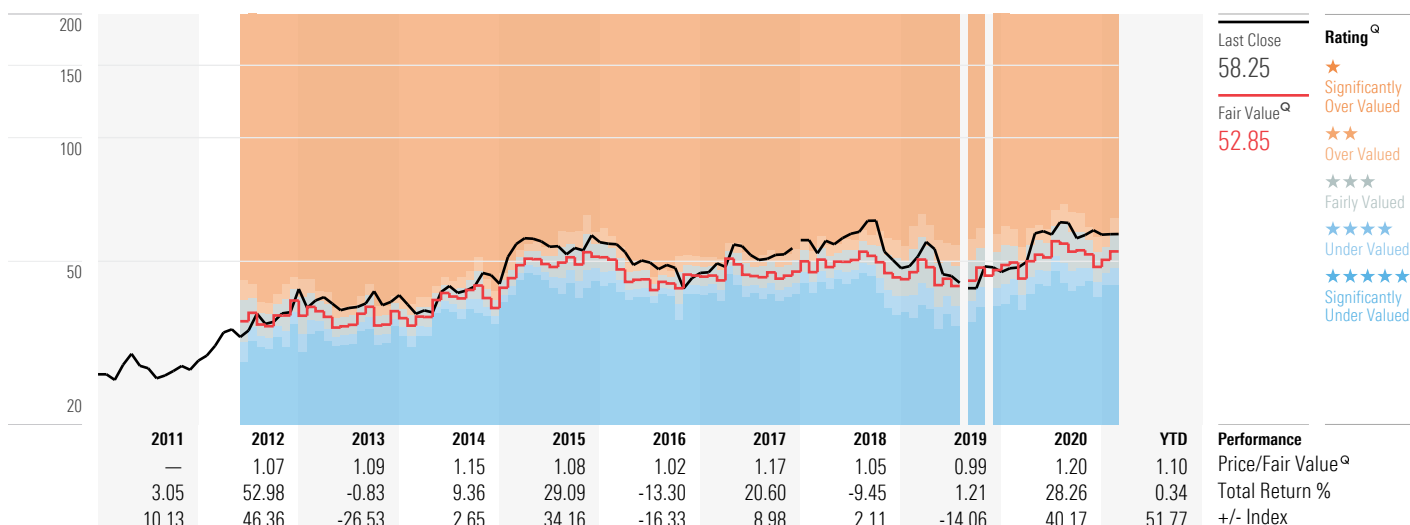


# Viscofan SA VIS ★★★

Q 26 Feb 2021, 23:37 UTC

Economic Moat <sup>Q</sup>	Uncertainty <sup>Q</sup>	Price/Fair Value <sup>Q</sup>	Trailing Dividend Yield %	Market Cap	Investment Style	Sector	Industry
Narrow	High	1.1	4.05	2.7005 Bil	Mid Core	Consumer Cyclical	Packaging & Containers



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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### Valuation

as of 26 Feb 2021



VIS is Over Valued at a 10% premium.

### Economic Moat<sup>Q</sup>

Narrow

### Financial Health<sup>Q</sup>

Strong

### 1-Star Price<sup>Q</sup>

> 63.90

### 5-Star Price<sup>Q</sup>

< 43.71

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

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	Fiscal
667	753	660	687	741	731	778	786	850	—	672	Revenue (Mil)
128	140	126	137	161	152	154	141	123	—	115	Operating Income (Mil)
19.22	18.65	19.03	19.93	21.72	20.74	19.81	17.96	14.48	—	17.12	Operating Margin (%)
101	105	102	106	120	125	122	124	106	—	88	Net Income (Mil)
2.17	2.25	4.67	2.28	2.58	2.68	2.62	2.66	2.27	—	1.90	Diluted Earnings/Share
112	104	124	118	138	141	157	125	178	—	69	Operating Cash Flow (Mil)
-66	-69	-93	-60	-57	-81	-112	-72	-63	—	-20	Capital Spending (Mil)
46	35	31	58	81	60	46	53	115	—	49	Free Cash Flow (Mil)
47	47	47	47	47	47	47	47	46	—	46	Avg Shares Outstand(Mil)
0.56	1.03	1.10	1.15	1.24	1.39	1.49	1.69	1.60	2.36	2.80	Dividend Per Share

## Valuation as of 26 Feb 2021

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Current	Calendar
—	1.07	1.09	1.15	1.08	1.02	1.17	1.05	0.99	1.20	1.10	Price/Fair Value <sup>Q</sup>
2.04	2.65	2.51	2.65	3.52	3.02	3.31	2.89	2.63	3.00	3.01	Price/Sales
14.07	18.99	18.44	20.23	22.61	18.02	19.84	18.91	20.34	22.29	22.36	Price/Earnings
11.88	19.14	17.03	18.05	20.40	14.41	15.35	18.04	15.65	15.49	15.54	Price/Cash Flow
3.02	4.00	3.64	3.56	4.21	3.18	3.48	2.97	2.78	3.58	3.59	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 (%)
14.6	14.25	12.95	12.77	14.05	14.19	12.91	12.42	9.97	—	2.84	Return on Assets
23.66	22.17	19.9	19.4	19.86	18.66	17.01	16.68	13.69	—	4.1	Return on Equity
19.33	18.47	16.59	16.78	18.04	17.51	15.79	15.01	12.04	—	3.58	Rtn on Invested Capital

## Business Description

Viscofan SA is a Spanish producer and distributor of artificial casings for the meat industry. The company offers both natural and synthetic materials for the customised casing and animal gut meat processing industry. Its business segments are cellulose, collagen, plastic, nonpack films, fibrous, and

machinery. The breakdown by geographical area is: North America, with approximately one third of sales, Europe and Asia, with more than half of sales; and Latin America.

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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, 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.

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**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.

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

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