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6m Results 2020 & Review of estimates

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6m Results 2020

Opinion ⁽¹⁾: Below expectations.

Impact ⁽¹⁾: We lower our estimates

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Adolfo Domínguez S.A. (ADZ) is a small designer fashion textile group, based in Ourense (Spain), specialising (c. 40 years) in the design and sale (both retail and wholesale) of fashion items. With international presence (35% o/revenues), it is managed by the founding family (31% of the capital), which prevails in the Board.

We lower our estimates for 2020. A return to pre-crisis levels has been delayed until (at least) 2022

Market Data

Market Cap (Mn EUR and USD)	42.7	51.5
EV (Mn EUR and USD) ⁽²⁾	37.2	44.9
Shares Outstanding (Mn)	9.3	
-12m (Max/Med/Min EUR)	7.36 / 4.91 / 3.41	
Daily Avg volume (-12m Mn EUR)	0.02	
Rotation ⁽³⁾	12.9	
Thomson Reuters / Bloomberg	ADZ.MC / ADZ SM	
Close fiscal year	28-Feb	

WE LOWER OUR 2020e-2021e ESTIMATES DUE TO THE SECOND WAVE OF THE COVID-19 PANDEMIC, which has especially impacted the fashion industry (c. -40% y/y in “non-essential” consumption). The loss of 1Q (“full price” sales; March, April, May) plus the impact of further lockdowns (affecting c. 30% of the company’s points of sale), will cause revenue to shrink further (EUR 76.0Mn 2020e, -35.2% y/y), delaying a return to pre-crisis levels c.+2y (EUR 105.2Mn 2022e; CAGR +2y: +17.7%).

Shareholders Structure (%) ⁽⁸⁾

Adolfo Domínguez	31.5
Puig, S.A.	14.8
Libertas 7	10.3
Indumenta Pueri	9.0
Free Float	23.0

THE ON-LINE CHANNEL IS CRUCIAL IN THE MID TERM, against a backdrop that will continue to be shaped by social distancing. This channel will drive the business (m/t), contributing 23.1% of consolidated revenues 2022e (c. +14p.p. vs. -3y).

Financials (Mn EUR)

	2019	2020e	2021e	2022e
Adj. nº shares (Mn)	9.3	9.3	9.3	9.3
Total Revenues	117.3	76.0	93.2	105.2
Rec. EBITDA ⁽⁴⁾	11.3	-1.3	1.6	9.7
% growth	357.2	-111.1	226.1	508.5
% Rec. EBITDA/Rev.	9.7	n.a.	1.7	9.2
% Inc. EBITDA sector ⁽⁵⁾	38.1	14.8	15.6	21.4
Net Profit	-8.3	-12.2	-9.2	-2.5
EPS (EUR)	-0.90	-1.32	-0.99	-0.27
% growth	n.a.	-46.9	24.7	72.8
Ord. EPS (EUR)	-0.01	-1.32	-0.96	-0.18
% growth	-117.6	n.a.	27.3	81.4
Rec. Free Cash Flow ⁽⁶⁾	-2.3	-6.7	-8.1	-2.5
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	-10.0	-3.2	4.9	7.4
ND/Rec. EBITDA (x)	-0.9	n.a.	3.1	0.8
ROE (%)	n.a.	n.a.	n.a.	n.a.
ROCE (%) ⁽⁶⁾	2.0	n.a.	n.a.	0.6

SHARP FALL IN 2020e EBIT (EUR -10.4Mn, vs. EUR 1Mn -1y), THAT WILL FLIRT WITH BREAK EVEN +2y (EUR 0.1Mn 2022e). The sharp fall in revenue hampers business profitability (2019 OPEX represented c. 40% of turnover for the year). The struggle to shift inventories to improve liquidity this year will sink the gross margin (-9.0 p.p. y/y), without its impact being offset by cost control (-31.9% y/y, underpinned, among other things, by the government’s furlough scheme).

WORSENING OF THE FINANCIAL SITUATION, ALTHOUGH MAINTAINING A REASONABLE LEVEL OF DEBT. The consumption of cash over the estimated period (EUR 17.5Mn) will put the group in debt (EUR 7.5Mn 2022e; 0.4x ND/Equity), the improvement in inventory management being key to reversing this trend (l/t).

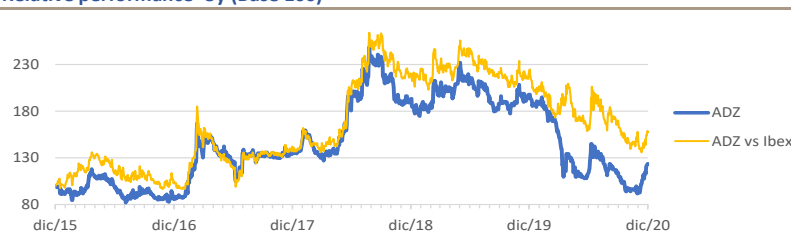
2020 IS A DRAMATIC YEAR FOR THE SECTOR, THAT ADZ WILL BE ABLE TO WEATHER.

The second (international) Covid-19 wave and uncertainty over how long it will last, will result in an unprecedented decline in sector turnover (> 30% y/y 2020) reviving the spectre of large-scale bankruptcy (JC Penney, Debenhams,...). ADZ’s financial strength pre-crisis (EUR 10Mn of net cash in 2019, vs. an indebted sector) will allow the company to weather the storm, it being “theoretically” well positioned to exploit market trends (l/t): online positioning and firm commitment to “sustainable fashion”, while facing the dual challenges of geographical diversification and the rejuvenation of its client portfolio.

Ratios & Multiples (x) ⁽⁷⁾

	2019	2020e	2021e	2022e
P/E	n.a.	n.a.	n.a.	n.a.
Ord. P/E	n.a.	n.a.	n.a.	n.a.
P/BV	1.0	1.3	1.9	2.1
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	0.32	0.49	0.40	0.35
EV/Rec. EBITDA	3.3	n.a.	23.4	3.8
EV/EBIT	39.1	n.a.	n.a.	n.a.
FCF Yield (%) ⁽⁶⁾	n.a.	n.a.	n.a.	n.a.

Relative performance -5y (Base 100)



Stock performance (%)

	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	26.0	11.4	-37.5	-35.0	-10.5	23.7
vs Ibex 35	-0.1	-4.8	-28.2	-23.8	10.9	57.7
vs Ibex Small Cap Index	2.8	-5.1	-45.3	-42.2	-25.9	-22.3
vs Eurostoxx 50	5.8	3.6	-34.3	-31.0	-10.4	22.1
vs Sector benchmark ⁽⁵⁾	4.0	-6.4	-42.1	-35.0	-29.2	15.2

(1) The opinion about results is in respect of reported EBITDA and its relation to our estimate for the year (12m). The impact reflects whether, as a consequence of these results, we envisage a significant (>5%) upgrade or downgrade to our EBITDA estimates (for any of the estimated years).

(2) Please refer to Appendix 3.

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

(4) Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 9.1Mn higher due to IFRS 16.

(5) Sector: TR Europe Apparel & Accessories Retailers.

(6) Please see Anex 2 for the theoretical tax rate (ROCE) and recurrent FCF calculation.

