

6m Results 2022

Opinion ⁽¹⁾: In line

Impact ⁽¹⁾: We will maintain our estimates

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Netex (NTX), is a Spanish technology company (A Coruña) dedicated to the development and commercialisation of software for the education sector. Its two main lines of business are the sale/renewal of licences (37% of revenues 2022e) and the development of projects with customised content (63% of revenues 2022e). Revenues outside Spain represent c. 58%, mainly in Latam (29%) and the UK (25%). The founders control c. 51% of the capital.

1H22 results. In line. Step-up in size (driven by M&A), improving margins

Market Data

Market Cap (Mn EUR and USD)	28.6	29.2
EV (Mn EUR and USD) ⁽²⁾	46.7	47.7
Shares Outstanding (Mn)	8.9	
-12m (Max/Med/Mín EUR)	4.40 / 3.70 / 3.13	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽³⁾	8.2	
Factset / Bloomberg	NTX-ES / NTX SM	
Close fiscal year	30-Sep	

1H22 RESULTS CONFIRM THE ADVANCE MADE BY JUNE'S RESULTS: STRONG REVENUE GROWTH...

1H21 revenue: EUR 9.9Mn (+94.7% vs 1H21), growth explained mainly by: i) organic growth that accounted for c.65% of the total thanks to the consolidation of international activity and the opening of new offices (New York and Sao Paulo) in 2021, ii) the dynamism of the sector (e-learning) that continues to grow, unaffected by the macro situation (economic slowdown, rate hikes and inflation), and iii) c. 35% of growth is inorganic, with the partial assimilation (3 months) of the activity of Virtual College in 1H22.

Shareholders Structure (%)

José Carlos López Ezquerro	25.2
José Ramón Mosteiro López	25.1
Angel Fandos (Odre 2005)	12.1
3-Gutinvest, S.L.	5.0
Free Float	32.6

... ACCOMPANIED BY A SIGNIFICANT IMPROVEMENT IN MARGINS (1H22 REC. EBITDA MARGIN 11.5% VS -7.7% IN 1H21).

NTX's operating leverage (already seen at the 2021 close) has allowed the company to exploit the step-up in revenue via the fixed component of its structural costs (1H22 Rec. EBITDA margin 11.5%; excluding the expenses of the acquisition of Virtual College). We expect the 2022e Rec. EBITDA margin to reach 14.5%, once the synergies from the integration of the M&A carried out in 2022 have been exploited.

Financials (Mn EUR)

	2021	2022e	2023e	2024e
Adj. nº shares (Mn)	8.9	8.9	8.9	8.9
Total Revenues	12.3	20.8	25.7	30.5
Rec. EBITDA	1.0	3.0	5.1	7.4
% growth	304.8	212.3	70.9	44.5
% Rec. EBITDA/Rev.	7.9	14.5	20.0	24.4
% Inc. EBITDA sector ⁽⁴⁾	31.5	22.7	19.2	13.6
Net Profit	0.6	0.7	2.2	4.6
EPS (EUR)	0.07	0.08	0.25	0.52
% growth	358.7	13.0	210.6	106.2
Ord. EPS (EUR)	0.00	0.13	0.25	0.52
% growth	90.7	n.a.	94.0	106.2
Rec. Free Cash Flow ⁽⁵⁾	-2.9	0.4	2.6	4.2
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	9.0	16.6	13.9	9.7
ND/Rec. EBITDA (x)	9.3	5.5	2.7	1.3
ROE (%)	35.1	27.0	54.0	61.0
ROCE (%) ⁽⁵⁾	6.5	7.9	14.3	26.1

WITH RESULTS FULLY IN LINE, OUR ESTIMATES ARE UNCHANGED.

Our central scenario envisages strong revenue growth in 2022e (EUR 20.8Mn; +69.2% vs 2021; c. 59% of the growth being explained by the integration of 9 months of 2022 M&A) that will drive Rec. EBITDA to EUR 3Mn in 2022e (2022e Rec. EBITDA margin: 14.5%). Although with high debt, due to: i) the acquisition of Virtual College that will take net debt to EUR 16.6Mn in 2022e (1H22 net debt EUR 18.2Mn; including convertible bonds) and ii) 2022e Rec. FCF close to break-even.

