

EQUITY - SPAIN

Sector: Independent Power Producers (IPP)

Closing price: EUR 3.32 (16 Jan 2024)

Report date: 18 Jan 2024 (10:15h)

Estimates downgrade

Independent Equity Research

Enerside (ENRS), is a fully integrated renewables platform (in transition towards a build-to-own model) specialised in solar photovoltaic energy. It currently has a pipeline of +6.8GW of solar photovoltaic projects at various stages of development distributed in Latam (Brazil and Chile) and Europe (Spain and Italy).

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The IPP business will be the key

Market Data

Market Cap (Mn EUR and USD)	123.9	134.8
EV (Mn EUR and USD) ⁽¹⁾	154.6	168.2
Shares Outstanding (Mn)	37.3	
-12m (Max/Med/Min EUR)	5.58 / 4.53 / 3.07	
Daily Avg volume (-12m Mn EUR)	0.07	
Rotation ⁽²⁾	14.6	
Factset / Bloomberg	ENRS-ES / ENRS SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)⁽⁶⁾

Joatham Grange	19.2
Antoni Gasch	19.0
Tomás Casanovas	9.6
Alejandro Alorda	9.3
Free Float	30.8

Financials (Mn EUR)

	2022	2023e	2024e	2025e
Adj. nº shares (Mn)	37.3	37.3	37.3	37.3
Total Revenues	31.9	18.1	5.5	6.5
Rec. EBITDA	-14.0	-38.6	-12.0	-6.5
% growth	n.a.	-176.0	68.8	46.0
% Rec. EBITDA/Rev.	n.a.	n.a.	n.a.	n.a.
% Inc. EBITDA sector ⁽³⁾	17.6	22.6	3.5	5.2
Net Profit	-13.8	-30.3	-1.1	1.9
EPS (EUR)	-0.37	-0.81	-0.03	0.05
% growth	n.a.	-120.2	96.3	270.4
Ord. EPS (EUR)	-0.34	-0.84	-0.24	-0.14
% growth	n.a.	-144.3	70.8	43.8
Rec. Free Cash Flow ⁽⁴⁾	-58.8	-36.7	-26.4	-29.3
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	16.3	52.1	70.5	92.3
ND/Rec. EBITDA (x)	n.a.	n.a.	n.a.	n.a.
ROE (%)	n.a.	n.a.	n.a.	13.8
ROCE (%) ⁽⁴⁾	n.a.	n.a.	3.5	7.6

Ratios & Multiples (x)⁽⁵⁾

	n.a.	n.a.	n.a.	65.3
P/E	n.a.	n.a.	n.a.	n.a.
Ord. P/E	2.8	8.9	9.7	8.4
P/BV	0.0	0.0	0.0	0.0
Dividend Yield (%)	4.84	8.55	n.a.	n.a.
EV/Sales	n.a.	n.a.	n.a.	n.a.
EV/Rec. EBITDA	n.a.	n.a.	n.a.	22.0
EV/EBIT	n.a.	n.a.	n.a.	n.a.
FCF Yield (%) ⁽⁴⁾	n.a.	n.a.	n.a.	n.a.

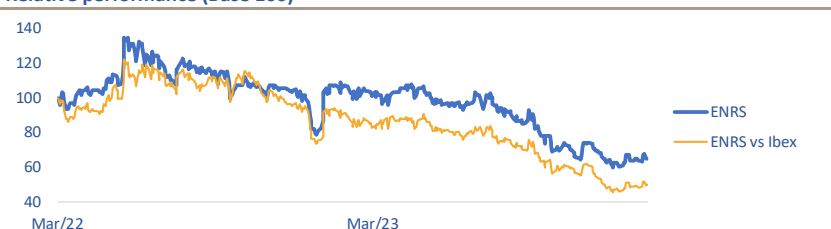
2023E ESTIMATES: EUR 18.1MN OF REVENUE. Our scenario for 2023e points to revenue of EUR 18.1Mn (vs. EUR 31.9Mn in 2022). The sharp drop from the year before is due to the discontinuation of the construction/EPC business (c.95% and 59% of revenue in 2023e and 2024e, respectively, vs our previous estimates of 95% and 70% respectively) to concentrate on the generation business (IPP) and asset rotation. The company should get 100% of its revenue from generation in 2025e, which we estimate at EUR 6.5Mn (helped by the commissioning of an additional c.37MW).

WITH EBIT UNDER HEAVY PRESSURE IN 2023E... For 2023e, we estimate a sharp plunge in EBIT to EUR -28.0Mn (and c.EUR 14Mn of capitalisations) resulting from the aggressive pricing strategy in EPC, alongside higher raw material costs and opex, not to mention project delays. For 2025e, we expect EBIT to improve to around EUR 7.0Mn, thanks to: (i) the complete discontinuation of the construction/EPC business, (ii) the EUR 7.5Mn impact of the asset rotation strategy on the P&L (including below recurring EBITDA, estimated at EUR -6,5Mn) and (iii) c. EUR 10.0Mn of capitalised costs.

