

EQUITY - SPAIN

Sector: Communications Equipment

Closing price: EUR 0.08 (1 Mar 2024)

Report date: 4 Mar 2024 (11:20h)

12m Results 2023

Independent Equity Research

12m Results 2023

 Opinion ⁽¹⁾: In line

 Impact ⁽¹⁾: We will maintain our estimates

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Amper (AMP) is a Spanish group that operates through three business lines: (i) energy and sustainability (offshore wind platform engineering, EPC for PV, and energy control; 78% o/revenue 2023), (ii) defense and security (16% o/revenue 2023) and (iii) telecom (roll-out of telecom networks and critical communications). Spain is its principal market (c. 77% o/revenue).

FY23 earnings in line. 2024e-26e: "key" to whether AMP can really expand its margins

GROWTH IN REVENUE TO EUR 369.4MN (+14.2% VS 2022)... Revenue was in line with our estimates (EUR 368Mn). By business line, defence, security and communications represented c.22% of revenue (EUR 83Mn) and energy and sustainability the remaining 78% (EUR 286Mn). The share of the international business increased to 23% (vs 20% in 2022). The order book ended the year at EUR 386Mn (+26% vs 2022).

...WITH A GROSS MARGIN OF 54.7% (VS 56.7% AND 55% IN 2021 AND 2022). Higher COGS (+14.9% vs 2022; outstripping revenue growth) kept gross margin at 2022 levels (55% of revenue), at EUR 232.6Mn. As the energy and sustainability business has a significant industrial component (sensitive to changes in energy and raw materials prices), we expect to see some improvement in gross margin over the 2024e-2026e period.

RECURRING EBITDA OF EUR 10.7MN (VS OUR ESTIMATE OF EUR 9.9MN). Personnel expenses and other operating costs increased (+3.7% vs 2022; vs +12% in 2022 vs 2021) to EUR 191.3Mn, but less so than the year before thanks to the cost-control policy. This left recurring EBITDA at EUR 10.7Mn (excluding EUR 14.6Mn of capitalised costs). Now that we have the final figures, we are revising our Rec. EBITDA 2024e estimate (to EUR 16.9Mn; +4.5% due to expected margin improvement).

NET DEBT OF EUR 106MN IN 2023 (ND/REC. EBITDA 2023: 9.9X). AMP ended 2023 with EUR 106Mn of ND, implying a ND/equity ratio of 1.4x (vs 2.4x in 2022; reduction due to the capital increase). Net finance expense for the year was EUR 10.3Mn (vs EUR 3.7Mn in 2022), considerably undermining the bottom line (net loss of EUR 1.5Mn in 2023). This, coupled with the company's scant cash generative ability, appears to be the main drawback to investment and, accordingly, AMP's growth.

OVERALL, ATTENTION IN 2024 SHOULD BE ON MARGINS. AMP is exposed to strategic sectors (defence, energy), which were hurt by cost inflation in 2022 and, to a lesser extent, in 2023. Alongside revenue growth and optimisation of its structure, a smaller inflation impact should leave AMP poised to deliver margin expansion consistently in the 2024e-26e period. The coming years will be crucial for gauging AMP's true ability to monetise its structure, raise its profitability and continue growing. Our 2024e estimates imply an EV/recurring EBITDA multiple of 13.7x (vs 10.3x for its comps).

Relative performance (Base 100)


Market Data

Market Cap (Mn EUR and USD)	117.0	126.8
EV (Mn EUR and USD) ⁽²⁾	231.3	250.6
Shares Outstanding (Mn)	1,496.7	
-12m (Max/Med/Min EUR)	0.16 / 0.11 / 0.08	
Daily Avg volume (-12m Mn EUR)	0.26	
Rotation ⁽³⁾	56.6	
Factset / Bloomberg	AMP-ES / AMP SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

Zelenza	9.2
Martinavarro Dealbert	5.3
Free Float	85.5

Financials (Mn EUR)

	2023	2024e	2025e	2026e
Adj. nº shares (Mn)	1,136.3	1,496.7	1,496.7	1,496.7
Total Revenues	369.4	418.9	473.7	529.7
Rec. EBITDA	10.7	16.9	25.1	32.7
% growth	256.9	57.2	48.7	30.4
% Rec. EBITDA/Rev.	2.9	4.0	5.3	6.2
% Inc. EBITDA sector ⁽⁴⁾	19.2	13.3	20.0	12.7
Net Profit	-1.5	2.3	6.2	9.8
EPS (EUR)	0.00	0.00	0.00	0.01
% growth	67.6	218.7	167.6	56.5
Ord. EPS (EUR)	0.00	0.00	0.00	0.01
% growth	72.3	183.8	167.6	56.5
Rec. Free Cash Flow ⁽⁵⁾	-25.6	-10.0	-5.8	1.1
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	106.0	116.0	121.8	120.6
ND/Rec. EBITDA (x)	9.9	6.9	4.8	3.7
ROE (%)	n.a.	3.1	7.8	11.0
ROCE (%) ⁽⁵⁾	5.8	5.1	6.7	7.9

Ratios & Multiples (x) ⁽⁶⁾

P/E	n.a.	50.2	18.7	12.0
Ord. P/E	n.a.	50.2	18.7	12.0
P/BV	1.6	1.5	1.4	1.3
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	0.63	0.55	0.49	0.44
EV/Rec. EBITDA	21.5	13.7	9.2	7.1
EV/EBIT	22.2	18.0	12.7	10.2
FCF Yield (%) ⁽⁵⁾	n.a.	n.a.	n.a.	1.0

(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 Technology.

