

6m Results 2023

 Opinion ⁽¹⁾: In line

 Impact ⁽¹⁾: We will maintain our estimates

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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. 60% of capital.

1H23: accelerating growth in EBITDA

Market Data

Market Cap (Mn EUR and USD)	21.4	22.7
EV (Mn EUR and USD) ⁽²⁾	29.8	31.6
Shares Outstanding (Mn)	2.7	
-12m (Max/Med/Min EUR)	12.00 / 9.85 / 7.70	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽³⁾	7.8	
Factset / Bloomberg	480S-ES / 480S SM	
Close fiscal year	31-Dec	

Shareholders Structure (%) ⁽⁷⁾

Montesinos family	19.4
Sergio Aguado Gonzalez	17.0
Alfredo Cebrián Fuertes	16.5
Pavasal Group	6.3
Free Float	34.2

Financials (Mn EUR)

	2022	2023e	2024e	2025e
Adj. nº shares (Mn)	2.7	2.7	2.7	2.7
Total Revenues	18.7	23.3	27.2	31.4
Rec. EBITDA	0.7	2.2	3.8	5.9
% growth	-23.0	206.2	73.1	54.4
% Rec. EBITDA/Rev.	3.8	9.4	14.0	18.7
% Inc. EBITDA sector ⁽⁴⁾	15.6	8.5	21.5	16.1
Net Profit	-1.1	0.7	2.0	3.7
EPS (EUR)	-0.40	0.27	0.73	1.35
% growth	-247.7	167.4	170.0	83.8
Ord. EPS (EUR)	-0.17	0.27	0.73	1.35
% growth	-827.8	256.4	170.0	83.8
Rec. Free Cash Flow ⁽⁵⁾	-2.4	-0.5	0.9	2.5
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	6.4	6.9	6.0	3.5
ND/Rec. EBITDA (x)	8.9	3.2	1.6	0.6
ROE (%)	n.a.	7.0	16.7	24.9
ROCE (%) ⁽⁵⁾	n.a.	4.8	10.9	18.2

Ratios & Multiples (x) ⁽⁶⁾

	2022	2023e	2024e	2025e
P/E	n.a.	28.9	10.7	5.8
Ord. P/E	n.a.	28.9	10.7	5.8
P/BV	2.1	2.0	1.7	1.3
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	1.60	1.28	1.10	0.95
EV/Rec. EBITDA	41.7	13.6	7.9	5.1
EV/EBIT	n.a.	26.2	11.0	6.3
FCF Yield (%) ⁽⁵⁾	n.a.	n.a.	4.1	11.8

ONGOING SHARP TOPLINE GROWTH (+26% VS. 1H22) ... In 1H23, 480S generated EUR 10.7Mn of revenue, marking sharp growth (+26.4% vs. 1S22) thanks to: (i) strong organic growth (+20% vs. 1H22) underpinned by a solid recurring revenue base (boosted in particular by the cybersecurity unit); and (ii) the impact (EUR 0.5Mn; c.6% vs. 1H22) of the Cloud Factory S.L. acquisition.

WITH RECURRING REVENUE INCREASING ITS SHARE OF THE MIX. In 1H23 recurring revenue accounted for 65% of the total (EUR 12.8Mn) compared to 38% and 62% in 2020 and 2022, respectively. Topline growth is being driven by 480S' focus on marketing solutions that produce recurring and scalable revenue (e.g., SaaS product licences or subscriptions, regular maintenance, etc.). The company's annualised recurring revenue (ARR), calculated based on recurring revenue as of June, stands at EUR 12.8Mn (+8% from year-end 2022).

ALTHOUGH THE SHIFT IN REVENUE MIX IS ERODING THE GROSS MARGIN... The 1H23 gross margin came in at 68.2% (vs. 72.6% in 1H22). A contraction of 4.4pp vs. 1H22 due mainly to the bigger weight of the cybersecurity business in the revenue mix (a lower-margin business as it includes the sale of third-party licences).

... RECURRING EBITDA GENERATION IS ACCELERATING Thanks to 480S' high operational gearing (which we expect to trigger intense EBITDA growth in 2H23) and progress on integrating the newly acquired businesses, while containing staff and other operating costs (so reducing their relative weight), recurring EBITDA increased to EUR 0.6Mn (vs. EUR 0.2Mn in 1H22 and EUR 0.2Mn in 1Q23).

IN SHORT, WE ARE REITERATING OUR ESTIMATES WITH THE STOCK CLOSE TO ALL-TIME LOWS AND FLAG GROWING MOMENTUM AT 480S ANTICIPATED IN 2H23 The 1H23 results are fully in line with our expectations for revenue and, despite the gross margin contraction (due to the revenue mix), this set of earnings continues to display the expected recovery in the EBITDA margin. We think that margin will continue to climb towards c.9% (vs c.4% in 2022). The risk of having to cut our forecasts remains low for now. With the share price trading at close to record lows, our 2025e forecasts imply an EV/rec. EBITDA 25e multiple of 5.1x and a P/E 25e multiple of < 6.0x. And a FCF yield of 11.8%.

