LIGHTHOUSE
INSTITUTO ESPAÑOL DE ANALISTAS

Iflex

EQUITY - SPAIN
Sector: Containers & Packaging

Closing price: EUR 1.65 (29 Oct 2024)
Report date: 30 Oct 2024 (9:25h)

6m Results 2024 - Estimates downgrade
Independent Equity Research

6m Results 2024
Opinion [(1)]: Below expectations
Impact [(1)]: We lower our estimates

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Iflex, is a family-run company that was set up in 1998. It provides personalised flexible packaging printing solutions (gravure printing) on a range of products from film on the reel for making bags, stick packs and lids...In 2023, 78% of sales were generated in Spain. It has three core lines of business: (i) food (62% of 2023 revenue); (ii) pharma/cosmetics (19%); and (iii) other (19%). IFLEX has been listed on BME Growth since november 2023.

Market Data

Market Cap (Mn EUR and USD)	10.0	10.8
EV (Mn EUR and USD) [(2)]	14.3	15.5
Shares Outstanding (Mn)	6.0	
-12m (Max/Med/Mín EUR)	2.22 / 1.63 / 1.43	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation[(3)]	5.9	
Factset / Bloomberg	IFLEX-ES / IFLEX SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

Familia Puig	76.0
Treasury stock	1.4
Miquel Angel Bonachera Sierra	1.4
Sergi Audivert Brugué	1.4
Free Float	19.8

Financials (Mn EUR)	2023	2024e	2025e	2026e
Adj. nº shares (Mn)	5.3	6.0	6.0	6.0
Total Revenues	14.0	14.3	15.1	15.9
Rec. EBITDA	1.8	1.8	1.9	2.2
% growth	*4.1*	*-4.8*	*10.4*	*11.6*
% Rec. EBITDA/Rev.	*13.2*	*12.3*	*12.8*	*13.6*
% Inc. EBITDA sector [(4)]	*9.4*	*11.9*	*9.8*	*9.2*
Net Profit	0.9	0.9	1.1	1.3
EPS (EUR)	0.16	0.16	0.18	0.22
% growth	*-6.3*	*-4.6*	*18.8*	*19.3*
Ord. EPS (EUR)	0.18	0.16	0.18	0.22
% growth	*-0.2*	*-15.8*	*18.8*	*19.3*
Rec. Free Cash Flow[(5)]	0.4	0.8	0.9	1.1
Pay-out (%)	*50.0*	*50.0*	*50.0*	*50.0*
DPS (EUR)	0.08	0.08	0.09	0.11
Net financial debt	3.4	3.0	2.6	1.9
ND/Rec. EBITDA (x)	1.8	1.7	1.3	0.9
ROE (%)	*31.1*	*23.2*	*24.1*	*24.8*
ROCE (%)[(5)]	*16.0*	*15.5*	*17.3*	*19.5*

Ratios & Multiples (x)[(6)]				
P/E	10.1	10.6	8.9	7.5
Ord. P/E	8.9	10.6	8.9	7.5
P/BV	2.6	2.3	2.0	1.7
Dividend Yield (%)	*4.9*	*4.7*	*5.6*	*6.7*
EV/Sales	1.02	1.00	0.95	0.90
EV/Rec. EBITDA	7.7	8.1	7.4	6.6
EV/EBIT	11.8	11.6	10.1	8.7
FCF Yield (%)[(5)]	*4.1*	*7.6*	*9.3*	*11.4*

(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 Industrial Goods & Services.
(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.

Rdos. 1H24: slight slowdown; and very low multiples (P/E c.10x)

IFLEX CONSOLIDATED ITS REVENUE GROWTH FROM 2022 AND 2023, REPORTING FLAT 1H24 REVENUE OF EUR 7.4MN (-0.1% VS 1H23). By sector, 69.4% of sales (vs. 71.8% in 1H23) continues to be food (vs 71.8% in 1H23), remaining its primary market, followed by the pharmaceutical/cosmetic sector (20.8%). Geographically, Iberia represents IFLEX's main destination with 83.1% of sales, followed by France (15%) and North Africa (1.6%).

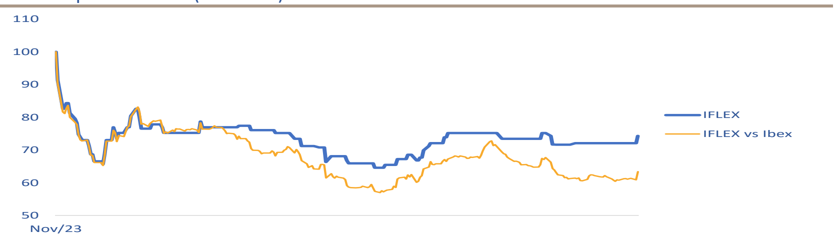
...AND A DECLINE IN PROFITABILITY (REC. EBITDA MARGIN -1.2 PP VS 1H23). Gross margin increased slightly to 47.5% (+1.2 pp vs 1H24) due to efficient raw material purchasing management. However, increased commercial activity (not yet reflected in the P&L) led to a rise in personnel expenses (+8.5% vs 1H23) which, together with other operating expenses (+7.8% vs 1H23), pressured the Recurring EBITDA Margin down to 13.2% (-1.2 pp vs 1H23), resulting in 1H24 Recurring EBITDA of EUR 1.0Mn (-8.7% vs 1H23).

INCREASE IN NET DEBT, ALTHOUGH RISK REMAINS LOW. Following investments in assets of EUR 0.6Mn for capacity expansion and working capital requirements, net debt rose to EUR 4.8Mn (vs EUR 3.4Mn in 2023). We expect net debt to normalize in 2H24 (EUR 3.0 Mn in Dec 2024e; DN/EBITDA 1.7x).

