

Important news

Opinion ⁽¹⁾: In line

Impact ⁽¹⁾: We will maintain our estimates

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Service Point Solutions (SPS) is a Spanish company whose traditional businesses are on-demand printing services, commercial printing and document management solutions (c. 30% of 2021e revenue). In October 2020 there was a change of sector towards the IT segment with the acquisition of Scyt! (c. 70% of 2021e revenue), a leading player in electronic voting with an international presence.

Another step in the strategic change of direction towards the tech sector

Market Data

Market Cap (Mn EUR and USD)	55.7	66.6
EV (Mn EUR and USD) ⁽²⁾	62.2	74.4
Shares Outstanding (Mn)	54.8	
-12m (Max/Med/Min EUR)	1.40 / 0.66 / 0.28	
Daily Avg volume (-12m Mn EUR)	0.34	
Rotation ⁽³⁾	157.6	
Refinitiv / Bloomberg	SPSL.MC / SPS SM	
Close fiscal year	31-Dec	

SPS APPROVES A CAPITAL INCREASE FOR THE ACQUISITION OF SCYTL, a key player in the electronic voting sector acquired in November 2020. The capital increase will be carried out in an amount of EUR 1.1Mn via the offsetting of credit balances with two banks (who will receive c. 5% of capital). This reduces our estimate for 2021e ND to EUR 4.5Mn (-20% vs our previous estimate).

A TRANSACTION THAT REPRESENTS A TURNING POINT FOR SPS... The acquisition of Scyt! (a tech company in a high growth niche) should not be seen as something exceptional, but rather as the first step of a profound strategic change of direction towards the IT sector (which has better growth prospects than SPS's traditional business) with the financial support and know-how of its controlling shareholder: Paragon Group.

Shareholders Structure (%)

Paragon Group	76.4
Free Float	23.6

... THAT SHOULD ALLOW THE LEVERING OF PARAGON'S M&A STRATEGY ON ITS LISTED COMPANY STRUCTURE. Using SPS as a platform for growth and expansion in the sectors of data security, technology, cryptography and online voting (where SPS and Paragon are analysing new M&A opportunities). The Paragon Group's contact with the equity market (and with institutional investors) is guaranteed with SPS (so it is likely to maintain the strategy of financing non-organic growth with future capital increases that would increase SPS's free float and liquidity).

Financials (Mn EUR)	2019	2020e	2021e	2022e
Adj. nº shares (Mn)	54.8	54.8	57.2	57.7
Total Revenues	7.7	7.0	21.4	24.7
Rec. EBITDA ⁽⁴⁾	-0.4	-0.6	0.3	1.6
% growth	-3.3	-56.8	153.7	363.2
% Rec. EBITDA/Rev.	n.a.	n.a.	1.6	6.5
% Inc. EBITDA sector ⁽⁵⁾	14.3	4.2	23.4	16.7
Net Profit	-0.9	-1.2	-0.2	1.0
EPS (EUR)	-0.02	-0.02	0.00	0.02
% growth	-33.6	-29.8	82.6	543.8
Ord. EPS (EUR)	-0.02	-0.02	0.00	0.02
% growth	-33.8	-29.8	82.6	545.2
Rec. Free Cash Flow ⁽⁶⁾	-1.0	-1.5	-0.7	0.8
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	1.8	4.9	4.5	3.8
ND/Rec. EBITDA (x)	n.a.	n.a.	13.2	2.4
ROE (%)	34.6	32.1	5.6	n.a.
ROCE (%) ⁽⁶⁾	65.7	263.8	n.a.	90.1

WHAT CAN BE EXPECTED FROM THE NEW SPS? Although the integration of Scyt! has only just begun (which explains the high level of uncertainty), the scenario we envisage would enable SPS to achieve revenue of EUR 25Mn in 2022e (c. 70% corresponding to electronic voting). SPS has announced that as a result of the strategic change of direction being considered, it is analysing the strategic fit of its traditional business (digital printing; c. 30% of 2022e revenues).

THE OPPORTUNITY (AND RISK) LIES IN MAKING THE ACQUISITION OF SCYTL TRULY PROFITABLE. The opportunity for growth seems attractive but execution risk is also significant. In the end everything hinges on the unknown quantity of the integration of Scyt! being executed successfully. Multiples are irrelevant at the moment, except for 2021e EV/Sales (2.9x vs c. 3x for the IT sector) that suggests a certain success of the acquisition of Scyt! is already being discounted.