Relative performance (Base 100)


Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	-1.9	-14.7	-31.7	-16.5	n.a.	n.a.
vs Ibex 35	-2.4	-15.8	-44.8	-26.8	n.a.	n.a.
vs Ibex Small Cap Index	0.7	-12.1	-39.6	-22.1	n.a.	n.a.
vs Eurostoxx 50	-0.3	-12.5	-45.2	-24.0	n.a.	n.a.
vs Sector benchmark ⁽⁴⁾	1.4	-8.3	-45.5	-25.8	n.a.	n.a.

(1) The opinion regarding the results is on reported EBITDA with respect to our estimate for the year (12m). The impact reflects whether, due to the results, we envisage a significant revision (>5% - 10%, depending on the sector) of our EBITDA estimate (for any of the estimated years).

(2) Please refer to Appendix 3.

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

(4) Sector: Stoxx Europe 600 Technology.

(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: Gimeno 111 Estudio de comunicación S.L. 3.3%, Angel López Domenech 1.8%, Inveready 1.4%

(*) Unless otherwise indicated, all the information contained in this report is based on: The Company, Factset 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.140 companies listed on it. Companies listed on the MAB can choose to present their financial statements under IFRS or the General Accounting Plan (PGC) and Royal Decree 1159/2010 (NOFCAC).

6m Results 2023
1Q23 Results

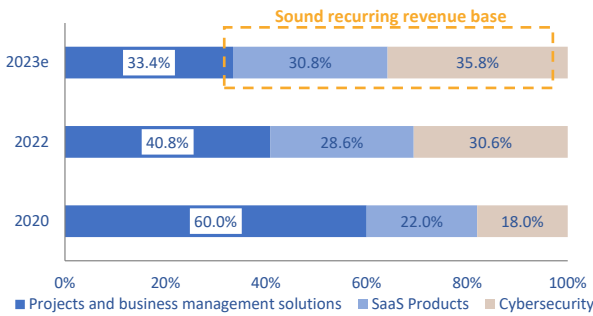
EUR Mn	6m23 Real	6m22	6m23 Real vs 6m22	2023e	2023e vs 2022
Total Revenues	10.7	8.4	26.4%	23.3	25.0%
Gross margin	7.3	6.1	18.8%	16.8	26.5%
<i>Gross Margin (%)</i>	<i>68.2%</i>	<i>72.6%</i>	<i>-4.4 p.p.</i>	<i>72.1%</i>	<i>0.8 p.p.</i>
Personnel expenses	-5.5	-4.7	16.3%	-11.5	16.0%
Other operating expenses	-1.2	-1.2	-1.3%	-3.1	17.1%
Recurrent EBITDA¹	0.6	0.2	n.a.	2.2	206.2%
<i>Rec. EBITDA/Revenues</i>	<i>5.8%</i>	<i>2.6%</i>	<i>3.2 p.p.</i>	<i>9.4%</i>	<i>5.6 p.p.</i>
EBITDA¹	0.6	0.2	n.a.	2.2	320.9%
<i>EBITDA/Revenues</i>	<i>5.8%</i>	<i>2.4%</i>	<i>3.4 p.p.</i>	<i>9.4%</i>	<i>6.6 p.p.</i>
EBIT	-0.1	-0.1	13.4%	1.1	354.3%

Note 1: EBITDA and Rec. EBITDA adjusted to exclude the impact of capitalised expenses (EUR 0.4Mn in 1S22 and EUR 0.4Mn in 1S23).

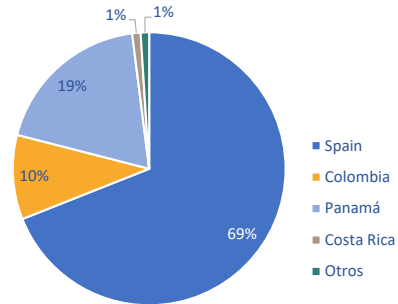
Note 2: Reporting revenue and EBITDA figures do not include the share of profits of Pavabits (50%-owned) or Matrix Development (100%-owned by Pavabits), accounted for using the equity method. These companies obtained revenue of EUR 1.4Mn and pro-forma EBITDA of EUR 0.5Mn in 2022.

The company in 8 charts

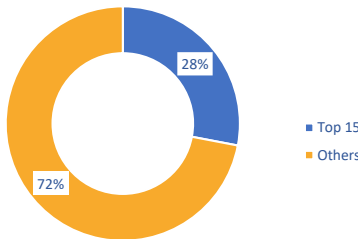
Diversified by both business (focus on SaaS and cybersecurity) ...



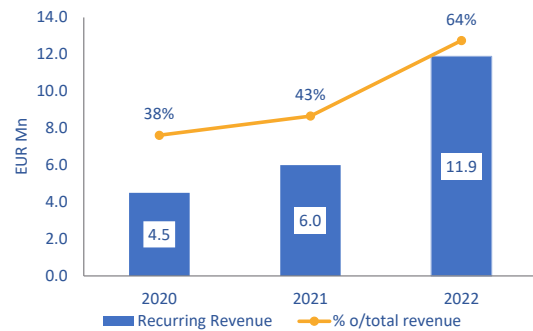
... and geographically (31% of total sales outside Sapin at the date of this report)



