

## EQUITY - SPAIN

Sector: Textiles, Apparel & Luxury Goods

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9m Results 2020 and Review of estimates

Closing price: EUR 4.78 (15 Jan 2021)

### 9m Results 2020

Opinion <sup>(1)</sup>: Below expectations

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

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**Adolfo Domínguez S.A. (ADZ)** is a small designer fashion textile group, based in Ourense (Spain), specialising (c. 40 years) in the design and sale (both retail and wholesale) of fashion items. With international presence (35% o/revenues), it is managed by the founding family (31% of the capital), which prevails in the Board.

## We downgrade our 2020 estimates (3<sup>rd</sup> Covid wave), with a return to pre-crisis levels feasible in 4Q 2022

### Market Data

|                                    |                    |      |
|------------------------------------|--------------------|------|
| Market Cap (Mn EUR and USD)        | 44.3               | 53.6 |
| EV (Mn EUR and USD) <sup>(2)</sup> | 42.9               | 51.8 |
| Shares Outstanding (Mn)            | 9.3                |      |
| -12m (Max/Med/Min EUR)             | 6.90 / 4.63 / 3.41 |      |
| Daily Avg volume (-12m Mn EUR)     | 0.02               |      |
| Rotation <sup>(3)</sup>            | 13.2               |      |
| Thomson Reuters / Bloomberg        | ADZ.MC / ADZ SM    |      |
| Close fiscal year                  | 28-Feb             |      |

**THE IMPACT ON SALES OF THE SECOND WAVE OF THE COVID-19 PANDEMIC (OCTOBER/NOVEMBER) HAS CURBED THE RECOVERY OF REVENUES**, which declined to EUR 41.5Mn 9M20 (-46.8% y/y; vs. -50.4% 6M20), with c. 40% of points of sale affected by restrictions (capacity limits/opening hours). Deceleration of the fall in consolidated LFL sales; -45.0% 9M20 (with a c. -2 p.p. forex impact; vs. c. -49.1% 6M). While the performance improved in Europe (-45.5% LFL 9M20, vs. -51.0% 6M) which provided 67.6% of group revenues (EUR 28.1Mn), the worsening of the pandemic in Mexico took its toll (-49.6% LFL 9M20 vs. -43% 6M).

### Shareholders Structure (%)

|                  |      |
|------------------|------|
| Adolfo Domínguez | 31.5 |
| Puig, S.A.       | 14.8 |
| Libertas 7       | 10.3 |
| Indumenta Pueri  | 9.0  |
| Free Float       | 23.0 |

**DESPITE GROWTH IN THE ONLINE BUSINESS (+28.2% y/y 9M20)**, which contributed 19.3% of cumulative sales over the period, without being able to mitigate the fall in in-store sales.

**MAINTAINING PRESSURE ON MARGINS**, gross margin 50.4% 9M20 (-8.9 p.p. y/y), due to the commercial effort made to recover sales.

### Financials (Mn EUR)

|                                     | 2019   | 2020e  | 2021e | 2022e |
|-------------------------------------|--------|--------|-------|-------|
| Adj. nº shares (Mn)                 | 9.3    | 9.3    | 9.3   | 9.3   |
| Total Revenues                      | 117.3  | 64.5   | 93.2  | 105.2 |
| Rec. EBITDA <sup>(4)</sup>          | 11.3   | -6.5   | 1.8   | 9.2   |
| % growth                            | 357.2  | -157.4 | 127.7 | 410.5 |
| % Rec. EBITDA/Rev.                  | 9.7    | n.a.   | 1.9   | 8.8   |
| % Inc. EBITDA sector <sup>(5)</sup> | 38.0   | 22.1   | 8.7   | 28.0  |
| Net Profit                          | -8.3   | -17.5  | -9.0  | -2.8  |
| EPS (EUR)                           | -0.90  | -1.89  | -0.97 | -0.31 |
| % growth                            | n.a.   | -110.9 | 48.7  | 68.5  |
| Ord. EPS (EUR)                      | -0.01  | -1.89  | -0.95 | -0.23 |
| % growth                            | -117.6 | n.a.   | 49.9  | 75.3  |
| Rec. Free Cash Flow <sup>(6)</sup>  | -2.3   | -11.4  | -8.5  | -2.3  |
| Pay-out (%)                         | 0.0    | 0.0    | 0.0   | 0.0   |
| DPS (EUR)                           | 0.00   | 0.00   | 0.00  | 0.00  |
| Net financial debt                  | -10.0  | 1.4    | 9.9   | 12.2  |
| ND/Rec. EBITDA (x)                  | -0.9   | n.a.   | 5.5   | 1.3   |
| ROE (%)                             | n.a.   | n.a.   | n.a.  | n.a.  |
| ROCE (%) <sup>(6)</sup>             | 2.0    | n.a.   | n.a.  | n.a.  |

**CAUSING EBIT TO FALL FURTHER (EUR -13.6Mn 9M20, vs. -9.3Mn 6M)**, despite cost containment (-35% y/y) that continues to benefit from the government's furlough scheme (-41% y/y in personnel expenses).

**AND RESULTING IN THE GROUP BECOMING INDEBTED FOR THE FIRST TIME vs. -5Y (EUR 1.6Mn ND 9M20)** despite lower capex (EUR 0.8Mn 9M20, c. -50% y/y). Even so, ADZ maintains a solid financial position (0.1x ND/equity), having EUR 13.8Mn in cash (after taking advantage of the "window of liquidity" due to the Covid-19 crisis to obtain l/t financing), that will allow it to weather the storm in the most immediate term.

**THE BIGGER IMPACT OF THE SECOND WAVE OF THE COVID-19 EPIDEMIC AND THE WORSENING OF THIS (THIRD WAVE) OBLIGE US TO DOWNGRADE OUR ESTIMATES (2020E):** -15.1% revenues and -49.4% EBIT vs. our previous estimates (EUR 64.5Mn and EUR -15.9Mn respectively), maintaining break-even (EBIT) in 2022e. Despite the slowdown in the decline in sales recorded in December (-32.2% y/y in the local sector), further socio-economic worsening in the short term is inevitable (tougher restrictions due to the sharp rebound in infections after the Christmas holidays and the sluggish start to the vaccination campaign, in addition to the damages caused by the snowstorm). The current situation continues to advise caution.

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

|                              | 2019 | 2020e | 2021e | 2022e |
|------------------------------|------|-------|-------|-------|
| P/E                          | n.a. | n.a.  | n.a.  | n.a.  |
| Ord. P/E                     | n.a. | n.a.  | n.a.  | n.a.  |
| P/BV                         | 1.0  | 1.7   | 2.5   | 3.0   |
| Dividend Yield (%)           | 0.0  | 0.0   | 0.0   | 0.0   |
| EV/Sales                     | 0.37 | 0.67  | 0.46  | 0.41  |
| EV/Rec. EBITDA               | 3.8  | n.a.  | 23.8  | 4.7   |
| EV/EBIT                      | 45.1 | n.a.  | n.a.  | n.a.  |
| FCF Yield (%) <sup>(6)</sup> | n.a. | n.a.  | n.a.  | n.a.  |

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



### Stock performance (%)

|                                    | -1m | -3m  | -12m  | YTD | -3Y   | -5Y   |
|------------------------------------|-----|------|-------|-----|-------|-------|
| Absolute                           | 6.2 | 32.8 | -30.3 | 5.3 | -15.2 | 36.6  |
| vs Ibxex 35                        | 5.2 | 10.0 | -19.5 | 3.3 | 7.8   | 41.8  |
| vs Ibxex Small Cap Index           | 1.6 | 5.2  | -40.2 | 3.1 | -28.9 | -31.1 |
| vs Eurostoxx 50                    | 3.9 | 17.8 | -27.0 | 3.9 | -15.0 | 12.0  |
| vs Sector benchmark <sup>(5)</sup> | 5.9 | 22.4 | -27.9 | 6.9 | -30.9 | 9.3   |

(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) Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 9.1Mn higher due to IFRS 16.

