

EQUITY - SPAIN

Sector: Auto Components

Closing price: EUR 6.00 (4 Aug 2025)

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6m Results 2025

Independent Equity Research

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 Opinion ⁽¹⁾: Below expectations

 Impact ⁽¹⁾: We will have to lower our estimates

Pablo Victoria Rivera, CESGA – pablo.victoria@institutodeanalistas.com

+34 915 631 972

Business description

Lingotes Especiales (LGT) is a small Spanish industrial company specialising in the design, development, casting and machining of steel components, mainly for use in the automotive industry, where it is a market leader in braking systems with a c.10% market share in Europe (>85% sales).

Market Data

Market Cap (Mn EUR and USD)	60.0	69.4
EV (Mn EUR and USD) ⁽²⁾	93.4	108.0
Shares Outstanding (Mn)	10.0	
-12m (Max/Med/Mín EUR)	7.76 / 6.54 / 5.60	
Daily Avg volume (-12m Mn EUR)	0.02	
Rotation ⁽³⁾	8.5	
Factset / Bloomberg	LGT-ES / LGT SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

Board of Directors	55.0
Onchena	9.4
Mallorquina de Seguros	6.2
Free Float	29.5

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	0.8	1.7	-23.1	-43.8
vs Ibex 35	-2.1	-4.9	-42.9	-72.6
vs Ibex Small Cap Index	3.5	-1.8	-34.3	-64.6
vs Eurostoxx 50	1.7	2.5	-31.9	-65.1
vs Sector benchmark ⁽⁴⁾	5.2	8.4	-10.0	-54.3

(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 Automobiles & Parts.

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

1H25 Results: sector context pressures revenues (-10%) and margins (-30%). A year even worse than expected

REVENUE DECLINE (-10.7% VS 1H24). LGT recorded 1H25 revenue of EUR 41.8 Mn (-10.7% vs EUR 46.7 Mn in 1H24), impacted by weakness in the European automotive sector, stagnant registrations, and regulatory pressure (Euro 7). Exports, which make up 84% of sales, are sustaining activity, while the Spanish market (16%) remains weak. Machined parts account for 56% of sales, in line with 2024 (c. 57%).

...AFFECTED BY WEAKNESS IN EUROPEAN AUTOMOTIVE. vehicle production has still not recovered to pre-Covid levels, with 5.5 Mn accumulated registrations through May, flat vs 1H24 and down -20% vs 2019 levels (according to ACEA). This is compounded by regulatory uncertainties (Euro 7), CO₂ penalties, and trade friction from tariffs.

EBITDA MARGIN PRESSURED BY OPERATING LEVERAGE. EBITDA fell by approx. -30% to EUR 3.0 Mn (vs EUR 4.5 Mn in 1H24), with an EBITDA margin of 7.2% (vs 9.6% in 1H24). The high fixed cost base, and therefore high operating leverage, significantly reduces EBITDA in a context of declining volumes. This decline is amplified in terms of pre-tax profit, which plummeted by approx. -85% to EUR 0.25 Mn (vs EUR 1.76 Mn in 1H24).

INVESTMENTS CONTINUE, WITH A FOCUS ON MACHINING AND ELECTRIC VEHICLES. LGT is maintaining its strategy of modernizing and expanding capabilities for new parts (components for electric vehicles, hybrids, and heavy transport). These developments are expected to generate growth once the market regains traction (not expected until 2026e).

NET FINANCIAL DEBT INCREASES (+25.4% VS 2024). Net Debt stands at EUR 28.0 Mn (vs EUR 22.3 Mn in 2024), driven by an increase in working capital. This brings the ND/Shareholders' Equity 1H25 ratio to 0.6x (vs 0.5x in 2024 and 0.2x in 2023). ND/EBITDA (last 12 months) is 4.2x (Lighthouse estimate). These are high debt levels relative to its historical average (1.0x) and comparables (1.2x).

IN SUMMARY: SECTORAL MOMENTUM STILL VERY WEAK. DIFFICULTY IN RECOVERING PROFITABILITY LEVELS. WE WILL LOWER OUR ESTIMATES. 1H25 confirms an adverse environment, with pressure on revenue and margins and limited short-term visibility. Although LGT maintains its focus on the long term (plant modernization, focus on machined products, and new parts for electrified vehicles), the sectoral context (tariffs, Euro 7, electrification) continues to condition the recovery.

