Cuatroochenta

LIGHTHOUSE WINNER 2020 Special Mention — European Commission — European Small & Mid-Cap Awards

LIGHTHOUSE INDEPENDENT EQUITY RESEARCH · IEAF

EQUITY - SPAIN
Sector: Software

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Cuatroochenta (480S), is a technology company specialised in designing, developing and implementing cloud software (SaaS model) and cybersecurity, with proprietary products aimed at optimising specific processes in the business context. Revenues from outside Spain account for c. 25% of the total (mainly Latam). The company has been listed on BME Growth since November 2020. Management controls c. 75% of capital.

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In the right place at the right time

A GROWTH STORY (UNDERPINNED BY M&A)… Since 2019, 480S has carried out intense M&A activity integrating small players with proprietary software products (under the SaaS model) that fit easily into its business (with a strong focus on process optimisation). This has allowed 480S to: (i) materialise a significant step-up in size (without excessively stressing profitability), (ii) reinforce its portfolio of proprietary products and platforms (entry in cybersecurity being an example) and (iii) increase its geographical presence (c. 25% of its revenue is already generated outside Spain).

…THAT WE EXPECT TO CONTINUE. For several reasons: (i) a proprietary product that avoids commoditisation, (ii) a large recurrent revenue base, (iii) on a very scalable business and (iv) all underpinned by the momentum of a market in the middle of the ramp-up stage (SaaS and cybersecurity).

LOOKING AHEAD TO 2023e... The scenario we envisage should enable 480S to consolidate revenue levels of c. EUR 20Mn (+18.5% CAGR 2020-2023e), obtaining c. EUR 3Mn in EBITDA (+24.5% CAGR 2020-2023e). And a capacity for cash generation that will leave gearing below 1x ND/EBITDA in 2023e (from 2.8x in 2021e).

THE EQUITY STORY IS CLEAR: 480S is positioning itself as a company that, in view of what we have seen in the last three years (profitable growth; reasonable gearing metrics), points to a possible (rational) step-up in size and value in the long term (beyond 2023e).

A CREDIBLE AND RATIONAL WAY TO PLAY THE DIGITAL TRANSFORMATION OF BUSINESSES. Theoretically, 480S is in the right place (SaaS and cybersecurity), at the right time (the Covid-19 crisis has accelerated the digital transformation that today is an unstoppable trend). Our 2021e estimates would trade at an EV/Sales of 3.9x, falling to c. 3x in 2023e (vs c. 8x for the software industry). This would suggest a reserve of value (albeit dependent on the business model coming up with what on paper seems feasible in the coming years).

Market Data

Market Cap (Mn EUR and USD)	55.2	66.4
EV (Mn EUR and USD) (1)	59.1	71.1
Shares Outstanding (Mn)	2.2	
-12m (Max/Med/Mín EUR)	28.20 / 22.90 / 13.30	
Daily Avg volume (-12m Mn EUR)	0.04	
Rotation(2)	n.s.	
Refinitiv / Bloomberg	480S.MC / 480S SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)(7)

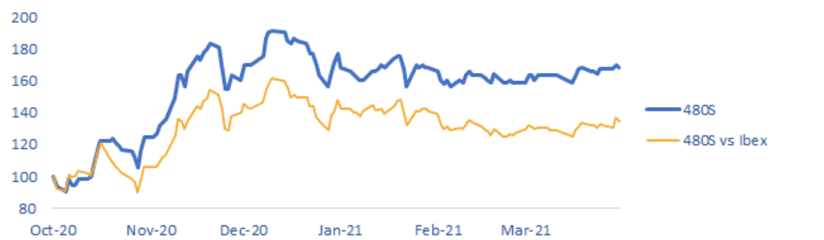
Montesinos family	22.8
Sergio Aguado Gonzalez	22.0
Alfredo Cebrián Fuertes	21.1
Pavasal Group	6.0
Free Float	24.0

Financials (Mn EUR)	2020	2021e	2022e	2023e
Adj. nº shares (Mn)	2.2	2.2	2.2	2.2
Total Revenues	11.8	15.1	17.2	19.7
Rec. EBITDA(3)	1.5	2.0	2.3	2.9
% growth	*31.2*	*32.8*	*16.5*	*24.7*
% Rec. EBITDA/Rev.	*12.7*	*13.2*	*13.5*	*14.7*
% Inc. EBITDA sector(4)	*11.7*	*19.1*	*16.4*	*14.7*
Net Profit	0.2	1.0	1.2	1.7
EPS (EUR)	0.11	0.45	0.55	0.75
% growth	*866.7*	*309.1*	*21.9*	*37.2*
Ord. EPS (EUR)	0.37	0.45	0.55	0.75
% growth	*39.3*	*20.4*	*21.9*	*37.2*
Rec. Free Cash Flow(5)	1.7	1.1	1.3	1.7
Pay-out (%)	*0.0*	*0.0*	*0.0*	*0.0*
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	3.5	5.7	4.4	2.7
ND/Rec. EBITDA (x)	2.3	2.8	1.9	0.9
ROE (%)	*6.8*	*16.5*	*16.6*	*19.0*
ROCE (%)(5)	*9.1*	*9.7*	*9.8*	*13.0*

Ratios & Multiples (x)(6)				
P/E	n.a.	55.4	45.4	33.1
Ord. P/E	66.7	55.4	45.4	33.1
P/BV	10.3	8.2	7.0	5.8
Dividend Yield (%)	*0.0*	*0.0*	*0.0*	*0.0*
EV/Sales	5.00	3.91	3.44	3.00
EV/Rec. EBITDA	39.3	29.6	25.4	20.4
EV/EBIT	*n.a.*	*41.0*	*34.2*	*25.9*
FCF Yield (%)(5)	*3.0*	*2.1*	*2.3*	*3.2*

(1) Please refer to Appendix 3.
(2) Rotation is the % of the capitalisation traded - 12m.
(3) 480S presents its financial statements under the Spanish GAAP and is not affected by the application of IFRS 16.
(4) Sector: TRBC Europe Technology Index.
(5) Please see Appendix 2 for the theoretical tax rate (ROCE) and rec. FCF calculation.
(6) Multiples and ratios calculated over prices at the date of this report.
(7) Others: Santiago Gimeno 4.1%.

Relative performance (Base 100)



Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	6.0	-4.6	n.a.	-12.1	n.a.	n.a.
vs Ibex 35	5.6	-9.1	n.a.	-16.7	n.a.	n.a.
vs Ibex Small Cap Index	9.9	-8.6	n.a.	-16.0	n.a.	n.a.
vs Eurostoxx 50	2.3	-13.2	n.a.	-21.4	n.a.	n.a.
vs Sector benchmark(4)	0.3	-10.4	n.a.	-21.2	n.a.	n.a.

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

Cuatroochenta (480S) 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.120 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).

Investment Summary

A credible and rational way to play the unstoppable digital transformation of businesses

Joining BME Growth in November 2020, 480S is a small tech company with niche software solutions, that has seen a significant step-up in size in the last two years (its growth being underpinned by intense M&A activity). This, then, is a growth story. Proforma figures explain simply what has happened (we only need to compare the revenue generated in 2020 vs 2018: EUR 11.8Mn vs EUR 2Mn) and in turn pose three key questions: is what we have seen so far sustainable? What should be expected for the most immediate future (2021e-2023e) in terms of operating results and cash generation? And, finally, but perhaps most importantly, what can we expect from a business like 480S' in the longer term?

A) 2018-2020: the ramp-up of the business (underpinned by M&A)

2018-2020: A very significant step-up in size (2020 proforma revenues: EUR 11.8Mn)...

Founded in 2011 as a company for the development of customised business software, and with a still nascent business ("quasi start-up"), in 2019 480S began intense M&A activity, adopting a strategy of downward consolidation (with five acquisitions between 2019 and 2020), integrating small players with proprietary niche software products, that fit easily into 480S' business model. A growth strategy that allowed 480S to change in three directions in 2018-2020:

... without excessively stressing profitability (2020 EBITDA margin: c. 13%)

- **A change of scale (without excessively stressing profitability):** 480S obtained proforma revenue of EUR 11.8Mn in 2020. This represents a very significant step-up in size, taking the company's business to a whole new level (vs revenue of EUR 2Mn in 2018). It has also been able to generate positive EBITDA (EUR 1.5Mn in 2020; EBITDA margin c. 13%), despite being in the middle of the ramp-up stage (which is very unusual for tech sector start-ups).

- **Business.** Diversifying its activity beyond the development of customised software with: (i) proprietary software solutions (under the SaaS model) such as Checking Plan (acquired in 2019) and Fama Systems (acquired in March 2021), (ii) new services, including the implementation of Microsoft's ERP Dynamics 365 Business Central and (iii) entry in cybersecurity, enabling 480S to extend its presence throughout the value chain of business digital transformation processes.

- **Geographical presence.** At the 2020 close, revenues generated outside Spain accounted for c. 25% of sales (compared to a traditionally local business at the beginning of 2019), with Panama and Colombia the main markets for sales outside Spain. Today, Latam is one of 480S' best opportunities for expanding its business.

Maintaining reasonable gearing levels (ND/EBITDA: 2.3x)

In conclusion, 2020 represented an evident turning point for 480S and at the start of 2021, the snapshot is that of a company that: (i) has accomplished a significant step-up in size (2020 proforma revenue: EUR 11.8Mn vs EUR 2Mn in 2018), (ii) without excessively stressing profitability (EBITDA 2020: EUR 1.5Mn; Rec. EBITDA margin 13%) and (iii) without overleveraging its financial structure (ND/EBITDA 2020: 2.3x; including pending M&A payments).

B) 2021e -2023e: strong (and credible) revenue growth. Maintaining margins (at worst)

A business capable of continuing to grow, why? The integration strategy adopted in the last two years has not only enabled 480S to take off in terms of revenue, but also to lay the foundation for the growth expected in coming years.

The main levers that we think will underpin the business in 2021e-2023e are as follows:

- **A recurrent revenue base.** 480S' solutions and products are focused on optimising very specific tasks and processes within the corporate environment (asset management, work planning, cybersecurity, etc.). Once a client has adapted their internal processes to 480S' products, the costs of changing to a new supplier are high. This implies a high recurrence of revenue (especially in the product and cybersecurity businesses; c. 53% of 2021e revenue).

- **On a scalable business.** 480S has proprietary software solutions (under the SaaS model) that are fully developed and so will not require significant additional investments to continue to grow.

- **Underpinned by the momentum of a growth sector**, driven by digital transformation processes that are a priority for many organisations at present (and in which SaaS and cybersecurity will play a crucial role).

2020-2023e: Revenue and EBITDA, +18.5% and 24.5% CAGR, respectively

What is the central scenario behind our projections for 2021e-2023e? In quantitative terms, the scenario we envisage for the period analysed should enable 480S to: (i) continue to record double-digit revenue growth (+18.5% CAGR 2020-2023e), (ii) maintain margins (c. 13% of Rec. EBITDA in the worst-case scenario) and (iii) with reasonable gearing levels (ND/EBITDA 2021e 2.8x, decreasing to c. 1x in 2023e).

