

## Company Flash Note

Reason: Company results (post view)

28 February 2024

### Buy

Recommendation unchanged

Share price: EUR 19.50

closing price as of 27/02/2024

Target price: EUR 21.50

Target Price unchanged

Upside/Downside Potential 10.3%

Reuters/Bloomberg

CMT.M.SCT/CMO SM

Market capitalisation (EURm) 1,289

Current N° of shares (m) 66

Free float 6%

Daily avg. no. trad. sh. 12 mth (k) 1

Daily avg. trad. vol. 12 mth (k) 0.00

Price high/low 12 months 19.90 / 16.10

Abs Perfs 1/3/12 mths (%) 0.00/7.14/9.55

Key financials (EUR)

	12/22	12/23e	12/24e
Sales (m)	1,268	1,400	1,408
EBITDA (m)	276	334	340
EBITDA margin	21.8%	23.9%	24.1%
EBIT (m)	202	257	261
EBIT margin	15.9%	18.3%	18.6%
Net Profit (adj.)(m)	110	141	144
ROCE	10.2%	12.3%	12.4%
Net debt/(cash) (m)	145	83	27
Net Debt Equity	0.1	0.1	0.0
Net Debt/EBITDA	0.5	0.2	0.1
Int. cover(EBITDA/Fin.int)	10.3	10.4	10.6
EV/Sales	1.0	1.0	0.9
EV/EBITDA	4.7	4.1	3.9
EV/EBITDA (adj.)	4.7	4.1	3.9
EV/EBIT	6.5	5.4	5.0
P/E (adj.)	10.5	9.2	8.9
P/BV	1.1	1.2	1.1
OpFCF yield	7.5%	10.2%	10.4%
Dividend yield	3.5%	4.3%	4.5%
EPS (adj.)	1.67	2.13	2.18
BVPS	15.47	16.83	18.19
DPS	0.68	0.84	0.87

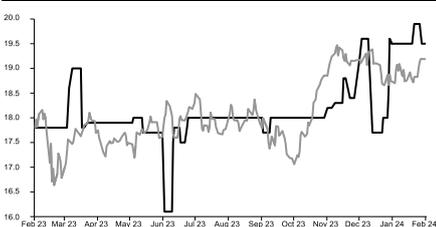
## Strong EBITDA growth.

**Better-than-expected results, highlighted by strong EBITDA growth (despite the slowdown seen since 2Q23) supported by higher prices, volumes and improvements from efficiency plans. By 2024 CMO expects EBITDA to be stable or with some growth and by 2026 an annual increase of 4%/5%. We maintain our positive view on the stock.**

- ✓ **EBITDA** is in line with our estimates (EUR 337m), net profit is 9% higher and net cash of EUR 17m is achieved vs. our estimate of EUR 83m net debt.
- ✓ **Sales** (EUR 1,349m +6%, -13% 4Q23) rose across the board thanks to price and volume increases, although there was some slowdown since 2Q23. In I-f-I terms, the increase is 34% (+32% in 4Q23, 18% in 2022).
- ✓ **Cement sales** (volume) up 6% in 2023 (+3% in 4Q23). Growth in Mexico, Asia, North Africa and Spain. Slowdown in Q4.
- ✓ High volume growth in **concrete** (12% in 2023, 14% in 4Q23). Growth in all geographic areas.
- ✓ **EBITDA** up 22% (EUR 337m, -14% in 4Q23) supported by higher prices and volumes, the impact of efficiency plans and despite a worse exchange rate. EBITDA margin recovered to 25% from 21.8% in 2022.
- ✓ **On a like-for-like basis**, EBITDA (adjusted for FX, hyperinflation and like-for-like) grew 56% due to higher volumes (11%), higher selling prices and variable costs (58%) and higher fixed costs (-11%).
- ✓ **EBITDA I-f-I** (+56%) rose 43% in Europe, 39% in Mexico, 97% in South America and 31% in Asia and North Africa.
- ✓ **Cash conversion**. 64% (51% in 2022) conversion of EBITDA into cash flow (EUR 215m). Positive WC (EUR 33m) from efficiencies. Reduced financial costs, maintenance investments and minimal growth investments.
- ✓ **Free CF, Debt**. Positive free cash flow of EUR 161m, bringing debt from EUR 145m in December 2022 to a net cash of EUR 17m in 2023. 65% of debt is in EUR and 50% of cash in hard currencies. Financing lines of EUR 577m (48% drawn). Reduced maturities in the coming years.
- ✓ **Outlook 2024**. Sales stable or slightly declining. EBITDA stable or low single digit growth due to efficiency and sales prices. Strategic plan targets 23-26. Annual sales growth of 3%/4%, EBITDA growth of 4%/5% and a pay out range of 30%/40%.
- ✓ Significant progress in the main indicators of the "**2030 Sustainability roadmap**" with the objective of reducing emissions by 20% in 2030 and achieving CO2 neutral concrete in 2050.
- ✓ **2023 dividend** (EUR 0.92/share, +35%).

