

## EQUITY - SPAIN

Sector: Textiles, Apparel & Luxury Goods

Report date: 24 Jan 2022

Distribution time: 9:00

9m Results 2021

Closing price: EUR 3.62 (21 Jan 2022)

### 9m Results 2021

Opinion <sup>(1)</sup>: In line

Impact <sup>(1)</sup>: We will maintain our estimates

Alfredo Echevarría Otegui – alfredo.echevarria@lighthouse-ieaf.com

+34 915 904 226

**Adolfo Domínguez (ADZ)** is a small designer fashion textile group, based in Ourense (Spain), specialising (c. 40 years) in the design and sale (both retail and wholesale) of fashion items. With international presence (c.35% o/revenues), it is managed by the founding family (31% of the capital), which prevails in the Board.

## 9m21 results meet expectations: 3Q EBITDA already exceeds pre-Covid-19 levels

### Market Data

Market Cap (Mn EUR and USD)	33.6	38.1
EV (Mn EUR and USD) <sup>(2)</sup>	61.6	69.9
Shares Outstanding (Mn)	9.3	
-12m (Max/Med/Mín EUR)	4.70 / 4.22 / 3.37	
Daily Avg volume (-12m Mn EUR)	0.01	
Rotation <sup>(3)</sup>	9.7	
Factset / Bloomberg	ADZ-ES / ADZ SM	
Close fiscal year	28-Feb	

### Shareholders Structure (%)<sup>(8)</sup>

Adolfo Domínguez	31.5
Puig, S.A.	14.8
Libertas 7	10.3
Indumentaria Pueri	8.6
Free Float	23.5

### Financials (Mn EUR)

	2020	2021e	2022e	2023e
Adj. nº shares (Mn)	9.2	9.3	9.3	9.3
Total Revenues	67.5	94.5	108.3	116.3
Rec. EBITDA <sup>(4)</sup>	-9.3	6.8	10.1	13.8
% growth	-182.1	172.5	48.9	37.6
% Rec. EBITDA/Rev.	n.a.	7.1	9.3	11.9
% Inc. EBITDA sector <sup>(5)</sup>	-26.5	51.8	22.9	15.9
Net Profit	-19.3	-7.5	-0.4	2.0
EPS (EUR)	-2.10	-0.81	-0.04	0.22
% growth	-132.5	61.3	94.9	632.9
Ord. EPS (EUR)	-2.37	-0.23	0.00	0.22
% growth	n.a.	90.1	101.8	n.a.
Rec. Free Cash Flow <sup>(6)</sup>	-12.7	0.0	-3.5	-2.1
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	-0.8	4.1	7.6	9.7
ND/Rec. EBITDA (x)	n.a.	0.6	0.8	0.7
ROE (%)	n.a.	n.a.	n.a.	11.8
ROCE (%) <sup>(6)</sup>	n.a.	n.a.	3.1	7.8

### Ratios & Multiples (x)<sup>(7)</sup>

	2020	2021e	2022e	2023e
P/E	n.a.	n.a.	n.a.	16.6
Ord. P/E	n.a.	n.a.	n.a.	16.6
P/BV	1.4	2.0	2.1	1.9
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	0.91	0.65	0.57	0.53
EV/Rec. EBITDA	n.a.	9.1	6.1	4.4
EV/EBIT	n.a.	n.a.	30.0	11.0
FCF Yield (%) <sup>(6)</sup>	n.a.	0.1	n.a.	n.a.

**SALES GROWTH IS ACCELERATING**, ADZ closed 9m21 with total revenue of EUR 61.7Mn (+48.6% vs 9m20) that reflects the expected recovery after the temporary closure of ADZ's sales network in 2020. Like-for-like sales, +59%. But perhaps the most interesting thing is that turnover in 3Q (September-November) recovered 88% of 3Q19 sales (vs 74.5% in 1H21). Revenues that continue to be driven by the online channel: online sales grew +6.2% vs 9m20 (+36% vs 2019).

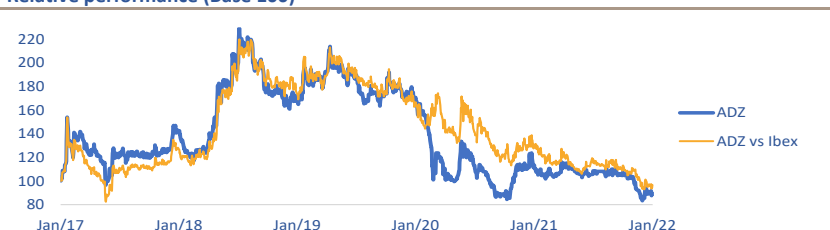
**AND THE GROSS MARGIN IMPROVEMENT CONTINUES...** 9m21 gross margin, 57.9% (vs 54.4% in 1H21 and 55.9% in 2021e). A gross margin that now exceeds that of 2019 (56.9%). The focus remains on the improvement in profitability and the increased weighting of the on-line channel in the mix (a mainstay of ADZ's strategy: more efficient and less intensive in capital that should enable an improvement in margins and higher cash generation going forward).

**... THAT TOGETHER WITH THE RECOVERY OF REVENUE, EXPLAINS THE IMPROVEMENT IN REC. EBITDA (EUR 2.9MN VS BREAKEVEN IN 1H21).** The improvement in EBITDA not only means strong growth vs 3Q20 (logical given the less demanding comps), but also exceeds that generated in 9m19 (+33%; EUR 2.8Mn in 3Q21 vs EUR 2.1Mn in 3Q19!).

**9M21 RESULTS, IN LINE...** The (apparent) poor performance of net profit (EUR -10.8Mn) is no surprise (explained by c. EUR 6Mn of non-recurrent items at the EBITDA level). Our estimate for 2021e revenue (EUR 94Mn) is achievable if the level of seasonality remains at the levels seen in 2019 (4Q, 33% of annual sales). In these conditions, the EBITDA generation seen in 3Q21 (EBITDA margin c. 12% vs 10% in 1H21) strengthens expectations for 2021e EBITDA/sales margins of c.7% (2021e EBITDA, EUR 6.8Mn). Our estimates are unchanged.

