LIGHTHOUSE
INSTITUTO ESPAÑOL DE ANALISTAS

Ercros

EQUITY - SPAIN
Sector: Chemicals

Closing price: EUR 3,08 (10 Nov 2025)
Report date: 11 Nov 2025 (14:45h)

9m Results 2025
Independent Equity Research

9m Results 2025
Opinion (1): In line
Impact (1): We will maintain our estimates

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9M25 Results: cycle weakness continues. but now only the takeover bid is priced in (potential upside of c. +14%).

REVENUE DECLINE (EXPECTED) VS. 9M24... In 9M25, ECR generated revenue of EUR 508 Mn (-4.2% vs. 9M24), in line with expectations and reflecting the weakness of demand in the chemical sector. Volume fell across all divisions, partially compensated by price increases. Total volume of Tons sold fell by -5.1% (to 710 thousand Tons). The context is one of price stabilization but without a recovery in volumes (recovery expected for 2H 2026).

...WORSENING THE RECURRING EBITDA CONTRACTION. Recurring EBITDA stood at EUR 3.8 Mn (-83% vs. EUR 22.5 Mn in 9M24), demonstrating persistent pressure on margins in an environment of high energy costs and depressed demand. The change is primarily explained by (i) higher supply costs (+12%), especially electricity and gas, and (ii) lower volumes. The Recurring EBITDA margin fell to 0.7% (vs. 4.2% in 9M24). ECR continues with cost reduction and competitiveness improvement actions and anticipates a 2025e Recurring EBITDA of EUR 10-15 Mn (vs. our estimate of EUR 10.0 Mn; we maintain our estimates).

TOB STATUS: CNMC AUTHORIZATION AND FINAL PHASE. The CNMC (Spanish National Markets and Competition Commission) authorized Bondalti's TOB in the second phase and with commitments, resolving the main regulatory uncertainty. The commitments (proposed and accepted by Bondalti) include measures in the sodium hypochlorite market, with supply to third parties at cost price for five years (extendable). Following this approval, the process enters its final phase, pending the Ministry of Economy and the CNMV (Spanish Securities Market Commission). There is a discount of close to +10% against the offered price (EUR 3.505/share) and the transaction is expected to close in the next 3–6 months.

ONLY THE BONDALTI TOB IS PRICED IN. In the case of ECR, the current Bondalti TOB is the only thing truly priced in. Following the CNMC authorization, the offer has entered its final and decisive phase. After the initial bounce in the stock upon the approval announcement, there is still an upside margin remaining up to the offered price (EUR 3.50; potential of +13.6%). Acknowledging that there are still steps to be completed (CNMV, Ministry of Economy), our thesis remains the success of the TOB. We, therefore, maintain ECR in our model portfolio.

Table 1. Results table

EUR Mn	9m25	9m24	9m25 vs 9m24
Total Revenues	**508.0**	**530.2**	**-4.2%**
Chlorine derivatives	288.6	298.4	-3.3%
Intermediate chemicals	138.5	150.9	-8.2%
Pharmaceuticals	47.6	48.0	-0.9%
Other revenues	33.3	32.9	1.1%
Recurrent EBITDA	**3.8**	**22.5**	**-83.3%**
Rec. EBITDA/Revenues	*0.7%*	*4.2%*	*-3.5 p.p.*
EBITDA	**2.4**	**22.9**	**-89.6%**
EBITDA/Revenues	*0.5%*	*4.3%*	*-3.8 p.p.*
EBIT	**-23.0**	**-0.6**	**n.a.**
PBT	**-32.6**	**-9.3**	**n.a.**
NP	**-41.2**	**-7.8**	**n.a.**
Tons sold (thousand)	710	748	-5.1%

	9m25	2024	9m25 vs 2024
Net Debt(1)	115.5	119.6	-3.4%

(1) Net Debt adjusted to exclude the impact of IFRS 16.

Business description

Ercros (ECR) is an industrial group manufacturing chemical products that operates through 3 divisions: (i) basic chemicals, (ii) intermediate chemicals and (iii) pharmaceuticals. The core activity is the production of chlorine-caustic soda, ECR being the main producer in Spain (60% of total installed capacity) and among the top 10 at the European level.

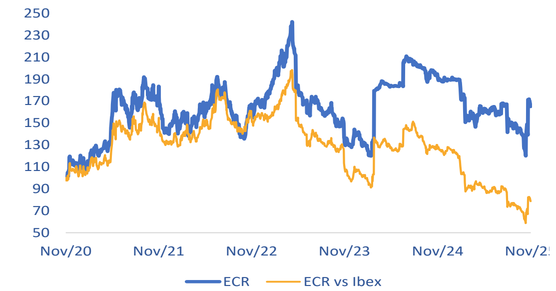
Market Data

Market Cap (Mn EUR and USD)	281,6	325,5
EV (Mn EUR and USD) (2)	408,9	472,5
Shares Outstanding (Mn)	91,4	
-12m (Max/Med/Mín EUR)	3,58 / 3,06 / 2,24	
Daily Avg volume (-12m Mn EUR)	0,21	
Rotation(3)	18,7	
Refinitiv / Bloomberg	ECR.MC / ECR SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)(5)

