

## 9m Results 2020

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

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

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**Borges Agricultural & Industrial Nuts, S.A. (BAIN)** is a small international group based in Spain (Tarragona), specialising in the agricultural production, processing and B2B marketing of nuts. It has an international presence (58% of 2019 revenue) and is a European benchmark in the almond segment (share of c.7%). Its core shareholder is Borges International Group (89.1% of capital).

## 9M20: the prelude to recovery (4Q)

**BAINS closes its financial statements on 31-May, so any reference to the results (9M20) refers to the period between 1-June and 28-February (of the following year).**

### Market Data

Market Cap (Mn EUR and USD)	60.6	72.1
EV (Mn EUR and USD) <sup>(2)</sup>	106.6	126.8
Shares Outstanding (Mn)	23.1	
-12m (Max/Med/Min EUR)	3.00 / 2.83 / 2.60	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation <sup>(3)</sup>	0.8	
Refinitiv / Bloomberg	BAINS.MC / BAIN SM	
Close fiscal year	31-May	

**SLIGHT ACCELERATION IN THE DECLINE IN REVENUE (EUR 107.6Mn 9M20, -23.5% y/y vs. -22.6% 1H20)**, due to demanding “pre-Covid-19” comps (-12.1% y/y in volumes) and the impact of falling prices (-11.4% y/y). The latter factor has been especially important in the case of almonds (-38% y/y in January; a cumulative c. -18% y/y in the average price), sales of which have slumped 32.6% y/y (59% of Group turnover; -18p.p. y/y).

### Shareholders Structure (%)

Borges International Group	89.1
Board Members	0.3
Free Float	10.6

**WITH AN INCREASE IN SELF-SUPPLY... 13.8% (+2p.p. y/y)** thanks to the good performance of agricultural production (+8.9% y/y), despite an “off” year for pistachios (-50.4% y/y). The production of almonds, one of the mainstays of BAIN’s strategy, increased +85% y/y. (462Tns.), although their contribution remains residual (c.4% of volume sales of this product).

**...WHICH HELPED TO SLOW THE DECLINE IN REC. EBITDA (EUR -2.5Mn 9M20)**, which is in line with that reported in 1H20, strengthening the floor for 2020 (after the significant FIFO impact in 1H; -4.2p.p. y/y in gross margin). The stabilisation of raw material prices will partly reverse this effect (4Q).

### Financials (Mn EUR)

	2019	2020e	2021e	2022e
Adj. nº shares (Mn)	23.1	23.1	23.1	23.1
Total Revenues	180.6	148.2	173.3	185.8
Rec. EBITDA <sup>(4)</sup>	2.2	-2.1	1.4	3.2
% growth	3.8	-196.8	166.5	127.2
% Rec. EBITDA/Rev.	1.2	n.a.	0.8	1.7
% Inc. EBITDA sector <sup>(5)</sup>	16.9	7.1	9.1	10.7
Net Profit	0.3	-3.6	-1.0	-0.5
EPS (EUR)	0.01	-0.15	-0.04	-0.02
% growth	-86.8	n.a.	71.7	52.5
Ord. EPS (EUR)	0.04	-0.18	-0.03	0.00
% growth	-11.1	-589.9	80.6	86.5
Rec. Free Cash Flow <sup>(6)</sup>	-6.9	2.2	-5.9	-2.8
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	44.2	39.6	46.0	49.3
ND/Rec. EBITDA (x)	20.2	n.a.	32.7	15.4
ROE (%)	0.5	n.a.	n.a.	n.a.
ROCE (%) <sup>(6)</sup>	0.4	n.a.	n.a.	0.1

**WITH LESS DEBT (EUR 51.5Mn ND 9M20, -15.3% y/y; 1X ND/EQUITY)**, due to the disinvestment of working capital (-28% y/y in inventories; c. -12p.p. thanks to the fall in raw material prices) and the collection of EUR 2.9Mn from asset sales.

**AND A FLOOR FOR NP TOO (EUR -3.2Mn 9M20)**, after using EUR 1Mn in tax loss carry forwards (in line with our estimate for the year).

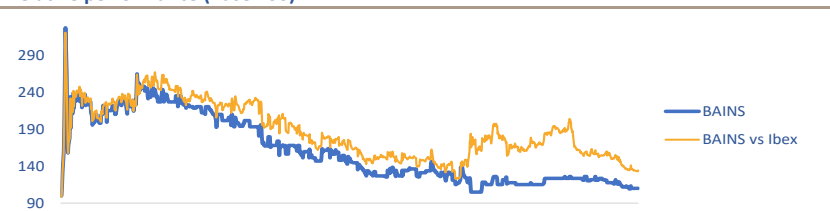
**IN CONCLUSION, IN PRINCIPLE THE WORST IS OVER.** 9M20 results in line with our estimates. 4Q20 (March-April-May 2021) will be favoured by less demanding comps (the Covid-19 pandemic erupted in March 2020).

Uncertainty remains high: the continuation of restrictions in Europe to contain the pandemic, the efficacy of the vaccines against Covid-19, etc. (with a special impact on the hospitality industry). However, BAIN’s equity story remains intact; a play on healthy food (a dynamic sector) that would benefit from a potential recovery of raw material prices if the US-China trade tariff conflict were to end.

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

	2019	2020e	2021e	2022e
P/E	n.a.	n.a.	n.a.	n.a.
Ord. P/E	71.8	n.a.	n.a.	n.a.
P/BV	1.0	1.1	1.1	1.1
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	0.59	0.72	0.61	0.57
EV/Rec. EBITDA	48.7	n.a.	n.a.	33.3
EV/EBIT	n.a.	n.a.	n.a.	n.a.
FCF Yield (%) <sup>(6)</sup>	n.a.	3.6	n.a.	n.a.