ADJUSTING ESTIMATES. 1H24 results and the business' low seasonality lead us to lower our estimates. For 2024e, we project revenue of EUR 14.3Mn (-4.0% vs previous estimates) and a Recurring EBITDA of EUR 1.8Mn (-13.9% vs previous estimates). In a year that looks set to repeat 2023.

LOW RISK REMAINS. VERY LOW MULTIPLES WHILE AWAITING GROWTH (REVENUE, MARGINS). 1H24 results reaffirm the idea of a company consolidating a leap in size. Exposure to defensive sectors and a healthy balance sheet maintain the company's low-risk industrial profile. The equity story remains intact, the key continues to be the ability to grow and improve margins, which is expected for the 2025e-2026e period (CAGR EBITDA > 10%). Very low multiples. (PE 2024e 10.6x), FCF Yield 2024e: 7.6%) and P/E 2025e 8.9x.

Relative performance (Base 100)



Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	-25.7	-1.2	n.a.	1.7	n.a.	n.a.
vs Ibex 35	-36.6	-6.8	n.a.	-12.9	n.a.	n.a.
vs Ibex Small Cap Index	-28.7	3.9	n.a.	-1.8	n.a.	n.a.
vs Eurostoxx 50	-34.2	-3.9	n.a.	-7.1	n.a.	n.a.
vs Sector benchmark[(4)]	-39.6	-6.1	n.a.	-11.2	n.a.	n.a.

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

IFLEX (IFLEX) 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 capitalisation 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).

Glossary

Doypack	Type of packaging for solid products, powders, gels or liquids
Sleeves	Types of wrapping used to protect, label and give a specific aesthetic to certain containers.

6m Results 2024
Estimates downgrade

Table 1. 1H24 Results

EUR Mn	6m24	6m23	6m24 vs 6m23	2024e
Total Revenues	**7.4**	**7.4**	**-0.1%**	**14.3**
Gross Margin	**3.5**	**3.4**	**2.6%**	**6.8**
Gross Margin/Revenue	47.5%	*46.2%*	*1.2 p.p.*	*47.3%*
Recurrent EBITDA[1]	**1.0**	**1.1**	**-8.7%**	**1.8**
Rec. EBITDA/Revenues	*13.2%*	*14.5%*	*-1.2 p.p.*	*12.3%*
EBITDA	**1.0**	**1.1**	**-6.8%**	**1.8**
EBITDA/Revenues	*13.8%*	*14.8%*	*-1.0 p.p.*	*12.3%*
EBIT	**0.7**	**0.8**	**-12.2%**	**1.2**
PBT	**0.7**	**0.7**	**-7.2%**	**1.1**
NP	**0.6**	**0.6**	**-8.7%**	**0.9**
		2023		
Net Debt	4.8	3.4	42%	3.0

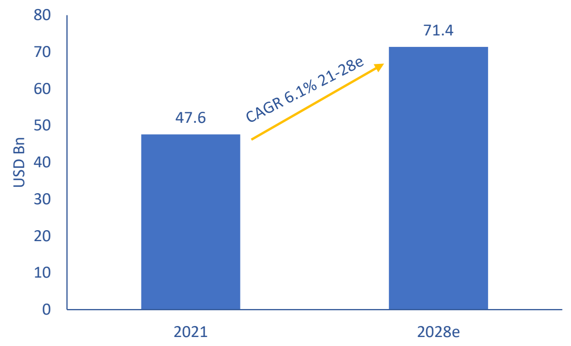
Note 1: Excludes subsidies and other results.

Table 2. Estimates Review

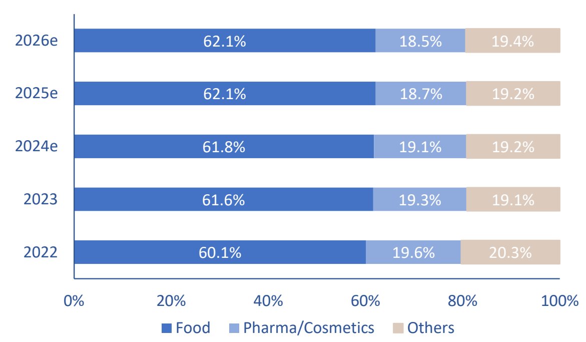
EUR Mn	2024e (New)	Review (%)	2025e (New)	Review (%)	2026e (New)	Review (%)
Total Revenues	**14.3**	**-4.0%**	**15.1**	**-4.0%**	**15.9**	**-4.0%**
Recurrent EBITDA	**1.8**	**-13.9%**	**1.9**	**-13.5%**	**2.2**	**-12.8%**
Recurrent EBITDA growth	*-4.8%*	*-15 p.p.*	*10.4%*	*1 p.p.*	*11.6%*	*1 p.p.*
Rec. EBITDA/Revenues	*12.3%*	*-1 p.p.*	*12.8%*	*-1 p.p.*	*13.6%*	*-1 p.p.*
EBIT	**1.2**	**-18.7%**	**1.4**	**-17.4%**	**0.0**	**n.a.**
Net Profit	**0.9**	**-21.1%**	**1.1**	**-19.4%**	**1.3**	**-17.7%**

The company in 8 charts

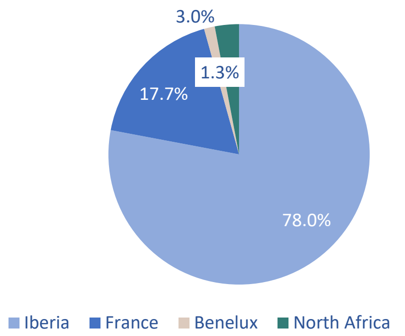
The European flexible packaging sector is expected to grow at CAGR of 6.1% in 21-28e



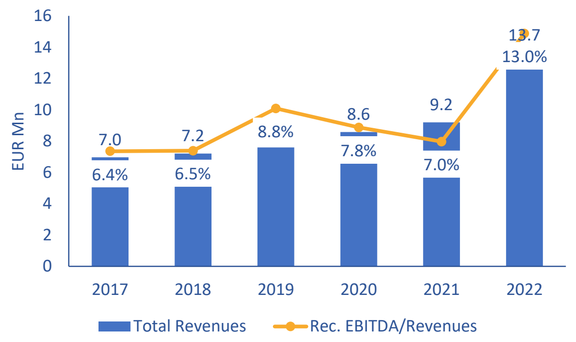
IFLEX: a vertically integrated business with exposure to defensive/anti-cyclical sectors ...



