

Company Note

Leaving behind 2022. We assess 2023-27 cash flows (rollover) resulting in a value per share of €39.40 (vs €31.4) that is a 26.1% discount to its share price.

The improvement in our valuation is based on a "base effect" because the initial EBITDA of EiDF of 2023E (€183m) is multiplied by 2.6x due to the change of year (rollover), while the residual EBITDA of €293m (2027E) is 7.7% higher than the previous figure (€272m). The new forecasts imply that the new contribution to EBITDA in the period 2023-27 is €220m more, a figure that when multiplied by 10x results in €2,220m (with no discounting to NPV)

EBITDA Rollover Effect

EBITDA €m	Evolución	2023E	2024E	2025E	2026E	2027E	2023-27
Nuevo		183	216	247	272	293	1.211
Anterior		73	183	216	247	272	991
variación €m		110	33	31	25	21	220
variación %		151%	18,1%	14,2%	10,1%	7,7%	22,2%

Elaborated GPM

This change (rollover) is also reflected in the estimated Operating CF of 2023E: €108 m vs previous €35.1 m +208% and for 2027: €226 m vs €207m; +9.6%; with a CFO yield ratio of 6.5% in 2023E and 9.6% in 2024E.

The IRR rises to 26.9% (previous 20.7%) after applying an EV/EBITDA ratio of 11.0x to the residual value. We do not rule out its improvements due to earnings revisions that are, more likely, upwards.

Upcoming Continuous Market Onboarding: we expect EiDF's next incorporation to the Continuous Market for H1:2023 and this to be a new catalyst for EiDF's share price to reach new highs.

Assumption: we value EiDF shares in a range of €48.06 (best case) - €29.29 (weak case), with a target price of €39.40, the latter implies a 26.1% to its latest share price and which depicts an attractive investment, hence we recommend to BUY.

Valuation Scenarios

Escenario	DCF Perpetuity	DCF EV/EBITDA	Peers	valor / acción	Prima (descuento)	Potencial
Base case	€ 42,88	€ 40,61	€ 34,72	€ 39,40	(26,1)%	35,4%
Best case	€ 51,02	€ 47,96	€ 45,20	€ 48,06	(39,4)%	65,2%
Weak case	€ 34,82	€ 33,37	€ 19,69	€ 29,29	(0,7)%	0,7%

Estimates GPM

EiDF €

Market Ratios	2022E	2023E	2024E	2025E	2026E	2027E
Last price €	€ 28,86	€ 29,10	€ 29,10	€ 29,10	€ 29,10	€ 29,10
nº Shares outstanding (m)	€ 57,85	€ 57,85	€ 57,85	€ 57,85	€ 57,85	€ 57,85
Mkt Capitalization (m)	€ 1.669	€ 1.683	€ 1.683	€ 1.683	€ 1.683	€ 1.683
EV (€m)	€ 1.759	€ 1.827	€ 1.860	€ 1.877	€ 1.887	€ 1.904
EV / EBITDA	24,1x	10,0x	8,6x	7,6x	6,9x	6,5x
EV / EBIT	30,9x	11,2x	9,7x	8,6x	7,9x	7,4x
P/E	39,2x	13,9x	11,8x	10,4x	9,5x	8,7x
P/BV	24,8x	8,9x	5,1x	3,4x	2,5x	2,0x
CFO yield	2,1%	6,4%	9,5%	10,9%	12,3%	13,4%

EiDF €

Financial data	2022A	2023E	2024E	2025E	2026E	2027E
Revenue (m)	360,0	602,0	725,0	845,0	950,0	1.045,0
EBITDA (m)	73,0	183,1	216,2	246,9	271,9	292,8
EBIT (m)	€ 57,0	€ 162,5	€ 191,4	€ 218,0	€ 239,4	€ 257,1
CFO (m)	€ 35,1	€ 108,1	€ 159,5	€ 184,2	€ 206,5	€ 225,8
Net Income (m)	€ 42,5	€ 120,7	€ 142,5	€ 161,4	€ 178,1	€ 192,5
EPS €	€ 0,74	€ 2,09	€ 2,46	€ 2,79	€ 3,08	€ 3,33
DVD / shr. (€)	0,00	0,00	0,00	0,00	0,00	0,00
ROE (avg)	92,8%	64,2%	54,9%	39,2%	30,7%	25,1%

February 17, 2023

Recommendation

BUY

Target Price

€39,40

EiDF (1 year)



Fuente: MSFT

Ticker	EiDF SM
Date	17 feb 2023
Last price	€ 29,10
High 52 Weeks	€ 29,24
Low 52 Weeks	€ 5,65
Outstanding shares	57,9m
Mkt. Capitalization	€ 1.683,3
1W Return (%)	3,9%
1M Return (%)	7,8%
<i>ibex 35</i>	4,7%
3M Return (%)	42,5%
<i>ibex 35</i>	14,8%
6M Return (%)	55,2%
<i>ibex 35</i>	11,9%
YTD (%)	3,9%
<i>ibex 35</i>	13,4%
1Y Return (%)	371,3%
<i>ibex 35</i>	8,6%
Avg daily volume (30d)	66.500
Avg daily volume (10d)	52.067
Rating	NA
TP (median)	€ 31,40
High TP	€ 31,40
Low TP	€ 31,40

Fuente Bloomberg @ 11/01/2023

Analyst: Javier Bernat
ibernat@gmpatrimonios.com
 Dpto. Análisis Fundamental GPM
 Teff: 34 913 191 684
 GPM: www.gpmsv.com
 GPM broker: <https://gpmbroker.com>



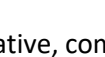
Release date: 20/02/2023

Índice

▪ 29.1% EBITDA margin	3
▪ Exceeding business plan targets	3
▪ PV Industry: 2022-26 expansion of 30.9% (Cagr) vs. 20.5% previous	4
▪ Total Installed Capacity in the EU will grow by 14.8% (Tacc) until 2030	4
▪ <i>The New PV Installed Capacity grows by 2.1x</i>	6
▪ Spain one of the most dynamic markets and second in the EU	7
▪ Peer Rating (€ 34,72)	9
▪ Valuation by DCF (€41.77)	10
▪ Attractive IRR of 26.9%	12
▪ Annex: 5 Challenges for 2023 (SolarPower Europe)	13
▪ Financial Information	15
▪ <i>Consolidated Results</i>	15
▪ <i>Consolidated Balance Sheet</i>	17
▪ <i>Consolidated Cash Flow Statement</i>	19
▪ <i>EIDF: Financial Ratios</i>	20

29.1% EBITDA margin

An EBITDA margin of 29.1% over the cycle might seem high but, with the Spanish solar PV sector expanding (growing by around 30% until 2030), we believe our estimates are sustainable.

EiDF EBITDA Margin							
Margen EBITDA	Evolución	2023E	2024E	2025E	2026E	2027E	2023-27
Nuevo		30,4%	29,8%	29,2%	28,6%	28,0%	29,1%
Anterior		20,3%	30,4%	29,8%	29,2%	28,6%	28,5%
variación PP		10,1	(0,6)	(0,6)	(0,6)	(0,6)	0,6

Estimates GPM

We might even be conservative, comparing the margins we project for EiDF with the average of the "renewable energy" subgroup (18 companies) of Bloomberg's "European Pure-Play Renewable Power Generator Peers" index (BIEURPCP). In this case, the average gross margin stands at 76.8% and the EBITDA margin at 49.0%

BIEURPCP Financial Margins				
BIEURPCP	Gross margin	EBITDA margin		
(Renewable Electricity subgroup)	3Y avg.	2023E	3Y avg.	2023E
BIEURPCP (Renewable Electricity)	10,3%	76,8%	20,6%	49,0%

Estimates GPM

BIEURPC Index: Financial Margins

BIEURPCP	Ticker	3 Year Gross m.	BEst Grs Mgn: 2023e	3 Year EBITDA m.	EBITDA Mrgn Adj:2023e
Electric Utilities (1 member)		35,6%	68,3%	28,8%	14,3%
Heavy Electrical Equipment (2 members)		-	47,2%	39,9%	62,4%
Independent Power Producers & Energy Traders (2 members)		-	45,8%	30,7%	30,9%
Industrial Machinery (1 member)		11,5%	26,1%	(128,6)%	(43,1)%
Renewable Electricity (18 members)		10,3%	76,8%	20,6%	49,0%
7C Solarparken AG	HRPK GY Equity	-	100,0%	86,4%	85,8%
Alerion Cleanpower SpA	ARN IM Equity	-	--	76,3%	78,6%
Arise AB	ARISE SS Equity	-	100,0%	37,9%	45,7%
Audax Renovables SA	ADX SM Equity	-	6,5%	5,7%	3,2%
Clearvise AG	ABO GR Equity	-	99,3%	69,8%	63,4%
Cloudberry Clean Energy ASA	CLOUD NO Equity	91,0%	--	(577,2)%	(77,3)%
Corp ACCIONA Energias Renovables SA	ANE SM Equity	-	62,6%	43,9%	41,1%
EDP Renovaveis SA	EDPR PL Equity	-	97,1%	93,4%	66,6%
Encavis AG	ECV GY Equity	-	98,8%	80,4%	84,3%
Esenboga Elektrik Uretim AS	ESEN TI Equity	29,7%	--	46,5%	44,1%
Falck Renewables SpA	FKR IM Equity	41,7%	--	42,8%	27,1%
Grenergy Renovables SA	GRE SM Equity	-	56,9%	35,2%	50,2%
Naturel Yenilenebilir Enerji Ticaret AS	NATEN TI Equity	37,8%	--	39,6%	41,3%
Neoen SA	NEOEN FP Equity	-	84,1%	84,3%	89,1%
Scatec ASA	SCATC NO Equity	-	100,0%	65,4%	70,1%
Solaria Energia y Medio Ambiente SA	SLR SM Equity	-	98,7%	92,5%	98,2%
Terna Energy SA	TENERGY GA Equity	41,7%	--	52,7%	40,9%
Voltaia SA	VLTA FP Equity	-	64,1%	35,6%	29,8%

Elaborated GPM / source Bloomberg.

Exceeding business plan targets

Net income of €315m in 9M22 increased by 10.3x vs the figure for the same period in 2021 (€30.6m) and surpassed the target of the business plan for 2022 by 105.5%.2.

The reported EBITDA of €46.86m (9m'22), stands out 156% over the 2022 guidance of €30m and compares with the €7.1m of 9m'21. In 2022, the business plan targets are met but also far exceed the objectives, so we do not rule out upward revisions, given the sector forecasts.

