

**EQUITY - SPAIN**

Sector: Software

 Closing price: EUR 9.15 (14 Jun 2023)  
 Report date: 15 Jun 2023 (09:00h)

**3m Results 2023**  
 Independent Equity Research

**3m Results 2023**

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

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

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**Cuatrochenta (480S)**, is a technology company specialised in designing, developing and implementing cloud software (SaaS model) and cybersecurity, with proprietary products aimed at optimising specific processes in the business context. Revenues from outside Spain account for c. 25% of the total (mainly Latam). The company has been listed on BME Growth since November 2020. Management controls c. 60% of capital.

## 1Q23, in line: these results cement 480S' dual growth story

**Market Data**

Market Cap (Mn EUR and USD)	25.0	27.1
EV (Mn EUR and USD) <sup>(2)</sup>	33.2	36.0
Shares Outstanding (Mn)	2.7	
-12m (Max/Med/Min EUR)	16.00 / 11.39 / 8.30	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation <sup>(3)</sup>	8.8	
Factset / Bloomberg	480S-ES / 480S SM	
Close fiscal year	31-Dec	

**1Q23: CONTINUED STRONG REVENUE GROWTH.** 480S generated revenue of EUR 5.3Mn in 1Q23, sharp growth (+30.7% vs. 1Q22) marked by: i) continued double-digit organic revenue growth (+24% vs. 1Q22) underpinned by a solid recurring revenue base; ii) the impact of the M&A deals closed -12m (acquisition of Cloud Factory in December 2022).

**GROWING SHARE OF RECURRING REVENUE.** In 1Q22 recurring revenue accounted for 64% of the total (vs. 62% in 2022). The company's annualised recurring revenue (ARR), meaning revenue from subscriptions, contracts or renewable agreements) based on the March volume stands at EUR 12.4Mn (+5% from year-end 2022).

**RECURRING EBITDA IS ALREADY ABOVE BREAK-EVEN.** Despite gross margin contraction to 69% (vs. 72.5% in 1Q22) due to the higher share of the cybersecurity business in the revenue mix, recurring EBITDA increased to EUR 0.2Mn (rec. EBITDA margin: c.4% vs -1% in 1Q22).

**Shareholders Structure (%)**

Montesinos family	19.5
Sergio Aguado Gonzalez	18.0
Alfredo Cebrián Fuertes	16.6
Pavasal Group	5.3
Free Float	40.5

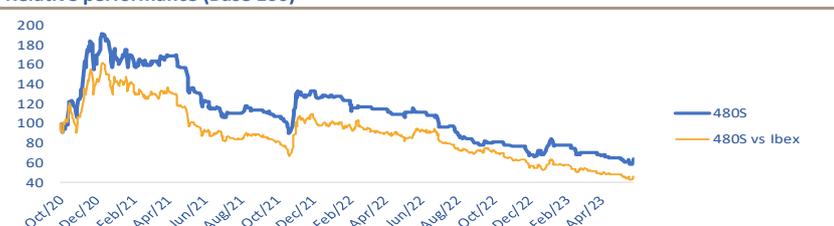
**2023E: WE REITERATE OUR ESTIMATES.** The 1Q23 results are in line with our forecasts and already evidence the anticipated recovery in the EBITDA margin. We expect that margin to head towards c.9% (vs c.4% in 2022) as the year unfolds as a result of: i) higher revenue in 2H23e (2023e revenue: EUR 23Mn, +25% vs. 2022) and ii) operational gearing (in theory, 480S no long needs to add much overhead). That is why we think 480S should be seen as a dual growth story.

**IN SUM, 1Q23 CONFIRMS THAT 480S IS GAINING TRACTION.** 480S is delivering but the stock remains close to all-time lows (-42.8% -12m; -6.2% -3m). Our numbers are based on EBITDA normalisation within two years, leveraging the current fixed cost structure. And the 1Q23 results seem to mark the start of that recovery, which, from current levels, has a long way to run. The impact on multiples on our 2025e numbers is clear: EV/rec. EBITDA 2025e of 5.7x and P/E 25e of < 7x.

Financials (Mn EUR)	2022	2023e	2024e	2025e
Adj. n <sup>o</sup> shares (Mn)	2.7	2.7	2.7	2.7
Total Revenues	18.7	23.3	27.2	31.4
Rec. EBITDA	0.7	2.2	3.8	5.9
% growth	-23.0	206.2	73.1	54.4
% Rec. EBITDA/Rev.	3.8	9.4	14.0	18.7
% Inc. EBITDA sector <sup>(4)</sup>	14.0	9.4	21.4	15.7
Net Profit	-1.1	0.7	2.0	3.7
EPS (EUR)	-0.40	0.27	0.73	1.35
% growth	-247.7	167.4	170.0	83.8
Ord. EPS (EUR)	-0.17	0.27	0.73	1.35
% growth	-827.8	256.4	170.0	83.8
Rec. Free Cash Flow <sup>(5)</sup>	-2.4	-0.5	0.9	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	6.4	6.9	6.0	3.5
ND/Rec. EBITDA (x)	8.9	3.2	1.6	0.6
ROE (%)	n.a.	7.0	16.7	24.9
ROCE (%) <sup>(5)</sup>	n.a.	4.8	10.9	18.2