...maintaining margins (at worst)

Focusing on 2021e, our estimates envisage revenue of EUR 15.1Mn (+28% vs 2020; EV/Sales 3.9x) and EBITDA of EUR 2Mn (EBITDA margin of 13.2%; in line with that seen in 2020) with net debt that will peak (EUR 5.7Mn; ND/EBITDA 2.8x) as a result of the investment effort required to acquire Fama Systems in March 2021 (a company specialising in SaaS solutions for the facility management sector).

That should take revenue to c. EUR 20Mn in 2023e. And EBITDA of c. EUR 3Mn

What about 2023e? In our opinion, from 2022e the proprietary products acquired by 480S (especially Checking Plan in 2019 and Fama Systems) will be fully consolidated in the market, with a larger sales capacity, which, together with the momentum of a growing sector, should allow 480S to grow at an annual rate of 14%, obtaining revenue of c. EUR 20Mn in 2023e (EV/Sales 2023e: 3x), boosting Rec. EBITDA to levels of c. EUR 3Mn (EBITDA margin c. 15%) and taking gearing below 1x ND/EBITDA (paving the way for continued growth via M&A; an accelerator of growth).

Table 1. Main figures (2020-2023e)

EUR Mn	2020	2021e	2022e	2023e	CAGR 20-23e
Projects	7.1	7.1	7.5	7.9	3.8%
Products	2.6	4.5	5.2	6.0	32.2%
Cybersecurity	2.1	3.4	4.5	5.8	40.2%
Total Revenues	**11.8**	**15.1**	**17.2**	**19.7**	**18.5%**
Total Revenues growth	*99.3%*	*27.8%*	*13.7%*	*14.5%*	
Gross Margin	**8.7**	**11.1**	**12.7**	**14.5**	
Operating Expenses	(7.2)	(9.1)	(10.3)	(11.6)	17.1%
Recurrent EBITDA	**1.5**	**2.0**	**2.3**	**2.9**	**24.5%**
Rec. EBITDA/Revenues	*12.7%*	*13.2%*	*13.5%*	*14.7%*	
Free Cash Flow	(1.4)	(2.5)	1.3	1.7	
Net financial debt	3.5	5.7	4.4	2.7	
ND/EBITDA Rec.	*2.3x*	*2.8x*	*1.9x*	*0.9x*	

Note: 2021e figures include the acquisition of Fama Systems (acquired in March 2021e for EUR 4.7Mn, of which EUR 1Mn had been paid in advance, and integrated in the Product business with estimated revenue of c. EUR 2Mn).

C) What can we expect from 480S in the very long term?

And in the very long term? With objective reasons for further growth

Having reached this point and simplifying greatly, today (April 2021) 480S is a small tech company with niche products specialised in the design, development and implementation of software solutions for the business environment. On paper, the Software as a Service (SaaS) and cybersecurity sectors offer an opportunity and, in our view, 480S is well placed to make the most of this:

- **A product that avoids commoditisation** (one of the sector's biggest risks).

- **A nascent business (quasi start-up),** but with a track record that suggests the potential for double-digit growth.

- **Scalability:** on paper, the capacity to lever growth on an already developed technology (being able to aspire to improvements in margins; although not before 2023e).

- **Capacity for growth via profitable M&A.** Which represents an accelerator of growth (velocity). The M&A activity seen to date suggests sensible acquisitions: an easy fit with the company's product/strategy model and without losing the focus on profitability.

Our 2021e estimates trade at an EV/Sales of 3.9x (vs 8x for the software industry).

480S' equity story today suggests a model that seeks to accelerate growth (organic, M&A and revenue synergies) without stressing the business' profitability. Today (April 2021), the scenario we envisage for 2021e-2023e should enable 480S to consolidate revenue levels of c. EUR 20Mn (+18.5% CAGR 2020-2023e), driving EBITDA generation to c. EUR 3Mn (+24.5% CAGR 2020-2023e) and with the ability to generate positive FCF that we estimate will allow for the reduction of gearing to below 1x ND/EBITDA (from 2.8x in 2021e).

Pointing to an opportunity to play the driver of the digital transformation…

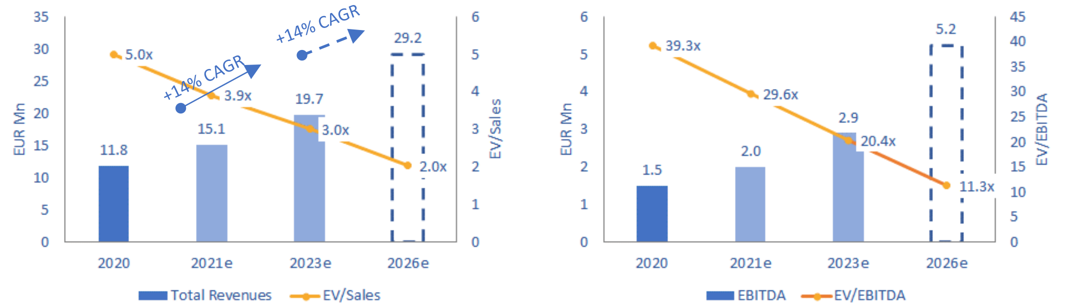
Its EV/Sales ratio today is c. 3.9x, declining to c. 3x in 2023e (vs a software industry trading at multiples of 8x sales). This points to an opportunity to play the driver that the digital transformation of businesses already represents for the tech sector. A driver that will continue to have an impact in the long term.

… a driver that will continue to have an impact in coming years (accelerating with the impact of Covid-19)

What can be expected beyond 2023e? Given the size/moment/sector of 480S' business, perhaps it is more interesting to look ahead and ask ourselves what to expect from the company over the longer term. If the estimated rate of organic growth were to continue until 2023e (c. 14% per annum excluding the non-organic growth of Fama Systems in 2021e), 480S would aspire to turnover of c. EUR 29Mn in 2026e (Chart 1). And the most important aspect, in our view, is that the potential for an improvement in margins in the longer term (post-2023e) could be much larger than estimated due to the high scalability of the Product business (that will increase in importance in the revenue mix); one of the main drivers that should allow 480S' margins to approach those of the software industry: Rec. EBITDA margin post-2023e c. 18%? This would imply EBITDA generation of EUR 5.2Mn in 2026e (Chart 1), dependent on two conditions: maintaining the organic revenue growth rates expected for the next three years (c.+14%/year) and an improvement in margins to 18% (although without reaching average levels of c. 20% for the sector in Europe).

This, in itself, represents one of the mainstays of 480S' equity story. A company that, in view of what we have seen in the last three years (profitable growth), suggests a possible (rational) step-up in size and value in the long term.

Chart 1. Theoretical L/T revenue and EBITDA performance and valuation multiples (EV/Sales, EV/EBITDA)



And that, in the long term (post-2023e), could imply a possible (rational) step-up in the business of 480S

In other words, on paper, 480S is theoretically in the right place (tech sector in general, development of software under a SaaS model and cybersecurity in particular), at the right time (the Covid-19 crisis has accelerated digital transformation processes; an unstoppable trend today). There is only one ingredient missing, the speed of revenue growth, and this depends on two strictly macro factors: the ability to renew contracts and to continue to grow the number of clients. Although perhaps the most interesting point is that already in 2021e 480S should achieve EV/Sales ratios well below those of the software industry (3.9x vs c. 8x). This would suggest a reserve of value (dependent on the business model delivering what on paper seems feasible in the next 5 years).

A small tech company with niche software solutions. At the ramp-up stage

Cuatroochenta (480S) is a small company dedicated to the design, development and implementation of cloud software for the optimisation of very specific business processes, tasks and objectives (as opposed to generalist systems consultancy). Accordingly, its solutions are supplemented by the core software of manufacturers such as SAP, Microsoft, Oracle, IBM and Google. Founded in 2011, it has been listed on BME Growth since October 2020 (Mkt. Cap EUR 55Mn).

After significant growth underpinned by M&A (with 6 acquisitions -2y; see Table 3 on the following page), revenue from outside Spain now represents c. 25% of the total (mainly in Panama). Within the segment of software companies dedicated to the development of SaaS applications, there are large, listed companies like Qualtrics International, RealPage, Descartes Systems and AppFolio. However, 480S' main peers are smaller companies such as QAD, Magic Software and American Software and local unlisted companies such as Ekon, Deiser, Stack and Mirai.

A business model focused on covering the value chain of digital transformation processes in the corporate environment…

At present, 480S operates through three business lines:

- **Projects (60% of 2020 revenue).** Development of tailored business cloud software under microservices architecture and with a multichannel range (web, mobile, IoT…), providing from consultancy services (such as needs analysis, architecture and user experience) to development, implementation, support and maintenance. In addition, with the acquisition of Ekamat (2020), 480S has a business solutions area specialising in the implementation of ERP (a partner of Microsoft) with solutions specific to the retail and textile sectors.

  With an EBITDA margin of c. 15%, this is a core activity providing not only business, but also knowledge of market needs for the development of new products.

- **Products (22% of 2020 revenue).** Proprietary software solutions under Software as a Service (SaaS) models, with recurrent revenue via annual licences. Revenue is highly recurrent (>85%; Table 2) and the EBITDA margin is high (c. 30-40% of revenue) given the scalability of the model on already developed products.

  480S has a portfolio of various proprietary SaaS products, including CheckingPlan and Fama Systems (its main products), two platforms encompassing various solutions for the Facility Services sector with modules specialised in asset management, work planning, maintenance and incident management, time registration, geomonitoring, etc. Important clients include Sareb, Clece, FCC, Ferrovial and Vodafone, among others.

- **Cybersecurity (18% of 2020 revenue).** Incorporated in 2019 after the integration of Sofistic, this business line encompasses cybersecurity consultancy services, projects and products through the sale of proprietary solutions (Uarsafe and Using) and those of third parties (with an EBITDA margin of 10%). Its core market is Central America (Panama and Colombia) and the main sectors are Banking and Critical Infrastructure.

  It has agreements with manufacturers of solutions specialised in Artificial Intelligence applied to cybersecurity: (i) Darktrace, a solution for monitoring infrastructure (networks) and (ii) Crowstrike, for the monitoring of endpoints (computers, mobile devices, etc.) via the application of AI and Machine Learning.

Chart 1. Total revenues breakdown by geography (2020)

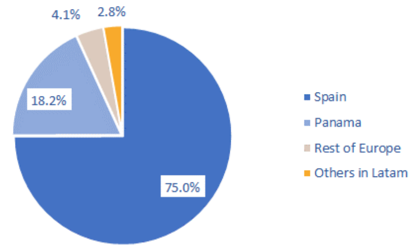


Chart 2. Total revenues by business line (2020 vs 2019)

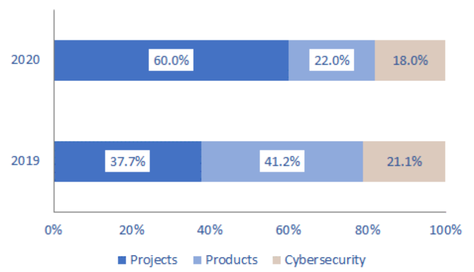


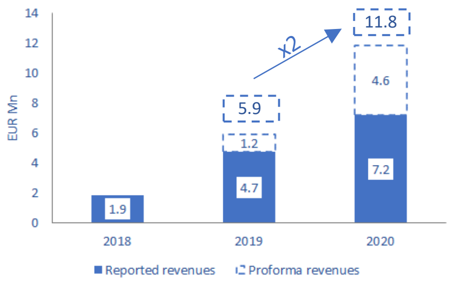
Table 1. Geographic and sector exposure by business line

	Projects	Products	Cybersecurity
Geographical presence	Spain Panama	Spain Chile (Partner)	Panama Colombia
Sector exposure	Family businesses	Facility Services and Facility Management	Banking and Critical infrastructure

Table 2. Recurrent revenue base by business line (2019)

Recurring	Business line	% o/Revenues
One-shot	Projects	13.9%
One-shot	Products	5.9%
One-shot	Cybersecurity	3.0%
Total One-shot		**22.8%**
Recurring	Projects	25.2%
Recurring	Products	38.2%
Recurring	Cybersecurity	13.7%
Total Recurring		**77.1%**

Chart 3. Proforma Revenues (2018-2020)



Note: Proforma revenues include the contributions of the companies acquired in 2019 and 2020 as if they had been acquired on January 1 (Table 3). For further information, see the financial analysis.

