

Company Update

Reason: Estimates revision

23 October 2023

Buy

Recommendation unchanged

Share price: EUR 8.30

closing price as of 20/10/2023

Target price: EUR 11.50

from Target Price: EUR 10.70

Upside/Downside Potential 38.5%

Reuters/Bloomberg

IZER.MC/IZER SM

Market capitalisation (EURm) 219

Current N° of shares (m) 26

Free float 32%

Daily avg. no. trad. sh. 12 mth (k) 9

Daily avg. trad. vol. 12 mth (k) 162.85

Price high/low 12 months 8.60 / 7.56

Abs Perfs 1/3/12 mths (%) 0.00/6.96/1.72

Key financials (EUR) 12/22 12/23e 12/24e

Sales (m) 88 125 156

EBITDA (m) 12 19 24

EBITDA margin 13.6% 15.3% 15.3%

EBIT (m) 6 11 13

EBIT margin 6.9% 9.0% 8.6%

Net Profit (adj.)(m) 4 5 7

ROCE 6.2% 9.3% 10.4%

Net debt/(cash) (m) 34 45 49

Net Debt Equity 0.7 0.7 0.7

Net Debt/EBITDA 2.8 2.4 2.1

Int. cover(EBITDA/Fin.int) 6.4 5.4 6.1

EV/Sales 2.7 2.1 1.7

EV/EBITDA 19.6 13.7 11.1

EV/EBITDA (adj.) 19.6 13.7 11.1

EV/EBIT 38.8 23.4 19.8

P/E (adj.) nm 40.0 32.0

P/BV 4.2 3.6 3.2

OpFCF yield -0.4% 4.0% 6.7%

Dividend yield 0.0% 0.0% 0.0%

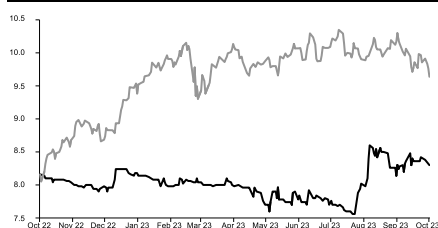
EPS (adj.) 0.15 0.21 0.26

BVPS 1.94 2.30 2.56

DPS 0.00 0.00 0.00

Shareholders

Laren Capital, S.L.U. 52%; Management Team 14%; Autocartera 2%;



Source: FactSet

IZERTIS IBEX 35 (Rebased)

Analyst(s)

Juan Peña

juan.pena@gvcgaesco.es

+34 91 436 78 16

Further boost to growth

We review the company's estimates following the presentation of first-half results, the latest acquisitions and new projections based on the market situation. The main novelty is in relation to the margin, which the company is managing to increase significantly thanks to the change in the revenue mix, increasing the weight of higher value-added revenues.

- ✓ The company presented its first half results in early October, showing strong revenue growth (+44.5%), impacted by the acquisitions made during 2022 and 2023 (approximately 2/3 of this growth comes from inorganic) and also by the company's organic growth (c.+15% in the half year) derived from both the increase in clients and the number and volume of projects with them.
- ✓ At gross margin level, the improvement of the revenue mix towards higher value-added services, led to a growth of +49% in the half year and margin growth of 2.1pp vs H122.
- ✓ Fixed costs (personnel and overheads) grew in the same proportion as revenues (+46.2%) thanks to synergies from acquisitions and cost control despite the strong impact of inflation. As a result, normalized EBITDA margin grew in line with gross margin (+2.1pp), reaching a significant 15%.
- ✓ The macro situation impacts the company with a significant rise in interest rates (+EUR1.2m yoy) and causes the half year net result to remain in line vs H122.
- ✓ The company has acquired during the year two companies: Autentia and Techsociety, which will contribute c.EUR3m of additional EBITDA, above our estimates (c.EUR1.5m of incremental EBITDA per year from M&A). Conversely, net debt is higher than our estimates (EUR46m vs EUR41m at year-end estimate).
- ✓ At the cash level, we estimate that the company is able to generate positive FCF with an M&A capex level of around EUR15m going forward, thanks to EBITDA growth. For FY23 we estimate a FCF of c.EUR-5m due to the acquisitions made. Thanks to this positive FCF generation, we estimate a deleveraging from 2.5x DN/EBITDA at the end of FY23 to c.1x in 2027. As proof of the company's financial solvency, Ethifinance recently upgraded its rating to BB+.
- ✓ Based on these higher forecasts for this and future years, we have updated our estimates to adapt to this scenario and reach a target price of EUR11.5 per share, with a potential of c.+40% on current prices. We reiterate our Buy recommendation.
- ✓ It is worth noting the stability of the share price during the year despite the poor performance of BME Growth and S&M Caps in general.

CONTENTS

Investment Case

Focus 1

Focus 2

Valuation written in style ESN-title 1

DCF valuation written in ESN –title 2

Multiple comparison

ESG Focus

ESG Scorecards

ESG Positioning

SDGs

¡Error! Marcador no definido.

¡Error! Marcador no definido.

¡Error! Marcador no definido.

3

¡Error! Marcador no definido.

¡Error! Marcador no definido.

¡Error! Marcador no definido.

¡Error! Marcador no definido.

¡Error! Marcador no definido.

¡Error! Marcador no definido.

H123 results

IZERTIS. POST-H1'23 RESULTS.

EURm	H1'22	H1'23	Δ% y/y
Total income	41.4	59.9	44.5%
Supplies	-8.13	-10.5	28.7%
Gross margin	33.3	49.4	48.4%
% gross margin	80.4%	82.5%	2.1pp
Personnel costs	-26.0	-37.9	46.1%
Other general costs	-2.0	-3.0	47.1%
Other results	0.0	-0.1	6.4%
Impairment & Results of sale of assets	0.0	0.0	n.a
EBITDA	5.3	8.5	60.6%
other non recurrent costs	0.2	0.5	144.2%
Normalized EBITDA	5.5	9.0	63.7%
Normalized EBITDA mg (%)	12.9%	15.0%	2.1pp
EBIT	3.0	5.0	64.7%
Net income	2.0	2.0	0.2%

Source: Izertis & GVC Gaesco Valores

Company's debt position

At the end of June 2023, the company's total gross debt is detailed as follows.

Vencimiento	Concepto	30/06/2023	31/12/2022
Largo Plazo	Obligaciones y otros valores negociables.	4.138	4.032
	Deudas con entidades de crédito a largo plazo	38.437	36.199
	Otros pasivos financieros a largo plazo	1.932	5.205
Corto plazo	Obligaciones y otros valores negociables.	8.275	8.481
	Deudas con entidades de crédito a corto plazo	9.138	7.670
	Otros pasivos financieros a corto plazo	10.113	5.530
Total Deuda		72.033	67.117

