

## EQUITY - SPAIN

Sector: Media

Report date: 14 Sep 2022

Distribution time: 16:30

6m Results 2022

Closing price: EUR 0.35 (13 Sep 2022)

### 6m Results 2022

Opinion <sup>(1)</sup>: In line

Impact <sup>(1)</sup>: We will maintain our estimates

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**Mondo TV Studios (MONI)**, is a Spanish company based in Tenerife (the Canary Islands, Spain) that provides animation, co-production and content distribution services (TV and OTT platforms over the internet) focused on children and young people and with activity in Spain, Portugal, Latam and Spanish-speaking areas of the US. MONI forms part of the Mondo TV Group (that controls c. 76% of capital).

## 1H22, in line: the distribution business drives results (revenue +41.2%)

### Market Data

Market Cap (Mn EUR and USD)	7.0	7.0
EV (Mn EUR and USD) <sup>(2)</sup>	12.0	12.0
Shares Outstanding (Mn)	20.0	
-12m (Max/Med/Mín EUR)	0.49 / 0.33 / 0.14	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation <sup>(3)</sup>	15.4	
Factset / Bloomberg	MONI-ES / MONI SM	
Close fiscal year	31-Dec	

**STRONG REVENUE GROWTH (EUR 2.2Mn; + 41.2% VS 1H21) DRIVEN BY THE DISTRIBUTION BUSINESS.** MONI closed 1H22 with revenue of EUR 2.2Mn (+41.2% vs 1H21). Strong growth explained by the partial recognition of the distribution contract with the RAI (Italian state TV) that contributed EUR 1.3Mn. This has led to a significant change in the mix with the weight of the distribution business rising to 59% of the total; offsetting the less advanced animation services projects (-34% vs 1H21, a situation that should revert in 2H with the conclusion of the projects in progress).

### Shareholders Structure (%)

Mondo TV S.p.A	75.6
Corradi Family	9.4
Free Float	15.0

**MAINTAINING BREAK-EVEN IN EBIT.** Despite this revenue growth, EBIT adjusted to include the effect of the tax rebate was EUR 0.1Mn (vs EUR 0.2Mn in 1H21), a result of the higher weighting of the distribution business in the revenue mix (that reduced the gross margin to 56% vs 90% in 1H21) and a cost structure that continues to weigh heavily on Rec. EBITDA (1H22 operating costs of EUR 1.6Mn). In this context, the continuity of the tax incentives (EUR 0.5Mn in 1H22) will remain crucial to the business.

### Financials (Mn EUR)

	2021	2022e	2023e	2024e
Adj. n° shares (Mn)	19.6	20.0	20.0	20.0
Total Revenues	3.8	5.1	6.0	7.0
Rec. EBITDA	0.3	-0.6	-0.1	0.5
% growth	-12.5	-321.9	83.0	575.6
% Rec. EBITDA/Rev.	7.0	n.a.	n.a.	6.9
% Inc. EBITDA sector <sup>(4)</sup>	24.8	8.7	19.1	15.5
Net Profit	0.0	0.4	1.6	1.4
EPS (EUR)	0.00	0.02	0.08	0.07
% growth	149.0	950.7	247.4	-10.5
Ord. EPS (EUR)	0.01	0.02	0.08	0.07
% growth	713.9	271.9	247.4	-10.5
Rec. Free Cash Flow <sup>(5)</sup>	-0.7	-0.8	-0.5	-0.1
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	4.2	4.9	5.4	5.5
ND/Rec. EBITDA (x)	15.4	n.a.	n.a.	11.4
ROE (%)	4.1	35.1	68.4	37.1
ROCE (%) <sup>(5)</sup>	2.9	11.9	26.0	18.7

**NET DEBT INCREASED TO EUR 5.6Mn (+35% VS 2021).** MONI closed 1H22 with net debt of EUR 5.6Mn (c. 50% of EV) due to the advance payment of the distribution contract with the RAI via factoring (an impact that will be cancelled in 4Q22). This is a high level of net debt although mitigated by the financial support of the parent (c. 30% of gross debt is with the group).

**OUR ESTIMATES ARE UNCHANGED.** Our scenario for 22e-24e envisages an acceleration of revenue growth (especially in 2022e: +33% vs 2021) to c. EUR 7Mn in 2024e (+22% CAGR 21-24e). A significant step-up in scale underpinned mainly by: (i) continued growth in animation services (+15% CAGR 21-24e) and (ii) the ramp-up of the content distribution business (confirmed by 1H22 results).