Chart 4. Proforma revenues by business line (2019-2020)

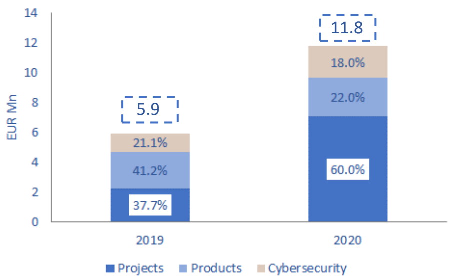
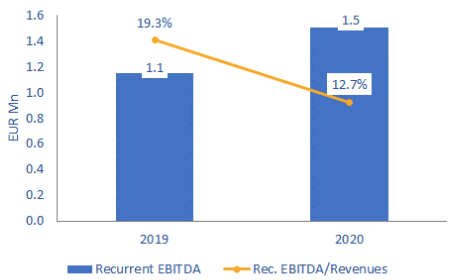


Chart 5. Proforma EBITDA and EBITDA Mg. (2019-2020)



Note: 2020 Rec. EBITDA adjusted for: (i) expenses associated with the listing on BME Growth (EUR 0.2Mn), (ii) expenses associated with M&A (EUR 0.1Mn) and (iii) capitalised expenses (EUR 0.1Mn).

...At the ramp-up stage (driven by intense M&A activity)

2019 was a real turning point for 480S with the execution of its first two corporate deals of importance; two acquisitions enabling the company to gain critical mass and taking 2019 proforma revenue to EUR 5.9Mn (vs c. EUR 2Mn in 2018; Chart 3). These two deals were: (i) Asintec Gestión (April 2019), as a result of which 480S has incorporated a SaaS product (CheckingPlan) for the Facility Services sector and (ii) Sofistic (May 2019) giving 480S entry to the cybersecurity market (with strong specialisation in the banking sector and an international presence; mainly in Panama).

However, the policy of non-organic growth did not stop there, and in 2020 and 1Q21 four new deals were closed, with the focus on the acquisition of companies that complement 480S' portfolio of proprietary solutions (Table 3), including the acquisitions of: (i) Iris-Ekamat (a Microsoft Gold partner) with experience in the implementation of ERP and (ii) Fama Systems (March 2021), a digital solutions company (SaaS) for the facility management sector (that, together with CheckingPlan, will head 480S' portfolio of proprietary products).

The intense M&A activity has enabled 480S to change in three ways:

- **Size:** 480S obtained proforma revenue of EUR 11.8Mn in 2020. This represents a very significant step-up in size taking the company's business to a whole new level (EUR 11.8Mn vs EUR EUR 2Mn in 2018; Chart 3). The acquisition of Fama System (March 2021) should provide c. EUR 2Mn of additional turnover in 2021e.

- **Business.** Diversifying its activity beyond the development of customised software, strengthening its portfolio in terms of both products, with proprietary solutions such as CheckingPlan (2019) and Fama Systems (2021), and services, including the implementation of Microsoft's ERP Business Central (which explains the growth in the revenue mix of the projects business in 2020). In addition, the company has been able to enter the cybersecurity business (18% of proforma 2020 revenue) and expand its presence throughout the value chain of digital transformation processes.

- **Geographical presence.** At present, revenues generated outside Spain account for c. 25% of sales (compared to a traditionally local business at the beginning of 2019), with Panama and Colombia the main markets for sales outside Spain.

Table 3. M&A Activity

Company acquired	Date	% stake	Business line	Price (EUR Mn)	Proforma Revenue (EUR
Asintec	Apr-19	100%	Products	3.3	2.4
Sofistic	May-19	90%	Cybersecurity	0.5	1.1
4TIC	Jul-20	100%	Projects	0.2	0.2
Ekamat	Nov-20	100%	Projects	4.2	4.0
Sofistic Colombia	Dec-20	100%	Cybersecurity	0.7	0.4
Fama Systems	Mar-21	100%	Products	4.7	2.0
				13.5	**10.1**

And profitable. Although with margins temporarily affected by the step-up in size

Non-organic growth is the quickest way, and the one chosen by 480S, to increase market share in a highly competitive industry. However, 480S has prioritised the acquisition of profitable businesses, turning its back on growth based solely on gaining in size. This has resulted in a business that is already profitable despite being in the middle of the ramp-up stage (which is unusual for tech sector start-ups).

However, the acquisition of Iris-Ekamat in 2020 (c. 35% of 2020 revenue; a smaller business), plus the strong increase in the company's structure (with a headcount of 200 at the March 2021 close vs 67 in 2019) have had a temporarily negative impact on the Rec. EBITDA margin, taking this to 12.7% (vs c. 19% in 2019; Chart 5). Despite this, we see capacity to improve margins: levering the new proprietary products acquired on the current structure (with high scalability as the technology has already been developed).

Chart 6. Net Debt (2019-2020)

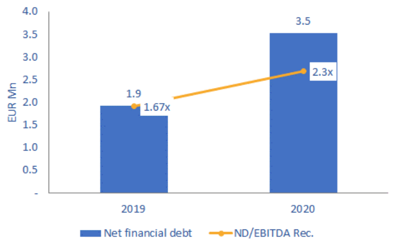
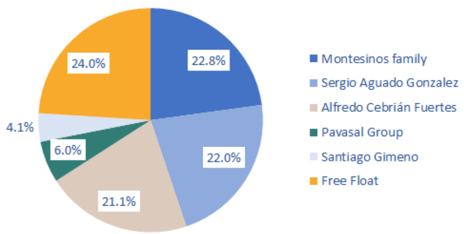


Table 4. Net Debt breakdown (2019-2020)

EUR Mn	2019	2020
Long term financial debt	1.6	3.3
Short term financial debt	0.4	0.8
Financial Debt	**2.1**	**4.1**
LT deferred M&A	0.5	0.9
ST deferred M&A	0.3	2.2
Total Debt	**2.9**	**7.2**
ST Investments	-	(0.9)
Cash	(1.0)	(2.8)
Net Debt	1.9	3.5

Chart 7. Shareholders structure (April 2021)



How has this growth been funded?

Given the size and business moment of the company, the capital necessary for its development has mainly come from two sources:

- **Successive capital increases,** including in 2020: (i) the BME Growth listing (IPO of EUR 2.5Mn; with demand 6x the amount offered), (ii) the conversion of the convertible loan granted by the Pavasal Group (EUR 0.8Mn) and (iii) capital increases via the offsetting of credit balances associated with the acquisition of Sofistic (EUR 0.3Mn).

- **Bank financing.** In February 2021, 480S signed access to new funding for a maximum amount of up to EUR 5Mn with Banco Santander's Fondo Smart. This strengthened the company's balance sheet and enabled it to acquire Fama Systems in March 2021 for EUR 4.7Mn (of which EUR 1Mn had been paid in advance).

- **Deferred M&A payments.** At the 2020 close, 480S had c. EUR 3Mn of deferred M&A payments for the following transactions: (i) Iris-Ekamat (EUR 1.9Mn), (ii) Sofistic Colombia (EUR 0.6Mn) and (iii) Asintec (EUR 0.5Mn). In addition, it had a EUR 0.9Mn balance in an investment fund pledged to obtain the guarantees provided in the Iris-Ekamat transaction (ST Investments; Table 4).

A share capital structure controlled by the Board of Directors. Ensuring full alignment of interests with the market. Free Float c. 25%.

Without institutional investors being present among the shareholders, the board of directors directly and indirectly controls 75% of capital, with the founding team holding c. 43% of capital and occupying two key positions in the management of the company (CEO and CTO).

All this ensures the full alignment of management's interests with those of minority shareholders. Free float c. 25% of capital.

In conclusion: What is 480S today?

Simplifying greatly, 480S is a small tech company with a niche strategy in the design, development and implementation of software solutions for the corporate environment whose business rests on four pillars:

- A product that avoids commoditisation (one of the sector's biggest risks).

- A nascent business (quasi startup), but whose track record (since it was founded in 2011) suggests strong growth potential.

- Scalability: on paper, strong capability to lever growth on the existing structure and to improve margins in the long term.

- Capacity for growth via profitable M&A that represents an accelerator of growth (velocity). The M&A activity seen to date suggests sensible acquisitions: an easy fit with the company's product/strategy model. And without losing the focus on profitability.

The equity story suggests a model that seeks a step-up in size (organic, M&A and revenue synergies) without stressing the business' profitability but rather seeking the (impossible?) goal of growth while improving margins.

The digital transformation is accelerating; is there another option? Everything suggests not…

Table 5. 480S market segment

Type of Company	Services	Examples
Consultants	Digital Strategy Consultancy Outsourcing. Body Shopping	Accenture, Indra, Capgemini, Ice, Altia, Babel, Hiberus, Izertis
Large Manufacturers Software Generalists	Core Software: ERP / CRM Commodity Technologies	SAP, Microsoft, Google, IBM, Cisco
Specialist Software Manufacturers	**Software Development Microservices** **Specialist Solutions**	**Ekon, Deiser, Stack, Mirai**
Distributors	Distribution of Third-Party Solutions	Seidor, GTI, EKON, Ingram Micro, Aryan Comunicaciones, Diode
Infrastructure and Systems Companies	Infrastructure Services (Cloud) Maintenance and Support	AWS, Arsys, T-systems, Gigas, Azure

480S operates in the specialised software manufacturers segment.

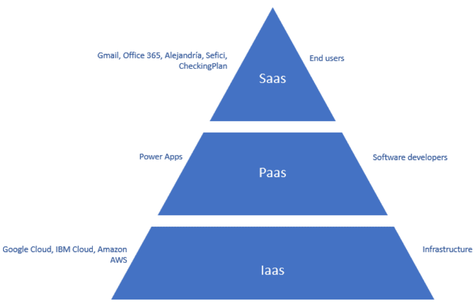
As a general rule, tech companies are not strictly single product, and cover different layers of services, overlapping vertically with other entities (innovation being a differential asset with clear added value). As an example, consultants usually have software development units for certain processes and development companies (such as 480S) can provide consultancy services.

To help visualise more clearly 480S' positioning in such a diverse sector as technology, Table 5 shows a summary of the services provided by various sector companies and 480S's positioning within this. Within the IT sector, 480S' core activities include the development and implementation of digital cloud solutions; both customised projects, such as specialised SaaS (Software as a Service) products and cybersecurity. As a result, 480S' activities play a crucial role in the digital transformation processes of its clients.

