

Gestamp Automocion **GEST** ★★★ Q 25 Apr 2024, 22:43 UTC

| Economic Moat ^Q | Uncertainty ^Q | Price/Fair Value ^Q | ESG Risk Rating Assessment ¹ | Trailing Dividend Yield % | Market Cap | Investment Style | Sector | Industry |
|----------------------------|--------------------------|-------------------------------|---|---------------------------|------------|------------------|-------------------|------------|
| None | Very High | 0.6 | 3 Apr 2024 05:00, UTC | 5.23 | 1.6068 Bil | Small Value | Consumer Cyclical | Auto Parts |

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | YTD |
|-------------------------------|------|------|------|------|--------|--------|-------|-------|--------|--------|--------|
| Price/Fair Value ^Q | — | — | — | 0.98 | 0.70 | 0.73 | 0.87 | 0.78 | 0.72 | 0.68 | 0.56 |
| Total Return % | — | — | — | — | -14.46 | -11.05 | -6.65 | 12.77 | -16.97 | 0.82 | -19.18 |
| +/- Index | — | — | — | — | -2.89 | -26.31 | 5.26 | 2.06 | -15.75 | -26.09 | -29.49 |

| Metric | Value |
|-------------------------|-------|
| Fair Value ^Q | 4.93 |
| Last Close | 2.77 |

| Valuation | Category |
|---------------|------------|
| Overvalued | Orange |
| Fairly Valued | Light Blue |
| Undervalued | Dark Blue |

As of 25 Apr 2024 | Index: Morningstar Spain GR EUR. Fair Value data as of 25 Apr 2024, 22:43 UTC.

¹The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating. Lee Davidson, Chief Analytics Officer for Morningstar, Inc, oversees the methodology that supports Quantitative Fair Value Estimates and Quantitative Star Ratings. Mr. Davidson is guided by the Morningstar, Inc. Code of Ethics in carrying out his responsibilities. For information regarding Conflicts of Interests, visit <http://global.morningstar.com/equitydisclosures>.

Key Metrics as of 18 Apr 2024

| Metrics | Value | Percentile in Sector |
|------------------------|-------|----------------------|
| Earnings Yield (%) | 17.7 | 94.0 |
| Sales Yield (%) | 769.7 | 93.0 |
| Book Value Yield (%) | 138.7 | 80.0 |
| Return on Assets (%)* | 2.8 | 49.0 |
| Revenue(Bil)* | 13.1 | 90.0 |
| Market Value (Bil) | 1.7 | 70.0 |
| Enterprise Value (Bil) | 3.9 | 76.0 |
| EV/MV Ratio | 2.3 | 85.0 |
| Volatility TTM (%) | 19.1 | 16.0 |
| Drawdown TTM (%) | 37.9 | 68.0 |
| Volume (K) | 369.8 | 55.0 |

*31 Dec 2023

Business Description

Gestamp Automocion is a Spanish automobile components manufacturer. The activities of the group are focused on the designing, development, and manufacturing of metal components for the automotive industry via stamping, tooling, assembly, welding, tailor welded blanks, die-cutting, and machinery. It generates the majority of its revenue from Parts, prototypes, and components; followed by Tooling; and Byproducts & containers. The company operates in the following geographical segments: Western Europe, Eastern Europe, Mercosur, North America, and Asia. It generates the highest revenue from the Western Europe segment.

Valuation ^Q as of 25 Apr 2024

Morningstar maintains a 3-star quantitative star rating for Gestamp, derived from the firm's valuation and uncertainty scores.

The company's shares last closed at 2.81, below our quantitative fair value estimate of 4.89. These shares have traded between a 45.13% and 10.43% discount to their fair value estimate over the past year. In Morningstar's equity coverage universe for this methodology, the company's valuation rating lands at the 25th percentile; in the consumer cyclical sector, the firm's score lies at the 24th percentile (higher percentile indicates more undervalued).

Furthermore, Gestamp maintains a quantitative valuation uncertainty rating of Very High.

The company has held this star rating since the previous rating of 4, which was last assigned on 03/29/2024. The uncertainty rating for Gestamp has remained Very High since the previous rating of High, which was last assigned on 10/03/2023.

The key factors behind these ratings are the company's earnings yield and drawdown. The earnings yield is 17.44%, and its maximum trailing 12-month

maximum drawdown is 37.93%. The earnings yield falls at the 94th percentile in the consumer cyclical sector while the drawdown is at the 68th percentile. Over the past year, the company's earnings yield has been between 11.00% and 17.85%; its drawdown has ranged between 13.51% and 37.93%.

Economic Moat ^Q as of 25 Apr 2024

With a Morningstar quantitative moat rating of None, the quantitative moat score for Gestamp falls at the 53rd percentile in the consumer cyclical sector and at the 49th in the equity coverage universe. The company has maintained its None quantitative moat rating for the last year.

