

## 6m Results 2021

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

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

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**Naturhouse Health (NTH)** is a small family group with headquarters in Madrid (Spain), specialising (c. 30 years) in nutrition and the re-education of eating habits (dietetics). With an international presence (c. 80% of revenue; France, Italy and Poland being its core markets). It is managed and controlled by the founding family (77.1% of capital).

## Results in line. And probably not priced in: c. 4x EV/EBIT and FCF yield > 12%

### Market Data

Market Cap (Mn EUR and USD)	102.6	120.3
EV (Mn EUR and USD) <sup>(2)</sup>	76.8	90.1
Shares Outstanding (Mn)	60.0	
-12m (Max/Med/Min EUR)	1.93 / 1.62 / 1.17	
Daily Avg volume (-12m Mn EUR)	0.06	
Rotation <sup>(3)</sup>	14.3	
Factset / Bloomberg	NTH-ES / NTH SM	
Close fiscal year	31-Dec	

### Shareholders Structure (%)

Mr. F. Revuelta & Family	77.1
Free Float	22.9

### Financials (Mn EUR)

	2020	2021e	2022e	2023e
Adj. n° shares (Mn)	60.0	60.0	60.0	60.0
Total Revenues	56.2	64.2	67.8	72.9
Rec. EBITDA <sup>(4)</sup>	17.4	21.2	22.1	24.0
% growth	-24.8	22.0	4.3	8.8
% Rec. EBITDA/Rev.	30.9	33.0	32.6	33.0
% Inc. EBITDA sector <sup>(5)</sup>	-10.7	15.1	12.2	7.0
Net Profit	9.4	12.9	13.6	14.9
EPS (EUR)	0.16	0.22	0.23	0.25
% growth	-29.3	38.0	4.7	9.7
Ord. EPS (EUR)	0.16	0.22	0.23	0.25
% growth	-29.0	40.5	4.7	9.7
Rec. Free Cash Flow <sup>(6)</sup>	8.8	12.4	13.2	14.3
Pay-out (%)	0.0	27.8	85.0	85.0
DPS (EUR)	0.00	0.06	0.19	0.21
Net financial debt	-17.0	-25.8	-27.0	-28.8
ND/Rec. EBITDA (x)	-1.0	-1.2	-1.2	-1.2
ROE (%)	44.2	42.2	37.6	39.1
ROCE (%) <sup>(6)</sup>	91.9	131.7	136.1	147.6

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

	2020	2021e	2022e	2023e
P/E	10.9	7.9	7.6	6.9
Ord. P/E	10.9	7.8	7.4	6.7
P/BV	4.0	2.9	2.8	2.6
Dividend Yield (%)	0.0	3.5	11.2	12.3
EV/Sales	1.37	1.20	1.13	1.05
EV/Rec. EBITDA	4.4	3.6	3.5	3.2
EV/EBIT	5.4	4.1	4.0	3.6
FCF Yield (%) <sup>(6)</sup>	8.6	12.0	12.8	13.9

**1H21 REVENUE: +13.7%, IN LINE WITH EXPECTATIONS FOR THE WHOLE YEAR.** After a 1Q21 that continued to be impacted by the restrictions of economic activity, 2Q in isolation shows an inflection point with revenue of EUR 17.5Mn (+52% vs 2Q20; +20% vs 1Q21) that should shape the performance of the business in 2H21.

**MAINTAINING THE STRONG PERFORMANCE BY THE ONLINE CHANNEL, THE MAINSTAY OF COMPANY STRATEGY.** Rolled out at the beginning of 2020 (in Europe), it already contributed c. 4% of sales in 1H21 (+60% vs 1H20). The online channel not only offsets lower sales from the closure of centres (c. -20% y/y) and improves margins (due to lower operating costs) but also should complement the current business (attracting a younger public and those NTH clients who did not have a centre nearby).

**THAT, TOGETHER WITH STRICT CONTROL OF COSTS, MEANT MARGINS COULD BE MAINTAINED AT HIGHS (EBITDA MARGIN: 39.5%; +11P.P. Y/Y).** Since the beginning of the pandemic, NTH has maintained strict cost control with the reorganisation of its own centres (giving rise to a smaller operating structure resulting in a reduction in leasing, procurement and personnel expenses). As a result, 1H21 EBITDA was EUR 12.7Mn (EBITDA margin 39.5%), c. -10% vs 1H19.

**THE CAPACITY FOR CASH GENERATION IS EVIDENT.** NTH's structure-light business model allows it to generate abundant cash and 1H21 results are proof of this: NTH closed 1H21 with net cash (ex IFRS 16) of EUR 26.6Mn (c. 25% of its Market Cap). A comfortable financial position that should make it easier to search for growth and enter new markets.

**IN CONCLUSION, STRONG RESULTS THAT HAVE PROBABLY NOT BEEN PRICED IN.** We maintain our estimates in the light of results in line that should allow NTH to consolidate EBIT of c. EUR 18.5Mn in 2021e. Something the market seems not to have noticed (trading at c. 4x 2021e EV/EBIT and offering a 2021e FCF yield >12%).

### Relative performance (Base 100)



Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	3.3	3.6	31.5	10.3	-43.9	-65.7
vs Ibex 35	6.4	8.1	5.3	2.9	-37.9	-65.6
vs Ibex Small Cap Index	5.9	13.8	8.8	9.1	-48.8	-80.3
vs Eurostoxx 50	6.0	4.7	6.8	-3.1	-52.8	-74.9
vs Sector benchmark <sup>(5)</sup>	6.1	5.8	13.6	0.8	-53.5	-71.9

(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 3.5Mn higher due to IFRS 16.