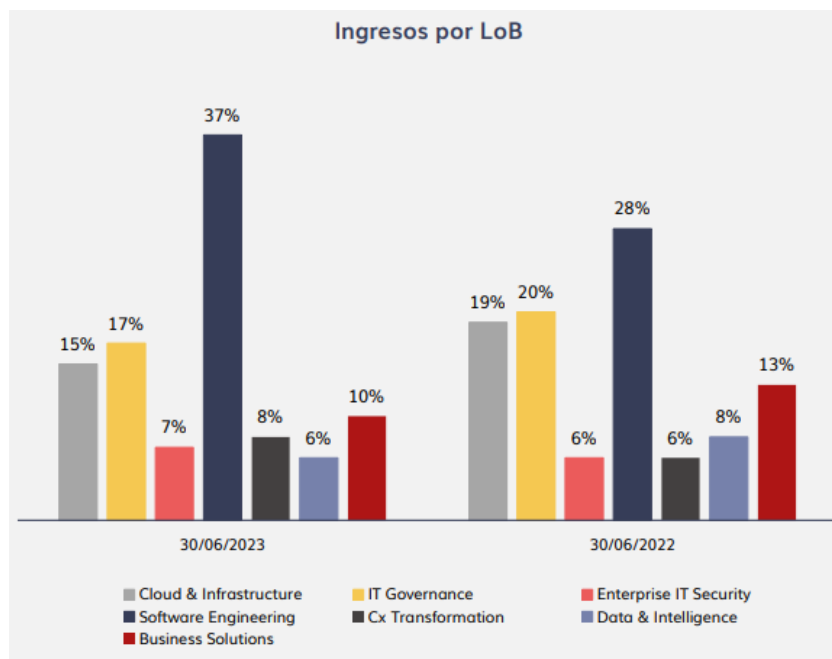
In the short term, the company has EUR8.3m in promissory notes maturing in September at 4.37% (which have not been renewed in September). Other financial liabilities are mainly composed of deferred M&A payments. The average rate on Izertis' debt is currently c.5% (with a 55%/45% fixed/variable rate ratio).

Long-term, the company has convertible bonds maturing in 2026 and additional EUR5m maturing in 2028 were issued in September. The remainder consists of bank borrowings.

The impact on financial expenses of the interest rate hike has been put at c.EUR1.2m, so we have raised our forward estimates in this area, also impacting FCF. We consider that the company has a controlled debt situation, as stated in Ethifinance's latest rating report, which upgrades the company's rating from BB to BB+.

New revenue reporting

The company has carried out a new breakdown of its revenues in order to better adapt to the new reality of the company and to be able to better detail its growth. The company divides its revenues into seven major lines, whose weight in total sales is as follows:



Software engineering

It is the first line of business of the company, and increasing its weight in the same. It focuses on the development of software solutions that increase the operational efficiency of companies by optimizing and automating their business processes, based on technological innovation.

This line employs a wide range of essential solutions to accelerate the transition to digital business with high value for the user: customized developments, application maintenance, document management, digital experience platforms, mobile applications that integrate the most advanced IoT, Blockchain and artificial intelligence solutions.

IT Governance

This is the company's second line of business. This line provides support in the implementation of structural, organizational, cultural and technological changes, essential for a successful digital transformation.

In this sense, Corporate Governance and IT services are grouped into the following disciplines:

- Organization and Processes (Optimization and reengineering): Design of tailor-made structures around the internal processes of each company, considering the necessary governance models to support a management focused on the value chain and the client's objectives.
- Strategic Portfolio Management. Support to organizations in the process of analysis and decision making about their strategic investments through the definition and implementation of EPMO (Enterprise Project Management Office) project offices.
- Program and Project Management. Definition of models and structures for the implementation of program and project management offices (PMO), focusing on meeting objectives and improving the efficiency of the teams involved.

- IT Services Management. Definition and implementation of Service Management Offices (Business-BSM and IT-ITSM) from a strategic perspective and focus to be able to respond in a timely manner to business demand and ensure production and delivery of services as efficient and optimized as possible.
- Organizational Change Management. Facilitates the actual adoption of new processes, methodologies, organizational changes or tools under the consideration of a project in itself and, as the case may be, the implementation of Transformation Offices.

Cloud & Infrastructure

It is the third area of the company, covering the technological modernization of its customers, not only understanding the importance of specialized consulting in cloud-based technological infrastructures (hyperscale, public, private and hybrid), but also the synergy that is created by combining it with the rest of the lines of activity. Site Reliability Engineering (SRE) is applied to create ultra-scalable and reliable software systems by solving infrastructure and operational problems. The 24x7 Managed Service Center (MSC) not only responds to customers' immediate needs, but also constantly seeks opportunities for improvement and optimization.

Business Solutions

This line specializes in marketing and implementing end-to-end business solutions that develop greater efficiency, reduce costs and create a hyper-connected business that links people, data and processes throughout the organization, addressing the complexity of business processes. Izertis has a portfolio of enterprise applications, based on partnerships with vendors such as SAP, Infor, Salesforce and Microsoft.

CX Transformation

In this line we design integral solutions for the conceptualization of strategies and execution of all digital assets. This line focuses on the application of agile processes and cutting-edge technologies, making use of data as a fundamental pillar for business knowledge. Within the portfolio of services offered are: Customer Experience, UX/UI, digital sales strategies, digital communication and content, creativity, data analytics and CRM lead management.

Enterprise IT Security

The main objective of this line is to offer its customers a set of services that guarantee optimal security conditions, with a focus on cybersecurity.

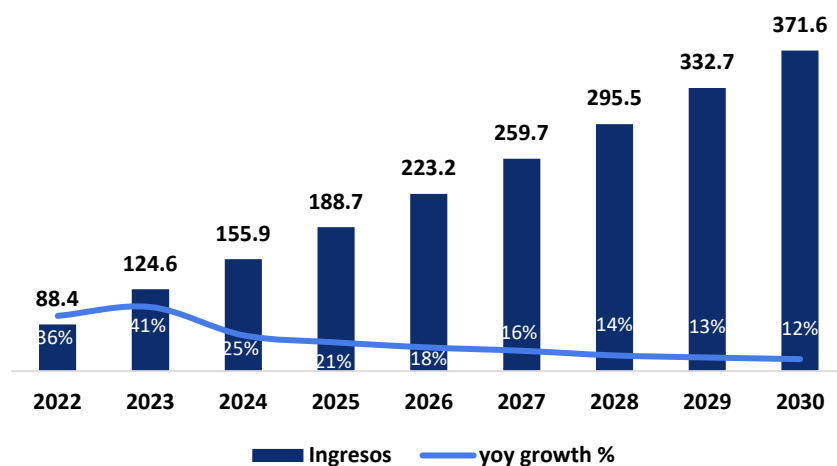
DX Strategy & Tech Innovation

Line specialized in providing customers with customized intelligence solutions, making the most of data and facilitating strategic decision-making based on solid and accurate information. Services and blockchain solutions are made available to customers in different sectors, through products that accelerate the adoption of this technology in areas such as digital identity, traceability, certification and tokenization. The proposal of hyper-automation solutions combines different technologies and tools to boost the robotization of processes based on RPA and integrating artificial intelligence technologies that provide cognitive capabilities (process mining, task mining, intelligent OCR, chatbot, etc.).

Estimates review 2023-2030

Based on the foregoing, our forward-looking estimates are as follows:

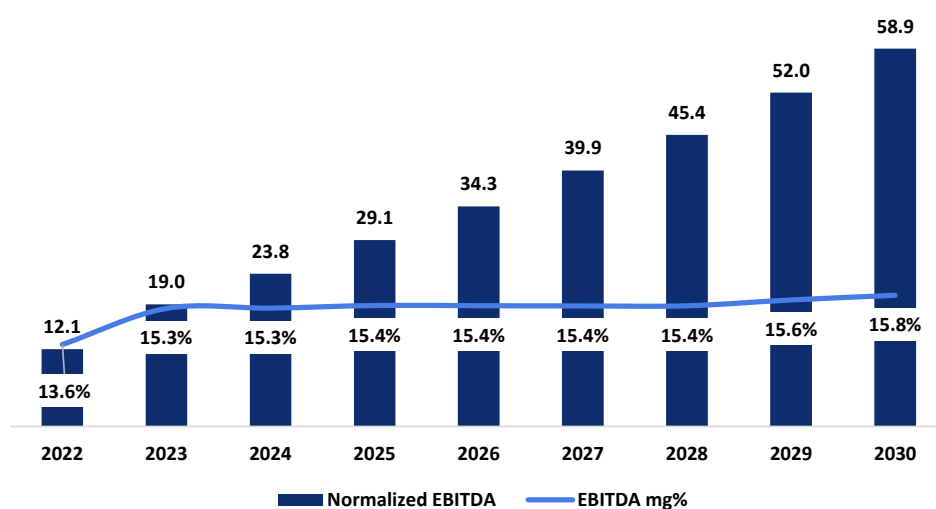
Revenues (M€) & yoy growth (%)



We estimate revenue growth in excess of 20% annualized with a c.50/50 mix of organic and inorganic growth based on market estimates, industry and company dynamics, and the company's track record.