The equity story lies in MONI's ability to grow beyond the revenue provided by the parent. In other words, to add to its P&L revenues obtained from new clients. This implies a very significant opportunity for growth, that at present is only being marginally materialised.

### Ratios & Multiples (x)<sup>(6)</sup>

	2021	2022e	2023e	2024e
P/E	n.a.	15.6	4.5	5.0
Ord. P/E	57.9	15.6	4.5	5.0
P/BV	6.6	4.7	2.3	1.6
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	3.12	2.34	2.00	1.71
EV/Rec. EBITDA	44.3	n.a.	n.a.	24.7
EV/EBIT	n.a.	20.1	6.8	7.5
FCF Yield (%) <sup>(5)</sup>	n.a.	n.a.	n.a.	n.a.

### Relative performance (Base 100)



Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	11.5	-7.9	128.8	10.1	120.7	22.1
vs Ibex 35	16.1	-6.5	150.1	18.9	150.1	57.1
vs Ibex Small Cap Index	15.9	3.5	158.7	21.3	92.3	-4.3
vs Eurostoxx 50	17.4	-10.0	167.2	31.9	118.5	20.0
vs Sector benchmark <sup>(4)</sup>	17.2	-12.4	156.8	28.2	104.6	0.6

(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 Media.

(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.

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## Mondo TV Studios (MONI) is a BME Growth company

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BME Growth is the segment of BME MTF Equity aimed at small and medium sized companies, directed and managed by the Spanish stock market and is subject to the CNMV supervision. BME MTF Equity is not a Regulated Market but instead falls within the classification of a Multilateral Trading Facility (MTF) as defined under the Markets in Financial Instruments Directive (MiFID). In July 2020, BME Growth obtained the status of SME Growth Market, a new category of EU regulations, which in Spain is called Mercado de Pymes en Expansión.

BME Growth is the Spanish equity market for companies of reduced capitalization which aim to grow, with a special set of regulations, designed specifically for them, and with costs and process tailored to their particular features. Operations in BME Growth (former MAB) started in July 2009. There are currently c. 130 companies listed on it. Companies listed on the MAB can choose to present their financial statements under IFRS or the General Accounting Plan (PGC) and Royal Decree 1159/2010 (NOFCAC).

## 6m Results 2022

**Table 1. 1H22 Results**

EUR Mn	6m22	6m22 Real		2022e	2022e vs 2021
	Real	6m21	vs 6m21		
<b>Total Revenues</b>	<b>2.2</b>	<b>1.6</b>	<b>41.2%</b>	<b>5.1</b>	<b>33.4%</b>
Animation Services	0.9	1.3	-34.0%	2.3	15.0%
Content production	0.0	0.1	-97.7%	0.3	-66.7%
Content distribution	1.3	0.0	n.a.	2.5	n.a.
Licensing, merchandising and others	0.0	0.0	-99.4%	0.0	-100.0%
<b>Recurrent EBITDA<sup>1</sup></b>	<b>-0.2</b>	<b>0.0</b>	<b>n.a.</b>	<b>-0.6</b>	<b>-321.9%</b>
<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>
<b>Adjusted EBIT<sup>2</sup></b>	<b>0.1</b>	<b>0.2</b>	<b>-39.2%</b>	<b>0.6</b>	<b>350.4%</b>
<b>PBT</b>	<b>-0.4</b>	<b>-0.1</b>	<b>-243.2%</b>	<b>0.4</b>	<b>n.a.</b>
<b>NP</b>	<b>0.1</b>	<b>0.2</b>	<b>-62.1%</b>	<b>0.4</b>	<b>n.a.</b>
Rec. FCF	-1.5	0.6	n.a.	-0.8	-11.5%
	<b>6m22</b>				
	<b>Real</b>	<b>2021</b>			
Net Debt <sup>3</sup>	5.6	4.2	35.5%	4.9	18.7%

Note 1: Recurrent EBITDA adjusted to strip out the impact of capitalised expenses (EUR 39k and EUR 232k in 1H22 and 1H21, respectively).

Note 2: EBIT adjusted to include the impact of tax incentives (EUR 0.5Mn in 1H22) as these are similar in nature financially to a subsidy, with an impact on free cash flow (from 2023e).

