

3m Results 2024

 Opinion ⁽¹⁾: In line

 Impact ⁽¹⁾: We will maintain our estimates

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Compañía Española de Viviendas en Alquiler, Cevasa (CEV), specialises in the development of buildings for long-term renting, mainly in the residential segment (protected homes) in Catalonia, principally in the city of Barcelona and its metropolitan area (where it is the main private property owner).

1Q24 results: in line. A rare combination of high visibility and low risk, trading at a P/E of 11x

Market Data

Market Cap (Mn EUR and USD)	138.4	148.7
UREV (Mn EUR and USD) ⁽²⁾	279.3	300.2
Shares Outstanding (Mn)	23.3	
-12m (Max/Med/Mín EUR)	6.85 / 6.29 / 5.60	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽³⁾	0.6	
Factset / Bloomberg	CEV-ES / CEV SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

Vaqué-Boix family	61.7
Banco Santander	24.1
Manuel Valiente	6.6
Others	2.3
Free Float	5.3

Financials (Mn EUR)	2023	2024e	2025e	2026e
Adj. n° shares (Mn)	23.2	23.3	23.3	23.3
Total Revenues	21.4	22.2	23.1	24.4
Rec. EBITDA	14.8	15.2	15.9	17.0
% growth	11.6	3.0	4.5	6.8
% Rec. EBITDA/Rev.	69.1	68.4	68.6	69.4
% Inc. EBITDA sector ⁽⁴⁾	5.8	10.7	6.1	6.2
Net Profit	10.9	12.4	13.2	13.5
EPS (EUR)	0.47	0.53	0.57	0.58
% growth	-62.0	12.9	6.8	2.4
Ord. EPS (EUR)	0.45	0.47	0.50	0.55
% growth	26.7	3.4	7.7	8.9
Rec. Free Cash Flow ⁽⁵⁾	6.3	10.8	10.2	10.9
Pay-out (%)	53.1	46.8	43.8	42.8
DPS (EUR)	0.25	0.25	0.25	0.25
Net financial debt	49.4	40.5	32.7	25.4
ND/Rec. EBITDA (x)	3.3	2.7	2.1	1.5
ROE (%)	2.8	3.2	3.3	3.3
ROCE (%) ⁽⁵⁾	2.5	2.8	2.9	3.0

Ratios & Multiples (x) ⁽⁶⁾

P/E	12.6	11.2	10.5	10.2
Ord. P/E	13.1	12.7	11.8	10.8
P/BV	0.4	0.4	0.3	0.3
Dividend Yield (%)	4.2	4.2	4.2	4.2
EV/Sales	13.07	12.56	12.07	11.43
EV/Rec. EBITDA	18.9	18.4	17.6	16.5
EV/EBIT	18.2	16.4	15.8	15.6
FCF Yield (%) ⁽⁵⁾	4.5	7.8	7.3	7.8

MID-SINGLE DIGIT TOPLINE GROWTH (EUR 5.5MN; +5.5% VS 1Q23)... Rental income (EUR 5.0 Mn; +6.0% vs 1Q23) continues to grow thanks to two drivers: (i) rent increases; and (ii) growth in occupancy. By segment, the commercial property book is the most dynamic (+13.4%), followed by the office (+11.0%) and housing (+4.6%) segments. At the consolidated level, CEV reported revenue of EUR 5.5Mn (+5.5% vs 1Q23, ahead of the +4% estimated for the full year).

... ACCOMPANIED BY SIGNIFICANT MARGIN EXPANSION (+5.9PP VS 1Q23). This set of results confirms the improvement in margins observed last year. topline growth, coupled with lower opex (-5.9% vs 1Q23) boosted the recurring EBITDA margin to 66.3% (+5.9pp vs 1Q23). EBITDA came in at EUR 3.7Mn (+15.9% vs 1Q23; in line with the growth we are estimating for 2024e, +13.0%).

ACQUISITION OF TWO NEW ASSETS. CEV announced new strategic asset acquisitions: (i) two sites for the development business (c.11,000m² buildable area; EUR 1.7Mn); and (ii) a new commercial property for its portfolio (EUR 8.5Mn).

ESTIMATES UNCHANGED. The defensive nature of the company's commercial property portfolio lends visibility to revenue and leaves us comfortable with our estimates. In the wake of the 1Q24 results (better than estimated revenue growth and margins), there is clearly upside to our numbers. For 2024e and 2025e we are forecasting single-digit organic growth: revenue of EUR 22.1Mn and EUR 23.1Mn and EBITDA of EUR 16.9Mn and EUR 17.6Mn, respectively (including the profit from the development business).

VISIBILITY VIA THE COMMERCIAL PROPERTY PORTFOLIO. THE CATALYST: DELIVERIES IN THE DEVELOPMENT BUSINESS (FROM 2024E ALREADY). CEV continues to prove it is a low-risk real estate play. In the commercial property business, occupancy is healthy, margins are improving and visibility is high. The catalyst in the short and medium term lies with the first deliveries at the developments in L'Hospitalet and Montgat, coupled with the HMB project (4,500 affordable homes in Barcelona). In the wake of the company's recent share price performance (-9.1% , -12m; -20.7% vs sector), CEV is trading at a discount to NAV of c.60%. 2024e: P/E c.11x; dividend yield: 4.2%; FCF yield: 7.8%.