...FEEDING THROUGH TO NET DEBT. As the company is in the midst of a heavy investment process, we cannot rule out additional financing requirements, which could be met with solutions involving equity. On our estimates, ENRS could ended 2023e with net debt at EUR 52Mn (3.8x ND/equity).

THE GOOD NEWS IS PROGRESS ON THE PIPELINE. In 1H23, ENRS completed the construction and connection of its first solar farms (20MW) in Chile and Brazil. We estimate that an additional c.37MW will come on stream in 2025e. Solar PV generation projects in the pipeline total 6.8GW (+1.3GW vs 2022).

IN SHORT, THERE HAS BEEN A STRATEGIC SHIFT IN THE BUSINESS MIX. ATTENTION NEEDS TO FOCUS ON THE MEDIUM/LONG TERM. The key takeaway in 2023e in our opinion is the “completion” of the strategic shift into independent power production (IPP). Against that backdrop, the chief catalyst will be progress on pipeline execution (which should be visible in 2024e). ND is the business model's main drawback. Short-term earnings visibility is dim. ENRS performance last 12 months: -40% (-46% vs Ibox 35, -42% vs sector).

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	7.8	-10.5	-39.6	1.5	n.a.	n.a.
vs Ibox 35	8.9	-16.8	-46.4	2.6	n.a.	n.a.
vs Ibox Small Cap Index	6.7	-13.7	-38.5	1.0	n.a.	n.a.
vs Eurostoxx 50	10.3	-16.5	-43.6	3.2	n.a.	n.a.
vs Sector benchmark ⁽³⁾	9.7	-18.9	-42.2	2.3	n.a.	n.a.

(1) Please refer to Appendix 3.

(2) Rotation is the % of the capitalisation traded - 12m.

(3) Sector: Stoxx Europe 600 Utilities.

(4) Please see Appendix 2 for the theoretical tax rate (ROCE) and rec. FCF calculation.

(5) Multiples and ratios calculated over prices at the date of this report.

(6) Others: Alternative Green Energy 6.3%, Javier García - Mateo 5.9%

(*) Unless otherwise indicated, all the information contained in this report is based on: The Company, Factset and Lighthouse.

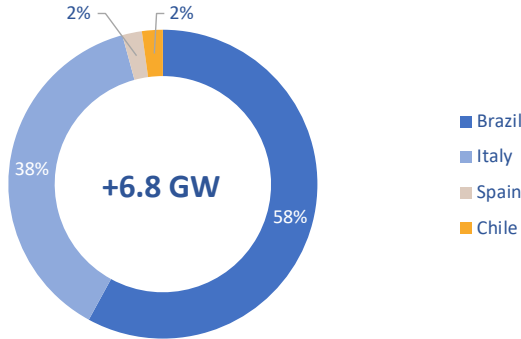
Enerside (ENRS) is a BME Growth Company

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.

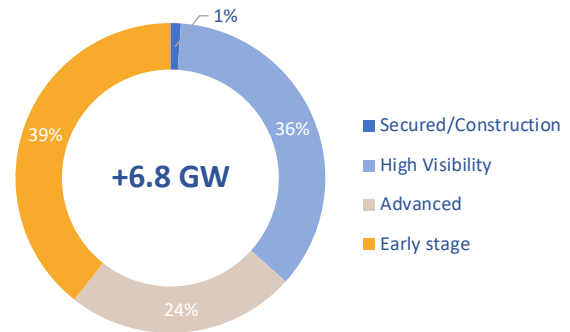
BME Growth is the Spanish equity market for companies of reduced capitalization which aim to grow, with a special set of regulations, designed specifically for them, and with costs and process tailored to their particular features. Operations in BME Growth (former MAB) started in July 2009. There are currently c. 140 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).

The company in 8 charts

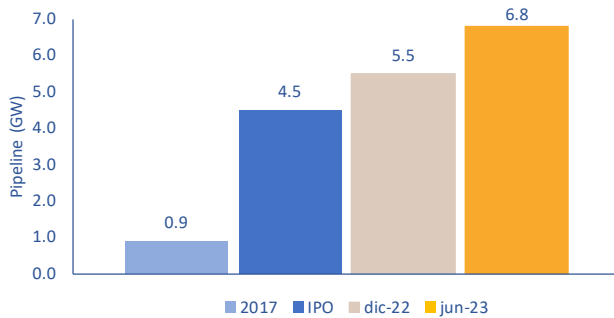
A company that has completed its transformation to IPP and geographically diversified pipeline of +6.8 GW...



