

12m Results 2020

Opinion ⁽¹⁾: Below expectations

Impact ⁽¹⁾: We lower our estimates

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EcoLumber, S.A. (ECO) is a small national group based in Spain (Barcelona), specialised initially in the forestry business. The company has changed strategic direction, positioning itself in the food industry, as a vertically integrated Group, in the production, processing and sale of nuts. It is controlled by the Board of Directors (50.3% of capital)

The results don't count...given the change of direction towards "healthy snacks"

Market Data

Market Cap (Mn EUR and USD)	28.4	34.2
EV (Mn EUR and USD) ⁽²⁾	36.1	43.6
Shares Outstanding (Mn)	27.0	
-12m (Max/Med/Min EUR)	1.06 / 1.05 / 0.87	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽³⁾	0.0	
Refinitiv / Bloomberg	ECWI.SCT / ECO SM	
Close fiscal year	31-Dec	

Shareholders Structure (%) ⁽⁸⁾

G3T SL	14.0
Brinca 2004 SL	10.8
Onchena	8.0
Acalios	7.3
Free Float	32.2

Financials (Mn EUR)

	2020	2021e	2022e	2023e
Adj. nº shares (Mn)	26.6	29.4	29.4	29.4
Total Revenues	15.3	17.5	19.9	24.1
Rec. EBITDA ⁽⁴⁾	-2.4	-2.2	-0.4	0.6
% growth	-11.0	10.4	82.6	269.0
% Rec. EBITDA/Rev.	n.a.	n.a.	n.a.	2.6
% Inc. EBITDA sector ⁽⁵⁾	1.6	10.2	11.1	2.8
Net Profit	-4.7	-2.9	-0.8	-0.3
EPS (EUR)	-0.18	-0.10	-0.03	-0.01
% growth	-111.3	44.8	71.5	69.5
Ord. EPS (EUR)	-0.12	-0.10	-0.03	-0.01
% growth	-56.4	20.4	71.0	69.5
Rec. Free Cash Flow ⁽⁶⁾	-4.8	-4.1	-1.4	-1.5
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	14.5	14.1	15.5	17.0
ND/Rec. EBITDA (x)	n.a.	n.a.	n.a.	26.8
ROE (%)	n.a.	n.a.	n.a.	n.a.
ROCE (%) ⁽⁶⁾	n.a.	n.a.	n.a.	0.4

Ratios & Multiples (x) ⁽⁷⁾

	n.a.	n.a.	n.a.	n.a.
P/E	n.a.	n.a.	n.a.	n.a.
Ord. P/E	n.a.	n.a.	n.a.	n.a.
P/BV	2.2	2.1	2.3	2.3
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	2.36	2.06	1.82	1.50
EV/Rec. EBITDA	n.a.	n.a.	n.a.	n.a.
EV/EBIT	n.a.	n.a.	n.a.	n.a.
FCF Yield (%) ⁽⁶⁾	n.a.	n.a.	n.a.	n.a.

STRONG REVENUE GROWTH (EUR 15.3Mn 2020, +13.8% Y/Y), a mix of +22.7% volume and -8.9% price, and despite the impact of Covid in 4Q (-4.4% y/y). This situation has forced the company to delay the marketing schedule for its new product launches (healthy snacks with higher margins). There has been a narrowing of the margin (13.5% Gross Margin/Revenues, -2.8p.p. y/y), caused by falling prices (c. -10% y/y) that, a priori, should lay the foundations for recovery (+1y).

WITH A BIGGER IMPACT ON REC. EBITDA (EUR-2.4Mn 2020, -11.0% Y/Y), due to the increase in structural costs to meet the needs of the expansion of the business (+22.7% in personnel costs) and causing EBIT to nosedive (EUR-3.0Mn 2020, -39.3% y/y), including EUR -0.3Mn in restructuring costs.

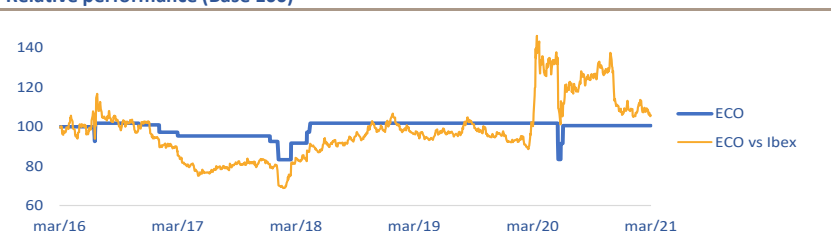
THE GOOD NEWS IS THE EXIT FROM ARGENTINA..., a sale agreement having been signed that should result in a EUR 1.0Mn cash inflow (2021) from the sale. In addition, ECO has put the forestry land at Oropesa (unprofitable) up for sale, that could add c. EUR 0.6Mn (feasible in the short term).

...A DECISION THAT HAS IMPACTED 2020 RESULTS (EUR -1.5Mn DUE TO IMPAIRMENTS), that fall to EUR -4.7Mn (EUR -3.2Mn in ordinary terms, -56.4% y/y). With debt remaining stable (1.1x ND/Equity).

