

### 6m Results 2020

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

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

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Biosearch (BIOS) is a small, Spanish biotech company based in Granada, specialising in the research, development and sale of functional ingredients (natural extracts, omega-3 and probiotics) for the nutrition and healthcare markets. It has an international presence (78% of revenues). A former subsidiary of the former EBRO-Puleva, its core shareholder remains the Lactalis group (30% of capital).

#### Market Data

Market Cap (Mn EUR and USD)	70.4	82.7
EV (Mn EUR and USD) <sup>(2)</sup>	71.6	84.1
Shares Outstanding (Mn)	57.7	
-12m (Max/Med/Mín EUR)	1.35 / 1.03 / 0.61	
Daily Avg volume (-12m Mn EUR)	0.27	
Rotation <sup>(3)</sup>	98.1	
Thomson Reuters / Bloomberg	BIOS.MC / BIO SM	
Close fiscal year	31-Dec	

#### Shareholders Structure (%)

Lactalis Group	29.5
Pescaderías Coruñesas, S.A.	10.0
Free Float	60.5

Financials (Mn EUR)	2019	2020e	2021e	2022e
Adj. nº shares (Mn)	57.7	57.7	57.7	57.7
Total Revenues	23.3	28.2	30.8	34.7
Rec. EBITDA <sup>(4)</sup>	2.4	3.5	4.7	6.3
% growth	-57.8	46.4	35.5	33.1
% Rec. EBITDA/Rev.	10.3	12.4	15.4	18.2
% Inc. EBITDA sector <sup>(5)</sup>	17.2	1.7	8.9	12.6
Net Profit	0.6	1.1	2.4	3.6
EPS (EUR)	0.01	0.02	0.04	0.06
% growth	-81.0	74.9	113.1	51.0
Ord. EPS (EUR)	0.01	0.02	0.04	0.06
% growth	-82.3	145.5	63.4	51.0
Rec. Free Cash Flow <sup>(6)</sup>	-4.4	1.1	0.6	2.4
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	4.2	2.5	1.4	-1.0
ND/Rec. EBITDA (x)	1.8	0.7	0.3	-0.2
ROE (%)	2.7	4.5	9.0	12.3
ROCE (%) <sup>(6)</sup>	2.8	4.4	8.9	12.6

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

P/E	n.a.	63.8	29.9	19.8
Ord. P/E	n.a.	48.9	29.9	19.8
P/BV	3.0	2.8	2.6	2.3
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	3.07	2.53	2.32	2.06
EV/Rec. EBITDA	30.0	20.5	15.1	11.3
EV/EBIT	n.a.	48.5	23.7	16.1
FCF Yield (%) <sup>(6)</sup>	n.a.	1.6	0.9	3.4

(1) The opinion about results is in respect of reported EBITDA and its relation to our estimate for the year (12m). The impact reflects whether, as a consequence of these results, we envisage a significant (>5%) upgrade or downgrade to our EBITDA estimates (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 0.0Mn higher due to IFRS 16.

(5) Sector: Eurostoxx 600 Health Care.

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

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

## Covid-19 strengthens company fundamentals

**REVENUE IN LINE (EUR 14.3Mn, +25.8% Y/Y):** recovery in probiotics (+47.4% y/y) after destocking by Asian clients (-1y) and the commercial backing of Nestlé, moderation of growth in lipids (+5.4% y/y, vs. +13.8% 1Q) and strong growth in extracts (+44.2% y/y). The last of these is the main growth driver (c. 60% of the total), underpinned by the increasing penetration of its most recent launches (Caronositol) and increased consumption of natural health care products as a result of Covid-19.

**WITH A PICK-UP IN Rec. EBITDA (EUR 2.3Mn, c. +1x) DUE TO COST CONTROL AND THE REVENUE MIX:** mainly due to the recovery of the contribution of probiotics (with higher margins, +3.3p.p. y/y), that offset the fall in lipids (-7.3p.p.). Both divisions made a smaller contribution to revenue for the period (60.6%, -4p.p. y/y), with a bigger contribution from extracts (smaller margin, 38.7%, +4.9p.p. y/y). Results reflect the strict cost control policy implemented by the company (c. -6% y/y in operating costs).

**TRANSLATING TO NP (EUR 1.0Mn)** despite the increase in non-recurrent expenses (EUR +0.2Mn y/y), and helped by a lower tax rate (11.9% vs. 20% 2020e), due to the offsetting of tax loss carryforwards.

