

6m Results 2023

 Opinion ⁽¹⁾: In line

 Impact ⁽¹⁾: We will maintain our estimates

Alfredo Echevarría Otegui – alfredo.echevarria@lighthouse-ieaf.com

+34 915 904 226

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).

1H 2023 earnings: strong jump in revenue and EBITDA (as expected). The 'surprise' is still the share price performance.

STRONG GROWTH IN DEVELOPMENT REVENUE (AS EXPECTED) DRIVEN BY THE CRISÁLIDA BUILDING. The healthy momentum of the development business was confirmed (revenue of EUR 7.2Mn), with the delivery of 33 residential units in 2023 (all in 1H) vs 24 in 2022. This was almost entirely due to the delivery of the 32 units of the Crisálida building (in 1Q; the only development deliverable in 2023) that explains the jump in consolidated revenues (EUR 9.7Mn vs EUR 3.4Mn 1H22). We are keeping our estimates unchanged for consolidated revenue in 2023e (EUR 11.6 Mn, i.e. a 'repeat' of 2022), as we expect no contribution from the development business in 2H. In headline items, we expect c.30 units/year in 2023-2024, before doubling (to c.65) in 2025. This means both sales and revenue will double.

THE TOURISM AREA STANDS TO BENEFIT FROM SECTOR MOMENTUM (BOOKINGS AT ALL-TIME HIGHS). Excellent momentum. Growth of 28% in revenue in 2H23 (+51% vs 2019), to EUR 1.2Mn. With EBITDA of c. EUR 0.3Mn, the company should end up close to EUR 1.0Mn for the full year.

DEED EXECUTIONS CONFIRM THE SHARP GROWTH IN EBITDA (EUR 2MN). EBITDA in 1H is practically in line with our estimate for all of 2023. Our estimates are unchanged. Even factoring in zero contribution from the development business and investment portfolio in 2H, the risk to our estimates is tilted to the upside (potentially to above EUR 2.5Mn) thanks to the tourism business. Overall, 2023 should be viewed as a year of transition (and nearly 'done' in 1H).

FCF GENERATION SHOULD BRING NET DEBT DOWN FURTHER. This level of EBITDA implies positive FCF generation in 2023e and supports the dividend policy (yield 3.2%). LIB is now comfortably delivering EBITDA > EUR 2Mn (awaiting the real take-off by the development business in 2025), with ND steady at around EUR 30Mn. The takeaway is easy: LIB boasts a low-risk business model. The development business is poised to surge from an area of higher relative demand, complemented by property management/touristic revenue and stable, positive FCF generation (keeping ND from getting out of hand). LIB is still a real estate company enjoying good momentum (from the portfolio of homes and scheduled deliveries, the robust tourism business and the potential of the investment portfolio in 2H) and low risk. This makes it a *rara avis* for sure. In theory, its performance should not be affected by the current bleak sector outlook.

A RESERVE OF VALUE THAT SEEMS OBVIOUS. 1H earnings were good, but not really what the focus should be on. No short-term catalysts, not to mention the company's size/liquidity, are keeping the share price from unlocking the real upside potential we believe is evident. And there's a recurring argument: the investment portfolio itself (net of EUR 24Mn of debt) is worth as much as the current market cap. No need to factor in the development business, let alone the portfolio of rental assets. At the current share price, these businesses could be bought for 'nothing'. LIB -12m: c-10% vs IBEX 35. A company that deserves attention...

Market Data

Market Cap (Mn EUR and USD)	24.1	26.5
EV (Mn EUR and USD) ⁽²⁾	31.8	34.9
Shares Outstanding (Mn)	21.9	
-12m (Max/Med/Min EUR)	1.14 / 0.95 / 0.84	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽³⁾	2.4	
Factset / Bloomberg	LIB-ES / LIB SM	
Close fiscal year	31-Dec	

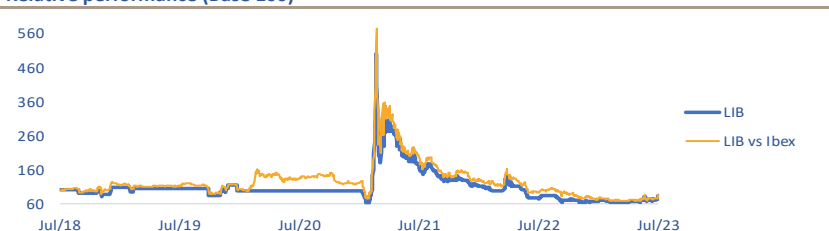
Shareholders Structure (%)

Noguera Family and others	80.0
Treasury stock	3.8
Free Float	16.2

Financials (Mn EUR)	2022	2023e	2024e	2025e
Adj. nº shares (Mn)	21.1	21.9	21.9	21.9
Total Revenues	11.5	11.6	11.3	22.2
Rec. EBITDA	1.8	2.1	2.2	4.3
% growth	217.0	10.9	6.7	97.0
% Rec. EBITDA/Rev.	16.1	17.7	19.4	19.5
% Inc. EBITDA sector ⁽⁴⁾	12.2	4.2	6.0	5.5
Net Profit	1.5	0.9	1.0	2.7
EPS (EUR)	0.07	0.04	0.05	0.13
% growth	22.4	-40.5	12.0	164.3
Ord. EPS (EUR)	0.07	0.04	0.05	0.13
% growth	284.5	-40.3	12.0	164.3
Rec. Free Cash Flow ⁽⁵⁾	-0.9	0.5	1.2	1.5
Pay-out (%)	51.2	82.7	73.9	28.0
DPS (EUR)	0.04	0.04	0.04	0.04
Net financial debt	31.5	31.7	31.3	30.5
ND/Rec. EBITDA (x)	17.1	15.5	14.3	7.1
ROE (%)	1.6	1.0	1.1	2.9
ROCE (%) ⁽⁵⁾	1.6	1.7	1.8	3.7

Ratios & Multiples (x)⁽⁶⁾

P/E	15.5	26.0	23.2	8.8
Ord. P/E	15.5	26.0	23.2	8.8
P/BV	0.3	0.3	0.3	0.3
Dividend Yield (%)	3.3	3.2	3.2	3.2
EV/Sales	2.76	2.74	2.82	1.43
EV/Rec. EBITDA	17.2	15.5	14.5	7.4
EV/EBIT	16.4	17.6	16.4	7.8
FCF Yield (%) ⁽⁵⁾	n.a.	2.2	5.0	6.4

Relative performance (Base 100)


Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	15.8	27.5	8.0	22.6	-17.9	-18.1
vs Ibex 35	12.2	22.5	-9.5	4.0	-39.2	-16.7
vs Ibex Small Cap Index	13.2	23.7	3.5	8.3	-37.7	-24.8
vs Eurostoxx 50	12.1	24.9	-12.4	4.5	-39.0	-35.1
vs Sector benchmark ⁽⁴⁾	2.3	26.6	35.2	24.5	5.5	27.6

(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 3.

