

## EQUITY - SPAIN

Sector: Communications Equipment

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Review of 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).

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### Market Data

Market Cap (Mn EUR and USD)	224.7	269.2
EV (Mn EUR and USD) <sup>(1)</sup>	284.4	340.7
Shares Outstanding (Mn)	1,075.3	
-12m (Max/Med/Min EUR)	0.23 / 0.18 / 0.13	
Daily Avg volume (-12m Mn EUR)	0.58	
Rotation <sup>(2)</sup>	65.6	
Refinitiv / Bloomberg	APE.MC / AMP SM	
Close fiscal year	31-Dec	

### Shareholders Structure (%)

Martinavarro Dealbert	5.1
Free Float	94.9

### Financials (Mn EUR)

	2020	2021e	2022e	2023e
Adj. nº 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 <sup>(3)</sup>	-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 <sup>(4)</sup>	11.7	19.1	16.4	14.7
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 <sup>(5)</sup>	-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 (%) <sup>(5)</sup>	n.a.	9.7	13.2	19.1

### Ratios & Multiples (x)<sup>(6)</sup>

	2020	2021e	2022e	2023e
P/E	n.a.	25.8	17.0	10.5
Ord. P/E	n.a.	25.8	17.0	10.5
P/BV	4.2	3.6	3.0	2.3
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	1.45	1.10	0.96	0.84
EV/Rec. EBITDA	n.a.	18.8	13.8	9.4
EV/EBIT	n.a.	21.5	15.1	9.9
FCF Yield (%) <sup>(5)</sup>	n.a.	2.3	3.4	6.5

(1) Please refer to Appendix 3.

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

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

(4) Sector: TRBC Europe Technology Index.

(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.

## Opportunity - Challenge: to make the step-up in size of 2018-2020 profitable (quickly)

**THE INTENSE M&A ACTIVITY HAS ENABLED THE ACCELERATION OF GROWTH AND DIVERSIFICATION OF THE BUSINESS.** AMP's strategic change of direction since 2018, underpinned by an intense M&A activity to accelerate growth (>10 acquisitions in recent years), has resulted in growth in volumes (2020 revenues: c. EUR 200Mn vs c. 140Mn in 2018) and the diversification of the revenue mix (with the diversification of the technological division outside Telcos and entry in the industrial and engineering business as stand-outs).

**AND, DESPITE THE CURRENT BACKDROP, WE FIND OBJECTIVE REASONS FOR FURTHER GROWTH.** We highlight: (i) a credible ability to recover 2019 pro-forma levels (with the execution in 2021e of the contracts that were delayed due to Covid-19), (ii) an exposure to growth niches (communications infrastructure, IoT, digitisation, renewable energies, etc.), (iii) the consolidation of 100% of the businesses acquired in 2020, and (iv) an order book executable in 2021e of EUR 174Mn (c. 70% of 2021e revenue).

**WHAT CAN BE EXPECTED OF THE BUSINESS IN 2021E?** The scenario we envisage for 2021e would allow AMP to achieve: (i) revenues of c. EUR 260Mn (+32% vs 2020), that, by taking advantage of its operating leverage, should translate to Rec. EBITDA of c. EUR 15Mn (Rec. EBITDA margin c. 6%). Maintaining at all times a balance sheet structure in which debt is not a problem (2021e ND/Rec. EBITDA, c.2x).

**VOLUME GROWTH IS CLEAR, THE CHALLENGE LIES IN THE MARGIN.** Today's snapshot is of a company enjoying strong revenue growth but 2021e is a critical year for assessing the profitability of the business model chosen by AMP and resolving the conundrum of the profitability of the corporate operations already carried out. A reasonable rate of recovery of margins would mean returning to 2019 levels (EBITDA/sales, c. 9%) in 2023e. The performance of margins is critical as it is the only way to provide support for current multiples (2021e EV/Rec. EBITDA c. 19x; and c. 9.5x 2023e).

### Relative performance (Base 100)



### Stock performance (%)

	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	6.6	-6.3	45.5	9.3	15.2	71.3
vs Ibex 35	0.7	-11.1	10.0	2.6	30.7	78.9
vs Ibex Small Cap Index	1.0	-15.9	-22.7	-0.7	-5.9	-12.9
vs Eurostoxx 50	2.5	-13.3	-4.3	0.9	2.8	35.4
vs Sector benchmark <sup>(4)</sup>	8.6	-12.7	-15.6	3.0	-23.9	-16.7

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

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## Review of estimates

### 2021e: a critical year for AMP. The challenge/opportunity of making profitable all the investments made since 2018

AMP's strategic change of direction since 2018, underpinned by an intense M&A activity to accelerate growth (with 13 acquisitions in the last four years; Table 1), has resulted in a significant transformation of the revenue mix (with the diversification of the technological division outside Telcos and entry in the industrial and engineering business as stand-outs). This in turn poses two key questions: What is AMP today (March 2021)? What should be expected for the most immediate future (2021e-2023e) in terms of operating results and cash generation?

