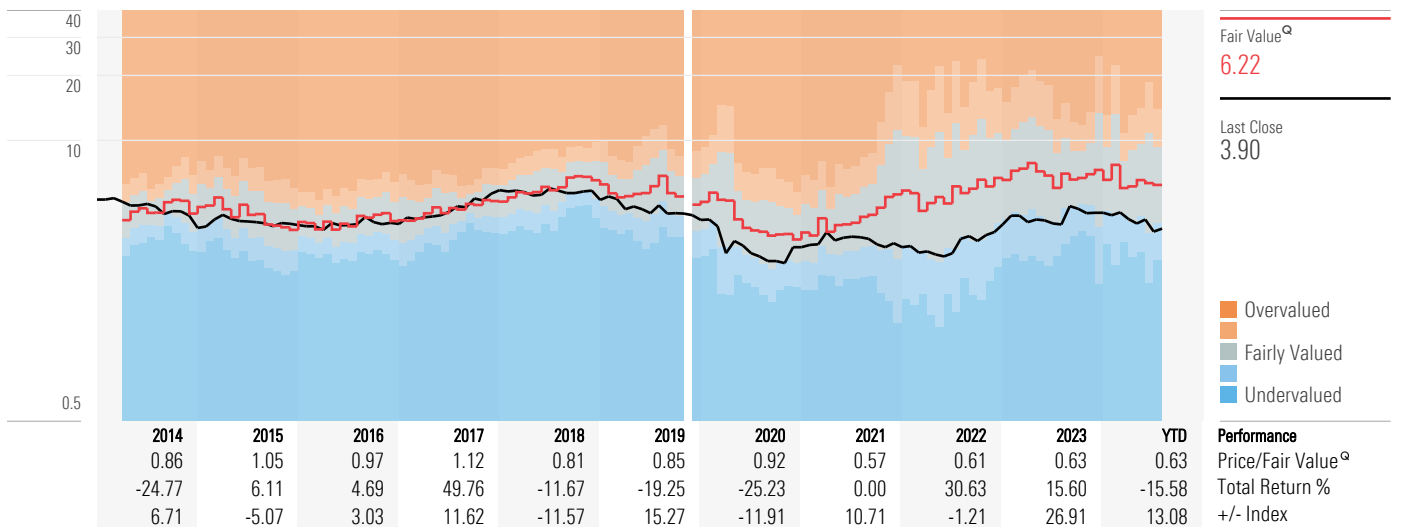


Bodegas Riojanas SA RIO ★★★ Q 19 Jul 2024 22:44, UTC

| | | | | | | | | |
|-----------------------------------|---------------------------------|--------------------------------------|--|----------------------------------|-------------------|-------------------------|--------------------|-------------------------------------|
| Economic Moat ^Q | Uncertainty ^Q | Price/Fair Value ^Q | ESG Risk Rating Assessment ¹ | Trailing Dividend Yield % | Market Cap | Investment Style | Sector | Industry |
| Narrow | Extreme | 0.63 | ☆☆☆☆ | 2.47 | — | Small Blend | Consumer Defensive | Beverages - Wineries & Distilleries |



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

| Metrics | Value | Percentile in Sector |
|------------------------|-------|----------------------|
| Earnings Yield (%) | 0.8 | 29.0 |
| Sales Yield (%) | 90.5 | 47.0 |
| Book Value Yield (%) | 107.2 | 77.0 |
| Return on Assets (%)* | 0.2 | 27.0 |
| Revenue(Mil)* | 18.9 | 15.0 |
| Market Value (Mil) | 20.9 | 18.0 |
| Enterprise Value (Mil) | 44.6 | 23.0 |
| EV/MV Ratio | 2.1 | 89.0 |
| Volatility TTM (%) | 28.6 | 56.0 |
| Drawdown TTM (%) | 22.5 | 52.0 |
| Volume (K) | 1.9 | 14.0 |

*31 Dec 2023

Business Description

Bodegas Riojanas SA is a Spain-based company which engages in winemaking. It engaged in the production and distribution of wine. It also sells its products online. The major brands are Vina Albina, Monte Real, and Puerta Vieja.

Valuation ^Q as of 19 Jul 2024

Bodegas Riojanas 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 6.42, above the previous closing price of 3.98. The stock has been trading between a 43.8% and 26.29% discount to its quantitative fair value over the past year. The stock's current valuation rating sits at the 24th percentile in the coverage universe and 24th percentile in the consumer defensive sector (higher percentile indicates more undervalued).

