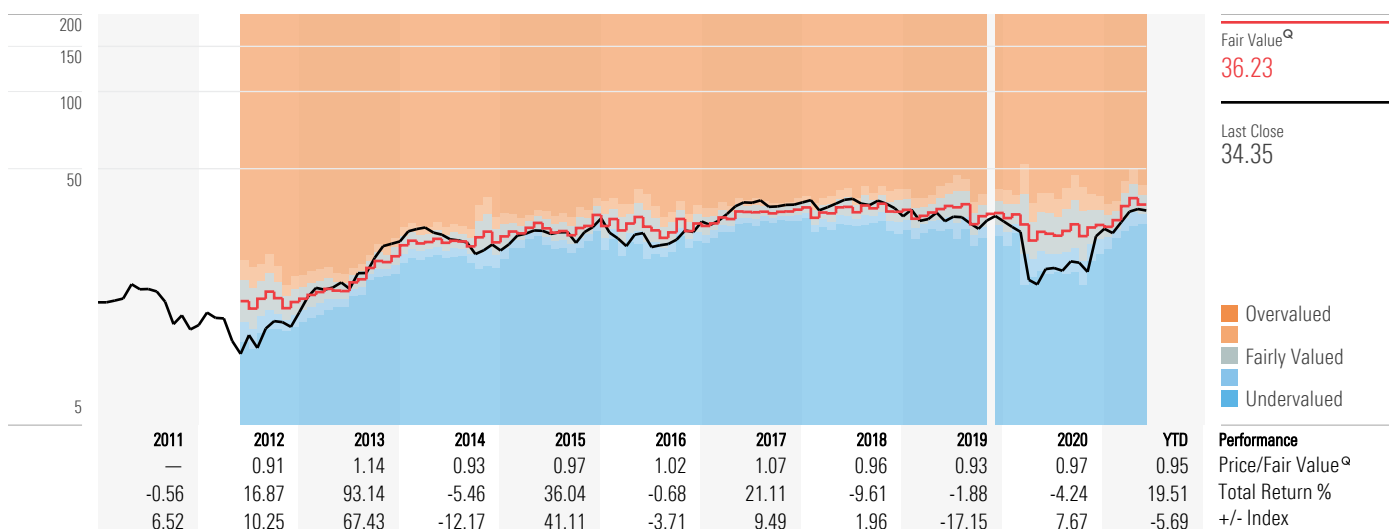


Grupo Catalana Occidente SA GCO ★★★ Q 25 May 2021, 22:43 UTC

Economic Moat ☐	Uncertainty ☐	Price/Fair Value ☐	Trailing Dividend Yield %	Market Cap	Investment Style	Sector	Industry
None	High	0.9	2.57	4.0695 Bil	Mid Value	Financial Services	Insurance - Diversified



Total Return % as of 25 May 2021. Last Close as of 25 May 2021. Fair Value as of 25 May 2021, 22:43 UTC. Index: Morningstar Spain GR EUR.

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Valuation^Q as of 25 May 2021



Fair Value^Q
36.23
Uncertainty^Q :
High
Last Close
34.35

GCO is Under Valued at a 5% discount.

Economic Moat^Q

☐ None

Financial Health^Q

Strong

1-Star Price^Q

> 43.24

5-Star Price^Q

< 30.35

Financials as of 25 May 2021 (Fiscal Year End 31 Dec 2021)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	Fiscal
2,707	2,732	2,840	2,998	3,384	3,762	3,811	3,870	4,156	3,821	1,503	Revenue (Mil)
—	—	—	—	—	—	—	—	—	—	—	Operating Income
—	—	—	—	—	—	—	—	—	—	—	Operating Margin (%)
210	200	221	242	268	296	325	352	386	262	111	Net Income (Mil)
1.79	1.70	1.88	2.05	2.27	2.51	2.76	2.99	3.27	2.22	0.94	Diluted Earnings/Share
301	241	302	373	229	431	381	486	513	498	498	Operating Cash Flow (Mil)
-29	-36	-41	-33	-36	-63	-71	-88	-79	-87	-87	Capital Spending (Mil)
271	204	261	341	194	368	310	399	434	411	411	Free Cash Flow (Mil)
118	118	118	118	118	118	118	118	118	118	118	Avg Shares Outstand(Mil)
0.54	0.57	0.57	0.61	0.64	0.69	0.74	0.79	0.84	0.68	1.62	Dividend Per Share