(5) Sector: TR Europe Apparel & Accessories Retailers.

(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.

(8) Others: La Previsión Mallorquina de Seguros 7.6%, Ibercapital Magnum, SICAV S.A 3.2%, Treasury shares 0.6%

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

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## 9M 2020 Results Downgrade to estimates

### Strong enough financially to weather the storm (s/t)

Any reference to the results 9M refers to the period between March 1 and November 30 of the corresponding year.

Table 1. ADZ's 9M 2020 Results

| (EUR Mn)                           | 9m20 Real | 9m19  | 9m20 Real vs 9m19 | 3Q20   | 3Q20 vs 3Q19 |
|------------------------------------|-----------|-------|-------------------|--------|--------------|
| <b>Total Revenues</b>              | 41.5      | 78.1  | -46.8%            | 15.0   | -39.1%       |
| Sales                              | 40.5      | 76.6  | -47.1%            | 14.5   | -39.9%       |
| Europe                             | 28.1      | 55.5  | -49.4%            | 9.8    | -42.4%       |
| Mexico                             | 7.6       | 12.4  | -38.7%            | 2.7    | -38.6%       |
| Japan                              | 3.4       | 5.5   | -38.2%            | 1.3    | -31.6%       |
| ROW                                | 1.4       | 3.3   | -57.6%            | 0.7    | -22.2%       |
| Other income                       | 1.0       | 1.5   | -32.1%            | 0.5    | 5.9%         |
| <b>Gross Margin</b>                | 21.0      | 46.4  | -54.8%            | 8.5    | -47.4%       |
| <i>Gross Margin (% s/Revenues)</i> | 50.4%     | 59.4% | -8.9 p.p.         | 56.6%  | -9.0 p.p.    |
| <b>Recurrent EBITDA</b>            | (5.6)     | 5.5   | -202.3%           | (1.9)  | -189.3%      |
| <i>Rec. EBITDA/Revenues</i>        | -13.5%    | 7.0%  | -20.5 p.p.        | -12.7% | -21.3 p.p.   |
| <b>EBITDA</b>                      | (5.6)     | 5.5   | -202.3%           | (1.9)  | -189.3%      |
| <i>EBITDA/Revenues</i>             | -13.5%    | 7.0%  | -20.5 p.p.        | -12.7% | -21.3 p.p.   |
| <b>EBIT</b>                        | (13.6)    | (1.0) | -1309.6%          | (4.3)  | -4385%       |
| <i>EBIT/Revenues</i>               | n.a.      | n.a.  | n.a.              | n.a.   | n.a.         |
| <b>PBT</b>                         | (15.1)    | (1.6) | -854.5%           | (4.5)  | n.a.         |
| <b>NP</b>                          | (15.0)    | (2.1) | -598.6%           | (4.5)  | n.a.         |
| <b>Ordinary NP</b>                 | (15.0)    | (2.1) | -598.6%           | (4.5)  | n.a.         |
| <b>Total LFL Var.</b>              | -45.0%    | 5.0%  | -50.0 p.p.        |        |              |
| <b>Points of sale</b>              | 348       | 391   | (43.0)            |        |              |
| <b>Rec. FCF</b>                    | -7.1      | -3.2  | -118%             |        |              |
| <b>Net Debt</b>                    | 1.6       | -1.4  | 219%              |        |              |
| <b>ND / Equity</b>                 | 0.1 x     | 0.0 x | 0.1 x             |        |              |

Chart 1. Quarterly sales performance ADZ (2020 vs. 2019)

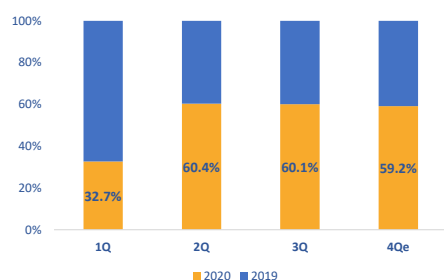
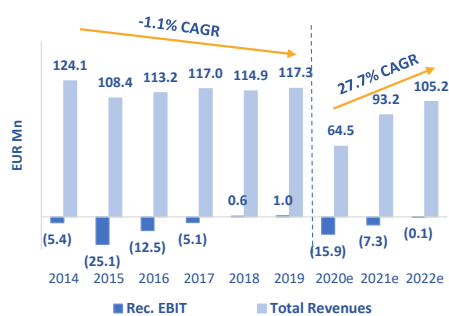


Chart 2. Revenues vs. EBIT (ADZ)



### We downgrade our 2020 estimates, maintaining break-even (EBIT) in 2022

The rapid worsening of the current situation (national/international) leads us to downgrade our estimates for the most immediate term (-15.1% revenues and -49.4% EBIT vs. our previous estimates for 2020) in a context in which a potential toughening of restrictions in an attempt to contain the spread of the pandemic (lockdowns) will further weaken consumption. The limitation/absence of social events discourages demand for fashion items.

We maintain our scenario for a recovery of 2019 sales levels in 4Q 2022 (a financial year that ends in February 2023). Progress in vaccinating the population should allow a gradual return to normality, and so ADZ's strong play on the online channel and sustainable consumption, together with improved inventory management (inventories/sales c. 20% 2022e, -3p.p. vs. -3y) should enable a return to pre-crisis margin levels (gross margin/revenues 56.9% 2022e). And all this against a backdrop of significant sector consolidation with the survivors attempting to capture the market share given up by the weaker players.

Table 2. Review of estimates

| EUR Mn                         | 2020e (New) | 2020e (Old) | Review     | 2020e (New) | 2021e (Old) | Review     | 2022e (New) | 2022e (Old) | Review      |
|--------------------------------|-------------|-------------|------------|-------------|-------------|------------|-------------|-------------|-------------|
| <b>Total Revenues</b>          | 64.5        | 76.0        | -15.1%     | 93.2        | 93.2        | -0.1%      | 105.2       | 105.2       | 0.0%        |
| <b>Recurrent EBITDA</b>        | -6.5        | -1.3        | -412.0%    | 1.8         | 1.6         | 14.6%      | 9.2         | 9.7         | -4.5%       |
| <i>Recurrent EBITDA growth</i> | -157.4%     | -111.2%     | -46.2 p.p. | 127.7%      | 223.9%      | -96.2 p.p. | 410.5%      | 512.7%      | -102.3 p.p. |
| <i>Rec. EBITDA/Revenues</i>    | -10.1%      | -1.7%       | -8.4 p.p.  | 1.9%        | 1.7%        | 0.2 p.p.   | 8.8%        | 9.2%        | -0.4 p.p.   |
| <b>EBIT</b>                    | -15.9       | -10.6       | -49.4%     | -7.3        | -7.6        | 3.9%       | -0.1        | 0.1         | -139.7%     |
| <b>Net Profit</b>              | -17.5       | -12.2       | -43.4%     | -9.0        | -9.2        | 2.4%       | -2.8        | -2.5        | -12.2%      |
| <b>Rec. Free Cash Flow</b>     | -11.4       | -6.8        | -68.4%     | -8.5        | -8.1        | -5.0%      | -2.3        | -2.5        | 7.5%        |
| <i>ND / Rec. EBITDA</i>        | 0.1 x       | -0.1 x      | 0.2 x      | 0.6 x       | 0.2 x       | 0.3 x      | 0.8 x       | 0.4 x       | 0.5 x       |