Relative performance (Base 100)


Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	-4.0	-0.8	-9.1	-0.8	-7.8	-25.1
vs Ibex 35	-6.1	-11.9	-24.9	-10.2	-25.1	-38.0
vs Ibex Small Cap Index	-7.9	-9.3	-17.7	-8.1	-7.7	-40.6
vs Eurostoxx 50	-3.9	-7.3	-21.5	-11.0	-26.1	-49.2
vs Sector benchmark ⁽⁴⁾	-7.6	-5.2	-20.7	1.7	23.5	0.6

(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 State.

(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.

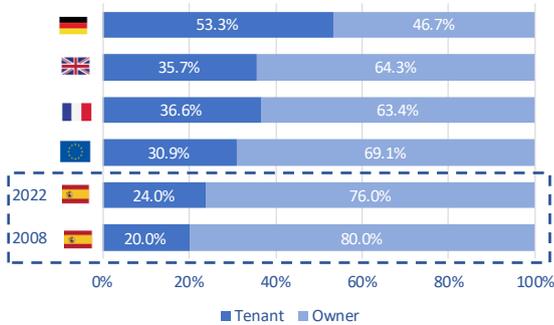
(* Unless otherwise indicated, all the information contained in this report is based on: The Company, Factset and Lighthouse.

3m Results 2024
Table 1. 1Q24 Results

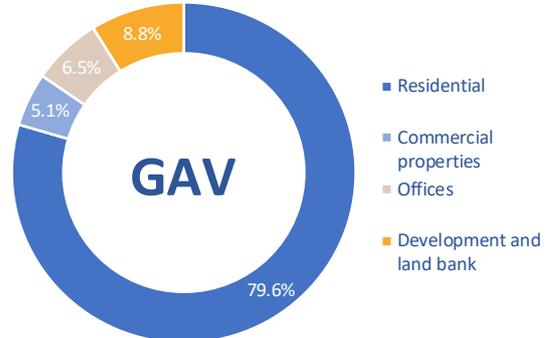
EUR Mn	3m24	3m23	3m24 vs		2024e vs	
			3m23	2024e	2023	2023
Total Revenues	5.5	5.2	5.5%	22.2	3.9%	
Recurrent EBITDA	3.7	3.2	15.9%	15.2	2.9%	
<i>Rec. EBITDA/Revenues</i>	<i>66.3%</i>	<i>60.4%</i>	<i>5.9 p.p.</i>	<i>68.4%</i>	<i>-0.7 p.p.</i>	
EBITDA	3.7	3.2	13.5%	16.9	13.0%	
<i>EBITDA/Revenues</i>	<i>66.2%</i>	<i>61.5%</i>	<i>4.7 p.p.</i>	<i>76.2%</i>	<i>7.2 p.p.</i>	
EBIT	3.5	3.1	10.9%	17.0	9.9%	
PBT	2.9	2.7	5.4%	15.5	11.8%	
NP	2.3	2.2	4.7%	12.4	11.8%	

The company in 8 charts

Demand for rented housing has continued to grow (since 2008) and Spain is still a long way from European average levels



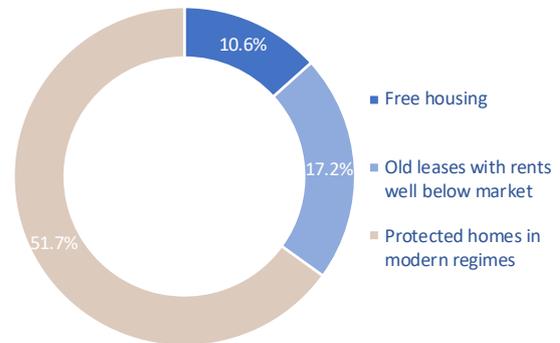
Cevasa (CEV) has a unique exposure to rented housing (c. 80% of GAV 2023)...



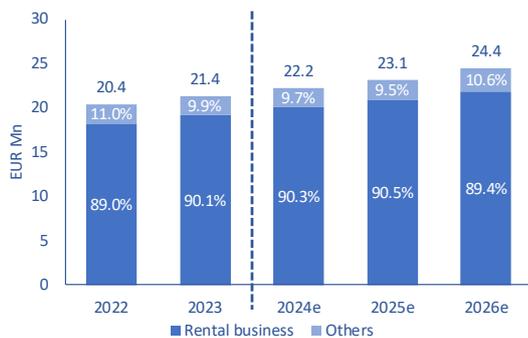
... with a portfolio concentrated in Catalonia (mainly Barcelona and its metropolitan area)



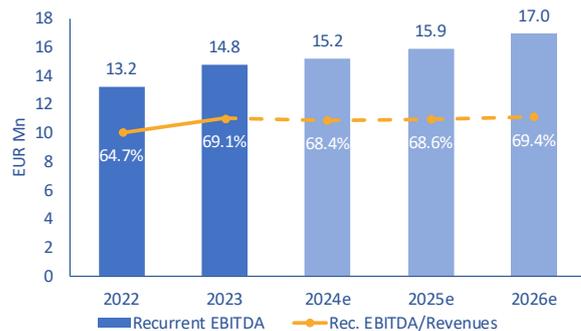
And the particularity of having invested a large percentage in state sponsored housing