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

(4) Sector: Stoxx Europe 600 Real Estate.

(5) Please see Appendix 2 for the theoretical tax rate (ROCE) and rec. FCF calculation.

(6) 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, Factset and Lighthouse.

6m Results 2023

1H23 Results

LIB report 1H23 revenue of EUR 9.7Mn (vs EUR 3.4 Mn in 1H22), EBITDA of EUR 2.0Mn and net profit of EUR 0.9Mn (vs EUR 0.4Mn in 1H22). The balance sheet featured net debt of EUR 30.9Mn (-7.2% vs year-end 2022) and equity of EUR 94.4Mn (+2.3%).

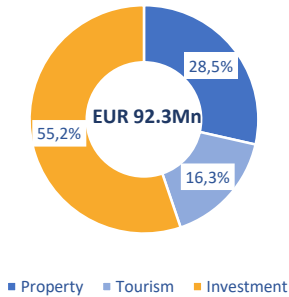
EUR Mn	6m23		6m23 Real	
	Real	6m22	vs 6m22	2023e
Total Revenues	9.7	3.4	184.0%	11.6
Recurrent EBITDA	2.0	0.9	114.0%	2.1
<i>Rec. EBITDA/Revenues</i>	<i>20.5%</i>	<i>27.3%</i>	<i>-6.8 p.p.</i>	<i>17.7%</i>
EBIT	1.8	0.8	133.3%	1.8
NP	0.9	0.4	110.9%	0.9

	6m23	2022	
Net Debt	30.9	33.3	-7.2%
Book Value	94.4	92.3	2.3%
Investment Portfolio	54.9	50.4	9.1%

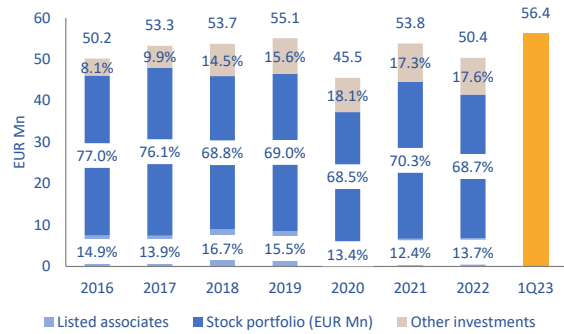
The company in 8 charts

A group with three core businesses: property development, tourism management and financial investment

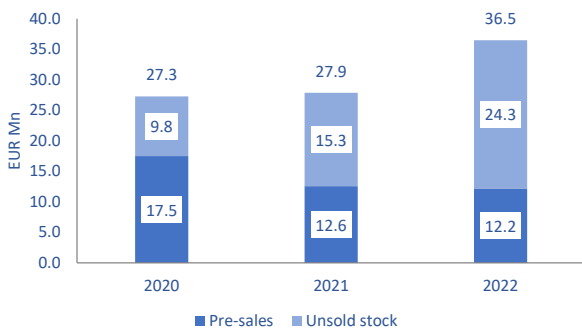
Asset mix as % of equity



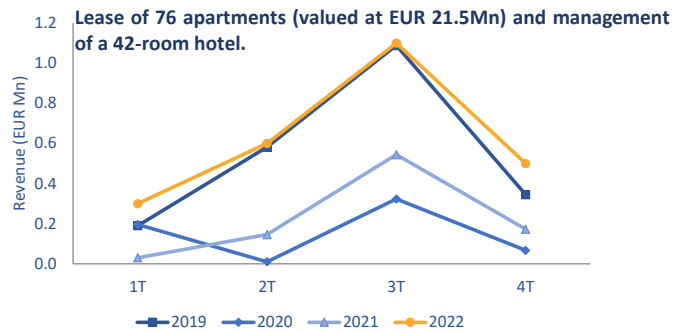
Investment area: provides greater diversification of assets (which reduces group risk), liquidity and profitability



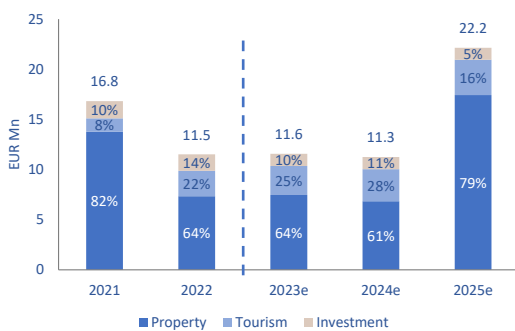
Agreements and bookings (EUR 12.2Mn) and unsold stock (EUR 24.3Mn) lend visibility to the development business



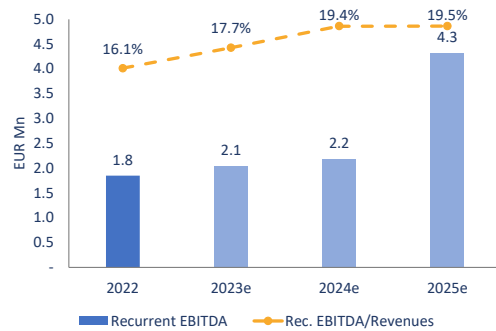
The tourism business is also much bigger than in 2019 (and still has more room to grow)



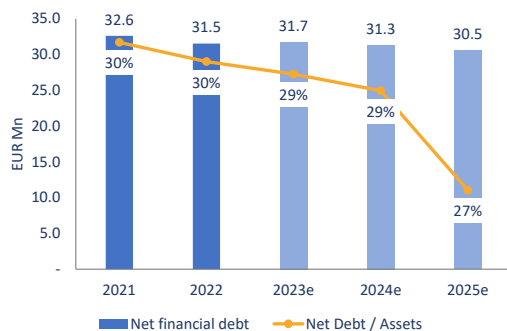
2023e-2025e: the development business will be the main driver of revenue growth



