

**6m Results 2025**

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

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

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**Inmobiliaria del Sur (ISUR)**, is a property company with headquarters in Seville and a presence in Andalusia and Madrid, whose business model combines a development activity (residential and tertiary) with a property management business, that has a portfolio of rental assets (mainly offices), both activities having a significant weighting in terms of GAV. The board directly and indirectly controls c. 71,5% of capital.

## 1H25 Results. Strong commercial activity maintains pre-sales backlog at record highs.

**Market Data**

Market Cap (Mn EUR and USD)	252.0	289.3
EV (Mn EUR and USD) <sup>(2)</sup>	478.8	549.7
Shares Outstanding (Mn)	18.7	
-12m (Max/Med/Mín EUR)	14.10 / 9.80 / 7.92	
Daily Avg volume (-12m Mn EUR)	0.03	
Rotation <sup>(3)</sup>	3.0	
Factset / Bloomberg	ISUR-ES / ISUR SM	
Close fiscal year	31-Dec	

**Shareholders Structure (%)**

Board of Directors	71.5
Treasury stock	1.5
Free Float	27.0

Financials (Mn EUR)	2024	2025e	2026e	2027e
Adj. nº shares (Mn)	18.4	18.7	18.7	18.7
Total Revenues	185.8	301.3	234.6	276.6
Rec. EBITDA	33.0	58.7	41.0	53.5
% growth	48.1	77.5	-30.0	30.3
% Rec. EBITDA/Rev.	17.8	19.5	17.5	19.3
% Inc. EBITDA sector <sup>(4)</sup>	10.0	15.3	5.6	5.8
Net Profit	21.0	36.5	23.0	32.5
EPS (EUR)	1.14	1.95	1.23	1.74
% growth	86.8	71.0	-36.9	41.2
Ord. EPS (EUR)	0.88	1.95	1.23	1.74
% growth	147.3	122.5	-36.9	41.2
Rec. Free Cash Flow <sup>(5)</sup>	38.3	22.7	1.9	21.8
Pay-out (%)	47.9	48.0	48.0	48.0
DPS (EUR)	0.55	0.94	0.59	0.83
Net financial debt	202.0	189.6	205.2	194.5
ND/Rec. EBITDA (x)	6.1	3.2	5.0	3.6
ROE (%)	14.0	21.7	12.5	16.4
ROCE (%) <sup>(5)</sup>	7.2	11.6	7.6	9.7

**Ratios & Multiples (x) <sup>(6)</sup>**

P/E	11.8	6.9	11.0	7.8
Ord. P/E	15.4	6.9	11.0	7.8
P/BV	1.6	1.4	1.3	1.2
Dividend Yield (%)	4.1	6.9	4.4	6.2
EV/Sales	2.58	1.59	2.04	1.73
EV/Rec. EBITDA	14.5	8.2	11.7	9.0
EV/EBIT	13.4	8.6	12.5	9.5
FCF Yield (%) <sup>(5)</sup>	15.2	9.0	0.7	8.6

**REVENUE DECLINE (-10% VS. 6M24) DUE TO REDUCED RESIDENTIAL DELIVERIES.**

ISUR closed 6M25 with consolidated revenue of EUR 63.2Mn (-10% vs. 6M24). The revenue reduction stems from a 31% decline in residential development activity, explained by: 1) a decrease in home deliveries during the half (117 units vs. 129 in 1H24), which the company expects to offset throughout the year, and 2) a significant reduction in the average selling price (ASP) of EUR 0.323Mn (-25.8% vs. 6M24) due to the delivery of higher-priced developments in Madrid during 1H24. The asset management business recorded a revenue increase of +6.5% to EUR 9.6Mn, with an occupancy rate of 94.6% (+3.4 p.p. vs. 6M24 and +1.1 p.p. vs. December 2024), representing a historic high.

**ALONG WITH A DECLINE IN RECURRING EBITDA (-19% VS. 6M24).** ISUR's recurring EBITDA stood at EUR 9.9Mn (-19% vs. 1H24), explained by fewer home deliveries and the negative impact of insufficient business volume to cover marketing expenses for undelivered developments. Below EBITDA, the fair value change in investments (EUR 7.8Mn vs. EUR -1.6Mn in 6M24) led Net Profit to EUR 9.6Mn (+92% vs. 6M24).

**PRE-SALES PIPELINE, AT HISTORIC HIGHS, PROVIDES VISIBILITY.** During 6M25, 370 units were sold, +38% vs. 6M24 (232 JV units and 138 proprietary units; EUR 129.4Mn). The accumulated pre-sales pipeline reached 1,159 units, +31% vs. December 2024 (EUR 384Mn; ASP: EUR 0.32Mn; a coverage ratio of 93.9% and 53.5% over ISUR's estimated deliveries for 2025e and 2026e, respectively). This figure represents a historical record in accumulated pre-sales volume.

**CONCLUSION: ACCELERATION OF COMMERCIAL ACTIVITY CONFIRMS ISUR'S MOMENTUM.** The acceleration of commercial activity in 6M25 confirms ISUR's momentum. The materialization of deliveries in the coming quarters remains the main business catalyst. ISUR closed 6M25 with an NAV (Net Asset Value) of EUR 425Mn (+6.3% vs. December 2024), resulting in NAV per share of EUR 22.8. The strong fundamentals in terms of a historically high pre-sales pipeline, coupled with improved occupancy in the asset management portfolio, confirm the gradual reduction of the company's risk premium associated with execution risk. Despite the stock's excellent performance over the past 12 months (+69.4%), the momentum and the significant discount to NAV (approx. 41.2%) indicate that the outperformance could continue. This explains ISUR's inclusion in Lighthouse's model portfolio.

**Relative performance (Base 100)**


Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	8.9	22.8	69.4	57.1	87.6	161.3
vs Ibex 35	5.9	13.5	32.0	26.7	6.4	27.1
vs Ibex Small Cap Index	9.2	16.2	46.0	28.5	45.9	58.1
vs Eurostoxx 50	7.1	17.5	52.1	42.7	29.0	55.4
vs Sector benchmark <sup>(4)</sup>	13.6	25.6	73.9	54.6	122.9	209.7

(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.