(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.

Stock performance (%)

	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	-5.8	-15.6	-49.7	-6.5	-57.6	-69.7
vs Ibex 35	-6.3	-15.0	-53.4	-6.1	-64.7	-72.1
vs Ibex Small Cap Index	-5.1	-14.3	-44.7	-5.0	-53.7	-73.2
vs Eurostoxx 50	-10.7	-23.9	-56.7	-13.6	-67.9	-79.5
vs Sector benchmark ⁽⁴⁾	-10.6	-27.5	-61.8	-17.7	-67.9	-84.4

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

12m Results 2023

Table 1. 2023 Results

EUR Mn	12m23		12m23 Real	
	Real	12m22	vs 12m22	2023e
Total Revenues	369.4	323.4	14.2%	368.0
Recurrent EBITDA¹	10.7	(6.8)	256.9%	9.9
<i>Rec. EBITDA/Revenues</i>	<i>2.9%</i>	<i>-2.1%</i>	<i>5.0 p.p.</i>	<i>2.7%</i>
EBIT	10.4	(3.0)	451.3%	6.3
PBT	0.1	(6.7)	101.9%	3.5
NP	(1.5)	(4.7)	68.4%	2.5
Order book	386	306	26.2%	
Net Debt	106.0	110.2	-3.8%	

Note 1: Recurring EBITDA adjusted to exclude the impact of capitalized R&D expenses and grants.

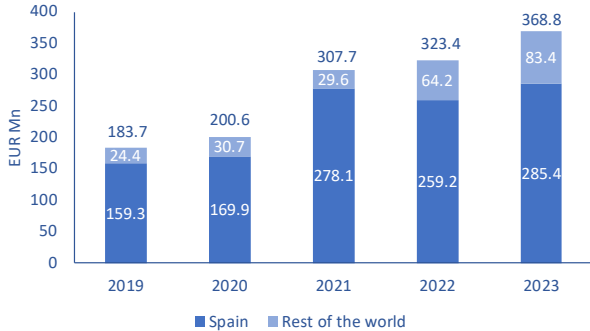
*Data for 2022 have been restated by the company at the request of the CNMV due to the interpretation of IFRS 15. New revenues 2022 of EUR 323.4Mn (vs EUR 337.5Mn of previous revenues) and new EBITDA Rec. of EUR -6.8Mn (vs EUR 7.3Mn). For further details see note 2.1 of the annual accounts.

Table 2. Estimates upgrade.

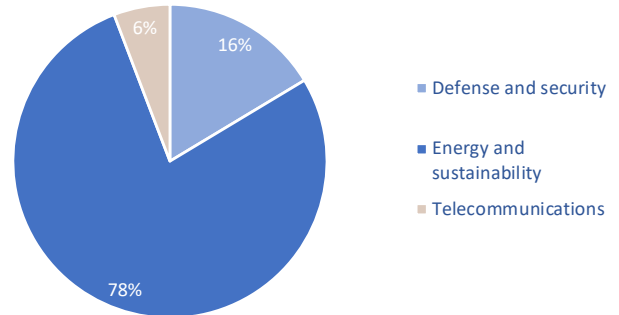
EUR Mn	2024e		2025e (New)	Review (%)
	(New)	Review (%)		
Total Revenues	418.9	0.0%	473.7	0.0%
Recurrent EBITDA	16.9	4.5%	25.1	5.4%
<i>Recurrent EBITDA growth</i>	<i>57.2%</i>	<i>-6 p.p.</i>	<i>48.7%</i>	<i>1 p.p.</i>
<i>Rec. EBITDA/Revenues</i>	<i>4.0%</i>	<i>0 p.p.</i>	<i>5.3%</i>	<i>0 p.p.</i>
EBIT	12.9	13%	18.3	-2.6%

The company in 8 charts

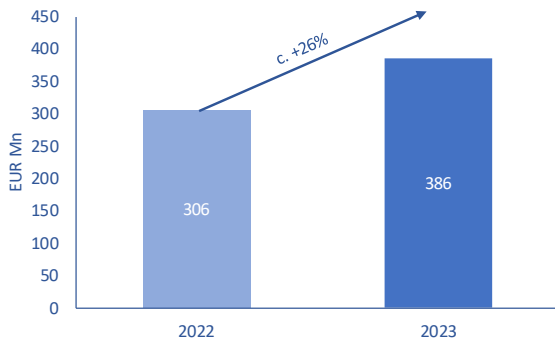
An essentially domestic business (c.77% of revenue in 2023), although international exposure is increasing...



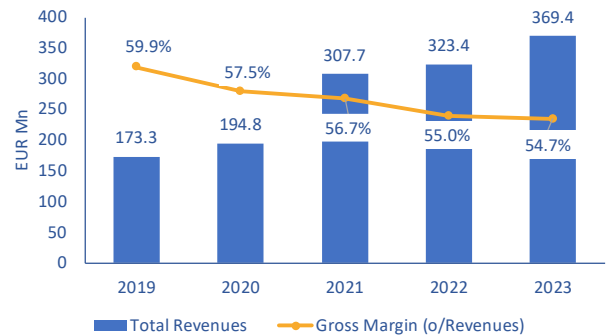
... Diversification across 3 businesses: the energy and sustainability division (dominant) with a significant industrial component