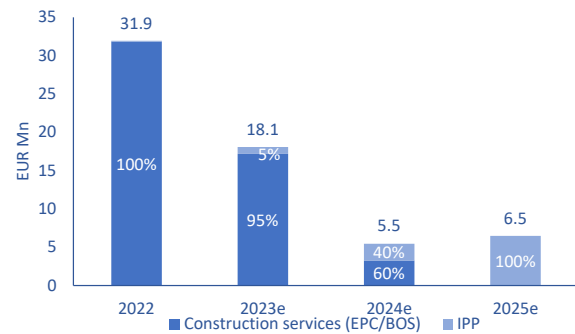
...that has connected 20MW in Brazil and Chile. And RTB expected for c. 60% of the pipeline in 2025-2026



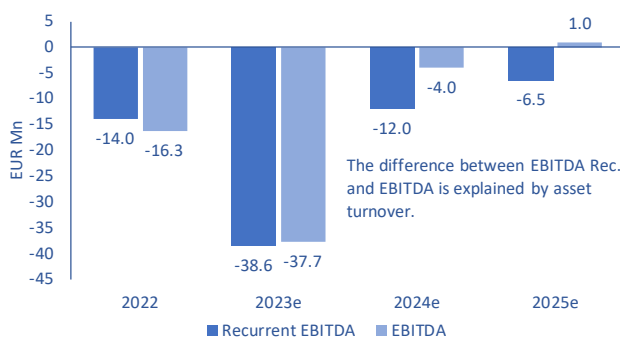
In other words, since 2017 it has increased its pipeline GW eightfold (+2.3GW vs IPO).



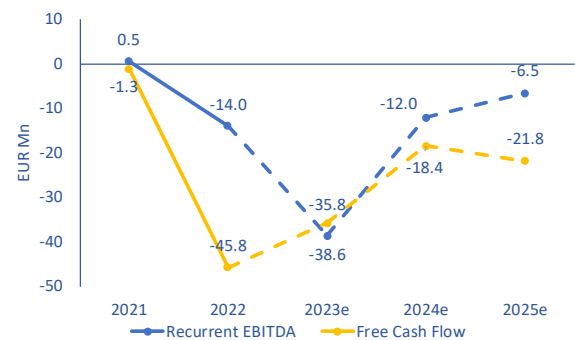
In 2025e, the generation business (IPP) looks set to represent c. 100% of revenue



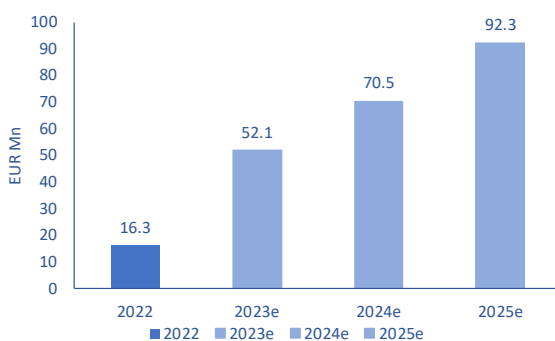
This should enable ENRS to generate recurring EBITDA of c. EUR 1.0Mn in 2025e



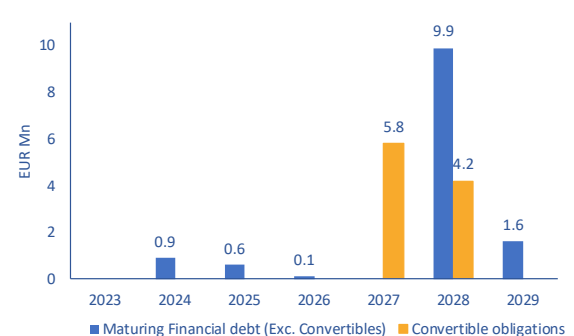
Which, combine with the high CAPEX for development and construction of the pipeline will affect cash generation