## 6m Results 2025

**WITH A REDUCTION IN LEVERAGE (LTV 35.5%)** .ISUR closed 6M25 with Net Debt (ND) of EUR 223.1Mn (+11.5% vs. December 2024). This represents a reduction in leverage (LTV) to 34.4% (-3.3 p.p. vs. 6M24) thanks to: (1) residential deliveries over the last twelve months and (2) a reduction in the number of units under construction and completed to 861 units compared to 1,225 units in 6M24.

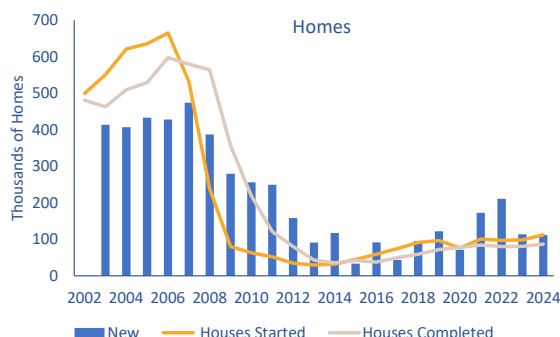
**Table 1. 6m Results 2025**

EUR Mn	6m25 Real	6m24	6m25 Real vs 6m24	2025e 2025e	2025e vs 2024
<b>Total Revenues</b>	<b>63.2</b>	<b>70.1</b>	<b>-9.9%</b>	<b>301.3</b>	<b>38.3%</b>
Property development business	31.7	45.7	-30.6%	218.7	39.9%
Rental Revenue	9.6	9.0	6.1%	19.1	4.4%
Construction	20.2	13.2	52.6%	54.7	43.9%
Administration and marketing	1.7	2.2	-21.3%	8.7	40.2%
<b>Recurrent EBITDA</b>	<b>9.9</b>	<b>12.2</b>	<b>-18.9%</b>	<b>58.7</b>	<b>43.7%</b>
<i>Rec. EBITDA/Revenues</i>	<i>15.7%</i>	<i>17.4%</i>	<i>-1.7 p.p.</i>	<i>19.5%</i>	<i>0.1 p.p.</i>
<b>EBITDA</b>	<b>0.0</b>	<b>11.7</b>	<b>-100.0%</b>	<b>58.7</b>	<b>43.7%</b>
<i>EBITDA/Revenues</i>	<i>0.0%</i>	<i>16.7%</i>	<i>-16.7 p.p.</i>	<i>19.5%</i>	<i>0.1 p.p.</i>
<b>EBIT</b>	<b>17.4</b>	<b>9.9</b>	<b>75.8%</b>	<b>55.7</b>	<b>36.1%</b>
<b>PBT</b>	<b>12.7</b>	<b>6.7</b>	<b>89.6%</b>	<b>47.7</b>	<b>42.3%</b>
<b>NP</b>	<b>9.6</b>	<b>5.0</b>	<b>92.0%</b>	<b>36.5</b>	<b>42.3%</b>
GAV	648.2	591.3	9.6%		
Rental business GAV	331.0	313.9	5.4%		
GAV Property development business	317.2	277.4	14.4%		
NAV	425.1	368.1	15.5%		
Net Debt	223.1	223.2	0.0%		
LTV	34.4%	37.8%	-3.3 p.p.		

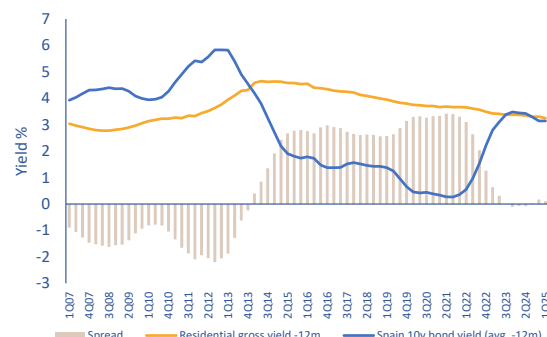
(1) Effective for fiscal year 2025, Insur has modified its accounting policy for valuing real estate investments by adopting the fair value method. To make them comparable with the financial statements for fiscal year 2024, the 6M2024 figures have been restated to apply the same valuation method in 2024.

## The company in 8 charts

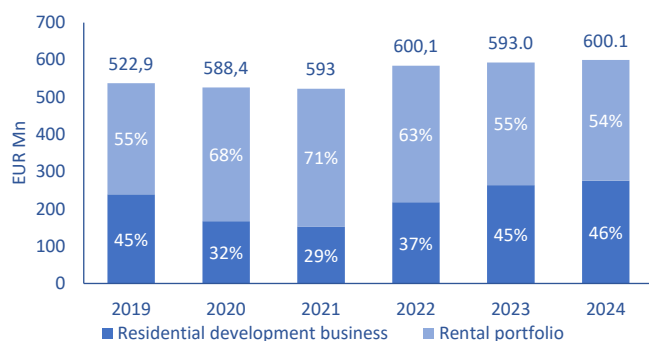
### Supply-demand imbalance: a long-term growth driver for the Spanish residential sector



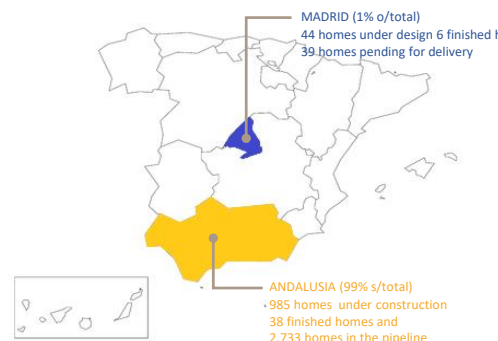
### Although the macro and interest rates will weigh heavy in the short term for the property sector



