

12m Results 2023

 Opinion ⁽¹⁾: Below expectations
 Impact ⁽¹⁾: We lower our estimates

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Netex (NTX), is a Spanish technology company (A Coruña) dedicated to the development and commercialisation of software for the education sector. Its two main lines of business are the sale/renewal of licences (30% of revenues 2023) and the development of projects with customised content (70% of revenues 2023). Revenues outside Spain represent c. 55%. The founders control c. 51% of the capital.

FY23 earnings: revenue +15%, but lower growth in 2H

SLOWDOWN IN REVENUE GROWTH (+14.6% VS 2022). NTX reported FY23 revenue of EUR 23.9Mn (vs EUR 20.9Mn in 2022). Revenue in 2H23 (+10.1%; -9p.p. vs 1H23) undermined growth for the full year, which came up short of both the company's guidance (EUR 27Mn) and our estimates (-10%). M&A contributed 54% of total growth, while the share of domestic sales in the mix increased to 45% (+ 9p.p. vs 2022) after a EUR 3Mn international project was pushed back until 2024. The corporate segment still represents c. 80% of total revenue.

MARGIN EXPANSION NOW TANGIBLE. NTX is starting to unlock synergies after VC's integration (2023 gross margin: +2p.p. vs 2022), with an improvement in the recurring EBITDA margin to 14.2% (+4.9p.p. vs 2022), excluding EUR 0.7Mn of restructuring costs. However, the integration of VC (which commands thinner margins than NTX) caused margins to come up short of our estimates (EBITDA margin -2.5p.p. vs our estimates).

THE BOTTOM LINE IS NOT THE METRIC TO WATCH. Depreciation and amortisation costs (EUR 3.4Mn) and finance costs (EUR 2.4Mn; 2x 2022 due to impairment losses on financial assets of EUR 0.8Mn) did not offset capitalised costs (EUR 2.1Mn), hurting the bottom line in 2023 (net loss of EUR 1.1Mn).

STRONG DECREASE IN THE LEVERAGE RATIO. NTX ended 2023 with net debt of EUR 18Mn (vs EUR 18.9Mn in 2022), of which EUR 7.2Mn related to convertible bonds with Inveready in 2026e. Therefore, leverage was almost cut in half in 2023 (ND/recurring EBITDA ratio of 5.3x vs 9.8x in 2022).

SOLID EARNINGS (DOUBLE-DIGIT GROWTH, MARGIN EXPANSION), BUT WE ARE CUTTING OUR ESTIMATES. We are revising down our revenue and EBITDA estimates. Our model today now shows revenue in 2024e of EUR 28Mn (-10.8% vs our previous estimate) and EBITDA of EUR 4.8Mn (-24.8%). We are assuming some slowdown, but growth is still set to remain strong (2024e: +17% in revenue and +44% in recurring EBITDA).

NTX'S GROWTH STORY IS STILL INTACT. The business model benefits from a strong sector driver (e-learning), which is underpinning organic growth (>10%), and high operational leverage (margin expansion). Nevertheless, NTX's equity story is now predicated on its ability to extract VC's "real" potential (from 2024?). NTX is trading at an EV/EBITDA 24e of 11x (vs 10.1x for its peers).

Market Data

Market Cap (Mn EUR and USD)	33.7	36.6
EV (Mn EUR and USD) ⁽²⁾	53.7	58.3
Shares Outstanding (Mn)	8.9	
-12m (Max/Med/Mín EUR)	4.08 / 3.16 / 2.48	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽³⁾	4.7	
Factset / Bloomberg	NTX-ES / NTX SM	
Close fiscal year	30-Sep	

Shareholders Structure (%)

José Carlos López Ezquerro	25.4
José Ramón Mosteiro López	25.2
Angel Fandos (Odre 2005)	12.1
3-Gutininvest, S.L.	5.0
Free Float	32.3

Financials (Mn EUR)

	2023	2024e	2025e	2026e
Adj. nº shares (Mn)	8.9	8.9	8.9	8.9
Total Revenues	23.9	28.0	32.7	37.9
Rec. EBITDA	3.4	4.9	6.2	7.6
% growth	75.3	44.3	25.9	23.4
% Rec. EBITDA/Rev.	14.2	17.4	18.8	20.1
% Inc. EBITDA sector ⁽⁴⁾	17.4	13.4	19.1	
Net Profit	-1.1	1.4	2.8	4.2
EPS (EUR)	-0.12	0.16	0.32	0.47
% growth	19.9	236.0	94.5	49.0
Ord. EPS (EUR)	-0.03	0.16	0.32	0.47
% growth	64.6	690.6	94.5	49.0
Rec. Free Cash Flow ⁽⁵⁾	3.5	1.4	2.4	3.5
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	18.0	16.6	14.2	10.7
ND/Rec. EBITDA (x)	5.3	3.4	2.3	1.4
ROE (%)	n.a.	130.6	86.9	62.2
ROCE (%) ⁽⁵⁾	7.8	13.4	18.6	23.6

Ratios & Multiples (x) ⁽⁶⁾

	2023	2024e	2025e	2026e
P/E	n.a.	23.4	12.0	8.1
Ord. P/E	n.a.	23.4	12.0	8.1
P/BV	n.a.	18.5	7.3	3.8
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	2.25	1.91	1.64	1.42
EV/Rec. EBITDA	15.8	11.0	8.7	7.1
EV/EBIT	33.6	14.7	10.5	8.1
FCF Yield (%) ⁽⁵⁾	10.4	4.1	7.1	10.3

Relative performance (Base 100)


Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	-4.0	11.1	21.8	-4.0	-4.5	196.9
vs Ibex 35	-3.8	-0.6	9.2	-3.8	-26.5	166.8
vs Ibex Small Cap Index	-3.8	4.1	29.8	-3.8	-6.0	149.7
vs Eurostoxx 50	-6.7	-2.9	9.1	-6.7	-28.5	101.8
vs Sector benchmark ⁽⁴⁾	-10.8	-13.0	-1.3	-10.8	-27.3	52.3

(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.

