GAM

LIGHTHOUSE WINNER 2020 Special Mention — European — Small & Mid-Cap Awards

EQUITY - SPAIN
Sector: Trading Companies & Distributors

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Upgrade to estimates
Closing price: EUR 1.16 (22 Dec 2020)

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

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GALQ's resilience is evident. We raise our estimates significantly (2022e EV/EBITDA 5.2x)

Market Data

Market Cap (Mn EUR and USD)	109.7	133.5
EV (Mn EUR and USD) (1)	232.2	282.5
Shares Outstanding (Mn)	94.6	
-12m (Max/Med/Mín EUR)	1.85 / 1.18 / 0.83	
Daily Avg volume (-12m Mn EUR)	0.08	
Rotation(2)	18.5	
Thomson Reuters / Bloomberg	GALQ.MC / GALQ SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

Francisco Riberas	59.3
Pedro Luis Fernández	5.8
Indumenta Pueri	5.3
Banco Santander	4.5
Free Float	25.1

Financials (Mn EUR)	2019	2020e	2021e	2022e
Adj. nº shares (Mn)	36.0	66.2	94.6	94.6
Total Revenues	143.1	132.2	156.0	169.6
Rec. EBITDA (3)	33.9	31.1	38.1	44.4
% growth	*25.7*	*-8.2*	*22.5*	*16.6*
% Rec. EBITDA/Rev.	*23.7*	*23.5*	*24.4*	*26.2*
% Inc. EBITDA sector (4)	*16.7*	*-13.0*	*20.7*	*14.8*
Net Profit	40.0	1.7	9.1	13.9
EPS (EUR)	1.11	0.03	0.10	0.15
% growth	*n.a.*	*-97.7*	*282.0*	*52.5*
Ord. EPS (EUR)	-0.01	0.04	0.10	0.15
% growth	*-134.7*	*592.6*	*163.7*	*52.5*
Rec. Free Cash Flow(5)	-4.3	-8.2	-1.6	5.5
Pay-out (%)	*0.0*	*0.0*	*0.0*	*0.0*
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	121.9	109.8	108.0	98.6
ND/Rec. EBITDA (x)	3.6	3.5	2.8	2.2
ROE (%)	*238.9*	*2.5*	*10.3*	*13.9*
ROCE (%)(5)	*6.2*	*3.2*	*6.3*	*8.3*

Ratios & Multiples (x)(6)				
P/E	n.a.	46.0	12.0	7.9
Ord. P/E	n.a.	31.7	12.0	7.9
P/BV	2.1	1.3	1.2	1.0
Dividend Yield (%)	*0.0*	*0.0*	*0.0*	*0.0*
EV/Sales	1.62	1.76	1.49	1.37
EV/Rec. EBITDA	6.9	7.5	6.1	5.2
EV/EBIT	21.3	28.2	13.4	9.9
FCF Yield (%)(5)	*n.a.*	*n.a.*	*n.a.*	*5.0*

(1) Please refer to Appendix 3.
(2) Rotation is the % of the capitalisation traded - 12m.
(3) Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 9.7Mn higher due to IFRS 16..
(4) Sector: Eurostoxx 600 Industrial Goods & Services.
(5) Please see Anex 2 for the theoretical tax rate (ROCE) and recurrent FCF calculation.
(6) Multiples and ratios calculated over prices at the date of this report.

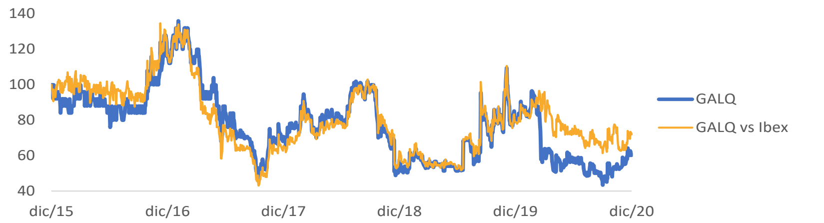
IN APRIL GALQ WAS ALREADY PRESENTING CREDIBLE ARGUMENTS FOR RESILIENCE. For several reasons: (i) the strategic repositioning of the business with entry in LT rental (making the company less susceptible to the cycle) and in the no-CAPEX business, (ii) sector diversification (having escaped from the specialisation in Construction of previous periods) and geographical diversification (Latam c. 16% of the revenue mix in 2019) and (iii) a stable shareholder structure, associated since 2019 with an industrial shareholder, with the ability to contribute to the business and help with its financing.

BUT NOW THE DIFFERENCE LIES IN THAT THE RECOVERY IS OCCURRING EARLIER THAN ESTIMATED... 9m20 results showed signs of a pick-up in business to levels prior to Covid-19 (3Q20 revenues: +0.5% vs 3Q19); a surprise that in this context underpins arguments for genuine resilience. Today, the basic idea is that of a business model that not only could perform well (in the future), but is already doing so.

...WHICH LEADS US TO RAISE OUR ESTIMATES FOR 2020e-2022e. The continuation of activity levels seen at the end of October should enable GALQ to generate 2020e revenues of EUR 132Mn (-7.6% vs 2019) and Rec. EBITDA of EUR 31Mn (+38% vs our previous estimate! a change essentially explained by the high operating leverage of the business). This would justify the recovery of double-digit growth levels seen in 2017-2019 (2020e-2022e revenue: +13.2%); which could imply a "leap" in 2022e Rec. EBITDA to EUR 44.4Mn (2022e EV/EBITDA of 5.2x vs c. 6x for the sector).

IN SUMMARY, IN A VERY TOUGH SITUATION, GALQ HAS DONE MUCH BETTER THAN EXPECTED. The Covid-19 crisis can be seen as an acid test to validate the operating and financial restructuring of recent years. And, in our view, the fundamentals have proven to be sound (2020e Rec. EBITDA: -8.6% vs 2019). Also, GALQ concluded a capital increase in November (EUR 31.5Mn) and restructured debt maturity to 2025. This leaves the company in an optimum position to take advantage of the increase in machinery rental (that the impact of Covid-19 could accelerate).

Relative performance -5y (Base 100)



Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	13.7	39.9	-25.6	-24.2	-14.3	-39.3
vs Ibex 35	14.4	17.2	-9.3	-8.8	10.0	-28.0
vs Ibex Small Cap Index	7.4	15.4	-37.3	-34.2	-28.2	-65.6
vs Eurostoxx 50	12.8	26.6	-19.7	-18.8	-12.9	-44.2
vs Sector benchmark(4)	11.7	22.1	-28.3	-27.5	-29.8	-62.7

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

Upgrade to estimates

The quicker than expected recovery of the business means better numbers (2020-2022e EBITDA: +19.5% CAGR)

GALQ's 9m20 results published on November 5 surprised with a quicker than expected business pick-up that, despite a logical decline in KPIs in cumulative terms (Revenue and EBITDA 9m20 vs 9m19: -11.9% and -16.5%, respectively), in isolation showed signs of recovery to pre Covid-19 levels: 3Q20 revenue: +0.5% vs 3Q19 (chart 1).