**AND A LARGE REDUCTION IN DEBT (ND EUR+0.1Mn vs. EUR 4.4Mn -1y),** thanks to the collection of milestones (EUR +0.5Mn y/y) and the reduction in working capital management (-19.9% y/y in inventories), and despite higher CAPEX (EUR 1.1Mn, +23.6% y/y), resulting in a smaller financial burden (-22% y/y).

**WE MAINTAIN OUR ESTIMATES IN THE FACE OF THE UNCERTAINTY OF THE COVID-19 CRISIS DUE TO:** 1) the potential rebound effect in sales in 3Q after the strong increase in 2Q; 2) the impact of higher non-recurrent expenses in 2H vs. estimates (EUR 0.4Mn 2020e); although 3) with room for improvement at the bottom of the P/L (smaller tax burden).

**IN CONCLUSION, COVID-19 STRENGTHENS BIO'S FUNDAMENTALS:** triple positioning in expanding markets with the potential for an acceleration of growth (probiotics, omega 3 and medicinal herbs, with respective CAGRs of c. +10% for the first and +5-6% for the last two) and a healthy balance sheet. BIOS is committed to the renewal of its pipeline: 1) the Geras project (cognitive deterioration and cardiovascular health), 2) Gesta Health (gestation and breastfeeding) and 3) Hereditum Immunactiv K8 (Covid-19), which attract the interest of global players (such as Nestlé in 2018), while actively searching for strategic alliances with which to strengthen its domestic/international business.

#### Relative performance -5y (Base 100)



#### Stock performance (%)

	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	22.0	-0.8	-0.3	16.0	128.0	112.2
vs Ibxex 35	22.1	-6.9	28.2	54.4	237.2	229.8
vs Ibxex Small Cap Index	19.0	-9.0	5.8	28.0	120.8	81.7
vs Eurostoxx 50	18.4	-13.4	6.4	31.5	141.2	125.7
vs Sector benchmark <sup>(5)</sup>	24.2	1.6	-9.7	16.2	85.9	94.3

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

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## 1H 2020 Results

### Table of Results

	1H20 (Real)	1H19	1H20 (Real) vs 1H19	2020 (Est)	2Q20	2Q20 vs 2Q19
<b>Total Revenues</b>	<b>14.3</b>	<b>11.3</b>	<b>25.8%</b>	<b>28.2</b>	<b>7.7</b>	<b>49.3%</b>
Lipids	5.4	5.1	5.4%	11.4	2.9	-0.9%
Probiotics	3.2	2.2	47.4%	5.4	2.0	198.8%
Extracts	5.5	3.8	44.2%	10.8	2.8	35.8%
Services & others	0.1	0.2	-45.7%	0.7	0.0	-69.3%
<b>Rec. EBITDA <sup>(1)</sup></b>	<b>2.3</b>	<b>1.1</b>	<b>101.1%</b>	<b>3.5</b>	<b>1.6</b>	<b>571.7%</b>
Rec. EBITDA / Rev.	16.0%	9.0%	7.0 p.p.	12.4%	20.7%	16.1 p.p.
<b>EBITDA</b>	<b>2.0</b>	<b>1.0</b>	<b>91.9%</b>	<b>3.1</b>	<b>1.4</b>	<b>755.1%</b>
EBITDA / Rev.	13.7%	9.0%	4.7 p.p.	11.8%	18.6%	15.3 p.p.
<b>EBIT</b>	<b>1.2</b>	<b>0.3</b>	<b>347.3%</b>	<b>1.5</b>		
<b>PBT</b>	<b>1.2</b>	<b>0.2</b>	<b>412.5%</b>	<b>1.4</b>		
<b>NP</b>	<b>1.0</b>	<b>0.2</b>	<b>501.7%</b>	<b>1.1</b>		
<b>Ordinary NP</b>	<b>1.7</b>	<b>0.5</b>	<b>230.4%</b>	<b>1.4</b>		
Rec. FCF	-0.9	-2.2	58%	1.1		
Rec. FCF Yield	n.a.	n.a.	n.a.	1.6%		
Net Debt	0.1	4.4	445%	2.5		
ND / EBITDA	0.1 x	3.9 x	3.9 x	0.7 x		

(1) EBITDA and Rec. EBITDA adjusted. It excludes capitalized expense. Without IFRS-16 impact (BIOS reports according to national accounting standards).

