

EQUITY - SPAIN

Sector: Communications Equipment

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3m Results 2021

Closing price: EUR 0.20 (29 Apr 2021)

3m Results 2021

Opinion ⁽¹⁾: In lineImpact ⁽¹⁾: We will maintain our estimates

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Amper (AMP) is a Spanish group that operates through three business lines: (i) Technology (roll-out of telecom networks and IoT, solutions for security and defense and energy control; 36% o/revenue in 2021e), (ii) Industrial (assembly and maintenance of industrial plants; 60% o/revenue in 2021e), and (iii) engineering (4% o/revenue in 2021e). Spain is its principal market (c. 85% o/revenue).

Volume growth confirmed. But margins still under pressure (EBIT at breakeven)

Market Data

Market Cap (Mn EUR and USD)	217.2	263.3
EV (Mn EUR and USD) ⁽²⁾	293.6	355.9
Shares Outstanding (Mn)	1,075.3	
-12m (Max/Med/Min EUR)	0.23 / 0.18 / 0.15	
Daily Avg volume (-12m Mn EUR)	0.53	
Rotation ⁽³⁾	61.9	
Refinitiv / Bloomberg	APE.MC / AMP SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

Martinavarro Dealbert	5.1
Free Float	94.9

REVENUE GROWTH HAS RECOVERED (+42.2% VS 1Q20), underpinned mainly by the integration of the three companies acquired in the second half of 2020 (the largest being Sacyr Nervión, an industrial business with proforma sales of c. EUR 38Mn). This, together with organic growth (c. 10%; estimated by Lighthouse), has enabled AMP to obtain revenue of EUR 64.5Mn (vs EUR 45.3Mn in 1Q20; +42.2%).

ALTHOUGH THE COST STRUCTURE REMAINS VERY HEAVY... The non-organic growth strategy adopted by AMP in recent years has resulted in significant growth in the operating structure, implying in 1Q21: (i) EUR 30.5Mn in personnel costs (+45.3% vs 1Q20) and (ii) an increase in other operating costs to EUR 4.4Mn (+26% vs 1Q20).

...LEAVING EBIT AT BREAKEVEN, impacted by EUR 3.2Mn in amortisation expenses (2x the figure for 1Q20) mainly due to the amortisation of intangibles generated by M&A and the capitalisation of R+D.

WITH NET DEBT RISING TO EUR 50Mn (+35.4% VS 2020), driven by a business that is very intensive in working capital (especially the industrial division; c. 65% of revenue) that, logically, has a very significant impact on FCF and ND. In 1Q21, working capital increased by close to EUR 11Mn (85% of the increase in net debt).

AND AN ORDERBOOK THAT REMAINS AT HIGHS (EUR 356Mn), having increased c. 5% vs the 2020 close. By businesses, the industrial business accounts for 66% of the orderbook (smaller margins). The other 34% comes from: (i) the technological business (c. 30%; in line vs 2020) and (ii) engineering (c. 4%).

OUR ESTIMATES ARE UNCHANGED ALTHOUGH IMPROVING MARGINS REMAINS THE CHALLENGE The step-up in size is already accomplished and points to revenue of, at least, EUR 260Mn in 2021e (+32% vs 2020). However, now the focus of attention should be the margin: in our view, the central pillar of AMP's equity story is the recovery of margins (that should begin to be visible in 2Q21 results).

Financials (Mn EUR)	2020	2021e	2022e	2023e
Adj. n° shares (Mn)	1,084.0	1,075.3	1,075.3	1,075.3
Total Revenues	196.1	258.8	294.9	340.0
Rec. EBITDA ⁽⁴⁾	-0.1	15.1	20.6	30.3
% growth	-100.9	n.a.	36.2	47.2
% Rec. EBITDA/Rev.	n.a.	5.8	7.0	8.9
% Inc. EBITDA sector ⁽⁵⁾	15.0	21.6	18.1	16.9
Net Profit	1.1	8.7	13.2	21.4
EPS (EUR)	0.00	0.01	0.01	0.02
% growth	-94.1	667.2	52.0	62.0
Ord. EPS (EUR)	0.00	0.01	0.01	0.02
% growth	-88.6	345.8	52.0	62.0
Rec. Free Cash Flow ⁽⁶⁾	-21.0	5.1	7.6	14.7
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	35.6	35.4	30.8	16.2
ND/Rec. EBITDA (x)	n.a.	2.3	1.5	0.5
ROE (%)	2.1	15.0	19.2	24.9
ROCE (%) ⁽⁶⁾	n.a.	9.7	13.2	19.1

Ratios & Multiples (x) ⁽⁷⁾

P/E	n.a.	25.0	16.4	10.1
Ord. P/E	n.a.	25.0	16.4	10.1
P/BV	4.1	3.5	2.9	2.2
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	1.50	1.13	1.00	0.86
EV/Rec. EBITDA	n.a.	19.5	14.3	9.7
EV/EBIT	n.a.	22.2	15.6	10.2
FCF Yield (%) ⁽⁶⁾	n.a.	2.4	3.5	6.7