EiDF: Completion of 2022 Financial Guidance

EiDF	Objetivo	Reportado	Cumplimiento
	2022	9m22	
Ventas (€m)	299,0	315,5	105,5%
EBITDA (€m)	30,0	46,9	156,3%
Margen EBITDA	10,0%	14,9%	148,2%

Elaborated GPM

EIDF Financial Data 9M 2022

EIDF (€m)	3m'21	6m'21	9m'21	3m'22	6'm22	9m'22	a/a	LTM
Ventas (m)	2,5	10,1	30,6	82,8	185,9	315,5	10,3x	330,8
EBITDA (m)	0,6	2,4	7,1	11,0	32,2	46,9	6,6x	48,8
Margen EBITDA	22,8%	23,8%	23,2%	13,2%	17,3%	14,9%		14,7%
DFN/EBITDA	1,21x	1,21x	1,21x	1,23x	1,16x	1,19x		1,19x
Caja (m)	13,0	13,0	13,0	29,0	34,0	24,0		24,0

Elaborated GPM

Earnings Estimate Review

EIDF (€)	2023E			2024E			2025E			Agregado		
	New	Prev	Diff	New	Prev	Diff	New	Prev	Diff	New	Prev	Diff
Revenue (m)	601,9	537,5	12,0%	725,0	650,4	11,5%	845,0	446,0	89,5%	2.172	1.633,9	32,9%
EBIT (m)	162,4	83,0	95,6%	191,4	116,3	64,6%	218,0	156,4	39,4%	571,8	355,7	60,7%
EBITDA (m)	183,0	89,8	103,8%	216,0	124,6	73,4%	247,0	166,0	48,8%	646,0	380,4	69,8%
EPS €	2,09	1,05	99,0%	2,46	1,44	70,8%	2,79	1,89	47,6%	7,34	4,38	67,6%

Elaborated GPM

PV Industry: 2022-26 expansion of 30.9% (Cagr) vs. 20.5% previous

The following tables compare the projections up to 2026 of SolarPower Europe from last June (World Market Outlook), compared to the latest ones from December 2022 and which have been reworked for the "EU market Outlook" report (2026 and 2030), in which a significant change can be appreciated.

The latest projections from SolarPower Europe

(<https://www.solarpowereurope.org/insights/market-outlooks/eu-market-outlook-for-solar-power-2022-2026-2>) up to 2026, upwards revision of an average of 14.6% the installed capacity of photovoltaic energy (PV) for the main European players. The revisions of Spain (+61%), Italy (+28.8%) and Greece (+21.8%) stand out, countries where the greatest increases are projected in absolute terms. The most optimistic review is that of the Spanish photovoltaic market, for which a total installed capacity of 77.7 GW is estimated in 2026, which exceeds the 48.2 GW forecast in the June 2022 report by 29.4 GW.

Review of Installed Capacity Projections (Dec 2022)

País	Proyección 2026		Variación	Variación
	Anterior	Actual		
	GW	GW	GW	
Germany	132,9	131,0	(1,9)	(1,4)%
Spain	48,3	77,7	29,4	61,0%
Poland	29,2	34,4	5,2	17,8%
Italy	35,3	45,5	10,2	28,8%
Netherlands	36,1	37,3	1,2	3,3%
France	33,7	34,6	0,9	2,6%
Greece	13,1	15,9	2,9	21,8%
Agregado	328,6	376,4	47,8	14,6%

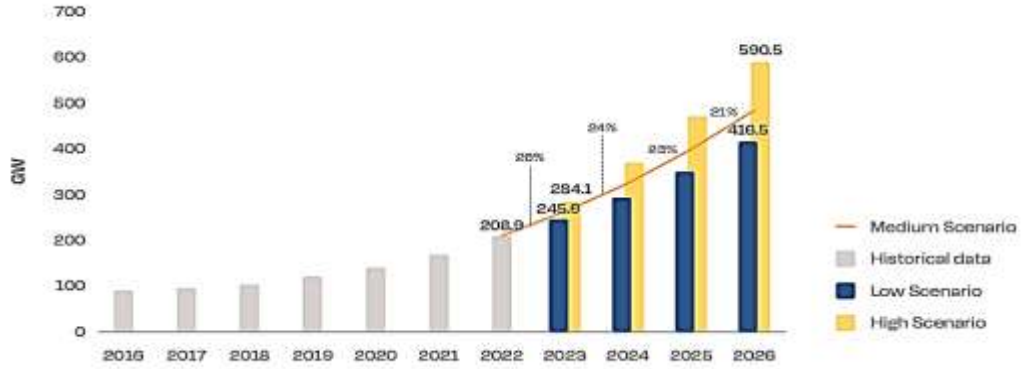
Fuente: SolarPower Europe (EU Market Outlook) / (1) Tacc 90%.

Part of the improvements are due to European markets are no longer limited by the bottlenecks of the supply chain and also, due to the disappearance of the restrictions related to COVID-19. In 2022, an increase of 41.4 GW of new grid-connected solar PV capacity has been registered in the 27 EU states, an advance of 47% compared to 2021. In 2023, new installed capacity is expected to exceed the 50 GW and that in 2026, it will double to 85.2 GW.

Total Installed Capacity in the EU will grow by 14.8% (Tacc) until 2030

According to the "SolarPower Europe" study, in the central scenario for the EU27 region (2022-2026), it is expected that the total installed capacity of photovoltaic solar energy will multiply by 2.3x, (2022: 209 GW and 484 GW in 2026), with an average annual growth rate of 23.4%. In the optimistic scenario, the installed capacity would multiply 2.8x to 590.5 GW with a growth rate of 29.6%, while in the pessimistic scenario (416.5 GW) the installed capacity multiplies 2.0x and it grows with a Tacc of 18.8%.

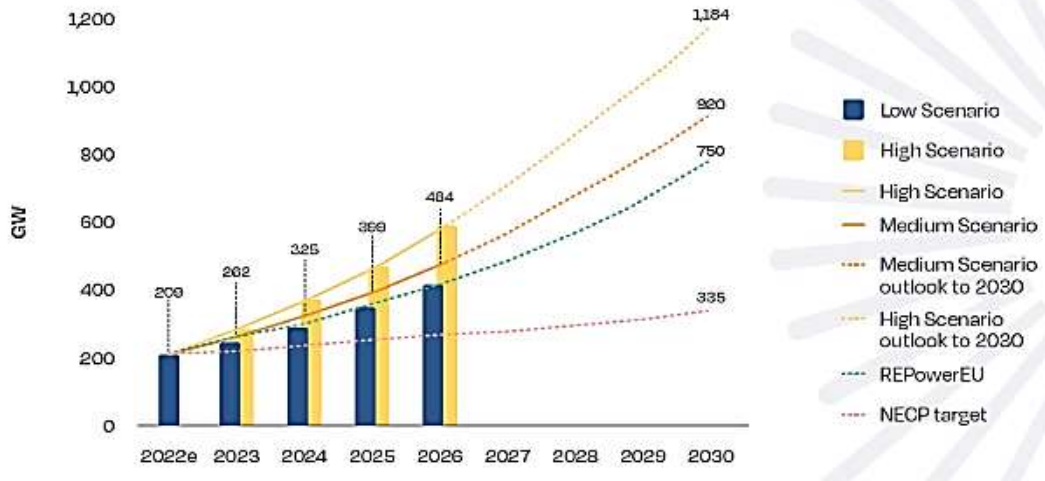
Total Installed Capacity



Source: SolarPower Europe (EU Market Outlook)

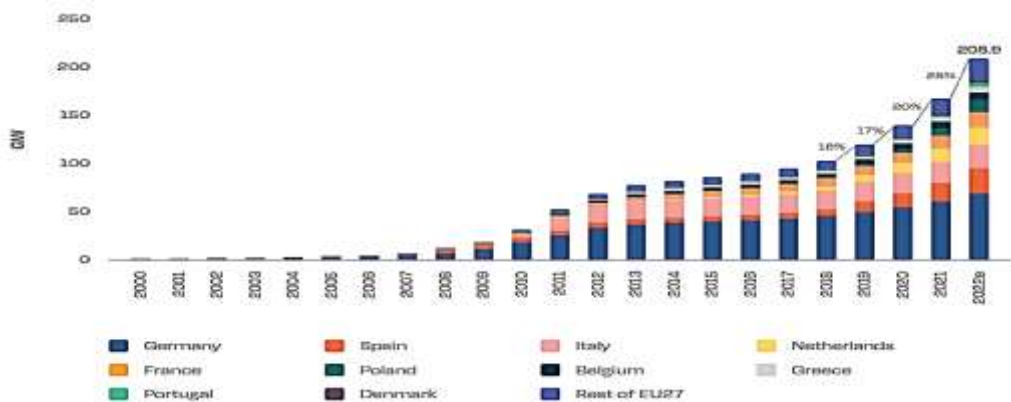
Outlook to 2030: the projected trends indicate that the total installed capacity of photovoltaic solar energy will multiply 4.4x to 920 GW (Tacc of 20.4%). For its part, in the optimistic scenario anticipates that the total installed capacity will multiply 5.7x with a Tacc of 24.2%, while in the pessimistic scenario the total photovoltaic solar capacity increases 3.6x (750 GW) with a rate of 17.3% (Cagr).

Total installed capacity (GW)



Fuente: Solar Power Europe

Total PV Solar Capacity Installed

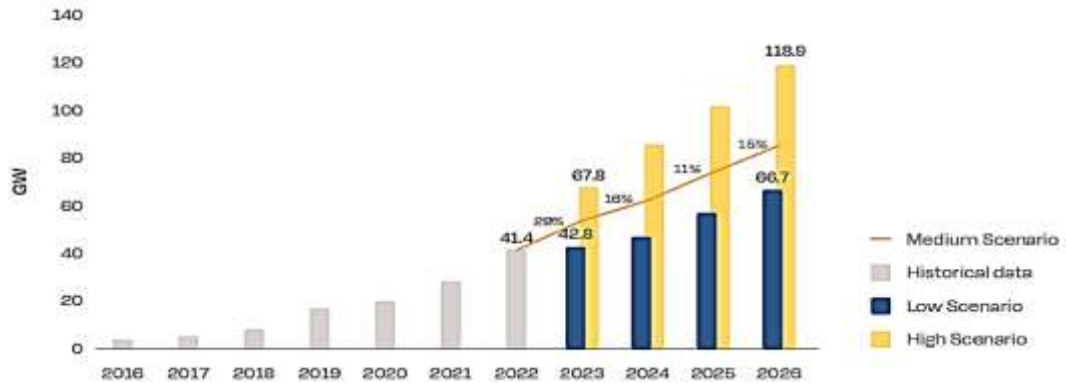


Fuente SolarPower Europe

The New PV Installed Capacity grows by 2.1x

Regarding the new installed annual capacity of photovoltaic solar energy, it is estimated that it reached 41.4 GW in 2022 and that in 2023 it will rise to 50 GW. In 2026, new installed capacity is projected to multiply 2.1x to a total of 88.2 GW (baseline scenario) with a cumulative annual growth of 20.8%, while in the optimistic scenario (118.9 GW) it would be multiplied by 2.9x with a growth rate of 30.2% and in the pessimistic scenario (66.7 GW) it would increase by 1.6x, with a CAGR of 12.7%.

