

Full Company Report

Reason: Initiation of coverage

8 November 2021

Buy

Recommendation unchanged

Share price: EUR 7.55

closing price as of 05/11/2021

Target price: EUR 10.00

Target Price unchanged

Upside/Downside Potential 32.4%

Reuters/Bloomberg MIO.MC/MIO SM

Market capitalisation (EURm) 51

Current N° of shares (m) 7

Free float 11%

Daily avg. no. trad. sh. 12 mth (k) 4

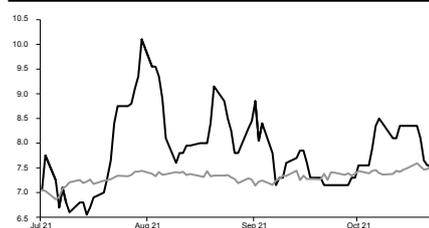
Daily avg. trad. vol. 12 mth (k) 0.00

Abs Perfs 1/3/12 mths (%) 5.59/-10.12/

Key financials (EUR)	12/20	12/21e	12/22e
Sales (m)	46	58	63
EBITDA (m)	1	2	3
EBITDA margin	2.7%	3.7%	4.4%
EBIT (m)	1	2	3
EBIT margin	2.2%	3.3%	4.0%
Net Profit (adj.)(m)	1	1	2
ROCE	27.3%	33.7%	32.8%
Net debt/(cash) (m)	2	(2)	(3)
Net Debt Equity	nm	-0.5	-0.5
Net Debt/EBITDA	1.4	-1.1	-0.9
Int. cover(EBITDA/Fin.int)	23.2	4.1	35.4
EV/Sales		0.8	0.8
EV/EBITDA		22.4	17.1
EV/EBITDA (adj.)		22.4	17.1
EV/EBIT		25.1	18.8
P/E (adj.)		48.7	27.4
P/BV		11.7	9.3
OpFCF yield		3.0%	4.4%
Dividend yield	2.4%	1.8%	3.3%
EPS (adj.)	0.12	0.15	0.28
BVPS	0.02	0.65	0.81
DPS	0.18	0.14	0.25

Shareholders

Mio Consulting SL 45%; Nothing is more SL 45%;



Source: FactSet

— MIOGROUP - - - IBEX 35 (Rebased)

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The one stop shop of marketing consultancy

MioGroup is a family-owned strategic consulting firm with expertise in marketing integration and digital transformation services and a diversified portfolio of services that gives it a unique multidisciplinary approach. The pandemic has accelerated the need for companies to adapt and transform digitally, and MioGroup is a perfect partner in that transformation. It aims to consolidate the market with acquisitions that strengthen its capabilities and size.

- ✓ The Group was founded in 2012 and since then growth has continued over the last few years to reach a turnover of EUR45M in 2020. In the current situation the company is looking to accelerate its growth through acquisitions that will allow it to cover more stages of the value chain.
- ✓ MioGroup has two main areas of activity: Digital Marketing Consulting (which in turn is divided into the Strategy & Technology, Creative & Content and Data Intelligence business lines) and Media Advertising Consulting (which is composed of the Paid Media Consulting and Media Marketing & Technology business lines).
- ✓ The company operates in two markets: the consulting market, with good growth prospects for the coming years (between 5-7% per annum) and the digital advertising market, which is expected to grow in double digits in the coming years.
- ✓ The company operates as an outsourcing of clients' marketing departments with the aim of building and growing the relationship with them over time.
- ✓ The company's competitive advantage lies in its proven ability to integrate all processes related to client marketing and provide them with data-driven tools to monitor their investment and optimise the capital employed.
- ✓ The company's commercial approach is based on three pillars: gathering as much relevant information as possible, understanding the entire customer value chain and how to digitally transform it, and maintaining a data-driven approach through the use of technology. To this end, they propose flexible remuneration models for clients, in some cases committing up to 100% of remuneration.
- ✓ MioGroup's financial situation is healthy as it has no net financial debt (at the end of H1 21 it was EUR2M net cash positive) and the acquisitions made so far are being covered by own resources and cash generated.
- ✓ We reach a valuation of EUR10.0 per share with a potential close to 30% above current prices. We have used a WACC of 9% and a g=3% and we initiate coverage with Buy recommendation. We believe the company has organic growth potential through access to larger and larger customers and by adding more services to existing ones.



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1. Company description

MioGroup was founded in 2012 under the name Hello Media. The Company has grown organically and inorganically in recent years. Its capital is family owned and controlled by the founder and Chairman Mr. Yago Arbeloa with 81% and his brothers that hold the remaining 19% through two entities, Mio Consulting, S.L., and Nothing is More, S.L. MioGroup specialises in strategic consultancy focused on marketing and digital transformation. The main differentiating element in MioGroup is its capacity to integrate diverse services within its value proposal and measurement of the impact of its work with advanced data analysis.

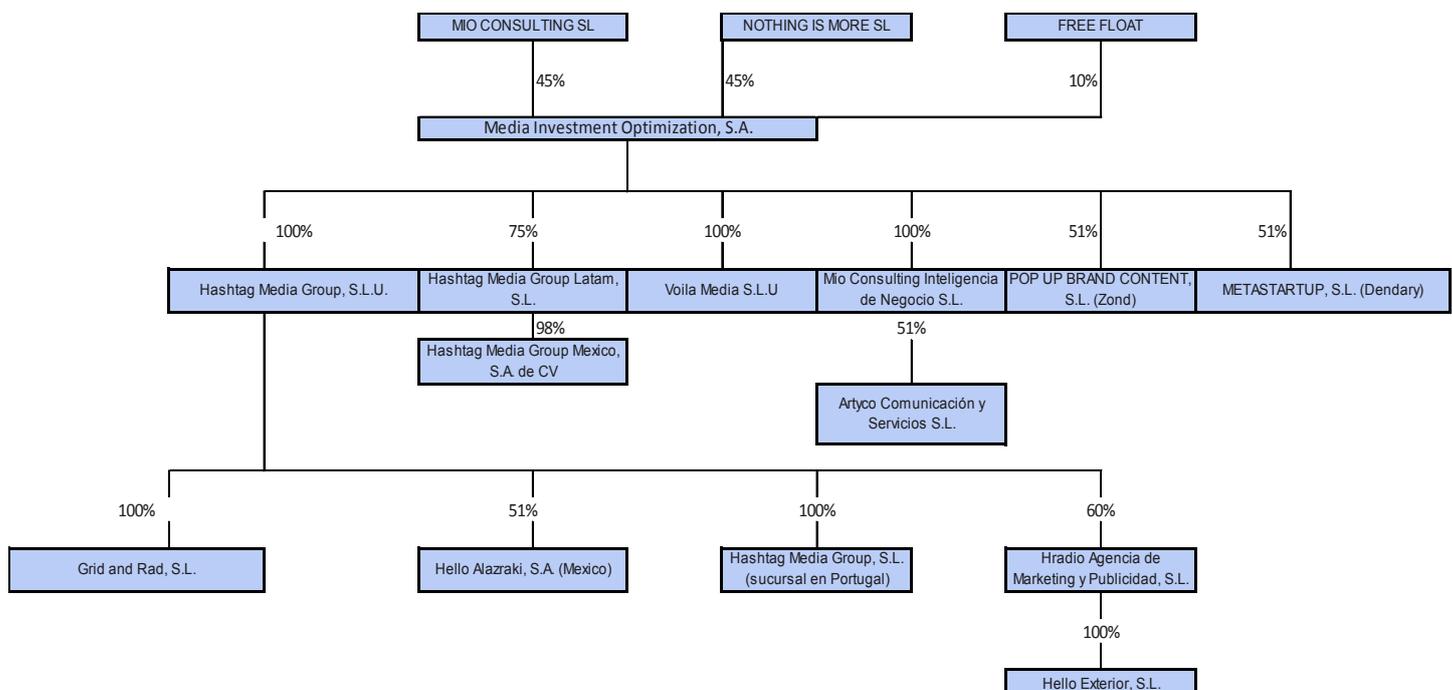
Today, MioGroup has 192 employees and has managed to weather the Covid-19 crisis that has affected the advertising sector (mainly in the audiovisual media) with a drop of only 5% of its turnover in 2020 and with a very significant growth in the first half of 2021 (+21% compared to H119 and +40% compared to H120) and with an increase in staff, which demonstrates on the one hand the resilience of the company in times of crisis and on the other hand the rapid recovery of the activity in times of growth, showing growth above the market.

MioGroup's aim is to gain size and consolidate the domestic market via inorganic growth, seeking niche companies that contribute differential marketing services, as well as companies to gain size and hence, building a national leader.

The Group intends to control services via in-house staff working as a pool of services (not just one person dedicated 100% to a single client, but rather production lines per services, which results in the scalability of businesses and specialised know-how, apart from reducing the risk of oversizing the workforce); while also controlling technology. This leads the Company to develop or acquire its own technology to therefore offer differential services.

The Group works as an outsourced marketing service for clients and the aim is to create long-term relationships with these and become a reference partner in any aspect related with clients marketing strategy.

The Company's corporate structure is as follows:



Source: Company



2. Business model

The Group's activity can be divided in two main activity areas: Digital Marketing Consultancy and Media Advertising Consultancy.

Within the first field, Digital Marketing Consultancy, the Company differentiates three business lines:

- Digital strategy and technology: General market and competition analysis services, media audits to optimise supplier relationships, attribution and sales propensity models, ad-tech and mar-tech consulting, marketing-mix models or digital experience. This line accounted for 7% of turnover in H121 reaching EUR2M, a growth of +21% compared to H120.
- Data intelligence: Web analytics, advanced analytics and marketing automation services. Specifically, measurement technologies are implemented and operated, performing data analysis and making recommendations to improve the conversion of advertising expenditure. This line accounted for 3.3% of turnover in H121, and has seen strong growth of +145% compared to H120 and reached EUR 1M in half-year turnover.
- Creativity and content: Search Engine Optimisation (SEO) services, content production strategy, digital communication strategy, as well as social media campaigns with influencers. This line represented 3% of revenues in 2020, falling over 20% in 2019 due to the impact from the pandemic-related lockdown.

This business area provides services to over 25 clients. Some of the main clients being Palladium Hotel Group, Turner/Cartoon Network, Metrovacesa, Vega Sicilia, Singular Bank, Repsol, Navantia, Pepephone, Liga ACB or GoDaddy.

The area's gross margin amounted to EUR3.7M in H121 (EUR5.7M in FY20) and accounted for 60.5% of the company's total gross margin, in line with what it represented at the end of 2020 and 2019.

The gross margin on revenues in the area amounts to 88% in H121.

The majority of the staff (60%) is concentrated in this area (114 employees at the end of June 2021).

Within the second field, Media Advertising Consultancy, the Company differentiates two lines:

- Consultancy of media payments: Media campaign planning (digital and conventional). This line accounted for 8% of the company's revenues in H121, growing by +49% compared to H120 and reaching EUR2.5M in half-year revenues.
- Media commercialisation and technology: Purchase and sale of advertising space and technology to be exploited by clients. This line represented 65% of the Company's revenues in 2020, falling 5% vs 2019. This business line hardly generates any margin as MioGroup acts as an intermediary between the provider (Atresmedia, Mediaset, Grupo Prisa, Google and Facebook) and the client.

This area provides services to over 30 clients, including: Group Masmovil; LaRedoute.es, Liberbank, Mapfre Salud Digital, Pibank, Securitas Direct, Metrovacesa, William Hill, Arriaga Asociados, FNAC España, Gigas Hosting and Lingokids.