## Valuation inputs

### Inputs for the DCF Valuation Approach

|                                | 2020e | 2021e                              | 2022e | Terminal Value <sup>(1)</sup> |           |            |
|--------------------------------|-------|------------------------------------|-------|-------------------------------|-----------|------------|
| Free Cash Flow "To the Firm"   | (9.8) | (6.9)                              | 0.4   | n.a.                          |           |            |
| Market Cap                     | 44.3  | At the date of this report         |       |                               |           |            |
| Net financial debt             | 1.6   | Debt net of Cash (9m Results 2020) |       |                               |           |            |
|                                |       |                                    |       |                               | Best Case | Worst Case |
| Cost of Debt                   | 2.6%  | Net debt cost                      |       |                               | 2.3%      | 2.8%       |
| Tax rate (T)                   | 20.0% | T (Normalised tax rate)            |       |                               | =         | =          |
| Net debt cost                  | 2.0%  | Kd = Cost of Net Debt * (1-T)      |       |                               | 1.8%      | 2.2%       |
| 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)                       | 1.1   | B (Refinitiv and Lighthouse)       |       |                               | 1.0       | 1.2        |
| Cost of Equity                 | 10.0% | Ke = Rf + (R * B)                  |       |                               | 8.6%      | 11.5%      |
| Equity / (Equity + Net Debt)   | 96.5% | E (Market Cap as equity value)     |       |                               | =         | =          |
| Net Debt / (Equity + Net Debt) | 3.5%  | D                                  |       |                               | =         | =          |
| WACC                           | 9.7%  | WACC = Kd * D + Ke * E             |       |                               | 8.3%      | 11.1%      |
| G "Fair"                       | 2.0%  |                                    |       |                               | 2.5%      | 1.5%       |

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication 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 |
|------------------------------------|----------------|----------|---------|-------------|---------------|----------------|--------------|------------------|------------------|---------------|-------------|
| SMCP SA                            | SMCP.PA        | 365.6    | n.a.    | 72.1%       | 9.8           | 34.4%          | 1.5          | 12.3%            | 14.9%            | n.a.          | n.a.        |
| Ted Baker PLC                      | TED.L          | 236.7    | n.a.    | 51.7%       | n.a.          | n.a.           | 0.9          | 28.0%            | n.a.             | n.a.          | n.a.        |
| Hugo Boss AG                       | BOSSn.DE       | 1,862.8  | n.a.    | 68.4%       | 11.4          | 48.3%          | 1.5          | 12.2%            | 12.8%            | 8.9%          | 11.2%       |
| Burberry Group PLC                 | BRBY.L         | 7,813.4  | 35.4    | 28.5%       | 15.6          | 18.0%          | 3.3          | 9.1%             | 20.8%            | 3.4%          | 25.3%       |
| <b>Affordable Luxury players</b>   |                |          | 35.4    | 55.2%       | 12.3          | 33.6%          | 1.8          | 15.4%            | 16.2%            | 6.2%          | 18.3%       |
| Capri Holdings Ltd                 | CPRI.K         | 5,344.6  | 37.0    | 90.4%       | 16.0          | 40.5%          | 2.0          | 15.9%            | 12.5%            | 6.1%          | 18.7%       |
| G-III Apparel Group Ltd            | GIII.OQ        | 1,103.1  | 68.2    | n.a.        | 13.6          | 40.1%          | 0.8          | 13.6%            | 6.0%             | 21.6%         | -6.3%       |
| PVH Corp                           | PVH.N          | 5,903.2  | n.a.    | n.a.        | 36.0          | n.a.           | 1.3          | 14.9%            | 3.6%             | 1.4%          | n.a.        |
| Tapestry                           | TPR.N          | 7,891.3  | n.a.    | 76.7%       | 14.9          | 32.8%          | 2.1          | 6.0%             | 14.0%            | 2.1%          | 65.9%       |
| <b>Specialised Retail Holdings</b> |                |          | 52.6    | 83.6%       | 20.1          | 37.8%          | 1.5          | 12.6%            | 9.0%             | 7.8%          | 26.1%       |
| ADZ                                | ADZ.MC         | 44.3     | n.a.    | 59.8%       | n.a.          | 84.8%          | 0.7          | 27.7%            | n.a.             | n.a.          | 54.9%       |

### 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      | 1.9%             | 1.8        | 23.8x         |
| Central  | 1.9%             | 1.8        | 23.8x         |
| Min      | 1.9%             | 1.8        | 23.8x         |

#### 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      | 0.1%            | 1.1%  | 2.1%  |   | Max      | n.a.               | n.a. | n.a. |
| 1.8             | (7.6)           | (8.5) | (9.4) | ➔ | Central  | n.a.               | n.a. | n.a. |
| 1.8             | (7.6)           | (8.5) | (9.4) |   | Min      | n.a.               | n.a. | n.a. |
| 1.8             | (7.6)           | (8.5) | (9.4) |   |          |                    |      |      |

