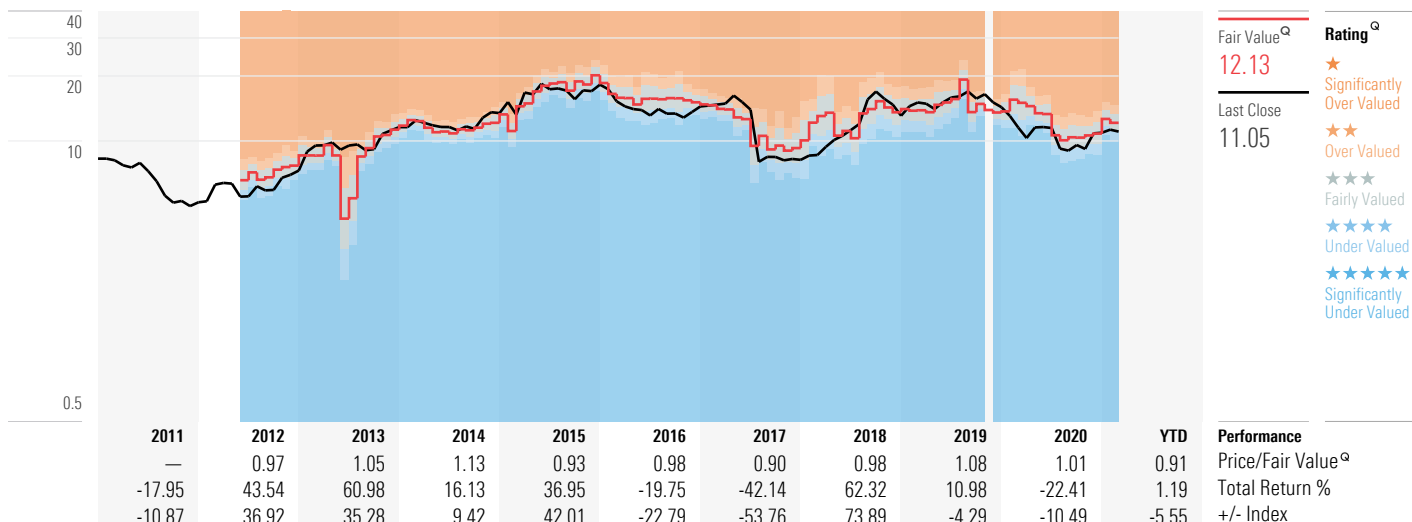


Almirall SA **ALM** ★★★★★ Q 26 Feb 2021, 23:37 UTC

Economic Moat ^Q Narrow	Uncertainty ^Q High	Price/Fair Value ^Q 0.9	Trailing Dividend Yield % 1.79	Market Cap 1.9667 Bil	Investment Style Small Growth	Sector Healthcare	Industry Drug Manufacturers - Specialty & Generic
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Fair Value^Q
12.13

Rating^Q
★
Significantly Over Valued

Last Close
11.05

★★★
Fairly Valued

★★★★
Under Valued

★★★★★
Significantly Under Valued

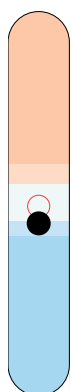
Total Return % as of 28 Feb 2021. Last Close as of 26 Feb 2021. Fair Value as of 26 Feb 2021, 23:37 UTC. Index: Morningstar Spain GR EUR.

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Contact

Valuation

as of 26 Feb 2021



Fair Value^Q
12.13

Uncertainty^Q :
High

Last Close
11.05

ALM is Under Valued at a 9% discount.