The area's gross margin amounted to EUR2.4m in H111 (compared to EUR4m in FY20) and represents 39.5% of the company's total gross margin, in line with previous years.

The gross margin on revenues in this area was 9.2% in H121.

This area includes 78 Group employees at the end of June 2021.

The company operates with a flexible model in which the ultimate objective is the profitability of campaigns for the client, even signing contracts with 100% variable remuneration linked to objectives. This allows the Group to establish relationships of trust with customers, which leads to an average customer tenure of more than three years, and over four years for customers representing the top 10 in turnover. Of the total customer base in 2020 (over 40),



c.70% had a tenure of over one year. Finally, more than 56% of customers have contracted at least three services. The top 3 customers account for 27% of the Company's gross margin and the top 10 for 48%.

The Company's competitive advantage is the capacity to integrate all processes related with clients' marketing and endow these with the tools to monitor investments based on the data and the optimisation of capital employed. In addition, being a digitally native company, it can optimise many processes and have an agile structure focused on clients' targets.

In 2020, the Company made a risky strategic decision which was to bet on its staff, not only not reducing activity or wages, but increasing these and attracting talent from other sector's companies with difficulties. This has allowed the Company to occupy spaces held by other competitors and to have a motivated workforce that has managed to increase its size and talent.

Flow of activity in customer acquisition and project development

The company has a Business Development area which, together with certain key company personnel, leads the search for new clients. These new business opportunities can come about in two ways: either through tenders called by companies or self-generated commercial opportunities. The current mix of business generation is 50/50 between the two sources.

Once an opportunity has been generated, the Operations department makes an estimate of the costs associated with the project and the estimated dedication of the different teams (depending on the type of project and the services required for it). This may require personnel from various areas and even from different Group subsidiaries, depending on the customer's needs.

Once the project has been accepted and signed, it comes under the responsibility of the Project Manager, who is in charge of managing all parts of the project, involving the different teams, distributing work and time and, above all, maintaining the relationship with the client and ensuring service quality. The Company prioritises the execution of the project, the achievement of targets and client satisfaction over the profitability of the project.

The Company currently generates additional revenues on 85% of the existing clients contracting new services and 15% from new clients.

Example of project carried out by the Company. Metrovacesa

Source: Information provided by MioGroup.

Lines of activity: strategy and technology, data intelligence, creativity and contents, consultancy of payment media and media marketing and technology.

Targets: To initiate the entire digital marketing operations and ecosystem, as well as its creative strategy and to create a measurable digital engagement environment that is integrated into the company's business process.

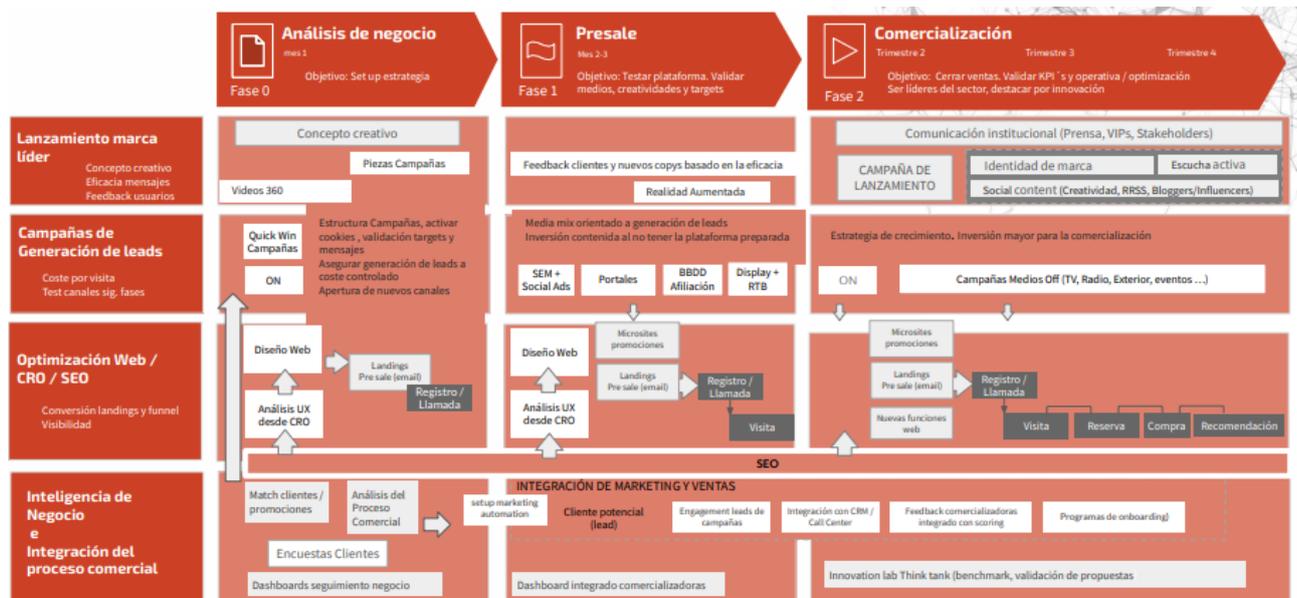
Focus: Act as an extension of the company's marketing department, with a multidisciplinary team with over 20 people, providing services in up to 12 varied discipline areas, coordinated by a strategic and project management team. The work consisted in developing and maintaining the website, creation of digital presence and recruitment strategy, creative concept and production, organisation of presence in public events and special actions, sponsorships, design of a data ecosystem and dashboards for monitoring the commercial process and operate differentiated campaigns to sell up to 60 housing development projects in various marketing stages.

Results: Strong brand recognition. Conversions from geo-located Google Ads campaigns were 80% higher and assisted conversions were 140% higher. Geo-location resulted in 75% of leads (customers leaving their details to be contacted), while non-targeted campaigns achieved only 25%.

This project was published on the *Think with Google* blog, with a compilation of best practices of clients using their digital marketing techniques.

The key behind the success of the project was the generation of digital assets that allowed to measure and optimise digital and conventional advertising expenditure, as well as integrate digital capturing processes with commercial visits (union between marketing and sales), all thanks to the intense use of technology.

The following diagram presented by the company shows an example of the tasks that MioGroup is able to perform covering all phases and reaching where consultancies (phase 2 and 3) or agencies (phase 1) do not reach.



Source: MioGroup H121 results' presentation

Group companies

The Group has a number of companies, each with their own entity, focused on various market niches, although on some occasions they have shared services.

- HMG: Is the Group's main company and groups the bulk of the media advertising consultancy activity. It is focused on complex clients with multidisciplinary needs that absorb the majority of the Group's capacities.
- Mio Consulting: Is specialised on marketing consultancy, covering the gap between traditional consultancy and media advertising agencies, covering both the high-level planning and downstream tactical decisions of such planning.
- Voilà Media: Is focused on branding. These are usually clients who are new to brand marketing and require unique specialisation and proximity.
- Artyco: Acquired via Mio Consulting in 2021. This company is specialised in data marketing to optimise client relationships.
- Zond.TV: Brand under which the company Pop Up Brand Content, S.L. operates, specialising in the creation of branded content. MioGroup acquired 15% of the company in 2019 and an additional 36% in May 2021.
- Dendary: Brand under which the company Metastartup, S.L. operates. It is a company of which 51% was acquired in September 2021 with a commitment to purchase the remaining 49% over the next four years. It is an agency specialising in marketplaces and an Amazon partner.

To sum up, the Company differentiates itself from the competition with its multidisciplinary and digital approach to its activities, which allows it to provide a comprehensive in-house service to its clients and allows it to scale the activity carried out with a client once it has succeeded in attracting them.



The company has won several national and international awards in relation to its activity, which has allowed it to make a name for itself in the market and position itself as a prestigious consultancy firm.

Below is a table with the main services provided by the company and the main customers in some of them:

CONSULTORIA	CONTENIDO	CAMPAÑAS DE PAGO	MEDICIÓN	OPTIMIZACIÓN	SERVICIOS TRANSVERSALES
CREATIVIDAD ESTRATEGIA DE NEGOCIO DIGITAL INVESTIGACIÓN DE MERCADOS ESTRATEGIA DE CONTENIDO DIGITAL	DESARROLLO WEB REDES SOCIALES PRODUCCIÓN DIGITAL SEO MARKETING DE INFLUENCIA	MEDIOS DE BRANDING MEDIOS DE PERFORMANCE	ANALYTICS DASHBOARDING	CRO SPOON mIOS DATA SCIENCE MARKETING AUTOMATION	3 O MÁS LÍNEAS DE NEGOCIO CONTRATADAS
CULMIA	PALLADIUM HOTEL GROUP	PlusUltra Seguros		metrovacesa	metrovacesa
lingokids	BBVA	MÁSMÓVIL	La Redoute		Liber... bank
	CULMIA				
	TURNER		Liber... bank		finetwork
pibank					
CLARINS		AP Audemars Piguet		BBVA	
	MÁSMÓVIL	ZARA HOME	pibank		CULMIA

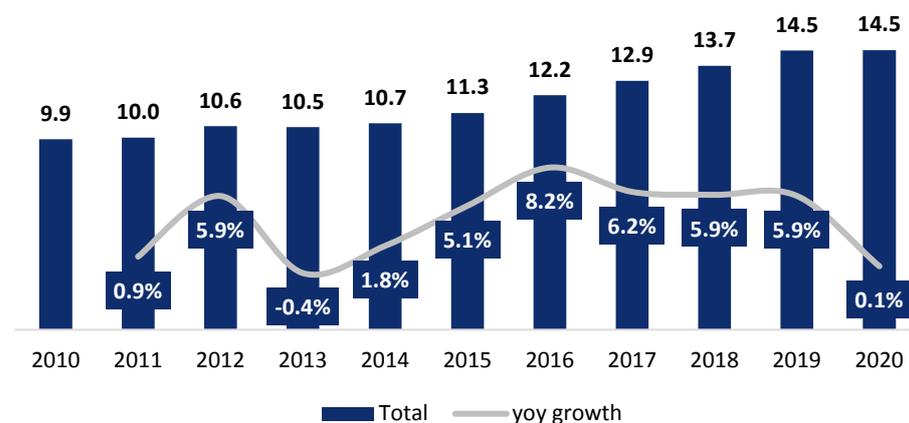
Source: MioGroup

3. Market analysis

The Company operates fundamentally in two markets: consultancy and advertising.

With regard to consultancy, the Spanish Association of Consultancy Firms (AEEC) publishes an annual report on the situation of the sector. The latest one available with data for 2020 shows a 0.1% growth in activity, affected by the impact of Covid-19, although with a significantly better evolution than the national GDP (-9.9%). For 2021, the agency estimates a growth of 6.2%, recovering the path seen in recent years.

Consulting sector Revenues in Spain 2010-2020
(kM€)



Source: SACF via company public information

At the same time, a continuous process of business concentration is being observed in the sector, in which large groups are acquiring smaller companies. These large companies (Accenture, Deloitte, PwC, KPMG, EY, BCG...) are more generalist and global. They coexist with an ecosystem of around 50 smaller national companies such as Making Science, BMind (recently acquired by Jakala) or The Cocktail with a turnover of between EUR10m and EUR60m per year, similar to those of MioGroup. According to a report by the consultancy firm DBK, in 2019, the five large companies in the sector represented 40% of the market's revenue.

As observed in the previous point, the Company has been capable of maintaining revenues relatively stable in consultancy, thus has outperformed the market in 2020.