At the EBITDA level, we assume a conservative margin stability position going forward of around 15%.

Normalized EBITDA (M€) & EBITDA Normalized mg (%)



Expected future EBITDA growth is based 2/3 on organic and 1/3 on inorganic growth, thanks to process improvements, operational synergies and an increase in higher value-added services.

For all of the above, we estimate FCF as follows:

	2022	2023	2024	2025	2026	2027	2028	2029	2030
EBITDA	12.3	18.7	23.5	28.7	34.0	39.6	45.1	51.7	58.6
Organic Capex	-2.1	-1.8	-1.8	-1.9	-2.0	-2.1	-2.2	-2.2	-2.2
Capex M&A	-18.9	-13.0	-11.3	-13.3	-14.8	-14.8	-13.4	-13.0	-12.7
Finance + Taxes	-2.1	-5.3	-6.2	-7.3	-8.3	-9.6	-10.9	-12.4	-14.0
WC	-8.8	-2.9	-0.9	-2.1	-2.4	-2.6	-2.9	-3.1	-3.4
Cash flow	-19.6	-4.3	3.3	4.1	6.4	10.4	15.8	21.0	26.2

Thanks to this FCF generation, we estimate a reduction in the company's leverage from the c.2.5x DN/EBITDA we estimate for FY23e to c.1x estimated for 2027, maintaining a total DN of around EUR40-50m over the next few years.

We estimate that, from 2025 onwards and below 2x DN/EBITDA, the company could be able to undertake some kind of shareholder remuneration program, either through share buybacks or dividends, as the company will generate positive net profit going forward with room to spare, as it has demonstrated in recent years.

Valuation

Based on the above, we reach a valuation of EUR11.5 per share, with a potential of c.+40% over current prices. The terminal EV/EBITDA of our valuation is 7.9x, the PER27e is 20.3x and the terminal value weight in the valuation is 75.2%.

IZERTIS. DCF VALUATION

CASH FLOW (EURm)	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	VR	
Sales	46.3	50.7	65.0	88.4	124.6	155.9	188.7	223.2	259.7	295.5	332.7	371.6	378.7	
EBITDA	4.0	7.7	7.2	12.3	18.7	23.5	28.7	34.0	39.6	45.1	51.7	58.6	60.6	
<i>EBITDA M.</i>	8.6%	15.1%	11.0%	13.9%	15.0%	15.1%	15.2%	15.2%	15.2%	15.3%	15.5%	15.8%	16.0%	
DDA	-3.0	-3.9	-5.6	-6.0	-7.9	-10.4	-11.9	-13.6	-15.1	-16.3	-17.6	-19.1	-19.7	
EBIT	1.0	3.8	1.6	6.3	10.8	13.0	16.8	20.4	24.5	28.9	34.1	39.4	40.9	
<i>Effective tax rate</i>	-29.6%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
NOPLAT	1.2	2.8	1.2	4.7	8.1	9.8	12.6	15.3	18.4	21.6	25.6	29.6	30.7	
Depreciation&other provisions	3.0	3.9	5.6	6.0	7.9	10.4	11.9	13.6	15.1	16.3	17.6	19.1	19.7	
Gross Operating Cash Flow	4.3	6.7	6.8	10.7	16.0	20.2	24.5	28.9	33.5	37.9	43.2	48.7	50.4	
Capex	-2.5	-1.6	-3.7	-35.7	-13.3	-13.1	-15.2	-16.9	-17.0	-15.6	-15.3	-14.9	-14.0	
Capex/sales	5.3%	3.2%	5.7%	40.4%	10.7%	8.4%	8.1%	7.6%	6.5%	5.3%	4.6%	4.0%	3.7%	
Change in Net Working Capital	0.2	0.5	-3.1	-8.8	-2.9	-0.9	-2.1	-2.4	-2.6	-2.9	-3.1	-3.4	-3.4	
Cash Flow to be discounted	2.0	5.6	0.0	-33.8	-0.2	6.3	7.2	9.6	13.9	19.5	24.8	30.4	33.0	
DCF VALUATION (EUR m)														
WACC						9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	
Discount Rate factor						1.00	0.92	0.84	0.77	0.71	0.65	0.60	0.55	
Discounted Cash Flow						6.3	6.6	8.1	10.7	13.8	16.2	18.2		
Cumulated DCF						6.3	12.8	20.9	31.7	45.5	61.7	79.8		
WACC & DCF ANALYSIS														
Free Risk Rate (10y Govn. Bonds)	3.5%						Cumulated DCF	79.8					- Net Financial Debt (23e) **	45.1
Company Risk Factor or Beta	1.3						Perpetual Growth Rate (g)	1.9%					- Minorities (estimated value)	0.3
Mkt Risk Premium	5.0%						Normalised Annual CF	33.0					+ Associates	0.0
Cost of Equity (Ke or COE)	9.9%						Terminal Value at Nominal Year	478.3					- Pension underfunding	0.0
Cost of Debt (gross)	8.0%						Disc. Rate of Terminal Value	0.5					- Off-balance sheet commitm.	0.0
Debt Tax Rate	25.0%						Discounted Terminal Value	262.5						
Cost of Debt net (kd or COD)	6.0%												Equity Market Value (EUR m)	303.6
Target Gearing (D/E) or % Kd	25%												Number of shares (m)	26.4
% Ke	75%						Financial assets	6.7					Fair Value per share (EUR)	11.5
Normative Tax Rate	25%						Enterprise Value (EURm)	349.0					Price (EUR)	8.3
WACC	9.0%												Potential upside (downside)	38%

Source: GVC Gaesco Valores Estimates

The implied valuation multiples are as follows:

	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e
EV/Sales	3.9x	2.8x	2.2x	1.8x	1.6x	1.3x	1.2x	1.0x	0.9x
EV/EBITDA	28.5x	18.7x	14.9x	12.1x	10.3x	8.8x	7.7x	6.7x	6.0x
P/E	81.6x	55.4x	44.3x	31.8x	25.3x	20.3x	16.9x	14.0x	11.9x

While the sensitivity analysis of the valuation is as follows:

DCF VALUATION SENSITIVITY. WACC vs. g

W.A.C.C.	Perpetuity growth rate					
		0.9%	1.4%	1.9%	2.4%	2.9%
	8.5%	11.0	11.8	12.7	13.7	14.9
	8.7%	10.5	11.2	12.1	13.0	14.1
	9.0%	10.1	10.7	11.5	12.4	13.4
	9.2%	9.7	10.3	11.0	11.8	12.7
	9.5%	9.3	9.8	10.5	11.2	12.1

Source: GVC Gaesco Valores Estimates

DCF VALUATION SENSITIVITY. WACC vs. Adj. EBITDA M.

