2	
Net financial debt	140.6	96.6	(207.5)	n.a.		17.8	
ND/EBITDA (x)	0.8	0.7	n.a.	n.a.	0.7	4.0	
Pay-out	0.0%	18.3%	n.a.	0.0%	6.1%	0.0%	
Multiples and Ratios	P/E (x)	33.8	9.8	n.a.	n.a.	21.8	38.7
	P/BV (x)	3.0	n.a.	6.2	n.a.	4.6	14.5
	EV/Revenues (x)	8.0	1.3	6.0	1.2	4.2	1.7
	EV/EBITDA (x)	20.7	6.5	n.a.	6.9	11.3	10.1
	EV/EBIT (x)	21.3	7.3	n.a.	n.a.	14.3	19.7
	ROE	8.9	n.a.	5.3	n.a.	7.1	46.2
	FCF Yield (%)	4.2	7.9	0.9	10.5	5.9	4.6
	DPS	0.00	0.02	n.a.	0.00	0.01	0.00
Dvd Yield	0.0%	2.0%	n.a.	0.0%	0.7%	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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Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
25-Jul-2023	n.a.	2.86	n.a.	n.a.	6m Results 2023	Luis Esteban Arribas
12-Jun-2023	n.a.	2.74	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
01-Feb-2023	n.a.	3.12	n.a.	n.a.	12m Results 2022 - Estimates downgrade	Luis Esteban Arribas
01-Aug-2022	n.a.	3.23	n.a.	n.a.	6m Results 2022	Luis Esteban Arribas
07-Jul-2022	n.a.	3.27	n.a.	n.a.	Initiation of Coverage	Luis Esteban Arribas

