

EQUITY - SPAIN

Sector: Transportation - Road & Rail

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6m Results 2022 - Estimates upgrade

Closing price: EUR 8.00 (19 Oct 2022)

6m Results 2022

Opinion ⁽¹⁾: Above expectationsImpact ⁽¹⁾: We raise our estimates

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Alquiler (ALQ), specialises in the renting of vehicles for commercial and industrial use under the flexible renting model in Spain (where it generates 100% of its activity). With a fleet of c. 15,000 vehicles at the 1H22 close, ALQ has an important position in the sector (with 24 offices in Spain and a market share of c. 13%). The company is controlled by the Acebes family, that is fully involved in the management of the company

An excellent 1H22: strong sales growth while continuing to improve margins (EBITDA +41%)

Market Data

Market Cap (Mn EUR and USD)	44.9	44.0
EV (Mn EUR and USD) ⁽²⁾	194.1	190.0
Shares Outstanding (Mn)	5.6	
-12m (Max/Med/Mín EUR)	8.60 / 6.09 / 4.84	
Daily Avg volume (-12m Mn EUR)	n.m.	
Rotation ⁽³⁾	4.2	
Factset / Bloomberg	ALQ-ES / ALQ SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

Miguel Ángel Acebes Acebes	37.3
Miguel Acebes Moreno	16.4
Mariánela Acebes Moreno	16.4
Free Float	29.9

Financials (Mn EUR)

	2021	2022e	2023e	2024e
Adj. nº shares (Mn)	5.6	5.6	5.6	5.6
Total Revenues	76.1	99.7	115.3	126.6
Rec. EBITDA	40.7	55.0	63.8	72.3
% growth	27.2	35.1	16.0	13.4
% Rec. EBITDA/Rev.	53.5	55.2	55.3	57.1
% Inc. EBITDA sector ⁽⁴⁾	21.0	22.9	8.3	8.0
Net Profit	4.7	8.0	8.3	9.3
EPS (EUR)	0.83	1.43	1.48	1.65
% growth	88.0	72.1	3.5	11.5
Ord. EPS (EUR)	0.85	1.43	1.48	1.65
% growth	93.9	67.6	3.5	11.5
Rec. Free Cash Flow ⁽⁵⁾	-32.3	-34.1	-22.5	-14.7
Pay-out (%)	0.0	0.0	0.0	0.0
DPS (EUR)	0.00	0.00	0.00	0.00
Net financial debt	121.1	155.1	177.6	192.3
ND/Rec. EBITDA (x)	3.0	2.8	2.8	2.7
ROE (%)	17.1	24.2	20.1	18.5
ROCE (%) ⁽⁵⁾	5.1	6.3	5.7	5.6

Ratios & Multiples (x)⁽⁶⁾

	2021	2022e	2023e	2024e
P/E	9.6	5.6	5.4	4.8
Ord. P/E	9.4	5.6	5.4	4.8
P/BV	1.5	1.2	1.0	0.8
Dividend Yield (%)	0.0	0.0	0.0	0.0
EV/Sales	2.55	1.95	1.68	1.53
EV/Rec. EBITDA	4.8	3.5	3.0	2.7
EV/EBIT	21.0	12.9	11.9	10.7
FCF Yield (%) ⁽⁵⁾	n.a.	n.a.	n.a.	n.a.

REVENUE CONTINUES TO ADVANCE AT DOUBLE DIGITS (EUR 47.2MN; +34.3%)...

On the one hand, the flexible renting business (82% of revenue) grew 31.3% as a result of: 1) strong growth in the fleet (+25% vs 1H21), 2) the opening of new regional offices (Cadiz and Granada, in April and September 2021 and Leon in January 2022) and 3) the maintaining of a high level of occupancy (90.7%). And, on the other, the used vehicles business saw revenue rocket (+50% vs 1H21) due to strong current demand (that enabled a 36% increase in the average sale price).

... AND OPERATING LEVERAGE HAS ENABLED LARGER MARGINS (EBITDA: +40.6%).

In 1H22 margins improved due to higher prices and operating leverage (as the regional offices opened -12m reach optimum levels of utilisation and capacity). The EBITDA margin increased 2.5p.p. to 55.2% (1H22 EBITDA: +41% vs 1H21) and the EBIT margin 3.8p.p. to 15.7%. This led to a sharp increase in net profit that at the close of 1H22 reached EUR 4.1Mn (+100% vs 1H21).

MAINTAINING LEVERAGE OF < 3X ND/EBITDA. The opening of new regional offices

and the increase in the fleet (essential for growth) is reflected in a "logical" increase in net debt (EUR 141Mn; +29%). This level of debt is within expectations (22e ND/EBITDA 2.8x). Also, with the aim of diversifying its financing sources, the company registered a programme of promissory notes with the MARF (Alternative Fixed-Income Market) for EUR 30Mn (of which EUR 3Mn were issued in September).

WE UPGRADE OUR ESTIMATES. The growth seen in 1H22 has beaten our

expectations, so we upgrade our 2022e estimates for revenue (to EUR 100Mn, +6.2% vs previous estimate) and for EBITDA (+7.2%). Estimates (2022e) that now point to levels of net profit of EUR 8Mn (22e P/E 5.6x).

