6m Results 2026
Opinion [1]: Below expectations
Impact [1]: We will have to lower our estimates

Daniel Gandoy López– lighthouse@institutodeanalistas.com
Alfredo Echevarría Otegui – alfredo.echevarria@institutodeanalistas.com
+34 915 631 972

Business description

LLYC is a communication consultancy company operating in the field of corporate communication, digital marketing and public affairs combining traditional corporate communication services with technological and creative capabilities. It has a leadership position in both Spain and Portugal (c.39% of 2024 revenue), USA (c.31% of 2024 revenue) and in Latam (c. 30% of 2024 revenue).

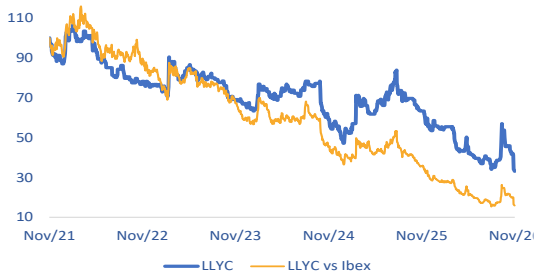
Market Data

Market Cap (Mn EUR and USD)	48.7	54.5
EV (Mn EUR and USD) [2]	94.9	106.2
Shares Outstanding (Mn)	11.6	
-12m (Max/Med/Mín EUR)	8.00 / 5.92 / 4.18	
Daily Avg volume (-12m Mn EUR)	0.01	
Rotation [3]	6.0	
Refinitiv / Bloomberg	LLYC.MC / LLYC SM	
Close fiscal year	31-Dec	

Shareholders Structure (%) [5]

LLYC Partners	26.2
Octavius Sensus Caucae	21.4
Vivirdemais	13.8
D. Alejandro Romero Paniagua	13.6
Free Float	5.1

Relative performance (Base 100)



Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	-27.3	-8.7	-47.8	-66.9
vs Ibex 35	-26.2	-3.0	-55.4	-84.1
vs Ibex Small Cap Index	-25.9	-1.3	-48.3	-73.7
vs Eurostoxx 50	-26.2	-4.5	-51.7	-76.8
vs Sector benchmark [4]	-32.6	-15.3	-48.9	-70.4

(1) The opinion regarding the results is on reported EBITDA with respect to our estimate for the year (12m). The impact reflects whether, due to the results, we envisage a significant revision (>5% - 10%, depending on the sector) of our EBITDA estimate (for any of the estimated years).
(2) Please refer to Appendix 2.
(3) Rotation is the % of the capitalisation traded - 12m.
(4) vs Stoxx Europe 600 Media.
(5) Others: GPI 9.5%, Luisa García 2.6%, Inversiones Asúa 6.0%, Autocartera 1.8%

(*) Unless otherwise indicated, all the information contained in this report is based on: The Company, Refinitiv and Lighthouse.

6M26 Results: near-term strategic focus centers on cost reduction.

OPERATING REVENUES (GROSS MARGIN) DOWN -12.5%… LLYC closed 6M26 with Revenues of EUR 53.6 Mn, -17.3% vs. 6M2025. Operating revenues (total revenues net of third-party pass-through expenses) in 6M2026 stood at EUR 40.1 Mn, -12.5% vs. 6M2025. Europe generated 45.3% of operating revenues, the United States 17.1%, and Latin America 37.6%.

…AND RECURRENT EBITDA FALLS -33%. 6M26 Recurrent EBITDA of EUR 5.3 Mn represents a -33% decline, impacted by slowing operations in the US and Mexico, as well as the implementation costs of a new organizational structure. The company is transitioning from a global practice structure to a theoretically more agile and efficient model organized by geographical business units: Spain & Brussels, Mexico, United States, Colombia, Portugal & Brazil, Dominican Republic, Panama & Ecuador, and Peru, Chile & Argentina.

PROGRESSIVE EXECUTION OF THE COST SAVINGS PLAN. The implementation of the cost reduction program reduced operating expenses by EUR -3.2 Mn in 1H26 vs. 1H25 (-8%). To execute these savings, the group incurred severance payouts of EUR 1.5 Mn during 1H26. The plan will continue into 2H2026, with LLYC expecting a cost reduction impact exceeding that of 1H26, supplemented by additional actions to be implemented in 2H26.

UPDATED GUIDANCE FOCUSES ON OPERATING EFFICIENCY IMPROVEMENTS. LLYC updated its guidance, revising its expected gross margin change to -9.5%/-7.8% (vs. previous guidance of -1.7%/+0.5%), while expecting the cost savings plan to catalyze Recurrent EBITDA growth of +12.3% (EUR 15.5 Mn) vs. prior guidance of +30.4%/+34.1%. This implies that operating profitability will improve on lower revenue volumes, expanding the EBITDA margin (as a % of operating revenues / gross margin) by c. 3.5 p.p. (from 15.4% in 2025 to 18.8%/19.1%).

