

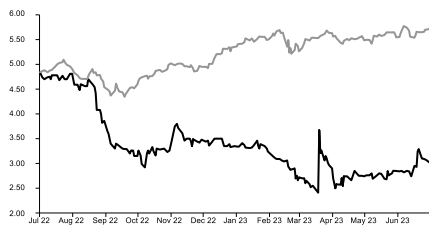
## Company Update

<b>Buy</b>	
Recommendation unchanged	
<b>Share price: EUR</b>	<b>3.02</b>
closing price as of 24/07/2023	
<b>Target price: EUR</b>	<b>4.75</b>
from Target Price: EUR	3.50
<b>Upside/Downside Potential</b>	<b>57.2%</b>
Reuters/Bloomberg	PAR.MC/PAR.SM
<b>Market capitalisation (EURm)</b>	<b>50</b>
Current N° of shares (m)	16
<b>Free float</b>	<b>4%</b>
Daily avg. no. trad. sh. 12 mth (k)	8
Daily avg. trad. vol. 12 mth (k)	4.51
Price high/low 12 months	4.84 / 2.41
Abs Perfs 1/3/12 mths (%)	5.96/4.14/-37.08

Key financials (EUR)	12/22	12/23e	12/24e
Sales (m)	37	50	61
EBITDA (m)	(2)	3	8
EBITDA margin	nm	6.6%	12.7%
EBIT (m)	(6)	(2)	2
EBIT margin	nm	nm	3.6%
Net Profit (adj.)(m)	(10)	(2)	1
ROCE	-14.9%	-4.4%	6.1%
Net debt/(cash) (m)	24	25	22
Net Debt Equity	3.8	nm	nm
Net Debt/EBITDA	-10.7	7.6	2.8
Int. cover(EBITDA/Fin.int)	(4.1)	2.1	5.1
EV/Sales	2.1	1.5	1.1
EV/EBITDA	nm	22.3	9.0
EV/EBITDA (adj.)	nm	22.3	9.0
EV/EBIT	nm	nm	31.7
P/E (adj.)	nm	nm	nm
P/BV	8.5	36.2	26.4
OpFCF yield	-25.8%	1.4%	-0.7%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	(0.63)	(0.15)	0.03
BVPS	0.39	0.08	0.11
DPS	0.00	0.00	0.00

### Shareholders

Board 39%; Family Offices 11%; TCA & others 11%;



Source: FactSet

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## Reason: Estimates revision

25 July 2023

### Un empujón de confianza

Revisamos estimaciones de la compañía tras la presentación de un avance de resultados de H123 en el cual se ha presentado una mejora operativa que hace que el EBITDA semestral sea positivo. La compañía ha reportado un crecimiento de clientes en línea con nuestras estimaciones y ha reiterado su objetivo de EUR60m de ingresos y EUR9m de EBITDA para 2024 (incluyendo crecimiento orgánico e inorgánico). La mejora operativa demostrada hace que elevemos las estimaciones futuras en base a esta nueva dinámica.

- ✓ Los **ingresos semestrales** han crecido un +48% (+38% orgánico, +10% inorgánico) gracias a un crecimiento significativo de clientes y a una mejora del ARPU del +12% yoy y a un churn que se mantiene estable pese a la subida de precios realizada a principios de año.
- ✓ A nivel **costes**, la compañía ha estado realizando un esfuerzo organizativo para extraer las máximas sinergias posibles de las adquisiciones realizadas, así como para hacer más eficientes las operaciones de la compañía. Como resultado, se anunció un impacto anualizado superior a los EUR2m en FY23 como consecuencia de estas iniciativas.
- ✓ Estos dos efectos provocan que el **EBITDA** semestral sea positivo (frente a EUR-1.4m en H122) y se espera una aceleración de esta evolución en la segunda mitad del año.
- ✓ Desde hace varios meses la compañía ha enfocado su **operativa** a la reducción de salida de caja y la generación de EBITDA, esto ha provocado que el despliegue de FTTH se haya pausado y esto implica unos niveles de capex inferiores, aunque los márgenes brutos sean algo superiores a nuestras estimaciones anteriores debido a una menor huella de FTTH y uso de la misma.
- ✓ En el plano **corporativo**, la compañía ha sido elegida por la OCU como el operador de telecomunicaciones como mejor servicio al cliente, refrendando uno de los valores principales de la marca.
- ✓ Estimamos unos **ingresos** FY23 de c.EUR50m, con un EBITDA de algo más de EUR3m, teniendo en cuenta crecimiento orgánico únicamente. En relación a clientes, estimamos cerrar 2023 con c.80k clientes FBB y c.150k clientes móviles.
- ✓ En la última presentación de resultados, la compañía anunció un **objetivo de EUR60m de ingresos y EUR9m de EBITDA para 2024**, combinando crecimiento orgánico e inorgánico. Con las estimaciones actuales, pensamos que desde el punto de vista orgánico se alcanzará la cifra de ingresos, pero hará falta alguna operación corporativa para alcanzar la cifra de EBITDA.
- ✓ En base a todo lo anterior, alcanzamos un **precio objetivo de EUR4.75** por acción, con un potencial superior al 50% sobre precios actuales y mantenemos nuestra recomendación de **Comprar**. Desde el punto de vista **inorgánico**, **esperamos que haya movimientos corporativos** en el sector tras la decisión de la Comisión Europea sobre la JV Orange-Másmóvil, en los cuales Parlem podría ser agente activo y que transformarían el investment case.