Therefore, sector's outlook is positive for the company, as we expect the consultancy sector to recover quickly and more so, all aspects related to the digital environment as many companies are transforming activities towards a more digital environment that falls squarely into MioGroup's specialisation. The boom in e-commerce will make many companies seek ways to improve online sales processes (as seen with the successful Metrovacesa case) and how to monetise online advertising expenditure more efficiently, as well as the search for technology allowing companies to measure expenditure in conventional advertising and accompanying the migration of these investments to more efficient channels. These are all areas in which the Company has proven expertise. Consequently, there is a great short-term opportunity to absorb part of the growing demand.

Regarding advertising, the Company's revenues main driver, the sector has suffered a severe setback in 2020 marked by the Covid-19 impact on the Spanish economy.

According to Infoadex, the overall advertising expenditure dropped -18% although the distribution of the falls has been uneven, as we can observe in the summary table of Infoadex' Analysis of Advertising Expenditure in Spain in 2020. Contents such as branded content (+1.6%); influencers (+22.3%) or even total digital advertising (-5.2%) weathered the crisis

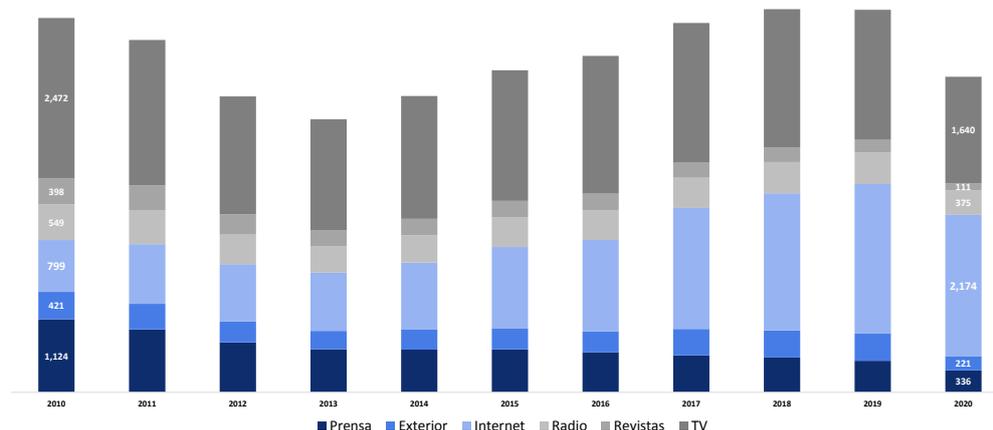
very resiliently, demonstrating that these sectors (where MioGroup operates) are less dependent on the economic cycle (especially in negative contexts) and have great potential.

According to I2P, another information provider, in 2020 digital advertising surpassed conventional advertising for the first time (52%-48%) because the digital sector better endured the impact from the crisis.

These two studies demonstrate structural changes in the sector that the pandemic has accelerated and coming mainly from the adoption of digital advertising as the predominant means in Spain as well as the different derivatives. The Company's position in this context is very positive, because being natively digital and focusing operations on this segment, the potential market that opens up is very relevant. In addition, the economic crisis arising from the health crisis has caused many sector companies in the sector to face difficulties or even disappear.

These changes, far from being an isolated fact provoked by the pandemic, demonstrate a trend seen in recent years. According to Infoadex data, advertising expenditure in the main controlled media has fallen CAGR (annualised) -1.7% during the last 10 years. But per media, as we can observe in the following chart, the differences are more substantial.

Evolución del gasto en publicidad en distintos medios (2010-2020; M€)



Source: Infoadex

If we compare growths per media during the last 10 years, we observe large differences between each means, even if we exclude the Covid-effect in 2020.

	CAGR 2009-2019	CAGR 2010-2020
Newspapers	-8.5%	-11.4%
Exterior	0.5%	-6.2%
Internet	13.4%	10.5%
Radio	-1.0%	-3.7%
Magazines	-7.0%	-12.0%
TV	-1.7%	-4.0%

Source: GVC Gaesco based on Infoadex

The Company also works in conventional media such as television, radio and outdoor advertising, but its digital origin allows it to take full advantage of the benefits offered by this medium, thanks to the use of technology.

Future estimates, both internal and market forecasts, indicate total advertising market growth of c.10% for 2021 and an average 5% in coming years with the digital segment growing at double digits and TV advertising recovering part of the 2020 losses, but with a long-term stable or slightly negative trend.



This growth in the digital channel and all newly derived channels (branded content, influencers, social networks, etc) will allow the Company to growth compared to the market, because as mentioned, many companies will need to focus on these channels and transform their marketing strategies, and MioGroup has the capacities and sufficient track record to lead customer acquisition in this area.

Apart from the mentioned sector inputs, the economic context will accelerate the adoption of results-oriented marketing systems, which would enhance the Company's competitive advantages, that has always been committed to the real measurement of the impact of its campaigns.

In short, the umbrella under which the entire activity that can be generated is found, has to do with the digital transformation, marketing and sales integration in the companies' operations.



4. MioGroup's performance 2016-2020

The Company has grown in recent years thanks to a combination of organic and inorganic growths. Regarding inorganic growth, the acquisitions were mainly of companies with differential services or technologies to integrate and expand the services portfolio. In recent years, 9 acquisitions of companies or technological assets have been made:

- At the end of 2012, Hello Media was founded, specialised in positioning and optimisation of search engine advertising and web analytics. That same year, clients and employees of Newbriefing S.L.U. were integrated, offering direct response marketing services on the internet.
- In 2013, Hello Media Group (HMG) was incorporated by its sole shareholder Nothing is More, S.L., which in turn contributed several companies of which it was the owner: Influenzia On Line, S.L. (focused on the creation and dissemination of online brand image), Cupra Studios, S.L. (a studio for the development of video games and corporate applications based on gamification) and Hello Media, S.L.
- In 2014, the Company entered the traditional media planning and negotiation business and created HRadio, dedicated to the contracting of radio advertising space, and created Boom Social Technology (specialising in the activation of online content generation campaigns and influencer management).
- In 2014, 50% of the HMG stake is transferred to Mio Consulting, S.L, and Nothing is More holding the other 50%.
- In 2015, The Fact was acquired (specialised in digital creativity) and a joint venture was created in Mexico, which currently has no activity. Finally, a company was created to manage outdoor advertising (Hello Exterior, S.L.).
- In 2016 Grit and Rad, S.L. was created (specialised in the implementation of digital marketing solutions focused on the conversion funnel, that is, purchase or transaction processes). Also created is Voilà Media S.L. (agency focused on the commercialisation of campaigns for growth companies such as start-ups or brands that would like to increase or create a brand name in conventional media). Lastly, Ironville Investments, S.L. was acquired (today Media Investment Optimisation), which following a number of corporate restructurings, heads the Group.
- In 2019, the 15% of Pop Up Brand Content, S.L. was acquired, specialised in the creation of brand content. At the same time, the Hashtag Media Group LatAm was established to begin activities in the continent and create a subsidiary in Mexico.
- Lastly, at the end of 2019, Dígitos de Inteligencia de Negocio, S.L., focused on business intelligence consulting and advisory services, was created and renamed Mio Consulting.

Operations in 2021

- The Company acquired a 10% stake in Clever PPC, S.L., that owns a software specialised in the creation and optimisation of Adwords campaigns (Google's tool for sponsored advertising on the search engine) for online shops.
- 51% Artyco Comunicación y Servicios, S.L., was acquired for EUR0.5m. This company specialises on the data analysis of marketing campaigns. There are agreements in place to acquire 100% until 2024 for a total of EUR1.1m.
- An additional 36% of the Pop Up Brand Content, S.L. was acquired on 28th of May 2021, including a call option to acquire the remaining stake in coming years.
- As mentioned above, in September 2021 the company Metastartup, S.L., a Digital Marketing agency specialised in Amazon Marketplace with localisation capabilities and multi-language specialists to achieve optimal global positioning in this Marketplace, was acquired. The company has 15 employees and expects to have a turnover of EUR0.8M in 2021.

The table below sums up the acquisitions made by MioGroup.



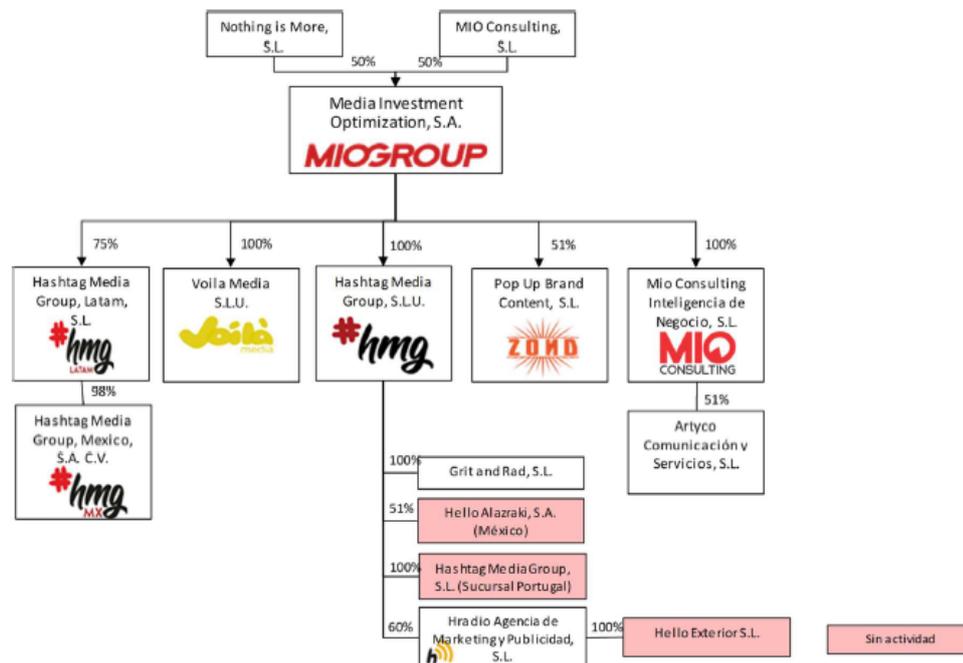
Compañía adquirida	Compañía adquirente	Fecha operación	Tipo de operación	% participación	Área especialización	Precio operación (en euros)	Vinculación
Hello Media, S.L.	Nothing is More, S.L.	Año 2012 y 2013	Adquisición compañía	100%	Servicios de marketing digital y publicidad especializados	448.000	parte independiente
Newbriefing, S.L.U.	Hello Media, S.L.	Año 2012	Adquisición cartera de clientes y personal	n/a	Posicionamiento y optimización de publicidad en buscadores y analítica web	75.000	parte independiente
Influenzia Online, S.L.	NIM	Febrero 2013	Adquisición participación	90%	Creación, desarrollo y difusión de la identidad digital de la marca	97.509	parte independiente
Cupra Studios, S.L.	NIM	Febrero 2013 a octubre 2013	Adquisición participación	70%	Estudio de desarrollo de videojuegos y aplicaciones corporativas	130.000	parte independiente
Twync (Boom Business, S.L.)	Boom Social Technology, S.L.	Agosto 2014	Compra activos	n/a	Plataforma para la selección de influencers y la gestión del contenido generado	82.500	Vinculación indirecta accionistas a través de Boom
The Fact	Hello Media Group, S.L.U.	Año 2015	Adquisición participación	100%	Factoría de producción digital especializada en creatividad digital	37.146	parte independiente
Ad-Pure	Hello Media Group, S.L.U.	Año 2017	Compra activos	n/a	Software	115.000 más IVA	parte independiente
Pop Up Brand Content, S.L.	Media Investment Optimization, S.A.	Febrero 2019 y mayo 2021	Adquisición participación	51%	Boutique especializada en creación de contenido de marca	3	parte independiente
Clever PPC, S.L.	10% en total (4,8% a través de Media Investment Optimization, S.A. y 5,2% a través de Hashtag Media Group, S.L.)	Marzo 2021	Toma de participación minoritaria	10%	Creación y optimización de campañas de Adwords para tiendas online	1.862.000	Adquiridas a NIM, socio de Media Investment
Artyco, Comunicación y Servicios, S.L.	MIO Consulting Inteligencia de Negocio, S.L.	Marzo 2021	Adquisición participación	51%	Empresa de marketing basada en datos	500.000	parte independiente
Grit And Rad	Hashtag Media Group, S.L.U.	Marzo 2021	Adquisición participación	49%	Implantación de soluciones de automatización de marketing digital	151.000	parte independiente

Nota: se incluye Clever PPC, S.L. a efectos informativos, si bien se trata de la toma de posiciones de una participación minoritaria.