As early as 2019, a survey of 270 senior managers of Spanish companies carried out by IT Trends revealed that the areas on which they were going to allocate their IT investment were security, cloud services, the modernisation of applications, automation processes and software management. In 2020, the impact of the Covid-19 pandemic only accelerated this trend: a report prepared by Accenture in February 2021 suggested that those companies currently leading digitisation processes have a greater chance of recovering more quickly from the impact of the pandemic (c. 45% of Spanish companies are prioritising the digital transformation). This justifies the strong growth expected for businesses with exposure to technology in coming years.

Cloud solutions: an attractive market enjoying high growth (now accelerated by Covid-19)

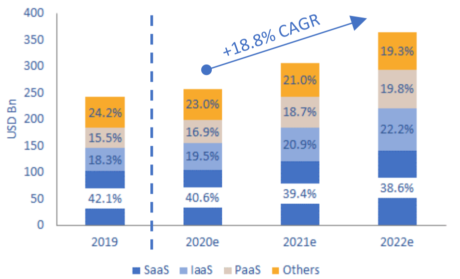
Chart 8. Cloud solutions categories



Cloud solutions can be classified into three very different categories (Chart 8): (i) software as a service (SaaS; access to specific applications run on the cloud, the segment on which 480S' business hinges), (ii) platform as a service (PaaS; working environments for the development and management of software applications) and (iii) infrastructure as a service (IaaS; providing access to IT resources such as servers or storage space).

In recent years, cloud solutions has become one of the highest growth segments in the IT sector (representing an increasingly larger slice of the total IT spend pie). This trend has been accelerated by the increase in remote working requirements as a result of the impact of Covid-19: according to Gartner data, cloud solutions will account for c. 14% of companies' total IT spend in 2024 (vs 9% in 2020). In fact, a survey carried out by Gartner in 2020 revealed that c. 70% of companies that already used cloud services planned to increase their spending on these as a result of Covid-19.

Chart 9. Worldwide Public cloud Service Revenue Forecast (2019-2022e)



Source: Gartner, July 2020. IaaS = infrastructure as a service; PaaS = platform as a service; SaaS = software as a service.

In the software business, the main difference between SaaS and traditional software (acquired through a licence) lies in the flexibility of the model that allows for scalability depending on the needs of each company at any given time. This results in a smaller initial investment: moving from a Capex to an Opex model, a business model that makes increasing sense in the current environment of continual technological disruption. Its development will mean growth for the IT sector companies that operate in this segment (at least in the short and medium term).

By volume of expenditure, software as a service (SaaS) remains the largest cloud solutions segment, generating c. USD 105Bn in 2020 (c. 40.5% of total spending; Chart 9). A segment (SaaS) for which Gartner expects a CAGR of c. 16% between 2020e and 2022e (vs c. 19% for cloud services as a whole), driven by the digital transformation efforts being made by companies to move their applications to the cloud and adapt to more flexible remote working environments.

In Europe, the strong growth enjoyed by the sector in recent years has resulted in a highly fragmented market in which small players with niche products (such as 480S) compete with large IT providers looking to expand in software markets. This is encouraging/accelerating sector concentration: YTD, 7 transactions worth > EUR 1Bn have been announced in the software sector (vs 0 in 1Q20 and 2 in 1Q19) for an average EV/Sales of 5.7x.

Focusing on Spain, where 480S carries out most of its development/sale of software under a SaaS model, we see how the software market recorded double-digit growth rates in 2015-2019, reaching a size of c. USD 8.5Bn in 2019 (+12.6% CAGR 2015-2019). Growth that, according to MarketLine, has been driven mainly by increased demand for cloud services for companies. This is expected to continue in coming years: +12.5% CAGR for 2019-2024e.

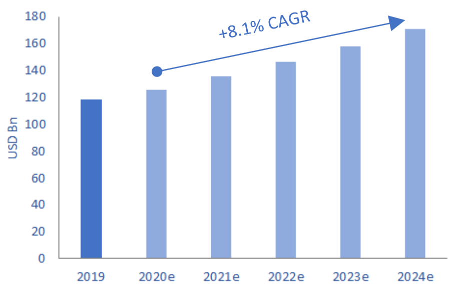
Cybersecurity: crucial to digital transformation processes

The emphasis that the whole of industry is placing on the digital transformation has shown the importance of cybersecurity, which has gone from being something reserved for large companies and infrastructures to being an almost indispensable requirement for any company (regardless of its size or business model).

Within the IT sector, the growing demand for cloud services (more exposed to cyber attacks) is expected to drive the cybersecurity segment. This means that IT departments are constantly looking for solutions to protect their data and reduce technological risk.

According to IDC (International Data Corporation) data, spending on security services reached an estimated c. USD 125Bn in 2020, growth of c. 6% vs 2019. Growth that IDC expects to accelerate as the economy recovers from the impact of Covid-19 and that should drive total spending on cybersecurity to c. USD 175Bn in 2024 (+8% CAGR 2020-2024; Chart 10).

Chart 10. Worldwide cybersecurity spending (2019-2024e)



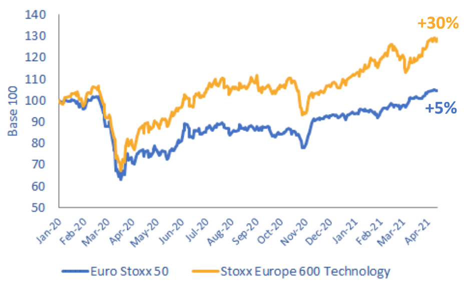
Source: IDC Worldwide Security Spending Guide, August 2020.

In conclusion, tailwinds are blowing for companies exposed to digital transformation services

The digital transformation is an unstoppable trend and Covid-19 has confirmed the value proposition of cloud services (strengthening the businesses in which 480S operates). Among the main trends identified by IT Trends that will help to underpin the digital transformation, we would highlight:

- Companies are prioritising teleworking or mixed models. This will undoubtedly impact on business models and on the technologies demanded.
- The market in the cloud is growing and consolidating, generating opportunities in a market dominated by a small number of large tech companies.
- Spending on technology is increasing, in order to accelerate the digital transformation and maintain competitiveness.
- Cybersecurity will continue to play a role as a mainstay of the digital transformation.

Chart 11. Stoxx Europe 600 Technology vs Euro Stoxx 50 (January 2020 - April 2021)



All this should drive even more (if possible) businesses with exposure to technology, something the market has not failed to notice, with the tech companies segment showing a clear outperformance vs the main indices in recent years, especially after the impact of Covid-19 (which has been an additional growth driver for the sector). In Europe, the tech companies index (Stoxx Europe 600 Technology) has significantly outperformed the EuroStoxx 50 with a spread of c. 25p.p. since January 2020 (+30% for the tech companies index vs 5% for the Eurstoxx; Chart 11). This has resulted in an increase in the EV/Sales ratio of the software companies segment in Europe to c. 8.5x in 2020 (vs a -5y average of 5.9x and c. 2x for the European market as a whole).

2021-2022e: Strong (and credible) revenue growth. Maintaining margins (at worst)

We have used proforma figures (for 2019 and 2020) throughout this report to see the impact on results of the transactions carried out in each year from January 1. In 2019 Asintec (April 2019) and Sofistic (Mau 2019) were acquired and in 2020, Iris-Ekamat (November 2020) and Sofistic Colombia (December 2020).

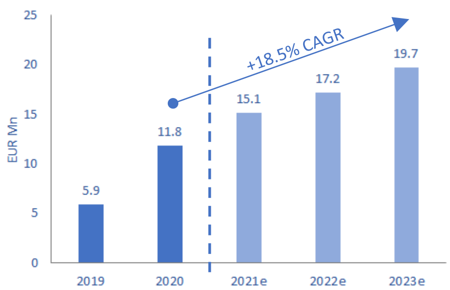
The software industry in Spain is highly fragmented, with a large number of very small companies (turnover < EUR 10Mn) and niche products. In recent years 480S has been acquiring small companies that have given it new solutions with which to broaden and strengthen its portfolio of services and products. This strategy already began to bear fruit in 2020 results with: (i) a clear step-up in size (with proforma revenue of EUR 11.8Mn vs EUR 5.9Mn in 2019), (ii) without stressing profitability (Rec. EBITDA margin c. 13%) and (iii) with a financial structure under control (2020 ND: EUR 3.5Mn; 2.3x ND/EBITDA).

Now, after this significant step-up in size in 2020, the following questions need to be answered: What is the business' capacity for organic growth? Can margins be maintained in a scenario of high growth? What is the business' capacity for cash generation? Answering these questions requires a systematic analysis of the company's P&L that should allow us to assess whether this "growth story" is sustainable (and profitable) in the mid and long term.

With the capacity to continue to grow revenue (+18.5% CAGR 2020-2023e; driven by the acquisition of Fama in March 2021)

The integration strategy adopted in recent years has not only enabled 480S to materialise the significant step-up in size seen in proforma 2020 results, but also to lay the foundation for the growth expected in coming years. In general, we would highlight:

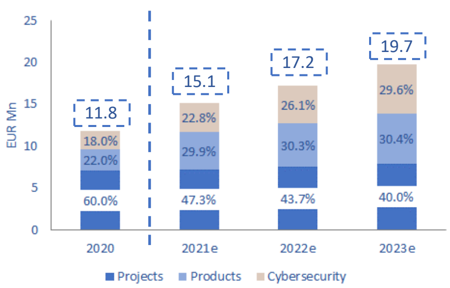
Chart 12. Total Revenues (2019-2023e)



- **A base of recurrent revenue…** 480S' solutions and products are focused on optimising very specific business tasks and processes (asset management, work planning, cybersecurity…). Once a client has adapted their internal processes to 480S' products, the costs of changing to a new supplier are high.
- **… On a scalable business.** 480S' product business has proprietary software solutions (under the SaaS model) that have been fully developed and so will not require significant additional investments to continue to grow.
- **Underpinned by the momentum of a sector in the middle of a growth stage,** driven by digital transformation processes that are a priority for many organisations at present (and where SaaS and cybersecurity will play a crucial role).

The scenario we envisage for 2021e-2023e implies an acceleration of organic revenue growth to c. EUR 20Mn in 2023e (Charts 12 and 13; +18.5% CAGR 2020-2023e). What are the main assumptions underlying our numbers? By business:

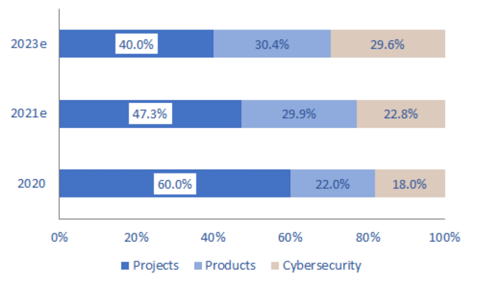
Chart 13. Revenues growth by business line (2020-2023e)



- **Product (+32% CAGR 2020-2023e).** We estimate significant growth in the Product business with a volume of c. EUR 5Mn in 2021e (vs EUR 2.6Mn in 2020) essentially due to two reasons: (i) the acquisition of Fama Systems in March 2021e, that should provide a volume of revenue of c. EUR 2Mn (85% of estimated growth in the business) and (ii) organic growth of c. 10% (mainly underpinned by the SaaS CheckingPlan product; acquired in 2019).