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## Mejor preparados para la “tormenta” que se avecina

Parlem salió a Bolsa hace algo más de dos años con la ambición de convertirse en el operador local de referencia en la zona catalano-hablante. Se realizaron varias operaciones corporativas en un contexto de exceso de oferta monetaria y se priorizaba el crecimiento y la estrategia de *build-up*.

No obstante, el contexto macro cambió radical y rápidamente y obligó a la compañía a dar un giro en su estrategia, priorizando la generación de EBITDA y caja. Esto hizo que se profesionalizara la estructura financiera (incorporando un nuevo CFO y más personal dedicado) para poder organizar el funcionamiento del grupo y aflorar las sinergias de dichas operaciones, tal y como se muestra en el siguiente gráfico:



Durante la segunda mitad de 2022 además se logró una renegociación del contrato con Más Móvil por el cual se mejoraron las condiciones alargando los plazos, tanto del contrato mayorista, como del pago del IRU por la red adquirida. Esto hizo que los márgenes mejoraran pero diversos ajustes contables y la multa de la CNMC (EUR0.5m, recurrida y en análisis) hicieron que los resultados de FY22 fueran muy pobres y por debajo de las expectativas.

El grupo hizo un esfuerzo de comunicación en el cual se aseguraba que en H123 el EBITDA ya sería positivo y así ha sido anunciado al mercado (a falta de la auditoría que se publicará después de verano), lo cual nos permite ver a la compañía con mejores ojos.

El sector se encuentra en un momento decisivo en el cual la operación de Orange y Más Móvil va a transformar la situación del mismo y va a desencadenar movimientos corporativos a todos los niveles. Creemos que Parlem está en buena situación para formar parte de dichos movimientos y poder tener un nuevo impulso de crecimiento para los próximos años.

Se puede decir sin miedo a equivocarse que la compañía está hoy mejor que hace un año, está mejor financiera y corporativamente, es más reconocida en el mercado y cuenta con un perfil de crecimiento más “sano”. La única incógnita es su capacidad para desarrollar su modelo fuera de Cataluña que, por el momento no acaba de coger tracción. No obstante, por nuestra parte siempre hemos sido muy escépticos con esta teoría y no hemos incluido en ninguno de nuestros modelos crecimiento proveniente de geografías fuera de Cataluña, por lo que cualquier buena noticia será un *upside*.

Adicionalmente, la compañía debería seguir consolidando el mercado catalán con la adquisición de compañías que permitan aumentar su huella de FTTH y su volumen de clientes para obtener mejores precios en los contratos mayoristas.

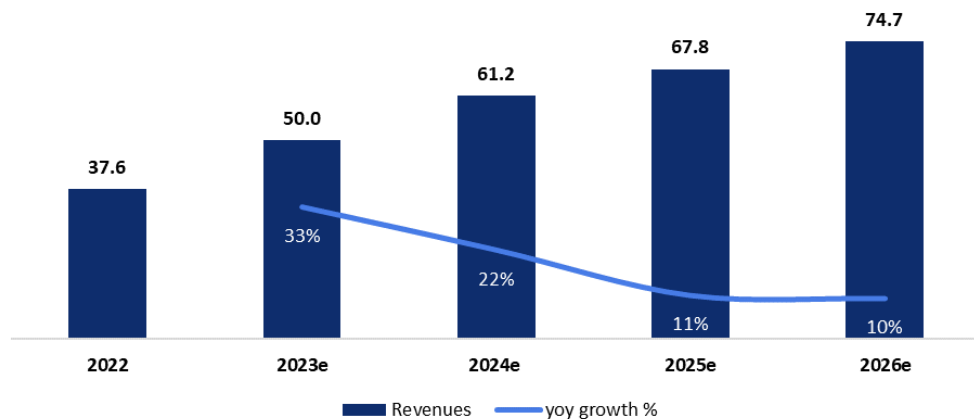
**En definitiva, pensamos que la compañía ofrece un potencial relevante con un riesgo reducido tras las últimas decisiones tomadas en los últimos meses y puede ofrecer un potencial adicional ligado a cualquier operación inorgánica que se pueda realizar y en la que esté involucrado.**

## Estimaciones 2023-2026

En relación a los ingresos, estimamos un crecimiento orgánico por encima del 10% en el horizonte temporal de análisis. En 2023 aún se observan efectos del crecimiento inorgánico de 2022.

Los cimientos de este crecimiento son un crecimiento de clientes de FBB de c.15k anuales, con un ARPU incrementándose un c.2% al año. En la parte móvil estimamos un crecimiento de clientes de c.26k clientes al año con un ARPU sólo móvil creciendo c.1% anual. Estas estimaciones únicamente incluyen crecimiento orgánico y pensamos que son asumibles y alcanzables en el contexto actual de la compañía.

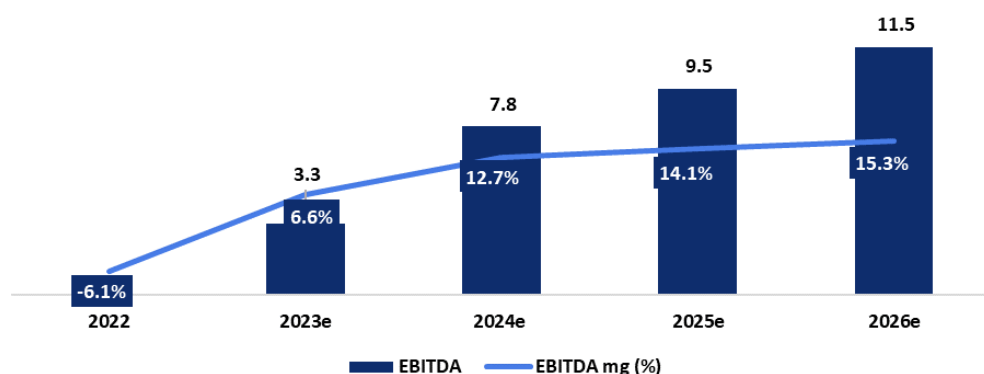
Revenues 2022-2026e



Estimamos una expansión del margen EBITDA hasta niveles ligeramente superiores al 15% gracias a varios factores:

- Nuevo contrato mayorista que permite tener mayor margen bruto
- Apalancamiento operativo
- Sinergias extraídas de operaciones
- Mejora del perfil de ingresos

EBITDA & EBITDA mg (%)



Hay que tener en cuenta que la compañía ha anunciado en su última presentación de resultados unos ingresos de EUR60m y un EBITDA de EUR9m para 2024 pero incluyendo crecimiento inorgánico, de ahí que nuestra cifra de EBITDA sea inferior, únicamente con crecimiento orgánico.

A nivel evolución de caja, estimamos que la compañía en 2024 podría situarse en un FCF neutral, en función de la evolución de los tipos de interés y del desempeño del negocio. En el medio plazo, una vez pagado el IRU y sin considerar M&A adicional, la compañía debería ser capaz de generar FCF en torno al 10% de los ingresos.

Esta evolución de la caja debería situar la deuda neta en niveles razonables a partir de 2025, tras el pago del IRU.

**PARLEM TELECOM. CF BREAKDOWN (EURm)**

	2022	2023e	2024e	2025e	2026e
<b>EBITDA</b>	<b>-2.2</b>	<b>3.3</b>	<b>7.8</b>	<b>9.5</b>	<b>11.5</b>
<b>Organic Capex</b>	<b>-2.7</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-1.2</b>	<b>-1.1</b>
<b>Capex IRUs</b>	<b>-2.3</b>	<b>0.0</b>	<b>-4.6</b>	<b>-2.3</b>	<b>0.0</b>
<b>M&amp;A Capex (cash)</b>	<b>-3.2</b>	<b>-3.6</b>	<b>-0.4</b>	<b>0.0</b>	<b>0.0</b>
<b>Finance + Taxes</b>	<b>-2.2</b>	<b>-0.7</b>	<b>-1.7</b>	<b>-2.1</b>	<b>-2.6</b>
<b>WC</b>	<b>-3.0</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.3</b>
<b>FCF</b>	<b>-15.6</b>	<b>-2.9</b>	<b>-0.7</b>	<b>3.6</b>	<b>7.4</b>
<b>/ Sales</b>	<b>-43%</b>	<b>-6%</b>	<b>-1%</b>	<b>5%</b>	<b>10%</b>

Source: Parlem Telecom & GVC Gaesco Valores Estimates

<b>DEBT NET CALCULATION</b>	2022	2023e	2024e	2025e	2026e
<b>Debt net at closing</b>	23.9	26.8	27.6	24.0	16.6
<b>EBITDA</b>	-2.2	3.3	7.8	9.5	11.5
<b>DN/EBITDA</b>	n.a.	8.2x	3.5x	2.5x	1.4x

Source: Parlem Telecom & GVC Gaesco Valores Estimates

## Valoración

Con todo lo anterior, alcanzamos una valoración de EUR4.75 por acción, con un potencial de c.+50% sobre precios actuales. El EV/EBITDA terminal es de 8.4x y el peso del valor terminal en la valoración es del 91%.

### PARLEM TELECOM. DCF VALUATION.

CASH FLOW (EUR m)	2019	2020	2021	2022	2023e	2024e	2025e	2026e	VR
Sales	11	19	22	37	50	61	68	75	76
Adj. EBITDA	0	1	-1	-2	3	8	10	11	12
Adj. EBITDA M.	0.7%	3.5%	-3.1%	-6.1%	6.6%	12.7%	14.1%	15.3%	16.0%
DDA	-1	0	-2	-4	-5	-6	-6	-6	-6
EBIT	0	0	-3	-6	-2	2	4	6	6
Normative Tax Rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
NOPLAT	0	0	-2	-5	-1	2	3	4	5
Depreciation&other provisions	1	0	2	4	5	6	6	6	6
Gross Operating Cash Flow	0	1	0	-1	4	7	9	10	11
Capex	-1	-1	-6	-5	-5	-6	-4	-1	-1
Capex/sales	11.8%	4.3%	27.1%	13.6%	9.7%	10.3%	5.2%	1.5%	1.5%
Change in Net Working Capital	0	0	0	-3	-0.6	-0.5	-0.3	-0.3	0.0
Cash Flow to be discounted	-1	0	-6	-9	-1.7	0.4	4.7	8.5	9.5
<b>DCF VALUATION (EUR m)</b>									
WACC					9.0%	9.0%	9.0%	9.0%	9.0%
Discount Rate factor					1.00	0.92	0.84	0.77	0.71
Discounted Cash Flow					-2	0	4	7	
Cumulated DCF					-1.7	-1.4	2.6	9.2	
<b>WACC &amp; DCF ANALYSIS</b>									
Free Risk Rate (10y Govn. Bonds)	3.5%	Cumulated DCF		9	- Net Financial Debt (22)				24
Company Risk Factor or Beta	1.9	Perpetual Growth Rate (g)		1.8%	- Minorities (estimated value)				
Mkt Risk Premium	5.0%	Normalised Annual CF		9	+ Associates				
Cost of Equity (Ke or COE)	13.1%	Terminal Value at Nominal Year		131	- Pension underfunding				
Cost of Debt (gross)	6.5%	Disc. Rate of Terminal Value		0.71	- Off-balance sheet commitm.				
Debt Tax Rate	25%	Discounted Terminal Value		93					
Cost of Debt net (kd or COD)	4.9%				Equity Market Value (EUR m)				78
Target Gearing (D/E) or % Kd	50%	Financial assets		0	Number of shares (m)				16.4
% Ke	50%	<b>Enterprise Value (EUR m)</b>		<b>102</b>	<b>Fair Value per share (EUR)</b>			<b>4.75</b>	
Normative Tax Rate	25.0%				Price (EUR)				3.1
<b>WACC</b>	<b>9.0%</b>				Potential upside (downside)				55%

