

Company Update

Reason: Estimates revision

2 November 2023

Buy

Recommendation unchanged

Share price: EUR 0.87

closing price as of 01/11/2023

Target price: EUR 1.85

from Target Price: EUR 2.50

Upside/Downside Potential 114.1%

Reuters/Bloomberg

CATN.MC/COM SM

Market capitalisation (EURm) 16

Current N° of shares (m) 19

Free float 60%

Daily avg. no. trad. sh. 12 mth (k) 12

Daily avg. trad. vol. 12 mth (k) 2.41

Price high/low 12 months 1.56 / 0.82

Abs Perfs 1/3/12 mths (%) -6.28/-26.61/-41.88

Key financials (EUR) 12/22 12/23e 12/24e

Sales (m) 11 13 15

EBITDA (m) 2 2 3

EBITDA margin 19.3% 17.3% 20.3%

EBIT (m) 2 2 2

EBIT margin 13.9% 12.5% 16.3%

Net Profit (adj.)(m) 1 1 2

ROCE 44.2% 39.9% 56.8%

Net debt/(cash) (m) 1 0 (1)

Net Debt Equity 0.4 0.1 -0.2

Net Debt/EBITDA 0.5 0.2 -0.3

Int. cover(EBITDA/Fin.int) (11.2) 16.7 21.4

EV/Sales 2.3 1.2 0.9

EV/EBITDA 11.9 7.2 4.6

EV/EBITDA (adj.) 11.9 7.2 4.6

EV/EBIT 16.5 10.0 5.8

P/E (adj.) 18.3 15.0 9.2

P/BV 9.2 4.3 2.9

OpFCF yield 4.6% 3.5% 8.1%

Dividend yield 0.0% 0.0% 0.0%

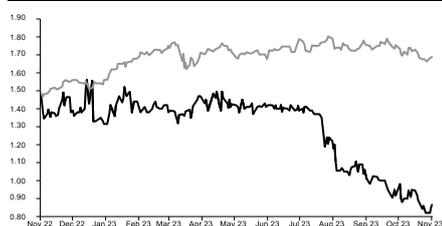
EPS (adj.) 0.07 0.06 0.09

BVPS 0.14 0.20 0.30

DPS 0.00 0.00 0.00

Shareholders

Javier Ruiz de Azcárate Varela * 23%; Miguel Ángel Navarro Barquín 12%; José María de Retana 3%;



Source: FactSet

— CATENON — IGBM (Rebased)

Analyst(s)

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Reorienting hiring model to reduce risks

We revised estimates for the company following the presentation of third quarter results, which were below our expectations in all metrics. The company is failing to meet our revenue targets for the year and is investing heavily for future growth, which is weighing on costs and affecting EBITDA, which will fall well short of our estimates. The good news is that the company maintains an excellent financial position with very low net debt (<0.5x DNEBITDA).

- ✓ Third quarter results confirmed several trends observed during the year, as cumulative revenues grew by +11.6% (vs. +40% estimated revenue growth for FY23e). Looking ahead to the last quarter, growth is expected to accelerate but will be insufficient to meet annual targets. The macro situation is negatively affecting the company's business, as many processes are slowing down or being postponed and the technology sector has suffered a slowdown in its 2021 and 2022 mobility frenzy.
- ✓ In parallel, the company is investing heavily to improve both the technology platform and the Revenue Manager workforce, with aggressive hiring to strengthen teams and accelerate growth heading into 2024. However, some of those hires made during the year have not delivered the expected results and have had to leave the company. Catenon will close 2023 with a number of Revenue Managers very similar to that of 2022, despite the strong hiring drive. **The company has taken steps to look for more senior profiles for 2024, which increases the cost but reduces the risk.**
- ✓ On the technology side, two investments stand out: the integration of new uses of artificial intelligence in the proprietary Spapick platform, in order to increase the efficiency of sourcing processes and make operational tasks more efficient, and, in TalentHackers, the company has invested in the proprietary platform by signing a loan with the CDTI for EUR0.5m to accelerate the incorporation of technical resources, as well as to address the acquisition of strategic databases and the integration of open data sources.
- ✓ The two main business lines of the company: **Catenon and Talent Hackers** have a revenue growth of over +10% during the year, below expectations but with a good growth and profitability profile and is where the company is putting the focus.
- ✓ However, **Catenon Partners** is under strategic review as it has not reached sufficient critical mass to carry out corporate transactions in the short term. In addition, the company has provisioned the entire investment in the startup Scale You Up (of which it acquired 40% at the beginning of the year for EUR0.54m) due to significant deviations from the business plan and has initiated a process of guaranteed repurchase of Catenon's stake.
- ✓ Based on the above, we lower our estimates for 2023 and beyond and lower our target price to **EUR1.85 per share**, with a potential still above 100%, reiterating our Buy recommendation.