  From 2022e, we expect the proprietary products (CheckingPlan and Fama) to be fully established in the market and to have greater commercial capacity which should accelerate organic growth in the Product business to c. 15%/year (in line with the sector) reaching revenue levels of c. EUR 6.5Mn in 2023e (+32% CAGR 2020-2023e). This will increase the weighting of the Product business, with greater recurrence and higher margins, to c. 30% (vs 22% in 2020; Chart 13 and 14).

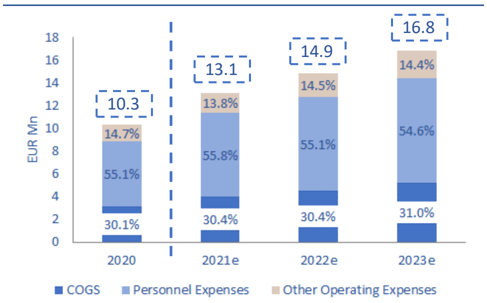
Chart 14. Revenue mix by business line (2020-2023e)



- **Cybersecurity (+40% CAGR 2020-2023e).** 2020 results show significant growth in the business with proforma turnover of EUR 2.1Mn (+70% vs 2019; +40% organic). In our view, there are sufficient reasons to continue to expect high growth rates in this segment over the estimated period. These reasons are: (i) exposure to a still nascent market and a presence in the banking sector (one of the main investors in cybersecurity systems), (ii) the acquisition of Sofistic Colombia in 2020 (that opens up a new geographical market), (iii) credible capacity for growth in Spain (currently the company's core market is Central America; from its headquarters in Panama) and (iv) the support of both third party (Darktrace and Crowdstrike) and proprietary (Uaresafe and Usign) products

- **Projects (+3.8% CAGR 2020-2023e).** Despite being the main business by revenue volume in 2020 (after the acquisition of Ekamat; implementation of Microsoft's ERP Dynamics 365 Business Central), we think 480S will focus growth efforts in the Product and Cybersecurity businesses (where the company has its own products), setting aside some of the resources of the Projects business to R+D activities (reducing its capacity for revenue growth but generating value through the development of new products and services that can subsequently be commercialised).

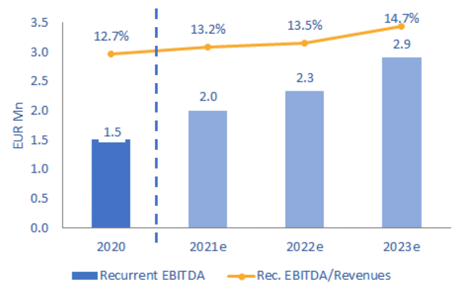
Chart 15. Cost structure (2019-2023e)



Without stressing profitability (2021e Rec. EBITDA margin: 13.2%; in line with 2020)

Despite significant growth in volume in the last two years (underpinned by intense M&A activity), 480S has prioritised the acquisition of profitable businesses, turning its back on growth based solely on gaining in size. This has resulted in a business that is already profitable despite being in the middle of the ramp-up stage (which is very unusual for tech sector start-ups). However, the acquisition of Iris-Ekamat in 2020 (a business that brings a stable customer portfolio but low margins) caused the gross margin to shrink c. 2.5p.p. to 73.7%. This, together with the sharp increase in the company's operating structure (160 employees at the 2020 close and c. 200 in March 2021 vs 67 in 2019), has temporarily penalised margins (Rec. EBITDA margin c. 13% vs c. 19% in 2019).

Chart 16. Recurrent EBITDA and Rec. EBITDA Mg. (2019-2023e)



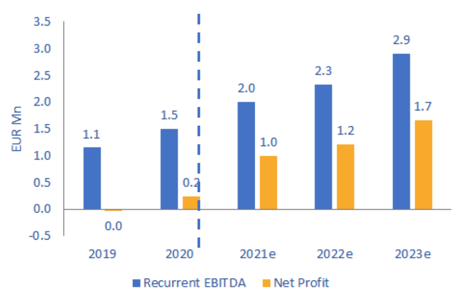
Note: 2020 Rec. EBITDA adjusted for: (i) expenses associated with the listing on BME Growth (EUR 0.2Mn), (ii) expenses associated with M&A (EUR 0.1Mn) and (iii) capitalised expenses (EUR 0.1Mn).

Personnel costs remain the principal expense item (EUR 5.7Mn in 2020; 55.1% of total costs, Chart 15). And, although one of the main strengths of a software business like 480S' is its high operating leverage, we do not expect significant economies of scale (at least until 2023e): in our view, the company will continue to invest in the development of its structure (mainly personnel expenses) to adapt this to much higher volumes of revenues than current ones. This will prevent significant margin improvements in the short term.

Accordingly, the significant revenue growth estimated for 2021e (c. +30%) should translate into a very similar year in terms of EBITDA (without stressing the company's current profitability levels). In our financial projections this is summed up in 2021e Rec. EBITDA of EUR 2Mn (+33% vs 2020; EBITDA margin 13.2%, in line with 2020).

Looking ahead to 2023e, when the integration of the companies acquired in 2020 and 2021 should have been concluded, we estimate a slight improvement in margins to 14.7% (+1,5p.p. vs 2020) and EBITDA of c. EUR 3Mn (+24.5% CAGR 2020-2023e; Chart 16). However, if estimated growth rates were to continue, the growth potential for margins in the long term (post-2023e) could be much greater than estimated (due to the high scalability of the Product business that will increase in importance in the revenue mix). This should enable 480S to take its margins closer to those of the software industry: Rec. EBITDA margin post-2023e c. 18%? This in itself represents one of the mainstays of 480S' equity story.

Chart 17. EBITDA vs Net Profit (2020-2023e)



Driving net profit to levels of EUR 1Mn in 2021e (vs EUR 0.2Mn in 2020)

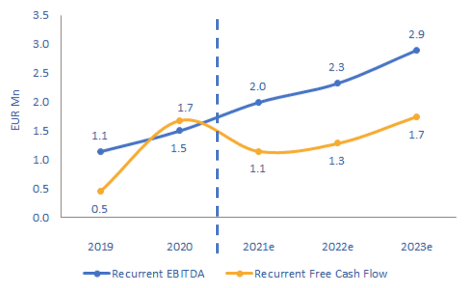
480S exceeded breakeven in net profit in 2020, with net profit of EUR 0.2Mn. The main impacts between the EBITDA and Net Profit lines are: (i) amortisation expenses, mainly intangibles associated with M&A (c. EUR 0.7Mn) and (ii) an extraordinary expense for the restatement at book value of the loan of shares entered into by the company with its three majority shareholders to meet the need for liquidity during the BME Growth market listing (impact of EUR 0.3Mn).

With no significant impact of financial costs (EUR 0.2Mn/year at most), the main items that we estimate below EBITDA for 2021e-2023e are: (i) the amortisation of intangibles (c. EUR 0.7Mn/year) and (ii) taxes (we estimate a tax rate of 22%; impact of EUR 0.3Mn in 2021e). In this respect, the company's ability to lever EBITDA growth on net profit is very high.

Free Cash Flow: EBITDA growth will accelerate cash generation (although in 2021e this will continue to be affected by M&A)

With zero CAPEX and a very small impact of financial expenses, only working capital management and taxes payable will stand between EBITDA and Recurrent FCF generation (Chart 19). Although working capital was a source of cash flow generation in 2020 (positive impact of EUR 0.8Mn) we assume the normalisation of working capital at levels of 4% of revenue in 2023e.

Chart 18. Recurrent EBITDA vs Rec. Free Cash Flow (2019-2023e)



The scenario we envisage should allow 480S to generate positive recurrent FCF in 2021e of c. EUR 1.1Mn (c. 55% of EBITDA; Rec. FCF yield 2.1%) that, due to the momentum of EBITDA growth, will increase to EUR 1.7Mn in 2023e (Rec. FCF yield 2023e 3.2%; Chart 18). Although 2021e FCF will continue to be affected by M&A: we estimate an impact of c. EUR 3.7Mn as a result of the acquisition of Fama Systems in March 2021e for EUR 4.7Mn (of which EUR 1Mn was paid in 2020).

Chart 19. From EBITDA to 2021e FCF

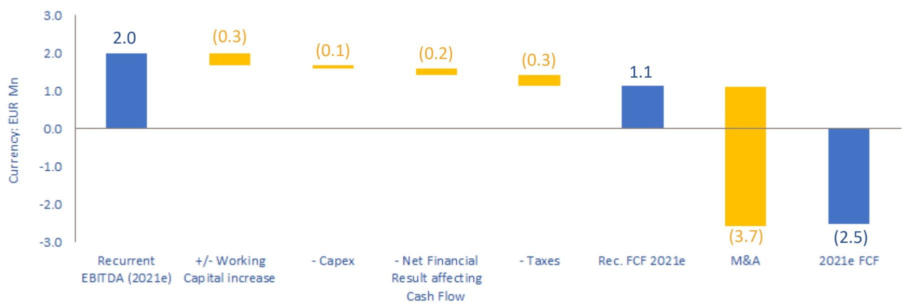
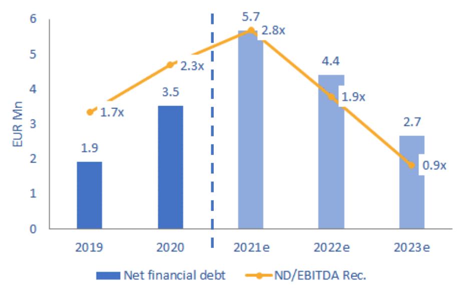


Chart 20. Net Debt (2019-2023e)



Note: 2020 net debt includes c. EUR 3Mn corresponding to amount pending payment for M&A (net of EUR 0.9Mn of short term financial assets).

Maintaining reasonable gearing levels (ND/EBITDA 2021e 2.8x)

At the 2020 close, net debt (including payments pending for M&A) increased to EUR 3.5Mn (ND/EBITDA 2020: 2.3x), mainly due to the amounts pending payment associated with non-organic growth (c. EUR 3Mn, net of EUR 0.9Mn pledged in an investment fund). In 2021e we estimate this will increase to EUR 5.7Mn, mainly due to the acquisition of Fama Systems.

Despite the significant step-up in size, gearing metrics will remain at reasonable levels until 2023e (maximum of ND/EBITDA 2021e of 2.8x) and the cash generation estimated from 2022e will enable ND/EBITDA levels to be reduced to below 2x. This will pave the way for continued growth via M&A (which represents an accelerator of growth).

In conclusion: based on 2021-2023e estimates, 480S would appear to be a good option to play the digital transformation

Despite the general context of significant uncertainty, 2020 was an important inflection point for 480S: the snapshot provided by 2020 results is that of a company that has materialised a significant step-up in size (2020 revenue: EUR 11.8Mn), without excessively stressing profitability (Rec. EBITDA margin 13%) whilst maintaining reasonable leverage metrics (ND/EBITDA 2020: 2.3x).

Today (April 2021), the scenario we envisage for 2021e-2023e should enable 480S to consolidate revenue levels of c. EUR 20Mn (+18.5% CAGR 2020-2023e), that would drive EBITDA generation to c. EUR 3Mn (+24.5% CAGR 2020-2023e; EV/EBITDA 2023e: c. 20x). And cash generation that will allow for the reduction of gearing to below 1x ND/EBITDA (from 2.8x in 2021e).

