

3m Results 2022

Opinion ⁽¹⁾: Above expectations
Impact ⁽¹⁾: We raise our estimates

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GAM (GALQ) is a company specialising in services associated with machinery hire (it has a fleet of 16,000 pieces of equipment) with a revenue mix diversified by sector and a certain balance between generalist and specialist operator. With 75 branches in 10 countries, it is leader in the Iberian Peninsula (56 branches), where it obtains the bulk of its revenues (>75%), and Latam is the main destination for the company's exports (c.16%).

1Q22: strong revenue growth (+37%), with margin improvement. We upgrade our estimates

Market Data

Market Cap (Mn EUR and USD)	120.6	126.9
EV (Mn EUR and USD) ⁽²⁾	295.4	310.7
Shares Outstanding (Mn)	94.6	
-12m (Max/Med/Mín EUR)	1.72 / 1.48 / 1.22	
Daily Avg volume (-12m Mn EUR)	0.05	
Rotation ⁽³⁾	9.6	
Factset / Bloomberg	GALQ-ES / GALQ SM	
Close fiscal year	31-Dec	

DOUBLE-DIGIT GROWTH IN REVENUE CONTINUES... GALQ closed 1Q22 with revenue of EUR 49.9Mn (+36.7% vs 1Q21; +9% vs 4Q21), consolidating the double-digit growth seen over the whole of 2021. Revenue has advanced thanks to the acceleration of its three businesses (and the consolidation of the M&A executed in 2021). We would underscore the good performance of the recurrent business (long term in nature; +58%) and of the no-CAPEX business (+36.1%). Aside from this, the short-term rental business (the one most impacted by the pandemic) rebounded 37% (although it is still below 2019 levels: providing an additional opportunity for growth).

Shareholders Structure (%)

Francisco Riberas & Family	58.2
Indumenta Pueri	10.0
Pedro Luis Fernández	5.8
Banco Santander	4.4
Free Float	21.6

... THAT ALLOWED AN IMPROVEMENT IN MARGINS (EBITDA MARGIN +4.3 P.P.). Despite the current inflationary cloud (that makes fuel and spare parts more expensive, temporarily squeezing the gross margin), the strong growth in revenue (+36.7%) translated to remarkable growth in EBITDA (+66.7%; just from operating leverage), that amounted to EUR 12Mn (EBITDA margin 24% vs 19.7% in 1Q21).

Financials (Mn EUR)	2021	2022e	2023e	2024e
Adj. n° shares (Mn)	94.6	94.6	94.6	94.6
Total Revenues	169.1	204.0	230.3	255.8
Rec. EBITDA	36.4	50.4	61.1	72.6
% growth	18.0	38.4	21.3	18.7
% Rec. EBITDA/Rev.	21.5	24.7	26.5	28.4
% Inc. EBITDA sector ⁽⁴⁾	20.0	20.8	11.5	8.5
Net Profit	2.6	5.5	12.6	20.6
EPS (EUR)	0.03	0.06	0.13	0.22
% growth	61.2	109.3	129.1	63.4
Ord. EPS (EUR)	0.03	0.06	0.13	0.22
% growth	19.1	74.2	129.1	63.4
Rec. Free Cash Flow ⁽⁵⁾	-11.9	-13.6	-1.0	7.4
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	147.5	161.2	162.2	154.8
ND/Rec. EBITDA (x)	4.0	3.2	2.7	2.1
ROE (%)	3.2	6.3	13.1	18.3
ROCE (%) ⁽⁵⁾	3.6	4.3	6.7	9.0

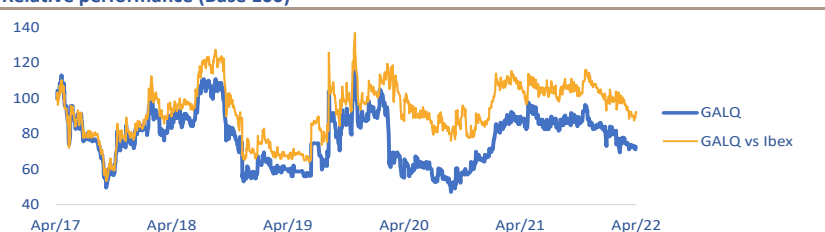
WE UPGRADE OUR ESTIMATES (22E EBITDA: +15.1%). The scenario we envisage for 2022e should allow GALQ to generate revenue of EUR 200Mn (+20.6% vs 2021; +15.9% vs previous estimate) and EBITDA of EUR 50Mn. Reasonably attractive ratios to the extent that the company is trading at 6x EV/EBITDA; in line with the sector but growing twice as much (2022e-2024e EBITDA +20% CAGR vs < 10% CAGR for the sector in Europe).

A CONFIRMED AND CREDIBLE GROWTH STORY. We can affirm that GALQ has consolidated its growth story, doubling vs 2019 the revenue generated by the long term and no-CAPEX businesses (that do not require additional capital and structure) to c. 60% of the revenue mix in 1Q22. A remarkable performance that confirms the unique growth story that GALQ represents in the industrial sector and pointing to a credible equity story of clear growth that to date has gone unnoticed by the market (share price performance -12m: -19.3%; -16.2% vs IBEX 35).