(5) Sector: Stoxx Europe 600 Food & Beverage.

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

(7) Multiples and ratios calculated over prices at the date of this report.

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

**6m Results 2021**

EUR Mn	6m21 Real	6m20	6m21 Real vs 6m20	2021e 2021e	2021e vs 2020	2Q21	2Q21 vs 2Q20
<b>Total Revenues</b>	<b>32.1</b>	<b>28.2</b>	<b>13.7%</b>	<b>64.2</b>	<b>14.2%</b>	<b>17.5</b>	<b>51.9%</b>
France	11.1	10.6	4.7%			5.9	40.7%
Spain	6.9	5.7	20.3%			3.9	65.8%
Italy	9.4	7.4	27.0%			5.0	57.1%
Poland	3.8	3.7	3.0%			2.1	47.2%
ROW	1.0	0.9	13.1%			0.6	63%
<b>Recurrent EBITDA</b>	<b>12.7</b>	<b>8.0</b>	<b>58.0%</b>	<b>21.2</b>	<b>22.0%</b>	<b>6.8</b>	<b>77.6%</b>
<i>Rec. EBITDA/Revenues</i>	<i>39.5%</i>	<i>28.5%</i>	<i>11.1 p.p.</i>	<i>33.0%</i>	<i>2.1 p.p.</i>	<i>39.0%</i>	<i>5.7 p.p.</i>
<b>EBITDA</b>	<b>12.7</b>	<b>8.0</b>	<b>58.0%</b>	<b>21.2</b>	<b>21.6%</b>	<b>6.8</b>	<b>77.6%</b>
<i>EBITDA/Revenues</i>	<i>39.5%</i>	<i>28.5%</i>	<i>11.1 p.p.</i>	<i>33.0%</i>	<i>2.0 p.p.</i>	<i>39.0%</i>	<i>5.7 p.p.</i>
<b>EBIT</b>	<b>11.4</b>	<b>5.3</b>	<b>113.8%</b>	<b>18.6</b>	<b>31.0%</b>	<b>6.2</b>	<b>204%</b>
<b>PBT</b>	<b>11.6</b>	<b>5.4</b>	<b>112.6%</b>	<b>18.9</b>	<b>39.8%</b>	<b>6.4</b>	<b>217.2%</b>
<b>NP</b>	<b>8.4</b>	<b>3.6</b>	<b>131.1%</b>	<b>12.9</b>	<b>38.0%</b>	<b>4.8</b>	<b>309%</b>
Nr. Of Centers	1,725	2,184	-459	1,788	0.0		
Online Sales (%)	3.9%	2.8%	1.1 p.p.	2.3%	0.5 p.p.		
Net Debt <sup>1</sup>	-26.6	-22.5	-18%	-25.8	51.4%		
ND / EBITDA				-1.2 x	0.2 x		

Note 1: Net Debt adjusted to strip out the impact of IFRS 16 (EUR 4Mn in 1H21).

## Valuation inputs

### Inputs for the DCF Valuation Approach

	2021e	2022e	2023e	Terminal Value <sup>(1)</sup>			
Free Cash Flow "To the Firm"	12.8	13.6	14.7	234.0			
Market Cap	102.6	At the date of this report					
Net financial debt	-26.6	Debt net of Cash (6m Results 2021)					
					Best Case	Worst Case	
Cost of Debt	0.2%	Net debt cost			-0.1%	0.4%	
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=	
Net debt cost	0.1%	Kd = Cost of Net Debt * (1-T)			-0.1%	0.3%	
Risk free rate (rf)	0.3%	Rf (10y Spanish bond yield)			=	=	
Equity risk premium	9.0%	R (own estimate)			8.5%	9.5%	
Beta (B)	1.0	B (own estimate)			0.9	1.1	
Cost of Equity	9.3%	Ke = Rf + (R * B)			8.0%	10.8%	
Equity / (Equity + Net Debt)	100.0%	E (Market Cap as equity value)			=	=	
Net Debt / (Equity + Net Debt)	0.0%	D			=	=	
WACC	9.3%	WACC = Kd * D + Ke * E			8.0%	10.8%	
G "Fair"	2.0%				2.0%	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	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
Herbalife Nut.	HLF-US	4,351.7	9.2	11.3%	8.2	6.7%	1.2	4.4%	15.1%	0.7%	n.a.
Medifast	MED-US	2,166.8	15.5	15.2%	10.2	7.1%	1.6	8.5%	15.2%	5.7%	18.3%
WW Intl.	WW-US	1,222.3	12.8	23.8%	9.7	8.2%	2.3	6.8%	23.3%	9.3%	n.a.
<b>Weight Management</b>			<b>12.5</b>	<b>16.8%</b>	<b>9.4</b>	<b>7.3%</b>	<b>1.7</b>	<b>6.6%</b>	<b>17.9%</b>	<b>5.3%</b>	<b>18.3%</b>
Nu Skin	NUS-US	1,813.8	9.8	n.a.	5.7	6.5%	0.8	4.0%	14.3%	5.5%	n.a.
Glanbia	GL9-IE	4,247.7	17.1	10.3%	14.9	8.3%	1.2	3.9%	7.9%	3.8%	22.3%
<b>Diet Supplements</b>			<b>13.4</b>	<b>10.3%</b>	<b>10.3</b>	<b>7.4%</b>	<b>1.0</b>	<b>3.9%</b>	<b>11.1%</b>	<b>4.6%</b>	<b>22.3%</b>
NTH	NTH-ES	102.6	7.9	7.2%	3.6	6.5%	1.2	6.5%	33.0%	12.0%	7.4%