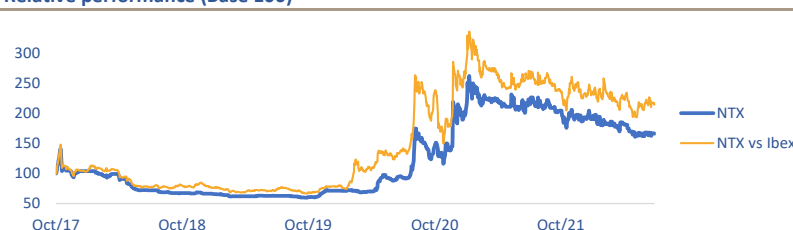
IN CONCLUSION: GOOD RESULTS THAT DEMONSTRATE THE ABILITY TO GROW WHILE CONTINUING TO IMPROVE MARGINS.

The take-off of the e-learning sector (macro driver), together with internationalisation and improved efficiency (micro driver) grant NTX's business excellent *momentum*. After 1H22 results, we can confirm that our equity story remains intact. If this growth is maintained until 2024e, NTX's multiples would be: P/E, c.6x, EV/EBITDA, c. 6x and FCF yield of 15%.

Ratios & Multiples (x) ⁽⁶⁾

	2021	2022e	2023e	2024e
P/E	44.8	39.6	12.8	6.2
Ord. P/E	n.a.	24.7	12.8	6.2
P/BV	12.4	9.4	5.4	2.9
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	3.81	2.25	1.82	1.53
EV/Rec. EBITDA	48.5	15.5	9.1	6.3
EV/EBIT	n.a.	34.5	13.5	7.4
FCF Yield (%) ⁽⁵⁾	n.a.	1.5	9.2	14.7

Relative performance (Base 100)



Stock performance (%)

	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	1.6	-9.0	-25.6	-10.8	164.8	n.a.
vs Ibex 35	2.0	-4.2	-19.8	-4.7	199.1	n.a.
vs Ibex Small Cap Index	5.4	-0.1	-17.7	-5.1	123.1	n.a.
vs Eurostoxx 50	-3.7	-6.7	-17.4	3.4	151.6	n.a.
vs Sector benchmark ⁽⁴⁾	-8.5	-8.0	-8.2	16.6	113.5	n.a.

(1) The opinion regarding the results is on reported EBITDA with respect to our estimate for the year (12m). The impact reflects whether, due to the results, we envisage a significant revision (>5% - 10%, depending on the sector) of our EBITDA estimate (for any of the estimated years).

(2) Please refer to Appendix 3.

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

(4) Sector: Stoxx Europe 600 Technology.

(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.

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

6m Results 2022
Appendix I. Results Table

EUR Mn	1H22 Real	1H21	1H22 Real vs 1H21	2022e	2022e vs 2021
Total Revenues	9.9	5.1	94.9%	20.8	69.2%
Gross Margin	6.8	3.7	86.0%	15.4	69.8%
<i>Gross Mg/Revenues</i>	<i>68.9%</i>	<i>72.2%</i>	<i>-3.3 p.p.</i>	<i>74.3%</i>	<i>0.3 p.p.</i>
Recurrent EBITDA⁽¹⁾	1.1	-0.4	390.7%	3.0	212.3%
<i>Rec. EBITDA/Revenues</i>	<i>11.5%</i>	<i>-7.7%</i>	<i>19.2 p.p.</i>	<i>14.5%</i>	<i>6.6 p.p.</i>
EBITDA⁽²⁾	0.6	-0.3	260.4%	2.5	115.8%
<i>EBITDA/Revenues</i>	<i>5.7%</i>	<i>-6.9%</i>	<i>12.6 p.p.</i>	<i>12.2%</i>	<i>2.6 p.p.</i>
EBIT	-0.1	0.1	-186.0%	1.4	116.1%
PBT	-0.5	-0.1	-303.7%	0.8	328.3%
NP	-0.5	0.0	n.a.	0.7	13.0%
Rec. FCF	3.3	-0.9	459.9%	0.4	114.8%
Net Debt ⁽³⁾	18.2	7.2	151.5%	16.6	84.2%

Note 1. Recurrent EBITDA adjusted to strip out the impact of: i) "Work carried out by the group on its assets" for EUR 0.8Mn and EUR 1.5Mn, ii) "Subsidies" for EUR 0.1Mn and EUR 0.1Mn, iii) "Expenses associated with M&A" for EUR 0.65Mn and EUR 0Mn in 1H22 and 1H21, and iv) "Other results" for EUR 0Mn and EUR 0.1Mn in 1H22 and 1H21 respectively.