**...AND THE MOST IMPORTANT: MAKE CREDIBLE A 2022E SIMILAR TO 2019 (THAT IMPLIES LOW MULTIPLES WITHIN REACH).** The focus should be on the viability of our 2022e estimates and 3Q21 results (in isolation) demonstrate ADZ's capacity to recover a 2022e similar to 2019. Today our central scenario is for the consolidation of a 2022e with revenue of c. EUR 108Mn and EBITDA of c. EUR 10Mn. In other words, EV/EBITDA c. 6x vs c. 9x for the sector. Striking.

### Relative performance (Base 100)



### Stock performance (%)

	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	7.4	-16.6	-21.0	-4.7	-47.1	-10.4
vs Ibxex 35	3.6	-14.2	-26.2	-4.5	-44.8	-3.3
vs Ibxex Small Cap Index	3.5	-16.4	-21.9	-4.4	-58.0	-43.8
vs Eurostoxx 50	6.0	-18.0	-32.4	-3.2	-60.8	-30.1
vs Sector benchmark <sup>(5)</sup>	9.3	-15.7	-35.6	1.2	-73.4	-67.2

(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 9.1Mn higher due to IFRS 16.

(5) Sector: Europe Apparel & Footwear.

(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.

(8) Others: La Previsión Mallorquina de Seguros 7.6%, Ibercapital Magnum, SICAV S.A. 3.2%, Treasury shares 0.6%

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

## 9m Results 2021

**Table 1. 9m Results 2021**

EUR Mn	9m21		9m21 Real		9m21 Real		2021e vs		3Q21 vs	
	Real	9m20	vs 9m20	9m19	vs 9m19	2021e	2020	3Q21	3Q20	
<b>Total Revenues</b>	<b>61.7</b>	<b>41.5</b>	<b>48.6%</b>	<b>78.1</b>	<b>-21.0%</b>	<b>94.5</b>	<b>40.1%</b>	<b>21.9</b>	<b>46.1%</b>	
Sales	60.4	40.5	49.0%	76.6	-21.2%	93.0	41.0%			
Other income	1.3	1.0	32.2%	1.5	-10.2%	1.5	2.5%			
<b>Gross Margin</b>	<b>35.8</b>	<b>21.0</b>	<b>70.7%</b>	<b>46.4</b>	<b>-22.9%</b>	<b>52.9</b>	<b>64.2%</b>	<b>14.1</b>	<b>66.1%</b>	
<i>Gross Margin/Revenues</i>	<i>57.9%</i>	<i>50.4%</i>	<i>7.5 p.p.</i>	<i>59.4%</i>	<i>-1.5 p.p.</i>	<i>55.9%</i>	<i>8.2 p.p.</i>	<i>64.4%</i>		
<b>Recurrent EBITDA<sup>(1)</sup></b>	<b>2.9</b>	<b>(5.6)</b>	<b>151.8%</b>	<b>5.5</b>	<b>-47.0%</b>	<b>6.8</b>	<b>172.5%</b>	<b>2.6</b>	<b>238.4%</b>	
<i>Rec. EBITDA/Revenues</i>	<i>4.7%</i>	<i>-13.5%</i>	<i>18.2 p.p.</i>	<i>7.0%</i>	<i>-2.3 p.p.</i>	<i>7.1%</i>	<i>21.0 p.p.</i>	<i>12.0%</i>	<i>24.7 p.p.</i>	
<b>EBITDA</b>	<b>(2.7)</b>	<b>(5.6)</b>	<b>51.0%</b>	<b>5.5</b>	<b>n.a.</b>	<b>1.8</b>	<b>126.3%</b>	<b>2.8</b>	<b>248.7%</b>	
<i>EBITDA/Revenues</i>	<i>-4.4%</i>	<i>-13.5%</i>	<i>9.0 p.p.</i>	<i>7.0%</i>	<i>n.a.</i>	<i>1.9%</i>	<i>12.0 p.p.</i>	<i>12.9%</i>	<i>25.6 p.p.</i>	
<b>EBIT</b>	<b>(9.5)</b>	<b>(13.6)</b>	<b>30.3%</b>	<b>(1.0)</b>	<b>n.a.</b>	<b>-6.2</b>	<b>64.6%</b>	<b>0.4</b>	<b>110%</b>	
<b>PBT</b>	<b>(10.7)</b>	<b>(15.1)</b>	<b>29.1%</b>	<b>(1.6)</b>	<b>n.a.</b>	<b>-7.1</b>	<b>63.4%</b>	<b>0.1</b>	<b>102.7%</b>	
<b>NP</b>	<b>(10.8)</b>	<b>(15.0)</b>	<b>27.6%</b>	<b>(2.1)</b>	<b>n.a.</b>	<b>-7.5</b>	<b>61.1%</b>	<b>-0.1</b>	<b>98%</b>	
Points of sale	349	348	0.3%	391	-10.7%	352	2.9%			
Net Debt	n.a.	1.6	n.a.	-3.2	n.a.	4.1	n.a.			

Note 1: Recurrent EBITDA adjusted to strip out the impact of EUR 5.6Mn in non recurrent expenses.