Ratios & Multiples (x) ⁽⁷⁾

P/E	n.a.	n.a.	n.a.	60.4
Ord. P/E	n.a.	n.a.	n.a.	60.4
P/BV	n.a.	n.a.	n.a.	n.a.
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	8.07	8.86	2.91	2.52
EV/Rec. EBITDA	n.a.	n.a.	n.a.	39.1
EV/EBIT	n.a.	n.a.	n.a.	n.a.
FCF Yield (%) ⁽⁶⁾	n.a.	n.a.	n.a.	1.4

Relative performance (Base 100)



Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	-7.7	-12.5	141.7	-5.6	40.2	n.a.
vs Ibex 35	-10.3	-12.8	157.8	-8.7	59.9	n.a.
vs Ibex Small Cap Index	-12.0	-20.5	87.3	-10.4	13.6	n.a.
vs Eurostoxx 50	-9.3	-16.4	123.1	-9.5	25.8	n.a.
vs Sector benchmark ⁽⁵⁾	-3.8	-17.9	95.5	-8.4	-3.8	n.a.

(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 0.3Mn higher due to IFRS 16.
 (5) Sector: Eurostoxx 600 Technology.
 (6) Please see Appendix 2 for the theoretical tax rate (ROCE) and rec. FCF calculation.
 (7) Multiples and ratios calculated over prices at the date of this report.

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

Valuation inputs

Inputs for the DCF Valuation Approach

	2020e	2021e	2022e	Terminal Value ⁽¹⁾		
Free Cash Flow "To the Firm"	(3.1)	(0.6)	0.9	n.a.		
Market Cap	55.7	At the date of this report				
Net financial debt	4.9	Debt net of Cash (2020e)				
					Best Case	Worst Case
Cost of Debt	2.0%	Net debt cost			1.8%	2.3%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	1.6%	Kd = Cost of Net Debt * (1-T)			1.4%	1.8%
Risk free rate (rf)	0.4%	Rf (10y Spanish bond yield)			=	=
Equity risk premium	9.0%	R (own estimate)			8.5%	9.5%
Beta (B)	1.2	B (Refinitiv and Lighthouse)			1.1	1.3
Cost of Equity	11.2%	Ke = Rf + (R * B)			9.7%	12.7%
Equity / (Equity + Net Debt)	91.9%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	8.1%	D			=	=
WACC	10.4%	WACC = Kd * D + Ke * E			9.1%	11.8%
G "Fair"	2.0%				2.0%	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.

(2) SPS mantiene un volumen muy elevado de Bases Imponibles Negativas pendientes de activar (c. EUR 482Mn fuera de balance a cierre de 2019).

Inputs for the Multiples Valuation Approach

Company	Ticker Reuters	Mkt. Cap	P/E 21e	EPS 21e-23e	EV/EBITDA 21e	EBITDA 21e-23e	EV/Sales 21e	Revenues 21e-23e	EBITDA/Sales 21e	FCF Yield 21e	FCF 21e-23e
Atos	ATOS.PA	7,011.8	8.9	8.6%	5.6	5.1%	0.8	2.6%	14.3%	9.0%	13.6%
Tieto	TIETO.HE	3,079.9	11.1	4.9%	7.9	3.8%	1.4	2.7%	17.8%	6.6%	16.8%
Indra	IDR.MC	1,346.2	11.3	18.1%	5.7	8.8%	0.6	4.3%	10.3%	7.5%	29.3%
IT Services			10.4	10.5%	6.4	5.9%	0.9	3.2%	14.1%	7.7%	19.9%
Cimpress	CMPR.OQ	2,067.3	n.a.	n.a.	n.a.	n.a.	1.6	6.5%	n.a.	12.5%	0.0%
Cewe Stiftung	CWCG.DE	841.6	18.2	11.3%	7.0	4.4%	1.2	3.8%	17.7%	4.9%	22.9%
Ennis	EBF.N	445.1	20.4	n.a.	8.4	n.a.	1.2	n.a.	14.9%	n.a.	n.a.
RR Donnelley	RRD.N	231.0	3.9	n.a.	3.7	n.a.	0.3	n.a.	8.4%	n.a.	n.a.
Commercial Printing			14.2	11.3%	6.4	4.4%	1.1	5.2%	13.7%	8.7%	11.5%

Free Cash Flow sensitivity analysis (2021e)

