

### 12m Results 2021

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

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

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### Business description

Libertas 7 (LIB), is a family group with headquarters in Valencia (Spain) structured around three areas: (i) property development and management, (ii) tourism management, with the leasing of 76 apartments and the management of a hotel, and (iii) financial investment, via the management of its own assets through investment in stocks and private equity. It is managed and controlled by the founding family (c. 70% of capital).

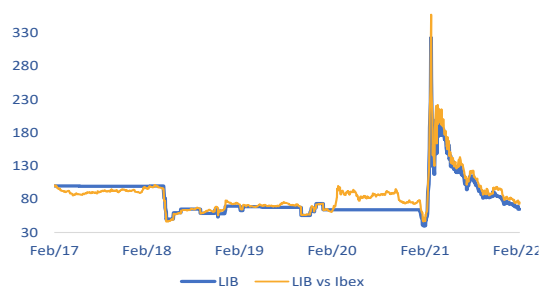
### Market Data

Market Cap (Mn EUR and USD)	30.7	34.2
EV (Mn EUR and USD) <sup>(2)</sup>	36.4	40.6
Shares Outstanding (Mn)	21.9	
-12m (Max/Med/Min EUR)	6.99 / 2.42 / 1.16	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation <sup>(3)</sup>	0.5	
Factset / Bloomberg	LIB-ES / LIB SM	
Close fiscal year	31-Dec	

### Shareholders Structure (%)

Noguera Family and others	80.0
Treasury stock	3.8
Free Float	16.2

### Relative performance (Base 100)



### Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	-11.4	-23.9	20.7	-35.2
vs Ibex 35	-5.6	-21.5	23.5	-22.9
vs Ibex Small Cap Index	-11.0	-26.0	26.8	-56.5
vs Eurostoxx 50	-0.6	-15.6	18.8	-41.7
vs Sector benchmark <sup>(4)</sup>	-6.9	-17.7	10.6	-38.6

(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 1.

(3) Rotation is the % of the capitalisation traded - 12m.

(4) vs Stoxx Europe 600 Real Estate.

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

## 2021: in line. The step-up in size and start of a new growth phase are confirmed

**AUTHENTIC STEP-UP IN SIZE IN REVENUES (EUR 16.8MN VS EUR 3.8MN 2020)....** due to the execution of title deeds on 71 properties, mainly in the Edificio Alberola and Residencial Cresol developments (vs 9 in 2020 and our estimate of 72) that has resulted in revenue of EUR 14Mn. In addition, LIB closed 2021 with turnover from the tourism area of EUR 1.3Mn (vs EUR 0.6Mn in 2020; although still c. 40% below 2019 due to continuing restrictions on mobility) and EUR 1.7Mn from the investment area (mainly dividends generated by the investment portfolio; +12.6% vs 2020 and +23% vs 2019).

**...WITH EBITDA IN LINE, ALLOWING LIB TO RETURN TO POSITIVE NET PROFIT.** In 2021 NP was EUR 1.2Mn (vs losses of EUR -3.6Mn in 2020), driven by: (i) the adjustment made to carry the ADZ shareholding at market value and (ii) the restatement of the property investments (impact in 2021 EUR 0.8Mn). Profit and loss from the sale of financial assets is reflected directly in net equity (by application of IFRS 9); including these, adjusted 2021 net profit would be EUR 2.3Mn.

**MAINTAINING A COMFORTABLE FINANCIAL POSITION ...** LIB closed 2021 with net debt of EUR 34.7Mn (ND/Assets c. 30%; in line with 2020) despite the EUR 3.8Mn net purchase balance in the investment portfolio.

**... THAT WILL ALLOW A NEW GROWTH PHASE TO BEGIN.** In 2021 LIB acquired new plots of land in the city of Valencia (to add to the existing 11,000m2 land bank) to develop two new projects (53 properties), that increases the current stock pending sale to 62 units. This, in our view, represents a very important turning point as it confirms the beginning of a new growth phase for the property business (the fruits of which will be collected from 2024e).

**IN CONCLUSION, POSITIVE RESULTS IN LINE WITH EXPECTATIONS. TRADING AT 0.4X P/BV.** We maintain our estimates in the light of results that are in line. The equity story remains intact: LIB is a highly diversified group (due to a combination of three businesses with a significant weight in terms of valuation) for which “the return” of its development business (confirmed by 2021 results) points to a step-up in size (and value) in the long term. Trading at c. 0.4x P/BV.

Table 1. 2021 Results

EUR Mn	12m21 Real	12m20	12m21 Real vs 12m20	2021e	12m21 Real vs 2021e
<b>Total Revenues</b>	<b>16,8</b>	<b>3,8</b>	<b>342,7%</b>	<b>18,4</b>	<b>-8,7%</b>
Property	13,8	1,7	n.a.	15,5	-11,2%
Tourism	1,3	0,6	123,5%	1,4	-3,1%
Investments	1,7	1,5	12,6%	1,5	12,4%
<b>EBITDA</b>	<b>1,7</b>	<b>-2,2</b>	<b>174,9%</b>	<b>1,8</b>	<b>-7,7%</b>
<b>EBITDA/Revenues</b>	<b>9,9%</b>	<b>n.a.</b>	<b>n.a.</b>	<b>9,8%</b>	<b>0,1 p.p.</b>
<b>EBIT</b>	<b>2,5</b>	<b>-3,0</b>	<b>182,2%</b>	<b>1,6</b>	<b>54,8%</b>
<b>NP</b>	<b>1,2</b>	<b>-3,6</b>	<b>133,7%</b>	<b>2,3</b>	<b>-46,7%</b>
Net Debt	34,7	34,1	1,8%		
Book value	91,5	87,9	4,2%		
Investment Portfolio	53,9	45,5	18,3%		
Pre-sales (Property)	12,6	16,8	-25,0%		

## Appendix 1. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	30.7	
+ Minority Interests	-	12m Results 2021
+ Provisions & Other L/T Liabilities	-	12m Results 2021
+ Net financial debt	30.9	12m Results 2021
- Financial Investments	1.5	12m Results 2021
+/- Others <sup>(1)</sup>	(23.7)	12m Results 2021
<b>Enterprise Value (EV)</b>	<b>36.4</b>	

(1) Related to: (i) deferred tax assets and liabilities amounting to EUR 36.1Mn and EUR 13.6Mn, respectively (the net amounts to EUR 23.0Mn) and (ii) the market value of treasury stock (EUR 1.2Mn)

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02-Mar-2022	n.a.	1.40	n.a.	n.a.	12m Results 2021	David López Sánchez
25-Oct-2021	n.a.	1.94	n.a.	n.a.	9m Results 2021	David López Sánchez
02-Aug-2021	n.a.	2.26	n.a.	n.a.	6m Results 2021	David López Sánchez
07-Jul-2021	n.a.	2.60	n.a.	n.a.	Initiation of Coverage	David López Sánchez