## Valuation inputs

### Inputs for the DCF Valuation Approach

	2021e	2022e	2023e	Terminal Value <sup>(1)</sup>			
Free Cash Flow "To the Firm"	1.3	(1.8)	(0.3)	n.a.			
Market Cap	33.6	At the date of this report					
Net financial debt	6.7	Debt net of Cash (6m Results 2021)					
					Best Case	Worst Case	
Cost of Debt	3.1%	Net debt cost			2.9%	3.4%	
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=	
Net debt cost	2.5%	Kd = Cost of Net Debt * (1-T)			2.3%	2.7%	
Risk free rate (rf)	0.6%	Rf (10y Spanish bond yield)			=	=	
Equity risk premium	8.0%	R (own estimate)			7.5%	8.5%	
Beta (B)	1.1	B (own estimate)			1.0	1.2	
Cost of Equity	9.4%	Ke = Rf + (R * B)			8.1%	10.8%	
Equity / (Equity + Net Debt)	83.4%	E (Market Cap as equity value)			=	=	
Net Debt / (Equity + Net Debt)	16.6%	D			=	=	
WACC	8.3%	WACC = Kd * D + Ke * E			7.1%	9.5%	
G "Fair"	2.0%				2.5%	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 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
SMCP SA	SMCP-FR	535.8	24.5	60.0%	5.5	13.0%	1.3	8.6%	23.2%	5.3%	40.8%
Ted Baker PLC	TED-GB	209.1	n.a.	77.6%	8.0	66.7%	0.6	16.8%	8.1%	n.a.	66.9%
Hugo Boss AG	BOSS-DE	3,712.9	29.6	32.5%	7.9	14.6%	1.6	10.8%	20.7%	5.3%	16.6%
Burberry Group PLC	BRBY-GB	9,192.9	21.7	12.0%	10.0	8.5%	2.8	7.0%	28.3%	5.3%	7.5%
<b>Affordable Luxury players</b>			<b>25.2</b>	<b>45.5%</b>	<b>7.8</b>	<b>25.7%</b>	<b>1.6</b>	<b>10.8%</b>	<b>20.1%</b>	<b>5.3%</b>	<b>32.9%</b>
PVH Corp	PVH-US	5,932.7	10.3	9.3%	8.0	3.8%	1.1	4.9%	13.5%	5.6%	17.8%
Tapestry	TPR-US	9,003.0	12.5	10.1%	9.1	10.0%	2.1	9.6%	22.9%	11.8%	-5.1%
Capri Holdings Ltd	CPRI-US	7,108.6	10.0	14.9%	9.0	10.5%	2.0	9.2%	22.4%	8.0%	8.5%
Kering	KER-FR	83,394.6	27.8	14.3%	14.4	11.1%	5.2	9.6%	36.1%	3.7%	15.6%
<b>Specialised Retail Holdings</b>			<b>15.2</b>	<b>12.1%</b>	<b>10.1</b>	<b>8.8%</b>	<b>2.6</b>	<b>8.3%</b>	<b>23.7%</b>	<b>7.3%</b>	<b>9.2%</b>
ADZ	ADZ-ES	33.6	n.a.	50.6%	9.1	n.a.	0.7	10.9%	1.9%	0.1%	35.0%

### 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	10.2%	11.0	5.6x
Central	9.3%	10.1	6.1x
Min	8.4%	9.1	6.8x

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

Rec. FCF EUR Mn	CAPEX/Sales 22e		
EBITDA 22e	2.0%	2.2%	2.4%
11.0	(2.3)	(2.5)	(2.7)
10.1	(3.3)	(3.5)	(3.7)
9.1	(4.3)	(4.5)	(4.7)