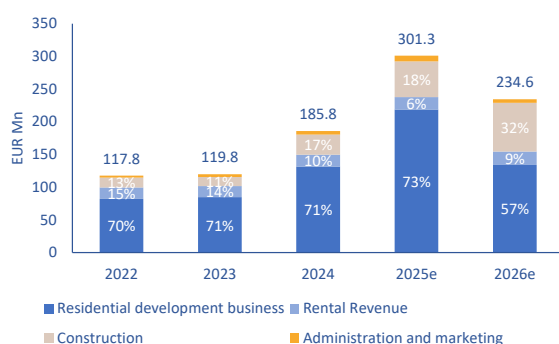
### ISUR: A unique property company, combining development and management businesses (both with significant weighting in GAV)



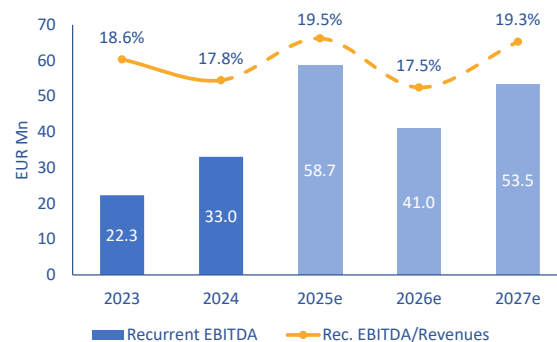
### With a land bank for building +3,800 homes (50% in marketing), maintaining unique exposure in Andalusia



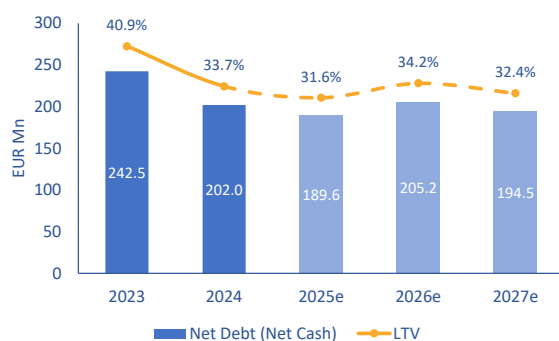
### 2025e should see a company with revenue of EUR 301Mn...



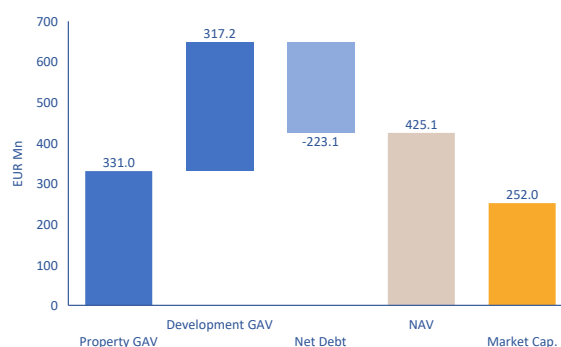
### ... and EBITDA of c. EUR 59Mn (+17% CAGR 24-27e)



### Despite the rebound in investment, leverage will remain reasonable (LTV c. 32%)



### Trading at a discount of 47% vs the NAV



## Valuation inputs

### Inputs for the DCF Valuation Approach

	2025e	2026e	2027e	Terminal Value <sup>(1)</sup>		
Free Cash Flow "To the Firm"	28.8	8.0	28.0	661.0		
Market Cap	252.0	At the date of this report				
Net financial debt	223.1	Debt net of Cash (6m Results 2025)				
					Best Case	Worst Case
Cost of Debt	3.7%	Net debt cost			3.5%	4.0%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	3.0%	$K_d = \text{Cost of Net Debt} * (1-T)$			2.8%	3.2%
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)	1.1	B (own estimate)			1.0	1.2
Cost of Equity	9.8%	$K_e = R_f + (R * B)$			8.7%	11.0%
Equity / (Equity + Net Debt)	53.0%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	47.0%	D			=	=
WACC	6.6%	$WACC = K_d * D + K_e * E$			5.9%	7.3%
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 25e	EPS 25e-27e	EV/EBITDA 25e	EBITDA 25e-27e	EV/Sales 25e	Revenues 25e-27e	EBITDA/Sales 25e	FCF Yield 25e	FCF 25e-27e
Metrovacesa	MVC-ES	1,539.5	31.9	11.7%	20.3	2.8%	2.7	1.7%	13.3%	8.3%	23.5%
Aedas Homes	AEDAS-ES	928.6	8.6	3.7%	6.8	3.8%	1.0	2.4%	15.5%	11.2%	26.5%
Neinor Homes	HOME-ES	1,527.6	18.0	27.2%	11.1	39.4%	1.9	4.2%	17.4%	11.5%	-15.0%
Real estate			19.5	14.2%	12.7	15.3%	1.9	2.7%	15.4%	10.3%	11.7%
ISUR	ISUR-ES	252.0	6.9	-5.6%	8.2	-4.5%	1.6	-4.2%	19.5%	9.0%	-2.0%

### Free Cash Flow sensitivity analysis (2026e)

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

Scenario	EBITDA/Sales 26e	EBITDA 26e	EV/EBITDA 26e
Max	19.2%	45.0	10.6x
Central	17.5%	41.0	11.7x
Min	15.8%	37.1	12.9x

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

Rec. FCF EUR Mn	CAPEX/Sales 26e				Rec. FCF/Yield 26e		
EBITDA 26e	0.1%	0.1%	0.1%		Scenario		
45.0	5.8	5.8	5.8	➔	Max	2.3%	2.3%
41.0	1.9	1.9	1.9		Central	0.7%	0.7%
37.1	(2.1)	(2.1)	(2.1)		Min	n.a.	n.a.