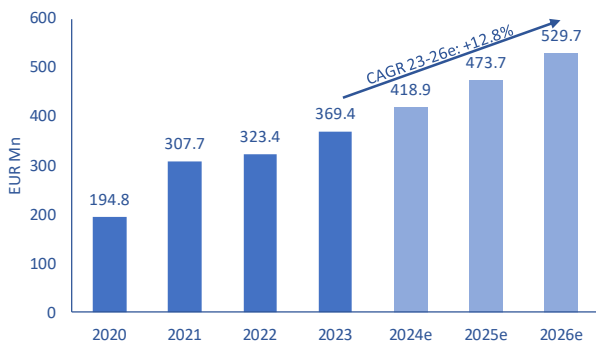
Year-end 2023 order book EUR 386Mn (c. +26% vs. 2022). Injecting visibility into revenue growth



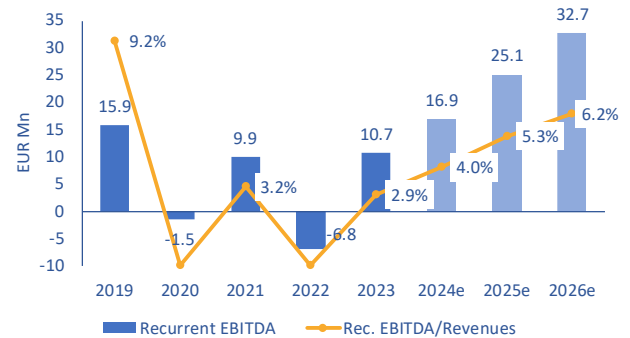
Intense M&A activity of late has significantly increased the company's scale...



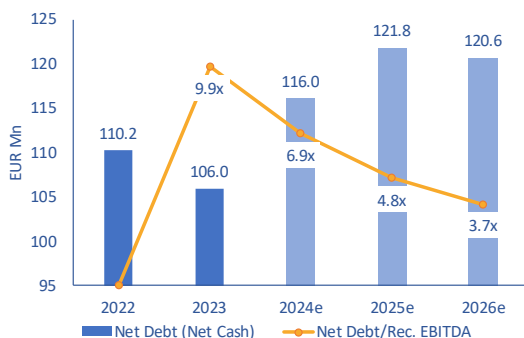
... laying the foundations for organic growth in the coming years (revenue: CAGR 23-26e: +12.8%)



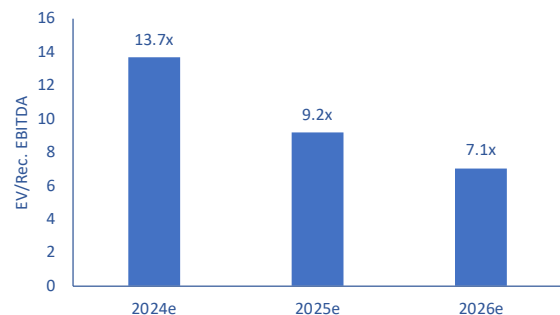
From current levels, we project a progressive improvement in Recurring EBITDA to 6.2% by 2026e



Indebtedness is the main impediment to investment (CAPEX, working capital, M&A, etc.)



On our estimates, the stock is trading at an EV/ Rec. EBITDA 26e multiple of 7.1x



Valuation inputs

Inputs for the DCF Valuation Approach

	2024e	2025e	2026e	Terminal Value ⁽¹⁾		
Free Cash Flow "To the Firm"	(2.9)	1.3	7.8	160.5		
Market Cap	117.0	At the date of this report				
Net financial debt	106.0	Debt net of Cash (12m Results 2023)				
					Best Case	Worst Case
Cost of Debt	5.6%	Net debt cost			5.4%	5.9%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	4.5%	Kd = Cost of Net Debt * (1-T)			4.3%	4.7%
Risk free rate (rf)	3.3%	Rf (10y Spanish bond yield)			=	=
Equity risk premium	6.0%	R (own estimate)			5.5%	6.5%
Beta (B)	1.2	B (own estimate)			1.1	1.3
Cost of Equity	10.5%	Ke = Rf + (R * B)			9.3%	11.7%
Equity / (Equity + Net Debt)	52.5%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	47.5%	D			=	=
WACC	7.6%	WACC = Kd * D + Ke * E			6.9%	8.4%
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 Factset	Mkt. Cap	P/E 24e	EPS 24e-26e	EV/EBITDA 24e	EBITDA 24e-26e	EV/Sales 24e	Revenues 24e-26e	EBITDA/Sales 24e	FCF Yield 24e	FCF 24e-26e	
Global Dominion	DOM-ES	491.8	10.6	20.0%	4.1	5.1%	0.5	6.2%	12.3%	20.2%	-17.9%	
Allegion	ALLE-US	10,245.9	18.0	9.8%	14.2	6.6%	3.4	4.3%	24.2%	5.3%	6.4%	
ADVA Optical	ADV-DE	1,034.7	n.a.	n.a.	14.0	n.a.	1.8	n.a.	12.6%	3.3%	n.a.	
Technology and communications				14.3	14.9%	10.8	5.8%	1.9	5.3%	16.4%	9.6%	-5.8%
Bravida	BRAV-SE	1,612.3	15.5	13.5%	9.7	7.5%	0.7	3.3%	7.7%	8.8%	8.9%	
Industrial				15.5	13.5%	9.7	7.5%	0.7	3.3%	7.7%	8.8%	8.9%
AMP	AMP-ES	117.0	50.2	n.a.	13.7	39.2%	0.6	12.4%	4.0%	n.a.	45.4%	

Free Cash Flow sensitivity analysis (2025e)

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

Scenario	EBITDA/Sales 25e	EBITDA 25e	EV/EBITDA 25e
Max	5.8%	27.5	8.4x
Central	5.3%	25.1	9.2x
Min	4.8%	22.7	10.2x