## Appendix 1. Financial Projections<sup>(1)</sup>

Balance Sheet (EUR Mn)	2016	2017	2018	2019	2020	2021e	2022e	2023e	CAGR	
Intangible assets	1.6	0.9	0.8	34.9	28.3	28.1	27.8	27.5		
Fixed assets	16.6	12.3	10.6	10.6	10.1	10.6	11.4	12.3		
Other Non Current Assets	8.2	8.5	8.1	0.8	1.2	1.2	1.2	1.2		
Financial Investments	5.1	5.0	5.2	5.9	4.7	4.7	4.7	4.7		
Goodwill & Other Intangibles	-	-	-	-	-	-	-	-		
Current assets	44.4	36.2	36.2	38.0	30.5	30.4	34.4	36.6		
<b>Total assets</b>	<b>75.9</b>	<b>62.9</b>	<b>60.8</b>	<b>90.2</b>	<b>74.8</b>	<b>74.9</b>	<b>79.4</b>	<b>82.3</b>		
Equity	59.4	52.3	52.2	44.2	24.0	16.5	16.1	18.1		
Minority Interests	1.1	0.7	0.8	0.9	1.0	1.1	1.2	1.2		
Provisions & Other L/T Liabilities	-	-	-	34.2	28.2	28.2	28.2	28.2		
Other Non Current Liabilities	0.6	0.6	1.0	1.5	1.4	1.4	1.4	1.4		
Net financial debt	(6.1)	(9.9)	(12.0)	(10.0)	(0.8)	4.1	7.6	9.7		
Current Liabilities	20.9	19.2	18.9	19.3	20.9	23.6	24.9	23.5		
<b>Equity &amp; Total Liabilities</b>	<b>75.9</b>	<b>62.9</b>	<b>60.8</b>	<b>90.2</b>	<b>74.8</b>	<b>74.9</b>	<b>79.4</b>	<b>82.3</b>		
P&L (EUR Mn)	2016	2017	2018	2019	2020	2021e	2022e	2023e	16-20	20-23e
<b>Total Revenues</b>	<b>113.2</b>	<b>117.0</b>	<b>114.9</b>	<b>117.3</b>	<b>67.5</b>	<b>94.5</b>	<b>108.3</b>	<b>116.3</b>	<b>-12.1%</b>	<b>19.9%</b>
Total Revenues growth	4.4%	3.3%	-1.7%	2.0%	-42.5%	40.1%	14.5%	7.4%		
COGS	(47.7)	(49.0)	(47.3)	(50.6)	(35.3)	(41.7)	(47.5)	(50.4)		
<b>Gross Margin</b>	<b>65.5</b>	<b>68.0</b>	<b>67.6</b>	<b>66.7</b>	<b>32.2</b>	<b>52.9</b>	<b>60.8</b>	<b>65.9</b>	<b>-16.3%</b>	<b>27.0%</b>
Gross Margin/Revenues	57.8%	58.1%	58.8%	56.9%	47.7%	55.9%	56.1%	56.7%		
Personnel Expenses	(42.5)	(39.8)	(38.1)	(36.7)	(22.7)	(27.1)	(31.3)	(32.2)		
Other Operating Expenses	(31.5)	(30.4)	(27.1)	(18.7)	(18.8)	(19.0)	(19.4)	(19.9)		
<b>Recurrent EBITDA</b>	<b>(8.6)</b>	<b>(2.2)</b>	<b>2.5</b>	<b>11.3</b>	<b>(9.3)</b>	<b>6.8</b>	<b>10.1</b>	<b>13.8</b>	<b>-2.2%</b>	<b>51.6%</b>
Recurrent EBITDA growth	43.2%	74.2%	212.4%	357.2%	-182.1%	172.5%	48.9%	37.6%		
Rec. EBITDA/Revenues	n.a.	n.a.	2.2%	9.7%	n.a.	7.1%	9.3%	11.9%		
Restructuring Expense & Other non-rec.	-	-	(1.2)	-	2.5	(5.0)	-	-		
<b>EBITDA</b>	<b>(8.6)</b>	<b>(2.2)</b>	<b>1.3</b>	<b>11.3</b>	<b>(6.8)</b>	<b>1.8</b>	<b>10.1</b>	<b>13.8</b>	<b>5.5%</b>	<b>59.2%</b>
Depreciation & Provisions	(4.0)	(2.9)	(1.9)	(2.1)	(2.1)	(1.8)	(1.8)	(1.9)		
Capitalized Expense	-	-	-	-	-	-	-	-		
Rentals (IFRS 16 impact)	-	-	-	(8.3)	(8.7)	(6.2)	(6.2)	(6.4)		
<b>EBIT</b>	<b>(12.5)</b>	<b>(5.1)</b>	<b>(0.6)</b>	<b>1.0</b>	<b>(17.6)</b>	<b>(6.2)</b>	<b>2.0</b>	<b>5.6</b>	<b>-8.9%</b>	<b>32.4%</b>
EBIT growth	55.1%	59.5%	88.2%	259.0%	n.a.	64.6%	132.9%	173.5%		
EBIT/Revenues	n.a.	n.a.	n.a.	0.8%	n.a.	n.a.	1.9%	4.8%		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(0.2)	(1.6)	0.5	(0.9)	(1.7)	(0.8)	(1.9)	(2.6)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
<b>Ordinary Profit</b>	<b>(12.8)</b>	<b>(6.7)</b>	<b>(0.1)</b>	<b>0.0</b>	<b>(19.3)</b>	<b>(7.1)</b>	<b>0.2</b>	<b>3.0</b>	<b>-10.9%</b>	<b>29.2%</b>
Ordinary Profit Growth	57.5%	47.4%	98.0%	105.3%	n.a.	63.4%	102.4%	n.a.		
Extraordinary Results	(0.5)	0.4	1.3	-	-	-	-	-		
<b>Profit Before Tax</b>	<b>(13.2)</b>	<b>(6.3)</b>	<b>1.2</b>	<b>0.0</b>	<b>(19.3)</b>	<b>(7.1)</b>	<b>0.2</b>	<b>3.0</b>	<b>-9.8%</b>	<b>29.2%</b>
Tax Expense	(9.7)	(0.4)	(1.5)	(8.2)	(0.0)	(0.4)	(0.5)	(0.9)		
Effective Tax Rate	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	30.0%		
Minority Interests	0.2	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)		
Discontinued Activities	-	-	-	-	-	-	-	-		
<b>Net Profit</b>	<b>(22.7)</b>	<b>(6.9)</b>	<b>(0.5)</b>	<b>(8.3)</b>	<b>(19.3)</b>	<b>(7.5)</b>	<b>(0.4)</b>	<b>2.0</b>	<b>3.9%</b>	<b>28.2%</b>
Net Profit growth	-384.8%	69.8%	92.7%	n.a.	-132.5%	61.1%	94.9%	632.9%		
<b>Ordinary Net Profit</b>	<b>(12.6)</b>	<b>(6.8)</b>	<b>0.6</b>	<b>(0.1)</b>	<b>(21.8)</b>	<b>(2.2)</b>	<b>0.0</b>	<b>2.0</b>	<b>-14.8%</b>	<b>27.9%</b>
Ordinary Net Profit growth	53.3%	45.6%	109.1%	-117.7%	n.a.	90.0%	101.8%	n.a.		
Cash Flow (EUR Mn)	2016	2017	2018	2019	2020	2021e	2022e	2023e	16-20	20-23e
<b>Recurrent EBITDA</b>						<b>6.8</b>	<b>10.1</b>	<b>13.8</b>	<b>-2.2%</b>	<b>51.6%</b>
Rentals (IFRS 16 impact)						(6.2)	(6.2)	(6.4)		
Working Capital Increase						2.8	(2.7)	(3.5)		
<b>Recurrent Operating Cash Flow</b>						<b>3.3</b>	<b>1.2</b>	<b>3.9</b>	<b>-1.1%</b>	<b>34.6%</b>
CAPEX						(2.1)	(2.4)	(2.5)		
Net Financial Result affecting the Cash Flow						(0.8)	(1.9)	(2.6)		
Tax Expense						(0.4)	(0.5)	(0.9)		
<b>Recurrent Free Cash Flow</b>						<b>0.0</b>	<b>(3.5)</b>	<b>(2.1)</b>	<b>0.0%</b>	<b>45.3%</b>
Restructuring Expense & Other non-rec.						(5.0)	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
<b>Free Cash Flow</b>						<b>(4.9)</b>	<b>(3.5)</b>	<b>(2.1)</b>	<b>5.2%</b>	<b>41.1%</b>
Capital Increase						-	-	-		
Dividends						-	-	-		
<b>Net Debt Variation</b>						<b>4.9</b>	<b>3.5</b>	<b>2.1</b>		

