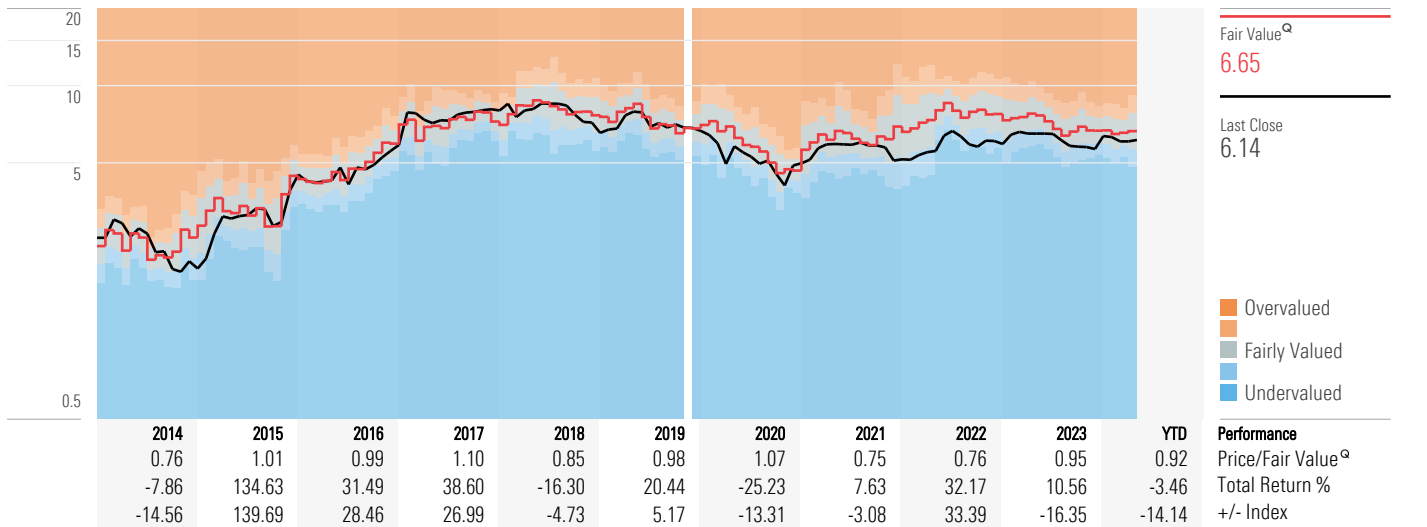


Azkoyen SA AZK ★★★ Q 24 Apr 2024, 22:35 UTC

Economic Moat ^Q	Uncertainty ^Q	Price/Fair Value ^Q	ESG Risk Rating Assessment ¹	Trailing Dividend Yield %	Market Cap	Investment Style	Sector	Industry
Narrow	High	0.9	—	3.01	151.1502 Mil	Small Value	Industrials	Business Equipment & Supplies



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 23 Apr 2024

Metrics	Value	Percentile in Sector
Earnings Yield (%)	11.3	87.0
Sales Yield (%)	127.4	62.0
Book Value Yield (%)	71.2	62.0
Return on Assets (%)*	7.9	81.0
Revenue(Mil)*	206.0	41.0
Market Value (Mil)	162.2	39.0
Enterprise Value (Mil)	195.8	38.0
EVMV Ratio	1.2	61.0
Volatility TTM (%)	16.2	11.0
Drawdown TTM (%)	12.4	14.0
Volume (K)	8.7	17.0

*30 Jun 2023

Business Description

Azkoyen SA designs and 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 87th percentile in its sector. The annualized trailing 12-month volatility of 16.24% corresponds to the 12th percentile overall and the 11th percentile in the industry.

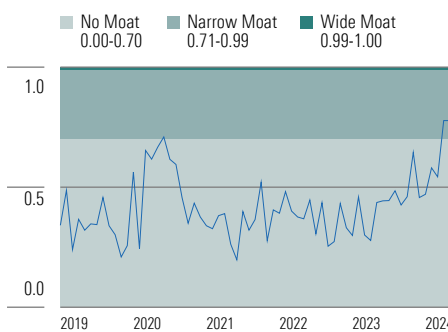
Economic Moat ^Q as of 24 Apr 2024

Morningstar maintains a Narrow quantitative moat rating on the company. The firm's quantitative moat score of 0.77 sits at the 72nd percentile in the industrials sector, 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 both the universe and sector.

The significant drivers of these ratings are the company's return on assets and enterprise value-to-market value ratio. The return on assets for Azkoyen is 7.91, and its enterprise value-to-market value ratio is 1.21. They sit at the 83rd and 65th percentile in the global equity universe, respectively.

Economic Moat ^Q History as of 24 Apr 2024



Valuation ^Q as of 24 Apr 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 6.67, above the previous closing price of 6.20. The stock has been trading between a 17.8% and 2.75% discount to its quantitative fair value over the past year. The stock's current valuation rating sits at the 83rd percentile in the coverage universe and 72nd percentile in the industrials sector (higher percentile indicates more undervalued).

The quantitative uncertainty rating for Azkoyen is High.

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 11.32% falls at the 88th percentile

Fundamentals as of 24 Apr 2024

The earnings per share for Azkoyen is 0.7. The company earns a return on invested capital of 12.66%, falling at the 80th percentile in the industrials sector. The firm maintains a dividend yield of 3.05%. We calculate the above figures over a trailing 12-month period.