## Valuation inputs

### Inputs for the DCF Valuation Approach

	2020e	2021e	2022e	Terminal Value <sup>(1)</sup>		
Free Cash Flow "To the Firm"	2.2	1.2	2.4	23.2		
Market Cap	70.4	At the date of this report				
Net financial debt	0.1	Debt net of Cash (6m Results 2020)				
					Best Case	Worst Case
Cost of Debt	2.0%	Net debt cost			1.8%	2.3%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	1.6%	Kd = Cost of Net Debt * (1-T)			1.4%	1.8%
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)	1.4	B (Thomson Reuters and Lighthouse)			1.3	1.5
Cost of Equity	12.5%	Ke = Rf + (R * B)			11.0%	14.2%
Equity / (Equity + Net Debt)	99.8%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	0.2%	D			=	=
WACC	12.5%	WACC = Kd * D + Ke * E			11.0%	14.1%
G "Fair"	2.0%				2.5%	1.5%

(1) Terminal value calculated on the recurrent Free Cash Flow "to the Firm" of the last estimated year using the normalised tax rate (T) indicated in the upper table.

(2) The terminal value does not reflect the value related to the development of the company's pipeline at the issue date of this report

### Inputs for the Multiples Valuation Approach

Company	Ticker Reuters	Mkt. Cap	P/E 20e	EPS 20e-22e	EV/EBITDA 20e	EBITDA 20e-22e	EV/Sales 20e	Revenues 20e-22e	EBITDA/Sales 20e	FCF Yield 20e	FCF 20e-22e
Probi AB	PROB.ST	373.1	37.5	21.0%	18.3	12.1%	5.6	9.1%	30.8%	3.5%	13.0%
Biogaia AB	BIOGb.ST	837.6	42.5	13.7%	30.0	13.3%	10.0	12.4%	33.2%	n.a.	n.a.
Christian Hansen	CHRH.CO	12,770.7	51.0	9.0%	31.9	9.6%	11.4	8.6%	35.7%	1.6%	12.5%
<b>Pobiotic Industry</b>			43.7	14.6%	26.7	11.7%	9.0	10.0%	33.3%	2.5%	12.8%
DSM	DSMN.AS	23,615.6	29.2	14.2%	15.3	8.9%	2.8	6.5%	18.6%	3.1%	9.1%
Croda Intl.	CRDAL	8,206.0	33.3	9.6%	20.6	7.9%	6.0	5.3%	29.3%	2.9%	7.3%
Ausstevol Seafood	AUSS.OL	1,464.5	13.5	26.0%	8.1	21.4%	1.3	5.2%	16.6%	4.9%	66.0%
Amarin	AMRN.O	2,175.6	n.a.	n.a.	n.a.	n.a.	3.1	6.2%	n.a.	1.4%	n.a.
<b>Omega 3 Industry</b>			25.4	16.6%	14.6	12.8%	3.3	5.8%	21.5%	3.1%	27.5%
BIOS	BIOS.MC	70.4	63.8	79.4%	20.5	43.2%	2.5	10.8%	10.9%	1.6%	18.0%

### Free Cash Flow sensitivity analysis (2021e)

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

Scenario	EBITDA/Sales 21e	EBITDA 21e	EV/EBITDA 21e
Max	16.9%	5.2	13.8x
Central	15.4%	4.7	15.1x
Min	13.9%	4.3	16.7x

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

Rec. FCF EUR Mn	CAPEX/Sales 21e			Scenario	Rec. FCF/Yield 21e		
EBITDA 21e	8.7%	9.7%	10.7%		Max	2.0%	1.5%
5.2	1.4	1.1	0.8	Central	1.3%	0.9%	0.4%
4.7	0.9	0.6	0.3	Min	0.6%	0.2%	n.a.
4.3	0.5	0.1	(0.2)				