THESE RESULTS LEAD US TO ADJUST OUR ESTIMATES, c. -5% on average for revenue, delaying (+1y) break even (EUR 0.6Mn 2023e Rec. EBITDA), this being hyper-dependent on the commercial success of new products (nut snacks). These are potentially interesting for the sector but require a greater commercial effort. They will contribute c. 30% of estimated growth in turnover, accounting for c. 50% of the improvement in Rec. EBITDA.

IN CONCLUSION, THE CAPTURE OF CAPITAL WILL REMAIN CRUCIAL. Although the sale of assets (2021) will provide some relief for the balance sheet, ECO still needs capital. The capital increase in progress (c. EUR 20Mn) could allow it to diversify its shareholder base and accelerate its expansion strategy (industrial). ECO continues to have the backing of its core shareholders, c. EUR 3Mn of the increase is guaranteed via the capitalisation of loans with associates (and included in our numbers). Its "equity story" could be that of a corporate play on repositioning (> 1/t) in the supply chain (with higher added value) for the food industry.

Relative performance (Base 100)



Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	0.0	0.0	-1.2	0.0	9.8	0.6
vs Ibox 35	-3.8	-1.5	4.5	-3.1	25.6	5.9
vs Ibox Small Cap Index	-5.3	-10.7	-23.8	-5.5	-11.4	-49.3
vs Eurostoxx 50	-2.8	-5.3	-10.3	-4.3	-1.7	-18.4
vs Sector benchmark ⁽⁵⁾	4.6	1.5	6.7	6.3	-12.4	-17.3

(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) Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.0Mn higher due to IFRS 16.

(5) Sector: TR Europe Food Processing.

(6) Please see Appendix 2 for the theoretical tax rate (ROCE) and rec. FCF calculation.

(7) Multiples and ratios calculated over prices at the date of this report.

(8) Others: Jovellanos Cartera 6.3%, Relocation & Exec. Serv. SL 4.8%, Ladan 2002 SL 3.2%, Other Board Members 13.3%

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

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12m Results 2020

Estimates downgrade

Table 1. 2020 Results

(EUR Mn)	2020	2019	2020 vs 2019	2020e	2020 (Real vs Est.)	4Q20	4Q20 vs 4Q19
Total Revenues	15.3	13.4	13.8%	16.1	-5.1%	5.0	-4.4%
Gross Margin	2.1	2.2	-5.6%	(1.9)	210.9%	0.8	21.8%
<i>Gross Mg. / Rev.</i>	<i>13.5%</i>	<i>16.2%</i>	<i>-2.8 p.p.</i>	<i>11.5%</i>	<i>1.9 p.p.</i>	<i>15.3%</i>	<i>3.3 p.p.</i>
Rec. EBITDA⁽¹⁾	(2.4)	(2.2)	-11.0%	(1.7)	-39.7%	(0.5)	-17.3%
<i>Rec. EBITDA / Rev.</i>	<i>-15.7%</i>	<i>-16.1%</i>	<i>0.4 p.p.</i>	<i>-10.7%</i>	<i>-5.1 p.p.</i>	<i>-11.0%</i>	<i>-2.0 p.p.</i>
EBITDA	(2.7)	(2.5)	-8.5%	(2.1)	-33.4%	0.3	123.0%
<i>EBITDA / Rev.</i>	<i>-17.9%</i>	<i>-18.8%</i>	<i>0.9 p.p.</i>	<i>-12.7%</i>	<i>-5.2 p.p.</i>	<i>5.5%</i>	<i>28.2 p.p.</i>
EBIT	(3.0)	(2.2)	-39.3%	(2.1)	-45.0%	(0.1)	92.2%
EBT	(5.0)	(2.4)	-108.8%	(3.2)	-55.0%	(1.8)	-70.5%
NP	(4.7)	(2.2)	-111.3%	(3.2)	-45.2%	(1.5)	-74.1%
Ordinary NP	(3.2)	(2.1)	-56.4%	(2.9)	-10.2%	(1.2)	-283.6%
Total Volume (MT)	2,949.1	2,404.0	22.7%			976.1	14.0%
Net Debt	14.5	14.1	2.9%				
ND/Equity	1.1 x	1.1 x	0.0 x				

(1) Excludes capitalizations and non recurrent expenses/income.

Table 2. Review of estimates

(EUR Mn)	2021e (New)	Review (%)	2022e (New)	Review (%)	2023e (New)
Total Revenues	17.5	-3.3%	19.9	-7.9%	24.1
Recurrent EBITDA	-2.2	-99.6%	-0.4	-204.1%	0.6
<i>Recurrent EBITDA growth</i>	<i>10.4%</i>	<i>-26.9 p.p.</i>	<i>82.6%</i>	<i>-50.8 p.p.</i>	<i>269.0%</i>
<i>Rec. EBITDA/Revenues</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>2.6%</i>
Net Profit	-2.9	-69.3%	-0.8	-2123.7%	-0.3
Recurrent Free Cash Flow	-4.1	-78.4%	-1.4	-32.0%	-1.5
ND	14.1	-3%	15.5	-1%	17.0