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

Rec. FCF EUR Mn	CAPEX/Sales 25e		
EBITDA 25e	2.8%	3.1%	3.4%
27.5	(2.0)	(3.4)	(4.8)
25.1	(4.3)	(5.8)	(7.2)
22.7	(6.7)	(8.1)	(9.6)

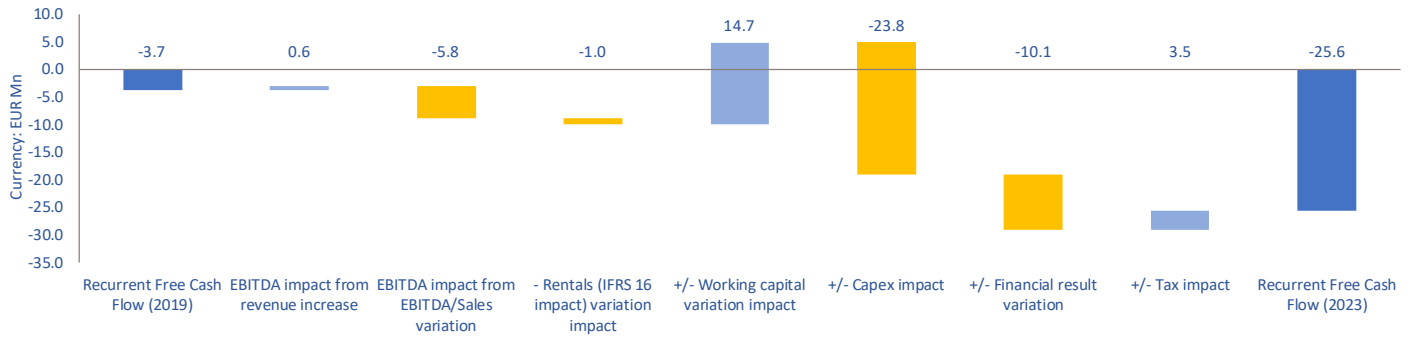
Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
Intangible assets	44.8	61.8	70.7	74.0	79.5	81.7	81.7	79.1		
Fixed assets	9.9	15.6	19.5	34.2	44.0	54.8	64.5	73.5		
Other Non Current Assets	2.9	6.7	11.6	15.7	18.7	18.7	18.7	18.7		
Financial Investments	10.0	6.3	6.5	18.9	16.3	16.3	16.3	16.3		
Goodwill & Other Intangibles	25.0	26.8	27.0	27.1	26.9	26.9	26.9	26.9		
Current assets	87.3	92.4	146.7	153.7	163.7	183.6	206.4	229.6		
Total assets	179.9	209.6	282.1	323.5	349.1	382.0	414.4	444.1		
Equity	57.8	55.0	63.8	50.0	75.1	77.4	83.6	93.4		
Minority Interests	2.2	2.7	3.7	3.2	2.0	2.2	2.6	3.2		
Provisions & Other L/T Liabilities	31.0	29.6	28.5	27.1	17.6	17.6	17.6	17.6		
Other Non Current Liabilities	4.3	8.6	9.5	10.3	13.7	13.7	13.7	13.7		
Net financial debt	0.2	36.9	64.2	110.2	106.0	116.0	121.8	120.6		
Current Liabilities	84.3	76.7	112.3	122.7	134.7	155.0	175.1	195.5		
Equity & Total Liabilities	179.9	209.6	282.1	323.5	349.1	382.0	414.4	444.1		
P&L (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
Total Revenues	173.3	194.8	307.7	323.4	369.4	418.9	473.7	529.7	19-23	23-26e
<i>Total Revenues growth</i>	26.6%	12.4%	58.0%	5.1%	14.2%	13.4%	13.1%	11.8%	20.8%	12.8%
COGS	(69.5)	(82.8)	(133.1)	(145.7)	(167.3)	(189.5)	(214.3)	(236.9)		
Gross Margin	103.8	111.9	174.6	177.7	202.1	229.4	259.5	292.8	18.1%	13.2%
<i>Gross Margin/Revenues</i>	59.9%	57.5%	56.7%	55.0%	54.7%	54.8%	54.8%	55.3%		
Personnel Expenses	(72.9)	(94.3)	(137.6)	(147.1)	(154.4)	(171.4)	(189.4)	(211.0)		
Other Operating Expenses	(15.0)	(19.1)	(27.0)	(37.4)	(36.9)	(41.2)	(44.9)	(49.0)		
Recurrent EBITDA	15.9	(1.5)	9.9	(6.8)	10.7	16.9	25.1	32.7	-9.3%	45.0%
<i>Recurrent EBITDA growth</i>	71.1%	-109.4%	768.4%	-168.9%	256.9%	57.2%	48.7%	30.4%		
<i>Rec. EBITDA/Revenues</i>	9.2%	n.a.	3.2%	n.a.	2.9%	4.0%	5.3%	6.2%		
Restructuring Expense & Other non-rec.	-	1.6	1.7	2.1	0.3	-	-	-		