Relative performance (Base 100)



Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	-1.2	5.5	23.5	5.9	-9.8	n.a.
vs Ibex 35	-4.6	-4.9	-4.1	-2.8	1.7	n.a.
vs Ibex Small Cap Index	-1.2	-4.5	-19.5	-1.2	-22.9	n.a.
vs Eurostoxx 50	-4.9	-6.6	-9.8	-6.3	-21.0	n.a.
vs Sector benchmark ⁽⁵⁾	-5.0	-3.6	-15.8	-6.1	-45.1	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 3.

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

(4) Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 1.0Mn higher due to IFRS 16.

(5) Sector: TRBC Europe Technology Index.

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

(7) 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, Refinitiv 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.

3m21 Results

3m21 Results

EUR Mn	3m21 Real	3m20	3m21 Real vs 3m20	2021e	2021e vs 2020
Total Revenues	64.5	45.3	42.2%	258.8	32.0%
Technology	19.8	11.8	67.8%	94.0	74.7%
Industrial	42.5	30.4	40.0%	155.4	16.2%
Engineering	2.1	3.2	-32.7%	9.3	10.0%
Recurrent EBITDA¹	1.2	0.2	439.7%	13.2	n.a.
<i>Rec. EBITDA/Revenues</i>	<i>1.8%</i>	<i>0.5%</i>	<i>1.4 p.p.</i>	<i>5.1%</i>	<i>5.2 p.p.</i>
EBIT	-0.1	4.1	-101.4%	13.2	n.a.
NP	-0.6	4.2	-114.9%	8.7	n.a.
Order book	356.9	144.5	147%	n.a.	n.a.
Net Debt	50.0	36.9	35.4%	35.4	-0.4%

Note 1: Recurrent EBITDA adjusted to strip out the impact of revenue associated with the capitalisation of R+D costs (EUR 1.9Mn in 1Q21 y EUR 5.6Mn in 1Q20).

Valuation inputs

Inputs for the DCF Valuation Approach

	2021e	2022e	2023e	Terminal Value ⁽¹⁾		
Free Cash Flow "To the Firm"	2.1	6.5	16.3	197.9		
Market Cap	217.2	At the date of this report				
Net financial debt	50.0	Debt net of Cash (3m Results 2020)				
					Best Case	Worst Case
Cost of Debt	3.3%	Net debt cost			3.0%	3.5%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	2.6%	$K_d = \text{Cost of Net Debt} * (1-T)$			2.4%	2.8%
Risk free rate (rf)	0.5%	Rf (10y Spanish bond yield)			=	=
Equity risk premium	9.0%	R (own estimate)			8.5%	9.5%
Beta (B)	1.2	B (Refinitiv and Lighthouse)			1.1	1.3
Cost of Equity	11.3%	$K_e = R_f + (R * B)$			9.8%	12.8%
Equity / (Equity + Net Debt)	81.3%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	18.7%	D			=	=
WACC	9.7%	$WACC = K_d * D + K_e * E$			8.4%	11.0%
G "Fair"	2.0%				2.5%	1.0%

(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 Reuters	Mkt. Cap	P/E 21e	EPS 21e-23e	EV/EBITDA 21e	EBITDA 21e-23e	EV/Sales 21e	Revenues 21e-23e	EBITDA/Sales 21e	FCF Yield 21e	FCF 21e-23e
Ezentis	EZEN.MC	161.5	17.5	n.a.	5.3	n.a.	0.7	n.a.	12.5%	n.a.	n.a.
Global Dominion	DOMI.MC	701.2	18.6	22.5%	6.1	8.8%	0.6	7.5%	9.9%	7.8%	4.6%
Allegion	ALLE.N	10,188.8	26.3	9.5%	20.0	7.5%	4.7	5.3%	23.4%	3.5%	13.8%
ADVA Optical	ADAG.DE	529.4	15.5	8.5%	4.9	6.5%	0.9	4.2%	18.3%	4.9%	14.3%
Technology			19.5	13.5%	9.1	7.6%	1.7	5.7%	16.0%	5.4%	10.9%
Bravida	BRAV.ST	2,479.0	23.2	7.3%	13.3	6.0%	1.1	4.2%	8.5%	4.9%	10.7%
Caverion	CAV1V.HE	872.8	19.2	22.3%	7.3	11.6%	0.5	3.8%	6.2%	8.5%	11.8%
Industrials			21.2	14.8%	10.3	8.8%	0.8	4.0%	7.3%	6.7%	11.2%
AMP	APE.MC	217.2	25.0	56.9%	19.5	41.6%	1.1	14.6%	5.8%	2.4%	n.a.

