

6m Results 2022

Opinion ⁽¹⁾: In line

Impact ⁽¹⁾: We lower our estimates

David López Sánchez – david.lopez@lighthouse-ieaf.com

+34 915 904 226

Kompuestos (KOM), is a Spanish chemical company (Barcelona), that produces mineral based concentrates (fillers) and colour and additive concentrates (masterbatches) for the plastics transformation industry, including resins for the creation of bioplastics. With a nominal production capacity of 220,510 tonnes, it is controlled and run by the founding family (c.65% of capital).

Market Data

Market Cap (Mn EUR and USD)	13.0	12.9
EV (Mn EUR and USD) ⁽²⁾	26.6	26.4
Shares Outstanding (Mn)	12.2	
-12m (Max/Med/Mín EUR)	2.54 / 1.80 / 1.02	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽³⁾	16.5	
Factset / Bloomberg	KOM-ES / KOM SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

Ignacio Duch and family	63.0
Free Float	37.0

Financials (Mn EUR)

	2021	2022e	2023e	2024e
Adj. n ^o shares (Mn)	12.0	12.2	12.2	12.2
Total Revenues	58.9	57.8	60.9	63.8
Rec. EBITDA	2.1	4.2	4.9	4.8
% growth	75.2	98.1	16.2	-1.5
% Rec. EBITDA/Rev.	3.6	7.3	8.1	7.6
% Inc. EBITDA sector ⁽⁴⁾	25.9	15.6	-3.3	5.1
Net Profit	-0.4	0.8	1.7	1.8
EPS (EUR)	-0.03	0.07	0.14	0.15
% growth	76.8	322.5	102.7	7.3
Ord. EPS (EUR)	-0.03	0.07	0.14	0.15
% growth	79.1	328.7	102.7	7.3
Rec. Free Cash Flow ⁽⁵⁾	-0.7	-1.6	1.7	1.6
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	11.8	13.4	11.7	10.2
ND/Rec. EBITDA (x)	5.5	3.2	2.4	2.1
ROE (%)	n.a.	5.4	10.2	9.9
ROCE (%) ⁽⁵⁾	2.1	5.8	8.5	8.6

Ratios & Multiples (x)⁽⁶⁾

	2021	2022e	2023e	2024e
P/E	n.a.	15.7	7.7	7.2
Ord. P/E	n.a.	15.7	7.7	7.2
P/BV	0.9	0.8	0.8	0.7
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	0.45	0.46	0.44	0.42
EV/Rec. EBITDA	12.5	6.3	5.4	5.5
EV/EBIT	47.7	13.0	8.6	8.4
FCF Yield (%) ⁽⁵⁾	n.a.	n.a.	13.0	12.0

(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 Chemicals.

(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.

1H22: the central pillar of the equity story is the margin improvement (already visible in results)

FEWER REVENUES (EUR 28.9MN; -3.6%) ... KOM closed 1H22 with revenue of EUR 28.9Mn (-3.6% vs 1H21), the result of the combination of: i) smaller sales of the mass production business (calcium carbonate “fillers” and masterbatches; -6.4% vs 1H21) and ii) the increase in sales of the specialities business (with higher added value; +17.4%). Growth in the specialities business (colour and additive masterbatches and biodegradable and compostable products) has increased its weighting in the revenue mix to 22.8% (vs 19% and 16% at the close of 2021 and 2020, respectively). Turnover of the “bio” solutions was EUR 1.8Mn (6.3% of revenue).

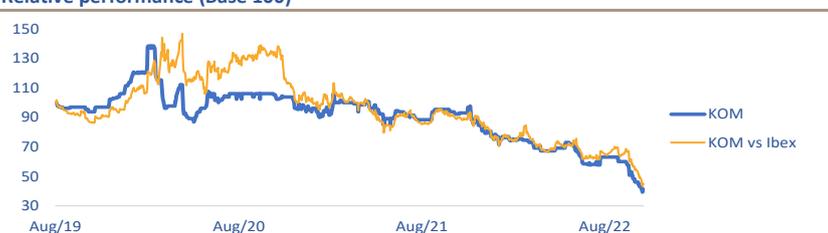
... BUT MORE MARGIN: THE CHANGE IN THE PRODUCT MIX HAS IMPROVED MARGINS (EBITDA: EUR 1.9MN; +47.2%). Despite the ongoing sharp increase in costs, the change in the revenue mix (towards products with higher added value) translates to an improvement in margins. The gross margin grew +4.7p.p. (32% vs 27.3% in 1H21) and, despite the small fall in revenue, has driven EBITDA to EUR 1.9Mn (+47.2% vs 1H21). EBITDA margin of 6.7% (+2.3p.p. vs 1H21; in line with our numbers for 2022e).