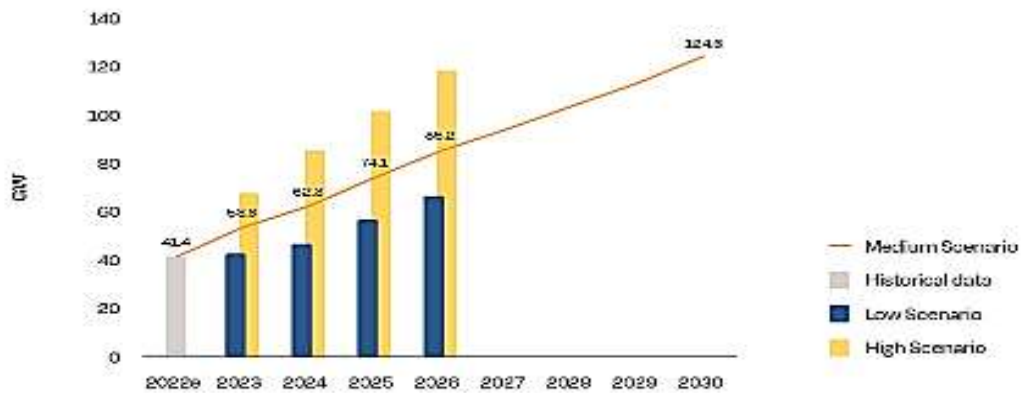
New Installed Capacity GW



Source: SolarPower Europe (EU Market Outlook)

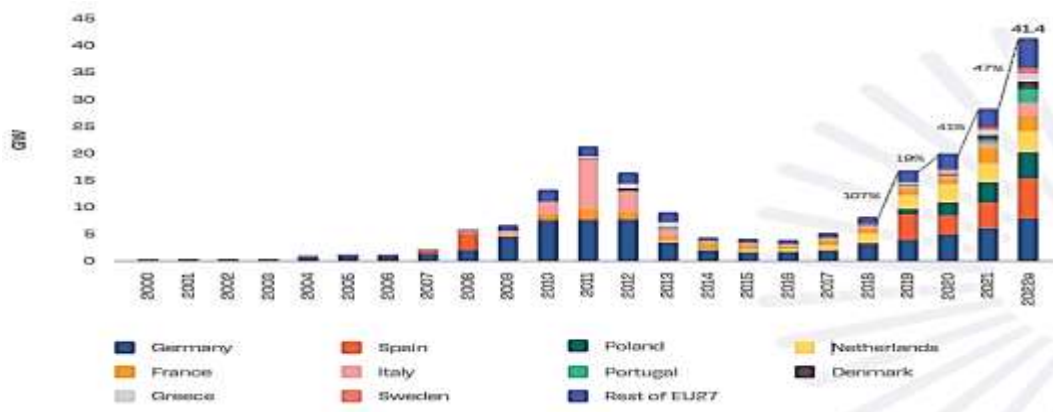
Looking ahead to 2030, we only have the projection of the central scenario that reaches 124.5 GW of new installed capacity and that implies multiplying 2.1x the *new* annual installed potential of 2022 and a cumulative annual growth of 14.8%.

New Installed Capacity



Fuente: SolarPower Europe (EU Market Outlook)

NEW PV Solar Capacity Installed by countries



Fuente SolarPower Europe

Spain one of the most dynamic markets and second in the EU

In the environment described above, Spain would be one of the most dynamic PV markets, because it is not only the market that experiences the greatest revision in the projections for 2026 (from 48.3 GW to 77.7 GW), but also its cumulative growth increases to +30.9% Cagr from the previous 20.5% (Jun'22).

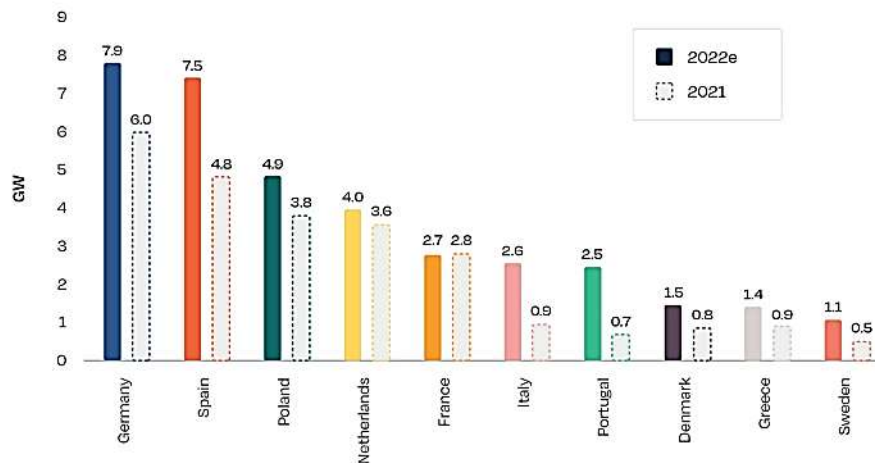
Installed Capacity of Photovoltaic Solar Energy by countries 2022-2026

PAÍS	2022 Total Capacity (*) (GW)	2026 Total Capacity (*) (GW)	Capacity 2023-2026	Growth (x)	TACC (%)
Germany	68,4	131,0	62,6	1,9x	17,6%
Spain	26,5	77,7	51,2	2,9x	30,9%
Poland	12,6	34,4	21,8	2,7x	28,5%
Italy	24,6	45,5	20,9	1,8x	16,6%
Netherlands	18,0	37,3	19,3	2,1x	20,0%
France	16,2	34,6	18,4	2,1x	20,9%
Greece	5,5	15,9	10,4	2,9x	30,4%
Portugal	4,2	14,5	10,3	3,5x	36,3%
Sweden	2,7	10,5	7,8	3,9x	40,4%
Austria	3,7	10,4	6,7	2,8x	29,5%
Romania	1,9	8,0	6,1	4,2x	43,2%
Ireland	0,5	6,5	6,0	13,0x	(1)
Denmark	3,9	9,5	5,6	2,4x	24,9%
Belgium	7,9	13,0	5,1	1,6x	13,3%
Hungary	3,9	9,0	5,1	2,3x	23,3%
Agregado	200,5	457,8	257,3	2,3x	22,9%

Source: SolarPower Europe (EU Market Outlook) / (1) Tacc 90%.

In 2022, Germany repeats as the largest photovoltaic solar market in Europe after installing 7.9 GW, followed by Spain with 7.5 GW installed in new capacity, Poland with 4.9 GW, the Netherlands adds 4.0 GW and France with 2.7GW.

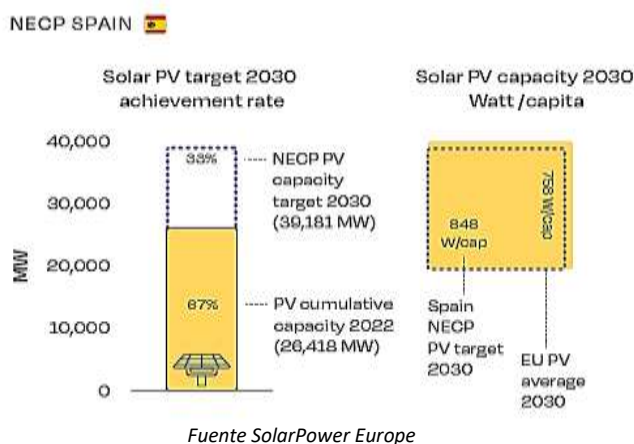
EU New installed capacity in 2022 (Top 10 markets)



Source SolarPower Europe

SolarPower Europe vs PNIEC divergence and next review in 2023

The table below reflects the perspectives of the optimistic scenario of the PNIEC (Spanish National Integrated Energy and Climate Plan of 2021) and that we consider outdated, when compared with the projections of SolarPower Europe. The next revision of the European National Energy and Climate Plans (PNIEC) is scheduled for June 2023.



Some of the discrepancies are explained due to the events that have occurred since the PNIEC was published in 2021 and among them, a less demanding regulation and greater ease for photovoltaic solar energy installations to connect surpluses to the grid (largest distance between the self-consumption points and the facilities, which is increased to 2 km after the revision of the initial 0.5 km which was increased to 1,0 km last October). Also overcoming bottlenecks in the production chain and that it is currently in a phase in which COVID was left behind.

Integrated National Energy and Climate Plan 2021 (Base scenario)

PNIEC	2015	2020	2025	2030	2020/25	2020/30
					Tacc	Tacc
Solar fotovoltaica	4.854	9.071	21.713	39.181	19,1%	15,8%
% s/ total	4,5%	8,1%	16,2%	24,4%		

Elaborated GPM

25.5% increase in Target Price to €39.40 vs. €31.40

After adjusting for the rollover effect, we place EiDF's fair value at €39.40 per share, which represents a 25.5% improvement over the previous valuation of €31.40.

Company valuations are not usually subject to significant revisions due to the “rollover” effect (base effect), but in the case of EiDF it does have a relevant impact. The new EBITDA reference for the year 2023E (€187m) multiplies 2.6x previous €73m (2022E). For its part, the estimated residual EBITDA for 2027 of €293m is 7.7% higher than vs previous figure of €272m (2026). With respect to the possible scenarios with which we prepare our estimates, the valuation of EiDF remains in a range that goes from €48.20 per share (optimistic) and €29.29 (pessimistic).

Summary of Valuation

Escenario	DCF	DCF	Peers	valor / acción	Prima	Potencial
	Perpetuity	EV/EBITDA			(descuento)	
Base case	€ 42,88	€ 40,61	€ 34,72	€ 39,40	(26,1)%	35,4%
Best case	€ 51,02	€ 47,96	€ 45,20	€ 48,06	(39,4)%	65,2%
Weak case	€ 34,82	€ 33,37	€ 19,69	€ 29,29	(0,7)%	0,7%

Elaborated GPM

As has been commented in previous notes, for EiDF we believe that the arguments would be more in favor of betting on an EiDF valuation between the maximum (€48.06) and the average (€39.40) and less for the inverse case (minimum/average), based on the fact that after 2029 we expect revenues to increase above 14%.

Peer Rating (€ 34,72)

Considering that the valuation by peers is subject to the volatility of the markets, it also offers a good point of reference against the valuations by DCF, especially when these present significant increases in revenue.

The last time we visited EIDF's peers, by this method we assigned this company a value per share of €29.84. At the time, it was commented that the comparable was obtained in a period in which the stock market multipliers were the least illustrative of 2022. Not like in the first days of 2023, in which it seems that stock market ratios are normalizing (closer to the historical averages).

