

EQUITY - SPAIN

Sector: Hotels, Restaurants & Leisure

Closing price: EUR 0.24 (6 May 2025)

Report date: 7 May 2025 (13:10h)

12m Results 2024

Independent Equity Research

12m Results 2024

 Opinion ⁽¹⁾: Below expectations

 Impact ⁽¹⁾: We will have to lower our estimates

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Business description

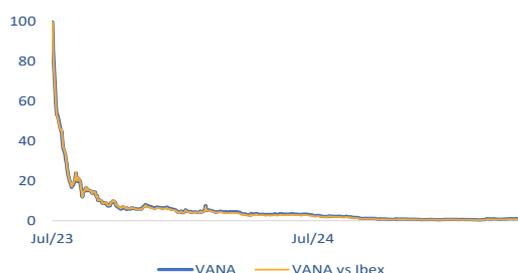
Vanadi Coffee (VANA) this is a small-sized coffee shop chain based in Alicante, Spain, with a focus on healthy food. Founded in November 2021, it currently has 5 open locations and a bakery, all within Spain. It has been listed on BME Growth since 2023.

Market Data

Market Cap (Mn EUR and USD)	1.9	2.1
EV (Mn EUR and USD) ⁽²⁾	2.8	3.1
Shares Outstanding (Mn)	7.9	
-12m (Max/Med/Min EUR)	1.08 / 0.45 / 0.10	
Daily Avg volume (-12m Mn EUR)	0.05	
Rotation ⁽³⁾	671.1	
Factset / Bloomberg	VANA-ES / VANA SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

Alpha Blue Ocean	44.7
Free Float	55.3

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	1.1	28.0	-75.2	n.a.
vs Ibex 35	-7.2	20.4	-80.0	n.a.
vs Ibex Small Cap Index	-10.6	15.6	-78.4	n.a.
vs Eurostoxx 50	-6.3	30.3	-76.7	n.a.
vs Sector benchmark ⁽⁴⁾	-7.0	26.9	-77.5	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 2.

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

(4) vs Factset Europe / Restaurants -IND.

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

2024 Results: "Flat" revenue; lack of critical mass hinders growth.

REVENUE DOWN C.-3% LEAVING RECURRING EBITDA IN LOSSES. VANA closed 2023 with 8 commercial locations and a central kitchen/bakery. And in 2024, it takes a radical turn in its non-organic growth strategy with the selective closure of three unprofitable coffee shops, which prevents revenue growth. However, this allows reducing, not eliminating, losses, leaving Recurring EBITDA at EUR -1.4Mn (vs. EUR -2.0Mn in 2023).

NEGATIVE FCF GENERATION PERSISTS, but the reduction in operating losses and continued financing via equity (capital increases + bond conversion) have allowed a slight reduction in net debt, which stands at c.EUR -0.9Mn.

A NEW, MUCH MORE CONSERVATIVE BUSINESS PLAN, BUT ONE THAT DELAYS THE POSSIBILITY OF BREAK-EVEN. The previous plan aimed for 27 coffee shops (2025), 41 (2026), and 55 (2027). The new plan radically reduces growth: 9 (2025), 15 (2026), and 27 (2027). This defers EBITDA break-even to 2027, in the best-case scenario. It is obvious that the execution risk of the plan is very high insofar as it pivots on very high capital needs, which will necessarily be very dilutive. And the plan is a *conditio sine qua non* to escape the negative equity situation (c. EUR -0.6Mn) that VANA is in today.

OBJECTIVELY, VERY HIGH RISK. The search for profitability implies coffee shop closures and loss of critical mass, which makes growth difficult. And the growth of the coffee shop network (although less ambitious now) leads to very high investment needs, with uncertain procurement and (in the best case) hyper-dilutive effects. The negative equity situation in a company that will very likely continue to be loss-making (EBITDA, Net Income, FCF) in 2025 implies that the risk of the stock is inevitably very high. 2024 EV/Sales of 1.4x, above the sector's mid-caps (Alsea, Amrest, Greggs; trading at an average of 1.0x).

Table 1. Results table

EUR Mn	12m24 Real	12m23	12m24 Real vs 12m23
Total Revenues	2.0	2.1	-2.9%
Gross Margin	1.3	1.2	12.3%
Gross Margin/Revenues	65.0%	56.2%	8.8 p.p.
Recurrent EBITDA ⁽¹⁾	-1.4	-2.0	30.9%
Rec. EBITDA/Revenues	-70.0%	-98.3%	n.a.
EBITDA	-1.8	-2.4	24.2%
EBITDA/Revenues	-90.0%	-115.2%	n.a.
EBIT	-2.6	-2.7	4.6%
PBT	-3.1	-2.9	-7.8%
NP	-3.3	-2.9	-14.7%
Number of locations	6	9	-33.3%
Net Debt ⁽²⁾	0.9	1.0	-7.4%

(1) Recurring EBITDA does not include expenses for the IPO on BME Growth (2023) or for M&A.

(2) Net Debt includes convertible bonds.