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

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NTX is a BME Growth Company

BME Growth is the segment of BME MTF Equity aimed at small and medium sized companies, directed and managed by the Spanish stock market and is subject to the CNMV supervision. BME MTF Equity is not a Regulated Market but instead falls within the classification of a Multilateral Trading Facility (MTF) as defined under the Markets in Financial Instruments Directive (MiFID). In July 2020, BME Growth obtained the status of SME Growth Market, a new category of EU regulations, which in Spain is called Mercado de Pymes en Expansión.

BME Growth is the Spanish equity market for companies of reduced capitalization which aim to grow, with a special set of regulations, designed specifically for them, and with costs and process tailored to their particular features. Operations in BME Growth (former MAB) started in July 2009. There are currently c. 140 companies listed on it. Companies listed on the MAB can choose to present their financial statements under IFRS or the General Accounting Plan (PGC) and Royal Decree 1159/2010 (NOFCAC).

12m Results 2023

Estimates downgrade

Table 1. 2023 Results

EUR Mn	12m23	12m23 Real vs		12m23 Real vs	
	Real	12m22	12m22	2023e	2023e
Total Revenues	23.9	20.9	14.6%	26.6	-10.1%
Licenses	7.2	6.4	12.8%	8.5	-15.2%
Projects and Services	16.6	14.4	15.2%	18.0	-7.8%
Other income	0.1	0.0	87.4%	0.0	87.4%
Gross Margin	17.4	14.7	18.0%	19.2	-9.3%
<i>Gross Mg/Revenues</i>	<i>72.7%</i>	<i>70.7%</i>	<i>2.1 p.p.</i>	<i>72.1%</i>	<i>0.6 p.p.</i>
Rec. EBITDA⁽¹⁾	3.4	1.9	75.3%	4.4	-23.5%
<i>Rec. EBITDA/Revenues</i>	<i>14.2%</i>	<i>9.3%</i>	<i>4.9 p.p.</i>	<i>16.7%</i>	<i>-2.5 p.p.</i>
EBITDA⁽²⁾	2.8	1.1	163.7%	4.4	-36.3%
<i>EBITDA/Revenues</i>	<i>11.8%</i>	<i>5.1%</i>	<i>6.7 p.p.</i>	<i>16.7%</i>	<i>-4.9 p.p.</i>
EBIT	1.6	-0.3	n.a.	2.3	-29.5%
PBT	-0.8	-1.5	47.9%	0.9	-192.3%
NP	-1.1	-1.3	19.9%	0.7	-261.2%
Net Debt ⁽³⁾	18.0	18.9	-4.9%	17.8	1.3%

Note 1. Adjusted recurring EBITDA excludes the impact of: i) "Self-constructed assets" of EUR 2.2Mn and EUR 2.2Mn in 2023 and 2022, respectively, ii) "Government grants" of EUR 0.2Mn and EUR 0.2Mn, iii) "M&A costs" of EUR 0Mn and EUR 1Mn, and iv) "Restructuring costs" of EUR 0.7Mn and EUR 0Mn.

Note 2. Adjusted EBITDA excludes the impact of: i) "Self-constructed assets" of EUR 2.2Mn and EUR 2.2Mn in 2023 and 2022, respectively.

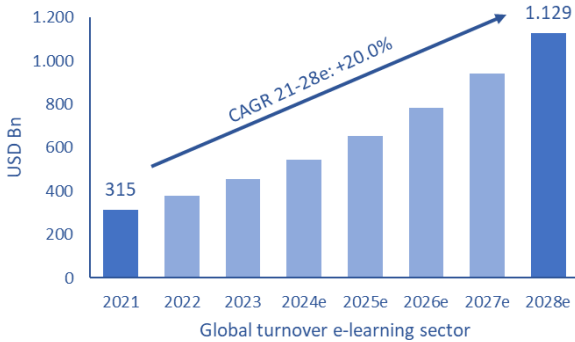
Note 3. Net debt includes convertible bonds signed with Inveready of EUR 7.2Mn and EUR 6.9Mn in 2022 and 2021, respectively, and excludes lease liabilities under IFRS 16 of EUR 0.9Mn and EUR 0.8Mn in 2023 and 2022, respectively.

