

Daniel Gandoy López– lighthouse@institutodeanalistas.com
 Alfredo Echevarría Otegui – alfredo.echevarria@institutodeanalistas.com
 +34 915 631 972

Business description

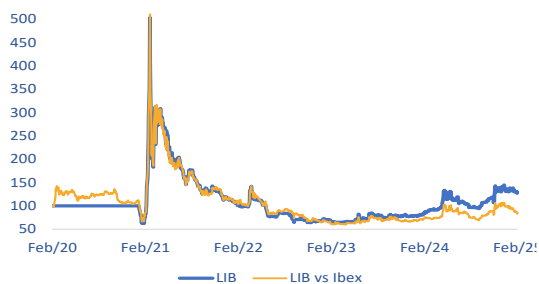
Libertas 7 (LIB), is a family group with headquarters in Valencia (Spain) structured around three areas: (i) property development and management, (ii) tourism management, with the leasing of apartments and the management of a hotel, and (iii) financial investment, via the management of its own assets through investment in stocks and private equity. It is managed and controlled by the founding family (c. 80% of capital).

Market Data

Market Cap (Mn EUR and USD)	36.6	38.1
EV (Mn EUR and USD) ⁽²⁾	45.5	47.3
Shares Outstanding (Mn)	21.9	
-12m (Max/Med/Mín EUR)	1.87 / 1.45 / 1.10	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽³⁾	5.2	
Factset / Bloomberg	LIB-ES / LIB SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

Noguera Family and others	80.0
Treasury stock	3.6
Free Float	16.4

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	-5.6	18.4	52.2	29.2
vs Ibex 35	-14.1	3.0	14.8	-15.5
vs Ibex Small Cap Index	-10.6	3.6	30.3	-7.7
vs Eurostoxx 50	-10.3	3.2	36.0	-21.2
vs Sector benchmark ⁽⁴⁾	-7.6	20.6	39.8	80.8

(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 2.

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

(4) vs Stoxx Europe 600 Real State.

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

FY2024 results: a transition year for LIB, hidden value remains unchanged

TRANSITION YEAR DUE TO THE ABSENCE OF THE DEVELOPMENT BUSINESS. 2024 was a transition year. LIB recorded revenues of EUR 7.8Mn (vs. EUR 13.4Mn in 2023) due to the absence of the development business. At a commercial level, the accumulated pre-sales portfolio continues to increase and stands at EUR 32.1Mn (vs. EUR 13.8Mn in 2023), with 68 additional homes in 2024 (EUR 18.3 Mn), of which 27 were signed in the fourth quarter. The stock pending sale stands at EUR 31.3Mn (vs. EUR 15.3Mn in 2023). In 2025e, a new development cycle begins for LIB. We estimate the first deliveries in 2025, with the signing of c.54 homes (EUR 14.5Mn), referring to the Paseo del Mar Building and Residencial Zaïda, as well as a commercial space. Between November and December 2025, LIB acquired a plot in Museros that will consist of 46 homes and another plot in Torrent that will have a building capacity of at least 160 homes.

A TOURISM BUSINESS WITH A +6.9% REVPAR INCREASE AND A -4.9% ADR DECLINE.

The tourism area records revenues of EUR 3.1Mn (flat vs. 2023; +4.0%). Sea You Hotels had a RevPar growth of +4.4%, with an ADR growth of +5.5%, and occupancy of -1%. Sea You Apartments had a revenue decline of -3%. Occupancy grew by +2% and ADR fell by -5%. LIB's tourism activity was marked by the renovation of apartments in Port Saplaya and the impact of the DANA in the southern regions of Valencia. With a -13% drop in availability, the number of nights has increased by +1%, which improves occupancy by +12.5%. However, ADR falls by -4.9%, mainly due to increasing volume in the low season. It is relevant to note that in the last two months of the year there has been a generalized drop in reservations due to the DANA. The EBITDA of the tourism area falls by -36.3% (EUR 1.5Mn vs. EUR 2.4Mn in 2023).

THE INVESTMENT PORTFOLIO REVALUES BY +3.9%, DOUBLING THE RESULT, DUE TO DIVIDENDS AND CAPITAL GAINS IN PRIVATE EQUITY.

The investment area continues to maintain good performance and generates revenues of EUR 3.3Mn (+30.3% vs. 2023). EUR 1.7Mn corresponds to dividends and EUR 0.7Mn to reported capital gains. The divestment in Private Equity (not included in our projections), obtained returns of EUR 1.9M corresponding to the sale of three investees and reported a profit of EUR 1Mn. In the 2024 fiscal year, the investment in a new fund, Buenavista Healthcare Growth, specialized in the health sector, has begun. The market value of the investment portfolio is EUR 62Mn. The return on the stock portfolio has been 4.3%.

LOW BUSINESS RISK IN A NON-REPRESENTATIVE YEAR.