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

P/E	n.a.	33.7	12.5	6.8
Ord. P/E	n.a.	33.7	12.5	6.8
P/BV	2.4	2.3	1.9	1.5
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	1.78	1.42	1.22	1.06
EV/Rec. EBITDA	46.3	15.1	8.7	5.7
EV/EBIT	n.a.	29.1	12.2	7.0
FCF Yield (%) <sup>(5)</sup>	n.a.	n.a.	3.5	10.2

**Relative performance (Base 100)**


Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	-1.6	-6.2	-42.8	-2.7	n.a.	n.a.
vs Ibex 35	-3.7	-8.9	-51.1	-15.1	n.a.	n.a.
vs Ibex Small Cap Index	-4.6	-0.6	-40.2	-12.2	n.a.	n.a.
vs Eurostoxx 50	-2.9	-10.4	-54.6	-15.6	n.a.	n.a.
vs Sector benchmark <sup>(4)</sup>	-10.2	-16.4	-58.1	-23.7	n.a.	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.

**3m Results 2023**

EUR Mn	3m23 Real	3m22	3m23 Real vs 3m22	2023e	2023e vs 2022
<b>Total Ingresos</b>	<b>5,3</b>	<b>4,0</b>	<b>30,7%</b>	<b>23,3</b>	<b>25,0%</b>
<b>Margen Bruto</b>	<b>3,6</b>	<b>2,9</b>	<b>24,0%</b>	<b>16,8</b>	<b>26,5%</b>
<i>Margen Bruto (%)</i>	<i>68,8%</i>	<i>72,5%</i>	<i>-3,7 p.p.</i>	<i>72,1%</i>	<i>0,8 p.p.</i>
Gastos de personal	-2,8	-2,4	15,9%	-11,5	16,0%
Otros costes de explotación	-0,7	-0,6	15,0%	-3,1	17,1%
<b>EBITDA (Recurrente)<sup>1</sup></b>	<b>0,2</b>	<b>0,0</b>	<b>n.a.</b>	<b>2,2</b>	<b>206,2%</b>
<i>EBITDA Rec. / Ingresos</i>	<i>3,6%</i>	<i>-1,2%</i>	<i>4,8 p.p.</i>	<i>9,4%</i>	<i>5,6 p.p.</i>
<b>EBITDA<sup>1</sup></b>	<b>0,2</b>	<b>0,0</b>	<b>n.a.</b>	<b>2,2</b>	<b>320,9%</b>
<i>EBITDA / Ingresos</i>	<i>3,6%</i>	<i>-1,2%</i>	<i>4,8 p.p.</i>	<i>9,4%</i>	<i>6,6 p.p.</i>

## Valuation inputs

### Inputs for the DCF Valuation Approach

	2023e	2024e	2025e	Terminal Value <sup>(1)</sup>		
Free Cash Flow "To the Firm"	(0.2)	1.2	2.8	42.9		
Market Cap	25.0	At the date of this report				
Net financial debt	6.4	Debt net of Cash (12m Results 2022)				
					Best Case	Worst Case
Cost of Debt	5.0%	Net debt cost			4.8%	5.3%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	4.0%	Kd = Cost of Net Debt * (1-T)			3.8%	4.2%
Risk free rate (rf)	3.4%	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	10.6%	Ke = Rf + (R * B)			9.5%	11.9%
Equity / (Equity + Net Debt)	79.6%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	20.4%	D			=	=
WACC	9.3%	WACC = Kd * D + Ke * E			8.3%	10.3%
G "Fair"	2.5%				3.0%	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	Mkt. Cap	P/E 23e	EPS 23e-25e	EV/EBITDA 23e	EBITDA 23e-25e	EV/Sales 23e	Revenues 23e-25e	EBITDA/Sales 23e	FCF Yield 23e	FCF 23e-25e
Qualtrics International	XM-US	10,089.3	83.2	45.1%	39.9	18.4%	6.2	15.2%	15.6%	1.1%	73.5%
Descartes Systems	DSG-CA	6,061.8	55.2	13.8%	26.0	n.a.	11.2	n.a.	43.2%	3.2%	n.a.
Appfolio	APPF-US	6,157.8	n.a.	n.a.	n.a.	n.a.	10.4	n.a.	6.3%	0.3%	n.a.
American Software	AMSWA-US	325.5	24.8	n.a.	12.2	n.a.	2.0	n.a.	16.2%	n.a.	n.a.
<b>Software</b>			<b>54.4</b>	<b>29.4%</b>	<b>26.0</b>	<b>18.4%</b>	<b>7.5</b>	<b>15.2%</b>	<b>20.3%</b>	<b>1.5%</b>	<b>73.5%</b>
CrowdStrike	CRWD-US	33,631.4	64.5	29.7%	n.a.	38.6%	11.4	26.9%	21.0%	2.5%	34.4%
SecureWorks	SCWX-US	576.2	n.a.	51.8%	n.a.	n.a.	1.4	6.7%	n.a.	n.a.	n.a.
Absolute Software	ABST-CA	554.7	n.a.	48.2%	14.8	17.5%	3.6	14.6%	24.0%	5.8%	66.7%
<b>Cybersecurity</b>			<b>64.5</b>	<b>43.2%</b>	<b>14.8</b>	<b>28.0%</b>	<b>5.4</b>	<b>16.0%</b>	<b>22.5%</b>	<b>4.1%</b>	<b>50.5%</b>
<b>480S</b>	<b>480S-ES</b>	<b>25.0</b>	<b>33.7</b>	<b>n.a.</b>	<b>15.1</b>	<b>63.5%</b>	<b>1.4</b>	<b>16.1%</b>	<b>9.4%</b>	<b>n.a.</b>	<b>n.a.</b>