Source: Company's Information Document for Admission

As we can observe, except for the two operations carried out in 2021, the amounts paid are irrelevant. The most expensive operation (EUR1.8m) was purchased via NIM (a MioGroup subsidiary) and by means of a credit offset, therefore there was no cash outflow.

The Group structure is as follows (in red, companies with no activity).



Source: Company's Information Document for Admission

Inhouse technology

One of the Group's advantages is the acquisition and exclusive technological development that allows to offer differential and added value services to clients.

Among these, the following stand out:

- **Spoon:** is a technology owned by the Group since 2017 when it acquired the assets of Ad-Pure, a company that had developed technology to personalise digital marketing campaigns according to events and that was able to detect a specific TV ad and automatically synchronise campaigns on internet advertising media. Spoon technology enables live multi-channel campaigns to be run and measured to improve conversion rates. The software was developed during five years by Ad-Pure and then internally for an additional year.

In other words, Spoon optimises clients' investments as it generates direct response stimuli following certain TV advertisement. For example, if the client has contracted a campaign in the advertising block between 22.00 and 22.10, the software will automatically detect in which minute the ad has been shown and, in parallel, it will activate an online campaign to optimise search engine results (SEM campaign in a certain period of time) and, in addition, it can create specific online promotions during a period of time to take advantage of the increase in traffic derived from the campaign. In this way, the real impact of the campaign can be measured in a short period of time.

In 2019, incorporated within Spoon is the ability to perform advanced online and offline attribution models, in order to provide information to the client on the return that TV and radio campaigns generate through traceability at the digital point of sale or in their contact centre (call centre).

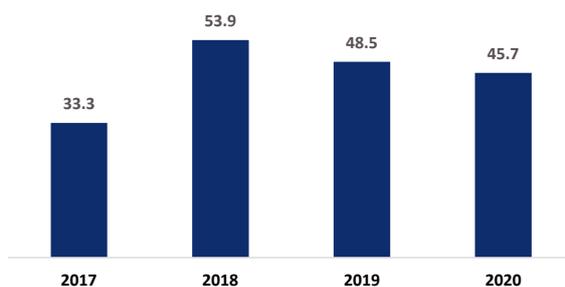


- **mIOS**: Tool developed inhouse that works as a service aggregator, adding a business intelligence rule engine. That is, captures information from different media (audience, internet searches, website visits, clicks on online advertisements, users' profiles with specific interests, etc) to create added value services for clients such as media planning (optimising costs in certain spaces and times), manage and scoring of leads (to classify users according to affinities) or audience enrichment.
- **Twync**: Marketplace that permits advertisers to connect with influencers, where these give control of their accounts to MioGroup, which acts as an intermediary to create the content, audit it, and optimise advertising according to the channel, the advertiser, and audiences.
- **Wanasee**: It is a video call tool to increase web conversion that is integrated into the website itself and allows the customer interested in a product to directly initiate the interaction with the contact centre.

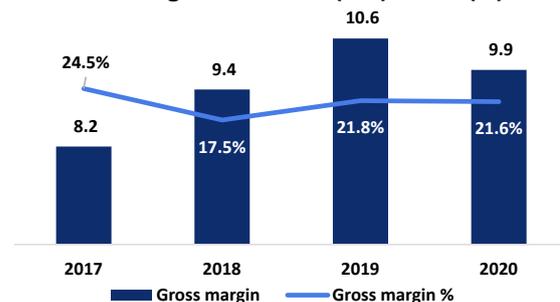
Key company metrics

Based on the high volume of corporate changes made by the Company in recent years, only comparable audited consolidated figures since 2018 are available, 2017 data are non-audited proforma data given by the Company to provide more historical data.

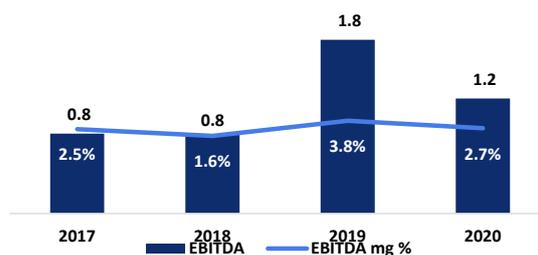
Revenues 2017-2020 (M€)



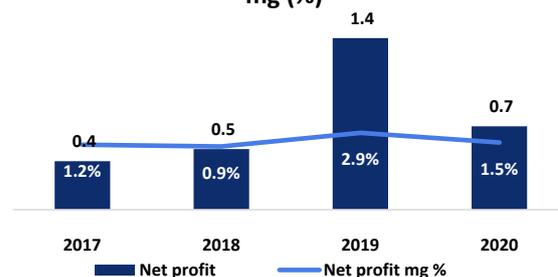
Gross margin 2017-2020 (M€) & GM (%)



EBITDA 2017-2020 (M€) & EBITDA mg (%)



Net profit 2017-2020 (M€) & Net profit mg (%)



Source: Annual Accounts of the Group

The Company (with the different headers in past years) has grown substantially (at double digits) in recent years. For example, Hello Media Group S.L., in 2018 contributed EUR40m of the Group's total EUR54m and grew over 50% during the year compared to the Group's +66% revenues in 2018.

Since 2019, the company has been taking a strategic direction based on boosting business activities with higher margins and added value, reducing the weight of media buying and selling, which it had been doing more significantly in previous years. This decision resulted in a 10% drop in revenues, but EBITDA grew by more than 100% and the margin more than doubled, reflecting this change in the revenue mix, which allows the company to reduce its



dependence on the transactional business of media buying and selling, to bring out all the group's capabilities and to focus on higher-margin activities.

In 2020, the paralysis of the advertising market due to the pandemic caused activity to decline significantly. Despite this, the company managed to close the year with a drop in revenues limited to -5.6%.

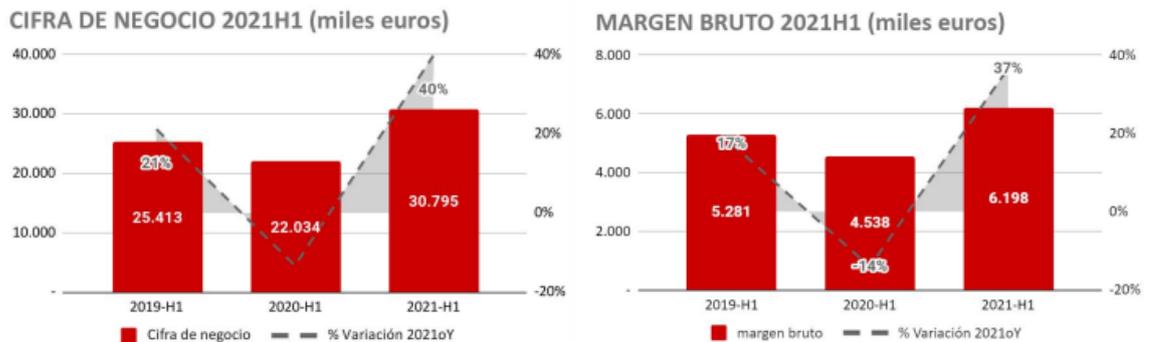
As mentioned above, this fall in revenue did not translate into a fall in margins, as both gross margin and EBITDA grew both in total and in margin, even in a year as complicated as 2020, whose metrics are above those of 2018.

The company is a net cash generator in its activities and has a working capital that allows it to finance, as its average collection period is around 30 days and the average payment period is almost 60 days.

In terms of net financial debt, the company closed 2020 with EUR0.1M. This figure has improved significantly at the end of H121 as the company has a net cash position of EUR2M thanks to the reduction in gross debt and the increase in available liquidity.

5. Results H1 21

In the first half of 2021 the company has grown significantly compared to 2020 and, more importantly, compared to 2019. The following table from the company's earnings presentation shows the revenue and gross margin metrics. As previously mentioned, the company is making an effort to boost higher margin activities and this is leading to a significant increase in margins:



Source: Company's H121 Results presentation

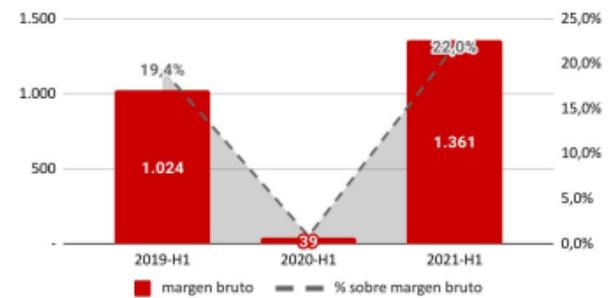
At EBITDA level the evolution is very positive with a full recovery of margins compared to 2019 (improving by 0.4pp). The company has reported recurring EBITDA as in 2021 it has had to face extraordinary expenses derived mainly from the IPO. Given the company's type of business, with a high weight still of low margin activities, the company presents an EBITDA/gross margin ratio that shows the improvement of the group's operating leverage from 19.4% in 2019 to 22% in 2021.



EBITDA 2021H1 (miles euros)



EBITDA RECURRENTE 2021H1 (miles euros)



The summary of the H121 results is the following:

MIO GROUP. POST-H1 21 RESULTS.

EURm	H1'19	H1'20	H1'21	Δ% y/y
Revenues	25.413	22.034	30.795	39.8%
Recurrent EBITDA	1.024	0.039	1.361	3389.7%
% Rec. EBITDA M.	4.0%	0.2%	4.4%	4.2pp

The improvement in EBITDA comes from improved operations, less media intermediation and an increase in higher margin professional consulting services.

As mentioned above, the company has a healthy financial position with EUR2M net cash positive at the end of June 2021.



6. SWOT analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> - Ample products portfolio - Good contact network and relationships - Financial strength - Profitable, solvent and growth company - Personnel reinforced during the crisis 	<ul style="list-style-type: none"> - Lack of specific specialisation given its breadth of services - Board of Directors with reduced independence
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> - Concentration of small operators facing difficulties post-Covid. - New business lines with wider margins - European Economic Recovery Funds - Sectorial tailwinds 	<ul style="list-style-type: none"> - Competitive market with tight margins - Deceleration of economic recovery

7. Estimates FY 2021-2025

Sectoral paradigm shift

The company is positioned in the middle ground between traditional consultancies and media agencies. These two sectors are undergoing profound structural changes that the company is trying to take advantage of.

These changes stem from a disintermediation between brands and users in a digital economy environment. In a traditional environment, communication between brands and users took place through agencies, which had great power. Today this communication is direct and not only that, but there is also a "return" of this communication by users who give opinions and create content. This creates a huge amount of data that is measurable and analysable and, with the right analysis, can be extrapolated and modelled.