**Table 1. M&A activity (2017-2020)**

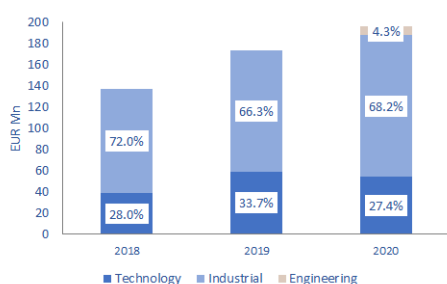
Date	Year	Company	Business line	% stake	Price (EUR Mn)	Revenue (EUR Mn)	Proforma Revenue (EUR Mn)	EV/Sales <sup>3</sup>
2017-07-28	2017	Nervi3n	Industrial	84%	6.2	43.1	61.3	0.3
2018-11-29	2018	Rubricall SL	Technology	75%	1.0	3.6	3.6	0.5
2018-12-12	2018	Ingenio 3000 SL	Technology	50%	0.6	0.5	0.5	3.0
2019-03-27	2019	Sensing and Control	Technology	51%	1.5	1.3	1.6	3.8
2019-04-04	2019	Amper Iberwave	Technology	60%	0.6	0.2	0.2	4.5
2019-05-06	2019	Wireless Watts	Technology	75%	9.0	0.6	3.5	3.4
2019-07-04	2019	N3cleo	Technology	73%	5.5	14.2	20.7	0.4
2019-08-01	2019	Formecal	Industrial	100%	7.2	2.4	5.0	1.4
2019-11-25	2019	Setelsa	Technology	100%	4.0	1.0	4.9	0.8
2020-01-09	2020	Proes Consultores	Engineering	89%	2.7	12.7	12.6	0.3
2020-07-22	2020	Sacyr Nervi3n <sup>1</sup>	Industrial	50%	1.2	19.6	38.3	0.1
2020-09-02	2020	ELINSA	Technology	51%	1.5	5.1	11.6	0.7
2020-11-23	2020	TFS <sup>2</sup>	Technology	30%	0.3	0.1	1.3	1.2
					<b>41.4</b>		<b>165.2</b>	<b>0.5</b>

Note 1: In July 2020 AMP announced the acquisition of the 50% it did not own of Sacyr-Nervi3n (maintenance of oil and gas storage tanks), thereby controlling 100% of the company (previously equity accounted; impact of EUR 0.3Mn in 2019).

Note 2: Although it only has a 30% stake in TFS, this is considered a controlling interest as it has a majority of votes on the board.

Note 3: EV/sales estimated by Lighthouse.

**Chart 1. Revenue mix by business line (2018-2020)**



Note: includes non-organic growth (see Table 1).

#### After growing via the integration of companies, what is AMP today? (March 2021)

The intense M&A activity of recent years has resulted in a significant step-up in size for AMP as regards revenues, reaching turnover of c. EUR 200Mn in 2020 (vs < EUR 30Mn in 2016 and EUR 140Mn in 2018) that gives an idea of the significant transformation of the traditional business. So it is interesting to simply ask: What is AMP today?

At present, the company operates through three very different business lines:

- **Technology (36% of revenues; 69% of EBITDA 2021e): the Group's growth driver (boosted by its diversification).** In 2018-2020 AMP acquired 9 tech companies allowing it to significantly diversify its activity beyond its traditional business as a supplier for the roll-out of fixed and mobile telecoms networks (also diversifying its customer base outside telcos).

The technological business line encompasses three divisions: (i) Telecoms and IoT, that includes, together with the traditional business of devices and components for telecoms networks, various solutions for both the residential and industrial spheres (tracking and geolocation of people and materials, smart metering for water and gas, smart locks, etc.), (ii) Communications, Security and Defence, with proprietary hardware and software for the complete management of critical communications, and (iii) Energy and Control Technologies, with sensorization, data collection and control systems mainly for the energy and naval sectors.

- **Industrial (60% of revenue; 25% of EBITDA 2021e): small margins and greater cyclical exposure.** AMP's industrial division was created after the acquisition of the Nervión group in 2017. Despite contributing >60% of the estimated revenue mix for 2021e, the situation is different in terms of Rec. EBITDA (25% of 2021e EBITDA).

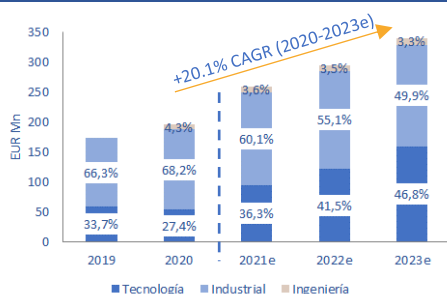
The main activities of the industrial business are: (i) Naval-offshore (naval construction and assembly and manufacture of jackets for offshore wind farms, where the company is leader) and (ii) Industrial Services, ranging from the assembly and maintenance of industrial plants to solutions for the control of atmospheric pollution.

This business is very labour-intensive (> 2,300 employees for estimated turnover of EUR 155Mn in 2021e), and has low margins (2021e EBITDA margin of 2.4%) and greater cyclical exposure than AMP's traditional businesses. However, there is a growth opportunity in the construction of marine infrastructure (jackets) for offshore wind power projects.

- **Engineering (4% of revenues; 6% of EBITDA 2021e):** through Proes (a company acquired in 2020), an engineering and architecture consultancy that, within AMP, should play the role of "prescriber" to facilitate the implementation of its technological solutions in the industrial transformation process (industry 4.0) while also providing higher added value to the industrial division (detaching this from the concept of subcontractor).

In conclusion, the intense M&A activity of an opportunistic nature carried out in recent years, has significantly diversified and transformed AMP's revenue mix, increasing its exposure to growth niches such as: digitisation, communications infrastructure, IoT, security and defence, process automation and industrial transformation, renewable energies, etc. A wide range of activities that, we believe, should enable AMP to continue to grow.

**Chart 2. Revenue mix by business line (2019-2023e)**



Note: 2019 and 2020 revenues adjusted to strip out the impact of revenue from R+D projects (EUR 5.8Mn and EUR 14.9Mn in 2020 and 2019, respectively). The impact of the company's R+D capitalisation policy is included below EBITDA in our estimates (see Annexe 1).

