

Company Flash Note

Reason: Company results (post view)

29 September 2023

Buy

Recommendation unchanged

Share price: EUR 3.76

closing price as of 28/09/2023

Target price: EUR 9.00

Target Price unchanged

Upside/Downside Potential 139.2%

Reuters/Bloomberg

AGIL.MC/AGIL.SM

Market capitalisation (EURm) 87

Current N° of shares (m) 23

Free float 50%

Daily avg. no. trad. sh. 12 mth (k) 8

Daily avg. trad. vol. 12 mth (k) 1.79

Price high/low 12 months 5.30 / 3.23

Abs Perfs 1/3/12 mths (%) -3.59/-3.59/-5.05

Key financials (EUR) 12/22 12/23e 12/24e

Sales (m) 102 109 118

EBITDA (m) 10 12 14

EBITDA margin 10.1% 10.8% 12.3%

EBIT (m) (4) (1) 1

EBIT margin nm nm 1.1%

Net Profit (adj.)(m) (5) (3) (0)

ROCE -4.4% -1.9% 1.9%

Net debt/(cash) (m) 20 24 19

Net Debt Equity 0.4 0.7 0.6

Net Debt/EBITDA 2.0 2.0 1.3

Int. cover(EBITDA/Fin.int) 8.8 9.1 10.2

EV/Sales 1.2 1.0 0.9

EV/EBITDA 11.6 9.3 7.2

EV/EBITDA (adj.) 11.6 9.3 7.2

EV/EBIT nm nm 82.5

P/E (adj.) nm nm nm

P/BV 2.5 2.6 2.8

OpFCF yield 3.4% 5.4% 7.7%

Dividend yield 0.0% 0.0% 0.0%

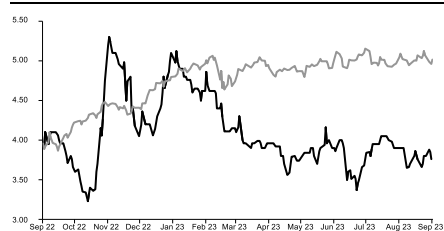
EPS (adj.) (0.22) (0.11) (0.01)

BVPS 1.73 1.46 1.35

DPS 0.00 0.00 0.00

Shareholders

Knowlkers Consulting & Investment 16%; Inveready 10%; Onchena, S.L. 7%;



Source: FactSet

AGILE CONTENT IGBM (Rebased)

Analyst(s)

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Cuentas semestrales auditadas: se confirma la mejora

La compañía ha presentado esta mañana sus cuentas anuales semestrales, en las cuales los resultados han sido ligeramente mejores que lo anunciado en el avance de julio. Los ingresos alcanzan los EUR51m (+10% yoy), el EBITDA es de EUR5.7m (vs EUR5.4m del avance de resultados, con un margen del 11.2% + 0.8pb vs H122) y el OpCF es de EUR2.4m (+172% yoy vs EUR2.2m del avance de resultados). La deuda financiera neta se sitúa en EUR21.9m (2.0x DN/EBITDA).