Driving net debt to EUR 92Mn in 2025e



Although over 93% of financial debt at the end of 1H23 matures as of 2026



Appendix 1. Financial Projections

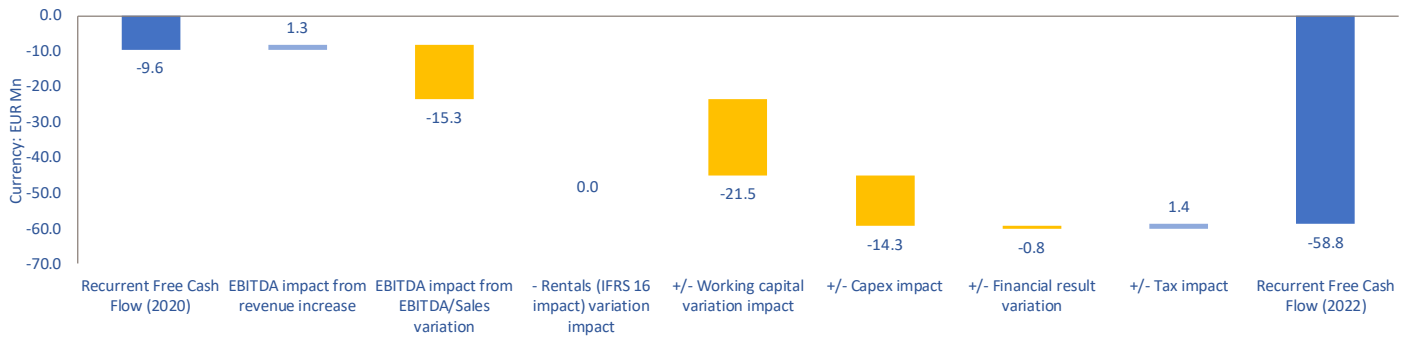
Balance Sheet (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
Intangible assets			0.0	0.1	0.2	14.2	24.2	34.2		
Fixed assets			0.1	0.6	21.3	32.0	44.6	56.6		
Other Non Current Assets			0.3	1.1	3.6	3.6	3.6	3.6		
Financial Investments			2.1	2.2	3.5	3.5	3.5	3.5		
Goodwill & Other Intangibles			-	-	-	-	-	-		
Current assets			5.7	12.5	47.8	26.1	15.2	17.2		
Total assets			8.1	16.5	76.4	79.3	91.1	115.1		
Equity			4.1	8.2	44.2	13.9	12.8	14.7		
Minority Interests			(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.0)		
Provisions & Other L/T Liabilities			0.0	0.2	1.2	1.2	1.2	1.2		
Other Non Current Liabilities			-	-	-	-	-	-		
Net financial debt			3.5	2.1	16.3	52.1	70.5	92.3		
Current Liabilities			0.5	6.0	14.7	12.2	6.6	6.9		
Equity & Total Liabilities			8.1	16.5	76.4	79.3	91.1	115.1		
P&L (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	20-22	22-25e
Total Revenues			3.5	8.4	31.9	18.1	5.5	6.5	<i>n.a.</i>	<i>-41.2%</i>
<i>Total Revenues growth</i>			<i>n.a.</i>	<i>141.4%</i>	<i>281.0%</i>	<i>-43.3%</i>	<i>-69.8%</i>	<i>18.9%</i>		
OPEX			(3.5)	(7.9)	(45.9)	(56.7)	(17.5)	(13.0)		
Recurrent EBITDA			(0.1)	0.5	(14.0)	(38.6)	(12.0)	(6.5)	<i>n.a.</i>	<i>22.5%</i>
<i>Recurrent EBITDA growth</i>			<i>n.a.</i>	<i>942.4%</i>	<i>n.a.</i>	<i>-176.0%</i>	<i>68.8%</i>	<i>46.0%</i>		
<i>Rec. EBITDA/Revenues</i>			<i>n.a.</i>	<i>6.0%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
Restructuring Expense & Other non-rec.			0.0	(0.3)	(2.3)	0.9	8.0	7.5		
EBITDA			(0.1)	0.2	(16.3)	(37.7)	(4.0)	1.0	<i>n.a.</i>	<i>27.3%</i>
Depreciation & Provisions			(0.0)	(0.1)	(2.8)	(4.3)	(3.4)	(4.0)		
Capitalized Expense			-	-	4.9	14.0	10.0	10.0		
Rentals (IFRS 16 impact)			-	-	-	-	-	-		
EBIT			(0.1)	0.2	(14.1)	(28.0)	2.5	7.0	<i>n.a.</i>	<i>35.6%</i>
<i>EBIT growth</i>			<i>n.a.</i>	<i>290.9%</i>	<i>n.a.</i>	<i>-97.9%</i>	<i>109.0%</i>	<i>178.3%</i>		
<i>EBIT/Revenues</i>			<i>n.a.</i>	<i>2.2%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>46.1%</i>	<i>n.a.</i>		
Impact of Goodwill & Others			-	-	-	-	-	-		
Net Financial Result			(0.2)	(0.3)	(0.9)	(2.3)	(3.6)	(4.6)		
Income by the Equity Method			-	-	-	-	-	-		
Ordinary Profit			(0.3)	(0.1)	(15.1)	(30.3)	(1.1)	2.4	<i>n.a.</i>	<i>29.2%</i>
<i>Ordinary Profit Growth</i>			<i>n.a.</i>	<i>65.5%</i>	<i>n.a.</i>	<i>-100.7%</i>	<i>96.3%</i>	<i>313.0%</i>		
Extraordinary Results			-	-	-	-	-	-		
Profit Before Tax			(0.3)	(0.1)	(15.1)	(30.3)	(1.1)	2.4	<i>n.a.</i>	<i>29.2%</i>
Tax Expense			0.2	(0.2)	1.4	-	-	(0.5)		
<i>Effective Tax Rate</i>			<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>20.0%</i>		
Minority Interests			(0.0)	(0.0)	(0.0)	-	-	-		
Discontinued Activities			-	-	-	-	-	-		
Net Profit			(0.2)	(0.3)	(13.8)	(30.3)	(1.1)	1.9	<i>n.a.</i>	<i>28.8%</i>
<i>Net Profit growth</i>			<i>n.a.</i>	<i>-68.4%</i>	<i>n.a.</i>	<i>-120.2%</i>	<i>96.3%</i>	<i>270.4%</i>		
Ordinary Net Profit			(0.3)	0.2	(12.8)	(31.2)	(9.1)	(5.1)	<i>n.a.</i>	<i>26.2%</i>
<i>Ordinary Net Profit growth</i>			<i>n.a.</i>	<i>147.0%</i>	<i>n.a.</i>	<i>-144.3%</i>	<i>70.8%</i>	<i>43.8%</i>		
Cash Flow (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	20-22	22-25e
Recurrent EBITDA						(38.6)	(12.0)	(6.5)	<i>n.a.</i>	<i>22.5%</i>
Rentals (IFRS 16 impact)						-	-	-		
Working Capital Increase						19.2	5.2	(1.7)		
Recurrent Operating Cash Flow						-19.4	-6.8	-8.2	<i>n.a.</i>	<i>41.4%</i>
CAPEX						(15.0)	(16.0)	(16.0)		
Net Financial Result affecting the Cash Flow						(2.3)	(3.6)	(4.6)		
Tax Expense						-	-	(0.5)		
Recurrent Free Cash Flow						(36.7)	(26.4)	(29.3)	<i>n.a.</i>	<i>20.7%</i>
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						0.9	8.0	7.5		
Free Cash Flow						(35.8)	(18.4)	(21.8)	<i>n.a.</i>	<i>21.9%</i>
Capital Increase						-	-	-		
Dividends						-	-	-		
Net Debt Variation						35.8	18.4	21.8		