Note 2. Rec. EBITDA adjusted to strip out the impact of: "Work carried out by the group on its assets" for EUR 0.8Mn and EUR 1.5Mn in 1H22 and 1H21, respectively.

Note 3. Net debt includes convertible bonds signed with Inveready for EUR 6.7Mn and EUR 1.5Mn in 1H22 and 1H21, respectively.

Valuation inputs

Inputs for the DCF Valuation Approach

	2022e	2023e	2024e	Terminal Value ⁽¹⁾			
Free Cash Flow "To the Firm"	(6.6)	3.2	4.6	n.a.			
Market Cap	28.6	At the date of this report					
Net financial debt	18.2	Debt net of Cash (6m Results 2022)					
					Best Case	Worst Case	
Cost of Debt	4.0%	Net debt cost			3.8%	4.3%	
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=	
Net debt cost	3.2%	Kd = Cost of Net Debt * (1-T)			3.0%	3.4%	
Risk free rate (rf)	2.0%	Rf (10y Spanish bond yield)			=	=	
Equity risk premium	7.0%	R (own estimate)			6.5%	7.5%	
Beta (B)	1.2	B (own estimate)			1.1	1.3	
Cost of Equity	10.4%	Ke = Rf + (R * B)			9.1%	11.7%	
Equity / (Equity + Net Debt)	61.1%	E (Market Cap as equity value)			=	=	
Net Debt / (Equity + Net Debt)	38.9%	D			=	=	
WACC	7.6%	WACC = Kd * D + Ke * E			6.7%	8.5%	
G "Fair"	2.5%				2.5%	2.0%	

(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 Factset	Mkt. Cap	P/E 22e	EPS 22e-24e	EV/EBITDA 22e	EBITDA 22e-24e	EV/Sales 22e	Revenues 22e-24e	EBITDA/Sales 22e	FCF Yield 22e	FCF 22e-24e
Instructure Holdings, Inc.	INST-US	3,388.0	24.0	16.8%	23.1	27.0%	8.4	11.2%	36.1%	4.6%	20.5%
Learning Technologies Group	LTG-GB	1,251.2	16.6	10.7%	11.3	11.8%	2.2	4.6%	19.6%	5.0%	27.9%
Docebo	DCBO-CA	1,020.1	n.a.	73.0%	n.a.	n.a.	5.7	29.0%	n.a.	0.5%	85.2%
Skillssoft	SKIL-US	617.4	n.a.	80.1%	7.3	16.3%	1.6	10.8%	22.1%	17.2%	n.a.
D2L, Inc	DTOL-CA	286.4	n.a.	n.a.	n.a.	94.0%	1.2	20.3%	n.a.	n.a.	n.a.
E-learning			20.3	45.2%	13.9	37.3%	3.8	15.2%	25.9%	6.8%	44.6%
NTX	NTX-ES	28.6	39.6	n.a.	15.5	71.5%	2.3	21.3%	12.2%	1.5%	59.9%

Free Cash Flow sensitivity analysis (2023e)

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

Scenario	EBITDA/Sales 23e	EBITDA 23e	EV/EBITDA 23e
Max	22.0%	5.7	8.3x
Central	20.0%	5.1	9.1x
Min	18.0%	4.6	10.1x

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

Rec. FCF EUR Mn	CAPEX/Sales 23e				Scenario	Rec. FCF/Yield 23e		
EBITDA 23e	0.6%	0.7%	0.8%		Max	11.1%	11.0%	11.0%
5.7	3.2	3.2	3.1	➔	Central	9.3%	9.2%	9.2%
5.1	2.7	2.6	2.6		Min	7.5%	7.5%	7.4%
4.6	2.2	2.1	2.1					

Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2017	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
Intangible assets	5.0	5.5	6.2	6.5	6.1	4.9	3.2	2.1		
Fixed assets	0.3	0.4	0.4	0.4	0.3	8.0	8.1	8.4		
Other Non Current Assets	0.1	0.2	0.2	0.2	0.5	0.5	0.5	0.5		
Financial Investments	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2		
Goodwill & Other Intangibles	-	-	-	-	-	-	-	-		
Current assets	2.8	4.0	4.4	3.7	7.1	9.6	11.1	12.9		
Total assets	8.5	10.4	11.4	11.1	14.3	23.3	23.2	24.1		
Equity	3.8	2.2	2.2	1.3	2.3	3.0	5.3	9.9		
Minority Interests	-	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1		
Other Non Current Liabilities	-	-	-	-	-	-	-	-		
Net financial debt	2.5	5.3	5.8	6.8	9.0	16.6	13.9	9.7		
Current Liabilities	2.0	2.8	3.2	2.8	2.9	3.5	3.9	4.3		
Equity & Total Liabilities	8.5	10.4	11.4	11.1	14.3	23.3	23.2	24.1		
P&L (EUR Mn)	2017	2018	2019	2020	2021	2022e	2023e	2024e	17-21	21-24e
Total Revenues	5.1	6.7	8.7	9.8	12.3	20.8	25.7	30.5	24.6%	35.5%
Total Revenues growth	-6.2%	31.6%	29.8%	12.4%	25.4%	69.2%	23.7%	18.9%		
COGS	(1.6)	(1.5)	(1.8)	(2.5)	(3.2)	(5.3)	(6.2)	(7.1)		
Gross Margin	3.5	5.2	6.9	7.3	9.1	15.4	19.4	23.4	27.0%	37.2%
Gross Margin/Revenues	68.6%	77.2%	79.5%	74.2%	74.0%	74.3%	75.7%	76.8%		
Personnel Expenses	(4.2)	(5.5)	(6.0)	(6.4)	(6.7)	(10.4)	(12.1)	(13.6)		
Other Operating Expenses	(1.1)	(1.5)	(1.3)	(1.3)	(1.4)	(2.0)	(2.2)	(2.4)		
Recurrent EBITDA	(1.9)	(1.8)	(0.4)	(0.5)	1.0	3.0	5.1	7.4	26.0%	97.6%
Recurrent EBITDA growth	n.a.	0.8%	77.0%	-10.8%	304.8%	212.3%	70.9%	44.5%		
Rec. EBITDA/Revenues	n.a.	n.a.	n.a.	n.a.	7.9%	14.5%	20.0%	24.4%		
Restructuring Expense & Other non-rec.	(0.1)	(0.0)	(0.0)	0.2	0.2	(0.5)	-	-		
EBITDA	(2.0)	(1.9)	(0.4)	(0.2)	1.2	2.5	5.1	7.4	27.0%	85.1%
Depreciation & Provisions	(1.8)	(1.7)	(1.8)	(2.0)	(2.2)	(2.8)	(3.5)	(3.1)		
Capitalized Expense	1.8	2.1	2.4	2.5	1.7	1.6	1.8	2.0		
Rentals (IFRS 16 impact)	-	-	-	-	-	-	-	-		
EBIT	(1.9)	(1.4)	0.2	0.3	0.6	1.4	3.5	6.3	23.5%	n.a.
EBIT growth	-673.8%	26.1%	111.2%	60.2%	143.8%	116.1%	155.4%	82.3%		
EBIT/Revenues	n.a.	n.a.	1.8%	2.6%	5.1%	6.5%	13.5%	20.6%		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(0.2)	(0.2)	(0.2)	(0.2)	(0.4)	(0.5)	(0.6)	(0.5)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
Ordinary Profit	(2.2)	(1.6)	(0.0)	0.0	0.2	0.8	2.8	5.8	20.2%	n.a.
Ordinary Profit Growth	n.a.	25.1%	97.3%	128.7%	n.a.	328.3%	249.5%	106.2%		
Extraordinary Results	-	-	-	-	-	-	-	-		
Profit Before Tax	(2.2)	(1.6)	(0.0)	0.0	0.2	0.8	2.8	5.8	20.2%	n.a.
Tax Expense	(0.0)	(0.0)	0.1	0.1	0.5	(0.1)	(0.6)	(1.2)		
Effective Tax Rate	n.a.	n.a.	n.a.	n.a.	n.a.	10.0%	20.0%	20.0%		
Minority Interests	-	-	-	-	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	(2.2)	(1.6)	0.1	0.1	0.6	0.7	2.2	4.6	23.1%	93.4%
Net Profit growth	n.a.	25.1%	104.6%	86.4%	358.7%	13.0%	210.6%	106.2%		
Ordinary Net Profit	(2.1)	(1.6)	(0.0)	(0.2)	(0.0)	1.2	2.2	4.6	68.5%	n.a.
Ordinary Net Profit growth	n.a.	23.4%	98.7%	-980.1%	90.7%	n.a.	94.0%	106.2%		
Cash Flow (EUR Mn)	2017	2018	2019	2020	2021	2022e	2023e	2024e	17-21	21-24e
Recurrent EBITDA						3.0	5.1	7.4	26.0%	97.6%
Rentals (IFRS 16 impact)						-	-	-		
Working Capital Increase						(1.8)	(1.1)	(1.4)		
Recurrent Operating Cash Flow						1.2	4.0	6.1	-40.8%	65.7%
CAPEX						(0.1)	(0.2)	(0.2)		
Net Financial Result affecting the Cash Flow						(0.5)	(0.6)	(0.5)		
Tax Expense						(0.1)	(0.6)	(1.2)		
Recurrent Free Cash Flow						0.4	2.6	4.2	-33.3%	51.3%
Restructuring Expense & Other non-rec.						(0.5)	-	-		
- Acquisitions / + Divestures of assets						(7.5)	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						(7.6)	2.6	4.2	-27.5%	53.0%
Capital Increase						-	-	-		
Dividends						-	-	-		
Net Debt Variation						7.6	(2.6)	(4.2)		