Ratios & Multiples (x)⁽⁶⁾

P/E	45.8	21.9	9.6	5.9
Ord. P/E	38.2	21.9	9.6	5.9
P/BV	1.4	1.3	1.2	1.0
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	1.75	1.45	1.28	1.16
EV/Rec. EBITDA	8.1	5.9	4.8	4.1
EV/EBIT	27.3	19.0	11.6	8.2
FCF Yield (%) ⁽⁵⁾	n.a.	n.a.	n.a.	6.1

Relative performance (Base 100)



Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	-1.9	-7.6	-19.3	-14.7	20.8	-27.5
vs Ibex 35	-3.2	-6.2	-16.2	-12.3	35.4	-8.4
vs Ibex Small Cap Index	3.1	-8.5	-14.0	-13.7	0.6	-47.4
vs Eurostoxx 50	2.1	2.3	-13.2	-1.8	13.2	-30.9
vs Sector benchmark ⁽⁴⁾	4.2	0.9	-12.3	3.9	2.0	-42.2

(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) Sector: Stoxx Europe 600 Industrial Goods & Services.
(5) Please see Appendix 2 for the theoretical tax rate (ROCE) and rec. FCF calculation.
(6) Multiples and ratios calculated over prices at the date of this report.

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

3m Results 2022 Estimates upgrade

Table 1. 1Q22 Results

EUR Mn	3m22 Real	3m21	3m22 Real vs 3m21	2022e	2022e vs 2021
Short-term	20.2	14.8	36.5%	84.0	36.6%
Long term	10.9	6.9	58.0%	43.7	48.8%
Without Capex	18.8	14.8	27.0%	76.3	78.5%
Total Revenues	49.9	36.5	36.7%	204.0	20.6%
Recurrent EBITDA¹	12.0	7.2	66.7%	50.4	38.4%
<i>Rec. EBITDA/Revenues</i>	<i>24.0%</i>	<i>19.7%</i>	<i>4.3 p.p.</i>	<i>24.7%</i>	<i>3.2 p.p.</i>
EBITDA¹	12.0	7.2	66.7%	50.4	41.1%
<i>EBITDA/Revenues</i>	<i>24.0%</i>	<i>19.7%</i>	<i>4.3 p.p.</i>	<i>24.7%</i>	<i>3.6 p.p.</i>
EBIT	2.2	-0.2	n.a.	15.6	43.7%
Net profit	-0.2	-2.0	90.0%	5.5	74.2%

Note 1: 3m22 and 3m21 recurrent EBITDA not adjusted to strip out the impact of capitalised expenses. 2022e EBITDA excludes EUR 8.7Mn of capitalised expenses estimated by Lighthouse (EUR 7.2Mn in 2021).

Note 2: The 1Q22 results released do not include information pertaining to the balance sheet.

Table 2. Estimates upgrade

EUR Mn	2022e (New)	Review (%)	2023e (New)	Review (%)	2024e (New)
Total Revenues	204.0	15.9%	230.3	23.1%	255.8
Recurrent EBITDA	50.4	15.1%	61.1	30.6%	72.6
<i>Recurrent EBITDA growth</i>	<i>38.4%</i>	<i>18.5 p.p.</i>	<i>21.3%</i>	<i>14.3 p.p.</i>	<i>18.7%</i>
<i>Rec. EBITDA/Revenues</i>	<i>24.7%</i>	<i>-0.2 p.p.</i>	<i>26.5%</i>	<i>1.5 p.p.</i>	<i>28.4%</i>
EBIT	15.6	-29.7%	25.4	2.1%	35.9
Net Debt	161.2	43.4%	162.2	56.7%	154.8
<i>ND / EBITDA</i>	<i>3.2 x</i>	<i>0.6 x</i>	<i>2.7 x</i>	<i>0.4 x</i>	<i>2.1 x</i>

Note: The change in 2022e EBIT vs our previous estimate is due mainly to the increase in amortisation (EUR 31.5Mn vs EUR 20.4Mn previously). From 2023e we expect this to remain at 2022e levels that largely explains the step-up in EBIT and net profit from 2023e (and that in theory would result in levels of 2023e P/E of c. 10x).

Valuation inputs

Inputs for the DCF Valuation Approach

	2022e	2023e	2024e	Terminal Value ⁽¹⁾			
Free Cash Flow "To the Firm"	(7.3)	5.6	13.9	311.6			
Market Cap	120.6	At the date of this report					
Net financial debt	147.5	Debt net of Cash (12m Results 2021)					
					Best Case	Worst Case	
Cost of Debt	5.3%	Net debt cost			5.0%	5.5%	
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=	
Net debt cost	4.2%	Kd = Cost of Net Debt * (1-T)			4.0%	4.4%	
Risk free rate (rf)	1.9%	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	10.7%	Ke = Rf + (R * B)			9.4%	12.1%	
Equity / (Equity + Net Debt)	45.0%	E (Market Cap as equity value)			=	=	
Net Debt / (Equity + Net Debt)	55.0%	D			=	=	
WACC	7.1%	WACC = Kd * D + Ke * E			6.4%	7.9%	
G "Fair"	2.0%				2.0%	1.5%	