- ✓ Los **ingresos** se sitúan en EUR51m, con un crecimiento orgánico del +10%, en línea con los objetivos anuales. Por negocios, Agile TV Platform creció un +6.8% y Agile TV Technologies un +16.8%. Los ingresos recurrentes se sitúan en c.77% del total.
- ✓ El crecimiento de **Agile TV Platform** viene empujado por un crecimiento del ARPU, que ha permitido absorber el incremento de costes. En el mes de agosto, la compañía ha cerrado acuerdos con los grupos italianos Tessellis y Convergenze para poder gestionar su servicio de TV en Italia a través de Agile TV Platform, extendiendo su éxito en otros proveedores y capitalizando el impulso de la banda ancha en Italia, donde se planea aumentar el acceso de fibra a más de 7,5 millones de hogares en los próximos 5 años. El objetivo de esta alianza con estas dos compañías es ofrecer el servicio de TV a los más de 800k clientes de banda ancha del grupo Tessellis y Convergenze, así como a los nuevos clientes.
- ✓ El **control de costes operativos** y la generación de sinergias ha permitido a la compañía obtener un crecimiento de **EBITDA** del +19% durante el semestre, **mejorando el margen** en 0.8pb vs H122, hasta el 11.2%, por encima de nuestra estimación anual.
- ✓ En paralelo, este crecimiento de EBITDA arroja una **mayor conversión de dicho EBITDA en caja**, por lo que el OpCF crece un +174% hasta los EUR2.4m vs EUR0.9m de H122. Esto implica una conversión en caja del 43% del EBITDA, frente al 19% de 2022. En cuanto al FCF es negativo en el semestre por EUR1.8m, impactado por el crecimiento del saldo de clientes en la fecha de corte del informe (junio), así como con una periodificación del capex que impacta de manera más intensa en la primera mitad del año. Para FY23, esta métrica será positiva, en línea con nuestras estimaciones.
- ✓ Estas buenas métricas financieras impactan en la **deuda**, que se sitúa en EUR21.9m (2.0x DN/EBITDA) incluyendo earn-outs y EUR14.9m excluyendo estos impactos.
- ✓ En resumen, los **resultados publicados confirman las buenas tendencias** observadas por la compañía y que hacen tener confianza en el cumplimiento de objetivos dados al mercado. Adicionalmente, los recientes acuerdos en Italia, proporcionan a la compañía un potencial de crecimiento muy interesante que no se incluye en nuestras estimaciones actuales y que podrían suponer un upside de valoración. Por el momento, nos mantenemos en posición conservadora y **creemos que el negocio actual ofrece un potencial de revalorización significativo.**

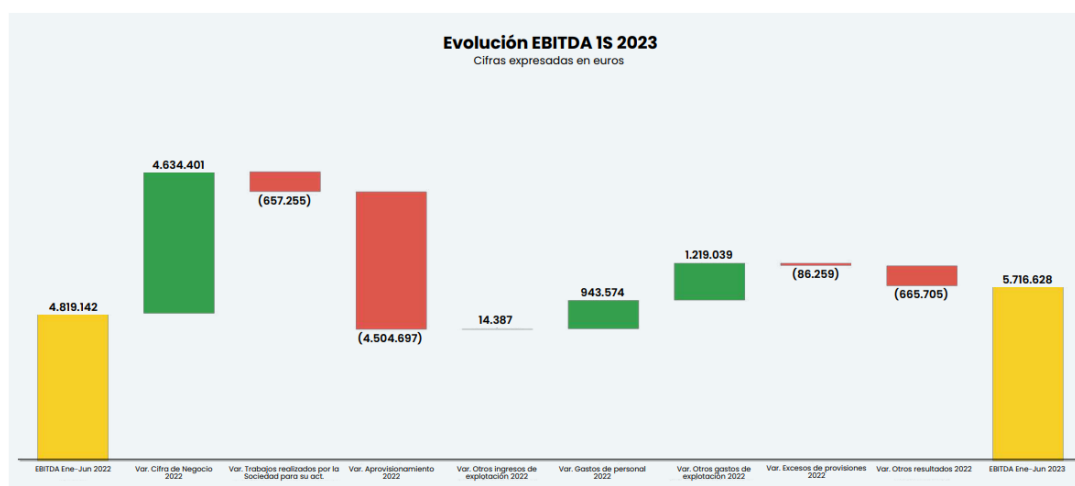
Resultados H123 auditados

AGILE CONTENT. POST-H1 23 AUDITED RESULTS.

| EURm | H1'22 | H1'23a | Δ% y/y |
|--|--------------|--------------|--------------|
| Net Revenues | 46.4 | 51.0 | 10.0% |
| OpCF | 0.9 | 2.4 | 172.0% |
| EBITDA | 4.8 | 5.7 | 18.3% |
| % EBITDA M. | 10.4% | 11.2% | .8pp |
| Net Debt Position * | 20.3 | 21.9 | 8.1% |
| ND/EBITDA adj. Annualized (vs FY22) | 2.0x | 2.0x | |

Source: Agile Content & GVC Gaesco Valores

Evolución del EBITDA semestral



En la table anterior se observa que el incremento de los ingresos es prácticamente igual al crecimiento de costes directos y que la mejora del EBITDA proviene de sinergias y eficiencias en costes, tanto de personal como operativos.