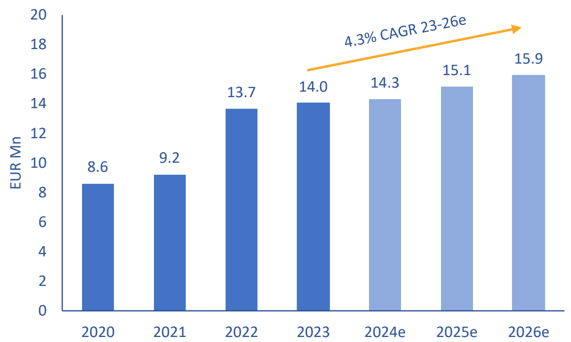
... and an international presence (which it plans to expand). In 2023, sales in Spain accounted for 78%



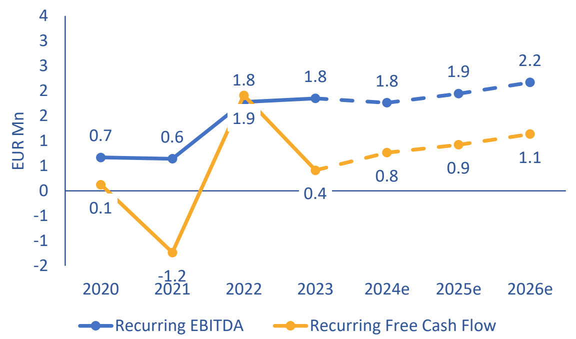
Sustained growth between 2017 - 21. Then, in 2022, it achieved an organic leap in scale in terms of revenue (+48%) and profitability ...



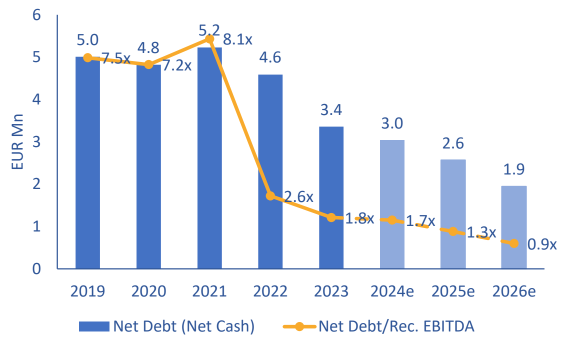
... changing the company's profile. And that is IFLEX's equity story: consolidation of the leap taken in 2022



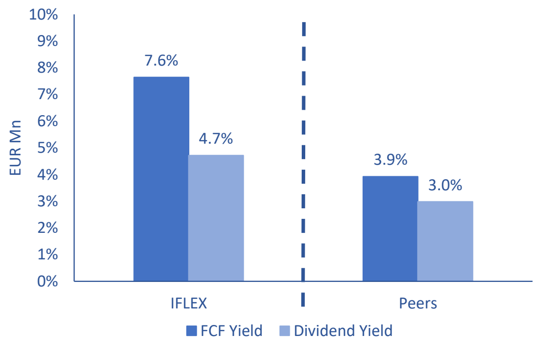
Driving EBITDA margin expansion to 15% in 2026e with the corresponding impact on recurring FCF generation



Allowing IFLEX to embark on a dividend distribution policy and to deleverage



Trading at attractive multiples: 2024e FCF yields of 9.6% vs 4.3% at its main comps



Valuation inputs

Inputs for the DCF Valuation Approach

	2024e	2025e	2026e	Terminal Value [1]
Free Cash Flow "To the Firm"	**0.9**	**1.1**	**1.2**	**17.6**

			Best Case	Worst Case
Market Cap	**10.0**	At the date of this report		
Net financial debt	**4.8**	Debt net of Cash (6m Results 2024)		
Cost of Debt	6.0%	Net debt cost	5.8%	6.3%
Tax rate (T)	20.0%	T (Normalised tax rate)	=	=
Net debt cost	**4.8%**	**Kd = Cost of Net Debt * (1-T)**	**4.6%**	**5.0%**
Risk free rate (rf)	3.0%	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	**10.2%**	**Ke = Rf + (R * B)**	**9.1%**	**11.5%**
Equity / (Equity + Net Debt)	67.6%	E (Market Cap as equity value)	=	=
Net Debt / (Equity + Net Debt)	32.4%	D	=	=
WACC	**8.5%**	**WACC = Kd * D + Ke * E**	**7.6%**	**9.4%**
G "Fair"	**2.0%**		**2.0%**	**1.5%**

(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 24e	EPS 24e-26e	EV/EBITDA 24e	EBITDA 24e-26e	EV/Sales 24e	Revenues 24e-26e	EBITDA/Sales 24e	FCF Yield 24e	FCF 24e-26e
Amcor	AMCR-US	14,629.4	21.7	19.8%	11.7	5.0%	1.7	2.8%	14.2%	5.2%	10.6%
Huhtamaki	HUH1V-FI	3,913.9	15.1	9.4%	8.3	6.1%	1.2	4.3%	15.0%	5.2%	4.1%
Aluflexpack	AFP-CH	267.5	57.3	n.a.	9.5	30.5%	1.2	8.3%	12.1%	1.3%	n.a.
Mondi	MNDI-GB	6,737.9	16.7	27.6%	8.2	18.2%	1.2	7.4%	14.3%	n.a.	n.a.
Packaging			27.7	18.9%	9.4	15.0%	1.3	5.7%	13.9%	3.9%	7.3%
IFLEX	IFLEX-ES	10.0	10.6	19.1%	8.1	11.0%	1.0	5.5%	12.3%	7.6%	22.1%