Valuation as of 25 May 2021

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Current	Calendar
—	0.91	1.14	0.93	0.97	1.02	1.07	0.96	0.93	0.97	0.95	Price/Fair Value ^Q
0.57	0.59	—	—	—	—	—	0.99	0.91	0.82	1.06	Price/Sales
7.22	8.09	14.79	11.67	13.86	13.00	13.67	11.18	9.63	11.61	14.34	Price/Earnings
—	6.73	12.97	9.90	10.03	11.01	14.16	8.75	5.00	5.84	8.13	Price/Cash Flow
0.92	1.15	1.89	1.37	1.72	1.50	1.62	1.32	1.07	1.00	1.09	Price/Book

Operating Performance as of 25 May 2021 (Fiscal Year End 31 Dec 2021)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3	Fiscal (%)
2.25	2.09	2.23	2.27	2.18	2.17	2.32	2.46	2.48	1.54	0.62	Return on Assets
17.78	15.0	14.0	12.44	12.0	12.23	12.31	12.54	12.17	7.44	3.02	Return on Equity
—	—	—	—	—	—	—	—	—	—	—	Rtn on Invested Capital

Business Description

Grupo Catalana Occidente SA is a property and casualty company that operates in the global insurance market, as well as the global credit insurance market. It generates most of its revenue from Spain and other European countries. The company's revenue is generally split between its traditional insurance business and its credit insurance activity. Its

traditional insurance business includes residential, commercial, auto, and life insurance products. Grupo's credit insurance business protects companies from the default risk associated with selling products and services on credit.

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- 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, Quantitative Uncertainty Rating, and momentum. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.
 - ★ – the stock is overvalued with a reasonable margin of safety.
 $\text{Log (Quant FVE/Price)} < -1 * \text{Quantitative Uncertainty}$
*Micro-Caps: $\text{Log (Quant FVE/Price)} < -1.5 * \text{Quantitative Uncertainty}$*
 - ★★ – the stock is somewhat overvalued.
 $\text{Log (Quant FVE/Price)}$ between $(-1 * \text{Quantitative Uncertainty}, -0.5 * \text{Quantitative Uncertainty})$
*Micro-Caps: $\text{Log (Quant FVE/Price)}$ between $(-1.5 * \text{Quantitative Uncertainty}, -0.75 * \text{Quantitative Uncertainty})$*
 - ★★★ – the stock is approximately fairly valued.
 $\text{Log (Quant FVE/Price)}$ between $(-0.5 * \text{Quantitative Uncertainty}, 0.5 * \text{Quantitative Uncertainty})$
*Micro-Caps: $\text{Log (Quant FVE/Price)}$ between $(-0.75 * \text{Quantitative Uncertainty}, 0.75 * \text{Quantitative Uncertainty})$*
 - ★★★★ – the stock is somewhat undervalued.
 $\text{Log (Quant FVE/Price)}$ between $(0.5 * \text{Quantitative Uncertainty}, 1 * \text{Quantitative Uncertainty})$

Uncertainty

*Micro-Caps: $\text{Log (Quant FVE/Price)}$ between $(0.75 * \text{Quantitative Uncertainty}, 1.5 * \text{Quantitative Uncertainty})$*

★★★★ – the stock is undervalued with a reasonable margin of safety.

$\text{Log (Quant FVE/Price)} > 1 * \text{Quantitative Uncertainty}$

*Micro-Caps: $\text{Log (Quant FVE/Price)} > 1.5 * \text{Quantitative Uncertainty}$*

After the initial calculation for the star rating, there is a final filtering step based on the momentum of the company. We rank the companies based on their 12-1 month momentum, then restrict those below the 30th percentile to a maximum of 3 stars.

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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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i. **Last Close** – Price of the stock as of the close of the market of the last trading day before date of the report.

ii. **Quantitative Valuation** – Using the below terms, intended to denote the relationship between the security's **Last Price** and Morningstar's quantitative fair value estimate for that security.

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

Overvalued – Last Price is above Morningstar's quantitative fair value estimate.

This Report **has not been made available** to the issuer of the security prior to publication.

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