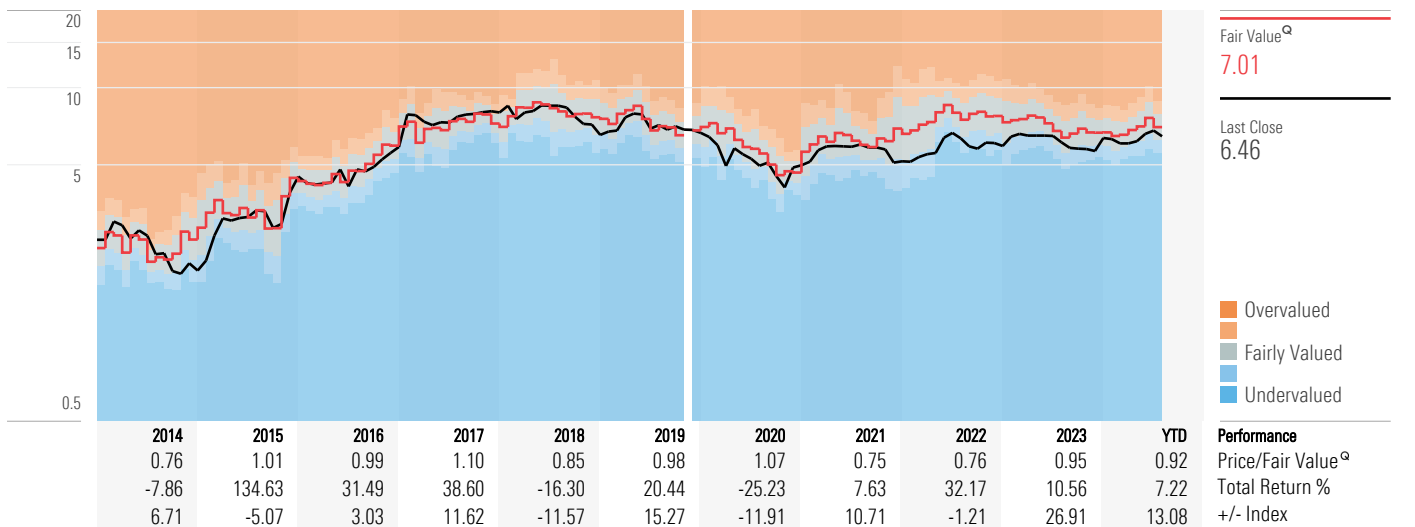


# Azkoyen SA AZK ★★★ Q 19 Jul 2024 22:44, UTC

|                                   |                                 |                                      |  |                                  |                   |                         |               |                               |
|-----------------------------------|---------------------------------|--------------------------------------|--|----------------------------------|-------------------|-------------------------|---------------|-------------------------------|
| <b>Economic Moat</b> <sup>Q</sup> | <b>Uncertainty</b> <sup>Q</sup> | <b>Price/Fair Value</b> <sup>Q</sup> | <b>ESG Risk Rating Assessment</b> <sup>1</sup> | <b>Trailing Dividend Yield %</b> | <b>Market Cap</b> | <b>Investment Style</b> | <b>Sector</b> | <b>Industry</b>               |
| Narrow                            | High                            | 0.92                                 | 🌐🌐🌐🌐   | 5.56                             | —                 | Small Blend             | Industrials   | Business Equipment & Supplies |



As of 19 Jul 2024 | Index: Morningstar Spain GR EUR. Fair Value data as of 19 Jul 2024 00:00, UTC.

<sup>1</sup>The 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 Jul 2024

| Metrics                |       | Percentile in Sector |
|------------------------|-------|----------------------|
| Earnings Yield (%)     | 11.1  | 88.0                 |
| Sales Yield (%)        | 123.4 | 62.0                 |
| Book Value Yield (%)   | 74.2  | 64.0                 |
| Return on Assets (%)*  | 8.2   | 82.0                 |
| Revenue(Mil)*          | 210.1 | 42.0                 |
| Market Value (Mil)     | 170.3 | 38.0                 |
| Enterprise Value (Mil) | 202.3 | 39.0                 |
| EV/MV Ratio            | 1.2   | 61.0                 |
| Volatility TTM (%)     | 17.0  | 12.0                 |
| Drawdown TTM (%)       | 8.4   | 7.0                  |
| Volume (K)             | 9.5   | 18.0                 |