REAL ABILITY TO GROW PROFITABLY (DESPITE THE CYCLE). The equity story is based

on 3 factors (validated by 1H22 results): 1) a growth-oriented business model (in a sector with structural growth, also in an adverse macro context), 2) the ability to maintain very high levels of occupancy (90.7%; despite growth in the fleet) and 3) leverage on an commercial network that has already been created (24 offices in Spain). Despite the excellent performance of the share price (+60% YTD), the multiples remain attractive: P/E 5.6x

Relative performance (Base 100)



Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	-1.2	29.0	65.3	60.0	33.3	n.a.
vs Ibxex 35	4.1	38.2	96.1	83.8	64.0	n.a.
vs Ibxex Small Cap Index	8.3	50.8	103.4	97.0	29.7	n.a.
vs Eurostoxx 50	-0.4	33.4	98.4	98.1	37.5	n.a.
vs Sector benchmark ⁽⁴⁾	-3.2	35.8	110.0	113.8	22.3	n.a.

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

(2) Please refer to Appendix 3.

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

(4) Sector: Stoxx Europe 600 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.

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

Alquiber (ALQ) 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. 130 companies listed on it. Companies listed on the MAB can choose to present their financial statements under IFRS or the General Accounting Plan (PGC) and Royal Decree 1159/2010 (NOFCAC).

6m Results 2022

Estimates upgrade

Table 1. 1H22 Results

EUR Mn	6m22	6m22 Real		2022e vs	
	Real	6m21	vs 6m21	2022e	2021
Total Revenues	47.2	35.1	34.3%	99.7	31.1%
Renting	38.9	29.6	31.3%	81.5	27.3%
Used car revenue	8.3	5.5	50.2%	18.3	51.2%
Recurrent EBITDA	26.0	18.6	40.3%	55.0	33.6%
<i>Rec. EBITDA/Revenues</i>	55.2%	52.8%	2.4 p.p.	55.2%	1.0 p.p.
EBITDA	26.0	18.5	40.6%	55.0	33.6%
<i>EBITDA/Revenues</i>	55.2%	52.7%	2.5 p.p.	55.2%	1.0 p.p.
EBIT	7.4	4.2	77.2%	15.0	60.3%
PBT	5.4	2.8	94.3%	10.7	74.2%
NP	4.1	2.1	99.6%	8.0	74.2%
Ordinary NP	4.1	2.1	99.6%	8.0	74.2%
Recurrent Operating Cash Flow ¹	26.0	18.6	40.3%	51.7	
Capex	-49.2	-37.9	-29.8%	-89.7	
Net Debt	141.4	122.9	15.1%	155.1	26.3%
ND / EBITDA	n.a.	n.a.	n.a.	2.8 x	-0.2 x
Number of sales offices	23	21	9.5%		
Fleet (number of vehicles)	14,744.0	11,794.0	25.0%		
Average purchase price (€)	19,522.0	16,206.0	20.5%		
Average sale price (€)	8,803.0	6,480.0	35.8%		
Average occupancy	90.70%	90.30%	0.4 p.p.		

Note 1: Recurrent operating cash flow calculated as Recurrent EBITDA – Change in working capital. This metric allows us to measure ALQ's capacity for cash generation apart from the capex needed for continual growth in the fleet (a factor that, given the company's growth strategy, has affected recurrent FCF in recent years). A normalisation of Capex in relation to the company's turnover (Capex/average sales -3y: c. 90%) will "mathematically" imply evident potential for growth in Recurrent FCF.

Table 2. Estimates Review

EUR Mn	2022e (New)	Review (%)	2023e (New)	Review (%)	2024e (New)	Review (%)
Total Revenues	99.7	6.2%	115.3	5.2%	126.6	5.0%
Recurrent EBITDA	55.0	7.2%	63.8	5.7%	72.3	5.5%
<i>Recurrent EBITDA growth</i>	35.1%	9.1 p.p.	16.0%	-1.7 p.p.	13.4%	-0.3 p.p.
<i>Rec. EBITDA/Revenues</i>	55.2%	0.6 p.p.	55.3%	0.3 p.p.	57.1%	0.3 p.p.
EBIT	15.0	32.8%	16.3	22.4%	18.1	22.2%
Net Profit	8.0	42.8%	8.3	23.6%	9.3	20.6%

Valuation inputs

Inputs for the DCF Valuation Approach

	2022e	2023e	2024e	Terminal Value ⁽¹⁾		
Free Cash Flow "To the Firm"	(30.8)	(18.6)	(10.4)	n.a.		
Market Cap	44.9	At the date of this report				
Net financial debt	141.4	Debt net of Cash (6m Results 2022)				
					Best Case	Worst Case
Cost of Debt	5.0%	Net debt cost			4.5%	5.5%
Tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	4.0%	Kd = Cost of Net Debt * (1-T)			3.6%	4.4%
Risk free rate (rf)	3.5%	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	10.7%	Ke = Rf + (R * B)			9.5%	11.9%
Equity / (Equity + Net Debt)	24.1%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	75.9%	D			=	=
WACC	5.6%	WACC = Kd * D + Ke * E			5.0%	6.2%
G "Fair"	1.5%				1.5%	1.0%