WACC	Residual Adj. EBITDA M.					
		15.0%	15.5%	16.0%	16.5%	17.0%
	8.5%	11.7	12.2	12.7	13.1	13.6
	8.7%	11.2	11.6	12.1	12.5	13.0
	9.0%	10.6	11.1	11.5	11.9	12.4
	9.2%	10.2	10.6	11.0	11.4	11.8
	9.5%	9.7	10.1	10.5	10.9	11.3

Source: GVC Gaesco Valores Estimates

Comparables

The sector has experienced a turbulent year with strong corrections in the valuations of some companies, as a result of very ambitious estimates that are not being met.

Below is a summary of the main national and international competitors:

Company	Mkt Cap (19/10/2023)	Price change ytd	Revenue growth (last reported)	EBITDA growth (last reported)	EBITDA margin (%)	EBIT margin (%)	EV/EBITDA 22	EV/EBITDA 23e	Market Cap/Sales 22	Market Cap/Sales 23e
IZERTIS	208	0.7%	45%	64%	15.0%	8.4%	19.6	14.9	2.2	1.7
Nagarro	955	-37.9%	15%	-13%	13.2%	9.3%	11.3	9.0	1.1	1.0
Reply	3,299	-17.6%	17%	7%	14.8%	11.9%	11.5	9.3	1.7	1.5
NNIT AS	275	18.9%	16%	n.a.	n.a.	5.4%	n.a.	11.4	1.4	1.2
NetCompany	1,662	-18.9%	13%	-11%	11.3%	9.0%	15.0	13.7	2.2	2.0
Epam Systems	12,901	-29.1%	1%	15%	13.0%	11.1%	19.5	14.6	2.9	3.0
Globant	7,618	12.2%	17%	3%	10.5%	9.4%	19.0	19.1	4.6	3.8
Endava	3,183	-22.5%	21%	18%	14.8%	14.2%	21.2	14.7	4.3	3.4
NOVABASE	141	29.6%	17%	10%	9.3%	7.2%	5.5	7.2	0.8	0.7
KNOWMAD MOOD	168	-36.6%	32%	24%	8.0%	7.7%	16.1	n.a.	1.5	1.3
Altia	274	53.8%	64%	91%	10.8%	9.2%	12.6	12.2	2.0	1.3
Sngular	179	-11.8%	20%	21%	15.6%	10.7%	12.9	10.0	1.9	1.6
Market average	4,270	-14%			12.9%	10.0%	14.5	12.1	2.2	1.9
IZER discount vs peers					-16%	16%	-36%	-23%	-1%	12%

The sector has experienced a complicated year with sharp falls in many comparable stocks that have lowered the industry's share price multiples. Izertis is currently trading at c.+20% relative to its comparables by multiples, as it has not suffered any correction in its valuation, however, we believe that the company's fundamentals support the current multiples and that its track-record is solid, as well as its future estimates.

Izertis: Summary tables

	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
PROFIT & LOSS (EURm)						
Sales	50.7	65.0	88.4	125	156	189
Cost of Sales & Operating Costs	-45.5	-57.8	-76.4	-105.6	-132.1	-159.7
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	5.3	7.3	12.1	19.0	23.8	29.1
EBITDA (adj.)*	5.3	7.3	12.1	19.0	23.8	29.1
Depreciation	-3.9	-5.6	-6.0	-7.9	-10.4	-11.9
Depreciation of Right-of-Use						0
EBITA	1.4	1.7	6.1	11.2	13.4	17.2
EBITA (adj)*	1.4	1.7	6.1	11.2	13.4	17.2
Amortisations and Write Downs	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	1.4	1.7	6.1	11.2	13.4	17.2
EBIT (adj.)*	1.4	1.7	6.1	11.2	13.4	17.2
Net Financial Interest	-1.4	-0.9	-1.9	-3.5	-3.9	-4.1
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	-0.4	0.0	-0.4	0.0	0.0	0.0
Other Non Recurrent Items	2.4	-0.1	0.2	-0.3	-0.3	-0.3
Earnings Before Tax (EBT)	1.9	0.7	4.0	7.3	9.1	12.7
Tax	-0.5	-0.3	-0.3	-1.8	-2.3	-3.2
<i>Tax rate</i>	<i>27.9%</i>	<i>45.8%</i>	<i>7.4%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (reported)	1.4	0.4	3.7	5.5	6.8	9.5
Net Profit (adj.)	1.4	0.4	3.7	5.5	6.8	9.5
CASH FLOW (EURm)						
Cash Flow from Operations before change in NWC	5.7	6.0	10.1	13.3	17.3	21.4
Change in Net Working Capital	0.5	-3.1	-8.8	-2.9	-0.9	-2.1
Cash Flow from Operations	6.2	2.9	1.3	10.4	16.4	19.3
Capex	-1.6	-1.9	-2.1	-1.8	-1.8	-1.9
Net Financial Investments	0.0	-1.8	-33.6	-11.5	-11.3	-13.3
Free Cash Flow	4.5	-0.8	-34.4	-2.9	3.3	4.1
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	0.1	-6.2	17.1	-8.4	-7.1	-2.4
Change in Net Financial Debt	4.7	-7.0	-17.2	-11.3	-3.7	1.7
NOPLAT	1.4	1.7	6.1	11.2	13.4	17.2
BALANCE SHEET & OTHER ITEMS (EURm)						
Net Tangible Assets	1.8	3.9	4.0	4.1	4.1	4.2
Net Intangible Assets (incl. Goodwill)	26.7	41.8	75.5	94.1	102	107
Right-of-Use Assets (Lease Assets)	0.0	0.0	0.0	0.0	0.0	0.0
Net Financial Assets & Other	5.5	3.1	3.5	3.4	3.4	3.4
Total Fixed Assets	33.9	48.8	83.1	102	110	115
Inventories	0.4	0.8	0.8	0.8	0.9	0.9
Trade receivables	12.3	14.4	23.7	27.3	28.9	31.8
Other current assets	0.7	1.3	1.4	1.5	1.6	1.7
Cash (-)	-15.0	-37.7	-35.6	-26.7	-27.2	-30.0
Total Current Assets	28.5	54.2	61.5	56.3	58.6	64.4
Total Assets	62.4	103.0	144.6	157.9	168.1	179.1
Shareholders Equity	23.6	33.5	48.5	60.9	67.7	77.3
Minority	0.2	0.3	0.2	0.2	0.2	0.2
Total Equity	23.8	33.8	48.7	61.1	67.9	77.4
Long term interest bearing debt	16.8	37.0	47.0	46.8	51.4	53.3
Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Lease Liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.8	3.0	6.5	5.7	5.1	4.6
Total Long Term Liabilities	20.6	40.0	53.5	52.5	56.5	57.9
Short term interest bearing debt	7.9	17.5	22.6	25.2	24.9	24.0
Trade payables	5.7	5.1	5.6	6.3	7.1	7.9
Other current liabilities	4.3	6.8	14.3	12.8	11.7	11.8
Total Current Liabilities	17.9	29.3	42.5	44.3	43.7	43.7
Total Liabilities and Shareholders' Equity	62.4	103.0	144.6	157.9	168.1	179.1
Net Capital Employed	37.4	53.5	89.1	112.0	122.1	129.4
Net Working Capital	7.0	10.1	18.9	21.8	22.7	24.8
GROWTH & MARGINS						
<i>Sales growth</i>	<i>9.5%</i>	<i>28.2%</i>	<i>36.0%</i>	<i>40.9%</i>	<i>25.1%</i>	<i>21.1%</i>
EBITDA (adj.)* growth	14.2%	38.0%	65.9%	57.6%	25.2%	22.0%
<i>EBITA (adj.)* growth</i>	<i>-13.2%</i>	<i>20.3%</i>	<i>264.0%</i>	<i>83.3%</i>	<i>19.7%</i>	<i>28.4%</i>
<i>EBIT (adj.)* growth</i>	<i>-13.2%</i>	<i>20.3%</i>	<i>264.0%</i>	<i>83.3%</i>	<i>19.7%</i>	<i>28.4%</i>