Note 3: Net debt calculated as gross debt (including debt with group companies) less cash and other equivalent liquid assets and short-term investments.

## Valuation inputs

### Inputs for the DCF Valuation Approach

	2022e	2023e	2024e	Terminal Value <sup>(1)</sup>			
Free Cash Flow "To the Firm"	(0.6)	(0.3)	0.1	n.a.			
Market Cap	7.0	At the date of this report					
Net financial debt	5.6	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)	2.8%	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	11.2%	Ke = Rf + (R * B)			10.0%	12.6%	
Equity / (Equity + Net Debt)	55.4%	E (Market Cap as equity value)			=	=	
Net Debt / (Equity + Net Debt)	44.6%	D			=	=	
WACC	7.7%	WACC = Kd * D + Ke * E			6.9%	8.5%	
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 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
Toei Animation	4816-JP	3,794.2	35.0	0.6%	23.6	1.0%	6.8	-3.0%	28.7%	2.1%	16.2%
Lions Gate	LGF.A-US	2,257.7	11.6	n.a.	13.9	-8.0%	1.6	0.2%	11.5%	8.0%	4.5%
Wildbrain	WILD-CA	288.9	16.9	46.1%	11.6	13.0%	2.2	n.a.	19.1%	10.9%	n.a.
Xilam Animation	XIL-FR	176.3	23.4	21.9%	5.4	16.7%	4.7	19.8%	87.8%	n.a.	n.a.
Mondo TV S.p.A.	MTV-IT	28.3	n.a.	n.a.	1.4	8.0%	1.2	5.4%	83.9%	n.a.	n.a.
Your Family Entertainment	RTV-DE	31.0	54.5	50.0%	18.9	23.9%	9.1	15.6%	47.9%	2.0%	48.5%
Audiovisual production and animation			28.3	29.6%	12.5	9.1%	4.3	7.6%	46.5%	5.8%	23.1%
MONI	MONI-ES	7.0	15.6	76.3%	n.a.	67.6%	2.3	16.8%	n.a.	n.a.	69.1%