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

<b>Balance Sheet (EUR Mn)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>		
Intangible assets	1.2	0.8	0.8	1.0	1.3	1.1	0.9	0.6		
Fixed assets	10.2	8.9	8.7	8.1	8.9	9.5	11.0	11.4		
Other Non Current Assets	6.3	7.3	5.7	5.1	4.8	4.8	4.8	4.8		
Financial Investments	0.1	0.1	0.1	3.1	0.9	0.9	0.9	0.9		
Goodwill & Other Intangibles	7.5	1.3	-	-	-	-	-	-		
Current assets	12.9	13.5	15.4	13.9	17.0	17.4	18.1	19.4		
<b>Total assets</b>	<b>38.1</b>	<b>31.8</b>	<b>30.7</b>	<b>31.2</b>	<b>33.0</b>	<b>33.8</b>	<b>35.7</b>	<b>37.2</b>		
Equity	22.5	18.8	20.7	23.3	23.7	24.8	27.2	30.7		
Minority Interests	-	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	1.0	1.2	0.6	0.1	0.0	0.0	0.0	0.0		
Other Non Current Liabilities	-	-	-	-	1.4	2.4	2.9	2.9		
Net financial debt	10.0	6.9	4.5	3.4	4.2	2.5	1.4	(1.0)		
Current Liabilities	4.6	4.8	4.9	4.3	3.6	4.0	4.2	4.5		
<b>Equity &amp; Total Liabilities</b>	<b>38.1</b>	<b>31.8</b>	<b>30.7</b>	<b>31.2</b>	<b>33.0</b>	<b>33.8</b>	<b>35.7</b>	<b>37.2</b>		
										<b>CAGR</b>
<b>P&amp;L (EUR Mn)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>	<b>15-19</b>	<b>19-22e</b>
<b>Total Revenues</b>	<b>19.9</b>	<b>23.3</b>	<b>25.7</b>	<b>27.2</b>	<b>23.3</b>	<b>28.2</b>	<b>30.8</b>	<b>34.7</b>	<b>4.0%</b>	<b>14.2%</b>
<i>Total Revenues growth</i>	9.5%	17.4%	10.3%	5.6%	-14.3%	21.3%	9.0%	12.7%		
COGS	(6.4)	(7.1)	(8.4)	(7.7)	(8.1)	(11.5)	(11.7)	(12.5)		
<b>Gross Margin</b>	<b>13.5</b>	<b>16.3</b>	<b>17.3</b>	<b>19.4</b>	<b>15.2</b>	<b>16.8</b>	<b>19.1</b>	<b>22.2</b>	<b>3.0%</b>	<b>13.5%</b>
<i>Gross Margin/Revenues</i>	67.8%	69.7%	67.3%	71.5%	65.1%	59.4%	61.9%	63.9%		
Personnel Expenses	(5.4)	(6.2)	(6.7)	(7.6)	(6.7)	(6.5)	(7.1)	(7.9)		
Other Operating Expenses	(5.5)	(5.9)	(5.4)	(6.2)	(6.0)	(6.8)	(7.2)	(8.0)		
<b>Recurrent EBITDA</b>	<b>2.6</b>	<b>4.1</b>	<b>5.2</b>	<b>5.7</b>	<b>2.4</b>	<b>3.5</b>	<b>4.7</b>	<b>6.3</b>	<b>-2.4%</b>	<b>38.2%</b>
<i>Recurrent EBITDA growth</i>	-22.6%	57.5%	25.5%	9.0%	-57.8%	46.4%	35.5%	33.1%		
<i>Rec. EBITDA/Revenues</i>	13.2%	17.7%	20.2%	20.8%	10.3%	12.4%	15.4%	18.2%		
Restructuring Expense & Other non-rec.	-	-	-	-	0.1	(0.4)	-	-		
<b>EBITDA</b>	<b>2.6</b>	<b>4.1</b>	<b>5.2</b>	<b>5.7</b>	<b>2.4</b>	<b>3.1</b>	<b>4.7</b>	<b>6.3</b>	<b>-1.7%</b>	<b>37.1%</b>
Depreciation & Provisions	(2.3)	(3.0)	(1.9)	(1.6)	(1.5)	(1.6)	(1.7)	(1.9)		
Capitalized Expense	-	-	-	0.1	-	-	-	-		
Rentals (IFRS 16 impact)	-	-	-	-	-	-	-	-		
<b>EBIT</b>	<b>0.4</b>	<b>1.1</b>	<b>3.3</b>	<b>4.2</b>	<b>0.9</b>	<b>1.5</b>	<b>3.0</b>	<b>4.4</b>	<b>27.1%</b>	<b>67.5%</b>
<i>EBIT growth</i>	-64.8%	208.5%	192.7%	29.0%	-77.6%	56.1%	104.5%	47.3%		
<i>EBIT/Revenues</i>	1.8%	4.8%	12.7%	15.6%	4.1%	5.2%	9.8%	12.8%		
Impact of Goodwill & Others	(0.0)	(5.5)	(1.1)	(0.0)	-	-	-	-		
Net Financial Result	(0.5)	(0.3)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
<b>Ordinary Profit</b>	<b>(0.2)</b>	<b>(4.7)</b>	<b>2.0</b>	<b>4.1</b>	<b>0.8</b>	<b>1.4</b>	<b>2.9</b>	<b>4.4</b>	<b>62.3%</b>	<b>73.5%</b>
<i>Ordinary Profit Growth</i>	-186.0%	n.a.	142.7%	103.3%	-79.2%	62.5%	113.1%	51.0%		
Extraordinary Results	0.0	0.0	0.2	-	-	-	-	-		
<b>Profit Before Tax</b>	<b>(0.2)</b>	<b>(4.7)</b>	<b>2.2</b>	<b>4.1</b>	<b>0.8</b>	<b>1.4</b>	<b>2.9</b>	<b>4.4</b>	<b>64.8%</b>	<b>73.5%</b>
Tax Expense	(0.2)	1.4	(0.2)	(0.8)	(0.2)	(0.3)	(0.6)	(0.9)		
<i>Effective Tax Rate</i>	n.a.	n.a.	7.8%	18.9%	25.7%	20.0%	20.0%	20.0%		
Minority Interests	-	-	-	-	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
<b>Net Profit</b>	<b>(0.3)</b>	<b>(3.3)</b>	<b>2.0</b>	<b>3.3</b>	<b>0.6</b>	<b>1.1</b>	<b>2.4</b>	<b>3.6</b>	<b>41.4%</b>	<b>77.9%</b>
<i>Net Profit growth</i>	40.6%	-955.1%	160.3%	64.9%	-81.0%	74.9%	113.1%	51.0%		
<b>Ordinary Net Profit</b>	<b>(0.2)</b>	<b>(4.7)</b>	<b>1.9</b>	<b>3.3</b>	<b>0.6</b>	<b>1.4</b>	<b>2.4</b>	<b>3.6</b>	<b>52.5%</b>	<b>82.3%</b>
<i>Ordinary Net Profit growth</i>	-222.9%	n.a.	139.4%	78.8%	-82.3%	145.5%	63.4%	51.0%		
										<b>CAGR</b>
<b>Cash Flow (EUR Mn)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>	<b>15-19</b>	<b>19-22e</b>
<b>Recurrent EBITDA</b>						<b>3.5</b>	<b>4.7</b>	<b>6.3</b>	<b>-2.4%</b>	<b>38.2%</b>
Rentals (IFRS 16 impact)						-	-	-		
Working Capital Increase						0.0	(0.5)	(1.0)		
<b>Recurrent Operating Cash Flow</b>						<b>3.5</b>	<b>4.3</b>	<b>5.3</b>	<b>-32.3%</b>	<b>76.9%</b>
CAPEX						(2.0)	(3.0)	(2.0)		
Net Financial Result affecting the Cash Flow						(0.1)	(0.1)	(0.0)		
Tax Expense						(0.3)	(0.6)	(0.9)		
<b>Recurrent Free Cash Flow</b>						<b>1.1</b>	<b>0.6</b>	<b>2.4</b>	<b>n.a.</b>	<b>36.5%</b>
Restructuring Expense & Other non-rec.						(0.4)	-	-		
- Acquisitions / + Divestures of assets						1.0	0.5	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
<b>Free Cash Flow</b>						<b>1.7</b>	<b>1.1</b>	<b>2.4</b>	<b>-62.4%</b>	<b>69.0%</b>
Capital Increase						-	-	-		
Dividends						-	-	-		
<b>Net Debt Variation</b>						<b>(1.7)</b>	<b>(1.1)</b>	<b>(2.4)</b>		