### Relative performance (Base 100)



Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	-1.5	-10.9	-7.1	-9.0	-51.5	n.a.
vs Ibxex 35	-2.3	-12.5	-23.3	-14.3	-44.8	n.a.
vs Ibxex Small Cap Index	-1.3	-13.8	-42.4	-16.5	-59.7	n.a.
vs Eurostoxx 50	-6.3	-18.4	-32.5	-18.8	-58.4	n.a.
vs Sector benchmark <sup>(5)</sup>	-8.5	-16.5	-12.2	-12.8	-64.4	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 0.4Mn higher due to IFRS 16.

(5) Sector: TR Europe Food Processing.

(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

## 9m2020 Results

### Results table

<i>(EUR Mn)</i>	9M20	9M19	9M20 vs 9M19	3Q20	3Q20 vs 3Q19
<b>Total Revenues</b>	<b>107.6</b>	<b>140.6</b>	<b>-23.5%</b>	<b>31.3</b>	<b>-25.5%</b>
Walnuts	14.0	15.5	-9.6%	4.1	11.9%
Almonds	63.5	94.2	-32.6%	17.7	-37.1%
Other nuts	21.5	22.5	-4.4%	6.3	-6.9%
Other products	8.6	8.4	2.0%	3.3	-6.8%
<b>Rec. EBITDA<sup>(1)</sup></b>	<b>-2.5</b>	<b>2.8</b>	<b>-189.5%</b>	<b>-0.1</b>	<b>79.2%</b>
<i>Rec. EBITDA / Rev.</i>	<i>-2.4%</i>	<i>2.0%</i>	<i>-4.4 p.p.</i>	<i>-0.3%</i>	<i>0.7 p.p.</i>
<b>EBITDA<sup>(1)</sup></b>	<b>-3.1</b>	<b>2.2</b>	<b>-239.8%</b>	<b>-0.3</b>	<b>52.8%</b>
<i>EBITDA / Rev.</i>	<i>-2.9%</i>	<i>1.6%</i>	<i>-4.4 p.p.</i>	<i>-1.1%</i>	<i>0.6 p.p.</i>
<b>PBT</b>	<b>-4.2</b>	<b>2.0</b>	<b>-309.0%</b>	<b>-0.9</b>	<b>-27.6%</b>
<b>NP</b>	<b>-3.2</b>	<b>1.5</b>	<b>-309.8%</b>	<b>-0.7</b>	<b>-27.1%</b>
Ha. managed	2,509.0	2,568.6	-2.3%		
Volume <sup>(2)</sup>	17,381	25,911	-32.9%		
Tns. produced	2,870	2,635	8.9%		
Net Debt	52.9	62.4	-15.3%		
ND /Equity	1.0 x	1.0 x	-0.1 x		

<sup>(1)</sup> EBITDA and Rec. EBITDA adjusted. It excludes capitalized expense.

<sup>(2)</sup> Excluding subproducts.

## Valuation inputs

### Inputs for the DCF Valuation Approach

	2020e	2021e	2022e	Terminal Value <sup>(1)</sup>		
Free Cash Flow "To the Firm"	4.6	(5.5)	(2.2)	n.a.		
Market Cap	60.6	At the date of this report				
Net financial debt	44.2	Debt net of Cash (12m Results 2019)				
					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)	0.8	B (Refinitiv and Lighthouse)			0.7	0.9
Cost of Equity	7.6%	Ke = Rf + (R * B)			6.3%	8.9%
Equity / (Equity + Net Debt)	57.8%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	42.2%	D			=	=
WACC	5.1%	WACC = Kd * D + Ke * E			4.3%	5.9%
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
Greenyard NV	GREENY.BR	432.3	41.9	63.3%	7.7	9.0%	0.2	2.4%	3.2%	8.9%	19.7%
Sipef NV	SIFB.BR	479.2	39.8	99.8%	9.1	31.6%	2.4	27.0%	26.9%	3.0%	69.5%
Vilmorin & Cie SA	VILM.PA	1,337.9	20.2	25.3%	7.5	10.5%	1.8	4.1%	24.2%	6.4%	83.7%
<b>Pharming Industry</b>			33.9	62.8%	8.1	17.0%	1.5	11.2%	18.1%	6.1%	57.6%
Select Harvests	SHV.AX	491.1	24.7	19.3%	24.5	41.8%	4.4	16.1%	17.8%	n.a.	n.a.
ADM	ADM	27,483.8	18.6	12.4%	15.2	18.9%	0.7	2.7%	4.3%	n.a.	35.3%
John B Sant Filippo	JBSS.O	867.3	19.2	1.4%	11.0	n.a.	1.2	0.9%	11.0%	4.7%	n.a.
<b>Non European International players</b>			20.8	11.0%	16.9	30.4%	2.1	6.6%	11.0%	4.7%	35.3%
BAINS	BAINS.MC	60.6	n.a.	63.3%	n.a.	73.7%	0.7	11.9%	n.a.	3.6%	-65.1%

### 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	0.9%	1.6	67.4x
Central	0.8%	1.4	75.7x
Min	0.7%	1.2	86.3x

#### 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	1.7%	1.9%	2.1%					
1.6	(5.4)	(5.7)	(6.1)	➔	Max	n.a.	n.a.	n.a.
1.4	(5.5)	(5.9)	(6.2)		Central	n.a.	n.a.	n.a.
1.2	(5.7)	(6.1)	(6.4)		Min	n.a.	n.a.	n.a.