(1) The 2023e-2025e period includes the net impact on EBITDA of asset rotation..

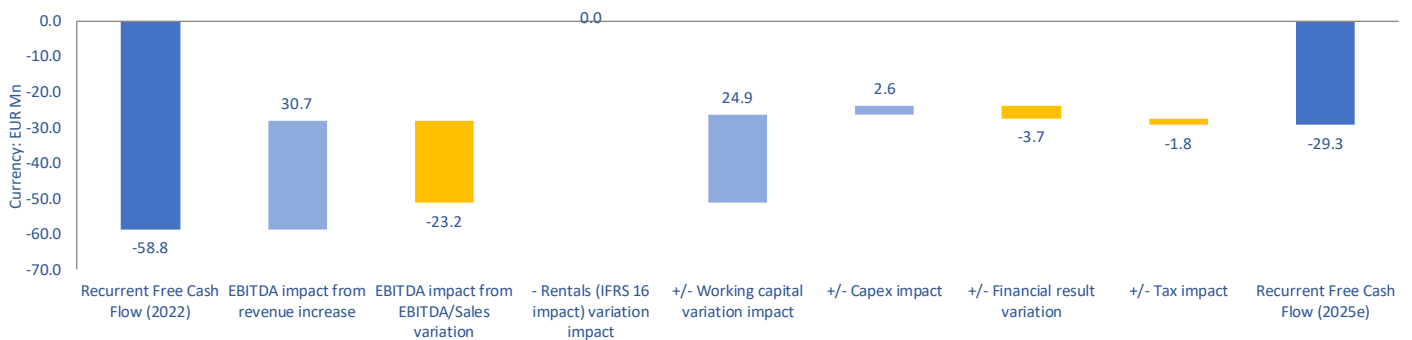
Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
								20-22	22-25e
Recurrent EBITDA		(0.1)	0.5	(14.0)	(38.6)	(12.0)	(6.5)	<i>n.a.</i>	22.5%
<i>Recurrent EBITDA growth</i>		<i>n.a.</i>	<i>942.4%</i>	<i>n.a.</i>	<i>-176.0%</i>	<i>68.8%</i>	<i>46.0%</i>		
<i>Rec. EBITDA/Revenues</i>		<i>n.a.</i>	<i>6.0%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
- Rentals (IFRS 16 impact)		-	-	-	-	-	-		
+/- Working Capital increase		(5.2)	(1.4)	(26.6)	19.2	5.2	(1.7)		
= Recurrent Operating Cash Flow		(5.2)	(0.9)	(40.6)	(19.4)	(6.8)	(8.2)	<i>n.a.</i>	41.4%
<i>Rec. Operating Cash Flow growth</i>		<i>n.a.</i>	<i>83.3%</i>	<i>n.a.</i>	<i>52.2%</i>	<i>64.9%</i>	<i>-20.3%</i>		
<i>Rec. Operating Cash Flow / Sales</i>		<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
- CAPEX		(4.3)	(1.1)	(18.6)	(15.0)	(16.0)	(16.0)		
- Net Financial Result affecting Cash Flow		(0.1)	(0.3)	(0.9)	(2.3)	(3.6)	(4.6)		
- Taxes		(0.0)	(0.3)	1.4	-	-	(0.5)		
= Recurrent Free Cash Flow		(9.6)	(2.5)	(58.8)	(36.7)	(26.4)	(29.3)	<i>n.a.</i>	20.7%
<i>Rec. Free Cash Flow growth</i>		<i>n.a.</i>	<i>73.7%</i>	<i>n.a.</i>	<i>37.6%</i>	<i>27.9%</i>	<i>-10.8%</i>		
<i>Rec. Free Cash Flow / Revenues</i>		<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
- Restructuring expenses & others		-	-	-	-	-	-		
- Acquisitions / + Divestments		0.0	1.2	(1.3)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow		-	-	14.2	0.9	8.0	7.5		
= Free Cash Flow		(9.6)	(1.3)	(45.8)	(35.8)	(18.4)	(21.8)	<i>n.a.</i>	21.9%
<i>Free Cash Flow growth</i>		<i>n.a.</i>	<i>86.6%</i>	<i>n.a.</i>	<i>22.0%</i>	<i>48.5%</i>	<i>-18.2%</i>		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>		<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>		<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
	2019	2020	2021	2022	2023e	2024e	2025e		
Recurrent FCF(FY - 1)		-	(9.6)	(2.5)	(58.8)	(36.7)	(26.4)		
EBITDA impact from revenue increase		<i>n.a.</i>	(0.1)	1.4	6.1	26.9	(2.3)		
EBITDA impact from EBITDA/Sales variation		<i>n.a.</i>	0.7	(15.9)	(30.7)	(0.4)	7.8		