**Table 2. Order book and executable order book in 2021e**

EUR Mn	Order book	Executable in 2021e	% o/2021e sales
Technology	101	57	61%
Industrial	226	110	71%
Engineering	13	7	75%
<b>Total</b>	<b>341</b>	<b>174</b>	<b>67%</b>

### A return to double-digit growth in revenue is possible... why?

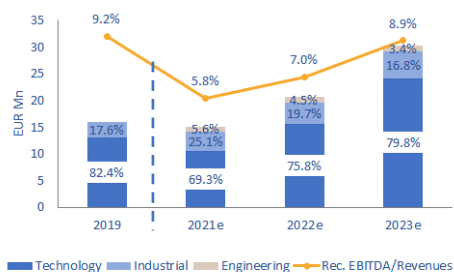
The opening words to Charles Dickens' novel *A Tale of Two Cities* could be applied to AMP's disparate performance in 2020: "It was the best of times, it was the worst of times... it was the season of light, it was the season of darkness, it was the spring of hope, it was the winter of despair". Despite the good start to the year (1Q20 revenue: +24% vs 1Q19), Covid-19 hit its businesses head on, dragging 2020 EBIT down towards breakeven levels. Despite this, our estimates point to 2021e revenue of c. EUR 260Mn (+32% vs 2020). What are the main assumptions underlying our estimates for 2021? By business:

- **Technology (EUR 94Mn; +65% vs 2020).** In our view the technological business line should be the main driver of revenue growth in 2021e (and following years). For several reasons: (i) the ability to recover 2019 pro-forma levels (with the execution in 2021e of the contracts that were delayed due to Covid-19; c. 60% of estimated growth), (ii) the inclusion in the scope of consolidation of 100% of the revenues of Elinsa and TFS (acquired in September and December 2020), and (iii) all this underpinned by an executable order book of c. EUR 60Mn (that covers c. 60% of estimated revenue) and exposure to growth niches.
- **Industrial (EUR 155Mn; +15% vs 2020),** 92% of whose growth is explained by the inclusion in the scope of consolidation of 100% of the revenues of Nervión-Energy (formerly Sacyr-Nervión; equity accounted until July 2020), that should contribute revenue of c. EUR 38Mn in 2021e (vs EUR 19.6Mn included in 2020). In addition, the exposure of AMP's industrial business to the development of infrastructure for the offshore wind power sector, should enable it to maintain a CAGR of c. 4.5% in 2021e-2023e.
- **Engineering (EUR 9Mn; +10% vs 2020).** A division that basically comprises the engineering services of Proes Consultores (acquired in January 2020 from Euroconsult; a company that has filed for insolvency), whose executable order book in 2021e accounts for 75% of the division's estimated revenue.

**And will allow a significant recovery of Rec. EBITDA in 2021e (although still a long way from recovering margin levels prior to Covid-19)**

For 2021e we estimate that the step-up in revenue (+32% vs 2020) will translate to Rec. EBITDA of at least c. EUR 15Mn (EBITDA Margin c. 6%; vs breakeven in 2020; and 9.2% in 2019). In our view, the main levers that explain this growth in Recurrent EBITDA are:

**Chart 3. Rec. EBITDA and Rec. EBITDA Mg. (2019-2023e)**



Note 1: 2019 Recurrent EBITDA adjusted to strip out the impact of the R+D capitalisation policy (EUR 12.4Mn, of which c. 75% corresponds to the technological division and c. 25% to the industrial division; estimated by Lighthouse).

Note 2: For 2021e-2023e we have estimated capitalised expenses of c. 3% of revenue below the EBITDA line (see Annexe 1).

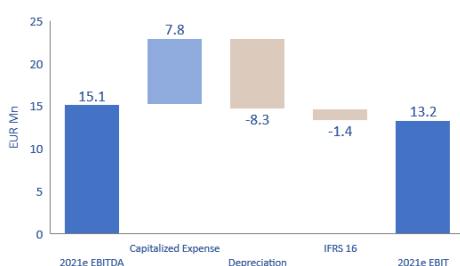
- **Volume growth (+32% vs 2020)**, that will dilute over a larger revenue base the current high fixed cost structure, the result of rapid non-organic growth and a very labour-intensive business (such as the industrial one), that in 2020 absorbed 100% of the gross margin generated by AMP (dragging Rec. EBITDA down to breakeven).
- **The sharp rebound in revenue from the technological business**, that will increase its weighting in the revenue mix to 36% (vs 27% in 2020). For 2021e we estimate an EBITDA margin for the technological business of 11%, significantly higher than that estimated for the industrial business (2.5%). This should increase the consolidated margin to 6%.
- **Although a return to pre Covid-19 margins does not look feasible, at least, until 2023e.** We estimate the company will recover similar levels of margins to those seen in 2019 in 2023e. An improvement in margins that is highly dependent on the technological business, for which we estimate growth of 4p.p. in its EBITDA margin (2023e EBITDA Margin of 15% vs 11% in 2021e).

But the risk has not disappeared. The high cost structure reached by AMP in 2020 means that a slower than expected recovery of the technological business' margin would have a very significant impact in consolidated terms. A recovery of the EBITDA margin of the technological business to levels of 8% (vs 11% estimated) would have a very negative impact on our estimates (2021e EBITDA c. -20% vs our initial estimate).

**That should cause EBIT to take off from breakeven in 2021e (this will continue to be impacted by the R+D capitalisations policy)**

The significant recovery of EBITDA to levels of c. EUR 15Mn in 2021e will boost EBIT to EUR 13Mn; c. 30% below that seen in 2019 (despite starting from similar levels of EBITDA) mainly due to two factors: (i) significantly smaller capitalised expenses (EUR 7.8Mn vs c. 12Mn in 2019) and (ii) an increase in amortisation expenses to EUR 8.3Mn (vs EUR 7Mn in 2019).