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

Inputs for the Multiples Valuation Approach

Compañía	Ticker	Mkt. Cap	PER 22e	BPA 22e-24e	EV/EBITDA 22e	EBITDA 22e-24e	EV/Vtas. 22e	Ingresos 22e-24e	EBITDA/Vtas. 22e	FCF Yield 22e	FCF 22e-24e
Ashtead Group	AHT-GB	21,875.7	14.6	11.2%	7.0	8.2%	3.3	7.3%	46.4%	3.5%	57.1%
VP	VP-GB	446.5	11.7	10.6%	5.6	6.4%	1.6	4.6%	28.2%	2.4%	56.3%
Speedy Hire	SDY-GB	309.3	9.7	2.9%	3.6	n.a.	0.9	3.9%	26.3%	10.5%	-6.5%
HSS Hire Group	HSS-GB	141.8	6.8	n.a.	3.5	n.a.	0.8	n.a.	23.8%	8.9%	n.a.
Europa			10.7	8.2%	4.9	7.3%	1.7	5.3%	31.2%	6.3%	35.7%
United Rentals	URI-US	21,863.9	11.2	14.8%	6.3	7.8%	2.9	6.5%	46.5%	6.3%	25.4%
Herc Rentals	HRI-US	3,695.9	10.8	25.2%	5.5	19.4%	2.5	17.4%	45.5%	n.a.	n.a.
H&E Equipment S.	HEES-US	1,234.1	13.1	14.5%	5.0	7.1%	2.0	6.9%	39.5%	n.a.	n.a.
USA			11.7	18.2%	5.6	11.4%	2.5	10.3%	43.8%	6.3%	25.4%
GALQ	GALQ-ES	120.6	21.9	93.5%	5.9	20.0%	1.4	12.0%	24.7%	n.a.	59.4%

Free Cash Flow sensitivity analysis (2023e)

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

Scenario	EBITDA/Sales 23e	EBITDA 23e	EV/EBITDA 23e
Max	29.2%	67.4	4.4x
Central	26.5%	61.1	4.8x
Min	23.8%	54.9	5.4x

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

Rec. FCF EUR Mn	CAPEX/Sales 23e			Scenario	Rec. FCF/Yield 23e		
	EBITDA 23e	12.6%	14.0%		15.4%	Max	Central
67.4	8.4	5.2	1.9	Max	7.0%	4.3%	1.6%
61.1	2.2	(1.0)	(4.3)	Central	1.8%	n.a.	n.a.
54.9	(4.0)	(7.3)	(10.5)	Min	n.a.	n.a.	n.a.