### Shareholders

Otinix 33%; Noumea 32%; Cartera de inversiones 24%;



Source: FactSet

CEMENTOS MOLINS IGBM (Rebased)

### Analyst(s)

Rafael Fernández de Heredia

rafael.fernandezdeheredia@gvcgaesco.es

+34 91 436 78 08

## Cementos Molins: Summary tables

<b>PROFIT &amp; LOSS (EURm)</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>	<b>01/2026e</b>
<b>Sales</b>	<b>968</b>	<b>1,268</b>	<b>1,400</b>	<b>1,408</b>	<b>1,406</b>	<b>1,429</b>
Cost of Sales & Operating Costs	-726.1	-992.0	-1,065.6	-1,068.3	-1,088.9	-1,117.3
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>242</b>	<b>276</b>	<b>334</b>	<b>340</b>	<b>317</b>	<b>312</b>
<b>EBITDA (adj.)*</b>	<b>242</b>	<b>276</b>	<b>334</b>	<b>340</b>	<b>317</b>	<b>312</b>
Depreciation	-63.9	-77.0	-77.4	-78.1	-79.8	-81.9
Depreciation of Right-of-Use	0	0	0	0	0	0
<b>EBITA</b>	<b>178</b>	<b>199</b>	<b>257</b>	<b>261</b>	<b>237</b>	<b>230</b>
<b>EBITA (adj)*</b>	<b>178</b>	<b>199</b>	<b>257</b>	<b>261</b>	<b>237</b>	<b>230</b>
<b>EBIT</b>	<b>181</b>	<b>202</b>	<b>257</b>	<b>261</b>	<b>237</b>	<b>230</b>
<b>EBIT (adj.)*</b>	<b>181</b>	<b>202</b>	<b>257</b>	<b>261</b>	<b>237</b>	<b>230</b>
Net Financial Interest	-30.2	-26.9	-32.0	-32.2	-23.3	-10.3
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	-2.0	0.0	0.0	0.0
<b>Earnings Before Tax (EBT)</b>	<b>151</b>	<b>175</b>	<b>223</b>	<b>229</b>	<b>214</b>	<b>220</b>
Tax	-46.4	-62.8	-83.5	-84.8	-79.1	-81.2
<i>Tax rate</i>	<i>30.7%</i>	<i>35.9%</i>	<i>37.5%</i>	<i>37.0%</i>	<i>37.0%</i>	<i>37.0%</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
<b>Net Profit (reported)</b>	<b>105</b>	<b>112</b>	<b>139</b>	<b>144</b>	<b>135</b>	<b>138</b>
<b>Net Profit (adj.)</b>	<b>102</b>	<b>110</b>	<b>141</b>	<b>144</b>	<b>135</b>	<b>138</b>
<b>CASH FLOW (EURm)</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>	<b>01/2026e</b>
Cash Flow from Operations before change in NWC	184	191	238	242	233	239
Change in Net Working Capital	12.0	-11.0	-26.8	-8.5	-6.0	1.7
<b>Cash Flow from Operations</b>	<b>196</b>	<b>180</b>	<b>212</b>	<b>234</b>	<b>227</b>	<b>241</b>
Capex	-193.0	-94.0	-80.0	-100.0	-85.0	-85.0
Net Financial Investments	0.0	0.0	0.0	0.0	0.0	0.0
<b>Free Cash Flow</b>	<b>2.6</b>	<b>86.4</b>	<b>132</b>	<b>134</b>	<b>142</b>	<b>156</b>
Dividends	-27.0	-39.0	-48.8	-54.4	-53.5	-52.3
Other (incl. Capital Increase & share buy backs)	-78.7	-15.4	-21.0	-23.0	0.0	0.0
<b>Change in Net Financial Debt</b>	<b>-103.1</b>	<b>32.0</b>	<b>61.8</b>	<b>56.2</b>	<b>88.2</b>	<b>103</b>