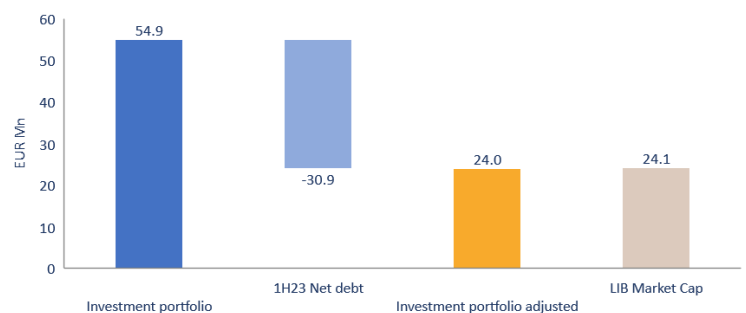
This will be visible in the generation of recurring EBITDA



All while maintaining a comfortable financial position (ND/Assets < 30%)



A potential (and "objectively" evident) reserve of value that has still gone unnoticed by the market



Valuation inputs

Inputs for the DCF Valuation Approach

	2023e	2024e	2025e	Terminal Value ⁽¹⁾		
Free Cash Flow "To the Firm"	1.0	1.7	2.0	59.9		
Market Cap	24.1	At the date of this report				
Net financial debt	30.9	Debt net of Cash (6m Results 2023)				
					Best Case	Worst Case
Cost of Debt	1.6%	Net debt cost			1.4%	1.9%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	1.3%	Kd = Cost of Net Debt * (1-T)			1.1%	1.5%
Risk free rate (rf)	3.5%	Rf (10y Spanish bond yield)			=	=
Equity risk premium	6.0%	R (own estimate)			5.5%	6.5%
Beta (B)	1.2	B (own estimate)			1.1	1.3
Cost of Equity	10.7%	Ke = Rf + (R * B)			9.5%	11.9%
Equity / (Equity + Net Debt)	43.8%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	56.2%	D			=	=
WACC	5.4%	WACC = Kd * D + Ke * E			4.8%	6.1%
G "Fair"	2.0%				2.0%	1.5%

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

Inputs for the Multiples Valuation Approach

Company	Ticker Factset	Mkt. Cap	P/E 23e	EPS 23e-25e	EV/EBITDA 23e	EBITDA 23e-25e	EV/Sales 23e	Revenues 23e-25e	EBITDA/Sales 23e	FCF Yield 23e	FCF 23e-25e
Metrovacesa	MVC-ES	1,139.1	35.1	9.6%	23.6	6.5%	2.3	6.0%	9.6%	9.8%	24.7%
Aedas Homes	AEDAS-ES	791.0	6.8	-5.6%	5.8	-3.9%	1.0	-2.7%	16.8%	11.7%	-8.6%
Neinor Homes	HOME-ES	739.1	8.9	-10.4%	5.7	-7.6%	1.0	0.7%	17.8%	10.6%	14.1%
Insur	ISUR-ES	132.6	14.6	65.1%	15.5	34.5%	2.9	32.9%	18.7%	1.2%	n.a.
Real estate			16.4	14.7%	12.7	7.4%	1.8	9.2%	15.7%	8.3%	10.1%
Playa Hotels & Resorts	PLYA-US	1,104.0	15.3	24.2%	7.3	5.4%	2.0	1.7%	27.7%	2.6%	n.a.
PPHE Hotel Group	PPH-GB	514.9	15.8	29.5%	13.2	14.5%	4.0	9.1%	30.0%	2.0%	n.a.
Pierre et Vacances	VAC-FR	701.6	35.3	51.3%	18.9	11.8%	1.9	5.1%	10.0%	n.a.	n.a.
Tourism			22.1	35.0%	13.1	10.5%	2.6	5.3%	22.5%	2.3%	n.a.
LIB	LIB-ES	24.1	26.0	72.0%	15.5	45.0%	2.7	38.3%	17.7%	2.2%	69.2%

Free Cash Flow sensitivity analysis (2024e)

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

Scenario	EBITDA/Sales 24e	EBITDA 24e	EV/EBITDA 24e
Max	21.3%	2.4	13.2x
Central	19.4%	2.2	14.5x
Min	17.5%	2.0	16.1x

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

Rec. FCF EUR Mn	CAPEX/Sales 24e				Scenario	Rec. FCF/Yield 24e		
EBITDA 24e	1.8%	2.0%	2.2%					
2.4	1.4	1.4	1.4	➔	Max	6.0%	5.9%	5.8%
2.2	1.2	1.2	1.2		Central	5.1%	5.0%	4.9%
2.0	1.0	1.0	1.0		Min	4.2%	4.1%	4.0%

