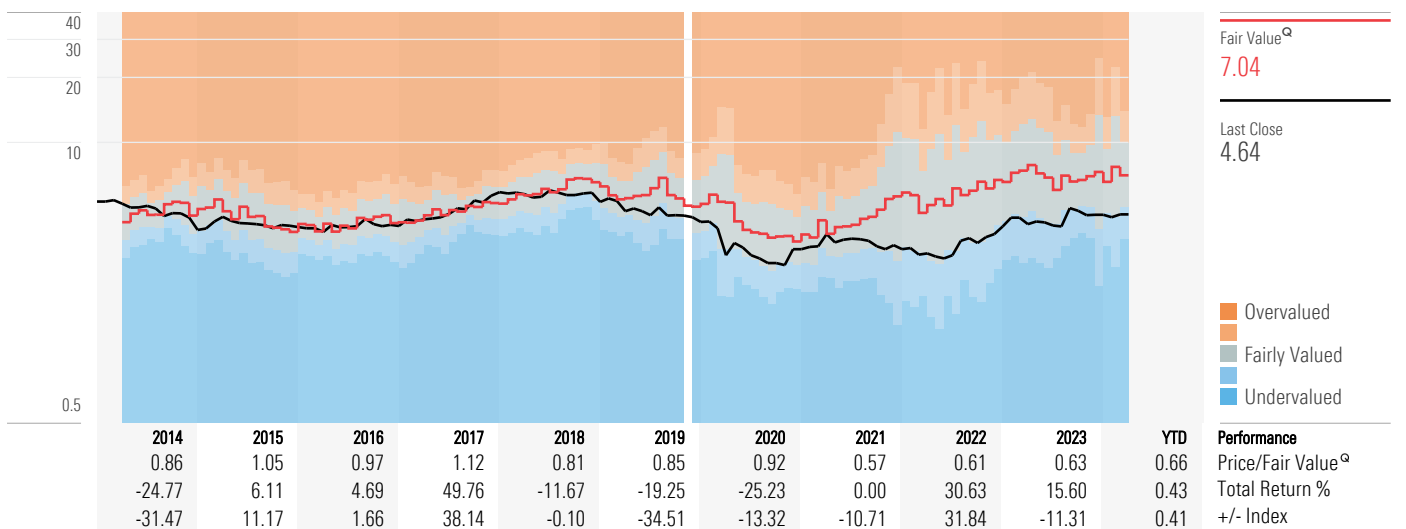


# Bodegas Riojanas SA RIO ★★★ Q 1 Mar 2024, 23:42 UTC

<b>Economic Moat</b> ◊	<b>Uncertainty</b> ◊	<b>Price/Fair Value</b> ◊	<b>ESG Risk Rating Assessment</b> †	<b>Trailing Dividend Yield %</b>	<b>Market Cap</b>	<b>Investment Style</b>	<b>Sector</b>	<b>Industry</b>
None	Very High	0.7	—	2.08	22.3600 Mil	Small Core	Consumer Defensive	Beverages - Wineries & Distilleries



As of 1 Mar 2024 | Index: Morningstar Spain GR EUR. Fair Value data as of 1 Mar 2024, 23:42 UTC.

†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 28 Feb 2024

Metrics	Value	Percentile in Sector
Earnings Yield (%)	3.5	49.0
Sales Yield (%)	83.1	44.0
Book Value Yield (%)	92.3	72.0
Return on Assets (%)*	1.5	36.0
Revenue(Mil)*	20.1	15.0
Market Value (Mil)	24.2	18.0
Enterprise Value (Mil)	51.1	23.0
EV/MV Ratio	2.1	88.0
Volatility TTM (%)	30.1	59.0
Drawdown TTM (%)	9.8	10.0
Volume (K)	1.4	14.0

\*30 Jun 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 ◊ as of 1 Mar 2024

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

The company's shares last closed at 4.64, below our quantitative fair value estimate of 7.70. These shares have traded between a 46.76% and 26.29% 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 29th percentile; in the consumer defensive sector, the firm's score lies at the 22nd percentile (higher percentile indicates more undervalued).

Furthermore, Bodegas Riojanas maintains a quantitative valuation uncertainty rating of Extreme.