### Free Cash Flow sensitivity analysis (2024e)

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

Scenario	EBITDA/Sales 24e	EBITDA 24e	EV/EBITDA 24e
Max	15.4%	4.2	7.9x
Central	14.0%	3.8	8.7x
Min	12.6%	3.4	9.7x

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

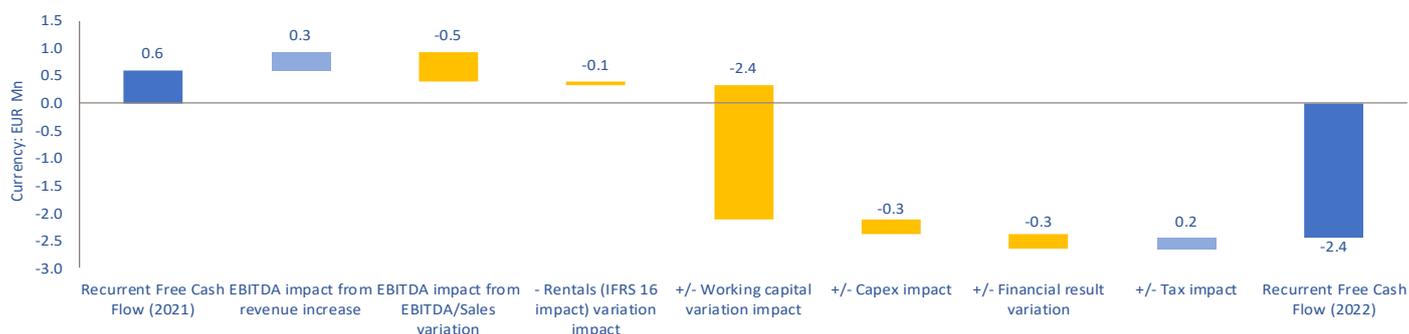
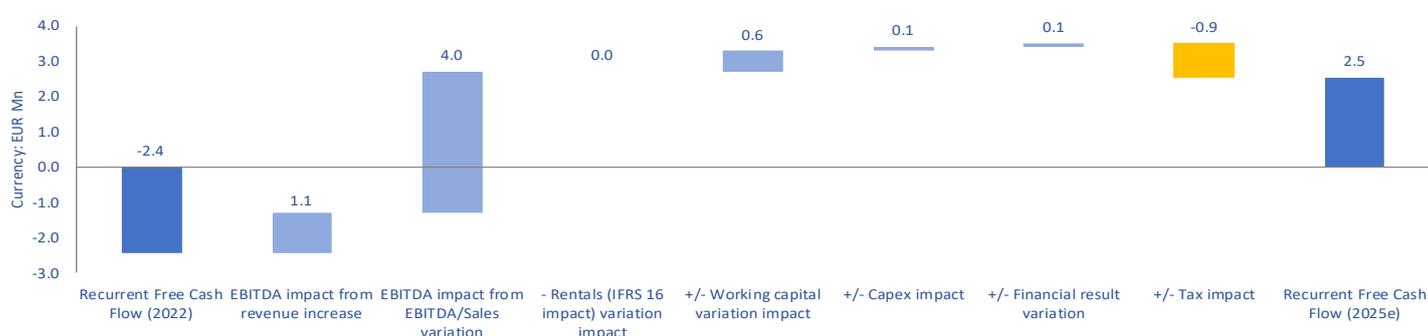
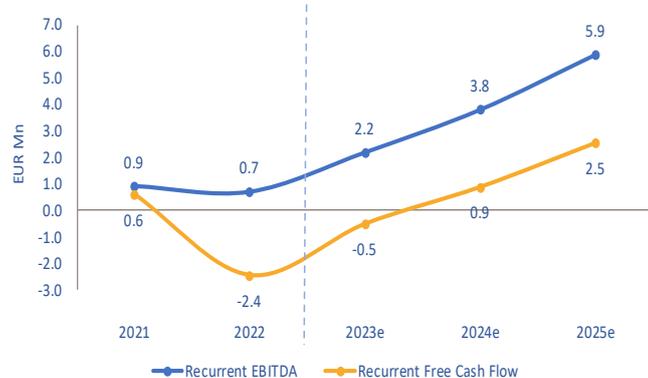
Rec. FCF EUR Mn	CAPEX/Sales 24e			Scenario	Rec. FCF/Yield 24e		
EBITDA 24e	3.2%	3.6%	4.0%		Max	Central	Min
4.2	1.4	1.3	1.1	Max	5.5%	5.0%	4.6%
3.8	1.0	0.9	0.8	Central	3.9%	3.5%	3.1%
3.4	0.6	0.5	0.4	Min	2.4%	2.0%	1.5%

## Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
Intangible assets		2.4	3.9	8.1	8.8	8.2	7.6	7.0		
Fixed assets		0.1	0.2	0.4	0.5	1.3	2.1	2.9		
Other Non Current Assets		0.3	0.5	0.5	1.9	1.9	1.9	1.9		
Financial Investments		0.0	1.0	0.1	0.2	0.4	0.6	0.8		
Goodwill & Other Intangibles		1.8	5.1	7.2	8.3	8.3	8.3	8.3		
Current assets		1.6	2.8	4.3	8.0	9.3	10.3	11.4		
<b>Total assets</b>		<b>6.2</b>	<b>13.6</b>	<b>20.6</b>	<b>27.8</b>	<b>29.4</b>	<b>30.9</b>	<b>32.3</b>		
Equity		1.9	5.4	4.6	10.2	11.0	13.0	16.6		
Minority Interests		0.0	0.1	0.0	0.0	0.0	0.0	0.0		
Provisions & Other L/T Liabilities		1.1	1.4	1.7	1.9	1.9	1.9	1.9		
Other Non Current Liabilities		-	-	1.0	1.0	1.0	1.0	1.0		
Net financial debt		1.9	3.5	7.5	6.4	6.9	6.0	3.5		
Current Liabilities		1.2	3.3	5.8	8.2	8.5	8.9	9.2		
<b>Equity &amp; Total Liabilities</b>		<b>6.2</b>	<b>13.6</b>	<b>20.6</b>	<b>27.8</b>	<b>29.4</b>	<b>30.9</b>	<b>32.3</b>		
P&L (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	18-22	22-25e
<b>Total Revenues</b>		<b>5.9</b>	<b>11.8</b>	<b>13.9</b>	<b>18.7</b>	<b>23.3</b>	<b>27.2</b>	<b>31.4</b>	<i>n.a.</i>	<b>19.0%</b>
<i>Total Revenues growth</i>		<i>n.a.</i>	<i>99.3%</i>	<i>17.3%</i>	<i>34.5%</i>	<i>25.0%</i>	<i>16.7%</i>	<i>15.4%</i>		
COGS		(1.4)	(3.1)	(3.8)	(5.4)	(6.5)	(7.3)	(8.1)		
<b>Gross Margin</b>		<b>4.5</b>	<b>8.7</b>	<b>10.1</b>	<b>13.3</b>	<b>16.8</b>	<b>19.9</b>	<b>23.3</b>	<i>n.a.</i>	<b>20.5%</b>
<i>Gross Margin/Revenues</i>		<i>76.2%</i>	<i>73.7%</i>	<i>72.6%</i>	<i>71.3%</i>	<i>72.1%</i>	<i>73.1%</i>	<i>74.1%</i>		
Personnel Expenses		(2.5)	(5.7)	(7.4)	(9.9)	(11.5)	(12.6)	(13.6)		
Other Operating Expenses		(0.8)	(1.5)	(1.7)	(2.6)	(3.1)	(3.5)	(3.8)		
<b>Recurrent EBITDA</b>		<b>1.1</b>	<b>1.5</b>	<b>0.9</b>	<b>0.7</b>	<b>2.2</b>	<b>3.8</b>	<b>5.9</b>	<i>n.a.</i>	<i>n.a.</i>
<i>Recurrent EBITDA growth</i>		<i>n.a.</i>	<i>31.2%</i>	<i>-38.1%</i>	<i>-23.0%</i>	<i>206.2%</i>	<i>73.1%</i>	<i>54.4%</i>		
<i>Rec. EBITDA/Revenues</i>		<i>19.3%</i>	<i>12.7%</i>	<i>6.7%</i>	<i>3.8%</i>	<i>9.4%</i>	<i>14.0%</i>	<i>18.7%</i>		
Restructuring Expense & Other non-rec.		-	(0.3)	(0.1)	(0.2)	-	-	-		
<b>EBITDA</b>		<b>1.1</b>	<b>1.2</b>	<b>0.8</b>	<b>0.5</b>	<b>2.2</b>	<b>3.8</b>	<b>5.9</b>	<i>n.a.</i>	<i>n.a.</i>
Depreciation & Provisions		(0.4)	(0.7)	(1.1)	(1.5)	(1.5)	(1.6)	(1.6)		
Capitalized Expense		-	0.1	0.6	0.8	0.8	0.8	0.8		
Rentals (IFRS 16 impact)		-	-	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)		
<b>EBIT</b>		<b>0.7</b>	<b>0.6</b>	<b>0.1</b>	<b>(0.4)</b>	<b>1.1</b>	<b>2.7</b>	<b>4.7</b>	<i>n.a.</i>	<i>n.a.</i>