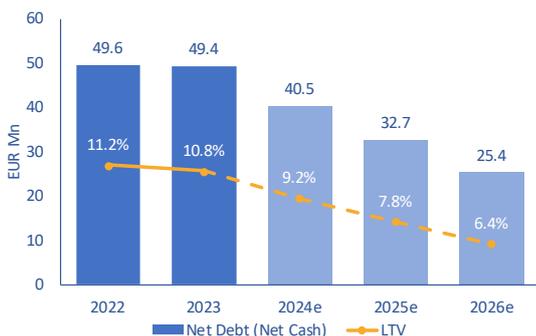
Until 2026e visibility is significant, for revenue (CAGR 23-26e: +4.6%)...



... and margins (Rec EBITDA: CAGR 23-26e: +4.7%)



Despite the rebound in investment, leverage will remain at very prudent levels (LTV < 20%)



Trading at a discount of c. 60% to its EPRA NRV

EUR Mn	2022	2023	22-23
GAV	536.2	546.3	1.9%
EPRA NAV/NRV	483.7	490.2	1.3%
EPRA NAV/NTA	423.9	427.2	0.8%
EPRA NAV/NDV	400.9	406.7	1.4%
Number of shares	23.2	23.2	0.0%
EPRA NAV/NRV per share	20.89	21.17	1.3%
EPRA NAV/NTA per share	18.31	18.45	0.8%
EPRA NAV/NDV per share	17.32	17.57	1.4%

Valuation inputs

Inputs for the DCF Valuation Approach

	2024e	2025e	2026e	Terminal Value ⁽¹⁾			
Free Cash Flow "To the Firm"	4.0	2.5	2.8	183.8			
Market Cap	138.4	At the date of this report					
Net financial debt	49.4	Debt net of Cash (12m Results 2023)					
					Best Case	Worst Case	
Cost of Debt	5.5%	Net debt cost			5.3%	5.8%	
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=	
Net debt cost	4.4%	Kd = Cost of Net Debt * (1-T)			4.2%	4.6%	
Risk free rate (rf)	3.2%	Rf (10y Spanish bond yield)			=	=	
Equity risk premium	6.0%	R (own estimate)			5.5%	6.5%	
Beta (B)	1.0	B (own estimate)			1.0	1.1	
Cost of Equity	9.2%	Ke = Rf + (R * B)			8.7%	10.4%	
Equity / (Equity + Net Debt)	73.7%	E (Market Cap as equity value)			=	=	
Net Debt / (Equity + Net Debt)	26.3%	D			=	=	
WACC	8.0%	WACC = Kd * D + Ke * E			7.5%	8.9%	
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 24e	EPS 24e-26e	EV/EBITDA 24e	EBITDA 24e-26e	EV/Sales 24e	Revenues 24e-26e	EBITDA/Sales 24e	FCF Yield 24e	FCF 24e-26e
Merlin Properties	MRL-ES	5,064.1	18.0	9.6%	23.8	9.6%	18.4	8.7%	77.4%	3.9%	11.9%
Colonial	COL-ES	3,132.5	17.8	4.8%	28.1	4.9%	n.a.	4.1%	81.4%	8.5%	6.7%
Lar España	LRE-ES	586.7	10.2	n.a.	14.6	4.5%	10.6	5.4%	72.5%	5.6%	-44.6%
Árma	ARM-ES	171.1	n.a.	n.a.	n.a.	n.a.	16.1	n.a.	28.6%	n.a.	n.a.
REITs			15.3	7.2%	22.2	6.3%	15.1	6.1%	65.0%	6.0%	-8.7%
CEV	CEV-ES	138.4	11.2	4.6%	18.4	2.6%	12.6	4.8%	76.2%	7.8%	-5.6%

Free Cash Flow sensitivity analysis (2025e)

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

Scenario	EBITDA/Sales 25e	EBITDA 25e	EV/EBITDA 25e
Max	72.0%	16.7	16.8x
Central	68.6%	15.9	17.6x
Min	65.2%	15.1	18.5x

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

Rec. FCF EUR Mn	CAPEX/Sales 25e			➔	Scenario			
EBITDA 25e	4.5%	5.0%	5.5%		Scenario	Rec. FCF/Yield 25e		
16.7	11.1	10.9	10.8		Max	8.0%	7.9%	7.8%
15.9	10.3	10.2	10.0		Central	7.4%	7.3%	7.3%
15.1	9.5	9.4	9.3		Min	6.9%	6.8%	6.7%