Source: GVC Gaesco Valores Estimates

Los múltiplos implícitos en la valoración son los siguientes:

	2022	2023e	2024e	2025e	2026e
EV/Sales	2.8x	2.0x	1.7x	1.5x	1.4x
EV/EBITDA	n.a.	31.0x	13.1x	10.7x	8.9x
P/E	n.a.	n.a.	154.2x	42.4x	23.5x

Mientras que el análisis de sensibilidad arroja las siguientes hipótesis:

#### DCF VALUATION SENSITIVITY. WACC vs. g

		Perpetuity growth rate				
		0.8%	1.3%	1.8%	2.3%	2.8%
W.A.C.C.	8.0%	4.9 €	5.4 €	5.9 €	6.5 €	7.3 €
	8.5%	4.4 €	4.8 €	5.3 €	5.8 €	6.4 €
	9.0%	4.0 €	4.4 €	4.7 €	5.2 €	5.7 €
	9.5%	3.6 €	3.9 €	4.3 €	4.7 €	5.1 €
	10.0%	3.3 €	3.6 €	3.9 €	4.2 €	4.6 €

#### DCF VALUATION SENSITIVITY. WACC vs. Adj. EBITDA M.

		Residual Adj. EBITDA M.				
		15.0%	15.5%	16.0%	16.5%	17.0%
WACC	8.0%	5.5 €	5.7 €	5.9 €	6.1 €	6.3 €
	8.5%	4.9 €	5.1 €	5.3 €	5.5 €	5.7 €
	9.0%	4.4 €	4.6 €	4.7 €	4.9 €	5.1 €
	9.5%	4.0 €	4.1 €	4.3 €	4.4 €	4.6 €
	10.0%	3.6 €	3.7 €	3.9 €	4.0 €	4.2 €