<i>EBIT growth</i>		<i>n.a.</i>	<i>-10.3%</i>	<i>-91.3%</i>	<i>-894.2%</i>	<i>354.3%</i>	<i>137.7%</i>	<i>75.0%</i>		
<i>EBIT/Revenues</i>		<i>12.1%</i>	<i>5.5%</i>	<i>0.4%</i>	<i>n.a.</i>	<i>4.9%</i>	<i>9.9%</i>	<i>15.1%</i>		
Impact of Goodwill & Others		-	-	-	-	-	-	-		
Net Financial Result		(0.0)	(0.1)	(0.1)	(0.4)	(0.4)	(0.4)	(0.3)		
Income by the Equity Method		-	-	(0.0)	0.2	0.2	0.2	0.2		
<b>Ordinary Profit</b>		<b>0.7</b>	<b>0.5</b>	<b>(0.1)</b>	<b>(0.7)</b>	<b>0.9</b>	<b>2.5</b>	<b>4.6</b>	<i>n.a.</i>	<i>n.a.</i>
<i>Ordinary Profit Growth</i>		<i>n.a.</i>	<i>-22.7%</i>	<i>-124.9%</i>	<i>-415.9%</i>	<i>238.1%</i>	<i>170.0%</i>	<i>83.8%</i>		
Extraordinary Results		(0.5)	(0.3)	-	-	-	-	-		
<b>Profit Before Tax</b>		<b>0.1</b>	<b>0.2</b>	<b>(0.1)</b>	<b>(0.7)</b>	<b>0.9</b>	<b>2.5</b>	<b>4.6</b>	<i>n.a.</i>	<i>n.a.</i>
Tax Expense		(0.2)	0.0	(0.1)	0.0	(0.2)	(0.5)	(0.9)		
<i>Effective Tax Rate</i>		<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>20.0%</i>	<i>20.0%</i>	<i>20.0%</i>		
Minority Interests		-	-	0.0	0.0	-	-	-		
Discontinued Activities		-	-	-	(0.5)	-	-	-		
<b>Net Profit</b>		<b>(0.0)</b>	<b>0.2</b>	<b>(0.2)</b>	<b>(1.1)</b>	<b>0.7</b>	<b>2.0</b>	<b>3.7</b>	<i>n.a.</i>	<b>74.8%</b>
<i>Net Profit growth</i>		<i>n.a.</i>	<i>n.a.</i>	<i>-184.1%</i>	<i>-436.9%</i>	<i>167.4%</i>	<i>170.0%</i>	<i>83.8%</i>		
<b>Ordinary Net Profit</b>		<b>0.5</b>	<b>0.8</b>	<b>(0.0)</b>	<b>(0.5)</b>	<b>0.7</b>	<b>2.0</b>	<b>3.7</b>	<i>n.a.</i>	<i>n.a.</i>
<i>Ordinary Net Profit growth</i>		<i>n.a.</i>	<i>75.1%</i>	<i>-104.0%</i>	<i>n.a.</i>	<i>256.4%</i>	<i>170.0%</i>	<i>83.8%</i>		
Cash Flow (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	18-22	22-25e
<b>Recurrent EBITDA</b>						<b>2.2</b>	<b>3.8</b>	<b>5.9</b>	<i>n.a.</i>	<i>n.a.</i>
Rentals (IFRS 16 impact)						(0.3)	(0.3)	(0.3)		
Working Capital Increase						(0.9)	(0.7)	(0.8)		
<b>Recurrent Operating Cash Flow</b>						<b>1.0</b>	<b>2.7</b>	<b>4.8</b>	<i>n.a.</i>	<b>90.3%</b>
CAPEX						(0.9)	(1.0)	(1.0)		
Net Financial Result affecting the Cash Flow						(0.4)	(0.4)	(0.3)		
Tax Expense						(0.2)	(0.5)	(0.9)		
<b>Recurrent Free Cash Flow</b>						<b>(0.5)</b>	<b>0.9</b>	<b>2.5</b>	<i>n.a.</i>	<b>44.8%</b>
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
<b>Free Cash Flow</b>						<b>(0.5)</b>	<b>0.9</b>	<b>2.5</b>	<i>n.a.</i>	<b>34.5%</b>
Capital Increase						-	-	-		
Dividends						-	-	-		
<b>Net Debt Variation</b>						<b>0.5</b>	<b>(0.9)</b>	<b>(2.5)</b>		

## Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
								19-22	22-25e
<b>Recurrent EBITDA</b>	<b>1.1</b>	<b>1.5</b>	<b>0.9</b>	<b>0.7</b>	<b>2.2</b>	<b>3.8</b>	<b>5.9</b>	<b>-14.5%</b>	<b>n.a.</b>
<i>Recurrent EBITDA growth</i>	<i>n.a.</i>	<i>31.2%</i>	<i>-38.1%</i>	<i>-23.0%</i>	<i>206.2%</i>	<i>73.1%</i>	<i>54.4%</i>		
<i>Rec. EBITDA/Revenues</i>	<i>19.3%</i>	<i>12.7%</i>	<i>6.7%</i>	<i>3.8%</i>	<i>9.4%</i>	<i>14.0%</i>	<i>18.7%</i>		
- Rentals (IFRS 16 impact)	-	-	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)		
+/- Working Capital increase	(0.3)	0.8	1.1	(1.4)	(0.9)	(0.7)	(0.8)		
<b>= Recurrent Operating Cash Flow</b>	<b>0.8</b>	<b>2.3</b>	<b>1.7</b>	<b>(1.0)</b>	<b>1.0</b>	<b>2.7</b>	<b>4.8</b>	<b>-47.5%</b>	<b>90.3%</b>
<i>Rec. Operating Cash Flow growth</i>	<i>n.a.</i>	<i>181.7%</i>	<i>-22.9%</i>	<i>-155.8%</i>	<i>203.1%</i>	<i>174.3%</i>	<i>73.1%</i>		
<i>Rec. Operating Cash Flow / Sales</i>	<i>13.5%</i>	<i>19.1%</i>	<i>12.6%</i>	<i>n.a.</i>	<i>4.3%</i>	<i>10.1%</i>	<i>15.1%</i>		
- CAPEX	(0.1)	(0.3)	(0.8)	(1.1)	(0.9)	(1.0)	(1.0)		
- Net Financial Result affecting Cash Flow	(0.0)	(0.1)	(0.1)	(0.4)	(0.4)	(0.4)	(0.3)		
- Taxes	(0.2)	(0.2)	(0.2)	0.0	(0.2)	(0.5)	(0.9)		
<b>= Recurrent Free Cash Flow</b>	<b>0.5</b>	<b>1.7</b>	<b>0.6</b>	<b>(2.4)</b>	<b>(0.5)</b>	<b>0.9</b>	<b>2.5</b>	<b>-94.1%</b>	<b>44.8%</b>
<i>Rec. Free Cash Flow growth</i>	<i>n.a.</i>	<i>265.2%</i>	<i>-64.1%</i>	<i>-505.2%</i>	<i>79.0%</i>	<i>270.9%</i>	<i>189.3%</i>		
<i>Rec. Free Cash Flow / Revenues</i>	<i>7.8%</i>	<i>14.2%</i>	<i>4.4%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>3.2%</i>	<i>8.1%</i>		
- Restructuring expenses & others	-	(0.3)	(0.1)	(0.2)	-	-	-		
- Acquisitions / + Divestments	(3.1)	(2.8)	(3.8)	(3.2)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
<b>= Free Cash Flow</b>	<b>(2.6)</b>	<b>(1.4)</b>	<b>(3.3)</b>	<b>(5.8)</b>	<b>(0.5)</b>	<b>0.9</b>	<b>2.5</b>	<b>-30.6%</b>	<b>34.5%</b>
<i>Free Cash Flow growth</i>	<i>n.a.</i>	<i>45.0%</i>	<i>-129.8%</i>	<i>-76.0%</i>	<i>91.2%</i>	<i>270.9%</i>	<i>189.3%</i>		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	<i>1.8%</i>	<i>6.7%</i>	<i>2.4%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>3.5%</i>	<i>10.2%</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>3.5%</i>	<i>10.2%</i>		
<b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b>									
	2019	2020	2021	2022	2023e	2024e	2025e		
<b>Recurrent FCF(FY - 1)</b>		<b>0.5</b>	<b>1.7</b>	<b>0.6</b>	<b>(2.4)</b>	<b>(0.5)</b>	<b>0.9</b>		
EBITDA impact from revenue increase		1.1	0.3	0.3	0.2	0.4	0.6		
EBITDA impact from EBITDA/Sales variation		(0.8)	(0.8)	(0.5)	1.3	1.2	1.5		
<b>= Recurrent EBITDA variation</b>		<b>0.4</b>	<b>(0.6)</b>	<b>(0.2)</b>	<b>1.5</b>	<b>1.6</b>	<b>2.1</b>		
