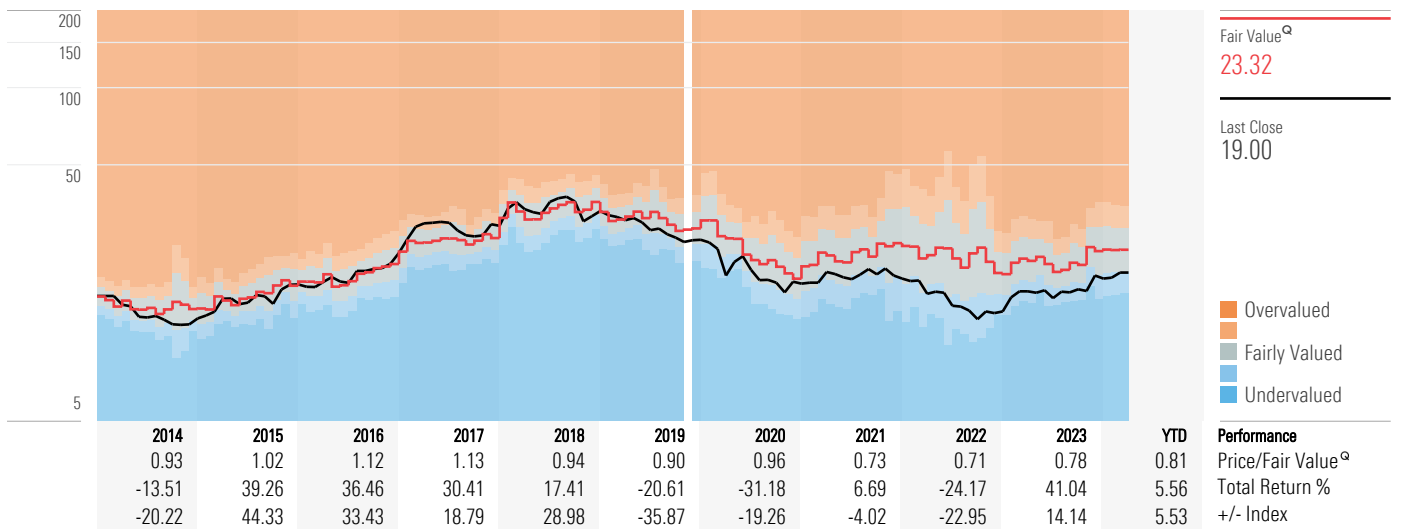


Iberpapel Gestion SA IBG ★★★ Q 1 Mar 2024, 23:42 UTC

| | | | | | | | | |
|-----------------------------------|---------------------------------|--------------------------------------|--|----------------------------------|-------------------|-------------------------|-----------------|------------------------|
| 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 | 0.8 | 7 Feb 2024 06:00, UTC | 3.42 | 203.0411 Mil | Small Core | Basic Materials | Paper & Paper Products |



As of 1 Mar 2024 | Index: Morningstar Spain GR EUR. Fair Value data as of 1 Mar 2024, 23:42 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 28 Feb 2024

| Metrics | Value | Percentile in Sector |
|------------------------|-------|----------------------|
| Earnings Yield (%) | 23.0 | 97.0 |
| Sales Yield (%) | 131.0 | 77.0 |
| Book Value Yield (%) | 163.8 | 82.0 |
| Return on Assets (%)* | 11.6 | 94.0 |
| Revenue(Mil)* | 275.3 | 68.0 |
| Market Value (Mil) | 210.7 | 64.0 |
| Enterprise Value (Mil) | 100.1 | 55.0 |
| EVMV Ratio | 0.5 | 6.0 |
| Volatility TTM (%) | 19.0 | 10.0 |
| Drawdown TTM (%) | 12.1 | 7.0 |
| Volume (K) | 4.7 | 10.0 |

*30 Sep 2023

Business Description

Iberpapel Gestion SA manufactures printing and writing a paper in Spain. The company operates in Forestry Division, Industrial Division, and Commercial Division. The Forestry Division produces cellulose pulp from Eucalyptus trees. The Industrial Division processes the raw materials into finished goods at its Papelera Guipuzcoana de Zicunaga plant which consists of a cellulose plant and a paper mill, and energy section. The Commercial Division markets the products produced at its manufacturing plant. It earns revenue from the sale of printing and writing paper.

Valuation ^Q as of 1 Mar 2024

Morningstar maintains a 3-star quantitative star rating for Iberpapel Gestion, derived from the firm's valuation and uncertainty scores. The company's shares last closed at 19.00, below our quantitative fair value estimate of 23.26. These shares have traded between a 31.44% and 16.27% 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 63rd percentile; in the basic materials sector, the firm's score lies at the 80th percentile (meaning the shares are more undervalued than 80% of stocks in the sector). Furthermore, Iberpapel Gestion 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 07/20/2023. The uncertainty rating for Iberpapel Gestion has remained Very High since the previous rating of High, which was last assigned on 01/10/2024.