We expect a more favorable 2H25 (base effect + some expected normalization), but we will revise our estimates downward. We had projected a flat 2025e vs 2024 in revenue (EUR 90 Mn) and rec. EBITDA (EUR 6–7 Mn). After 1H25, we estimate revenue of EUR 81 Mn (-10%) and rec. EBITDA of EUR 4–5 Mn, which would be a 10-year low. This would imply an EV/rec. EBITDA 2025e multiple of c. 20x, vs c. 6x for peers.

The stock continues to be heavily punished in the market (-12m: -23.1% absolute and -42.9% vs IBEX 35). It has an accumulated drop of -43.8% -5y. A return to historical volume levels (EUR 95 Mn) and margins (c. 10-11%) would imply an EV/rec. EBITDA multiple of c. 9x. The cyclical nature of the business could represent an opportunity for value investors with a medium-term recovery horizon.

Appendix 1. Results table

EUR Mn	6m25 Real	6m24	6m25 Real vs 6m24
Total Revenues	41.8	46.7	-10.7%
Gross margin	21.6	27.2	-20.6%
<i>Gross Margin/Revenues</i>	<i>51.8%</i>	<i>58.3%</i>	<i>-6.5 p.p.</i>
EBITDA⁽¹⁾	3.0	4.5	-33.2%
<i>EBITDA/Revenues</i>	<i>7.2%</i>	<i>9.6%</i>	<i>-2.4 p.p.</i>
EBIT	0.8	2.2	-62.9%
PBT	0.3	1.8	-85.8%
NP	0.2	1.3	-85.8%

	6m25 Real	2024	6m25 Real vs 2024
Net Debt	28.0	22.3	25.4%
ND / Equity	0.6 x	0.5 x	0.1 x

(1) EBITDA adjusted to eliminate the impact of capitalized expenses.

Appendix 2. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	60.0	
+ Minority Interests	-	6m Results 2025
+ Provisions & Other L/T Liabilities	5.6	6m Results 2025
+ Net financial debt	28.0	6m Results 2025
- Financial Investments	0.2	6m Results 2025
+/- Others		
Enterprise Value (EV)	93.4	

Appendix 3. Main peers (2025e)

		Auto-Parts				Brake Systems	
EUR Mn		CIE Automotive	Gestamp	Cummins	Voestalpine	Average	Brembo SPA
Market data	Ticker (Factset)	CIE-ES	GEST-ES	CMI-US	VOE-AT		BRE-IT
	Country	Spain	Spain	USA	Austria		Italy
	Market cap	3,113.0	1,882.7	43,072.2	4,198.8		2,723.9
	Enterprise value (EV)	4,517.2	4,730.1	49,059.5	5,941.4		3,088.5
Basic financial information	Total Revenues	3,917.1	11,791.6	28,548.2	15,581.8		3,750.2
	Total Revenues growth	-1.1%	-1.7%	-3.2%	-1.0%	-1.8%	-2.4%
	2y CAGR (2025e - 2027e)	3.8%	4.3%	4.3%	1.8%	3.5%	4.5%
	EBITDA	738.9	1,305.1	4,651.0	1,482.6		601.7
	EBITDA growth	1.5%	2.1%	16.1%	10.4%	7.5%	1.7%
	2y CAGR (2025e - 2027e)	4.8%	8.2%	6.6%	8.0%	6.9%	7.8%
	EBITDA/Revenues	18.9%	11.1%	16.3%	9.5%	13.9%	16.0%
	EBIT	549.4	592.2	3,586.4	712.1		327.9
	EBIT growth	0.9%	4.5%	16.2%	22.8%	11.1%	-0.2%
	2y CAGR (2025e - 2027e)	5.3%	13.7%	7.5%	14.4%	10.2%	12.8%
	EBIT/Revenues	14.0%	5.0%	12.6%	4.6%	9.0%	8.7%
	Net Profit	339.8	205.9	2,466.5	385.9		212.9
	Net Profit growth	4.6%	9.2%	-27.7%	151.4%	34.4%	-18.9%
	2y CAGR (2025e - 2027e)	7.8%	25.7%	10.2%	20.0%	15.9%	16.6%
	CAPEX/Sales %	5.5%	7.2%	4.1%	7.6%	6.1%	11.4%
	Free Cash Flow	323.3	253.6	2,208.8	82.9		(28.6)
Multiples and Ratios	Net financial debt	943.9	1,928.8	3,870.4	1,920.8		657.2
	ND/EBITDA (x)	1.3	1.5	0.8	1.3	1.2	1.1
	Pay-out	33.0%	30.5%	35.6%	32.7%	33.0%	39.4%
	P/E (x)	9.1	9.1	17.3	10.6	11.5	12.6
	P/BV (x)	1.8	0.8	4.2	0.5	1.8	1.1
	EV/Revenues (x)	1.2	0.4	1.7	0.4	0.9	0.8
	EV/EBITDA (x)	6.1	3.6	10.5	4.0	6.1	5.1
	EV/EBIT (x)	8.2	8.0	13.7	8.3	9.6	9.4
	ROE	19.6	8.3	24.4	5.1	14.3	9.0
	FCF Yield (%)	10.4	13.5	5.1	2.0	7.7	n.a.
	DPS	0.94	0.11	6.36	0.74	2.04	0.26
	Dvd Yield	3.6%	3.4%	2.0%	3.1%	3.0%	3.1%