Valuation inputs

Inputs for the DCF Valuation Approach

	2021e	2022e	2023e	Terminal Value ⁽¹⁾			
Free Cash Flow "To the Firm"	(2.2)	(1.1)	(1.2)	n.a.			
Market Cap	28.4	At the date of this report					
Net financial debt	14.5	Debt net of Cash (12m Results 2020)					
					Best Case	Worst Case	
Cost of Debt	2.1%	Net debt cost			1.9%	2.4%	
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=	
Net debt cost	1.7%	Kd = Cost of Net Debt * (1-T)			1.5%	1.9%	
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)	0.8	B (Refinitiv and Lighthouse)			0.7	0.9	
Cost of Equity	7.6%	Ke = Rf + (R * B)			6.3%	8.9%	
Equity / (Equity + Net Debt)	66.2%	E (Market Cap as equity value)			=	=	
Net Debt / (Equity + Net Debt)	33.8%	D			=	=	
WACC	5.6%	WACC = Kd * D + Ke * E			4.7%	6.6%	
G "Fair"	2.0%				2.0%	1.5%	

(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
Greenyard NV	GREENY.BR	347.8	21.3	45.7%	7.2	12.7%	0.2	2.3%	3.0%	13.9%	5.3%
Sipef NV	SIFB.BR	498.3	17.7	58.2%	7.0	28.5%	1.9	16.8%	26.9%	n.a.	n.a.
Vilmorin & Cie SA	VILM.PA	1,281.6	15.1	13.4%	5.7	7.7%	1.5	3.3%	27.0%	5.2%	20.4%
BAINS	BAINS.MC	62.5	n.a.	63.3%	n.a.	73.7%	0.7	11.9%	n.a.	3.5%	-65.1%
Pharming Industry			18.0	45.2%	6.6	30.7%	1.1	8.6%	19.0%	7.5%	-13.2%
ADM	ADM	26,443.9	14.8	2.9%	10.8	-0.5%	0.6	1.5%	5.7%	8.8%	-41.4%
Olam Intl.	OLAM.SI	3,221.3	9.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
John B Sant Filippo	JBSS.O	837.5	17.4	n.a.	n.a.	n.a.	1.2	n.a.	n.a.	n.a.	n.a.
Select Harvests	SHV.AX	422.3	39.0	89.8%	19.5	51.3%	3.7	11.9%	18.7%	n.a.	n.a.
Non European International players			20.1	46.4%	15.2	25.4%	1.8	6.7%	12.2%	8.8%	-41.4%
ECO	ECWI.SCT	28.4	n.a.	70.5%	n.a.	51.3%	2.1	17.2%	n.a.	n.a.	22.8%