NOPLAT	126	129	160	165	149	145
<b>BALANCE SHEET &amp; OTHER ITEMS (EURm)</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>	<b>01/2026e</b>
Net Tangible Assets	776	827	837	865	877	887
Net Intangible Assets (incl. Goodwill)	296	368	361	354	348	341
Right-of-Use Assets (Lease Assets)	0.0	0.0	0.0	0.0	0.0	0.0
Net Financial Assets & Other	65.2	66.0	66.0	66.0	66.0	66.0
<b>Total Fixed Assets</b>	<b>1,137</b>	<b>1,261</b>	<b>1,264</b>	<b>1,286</b>	<b>1,291</b>	<b>1,294</b>
Inventories	155	195	204	206	205	209
Trade receivables	236	250	318	324	354	368
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0
Cash (-)	-206.6	-206.7	-206.7	-206.7	-206.7	-206.7
<b>Total Current Assets</b>	<b>598</b>	<b>651</b>	<b>729</b>	<b>736</b>	<b>766</b>	<b>783</b>
<b>Total Assets</b>	<b>1,734.3</b>	<b>1,912.4</b>	<b>1,993.0</b>	<b>2,021.8</b>	<b>2,057.0</b>	<b>2,077.2</b>
Shareholders Equity	919	1,023	1,113	1,203	1,284	1,370
Minority	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Equity</b>	<b>919</b>	<b>1,023</b>	<b>1,113</b>	<b>1,203</b>	<b>1,284</b>	<b>1,370</b>
Long term interest bearing debt	324	314	252	196	107	4.0
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	123	170	171	167	185	204
<b>Total Long Term Liabilities</b>	<b>447</b>	<b>483</b>	<b>423</b>	<b>363</b>	<b>293</b>	<b>208</b>
Short term interest bearing debt	59.6	37.8	37.8	37.8	37.8	37.8
Trade payables	309	369	420	418	442	461
Other current liabilities	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Current Liabilities</b>	<b>369</b>	<b>407</b>	<b>458</b>	<b>456</b>	<b>480</b>	<b>499</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,734.3</b>	<b>1,912.4</b>	<b>1,993.0</b>	<b>2,021.8</b>	<b>2,057.0</b>	<b>2,077.2</b>
<b>Net Capital Employed</b>	<b>1,218.5</b>	<b>1,336.9</b>	<b>1,366.4</b>	<b>1,396.8</b>	<b>1,407.9</b>	<b>1,409.3</b>
<b>Net Working Capital</b>	<b>81.7</b>	<b>75.9</b>	<b>102.7</b>	<b>111.2</b>	<b>117.2</b>	<b>115.5</b>
<b>GROWTH &amp; MARGINS</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>	<b>01/2026e</b>
<i>Sales growth</i>	<i>24.9%</i>	<i>31.1%</i>	<i>10.3%</i>	<i>0.6%</i>	<i>-0.1%</i>	<i>1.7%</i>
<b>EBITDA (adj.)* growth</b>	<b>17.7%</b>	<b>14.4%</b>	<b>20.8%</b>	<b>1.7%</b>	<b>-6.7%</b>	<b>-1.6%</b>
<i>EBITA (adj.)* growth</i>	<i>20.4%</i>	<i>12.2%</i>	<i>28.7%</i>	<i>1.9%</i>	<i>-9.3%</i>	<i>-3.1%</i>
<i>EBIT (adj.)* growth</i>	<i>22.4%</i>	<i>11.3%</i>	<i>27.2%</i>	<i>1.9%</i>	<i>-9.3%</i>	<i>-3.1%</i>