But given the size/moment/sector of 480S' business, perhaps it is more interesting to look ahead and ask ourselves what to expect from the company over the longer term. On paper, the Software as a Service (SaaS) and cybersecurity sectors offer an opportunity. And 480S is well placed to make the most of this: (i) a product that avoids commoditisation (one of the sector's biggest risks), (ii) reasonable gearing levels and (iii) a scalable business (which enables the company to aspire mathematically to strong increases in margins). Its EV/Sales ratio today is c. 3.9x, declining to c. 3x in 2023e (vs a European software industry trading at EV/Sales c. 8x). All this points to an opportunity to play the driver that the digital transformation of businesses already represents for the tech sector and especially for the product solutions segment (software). A driver that will continue to have an impact in the long term.

Valuation inputs

Inputs for the DCF Valuation Approach

	2021e	2022e	2023e	Terminal Value [1]
Free Cash Flow "To the Firm"	**(2.4)**	**1.4**	**1.9**	**n.a.**

			Best Case	Worst Case
Market Cap	**55.2**	At the date of this report		
Net financial debt	**3.5**	Debt net of Cash (12m Results 2020)		
Cost of Debt	3.0%	Net debt cost	2.8%	3.3%
Tax rate (T)	20.0%	T (Normalised tax rate)	=	=
Net debt cost	**2.4%**	**Kd = Cost of Net Debt * (1-T)**	**2.2%**	**2.6%**
Risk free rate (rf)	0.4%	Rf (10y Spanish bond yield)	=	=
Equity risk premium	9.0%	R (own estimate)	8.5%	9.5%
Beta (B)	1.2	B (Refinitiv and Lighthouse)	1.1	1.3
Cost of Equity	**11.2%**	**Ke = Rf + (R * B)**	**9.7%**	**12.7%**
Equity / (Equity + Net Debt)	94.0%	E (Market Cap as equity value)	=	=
Net Debt / (Equity + Net Debt)	6.0%	D	=	=
WACC	**10.7%**	**WACC = Kd * D + Ke * E**	**9.3%**	**12.1%**
G "Fair"	**2.5%**		**3.0%**	**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 Reuters	Mkt. Cap	P/E 21e	EPS 21e-23e	EV/EBITDA 21e	EBITDA 21e-23e	EV/Sales 21e	Revenues 21e-23e	EBITDA/Sales 21e	FCF Yield 21e	FCF 21e-23e
Qualtrics International	XM.O	14,403.0	n.a.	60.9%	n.a.	n.a.	17.9	19.1%	n.a.	n.a.	52.9%
RealPage	RP.O	7,527.3	40.9	16.1%	26.6	14.6%	7.6	10.0%	28.5%	3.0%	15.6%
Descartes Systems	DSGX.O	4,507.7	88.2	44.3%	33.4	9.1%	13.7	8.9%	41.0%	2.3%	n.a.
Appfolio	APPF.O	4,211.3	n.a.	47.1%	92.8	35.0%	14.1	17.0%	15.2%	0.5%	39.9%
QAD	QADB.O	1,204.2	n.a.	n.a.	69.8	n.a.	4.0	n.a.	5.7%	n.a.	n.a.
American Software	AMSWA.O	549.9	74.9	21.0%	47.8	24.2%	5.0	6.9%	10.5%	n.a.	n.a.
Software			**68.0**	**37.9%**	**54.1**	**20.8%**	**10.4**	**12.4%**	**20.2%**	**1.9%**	**36.2%**
Crowdstricke	CRWD.O	39,139.8	n.a.	95.9%	n.a.	67.8%	34.8	30.6%	11.8%	0.6%	51.8%
SecureWorks	SCWX.O	936.3	n.a.	53.7%	n.a.	71.4%	1.7	5.6%	n.a.	2.6%	n.a.
Absolute Software	ABST.O	591.8	90.1	35.8%	21.5	13.9%	5.0	12.4%	23.4%	4.7%	11.8%
Ciberseguridad			**90.1**	**61.8%**	**21.5**	**51.0%**	**13.8**	**16.2%**	**17.6%**	**2.6%**	**31.8%**
Cuatroochenta	**480.S**	**55.2**	**55.4**	**29.3%**	**29.6**	**20.5%**	**3.9**	**14.1%**	**13.2%**	**2.1%**	**64.1%**

Free Cash Flow sensitivity analysis (2022e)

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

Scenario	EBITDA/Sales 22e	EBITDA 22e	EV/EBITDA 22e
Max	14.9%	2.6	23.04x
Central	13.5%	2.3	25.43x
Min	12.1%	2.1	28.36x

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

Rec. FCF EUR Mn	CAPEX/Sales 22e		
EBITDA 22e	0.3%	0.5%	1.0%
2.6	1.6	1.5	1.4
2.3	1.3	1.3	1.2
2.1	1.1	1.0	1.0

Scenario	Rec. FCF/Yield 22e		
Max	2.9%	2.8%	2.6%
Central	2.4%	2.3%	2.2%
Min	2.0%	1.9%	1.7%

What could go wrong?

We consider risks to be those that could have a significant negative impact on our projections, mainly those for operating profit and free cash flow:

1. **Competition and commercial risk:** High margin businesses such as 480S's (2021e recurrent EBITDA margin of c. 13%) attract new market players, increasing competition and the commercial risk of a loss of customers and share. A deceleration of organic growth in revenue to 8% in 2021e (vs 13.7% estimated in organic terms) would mean a reduction in EBITDA of c. 10%.

2. **Sector exposure.** At present, 480S' products and solutions are focused on the Facility Services sector (through the Products business) and Banking (with the cybersecurity business). Any factor causing a deceleration or decline in either of these sectors would impact both the company's capacity for growth and the consolidated margin.

3. **The tech sector is deflationary by nature** (which is compatible with the existence of product/service niches). In an environment in which unit prices clearly tend to fall, the profitability of tech sector companies could be compromised. Aggressive price cuts by sector leaders could significantly reduce the gross margin on the products sold by 480S. A reduction in the gross margin to levels of 71.6% in 2021e (vs 73.6% estimated) would mean a reduction of c. 15% in estimated EBITDA.

4. **Exposure to emerging markets (Latam).** Although 480S is not exposed to emerging market forex risk (transactions are essentially carried out in euros or dollars), growth in Latam (Panama and Colombia) is one of the pillars of expected growth for the company in 2021e-2023e which in itself implies dependence on the region's macro and growth.

5. **Capital increases and potential dilution.** Although 480S has already reached breakeven both in EBITDA and in net profit (estimated NP for 2021e: EUR 1Mn), accelerating growth in the business could increase capital requirements (2021e ND/EBITDA: 2.8x). Given 480S's size/sector/business situation, access to new capital to fund growth will very probably mean additional equity increases (implying dilution for current shareholders).

6. **Lack of M&A discipline.** The growing corporate activity, together with the interest in small players with growth potential (especially in the tech sector), may result in increased competition in acquisition processes with the risk of value destruction (due to paying very high valuation multiples). In addition, the quest for growth (through volumes) could lead to a narrowing of margins at the consolidated level.

7. **Technological disruption:** 480's business depends directly on essentially technological products and services that have to be permanently updated so as not to become obsolete. Technological changes taken up by consumers and regulators can affect demand in the mid and long term and the ability of 480S to respond to these is, in itself, a risk.

A board with high exposure to the share price. And management in the hands of its founders and controlling shareholders

Founded in 2011 by Alfredo Cebrián (CEO) and Sergio Aguado (CTO), 480S has been traded on BME Growth since October 2020. The board of directors maintains effective control (holding 76% of capital) and is fully involved in management. There are no purely executive directors (without significant shareholdings). We would highlight the following points:

Table 6. Board of Directors

Name	Position	Category	Date	% Capital
Vicente Montesinos Contreras	Chairman	Propietary	Jul-18	22.8%
Alfredo Cebrián Fuertes	CEO	Executive	Jul-18	21.1%
Sergio Aguado González	CTO	Executive	Jul-18	22.0%
Miguel Gimeno Piquer	Boardmember	Executive	Jul-18	4.1%
Alfonso Martínez Vicente	Boardmember	Propietary	Jul-18	0.0%
Manuel Pastor Martínez[1]	Boardmember	Propietary	Jun-19	6.0%
Javier Rillo Sebastián	Boardmember	Independent	Nov-19	0.0%
Carlos Ochoa Arribas	Boardmember	Independent	Nov-19	0.0%
Zenayda Sanfeliu Gasent	Position	-	Jun-19	0.0%
Total				**76.0%**

Note: Manuel Pastor Martínez on behalf of Multiactividades Reunidas (Grupo Pavasal).

A board with high exposure to the share price ... 480S has a large board of directors comprised of 8 members (Table 6), of which 5 have significant shareholdings in the company. As a whole, the board of directors' controls 76% of 480S' capital, with a hard core (comprised of Vicente Montesinos, Alfredo Cebrián and Sergio Aguado) that has remained stable since 2013 ensuring full alignment of interests with minority shareholders. Only two board members are independent. According to the company's bylaws, the position of director is held for a term of 6 years, without prejudice to their re-election or to the power of the General Shareholders' Meeting to cause their dismissal.

... and fully involved in the management of the company, with three of its eight members being executives including Alfredo Cebrián and Sergio Aguado, founding partners of 480S, who are fully involved in the management of the company: holding the positions of CEO and CTO, respectively.

Remuneration of the board of directors. In 2020 the remuneration of the Board of Directors as a whole amounted to c. 286,000 euros (+34% vs 2019; 5% of personnel costs), broken down into the following items: (i) services provided in an amount of c. 111,000 euros (c. 144,000 euros in 2019) and (ii) remuneration as directors in an amount of c. 174,000 euros (vs c. 99,000 euros in 2019).

Remuneration of senior management. The contracts signed with senior management are comprised of the following items: (i) a fixed amount of 60,000 euros gross/year and (ii) a variable remuneration on the net margin of the business (payable in cash or in shares of 480S equivalent to the share price with a 10% discount). Finally, there are no golden parachute clauses for the management team.

Variable remuneration in shares. The objectives for obtaining the variable remuneration are: (i) 25% linked to the company's overall EBITDA, (ii) 25% linked to each business unit's EBITDA and (iii) 50% linked to individual objectives. If the employee meets the annual objectives, the number of shares to which they are entitled will be calculated according to the average share price in the month in which the assessment is made. In 2020, the amount recorded as other equity instruments corresponding to the variable remuneration of the workforce to be paid in shares amounted to EUR 0.4Mn (EUR 0.2Mn in 2019).

No shareholder remuneration is envisaged in the mid-term: The company has made no commitment in respect of dividend payments. The main focus of the company at present is the consolidation of the business' organic growth. The focus of attention, then, in the short and mid-term is to accelerate and make profitable the growth in the business. Accordingly, we estimate a pay-out of 0% for at least the next two years.

Conflicts of interest. There are no material transactions with parties related to the owners in the contracting of suppliers/clients or in the company's investment decisions. However, in 2020, 480S executed a loan of 16,043 shares with Vicente Montesinos, Alfredo Cebrián and Sergio Aguado to meet the liquidity requirements of the listing on BME Growth (due in 5 years at 3% annual interest). Its value at the 2020 close was c. EUR 0.4Mn.