**Chart 4. From EBITDA to EBIT (2021e)**



In 2021e, below the EBITDA line we find: (i) revenue of EUR 7.8Mn from the capitalisation of R+D expenses (3% of sales; and that, in accordance with company policy, will be maintained throughout the estimated period), (ii) amortisations, that increase to EUR 8.3Mn (mainly due to the amortisation of R+D expenses capitalised in 2018-2020) and (iii) lease expenses subject to IFRS 16 (EUR 1.4Mn).

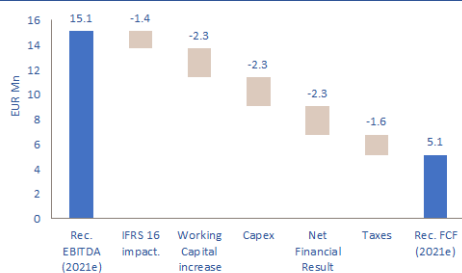
And, although 2023e is still a long way off, looking ahead to the longer term, the estimated recovery of margins (together with the significant growth in volume; +20% CAGR 2020-2023e) should translate to levels of EBIT of c. EUR 30Mn (EV/EBIT 2023e, 10x), a figure that clearly reflects the "Challenge/Opportunity" that the next 3 years represent for AMP.

**Maintaining a high volume of unused tax loss carryforwards (that will keep the effective tax rate at levels of 15%)**

The prolonged period of losses recorded by AMP in 2010-2016 (see annexe 4) has resulted in a very high level of tax loss carryforwards (EUR 238Mn at December 2020). Because at present these do not have a maximum period during which they have to be offset, the first impact of this situation is a low tax rate in the long term (we estimate this should remain around 15%).

However, from the valuation point of view, there is a second impact and that is the theoretical value of the tax losses, in other words, the value of the tax savings that would result for AMP if these were fully offset.

**Chart 5. How much Free Cash Flow does AMP generate in 2021e?**

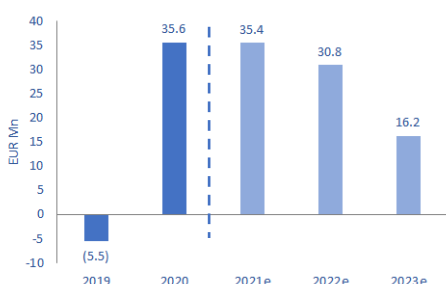


**With 2021e cash generation at breakeven (impacted by payment of part of the amount pending payment of the M&A activity)**

In 2021e we estimate Recurrent FCF of EUR 5.1Mn (Rec. FCF Yield 2%) mainly as a result of: (i) the recovery of recurrent EBITDA to levels of c. EUR 15Mn (vs breakeven in 2020), (ii) working capital consumption that should normalise after the large cash outflow in 2020 (c. EUR 13Mn), (iii) levels of CAPEX that will remain below the average for peers (we estimate CAPEX of c. 1% of sales for 2021e-2023e; vs c. 2% for its main peers) and (iv) financial expenses that will increase to c. EUR 2Mn.

Below recurrent Free Cash Flow, in 2021e we estimate a cash outflow of c. EUR 5Mn (EUR 3Mn in 2022e) for payment of part of the amount pending of the acquisitions made in 2018-2020 (leaving 2021e FCF at breakeven).

**Chart 6. Net Debt (2019-2023e)**



**... that will keep leverage under control until 2023e**

The net cash position with which AMP closed FY 2019 has disappeared as a result of: (i) the significant slowdown in activity in 2020 caused by Covid-19, (ii) a business that is highly intensive in working capital (especially the industrial division) and (iii) payments associated with the intense M&A activity of recent years (purchase of 10 companies between 2019 and 2020).

At the 2020 close, Net Debt was EUR 36Mn (vs net cash of EUR 5.5Mn in 2019) and given the estimated cash generation this should remain at similar levels in 2021e (ND/EBITDA, 2.3x). In our view, the current balance sheet structure does not seem to be a problem (or an opportunity), and, although the ability to continue to grow via M&A persists (with a ND/EBITDA limit set by the company itself of 3x), the increase in ND to levels of c. EUR 35Mn reduces the capacity for (significant) non-organic growth in the short term. However, from 2022e, with ND/EBITDA < 1x the door will again be open (theoretically) to non-organic growth (something we have not envisaged in our estimates).

**In conclusion: the capacity for volume growth seems clear but the challenge lies in making the M&A already executed profitable**

After a 2020 that saw a very disparate performance (completely shaped by Covid-19), 4Q20 results showed a clear inflection with the recovery of the growth trend seen until 1Q20 (4Q20 revenue: +28% vs 4Q19 including non-organic growth).

The current snapshot is that of a company for which the opportunity for continued growth in the next 3 years seems very attractive (2020-2023e revenue: +20% CAGR) and credible. Although given the scant market visibility, 2023e still seems a long way off.

But the critical year is this one (2021e): it would prove that AMP is a company with exposure to high growth niches and with the ability to recover margins. In the end, everything hinges on the success of the corporate operations carried out in recent years.

Although revenue growth seems certain, the central pillar of AMP's equity story today is the recovery of margins with the extent and speed of this being decisive. Our central scenario points to the recovery of 2019 level margins in 2023e which, at current prices, would delay seeing EV/EBITDA multiples < 10x until then.

2021e, and especially the first half of the year, will show whether a bigger and quicker recovery of margins is possible. For AMP the step-up in size is already accomplished, the "wheel to follow" now is the margin.

