

**9m Results 2019**

Opinion <sup>(1)</sup>: Above expectations.

Impact <sup>(1)</sup>: We will have to raise our estimates.

David López Sánchez – david.lopez@lighthouse-iaef.com  
+34 915 904 226

ECR is an industrial group manufacturing chemical products that operates through 3 divisions: (i) basic chemicals, (ii) intermediate chemicals and (iii) pharmaceuticals. The core activity is the production of chlorine-caustic soda (>70% of EBITDA), ECR being the main producer in Spain (60% of total installed capacity) and among the top 10 at the European level. Sales outside Spain represent 47% of total revenue.

## A better than expected 3Q: We raise our 2019 estimates

**Market Data**

Market Cap (Mn EUR and USD)	253.7	280.9
EV (Mn EUR and USD) <sup>(2)</sup>	387.2	428.8
Shares Outstanding (Mn)	104.9	
-12m (Max/Med/Mín EUR)	4.10 / 2.71 / 1.60	
Daily Avg volume (-12m Mn EUR)	0.84	
Rotation <sup>(3)</sup>	84.56	
Thomson Reuters / Bloomberg	ECR.MC / ECR SM	
Close fiscal year	31-Dec	

**GROWTH IN REVENUES (+2.5% VS. 9M18)** despite the continuation of the cyclical downswing of the Chlor-Alkali sector (that began in 2H18). The growth in revenue is explained by the volume effect associated with the increase in production capacity of the Chlor-Alkali, PVC, polyols and pharmaceutical products plants, that offset the fall in sale prices of the main products (caustic soda and PVC).

**Shareholders Structure (%)**

Joan Casas Galofre	5.1
Dimensional Fund Advisors, L.P.	5.0
Víctor Manuel Rodríguez Martín	3.2
Montserrat Garcia Pruns	3.1
Free Float	80.6

**WITH AN EBITDA MARGIN THAT REMAINS UNDER PRESSURE (8.7%; -3P.P. VS 9M18)** and that puts 9m19 EBITDA at EUR 46.4Mn (-24.1% vs 9m18; including the new accounting treatment of operating leases both in 9m 2018 and in 9m 2019). However, the fall in price of the main procurements (EDC, electricity and methanol) in 3Q19 (EBITDA 3Q19 +11.7% vs 3Q18) has enabled a reduction in the decline in EBITDA seen in 1H19 (-35.7% vs 1H18): which leads us to revise our estimates.

Financials (Mn EUR)	2018	2019e	2020e	2021e
Adj. n° shares (Mn)	109.2	104.9	104.9	104.9
Total Revenues	677.1	704.8	731.8	739.9
Rec. EBITDA	64.9	51.7	63.4	67.1
% growth	-7.6	-20.4	22.6	5.8
% Rec. EBITDA/Rev.	9.6	7.3	8.7	9.1
% Inc. EBITDA sector <sup>(4)</sup>	6.6	6.8	7.6	7.0
Net Profit	44.9	21.1	29.8	33.1
EPS (EUR)	0.41	0.20	0.28	0.32
% growth	3.7	-51.1	41.2	11.2
Ord. EPS (EUR)	0.32	0.20	0.28	0.32
% growth	-28.6	-37.3	41.2	11.2
Rec. Free Cash Flow <sup>(5)</sup>	5.6	5.9	23.4	33.0
Pay-out (%)	14.4	0.0	18.0	18.0
DPS (EUR)	0.06	0.00	0.05	0.06
Net financial debt	126.5	151.7	130.4	115.3
ND/Rec. EBITDA (x)	1.9	2.9	2.1	1.7
ROE (%)	17.3	7.6	10.0	10.3
ROCE (%) <sup>(6)</sup>	10.9	5.9	7.7	8.3

**AND AN INCREASE IN LEVERAGE (+10% VS 2018)** mainly due to the continuation of the investment plan (we estimate c. EUR 40Mn in 2019) and an extraordinary cash outflow to pay for provisions to cover the disassembling and rehabilitation of land, which, together with shareholder remuneration (EUR 9.6Mn), has taken net debt to EUR 139.1Mn (<2.6x 2019e EBITDA; still above the self-imposed 2x limit for payment of a dividend).

**IN CONCLUSION:** Better than expected results due mainly to a sharp fall in price of the main procurements in 3Q19 and which leads us to revise our estimates for the year as a whole (EBITDA 2019e: +9.6% vs previous estimate).

We maintain ECR's equity story intact, based on a moderate recovery of caustic soda prices from 2020e, which together with the earlier than expected fall in price of the main procurements and lower CAPEX requirements than in 2019e (EUR 25Mn in 2020e vs EUR 40.0Mn in 2019e; a driver unaffected by the cycle) will enable FCF levels to recover to EUR 23Mn in 2020e (Free Cash Flow yield 2020e: 9.2% vs 4% for the sector).

**Ratios & Multiples (x)**

P/E	5.9	12.0	8.5	7.7
Ord. P/E	7.5	12.0	8.5	7.7
P/BV	0.9	0.9	0.8	0.8
Dividend Yield (%)	2.4	0.0	2.1	2.3
EV/Sales	0.57	0.55	0.53	0.52
EV/Rec. EBITDA	6.0	7.5	6.1	5.8
FCF Yield (%) <sup>(5)</sup>	2.2	2.3	9.2	13.0

**Relative performance -5y (Base 100)**



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

- (1) The opinion about results is in respect of reported EBITDA and its relation to our estimate for the year (12m). The impact reflects whether, as a consequence of these results, we envisage a significant (>5%) upgrade or downgrade to our EBITDA estimates (for any of the estimated years).
- (2) Please refer to Appendix 3.
- (3) Total volume traded in the share (Mn EUR) -12m vs Mkt Cap. Represents the % of the capitalisation traded -12m.
- (4) Expected EBITDA growth (consensus) for the share's benchmark sector (Eurostoxx 600 Chemicals).
- (5) Based on recurrent FCF. Please refer to Appendix 2.
- (6) Calculated with a theoretical tax rate. Please refer to Appendix 2.
- (7) vs Eurostoxx 600 Chemicals.

Stock performance (%)	-1m	-3m	-12m	YTD	-3Y	-5Y
Absolute	28.5	35.9	-40.3	-22.4	19.3	425.7
vs Ibex 35	22.5	26.8	-42.8	-29.5	11.5	474.2
vs Ibex Small Cap Index	23.1	28.7	-40.8	-29.5	-19.1	255.0
vs Eurostoxx 50	20.5	22.4	-47.8	-36.6	-4.1	342.0
vs Sector benchmark <sup>(7)</sup>	19.2	22.4	-47.9	-37.7	-7.0	298.1

Report issued by IFAF Servicios de Análisis, S.L.U. Lighthouse is a project of IFAF Servicios de Análisis, S.L.U.