## Appendix 1. Financial Projections

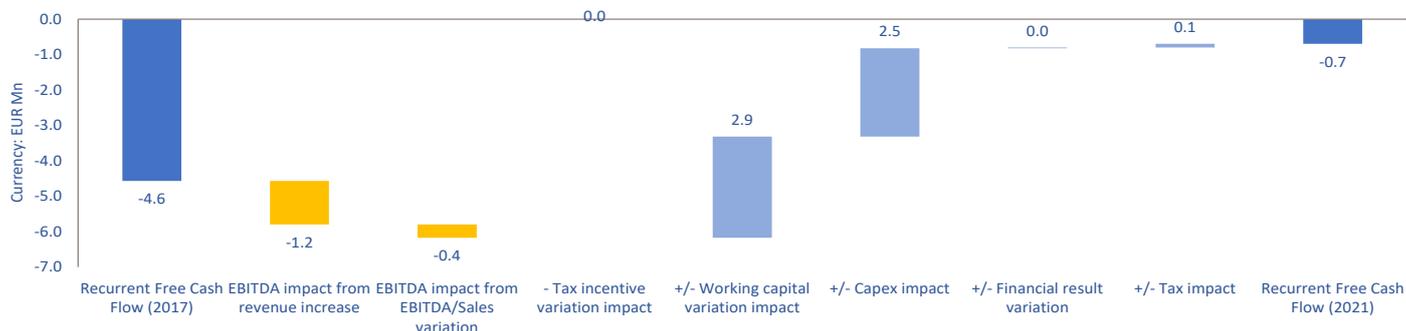
Balance Sheet (EUR Mn)	2017	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
Intangible assets	6.3	3.0	2.1	2.0	1.3	2.1	3.7	4.9		
Fixed assets	0.0	0.1	0.1	0.2	0.4	0.4	0.4	0.4		
Other Non Current Assets	0.1	0.1	0.1	0.8	1.6	2.4	2.9	3.1		
Financial Investments	0.2	0.0	0.0	0.0	1.1	1.1	1.1	1.1		
Goodwill & Other Intangibles	-	-	-	-	-	-	-	-		
Current assets	2.9	1.6	2.2	2.8	2.0	1.8	2.1	2.4		
<b>Total assets</b>	<b>9.4</b>	<b>4.8</b>	<b>4.4</b>	<b>5.9</b>	<b>6.3</b>	<b>7.9</b>	<b>10.1</b>	<b>11.8</b>		
Equity	1.3	(3.9)	1.1	1.0	1.1	1.5	3.1	4.5		
Minority Interests	-	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	1.4	1.0	0.5	1.1	0.2	0.2	0.2	0.2		
Other Non Current Liabilities	-	-	-	-	-	-	-	-		
Net financial debt	6.4	7.1	2.1	2.9	4.2	4.9	5.4	5.5		
Current Liabilities	0.4	0.6	0.7	1.0	0.9	1.2	1.4	1.6		
<b>Equity &amp; Total Liabilities</b>	<b>9.4</b>	<b>4.8</b>	<b>4.4</b>	<b>5.9</b>	<b>6.3</b>	<b>7.9</b>	<b>10.1</b>	<b>11.8</b>		
P&L (EUR Mn)	2017	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
<b>Total Revenues</b>	<b>3.7</b>	<b>1.4</b>	<b>2.5</b>	<b>2.6</b>	<b>3.8</b>	<b>5.1</b>	<b>6.0</b>	<b>7.0</b>	<b>1.2%</b>	<b>22.1%</b>
<i>Total Revenues growth</i>	70.1%	-61.6%	77.7%	5.4%	45.9%	33.4%	16.9%	16.8%		
COGS	(0.6)	(0.0)	(0.0)	(0.1)	(0.3)	(2.2)	(2.4)	(2.6)		
<b>Gross Margin</b>	<b>3.0</b>	<b>1.4</b>	<b>2.5</b>	<b>2.5</b>	<b>3.5</b>	<b>3.0</b>	<b>3.6</b>	<b>4.4</b>	<b>3.9%</b>	<b>7.6%</b>
<i>Gross Margin/Revenues</i>	82.4%	96.6%	99.4%	96.5%	91.3%	57.9%	60.4%	62.5%		
Personnel Expenses	(0.7)	(1.0)	(0.9)	(1.6)	(2.4)	(2.6)	(2.7)	(2.7)		
Other Operating Expenses	(0.4)	(0.7)	(0.9)	(0.6)	(0.8)	(0.9)	(1.0)	(1.1)		
<b>Recurrent EBITDA</b>	<b>1.9</b>	<b>(0.3)</b>	<b>0.7</b>	<b>0.3</b>	<b>0.3</b>	<b>(0.6)</b>	<b>(0.1)</b>	<b>0.5</b>	<b>-38.4%</b>	<b>21.5%</b>
<i>Recurrent EBITDA growth</i>	53.8%	-117.8%	310.2%	-55.9%	-12.5%	-321.9%	83.0%	575.6%		
<i>Rec. EBITDA/Revenues</i>	51.3%	n.a.	28.1%	11.7%	7.0%	n.a.	n.a.	6.9%		
Restructuring Expense & Other non-rec.	(0.0)	(0.1)	0.5	0.0	(0.1)	-	-	-		
<b>EBITDA</b>	<b>1.9</b>	<b>(0.4)</b>	<b>1.2</b>	<b>0.3</b>	<b>0.2</b>	<b>(0.6)</b>	<b>(0.1)</b>	<b>0.5</b>	<b>-43.2%</b>	<b>35.8%</b>
Depreciation & Provisions	(1.2)	(1.3)	(1.1)	(0.8)	(1.1)	(0.4)	(0.6)	(0.8)		
Capitalized Expense	-	0.2	0.1	0.2	0.3	0.8	1.5	1.0		