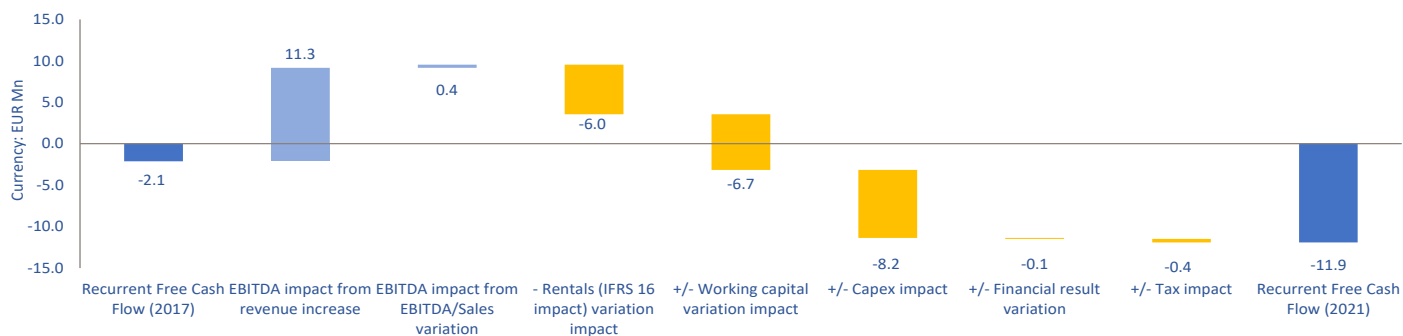
Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2017	2018	2019	2020	2021	2022e	2023e	2024e		
Intangible assets	2.0	1.2	22.1	21.2	22.3	22.3	22.3	22.3		
Fixed assets	125.1	132.8	138.5	151.7	201.3	209.1	217.6	226.3		
Other Non Current Assets	4.8	3.8	3.6	6.8	6.9	6.9	6.9	6.9		
Financial Investments	0.4	-	0.9	3.6	3.8	4.0	4.2	4.4		
Goodwill & Other Intangibles	16.3	16.5	16.4	19.8	20.5	20.5	20.5	20.5		
Current assets	48.9	47.6	47.4	49.9	70.6	85.0	95.7	105.6		
Total assets	197.5	202.0	228.9	253.0	325.3	347.7	367.2	386.0		
Equity	(10.5)	(17.6)	51.1	81.9	84.5	90.0	102.6	123.2		
Minority Interests	0.6	0.2	0.2	0.3	0.4	0.4	0.4	0.4		
Provisions & Other L/T Liabilities	0.4	0.3	8.2	13.7	30.7	30.7	30.7	30.7		
Other Non Current Liabilities	-	-	20.2	18.5	17.3	17.3	17.3	17.3		
Net financial debt	178.3	187.1	121.9	108.6	147.5	161.2	162.2	154.8		
Current Liabilities	28.7	31.9	27.4	30.0	44.9	48.2	54.0	59.6		
Equity & Total Liabilities	197.5	202.0	228.9	253.0	325.3	347.7	367.2	386.0		
										CAGR
P&L (EUR Mn)	2017	2018	2019	2020	2021	2022e	2023e	2024e	17-21	21-24e
Total Revenues	117.2	132.2	143.1	134.1	169.1	204.0	230.3	255.8	9.6%	14.8%
<i>Total Revenues growth</i>	11.4%	12.8%	8.2%	-6.3%	26.1%	20.6%	12.9%	11.1%		
COGS	(24.3)	(34.2)	(40.2)	(42.2)	(60.1)	(74.2)	(84.2)	(92.8)		
Gross Margin	93.0	98.1	102.9	91.9	109.0	129.8	146.1	163.0	4.0%	14.4%
<i>Gross Margin/Revenues</i>	79.3%	74.2%	71.9%	68.5%	64.4%	63.6%	63.4%	63.7%		
Personnel Expenses	(33.3)	(36.7)	(39.5)	(35.8)	(43.1)	(47.1)	(50.3)	(53.5)		
Other Operating Expenses	(35.0)	(34.4)	(29.5)	(25.2)	(29.5)	(32.2)	(34.6)	(36.9)		
Recurrent EBITDA	24.7	27.0	33.9	30.9	36.4	50.4	61.1	72.6	10.1%	25.8%
<i>Recurrent EBITDA growth</i>	29.4%	8.9%	25.7%	-9.0%	18.0%	38.4%	21.3%	18.7%		
<i>Rec. EBITDA/Revenues</i>	21.1%	20.4%	23.7%	23.0%	21.5%	24.7%	26.5%	28.4%		
Restructuring Expense & Other non-rec.	(1.5)	(2.6)	(1.1)	(1.0)	(0.7)	-	-	-		
EBITDA	23.3	24.3	32.8	29.8	35.7	50.4	61.1	72.6	11.3%	26.6%
Depreciation & Provisions	(23.9)	(23.2)	(21.7)	(20.6)	(20.0)	(31.5)	(32.8)	(34.0)		
Capitalized Expense	6.3	7.5	7.7	6.3	7.2	8.7	9.1	9.4		
Rentals (IFRS 16 impact)	-	-	(7.9)	(8.1)	(12.1)	(12.1)	(12.1)	(12.1)		
EBIT	5.7	8.7	10.9	7.5	10.8	15.6	25.4	35.9	17.3%	49.1%
<i>EBIT growth</i>	475.1%	51.4%	25.9%	-30.8%	43.6%	43.7%	63.3%	41.4%		
<i>EBIT/Revenues</i>	4.9%	6.5%	7.6%	5.6%	6.4%	7.6%	11.0%	14.0%		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(12.6)	(10.2)	(13.0)	(7.0)	(7.5)	(8.4)	(8.8)	(8.6)		
Income by the Equity Method	-	-	0.7	0.3	0.2	0.2	0.2	0.2		
Ordinary Profit	(6.9)	(1.6)	(1.4)	0.8	3.5	7.3	16.8	27.5	25.8%	98.4%
<i>Ordinary Profit Growth</i>	29.3%	77.1%	12.7%	161.2%	316.4%	108.6%	129.1%	63.4%		
Extraordinary Results	-	-	44.9	-	-	-	-	-		
Profit Before Tax	(6.9)	(1.6)	43.5	0.8	3.5	7.3	16.8	27.5	25.8%	98.4%
Tax Expense	(0.9)	(2.4)	(3.5)	0.3	(0.8)	(1.8)	(4.2)	(6.9)		
<i>Effective Tax Rate</i>	n.a.	n.a.	8.0%	n.a.	23.4%	25.0%	25.0%	25.0%		
Minority Interests	0.0	(0.1)	(0.0)	(0.0)	(0.1)	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	(7.7)	(4.0)	40.0	1.1	2.6	5.5	12.6	20.6	23.7%	98.6%
<i>Net Profit growth</i>	30.5%	47.9%	n.a.	-97.1%	130.4%	109.3%	129.1%	63.4%		
Ordinary Net Profit	(5.4)	0.9	(0.3)	1.9	3.2	5.5	12.6	20.6	26.8%	86.9%
<i>Ordinary Net Profit growth</i>	-9.4%	117.3%	-128.6%	795.1%	70.3%	74.2%	129.1%	63.4%		
										CAGR
Cash Flow (EUR Mn)	2017	2018	2019	2020	2021	2022e	2023e	2024e	17-21	21-24e
Recurrent EBITDA						50.4	61.1	72.6	10.1%	25.8%
Rentals (IFRS 16 impact)						(12.1)	(12.1)	(12.1)		
Working Capital Increase						(11.2)	(4.9)	(4.4)		
Recurrent Operating Cash Flow						27.2	44.2	56.1	-1.0%	31.6%
CAPEX						(30.6)	(32.2)	(33.2)		
Net Financial Result affecting the Cash Flow						(8.4)	(8.8)	(8.6)		
Tax Expense						(1.8)	(4.2)	(6.9)		
Recurrent Free Cash Flow						(13.6)	(1.0)	7.4	-53.8%	37.8%
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						(13.6)	(1.0)	7.4	-69.7%	32.9%
Capital Increase						-	-	-		
Dividends						-	-	-		
Net Debt Variation						13.6	1.0	(7.4)		