Free Cash Flow sensitivity analysis (2025e)

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

Scenario	EBITDA/Sales 25e	EBITDA 25e	EV/EBITDA 25e
Max	**14.1%**	**2.1**	**6.7x**
Central	**12.8%**	**1.9**	**7.4x**
Min	**11.5%**	**1.7**	**8.2x**

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

Rec. FCF EUR Mn	CAPEX/Sales 25e		
EBITDA 25e	**3.1%**	**3.5%**	**3.9%**
2.1	**1.2**	**1.1**	**1.1**
1.9	**1.0**	**0.9**	**0.9**
1.7	**0.8**	**0.7**	**0.7**

Scenario	Rec. FCF/Yield 25e		
Max	**11.8%**	**11.2%**	**10.6%**
Central	**9.9%**	**9.3%**	**8.6%**
Min	**7.9%**	**7.3%**	**6.7%**

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Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	**2019**	**2020**	**2021**	**2022**	**2023**	**2024e**	**2025e**	**2026e**
Intangible assets	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Fixed assets	4.6	4.8	4.1	3.9	4.2	4.2	4.2	4.2
Other Non Current Assets	-	-	-	-	-	-	-	-
Financial Investments	0.5	0.5	0.5	0.2	0.5	0.5	0.5	0.5
Goodwill & Other Intangilbles	-	-	-	-	-	-	-	-
Current assets	3.3	3.3	5.2	4.9	4.7	5.0	5.3	5.5
Total assets	**8.5**	**8.6**	**9.8**	**9.1**	**9.6**	**9.8**	**10.1**	**10.4**
Equity	2.1	2.2	2.0	1.8	3.8	4.3	5.0	5.8
Minority Interests	-	-	-	-	-	-	-	-
Provisions & Other L/T Liabilities	0.0	0.0	0.2	0.3	0.3	0.3	0.3	0.3
Other Non Current Liabilities	0.2	0.2	0.3	0.2	0.3	0.3	0.3	0.3
Net financial debt	5.0	4.8	5.2	4.6	3.4	3.0	2.6	1.9
Current Liabilities	1.1	1.3	2.0	2.2	1.9	1.9	2.0	2.1
Equity & Total Liabilities	**8.5**	**8.6**	**9.8**	**9.1**	**9.6**	**9.8**	**10.1**	**10.4**

									CAGR	
P&L (EUR Mn)	**2019**	**2020**	**2021**	**2022**	**2023**	**2024e**	**2025e**	**2026e**	**19-23**	**23-26e**
Total Revenues	**7.6**	**8.6**	**9.2**	**13.7**	**14.0**	**14.3**	**15.1**	**15.9**	***16.6%***	***4.3%***
Total Revenues growth	*5.4%*	*13.1%*	*7.2%*	*48.3%*	*2.7%*	*1.9%*	*6.0%*	*5.0%*		
COGS	(4.1)	(4.7)	(5.2)	(7.7)	(7.4)	(7.5)	(8.0)	(8.4)		
Gross Margin	**3.5**	**3.9**	**4.0**	**5.9**	**6.6**	**6.8**	**7.2**	**7.5**	***17.1%***	***4.3%***
Gross Margin/Revenues	*46.6%*	*45.7%*	*43.1%*	*43.5%*	*47.3%*	*47.3%*	*47.3%*	*47.3%*		
Personnel Expenses	(1.7)	(1.8)	(1.8)	(2.1)	(2.7)	(2.8)	(2.9)	(3.0)		
Other Operating Expenses	(1.2)	(1.5)	(1.5)	(2.1)	(2.1)	(2.2)	(2.3)	(2.4)		
Recurrent EBITDA	**0.7**	**0.7**	**0.6**	**1.8**	**1.8**	**1.8**	**1.9**	**2.2**	***28.9%***	***5.4%***
Recurrent EBITDA growth	*44.0%*	*-0.5%*	*-3.7%*	*176.9%*	*4.1%*	*-4.8%*	*10.4%*	*11.6%*		
Rec. EBITDA/Revenues	*8.8%*	*7.8%*	*7.0%*	*13.0%*	*13.2%*	*12.3%*	*12.8%*	*13.6%*		
Restructuring Expense & Other non-rec.	-	-	-	(0.1)	(0.1)	-	-	-		
EBITDA	**0.7**	**0.7**	**0.6**	**1.7**	**1.7**	**1.8**	**1.9**	**2.2**	***26.6%***	***8.1%***
Depreciation & Provisions	(0.3)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)		
Capitalized Expense	-	-	-	-	-	-	-	-		
Rentals (IFRS 16 impact)	-	-	-	-	-	-	-	-		
EBIT	**0.3**	**0.3**	**0.2**	**1.3**	**1.2**	**1.2**	**1.4**	**1.6**	***38.1%***	***10.6%***
EBIT growth	*29.6%*	*-13.1%*	*-29.5%*	*512.2%*	*-2.9%*	*1.8%*	*14.9%*	*15.7%*		
EBIT/Revenues	*4.4%*	*3.4%*	*2.2%*	*9.2%*	*8.7%*	*8.7%*	*9.4%*	*10.3%*		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.1)	(0.1)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
Ordinary Profit	**0.2**	**0.2**	**0.1**	**1.1**	**1.0**	**1.1**	**1.3**	**1.5**	***44.6%***	***15.5%***
Ordinary Profit Growth	*89.7%*	*-18.7%*	*-54.5%*	*n.a.*	*-10.9%*	*8.7%*	*18.8%*	*19.3%*		
Extraordinary Results	-	-	-	-	-	-	-	-		
Profit Before Tax	**0.2**	**0.2**	**0.1**	**1.1**	**1.0**	**1.1**	**1.3**	**1.5**	***44.6%***	***15.5%***
Tax Expense	(0.1)	(0.1)	(0.0)	(0.2)	(0.1)	(0.1)	(0.2)	(0.2)		
Effective Tax Rate	*29.3%*	*28.2%*	*26.1%*	*18.7%*	*12.3%*	*12.3%*	*12.3%*	*12.3%*		
Minority Interests	-	-	-	-	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	**0.2**	**0.1**	**0.1**	**0.9**	**0.9**	**0.9**	**1.1**	**1.3**	***52.7%***	***15.5%***
Net Profit growth	*93.7%*	*-17.3%*	*-53.1%*	*n.a.*	*-3.8%*	*8.7%*	*18.8%*	*19.3%*		
Ordinary Net Profit	**0.2**	**0.1**	**0.1**	**1.0**	**1.0**	**0.9**	**1.1**	**1.3**	***57.5%***	***10.8%***
Ordinary Net Profit growth	*91.5%*	*-17.3%*	*-53.1%*	*n.a.*	*2.4%*	*-4.1%*	*18.8%*	*19.3%*		