This report has been prepared on the basis of information available to the public. The report includes a financial analysis of the company covered. The report does not propose any personalised investment recommendation. Investors should consider the contents of this report as just another element in their investment decision-making process. The final two pages of this report contain very important legal information regarding its contents.

## 9m19 Results and review of estimates

In the light of these results we upgrade our estimates (2019e EBITDA: +9.6% vs previous estimate).

9m19 results show a fall in EBITDA of 24.1% (vs 9m18), 5.9p.p. smaller than initially expected for the year as a whole (c. 30%) due mainly to a significant decline in the price of the main supplies and procurements (EDC, electricity and methanol), which “boosted” ECR’s EBITDA margin to 8.7% (7.7% excluding the impact of the new accounting treatment of operating leases vs our previous estimate of 6.6%).

### 9m19 Results

	9m19 Real	9m19 Real 9m18	9m19 Real vs 9m18	2019e	2019e vs 2018	3T19	3T19 vs 3T18
<b>Total Revenues</b>	<b>532.2</b>	<b>519.2</b>	<b>2.5%</b>	<b>704.8</b>	<b>4.1%</b>	<b>168.1</b>	<b>1.2%</b>
Chlorine derivatives	311.8	306.7	1.7%	n.a.	n.a.	97.8	0.4%
Intermediate chemical	148.5	144.7	2.6%	n.a.	n.a.	46.3	-1.7%
Pharmaceuticals	43.4	39.5	9.9%	n.a.	n.a.	14.2	20.4%
Other revenues	28.6	28.3	0.9%	n.a.	n.a.	9.9	0.7%
<b>Recurrent EBITDA*</b>	<b>49.2</b>	<b>66.9</b>	<b>-26.4%</b>	<b>51.7</b>	<b>-20.4%</b>	<b>17.3</b>	<b>10.8%</b>
Rec. EBITDA/Revenues	9.2%	12.9%	-4 p.p.	7.3%	2 p.p.	10.3%	-4 p.p.
<b>EBITDA*</b>	<b>46.5</b>	<b>61.2</b>	<b>-24.1%</b>	<b>51.7</b>	<b>-23.9%</b>	<b>16.7</b>	<b>11.7%</b>
EBITDA/Revenues	8.7%	11.8%	-3 p.p.	7.3%	1 p.p.	10.0%	-3 p.p.
<b>EBIT*</b>	<b>26.8</b>	<b>41.7</b>	<b>-35.8%</b>	<b>32.2</b>	<b>-26.6%</b>	<b>10.1</b>	<b>21%</b>
<b>NP</b>	<b>17.3</b>	<b>35.8</b>	<b>-51.7%</b>	<b>21.1</b>	<b>-53.0%</b>	<b>6.8</b>	<b>-12%</b>
<b>Ordinary NP</b>	<b>17.3</b>	<b>35.8</b>	<b>-51.7%</b>	<b>21.1</b>	<b>-39.8%</b>	<b>4.6</b>	<b>76%</b>
Rec. FCF	n.a.	n.a.	n.a.	5.9	4.7%		
Rec. FCF Yield	n.a.	n.a.	n.a.	2.3%	0 p.p.		
Net Debt	139.2	101.3	37%	151.7	19.9%		
ND / EBITDA	n.a.	n.a.	n.a.	2.9 x	1.1 x		

(\*) EBITDA reported by the company includes the new accounting treatment of operating leases (IFRS 16) with a positive impact of c. EUR 5.7Mn (9m19) and c. EUR 6.1Mn (9m18); not included in our 2019 estimates (12m). Including the impact of IFRS 16 in our estimates, 2019e EBITDA would be c. EUR 59Mn.

### Accordingly, we upgrade our 2019 estimates

The normalisation of the price of the main supplies and procurements (EDC, electricity and methanol), together with a slower than expected recovery of caustic soda prices, causes us to adjust our projections:

- **Revenue (EUR 704.8Mn; -1.3% vs previous estimate)**, mainly due to a slower than expected recovery of caustic soda prices.
- **Recurrent EBITDA (EUR 51.7Mn; +9.6% vs previous estimate)**, explained mainly by a reduction in the cost of the main supplies and procurements, boosting the EBITDA margin 1p.p. to 7.3% (vs 6.6% previously). Taking into account the impact of IFRS 16, 2019e recurrent EBITDA would be c. EUR 59Mn (EBITDA margin 8.3% vs 8.7% reported at 9m19).
- **Net profit (+20% vs previous estimate)**. The above points fully impact 2019e net profit, which we expect to be around EUR 21.1Mn (-39.7% vs 2018). Given the company’s operating leverage, any variation in the business situation (caustic soda, ethylene, methanol and ECD) fully impacts NP.

**Table 1. Review of estimates (2019e – 2021e) – Estimates not adjusted by IFRS 16 impact**

EUR Mn	2019e (New)	2019e	Review (%)	2020e (New)	2020e	Review (%)	2021e (New)	2021e	Review (%)
<b>Total Revenues</b>	<b>704.8</b>	<b>714.2</b>	<b>-1.3%</b>	<b>731.8</b>	<b>743.0</b>	<b>-1.5%</b>	<b>739.9</b>	<b>751.6</b>	<b>-1.6%</b>
<b>Recurrent EBITDA</b>	<b>51.7</b>	<b>47.2</b>	<b>9.6%</b>	<b>63.4</b>	<b>63.2</b>	<b>0.3%</b>	<b>67.1</b>	<b>68.6</b>	<b>-2.2%</b>
Recurrent EBITDA growth	-20.4%	-27.3%	7 p.p.	22.6%	33.9%	-11 p.p.	5.8%	8.5%	-3 p.p.
Rec. EBITDA/Revenues	7.3%	6.6%	1 p.p.	8.7%	8.5%	0 p.p.	9.1%	9.1%	0 p.p.
<b>Net Profit</b>	<b>21.1</b>	<b>17.5</b>	<b>20.4%</b>	<b>29.8</b>	<b>29.6</b>	<b>0.7%</b>	<b>33.1</b>	<b>34.2</b>	<b>-3.3%</b>
<b>Recurrent Free Cash Flow</b>	<b>5.9</b>	<b>0.8</b>	<b>n.a.</b>	<b>23.4</b>	<b>23.2</b>	<b>0.7%</b>	<b>33.0</b>	<b>34.0</b>	<b>-2.8%</b>
ND / EBITDA	2.9 x	3.3 x	-0.4 x	2.1 x	2.1 x	-0.1 x	1.7 x	1.7 x	0.0 x