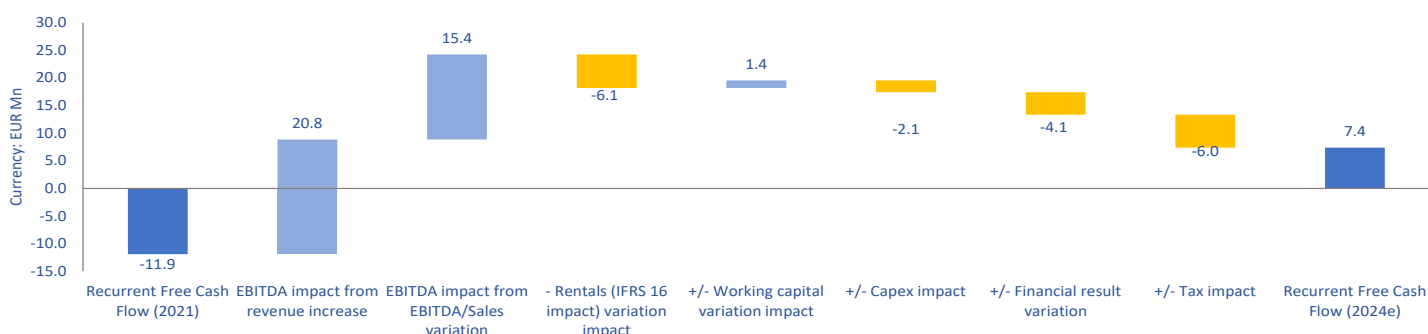
Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
								18-21	21-24e
Recurrent EBITDA	27.0	33.9	30.9	36.4	50.4	61.1	72.6	10.6%	25.8%
<i>Recurrent EBITDA growth</i>	8.9%	25.7%	-9.0%	18.0%	38.4%	21.3%	18.7%		
<i>Rec. EBITDA/Revenues</i>	20.4%	23.7%	23.0%	21.5%	24.7%	26.5%	28.4%		
- Rentals (IFRS 16 impact)	-	(5.1)	(4.7)	(6.0)	(12.1)	(12.1)	(12.1)		
+/- Working Capital increase	4.6	(4.4)	0.2	(5.8)	(11.2)	(4.9)	(4.4)		
= Recurrent Operating Cash Flow	31.5	24.4	26.3	24.6	27.2	44.2	56.1	-7.9%	31.6%
<i>Rec. Operating Cash Flow growth</i>	22.7%	-22.5%	7.8%	-6.5%	10.4%	62.4%	27.0%		
<i>Rec. Operating Cash Flow / Sales</i>	23.8%	17.1%	19.6%	14.6%	13.3%	19.2%	21.9%		
- CAPEX	(24.8)	(21.8)	(22.4)	(31.1)	(30.6)	(32.2)	(33.2)		
- Net Financial Result affecting Cash Flow	(4.4)	(5.5)	(6.7)	(4.5)	(8.4)	(8.8)	(8.6)		
- Taxes	(1.2)	(1.5)	(0.7)	(0.9)	(1.8)	(4.2)	(6.9)		
= Recurrent Free Cash Flow	1.0	(4.3)	(3.4)	(11.9)	(13.6)	(1.0)	7.4	n.a.	37.8%
<i>Rec. Free Cash Flow growth</i>	148.1%	-519.7%	20.3%	-247.8%	-14.6%	92.3%	805.1%		
<i>Rec. Free Cash Flow / Revenues</i>	0.8%	n.a.	n.a.	n.a.	n.a.	n.a.	2.9%		
- Restructuring expenses & others	(2.6)	(1.1)	(1.0)	(0.7)	-	-	-		
- Acquisitions / + Divestments	6.0	4.2	(5.6)	(8.7)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	(1.5)	52.0	-	-	-	-	-		
= Free Cash Flow	2.9	50.8	(10.1)	(21.3)	(13.6)	(1.0)	7.4	n.a.	32.9%
<i>Free Cash Flow growth</i>	-14.2%	n.a.	-119.9%	-110.9%	36.0%	92.3%	805.1%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	0.8%	n.a.	n.a.	n.a.	n.a.	n.a.	6.1%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	2.4%	42.1%	n.a.	n.a.	n.a.	n.a.	6.1%		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
Recurrent FCF(FY - 1)	(2.1)	1.0	(4.3)	(3.4)	(11.9)	(13.6)	(1.0)		
EBITDA impact from revenue increase	3.2	2.2	(2.1)	8.1	7.5	6.5	6.8		
EBITDA impact from EBITDA/Sales variation	(1.0)	4.7	(0.9)	(2.5)	6.5	4.2	4.7		
= Recurrent EBITDA variation	2.2	6.9	(3.0)	5.6	14.0	10.7	11.4		
- Rentals (IFRS 16 impact) variation impact	-	(5.1)	0.3	(1.3)	(6.1)	-	-		
+/- Working capital variation impact	3.6	(8.9)	4.6	(6.0)	(5.4)	6.3	0.5		
= Recurrent Operating Cash Flow variation	5.8	(7.1)	1.9	(1.7)	2.6	17.0	11.9		
+/- CAPEX impact	(1.9)	3.1	(0.7)	(8.7)	0.5	(1.6)	(1.0)		
+/- Financial result variation	0.0	(1.1)	(1.2)	2.1	(3.9)	(0.4)	0.2		
+/- Tax impact	(0.8)	(0.2)	0.8	(0.2)	(0.9)	(2.4)	(2.7)		
= Recurrent Free Cash Flow variation	3.1	(5.3)	0.9	(8.5)	(1.7)	12.6	8.4		
Recurrent Free Cash Flow	1.0	(4.3)	(3.4)	(11.9)	(13.6)	(1.0)	7.4		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
EBIT	8.7	10.9	7.5	10.8	15.6	25.4	35.9	7.8%	49.1%
* <i>Theoretical Tax rate</i>	0.0%	0.0%	0.0%	23.4%	25.0%	25.0%	25.0%		
= Taxes (pre- Net Financial Result)	-	-	-	(2.5)	(3.9)	(6.4)	(9.0)		
Recurrent EBITDA	27.0	33.9	30.9	36.4	50.4	61.1	72.6	10.6%	25.8%
- Rentals (IFRS 16 impact)	-	(5.1)	(4.7)	(6.0)	(12.1)	(12.1)	(12.1)		
+/- Working Capital increase	4.6	(4.4)	0.2	(5.8)	(11.2)	(4.9)	(4.4)		
= Recurrent Operating Cash Flow	31.5	24.4	26.3	24.6	27.2	44.2	56.1	-7.9%	31.6%
- CAPEX	(24.8)	(21.8)	(22.4)	(31.1)	(30.6)	(32.2)	(33.2)		
- Taxes (pre- Financial Result)	-	-	-	(2.5)	(3.9)	(6.4)	(9.0)		
= Recurrent Free Cash Flow (To the Firm)	6.7	2.7	3.9	(9.0)	(7.3)	5.6	13.9	-49.6%	52.5%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	139.8%	-60.2%	47.4%	-329.8%	19.0%	176.7%	148.6%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	5.0%	1.9%	2.9%	n.a.	n.a.	2.4%	5.4%		
- Acquisitions / + Divestments	6.0	4.2	(5.6)	(8.7)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	(1.5)	52.0	-	-	-	-	-		
= Free Cash Flow "To the Firm"	11.2	58.9	(1.7)	(17.7)	(7.3)	5.6	13.9	-53.1%	40.7%
<i>Free Cash Flow (To the Firm) growth</i>	14.0%	428.2%	-102.9%	-918.6%	58.8%	176.7%	148.6%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	2.3%	0.9%	1.3%	n.a.	n.a.	1.9%	4.7%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	3.8%	19.9%	n.a.	n.a.	n.a.	1.9%	4.7%		