= Recurrent EBITDA variation		<i>n.a.</i>	0.6	(14.5)	(24.6)	26.6	5.5		
- Rentals (IFRS 16 impact) variation impact		-	-	-	-	-	-		
+/- Working capital variation impact		(5.2)	3.8	(25.2)	45.8	(14.0)	(6.9)		
= Recurrent Operating Cash Flow variation		(5.2)	4.3	(39.7)	21.2	12.6	(1.4)		
+/- CAPEX impact		(4.3)	3.2	(17.5)	3.6	(1.0)	-		
+/- Financial result variation		(0.1)	(0.1)	(0.7)	(1.3)	(1.4)	(1.0)		
+/- Tax impact		(0.0)	(0.3)	1.6	(1.4)	-	(0.5)		
= Recurrent Free Cash Flow variation		(9.6)	7.1	(56.2)	22.1	10.2	(2.9)		
Recurrent Free Cash Flow	-	(9.6)	(2.5)	(58.8)	(36.7)	(26.4)	(29.3)		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
EBIT		(0.1)	0.2	(14.1)	(28.0)	2.5	7.0	<i>n.a.</i>	35.6%
* Theoretical Tax rate		<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>		
= Taxes (pre- Net Financial Result)		-	-	-	-	-	-		
Recurrent EBITDA		(0.1)	0.5	(14.0)	(38.6)	(12.0)	(6.5)	<i>n.a.</i>	22.5%
- Rentals (IFRS 16 impact)		-	-	-	-	-	-		
+/- Working Capital increase		(5.2)	(1.4)	(26.6)	19.2	5.2	(1.7)		
= Recurrent Operating Cash Flow		(5.2)	(0.9)	(40.6)	(19.4)	(6.8)	(8.2)	<i>n.a.</i>	41.4%
- CAPEX		(4.3)	(1.1)	(18.6)	(15.0)	(16.0)	(16.0)		
- Taxes (pre- Financial Result)		-	-	-	-	-	-		
= Recurrent Free Cash Flow (To the Firm)		(9.5)	(2.0)	(59.2)	(34.4)	(22.8)	(24.2)	<i>n.a.</i>	25.8%
<i>Rec. Free Cash Flow (To the Firm) growth</i>		<i>n.a.</i>	<i>79.3%</i>	<i>n.a.</i>	<i>41.9%</i>	<i>33.7%</i>	<i>-6.1%</i>		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>		<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>		
- Acquisitions / + Divestments		0.0	1.2	(1.3)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow		-	-	14.2	0.9	8.0	7.5		
= Free Cash Flow "To the Firm"		(9.5)	(0.7)	(46.2)	(33.5)	(14.8)	(16.7)	<i>n.a.</i>	28.8%
<i>Free Cash Flow (To the Firm) growth</i>		<i>n.a.</i>	<i>92.4%</i>	<i>n.a.</i>	<i>27.6%</i>	<i>55.8%</i>	<i>-12.7%</i>		
<i>Rec. 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>n.a.</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>n.a.</i>		

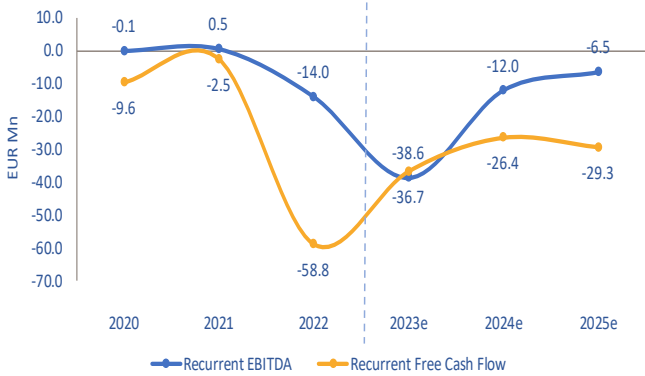
Recurrent Free Cash Flow accumulated variation analysis (2020 - 2022)