Izertis: Summary tables

GROWTH & MARGINS	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Net Profit growth	447.6%	-71.6%	852.4%	47.1%	25.1%	39.3%
EPS adj. growth	440.4%	-73.8%	792.9%	39.1%	25.1%	39.3%
DPS adj. growth						
EBITDA (adj)* margin	10.4%	11.2%	13.6%	15.3%	15.3%	15.4%
EBITA (adj)* margin	2.7%	2.6%	6.9%	9.0%	8.6%	9.1%
EBIT (adj)* margin	2.7%	2.6%	6.9%	9.0%	8.6%	9.1%
RATIOS	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Net Debt/Equity	0.4	0.5	0.7	0.7	0.7	0.6
Net Debt/EBITDA	1.8	2.3	2.8	2.4	2.1	1.6
Interest cover (EBITDA/Fin.interest)	3.7	8.5	6.4	5.4	6.1	7.1
Capex/D&A	42.3%	34.5%	34.9%	22.5%	16.9%	16.2%
Capex/Sales	3.2%	3.0%	2.4%	1.4%	1.1%	1.0%
NWC/Sales	13.9%	15.6%	21.4%	17.5%	14.6%	13.1%
ROE (average)	7.0%	1.4%	9.1%	10.0%	10.7%	13.2%
ROCE (adj.)	3.9%	3.0%	6.2%	9.3%	10.4%	12.6%
WACC	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
ROCE (adj.)/WACC	0.4	0.3	0.7	1.0	1.2	1.4
PER SHARE DATA (EUR)***	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Average diluted number of shares	21.6	23.4	25.0	26.4	26.4	26.4
EPS (reported)	0.06	0.02	0.15	0.21	0.26	0.36
EPS (adj.)	0.06	0.02	0.15	0.21	0.26	0.36
BVPS	1.09	1.43	1.94	2.30	2.56	2.93
DPS	0.00	0.00	0.00	0.00	0.00	0.00
VALUATION	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
EV/Sales	3.3	3.1	2.7	2.1	1.7	1.4
EV/EBITDA	31.7	27.6	19.6	13.7	11.1	9.1
EV/EBITDA (adj.)*	31.7	27.6	19.6	13.7	11.1	9.1
EV/EBITA	120.0	119.7	38.8	23.4	19.8	15.3
EV/EBITA (adj.)*	120.0	119.7	38.8	23.4	19.8	15.3
EV/EBIT	n.m.	n.m.	38.8	23.4	19.8	15.3
EV/EBIT (adj.)*	n.m.	n.m.	38.8	23.4	19.8	15.3
P/E (adj.)	n.m.	n.m.	n.m.	40.0	32.0	23.0
P/BV	6.9	5.6	4.2	3.6	3.2	2.8
Total Yield Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/CE	4.7	3.6	2.4	2.2	2.1	1.9
OpFCF yield	2.8%	0.5%	-0.4%	4.0%	6.7%	7.9%
OpFCF/EV	2.7%	0.5%	-0.3%	3.3%	5.5%	6.6%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield (gross)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV AND MKT CAP (EURm)	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Price** (EUR)	7.54	7.98	8.24	8.30	8.30	8.30
Outstanding number of shares for main stock	21.6	23.4	25.0	26.4	26.4	26.4
Total Market Cap	162.8	186.8	205.8	219.2	219.2	219.2
Gross Financial Debt (+)	24.7	54.5	69.6	72.0	76.3	77.3
Cash & Marketable Securities (-)	-15.0	-37.7	-35.6	-26.7	-27.2	-30.0
Net Financial Debt	9.7	16.7	34.0	45.3	49.0	47.3
Lease Liabilities (+)	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt	9.7	16.7	34.0	45.3	49.0	47.3
Other EV components	-5.5	-3.1	-3.5	-3.4	-3.4	-3.4
Enterprise Value (EV adj.)	167.0	200.4	236.2	261.1	264.9	263.1

Source: Company, GVC Gaesco Valores estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.)= EBITDA (or EBITA) +/- Non Recurrent Expenses/Income and where EBIT (adj.)= EBIT +/- Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

***EPS (adj.) diluted= Net Profit (adj.)/Avg DIL. Ord. (+ Ord. equivalent) Shs. EPS (reported) = Net Profit reported/Avg DIL. Ord. (+ Ord. equivalent) Shs.

Sector: Technology/Computer Services

Company Description: Izertis is a technological consulting company that helps customers through its digital transformation with a broad portfolio of services. The company has founded in 1996 by its Presidente and CEO and its growth has been constant since then. Now the company is in a growth momentum both organically and inorganically to consolidate the market.

