

Bodegas Riojanas SA RIO ★★★^Q 18 Sep 2020 02:00 UTC

Last Close
18 Sep 2020
2.76

Fair Value^Q
18 Sep 2020 02:00 UTC
3.55

Market Cap
18 Sep 2020
13.3 Mil

Sector
Consumer Defensive

Industry
Beverages - Wineries & Distilleries

Country of Domicile
ESP Spain

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Company Profile

Bodegas Riojanas SA is a Spain-based company which engages in winemaking. It engaged in the production and distribution of wine. It also sells its products online. The major brands are Vina Albina, Monte Real, and Puerta Vieja.

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	33	32	21
Valuation	Undervalued	62	74	81
Quantitative Uncertainty	Very High	57	55	62
Financial Health	Moderate	67	33	25

RIO



Undervalued Fairly Valued Overvalued

Source: Morningstar Equity Research

Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.78	0.92	0.84	0.87
Price/Earnings	138.0	26.6	19.6	15.0
Forward P/E	—	—	16.9	12.5
Price/Cash Flow	—	9.3	12.6	8.8
Price/Free Cash Flow	—	15.1	21.4	15.2
Trailing Dividend Yield %	—	—	2.28	3.93
Price/Book	0.7	1.7	2.0	1.9
Price/Sales	0.7	1.2	1.1	1.4

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	0.4	1.0	12.1	12.9
Return on Assets %	0.2	0.4	5.8	3.3
Revenue/Employee (K)	200.4	218.9	646.1	240.3

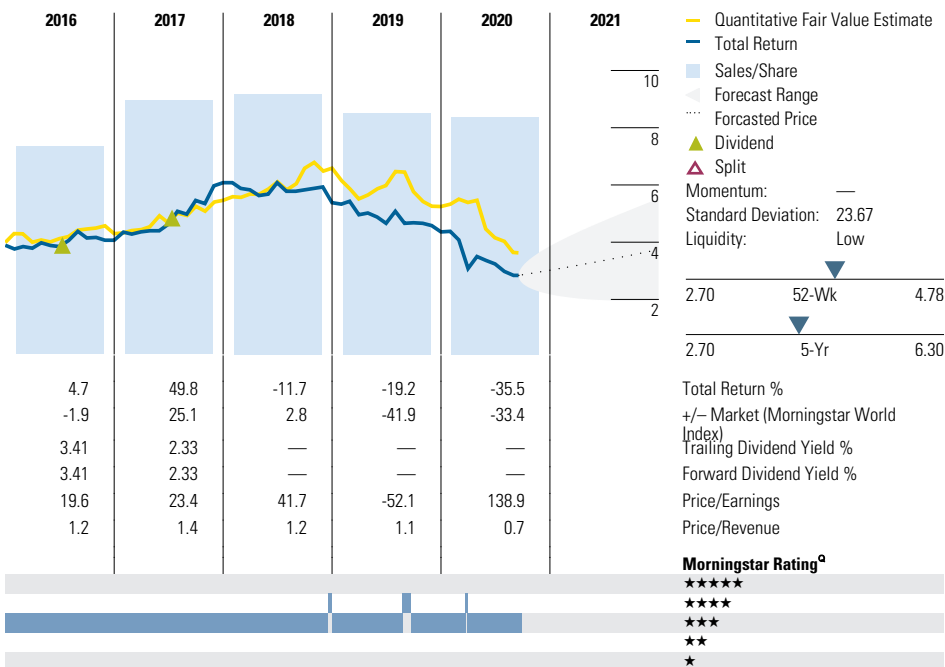
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.5	0.5	0.6	0.7
Solvency Score	652.5	—	467.9	556.5
Assets/Equity	2.5	2.5	1.8	2.7
Long-Term Debt/Equity	0.4	0.6	0.2	0.4