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

Scenario	EBITDA/Sales 22e	EBITDA 22e	EV/EBITDA 22e
Max	8.4%	2.1	30.2x
Central	6.5%	1.6	39.1x
Min	4.6%	1.1	55.4x

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

Rec. FCF EUR Mn	CAPEX/Sales 22e				Scenario	Rec. FCF/Yield 22e		
EBITDA 22e	0.6%	1.0%	1.4%					
2.1	1.3	1.2	1.1	➔	Max	2.4%	2.2%	2.1%
1.6	0.9	0.8	0.7		Central	1.6%	1.4%	1.2%
1.1	0.4	0.3	0.2		Min	0.7%	0.6%	0.4%

Appendix 1. Financial Projections⁽¹⁾

Balance Sheet (EUR Mn)	2015	2016	2017	2018	2019	2020e	2021e	2022e	CAGR	
Intangible assets	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1		
Fixed assets	0.3	0.5	0.5	0.4	0.2	0.4	0.4	0.5		
Other Non Current Assets	-	-	-	-	1.6	1.6	1.6	1.6		
Financial Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Goodwill & Other Intangibles	-	-	-	-	-	1.6	1.6	1.6		
Current assets	1.6	1.4	1.5	1.3	1.2	1.2	3.8	4.3		
Total assets	1.9	1.9	2.0	1.8	3.1	4.9	7.5	8.2		
Equity	(31.2)	(1.4)	(1.7)	(2.2)	(3.1)	(4.3)	(3.4)	(2.4)		
Minority Interests	-	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	2.6	0.3	0.2	-	-	-	-	-		
Other Non Current Liabilities	-	-	-	0.3	1.6	1.6	1.6	1.6		
Net financial debt	27.8	0.4	0.6	1.2	1.8	4.9	4.5	3.8		
Current Liabilities	2.7	2.6	2.9	2.6	2.9	2.8	4.8	5.3		
Equity & Total Liabilities	1.9	1.9	2.0	1.8	3.1	4.9	7.5	8.2		
P&L (EUR Mn)	2015	2016	2017	2018	2019	2020e	2021e	2022e	CAGR	
Total Revenues	9.4	9.1	8.8	8.2	7.7	7.0	21.4	24.7	-4.9%	47.4%
<i>Total Revenues growth</i>	<i>-9.7%</i>	<i>-2.9%</i>	<i>-4.0%</i>	<i>-6.6%</i>	<i>-6.0%</i>	<i>-8.9%</i>	<i>204.4%</i>	<i>15.4%</i>		
COGS	(2.8)	(2.8)	(2.8)	(2.9)	(2.9)	(2.3)	(5.9)	(6.8)		
Gross Margin	6.6	6.4	6.0	5.3	4.8	4.7	15.5	17.8	-7.8%	55.3%
<i>Gross Margin/Revenues</i>	<i>69.9%</i>	<i>69.6%</i>	<i>68.0%</i>	<i>64.9%</i>	<i>61.8%</i>	<i>67.0%</i>	<i>72.5%</i>	<i>72.2%</i>		
Other Operating Expenses	(6.5)	(6.0)	(5.9)	(5.7)	(5.2)	(5.3)	(15.2)	(16.2)		
Recurrent EBITDA	0.1	0.3	0.1	(0.4)	(0.4)	(0.6)	0.3	1.6	-65.6%	80.7%
<i>Recurrent EBITDA growth</i>	<i>115.5%</i>	<i>344.2%</i>	<i>-68.2%</i>	<i>-477.8%</i>	<i>-3.3%</i>	<i>-56.8%</i>	<i>153.7%</i>	<i>363.2%</i>		
<i>Rec. EBITDA/Revenues</i>	<i>0.8%</i>	<i>3.6%</i>	<i>1.2%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.6%</i>	<i>6.5%</i>		
Restructuring Expense & Other non-rec.	-	-	(0.3)	-	-	-	-	-		
EBITDA	0.1	0.3	(0.2)	(0.4)	(0.4)	(0.6)	0.3	1.6	-65.6%	80.7%
Depreciation & Provisions	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)		
Capitalized Expense	-	-	-	-	-	-	-	-		
Rentals (IFRS 16 impact)	-	-	-	-	(0.3)	(0.3)	(0.3)	(0.3)		
EBIT	(0.1)	0.2	(0.3)	(0.5)	(0.8)	(1.1)	(0.1)	1.1	-78.2%	50.5%
<i>EBIT growth</i>	<i>94.4%</i>	<i>341.8%</i>	<i>-273.6%</i>	<i>-56.5%</i>	<i>-53.7%</i>	<i>-38.7%</i>	<i>90.6%</i>	<i>n.a.</i>		
<i>EBIT/Revenues</i>	<i>n.a.</i>	<i>2.1%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>4.5%</i>		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	1.9	0.1	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
Ordinary Profit	1.8	0.3	(0.4)	(0.7)	(0.9)	(1.2)	(0.2)	1.0	-26.0%	46.0%
<i>Ordinary Profit Growth</i>	<i>159.8%</i>	<i>-85.5%</i>	<i>-254.7%</i>	<i>-72.5%</i>	<i>-33.8%</i>	<i>-29.8%</i>	<i>81.8%</i>	<i>572.6%</i>		
Extraordinary Results	-	0.1	-	-	-	-	-	-		
Profit Before Tax	1.8	0.3	(0.4)	(0.7)	(0.9)	(1.2)	(0.2)	1.0	-26.0%	46.0%
Tax Expense	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)		
<i>Effective Tax Rate</i>	<i>0.1%</i>	<i>0.3%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>5.0%</i>		
Minority Interests	-	-	-	-	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	1.8	0.3	(0.4)	(0.7)	(0.9)	(1.2)	(0.2)	1.0	-26.0%	45.1%
<i>Net Profit growth</i>	<i>-97.9%</i>	<i>-81.6%</i>	<i>-222.5%</i>	<i>-71.9%</i>	<i>-33.6%</i>	<i>-29.8%</i>	<i>81.8%</i>	<i>547.6%</i>		
Ordinary Net Profit	1.8	0.3	(0.1)	(0.7)	(0.9)	(1.2)	(0.2)	1.0	-26.0%	45.1%
<i>Ordinary Net Profit growth</i>	<i>159.8%</i>	<i>-85.6%</i>	<i>-135.3%</i>	<i>-658.5%</i>	<i>-33.8%</i>	<i>-29.8%</i>	<i>81.8%</i>	<i>549.0%</i>		
Cash Flow (EUR Mn)	2015	2016	2017	2018	2019	2020e	2021e	2022e	CAGR	
Recurrent EBITDA						(0.6)	0.3	1.6	-65.6%	80.7%
Rentals (IFRS 16 impact)						(0.3)	(0.3)	(0.3)		
Working Capital Increase						(0.2)	(0.4)	(0.1)		
Recurrent Operating Cash Flow						-1.1	-0.4	1.2	-33.1%	89.8%
CAPEX						(0.3)	(0.2)	(0.2)		
Net Financial Result affecting the Cash Flow						(0.1)	(0.1)	(0.1)		
Tax Expense						(0.0)	(0.0)	(0.1)		
Recurrent Free Cash Flow						(1.5)	(0.7)	0.8	-80.5%	40.1%
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						(1.6)	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						(3.1)	(0.7)	0.8	-80.5%	40.1%
Capital Increase						-	1.1	-		
Dividends						-	-	-		
Net Debt Variation						3.1	(0.4)	(0.8)		