In our opinion, 3Q20 represents a clear turning point (for the better) for GALQ. This means we raise our estimates for 2020 and following years. Specifically, our opinion for the coming years consists of two parts: on the one hand what we expect for 2020e (a year that is almost done and is totally impacted by Covid-19). And, on the other, the performance we expect for the medium term (2021e and following years), in a theoretical context of macro recovery that should allow the company to return to the growth path.

2020e: a year distorted by Covid-19 (Rec. EBITDA -8.2% vs 2019). But much better than expected (EBITDA +38% vs previous estimate)

Despite the dramatic impact of Covid-19 on 2Q20 (revenue: -35%; c. -55% in April), the business recovery seen in 3Q20 has taken the company's activity close to levels prior to the beginning of the pandemic (chart 2). Which in our model translates to:

- **A reduction in the decline in revenue (EUR 132.2Mn; -7.6% vs 2019),** thanks to the recovery in 3Q20 of similar levels of activity to those seen -1y (3Q20 revenue: EUR 35Mn; +0.5% y/y). The continuation of the levels seen at the end of October (c. 97% vs pre-Covid levels) in 4Q should allow GALQ to generate 2020e revenues of EUR 132.2Mn (-7.6% vs 2019; vs -14.5% previously).

  In our view, the main factors that have lessened the impact of Covid-19 on GALQ's business not only have to do with the recovery of economic activity in general but are also the fruits of the change in business model of recent years. We highlight: (i) sector diversification (vs specialisation in construction during the Lehman crisis), (ii) entry in the long-term rental business (c. 15.7% of 2020e revenue vs 11% in 2019), (iii) entry in businesses other than rental and without CAPEX (distribution, maintenance) and (iv) a good competitive position in Spain and Portugal.

- **… that should generate levels of Rec. EBITDA > EUR 30Mn (-8.2% vs 2019).** In this context, the surprise in revenues is of great significance. The company's operating leverage justifies a very significant increase in terms of EBITDA (+38% vs our April estimate) that we now estimate at EUR 31Mn (EBITDA margin in line with that seen in 2019; chart 3).

- **And recover positive levels of net profit.** After over a decade of ordinary NP losses due to oversized financial expenses for the company's EBIT, the restructuring of debt in 2019 and 2020 should allow a significant reduction in financial expenses (c. 50% vs 2019) that, together with the previous points, should drive ordinary NP to c. EUR 2Mn (vs breakeven in 2019).

- **Maintaining debt under control at EUR 110Mn (ND/EBITDA 2020e c. 3.5x).** In December 2020 GALQ announced the refinancing of a c. EUR 75Mn bank loan, delaying its maturity until 2025 (vs 2021 previously). Also, in November the company concluded the EUR 31.5Mn capital increase, which strengthens its financial position to take advantage of new opportunities for growth (both organic and M&A; the acquisitions of Clem and Galman being an example).

Chart 1. Quarterly revenues (2018-2020e)

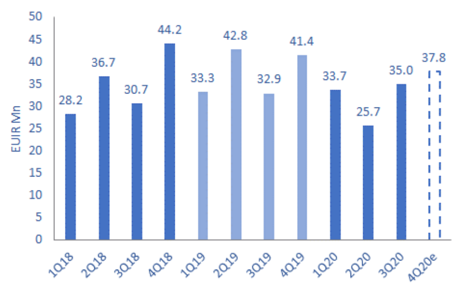
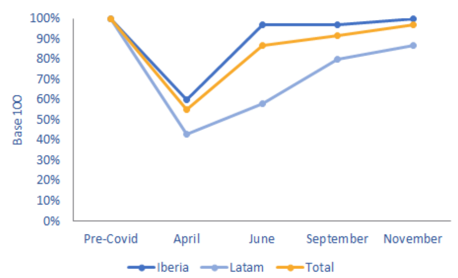


Chart 2. Activity levels during 2020 (Pre-Covid = Base 100)



Note: Latam is the main destination for the company's exports (c.16% o/revenues).

Chart 3. Review of estimates impact over revenues and EBITDA Mg. (2020e)

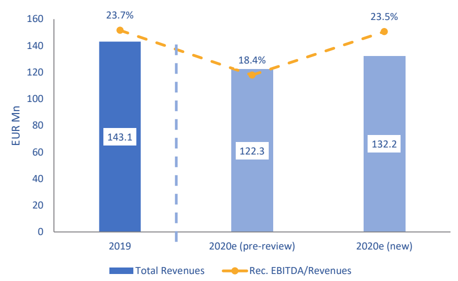


Chart 4. Revenue mix (2019 vs 2020e)

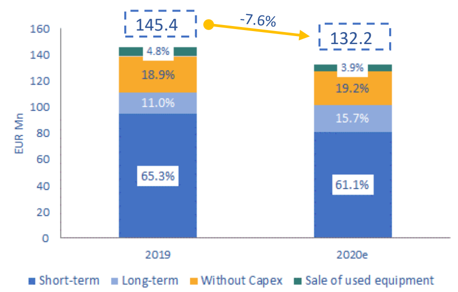


Chart 5. Revenues and EBITDA Mg. (2019-2022e)

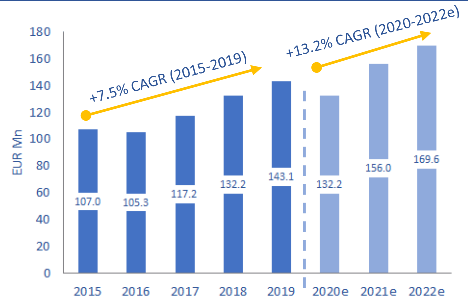


Chart 6. Rec. EBITDA and EBIT (2019-2022e)

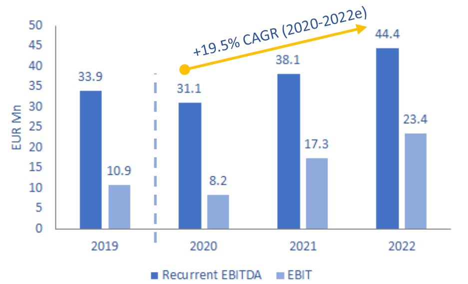
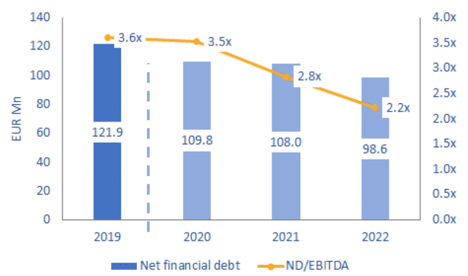


Chart 7. Net Debt and ND/EBITDA (2019-2022e)



What about 2021e and 2022e? GALQ presents objective reasons for resuming the growth path -5y. Already exceeding in 2021e levels of 2019 (EV/EBITDA 2021e 6.1x)

The recovery of GALQ's activity in 3Q20 to levels prior to the pandemic means we can look ahead to 2021e and 2022e with a certain degree of optimism. Which makes us think that if the rate of recovery seen until 3Q20 were to continue, 2019 levels could be exceeded in 2021e. We highlight:

- **2022E revenue: EUR 169.6Mn (+13.2% CAGR 2020e-2022e)…** GALQ presents objective reasons to recover the growth path seen -3y (interrupted in 2020e by the pandemic; chart 5), so the scenario we envisage should allow the company to obtain revenue of c. EUR 170Mn in 2022e (13.2% CAGR 2020-2022e).