EBITDA	15.9	0.1	11.6	(4.7)	11.1	16.9	25.1	32.7	-8.6%	43.6%
Depreciation & Provisions	(7.1)	(9.2)	(10.0)	(12.8)	(12.9)	(16.6)	(19.7)	(22.9)		
Capitalized Expense	12.4	9.2	12.4	16.0	14.3	14.7	14.9	14.8		
Rentals (IFRS 16 impact)	(1.0)	(1.4)	(1.5)	(1.4)	(2.0)	(2.0)	(2.0)	(2.0)		
EBIT	20.2	(1.2)	12.5	(3.0)	10.4	12.9	18.3	22.7	-15.3%	29.7%
<i>EBIT growth</i>	56.9%	-106.2%	n.a.	-123.6%	451.3%	23.8%	41.8%	24.2%		
<i>EBIT/Revenues</i>	11.7%	n.a.	4.1%	n.a.	2.8%	3.1%	3.9%	4.3%		
Impact of Goodwill & Others	-	3.7	-	-	-	-	-	-		
Net Financial Result	(1.0)	(1.1)	(5.5)	(3.7)	(10.3)	(9.6)	(9.4)	(8.8)		
Income by the Equity Method	0.4	(0.0)	(0.1)	-	-	-	-	-		
Ordinary Profit	19.6	1.3	7.0	(6.7)	0.1	3.3	8.9	13.9	-71.7%	n.a.
<i>Ordinary Profit Growth</i>	50.7%	-93.2%	419.7%	-196.3%	101.9%	n.a.	167.6%	56.5%		
Extraordinary Results	2.4	-	-	-	-	-	-	-		
Profit Before Tax	22.0	1.3	7.0	(6.7)	0.1	3.3	8.9	13.9	-72.5%	n.a.
Tax Expense	(1.5)	(0.1)	1.9	2.2	2.0	(0.8)	(2.2)	(3.5)		
<i>Effective Tax Rate</i>	6.7%	5.7%	n.a.	n.a.	n.a.	25.0%	25.0%	25.0%		
Minority Interests	(1.1)	0.8	(0.7)	1.0	(1.9)	(0.1)	(0.4)	(0.6)		
Discontinued Activities	-	(0.8)	(1.1)	(1.2)	(1.7)	-	-	-		
Net Profit	19.4	1.2	7.1	(4.7)	(1.5)	2.3	6.2	9.8	-20.0%	n.a.
<i>Net Profit growth</i>	-52.2%	-93.6%	470.8%	-166.9%	68.4%	256.3%	167.6%	56.5%		
Ordinary Net Profit	17.2	0.5	4.6	(7.8)	(2.1)	2.3	6.2	9.8	-20.7%	87.8%
<i>Ordinary Net Profit growth</i>	275.8%	-97.0%	786.4%	-271.9%	73.0%	210.3%	167.6%	56.5%		
Cash Flow (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
Recurrent EBITDA						16.9	25.1	32.7	-9.3%	45.0%
Rentals (IFRS 16 impact)						(2.0)	(2.0)	(2.0)		
Working Capital Increase						0.5	(2.7)	(2.8)		
Recurrent Operating Cash Flow						15.4	20.3	27.9	50.4%	37.9%
CAPEX						(15.0)	(14.5)	(14.5)		
Net Financial Result affecting the Cash Flow						(9.6)	(9.4)	(8.8)		
Tax Expense						(0.8)	(2.2)	(3.5)		
Recurrent Free Cash Flow						(10.0)	(5.8)	1.1	-62.3%	26.9%
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						(10.0)	(5.8)	1.1	-40.0%	26.9%
Capital Increase						-	-	-		
Dividends						-	-	-		
Net Debt Variation						10.0	5.8	(1.1)		