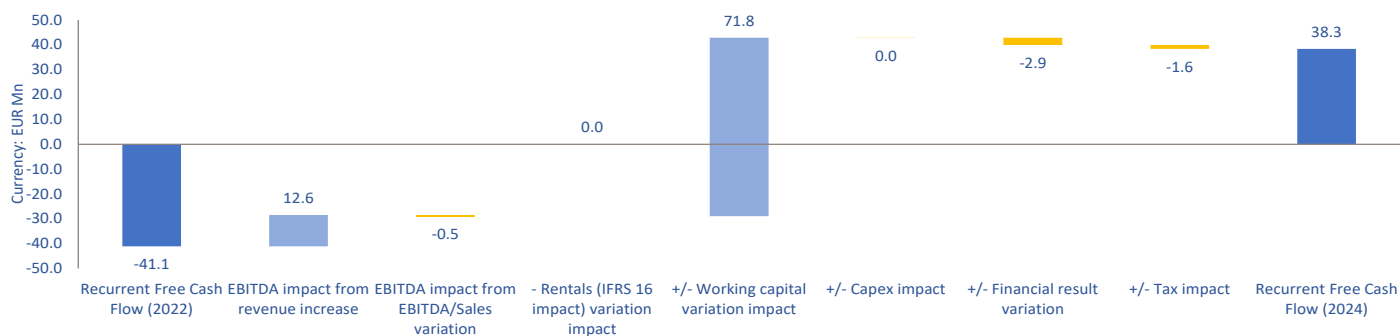
## Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2020	2021	2022	2023	2024	2025e	2026e	2027e		
Intangible assets	-	-	-	-	-	-	-	-		
Fixed assets	216.0	216.9	216.2	206.6	195.6	193.1	190.5	188.0		
Other Non Current Assets	-	-	-	-	-	-	-	-		
Financial Investments	1.2	0.5	0.3	-	-	-	-	-		
Goodwill & Other Intangibles	-	-	-	-	-	-	-	-		
Current assets	196.9	185.2	250.1	285.2	288.2	309.0	327.9	353.8		
<b>Total assets</b>	<b>414.1</b>	<b>402.6</b>	<b>466.6</b>	<b>491.8</b>	<b>483.8</b>	<b>502.1</b>	<b>518.4</b>	<b>541.8</b>		
Equity	122.3	128.3	137.3	145.7	155.1	181.3	186.8	208.2		
Minority Interests	3.2	3.2	3.1	3.2	3.2	3.2	3.2	3.2		
Provisions & Other L/T Liabilities	-	-	-	-	-	-	-	-		
Other Non Current Liabilities	-	-	-	-	-	-	-	-		
Net financial debt	208.9	198.0	239.9	242.5	202.0	189.6	205.2	194.5		
Current Liabilities	79.7	73.1	86.3	100.4	123.5	128.0	123.2	135.9		
<b>Equity &amp; Total Liabilities</b>	<b>414.1</b>	<b>402.6</b>	<b>466.6</b>	<b>491.8</b>	<b>483.8</b>	<b>502.1</b>	<b>518.4</b>	<b>541.8</b>		
P&L (EUR Mn)	2020	2021	2022	2023	2024	2025e	2026e	2027e	CAGR	
									21-24	24-27e
<b>Total Revenues</b>	<b>132.7</b>	<b>125.2</b>	<b>117.8</b>	<b>119.8</b>	<b>185.8</b>	<b>301.3</b>	<b>234.6</b>	<b>276.6</b>	<b>14.1%</b>	<b>14.2%</b>
<i>Total Revenues growth</i>	8.1%	-5.7%	-5.9%	1.7%	55.1%	62.2%	-22.2%	17.9%		
COGS	(73.2)	(63.8)	(64.3)	(66.1)	(103.8)	(170.6)	(103.2)	(117.9)		
<b>Gross Margin</b>	<b>59.6</b>	<b>61.3</b>	<b>53.5</b>	<b>53.7</b>	<b>82.0</b>	<b>130.7</b>	<b>131.3</b>	<b>158.7</b>	<b>10.1%</b>	<b>24.6%</b>
<i>Gross Margin/Revenues</i>	44.9%	49.0%	45.4%	44.8%	44.1%	43.4%	56.0%	57.4%		
Personnel Expenses	(9.0)	(9.1)	(11.1)	(12.6)	(13.6)	(14.7)	(15.2)	(15.8)		
Other Operating Expenses	(26.0)	(29.8)	(21.5)	(18.8)	(35.4)	(57.4)	(75.1)	(89.4)		
<b>Recurrent EBITDA</b>	<b>24.5</b>	<b>22.5</b>	<b>20.9</b>	<b>22.3</b>	<b>33.0</b>	<b>58.7</b>	<b>41.0</b>	<b>53.5</b>	<b>13.7%</b>	<b>17.4%</b>
<i>Recurrent EBITDA growth</i>	9.5%	-8.5%	-7.0%	6.9%	48.1%	77.5%	-30.0%	30.3%		
<i>Rec. EBITDA/Revenues</i>	18.5%	17.9%	17.7%	18.6%	17.8%	19.5%	17.5%	19.3%		
Restructuring Expense & Other non-rec.	(5.1)	-	-	-	-	-	-	-		
<b>EBITDA</b>	<b>19.4</b>	<b>22.5</b>	<b>20.9</b>	<b>22.3</b>	<b>33.0</b>	<b>58.7</b>	<b>41.0</b>	<b>53.5</b>	<b>13.7%</b>	<b>17.4%</b>
Depreciation & Provisions	(6.3)	(4.3)	(4.2)	(4.6)	(3.8)	(2.9)	(2.9)	(2.8)		
Capitalized Expense	-	-	-	-	-	-	-	-		
Income from the sale of property investments	0.3	3.8	2.2	6.1	6.4	-	-	-		