In the consulting business it is similar. Large companies used to sell customer experiences to other customers in a model of large, long-term projects that did not reach the real business operations. They stayed before CRM management and did not cross the line of recruitment, creativity... today these large consultancy firms are acquiring companies with this more creative profile, but the merger of companies is not usually easy.

For all these reasons, we believe that there is a change in the business model of the sector that allows companies like MioGroup to combine the best of both worlds in a digital environment and to offer clients a comprehensive solution with a closer approach than traditional players. The following graph illustrates this positioning of the company:



Our estimates on MioGroup are based on the following inputs:

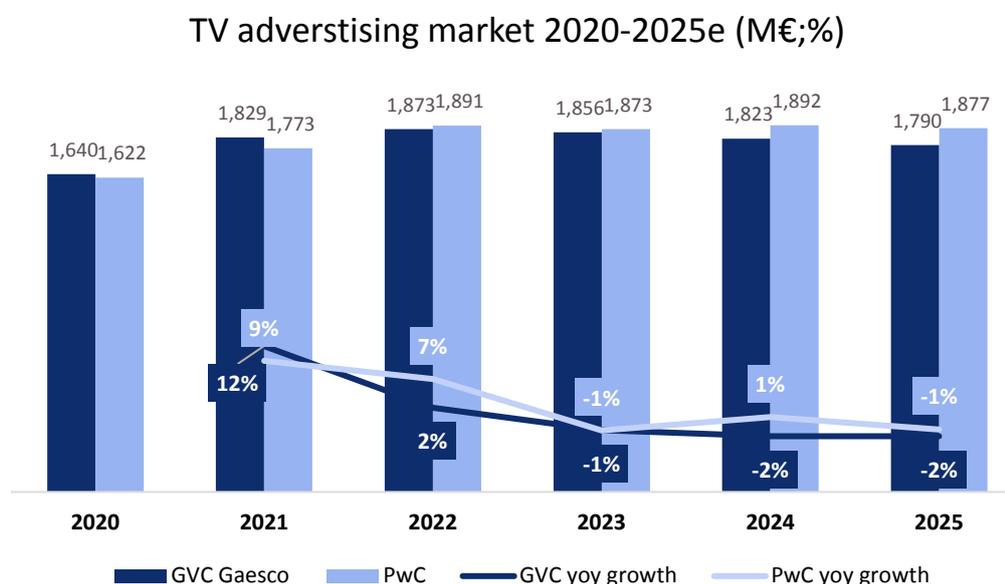
1. Market/Macro
 - a. Forecasts of the Consultancy market in Spain
 - b. Forecasts of the media advertising market in Spain
 - c. GDP Spain
2. MioGroup
 - a. Repeat client rate
 - b. Growth capacity
 - c. Historic growth

With regard to the consultancy market in Spain, as mentioned in the Market Analysis of this report, the Spanish Association of Consultancy Firms publishes an annual report on the situation of the sector. The latest available data for 2020 shows a stabilisation of activity, due to the impact of Covid-19 on the sector. For 2021 a growth of c.6% is expected in line with the growth seen in previous years.

Regarding the media advertising market in Spain, the consultancy firm PwC, publishes its estimates on the TV advertising market in its annual report "Entertainment and Media Outlook 2021-2025 Spain". According to this study, TV advertising will grow from 2020 to 2025 at a CAGR of 3.0% but without regaining 2019 levels, contrary to what it had predicted in its 2020 report.

In our opinion, the TV advertising market will not recover pre-Covid levels because historically, initial drops have not been recovered in any crisis. In our opinion, this market has a slightly declining trend in the medium term. We estimate a 2020-2025e CAGR of +1.8% (with declines from 2023 onwards), while the PwC report estimates growth of +3.0% in the 2020-2025e period (with declines in 2025e).

The following graph shows the differences between the two forecasts:

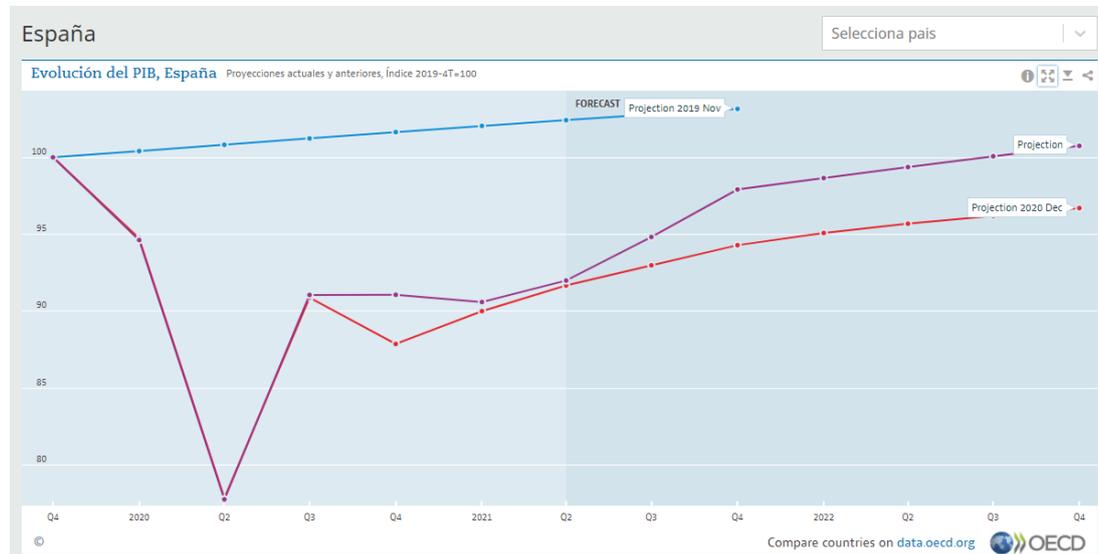


Source: PwC Entertainment and Media Outlook 2020-2024 and internal estimates

Regarding the Digital advertising, the growth trend is clear, both according to our estimates (CAGR 20-25e +7.9%) and PwC's report (+7.1%). In this market there is no doubt that the growth potential is very high, not considering derived industries such as e-sports, gaming, etc.

At the macroeconomic level, various international bodies are forecasting a recovery of the Spanish GDP in coming years following the drop in 2020.

In May 2021 the OECD updated its economic outlook, improving its forecasts on Spain compared to December 2020, pointing to a recovery of pre-Covid by 2022 year-end, estimating 5.9% growth in 2021 and +6.3% in 2022.



The IMF points to +5.7% GDP growth in 2021 and +6.4% in 2022 estimating a recovery of GDP in 1Q 2023.

The Bank of Spain, in its base scenario, points to +6.3% GDP growth in 2021 and +5.9% for 2022 and recovering pre-Covid levels at the end of 2022.

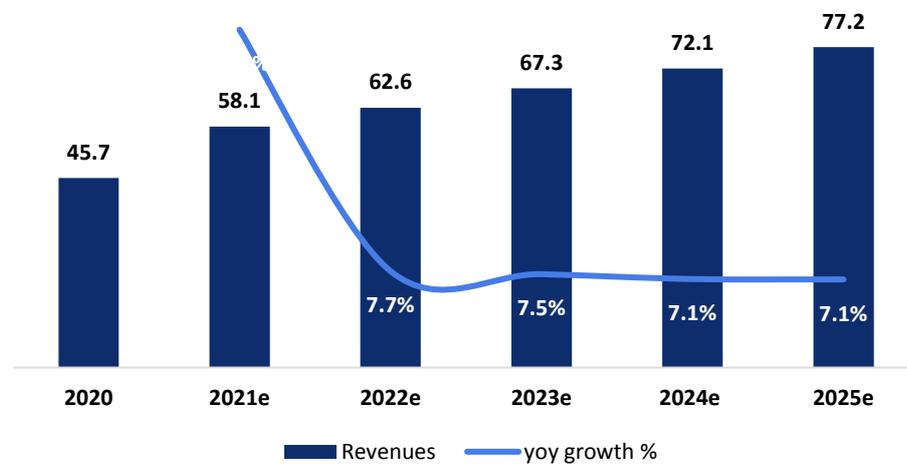
We can therefore observe that at the sector level the outlook is positive and in terms of macroeconomic, the country situation could favour a scenario in which companies earmark more resources to marketing budgets and digital transformation.

In our opinion, the Company can benefit from the growth scenario that will occur in coming years, in both the market and macro levels, that will benefit the sector recovery. In addition, during the post-Covid phase, many companies would like to make a strategic shift in their corporate image or marketing strategies, in many cases linked to the increasing positioning in online and within the framework of the digital transformation.

At the revenues level, we estimate a CAGR 2020-25e of 11.1%, mainly driven by the Strategic Consulting in Digital Marketing area (CAGR 21.8%), as we believe the Company has great potential in this area, accompanied by the sector and market outlook.

In the payment means advertising segment we estimate a CAGR 20-25e of +8.9% as we believe the sector would have a noteworthy growth in 2021 and 2022, but in the future would tend to stabilise, encouraged by the TV advertising sector (estimating CAGR 20-25e 1.8%) despite the strength of the digital advertising market (estimating CAGR 7.9% until 2025).

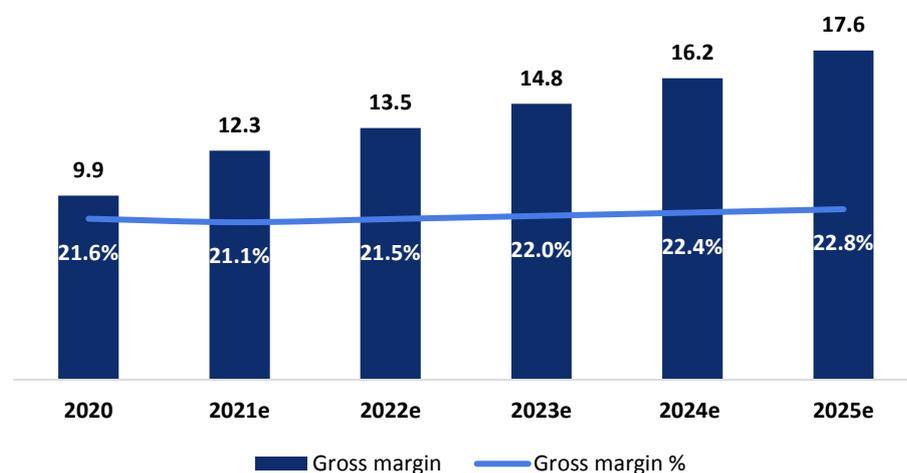
Revenue 2020-2025e & yoy growth (M€;%)



Source: GVC Gaesco Valores estimates

On the subject of gross margin, during the last two years the Company has amply surpassed 20%, thanks to the heavier weight of activities with wider margins as mentioned. In 2021, this figure will slow slightly given the high volume of new projects the company is undertaking which, in the short term, erode the margin until these projects are completed. We believe that the company, with the higher weight in the revenue mix of strategic marketing consultancy activities, can reach c.23% by 2025e.