(7) Multiples and ratios calculated over prices at the date of this report.

(8) Others: La Previsión Malloquina de Seguros 7.6%, Ibercapital Magnum, SICAV S.A. 3.2%, Treasury shares 0.6%

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

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Resultados 6M 2020
Revisión de estimaciones: a la baja

The fresh outbreaks of Covid-19 have delayed EBIT break even (2022e) in a context of still high uncertainty

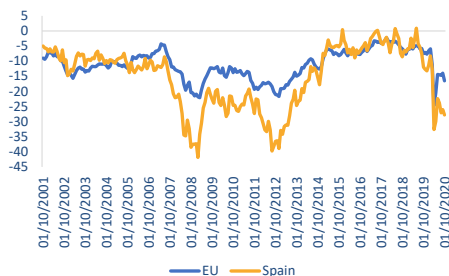
The Covid-19 pandemic is causing economic devastation globally, especially in discretionary consumption sectors. The fashion industry is one of the most affected in a context which has seen the loss of jobs (less disposable income), the closure (and/or restricted opening) of stores and social distancing, reducing “non-essential consumption”.

The changing evolution of the Covid-19 pandemic continues to generate great macro uncertainty at the global level

Requiring the continuous revision of GDP forecasts. While in October the IMF raised its global GDP forecast for 2020 (-4.4% y/y, +0.5% vs. its previous figure, probably on expectations of a successful vaccine), it reduced its growth forecast for 2021 to 5.2% (-0.2p.p. vs. previously).

Spain (67.8% of ADZ’s 1H20 turnover) is one of the countries most affected by the Covid-19 crisis. GDP fell 18.5% qoq in 2Q20 (the largest fall since 1970). The Bank of Spain now expects its worst-case scenario for GDP (-12.6% y/y, -1p.p. vs. its worst-case scenario at June), having reduced its estimate for 2021e (+4.1%, -4.0p.p. vs. the same worst-case scenario), putting GDP at -8.5p.p. vs. pre-Covid 19 levels.

Chart 1. Consumer confidence (Spain vs. EU)



Source: Refinitiv (DG ECFIN – Directorate General for Economic and Financial Affairs)

The situation remains pessimistic

The fresh outbreaks of the virus have once again interrupted the recovery of tourism (especially international tourism), impacting the Spanish economy head on, with a devastating effect on the sector (stores and companies closed and employees temporarily or structurally leaving the labour market). Estimated average unemployment in 2020-2022 is 19% (Spain), which could exceed 22% in 2021 (levels last seen in 2015). The improvement in consumer confidence (logically weakened) is especially important for restoring the value chain in the fashion industry.

However, the risk of further reductions in GDP forecasts (national/international) remains high. A resurgence of the pandemic and/or a delay in the development of effective solutions would result in a toughening of measures to prevent infections, impacting economic activity to a greater or lesser extent.

Moreover, the severity of the current economic recession could lead to the withdrawal of the emergency measures adopted (according to the IMF, cumulative spending by governments to tackle the crisis amounts to c. USD 12Trn), increasing the risk of company bankruptcies and falls in employment, making the recession worse. In this respect, the approval in October of the European Recovery Fund (EUR 672.5Bn, of which Spain will receive c. EUR 140Bn) within the framework of the «Next Generation EU» instrument approved in July, will provide welcome relief, that will help to partially mitigate the economic and social effects of the COVID-19 pandemic.

As a Chinese proverb says, “a crisis is an opportunity riding the dangerous wind” ...

With numerous corporate capitulations, 2020 has been especially arduous for the fashion industry. The collapse in sales and revenues seen this year is without precedent. In Europe, over 40% of consumers have reduced their purchases (due to the combination of personal financial insecurity and social distancing measures). According to McKinsey, c. 75% of European sector companies require government support programmes, so the discontinuation of these will increase sector concentration or corporate closures (c. 20-30% of sector companies).

Since the beginning of the crisis, bankruptcies have occurred on both sides of the Atlantic (Neiman Marcus, JC Penney, Debenhams, Oasis, Warehouse, Laura Ashley, Victoria’s Secret (UK), MQ,...), with a large number of companies undergoing significant restructuring given the liquidity problems they have been facing (French Connection).

6M20 results: an expected slowdown in the decline in revenues (-50.4% y/y vs. -67.3% 1Q) with strong margin erosion, sinking EBIT (EUR -9.3Mn).

Mandatory closures and restrictions in almost all points of sale (1Q) and their gradual re-opening (c. 90% of ADZ's point of sale were operating in August) meant 1H ended with -50.4% y/y in revenues (EUR 26.6Mn; -49.1% LFL). The Group's on-line channel presence is crucial: +25.5% y/y in online sales, which have contributed 21.8% of revenues (vs. 9% -1y). The decline in revenues reported outside Europe is similar (c. -40% y/y in the various markets). In addition, FOREX drained c. -3p.p. y/y from consolidated revenues.

ADZ continues to optimise its sales network (mainly in Spain), having ended its alliance with the Mexican group Gin Group (-20 points of sale in franchise). The Group currently has 351 points of sale in 20 countries (-35 y/y).

On the other hand, the impact of the initial lockdown in 1Q (full-price sales), together with the sales effort made during the period (to obtain liquidity) has hit margins hard (-9.6p.p. y/y in gross margin vs. -0.9 p.p. in 1Q). Despite the efforts to rein in costs (EUR 16.2Mn in total operating costs, -39.9% y/y, favoured by lay-offs and the reduction of store opening hours), EBITDA remains negative in the year (EUR -3.7Mn), making the operating result worse (EUR -9.3Mn in EBIT) and reducing Group liquidity (net cash EUR 2.3Mn, -75% y/y).

Table 1. ADZ 6M 2020 Results

	6m20	6m20 Real	2Q20 vs	2Q20 vs
(EUR Mn)	Real	6m19	vs 6m19	2Q19
Total Revenues	26.6	53.6	-50.4%	19.7
Sales	26.0	52.5	-50.4%	19.3
Other income	0.5	1.0	-47.9%	0.3
Gross Margin	12.5	30.3	-58.8%	8.5
Gross Margin (% s/Revenues)	46.9%	56.5%	-9.6 p.p.	43.0%
Recurrent EBITDA	(3.7)	3.3	-210.6%	0.9
Rec. EBITDA/Revenues	-13.9%	6.2%	-20.2 p.p.	4.4%
EBITDA	(3.7)	3.3	-210.6%	0.9
EBITDA/Revenues	-13.9%	6.2%	-20.2 p.p.	4.4%
EBIT	(9.3)	(0.9)	-973.4%	(1.9)
EBIT/Revenues	n.a.	n.a.	n.a.	n.a.
PBT	(10.6)	(1.4)	-673.5%	(2.3)
NP	(10.4)	(1.8)	-484.4%	(2.3)
Ordinary NP	(10.4)	(1.8)	-484.4%	(2.3)
Total LFL Var.	-49.1%	7.3%	-56.4p.p.	
Points of sale	351	386	(35.0)	
Rec. FCF	-5.7	-0.7	-689%	
Net Debt	-2.3	-9.1	75%	

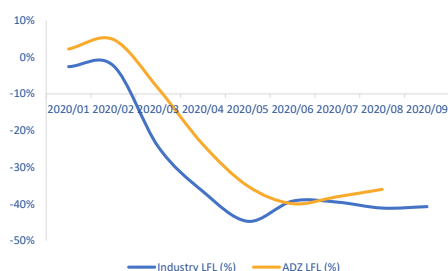
When surviving the storm is a success in itself...