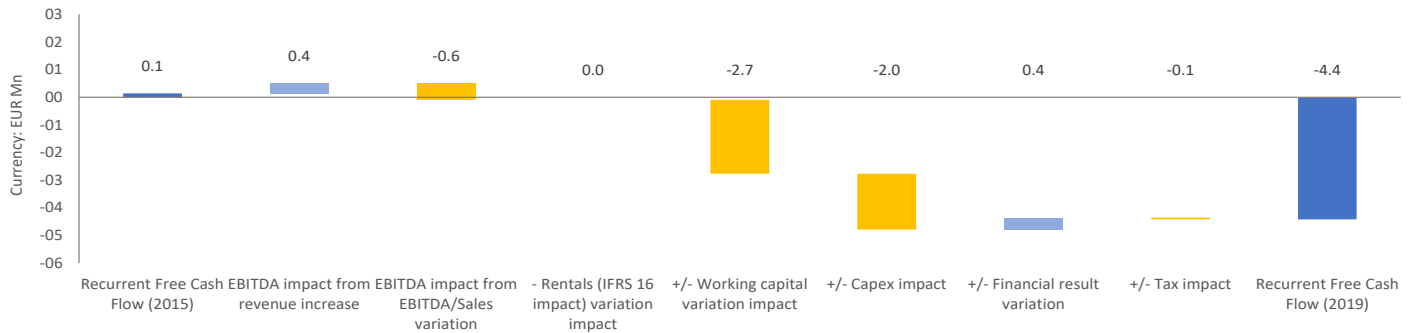
Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.0Mn higher due to IFRS 16.