\*31 Dec 2023

## Business Description

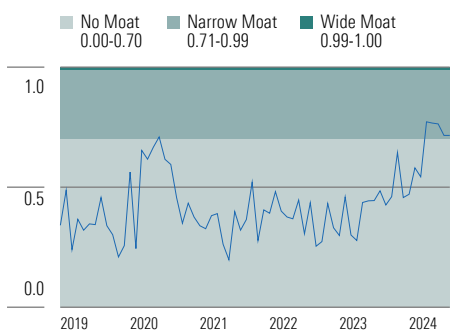
Azkoyen SA designs manufactures and sells technological solutions for payment systems, vending machines, security systems, and access control. The company operates through time and security, payment technologies, and coffee and vending systems segments. The company generates maximum revenue from the coffee and vending systems segment. The coffee and vending systems segment offers the consumption of raw materials for product packaging, the generation of non-hazardous waste, and the consumption of water and energy for the operation of the facilities. Geographically, the company derives a majority of its revenue from Germany and also has a presence in Spain; Italy; the United Kingdom; the Rest EU; the Rest of the OECD, and the Rest of the World.

in the equity universe and the 88th percentile in its sector. The annualized trailing 12-month volatility of 17.03% corresponds to the 13th percentile overall and the 12th percentile in the industry.

## Economic Moat <sup>Q</sup> as of 19 Jul 2024

Morningstar maintains a quantitative moat rating of None on the company. The firm's quantitative moat score of 0.68 sits at the 61st percentile in the industrials sector. This is a decrease from 0.82, the maximum of its moat scores over the past year. The quantitative financial health rating for Azkoyen is Moderate. Its financial health score, termed Distance to Default, sits at the 71st percentile in the universe and 72nd percentile in the sector. The significant drivers of these ratings are the company's book value yield and enterprise value-to-market value ratio. The book value yield for Azkoyen is 74.24%, and its enterprise value-to-market value ratio is 1.19. They sit at the 60th and 64th percentile in the global equity universe, respectively.

## Economic Moat <sup>Q</sup> History as of 19 Jul 2024



## Valuation <sup>Q</sup> as of 19 Jul 2024

Azkoyen achieves a 3-star quantitative star rating based on Morningstar's equity model. This reflects the company's valuation and uncertainty scores under this assessment system.

The Quantitative Fair Value estimate is 7.18, above the previous closing price of 6.40. The stock has been trading between a 17.4% and 2.75% discount to its quantitative fair value over the past year. The stock's current valuation rating sits at the 76th percentile in the coverage universe and 66th percentile in the industrials sector (higher percentile indicates more undervalued). The quantitative uncertainty rating for Azkoyen is High.

## Fundamentals as of 19 Jul 2024

Our quantitative star rating remains unchanged over the past year; the uncertainty rating last differed on 04/01/2024, when it was Very High. The main drivers of the company's valuation and uncertainty are its earnings yield and volatility. The earnings yield of 11.11% falls at the 88th percentile

Azkoyen maintains earnings per share of 0.71. The company further earns a return on invested capital of 11.36%. The shares offer a dividend yield of 2.72%. These values are calculated over a trailing 12-month period. As of last market close, Azkoyen has a price-to-earnings ratio of 9, falling below the 17th percentile in its sector (where a lower percentile means a lower ratio) and ranging between 7.98 and 10.53 over the past year. The company's price-to-free cash flow ratio is 14.3, falling at the 45th percentile in its sector and ranging between 7.92 and 15.37 over the past year.

# Azkoyen SA AZK ★★★

Q 19 Jul 2024 22:44, UTC

|                                   |                                 |                                      |  |                                  |                   |                         |               |                               |
|-----------------------------------|---------------------------------|--------------------------------------|--|----------------------------------|-------------------|-------------------------|---------------|-------------------------------|
| <b>Economic Moat</b> <sup>Q</sup> | <b>Uncertainty</b> <sup>Q</sup> | <b>Price/Fair Value</b> <sup>Q</sup> | <b>ESG Risk Rating Assessment</b> <sup>1</sup> | <b>Trailing Dividend Yield %</b> | <b>Market Cap</b> | <b>Investment Style</b> | <b>Sector</b> | <b>Industry</b>               |
| Narrow                            | High                            | 0.92                                 |  | 5.56                             | —                 | Small Blend             | Industrials   | Business Equipment & Supplies |