Table 2. Estimates downgrade

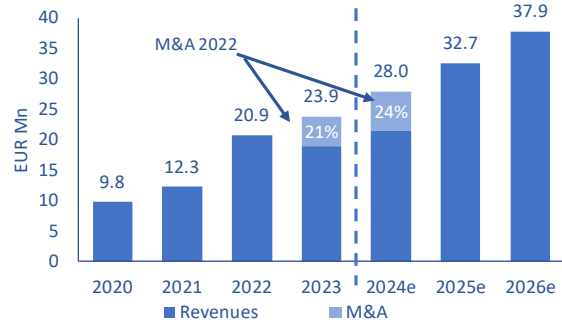
EUR Mn	2024e (New)	2024e	Review (%)	2025e (New)	2025e	Review (%)
Total Revenues	28.0	31.4	-10.8%	32.7	37.5	-12.9%
Recurrent EBITDA	4.9	6.5	-24.8%	6.2	8.2	-25.0%
<i>Recurrent EBITDA growth</i>	<i>44.3%</i>	<i>47.7%</i>	<i>-3 p.p.</i>	<i>25.9%</i>	<i>25.9%</i>	<i>0 p.p.</i>
<i>Rec. EBITDA/Revenues</i>	<i>17.4%</i>	<i>20.8%</i>	<i>-3 p.p.</i>	<i>18.8%</i>	<i>21.9%</i>	<i>-3 p.p.</i>

The company in 8 charts

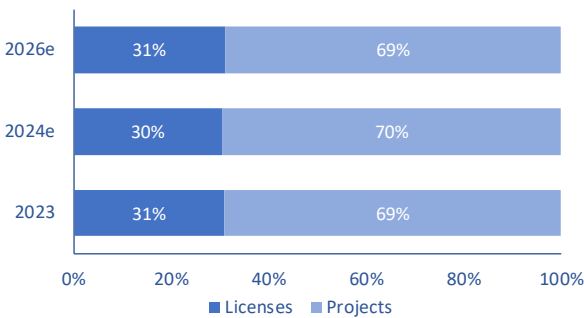
NTX is going to benefit from a very strong sector driver (e-learning)...



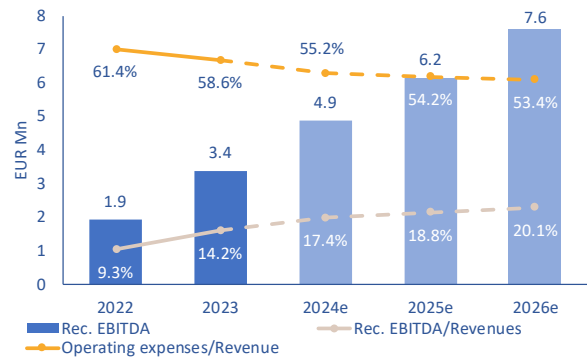
...that will accelerate revenue growth (with M&A as a tailwind)



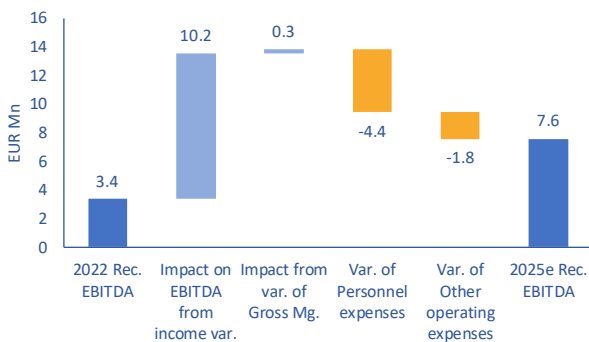
We estimate a progressive increase in the licences business (the most profitable)...



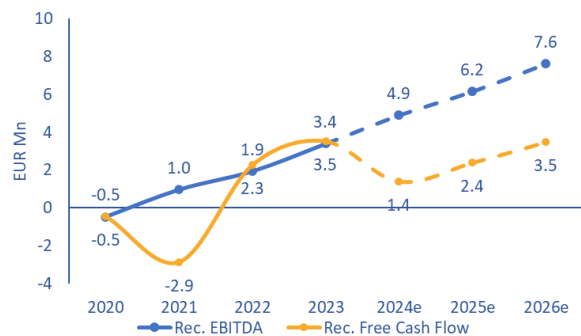
...And high potential for leveraging on its cost structure



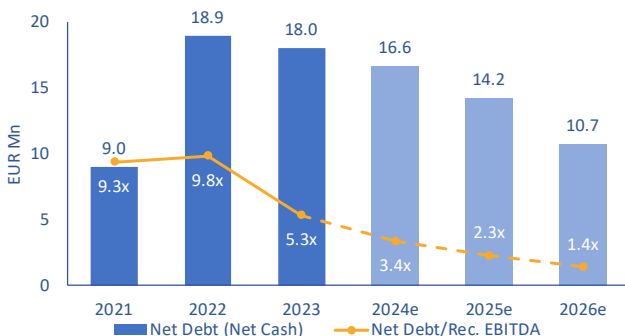
That will enable EBITDA to take off (EUR 7.6Mn in 2025e)



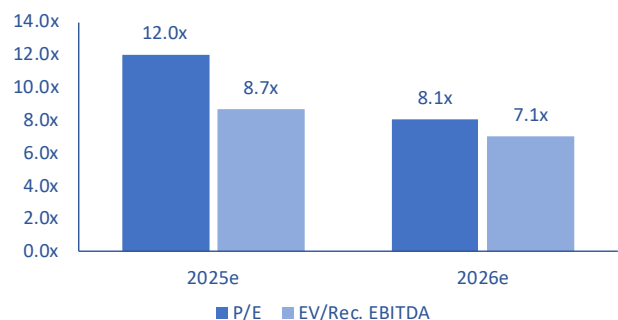
With capacity for cash generation (from 2023e)...