In a situation in which the gradual opening of stores is not resulting in an immediate improvement in KPIs (visits), ADZ has to tackle its operating costs structure (rents and salaries accounted for c. 40% of 2019 turnover). Falls in revenue of 30%-40% towards which the industry is heading (according to Acotex the cumulative figure was -40.7% y/y at 9M20) make corporate viability difficult. The furlough scheme which ADZ has benefited from will continue (for now) until June 2021, which will help keep costs down (s/t). In addition, there is the investment in inventories (32.7% of 1S20 revenue, vs. 23.4% 2019), which need to be shifted in order to obtain cash (liquidity being key to survival) and prevent their potential impairment.

...while the "Covid-19" crisis accelerates consumer trends (pre-crisis).

The crisis is acting as a catalyst for the trends detected in the industry before 2020: 1) growing penetration of the on-line business, with a 6M increase equivalent to that of the previous 6 years (its contribution to turnover rising from c. 15% at the beginning of the year to c. 30% in August), 2) the re-balancing between the products and experiences offered (entertainment and emotions), underlining the (I/t) importance of the combination of the on-line world with sales in bricks-and-mortar stores ("phygital") and 3) growing consumer awareness of the environmental and social impact.

Chart 2. ADZ cumulative LFL sales vs Sector (Spain)



Source: Acotex (Asociación Empresarial de Comercio Textil, Complementos y Piel) and ADZ

The intensifying of the pandemic and the macro worsening lead us to lower our estimates again

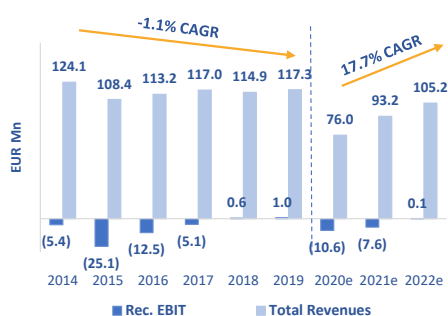
Our central scenario is below that envisaged for the worst-case scenario outlined in June. The prolongation and intensifying of the pandemic (national/international) will continue to hit the sector in 2021, and could delay its recovery (pre-crisis levels) until the end of 2022. The sales effort made in 1H will be maintained over the year, delaying the recovery of margins +2y.

- **Revenues held back in 2020 by the Covid-19 crisis (-35.2% y/y 2020e)**, in a year which has been strongly impacted by the loss of a first quarter of full price sales (after the declaration of a state of alarm in Spain which meant the closure until the beginning of May of points of sale and restrictions after their re-opening; c. 45% of ADZ's points of sale in Europe are corners in large department stores, susceptible to restrictions in the event of fresh outbreaks). Recent restrictions are affecting c. 30% of the points of sale in Spain. The worsening of the business will cause revenue to decline to EUR 76.0Mn in 2020e (c. -55% vs. the turnover recorded at the beginning of the decade).

Recovery will be uneven and will be underpinned by the gradual recovery of the national business and the expansion of the international business (whose structure has been strengthened), via new commercial agreements (focused on Asia and Mexico). Even so, a return to pre-crisis levels will be delayed until the end of 2022. We estimate revenue of EUR 105.2Mn in 2022e (CAGR +17.7% +2y).

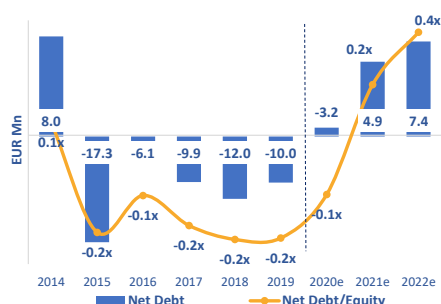
Despite the increase in online sales in 1H (+25.5% y/y 1H20), a gradual flattening of the growth curve is likely. However, the trend for the online channel will continue to be one of growth, this contributing 23.1% of revenues at the end of the period (c. +14p.p. vs. pre-crisis levels), strengthening growth (m/t).

Chart 3. Revenues vs. Rec. EBIT (ADZ)



- **Sinking EBIT (EUR-10.6Mn 2020e, c. 1.5x below our worst-case scenario)**, due to pressure on the gross margin associated with the bigger sales effort (-9.0p.p. y/y), that will not be able to be offset by cost control (the furlough scheme and potential reduction of rental costs). This is not the first time the Group has seen margins sink, the impairment of inventories made in 2015 resulted in a loss of 7.3p.p. in the gross margin, which was partially recovered (c. 60%) in the following year.
- **...and delaying (+1y) the return to break-even in EBIT (EUR +0.1Mn 2022e)** that will be underpinned by: i) the improvement in margins (57.8% gross margin 2022e, in line with 2016, thanks to efficiencies in inventory management), ii) cost control (optimisation of stores and the extension of the furlough scheme until June 2021) and iii) the growing contribution of the online business (CAGR +17.7% +2y). The greater success of the international expansion strategy will help to accelerate the recovery of EBIT.
- **Worsening of the financial situation, although, in this scenario, debt will be reasonable.** The net cash position (EUR 2.3Mn 1H20) will revert to a position of ND of EUR7.5Mn in 2022e (ND/Equity 0.4x 2022e), increasing the financial burden (EUR -1.0Mn 2022e, c. +5x vs. 2019).
- **Despite the contention of investment due to the current situation...** (EUR 0.7Mn 2020e), that will stabilise at EUR 1Mn in the mid term. However, an acceleration of the recovery of the business would allow the company to speed up investment to expand its international presence.

Chart 4. ND vs. ND/Equity (ADZ)



- **...we rule out (m/t) break even in Rec. FCF.** We estimate recurrent cash consumption of EUR 17.5Mn in 2020-2022e. However, the improvement in inventory management will be crucial to cash generation. Growth in the online business (a key part of ADZ's strategy) will result in a more direct relationship with the consumer, which, together with the use of artificial intelligence, will enable inventories to be optimised. This process will reduce the percentage of products sold at a discount, helping to accelerate margin improvement. Our estimates envisage a narrowing of the gap in investment on inventories vs. the sector (c. 20.6% of 2022e revenues, -2.8p.p. vs. -3y).

