

Lleida.net

BUY

Time and tide bring forth increase

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lleida.net has reported 1Q26 results, with negative comparisons mainly due to an extraordinarily strong 1Q25 comparison. The share price has already largely discounted it, and the underlying sequential Q-o-Q trend is stable with strong cash flow generation.

Sales and EBITDA (Operating Cash-Flow) were down 11% and 32% respectively relative to 1Q25, but +1% and -1% relative to the average of the prior 3 quarters.

The “new” lleida.net has prioritized short-term profits over growth, driving EBITDA (operating cash flow) margins into the 14%-16% range, compared to an average of 5% in the 2016-2023 period.

The resulting strategy has enabled Net Financial Debt to drop by an average of €456k over the past 9 quarters, in line with the just-released €434k drop in 1Q26. Net Financial Debt stands now at €5.35 million, and we expect it to go down to zero by early 2028.

We are adjusting our 2026 forecast to a low-growth, high-margin scenario, with numbers largely resembling 2025, to then resume moderate growth in 2027.

The resulting valuations are those of a value play, with a strong potential once the company manages to return to its former growth path. In the following page, we analyze a comparable US company (Bandwidth) and its recent results, to get a glimpse of how LLN could react when growth returns.

Equities

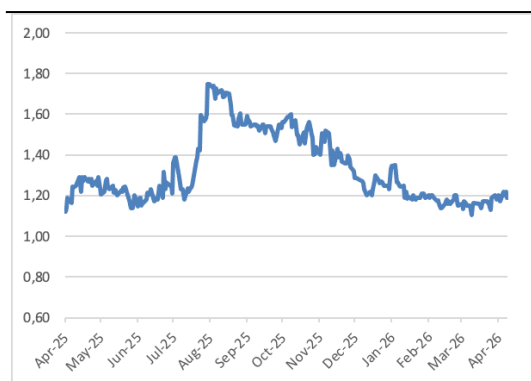
BME Growth

Price (5pm 5/5/26): €1.175

RIC: LLN.MC

Target Price (12-18 m): €3.50

52-Wk range (€):	1.75 - 1.11
Market Cap (€ millions):	19,2
No. Shares (millions):	16,05
Avg. daily Vol. (€12m):	35k
Daily volatility (avg. LTM):	2.9%



(€ millions)	2024	2025	2026e	2027e
Turnover	19,1	19,4	19,4	21,4
Ebitda Cash	2,1	3,0	3,0	3,7
Net Profit	0,9	1,4	1,9	2,6
EPS	0,06	0,09	0,12	0,16
Net Debt	7,4	5,7	3,6	0,9
EV/Sales	1,4	1,3	1,1	0,9
EV/Ebitda	12,1	8,0	7,5	5,3
P/E	21,1	13,2	9,7	7,3
CFY	10%	13%	16%	19%

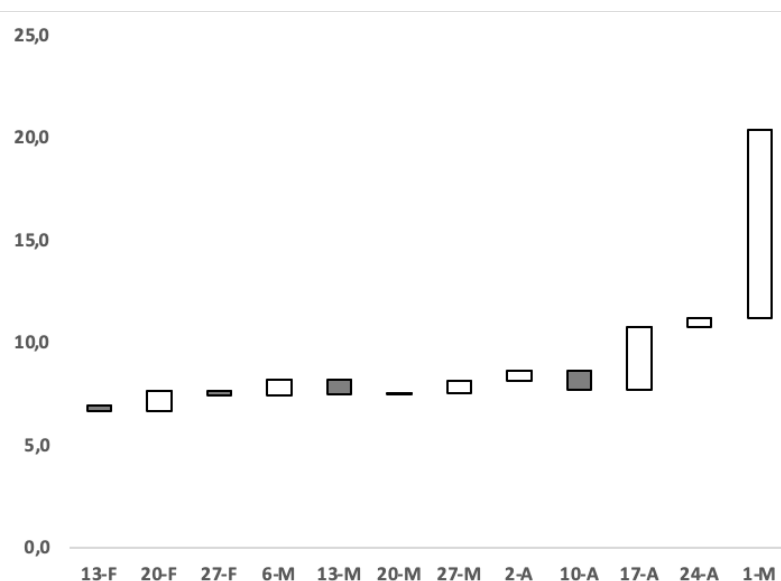
A peek into Bandwidth (a CPaaS sector comparable) and how a stock reacts when growth is back

Bandwidth just reported last week a record Q1 revenue of \$209 million, up 20% year-over-year, and adjusted EBITDA of \$26 million, up 17%, beating the top end of guidance. Voice grew 12%, messaging 15%, software services revenue nearly doubled, and the company raised full-year guidance to \$880–\$900 million revenue and \$119–\$125 million EBITDA — implying 18% and 31% growth at the midpoint.