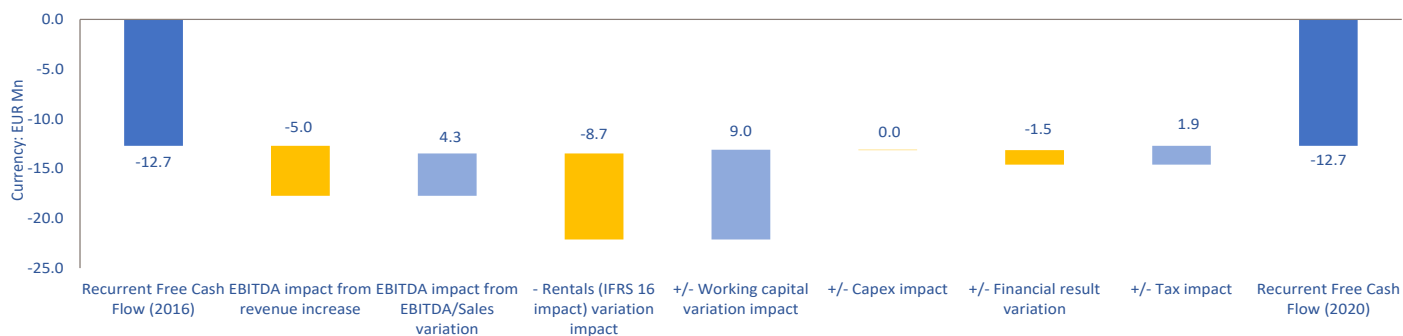
Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 9.1Mn higher due to IFRS 16.

