

EcoLumber, S.A. (ECO) is a small national group based in Spain (Barcelona), specialised initially in the forestry business. The company has changed strategic direction, positioning itself in the food industry, as a vertically integrated Group, in the production, processing and sale of nuts. It is controlled by the Board of Directors (50.3% of capital)

Ana Isabel González García, CIIA – ana.gonzalez@lighthouse-ieaf.com
+34 915 904 226

Earlier break-even (2022e) would validate the project

Market Data

Market Cap (Mn EUR and USD)	28.4	33.6
EV (Mn EUR and USD) ⁽¹⁾	37.7	44.7
Shares Outstanding (Mn)	27.0	
-12m (Max/Med/Min EUR)	1.05 / 1.05 / 1.05	
Daily Avg volume (-12m Mn EUR)	n.a.	
Rotation ⁽²⁾	n.a.	
Factset / Bloomberg	ECO-ES / ECO SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)⁽⁷⁾

G3T SL	17.8
Onchena	12.8
Brinca 2004 SL	10.6
Acalios	7.3
Free Float	31.7

Financials (Mn EUR)

	2020	2021e	2022e	2023e
Adj. n° shares (Mn)	26.1	28.7	31.5	31.5
Total Revenues	15.3	18.3	20.7	25.7
Rec. EBITDA ⁽³⁾	-2.4	-1.0	0.0	1.0
% growth	-11.0	58.4	102.1	n.a.
% Rec. EBITDA/Rev.	n.a.	n.a.	0.1	3.8
% Inc. EBITDA sector ⁽⁴⁾	11.3	8.7	10.8	5.7
Net Profit	-4.7	-2.3	-1.2	-0.3
EPS (EUR)	-0.18	-0.08	-0.04	-0.01
% growth	-111.3	54.6	51.8	72.5
Ord. EPS (EUR)	-0.12	-0.07	-0.04	-0.01
% growth	-56.4	39.5	46.9	72.5
Rec. Free Cash Flow ⁽⁵⁾	-4.8	-2.9	-0.9	-0.9
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	14.5	13.6	14.0	14.8
ND/Rec. EBITDA (x)	n.a.	n.a.	n.a.	15.3
ROE (%)	n.a.	n.a.	n.a.	n.a.
ROCE (%) ⁽⁵⁾	n.a.	n.a.	n.a.	n.a.

Ratios & Multiples (x)⁽⁶⁾

P/E	n.a.	n.a.	n.a.	n.a.
Ord. P/E	n.a.	n.a.	n.a.	n.a.
P/BV	2.2	2.1	2.3	2.4
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	2.47	2.07	1.82	1.47
EV/Rec. EBITDA	n.a.	n.a.	n.a.	39.0
EV/EBIT	n.a.	n.a.	n.a.	n.a.
FCF Yield (%) ⁽⁵⁾	n.a.	n.a.	n.a.	n.a.

(1) Please refer to Appendix 3.

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

(3) Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.0Mn higher due to IFRS 16..

(4) Sector: TR Europe Food Processing.

(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.

(7) Others: Jovellanos Cartera 5.3%, Relocation & Exec. Serv. SL 5.0%, Transtronic Spain Corp 3.0%, Other Board Members 6.6%

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

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ECO HAS REITERATED ITS GOAL OF BECOMING A REFERENCE IN NUTS, controlling the production cycle (quality and sustainability, “Km 0”), positioning itself in the food industry ingredients market. Spain is the main European importer of almonds (c. 10% of US exports).

AND RAISING CAPITAL IS CRUCIAL (C. EUR 17MN IN PROGRESS) TO FINANCE ITS AGRICULTURAL PROJECT...that requires the expansion of plantations to improve returns. The goal is to reach 950Has. (c. 3x vs. the current surface area), that will mainly be used for growing almonds (900Has; c. 2/3 being owned). The potential pick-up in prices will boost profitability. CAPEX required: EUR 27.7Mn to buy land and develop the plantations.

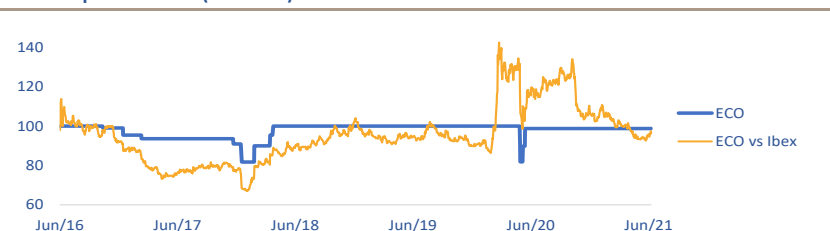
...AND ITS INDUSTRIAL STRATEGY: incorporation of an almond shelling and processing plant (an additional EUR 7.7Mn in CAPEX). And without ruling out M&A to accelerate the project (after the positive track record with G. UTEGA, 2019).