The stock reacted by appreciating 52% on the announcement, with a cumulative gain of nearly 85% in under a week. This was not a short squeeze or a thin-float anomaly. It was a forced model revision across the institutional investor base.

The EV/EBITDA chart tells the real story. Before the results, a month ago, the stock traded at roughly 8x forward EBITDA — a low-growth CPaaS discount. After the results, the multiple re-rated to 18–20x. That near-doubling of the valuation multiple on top of the earnings upgrade is the compounding effect markets reserve for one specific moment: when a company proves that its growth thesis is not narrative, but numbers.

12 month fwd EV/Ebitda (weekly)



Source: Checkpoint Partners, Refinitiv

The lesson for Lleida.net stock: Bandwidth's re-rating did not happen because the story changed — the AI infrastructure positioning, the Maestro platform, the Salesforce partnership were all known. It happened because the P&L confirmed the story was working. For a company sitting at a compressed multiple with a credible digital transformation thesis, the asymmetry is identical: the multiple expansion does not precede the proof, it follows it.

2025 and 1Q26 Results: the trend is your friend

1Q26 is an unusual quarter to analyze in that comparisons with 1Q25 are quite tough and largely discounted by now. The stock is down more than 30% from its last 12-month high.

Turnover is down 11% compared to 1Q25 (Notifications were up 22%, which is positive), but is in line with the average of the last three quarters (+1%).

SaaS: on a sequential basis, the SaaS divisions (contracting notification and other SaaS) delivered €2.2 million in revenues, -12% compared to 1Q25 but 15% higher than the average of the last 3 quarters. This is potentially significant, given that it is the main value creation driver.

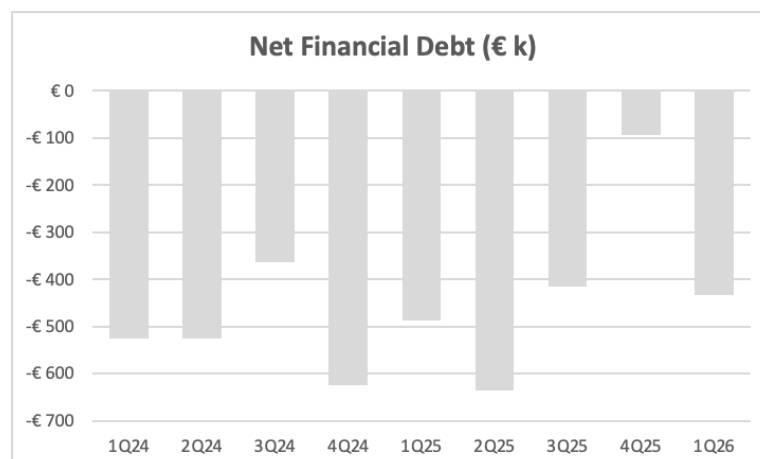
SMS: SMS Solutions managed to hold its ground relative to 1Q25 at almost €1 million in revenues (+0%), although it is some 10% lower than the average of the last three quarters. The more unpredictable (and lower margin) ICX fell 16% versus 1Q25 and 9% versus the last 3 quarters' average. The sector on a global basis has been under more pressure, and Lleida Net is actually faring better than competitors.

Opex is still well contained, but it is no longer declining like in 2024 following an aggressive cost restructuring. In 1Q26, operating costs have fallen by 2% to €2.5 million compared to a year ago and 3% higher than the average of the last three quarters.

Operating cash flow (or Ebitda Cash) of €0,65 million is down 32% on the quarter (compared to 1Q25) but in line with the average of the last three quarters.

Profits before tax of €0.33 million are down 48% versus 1Q25 but up 40% relative to the average of the last three quarters (largely because of non-recurring charges in 4Q25).

Net debt is down €0,4 million to €5.3 million, which is confirmation of the cash generative position of the company, in line with the prior 8 quarters.