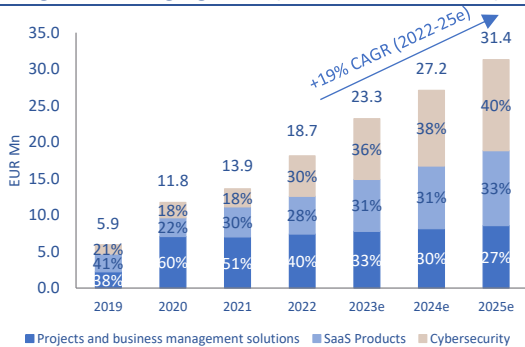
And with low customer concentration; the 15 largest customers account for just 28% of revenue



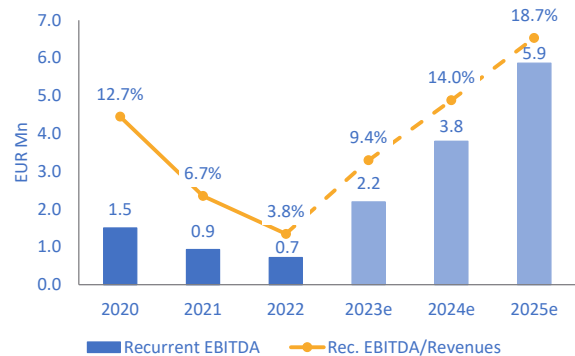
480S boasts a scalable business model and a sound recurring revenue base



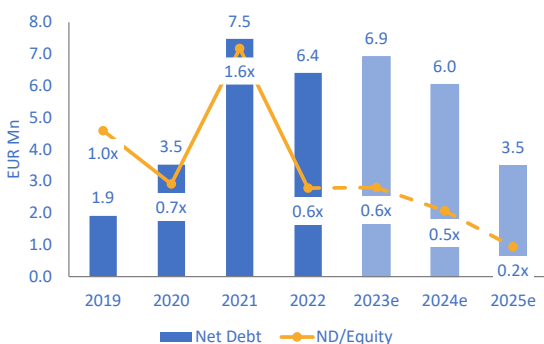
The focus on SaaS and cybersecurity should enable 480S to deliver high double-digit growth (+19% CAGR 2022-25e)



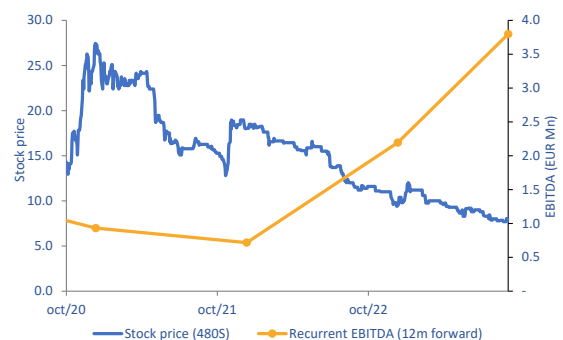
And aspire "mathematically" to wider margins (simply as a result of the company's operating leverage)



The strong growth forecast for EBITDA leaves scope to deleverage



In conclusión: 480S regains momentum with the share price near all-time lows



Valuation inputs

Inputs for the DCF Valuation Approach

	2023e	2024e	2025e	Terminal Value ⁽¹⁾		
Free Cash Flow "To the Firm"	(0.2)	1.2	2.8	42.6		
Market Cap	21.4	At the date of this report				
Net financial debt	7.0	Debt net of Cash (6m Results 2023)				
					Best Case	Worst Case
Cost of Debt	5.0%	Net debt cost			4.8%	5.3%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	4.0%	Kd = Cost of Net Debt * (1-T)			3.8%	4.2%
Risk free rate (rf)	3.9%	Rf (10y Spanish bond yield)			=	=
Equity risk premium	6.0%	R (own estimate)			5.5%	6.5%
Beta (B)	1.2	B (own estimate)			1.1	1.3
Cost of Equity	11.1%	Ke = Rf + (R * B)			9.9%	12.3%
Equity / (Equity + Net Debt)	75.3%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	24.7%	D			=	=
WACC	9.3%	WACC = Kd * D + Ke * E			8.4%	10.3%
G "Fair"	2.5%				3.0%	2.0%

(1) The terminal value reflects the NAV of FCF beyond the period estimated with the WACC and G of the central scenario.

Inputs for the Multiples Valuation Approach

Company	Ticker Factset	Mkt. Cap	P/E 23e	EPS 23e-25e	EV/EBITDA 23e	EBITDA 23e-25e	EV/Sales 23e	Revenues 23e-25e	EBITDA/Sales 23e	FCF Yield 23e	FCF 23e-25e
Descartes Systems	DSG-CA	5,779.7	52.6	14.2%	23.9	n.a.	10.2	n.a.	42.8%	3.3%	n.a.
Appfolio	APPF-US	6,073.1	n.a.	70.4%	n.a.	66.4%	10.6	23.2%	10.5%	0.5%	n.a.
American Software	AMSWA-US	371.8	26.0	n.a.	16.8	n.a.	2.4	n.a.	14.0%	n.a.	n.a.
Software			39.3	42.3%	20.4	66.4%	7.7	23.2%	22.4%	1.9%	n.a.
CrowdStrike	CRWD-US	36,102.1	56.7	25.5%	49.9	33.1%	11.8	26.6%	23.7%	2.4%	32.6%
SecureWorks	SCWX-US	478.6	n.a.	47.5%	n.a.	n.a.	1.2	-0.3%	n.a.	n.a.	n.a.
Cybersecurity			56.7	46.1%	49.9	25.3%	6.5	13.7%	23.8%	2.4%	42.1%
480S	480S-ES	21.4	28.9	n.a.	13.6	63.5%	1.3	16.1%	9.4%	n.a.	n.a.