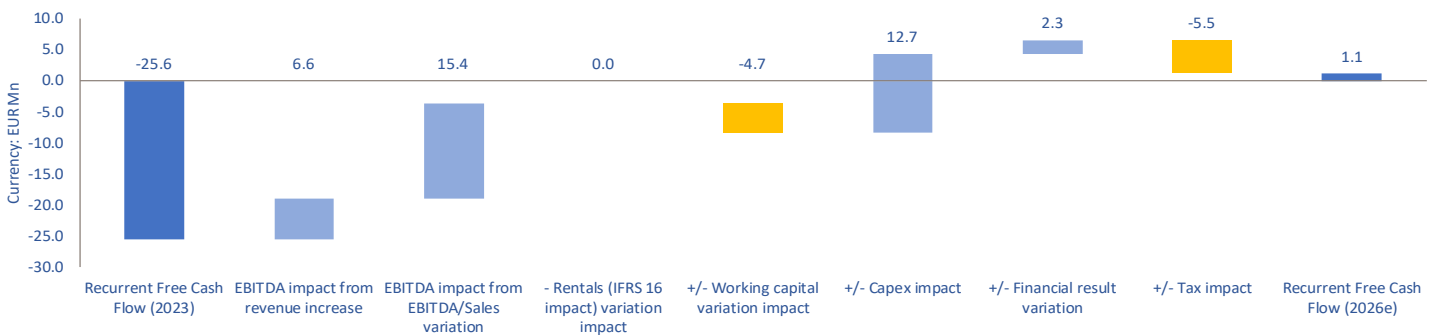
Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
								20-23	23-26e
Recurrent EBITDA	(1.5)	9.9	(6.8)	10.7	16.9	25.1	32.7	<i>n.a.</i>	45.0%
<i>Recurrent EBITDA growth</i>	-109.4%	768.4%	-168.9%	256.9%	57.2%	48.7%	30.4%		
<i>Rec. EBITDA/Revenues</i>	<i>n.a.</i>	3.2%	<i>n.a.</i>	2.9%	4.0%	5.3%	6.2%		
- Rentals (IFRS 16 impact)	(1.4)	(1.5)	(1.4)	(2.0)	(2.0)	(2.0)	(2.0)		
+/- Working Capital increase	(12.7)	(18.8)	3.4	2.0	0.5	(2.7)	(2.8)		
= Recurrent Operating Cash Flow	(15.6)	(10.4)	(4.9)	10.7	15.4	20.3	27.9	39.0%	37.9%
<i>Rec. Operating Cash Flow growth</i>	-847.7%	33.5%	52.8%	317.8%	44.1%	32.5%	37.2%		
<i>Rec. Operating Cash Flow / Sales</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	2.9%	3.7%	4.3%	5.3%		
- CAPEX	(12.5)	(9.3)	(13.0)	(27.2)	(15.0)	(14.5)	(14.5)		
- Net Financial Result affecting Cash Flow	(1.1)	(5.5)	(3.7)	(11.1)	(9.6)	(9.4)	(8.8)		
- Taxes	(0.1)	1.9	2.2	2.0	(0.8)	(2.2)	(3.5)		
= Recurrent Free Cash Flow	(29.2)	(23.3)	(19.5)	(25.6)	(10.0)	(5.8)	1.1	4.3%	26.9%
<i>Rec. Free Cash Flow growth</i>	-692.7%	20.3%	16.3%	-31.4%	60.8%	42.6%	119.9%		
<i>Rec. Free Cash Flow / Revenues</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	0.2%		
- Restructuring expenses & others	1.6	1.7	2.1	-	-	-	-		
- Acquisitions / + Divestments	(10.3)	(1.1)	(1.7)	0.9	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	1.1	(4.6)	(27.0)	(0.5)	-	-	-		
= Free Cash Flow	(36.7)	(27.3)	(46.0)	(25.2)	(10.0)	(5.8)	1.1	11.8%	26.9%
<i>Free Cash Flow growth</i>	-369.5%	25.6%	-68.4%	45.3%	60.1%	42.6%	119.9%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	1.0%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	1.0%		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
Recurrent FCF(FY - 1)	(3.7)	(29.2)	(23.3)	(19.5)	(25.6)	(10.0)	(5.8)		
EBITDA impact from revenue increase	2.0	(0.9)	0.5	(1.0)	1.4	2.2	3.0		
EBITDA impact from EBITDA/Sales variation	(19.3)	12.3	(17.3)	18.6	4.7	6.0	4.7		
= Recurrent EBITDA variation	(17.4)	11.4	(16.8)	17.6	6.1	8.2	7.6		
- Rentals (IFRS 16 impact) variation impact	(0.4)	(0.1)	0.1	(0.6)	-	-	-		
+/- Working capital variation impact	0.1	(6.1)	22.2	(1.4)	(1.5)	(3.2)	(0.1)		
= Recurrent Operating Cash Flow variation	(17.7)	5.2	5.5	15.5	4.7	5.0	7.6		
+/- CAPEX impact	(9.2)	3.2	(3.7)	(14.1)	12.2	0.5	-		
+/- Financial result variation	(0.1)	(4.4)	1.7	(7.3)	1.5	0.2	0.6		
+/- Tax impact	1.4	2.0	0.3	(0.2)	(2.8)	(1.4)	(1.3)		
= Recurrent Free Cash Flow variation	(25.5)	5.9	3.8	(6.1)	15.6	4.3	6.9		
Recurrent Free Cash Flow	(29.2)	(23.3)	(19.5)	(25.6)	(10.0)	(5.8)	1.1		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
EBIT	(1.2)	12.5	(3.0)	10.4	12.9	18.3	22.7	<i>n.a.</i>	29.7%
* Theoretical Tax rate	0.0%	0.0%	0.0%	0.0%	25.0%	25.0%	25.0%		
= Taxes (pre- Net Financial Result)	-	-	-	-	(3.2)	(4.6)	(5.7)		
Recurrent EBITDA	(1.5)	9.9	(6.8)	10.7	16.9	25.1	32.7	<i>n.a.</i>	45.0%
- Rentals (IFRS 16 impact)	(1.4)	(1.5)	(1.4)	(2.0)	(2.0)	(2.0)	(2.0)		
+/- Working Capital increase	(12.7)	(18.8)	3.4	2.0	0.5	(2.7)	(2.8)		
= Recurrent Operating Cash Flow	(15.6)	(10.4)	(4.9)	10.7	15.4	20.3	27.9	39.0%	37.9%
- CAPEX	(12.5)	(9.3)	(13.0)	(27.2)	(15.0)	(14.5)	(14.5)		
- Taxes (pre- Financial Result)	-	-	-	-	(3.2)	(4.6)	(5.7)		
= Recurrent Free Cash Flow (To the Firm)	(28.1)	(19.7)	(17.9)	(16.5)	(2.9)	1.3	7.8	16.2%	35.2%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	-985.4%	29.8%	9.0%	7.9%	82.6%	144.6%	505.7%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	0.3%	1.5%		
- Acquisitions / + Divestments	(10.3)	(1.1)	(1.7)	0.9	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	1.1	(4.6)	(27.0)	(0.5)	-	-	-		
= Free Cash Flow "To the Firm"	(37.2)	(25.4)	(46.6)	(16.1)	(2.9)	1.3	7.8	24.4%	35.4%
<i>Free Cash Flow (To the Firm) growth</i>	-352.7%	31.7%	-83.3%	65.5%	82.2%	144.6%	505.7%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	0.6%	3.4%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	0.6%	3.4%		