## Valuation inputs

### Inputs for the DCF Valuation Approach

	2019e	2020e	2021e	Terminal Value <sup>(1)</sup>		
Free Cash Flow "To the Firm"	(8.9)	26.6	35.7	590		
Market Cap	253.7	At the date of this report				
Net financial debt	139.2	Debt net of Cash (9m Results)				
					Best Case	Worst Case
Cost of Debt	4.0%	Net debt cost			3.0%	4.5%
Effective tax rate (T)	20.0%	T (Normalised tax rate)			=	=
Net debt cost	3.2%	<b>Kd = Cost of Net Debt * (1-T)</b>			2.4%	3.6%
Risk free rate (rf)	0.3%	Rf (10y Spanish bond yield)			=	=
Equity risk premium	7.0%	R (own estimate)			5.5%	6.5%
Beta (B)	1.4	B (Thomson Reuters)			1.4	1.5
Cost of Equity	9.8%	<b>Ke = Rf + (R * B)</b>			8.0%	10.1%
Equity / (Equity + Net Debt)	64.6%	E (Market Cap as equity value)			=	=
Net Debt / (Equity + Net Debt)	35.4%	D			=	=
WACC	7.5%	<b>WACC = Kd * D + Ke * E</b>			6.0%	7.8%
G "Razonable"	1.0%				1.5%	0.5%

(1) Terminal value calculated on the recurrent Free Cash Flow "to the Firm" of the last estimated year using the normalised tax rate (T) indicated in the upper table.

### Inputs for the Multiples Valuation Approach

### Free Cash Flow sensitivity analysis (2020e)

#### A) EBITDA and EV/EBITDA sensitivity to changes in EBITDA/Sales

Scenario	EBITDA/Sales 20e	EBITDA 20e	EV/EBITDA 20e
Max	9.7%	70.7	5.5x
Central	8.7%	63.4	6.1x
Min	7.7%	56.1	6.9x

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

Rec. FCF EUR Mn	CAPEX/Sales 20e			Scenario	FCF/Yield 20e		
	EBITDA 20e	2.4%	3.4%		4.4%	Max	15.0%
70.7	38.0	30.7	23.4	Central	12.1%	9.2%	6.3%
63.4	30.7	23.4	16.1	Min	9.2%	6.3%	3.5%
56.1	23.4	16.1	8.8				

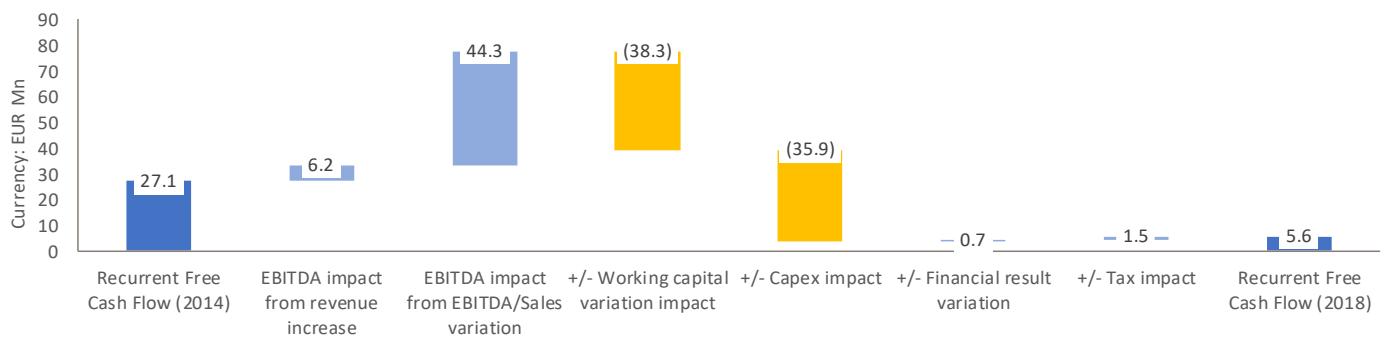
## Appendix 1. Financial Projections (not adjusted by IFRS16 impact)