Table 2. Review of estimates

EUR Mn	2020e (New)	2020e	Review	2020e (New)	2021e	Review	2022e (New)	2022e	Review	2022e (New)
Total Revenues	76.0	89.8	-15.4%	93.2	110.6	-15.7%	105.2	115.1	-8.6%	0.0
Recurrent EBITDA	-1.3	7.3	-117.5%	1.6	10.5	-85.0%	9.7	13.4	-27.8%	0.0
<i>Recurrent EBITDA growth</i>	<i>-111.2%</i>	<i>-35.9%</i>	<i>-75.3 p.p.</i>	<i>223.9%</i>	<i>44.1%</i>	<i>179.8 p.p.</i>	<i>512.7%</i>	<i>27.6%</i>	<i>485.2 p.p.</i>	<i>0.0%</i>
<i>Rec. EBITDA/Revenues</i>	<i>-1.7%</i>	<i>8.1%</i>	<i>-9.8 p.p.</i>	<i>1.7%</i>	<i>9.5%</i>	<i>-7.8 p.p.</i>	<i>9.2%</i>	<i>11.6%</i>	<i>-2.4 p.p.</i>	<i>0.0%</i>
EBIT	-10.6	-2.6	-304.5%	-7.6	0.2	n.a.	0.1	2.7	-94.9%	0.0
Net Profit	-12.2	-4.1	-196.5%	-9.2	-1.5	-518.3%	-2.5	0.7	-467.5%	0.0
Rec. Free Cash Flow	-6.8	0.8	-938.1%	-8.1	-3.2	-152.2%	-2.5	1.8	-242.4%	0.0
<i>ND / Rec. EBITDA</i>	<i>-0.1 x</i>	<i>-0.3 x</i>	<i>0.2 x</i>	<i>0.2 x</i>	<i>-0.2 x</i>	<i>0.4 x</i>	<i>0.4 x</i>	<i>-0.2 x</i>	<i>0.6 x</i>	<i>0.0 x</i>

Conclusion: ADZ will (in this scenario) see its resilience tested in the face of a greater deterioration of the business (s/t) due to fresh outbreaks of Covid-19 and the slow recovery of revenues

Various institutions (the McKinsey Global Institute and Oxford Economics) delay the recovery of pre-crisis levels in the industry > 3Q22 (adopted in our central scenario), without ruling out an additional delay (+1y) if the roll-out of the vaccine(s) takes longer. Against this backdrop, online sales are likely to play a greater role in the recovery of industry turnover (crucial to ADZ's strategy), as the recovery in off-line sales will be delayed until the vaccine has been rolled out in all markets. Social distancing will continue in 2021, declining gradually as immunisation increases. In the meantime, the use of face masks will continue to make visits to bricks-and-mortar stores less attractive for the consumer, calling into question the evolution of off-line sales once things are back to "normal".

Although the intensity and prolongation of the pandemic lead us to position ourselves below our most pessimistic scenario, the financial strength with which ADZ ended 2019 (EUR 10Mn in net cash, vs. an indebted industry) will enable the group to weather the storm. In addition, ADZ is "theoretically" well positioned to exploit market trends (l/t): a growing online business (c. 21.8% of 1H20e revenue) and a firm commitment to sustainable fashion. Perhaps, two aspects that remain to be resolved are greater geographical diversification (Asia < 10% of revenue) and the rejuvenation of the client portfolio (key elements in competitors' strategies). The company is working on both questions (including the search for new alliances).

In this respect, big digital platforms such as Amazon and Alibaba are strengthening their platforms. The former to accommodate outlets of products of brands in difficulty, and the latter to focus on young consumers committed to sustainable fashion, both initiatives being presented as growth opportunities for the sector.

However, uncertainty regarding the evolution of the pandemic remains high (bigger fresh outbreaks, potential third wave in 2021) and could lead to more severe restrictions (Italy has recently decided to "cancel" Christmas), with even more devastating results for the industry. The risk of an increase in corporate insolvency and a worsening of the labour market remains and could delay the expected recovery of consumption (m/t). Besides this, the effectiveness of the start-up of the European recovery plan "Next Generation EU" approved in July remains to be seen.

Valuation inputs

Inputs for the DCF Valuation Approach

	2020e	2021e	2022e	Terminal Value ⁽¹⁾		
Free Cash Flow "To the Firm"	(5.2)	(6.6)	0.1	n.a.		
Market Cap	42.7	At the date of this report				
Net financial debt	-2.3	Debt net of Cash (6m Results 2020)				
					Best Case	Worst Case
Cost of Debt	2.6%	Net debt cost			2.37%	2.87%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	2.1%	Kd = Cost of Net Debt * (1-T)			1.9%	2.3%
Risk free rate (rf)	0.1%	Rf (10y Spanish bond yield)			=	=
Equity risk premium	9.0%	R (own estimate)			8.5%	9.5%
Beta (B)	1.1	B (Thomson Reuters and Lighthouse)			1.0	1.2
Cost of Equity	10.0%	Ke = Rf + (R * B)			8.6%	11.5%
Equity / (Equity + Net Debt)	100.0%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	0.0%	D			=	=
WACC	10.0%	WACC = Kd * D + Ke * E			8.6%	11.5%
G "Fair"	2.0%				2.5%	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 20e	EPS 20e-22e	EV/EBITDA 20e	EBITDA 20e-22e	EV/Sales 20e	Revenues 20e-22e	EBITDA/Sales 20e	FCF Yield 20e	FCF 20e-22e
SMCP SA	SMCP.PA	410.5	n.a.	n.a.	9.8	32.6%	1.5	10.8%	15.0%	n.a.	n.a.
Ted Baker PLC	TED.L	287.3	n.a.	n.a.	n.a.	n.a.	1.4	23.9%	n.a.	n.a.	n.a.
Hugo Boss AG	BOSSn.DE	1,844.4	n.a.	n.a.	10.8	44.2%	1.4	11.9%	13.3%	10.4%	6.7%
Burberry Group PLC	BRBY.L	8,007.6	36.9	27.5%	16.7	21.2%	3.4	8.9%	20.0%	3.2%	26.6%
Affordable Luxury players			36.9	27.5%	12.4	32.7%	1.9	13.9%	16.1%	6.8%	16.6%
Capri Holdings Ltd	CPRI.K	4,437.0	30.4	84.0%	13.3	35.4%	1.7	15.1%	12.7%	7.2%	18.2%
G-III Apparel Group Ltd	GIIL.OQ	865.4	n.a.	357.8%	13.0	58.7%	0.6	12.2%	4.5%	11.1%	41.0%
PVH Corp	PVH.N	4,818.1	n.a.	n.a.	n.a.	225.2%	1.1	15.8%	1.4%	0.1%	679.8%
Tapestry	TPR.N	6,518.0	12.3	10.6%	7.6	7.5%	1.6	4.2%	21.1%	9.1%	4.4%
Specialised Retail Holdings			21.3	150.8%	11.3	81.7%	1.3	11.8%	9.9%	6.9%	185.9%
ADZ	ADZ.MC	42.7	n.a.	54.7%	n.a.	n.a.	0.49	17.7%	n.a.	n.a.	39.2%

Free Cash Flow sensitivity analysis (2021e)

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

Scenario	EBITDA/Sales 21e	EBITDA 21e	EV/EBITDA 21e
Max	1.9%	1.8	21.0x
Central	1.7%	1.6	23.4x
Min	1.5%	1.4	26.5x

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

Rec. FCF EUR Mn	CAPEX/Sales 21e				Scenario	Rec. FCF/Yield 21e		
EBITDA 21e	1.0%	1.1%	1.2%		Max	n.a.	n.a.	n.a.
1.8	(7.8)	(7.9)	(8.0)		Central	n.a.	n.a.	n.a.
1.6	(8.0)	(8.1)	(8.2)	➔	Min	n.a.	n.a.	n.a.
1.4	(8.2)	(8.3)	(8.4)					