WHILE CONTINUING TO GROW ITS CLIENT PORTFOLIO (HIGHER MARGINS), offsetting the smaller penetration of its recent launches (s/t; healthy snacks), while reducing the dependence on large food-retail outlets (at present, c. 71% of revenue comes from Eroski, c. -6p.p. y/y).

WE BRING FORWARD (+1Y) BREAK EVEN IN REC. EBITDA The larger contribution from clients outside the retail channel will enable the company to beat (2021) 2019 margins (20.5% 2021e gross margin/revenue, +4.3p.p. vs. -2y), reaching break-even in terms of Rec. EBITDA (2021e). We reduce CAPEX c. -50% on average +2y, improving ND (c. -10%). We envisage: the sale of the Argentine assets (EUR +1.0Mn 2021e), the delay (+1y) of the sale of Oropesa (EUR +0.6Mn 2022e) and the recently approved capitalisation of associate loans (EUR 2.8Mn 2021e).

IN CONCLUSION, ECO WILL CONTINUE TO INCREASE IN SIZE, WITH THE SPEED OF THIS BEING EXTREMELY DEPENDENT ON THE ABILITY TO RAISE CAPITAL. The equity story revolves around a repositioning (l/t) in the supply chain for food industry ingredients (nuts in expansion). The recovery of demand (c.+21% y/y in US almond exports at May), would, in principle, facilitate the absorption of the increase in production (c. 3.5Mn lbs in 2021e, +3.0% y/y) and a pick-up in prices, that would accelerate the improvement in the return.

Relative performance (Base 100)



Stock performance (%)

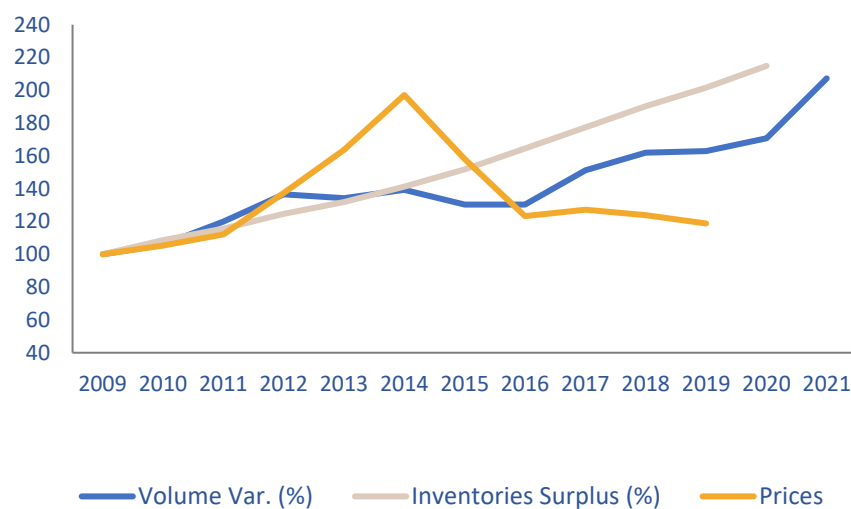
	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	0.0	0.0	0.0	0.0	-1.2	-1.2
vs Ibxex 35	2.9	-4.0	-19.1	-9.6	6.4	-8.6
vs Ibxex Small Cap Index	0.4	0.2	-32.0	-8.7	-14.1	-52.4
vs Eurostoxx 50	-0.2	-3.3	-20.8	-12.9	-17.8	-30.2
vs Sector benchmark ⁽⁴⁾	-3.7	-7.7	-7.1	-8.4	-29.4	-27.0

Upgrade to estimates

Table 1. Review of estimates

(EUR Mn)	2021e (New)	2021e (Old)	Review (%)	2022e (New)	2022e (Old)	Review (%)	2023e (New)	2023e (Old)	Review (%)
Total Revenues	18.3	17.5	4.1%	20.7	19.9	3.9%	25.7	24.1	6.5%
Recurrent EBITDA	-1.0	-2.2	53.5%	0.0	-0.4	105.5%	1.0	0.6	52.3%
<i>Recurrent EBITDA growth</i>	<i>58.4%</i>	<i>10.4%</i>	<i>48.0 p.p.</i>	<i>102.1%</i>	<i>82.6%</i>	<i>19.5 p.p.</i>	<i>n.a.</i>	<i>269.0%</i>	<i>n.a.</i>
<i>Rec. EBITDA/Revenues</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.1%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>3.8%</i>	<i>2.6%</i>	<i>1.1 p.p.</i>
Net Profit	-2.3	-2.9	18.5%	-1.2	-0.8	-51.1%	-0.3	-0.3	-34.4%
Recurrent Free Cash Flow	-2.9	-4.1	30.5%	-0.9	-1.4	34.2%	-0.9	-1.6	43.0%
CAPEX	0.2	0.5	-72.2%	0.4	0.5	-34.7%	0.5	1.0	-50.7%
ND	13.6	14.3	-4.6%	14.0	15.7	-11.1%	14.8	17.3	-14.0%