WE WILL NEED TO ADJUST OUR ESTIMATES FOLLOWING UPDATED GUIDANCE. Our 2026e Recurrent EBITDA estimate of EUR 13.7 Mn (ex-capitalized expenses) stands c. 7% above the updated guidance, which will prompt us to revise our 2026e forecasts downward.

2026, A TRANSITION YEAR: AIMING TO IMPROVE EFFICIENCY AND SUSTAIN MEDIUM-TO-LONG-TERM GROWTH.

Everything hinges on boosting short-to-medium-term profitability. Top-line growth takes a back seat amid sector uncertainty—the key premise underpinning our model. 2026 will be a transition year for top-line expansion, with sole focus placed on driving operational efficiency. The push into US inorganic growth has proven unsuccessful so far due to market conditions following the inauguration of the Trump administration. Upcoming challenges involve: i) cost reduction, ii) replacing public-sector clients in the US with corporate accounts, and iii) replacing Mexican clients affected by tariffs with players from alternative sectors—in short, laying the groundwork to resume growth. Consequently, 2027 will remain a weak business momentum year following a transitional 2026.

This is the conditio sine qua non for stock performance recovery (-47.8% L12M). With the stock trading near peer multiples (2026e EV/EBITDA of 6.9x vs. 7.1x sector average), Recurrent EBITDA margin recovery (via cost savings) represents the sole operational lever in a low top-line growth year.

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Appendix 1. Results table

EUR Mn	6m26 Real	6m25	6m26 Real vs 6m25
Total Revenues	**53.6**	**64.8**	**-17.3%**
Operating revenues[1]	**40.1**	**45.8**	**-12.4%**
Gross Margin/Revenues	*74.8%*	*70.7%*	*4.1 p.p.*
Recurrent EBITDA[2]	**5.3**	**7.9**	**-32.9%**
Rec. EBITDA/Revenues	*9.9%*	*12.2%*	*-2.3 p.p.*
Net Debt/Net Cash[2]	37.5	34.8	7.7%

(1) Gross margin.
(2) Excludes capitalized company work for own assets (or work performed by the company for its own assets).

Appendix 2. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	48.7	
+ Minority Interests	0.8	6m Results 2026
+ Provisions & Other L/T Liabilities	10.5	6m Results 2026
+ Net financial debt	37.5	6m Results 2026
- Financial Investments	3.5	6m Results 2026
+/- Others[1]	0.9	6m Results 2026
Enterprise Value (EV)	**94.9**	

(1) Related to the market value of treasury stock and assets held for sale

IEAF Servicios de Análisis – Calle Núñez de Balboa, 108 1ª Planta oficina izquierda, 28006 Madrid, España – Tel. +34 91 563 19 72 – institutodeanalistas.com

Appendix 3. Main peers (2026e)

		Media				Communication Agencies
	EUR Mn	WPP	Publicis	Omnicom	Average	Hopscotch Groupe
Market data	Ticker (Factset)	WPP.L	PUBP.PA	OMC		ALHOP.PA
	Country	UK	France	USA		France
	Market cap	5,338.6	25,705.5	20,274.1		37.9
	Enterprise value (EV)	11,337.7	28,825.5	26,406.5		54.2
Basic financial information	Total Revenues	13,395.7	15,194.6	23,241.0		271.9
	Total Revenues growth	*-17.5%*	*-12.7%*	*50.6%*	*6.8%*	*0.4%*
	2y CAGR (2026e - 2028e)	*1.1%*	*7.0%*	*0.1%*	*2.7%*	*5.1%*
	EBITDA	1,864.9	3,321.7	3,987.3		5.4
	EBITDA growth	*-9.1%*	*0.1%*	*55.9%*	*15.6%*	*-50.9%*
	2y CAGR (2026e - 2028e)	*2.5%*	*7.0%*	*7.0%*	*5.5%*	*44.7%*
	EBITDA/Revenues	*13.9%*	*21.9%*	*17.2%*	*17.6%*	*2.0%*
	EBIT	1,363.5	2,711.7	3,464.0		4.5
	EBIT growth	*-10.1%*	*4.8%*	*49.9%*	*14.9%*	*-25.0%*
	2y CAGR (2026e - 2028e)	*6.1%*	*7.3%*	*7.2%*	*6.9%*	*53.5%*
	EBIT/Revenues	*10.2%*	*17.8%*	*14.9%*	*14.3%*	*1.7%*
	Net Profit	691.7	1,972.7	2,413.8		1.8
	Net Profit growth	*435.7%*	*18.8%*	*n.a.*	*227.2%*	*-31.0%*
	2y CAGR (2026e - 2028e)	*5.3%*	*7.6%*	*8.0%*	*7.0%*	*81.0%*
	CAPEX/Sales %	*2.1%*	*1.8%*	*1.0%*	*1.6%*	*0.2%*
	Free Cash Flow	502.5	2,385.4	2,445.9		n.a.
	Net financial debt	3,032.7	(1,123.9)	4,124.1		(3.8)
	ND/EBITDA (x)	1.6	n.a.	1.0	1.3	n.a.
	Pay-out	*27.5%*	*49.7%*	*24.9%*	*34.1%*	*0.0%*
Multiples and Ratios	P/E (x)	7.9	12.9	8.2	9.7	20.1
	P/BV (x)	1.6	2.3	2.2	2.0	n.a.
	EV/Revenues (x)	0.8	1.9	1.1	1.3	0.2
	EV/EBITDA (x)	6.1	8.7	6.6	7.1	10.0
	EV/EBIT (x)	8.3	10.6	7.6	8.9	12.0
	ROE	*17.1*	*18.1*	*23.6*	*19.6*	*n.a.*
	FCF Yield (%)	*9.4*	*9.3*	*12.1*	*10.3*	*n.a.*
	DPS	*0.18*	*3.91*	*2.94*	*2.34*	*0.00*
	Dvd Yield	*0.0%*	*3.9%*	*4.0%*	*2.6%*	*0.0%*