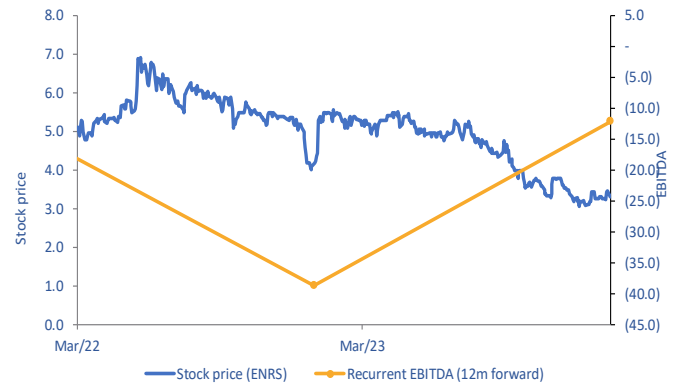
Recurrent Free Cash Flow accumulated variation analysis (2022 - 2025e)



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	123.9	
+ Minority Interests	(0.0)	6m Results 2023
+ Provisions & Other L/T Liabilities	0.5	6m Results 2023
+ Net financial debt	31.7	6m Results 2023
- Financial Investments	1.5	6m Results 2023
+/- Others		
Enterprise Value (EV)	154.6	

Appendix 4. Main peers 2023e

		Renewable Energy companies in Spain				Renewable energy companies					
EUR Mn		Solaria	Greenergy	Ecoener	Average	Neoen	Voltaia	Scatec	Greenvolt	Average	ENRS
Market data	Ticker (Factset)	SLR-ES	GRE-ES	ENER-ES		NEOEN-FR	VLTA-FR	SCATC-NO	GVOLT-PT		ENRS-ES
	Country	Spain	Spain	Spain		France	France	Norway	Portugal		Spain
	Market cap	1,964.2	985.7	230.6		4,058.6	1,086.0	1,002.0	1,133.5		123.9
	Enterprise value (EV)	2,909.8	1,470.5	500.7		6,580.2	2,539.4	3,039.8	1,926.9		154.6
Basic financial information	Total Revenues	223.3	315.2	68.7		574.9	526.7	381.1	348.6		18.1
	Total Revenues growth	60.3%	185.1%	-5.7%	79.9%	14.2%	12.3%	44.4%	36.5%	26.9%	-43.3%
	2y CAGR (2023e - 2025e)	27.3%	46.2%	42.5%	38.7%	24.2%	13.2%	24.8%	48.0%	27.5%	-40.1%
	EBITDA	201.7	116.5	37.0		472.9	243.3	291.1	112.1		(37.7)
	EBITDA growth	46.8%	131.6%	-13.3%	55.0%	15.4%	78.9%	83.4%	43.5%	55.3%	-130.9%
	2y CAGR (2023e - 2025e)	23.6%	43.0%	50.5%	39.0%	22.8%	15.3%	17.5%	66.5%	30.5%	42.4%
	EBITDA/Revenues	90.3%	37.0%	53.8%	60.4%	82.3%	46.2%	76.4%	32.2%	59.3%	n.a.
	EBIT	165.4	95.9	21.5		292.2	139.1	189.5	61.3		(28.0)
	EBIT growth	47.1%	165.2%	-30.3%	60.7%	12.9%	118.8%	135.5%	75.4%	85.7%	-97.9%
	2y CAGR (2023e - 2025e)	20.2%	40.5%	63.7%	41.5%	22.2%	16.3%	16.8%	91.0%	36.6%	50.0%
	EBIT/Revenues	74.1%	30.4%	31.3%	45.3%	50.8%	26.4%	49.7%	17.6%	36.1%	n.a.
	Net Profit	108.9	64.2	9.6		84.3	36.2	60.1	15.5		(30.3)
	Net Profit growth	21.0%	523.6%	-43.0%	167.2%	86.6%	603.9%	151.2%	-6.5%	208.8%	-120.2%
	2y CAGR (2023e - 2025e)	14.4%	31.4%	80.2%	42.0%	25.5%	-7.3%	10.0%	n.a.	9.4%	43.6%
	CAPEX/Sales %	187.1%	90.6%	182.5%	153.4%	236.7%	125.3%	212.9%	110.2%	171.3%	82.9%
	Free Cash Flow	(285.9)	(217.4)	(49.5)		(986.7)	(505.8)	(261.5)	(234.7)		(35.8)
Net financial debt	1,051.8	480.3	284.4		3,063.2	1,549.7	1,987.4	605.5		52.1	
ND/EBITDA (x)	5.2	4.1	7.7	5.7	6.5	6.4	6.8	5.4	6.3	n.a.	
Pay-out	0.0%	0.0%	0.0%	0.0%	20.2%	13.0%	38.6%	0.0%	18.0%	0.0%	
Multiples and Ratios	P/E (x)	21.4	16.0	25.1	20.8	54.7	37.5	19.8	77.3	47.3	n.a.
	P/BV (x)	5.1	3.5	1.8	3.5	1.7	1.1	1.3	2.5	1.7	8.9
	EV/Revenues (x)	13.0	4.7	7.3	8.3	11.4	4.8	8.0	5.5	7.4	8.5
	EV/EBITDA (x)	14.4	12.6	13.5	13.5	13.9	10.4	10.4	17.2	13.0	n.a.
	EV/EBIT (x)	17.6	15.3	23.3	18.7	22.5	18.3	16.0	31.4	22.1	n.a.
	ROE	23.8	21.9	7.4	17.7	3.1	2.9	6.7	3.3	4.0	n.a.
	FCF Yield (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	DPS	0.00	0.00	0.00	0.00	0.14	0.05	0.15	0.00	0.08	0.00
	Dvd Yield	0.0%	0.0%	0.0%	0.0%	0.5%	0.6%	2.3%	0.0%	0.9%	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).