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

| Balance Sheet (EUR Mn)                       | 2015          | 2016          | 2017         | 2018         | 2019         | 2020e         | 2021e        | 2022e        | CAGR          |               |
|--|---------------|---------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|---------------|
| Intangible assets                            | 2.3           | 1.6           | 0.9          | 0.8          | 34.9         | 34.4          | 34.0         | 33.5         |               |               |
| Fixed assets                                 | 17.9          | 16.6          | 12.3         | 10.6         | 10.6         | 10.3          | 10.0         | 9.8          |               |               |
| Other Non Current Assets                     | 18.0          | 8.2           | 8.5          | 8.1          | 0.8          | 0.8           | 0.8          | 0.8          |               |               |
| Financial Investments                        | 5.0           | 5.1           | 5.0          | 5.2          | 5.9          | 5.9           | 5.9          | 5.9          |               |               |
| Goodwill & Other Intangibles                 | -             | -             | -            | -            | -            | -             | -            | -            |               |               |
| Current assets                               | 46.3          | 44.4          | 36.2         | 36.2         | 38.0         | 26.3          | 29.6         | 30.5         |               |               |
| <b>Total assets</b>                          | <b>89.5</b>   | <b>75.9</b>   | <b>62.9</b>  | <b>60.8</b>  | <b>90.2</b>  | <b>77.7</b>   | <b>80.3</b>  | <b>80.5</b>  |               |               |
| Equity                                       | 82.7          | 59.4          | 52.3         | 52.2         | 44.2         | 26.7          | 17.7         | 14.8         |               |               |
| Minority Interests                           | 0.7           | 1.1           | 0.7          | 0.8          | 0.9          | 1.0           | 1.1          | 1.2          |               |               |
| Provisions & Other L/T Liabilities           | 0.5           | 0.6           | 0.6          | 1.0          | 1.5          | 1.5           | 1.5          | 1.5          |               |               |
| Other Non Current Liabilities                | -             | -             | -            | -            | 34.2         | 34.2          | 34.2         | 34.2         |               |               |
| Net financial debt                           | (17.3)        | (6.1)         | (9.9)        | (12.0)       | (10.0)       | 1.4           | 9.9          | 12.2         |               |               |
| Current Liabilities                          | 22.9          | 20.9          | 19.2         | 18.9         | 19.3         | 13.0          | 15.9         | 16.6         |               |               |
| <b>Equity &amp; Total Liabilities</b>        | <b>89.5</b>   | <b>75.9</b>   | <b>62.9</b>  | <b>60.8</b>  | <b>90.2</b>  | <b>77.7</b>   | <b>80.3</b>  | <b>80.5</b>  |               |               |
| P&L (EUR Mn)                                 | 2015          | 2016          | 2017         | 2018         | 2019         | 2020e         | 2021e        | 2022e        | 15-19         | 19-22e        |
| <b>Total Revenues</b>                        | <b>108.4</b>  | <b>113.2</b>  | <b>117.0</b> | <b>114.9</b> | <b>117.3</b> | <b>64.5</b>   | <b>93.2</b>  | <b>105.2</b> | <b>2.0%</b>   | <b>-3.6%</b>  |
| <i>Total Revenues growth</i>                 | -12.6%        | 4.4%          | 3.3%         | -1.7%        | 2.0%         | -45.0%        | 44.5%        | 12.9%        |               |               |
| COGS   | (50.6)        | (47.7)        | (49.0)       | (47.3)       | (50.6)       | (33.1)        | (43.3)       | (45.3)       |               |               |
| <b>Gross Margin</b>                          | <b>57.8</b>   | <b>65.5</b>   | <b>68.0</b>  | <b>67.6</b>  | <b>66.7</b>  | <b>31.3</b>   | <b>49.9</b>  | <b>59.9</b>  | <b>3.6%</b>   | <b>-3.5%</b>  |
| <i>Gross Margin/Revenues</i>                 | 53.3%         | 57.8%         | 58.1%        | 58.8%        | 56.9%        | 48.6%         | 53.5%        | 56.9%        |               |               |
| Personnel Expenses                           | (43.7)        | (42.5)        | (39.8)       | (38.1)       | (36.7)       | (23.6)        | (31.4)       | (33.8)       |               |               |
| Other Operating Expenses                     | (29.1)        | (31.5)        | (30.4)       | (27.1)       | (18.7)       | (14.3)        | (16.7)       | (16.8)       |               |               |
| <b>Recurrent EBITDA</b>                      | <b>(15.1)</b> | <b>(8.6)</b>  | <b>(2.2)</b> | <b>2.5</b>   | <b>11.3</b>  | <b>(6.5)</b>  | <b>1.8</b>   | <b>9.2</b>   | <b>28.8%</b>  | <b>-6.7%</b>  |
| <i>Recurrent EBITDA growth</i>               | n.a.          | 43.2%         | 74.2%        | 212.4%       | 357.2%       | -157.4%       | 127.7%       | 410.5%       |               |               |
| <i>Rec. EBITDA/Revenues</i>                  | n.a.          | n.a.          | n.a.         | 2.2%         | 9.7%         | n.a.          | 1.9%         | 8.8%         |               |               |
| Restructuring Expense & Other non-rec.       | (2.8)         | -             | -            | (1.2)        | -            | -             | -            | -            |               |               |
| <b>EBITDA</b>                                | <b>(17.9)</b> | <b>(8.6)</b>  | <b>(2.2)</b> | <b>1.3</b>   | <b>11.3</b>  | <b>(6.5)</b>  | <b>1.8</b>   | <b>9.2</b>   | <b>27.4%</b>  | <b>-6.7%</b>  |
| Depreciation & Provisions                    | (10.0)        | (4.0)         | (2.9)        | (1.9)        | (2.1)        | (1.7)         | (1.8)        | (1.8)        |               |               |
| Capitalized Expense                          | -             | -             | -            | -            | -            | -             | -            | -            |               |               |
| Rentals (IFRS 16 impact)                     | -             | -             | -            | -            | (8.3)        | (7.6)         | (7.3)        | (7.5)        |               |               |
| <b>EBIT</b>                                  | <b>(27.9)</b> | <b>(12.5)</b> | <b>(5.1)</b> | <b>(0.6)</b> | <b>1.0</b>   | <b>(15.9)</b> | <b>(7.3)</b> | <b>(0.1)</b> | <b>19.4%</b>  | <b>-27.2%</b> |
| <i>EBIT growth</i>                           | -255.7%       | 55.1%         | 59.5%        | 88.2%        | 259.0%       | n.a.          | 54.1%        | 99.2%        |               |               |
| <i>EBIT/Revenues</i>                         | n.a.          | n.a.          | n.a.         | n.a.         | 0.8%         | n.a.          | n.a.         | n.a.         |               |               |
| Impact of Goodwill & Others                  | -             | -             | -            | -            | -            | -             | -            | -            |               |               |
| Net Financial Result                         | (2.2)         | (0.2)         | (1.6)        | 0.5          | (0.9)        | (1.6)         | (1.4)        | (2.0)        |               |               |
| Income by the Equity Method                  | -             | -             | -            | -            | -            | -             | -            | -            |               |               |
| <b>Ordinary Profit</b>                       | <b>(30.0)</b> | <b>(12.8)</b> | <b>(6.7)</b> | <b>(0.1)</b> | <b>0.0</b>   | <b>(17.5)</b> | <b>(8.7)</b> | <b>(2.1)</b> | <b>18.9%</b>  | <b>n.a.</b>   |
| <i>Ordinary Profit Growth</i>                | -372.4%       | 57.5%         | 47.4%        | 98.0%        | 105.3%       | n.a.          | 50.2%        | 76.2%        |               |               |
| Extraordinary Results                        | 41.7          | (0.5)         | 0.4          | 1.3          | -            | -             | -            | -            |               |               |
| <b>Profit Before Tax</b>                     | <b>11.7</b>   | <b>(13.2)</b> | <b>(6.3)</b> | <b>1.2</b>   | <b>0.0</b>   | <b>(17.5)</b> | <b>(8.7)</b> | <b>(2.1)</b> | <b>-84.3%</b> | <b>n.a.</b>   |
| Tax Expense                                  | (4.0)         | (9.7)         | (0.4)        | (1.5)        | (8.2)        | -             | (0.2)        | (0.7)        |               |               |
| <i>Effective Tax Rate</i>                    | 34.2%         | n.a.          | n.a.         | n.a.         | n.a.         | n.a.          | n.a.         | n.a.         |               |               |
| Minority Interests                           | 0.3           | 0.2           | (0.1)        | (0.1)        | (0.1)        | (0.1)         | (0.1)        | (0.1)        |               |               |
| Discontinued Activities                      | -             | -             | -            | -            | -            | -             | -            | -            |               |               |
| <b>Net Profit</b>                            | <b>8.0</b>    | <b>(22.7)</b> | <b>(6.9)</b> | <b>(0.5)</b> | <b>(8.3)</b> | <b>(17.5)</b> | <b>(9.0)</b> | <b>(2.8)</b> | <b>-32.1%</b> | <b>30.2%</b>  |
| <i>Net Profit growth</i>                     | 172.2%        | -384.8%       | 69.8%        | 92.7%        | n.a.         | -110.9%       | 48.7%        | 68.5%        |               |               |
| <b>Ordinary Net Profit</b>                   | <b>(26.9)</b> | <b>(12.6)</b> | <b>(6.8)</b> | <b>0.6</b>   | <b>(0.1)</b> | <b>(17.5)</b> | <b>(8.8)</b> | <b>(2.2)</b> | <b>74.7%</b>  | <b>n.a.</b>   |
| <i>Ordinary Net Profit growth</i>            | -587.7%       | 53.3%         | 45.6%        | 109.1%       | -117.7%      | n.a.          | 49.9%        | 75.3%        |               |               |
| Cash Flow (EUR Mn)                           | 2015          | 2016          | 2017         | 2018         | 2019         | 2020e         | 2021e        | 2022e        | 15-19         | 19-22e        |
| <b>Recurrent EBITDA</b>                      |               |               |              |              |              | <b>(6.5)</b>  | <b>1.8</b>   | <b>9.2</b>   | <b>28.8%</b>  | <b>-6.7%</b>  |
| Rentals (IFRS 16 impact)                     |               |               |              |              |              | (7.6)         | (7.3)        | (7.5)        |               |               |
| Working Capital Increase                     |               |               |              |              |              | 5.3           | (0.4)        | (0.2)        |               |               |
| <b>Recurrent Operating Cash Flow</b>         |               |               |              |              |              | <b>-8.8</b>   | <b>-5.9</b>  | <b>1.5</b>   | <b>21.4%</b>  | <b>-5.5%</b>  |
| CAPEX  |               |               |              |              |              | (1.0)         | (1.0)        | (1.1)        |               |               |
| Net Financial Result affecting the Cash Flow |               |               |              |              |              | (1.6)         | (1.4)        | (2.0)        |               |               |
| Tax Expense                                  |               |               |              |              |              | -             | (0.2)        | (0.7)        |               |               |
| <b>Recurrent Free Cash Flow</b>              |               |               |              |              |              | <b>(11.4)</b> | <b>(8.5)</b> | <b>(2.3)</b> | <b>40.8%</b>  | <b>-0.3%</b>  |
| Restructuring Expense & Other non-rec.       |               |               |              |              |              | -             | -            | -            |               |               |
| - Acquisitions / + Divestures of assets      |               |               |              |              |              | -             | -            | -            |               |               |
| Extraordinary Inc./Exp. Affecting Cash Flow  |               |               |              |              |              | -             | -            | -            |               |               |
| <b>Free Cash Flow</b>                        |               |               |              |              |              | <b>(11.4)</b> | <b>(8.5)</b> | <b>(2.3)</b> | <b>-20.3%</b> | <b>-0.3%</b>  |
| Capital Increase                             |               |               |              |              |              | -             | -            | -            |               |               |
| Dividends                                    |               |               |              |              |              | -             | -            | -            |               |               |
| <b>Net Debt Variation</b>                    |               |               |              |              |              | <b>11.4</b>   | <b>8.5</b>   | <b>2.3</b>   |               |               |