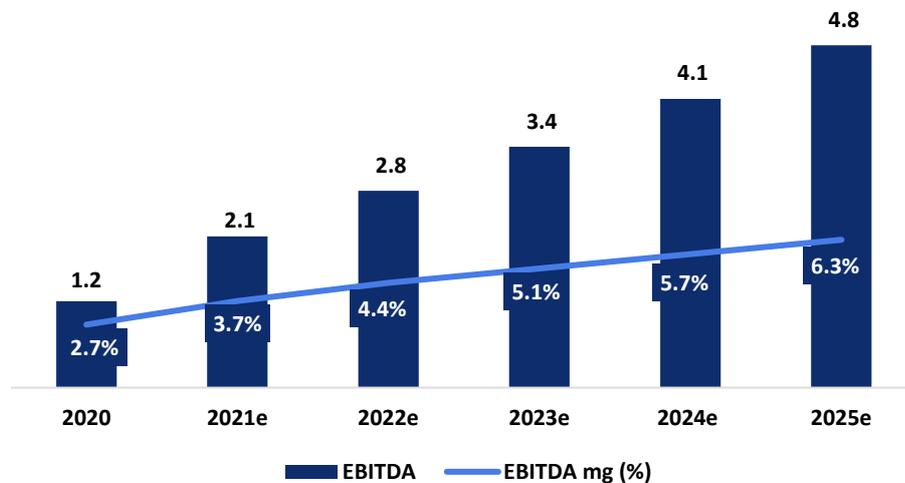
Gross margin 2020-2025e (M€;%)



Source: GVC Gaesco Valores estimates

At the EBITDA level, we believe the Company can grow its EBITDA margin based on two pillars: on the one hand, the operating leverage provided by having a highly specialised employee base that will allow it to undertake more projects with small increases in personnel costs; and, on the other hand, the greater weight of services with higher margins in the Company's growth. We believe the Company can quickly recover the levels reported in 2019 (3.8%) in 2021 and from there grow to levels above 6% in the runrate. This growth is constrained by increased competition and the limited margins at which the industry operates, but we believe that levels of around 6-7% are achievable in the medium term.

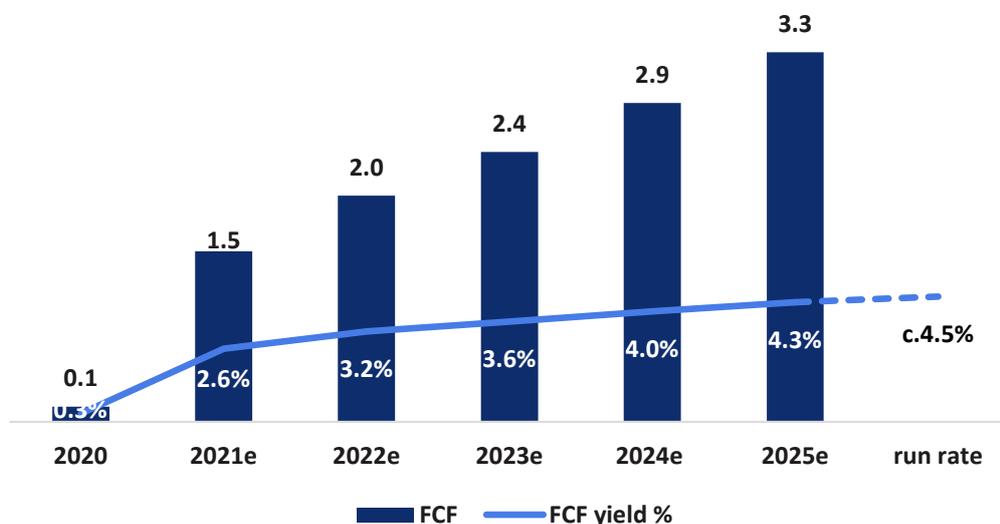
EBITDA 2020-2025e (M€) & EBITDA mg (%)



Source: GVC Gaesco Valores estimates

Regarding cash, as mentioned above, MioGroup is a cash generator in its ordinary activities, and we expect an improvement in FCF yield in line with the expected improvement in margins for the Company. However, margins are modest, reaching a run rate of c.4.5% in the long term.

FCF (M€) & FCF yield (% over revenues)



Source: GVC Gaesco Valores estimates

This FCF evolution is underpinned by the assumptions of low capex (0.5% of revenues, below EUR0.5m per year, mostly capitalised employee work), a working capital structure that generates a limited cash impact (slightly positive) and low financial expenses (EUR0.1m) that are offset by a portion of financial revenues from loans to third parties.

Therefore, we believe the Company can easily generate positive FCF with the improving margins in its operation.

At the net profit level, we estimate a positive result (as in past years), reaching EUR3m in 2025e.



8. Executive team

The company is led by Yago Arbeloa, Chairman and founder of the Group, as well as Chairman of the Board of Directors. He started his professional career at Sync, sold in 2011. He is Chairman of the Association of Internet Investors and Entrepreneurs and a member of the investment committee of Seed Rocket.

Francisco Jiménez-Alfaro Larrázabal, CEO of the Group and Proprietary Director, is also a member of the Board. He has over 25 years of experience in the sector, holding positions of responsibility such as General Manager of Hello.es, Country Manager of Vocalcom in Spain, Director of Alliances of NTT Europe.

Rodrigo Jiménez-Alfaro Larrázabal is a Non-Executive Proprietary Director, is Chief Financial Officer of Sacyr Concessions and has a deep knowledge of the financial world and international investors.

The Company also has two independent Directors: Ignacio Calderón, Private Equity Partner at Tresmares Capital, with experience at Qualitas Equity Partners and Lazard, and Miriam González-Amézqueta López, member of the Board of Directors of Deutsche Bank, S.A.U. and founding partner of Alimir, a Fintech startup investment and advisory firm.

The operational part of the Group includes professionals with extensive experience in the digital, marketing and advertising world. The Company has managed to incorporate into the MioGroup project the heads of the companies it has been acquiring in recent years in order to take advantage of their talent and maintain the existing structures, as far as possible.

9. Valuation

Taking into account the assumptions set out in point 6 of this report, we arrive at a valuation of EUR 10.0 per share, with a potential of around 30% above current prices. For this valuation we have used a WACC of 9.0% and a $g=3\%$.

MIO GROUP. DCF VALUATION.

CASH FLOW (EUR m)	2018	2019	2020	2021e	2022e	2023e	2024e	2025e	2026e	VR	
Sales	53.9	48.5	45.7	58.1	62.6	67.3	72.1	77.2	82.8	85.3	
Adj. EBITDA	0.8	1.8	1.2	2.1	2.8	3.4	4.1	4.8	5.9	6.4	
Adj. EBITDA M.	1.6%	3.8%	2.7%	3.7%	4.4%	5.1%	5.7%	6.3%	7.1%	7.5%	
DDA	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.33	-0.34	
EBIT	0.6	1.7	1.0	1.9	2.5	3.1	3.8	4.5	5.5	6.1	
Normative Tax Rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
NOPLAT	0.5	1.2	0.8	1.4	1.9	2.4	2.8	3.4	4.1	4.6	
Depreciation&other provisions	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	
Gross Operating Cash Flow	0.7	1.4	1.0	1.7	2.2	2.6	3.1	3.7	4.5	4.9	
Capex	-0.3	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.2	
Capex/sales	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.3%	
Change in Net Working Capital	1.4	0.7	-0.5	0.5	0.5	0.4	0.5	0.4	0.4	0.5	
Cash Flow to be discounted	1.9	1.9	0.2	1.9	2.3	2.7	3.3	3.8	4.6	5.2	
DCF VALUATION (EUR m)											
WACC				9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	
Discount Rate factor				1.00	0.92	0.84	0.77	0.71	0.65	0.60	
Discounted Cash Flow				1.9	2.1	2.3	2.5	2.7	3.0		
Cumulated DCF				1.9	4.0	6.3	8.9	11.5	14.5		
WACC & DCF ANALYSIS											
Free Risk Rate (10y Govn. Bonds)	3.5%			Cumulated DCF	15					- Net Financial Debt (20)	0.1
Company Risk Factor or Beta	2.1			Perpetual Growth Rate (g)	3.0%					- Minorities (estimated value)	
Mkt Risk Premium	5.0%			Normalised Annual CF	5					+ Associates	
Cost of Equity (Ke or COE)	13.9%			Terminal Value at Nominal Year	88					- Pension underfunding	
Cost of Debt (gross)	2.0%			Disc. Rate of Terminal Value	0.60					- Off-balance sheet commitm.	
Debt Tax Rate	25%			Discounted Terminal Value	52						
Cost of Debt net (kd or COD)	1.5%									Equity Market Value (EUR m)	67
Target Gearing (D/E) or % Kd	40%			Financial assets	0					Number of shares (m)	6.7
% Ke	60%			Enterprise Value (EUR m)	67					Fair Value per share (EUR)	10.0
Normative Tax Rate	25.0%									Price (EUR)	7.6
WACC	9.0%									Potential upside (downside)	32%

Source: GVC Gaesco Valores Estimates

Source: GVC Gaesco Valores estimates

We reached a residual EBITDA of EUR6.4M with a margin of 7.5%. The residual EV/EBITDA is 10.4x, the terminal value weight in the valuation amounts to 78% and the P/E at 26e is 16.4x.

The company has no net debt and generates cash with a 4.5% FCF yield.

The multiples implied by the valuation are as follows

	2021e	2022e	2023e	2024e	2025e
EV/Sales	1.2x	1.1x	1.0x	0.9x	0.9x
EV/EBITDA	31.2x	24.0x	19.6x	16.4x	13.8x
P/E	64.4x	36.2x	29.1x	24.0x	20.0x

The sensitivity analysis of the valuation yields the following results:



		Perpetuity growth rate				
		2.0%	2.5%	3.0%	3.5%	4.0%
W.A.C.C.	8.0%	10.4 €	11.2 €	12.1 €	13.3 €	14.7 €
	8.5%	9.5 €	10.2 €	10.9 €	11.9 €	13.0 €
	9.0%	8.8 €	9.3 €	10.0 €	10.7 €	11.6 €
	9.5%	8.2 €	8.6 €	9.1 €	9.8 €	10.5 €
	10.0%	7.6 €	8.0 €	8.4 €	9.0 €	9.6 €
	10.5%	7.0 €	7.4 €	7.8 €	8.4 €	9.0 €

		Perpetuity growth rate				
		2.0%	2.5%	3.0%	3.5%	4.0%
W.A.C.C.	8.0%	10.4 €	11.2 €	12.1 €	13.3 €	14.7 €
	8.5%	9.5 €	10.2 €	10.9 €	11.9 €	13.0 €
	9.0%	8.8 €	9.3 €	10.0 €	10.7 €	11.6 €
	9.5%	8.2 €	8.6 €	9.1 €	9.8 €	10.5 €
	10.0%	7.6 €	8.0 €	8.4 €	9.0 €	9.6 €
	10.5%	7.0 €	7.4 €	7.8 €	8.4 €	9.0 €

10. Comparables

Given the large portfolio of services offered by the company, it is difficult to establish comparables that are comparable.

In Spain, Making Science would be the closest comparable. The company has presented results for the first half of 2021 which show a recurring EBITDA of EUR3M. According to data provided by the company, LTM EBITDA is around EUR5M, which would give a current EV/EBITDA of 45.2x.

However, we believe that the fundamental valuation of MioGroup more accurately represents the intrinsic value of the company based on the company's organic growth, so we maintain our DCF valuation.



11. Conclusion

MioGroup is a company that has experienced remarkable growth in recent years and has managed to weather the crisis while maintaining positive EBITDA and net income, despite the major impact the pandemic has had on the sector.

It also has a healthy financial structure with no net financial debt and a business that generates cash organically. The need for future investments is limited and will be determined by its capacity to execute inorganic growth where the company has a good track-record acquiring and integrating companies.

It is integrated in markets with future growth potential (consulting and advertising) and the recent crisis may act as a driver for many companies to review their marketing strategies, supported by the European Recovery Funds.

The company has a high client renewal rate that allows it to improve its visibility in the future. In addition, its management team has strong ties with the Spanish business ecosystem, with a powerful positioning in networks and great capacity to attract new clients.