INVESTMENT IN WORKING CAPITAL HAS INCREASED NET DEBT (EUR 13.7MN; +16.6%). An increase explained by greater working capital needs (due to the generalised increase in raw material costs). KOM has signed a EUR 5Mn loan with Banco Santander (maturing in 2028) with which to pay back the debt with Alteralia (EUR 3Mn; maturing in 2025). 22e ND/EBITDA c. 3x.

THE NEGATIVE MACRO IMPACT IS INEVITABLE... the current scenario (rocketing inflation, rising interest rates, credit squeeze) is fully impacting the macro, and its effect is already being reflected in a downgrade to growth estimates. This leads us to downgrade our 23e estimates (23e EBITDA: EUR 4.9Mn; -11% vs previous estimate).

... ALTHOUGH KOM'S POSITIONING HAS IMPROVED TO FACE AN ADVERSE CYCLE. Thanks to: i) a positioning in expanding markets (the specialities business that is less cyclical and has higher added value accounts for 23% of the mix) and macro trends (with biodegradable and compostable products), ii) the capacity increases made in 4Q19 (that reduced short-term investment needs) and iii) the refinancing of the debt with Alteralia (that has delayed the most significant maturities until 2028). The 23e FCF yield (> 10%) is an evident call to attention.

Relative performance (Base 100)



Stock performance (%)

	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	-28.7	-28.7	-55.8	-46.5	-56.1	n.a.
vs Ibex 35	-32.9	-27.1	-49.6	-41.1	-47.7	n.a.
vs Ibex Small Cap Index	-29.4	-18.7	-45.7	-34.9	-57.7	n.a.
vs Eurostoxx 50	-34.1	-27.9	-48.2	-36.4	-56.0	n.a.
vs Sector benchmark ⁽⁴⁾	-34.4	-28.5	-49.7	-36.1	-62.5	n.a.

Kompuestos (KOM) is a BME Growth company

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.120 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 Estimates downgrade

Table 1. 1H22 Results

EUR Mn	6m22 Real	6m21	6m22 Real vs 6m21	2022e	2022e vs 2021
Total Revenues	28.9	30.0	-3.6%	57.8	-2.0%
Chlorine derivatives	22.3	23.8	-6.4%	43.9	-6.0%
Intermetiate chemicals	6.6	5.6	17.4%	13.3	17.0%
Raw Materials	0.0	0.5	-100.0%	0.5	-35.0%
Other income	0.0	0.0	n.a.	0.0	0.0%
Gross margin	9.3	8.2	13.2%	18.2	9.4%
<i>Gross margin/Revenues</i>	<i>32.0%</i>	<i>27.3%</i>	<i>4.7 p.p.</i>	<i>31.5%</i>	<i>3.3 p.p.</i>
Recurrent EBITDA¹	1.9	1.3	47.2%	4.2	98.1%
<i>Rec. EBITDA/Revenues</i>	<i>6.7%</i>	<i>4.4%</i>	<i>2.3 p.p.</i>	<i>7.3%</i>	<i>3.7 p.p.</i>
EBITDA¹	1.9	1.2	58.1%	4.2	120.7%
<i>EBITDA/Revenues</i>	<i>6.5%</i>	<i>4.0%</i>	<i>2.6 p.p.</i>	<i>7.3%</i>	<i>4.1 p.p.</i>
EBIT	0.7	0.4	73.6%	2.0	266.6%
PBT	0.3	-0.2	264.0%	1.0	279.8%
NP	0.2	0.0	n.a.	0.8	325.1%
Net Debt	13.7	11.8	16.6%	13.4	14.0% ^W

Note 1: Rec. EBITDA and EBITDA adjusted to exclude the impact of capitalised expenses (EUR 0.4Mn and EUR 0.7Mn in 1H22 and 1H21, respectively).