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

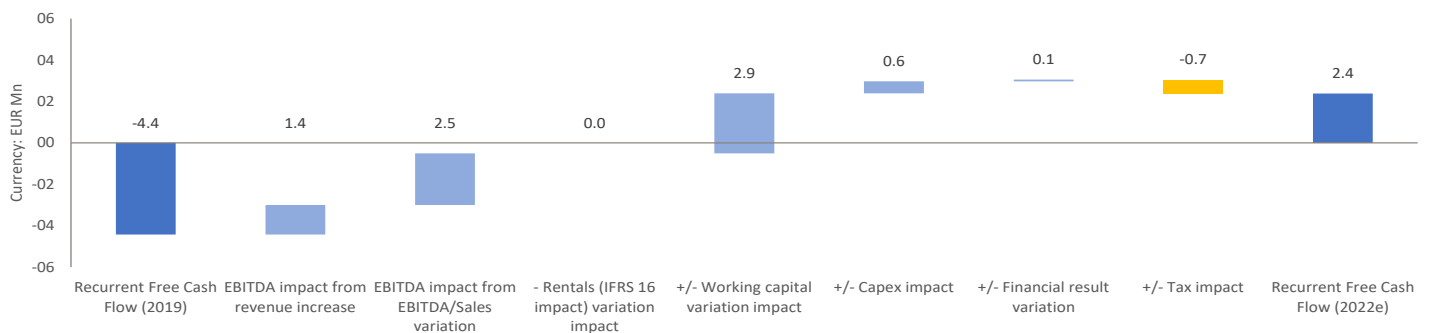
A) Cash Flow Analysis (EUR Mn)	2016	2017	2018	2019	2020e	2021e	2022e	CAGR	
								16-19	19-22e
<b>Recurrent EBITDA</b>	<b>4.1</b>	<b>5.2</b>	<b>5.7</b>	<b>2.4</b>	<b>3.5</b>	<b>4.7</b>	<b>6.3</b>	<b>-16.7%</b>	<b>38.2%</b>
<i>Recurrent EBITDA growth</i>	57.5%	25.5%	9.0%	-57.8%	46.4%	35.5%	33.1%		
<i>Rec. EBITDA/Revenues</i>	17.7%	20.2%	20.8%	10.3%	12.4%	15.4%	18.2%		
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	(0.3)	(1.9)	0.9	(3.9)	0.0	(0.5)	(1.0)		
<b>= Recurrent Operating Cash Flow</b>	<b>3.8</b>	<b>3.3</b>	<b>6.6</b>	<b>(1.5)</b>	<b>3.5</b>	<b>4.3</b>	<b>5.3</b>	<b>-33.8%</b>	<b>76.9%</b>
<i>Rec. Operating Cash Flow growth</i>	171.9%	-13.8%	100.2%	-122.8%	333.1%	21.9%	24.3%		
<i>Rec. Operating Cash Flow / Sales</i>	16.4%	12.8%	24.3%	n.a.	12.4%	13.9%	15.3%		
- CAPEX	(0.4)	(0.9)	(1.1)	(2.6)	(2.0)	(3.0)	(2.0)		
- Net Financial Result affecting Cash Flow	(0.3)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)		
- Taxes	1.4	(0.2)	(0.8)	(0.2)	(0.3)	(0.6)	(0.9)		
<b>= Recurrent Free Cash Flow</b>	<b>4.5</b>	<b>2.1</b>	<b>4.7</b>	<b>(4.4)</b>	<b>1.1</b>	<b>0.6</b>	<b>2.4</b>	<b>-44.0%</b>	<b>36.5%</b>
<i>Rec. Free Cash Flow growth</i>	n.a.	-52.9%	121.1%	-194.9%	125.7%	-46.4%	292.6%		
<i>Rec. Free Cash Flow / Revenues</i>	19.2%	8.2%	17.1%	n.a.	4.0%	2.0%	6.9%		
- Restructuring expenses & others	-	-	(0.1)	(0.2)	(0.4)	-	-		
- Acquisitions / + Divestments	(1.7)	0.0	(2.7)	3.8	1.0	0.5	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	0.0	0.2	-	-	-	-	-		
<b>= Free Cash Flow</b>	<b>2.8</b>	<b>2.3</b>	<b>1.8</b>	<b>(0.8)</b>	<b>1.7</b>	<b>1.1</b>	<b>2.4</b>	<b>-32.1%</b>	<b>69.0%</b>
<i>Free Cash Flow growth</i>	n.a.	-15.7%	-23.0%	-147.3%	302.8%	-35.4%	115.5%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	6.4%	3.0%	6.6%	n.a.	1.6%	0.9%	3.4%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	3.9%	3.3%	2.5%	n.a.	2.4%	1.6%	3.4%		
<b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b>									
<b>Recurrent FCF(FY - 1)</b>	<b>0.1</b>	<b>4.5</b>	<b>2.1</b>	<b>4.7</b>	<b>(4.4)</b>	<b>1.1</b>	<b>0.6</b>		
EBITDA impact from revenue increase	0.5	0.4	0.3	(0.8)	0.5	0.3	0.6		
EBITDA impact from EBITDA/Sales variation	1.1	0.6	0.2	(2.5)	0.6	0.9	1.0		
<b>= Recurrent EBITDA variation</b>	<b>1.5</b>	<b>1.1</b>	<b>0.5</b>	<b>(3.3)</b>	<b>1.1</b>	<b>1.2</b>	<b>1.6</b>		