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

<b>Balance Sheet (EUR Mn)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>		
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		
<b>Total assets</b>	<b>135.1</b>	<b>175.5</b>	<b>126.6</b>	<b>174.2</b>	<b>203.6</b>	<b>228.0</b>	<b>246.7</b>	<b>267.5</b>		
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		
<b>Equity &amp; Total Liabilities</b>	<b>135.1</b>	<b>175.5</b>	<b>126.6</b>	<b>174.2</b>	<b>203.6</b>	<b>228.0</b>	<b>246.7</b>	<b>267.5</b>		
<b>CAGR</b>										
<b>P&amp;L (EUR Mn)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>	<b>16-20</b>	<b>20-23e</b>
<b>Total Revenues</b>	<b>28.3</b>	<b>70.2</b>	<b>136.9</b>	<b>173.3</b>	<b>196.1</b>	<b>258.8</b>	<b>294.9</b>	<b>340.0</b>	<b>62.3%</b>	<b>20.1%</b>
<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)		
<b>Gross Margin</b>	<b>12.8</b>	<b>40.3</b>	<b>78.6</b>	<b>103.8</b>	<b>113.3</b>	<b>155.5</b>	<b>176.3</b>	<b>203.4</b>	<b>72.6%</b>	<b>21.6%</b>
<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)		
<b>Recurrent EBITDA</b>	<b>2.3</b>	<b>4.4</b>	<b>9.3</b>	<b>15.9</b>	<b>(0.1)</b>	<b>15.1</b>	<b>20.6</b>	<b>30.3</b>	<b>-19.9%</b>	<b>n.a.</b>
<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)	-	-	-	-	-	-		
<b>EBITDA</b>	<b>1.3</b>	<b>4.1</b>	<b>9.3</b>	<b>15.9</b>	<b>(0.1)</b>	<b>15.1</b>	<b>20.6</b>	<b>30.3</b>	<b>-20.6%</b>	<b>n.a.</b>
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)		
<b>EBIT</b>	<b>0.9</b>	<b>3.3</b>	<b>12.9</b>	<b>20.2</b>	<b>(1.3)</b>	<b>13.2</b>	<b>18.8</b>	<b>28.8</b>	<b>-35.7%</b>	<b>n.a.</b>
<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)		
<b>Ordinary Profit</b>	<b>0.9</b>	<b>1.1</b>	<b>13.0</b>	<b>19.6</b>	<b>1.3</b>	<b>10.9</b>	<b>16.5</b>	<b>26.8</b>	<b>11.3%</b>	<b>n.a.</b>
<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	-	-	-	-		
<b>Profit Before Tax</b>	<b>5.6</b>	<b>1.1</b>	<b>13.0</b>	<b>22.0</b>	<b>1.3</b>	<b>10.9</b>	<b>16.5</b>	<b>26.8</b>	<b>-30.2%</b>	<b>n.a.</b>
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)	-	-	-		
<b>Net Profit</b>	<b>(2.7)</b>	<b>1.1</b>	<b>40.7</b>	<b>19.4</b>	<b>1.1</b>	<b>8.7</b>	<b>13.2</b>	<b>21.4</b>	<b>24.8%</b>	<b>n.a.</b>
<i>Net Profit growth</i>	-103.0%	141.4%	n.a.	-52.2%	-94.1%	661.0%	52.0%	62.0%		
<b>Ordinary Net Profit</b>	<b>(3.0)</b>	<b>(5.5)</b>	<b>4.6</b>	<b>17.2</b>	<b>2.0</b>	<b>8.7</b>	<b>13.2</b>	<b>21.4</b>	<b>27.7%</b>	<b>n.a.</b>
<i>Ordinary Net Profit growth</i>	-44.7%	-83.5%	183.7%	275.8%	-88.6%	342.2%	52.0%	62.0%		
<b>CAGR</b>										
<b>Cash Flow (EUR Mn)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>	<b>16-20</b>	<b>20-23e</b>
<b>Recurrent EBITDA</b>						<b>15.1</b>	<b>20.6</b>	<b>30.3</b>	<b>-19.9%</b>	<b>n.a.</b>
Rentals (IFRS 16 impact)						(1.4)	(1.4)	(1.4)		
Working Capital Increase						(2.3)	(3.9)	(4.9)		
<b>Recurrent Operating Cash Flow</b>						<b>11.4</b>	<b>15.3</b>	<b>24.0</b>	<b>-57.8%</b>	<b>54.5%</b>
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)		
<b>Recurrent Free Cash Flow</b>						<b>5.1</b>	<b>7.6</b>	<b>14.7</b>	<b>-64.2%</b>	<b>39.2%</b>
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						(5.0)	(3.0)	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
<b>Free Cash Flow</b>						<b>0.1</b>	<b>4.6</b>	<b>14.7</b>	<b>-42.0%</b>	<b>32.8%</b>
Capital Increase						-	-	-		
Dividends						-	-	-		
<b>Net Debt Variation</b>						<b>(0.1)</b>	<b>(4.6)</b>	<b>(14.7)</b>		

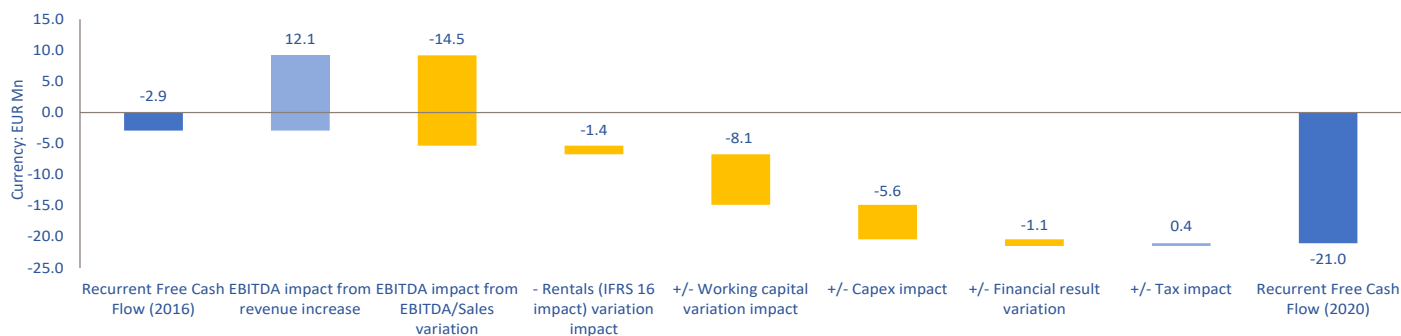
Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 1.0Mn higher due to IFRS 16.