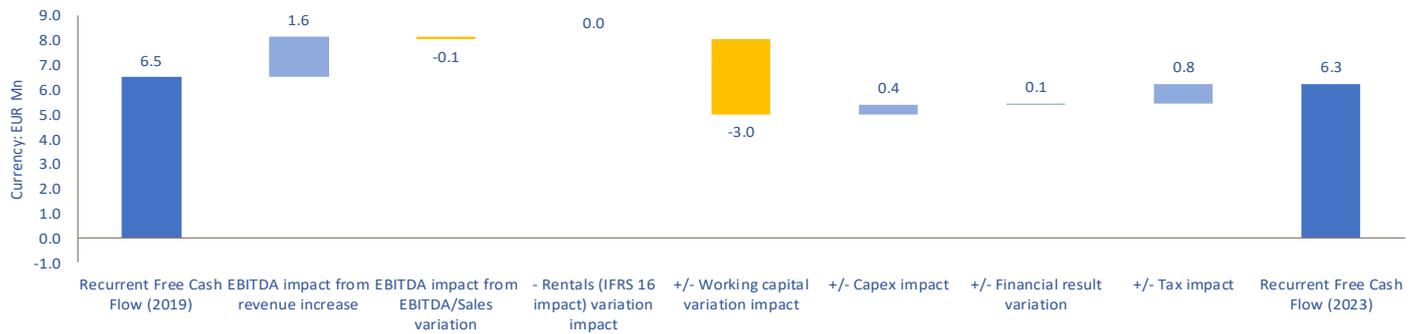
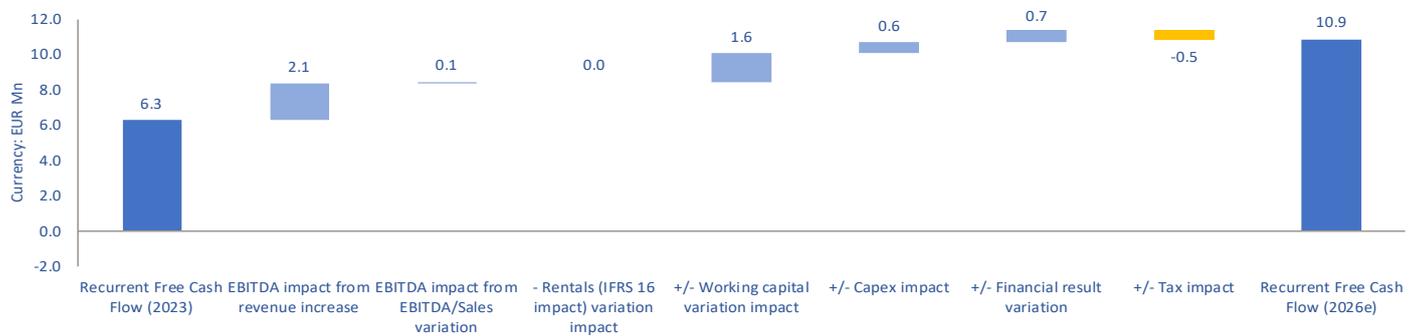
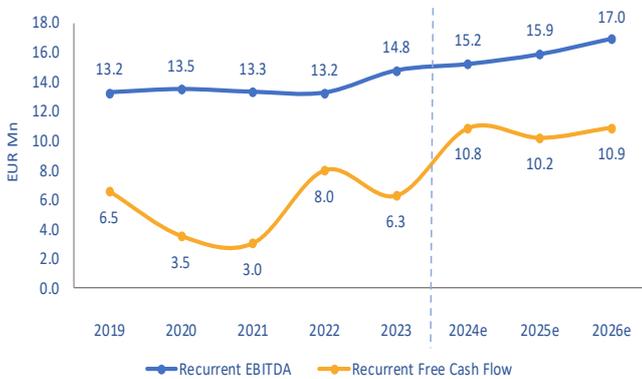
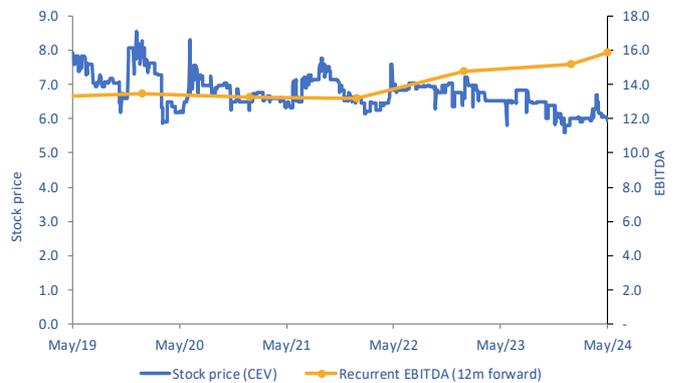
Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e		
Intangible assets	1.0	1.0	1.1	1.1	1.0	1.0	1.0	1.0		
Fixed assets	456.2	461.7	479.8	496.5	499.0	490.0	481.0	472.1		
Other Non Current Assets	4.0	4.0	3.4	1.9	1.8	1.8	1.8	1.8		
Financial Investments	10.0	7.1	10.3	12.2	11.7	19.8	28.4	37.2		
Goodwill & Other Intangibles	-	-	-	-	-	-	-	-		
Current assets	23.0	26.3	34.3	27.7	33.3	32.4	33.6	35.2		
Total assets	494.1	500.0	528.8	539.3	546.9	545.2	545.9	547.4		
Equity	332.8	337.2	357.5	383.6	388.2	394.8	402.2	409.9		
Minority Interests	10.0	10.5	11.4	12.8	13.5	14.3	15.2	16.1		
Provisions & Other L/T Liabilities	83.1	83.7	85.3	89.8	89.8	89.8	89.8	89.8		
Other Non Current Liabilities	-	-	-	-	-	-	-	-		
Net financial debt	65.8	64.9	69.5	49.6	49.4	40.5	32.7	25.4		
Current Liabilities	2.5	3.7	5.0	3.5	6.1	5.8	6.0	6.3		
Equity & Total Liabilities	494.1	500.0	528.8	539.3	546.9	545.2	545.9	547.4		
CAGR										
P&L (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	19-23	23-26e
Total Revenues	19.0	19.1	19.4	20.4	21.4	22.2	23.1	24.4	3.1%	4.6%
<i>Total Revenues growth</i>	5.3%	0.6%	1.9%	5.2%	4.5%	4.1%	4.1%	5.6%		
COGS	(0.9)	(0.8)	(1.2)	(1.7)	(1.0)	(1.3)	(1.3)	(1.4)		
Gross Margin	18.1	18.2	18.2	18.8	20.4	21.0	21.8	23.0	3.1%	4.1%
<i>Gross Margin/Revenues</i>	95.3%	95.7%	93.8%	91.9%	95.4%	94.2%	94.2%	94.3%		
Personnel Expenses	(3.2)	(3.1)	(3.4)	(3.8)	(3.9)	(4.0)	(4.1)	(4.2)		
Other Operating Expenses	(1.6)	(1.6)	(1.6)	(1.8)	(1.7)	(1.8)	(1.8)	(1.9)		
Recurrent EBITDA	13.2	13.5	13.3	13.2	14.8	15.2	15.9	17.0	2.8%	4.7%
<i>Recurrent EBITDA growth</i>	5.7%	1.7%	-1.4%	-0.4%	11.6%	3.0%	4.5%	6.8%		
<i>Rec. EBITDA/Revenues</i>	69.9%	70.7%	68.3%	64.7%	69.1%	68.4%	68.6%	69.4%		
Net development revenue and non-rec.	(0.1)	(1.0)	0.4	4.4	(0.0)	1.7	1.7	0.9		
EBITDA	13.1	12.5	13.7	17.6	14.7	16.9	17.6	17.8	2.9%	6.6%
Depreciation & Provisions	(0.2)	(0.1)	0.4	(0.1)	0.1	0.1	0.1	0.1		
Capitalized Expense	-	-	-	-	-	-	-	-		