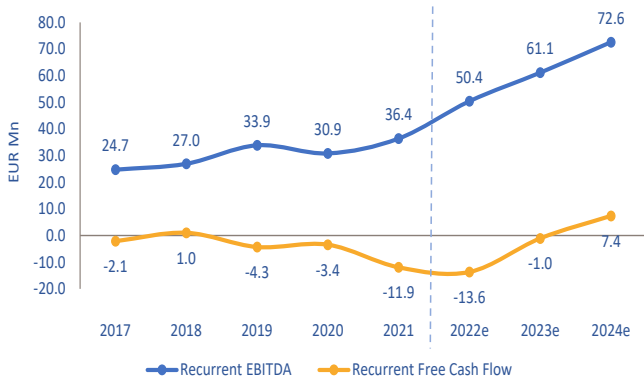
Recurrent Free Cash Flow accumulated variation analysis (2017 - 2021)



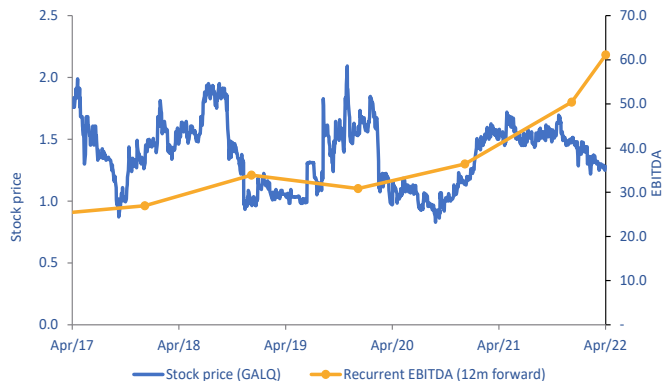
Recurrent Free Cash Flow accumulated variation analysis (2021 - 2024e)



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	120.6	
+ Minority Interests	0.4	12m Results 2021
+ Provisions & Other L/T Liabilities	30.7	12m Results 2021
+ Net financial debt	147.5	12m Results 2021
- Financial Investments	3.8	12m Results 2021
+/- Others		
Enterprise Value (EV)	295.4	

