

BUY (unchanged)

# CUATROCHENTA

SPAIN | INFORMATION TECHNOLOGY

Scalable SaaS growth at an attractive valuation

Price (€)	16.00
Target Price (€)	22.10
prev. (€)	22.00
Target Return	38.1%
Ticker	4805 SM
Shares Out (m)	3
Market Cap (€m)	44

Key Estimates	2024a	2025e	2026e
P/E (x)	25.3	21.1	15.0
P/CF (x)	9.6	12.0	9.2
EV/EBITDA (x)	10.1	12.6	9.1
P/BV (x)	2.5	3.3	2.7
Div yield (%)	0.0	0.0	0.0

Performance (%)	1D	1M	YTD
Price Perf	-1.8	-3.6	44.1
Rel IBEX 35	-0.8	-7.0	3.3

Source: Company data, FactSet and JB Capital estimates

**Investment case:** Cuatrochenta operates under a B2B SaaS model, with Annual Recurring Revenue (ARR) of 71% in FY24, ensuring scalability and reducing reliance on workforce needs. Its software solutions address critical business functions such as facility management, infrastructure maintenance and cybersecurity, driving low customer churn and strong revenue visibility. Growth is supported by cross-selling opportunities within its client base. International expansion is accelerating, Spain accounts for 52% of FY24 revenues, with Panama (23%), Colombia (9%), the US (8%), and other Latam markets contributing the rest. SaaS platforms are gaining traction beyond Spain, while Sofistic's LatAm presence provides a natural entry point for acquisitions like MP Services (1H25), well-positioned for deployment in Panama and Colombia.

We raise our FY25e revenues by 13% and EBITDA by 10% (or €0.4m), driven by a stronger-than-expected contribution from the recent acquisitions (3&Punt and MP Services) in 3Q25. This leads us to lift our TP by 0.5% to €22.1/shr. At 9.1x 2026e EV/EBITDA, it trades at a discount to peers in software and IT services (c. 11.6x), offering an attractive entry point given its double-digit growth profile and high recurring revenues. With 38% potential upside (including a 20% liquidity discount), we reiterate our Buy rating.

**Valuation and rating:** Our DCF model includes explicit free cash flow forecasts up to 2032. We use a discount rate (WACC) of 9.0% for the explicit period and for the terminal value. As for long-term growth rate, we assume 2%. We reach an enterprise value (EV) of €83m, from which we subtract 2025 Net Debt of €5.7m (excluding convertibles). We also add the 50% equity stake in Pavabits/Matrix (€2.8m) and other financial assets (€0.9m), and adjust for the €2m convertible notes issued in 2025. We adjust the number of shares to reflect the dilution arising from the convertibles (0.3m). Lastly, we apply a 20% standard liquidity discount, given its reduced size and trading volume and reach a TP of €22.1/shr.

**Recent events:** i) Cuatrochenta hosted an Investor Day on 29 October, unveiling new long-term targets of >€70m in revenues and >€10m in EBITDA by 2030e, implying 17% and 21% CAGRs for 2024-30, respectively. We view these as achievable and in line with our estimates; ii) Cuatrochenta released a reassuring set of 3Q25 results. Revenues rose 37% YoY to €9.5m, while EBITDA fell 1% YoY to €0.9m as margins softened to 9.8% (-3.8pp YoY). We see this margin compression as temporary and expect a recovery in 4Q25, which typically benefits from seasonal strength; and iii) The company acquired 3&Punt, a Moodle premium partner in e-learning, and MP Services, a cybersecurity firm specialised in e-commerce antifraud, for €3.9m plus €3.8m earn-outs. These acquisitions broaden Cuatrochenta's vertical integration and unlock cross-selling opportunities.

**Risks:** i) dependency on third-party vendors (potentially pressuring gross margins); ii) intense competition; iii) price commoditisation, as the tech sector is deflationary by nature; and iv) exposure to emerging markets (LatAm).

**Catalysts:** i) Potential conversion of €2m convertible bond by April 2026 (conversion price €18/shr), reducing interest costs; ii) 4Q25 results (out in April 2025) confirming top-line growth and margin expansion; and iii) potential M&A activity, mainly focused on high-margin SaaS businesses and proprietary cybersecurity solutions.



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## Summary P&amp;L account

€m	2023a	2024a	2025e	2026e	2027e	2028e
Revenues	23	28	36	43	50	57
EBITDA	2	3	4	5	6	8
EBIT	0	1	3	4	4	6
Net financial result	-1	-1	-1	-1	-1	-1
Associates	0	0	1	1	1	1
Non-recurrent results & others	0	0	0	0	0	0
PBT	0	1	3	4	5	6
Taxes	0	0	-1	-1	-1	-1
Results from discount. Oper	0	0	0	0	0	0
Minorities	0	0	0	0	0	0
Net Attributable profit	0	1	2	3	4	5