Appendix 5. Valuation inputs

Inputs for the DCF Valuation Approach

	2023e	2024e	2025e	Terminal Value ⁽¹⁾			
Free Cash Flow "To the Firm"	(33.5)	(14.8)	(16.7)	n.a.			
Market Cap	123.9	At the date of this report					
Net financial debt	31.7	Debt net of Cash (6m Results 2023)					
					Best Case	Worst Case	
Cost of Debt	6.0%	Net debt cost			5.8%	6.3%	
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=	
Net debt cost	4.8%	Kd = Cost of Net Debt * (1-T)			4.6%	5.0%	
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)	79.6%	E (Market Cap as equity value)			=	=	
Net Debt / (Equity + Net Debt)	20.4%	D			=	=	
WACC	9.2%	WACC = Kd * D + Ke * E			8.2%	10.2%	
G "Fair"	2.5%				2.0%	2.0%	

(1) The terminal value calculated beyond the last FCF estimate does not reflect the company's growth potential (positive/negative) at the date of publication of this report.

Inputs for the Multiples Valuation Approach

Company	Ticker Factset	Mkt. Cap	P/E 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
Solaria	SLR-ES	1,964.2	21.4	16.0%	14.4	23.6%	13.0	27.3%	90.3%	n.a.	-3.5%
Grenergy	GRE-ES	985.7	16.0	29.7%	12.6	43.0%	4.7	46.2%	37.0%	n.a.	-66.0%
Ecoener	ENER-ES	230.6	25.1	80.0%	13.5	50.5%	7.3	42.5%	53.8%	n.a.	-40.5%
Renewable Energy companies in Spain			20.8	41.9%	13.5	39.0%	8.3	38.7%	60.4%	n.a.	-36.7%
Neoen	NEOEN-FR	4,058.6	54.7	25.8%	13.9	22.8%	11.4	24.2%	82.3%	n.a.	10.7%
Voltaia	VLTA-FR	1,086.0	37.5	-9.3%	10.4	15.3%	4.8	13.2%	46.2%	n.a.	21.0%
Scatec	SCATC-NO	1,002.0	19.8	6.4%	10.4	17.5%	8.0	24.8%	76.4%	n.a.	46.7%
Greenvolt	GVOLT-PT	1,133.5	77.3	n.a.	17.2	66.5%	5.5	48.0%	32.2%	n.a.	-23.6%
Renewable energy companies			47.3	7.7%	13.0	30.5%	7.4	27.5%	59.3%	n.a.	13.7%
ENRS	ENRS-ES	123.9	n.a.	43.6%	n.a.	42.4%	8.5	-40.1%	n.a.	n.a.	21.9%

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	-242.1%	(13.2)	-11.7x
Central	-220.1%	(12.0)	-12.8x
Min	-198.1%	(10.8)	-14.3x

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

FCF Rec. EUR Mn	CAPEX/Sales 24e		
EBITDA 24e	263.4%	292.7%	322.0%
(13.2)	(26.0)	(27.6)	(29.2)
(12.0)	(24.8)	(26.4)	(28.0)
(10.8)	(23.6)	(25.2)	(26.8)

LIGHTHOUSE

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
18-Jan-2024	n.a.	3.32	n.a.	n.a.	Estimates downgrade	Enrique Andres Abad
02-Nov-2023	n.a.	3.38	n.a.	n.a.	6m Results 2023	Enrique Andres Abad
12-Jun-2023	n.a.	4.98	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
02-May-2023	n.a.	5.40	n.a.	n.a.	12m Results 2022	David López Sánchez
07-Mar-2023	n.a.	5.30	n.a.	n.a.	Important news	David López Sánchez
06-Sep-2022	n.a.	5.52	n.a.	n.a.	6m 2022 Preliminary results	David López Sánchez
29-Jul-2022	n.a.	6.20	n.a.	n.a.	Initiation of Coverage	David López Sánchez

