

Analysar

28 March 2022

Buy

from Neutral

Share price: EUR 1.78

closing price as of 25/03/2022

Target price: EUR 2.50

from Target Price: EUR 2.08

Upside/Downside Potential 40.6%

Reuters/Bloomberg

CATN.MC/COM SM

Market capitalisation (EURm) 33

Current N° of shares (m) 19

Free float 60%

Daily avg. no. trad. sh. 12 mth (k) 122

Daily avg. trad. vol. 12 mth (k) 30.26

Price high/low 12 months 2.31 / 0.28

Abs Perfs 1/3/12 mths (%) -7.77/4.40/477.92

Key financials (EUR) 12/21 12/22e 12/23e

Sales (m) 9 12 16

EBITDA (m) 2 3 6

EBITDA margin 23.4% 29.8% 35.5%

EBIT (m) 2 3 5

EBIT margin 17.8% 25.3% 32.0%

Net Profit (adj.)(m) 1 2 4

ROCE 46.2% 67.9% 90.7%

Net debt/(cash) (m) 1 (0) (3)

Net Debt/Equity 0.6 0.0 -0.3

Debt/EBITDA 0.6 0.0 -0.5

Int. cover(EBITDA/Fin. int) 29.1 36.6 53.6

EV/Sales 3.7 2.8 1.9

EV/EBITDA 15.6 9.4 5.3

EV/EBITDA (adj.) 15.6 9.4 5.3

EV/EBIT 20.5 11.1 5.9

P/E (adj.) 24.4 15.6 9.0

P/BV 13.7 7.7 4.2

OpFCF yield 1.7% 4.4% 8.1%

Dividend yield 0.0% 0.0% 0.0%

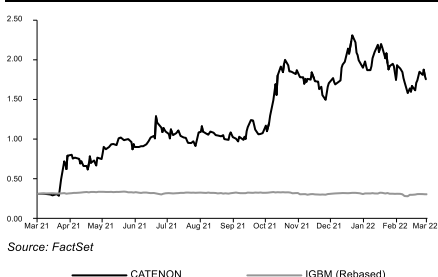
EPS (adj.) 0.07 0.11 0.20

BVPS 0.12 0.23 0.42

DPS 0.00 0.00 0.00

Shareholders

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



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2021 annual accounts confirms recovery

The facts: Last Friday Catenon presented its audited annual accounts for the year 2021, confirming the earnings preview presented.

Our analysis: These results show +57% growth in revenues in 2021, boosted by the three business lines.

The Covid-19 continues to put Catenon's business model into value, based on its delocalisation, remote working, digitalisation processes and the capacity to respond in real-time. Revenues grow +47% during the year, boosted by the growth in Revenue Managers and greater contribution to the Company.

The Partners activity has grown +103% boosted by the opening of new franchises during the year.

Growth in the Talent Hacker's activity has been exceptional (+390%) boosted by the growth in demand for technological and digital profiles, offering a unique solution to the market based on data intelligence and the application of the nodal distribution technology with paid professional references of job offers for these profiles.

At the financial level, the situation is healthy, with net debt rising to EUR1.2m (ND/EBITDA 0.6x) and the Company having generated positive FCF of EUR0.5m in 2021, which endorses Catenon's business model.

The Company continues to execute its strategic plan well, achieving noteworthy growths with growing margins, cash generated and low debt.

En el negocio de Partners, el crecimiento fue del +103% empujado por la apertura de nuevas franquicias durante el ejercicio.

Conclusion: we have rolled over our estimates and increase our fair value to EUR2.50/share, with 43% upside potential. In our opinion, the Company currently offers a good entrance opportunity and thus we upgrade our recommendation to Buy.

In our opinion, the Company has left past doubts behind, and the new roadmap is promising. The new Talent Hackers business line is showing very robust growths and the technological profiles continue to rise thus the potential is very high.

Our valuation offers a conservative outlook that sets a valuation floor that we will update according to the results presented by the Company. The implied multiples of our valuation are conservative.

	2021e	2022e	2023e	2024e	2025e
EV/Sales	5.6x	4.1x	3.1x	2.3x	1.8x
EV/EBITDA	26.3x	15.3x	9.3x	6.4x	5.0x
P/E	36.6x	22.0x	12.7x	8.5x	6.6x