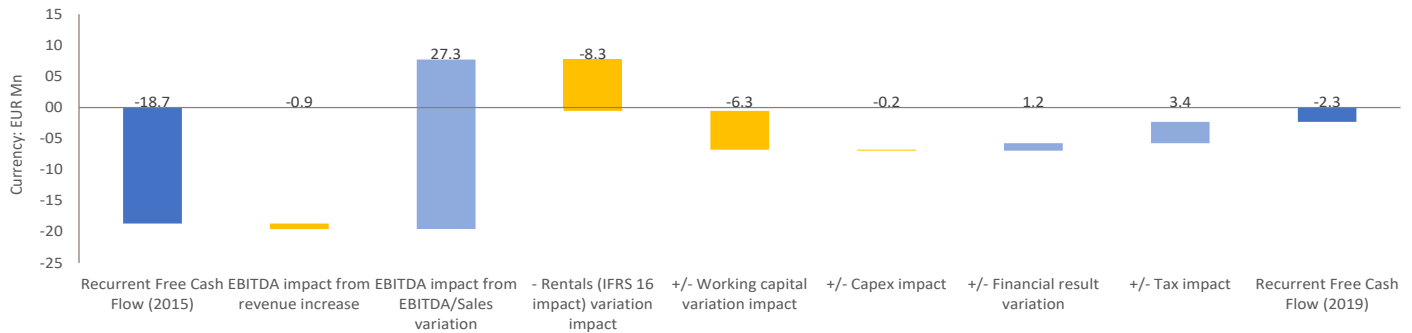
Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 9.1Mn higher due to IFRS 16.