Tax incentives	-	-	-	0.5	0.8	0.8	0.9	1.0		
<b>Adjusted EBIT<sup>1</sup></b>	<b>0.7</b>	<b>(1.6)</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.6</b>	<b>1.8</b>	<b>1.6</b>	<b>-33.6%</b>	<b>n.a.</b>
<i>Adjusted EBIT</i>	101.2%	-330.5%	113.2%	-15.3%	-24.5%	350.4%	194.5%	-9.4%		
<i>Adjusted EBIT / Revenues</i>	18.5%	n.a.	8.3%	6.7%	3.4%	11.6%	29.3%	22.7%		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
<b>Ordinary Profit</b>	<b>0.5</b>	<b>(1.8)</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.4</b>	<b>1.6</b>	<b>1.4</b>	<b>-46.8%</b>	<b>n.a.</b>
<i>Ordinary Profit Growth</i>	69.6%	-441.9%	101.7%	118.8%	-37.9%	970.7%	253.3%	-10.9%		
Extraordinary Results	-	(3.8)	0.0	-	-	-	-	-		
<b>Profit Before Tax</b>	<b>0.5</b>	<b>(5.6)</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.4</b>	<b>1.6</b>	<b>1.4</b>	<b>-46.8%</b>	<b>n.a.</b>
Tax Expense	(0.1)	0.0	0.0	(0.0)	0.0	-	(0.0)	(0.0)		
<i>Effective Tax Rate</i>	16.5%	n.a.	n.a.	25.9%	n.a.	n.a.	1.7%	1.3%		
Minority Interests	-	-	-	-	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
<b>Net Profit</b>	<b>0.4</b>	<b>(5.5)</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.4</b>	<b>1.6</b>	<b>1.4</b>	<b>-44.3%</b>	<b>n.a.</b>
<i>Net Profit growth</i>	74.4%	n.a.	101.1%	-17.8%	-16.2%	970.0%	247.4%	-10.5%		
<b>Ordinary Net Profit</b>	<b>0.5</b>	<b>(1.7)</b>	<b>(0.5)</b>	<b>0.0</b>	<b>0.1</b>	<b>0.4</b>	<b>1.6</b>	<b>1.4</b>	<b>-28.5%</b>	<b>n.a.</b>
<i>Ordinary Net Profit growth</i>	35.9%	-472.3%	72.6%	109.3%	174.0%	278.7%	247.4%	-10.5%		
Cash Flow (EUR Mn)	2017	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
<b>Recurrent EBITDA</b>						<b>(0.6)</b>	<b>(0.1)</b>	<b>0.5</b>	<b>-38.4%</b>	<b>21.5%</b>
Tax incentives <sup>1</sup>						-	0.5	0.8		
Working Capital Increase						0.5	(0.1)	(0.1)		
<b>Recurrent Operating Cash Flow</b>						<b>-0.1</b>	<b>0.3</b>	<b>1.2</b>	<b>59.7%</b>	<b>4.5%</b>
CAPEX						(0.5)	(0.6)	(1.0)		
Net Financial Result affecting the Cash Flow						(0.1)	(0.2)	(0.2)		
Tax Expense						-	(0.0)	(0.0)		
<b>Recurrent Free Cash Flow</b>						<b>(0.8)</b>	<b>(0.5)</b>	<b>(0.1)</b>	<b>37.5%</b>	<b>52.7%</b>
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
<b>Free Cash Flow</b>						<b>(0.8)</b>	<b>(0.5)</b>	<b>(0.1)</b>	<b>32.3%</b>	<b>54.3%</b>
Capital Increase						-	-	-		
Dividends						-	-	-		
<b>Net Debt Variation</b>						<b>0.8</b>	<b>0.5</b>	<b>0.1</b>		