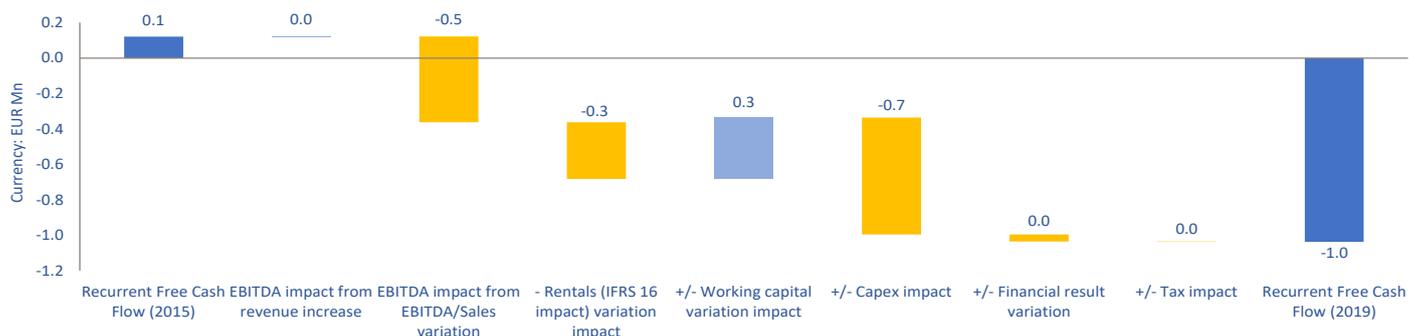
Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.3Mn higher due to IFRS 16.