<b>Balance Sheet (EUR Mn)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019e</b>	<b>2020e</b>	<b>2021e</b>		
Intangible assets	5.6	6.5	5.9	4.1	4.2	4.2	4.2	4.2		
Fixed assets	245.7	235.3	249.2	269.4	300.5	321.2	325.7	325.3		
Other Non Current Assets	0.9	2.5	7.0	25.9	31.7	31.7	31.7	31.7		
Financial Investments	40.4	40.4	38.7	44.9	45.2	45.7	46.3	46.8		
Goodwill & Other Intangibles	-	-	-	-	-	-	-	-		
Current assets	208.3	205.3	184.6	218.3	218.9	232.5	239.3	240.9		
<b>Total assets</b>	<b>500.8</b>	<b>490.1</b>	<b>485.4</b>	<b>562.6</b>	<b>600.5</b>	<b>635.3</b>	<b>647.2</b>	<b>648.9</b>		
Equity	168.2	175.9	219.8	247.5	272.3	282.3	312.1	329.2		
Minority Interests	-	-	-	-	-	-	-	-		
Provisions & Other L/T Liabilities	62.8	66.2	71.0	84.1	76.5	56.5	54.4	52.3		
Net financial debt	128.8	119.5	73.4	89.3	126.5	151.7	130.4	115.3		
Current Liabilities	141.1	128.5	121.2	141.7	125.2	144.8	150.3	152.0		
<b>Equity &amp; Total Liabilities</b>	<b>500.8</b>	<b>490.1</b>	<b>485.4</b>	<b>562.6</b>	<b>600.5</b>	<b>635.3</b>	<b>647.2</b>	<b>648.9</b>		
									<b>CAGR</b>	
<b>P&amp;L (EUR Mn)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019e</b>	<b>2020e</b>	<b>2021e</b>	<b>14-18</b>	<b>18-21e</b>
<b>Total Revenues</b>	<b>607.3</b>	<b>624.5</b>	<b>606.9</b>	<b>689.3</b>	<b>677.1</b>	<b>704.8</b>	<b>731.8</b>	<b>739.9</b>	<b>2.8%</b>	<b>3.0%</b>
<i>Total Revenues growth</i>	-4.2%	2.8%	-2.8%	13.6%	-1.8%	4.1%	3.8%	1.1%		
COGS	(444.4)	(438.5)	(393.8)	(467.9)	(466.9)	(503.4)	(515.2)	(516.5)		
<b>Gross Margin</b>	<b>162.9</b>	<b>186.0</b>	<b>213.1</b>	<b>221.3</b>	<b>210.3</b>	<b>201.4</b>	<b>216.7</b>	<b>223.5</b>	<b>6.6%</b>	<b>2.0%</b>
<i>Gross Margin/Revenues</i>	26.8%	29.8%	35.1%	32.1%	31.1%	28.6%	29.6%	30.2%		
Personnel Expenses	(78.8)	(79.9)	(81.8)	(83.4)	(79.9)	(82.3)	(84.7)	(87.3)		
Other Operating Expenses	(69.7)	(73.7)	(72.8)	(67.7)	(65.5)	(67.4)	(68.5)	(69.1)		
<b>Recurrent EBITDA</b>	<b>14.4</b>	<b>32.5</b>	<b>58.4</b>	<b>70.3</b>	<b>64.9</b>	<b>51.7</b>	<b>63.4</b>	<b>67.1</b>	<b>45.7%</b>	<b>1.1%</b>
<i>Recurrent EBITDA growth</i>	-49.2%	125.5%	79.6%	20.3%	-7.6%	-20.4%	22.6%	5.8%		
<i>Rec. EBITDA/Revenues</i>	2.4%	5.2%	9.6%	10.2%	9.6%	7.3%	8.7%	9.1%		
Restructuring Expenses	-	-	-	(21.7)	-	-	-	-		
Other non-recurrent Income / Costs	-	-	-	-	3.0	-	-	-		
<b>EBITDA</b>	<b>14.4</b>	<b>32.5</b>	<b>58.4</b>	<b>48.5</b>	<b>67.9</b>	<b>51.7</b>	<b>63.4</b>	<b>67.1</b>	<b>47.3%</b>	<b>-0.4%</b>
<i>EBITDA growth</i>	-49.2%	125.5%	79.6%	-16.9%	40.0%	-23.9%	22.6%	5.8%		
<i>EBITDA/Sales</i>	2.4%	5.2%	9.6%	7.0%	10.0%	7.3%	8.7%	9.1%		
Depreciation & Provisions	(19.5)	(19.9)	(7.4)	(14.2)	(24.2)	(19.5)	(20.3)	(20.4)		
Capitalized Expense	0.0	0.1	0.0	-	0.2	-	-	-		
<b>EBIT</b>	<b>(5.0)</b>	<b>12.7</b>	<b>51.0</b>	<b>34.3</b>	<b>43.9</b>	<b>32.2</b>	<b>43.1</b>	<b>46.6</b>	<i>n.a.</i>	<b>2.1%</b>
<i>EBIT growth</i>	-154.8%	354.5%	300.4%	-32.8%	27.8%	-26.6%	33.9%	8.2%		
<i>EBIT/Revenues</i>	<i>n.a.</i>	2.0%	8.4%	5.0%	6.5%	4.6%	5.9%	6.3%		
Impact of Goodwill & Others	-	-	-	-	-	-	-	-		
Net Financial Result	(7.7)	(6.2)	(6.3)	(6.4)	(7.0)	(6.4)	(6.5)	(5.8)		
Income by the Equity Method	0.2	0.2	0.6	0.7	1.1	0.6	0.6	0.6		
<b>Ordinary Profit</b>	<b>(12.5)</b>	<b>6.7</b>	<b>45.3</b>	<b>28.7</b>	<b>38.0</b>	<b>26.3</b>	<b>37.2</b>	<b>41.4</b>	<i>n.a.</i>	<b>2.9%</b>
<i>Ordinary Profit Growth</i>	<i>n.a.</i>	154.0%	571.4%	-36.7%	32.5%	-30.7%	41.2%	11.2%		
Extraordinary Results	-	-	-	(0.1)	-	-	-	-		
<b>Profit Before Tax</b>	<b>(12.5)</b>	<b>6.7</b>	<b>45.3</b>	<b>28.6</b>	<b>38.0</b>	<b>26.3</b>	<b>37.2</b>	<b>41.4</b>	<i>n.a.</i>	<b>2.9%</b>
Tax Expense	5.4	0.5	(0.2)	15.9	6.9	(5.3)	(7.4)	(8.3)		
<i>Effective Tax Rate</i>	<i>n.a.</i>	<i>n.a.</i>	0.3%	<i>n.a.</i>	<i>n.a.</i>	20.0%	20.0%	20.0%		
Minority Interests	-	-	-	-	-	-	-	-		
Discontinued Activities	0.8	-	-	-	-	-	-	-		
<b>Net Profit</b>	<b>(6.3)</b>	<b>7.2</b>	<b>45.2</b>	<b>44.5</b>	<b>44.9</b>	<b>21.1</b>	<b>29.8</b>	<b>33.1</b>	<i>n.a.</i>	<b>-9.7%</b>
<i>Net Profit growth</i>	-67.7%	215.1%	523.8%	-1.5%	0.9%	-53.0%	41.2%	11.2%		
<b>Ordinary Net Profit</b>	<b>(12.5)</b>	<b>6.7</b>	<b>45.2</b>	<b>50.4</b>	<b>35.0</b>	<b>21.1</b>	<b>29.8</b>	<b>33.1</b>	<i>n.a.</i>	<b>-1.9%</b>
<i>Ordinary Net Profit growth</i>	<i>n.a.</i>	154.0%	569.1%	11.6%	-30.6%	-39.8%	41.2%	11.2%		
									<b>CAGR</b>	
<b>Cash Flow (EUR Mn)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019e</b>	<b>2020e</b>	<b>2021e</b>	<b>14-18</b>	<b>18-21e</b>
<b>Recurrent EBITDA</b>						<b>51.7</b>	<b>63.4</b>	<b>67.1</b>	<b>45.7%</b>	<b>1.1%</b>
Working Capital Increase						6.0	(1.2)	0.0		
<b>Recurrent Operating Cash Flow</b>						<b>57.7</b>	<b>62.2</b>	<b>67.1</b>	<b>7.7%</b>	<b>12.0%</b>
CAPEX						(40.2)	(24.9)	(20.0)		
Net Financial Result affecting the Cash Flow						(6.4)	(6.5)	(5.8)		
Tax Expense						(5.3)	(7.4)	(8.3)		
<b>Recurrent Free Cash Flow</b>						<b>5.9</b>	<b>23.4</b>	<b>33.0</b>	<b>-32.6%</b>	<b>80.7%</b>
Restructuring Expense & Others						-	-	-		
- Acquisitions / + Divestures of assets						-	-	-		
Extraordinary Inc./Exp. Affecting Cash Flow						(20.0)	(2.1)	(2.1)		
<b>Free Cash Flow</b>						<b>(14.1)</b>	<b>21.3</b>	<b>31.0</b>	<b>-32.6%</b>	<b>76.8%</b>
Capital Increase						(4.5)	-	(10.6)		
Dividends						(6.5)	-	(5.4)		
<b>Net Debt Variation</b>						<b>20.6</b>	<b>(21.3)</b>	<b>(25.6)</b>		