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

Balance Sheet (EUR Mn)	2015	2016	2017	2018	2019	2020e	2021e	2022e	CAGR	
Intangible assets	0.2	0.3	0.2	0.1	7.2	6.5	6.5	6.5		
Fixed assets	56.5	65.0	71.9	74.4	76.9	81.1	83.4	84.7		
Other Non Current Assets	2.6	2.4	2.1	1.8	1.6	1.6	1.6	1.6		
Financial Investments	0.3	0.3	0.5	5.0	4.0	1.0	1.0	1.0		
Goodwill & Other Intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Current assets	76.1	66.8	61.5	63.3	61.6	47.6	55.1	58.8		
<b>Total assets</b>	<b>135.6</b>	<b>134.7</b>	<b>136.2</b>	<b>144.6</b>	<b>151.3</b>	<b>138.0</b>	<b>147.7</b>	<b>152.7</b>		
Equity	49.1	52.6	56.4	59.0	58.9	55.3	54.3	53.8		
Minority Interests	3.0	2.2	2.2	2.3	2.3	2.3	2.3	2.3		
Provisions & Other L/T Liabilities	-	-	-	-	6.7	6.1	6.1	6.1		
Other Non Current Liabilities	3.3	3.1	2.9	3.2	2.8	2.8	2.8	2.8		
Net financial debt	36.6	40.0	35.0	38.4	44.2	39.6	46.0	49.3		
Current Liabilities	43.7	36.8	39.7	41.7	36.4	31.8	36.1	38.3		
<b>Equity &amp; Total Liabilities</b>	<b>135.6</b>	<b>134.7</b>	<b>136.2</b>	<b>144.6</b>	<b>151.3</b>	<b>138.0</b>	<b>147.7</b>	<b>152.7</b>		
P&L (EUR Mn)	2015	2016	2017	2018	2019	2020e	2021e	2022e	15-19	19-22e
<b>Total Revenues</b>	<b>66.2</b>	<b>197.2</b>	<b>195.7</b>	<b>177.8</b>	<b>180.6</b>	<b>148.2</b>	<b>173.3</b>	<b>185.8</b>	<b>28.5%</b>	<b>0.9%</b>
<i>Total Revenues growth</i>	<i>n.a.</i>	<i>197.9%</i>	<i>-0.7%</i>	<i>-9.2%</i>	<i>1.5%</i>	<i>-17.9%</i>	<i>16.9%</i>	<i>7.2%</i>		
COGS	(57.8)	(163.7)	(163.2)	(149.2)	(151.9)	(124.7)	(145.4)	(155.7)		
<b>Gross Margin</b>	<b>8.4</b>	<b>33.5</b>	<b>32.5</b>	<b>28.6</b>	<b>28.7</b>	<b>23.6</b>	<b>27.9</b>	<b>30.1</b>	<b>35.8%</b>	<b>1.6%</b>
<i>Gross Margin/Revenues</i>	<i>12.7%</i>	<i>17.0%</i>	<i>16.6%</i>	<i>16.1%</i>	<i>15.9%</i>	<i>15.9%</i>	<i>16.1%</i>	<i>16.2%</i>		
Personnel Expenses	(3.8)	(11.9)	(12.6)	(12.8)	(12.9)	(12.9)	(13.0)	(13.1)		
Other Operating Expenses	(4.1)	(14.8)	(14.2)	(13.6)	(13.6)	(12.8)	(13.6)	(13.8)		
<b>Recurrent EBITDA</b>	<b>0.5</b>	<b>6.8</b>	<b>5.7</b>	<b>2.1</b>	<b>2.2</b>	<b>(2.1)</b>	<b>1.4</b>	<b>3.2</b>	<b>41.5%</b>	<b>13.6%</b>
<i>Recurrent EBITDA growth</i>	<i>-56.3%</i>	<i>n.a.</i>	<i>-16.0%</i>	<i>-63.0%</i>	<i>3.8%</i>	<i>-196.8%</i>	<i>166.5%</i>	<i>127.2%</i>		
<i>Rec. EBITDA/Revenues</i>	<i>0.8%</i>	<i>3.4%</i>	<i>2.9%</i>	<i>1.2%</i>	<i>1.2%</i>	<i>n.a.</i>	<i>0.8%</i>	<i>1.7%</i>		
Restructuring Expense & Other non-rec.	0.0	(0.5)	(0.3)	(0.2)	(0.5)	(0.5)	(0.5)	(0.5)		
<b>EBITDA</b>	<b>0.5</b>	<b>6.3</b>	<b>5.4</b>	<b>1.9</b>	<b>1.6</b>	<b>(2.6)</b>	<b>0.9</b>	<b>2.7</b>	<b>31.5%</b>	<b>17.9%</b>
Depreciation & Provisions	(0.7)	(3.0)	(3.1)	(3.3)	(3.0)	(3.2)	(3.2)	(3.3)		
Capitalized Expense	0.5	0.9	1.7	2.3	2.1	2.2	2.2	1.3		
Rentals (IFRS 16 impact)	-	-	-	-	(0.4)	(0.6)	(0.6)	(0.6)		
<b>EBIT</b>	<b>0.4</b>	<b>4.2</b>	<b>4.0</b>	<b>0.9</b>	<b>0.4</b>	<b>(4.1)</b>	<b>(0.7)</b>	<b>0.1</b>	<b>-0.1%</b>	<b>-34.2%</b>
<i>EBIT growth</i>	<i>-66.2%</i>	<i>934.3%</i>	<i>-4.7%</i>	<i>-76.5%</i>	<i>-57.0%</i>	<i>n.a.</i>	<i>83.7%</i>	<i>117.0%</i>		
<i>EBIT/Revenues</i>	<i>0.6%</i>	<i>2.1%</i>	<i>2.0%</i>	<i>0.5%</i>	<i>0.2%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.1%</i>		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(0.2)	(0.0)	(0.0)	0.0	(0.0)	(0.5)	(0.6)	(0.7)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
<b>Ordinary Profit</b>	<b>0.2</b>	<b>4.2</b>	<b>4.0</b>	<b>1.0</b>	<b>0.4</b>	<b>(4.7)</b>	<b>(1.3)</b>	<b>(0.6)</b>	<b>16.1%</b>	<b>-53.6%</b>
<i>Ordinary Profit Growth</i>	<i>-84.1%</i>	<i>n.a.</i>	<i>-4.8%</i>	<i>-75.9%</i>	<i>-59.5%</i>	<i>n.a.</i>	<i>71.7%</i>	<i>52.5%</i>		
Extraordinary Results	-	-	-	2.0	-	-	-	-		
<b>Profit Before Tax</b>	<b>0.2</b>	<b>4.2</b>	<b>4.0</b>	<b>3.0</b>	<b>0.4</b>	<b>(4.7)</b>	<b>(1.3)</b>	<b>(0.6)</b>	<b>16.1%</b>	<b>-53.6%</b>
Tax Expense	(0.1)	(0.7)	(0.4)	(0.7)	0.0	1.1	0.3	0.1		
<i>Effective Tax Rate</i>	<i>44.3%</i>	<i>16.7%</i>	<i>9.3%</i>	<i>21.8%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
Minority Interests	(0.0)	(0.2)	(0.3)	0.0	(0.1)	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
<b>Net Profit</b>	<b>0.1</b>	<b>3.3</b>	<b>3.3</b>	<b>2.4</b>	<b>0.3</b>	<b>(3.6)</b>	<b>(1.0)</b>	<b>(0.5)</b>	<b>32.6%</b>	<b>-52.2%</b>
<i>Net Profit growth</i>	<i>-88.5%</i>	<i>n.a.</i>	<i>0.3%</i>	<i>-27.7%</i>	<i>-86.8%</i>	<i>n.a.</i>	<i>71.7%</i>	<i>52.5%</i>		
<b>Ordinary Net Profit</b>	<b>0.1</b>	<b>3.7</b>	<b>3.6</b>	<b>0.9</b>	<b>0.8</b>	<b>(4.1)</b>	<b>(0.8)</b>	<b>(0.1)</b>	<b>59.3%</b>	<b>-28.6%</b>
<i>Ordinary Net Profit growth</i>	<i>-85.3%</i>	<i>n.a.</i>	<i>-1.7%</i>	<i>-73.7%</i>	<i>-11.1%</i>	<i>-590.3%</i>	<i>80.6%</i>	<i>86.5%</i>		
Cash Flow (EUR Mn)	2015	2016	2017	2018	2019	2020e	2021e	2022e	15-19	19-22e
<b>Recurrent EBITDA</b>						<b>(2.1)</b>	<b>1.4</b>	<b>3.2</b>	<b>41.5%</b>	<b>13.6%</b>
Rentals (IFRS 16 impact)						(0.6)	(0.6)	(0.6)		
Working Capital Increase						9.5	(3.2)	(1.6)		
<b>Recurrent Operating Cash Flow</b>						<b>6.8</b>	<b>-2.3</b>	<b>1.0</b>	<b>51.0%</b>	<b>37.0%</b>
CAPEX						(5.2)	(3.2)	(3.3)		
Net Financial Result affecting the Cash Flow						(0.5)	(0.6)	(0.7)		
Tax Expense						1.1	0.3	0.1		
<b>Recurrent Free Cash Flow</b>						<b>2.2</b>	<b>(5.9)</b>	<b>(2.8)</b>	<b>33.5%</b>	<b>25.8%</b>
Restructuring Expense & Other non-rec.						(0.5)	(0.5)	(0.5)		
- Acquisitions / + Divestures of assets						2.9	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
<b>Free Cash Flow</b>						<b>4.6</b>	<b>(6.4)</b>	<b>(3.3)</b>	<b>35.3%</b>	<b>18.6%</b>
Capital Increase						-	-	-		
Dividends						-	-	-		
<b>Net Debt Variation</b>						<b>(4.6)</b>	<b>6.4</b>	<b>3.3</b>		

Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.4Mn higher due to IFRS 16.

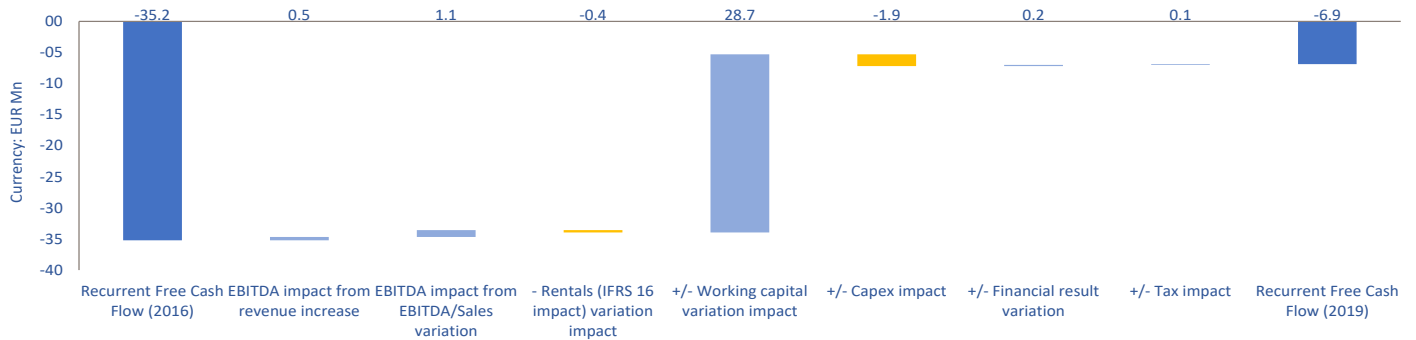
## Appendix 2. Free Cash Flow<sup>(1)</sup>