Change in the value of the properties	16.8	0.2	17.9	15.5	0.5	-	-	-		
EBIT	29.8	12.6	32.0	33.1	15.3	17.0	17.7	17.9	-15.3%	5.3%
<i>EBIT growth</i>	-51.2%	-57.7%	154.1%	3.3%	-53.6%	11.0%	4.0%	1.3%		
<i>EBIT/Revenues</i>	n.a.	66.1%	n.a.	n.a.	71.8%	76.6%	76.5%	73.4%		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(1.6)	(1.3)	(1.5)	(1.3)	(1.6)	(1.5)	(1.1)	(0.9)		
Income by the Equity Method	-	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)		
Ordinary Profit	28.2	11.3	30.5	31.7	13.7	15.5	16.6	17.0	-16.5%	7.4%
<i>Ordinary Profit Growth</i>	-52.7%	-59.8%	169.9%	3.9%	-56.8%	13.4%	6.8%	2.4%		
Extraordinary Results	-	-	-	5.9	-	-	-	-		
Profit Before Tax	28.2	11.3	30.5	37.7	13.7	15.5	16.6	17.0	-16.5%	7.4%
Tax Expense	(5.4)	(1.5)	(5.2)	(7.9)	(2.1)	(2.3)	(2.5)	(2.6)		
<i>Effective Tax Rate</i>	19.1%	13.2%	16.9%	21.0%	15.0%	15.0%	15.0%	15.0%		
Minority Interests	(0.8)	(0.6)	(0.9)	(1.1)	(0.7)	(0.8)	(0.9)	(0.9)		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	22.0	9.3	24.5	28.7	10.9	12.4	13.2	13.5	-16.1%	7.4%
<i>Net Profit growth</i>	-51.2%	-57.9%	164.8%	17.2%	-62.0%	13.4%	6.8%	2.4%		
Ordinary Net Profit	8.5	10.0	9.3	8.3	10.5	10.9	11.7	12.8	5.4%	6.8%
<i>Ordinary Net Profit growth</i>	24.4%	17.2%	-6.4%	-11.0%	26.5%	3.8%	7.7%	8.9%		
CAGR										
Cash Flow (EUR Mn)	2019	2020	2021	2022	2023	2024e	2025e	2026e	19-23	23-26e
Recurrent EBITDA						15.2	15.9	17.0	2.8%	4.7%
Rentals (IFRS 16 impact)						-	-	-		
Working Capital Increase						0.7	(1.0)	(1.4)		
Recurrent Operating Cash Flow						15.9	14.9	15.6	-3.0%	9.8%
CAPEX						(1.2)	(1.2)	(1.2)		
Net Financial Result affecting the Cash Flow						(1.5)	(1.1)	(0.9)		
Tax Expense						(2.3)	(2.5)	(2.6)		
Recurrent Free Cash Flow						10.8	10.2	10.9	-1.1%	20.2%
Net development revenue and non-rec.						12.0	12.0	11.1		
- Acquisitions / + Divestures of assets						(8.1)	(8.6)	(8.8)		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						14.7	13.6	13.1	-4.6%	28.2%
Capital Increase						-	-	-		
Dividends						(5.8)	(5.8)	(5.8)		
Net Debt Variation						(8.9)	(7.8)	(7.3)		

