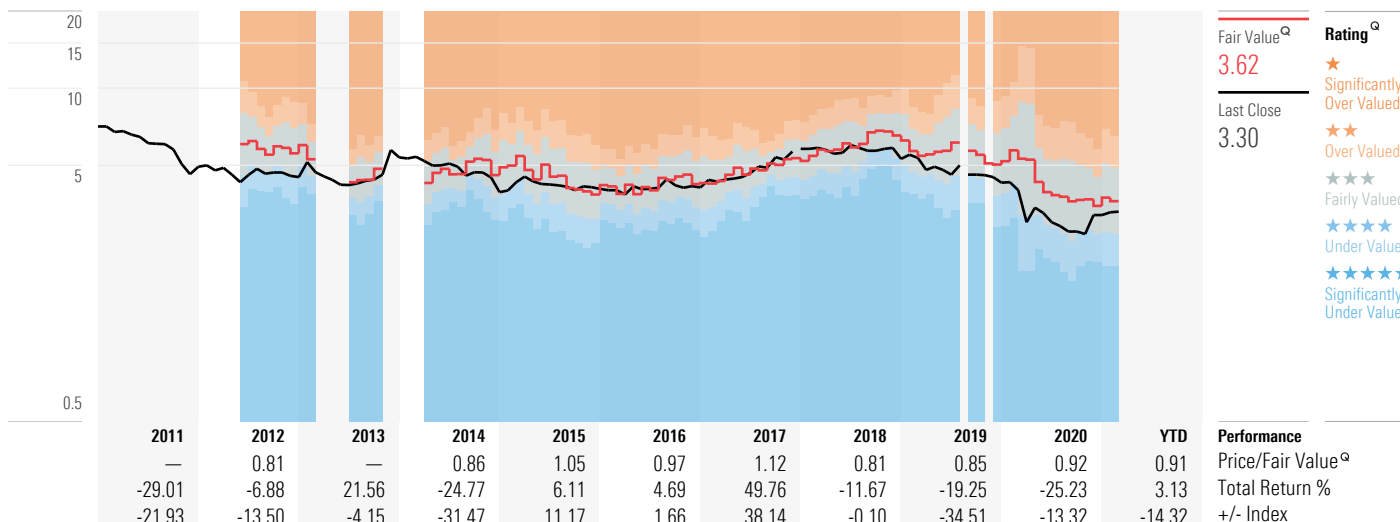


Bodegas Riojanas SA RIO ★★★ Q 26 Feb 2021, 23:37 UTC

Economic Moat ^Q	Uncertainty ^Q	Price/Fair Value ^Q	Trailing Dividend Yield %	Market Cap	Investment Style	Sector	Industry
None	Very High	0.9	2.43	15.9026 Mil	Small Core	Consumer Defensive	Beverages - Wineries & Distilleries



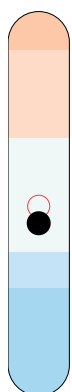
Total Return % as of 28 Feb 2021. Last Close as of 26 Feb 2021. Fair Value as of 26 Feb 2021, 23:37 UTC. Index: Morningstar Spain GR EUR.

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Contact

Valuation

as of 26 Feb 2021



RIO is Under Valued at a 9% discount.

Economic Moat

None

Financial Health

Moderate

1-Star Price

> 6.51

5-Star Price

< 2.02

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	Fiscal
Revenue (Mil)	16	17	17	17	18	19	22	19	20	—	10	Revenue (Mil)
Operating Income (K)	1,940	2,035	2,026	2,041	1,854	353	1,360	-669	757	—	1,096	Operating Income (K)
Operating Margin (%)	12.05	12.16	11.96	11.98	10.57	1.9	6.23	-3.48	3.73	—	11.05	Operating Margin (%)
Net Income (K)	730	744	831	892	988	-114	631	-635	332	—	618	Net Income (K)
Diluted Earnings/Share	0.14	0.14	0.15	0.17	0.19	-0.02	0.13	-0.13	0.07	—	0.13	Diluted Earnings/Share
Operating Cash Flow (K)	2,224	1,794	2,361	2,090	1,017	1,733	3,737	3,650	862	—	-3,723	Operating Cash Flow (K)
Capital Spending (K)	-621	-731	-683	-1,340	-1,360	-2,735	-1,083	-1,247	-552	—	-219	Capital Spending (K)
Free Cash Flow (K)	1,603	1,063	1,678	750	-343	-1,002	2,654	2,403	310	—	-3,942	Free Cash Flow (K)
Avg Shares Outstand(Mil)	5	5	5	5	5	5	5	5	5	—	5	Avg Shares Outstand(Mil)
Dividend Per Share	0.10	0.10	0.10	0.11	0.12	0.14	0.14	—	—	—	—	Dividend Per Share

Valuation as of 26 Feb 2021

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Current	Calendar
Price/Fair Value	—	0.81	—	0.86	1.05	0.97	1.12	0.81	0.85	0.92	0.91	Price/Fair Value
Price/Sales	1.79	1.45	1.68	1.25	1.19	1.17	1.41	1.21	1.05	0.81	0.84	Price/Sales
Price/Earnings	41.45	32.14	34.37	32.80	19.15	19.55	23.44	41.62	—	48.75	50.27	Price/Earnings
Price/Cash Flow	—	13.53	14.09	4.71	12.08	—	9.76	7.82	4.83	—	16.21	Price/Cash Flow
Price/Book	1.10	0.99	1.19	0.85	0.88	0.79	1.23	1.23	1.02	0.77	0.80	Price/Book

Operating Performance as of — (Fiscal Year End 31 Dec 2019)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3	Fiscal (%)
Return on Assets	1.37	1.41	1.58	1.68	1.79	1.8	1.13	-1.2	0.65	—	0.28	Return on Assets
Return on Equity	2.96	3.01	3.34	3.57	3.91	4.21	2.81	-3.11	1.68	—	0.72	Return on Equity
Rtn on Invested Capital	3.27	3.33	3.55	3.71	3.41	3.01	2.21	-0.81	1.6	—	0.32	Rtn on Invested Capital

Business Description

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.

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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.

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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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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