									CAGR	
Cash Flow (EUR Mn)	**2019**	**2020**	**2021**	**2022**	**2023**	**2024e**	**2025e**	**2026e**	**19-23**	**23-26e**
Recurrent EBITDA						**1.8**	**1.9**	**2.2**	***28.9%***	***5.4%***
Rentals (IFRS 16 impact)						-	-	-		
Working Capital Increase						(0.2)	(0.2)	(0.2)		
Recurrent Operating Cash Flow						**1.6**	**1.8**	**2.0**	***n.a.***	***5.5%***
CAPEX						(0.5)	(0.5)	(0.6)		
Net Financial Result affecting the Cash Flow						(0.2)	(0.1)	(0.1)		
Tax Expense						(0.1)	(0.2)	(0.2)		
Recurrent Free Cash Flow						**0.8**	**0.9**	**1.1**	***27.0%***	***40.4%***
Restructuring Expense & Other non-rec.						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						**0.8**	**0.9**	**1.1**	***42.9%***	***n.a.***
Capital Increase						-	-	-		
Dividends						(0.4)	(0.5)	(0.5)		
Net Debt Variation						**(0.3)**	**(0.5)**	**(0.6)**		

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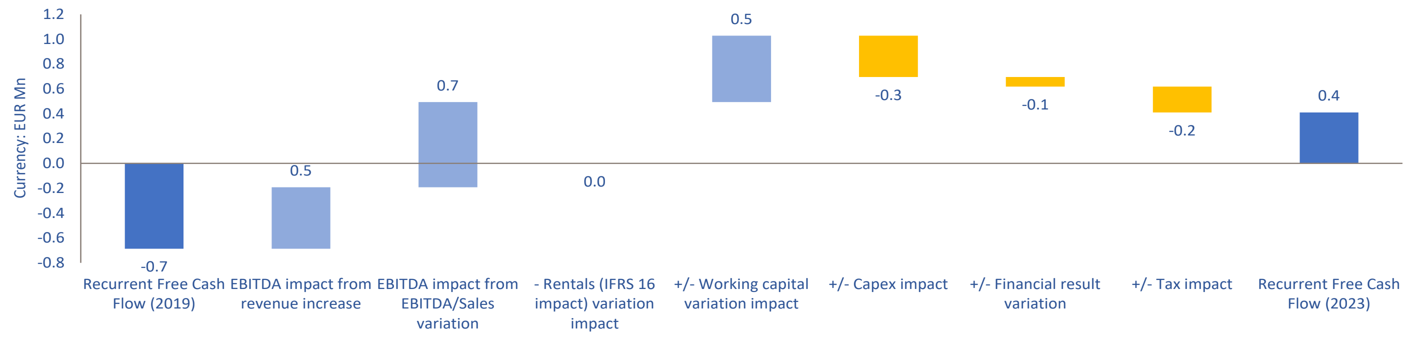
Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2020	2021	2022	2023	2024e	2025e	2026e	CAGR 20-23	CAGR 23-26e
Recurrent EBITDA	**0.7**	**0.6**	**1.8**	**1.8**	**1.8**	**1.9**	**2.2**	*40.5%*	*5.4%*
Recurrent EBITDA growth	*-0.5%*	*-3.7%*	*176.9%*	*4.1%*	*-4.8%*	*10.4%*	*11.6%*		
Rec. EBITDA/Revenues	*7.8%*	*7.0%*	*13.0%*	*13.2%*	*12.3%*	*12.8%*	*13.6%*		
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	0.2	(1.2)	0.5	(0.1)	(0.2)	(0.2)	(0.2)		
= Recurrent Operating Cash Flow	**0.8**	**(0.6)**	**2.3**	**1.7**	**1.6**	**1.8**	**2.0**	*27.2%*	*5.5%*
Rec. Operating Cash Flow growth	*n.a.*	*-171.7%*	*485.8%*	*-25.5%*	*-8.8%*	*12.7%*	*14.1%*		
Rec. Operating Cash Flow / Sales	*9.6%*	*n.a.*	*16.8%*	*12.2%*	*10.9%*	*11.6%*	*12.6%*		
- CAPEX	(0.5)	(0.5)	(0.3)	(0.9)	(0.5)	(0.5)	(0.6)		
- Net Financial Result affecting Cash Flow	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.1)	(0.1)		
- Taxes	(0.1)	-	-	(0.2)	(0.1)	(0.2)	(0.2)		
= Recurrent Free Cash Flow	**0.1**	**(1.2)**	**1.9**	**0.4**	**0.8**	**0.9**	**1.1**	*50.0%*	*40.4%*
Rec. Free Cash Flow growth	*117.8%*	*n.a.*	*254.8%*	*-78.5%*	*85.5%*	*21.1%*	*23.2%*		
Rec. Free Cash Flow / Revenues	*1.4%*	*n.a.*	*14.0%*	*2.9%*	*5.3%*	*6.1%*	*7.1%*		
- Restructuring expenses & others	-	-	-	(0.2)	-	-	-		
- Acquisitions / + Divestments	0.0	0.7	0.1	(0.3)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow	**0.2**	**(0.5)**	**2.0**	**(0.1)**	**0.8**	**0.9**	**1.1**	*-35.1%*	*n.a.*
Free Cash Flow growth	*122.9%*	*-426.2%*	*516.5%*	*-103.4%*	*n.a.*	*21.1%*	*23.2%*		
Recurrent Free Cash Flow - Yield (s/Mkt Cap)	*1.2%*	*n.a.*	*19.2%*	*4.1%*	*7.6%*	*9.3%*	*11.4%*		
Free Cash Flow Yield (s/Mkt Cap)	*1.5%*	*n.a.*	*20.5%*	*n.a.*	*7.6%*	*9.3%*	*11.4%*		