Peers Valuation

	LTM				Year 1 Forecast - Calendar Year				Year 2 Forecast - Calendar Year			
	EV / Revenue	EV / EBITDA	EV / EBIT	P/E	EV / Revenue	EV / EBITDA	EV / EBIT	P/E	EV / Revenue	EV / EBITDA	EV / EBIT	P/E
Median	4,7x	20,3x	25,1x	30,8x	3,3x	11,4x	14,5x	21,5x	2,6x	7,8x	10,3x	16,1x
High	6,6x	22,8x	32,6x	59,6x	4,4x	14,2x	17,8x	26,0x	4,1x	10,7x	14,1x	18,2x
Low	1,9x	9,7x	13,1x	16,5x	1,4x	7,1x	9,0x	10,7x	1,1x	5,0x	6,4x	11,6x
Comps-derived value												
Median €34,72												
Valor de Empresa	1.708,2	1.482,6	1.427,9	1.289,9	1.974,6	2.086,5	2.357,6	2.572,4	1.903,1	1.685,1	1.965,7	1.346,5
Deuda neta	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)
Valor de Mercado	1.730,3	1.504,7	1.450,0	1.312,0	1.996,7	2.108,6	2.379,7	2.594,5	1.925,2	1.707,2	1.987,8	1.368,6
Accs.circulación	57,8	57,8	57,8	57,8	57,85	57,85	57,85	57,85	57,85	57,85	57,85	57,85
Valor/ acción	€ 29,91	€ 26,01	€ 25,07	€ 22,68	€ 34,52	€ 36,45	€ 41,14	€ 44,85	€ 33,28	€ 29,51	€ 34,36	€ 23,66
Promedio								€ 39,24				€ 30,20
HIGH €45,20												
Valor de Empresa	2.370,6	1.663,5	1.860,8	2.513,8	2.644,3	2.591,4	2.893,2	3.119,4	2.947,1	2.310,9	2.707,8	1.525,8
Deuda neta	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)
Valor de Mercado	2.392,7	1.685,6	1.882,9	2.535,9	2.666,4	2.613,5	2.915,3	3.141,5	2.969,2	2.333,0	2.729,9	1.547,9
Accs.circulación	57,8	57,8	57,8	57,8	57,8	57,8	57,8	57,8	57,8	57,8	57,8	57,8
Valor/ acción	€ 41,4	€ 29,1	€ 32,5	€ 43,8	€ 46,1	€ 45,2	€ 50,4	€ 54,3	€ 51,3	€ 40,3	€ 47,2	€ 26,8
Promedio								€ 48,99				€ 41,40
LOW €19,69												
Valor de Empresa	676,8	705,5	744,1	681,2	851,8	1.292,7	1.462,9	1.267,9	779,4	1.091,1	1.225,4	966,2
Deuda neta	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)	(22,1)
Valor de Mercado	698,9	727,6	766,2	703,3	873,9	1.314,8	1.485,0	1.290,0	801,5	1.113,2	1.247,5	988,3
Accs.circulación	57,8	57,8	57,8	57,8	57,8	57,8	57,8	57,8	57,8	57,8	57,8	57,8
Valor/ acción	€ 12,1	€ 12,6	€ 13,2	€ 12,2	€ 15,1	€ 22,7	€ 25,7	€ 22,3	€ 13,9	€ 19,2	€ 21,6	€ 17,1
Promedio								€ 21,45				€ 17,94

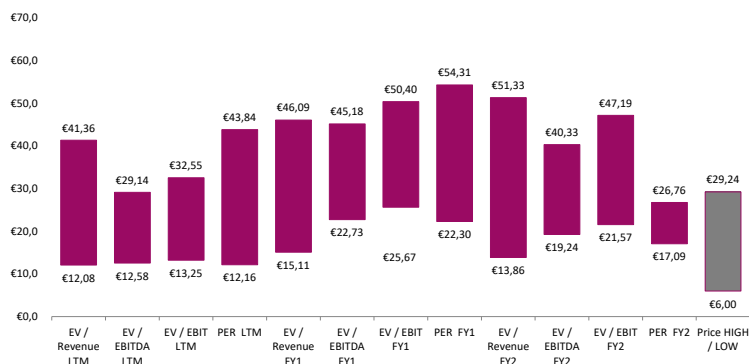
Elaborated GPM @ 9.01.2023.

EIDF Selected Peers

Empresa	Ticker	Last Twelve Months (LTM)				Year 1 Forecast - Calendar Year				Year 2 Forecast - Calendar Year			
		EV / Revenue	EV / EBITDA	EV / EBIT	P/E	EV / Revenue	EV / EBITDA	EV / EBIT	P/E	EV / Revenue	EV / EBITDA	EV / EBIT	P/E
EIDF	EIDF	4,6x	23,4x	25,7x	35,2x	3,4x	18,3x	19,8x	27,2x	2,5x	13,2x	14,2x	19,8x
Acciona Energías R	ANE	4,0x	9,4x	13,1x	18,5x	4,1x	9,5x	13,7x	19,1x	4,3x	9,5x	14,3x	20,4x
Audax	ADX	0,5x	21,0x	34,4x	65,8x	0,5x	16,5x	23,6x	38,6x	0,6x	13,3x	18,1x	18,4x
Ecoener	ENER	5,9x	8,7x	12,3x	13,1x	3,2x	4,3x	5,3x	5,2x	2,7x	3,6x	4,6x	4,6x
Grenergy	GRE	6,8x	20,6x	27,3x	41,0x	4,5x	11,1x	14,5x	21,1x	3,5x	7,3x	9,7x	16,0x
Soltec	SOL	1,2x	35,9x	49,8x	79,0x	1,0x	11,7x	14,6x	22,6x	1,0x	8,3x	10,9x	16,2x
Enerside	ENRS	4,9x	88,4x	155,5x	265,0x	2,6x	11,9x	15,1x	34,2x	1,5x	4,8x	5,9x	12,1x
Holaluz-Clidom	HLZ	0,2x	8,8x	13,0x	15,9x	0,2x	5,6x	6,9x	7,9x	0,2x	3,7x	4,3x	4,8x
Solaria	SLR	17,7x	20,0x	24,5x	26,4x	12,5x	14,9x	18,7x	21,9x	10,0x	11,1x	14,1x	17,6x
Opdenergy	OPDE	8,3x	10,3x	11,1x	11,0x	5,2x	6,3x	7,5x	7,5x	4,6x	5,7x	7,8x	11,5x
MAX		17,7x	88,4x	155,5x	265,0x	12,5x	18,3x	23,6x	38,6x	10,0x	13,3x	18,1x	20,4x
MIN		0,2x	8,7x	11,1x	11,0x	0,2x	4,3x	5,3x	5,2x	0,2x	3,6x	4,3x	4,6x
MEDIAN		4,7x	20,3x	25,1x	30,8x	3,3x	11,4x	14,5x	21,5x	2,6x	7,8x	10,3x	16,1x
75th Percentile		6,6x	22,8x	32,6x	59,6x	4,4x	14,2x	17,8x	26,0x	4,1x	10,7x	14,1x	18,2x
25th Percentile		1,9x	9,7x	13,1x	16,5x	1,4x	7,1x	9,0x	10,7x	1,1x	5,0x	6,4x	11,6x
AVERAGE		5,4x	24,7x	36,7x	57,1x	3,7x	11,0x	14,0x	20,5x	3,1x	8,1x	10,4x	14,1x
AVG ex EIDF		5,5x	24,8x	37,9x	59,5x	3,8x	10,2x	13,3x	19,8x	3,1x	7,5x	10,0x	13,5x
EIDF		4,6x	23,4x	25,7x	35,2x	3,4x	18,3x	19,8x	27,2x	2,5x	13,2x	14,2x	19,8x

Elaborated GPM / Fuente Bloomberg @ 9.02.2023.

Summary Peers Valuation



Elaborated GPM @ 9.02.2023.

Valuation by DCF (€41.77)

Compared to the previous valuation exercise (Nov 2022 @ €32.18), we increased our DCF valuation by 29.8%. We consider that EIDF grows in the long term above the Spanish economy (2%-2.25%) and for this reason we apply a "g" rate of 3.0%. In previous notes, we have anticipated the probability of applying a higher "g" rate, since it would result in assumable implicit EV/EBITDA of no more than 15x.

Implied EV/EBITDA

Crecimiento perpetuidad "g"	EV/EBITDA implícito
2,0%	8,8x
3,0%	10,1x
3,5%	10,8x
4,0%	11,7x
5,0%	14,0x

Elaborated GPM

We have adjusted the EV/EBITDA residual multiplier to 11.0x vs. 12.0x previously. This indicator implies a perpetuity growth rate of 2.43%, which is somewhat lower than what is estimated in the DCF exercise for perpetuity growth (g rate of 3.0%).

Enterprise Value Assessment

Perpetuity approach		Exit EBITDA multiple approach	
Normalized FCF in last forecast period (t)	189,4	Terminal year EBITDA	292,8
Normalized FCF ^{t+1}	195,1	Terminal value EBITDA multiple	11,0x
Long term growth rate (g)	3,00%	Terminal value	3.221
Terminal value	3.417,4	Present value of terminal value	2.144,6
Present value of terminal value	2.275,8	Present value of stage 1 cash flows	186,4
Present value of stage 1 cash flows	186,4	Enterprise value	2.331,1
Enterprise value	2.462,2	Implied TV perpetual growth rate	2,43%
Implied TV exit EBITDA multiple	11,7x		

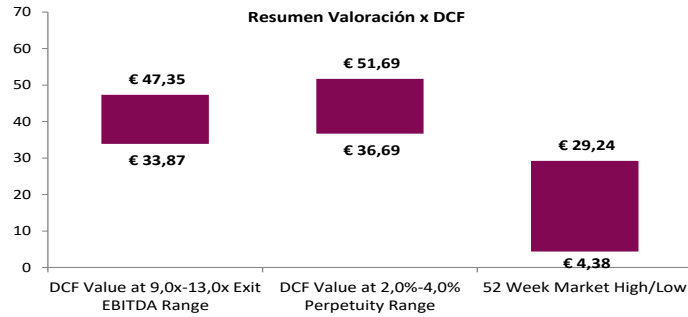
Elaborated GPM

The result of the valuations per DCF is summarized in an average value of €41.77 per share as can be seen in the following table.

Estimated Market Value

Fair value per share	Estimated Market Value	
	Perpetuity	EBITDA
Enterprise value	2.462,2	2.331,1
Less: Net debt	22,6	22,6
Less: Trapped cash	(3,0)	(3,0)
Equity value	2.481,8	2.350,6
Diluted shares	57,847	57,847
Equity value per share	€ 42,90	€ 40,64
Market premium / (discount) to fair value	(32,2%)	(28,4%)
	Promedio	€ 41,77

Elaborated GPM



Weighted Average Cost of Capital (WACC)

The same reference is practically reiterated with 14.42% compared to the previous 14.33%. In relation to the risk-free rate (10-year bond), we reiterate 3.50% as a reference. As far as the Beta is concerned, the same of 1,205 vs 1,203 (previous) applies.

Cost of Capital Calculation

Cost of capital assumptions	
Cost of debt	4,00%
Tax rate	25,0%
After tax cost of debt	3,00%
Risk free rate	3,50%
Beta	1,213
Market risk premium	9,00%
Cost of equity	14,42%

Elaborated GPM

Capital Weights

We opted to assign a theoretical weighting of 50% to the group's debt, which is reflected in a weighted cost (WACC) of the capital of 8.71%, which is the reference rate we apply for discounted cash flows.