## Appendix 2. Free Cash Flow<sup>(1)</sup>

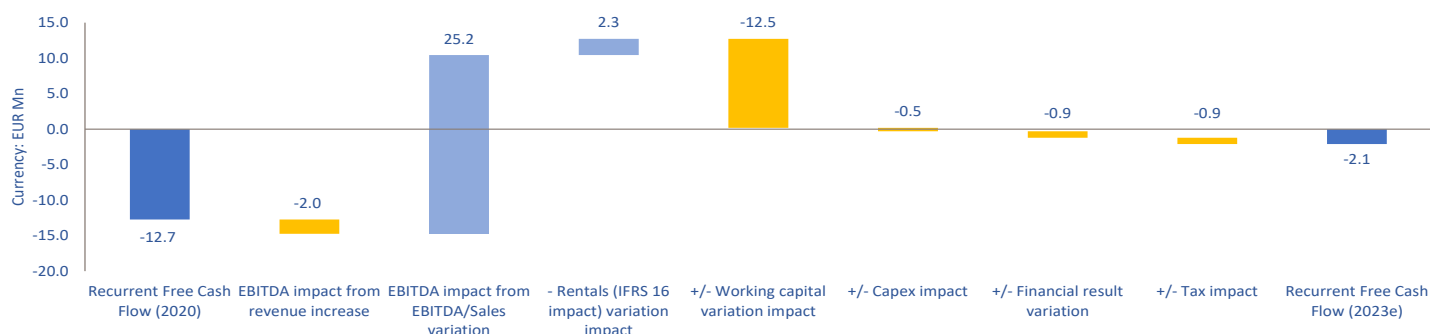
A) Cash Flow Analysis (EUR Mn)	2017	2018	2019	2020	2021e	2022e	2023e	CAGR	
								17-20	20-23e
<b>Recurrent EBITDA</b>	<b>(2.2)</b>	<b>2.5</b>	<b>11.3</b>	<b>(9.3)</b>	<b>6.8</b>	<b>10.1</b>	<b>13.8</b>	<b>-61.6%</b>	<b>51.6%</b>
<i>Recurrent EBITDA growth</i>	74.2%	212.4%	357.2%	-182.1%	172.5%	48.9%	37.6%		
<i>Rec. EBITDA/Revenues</i>	n.a.	2.2%	9.7%	n.a.	7.1%	9.3%	11.9%		
- Rentals (IFRS 16 impact)	-	-	(8.3)	(8.7)	(6.2)	(6.2)	(6.4)		
+/- Working Capital increase	6.5	(0.4)	(1.3)	9.0	2.8	(2.7)	(3.5)		
<b>= Recurrent Operating Cash Flow</b>	<b>4.3</b>	<b>2.1</b>	<b>1.8</b>	<b>(9.0)</b>	<b>3.3</b>	<b>1.2</b>	<b>3.9</b>	<b>-60.1%</b>	<b>34.6%</b>
<i>Rec. Operating Cash Flow growth</i>	149.7%	-50.4%	-16.8%	-610.0%	136.9%	-63.7%	227.6%		
<i>Rec. Operating Cash Flow / Sales</i>	3.6%	1.8%	1.5%	n.a.	3.5%	1.1%	3.4%		
- CAPEX	(0.9)	(0.8)	(2.6)	(2.0)	(2.1)	(2.4)	(2.5)		
- Net Financial Result affecting Cash Flow	(1.6)	0.5	(0.9)	(1.7)	(0.8)	(1.9)	(2.6)		
- Taxes	(0.4)	(1.5)	(0.6)	(0.0)	(0.4)	(0.5)	(0.9)		
<b>= Recurrent Free Cash Flow</b>	<b>1.3</b>	<b>0.2</b>	<b>(2.3)</b>	<b>(12.7)</b>	<b>0.0</b>	<b>(3.5)</b>	<b>(2.1)</b>	<b>n.a.</b>	<b>45.3%</b>
<i>Rec. Free Cash Flow growth</i>	110.2%	-83.7%	n.a.	-452.6%	100.3%	n.a.	40.4%		
<i>Rec. Free Cash Flow / Revenues</i>	1.1%	0.2%	n.a.	n.a.	0.0%	n.a.	n.a.		
- Restructuring expenses & others	-	(1.2)	-	2.5	(5.0)	-	-		
- Acquisitions / + Divestments	3.2	2.6	-	-	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
<b>= Free Cash Flow</b>	<b>4.5</b>	<b>1.6</b>	<b>(2.3)</b>	<b>(10.2)</b>	<b>(4.9)</b>	<b>(3.5)</b>	<b>(2.1)</b>	<b>-62.0%</b>	<b>41.1%</b>
<i>Free Cash Flow growth</i>	135.9%	-64.3%	-242.3%	-343.9%	51.7%	29.0%	40.4%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	3.9%	0.6%	n.a.	n.a.	0.1%	n.a.	n.a.		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	13.5%	4.8%	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b>									
<b>Recurrent FCF(FY - 1)</b>	<b>(12.7)</b>	<b>1.3</b>	<b>0.2</b>	<b>(2.3)</b>	<b>(12.7)</b>	<b>0.0</b>	<b>(3.5)</b>		
EBITDA impact from revenue increase	(0.3)	0.0	0.1	(4.8)	(3.7)	1.0	0.7		
EBITDA impact from EBITDA/Sales variation	6.6	4.6	8.8	(15.8)	19.8	2.3	3.0		
<b>= Recurrent EBITDA variation</b>	<b>6.3</b>	<b>4.7</b>	<b>8.9</b>	<b>(20.7)</b>	<b>16.1</b>	<b>3.3</b>	<b>3.8</b>		
- Rentals (IFRS 16 impact) variation impact	-	-	(8.3)	(0.4)	2.4	0.0	(0.2)		
+/- Working capital variation impact	6.5	(6.8)	(1.0)	10.3	(6.2)	(5.5)	(0.9)		
<b>= Recurrent Operating Cash Flow variation</b>	<b>12.8</b>	<b>(2.1)</b>	<b>(0.4)</b>	<b>(10.7)</b>	<b>12.3</b>	<b>(2.1)</b>	<b>2.7</b>		
+/- CAPEX impact	1.1	0.0	(1.7)	0.5	(0.0)	(0.3)	(0.2)		
+/- Financial result variation	(1.4)	2.1	(1.4)	(0.8)	0.9	(1.0)	(0.7)		
+/- Tax impact	1.5	(1.1)	1.0	0.5	(0.4)	(0.1)	(0.4)		
<b>= Recurrent Free Cash Flow variation</b>	<b>14.0</b>	<b>(1.1)</b>	<b>(2.5)</b>	<b>(10.4)</b>	<b>12.7</b>	<b>(3.5)</b>	<b>1.4</b>		
<b>Recurrent Free Cash Flow</b>	<b>1.3</b>	<b>0.2</b>	<b>(2.3)</b>	<b>(12.7)</b>	<b>0.0</b>	<b>(3.5)</b>	<b>(2.1)</b>		
<b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>									
<b>EBIT</b>	<b>(5.1)</b>	<b>(0.6)</b>	<b>1.0</b>	<b>(17.6)</b>	<b>(6.2)</b>	<b>2.0</b>	<b>5.6</b>	<b>-51.3%</b>	<b>32.4%</b>
* <i>Theoretical Tax rate</i>	0.0%	0.0%	30.0%	0.0%	0.0%	30.0%	30.0%		
= Taxes (pre- Net Financial Result)	-	-	(0.3)	-	-	(0.6)	(1.7)		
<b>Recurrent EBITDA</b>	<b>(2.2)</b>	<b>2.5</b>	<b>11.3</b>	<b>(9.3)</b>	<b>6.8</b>	<b>10.1</b>	<b>13.8</b>	<b>-61.6%</b>	<b>51.6%</b>
- Rentals (IFRS 16 impact)	-	-	(8.3)	(8.7)	(6.2)	(6.2)	(6.4)		
+/- Working Capital increase	6.5	(0.4)	(1.3)	9.0	2.8	(2.7)	(3.5)		
<b>= Recurrent Operating Cash Flow</b>	<b>4.3</b>	<b>2.1</b>	<b>1.8</b>	<b>(9.0)</b>	<b>3.3</b>	<b>1.2</b>	<b>3.9</b>	<b>-60.1%</b>	<b>34.6%</b>
- CAPEX	(0.9)	(0.8)	(2.6)	(2.0)	(2.1)	(2.4)	(2.5)		
- Taxes (pre- Financial Result)	-	-	(0.3)	-	-	(0.6)	(1.7)		
<b>= Recurrent Free Cash Flow (To the Firm)</b>	<b>3.4</b>	<b>1.3</b>	<b>(1.1)</b>	<b>(11.0)</b>	<b>1.3</b>	<b>(1.8)</b>	<b>(0.3)</b>	<b>-73.9%</b>	<b>70.9%</b>
<i>Rec. Free Cash Flow (To the Firm) growth</i>	131.9%	-62.3%	-185.5%	-912.0%	111.4%	-240.8%	84.6%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	2.9%	1.1%	n.a.	n.a.	1.3%	n.a.	n.a.		
- Acquisitions / + Divestments	3.2	2.6	-	-	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
<b>= Free Cash Flow "To the Firm"</b>	<b>6.6</b>	<b>3.9</b>	<b>(1.1)</b>	<b>(11.0)</b>	<b>1.3</b>	<b>(1.8)</b>	<b>(0.3)</b>	<b>-54.2%</b>	<b>70.9%</b>
<i>Free Cash Flow (To the Firm) growth</i>	163.0%	-41.3%	-128.0%	-912.0%	111.4%	-240.8%	84.6%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	5.5%	2.1%	n.a.	n.a.	2.0%	n.a.	n.a.		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	10.7%	6.3%	n.a.	n.a.	2.0%	n.a.	n.a.		

Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 9.1Mn higher due to IFRS 16.

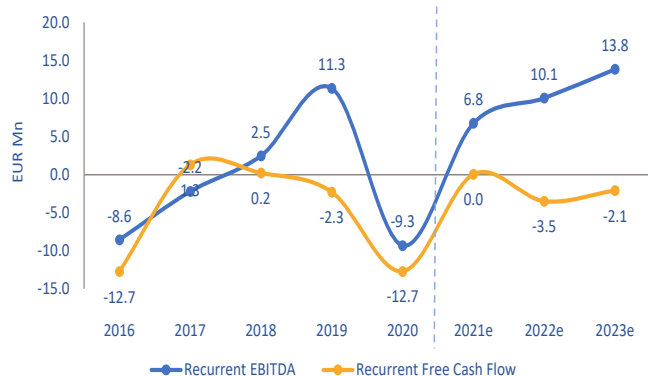
### Recurrent Free Cash Flow accumulated variation analysis (2016 - 2020)



### 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	33.6	
+ Minority Interests	-	6m Results 2021
+ Provisions & Other L/T Liabilities <sup>(1)</sup>	27.4	6m Results 2021
+ Net financial debt	6.7	6m Results 2021
- Financial Investments	6.1	6m Results 2021
+/- Others		
<b>Enterprise Value (EV)</b>	<b>61.6</b>	

Note 1: Lease liabilities due to IFRS 16 (leases) amounting to EUR 27.4Mn.