### 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	35.9%	24.3	3.2x
Central	32.6%	22.1	3.5x
Min	29.3%	19.9	3.9x

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

Rec. FCF EUR Mn	CAPEX/Sales 22e				Rec. FCF/Yield 22e			
EBITDA 22e	1.4%	1.5%	1.6%		Scenario			
24.3	15.5	15.4	15.3	➔	Max	15.1%	15.0%	14.9%
22.1	13.2	13.2	13.1		Central	12.9%	12.8%	12.8%
19.9	11.0	10.9	10.9		Min	10.7%	10.6%	10.6%

## 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>	<b>CAGR</b>	
Intangible assets	1.9	1.7	1.4	8.9	3.7	3.7	3.7	3.7		
Fixed assets	4.9	5.0	3.8	2.0	1.2	1.4	1.7	2.0		
Other Non Current Assets	3.6	3.5	3.6	3.4	3.5	3.5	3.5	3.5		
Financial Investments	0.9	1.0	0.8	0.8	0.6	1.0	1.3	1.7		
Goodwill & Other Intangibles	-	-	-	-	-	-	-	-		
Current assets	15.9	19.3	16.3	12.2	11.8	12.2	12.1	12.4		
<b>Total assets</b>	<b>27.2</b>	<b>30.5</b>	<b>25.9</b>	<b>27.3</b>	<b>21.0</b>	<b>21.8</b>	<b>22.4</b>	<b>23.3</b>		
Equity	27.1	24.5	18.8	16.5	26.0	35.3	36.8	39.3		
Minority Interests	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1		
Provisions & Other L/T Liabilities	1.4	1.5	1.2	1.1	1.4	1.4	1.4	1.4		
Other Non Current Liabilities	-	-	-	5.2	2.5	2.5	2.5	2.5		
Net financial debt	(12.8)	(5.2)	(5.4)	(5.0)	(17.0)	(25.8)	(27.0)	(28.8)		
Current Liabilities	11.4	9.7	11.2	9.5	8.1	8.4	8.6	8.9		
<b>Equity &amp; Total Liabilities</b>	<b>27.2</b>	<b>30.5</b>	<b>25.9</b>	<b>27.3</b>	<b>21.0</b>	<b>21.8</b>	<b>22.4</b>	<b>23.3</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>CAGR</b>	
<b>Total Revenues</b>	<b>98.3</b>	<b>95.4</b>	<b>88.7</b>	<b>82.4</b>	<b>56.2</b>	<b>64.2</b>	<b>67.8</b>	<b>72.9</b>	<b>-13.0%</b>	<b>9.0%</b>
<i>Total Revenues growth</i>	1.8%	-2.9%	-7.1%	-7.1%	-31.7%	14.2%	5.6%	7.4%		
COGS	(28.6)	(27.1)	(25.2)	(23.8)	(15.9)	(18.8)	(19.7)	(21.1)		
<b>Gross Margin</b>	<b>69.7</b>	<b>68.3</b>	<b>63.5</b>	<b>58.5</b>	<b>40.4</b>	<b>45.4</b>	<b>48.1</b>	<b>51.8</b>	<b>-12.8%</b>	<b>8.7%</b>
<i>Gross Margin/Revenues</i>	70.9%	71.6%	71.6%	71.0%	71.8%	70.7%	70.9%	71.1%		
Personnel Expenses	(19.3)	(20.4)	(20.7)	(19.3)	(12.4)	(13.2)	(13.7)	(14.1)		
Other Operating Expenses	(17.8)	(17.7)	(19.6)	(16.1)	(10.6)	(11.0)	(12.3)	(13.6)		
<b>Recurrent EBITDA</b>	<b>32.6</b>	<b>30.3</b>	<b>23.2</b>	<b>23.1</b>	<b>17.4</b>	<b>21.2</b>	<b>22.1</b>	<b>24.0</b>	<b>-14.6%</b>	<b>11.4%</b>
<i>Recurrent EBITDA growth</i>	-3.5%	-7.2%	-23.4%	-0.3%	-24.8%	22.0%	4.3%	8.8%		
<i>Rec. EBITDA/Revenues</i>	33.2%	31.7%	26.2%	28.1%	30.9%	33.0%	32.6%	33.0%		
Restructuring Expense & Other non-rec.	(0.2)	(0.9)	0.1	(0.2)	0.1	-	-	-		
<b>EBITDA</b>	<b>32.4</b>	<b>29.4</b>	<b>23.3</b>	<b>22.9</b>	<b>17.4</b>	<b>21.2</b>	<b>22.1</b>	<b>24.0</b>	<b>-14.3%</b>	<b>11.3%</b>
Depreciation & Provisions	(1.0)	(1.1)	(1.1)	(1.0)	(0.7)	(0.6)	(0.7)	(0.7)		
Capitalized Expense	-	-	-	-	-	-	-	-		
Rentals (IFRS 16 impact)	-	-	-	(3.3)	(2.5)	(2.0)	(2.0)	(2.0)		
<b>EBIT</b>	<b>31.4</b>	<b>28.3</b>	<b>22.1</b>	<b>18.6</b>	<b>14.2</b>	<b>18.6</b>	<b>19.4</b>	<b>21.3</b>	<b>-18.0%</b>	<b>14.6%</b>
<i>EBIT growth</i>	-3.4%	-9.9%	-21.6%	-15.9%	-24.0%	31.0%	4.7%	9.7%		
<i>EBIT/Revenues</i>	31.9%	29.6%	25.0%	22.6%	25.2%	28.9%	28.6%	29.3%		
Impact of Goodwill & Others	-	-	-	-	(0.9)	-	-	-		
Net Financial Result	(0.1)	(0.0)	(0.0)	(0.2)	(0.0)	(0.0)	(0.0)	0.0		
Income by the Equity Method	0.8	0.4	0.6	0.2	0.3	0.3	0.4	0.4		
<b>Ordinary Profit</b>	<b>32.1</b>	<b>28.7</b>	<b>22.7</b>	<b>18.7</b>	<b>13.5</b>	<b>18.9</b>	<b>19.8</b>	<b>21.7</b>	<b>-19.5%</b>	<b>17.1%</b>
<i>Ordinary Profit Growth</i>	-3.1%	-10.7%	-20.7%	-17.7%	-27.7%	39.8%	4.7%	9.7%		
Extraordinary Results	-	-	-	0.5	-	-	-	-		
<b>Profit Before Tax</b>	<b>32.1</b>	<b>28.7</b>	<b>22.7</b>	<b>19.2</b>	<b>13.5</b>	<b>18.9</b>	<b>19.8</b>	<b>21.7</b>	<b>-19.5%</b>	<b>17.1%</b>
Tax Expense	(9.6)	(8.8)	(7.4)	(6.0)	(4.1)	(6.0)	(6.2)	(6.9)		
<i>Effective Tax Rate</i>	30.0%	30.7%	32.4%	31.4%	30.5%	31.5%	31.5%	31.5%		
Minority Interests	0.0	0.0	0.0	0.1	(0.0)	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
<b>Net Profit</b>	<b>22.5</b>	<b>19.9</b>	<b>15.4</b>	<b>13.3</b>	<b>9.4</b>	<b>12.9</b>	<b>13.6</b>	<b>14.9</b>	<b>-19.7%</b>	<b>16.6%</b>
<i>Net Profit growth</i>	-1.6%	-11.8%	-22.6%	-13.8%	-29.3%	38.0%	4.7%	9.7%		
<b>Ordinary Net Profit</b>	<b>22.7</b>	<b>20.7</b>	<b>15.9</b>	<b>13.3</b>	<b>9.4</b>	<b>13.2</b>	<b>13.9</b>	<b>15.2</b>	<b>-19.7%</b>	<b>17.3%</b>
<i>Ordinary Net Profit growth</i>	-3.2%	-8.7%	-23.4%	-16.4%	-29.0%	40.5%	4.7%	9.7%		
<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>CAGR</b>	
<b>Recurrent EBITDA</b>						<b>21.2</b>	<b>22.1</b>	<b>24.0</b>	<b>-14.6%</b>	<b>11.4%</b>
Rentals (IFRS 16 impact)						(2.0)	(2.0)	(2.0)		
Working Capital Increase						(0.1)	0.3	0.1		
<b>Recurrent Operating Cash Flow</b>						<b>19.1</b>	<b>20.4</b>	<b>22.1</b>	<b>-13.8%</b>	<b>16.8%</b>
CAPEX						(0.8)	(1.0)	(1.0)		
Net Financial Result affecting the Cash Flow						(0.0)	(0.0)	0.0		
Tax Expense						(6.0)	(6.2)	(6.9)		
<b>Recurrent Free Cash Flow</b>						<b>12.4</b>	<b>13.2</b>	<b>14.3</b>	<b>-11.3%</b>	<b>17.3%</b>
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
<b>Free Cash Flow</b>						<b>12.4</b>	<b>13.2</b>	<b>14.3</b>	<b>-4.7%</b>	<b>6.3%</b>
Capital Increase						-	-	-		
Dividends						(3.6)	(12.0)	(12.4)		
<b>Net Debt Variation</b>						<b>(8.8)</b>	<b>(1.2)</b>	<b>(1.9)</b>		

