

Iberpapel Gestion SA IBG ★★★^Q 18 Sep 2020 02:00 UTC

Last Close
18 Sep 2020
17.65

Fair Value^Q
18 Sep 2020 02:00 UTC
20.44

Market Cap
18 Sep 2020
192.7 Mil

Sector
Basic Materials

Industry
Paper & Paper Products

Country of Domicile
ESP Spain

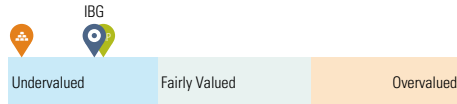
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Company Profile

Iberpapel Gestion SA manufactures printing and writing a paper in Spain. The company operates in Forestry Division, Industrial Division, and Commercial Division. The Forestry Division produces cellulose pulp from Eucalyptus trees. The Industrial Division processes the raw materials into finished goods at its Papelera Guipuzcoana de Zicunaga plant which consists of a cellulose plant and a paper mill, and energy section. The Commercial Division markets the products produced at its manufacturing plant. It earns revenue from the

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	42	43	28
Valuation	Undervalued	35	36	62
Quantitative Uncertainty	Very High	78	81	76
Financial Health	Strong	100	99	96



Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.86	1.00	0.78	0.87
Price/Earnings	12.8	14.3	13.3	15.0
Forward P/E	—	—	10.4	12.5
Price/Cash Flow	10.1	11.4	8.0	8.8
Price/Free Cash Flow	—	21.0	14.7	15.2
Trailing Dividend Yield %	3.12	2.48	2.43	3.93
Price/Book	0.7	1.2	1.4	1.9
Price/Sales	1.0	1.2	1.0	1.4

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	5.6	9.0	11.5	12.9
Return on Assets %	3.7	6.7	5.7	3.3
Revenue/Employee (K)	634.5	727.4	857.4	240.3

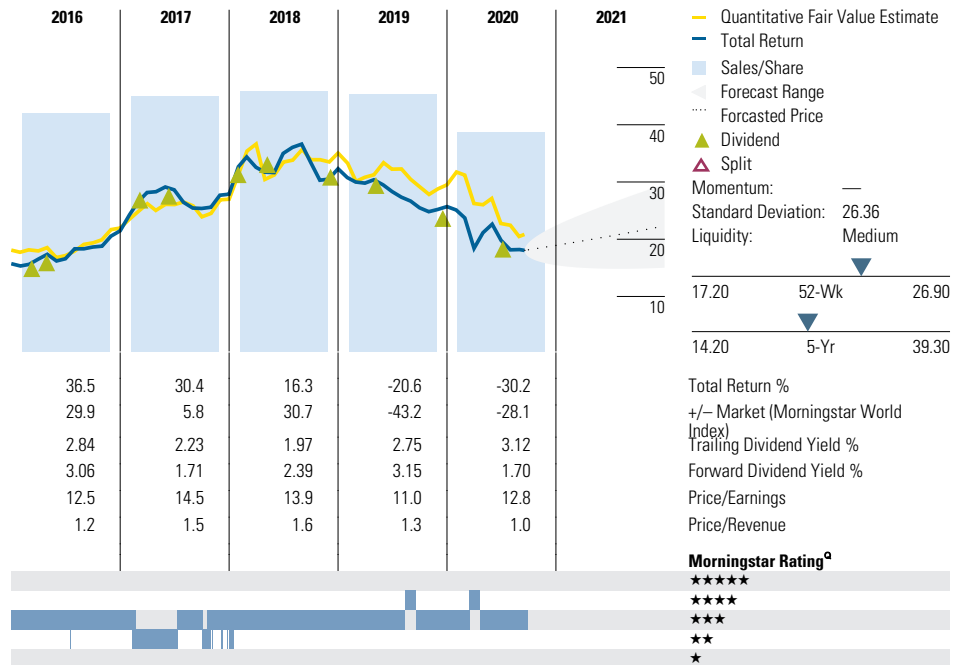
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.9	0.8	0.6	0.7
Solvency Score	384.9	—	474.7	556.5
Assets/Equity	1.4	1.4	1.4	2.7
Long-Term Debt/Equity	0.2	0.2	0.2	0.4

