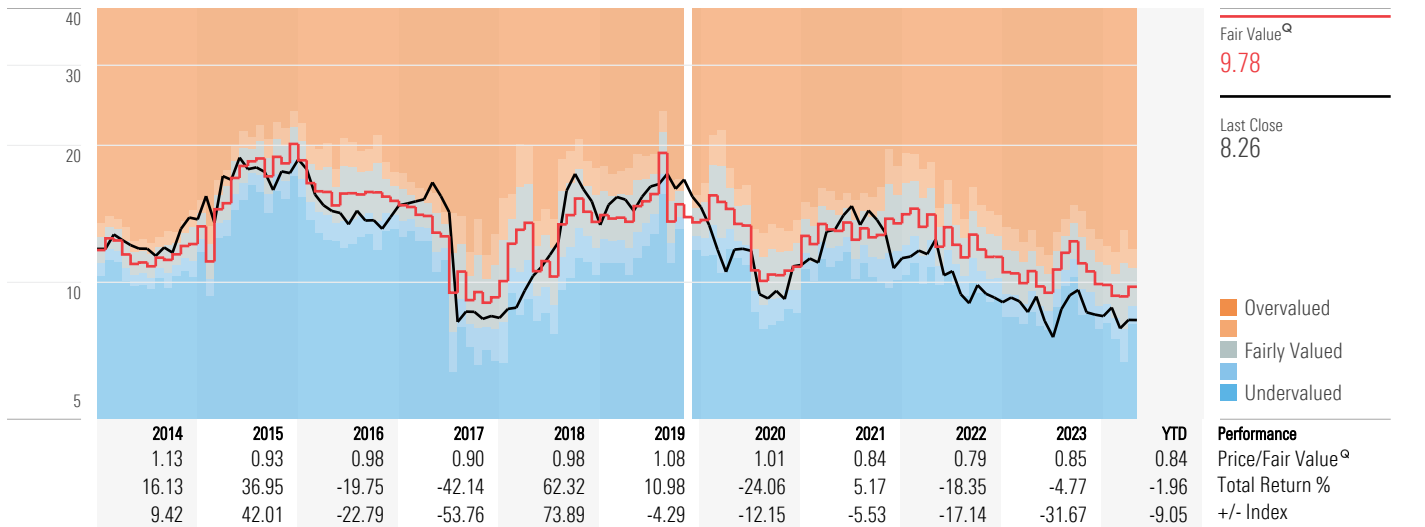


# Almirall SA ALM ★★★★★ Q 12 Apr 2024, 22:36 UTC

<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	High	0.8	 3 Apr 2024 05:00, UTC	2.23	1.7247 Bil	Small Growth	Healthcare	Drug Manufacturers - Specialty & Generic



As of 12 Apr 2024 | Index: Morningstar Spain GR EUR. Fair Value data as of 12 Apr 2024, 22:36 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 9 Apr 2024

Metrics	Value	Percentile in Sector
Earnings Yield (%)	-2.4	58.0
Sales Yield (%)	55.2	69.0
Book Value Yield (%)	85.0	80.0
Return on Assets (%)*	-1.7	59.0
Revenue(Mil)*	971.2	79.0
Market Value (Bil)	1.9	76.0
Enterprise Value (Bil)	1.9	76.0
EV/MV Ratio	1.0	57.0
Volatility TTM (%)	18.2	9.0
Drawdown TTM (%)	20.3	16.0
Volume (K)	273.9	50.0

\*31 Dec 2023

## Business Description

Almirall SA is a Spain-based company engaged in development, manufacture, and selling pharmaceutical products across a range of therapeutic areas. It aims to provide treatments in areas of dermatology, respiratory, gastrointestinal, central nervous systems, and other specialties. The company operates in five segments: Sales of its own network, sales of licensees, Research and developments, Sales of Therapeutic dermatological products in the U.S., and Corporate management. The medical dermatology business in the Europe is the key driver of the company's operation. Other than Europe, the company also operates in the Americas, Asia, Africa, and Oceania through subsidiaries.

## Valuation <sup>Q</sup> as of 12 Apr 2024

Almirall achieves a 4-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 9.74, above the previous closing price of 8.25. The stock has been trading between a 24.59% and 10.82% discount to its quantitative fair value over the past year. The stock's current valuation rating sits at the 65th percentile in the coverage universe and 77th percentile in the healthcare sector (higher percentile indicates more undervalued).

The quantitative uncertainty rating for Almirall is High.