(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	Mkt. Cap	P/E 22e	EPS 22e-24e	EV/EBITDA 22e	EBITDA 22e-24e	EV/Sales 22e	Revenues 22e-24e	EBITDA/Sales 22e	FCF Yield 22e	FCF 22e-24e
Avis Budget	CAR-US	8,846.9	4.0	-37.7%	8.2	-22.2%	2.5	-1.2%	30.0%	38.7%	-37.3%
Hertz	HTZ-US	6,275.0	4.3	-47.6%	8.4	n.a.	2.2	0.5%	26.4%	33.9%	n.a.
Sixt	SIX2-DE	3,605.4	11.0	-7.2%	5.5	0.9%	2.0	3.7%	37.2%	2.2%	2.8%
ALD Automotive Ltd.	ALD-FR	4,340.1	4.1	-15.0%	16.2	-4.5%	2.2	14.6%	13.3%	n.a.	n.a.
Redde Northgate PLC	REDD-GB	847.8	6.6	-1.7%	3.5	1.0%	1.0	4.5%	28.3%	8.6%	24.7%
Renting			6.0	-21.9%	8.4	-6.2%	2.0	4.4%	27.0%	20.9%	-3.3%
ALQ	ALQ-ES	44.9	5.6	7.4%	3.5	14.7%	1.9	12.7%	55.2%	n.a.	34.3%

Free Cash Flow sensitivity analysis (2023e)

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

Scenario	EBITDA/Sales 23e	EBITDA 23e	EV/EBITDA 23e
Max	58.1%	67.0	2.9x
Central	55.3%	63.8	3.0x
Min	52.5%	60.6	3.2x