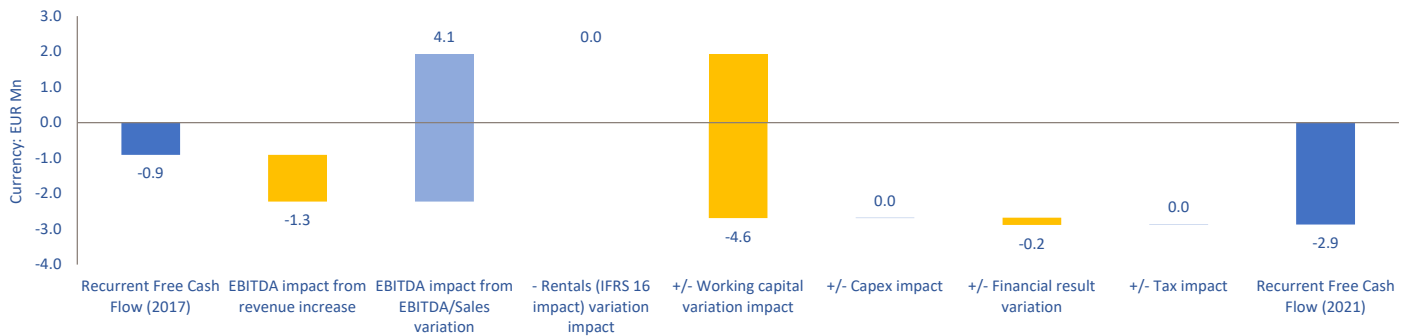
(1) Acquisitions: EUR 7.5Mn corresponding to the acquisition of Virtual College (including its Net Debt; amount estimated by Lighthouse).