- Rentals (IFRS 16 impact) variation impact		-	(0.3)	(0.1)	-	-	-		
+/- Working capital variation impact		1.1	0.3	(2.4)	0.5	0.1	(0.1)		
<b>= Recurrent Operating Cash Flow variation</b>		<b>1.5</b>	<b>(0.5)</b>	<b>(2.7)</b>	<b>2.0</b>	<b>1.7</b>	<b>2.0</b>		
+/- CAPEX impact		(0.2)	(0.5)	(0.3)	0.2	(0.0)	0.0		
+/- Financial result variation		(0.1)	(0.0)	(0.3)	0.0	0.0	0.1		
+/- Tax impact		0.1	(0.0)	0.2	(0.2)	(0.3)	(0.4)		
<b>= Recurrent Free Cash Flow variation</b>		<b>1.2</b>	<b>(1.1)</b>	<b>(3.0)</b>	<b>1.9</b>	<b>1.4</b>	<b>1.7</b>		
<b>Recurrent Free Cash Flow</b>		<b>1.7</b>	<b>0.6</b>	<b>(2.4)</b>	<b>(0.5)</b>	<b>0.9</b>	<b>2.5</b>		
<b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>									
	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
<b>EBIT</b>	<b>0.7</b>	<b>0.6</b>	<b>0.1</b>	<b>(0.4)</b>	<b>1.1</b>	<b>2.7</b>	<b>4.7</b>	<b>-37.9%</b>	<b>n.a.</b>
* Theoretical Tax rate	30.0%	0.0%	0.0%	0.0%	20.0%	20.0%	20.0%		
= Taxes (pre- Net Financial Result)	(0.2)	-	-	-	(0.2)	(0.5)	(0.9)		
<b>Recurrent EBITDA</b>	<b>1.1</b>	<b>1.5</b>	<b>0.9</b>	<b>0.7</b>	<b>2.2</b>	<b>3.8</b>	<b>5.9</b>	<b>-14.5%</b>	<b>n.a.</b>
- Rentals (IFRS 16 impact)	-	-	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)		
+/- Working Capital increase	(0.3)	0.8	1.1	(1.4)	(0.9)	(0.7)	(0.8)		
<b>= Recurrent Operating Cash Flow</b>	<b>0.8</b>	<b>2.3</b>	<b>1.7</b>	<b>(1.0)</b>	<b>1.0</b>	<b>2.7</b>	<b>4.8</b>	<b>-47.5%</b>	<b>90.3%</b>
- CAPEX	(0.1)	(0.3)	(0.8)	(1.1)	(0.9)	(1.0)	(1.0)		
- Taxes (pre- Financial Result)	(0.2)	-	-	-	(0.2)	(0.5)	(0.9)		
<b>= Recurrent Free Cash Flow (To the Firm)</b>	<b>0.5</b>	<b>2.0</b>	<b>0.9</b>	<b>(2.1)</b>	<b>(0.2)</b>	<b>1.2</b>	<b>2.8</b>	<b>-83.1%</b>	<b>50.0%</b>
<i>Rec. Free Cash Flow (To the Firm) growth</i>	<i>n.a.</i>	<i>293.9%</i>	<i>-52.8%</i>	<i>-322.7%</i>	<i>92.3%</i>	<i>870.6%</i>	<i>131.2%</i>		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	<i>8.4%</i>	<i>16.6%</i>	<i>6.7%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>4.5%</i>	<i>9.0%</i>		
- Acquisitions / + Divestments	(3.1)	(2.8)	(3.8)	(3.2)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
<b>= Free Cash Flow "To the Firm"</b>	<b>(2.6)</b>	<b>(0.9)</b>	<b>(2.9)</b>	<b>(5.3)</b>	<b>(0.2)</b>	<b>1.2</b>	<b>2.8</b>	<b>-26.8%</b>	<b>36.4%</b>
<i>Free Cash Flow (To the Firm) growth</i>	<i>n.a.</i>	<i>66.9%</i>	<i>-240.4%</i>	<i>-80.8%</i>	<i>97.0%</i>	<i>870.6%</i>	<i>131.2%</i>		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	<i>1.5%</i>	<i>5.9%</i>	<i>2.8%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>3.7%</i>	<i>8.5%</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>3.7%</i>	<i>8.5%</i>		