  By business lines, we think revenue growth will be led by the long-term business (+27% CAGR 2020e-2022e) and the "no CAPEX businesses (+12.5% CAGR 2020e-2022e) as a result of the company's focus on integrating its rental services into its clients' productive models, enabling the outsourcing of their "non-core" processes; an activity that could accelerate after the situation caused by Covid-19, in which companies will reduce their investment on new equipment as much as possible, replacing this with rented equipment.

- **… that will drive the company's margins close to those of the sector (2022e Recurrent EBITDA margin 26.2%).** The company's cost structure, that will start from 2020e with a high fixed cost base, should allow GALQ to exploit significant economies of scale in coming years, levering the rebound in revenue on its current cost structure. In this context, the change in revenue estimates to c. EUR 170Mn in 2022e (+13.2% CAGR 2020-2022e) will enable EBITDA levels of EUR 44.4Mn in 2022e (2022e Rec. EBITDA margin c. 26%).

- **Which should generate Free Cash Flow of EUR 9.4Mn in 2022e (FCF yield 8.5%).** With the aim of maintaining an optimum pool of machinery, we estimate Capex/Sales of 12.5% (impact of c. EUR 21Mn in 2022e), which, together with a small impact of working capital (EUR 2.7Mn), IFRS 16 (EUR 5.5Mn) and financial expenses (EUR 4.9Mn), will result in Free Cash Flow generation, including c. EUR 4Mn from the sale of used machinery, of EUR 9.4Mn (FCF yield 8.6%; for more details, see annexe 2).

- **All this supported by levels of debt that are tolerable by the business.** With a 2020e ND/EBITDA of c. 3.5x, we estimate the company's ability to generate cash (mainly in 2022e) should take the 2022e ND/EBITDA ratio to < 2.5x (vs an average of c. 4.5x for peers Loxam and Kiloutou).

  Which is especially interesting in a context such as the current one, as it should not only allow GALQ to tolerate a slower than estimated recovery but also take advantage of opportunities for non-organic growth (with a balance sheet structure that has been strengthened by the capital increase concluded in November and the refinancing of debt maturity until 2025).

Table 1. Estimates Review

EUR Mn	2020e (New)	Review (%)	2021e (New)	Review (%)	2022e (New)	Review (%)
Total Revenues	**132.2**	**8.1%**	**156.0**	**15.5%**	**169.6**	**19.0%**
Recurrent EBITDA	**31.1**	**38.1%**	**38.1**	**53.8%**	**44.4**	**35.6%**
Recurrent EBITDA growth	*-8.2%*	*25 p.p.*	*22.5%*	*12 p.p.*	*16.6%*	*-16 p.p.*
Rec. EBITDA/Revenues	*23.5%*	*5 p.p.*	*24.4%*	*6 p.p.*	*26.2%*	*3 p.p.*
EBIT	**8.2**	**n.a.**	**17.3**	**23.2%**	**23.4**	**67.1%**
Net Profit	**1.7**	**133.8%**	**9.1**	**n.a.**	**13.9**	**59.3%**
Recurrent Free Cash Flow	**-8.2**	**n.a.**	**-1.6**	**-210.3%**	**5.5**	**37.1%**
ND / EBITDA	3.5 x	-1.7 x	2.8 x	-0.1 x	2.2 x	-0.8 x

To summarize: in a very tough situation, GALQ has done much better than expected. Trading at 5.2x EV/ EBITDA 2022e

The Covid-19 crisis can be seen as an acid test to validate the work carried out by GALQ in recent years. And in our opinion the fundamentals have proven very sound: GALQ can be seen as a story of a "completed" financial and business restructuring.

At this new starting point (December 2020), the most sensible assumption is that of the resumption of the growth path seen -3y (revenue: +10.5% CAGR 2017-2019) with turnover of c. EUR 170Mn in 2022e (+13.2% CAGR 2020-2022e) and 2022e EBITDA of c. EUR 45Mn. All underpinned by a level of debt under control (ND/EBITDA 2020e 3.5x that should decline to 2.2x in 2022e). And reasons justifying that, after the restructuring, the company has little or nothing in common with the company that suffered the crisis of 2008. What are these reasons?

- **The change of model.** Focused now on the long-term outsourcing of the non-core activities of its clients. A new activity (c. 15.7% of 2020e revenue) that provides stability and reduces cyclicality for the company.

  The conclusion is that the long-term business provides the company with a floor to its levels of activity.

- **Sector diversification.** With more exposure to Industry and Distribution and having escaped from the specialisation in Construction of previous periods. Diversification implies less risk and greater growth opportunities. The possibility of entering the last mile logistics business is an example.

- **Entry in "no CAPEX" businesses (equipment distribution, services and maintenance)** as a way of extending the revenue base beyond the single product of equipment rental (in the short or long term).

- **Geographical diversification.** With a reduction in the weighting of Spain and Portugal vs Latam (16% of the revenue mix in 2019).

- **A real opportunity to benefit from the convergence of its core markets (Spain and Latam)** with vehicle rental utilisation ratios similar to those of the US and continental Europe. Although this is more of a mid- and long-term driver, Spain and Latam are still 20 p.p behind in percentage of renting (vs purchase of new equipment). The context caused by Covid-19 should in itself accelerate this convergence.

- **A stable shareholder structure.** Associated with a shareholder (Francisco Riberas) who has an industrial background, a long-term perspective, and who is able to contribute to the business and to help with its financing. Support for the capital increase concluded in November 2020 is an example.

- **An objectively favourable position for exploiting non-organic growth opportunities.** With a balance sheet structure that has been strengthened by the EUR 31.5Mn capital increase concluded in November 2020 and the refinancing of debt maturity until 2025.

All the above points are strategic and explain why GALQ is in shape to exceed pre-crisis levels of activity in 2021e. At today's prices this implies a 2021e EV/EBITDA ratio of c. 6.1x. Looking ahead to 2022e, for which we envisage revenue growth of c. 9% (in line with that obtained by GALQ in 2017-2019), the ratios are even more attractive: 2022e EV/EBITDA of 5.2x and 2022e FCF yield, that unlike Rec. FCF includes the sale of used machinery, of 8.5% (see annexe 2).

To summarize, GALQ has a business model that not only can perform well but that is already performing well (3Q20 results). This explains why the transformation of the business is, in itself, its equity story. If the change of model had not occurred, the opinion today (in this context) would necessarily be different.