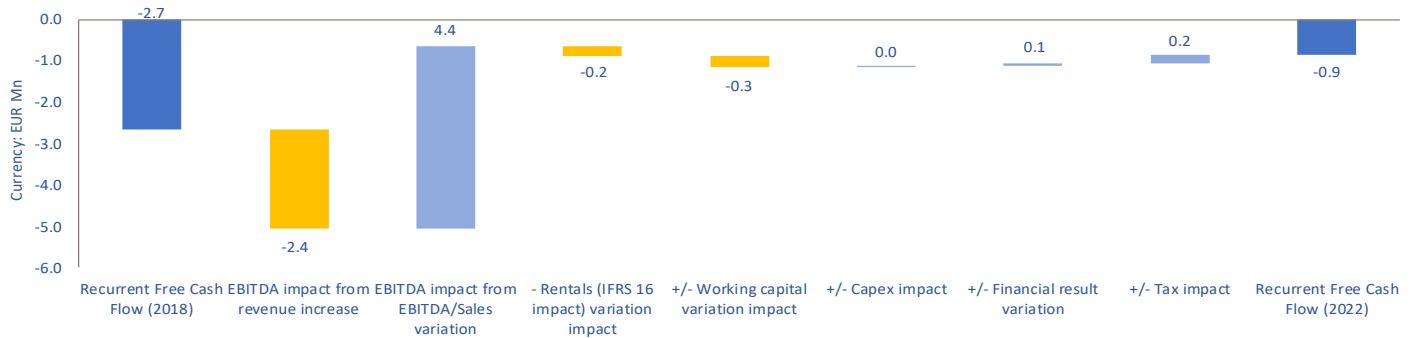
Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e		
Intangible assets	0.1	2.0	2.2	2.0	1.7	1.7	1.7	1.7		
Fixed assets	36.3	38.6	38.0	38.4	37.5	37.7	37.9	38.3		
Other Non Current Assets	35.4	35.3	36.8	36.1	35.9	35.9	35.9	35.9		
Financial Investments	52.5	53.6	43.3	52.0	51.8	51.8	51.7	51.7		
Goodwill & Other Intangibles	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6		
Current assets	15.4	16.7	22.0	15.6	14.8	16.3	15.8	20.5		
Total assets	140.2	146.7	143.0	144.7	142.2	143.9	143.6	148.6		
Equity	91.9	96.1	87.9	91.5	92.3	92.5	92.8	94.7		
Minority Interests	-	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	11.7	13.4	13.4	13.9	13.9	13.9	13.9	13.9		
Other Non Current Liabilities	-	2.1	2.2	2.1	1.7	1.7	1.7	1.7		
Net financial debt	34.5	31.3	34.1	32.6	31.5	31.7	31.3	30.5		
Current Liabilities	2.1	3.8	5.4	4.6	2.8	4.1	4.0	7.8		
Equity & Total Liabilities	140.2	146.7	143.0	144.7	142.2	143.9	143.6	148.6		
CAGR										
P&L (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	18-22	22-25e
Total Revenues	5.0	5.6	3.9	16.8	11.5	11.6	11.3	22.2	23.3%	24.4%
<i>Total Revenues growth</i>	-37.1%	11.4%	-29.4%	329.3%	-31.6%	0.6%	-2.8%	96.9%		
COGS	(1.1)	(1.4)	(1.4)	(12.1)	(5.5)	(5.3)	(4.8)	(12.8)		
Gross Margin	3.9	4.2	2.5	4.7	6.0	6.3	6.4	9.4	11.5%	16.2%
<i>Gross Margin/Revenues</i>	77.4%	75.4%	64.7%	28.0%	51.8%	54.2%	57.1%	42.2%		
Personnel Expenses	(1.7)	(2.2)	(1.7)	(2.0)	(2.2)	(2.3)	(2.3)	(2.5)		
Other Operating Expenses	(2.3)	(2.4)	(1.5)	(2.1)	(1.9)	(1.9)	(1.9)	(2.5)		
Recurrent EBITDA	(0.2)	(0.4)	(0.7)	0.6	1.8	2.1	2.2	4.3	90.3%	32.6%
<i>Recurrent EBITDA growth</i>	-104.1%	-128.5%	-83.0%	183.8%	217.0%	10.9%	6.7%	97.0%		
<i>Rec. EBITDA/Revenues</i>	n.a.	n.a.	n.a.	3.5%	16.1%	17.7%	19.4%	19.5%		
Restructuring Expense & Other non-rec.	0.2	0.0	(0.4)	1.1	0.0	-	-	-		
EBITDA	(0.0)	(0.4)	(1.1)	1.7	1.9	2.1	2.2	4.3	n.a.	32.1%
Depreciation & Provisions	(0.0)	0.1	(0.0)	0.3	0.3	(0.0)	(0.0)	(0.0)		
Capitalized Expense	-	-	-	-	-	-	-	-		
Rentals (IFRS 16 impact)	-	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)		
EBIT	(0.0)	(0.5)	(1.3)	1.7	1.9	1.8	1.9	4.1	n.a.	28.0%
<i>EBIT growth</i>	-100.4%	n.a.	-163.9%	233.2%	14.8%	-7.0%	7.6%	109.5%		
<i>EBIT/Revenues</i>	n.a.	n.a.	n.a.	10.0%	16.8%	15.6%	17.2%	18.3%		
Impact of Goodwill & Others	3.3	2.5	(0.1)	0.8	0.9	-	-	-		
Net Financial Result	(0.6)	(0.6)	(0.9)	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)		
Income by the Equity Method	(1.7)	0.1	(1.7)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)		
Ordinary Profit	1.0	1.5	(3.9)	1.6	2.2	1.2	1.3	3.4	21.2%	16.7%
<i>Ordinary Profit Growth</i>	-31.3%	48.7%	-360.3%	140.4%	37.9%	-46.3%	12.0%	164.3%		
Extraordinary Results	-	-	-	-	-	-	-	-		
Profit Before Tax	1.0	1.5	(3.9)	1.6	2.2	1.2	1.3	3.4	21.2%	16.7%
Tax Expense	(0.9)	(0.4)	0.3	(0.4)	(0.7)	(0.2)	(0.3)	(0.7)		
<i>Effective Tax Rate</i>	86.2%	28.8%	n.a.	22.4%	30.6%	20.0%	20.0%	20.0%		
Minority Interests	-	-	-	-	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	0.1	1.1	(3.6)	1.2	1.5	0.9	1.0	2.7	81.7%	22.4%
<i>Net Profit growth</i>	-72.5%	669.2%	-440.8%	133.7%	23.4%	-38.1%	12.0%	164.3%		
Ordinary Net Profit	0.6	1.1	(3.5)	0.4	1.5	0.9	1.0	2.7	26.3%	22.5%
<i>Ordinary Net Profit growth</i>	-61.3%	79.4%	-431.8%	111.0%	287.7%	-38.0%	12.0%	164.3%		
CAGR										
Cash Flow (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	18-22	22-25e
Recurrent EBITDA						2.1	2.2	4.3	90.3%	32.6%
Rentals (IFRS 16 impact)						(0.2)	(0.2)	(0.2)		
Working Capital Increase						(0.2)	0.3	(0.8)		
Recurrent Operating Cash Flow						1.6	2.3	3.3	28.1%	73.3%
CAPEX						(0.2)	(0.2)	(0.4)		
Net Financial Result affecting the Cash Flow						(0.6)	(0.6)	(0.6)		
Tax Expense						(0.2)	(0.3)	(0.7)		
Recurrent Free Cash Flow						0.5	1.2	1.5	24.7%	56.1%
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						0.5	1.2	1.5	10.7%	3.1%
Capital Increase						-	-	-		
Dividends						(0.8)	(0.8)	(0.8)		
Net Debt Variation						0.2	(0.4)	(0.8)		