Table 2. Estimates review

EUR Mn	2022e (New)	2022e	Review (%)	2023e (New)	2023e	Review (%)	2024e (New)
Total Revenues	57.8	62.0	-6.8%	60.9	69.5	-12.4%	63.8
Recurrent EBITDA	4.2	4.4	-3.9%	4.9	5.6	-11.5%	4.8
<i>Rec. EBITDA/Revenues</i>	<i>7.3%</i>	<i>7.1%</i>	<i>0.2 p.p.</i>	<i>8.1%</i>	<i>8.0%</i>	<i>0 p.p.</i>	<i>7.6%</i>
EBIT	2.0	2.9	-30.5%	3.1	4.1	-23.5%	3.2
Net Profit	0.8	1.6	-48.2%	1.7	2.6	-35.8%	1.8
<i>ND / EBITDA</i>	<i>3.2 x</i>	<i>2.5 x</i>	<i>0.7 x</i>	<i>2.4 x</i>	<i>1.7 x</i>	<i>0.7 x</i>	<i>2.1 x</i>

Valuation inputs

Inputs for the DCF Valuation Approach

	2022e	2023e	2024e	Terminal Value ⁽¹⁾		
Free Cash Flow "To the Firm"	(0.8)	2.5	2.3	41.0		
Market Cap	13.0	At the date of this report				
Net financial debt	13.7	Debt net of Cash (6m Results 2022)				
					Best Case	Worst Case
Cost of Debt	6.5%	Net debt cost			6.3%	6.8%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	5.2%	Kd = Cost of Net Debt * (1-T)			5.0%	5.4%
Risk free rate (rf)	3.1%	Rf (10y Spanish bond yield)			=	=
Equity risk premium	6.0%	R (own estimate)			5.5%	6.5%
Beta (B)	1.2	B (own estimate)			1.1	1.3
Cost of Equity	10.3%	Ke = Rf + (R * B)			9.2%	11.6%
Equity / (Equity + Net Debt)	48.7%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	51.3%	D			=	=
WACC	7.7%	WACC = Kd * D + Ke * E			7.0%	8.4%
G "Fair"	2.0%				2.5%	2.0%

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

Inputs for the Multiples Valuation Approach

Company	Ticker	Factset	Mkt. Cap	P/E 21e	EPS 21e-23e	EV/EBITDA 21e	EBITDA 21e-23e	EV/Sales 21e	Revenues 21e-23e	EBITDA/Sales 21e	FCF Yield 21e	FCF 21e-23e
BASF	BAS-DE		61,611.6	12.1	2.8%	7.5	2.5%	1.1	1.3%	14.6%	5.7%	7.6%
LyondellBasell	LYB-US		28,002.6	5.9	-10.4%	5.6	-9.1%	1.2	-0.2%	21.5%	13.9%	-9.0%
Clariant	CLN-CH		5,878.4	24.1	14.5%	11.2	8.7%	1.9	5.6%	16.7%	3.2%	22.4%
Specialty Chemicals				14.0	2.3%	8.1	0.7%	1.4	2.2%	17.6%	7.6%	7.0%
Avient Corporation	AVNT-US		3,694.2	16.6	17.4%	10.2	8.5%	1.3	3.8%	12.9%	6.4%	n.a.
Cabot Corporation	CBT-US		2,567.0	10.9	7.8%	6.5	2.6%	1.3	4.0%	20.1%	4.4%	31.0%
Close peers				13.7	12.6%	8.4	5.6%	1.3	3.9%	16.5%	5.4%	31.0%
KOM	KOM-ES		13.0	15.7	47.5%	6.3	7.0%	0.5	5.1%	7.3%	n.a.	71.7%

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	8.9%	5.4	4.9x
Central	8.1%	4.9	5.4x
Min	7.3%	4.4	6.0x

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	2.2%	2.5%	2.8%		Max	18.1%	16.7%	15.3%
5.4	2.4	2.2	2.0	➔	Central	14.4%	13.0%	11.6%
4.9	1.9	1.7	1.5		Min	10.6%	9.2%	7.8%
4.4	1.4	1.2	1.0					