Appendix 1. Financial Projections⁽¹⁾

Balance Sheet (EUR Mn)	2016	2017	2018	2019	2020	2021e	2022e	2023e	
Intangible assets		7.4	11.1	11.1	9.6	10.1	10.8	11.2	
Fixed assets		6.4	9.6	12.1	10.8	10.6	10.5	10.7	
Other Non Current Assets		0.0	0.1	0.1	2.1	0.5	0.5	0.5	
Financial Investments		-	0.1	0.1	0.1	0.1	0.1	0.1	
Goodwill & Other Intangibles		-	3.9	3.9	3.9	3.9	3.9	3.9	
Current assets		0.4	5.0	5.9	5.0	7.1	7.8	9.0	
Total assets		14.3	29.7	33.3	31.4	32.3	33.5	35.4	
Equity		12.4	20.0	17.8	13.1	13.2	12.4	12.1	
Minority Interests		-	-	-	-	-	-	-	
Provisions & Other L/T Liabilities		-	1.4	1.3	0.9	0.9	0.9	0.9	
Other Non Current Liabilities		0.9	0.9	0.8	1.0	1.0	1.0	1.0	
Net financial debt		0.6	4.7	10.2	14.5	14.1	15.5	17.0	
Current Liabilities		0.4	2.8	3.1	1.9	3.1	3.7	4.3	
Equity & Total Liabilities		14.3	29.7	33.3	31.4	32.3	33.5	35.4	
									CAGR
P&L (EUR Mn)	2016	2017	2018	2019	2020	2021e	2022e	2023e	20-23e
Total Revenues		0.2	0.2	13.4	15.3	17.5	19.9	24.1	16.4%
<i>Total Revenues growth</i>		<i>n.a.</i>	<i>27.4%</i>	<i>n.a.</i>	<i>13.8%</i>	<i>14.7%</i>	<i>13.5%</i>	<i>21.1%</i>	
COGS		(0.5)	(0.5)	(11.3)	(13.2)	(14.8)	(15.2)	(17.7)	
Gross Margin		(0.3)	(0.3)	2.2	2.1	2.8	4.7	6.4	46.0%
<i>Gross Margin/Revenues</i>		<i>n.a.</i>	<i>n.a.</i>	<i>16.2%</i>	<i>13.5%</i>	<i>15.8%</i>	<i>23.6%</i>	<i>26.6%</i>	
Personnel Expenses		(0.3)	(0.5)	(1.6)	(2.0)	(2.0)	(2.1)	(2.1)	
Other Operating Expenses		(1.2)	(1.0)	(2.7)	(2.5)	(2.9)	(3.0)	(3.6)	
Recurrent EBITDA		(1.9)	(1.7)	(2.2)	(2.4)	(2.2)	(0.4)	0.6	31.3%
<i>Recurrent EBITDA growth</i>		<i>n.a.</i>	<i>6.7%</i>	<i>-24.4%</i>	<i>-11.0%</i>	<i>10.4%</i>	<i>82.6%</i>	<i>269.0%</i>	
<i>Rec. EBITDA/Revenues</i>		<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>2.6%</i>	
Restructuring Expense & Other non-rec.		(0.1)	(0.1)	(0.4)	(0.3)	(0.1)	-	-	
EBITDA		(2.0)	(1.8)	(2.5)	(2.7)	(2.2)	(0.4)	0.6	30.7%
Depreciation & Provisions		(0.1)	(0.2)	(0.5)	(0.7)	(0.8)	(0.8)	(0.8)	
Capitalized Expense		0.9	1.7	1.0	0.5	0.5	0.8	0.4	
Rentals (IFRS 16 impact)		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	
EBIT		(1.3)	(0.3)	(2.2)	(3.0)	(2.6)	(0.5)	0.1	26.8%
<i>EBIT growth</i>		<i>n.a.</i>	<i>75.0%</i>	<i>-564.3%</i>	<i>-39.3%</i>	<i>15.4%</i>	<i>80.8%</i>	<i>122.7%</i>	
<i>EBIT/Revenues</i>		<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.5%</i>	
Impact of Goodwill & Others		-	-	-	(0.1)	-	-	-	
Net Financial Result		(0.1)	(0.1)	(0.2)	(0.4)	(0.3)	(0.3)	(0.4)	
Income by the Equity Method		-	-	-	-	-	-	-	
Ordinary Profit		(1.4)	(0.5)	(2.4)	(3.5)	(2.9)	(0.8)	(0.3)	58.7%
<i>Ordinary Profit Growth</i>		<i>n.a.</i>	<i>67.4%</i>	<i>-415.7%</i>	<i>-47.1%</i>	<i>18.8%</i>	<i>71.5%</i>	<i>69.5%</i>	
Extraordinary Results		-	-	-	(1.5)	-	-	-	
Profit Before Tax		(1.4)	(0.5)	(2.4)	(5.0)	(2.9)	(0.8)	(0.3)	63.2%
Tax Expense		-	-	0.2	0.3	-	-	-	
<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>n.a.</i>	<i>n.a.</i>	
Minority Interests		-	-	-	-	-	-	-	
Discontinued Activities		-	-	-	-	-	-	-	
Net Profit		(1.4)	(0.5)	(2.2)	(4.7)	(2.9)	(0.8)	(0.3)	62.4%
<i>Net Profit growth</i>		<i>n.a.</i>	<i>67.4%</i>	<i>-377.5%</i>	<i>-111.3%</i>	<i>39.0%</i>	<i>71.5%</i>	<i>69.5%</i>	
Ordinary Net Profit		(1.3)	(0.4)	(2.1)	(3.2)	(2.8)	(0.8)	(0.3)	57.3%
<i>Ordinary Net Profit growth</i>		<i>n.a.</i>	<i>69.3%</i>	<i>-411.0%</i>	<i>-56.4%</i>	<i>12.1%</i>	<i>71.0%</i>	<i>69.5%</i>	
									CAGR
Cash Flow (EUR Mn)	2016	2017	2018	2019	2020	2021e	2022e	2023e	20-23e
Recurrent EBITDA						(2.2)	(0.4)	0.6	31.3%
Rentals (IFRS 16 impact)						(0.1)	(0.1)	(0.1)	
Working Capital Increase						(1.0)	(0.1)	(0.7)	
Recurrent Operating Cash Flow						-3.3	-0.6	-0.1	62.4%
CAPEX						(0.5)	(0.5)	(1.0)	
Net Financial Result affecting the Cash Flow						(0.3)	(0.3)	(0.4)	
Tax Expense						-	-	-	
Recurrent Free Cash Flow						(4.1)	(1.4)	(1.5)	31.6%
Restructuring Expense & Other non-rec.						(0.1)	-	-	
- Acquisitions / + Divestures of assets						1.6	-	-	
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-	
Free Cash Flow						(2.6)	(1.4)	(1.5)	28.8%
Capital Increase						3.0	-	-	
Dividends						-	-	-	
Net Debt Variation						(0.4)	1.4	1.5	

Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.0Mn higher due to IFRS 16.