Chart 1. Almonds (U.S.A.): shippings (volume) vs. inventories surplus vs. prices (100 basis)



Source: Almond Board of California, USDA National Agricultural Statistics Service Information.

Appendix 1. Financial Projections⁽¹⁾

Balance Sheet (EUR Mn)	2016	2017	2018	2019	2020	2021e	2022e	2023e	
Intangible assets		7.4	11.1	11.1	9.6	9.6	9.5	9.3	
Fixed assets		6.4	9.6	12.1	10.8	10.3	9.9	9.7	
Other Non Current Assets		0.0	0.1	0.1	2.1	1.1	0.5	0.5	
Financial Investments		-	0.1	0.1	0.1	0.1	0.1	0.1	
Goodwill & Other Intangibles		-	3.9	3.9	3.9	3.9	3.9	3.9	
Current assets		0.4	5.0	5.9	5.0	7.2	8.1	9.7	
Total assets		14.3	29.7	33.3	31.4	32.1	31.9	33.2	
Equity		12.4	20.0	17.8	13.1	13.5	12.3	11.9	
Minority Interests		-	-	-	-	-	-	-	
Provisions & Other L/T Liabilities		-	1.4	1.3	0.9	0.9	0.9	0.9	
Other Non Current Liabilities		0.9	0.9	0.8	1.0	1.0	1.0	1.0	
Net financial debt		0.6	4.7	10.2	14.5	13.6	14.0	14.8	
Current Liabilities		0.4	2.8	3.1	1.9	3.0	3.8	4.5	
Equity & Total Liabilities		14.3	29.7	33.3	31.4	32.1	31.9	33.2	
									CAGR
P&L (EUR Mn)	2016	2017	2018	2019	2020	2021e	2022e	2023e	20-23e
Total Revenues		0.2	0.2	13.4	15.3	18.3	20.7	25.7	18.8%
<i>Total Revenues growth</i>		<i>n.a.</i>	<i>27.4%</i>	<i>n.a.</i>	<i>13.8%</i>	<i>19.4%</i>	<i>13.3%</i>	<i>24.1%</i>	
COGS		(0.5)	(0.5)	(11.3)	(13.2)	(14.5)	(15.9)	(19.4)	
Gross Margin		(0.3)	(0.3)	2.2	2.1	3.7	4.8	6.3	45.3%
<i>Gross Margin/Revenues</i>		<i>n.a.</i>	<i>n.a.</i>	<i>16.2%</i>	<i>13.5%</i>	<i>20.5%</i>	<i>23.2%</i>	<i>24.6%</i>	
Personnel Expenses		(0.3)	(0.5)	(1.6)	(2.0)	(2.0)	(2.1)	(2.2)	
Other Operating Expenses		(1.2)	(1.0)	(2.7)	(2.5)	(2.7)	(2.7)	(3.2)	
Recurrent EBITDA		(1.9)	(1.7)	(2.2)	(2.4)	(1.0)	0.0	1.0	33.9%
<i>Recurrent EBITDA growth</i>		<i>n.a.</i>	<i>6.7%</i>	<i>-24.4%</i>	<i>-11.0%</i>	<i>58.4%</i>	<i>102.1%</i>	<i>n.a.</i>	
<i>Rec. EBITDA/Revenues</i>		<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.1%</i>	<i>3.8%</i>	
Restructuring Expense & Other non-rec.		(0.1)	(0.1)	(0.4)	(0.3)	(0.1)	-	-	
EBITDA		(2.0)	(1.8)	(2.5)	(2.7)	(1.1)	0.0	1.0	33.0%
Depreciation & Provisions		(0.1)	(0.2)	(0.5)	(0.7)	(0.9)	(0.9)	(1.0)	
Capitalized Expense		0.9	1.7	1.0	0.5	0.2	0.1	0.1	
Rentals (IFRS 16 impact)		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	
EBIT		(1.3)	(0.3)	(2.2)	(3.0)	(1.9)	(0.9)	(0.0)	81.2%
<i>EBIT growth</i>		<i>n.a.</i>	<i>75.0%</i>	<i>-564.3%</i>	<i>-39.3%</i>	<i>38.2%</i>	<i>49.8%</i>	<i>97.9%</i>	
<i>EBIT/Revenues</i>		<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	
Impact of Goodwill & Others		-	-	-	(0.1)	-	-	-	
Net Financial Result		(0.1)	(0.1)	(0.2)	(0.4)	(0.3)	(0.3)	(0.3)	
Income by the Equity Method		-	-	-	-	-	-	-	
Ordinary Profit		(1.4)	(0.5)	(2.4)	(3.5)	(2.2)	(1.2)	(0.3)	54.1%
<i>Ordinary Profit Growth</i>		<i>n.a.</i>	<i>67.4%</i>	<i>-415.7%</i>	<i>-47.1%</i>	<i>38.4%</i>	<i>42.8%</i>	<i>72.5%</i>	
Extraordinary Results		-	-	-	(1.5)	-	-	-	
Profit Before Tax		(1.4)	(0.5)	(2.4)	(5.0)	(2.2)	(1.2)	(0.3)	59.2%
Tax Expense		-	-	0.2	0.3	(0.2)	-	-	
<i>Effective Tax Rate</i>		<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	
Minority Interests		-	-	-	-	-	-	-	
Discontinued Activities		-	-	-	-	-	-	-	
Net Profit		(1.4)	(0.5)	(2.2)	(4.7)	(2.3)	(1.2)	(0.3)	58.3%
<i>Net Profit growth</i>		<i>n.a.</i>	<i>67.4%</i>	<i>-377.5%</i>	<i>-111.3%</i>	<i>50.2%</i>	<i>46.9%</i>	<i>72.5%</i>	
Ordinary Net Profit		(1.3)	(0.4)	(2.1)	(3.2)	(2.1)	(1.2)	(0.3)	52.6%
<i>Ordinary Net Profit growth</i>		<i>n.a.</i>	<i>69.3%</i>	<i>-411.0%</i>	<i>-56.4%</i>	<i>33.7%</i>	<i>41.5%</i>	<i>72.5%</i>	
									CAGR
Cash Flow (EUR Mn)	2016	2017	2018	2019	2020	2021e	2022e	2023e	20-23e
Recurrent EBITDA						(1.0)	0.0	1.0	33.9%
Rentals (IFRS 16 impact)						(0.1)	(0.1)	(0.1)	
Working Capital Increase						(1.1)	(0.2)	(0.9)	
Recurrent Operating Cash Flow						-2.2	-0.3	-0.1	73.6%
CAPEX						(0.2)	(0.4)	(0.5)	
Net Financial Result affecting the Cash Flow						(0.3)	(0.3)	(0.3)	
Tax Expense						(0.2)	-	-	
Recurrent Free Cash Flow						(2.9)	(0.9)	(0.9)	43.2%
Restructuring Expense & Other non-rec.						(0.1)	-	-	
- Acquisitions / + Divestures of assets						1.0	0.6	-	
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-	
Free Cash Flow						(1.9)	(0.3)	(0.9)	40.9%
Capital Increase						2.8	-	-	
Dividends						-	-	-	
Net Debt Variation						(0.9)	0.3	0.9	