Appendix 1. Financial Projections⁽¹⁾

Balance Sheet (EUR Mn)	2015	2016	2017	2018	2019	2020e	2021e	2022e	CAGR	
Intangible assets	2.3	1.6	0.9	0.8	34.9	34.4	34.0	33.5		
Fixed assets	17.9	16.6	12.3	10.6	10.6	10.0	9.7	9.5		
Other Non Current Assets	18.0	8.2	8.5	8.1	0.8	0.8	0.8	0.8		
Financial Investments	5.0	5.1	5.0	5.2	5.9	5.9	5.9	5.9		
Goodwill & Other Intangibles	-	-	-	-	-	-	-	-		
Current assets	46.3	44.4	36.2	36.2	38.0	28.2	30.0	31.3		
Total assets	89.5	75.9	62.9	60.8	90.2	79.3	80.4	81.0		
Equity	82.7	59.4	52.3	52.2	44.2	32.0	22.8	20.3		
Minority Interests	0.7	1.1	0.7	0.8	0.9	1.0	1.1	1.2		
Provisions & Other L/T Liabilities	0.5	0.6	0.6	1.0	1.5	1.5	1.5	1.5		
Other Non Current Liabilities	-	-	-	-	34.2	34.2	34.2	34.2		
Net financial debt	(17.3)	(6.1)	(9.9)	(12.0)	(10.0)	(3.2)	4.9	7.4		
Current Liabilities	22.9	20.9	19.2	18.9	19.3	13.9	16.0	16.5		
Equity & Total Liabilities	89.5	75.9	62.9	60.8	90.2	79.3	80.4	81.0		
P&L (EUR Mn)	2015	2016	2017	2018	2019	2020e	2021e	2022e	15-19	19-22e
Total Revenues	108.4	113.2	117.0	114.9	117.3	76.0	93.2	105.2	2.0%	-3.6%
Total Revenues growth	-12.6%	4.4%	3.3%	-1.7%	2.0%	-35.2%	22.7%	12.8%		
COGS	(50.6)	(47.7)	(49.0)	(47.3)	(50.6)	(39.5)	(43.3)	(44.3)		
Gross Margin	57.8	65.5	68.0	67.6	66.7	36.4	49.9	60.9	3.6%	-3.0%
Gross Margin/Revenues	53.3%	57.8%	58.1%	58.8%	56.9%	48.0%	53.5%	57.9%		
Personnel Expenses	(43.7)	(42.5)	(39.8)	(38.1)	(36.7)	(23.6)	(31.8)	(34.1)		
Other Operating Expenses	(29.1)	(31.5)	(30.4)	(27.1)	(18.7)	(14.1)	(16.5)	(17.1)		
Recurrent EBITDA	(15.1)	(8.6)	(2.2)	2.5	11.3	(1.3)	1.6	9.7	28.8%	-5.2%
Recurrent EBITDA growth	n.a.	43.2%	74.2%	212.4%	357.2%	-111.1%	226.1%	508.5%		
Rec. EBITDA/Revenues	n.a.	n.a.	n.a.	2.2%	9.7%	n.a.	1.7%	9.2%		
Restructuring Expense & Other non-rec.	(2.8)	-	-	(1.2)	-	-	-	-		
EBITDA	(17.9)	(8.6)	(2.2)	1.3	11.3	(1.3)	1.6	9.7	27.4%	-5.2%
Depreciation & Provisions	(10.0)	(4.0)	(2.9)	(1.9)	(2.1)	(1.7)	(1.7)	(1.8)		
Capitalized Expense	-	-	-	-	-	-	-	-		
Rentals (IFRS 16 impact)	-	-	-	-	(8.3)	(7.6)	(7.4)	(7.7)		
EBIT	(27.9)	(12.5)	(5.1)	(0.6)	1.0	(10.6)	(7.6)	0.2	19.4%	-45.5%
EBIT growth	-255.7%	55.1%	59.5%	88.2%	259.0%	n.a.	28.7%	102.0%		
EBIT/Revenues	n.a.	n.a.	n.a.	n.a.	0.8%	n.a.	n.a.	0.1%		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(2.2)	(0.2)	(1.6)	0.5	(0.9)	(1.5)	(1.2)	(1.7)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
Ordinary Profit	(30.0)	(12.8)	(6.7)	(0.1)	0.0	(12.1)	(8.8)	(1.5)	18.9%	n.a.
Ordinary Profit Growth	-372.4%	57.5%	47.4%	98.0%	105.3%	n.a.	27.7%	82.4%		
Extraordinary Results	41.7	(0.5)	0.4	1.3	-	-	-	-		
Profit Before Tax	11.7	(13.2)	(6.3)	1.2	0.0	(12.1)	(8.8)	(1.5)	-84.3%	n.a.
Tax Expense	(4.0)	(9.7)	(0.4)	(1.5)	(8.2)	-	(0.3)	(0.9)		
Effective Tax Rate	34.2%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
Minority Interests	0.3	0.2	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	8.0	(22.7)	(6.9)	(0.5)	(8.3)	(12.2)	(9.2)	(2.5)	-32.1%	33.0%
Net Profit growth	172.2%	-384.8%	69.8%	92.7%	n.a.	-46.9%	24.7%	72.8%		
Ordinary Net Profit	(26.9)	(12.6)	(6.8)	0.6	(0.1)	(12.2)	(8.9)	(1.6)	74.7%	n.a.
Ordinary Net Profit growth	-587.7%	53.3%	45.6%	109.1%	-117.7%	n.a.	27.3%	81.4%		
Cash Flow (EUR Mn)	2015	2016	2017	2018	2019	2020e	2021e	2022e	15-19	19-22e
Recurrent EBITDA						(1.3)	1.6	9.7	28.8%	-5.2%
Rentals (IFRS 16 impact)						(7.6)	(7.4)	(7.7)		
Working Capital Increase						4.4	0.3	(0.7)		
Recurrent Operating Cash Flow						-4.5	-5.6	1.2	21.4%	-12.1%
CAPEX						(0.7)	(1.0)	(1.1)		
Net Financial Result affecting the Cash Flow						(1.5)	(1.2)	(1.7)		
Tax Expense						-	(0.3)	(0.9)		
Recurrent Free Cash Flow						(6.7)	(8.1)	(2.5)	40.8%	-2.7%
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						(6.7)	(8.1)	(2.5)	-20.3%	-2.7%
Capital Increase						-	-	-		
Dividends						-	-	-		
Net Debt Variation						6.7	8.1	2.5		

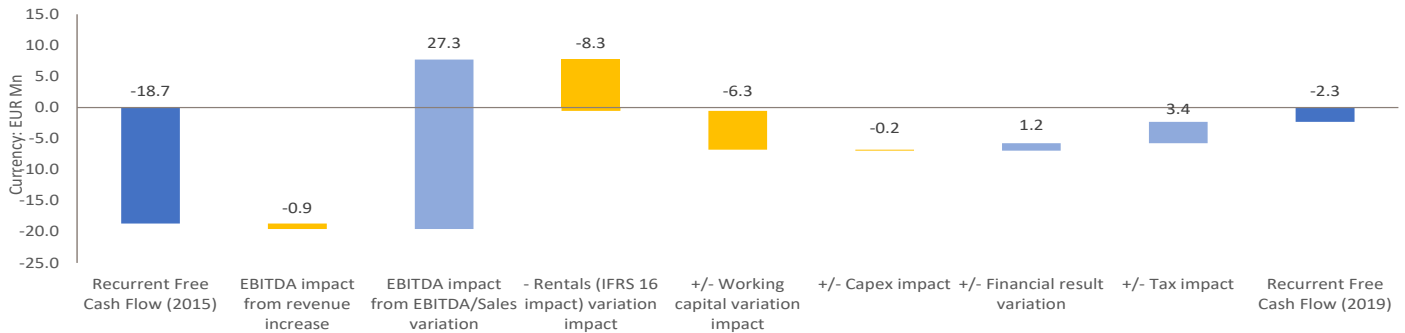
Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 9.1Mn higher due to IFRS 16.