The key factors behind these ratings are the company's earnings yield and drawdown. The earnings yield is 22.05%, and its maximum trailing 12-month

maximum drawdown is 25.47%. The earnings yield falls above the 95th percentile in the basic materials sector while the drawdown is at the 7th percentile. Over the past year, the company's earnings yield has ranged between 25.94% and 2.98%; its drawdown has ranged between 25.47% and 8.76%.


Economic Moat ^Q as of 1 Mar 2024

With a Morningstar quantitative moat rating of None, the quantitative moat score for Iberpapel Gestion falls at the 47th percentile in the basic materials sector and at the 54th in the equity coverage universe. The company has maintained its None quantitative moat rating for the last year. We also assign a Strong quantitative financial health rating to Iberpapel Gestion. The company's raw score on this metric, termed Distance to Default, ranks at the 95th percentile overall and in the basic materials sector. Furthermore, this financial health rating has stayed Strong 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 156.93%, ranks at the 85th percentile in the covered equity universe and at the 81st percentile among its peers. Meanwhile, its annualized trailing 12-month volatility of 19.37%, falls at the 19th percentile in the universe and the 11th percentile in the basic materials sector.

Fundamentals as of 1 Mar 2024

The earnings per share for Iberpapel Gestion is 4.19. The company earns a return on invested capital of 13.32%, falling at the 90th percentile in the basic materials sector. The firm maintains a dividend yield of 3.42%. We calculate the above figures over a trailing 12-month period.

Iberpapel Gestion SA IBG ★★★ Q 1 Mar 2024, 23:42 UTC

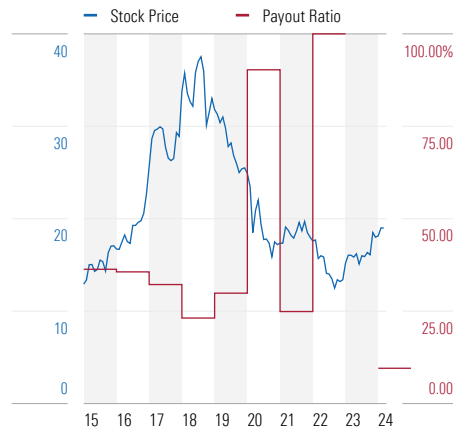
| | | | | | | | | |
|-----------------------------------|---------------------------------|--------------------------------------|--|----------------------------------|-------------------|-------------------------|-----------------|------------------------|
| Economic Moat ^Q | Uncertainty ^Q | Price/Fair Value ^Q | ESG Risk Rating Assessment ¹ | Trailing Dividend Yield % | Market Cap | Investment Style | Sector | Industry |
| None | Very High | 0.8 |  7 Feb 2024 06:00, UTC | 3.42 | 203.0411 Mil | Small Core | Basic Materials | Paper & Paper Products |

Earnings as of 28 Feb 2024

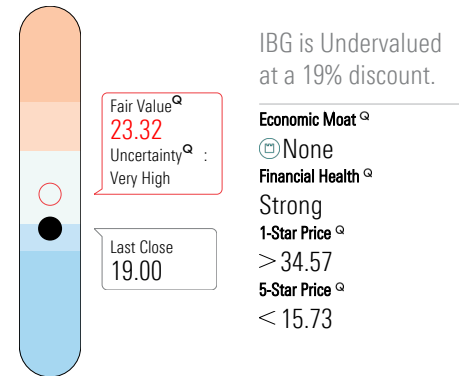
| Earnings | % | Percentile in Sector |
|--------------------|------|----------------------|
| Dividend Yield* | 3.6 | 60.0 |
| Payout Ratio* | 9.6 | 10.0 |
| Price to Earnings | 4.3 | 9.0 |
| Price to Cash Flow | 18.9 | 63.0 |
| ROIC** | 13.3 | 90.0 |

*31 Jan 2024
**30 Sep 2023

Dividends as of 1 Mar 2024



Valuation ^Q as of 1 Mar 2024



Examining valuation further, we find Iberpapel Gestion holds a price-to-earnings ratio of 4.54, a figure greater than 9% of its sector peers. The company's price-to-free cash flow ratio is 19.7, greater than 64% of its sector peers. These values are calculated using the stock's price at last market close.