<b>EBIT</b>	<b>13.3</b>	<b>21.9</b>	<b>18.8</b>	<b>23.8</b>	<b>35.6</b>	<b>55.7</b>	<b>38.2</b>	<b>50.6</b>	<b>17.6%</b>	<b>12.4%</b>
<i>EBIT growth</i>	-44.4%	64.2%	-14.2%	26.5%	49.7%	56.5%	-31.5%	32.7%		
<i>EBIT/Revenues</i>	10.1%	17.5%	16.0%	19.9%	19.2%	18.5%	16.3%	18.3%		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(5.9)	(5.6)	(5.2)	(9.1)	(8.1)	(8.0)	(8.1)	(8.2)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
<b>Ordinary Profit</b>	<b>7.4</b>	<b>16.4</b>	<b>13.6</b>	<b>14.7</b>	<b>27.5</b>	<b>47.7</b>	<b>30.1</b>	<b>42.5</b>	<b>18.9%</b>	<b>15.6%</b>
<i>Ordinary Profit Growth</i>	-57.4%	120.1%	-16.9%	7.8%	87.8%	73.3%	-36.9%	41.2%		
Extraordinary Results	21.9	-	6.4	-	-	-	-	-		
<b>Profit Before Tax</b>	<b>29.4</b>	<b>16.4</b>	<b>20.0</b>	<b>14.7</b>	<b>27.5</b>	<b>47.7</b>	<b>30.1</b>	<b>42.5</b>	<b>18.9%</b>	<b>15.6%</b>
Tax Expense	(8.3)	(4.3)	(4.9)	(3.2)	(6.5)	(11.2)	(7.1)	(10.0)		
<i>Effective Tax Rate</i>	28.2%	26.0%	24.4%	21.8%	23.5%	23.5%	23.5%	23.5%		
Minority Interests	(0.0)	(0.1)	(0.1)	(0.2)	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
<b>Net Profit</b>	<b>21.1</b>	<b>12.0</b>	<b>15.0</b>	<b>11.3</b>	<b>21.0</b>	<b>36.5</b>	<b>23.0</b>	<b>32.5</b>	<b>20.5%</b>	<b>15.6%</b>
<i>Net Profit growth</i>	136.4%	-43.0%	25.0%	-24.8%	86.1%	73.3%	-36.9%	41.2%		
<b>Ordinary Net Profit</b>	<b>9.0</b>	<b>9.2</b>	<b>8.6</b>	<b>6.6</b>	<b>16.2</b>	<b>36.5</b>	<b>23.0</b>	<b>32.5</b>	<b>20.5%</b>	<b>26.2%</b>
<i>Ordinary Net Profit growth</i>	-26.6%	2.9%	-7.4%	-23.3%	146.5%	125.5%	-36.9%	41.2%		
Cash Flow (EUR Mn)	2020	2021	2022	2023	2024	2025e	2026e	2027e	CAGR	
									21-24	24-27e
<b>Recurrent EBITDA</b>						<b>58.7</b>	<b>41.0</b>	<b>53.5</b>	<b>13.7%</b>	<b>17.4%</b>
Rentals (IFRS 16 impact)	-	-	-	-	-	-	-	-		
Working Capital Increase	-	-	-	-	-	(16.3)	(23.7)	(13.2)		
<b>Recurrent Operating Cash Flow</b>						<b>42.4</b>	<b>17.3</b>	<b>40.3</b>	<b>24.5%</b>	<b>-8.8%</b>
CAPEX	-	-	-	-	-	(0.4)	(0.3)	(0.4)		
Net Financial Result affecting the Cash Flow	-	-	-	-	-	(8.0)	(8.1)	(8.2)		
Tax Expense	-	-	-	-	-	(11.2)	(7.1)	(10.0)		
<b>Recurrent Free Cash Flow</b>						<b>22.7</b>	<b>1.9</b>	<b>21.8</b>	<b>43.9%</b>	<b>-17.2%</b>
Restructuring Expense & Other non-rec.	-	-	-	-	-	-	-	-		
- Acquisitions / + Divestures of assets	-	-	-	-	-	-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow	-	-	-	-	-	-	-	-		
<b>Free Cash Flow</b>						<b>22.7</b>	<b>1.9</b>	<b>21.8</b>	<b>53.9%</b>	<b>-25.2%</b>
Capital Increase	-	-	-	-	-	-	-	-		
Dividends	-	-	-	-	-	(10.3)	(17.5)	(11.0)		
<b>Net Debt Variation</b>						<b>(12.4)</b>	<b>15.6</b>	<b>(10.8)</b>		