European Coverage of the Members of ESN 1/2

Automobiles & Parts	Mem(*)	Richemont	CIC	Advinì	CIC	Cit	CBI
Brembo	BAK	Smcp	CIC	Bonduelle	CIC	Danieli	BAK
Cie Automotive	GVC	Swatch Group	CIC	Campari	BAK	Dassault Aviation	CIC
Ferrari	BAK	Technogym	BAK	Carlsberg As-B	CIC	Datalogic	BAK
Fornia	CIC	Trigano	CIC	Danone	CIC	Eleonor	GVC
Gestamp	GVC	Ubisoft	CIC	Diageo	CIC	Elis	CIC
Landi Renzo	BAK	Energy	Mem(*)	Ebro Foods	GVC	Enav	BAK
Michelin	CIC	Cgg	CIC	FleuryMichon	CIC	Enogia	CIC
Pirelli & C.	BAK	Ecoslops	CIC	Heineken	CIC	Exel Industries	CIC
Plastic Omnium	CIC	Eni	BAK	Italian Wine Brands	BAK	Fincantieri	BAK
Renault	CIC	Galp Energia	CBI	Lans on-Boc	CIC	Getlink	CIC
Sogefi	BAK	Gas Plus	BAK	Laurent Perrier	CIC	Global Dominion	GVC
Stellantis	BAK	Git	CIC	Ldc	CIC	Haulotte Group	CIC
Valeo	CIC	Maurel Et Prom	CIC	Lindt & Sprüngli	CIC	Interpump	BAK
Banks	Mem(*)	Neoen	CIC	Nestle	CIC	Inwit	BAK
Banco Sabadell	GVC	Pic	BAK	Ors ero	BAK	Legrand	CIC
Banco Santander	GVC	Reps ol	GVC	Pernod Ricard	CIC	Leonardo	BAK
Bankinter	GVC	Rubis	CIC	Remy Cointreau	CIC	Lisi	CIC
Bbva	GVC	Saipem	BAK	Tipiak	CIC	Logista	GVC
Bnp Paribas	CIC	Technip Energies	CIC	Viscofan	GVC	Manitou	CIC
Caixabank	GVC	Tecnicas Reunidas	GVC	Vranken	CIC	Nbi Bearings Europe	GVC
Credem	BAK	Tenaris	BAK	Healthcare	Mem(*)	Nexans	CIC
Credit Agricole Sa	CIC	Totalenergies	CIC	Amplifon	BAK	Nicolas Correa	GVC
Intesa Sanpaolo	BAK	Vallourec	CIC	Atrys Health	GVC	Openjobmetis	BAK
Societe Generale	CIC	Fin. Serv. Holdings	Mem(*)	Biomerieux	CIC	Osai	BAK
Unicaja Banco	GVC	Cir	GVC	Diasorin	BAK	Prosegur	GVC
Basic Resources	Mem(*)	Corp. Financiera Alba	GVC	ElEn.	BAK	Prosegur Cash	GVC
Acerinox	GVC	Digital Magics	BAK	Essilorluxottica	CIC	Prysmian	BAK
Altri	CBI	Eurazeo	CIC	Eurofins	CIC	RaiWay	BAK
Arcelormittal	GVC	First Capital	BAK	Fine Foods	BAK	Rexel	CIC
Ence	GVC	Gbl	CIC	Genfit	CIC	Saes	BAK
The Navigator Company	CBI	Peugeot Invest	CIC	Gpi	BAK	Safran	CIC
Tubacex	GVC	Rallye	CIC	Imd	BAK	Salcof	BAK
Chemicals	Mem(*)	Tip Tamburi Investment Partners	BAK	Prim Sa	GVC	Schneider Electric Se	CIC
Air Liquide	CIC	Wendel	CIC	Recordati	BAK	Talgo	GVC
Arkema	CIC	Fin. Serv. Industrials	Mem(*)	Veloquinol	CIC	Teleperformance	CIC
Plásticos Compuestos	GVC	Dovalue	BAK	Virbac	CIC	Thales	CIC
Consumer Products & Services	Mem(*)	Nexi	BAK	Vytrus Biotech	GVC	Tikehau Capital	CIC
Abeo	CIC	Tinexta	BAK	Industrial Goods & Services	Mem(*)	Verallia	CIC
Beneteau	CIC	Financial Services Banks	Mem(*)	Airbus Se	CIC	Vidrala	GVC
Capelli	CIC	Amundi	CIC	Abtom	CIC	Zignago Vetro	BAK
De Longhi	BAK	Anima	BAK	Antin Infrastructure	CIC	Insurance	Mem(*)
Fila	BAK	Azimut	BAK	Applus	GVC	Axa	CIC
Geox	BAK	Banca Generali	BAK	Arteche	GVC	Catalana Occidente	GVC
Givaudan	CIC	Banca Ifis	BAK	Avio	BAK	Generali	BAK
Groupe Seb	CIC	Banca Mediolanum	BAK	Biesse	BAK	Linea Directa Asesguradora	GVC
Hermes Intl.	CIC	Banca Sistema	BAK	Bollere	CIC	Mapfre	GVC
Hexaom	CIC	Bff Bank	BAK	Bureau Veritas	CIC	Revo Insurance	BAK
Interparfums	CIC	Dws	CIC	Caf	GVC	Materials, Construction	Mem(*)
Kaufman & Broad	IAC	Finacobank	BAK	Catenon	GVC	Abp Nocivelli	BAK
Kering	CIC	Generalfinance	BAK	Cellnex Telecom	GVC	Acs	GVC
L'Oreal	CIC	Illimity Bank	BAK	Cembre	BAK	Aena	GVC
Lvmh	CIC	Mediobanca	BAK	Chargeurs	CIC	Aryston Holding	BAK
Maisons Du Monde	CIC	Poste Italiane	BAK	Clasquin	IAC	Buzzi Unicem	BAK
Ovs	BAK	Food & Beverage	Mem(*)	Cnh Industrial	BAK	Cementir	BAK
Plaggio	BAK	Ab Inbev	CIC	Corticeira Amorim	CBI	Cementos Molins	GVC

20 September 2023

European Coverage of the Members of ESN 2/2

Orh	CIC	Real Estate	Mem(*)	Fdj	CIC
Eiffage	CIC	Igd	BAK	Groupe Paribuche	IAC
Fcc	GVC	Inmobiliaria Colonial	GVC	Hunyvers	CIC
Ferrovial	GVC	Inversa Prime	GVC	I Grandi Viaggi	BAK
Groupe Adp	CIC	Ktes ios Socimi	GVC	Ibers ol	CBI
Groupe Pujoulat	CIC	Lar España	GVC	Int. Airlines Group	GVC
Heidelberg Materials	CIC	Merlin Properties	GVC	Lottomatica Group	BAK
Herige	CIC	Realia	GVC	Melia Hotels International	GVC
Holcim	CIC	Retail	Mem(*)	Nh Hotel Group	GVC
Imerys	CIC	Aramis Group	CIC	Pierre Et Vacances	CIC
Maire Tecnimont	BAK	Burberry	CIC	Sicity By Car	BAK
Mota Engil	CBI	Fnac Darty	CIC	Sodexo	CIC
Obrascon Huarte Lain	GVC	Inditex	GVC	Utilities	Mem(*)
Sacyr	GVC	Unieuro	BAK	A2A	BAK
Saint-Gobain	CIC	Technology	Mem(*)	Acciona	GVC
Sergesferrari Group	CIC	Agile Content	GVC	Acciona Energia	GVC
Sika	CIC	Almawave	BAK	Acea	BAK
Spie	CIC	Alten	CIC	Audax	GVC
Tarkett	CIC	Amadeus	GVC	Derichebourg	CIC
Thermador Groupe	CIC	Atos	CIC	Edp	CBI
Vicat	CIC	Away Software	CIC	Enagas	GVC
Vinci	CIC	Capgemini	CIC	Encavis Ag	CIC
Webuild	BAK	Dassault Systemes	CIC	Endesa	GVC
Media	Mem(*)	Digital Value	BAK	Enel	BAK
Arnoldo Mondadori Editore	BAK	Es i Group	CIC	Engie	CIC
Atres media	GVC	Exprivia	BAK	E-Pango	CIC
Believe	CIC	Gigas Hos ting	GVC	Erg	BAK
Cairo Communication	BAK	Indra Sis temas	GVC	Greenvolt	CBI
Deezer	CIC	Izertis	GVC	Hera	BAK
Digital Bros	BAK	Lleida.Net	GVC	Holaluz	GVC
Fill Up Media	CIC	Neurones	CIC	Iberdrola	GVC
GI Events	CIC	Ovhcloud	CIC	Iren	BAK
Il Sole 24 Ore	BAK	Reply	BAK	Italgas	BAK
Ipsos	CIC	Sii	CIC	Naturgy	GVC
Jodecaux	CIC	Sopra Steria Group	CIC	Opdenery	GVC
Lagardere	CIC	Spindox	BAK	Redeia	GVC
MB	CIC	Stmicroelectronics	BAK	Ren	CBI
Mfe-Mediaforeurope	BAK	Tier1 Technology	GVC	Seche Environnement	CIC
Mogroup	GVC	Visiativ	CIC	Snam	BAK
Nrj Group	CIC	Vogo	CIC	Solaria	GVC
Pris a	GVC	Telecommunications	Mem(*)	Solarprofit	GVC
Publicis	CIC	Bouygues	CIC	Terna	BAK
Rcs Mediagroup	BAK	Ekinops	CIC	Veolia	CIC
Tfi	CIC	Nos	CBI	Volitalia	CIC
Universal Music Group	CIC	Orange	CIC		
Vivendi	CIC	Parlem Telecom	GVC		
Vocento	GVC	Telecom Italia	BAK		
Personal Care, Drug & Grocery S	Mem(*)	Telefonica	GVC		
Bic	CIC	Tiscali	BAK		
Carrefour	CIC	Unidata	BAK		
Casino	CIC	Vodafone	BAK		
Jeronimo Martins	CBI	Travel & Leisure	Mem(*)		
Marr	BAK	Aacor	CIC		
Sonae	CBI	Compagnie Des Alpes	CIC		
Unilever	CIC	Edreams Odigeo	GVC		
Winfarm	CIC	Elior	CIC		