Weighted Average Cost of Capital (WACC)

Capital weights				
	Amount	Weight	Override	% of total
Market value of equity	1.656,7	101%	50%	50%
Net debt	(22,6)	(1%)	50%	50%
Cost of capital (WACC)				8,71%

Elaborated GPM

DCF Sensitivity Analysis

		Equity value per share					Equity value per share							
		Long term growth rate (g):					Long term growth rate (g):							
		2,0%	2,5%	3,0%	3,5%	4,0%	2,0%	2,5%	3,0%	3,5%	4,0%	WACC		
WACC	€ 42,90						€ 2.482							
	11,0%	25,68	27,11	28,71	30,53	32,62	11,0%	1.485	1.568	1.661	1.766	1.887		
	10,0%	29,69	31,57	33,73	36,22	39,12	10,0%	1.717	1.826	1.951	2.095	2.263		
	8,71%	36,71	39,56	42,90	46,89	51,72	8,71%	2.124	2.288	2.482	2.712	2.992		
	8,0%	41,89	45,57	49,99	55,39	62,15	8,0%	2.423	2.636	2.892	3.204	3.595		
	7,0%	51,77	57,37	64,37	73,37	85,37	7,0%	2.995	3.319	3.723	4.244	4.938		
		Equity value per share					Equity value per share							
		Exit EBITDA Multiple					Exit EBITDA Multiple							
		9,0x	10,0x	11,0x	12,0x	13,0x	9,0x	10,0x	11,0x	12,0x	13,0x	WACC		
WACC	€ 40,64						€ 2.351							
	11,0%	30,76	33,80	36,85	39,89	42,94	12,0%	1.779	1.955	2.132	2.308	2.484		
	10,0%	32,08	35,26	38,44	41,63	44,81	11,0%	1.856	2.040	2.224	2.408	2.592		
	8,71%	33,89	37,27	40,64	44,01	47,38	10,46%	1.961	2.156	2.351	2.546	2.741		
	8,0%	34,94	38,42	41,90	45,38	48,86	9,0%	2.021	2.223	2.424	2.625	2.826		
	7,0%	36,49	40,13	43,78	47,42	51,06	8,0%	2.111	2.322	2.532	2.743	2.953		

Elaborated GPM

DCF valuation according to EBITDA 2027 achievement

		Exit EBITDA Multiple			
EBITDA	€ 40,64	9,0x	10,0x	11,0x	12,0x
90%	263,5	€ 30,86	€ 33,89	€ 36,93	€ 39,96
95%	278,1	€ 32,38	€ 35,58	€ 38,78	€ 41,98
100%	292,8	€ 33,89	€ 37,27	€ 40,64	€ 44,01
105%	307,4	€ 35,41	€ 38,95	€ 42,49	€ 46,03
110%	322,1	€ 36,93	€ 40,64	€ 44,34	€ 48,05

Elaborated GPM

Attractive IRR of 26.9%

With a multiplier of 11.0x and after reviewing our estimates for the EIDF, we obtain a three-year IRR of 26.9%, which is an improvement on the 20.7% of the previous year. In the coming months we do not rule out that the revisions for EIDF may be upwards due to an improvement in the outlook for photovoltaic solar energy in Spain, which in its case would make the returns shown in the table more sustainable.

EIDF IRR

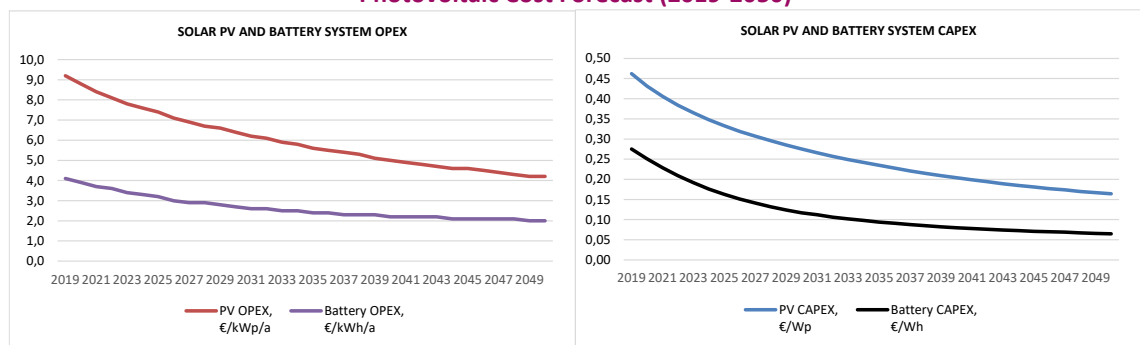
EV/EBITDA	Mkt Cap (€m) feb 2023	EBITDA 2023E	EBITDA 2024E	EBITDA 2025E	EV 2025E	TIR
13,0x	1.657	183,1	216,2	246,9	3.806,0	31,3%
12,0x	1.657	183,1	216,2	246,9	3.534,2	29,1%
11,0x	1.657	183,1	216,2	246,9	3.262,3	26,9%
10,0x	1.657	183,1	216,2	246,9	2.990,4	24,6%
9,0x	1.657	183,1	216,2	246,9	2.718,6	22,0%
8,0x	1.657	183,1	216,2	246,9	2.446,7	19,3%

Elaborated GPM

Annex: 5 Challenges for 2023 (SolarPower Europe)

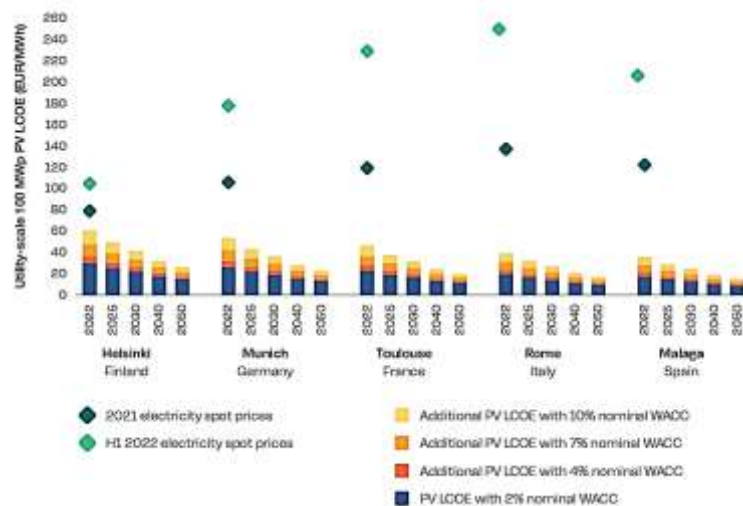
1. **Drastically increase the PV installers.** In 2022, many more Europeans could have become independent from gas imports if there had been more qualified technicians to install and connect their solar systems to the grid. Fixing the bottleneck of the highest priority installation is one of the challenges for 2023 and beyond.
2. **Regulatory stability.** While Europeans want PV energy, and investors are ready, misguided signals from administrations could significantly slow down solar's gigantic momentum.
3. **Access to the Network:** Solar PV stakeholders are increasingly reporting grid connection issues, both at the transmission and distribution level. This challenge must be taken seriously and allow flexibility by setting energy storage targets for 2030.
4. **Streamline administrative procedures.** Solar energy faces administrative challenges. To absorb future solar power plants, planning and authorization/permitting procedures need to improve.
5. **Strengthening access to organic and reliable production.** Europe must be able to develop solar energy sustainably and from reliable supply chains. A strong home solar industry, at the center of a diversified global solar supply chain, is critical.

Photovoltaic Cost Forecast (2019-2050)



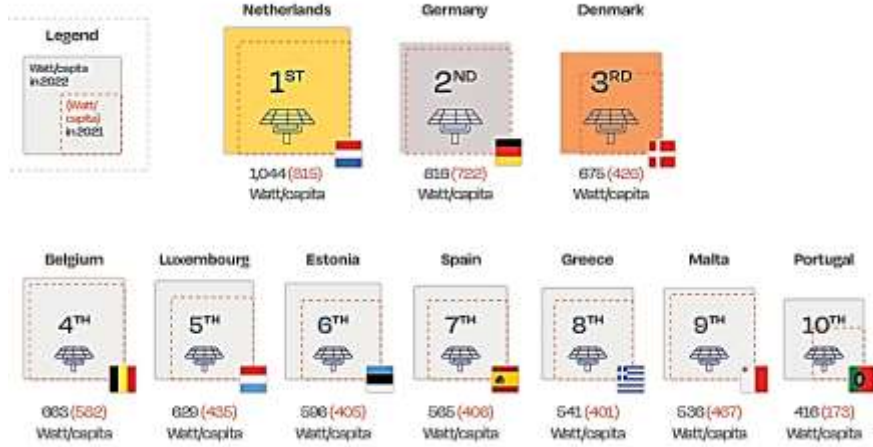
Elaborated GPM / Fuente Wiley Photovoltaics