## Parlem Telecom: Summary tables

PROFIT & LOSS (EURm)	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
<b>Sales</b>	<b>18.7</b>	<b>21.9</b>	<b>36.7</b>	<b>50.0</b>	<b>61.2</b>	<b>67.8</b>
Cost of Sales & Operating Costs	-18.0	-22.6	-38.9	-46.7	-53.4	-58.3
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>0.7</b>	<b>-0.7</b>	<b>-2.2</b>	<b>3.3</b>	<b>7.8</b>	<b>9.5</b>
<b>EBITDA (adj.)*</b>	<b>0.7</b>	<b>-0.7</b>	<b>-2.2</b>	<b>3.3</b>	<b>7.8</b>	<b>9.5</b>
Depreciation	-0.5	-1.9	-4.1	-5.1	-5.6	-5.6
Depreciation of Right-of-Use	0	0	0	0	0	0
<b>EBITA</b>	<b>0.2</b>	<b>-2.6</b>	<b>-6.4</b>	<b>-1.8</b>	<b>2.2</b>	<b>4.0</b>
<b>EBITA (adj)*</b>	<b>0.2</b>	<b>-2.6</b>	<b>-6.4</b>	<b>-1.8</b>	<b>2.2</b>	<b>4.0</b>
Amortisations and Write Downs	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>0.2</b>	<b>-2.6</b>	<b>-6.4</b>	<b>-1.8</b>	<b>2.2</b>	<b>4.0</b>
<b>EBIT (adj.)*</b>	<b>0.2</b>	<b>-2.6</b>	<b>-6.4</b>	<b>-1.8</b>	<b>2.2</b>	<b>4.0</b>
Net Financial Interest	-0.2	-0.9	-0.5	-1.6	-1.5	-1.5
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	-1.5	0.0	0.0	0.0
<b>Earnings Before Tax (EBT)</b>	<b>0.0</b>	<b>-3.5</b>	<b>-8.4</b>	<b>-3.3</b>	<b>0.7</b>	<b>2.4</b>
Tax	-0.0	-0.1	-1.7	0.8	-0.2	-0.6
<i>Tax rate</i>	<i>11.1%</i>	<i>n.m.</i>	<i>n.m.</i>	<i>25.0%</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
<b>Net Profit (reported)</b>	<b>0.0</b>	<b>-3.6</b>	<b>-10.1</b>	<b>-2.5</b>	<b>0.5</b>	<b>1.8</b>
<b>Net Profit (adj.)</b>	<b>0.0</b>	<b>-3.6</b>	<b>-10.1</b>	<b>-2.5</b>	<b>0.5</b>	<b>1.8</b>
<b>CASH FLOW (EURm)</b>	<b>12/2020</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>
Cash Flow from Operations before change in NWC	0.5	-1.7	-5.9	2.6	6.1	7.4
Change in Net Working Capital	0.3	0.2	-3.0	-0.6	-0.5	-0.3
<b>Cash Flow from Operations</b>	<b>0.8</b>	<b>-1.5</b>	<b>-9.0</b>	<b>1.9</b>	<b>5.6</b>	<b>7.1</b>
Capex	-0.8	-5.9	-5.0	-1.2	-5.9	-3.5
Net Financial Investments	0.0	-4.7	-3.2	-3.6	-0.4	0.0
<b>Free Cash Flow</b>	<b>0.0</b>	<b>-12.1</b>	<b>-17.1</b>	<b>-2.9</b>	<b>-0.7</b>	<b>3.6</b>
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	-1.5	-1.2	-4.6	-1.7	-3.8	-0.3
<b>Change in Net Financial Debt</b>	<b>-1.4</b>	<b>-13.2</b>	<b>-21.8</b>	<b>-4.6</b>	<b>-4.5</b>	<b>3.3</b>
NOPLAT	0.1	-1.9	-4.8	-1.3	1.7	3.0
<b>BALANCE SHEET &amp; OTHER ITEMS (EURm)</b>	<b>12/2020</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>
Net Tangible Assets	0.2	1.7	5.7	6.7	7.7	8.7
Net Intangible Assets (incl. Goodwill)	1.4	22.7	24.8	21.0	16.7	12.4
Right-of-Use Assets (Lease Assets)	0.0	0.0	0.0	0.0	0.0	0.0
Net Financial Assets & Other	2.4	2.8	2.4	1.5	1.5	1.5
<b>Total Fixed Assets</b>	<b>4.0</b>	<b>27.2</b>	<b>32.9</b>	<b>29.1</b>	<b>25.8</b>	<b>22.5</b>
Inventories	0.0	0.1	1.2	1.2	1.2	1.2
Trade receivables	1.9	4.2	9.2	12.5	15.3	17.0
Other current assets	0.6	0.7	0.6	0.6	0.6	0.6
Cash (-)	-1.6	-6.5	-2.2	-0.7	-3.5	-7.2
<b>Total Current Assets</b>	<b>4.1</b>	<b>11.4</b>	<b>13.2</b>	<b>15.0</b>	<b>20.6</b>	<b>25.9</b>
<b>Total Assets</b>	<b>8.1</b>	<b>38.6</b>	<b>46.1</b>	<b>44.1</b>	<b>46.4</b>	<b>48.4</b>
Shareholders Equity	2.7	13.3	6.4	1.4	1.9	3.7
Minority	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Equity</b>	<b>2.7</b>	<b>13.3</b>	<b>6.4</b>	<b>1.4</b>	<b>1.9</b>	<b>3.7</b>
Long term interest bearing debt	1.6	11.2	20.1	19.8	19.6	19.3
Provisions	0.0	0.0	0.2	0.0	0.0	0.0
Lease Liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.1	1.2	2.4	2.4	2.4	2.4
<b>Total Long Term Liabilities</b>	<b>1.7</b>	<b>12.4</b>	<b>22.7</b>	<b>22.2</b>	<b>21.9</b>	<b>21.7</b>
Short term interest bearing debt	0.5	6.7	6.1	6.1	6.1	6.1
Trade payables	3.1	5.6	8.7	11.5	13.7	15.1
Other current liabilities	0.1	0.6	2.2	3.0	2.8	1.8
<b>Total Current Liabilities</b>	<b>3.8</b>	<b>12.9</b>	<b>17.0</b>	<b>20.6</b>	<b>22.6</b>	<b>23.0</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>8.1</b>	<b>38.6</b>	<b>46.1</b>	<b>44.1</b>	<b>46.4</b>	<b>48.4</b>
<b>Net Capital Employed</b>	<b>3.3</b>	<b>26.0</b>	<b>32.9</b>	<b>28.9</b>	<b>26.3</b>	<b>24.3</b>
<b>Net Working Capital</b>	<b>-1.2</b>	<b>-1.4</b>	<b>1.6</b>	<b>2.3</b>	<b>2.8</b>	<b>3.0</b>
<b>GROWTH &amp; MARGINS</b>	<b>12/2020</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>
<i>Sales growth</i>	<i>70.0%</i>	<i>17.4%</i>	<i>67.1%</i>	<i>36.3%</i>	<i>22.3%</i>	<i>10.9%</i>
<b>EBITDA (adj.)* growth</b>	<b>772.2%</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>136.6%</b>	<b>22.5%</b>
<i>EBITA (adj.)* growth</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>79.6%</i>
<i>EBIT (adj.)* growth</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>79.6%</i>