Appendix 2. Free Cash Flow⁽¹⁾

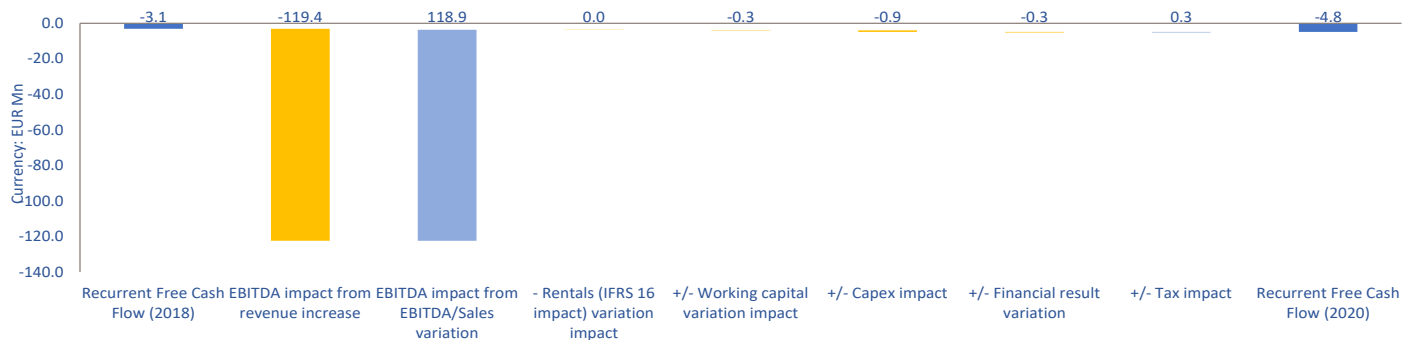
	2017	2018	2019	2020	2021e	2022e	2023e	CAGR 20-23e
A) Cash Flow Analysis (EUR Mn)								
Recurrent EBITDA		(1.7)	(2.2)	(2.4)	(2.2)	(0.4)	0.6	31.3%
<i>Recurrent EBITDA growth</i>		6.7%	-24.4%	-11.0%	10.4%	82.6%	269.0%	
<i>Rec. EBITDA/Revenues</i>		n.a.	n.a.	n.a.	n.a.	n.a.	2.6%	
- Rentals (IFRS 16 impact)		(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	
+/- Working Capital increase		(2.2)	(0.6)	(0.3)	(1.0)	(0.1)	(0.7)	
= Recurrent Operating Cash Flow		(4.0)	(2.9)	(2.8)	(3.3)	(0.6)	(0.1)	62.4%
<i>Rec. Operating Cash Flow growth</i>		-103.2%	27.8%	2.2%	-16.0%	83.0%	73.0%	
<i>Rec. Operating Cash Flow / Sales</i>		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
- CAPEX		(0.8)	(2.6)	(1.9)	(0.5)	(0.5)	(1.0)	
- Net Financial Result affecting Cash Flow		(0.1)	(0.2)	(0.4)	(0.3)	(0.3)	(0.4)	
- Taxes		-	0.2	0.3	-	-	-	
= Recurrent Free Cash Flow		(4.9)	(5.6)	(4.8)	(4.1)	(1.4)	(1.5)	31.6%
<i>Rec. Free Cash Flow growth</i>		-58.9%	-13.0%	13.0%	14.9%	65.2%	-8.1%	
<i>Rec. Free Cash Flow / Revenues</i>		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
- Restructuring expenses & others		0.2	(0.4)	1.1	(0.1)	-	-	
- Acquisitions / + Divestments		(5.0)	0.1	(0.5)	1.6	-	-	
+/- Extraordinary Inc./Exp. affecting Cash Flow		-	-	-	-	-	-	
= Free Cash Flow		(9.7)	(5.8)	(4.3)	(2.6)	(1.4)	(1.5)	28.8%
<i>Free Cash Flow growth</i>		-214.6%	39.9%	26.6%	39.4%	44.8%	-8.1%	
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
<i>Free Cash Flow Yield (s/Mkt Cap)</i>		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)								
Recurrent FCF(FY - 1)			(4.9)	(5.6)	(4.8)	(4.1)	(1.4)	
EBITDA impact from revenue increase			(118.6)	(0.3)	(0.4)	(0.3)	(0.1)	
EBITDA impact from EBITDA/Sales variation			118.2	0.1	0.6	2.1	1.1	
= Recurrent EBITDA variation			(0.4)	(0.2)	0.3	1.8	1.0	
- Rentals (IFRS 16 impact) variation impact			(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
+/- Working capital variation impact			1.5	0.3	(0.7)	0.9	(0.6)	
= Recurrent Operating Cash Flow variation			1.1	0.1	(0.4)	2.7	0.4	
+/- CAPEX impact			(1.8)	0.7	1.4	(0.0)	(0.5)	
+/- Financial result variation			(0.1)	(0.2)	0.1	(0.0)	(0.0)	
+/- Tax impact			0.2	0.1	(0.3)	-	-	
= Recurrent Free Cash Flow variation			(0.6)	0.7	0.7	2.7	(0.1)	
Recurrent Free Cash Flow			(5.6)	(4.8)	(4.1)	(1.4)	(1.5)	
C) "FCF to the Firm" (pre debt service) (EUR Mn)								
EBIT			(2.2)	(3.0)	(2.6)	(0.5)	0.1	26.8%
* <i>Theoretical Tax rate</i>			0.0%	0.0%	0.0%	0.0%	0.0%	
= Taxes (pre- Net Financial Result)			-	-	-	-	-	
Recurrent EBITDA			(2.2)	(2.4)	(2.2)	(0.4)	0.6	31.3%
- Rentals (IFRS 16 impact)			(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	
+/- Working Capital increase			(0.6)	(0.3)	(1.0)	(0.1)	(0.7)	
= Recurrent Operating Cash Flow			(2.9)	(2.8)	(3.3)	(0.6)	(0.1)	62.4%
- CAPEX			(2.6)	(1.9)	(0.5)	(0.5)	(1.0)	
- Taxes (pre- Financial Result)			-	-	-	-	-	
= Recurrent Free Cash Flow (To the Firm)			(5.5)	(4.7)	(3.8)	(1.1)	(1.2)	36.9%
<i>Rec. Free Cash Flow (To the Firm) growth</i>			-15.1%	14.3%	19.4%	71.0%	-7.7%	
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>			n.a.	n.a.	n.a.	n.a.	n.a.	
- Acquisitions / + Divestments			0.1	(0.5)	1.6	-	-	
+/- Extraordinary Inc./Exp. affecting Cash Flow			-	-	-	-	-	
= Free Cash Flow "To the Firm"			(5.4)	(5.2)	(2.2)	(1.1)	(1.2)	39.1%
<i>Free Cash Flow (To the Firm) growth</i>			44.6%	3.3%	57.5%	50.5%	-7.7%	
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>			n.a.	n.a.	n.a.	n.a.	n.a.	
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>			n.a.	n.a.	n.a.	n.a.	n.a.	