...that will cut debt in half, taking ND/EBITDA 2026e to 1.4x



The multiples, an attraction: 26e P/E 8.1x and 26e EV/EBITDA 7.1x



Valuation inputs

Inputs for the DCF Valuation Approach

	2024e	2025e	2026e	Terminal Value ⁽¹⁾		
Free Cash Flow "To the Firm"	2.7	3.4	4.3	72.4		
Market Cap	33.7	At the date of this report				
Net financial debt	18.0	Debt net of Cash (12m Results 2023)				
					Best Case	Worst Case
Cost of Debt	6.5%	Net debt cost			6.3%	6.8%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	5.2%	Kd = Cost of Net Debt * (1-T)			5.0%	5.4%
Risk free rate (rf)	3.1%	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	10.3%	Ke = Rf + (R * B)			9.1%	11.5%
Equity / (Equity + Net Debt)	65.2%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	34.8%	D			=	=
WACC	8.5%	WACC = Kd * D + Ke * E			7.7%	9.4%
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

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
Instructure Holdings, Inc.	INST-US	3,280.9	31.5	13.5%	17.8	11.1%	7.1	9.8%	40.0%	4.2%	26.1%
Learning Technologies Group	LTG-GB	752.2	10.7	9.5%	6.6	6.0%	1.4	1.1%	20.5%	8.1%	16.1%
Docebo	DCBO-CA	1,290.3	88.9	45.2%	n.a.	78.5%	6.8	22.0%	7.9%	1.1%	73.7%
Skillsoft	SKIL-US	104.1	n.a.	21.7%	5.8	16.8%	1.1	5.4%	18.9%	n.a.	n.a.
E-learning			43.7	22.5%	10.1	28.1%	4.1	9.6%	21.8%	4.5%	38.6%
NTX	NTX-ES	33.7	23.4	70.2%	11.0	24.7%	1.9	16.2%	17.4%	4.1%	58.4%

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	20.7%	6.8	7.9x
Central	18.8%	6.2	8.7x
Min	16.9%	5.5	9.7x

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

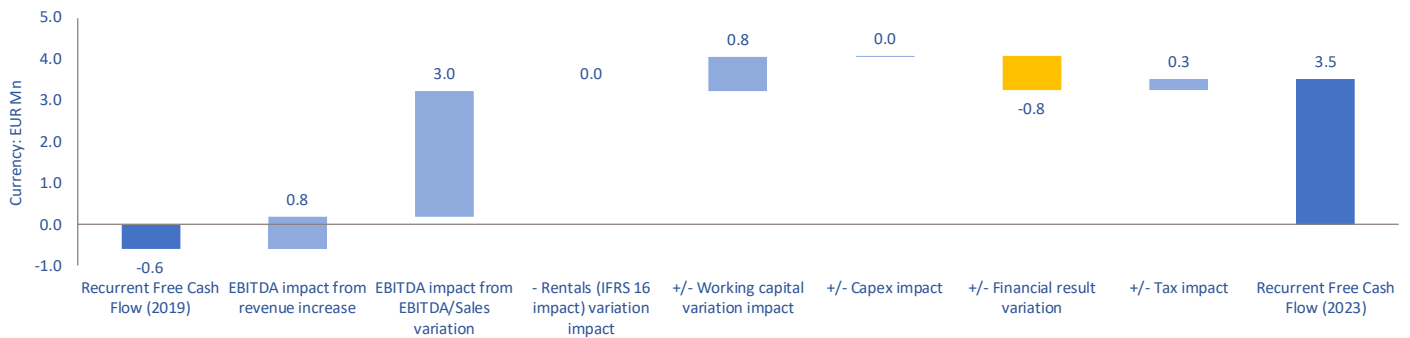
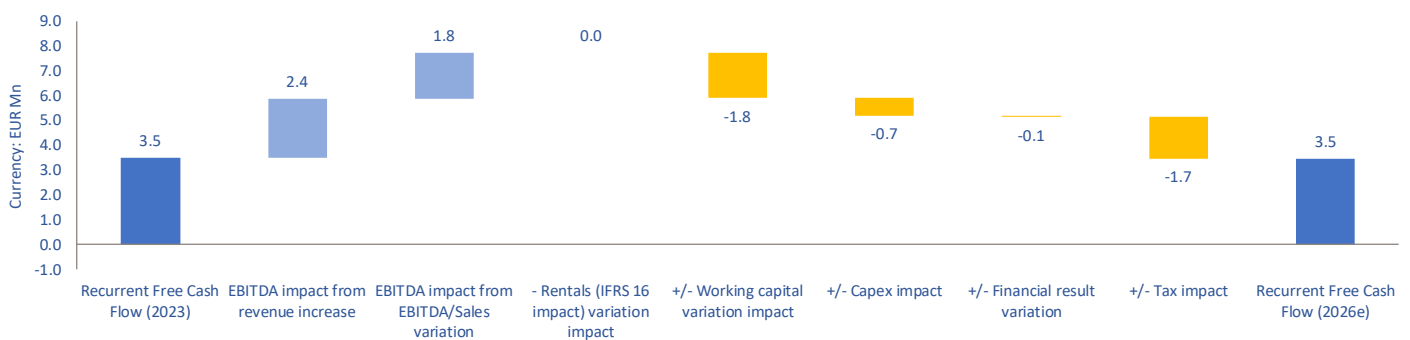
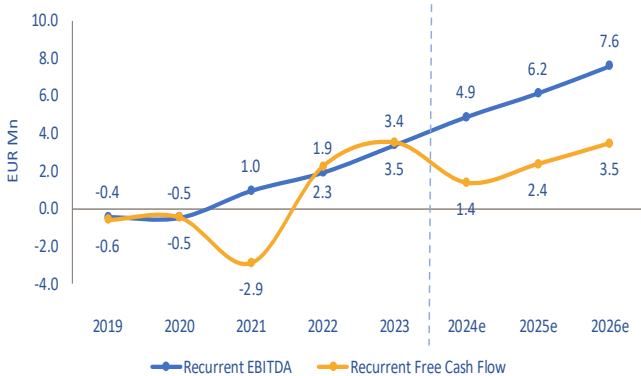
Rec. FCF EUR Mn	CAPEX/Sales 25e			Scenario	Rec. FCF/Yield 25e		
EBITDA 25e	1.8%	2.0%	2.2%		Max	9.1%	8.9%
6.8	3.1	3.0	2.9	Central	7.3%	7.1%	6.9%
6.2	2.4	2.4	2.3	Min	5.4%	5.2%	5.0%
5.5	1.8	1.8	1.7				

Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
Intangible assets	6.2	6.5	6.1	10.2	9.4	8.1	7.1	6.2		
Fixed assets	0.4	0.4	0.3	0.5	0.4	0.9	1.6	2.4		
Other Non Current Assets	0.2	0.2	0.5	1.3	2.7	2.7	2.7	2.7		
Financial Investments	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2		
Goodwill & Other Intangibles	-	-	-	5.9	6.4	6.4	6.4	6.4		
Current assets	4.4	3.7	7.1	8.6	8.0	9.1	10.3	11.5		
Total assets	11.4	11.1	14.3	26.7	27.0	27.4	28.2	29.3		
Equity	2.2	1.3	2.3	1.1	0.4	1.8	4.6	8.8		
Minority Interests	-	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	0.1	0.2	0.1	0.6	2.2	2.2	2.2	2.2		
Other Non Current Liabilities	-	-	-	0.8	0.9	0.9	0.9	0.9		
Net financial debt	5.8	6.8	9.0	18.9	18.0	16.6	14.2	10.7		
Current Liabilities	3.2	2.8	2.9	5.2	5.6	6.0	6.3	6.8		
Equity & Total Liabilities	11.4	11.1	14.3	26.7	27.0	27.4	28.2	29.3		
P&L (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	19-23	23-26e
Total Revenues	8.7	9.8	12.3	20.9	23.9	28.0	32.7	37.9	28.7%	16.6%
Total Revenues growth	29.8%	12.4%	25.4%	70.0%	14.6%	17.3%	16.6%	15.9%		
COGS	(1.8)	(2.5)	(3.2)	(6.1)	(6.5)	(7.7)	(8.8)	(10.0)		
Gross Margin	6.9	7.3	9.1	14.7	17.4	20.3	23.9	27.8	25.9%	17.0%
Gross Margin/Revenues	79.5%	74.2%	74.0%	70.7%	72.7%	72.6%	73.0%	73.5%		
Personnel Expenses	(6.0)	(6.4)	(6.7)	(10.2)	(10.5)	(11.4)	(13.1)	(14.9)		
Other Operating Expenses	(1.3)	(1.3)	(1.4)	(2.6)	(3.5)	(4.0)	(4.6)	(5.3)		
Recurrent EBITDA	(0.4)	(0.5)	1.0	1.9	3.4	4.9	6.2	7.6	77.7%	30.9%
Recurrent EBITDA growth	77.0%	-10.8%	304.8%	100.3%	75.3%	44.3%	25.9%	23.4%		
Rec. EBITDA/Revenues	n.a.	n.a.	7.9%	9.3%	14.2%	17.4%	18.8%	20.1%		
Restructuring Expense & Other non-rec.	(0.0)	0.2	0.2	(0.9)	(0.6)	-	-	-		
EBITDA	(0.4)	(0.2)	1.2	1.1	2.8	4.9	6.2	7.6	69.7%	39.1%
Depreciation & Provisions	(1.8)	(2.0)	(2.2)	(3.6)	(3.4)	(3.4)	(3.2)	(3.1)		
Capitalized Expense	2.4	2.5	1.7	2.2	2.2	2.2	2.2	2.2		
Rentals (IFRS 16 impact)	-	-	-	-	-	-	-	-		
EBIT	0.2	0.3	0.6	(0.3)	1.6	3.6	5.1	6.7	77.7%	60.9%
EBIT growth	111.2%	60.2%	143.8%	-149.0%	620.3%	128.4%	40.0%	30.2%		
EBIT/Revenues	1.8%	2.6%	5.1%	n.a.	6.7%	13.0%	15.6%	17.6%		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(0.2)	(0.2)	(0.4)	(1.2)	(2.4)	(1.7)	(1.4)	(1.1)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
Ordinary Profit	(0.0)	0.0	0.2	(1.5)	(0.8)	1.9	3.7	5.6	n.a.	n.a.
Ordinary Profit Growth	97.3%	128.7%	n.a.	-926.3%	47.9%	337.7%	94.5%	49.0%		
Extraordinary Results	-	-	-	-	-	-	-	-		
Profit Before Tax	(0.0)	0.0	0.2	(1.5)	(0.8)	1.9	3.7	5.6	n.a.	n.a.
Tax Expense	0.1	0.1	0.5	0.2	(0.3)	(0.5)	(0.9)	(1.4)		
Effective Tax Rate	n.a.	n.a.	n.a.	n.a.	n.a.	25.0%	25.0%	25.0%		
Minority Interests	-	-	-	(0.0)	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	0.1	0.1	0.6	(1.3)	(1.1)	1.4	2.8	4.2	n.a.	81.1%
Net Profit growth	104.6%	86.4%	358.7%	-306.3%	19.9%	236.0%	94.5%	49.0%		
Ordinary Net Profit	(0.0)	(0.2)	(0.0)	(0.7)	(0.2)	1.4	2.8	4.2	-86.1%	n.a.
Ordinary Net Profit growth	98.7%	-980.1%	90.7%	n.a.	64.6%	690.6%	94.5%	49.0%		
Cash Flow (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	19-23	23-26e
Recurrent EBITDA						4.9	6.2	7.6	77.7%	30.9%
Rentals (IFRS 16 impact)						-	-	-		
Working Capital Increase						(0.7)	(0.8)	(0.9)		
Recurrent Operating Cash Flow						4.2	5.3	6.7	97.9%	15.8%
CAPEX						(0.6)	(0.7)	(0.8)		
Net Financial Result affecting the Cash Flow						(1.7)	(1.4)	(1.1)		
Tax Expense						(0.5)	(0.9)	(1.4)		
Recurrent Free Cash Flow						1.4	2.4	3.5	67.8%	-0.4%
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						1.4	2.4	3.5	37.2%	53.9%
Capital Increase						-	-	-		
Dividends						-	-	-		
Net Debt Variation						(1.4)	(2.4)	(3.5)		