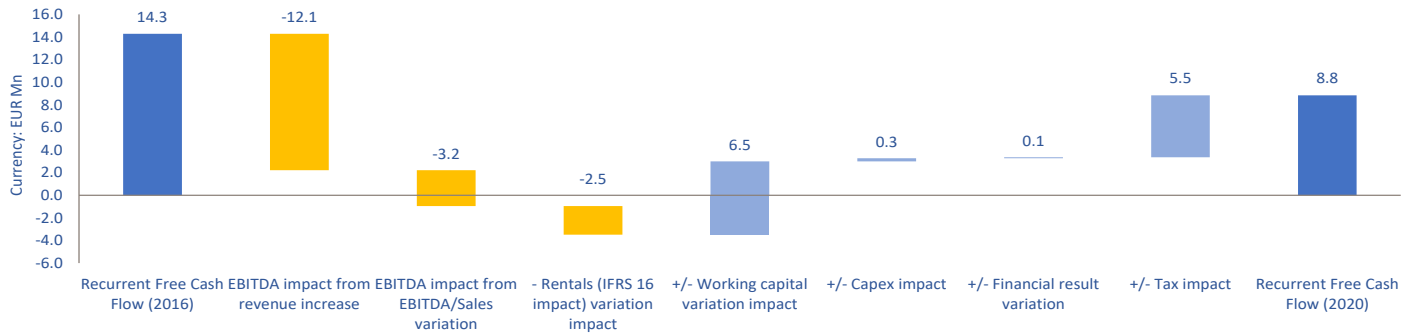
Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 3.5Mn higher due to IFRS 16.