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

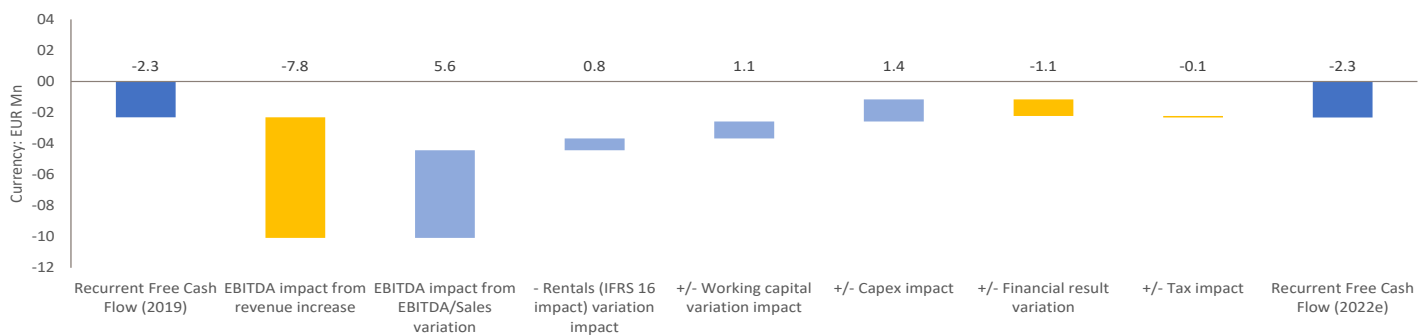
| A) Cash Flow Analysis (EUR Mn)  | 2016          | 2017          | 2018         | 2019         | 2020e         | 2021e         | 2022e        | CAGR         |               |
|---|---------------|---------------|--------------|--------------|---------------|---------------|--------------|--------------|---------------|
|   |               |               |              |              |               |               |              | 16-19        | 19-22e        |
| <b>Recurrent EBITDA</b>   | <b>(8.6)</b>  | <b>(2.2)</b>  | <b>2.5</b>   | <b>11.3</b>  | <b>(6.5)</b>  | <b>1.8</b>    | <b>9.2</b>   | <b>49.3%</b> | <b>-6.7%</b>  |
| <i>Recurrent EBITDA growth</i>  | 43.2%         | 74.2%         | 212.4%       | 357.2%       | -157.4%       | 127.7%        | 410.5%       |              |               |
| <i>Rec. EBITDA/Revenues</i>   | n.a.          | n.a.          | 2.2%         | 9.7%         | n.a.          | 1.9%          | 8.8%         |              |               |
| - Rentals (IFRS 16 impact)  | -             | -             | -            | (8.3)        | (7.6)         | (7.3)         | (7.5)        |              |               |
| +/- Working Capital increase  | (0.0)         | 6.5           | (0.4)        | (1.3)        | 5.3           | (0.4)         | (0.2)        |              |               |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(8.6)</b>  | <b>4.3</b>    | <b>2.1</b>   | <b>1.8</b>   | <b>(8.8)</b>  | <b>(5.9)</b>  | <b>1.5</b>   | <b>30.2%</b> | <b>-5.5%</b>  |
| <i>Rec. Operating Cash Flow growth</i>  | 15.4%         | 149.7%        | -50.4%       | -16.8%       | -599.9%       | 32.8%         | 125.1%       |              |               |
| <i>Rec. Operating Cash Flow / Sales</i>   | n.a.          | 3.6%          | 1.8%         | 1.5%         | n.a.          | n.a.          | 1.4%         |              |               |
| - CAPEX   | (2.0)         | (0.9)         | (0.8)        | (2.6)        | (1.0)         | (1.0)         | (1.1)        |              |               |
| - Net Financial Result affecting Cash Flow  | (0.2)         | (1.6)         | 0.5          | (0.9)        | (1.6)         | (1.4)         | (2.0)        |              |               |
| - Taxes   | (1.9)         | (0.4)         | (1.5)        | (0.6)        | -             | (0.2)         | (0.7)        |              |               |
| <b>= Recurrent Free Cash Flow</b>   | <b>(12.7)</b> | <b>1.3</b>    | <b>0.2</b>   | <b>(2.3)</b> | <b>(11.4)</b> | <b>(8.5)</b>  | <b>(2.3)</b> | <b>43.4%</b> | <b>-0.3%</b>  |
| <i>Rec. Free Cash Flow growth</i>   | 31.9%         | 110.2%        | -83.7%       | n.a.         | -395.2%       | 25.2%         | 72.8%        |              |               |
| <i>Rec. Free Cash Flow / Revenues</i>   | n.a.          | 1.1%          | 0.2%         | n.a.         | n.a.          | n.a.          | n.a.         |              |               |
| - Restructuring expenses & others   | -             | -             | (1.2)        | -            | -             | -             | -            |              |               |
| - Acquisitions / + Divestments  | 0.1           | 3.2           | 2.6          | -            | -             | -             | -            |              |               |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -             | -             | -            | -            | -             | -             | -            |              |               |
| <b>= Free Cash Flow</b>   | <b>(12.6)</b> | <b>4.5</b>    | <b>1.6</b>   | <b>(2.3)</b> | <b>(11.4)</b> | <b>(8.5)</b>  | <b>(2.3)</b> | <b>43.3%</b> | <b>-0.3%</b>  |
| <i>Free Cash Flow growth</i>  | -151.9%       | 135.9%        | -64.3%       | -242.3%      | -395.2%       | 25.2%         | 72.8%        |              |               |
| <i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>                                 | n.a.          | 2.9%          | 0.5%         | n.a.         | n.a.          | n.a.          | n.a.         |              |               |
| <i>Free Cash Flow Yield (s/Mkt Cap)</i>   | n.a.          | 10.2%         | 3.6%         | n.a.         | n.a.          | n.a.          | n.a.         |              |               |
| <b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b> |               |               |              |              |               |               |              |              |               |
| <b>Recurrent FCF(FY - 1)</b>  | <b>(18.7)</b> | <b>(12.7)</b> | <b>1.3</b>   | <b>0.2</b>   | <b>(2.3)</b>  | <b>(11.4)</b> | <b>(8.5)</b> |              |               |
| EBITDA impact from revenue increase   | (0.7)         | (0.3)         | 0.0          | 0.1          | (5.1)         | (2.9)         | 0.2          |              |               |
| EBITDA impact from EBITDA/Sales variation   | 7.2           | 6.6           | 4.6          | 8.8          | (12.7)        | 11.2          | 7.2          |              |               |
| <b>= Recurrent EBITDA variation</b>   | <b>6.5</b>    | <b>6.3</b>    | <b>4.7</b>   | <b>8.9</b>   | <b>(17.9)</b> | <b>8.3</b>    | <b>7.4</b>   |              |               |
| - Rentals (IFRS 16 impact) variation impact   | -             | -             | -            | (8.3)        | 0.6           | 0.3           | (0.2)        |              |               |
| +/- Working capital variation impact  | (5.0)         | 6.5           | (6.8)        | (1.0)        | 6.7           | (5.7)         | 0.1          |              |               |
| <b>= Recurrent Operating Cash Flow variation</b>                                    | <b>1.6</b>    | <b>12.8</b>   | <b>(2.1)</b> | <b>(0.4)</b> | <b>(10.5)</b> | <b>2.9</b>    | <b>7.4</b>   |              |               |
| +/- CAPEX impact  | 0.4           | 1.1           | 0.0          | (1.7)        | 1.6           | -             | (0.1)        |              |               |
| +/- Financial result variation  | 1.9           | (1.4)         | 2.1          | (1.4)        | (0.7)         | 0.2           | (0.6)        |              |               |
| +/- Tax impact  | 2.1           | 1.5           | (1.1)        | 1.0          | 0.6           | (0.2)         | (0.5)        |              |               |
| <b>= Recurrent Free Cash Flow variation</b>   | <b>6.0</b>    | <b>14.0</b>   | <b>(1.1)</b> | <b>(2.5)</b> | <b>(9.1)</b>  | <b>2.9</b>    | <b>6.2</b>   |              |               |
| <b>Recurrent Free Cash Flow</b>   | <b>(12.7)</b> | <b>1.3</b>    | <b>0.2</b>   | <b>(2.3)</b> | <b>(11.4)</b> | <b>(8.5)</b>  | <b>(2.3)</b> |              |               |
| <b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>                             |               |               |              |              |               |               |              |              |               |
| <b>EBIT</b>   | <b>(12.5)</b> | <b>(5.1)</b>  | <b>(0.6)</b> | <b>1.0</b>   | <b>(15.9)</b> | <b>(7.3)</b>  | <b>(0.1)</b> | <b>27.6%</b> | <b>-27.2%</b> |
| * <i>Theoretical Tax rate</i>   | 0.0%          | 0.0%          | 0.0%         | 30.0%        | 0.0%          | 0.0%          | 0.0%         |              |               |
| = Taxes (pre- Net Financial Result)   | -             | -             | -            | (0.3)        | -             | -             | -            |              |               |
| <b>Recurrent EBITDA</b>   | <b>(8.6)</b>  | <b>(2.2)</b>  | <b>2.5</b>   | <b>11.3</b>  | <b>(6.5)</b>  | <b>1.8</b>    | <b>9.2</b>   | <b>49.3%</b> | <b>-6.7%</b>  |
| - Rentals (IFRS 16 impact)  | -             | -             | -            | (8.3)        | (7.6)         | (7.3)         | (7.5)        |              |               |
| +/- Working Capital increase  | (0.0)         | 6.5           | (0.4)        | (1.3)        | 5.3           | (0.4)         | (0.2)        |              |               |
| <b>= Recurrent Operating Cash Flow</b>  | <b>(8.6)</b>  | <b>4.3</b>    | <b>2.1</b>   | <b>1.8</b>   | <b>(8.8)</b>  | <b>(5.9)</b>  | <b>1.5</b>   | <b>30.2%</b> | <b>-5.5%</b>  |
| - CAPEX   | (2.0)         | (0.9)         | (0.8)        | (2.6)        | (1.0)         | (1.0)         | (1.1)        |              |               |
| - Taxes (pre- Financial Result)   | -             | -             | -            | (0.3)        | -             | -             | -            |              |               |
| <b>= Recurrent Free Cash Flow (To the Firm)</b>                                     | <b>(10.6)</b> | <b>3.4</b>    | <b>1.3</b>   | <b>(1.1)</b> | <b>(9.8)</b>  | <b>(6.9)</b>  | <b>0.4</b>   | <b>53.2%</b> | <b>32.5%</b>  |
| <i>Rec. Free Cash Flow (To the Firm) growth</i>                                     | 15.6%         | 131.9%        | -62.3%       | -185.5%      | -800.4%       | 29.5%         | 105.1%       |              |               |
| <i>Rec. Free Cash Flow (To the Firm) / Revenues</i>                                 | n.a.          | 2.9%          | 1.1%         | n.a.         | n.a.          | n.a.          | 0.3%         |              |               |
| - Acquisitions / + Divestments  | 0.1           | 3.2           | 2.6          | -            | -             | -             | -            |              |               |
| +/- Extraordinary Inc./Exp. affecting Cash Flow                                     | -             | -             | -            | -            | -             | -             | -            |              |               |
| <b>= Free Cash Flow "To the Firm"</b>   | <b>(10.5)</b> | <b>6.6</b>    | <b>3.9</b>   | <b>(1.1)</b> | <b>(9.8)</b>  | <b>(6.9)</b>  | <b>0.4</b>   | <b>53.0%</b> | <b>32.5%</b>  |
| <i>Free Cash Flow (To the Firm) growth</i>  | -131.5%       | 163.0%        | -41.3%       | -128.0%      | -800.4%       | 29.5%         | 105.1%       |              |               |
| <i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>                                 | n.a.          | 7.9%          | 3.0%         | n.a.         | n.a.          | n.a.          | 0.8%         |              |               |
| <i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>                                  | n.a.          | 15.4%         | 9.0%         | n.a.         | n.a.          | n.a.          | 0.8%         |              |               |

Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 9.1Mn higher due to IFRS 16.