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

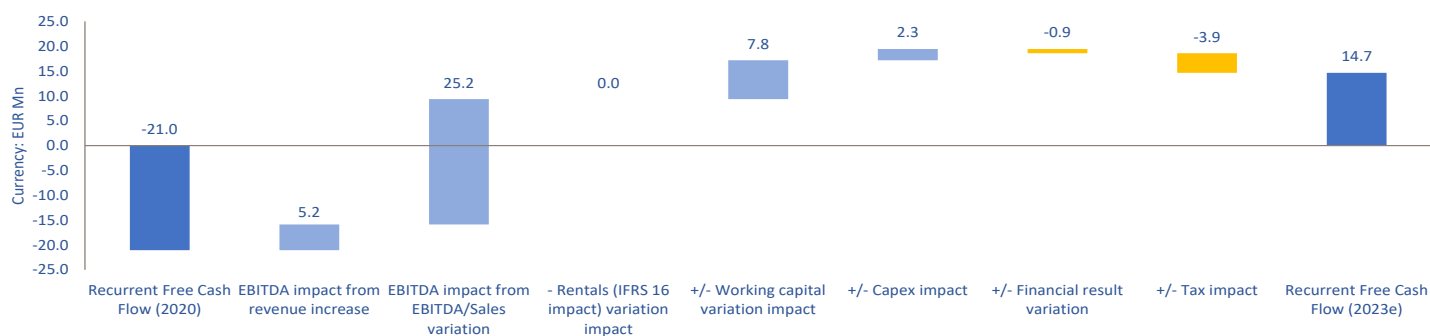
A) Cash Flow Analysis (EUR Mn)	2017	2018	2019	2020	2021e	2022e	2023e	CAGR	
								17-20	20-23e
<b>Recurrent EBITDA</b>	<b>4.4</b>	<b>9.3</b>	<b>15.9</b>	<b>(0.1)</b>	<b>15.1</b>	<b>20.6</b>	<b>30.3</b>	<b>-26.7%</b>	<b>n.a.</b>
<i>Recurrent EBITDA growth</i>	89.9%	112.5%	71.1%	-100.9%	n.a.	36.2%	47.2%		
<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)		
<b>= Recurrent Operating Cash Flow</b>	<b>1.2</b>	<b>12.8</b>	<b>2.1</b>	<b>(14.2)</b>	<b>11.4</b>	<b>15.3</b>	<b>24.0</b>	<b>n.a.</b>	<b>54.5%</b>
<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)		
<b>= Recurrent Free Cash Flow</b>	<b>(6.2)</b>	<b>10.2</b>	<b>(3.0)</b>	<b>(21.0)</b>	<b>5.1</b>	<b>7.6</b>	<b>14.7</b>	<b>-50.1%</b>	<b>39.2%</b>
<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)	-	-	-		
<b>= Free Cash Flow</b>	<b>(6.0)</b>	<b>8.6</b>	<b>(23.9)</b>	<b>(43.0)</b>	<b>0.1</b>	<b>4.6</b>	<b>14.7</b>	<b>-92.5%</b>	<b>32.8%</b>
<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.	4.6%	n.a.	n.a.	2.3%	3.4%	6.5%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	n.a.	3.8%	n.a.	n.a.	0.1%	2.0%	6.5%		
<b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b>									
<b>Recurrent FCF(FY - 1)</b>	<b>(2.9)</b>	<b>(6.2)</b>	<b>10.2</b>	<b>(3.0)</b>	<b>(21.0)</b>	<b>5.1</b>	<b>7.6</b>		
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		
<b>= Recurrent EBITDA variation</b>	<b>2.1</b>	<b>4.9</b>	<b>6.6</b>	<b>(16.0)</b>	<b>15.2</b>	<b>5.5</b>	<b>9.7</b>		
- 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)		
<b>= Recurrent Operating Cash Flow variation</b>	<b>3.5</b>	<b>11.6</b>	<b>(10.7)</b>	<b>(16.3)</b>	<b>25.7</b>	<b>3.9</b>	<b>8.7</b>		
+/- 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)		
<b>= Recurrent Free Cash Flow variation</b>	<b>(3.3)</b>	<b>16.4</b>	<b>(13.2)</b>	<b>(18.0)</b>	<b>26.2</b>	<b>2.5</b>	<b>7.1</b>		
<b>Recurrent Free Cash Flow</b>	<b>(6.2)</b>	<b>10.2</b>	<b>(3.0)</b>	<b>(21.0)</b>	<b>5.1</b>	<b>7.6</b>	<b>14.7</b>		
<b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>									
<b>EBIT</b>	<b>3.3</b>	<b>12.9</b>	<b>20.2</b>	<b>(1.3)</b>	<b>13.2</b>	<b>18.8</b>	<b>28.8</b>	<b>-33.6%</b>	<b>n.a.</b>
* <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)		
<b>Recurrent EBITDA</b>	<b>4.4</b>	<b>9.3</b>	<b>15.9</b>	<b>(0.1)</b>	<b>15.1</b>	<b>20.6</b>	<b>30.3</b>	<b>-26.7%</b>	<b>n.a.</b>
- 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)		
<b>= Recurrent Operating Cash Flow</b>	<b>1.2</b>	<b>12.8</b>	<b>2.1</b>	<b>(14.2)</b>	<b>11.4</b>	<b>15.3</b>	<b>24.0</b>	<b>n.a.</b>	<b>54.5%</b>
- 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)		
<b>= Recurrent Free Cash Flow (To the Firm)</b>	<b>(4.4)</b>	<b>10.4</b>	<b>(1.7)</b>	<b>(19.9)</b>	<b>7.1</b>	<b>9.5</b>	<b>16.3</b>	<b>-65.8%</b>	<b>41.3%</b>
<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)	-	-	-		
<b>= Free Cash Flow "To the Firm"</b>	<b>(3.9)</b>	<b>8.7</b>	<b>(22.6)</b>	<b>(41.8)</b>	<b>2.1</b>	<b>6.5</b>	<b>16.3</b>	<b>n.a.</b>	<b>33.7%</b>
<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.	3.7%	n.a.	n.a.	2.5%	3.3%	5.7%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	n.a.	3.1%	n.a.	n.a.	0.7%	2.3%	5.7%		