## Parlem Telecom: Summary tables

<b>GROWTH &amp; MARGINS</b>	<b>12/2020</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>
Net Profit growth	n.m.	n.m.	n.m.	n.m.	n.m.	263.4%
EPS adj. growth	n.m.	n.m.	n.m.	n.m.	n.m.	263.4%
DPS adj. growth						
EBITDA (adj)* margin	3.5%	n.m.	n.m.	6.6%	12.7%	14.1%
EBITA (adj)* margin	0.9%	-11.7%	-17.4%	-3.5%	3.6%	5.9%
EBIT (adj)* margin	0.9%	n.m.	n.m.	n.m.	3.6%	5.9%
<b>RATIOS</b>	<b>12/2020</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>
Net Debt/Equity	0.2	0.9	3.8	n.m.	n.m.	4.9
Net Debt/EBITDA	0.9	-16.9	-10.7	7.6	2.8	1.9
Interest cover (EBITDA/Fin.interest)	4.2	n.m.	n.m.	2.1	5.1	6.3
Capex/D&A	163.4%	314.0%	121.1%	24.7%	105.9%	63.4%
Capex/Sales	4.3%	27.1%	13.6%	2.5%	9.6%	5.2%
NWC/Sales	-6.3%	-6.3%	4.5%	4.5%	4.5%	4.5%
ROE (average)	0.5%	-44.9%	-102.5%	-64.6%	31.1%	65.7%
ROCE (adj.)	29.3%	-8.4%	-14.9%	-4.4%	6.1%	12.4%
WACC	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
ROCE (adj.)/WACC	3.3	-0.9	-1.7	-0.5	0.7	1.4
<b>PER SHARE DATA (EUR)***</b>	<b>12/2020</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>
Average diluted number of shares	1.1	16.1	16.1	16.4	16.4	16.4
EPS (reported)	0.01	-0.22	-0.63	-0.15	0.03	0.11
EPS (adj.)	0.01	-0.22	-0.63	-0.15	0.03	0.11
BVPS	2.43	0.83	0.39	0.08	0.11	0.23
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<b>VALUATION</b>	<b>12/2020</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>
EV/Sales		5.6	2.1	1.5	1.1	1.0
EV/EBITDA		n.m.	n.m.	22.3	9.0	7.0
<b>EV/EBITDA (adj.)*</b>		<b>n.m.</b>	<b>n.m.</b>	<b>22.3</b>	<b>9.0</b>	<b>7.0</b>
EV/EBITA		-47.8	-11.9	-41.4	31.7	16.7
<b>EV/EBITA (adj.)*</b>		<b>-47.8</b>	<b>-11.9</b>	<b>-41.4</b>	<b>31.7</b>	<b>16.7</b>
EV/EBIT		n.m.	n.m.	n.m.	31.7	16.7
<b>EV/EBIT (adj.)*</b>		<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>31.7</b>	<b>16.7</b>
<b>P/E (adj.)</b>		<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>27.0</b>
P/BV		8.6	8.5	36.2	26.4	13.4
Total Yield Ratio		0.0%	0.0%	0.0%	0.0%	0.0%
EV/CE		5.3	2.4	2.4	2.6	2.8
OpFCF yield		-6.5%	-25.8%	1.4%	-0.7%	7.3%
OpFCF/EV		-6.0%	-18.5%	0.9%	-0.5%	5.4%
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%
<b>EV AND MKT CAP (EURm)</b>	<b>12/2020</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>
Price** (EUR)		7.10	3.36	3.02	3.02	3.02
Outstanding number of shares for main stock	0.0	16.1	16.1	16.4	16.4	16.4
<b>Total Market Cap</b>		<b>114.2</b>	<b>54.1</b>	<b>49.6</b>	<b>49.6</b>	<b>49.6</b>
Gross Financial Debt (+)	2.2	17.9	26.2	25.9	25.6	25.4
Cash & Marketable Securities (-)	-1.6	-6.5	-2.2	-0.7	-3.5	-7.2
<b>Net Financial Debt</b>	<b>0.6</b>	<b>11.5</b>	<b>23.9</b>	<b>25.2</b>	<b>22.1</b>	<b>18.2</b>
Lease Liabilities (+)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Debt</b>	<b>0.6</b>	<b>11.5</b>	<b>23.9</b>	<b>25.2</b>	<b>22.1</b>	<b>18.2</b>
<b>Other EV components</b>	<b>-2.4</b>	<b>-2.8</b>	<b>-2.4</b>	<b>-1.5</b>	<b>-1.5</b>	<b>-1.5</b>
<b>Enterprise Value (EV adj.)</b>		<b>122.9</b>	<b>75.5</b>	<b>73.3</b>	<b>70.2</b>	<b>66.3</b>

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: Telecommunications/Telecommunications Services

Company Description: Parlem is a regional telecom operator born in Catalunya. Parlem is the first telecommunications operator focused on Catalan-speaking regions, offering a convergent 4 Play solution to both residential and business markets.