20 September 2023

LEGEND: BAK: Banca Akros CIC: CIC Market Solutions CBI: Caixa-Banco de Investimento GVC: GVC Gaesco Valores

List of ESN Analysts (**)

Artur Amaro	CBI	+351 213 89 6822	artur.amaro@caixabi.pt
Andrea Bonfà	BAK	+39 02 4344 4269	andrea.bonfa@bancaakros.it
Arnaud Cadart	CIC	+33 1 53 48 80 84	arnaud.cadart@cmcic.fr
Pierre Chédeville	CIC	+33 1 53 48 80 97	pierre.chedeville@cic.fr
Emmanuel Chevalier	CIC	+33 1 53 48 80 72	emmanuel.chevalier@cic.fr
Matteo Cuconato	BAK	+39 02 4344 4784	matteo.cuconato@bancaakros.it
David Da Maia	CIC	+33 1 53 48 89 36	david.damaia@cic.fr
Dominique Descours	CIC	+33 1 53 48 81 12	dominique.descours@cic.fr
Christian Devismes	CIC	+33 1 53 48 80 85	christian.devismes@cic.fr
Andrea Devita, CFA	BAK	+39 02 4344 4031	andrea.devita@bancaakros.it
Hervé Drouet	CIC	+33 1 53 48 23 45	herve.drouet@cic.fr
Enrico Esposti, CIIA	BAK	+39 02 4344 4022	enrico.esposti@bancaakros.it
Rafael Fernández de Heredia	GVC	+34 91 436 78 08	rafael.fernandezdeheredia@gvgaesco.es
Gian Marco Gadini	BAK	+39 02 4344 4236	gianmarco.gadini@bancaakros.it
Gabriele Gambarova	BAK	+39 02 43 444 289	gabriele.gambarova@bancaakros.it
Ebrahim Homani	CIC	+33 1 53 48 80 94	ebrahim.homani@cic.fr
Carlos Jesus	CBI	+351 21 389 6812	carlos.jesus@caixabi.pt
Jean-Christophe Lefèvre-Mouleng	CIC	+33 1 53 48 80 65	jeanchristophe.lefevremouleng@cic.fr
Eric Lemarié	CIC	+33 1 53 48 64 25	eric.lemarie@cic.fr
João Miguel Lourenço	CBI	+35 121 389 6841	joao.lourenco@caixabi.pt
Marisa Mazo, Ph.D, CFA	GVC	+34 91 436 7817	marisa.mazo@gvgaesco.es
Jaime Pallares Garcia	GVC	+34 91 436 7818	jaim.pallares@gvgaesco.es
Arnaud Palliez	CIC	+33 1 41 81 74 24	arnaud.palliez@cic.fr
Victor Peiro Pérez	GVC	+34 91 436 7812	victor.peiro@gvgaesco.es
Juan Peña	GVC	+34 91 436 78 16	juan.pena@gvgaesco.es
Alexandre Plaud	CIC	+33 1 53 48 80 90	alexandre.plaud@cic.fr
Francis Prêtre	CIC	+33 4 78 92 02 30	francis.pretre@cic.fr
Eric Ravary	CIC	+33 1 53 48 80 71	eric.ravary@cic.fr
Iñigo Recio Pascual	GVC	+34 91 436 7814	inigo.recio@gvgaesco.es
Jean-Luc Romain	CIC	+33 1 53 48 80 66	jeanluc.romain@cic.fr
Virginie Royère, CFA	CIC	+33 1 53 48 76 52	virginie.royere@cic.fr
Paola Saglietti	BAK	+39 02 4344 4287	paola.saglietti@bancaakros.it
Francesco Sala	BAK	+39 02 4344 4240	francesco.sala@bancaakros.it
Luigi Tramontana	BAK	+39 02 4344 4239	luigi.tramontana@bancaakros.it

(**) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts

Information regarding Market Abuse and Conflicts of Interests and recommendation history available in our web page: www.gvcgaesco.es. GVC Gaesco Valores S.V., S.A., is a company regulated by the CNMV and is registered under number 182 in the Official Register of Securities Companies and Agencies of the CNMV.

All the information contained in this report has been compiled and prepared in good faith by GVC Gaesco Valores S.V., S.A. from sources we believe to be reliable (including public accounts and audits). The opinions expressed in this report are those of our research department at the time of publication and may be changed at any time without notice and without communication. There is no scheduled frequency for updating the recommendations. The recommendation contained in this document has not been communicated in advance to the issuer. This document does not constitute an invitation to buy or sell securities. GVC Gaesco Valores S.V., S.A. accepts no responsibility for the use of this report. GVC Gaesco Valores S.V., S.A. has no proprietary investment positions in the securities mentioned in this report. There may be a business relationship between GVC Gaesco Valores S.V., S.A., and the issuer on which this report is issued, and if so, this is detailed in the following section. This and other documents are only one source of information, among others, which is not intended in itself to constitute an investment decision tool. In no way can this or any other analysis documents produced by us be used for investment decisions. Each investor is responsible for his or her own decisions and this document or others are only a source of supplementary information. This document has been distributed only to professional, qualified and selected investors or potential investors and has not been distributed in a generic form. Any use of this document implies an understanding and explicit acceptance of these warnings.

As of the date of this report, GVC Gaesco Valores S.V., S.A.,

- acts as registered advisor, agent or liquidity provider for the following companies: Catenon SA; Clever Global SA; Facephi Biometría SA.; Griñó Ecologic SA, NBI Bearings Europe S.A.; Trajano Iberia (Socimi), SA; IFFE Futura, S.A.; Secuoya Grupo de Comunicación SA; Mercal Inmuebles (Socimi); TIER1 Technology; Excem Capital Partners Sociedad de Inversión Residencial (Socimi YEXR); Agile Content; Holaluz Clidom SA; S.A. Pangaea Oncology, S.A.; Investment Media Optimization S.A., Inmobiliaria del Sur S.A., Club de Fútbol Intercity, S.A.D (CITY); Profithol S.A. (SPH); Vytrus Biotech.; Labiana Health, S.A.; Axon Partners Group, S.A., Biotechnology Assets S.A., Grupo Greening 2022, S.A.; Ktesios Real Estate Socimi, S.A., Gigas Hosting, S.A., Parlem Telecom, S.A., Vanadi Coffee
- has participated and/or participates as lead or co-lead manager in corporate operations with the following companies Plásticos Compuestos SA; Holaluz Clidom SA; ASPY Global Services, S.A.; The Nimo's Holding; Parlem Telecom Companyia de Telecomunicaciones SA; Inversa Prime Socimi SA; Profithol S.A. (SPH); Hannum S.A., OPDEnergy Holding S.A.; Labiana Health S.A., Axon Partners Group S.A., Deoleo S.A., Audasa, S.A., Agile Content, S.A, GIGAS Hosting, S.A., TIER 1 Technology, S.A., Atrys Health, S.A, Pangea Oncology, S.A, Obras y Servicios COPASA, Inmobiliaria del Sur, S.A.G
- has a liquidity contract as outlined by the CNMV's Circular 1/2017 with: Melia Hotels International; Española de Viviendas en Alquiler S.A. (CEVASA); ENCE Energia y Celulosa; Cementos Molins; Desarrollo Especiales de Sistemas de Anclaje, S.A. (DESA).
- has signed a Corporate Brokerage agreement that includes a contractually agreed provision of research services that in return, GVC Gaesco Valores receives a compensation. These reports (sponsored) may/could have been previously shown to the companies: Atrys Health; Audax Renovables; Gigas Hosting; Vytrus Biotech; Nicolás Correa; Prim; Ktesios, Cementos Molins.