Appendix 1. Financial Projections[(1)]

Balance Sheet (EUR Mn)	2015	2016	2017	2018	2019	2020e	2021e	2022e
Intangible assets	2.3	2.6	2.0	1.2	22.1	22.1	22.1	22.1
Fixed assets	131.1	131.0	125.1	132.8	138.5	150.0	151.6	153.5
Other Non Current Assets	5.9	4.8	4.8	3.8	3.6	3.6	3.6	3.6
Financial Investments	0.8	0.6	0.4	-	0.9	0.9	0.9	0.9
Goodwill & Other Intangilbles	16.2	16.2	16.3	16.5	16.4	16.4	16.4	16.4
Current assets	52.5	52.7	48.9	47.6	47.4	54.9	65.2	70.5
Total assets	**208.7**	**208.0**	**197.5**	**202.0**	**228.9**	**247.9**	**259.8**	**266.9**
Equity	1.7	(8.7)	(10.5)	(17.6)	51.1	84.3	93.4	107.3
Minority Interests	0.6	0.6	0.6	0.2	0.2	0.2	0.2	0.2
Provisions & Other L/T Liabilities	2.6	2.7	0.4	0.3	8.2	8.2	8.2	8.2
Other Non Current Liabilities	-	-	-	-	20.2	20.2	20.2	20.2
Net financial debt	170.7	181.8	178.3	187.1	121.9	109.8	108.0	98.6
Current Liabilities	33.1	31.6	28.7	31.9	27.4	25.3	29.8	32.4
Equity & Total Liabilities	**208.7**	**208.0**	**197.5**	**202.0**	**228.9**	**247.9**	**259.8**	**266.9**

									CAGR	
P&L (EUR Mn)	**2015**	**2016**	**2017**	**2018**	**2019**	**2020e**	**2021e**	**2022e**	**15-19**	**19-22e**
Total Revenues	**107.0**	**105.3**	**117.2**	**132.2**	**143.1**	**132.2**	**156.0**	**169.6**	***7.5%***	***5.8%***
Total Revenues growth	*3.0%*	*-1.6%*	*11.4%*	*12.8%*	*8.2%*	*-7.6%*	*18.0%*	*8.7%*		
COGS	(18.5)	(18.2)	(24.3)	(34.2)	(40.2)	(36.7)	(45.5)	(49.8)		
Gross Margin	**88.6**	**87.1**	**93.0**	**98.1**	**102.9**	**95.5**	**110.5**	**119.7**	***3.8%***	***5.2%***
Gross Margin/Revenues	*82.8%*	*82.7%*	*79.3%*	*74.2%*	*71.9%*	*72.2%*	*70.8%*	*70.6%*		
Personnel Expenses	(33.3)	(33.4)	(33.3)	(36.7)	(39.5)	(36.2)	(42.0)	(43.5)		
Other Operating Expenses	(41.4)	(34.5)	(35.0)	(34.4)	(29.5)	(28.1)	(30.4)	(31.8)		
Recurrent EBITDA	**13.9**	**19.1**	**24.7**	**27.0**	**33.9**	**31.1**	**38.1**	**44.4**	***25.0%***	***9.4%***
Recurrent EBITDA growth	*32.7%*	*37.6%*	*29.4%*	*8.9%*	*25.7%*	*-8.2%*	*22.5%*	*16.6%*		
Rec. EBITDA/Revenues	*13.0%*	*18.2%*	*21.1%*	*20.4%*	*23.7%*	*23.5%*	*24.4%*	*26.2%*		
Restructuring Expense & Other non-rec.	(6.0)	(4.9)	(1.5)	(2.6)	(1.1)	(1.0)	-	-		
EBITDA	**7.9**	**14.2**	**23.3**	**24.3**	**32.8**	**30.1**	**38.1**	**44.4**	***42.6%***	***10.7%***
Depreciation & Provisions	(24.6)	(23.2)	(23.9)	(23.2)	(21.7)	(22.4)	(22.9)	(23.2)		
Capitalized Expense	8.2	7.5	6.3	7.5	7.7	6.0	7.6	7.7		
Rentals (IFRS 16 impact)	-	-	-	-	(7.9)	(5.5)	(5.5)	(5.5)		
EBIT	**(8.5)**	**(1.5)**	**5.7**	**8.7**	**10.9**	**8.2**	**17.3**	**23.4**	***34.6%***	***29.0%***
EBIT growth	*43.7%*	*82.1%*	*475.1%*	*51.4%*	*25.9%*	*-24.3%*	*109.4%*	*35.6%*		
EBIT/Revenues	*n.a.*	*n.a.*	*4.9%*	*6.5%*	*7.6%*	*6.2%*	*11.1%*	*13.8%*		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(13.8)	(8.3)	(12.6)	(10.2)	(13.0)	(6.0)	(5.1)	(4.9)		
Income by the Equity Method	-	-	-	-	0.7	0.0	0.0	0.0		
Ordinary Profit	**(22.3)**	**(9.8)**	**(6.9)**	**(1.6)**	**(1.4)**	**2.2**	**12.2**	**18.6**	***50.1%***	***n.a.***
Ordinary Profit Growth	*29.5%*	*56.1%*	*29.3%*	*77.1%*	*12.7%*	*261.3%*	*446.2%*	*52.5%*		
Extraordinary Results	18.0	-	-	-	44.9	-	-	-		
Profit Before Tax	**(4.3)**	**(9.8)**	**(6.9)**	**(1.6)**	**43.5**	**2.2**	**12.2**	**18.6**	***86.9%***	***-24.7%***
Tax Expense	(2.2)	(1.3)	(0.9)	(2.4)	(3.5)	(0.6)	(3.0)	(4.6)		
Effective Tax Rate	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*8.0%*	*25.0%*	*25.0%*	*25.0%*		
Minority Interests	0.6	(0.1)	0.0	(0.1)	(0.0)	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	**(5.8)**	**(11.1)**	**(7.7)**	**(4.0)**	**40.0**	**1.7**	**9.1**	**13.9**	***72.6%***	***-29.7%***
Net Profit growth	*79.4%*	*-91.5%*	*30.5%*	*47.9%*	*n.a.*	*-95.8%*	*446.2%*	*52.5%*		
Ordinary Net Profit	**(15.7)**	**(4.9)**	**(5.4)**	**0.9**	**(0.3)**	**2.4**	**9.1**	**13.9**	***63.9%***	***n.a.***
Ordinary Net Profit growth	*38.9%*	*68.6%*	*-9.4%*	*117.3%*	*-128.6%*	*n.a.*	*276.9%*	*52.5%*		

									CAGR	
Cash Flow (EUR Mn)	**2015**	**2016**	**2017**	**2018**	**2019**	**2020e**	**2021e**	**2022e**	**15-19**	**19-22e**
Recurrent EBITDA						**31.1**	**38.1**	**44.4**	***25.0%***	***9.4%***
Rentals (IFRS 16 impact)						(5.5)	(5.5)	(5.5)		
Working Capital Increase						(9.5)	(5.7)	(2.7)		
Recurrent Operating Cash Flow						**16.1**	**26.9**	**36.2**	***3.3%***	***14.0%***
CAPEX						(17.7)	(20.3)	(21.2)		
Net Financial Result affecting the Cash Flow						(6.0)	(5.1)	(4.9)		
Tax Expense						(0.6)	(3.0)	(4.6)		
Recurrent Free Cash Flow						**(8.2)**	**(1.6)**	**5.5**	***16.7%***	***48.6%***
Restructuring Expense & Other non-rec.						(1.0)	-	-		
- Acquisitions / + Divestures of assets						(10.2)	3.3	3.9		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						**(19.4)**	**1.8**	**9.4**	***28.9%***	***-43.1%***
Capital Increase						31.5	-	-		
Dividends						-	-	-		
Net Debt Variation						**(12.1)**	**(1.8)**	**(9.4)**		

Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 9.7Mn higher due to IFRS 16.