The company has held this star rating over the past year. The uncertainty rating for Bodegas Riojanas has remained Extreme since the previous rating of Very High, which was last assigned on 02/28/2024. The key factors behind these ratings are the company's EV-MV ratio and drawdown. The enterprise value-to-market value ratio is 2.11, and its maximum trailing 12-month maximum drawdown is 13.53%. The EV-MV ratio falls at the 88th percentile in the consumer defensive sector while the drawdown is at the 11th percentile. Over the past year, the company's EV-MV ratio has been between 2.01 and 2.26; its drawdown has ranged between 9.80% and 13.53%.

With a Morningstar quantitative moat rating of None, the quantitative moat score for Bodegas Riojanas falls at the 26th percentile in the consumer defensive sector and at the 28th in the equity coverage universe. The company has maintained its None quantitative moat rating since after 11/23/2023, when it was downgraded from Narrow.

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 22nd percentile overall and in the consumer defensive sector. Furthermore, this financial health rating has stayed Moderate over the last year.

Supporting these ratings are the company's book value yield and annualized trailing 12-month volatility. The book value yield of 92.26%, ranks at the 66th percentile in the covered equity universe and at the 73rd percentile among its peers. Meanwhile, its annualized trailing 12-month volatility of 30.09%, falls at the 46th percentile in the universe and the 60th percentile in the consumer defensive sector.

## Fundamentals as of 1 Mar 2024

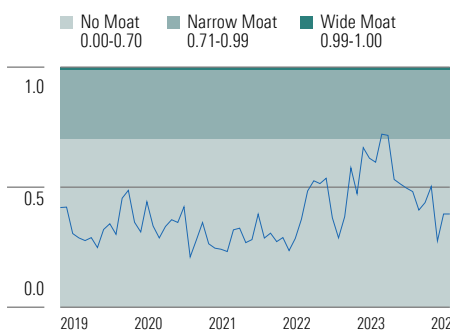
The earnings per share for Bodegas Riojanas is 0.16. The company earns a return on invested capital of 2.48%, falling at the 30th percentile in the consumer defensive sector. The firm maintains a dividend yield of 2.08%. We calculate the above figures over a trailing 12-month period. Examining valuation further, we find Bodegas Riojanas holds a price-to-earnings ratio of 29, a figure greater than 73% of its sector peers.

## Contact

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+34 941454050

## Economic Moat ◊ as of 1 Mar 2024

## Economic Moat ◊ History as of 1 Mar 2024



# Bodegas Riojanas SA RIO ★★★

Q 1 Mar 2024, 23:42 UTC

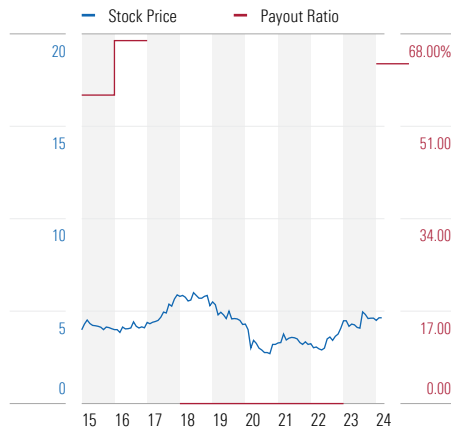
<b>Economic Moat</b> <sup>Q</sup>	<b>Uncertainty</b> <sup>Q</sup>	<b>Price/Fair Value</b> <sup>Q</sup>	<b>ESG Risk Rating Assessment</b> <sup>1</sup>	<b>Trailing Dividend Yield</b> %	<b>Market Cap</b>	<b>Investment Style</b>	<b>Sector</b>	<b>Industry</b>
None	Very High	0.7	—	2.08	22.3600 Mil	Small Core	Consumer Defensive	Beverages - Wineries & Distilleries