Víctor Manuel Rodríguez Martín	6,3
Joan Casas Galofre	6,0
Dimensional Fund Advisors, L.P.	5,0
Montserrat Garcia Pruns	3,6
Free Float	76,9

Relative performance (Base 100)



Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	19,1	-1,4	-15,4	65,0
vs Ibex 35	14,0	-9,7	-39,6	-21,4
vs Ibex Small Cap Index	23,5	-1,8	-32,2	15,3
vs Eurostoxx 50	16,3	-7,0	-28,3	0,3
vs Sector benchmark(4)	19,7	2,9	-8,0	60,7

(2) 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).
(3) Please refer to Appendix 1.
(4) Rotation is the % of the capitalisation traded - 12m.
(5) vs Stoxx Europe 600 Chemicals.
(5) Others: Francesc Xavier Casas Galofré 1,2%, Santander Small Caps España 1,0%

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

Appendix 1. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	281,6	
+ Minority Interests	-	9m Results 2025
+ Provisions & Other L/T Liabilities	23,2	6m Results 2025
+ Net financial debt	115,5	9m Results 2025
- Financial Investments	11,5	6m Results 2025
+/- Others		
Enterprise Value (EV)	**408,9**	

Appendix 2. Main peers (2025e)

		Europe				USA			
	EUR Mn	BASF	Solvay	Covestro	Average	DowDuPont	Olin Corp	Westlake	Average
Market data	Ticker (Factset)	BASFn.DE	SOLB.BR	1COVG.DE		DOW	OLN	WLK	
	Country	Germany	Belgium	Germany		USA	USA	USA	
	Market cap	38.426,1	2.846,0	11.151,0		13.592,9	1.910,9	7.235,1	
	Enterprise value (EV)	60.470,1	4.803,0	14.163,0		26.719,4	4.407,1	9.882,2	
Basic financial information	Total Revenues	62.270,0	4.435,6	13.135,9		34.623,8	5.817,3	9.805,9	
	Total Revenues growth	-4,6%	-13,5%	-7,4%	-8,5%	-6,9%	2,8%	-6,7%	-3,6%
	2y CAGR (2025e - 2027e)	2,3%	2,6%	3,2%	2,7%	3,2%	2,8%	3,5%	3,2%
	EBITDA	7.236,0	868,9	802,4		2.770,1	611,3	1.034,6	
	EBITDA growth	-18,5%	-11,7%	-17,2%	-15,8%	-38,1%	-19,6%	-42,5%	-33,4%
	2y CAGR (2025e - 2027e)	8,2%	5,5%	29,7%	14,5%	20,3%	15,1%	23,7%	19,7%
	EBITDA/Revenues	11,6%	19,6%	6,1%	12,4%	8,0%	10,5%	10,6%	9,7%
	EBIT	3.115,3	575,3	(87,4)		349,1	147,7	(72,7)	
	EBIT growth	-37,8%	-13,9%	-168,8%	-73,5%	-82,3%	-52,6%	-108,7%	-81,2%
	2y CAGR (2025e - 2027e)	17,4%	5,3%	n.a.	11,3%	n.a.	59,8%	n.a.	59,8%
	EBIT/Revenues	5,0%	13,0%	n.a.	9,0%	1,0%	2,5%	n.a.	1,8%
	Net Profit	2.055,1	320,1	(308,5)		(577,7)	12,0	(107,3)	
	Net Profit growth	41,4%	37,4%	-13,4%	21,8%	-155,6%	-86,8%	-119,2%	-120,5%
	2y CAGR (2025e - 2027e)	18,5%	10,2%	72,1%	33,6%	66,5%	n.a.	n.a.	66,5%
	CAPEX/Sales %	7,9%	7,0%	6,0%	7,0%	6,2%	3,1%	8,1%	5,8%
	Free Cash Flow	217,1	306,6	(70,3)		(340,4)	165,3	(112,5)	
	Net financial debt	20.317,5	1.653,5	2.792,8		10.779,3	2.341,8	1.805,8	
	ND/EBITDA (x)	2,8	1,9	3,5	2,7	3,9	3,8	1,7	3,2
	Pay-out	99,4%	79,7%	0,0%	59,7%	-220,8%	683,0%	-222,2%	80,0%
Multiples and Ratios	P/E (x)	16,5	8,3	n.a.	12,4	n.a.	n.a.	n.a.	n.a.
	P/BV (x)	1,1	2,2	1,7	1,7	1,0	1,2	0,7	0,9
	EV/Revenues (x)	1,0	1,1	1,1	1,0	0,8	0,8	1,0	0,8
	EV/EBITDA (x)	8,4	5,5	17,7	10,5	9,6	7,2	9,6	8,8
	EV/EBIT (x)	19,4	8,3	n.a.	13,9	n.a.	29,8	n.a.	29,8
	ROE	5,9	22,5	n.a.	14,2	n.a.	0,8	n.a.	0,8
	FCF Yield (%)	0,6	10,8	n.a.	5,7	n.a.	8,7	n.a.	8,7
	DPS	2,29	2,43	0,00	1,57	1,81	0,70	1,85	1,45
	Dvd Yield	5,3%	9,0%	0,0%	4,8%	9,5%	4,2%	3,3%	5,6%