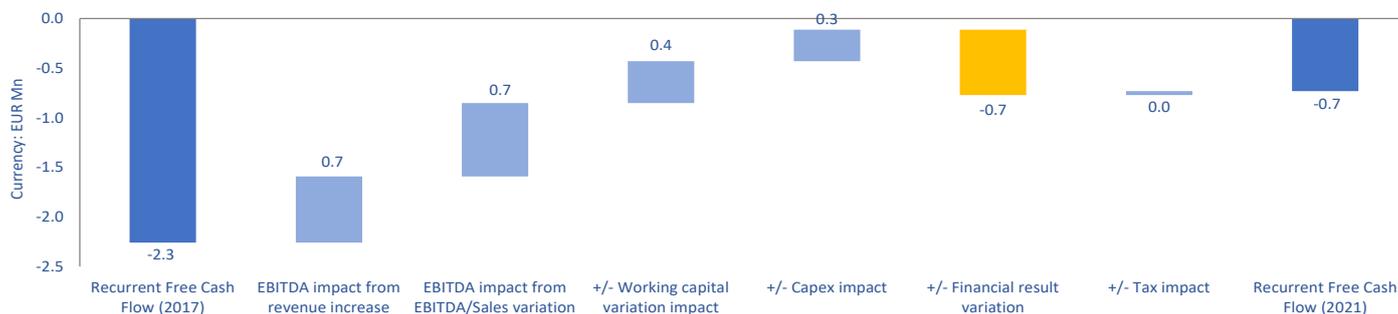
Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2017	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
Intangible assets	1.9	2.7	3.6	3.6	4.1	3.3	2.8	2.6		
Fixed assets	17.2	18.1	21.1	21.2	21.1	20.6	20.8	21.0		
Other Non Current Assets	0.4	0.2	0.3	0.7	0.9	0.9	0.9	0.9		
Financial Investments	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2		
Goodwill & Other Intangibles	-	-	-	-	-	-	-	-		
Current assets	11.0	12.6	11.6	9.9	11.2	20.8	15.5	16.4		
Total assets	30.6	33.7	36.8	35.7	37.3	45.8	40.2	41.0		
Equity	10.1	12.2	16.9	15.2	14.8	15.6	17.3	19.1		
Minority Interests	-	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	0.2	0.1	0.2	0.3	0.3	0.3	0.3	0.3		
Other Non Current Liabilities	-	-	-	-	-	-	-	-		
Net financial debt	14.7	14.0	11.5	10.9	11.8	13.4	11.7	10.2		
Current Liabilities	5.6	7.4	8.2	9.2	10.4	16.4	10.8	11.4		
Equity & Total Liabilities	30.6	33.7	36.8	35.7	37.3	45.8	40.2	41.0		
P&L (EUR Mn)	2017	2018	2019	2020	2021	2022e	2023e	2024e	17-21	21-24e
Total Revenues	36.6	41.4	46.3	43.2	58.9	57.8	60.9	63.8	12.6%	2.7%
<i>Total Revenues growth</i>	27.9%	12.9%	12.0%	-6.8%	36.5%	-2.0%	5.4%	4.9%		
COGS	(26.5)	(29.4)	(32.3)	(30.2)	(42.3)	(39.6)	(41.5)	(44.0)		
Gross Margin	10.1	11.9	14.1	12.9	16.6	18.2	19.4	19.8	13.3%	5.9%
<i>Gross Margin/Revenues</i>	27.6%	28.8%	30.4%	30.0%	28.2%	31.5%	31.8%	31.0%		
Personnel Expenses	(3.5)	(3.4)	(3.7)	(3.5)	(3.8)	(4.1)	(4.2)	(4.3)		
Other Operating Expenses	(5.9)	(6.2)	(8.2)	(8.2)	(10.7)	(9.9)	(10.3)	(10.7)		
Recurrent EBITDA	0.7	2.3	2.2	1.2	2.1	4.2	4.9	4.8	31.0%	31.4%
<i>Recurrent EBITDA growth</i>	-42.8%	223.6%	-6.4%	-44.5%	75.2%	98.1%	16.2%	-1.5%		
<i>Rec. EBITDA/Revenues</i>	2.0%	5.7%	4.7%	2.8%	3.6%	7.3%	8.1%	7.6%		
Restructuring Expense & Other non-rec.	0.3	0.2	(0.5)	(0.3)	(0.2)	-	-	-		
EBITDA	1.0	2.5	1.7	0.9	1.9	4.2	4.9	4.8	17.1%	36.2%