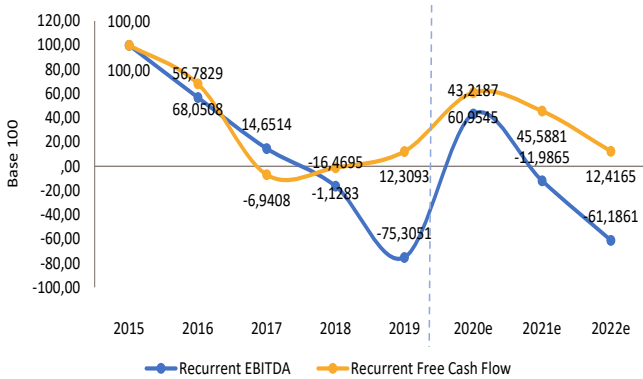
**Recurrent Free Cash Flow accumulated variation analysis (2015 - 2019)**



**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                           | 44.3        |                 |
| + Minority Interests                 | 1.0         | 9m Results 2020 |
| + Provisions & Other L/T Liabilities | 0.6         | 9m Results 2020 |
| + Net financial debt                 | 1.6         | 9m Results 2020 |
| - Financial Investments              | 4.6         | 9m Results 2020 |
| +/- Others                           |             |                 |
| <b>Enterprise Value (EV)</b>         | <b>42.9</b> |                 |

## Appendix 4. Historical performance <sup>(1)(2)</sup>

| Historical performance (EUR Mn) | 2009   | 2010    | 2011    | 2012    | 2013   | 2014   | 2015   | 2016    | 2017  | 2018   | 2019   | 2020e   | 2021e  | 2022e  | CAGR 09-19 | 19-22e |
|---------------------------------|--------|---------|---------|---------|--------|--------|--------|---------|-------|--------|--------|---------|--------|--------|------------|--------|
| <b>Total Revenues</b>           | 179.2  | 166.9   | 156.1   | 152.1   | 134.9  | 124.1  | 108.4  | 113.2   | 117.0 | 114.9  | 117.3  | 64.5    | 93.2   | 105.2  | -4.1%      | -3.6%  |
| Total Revenues growth           | -6.5%  | -6.8%   | -6.5%   | -2.6%   | -11.3% | -8.0%  | -12.6% | 4.4%    | 3.3%  | -1.7%  | 2.0%   | -45.0%  | 44.5%  | 12.9%  |            |        |
| <b>EBITDA</b>                   | 19.2   | 10.3    | 1.6     | (5.3)   | (2.5)  | (1.5)  | (17.9) | (8.6)   | (2.2) | 1.3    | 11.3   | (6.5)   | 1.8    | 9.2    | -5.1%      | -6.7%  |
| EBITDA growth                   | -6.2%  | -46.5%  | -84.7%  | -437.4% | 53.1%  | 40.0%  | n.a.   | 52.1%   | 74.2% | 158.0% | 785.6% | -157.4% | 127.7% | 410.5% |            |        |
| EBITDA/Sales                    | 10.7%  | 6.1%    | 1.0%    | n.a.    | n.a.   | n.a.   | n.a.   | n.a.    | n.a.  | 1.1%   | 9.7%   | n.a.    | 1.9%   | 8.8%   |            |        |
| <b>Net Profit</b>               | 1.0    | (4.5)   | (9.3)   | (23.9)  | (10.3) | (11.0) | 8.0    | (22.7)  | (6.9) | (0.5)  | (8.3)  | (17.5)  | (9.0)  | (2.8)  | -26.6%     | 30.2%  |
| Net Profit growth               | -76.4% | -563.1% | -106.1% | -158.4% | 57.1%  | -7.5%  | 172.2% | -384.8% | 69.8% | 92.7%  | n.a.   | -110.9% | 48.7%  | 68.5%  |            |        |
| Adjusted number shares (Mn)     | 9.1    | 9.1     | 9.1     | 9.1     | 9.1    | 9.1    | 9.1    | 9.1     | 9.0   | 9.2    | 9.3    | 9.3     | 9.3    | 9.3    |            |        |
| EPS (EUR)                       | 0.11   | -0.49   | -1.01   | -2.62   | -1.12  | -1.21  | 0.87   | -2.48   | -0.76 | -0.05  | -0.90  | -1.89   | -0.97  | -0.31  | -26.4%     | 30.2%  |
| EPS growth                      | -76.4% | n.a.    | n.a.    | n.a.    | 57.1%  | -7.5%  | n.a.   | n.a.    | 69.4% | 92.9%  | n.a.   | n.a.    | 48.7%  | 68.5%  |            |        |
| Ord. EPS (EUR)                  | 0.29   | -0.60   | -1.83   | -3.62   | -1.32  | -0.42  | -2.94  | -1.37   | -0.76 | 0.07   | -0.01  | -1.89   | -0.95  | -0.23  | -7.4%      | n.a.   |
| Ord. EPS growth                 | -29.2% | n.a.    | n.a.    | -97.5%  | 63.4%  | 68.0%  | n.a.   | 53.3%   | 44.9% | n.a.   | n.a.   | n.a.    | 49.9%  | 75.3%  |            |        |
| CAPEX                           | (9.6)  | (9.0)   | (6.2)   | (0.7)   | (1.6)  | (2.0)  | (2.4)  | (2.0)   | (0.9) | (0.8)  | (2.6)  | (1.0)   | (1.0)  | (1.1)  |            |        |
| CAPEX/Sales %                   | 5.3%   | 5.4%    | 4.0%    | 0.5%    | 1.2%   | 1.6%   | 2.2%   | 1.8%    | 0.8%  | 0.7%   | 2.2%   | 1.6%    | 1.1%   | 1.1%   |            |        |
| <b>Free Cash Flow</b>           | 10.1   | (4.2)   | (13.2)  | 24.9    | 8.9    | (5.3)  | 24.3   | (12.6)  | 4.5   | 1.6    | (2.3)  | (11.4)  | (8.5)  | (2.3)  | -8.3%      | -0.3%  |
| ND/EBITDA (x) <sup>(3)</sup>    | 0.3x   | 0.5x    | 14.0x   | n.a.    | n.a.   | n.a.   | n.a.   | n.a.    | n.a.  | -9.4x  | -0.9x  | n.a.    | 5.5x   | 1.3x   |            |        |
| P/E (x)                         | 78.8x  | n.a.    | n.a.    | n.a.    | n.a.   | n.a.   | 3.8x   | n.a.    | n.a.  | n.a.   | n.a.   | n.a.    | n.a.   | n.a.   |            |        |
| EV/Sales (x)                    | 0.5x   | 0.5x    | 0.4x    | 0.3x    | 0.5x   | 0.4x   | 0.1x   | 0.3x    | 0.3x  | 0.5x   | 0.4x   | 0.7x    | 0.5x   | 0.4x   |            |        |
| EV/EBITDA (x) <sup>(3)</sup>    | 4.6x   | 8.6x    | 38.1x   | n.a.    | n.a.   | n.a.   | n.a.   | n.a.    | n.a.  | 41.1x  | 3.6x   | n.a.    | 23.8x  | 4.7x   |            |        |
| Absolute performance            | n.a.   | -22.4%  | -38.5%  | -24.1%  | 44.8%  | -12.4% | -30.4% | -4.9%   | 62.2% | 29.7%  | 2.6%   | n.a.    | n.a.   | n.a.   |            |        |
| Relative performance vs Ibx 35  | n.a.   | -6.1%   | -29.2%  | -20.4%  | 19.2%  | -15.5% | -25.1% | -3.0%   | 51.0% | 52.5%  | -8.2%  | n.a.    | n.a.   | n.a.   |            |        |

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 Refinitiv.