Quarterly profit and loss account

(€ 000')	1Q25	2Q25	3Q25	4Q25	1Q26	% chng
<i>Contracting</i>	1051	904	836	772	813	-23
<i>Notification</i>	507	643	564	672	619	22
<i>Other SaaS</i>	967	397	373	633	798	-17
Software Services	2.525	1.944	1.773	2.077	2.230	-12
SMS Solutions	973	1.148	990	1.104	972	0
ICX	1.792	1.752	1.631	1.614	1.513	-16
Turnover	5.290	4.844	4.394	4.795	4.715	-11
Cost of sales	-2.290	-2.111	-1.997	-2.313	-2.089	-9
Gross Profit	3.000	2.733	2.397	2.482	2.626	-12
<i>Gross Margin</i>	57%	56%	55%	52%	56%	
Capitalized R&D	257	275	235	308	224	-13
Personnel Expenses	-1.409	-1.484	-1.426	-1.188	-1.314	-7
Other SG&A	-624	-553	-401	-575	-655	5
Depreciation	-509	-517	-545	-541	-519	2
Operating Costs	-2.542	-2.554	-2.372	-2.304	-2.492	-2
Operating Income	715	454	260	486	358	-50
<i>Operating Margin</i>	14%	9%	6%	10%	8%	
Ebitda	1.224	971	805	1.027	877	-28
<i>Ebitda Margin</i>	23%	20%	18%	21%	19%	
Ebitda (Cash)	967	696	570	719	653	-32
<i>Ebitda Margin</i>	18%	14%	13%	15%	14%	
Non-recurrent expenses	1	-15	-53	-193	0	n.m.
Financial Costs (net)	-74	-158	-74	-252	-25	n.m.
Profit Before Tax	641	296	186	234	333	-48

Source: LLN, Checkpoint Partners

Profit and Loss Account 2024-2027e

(€ millions)	2024	2025	2026e	2027e
Sales by division				
<i>Contracting</i>	3,5	3,6	3,6	4,1
<i>Notification</i>	2,0	2,4	2,7	2,9
<i>Other SaaS</i>	2,8	2,4	2,6	2,7
Software Services	8,4	8,3	8,9	9,7
SMS Solutions	3,8	4,2	4,2	4,4
ICX	6,9	6,8	6,2	7,3
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Turnover	19,1	19,4	19,4	21,4
Cost of sales	-8,9	-8,7	-8,4	-9,5
Gross Profit	10,2	10,7	10,9	12,0
<i>% y-o-y growth</i>	11%	4%	2%	10%
<i>Gross Margin</i>	54%	55%	56%	56%
Capitalized costs (R&D)	1,0	1,1	1,1	1,1
Personnel Expenses	-5,5	-5,5	-5,7	-5,8
Other SG&A	-2,6	-2,2	-2,2	-2,5
Depreciation	-2,1	-2,1	-2,1	-2,0
Total Operating Costs	-10,2	-9,8	-10,0	-10,3
<i>% y-o-y growth</i>	-19	-4	3	3
Operating Income	1,1	2,0	2,0	2,7
<i>Operating Margin</i>	6%	10%	10%	13%
Ebitda	3,2	4,1	4,0	4,8
<i>Ebitda Margin</i>	17%	21%	21%	22%
Ebitda (ex-capitalizations)	2,1	3,0	3,0	3,7
<i>Ebitda Margin</i>	11%	16%	15%	17%
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Financial Income	0,0	0,0	0,0	0,0
Financial Costs	-0,2	-0,2	-0,1	0,0
FX and Other	0,0	-0,4	0,0	0,0
Financial Results	-0,2	-0,6	-0,1	0,0
Profit Before Tax	0,9	1,4	1,9	2,7
Tax	0,0	0,0	0,0	-0,1
Net Income	0,9	1,4	1,9	2,6
Net income attr. to shareholders	0,9	1,4	1,9	2,6
Minority Interest	0,0	0,0	0,0	0,0