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	(0.5)	1.0	1.9	3.4	4.9	6.2	7.6	<i>n.a.</i>	30.9%
<i>Recurrent EBITDA growth</i>	-10.8%	304.8%	100.3%	75.3%	44.3%	25.9%	23.4%		
<i>Rec. EBITDA/Revenues</i>	<i>n.a.</i>	7.9%	9.3%	14.2%	17.4%	18.8%	20.1%		
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	0.2	(3.4)	0.9	0.9	(0.7)	(0.8)	(0.9)		
= Recurrent Operating Cash Flow	(0.2)	(2.4)	2.9	4.3	4.2	5.3	6.7	<i>n.a.</i>	15.8%
<i>Rec. Operating Cash Flow growth</i>	26.5%	-902.4%	220.3%	50.4%	-3.9%	28.5%	25.8%		
<i>Rec. Operating Cash Flow / Sales</i>	<i>n.a.</i>	<i>n.a.</i>	13.8%	18.1%	14.8%	16.4%	17.7%		
- CAPEX	(0.0)	(0.0)	(0.2)	(0.0)	(0.6)	(0.7)	(0.8)		
- Net Financial Result affecting Cash Flow	(0.2)	(0.4)	(0.7)	(1.0)	(1.7)	(1.4)	(1.1)		
- Taxes	-	-	0.2	0.3	(0.5)	(0.9)	(1.4)		
= Recurrent Free Cash Flow	(0.5)	(2.9)	2.3	3.5	1.4	2.4	3.5	<i>n.a.</i>	-0.4%
<i>Rec. Free Cash Flow growth</i>	22.8%	-526.6%	178.7%	55.7%	-60.6%	71.6%	46.2%		
<i>Rec. Free Cash Flow / Revenues</i>	<i>n.a.</i>	<i>n.a.</i>	10.8%	14.7%	4.9%	7.3%	9.2%		
- Restructuring expenses & others	0.2	0.2	(0.9)	(0.6)	-	-	-		
- Acquisitions / + Divestments	-	-	(8.5)	(2.2)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	0.1	0.2	-	-	-		
= Free Cash Flow	(0.2)	(2.7)	(7.0)	1.0	1.4	2.4	3.5	84.0%	53.9%
<i>Free Cash Flow growth</i>	63.4%	<i>n.a.</i>	-163.6%	113.6%	45.3%	71.6%	46.2%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	<i>n.a.</i>	<i>n.a.</i>	6.7%	10.4%	4.1%	7.1%	10.3%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	2.8%	4.1%	7.1%	10.3%		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
Recurrent FCF(FY - 1)	(0.6)	(0.5)	(2.9)	2.3	3.5	1.4	2.4		
EBITDA impact from revenue increase	(0.1)	(0.1)	0.7	0.3	0.6	0.8	1.0		
EBITDA impact from EBITDA/Sales variation	0.0	1.6	0.3	1.2	0.9	0.5	0.5		
= Recurrent EBITDA variation	(0.0)	1.4	1.0	1.5	1.5	1.3	1.4		
- Rentals (IFRS 16 impact) variation impact	-	-	-	-	-	-	-		
+/- Working capital variation impact	0.1	(3.6)	4.3	(0.0)	(1.7)	(0.1)	(0.1)		
= Recurrent Operating Cash Flow variation	0.1	(2.2)	5.3	1.4	(0.2)	1.2	1.4		
+/- CAPEX impact	0.0	0.0	(0.1)	0.1	(0.5)	(0.1)	(0.1)		
+/- Financial result variation	0.0	(0.3)	(0.2)	(0.4)	(0.7)	0.4	0.3		
+/- Tax impact	-	-	0.2	0.0	(0.8)	(0.5)	(0.5)		
= Recurrent Free Cash Flow variation	0.1	(2.4)	5.1	1.3	(2.1)	1.0	1.1		
Recurrent Free Cash Flow	(0.5)	(2.9)	2.3	3.5	1.4	2.4	3.5		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
EBIT	0.3	0.6	(0.3)	1.6	3.6	5.1	6.7	83.9%	60.9%
* Theoretical Tax rate	0.0%	0.0%	0.0%	0.0%	25.0%	25.0%	25.0%		
= Taxes (pre- Net Financial Result)	-	-	-	-	(0.9)	(1.3)	(1.7)		
Recurrent EBITDA	(0.5)	1.0	1.9	3.4	4.9	6.2	7.6	<i>n.a.</i>	30.9%
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	0.2	(3.4)	0.9	0.9	(0.7)	(0.8)	(0.9)		
= Recurrent Operating Cash Flow	(0.2)	(2.4)	2.9	4.3	4.2	5.3	6.7	<i>n.a.</i>	15.8%
- CAPEX	(0.0)	(0.0)	(0.2)	(0.0)	(0.6)	(0.7)	(0.8)		
- Taxes (pre- Financial Result)	-	-	-	-	(0.9)	(1.3)	(1.7)		
= Recurrent Free Cash Flow (To the Firm)	(0.3)	(2.4)	2.7	4.3	2.7	3.4	4.3	<i>n.a.</i>	0.1%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	27.0%	-757.0%	211.9%	57.4%	-37.3%	27.1%	26.0%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	<i>n.a.</i>	<i>n.a.</i>	13.0%	17.9%	9.6%	10.4%	11.4%		
- Acquisitions / + Divestments	-	-	(8.5)	(2.2)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	0.1	0.2	-	-	-		
= Free Cash Flow "To the Firm"	(0.3)	(2.4)	(5.7)	2.3	2.7	3.4	4.3	<i>n.a.</i>	23.4%
<i>Free Cash Flow (To the Firm) growth</i>	27.0%	-757.0%	-134.2%	140.2%	17.5%	27.1%	26.0%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	<i>n.a.</i>	<i>n.a.</i>	5.1%	8.0%	5.0%	6.4%	8.0%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	4.3%	5.0%	6.4%	8.0%		