Photovoltaic Electricity Cost



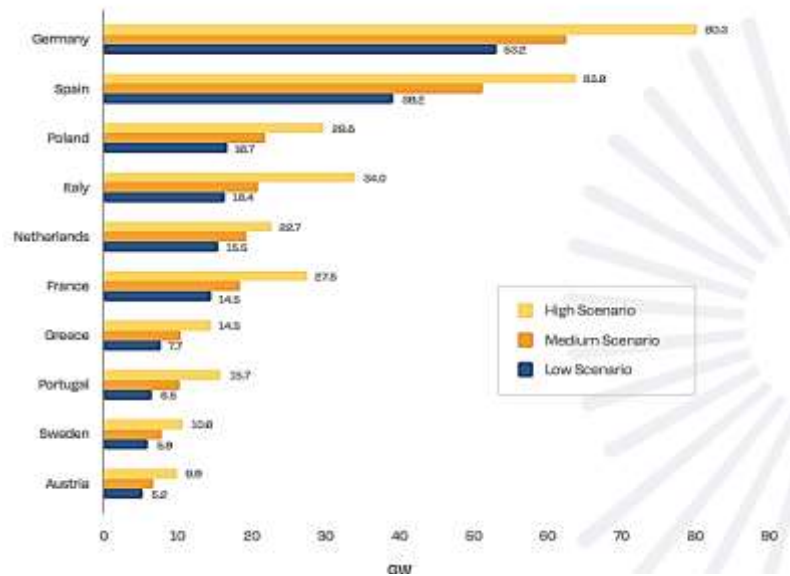
Fuente Solar Powe Europe

Solar Installed capacity per capita



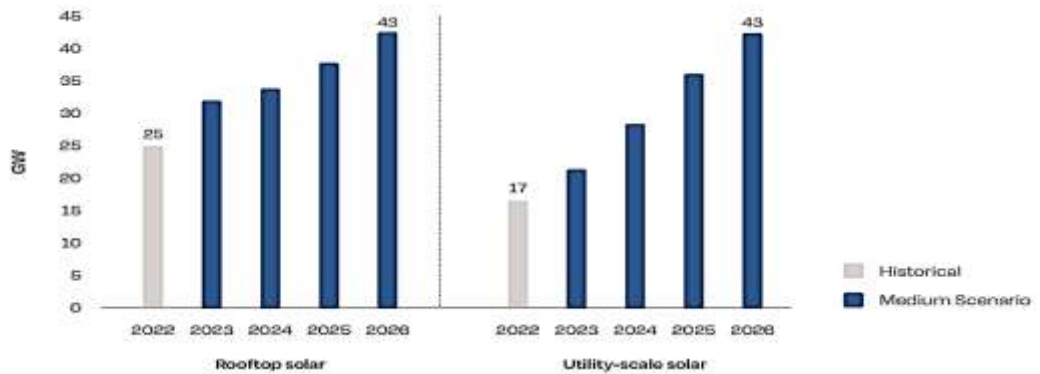
Source SolarPower Europe

New installed capacity



Fuente SolarPower Europe







EU27: New installed capacity
Rooftop Utility Scale



Source SolarPower Europe

Financial Information

Consolidated Results

Fiscal year	2021A	2022E	2023E	2024E	2025E	2026E	2027E	
Fiscal year end date	31.dic.21	31.dic.22	31.dic.23	31.dic.24	31.dic.25	31.dic.26	31.dic.27	Trend
Revenue	45,79	360,00	602,00	725,00	845,00	950,00	1.045,00	
Cost of sales	(31,45)	(264,82)	(373,24)	(449,50)	(523,90)	(589,00)	(647,90)	
Gross Profit	14,34	95,18	228,76	275,50	321,10	361,00	397,10	
Research & development	(1,68)	(17,97)	(30,10)	(38,43)	(47,32)	(56,05)	(64,79)	
Selling, general & adm.	(2,37)	(20,21)	(36,12)	(45,68)	(55,77)	(65,55)	(75,24)	
Operating profit (EBIT)	10,29	57,00	162,54	191,40	218,01	239,40	257,07	
Interest income	0,00	0,75	2,39	5,10	7,35	9,45	11,70	
Interest expense	(0,82)	(1,04)	(3,26)	(5,69)	(9,20)	(10,30)	(10,97)	
Other expense	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Pretax profit	9,46	56,71	161,67	190,81	216,16	238,55	257,80	
Taxes	(1,93)	(13,61)	(40,42)	(47,70)	(54,04)	(59,64)	(64,45)	
Minority Int. in Earnings	(0,13)	(0,55)	(0,55)	(0,65)	(0,73)	(0,81)	(0,88)	
Net income	7,40	42,55	120,70	142,46	161,39	178,10	192,47	
Basic shares outstanding (avg)	57,85	57,85	57,85	57,85	57,85	57,85	57,85	
Impact of dilutive securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Diluted shares outstanding	57,85	57,85	57,85	57,85	57,85	57,85	57,85	
Basic EPS	€ 0,13	€ 0,74	€ 2,09	€ 2,46	€ 2,79	€ 3,08	€ 3,33	
Diluted EPS	€ 0,13	€ 0,74	€ 2,09	€ 2,46	€ 2,79	€ 3,08	€ 3,33	
<u>Growth rates & margins</u>								
Revenue growth	142,9%	686,2%	67,2%	20,4%	16,6%	12,4%	10,0%	
Gross profit as % of sales	31,3%	26,4%	38,0%	38,0%	38,0%	38,0%	38,0%	
R&D margin	3,7%	5,0%	5,0%	5,3%	5,6%	5,9%	6,2%	
SG&A margin	5,2%	5,6%	6,0%	6,3%	6,6%	6,9%	7,2%	
Tax rate	20,4%	24,0%	25,0%	25,0%	25,0%	25,0%	25,0%	
<u>EBITDA reconciliation</u>								
Depreciation & amortization	0,19	16,00	20,57	24,77	28,87	32,46	35,70	
EBITDA	10,47	73,00	183,11	216,17	246,88	271,86	292,77	
margin		20,3%	30,4%	29,8%	29,2%	28,6%	28,0%	

elaborated GPM

EiDF: Consolidated Results

Fiscal year	2021A	2022E	2023E	2024E	2025E	2026E	2027E
<i>Vertical analysis</i>	<i>31.dic.21</i>	<i>31.dic.22</i>	<i>31.dic.23</i>	<i>31.dic.24</i>	<i>31.dic.25</i>	<i>31.dic.26</i>	<i>31.dic.27</i>
Revenue	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Cost of sales	(68,7)%	(73,6)%	(62,0)%	(62,0)%	(62,0)%	(62,0)%	(62,0)%
Gross Profit	31,3%	26,4%	38,0%	38,0%	38,0%	38,0%	38,0%
Research & development	(3,7)%	(5,0)%	(5,0)%	(5,3)%	(5,6)%	(5,9)%	(6,2)%
Selling, general & adm.	(5,2)%	(5,6)%	(6,0)%	(6,3)%	(6,6)%	(6,9)%	(7,2)%
Operating profit (EBIT)	22,5%	15,8%	27,0%	26,4%	25,8%	25,2%	24,6%
Interest income	0,0%	0,2%	0,4%	0,7%	0,9%	1,0%	1,1%
Interest expense	(1,8)%	(0,3)%	(0,5)%	(0,8)%	(1,1)%	(1,1)%	(1,0)%
Other expense	-	-	-	-	-	-	-
Pretax profit	20,7%	15,8%	26,9%	26,3%	25,6%	25,1%	24,7%
Taxes	(4,2)%	(3,8)%	(6,7)%	(6,6)%	(6,4)%	(6,3)%	(6,2)%
Minority Int. in Earnings	NA	(2,9)%	(1,2)%	(0,2)%	(0,1)%	(0,1)%	(0,1)%
Net income	16,2%	11,8%	20,0%	19,6%	19,1%	18,7%	18,4%
EBITDA	22,9%	20,3%	30,4%	29,8%	29,2%	28,6%	28,0%

EiDF

Fiscal year	2021A	2022E	2023E	2024E	2025E	2026E	2027E
<i>Horizontal analysis</i>	<i>31.dic.21</i>	<i>31.dic.22</i>	<i>31.dic.23</i>	<i>31.dic.24</i>	<i>31.dic.25</i>	<i>31.dic.26</i>	<i>31.dic.27</i>
Revenue	142,9%	686,2%	67,2%	20,4%	16,6%	12,4%	10,0%
Cost of sales	143,1%	742,0%	40,9%	20,4%	16,6%	12,4%	10,0%
Gross Profit	142,5%	563,8%	140,3%	20,4%	16,6%	12,4%	10,0%
Research & development	8,3%	970,5%	67,5%	27,7%	23,1%	18,4%	15,6%
Selling, general & adm.	(4,5)%	752,0%	78,7%	26,5%	22,1%	17,5%	14,8%
Operating profit (EBIT)	447,7%	454,1%	185,2%	17,8%	13,9%	9,8%	7,4%
Interest income	#iDIV/0!	0,0%	220,2%	113,6%	44,1%	28,6%	23,8%
Interest expense	57,0%	26,0%	214,5%	74,6%	61,6%	11,9%	6,5%
Other expense	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Pretax profit	599,0%	499,1%	185,1%	18,0%	13,3%	10,4%	8,1%
Taxes	408,7%	604,0%	197,0%	18,0%	13,3%	10,4%	8,1%
Minority Int. in Earnings	(799,0)%	307,7%	-	18,0%	13,3%	10,4%	8,1%
Net income	644,6%	475,2%	183,7%	18,0%	13,3%	10,4%	8,1%
Depreciation & amortization	95,8%	8.535,9%	28,6%	20,4%	16,6%	12,4%	10,0%
EBITDA	430,8%	597,0%	150,8%	18,1%	14,2%	10,1%	7,7%

elaborated GPM

Consolidated Balance Sheet

Fiscal year	2021A	2022E	2023E	2024E	2025E	2026E	2027E	
Fiscal year end date	12.31.21	12.31.22	12.31.23	12.31.24	12.31.25	12.31.26	12.31.27	Trend
Cash & equivalents ST & LT Mkt. s	34,73	61,00	130,00	210,00	280,00	350,00	430,00	
Accounts receivable	7,99	48,70	74,22	89,38	104,18	117,12	128,84	
Inventory	6,61	19,50	27,99	33,71	39,29	44,18	48,59	
Deferred tax assets	0,50	1,74	3,24	4,74	6,24	7,74	9,24	
Other current assets (inc. non-tra	1,20	15,46	20,46	25,46	30,46	35,46	40,46	
Property, plant & equipment	13,18	16,50	75,20	145,88	228,27	320,90	422,78	
Acquired intangible assets (inc. G	1,39	45,70	59,75	76,66	96,38	118,55	142,93	
Other assets	11,96	13,00	13,00	13,00	13,00	13,00	13,00	
Total assets	77,55	221,60	403,85	598,84	797,82	1.006,94	1.235,84	
		39,0						
Accounts payable	5,76	62,80	66,47	84,54	103,78	122,56	141,30	
Accrued expenses & def rev. (cur	12,27	0,30	3,01	3,63	4,23	4,75	5,23	
Commercial paper / revolver	13,67	52,10	91,28	109,12	110,88	106,58	107,80	
Long term debt	21,30	37,20	52,20	67,20	82,20	97,20	112,20	
Other non-current liabilities	0,22	1,80	2,80	3,80	4,80	5,80	6,80	
Total liabilities	53,21	154,20	215,75	268,28	305,88	336,89	373,32	
Minority Interest	0,01	0,17	0,17	0,17	0,17	0,17	0,17	
Common stock / APIC	13,07	1,45	30,25	30,25	30,25	30,25	30,25	
Additional paid in capital	0,00	28,80	0,00	0,00	0,00	0,00	0,00	
Treasury stock	(0,47)	(2,42)	(2,42)	(2,42)	(2,42)	(2,42)	(2,42)	
Retained earnings / accumulated	11,73	36,90	157,60	300,06	461,44	639,55	832,02	
Other comprehensive income / (l	0,00	2,50	2,50	2,50	2,50	2,50	2,50	
Total equity	24,34	67,40	188,10	330,56	491,94	670,05	862,52	
<i>Balance check</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	
Ratios								
Net debt	0,24	28,30	13,48	(33,68)	(86,92)	(146,22)	(210,00)	
Gross Debt	34,97	89,30	143,48	176,32	193,08	203,78	220,00	
Asset turnover (Revenue / Tot. A:	0,59x	1,62x	1,49x	1,21x	1,06x	0,94x	0,85x	
Net profit margin	16,2%	11,8%	20,0%	19,6%	19,1%	18,7%	18,4%	
ROA (avg)	14,9%	28,4%	38,6%	28,4%	23,1%	19,7%	17,2%	
ROIC (avg)	12,5%	27,2%	36,4%	28,1%	23,6%	20,4%	17,8%	
ROE (avg)	49,6%	92,8%	64,2%	54,9%	39,2%	30,7%	25,1%	