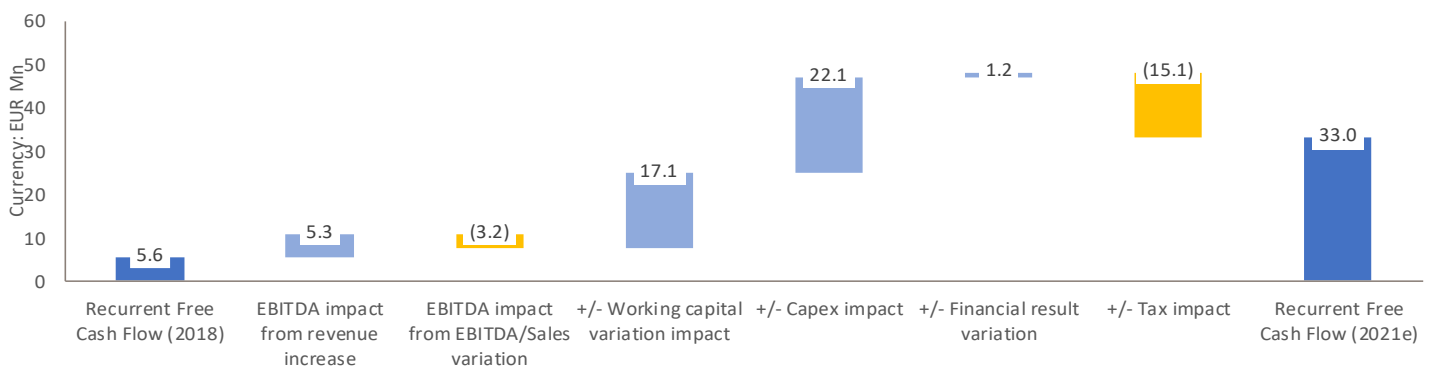
## Appendix 2. Free Cash Flow

A) Cash Flow Analysis (EUR Mn)	2015	2016	2017	2018	2019e	2020e	2021e	CAGR	
								15-18	18-21e
<b>Recurrent EBITDA</b>	<b>32.5</b>	<b>58.4</b>	<b>70.3</b>	<b>64.9</b>	<b>51.7</b>	<b>63.4</b>	<b>67.1</b>	<b>25.9%</b>	<b>1.1%</b>
<i>Recurrent EBITDA growth</i>	125.5%	79.6%	20.3%	-7.6%	-20.4%	22.6%	5.8%		
<i>Rec. EBITDA/Revenues</i>	5.2%	9.6%	10.2%	9.6%	7.3%	8.7%	9.1%		
+/- Working Capital increase	(9.7)	13.5	(13.2)	(17.1)	6.0	(1.2)	0.0		
<b>= Recurrent Operating Cash Flow</b>	<b>22.8</b>	<b>71.8</b>	<b>57.1</b>	<b>47.8</b>	<b>57.7</b>	<b>62.2</b>	<b>67.1</b>	<b>27.9%</b>	<b>12.0%</b>
<i>Rec. Operating Cash Flow growth</i>	-35.8%	214.5%	-20.5%	-16.2%	20.6%	7.8%	7.9%		
<i>Rec. Operating Cash Flow / Sales</i>	3.7%	11.8%	8.3%	7.1%	8.2%	8.5%	9.1%		
- CAPEX	(9.2)	(18.7)	(42.8)	(42.1)	(40.2)	(24.9)	(20.0)		
- Net Financial Result affecting Cash Flow	(6.2)	(6.3)	(6.4)	(7.0)	(6.4)	(6.5)	(5.8)		
- Taxes	0.5	(0.2)	15.9	6.9	(5.3)	(7.4)	(8.3)		
<b>= Recurrent Free Cash Flow</b>	<b>7.9</b>	<b>46.7</b>	<b>23.8</b>	<b>5.6</b>	<b>5.9</b>	<b>23.4</b>	<b>33.0</b>	<b>-11.0%</b>	<b>80.7%</b>
<i>Rec. Free Cash Flow growth</i>	-70.6%	487.4%	-49.1%	-76.4%	4.7%	298.9%	41.2%		
<i>Rec. Free Cash Flow / Revenues</i>	1.3%	7.7%	3.4%	0.8%	0.8%	3.2%	4.5%		
- Restructuring expenses & others	-	-	(21.7)	-	-	-	-		
- Acquisitions / + Divestments	4.0	0.6	-	-	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	(0.1)	-	(20.0)	(2.1)	(2.1)		
<b>= Free Cash Flow</b>	<b>11.9</b>	<b>47.3</b>	<b>1.9</b>	<b>5.6</b>	<b>(14.1)</b>	<b>21.3</b>	<b>31.0</b>	<b>-22.2%</b>	<b>76.8%</b>
<i>Free Cash Flow growth</i>	-56.1%	297.4%	-95.9%	187.4%	n.a.	n.a.	45.3%		
<i>Recurrent Free Cash Flow - Yield (s/Mkt Cap)</i>	3.1%	18.4%	9.4%	2.2%	2.3%	9.2%	13.0%		
<i>Free Cash Flow Yield (s/Mkt Cap)</i>	4.7%	18.6%	0.8%	2.2%	n.a.	8.4%	12.2%		
<b>B) Analytical Review of Annual Recurrent Free Cash Flow Performance (Eur Mn)</b>									
	2015	2016	2017	2018	2019e	2020e	2021e		
<b>Recurrent FCF(FY - 1)</b>	<b>27.1</b>	<b>7.9</b>	<b>46.7</b>	<b>23.8</b>	<b>5.6</b>	<b>5.9</b>	<b>23.4</b>		
EBITDA impact from revenue increase	0.4	(0.9)	7.9	(1.2)	2.7	2.0	0.7		
EBITDA impact from EBITDA/Sales variation	17.7	26.8	3.9	(4.1)	(15.9)	9.7	3.0		
<b>= Recurrent EBITDA variation</b>	<b>18.1</b>	<b>25.9</b>	<b>11.9</b>	<b>(5.3)</b>	<b>(13.2)</b>	<b>11.7</b>	<b>3.7</b>		
+/- Working capital variation impact	(30.9)	23.1	(26.6)	(3.9)	23.1	(7.2)	1.3		
<b>= Recurrent Operating Cash Flow variation</b>	<b>(12.8)</b>	<b>49.0</b>	<b>(14.7)</b>	<b>(9.3)</b>	<b>9.9</b>	<b>4.5</b>	<b>4.9</b>		
+/- CAPEX impact	(3.0)	(9.6)	(24.1)	0.7	1.9	15.3	4.9		
+/- Financial result variation	1.5	(0.0)	(0.1)	(0.6)	0.6	(0.1)	0.6		
+/- Tax impact	(4.9)	(0.6)	16.1	(9.0)	(12.1)	(2.2)	(0.8)		
<b>= Recurrent Free Cash Flow variation</b>	<b>(19.1)</b>	<b>38.7</b>	<b>(22.9)</b>	<b>(18.2)</b>	<b>0.3</b>	<b>17.5</b>	<b>9.6</b>		
<b>Recurrent Free Cash Flow</b>	<b>7.9</b>	<b>46.7</b>	<b>23.8</b>	<b>5.6</b>	<b>5.9</b>	<b>23.4</b>	<b>33.0</b>		
<b>C) "FCF to the Firm" (pre debt service) (EUR Mn)</b>									
	2015	2016	2017	2018	2019e	2020e	2021e	CAGR	
<b>EBIT</b>	<b>12.7</b>	<b>51.0</b>	<b>34.3</b>	<b>43.9</b>	<b>32.2</b>	<b>43.1</b>	<b>46.6</b>	<b>51.0%</b>	<b>2.1%</b>
* Tax rate	0.0%	0.3%	0.0%	0.0%	20.0%	20.0%	20.0%		
= Taxes (pre- Net Financial Result)	-	(0.2)	-	-	(6.4)	(8.6)	(9.3)		
<b>Recurrent EBITDA</b>	<b>32.5</b>	<b>58.4</b>	<b>70.3</b>	<b>64.9</b>	<b>51.7</b>	<b>63.4</b>	<b>67.1</b>	<b>25.9%</b>	<b>1.1%</b>
+/- Working Capital increase	(9.7)	13.5	(13.2)	(17.1)	6.0	(1.2)	0.0		
<b>= Recurrent Operating Cash Flow</b>	<b>22.8</b>	<b>71.8</b>	<b>57.1</b>	<b>47.8</b>	<b>57.7</b>	<b>62.2</b>	<b>67.1</b>	<b>27.9%</b>	<b>12.0%</b>
- CAPEX	(9.2)	(18.7)	(42.8)	(42.1)	(40.2)	(24.9)	(20.0)		
- Taxes (pre- Financial Result)	-	(0.2)	-	-	(6.4)	(8.6)	(9.3)		
<b>= Recurrent Free Cash Flow (To the Firm)</b>	<b>13.7</b>	<b>53.0</b>	<b>14.3</b>	<b>5.7</b>	<b>11.1</b>	<b>28.7</b>	<b>37.8</b>	<b>-25.2%</b>	<b>87.7%</b>
<i>Rec. Free Cash Flow (To the Firm) growth</i>	-53.4%	286.8%	-73.1%	-59.9%	93.8%	158.6%	31.9%		
<i>Rec. Free Cash Flow (To the Firm) / Revenues</i>	2.2%	8.7%	2.1%	0.8%	1.6%	3.9%	5.1%		
- Acquisitions / + Divestments	4.0	0.6	-	-	-	-	-		
+/- Extraordinary Inc./Exp. affecting Cash Flow	-	-	(0.1)	-	(20.0)	(2.1)	(2.1)		
<b>= Free Cash Flow "To the Firm"</b>	<b>17.6</b>	<b>53.6</b>	<b>14.2</b>	<b>5.7</b>	<b>(8.9)</b>	<b>26.6</b>	<b>35.7</b>	<b>-31.3%</b>	<b>84.2%</b>
<i>Free Cash Flow (To the Firm) growth</i>	-40.0%	203.6%	-73.5%	-59.6%	n.a.	n.a.	34.4%		
<i>Rec. Free Cash Flow To the Firm Yield (o/EV)</i>	3.5%	13.7%	3.7%	1.5%	2.9%	7.4%	9.8%		
<i>Free Cash Flow "To the Firm" - Yield (o/EV)</i>	4.6%	13.8%	3.7%	1.5%	n.a.	6.9%	9.2%		