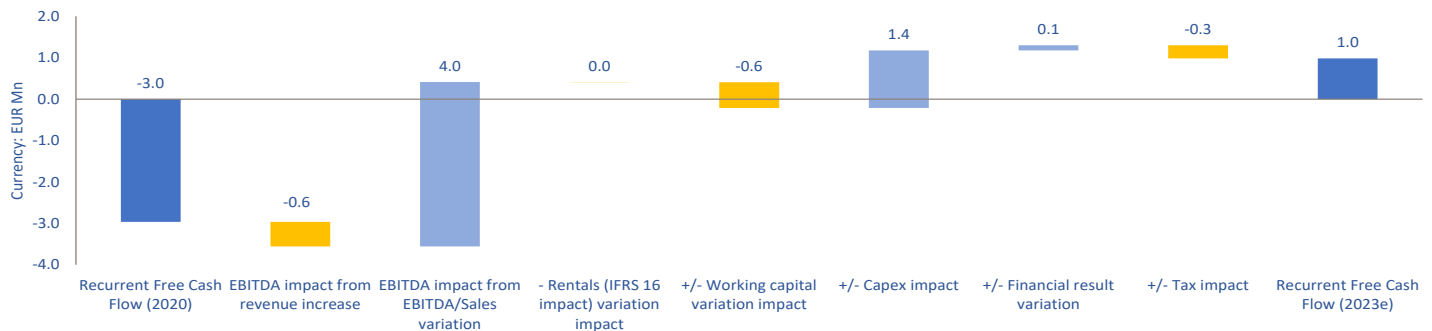
Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.0Mn higher due to IFRS 16.