Free Cash Flow sensitivity analysis (2022e)

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

Scenario	EBITDA/Sales 22e	EBITDA 22e	EV/EBITDA 22e
Max	7.7%	22.6	13.0x
Central	7.0%	20.6	14.3x
Min	6.3%	18.5	15.9x

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

Rec. FCF EUR Mn	CAPEX/Sales 22e				Rec. FCF/Yield 22e		
EBITDA 22e	0.9%	1.0%	1.1%		Scenario		
22.6	10.0	9.7	9.4	➔	Max	4.6%	4.4%
20.6	7.9	7.6	7.3		Central	3.6%	3.5%
18.5	5.8	5.5	5.2		Min	2.7%	2.5%

Appendix 1. Financial Projections⁽¹⁾

Balance Sheet (EUR Mn)	2016	2017	2018	2019	2020	2021e	2022e	2023e	CAGR	
Intangible assets	0.4	0.7	9.1	44.8	54.7	56.2	58.0	60.1		
Fixed assets	0.6	6.1	6.3	9.9	15.6	15.8	16.6	17.8		
Other Non Current Assets	1.0	2.0	2.4	2.9	6.7	6.7	6.7	6.7		
Financial Investments	97.5	100.7	45.3	4.3	5.0	5.0	4.9	4.9		
Goodwill & Other Intangibles	14.5	14.0	13.3	25.0	29.3	29.3	29.3	29.3		
Current assets	21.1	52.1	50.2	87.3	92.4	114.9	131.1	148.6		
Total assets	135.1	175.5	126.6	174.2	203.6	228.0	246.7	267.5		
Equity	(6.8)	0.2	42.0	57.8	53.6	62.3	75.5	96.9		
Minority Interests	31.1	31.0	(0.9)	2.2	2.3	2.8	3.7	5.0		
Provisions & Other L/T Liabilities	76.3	70.2	14.1	31.0	26.9	21.9	18.9	18.9		
Other Non Current Liabilities	-	-	-	4.3	8.6	8.6	8.6	8.6		
Net financial debt	4.0	15.8	11.3	(5.5)	35.6	35.4	30.8	16.2		
Current Liabilities	30.6	58.4	60.0	84.3	76.7	97.0	109.3	121.9		
Equity & Total Liabilities	135.1	175.5	126.6	174.2	203.6	228.0	246.7	267.5		
P&L (EUR Mn)	2016	2017	2018	2019	2020	2021e	2022e	2023e	16-20	20-23e
Total Revenues	28.3	70.2	136.9	173.3	196.1	258.8	294.9	340.0	62.3%	20.1%
<i>Total Revenues growth</i>	-78.2%	148.2%	94.9%	26.6%	13.1%	32.0%	14.0%	15.3%		
COGS	(15.5)	(30.0)	(58.3)	(69.5)	(82.8)	(103.3)	(118.6)	(136.5)		
Gross Margin	12.8	40.3	78.6	103.8	113.3	155.5	176.3	203.4	72.6%	21.6%
<i>Gross Margin/Revenues</i>	45.1%	57.3%	57.4%	59.9%	57.8%	60.1%	59.8%	59.8%		
Personnel Expenses	(9.2)	(30.1)	(59.7)	(72.9)	(94.3)	(116.3)	(128.9)	(142.7)		
Other Operating Expenses	(1.2)	(5.8)	(9.6)	(15.0)	(19.1)	(24.1)	(26.9)	(30.5)		
Recurrent EBITDA	2.3	4.4	9.3	15.9	(0.1)	15.1	20.6	30.3	-19.9%	n.a.
<i>Recurrent EBITDA growth</i>	-88.2%	89.9%	112.5%	71.1%	-100.9%	n.a.	36.2%	47.2%		
<i>Rec. EBITDA/Revenues</i>	8.1%	6.2%	6.8%	9.2%	n.a.	5.8%	7.0%	8.9%		
Restructuring Expense & Other non-rec.	(1.0)	(0.3)	-	-	-	-	-	-		
EBITDA	1.3	4.1	9.3	15.9	(0.1)	15.1	20.6	30.3	-20.6%	n.a.
Depreciation & Provisions	(0.4)	(0.8)	(2.8)	(7.1)	(9.2)	(8.3)	(9.2)	(10.3)		
Capitalized Expense	-	-	6.4	12.4	9.5	7.8	8.8	10.2		
Rentals (IFRS 16 impact)	-	-	-	(1.0)	(1.4)	(1.4)	(1.4)	(1.4)		
EBIT	0.9	3.3	12.9	20.2	(1.3)	13.2	18.8	28.8	-35.7%	n.a.
<i>EBIT growth</i>	-90.2%	261.9%	293.7%	56.9%	-106.2%	n.a.	42.3%	52.9%		
<i>EBIT/Revenues</i>	3.2%	4.7%	9.4%	11.7%	n.a.	5.1%	6.4%	8.5%		
Impact of Goodwill & Others	(0.1)	-	-	-	3.7	-	-	-		
Net Financial Result	0.0	(2.4)	(0.2)	(1.0)	(1.1)	(2.3)	(2.2)	(1.9)		
Income by the Equity Method	-	0.2	0.3	0.4	(0.0)	(0.0)	(0.0)	(0.0)		
Ordinary Profit	0.9	1.1	13.0	19.6	1.3	10.9	16.5	26.8	11.3%	n.a.
<i>Ordinary Profit Growth</i>	18.9%	23.5%	n.a.	50.7%	-93.3%	722.8%	52.0%	62.0%		
Extraordinary Results	4.7	-	-	2.4	-	-	-	-		
Profit Before Tax	5.6	1.1	13.0	22.0	1.3	10.9	16.5	26.8	-30.2%	n.a.
Tax Expense	(0.5)	(0.4)	(1.0)	(1.5)	(0.1)	(1.6)	(2.5)	(4.0)		
<i>Effective Tax Rate</i>	9.2%	40.3%	7.9%	6.7%	5.7%	15.0%	15.0%	15.0%		
Minority Interests	(4.7)	(6.4)	(7.4)	(1.1)	0.7	(0.6)	(0.8)	(1.4)		
Discontinued Activities	(3.1)	6.9	36.1	-	(0.8)	-	-	-		
Net Profit	(2.7)	1.1	40.7	19.4	1.1	8.7	13.2	21.4	24.8%	n.a.
<i>Net Profit growth</i>	-103.0%	141.4%	n.a.	-52.2%	-94.1%	661.0%	52.0%	62.0%		
Ordinary Net Profit	(3.0)	(5.5)	4.6	17.2	2.0	8.7	13.2	21.4	27.7%	n.a.
<i>Ordinary Net Profit growth</i>	-44.7%	-83.5%	183.7%	275.8%	-88.6%	342.2%	52.0%	62.0%		
Cash Flow (EUR Mn)	2016	2017	2018	2019	2020	2021e	2022e	2023e	16-20	20-23e
Recurrent EBITDA						15.1	20.6	30.3	-19.9%	n.a.
Rentals (IFRS 16 impact)						(1.4)	(1.4)	(1.4)		
Working Capital Increase						(2.3)	(3.9)	(4.9)		
Recurrent Operating Cash Flow						11.4	15.3	24.0	-57.8%	54.5%
CAPEX						(2.3)	(2.9)	(3.4)		
Net Financial Result affecting the Cash Flow						(2.3)	(2.2)	(1.9)		
Tax Expense						(1.6)	(2.5)	(4.0)		
Recurrent Free Cash Flow						5.1	7.6	14.7	-64.2%	39.2%
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						(5.0)	(3.0)	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						0.1	4.6	14.7	-42.0%	32.8%
Capital Increase						-	-	-		
Dividends						-	-	-		
Net Debt Variation						(0.1)	(4.6)	(14.7)		