Results Q323 and plans for 2024

CATENON. ADVANCED RESULTS 3Q'23

EURm	3Q'22	3Q'23	Δ% y/y	9M'22	9M'23	Δ% y/y
Contracted sales	2.42	3.20	31.8%	9.94	10.79	8.5%
Net sales	2.32	2.43	4.5%	8.04	8.97	11.6%
Cost of sales	-0.04	-0.06	45.2%	-0.16	-0.12	-27.5%
Gross Result	2.28	2.37	3.7%	7.87	8.85	12.4%
Gross Margin	98.24%	97.55%	.0pp	97.96%	98.68%	.0pp
Personnel Expenses	-1.72	-2.04	18.4%	-5.04	-6.45	27.9%
Knowledge management expenses	-0.06	-0.07	14.0%	-0.17	-0.31	79.3%
Marketing expenses	-0.04	-0.07	63.6%	-0.18	-0.21	19.3%
IT Expenses	-0.07	-0.09	38.4%	-0.22	-0.36	58.6%
General Expenses	-0.22	-0.24	7.2%	-0.66	-0.79	19.2%
Opex	-2.12	-2.52	18.7%	-6.28	-8.11	29.2%
Operating Margin	8.72%	-3.7%	-1.4pp	21.91%	9.6%	-.6pp
Work carried out by the Group for its assets	0.06	0.07	19.2%	0.21	0.31	48.6%
EBITDA	0.22	-0.08	-133.8%	1.80	1.04	-42.1%
EBITDA M.	9.6%	-3.1%	-12.7pp	22.4%	11.6%	-10.8pp

Source: Catenon & GVC Gaesco Valores

The company's nine-month cumulative picture reflects a sharp drop in EBITDA due to the increase in costs, which we expect to recover during the last quarter, allowing us to offer EBITDA growth for the year.

This increase in costs has been caused, as mentioned above, by the strong increase in the number of Revenue Managers hired, some of whom have not performed as well as expected and have left the company. This has meant that there has not been time to "make profitable" the investment of their salary cost and the net result has been negative.

The company maintains that the average revenue per Revenue Manager who has remained with the company has grown, however, the total figure including departures does not show these results.

To avoid these effects in 2024, the company has opted to increase its Revenue Manager base to give critical mass to its main offices with more senior profiles, which have a higher cost but the risk of integration is much lower, to avoid the problems of cost and time involved in a staff turnover as intense as that produced during 2023.

Recruiting market

The last few months have seen a certain slowdown in the job market for technology profiles after the maelstrom of 2021 and 2022.

This is not directly affecting the company in a significant way, as the inflow of projects continues to be robust, but it is an indicator of the market situation.

The macroeconomic situation and the economic outlook are holding back many companies' plans to increase or strengthen their workforces, and a certain "hiring freeze" phenomenon is occurring. In addition, the startup environment has also slowed its growth and the demand for technology profiles has fallen in this area. Finally, the massive layoffs in large technology companies have had a global impact and have also affected the demand for positions.

Even so, the sector points out that there are still unfilled technology vacancies in Spain, but this strong demand is lower than a few quarters ago.

The positive side for Catenon is that, as a global company providing international recruitment services for (mainly) Spanish companies, it can take advantage of the pull of the opening of international technology development hubs that many companies are carrying out in Eastern European countries and other regions.