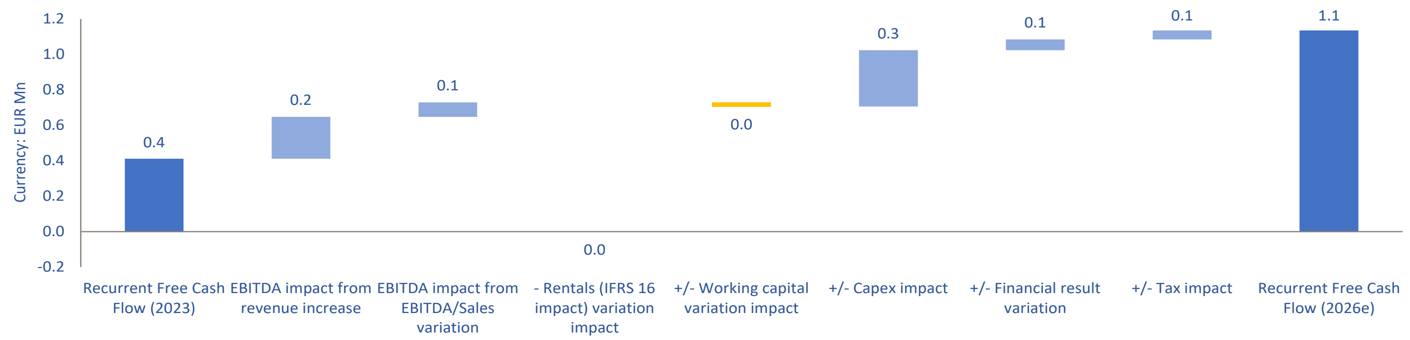
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)	2020	2021	2022	2023	2024e	2025e	2026e
Recurrent FCF(FY - 1)	**(0.7)**	**0.1**	**(1.2)**	**1.9**	**0.4**	**0.8**	**0.9**
EBITDA impact from revenue increase	0.1	0.0	0.3	0.0	0.0	0.1	0.1
EBITDA impact from EBITDA/Sales variation	(0.1)	(0.1)	0.8	0.0	(0.1)	0.1	0.1
= Recurrent EBITDA variation	**(0.0)**	**(0.0)**	**1.1**	**0.1**	**(0.1)**	**0.2**	**0.2**
- Rentals (IFRS 16 impact) variation impact	-	-	-	-	-	-	-
+/- Working capital variation impact	0.8	(1.4)	1.8	(0.7)	(0.1)	0.0	0.0
= Recurrent Operating Cash Flow variation	**0.8**	**(1.4)**	**2.9**	**(0.6)**	**(0.1)**	**0.2**	**0.2**
+/- CAPEX impact	-	0.0	0.3	(0.6)	0.4	(0.0)	(0.0)
+/- Financial result variation	0.0	(0.0)	(0.0)	(0.1)	0.0	0.0	0.0
+/- Tax impact	(0.0)	0.1	-	(0.2)	0.1	(0.0)	(0.0)
= Recurrent Free Cash Flow variation	**0.8**	**(1.4)**	**3.1**	**(1.5)**	**0.4**	**0.2**	**0.2**
Recurrent Free Cash Flow	**0.1**	**(1.2)**	**1.9**	**0.4**	**0.8**	**0.9**	**1.1**