Appendix 2. Free Cash Flow[1]

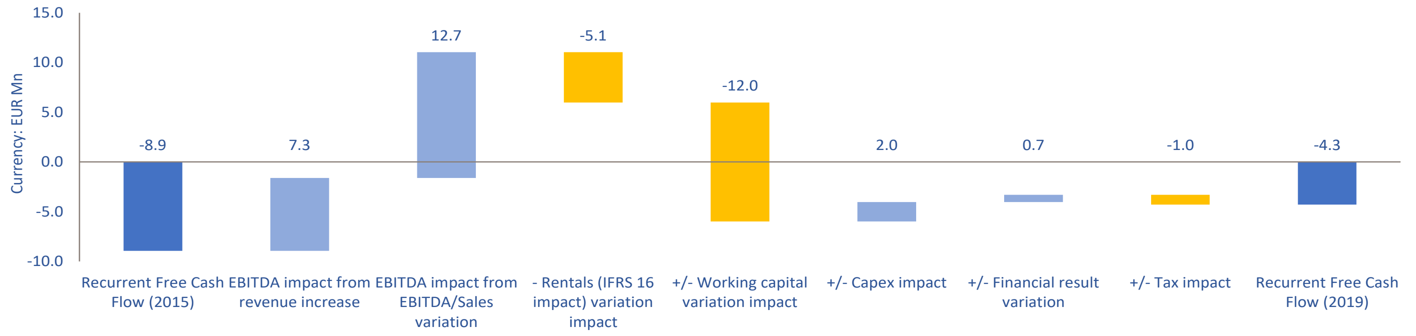
A) Cash Flow Analysis (EUR Mn)	2016	2017	2018	2019	2020e	2021e	2022e	CAGR 16-19	CAGR 19-22e
Recurrent EBITDA	**19.1**	**24.7**	**27.0**	**33.9**	**31.1**	**38.1**	**44.4**	*21.0%*	*9.4%*
Recurrent EBITDA growth	*37.6%*	*29.4%*	*8.9%*	*25.7%*	*-8.2%*	*22.5%*	*16.6%*		
Rec. EBITDA/Revenues	*18.2%*	*21.1%*	*20.4%*	*23.7%*	*23.5%*	*24.4%*	*26.2%*		
- Rentals (IFRS 16 impact)	-	-	-	(5.1)	(5.5)	(5.5)	(5.5)		
+/- Working Capital increase	(1.8)	0.9	4.6	(4.4)	(9.5)	(5.7)	(2.7)		
= Recurrent Operating Cash Flow	**17.4**	**25.7**	**31.5**	**24.4**	**16.1**	**26.9**	**36.2**	*12.1%*	*14.0%*
Rec. Operating Cash Flow growth	*-19.2%*	*48.0%*	*22.7%*	*-22.5%*	*-34.3%*	*67.4%*	*34.6%*		
Rec. Operating Cash Flow / Sales	*16.5%*	*21.9%*	*23.8%*	*17.1%*	*12.1%*	*17.2%*	*21.3%*		
- CAPEX	(31.3)	(22.9)	(24.8)	(21.8)	(17.7)	(20.3)	(21.2)		
- Net Financial Result affecting Cash Flow	(4.4)	(4.4)	(4.4)	(5.5)	(6.0)	(5.1)	(4.9)		
- Taxes	(0.6)	(0.5)	(1.2)	(1.5)	(0.6)	(3.0)	(4.6)		
= Recurrent Free Cash Flow	**(19.0)**	**(2.1)**	**1.0**	**(4.3)**	**(8.2)**	**(1.6)**	**5.5**	*39.1%*	*48.6%*
Rec. Free Cash Flow growth	*-112.5%*	*88.8%*	*148.1%*	*-519.7%*	*-91.9%*	*81.1%*	*453.5%*		
Rec. Free Cash Flow / Revenues	*n.a.*	*n.a.*	*0.8%*	*n.a.*	*n.a.*	*n.a.*	*3.2%*		
- Restructuring expenses & others	(4.9)	(1.5)	(2.6)	(1.1)	(1.0)	-	-		
- Acquisitions / + Divestments	16.1	7.0	6.0	4.2	(10.2)	3.3	3.9		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	(1.5)	52.0	-	-	-		
= Free Cash Flow	**(7.8)**	**3.4**	**2.9**	**50.8**	**(19.4)**	**1.8**	**9.4**	*n.a.*	*-43.1%*
Free Cash Flow growth	*-142.4%*	*143.4%*	*-14.2%*	*n.a.*	*-138.2%*	*109.2%*	*425.2%*		
Recurrent Free Cash Flow - Yield (s/Mkt Cap)	*n.a.*	*n.a.*	*0.9%*	*n.a.*	*n.a.*	*n.a.*	*5.0%*		
Free Cash Flow Yield (s/Mkt Cap)	*n.a.*	*3.1%*	*2.6%*	*46.3%*	*n.a.*	*1.6%*	*8.5%*		

B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)	2016	2017	2018	2019	2020e	2021e	2022e
Recurrent FCF(FY - 1)	**(8.9)**	**(19.0)**	**(2.1)**	**1.0**	**(4.3)**	**(8.2)**	**(1.6)**
EBITDA impact from revenue increase	(0.2)	2.2	3.2	2.2	(2.6)	5.6	3.3
EBITDA impact from EBITDA/Sales variation	5.5	3.4	(1.0)	4.7	(0.2)	1.4	3.0
= Recurrent EBITDA variation	**5.2**	**5.6**	**2.2**	**6.9**	**(2.8)**	**7.0**	**6.3**
- Rentals (IFRS 16 impact) variation impact	-	-	-	(5.1)	(0.4)	-	-
+/- Working capital variation impact	(9.3)	2.7	3.6	(8.9)	(5.2)	3.8	3.0
= Recurrent Operating Cash Flow variation	**(4.1)**	**8.3**	**5.8**	**(7.1)**	**(8.4)**	**10.8**	**9.3**
+/- CAPEX impact	(7.6)	8.4	(1.9)	3.1	4.1	(2.6)	(0.9)
+/- Financial result variation	1.8	(0.0)	0.0	(1.1)	(0.6)	0.9	0.3
+/- Tax impact	(0.2)	0.2	(0.8)	(0.2)	0.9	(2.5)	(1.6)
= Recurrent Free Cash Flow variation	**(10.1)**	**16.9**	**3.1**	**(5.3)**	**(3.9)**	**6.7**	**7.0**
Recurrent Free Cash Flow	**(19.0)**	**(2.1)**	**1.0**	**(4.3)**	**(8.2)**	**(1.6)**	**5.5**