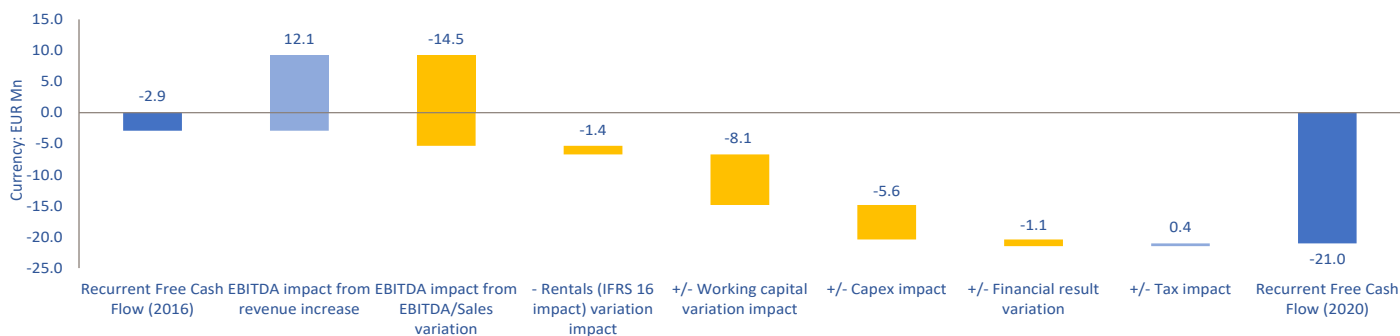
Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 1.0Mn higher due to IFRS 16.