Economic Moat^Q
Narrow

Financial Health^Q
Moderate

1-Star Price^Q
> 14.63

5-Star Price^Q
< 10.06

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Financials as of 26 Feb 2021 (Fiscal Year End 31 Dec 2019)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	Fiscal
787	732	752	819	689	764	639	757	855	807	807	Revenue (Mil)
97	56	16	565	125	97	16	112	161	110	110	Operating Income (Mil)
12.35	7.71	2.16	69.0	18.09	12.69	2.53	14.74	18.86	13.58	13.58	Operating Margin (%)
84	76	-34	448	132	75	-304	78	106	74	74	Net Income (Mil)
0.50	0.43	-0.20	2.53	0.74	0.43	-1.72	0.40	0.58	0.42	0.42	Diluted Earnings/Share
100	113	67	647	171	105	6	143	276	165	165	Operating Cash Flow (Mil)
-39	-79	-61	-21	—	-77	-69	-599	-135	-77	-77	Capital Spending (Mil)
62	34	6	626	171	28	-63	-456	141	88	88	Free Cash Flow (Mil)
170	177	177	177	177	177	177	192	189	189	189	Avg Shares Outstand(Mil)
0.28	0.17	0.15	—	0.20	0.19	0.19	0.18	0.19	0.20	0.20	Dividend Per Share

Valuation as of 26 Feb 2021

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Current	Calendar
—	0.97	1.05	1.13	0.93	0.98	0.90	0.98	1.08	1.01	0.91	Price/Fair Value ^Q
1.11	1.76	2.94	2.85	4.48	3.43	2.15	3.33	3.02	2.29	2.59	Price/Sales
10.41	16.56	296.00	—	6.75	15.70	—	—	31.50	31.13	26.31	Price/Earnings
5.86	11.15	51.77	43.26	4.29	16.85	—	13.69	13.42	8.99	12.67	Price/Cash Flow
1.03	1.38	2.17	2.53	2.30	1.67	1.08	1.93	1.99	1.47	1.51	Price/Book

Operating Performance as of 26 Feb 2021 (Fiscal Year End 31 Dec 2019)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3	Fiscal (%)
5.62	5.42	-2.16	20.79	5.2	2.82	-12.17	3.4	4.39	3.14	0.75	Return on Assets
10.06	8.58	-3.72	40.26	9.41	5.06	-22.91	6.68	8.57	5.75	1.31	Return on Equity
7.45	7.39	-3.19	31.19	7.41	4.05	-18.74	4.95	6.69	4.64	0.89	Rtn on Invested Capital

Business Description

Almirall SA is a Spain-based company engaged in development, manufacture, and selling pharmaceutical products across a range of therapeutic areas. It aims to provide treatments in areas of dermatology, respiratory, gastrointestinal, central nervous systems, and other specialties. The com-

pany operates in five segments: Sales of its own network, sales of licensees, Research and developments, Sales of Therapeutic dermatological products in the U.S., and Corporate management. The medical dermatology business in the Europe is the key driver of the company's operation. Other than Europe, the company also operates in the

Americas, Asia, Africa, and Oceania through subsidiaries.

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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, Quantitative Uncertainty Rating, and momentum. 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*

*Micro-Caps: Log (Quant FVE/Price) < -1.5*Quantitative Uncertainty*

Two-Star - the stock is somewhat overvalued.

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

*Micro-Caps: Log (Quant FVE/Price) between (-1.5*Quantitative Uncertainty, -0.75*Quantitative Uncertainty)*

Three-Star – the stock is approximately fairly valued.

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

*Micro-Caps: Log (Quant FVE/Price) between (-0.75*Quantitative Uncertainty, 0.75*Quantitative Uncertainty)*

Four-Star – the stock is somewhat undervalued.

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

Uncertainty)

*Micro-Caps: Log (Quant FVE/Price) between (0.75*Quantitative Uncertainty, 1.5*Quantitative Uncertainty)*

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

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

*Micro-Caps: Log (Quant FVE/Price) > 1.5*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.

iv. **Quantitative Uncertainty:** Intended to represent Morningstar's level of uncertainty about the accuracy of the Quantitative Fair Value Estimate. Generally, the lower the Quantitative Uncertainty, the narrower the potential range of outcomes for that particular company. The rating is expressed as Low, Medium, High, Very High, and Extreme.

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.

Undervalued – Last Price is below Morningstar's quantitative fair value estimate.

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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