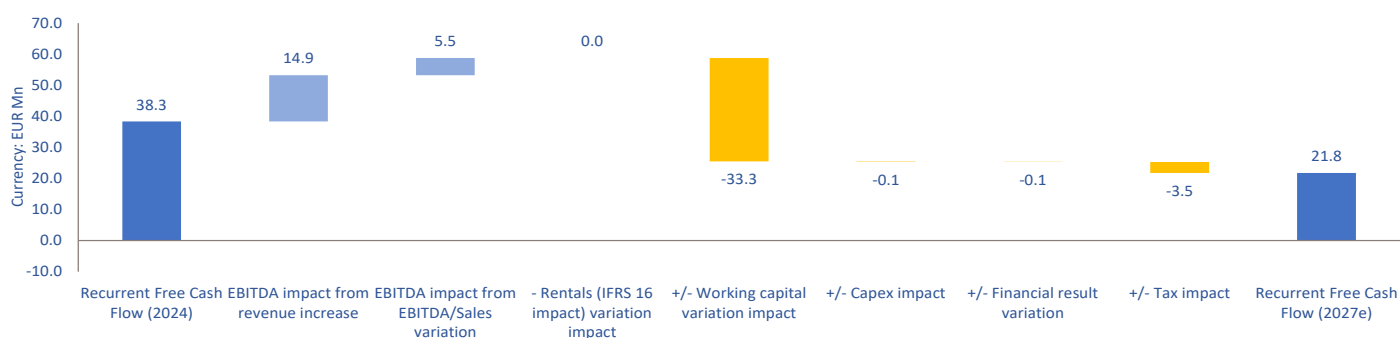
## Appendix 2. Free Cash Flow

								CAGR	
A) Cash Flow Analysis (EUR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	22-24	24-27e
Recurrent EBITDA	22.5	20.9	22.3	33.0	58.7	41.0	53.5	25.8%	17.4%
Recurrent EBITDA growth	-8.5%	-7.0%	6.9%	48.1%	77.5%	-30.0%	30.3%		
Rec. EBITDA/Revenues	17.9%	17.7%	18.6%	17.8%	19.5%	17.5%	19.3%		
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	5.1	(51.7)	(21.0)	20.1	(16.3)	(23.7)	(13.2)		
= Recurrent Operating Cash Flow	27.6	(30.8)	1.3	53.1	42.4	17.3	40.3	93.0%	-8.8%
Rec. Operating Cash Flow growth	-55.9%	-211.9%	104.2%	n.a.	-20.3%	-59.1%	132.6%		
Rec. Operating Cash Flow / Sales	22.0%	n.a.	1.1%	28.6%	14.1%	7.4%	14.6%		
- CAPEX	(4.9)	(0.2)	(0.2)	(0.2)	(0.4)	(0.3)	(0.4)		
- Net Financial Result affecting Cash Flow	(5.6)	(5.2)	(9.1)	(8.1)	(8.0)	(8.1)	(8.2)		
- Taxes	(4.3)	(4.9)	(3.2)	(6.5)	(11.2)	(7.1)	(10.0)		
= Recurrent Free Cash Flow	12.9	(41.1)	(11.2)	38.3	22.7	1.9	21.8	71.2%	-17.2%
Rec. Free Cash Flow growth	-69.6%	-419.6%	72.8%	442.6%	-40.8%	-91.8%	n.a.		
Rec. Free Cash Flow / Revenues	10.3%	n.a.	n.a.	20.6%	7.5%	0.8%	7.9%		
- Restructuring expenses & others	-	-	-	-	-	-	-		
- Acquisitions / + Divestments	4.0	5.4	11.4	13.8	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	(2.6)	(0.5)	(0.5)	-	-	-	-		
= Free Cash Flow	14.3	(36.3)	(0.3)	52.1	22.7	1.9	21.8	85.4%	-25.2%
Free Cash Flow growth	303.2%	-353.8%	99.1%	n.a.	-56.5%	-91.8%	n.a.		
Recurrent Free Cash Flow - Yield (s/Mkt Cap)	5.1%	n.a.	n.a.	15.2%	9.0%	0.7%	8.6%		
Free Cash Flow Yield (s/Mkt Cap)	5.7%	n.a.	n.a.	20.7%	9.0%	0.7%	8.6%		
B) Analytical Review of Annual Recurrent Free Cash Flow									
Performance (Eur Mn)	2021	2022	2023	2024	2025e	2026e	2027e		
Recurrent FCF(FY - 1)	42.3	12.9	(41.1)	(11.2)	38.3	22.7	1.9		
EBITDA impact from revenue increase	(1.4)	(1.3)	0.4	12.3	20.6	(13.0)	7.4		
EBITDA impact from EBITDA/Sales variation	(0.7)	(0.3)	1.1	(1.6)	5.1	(4.6)	5.1		
= Recurrent EBITDA variation	(2.1)	(1.6)	1.4	10.7	25.6	(17.6)	12.4		
- Rentals (IFRS 16 impact) variation impact	-	-	-	-	-	-	-		
+/- Working capital variation impact	(32.8)	(56.8)	30.7	41.1	(36.4)	(7.4)	10.6		
= Recurrent Operating Cash Flow variation	(34.9)	(58.4)	32.1	51.8	(10.8)	(25.0)	23.0		
+/- CAPEX impact	1.1	4.7	0.1	(0.1)	(0.1)	0.1	(0.1)		
+/- Financial result variation	0.4	0.3	(3.9)	1.0	0.1	(0.0)	(0.1)		
+/- Tax impact	4.0	(0.6)	1.7	(3.3)	(4.8)	4.1	(2.9)		
= Recurrent Free Cash Flow variation	(29.4)	(54.0)	29.9	49.5	(15.6)	(20.8)	19.9		
Recurrent Free Cash Flow	12.9	(41.1)	(11.2)	38.3	22.7	1.9	21.8		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
	2021	2022	2023	2024	2025e	2026e	2027e	CAGR	
EBIT	21.9	18.8	23.8	35.6	55.7	38.2	50.6	37.6%	12.4%
* Theoretical Tax rate	26.0%	24.4%	21.8%	23.5%	23.5%	23.5%	23.5%		
= Taxes (pre- Net Financial Result)	(5.7)	(4.6)	(5.2)	(8.4)	(13.1)	(9.0)	(11.9)		
Recurrent EBITDA	22.5	20.9	22.3	33.0	58.7	41.0	53.5	25.8%	17.4%
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	5.1	(51.7)	(21.0)	20.1	(16.3)	(23.7)	(13.2)		
= Recurrent Operating Cash Flow	27.6	(30.8)	1.3	53.1	42.4	17.3	40.3	93.0%	-8.8%
- CAPEX	(4.9)	(0.2)	(0.2)	(0.2)	(0.4)	(0.3)	(0.4)		
- Taxes (pre- Financial Result)	(5.7)	(4.6)	(5.2)	(8.4)	(13.1)	(9.0)	(11.9)		
= Recurrent Free Cash Flow (To the Firm)	17.0	(35.6)	(4.0)	44.5	28.8	8.0	28.0	80.3%	-14.3%
Rec. Free Cash Flow (To the Firm) growth	-67.8%	-309.9%	88.7%	n.a.	-35.2%	-72.1%	248.6%		
Rec. Free Cash Flow (To the Firm) / Revenues	13.6%	n.a.	n.a.	24.0%	9.6%	3.4%	10.1%		
- Acquisitions / + Divestments	4.0	5.4	11.4	13.8	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	(2.6)	(0.5)	(0.5)	-	-	-	-		
= Free Cash Flow "To the Firm"	18.4	(30.8)	6.8	58.3	28.8	8.0	28.0	97.4%	-21.7%
Free Cash Flow (To the Firm) growth	441.6%	-267.3%	122.1%	756.5%	-50.6%	-72.1%	248.6%		
Rec. Free Cash Flow To the Firm Yield (o/EV)	3.5%	n.a.	n.a.	9.3%	6.0%	1.7%	5.9%		
Free Cash Flow "To the Firm" - Yield (o/EV)	3.8%	n.a.	1.4%	12.2%	6.0%	1.7%	5.9%		