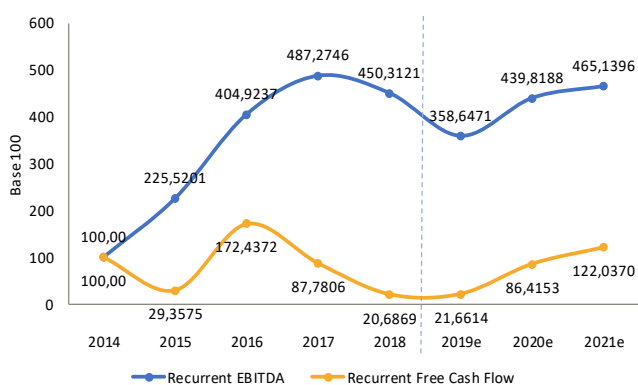
**Recurrent Free Cash Flow accumulated variation analysis (2014 - 2018)**



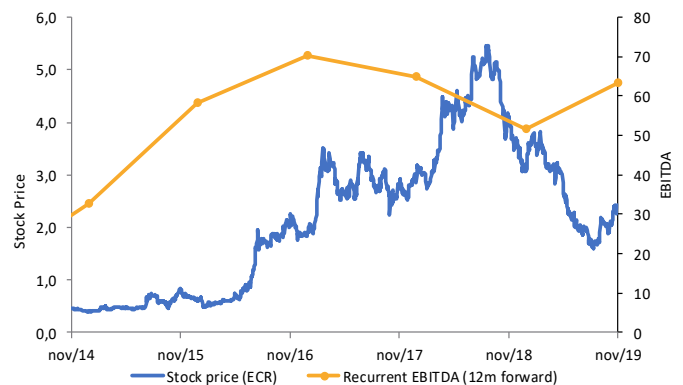
**Recurrent Free Cash Flow accumulated variation analysis (2018 - 2021e)**



**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	Fuente
Market Cap	253.7	
+ Minority Interests	-	9m Results
+ Provisions & Other L/T Liabilities	39.0	9m Results
+ Net financial debt	139.2	9m Results
- Financial Investments	44.6	6m Results
+/- Others		
<b>Enterprise Value (EV)</b>	<b>387.2</b>	