Depreciation & Provisions	(1.7)	(2.3)	(1.8)	(3.0)	(2.7)	(3.0)	(2.6)	(2.5)		
Capitalized Expense	1.4	1.2	1.6	1.2	1.3	0.8	0.8	0.8		
Rentals (IFRS 16 impact)	-	-	-	-	-	-	-	-		
EBIT	0.7	1.4	1.4	(0.8)	0.6	2.0	3.1	3.2	-4.5%	78.3%
<i>EBIT growth</i>	5.5%	112.6%	1.4%	-157.2%	167.4%	266.6%	52.0%	1.8%		
<i>EBIT/Revenues</i>	1.8%	3.4%	3.1%	n.a.	0.9%	3.5%	5.1%	5.0%		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(0.5)	(0.8)	(1.1)	(1.2)	(1.1)	(1.0)	(1.0)	(0.9)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
Ordinary Profit	0.1	0.6	0.3	(2.0)	(0.6)	1.0	2.1	2.3	-58.5%	80.8%
<i>Ordinary Profit Growth</i>	5.0%	350.5%	-45.0%	-711.5%	71.6%	279.8%	102.7%	7.3%		
Extraordinary Results	-	-	-	-	-	-	-	-		
Profit Before Tax	0.1	0.6	0.3	(2.0)	(0.6)	1.0	2.1	2.3	-58.5%	80.8%
Tax Expense	(0.0)	(0.1)	(0.1)	0.4	0.2	(0.2)	(0.4)	(0.5)		
<i>Effective Tax Rate</i>	28.7%	19.1%	21.6%	n.a.	n.a.	20.0%	20.0%	20.0%		
Minority Interests	-	-	-	-	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	0.1	0.5	0.3	(1.6)	(0.4)	0.8	1.7	1.8	-55.6%	90.4%
<i>Net Profit growth</i>	32.5%	410.8%	-46.7%	-710.8%	76.8%	325.1%	102.7%	7.3%		
Ordinary Net Profit	(0.2)	0.4	0.7	(1.7)	(0.4)	0.8	1.7	1.8	-21.9%	91.6%
<i>Ordinary Net Profit growth</i>	-404.7%	317.6%	94.2%	-350.6%	79.1%	331.3%	102.7%	7.3%		
Cash Flow (EUR Mn)	2017	2018	2019	2020	2021	2022e	2023e	2024e	17-21	21-24e
Recurrent EBITDA						4.2	4.9	4.8	31.0%	31.4%
Rentals (IFRS 16 impact)						-	-	-		
Working Capital Increase						(3.7)	(0.3)	(0.3)		
Recurrent Operating Cash Flow						0.6	4.6	4.5	70.3%	29.6%
CAPEX						(1.0)	(1.5)	(1.6)		
Net Financial Result affecting the Cash Flow						(1.0)	(1.0)	(0.9)		
Tax Expense						(0.2)	(0.4)	(0.5)		
Recurrent Free Cash Flow						(1.6)	1.7	1.6	24.6%	60.5%
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						(1.6)	1.7	1.6	25.1%	60.5%
Capital Increase						-	-	-		
Dividends						-	-	-		
Net Debt Variation						1.6	(1.7)	(1.6)		