## Appendix 4. Historical performance <sup>(1)(2)</sup>

Historical performance (EUR Mn)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e	CAGR 10-20	CAGR 20-23e
<b>Total Revenues</b>	166.9	156.1	152.1	134.9	124.1	108.4	113.2	117.0	114.9	117.3	67.5	94.5	108.3	116.3	-8.7%	19.9%
Total Revenues growth	-6.8%	-6.5%	-2.6%	-11.3%	-8.0%	-12.6%	4.4%	3.3%	-1.7%	2.0%	-42.5%	40.1%	14.5%	7.4%		
<b>EBITDA</b>	10.3	1.6	(5.3)	(2.5)	(1.5)	(17.9)	(8.6)	(2.2)	1.3	11.3	(6.8)	1.8	10.1	13.8	-10.3%	59.2%
EBITDA growth	-46.5%	-84.7%	-437.4%	53.1%	40.0%	n.a.	52.1%	74.2%	158.0%	785.6%	-160.1%	126.3%	461.2%	37.6%		
EBITDA/Sales	6.1%	1.0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.1%	9.7%	n.a.	1.9%	9.3%	11.9%		
<b>Net Profit</b>	(4.5)	(9.3)	(23.9)	(10.3)	(11.0)	8.0	(22.7)	(6.9)	(0.5)	(8.3)	(19.3)	(7.5)	(0.4)	2.0	-15.7%	28.2%
Net Profit growth	-563.1%	-106.1%	-158.4%	57.1%	-7.5%	172.2%	-384.8%	69.8%	92.7%	n.a.	-132.5%	61.1%	94.9%	632.9%		
Adjusted number shares (Mn)	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.0	9.2	9.2	9.2	9.3	9.3	9.3		
EPS (EUR)	-0.49	-1.01	-2.62	-1.12	-1.21	0.87	-2.48	-0.76	-0.05	-0.90	-2.10	-0.81	-0.04	0.22	-15.6%	28.1%
EPS growth	n.a.	n.a.	n.a.	57.1%	-7.5%	n.a.	n.a.	69.4%	92.9%	n.a.	n.a.	61.3%	94.9%	n.a.		
Ord. EPS (EUR)	-0.60	-1.83	-3.62	-1.32	-0.42	-2.98	-1.37	-0.76	0.07	-0.01	-2.37	-0.23	0.00	0.22	-14.7%	27.9%
Ord. EPS growth	n.a.	n.a.	-97.5%	63.4%	68.0%	n.a.	53.8%	44.9%	n.a.	n.a.	n.a.	90.1%	n.a.	n.a.		
CAPEX	(9.0)	(6.2)	(0.7)	(1.6)	(2.0)	(2.4)	(2.0)	(0.9)	(0.8)	(2.6)	(2.0)	(2.1)	(2.4)	(2.5)		
CAPEX/Sales %	5.4%	4.0%	0.5%	1.2%	1.6%	2.2%	1.8%	0.8%	0.7%	2.2%	3.0%	2.2%	2.2%	2.2%		
<b>Free Cash Flow</b>	5.0	(11.3)	24.9	8.9	(5.3)	24.9	(12.6)	4.5	1.6	(2.3)	(10.2)	(4.9)	(3.5)	(2.1)	-15.0%	41.1%
ND/EBITDA (x) <sup>(3)</sup>	0.5x	14.0x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-9.4x	-0.9x	n.a.	2.3x	0.8x	0.7x		
P/E (x)	n.a.	n.a.	n.a.	n.a.	n.a.	3.8x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	16.6x		
EV/Sales (x)	0.53x	0.37x	0.33x	0.48x	0.45x	0.10x	0.31x	0.28x	0.47x	0.64x	0.96x	0.65x	0.57x	0.53x		
EV/EBITDA (x) <sup>(3)</sup>	8.6x	36.5x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	42.4x	6.6x	n.a.	34.3x	6.1x	4.4x		
Absolute performance	n.a.	-38.5%	-24.1%	44.8%	-12.4%	-30.4%	-4.9%	62.2%	29.7%	2.6%	-35.9%	-16.3%				
Relative performance vs Ibx 35	n.a.	-29.2%	-20.4%	19.2%	-15.5%	-25.1%	-3.0%	51.0%	52.5%	-8.2%	-24.2%	-22.4%				

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: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 9.1Mn 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