Appendix 2. Free Cash Flow⁽¹⁾

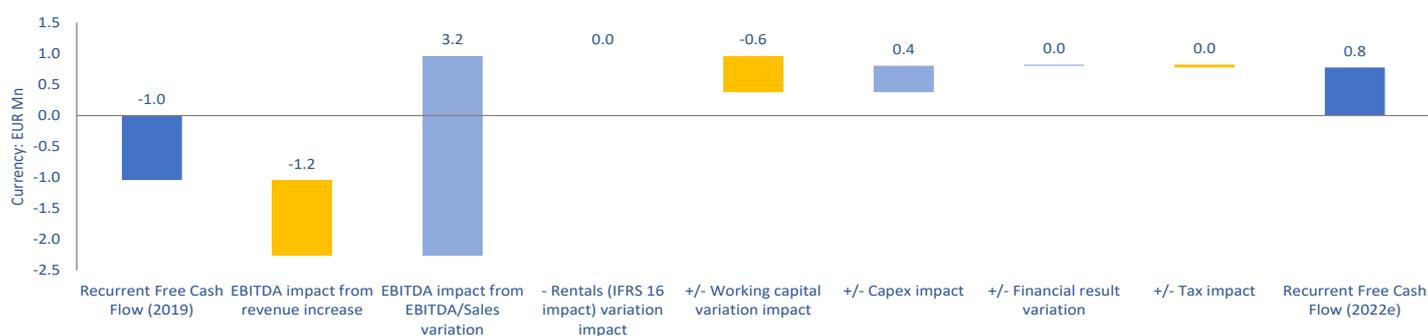
A) Cash Flow Analysis (EUR Mn)	2016	2017	2018	2019	2020e	2021e	2022e	CAGR	
								16-19	19-22e
Recurrent EBITDA	0.3	0.1	(0.4)	(0.4)	(0.6)	0.3	1.6	-48.0%	80.7%
<i>Recurrent EBITDA growth</i>	344.2%	-68.2%	-477.8%	-3.3%	-56.8%	153.7%	363.2%		
<i>Rec. EBITDA/Revenues</i>	3.6%	1.2%	n.a.	n.a.	n.a.	1.6%	6.5%		
- Rentals (IFRS 16 impact)	-	-	-	(0.3)	(0.3)	(0.3)	(0.3)		
+/- Working Capital increase	0.1	0.3	(0.2)	0.5	(0.2)	(0.4)	(0.1)		
= Recurrent Operating Cash Flow	0.4	0.4	(0.6)	(0.2)	(1.1)	(0.4)	1.2	-37.7%	89.8%
<i>Rec. Operating Cash Flow growth</i>	86.9%	0.0%	-260.5%	62.1%	-371.2%	63.6%	382.1%		
<i>Rec. Operating Cash Flow / Sales</i>	4.4%	4.6%	n.a.	n.a.	n.a.	n.a.	4.8%		
- CAPEX	(0.3)	(0.2)	(0.0)	(0.7)	(0.3)	(0.2)	(0.2)		
- Net Financial Result affecting Cash Flow	0.1	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)		
- Taxes	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)		
= Recurrent Free Cash Flow	0.2	0.2	(0.8)	(1.0)	(1.5)	(0.7)	0.8	-90.3%	40.1%
<i>Rec. Free Cash Flow growth</i>	76.2%	-29.2%	-663.2%	-22.5%	-49.2%	52.0%	204.5%		
<i>Rec. Free Cash Flow / Revenues</i>	2.3%	1.7%	n.a.	n.a.	n.a.	n.a.	3.1%		
- Restructuring expenses & others	-	-	-	-	-	-	-		
- Acquisitions / + Divestments	-	-	-	-	(1.6)	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	0.1	-	-	-	-	-	-		
= Free Cash Flow	0.3	0.2	(0.8)	(1.0)	(3.1)	(0.7)	0.8	-78.2%	40.1%
<i>Free Cash Flow growth</i>	135.1%	-46.9%	-663.2%	-22.5%	-203.3%	76.4%	204.5%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	0.4%	0.3%	n.a.	n.a.	n.a.	n.a.	1.4%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	0.5%	0.3%	n.a.	n.a.	n.a.	n.a.	1.4%		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
Recurrent FCF(FY - 1)	0.1	0.2	0.2	(0.8)	(1.0)	(1.5)	(0.7)		
EBITDA impact from revenue increase	(0.0)	(0.0)	(0.0)	0.0	0.0	(1.3)	0.1		
EBITDA impact from EBITDA/Sales variation	0.3	(0.2)	(0.5)	(0.0)	(0.3)	2.3	1.2		