Note 1: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.0Mn higher due to IFRS 16.

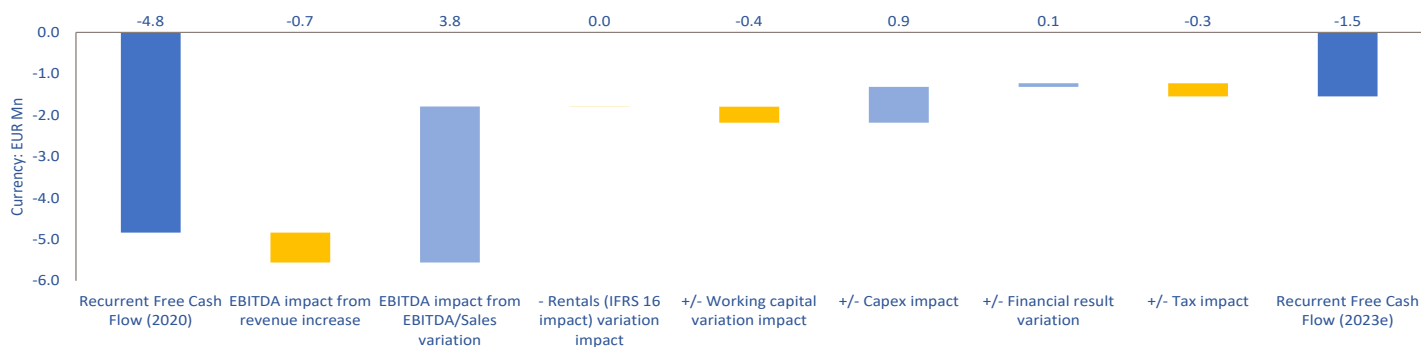
Note 2: The company closed its fiscal year on 30 September until 2016, changing the closing date to 31 December from 2017 (inclusive), so the years prior to 2017 are not comparable. In addition, the company changed its scope of consolidation in 2018 (acquisition of Utega Group in December 2018). P/L 2019 consolidates 100% of Utega.

Note 3: 2021e acquisitions and divestments include EUR 1.6Mn corresponding to the sale of forestry land assets in Argentina and Spain (Oropesa).

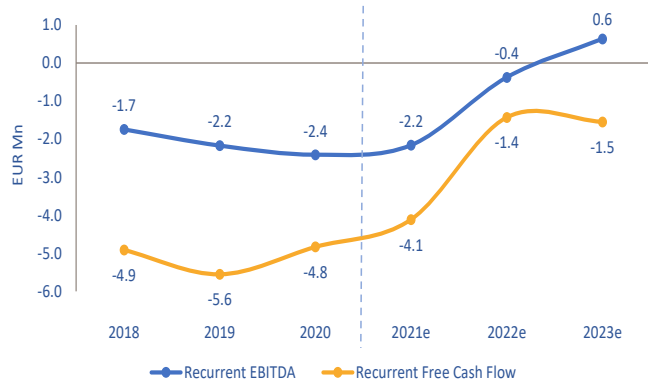
Recurrent Free Cash Flow accumulated variation analysis (2018 - 2020)



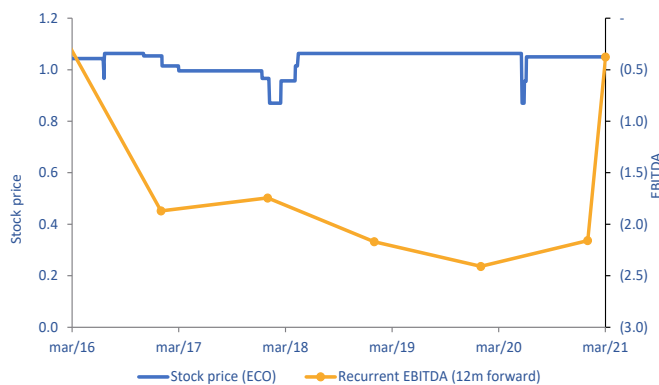
Recurrent Free Cash Flow accumulated variation analysis (2020 - 2023e)