## Cementos Molins: Summary tables

<b>GROWTH &amp; MARGINS</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>	<b>01/2026e</b>
Net Profit growth	9.4%	8.1%	27.5%	2.7%	-6.7%	2.7%
EPS adj. growth	9.4%	8.1%	27.5%	2.7%	-6.7%	2.7%
DPS adj. growth	33.3%	21.4%	23.7%	3.9%	-6.7%	2.7%
EBITDA (adj)* margin	25.0%	21.8%	23.9%	24.1%	22.5%	21.8%
EBITA (adj)* margin	18.4%	15.7%	18.3%	18.6%	16.9%	16.1%
EBIT (adj)* margin	18.7%	15.9%	18.3%	18.6%	16.9%	16.1%
<b>RATIOS</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>	<b>01/2026e</b>
Net Debt/Equity	0.2	0.1	0.1	0.0	0.0	-0.1
Net Debt/EBITDA	0.7	0.5	0.2	0.1	-0.2	-0.5
Interest cover (EBITDA/Fin.interest)	8.0	10.3	10.4	10.6	13.6	30.3
Capex/D&A	319.5%	125.8%	103.4%	128.0%	106.5%	103.7%
Capex/Sales	19.9%	7.4%	5.7%	7.1%	6.0%	5.9%
NWC/Sales	8.4%	6.0%	7.3%	7.9%	8.3%	8.1%
ROE (average)	11.9%	11.4%	13.2%	12.5%	10.8%	10.4%
ROCE (adj.)	10.9%	10.2%	12.3%	12.4%	11.1%	10.8%
WACC	8.3%	8.2%	9.0%	9.0%	9.0%	9.0%
ROCE (adj.)/WACC	1.3	1.2	1.4	1.4	1.2	1.2
<b>PER SHARE DATA (EUR)***</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>	<b>01/2026e</b>
Average diluted number of shares	66.1	66.1	66.1	66.1	66.1	66.1
EPS (reported)	1.58	1.69	2.10	2.18	2.04	2.09
EPS (adj.)	1.54	1.67	2.13	2.18	2.04	2.09
BVPS	13.90	15.47	16.83	18.19	19.42	20.72
DPS	0.56	0.68	0.84	0.87	0.81	0.84
<b>VALUATION</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>	<b>01/2026e</b>
EV/Sales	1.4	1.0	1.0	0.9	0.9	0.8
EV/EBITDA	5.7	4.7	4.1	3.9	3.9	3.6
<b>EV/EBITDA (adj.)*</b>	<b>5.7</b>	<b>4.7</b>	<b>4.1</b>	<b>3.9</b>	<b>3.9</b>	<b>3.6</b>
EV/EBITA	7.8	6.5	5.4	5.0	5.2	4.9
<b>EV/EBITA (adj.)*</b>	<b>7.8</b>	<b>6.5</b>	<b>5.4</b>	<b>5.0</b>	<b>5.2</b>	<b>4.9</b>
EV/EBIT	7.7	6.5	5.4	5.0	5.2	4.9
<b>EV/EBIT (adj.)*</b>	<b>7.7</b>	<b>6.5</b>	<b>5.4</b>	<b>5.0</b>	<b>5.2</b>	<b>4.9</b>
<b>P/E (adj.)</b>	<b>11.9</b>	<b>10.5</b>	<b>9.2</b>	<b>8.9</b>	<b>9.6</b>	<b>9.3</b>
P/BV	1.3	1.1	1.2	1.1	1.0	0.9
Total Yield Ratio	3.2%	3.8%	4.2%	4.2%	4.1%	
EV/CE	1.2	1.0	1.1	1.0	0.9	0.8
OpFCF yield	0.2%	7.5%	10.2%	10.4%	11.0%	12.1%
OpFCF/EV	0.2%	6.6%	9.5%	10.1%	11.5%	13.8%
Payout ratio	35.4%	40.1%	40.0%	40.0%	40.0%	40.0%
Dividend yield (gross)	3.1%	3.5%	4.3%	4.5%	4.2%	4.3%
<b>EV AND MKT CAP (EURm)</b>	<b>12/2021</b>	<b>12/2022</b>	<b>12/2023e</b>	<b>12/2024e</b>	<b>12/2025e</b>	<b>01/2026e</b>
Price** (EUR)	18.30	17.50	19.60	19.50	19.50	19.50
Outstanding number of shares for main stock	66.1	66.1	66.1	66.1	66.1	66.1
<b>Total Market Cap</b>	<b>1,209.9</b>	<b>1,157.0</b>	<b>1,295.9</b>	<b>1,289.3</b>	<b>1,289.3</b>	<b>1,289.3</b>
Gross Financial Debt (+)	383.2	351.3	289.5	233.3	145.1	41.8
Cash & Marketable Securities (-)	-206.6	-206.7	-206.7	-206.7	-206.7	-206.7
<b>Net Financial Debt</b>	<b>176.6</b>	<b>144.6</b>	<b>82.8</b>	<b>26.6</b>	<b>-61.6</b>	<b>-164.9</b>
Lease Liabilities (+)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Debt</b>	<b>176.6</b>	<b>144.6</b>	<b>82.8</b>	<b>26.6</b>	<b>-61.6</b>	<b>-164.9</b>
<b>Other EV components</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Enterprise Value (EV adj.)</b>	<b>1,386.5</b>	<b>1,301.6</b>	<b>1,378.7</b>	<b>1,315.9</b>	<b>1,227.7</b>	<b>1,124.3</b>