We also assign a Moderate quantitative financial health rating to Gestamp. The company's raw score on this metric, termed Distance to Default, ranks at the 43rd percentile overall and 48th in the consumer cyclical sector. Furthermore, this financial health rating has stayed Moderate over the last year.


Supporting these ratings are the company's book value yield and enterprise value-to-market value ratio. The book value yield of 136.98%, ranks at the 82nd percentile in the covered equity universe and at the 80th percentile among its peers. Meanwhile, its enterprise value-to-market value ratio of 2.32, falls at the 90th percentile in the universe and the 85th percentile in the consumer cyclical sector.

Fundamentals as of 25 Apr 2024

Gestamp reports earnings per share of 0.49. Its return on invested capital is 7.72%. The company maintains a dividend yield of 4.85%, paying out 27.67% of earnings. These values are calculated over a trailing 12-month period.

As of last market close, Gestamp has a price-to-

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| | | | | | | | | |
|-----------------------------------|---------------------------------|--------------------------------------|--|----------------------------------|-------------------|-------------------------|-------------------|-----------------|
| Economic Moat ^Q | Uncertainty ^Q | Price/Fair Value ^Q | ESG Risk Rating Assessment ¹ | Trailing Dividend Yield % | Market Cap | Investment Style | Sector | Industry |
| None | Very High | 0.6 |  3 Apr 2024 05:00, UTC | 5.23 | 1.6068 Bil | Small Value | Consumer Cyclical | Auto Parts |

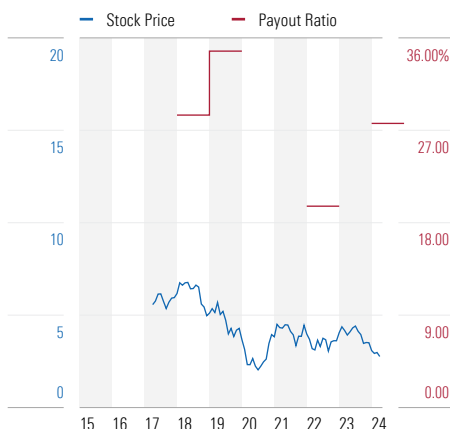
Earnings as of 18 Apr 2024

| Earnings | % | Percentile in Sector |
|--------------------|------|----------------------|
| Dividend Yield* | 4.9 | 80.0 |
| Payout Ratio* | 27.7 | 37.0 |
| Price to Earnings | 5.7 | 9.0 |
| Price to Cash Flow | 7.6 | 29.0 |
| ROIC** | 7.7 | 63.0 |

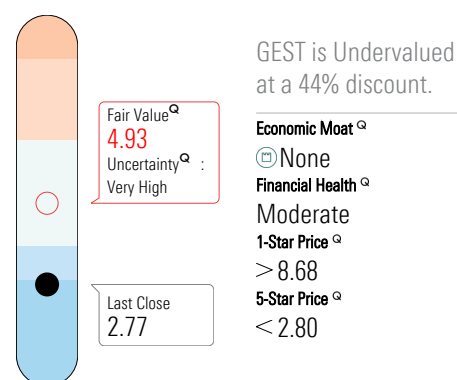
*28 Mar 2024

**31 Dec 2023

Dividends as of 25 Apr 2024



Valuation ^Q as of 25 Apr 2024



earnings ratio of 5.73, falling at the 9th percentile in its sector (where a lower percentile means a lower ratio) and ranging between 5.6 and 8.9 over the past year. The company's price-to-free cash flow ratio is 7.64, falling at the 29th percentile in its sector and ranging between 6.2 and 9.61 over the past year.

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Financials as of 25 Apr 2024 (Fiscal Year End 31 Dec 2024)

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | YTD | Fiscal |
|------|------|------|------|------|------|-------|------|-------|-------|-------|---------------------------|
| 6.26 | 7.03 | 7.55 | 8.20 | 8.55 | 9.07 | 7.46 | 8.09 | 10.73 | 12.27 | 12.27 | Revenue (Bil) |
| 338 | 398 | 472 | 480 | 520 | 502 | 73 | 411 | 535 | 674 | 674 | Operating Income (Mil) |
| 5.41 | 5.66 | 6.26 | 5.85 | 6.09 | 5.53 | 0.98 | 5.08 | 4.99 | 5.49 | 5.49 | Operating Margin (%) |
| 126 | 161 | 221 | 240 | 258 | 212 | -151 | 155 | 260 | 281 | 281 | Net Income (Mil) |
| 0.22 | 0.28 | 0.38 | 0.42 | 0.45 | 0.37 | -0.26 | 0.27 | 0.45 | 0.49 | 0.49 | Diluted Earnings/Share |
| 565 | 600 | 653 | 684 | 613 | 849 | 880 | 827 | 1,045 | 1,163 | 1,163 | Operating Cash Flow (Mil) |
| -452 | -616 | -672 | -883 | -907 | -832 | -558 | -613 | -783 | -952 | -952 | Capital Spending (Mil) |
| 113 | -16 | -19 | -199 | -295 | 18 | 323 | 214 | 262 | 211 | 211 | Free Cash Flow (Mil) |
| 576 | 576 | 576 | 576 | 575 | 575 | 574 | 575 | 575 | 575 | 575 | Avg Shares Outstand(Mil) |