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	28.4	
+ Minority Interests	-	12m Results 2020
+ Provisions & Other L/T Liabilities	0.9	12m Results 2020
+ Net financial debt	14.5	12m Results 2020
- Financial Investments	0.1	12m Results 2020
+/- Others ⁽¹⁾	(7.5)	Lighthouse 2020
Enterprise Value (EV)	36.1	

(1) Non-strategic assets held for sales (Land in Argentina and in Spain valued at EUR 1,0Mn and EUR 0,6Mn respectively) and other forestry assets in Spain (EUR 5,9Mn)

Appendix 4. Historical performance (1)(2)

Historical performance (EUR Mn)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e	CAGR	
															10-20	20-23e
Total Revenues	-	-	0.0	0.0	0.0	-	-	0.2	0.2	13.4	15.3	17.5	19.9	24.1	n.a.	16.4%
Total Revenues growth	n.a.	n.a.	n.a.	46.6%	16.2%	-100.0%	n.a.	n.a.	27.4%	n.a.	13.8%	14.7%	13.5%	21.1%		
EBITDA	-	-	0.1	(0.4)	(0.8)	(0.6)	-	(2.0)	(1.8)	(2.5)	(2.7)	(2.2)	(0.4)	0.6	n.a.	30.7%
EBITDA growth	n.a.	n.a.	n.a.	-386.2%	-81.1%	21.5%	100.0%	n.a.	9.3%	-39.5%	-8.5%	19.4%	83.0%	269.0%		
EBITDA/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2.6%		
Net Profit	-	-	0.1	(0.1)	0.0	(0.2)	-	(1.4)	(0.5)	(2.2)	(4.7)	(2.9)	(0.8)	(0.3)	n.a.	62.4%
Net Profit growth	n.a.	n.a.	n.a.	-323.3%	133.1%	-558.3%	100.0%	n.a.	67.4%	-377.5%	-111.3%	39.0%	71.5%	69.5%		
Adjusted number shares (Mn)	-	-	-	12.4	18.5	18.5	18.5	18.5	19.5	26.6	26.6	29.4	29.4	29.4		
EPS (EUR)	n.a.	n.a.	n.a.	-0.01	0.00	-0.01	0.00	-0.08	-0.02	-0.08	-0.18	-0.10	-0.03	-0.01	n.a.	63.7%
EPS growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	100.0%	n.a.	69.2%	n.a.	n.a.	44.8%	71.5%	69.5%		
Ord. EPS (EUR)	n.a.	n.a.	n.a.	0.00	0.00	0.00	0.00	-0.07	-0.02	-0.08	-0.12	-0.10	-0.03	-0.01	n.a.	58.7%
Ord. EPS growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	70.9%	n.a.	-56.4%	20.4%	71.0%	69.5%		
CAPEX	-	-	(0.3)	(0.3)	(0.2)	(0.2)	-	(1.0)	(0.8)	(2.6)	(1.9)	(0.5)	(0.5)	(1.0)		
CAPEX/Sales %	n.a.	n.a.	1749.1%	1198.9%	814.3%	n.a.	n.a.	660.8%	409.6%	19.5%	12.4%	3.1%	2.7%	4.3%		
Free Cash Flow	-	-	1.4	(1.2)	(1.0)	(0.7)	-	(3.1)	(9.7)	(5.8)	(4.3)	(2.6)	(1.4)	(1.5)	n.a.	28.8%
ND/EBITDA (x) ⁽³⁾	n.a.	n.a.	0.0x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	26.8x		
P/E (x)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
EV/Sales (x)	n.a.	n.a.	0.00x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.98x	1.88x	2.06x	1.82x	1.50x		
EV/EBITDA (x) ⁽³⁾	n.a.	n.a.	0.0x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
Absolute performance	n.a.	n.a.	n.a.	0.0%	0.0%	-4.0%	-0.3%	0.9%	-8.3%	10.0%	-1.2%	0.0%	n.a.	n.a.		
Relative performance vs Ibex 35	n.a.	n.a.	n.a.	-17.6%	-3.5%	3.4%	1.7%	-6.0%	7.9%	-1.6%	16.8%	-3.1%				

Note 1: The multiples are historical, calculated based on the price and EV at the end of each year, except (if applicable) in the current year, when multiples would be given at current prices.

The absolute and relative behavior corresponds to each exercise (1/1 to 31/12). The source, both historical multiples and the evolution of the price, is Refinitiv.

Note 2: Financial projections include IFRS 16 adjustments. FY 19 EBITDA is c. EUR 0.0Mn higher due to IFRS 16.