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

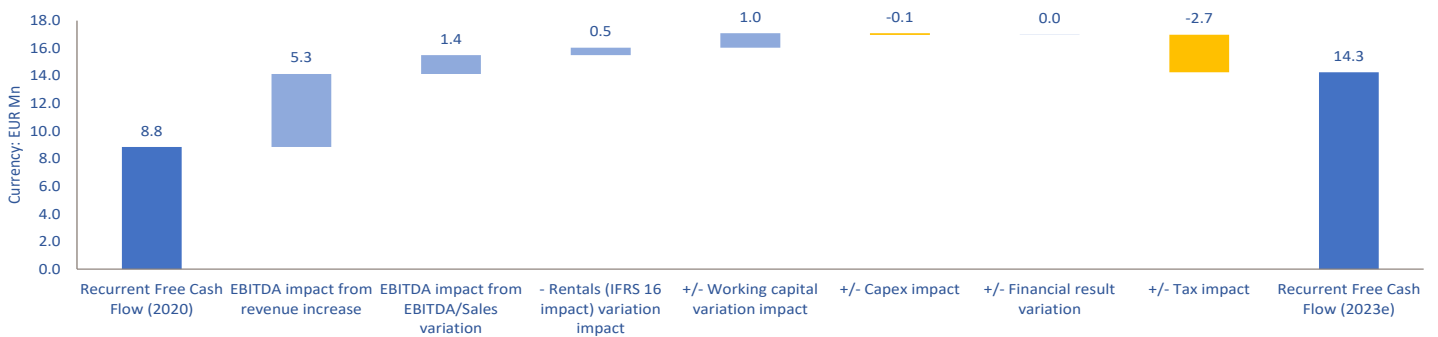
A) Cash Flow Analysis (EUR Mn)	2017	2018	2019	2020	2021e	2022e	2023e	CAGR	
								17-20	20-23e
<b>Recurrent EBITDA</b>	<b>30.3</b>	<b>23.2</b>	<b>23.1</b>	<b>17.4</b>	<b>21.2</b>	<b>22.1</b>	<b>24.0</b>	<b>-16.9%</b>	<b>11.4%</b>
<i>Recurrent EBITDA growth</i>	-7.2%	-23.4%	-0.3%	-24.8%	22.0%	4.3%	8.8%		
<i>Rec. EBITDA/Revenues</i>	31.7%	26.2%	28.1%	30.9%	33.0%	32.6%	33.0%		
- Rentals (IFRS 16 impact)	-	-	(3.3)	(2.5)	(2.0)	(2.0)	(2.0)		
+/- Working Capital increase	(5.1)	4.5	2.4	(1.0)	(0.1)	0.3	0.1		
<b>= Recurrent Operating Cash Flow</b>	<b>25.2</b>	<b>27.7</b>	<b>22.2</b>	<b>13.9</b>	<b>19.1</b>	<b>20.4</b>	<b>22.1</b>	<b>-18.1%</b>	<b>16.8%</b>
<i>Rec. Operating Cash Flow growth</i>	0.2%	9.9%	-19.9%	-37.6%	37.7%	6.9%	8.3%		
<i>Rec. Operating Cash Flow / Sales</i>	26.4%	31.3%	27.0%	24.7%	29.7%	30.1%	30.3%		
- CAPEX	(1.3)	(0.7)	(0.9)	(0.9)	(0.8)	(1.0)	(1.0)		
- Net Financial Result affecting Cash Flow	(0.0)	(0.0)	(0.2)	(0.0)	(0.0)	(0.0)	0.0		
- Taxes	(8.8)	(7.4)	(6.0)	(4.1)	(6.0)	(6.2)	(6.9)		
<b>= Recurrent Free Cash Flow</b>	<b>15.0</b>	<b>19.6</b>	<b>15.1</b>	<b>8.8</b>	<b>12.4</b>	<b>13.2</b>	<b>14.3</b>	<b>-16.2%</b>	<b>17.3%</b>
<i>Rec. Free Cash Flow growth</i>	5.2%	30.4%	-22.9%	-41.4%	39.7%	6.5%	8.4%		
<i>Rec. Free Cash Flow / Revenues</i>	15.8%	22.1%	18.3%	15.7%	19.2%	19.4%	19.6%		
- Restructuring expenses & others	(0.8)	(0.2)	0.0	1.0	-	-	-		
- Acquisitions / + Divestments	0.3	1.3	(0.9)	2.0	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	0.5	-	-	-	-		
<b>= Free Cash Flow</b>	<b>14.6</b>	<b>20.8</b>	<b>14.7</b>	<b>11.9</b>	<b>12.4</b>	<b>13.2</b>	<b>14.3</b>	<b>-6.5%</b>	<b>6.3%</b>
<i>Free Cash Flow growth</i>	1.1%	42.6%	-29.0%	-19.4%	4.0%	6.5%	8.4%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	14.7%	19.1%	14.7%	8.6%	12.0%	12.8%	13.9%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	14.2%	20.2%	14.4%	11.6%	12.0%	12.8%	13.9%		
<b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b>									
<b>Recurrent FCF(FY - 1)</b>	<b>14.3</b>	<b>15.0</b>	<b>19.6</b>	<b>15.1</b>	<b>8.8</b>	<b>12.4</b>	<b>13.2</b>		
EBITDA impact from revenue increase	(0.9)	(2.2)	(1.6)	(7.3)	2.5	1.2	1.6		
EBITDA impact from EBITDA/Sales variation	(1.4)	(4.9)	1.6	1.6	1.3	(0.3)	0.3		
<b>= Recurrent EBITDA variation</b>	<b>(2.3)</b>	<b>(7.1)</b>	<b>(0.1)</b>	<b>(5.7)</b>	<b>3.8</b>	<b>0.9</b>	<b>1.9</b>		
- Rentals (IFRS 16 impact) variation impact	-	-	(3.3)	0.7	0.5	-	-		
+/- Working capital variation impact	2.4	9.6	(2.2)	(3.3)	0.9	0.4	(0.2)		
<b>= Recurrent Operating Cash Flow variation</b>	<b>0.1</b>	<b>2.5</b>	<b>(5.5)</b>	<b>(8.3)</b>	<b>5.2</b>	<b>1.3</b>	<b>1.7</b>		
+/- CAPEX impact	(0.2)	0.6	(0.2)	0.0	0.1	(0.2)	-		
+/- Financial result variation	0.1	0.0	(0.2)	0.2	0.0	-	0.0		
+/- Tax impact	0.8	1.4	1.3	1.9	(1.8)	(0.3)	(0.6)		
<b>= Recurrent Free Cash Flow variation</b>	<b>0.7</b>	<b>4.6</b>	<b>(4.5)</b>	<b>(6.3)</b>	<b>3.5</b>	<b>0.8</b>	<b>1.1</b>		
<b>Recurrent Free Cash Flow</b>	<b>15.0</b>	<b>19.6</b>	<b>15.1</b>	<b>8.8</b>	<b>12.4</b>	<b>13.2</b>	<b>14.3</b>		
<b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>									
<b>EBIT</b>	<b>28.3</b>	<b>22.1</b>	<b>18.6</b>	<b>14.2</b>	<b>18.6</b>	<b>19.4</b>	<b>21.3</b>	<b>-20.6%</b>	<b>14.6%</b>
* <i>Theoretical Tax rate</i>	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%		
= Taxes (pre- Net Financial Result)	(8.5)	(6.6)	(5.6)	(4.3)	(5.6)	(5.8)	(6.4)		
<b>Recurrent EBITDA</b>	<b>30.3</b>	<b>23.2</b>	<b>23.1</b>	<b>17.4</b>	<b>21.2</b>	<b>22.1</b>	<b>24.0</b>	<b>-16.9%</b>	<b>11.4%</b>
- Rentals (IFRS 16 impact)	-	-	(3.3)	(2.5)	(2.0)	(2.0)	(2.0)		
+/- Working Capital increase	(5.1)	4.5	2.4	(1.0)	(0.1)	0.3	0.1		
<b>= Recurrent Operating Cash Flow</b>	<b>25.2</b>	<b>27.7</b>	<b>22.2</b>	<b>13.9</b>	<b>19.1</b>	<b>20.4</b>	<b>22.1</b>	<b>-18.1%</b>	<b>16.8%</b>
- CAPEX	(1.3)	(0.7)	(0.9)	(0.9)	(0.8)	(1.0)	(1.0)		
- Taxes (pre- Financial Result)	(8.5)	(6.6)	(5.6)	(4.3)	(5.6)	(5.8)	(6.4)		
<b>= Recurrent Free Cash Flow (To the Firm)</b>	<b>15.4</b>	<b>20.3</b>	<b>15.7</b>	<b>8.7</b>	<b>12.8</b>	<b>13.6</b>	<b>14.7</b>	<b>-17.2%</b>	<b>19.0%</b>
<i>Rec. Free Cash Flow (To the Firm) growth</i>	5.5%	32.1%	-22.7%	-44.5%	46.1%	6.4%	8.4%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	16.1%	22.9%	19.1%	15.5%	19.9%	20.0%	20.2%		
- Acquisitions / + Divestments	0.3	1.3	(0.9)	2.0	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	0.5	-	-	-	-		
<b>= Free Cash Flow "To the Firm"</b>	<b>15.7</b>	<b>21.7</b>	<b>15.4</b>	<b>10.7</b>	<b>12.8</b>	<b>13.6</b>	<b>14.7</b>	<b>-11.9%</b>	<b>11.1%</b>
<i>Free Cash Flow (To the Firm) growth</i>	5.1%	37.8%	-29.2%	-30.1%	18.8%	6.4%	8.4%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	20.1%	26.5%	20.5%	11.4%	16.6%	17.7%	19.1%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	20.5%	28.2%	20.0%	14.0%	16.6%	17.7%	19.1%		

Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 3.5Mn higher due to IFRS 16.

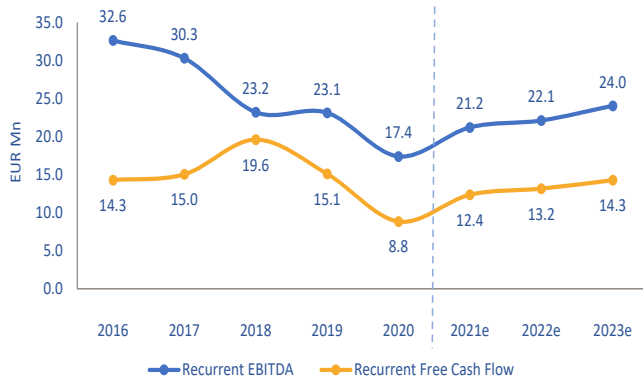
**Recurrent Free Cash Flow accumulated variation analysis (2016 - 2020)**



**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	102.6	
+ Minority Interests	0.1	6m Results 2021
+ Provisions & Other L/T Liabilities	1.4	6m Results 2021
+ Net financial debt	(26.6)	6m Results 2021
- Financial Investments	0.6	6m Results 2021
+/- Others		
<b>Enterprise Value (EV)</b>	<b>76.8</b>	