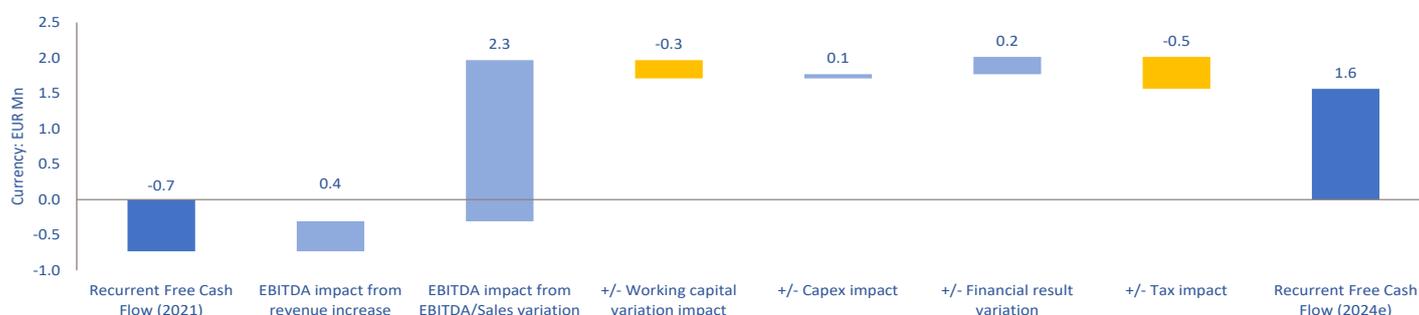
Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
								18-21	21-24e
Recurrent EBITDA	2.3	2.2	1.2	2.1	4.2	4.9	4.8	-3.1%	31.4%
<i>Recurrent EBITDA growth</i>	223.6%	-6.4%	-44.5%	75.2%	98.1%	16.2%	-1.5%		
<i>Rec. EBITDA/Revenues</i>	5.7%	4.7%	2.8%	3.6%	7.3%	8.1%	7.6%		
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	0.2	1.8	2.7	(0.1)	(3.7)	(0.3)	(0.3)		
= Recurrent Operating Cash Flow	2.5	4.0	3.9	2.1	0.6	4.6	4.5	-6.1%	29.6%
<i>Rec. Operating Cash Flow growth</i>	914.5%	59.8%	-2.1%	-47.1%	-73.5%	742.5%	-2.5%		
<i>Rec. Operating Cash Flow / Sales</i>	6.1%	8.6%	9.1%	3.5%	1.0%	7.6%	7.1%		
- CAPEX	(2.7)	(4.2)	(1.9)	(1.7)	(1.0)	(1.5)	(1.6)		
- Net Financial Result affecting Cash Flow	(0.7)	(1.1)	(1.2)	(1.2)	(1.0)	(1.0)	(0.9)		
- Taxes	(0.0)	0.1	0.1	-	(0.2)	(0.4)	(0.5)		
= Recurrent Free Cash Flow	(1.0)	(1.3)	0.9	(0.7)	(1.6)	1.7	1.6	9.9%	60.5%
<i>Rec. Free Cash Flow growth</i>	55.7%	-29.7%	167.4%	-183.7%	-125.1%	202.3%	-7.2%		
<i>Rec. Free Cash Flow / Revenues</i>	n.a.	n.a.	2.0%	n.a.	n.a.	2.8%	2.4%		
- Restructuring expenses & others	-	-	-	-	-	-	-		
- Acquisitions / + Divestments	0.0	(0.3)	(0.0)	-	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	(0.2)	(0.5)	(0.2)	-	-	-	-		
= Free Cash Flow	(1.2)	(2.1)	0.7	(0.7)	(1.6)	1.7	1.6	15.3%	60.5%
<i>Free Cash Flow growth</i>	48.2%	-76.5%	130.6%	-212.4%	-125.1%	202.3%	-7.2%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	n.a.	n.a.	6.7%	n.a.	n.a.	13.0%	12.0%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	n.a.	n.a.	5.0%	n.a.	n.a.	13.0%	12.0%		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
Recurrent FCF(FY - 1)	(2.3)	(1.0)	(1.3)	0.9	(0.7)	(1.6)	1.7		
EBITDA impact from revenue increase	0.1	0.3	(0.1)	0.4	(0.0)	0.2	0.2		
EBITDA impact from EBITDA/Sales variation	1.5	(0.4)	(0.8)	0.5	2.1	0.5	(0.3)		
= Recurrent EBITDA variation	1.6	(0.2)	(1.0)	0.9	2.1	0.7	(0.1)		
- Rentals (IFRS 16 impact) variation impact	-	-	-	-	-	-	-		
+/- Working capital variation impact	0.6	1.7	0.9	(2.8)	(3.6)	3.4	(0.0)		
= Recurrent Operating Cash Flow variation	2.3	1.5	(0.1)	(1.8)	(1.5)	4.1	(0.1)		
+/- CAPEX impact	(0.8)	(1.5)	2.3	0.3	0.7	(0.5)	(0.1)		
+/- Financial result variation	(0.2)	(0.4)	(0.1)	0.0	0.1	0.0	0.1		
+/- Tax impact	(0.0)	0.1	(0.0)	(0.1)	(0.2)	(0.2)	(0.0)		
= Recurrent Free Cash Flow variation	1.3	(0.3)	2.2	(1.6)	(0.9)	3.3	(0.1)		
Recurrent Free Cash Flow	(1.0)	(1.3)	0.9	(0.7)	(1.6)	1.7	1.6		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
EBIT	1.4	1.4	(0.8)	0.6	2.0	3.1	3.2	-26.9%	78.3%
* <i>Theoretical Tax rate</i>	19.1%	21.6%	0.0%	0.0%	20.0%	20.0%	20.0%		
= Taxes (pre- Net Financial Result)	(0.3)	(0.3)	-	-	(0.4)	(0.6)	(0.6)		
Recurrent EBITDA	2.3	2.2	1.2	2.1	4.2	4.9	4.8	-3.1%	31.4%
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	0.2	1.8	2.7	(0.1)	(3.7)	(0.3)	(0.3)		
= Recurrent Operating Cash Flow	2.5	4.0	3.9	2.1	0.6	4.6	4.5	-6.1%	29.6%
- CAPEX	(2.7)	(4.2)	(1.9)	(1.7)	(1.0)	(1.5)	(1.6)		
- Taxes (pre- Financial Result)	(0.3)	(0.3)	-	-	(0.4)	(0.6)	(0.6)		
= Recurrent Free Cash Flow (To the Firm)	(0.5)	(0.6)	2.0	0.4	(0.8)	2.5	2.3	41.7%	75.7%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	71.1%	-10.2%	466.7%	-79.1%	-298.9%	396.3%	-8.0%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	n.a.	n.a.	4.7%	0.7%	n.a.	4.1%	3.6%		
- Acquisitions / + Divestments	0.0	(0.3)	(0.0)	-	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	(0.2)	(0.5)	(0.2)	-	-	-	-		
= Free Cash Flow "To the Firm"	(0.7)	(1.4)	1.8	0.4	(0.8)	2.5	2.3	37.5%	75.7%
<i>Free Cash Flow (To the Firm) growth</i>	60.7%	-96.1%	229.9%	-76.5%	-298.9%	396.3%	-8.0%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	n.a.	n.a.	7.6%	1.6%	n.a.	9.4%	8.6%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	n.a.	n.a.	6.8%	1.6%	n.a.	9.4%	8.6%		