Appendix 1. Financial Projections[1]

Balance Sheet (EUR Mn)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Intangible assets				2.4	3.9	3.4	2.9	2.3
Fixed assets				0.1	0.2	0.3	0.3	0.3
Other Non Current Assets				0.3	0.5	5.1	5.1	5.1
Financial Investments				0.0	1.0	0.0	0.0	0.0
Goodwill & Other Intangilbles				1.8	5.1	5.1	5.1	5.1
Current assets				1.6	2.8	3.5	4.0	4.6
Total assets				**6.2**	**13.6**	**17.4**	**17.5**	**17.5**
Equity				1.9	5.4	6.7	7.9	9.6
Minority Interests				0.0	0.1	0.1	0.1	0.1
Provisions & Other L/T Liabilities				1.1	1.4	1.4	1.4	1.4
Other Non Current Liabilities				-	-	-	-	-
Net financial debt				1.9	3.5	5.7	4.4	2.7
Current Liabilities				1.2	3.3	3.6	3.7	3.8
Equity & Total Liabilities				**6.2**	**13.6**	**17.4**	**17.5**	**17.5**

P&L (EUR Mn)	2016	2017	2018	2019	2020	2021e	2022e	2023e	CAGR 16-20	CAGR 20-23e
Total Revenues				**5.9**	**11.8**	**15.1**	**17.2**	**19.7**	***n.a.***	***18.5%***
Total Revenues growth				*n.a.*	*99.3%*	*27.8%*	*13.7%*	*14.5%*		
COGS				(1.4)	(3.1)	(4.0)	(4.5)	(5.2)		
Gross Margin				**4.5**	**8.7**	**11.1**	**12.7**	**14.5**	***n.a.***	***18.5%***
Gross Margin/Revenues				*76.2%*	*73.7%*	*73.6%*	*73.7%*	*73.6%*		
Personnel Expenses				(2.5)	(5.7)	(7.3)	(8.2)	(9.2)		
Other Operating Expenses				(0.8)	(1.5)	(1.8)	(2.2)	(2.4)		
Recurrent EBITDA				**1.1**	**1.5**	**2.0**	**2.3**	**2.9**	***n.a.***	***24.5%***
Recurrent EBITDA growth				*n.a.*	*31.2%*	*32.8%*	*16.5%*	*24.7%*		
Rec. EBITDA/Revenues				*19.3%*	*12.7%*	*13.2%*	*13.5%*	*14.7%*		
Restructuring Expense & Other non-rec.				-	(0.3)	-	-	-		
EBITDA				**1.1**	**1.2**	**2.0**	**2.3**	**2.9**	***n.a.***	***34.3%***
Depreciation & Provisions				(0.4)	(0.7)	(0.7)	(0.7)	(0.7)		
Capitalized Expense				-	0.1	0.1	0.1	0.1		
Rentals (IFRS 16 impact)				-	-	-	-	-		
EBIT				**0.7**	**0.6**	**1.4**	**1.7**	**2.3**	***n.a.***	***52.3%***
EBIT growth				*n.a.*	*-10.3%*	*123.4%*	*20.0%*	*31.8%*		
EBIT/Revenues				*12.1%*	*5.5%*	*9.5%*	*10.1%*	*11.6%*		
Impact of Goodwill & Others				-	-	-	-	-		
Net Financial Result				(0.0)	(0.1)	(0.2)	(0.2)	(0.1)		
Income by the Equity Method				-	-	-	-	-		
Ordinary Profit				**0.7**	**0.5**	**1.3**	**1.6**	**2.1**	***n.a.***	***60.0%***
Ordinary Profit Growth				*n.a.*	*-22.7%*	*144.6%*	*21.9%*	*37.2%*		
Extraordinary Results				(0.5)	(0.3)	-	-	-		
Profit Before Tax				**0.1**	**0.2**	**1.3**	**1.6**	**2.1**	***n.a.***	***n.a.***
Tax Expense				(0.2)	0.0	(0.3)	(0.3)	(0.5)		
Effective Tax Rate				*n.a.*	*n.a.*	*22.0%*	*22.0%*	*22.0%*		
Minority Interests				-	-	-	-	-		
Discontinued Activities				-	-	-	-	-		
Net Profit				**(0.0)**	**0.2**	**1.0**	**1.2**	**1.7**	***n.a.***	***89.9%***
Net Profit growth				*n.a.*	*n.a.*	*309.1%*	*21.9%*	*37.2%*		
Ordinary Net Profit				**0.5**	**0.8**	**1.0**	**1.2**	**1.7**	***n.a.***	***26.3%***
Ordinary Net Profit growth				*n.a.*	*75.1%*	*20.4%*	*21.9%*	*37.2%*		

Cash Flow (EUR Mn)	2016	2017	2018	2019	2020	2021e	2022e	2023e	CAGR 16-20	CAGR 20-23e
Recurrent EBITDA						**2.0**	**2.3**	**2.9**	***n.a.***	***24.5%***
Rentals (IFRS 16 impact)						-	-	-		
Working Capital Increase						(0.3)	(0.4)	(0.4)		
Recurrent Operating Cash Flow						**1.7**	**1.9**	**2.5**	***n.a.***	***2.9%***
CAPEX						(0.1)	(0.1)	(0.1)		
Net Financial Result affecting the Cash Flow						(0.2)	(0.2)	(0.1)		
Tax Expense						(0.3)	(0.3)	(0.5)		
Recurrent Free Cash Flow						**1.1**	**1.3**	**1.7**	***n.a.***	***1.3%***
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						(3.7)	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						**(2.5)**	**1.3**	**1.7**	***n.a.***	***47.5%***
Capital Increase						0.4	-	-		
Dividends						-	-	-		
Net Debt Variation						**2.2**	**(1.3)**	**(1.7)**		

Note 1: Proforma figures for 2019 and 2020 to include the contributions of the companies acquired in 2019 and 2020 as if they had been acquired on Jan 1 (page 7). For further information, see the financial analysis.

Appendix 2. Free Cash Flow(1)(2)

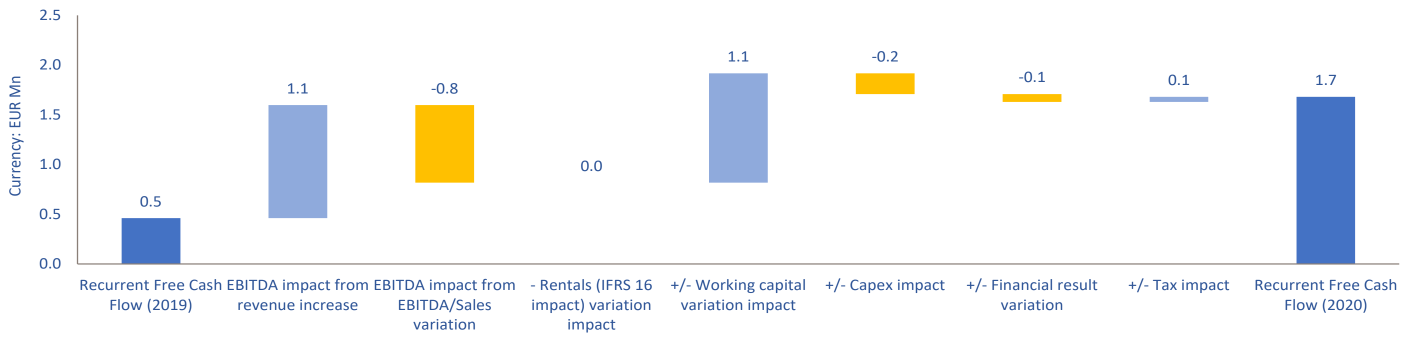
A) Cash Flow Analysis (EUR Mn)	2017	2018	2019	2020	2021e	2022e	2023e	CAGR 17-20	CAGR 20-23e
Recurrent EBITDA			**1.1**	**1.5**	**2.0**	**2.3**	**2.9**	*n.a.*	*24.5%*
Recurrent EBITDA growth			*n.a.*	*31.2%*	*32.8%*	*16.5%*	*24.7%*		
Rec. EBITDA/Revenues			*19.3%*	*12.7%*	*13.2%*	*13.5%*	*14.7%*		
- Rentals (IFRS 16 impact)			-	-	-	-	-		
+/- Working Capital increase			(0.3)	0.8	(0.3)	(0.4)	(0.4)		
= Recurrent Operating Cash Flow			**0.8**	**2.3**	**1.7**	**1.9**	**2.5**	*n.a.*	*2.9%*
Rec. Operating Cash Flow growth			*n.a.*	*181.7%*	*-26.1%*	*13.0%*	*30.4%*		
Rec. Operating Cash Flow / Sales			*13.5%*	*19.1%*	*11.0%*	*11.0%*	*12.5%*		
- CAPEX			(0.1)	(0.3)	(0.1)	(0.1)	(0.1)		
- Net Financial Result affecting Cash Flow			(0.0)	(0.1)	(0.2)	(0.2)	(0.1)		
- Taxes			(0.2)	(0.2)	(0.3)	(0.3)	(0.5)		
= Recurrent Free Cash Flow			**0.5**	**1.7**	**1.1**	**1.3**	**1.7**	*n.a.*	*1.3%*
Rec. Free Cash Flow growth			*n.a.*	*265.2%*	*-31.7%*	*11.8%*	*36.1%*		
Rec. Free Cash Flow / Revenues			*7.8%*	*14.2%*	*7.6%*	*7.5%*	*8.9%*		
- Restructuring expenses & others			-	(0.3)	-	-	-		
- Acquisitions / + Divestments			(3.1)	(2.8)	(3.7)	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow			-	-	-	-	-		
= Free Cash Flow			**(2.6)**	**(1.4)**	**(2.5)**	**1.3**	**1.7**	*n.a.*	*47.5%*
Free Cash Flow growth			*n.a.*	*45.0%*	*-74.8%*	*150.9%*	*36.1%*		
Recurrent Free Cash Flow - Yield (s/Mkt Cap)			*0.8%*	*3.0%*	*2.1%*	*2.3%*	*3.2%*		
Free Cash Flow Yield (s/Mkt Cap)			*n.a.*	*n.a.*	*n.a.*	*2.3%*	*3.2%*		

B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)	2017	2018	2019	2020	2021e	2022e	2023e
Recurrent FCF(FY - 1)				**0.5**	**1.7**	**1.1**	**1.3**
EBITDA impact from revenue increase				1.1	0.4	0.3	0.3
EBITDA impact from EBITDA/Sales variation				(0.8)	0.1	0.1	0.2
= Recurrent EBITDA variation				**0.4**	**0.5**	**0.3**	**0.6**
- Rentals (IFRS 16 impact) variation impact				-	-	-	-
+/- Working capital variation impact				1.1	(1.1)	(0.1)	0.0
= Recurrent Operating Cash Flow variation				**1.5**	**(0.6)**	**0.2**	**0.6**
+/- CAPEX impact				(0.2)	0.2	(0.0)	(0.0)
+/- Financial result variation				(0.1)	(0.0)	(0.0)	0.0
+/- Tax impact				0.1	(0.1)	(0.1)	(0.1)
= Recurrent Free Cash Flow variation				**1.2**	**(0.5)**	**0.1**	**0.5**
Recurrent Free Cash Flow				**1.7**	**1.1**	**1.3**	**1.7**