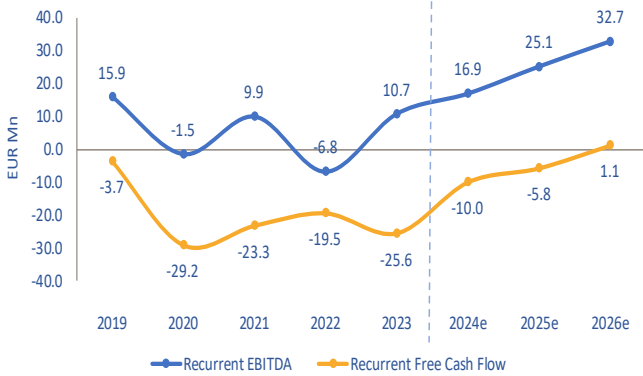
Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



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	117.0	
+ Minority Interests	2.0	12m Results 2023
+ Provisions & Other L/T Liabilities	17.6	12m Results 2022
+ Net financial debt	106.0	12m Results 2023
- Financial Investments	11.4	12m Results 2023
+/- Others		
Enterprise Value (EV)	231.3	

Appendix 4. Historical performance ⁽¹⁾

Historical performance (EUR Mn)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
															13-23	23-26e
Total Revenues	263.6	149.5	129.6	28.3	70.2	136.9	173.3	194.8	307.7	323.4	369.4	418.9	473.7	529.7	3.4%	12.8%
Total Revenues growth	-25.2%	-43.3%	-13.3%	-78.2%	148.2%	94.9%	26.6%	12.4%	58.0%	5.1%	14.2%	13.4%	13.1%	11.8%		
EBITDA	8.0	(5.5)	18.7	1.3	4.1	9.3	15.9	0.1	11.6	(4.7)	11.1	16.9	25.1	32.7	3.3%	43.6%
EBITDA growth	-14.5%	-169.3%	437.4%	-93.1%	216.0%	127.7%	71.1%	-99.1%	n.a.	-140.5%	335.5%	52.6%	48.7%	30.4%		
EBITDA/Sales	3.0%	n.a.	14.4%	4.6%	5.8%	6.8%	9.2%	0.1%	3.8%	n.a.	3.0%	4.0%	5.3%	6.2%		
Net Profit	(75.0)	(75.1)	90.0	(2.7)	1.1	40.7	19.4	1.2	7.1	(4.7)	(1.5)	2.3	6.2	9.8	32.4%	n.a.
Net Profit growth	-205.2%	-0.1%	219.9%	-103.0%	141.4%	n.a.	-52.2%	-93.6%	470.8%	-166.9%	68.4%	256.3%	167.6%	56.5%		
Adjusted number shares (Mn)	304.0	334.1	354.3	734.4	900.6	1,097.0	1,137.9	1,140.0	1,149.2	1,165.9	1,136.3	1,496.7	1,496.7	1,496.7		
EPS (EUR)	-0.25	-0.22	0.25	0.00	0.00	0.04	0.02	0.00	0.01	0.00	0.00	0.00	0.00	0.01	40.8%	91.0%
EPS growth	n.a.	8.9%	n.a.	n.a.	n.a.	n.a.	-54.0%	-93.6%	n.a.	n.a.	67.6%	n.a.	n.a.	56.5%		
Ord. EPS (EUR)	-0.22	-0.22	-0.01	0.00	-0.01	0.00	0.02	0.00	0.00	-0.01	0.00	0.00	0.00	0.01	37.9%	76.6%
Ord. EPS growth	n.a.	1.3%	97.3%	30.2%	-53.5%	n.a.	n.a.	-97.0%	n.a.	n.a.	72.3%	n.a.	n.a.	56.5%		
CAPEX	(9.9)	(2.6)	(0.4)	38.7	(3.7)	(3.4)	(3.3)	(12.5)	(9.3)	(13.0)	(27.2)	(15.0)	(14.5)	(14.5)		
CAPEX/Sales %	3.8%	1.7%	0.3%	n.a.	5.2%	2.5%	1.9%	6.4%	3.0%	4.0%	7.4%	3.6%	3.1%	2.7%		
Free Cash Flow	(3.1)	(30.1)	96.7	51.7	(11.8)	2.0	13.6	(36.7)	(27.3)	(46.0)	(25.2)	(10.0)	(5.8)	1.1	#####	26.9%
ND/EBITDA (x) ⁽²⁾	15.3x	n.a.	3.0x	3.1x	3.9x	1.5x	0.0x	n.a.	5.5x	n.a.	9.6x	6.9x	4.8x	3.7x		
P/E (x)	n.a.	n.a.	n.a.	n.a.	n.a.	6.1x	15.7x	n.a.	26.4x	n.a.	n.a.	50.2x	18.7x	12.0x		
EV/Sales (x)	0.78x	1.47x	0.81x	3.18x	2.51x	1.24x	1.62x	1.88x	0.96x	0.96x	0.74x	0.55x	0.49x	0.44x		
EV/EBITDA (x) ⁽²⁾	25.6x	n.a.	5.6x	n.a.	43.2x	18.4x	17.7x	n.a.	25.5x	n.a.	24.8x	13.7x	9.2x	7.1x		
Absolute performance	-33.7%	-67.0%	154.5%	76.8%	-13.1%	27.5%	18.0%	-32.2%	-10.6%	-12.7%	-41.1%	-6.5%				
Relative performance vs Ibx35	-45.4%	-68.1%	174.1%	80.5%	-19.1%	50.0%	5.5%	-19.8%	-17.1%	-7.6%	-52.0%	-6.1%				

Note 1: The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices. The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Factset.

Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Appendix 5. Main peers 2024e

		Technology and communications				Industrial		
EUR Mn		Global Dominion	Allegion	ADVA Optical	Average	Bravida	Average	AMP
Market data	Ticker (Factset)	DOM-ES	ALLE-US	ADV-DE		BRAV-SE		AMP-ES
	Country	Spain	Ireland	Germany		Sweden		Spain
	Market cap	491.8	10,245.9	1,034.7		1,612.3		117.0
	Enterprise value (EV)	632.3	11,812.8	1,010.1		1,944.1		231.3
Basic financial information	Total Revenues	1,255.3	3,451.2	570.0		2,606.1		418.9
	Total Revenues growth	5.3%	2.4%	-7.1%	0.2%	-1.0%	-1.0%	13.4%
	2y CAGR (2024e - 2026e)	6.2%	4.3%	n.a.	5.3%	3.3%	3.3%	12.4%
	EBITDA	154.6	834.2	72.0		199.4		16.9
	EBITDA growth	1.6%	6.9%	n.a.	4.2%	-4.0%	-4.0%	52.6%
	2y CAGR (2024e - 2026e)	5.1%	6.6%	n.a.	5.8%	7.5%	7.5%	39.2%
	EBITDA/Revenues	12.3%	24.2%	12.6%	16.4%	7.7%	7.7%	4.0%
	EBIT	91.0	773.9	2.1		145.7		12.9
	EBIT growth	5.9%	13.8%	-84.2%	-21.5%	-5.6%	-5.6%	23.8%
	2y CAGR (2024e - 2026e)	11.2%	8.4%	n.a.	9.8%	10.0%	10.0%	32.7%
	EBIT/Revenues	7.3%	22.4%	0.4%	10.0%	5.6%	5.6%	3.1%
	Net Profit	49.5	556.5	(0.3)		103.8		2.3
	Net Profit growth	8.9%	11.6%	97.9%	39.5%	-5.4%	-5.4%	256.3%
	2y CAGR (2024e - 2026e)	18.3%	9.8%	n.a.	14.1%	13.5%	13.5%	n.a.
CAPEX/Sales %	10.0%	2.3%	10.0%	7.4%	0.4%	0.4%	3.6%	
Free Cash Flow	99.5	538.2	34.6		142.1		(10.0)	
Net financial debt	85.9	1,294.2	(57.8)		148.5		116.0	
ND/EBITDA (x)	0.6	1.6	(0.8)	0.4	0.7	0.7	6.9	
Pay-out	33.0%	27.9%	n.a.	30.5%	n.a.	n.a.	0.0%	
Multiples and Ratios	P/E (x)	10.6	18.0	n.a.	14.3	15.5	15.5	50.2
	P/BV (x)	1.8	7.1	2.8	3.9	2.1	2.1	1.5
	EV/Revenues (x)	0.5	3.4	1.8	1.9	0.7	0.7	0.6
	EV/EBITDA (x)	4.1	14.2	14.0	10.8	9.7	9.7	13.7
	EV/EBIT (x)	6.9	15.3	n.a.	11.1	13.3	13.3	18.0
	ROE	16.7	39.6	n.a.	28.1	13.4	13.4	3.1
	FCF Yield (%)	20.2	5.3	3.3	9.6	8.8	8.8	n.a.
	DPS	0.11	1.77	0.00	0.63	0.32	0.32	0.00
Dvd Yield	3.2%	1.5%	0.0%	1.6%	4.0%	4.0%	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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Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
04-Mar-2024	n.a.	0.078	n.a.	n.a.	12m Results 2023	Enrique Andrés Abad, CFA
31-Jul-2023	n.a.	0.100	n.a.	n.a.	6m Results 2023 - Estimates downgrade	Enrique Andrés Abad, CFA
15-Jun-2023	n.a.	0.097	n.a.	n.a.	Important news	David López Sánchez
12-Jun-2023	n.a.	0.095	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
02-Mar-2023	n.a.	0.155	n.a.	n.a.	12m Results 2022	David López Sánchez
15-Nov-2022	n.a.	0.166	n.a.	n.a.	9m Results 2022	David López Sánchez
01-Aug-2022	n.a.	0.187	n.a.	n.a.	6m Results 2022	David López Sánchez
02-May-2022	n.a.	0.248	n.a.	n.a.	3m Results 2022	David López Sánchez
25-Feb-2022	n.a.	0.198	n.a.	n.a.	12m Results 2021	David López Sánchez
24-Nov-2021	n.a.	0.179	n.a.	n.a.	9m Results 2021	David López Sánchez
24-Sep-2021	n.a.	0.178	n.a.	n.a.	6m Results 2021	David López Sánchez
30-Apr-2021	n.a.	0.192	n.a.	n.a.	3m Results 2021	David López Sánchez
18-Mar-2021	n.a.	0.199	n.a.	n.a.	Review of estimates	David López Sánchez
01-Mar-2021	n.a.	0.182	n.a.	n.a.	12m Results 2020	David López Sánchez
16-Nov-2020	n.a.	0.173	n.a.	n.a.	9m Results 2020	David López Sánchez
30-Jul-2020	n.a.	0.144	n.a.	n.a.	6m Results 2020	David López Sánchez
06-May-2020	n.a.	0.179	n.a.	n.a.	3m Results 2020	David López Sánchez
27-Feb-2020	n.a.	0.244	n.a.	n.a.	12m Results 2019	David López Sánchez
13-Nov-2019	n.a.	0.255	n.a.	n.a.	9m Results 2019	David López Sánchez
11-Sep-2019	n.a.	0.267	n.a.	n.a.	6m Results 2019	David López Sánchez
09-May-2019	n.a.	0.254	n.a.	n.a.	3m Results 2019	David López Sánchez
04-Apr-2019	n.a.	0.249	n.a.	n.a.	Initiation of Coverage	David López Sánchez