Agile Content: Summary tables

| PROFIT & LOSS (EURm) | 12/2020 | 12/2021 | 12/2022 | 12/2023e | 12/2024e | 12/2025e |
|---|----------------|----------------|----------------|-----------------|-----------------|-----------------|
| Sales | 20.4 | 54.9 | 102 | 109 | 118 | 127 |
| Cost of Sales & Operating Costs | -17.2 | -49.9 | -91.2 | -97.3 | -103.2 | -108.6 |
| Non Recurrent Expenses/Income | -1.2 | -2.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBITDA | 3.2 | 5.1 | 10.3 | 11.8 | 14.5 | 18.6 |
| EBITDA (adj.)* | 4.4 | 7.5 | 10.3 | 11.8 | 14.5 | 18.6 |
| Depreciation | 0.0 | 0.0 | -0.8 | 0.0 | 0.0 | 0.0 |
| EBITA | 3.2 | 5.1 | 9.5 | 11.8 | 14.5 | 18.6 |
| EBITA (adj)* | 4.4 | 7.5 | 9.5 | 11.8 | 14.5 | 18.6 |
| Amortisations and Write Downs | -3.2 | -8.7 | -13.2 | -13.2 | -13.2 | -13.6 |
| EBIT | 0.0 | -3.6 | -3.7 | -1.4 | 1.3 | 5.0 |
| EBIT (adj.)* | 1.2 | -1.2 | -3.7 | -1.4 | 1.3 | 5.0 |
| Net Financial Interest | -1.4 | -2.1 | -1.2 | -1.3 | -1.4 | -1.6 |
| Other Financials | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Associates | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Non Recurrent Items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Earnings Before Tax (EBT) | -1.4 | -5.7 | -4.9 | -2.7 | -0.2 | 3.4 |
| Tax | -0.2 | -0.0 | -0.2 | 0.1 | 0.0 | -0.9 |
| <i>Tax rate</i> | <i>n.m.</i> | <i>n.m.</i> | <i>n.m.</i> | <i>5.0%</i> | <i>25.0%</i> | <i>25.0%</i> |
| Discontinued Operations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Profit (reported) | -1.6 | -5.8 | -5.1 | -2.6 | -0.1 | 2.6 |
| Net Profit (adj.) | -2.8 | -5.8 | -5.1 | -2.6 | -0.1 | 2.6 |
| CASH FLOW (EURm) | 12/2020 | 12/2021 | 12/2022 | 12/2023e | 12/2024e | 12/2025e |
| Cash Flow from Operations before change in NWC | 0.4 | 2.9 | 8.9 | 10.6 | 13.1 | 16.2 |
| Change in Net Working Capital | 3.6 | -0.9 | 4.9 | 1.6 | 1.3 | 1.1 |
| Cash Flow from Operations | 4.0 | 2.0 | 13.9 | 12.2 | 14.4 | 17.3 |
| Capex | -3.8 | -8.7 | -10.4 | -7.5 | -7.8 | -8.0 |
| Net Financial Investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Free Cash Flow | 0.2 | -6.7 | 3.4 | 4.7 | 6.7 | 9.2 |
| Dividends | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (incl. Capital Increase & share buy backs) | -11.3 | -31.6 | 9.9 | -16.4 | -4.5 | -0.1 |
| Change in Net Financial Debt | -11.1 | -38.3 | 13.3 | -11.7 | 2.2 | 9.2 |
