

Buy

Recommendation unchanged

Share price: EUR **15.30**

closing price as of 06/10/2021

Target price: EUR **23.40**

Target Price unchanged

Upside/Downside Potential **52.9%**

Reuters/Bloomberg GRN.MC/GRN SM

Market capitalisation (EURm) **325**

Current N° of shares (m) 21

Free float **11%**

Daily avg. no. trad. sh. 12 mth (k) 7

Daily avg. trad. vol. 12 mth (k) 57.61

Price high/low 12 months 21.30 / 11.35

Abs Perfs 1/3/12 mths (%) -8.66/17.69/18.15

Key financials (EUR) 12/20 12/21e 12/22e

Sales (m) 43 71 79

EBITDA (m) 11 24 28

EBITDA margin 25.5% 33.4% 35.6%

EBIT (m) 6 15 17

EBIT margin 13.9% 21.6% 21.4%

Net Profit (adj.)(m) (1) 9 4

ROCE 1.8% 4.2% 3.0%

Net debt/(cash) (m) 248 274 409

Net Debt/Equity nm nm nm

Debt/EBITDA 22.6 11.5 14.6

Int. cover(EBITDA/Fin. int) 1.6 3.5 2.2

EV/Sales 14.7 8.4 9.3

EV/EBITDA 57.8 25.1 26.2

EV/EBITDA (adj.) 57.8 25.1 26.2

EV/EBIT nm 38.8 43.7

P/E (adj.) nm 37.9 nm

P/BV nm nm nm

OpFCF yield -14.5% -4.5% -38.5%

Dividend yield 0.0% 0.0% 0.0%

EPS (adj.) (0.03) 0.40 0.18

BVPS (0.33) (0.03) 0.11

DPS 0.00 0.00 0.00

Shareholders

Founder family 84%; JM Castellano 5%;



Source: FactSet

— GREENALIA — IGBM (Rebased)

Analyst(s)

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1H21 results: surpassing targets and growing portfolio

The facts: Greenalia yesterday presented 1H21 results, posting high growths in revenues, EBITDA and Net Income.

Grenalia: 1H21 earnings				Covid	
	mEUR	1H21	1H20	Inc.	Plan
Revenues	36.30	19.60	85%	31.00	117%
Ebitda	16.4	2.8	486%	10.5	157%
Net Income	5.20	0.60	767%		

Source: Greenalia.

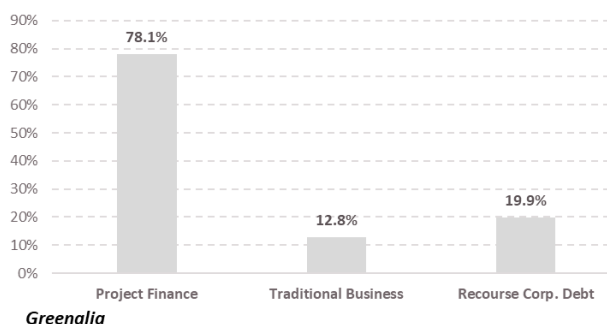
The Company also presented the progress and pipeline of projects, reaching 3,272MW in Europe and 840MW in US vs. the previous available figure of 3,214MW. Of these projects, 125MW are operating, 949MW are under construction and 2,529.25 have access points and many of these are on public display, thus grants high visibility to the portfolio.

Our analysis: Results better than expected in the midst of the pandemic, and in fact the EBITDA is 1.6x that included in the COVID plan that the Company had to realise during the pandemic. Regarding our estimates, the EUR16.4m EBITDA in 1H sheds visibility our estimated EUR24m for 2021. Proven is that the great wind resource of Greenalia's windfarms means that EBITDA generation is much higher than with solar assets.

We highlight that the Company's position in US continues to increase and that 670MW wind and 179MW storage in Texas are already in ready-to-build phase and construction is expected to begin in 2022. There is also another 110MW wind capacity in Galicia to start up and contribute to EBITDA in 2022, and another 180MW in 2022 would be in RtB, with COD in 2023.

Net debt came to EUR277m, with cash of EUR43m and a structure that is heavily reliant on project debt, as we can see in the following graph.

Greenalia: 1H21 Gross Debt Structure



Conclusion: These results and the advance in projects consolidate Greenalia as a visible growth option and as the only Company among the independents with a generation strategy, with presence in 5 technologies. On the other hand, the decrees underway to contain the cost of electricity do not affect our estimates much as it does not affect biomass and Greenalia's wind capacity is sold to the market, and our estimates are based on normalised prices.