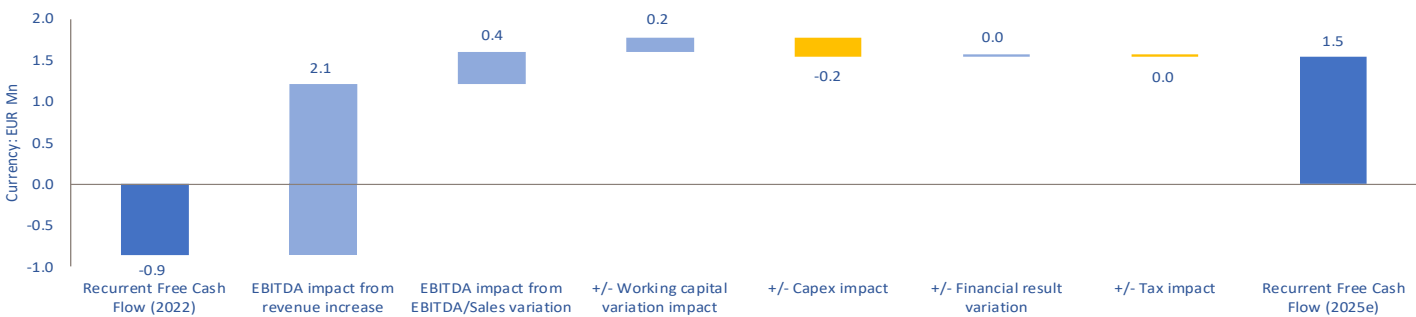
Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
								19-22	22-25e
Recurrent EBITDA	(0.4)	(0.7)	0.6	1.8	2.1	2.2	4.3	90.0%	32.6%
<i>Recurrent EBITDA growth</i>	-128.5%	-83.0%	183.8%	217.0%	10.9%	6.7%	97.0%		
<i>Rec. EBITDA/Revenues</i>	n.a.	n.a.	3.5%	16.1%	17.7%	19.4%	19.5%		
- Rentals (IFRS 16 impact)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)		
+/- Working Capital increase	0.5	(3.7)	5.6	(1.0)	(0.2)	0.3	(0.8)		
= Recurrent Operating Cash Flow	(0.1)	(4.6)	6.0	0.6	1.6	2.3	3.3	n.a.	73.3%
<i>Rec. Operating Cash Flow growth</i>	88.5%	n.a.	229.6%	-89.6%	154.5%	43.2%	42.7%		
<i>Rec. Operating Cash Flow / Sales</i>	n.a.	n.a.	35.6%	5.4%	13.7%	20.2%	14.7%		
- CAPEX	(0.1)	(0.3)	(0.1)	(0.2)	(0.2)	(0.2)	(0.4)		
- Net Financial Result affecting Cash Flow	(0.7)	(0.7)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)		
- Taxes	(0.4)	0.3	(0.4)	(0.7)	(0.2)	(0.3)	(0.7)		
= Recurrent Free Cash Flow	(1.3)	(5.4)	4.9	(0.9)	0.5	1.2	1.5	12.2%	56.1%
<i>Rec. Free Cash Flow growth</i>	52.5%	-324.7%	190.7%	-117.5%	163.0%	123.6%	28.0%		
<i>Rec. Free Cash Flow / Revenues</i>	n.a.	n.a.	29.0%	n.a.	4.7%	10.7%	7.0%		
- Restructuring expenses & others	0.0	(0.4)	1.1	0.0	-	-	-		
- Acquisitions / + Divestments	3.6	1.1	(0.6)	2.2	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow	2.4	(4.7)	5.4	1.4	0.5	1.2	1.5	-15.7%	3.1%
<i>Free Cash Flow growth</i>	150.8%	-297.8%	215.4%	-73.7%	-61.7%	123.6%	28.0%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	n.a.	n.a.	20.3%	n.a.	2.2%	5.0%	6.4%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	9.8%	n.a.	22.3%	5.9%	2.2%	5.0%	6.4%		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
	2019	2020	2021	2022	2023e	2024e	2025e		
Recurrent FCF(FY - 1)	(2.7)	(1.3)	(5.4)	4.9	(0.9)	0.5	1.2		
EBITDA impact from revenue increase	(0.0)	0.1	(2.3)	(0.2)	0.0	(0.1)	2.1		
EBITDA impact from EBITDA/Sales variation	(0.2)	(0.4)	3.6	1.4	0.2	0.2	0.0		
= Recurrent EBITDA variation	(0.2)	(0.3)	1.3	1.3	0.2	0.1	2.1		
- Rentals (IFRS 16 impact) variation impact	(0.2)	-	(0.0)	-	-	-	-		
+/- Working capital variation impact	1.2	(4.2)	9.4	(6.6)	0.8	0.6	(1.1)		
= Recurrent Operating Cash Flow variation	0.8	(4.5)	10.6	(5.4)	1.0	0.7	1.0		
+/- CAPEX impact	0.2	(0.3)	0.3	(0.2)	(0.0)	0.0	(0.2)		
+/- Financial result variation	(0.0)	(0.0)	(0.0)	0.1	0.0	0.0	0.0		
+/- Tax impact	0.4	0.7	(0.6)	(0.3)	0.4	(0.0)	(0.4)		
= Recurrent Free Cash Flow variation	1.4	(4.1)	10.3	(5.7)	1.4	0.7	0.3		
Recurrent Free Cash Flow	(1.3)	(5.4)	4.9	(0.9)	0.5	1.2	1.5		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
EBIT	(0.5)	(1.3)	1.7	1.9	1.8	1.9	4.1	82.1%	28.0%
* Theoretical Tax rate	0.0%	0.0%	22.4%	30.0%	20.0%	20.0%	20.0%		
= Taxes (pre- Net Financial Result)	-	-	(0.4)	(0.6)	(0.4)	(0.4)	(0.8)		
Recurrent EBITDA	(0.4)	(0.7)	0.6	1.8	2.1	2.2	4.3	90.0%	32.6%
- Rentals (IFRS 16 impact)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)		
+/- Working Capital increase	0.5	(3.7)	5.6	(1.0)	(0.2)	0.3	(0.8)		
= Recurrent Operating Cash Flow	(0.1)	(4.6)	6.0	0.6	1.6	2.3	3.3	n.a.	73.3%
- CAPEX	(0.1)	(0.3)	(0.1)	(0.2)	(0.2)	(0.2)	(0.4)		
- Taxes (pre- Financial Result)	-	-	(0.4)	(0.6)	(0.4)	(0.4)	(0.8)		
= Recurrent Free Cash Flow (To the Firm)	(0.2)	(5.0)	5.6	(0.2)	1.0	1.7	2.0	0.6%	n.a.
<i>Rec. Free Cash Flow (To the Firm) growth</i>	84.8%	n.a.	211.8%	-103.1%	683.8%	66.7%	19.9%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	n.a.	n.a.	33.0%	n.a.	8.6%	14.8%	9.0%		
- Acquisitions / + Divestments	3.6	1.1	(0.6)	2.2	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow "To the Firm"	3.4	(3.9)	5.0	2.1	1.0	1.7	2.0	-15.6%	-1.3%
<i>Free Cash Flow (To the Firm) growth</i>	49.5%	-212.3%	228.6%	-58.3%	-51.9%	66.7%	19.9%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	n.a.	n.a.	17.5%	n.a.	3.1%	5.2%	6.3%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	10.9%	n.a.	15.7%	6.5%	3.1%	5.2%	6.3%		