Appendix 2. Free Cash Flow⁽¹⁾

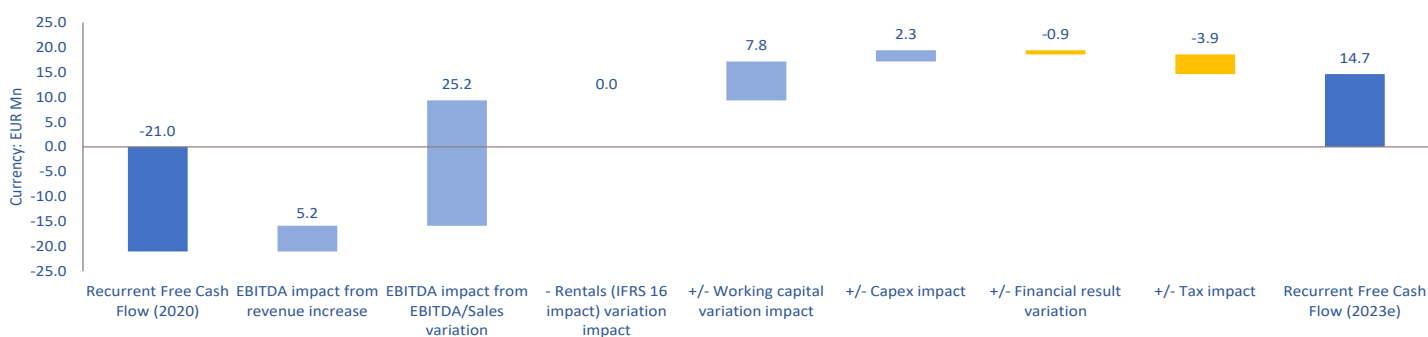
A) Cash Flow Analysis (EUR Mn)	2017	2018	2019	2020	2021e	2022e	2023e	CAGR	
								17-20	20-23e
Recurrent EBITDA	4.4	9.3	15.9	(0.1)	15.1	20.6	30.3	-26.7%	n.a.
<i>Recurrent EBITDA growth</i>	89.9%	112.5%	71.1%	-100.9%	n.a.	36.2%	47.2%		
<i>Rec. EBITDA/Revenues</i>	6.2%	6.8%	9.2%	n.a.	5.8%	7.0%	8.9%		
- Rentals (IFRS 16 impact)	-	-	(1.0)	(1.4)	(1.4)	(1.4)	(1.4)		
+/- Working Capital increase	(3.2)	3.6	(12.8)	(12.7)	(2.3)	(3.9)	(4.9)		
= Recurrent Operating Cash Flow	1.2	12.8	2.1	(14.2)	11.4	15.3	24.0	n.a.	54.5%
<i>Rec. Operating Cash Flow growth</i>	151.2%	990.4%	-83.7%	-783.6%	180.1%	33.7%	57.2%		
<i>Rec. Operating Cash Flow / Sales</i>	1.7%	9.4%	1.2%	n.a.	4.4%	5.2%	7.1%		
- CAPEX	(4.6)	(1.4)	(2.4)	(5.7)	(2.3)	(2.9)	(3.4)		
- Net Financial Result affecting Cash Flow	(2.4)	(0.2)	(1.2)	(1.1)	(2.3)	(2.2)	(1.9)		
- Taxes	(0.4)	(1.0)	(1.5)	(0.1)	(1.6)	(2.5)	(4.0)		
= Recurrent Free Cash Flow	(6.2)	10.2	(3.0)	(21.0)	5.1	7.6	14.7	-50.1%	39.2%
<i>Rec. Free Cash Flow growth</i>	-114.9%	264.5%	-129.3%	-602.7%	124.4%	47.8%	92.9%		
<i>Rec. Free Cash Flow / Revenues</i>	n.a.	7.5%	n.a.	n.a.	2.0%	2.6%	4.3%		
- Restructuring expenses & others	(0.3)	-	-	-	-	-	-		
- Acquisitions / + Divestments	(2.9)	(1.7)	(30.6)	(10.3)	(5.0)	(3.0)	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	3.3	-	9.6	(11.7)	-	-	-		
= Free Cash Flow	(6.0)	8.6	(23.9)	(43.0)	0.1	4.6	14.7	-92.5%	32.8%
<i>Free Cash Flow growth</i>	-129.0%	242.3%	-379.1%	-79.6%	100.3%	n.a.	218.8%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	n.a.	4.7%	n.a.	n.a.	2.4%	3.5%	6.7%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	n.a.	3.9%	n.a.	n.a.	0.1%	2.1%	6.7%		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
Recurrent FCF(FY - 1)	(2.9)	(6.2)	10.2	(3.0)	(21.0)	5.1	7.6		
EBITDA impact from revenue increase	3.4	4.1	2.5	2.1	(0.0)	2.1	3.1		
EBITDA impact from EBITDA/Sales variation	(1.3)	0.8	4.1	(18.1)	15.3	3.4	6.6		
= Recurrent EBITDA variation	2.1	4.9	6.6	(16.0)	15.2	5.5	9.7		
- Rentals (IFRS 16 impact) variation impact	-	-	(1.0)	(0.4)	-	-	-		
+/- Working capital variation impact	1.4	6.7	(16.3)	0.1	10.4	(1.6)	(1.0)		
= Recurrent Operating Cash Flow variation	3.5	11.6	(10.7)	(16.3)	25.7	3.9	8.7		
+/- CAPEX impact	(4.5)	3.2	(1.0)	(3.3)	3.3	(0.6)	(0.5)		
+/- Financial result variation	(2.4)	2.2	(1.1)	0.2	(1.3)	0.1	0.3		
+/- Tax impact	0.1	(0.6)	(0.4)	1.4	(1.6)	(0.8)	(1.5)		
= Recurrent Free Cash Flow variation	(3.3)	16.4	(13.2)	(18.0)	26.2	2.5	7.1		
Recurrent Free Cash Flow	(6.2)	10.2	(3.0)	(21.0)	5.1	7.6	14.7		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
EBIT	3.3	12.9	20.2	(1.3)	13.2	18.8	28.8	-33.6%	n.a.
* <i>Theoretical Tax rate</i>	30.0%	7.9%	6.7%	0.0%	15.0%	15.0%	15.0%		
= Taxes (pre- Net Financial Result)	(1.0)	(1.0)	(1.3)	-	(2.0)	(2.8)	(4.3)		
Recurrent EBITDA	4.4	9.3	15.9	(0.1)	15.1	20.6	30.3	-26.7%	n.a.
- Rentals (IFRS 16 impact)	-	-	(1.0)	(1.4)	(1.4)	(1.4)	(1.4)		
+/- Working Capital increase	(3.2)	3.6	(12.8)	(12.7)	(2.3)	(3.9)	(4.9)		
= Recurrent Operating Cash Flow	1.2	12.8	2.1	(14.2)	11.4	15.3	24.0	n.a.	54.5%
- CAPEX	(4.6)	(1.4)	(2.4)	(5.7)	(2.3)	(2.9)	(3.4)		
- Taxes (pre- Financial Result)	(1.0)	(1.0)	(1.3)	-	(2.0)	(2.8)	(4.3)		
= Recurrent Free Cash Flow (To the Firm)	(4.4)	10.4	(1.7)	(19.9)	7.1	9.5	16.3	-65.8%	41.3%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	-75.9%	338.3%	-116.0%	n.a.	135.7%	33.7%	71.5%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	n.a.	7.6%	n.a.	n.a.	2.7%	3.2%	4.8%		
- Acquisitions / + Divestments	(2.9)	(1.7)	(30.6)	(10.3)	(5.0)	(3.0)	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	3.3	-	9.6	(11.7)	-	-	-		
= Free Cash Flow "To the Firm"	(3.9)	8.7	(22.6)	(41.8)	2.1	6.5	16.3	n.a.	33.7%
<i>Free Cash Flow (To the Firm) growth</i>	-117.5%	325.3%	-358.3%	-85.1%	105.0%	208.7%	150.7%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	n.a.	3.5%	n.a.	n.a.	2.4%	3.2%	5.5%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	n.a.	3.0%	n.a.	n.a.	0.7%	2.2%	5.5%		

Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 1.0Mn higher due to IFRS 16.

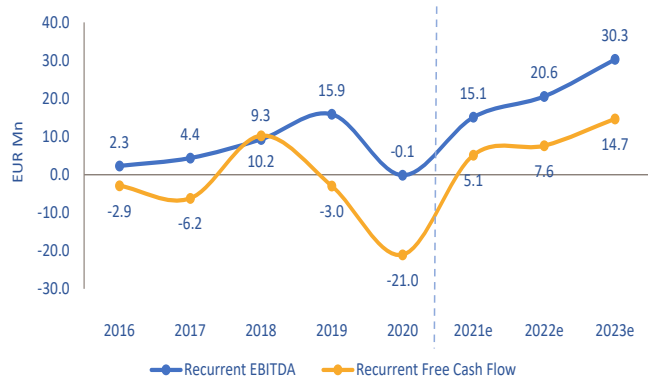
Recurrent Free Cash Flow accumulated variation analysis (2016 - 2020)



Recurrent Free Cash Flow accumulated variation analysis (2020 - 2023e)



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	217.2	
+ Minority Interests	2.3	12m Results 2020
+ Provisions & Other L/T Liabilities	29.2	3m Results 2021
+ Net financial debt	50.0	3m Results 2021
- Financial Investments	5.0	12m Results 2020
+/- Others		
Enterprise Value (EV)	293.6	

Appendix 4. Historical performance (1)(2)