## Appendix 4. Historical performance <sup>(1)</sup>

Historical performance (EUR Mn)														CAGR		
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e	08-18	18-21e
Total Revenues	855.1	606.3	609.3	686.0	639.5	625.0	607.3	624.5	606.9	689.3	677.1	704.8	731.8	739.9	-2.3%	3.0%
Total Revenues growth	-1.7%	-29.1%	0.5%	12.6%	-6.8%	-2.3%	-2.8%	2.8%	-2.8%	13.6%	-1.8%	4.1%	3.8%	1.1%		
EBITDA	42.1	(13.7)	10.9	26.9	21.1	28.9	14.4	32.5	58.4	48.5	67.9	51.7	63.4	67.1	4.9%	-0.4%
EBITDA growth	51.2%	-132.5%	179.3%	148.0%	-21.5%	36.8%	-50.1%	125.5%	79.6%	-16.9%	40.0%	-23.9%	22.6%	5.8%		
EBITDA/Sales	4.9%	n.a.	1.8%	3.9%	3.3%	4.6%	2.4%	5.2%	9.6%	7.0%	10.0%	7.3%	8.7%	9.1%		
Net Profit	(203.3)	(51.0)	(14.0)	(0.9)	(11.7)	(0.3)	(6.3)	7.2	45.2	44.5	44.9	21.1	29.8	33.1	n.a.	-9.7%
Net Profit growth	-506.7%	74.9%	72.6%	93.6%	n.a.	97.3%	n.a.	215.1%	523.8%	-1.5%	0.9%	-53.0%	41.2%	11.2%		
Adjusted number shares (Mn)	100.6	100.6	100.6	100.6	100.8	103.5	111.5	114.0	114.1	112.3	109.2	104.9	104.9	104.9		
EPS (EUR)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.06	0.40	0.40	0.41	0.20	0.28	0.32		
EPS growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.1%	3.7%	-51.1%	41.2%	11.2%		
Ord. EPS (EUR)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.06	0.40	0.45	0.32	0.20	0.28	0.32		
Ord. EPS growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	13.4%	-28.6%	-37.3%	41.2%	11.2%		
CAPEX	(38.7)	(36.6)	(8.1)	(8.1)	(15.8)	(4.2)	(6.2)	(9.2)	(18.7)	(42.8)	(40.2)	(40.2)	(24.9)	(20.0)		
CAPEX/Sales %	4.5%	6.0%	1.3%	1.2%	2.5%	0.7%	1.0%	1.5%	3.1%	6.2%	6.2%	5.7%	3.4%	2.7%		
Free Cash Flow	(39.5)	2.6	(18.7)	3.6	3.1	19.5	27.1	11.9	47.3	1.9	5.6	(14.1)	21.3	31.0	n.a.	76.8%
ND/EBITDA (x) <sup>(2)</sup>	3.7x	n.a.	8.7x	3.0x	6.9x	5.3x	8.9x	3.7x	1.3x	1.8x	1.9x	2.9x	2.1x	1.7x		
P/E (x)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9.7x	4.6x	7.2x	7.6x	12.0x	8.5x	7.7x		
EV/Sales (x)	0.4x	0.4x	0.3x	0.2x	0.3x	0.3x	0.3x	0.3x	0.5x	0.6x	0.7x	0.5x	0.5x	0.5x		
EV/EBITDA (x) <sup>(2)</sup>	7.5x	n.a.	15.4x	5.6x	8.8x	7.1x	12.0x	5.8x	5.3x	8.7x	6.9x	7.5x	6.1x	5.8x		
Absolute performance	-44.8%	-13.1%	-48.6%	-4.8%	-41.2%	18.8%	-17.3%	56.7%	198.7%	55.4%	8.9%	-22.4%				
Relative performance vs Ibx 35	-8.9%	-33.1%	-37.8%	9.6%	-38.3%	-2.2%	-20.2%	68.8%	204.8%	44.7%	28.1%	-29.5%				

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 Thomson Reuters.

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

## Appendix 5. Main Competitors 2019e

		Europe				USA				
EUR Mn		BASF SE	Solvay	Covestro AG	Akzo Nobel AS	Average	DowDuPont	Olin Corp	Westlake	ECR
Market data	Ticker (Reuters)	BASFn.DE	SOLB.BR	1COV.DE	AKZO.AS		DWDP.K	OLN	WLK	ECR.MC
	Country	Germany	Belgium	Germany	Netherlands		USA	USA	USA	Spain
	Market cap	65,545.9	11,036.3	8,467.4	19,346.7		48,419.6	2,779.9	8,650.1	253.7
	Enterprise value (EV)	83,930.5	15,283.7	9,917.4	20,021.3		62,904.0	5,635.9	11,178.6	387.2
Basic financial information	Total Revenues	62,218.6	10,654.1	12,708.1	9,339.7		19,534.1	5,655.8	7,520.7	704.8
	Total Revenues growth	-0.7%	-5.7%	-13.1%	0.9%	-4.6%	-73.9%	-6.6%	-0.1%	4.1%
	2y CAGR (2019e - 2021e)	2.9%	2.9%	2.3%	2.5%	2.7%	3.2%	4.3%	3.9%	2.5%
	EBITDA	8,548.8	2,288.9	1,616.4	1,330.4		5,116.6	897.2	1,326.5	51.7
	EBITDA growth	-14.8%	7.6%	-48.8%	28.4%	-6.9%	-61.2%	-13.9%	-26.9%	-23.9%
	2y CAGR (2019e - 2021e)	8.7%	4.2%	6.7%	9.7%	7.3%	5.2%	8.6%	7.9%	13.9%
	EBITDA/Revenues	13.7%	21.5%	12.7%	14.2%	15.5%	26.2%	15.9%	17.6%	7.3%
	Net Profit	4,354.9	919.4	561.8	673.1		2,539.1	107.5	421.2	21.1
	Net Profit growth	16.9%	32.1%	-69.3%	47.9%	6.9%	-26.2%	-62.4%	-53.3%	-53.0%
	2y CAGR (2019e - 2021e)	2.6%	2.9%	12.8%	13.8%	8.0%	9.2%	51.9%	16.1%	25.3%
	Capex	(3,663)	(815)	(912)	(246)		(1,173)	(343)	(630)	-40.2
	CAPEX/Sales %	-5.9%	-7.6%	-7.2%	-2.6%	-5.8%	-6.0%	-6.1%	-8.4%	-5.7%
	Free Cash Flow	3,524.5	627.3	427.3	376.8		1,296.7	260.4	402.2	(14.1)
Multiples and Ratios	Net financial debt	18,388.8	3,032.6	1,166.8	596.0		13,243.7	2,747.6	1,658.0	151.7
	ND/EBITDA (x)	2.2	1.3	0.7	0.4	1.2	2.6	3.1	1.2	2.9
	Outstanding Shares	918.5	103.7	192.8	227.5		771.8	168.4	130.0	104.9
	Pay-out	68.7%	41.6%	81.5%	66.8%	64.6%	29.8%	113.3%	28.1%	0.0%
	P/E (x)	18.3	12.2	14.9	27.1	18.1	19.0	24.3	20.6	12.0
	P/BV (x)	1.7	1.1	1.6	2.7	1.8	1.3	1.1	1.3	0.9
	EV/Revenues (x)	1.3	1.4	0.8	2.1	1.4	3.2	1.0	1.5	0.5
EV/EBITDA (x)	9.8	6.7	6.1	15.0	9.4	12.3	6.3	8.4	7.5	
ROE	12.4	8.7	10.2	7.2	9.6	5.3	3.9	8.0	7.6	
FCF Yield (%)	5.4	5.7	5.0	1.9	4.5	2.7	9.4	4.6	2.3	
DPS	3.3	3.7	2.4	2.0	2.8	1.0	0.7	0.9	-	
Price Close	71.0	103.8	46.3	84.6		65.4	17.4	67.4	2.4	
Dvd Yield	4.6%	3.6%	5.1%	2.3%	3.9%	1.5%	4.2%	1.3%	0.0%	

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

## IMPORTANT LEGAL INFORMATION REGARDING THIS REPORT

### LIGHTHOUSE

Lighthouse is a project of IEAF Servicios de Análisis S.L.U. Lighthouse is a research project funded by Bolsas y Mercados Españoles S.A. Lighthouse aims to improve the research coverage of the "orphan stocks" of the Spanish market: those which lack real and continuous research coverage. Lighthouse reports will not include valuation and target price. Lighthouse does not seek to provide investment advice to any natural or legal person. For this reason, Lighthouse will not provide a valuation, target price or investment recommendation for any of the securities analysed.