Contact

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

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | YTD | Fiscal |
|-------|--------|-------|-------|--------|--------|--------|--------|--------|------|-------|---------------------------|
| 200 | 218 | 202 | 217 | 221 | 213 | 153 | 237 | 295 | — | 190 | Revenue (Mil) |
| 10.07 | 20.25 | 23.76 | 23.52 | 108.24 | 102.34 | 61.38 | 6.68 | 13.48 | — | 83.01 | Operating Income (Mil) |
| 5.03 | 9.28 | 11.77 | 10.84 | 48.96 | 47.94 | 40.14 | 2.82 | 4.57 | — | 43.72 | Operating Margin (%) |
| 9.11 | 16.11 | 20.11 | 22.91 | 25.21 | 21.68 | 4.24 | 9.29 | 15.84 | — | 34.97 | Net Income (Mil) |
| 0.82 | 1.50 | 1.87 | 2.17 | 2.39 | 2.06 | 0.39 | 0.86 | 1.47 | — | 3.28 | Diluted Earnings/Share |
| 8.03 | 33.44 | 27.44 | 35.97 | 38.42 | 25.57 | 12.09 | 46.88 | 16.13 | — | 14.65 | Operating Cash Flow (Mil) |
| -4.65 | -14.34 | -9.47 | -4.26 | -14.12 | -31.47 | -53.41 | -21.80 | -21.39 | — | -3.64 | Capital Spending (Mil) |
| 3.38 | 19.10 | 17.97 | 31.71 | 24.31 | -5.90 | -41.33 | 25.08 | -5.26 | — | 11.01 | Free Cash Flow (Mil) |
| 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | — | 11 | Avg Shares Outstand(Mil) |

Valuation as of 1 Mar 2024

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|---------|-------------------------------|
| 0.93 | 1.02 | 1.12 | 1.13 | 0.94 | 0.90 | 0.96 | 0.73 | 0.71 | 0.78 | 0.81 | Price/Fair Value ^Q |
| 0.69 | 0.85 | 1.23 | 1.47 | 1.65 | 1.27 | 1.15 | 0.98 | 0.49 | 0.75 | 0.80 | Price/Sales |
| 35.93 | 13.93 | 12.54 | 14.46 | 14.02 | 10.88 | 28.23 | 14.93 | 26.94 | 4.30 | 4.54 | Price/Earnings |
| 7.65 | 22.93 | 7.43 | 11.55 | 9.59 | 8.31 | 10.03 | 9.48 | 5.55 | 5.84 | 6.16 | Price/Cash Flow |
| 0.65 | 0.88 | 1.13 | 1.37 | 1.49 | 1.05 | 0.72 | 0.72 | 0.51 | 0.60 | 0.64 | 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 (%) |
|------|------|------|------|-------|------|------|------|------|------|------|-------------------------|
| 3.44 | 6.14 | 7.44 | 7.28 | 6.85 | 5.69 | 1.09 | 2.37 | 4.09 | — | 6.4 | Return on Assets |
| 4.36 | 7.63 | 9.11 | 9.87 | 10.24 | 8.3 | 1.61 | 3.5 | 5.69 | — | 7.91 | Return on Equity |
| 4.28 | 7.48 | 8.85 | 8.47 | 7.91 | 6.56 | 1.42 | 2.48 | 4.96 | — | 7.25 | Rtn on Invested Capital |

Dividends as of 1 Mar 2024

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar (%) |
|------|------|------|------|------|------|------|------|------|------|---------|-------------------------|
| 0.35 | 0.45 | 0.64 | 0.64 | 0.94 | 0.70 | 0.35 | 0.35 | 0.25 | 0.90 | 0.65 | Dividend Per Share |
| 1.57 | 2.61 | 2.84 | 2.23 | 1.96 | 2.75 | 2.03 | 1.94 | 1.87 | — | 3.42 | Trailing Dividend Yield |
| 2.07 | 3.7 | 0.01 | 0.14 | 0.06 | — | — | 0.03 | — | — | 0.33 | Buyback Yield |

Appendix

Economic Moat [®]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 | 0.51 | 0.56 | 0.53 | — | — | — | — | — | — | — | — | — |
| 2023 | 0.17 | 0.12 | 0.19 | 0.26 | 0.25 | 0.26 | 0.30 | 0.33 | 0.25 | 0.27 | 0.44 | 0.49 |
| 2022 | 0.15 | 0.19 | 0.11 | 0.29 | 0.42 | 0.38 | 0.32 | 0.44 | 0.35 | 0.30 | 0.23 | 0.39 |
| 2021 | 0.52 | 0.47 | 0.35 | 0.36 | 0.25 | 0.24 | 0.27 | 0.18 | 0.27 | 0.32 | 0.19 | 0.18 |
| 2020 | 0.32 | 0.48 | 0.48 | 0.47 | 0.40 | 0.24 | 0.32 | 0.37 | 0.31 | 0.37 | 0.40 | 0.40 |
| 2019 | 0.30 | 0.45 | 0.43 | 0.38 | 0.29 | 0.38 | 0.34 | 0.40 | 0.22 | 0.35 | 0.25 | 0.60 |

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/

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