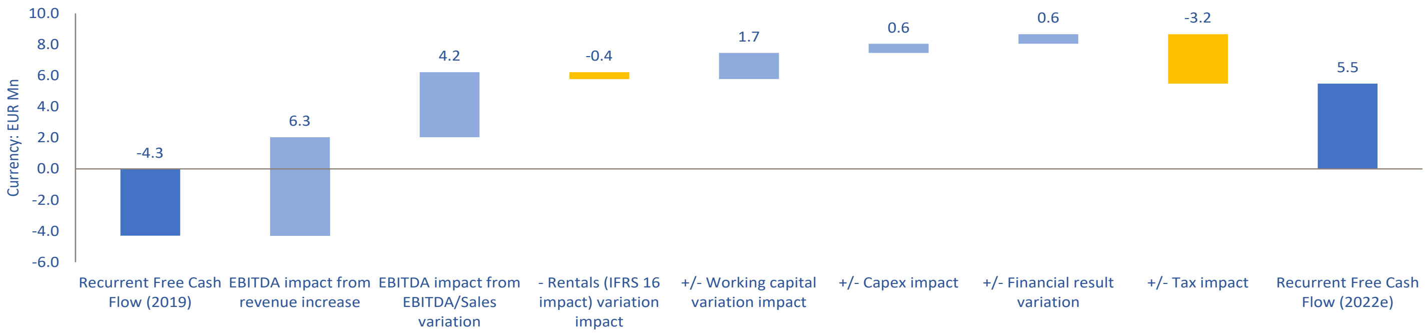
C) "FCF to the Firm" (pre debt service) (EUR Mn)	2016	2017	2018	2019	2020e	2021e	2022e	CAGR 16-19	CAGR 19-22e
EBIT	**(1.5)**	**5.7**	**8.7**	**10.9**	**8.2**	**17.3**	**23.4**	*n.a.*	*29.0%*
** Theoretical Tax rate*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*25.0%*	*25.0%*	*25.0%*		
= Taxes (pre- Net Financial Result)	-	-	-	-	(2.1)	(4.3)	(5.9)		
Recurrent EBITDA	**19.1**	**24.7**	**27.0**	**33.9**	**31.1**	**38.1**	**44.4**	*21.0%*	*9.4%*
- Rentals (IFRS 16 impact)	-	-	-	(5.1)	(5.5)	(5.5)	(5.5)		
+/- Working Capital increase	(1.8)	0.9	4.6	(4.4)	(9.5)	(5.7)	(2.7)		
= Recurrent Operating Cash Flow	**17.4**	**25.7**	**31.5**	**24.4**	**16.1**	**26.9**	**36.2**	*12.1%*	*14.0%*
- CAPEX	(31.3)	(22.9)	(24.8)	(21.8)	(17.7)	(20.3)	(21.2)		
- Taxes (pre- Financial Result)	-	-	-	-	(2.1)	(4.3)	(5.9)		
= Recurrent Free Cash Flow (To the Firm)	**(14.0)**	**2.8**	**6.7**	**2.7**	**(3.7)**	**2.3**	**9.1**	*29.9%*	*51.0%*
Rec. Free Cash Flow (To the Firm) growth	*-519.2%*	*119.9%*	*139.8%*	*-60.2%*	*-240.1%*	*161.5%*	*300.2%*		
Rec. Free Cash Flow (To the Firm) / Revenues	n.a.	2.4%	5.0%	1.9%	n.a.	1.5%	5.4%		
- Acquisitions / + Divestments	16.1	7.0	6.0	4.2	(10.2)	3.3	3.9		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	(1.5)	52.0	-	-	-		
= Free Cash Flow "To the Firm"	**2.1**	**9.8**	**11.2**	**58.9**	**(13.9)**	**5.6**	**13.0**	*n.a.*	*-39.6%*
Free Cash Flow (To the Firm) growth	*-93.1%*	*356.1%*	*14.0%*	*428.2%*	*-123.6%*	*140.5%*	*131.4%*		
Rec. Free Cash Flow To the Firm Yield (o/EV)	*n.a.*	*1.2%*	*2.9%*	*1.1%*	*n.a.*	*1.0%*	*3.9%*		
Free Cash Flow "To the Firm" - Yield (o/EV)	*0.9%*	*4.2%*	*4.8%*	*25.4%*	*n.a.*	*2.4%*	*5.6%*		

Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 9.7Mn higher due to IFRS 16.

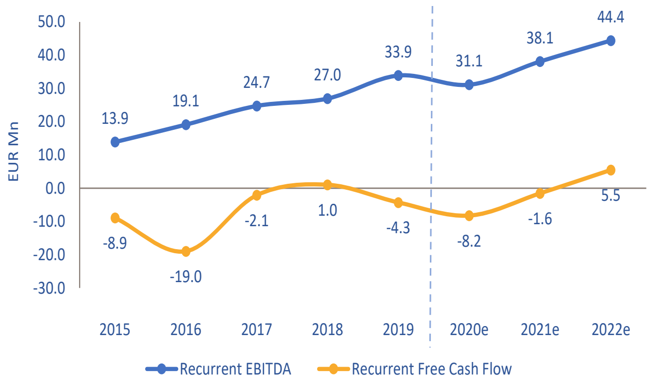
Recurrent Free Cash Flow accumulated variation analysis (2015 - 2019)



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	109.7	
+ Minority Interests	0.3	6m Results 2020
+ Provisions & Other L/T Liabilities	14.8	6m Results 2020
+ Net financial debt	109.8	Lighthouse
- Financial Investments	2.4	6m Results 2020
+/- Others		
Enterprise Value (EV)	**232.2**	

Appendix 4. Historical performance (1)(2)