Appendix 1. Financial Projections

Balance Sheet (EUR Mn)	2017	2018	2019	2020	2021	2022e	2023e	2024e		
Intangible assets	0.0	0.0	0.1	0.3	0.4	0.4	0.4	0.4		
Fixed assets	55.2	73.5	93.0	107.2	142.4	181.1	209.8	232.1		
Other Non Current Assets	0.9	1.0	1.5	2.1	1.9	1.9	1.9	1.9		
Financial Investments	0.1	0.2	0.3	0.5	0.7	0.7	0.7	0.7		
Goodwill & Other Intangibles	-	-	-	-	-	-	-	-		
Current assets	10.2	11.6	14.5	14.0	17.6	22.4	25.6	27.9		
Total assets	66.5	86.3	109.4	124.1	163.0	206.6	238.4	263.1		
Equity	10.4	20.9	23.0	25.3	29.3	37.3	45.6	54.9		
Minority Interests	-	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	2.7	3.5	4.9	6.3	7.4	7.4	7.4	7.4		
Other Non Current Liabilities	-	-	-	-	-	-	-	-		
Net financial debt	51.0	59.5	78.0	89.4	121.1	155.1	177.6	192.3		
Current Liabilities	2.3	2.4	3.5	3.1	5.3	6.8	7.7	8.5		
Equity & Total Liabilities	66.5	86.3	109.4	124.1	163.0	206.6	238.4	263.1		
										CAGR
P&L (EUR Mn)	2017	2018	2019	2020	2021	2022e	2023e	2024e	17-21	21-24e
Total Revenues	31.8	41.4	50.9	58.9	76.1	99.7	115.3	126.6	24.3%	18.5%
<i>Total Revenues growth</i>	<i>34.9%</i>	<i>30.1%</i>	<i>22.9%</i>	<i>15.8%</i>	<i>29.1%</i>	<i>31.0%</i>	<i>15.6%</i>	<i>9.9%</i>		
COGS	(3.6)	(4.1)	(4.8)	(5.2)	(6.6)	(9.8)	(12.2)	(11.6)		
Gross Margin	28.3	37.3	46.0	53.7	69.5	89.9	103.1	115.0	25.2%	18.3%
<i>Gross Margin/Revenues</i>	<i>88.8%</i>	<i>90.0%</i>	<i>90.5%</i>	<i>91.1%</i>	<i>91.4%</i>	<i>90.2%</i>	<i>89.4%</i>	<i>90.8%</i>		
Personnel Expenses	(2.5)	(3.3)	(4.1)	(4.7)	(5.5)	(6.5)	(7.2)	(7.7)		
Other Operating Expenses	(8.6)	(11.8)	(14.5)	(17.0)	(23.3)	(28.3)	(32.0)	(35.0)		
Recurrent EBITDA	17.2	22.2	27.4	32.0	40.7	55.0	63.8	72.3	24.1%	21.1%
<i>Recurrent EBITDA growth</i>	<i>29.9%</i>	<i>29.1%</i>	<i>23.8%</i>	<i>16.7%</i>	<i>27.2%</i>	<i>35.1%</i>	<i>16.0%</i>	<i>13.4%</i>		
<i>Rec. EBITDA/Revenues</i>	<i>53.9%</i>	<i>53.5%</i>	<i>53.9%</i>	<i>54.3%</i>	<i>53.5%</i>	<i>55.2%</i>	<i>55.3%</i>	<i>57.1%</i>		
Restructuring Expense & Other non-rec.	(0.0)	(0.0)	(0.0)	0.0	(0.2)	-	-	-		
EBITDA	17.1	22.1	27.4	32.0	40.6	55.0	63.8	72.3	24.0%	21.3%
Depreciation & Provisions	(12.3)	(16.7)	(21.4)	(26.1)	(31.3)	(40.0)	(47.5)	(54.2)		
Capitalized Expense	-	-	-	-	-	-	-	-		
Rentals (IFRS 16 impact)	-	-	-	-	-	-	-	-		
EBIT	4.8	5.4	6.1	5.9	9.2	15.0	16.3	18.1	17.5%	25.2%
<i>EBIT growth</i>	<i>8.5%</i>	<i>11.7%</i>	<i>12.2%</i>	<i>-3.0%</i>	<i>56.6%</i>	<i>63.0%</i>	<i>8.1%</i>	<i>11.3%</i>		
<i>EBIT/Revenues</i>	<i>15.2%</i>	<i>13.1%</i>	<i>11.9%</i>	<i>10.0%</i>	<i>12.1%</i>	<i>15.1%</i>	<i>14.1%</i>	<i>14.3%</i>		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(1.7)	(2.1)	(2.4)	(2.6)	(3.1)	(4.3)	(5.2)	(5.7)		
Income by the Equity Method	-	-	-	-	-	-	-	-		
Ordinary Profit	3.2	3.3	3.7	3.3	6.1	10.7	11.1	12.4	17.8%	26.5%
<i>Ordinary Profit Growth</i>	<i>2.5%</i>	<i>4.8%</i>	<i>10.6%</i>	<i>-11.2%</i>	<i>87.2%</i>	<i>75.6%</i>	<i>3.5%</i>	<i>11.5%</i>		
Extraordinary Results	-	-	-	-	-	-	-	-		
Profit Before Tax	3.2	3.3	3.7	3.3	6.1	10.7	11.1	12.4	17.8%	26.5%
Tax Expense	(0.8)	(0.8)	(0.9)	(0.8)	(1.4)	(2.7)	(2.8)	(3.1)		
<i>Effective Tax Rate</i>	<i>24.8%</i>	<i>25.1%</i>	<i>25.1%</i>	<i>25.0%</i>	<i>23.5%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>		
Minority Interests	-	-	-	-	-	-	-	-		
Discontinued Activities	-	-	-	-	-	-	-	-		
Net Profit	2.4	2.5	2.7	2.4	4.7	8.0	8.3	9.3	18.3%	25.7%
<i>Net Profit growth</i>	<i>3.0%</i>	<i>4.4%</i>	<i>10.6%</i>	<i>-11.0%</i>	<i>91.0%</i>	<i>72.1%</i>	<i>3.5%</i>	<i>11.5%</i>		
Ordinary Net Profit	2.4	2.5	2.8	2.4	4.8	8.0	8.3	9.3	19.0%	24.6%
<i>Ordinary Net Profit growth</i>	<i>3.4%</i>	<i>4.2%</i>	<i>10.2%</i>	<i>-11.5%</i>	<i>97.0%</i>	<i>67.6%</i>	<i>3.5%</i>	<i>11.5%</i>		
										CAGR
Cash Flow (EUR Mn)	2017	2018	2019	2020	2021	2022e	2023e	2024e	17-21	21-24e
Recurrent EBITDA						55.0	63.8	72.3	24.1%	21.1%
Rentals (IFRS 16 impact)						-	-	-		
Working Capital Increase						(3.3)	(2.2)	(1.6)		
Recurrent Operating Cash Flow						51.7	61.6	70.7	24.2%	21.6%
CAPEX						(89.7)	(89.7)	(89.7)		
Net Financial Result affecting the Cash Flow						(4.3)	(5.2)	(5.7)		
Tax Expense						(2.7)	(2.8)	(3.1)		
- Acquisitions / + Divestures of assets						11.0	13.5	13.1		
Recurrent Free Cash Flow						(34.1)	(22.5)	(14.7)	-23.5%	23.1%
Restructuring Expense & Other non-rec.						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						-	-	-		
Free Cash Flow						(34.1)	(22.5)	(14.7)	-23.6%	23.2%
Capital Increase						-	-	-		
Dividends						-	-	-		
Net Debt Variation						34.1	22.5	14.7		