## 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	
															14-20	20-23e
<b>Total Revenues</b>	<b>62.0</b>	<b>61.7</b>	<b>57.8</b>	<b>61.5</b>	<b>96.4</b>	<b>96.6</b>	<b>98.3</b>	<b>95.4</b>	<b>88.7</b>	<b>82.4</b>	<b>56.2</b>	<b>64.2</b>	<b>67.8</b>	<b>72.9</b>	<b>-8.6%</b>	<b>9.0%</b>
<i>Total Revenues growth</i>	<i>n.a.</i>	<i>-0.4%</i>	<i>-6.3%</i>	<i>6.5%</i>	<i>56.7%</i>	<i>0.2%</i>	<i>1.8%</i>	<i>-2.9%</i>	<i>-7.1%</i>	<i>-7.1%</i>	<i>-31.7%</i>	<i>14.2%</i>	<i>5.6%</i>	<i>7.4%</i>		
<b>EBITDA</b>	<b>15.3</b>	<b>14.1</b>	<b>11.9</b>	<b>13.8</b>	<b>33.7</b>	<b>33.6</b>	<b>32.4</b>	<b>29.4</b>	<b>23.3</b>	<b>22.9</b>	<b>17.4</b>	<b>21.2</b>	<b>22.1</b>	<b>24.0</b>	<b>-10.4%</b>	<b>11.3%</b>
<i>EBITDA growth</i>	<i>n.a.</i>	<i>-7.7%</i>	<i>-16.1%</i>	<i>16.5%</i>	<i>143.8%</i>	<i>-0.2%</i>	<i>-3.7%</i>	<i>-9.3%</i>	<i>-20.8%</i>	<i>-1.4%</i>	<i>-24.0%</i>	<i>21.6%</i>	<i>4.3%</i>	<i>8.8%</i>		
<i>EBITDA/Sales</i>	<i>24.7%</i>	<i>22.9%</i>	<i>20.5%</i>	<i>22.5%</i>	<i>34.9%</i>	<i>34.8%</i>	<i>32.9%</i>	<i>30.8%</i>	<i>26.2%</i>	<i>27.8%</i>	<i>31.0%</i>	<i>33.0%</i>	<i>32.6%</i>	<i>33.0%</i>		
<b>Net Profit</b>	<b>7.9</b>	<b>7.6</b>	<b>3.6</b>	<b>8.5</b>	<b>22.6</b>	<b>22.9</b>	<b>22.5</b>	<b>19.9</b>	<b>15.4</b>	<b>13.3</b>	<b>9.4</b>	<b>12.9</b>	<b>13.6</b>	<b>14.9</b>	<b>-13.6%</b>	<b>16.6%</b>
<i>Net Profit growth</i>	<i>n.a.</i>	<i>-3.4%</i>	<i>-52.7%</i>	<i>136.3%</i>	<i>164.0%</i>	<i>1.3%</i>	<i>-1.6%</i>	<i>-11.8%</i>	<i>-22.6%</i>	<i>-13.8%</i>	<i>-29.3%</i>	<i>38.0%</i>	<i>4.7%</i>	<i>9.7%</i>		
Adjusted number shares (Mn)	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0		
EPS (EUR)	0.13	0.13	0.06	0.14	0.38	0.38	0.38	0.33	0.26	0.22	0.16	0.22	0.23	0.25	<b>-13.6%</b>	<b>16.6%</b>
<i>EPS growth</i>	<i>n.a.</i>	<i>-3.4%</i>	<i>-52.7%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.3%</i>	<i>-1.6%</i>	<i>-11.8%</i>	<i>-22.6%</i>	<i>-13.8%</i>	<i>-29.3%</i>	<i>38.0%</i>	<i>4.7%</i>	<i>9.7%</i>		
Ord. EPS (EUR)	0.13	0.12	0.06	0.14	0.38	0.38	0.38	0.35	0.26	0.22	0.16	0.22	0.23	0.25	<b>-13.6%</b>	<b>17.3%</b>
<i>Ord. EPS growth</i>	<i>n.a.</i>	<i>-7.4%</i>	<i>-48.6%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.8%</i>	<i>-1.3%</i>	<i>-8.7%</i>	<i>-23.4%</i>	<i>-16.4%</i>	<i>-29.0%</i>	<i>40.5%</i>	<i>4.7%</i>	<i>9.7%</i>		
CAPEX	(0.7)	(1.0)	(1.1)	(0.4)	(3.1)	(0.9)	(1.2)	(1.3)	(0.7)	(0.9)	(0.9)	(0.8)	(1.0)	(1.0)		
<i>CAPEX/Sales %</i>	<i>1.1%</i>	<i>1.6%</i>	<i>1.9%</i>	<i>0.7%</i>	<i>3.2%</i>	<i>0.9%</i>	<i>1.2%</i>	<i>1.4%</i>	<i>0.8%</i>	<i>1.1%</i>	<i>1.6%</i>	<i>1.2%</i>	<i>1.5%</i>	<i>1.4%</i>		
<b>Free Cash Flow</b>	<b>8.2</b>	<b>6.7</b>	<b>7.7</b>	<b>16.6</b>	<b>38.9</b>	<b>30.9</b>	<b>14.4</b>	<b>14.6</b>	<b>20.8</b>	<b>14.7</b>	<b>11.9</b>	<b>12.4</b>	<b>13.2</b>	<b>14.3</b>	<b>-17.9%</b>	<b>6.3%</b>
<i>ND/EBITDA (x)<sup>(3)</sup></i>	<i>-0.9x</i>	<i>-1.2x</i>	<i>-1.3x</i>	<i>1.2x</i>	<i>0.0x</i>	<i>-0.4x</i>	<i>-0.4x</i>	<i>-0.2x</i>	<i>-0.2x</i>	<i>-0.2x</i>	<i>-1.0x</i>	<i>-1.2x</i>	<i>-1.2x</i>	<i>-1.2x</i>		
<i>P/E (x)</i>						<i>10.1x</i>	<i>12.7x</i>	<i>12.2x</i>	<i>6.2x</i>	<i>9.0x</i>	<i>9.9x</i>	<i>7.9x</i>	<i>7.6x</i>	<i>6.9x</i>		
<i>EV/Sales (x)</i>						<i>2.25x</i>	<i>2.76x</i>	<i>2.41x</i>	<i>1.02x</i>	<i>1.39x</i>	<i>1.57x</i>	<i>1.20x</i>	<i>1.13x</i>	<i>1.05x</i>		
<i>EV/EBITDA (x)<sup>(3)</sup></i>						<i>6.5x</i>	<i>8.4x</i>	<i>7.8x</i>	<i>3.9x</i>	<i>5.0x</i>	<i>5.1x</i>	<i>3.6x</i>	<i>3.5x</i>	<i>3.2x</i>		
<i>Absolute performance</i>						<i>n.a.</i>	<i>23.4%</i>	<i>-15.0%</i>	<i>-60.9%</i>	<i>26.5%</i>	<i>-22.3%</i>	<i>10.3%</i>				
<i>Relative performance vs Ibex 35</i>						<i>n.a.</i>	<i>26.0%</i>	<i>-20.8%</i>	<i>-54.1%</i>	<i>13.1%</i>	<i>-8.2%</i>	<i>2.9%</i>				