Historical performance (EUR Mn)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e	10-20	20-23e	CAGR
Total Revenues	261.8	392.7	348.1	263.6	149.5	149.5	28.3	70.2	136.9	173.3	196.1	258.8	294.9	340.0	-2.8%	20.1%	
Total Revenues growth	-8.3%	50.0%	-11.4%	-24.3%	-43.3%	0.0%	-81.1%	148.2%	94.9%	26.6%	13.1%	32.0%	14.0%	15.3%			
EBITDA	(9.2)	22.7	10.1	8.0	(5.5)	(5.5)	1.3	4.1	9.3	15.9	(0.1)	15.1	20.6	30.3	33.7%	n.a.	
EBITDA growth	-266.6%	347.7%	-55.7%	-20.4%	-169.3%	0.0%	123.2%	216.0%	127.7%	71.1%	-100.9%	n.a.	36.2%	47.2%			
EBITDA/Sales	n.a.	5.8%	2.9%	3.0%	n.a.	n.a.	4.6%	5.8%	6.8%	9.2%	n.a.	5.8%	7.0%	8.9%			
Net Profit	(32.7)	(4.4)	(24.6)	(72.1)	(74.4)	(75.1)	(2.7)	1.1	40.7	19.4	1.1	8.7	13.2	21.4	7.4%	n.a.	
Net Profit growth	-117.2%	86.6%	-459.0%	-193.2%	-3.1%	-1.0%	96.4%	141.4%	n.a.	-52.2%	-94.1%	661.0%	52.0%	62.0%			
Adjusted number shares (Mn)	215.6	230.6	237.0	289.1	317.7	326.3	698.3	856.4	1,043.2	1,082.0	1,084.0	1,075.3	1,075.3	1,075.3			
EPS (EUR)	-0.15	-0.02	-0.10	-0.25	-0.23	-0.23	0.00	0.00	0.04	0.02	0.00	0.01	0.01	0.02	7.2%	n.a.	
EPS growth	n.a.	87.4%	n.a.	n.a.	6.2%	1.7%	98.3%	n.a.	n.a.	-54.0%	-94.1%	n.a.	52.0%	62.0%			
Ord. EPS (EUR)	-0.16	-0.04	-0.10	-0.24	-0.23	-0.22	0.00	-0.01	0.00	0.02	0.00	0.01	0.01	0.02	7.2%	n.a.	
Ord. EPS growth	-93.2%	76.9%	n.a.	n.a.	1.6%	5.9%	98.1%	-49.6%	n.a.	n.a.	-88.6%	n.a.	52.0%	62.0%			
CAPEX	(1.3)	(1.2)	(12.0)	(3.9)	(1.9)	(1.9)	(0.1)	(4.6)	(1.4)	(2.4)	(5.7)	(2.3)	(2.9)	(3.4)			
CAPEX/Sales %	0.5%	0.3%	3.4%	1.5%	1.3%	1.3%	0.4%	6.5%	1.0%	1.4%	2.9%	0.9%	1.0%	1.0%			
Free Cash Flow	(13.9)	25.0	(15.9)	9.2	(28.2)	(34.3)	20.8	(6.0)	8.6	(23.9)	(43.0)	0.1	4.6	14.7	-12.0%	32.8%	
ND/EBITDA (x)⁽³⁾	n.a.	3.3x	11.9x	15.3x	n.a.	n.a.	3.1x	3.9x	1.2x	-0.3x	n.a.	2.3x	1.5x	0.5x			
P/E (x)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.1x	15.7x	n.a.	25.0x	16.4x	10.1x			
EV/Sales (x)	0.21x	0.40x	0.59x	0.69x	0.70x	1.06x	7.55x	3.39x	1.95x	1.72x	1.23x	1.13x	1.00x	0.86x			
EV/EBITDA (x)⁽³⁾	n.a.	6.9x	20.4x	22.6x	n.a.	n.a.	n.a.	n.a.	28.8x	18.7x	n.a.	19.5x	14.3x	9.7x			
Absolute performance	-48.6%	-42.8%	-3.6%	-33.8%	-67.0%	154.5%	76.8%	-13.1%	27.5%	18.0%	-32.2%	5.6%					
Relative performance vs Ibx 35	-37.8%	-34.1%	1.1%	-45.4%	-68.1%	174.1%	80.5%	-19.1%	50.0%	5.5%	-19.8%	-3.1%					

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 Refinitiv.

Note 2: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 1.0Mn higher due to IFRS 16.