A) Cash Flow Analysis (EUR Mn)	2016	2017	2018	2019	2020e	2021e	2022e	CAGR	
								16-19	19-22e
<b>Recurrent EBITDA</b>	<b>6.8</b>	<b>5.7</b>	<b>2.1</b>	<b>2.2</b>	<b>(2.1)</b>	<b>1.4</b>	<b>3.2</b>	<b>-31.4%</b>	<b>13.6%</b>
<i>Recurrent EBITDA growth</i>	<i>n.a.</i>	<i>-16.0%</i>	<i>-63.0%</i>	<i>3.8%</i>	<i>-196.8%</i>	<i>166.5%</i>	<i>127.2%</i>		
<i>Rec. EBITDA/Revenues</i>	<i>3.4%</i>	<i>2.9%</i>	<i>1.2%</i>	<i>1.2%</i>	<i>n.a.</i>	<i>0.8%</i>	<i>1.7%</i>		
- Rentals (IFRS 16 impact)	-	-	-	(0.4)	(0.6)	(0.6)	(0.6)		
+/- Working Capital increase	2.5	8.1	0.2	(3.6)	9.5	(3.2)	(1.6)		
<b>= Recurrent Operating Cash Flow</b>	<b>9.2</b>	<b>13.8</b>	<b>2.3</b>	<b>(1.8)</b>	<b>6.8</b>	<b>(2.3)</b>	<b>1.0</b>	<b>-30.0%</b>	<b>37.0%</b>
<i>Rec. Operating Cash Flow growth</i>	<i>129.1%</i>	<i>49.4%</i>	<i>-83.2%</i>	<i>-178.8%</i>	<i>471.0%</i>	<i>-134.3%</i>	<i>144.9%</i>		
<i>Rec. Operating Cash Flow / Sales</i>	<i>4.7%</i>	<i>7.0%</i>	<i>1.3%</i>	<i>n.a.</i>	<i>4.6%</i>	<i>n.a.</i>	<i>0.6%</i>		
- CAPEX	(11.6)	(9.3)	(6.2)	(5.0)	(5.2)	(3.2)	(3.3)		
- Net Financial Result affecting Cash Flow	(0.0)	(0.0)	0.0	(0.0)	(0.5)	(0.6)	(0.7)		
- Taxes	(0.7)	(0.4)	(0.7)	0.0	1.1	0.3	0.1		
<b>= Recurrent Free Cash Flow</b>	<b>(3.1)</b>	<b>4.1</b>	<b>(4.5)</b>	<b>(6.9)</b>	<b>2.2</b>	<b>(5.9)</b>	<b>(2.8)</b>	<b>-30.3%</b>	<b>25.8%</b>
<i>Rec. Free Cash Flow growth</i>	<i>91.2%</i>	<i>231.3%</i>	<i>-209.7%</i>	<i>-53.4%</i>	<i>131.8%</i>	<i>-369.0%</i>	<i>52.2%</i>		
<i>Rec. Free Cash Flow / Revenues</i>	<i>n.a.</i>	<i>2.1%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.5%</i>	<i>n.a.</i>	<i>n.a.</i>		
- Restructuring expenses & others	(0.6)	(0.6)	(0.2)	(0.6)	(0.5)	(0.5)	(0.5)		
- Acquisitions / + Divestments	0.0	(0.2)	0.7	1.3	2.9	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
<b>= Free Cash Flow</b>	<b>(3.7)</b>	<b>3.2</b>	<b>(3.9)</b>	<b>(6.2)</b>	<b>4.6</b>	<b>(6.4)</b>	<b>(3.3)</b>	<b>-18.4%</b>	<b>18.6%</b>
<i>Free Cash Flow growth</i>	<i>89.4%</i>	<i>187.1%</i>	<i>-221.4%</i>	<i>-56.9%</i>	<i>174.5%</i>	<i>-239.2%</i>	<i>48.0%</i>		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	<i>n.a.</i>	<i>6.7%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>3.6%</i>	<i>n.a.</i>	<i>n.a.</i>		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	<i>n.a.</i>	<i>5.3%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>7.6%</i>	<i>n.a.</i>	<i>n.a.</i>		
<b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b>									
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>		
<b>Recurrent FCF(FY - 1)</b>		<b>(3.1)</b>	<b>4.1</b>	<b>(4.5)</b>	<b>(6.9)</b>	<b>2.2</b>	<b>(5.9)</b>		
EBITDA impact from revenue increase		(0.0)	(0.5)	0.0	(0.4)	(0.4)	0.1		
EBITDA impact from EBITDA/Sales variation		(1.0)	(3.1)	0.0	(3.9)	3.9	1.7		
<b>= Recurrent EBITDA variation</b>		<b>(1.1)</b>	<b>(3.6)</b>	<b>0.1</b>	<b>(4.3)</b>	<b>3.5</b>	<b>1.8</b>		
- Rentals (IFRS 16 impact) variation impact		-	-	(0.4)	(0.2)	-	-		
+/- Working capital variation impact		5.7	(7.9)	(3.9)	13.1	(12.6)	1.6		
<b>= Recurrent Operating Cash Flow variation</b>		<b>4.6</b>	<b>(11.5)</b>	<b>(4.2)</b>	<b>8.6</b>	<b>(9.1)</b>	<b>3.4</b>		
+/- CAPEX impact		2.3	3.1	1.1	(0.1)	2.0	(0.0)		
+/- Financial result variation		(0.0)	0.1	(0.0)	(0.5)	(0.1)	(0.1)		
+/- Tax impact		0.3	(0.3)	0.7	1.1	(0.8)	(0.2)		
<b>= Recurrent Free Cash Flow variation</b>		<b>7.2</b>	<b>(8.6)</b>	<b>(2.4)</b>	<b>9.1</b>	<b>(8.1)</b>	<b>3.1</b>		
<b>Recurrent Free Cash Flow</b>		<b>4.1</b>	<b>(4.5)</b>	<b>(6.9)</b>	<b>2.2</b>	<b>(5.9)</b>	<b>(2.8)</b>		
<b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>									
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>	CAGR	
<b>EBIT</b>	<b>4.2</b>	<b>4.0</b>	<b>0.9</b>	<b>0.4</b>	<b>(4.1)</b>	<b>(0.7)</b>	<b>0.1</b>	<b>-54.2%</b>	<b>-34.2%</b>
* <i>Theoretical Tax rate</i>	<i>16.7%</i>	<i>9.3%</i>	<i>21.8%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>		
= Taxes (pre- Net Financial Result)	(0.7)	(0.4)	(0.2)	-	-	-	-		
<b>Recurrent EBITDA</b>	<b>6.8</b>	<b>5.7</b>	<b>2.1</b>	<b>2.2</b>	<b>(2.1)</b>	<b>1.4</b>	<b>3.2</b>	<b>-31.4%</b>	<b>13.6%</b>
- Rentals (IFRS 16 impact)	-	-	-	(0.4)	(0.6)	(0.6)	(0.6)		
+/- Working Capital increase	2.5	8.1	0.2	(3.6)	9.5	(3.2)	(1.6)		
<b>= Recurrent Operating Cash Flow</b>	<b>9.2</b>	<b>13.8</b>	<b>2.3</b>	<b>(1.8)</b>	<b>6.8</b>	<b>(2.3)</b>	<b>1.0</b>	<b>-30.0%</b>	<b>37.0%</b>
- CAPEX	(11.6)	(9.3)	(6.2)	(5.0)	(5.2)	(3.2)	(3.3)		
- Taxes (pre- Financial Result)	(0.7)	(0.4)	(0.2)	-	-	-	-		
<b>= Recurrent Free Cash Flow "To the Firm"</b>	<b>(3.1)</b>	<b>4.1</b>	<b>(4.0)</b>	<b>(6.9)</b>	<b>1.6</b>	<b>(5.5)</b>	<b>(2.2)</b>	<b>-30.7%</b>	<b>31.5%</b>
<i>Rec. Free Cash Flow (To the Firm) growth</i>	<i>91.2%</i>	<i>233.8%</i>	<i>-198.1%</i>	<i>-70.0%</i>	<i>123.6%</i>	<i>-441.4%</i>	<i>60.0%</i>		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	<i>n.a.</i>	<i>2.1%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.1%</i>	<i>n.a.</i>	<i>n.a.</i>		
- Acquisitions / + Divestments	0.0	(0.2)	0.7	1.3	2.9	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
<b>= Free Cash Flow "To the Firm"</b>	<b>(3.1)</b>	<b>3.9</b>	<b>(3.3)</b>	<b>(5.5)</b>	<b>4.6</b>	<b>(5.5)</b>	<b>(2.2)</b>	<b>-21.9%</b>	<b>26.3%</b>
<i>Free Cash Flow (To the Firm) growth</i>	<i>91.3%</i>	<i>227.6%</i>	<i>-185.2%</i>	<i>-66.4%</i>	<i>182.3%</i>	<i>-221.7%</i>	<i>60.0%</i>		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	<i>n.a.</i>	<i>3.9%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.5%</i>	<i>n.a.</i>	<i>n.a.</i>		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	<i>n.a.</i>	<i>3.7%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>4.3%</i>	<i>n.a.</i>	<i>n.a.</i>		

