

# Almirall SA ALM ★★★<sup>Q</sup> 14 Jun 2019 02:00 UTC

**Last Close**  
14 Jun 2019  
15.66

**Fair Value<sup>Q</sup>**  
14 Jun 2019 02:00 UTC  
14.74

**Market Cap**  
14 Jun 2019  
2,721.0 Mil

**Sector**  
Healthcare

**Industry**  
Biotechnology

**Country of Domicile**  
ESP Spain

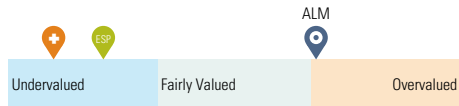
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## Company Profile

Almirall SA is a biotechnology company that sells products across a range of therapeutic areas. It aims to provide treatments in areas of dermatology, respiratory, gastrointestinal, central nervous systems, and other specialties. Sales in dermatology account for the vast majority of the company's net sales. The bulk of the company's sales occur in Europe, followed by the U.S. Laboratorios Almirall uses partnerships and acquisitions as part of its core growth strategy. The company's research and development focuses

## Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	Narrow	78	84	65
Valuation	Overvalued	9	10	16
Quantitative Uncertainty	High	91	93	83
Financial Health	Moderate	69	52	41



Source: Morningstar Equity Research

## Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	1.06	1.00	0.82	0.87
Price/Earnings	34.2	52.5	26.5	15.0
Forward P/E	18.3	—	11.3	12.5
Price/Cash Flow	19.8	43.9	18.4	8.8
Price/Free Cash Flow	—	56.7	27.3	15.2
Trailing Dividend Yield %	1.26	—	1.50	3.93
Price/Book	2.2	1.9	3.4	1.9
Price/Sales	3.5	3.3	4.2	1.4

## Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	6.4	7.7	12.4	12.9
Return on Assets %	3.4	4.0	6.2	3.3
Revenue/Employee (Mil)	1.4	0.7	0.3	0.2

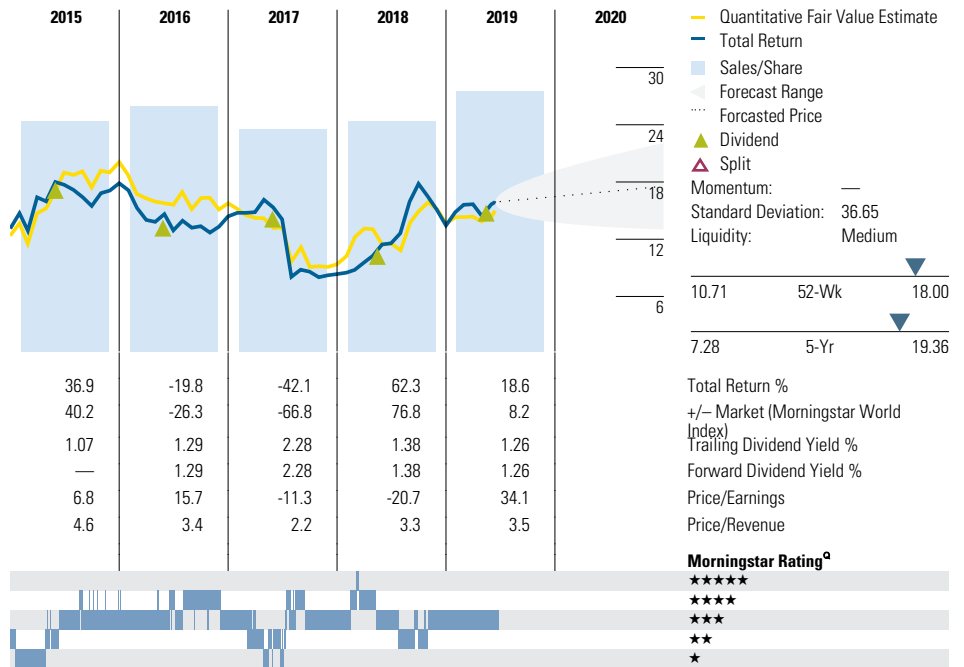
## Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.6	0.7	0.6	0.7
Solvency Score	—	—	494.6	556.5
Assets/Equity	2.0	1.9	1.4	2.7
Long-Term Debt/Equity	0.4	0.3	0.1	0.4

## Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	18.4	3.4	1.7	-1.8
Operating Income %	588.4	-3.7	47.1	-3.8
Earnings %	—	-16.0	—	-5.8
Dividends %	-3.2	-2.7	3.8	-5.3
Book Value %	4.6	-6.8	5.9	5.7
Stock Total Return %	41.3	6.9	7.7	8.0

## Price vs. Quantitative Fair Value

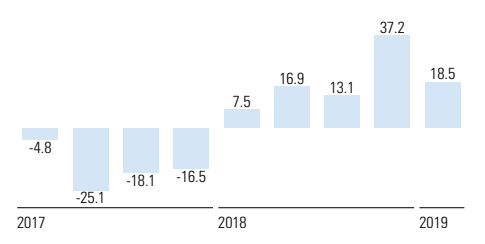


	2014	2015	2016	2017	2018	TTM	Financials (Fiscal Year in K)
Revenue	794,779	684,985	764,361	639,381	756,934	792,034	Revenue
% Change	14.7	-13.8	11.6	-16.4	18.4	4.6	% Change
Operating Income	565,098	124,017	96,974	16,207	111,567	121,167	Operating Income
% Change	3,385.5	-78.1	-21.8	-83.3	588.4	8.6	% Change
Net Income	448,429	131,826	75,479	-303,961	77,674	76,674	Net Income
Operating Cash Flow	646,935	170,884	105,056	6,094	143,209	137,809	Operating Cash Flow
Capital Spending	-20,685	—	-76,628	-68,783	-598,478	-600,278	Capital Spending
Free Cash Flow	626,250	170,884	28,428	-62,689	-455,269	-462,469	Free Cash Flow
% Sales	78.8	24.9	3.7	-9.8	-60.1	-58.4	% Sales
EPS	2.59	0.76	0.44	-1.76	0.45	0.44	EPS
% Change	-0.11	4.28	0.87	-0.93	0.61	-2.65	% Change
Free Cash Flow/Share	0.00	0.20	0.19	0.19	0.18	0.18	Free Cash Flow/Share
Dividends/Share	5.44	8.09	8.84	7.71	6.92	7.07	Dividends/Share
Book Value/Share	172,951	172,951	172,951	172,951	173,854	173,754	Book Value/Share
Shares Outstanding (K)	40.3	9.4	5.1	-22.9	6.7	6.4	Shares Outstanding (K)
Return on Equity %	20.8	5.2	2.8	-12.2	3.4	3.4	Return on Equity %
Return on Assets %	56.4	19.3	9.9	-47.5	10.3	9.7	Return on Assets %
Net Margin %	0.37	0.27	0.29	0.26	0.33	0.35	Net Margin %
Asset Turnover	1.9	1.7	1.9	1.9	2.0	2.0	Asset Turnover
Financial Leverage	78.4	78.0	78.7	72.9	78.5	79.3	Financial Leverage
Gross Margin %	71.1	18.1	12.7	2.5	14.7	15.3	Gross Margin %
Operating Margin %	331,992	333,011	331,128	262,561	532,143	529,700	Operating Margin %
Long-Term Debt	1,339,566	1,462,582	1,520,280	1,133,680	1,191,749	1,227,600	Long-Term Debt
Total Equity	5.4	5.3	5.9	4.9	6.2	6.6	Total Equity
Fixed Asset Turns							Fixed Asset Turns

## Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2019	224.4	—	—	—	—
2018	189.3	178.1	174.0	215.5	756.9
2017	176.1	152.4	153.8	157.1	639.4
2016	184.9	203.4	187.9	188.2	764.4
Earnings Per Share (€)					
2019	0.17	—	—	—	—
2018	0.18	0.12	0.24	-0.09	0.45
2017	0.11	-0.54	-0.15	-1.18	-1.76
2016	0.13	0.34	0.13	-0.16	0.44

## Revenue Growth Year On Year %



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Morningstar's quantitative equity ratings consist of: (i) Quantitative Fair Value Estimate, (ii) Quantitative Star Rating, (iii) Quantitative Uncertainty, (iv) Quantitative Economic Moat, and (v) Quantitative Financial Health (collectively the "Quantitative Ratings").

The Quantitative Ratings are calculated daily and derived from the analyst-driven ratings of a company's peers as determined by statistical algorithms. Morningstar, Inc. ("Morningstar", "we", "our") calculates Quantitative Ratings for companies whether or not it already provides analyst ratings and qualitative coverage. In some cases, the Quantitative Ratings may differ from the analyst ratings because a company's analyst-driven ratings can significantly differ from other companies in its peer group.

i. **Quantitative Fair Value Estimate:** Intended to represent Morningstar's estimate of the per share dollar amount that a company's equity is worth today. Morningstar calculates the Quantitative Fair Value Estimate using a statistical model derived from the Fair Value Estimate Morningstar's equity analysts assign to companies. Please go to <http://global.morningstar.com/equitydisclosures> for information about Fair Value Estimate Morningstar's equity analysts assign to companies.

ii. **Quantitative Economic Moat:** Intended to describe the strength of a firm's competitive position. It is calculated using an algorithm designed to predict the Economic Moat rating a Morningstar analyst would assign to the stock. The rating is expressed as Narrow, Wide, or None.  
**Narrow** – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 70% but less than 99%.  
**Wide** – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 99%.  
**None** – assigned when the probability of an analyst receiving a "Wide Moat" rating by an analyst is less than 70%.

iii. **Quantitative Star Rating:** Intended to be the summary rating based on the combination of our Quantitative Fair Value Estimate, current market price, and the Quantitative Uncertainty Rating. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.

**One-Star** – the stock is overvalued with a reasonable margin of safety.

*Log (Quant FVE/Price) < -1\*Quantitative Uncertainty*

**Two-Star** - the stock is somewhat overvalued.

*Log (Quant FVE/Price) between (-1\*Quantitative Uncertainty, -0.5\*Quantitative Uncertainty)*

**Three-Star** – the stock is approximately fairly valued.

*Log (Quant FVE/Price) between (-0.5\*Quantitative Uncertainty, 0.5\*Quantitative Uncertainty)*

**Four-Star** – the stock is somewhat undervalued.

*Log (Quant FVE/Price) between (0.5\*Quantitative Uncertainty, 1\*Quantitative*

*Uncertainty)*

**Five-Star** – the stock is undervalued with a reasonable margin of safety.

*Log (Quant FVE/Price) > 1\*Quantitative Uncertainty*

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**Low** – the interquartile range for possible fair values is less than 10%

**Medium** – the interquartile range for possible fair values is less than 15% but greater than 10%

**High** – the interquartile range for possible fair values is less than 35% but greater than 15%

**Very High** – the interquartile range for possible fair values is less than 80% but greater than 35%

**Extreme** – the interquartile range for possible fair values is greater than 80%

v. **Quantitative Financial Health:** Intended to reflect the probability that a firm will face financial distress in the near future. The calculation uses a predictive model designed to anticipate when a company may default on its financial obligations. The rating is expressed as Weak, Moderate, and Strong.

**Weak** – assigned when Quantitative Financial Health < 0.2

**Moderate** – assigned when Quantitative Financial Health is between 0.2 and 0.7

**Strong** – assigned when Quantitative Financial Health > 0.7

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**Fairly Valued – Last Price** is in line with Morningstar's quantitative fair value estimate.

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