2023-2025 estimates review

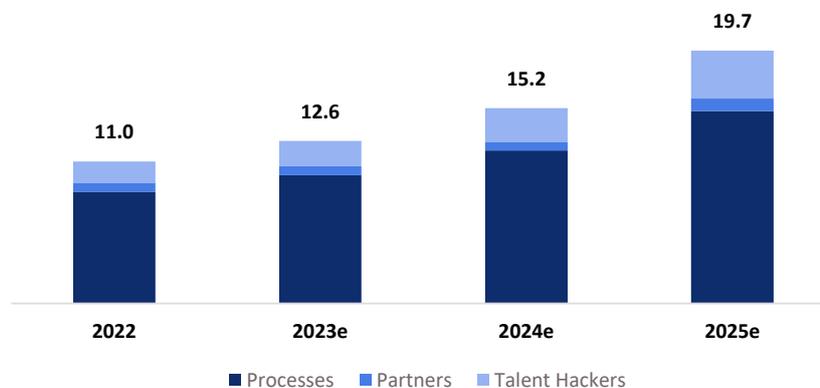
In short, 2023 will not be the year that was estimated at the beginning of the year, due to external market factors and internal personnel policy factors, which will significantly affect the company's results, placing them below our expectations.

In terms of revenues, our previous estimate was EUR15.1m, which has been lowered to EUR12.6m (-16%), while in terms of EBITDA, our previous estimate was EUR4.1m and we now place it at EUR2.2m due to all the previously mentioned impacts (-45%).

The current estimates reflect a more conservative profile, in which the increase in Revenue Managers is lower (as the possible churn is taken into account, despite the change in policy) and the average revenue growth per Revenue Manager is also lower. This allows us to have a wider range of possibilities in terms of the company's growth and is not so dependent on the success of hiring new RMs.

Therefore, the new revenue estimate is as follows:

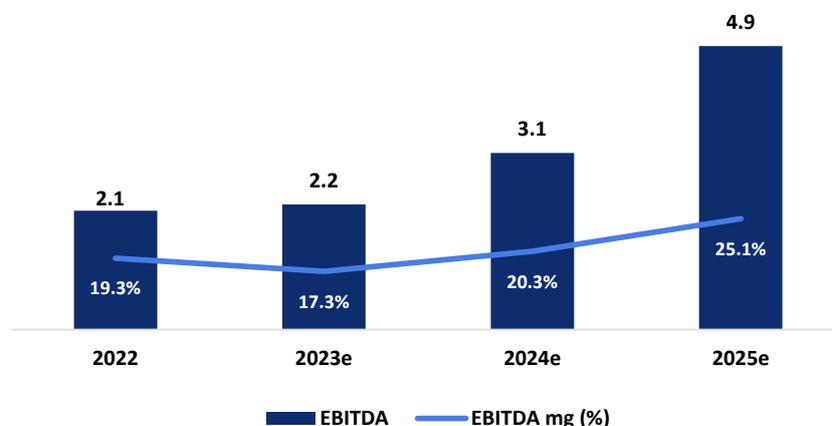
Total revenues by category (M€)



This estimate has been lowered from a target of EUR23m for 2025 mainly due to a lower number of Revenue Managers at that date.

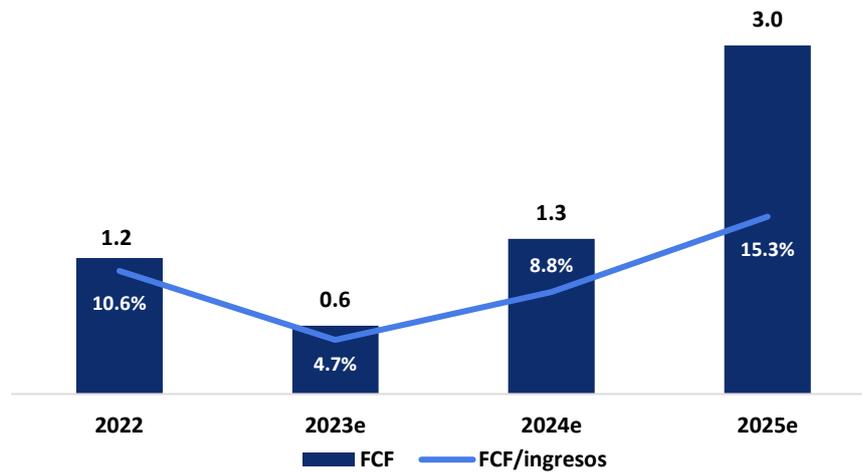
In relation to EBITDA, we have been more conservative in the growth figures as the next two years are periods in which the company is still in a hiring period:

EBITDA (M€) & EBITDA mg (%)



Finally, the company's FCF generation has slowed down in 2023 due to the investment in the French startup ScaleYou Up (which is in the process of being repurchased by the founders as it has not achieved the planned objectives). In addition, the aforementioned additional investments in technology have also had an impact on a lower estimated FCF generation during the year.