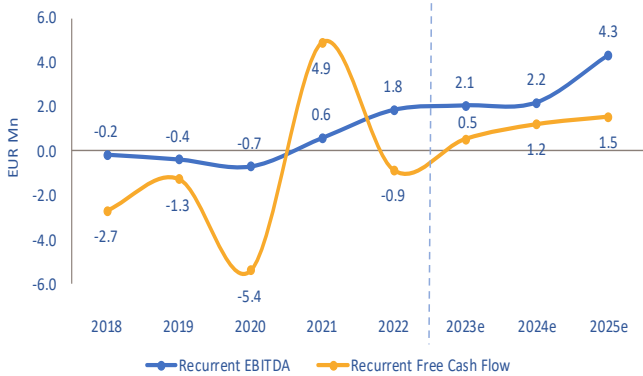
Recurrent Free Cash Flow accumulated variation analysis (2018 - 2022)



Recurrent Free Cash Flow accumulated variation analysis (2022 - 2025e)



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	24.1	
+ Minority Interests	-	6m Results 2023
+ Provisions & Other L/T Liabilities	-	6m Results 2023
+ Net financial debt	30.9	6m Results 2023
- Financial Investments	1.4	6m Results 2023
+/- Others ⁽¹⁾	(21.8)	6m Results 2023
Enterprise Value (EV)	31.8	

(1) Related to: (i) the book value (not actuarial) of deferred tax assets and liabilities (EUR 35.2Mn and EUR 14.3Mn, respectively) and (ii) the market value of treasury stock (EUR 0.9Mn)

Appendix 4. Historical performance ⁽¹⁾

Historical performance (EUR Mn)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
															12-22	22-25e
Total Revenues	48.6	10.1	9.0	5.7	5.2	8.2	5.0	5.6	3.9	16.8	11.5	11.6	11.3	22.2	-13.4%	24.4%
Total Revenues growth	195.1%	-79.2%	-11.1%	-36.2%	-9.8%	58.7%	-39.2%	11.4%	-29.4%	329.3%	-31.6%	0.6%	-2.8%	96.9%		
EBITDA	(31.6)	(8.2)	1.4	0.5	0.3	3.4	(0.0)	(0.4)	(1.1)	1.7	1.9	2.1	2.2	4.3	7.5%	32.1%
EBITDA growth	n.a.	73.9%	116.9%	-62.2%	-39.7%	981.4%	-100.2%	n.a.	-182.9%	255.0%	13.4%	9.5%	6.7%	97.0%		
EBITDA/Sales	n.a.	n.a.	15.5%	9.2%	6.1%	41.8%	n.a.	n.a.	n.a.	9.8%	16.3%	17.7%	19.4%	19.5%		
Net Profit	(29.5)	(48.6)	0.7	1.2	0.9	1.2	0.1	1.1	(3.6)	1.2	1.5	0.9	1.0	2.7	7.4%	22.4%
Net Profit growth	56.6%	-64.7%	101.4%	72.8%	-20.7%	26.0%	-88.2%	669.2%	-440.8%	133.7%	23.4%	-38.1%	12.0%	164.3%		
Adjusted number shares (Mn)	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	20.9	21.1	21.9	21.9	21.9		
EPS (EUR)	-1.41	-2.33	0.03	0.06	0.04	0.06	0.01	0.05	-0.17	0.06	0.07	0.04	0.05	0.13	7.4%	20.8%
EPS growth	56.5%	-64.7%	n.a.	72.9%	-20.7%	25.9%	-88.2%	n.a.	n.a.	n.a.	22.4%	-40.5%	12.0%	n.a.		
Ord. EPS (EUR)	-1.41	-2.33	0.03	0.06	0.04	0.04	0.03	0.05	-0.17	0.02	0.07	0.04	0.05	0.13	7.4%	20.9%
Ord. EPS growth	56.5%	-64.7%	n.a.	72.9%	-20.7%	-13.3%	-26.7%	79.3%	n.a.	n.a.	n.a.	-40.3%	12.0%	n.a.		
CAPEX	0.1	0.0	0.0	0.1	0.1	(0.1)	(0.2)	(0.1)	(0.3)	(0.1)	(0.2)	(0.2)	(0.2)	(0.4)		
CAPEX/Sales %	n.a.	n.a.	n.a.	n.a.	n.a.	1.8%	4.8%	1.3%	8.7%	0.4%	1.9%	2.0%	2.0%	2.0%		
Free Cash Flow	59.1	10.3	17.8	4.9	3.7	5.0	0.9	2.4	(4.7)	5.4	1.4	0.5	1.2	1.5	-31.2%	3.1%
ND/EBITDA (x) ⁽²⁾	n.a.	n.a.	n.a.	n.a.	n.a.	11.9x	n.a.	n.a.	n.a.	19.7x	16.8x	15.5x	14.3x	7.1x		
P/E (x)	n.a.	n.a.	68.2x	36.9x	46.5x	36.9x	n.a.	30.3x	n.a.	25.9x	12.6x	26.0x	23.2x	8.8x		
EV/Sales (x)	1.84x	2.19x	5.08x	7.12x	7.46x	7.85x	8.86x	8.02x	10.56x	2.64x	2.56x	2.74x	2.82x	1.43x		
EV/EBITDA (x) ⁽²⁾	n.a.	n.a.	32.8x	n.a.	n.a.	18.8x	n.a.	n.a.	n.a.	27.0x	15.7x	15.5x	14.5x	7.4x		
Absolute performance	-46.3%	-64.9%	135.0%	-6.4%	0.0%	-0.1%	-30.1%	6.4%	-12.5%	12.4%	-40.4%	22.6%				
Relative performance vs Ibx 35	-43.7%	-71.1%	126.7%	0.8%	2.1%	-7.0%	-17.8%	-4.8%	3.5%	4.1%	-36.8%	4.0%				

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 Factset.

Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Appendix 5. Main peers 2023e

		Real estate					Tourism				
EUR Mn		Metrovacesa	Aedas Homes	Neinor Homes	Insur	Average	Playa Hotels & Resorts	PPHE Hotel Group	Pierre et Vacances	Average	LIB
Market data	Ticker (Factset)	MVC-ES	AEDAS-ES	HOME-ES	ISUR-ES		PLYA-US	PPH-GB	VAC-FR		LIB-ES
	Country	Spain	Spain	Spain	Spain		Netherlands	Netherlands	France		Spain
	Market cap	1,139.1	791.0	739.1	132.6		1,104.0	514.9	701.6		24.1
	Enterprise value (EV)	1,353.8	986.6	659.2	395.5		1,819.3	1,850.4	3,492.9		31.8
Basic financial information	Total Revenues	598.2	1,008.3	648.5	136.3		905.1	468.4	1,859.3		11.6
	Total Revenues growth	15.2%	9.6%	-15.3%	14.8%	6.1%	16.2%	21.4%	15.3%	17.6%	0.6%
	2y CAGR (2023e - 2025e)	6.0%	-2.7%	0.7%	32.9%	9.2%	1.7%	9.1%	5.1%	5.3%	38.3%
	EBITDA	57.3	169.8	115.1	25.5		250.8	140.4	185.1		2.1
	EBITDA growth	n.a.	11.0%	-4.6%	101.6%	36.0%	37.2%	30.7%	-64.6%	1.1%	9.5%
	2y CAGR (2023e - 2025e)	6.5%	-3.9%	-7.6%	34.5%	7.4%	5.4%	14.5%	11.8%	10.5%	45.0%
	EBITDA/Revenues	9.6%	16.8%	17.8%	18.7%	15.7%	27.7%	30.0%	10.0%	22.5%	17.7%
	EBIT	47.8	166.4	119.4	20.9		175.8	90.8	69.0		1.8
	EBIT growth	705.2%	12.2%	2.5%	158.7%	219.7%	57.6%	49.6%	-75.2%	10.7%	-7.0%
	2y CAGR (2023e - 2025e)	14.2%	-4.1%	-11.7%	41.9%	10.1%	8.9%	16.6%	25.0%	16.8%	50.2%
	EBIT/Revenues	8.0%	16.5%	18.4%	15.3%	14.6%	19.4%	19.4%	3.7%	14.2%	15.6%
	Net Profit	32.3	109.9	88.1	8.8		70.9	31.9	20.4		0.9
	Net Profit growth	237.5%	4.6%	-8.4%	-41.7%	48.0%	37.5%	168.8%	-93.0%	37.8%	-38.1%
	2y CAGR (2023e - 2025e)	9.6%	-5.1%	-15.5%	67.8%	14.2%	23.8%	30.6%	67.8%	40.7%	72.0%
CAPEX/Sales %	8.3%	0.3%	10.3%	24.6%	10.9%	8.5%	18.0%	5.7%	10.8%	2.0%	
Free Cash Flow	111.2	92.8	78.0	1.6		28.2	10.4	(14.1)		0.5	
Net financial debt	241.3	345.3	264.5	243.3		739.9	795.0	(29.2)		31.7	
ND/EBITDA (x)	4.2	2.0	2.3	9.5	4.5	2.9	5.7	n.a.	4.3	15.5	
Pay-out	365.8%	82.4%	62.3%	48.8%	139.8%	0.0%	36.7%	6.0%	14.2%	82.7%	
Multiples and Ratios	P/E (x)	35.1	6.8	8.9	14.6	16.4	15.3	15.8	35.3	22.1	26.0
	P/BV (x)	0.7	0.8	0.8	0.9	0.8	1.9	1.3	n.a.	1.6	0.3
	EV/Revenues (x)	2.3	1.0	1.0	2.9	1.8	2.0	4.0	1.9	2.6	2.7
	EV/EBITDA (x)	23.6	5.8	5.7	15.5	12.7	7.3	13.2	18.9	13.1	15.5
	EV/EBIT (x)	28.3	5.9	5.5	19.0	14.7	10.4	20.4	n.a.	15.4	17.6
	ROE	1.9	11.2	8.7	6.2	7.0	12.5	8.4	n.a.	10.5	1.0
	FCF Yield (%)	9.8	11.7	10.6	1.2	8.3	2.6	2.0	n.a.	2.3	2.2
	DPS	0.78	2.08	0.91	0.23	1.00	0.00	0.28	0.04	0.11	0.04
	Dvd Yield	10.4%	12.3%	9.8%	3.2%	8.9%	0.0%	2.3%	2.8%	1.7%	3.2%

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

LIGHTHOUSE

Calle Núñez de Balboa, 108 1ª Planta
28006 Madrid
T: +34 915 904 226
<https://institutodeanalistas.com/lighthouse>

Alfredo Echevarría Otegui
Head of research
alfredo.echevarria@lighthouse-ieaf.com

Luis Esteban Arribas, CESGA
Equity research
luis.esteban@lighthouse-ieaf.com

Enrique Andrés Abad, CFA
Equity research
enrique.andres@lighthouse-ieaf.com

Jesús López Gómez, CESGA
ESG Analyst & Data analytics
jesus.lopez@lighthouse-ieaf.com

All Lighthouse research documents are available simultaneously on the Lighthouse website (<https://institutodeanalistas.com/lighthouse>) and via third-party aggregators such as Bloomberg, Factset, Capital IQ and Refinitiv.

IMPORTANT LEGAL INFORMATION REGARDING THIS REPORT

LIGHTHOUSE

Lighthouse is a project of IEAF Servicios de Análisis S.L.U. Lighthouse is a research project funded by Bolsas y Mercados Españoles S.A. Lighthouse aims to improve the research coverage of the "orphan stocks" of the Spanish market: those which lack real and continuous research coverage. Lighthouse reports will not include valuation and target price. Lighthouse does not seek to provide investment advice to any natural or legal person. For this reason, Lighthouse will not provide a valuation, target price or investment recommendation for any of the securities analysed.

IEAF Servicios de Análisis S.L.U. is a Spanish company whose corporate purpose is:

- 1º) To provide information and financial analysis regarding securities issued by any class of legal person traded or not on official secondary markets, and especially (but not exclusively) those securities which are not the object of the recurrent provision of information and analysis by financial analysts who participate in the markets.
- 2º) To publicise and update the aforementioned financial reports and analysis, in addition to the monitoring and following of the securities on which the information and analysis is provided.
- 3º) To prepare studies and projects aimed at proposing and implementing measures to improve the information and financial analysis of securities traded on official secondary markets.

IEAF Servicios de Análisis S.L.U. is a company whose sole shareholder is the Instituto Español de Analistas Financieros, a professional, not for profit association.

DISCLAIMER

The Instituto Español de Analistas Financieros hereby certifies that the analyst of IEAF Servicios de Análisis S.L.U. whose name figures as the author of this report, expresses views that reflect their personal and independent opinion of the company analysed without these implying, either directly or indirectly, a personalised recommendation of the company analysed for purposes of providing investment advice. This report is based on the preparation of detailed financial projections from information available to the public and following traditional fundamental research methodology (i.e. it is not a technical or quantitative analysis report). For the analysis methodology used in the preparation of this report, please contact the analyst directly; contact details are included on the front page of this report.