Appendix 2. Free Cash Flow⁽¹⁾

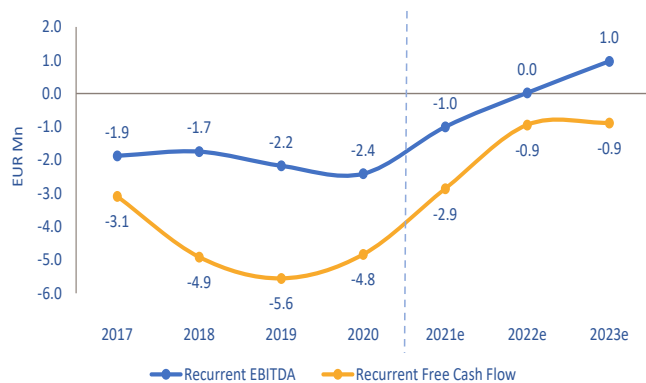
	2017	2018	2019	2020	2021e	2022e	2023e	CAGR 20-23e
A) Cash Flow Analysis (EUR Mn)								
Recurrent EBITDA	(1.9)	(1.7)	(2.2)	(2.4)	(1.0)	0.0	1.0	33.9%
<i>Recurrent EBITDA growth</i>	n.a.	6.7%	-24.4%	-11.0%	58.4%	102.1%	n.a.	
<i>Rec. EBITDA/Revenues</i>	n.a.	n.a.	n.a.	n.a.	n.a.	0.1%	3.8%	
- Rentals (IFRS 16 impact)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	
+/- Working Capital increase	(0.0)	(2.2)	(0.6)	(0.3)	(1.1)	(0.2)	(0.9)	
= Recurrent Operating Cash Flow	(2.0)	(4.0)	(2.9)	(2.8)	(2.2)	(0.3)	(0.1)	73.6%
<i>Rec. Operating Cash Flow growth</i>	n.a.	-103.2%	27.8%	2.2%	20.6%	87.5%	81.4%	
<i>Rec. Operating Cash Flow / Sales</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
- CAPEX	(1.0)	(0.8)	(2.6)	(1.9)	(0.2)	(0.4)	(0.5)	
- Net Financial Result affecting Cash Flow	(0.1)	(0.1)	(0.2)	(0.4)	(0.3)	(0.3)	(0.3)	
- Taxes	-	-	0.2	0.3	(0.2)	-	-	
= Recurrent Free Cash Flow	(3.1)	(4.9)	(5.6)	(4.8)	(2.9)	(0.9)	(0.9)	43.2%
<i>Rec. Free Cash Flow growth</i>	n.a.	-58.9%	-13.0%	13.0%	40.8%	67.0%	6.3%	
<i>Rec. Free Cash Flow / Revenues</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
- Restructuring expenses & others	0.0	0.2	(0.4)	1.1	(0.1)	-	-	
- Acquisitions / + Divestments	-	(5.0)	0.1	(0.5)	1.0	0.6	-	
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-	
= Free Cash Flow	(3.1)	(9.7)	(5.8)	(4.3)	(1.9)	(0.3)	(0.9)	40.9%
<i>Free Cash Flow growth</i>	n.a.	-214.6%	39.9%	26.6%	54.7%	82.3%	-157.2%	
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)								
Recurrent FCF(FY - 1)	-	(3.1)	(4.9)	(5.6)	(4.8)	(2.9)	(0.9)	
EBITDA impact from revenue increase	n.a.	(0.5)	(118.6)	(0.3)	(0.5)	(0.1)	0.0	
EBITDA impact from EBITDA/Sales variation	n.a.	0.6	118.2	0.1	1.9	1.2	0.9	
= Recurrent EBITDA variation	n.a.	0.1	(0.4)	(0.2)	1.4	1.0	0.9	
- Rentals (IFRS 16 impact) variation impact	(0.1)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
+/- Working capital variation impact	(0.0)	(2.1)	1.5	0.3	(0.8)	0.9	(0.7)	
= Recurrent Operating Cash Flow variation	(0.1)	(2.0)	1.1	0.1	0.6	1.9	0.2	
+/- CAPEX impact	(1.0)	0.2	(1.8)	0.7	1.8	(0.2)	(0.2)	
+/- Financial result variation	(0.1)	(0.0)	(0.1)	(0.2)	0.1	0.0	(0.0)	
+/- Tax impact	-	-	0.2	0.1	(0.5)	0.2	-	
= Recurrent Free Cash Flow variation	(1.2)	(1.8)	(0.6)	0.7	2.0	1.9	0.1	
Recurrent Free Cash Flow	(1.2)	(4.9)	(5.6)	(4.8)	(2.9)	(0.9)	(0.9)	
C) "FCF to the Firm" (pre debt service) (EUR Mn)								
EBIT	(1.3)	(0.3)	(2.2)	(3.0)	(1.9)	(0.9)	(0.0)	81.2%
* <i>Theoretical Tax rate</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
= Taxes (pre- Net Financial Result)	-	-	-	-	-	-	-	
Recurrent EBITDA	(1.9)	(1.7)	(2.2)	(2.4)	(1.0)	0.0	1.0	33.9%
- Rentals (IFRS 16 impact)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	
+/- Working Capital increase	(0.0)	(2.2)	(0.6)	(0.3)	(1.1)	(0.2)	(0.9)	
= Recurrent Operating Cash Flow	(2.0)	(4.0)	(2.9)	(2.8)	(2.2)	(0.3)	(0.1)	73.6%
- CAPEX	(1.0)	(0.8)	(2.6)	(1.9)	(0.2)	(0.4)	(0.5)	
- Taxes (pre- Financial Result)	-	-	-	-	-	-	-	
= Recurrent Free Cash Flow (To the Firm)	(3.0)	(4.8)	(5.5)	(4.7)	(2.4)	(0.6)	(0.6)	50.8%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	n.a.	-60.9%	-15.1%	14.3%	49.5%	73.3%	11.4%	
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
- Acquisitions / + Divestments	-	(5.0)	0.1	(0.5)	1.0	0.6	-	
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-	
= Free Cash Flow "To the Firm"	(3.0)	(9.8)	(5.4)	(5.2)	(1.4)	(0.0)	(0.6)	52.5%
<i>Free Cash Flow (To the Firm) growth</i>	n.a.	-229.5%	44.6%	3.3%	73.1%	97.6%	n.a.	
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	

Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.0Mn higher due to IFRS 16.

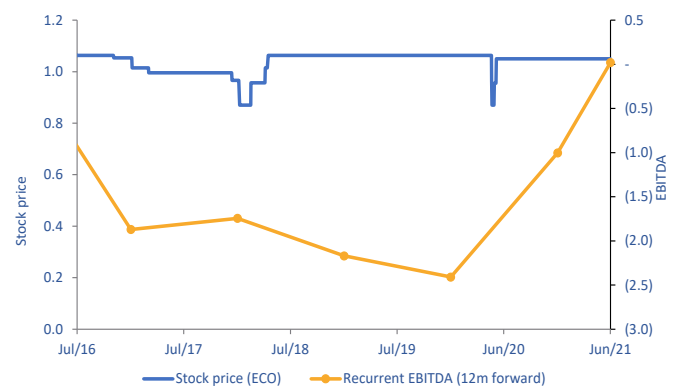
Recurrent Free Cash Flow accumulated variation analysis (2020 - 2023e)



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	28.4	
+ Minority Interests	-	3m Results 2021
+ Provisions & Other L/T Liabilities	0.9	3m Results 2021
+ Net financial debt	16.1	3m Results 2021
- Financial Investments	0.1	3m Results 2021
+/- Others ⁽¹⁾	(7.5)	Lighthouse 2021
Enterprise Value (EV)	37.7	

(1) Non-strategic assets held for sales (Land in Argentina and in Spain valued at EUR 1,0Mn and EUR 0,6Mn respectively) and other forestry assets in Spain (EUR 5,9Mn)