FCF(M€) & FCF/revenues (%)



The company's debt situation is excellent and it has a net debt at the end of 9M23 of EUR0.6m (<0.5x DN/EBITDA), with available liquidity of EUR2.3m and short-term debt maturities of EUR1.3m, so the company has sufficient capacity to meet them. Additionally, as seen above, we estimate that the company will continue to generate positive FCF over the next few years.

Valuation

Based on the above, we reach a valuation of EUR1.85 per share, with a potential of c.+100% over current prices. We believe that the company's financial situation is extraordinary (DN/EBITDA <0.5x) and will not suffer in a turbulent context in the financial markets any significant increase in its financial expenses. In addition, the company is reaching sufficient scale to have critical mass in several countries and to be able to comfortably manage possible employee additions and departures without affecting the business.

The terminal EV/EBITDA of the valuation is 7.5x, the PER25e is 11.1x and the terminal value weight in the valuation is 85%.

CÁTENON. DCF VALUATION CONSIDERING ONLY ORGANIC GROWTH

CASH FLOW (EURm)	2018	2019	2020	2021	2022	2023e	2024e	2025e	VR
Sales	8.066	7.302	5.535	8.675	10.770	12.645	15.209	19.664	20.087
EBITDA	1.515	0.628	-0.573	2.032	2.074	2.183	3.081	4.945	5.624
Adj. EBITDA M.	18.8%	8.6%	-10.4%	23.4%	19.3%	17.3%	20.3%	25.1%	28.0%
DDA	-0.803	-0.625	-0.512	-0.407	-0.481	-0.508	-0.489	-0.506	-0.502
EBIT	0.711	0.003	-1.086	1.624	1.593	1.674	2.592	4.439	5.122
Effective tax rate	24.2%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
NOPLAT	0.539	0.002	-0.814	1.218	1.195	1.256	1.944	3.330	3.842
Depreciation&other provisions	0.803	0.625	0.512	0.407	0.481	0.508	0.489	0.506	0.502
Gross Operating Cash Flow	1.343	0.627	-0.302	1.625	1.676	1.764	2.433	3.835	4.344
Capex	-0.228	-0.428	-0.251	-0.203	-0.268	-0.632	-0.532	-0.482	-0.502
Capex/sales	2.8%	5.9%	4.5%	2.3%	2.5%	5.0%	3.5%	2.5%	2.5%
Change in Net Working Capital	0.160	0.411	0.768	-0.848	-0.249	-0.055	-0.033	-0.004	0.000
Cash Flow to be discounted	1.275	0.610	0.215	0.575	1.159	1.077	1.867	3.350	3.842
DCF VALUATION (EUR m)									
WACC						11.5%	11.5%	11.5%	11.5%
Discount Rate factor						1.00	0.90	0.80	0.72
Discounted Cash Flow						1.077	1.675	2.695	
Cumulated DCF						1.077	2.751	5.446	
WACC & DCF ANALYSIS									
Free Risk Rate (10y Govn. Bonds)	3.5%		Cumulated DCF	5.446		- Net Financial Debt (22)			1.0
Company Risk Factor or Beta	2.3		Perpetual Growth Rate (g)	2.2%		- Minorities (estimated value)			0.0
Mkt Risk Premium	5.0%		Normalised Annual CF	3.842		+ Associates			0.0
Cost of Equity (Ke or COE)	15.0%		Terminal Value at Nominal \	41.979		- Pension underfunding			0.0
Cost of Debt (gross)	4.5%		Disc. Rate of Terminal Value	0.72		- Off-balance sheet commitm.			0.0
Debt Tax Rate	25.0%		Discounted Terminal Value	30.286					
Cost of Debt net (kd or COD)	3.4%					Equity Market Value (EUR m)			34.7
Target Gearing (D/E) or % Kd	30%		Financial assets	0.00		Number of shares (m)			18.7
% Ke	70%		Enterprise Value (EURm)	35.7		Fair Value per share (EUR)			1.85
Normative Tax Rate	25%					Price (EUR)			0.86
WACC	11.5%					Potential upside (downside)			116%

Source: GVC Gaesco Valores Estimates

The implied valuation multiples are as follows:

	2022	2023e	2024e	2025e
EV/Sales	3.3x	2.8x	2.3x	1.8x
EV/EBITDA	17.2x	16.4x	11.6x	7.2x
P/E	25.8x	32.0x	19.8x	11.1x