## Summary Balance Sheet

€m	2023a	2024a	2025e	2026e	2027e	2028e
Tangible assets	1	1	2	2	2	2
Intangible assets	16	16	19	20	19	19
Financial assets & Associates	2	3	4	4	5	6
Inventories	0	0	0	0	0	0
Receivables & other assets	9	15	17	16	18	20
Cash & equivalents	2	4	4	7	9	12
<b>TOTAL ASSETS</b>	<b>31</b>	<b>39</b>	<b>45</b>	<b>49</b>	<b>53</b>	<b>59</b>
Shareholders' equity	10	11	13	16	20	24
Minority interests	0	0	0	0	0	0
Financial debt	14	20	24	24	24	24
Provisions	0	0	0	0	0	0
Payables & other liabilities	6	7	8	8	9	10
<b>TOTAL LIABILITIES</b>	<b>31</b>	<b>39</b>	<b>45</b>	<b>49</b>	<b>53</b>	<b>59</b>

## Summary cash-flow statement

€m	2023a	2024a	2025e	2026e	2027e	2028e
CF from operations	2	3	3	4	5	6
WC change	0	2	-1	1	-1	-1
Net Capex	-1	-1	-6	-2	-2	-2
Others	0	0	0	0	0	0
FCF	1	4	-4	3	2	3
Dividends	0	0	0	0	0	0
Capital increase	0	0	0	0	0	0
Others	-2	-2	0	0	0	0
Net cash/(Debt) generation	-1	2	-4	3	2	3

## Per share data / Leverage / Profitability / Valuation

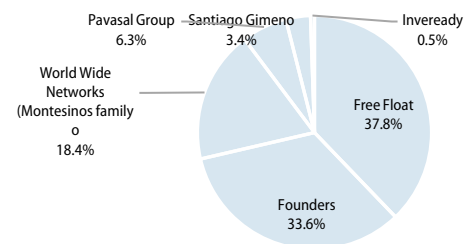
	2023a	2024a	2025e	2026e	2027e	2028e
Price (€)	7.0	11.1	16.0	16.0	16.0	16.0
Number of shares (m)	3	3	3	3	3	3
Market capitalization (€m)	25	28	44	44	48	48
EV (€m)	32	33	53	50	52	49
EPS (reported) (€)	0.06	0.40	0.76	1.07	1.35	1.69
EPS (adjusted) (€)	0.06	0.40	0.68	0.96	1.22	1.53
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
Dividend payout (%)	0.0	0.0	0.0	0.0	0.0	0.0
ND (€m)	8	5	9	6	4	1
ND/EBITDA (x)	3.7	1.5	2.1	1.1	0.6	0.1
ND/(Equity+ND) (%)	42.6	30.3	40.3	26.8	15.6	2.5
EBITDA margin (%)	9.0	11.6	11.7	12.7	12.8	13.1
EBIT margin (%)	1.9	5.1	7.3	8.4	8.9	9.8
ROE (%)	1.7	9.9	15.6	18.0	18.5	18.8
ROCE (pre-tax) (%)	2.2	7.3	11.1	13.7	14.8	16.1
EV/EBITDA (x)	15.6	10.1	12.6	9.1	8.1	6.5
EV/EBIT (x)	73.8	22.9	20.0	13.7	11.6	8.7
P/E (x)	139.6	25.3	21.1	15.0	11.9	9.5
P/E (adjusted) (x)	139.6	25.3	23.4	16.6	13.1	10.5
P/CF (x)	13.6	9.6	12.0	9.2	7.8	6.7
P/BV (x)	2.4	2.5	3.3	2.7	2.4	2.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0

Source: Company data, FactSet and JB Capital estimates

## BRIEF COMPANY DESCRIPTION

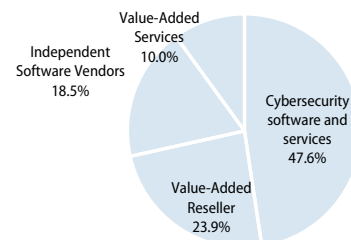
Cuatrochenta is a Spanish technology company specialising in developing and implementing digital solutions in the cloud, with a strong focus on the digital transformation of processes in the corporate environment and cybersecurity. The company offers a comprehensive suite of software to improve user experience, process optimization, security, cost reduction, and efficiency improvement in sectors such as facility management, facility services, banking, and critical infrastructure, among others. Cuatrochenta is headquartered in Castellón de la Plana (Valencia region) with offices in Madrid, Barcelona, Valencia, Lugo, Burgos, and Malaga and has expanded its presence internationally, with offices in Panama, Bogotá, Costa Rica, the Republica Dominicana, and Mexico. The company's shares were listed on the BME Growth (the BME Exchange market for SMEs) stock exchange in October 2020.

## Shareholding structure (%)



Source: BME Growth and Company data

## 2025e Revenues breakdown (%)



Source: JB Capital estimates

## Valuation

	€m	Implied multiple
SOTP		
EV (26e-32e)	24	
EV - Terminal Value	59	
<b>EV</b>	<b>83</b>	<b>15.3x EV/EBITDA 26e</b>
Net debt 2025e	-5.6	
Minorities @ BV	-0.1	
2025 Convertible	2.0	
Financial Assets	3.7	
<b>Equity Value</b>	<b>83</b>	
Nº of shares (m)	2.7	
Convertible shares (m)	0.3	
<b>Fair value (Eur/Shr)</b>	<b>27.6</b>	
Liquidity discount	-5.5	
<b>Target Price (Eur/Shr)</b>	<b>22.1</b>	

Note: Methodology of valuation DCF (WACC 9.0%; g 2%)

Source: JB Capital estimates