Free Cash Flow sensitivity analysis (2024e)

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

Scenario	EBITDA/Sales 24e	EBITDA 24e	EV/EBITDA 24e
Max	15.4%	4.2	7.1x
Central	14.0%	3.8	7.9x
Min	12.6%	3.4	8.7x

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

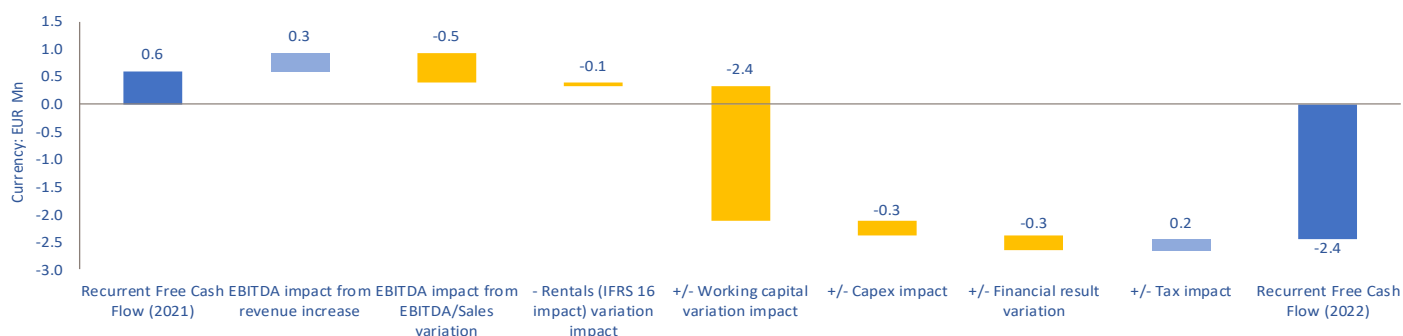
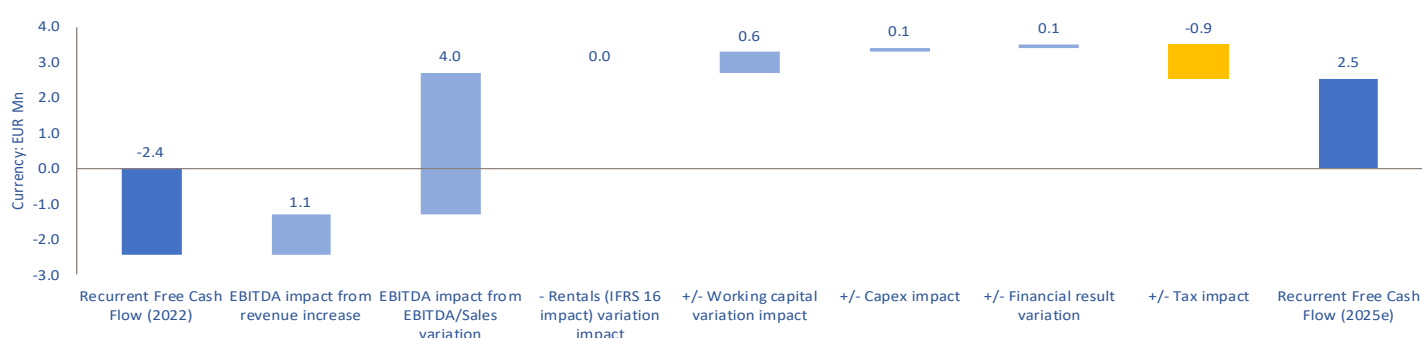
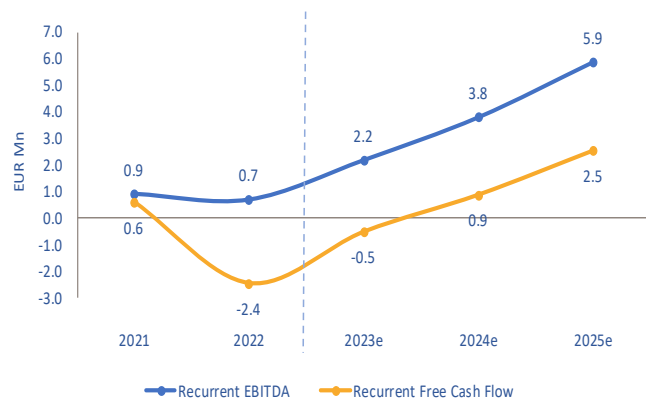
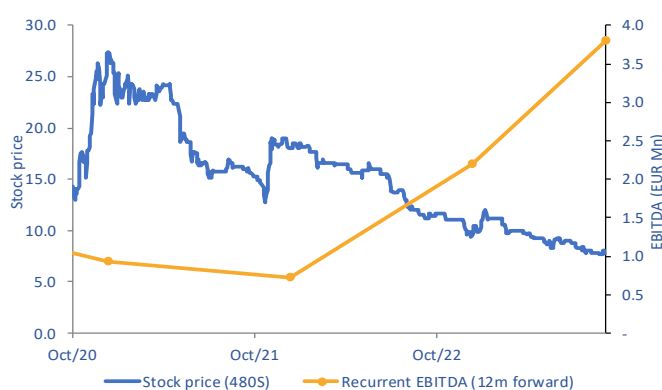
Rec. FCF EUR Mn	CAPEX/Sales 24e				Scenario	Rec. FCF/Yield 24e		
EBITDA 24e	3.2%	3.6%	4.0%		Max	6.4%	5.9%	5.4%
4.2	1.4	1.3	1.1	➔	Central	4.6%	4.1%	3.6%
3.8	1.0	0.9	0.8		Min	2.8%	2.3%	1.8%
3.4	0.6	0.5	0.4					

Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
Intangible assets	-	2.4	3.9	8.1	8.8	8.2	7.6	7.0		
Fixed assets	-	0.1	0.2	0.4	0.5	1.3	2.1	2.9		
Other Non Current Assets	-	0.3	0.5	0.5	1.9	1.9	1.9	1.9		
Financial Investments	-	0.0	1.0	0.1	0.2	0.4	0.6	0.8		
Goodwill & Other Intangibles	-	1.8	5.1	7.2	8.3	8.3	8.3	8.3		
Current assets	-	1.6	2.8	4.3	8.0	9.3	10.3	11.4		
Total assets	-	6.2	13.6	20.6	27.8	29.4	30.9	32.3		
Equity	-	1.9	5.4	4.6	10.2	11.0	13.0	16.6		
Minority Interests	-	0.0	0.1	0.0	0.0	0.0	0.0	0.0		
Provisions & Other L/T Liabilities	-	1.1	1.4	1.7	1.9	1.9	1.9	1.9		
Other Non Current Liabilities	-	-	-	1.0	1.0	1.0	1.0	1.0		
Net financial debt	-	1.9	3.5	7.5	6.4	6.9	6.0	3.5		
Current Liabilities	-	1.2	3.3	5.8	8.2	8.5	8.9	9.2		
Equity & Total Liabilities	-	6.2	13.6	20.6	27.8	29.4	30.9	32.3		
P&L (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	18-22	22-25e
Total Revenues	-	5.9	11.8	13.9	18.7	23.3	27.2	31.4	<i>n.a.</i>	<i>19.0%</i>
<i>Total Revenues growth</i>	<i>n.a.</i>	<i>n.a.</i>	<i>99.3%</i>	<i>17.3%</i>	<i>34.5%</i>	<i>25.0%</i>	<i>16.7%</i>	<i>15.4%</i>		
COGS	-	(1.4)	(3.1)	(3.8)	(5.4)	(6.5)	(7.3)	(8.1)		
Gross Margin	-	4.5	8.7	10.1	13.3	16.8	19.9	23.3	<i>n.a.</i>	<i>20.5%</i>
<i>Gross Margin/Revenues</i>	<i>n.a.</i>	<i>76.2%</i>	<i>73.7%</i>	<i>72.6%</i>	<i>71.3%</i>	<i>72.1%</i>	<i>73.1%</i>	<i>74.1%</i>		
Personnel Expenses	-	(2.5)	(5.7)	(7.4)	(9.9)	(11.5)	(12.6)	(13.6)		
Other Operating Expenses	-	(0.8)	(1.5)	(1.7)	(2.6)	(3.1)	(3.5)	(3.8)		
Recurrent EBITDA	-	1.1	1.5	0.9	0.7	2.2	3.8	5.9	<i>n.a.</i>	<i>n.a.</i>
<i>Recurrent EBITDA growth</i>	<i>n.a.</i>	<i>n.a.</i>	<i>31.2%</i>	<i>-38.1%</i>	<i>-23.0%</i>	<i>206.2%</i>	<i>73.1%</i>	<i>54.4%</i>		
<i>Rec. EBITDA/Revenues</i>	<i>n.a.</i>	<i>19.3%</i>	<i>12.7%</i>	<i>6.7%</i>	<i>3.8%</i>	<i>9.4%</i>	<i>14.0%</i>	<i>18.7%</i>		
Restructuring Expense & Other non-rec.	-	-	(0.3)	(0.1)	(0.2)	-	-	-		
EBITDA	-	1.1	1.2	0.8	0.5	2.2	3.8	5.9	<i>n.a.</i>	<i>n.a.</i>
Depreciation & Provisions	-	(0.4)	(0.7)	(1.1)	(1.5)	(1.5)	(1.6)	(1.6)		
Capitalized Expense	-	-	0.1	0.6	0.8	0.8	0.8	0.8		
Rentals (IFRS 16 impact)	-	-	-	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)		
EBIT	-	0.7	0.6	0.1	(0.4)	1.1	2.7	4.7	<i>n.a.</i>	<i>n.a.</i>