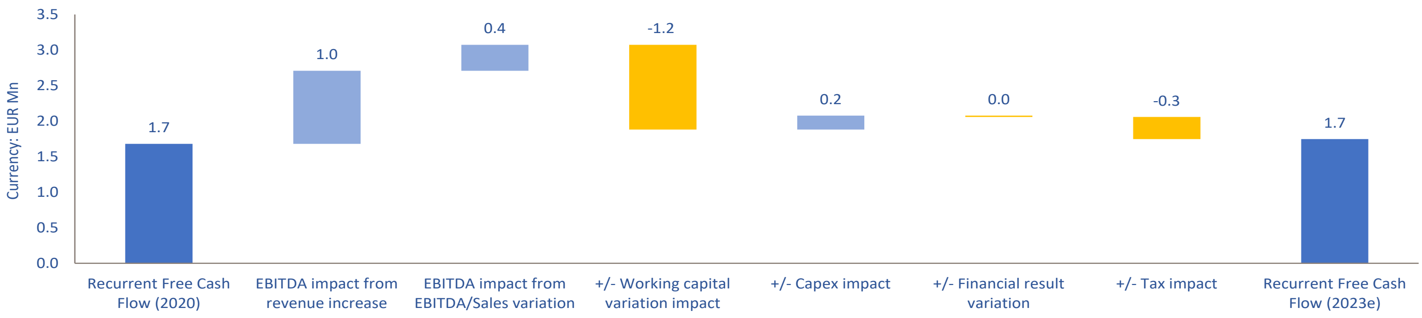
C) "FCF to the Firm" (pre debt service) (EUR Mn)	2017	2018	2019	2020	2021e	2022e	2023e	CAGR 17-20	CAGR 20-23e
EBIT			**0.7**	**0.6**	**1.4**	**1.7**	**2.3**	*n.a.*	*52.3%*
** Theoretical Tax rate*			*30.0%*	*0.0%*	*22.0%*	*22.0%*	*22.0%*		
= Taxes (pre- Net Financial Result)			(0.2)	-	(0.3)	(0.4)	(0.5)		
Recurrent EBITDA			**1.1**	**1.5**	**2.0**	**2.3**	**2.9**	*n.a.*	*24.5%*
- Rentals (IFRS 16 impact)			-	-	-	-	-		
+/- Working Capital increase			(0.3)	0.8	(0.3)	(0.4)	(0.4)		
= Recurrent Operating Cash Flow			**0.8**	**2.3**	**1.7**	**1.9**	**2.5**	*n.a.*	*2.9%*
- CAPEX			(0.1)	(0.3)	(0.1)	(0.1)	(0.1)		
- Taxes (pre- Financial Result)			(0.2)	-	(0.3)	(0.4)	(0.5)		
= Recurrent Free Cash Flow (To the Firm)			**0.5**	**2.0**	**1.3**	**1.4**	**1.9**	*n.a.*	*-1.8%*
Rec. Free Cash Flow (To the Firm) growth			*n.a.*	*293.9%*	*-35.0%*	*11.2%*	*31.0%*		
Rec. Free Cash Flow (To the Firm) / Revenues			8.4%	16.6%	8.5%	8.3%	9.5%		
- Acquisitions / + Divestments			(3.1)	(2.8)	(3.7)	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow			-	-	-	-	-		
= Free Cash Flow "To the Firm"			**(2.6)**	**(0.9)**	**(2.4)**	**1.4**	**1.9**	*n.a.*	*61.0%*
Free Cash Flow (To the Firm) growth			*n.a.*	*66.9%*	*-180.0%*	*159.3%*	*31.0%*		
Rec. Free Cash Flow To the Firm Yield (o/EV)			*0.8%*	*3.3%*	*2.2%*	*2.4%*	*3.1%*		
Free Cash Flow "To the Firm" - Yield (o/EV)			*n.a.*	*n.a.*	*n.a.*	*2.4%*	*3.1%*		

Note 1: 480S presents its financial statements under the Spanish GAAP and is not affected by the application of IFRS 16.
Note 2: Proforma figures for 2019 and 2020 to include the contributions of the companies acquired in 2019 and 2020 as if they had been acquired on Jan 1 (page 7; Table 3). For further information, see the financial analysis.

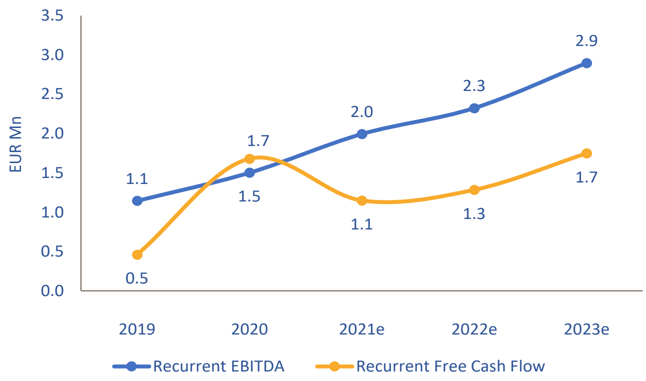
Recurrent Free Cash Flow accumulated variation analysis (2016 - 2020)



Recurrent Free Cash Flow accumulated variation analysis (2020 - 2023e)



Recurrent EBITDA vs Recurrent Free Cash Flow



Appendix 3. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	55.2	
+ Minority Interests	0.1	12m Results 2020
+ Provisions & Other L/T Liabilities	1.4	12m Results 2020
+ Net financial debt	3.5	12m Results 2020
- Financial Investments	1.0	12m Results 2020
+/- Others		12m Results 2020
Enterprise Value (EV)	**59.1**	

Appendix 4. Main peers 2021e

		Software							Cybersecurity				
	EUR Mn	Qualtrics International	RealPage	Descartes Systems	Appfolio	QAD	American Software	Average	Crowdstricke	SecureWorks	Absolute Software	Average	Cuatroochenta
Market data	Ticker (Reuters)	XM.O	RP.O	DSGX.O	APPF.O	QADB.O	AMSWA.O		CRWD.O	SCWX.O	ABST.O		480S
	Country	USA	USA	Canada	USA	USA	USA		USA	USA	Canada		Spain
	Market cap	14,403.0	7,527.3	4,507.7	4,211.3	1,204.2	549.9		39,139.8	936.3	591.8		55.2
	Enterprise value (EV)	14,233.6	8,077.6	4,396.6	4,071.2	1,096.3	466.1		38,159.8	753.3	493.2		59.1
Basic financial information	Total Revenues	793.9	1,065.7	321.0	288.3	274.9	92.8		1,097.5	449.3	98.2		15.1
	Total Revenues growth	25.1%	10.7%	10.8%	11.9%	7.4%	-3.3%	10.4%	51.0%	-3.6%	12.9%	20.1%	27.8%
	2y CAGR (2021e - 2023e)	19.1%	10.0%	8.9%	17.0%	n.a.	6.9%	12.4%	30.6%	5.6%	12.4%	16.2%	14.1%
	EBITDA	(9.2)	304.2	131.8	43.9	15.7	9.8		129.2	(11.6)	23.0		2.0
	EBITDA growth	95.2%	40.1%	18.4%	44.4%	-3.2%	-17.0%	29.6%	419.7%	-259.1%	-5.2%	51.8%	66.6%
	2y CAGR (2021e - 2023e)	n.a.	14.6%	9.1%	35.0%	n.a.	24.2%	20.8%	67.8%	71.4%	13.9%	51.0%	20.5%
	EBITDA/Revenues	n.a.	28.5%	41.0%	15.2%	5.7%	10.5%	20.2%	11.8%	n.a.	23.4%	17.6%	13.2%
	EBIT	(35.3)	268.1	74.0	14.9	9.7	5.7		84.1	(23.9)	11.0		1.4
	EBIT growth	83.3%	163.6%	23.3%	82.7%	-7.9%	13.6%	59.8%	214.0%	12.2%	-13.6%	70.9%	123.4%
	2y CAGR (2021e - 2023e)	57.4%	5.0%	14.6%	65.0%	n.a.	52.8%	39.0%	93.4%	42.8%	25.8%	54.0%	25.7%
	EBIT/Revenues	n.a.	25.2%	23.1%	5.2%	3.5%	6.2%	12.6%	7.7%	n.a.	11.2%	9.4%	9.5%
	Net Profit	(74.6)	182.5	51.8	13.8	6.2	7.4		57.7	(18.8)	7.5		1.0
	Net Profit growth	67.1%	374.1%	19.6%	-89.5%	-32.2%	32.9%	62.0%	174.9%	-3.1%	-14.7%	52.4%	309.1%
	2y CAGR (2021e - 2023e)	61.4%	3.3%	16.1%	48.1%	n.a.	22.7%	30.3%	n.a.	53.8%	29.6%	41.7%	29.3%
	CAPEX/Sales %	5.9%	5.0%	1.5%	6.7%	n.a.	0.5%	3.9%	8.7%	0.7%	n.a.	4.7%	-0.5%
	Free Cash Flow	(74.5)	226.9	104.1	19.4	n.a.	n.a.		220.9	23.9	27.8		(2.5)
	Net financial debt	78.8	(79.8)	(138.8)	(127.8)	n.a.	(80.2)		(1,087.0)	(140.3)	(98.6)		5.7
	ND/EBITDA (x)	n.a.	(0.3)	(1.1)	(2.9)	n.a.	(8.2)	(3.1)	(8.4)	n.a.	(4.3)	(6.4)	2.8
	Pay-out	0.0%	n.a.	0.0%	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	n.a.	0.0%	0.0%
Multiples and Ratios	P/E (x)	n.a.	40.9	88.2	n.a.	n.a.	74.9	68.0	n.a.	n.a.	90.1	90.1	55.4
	P/BV (x)	n.a.	5.2	6.1	15.2	n.a.	n.a.	8.8	n.a.	1.7	n.a.	1.7	8.2
	EV/Revenues (x)	17.9	7.6	13.7	14.1	4.0	5.0	10.4	34.8	1.7	5.0	13.8	3.9
	EV/EBITDA (x)	n.a.	26.6	33.4	92.8	69.8	47.8	54.1	n.a.	n.a.	21.5	21.5	29.6
	EV/EBIT (x)	n.a.	30.1	59.4	n.a.	n.a.	81.6	57.0	n.a.	n.a.	45.0	45.0	41.0
	ROE	75.4	12.8	9.2	8.0	n.a.	n.a.	26.4	3.7	n.a.	n.a.	3.7	16.5
	FCF Yield (%)	n.a.	3.0	2.3	0.5	n.a.	n.a.	1.9	0.6	2.6	4.7	2.6	2.1
	DPS	0.00	n.a.	0.00	n.a.	n.a.	n.a.	0.00	0.00	0.00	n.a.	0.00	0.00
	Dvd Yield	0.0%	n.a.	0.0%	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	n.a.	0.0%	0.0%

Note 1: Financial data, multiples and ratios based on market consensus (Refinitiv). In the case of the company analyzed, own estimates (Lighthouse).
Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
22-Apr-2021	n.a.	24.80	n.a.	n.a.	Initiation of Coverage	David López Sánchez