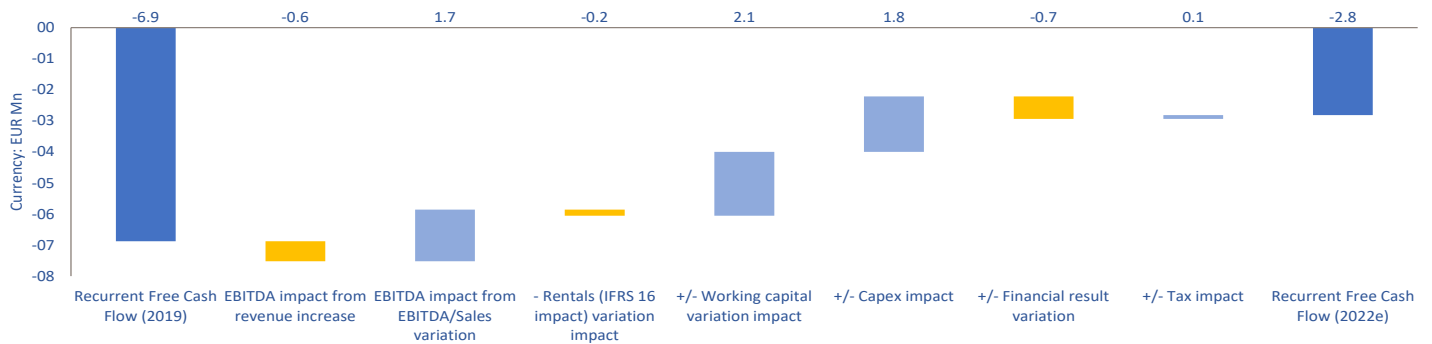
Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.4Mn higher due to IFRS 16.

Note 2: In 2015 there was a change in the perimeter, thus the information is not comparable. In 2016 the reverse merger of Borges S.A.U. was carried out.

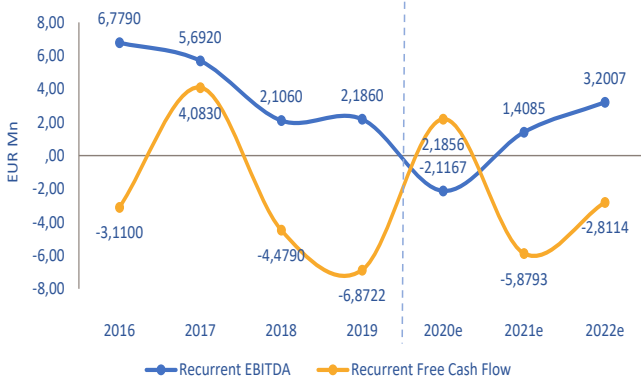
**Recurrent Free Cash Flow accumulated variation analysis (2015 - 2019)**