Historical performance (EUR Mn)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	CAGR 09-19	CAGR 19-22e
Total Revenues	**283.5**	**242.8**	**205.3**	**139.6**	**120.8**	**103.9**	**107.0**	**105.3**	**117.2**	**132.2**	**143.1**	**132.2**	**156.0**	**169.6**	*-6.6%*	*5.8%*
Total Revenues growth	*-25.0%*	*-14.3%*	*-15.4%*	*-32.0%*	*-13.5%*	*-14.0%*	*3.0%*	*-1.6%*	*11.4%*	*12.8%*	*8.2%*	*-7.6%*	*18.0%*	*8.7%*		
EBITDA	**77.0**	**60.0**	**24.0**	**14.5**	**11.5**	**14.3**	**7.9**	**14.2**	**23.3**	**24.3**	**32.8**	**30.1**	**38.1**	**44.4**	*-8.2%*	*10.7%*
EBITDA growth	*-47.5%*	*-22.1%*	*-60.0%*	*-39.6%*	*-20.5%*	*24.1%*	*-44.5%*	*79.3%*	*63.6%*	*4.7%*	*34.5%*	*-8.1%*	*26.5%*	*16.6%*		
EBITDA/Sales	*27.2%*	*24.7%*	*11.7%*	*10.4%*	*9.5%*	*13.8%*	*7.4%*	*13.5%*	*19.8%*	*18.4%*	*22.9%*	*22.8%*	*24.4%*	*26.2%*		
Net Profit	**(8.9)**	**(62.9)**	**(128.1)**	**(61.3)**	**(17.3)**	**(28.6)**	**(5.8)**	**(11.1)**	**(7.7)**	**(4.0)**	**40.0**	**1.7**	**9.1**	**13.9**	*20.5%*	*-29.7%*
Net Profit growth	*-165.6%*	*-604.0%*	*-103.5%*	*52.1%*	*71.8%*	*-65.0%*	*79.6%*	*-91.5%*	*30.5%*	*47.9%*	*n.a.*	*-95.8%*	*446.2%*	*52.5%*		
Adjusted number shares (Mn)	3.9	5.6	5.9	5.9	5.9	6.5	24.4	43.4	43.5	43.5	36.0	66.2	94.6	94.6		
EPS (EUR)	-2.28	-11.15	-21.82	-10.45	-2.95	-4.42	-0.24	-0.26	-0.18	-0.09	1.11	0.03	0.10	0.15	*9.5%*	*-49.1%*
EPS growth	*n.a.*	*n.a.*	*-95.8%*	*52.1%*	*71.8%*	*-49.8%*	*94.6%*	*-7.9%*	*30.7%*	*47.9%*	*n.a.*	*-97.7%*	*n.a.*	*52.5%*		
Ord. EPS (EUR)	-2.28	-11.15	-21.82	-10.45	-2.95	-4.38	-0.64	-0.11	-0.12	0.02	-0.01	0.04	0.10	0.15	*43.6%*	*n.a.*
Ord. EPS growth	*n.a.*	*n.a.*	*-95.8%*	*52.1%*	*71.8%*	*-48.4%*	*85.3%*	*82.3%*	*-9.1%*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*52.5%*		
CAPEX	(10.0)	(5.0)	(3.6)	(0.7)	(0.3)	(0.3)	(23.7)	(31.3)	(22.9)	(24.8)	(21.8)	(17.7)	(20.3)	(21.2)		
CAPEX/Sales %)	*3.5%*	*2.1%*	*1.8%*	*0.5%*	*0.2%*	*0.2%*	*22.2%*	*29.7%*	*19.5%*	*18.8%*	*15.2%*	*13.4%*	*13.0%*	*12.5%*		
Free Cash Flow	**74.7**	**45.0**	**33.1**	**42.0**	**38.4**	**16.5**	**18.4**	**(7.8)**	**3.4**	**2.9**	**50.8**	**(19.4)**	**1.8**	**9.4**	**-3.8%**	**-43.1%**
ND/EBITDA (x) (2)	*7.1x*	*8.3x*	*18.7x*	*6.8x*	*4.0x*	*18.3x*	*21.5x*	*12.8x*	*7.7x*	*7.7x*	*3.7x*	*3.6x*	2.8x	2.2x		
P/E (x)	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*46.0x*	12.0x	7.9x		
EV/Sales (x)	*2.43x*	*2.32x*	*2.27x*	*0.83x*	*0.66x*	*2.67x*	*2.34x*	*2.61x*	*1.99x*	*1.74x*	*1.53x*	*1.76x*	1.49x	1.37x		
EV/EBITDA (x) (2)	*9.0x*	*9.4x*	*19.4x*	*8.0x*	*7.0x*	*19.4x*	*31.6x*	*19.3x*	*10.0x*	*9.4x*	*6.7x*	*7.7x*	6.1x	5.2x		
Absolute performance	*-10.9%*	*-66.2%*	*-74.8%*	*5.3%*	*80.0%*	*-70.8%*	*14.3%*	*16.7%*	*-41.1%*	*-22.4%*	*56.3%*	*-24.2%*				
Relative performance vs Ibex 35	*-31.4%*	*-59.1%*	*-71.0%*	*10.4%*	*48.2%*	*-71.9%*	*23.1%*	*19.1%*	*-45.1%*	*-8.8%*	*39.8%*	*-8.8%*				

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 Thomson Reuters.
Note 2: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 9.7Mn higher due to IFRS 16.
Note 3: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Appendix 5. Main Competitors 2020e