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

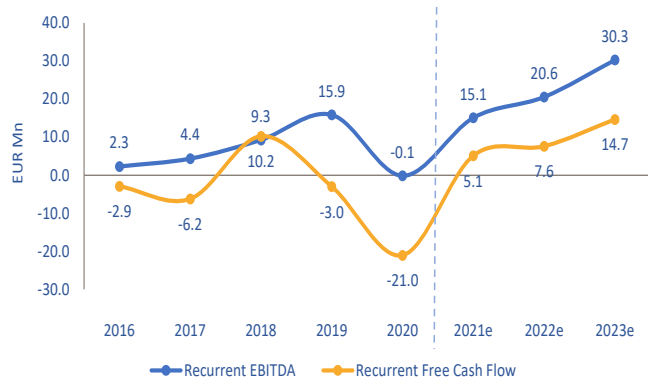
### Recurrent Free Cash Flow accumulated variation analysis (2016 - 2020)



### 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	224.7	
+ Minority Interests	2.3	12m Results 2020
+ Provisions & Other L/T Liabilities	26.9	12m Results 2020
+ Net financial debt	35.6	12m Results 2020
- Financial Investments	5.0	12m Results 2020
+/- Others		
<b>Enterprise Value (EV)</b>	<b>284.4</b>	



## Appendix 4. Historical performance (1)(2)

Historical performance (EUR Mn)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e	CAGR	
															10-20	20-23e
<b>Total Revenues</b>	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%
<b>Total Revenues growth</b>	-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%		
<b>EBITDA</b>	(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.
<b>EBITDA growth</b>	-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%		
<b>EBITDA/Sales</b>	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%		
<b>Net Profit</b>	(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.
<b>Net Profit growth</b>	-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%		
<b>Adjusted number shares (Mn)</b>	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		
<b>EPS (EUR)</b>	-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.
<b>EPS growth</b>	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%		
<b>Ord. EPS (EUR)</b>	-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.
<b>Ord. EPS growth</b>	-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%		
<b>CAPEX</b>	(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)		
<b>CAPEX/Sales %</b>	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%		
<b>Free Cash Flow</b>	(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%
<b>ND/EBITDA (x)<sup>(2)</sup></b>	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		
<b>P/E (x)</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.1x	15.7x	n.a.	25.8x	17.0x	10.5x		
<b>EV/Sales (x)</b>	0.21x	0.40x	0.59x	0.69x	0.70x	1.06x	7.55x	3.39x	1.95x	1.72x	1.23x	1.10x	0.96x	0.84x		
<b>EV/EBITDA (x)<sup>(2)</sup></b>	n.a.	6.9x	20.4x	22.6x	n.a.	n.a.	n.a.	n.a.	28.8x	18.7x	n.a.	18.8x	13.8x	9.4x		
<b>Absolute performance</b>	-48.6%	-42.8%	-3.6%	-33.8%	-67.0%	154.5%	76.8%	-13.1%	27.5%	18.0%	-32.2%	9.3%				
<b>Relative performance vs Ibx 35</b>	-37.8%	-34.1%	1.1%	-45.4%	-68.1%	174.1%	80.5%	-19.1%	50.0%	5.5%	-19.8%	2.6%				