elaborated GPM

EiDF €m	2021A	2022E	2023E	2024E	2025E	2026E	2027E
<i>Vertical analysis</i>	<i>31.dic.21</i>	<i>31.dic.22</i>	<i>31.dic.23</i>	<i>31.dic.24</i>	<i>31.dic.25</i>	<i>31.dic.26</i>	<i>31.dic.27</i>
Cash & equivalents ST & LT Mkt. se	44,8%	27,5%	32,2%	35,1%	35,1%	34,8%	34,8%
Accounts receivable	10,3%	22,0%	18,4%	14,9%	13,1%	11,6%	10,4%
Inventory	8,5%	8,8%	6,9%	5,6%	4,9%	4,4%	3,9%
Deferred tax assets	0,6%	0,8%	0,8%	0,8%	0,8%	0,8%	0,7%
Other current assets (inc. non-trad	1,5%	7,0%	5,1%	4,3%	3,8%	3,5%	3,3%
Property, plant & equipment	17,0%	7,4%	18,6%	24,4%	28,6%	31,9%	34,2%
Acquired intangible assets (inc. Go	1,8%	20,6%	14,8%	12,8%	12,1%	11,8%	11,6%
Other assets	15,4%	5,9%	3,2%	2,2%	1,6%	1,3%	1,1%
Total assets	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Accounts payable	7,4%	28,3%	16,5%	14,1%	13,0%	12,2%	11,4%
Accrued expenses & def rev. (curre	15,8%	0,1%	0,7%	0,6%	0,5%	0,5%	0,4%
Commercial paper / revolver	17,6%	23,5%	22,6%	18,2%	13,9%	10,6%	8,7%
Long term debt	27,5%	16,8%	12,9%	11,2%	10,3%	9,7%	9,1%
Other non-current liabilities	0,3%	0,8%	0,7%	0,6%	0,6%	0,6%	0,6%
Total liabilities	68,6%	69,6%	53,4%	44,8%	38,3%	33,5%	30,2%
Minority Interest	0,0%	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%
Common stock / APIC	16,9%	0,7%	7,5%	5,1%	3,8%	3,0%	2,4%
Additional paid in capital	-	13,0%	-	-	-	-	-
Treasury stock	(0,6)%	(1,1)%	(0,6)%	(0,4)%	(0,3)%	(0,2)%	(0,2)%
Retained earnings / accumulated d	15,1%	16,7%	39,0%	50,1%	57,8%	63,5%	67,3%
Other comprehensive income / (lo	0,0%	1,1%	0,6%	0,4%	0,3%	0,2%	0,2%
Total equity	31,4%	30,4%	46,6%	55,2%	61,7%	66,5%	69,8%
<i>Balance check</i>	<i>100,0%</i>	<i>100,0%</i>	<i>100,0%</i>	<i>100,0%</i>	<i>100,0%</i>	<i>100,0%</i>	<i>100,0%</i>

Elaborated GPM

Consolidated Cash Flow Statement

Fiscal year	2021A	2022E	2023E	2024E	2025E	2026E	2027E
Fiscal year end date	12.31.21	12.31.22	12.31.23	12.31.24	12.31.25	12.31.26	12.31.27
Net income	7,40	42,55	120,70	142,46	161,39	178,10	192,47
Depreciation and amortization	0,19	16,00	20,57	24,77	28,87	32,46	35,70
Stock based compensation	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Accounts receivable	(0,49)	(40,71)	(25,52)	(15,16)	(14,79)	(12,95)	(11,71)
Inventory	(5,01)	(12,89)	(8,49)	(5,72)	(5,58)	(4,88)	(4,42)
Accounts payable	(3,94)	57,04	3,67	18,08	19,23	18,79	18,74
Accrued expenses & def revenue	11,87	(11,97)	2,71	0,62	0,60	0,53	0,48
Other current assets (inc. non-tra	(1,00)	(14,26)	(5,00)	(5,00)	(5,00)	(5,00)	(5,00)
Deferred tax assets (DTAs)	0,00	(1,24)	(1,50)	(1,50)	(1,50)	(1,50)	(1,50)
Other assets	(11,26)	(1,04)	0,00	0,00	0,00	0,00	0,00
Other non current liabilities	(0,08)	1,58	1,00	1,00	1,00	1,00	1,00
Non-cash (PIK) interest	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Cash from operating activities	(2,33)	35,06	108,13	159,53	184,21	206,55	225,76
Capital expenditures	(5,91)	(40,00)	(78,26)	(94,25)	(109,85)	(123,50)	(135,85)
Purchases of intangible assets	(0,18)	(44,00)	(15,05)	(18,13)	(21,13)	(23,75)	(26,13)
Cash from investing activities	(6,09)	(84,00)	(93,31)	(112,38)	(130,98)	(147,25)	(161,98)
Long term debt	18,40	15,90	15,00	15,00	15,00	15,00	15,00
Common dividends	(1,00)	0,00	0,00	0,00	0,00	0,00	0,00
New share issuances	11,97	17,18	0,00	0,00	0,00	0,00	0,00
Share repurchases	(0,37)	(1,95)	0,00	0,00	0,00	0,00	0,00
Other comprehensive income / (l	(3,50)	2,50	0,00	0,00	0,00	0,00	0,00
Revolver	(2,90)	40,59	39,18	17,84	1,76	(4,30)	1,22
Cash from financing activities	22,60	74,21	54,18	32,84	16,76	10,70	16,22
Net change in cash during period	14,18	25,27	69,00	80,00	70,00	70,00	80,00

Elaborated GPM

Free Cash Flow Buildup

Fiscal year	2022E	2023E	2024E	2025E	2026E	2027E
Fiscal year end date	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	12/31/27
EBITDA	73,00	183,11	216,17	246,88	271,86	292,77
EBIT	57,00	162,54	191,40	218,01	239,40	257,07
tax rate	24,0%	25,0%	25,0%	25,0%	25,0%	25,0%
EBIAT (NOPAT)	43,32	121,91	143,55	163,51	179,55	192,80
Depreciation and amortization	16,00	20,57	24,77	28,87	32,46	35,70
Stock based compensation	0,00	0,00	0,00	0,00	0,00	0,00
Accounts receivable	(40,71)	(25,52)	(15,16)	(14,79)	(12,95)	(11,71)
Inventory	(12,89)	(8,49)	(5,72)	(5,58)	(4,88)	(4,42)
Accounts payable	57,04	3,67	18,08	19,23	18,79	18,74
Accrued expenses & def revenues	(11,97)	2,71	0,62	0,60	0,53	0,48
Other current assets (inc. non-trade receiv	(14,26)	(5,00)	(5,00)	(5,00)	(5,00)	(5,00)
Deferred tax assets (DTAs)	(1,24)	(1,50)	(1,50)	(1,50)	(1,50)	(1,50)
Other assets	(1,04)	0,00	0,00	0,00	0,00	0,00
Other non current liabilities	1,58	1,00	1,00	1,00	1,00	1,00
Unlevered CFO	35,83	109,34	160,63	186,34	207,99	226,09
Less: Capital expenditures	(40,00)	(78,26)	(94,25)	(109,85)	(123,50)	(135,85)
Less: Purchases of intangible assets	(44,00)	(15,05)	(18,13)	(21,13)	(23,75)	(26,13)
Unlevered FCF	(48,17)	16,03	48,25	55,36	60,74	64,11

Elaborated GPM

Free Cash Flow Trends

EIDF EUR	2022A	2023P	2024P	2025P	2026P	2027P
	12.31.22	12.31.23	12.31.24	12.31.25	12.31.26	12.31.27
Unlevered CFO	€ 35,8	€ 109,3	€ 160,6	€ 186,3	€ 208,0	€ 226,1
Annual FCF Growth Rate:	nm	205,2%	46,9%	16,0%	11,6%	8,7%
CapEx % Cash Flow from Operations:	114,1%	72,4%	59,1%	59,6%	59,8%	60,2%
CapEx % Revenue:	11,1%	13,0%	13,0%	13,0%	13,0%	13,0%
Net Cash Change as a % of Change in Revenue:	8,0%	28,5%	65,0%	58,3%	66,7%	84,2%
Net Cash Change as a % of Revenue:	7,0%	11,5%	11,0%	8,3%	7,4%	7,7%
Change in WC % CFO:	(65,0)%	(30,2)%	(4,5)%	(3,0)%	(1,7)%	(0,9)%
Levered Free Cash Flow:	€ 51,55	€ 84,05	€ 98,13	€ 91,13	€ 93,75	€ 106,13
Unlevered Free Cash Flow:	€ (48,17)	€ 16,03	€ 48,25	€ 55,36	€ 60,74	€ 64,11
Revenue Growth Rate:	686,2%	67,2%	20,4%	16,6%	12,4%	10,0%
Levered Free Cash Flow Growth:	609,6%	63,1%	16,7%	(7,1)%	2,9%	13,2%
Unlevered Free Cash Flow Growth:	(1.085,4)%	(133,3)%	201,0%	14,7%	9,7%	5,5%

Elaborated GPM

EiDF: Financial Ratios

Profitability	2022A	2023P	2024P	2025P	2026P	2027P
Return on Assets	28,4%	38,6%	28,4%	23,1%	19,7%	17,2%
Return on Capital	27,2%	36,4%	28,1%	23,6%	20,4%	17,8%
Return on Equity	92,8%	64,2%	54,9%	39,2%	30,7%	25,1%
ROE (DuPont)	50,5%	48,3%	31,0%	24,9%	20,9%	18,0%
Margin analysis	2022A	2023P	2024P	2025P	2026P	2027P
Gross Margin % sales	26,4%	38,0%	38,0%	38,0%	38,0%	38,0%
SG&A % sales	5,6%	6,0%	6,3%	6,6%	6,9%	7,2%
EBITDA Margin (avg)	36,0%	38,1%	32,6%	31,4%	30,3%	29,4%
EBIT Margin (avg)	28,1%	33,8%	28,8%	27,8%	26,7%	25,8%
Earnings Cont. Ops Margin	21,0%	25,1%	21,5%	20,6%	19,8%	19,3%
Net Income Margin (avg)	21,0%	25,1%	21,5%	20,6%	19,8%	19,3%
Normalized Net Income Margin	21,0%	25,1%	21,5%	20,6%	19,8%	19,3%
FCF % sales	nm	3,1%	7,1%	6,8%	6,6%	6,4%
Asset Turnover	2022A	2023P	2024P	2025P	2026P	2027P
Total Asset Turnover	2,41x	1,93x	1,45x	1,21x	1,05x	0,93x
Fixed Asset Turnover	24,3x	13,1x	6,6x	4,5x	3,5x	2,8x
Acc. Receivable Turnover	12,7x	9,8x	8,9x	8,7x	8,6x	8,5x
Inventory Turnover	20,3x	15,7x	14,6x	14,4x	14,1x	14,0x
Short Term Liquidity	2022A	2023P	2024P	2025P	2026P	2027P
Current Ratio	1,3x	1,6x	1,8x	2,1x	2,4x	2,6x
Quick Ratio	1,1x	1,4x	1,7x	1,9x	2,2x	2,4x
Cash Ratio	0,5x	0,8x	1,1x	1,3x	1,5x	1,69x
Solvency	2022A	2023P	2024P	2025P	2026P	2027P
Total Debt / Assets	0,40x	0,36x	0,29x	0,24x	0,20x	0,18x
Total Debt / Equity	1,32x	0,76x	0,53x	0,39x	0,30x	0,26x
Tot Equity / Assets	0,30x	0,47x	0,55x	0,62x	0,67x	0,70x
Liabilities / Equity	2,29x	1,15x	0,81x	0,62x	0,50x	0,43x
Total Debt / Capital	0,75x	0,51x	0,40x	0,32x	0,26x	0,23x
Total Debt / Assests	0,40x	0,36x	0,29x	0,24x	0,20x	0,18x
Net Debt / Equity	0,42x	0,07x	(0,10)x	(0,18)x	(0,22)x	(0,24)x
Net Debt / Capital	0,24x	0,05x	(0,08)x	(0,14)x	(0,19)x	(0,22)x
Net Debt / Assests	0,13x	0,03x	(0,06)x	(0,11)x	(0,15)x	(0,17)x
LT Debt / Equity	0,55x	0,28x	0,20x	0,17x	0,15x	0,13x
LT Debt / Capital	0,31x	0,19x	0,15x	0,14x	0,13x	0,12x
LT Debt / Assests	0,17x	0,13x	0,11x	0,10x	0,10x	0,09x
Finacial Leverage	30,4%	46,6%	55,2%	61,7%	66,5%	69,8%
EBIT / Interest Exp.	54,98x	49,85x	33,61x	23,70x	23,25x	23,4x
EBITDA / Interest Exp.	70,4x	56,2x	38,0x	26,8x	26,4x	26,7x
(EBITDA-CAPEX) / Interest Exp.	31,8x	32,2x	21,4x	14,9x	14,4x	14,3x
Total Debt/EBITDA	1,2x	0,8x	0,8x	0,8x	0,7x	0,8x
Net Debt/EBITDA	0,4x	0,1x	(0,2)x	(0,4)x	(0,5)x	(0,7)x
Tot Debt / EBIT	1,57x	0,88x	0,92x	0,89x	0,85x	0,86x
Net Debt / EBIT	0,5x	0,1x	(0,2)x	(0,4)x	(0,6)x	(0,8)x
CFO/ Total Debt	nm	0,8x	0,9x	1,0x	1,0x	1,0x