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



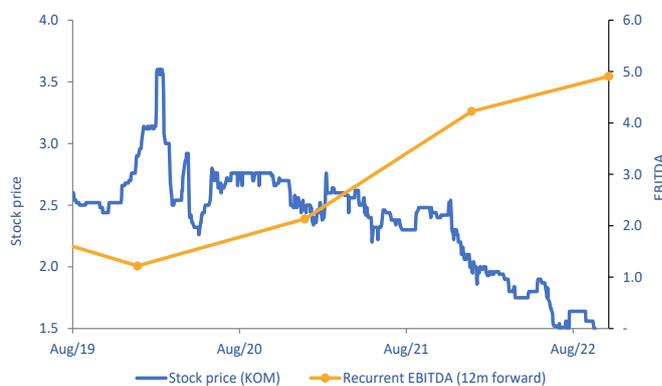
Recurrent Free Cash Flow accumulated variation analysis (2021 - 2024e)



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	13.0	
+ Minority Interests	-	6m Results 2022
+ Provisions & Other L/T Liabilities	0.3	6m Results 2022
+ Net financial debt	13.7	6m Results 2022
- Financial Investments	0.2	6m Results 2022
+/- Others ⁽¹⁾	(0.1)	Lighthouse
Enterprise Value (EV)	26.6	

(1) Related to the market value of Treasury Stock.