Note 1: EBIT adjusted to include the impact of tax incentives with impact in free cash flow.

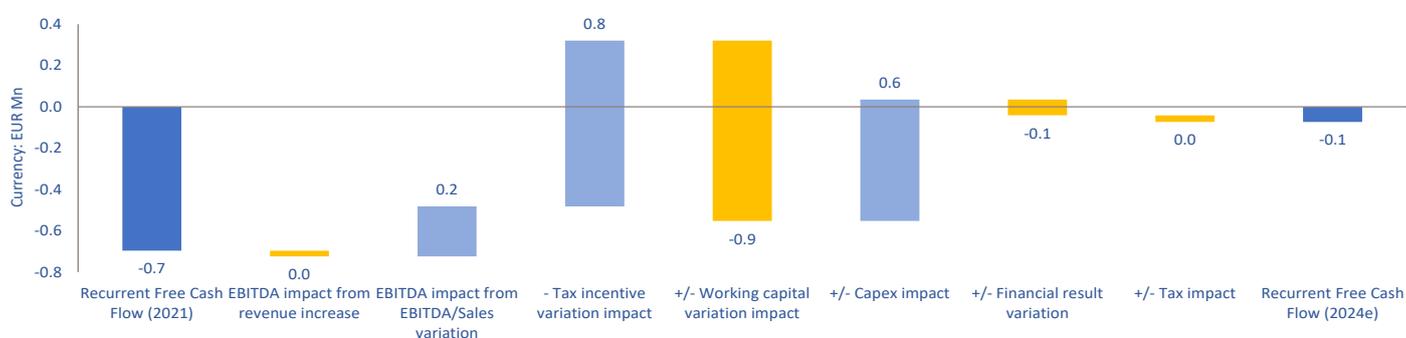
## Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
								18-21	21-24e
<b>Recurrent EBITDA</b>	<b>(0.3)</b>	<b>0.7</b>	<b>0.3</b>	<b>0.3</b>	<b>(0.6)</b>	<b>(0.1)</b>	<b>0.5</b>	<b>41.1%</b>	<b>21.5%</b>
<i>Recurrent EBITDA growth</i>	<i>-117.8%</i>	<i>310.2%</i>	<i>-55.9%</i>	<i>-12.5%</i>	<i>-321.9%</i>	<i>83.0%</i>	<i>575.6%</i>		
<i>Rec. EBITDA/Revenues</i>	<i>n.a.</i>	<i>28.1%</i>	<i>11.7%</i>	<i>7.0%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>6.9%</i>		
+ Tax incentives	-	-	-	-	-	0.5	0.8		
+/- Working Capital increase	1.5	(0.4)	(0.4)	0.8	0.5	(0.1)	(0.1)		
<b>= Recurrent Operating Cash Flow</b>	<b>1.2</b>	<b>0.3</b>	<b>(0.1)</b>	<b>1.0</b>	<b>(0.1)</b>	<b>0.3</b>	<b>1.2</b>	<b>-4.7%</b>	<b>4.5%</b>
<i>Rec. Operating Cash Flow growth</i>	<i>619.7%</i>	<i>-77.7%</i>	<i>-139.3%</i>	<i>n.a.</i>	<i>-111.6%</i>	<i>337.2%</i>	<i>313.2%</i>		
<i>Rec. Operating Cash Flow / Sales</i>	<i>84.0%</i>	<i>10.5%</i>	<i>n.a.</i>	<i>26.6%</i>	<i>n.a.</i>	<i>4.7%</i>	<i>16.7%</i>		
- CAPEX	(1.7)	(0.2)	(0.5)	(1.6)	(0.5)	(0.6)	(1.0)		
- Net Financial Result affecting Cash Flow	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)		
- Taxes	(0.2)	-	-	0.0	-	(0.0)	(0.0)		
<b>= Recurrent Free Cash Flow</b>	<b>(0.9)</b>	<b>(0.1)</b>	<b>(0.6)</b>	<b>(0.7)</b>	<b>(0.8)</b>	<b>(0.5)</b>	<b>(0.1)</b>	<b>6.8%</b>	<b>52.7%</b>
<i>Rec. Free Cash Flow growth</i>	<i>81.1%</i>	<i>90.4%</i>	<i>-650.4%</i>	<i>-12.1%</i>	<i>-11.5%</i>	<i>34.6%</i>	<i>85.4%</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>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
- Restructuring expenses & others	-	-	-	-	-	-	-		
- Acquisitions / + Divestments	0.2	-	0.1	-	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	0.1	0.5	0.0	(0.1)	-	-	-		
<b>= Free Cash Flow</b>	<b>(0.6)</b>	<b>0.4</b>	<b>(0.5)</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>(0.5)</b>	<b>(0.1)</b>	<b>-6.1%</b>	<b>54.3%</b>
<i>Free Cash Flow growth</i>	<i>82.4%</i>	<i>163.5%</i>	<i>-232.8%</i>	<i>-41.6%</i>	<i>-0.4%</i>	<i>34.6%</i>	<i>85.4%</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>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	<i>n.a.</i>	<i>5.9%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
<b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b>									
	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
<b>Recurrent FCF(FY - 1)</b>	<b>(4.6)</b>	<b>(0.9)</b>	<b>(0.1)</b>	<b>(0.6)</b>	<b>(0.7)</b>	<b>(0.8)</b>	<b>(0.5)</b>		
EBITDA impact from revenue increase	(1.2)	(0.3)	0.0	0.1	0.1	(0.1)	(0.0)		
EBITDA impact from EBITDA/Sales variation	(1.1)	1.3	(0.4)	(0.2)	(1.0)	0.6	0.6		
<b>= Recurrent EBITDA variation</b>	<b>(2.2)</b>	<b>1.0</b>	<b>(0.4)</b>	<b>(0.0)</b>	<b>(0.9)</b>	<b>0.5</b>	<b>0.6</b>		