C) "FCF to the Firm" (pre debt service) (EUR Mn)	2020	2021	2022	2023	2024e	2025e	2026e	CAGR 20-23	CAGR 23-26e
EBIT	**0.3**	**0.2**	**1.3**	**1.2**	**1.2**	**1.4**	**1.6**	*61.2%*	*10.6%*
** Theoretical Tax rate*	*28.2%*	*26.1%*	*18.7%*	*12.3%*	*12.3%*	*12.3%*	*12.3%*		
= Taxes (pre- Net Financial Result)	(0.1)	(0.1)	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)		
Recurrent EBITDA	**0.7**	**0.6**	**1.8**	**1.8**	**1.8**	**1.9**	**2.2**	*40.5%*	*5.4%*
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	0.2	(1.2)	0.5	(0.1)	(0.2)	(0.2)	(0.2)		
= Recurrent Operating Cash Flow	**0.8**	**(0.6)**	**2.3**	**1.7**	**1.6**	**1.8**	**2.0**	*27.2%*	*5.5%*
- CAPEX	(0.5)	(0.5)	(0.3)	(0.9)	(0.5)	(0.5)	(0.6)		
- Taxes (pre- Financial Result)	(0.1)	(0.1)	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)		
= Recurrent Free Cash Flow (To the Firm)	**0.2**	**(1.2)**	**1.8**	**0.7**	**0.9**	**1.1**	**1.2**	*49.2%*	*22.1%*
Rec. Free Cash Flow (To the Firm) growth	*131.9%*	*-666.4%*	*254.7%*	*-62.1%*	*32.4%*	*16.1%*	*18.4%*		
Rec. Free Cash Flow (To the Firm) / Revenues	2.4%	n.a.	13.2%	4.9%	6.3%	6.9%	7.8%		
- Acquisitions / + Divestments	0.0	0.7	0.1	(0.3)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow "To the Firm"	**0.2**	**(0.4)**	**1.9**	**0.4**	**0.9**	**1.1**	**1.2**	*19.2%*	*46.4%*
Free Cash Flow (To the Firm) growth	*138.1%*	*-280.3%*	*557.8%*	*-79.5%*	*128.2%*	*16.1%*	*18.4%*		
Rec. Free Cash Flow To the Firm Yield (o/EV)	*1.4%*	*n.a.*	*12.6%*	*4.8%*	*6.3%*	*7.3%*	*8.7%*		
Free Cash Flow "To the Firm" - Yield (o/EV)	*1.6%*	*n.a.*	*13.5%*	*2.8%*	*6.3%*	*7.3%*	*8.7%*		

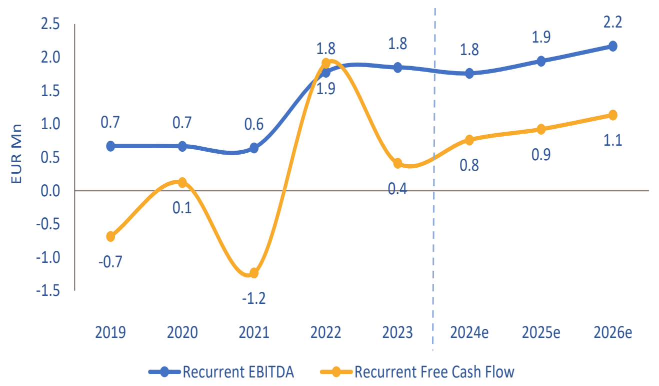
Recurrent Free Cash Flow accumulated variation analysis (2019 - 2023)



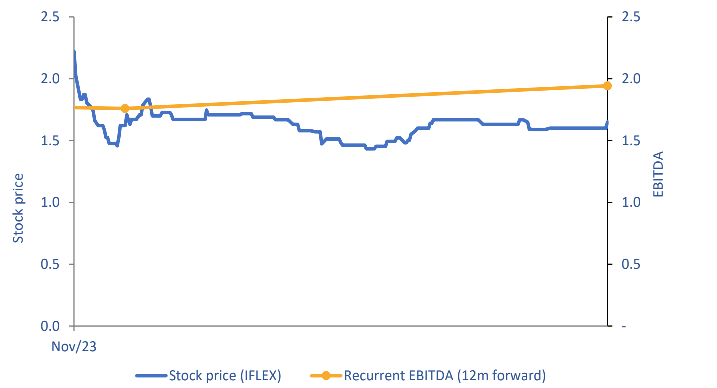
Recurrent Free Cash Flow accumulated variation analysis (2023 - 2026e)



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	10.0	
+ Minority Interests	-	6m Results 2024
+ Provisions & Other L/T Liabilities	0.0	6m Results 2024
+ Net financial debt	4.8	6m Results 2024
- Financial Investments	0.5	6m Results 2024
+/- Others		
Enterprise Value (EV)	**14.3**	

Appendix 4. Historical performance (1)

Historical performance (EUR Mn)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	CAGR 13-23	CAGR 23-26e
Total Revenues							**7.6**	**8.6**	**9.2**	**13.7**	**14.0**	**14.3**	**15.1**	**15.9**	*n.a.*	*4.3%*
Total Revenues growth							*n.a.*	*13.1%*	*7.2%*	*48.3%*	*2.7%*	*1.9%*	*6.0%*	*5.0%*		
EBITDA							**0.7**	**0.7**	**0.6**	**1.7**	**1.7**	**1.8**	**1.9**	**2.2**	*n.a.*	*8.1%*
EBITDA growth							*n.a.*	*-0.5%*	*-3.7%*	*165.8%*	*0.7%*	*2.4%*	*10.4%*	*11.6%*		
EBITDA/Sales							*8.8%*	*7.8%*	*7.0%*	*12.5%*	*12.3%*	*12.3%*	*12.8%*	*13.6%*		
Net Profit							**0.2**	**0.1**	**0.1**	**0.9**	**0.9**	**0.9**	**1.1**	**1.3**	*n.a.*	*15.5%*
Net Profit growth							*n.a.*	*-17.3%*	*-53.1%*	*n.a.*	*-3.8%*	*8.7%*	*18.8%*	*19.3%*		
Adjusted number shares (Mn)							-	-	-	5.2	5.3	6.0	6.0	6.0		
EPS (EUR)							n.a.	n.a.	n.a.	0.17	0.16	0.16	0.18	0.22	*n.a.*	*10.6%*
EPS growth							*n.a.*	*n.a.*	*n.a.*	*n.a.*	*-6.3%*	*-4.6%*	*18.8%*	*19.3%*		
Ord. EPS (EUR)							n.a.	n.a.	n.a.	0.19	0.18	0.16	0.18	0.22	*n.a.*	*6.1%*
Ord. EPS growth							*n.a.*	*n.a.*	*n.a.*	*n.a.*	*-0.2%*	*-15.8%*	*18.8%*	*19.3%*		
CAPEX							(0.5)	(0.5)	(0.5)	(0.3)	(0.9)	(0.5)	(0.5)	(0.6)		
CAPEX/Sales %)							*7.1%*	*6.3%*	*5.6%*	*1.9%*	*6.2%*	*3.5%*	*3.5%*	*3.5%*		
Free Cash Flow							**(0.7)**	**0.2**	**(0.5)**	**2.0**	**(0.1)**	**0.8**	**0.9**	**1.1**	**n.a.**	**n.a.**
ND/EBITDA (x) (2)							*7.5x*	*7.2x*	*8.1x*	*2.7x*	*2.0x*	*1.7x*	1.3x	0.9x		
P/E (x)							*n.a.*	*n.a.*	*n.a.*	*n.a.*	*9.9x*	*10.6x*	8.9x	7.5x		
EV/Sales (x)							*n.a.*	*n.a.*	*n.a.*	*n.a.*	*0.72x*	*1.00x*	0.95x	0.90x		
EV/EBITDA (x) (2)							*n.a.*	*n.a.*	*n.a.*	*n.a.*	*5.9x*	*8.1x*	7.4x	6.6x		
Absolute performance							*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*1.7%*				
Relative performance vs Ibex 35							*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*-12.9%*				