Appendix 4. Main peers 2022e

		Specialty Chemicals				Close peers			
EUR Mn		BASF	LyondellBasell	Clariant	Average	Avient Corporation	Cabot Corporation	Average	KOM
Market data	Ticker (Factset)	BAS-DE	LYB-US	CLN-CH		AVNT-US	CBT-US		KOM-ES
	Country	Germany	UK	Switzerland		USA	USA		Spain
	Market cap	61,611.6	28,002.6	5,878.4		3,694.2	2,567.0		13.0
	Enterprise value (EV)	78,366.6	40,609.2	6,948.6		4,855.3	3,518.3		26.6
Basic financial information	Total Revenues	71,617.8	33,989.5	3,725.5		3,691.8	2,686.3		57.8
	Total Revenues growth	21.1%	44.8%	4.3%	23.4%	34.7%	21.5%	28.1%	-2.0%
	2y CAGR (2021e - 2023e)	1.3%	-0.2%	5.6%	2.2%	3.8%	4.0%	3.9%	5.1%
	EBITDA	10,467.0	7,310.2	622.2		476.1	540.6		4.2
	EBITDA growth	47.2%	151.0%	2.5%	66.9%	69.1%	81.6%	75.4%	120.7%
	2y CAGR (2021e - 2023e)	2.5%	-9.1%	8.7%	0.7%	8.5%	2.6%	5.6%	7.0%
	EBITDA/Revenues	14.6%	21.5%	16.7%	17.6%	12.9%	20.1%	16.5%	7.3%
	EBIT	6,526.7	5,754.0	381.1		346.9	403.2		2.0
	EBIT growth	97.5%	230.5%	6.5%	111.5%	104.3%	145.8%	125.0%	266.6%
	2y CAGR (2021e - 2023e)	2.7%	-9.7%	13.3%	2.1%	11.6%	2.9%	7.2%	24.4%
	EBIT/Revenues	9.1%	16.9%	10.2%	12.1%	9.4%	15.0%	12.2%	3.5%
	Net Profit	4,687.2	4,793.6	231.2		207.1	241.6		0.8
	Net Profit growth	422.4%	297.5%	171.7%	297.2%	85.6%	220.0%	152.8%	325.1%
	2y CAGR (2021e - 2023e)	3.6%	-12.3%	12.3%	1.2%	17.8%	3.5%	10.6%	47.5%
CAPEX/Sales %	5.2%	5.0%	8.8%	6.3%	1.9%	4.7%	3.3%	1.7%	
Free Cash Flow	3,488.9	3,897.3	188.2		236.3	113.3		(1.6)	
Net financial debt	15,497.1	9,399.4	794.8		975.4	792.1		13.4	
ND/EBITDA (x)	1.5	1.3	1.3	1.3	2.0	1.5	1.8	3.2	
Pay-out	66.6%	25.4%	68.5%	53.5%	31.7%	21.2%	26.4%	0.0%	
Multiples and Ratios	P/E (x)	12.1	5.9	24.1	14.0	16.6	10.9	13.7	15.7
	P/BV (x)	1.7	2.8	2.8	2.4	2.4	3.4	2.9	0.8
	EV/Revenues (x)	1.1	1.2	1.9	1.4	1.3	1.3	1.3	0.5
	EV/EBITDA (x)	7.5	5.6	11.2	8.1	10.2	6.5	8.4	6.3
	EV/EBIT (x)	12.0	7.1	18.2	12.4	14.0	8.7	11.4	13.0
	ROE	14.1	47.1	11.6	24.2	14.3	31.1	22.7	5.4
	FCF Yield (%)	5.7	13.9	3.2	7.6	6.4	4.4	5.4	n.a.
	DPS	3.40	3.65	0.48	2.51	0.73	0.90	0.82	0.00
Dvd Yield	5.1%	4.4%	2.7%	4.0%	1.8%	2.0%	1.9%	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
31-Oct-2022	n.a.	1.07	n.a.	n.a.	6m Results 2022 - Estimates downgrade	David López Sánchez
15-Feb-2022	n.a.	1.94	n.a.	n.a.	12m 2021 Preliminary results	David López Sánchez
29-Oct-2021	n.a.	2.42	n.a.	n.a.	6m Results 2021	David López Sánchez
28-Jul-2021	n.a.	2.38	n.a.	n.a.	Initiation of Coverage	David López Sánchez