= Recurrent EBITDA variation	0.3	(0.2)	(0.5)	(0.0)	(0.2)	1.0	1.2		
- Rentals (IFRS 16 impact) variation impact	-	-	-	(0.3)	-	-	-		
+/- Working capital variation impact	(0.1)	0.2	(0.5)	0.7	(0.7)	(0.3)	0.3		
= Recurrent Operating Cash Flow variation	0.2	0.0	(1.0)	0.4	(0.9)	0.7	1.6		
+/- CAPEX impact	(0.2)	0.1	0.1	(0.6)	0.4	0.1	(0.0)		
+/- Financial result variation	0.1	(0.1)	(0.1)	0.0	0.0	(0.0)	0.0		
+/- Tax impact	-	(0.0)	-	0.0	(0.0)	0.0	(0.1)		
= Recurrent Free Cash Flow variation	0.1	(0.1)	(1.0)	(0.2)	(0.5)	0.8	1.5		
Recurrent Free Cash Flow	0.2	0.2	(0.8)	(1.0)	(1.5)	(0.7)	0.8		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
EBIT	0.2	(0.3)	(0.5)	(0.8)	(1.1)	(0.1)	1.1	-83.4%	50.5%
* <i>Theoretical Tax rate</i>	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%		
= Taxes (pre- Net Financial Result)	(0.0)	-	-	-	-	-	(0.1)		
Recurrent EBITDA	0.3	0.1	(0.4)	(0.4)	(0.6)	0.3	1.6	-48.0%	80.7%
- Rentals (IFRS 16 impact)	-	-	-	(0.3)	(0.3)	(0.3)	(0.3)		
+/- Working Capital increase	0.1	0.3	(0.2)	0.5	(0.2)	(0.4)	(0.1)		
= Recurrent Operating Cash Flow	0.4	0.4	(0.6)	(0.2)	(1.1)	(0.4)	1.2	-37.7%	89.8%
- CAPEX	(0.3)	(0.2)	(0.0)	(0.7)	(0.3)	(0.2)	(0.2)		
- Taxes (pre- Financial Result)	(0.0)	-	-	-	-	-	(0.1)		
= Recurrent Free Cash Flow (To the Firm)	0.1	0.2	(0.7)	(0.9)	(1.5)	(0.6)	0.9	n.a.	43.5%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	-27.0%	49.4%	-408.6%	-35.1%	-59.6%	56.9%	238.4%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	1.6%	2.5%	n.a.	n.a.	n.a.	n.a.	3.5%		
- Acquisitions / + Divestments	-	-	-	-	(1.6)	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	0.1	-	-	-	-	-	-		
= Free Cash Flow "To the Firm"	0.2	0.2	(0.7)	(0.9)	(3.1)	(0.6)	0.9	-83.7%	43.5%
<i>Free Cash Flow (To the Firm) growth</i>	8.2%	0.7%	-408.6%	-35.1%	-234.4%	79.4%	238.4%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	0.2%	0.4%	n.a.	n.a.	n.a.	n.a.	1.4%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	0.4%	0.4%	n.a.	n.a.	n.a.	n.a.	1.4%		

Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.3Mn 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	55.7	
+ Minority Interests	-	6m Results 2020
+ Provisions & Other L/T Liabilities	1.6	6m Results 2020
+ Net financial debt	4.9	2020e
- Financial Investments	-	6m Results 2020
+/- Others ⁽¹⁾		
Enterprise Value (EV)	62.2	

(1) SPS has a very high volume of unused tax loss carryforwards (c. EUR 482Mn off balance sheet at the 2019 close)

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	
															sep-21	19-22e
Total Revenues	216.5	205.4	218.6	209.6	15.2	10.4	9.4	9.1	8.8	8.2	7.7	7.0	21.4	24.7	-28.4%	47.4%
Total Revenues growth	-8.9%	-5.1%	6.4%	-4.1%	-92.8%	-31.3%	-9.7%	-2.9%	-4.0%	-6.6%	-6.0%	-8.9%	204.4%	15.4%		
EBITDA	13.7	8.5	14.0	6.4	2.3	(0.5)	0.1	0.3	(0.2)	(0.4)	(0.4)	(0.6)	0.3	1.6	-7.3%	80.7%
EBITDA growth	-36.7%	-37.7%	64.1%	-54.5%	-64.3%	-121.0%	115.5%	344.2%	-161.5%	-95.4%	-3.3%	-56.8%	153.7%	363.2%		
EBITDA/Sales	6.3%	4.2%	6.4%	3.0%	15.0%	n.a.	0.8%	3.6%	n.a.	n.a.	n.a.	n.a.	n.a.	1.6%	6.5%	
Net Profit	(8.4)	(16.3)	(40.3)	(18.2)	(190.6)	86.4	1.8	0.3	(0.4)	(0.7)	(0.9)	(1.2)	(0.2)	1.0	19.9%	45.1%
Net Profit growth	n.a.	-93.7%	-147.1%	54.9%	-947.4%	145.3%	-97.9%	-81.6%	-222.5%	-71.9%	-33.6%	-29.8%	81.8%	547.6%		
Adjusted number shares (Mn)	5.6	5.5	6.3	7.1	7.1	7.6	8.1	17.0	54.8	54.8	54.8	54.8	57.2	57.7		
EPS (EUR)	-1.50	-2.95	-6.40	-2.58	-27.00	11.37	0.22	0.02	-0.01	-0.01	-0.02	-0.02	0.00	0.02	36.2%	44.3%
EPS growth	n.a.	-96.7%	n.a.	59.7%	n.a.	n.a.	-98.1%	-91.3%	n.a.	-71.9%	-33.6%	-29.8%	82.6%	n.a.		
Ord. EPS (EUR)	-1.24	-2.34	-6.31	-2.46	-1.29	-0.39	0.22	0.02	0.00	-0.01	-0.02	-0.02	0.00	0.02	35.0%	44.3%
Ord. EPS growth	n.a.	-89.0%	n.a.	61.0%	47.5%	69.8%	n.a.	-93.2%	n.a.	n.a.	-33.8%	-29.8%	82.6%	n.a.		
CAPEX	(10.6)	(5.2)	(8.7)	(6.0)	(2.8)	(0.0)	(0.0)	(0.3)	(0.2)	(0.0)	(0.7)	(0.3)	(0.2)	(0.2)		
CAPEX/Sales %	4.9%	2.5%	4.0%	2.9%	18.3%	0.4%	0.1%	2.8%	2.1%	0.4%	8.7%	4.5%	1.0%	1.0%		
Free Cash Flow	(2.0)	(7.5)	(2.9)	(1.8)	(3.5)	79.7	0.1	0.3	0.2	(0.8)	(1.0)	(3.1)	(0.7)	0.8	6.3%	40.1%
ND/EBITDA (x) ⁽³⁾	6.3x	10.6x	6.3x	16.2x	48.4x	n.a.	n.a.	1.3x	n.a.	n.a.	n.a.	n.a.	13.2x	2.4x		
P/E (x)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.2x	41.6x	n.a.	n.a.	n.a.	n.a.	n.a.	60.4x		
EV/Sales (x)	0.92x	0.68x	0.56x	0.71x	8.49x	4.31x	4.56x	9.60x	5.10x	2.82x	4.05x	8.86x	2.91x	2.52x		
EV/EBITDA (x) ⁽³⁾	14.5x	16.4x	8.8x	23.2x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	39.1x		
Absolute performance	n.a.	n.a.	-52.8%	-42.0%	-46.5%	-23.0%	-24.5%	-10.6%	-49.5%	-50.1%	30.7%	105.9%				
Relative performance vs Ibxex 35	n.a.	n.a.	-45.7%	-39.1%	-55.9%	-25.7%	-18.6%	-8.8%	-53.0%	-41.3%	16.9%	143.6%				

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 0.3Mn higher due to IFRS 16.