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

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 91 563 19 72
institutodeanalistas.com/lighthouse

Head of research

Alfredo Echevarría Otegui

alfredo.echevarria@institutodeanalistas.com

Analysts who contributed to this report:

Pablo Victoria Rivera, CESGA

Equity research

pablo.victoria@institutodeanalistas.com

Daniel Gandoy López

Equity research

lighthouse@institutodeanalistas.com

Miguel Medina Sivilotti

Equity research

lighthouse@institutodeanalistas.com

Jesús López Gómez, CESGA

ESG Analyst & Data analytics

jesus.lopez@institutodeanalistas.com

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
05-Aug-2025	n.a.	6.00	n.a.	n.a.	6m Results 2025	Pablo Victoria Rivera, CESGA
17-Jun-2025	n.a.	6.00	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
03-Mar-2025	n.a.	6.22	n.a.	n.a.	12m Results 2024	Pablo Victoria Rivera, CESGA
25-Jul-2024	n.a.	7.84	n.a.	n.a.	6m Results 2024 - Estimates downgrade	Luis Esteban Arribas, CESGA
27-May-2024	n.a.	6.74	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
29-Feb-2024	n.a.	6.47	n.a.	n.a.	12m Results 2023 - Estimates downgrade	Luis Esteban Arribas, CESGA
03-Aug-2023	n.a.	7.24	n.a.	n.a.	6m Results 2023	Luis Esteban Arribas, CESGA
12-Jun-2023	n.a.	7.50	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
01-Mar-2023	n.a.	7.71	n.a.	n.a.	12m Results 2022	David López Sánchez
31-Oct-2022	n.a.	5.63	n.a.	n.a.	9m Results 2022	David López Sánchez
03-Aug-2022	n.a.	6.61	n.a.	n.a.	6m Results 2022 - Estimates upgrade	David López Sánchez
01-Apr-2022	n.a.	10.37	n.a.	n.a.	Estimates downgrade	David López Sánchez
02-Mar-2022	n.a.	9.87	n.a.	n.a.	12m Results 2021	David López Sánchez
03-Aug-2021	n.a.	10.61	n.a.	n.a.	6m Results 2021 - Estimates downgrade	David López Sánchez
01-Mar-2021	n.a.	10.06	n.a.	n.a.	12m Results 2020	David López Sánchez
30-Oct-2020	n.a.	10.11	n.a.	n.a.	9m Results 2020	David López Sánchez
28-Jul-2020	n.a.	10.60	n.a.	n.a.	Estimates downgrade	David López Sánchez
28-Feb-2020	n.a.	11.84	n.a.	n.a.	12m Results 2019	David López Sánchez
28-Oct-2019	n.a.	11.98	n.a.	n.a.	9m Results 2019	David López Sánchez
22-Jul-2019	n.a.	12.78	n.a.	n.a.	6m Results 2019 - Estimates downgrade	David López Sánchez
13-May-2019	n.a.	13.26	n.a.	n.a.	3m Results 2019	David López Sánchez
01-Mar-2019	n.a.	12.87	n.a.	n.a.	12m Results 2018	David López Sánchez
22-Nov-2018	n.a.	12.87	n.a.	n.a.	Initiation of Coverage	David López Sánchez