Elaborated GPM

DISCLAIMER (ESPAÑOL)

GPM es una entidad supervisada por la CNMV y adherida al Fondo de Garantía de Inversiones (Fogain). Toda la información incluida ha sido recopilada y elaborada de buena fe y de fuentes que consideramos fiables, pero GPM no realiza ninguna manifestación ni da ninguna garantía en cuanto a la integridad, veracidad y/o exactitud de estas, no responsabilizándose, por tanto, de ellas.

Las recomendaciones de GPM son comprar, vender y mantener. La recomendación de COMPRAR se emite para aquellas compañías en las que GPM espera una evolución mejor a la del mercado en un 10% o más en el plazo de un año (referencia Ibex 35 e Índice General de la Bolsa de Madrid para valores españoles), mientras que la de VENDER se emiten para aquellas compañías en las que se espera una evolución peor a la del mercado en un -10% o menos en el plazo de un año. La recomendación de MANTENER se emite para aquellas compañías en las que se espera una evolución similar a la del mercado en una horquilla de +/- 10%.

Este informe ha sido elaborado por GPM con la finalidad de proporcionar información general a la fecha de emisión del informe, y está sujeto a cambio sin previo aviso. GPM no asume compromiso alguno de comunicar dichos cambios ni de actualizar el contenido del presente documento. En ningún caso este documento contiene recomendaciones personalizadas como tampoco implica asesoramiento en materia de inversión, pues se ha elaborado con independencia de las circunstancias y objetivos financieros particulares de las personas que lo reciben. Ni el presente documento ni su contenido constituyen una oferta, invitación o solicitud de compra o suscripción de valores o de otros instrumentos o de realización o cancelación de inversiones.

Los inversores deben tomar sus propias decisiones de inversión, basadas en sus objetivos específicos de rentabilidad y riesgo. La recomendación de este informe podría no ser interesante para todos los inversores: el inversor que tenga acceso a este informe debe ser consciente de que los valores, instrumentos o inversiones mencionados en el mismo pueden no ser adecuados para sus objetivos de inversión específicos, su posición financiera o su perfil de riesgo. El inversor debe tener en cuenta que la evolución pasada de los valores o instrumentos o resultados históricos de las inversiones no garantiza la evolución o resultados futuros. GPM no asume responsabilidad alguna por cualquier pérdida directa o indirecta que pudiera resultar del uso de este documento o de su contenido. El precio de los valores e instrumentos y los resultados de las inversiones pueden fluctuar en contra del interés del inversor e incluso suponer la pérdida de la inversión inicial. Las transacciones en futuros, opciones y valores o instrumentos de alta rentabilidad pueden implicar grandes riesgos y no son adecuados para todos los inversores. De hecho, en ciertas inversiones, las pérdidas pueden ser superiores a la inversión inicial, siendo en estos casos necesario hacer aportaciones adicionales para cubrir la totalidad de dichas pérdidas. Por ello, con carácter previo a realizar transacciones en estos instrumentos, los inversores deben ser conscientes de su funcionamiento, de los derechos, obligaciones y riesgos que incorporan, así como de los propios valores subyacentes a los mismos. Podría no existir un mercado secundario para dichos instrumentos.

GPM, así como sus personas sujetas al Reglamento Interno de Conducta, pueden tener una relación comercial relevante con la compañía referida en el presente informe, tener posición directa o indirecta en cualesquiera de los valores o instrumentos emitidos por dicha compañía, negociando con dichos instrumentos incluso como proveedor de liquidez, tener intereses o llevar a cabo transacciones relacionadas con los mismos, con carácter previo o posterior a la publicación del presente informe. No obstante, GPM tiene establecidos procedimientos de actuación y medidas de control en el Reglamento Interno de Conducta para prevenir y evitar los conflictos de interés de sus personas sujetas. La política de conflictos de interés puede consultarse en la web corporativa de GPM (www.gpmbroker.com) y en nuestras oficinas. Entre estas medidas está la prohibición de operar por parte del analista o las personas sujetas que hayan colaborado en la confección del informe de operar en el valor objeto del análisis, o en instrumentos conexos, si tienen conocimiento de las fechas de difusión o del contenido probable del informe y esos datos no se han hecho públicos o no se han revelado a los clientes. De la misma forma el analista responsable del informe no podrá realizar operaciones personales con el instrumento financiero objeto del informe de modo contrario a la recomendación vigente en el mismo.

La remuneración del personal que ha elaborado estos informes no está vinculada, ni directa ni indirectamente, a las recomendaciones u opiniones expresadas en los mismos.

DISCLAIMER (ENGLISH)

GPM (Gestión de Patrimonios Inmobiliarios) is a company supervised by the CNMV (Spanish Stock Exchanges regulator) and a member of the Investment Guarantee Fund (Fogain). All the information included in this document has been compiled and prepared in good faith and from sources that we consider trustworthy, but GPM does not make any statement or give any assurance as to the integrity, veracity, and / or accuracy of these sources, not being responsible, therefore, for them.

GPM 's recommendations are BUY, SELL and HOLD. The recommendation to BUY is issued for those companies in which GPM expects a better performance to that of the market by 10% or more, within a year (reference indexes: Ibex35 and General Index of the Madrid Stock Exchange for Spanish), while that of SELL recommendations are issued for companies in which it is expected a worse performance than the market by -10% or more, in the term of one year. The HOLD recommendation is issued for those companies in which a similar performance to the general Spanish market is expected in a range of +/- 10%.

This report has been prepared by GPM for the purpose of providing general information as of the date of issuance of the report, and the information is subject to change without notice. GPM makes no commitment to communicate such modifications or to update the content of this document. In no case does this document contain personalized recommendations nor does it imply investment advice, since it has been prepared regardless of the circumstances and financial objectives of the individuals who receive it. Neither this document nor its contents constitute a recommendation, invitation, or solicitation to purchase or subscribe securities or other instruments or for the implementation or cancellation of investments.

Investors should make their own investment decisions, based on their specific profitability and risk objectives. The recommendation of this report might not be of interest to all investors: investors with access to this report should be aware that the securities, instruments, or investments mentioned in it may not be suitable for their specific investment objectives, their financial position, or their risk profile. The investor must bear in mind that the past performance of the securities or instruments or historical results of the investments does not guarantee the future performance or results. GPM assumes no responsibility for any direct or indirect loss that may result from the use of this document or its contents. The price of securities and instruments and the performance of investments can fluctuate against the interest of the investor and even entail the loss of the initial investment.

Trades in futures, options and high-return securities or other financial instruments can involve large risks and are not suitable for all investors. In fact, in certain investments, the losses may be higher than the initial investment, being in these cases necessary to make additional principal contributions to cover all these losses. Therefore, prior to making transactions in these financial instruments, investors should be aware of their procedure, the rights, obligations and risks they incorporate, as well as the underlying securities. There may be no secondary market for such instruments.

GPM, as well as its employees subject to the Internal Rules of Conduct, may have a relevant business relationship with the company referred to in this report, have a direct or indirect position in any of the securities or instruments issued by said company, trading with said instruments including as a liquidity provider, have interests or carry out transactions related to them, prior to or after the publication of this report. However, GPM has established procedures of conduct and control measures in the Internal Rules of Conduct to prevent and avoid conflicts of interest of the persons subject to the internal rules of conduct.

The conflict-of-interests policy can be consulted on the GPM corporate website (www.gpmbroker.com) and in our offices. These measures include the prohibition of trading for the analyst or subject persons who have collaborated in the preparation of the report, or in related instruments, if they are aware of the dates of dissemination or the probable content of the report and the data has not been made public or have not been disclosed to customers. In the same way, the analyst responsible for the report will not be able to carry out personal operations with the financial instrument object of the report in a manner contrary to the recommendation in force in it. Unless other thing indicated, the compensation of the staff who have prepared these reports is not linked, either directly or indirectly, to the recommendations or opinions expressed therein.

Gestión de Patrimonios Mobiliarios S.V. S.A. es una entidad independiente fundada en 1987 especializada en intermediación y gestión de activos financieros.

GPM es miembro de la Bolsa de Madrid, Bolsa de Barcelona, MAB y Latibex, legalmente autorizada para operar en los mercados bursátiles por la Comisión Nacional del Mercado de Valores con el número de registro 105.

GPM cuenta con cualificados profesionales que le ofrecerán un amplio rango de soluciones de inversión, tanto si es cliente particular como corporativo. Para ello, ponemos a su disposición nuestra larga experiencia en mercados financieros mundiales y nuestra atención personalizada con la que conoceremos las necesidades de inversión de cada uno de nuestros clientes. GPM tiene su sede central en Madrid y oficina en Barcelona, donde estaremos encantados de recibirle para darle una atención personalizada. Además, mantiene representantes legalmente autorizados en las principales ciudades españolas.

GPM ofrece a sus clientes multitud de servicios financieros para cubrir todas sus necesidades, contamos con el mejor equipo de especialistas en cada departamento con el que garantizar la calidad e independencia de nuestros servicio.

Gestión de Patrimonios Mobiliarios S.V. S.A. is an independent company founded in 1987 specialized in intermediation and management of financial assets.

GPM is a member of the Madrid Stock Exchange, Barcelona Stock Exchange, MAB and Latibex, legally authorized to operate in the stock markets by the National Securities Market Commission with registration number 105.

GPM has qualified professionals who will offer you a wide range of investment solutions, whether you are a private or corporate client. For this, we put at your disposal our long experience in global financial markets and our personalized attention with which we will know the investment needs of each of our clients. GPM has its headquarters in Madrid and office in Barcelona, where we will be happy to receive you to give you personalized attention. In addition, it maintains legally authorized representatives in the main Spanish cities.

GPM offers its clients a multitude of financial services to cover all their needs, we have the best team of specialists in each department with which to guarantee the quality and independence of our service.

913 191 684

info@gpmbroker.com

Calle de Montesa 38(Pasaje Martí) Local 1, 28006 Madrid