**Recurrent Free Cash Flow accumulated variation analysis (2018 - 2022)**

**Recurrent Free Cash Flow accumulated variation analysis (2022 - 2025e)**

**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	25.0	
+ Minority Interests	0.0	12m Results 2022
+ Provisions & Other L/T Liabilities	1.9	12m Results 2022
+ Net financial debt	6.4	12m Results 2022
- Financial Investments	0.2	12m Results 2022
+/- Others		
<b>Enterprise Value (EV)</b>	<b>33.2</b>	

## Appendix 4. Main peers 2023e

		Software				Cybersecurity					
EUR Mn		Qualtrics International	Descartes Systems	Appfolio	American Software	Average	CrowdStrike	SecureWorks	Absolute Software	Average	480S
Market data	Ticker (Factset)	XM-US	DSG-CA	APPF-US	AMSWA-US		CRWD-US	SCWX-US	ABST-CA		480S-ES
	Country	USA	Canada	USA	USA		USA	USA	Canada		Spain
	Market cap	10,089.3	6,061.8	6,157.8	325.5		33,631.4	576.2	554.7		25.0
	Enterprise value (EV)	9,601.7	5,915.1	5,571.5	219.8		31,689.2	499.3	759.3		33.2
Basic financial information	Total Revenues	1,540.8	526.6	535.2	111.6		2,787.3	352.5	213.8		23.3
	Total Revenues growth	14.7%	19.4%	23.1%	-2.0%	13.8%	35.0%	-17.4%	23.4%	13.6%	25.0%
	2y CAGR (2023e - 2025e)	15.2%	n.a.	n.a.	n.a.	15.2%	26.9%	6.7%	14.6%	16.0%	16.1%
	EBITDA	240.9	227.7	33.8	18.1		584.6	(34.7)	51.3		2.2
	EBITDA growth	131.2%	23.8%	201.8%	43.0%	100.0%	853.7%	56.8%	83.7%	331.4%	320.9%
	2y CAGR (2023e - 2025e)	18.4%	n.a.	n.a.	n.a.	18.4%	38.6%	n.a.	17.5%	28.0%	63.5%
	EBITDA/Revenues	15.6%	43.2%	6.3%	16.2%	20.3%	21.0%	n.a.	24.0%	22.5%	9.4%
	EBIT	159.5	146.5	(56.4)	12.8		474.1	(31.0)	(0.1)		1.1
	EBIT growth	116.7%	17.7%	15.4%	31.2%	45.3%	374.5%	74.6%	98.3%	182.5%	354.3%
	2y CAGR (2023e - 2025e)	45.0%	n.a.	n.a.	n.a.	45.0%	39.9%	90.9%	n.a.	65.4%	n.a.
	EBIT/Revenues	10.4%	27.8%	n.a.	11.4%	16.5%	17.0%	n.a.	n.a.	17.0%	4.9%
	Net Profit	(752.6)	110.7	10.6	8.8		533.6	(32.0)	(21.3)		0.7
	Net Profit growth	23.0%	19.3%	116.9%	-8.8%	37.6%	416.1%	69.7%	0.8%	162.2%	167.4%
	2y CAGR (2023e - 2025e)	70.4%	n.a.	n.a.	n.a.	70.4%	32.6%	87.2%	44.4%	54.7%	n.a.
	CAPEX/Sales %	3.9%	1.1%	1.4%	2.1%	2.1%	8.1%	1.9%	1.9%	4.0%	4.0%
Free Cash Flow	113.0	192.2	18.8	n.a.		836.7	(56.2)	31.9		(0.5)	
Net financial debt	(694.4)	(289.0)	n.a.	(109.1)		(2,596.2)	(17.1)	189.3		6.9	
ND/EBITDA (x)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.7		3.2	
Pay-out	0.0%	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	n.a.	0.0%	0.0%	
Multiples and Ratios	P/E (x)	83.2	55.2	n.a.	24.8	54.4	64.5	n.a.	n.a.	64.5	33.7
	P/BV (x)	5.6	n.a.	n.a.	n.a.	5.6	17.9	1.3	n.a.	9.6	2.3
	EV/Revenues (x)	6.2	11.2	10.4	2.0	7.5	11.4	1.4	3.6	5.4	1.4
	EV/EBITDA (x)	39.9	26.0	n.a.	12.2	26.0	n.a.	n.a.	14.8	14.8	15.1
	EV/EBIT (x)	n.a.	40.4	n.a.	17.2	28.8	n.a.	n.a.	n.a.	n.a.	29.1
	ROE	6.8	n.a.	n.a.	n.a.	6.8	27.7	n.a.	n.a.	27.7	7.0
	FCF Yield (%)	1.1	3.2	0.3	n.a.	1.5	2.5	n.a.	5.8	4.1	n.a.
	DPS	0.00	n.a.	n.a.	n.a.	0.00	0.00	0.00	n.a.	0.00	0.00
Dvd Yield	0.0%	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	n.a.	0.0%	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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#### Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
15-Jun-2023	n.a.	9.15	n.a.	n.a.	3m Results 2023	David López Sánchez
12-Jun-2023	n.a.	8.30	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
25-Apr-2023	n.a.	9.75	n.a.	n.a.	12m Results 2022	David López Sánchez
23-Dec-2022	n.a.	9.80	n.a.	n.a.	9m Results 2022	David López Sánchez
06-Oct-2022	n.a.	11.20	n.a.	n.a.	6m Results 2022 - Estimates downgrade	David López Sánchez
09-Jun-2022	n.a.	16.60	n.a.	n.a.	3m Results 2022	David López Sánchez
18-Mar-2022	n.a.	16.64	n.a.	n.a.	12m 2021 Preliminary results	David López Sánchez
01-Dec-2021	n.a.	18.83	n.a.	n.a.	9m Results 2021 - Estimates downgrade	David López Sánchez
07-Oct-2021	n.a.	15.96	n.a.	n.a.	6m Results 2021	David López Sánchez
22-Apr-2021	n.a.	24.14	n.a.	n.a.	Initiation of Coverage	David López Sánchez