Appendix 2. Free Cash Flow⁽¹⁾

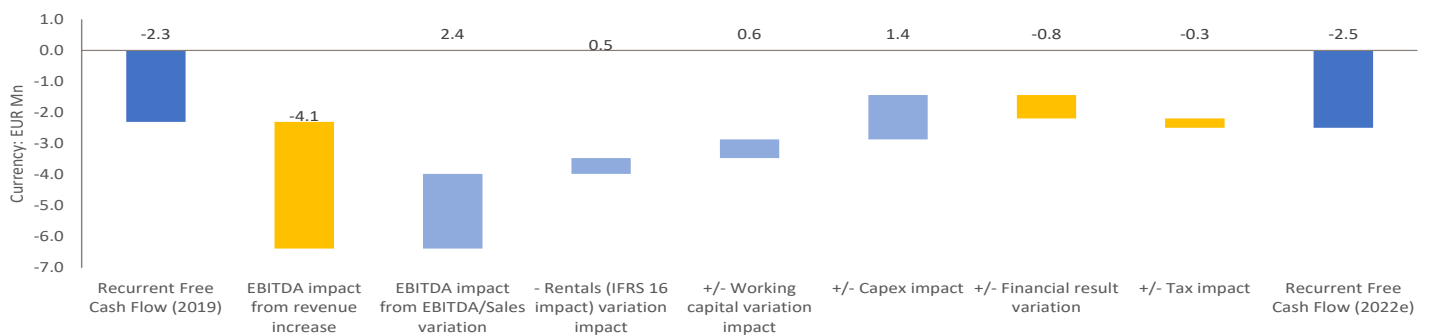
A) Cash Flow Analysis (EUR Mn)	2016	2017	2018	2019	2020e	2021e	2022e	CAGR	
								16-19	19-22e
Recurrent EBITDA	(8.6)	(2.2)	2.5	11.3	(1.3)	1.6	9.7	49.3%	-5.2%
<i>Recurrent EBITDA growth</i>	43.2%	74.2%	212.4%	357.2%	-111.1%	226.1%	508.5%		
<i>Rec. EBITDA/Revenues</i>	n.a.	n.a.	2.2%	9.7%	n.a.	1.7%	9.2%		
- Rentals (IFRS 16 impact)	-	-	-	(8.3)	(7.6)	(7.4)	(7.7)		
+/- Working Capital increase	(0.0)	6.5	(0.4)	(1.3)	4.4	0.3	(0.7)		
= Recurrent Operating Cash Flow	(8.6)	4.3	2.1	1.8	(4.5)	(5.6)	1.2	30.2%	-12.1%
<i>Rec. Operating Cash Flow growth</i>	15.4%	149.7%	-50.4%	-16.8%	-356.6%	-23.2%	121.5%		
<i>Rec. Operating Cash Flow / Sales</i>	n.a.	3.6%	1.8%	1.5%	n.a.	n.a.	1.1%		
- CAPEX	(2.0)	(0.9)	(0.8)	(2.6)	(0.7)	(1.0)	(1.1)		
- Net Financial Result affecting Cash Flow	(0.2)	(1.6)	0.5	(0.9)	(1.5)	(1.2)	(1.7)		
- Taxes	(1.9)	(0.4)	(1.5)	(0.6)	-	(0.3)	(0.9)		
= Recurrent Free Cash Flow	(12.7)	1.3	0.2	(2.3)	(6.7)	(8.1)	(2.5)	43.4%	-2.7%
<i>Rec. Free Cash Flow growth</i>	31.9%	110.2%	-83.7%	n.a.	-193.3%	-20.0%	69.2%		
<i>Rec. Free Cash Flow / Revenues</i>	n.a.	1.1%	0.2%	n.a.	n.a.	n.a.	n.a.		
- Restructuring expenses & others	-	-	(1.2)	-	-	-	-		
- Acquisitions / + Divestments	0.1	3.2	2.6	-	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow	(12.6)	4.5	1.6	(2.3)	(6.7)	(8.1)	(2.5)	43.3%	-2.7%
<i>Free Cash Flow growth</i>	-151.9%	135.9%	-64.3%	-242.3%	-193.3%	-20.0%	69.2%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	n.a.	3.0%	0.5%	n.a.	n.a.	n.a.	n.a.		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	n.a.	10.6%	3.8%	n.a.	n.a.	n.a.	n.a.		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
Recurrent FCF(FY - 1)	(18.7)	(12.7)	1.3	0.2	(2.3)	(6.7)	(8.1)		
EBITDA impact from revenue increase	(0.7)	(0.3)	0.0	0.1	(4.0)	(0.3)	0.2		
EBITDA impact from EBITDA/Sales variation	7.2	6.6	4.6	8.8	(8.6)	3.1	7.9		
= Recurrent EBITDA variation	6.5	6.3	4.7	8.9	(12.6)	2.8	8.1		
- Rentals (IFRS 16 impact) variation impact	-	-	-	(8.3)	0.6	0.2	(0.3)		
+/- Working capital variation impact	(5.0)	6.5	(6.8)	(1.0)	5.7	(4.1)	(1.0)		
= Recurrent Operating Cash Flow variation	1.6	12.8	(2.1)	(0.4)	(6.3)	(1.0)	6.8		
+/- CAPEX impact	0.4	1.1	0.0	(1.7)	1.9	(0.3)	(0.1)		
+/- Financial result variation	1.9	(1.4)	2.1	(1.4)	(0.6)	0.3	(0.5)		
+/- Tax impact	2.1	1.5	(1.1)	1.0	0.6	(0.3)	(0.5)		
= Recurrent Free Cash Flow variation	6.0	14.0	(1.1)	(2.5)	(4.4)	(1.3)	5.6		
Recurrent Free Cash Flow	(12.7)	1.3	0.2	(2.3)	(6.7)	(8.1)	(2.5)		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
EBIT	(12.5)	(5.1)	(0.6)	1.0	(10.6)	(7.6)	0.2	27.6%	-45.5%
* <i>Theoretical Tax rate</i>	0.0%	0.0%	0.0%	30.0%	0.0%	0.0%	0.0%		
= Taxes (pre- Net Financial Result)	-	-	-	(0.3)	-	-	-		
Recurrent EBITDA	(8.6)	(2.2)	2.5	11.3	(1.3)	1.6	9.7	49.3%	-5.2%
- Rentals (IFRS 16 impact)	-	-	-	(8.3)	(7.6)	(7.4)	(7.7)		
+/- Working Capital increase	(0.0)	6.5	(0.4)	(1.3)	4.4	0.3	(0.7)		
= Recurrent Operating Cash Flow	(8.6)	4.3	2.1	1.8	(4.5)	(5.6)	1.2	30.2%	-12.1%
- CAPEX	(2.0)	(0.9)	(0.8)	(2.6)	(0.7)	(1.0)	(1.1)		
- Taxes (pre- Financial Result)	-	-	-	(0.3)	-	-	-		
= Recurrent Free Cash Flow (To the Firm)	(10.6)	3.4	1.3	(1.1)	(5.2)	(6.6)	0.1	53.2%	27.2%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	15.6%	131.9%	-62.3%	-185.5%	-379.5%	-25.8%	101.0%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	n.a.	2.9%	1.1%	n.a.	n.a.	n.a.	0.1%		
- Acquisitions / + Divestments	0.1	3.2	2.6	-	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow "To the Firm"	(10.5)	6.6	3.9	(1.1)	(5.2)	(6.6)	0.1	53.0%	27.2%
<i>Free Cash Flow (To the Firm) growth</i>	-131.5%	163.0%	-41.3%	-128.0%	-379.5%	-25.8%	101.0%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	n.a.	9.1%	3.4%	n.a.	n.a.	n.a.	0.2%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	n.a.	17.8%	10.4%	n.a.	n.a.	n.a.	0.2%		

Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 9.1Mn higher due to IFRS 16.

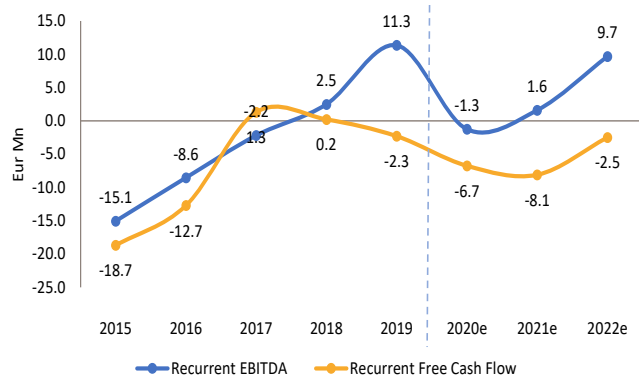
Recurrent Free Cash Flow accumulated variation analysis (2015 - 2019)



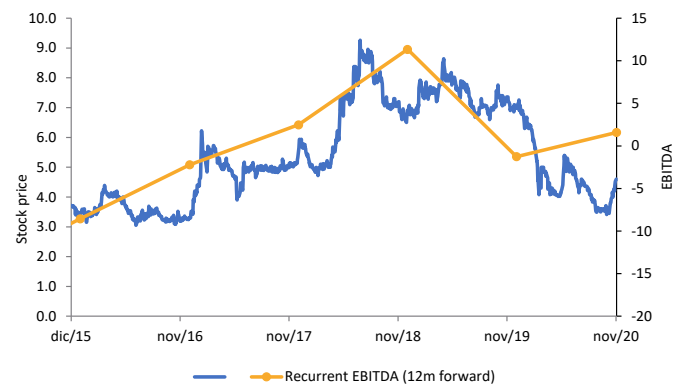
Recurrent Free Cash Flow accumulated variation analysis (2019 - 2022e)



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	42.7	
+ Minority Interests	1.0	6m Results 2020
+ Provisions & Other L/T Liabilities	1.0	6m Results 2020
+ Net financial debt	(2.3)	6m Results 2020
- Financial Investments	5.2	6m Results 2020
+/- Others		
Enterprise Value (EV)	37.2	

Appendix 4. Historical performance ⁽¹⁾⁽²⁾

Historical performance (EUR Mn)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	CAGR 09-19	19-22e
Total Revenues	179.2	166.9	156.1	152.1	134.9	124.1	108.4	113.2	117.0	114.9	117.3	76.0	93.2	105.2	-4.1%	-3.6%
<i>Total Revenues growth</i>	-6.5%	-6.8%	-6.5%	-2.6%	-11.3%	-8.0%	-12.6%	4.4%	3.3%	-1.7%	2.0%	-35.2%	22.7%	12.8%		
EBITDA	19.2	10.3	1.6	(5.3)	(2.5)	(1.5)	(17.9)	(8.6)	(2.2)	1.3	11.3	(1.3)	1.6	9.7	-5.1%	-5.2%
<i>EBITDA growth</i>	-6.2%	-46.5%	-84.7%	-437.4%	53.1%	40.0%	n.a.	52.1%	74.2%	158.0%	785.6%	-111.1%	226.1%	508.5%		
<i>EBITDA/Sales</i>	10.7%	6.1%	1.0%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.1%	9.7%	n.a.	1.7%	9.2%		
Net Profit	1.0	(4.5)	(9.3)	(23.9)	(10.3)	(11.0)	8.0	(22.7)	(6.9)	(0.5)	(8.3)	(12.2)	(9.2)	(2.5)	-26.6%	33.0%
<i>Net Profit growth</i>	-76.4%	-563.1%	-106.1%	-158.4%	57.1%	-7.5%	172.2%	-384.8%	69.8%	92.7%	n.a.	-46.9%	24.7%	72.8%		
Adjusted number shares (Mn)	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.0	9.2	9.3	9.3	9.3	9.3		
EPS (EUR)	0.11	-0.49	-1.01	-2.62	-1.12	-1.21	0.87	-2.48	-0.76	-0.05	-0.90	-1.32	-0.99	-0.27	-26.4%	33.0%
<i>EPS growth</i>	-76.4%	n.a.	n.a.	n.a.	57.1%	-7.5%	n.a.	n.a.	69.4%	92.9%	n.a.	-46.9%	24.7%	72.8%		
Ord. EPS (EUR)	0.29	-0.60	-1.83	-3.62	-1.32	-0.42	-2.94	-1.37	-0.76	0.07	-0.01	-1.32	-0.96	-0.18	-7.4%	n.a.
<i>Ord. EPS growth</i>	-29.2%	n.a.	n.a.	-97.5%	63.4%	68.0%	n.a.	53.3%	44.9%	n.a.	n.a.	n.a.	27.3%	81.4%		
CAPEX	(9.6)	(9.0)	(6.2)	(0.7)	(1.6)	(2.0)	(2.4)	(2.0)	(0.9)	(0.8)	(2.6)	(0.7)	(1.0)	(1.1)		
<i>CAPEX/Sales %</i>	5.3%	5.4%	4.0%	0.5%	1.2%	1.6%	2.2%	1.8%	0.8%	0.7%	2.2%	0.9%	1.1%	1.1%		
Free Cash Flow	10.1	(4.2)	(13.2)	24.9	8.9	(5.3)	24.3	(12.6)	4.5	1.6	(2.3)	(6.7)	(8.1)	(2.5)	-8.3%	-2.7%
<i>ND/EBITDA (x) ⁽³⁾</i>	0.3x	0.5x	14.0x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-9.4x	-0.9x	n.a.	3.1x	0.8x		
<i>P/E (x)</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.0x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<i>EV/Sales (x)</i>	0.49x	0.53x	0.38x	0.33x	0.48x	0.45x	0.1x	0.3x	0.3x	0.5x	0.4x	0.5x	0.4x	0.4x		
<i>EV/EBITDA (x) ⁽³⁾</i>	4.6x	8.6x	38.1x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	41.1x	3.6x	n.a.	23.4x	3.8x		
<i>Absolute performance</i>	58.7%	-22.4%	-38.5%	-24.1%	44.8%	-12.4%	-30.4%	-4.9%	62.2%	29.7%	2.6%	-35.0%				
<i>Relative performance vs Ibx 35</i>	22.2%	-6.1%	-29.2%	-20.4%	19.2%	-15.5%	-25.1%	-3.0%	51.0%	52.5%	-8.2%	-23.8%				

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 Thomson Reuters.