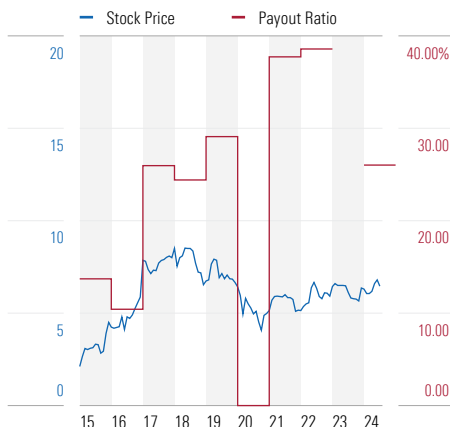
## Earnings as of 18 Jul 2024

| Earnings           | %    | Percentile in Sector |
|--------------------|------|----------------------|
| Dividend Yield*    | 2.7  | 56.0                 |
| Payout Ratio*      | 26.0 | 36.0                 |
| Price to Earnings  | 9.0  | 17.0                 |
| Price to Cash Flow | 14.3 | 45.0                 |
| ROIC**             | 11.4 | 74.0                 |

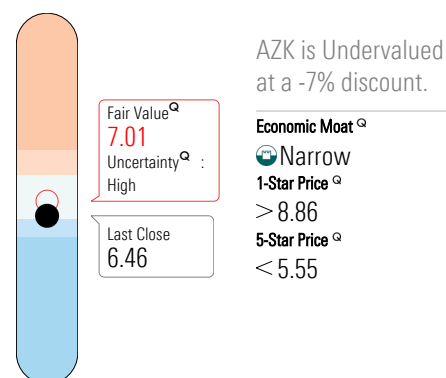
\*28 Jun 2024

\*\*31 Dec 2023

## Dividends as of 19 Jul 2024



## Valuation<sup>Q</sup> as of 19 Jul 2024



### Economic Moat<sup>Q</sup>

Narrow

1-Star Price<sup>Q</sup>

&gt; 8.86

5-Star Price<sup>Q</sup>

&lt; 5.55

## Contact

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<https://www.azkoyen.com>

## Financials (Fiscal Year End 31 Dec 2024)

| 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 12/2023 | Fiscal                    |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------------------------|
| 122.14 | 126.80 | 134.45 | 135.04 | 139.30 | 145.82 | 114.36 | 138.87 | 170.84 | 192.47 | 192.47  | Revenue (Mil)             |
| 9.30   | 12.23  | 15.26  | 17.07  | 18.03  | 19.32  | 10.07  | 16.77  | 20.99  | 22.91  | 22.91   | Operating Income (Mil)    |
| 7.61   | 9.64   | 11.35  | 12.64  | 12.94  | 13.25  | 8.81   | 12.08  | 12.29  | 11.90  | 11.90   | Operating Margin (%)      |
| 3.68   | 7.09   | 11.00  | 12.79  | 15.61  | 16.08  | 6.33   | 12.93  | 14.91  | 17.34  | 17.34   | Net Income (Mil)          |
| —      | —      | —      | —      | —      | —      | —      | —      | —      | —      | 0.71    | Diluted Earnings/Share    |
| 12.20  | 15.74  | 14.67  | 18.01  | 12.68  | 23.88  | 12.66  | 21.17  | 19.18  | 15.87  | 15.87   | Operating Cash Flow (Mil) |
| 3.31   | 2.50   | 3.21   | 3.58   | 3.02   | 4.48   | 3.01   | 4.40   | 5.08   | 4.96   | 4.96    | Capital Spending (Mil)    |
| 8.79   | 12.30  | 15.49  | 17.40  | 15.32  | 19.44  | 12.82  | 15.62  | 20.32  | 24.15  | 24.15   | Free Cash Flow (Mil)      |
| 24.20  | 24.37  | 24.39  | 24.43  | 24.36  | 24.39  | 24.38  | 24.38  | 24.38  | 24.38  | 24.38   | Avg Shares Outstand(Mil)  |

## Valuation as of 19 Jul 2024

| 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023 | Current | Calendar                      |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|---------|-------------------------------|
| 0.76  | 1.01  | 0.99  | 1.10  | 0.85  | 0.98  | 1.07  | 0.75  | 0.76  | 0.95 | 0.92    | Price/Fair Value <sup>Q</sup> |
| 0.39  | 0.88  | 1.07  | 1.45  | 1.18  | 1.14  | 0.94  | 1.00  | 0.96  | 0.81 | 0.82    | Price/Sales                   |
| 21.29 | 22.19 | 14.58 | 16.26 | 11.72 | 10.25 | 11.19 | 12.13 | 10.21 | 9.06 | 9.08    | Price/Earnings                |
| 5.12  | 8.74  | 7.66  | 9.73  | 8.11  | 7.96  | 6.65  | 6.53  | 6.41  | 5.17 | 5.41    | Price/Cash Flow               |
| 0.61  | 1.34  | 1.61  | 2.06  | 1.53  | 1.81  | 1.21  | 1.18  | 1.52  | 1.44 | 1.36    | Price/Book                    |