Notes: Ordinary net profit does not include changes in the value of the properties or extraordinary and non-recurrent items, applying an effective tax rate.
 "Net development revenue and non-recurring" includes the cash inflow from the residential developments in L' Hospitalet and Montgat.

Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
								20-23	23-26e
Recurrent EBITDA	13.5	13.3	13.2	14.8	15.2	15.9	17.0	3.1%	4.7%
<i>Recurrent EBITDA growth</i>	1.7%	-1.4%	-0.4%	11.6%	3.0%	4.5%	6.8%		
<i>Rec. EBITDA/Revenues</i>	70.7%	68.3%	64.7%	69.1%	68.4%	68.6%	69.4%		
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	(2.1)	(6.8)	5.1	(3.0)	0.7	(1.0)	(1.4)		
= Recurrent Operating Cash Flow	11.4	6.5	18.3	11.7	15.9	14.9	15.6	1.0%	9.8%
<i>Rec. Operating Cash Flow growth</i>	-14.1%	-42.8%	181.8%	-36.0%	35.0%	-6.0%	4.4%		
<i>Rec. Operating Cash Flow / Sales</i>	59.7%	33.5%	89.7%	55.0%	71.3%	64.4%	63.7%		
- CAPEX	(4.6)	(1.5)	(1.2)	(1.8)	(1.2)	(1.2)	(1.2)		
- Net Financial Result affecting Cash Flow	(1.4)	(1.4)	(1.3)	(1.6)	(1.5)	(1.1)	(0.9)		
- Taxes	(1.9)	(0.6)	(7.9)	(2.1)	(2.3)	(2.5)	(2.6)		
= Recurrent Free Cash Flow	3.5	3.0	8.0	6.3	10.8	10.2	10.9	21.2%	20.2%
<i>Rec. Free Cash Flow growth</i>	-46.1%	-13.6%	162.7%	-21.6%	73.2%	-6.2%	6.9%		
<i>Rec. Free Cash Flow / Revenues</i>	18.4%	15.6%	39.0%	29.2%	48.7%	43.9%	44.5%		
- Restructuring expenses & others	-	-	4.4	(0.0)	12.0	12.0	11.1		
- Acquisitions / + Divestments	1.8	(9.4)	4.0	-	(8.1)	(8.6)	(8.8)		
+/- Extraordinary Inc./Exp. affecting Cash Flow	0.1	6.3	6.3	-	-	-	-		
= Free Cash Flow	5.4	(0.0)	22.7	6.2	14.7	13.6	13.1	4.6%	28.2%
<i>Free Cash Flow growth</i>	-27.5%	-100.4%	n.a.	-72.5%	136.5%	-7.9%	-3.1%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	2.5%	2.2%	5.8%	4.5%	7.8%	7.3%	7.8%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	3.9%	n.a.	16.4%	4.5%	10.6%	9.8%	9.5%		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
	2020	2021	2022	2023	2024e	2025e	2026e		
Recurrent FCF(FY - 1)	6.5	3.5	3.0	8.0	6.3	10.8	10.2		
EBITDA impact from revenue increase	0.1	0.3	0.7	0.6	0.6	0.6	0.9		
EBITDA impact from EBITDA/Sales variation	0.1	(0.5)	(0.7)	0.9	(0.2)	0.1	0.2		
= Recurrent EBITDA variation	0.2	(0.2)	(0.0)	1.5	0.4	0.7	1.1		
- Rentals (IFRS 16 impact) variation impact	-	-	-	-	-	-	-		
+/- Working capital variation impact	(2.1)	(4.7)	11.9	(8.1)	3.7	(1.6)	(0.4)		
= Recurrent Operating Cash Flow variation	(1.9)	(4.9)	11.8	(6.6)	4.1	(0.9)	0.7		
+/- CAPEX impact	(2.4)	3.1	0.3	(0.6)	0.6	0.1	(0.1)		
+/- Financial result variation	0.3	(0.1)	0.1	(0.3)	0.1	0.4	0.2		
+/- Tax impact	0.9	1.3	(7.3)	5.8	(0.3)	(0.2)	(0.1)		
= Recurrent Free Cash Flow variation	(3.0)	(0.5)	4.9	(1.7)	4.6	(0.7)	0.7		
Recurrent Free Cash Flow	3.5	3.0	8.0	6.3	10.8	10.2	10.9		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
EBIT	12.6	32.0	33.1	15.3	17.0	17.7	17.9	6.8%	5.3%
* Theoretical Tax rate	13.2%	16.9%	21.0%	15.0%	15.0%	15.0%	15.0%		
= Taxes (pre- Net Financial Result)	(1.7)	(5.4)	(6.9)	(2.3)	(2.6)	(2.7)	(2.7)		
Recurrent EBITDA	13.5	13.3	13.2	14.8	15.2	15.9	17.0	3.1%	4.7%
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	(2.1)	(6.8)	5.1	(3.0)	0.7	(1.0)	(1.4)		
= Recurrent Operating Cash Flow	11.4	6.5	18.3	11.7	15.9	14.9	15.6	1.0%	9.8%
- CAPEX	(4.6)	(1.5)	(1.2)	(1.8)	(1.2)	(1.2)	(1.2)		
- Taxes (pre- Financial Result)	(1.7)	(5.4)	(6.9)	(2.3)	(2.6)	(2.7)	(2.7)		
= Recurrent Free Cash Flow (To the Firm)	5.2	(0.4)	10.2	7.6	12.1	11.1	11.6	13.9%	15.2%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	-3.7%	-107.2%	n.a.	-25.6%	58.4%	-8.2%	5.0%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	27.0%	n.a.	50.1%	35.7%	54.3%	47.9%	47.6%		
- Acquisitions / + Divestments	1.8	(9.4)	4.0	-	(8.1)	(8.6)	(8.8)		
+/- Extraordinary Inc./Exp. affecting Cash Flow	0.1	6.3	6.3	-	-	-	-		
= Free Cash Flow "To the Firm"	7.1	(3.4)	20.6	7.6	4.0	2.5	2.8	2.5%	-28.2%
<i>Free Cash Flow (To the Firm) growth</i>	11.8%	-148.4%	700.0%	-63.0%	-47.9%	-37.4%	13.1%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	1.8%	n.a.	3.7%	2.7%	4.3%	4.0%	4.2%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	2.5%	n.a.	7.4%	2.7%	1.4%	0.9%	1.0%		

Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)

Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)

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	138.4	
+ Minority Interests	13.5	12m Results 2023
+ Provisions & Other L/T Liabilities	89.8	12m Results 2023
+ Net financial debt	49.4	12m Results 2023
- Financial Investments	11.7	12m Results 2023
+/- Others		
Enterprise Value (EV)	279.3	

Appendix 4. Historical performance ⁽¹⁾

Historical performance (EUR Mn)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	CAGR	
															13-23	23-26e
Total Revenues	19.6	17.4	16.4	13.9	14.6	16.1	19.0	19.1	19.4	20.4	21.4	22.2	23.1	24.4	0.8%	4.6%
Total Revenues growth	8.1%	-11.5%	-5.5%	-15.5%	5.2%	10.2%	17.7%	0.6%	1.9%	5.2%	4.5%	4.1%	4.1%	5.6%		
EBITDA	8.0	7.3	8.5	8.6	7.9	10.0	13.1	12.5	13.7	17.6	14.7	16.9	17.6	17.8	6.3%	6.6%
EBITDA growth	17.7%	-9.0%	16.1%	2.0%	-8.1%	25.7%	31.6%	-5.0%	9.3%	28.8%	-16.2%	14.9%	4.0%	1.3%		
EBITDA/Sales	40.8%	42.0%	51.5%	62.2%	54.4%	62.0%	69.3%	65.5%	70.3%	86.0%	69.0%	76.2%	76.1%	73.0%		
Net Profit	3.0	22.6	5.6	13.0	14.5	45.0	22.0	9.3	24.5	28.7	10.9	12.4	13.2	13.5	13.7%	7.4%
Net Profit growth	21.3%	647.0%	-75.3%	134.2%	11.6%	209.4%	-51.2%	-57.9%	164.8%	17.2%	-62.0%	13.4%	6.8%	2.4%		
Adjusted number shares (Mn)	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.2	23.3	23.3		
EPS (EUR)	0.13	0.97	0.24	0.56	0.63	1.94	0.95	0.40	1.06	1.24	0.47	0.53	0.57	0.58	13.7%	7.3%
EPS growth	n.a.	n.a.	-75.3%	n.a.	11.6%	n.a.	-51.1%	-57.9%	n.a.	17.2%	-62.0%	12.9%	6.8%	2.4%		
Ord. EPS (EUR)	0.13	0.97	0.24	0.56	0.63	1.94	0.37	0.43	0.40	0.36	0.45	0.47	0.50	0.55	13.3%	6.6%
Ord. EPS growth	n.a.	n.a.	-75.3%	n.a.	11.6%	n.a.	-81.1%	17.2%	-6.5%	-11.0%	26.7%	3.4%	7.7%	8.9%		
CAPEX	(1.8)	(0.6)	(1.4)	(4.4)	(26.6)	(3.1)	(2.2)	(4.6)	(1.5)	(1.2)	(1.8)	(1.2)	(1.2)	(1.2)		
CAPEX/Sales %	9.0%	3.2%	8.4%	31.8%	182.4%	19.4%	11.7%	24.0%	7.5%	5.7%	8.5%	5.5%	5.0%	5.0%		
Free Cash Flow	1.5	3.8	(1.6)	(4.5)	(21.8)	4.3	7.5	5.4	(0.0)	22.7	6.2	14.7	13.6	13.1	15.6%	28.2%
ND/EBITDA (x) ⁽²⁾	5.5x	7.0x	6.5x	4.9x	7.9x	6.8x	5.0x	5.2x	5.1x	2.8x	3.4x	2.4x	1.9x	1.4x		
P/E (x)	47.4x	5.1x	23.1x	14.2x	6.2x	3.2x	8.5x	16.2x	6.3x	5.4x	12.7x	11.2x	10.5x	10.2x		
EV/Sales (x)	11.05x	11.16x	12.78x	19.08x	11.82x	14.84x	18.67x	16.35x	16.20x	15.43x	13.08x	12.56x	12.07x	11.43x		
EV/EBITDA (x) ⁽²⁾	27.1x	26.6x	24.8x	30.7x	21.7x	23.9x	26.9x	25.0x	23.1x	17.9x	19.0x	16.5x	15.9x	15.6x		
Absolute performance	-3.2%	-18.8%	10.8%	44.5%	-51.7%	61.5%	29.6%	-19.7%	2.1%	0.1%	-9.7%	-0.8%				
Relative performance vs Ibx 35	-20.3%	-21.7%	19.4%	47.5%	-55.1%	89.9%	15.9%	-5.1%	-5.4%	6.0%	-26.4%	-10.2%				