Note 2: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 9.1Mn 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

| Market data             | Affordable Luxury players |         |               |              |                    | Specialised Retail Holdings |          |          |                    |          | ADZ   |         |         |
|-------------------------|---------------------------|---------|---------------|--------------|--------------------|-----------------------------|----------|----------|--------------------|----------|-------|---------|---------|
|                         | EUR Mn                    | SMCP SA | Ted Baker PLC | Hugo Boss AG | Burberry Group PLC | Average                     | PVH Corp | Tapestry | Capri Holdings Ltd | Kering   |       | Average |         |
| Ticker (Reuters)        | SMCP.PA                   | TED.L   | BOSSn.DE      | BRBY.L       |                    |                             | PVH.N    | TPR.N    | CPRI.K             | PRT.PA   |       | ADZ.MC  |         |
| Country                 | France                    | U.K     | Germany       | U.K          |                    |                             | U.S.A.   | USA      | U.K                | France   |       | Spain   |         |
| Market cap              | 365.6                     | 236.7   | 1,862.8       | 7,813.4      |                    |                             | 5,903.2  | 7,891.3  | 5,344.6            | 70,688.4 |       | 44.3    |         |
| Enterprise value (EV)   | 1,300.6                   | 349.4   | 2,889.8       | 8,435.9      |                    |                             | 7,596.5  | 8,535.6  | 6,622.1            | 78,675.8 |       | 42.9    |         |
| <b>Total Revenues</b>   | 889.6                     | 407.7   | 1,979.7       | 2,592.2      |                    |                             | 5,927.8  | 4,083.8  | 3,319.1            | 13,279.7 |       | 64.5    |         |
| Total Revenues growth   | -21.4%                    | -42.5%  | -31.4%        | -12.5%       |                    |                             | -27.7%   | -17.7%   | -27.8%             | -16.4%   |       | -22.4%  | -45.0%  |
| 2y CAGR (2020e - 2022e) | 12.3%                     | 28.0%   | 12.2%         | 9.1%         |                    |                             | 15.4%    | 14.9%    | 6.0%               | 15.9%    | 13.2% | 12.5%   | 27.7%   |
| <b>EBITDA</b>           | 132.5                     | (2.9)   | 253.2         | 539.8        |                    |                             | 210.8    | 571.2    | 414.9              | 4,181.7  |       | (6.5)   |         |
| EBITDA growth           | -53.4%                    | -103.0% | -64.2%        | -38.1%       |                    |                             | -64.7%   | -77.6%   | -37.9%             | -30.6%   |       | -46.0%  | -157.4% |
| 2y CAGR (2020e - 2022e) | 34.4%                     | n.a.    | 48.3%         | 18.0%        |                    |                             | 33.6%    | n.a.     | 32.8%              | 40.5%    | 20.7% | 31.3%   | 84.8%   |
| EBITDA/Revenues         | 14.9%                     | n.a.    | 12.8%         | 20.8%        |                    |                             | 16.2%    | 3.6%     | 14.0%              | 12.5%    | 31.5% | 15.4%   | n.a.    |
| <b>EBIT</b>             | (21.2)                    | (50.4)  | (187.1)       | 292.4        |                    |                             | (60.8)   | 445.7    | 265.2              | 3,057.6  |       | (15.9)  |         |
| EBIT growth             | -117.5%                   | -396.6% | -152.7%       | -34.1%       |                    |                             | -175.2%  | -107.5%  | -47.5%             | -52.5%   |       | -60.9%  | n.a.    |
| 2y CAGR (2020e - 2022e) | n.a.                      | 62.5%   | 78.4%         | 23.1%        |                    |                             | 54.6%    | n.a.     | 46.7%              | 71.4%    | 25.8% | 48.0%   | 94.1%   |
| EBIT/Revenues           | n.a.                      | n.a.    | n.a.          | 11.3%        |                    |                             | 11.3%    | n.a.     | 10.9%              | 8.0%     | 23.0% | 14.0%   | n.a.    |
| <b>Net Profit</b>       | (45.7)                    | (44.5)  | (166.1)       | 204.5        |                    |                             | (135.2)  | (652.1)  | 169.6              | 1,955.5  |       | (17.5)  |         |
| Net Profit growth       | n.a.                      | -36.9%  | n.a.          | 68.2%        |                    |                             | 15.6%    | n.a.     | n.a.               | -9.7%    |       | -9.7%   | -110.9% |
| 2y CAGR (2020e - 2022e) | 72.0%                     | 53.8%   | 68.5%         | 27.7%        |                    |                             | 55.5%    | n.a.     | 76.6%              | 93.9%    | 29.9% | 66.8%   | 59.8%   |
| CAPEX/Sales %           | 4.8%                      | 10.8%   | 4.4%          | 5.5%         |                    |                             | 6.4%     | 2.9%     | 4.1%               | 3.3%     | 6.0%  | 4.1%    | -1.6%   |
| <b>Free Cash Flow</b>   | (27.8)                    | n.a.    | 165.5         | 268.4        |                    |                             | 83.1     | (814.5)  | 324.6              | 2,174.3  |       | (11.4)  |         |
| Net financial debt      | 706.3                     | 92.6    | 666.2         | (812.6)      |                    |                             | 2,017.8  | 716.4    | 1,535.5            | 4,150.0  |       | 1.4     |         |
| ND/EBITDA (x)           | 5.3                       | n.a.    | 2.6           | (1.5)        |                    |                             | 2.2      | 9.6      | 1.3                | 3.7      | 1.0   | 3.9     | n.a.    |
| Pay-out                 | 0.0%                      | 0.0%    | -3.5%         | 44.2%        |                    |                             | 10.2%    | -2.3%    | -35.6%             | 0.0%     | 46.7% | 2.2%    | 0.0%    |
| <b>P/E (x)</b>          | n.a.                      | n.a.    | n.a.          | 35.4         |                    |                             | 35.4     | n.a.     | n.a.               | 37.0     | 35.5  | 36.2    | n.a.    |
| P/BV (x)                | 0.3                       | 1.4     | 2.2           | 5.1          |                    |                             | 2.2      | 1.5      | 3.8                | 2.8      | 6.2   | 3.6     | 1.7     |
| EV/Revenues (x)         | 1.5                       | 0.9     | 1.5           | 3.3          |                    |                             | 1.8      | 1.3      | 2.1                | 2.0      | 5.9   | 2.8     | 0.7     |
| EV/EBITDA (x)           | 9.8                       | n.a.    | 11.4          | 15.6         |                    |                             | 12.3     | 36.0     | 14.9               | 16.0     | 18.8  | 21.4    | n.a.    |
| EV/EBIT (x)             | n.a.                      | n.a.    | n.a.          | 28.8         |                    |                             | 28.8     | n.a.     | 19.2               | 25.0     | 25.7  | 23.3    | n.a.    |
| ROE                     | n.a.                      | n.a.    | n.a.          | 11.2         |                    |                             | 11.2     | n.a.     | n.a.               | 6.9      | 18.2  | 12.5    | n.a.    |
| FCF Yield (%)           | n.a.                      | n.a.    | 8.9           | 3.4          |                    |                             | 6.2      | 1.4      | 2.1                | 6.1      | 3.1   | 3.2     | n.a.    |
| DPS                     | 0.00                      | 0.00    | 0.08          | 0.22         |                    |                             | 0.08     | 0.04     | 0.83               | 0.00     | 7.28  | 2.04    | 0.00    |
| Dvd Yield               | n.a.                      | n.a.    | n.a.          | n.a.         |                    |                             | n.a.     | n.a.     | n.a.               | n.a.     | n.a.  | n.a.    | 0.0%    |

Note 1: Financial data, multiples and ratios based on market consensus (Refinitiv). 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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|----------------|----------------|-------------|--------------------|--------------------|---|----------------------------------|
| 18-Jan-2021    | n.a.           | 4.78        | n.a.               | n.a.               | 9m Results 2020 and Review of estimates | Ana Isabel González García, CIIA |
| 02-Dec-2020    | n.a.           | 4.60        | n.a.               | n.a.               | 6m Results 2020 and Review of estimates | Ana Isabel González García, CIIA |
| 17-Sep-2020    | n.a.           | 3.90        | n.a.               | n.a.               | 3m Results 2020                         | Ana Isabel González García, CIIA |
| 25-Jun-2020    | n.a.           | 5.10        | n.a.               | n.a.               | Review of estimates                     | Ana Isabel González García, CIIA |
| 13-Jan-2020    | n.a.           | 6.90        | n.a.               | n.a.               | 9m Results 2019                         | Ana Isabel González García, CIIA |
| 03-Dec-2019    | n.a.           | 7.36        | n.a.               | n.a.               | Initiation of Coverage                  | Ana Isabel González García, CIIA |