The Group offers one of the most complete and innovative service portfolios in the market and has a range of solutions for its clients that give it a unique positioning in the market. In addition, some of its competitors are experiencing financial difficulties as a result of the pandemic and this may lead to a reduction in the number of players and increase the potential for corporate transactions.

Therefore, we believe that there is growth potential for the Company both organically and inorganically. At the organic level, we believe that there will be an increase in demand from clients for marketing-related services, and more specifically digital, in the coming years. We believe that the Company's structure and internal organisation will allow it to leverage operationally and improve margins without the need for large headcount increases.

From an inorganic point of view, as mentioned above, there is a large part of the niche market and specialised companies that have struggled over the last year and may be subject to acquisition by the Group, either to add new products or services, or to add depth to existing ones.

We therefore believe that MioGroup has exciting prospects from all points of view (macro, market, company) and believe that it can establish itself as a major player in the sector in the coming years.

12. ESG Focus

The company has a Sustainability Plan that is updated annually and which sets out the pillars of its strategy: to work to promote best practices in order to achieve positive change in society and the planet, under three fundamental levers: Environment, People and Responsible Communication.

In terms of the Environment, the company has an office building with LEED Gold rehabilitation certification, which recognises buildings that have incorporated sustainable and highly efficient criteria in their operation and maintenance. The company has various policies aimed at promoting recycling in the offices by reducing the use of plastics.

In terms of people, the company has an Equality Plan, as well as a code of conduct that promotes ethics in the workplace. The company also collaborates directly with several NGOs.

In terms of Responsible Communication, the company, as a key part in the process of creating content for its customers and itself, has strategic lines based on facilitating understanding of the concepts of sustainability so that they are easily understood and assumed by the final listener, contributing to corporate reputation with a homogeneous and credible message, incorporating sustainability in corporate culture and in the projects to be carried out and, finally, always working with the utmost transparency towards the customer.

ESG Scorecards

Miogroup	NO	WIP	OK	Comments/Descriptions
ESG projects/activities/certifications				Sustainability Policy in the company
Materiality Matrix (GRI or Others)				n.a
Sustainability Report (CSR)				
Sustainability Plan / Defined ESG Goals				Sustainability Plan
ESG Ratings				n.a.

Source: GVC Gaesco Valores

ESG Positioning

Miogroup	Below	In line	Above	Comments/Descriptions
Environment				
GHG emission cut (CO ₂ reduction)				Not defined
Water consumption				Not defined
Electricity & Power consumption				Not defined
Waste reduction				Not defined
Social				
Social engagement				Focus in the Sustainability Plan
Accident index				Focus in the Sustainability Plan
Gender Equality				Focus in the Sustainability Plan
Training / Employees satisfaction				Focus in the Sustainability Plan
Governance				
BoD composition				40% of independent, but 20% women
Top management ESG Involvement.				Strong commitment

Miogroup: SDGs

The UN has set 17 Sustainable Development Goals (SDGs) to urge companies and governments to act on them.

Given the size of the company, it has not set specific targets in relation to these terms. Its Sustainability Plan does make specific mention of the SDGs, stating that "we reaffirm our commitment to the United Nations' universal call to support the 2030 Agenda and its 17 Goals in the Compact for Sustainable Development".

The group focuses on goals such as 3, health and well-being by providing a healthy working environment with relaxation areas and open spaces, 5 Gender equality, as there is a specific section in the Sustainability Plan or 11 making cities and communities more sustainable through the creation of responsible content.



Given the size of the company and given that we have not detected any significant controversies in our analysis, we consider the impact of ESG issues on the company's valuation to be Neutral, and therefore our financial analysis remains unchanged.



Miogroup: Summary tables

	12/2018	12/2019	12/2020	12/2021e	12/2022e	12/2023e
PROFIT & LOSS (EURm)						
Sales	53.9	48.5	45.7	58.1	62.6	67.3
Cost of Sales & Operating Costs	-53.0	-46.6	-44.5	-56.0	-59.9	-63.9
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	0.8	1.8	1.2	2.1	2.8	3.4
EBITDA (adj.)*	0.8	1.8	1.2	2.1	2.8	3.4
Depreciation	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3
Depreciation of Right-of-Use	0	0	0	0	0	0
EBITA	0.6	1.7	1.0	1.9	2.5	3.1
EBITA (adj.)*	0.6	1.7	1.0	1.9	2.5	3.1
Amortisations and Write Downs	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.6	1.7	1.0	1.9	2.5	3.1
EBIT (adj.)*	0.6	1.7	1.0	1.9	2.5	3.1
Net Financial Interest	-0.2	0.0	-0.1	-0.5	-0.1	-0.1
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	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	0.5	1.7	1.0	1.4	2.5	3.1
Tax	0.0	-0.2	-0.3	-0.3	-0.6	-0.8
<i>Tax rate</i>	<i>n.m.</i>	<i>14.3%</i>	<i>28.1%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</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
Net Profit (reported)	0.5	1.4	0.7	1.0	1.8	2.3
Net Profit (adj.)	0.5	1.4	0.7	1.0	1.8	2.3
CASH FLOW (EURm)						
Cash Flow from Operations before change in NWC	0.7	1.6	0.9	1.3	2.1	2.6
Change in Net Working Capital	1.4	0.7	-0.5	0.5	0.5	0.4
Cash Flow from Operations	2.1	2.4	0.4	1.8	2.5	3.0
Capex	-0.3	-0.2	-0.2	-0.3	-0.3	-0.3
Net Financial Investments	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow	1.9	2.1	0.1	1.5	2.2	2.7
Dividends	0.0	-0.2	-1.1	-0.9	-1.7	-2.1
Other (incl. Capital Increase & share buy backs)	0.7	-0.2	-0.5	-1.8	0.4	-0.4
Change in Net Debt	3	2	-2	-1	1	0
NOPLAT	0.5	1.2	0.8	1.4	1.9	2.4
BALANCE SHEET & OTHER ITEMS (EURm)						
Net Tangible Assets	0.6	0.6	0.5	0.5	0.5	0.5
Net Intangible Assets (incl. Goodwill)	1.0	1.1	1.2	3.2	5.2	7.2
Right-of-Use Assets (Lease Assets)	0.0	0.0	0.0	0.0	0.0	0.0
Net Financial Assets & Other	1.2	2.0	1.2	0.4	0.4	0.3
Total Fixed Assets	2.8	3.7	2.9	4.1	6.1	8.0
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables	9.2	7.2	8.7	10.0	10.0	10.0
Other current assets	1.4	1.0	3.1	2.9	2.8	2.6
Cash (-)	-4.4	-3.9	-5.2	-9.2	-9.3	-10.2
Total Current Assets	14.9	12.1	16.9	22.1	22.1	22.9
Total Assets	17.8	15.8	19.8	26.2	28.2	30.9
Shareholders Equity	0.1	1.1	0.1	4.3	5.5	7.3
Minority	0.2	0.2	0.0	0.0	0.0	0.1
Total Equity	0.3	1.3	0.2	4.4	5.5	7.4
Long term interest bearing debt	1.3	1.4	4.2	4.1	4.1	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	0.1	0.0	0.0	0.0	0.0	0.0
Total Long Term Liabilities	1.4	1.5	4.2	4.1	4.1	4.0
Short term interest bearing debt	1.6	2.0	2.8	2.8	2.7	2.7
Trade payables	7.9	6.6	7.6	9.5	9.9	10.3
Other current liabilities	6.5	4.3	5.0	5.4	5.9	6.4
Total Current Liabilities	16.0	12.9	15.4	17.7	18.6	19.4
Total Liabilities and Shareholders' Equity	17.7	15.7	19.7	26.2	28.2	30.9
Net Capital Employed	-1.0	1.0	2.0	2.1	3.0	4.0
Net Working Capital	1.3	0.6	1.1	0.6	0.1	-0.3
GROWTH & MARGINS						
<i>Sales growth</i>	<i>61.5%</i>	<i>-10.0%</i>	<i>-5.6%</i>	<i>27.1%</i>	<i>7.7%</i>	<i>7.5%</i>
EBITDA (adj.)* growth	-1.4%	120.6%	-33.8%	75.4%	30.1%	22.3%
EBITA (adj.)* growth	-2.5%	158.8%	-38.8%	87.7%	32.8%	23.8%
EBIT (adj.)* growth	-2.5%	158.8%	-38.8%	87.7%	32.8%	23.8%



Miogroup: Summary tables

GROWTH & MARGINS	12/2018	12/2019	12/2020	12/2021e	12/2022e	12/2023e
Net Profit growth	25.5%	182.9%	-51.4%	49.6%	77.6%	24.4%
EPS adj. growth	25.5%	182.9%	-51.4%	34.0%	77.6%	24.4%
DPS adj. growth		n.m.	450.7%	-24.0%	77.6%	24.4%
EBITDA (adj)* margin	1.6%	3.8%	2.7%	3.7%	4.4%	5.1%
EBITA (adj)* margin	1.2%	3.4%	2.2%	3.3%	4.0%	4.7%
EBIT (adj)* margin	1.2%	3.4%	2.2%	3.3%	4.0%	4.7%
RATIOS	12/2018	12/2019	12/2020	12/2021e	12/2022e	12/2023e
Net Debt/Equity	n.m.	-0.3	n.m.	-0.5	-0.5	-0.5
Net Debt/EBITDA	-1.7	-0.2	1.4	-1.1	-0.9	-1.0
Interest cover (EBITDA/Fin.interest)	5.6	n.m.	23.2	4.1	35.4	41.8
Capex/D&A	128.8%	127.4%	109.7%	121.2%	119.9%	113.9%
Capex/Sales	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
NWC/Sales	2.4%	1.1%	2.4%	0.9%	0.2%	-0.4%
ROE (average)	-1184.6%	232.3%	109.4%	46.3%	37.6%	35.9%
ROCE (adj.)	16.3%	55.6%	27.3%	33.7%	32.8%	31.8%
WACC	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
ROCE (adj.)/WACC	1.8	6.2	3.0	3.8	3.7	3.6
PER SHARE DATA (EUR)***	12/2018	12/2019	12/2020	12/2021e	12/2022e	12/2023e
Average diluted number of shares	6.0	6.0	6.0	6.7	6.7	6.7
EPS (reported)	0.08	0.24	0.12	0.15	0.28	0.34
EPS (adj.)	0.08	0.24	0.12	0.15	0.28	0.34
BVPS	0.02	0.19	0.02	0.65	0.81	1.09
DPS	0.00	0.03	0.18	0.14	0.25	0.31
VALUATION	12/2018	12/2019	12/2020	12/2021e	12/2022e	12/2023e
EV/Sales				0.8	0.8	0.7
EV/EBITDA				22.4	17.1	13.7
EV/EBITDA (adj.)*				22.4	17.1	13.7
EV/EBITA				25.1	18.8	14.9
EV/EBITA (adj.)*				25.1	18.8	14.9
EV/EBIT				25.1	18.8	14.9
EV/EBIT (adj.)*				25.1	18.8	14.9
P/E (adj.)				48.7	27.4	22.1
P/BV				11.7	9.3	6.9
Total Yield Ratio			2.1%	3.3%	4.1%	5.0%
EV/CE				11.3	8.2	6.3
OpFCF yield				3.0%	4.4%	5.2%
OpFCF/EV				3.2%	4.7%	5.7%
Payout ratio	0.0%	14.0%	158.7%	90.0%	90.0%	90.0%
Dividend yield (gross)			2.4%	1.8%	3.3%	4.1%
EV AND MKT CAP (EURm)	12/2018	12/2019	12/2020	12/2021e	12/2022e	12/2023e
Price** (EUR)				7.55	7.55	7.55
Outstanding number of shares for main stock	6.0	6.0	6.0	6.7	6.7	6.7
Total Market Cap				50.6	50.6	50.6
Gross Financial Debt (+)	3.0	3.5	6.9	6.9	6.8	6.7
Cash & Marketable Securities (-)	-4.4	-3.9	-5.2	-9.2	-9.3	-10.2
Net Financial Debt	-1.4	-0.4	1.8	-2.3	-2.5	-3.5
Lease Liabilities (+)	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt	-1.4	-0.4	1.8	-2.3	-2.5	-3.5
Other EV components	-1.0	-1.8	-1.1	-0.3	-0.3	-0.3
Enterprise Value (EV adj.)				47.9	47.7	46.8