+ Tax incentives	-	-	-	-	-	0.5	0.3		
+/- Working capital variation impact	3.6	(2.0)	0.0	1.2	(0.3)	(0.6)	(0.0)		
<b>= Recurrent Operating Cash Flow variation</b>	<b>1.4</b>	<b>(0.9)</b>	<b>(0.4)</b>	<b>1.1</b>	<b>(1.1)</b>	<b>0.4</b>	<b>0.9</b>		
+/- CAPEX impact	2.5	1.5	(0.3)	(1.2)	1.1	(0.1)	(0.4)		
+/- Financial result variation	0.0	(0.1)	0.1	(0.0)	(0.0)	(0.0)	(0.0)		
+/- Tax impact	(0.2)	0.2	-	0.0	(0.0)	(0.0)	0.0		
<b>= Recurrent Free Cash Flow variation</b>	<b>3.7</b>	<b>0.8</b>	<b>(0.5)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>0.3</b>	<b>0.4</b>		
<b>Recurrent Free Cash Flow</b>	<b>(0.9)</b>	<b>(0.1)</b>	<b>(0.6)</b>	<b>(0.7)</b>	<b>(0.8)</b>	<b>(0.5)</b>	<b>(0.1)</b>		
<b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>									
	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
<b>Adjusted EBIT</b>	<b>(1.6)</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.6</b>	<b>1.8</b>	<b>1.6</b>	<b>27.7%</b>	<b>n.a.</b>
* <i>Theoretical Tax rate</i>	<i>0.0%</i>	<i>0.0%</i>	<i>25.9%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>1.7%</i>	<i>1.3%</i>		
= Taxes (pre- Net Financial Result)	-	-	(0.0)	-	-	(0.0)	(0.0)		
<b>Recurrent EBITDA</b>	<b>(0.3)</b>	<b>0.7</b>	<b>0.3</b>	<b>0.3</b>	<b>(0.6)</b>	<b>(0.1)</b>	<b>0.5</b>	<b>41.1%</b>	<b>21.5%</b>
+ Tax incentives	-	-	-	-	-	0.5	0.8		
+/- Working Capital increase	1.5	(0.4)	(0.4)	0.8	0.5	(0.1)	(0.1)		
<b>= Recurrent Operating Cash Flow</b>	<b>1.2</b>	<b>0.3</b>	<b>(0.1)</b>	<b>1.0</b>	<b>(0.1)</b>	<b>0.3</b>	<b>1.2</b>	<b>-4.7%</b>	<b>4.5%</b>
- CAPEX	(1.7)	(0.2)	(0.5)	(1.6)	(0.5)	(0.6)	(1.0)		
- Taxes (pre- Financial Result)	-	-	(0.0)	-	-	(0.0)	(0.0)		
<b>= Recurrent Free Cash Flow (To the Firm)</b>	<b>(0.5)</b>	<b>0.1</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.3)</b>	<b>0.1</b>	<b>-7.1%</b>	<b>29.2%</b>
<i>Rec. Free Cash Flow (To the Firm) growth</i>	<i>88.8%</i>	<i>121.1%</i>	<i>-677.1%</i>	<i>-1.0%</i>	<i>-2.7%</i>	<i>45.3%</i>	<i>128.2%</i>		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	<i>n.a.</i>	<i>4.2%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>1.4%</i>		
- Acquisitions / + Divestments	0.2	-	0.1	-	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	0.1	0.5	0.0	(0.1)	-	-	-		
<b>= Free Cash Flow "To the Firm"</b>	<b>(0.3)</b>	<b>0.6</b>	<b>(0.5)</b>	<b>(0.7)</b>	<b>(0.6)</b>	<b>(0.3)</b>	<b>0.1</b>	<b>-34.1%</b>	<b>28.9%</b>
<i>Free Cash Flow (To the Firm) growth</i>	<i>92.0%</i>	<i>309.1%</i>	<i>-188.9%</i>	<i>-29.5%</i>	<i>8.7%</i>	<i>45.3%</i>	<i>128.2%</i>		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	<i>n.a.</i>	<i>0.9%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.8%</i>		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	<i>n.a.</i>	<i>5.0%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.8%</i>		