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	5.6	3.0	3.6	4.1
Operating Income %	—	29.0	-18.0	-7.2
Earnings %	—	—	-16.3	-5.3
Dividends %	—	—	—	—
Book Value %	0.0	-2.3	-2.8	-1.0
Stock Total Return %	-40.5	-18.6	-5.4	-7.0

Price vs. Quantitative Fair Value

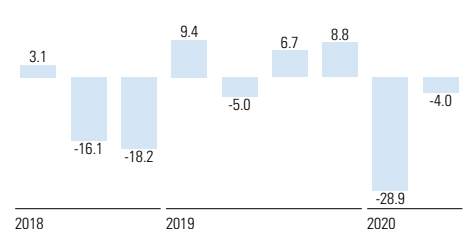


	2015	2016	2017	2018	2019	TTM	Financials (Fiscal Year in K)
Revenue	17,537	18,557	21,836	19,212	20,283	19,235	Revenue
% Change	2.9	5.8	17.7	-12.0	5.6	-5.2	% Change
Operating Income	1,854	1,849	1,360	-664	757	414	Operating Income
% Change	-9.2	-0.3	-26.4	-148.8	—	-45.3	% Change
Net Income	988	1,034	630	-635	332	74	Net Income
Operating Cash Flow	2,341	1,733	3,737	3,650	862	-2,923	Operating Cash Flow
Capital Spending	-3,704	-2,735	-1,083	-1,247	-552	-357	Capital Spending
Free Cash Flow	-1,363	-1,002	2,654	2,403	310	-3,280	Free Cash Flow
% Sales	-7.8	-5.4	12.2	12.5	1.5	-17.1	% Sales
EPS	0.19	0.20	0.14	-0.13	0.07	0.02	EPS
% Change	11.8	5.3	-30.0	-192.9	—	-71.4	% Change
Free Cash Flow/Share	-0.17	-1.38	0.22	0.56	0.60	-0.68	Free Cash Flow/Share
Dividends/Share	0.12	0.14	0.14	0.00	0.00	0.00	Dividends/Share
Book Value/Share	4.62	5.22	4.88	4.29	4.19	4.19	Book Value/Share
Shares Outstanding (K)	5,385	4,819	4,819	4,819	4,819	4,819	Shares Outstanding (K)
Return on Equity %	3.9	4.2	2.8	-3.1	1.7	0.4	Profitability
Return on Assets %	1.8	1.8	1.1	-1.2	0.7	0.2	Return on Assets %
Net Margin %	5.6	5.6	2.9	-3.3	1.6	0.4	Net Margin %
Asset Turnover	0.32	0.32	0.39	0.36	0.40	0.38	Asset Turnover
Financial Leverage	2.2	2.5	2.5	2.6	2.5	2.6	Financial Leverage
Gross Margin %	62.8	63.5	52.6	51.8	51.7	49.8	Gross Margin %
Operating Margin %	10.6	10.0	6.2	-3.5	3.7	2.2	Operating Margin %
Long-Term Debt	12,452	15,574	13,575	11,344	8,243	16,457	Long-Term Debt
Total Equity	25,435	23,648	21,117	19,736	19,731	19,947	Total Equity
Fixed Asset Turns	1.4	1.2	1.4	1.2	1.3	1.3	Fixed Asset Turns

Quarterly Revenue & EPS

Revenue (K)	Mar	Jun	Sep	Dec	Total
2020	2,203.0	3,621.0	—	—	—
2019	3,099.0	3,773.0	4,346.0	9,065.0	20,283.0
2018	2,832.0	3,973.0	4,072.0	8,335.0	19,212.0
2017	2,948.0	3,852.0	4,852.0	10,184.0	21,836.0
Earnings Per Share (€)					
2020	0.01	0.03	—	—	—
2019	0.04	0.06	0.04	-0.06	0.07
2018	0.01	0.05	0.03	-0.22	-0.13
2017	0.05	0.07	0.07	-0.05	0.14

Revenue Growth Year On Year %



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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, 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.

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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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