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: Media/Publishing

Company Description: Mio Group is a strategic marketing consulting company that offers a complete portfolio of solutions to its clients covering all the needs that the companies would have in its marketing strategy



European Coverage of the Members of ESN

Automobiles & Parts	Mem(*)	Kaufman & Broad	IAC	Banca Generali	BAK	Bollore	CIC
Brembo	BAK	Kering	CIC	Banca Ifis	BAK	Bureau Veritas	CIC
Faurecia	CIC	L'Oreal	CIC	Banca Mediolanum	BAK	Caf	GVC
Ferrari	BAK	Lvmh	CIC	Banca Sistema	BAK	Catenon	GVC
Gestamp	GVC	Maisons Du Monde	CIC	Bff Bank	BAK	Cellnex Telecom	GVC
Indelb	BAK	Moncler	BAK	Dea Capital	BAK	Cembre	BAK
Michelin	CIC	Monnalisa	BAK	Finecobank	BAK	Clasquin	IAC
Pirelli & C.	BAK	Ovs	BAK	Mediobanca	BAK	Cnh Industrial	BAK
Plastic Omnium	CIC	Piaggio	BAK	Poste Italiane	BAK	Corticeira Amorim	CBI
Sogefi	BAK	Richemont	CIC	Rothschild & Co	CIC	Ctt	CBI
Stellantis	BAK	Safilo	BAK	Food & Beverage	Mem(*)	Danieli	BAK
Valeo	CIC	Salvatore Ferragamo	BAK	Advini	CIC	Datalogic	BAK
Banks	Mem(*)	Smcp	CIC	Bonduelle	CIC	Enav	BAK
Banca Mps	BAK	Swatch Group	CIC	Campari	BAK	Exel Industries	CIC
Banco Sabadell	GVC	Technogym	BAK	Danone	CIC	Fiera Milano	BAK
Banco Santander	GVC	Tod'S	BAK	Diageo	CIC	Fincantieri	BAK
Bankinter	GVC	Trigano	CIC	Ebro Foods	GVC	Getlink	CIC
Bbva	GVC	Ubisoft	CIC	Enervit	BAK	Global Dominion	GVC
Bnp Paribas	CIC	Energy	Mem(*)	Fleury Michon	CIC	Haulotte Group	CIC
Bper	BAK	Cgg	CIC	Italian Wine Brands	BAK	Interpump	BAK
Caixabank	GVC	Ecoslops	CIC	Lanson-Bcc	CIC	Inwit	BAK
Credem	BAK	Eni	BAK	Laurent Perrier	CIC	Leonardo	BAK
Credit Agricole Sa	CIC	Galp Energia	CBI	Ldc	CIC	Logista	GVC
Intesa Sanpaolo	BAK	Gas Plus	BAK	Nestle	CIC	Manitou	CIC
Liberbank	GVC	Gtt	CIC	Orsero	BAK	Nicolas Correa	GVC
Natixis	CIC	Maurel Et Prom	CIC	Pernod Ricard	CIC	Openjobmetis	BAK
Societe Generale	CIC	Plc	BAK	Remy Cointreau	CIC	Osai	BAK
Unicredit	BAK	Repsol	GVC	Tipiak	CIC	Prima Industrie	BAK
Basic Resources	Mem(*)	Rubis	CIC	Vilmorin	CIC	Prosegur	GVC
Acerinox	GVC	Saipem	BAK	Viscofan	GVC	Prosegur Cash	GVC
Altri	CBI	Siemens Gamesa Re	GVC	Vranken	CIC	Prysmian	BAK
Arcelormittal	GVC	Technip Energies	CIC	Healthcare	Mem(*)	Rai Way	BAK
Ence	GVC	Technipfmc Plc	CIC	Abionyx Pharma	CIC	Rexel	CIC
Imerys	CIC	Tecnicas Reunidas	GVC	Amplifon	BAK	Saes	BAK
Semapa	CBI	Tenaris	BAK	Atrys Health	GVC	Salcef	BAK
The Navigator Company	CBI	Totalenergys	CIC	Crossject	CIC	Talgo	GVC
Tubacex	GVC	Vallourec	CIC	Diasorin	BAK	Teleperformance	CIC
Chemicals	Mem(*)	Fin. Serv. Holdings	Mem(*)	El.En.	BAK	Verallia	CIC
Air Liquide	CIC	Cir	BAK	Fermentalg	CIC	Vidrala	GVC
Arkema	CIC	Corp. Financiera Alba	GVC	Fine Foods	BAK	Zardoya Otis	GVC
Plasticos Compuestos	GVC	Digital Magics	BAK	Genfit	CIC	Insurance	Mem(*)
Consumer Products & Services	Mem(*)	Eurazeo	CIC	Gpi	BAK	Axa	CIC
Abeo	CIC	Gbl	CIC	Guerbet	CIC	Catalana Occidente	GVC
Basicnet	BAK	Peugeot Invest	CIC	Korian	CIC	Cattolica Assicurazioni	BAK
Beneteau	CIC	Rallye	CIC	Oncodesign	CIC	Generali	BAK
Brunello Cucinelli	BAK	Tip Tamburi Investment Partners	BAK	Orpea	CIC	Mapfre	GVC
Capelli	CIC	Wendel	CIC	Prim Sa	GVC	Net Insurance	BAK
De Longhi	BAK	Fin. Serv. Industrials	Mem(*)	Recordati	BAK	Unipolsai	BAK
Europcar	CIC	Abitare In	BAK	Shedir Pharma	BAK	Materials, Construction	Mem(*)
Fila	BAK	Dovalue	BAK	Theraclion	CIC	Acs	GVC
Geox	BAK	Nexi	BAK	Vetoquinol	CIC	Aena	GVC
Givaudan	CIC	Tinexta	BAK	Virbac	CIC	Atlantia	BAK
Groupe Seb	CIC	Financial Services Banks	Mem(*)	Industrial Goods & Services	Mem(*)	Buzzi Unicem	BAK
Hermes Intl.	CIC	Amundi	CIC	Applus	GVC	Cementir	BAK
Hexaom	CIC	Anima	BAK	Avio	BAK	Cementos Molins	GVC
Interparfums	CIC	Azimut	BAK	Biesse	BAK	Clerhp Estructuras	GVC



Eiffage	CIC	Inditex	GVC	Utilities	Mem(*)
Fcc	GVC	Unieuro	BAK	A2A	BAK
Ferrovial	GVC	Technology	Mem(*)	Acciona	GVC
Groupe Adp	CIC	Agile Content	GVC	Acea	BAK
Groupe Poujoulat	CIC	Akka Technologies	CIC	Albioma	CIC
Groupe Sfpí S.A.	CIC	Almawave	BAK	Alerion Clean Power	BAK
Herige	CIC	Alten	CIC	Audax	GVC
Holcim	CIC	Amadeus	GVC	Derichebourg	CIC
Maire Tecnimont	BAK	Atos	CIC	Edp	CBI
Mota Engil	CBI	Axway Software	CIC	Edp Renováveis	CBI
Obrascon Huarte Lain	GVC	Cappgemini	CIC	Enagas	GVC
Sacyr	GVC	Cast	CIC	Encavis Ag	CIC
Saint Gobain	CIC	Esi Group	CIC	Endesa	GVC
Sergeferrari Group	CIC	Exprivia	BAK	Enel	BAK
Sonae Industria	CBI	Gigas Hosting	GVC	Erg	BAK
Spie	CIC	Indra Sistemas	GVC	Falck Renewables	BAK
Tarkett	CIC	Lleida.Net	GVC	Greenalia	GVC
Thermador Groupe	CIC	Memscap	IAC	Hera	BAK
Vicat	CIC	Neurones	CIC	Holaluz	GVC
Vinci	CIC	Reply	BAK	Iberdrola	GVC
Webuild	BAK	Sii	CIC	Iren	BAK
Media	Mem(*)	Sopra Steria Group	CIC	Italgas	BAK
Arnoldo Mondadori Editore	BAK	Stmicroelectronics	BAK	Naturgy	GVC
Atresmedia	GVC	Tier 1 Technology	GVC	Red Electrica Corporacion	GVC
Cairo Communication	BAK	Visiativ	CIC	Ren	CBI
Digital Bros	BAK	Vogo	CIC	Snam	BAK
GI Events	CIC	Telecommunications	Mem(*)	Solaria	GVC
Il Sole 24 Ore	BAK	Bouygues	CIC	Terna	BAK
Ipsos	CIC	Ekinops	CIC	Volitalia	CIC
Jcdecaux	CIC	Euskaltel	GVC		
Lagardere	CIC	Ezentis	GVC		
M6	CIC	Iliad	CIC		
Mediaset	BAK	Nos	CBI		
Mediaset Espana	GVC	Orange	CIC		
Nrj Group	CIC	Retelit	BAK		
Publicis	CIC	Telecom Italia	BAK		
Rcs Mediagroup	BAK	Telefonica	GVC		
Tf1	CIC	Tiscali	BAK		
Vivendi	CIC	Unidata	BAK		
Personal Care, Drug, Grocery Stores	Mem(*)	Vodafone	BAK		
Carrefour	CIC	Travel & Leisure	Mem(*)		
Casino	CIC	Accor	CIC		
Jeronimo Martins	CBI	Autogrill	BAK		
Marr	BAK	Compagnie Des Alpes	CIC		
Sonae	CBI	Edreams Odigeo	GVC		
Unilever	CIC	Elior	CIC		
Winfarm	CIC	Fdj	CIC		
Real Estate	Mem(*)	Groupe Partouche	IAC		
Almagro Capital	GVC	I Grandi Viaggi	BAK		
Igd	BAK	Ibersol	CBI		
Lar España	GVC	Int. Airlines Group	GVC		
Merlin Properties	GVC	Melia Hotels International	GVC		
Realia	GVC	Nh Hotel Group	GVC		
Retail	Mem(*)	Pierre Et Vacances	CIC		
Burberry	CIC	Sodexo	CIC		
Fnac Darty	CIC				

LEGEND: BAK: Banca Akros; CIC: CIC Market Solutions; CBI: Caixa-Banco de Investimento; GVC: GVC Gaesco Valores, SV, SA

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(**) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts



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Recommendation history for MIOGROUP

Date	Recommendation	Target price	Price at change date
29-Oct-21	Buy	10.00	8.35

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: Juan Peña (since 08/11/2021)



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)**.

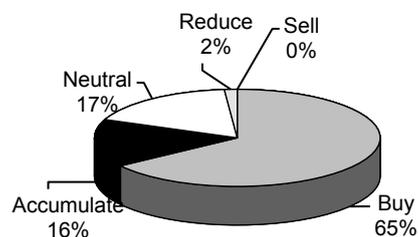
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Note: a certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets.

GVC Gaesco Valores, S.V., S.A. Ratings Breakdown



For full ESN Recommendation and Target price history (in the last 12 months) please see ESN Website [Link](#)

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