## European Coverage of the Members of ESN 1/2

<b>Automobiles &amp; Parts</b>	<b>Mem(*)</b>	Lvmh	CIC	Illimity Bank	BAK	Cnh Industrial	BAK
Brembo	BAK	Maisons Du Monde	CIC	Mediobanca	BAK	Corticeira Amorim	CBI
Cie Automotive	GVC	Ovs	BAK	Poste Italiane	BAK	Cit	CBI
Ferrari	BAK	Piaggio	BAK	Rothschild & Co	CIC	Danieli	BAK
Forvia	CIC	Richemont	CIC	<b>Food &amp; Beverage</b>	<b>Mem(*)</b>	Dassault Aviation	CIC
Gestamp	GVC	Smcp	CIC	Ab Inbev	CIC	Datalogic	BAK
Indelb	BAK	Swatch Group	CIC	Advin	CIC	Elecnor	GVC
Landi Renzo	BAK	Technogym	BAK	Bonduelle	CIC	Elis	CIC
Michelin	CIC	Trigano	CIC	Campani	BAK	Enav	BAK
Pirelli & C.	BAK	Ubisoft	CIC	Carlsberg As-B	CIC	Enogia	CIC
Plastic Omnium	CIC	<b>Energy</b>	<b>Mem(*)</b>	Danone	CIC	Exel Industries	CIC
Renault	CIC	Cgg	CIC	Diageo	CIC	Fincantieri	BAK
Sogefi	BAK	Ecoslops	CIC	Ebro Foods	GVC	Getlink	CIC
Stellantis	BAK	Eni	BAK	Fleury Michon	CIC	Global Dominion	GVC
Valeo	CIC	Galp Energia	CBI	Heineken	CIC	Haulotte Group	CIC
<b>Banks</b>	<b>Mem(*)</b>	Gas Plus	BAK	Italian Wine Brands	BAK	Interpump	BAK
Banca Mps	BAK	Gtt	CIC	Lans on-Boc	CIC	Inwit	BAK
Banco Sabadell	GVC	Maurel Et Prom	CIC	Laurent Perrier	CIC	Legrand	CIC
Banco Santander	GVC	Neoen	CIC	Ldc	CIC	Leonardo	BAK
Bankinter	GVC	Plo	BAK	Lindt & Sprüngli	CIC	Lisi	CIC
Bbva	GVC	Repsol	GVC	Nestle	CIC	Logista	GVC
Bnp Paribas	CIC	Rubis	CIC	Orsero	BAK	Manitou	CIC
Bper	BAK	Saipem	BAK	Pernod Ricard	CIC	Nbi Bearings Europe	GVC
Caixabank	GVC	Technip Energies	CIC	Remy Cointreau	CIC	Nexans	CIC
Credem	BAK	Tecnicas Reunidas	GVC	Tipiak	CIC	Nicolas Correa	GVC
Credit Agricole Sa	CIC	Tenaris	BAK	Vilmorin	CIC	Openjobmetis	BAK
Intesa Sanpaolo	BAK	Totalenergies	CIC	Viscofan	GVC	Osai	BAK
Societe Generale	CIC	Vallourec	CIC	Vranken	CIC	Prosegur	GVC
Unicaja Banco	GVC	<b>Fin. Serv. Holdings</b>	<b>Mem(*)</b>	<b>Healthcare</b>	<b>Mem(*)</b>	Prosegur Cas h	GVC
Unicredit	BAK	Cir	BAK	Amplifon	BAK	Prysmian	BAK
<b>Basic Resources</b>	<b>Mem(*)</b>	Corp. Financiera Alba	GVC	Atry Health	GVC	Rai Way	BAK
Acerinox	GVC	Digital Magics	BAK	Biomerieux	CIC	Rexel	CIC
Altri	CBI	Eurazeo	CIC	Diasorin	BAK	Saes	BAK
Acelormittal	GVC	First Capital	BAK	El En	BAK	Safan	CIC
Ence	GVC	Gbl	CIC	Fine Foods	BAK	Salcef	BAK
The Navigator Company	CBI	Peugeot Invest	CIC	Genfit	CIC	Schneider Electric Se	CIC
Tubacex	GVC	Rallye	CIC	Gpi	BAK	Talgo	GVC
<b>Chemicals</b>	<b>Mem(*)</b>	Tip Tamburi Investment Partners	BAK	Prim Sa	GVC	Teleperformance	CIC
Air Liquide	CIC	Wendel	CIC	Recordati	BAK	Thales	CIC
Arkema	CIC	<b>Fin. Serv. Industrials</b>	<b>Mem(*)</b>	Vytrus Biotech	GVC	Tikehau Capital	CIC
Plasticos Compuestos	GVC	Dovalue	BAK	<b>Industrial Goods &amp; Services</b>	<b>Mem(*)</b>	Veralia	CIC
<b>Consumer Products &amp; Services</b>	<b>Mem(*)</b>	Nexi	BAK	Airbus Se	CIC	Vidrala	GVC
Abeo	CIC	Tinexta	BAK	Alstom	CIC	Zignago Vetro	BAK
Beneteau	CIC	<b>Financial Services Banks</b>	<b>Mem(*)</b>	Antin Infrastructure	CIC	<b>Insurance</b>	<b>Mem(*)</b>
Capelli	CIC	Amundi	CIC	Applus	GVC	Axa	CIC
De Longhi	BAK	Anima	BAK	Artech	GVC	Catalana Occidente	GVC
Fila	BAK	Azimut	BAK	Avio	BAK	Generali	BAK
Geox	BAK	Banca Generali	BAK	Biesse	BAK	Linea Directa Asesguradora	GVC
Givaudan	CIC	Banca Ifis	BAK	Bollere	CIC	Mapfre	GVC
Groupe Seb	CIC	Banca Mediolanum	BAK	Bureau Veritas	CIC	Net Insurance	BAK
Hermes Intl.	CIC	Banca Sistema	BAK	Caf	GVC	Revo Insurance	BAK
Hexaom	CIC	Bff Bank	BAK	Catenon	GVC	Unipolsai	BAK
Interparfums	CIC	Dea Capital	BAK	Cellnex Telecom	GVC	<b>Materials, Construction</b>	<b>Mem(*)</b>
Kaufman & Broad	IAC	Dws	CIC	Cembre	BAK	Abp Nocivelli	BAK
Kering	CIC	Finecobank	BAK	Chargeurs	CIC	Acs	GVC
L'Oreal	CIC	Generalfinance	BAK	Claquin	IAC	Aena	GVC