Valuation as of 25 Apr 2024

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar |
|------|------|------|-------|-------|-------|------|-------|------|------|---------|-------------------------------|
| — | — | — | 0.98 | 0.70 | 0.73 | 0.87 | 0.78 | 0.72 | 0.68 | 0.56 | Price/Fair Value ^Q |
| — | — | — | 0.42 | 0.34 | 0.27 | 0.30 | 0.31 | 0.21 | 0.17 | 0.13 | Price/Sales |
| — | — | — | 13.98 | 11.32 | 11.02 | — | 21.02 | 8.75 | 6.70 | 5.64 | Price/Earnings |
| — | — | — | 4.62 | 4.50 | 3.47 | 2.17 | 2.79 | 2.20 | 1.79 | 1.37 | Price/Cash Flow |
| — | — | — | 2.32 | 1.72 | 1.34 | 1.52 | 1.52 | 0.94 | 0.89 | 0.72 | Price/Book |

Operating Performance as of 25 Apr 2024 (Fiscal Year End 31 Dec 2024)

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Q3 | Fiscal (%) |
|------|-------|-------|-------|------|-------|-------|------|------|-------|------|-------------------------|
| 2.3 | 2.87 | 3.64 | 3.51 | 3.45 | 2.62 | -1.69 | 1.73 | 2.78 | 2.81 | 0.56 | Return on Assets |
| 9.91 | 12.01 | 15.18 | 15.67 | 15.7 | 11.63 | -8.85 | 9.52 | 13.4 | 12.98 | 2.48 | Return on Equity |
| 6.57 | 7.63 | 8.53 | 7.89 | 8.01 | 6.53 | -0.52 | 4.57 | 6.45 | 7.72 | 1.88 | Rtn on Invested Capital |

Dividends as of 25 Apr 2024

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar (%) |
|------|------|------|------|------|------|------|------|------|------|---------|-------------------------|
| — | — | — | — | 0.13 | 0.14 | 0.06 | — | 0.08 | 0.14 | 0.15 | Dividend Per Share |
| — | — | — | — | 2.52 | 3.15 | 1.39 | — | 2.24 | — | 5.23 | Trailing Dividend Yield |
| — | — | — | — | — | — | — | — | — | — | 0.65 | Buyback Yield |

Appendix

Economic Moat [®]History as of 25 Apr 2024 (No Moat: 0.00-0.70, Narrow Moat: 0.70-0.99, Wide Moat: 0.99-1.00)

| Year | January | February | March | April | May | June | July | August | September | October | November | December |
|------|---------|----------|-------|-------|------|------|------|--------|-----------|---------|----------|----------|
| 2024 | 0.48 | 0.61 | 0.46 | 0.35 | — | — | — | — | — | — | — | — |
| 2023 | 0.17 | 0.36 | 0.46 | 0.45 | 0.49 | 0.26 | 0.25 | 0.34 | 0.42 | 0.31 | 0.11 | 0.27 |
| 2022 | 0.45 | 0.35 | 0.18 | 0.06 | 0.17 | 0.19 | 0.14 | 0.15 | 0.22 | 0.26 | 0.20 | 0.21 |
| 2021 | 0.30 | 0.32 | 0.16 | 0.23 | 0.60 | 0.46 | 0.13 | 0.27 | 0.09 | 0.33 | 0.33 | 0.31 |
| 2020 | 0.80 | 0.74 | 0.29 | 0.38 | 0.35 | 0.33 | 0.25 | 0.14 | 0.33 | 0.32 | 0.29 | 0.24 |
| 2019 | 0.85 | 0.65 | 0.71 | 0.76 | 0.88 | 0.91 | 0.86 | 0.77 | 0.78 | 0.84 | 0.83 | 0.75 |

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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, Quantitative Uncertainty Rating, and momentum. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-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*

★★ – 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)*

★★★ – 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)*

★★★★ – 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)*

★★★★★ – 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

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.

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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Based on their quantitative scores, companies are grouped into one of five Risk Categories (negligible, low, medium, high, severe). These risk categories are absolute, meaning that a 'high risk' assessment reflects a comparable degree

of unmanaged ESG risk across all subindustries covered.

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