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	-3.4	1.9	1.3	1.7
Operating Income %	-8.2	1.3	19.6	10.3
Earnings %	-13.8	2.9	20.1	12.9
Dividends %	-26.3	2.5	28.5	15.9
Book Value %	4.4	5.3	4.6	5.1
Stock Total Return %	-32.3	-9.9	7.0	6.5

Price vs. Quantitative Fair Value



	2015	2016	2017	2018	2019	TTM	Financials (Fiscal Year in K)
Revenue	218,237	201,893	217,053	221,071	213,471	184,013	Revenue
% Change	9.0	-7.5	7.5	1.9	-3.4	-13.8	% Change
Operating Income	20,249	23,760	23,524	26,887	24,680	16,189	Operating Income
% Change	101.0	17.3	-1.0	14.3	-8.2	-34.4	% Change
Net Income	16,111	20,105	22,906	25,207	21,679	14,833	Net Income
Operating Cash Flow	33,437	27,443	35,968	38,423	25,565	18,935	Operating Cash Flow
Capital Spending	-14,340	-9,473	-4,255	-14,117	-31,468	-44,597	Capital Spending
Free Cash Flow	19,097	17,970	31,713	24,306	-5,903	-25,662	Free Cash Flow
% Sales	8.8	8.9	14.6	11.0	-2.8	-13.9	% Sales
EPS	1.51	1.89	2.17	2.39	2.06	1.38	EPS
% Change	83.4	25.3	14.5	10.1	-13.8	-33.0	% Change
Free Cash Flow/Share	0.32	1.76	1.66	2.91	1.45	-2.38	Free Cash Flow/Share
Dividends/Share	0.45	0.65	0.65	0.95	0.70	0.55	Dividends/Share
Book Value/Share	19.66	20.20	21.24	22.16	24.35	24.43	Book Value/Share
Shares Outstanding (K)	10,666	10,855	10,810	10,909	10,921	10,917	Shares Outstanding (K)

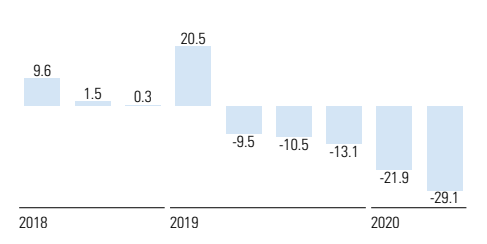
	2015	2016	2017	2018	2019	TTM	Profitability
Return on Equity %	7.6	9.1	9.9	10.2	8.3	5.6	Return on Equity %
Return on Assets %	6.1	7.4	7.3	6.9	5.7	3.7	Return on Assets %
Net Margin %	7.4	10.0	10.6	11.4	10.2	8.1	Net Margin %
Asset Turnover	0.83	0.75	0.69	0.60	0.56	0.46	Asset Turnover
Financial Leverage	1.2	1.2	1.5	1.5	1.4	1.5	Financial Leverage
Gross Margin %	58.8	59.5	59.7	61.9	60.9	62.1	Gross Margin %
Operating Margin %	9.3	11.8	10.8	12.2	11.6	8.8	Operating Margin %
Long-Term Debt	2,400	2,437	71,255	68,235	48,425	90,289	Long-Term Debt
Total Equity	213,899	227,449	236,771	255,358	266,828	266,715	Total Equity
Fixed Asset Turns	1.6	1.5	1.7	1.7	1.5	1.3	Fixed Asset Turns

Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2020	49.9	37.6	—	—	—
2019	63.9	53.1	49.2	47.3	213.5
2018	53.0	58.6	55.0	54.4	221.1
2017	55.1	53.5	54.2	54.3	217.1

Earnings Per Share (€)	Mar	Jun	Sep	Dec	Total
2020	0.30	0.25	—	—	—
2019	0.50	0.68	0.38	0.42	2.06
2018	0.40	0.75	0.47	0.70	2.39
2017	0.34	0.62	0.44	0.71	2.17

Revenue Growth Year On Year %



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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, 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*

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

Other Definitions

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.

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