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 2024e

		REITs					
		Merlin	Colonial	Lar España	Árma	Average	CEV
EUR Mn		Properties					
Market data	Ticker (Factset)	MRL-ES	COL-ES	LRE-ES	ARM-ES		CEV-ES
	Country	Spain	Spain	Spain	Spain		Spain
	Market cap	5,064.1	3,132.5	586.7	171.1		138.4
	Enterprise value (EV)	9,096.5	8,924.4	992.8	225.8		279.3
Basic financial information	Total Revenues	493.7	389.6	93.6	14.0		22.2
	Total Revenues growth	5.1%	-2.5%	-18.9%	39.0%	5.7%	4.1%
	2y CAGR (2024e - 2026e)	8.7%	4.1%	5.4%	n.a.	6.1%	4.8%
	EBITDA	382.2	317.1	67.8	4.0		16.9
	EBITDA growth	9.8%	0.3%	n.a.	241.5%	83.9%	14.9%
	2y CAGR (2024e - 2026e)	9.6%	4.9%	4.5%	n.a.	6.3%	2.6%
	EBITDA/Revenues	77.4%	81.4%	72.5%	28.6%	65.0%	76.2%
	EBIT	356.7	310.6	67.3	(2.0)		17.0
	EBIT growth	3.1%	1.0%	-22.1%	31.1%	3.3%	11.0%
	2y CAGR (2024e - 2026e)	16.5%	8.6%	4.9%	n.a.	10.0%	2.6%
	EBIT/Revenues	72.3%	79.7%	71.9%	n.a.	74.6%	76.6%
	Net Profit	274.9	175.0	57.0	(5.0)		12.4
	Net Profit growth	429.3%	117.2%	55.0%	84.7%	171.5%	13.4%
	2y CAGR (2024e - 2026e)	17.4%	9.9%	3.8%	n.a.	10.4%	4.6%
CAPEX/Sales %	52.6%	9.4%	12.1%	157.1%	57.8%	5.5%	
Free Cash Flow	197.5	267.8	33.1	n.a.		14.7	
Net financial debt	4,260.6	4,754.3	444.0	88.0		40.5	
ND/EBITDA (x)	11.1	15.0	6.5	22.0	13.7	2.7	
Pay-out	76.4%	83.0%	100.2%	-10.5%	62.3%	46.8%	
Multiples and Ratios	P/E (x)	18.0	17.8	10.2	n.a.	15.3	11.2
	P/BV (x)	0.8	0.7	0.6	n.a.	0.7	0.4
	EV/Revenues (x)	18.4	22.9	10.6	16.1	17.0	12.6
	EV/EBITDA (x)	23.8	28.1	14.6	n.a.	22.2	18.4
	EV/EBIT (x)	25.5	28.7	14.8	n.a.	23.0	16.4
	ROE	4.4	3.7	6.4	n.a.	4.8	3.2
	FCF Yield (%)	3.9	8.5	5.6	n.a.	6.0	7.8
	DPS	0.45	0.27	0.68	0.02	0.36	0.25
Dvd Yield	4.2%	4.7%	9.7%	0.3%	4.7%	4.2%	

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

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
09-May-2024	n.a.	5.95	n.a.	n.a.	3m Results 2024	José Miguel Cabrera van Grieken
03-Apr-2024	n.a.	6.50	n.a.	n.a.	12m Results 2023	José Miguel Cabrera van Grieken
25-Mar-2024	n.a.	6.30	n.a.	n.a.	12m Results 2023	José Miguel Cabrera van Grieken
06-Nov-2023	n.a.	6.40	n.a.	n.a.	9m Results 2023	José Miguel Cabrera van Grieken
08-Sep-2023	n.a.	6.45	n.a.	n.a.	6m Results 2023	Alfredo Echevarría Otegui
12-Jun-2023	n.a.	6.55	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
05-May-2023	n.a.	6.55	n.a.	n.a.	3m Results 2023	David López Sánchez
04-Apr-2023	n.a.	6.55	n.a.	n.a.	Company visit	David López Sánchez
24-Feb-2023	n.a.	6.79	n.a.	n.a.	12m Results 2022	David López Sánchez
14-Nov-2022	n.a.	7.03	n.a.	n.a.	Initiation of Coverage	David López Sánchez