The sensitivity analysis shows the following results:

DCF VALUATION SENSITIVITY. WACC vs. g

W.A.C.C.	Perpetuity growth rate				
	1.15%	1.65%	2.15%	2.65%	3.15%
9.5%	2.12	2.26	2.42	2.60	2.81
10.5%	1.87	1.98	2.10	2.24	2.40
11.5%	1.67	1.76	1.85	1.96	2.08
12.5%	1.50	1.58	1.66	1.74	1.84
13.5%	1.37	1.43	1.49	1.56	1.64

Source: GVC Gaesco Valores Estimates

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

WACC	Residual Adj. EBITDA M.				
	27.0%	27.5%	28.0%	28.5%	29.0%
9.5%	2.33	2.37	2.42	2.46	2.50
10.5%	2.03	2.06	2.10	2.14	2.17
11.5%	1.79	1.82	1.85	1.89	1.92
12.5%	1.60	1.63	1.66	1.68	1.71
13.5%	1.44	1.47	1.49	1.52	1.54

Source: GVC Gaesco Valores Estimates

Conclusion

Although the results for 2023 will not be as positive as we had hoped, we believe that most of the reasons for this are cyclical rather than structural.

From an external and market point of view, although it is true that the market is undergoing a correction in terms of the frenetic activity experienced in 2021 and 2022, Catenon has managed to position itself as a strategic partner of many Spanish multinational companies for the recruitment of profiles at a global level, which mitigates these more local impacts.

Additionally, recruiting in medium and high profiles remains relatively stable and Catenon continues to operate with good dynamics in this market niche.

We believe that these sectoral impacts have a limited effect on the company; however, we have lowered our estimates to account for possible negative effects derived from these events.

From an external point of view, 2023 has been a year of many movements in the company, as strong growth phases are accompanied by risks. The massive hiring of Revenue Managers that the company had in mind (incorporating c.25 professionals) has had an undesired effect by which many of them have not responded to expectations and have had to leave the company. In addition, there have been temporary maternity leaves that have reduced the workforce and the expected growth, which in a reduced workforce have a relevant impact.

As mentioned above, the company has decided to focus its future recruitment on more senior profiles which, although they have a higher cost, both the risk of success and the integration time are lower and will help to show the results of growth in a shorter period of time. We believe that this will result in a lower growth of RMs compared to previous estimates, as senior profiles are more likely to have a higher risk of success and a shorter integration time, and will help to show growth results in a shorter time.

In short, it is true that we have lowered the company's growth expectations due to both effects, but also that these estimates reflect very achievable growth for the company with limited risk. We think it is time to be conservative in our numbers and to set a base case that the company can comfortably achieve.

We believe that the company's good financial situation is a very favorable point in the current context, which may allow it to carry out an M&A transaction if the opportunity arises or to continue financing growth, following the adoption of a shareholder remuneration policy whereby an annual dividend of c.3% is set.