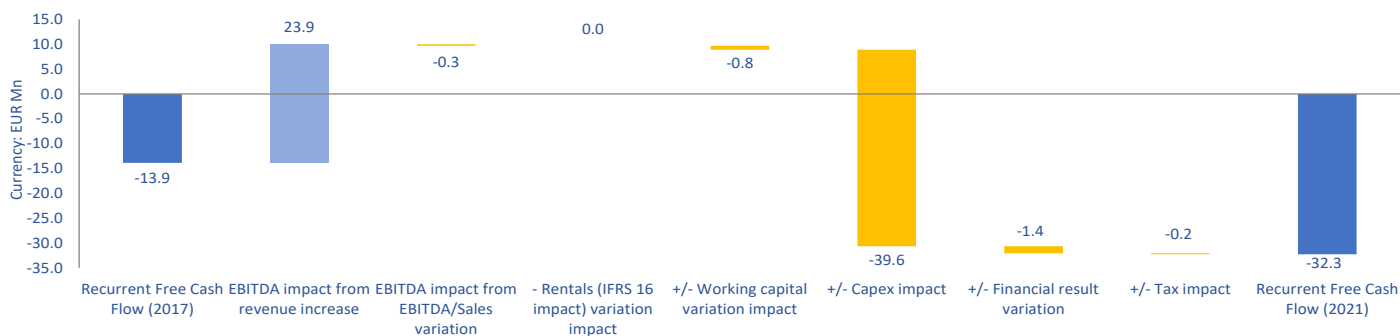
Note 1: ALQ reports its financial statements on the basis of the Spanish General Chart of Accounts, not being affected by the application of IFRS 16.

Appendix 2. Free Cash Flow

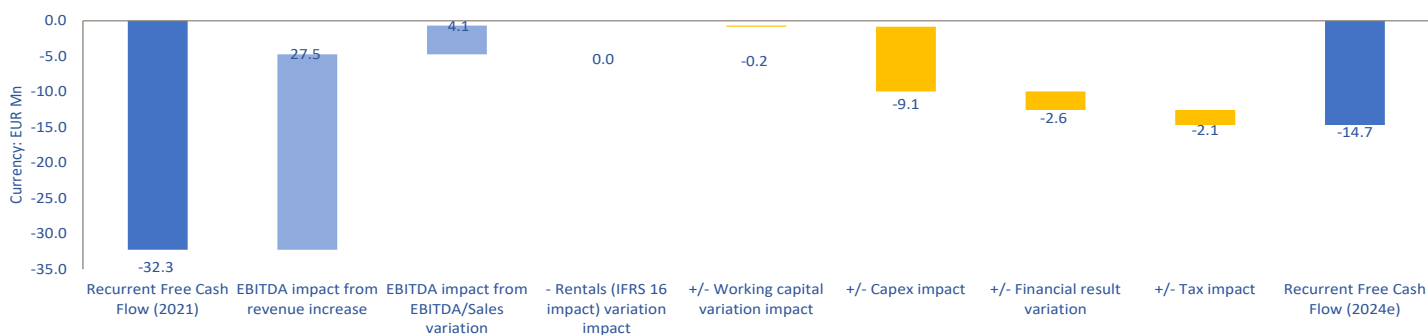
A) Cash Flow Analysis (EUR Mn)	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
								18-21	21-24e
Recurrent EBITDA	22.2	27.4	32.0	40.7	55.0	63.8	72.3	22.5%	21.1%
<i>Recurrent EBITDA growth</i>	29.1%	23.8%	16.7%	27.2%	35.1%	16.0%	13.4%		
<i>Rec. EBITDA/Revenues</i>	53.5%	53.9%	54.3%	53.5%	55.2%	55.3%	57.1%		
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	(1.3)	(1.8)	0.1	(1.4)	(3.3)	(2.2)	(1.6)		
= Recurrent Operating Cash Flow	20.8	25.7	32.1	39.3	51.7	61.6	70.7	23.6%	21.6%
<i>Rec. Operating Cash Flow growth</i>	26.1%	23.3%	25.1%	22.4%	31.5%	19.2%	14.8%		
<i>Rec. Operating Cash Flow / Sales</i>	50.3%	50.5%	54.5%	51.6%	51.8%	53.4%	55.8%		
- CAPEX	(39.4)	(46.4)	(46.5)	(74.6)	(89.7)	(89.7)	(89.7)		
- Net Financial Result affecting Cash Flow	(2.1)	(2.4)	(2.6)	(3.1)	(4.3)	(5.2)	(5.7)		
- Taxes	(0.2)	(0.5)	(0.4)	(1.0)	(2.7)	(2.8)	(3.1)		
- Acquisitions / + Divestments	4.4	5.1	5.7	7.2	11.0	13.5	13.1		
= Recurrent Free Cash Flow	(16.5)	(18.5)	(11.6)	(32.3)	(34.1)	(22.5)	(14.7)	-25.1%	23.1%
<i>Rec. Free Cash Flow growth</i>	-18.9%	-12.4%	37.1%	-177.1%	-5.6%	33.9%	34.7%		
<i>Rec. Free Cash Flow / Revenues</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
- Restructuring expenses & others	(0.0)	(0.0)	0.0	(0.2)	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow	(16.5)	(18.5)	(11.6)	(32.4)	(34.1)	(22.5)	(14.7)	-25.3%	23.2%
<i>Free Cash Flow growth</i>	-18.9%	-12.3%	37.2%	-178.8%	-5.0%	33.9%	34.7%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	n.a.	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.	n.a.		
B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)									
Recurrent FCF(FY - 1)	(13.9)	(16.5)	(18.5)	(11.6)	(32.3)	(34.1)	(22.5)		
EBITDA impact from revenue increase	5.2	5.1	4.3	9.3	12.6	8.6	6.3		