<i>EBIT growth</i>	<i>n.a.</i>	<i>n.a.</i>	<i>-10.3%</i>	<i>-91.3%</i>	<i>-894.2%</i>	<i>354.3%</i>	<i>137.7%</i>	<i>75.0%</i>		
<i>EBIT/Revenues</i>	<i>n.a.</i>	<i>12.1%</i>	<i>5.5%</i>	<i>0.4%</i>	<i>n.a.</i>	<i>4.9%</i>	<i>9.9%</i>	<i>15.1%</i>		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	-	(0.0)	(0.1)	(0.1)	(0.4)	(0.4)	(0.4)	(0.3)		
Income by the Equity Method	-	-	-	(0.0)	0.2	0.2	0.2	0.2		
Ordinary Profit	-	0.7	0.5	(0.1)	(0.7)	0.9	2.5	4.6	<i>n.a.</i>	<i>n.a.</i>
<i>Ordinary Profit Growth</i>	<i>n.a.</i>	<i>n.a.</i>	<i>-22.7%</i>	<i>-124.9%</i>	<i>-415.9%</i>	<i>238.1%</i>	<i>170.0%</i>	<i>83.8%</i>		
Extraordinary Results	-	(0.5)	(0.3)	-	-	-	-	-		
Profit Before Tax	-	0.1	0.2	(0.1)	(0.7)	0.9	2.5	4.6	<i>n.a.</i>	<i>n.a.</i>
Tax Expense	-	(0.2)	0.0	(0.1)	0.0	(0.2)	(0.5)	(0.9)		
<i>Effective Tax Rate</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>20.0%</i>	<i>20.0%</i>	<i>20.0%</i>		
Minority Interests	-	-	-	0.0	0.0	-	-	-		
Discontinued Activities	-	-	-	-	(0.5)	-	-	-		
Net Profit	-	(0.0)	0.2	(0.2)	(1.1)	0.7	2.0	3.7	<i>n.a.</i>	<i>74.8%</i>
<i>Net Profit growth</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>-184.1%</i>	<i>-436.9%</i>	<i>167.4%</i>	<i>170.0%</i>	<i>83.8%</i>		
Ordinary Net Profit	-	0.5	0.8	(0.0)	(0.5)	0.7	2.0	3.7	<i>n.a.</i>	<i>n.a.</i>
<i>Ordinary Net Profit growth</i>	<i>n.a.</i>	<i>n.a.</i>	<i>75.1%</i>	<i>-104.0%</i>	<i>n.a.</i>	<i>256.4%</i>	<i>170.0%</i>	<i>83.8%</i>		
Cash Flow (EUR Mn)	2018	2019	2020	2021	2022	2023e	2024e	2025e	18-22	22-25e
Recurrent EBITDA	-	-	-	-	-	2.2	3.8	5.9	<i>n.a.</i>	<i>n.a.</i>
Rentals (IFRS 16 impact)	-	-	-	-	-	(0.3)	(0.3)	(0.3)		
Working Capital Increase	-	-	-	-	-	(0.9)	(0.7)	(0.8)		
Recurrent Operating Cash Flow	-	-	-	-	-	1.0	2.7	4.8	<i>n.a.</i>	<i>90.3%</i>
CAPEX	-	-	-	-	-	(0.9)	(1.0)	(1.0)		
Net Financial Result affecting the Cash Flow	-	-	-	-	-	(0.4)	(0.4)	(0.3)		
Tax Expense	-	-	-	-	-	(0.2)	(0.5)	(0.9)		
Recurrent Free Cash Flow	-	-	-	-	-	(0.5)	0.9	2.5	<i>n.a.</i>	<i>44.8%</i>
Restructuring Expense & Other non-rec.	-	-	-	-	-	-	-	-		
- Acquisitions / + Divestures of assets	-	-	-	-	-	-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow	-	-	-	-	-	-	-	-		
Free Cash Flow	-	-	-	-	-	(0.5)	0.9	2.5	<i>n.a.</i>	<i>34.5%</i>
Capital Increase	-	-	-	-	-	-	-	-		
Dividends	-	-	-	-	-	-	-	-		
Net Debt Variation	-	-	-	-	-	0.5	(0.9)	(2.5)		

Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
								19-22	22-25e
Recurrent EBITDA	1.1	1.5	0.9	0.7	2.2	3.8	5.9	-14.5%	n.a.
<i>Recurrent EBITDA growth</i>	<i>n.a.</i>	<i>31.2%</i>	<i>-38.1%</i>	<i>-23.0%</i>	<i>206.2%</i>	<i>73.1%</i>	<i>54.4%</i>		
<i>Rec. EBITDA/Revenues</i>	<i>19.3%</i>	<i>12.7%</i>	<i>6.7%</i>	<i>3.8%</i>	<i>9.4%</i>	<i>14.0%</i>	<i>18.7%</i>		
- Rentals (IFRS 16 impact)	-	-	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)		
+/- Working Capital increase	(0.3)	0.8	1.1	(1.4)	(0.9)	(0.7)	(0.8)		
= Recurrent Operating Cash Flow	0.8	2.3	1.7	(1.0)	1.0	2.7	4.8	-47.5%	90.3%
<i>Rec. Operating Cash Flow growth</i>	<i>n.a.</i>	<i>181.7%</i>	<i>-22.9%</i>	<i>-155.8%</i>	<i>203.1%</i>	<i>174.3%</i>	<i>73.1%</i>		
<i>Rec. Operating Cash Flow / Sales</i>	<i>13.5%</i>	<i>19.1%</i>	<i>12.6%</i>	<i>n.a.</i>	<i>4.3%</i>	<i>10.1%</i>	<i>15.1%</i>		
- CAPEX	(0.1)	(0.3)	(0.8)	(1.1)	(0.9)	(1.0)	(1.0)		
- Net Financial Result affecting Cash Flow	(0.0)	(0.1)	(0.1)	(0.4)	(0.4)	(0.4)	(0.3)		
- Taxes	(0.2)	(0.2)	(0.2)	0.0	(0.2)	(0.5)	(0.9)		
= Recurrent Free Cash Flow	0.5	1.7	0.6	(2.4)	(0.5)	0.9	2.5	-94.1%	44.8%
<i>Rec. Free Cash Flow growth</i>	<i>n.a.</i>	<i>265.2%</i>	<i>-64.1%</i>	<i>-505.2%</i>	<i>79.0%</i>	<i>270.9%</i>	<i>189.3%</i>		
<i>Rec. Free Cash Flow / Revenues</i>	<i>7.8%</i>	<i>14.2%</i>	<i>4.4%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>3.2%</i>	<i>8.1%</i>		
- Restructuring expenses & others	-	(0.3)	(0.1)	(0.2)	-	-	-		
- Acquisitions / + Divestments	(3.1)	(2.8)	(3.8)	(3.2)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow	(2.6)	(1.4)	(3.3)	(5.8)	(0.5)	0.9	2.5	-30.6%	34.5%
<i>Free Cash Flow growth</i>	<i>n.a.</i>	<i>45.0%</i>	<i>-129.8%</i>	<i>-76.0%</i>	<i>91.2%</i>	<i>270.9%</i>	<i>189.3%</i>		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	<i>2.1%</i>	<i>7.8%</i>	<i>2.8%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>4.1%</i>	<i>11.8%</i>		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>4.1%</i>	<i>11.8%</i>		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
	2019	2020	2021	2022	2023e	2024e	2025e		
Recurrent FCF(FY - 1)	-	0.5	1.7	0.6	(2.4)	(0.5)	0.9		
EBITDA impact from revenue increase	n.a.	1.1	0.3	0.3	0.2	0.4	0.6		
EBITDA impact from EBITDA/Sales variation	n.a.	(0.8)	(0.8)	(0.5)	1.3	1.2	1.5		
= Recurrent EBITDA variation	n.a.	0.4	(0.6)	(0.2)	1.5	1.6	2.1		
- Rentals (IFRS 16 impact) variation impact	-	-	(0.3)	(0.1)	-	-	-		
+/- Working capital variation impact	(0.3)	1.1	0.3	(2.4)	0.5	0.1	(0.1)		
= Recurrent Operating Cash Flow variation	(0.3)	1.5	(0.5)	(2.7)	2.0	1.7	2.0		
+/- CAPEX impact	(0.1)	(0.2)	(0.5)	(0.3)	0.2	(0.0)	0.0		
+/- Financial result variation	(0.0)	(0.1)	(0.0)	(0.3)	0.0	0.0	0.1		
+/- Tax impact	(0.2)	0.1	(0.0)	0.2	(0.2)	(0.3)	(0.4)		
= Recurrent Free Cash Flow variation	(0.7)	1.2	(1.1)	(3.0)	1.9	1.4	1.7		
Recurrent Free Cash Flow	(0.7)	1.7	0.6	(2.4)	(0.5)	0.9	2.5		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
	2019	2020	2021	2022	2023e	2024e	2025e	CAGR	
EBIT	0.7	0.6	0.1	(0.4)	1.1	2.7	4.7	-37.9%	n.a.
* Theoretical Tax rate	30.0%	0.0%	0.0%	0.0%	20.0%	20.0%	20.0%		
= Taxes (pre- Net Financial Result)	(0.2)	-	-	-	(0.2)	(0.5)	(0.9)		
Recurrent EBITDA	1.1	1.5	0.9	0.7	2.2	3.8	5.9	-14.5%	n.a.
- Rentals (IFRS 16 impact)	-	-	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)		
+/- Working Capital increase	(0.3)	0.8	1.1	(1.4)	(0.9)	(0.7)	(0.8)		
= Recurrent Operating Cash Flow	0.8	2.3	1.7	(1.0)	1.0	2.7	4.8	-47.5%	90.3%
- CAPEX	(0.1)	(0.3)	(0.8)	(1.1)	(0.9)	(1.0)	(1.0)		
- Taxes (pre- Financial Result)	(0.2)	-	-	-	(0.2)	(0.5)	(0.9)		
= Recurrent Free Cash Flow (To the Firm)	0.5	2.0	0.9	(2.1)	(0.2)	1.2	2.8	-83.1%	50.0%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	<i>n.a.</i>	<i>293.9%</i>	<i>-52.8%</i>	<i>-322.7%</i>	<i>92.3%</i>	<i>870.6%</i>	<i>131.2%</i>		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	<i>8.4%</i>	<i>16.6%</i>	<i>6.7%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>4.5%</i>	<i>9.0%</i>		
- Acquisitions / + Divestments	(3.1)	(2.8)	(3.8)	(3.2)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow "To the Firm"	(2.6)	(0.9)	(2.9)	(5.3)	(0.2)	1.2	2.8	-26.8%	36.4%
<i>Free Cash Flow (To the Firm) growth</i>	<i>n.a.</i>	<i>66.9%</i>	<i>-240.4%</i>	<i>-80.8%</i>	<i>97.0%</i>	<i>870.6%</i>	<i>131.2%</i>		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	<i>1.7%</i>	<i>6.6%</i>	<i>3.1%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>4.1%</i>	<i>9.5%</i>		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>4.1%</i>	<i>9.5%</i>		