Note 2: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 9.1Mn higher due to IFRS 16.

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

Appendix 5. Main Competitors 2020e

		Affordable Luxury players					Specialised Retail Holdings					
		SMCP SA	Ted Baker PLC	Hugo Boss AG	Burberry Group PLC	Average	PVH Corp	Tapestry	Capri Holdings		Average	ADZ
		EUR Mn							Ltd	Kering		
Market data	Ticker (Reuters)	SMCP.PA	TED.L	BOSSn.DE	BRBY.L		PVH.N	TPR.N	CPRI.K	PRT.PA		ADZ.MC
	Country	France	UK	Germany	UK		USA	USA	UK	France		Spain
	Market cap	410.5	287.3	1,844.4	8,007.6		4,818.1	6,518.0	4,437.0	75,862.4		42.7
	Enterprise value (EV)	1,352.7	617.6	2,893.3	8,679.2		6,629.7	7,166.5	5,715.4	84,752.6		37.2
Basic financial information	Total Revenues	919.4	437.0	2,024.2	2,588.5		5,786.1	4,439.9	3,393.5	13,334.7		76.0
	<i>Total Revenues growth</i>	-18.8%	-41.6%	-29.8%	-12.1%	-25.6%	-35.2%	0.4%	-31.9%	-16.0%	-20.7%	-35.2%
	<i>2y CAGR (2020e - 2022e)</i>	10.8%	23.9%	11.9%	8.9%	13.9%	15.8%	4.2%	15.1%	13.3%	12.1%	17.7%
	EBITDA	138.2	(2.8)	268.8	518.9		79.0	937.4	430.5	4,211.4		(1.3)
	<i>EBITDA growth</i>	-51.4%	-102.8%	-62.0%	-40.1%	-64.1%	-92.3%	51.5%	-40.6%	-30.1%	-27.9%	-111.1%
	<i>2y CAGR (2020e - 2022e)</i>	32.6%	n.a.	44.2%	21.2%	32.7%	n.a.	7.5%	35.4%	20.8%	21.2%	n.a.
	<i>EBITDA/Revenues</i>	15.0%	n.a.	13.3%	20.0%	16.1%	1.4%	21.1%	12.7%	31.6%	16.7%	n.a.
	EBIT	(17.1)	(55.1)	(169.8)	324.8		(128.5)	726.2	220.6	3,089.5		(10.6)
	<i>EBIT growth</i>	-114.1%	-373.1%	-147.9%	-34.6%	-167.4%	-117.5%	82.8%	-56.0%	-35.3%	-31.5%	n.a.
	<i>2y CAGR (2020e - 2022e)</i>	n.a.	62.8%	82.9%	23.8%	56.5%	n.a.	8.6%	66.8%	25.9%	33.8%	41.9%
	<i>EBIT/Revenues</i>	n.a.	n.a.	n.a.	12.5%	12.5%	n.a.	16.4%	6.5%	23.2%	15.3%	n.a.
	Net Profit	(37.3)	(47.5)	(144.3)	231.1		(184.8)	538.3	142.4	2,197.5		(12.2)
	<i>Net Profit growth</i>	n.a.	-43.1%	n.a.	69.9%	13.4%	n.a.	n.a.	n.a.	-8.8%	-8.8%	-46.9%
	<i>2y CAGR (2020e - 2022e)</i>	80.9%	54.3%	72.6%	26.7%	58.7%	n.a.	10.5%	87.4%	30.4%	42.8%	54.7%
<i>CAPEX/Sales %</i>	4.7%	9.9%	4.5%	5.5%	6.1%	2.8%	2.9%	3.2%	5.9%	3.7%	0.9%	
Free Cash Flow	(17.9)	n.a.	192.1	260.9		6.4	612.5	324.4	1,891.9		(6.7)	
Net financial debt	699.5	106.1	774.7	(856.7)		2,059.8	187.8	1,482.7	4,361.8		(3.2)	
<i>ND/EBITDA (x)</i>	5.1	n.a.	2.9	(1.7)	2.1	26.1	0.2	3.4	1.0	7.7	n.a.	
<i>Pay-out</i>	0.0%	0.0%	-3.8%	43.0%	9.8%	-1.7%	6.7%	0.0%	45.6%	12.7%	0.0%	
Multiples and Ratios	<i>P/E (x)</i>	n.a.	n.a.	n.a.	36.9	36.9	n.a.	12.3	30.4	37.8	26.8	n.a.
	<i>P/BV (x)</i>	0.4	1.6	2.1	5.4	2.4	1.2	2.7	2.3	6.7	3.2	1.3
	<i>EV/Revenues (x)</i>	1.5	1.4	1.4	3.4	1.9	1.1	1.6	1.7	6.4	2.7	0.5
	<i>EV/EBITDA (x)</i>	9.8	n.a.	10.8	16.7	12.4	n.a.	7.6	13.3	20.1	13.7	n.a.
	<i>EV/EBIT (x)</i>	n.a.	n.a.	n.a.	26.7	26.7	n.a.	9.9	25.9	27.4	21.1	n.a.
	<i>ROE</i>	n.a.	n.a.	n.a.	12.2	12.2	n.a.	27.9	6.0	18.3	17.4	n.a.
	<i>FCF Yield (%)</i>	n.a.	n.a.	10.4	3.2	6.8	0.1	9.1	7.2	2.5	4.7	n.a.
	<i>DPS</i>	0.00	0.00	0.08	0.24	0.08	0.04	0.13	0.00	7.19	1.84	0.00
<i>Dvd Yield</i>	0.0%	0.0%	0.3%	1.2%	0.4%	0.1%	0.5%	0.0%	1.2%	0.4%	0.0%	

Note 1: Financial data, multiples and ratios based on market consensus (Thomson Reuters). In the case of the company analyzed, own estimates (Lighthouse).

Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
02-Dec-2020	n.a.	4.60	n.a.	n.a.	6m Results 2020 & Review of estimates	Ana Isabel González García, CIIA
17-Sep-2020	n.a.	3.90	n.a.	n.a.	3m Results 2020	Ana Isabel González García, CIIA
25-Jun-2020	n.a.	5.10	n.a.	n.a.	Review of estimates	Ana Isabel González García, CIIA
13-Jan-2020	n.a.	6.90	n.a.	n.a.	9m Results 2019	Ana Isabel González García, CIIA
03-Dec-2019	n.a.	7.36	n.a.	n.a.	Initiation of Coverage	Ana Isabel González García, CIIA