Note 3: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Appendix 5. Main peers 2021e

Market data	Technology and communications				Industrial					
	EUR Mn	Ezentis	Global Dominion	Allegion	ADVA Optical	Media	Bravida	Caverion	Media	AMP
Ticker (Reuters)	EZEN.MC	DOMI.MC	ALLE.N	ADAG.DE		BRAV.ST	CAVIV.HE			APE.MC
Country	Spain	Spain	Ireland; Republic	Germany		Sweden	Finland			Spain
Market cap	161.5	701.2	10,188.8	529.4		2,479.0	872.8			217.2
Enterprise value (EV)	328.9	640.3	11,046.1	539.8		2,434.9	991.3			293.6
Total Revenues	499.0	1,055.3	2,358.0	600.1		2,169.6	2,184.2			258.8
Total Revenues growth	10.6%	2.5%	5.1%	6.2%	6.1%	4.1%	1.4%	2.7%	32.0%	
2y CAGR (2021e - 2023e)	n.a.	7.5%	5.3%	4.2%	5.7%	4.2%	3.8%	4.0%	14.6%	
EBITDA	62.3	104.8	552.2	109.7		183.5	135.6		15.1	
EBITDA growth	10.0%	29.2%	2.6%	16.6%	14.6%	4.0%	15.5%	9.8%	n.a.	
2y CAGR (2021e - 2023e)	n.a.	8.8%	7.5%	6.5%	7.6%	6.0%	11.6%	8.8%	41.6%	
EBITDA/Revenues	12.5%	9.9%	23.4%	18.3%	16.0%	8.5%	6.2%	7.3%	5.8%	
EBIT	28.7	57.4	484.7	42.0		141.5	61.6		13.2	
EBIT growth	28.4%	75.3%	2.9%	42.8%	37.3%	5.8%	36.2%	21.0%	n.a.	
2y CAGR (2021e - 2023e)	n.a.	14.9%	8.7%	9.0%	10.9%	6.8%	21.8%	14.3%	47.5%	
EBIT/Revenues	5.7%	5.4%	20.6%	7.0%	9.7%	6.5%	2.8%	4.7%	5.1%	
Net Profit	6.0	37.5	390.5	33.3		92.7	45.1		8.7	
Net Profit growth	200.0%	187.6%	50.5%	64.0%	125.5%	-5.8%	418.9%	206.5%	661.0%	
2y CAGR (2021e - 2023e)	n.a.	18.5%	7.2%	4.7%	10.2%	15.3%	23.9%	19.6%	56.9%	
CAPEX/Sales %	1.4%	2.6%	1.9%	8.6%	3.6%	0.7%	1.1%	0.9%	0.9%	
Free Cash Flow	n.a.	54.4	360.0	25.9		122.1	74.4		0.1	
Net financial debt	135.5	(118.7)	735.7	4.0		84.3	86.7		35.4	
ND/EBITDA (x)	2.2	(1.1)	1.3	0.0	0.6	0.5	0.6	0.5	2.3	
Pay-out	0.0%	22.3%	26.6%	0.0%	12.2%	59.7%	47.0%	53.4%	0.0%	
P/E (x)	17.5	18.6	26.3	15.5	19.5	23.2	19.2	21.2	25.0	
P/BV (x)	10.2	2.0	14.3	1.7	7.1	3.8	4.4	4.1	3.5	
EV/Revenues (x)	0.7	0.6	4.7	0.9	1.7	1.1	0.5	0.8	1.1	
EV/EBITDA (x)	5.3	6.1	20.0	4.9	9.1	13.3	7.3	10.3	19.5	
EV/EBIT (x)	11.5	11.2	22.8	12.9	14.6	17.2	16.1	16.7	22.2	
ROE	43.0	11.5	54.2	9.7	29.6	17.6	22.7	20.1	15.0	
FCF Yield (%)	n.a.	7.8	3.5	4.9	5.4	4.9	8.5	6.7	2.4	
DPS	0.00	0.05	1.13	0.00	0.29	0.27	0.16	0.21	0.00	
Dvd Yield	0.0%	1.2%	1.0%	0.0%	0.6%	2.2%	2.5%	2.4%	0.0%	

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

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Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
30-Apr-2021	n.a.	0.202	n.a.	n.a.	3m Results 2021	David López Sánchez
18-Mar-2021	n.a.	0.209	n.a.	n.a.	Review of estimates	David López Sánchez
01-Mar-2021	n.a.	0.191	n.a.	n.a.	12m Results 2020	David López Sánchez
16-Nov-2020	n.a.	0.182	n.a.	n.a.	9m Results 2020	David López Sánchez
30-Jul-2020	n.a.	0.152	n.a.	n.a.	6m Results 2020	David López Sánchez
06-May-2020	n.a.	0.188	n.a.	n.a.	3m Results 2020	David López Sánchez
27-Feb-2020	n.a.	0.257	n.a.	n.a.	12m Results 2019	David López Sánchez
13-Nov-2019	n.a.	0.268	n.a.	n.a.	9m Results 2019	David López Sánchez
11-Sep-2019	n.a.	0.280	n.a.	n.a.	6m Results 2019	David López Sánchez
09-May-2019	n.a.	0.268	n.a.	n.a.	3m Results 2019	David López Sánchez
04-Apr-2019	n.a.	0.262	n.a.	n.a.	Initiation of Coverage	David López Sánchez