The quantitative uncertainty rating for Bodegas Riojanas is Very High. Our quantitative star rating remains unchanged over the past year; the uncertainty rating last differed on 07/16/2024, when it was Extreme. The main drivers of the company's valuation and uncertainty are its EV-MV ratio and drawdown. The enterprise value-to-market value ratio of 2.13 falls at the 88th percentile in the equity universe and the 89th percentile in its sector. The trailing 12-month maximum drawdown of 22.54% corresponds to the 42nd percentile overall and the 52nd percentile in the industry.

Economic Moat ^Q as of 19 Jul 2024

With a Narrow Morningstar quantitative moat rating, the quantitative moat score for Bodegas Riojanas falls at the 60th percentile in the consumer defensive sector and at the 74th in the equity cov-

erage universe. The company has maintained its Narrow quantitative moat rating since after 07/17/2024, when it was upgraded from None.

We also assign a Moderate quantitative financial health rating to Bodegas Riojanas. The company's raw score on this metric, termed Distance to Default, ranks at the 26th percentile overall and 25th in the consumer defensive sector. Furthermore, this financial health rating has stayed Moderate over the last year.

Supporting these ratings are the company's enterprise value-to-market value ratio and annualized trailing 12-month volatility. The enterprise value-to-market value ratio of 2.13, ranks at the 88th percentile in the covered equity universe and at the 89th percentile among its peers. Meanwhile, its annualized trailing 12-month volatility of 28.55%, falls at the 42nd percentile in the universe and the 56th percentile in the consumer defensive sector.

Fundamentals as of 19 Jul 2024

Bodegas Riojanas reports earnings per share of 0.03. Its return on invested capital is 0.99%. The company maintains a dividend yield of 2.55%, paying out 320.93% of earnings. These values are calculated over a trailing 12-month period.

As of last market close, Bodegas Riojanas has a price-to-earnings ratio of 132.67, falling at the 95th percentile in its sector (where a lower percentile means a lower ratio) and ranging between 22.44 and 148.67 over the past year.

Contact

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<https://www.bodegasriojanas.com>

Bodegas Riojanas SA RIO ★★★

Q 19 Jul 2024 22:44, 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 | Extreme | 0.63 | | 2.47 | — | Small Blend | Consumer Defensive | Beverages - Wineries & Distilleries |

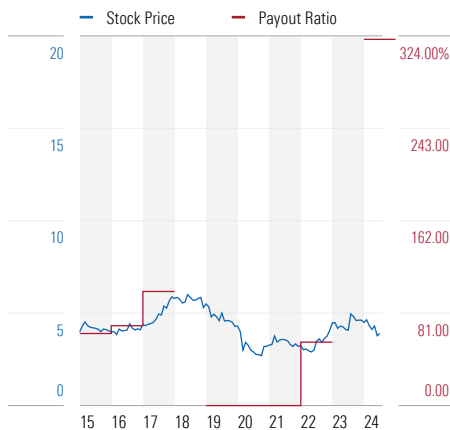
Earnings as of 18 Jul 2024

| Earnings | % | Percentile in Sector |
|--------------------|-------|----------------------|
| Dividend Yield* | 2.6 | 45.0 |
| Payout Ratio* | 320.9 | 98.0 |
| Price to Earnings | 132.7 | 96.0 |
| Price to Cash Flow | — | — |
| ROIC** | 1.0 | 22.0 |

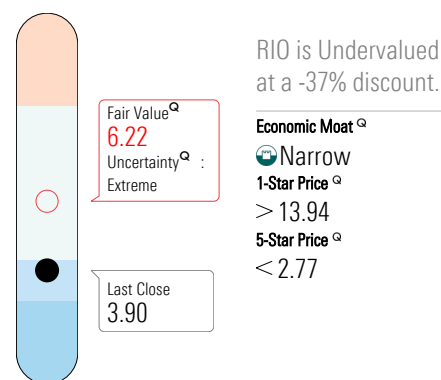
*28 Jun 2024

**31 Dec 2023

Dividends as of 19 Jul 2024



Valuation ^Q as of 19 Jul 2024



Financials (Fiscal Year End 31 Dec 2019)