as at 07 July 2023

## European Coverage of the Members of ESN 2/2

Ariston Holding	BAK	Jeronimo Martins	CBI	<b>Travel &amp; Leisure</b>	<b>Mem(*)</b>
Buzzi Unicem	BAK	Marr	BAK	Accor	CIC
Cementir	BAK	Sonae	CBI	Autogrill	BAK
Cementos Molins	GVC	Unilever	CIC	Compagnie Des Alpes	CIC
Crh	CIC	Winfarm	CIC	Edreams Odigeo	GVC
Eiffage	CIC	<b>Real Estate</b>	<b>Mem(*)</b>	Elior	CIC
Foc	GVC	Igd	BAK	Fdj	CIC
Ferrovial	GVC	Inmobiliaria Colonial	GVC	Groupe Parbouche	IAC
Groupe Adp	CIC	Inversa Prime	GVC	Hunyuers	CIC
Groupe Poujoulat	CIC	Ktes ios Soci mi	GVC	I Grandi Viaggi	BAK
Groupe Sfpj S.A.	CIC	Lar Es paña	GVC	Ibers ol	CBI
Heidelberg Materials	CIC	Merlin Properties	GVC	Int. Airlines Group	GVC
Herige	CIC	Realia	GVC	Lottomatica Group	BAK
Holcim	CIC	<b>Retail</b>	<b>Mem(*)</b>	Melia Hotels International	GVC
Imerys	CIC	Aramis Group	CIC	Nh Hotel Group	GVC
Maire Tecnimont	BAK	Burberry	CIC	Pierre Et Vacances	CIC
Mota Engil	CBI	Fnac Darty	CIC	Sodexo	CIC
Obras con Huarte Lain	GVC	Inditex	GVC	<b>Utilities</b>	<b>Mem(*)</b>
Sacyr	GVC	Unieuro	BAK	A2A	BAK
Saint-Gobain	CIC	<b>Technology</b>	<b>Mem(*)</b>	Acciona	GVC
Sergieferrari Group	CIC	Agile Content	GVC	Acea	BAK
Sika	CIC	Almawave	BAK	Audax	GVC
Spie	CIC	Alten	CIC	Derichebourg	CIC
Tarkett	CIC	Amadeus	GVC	Edp	CBI
Thermador Groupe	CIC	Atos	CIC	Enagas	GVC
Vicat	CIC	Axway Software	CIC	Encavis Ag	CIC
Vinci	CIC	Capgemini	CIC	Endesa	GVC
Webuild	BAK	Dass ault Sys tems	CIC	Enel	BAK
<b>Media</b>	<b>Mem(*)</b>	Digital Value	BAK	Engie	CIC
Arnoldo Mondadori Editore	BAK	Esi Group	CIC	E-Pango	CIC
Atres media	GVC	Exprivia	BAK	Erg	BAK
Believe	CIC	Gigas Hosting	GVC	Greenvolt	CBI
Cairo Communication	BAK	Indra Sis tems	GVC	Hera	BAK
Deezer	CIC	Izertis	GVC	Holaluz	GVC
Digital Bros	BAK	Lleida.Net	GVC	Iberdrola	GVC
Fill Up Media	CIC	Neuronos	CIC	Iren	BAK
Gl Events	CIC	Ovhcloud	CIC	Italgas	BAK
Il Sole 24 Ore	BAK	Reply	BAK	Naturgy	GVC
Ips os	CIC	Sii	CIC	Opdenenergy	GVC
Jodecaux	CIC	Sopra Steria Group	CIC	Redeia	GVC
Lagardere	CIC	Spindox	BAK	Ren	CBI
MB	CIC	Stmicroelectronics	BAK	Seche Environnement	CIC
Mfe-Mediaforeurope	BAK	Tier1 Technology	GVC	Snam	BAK
Mogroup	GVC	Vis iativ	CIC	Solaria	GVC
Nrj Group	CIC	Vogo	CIC	Solarprofit	GVC
Pris a	GVC	<b>Telecommunications</b>	<b>Mem(*)</b>	Terna	BAK
Publicis	CIC	Bouygues	CIC	Veolia	CIC
Rcs Mediagroup	BAK	Ekinops	CIC	Volitalia	CIC
Tf1	CIC	Nos	CBI		
Universal Music Group	CIC	Orange	CIC		
Vivendi	CIC	Parlem Telecom	GVC		
Vocento	GVC	Telecom Italia	BAK		
<b>Personal Care, Drug &amp; Grocery S</b>	<b>Mem(*)</b>	Telefonica	GVC		
Bic	CIC	Tis cali	BAK		
Carrefour	CIC	Unidata	BAK		
Cas ino	CIC	Vodafone	BAK		

as at 07 July 2023

LEGEND:	BAK: Banca Akros	CIC: CIC Market Solutions	CBI: Caixa-Banco de Investimento	GVC: GVC Gaesco Valores
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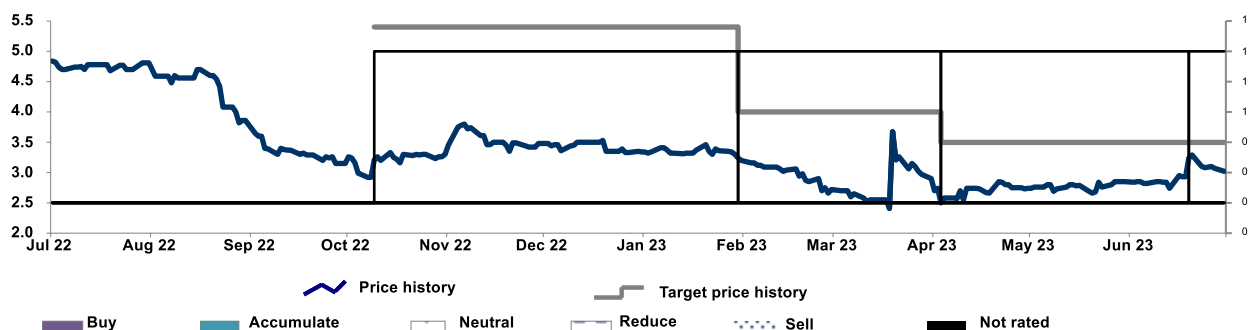
#### Recommendation history for PARLEM TELECOM

Date	Recommendation	Target price	Price at change date
13-Jul-23	Buy	3.50	3.24
27-Apr-23	Accumulate	3.50	2.50
23-Feb-23	Neutral	4.00	3.24
02-Nov-22	Buy	5.40	3.21

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 01/12/2018)



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

Recommendation	Number of stocks covered	%
Buy	62	79%
Accumulate	8	10%
Neutral	7	9%
Reduce	1	1%
Sell	0	0%

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

Date and time of production: **25<sup>th</sup> of July 2023 8:40CET**

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