- Rentals (IFRS 16 impact) variation impact	-	-	-	-	-	-	-		
+/- Working capital variation impact	0.9	(1.6)	2.8	(4.8)	3.9	(0.5)	(0.5)		
<b>= Recurrent Operating Cash Flow variation</b>	<b>2.4</b>	<b>(0.5)</b>	<b>3.3</b>	<b>(8.1)</b>	<b>5.0</b>	<b>0.8</b>	<b>1.0</b>		
+/- CAPEX impact	0.2	(0.4)	(0.2)	(1.5)	0.6	(1.0)	1.0		
+/- Financial result variation	0.2	0.1	0.0	0.0	-	0.0	0.1		
+/- Tax impact	1.5	(1.5)	(0.6)	0.6	(0.1)	(0.3)	(0.3)		
<b>= Recurrent Free Cash Flow variation</b>	<b>4.3</b>	<b>(2.4)</b>	<b>2.6</b>	<b>(9.1)</b>	<b>5.6</b>	<b>(0.5)</b>	<b>1.8</b>		
<b>Recurrent Free Cash Flow</b>	<b>4.5</b>	<b>2.1</b>	<b>4.7</b>	<b>(4.4)</b>	<b>1.1</b>	<b>0.6</b>	<b>2.4</b>		
<b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>									
<b>EBIT</b>	<b>1.1</b>	<b>3.3</b>	<b>4.2</b>	<b>0.9</b>	<b>1.5</b>	<b>3.0</b>	<b>4.4</b>	<b>-5.5%</b>	<b>67.5%</b>
* <i>Theoretical Tax rate</i>	0.0%	7.8%	18.9%	25.7%	20.0%	20.0%	20.0%		
= Taxes (pre- Net Financial Result)	-	(0.3)	(0.8)	(0.2)	(0.3)	(0.6)	(0.9)		
<b>Recurrent EBITDA</b>	<b>4.1</b>	<b>5.2</b>	<b>5.7</b>	<b>2.4</b>	<b>3.5</b>	<b>4.7</b>	<b>6.3</b>	<b>-16.7%</b>	<b>38.2%</b>
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	(0.3)	(1.9)	0.9	(3.9)	0.0	(0.5)	(1.0)		
<b>= Recurrent Operating Cash Flow</b>	<b>3.8</b>	<b>3.3</b>	<b>6.6</b>	<b>(1.5)</b>	<b>3.5</b>	<b>4.3</b>	<b>5.3</b>	<b>-33.8%</b>	<b>76.9%</b>
- CAPEX	(0.4)	(0.9)	(1.1)	(2.6)	(2.0)	(3.0)	(2.0)		
- Taxes (pre- Financial Result)	-	(0.3)	(0.8)	(0.2)	(0.3)	(0.6)	(0.9)		
<b>= Recurrent Free Cash Flow (To the Firm)</b>	<b>3.4</b>	<b>2.2</b>	<b>4.8</b>	<b>(4.3)</b>	<b>1.2</b>	<b>0.7</b>	<b>2.4</b>	<b>-48.5%</b>	<b>36.6%</b>
<i>Rec. Free Cash Flow (To the Firm) growth</i>	311.4%	-35.9%	117.8%	-191.4%	127.9%	-44.6%	256.6%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	14.6%	8.5%	17.5%	n.a.	4.3%	2.2%	6.9%		
- Acquisitions / + Divestments	(1.7)	0.0	(2.7)	3.8	1.0	0.5	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	0.0	0.2	-	-	-	-	-		
<b>= Free Cash Flow "To the Firm"</b>	<b>1.7</b>	<b>2.4</b>	<b>2.0</b>	<b>(0.5)</b>	<b>2.2</b>	<b>1.2</b>	<b>2.4</b>	<b>-32.2%</b>	<b>87.0%</b>
<i>Free Cash Flow (To the Firm) growth</i>	98.1%	42.1%	-15.4%	-126.0%	519.2%	-47.0%	104.5%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	4.8%	3.1%	6.6%	n.a.	1.7%	0.9%	3.4%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	2.4%	3.4%	2.8%	n.a.	3.1%	1.6%	3.4%		

Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.0Mn higher due to IFRS 16.

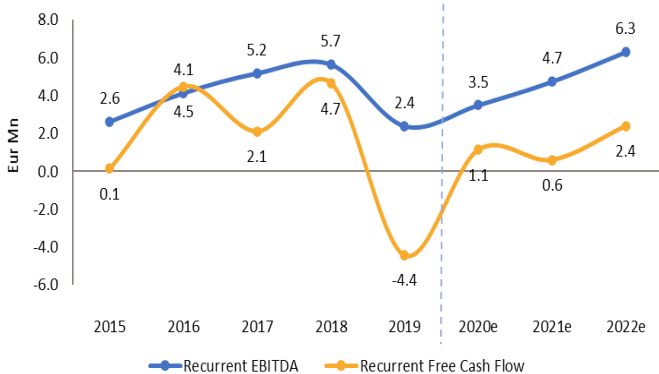
**Recurrent Free Cash Flow accumulated variation analysis (2015 - 2019)**



**Recurrent Free Cash Flow accumulated variation analysis (2019 - 2022e)**



**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	70.4	
+ Minority Interests	-	6m Results 2020
+ Provisions & Other L/T Liabilities	2.0	6m Results 2020
+ Net financial debt	0.1	6m Results 2020
- Financial Investments	0.9	6m Results 2020
+/- Others	-	6m Results 2020
<b>Enterprise Value (EV)</b>	<b>71.6</b>	



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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
28-Jul-2020	n.a.	1.22	n.a.	n.a.	6m Results 2020	Ana Isabel González García, CIIA
30-Apr-2020	n.a.	1.15	n.a.	n.a.	Review of estimates	Ana Isabel González García, CIIA
02-Mar-2020	n.a.	1.10	n.a.	n.a.	12m Results 2019	Ana Isabel González García, CIIA
29-Oct-2019	n.a.	0.95	n.a.	n.a.	9m Results 2019	Ana Isabel González García, CIIA
30-Jul-2019	n.a.	1.02	n.a.	n.a.	6m Results 2019	Ana Isabel González García, CIIA
14-May-2019	n.a.	1.24	n.a.	n.a.	3m Results 2019	Ana Isabel González García, CIIA
28-Feb-2019	n.a.	1.62	n.a.	n.a.	12m Results 2018	Ana Isabel González García, CIIA
31-Jan-2019	n.a.	1.56	n.a.	n.a.	Initial Coverage	Ana Isabel González García, CIIA