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	Average	Bravida	Caverion	Average	AMP
<b>Ticker (Reuters)</b>		EZEN.MC	DOMI.MC	ALLE.N	ADAG.DE		BRAV.ST	CAVIV.HE		APE.MC
<b>Country</b>		Spain	Spain	Ireland	Germany		Sweden	Finland		Spain
<b>Market cap</b>		161.5	711.5	9,283.8	460.5		2,309.7	738.4		224.7
<b>Enterprise value (EV)</b>		328.9	655.5	10,078.9	489.3		2,251.5	862.1		284.4
<b>Total Revenues</b>		499.0	1,050.6	2,275.1	600.1		2,172.6	2,198.2		258.8
<b>Total Revenues growth</b>		10.6%	2.0%	0.2%	6.2%	4.8%	4.0%	2.0%	3.0%	32.0%
<b>2y CAGR (2021e - 2023e)</b>		n.a.	4.3%	4.5%	4.2%	4.3%	3.4%	3.6%	3.5%	14.6%
<b>EBITDA</b>		62.3	103.5	528.4	107.7		184.8	137.2		15.1
<b>EBITDA growth</b>		10.0%	27.6%	-2.9%	14.5%	12.3%	5.0%	16.8%	10.9%	n.a.
<b>2y CAGR (2021e - 2023e)</b>		n.a.	7.4%	7.0%	6.0%	6.8%	4.8%	11.7%	8.2%	41.6%
<b>EBITDA/Revenues</b>		12.5%	9.8%	23.2%	18.0%	15.9%	8.5%	6.2%	7.4%	5.8%
<b>EBIT</b>		28.7	58.8	461.1	40.0		141.3	63.2		13.2
<b>EBIT growth</b>		28.4%	79.5%	-3.3%	36.0%	35.2%	6.2%	39.9%	23.0%	n.a.
<b>2y CAGR (2021e - 2023e)</b>		n.a.	10.5%	8.0%	11.7%	10.1%	5.6%	20.8%	13.2%	47.5%
<b>EBIT/Revenues</b>		5.7%	5.6%	20.3%	6.7%	9.6%	6.5%	2.9%	4.7%	5.1%
<b>Net Profit</b>		6.0	37.7	369.1	30.3		106.3	46.6		8.7
<b>Net Profit growth</b>		200.0%	189.0%	40.6%	48.9%	119.6%	7.9%	435.6%	221.7%	661.0%
<b>2y CAGR (2021e - 2023e)</b>		n.a.	13.6%	6.5%	9.9%	10.0%	6.6%	25.6%	16.1%	56.9%
<b>CAPEX/Sales %</b>		1.4%	2.6%	2.0%	11.0%	4.3%	0.7%	1.2%	1.0%	0.9%
<b>Free Cash Flow</b>		n.a.	54.4	345.9	22.9		123.4	70.6		0.1
<b>Net financial debt</b>		135.5	(120.3)	735.1	4.0		83.1	93.6		35.4
<b>ND/EBITDA (x)</b>		2.2	(1.2)	1.4	0.0	0.6	0.4	0.7	0.6	2.3
<b>Pay-out</b>		0.0%	27.7%	27.9%	0.0%	13.9%	52.0%	45.6%	48.8%	0.0%
<b>P/E (x)</b>		17.5	19.1	25.4	14.9	19.2	21.8	16.5	19.1	25.8
<b>P/BV (x)</b>		10.2	2.0	12.1	1.5	6.5	3.7	3.9	3.8	3.6
<b>EV/Revenues (x)</b>		0.7	0.6	4.4	0.8	1.6	1.0	0.4	0.7	1.1
<b>EV/EBITDA (x)</b>		5.3	6.3	19.1	4.5	8.8	12.2	6.3	9.2	18.8
<b>EV/EBIT (x)</b>		11.5	11.2	21.9	12.2	14.2	15.9	13.6	14.8	21.5
<b>ROE</b>		43.0	11.1	49.8	9.7	28.4	17.5	21.4	19.5	15.0
<b>FCF Yield (%)</b>		n.a.	7.6	3.7	5.0	5.4	5.3	9.6	7.5	2.3
<b>DPS</b>		0.00	0.06	1.11	0.00	0.29	0.27	0.16	0.21	0.00
<b>Dvd Yield</b>		0.0%	1.5%	1.1%	0.0%	0.6%	2.4%	2.9%	2.6%	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).

## Appendix 6. Valuation inputs

### Inputs for the DCF Valuation Approach

	2021e	2022e	2023e	Terminal Value <sup>(1)</sup>		
Free Cash Flow "To the Firm"	2.1	6.5	16.3	189.2		
Market Cap	224.7	At the date of this report				
Net financial debt	35.6	Debt net of Cash (12m 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)	0.4%	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	11.2%	$K_e = R_f + (R * B)$			9.7%	12.7%
Equity / (Equity + Net Debt)	86.3%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	13.7%	D			=	=
WACC	10.0%	$WACC = K_d * D + K_e * E$			8.7%	11.4%
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	711.5	19.1	18.3%	6.3	7.4%	0.6	4.3%	9.8%	7.6%	4.6%
Allegion	ALLE.N	9,283.8	25.4	8.8%	19.1	7.0%	4.4	4.5%	23.2%	3.7%	10.5%
ADVA Optical	ADAG.DE	460.5	14.9	13.7%	4.5	6.0%	0.8	4.2%	18.0%	5.0%	14.0%
<b>Technology</b>			<b>19.2</b>	<b>13.6%</b>	<b>8.8</b>	<b>6.8%</b>	<b>1.6</b>	<b>4.3%</b>	<b>15.9%</b>	<b>5.4%</b>	<b>9.7%</b>
Bravida	BRAV.ST	2,309.7	21.8	6.6%	12.2	4.8%	1.0	3.4%	8.5%	5.3%	12.5%
Caverion	CAV1V.HE	738.4	16.5	24.4%	6.3	11.7%	0.4	3.6%	6.2%	9.6%	13.3%
Industrials			19.1	15.5%	9.2	8.2%	0.7	3.5%	7.4%	7.5%	12.9%
AMP	APE.MC	224.7	25.8	56.9%	18.8	41.6%	1.1	14.6%	5.8%	2.3%	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	12.6x
Central	7.0%	20.6	13.8x
Min	6.3%	18.5	15.4x

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

FCF Rec. EUR Mn	CAPEX/Sales 22e			Scenario	Rec. FCF/Yield 22e		
	0.9%	1.0%	1.1%		Max	Central	Min
EBITDA 22e							
22.6	10.0	9.7	9.4	Max	4.4%	4.3%	4.2%
20.6	7.9	7.6	7.3	Central	3.5%	3.4%	3.2%
18.5	5.8	5.5	5.2	Min	2.6%	2.5%	2.3%

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
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