Note 1: Financial data, multiples and ratios based on market consensus (Refinitiv).
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
11-Nov-2025	n.a.	3.08	n.a.	n.a.	9m Results 2025	Alfredo Echevarría Otegui
03-Nov-2025	n.a.	3.20	n.a.	n.a.	Important news	Alfredo Echevarría Otegui
12-Aug-2025	n.a.	2.64	n.a.	n.a.	Important news	Alfredo Echevarría Otegui
29-Jul-2025	n.a.	3.08	n.a.	n.a.	6m Results 2025	Alfredo Echevarría Otegui
17-Jun-2025	n.a.	3.06	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
13-May-2025	n.a.	3.05	n.a.	n.a.	3m Results 2025	Alfredo Echevarría Otegui
26-Feb-2025	n.a.	3.04	n.a.	n.a.	12m Results 2024	Alfredo Echevarría Otegui
07-Nov-2024	n.a.	3.62	n.a.	n.a.	9m Results 2024	Alfredo Echevarría Otegui
30-Jul-2024	n.a.	3.88	n.a.	n.a.	6m Results 2024 - Estimates downgrade	Enrique Andrés Abad, CFA
28-Jun-2024	n.a.	3.42	n.a.	n.a.	Important news	Enrique Andrés Abad, CFA
27-May-2024	n.a.	3.43	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
30-Apr-2024	n.a.	3.46	n.a.	n.a.	3m Results 2024	Enrique Andrés Abad, CFA
08-Mar-2024	n.a.	3.35	n.a.	n.a.	Important news	Enrique Andrés Abad, CFA
29-Feb-2024	n.a.	2.36	n.a.	n.a.	12m Results 2023	Enrique Andrés Abad, CFA
08-Nov-2023	n.a.	2.79	n.a.	n.a.	9m Results 2023 - Estimates downgrade	Enrique Andrés Abad, CFA
27-Jul-2023	n.a.	3.15	n.a.	n.a.	6m Results 2023	Enrique Andrés Abad, CFA
14-Jun-2023	n.a.	3.16	n.a.	n.a.	Important news - Estimates downgrade	David López Sánchez
12-Jun-2023	n.a.	3.13	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
03-May-2023	n.a.	3.96	n.a.	n.a.	3m Results 2023	David López Sánchez
11-Apr-2023	n.a.	4.22	n.a.	n.a.	Review of estimates	David López Sánchez
22-Feb-2023	n.a.	3.73	n.a.	n.a.	12m Results 2022	David López Sánchez
09-Nov-2022	n.a.	3.12	n.a.	n.a.	9m Results 2022	David López Sánchez
03-Aug-2022	n.a.	3.26	n.a.	n.a.	6m Results 2022	David López Sánchez
15-Jun-2022	n.a.	3.11	n.a.	n.a.	Estimates upgrade	David López Sánchez
04-May-2022	n.a.	3.12	n.a.	n.a.	3m Results 2022	David López Sánchez
25-Feb-2022	n.a.	2.79	n.a.	n.a.	12m Results 2021	David López Sánchez
10-Nov-2021	n.a.	3.25	n.a.	n.a.	9m Results 2021	David López Sánchez
29-Jul-2021	n.a.	3.10	n.a.	n.a.	6m Results 2021 - Estimates upgrade	David López Sánchez
12-May-2021	n.a.	2.92	n.a.	n.a.	3m Results 2021 - Estimates upgrade	David López Sánchez
26-Feb-2021	n.a.	2.23	n.a.	n.a.	12m Results 2020	David López Sánchez
16-Nov-2020	n.a.	1.86	n.a.	n.a.	9m Results 2020	David López Sánchez
03-Aug-2020	n.a.	1.60	n.a.	n.a.	6m Results 2020 - Estimates upgrade	David López Sánchez
15-May-2020	n.a.	1.76	n.a.	n.a.	3m Results 2020	David López Sánchez
30-Apr-2020	n.a.	2.40	n.a.	n.a.	Estimates downgrade	David López Sánchez
02-Mar-2020	n.a.	2.06	n.a.	n.a.	12m Results 2019	David López Sánchez
06-Nov-2019	n.a.	2.19	n.a.	n.a.	9m Results 2019 - Estimates upgrade	David López Sánchez
29-Jul-2019	n.a.	1.73	n.a.	n.a.	6m Results 2019	David López Sánchez
03-Jun-2019	n.a.	1.96	n.a.	n.a.	Initiation of Coverage	David López Sánchez