EBITDA impact from EBITDA/Sales variation	(0.2)	0.2	0.2	(0.6)	1.6	0.2	2.2		
= Recurrent EBITDA variation	5.0	5.3	4.6	8.7	14.3	8.8	8.5		
- Rentals (IFRS 16 impact) variation impact	-	-	-	-	-	-	-		
+/- Working capital variation impact	(0.7)	(0.4)	1.8	(1.5)	(1.9)	1.1	0.6		
= Recurrent Operating Cash Flow variation	4.3	4.8	6.4	7.2	12.4	9.9	9.1		
+/- CAPEX impact	(7.1)	(6.2)	0.5	(26.7)	(11.3)	2.6	(0.4)		
+/- Financial result variation	(0.4)	(0.3)	(0.2)	(0.5)	(1.2)	(0.8)	(0.6)		
+/- Tax impact	0.6	(0.3)	0.2	(0.6)	(1.7)	(0.1)	(0.3)		
= Recurrent Free Cash Flow variation	(2.6)	(2.0)	6.9	(20.6)	(1.8)	11.6	7.8		
Recurrent Free Cash Flow	(16.5)	(18.5)	(11.6)	(32.3)	(34.1)	(22.5)	(14.7)		
C) "FCF to the Firm" (pre debt service) (EUR Mn)									
EBIT	5.4	6.1	5.9	9.2	15.0	16.3	18.1	19.5%	25.2%
* <i>Theoretical Tax rate</i>	25.1%	25.1%	25.0%	23.5%	25.0%	25.0%	25.0%		
= Taxes (pre- Net Financial Result)	(1.4)	(1.5)	(1.5)	(2.2)	(3.8)	(4.1)	(4.5)		
Recurrent EBITDA	22.2	27.4	32.0	40.7	55.0	63.8	72.3	22.5%	21.1%
- Rentals (IFRS 16 impact)	-	-	-	-	-	-	-		
+/- Working Capital increase	(1.3)	(1.8)	0.1	(1.4)	(3.3)	(2.2)	(1.6)		
= Recurrent Operating Cash Flow	20.8	25.7	32.1	39.3	51.7	61.6	70.7	23.6%	21.6%
- CAPEX	(39.4)	(46.4)	(46.5)	(74.6)	(89.7)	(89.7)	(89.7)		
- Taxes (pre- Financial Result)	(1.4)	(1.5)	(1.5)	(2.2)	(3.8)	(4.1)	(4.5)		
- Acquisitions / + Divestments	4.4	5.1	5.7	7.2	11.0	13.5	13.1		
= Recurrent Free Cash Flow (To the Firm)	(15.6)	(17.1)	(10.1)	(30.4)	(30.8)	(18.6)	(10.4)	-24.9%	30.0%
<i>Rec. Free Cash Flow (To the Firm) growth</i>	-23.5%	-10.0%	40.7%	-199.2%	-1.5%	39.6%	44.1%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	-	-	-	-	-		
= Free Cash Flow "To the Firm"	(15.6)	(17.1)	(10.1)	(30.4)	(30.8)	(18.6)	(10.4)	-24.9%	30.0%
<i>Free Cash Flow (To the Firm) growth</i>	-23.5%	-10.0%	40.7%	-199.2%	-1.5%	39.6%	44.1%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	n.a.	n.a.	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.	n.a.	n.a.		