Appendix 4. Historical performance (1)

Historical performance (EUR Mn)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
															11-21	21-24e
Total Revenues	139.6	120.8	103.9	105.1	105.2	105.3	117.2	132.2	143.1	134.1	169.1	204.0	230.3	255.8	1.9%	14.8%
Total Revenues growth	-30.5%	-13.5%	-14.0%	1.2%	0.0%	0.1%	11.4%	12.8%	8.2%	-6.3%	26.1%	20.6%	12.9%	11.1%		
EBITDA	10.9	5.0	4.8	6.1	14.1	14.2	23.3	24.3	32.8	29.8	35.7	50.4	61.1	72.6	12.6%	26.6%
EBITDA growth	-44.4%	-54.6%	-4.1%	27.6%	133.2%	0.5%	63.6%	4.7%	34.5%	-8.9%	19.8%	41.1%	21.3%	18.7%		
EBITDA/Sales	7.8%	4.1%	4.6%	5.8%	13.4%	13.5%	19.8%	18.4%	22.9%	22.2%	21.1%	24.7%	26.5%	28.4%		
Net Profit	(61.3)	(17.1)	(28.3)	(5.8)	(11.1)	(11.1)	(7.7)	(4.0)	40.0	1.1	2.6	5.5	12.6	20.6	7.4%	98.6%
Net Profit growth	52.1%	72.2%	-65.7%	79.4%	-91.5%	0.0%	30.5%	47.9%	n.a.	-97.1%	130.4%	109.3%	129.1%	63.4%		
Adjusted number shares (Mn)	5.9	5.9	5.9	6.5	24.4	43.4	43.5	43.5	36.0	66.2	94.6	94.6	94.6	94.6		
EPS (EUR)	-10.45	-2.91	-4.82	-0.90	-0.46	-0.26	-0.18	-0.09	1.11	0.02	0.03	0.06	0.13	0.22	7.2%	98.6%
EPS growth	53.9%	72.2%	-65.7%	81.3%	49.4%	43.6%	30.7%	47.9%	n.a.	-98.4%	61.2%	n.a.	n.a.	63.4%		
Ord. EPS (EUR)	-10.45	-2.91	-4.82	-0.90	-0.46	-0.11	-0.12	0.02	-0.01	0.03	0.03	0.06	0.13	0.22	7.2%	86.9%
Ord. EPS growth	53.9%	72.2%	-65.7%	81.3%	49.4%	75.0%	-9.1%	n.a.	n.a.	n.a.	19.1%	74.2%	n.a.	63.4%		
CAPEX	(0.7)	(0.3)	(0.3)	(23.7)	(31.3)	(31.3)	(22.9)	(24.8)	(21.8)	(22.4)	(31.1)	(30.6)	(32.2)	(33.2)		
CAPEX/Sales %	0.5%	0.2%	0.2%	22.6%	29.8%	29.7%	19.5%	18.8%	15.2%	16.7%	18.4%	15.0%	14.0%	13.0%		
Free Cash Flow	42.0	38.4	16.5	(2.6)	(14.2)	(7.8)	3.4	2.9	50.8	(10.1)	(21.3)	(13.6)	(1.0)	7.4	-9.6%	32.9%
ND/EBITDA (x)⁽²⁾	32.5x	n.a.	n.a.	27.1x	12.3x	12.8x	7.7x	7.7x	3.7x	3.6x	4.1x	3.2x	2.7x	2.1x		
P/E (x)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	66.1x	53.8x	21.9x	9.6x	5.9x		
EV/Sales (x)	2.67x	2.52x	2.83x	1.68x	2.41x	2.64x	1.99x	1.74x	1.59x	1.69x	1.87x	1.45x	1.28x	1.16x		
EV/EBITDA (x)⁽²⁾	34.1x	n.a.	n.a.	29.2x	18.0x	19.5x	10.1x	9.5x	6.9x	7.6x	8.8x	5.9x	4.8x	4.1x		
Absolute performance	-74.8%	5.3%	80.0%	-70.8%	14.3%	16.7%	-41.1%	-22.4%	56.3%	-25.5%	31.1%	-14.7%				
Relative performance vs Ibex 35	-71.0%	10.4%	48.2%	-71.9%	23.1%	19.1%	-45.1%	-8.8%	39.8%	-11.9%	21.5%	-12.3%				

Note 1: The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.
Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Appendix 5. Main peers 2022e