Appendix 2. Free Cash Flow

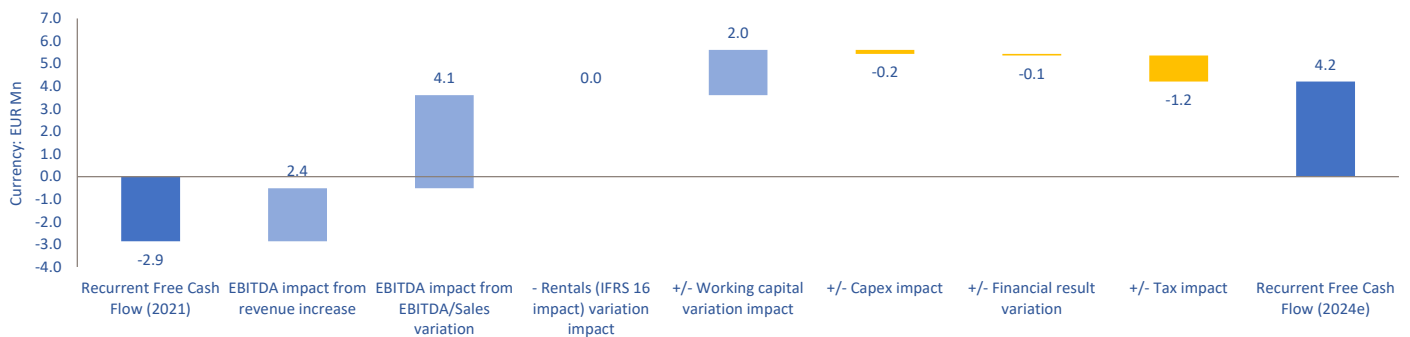
A) Cash Flow Analysis (EUR Mn)	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
								18-21	21-24e
Recurrent EBITDA	(1.8)	(0.4)	(0.5)	1.0	3.0	5.1	7.4	36.1%	97.6%
<i>Recurrent EBITDA growth</i>	<i>0.8%</i>	<i>77.0%</i>	<i>-10.8%</i>	<i>304.8%</i>	<i>212.3%</i>	<i>70.9%</i>	<i>44.5%</i>		
<i>Rec. EBITDA/Revenues</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>7.9%</i>	<i>14.5%</i>	<i>20.0%</i>	<i>24.4%</i>		
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	(0.5)	0.1	0.2	(3.4)	(1.8)	(1.1)	(1.4)		
= Recurrent Operating Cash Flow	(2.3)	(0.3)	(0.2)	(2.4)	1.2	4.0	6.1	-0.7%	65.7%
<i>Rec. Operating Cash Flow growth</i>	<i>-284.2%</i>	<i>86.1%</i>	<i>26.5%</i>	<i>-902.4%</i>	<i>150.3%</i>	<i>236.1%</i>	<i>50.8%</i>		
<i>Rec. Operating Cash Flow / Sales</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>5.8%</i>	<i>15.7%</i>	<i>19.9%</i>		
- CAPEX	(0.2)	(0.1)	(0.0)	(0.0)	(0.1)	(0.2)	(0.2)		
- Net Financial Result affecting Cash Flow	(0.2)	(0.2)	(0.2)	(0.4)	(0.5)	(0.6)	(0.5)		
- Taxes	(0.0)	-	-	-	(0.1)	(0.6)	(1.2)		
= Recurrent Free Cash Flow	(2.7)	(0.6)	(0.5)	(2.9)	0.4	2.6	4.2	-1.9%	51.3%
<i>Rec. Free Cash Flow growth</i>	<i>-198.1%</i>	<i>78.1%</i>	<i>22.8%</i>	<i>-526.6%</i>	<i>114.8%</i>	<i>522.0%</i>	<i>58.8%</i>		
<i>Rec. Free Cash Flow / Revenues</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>2.1%</i>	<i>10.3%</i>	<i>13.8%</i>		
- Restructuring expenses & others	(0.0)	(0.0)	0.2	0.2	(0.5)	-	-		
- Acquisitions / + Divestments	-	-	-	-	(7.5)	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow	(2.7)	(0.6)	(0.2)	(2.7)	(7.6)	2.6	4.2	1.1%	53.0%
<i>Free Cash Flow growth</i>	<i>-173.1%</i>	<i>77.5%</i>	<i>63.4%</i>	<i>n.a.</i>	<i>-184.4%</i>	<i>135.0%</i>	<i>58.8%</i>		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.5%</i>	<i>9.2%</i>	<i>14.7%</i>		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>9.2%</i>	<i>14.7%</i>		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
Recurrent FCF(FY - 1)	(0.9)	(2.7)	(0.6)	(0.5)	(2.9)	0.4	2.6		