Note 1: ALQ reports its financial statements on the basis of the Spanish General Chart of Accounts, not being affected by the application of IFRS 16.

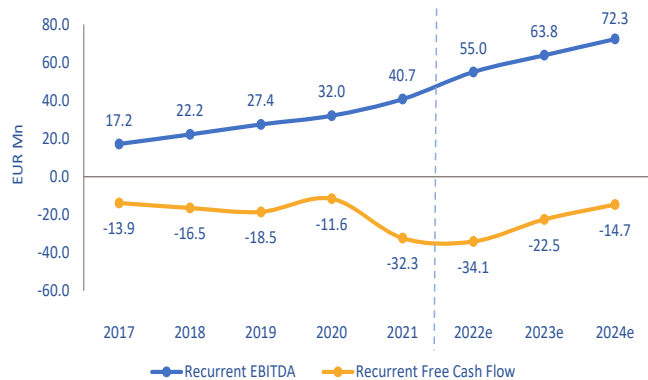
Recurrent Free Cash Flow accumulated variation analysis (2017 - 2021)



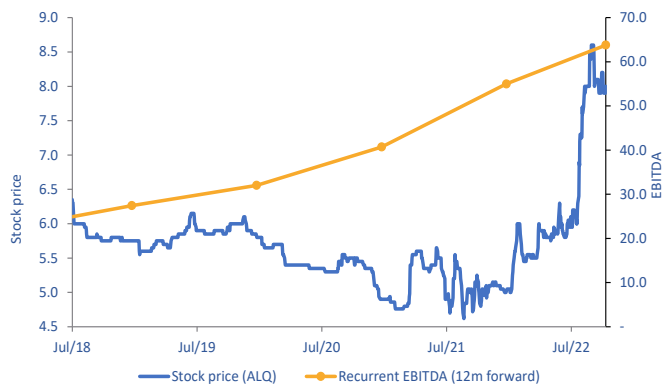
Recurrent Free Cash Flow accumulated variation analysis (2021 - 2024e)



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	44.9	
+ Minority Interests	-	6m Results 2022
+ Provisions & Other L/T Liabilities	8.2	6m Results 2022
+ Net financial debt	141.4	6m Results 2022
- Financial Investments	0.4	6m Results 2022
+/- Others		
Enterprise Value (EV)	194.1	

Appendix 4. Historical performance ⁽¹⁾

Historical performance (EUR Mn)	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e	CAGR	
											15-21	21-24e
Total Revenues	18.8	23.6	31.8	41.4	50.9	58.9	76.1	99.7	115.3	126.6	26.2%	18.5%
<i>Total Revenues growth</i>	<i>38.3%</i>	<i>25.3%</i>	<i>34.9%</i>	<i>30.1%</i>	<i>22.9%</i>	<i>15.8%</i>	<i>29.1%</i>	<i>31.0%</i>	<i>15.6%</i>	<i>9.9%</i>		
EBITDA	10.4	13.2	17.1	22.1	27.4	32.0	40.6	55.0	63.8	72.3	25.4%	21.3%
<i>EBITDA growth</i>	<i>39.8%</i>	<i>26.6%</i>	<i>29.8%</i>	<i>29.2%</i>	<i>23.9%</i>	<i>16.8%</i>	<i>26.6%</i>	<i>35.6%</i>	<i>16.0%</i>	<i>13.4%</i>		
<i>EBITDA/Sales</i>	<i>55.4%</i>	<i>56.0%</i>	<i>53.9%</i>	<i>53.5%</i>	<i>53.9%</i>	<i>54.4%</i>	<i>53.3%</i>	<i>55.2%</i>	<i>55.3%</i>	<i>57.1%</i>		
Net Profit	1.5	2.3	2.4	2.5	2.7	2.4	4.7	8.0	8.3	9.3	20.2%	25.7%
<i>Net Profit growth</i>	<i>91.6%</i>	<i>49.6%</i>	<i>3.0%</i>	<i>4.4%</i>	<i>10.6%</i>	<i>-11.0%</i>	<i>91.0%</i>	<i>72.1%</i>	<i>3.5%</i>	<i>11.5%</i>		
Adjusted number shares (Mn)	5.6	5.6	5.6	5.6	5.5	5.5	5.6	5.6	5.6	5.6		
EPS (EUR)	0.28	0.42	0.43	0.45	0.50	0.44	0.83	1.43	1.48	1.65	20.1%	25.7%
<i>EPS growth</i>	<i>n.a.</i>	<i>49.6%</i>	<i>3.1%</i>	<i>4.3%</i>	<i>11.0%</i>	<i>-10.9%</i>	<i>88.0%</i>	<i>72.1%</i>	<i>3.5%</i>	<i>11.5%</i>		
Ord. EPS (EUR)	0.39	0.42	0.43	0.45	0.50	0.44	0.85	1.43	1.48	1.65	14.0%	24.6%
<i>Ord. EPS growth</i>	<i>n.a.</i>	<i>6.7%</i>	<i>3.5%</i>	<i>4.2%</i>	<i>10.6%</i>	<i>-11.3%</i>	<i>93.9%</i>	<i>67.6%</i>	<i>3.5%</i>	<i>11.5%</i>		
CAPEX	(18.4)	(20.5)	(31.6)	(39.4)	(46.4)	(46.5)	(74.6)	(89.7)	(89.7)	(89.7)		
<i>CAPEX/Sales %</i>	<i>97.5%</i>	<i>86.9%</i>	<i>99.2%</i>	<i>95.2%</i>	<i>91.2%</i>	<i>78.9%</i>	<i>98.1%</i>	<i>90.0%</i>	<i>77.8%</i>	<i>70.8%</i>		
Free Cash Flow	(10.2)	(11.0)	(13.9)	(16.5)	(18.5)	(11.6)	(32.4)	(34.1)	(22.5)	(14.7)	-21.3%	23.2%
<i>ND/EBITDA (x) ⁽²⁾</i>	<i>2.7x</i>	<i>2.9x</i>	<i>3.0x</i>	<i>2.7x</i>	<i>2.8x</i>	<i>2.8x</i>	<i>3.0x</i>	<i>2.8x</i>	<i>2.8x</i>	<i>2.7x</i>		
<i>P/E (x)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>12.5x</i>	<i>11.6x</i>	<i>10.9x</i>	<i>6.0x</i>	<i>5.6x</i>	<i>5.4x</i>	<i>4.8x</i>		
<i>EV/Sales (x)</i>	<i>n.a.</i>	<i>n.a.</i>	<i>2.70x</i>	<i>2.31x</i>	<i>2.17x</i>	<i>2.09x</i>	<i>2.05x</i>	<i>1.95x</i>	<i>1.68x</i>	<i>1.53x</i>		
<i>EV/EBITDA (x) ⁽²⁾</i>	<i>n.a.</i>	<i>n.a.</i>	<i>5.0x</i>	<i>4.3x</i>	<i>4.0x</i>	<i>3.8x</i>	<i>3.8x</i>	<i>3.5x</i>	<i>3.0x</i>	<i>2.7x</i>		
<i>Absolute performance</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>3.1%</i>	<i>-16.2%</i>	<i>3.9%</i>	<i>60.0%</i>				
<i>Relative performance vs Ibx 35</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>-7.8%</i>	<i>-0.9%</i>	<i>-3.8%</i>	<i>83.8%</i>				