		Affordable Luxury players					Specialised Retail Holdings					
		SMCP SA	Ted Baker PLC	Hugo Boss AG	Burberry Group PLC	Average	PVH Corp	Tapestry	Capri Holdings Ltd	Kering	Average	ADZ
EUR Mn												
Market data	Ticker (Factset)	SMCP-FR	TED-GB	BOSS-DE	BRBY-GB		PVH-US	TPR-US	CPRI-US	KER-FR		ADZ-ES
	Country	France	UK	Germany	UK		USA	USA	UK	France		Spain
	Market cap	535.8	209.1	3,712.9	9,192.9		5,932.7	9,003.0	7,108.6	83,394.6		33.6
	Enterprise value (EV)	1,324.0	357.9	4,519.9	9,465.4		8,618.7	10,522.6	9,659.9	88,472.9		61.6
Basic financial information	Total Revenues	1,040.7	551.4	2,760.6	3,347.8		8,017.6	5,064.2	4,772.2	17,032.8		94.5
	Total Revenues growth	33.9%	31.1%	41.9%	19.6%	31.6%	27.5%	15.8%	33.4%	30.0%	26.7%	40.1%
	2y CAGR (2021e - 2023e)	8.6%	16.8%	10.8%	7.0%	10.8%	4.9%	9.6%	9.2%	9.6%	8.3%	10.9%
	EBITDA	241.5	44.8	571.3	948.7		1,081.6	1,158.0	1,069.1	6,147.8		1.8
	EBITDA growth	42.5%	505.5%	148.7%	14.6%	177.8%	343.8%	142.1%	113.9%	34.4%	158.6%	126.3%
	2y CAGR (2021e - 2023e)	13.0%	66.7%	14.6%	8.5%	25.7%	3.8%	10.0%	10.5%	11.1%	8.8%	n.a.
	EBITDA/Revenues	23.2%	8.1%	20.7%	28.3%	20.1%	13.5%	22.9%	22.4%	36.1%	23.7%	1.9%
	EBIT	66.8	(25.0)	219.6	588.4		799.0	965.3	870.5	4,776.0		(6.2)
	EBIT growth	n.a.	67.3%	274.9%	18.3%	120.2%	n.a.	271.9%	178.2%	52.3%	167.5%	64.6%
	2y CAGR (2021e - 2023e)	32.6%	96.2%	26.0%	11.5%	41.6%	6.0%	11.6%	12.8%	12.9%	10.8%	70.3%
	EBIT/Revenues	6.4%	n.a.	8.0%	17.6%	10.7%	10.0%	19.1%	18.2%	28.0%	18.8%	n.a.
	Net Profit	21.0	-	126.0	429.8		591.7	735.2	715.6	3,180.8		(7.5)
	Net Profit growth	120.5%	100.0%	157.4%	-4.2%	93.4%	159.1%	227.9%	n.a.	47.2%	144.8%	61.1%
2y CAGR (2021e - 2023e)	68.9%	n.a.	32.4%	12.0%	37.8%	6.2%	12.9%	12.4%	14.2%	11.4%	50.6%	
CAPEX/Sales %	4.9%	3.5%	4.7%	6.5%	4.9%	3.2%	2.0%	4.0%	6.4%	3.9%	2.2%	
Free Cash Flow	28.5	(56.4)	197.7	491.2		330.3	1,064.3	572.1	3,108.5		(4.9)	
Net financial debt	784.7	152.2	1,057.3	(1,022.7)		1,315.9	1,255.5	679.9	941.2		4.1	
ND/EBITDA (x)	3.2	3.4	1.9	n.a.	2.8	1.2	1.1	0.6	0.2	0.8	0.6	
Pay-out	0.0%	n.a.	44.9%	53.4%	32.8%	0.5%	11.2%	0.0%	41.7%	13.4%	0.0%	
Multiples and Ratios	P/E (x)	24.5	n.a.	29.6	21.7	25.2	10.3	12.5	10.0	27.8	15.2	n.a.
	P/BV (x)	0.5	n.a.	4.1	4.8	3.1	1.3	3.1	3.0	6.5	3.5	2.0
	EV/Revenues (x)	1.3	0.6	1.6	2.8	1.6	1.1	2.1	2.0	5.2	2.6	0.7
	EV/EBITDA (x)	5.5	8.0	7.9	10.0	7.8	8.0	9.1	9.0	14.4	10.1	9.1
	EV/EBIT (x)	19.8	n.a.	20.6	16.1	18.8	10.8	10.9	11.1	18.5	12.8	n.a.
	ROE	2.0	n.a.	14.0	22.0	12.7	13.0	30.1	29.4	23.2	23.9	n.a.
	FCF Yield (%)	5.3	n.a.	5.3	5.3	5.3	5.6	11.8	8.0	3.7	7.3	0.1
	DPS	0.00	0.00	0.82	0.57	0.35	0.04	0.30	0.00	10.61	2.74	0.00
Dvd Yield	0.0%	0.0%	1.6%	2.5%	1.0%	0.0%	0.9%	0.0%	1.6%	0.6%	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).

## 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 (IEAF), a professional, not for profit association.

### DISCLAIMER

The Instituto Español de Analistas Financieros (IEAF) 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@ieaf.es](mailto:secretaria@ieaf.es) or consult the contents of this Code at [www.ieaf.es](http://www.ieaf.es).

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 (IEAF) 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
24-Jan-2022	n.a.	3.62	n.a.	n.a.	9m Results 2021	Alfredo Echevarría Otegui
02-Dec-2021	n.a.	3.77	n.a.	n.a.	6m Results 2021	Alfredo Echevarría Otegui
01-Sep-2021	n.a.	4.49	n.a.	n.a.	Estimates downgrade	Ana Isabel González García, CIIA
28-Jul-2021	n.a.	4.34	n.a.	n.a.	3m Results 2021	Ana Isabel González García, CIIA
14-Jun-2021	n.a.	4.28	n.a.	n.a.	Estimates upgrade	Ana Isabel González García, CIIA
29-Apr-2021	n.a.	4.50	n.a.	n.a.	12m Results 2020	Ana Isabel González García, CIIA
29-Mar-2021	n.a.	4.20	n.a.	n.a.	Important news	Ana Isabel González García, CIIA
18-Jan-2021	n.a.	4.78	n.a.	n.a.	9m Results 2020 - Estimates downgrade	Ana Isabel González García, CIIA
02-Dec-2020	n.a.	4.60	n.a.	n.a.	6m Results 2020 - Estimates downgrade	Ana Isabel González García, CIIA
17-Sep-2020	n.a.	3.90	n.a.	n.a.	3m Results 2020	Ana Isabel González García, CIIA
25-Jun-2020	n.a.	5.10	n.a.	n.a.	Estimates downgrade	Ana Isabel González García, CIIA
13-Jan-2020	n.a.	6.90	n.a.	n.a.	9m Results 2019	Ana Isabel González García, CIIA
03-Dec-2019	n.a.	7.36	n.a.	n.a.	Initiation of Coverage	Ana Isabel González García, CIIA