Tabla 2. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	1.9	
+ Minority Interests	-	12m Results 2024
+ Provisions & Other L/T Liabilities	0.4	12m Results 2024
+ Net financial debt	0.9	12m Results 2024
- Financial Investments	0.4	12m Results 2024
+/- Others		
Enterprise Value (EV)	2.8	

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Vanadi Coffee (VANA) 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).

Appendix 3. Main peers (2025e)

		Food service chains				Coffe Chains			
EUR Mn		Amrest	AIsea	Restaurant Brands	Compass Group PLC	Average	Starbucks	Greggs	Average
Market data	Ticker (Factset)	EAT-PL	AISEA-MX	QSR-CA	CPG-GB		SBUX-US	GRG-GB	
	Country	Spain	Mexico	Canada	UK		USA	UK	
	Market cap	908.9	1,634.5	27,128.4	52,068.0		82,936.9	2,203.6	
	Enterprise value (EV)	2,360.9	3,807.2	34,556.6	56,774.0		103,219.0	2,535.9	
Basic financial information	Total Revenues	2,784.5	3,882.1	8,313.6	39,589.3		32,553.7	2,568.4	
	Total Revenues growth	8.2%	10.0%	12.9%	1.3%	8.1%	2.1%	8.2%	5.2%
	2y CAGR (2025e - 2027e)	4.2%	7.8%	3.5%	7.1%	5.7%	7.0%	8.4%	7.7%
	EBITDA	451.0	688.9	2,669.4	3,949.4		5,166.4	430.3	
	EBITDA growth	10.7%	-25.1%	17.5%	6.2%	2.3%	-12.9%	8.8%	-2.1%
	2y CAGR (2025e - 2027e)	7.0%	8.5%	5.3%	7.9%	7.1%	15.3%	6.9%	11.1%
	EBITDA/Revenues	16.2%	17.7%	32.1%	10.0%	19.0%	15.9%	16.8%	16.3%
	EBIT	180.0	366.8	2,301.6	2,869.3		3,634.1	234.0	
	EBIT growth	23.7%	-30.8%	12.8%	10.7%	4.1%	-19.7%	1.5%	-9.1%
	2y CAGR (2025e - 2027e)	7.2%	12.9%	5.7%	8.8%	8.7%	19.8%	4.6%	12.2%
	EBIT/Revenues	6.5%	9.4%	27.7%	7.2%	12.7%	11.2%	9.1%	10.1%
	Net Profit	81.7	112.3	1,516.9	1,934.9		2,507.9	163.3	
	Net Profit growth	855.1%	186.3%	69.7%	48.2%	289.8%	-24.4%	-9.7%	-17.0%
	2y CAGR (2025e - 2027e)	13.3%	30.8%	4.1%	10.3%	14.6%	21.1%	3.9%	12.5%
	CAPEX/Sales %	14.7%	6.3%	3.6%	3.4%	7.0%	6.6%	13.2%	9.9%
Free Cash Flow	37.5	182.5	1,385.6	1,730.5		2,455.7	1.6		
Net financial debt	1,393.0	1,546.6	11,197.5	4,993.8		14,779.3	405.4		
ND/EBITDA (x)	3.1	2.2	4.2	1.3	2.7	2.9	0.9	1.9	
Pay-out	0.0%	19.9%	46.6%	50.7%	29.3%	97.4%	49.9%	73.7%	
Multiples and Ratios	P/E (x)	11.2	15.0	17.9	26.8	17.7	33.3	13.5	23.4
	P/BV (x)	1.7	2.6	6.0	7.6	4.5	n.a.	3.0	3.0
	EV/Revenues (x)	0.8	1.0	4.2	1.4	1.9	3.2	1.0	2.1
	EV/EBITDA (x)	5.2	5.5	12.9	14.4	9.5	20.0	5.9	12.9
	EV/EBIT (x)	13.1	10.4	15.0	19.8	14.6	28.4	10.8	19.6
	ROE	15.2	17.3	33.3	28.3	23.5	n.a.	22.3	22.3
	FCF Yield (%)	4.1	11.2	5.1	3.3	5.9	3.0	0.1	1.5
	DPS	0.00	0.03	2.22	0.57	0.71	2.16	0.80	1.48
	Dvd Yield	0.0%	1.4%	3.7%	1.9%	1.7%	3.0%	3.7%	3.3%

Note 1: Financial data, multiples and ratios based on market consensus (Factset).

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

LIGHTHOUSE

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07-May-2025	n.a.	0.236	n.a.	n.a.	12m Results 2024	Alfredo Echevarría Otegui
04-Nov-2024	n.a.	0.208	n.a.	n.a.	6m Results 2024	Luis Esteban Arribas, CESGA
27-May-2024	n.a.	0.94	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
02-May-2024	n.a.	1.06	n.a.	n.a.	12m Results 2023 - Estimates downgrade	Luis Esteban Arribas, CESGA
21-Dec-2023	n.a.	1.96	n.a.	n.a.	Initiation of Coverage	Luis Esteban Arribas, CESGA