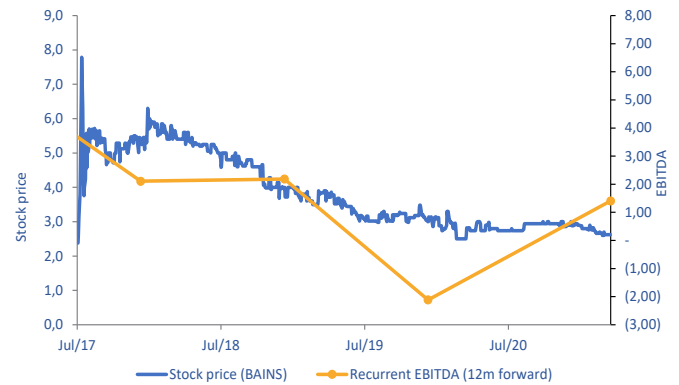
**Recurrent Free Cash Flow accumulated variation analysis (2019 - 2022e)**



**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	60.6	
+ Minority Interests	2.1	9m Results 2020
+ Provisions & Other L/T Liabilities	2.7	9m Results 2020
+ Net financial debt	44.2	12m Results 2019
- Financial Investments	0.3	9m Results 2020
+/- Others <sup>(1)</sup>	(2.7)	Lighthouse 2020
<b>Enterprise Value (EV)</b>	<b>106.6</b>	

(1) Real State Assets held for sale



## 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
<b>Total Revenues</b>	1.5	1.7	1.5	2.0	1.9	2.8	66.2	197.2	195.7	177.8	180.6	148.2	173.3	185.8	61.1%	0.9%
<i>Total Revenues growth</i>	9.6%	9.4%	-12.9%	39.4%	-5.3%	44.8%	n.a.	197.9%	-0.7%	-9.2%	1.5%	-17.9%	16.9%	7.2%		
<b>EBITDA</b>	0.3	0.5	0.3	0.5	0.5	1.2	0.5	6.3	5.4	1.9	1.6	(2.6)	0.9	2.7	17.8%	17.9%
<i>EBITDA growth</i>	36.6%	44.6%	-34.9%	67.1%	-9.6%	171.5%	-55.3%	n.a.	-15.3%	-64.6%	-13.6%	-261.0%	133.8%	201.4%		
<i>EBITDA/Sales</i>	20.7%	27.3%	20.4%	24.5%	23.4%	43.8%	0.8%	3.2%	2.7%	1.1%	0.9%	n.a.	0.5%	1.4%		
<b>Net Profit</b>	0.1	0.2	0.2	0.4	0.4	1.1	0.1	3.3	3.3	2.4	0.3	(3.6)	(1.0)	(0.5)	10.2%	-52.2%
<i>Net Profit growth</i>	985.9%	83.5%	-24.8%	152.4%	-15.7%	216.1%	-90.8%	n.a.	0.3%	-27.7%	-86.8%	n.a.	71.7%	52.5%		
Adjusted number shares (Mn)	5.6	5.6	5.6	5.6	5.6	5.6	10.2	23.1	23.1	23.1	23.1	23.1	23.1	23.1		
EPS (EUR)	0.02	0.04	0.03	0.07	0.06	0.20	0.01	0.14	0.14	0.10	0.01	-0.15	-0.04	-0.02	-4.4%	-52.2%
<i>EPS growth</i>	n.a.	83.5%	-24.8%	n.a.	-15.7%	n.a.	-94.9%	n.a.	0.4%	-27.7%	-86.8%	n.a.	71.7%	52.5%		
Ord. EPS (EUR)	0.02	0.04	0.03	0.08	0.07	0.21	0.01	0.16	0.16	0.04	0.04	-0.18	-0.03	0.00	6.4%	-28.6%
<i>Ord. EPS growth</i>	n.a.	n.a.	-19.3%	n.a.	-14.2%	n.a.	-93.8%	n.a.	-1.6%	-73.7%	-11.1%	n.a.	80.6%	86.5%		
CAPEX	(0.1)	(0.1)	(0.1)	(0.3)	(0.7)	(0.3)	(3.2)	(11.6)	(9.3)	(6.2)	(5.0)	(5.2)	(3.2)	(3.3)		
<i>CAPEX/Sales %</i>	7.1%	5.5%	9.0%	14.2%	38.7%	9.5%	4.8%	5.9%	4.8%	3.5%	2.8%	3.5%	1.9%	1.8%		
<b>Free Cash Flow</b>	0.1	(0.4)	0.1	0.3	(0.3)	(0.5)	(35.2)	(3.7)	3.2	(3.9)	(6.2)	4.6	(6.4)	(3.3)	-51.3%	18.6%
<i>ND/EBITDA (x)<sup>(3)</sup></i>	0.9x	1.4x	2.1x	0.1x	0.7x	0.6x	n.a.	6.3x	6.5x	20.3x	27.0x	n.a.	n.a.	18.4x		
<i>P/E (x)</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	38.3x	27.7x	29.1x	n.a.	n.a.	n.a.	n.a.		
<i>EV/Sales (x)</i>	6.25x	5.93x	6.74x	4.57x	3.99x	4.92x	1.61x	0.48x	0.79x	0.65x	0.63x	0.72x	0.61x	0.57x		
<i>EV/EBITDA (x)<sup>(3)</sup></i>	30.2x	21.7x	33.0x	18.7x	17.1x	11.2x	n.a.	15.1x	28.8x	n.a.	n.a.	n.a.	n.a.	39.7x		
<i>Absolute performance</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-27.3%	-24.2%	-4.0%				
<i>Relative performance vs Ibx 35</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-14.5%	-32.2%	13.5%				

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 0.4Mn 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 2020e