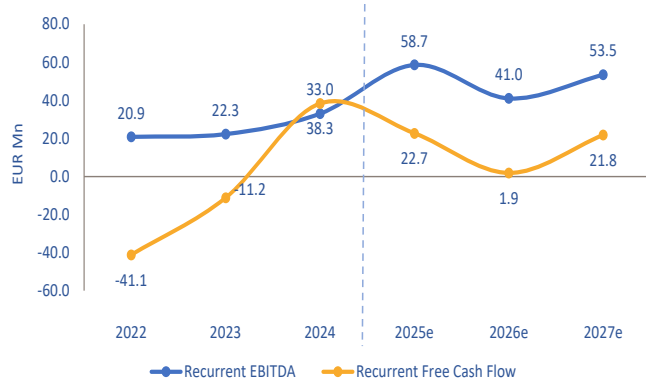
### Recurrent Free Cash Flow accumulated variation analysis (2020 - 2024)



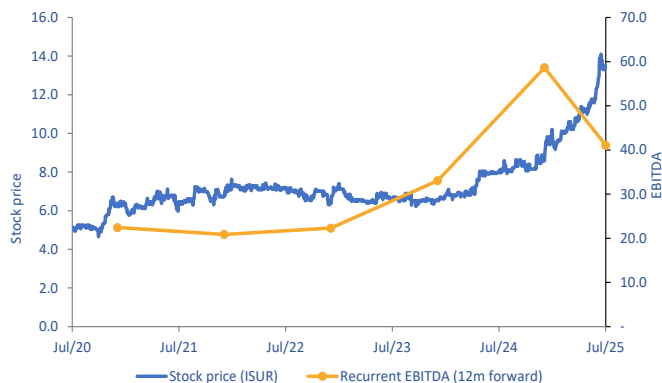
### Recurrent Free Cash Flow accumulated variation analysis (2024 - 2027e)



### 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	252.0	
+ Minority Interests	3.7	6m Results 2025
+ Provisions & Other L/T Liabilities	-	6m Results 2025
+ Net financial debt	223.1	6m Results 2025
- Financial Investments	-	6m Results 2025
+/- Others		
<b>Enterprise Value (EV)</b>	<b>478.8</b>	



## Appendix 4. Historical performance <sup>(1)</sup>

Historical performance (EUR Mn)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e	CAGR	
Total Revenues					113.9	122.8	132.7	125.2	117.8	119.8	185.8	301.3	234.6	276.6	14.1%	14.2%
Total Revenues growth					n.a.	7.8%	8.1%	-5.7%	-5.9%	1.7%	55.1%	62.2%	-22.2%	17.9%		
EBITDA					17.4	22.4	19.4	22.5	20.9	22.3	33.0	58.7	41.0	53.5	13.7%	17.4%
EBITDA growth					n.a.	28.6%	-13.3%	15.6%	-7.0%	6.9%	48.1%	77.5%	-30.0%	30.3%		
EBITDA/Sales					15.3%	18.2%	14.6%	17.9%	17.7%	18.6%	17.8%	19.5%	17.5%	19.3%		
Net Profit					10.1	8.9	21.1	12.0	15.0	11.3	21.0	36.5	23.0	32.5	20.5%	15.6%
Net Profit growth					n.a.	-11.5%	136.4%	-43.0%	25.0%	-24.8%	86.1%	73.3%	-36.9%	41.2%		
Adjusted number shares (Mn)					18.5	18.5	18.5	17.8	18.6	18.5	18.4	18.7	18.7	18.7		
EPS (EUR)					0.54	0.48	1.14	0.68	0.81	0.61	1.14	1.95	1.23	1.74	19.1%	15.1%
EPS growth					n.a.	-11.5%	n.a.	-40.8%	19.6%	-24.5%	86.8%	71.0%	-36.9%	41.2%		
Ord. EPS (EUR)					0.30	0.49	0.49	0.52	0.46	0.35	0.88	1.95	1.23	1.74	19.0%	25.6%
Ord. EPS growth					n.a.	66.7%	-1.1%	6.9%	-11.4%	-23.0%	n.a.	n.a.	-36.9%	41.2%		
CAPEX					-	(1.9)	(5.9)	(4.9)	(0.2)	(0.2)	(0.2)	(0.4)	(0.3)	(0.4)		
CAPEX/Sales %					0.0%	1.5%	4.5%	3.9%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%		
Free Cash Flow					-	(7.0)	(7.0)	14.3	(36.3)	(0.3)	52.1	22.7	1.9	21.8	53.9%	-25.2%
ND/EBITDA (x) <sup>(2)</sup>					10.6x	8.8x	10.8x	8.8x	11.5x	10.9x	6.1x	3.2x	5.0x	3.6x		
P/E (x)					13.8x	16.2x	5.4x	9.9x	7.9x	10.7x	7.5x	6.9x	11.0x	7.8x		
EV/Sales (x)					3.14x	3.04x	2.63x	2.75x	3.19x	3.14x	2.00x	1.59x	2.04x	1.73x		
EV/EBITDA (x) <sup>(2)</sup>					20.5x	16.6x	18.0x	15.3x	18.0x	16.9x	11.3x	8.2x	11.7x	9.0x		
Absolute performance	-61.6%	31.5%	1.0%	30.1%	1.9%	4.0%	-20.3%	8.3%	-4.7%	1.8%	31.8%	57.1%				
Relative performance vs Ibex 35	-62.9%	41.7%	3.1%	21.1%	19.8%	-7.0%	-5.7%	0.3%	0.9%	-17.1%	14.9%	26.7%				