| NOPLAT | 0.9 | -0.9 | -2.8 | -1.1 | 0.9 | 3.7 |
| BALANCE SHEET & OTHER ITEMS (EURm) | 12/2020 | 12/2021 | 12/2022 | 12/2023e | 12/2024e | 12/2025e |
| Net Tangible Assets | 0.8 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Net Intangible Assets (incl. Goodwill) | 29.3 | 77.1 | 71.3 | 66.1 | 60.6 | 55.1 |
| Net Financial Assets & Other | 1.3 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 |
| Total Fixed Assets | 31.4 | 79.2 | 73.5 | 68.3 | 62.8 | 57.3 |
| Inventories | 0.8 | 1.7 | 1.1 | 1.1 | 1.1 | 1.1 |
| Trade receivables | 11.0 | 20.9 | 22.8 | 22.0 | 21.3 | 20.6 |
| Other current assets | 8.7 | 4.9 | 6.0 | 3.6 | 3.6 | 3.6 |
| Cash (-) | -17.0 | -14.3 | -14.8 | -7.7 | -11.9 | -20.9 |
| Total Current Assets | 37.5 | 41.9 | 44.7 | 34.4 | 37.9 | 46.3 |
| Total Assets | 68.9 | 121.1 | 118.2 | 102.7 | 100.7 | 103.5 |
| Shareholders Equity | 27.6 | 44.4 | 40.0 | 33.7 | 31.3 | 33.8 |
| Minority | 0.0 | 2.1 | 6.4 | 0.0 | 0.0 | 0.0 |
| Total Equity | 27.6 | 46.4 | 46.4 | 33.7 | 31.3 | 33.8 |
| Long term interest bearing debt | 8.1 | 25.2 | 26.7 | 26.4 | 26.1 | 25.8 |
| Provisions | 0.0 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 |
| Other long term liabilities | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Total Long Term Liabilities | 8.4 | 25.7 | 27.1 | 26.8 | 26.5 | 26.2 |
| Short term interest bearing debt | 14.9 | 17.5 | 8.2 | 4.9 | 5.0 | 5.1 |
| Trade payables | 16.2 | 26.2 | 32.4 | 33.1 | 33.8 | 34.3 |
| Other current liabilities | 1.8 | 5.2 | 4.1 | 4.1 | 4.1 | 4.1 |
| Total Current Liabilities | 32.9 | 48.9 | 44.7 | 42.2 | 43.0 | 43.5 |
| Total Liabilities and Shareholders' Equity | 68.9 | 121.1 | 118.2 | 102.7 | 100.7 | 103.5 |
| Net Capital Employed | 34.0 | 75.4 | 66.9 | 57.7 | 50.9 | 44.2 |
| Net Working Capital | -4.4 | -3.6 | -8.5 | -10.1 | -11.4 | -12.5 |
| GROWTH & MARGINS | 12/2020 | 12/2021 | 12/2022 | 12/2023e | 12/2024e | 12/2025e |
| <i>Sales growth</i> | <i>85.8%</i> | <i>169.3%</i> | <i>84.8%</i> | <i>7.4%</i> | <i>7.9%</i> | <i>8.1%</i> |
| EBITDA (adj.)* growth | 77.9% | 68.3% | 38.1% | 14.3% | 23.2% | 28.3% |
| <i>EBITA (adj.)* growth</i> | <i>77.9%</i> | <i>68.3%</i> | <i>27.4%</i> | <i>23.8%</i> | <i>23.2%</i> | <i>28.3%</i> |
| <i>EBIT (adj)* growth</i> | <i>801.2%</i> | <i>n.m.</i> | <i>n.m.</i> | <i>n.m.</i> | <i>n.m.</i> | <i>294.7%</i> |