EBITDA impact from revenue increase	(0.6)	(0.5)	(0.1)	(0.1)	0.7	0.7	1.0		
EBITDA impact from EBITDA/Sales variation	0.6	2.0	0.0	1.6	1.4	1.4	1.3		
= Recurrent EBITDA variation	0.0	1.4	(0.0)	1.4	2.0	2.1	2.3		
- Rentals (IFRS 16 impact) variation impact	-	-	-	-	-	-	-		
+/- Working capital variation impact	(1.7)	0.6	0.1	(3.6)	1.5	0.7	(0.2)		
= Recurrent Operating Cash Flow variation	(1.7)	2.0	0.1	(2.2)	3.6	2.8	2.0		
+/- CAPEX impact	(0.1)	0.1	0.0	0.0	(0.1)	(0.0)	(0.0)		
+/- Financial result variation	0.0	(0.0)	0.0	(0.3)	(0.1)	(0.1)	0.1		
+/- Tax impact	0.0	0.0	-	-	(0.1)	(0.5)	(0.6)		
= Recurrent Free Cash Flow variation	(1.8)	2.1	0.1	(2.4)	3.3	2.2	1.6		
Recurrent Free Cash Flow	(2.7)	(0.6)	(0.5)	(2.9)	0.4	2.6	4.2		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
EBIT	(1.4)	0.2	0.3	0.6	1.4	3.5	6.3	34.6%	<i>n.a.</i>
* Theoretical Tax rate	0.0%	0.0%	0.0%	0.0%	10.0%	20.0%	20.0%		
= Taxes (pre- Net Financial Result)	-	-	-	-	(0.1)	(0.7)	(1.3)		
Recurrent EBITDA	(1.8)	(0.4)	(0.5)	1.0	3.0	5.1	7.4	36.1%	97.6%
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	(0.5)	0.1	0.2	(3.4)	(1.8)	(1.1)	(1.4)		
= Recurrent Operating Cash Flow	(2.3)	(0.3)	(0.2)	(2.4)	1.2	4.0	6.1	-0.7%	65.7%
- CAPEX	(0.2)	(0.1)	(0.0)	(0.0)	(0.1)	(0.2)	(0.2)		
- Taxes (pre- Financial Result)	-	-	-	-	(0.1)	(0.7)	(1.3)		
= Recurrent Free Cash Flow (To the Firm)	(2.5)	(0.4)	(0.3)	(2.4)	0.9	3.2	4.6	1.0%	57.4%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	<i>-277.6%</i>	<i>84.5%</i>	<i>27.0%</i>	<i>-757.0%</i>	<i>137.9%</i>	<i>244.0%</i>	<i>45.7%</i>		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>4.4%</i>	<i>12.3%</i>	<i>15.1%</i>		
- Acquisitions / + Divestments	-	-	-	-	(7.5)	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow "To the Firm"	(2.5)	(0.4)	(0.3)	(2.4)	(6.6)	3.2	4.6	1.0%	57.4%
<i>Free Cash Flow (To the Firm) growth</i>	<i>-277.6%</i>	<i>84.5%</i>	<i>27.0%</i>	<i>-757.0%</i>	<i>-171.2%</i>	<i>148.1%</i>	<i>45.7%</i>		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>2.0%</i>	<i>6.8%</i>	<i>9.9%</i>		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>6.8%</i>	<i>9.9%</i>		