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 2022e

		Renting						
		ALD				Redde Northgate		
		Automotive		PLC		Average		ALQ
		Avis Budget	Hertz	Sixt	Automotive Ltd.	REDD-GB		ALQ-ES
Market data	EUR Mn	CAR-US	HTZ-US	SIX2-DE	ALD-FR	REDD-GB		ALQ-ES
	Ticker (Factset)	CAR-US	HTZ-US	SIX2-DE	ALD-FR	REDD-GB		ALQ-ES
	Country	USA	USA	Germany	France	UK		Spain
	Market cap	8,846.9	6,275.0	3,605.4	4,340.1	847.8		44.9
	Enterprise value (EV)	29,788.6	20,022.5	6,057.5	23,349.9	1,500.9		194.1
Basic financial information	Total Revenues	12,125.0	8,977.2	2,979.4	10,836.9	1,528.9		99.7
	Total Revenues growth	27.5%	19.8%	30.5%	3.8%	6.9%	17.7%	31.0%
	2y CAGR (2022e - 2024e)	-1.2%	0.5%	3.7%	14.6%	4.5%	4.4%	12.7%
	EBITDA	3,639.9	2,369.9	1,106.9	1,437.6	433.2		55.0
	EBITDA growth	-22.0%	-19.1%	112.5%	-71.3%	4.0%	0.8%	35.6%
	2y CAGR (2022e - 2024e)	-22.2%	n.a.	0.9%	-4.5%	1.0%	-6.2%	14.7%
	EBITDA/Revenues	30.0%	26.4%	37.2%	13.3%	28.3%	27.0%	55.2%
	EBIT	3,966.7	2,414.3	571.7	1,441.6	177.9		15.0
	EBIT growth	86.0%	14.4%	46.9%	16.8%	7.2%	34.3%	63.0%
	2y CAGR (2022e - 2024e)	-34.8%	-37.1%	-6.0%	-3.8%	-0.3%	-16.4%	9.7%
	EBIT/Revenues	32.7%	26.9%	19.2%	13.3%	11.6%	20.7%	15.1%
	Net Profit	2,343.3	1,769.0	380.2	1,060.5	123.7		8.0
	Net Profit growth	78.5%	373.2%	21.4%	21.5%	6.0%	100.1%	72.1%
	2y CAGR (2022e - 2024e)	-39.0%	-52.2%	-7.2%	-4.2%	-3.9%	-21.3%	7.4%
CAPEX/Sales %	-1.0%	2.1%	2.0%	1.4%	16.4%	4.2%	90.0%	
Free Cash Flow	3,426.9	2,128.1	78.9	(533.0)	72.7		(34.1)	
Net financial debt	3,684.9	8,323.8	1,951.9	22,728.7	607.5		155.1	
ND/EBITDA (x)	1.0	3.5	1.8	15.8	1.4	4.7	2.8	
Pay-out	0.0%	0.0%	38.6%	46.8%	48.6%	26.8%	0.0%	
Multiples and Ratios	P/E (x)	4.0	4.3	11.0	4.1	6.6	6.0	5.6
	P/BV (x)	n.a.	2.0	2.2	0.7	1.6	1.6	1.2
	EV/Revenues (x)	2.5	2.2	2.0	2.2	1.0	2.0	1.9
	EV/EBITDA (x)	8.2	8.4	5.5	16.2	3.5	8.4	3.5
	EV/EBIT (x)	7.5	8.3	10.6	16.2	8.4	10.2	12.9
	ROE	n.a.	47.1	19.8	17.7	24.2	27.2	24.2
	FCF Yield (%)	38.7	33.9	2.2	n.a.	8.6	20.9	n.a.
	DPS	0.00	0.00	3.13	1.23	0.25	0.92	0.00
Dvd Yield	0.0%	0.0%	3.5%	11.5%	6.9%	4.4%	0.0%	

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

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

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Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
20-Oct-2022	n.a.	8.00	n.a.	n.a.	6m Results 2022 - Estimates upgrade	David López Sánchez
07-Apr-2022	n.a.	6.00	n.a.	n.a.	12m Results 2021	David López Sánchez
09-Mar-2022	n.a.	5.55	n.a.	n.a.	Initiation of Coverage	David López Sánchez