Recurrent Free Cash Flow accumulated variation analysis (2018 - 2022)

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

Recurrent EBITDA vs Recurrent Free Cash Flow

Stock performance vs EBITDA 12m forward

Appendix 3. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	21.4	
+ Minority Interests	0.0	6m Results 2023
+ Provisions & Other L/T Liabilities	1.7	6m Results 2023
+ Net financial debt	7.0	6m Results 2023
- Financial Investments	0.4	6m Results 2023
+/- Others		
Enterprise Value (EV)	29.8	

Appendix 4. Main peers 2023e

Market data	EUR Mn	Software			Cybersecurity			480S
		Descartes Systems	Appfolio	American Software	Average	CrowdStrike	SecureWorks	
Ticker (Factset)		DSG-CA	APPF-US	AMSWA-US		CRWD-US	SCWX-US	480S-ES
Country		Canada	USA	USA		USA	USA	Spain
Market cap		5,779.7	6,073.1	371.8		36,102.1	478.6	21.4
Enterprise value (EV)		5,575.6	5,958.4	263.2		33,885.3	426.5	29.8
Basic financial information								
Total Revenues		545.5	564.2	111.9		2,871.7	342.1	23.3
Total Revenues growth		22.4%	26.5%	-4.3%	14.8%	35.5%	-21.9%	12.9%
2y CAGR (2023e - 2025e)		n.a.	23.2%	n.a.	23.2%	26.6%	-0.3%	13.7%
EBITDA		233.3	59.3	15.6		679.4	(31.9)	2.2
EBITDA growth		25.6%	274.1%	24.9%	108.2%	867.4%	61.4%	338.4%
2y CAGR (2023e - 2025e)		n.a.	66.4%	n.a.	66.4%	33.1%	n.a.	25.3%
EBITDA/Revenues		42.8%	10.5%	14.0%	22.4%	23.7%	n.a.	23.7%
EBIT		147.8	(24.1)	11.6		568.9	(29.4)	1.1
EBIT growth		17.4%	64.7%	22.0%	34.7%	421.0%	76.5%	194.7%
2y CAGR (2023e - 2025e)		n.a.	n.a.	n.a.	n.a.	34.2%	83.2%	58.7%
EBIT/Revenues		27.1%	n.a.	10.4%	18.7%	19.8%	n.a.	19.8%
Net Profit		110.8	18.7	9.5		649.1	(33.2)	0.7
Net Profit growth		18.1%	129.0%	-3.6%	47.9%	474.7%	69.3%	181.2%
2y CAGR (2023e - 2025e)		n.a.	n.a.	n.a.	n.a.	27.3%	77.2%	49.6%
CAPEX/Sales %		1.1%	1.4%	2.0%	1.5%	7.3%	1.8%	3.7%
Free Cash Flow		190.8	31.8	n.a.		875.1	(75.7)	(0.5)
Net financial debt		(86.1)	(43.3)	(112.8)		(2,724.7)	5.3	6.9
ND/EBITDA (x)		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.2
Pay-out		n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%
Multiples and Ratios								
P/E (x)		52.6	n.a.	26.0	39.3	56.7	n.a.	56.7
P/BV (x)		n.a.	n.a.	n.a.	n.a.	17.3	1.0	9.1
EV/Revenues (x)		10.2	10.6	2.4	7.7	11.8	1.2	6.5
EV/EBITDA (x)		23.9	n.a.	16.8	20.4	49.9	n.a.	49.9
EV/EBIT (x)		37.7	n.a.	22.6	30.2	n.a.	n.a.	n.a.
ROE		n.a.	n.a.	n.a.	n.a.	30.4	n.a.	30.4
FCF Yield (%)		3.3	0.5	n.a.	1.9	2.4	n.a.	2.4
DPS		n.a.	n.a.	n.a.	n.a.	0.00	0.00	0.00
Dvd Yield		n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%

Note 1: Financial data, multiples and ratios based on market consensus (Factset). In the case of the company analyzed, own estimates (Lighthouse).

Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

LIGHTHOUSE

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
26-Sep-2023	n.a.	7.85	n.a.	n.a.	6m Results 2023	Enrique Andres Abad
15-Jun-2023	n.a.	9.15	n.a.	n.a.	3m Results 2023	David López Sánchez
12-Jun-2023	n.a.	8.30	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
25-Apr-2023	n.a.	9.75	n.a.	n.a.	12m Results 2022	David López Sánchez
23-Dec-2022	n.a.	9.80	n.a.	n.a.	9m Results 2022	David López Sánchez
06-Oct-2022	n.a.	11.20	n.a.	n.a.	6m Results 2022 - Estimates downgrade	David López Sánchez
09-Jun-2022	n.a.	16.60	n.a.	n.a.	3m Results 2022	David López Sánchez
18-Mar-2022	n.a.	16.64	n.a.	n.a.	12m 2021 Preliminary results	David López Sánchez
01-Dec-2021	n.a.	18.83	n.a.	n.a.	9m Results 2021 - Estimates downgrade	David López Sánchez
07-Oct-2021	n.a.	15.96	n.a.	n.a.	6m Results 2021	David López Sánchez
22-Apr-2021	n.a.	24.14	n.a.	n.a.	Initiation of Coverage	David López Sánchez