Datos	EUR Mn	Europa				Average	USA			Average	GALQ
		Ashtead Group	VP	Speedy Hire	HSS Hire Group		United Rentals	Herc Rentals	H&E Equipment S.		
Mercado	Ticker (Factset)	AHT-GB	VP-GB	SDY-GB	HSS-GB		URI-US	HRI-US	HEES-US		GALQ-ES
	País	UK	UK	UK	UK		USA	USA	USA		Spain
	Market cap	21,875.7	446.5	309.3	141.8		21,863.9	3,695.9	1,234.1		120.6
	Enterprise value (EV)	27,968.7	661.4	448.4	320.5		31,286.0	6,262.6	2,248.5		295.4
Información financiera básica	Total Ingresos	8,558.3	420.6	474.4	383.5		10,617.5	2,507.2	1,148.2		204.0
	Cto. Total Ingresos	12.1%	15.4%	4.4%	3.3%	8.8%	14.9%	27.2%	13.6%	18.6%	20.6%
	2y TACC (2022e - 2024e)	7.3%	4.6%	3.9%	n.a.	5.3%	6.5%	17.4%	6.9%	10.3%	12.0%
	EBITDA	3,970.5	118.8	124.7	91.2		4,940.6	1,140.9	453.7		50.4
	Cto. EBITDA	13.7%	8.7%	5.7%	4.1%	8.1%	21.8%	38.5%	20.1%	26.8%	41.1%
	2y TACC (2022e - 2024e)	8.2%	6.4%	n.a.	n.a.	7.3%	7.8%	19.4%	7.1%	11.4%	20.0%
	EBITDA/Ingresos	46.4%	28.2%	26.3%	23.8%	31.2%	46.5%	45.5%	39.5%	43.8%	24.7%
	EBIT	2,255.3	53.1	55.9	38.7		2,804.8	545.0	176.1		15.6
	Cto. EBIT	15.8%	92.1%	11.1%	7.3%	31.6%	28.5%	51.8%	47.9%	42.7%	43.7%
	2y TACC (2022e - 2024e)	21.7%	8.5%	22.5%	n.a.	17.6%	11.2%	27.5%	11.6%	16.8%	51.9%
	EBIT/Ingresos	26.4%	12.6%	11.8%	10.1%	15.2%	26.4%	21.7%	15.3%	21.2%	7.6%
	Beneficio Neto	1,502.6	34.5	31.8	19.9		1,817.9	349.9	93.3		5.5
	Cto. Beneficio Neto	17.4%	733.1%	27.5%	3.7%	195.4%	37.9%	64.2%	62.0%	54.7%	109.3%
2y TACC (2022e - 2024e)	13.2%	9.6%	4.4%	n.a.	9.1%	13.4%	33.0%	15.7%	20.7%	93.5%	
CAPEX/Ventas	25.0%	16.3%	13.2%	9.3%	15.9%	22.3%	44.4%	27.3%	31.3%	15.0%	
Free Cash Flow	756.6	10.6	32.4	12.6		1,367.3	(191.5)	(203.5)		(13.6)	
Deuda financiera Neta	6,686.7	168.4	133.7	121.0		8,697.8	2,608.2	1,204.1		161.2	
DN/EBITDA (x)	1.7	1.4	1.1	1.3	1.4	1.8	2.3	2.7	2.2	3.2	
Pay-out	22.4%	44.5%	46.0%	3.0%	29.0%	0.0%	13.3%	41.3%	18.2%	0.0%	
Múltiplos y Ratios	P/E (x)	14.6	11.7	9.7	6.8	10.7	11.2	10.8	13.1	11.7	21.9
	P/BV (x)	4.5	2.2	1.2	n.a.	2.7	3.2	n.a.	3.7	3.5	1.3
	EV/Ingresos (x)	3.3	1.6	0.9	0.8	1.7	2.9	2.5	2.0	2.5	1.4
	EV/EBITDA (x)	7.0	5.6	3.6	3.5	4.9	6.3	5.5	5.0	5.6	5.9
	EV/EBIT (x)	12.4	12.5	8.0	8.3	10.3	11.2	11.5	12.8	11.8	19.0
	ROE	30.9	19.2	12.5	n.a.	20.9	28.8	n.a.	28.4	28.6	6.3
	FCF Yield (%)	3.5	2.4	10.5	8.9	6.3	6.3	n.a.	n.a.	6.3	n.a.
	DPA	0.75	0.39	0.03	0.00	0.29	0.00	1.57	1.06	0.88	0.00
	Dvd Yield	1.5%	3.5%	4.7%	1.5%	2.8%	0.0%	1.3%	3.1%	1.5%	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).

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
29-Apr-2022	n.a.	1.27	n.a.	n.a.	3m Results 2022 - Estimates upgrade	David López Sánchez
28-Feb-2022	n.a.	1.31	n.a.	n.a.	12m Results 2021	David López Sánchez
11-Nov-2021	n.a.	1.58	n.a.	n.a.	9m Results 2021	David López Sánchez
02-Aug-2021	n.a.	1.48	n.a.	n.a.	6m Results 2021	David López Sánchez
31-May-2021	n.a.	1.67	n.a.	n.a.	3m Results 2021	David López Sánchez
25-Feb-2021	n.a.	1.46	n.a.	n.a.	12m Results 2020	David López Sánchez
23-Dec-2020	n.a.	1.16	n.a.	n.a.	Estimates upgrade	David López Sánchez
10-Nov-2020	n.a.	1.01	n.a.	n.a.	9m Results 2020	David López Sánchez
21-Oct-2020	n.a.	0.96	n.a.	n.a.	6m Results 2020	David López Sánchez
13-May-2020	n.a.	1.07	n.a.	n.a.	3m Results 2020	David López Sánchez
08-Apr-2020	n.a.	1.21	n.a.	n.a.	Initiation of Coverage	David López Sánchez