Note 3: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

Appendix 5. Main peers 2021e

		European Industry					Other international peers				
		Greenyard NV		Vilmorin & Cie		Average	Select	Vilmorin & Cie		Average	ECO
		EUR Mn		SA	BAINS		Harvests	SA	ADM		
		Greenyard NV	Sipef NV	Vilmorin & Cie	BAINS	Average	Harvests	Vilmorin & Cie	ADM	Average	ECO
Market data	Ticker (Reuters)	GREENY.BR	SIFB.BR	VILM.PA	BAINS.MC		SHV.AX	VILM.PA	ADM		ECWI.SCT
	Country	Belgium	Belgium	France	Spain		Australia	France	U.S.A.		Spain
	Market cap	347.8	498.3	1,281.6	62.5		422.3	1,281.6	26,443.9		28.4
	Enterprise value (EV)	1,002.8	702.0	2,292.1	104.9		630.1	2,292.1	34,203.0		36.1
Basic financial information	Total Revenues	4,541.3	373.0	1,492.8	148.2		172.3	1,492.8	55,399.8		17.5
	Total Revenues growth	2.4%	36.1%	4.0%	-17.9%	6.2%	7.7%	4.0%	3.8%	5.2%	14.7%
	2y CAGR (2021e - 2023e)	2.3%	16.8%	3.3%	11.9%	8.6%	11.9%	3.3%	1.5%	5.6%	17.2%
	EBITDA	138.5	100.5	402.4	(2.6)		32.2	402.4	3,157.3		(2.2)
	EBITDA growth	6.3%	36.5%	15.9%	-261.0%	-50.6%	13.0%	15.9%	37.9%	22.3%	19.4%
	2y CAGR (2021e - 2023e)	12.7%	28.5%	7.7%	73.7%	30.7%	51.3%	7.7%	-0.5%	19.5%	51.3%
	EBITDA/Revenues	3.0%	26.9%	27.0%	n.a.	19.0%	18.7%	27.0%	5.7%	17.1%	n.a.
	EBIT	64.8	58.0	124.1	(4.1)		17.8	124.1	2,072.0		(2.6)
	EBIT growth	11.2%	93.0%	13.9%	n.a.	39.4%	13.2%	13.9%	39.9%	22.3%	15.4%
	2y CAGR (2021e - 2023e)	12.5%	43.2%	9.6%	42.4%	26.9%	79.7%	9.6%	2.2%	30.5%	43.0%
	EBIT/Revenues	1.4%	15.5%	8.3%	n.a.	8.4%	10.4%	8.3%	3.7%	7.5%	n.a.
	Net Profit	15.8	37.0	86.6	(3.6)		10.7	86.6	1,782.3		(2.9)
	Net Profit growth	103.2%	114.7%	28.2%	n.a.	82.0%	-33.9%	28.2%	20.7%	5.0%	39.0%
2y CAGR (2021e - 2023e)	46.9%	50.2%	12.3%	63.3%	43.2%	91.7%	12.3%	3.0%	35.7%	70.5%	
CAPEX/Sales %	1.4%	20.8%	15.2%	-3.5%	8.5%	17.3%	15.2%	1.5%	11.3%	-3.1%	
Free Cash Flow	48.3	(1.5)	66.6	4.6		(9.8)	66.6	2,314.9		(2.6)	
Net financial debt	480.0	170.0	840.9	39.6		100.2	840.9	5,453.3		14.1	
ND/EBITDA (x)	3.5	1.7	2.1	n.a.	2.4	3.1	2.1	1.7	2.3	n.a.	
Pay-out	13.7%	31.1%	36.6%	0.0%	20.3%	54.3%	36.6%	38.6%	43.2%	0.0%	
Multiples and Ratios	P/E (x)	21.3	17.7	15.1	n.a.	18.0	39.0	15.1	14.8	23.0	n.a.
	P/BV (x)	0.8	0.9	1.0	1.1	0.9	1.2	1.0	1.5	1.2	2.1
	EV/Revenues (x)	0.2	1.9	1.5	0.7	1.1	3.7	1.5	0.6	1.9	2.1
	EV/EBITDA (x)	7.2	7.0	5.7	n.a.	6.6	19.5	5.7	10.8	12.0	n.a.
	EV/EBIT (x)	15.5	12.1	18.5	n.a.	15.4	35.3	18.5	16.5	23.4	n.a.
	ROE	3.9	6.3	6.7	n.a.	5.6	4.1	6.7	10.1	7.0	n.a.
	FCF Yield (%)	13.9	n.a.	5.2	3.5	7.5	n.a.	5.2	8.8	7.0	n.a.
	DPS	0.05	1.11	1.38	0.00	0.63	0.06	1.38	1.23	0.89	0.00
Dvd Yield	0.6%	2.4%	2.5%	0.0%	1.4%	1.7%	2.5%	2.6%	2.3%	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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Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
04-Mar-2021	n.a.	1.05	n.a.	n.a.	12m Results 2020 - Estimates downgrade	Ana Isabel González García, CIAA
23-Dec-2020	n.a.	1.05	n.a.	n.a.	9m Results 2020 - Estimates downgrade	Ana Isabel González García, CIAA
03-Nov-2020	n.a.	1.05	n.a.	n.a.	6m Results 2020	Ana Isabel González García, CIAA
10-Jun-2020	n.a.	1.05	n.a.	n.a.	Initiation of Coverage	Ana Isabel González García, CIAA