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

Appendix 5. Main peers 2024e

		Packaging					
	EUR Mn	**Amcor**	**Huhtamaki**	**Aluflexpack**	**Mondi**	**Average**	**IFLEX**
Market data	**Ticker (Factset)**	AMCR-US	HUH1V-FI	AFP-CH	MNDI-GB		IFLEX-ES
	Country	UK	Finland	Switzerland	UK		Spain
	Market cap	14,629.4	3,913.9	267.5	6,737.9		10.0
	Enterprise value (EV)	20,899.1	5,136.1	432.5	8,839.8		14.3
Basic financial information	**Total Revenues**	12,630.5	4,115.6	375.3	7,531.3		14.3
	Total Revenues growth	*-7.2%*	*-1.3%*	*-4.7%*	*-1.9%*	*-3.8%*	*1.9%*
	2y CAGR (2024e - 2026e)	*2.8%*	*4.3%*	*8.3%*	*7.4%*	*5.7%*	*5.5%*
	EBITDA	1,791.0	617.2	45.4	1,079.9		1.8
	EBITDA growth	*-0.9%*	*3.2%*	*42.5%*	*-14.1%*	*7.7%*	*2.4%*
	2y CAGR (2024e - 2026e)	*5.0%*	*6.1%*	*30.5%*	*18.2%*	*15.0%*	*11.0%*
	EBITDA/Revenues	*14.2%*	*15.0%*	*12.1%*	*14.3%*	*13.9%*	*12.3%*
	EBIT	1,247.4	406.2	22.9	650.2		1.2
	EBIT growth	*-2.2%*	*13.6%*	*465.3%*	*-21.7%*	*113.7%*	*1.8%*
	2y CAGR (2024e - 2026e)	*12.5%*	*6.6%*	*55.1%*	*25.8%*	*25.0%*	*15.3%*
	EBIT/Revenues	*9.9%*	*9.9%*	*6.1%*	*8.6%*	*8.6%*	*8.7%*
	Net Profit	676.0	229.7	4.7	412.0		0.9
	Net Profit growth	*-30.3%*	*11.4%*	*-56.9%*	*-21.7%*	*-24.4%*	*8.7%*
	2y CAGR (2024e - 2026e)	*24.7%*	*14.2%*	*n.a.*	*30.3%*	*23.1%*	*19.1%*
	CAPEX/Sales %	*3.6%*	*5.7%*	*7.2%*	*11.1%*	*6.9%*	*3.5%*
	Free Cash Flow	767.7	202.8	3.6	(29.3)		0.8
	Net financial debt	6,216.6	1,215.3	157.2	1,620.8		3.0
	ND/EBITDA (x)	3.5	2.0	3.5	1.5	2.6	1.7
	Pay-out	*96.1%*	*50.2%*	*0.0%*	*72.4%*	*54.7%*	*50.0%*
Multiples and Ratios	**P/E (x)**	21.7	15.1	57.3	16.7	27.7	10.6
	P/BV (x)	4.1	1.9	1.3	1.4	2.2	2.3
	EV/Revenues (x)	1.7	1.2	1.2	1.2	1.3	1.0
	EV/EBITDA (x)	11.7	8.3	9.5	8.2	9.4	8.1
	EV/EBIT (x)	16.8	12.6	18.9	13.6	15.5	11.6
	ROE	*18.5*	*12.9*	*2.3*	*8.2*	*10.5*	*23.2*
	FCF Yield (%)	*5.2*	*5.2*	*1.3*	*n.a.*	*3.9*	*7.6*
	DPS	*0.45*	*1.10*	*0.00*	*0.68*	*0.56*	*0.08*
	Dvd Yield	*4.5%*	*3.0%*	*0.0%*	*4.4%*	*3.0%*	*4.7%*

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).

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Notes and Reports History

Date of **report**	Recommendation	Price (EUR)	Target price (EUR)	Period of **validity**	Reason for **report**	Analyst
30-Oct-2024	n.a.	1.65	n.a.	n.a.	6m Results 2024 - Estimates downgrade	José Miguel Cabrera van Grieken
27-May-2024	n.a.	1.46	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
29-Apr-2024	n.a.	1.58	n.a.	n.a.	12m Results 2023	Enrique Andrés Abad, CFA
22-Dec-2023	n.a.	1.53	n.a.	n.a.	Initiation of Coverage	Enrique Andrés Abad, CFA