Note 3: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Appendix 5. Main peers 2021e

		IT Services				Commercial Printing				
		Atos	Tieto	Indra	Average	Cimpress	Cewe Stiftung	Ennis	RR Donnelley	Average
Market data	Ticker (Reuters)	ATOS.PA	TIETO.HE	IDR.MC		CMPR.OQ	CWCG.DE	EBF.N	RRD.N	
	Country	France	Finland	Spain		Ireland	Germany	USA	USA	
	Market cap	7,011.8	3,079.9	1,346.2		2,067.3	841.6	445.1	231.0	
	Enterprise value (EV)	9,098.8	3,935.8	1,835.9		3,246.8	892.3	370.4	1,257.4	
Basic financial information	Total Revenues	11,339.3	2,809.5	3,149.8		2,065.0	722.3	297.6	3,996.2	
	Total Revenues growth	1.4%	0.8%	1.2%	1.1%	-0.4%	-0.7%	-18.8%	0.3%	-4.9%
	2y CAGR (2021e - 2023e)	2.6%	2.7%	4.3%	3.2%	6.5%	3.8%	n.a.	n.a.	5.2%
	EBITDA	1,622.5	500.5	324.6		n.a.	128.0	44.2	336.6	
	EBITDA growth	n.a.	-3.0%	319.4%	158.2%	n.a.	n.a.	-23.2%	12.4%	-5.4%
	2y CAGR (2021e - 2023e)	5.1%	3.8%	8.8%	5.9%	n.a.	4.4%	n.a.	n.a.	4.4%
	EBITDA/Revenues	14.3%	17.8%	10.3%	14.1%	n.a.	17.7%	14.9%	8.4%	13.7%
	EBIT	930.3	340.8	208.1		136.5	74.2	30.2	190.3	
	EBIT growth	n.a.	0.2%	732.6%	366.4%	-5.3%	n.a.	-28.8%	9.4%	-8.2%
	2y CAGR (2021e - 2023e)	10.9%	5.9%	12.8%	9.9%	24.1%	6.2%	n.a.	n.a.	15.1%
	EBIT/Revenues	8.2%	12.1%	6.6%	9.0%	6.6%	10.3%	10.2%	4.8%	8.0%
	Net Profit	784.1	267.4	122.0		3.2	48.7	21.8	59.4	
	Net Profit growth	n.a.	183.0%	312.2%	247.6%	112.8%	n.a.	-32.0%	374.5%	151.8%
	2y CAGR (2021e - 2023e)	8.2%	6.1%	18.5%	10.9%	n.a.	7.9%	n.a.	n.a.	7.9%
CAPEX/Sales %	3.5%	4.1%	2.2%	3.3%	1.4%	5.2%	n.a.	n.a.	3.3%	
Free Cash Flow	631.3	203.6	101.0		259.3	40.8	n.a.	n.a.		
Net financial debt	(275.7)	665.1	457.0		n.a.	(6.9)	n.a.	n.a.		
ND/EBITDA (x)	(0.2)	1.3	1.4	0.9	n.a.	(0.1)	n.a.	n.a.	(0.1)	
Pay-out	n.a.	65.8%	11.0%	38.4%	n.a.	n.a.	90.0%	n.a.	90.0%	
Multiples and Ratios	P/E (x)	8.9	11.1	11.3	10.4	n.a.	18.2	20.4	3.9	14.2
	P/BV (x)	0.9	1.8	1.7	1.5	n.a.	2.8	n.a.	n.a.	2.8
	EV/Revenues (x)	0.8	1.4	0.6	0.9	1.6	1.2	1.2	0.3	1.1
	EV/EBITDA (x)	5.6	7.9	5.7	6.4	n.a.	7.0	8.4	3.7	6.4
	EV/EBIT (x)	9.8	11.5	8.8	10.0	23.8	12.0	12.3	6.6	13.7
	ROE	9.7	15.3	17.4	14.1	n.a.	16.6	8.0	0.4	8.3
	FCF Yield (%)	9.0	6.6	7.5	7.7	12.5	4.9	n.a.	n.a.	8.7
	DPS	1.30	1.49	0.08	0.95	n.a.	2.29	0.75	n.a.	1.52
Dvd Yield	2.1%	5.8%	1.0%	2.9%	n.a.	2.0%	4.4%	n.a.	3.2%	

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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Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
05-Mar-2021	n.a.	1.01	n.a.	n.a.	Important news	David López Sánchez
15-Dec-2020	n.a.	1.08	n.a.	n.a.	Initiation of Coverage	David López Sánchez