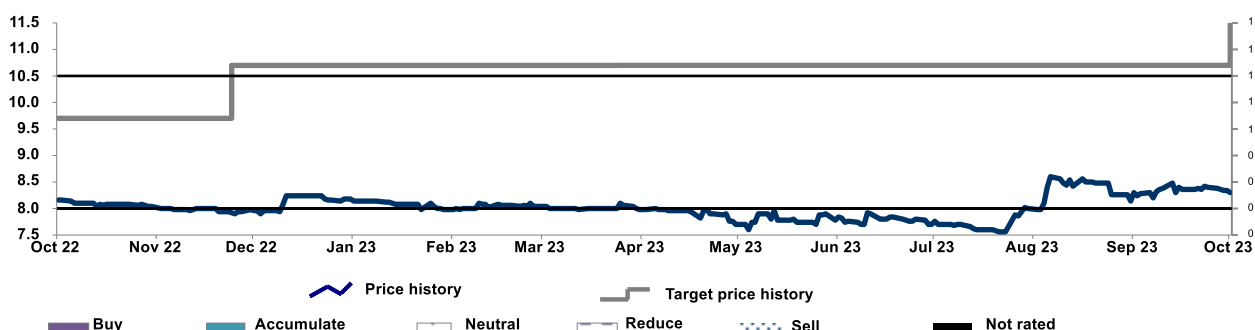
Recommendation history for IZERTIS

Date	Recommendation	Target price	Price at change date
20-Oct-23	Buy	11.50	8.30
12-Apr-23	Buy	10.70	8.00
13-Dec-22	Buy	10.70	7.92
07-Apr-22	Buy	9.70	8.24
29-Nov-21	Buy	9.70	7.20

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows GVC Gaesco Valores continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.

Current analyst: Juan Peña (since 01/12/2018)



ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated based on **total return**, measured by the upside/downside potential (including dividends and capital reimbursement) over a **12-month time horizon**. The final responsible of the recommendation of a listed company is the analyst who covers that company. The recommendation and the target price set by an analyst on one stock are correlated but not totally, because an analyst may include in its recommendation also qualitative elements as market volatility, earning momentum, short term news flow, possible M&A scenarios and other subjective elements.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months
- **Rating Suspended:** the rating is suspended due to: a) a capital operation (take-over bid, SPO, etc.) where a Member of ESN is or could be involved with the issuer or a related party of the issuer; b) a change of analyst covering the stock; c) the rating of a stock is under review by the Analyst.
- **Not Rated:** there is no rating for a stock when there is a termination of coverage of the stocks or a company being floated (IPO) by a Member of ESN or a related party of the Member.

Note: a certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

GVC Gaesco Valores, S.V., S.A. Ratings Breakdown

Recommendation	Number of stocks covered	%
Buy	62	78%
Accumulate	7	9%
Neutral	9	11%
Reduce	1	1%
Sell	0	0%

For full ESN Recommendation and Target price history (in the last 12 months), please see ESN Website [Link](#)

Date and time of production: **CET**

First date and time of dissemination: **CET**

Disclaimer:

These reports have been prepared and issued by the Members of European Securities Network LLP ('ESN'). ESN, its Members and their affiliates (and any director, officer or employee thereof), are neither liable for the proper and complete transmission of these reports nor for any delay in their receipt. Any unauthorised use, disclosure, copying, distribution, or taking of any action in reliance on these reports is strictly prohibited. The views and expressions in the reports are expressions of opinion and are given in good faith, but are subject to change without notice. The views expressed in this research report accurately reflect the research analyst's personal views about the subject securities and issuers. These reports may not be reproduced in whole or in part or passed to third parties without permission. The information herein was obtained from various sources. ESN, its Members and their affiliates (and any director, officer or employee thereof) do not guarantee their accuracy or completeness, and neither ESN, nor its Members, nor its Members' affiliates (nor any director, officer or employee thereof) shall be liable in respect of any errors or omissions or for any losses or consequential losses arising from such errors or omissions. Neither the information contained in these reports nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities or any options, futures or other derivatives related to such securities ('related investments'). These reports are prepared for the professional clients of the Members of ESN only. They do not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive any of these reports. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in these reports and should understand that statements regarding future prospects may not be realised. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in these reports. In addition, investors in securities such as ADRs, whose value are influenced by the currency of the underlying security, effectively assume currency risk. ESN, its Members and their affiliates may submit a pre-publication draft (without mentioning neither the recommendation nor the target price/fair value) of its reports for review to the Investor Relations Department of the issuer forming the subject of the report, solely for the purpose of correcting any inadvertent material inaccuracies. Like all members employees, analysts receive compensation that is impacted by overall firm profitability. Unless otherwise specified in the research report, no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report. For further details about the analyst certification, the specific risks of the company and about the valuation methods used to determine the price targets included in this report/note, please refer to the specific disclaimer pages prepared by the ESN Members. In the case of a short note please refer to the latest relevant published research on single stock or contact the analyst named on the front of the report/note for detailed information on the valuation methods, earning estimates and risks. A full description of all the organisational and administrative measures taken by the Members of ESN to manage interest and conflicts of interest are available on the website of the Members or in the local disclaimer of the Members or contacting directly the Members. Research is available through the ESN Members sales representative. ESN and/or ESN Members will provide periodic updates on companies or sectors based on company-specific developments or announcements, market conditions or any other publicly available information. Unless agreed in writing with an ESN Member, this research is intended solely for internal use by the recipient. Neither this document nor any copy of it may be taken or transmitted into Australia, Canada or Japan or distributed, directly or indirectly, in Australia, Canada or Japan or to any resident thereof. This document is for distribution in the U.K. only to persons who have professional experience in matters relating to investments and fall within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (the "order") or (ii) are persons falling within article 49(2)(a) to (d) of the order, namely high net worth companies, unincorporated associations etc (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied upon by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The distribution of this document in other jurisdictions or to residents of other jurisdictions may also be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. By accepting this report, you agree to be bound by the foregoing instructions. You shall indemnify ESN, its Members and their affiliates (and any director, officer or employee thereof) against any damages, claims, losses, and detriments resulting from or in connection with the unauthorized use of this document. For disclosure upon "conflicts of interest" on the companies under coverage by all the ESN Members, on the "interests" and "conflicts" of the analysts and on each "company recommendation history", please visit the ESN website

www.esnpartnership.eu

or refer to the local disclaimer of the Members, or contact directly the Members:

www.bancaakros.it regulated by the CONSOB - Commissione Nazionale per le Società e la Borsa

www.caixabi.pt regulated by the CMVM - Comissão do Mercado de Valores Mobiliários

www.cic-marketsolutions.eu regulated by the AMF - Autorité des marchés financiers

www.gvcgaesco.es regulated by CNMV - Comisión Nacional del Mercado de Valores

Members of ESN (European Securities Network LLP)

