

# Telepizza Group SA TPZ ★★★<sup>Q</sup> 26 Jul 2019 02:00 UTC

**Last Close**  
25 Jul 2019  
4.70

**Fair Value<sup>Q</sup>**  
26 Jul 2019 02:00 UTC  
4.81

**Market Cap**  
25 Jul 2019  
473.4 Mil

**Sector**  
Consumer Cyclical

**Industry**  
Restaurants

**Country of Domicile**  
ESP Spain

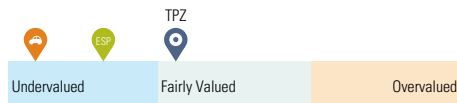
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## Company Profile

Telepizza Group SA is a Spanish company which operates pizza restaurants. The company provides service of home delivery of quality food. It focuses on developing pizzerias under the brand name telepizza, Pizza World and Jenò's Pizza. The company's food items include pizzas, pasta meals, onion rings, chips, kebabs, salads, sandwiches, hamburgers, and desserts. It has also developed Click & Pizza online service for serving customers. The company manages its business in four geographical segment namely Spain, Rest of Europe, Latin

## Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	1	1	2
Valuation	Fairly Valued	20	15	34
Quantitative Uncertainty	Very High	73	73	66
Financial Health	Moderate	56	40	27



Source: Morningstar Equity Research

## Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.98	0.94	0.80	0.87
Price/Earnings	—	—	16.2	15.0
Forward P/E	—	—	12.3	12.5
Price/Cash Flow	16.9	—	10.2	8.8
Price/Free Cash Flow	75.9	—	17.7	15.2
Trailing Dividend Yield %	27.66	—	2.46	3.93
Price/Book	0.8	—	1.6	1.9
Price/Sales	1.4	—	0.9	1.4

## Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	—	11.7	12.2	12.9
Return on Assets %	—	2.7	5.4	3.3
Revenue/Employee (K)	39.5	58.3	566.3	240.3

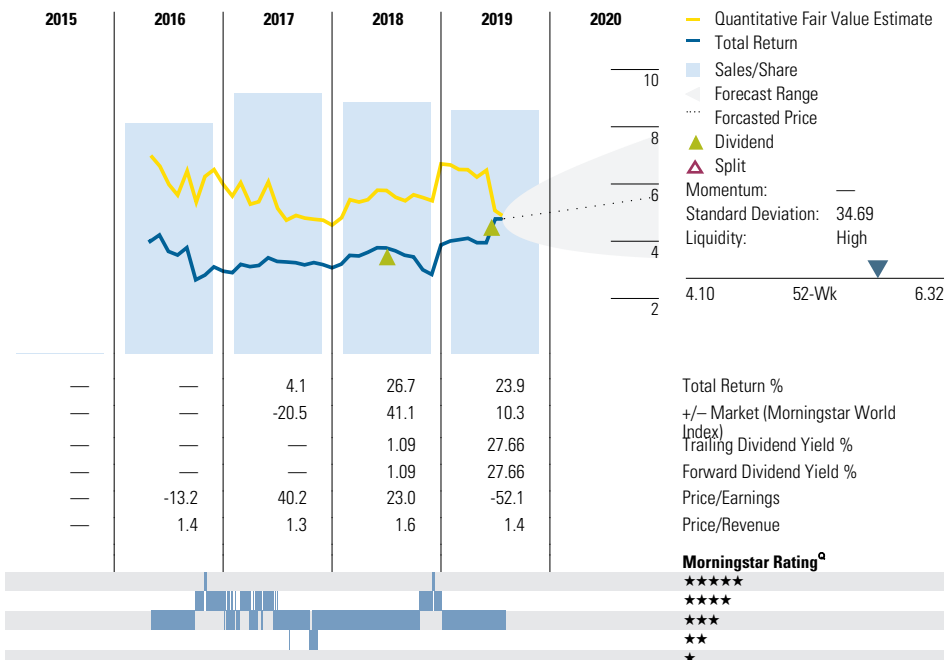
## Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.5	0.6	0.6	0.7
Solvency Score	—	—	486.0	556.5
Assets/Equity	1.7	1.9	1.8	2.7
Long-Term Debt/Equity	0.3	0.6	0.2	0.4

## Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	-1.1	0.2	1.8	—
Operating Income %	-72.9	-32.4	-20.7	—
Earnings %	—	—	—	—
Dividends %	—	—	—	—
Book Value %	-3.7	7.3	—	—
Stock Total Return %	31.3	9.8	—	—

## Price vs. Quantitative Fair Value



	2014	2015	2016	2017	2018	TTM	Financials (Fiscal Year in K)
Revenue	290,197	328,899	339,587	361,003	331,154	339,854	Revenue
% Change	-11.0	13.3	3.2	6.3	-8.3	2.6	% Change
Operating Income	25,479	41,119	19,789	47,490	12,700	9,200	Operating Income
% Change	-38.1	61.4	-51.9	140.0	-73.3	-27.6	% Change
Net Income	90,737	-1,149	10,691	31,843	-10,285	-13,085	Net Income
Operating Cash Flow	33,875	54,575	48,754	62,608	27,226	27,226	Operating Cash Flow
Capital Spending	-11,571	-21,158	-21,185	-24,105	-21,159	-21,159	Capital Spending
Free Cash Flow	22,304	33,417	27,569	38,503	6,067	6,067	Free Cash Flow
% Sales	7.7	10.2	8.1	10.7	1.8	1.8	% Sales
EPS	1.26	-0.02	0.12	0.32	-0.10	-0.13	EPS
% Change	—	-101.3	—	171.0	-132.7	—	% Change
Free Cash Flow/Share	—	—	0.19	0.30	0.44	0.06	Free Cash Flow/Share
Dividends/Share	—	—	—	—	0.06	0.06	Dividends/Share
Book Value/Share	—	—	5.67	6.03	6.40	5.91	Book Value/Share
Shares Outstanding (K)	72,000	72,000	100,721	100,721	97,983	100,721	Shares Outstanding (K)
Return on Equity %	53.1	-0.3	2.2	5.1	-1.7	—	Profitability Return on Equity %
Return on Assets %	10.5	-0.1	1.2	3.3	-1.0	—	Return on Assets %
Net Margin %	31.3	-0.4	3.2	8.8	-3.1	-3.9	Net Margin %
Asset Turnover	0.34	0.37	0.37	0.37	0.34	—	Asset Turnover
Financial Leverage	2.4	2.5	1.6	1.5	1.7	1.7	Financial Leverage
Gross Margin %	45.5	49.7	44.2	50.7	43.9	44.1	Gross Margin %
Operating Margin %	8.8	12.5	5.8	13.2	3.8	2.7	Operating Margin %
Long-Term Debt	369,825	381,489	195,611	196,687	197,743	197,218	Long-Term Debt
Total Equity	359,920	354,342	607,059	635,237	594,849	627,541	Total Equity
Fixed Asset Turns	8.4	9.4	7.9	7.5	6.5	—	Fixed Asset Turns

## Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2019	94.0	—	—	—	—
2018	85.3	80.4	—	—	331.2
2017	—	166.0	—	195.0	361.0
2016	—	165.6	—	174.0	339.6
Earnings Per Share (€)					
2019	0.06	—	—	—	—
2018	0.08	0.01	—	—	-0.10
2017	—	0.15	—	0.17	0.32
2016	—	-0.36	—	0.30	0.12

## Revenue Growth Year On Year %



# Quantitative Equity Reports Overview

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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.

**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.

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