## Operating Performance (Fiscal Year End 31 Dec 2024)

| 2014 | 2015 | 2016  | 2017  | 2018  | 2019  | 2020 | 2021  | 2022  | 2023  | 12/2023 | Fiscal (%)              |
|------|------|-------|-------|-------|-------|------|-------|-------|-------|---------|-------------------------|
| 2.45 | 4.79 | 7.37  | 8.48  | 10.26 | 10.14 | 3.90 | 7.81  | 7.84  | 8.17  | 8.17    | Return on Assets        |
| 4.74 | 8.53 | 12.14 | 13.03 | 14.54 | 15.10 | 6.15 | 11.76 | 13.74 | 15.86 | 15.86   | Return on Equity        |
| 4.92 | 7.44 | 10.48 | 11.92 | 13.81 | 13.50 | 5.02 | 9.97  | 11.13 | 11.36 | 11.36   | Rtn on Invested Capital |

## Dividends as of 19 Jul 2024

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar (%)            |
|------|------|------|------|------|------|------|------|------|------|---------|-------------------------|
| —    | 0.04 | 0.05 | 0.14 | 0.16 | 0.19 | —    | 0.20 | 0.24 | 0.19 | 0.36    | Dividend Per Share      |
| 0.00 | 0.89 | 0.80 | 1.70 | 2.39 | 2.88 | 0.00 | 3.88 | 3.99 | 2.91 | 5.56    | Trailing Dividend Yield |
| —    | —    | —    | —    | —    | 0.20 | 0.08 | 0.01 | 0.02 | 0.02 | 0.04    | Buyback Yield           |

# Appendix

**Economic Moat** <sup>®</sup>History as of 19 Jul 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 | 0.47    | 0.58     | 0.54  | 0.77  | 0.77 | 0.76 | 0.72 | —      | —         | —       | —        | —        |
| 2023 | 0.30    | 0.46     | 0.30  | 0.28  | 0.44 | 0.44 | 0.44 | 0.48   | 0.43      | 0.46    | 0.64     | 0.46     |
| 2022 | 0.39    | 0.48     | 0.40  | 0.38  | 0.37 | 0.45 | 0.31 | 0.44   | 0.25      | 0.27    | 0.43     | 0.33     |
| 2021 | 0.34    | 0.33     | 0.38  | 0.39  | 0.26 | 0.20 | 0.40 | 0.32   | 0.37      | 0.52    | 0.28     | 0.41     |
| 2020 | 0.56    | 0.24     | 0.65  | 0.62  | 0.67 | 0.71 | 0.62 | 0.59   | 0.46      | 0.35    | 0.43     | 0.38     |
| 2019 | 0.34    | 0.49     | 0.24  | 0.37  | 0.32 | 0.35 | 0.34 | 0.46   | 0.34      | 0.30    | 0.21     | 0.26     |

## Quantitative Equity Report Overview

The quantitative report on equities consists of data, statistics and quantitative equity ratings on equity securities. Morningstar, Inc.'s quantitative equity ratings are forward looking and are generated by a statistical model that is based on Morningstar Inc.'s analyst-driven equity ratings and quantitative statistics. Given the nature of the quantitative report and the quantitative ratings, there is no one analyst in which a given report is attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative equity ratings used in this report. As an employee of Morningstar, Inc., Mr. Davidson is guided by Morningstar, Inc.'s Code of Ethics and Personal Securities Trading Policy in carrying out his responsibilities.

### Quantitative Equity Ratings

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, 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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Sustainalytics analyzes over 1,300 data points to assess a company's exposure to and management of ESG risks. In other words, ESG Risk Ratings measures a company's unmanaged ESG Risks represented as a quantitative score.

Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) with lower scores representing less unmanaged risk and, for 95% of cases, the unmanaged ESG Risk score is below 50.

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.

The ESG Risk Rating Assessment is a visual representation of Sustainalytics ESG Risk Categories on a 1 to 5 scale. Companies with Negligible Risk = 5 Globes, Low Risk = 4, Medium Risk = 3 Globes, High Risk = 2 Globes, Severe Risk = 1 Globe. For more information, please visit [sustainalytics.com/esg-ratings/](https://sustainalytics.com/esg-ratings/)

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The quantitative equity ratings are not statements of fact. Morningstar does not guarantee the completeness or accuracy of the assumptions or models used in determining the quantitative equity ratings. In addition, there is the risk that the price target will not be met due to such things as unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, and tax rate. For investments in foreign markets there are further risks, generally based on exchange rate changes or changes in political and social conditions. A change in the fundamental factors underlying the quantitative equity ratings can mean that the valuation is subsequently no longer accurate.

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