Market data	EUR Mn	European Industry			Average	Benchmark		Average	Globals	
		Greenyard NV	Sipef NV	Vilmorin & Cie SA		Select Harvests	John B Sant Filippo		ADM	BAINS
Ticker (Reuters)		GREENY.BR	SIFB.BR	VILM.PA		SHV.AX	JBSS.O		ADM	BAINS.MC
Country		Belgium	Belgium	France		Australia	U.S.A.		U.S.A.	Spain
Market cap		432.3	479.2	1,337.9		491.1	867.3		27,483.8	60.6
Enterprise value (EV)		1,087.5	671.0	2,616.0		695.6	888.7		35,351.1	106.6
<b>Total Revenues</b>		4,445.8	274.0	1,435.2		159.0	739.8		54,098.1	148.2
<i>Total Revenues growth</i>		9.5%	10.4%	3.2%	7.7%	-16.8%	0.4%	-8.2%	-0.5%	-17.9%
<i>2y CAGR (2020e - 2022e)</i>		2.4%	27.0%	4.1%	11.2%	16.1%	0.9%	8.5%	2.7%	11.9%
<b>EBITDA</b>		140.8	73.6	347.1		28.4	81.1		2,321.8	(2.6)
<i>EBITDA growth</i>		45.1%	62.2%	15.8%	41.0%	-51.2%	27.7%	-11.8%	3.9%	-261.0%
<i>2y CAGR (2020e - 2022e)</i>		9.0%	31.6%	10.5%	17.0%	41.8%	n.a.	41.8%	18.9%	73.7%
<i>EBITDA/Revenues</i>		3.2%	26.9%	24.2%	18.1%	17.8%	11.0%	14.4%	4.3%	n.a.
<b>EBIT</b>		56.8	30.0	109.0		15.7	66.0		1,501.3	(4.1)
<i>EBIT growth</i>		n.a.	641.7%	21.4%	331.5%	-65.2%	34.2%	-15.5%	7.3%	n.a.
<i>2y CAGR (2020e - 2022e)</i>		14.7%	69.7%	13.4%	32.6%	64.4%	n.a.	64.4%	19.3%	42.4%
<i>EBIT/Revenues</i>		1.3%	11.0%	7.6%	6.6%	9.8%	8.9%	9.4%	2.8%	n.a.
<b>Net Profit</b>		10.0	17.2	67.5		16.0	45.5		1,497.7	(3.6)
<i>Net Profit growth</i>		114.7%	391.2%	-13.4%	164.2%	-52.8%	37.1%	-7.9%	25.6%	n.a.
<i>2y CAGR (2020e - 2022e)</i>		65.3%	81.0%	24.2%	56.8%	32.0%	n.a.	32.0%	10.7%	63.3%
<i>CAPEX/Sales %</i>		1.3%	18.9%	17.3%	12.5%	14.6%	1.7%	8.2%	1.3%	-3.5%
<b>Free Cash Flow</b>		38.6	9.1	25.6		(8.3)	(9.9)		946.3	4.6
<b>Net financial debt</b>		475.5	100.9	1,013.3		206.5	40.0		7,867.4	39.6
<i>ND/EBITDA (x)</i>		3.4	1.4	2.9	2.6	7.3	0.5	3.9	3.4	n.a.
<i>Pay-out</i>		0.0%	18.1%	33.9%	17.3%	50.1%	12.7%	31.4%	45.3%	0.0%
<b>P/E (x)</b>		41.9	39.8	20.2	33.9	24.7	19.2	21.9	18.6	n.a.
<b>P/BV (x)</b>		0.9	0.9	1.2	1.0	1.5	4.2	2.9	1.6	1.1
<b>EV/Revenues (x)</b>		0.2	2.4	1.8	1.5	4.4	1.2	2.8	0.7	0.7
<b>EV/EBITDA (x)</b>		7.7	9.1	7.5	8.1	24.5	11.0	17.7	15.2	n.a.
<b>EV/EBIT (x)</b>		19.2	22.3	24.0	21.8	44.4	13.5	28.9	23.5	n.a.
<b>ROE</b>		1.6	2.2	5.4	3.1	6.1	22.0	14.0	9.0	n.a.
<b>FCF Yield (%)</b>		8.9	3.0	6.4	6.1	n.a.	4.7	4.7	n.a.	3.6
<b>DPS</b>		0.00	0.30	1.00	0.43	0.08	0.50	0.29	1.21	0.00
<b>Dvd Yield</b>		0.0%	0.7%	1.7%	0.8%	2.0%	0.7%	1.4%	2.5%	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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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
11-Apr-2021	n.a.	2.62	n.a.	n.a.	9m Results 2020	Ana Isabel González García, CIIA
02-Mar-2021	n.a.	2.70	n.a.	n.a.	6m Results 2020 - Estimates downgrade	Ana Isabel González García, CIIA
04-Jan-2021	n.a.	2.88	n.a.	n.a.	3m Results 2020	Ana Isabel González García, CIIA
03-Aug-2020	n.a.	2.80	n.a.	n.a.	12m Results 2019	Ana Isabel González García, CIIA
04-Jun-2020	n.a.	2.98	n.a.	n.a.	Estimates downgrade	Ana Isabel González García, CIIA
31-Mar-2020	n.a.	2.50	n.a.	n.a.	9m Results 2020	Ana Isabel González García, CIIA
02-Mar-2020	n.a.	2.96	n.a.	n.a.	6m Results 2020	Ana Isabel González García, CIIA
16-Oct-2019	n.a.	3.18	n.a.	n.a.	3m Results 2020	Ana Isabel González García, CIIA
01-Aug-2019	n.a.	3.16	n.a.	n.a.	12m Results 2019	Ana Isabel González García, CIIA
25-Apr-2019	n.a.	3.72	n.a.	n.a.	9m Results 2019	Ana Isabel González García, CIIA
11-Apr-2019	n.a.	3.84	n.a.	n.a.	Initiation of Coverage	Ana Isabel González García, CIIA