Appendix 4. Historical performance ⁽¹⁾⁽²⁾

Historical performance (EUR Mn)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e	CAGR 20-23e
Total Revenues								0.2	0.2	13.4	15.3	18.3	20.7	25.7	18.8%
Total Revenues growth								n.a.	27.4%	n.a.	13.8%	19.4%	13.3%	24.1%	
EBITDA								(2.0)	(1.8)	(2.5)	(2.7)	(1.1)	0.0	1.0	33.0%
EBITDA growth								n.a.	9.3%	-39.5%	-8.5%	61.6%	102.0%	n.a.	
EBITDA/Sales								n.a.	n.a.	n.a.	n.a.	n.a.	0.1%	3.8%	
Net Profit								(1.4)	(0.5)	(2.2)	(4.7)	(2.3)	(1.2)	(0.3)	58.3%
Net Profit growth								n.a.	67.4%	-377.5%	-111.3%	50.2%	46.9%	72.5%	
Adjusted number shares (Mn)	19.5	26.6	26.1	26.1	26.1	26.1	26.1	26.1	26.1	26.1	26.1	28.7	31.5	31.5	
EPS (EUR)	-0.07	-0.02	-0.09	-0.18	-0.08	-0.08	-0.08	-0.08	-0.08	-0.09	-0.18	-0.08	-0.04	-0.01	60.8%
EPS growth								n.a.	76.1%	n.a.	n.a.	54.6%	51.8%	72.5%	
Ord. EPS (EUR)	-0.07	-0.02	-0.08	-0.12	-0.07	-0.07	-0.07	-0.07	-0.07	-0.08	-0.12	-0.07	-0.04	-0.01	55.5%
Ord. EPS growth								n.a.	77.4%	n.a.	-56.4%	39.5%	46.9%	72.5%	
CAPEX								(1.0)	(0.8)	(2.6)	(1.9)	(0.2)	(0.4)	(0.5)	
CAPEX/Sales %								660.8%	409.6%	19.5%	12.4%	0.8%	1.7%	2.0%	
Free Cash Flow								(3.1)	(9.7)	(5.8)	(4.3)	(1.9)	(0.3)	(0.9)	40.9%
ND/EBITDA (x) ⁽²⁾								n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	15.3x	
P/E (x)								n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
EV/Sales (x)								n.a.	n.a.	2.14x	1.85x	2.07x	1.82x	1.47x	
EV/EBITDA (x) ⁽²⁾								n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	39.0x	
Absolute performance								0.9%	-8.3%	10.0%	-1.2%	0.0%			
Relative performance vs Ibex 35								-6.0%	7.9%	-1.6%	16.8%	-9.6%			

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: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.0Mn higher due to IFRS 16.

Note 3: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Note 4: For modelling purposes, we contemplate a theoretical capital increase of EUR 2.8Mn in 2021, through the issue of 5.4Mn shares (the capital increase has been approved).

Appendix 5. Main peers 2021e

	EUR Mn	European Industry				Other			
		Greenyard NV	Sipef NV	Vilmorin & Cie SA	BAINS	Average	Select Harvests	Average	ECO
Market data	Ticker (Factset)	GREEN-BE	SIP-BE	RIN-FR	BAIN-ES		SHV-AU		ECO-ES
	Pais	Belgium	Belgium	France	Spain		Australia		Spain
	Market cap	488.0	499.1	1,294.6	61.6		495.5		28.4
	Enterprise value (EV)	1,070.7	651.9	2,574.0	91.2		728.2		37.7
Basic financial information	Total Revenues	4,599.0	304.0	1,504.8	148.2		147.0		18.3
	Total Revenues growth	4.1%	26.5%	4.8%	-17.9%	4.4%	-5.9%	-5.9%	19.4%
	2y CAGR (2021e - 2023e)	2.0%	17.7%	3.1%	11.9%	8.7%	13.1%	13.1%	18.6%
	EBITDA	143.8	87.8	368.3	(1.8)		18.7		(1.1)
	EBITDA growth	1.6%	37.2%	19.1%	-208.2%	-37.6%	-62.5%	-62.5%	61.6%
	2y CAGR (2021e - 2023e)	11.9%	24.5%	6.4%	n.a.	14.3%	85.2%	85.2%	70.9%
	EBITDA/Revenues	3.1%	28.9%	24.5%	n.a.	18.8%	12.7%	12.7%	n.a.
	EBIT	65.4	46.3	128.9	(3.3)		6.4		(1.9)
	EBIT growth	48.8%	79.5%	81.0%	-912.9%	-175.9%	-72.3%	-72.3%	38.2%
	2y CAGR (2021e - 2023e)	13.7%	40.9%	9.9%	69.9%	33.6%	n.a.	n.a.	89.6%
	EBIT/Revenues	1.4%	15.2%	8.6%	n.a.	8.4%	4.3%	4.3%	n.a.
	Net Profit	23.3	32.6	89.2	3.1		3.3		(2.3)
	Net Profit growth	n.a.	162.9%	34.8%	893.9%	363.9%	-78.9%	-78.9%	50.2%
	2y CAGR (2021e - 2023e)	21.7%	44.6%	16.8%	-21.8%	15.3%	n.a.	n.a.	61.8%
CAPEX/Sales %	1.3%	21.3%	15.0%	-3.5%	8.6%	34.8%	34.8%	-0.8%	
Free Cash Flow	43.0	9.9	77.1	7.7		(3.1)		(1.9)	
Net financial debt	437.9	132.5	897.2	36.5		73.4		13.6	
ND/EBITDA (x)	3.0	1.5	2.4	n.a.	2.3	3.9	3.9	n.a.	
Pay-out	6.9%	29.3%	34.1%	0.0%	17.6%	52.1%	52.1%	0.0%	
Multiples and Ratios	P/E (x)	21.3	15.5	14.3	19.6	17.7	n.a.	n.a.	n.a.
	P/BV (x)	1.0	0.9	1.0	1.0	1.0	1.5	1.5	2.1
	EV/Revenues (x)	0.2	2.1	1.7	0.6	1.2	5.0	5.0	2.1
	EV/EBITDA (x)	7.4	7.4	7.0	n.a.	7.3	38.9	38.9	n.a.
	EV/EBIT (x)	16.4	14.1	20.0	n.a.	16.8	n.a.	n.a.	n.a.
	ROE	4.7	5.6	6.9	5.2	5.6	0.9	0.9	n.a.
	FCF Yield (%)	8.8	2.0	6.0	n.a.	5.6	n.a.	n.a.	n.a.
	DPS	0.04	0.92	1.33	0.00	0.57	0.02	0.02	0.00
Dvd Yield	0.4%	1.9%	2.4%	0.0%	1.2%	0.4%	0.4%	0.0%	