The report includes basic information regarding the main parameters to be used by an investor when making their own valuation (whether by discounted cash flows or multiples). These parameters are the personal opinion or estimate of the analyst. The person receiving this report should use their own judgement when using these parameters and should consider them as another element in their decision-making process in respect of investment. These parameters do not represent a personalised investment recommendation.

Rules governing confidentiality and conflicts of interest

None of the following rules governing confidentiality and conflicts of interest (12) is applicable to this report:

1. This report is non-independent research as it has been commissioned by the company analysed (issuer).
2. In the last 12 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., has had Investment Banking mandates or has managed or co-managed a public offering of the securities of the issuer, or has received compensation from said issuer for Investment Banking services, that exclude brokerage services for prepaid fees.
3. In the next 6 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., expects to receive or intends to obtain compensation for Investment Banking services provided to this company that exclude brokerage services for prepaid fees.
4. The Investment Analyst or a member of the Research Department or a member of their household has a long position in the shares or derivatives of the corresponding issuer.
5. The Investment Analyst or a member of the Research Department or a member of their household has a short position in the shares or derivatives of the corresponding issuer.
6. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a long position of over 0.5% of the issuer's capital.
7. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a short position of over 0.5% of the issuer's capital.
8. At the end of the month immediately prior to the publication of this report, or of the previous month if the report is published in the ten days following the end of the month, the company analysed (the issuer) or any of its subsidiaries held 5% or more of any class of equity security of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U.
9. A senior director or officer of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., or a member of their department is a director, officer, advisor or member of the Board of Directors of the issuer and/or one of its subsidiaries.
10. The Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., acts as broker for the Issuer for the corresponding prepaid fees.
11. The contents of this report related to the financial analysis, financial projections, valuation, investment summary and opinion of the analyst have been reviewed by the issuer prior to its publication.
12. The issuer has made changes to the contents of this report prior to its distribution.

The Investment Analysts who have prepared this Investment Analysis are employees of IEAF Servicios de Análisis S.L.U. These analysts have received (or will receive) compensation according to the general earnings of IEAF Servicios de Análisis S.L.U. To obtain a copy of the Code of Conduct of IEAF Servicios de Análisis S.L.U. (in respect of the Management of Conflicts of Interest in the research department), please use the e-mail address secretaria@institutodeanalistas.com or consult the contents of this Code at <https://institutodeanalistas.com>.

IEAF Servicios de Análisis S.L.U. is compensated by Bolsas y Mercados Españoles, S.A. for the preparation of this report. This report should be considered as just another element in the taking of investment decisions.

A report issued by IEAF servicios de análisis S.L.U.

All rights reserved. The unauthorised use or distribution of this report is prohibited. This document has been prepared and distributed, according to the provisions of the MiFID II by IEAF Servicios de Análisis S.L.U. Its corporate activity is regulated by the CNMV (the Spanish Securities Exchange Commission). The information and opinions expressed in this document do not represent nor are they intended to represent an offer or a solicitation to buy or sell the securities (in other words, the securities mentioned in this report and related warrants, options, rights or interests). The information and opinions contained in this document are based upon information available to the public and have been obtained from sources believed to be reliable by IEAF Servicios de Análisis S.L.U., but no guarantee is given regarding their accuracy or completeness. All comments and estimates reflect solely the opinion of IEAF Servicios de Análisis S.L.U. and do not offer any implicit or explicit guarantee. All the opinions expressed are subject to change without prior warning. This document does not take into account the specific investment objectives, financial position, risk profile or other specific aspects of the person who receives this document, and accordingly they should exercise their own judgement in this respect. Neither the Instituto Español de Analistas Financieros nor its subsidiary, IEAF Servicios de Análisis S.L.U., assumes any responsibility for direct or indirect losses arising from the use of the published research, except in the event of negligent conduct by IEAF Servicios de Análisis S.L.U. The information contained in this report is approved for distribution to professional clients, eligible counterparties and professional advisers, but not for distribution to private individuals or retail clients. Its reproduction, distribution or

publication for any purpose without the written authorisation of IEAF Servicios de Análisis S.L.U. is prohibited. The Instituto Español de Analistas Financieros and/or its subsidiary IEAF Servicios de Análisis S.L.U., their employees and directors, may hold a position (long or short) in an investment knowing that this issuer will be the object of analysis and that this analysis will be distributed to institutional investors. Any further information regarding the contents of this report will be provided upon request. IEAF Servicios de Análisis S.L.U. intends to publish (at least) one quarterly report or note updating the information on the company analysed.

United States. IEAF Servicios de Análisis S.L.U. is not registered in the United States and, consequently, is not subject to the regulations of that country governing the preparation of research and the independence of analysts. This report is distributed solely to major US institutional investors, in reliance on the exemption from registration provided by Rule 15a-6 of the US Securities Exchange Act of 1934, as amended (the "Exchange Act"), and interpretations of this made by the US Securities Exchange Commission.

Major US Institutional Investors. This report will be distributed to "major US institutional investors", as defined by Rule 15a-6 of the US Securities Exchange Commission and of the US Securities Exchange Act of 1934.

Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
28-Jul-2023	n.a.	1.10	n.a.	n.a.	6m Results 2023	Alfredo Echevarría Otegui
12-Jun-2023	n.a.	0.95	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
28-Apr-2023	n.a.	0.86	n.a.	n.a.	3m Results 2023	David López Sánchez
02-Mar-2023	n.a.	0.88	n.a.	n.a.	12m Results 2022	David López Sánchez
28-Oct-2022	n.a.	0.95	n.a.	n.a.	9m Results 2022	David López Sánchez
02-Aug-2022	n.a.	1.09	n.a.	n.a.	6m Results 2022	David López Sánchez
03-May-2022	n.a.	1.64	n.a.	n.a.	3m Results 2022	David López Sánchez
02-Mar-2022	n.a.	1.35	n.a.	n.a.	12m Results 2021	David López Sánchez
25-Oct-2021	n.a.	1.86	n.a.	n.a.	9m Results 2021	David López Sánchez
02-Aug-2021	n.a.	2.16	n.a.	n.a.	6m Results 2021	David López Sánchez
07-Jul-2021	n.a.	2.49	n.a.	n.a.	Initiation of Coverage	David López Sánchez