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 3.5Mn 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

		Weight Management				Diet Supplements			
EUR Mn		Herbalife Nut.	Medifast	WW Intl.	Average	Nu Skin	Glanbia	Average	NTH
Market data	Ticker (Factset)	HLF-US	MED-US	WW-US		NUS-US	GL9-IE		NTH-ES
	Country	Cayman Isl.	USA	USA		USA	Ireland		Spain
	Market cap	4,351.7	2,166.8	1,222.3		1,813.8	4,247.7		102.6
	Enterprise value (EV)	6,217.4	2,015.9	2,463.1		1,952.3	4,917.6		76.8
Basic financial information	Total Revenues	5,022.2	1,300.5	1,094.2		2,407.2	4,168.0		64.2
	Total Revenues growth	6.3%	63.1%	-6.9%	20.8%	9.3%	9.0%	9.2%	14.2%
	2y CAGR (2021e - 2023e)	4.4%	8.5%	6.8%	6.6%	4.0%	3.9%	3.9%	6.5%
	EBITDA	757.0	198.1	254.5		344.3	330.4		21.2
	EBITDA growth	5.0%	64.2%	-2.2%	22.4%	6.9%	15.2%	11.1%	21.6%
	2y CAGR (2021e - 2023e)	6.7%	7.1%	8.2%	7.3%	6.5%	8.3%	7.4%	6.5%
	EBITDA/Revenues	15.1%	15.2%	23.3%	17.9%	14.3%	7.9%	11.1%	33.0%
	EBIT	662.8	184.6	202.9		265.9	212.0		18.6
	EBIT growth	4.3%	61.4%	-6.5%	19.7%	21.1%	30.9%	26.0%	31.0%
	2y CAGR (2021e - 2023e)	7.0%	11.0%	12.7%	10.2%	8.9%	13.3%	11.1%	7.2%
	EBIT/Revenues	13.2%	14.2%	18.5%	15.3%	11.0%	5.1%	8.1%	28.9%
	Net Profit	425.9	140.7	85.6		191.6	184.3		12.9
	Net Profit growth	34.0%	60.4%	33.6%	42.7%	17.4%	28.2%	22.8%	38.0%
	2y CAGR (2021e - 2023e)	9.5%	11.5%	32.6%	17.9%	9.4%	19.7%	14.6%	7.2%
CAPEX/Sales %	2.9%	1.5%	1.0%	1.8%	2.7%	2.0%	2.3%	1.2%	
Free Cash Flow	32.0	124.1	113.6		99.9	160.2		12.4	
Net financial debt	1,516.4	(176.7)	1,108.1		(59.2)	542.9		(25.8)	
ND/EBITDA (x)	2.0	(0.9)	4.4	1.8	(0.2)	1.6	0.7	(1.2)	
Pay-out	0.0%	40.5%	0.0%	13.5%	35.4%	47.0%	41.2%	27.8%	
Multiples and Ratios	P/E (x)	9.2	15.5	12.8	12.5	9.8	17.1	13.4	7.9
	P/BV (x)	n.a.	10.4	n.a.	10.4	n.a.	2.6	2.6	2.9
	EV/Revenues (x)	1.2	1.6	2.3	1.7	0.8	1.2	1.0	1.2
	EV/EBITDA (x)	8.2	10.2	9.7	9.4	5.7	14.9	10.3	3.6
	EV/EBIT (x)	9.4	10.9	12.1	10.8	7.3	23.2	15.3	4.1
	ROE	n.a.	66.8	n.a.	66.8	n.a.	15.4	15.4	42.2
	FCF Yield (%)	0.7	5.7	9.3	5.3	5.5	3.8	4.6	12.0
	DPS	0.00	4.84	0.00	1.61	1.30	0.29	0.79	0.06
	Dvd Yield	0.0%	2.6%	0.0%	0.9%	3.6%	2.0%	2.8%	3.5%

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
21-Sep-2021	n.a.	1.71	n.a.	n.a.	6m Results 2021	Alfredo Echevarria Otegui
22-Jun-2021	n.a.	1.69	n.a.	n.a.	3m Results 2021 - Estimates upgrade	Ana Isabel González García, CIIA
23-Apr-2021	n.a.	1.63	n.a.	n.a.	Initiation of Coverage	Ana Isabel González García, CIIA