Examining valuation further, we find Azkoyen holds a price-to-earnings ratio of 8.84, a figure greater than 18% of its sector peers. The company's price-to-free cash flow ratio is 8.77, greater than 29% of its sector peers. These values are calculated using the stock's price at last market close.

Contact

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Azkoyen SA AZK ★★★

Q 24 Apr 2024, 22:35 UTC

Economic Moat ^Q	Uncertainty ^Q	Price/Fair Value ^Q	ESG Risk Rating Assessment ¹	Trailing Dividend Yield %	Market Cap	Investment Style	Sector	Industry
Narrow	High	0.9	—	3.01	151.1502 Mil	Small Value	Industrials	Business Equipment & Supplies

Earnings as of 23 Apr 2024

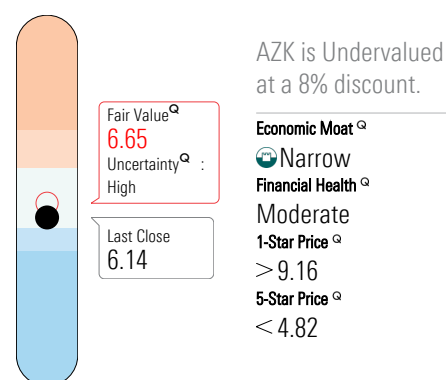
Earnings	%	Percentile in Sector
Dividend Yield*	3.1	62.0
Payout Ratio*	33.6	45.0
Price to Earnings	8.8	18.0
Price to Cash Flow	8.8	29.0
ROIC**	12.7	80.0

*28 Mar 2024
**30 Jun 2023

Dividends as of 24 Apr 2024



Valuation^Q as of 24 Apr 2024



Economic Moat^Q
Narrow
Financial Health^Q
Moderate
1-Star Price^Q
> 9.16
5-Star Price^Q
< 4.82

Contact

https://www.azkoyen.com

Financials as of 24 Apr 2024 (Fiscal Year End 31 Dec 2023)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD	Fiscal
Revenue (Mil)	122	127	134	135	139	146	114	139	171	—	100	Revenue (Mil)
Operating Income (Mil)	9.30	12.23	15.26	17.07	18.03	19.32	10.17	16.88	20.99	—	12.66	Operating Income (Mil)
Operating Margin (%)	7.61	9.64	11.35	12.64	12.94	13.25	8.89	12.15	12.29	—	12.72	Operating Margin (%)
Net Income (Mil)	3.68	7.09	11.00	12.79	15.61	16.08	6.33	12.93	14.91	—	8.86	Net Income (Mil)
Diluted Earnings/Share	0.15	0.29	0.45	0.52	0.64	0.66	0.26	0.53	0.61	—	0.36	Diluted Earnings/Share
Operating Cash Flow (Mil)	12.20	15.74	14.67	18.01	12.68	23.88	12.66	21.17	19.18	—	5.20	Operating Cash Flow (Mil)
Capital Spending (K)	-3,306	-2,495	-3,207	-3,582	-3,022	-4,477	-3,008	-4,402	-5,084	—	-2,994	Capital Spending (K)
Free Cash Flow (Mil)	8.89	13.25	11.46	14.43	9.65	19.41	9.66	16.77	14.09	—	2.20	Free Cash Flow (Mil)
Avg Shares Outstand(Mil)	24	24	24	24	24	24	24	24	24	—	24	Avg Shares Outstand(Mil)

Valuation as of 24 Apr 2024

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Current	Calendar
Price/Fair Value ^Q	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 ^Q
Price/Sales	0.39	0.88	1.07	1.45	1.18	1.14	0.94	1.00	0.96	0.81	0.78	Price/Sales
Price/Earnings	21.29	22.19	14.58	16.26	11.81	10.24	11.19	12.01	10.21	9.06	8.75	Price/Earnings
Price/Cash Flow	4.62	6.92	8.27	13.97	9.97	12.70	6.43	5.73	11.66	6.65	6.42	Price/Cash Flow
Price/Book	0.61	1.34	1.61	2.06	1.53	1.81	1.21	1.18	1.52	1.44	1.39	Price/Book

Operating Performance as of 24 Apr 2024 (Fiscal Year End 31 Dec 2023)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Q3	Fiscal (%)
Return on Assets	2.45	4.78	7.37	8.48	10.26	10.14	3.9	7.81	7.84	—	—	Return on Assets
Return on Equity	4.74	8.53	12.14	13.03	14.54	15.1	6.15	11.76	13.74	—	—	Return on Equity
Rtn on Invested Capital	4.92	7.44	10.48	11.92	13.81	13.5	5.02	9.97	11.13	—	—	Rtn on Invested Capital

Dividends as of 24 Apr 2024

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Current	Calendar (%)
Dividend Per Share	—	0.04	0.05	0.14	0.16	1.22	—	0.20	1.06	0.19	0.19	Dividend Per Share
Trailing Dividend Yield	—	0.89	0.8	—	2.39	2.88	—	—	3.99	—	3.01	Trailing Dividend Yield
Buyback Yield	—	—	—	—	—	0.2	0.08	—	0.02	—	0.02	Buyback Yield

Appendix

Economic Moat [®]History as of 24 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	0.47	0.58	0.54	0.78	—	—	—	—	—	—	—	—
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

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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/

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