		Europe						USA			
	EUR Mn	Ashtead Group	Aggreko	VP	Speedy Hire	HSS Hire Group	Average	United Rentals	Herc Rentals	H&E Equipment S.	GALQ
Market data	Ticker (Reuters)	AHT.L	AGGK.L	VP.L	SDY.L	HSS.L		URI	HRI	HEES.O	GALQ.MC
	Country	UK	UK	UK	UK	UK		USA	USA	USA	Spain
	Market cap	17,140.8	1,726.8	333.4	396.7	79.0		13,488.3	1,537.1	878.0	109.7
	Enterprise value (EV)	22,173.1	2,254.1	531.0	530.6	327.9		21,610.2	3,010.5	1,661.2	232.2
Basic financial information	Total Revenues	5,260.8	1,502.4	331.4	389.4	368.4		6,920.7	1,441.0	939.8	132.2
	Total Revenues growth	-5.2%	-15.2%	-16.9%	-12.9%	2.2%	-9.6%	-10.0%	-12.3%	-15.2%	-7.6%
	2y CAGR (2020e - 2022e)	6.4%	4.8%	9.1%	9.5%	-2.2%	5.5%	2.3%	4.1%	3.1%	13.2%
	EBITDA	2,382.8	463.4	84.0	97.3	66.4		3,200.7	555.3	320.4	30.1
	EBITDA growth	-16.8%	-23.9%	-37.4%	-13.3%	-16.0%	-21.5%	-7.2%	-5.9%	-16.2%	-8.1%
	2y CAGR (2020e - 2022e)	8.2%	7.8%	13.0%	12.2%	6.7%	9.6%	1.7%	5.3%	1.8%	21.4%
	EBITDA/Revenues	45.3%	30.8%	25.3%	25.0%	18.0%	28.9%	46.2%	38.5%	34.1%	22.8%
	EBIT	1,034.6	135.9	27.3	21.8	18.0		1,852.1	196.4	120.7	8.2
	EBIT growth	-28.8%	-41.2%	-26.2%	-30.9%	-38.1%	-33.0%	-14.1%	-20.7%	-35.8%	-24.3%
	2y CAGR (2020e - 2022e)	13.6%	21.7%	30.1%	38.8%	17.8%	24.4%	5.7%	20.0%	17.1%	68.5%
	EBIT/Revenues	19.7%	9.0%	8.2%	5.6%	4.9%	9.5%	26.8%	13.6%	12.8%	6.2%
	Net Profit	637.1	56.0	18.2	13.1	n.a.		1,179.4	75.9	42.4	1.7
	Net Profit growth	-13.9%	-56.6%	-2.2%	-22.0%	n.a.	-23.7%	0.5%	59.9%	-51.4%	-95.8%
	2y CAGR (2020e - 2022e)	21.3%	36.6%	35.3%	52.3%	n.a.	36.4%	6.7%	37.9%	38.1%	n.a.
	CAPEX/Sales %	8.5%	13.1%	n.a.	7.3%	n.a.	9.7%	8.5%	22.2%	11.1%	-13.4%
	Free Cash Flow	1,490.4	174.8	n.a.	16.6	n.a.		1,836.7	235.2	n.a.	(19.4)
	Net financial debt	4,163.1	493.4	n.a.	84.1	182.7		7,565.8	1,405.2	932.5	109.8
	ND/EBITDA (x)	1.7	1.1	n.a.	0.9	2.8	1.6	2.4	2.5	2.9	3.5
	Pay-out	31.5%	68.1%	93.4%	35.2%	n.a.	57.1%	0.0%	0.0%	78.3%	0.0%
Multiples and Ratios	P/E (x)	24.3	28.2	16.5	26.6	n.a.	23.9	13.8	24.5	25.5	46.0
	P/BV (x)	4.8	1.2	n.a.	1.7	n.a.	2.6	3.7	n.a.	4.1	1.3
	EV/Revenues (x)	4.2	1.5	1.6	1.4	0.9	1.9	3.1	2.1	1.8	1.8
	EV/EBITDA (x)	9.3	4.9	6.3	5.5	4.9	6.2	6.8	5.4	5.2	7.5
	EV/EBIT (x)	21.4	16.6	19.4	24.4	18.2	20.0	11.7	15.3	13.8	28.2
	ROE	20.5	4.3	n.a.	8.3	n.a.	11.0	30.2	10.3	14.9	2.5
	FCF Yield (%)	8.7	10.1	n.a.	4.2	n.a.	7.7	13.6	15.3	n.a.	n.a.
	DPS	0.44	0.15	0.43	0.01	0.00	0.21	0.00	0.00	0.93	0.00
	Dvd Yield	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	0.0%

Note 1: Financial data, multiples and ratios based on market consensus (Thomson Reuters). 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).

Appendix 6. Valuation inputs

Inputs for the DCF Valuation Approach

	2020e	2021e	2022e	Terminal Value [1]
Free Cash Flow "To the Firm"	**(13.9)**	**5.6**	**13.0**	**307.3**

			Best Case	Worst Case
Market Cap	**109.7**	At the date of this report		
Net financial debt	**109.8**	Debt net of Cash (Lighthouse)		
Cost of Debt	3.2%	Net debt cost	3.0%	3.5%
Tax rate (T)	20.0%	T (Normalised tax rate)	=	=
Net debt cost	**2.6%**	**Kd = Cost of Net Debt * (1-T)**	**2.4%**	**2.8%**
Risk free rate (rf)	0.1%	Rf (10y Spanish bond yield)	=	=
Equity risk premium	9.0%	R (own estimate)	8.5%	9.5%
Beta (B)	1.2	B (Thomson Reuters and Lighthouse)	1.1	1.3
Cost of Equity	**10.9%**	**Ke = Rf + (R * B)**	**9.4%**	**12.4%**
Equity / (Equity + Net Debt)	50.0%	E (Market Cap as equity value)	=	=
Net Debt / (Equity + Net Debt)	50.0%	D	=	=
WACC	**6.7%**	**WACC = Kd * D + Ke * E**	**5.9%**	**7.6%**
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.
(2) GALQ has unused prior years' deferred tax assets in an amount of EUR 90Mn (2019). Their use would result in a significant reduction in the tax expense going forward.

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
Ashtead Group	AHT.L	17,140.8	24.3	21.2%	9.3	8.2%	4.2	6.4%	45.3%	8.7%	-14.9%
Aggreko	AGGK.L	1,726.8	28.2	39.1%	4.9	7.8%	1.5	4.8%	30.8%	10.1%	-9.6%
VP	VP.L	333.4	16.5	34.8%	6.3	13.0%	1.6	9.1%	25.3%	n.a.	n.a.
Speedy Hire	SDY.L	396.7	26.6	53.9%	5.5	12.2%	1.4	9.5%	25.0%	4.2%	50.1%
HSS Hire Group	HSS.L	79.0	n.a.	78.6%	4.9	6.7%	0.9	-2.2%	18.0%	n.a.	n.a.
Europe			**23.9**	**45.5%**	**6.2**	**9.6%**	**1.9**	**5.5%**	**28.9%**	**7.7%**	**8.5%**
United Rentals	URI	13,488.3	13.8	8.8%	6.8	1.7%	3.1	2.3%	46.2%	13.6%	-22.9%
Herc Rentals	HRI	1,537.1	24.5	38.3%	5.4	5.3%	2.1	4.1%	38.5%	15.3%	-13.0%
H&E Equipment S.	HEES.O	878.0	25.5	42.6%	5.2	1.8%	1.8	3.1%	34.1%	n.a.	n.a.
USA			**21.3**	**29.9%**	**5.8**	**2.9%**	**2.3**	**3.2%**	**39.6%**	**14.5%**	**-17.9%**
GALQ	**GALQ.MC**	**109.7**	**46.0**	**n.a.**	**7.5**	**21.4%**	**1.8**	**13.2%**	**22.8%**	**n.a.**	**57.5%**

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	26.8%	41.8	5.6x
Central	24.4%	38.1	6.1x
Min	22.0%	34.4	6.8x

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

FCF Rec. EUR Mn	CAPEX/Sales 21e		
EBITDA 21e	11.7%	13.0%	14.3%
41.8	4.2	2.2	0.2
38.1	0.5	(1.6)	(3.6)
34.4	(3.3)	(5.3)	(7.3)

Scenario	Rec. FCF/Yield 21e		
Max	3.8%	2.0%	0.1%
Central	0.4%	n.a.	n.a.
Min	n.a.	n.a.	n.a.

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
23-Dec-2020	n.a.	1.16	n.a.	n.a.	Review of estimates	David López Sánchez
10-Nov-2020	n.a.	1.01	n.a.	n.a.	9m Results 2020	David López Sánchez
21-Oct-2020	n.a.	0.96	n.a.	n.a.	6m Results 2020	David López Sánchez
13-May-2020	n.a.	1.07	n.a.	n.a.	3m Results 2020	David López Sánchez
08-Apr-2020	n.a.	1.21	n.a.	n.a.	Initiation of Coverage	David López Sánchez

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