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 12/2023 | Fiscal |
|-------|-------|-------|-------|-------|------|------|------|------|------|---------|---------------------------|
| 17.04 | 17.54 | 18.56 | 21.84 | 19.21 | — | — | — | — | — | 17.36 | Revenue (Mil) |
| 2.04 | 1.85 | 1.85 | 1.36 | -0.66 | — | — | — | — | — | 0.73 | Operating Income (Mil) |
| 11.98 | 10.57 | 9.96 | 6.23 | -3.46 | — | — | — | — | — | 4.18 | Operating Margin (%) |
| 0.89 | 0.99 | 1.03 | 0.63 | -0.64 | — | — | — | — | — | 0.13 | Net Income (Mil) |
| — | — | — | — | — | — | — | — | — | — | 0.03 | Diluted Earnings/Share |
| 2.09 | 1.09 | 2.72 | 3.74 | 3.65 | — | — | — | — | — | -0.39 | Operating Cash Flow (Mil) |
| 1.34 | 1.44 | 0.82 | 1.08 | 1.25 | — | — | — | — | — | 2.32 | Capital Spending (Mil) |
| 0.36 | 0.12 | 0.87 | 0.56 | -1.01 | — | — | — | — | — | -0.97 | Free Cash Flow (Mil) |
| 5.32 | 5.38 | 4.82 | 4.82 | 4.82 | — | — | — | — | — | 4.82 | Avg Shares Outstand(Mil) |

Valuation as of 19 Jul 2024

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar |
|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|---------|-------------------------------|
| 0.86 | 1.05 | 0.97 | 1.12 | 0.81 | 0.85 | 0.92 | 0.57 | 0.61 | 0.63 | 0.63 | Price/Fair Value ^Q |
| 1.25 | 1.23 | 1.23 | 1.48 | 1.19 | 1.07 | 0.80 | 0.89 | 1.06 | 1.20 | 1.08 | Price/Sales |
| 26.20 | 18.41 | 21.58 | 27.27 | 40.77 | — | 160.00 | 64.00 | 25.50 | 28.88 | 130.00 | Price/Earnings |
| 14.06 | 10.76 | 13.82 | 15.37 | 18.10 | 40.44 | 11.89 | 10.23 | 9.50 | 11.39 | 13.88 | Price/Cash Flow |
| 0.86 | 0.87 | 0.86 | 1.23 | 1.23 | 1.02 | 0.77 | 0.77 | 0.97 | 1.08 | 0.91 | Price/Book |

Operating Performance (Fiscal Year End 31 Dec 2019)

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 12/2023 | Fiscal (%) |
|------|------|------|------|-------|------|------|------|------|------|---------|-------------------------|
| 1.68 | 1.79 | 1.80 | 1.13 | -1.20 | 0.65 | 0.37 | 1.40 | 1.74 | 0.23 | 0.23 | Return on Assets |
| 3.57 | 3.91 | 4.21 | 2.81 | -3.11 | 1.68 | 0.91 | 3.43 | 4.34 | 0.62 | 0.62 | Return on Equity |
| 3.71 | 3.41 | 3.01 | 2.21 | -0.81 | 1.60 | 0.58 | 1.99 | 2.54 | 0.99 | 0.99 | Rtn on Invested Capital |

Dividends as of 19 Jul 2024

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar (%) |
|------|------|------|-------|------|------|------|------|------|------|---------|-------------------------|
| 0.11 | 0.12 | 0.14 | 0.14 | — | — | — | — | 0.10 | 0.10 | 0.10 | Dividend Per Share |
| 2.80 | 2.96 | 3.41 | 2.33 | 0.00 | 0.00 | 0.00 | 0.00 | 2.45 | 2.08 | 2.47 | Trailing Dividend Yield |
| — | — | — | 19.26 | 0.00 | — | — | — | — | — | — | Buyback Yield |

Appendix

Economic Moat [®]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 | 0.50 | 0.28 | 0.32 | 0.60 | 0.73 | 0.67 | 0.74 | — | — | — | — | — |
| 2023 | 0.47 | 0.66 | 0.62 | 0.60 | 0.72 | 0.72 | 0.53 | 0.51 | 0.50 | 0.48 | 0.40 | 0.44 |
| 2022 | 0.29 | 0.24 | 0.29 | 0.37 | 0.48 | 0.53 | 0.51 | 0.54 | 0.37 | 0.29 | 0.38 | 0.58 |
| 2021 | 0.26 | 0.25 | 0.24 | 0.23 | 0.32 | 0.33 | 0.27 | 0.28 | 0.39 | 0.29 | 0.31 | 0.27 |
| 2020 | 0.35 | 0.31 | 0.44 | 0.34 | 0.29 | 0.34 | 0.36 | 0.35 | 0.42 | 0.21 | 0.28 | 0.35 |
| 2019 | 0.42 | 0.42 | 0.31 | 0.29 | 0.28 | 0.29 | 0.25 | 0.32 | 0.35 | 0.30 | 0.45 | 0.49 |

Quantitative Equity Report Overview

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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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