Agile Content: Summary tables

| GROWTH & MARGINS | 12/2020 | 12/2021 | 12/2022 | 12/2023e | 12/2024e | 12/2025e |
|---|----------------|----------------|----------------|-----------------|-----------------|-----------------|
| Net Profit growth | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| EPS adj. growth | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| DPS adj. growth | | | | | | |
| EBITDA (adj)* margin | 21.7% | 13.6% | 10.1% | 10.8% | 12.3% | 14.6% |
| EBITA (adj)* margin | 21.7% | 13.6% | 9.4% | 10.8% | 12.3% | 14.6% |
| EBIT (adj)* margin | 5.9% | n.m. | n.m. | n.m. | 1.1% | 3.9% |
| RATIOS | 12/2020 | 12/2021 | 12/2022 | 12/2023e | 12/2024e | 12/2025e |
| Net Debt/Equity | 0.2 | 0.6 | 0.4 | 0.7 | 0.6 | 0.3 |
| Net Debt/EBITDA | 1.9 | 5.6 | 2.0 | 2.0 | 1.3 | 0.5 |
| Interest cover (EBITDA/Fin.interest) | 2.3 | 2.4 | 8.8 | 9.1 | 10.2 | 11.9 |
| Capex/D&A | 117.1% | 100.4% | 74.5% | 56.8% | 58.7% | 59.0% |
| Capex/Sales | 18.5% | 15.9% | 10.3% | 6.9% | 6.6% | 6.3% |
| NWC/Sales | -21.8% | -6.5% | -8.4% | -9.2% | -9.7% | -9.8% |
| ROE (average) | -13.9% | -16.0% | -12.0% | -7.0% | -0.4% | 7.9% |
| ROCE (adj.) | 3.5% | -1.2% | -4.4% | -1.9% | 1.9% | 8.7% |
| WACC | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% |
| ROCE (adj.)/WACC | 0.4 | -0.1 | -0.5 | -0.2 | 0.2 | 1.0 |
| PER SHARE DATA (EUR)*** | 12/2020 | 12/2021 | 12/2022 | 12/2023e | 12/2024e | 12/2025e |
| Average diluted number of shares | 18.8 | 21.0 | 23.1 | 23.1 | 23.1 | 23.1 |
| EPS (reported) | -0.09 | -0.27 | -0.22 | -0.11 | -0.01 | 0.11 |
| EPS (adj.) | -0.15 | -0.27 | -0.22 | -0.11 | -0.01 | 0.11 |
| BVPS | 1.47 | 2.11 | 1.73 | 1.46 | 1.35 | 1.46 |
| DPS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| VALUATION | 12/2020 | 12/2021 | 12/2022 | 12/2023e | 12/2024e | 12/2025e |
| EV/Sales | 7.6 | 3.2 | 1.2 | 1.0 | 0.9 | 0.7 |
| EV/EBITDA | 48.3 | 34.9 | 11.6 | 9.3 | 7.2 | 5.1 |
| EV/EBITDA (adj.)* | 35.2 | 23.7 | 11.6 | 9.3 | 7.2 | 5.1 |
| EV/EBITA | 48.3 | 34.9 | 12.6 | 9.3 | 7.2 | 5.1 |
| EV/EBITA (adj.)* | 35.2 | 23.7 | 12.6 | 9.3 | 7.2 | 5.1 |
| EV/EBIT | n.m. | n.m. | n.m. | n.m. | 82.5 | 19.1 |
| EV/EBIT (adj.)* | n.m. | n.m. | n.m. | n.m. | 82.5 | 19.1 |
| P/E (adj.) | n.m. | n.m. | n.m. | n.m. | n.m. | 33.7 |
| P/BV | 5.5 | 3.4 | 2.5 | 2.6 | 2.8 | 2.6 |
| Total Yield Ratio | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| EV/CE | 6.1 | 2.4 | 1.9 | 1.9 | 2.1 | 2.2 |
| OpFCF yield | 0.2% | -4.5% | 3.4% | 5.4% | 7.7% | 10.6% |
| OpFCF/EV | 0.2% | -3.8% | 2.9% | 4.3% | 6.4% | 9.7% |
| Payout ratio | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Dividend yield (gross) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| EV AND MKT CAP (EURm) | 12/2020 | 12/2021 | 12/2022 | 12/2023e | 12/2024e | 12/2025e |
| Price** (EUR) | 8.05 | 7.10 | 4.36 | 3.76 | 3.76 | 3.76 |
| Outstanding number of shares for main stock | 18.8 | 21.0 | 23.1 | 23.1 | 23.1 | 23.1 |
| Total Market Cap | 151.1 | 149.4 | 100.8 | 86.9 | 86.9 | 86.9 |
| Gross Financial Debt (+) | 23.0 | 42.8 | 34.9 | 31.3 | 31.1 | 30.9 |
| Cash & Marketable Securities (-) | -17.0 | -14.3 | -14.8 | -7.7 | -11.9 | -20.9 |
| Net Financial Debt | 6.0 | 28.5 | 20.1 | 23.6 | 19.2 | 10.0 |
| Lease Liabilities (+) | | | | | | |
| Net Debt | 6.0 | 28.5 | 20.1 | 23.6 | 19.2 | 10.0 |
| Other EV components | -1.3 | -1.6 | -1.6 | -1.6 | -1.6 | -1.6 |
| Enterprise Value (EV adj.) | 155.8 | 176.3 | 119.3 | 108.9 | 104.5 | 95.3 |

Source: Company, GVC Gaesco Valores estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

***EPS (adj.) diluted = Net Profit (adj.)/Avg DIL. Ord. (+ Ord. equivalent) Shs. EPS (reported) = Net Profit reported/Avg DIL. Ord. (+ Ord. equivalent) Shs.