## Earnings as of 28 Feb 2024

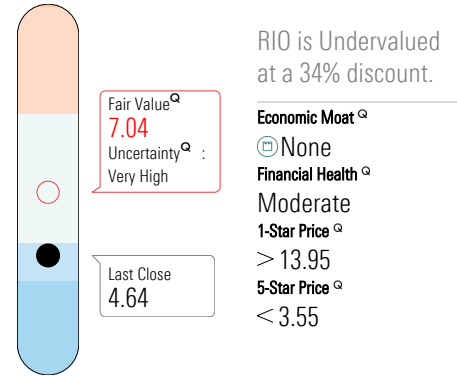
Earnings	%	Percentile in Sector
Dividend Yield*	2.1	36.0
Payout Ratio*	62.5	69.0
Price to Earnings	29.0	73.0
Price to Cash Flow	—	—
ROIC**	2.5	30.0

\*31 Jan 2024  
\*\*30 Jun 2023

## Dividends as of 1 Mar 2024



## Valuation <sup>Q</sup> as of 1 Mar 2024



## Contact

<http://www.bodegasriojanas.com>

## Financials as of 1 Mar 2024 (Fiscal Year End 31 Dec 2019)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD	Fiscal
Revenue (Mil)	17.04	17.54	18.56	21.84	19.21	18.68	16.82	18.25	18.28	—	6.34	Revenue (Mil)
Operating Income (K)	2,041	1,854	353	1,360	-669	797	602	1,149	1,253	—	758	Operating Income (K)
Operating Margin (%)	11.98	10.57	1.9	6.23	-3.48	4.27	3.58	6.3	6.86	—	11.95	Operating Margin (%)
Net Income (K)	892	988	-114	631	-635	332	181	693	896	—	244	Net Income (K)
Diluted Earnings/Share	0.17	0.19	-0.02	0.13	-0.13	0.07	0.04	0.14	0.18	—	0.05	Diluted Earnings/Share
Operating Cash Flow (K)	2,090	1,017	1,733	3,737	3,650	862	959	1,935	2,343	—	-5,017	Operating Cash Flow (K)
Capital Spending (K)	-1,340	-1,360	-2,735	-1,083	-1,247	-552	-701	-1,029	-680	—	-788	Capital Spending (K)
Free Cash Flow (K)	750	-343	-1,002	2,654	2,403	310	258	906	1,663	—	-5,805	Free Cash Flow (K)
Avg Shares Outstand(K)	5,327	5,318	5,156	4,819	4,819	4,819	4,819	4,819	4,819	—	4,819	Avg Shares Outstand(K)

## Valuation as of 1 Mar 2024

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Current	Calendar
Price/Fair Value <sup>Q</sup>	0.86	1.05	0.97	1.12	0.81	0.85	0.92	0.57	0.61	0.63	0.66	Price/Fair Value <sup>Q</sup>
Price/Sales	1.25	1.19	1.17	1.38	1.21	1.05	0.81	0.87	1.06	1.20	1.20	Price/Sales
Price/Earnings	32.80	19.15	19.55	22.97	41.62	—	48.75	65.41	25.50	28.88	29.00	Price/Earnings
Price/Cash Flow	4.71	12.08	—	9.56	7.82	4.83	—	6.21	8.93	—	8.43	Price/Cash Flow
Price/Book	0.85	0.88	0.79	1.21	1.23	1.02	0.77	0.77	0.97	1.08	1.08	Price/Book

## Operating Performance as of 1 Mar 2024 (Fiscal Year End 31 Dec 2019)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Q3	Fiscal (%)
Return on Assets	1.68	1.79	1.8	1.13	-1.2	0.65	0.37	1.4	1.74	—	0.06	Return on Assets
Return on Equity	3.57	3.91	4.21	2.81	-3.11	1.68	0.91	3.43	4.34	—	0.16	Return on Equity
Rtn on Invested Capital	3.71	3.41	3.01	2.21	-0.81	1.6	0.58	1.99	2.54	—	0.08	Rtn on Invested Capital

## Dividends as of 1 Mar 2024

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Current	Calendar (%)
Dividend Per Share	0.11	0.12	0.14	—	—	—	—	—	0.10	0.10	0.10	Dividend Per Share
Trailing Dividend Yield	2.8	2.96	3.41	—	—	—	—	—	2.45	—	2.08	Trailing Dividend Yield
Buyback Yield	—	—	—	—	—	—	—	—	—	—	0.0	Buyback Yield

# Appendix

**Economic Moat** <sup>®</sup>History as of 1 Mar 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	0.39	—	—	—	—	—	—	—	—	—
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

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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