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	33.7	
+ Minority Interests	-	12m Results 2023
+ Provisions & Other L/T Liabilities	2.2	12m Results 2023
+ Net financial debt	18.0	12m Results 2023
- Financial Investments	0.2	12m Results 2023
+/- Others		
Enterprise Value (EV)	53.7	

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	-	-	-	5.4	5.1	6.7	8.7	9.8	12.3	20.9	23.9	28.0	32.7	37.9	n.a.	16.6%
Total Revenues growth	n.a.	n.a.	n.a.	n.a.	-6.2%	31.6%	29.8%	12.4%	25.4%	70.0%	14.6%	17.3%	16.6%	15.9%	n.a.	15.9%
EBITDA	-	-	-	0.0	(1.9)	(1.8)	(0.4)	(0.2)	1.2	1.1	2.8	4.9	6.2	7.6	n.a.	39.1%
EBITDA growth	n.a.	n.a.	n.a.	n.a.	n.a.	0.8%	75.7%	46.8%	591.0%	-8.7%	163.7%	73.1%	25.9%	23.4%	n.a.	39.1%
EBITDA/Sales	n.a.	n.a.	n.a.	0.3%	n.a.	n.a.	n.a.	n.a.	9.6%	5.1%	11.8%	17.4%	18.8%	20.1%	n.a.	39.1%
Net Profit	-	-	-	0.0	(2.2)	(1.6)	0.1	0.1	0.6	(1.3)	(1.1)	1.4	2.8	4.2	n.a.	81.1%
Net Profit growth	n.a.	n.a.	n.a.	n.a.	25.1%	104.6%	86.4%	358.7%	-306.3%	19.9%	236.0%	94.5%	49.0%	49.0%	n.a.	81.1%
Adjusted number shares (Mn)	-	-	-	-	-	-	-	8.9	8.9	8.9	8.9	8.9	8.9	8.9	n.a.	81.1%
EPS (EUR)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.02	0.07	-0.15	-0.12	0.16	0.32	0.47	n.a.	81.1%
EPS growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	19.9%	n.a.	94.5%	49.0%	49.0%	n.a.	81.1%
Ord. EPS (EUR)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-0.02	0.00	-0.08	-0.03	0.16	0.32	0.47	n.a.	81.1%
Ord. EPS growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	90.7%	n.a.	64.6%	n.a.	94.5%	49.0%	n.a.	81.1%
CAPEX	-	-	-	-	(0.1)	(0.2)	(0.1)	(0.0)	(0.0)	(0.2)	(0.0)	(0.6)	(0.7)	(0.8)	n.a.	81.1%
CAPEX/Sales %	n.a.	n.a.	n.a.	0.0%	1.1%	2.5%	0.7%	0.5%	0.3%	0.7%	0.2%	2.0%	2.0%	2.0%	n.a.	81.1%
Free Cash Flow	-	-	-	(2.1)	(1.0)	(2.7)	(0.6)	(0.2)	(2.7)	(7.0)	1.0	1.4	2.4	3.5	n.a.	53.9%
ND/EBITDA (x) ⁽²⁾	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.7x	17.7x	6.4x	3.4x	2.3x	1.4x	n.a.	53.9%
P/E (x)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	50.2x	n.a.	n.a.	23.4x	12.0x	8.1x	n.a.	53.9%
EV/Sales (x)	n.a.	n.a.	n.a.	n.a.	n.a.	3.39x	1.97x	1.94x	3.38x	2.70x	1.84x	1.91x	1.64x	1.42x	n.a.	53.9%
EV/EBITDA (x) ⁽²⁾	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	35.4x	n.a.	15.6x	11.0x	8.7x	7.1x	n.a.	53.9%
Absolute performance	n.a.	n.a.	n.a.	n.a.	n.a.	-34.8%	7.8%	164.7%	-1.6%	-9.1%	20.4%	-4.0%	-4.0%	-4.0%	n.a.	53.9%
Relative performance vs Ibx 35	n.a.	n.a.	n.a.	n.a.	n.a.	-23.4%	-3.6%	213.1%	-8.9%	-3.8%	-2.0%	-3.8%	-3.8%	-3.8%	n.a.	53.9%