Note 1: Financial data, multiples and ratios based on market consensus (Refinitiv).
Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

LIGHTHOUSE

Calle Núñez de Balboa, 108 1ª Planta
28006 Madrid
T: +34 91 563 19 72
institutodeanalistas.com/lighthouse

Head of research

Alfredo Echevarría Otegui
alfredo.echevarria@institutodeanalistas.com

Analysts who contributed to this report:

Pablo Victoria Rivera, CESGA
Equity research
pablo.victoria@institutodeanalistas.com

Daniel Gandoy López
Equity research
lighthouse@institutodeanalistas.com

Roberto Barrio Hernando
Equity research
lighthouse@institutodeanalistas.com

Jesús López Gómez, CESGA
ESG Analyst & Data analytics
jesus.lopez@institutodeanalistas.com

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Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
04-Nov-2026	n.a.	4.18	n.a.	n.a.	6m Results 2026	Alfredo Echevarría Otegui
26-May-2026	n.a.	5.20	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
04-May-2026	n.a.	5.80	n.a.	n.a.	12m Results 2025	Alfredo Echevarría Otegui
22-Dec-2025	n.a.	7.40	n.a.	n.a.	Estimates downgrade	Alfredo Echevarría Otegui
04-Aug-2025	n.a.	9.35	n.a.	n.a.	6m 2025 Preliminary results - Estimates downgrade	Alfredo Echevarría Otegui
17-Jun-2025	n.a.	8.95	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
04-Feb-2025	n.a.	6.80	n.a.	n.a.	12m 2024 Preliminary results	Alfredo Echevarría Otegui
02-Oct-2024	n.a.	9.35	n.a.	n.a.	6m Results 2024	Luis Esteban Arribas, CESGA
27-May-2024	n.a.	9.52	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
22-Mar-2024	n.a.	8.93	n.a.	n.a.	12m Results 2023 - Estimates upgrade	Luis Esteban Arribas, CESGA
20-Feb-2024	n.a.	9.32	n.a.	n.a.	Important news	Luis Esteban Arribas, CESGA
25-Jan-2024	n.a.	8.09	n.a.	n.a.	12m Results 2023	Luis Esteban Arribas, CESGA
21-Sep-2023	n.a.	9.71	n.a.	n.a.	6m Results 2023 - Estimates downgrade	Luis Esteban Arribas, CESGA
27-Jul-2023	n.a.	10.20	n.a.	n.a.	6m 2023 Preliminary results	Luis Esteban Arribas, CESGA
12-Jun-2023	n.a.	10.07	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
31-Mar-2023	n.a.	9.98	n.a.	n.a.	Important news - Estimates upgrade	Luis Esteban Arribas, CESGA
09-Mar-2023	n.a.	11.14	n.a.	n.a.	12m Results 2022	Luis Esteban Arribas, CESGA
25-Jan-2023	n.a.	9.32	n.a.	n.a.	12m 2022 Preliminary results	Luis Esteban Arribas, CESGA
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20-Jan-2022	n.a.	12.49	n.a.	n.a.	12m 2021 Preliminary results	Luis Esteban Arribas, CESGA
23-Dec-2021	n.a.	11.14	n.a.	n.a.	Initiation of Coverage	Luis Esteban Arribas, CESGA