Catenon: Summary tables

PROFIT & LOSS (EURm)	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Sales	5.5	8.7	10.8	12.6	15.2	19.7
Cost of Sales & Operating Costs	-6.1	-6.6	-8.7	-10.5	-12.1	-14.7
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-0.6	2.0	2.1	2.2	3.1	4.9
EBITDA (adj.)*	-0.6	2.0	2.1	2.2	3.1	4.9
Depreciation	-0.0	-0.1	-0.1	-0.1	-0.1	-0.1
EBITA	-0.6	2.0	2.0	2.1	3.0	4.8
EBITA (adj.)*	-0.6	2.0	2.0	2.1	3.0	4.8
Amortisations and Write Downs	-0.5	-0.4	-0.5	-0.5	-0.5	-0.5
EBIT	-1.1	1.5	1.5	1.6	2.5	4.3
EBIT (adj.)*	-1.1	1.5	1.5	1.6	2.5	4.3
Net Financial Interest	-0.6	-0.1	0.2	-0.1	-0.1	-0.2
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	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	-1.8	1.5	1.7	1.4	2.3	4.2
Tax	-0.1	-0.2	-0.3	-0.4	-0.6	-1.0
<i>Tax rate</i>	<i>n.m.</i>	<i>13.2%</i>	<i>20.2%</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
Net Profit (reported)	-1.9	1.3	1.3	1.1	1.8	3.1
Net Profit (adj.)	-1.9	1.3	1.3	1.1	1.8	3.1
CASH FLOW (EURm)	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Cash Flow from Operations before change in NWC	-1.6	1.6	1.7	1.2	1.9	3.5
Change in Net Working Capital	0.8	-0.8	-0.2	-0.1	-0.0	-0.0
Cash Flow from Operations	-0.8	0.7	1.4	1.2	1.8	3.5
Capex	-0.3	-0.2	-0.3	-0.6	-0.5	-0.5
Net Financial Investments	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow	-1.1	0.5	1.1	0.6	1.3	3.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	0.0	0.6	-1.9	0.1	0.2	-0.2
Change in Net Financial Debt	-1.1	1.2	-0.8	0.7	1.5	2.7
NOPLAT	-0.9	1.2	1.2	1.2	1.9	3.3
BALANCE SHEET & OTHER ITEMS (EURm)	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Net Tangible Assets	0.0	0.0	0.0	0.0	0.0	0.0
Net Intangible Assets (incl. Goodwill)	1.1	0.9	0.7	1.1	1.4	1.6
Net Financial Assets & Other	1.0	0.8	0.9	0.9	0.9	0.9
Total Fixed Assets	2.1	1.7	1.6	1.9	2.2	2.5
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables	2.0	2.9	3.3	3.6	4.0	4.4
Other current assets	0.2	0.2	0.3	0.3	0.4	0.4
Cash (-)	-0.2	-0.5	-0.7	-1.5	-3.1	-6.2
Total Current Assets	2.4	3.6	4.3	5.5	7.5	11.0
Total Assets	4.6	5.3	5.9	7.4	9.7	13.4
Shareholders Equity	1.2	2.3	2.7	3.8	5.6	8.7
Minority	-0.1	-0.0	0.0	0.0	0.0	0.0
Total Equity	1.1	2.2	2.7	3.8	5.6	8.7
Long term interest bearing debt	1.2	1.2	0.9	1.0	1.1	1.2
Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Total Long Term Liabilities	1.2	1.3	1.0	1.0	1.1	1.2
Short term interest bearing debt	1.1	0.5	0.8	0.9	1.0	1.1
Trade payables	1.2	1.2	1.4	1.6	2.0	2.4
Other current liabilities	0.1	0.1	0.1	0.1	0.1	0.1
Total Current Liabilities	2.3	1.8	2.3	2.6	3.0	3.5
Total Liabilities and Shareholders' Equity	4.6	5.4	5.9	7.4	9.7	13.5
Net Capital Employed	3.1	3.5	3.7	4.2	4.5	4.8
Net Working Capital	0.8	1.7	1.9	2.0	2.0	2.0
GROWTH & MARGINS	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
<i>Sales growth</i>	<i>-24.2%</i>	<i>56.7%</i>	<i>24.1%</i>	<i>17.4%</i>	<i>20.3%</i>	<i>29.3%</i>
EBITDA (adj.)* growth	n.m.	n.m.	2.1%	5.2%	41.1%	60.5%
<i>EBITA (adj.)* growth</i>	<i>n.m.</i>	<i>n.m.</i>	<i>1.4%</i>	<i>5.2%</i>	<i>42.7%</i>	<i>62.1%</i>
<i>EBIT (adj.)* growth</i>	<i>n.m.</i>	<i>n.m.</i>	<i>-3.0%</i>	<i>5.1%</i>	<i>57.7%</i>	<i>73.6%</i>