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

		E-learning					
		Instructure Holdings, Learning Technologies					
EUR Mn		Inc.	Group	Docebo	Skillssoft	Average	NTX
Market data	Ticker (Factset)	INST-US	LTG-GB	DCBO-CA	SKIL-US		NTX-ES
	Country	USA	UK	Canada	USA		Spain
	Market cap	3,280.9	752.2	1,290.3	104.1		33.7
	Enterprise value (EV)	3,465.9	891.4	1,133.6	566.1		53.7
Basic financial information	Total Revenues	487.4	658.8	165.7	512.9		28.0
	Total Revenues growth	11.4%	-5.9%	29.2%	0.4%	8.8%	17.3%
	2y CAGR (2024e - 2026e)	9.8%	1.1%	22.0%	5.4%	9.6%	16.2%
	EBITDA	195.1	135.0	13.0	97.0		4.9
	EBITDA growth	53.9%	-23.7%	416.3%	78.0%	131.1%	73.1%
	2y CAGR (2024e - 2026e)	11.1%	6.0%	78.5%	16.8%	28.1%	24.7%
	EBITDA/Revenues	40.0%	20.5%	7.9%	18.9%	21.8%	17.4%
	EBIT	190.9	117.3	1.0	(99.5)		3.6
	EBIT growth	n.a.	-1.3%	115.8%	9.7%	41.4%	128.4%
	2y CAGR (2024e - 2026e)	11.0%	6.1%	n.a.	n.a.	8.5%	35.0%
	EBIT/Revenues	39.2%	17.8%	0.6%	n.a.	19.2%	13.0%
	Net Profit	(31.1)	73.0	3.1	(109.8)		1.4
	Net Profit growth	1.4%	104.7%	-50.7%	84.9%	35.1%	236.0%
	2y CAGR (2024e - 2026e)	45.9%	10.5%	n.a.	35.6%	30.6%	70.2%
CAPEX/Sales %	1.2%	1.7%	0.5%	1.0%	1.1%	2.0%	
Free Cash Flow	137.1	61.1	14.0	(10.9)		1.4	
Net financial debt	151.0	104.6	(160.7)	n.a.		16.6	
ND/EBITDA (x)	0.8	0.8	n.a.	n.a.	0.8	3.4	
Pay-out	0.0%	18.4%	0.0%	0.0%	4.6%	0.0%	
Multiples and Ratios	P/E (x)	31.5	10.7	88.9	n.a.	43.7	23.4
	P/BV (x)	3.0	n.a.	10.7	n.a.	6.9	18.5
	EV/Revenues (x)	7.1	1.4	6.8	1.1	4.1	1.9
	EV/EBITDA (x)	17.8	6.6	n.a.	5.8	10.1	11.0
	EV/EBIT (x)	18.2	7.6	n.a.	n.a.	12.9	14.7
	ROE	9.6	n.a.	12.1	n.a.	10.9	130.6
	FCF Yield (%)	4.2	8.1	1.1	n.a.	4.5	4.1
	DPS	0.00	0.02	0.00	0.00	0.00	0.00
Dvd Yield	0.0%	1.8%	0.0%	0.0%	0.4%	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).

LIGHTHOUSE

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Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
01-Feb-2024	n.a.	3.80	n.a.	n.a.	12m Results 2023 - Estimates downgrade	Luis Esteban Arribas
25-Jul-2023	n.a.	2.86	n.a.	n.a.	6m Results 2023	Luis Esteban Arribas
12-Jun-2023	n.a.	2.74	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
01-Feb-2023	n.a.	3.12	n.a.	n.a.	12m Results 2022 - Estimates downgrade	Luis Esteban Arribas
01-Aug-2022	n.a.	3.23	n.a.	n.a.	6m Results 2022	Luis Esteban Arribas
07-Jul-2022	n.a.	3.27	n.a.	n.a.	Initiation of Coverage	Luis Esteban Arribas