Sector: Technology/Software

Company Description: Agile Content is a technological Company that offers cloud-based solutions to media companies, telecom enterprises and corporations. Agile's solutions, focused towards the transformations of business to digital, cover the complete lifecycle of multimedia contents, facilitating content creation and distribution to any destination from mobile, social media and websites.



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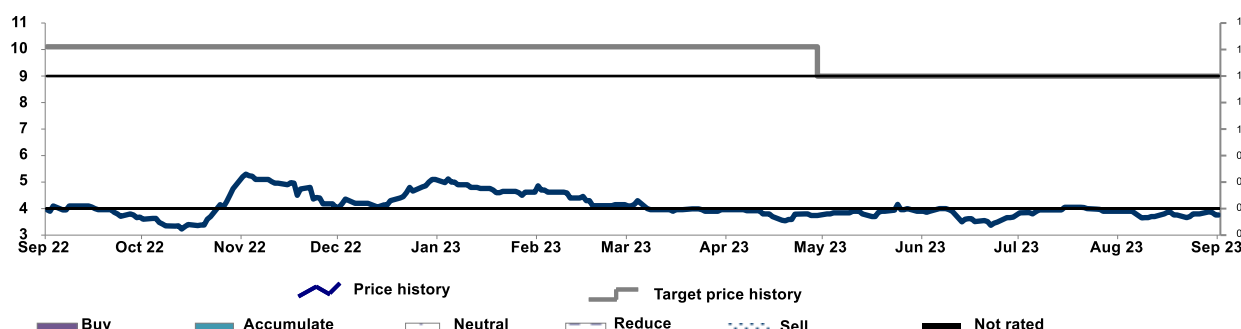
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- has a liquidity contract as outlined by the CNMV's Circular 1/2017 with: Melia Hotels International; Española de Viviendas en Alquiler S.A. (CEVASA); ENCE Energia y Celulosa; Cementos Molins; Desarrollo Especiales de Sistemas de Anclaje, S.A. (DESA).
- has signed a Corporate Brokerage agreement that includes a contractually agreed provision of research services that in return, GVC Gaesco Valores receives a compensation. These reports (sponsored) may/could have been previously shown to the companies: Atrys Health; Audax Renovables; Gigas Hosting; Vytrus Biotech; Nicolás Correa; Prim; Ktesios, Cementos Molins.

Recommendation history for AGILE CONTENT

| Date | Recommendation | Target price | Price at change date |
|-----------|------------------|--------------|----------------------|
| 26-May-23 | Buy | 9.00 | 3.74 |
| 04-Apr-22 | Buy | 10.10 | 5.90 |
| 15-Mar-22 | Buy | 10.10 | 6.40 |
| 23-Sep-21 | Buy | 10.11 | 7.40 |
| 14-May-21 | Buy | 8.70 | 7.62 |
| 20-Nov-20 | Buy | 8.52 | 5.97 |
| 30-Oct-20 | Rating Suspended | | 6.02 |

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows GVC Gaesco Valores continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Juan Peña (since 24/10/2019)



ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated based on **total return**, measured by the upside/downside potential (including dividends and capital reimbursement) over a **12-month time horizon**. The final responsible of the recommendation of a listed company is the analyst who covers that company. The recommendation and the target price set by an analyst on one stock are correlated but not totally, because an analyst may include in its recommendation also qualitative elements as market volatility, earning momentum, short term news flow, possible M&A scenarios and other subjective elements.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B), Accumulate (A), Neutral (N), Reduce (R) and Sell (S)**.

Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months
- **Rating Suspended:** the rating is suspended due to: a) a capital operation (take-over bid, SPO, etc.) where a Member of ESN is or could be involved with the issuer or a related party of the issuer; b) a change of analyst covering the stock; c) the rating of a stock is under review by the Analyst.
- **Not Rated:** there is no rating for a stock when there is a termination of coverage of the stocks or a company being floated (IPO) by a Member of ESN or a related party of the Member.

Note: a certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

GVC Gaesco Valores, S.V., S.A. Ratings Breakdown

| Recommendation | Number of stocks covered | % |
|----------------|--------------------------|-----|
| Buy | 62 | 78% |
| Accumulate | 7 | 9% |
| Neutral | 9 | 11% |
| Reduce | 1 | 1% |
| Sell | 0 | 0% |

For full ESN Recommendation and Target price history (in the last 12 months), please see ESN Website [Link](#)

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