Catenon: Summary tables

GROWTH & MARGINS	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Net Profit growth	n.m.	n.m.	5.0%	-19.4%	62.0%	77.6%
EPS adj. growth	n.m.	n.m.	5.0%	-19.4%	62.0%	77.6%
DPS adj. growth						
EBITDA (adj)* margin	n.m.	23.4%	19.3%	17.3%	20.3%	25.1%
EBITA (adj)* margin	-10.9%	22.5%	18.4%	16.5%	19.6%	24.5%
EBIT (adj)* margin	n.m.	17.8%	13.9%	12.5%	16.3%	22.0%
RATIOS	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Net Debt/Equity	2.0	0.6	0.4	0.1	-0.2	-0.5
Net Debt/EBITDA	-3.6	0.6	0.5	0.2	-0.3	-0.8
Interest cover (EBITDA/Fin.interest)	n.m.	29.1	n.m.	16.7	21.4	31.2
Capex/D&A	46.2%	41.9%	46.7%	104.3%	89.5%	76.6%
Capex/Sales	4.5%	2.3%	2.5%	5.0%	3.5%	2.5%
NWC/Sales	14.8%	19.2%	17.8%	15.6%	13.2%	10.2%
ROE (average)	-101.8%	74.1%	54.1%	33.5%	37.6%	43.8%
ROCE (adj.)	-44.4%	46.2%	44.2%	39.9%	56.8%	92.3%
WACC	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
ROCE (adj.)/WACC	-3.9	4.0	3.8	3.5	4.9	8.0
PER SHARE DATA (EUR)***	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Average diluted number of shares	18.7	18.7	18.7	18.7	18.7	18.7
EPS (reported)	-0.10	0.07	0.07	0.06	0.09	0.17
EPS (adj.)	-0.10	0.07	0.07	0.06	0.09	0.17
BVPS	0.06	0.12	0.14	0.20	0.30	0.46
DPS	0.00	0.00	0.00	0.00	0.00	0.00
VALUATION	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
EV/Sales	1.1	3.7	2.3	1.2	0.9	0.6
EV/EBITDA	n.m.	15.6	11.9	7.2	4.6	2.3
EV/EBITDA (adj.)*	n.m.	15.6	11.9	7.2	4.6	2.3
EV/EBITA	-10.4	16.2	12.5	7.5	4.8	2.4
EV/EBITA (adj.)*	-10.4	16.2	12.5	7.5	4.8	2.4
EV/EBIT	n.m.	20.5	16.5	10.0	5.8	2.6
EV/EBIT (adj.)*	n.m.	20.5	16.5	10.0	5.8	2.6
P/E (adj.)	n.m.	24.4	18.3	15.0	9.2	5.2
P/BV	4.5	13.7	9.2	4.3	2.9	1.9
Total Yield Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/CE	3.2	12.3	9.5	5.2	4.2	3.2
OpFCF yield	-20.6%	1.7%	4.6%	3.5%	8.1%	18.3%
OpFCF/EV	-17.2%	1.6%	4.6%	3.6%	9.1%	26.0%
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%	0.0%
EV AND MKT CAP (EURm)	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Price** (EUR)	0.28	1.67	1.32	0.87	0.87	0.87
Outstanding number of shares for main stock	18.7	18.7	18.7	18.7	18.7	18.7
Total Market Cap	5.2	31.3	24.6	16.2	16.2	16.2
Gross Financial Debt (+)	2.3	1.8	1.7	1.9	2.1	2.3
Cash & Marketable Securities (-)	-0.2	-0.5	-0.7	-1.5	-3.1	-6.2
Net Financial Debt	2.1	1.2	1.0	0.4	-1.0	-3.9
Lease Liabilities (+)						
Net Debt	2.1	1.2	1.0	0.4	-1.0	-3.9
Other EV components	-1.0	-0.8	-0.9	-0.9	-0.9	-0.9
Enterprise Value (EV adj.)	6.3	31.7	24.8	15.7	14.3	11.4

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: Industrial Goods & Services/Business Training & Employment Agencies

Company Description: Catenon is a Spanish technological multinational company that operates under a web squared model and which is looking globally for professionals. It's vision: to work like a normal office but at a global level; to look for, evaluate and introduce worldwide candidates to its clients, who are based in any part of the world, within 20 days, in an objective way and whilst using multimedia technology to complete technical interviews.

European Coverage of the Members of ESN 1/2

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

30 October 2023

European Coverage of the Members of ESN 2/2

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

30 October 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 CATENON

Date	Recommendation	Target price	Price at change date
20-Apr-23	Buy	2.50	1.46
02-Nov-22	Buy	2.50	1.49
28-Mar-22	Buy	2.50	1.88
18-Jan-22	Neutral	2.08	2.09
28-Sep-21	Buy	2.08	0.98

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)



ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated based on **total return**, measured by the upside/downside potential (including dividends and capital reimbursement) over a **12-month time horizon**. The final responsible of the recommendation of a listed company is the analyst who covers that company. The recommendation and the target price set by an analyst on one stock are correlated but not totally, because an analyst may include in its recommendation also qualitative elements as market volatility, earning momentum, short term news flow, possible M&A scenarios and other subjective elements.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B), Accumulate (A), Neutral (N), Reduce (R) and Sell (S)**.

Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months
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Note: a certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

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

Recommendation	Number of stocks covered	%
Buy	63	80%
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](#)

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