Source: LLN, Checkpoint Partners

Balance Sheet 2024-2027e

(€ millions)	2024	2025e	2026e	2027e
Fixed Assets	11,1	10,8	10,5	10,3
Intangible Assets	8,8	8,6	8,2	7,9
Tangible Assets	0,4	0,4	0,4	0,4
Investments in Group Companies	0,0	0,0	0,0	0,0
Other Investments	0,1	0,1	0,1	0,1
Deferred Assets	1,7	1,8	1,8	1,9
Current Assets	6,5	7,1	7,2	8,8
Debtors	5,2	5,6	6,1	6,5
Short Term Investments	0,0	0,0	0,0	0,0
Short Term Accruals	0,3	0,3	0,3	0,3
Cash	1,0	1,2	0,8	2,0
Assets	17,5	17,9	17,8	19,1
Shareholders' Funds	4,1	5,5	7,4	10,0
<i>Capital</i>	0,3	0,3	0,3	0,3
<i>Share Premium</i>	5,2	5,2	5,2	5,2
<i>Reserves</i>	1,8	1,8	1,8	1,8
<i>Repurchase of share capital</i>	-0,2	-0,2	-0,2	-0,2
<i>Profit and Loss account</i>	0,9	1,4	1,9	2,6
Long Term Provisions	0,0	0,0	0,0	0,0
Long Term Debt	3,7	3,2	2,5	2,0
Current Liabilities	9,4	9,0	7,5	6,8
Short Term Debt	4,7	3,8	1,9	0,9
Provisions	0,2	0,2	0,2	0,2
Creditors	4,5	4,9	5,4	5,6
Short-Term Accruals	0,3	0,3	0,3	0,3
Liabilities	17,5	17,9	17,8	19,1
(€ millions)				
Dividends	0,0	0,0	0,0	0,8
Working Capital	0,7	0,7	0,7	0,8
Debtor Turnover (days)	99	102	110	107
Creditor Turnover (days)	83	105	115	113
Financial Debt	8,4	6,9	4,4	3,0
Cash	1,0	1,2	0,8	2,1
Net Debt	7,4	5,7	3,6	0,9

Source: LLN, Checkpoint Partners

Checkpoint Recommendation System

The Checkpoint Recommendation System is based on absolute returns, measured by the upside potential (including dividends and capital reimbursement) over a 12-month time horizon. Checkpoint recommendations (or ratings) for each stock comprises 3 categories: Buy (B), Neutral (N) and Sell (S).

Buy: the stock is expected to generate total return of over 15% during the next 12 months time horizon

Neutral: the stock is expected to generate total return of -15% to +15% during the next 12 months time

Sell: the stock is expected to generate total return under -15% during the next 12 months time horizon.

History of recommendations

Date	Recommen.	Price (€)	Target P.(€)	Period	Analyst
21.04.2020	BUY	1.75	3.00	12 months	Guillermo Serrano
21.07.2020	BUY	4,34	6.00	12 months	Guillermo Serrano
26.10.2020	BUY	8,90	12.00	12 months	Guillermo Serrano
26.01.2021	BUY	6.00	11.35	12 months	Guillermo Serrano
20.04.2021	BUY	6.28	11.15	12 months	Guillermo Serrano
22.07.2021	BUY	5.59	11.15	12 months	Guillermo Serrano
11.11.2021	BUY	4.38	9.00	12 months	Guillermo Serrano
22.02.2022	BUY	3.24	9.00	12 months	Guillermo Serrano
04.05.2022	BUY	4.06	9.00	12 months	Guillermo Serrano
11.08.2022	BUY	2.50	7.50	12 months	Guillermo Serrano
25.10.2022	BUY	1.84	6.00	12 months	Guillermo Serrano
09.03.2023	BUY	2.27	5.00	12 months	Guillermo Serrano
10.05.2023	BUY	1.64	5.00	12 months	Guillermo Serrano
05.09.2023	BUY	1.15	3.00	12 months	Guillermo Serrano
12.12.2023	BUY	0.80	3.00	12 months	Guillermo Serrano
06.05.2024	BUY	1.10	3.00	12 months	Guillermo Serrano
24.07.2024	BUY	1.22	3.00	12 months	Guillermo Serrano
30.10.2024	BUY	1.10	3.00	12 months	Guillermo Serrano
05.02.2025	BUY	1.33	3.00	12 months	Guillermo Serrano
06.05.2025	BUY	1.33	4.00	12 months	Guillermo Serrano
29.07.2025	BUY	1.29	4.00	12 months	Guillermo Serrano
29.10.2025	BUY	1.585	4.00	12 months	Guillermo Serrano
19.02.2026	BUY	1.205	3.50	12 months	Guillermo Serrano
06.05.2026	BUY	1.175	3.50	12 months	Guillermo Serrano

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Investment horizon: our reports focus mainly on small capitalization and illiquid stocks where standard Venture Capital investment criteria should apply. An investment in a small market capitalization stock should be done on a 3-5 year time horizon in order to realize the full potential of the investment opportunity.

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