(1) Acquisitions: EUR 7.5Mn corresponding to the acquisition of Virtual College (including its Net Debt; amount estimated by Lighthouse).

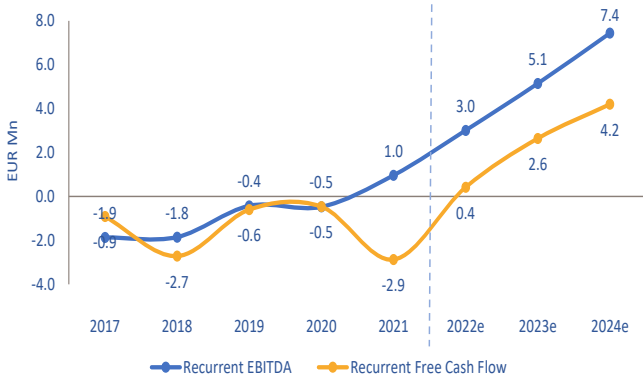
Recurrent Free Cash Flow accumulated variation analysis (2017 - 2021)



Recurrent Free Cash Flow accumulated variation analysis (2021 - 2024e)



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	28.6	
+ Minority Interests	-	6m Results 2022
+ Provisions & Other L/T Liabilities	0.1	6m Results 2022
+ Net financial debt	18.2	6m Results 2022
- Financial Investments	0.2	6m Results 2022
+/- Others		
Enterprise Value (EV)	46.7	

Appendix 4. Main peers 2022e

		E-learning						
EUR Mn		Instructure Holdings, Inc.	Learning Technologies Group	Docebo	Skillsoft	D2L, Inc	Average	NTX
Market data	Ticker (Factset)	INST-US	LTG-GB	DCBO-CA	SKIL-US	DTOL-CA		NTX-ES
	Country	United States	United Kingdom	Canada	United States	Canada		Spain
	Market cap	3,388.0	1,251.2	1,020.1	617.4	286.4		28.6
	Enterprise value (EV)	3,801.4	1,441.8	821.1	1,193.5	204.3		46.7
Basic financial information	Total Revenues	455.2	652.2	144.6	744.8	172.7		20.8
	Total Revenues growth	14.5%	111.6%	44.6%	33.8%	18.6%	44.6%	69.2%
	2y CAGR (2022e - 2024e)	11.2%	4.6%	29.0%	10.8%	20.3%	15.2%	21.3%
	EBITDA	164.5	127.5	(2.4)	164.4	(10.1)		2.5
	EBITDA growth	49.3%	18.5%	75.5%	50.0%	84.7%	55.6%	115.8%
	2y CAGR (2022e - 2024e)	27.0%	11.8%	n.a.	16.3%	94.0%	37.3%	71.5%
	EBITDA/Revenues	36.1%	19.6%	n.a.	22.1%	n.a.	25.9%	12.2%
	EBIT	159.4	113.7	(10.6)	(62.1)	(19.8)		1.4
	EBIT growth	740.3%	73.9%	9.6%	-27.3%	71.4%	173.6%	116.1%
	2y CAGR (2022e - 2024e)	16.2%	12.2%	68.5%	n.a.	n.a.	32.3%	n.a.
	EBIT/Revenues	35.0%	17.4%	n.a.	n.a.	n.a.	26.2%	6.5%
	Net Profit	(32.7)	79.0	(14.2)	(52.0)	(23.4)		0.7
	Net Profit growth	62.4%	343.7%	-8.5%	44.8%	75.0%	103.5%	13.0%
	2y CAGR (2022e - 2024e)	16.0%	12.8%	63.2%	n.a.	n.a.	30.7%	n.a.
	CAPEX/Sales %	1.2%	1.6%	1.0%	1.8%	3.0%	1.7%	0.7%
Free Cash Flow	154.7	63.0	4.7	106.0	(9.6)		(7.6)	
Net financial debt	174.0	137.3	(214.1)	n.a.	(106.3)		16.6	
ND/EBITDA (x)	1.1	1.1	n.a.	n.a.	n.a.	1.1	5.5	
Pay-out	0.0%	13.6%	n.a.	0.0%	n.a.	4.5%	0.0%	
Multiples and Ratios	P/E (x)	24.0	16.6	n.a.	n.a.	n.a.	20.3	39.6
	P/BV (x)	2.8	n.a.	5.7	n.a.	n.a.	4.2	9.4
	EV/Revenues (x)	8.4	2.2	5.7	1.6	1.2	3.8	2.3
	EV/EBITDA (x)	23.1	11.3	n.a.	7.3	n.a.	13.9	15.5
	EV/EBIT (x)	23.8	12.7	n.a.	n.a.	n.a.	18.3	34.5
	ROE	11.5	n.a.	n.a.	n.a.	n.a.	11.5	27.0
	FCF Yield (%)	4.6	5.0	0.5	17.2	n.a.	6.8	1.5
	DPS	0.00	0.01	n.a.	0.00	n.a.	0.00	0.00
Dvd Yield	0.0%	0.9%	n.a.	0.0%	n.a.	0.3%	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).

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
01-Aug-2022	n.a.	3.23	n.a.	n.a.	6m Results 2022	Luis Esteban Arribas
07-Jul-2022	n.a.	3.27	n.a.	n.a.	Initiation of Coverage	Luis Esteban Arribas