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 2025e

		Real estate				REITs				ISUR
		Metrovacesa	Aedas Homes	Neinor Homes	Average	Merlin Properties	Colonial	Cevasa	Average	
Market data	EUR Mn									
	Ticker (Factset)	MVC-ES	AEDAS-ES	HOME-ES		MRL-ES	COL-ES	CEV-ES		ISUR-ES
	Country	Spain	Spain	Spain		Spain	Spain	Spain		Spain
	Market cap	1,539.5	928.6	1,527.6		6,714.0	3,679.4	195.3		252.0
Basic financial information	Enterprise value (EV)	1,878.0	1,118.3	1,252.2		10,334.3	9,171.7	364.5		478.8
	Total Revenues	697.1	1,065.7	647.6		548.9	410.3	25.6		301.3
	Total Revenues growth	5.6%	-7.8%	31.5%	9.7%	9.1%	-19.6%	11.6%	0.4%	62.2%
	2y CAGR (2025e - 2027e)	1.7%	2.4%	4.2%	2.7%	11.0%	6.9%	7.7%	8.5%	-4.2%
	EBITDA	92.4	165.5	112.5		407.1	334.0	18.0		58.7
	EBITDA growth	105.9%	-0.2%	73.2%	59.7%	8.7%	0.7%	-7.5%	0.6%	77.5%
	2y CAGR (2025e - 2027e)	2.8%	3.8%	39.4%	15.3%	11.4%	8.1%	9.3%	9.6%	-4.5%
	EBITDA/Revenues	13.3%	15.5%	17.4%	15.4%	74.2%	81.4%	70.3%	75.3%	19.5%
	EBIT	83.8	161.6	104.5		407.9	337.8	17.8		55.7
	EBIT growth	73.8%	0.7%	72.8%	49.1%	10.2%	4.1%	-50.1%	-12.0%	56.5%
	2y CAGR (2025e - 2027e)	4.3%	3.9%	41.8%	16.7%	12.8%	8.2%	9.4%	10.1%	-4.7%
	EBIT/Revenues	12.0%	15.2%	16.1%	14.4%	74.3%	82.3%	69.3%	75.3%	18.5%
	Net Profit	42.3	107.6	72.9		313.4	206.5	11.2		36.5
	Net Profit growth	166.4%	-28.1%	17.6%	52.0%	10.4%	-32.8%	-55.4%	-25.9%	73.3%
	2y CAGR (2025e - 2027e)	6.8%	4.1%	32.1%	14.3%	7.8%	10.5%	10.5%	9.6%	-5.6%
	CAPEX/Sales %	5.1%	16.5%	42.4%	21.3%	171.8%	35.5%	5.0%	70.8%	0.1%
Multiples and Ratios	Free Cash Flow	127.4	104.1	175.0		(48.7)	176.2	3.6		22.7
	Net financial debt	313.1	308.6	495.5		4,343.9	4,622.4	75.1		189.6
	ND/EBITDA (x)	3.4	1.9	4.4	3.2	10.7	13.8	4.3	9.6	3.2
	Pay-out	315.0%	n.a.	196.9%	256.0%	68.5%	86.7%	51.6%	69.0%	48.0%
	P/E (x)	31.9	8.6	18.0	19.5	22.2	16.8	17.5	18.8	6.9
	P/BV (x)	1.0	0.9	1.6	1.2	0.9	0.6	0.5	0.7	1.4
	EV/Revenues (x)	2.7	1.0	1.9	1.9	18.8	n.a.	14.2	16.5	1.6
	EV/EBITDA (x)	20.3	6.8	11.1	12.7	25.4	27.5	20.9	24.6	8.2
	EV/EBIT (x)	22.4	6.9	12.0	13.8	25.3	27.2	20.5	24.3	8.6
	ROE	3.2	10.4	8.7	7.4	4.0	3.8	2.7	3.5	21.7
	FCF Yield (%)	8.3	11.2	11.5	10.3	n.a.	4.8	4.8	4.8	9.0
	DPS	0.88	2.67	1.93	1.83	0.42	0.31	0.25	0.33	0.94
	Dvd Yield	8.7%	12.6%	11.3%	10.9%	3.5%	5.3%	3.0%	3.9%	6.9%

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).



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## Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
31-Jul-2025	n.a.	13.50	n.a.	n.a.	6m Results 2025	Alfredo Echevarría Otegui
17-Jun-2025	n.a.	11.68	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
30-Apr-2025	n.a.	10.70	n.a.	n.a.	3m Results 2025	Alfredo Echevarría Otegui
27-Feb-2025	n.a.	9.77	n.a.	n.a.	12m Results 2024	Alfredo Echevarría Otegui
31-Oct-2024	n.a.	8.06	n.a.	n.a.	9m Results 2024	José Miguel Cabrera van Grieken
31-Jul-2024	n.a.	7.97	n.a.	n.a.	6m Results 2024	José Miguel Cabrera van Grieken
27-May-2024	n.a.	8.04	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
06-May-2024	n.a.	7.19	n.a.	n.a.	3m Results 2024	José Miguel Cabrera van Grieken
04-Mar-2024	n.a.	6.76	n.a.	n.a.	12m Results 2023	José Miguel Cabrera van Grieken
30-Oct-2023	n.a.	6.33	n.a.	n.a.	9m Results 2023	José Miguel Cabrera van Grieken
31-Jul-2023	n.a.	6.61	n.a.	n.a.	6m Results 2023	Alfredo Echevarría Otegui
12-Jun-2023	n.a.	6.80	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
08-May-2023	n.a.	6.48	n.a.	n.a.	3m Results 2023	David López Sánchez
19-Apr-2023	n.a.	6.48	n.a.	n.a.	Estimates upgrade	David López Sánchez
01-Mar-2023	n.a.	6.67	n.a.	n.a.	12m Results 2022	David López Sánchez
22-Dec-2022	n.a.	6.56	n.a.	n.a.	Initiation of Coverage	David López Sánchez