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).

Appendix 6. Valuation inputs

Inputs for the DCF Valuation Approach

	2021e	2022e	2023e	Terminal Value ⁽¹⁾		
Free Cash Flow "To the Firm"	(1.4)	(0.0)	(0.6)	n.a.		
Market Cap	28.4	At the date of this report				
Net financial debt	16.1	Debt net of Cash (3m Results 2021)				
					Best Case	Worst Case
Cost of Debt	2.1%	Net debt cost			1.9%	2.4%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	1.7%	Kd = Cost of Net Debt * (1-T)			1.5%	1.9%
Risk free rate (rf)	0.4%	Rf (10y Spanish bond yield)			=	=
Equity risk premium	9.0%	R (own estimate)			8.5%	9.5%
Beta (B)	0.8	B (own estimate)			0.7	0.9
Cost of Equity	7.6%	Ke = Rf + (R * B)			6.4%	9.0%
Equity / (Equity + Net Debt)	63.9%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	36.1%	D			=	=
WACC	5.5%	WACC = Kd * D + Ke * E			4.6%	6.4%
G "Fair"	2.0%				2.0%	1.5%

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

Inputs for the Multiples Valuation Approach

Company	Ticker Reuters	Mkt. Cap	P/E 21e	EPS 21e-23e	EV/EBITDA 21e	EBITDA 21e-23e	EV/Sales 21e	Revenues 21e-23e	EBITDA/Sales 21e	FCF Yield 21e	FCF 21e-23e
Greenyard NV	GREEN-BE	488.0	21.3	21.4%	7.4	11.9%	0.2	2.0%	3.1%	8.8%	16.8%
Sipref NV	SIP-BE	499.1	15.5	45.4%	7.4	24.5%	2.1	17.7%	28.9%	2.0%	n.a.
Vilmorin & Cie SA	RIN-FR	1,294.6	14.3	16.5%	7.0	6.4%	1.7	3.1%	24.5%	6.0%	22.2%
BAINS	BAIN-ES	61.6	19.6	-21.8%	n.a.	n.a.	0.6	11.9%	n.a.	n.a.	-44.9%
Pharming Industry			17.7	15.4%	7.3	14.3%	1.2	8.7%	18.8%	5.6%	-2.0%
Select Harvests	SHV-AU	495.5	n.a.	n.a.	38.9	85.2%	5.0	13.1%	12.7%	n.a.	n.a.
Non European International players			n.a.	n.a.	38.9	85.2%	5.0	13.1%	12.7%	n.a.	n.a.
ECO	ECO-ES	28.4	n.a.	63.6%	n.a.	70.9%	2.1	18.6%	n.a.	n.a.	32.5%

(1) BAINS closes its financial statements on 31-May, so the multiples provided refer to 2020e and the TACCs to 2020e-2022e.

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
02-Jul-2021	n.a.	1.05	n.a.	n.a.	Estimates upgrade	Ana Isabel González García, CIAA
17-May-2021	n.a.	1.05	n.a.	n.a.	3m Results 2021	Ana Isabel González García, CIAA
04-Mar-2021	n.a.	1.05	n.a.	n.a.	12m Results 2020 - Estimates downgrade	Ana Isabel González García, CIAA
23-Dec-2020	n.a.	1.05	n.a.	n.a.	9m Results 2020 - Estimates downgrade	Ana Isabel González García, CIAA
03-Nov-2020	n.a.	1.05	n.a.	n.a.	6m Results 2020	Ana Isabel González García, CIAA
10-Jun-2020	n.a.	1.05	n.a.	n.a.	Initiation of Coverage	Ana Isabel González García, CIAA