IEAF Servicios de Análisis S.L.U. is a Spanish company whose corporate purpose is:

- 1º) To provide information and financial analysis regarding securities issued by any class of legal person traded on official secondary markets, and specifically those securities which are not the object of the recurrent provision of information and analysis by financial analysts who participate in the markets.
- 2º) To publicise and update the aforementioned financial reports and analysis, in addition to the monitoring and following of the securities on which the information and analysis is provided.
- 3º) To prepare studies and projects aimed at proposing and implementing measures to improve the information and financial analysis of securities traded on official secondary markets.

IEAF Servicios de Análisis S.L.U. is a company whose sole shareholder is the Instituto Español de Analistas Financieros (IEAF), a professional, not for profit association.

### DISCLAIMER

The Instituto Español de Analistas Financieros (IEAF) hereby certifies that the analyst of IEAF Servicios de Análisis S.L.U. whose name figures as the author of this report, expresses views that reflect their personal and independent opinion of the company analysed without these implying, either directly or indirectly, a personalised recommendation of the company analysed for purposes of providing investment advice. This report is based on the preparation of detailed financial projections from information available to the public and following traditional fundamental research methodology (i.e. it is not a technical or quantitative analysis report). For the analysis methodology used in the preparation of this report, please contact the analyst directly; contact details are included on the front page of this report.

The report includes basic information regarding the main parameters to be used by an investor when making their own valuation (whether by discounted cash flows or multiples). These parameters are the personal opinion or estimate of the analyst. The person receiving this report should use their own judgement when using these parameters and should consider them as another element in their decision-making process in respect of investment. These parameters do not represent a personalised investment recommendation.

### Rules governing confidentiality and conflicts of interest

None of the following rules governing confidentiality and conflicts of interest (12) is applicable to this report:

1. This report is non-independent research as it has been commissioned by the company analysed (issuer).
2. In the last 12 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., has had Investment Banking mandates or has managed or co-managed a public offering of the securities of the issuer, or has received compensation from said issuer for Investment Banking services, that exclude brokerage services for prepaid fees.
3. In the next 6 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., expects to receive or intends to obtain compensation for Investment Banking services provided to this company that exclude brokerage services for prepaid fees.
4. The Investment Analyst or a member of the Research Department or a member of their household has a long position in the shares or derivatives of the corresponding issuer.
5. The Investment Analyst or a member of the Research Department or a member of their household has a short position in the shares or derivatives of the corresponding issuer.
6. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a long position of over 0.5% of the issuer's capital.
7. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a short position of over 0.5% of the issuer's capital.
8. At the end of the month immediately prior to the publication of this report, or of the previous month if the report is published in the ten days following the end of the month, the company analysed (the issuer) or any of its subsidiaries held 5% or more of any class of equity security of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U.
9. A senior director or officer of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., or a member of their department is a director, officer, advisor or member of the Board of Directors of the issuer and/or one of its subsidiaries.
10. The Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., acts as broker for the Issuer for the corresponding prepaid fees.
11. The contents of this report have been reviewed by the issuer prior to its publication.
12. The issuer has made changes to the contents of this report prior to its distribution.

The Investment Analysts who have prepared this Investment Analysis are employees of IEAF Servicios de Análisis S.L.U. These analysts have received (or will receive) compensation according to the general earnings of IEAF Servicios de Análisis S.L.U. To obtain a copy of the Code of Conduct of IEAF Servicios de Análisis S.L.U. (in respect of the Management of Conflicts of Interest in the research department), please use the e-mail address [secretaria@ieaf.es](mailto:secretaria@ieaf.es) or consult the contents of this Code at [www.ieaf.es](http://www.ieaf.es).

IEAF Servicios de Análisis S.L.U. is compensated by Bolsas y Mercados Españoles, S.A. for the preparation of this report. This report should be considered as just another element in the taking of investment decisions.

### A report issued by IEAF servicios de análisis S.L.U.

All rights reserved. The unauthorised use or distribution of this report is prohibited. This document has been prepared and distributed, according to the provisions of the MiFID II by IEAF Servicios de Análisis S.L.U. Its corporate activity is regulated by the CNMV (the Spanish Securities Exchange Commission). The information and opinions expressed in this document do not represent nor are they intended to represent an offer or a solicitation to buy or sell the securities (in other words, the securities mentioned in this report and related warrants, options, rights or interests). The information and opinions contained in this document are based upon information available to the public and have been obtained from sources believed to be reliable by IEAF Servicios de Análisis S.L.U., but no guarantee is given regarding their accuracy or completeness. All comments and estimates reflect solely the opinion of IEAF Servicios de Análisis S.L.U. and do not offer any implicit or explicit guarantee. All the opinions expressed are subject to change without prior warning. This document does not take into account the specific investment objectives, financial position, risk profile or other specific aspects of the person who receives this document, and accordingly they should exercise their own judgement in this respect. Neither the Instituto Español de Analistas Financieros nor its subsidiary, IEAF Servicios de Análisis S.L.U., assumes any responsibility for direct or indirect losses arising from the use of the published research, except in the event of negligent conduct by IEAF Servicios de Análisis S.L.U. The information contained in this report is approved for distribution to professional clients, eligible counterparties and professional advisers, but not for distribution to private individuals or retail clients. Its reproduction, distribution or



publication for any purpose without the written authorisation of IEF Servicios de Análisis S.L.U. is prohibited. The Instituto Español de Analistas Financieros (IEAF) and/or its subsidiary IEF Servicios de Análisis S.L.U., their employees and directors, may hold a position (long or short) in an investment knowing that this issuer will be the object of analysis and that this analysis will be distributed to institutional investors. Any further information regarding the contents of this report will be provided upon request. IEF Servicios de Análisis S.L.U. intends to publish (at least) one quarterly report or note updating the information on the company analysed.

**United States.** IEF Servicios de Análisis S.L.U. is not registered in the United States and, consequently, is not subject to the regulations of that country governing the preparation of research and the independence of analysts. This report is distributed solely to major US institutional investors, in reliance on the exemption from registration provided by Rule 15a-6 of the US Securities Exchange Act of 1934, as amended (the "Exchange Act"), and interpretations of this made by the US Securities Exchange Commission.

**Major US Institutional Investors.** This report will be distributed to "major US institutional investors", as defined by Rule 15a-6 of the US Securities Exchange Commission and of the US Securities Exchange Act of 1934.

#### Recommendation History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
06-Nov-2019	n.a.	2.42	n.a.	n.a.	9m Results 2019	David López Sánchez
29-Jul-2019	n.a.	1.92	n.a.	n.a.	6m Results 2019	David López Sánchez
03-Jun-2019	n.a.	2.22	n.a.	n.a.	Initial Coverage	David López Sánchez