### 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	7.0	
+ Minority Interests	-	6m Results 2022
+ Provisions & Other L/T Liabilities	-	6m Results 2022
+ Net financial debt	5.6	6m Results 2022
- Financial Investments	0.7	6m Results 2022
+/- Others		
<b>Enterprise Value (EV)</b>	<b>12.0</b>	

## Appendix 4. Main peers 2022e

		Audiovisual production and animation							
	EUR Mn	Toei Animation	Lions Gate	Wildbrain	Xilam Animation	Mondo TV S.p.A.	Your Family Entertainment	Average	MONI
Market data	Ticker (Factset)	4816-JP	LGF.A-US	WILD-CA	XIL-FR	MTV-IT	RTV-DE		MONI-ES
	Country	Japan	USA	Canada	France	Italy	Germany		Spain
	Market cap	3,794.2	2,257.7	288.9	176.3	28.3	31.0		7.0
	Enterprise value (EV)	3,281.3	6,627.2	934.4	204.2	42.1	39.0		12.0
Basic financial information	Total Revenues	485.5	4,144.2	422.6	43.2	36.0	4.3		5.1
	Total Revenues growth	23.0%	9.5%	22.6%	60.5%	23.2%	38.1%	28.9%	33.4%
	2y CAGR (2022e - 2024e)	-3.0%	0.2%	n.a.	19.8%	5.4%	15.6%	5.7%	16.8%
	EBITDA	139.2	476.4	80.6	38.0	30.2	2.1		(0.6)
	EBITDA growth	7.5%	20.8%	19.5%	52.8%	25.6%	n.a.	25.1%	-409.8%
	2y CAGR (2022e - 2024e)	1.0%	-8.0%	13.0%	16.7%	8.0%	23.9%	5.7%	67.6%
	EBITDA/Revenues	28.7%	11.5%	19.1%	87.8%	83.9%	47.9%	36.8%	n.a.
	EBIT	138.1	180.0	89.0	10.4	9.7	0.9		0.6
	EBIT growth	10.2%	92.2%	114.4%	n.a.	44.2%	165.6%	72.3%	350.4%
	2y CAGR (2022e - 2024e)	1.6%	-21.9%	n.a.	19.7%	33.4%	43.3%	-0.2%	63.4%
	EBIT/Revenues	28.5%	4.3%	21.1%	24.1%	26.9%	21.9%	19.5%	11.6%
	Net Profit	103.0	19.9	27.7	7.4	6.8	0.6		0.4
	Net Profit growth	16.1%	119.1%	614.9%	17.4%	23.1%	831.8%	191.9%	970.0%
	2y CAGR (2022e - 2024e)	0.6%	n.a.	n.a.	22.6%	34.4%	48.6%	11.6%	76.3%
	CAPEX/Sales %	0.7%	0.9%	0.9%	79.8%	94.7%	0.7%	20.6%	10.0%
	Free Cash Flow	78.9	181.1	31.5	(0.5)	(3.9)	0.6		(0.8)
Net financial debt	(492.2)	2,003.1	316.9	24.4	13.3	(4.2)		4.9	
ND/EBITDA (x)	n.a.	4.2	3.9	0.6	0.4	n.a.	2.9	n.a.	
Pay-out	28.2%	0.0%	0.0%	0.0%	n.a.	0.0%	7.0%	0.0%	
Multiples and Ratios	P/E (x)	35.0	11.6	16.9	23.4	n.a.	54.5	21.7	15.6
	P/BV (x)	4.9	0.8	0.9	2.4	n.a.	1.6	2.3	4.7
	EV/Revenues (x)	6.8	1.6	2.2	4.7	1.2	9.1	3.8	2.3
	EV/EBITDA (x)	23.6	13.9	11.6	5.4	1.4	18.9	13.6	n.a.
	EV/EBIT (x)	23.8	36.8	10.5	19.6	4.3	41.5	22.7	20.1
	ROE	14.0	7.1	5.5	10.4	n.a.	2.9	9.3	35.1
	FCF Yield (%)	2.1	8.0	10.9	n.a.	n.a.	2.0	7.0	n.a.
	DPS	0.71	0.00	0.00	0.00	n.a.	0.00	0.18	0.00
	Dvd Yield	0.8%	0.0%	0.0%	0.0%	n.a.	0.0%	0.2%	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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14-Sep-2022	n.a.	0.350	n.a.	n.a.	6m Results 2022	David López Sánchez
25-May-2022	n.a.	0.430	n.a.	n.a.	Initiation of Coverage	David López Sánchez