At a consolidated level, despite the lack of developer income, the tourism and investment portfolio provide recurrence to the business model and help LIB to record an EBITDA of EUR 3.7Mn (vs. EUR 3.1Mn in 2023). Net Debt stands at EUR 37.0Mn (vs. EUR 29.1Mn in 2023; 38.2% Net Debt/Equity). The increase is mainly explained by the net investment of EUR 5Mn in the investment area and the financing of the work in progress (EUR 8Mn variation in inventories).

THE VALUE RESERVE IS MAINTAINED. "RETURN TO NORMALITY" IN THE DEVELOPMENT BUSINESS FROM 2025.

If the investment portfolio were liquidated, and with the funds obtained the debt was repaid, the resulting cash would justify 68.3% of the capitalization. The remaining capitalization (EUR 11.6Mn) does not sufficiently discount the value of real estate investments (EUR 41Mn), nor the development (at the gates of the start of a new cycle) and tourism businesses (with high occupancy and good growth prospects). LIB continues to offer the market an equity story of theoretical (and strong) undervaluation. Which begins to trade (+52%, -12m).

Appendix 1. Results table

EUR Mn	2024 Real	2023	2024 Real
			vs 2023
Total Revenues	7.8	13.4	-41.8%
Property	1.3	7.7	-83.0%
Tourism	3.2	3.2	0.2%
Investments	3.3	2.6	30.3%
EBITDA	3.7	3.1	19.2%
<i>EBITDA/Revenues</i>	<i>48.0%</i>	<i>23.4%</i>	<i>24.6 p.p.</i>
EBIT	5.5	3.1	78.3%
NP	2.8	2.3	21.4%

	2024 Real	2023	2024 Real
			vs 2023
Net Debt	37.0	29.1	27.2%
Net Debt/Equity	38.2%	30.5%	7.7 p.p.
Book value	96.9	95.5	1.5%
Investment Portfolio	62.0	59.0	5.2%

Appendix 2. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	36.6	
+ Minority Interests	-	12m Results 2024
+ Provisions & Other L/T Liabilities	0.0	12m Results 2024
+ Net financial debt	37.0	12m Results 2024
- Financial Investments	7.0	12m Results 2024
+/- Others ⁽¹⁾	(21.1)	12m Results 2024
Enterprise Value (EV)	45.5	

(1) Related to: (i) the book value (not actuarial) of deferred tax assets and liabilities (EUR 34,5Mn and EUR 14,9Mn, respectively) and (ii) the market value of treasury stock (c.EUR 1.57Mn)

LIGHTHOUSE

Calle Núñez de Balboa, 108 1ª Planta
28006 Madrid
T: +34 91 563 19 72
institodeanalistas.com/lighthouse

Head of research

Alfredo Echevarría Otegui

alfredo.echevarria@institodeanalistas.com

Analysts who contributed to this report:

Pablo Victoria Rivera, CESGA

Equity research

pablo.victoria@institodeanalistas.com

Daniel Gandoy López

Equity research

lighthouse@institodeanalistas.com

Jesús López Gómez, CESGA

ESG Analyst & Data analytics

jesus.lopez@institodeanalistas.com

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Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
03-Mar-2025	n.a.	1.67	n.a.	n.a.	12m Results 2024	Alfredo Echevarría Otegui
05-Nov-2024	n.a.	1.43	n.a.	n.a.	9m Results 2024	José Miguel Cabrera van Grieken
26-Jul-2024	n.a.	1.42	n.a.	n.a.	6m Results 2024	José Miguel Cabrera van Grieken
07-Jun-2024	n.a.	1.69	n.a.	n.a.	Company visit	Enrique Andrés Abad, CFA
27-May-2024	n.a.	1.47	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
29-Apr-2024	n.a.	1.22	n.a.	n.a.	3m Results 2024	Alfredo Echevarría Otegui
04-Mar-2024	n.a.	1.13	n.a.	n.a.	12m Results 2023	Alfredo Echevarría Otegui
27-Oct-2023	n.a.	0.96	n.a.	n.a.	9m Results 2023	José Miguel Cabrera van Grieken
28-Jul-2023	n.a.	1.06	n.a.	n.a.	6m Results 2023	Alfredo Echevarría Otegui
12-Jun-2023	n.a.	0.92	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
28-Apr-2023	n.a.	0.83	n.a.	n.a.	3m Results 2023	David López Sánchez
02-Mar-2023	n.a.	0.85	n.a.	n.a.	12m Results 2022	David López Sánchez
28-Oct-2022	n.a.	0.91	n.a.	n.a.	9m Results 2022	David López Sánchez
02-Aug-2022	n.a.	1.05	n.a.	n.a.	6m Results 2022	David López Sánchez
03-May-2022	n.a.	1.58	n.a.	n.a.	3m Results 2022	David López Sánchez
02-Mar-2022	n.a.	1.30	n.a.	n.a.	12m Results 2021	David López Sánchez
25-Oct-2021	n.a.	1.79	n.a.	n.a.	9m Results 2021	David López Sánchez
02-Aug-2021	n.a.	2.09	n.a.	n.a.	6m Results 2021	David López Sánchez
07-Jul-2021	n.a.	2.40	n.a.	n.a.	Initiation of Coverage	David López Sánchez