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: Materials, Construction & Infrastructure/Cement

Company Description: Cementos Molins is a building materials producer (family owned) present mostly in Spain, Mexico and Argentina.

Information regarding Market Abuse and Conflicts of Interests and recommendation history available in our web page: [www.gvcgaesco.es](http://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.,**

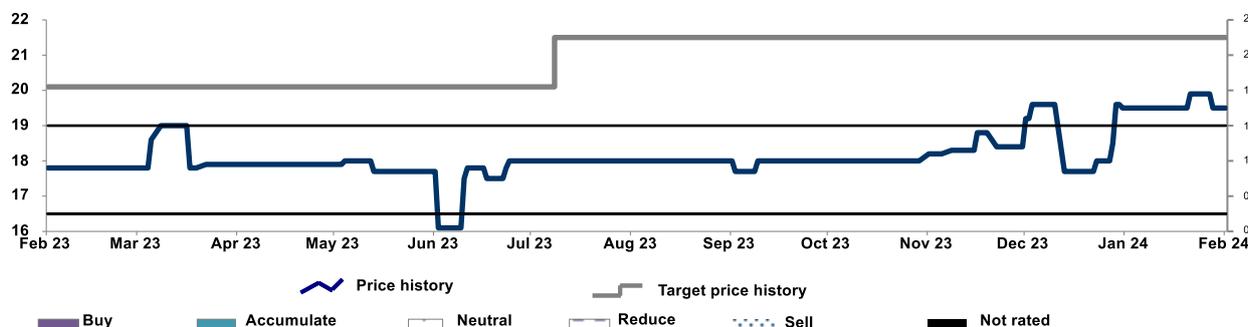
- acts as registered advisor, agent or liquidity provider for the following companies: Catenon SA; Clever Global SA; Facephi Biometría SA.; Griño Ecologic SA, NBI Bearings Europe S.A.; Trajano Iberia (Socimi), SA; IFFE Futura, S.A.; Secuoya Grupo de Comunicación SA; Mercal Inmuebles (Socimi); TIER1 Technology; Excem Capital Partners Sociedad de Inversión Residencial (Socimi YEXR); Agile Content; Holaluz Clidom SA; S.A. Pangea Oncology, S.A.; Investment Media Optimization S.A., Inmobiliaria del Sur S.A., Club de Futbol 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 Company 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 CEMENTOS MOLINS**

Date	Recommendation	Target price	Price at change date
03-Aug-23	Buy	21.50	18.00
10-Jan-23	Buy	20.10	17.50
23-Nov-21	Neutral	20.90	18.70
09-Apr-21	Buy	18.10	15.30

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: Rafael Fernández de Heredia (since 08/04/2021)



## 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	77%
Accumulate	8	10%
Neutral	9	11%
Reduce	2	2%
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](http://www.esnpartnership.eu)

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

[www.bancaakros.it](http://www.bancaakros.it) regulated by the CONSOB - Commissione Nazionale per le Società e la Borsa

[www.caixabi.pt](http://www.caixabi.pt) regulated by the CMVM - Comissão do Mercado de Valores Mobiliários

[www.cic-marketsolutions.eu](http://www.cic-marketsolutions.eu) regulated by the AMF - Autorité des marchés financiers

[www.gvcgaesco.es](http://www.gvcgaesco.es) regulated by CNMV - Comisión Nacional del Mercado de Valores

## Members of ESN (European Securities Network LLP)