Our quantitative star rating last differed from the current rating on 04/01/2024; the uncertainty rating last differed on 04/01/2024. The previous ratings were 3 and Very High, respectively. The main drivers of the company's valuation and uncertainty are its earnings yield and volatility. The earnings yield of -2.43% falls at the 32nd percentile

in the equity universe and the 58th percentile in its sector. The annualized trailing 12-month volatility of 18.21% corresponds to the 17th percentile overall and the 9th percentile in the industry.

## Economic Moat <sup>Q</sup> as of 12 Apr 2024

Quantitatively, we do not believe Almirall has an economic moat. Its moat score of 0.47 corresponds to the 50th percentile in the healthcare sector. Furthermore, this rating has not changed over the past year, while the company's moat score fell from its maximum of 0.55 in this period (score of 1 indicates greatest economic moat).

The company also maintains a quantitative financial health rating of Strong. Its score sits at the 82nd percentile overall and the 89th percentile in the sector.

Examining the company's financials and market statistics, we find these ratings are principally driven by its book value yield and annualized trailing 12-month volatility. The book value yield is 84.85%, sitting at the 79th percentile in the healthcare sector. The company's annualized trailing 12-month volatility is 18.21%, corresponding to the 17th percentile in the equity coverage universe and the 9th percentile in the sector.

## Fundamentals as of 12 Apr 2024

Almirall maintains losses per share of -0.2. The company further earns a return on invested capital of -2.08%. The shares offer a dividend yield of 2.23%. These values are calculated over a trailing 12-month period.


## Contact

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<http://www.almirall.es>

# Almiral SA ALM ★★★★★

Q 12 Apr 2024, 22:36 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>
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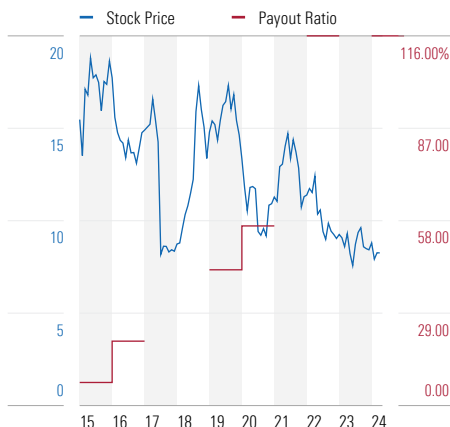
## Earnings as of 9 Apr 2024

Earnings	%	Percentile in Sector
Dividend Yield*	2.2	59.0
Payout Ratio*	—	—
Price to Earnings	—	—
Price to Cash Flow	—	—
ROIC**	-2.1	54.0

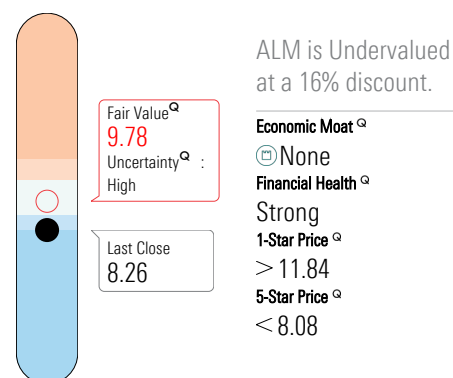
\*28 Mar 2024

\*\*31 Dec 2023

## Dividends as of 12 Apr 2024



## Valuation <sup>Q</sup> as of 12 Apr 2024



ALM is Undervalued at a 16% discount.

**Economic Moat** <sup>Q</sup>

None

**Financial Health** <sup>Q</sup>

Strong

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

&gt; 11.84

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

&lt; 8.08

## Financials as of 12 Apr 2024 (Fiscal Year End 31 Dec 2021)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD	Fiscal
819	689	764	639	757	1,711	807	827	863	895	895	Revenue (Mil)
585	125	97	16	112	1,017	110	111	69	45	45	Operating Income (Mil)
69.0	18.09	12.69	2.53	14.74	59.43	13.58	13.46	7.98	5.09	5.09	Operating Margin (%)
448.43	131.83	75.48	-303.96	77.67	105.91	74.28	-40.86	4.28	-38.47	-38.47	Net Income (Mil)
2.59	0.76	0.44	-1.76	0.41	0.58	0.42	-0.23	0.02	-0.20	-0.20	Diluted Earnings/Share
646.94	170.88	105.06	6.09	143.21	276.15	112.76	233.85	155.10	93.49	93.49	Operating Cash Flow (Mil)
-21	—	-77	-69	-599	-135	-77	-71	-116	-159	-159	Capital Spending (Mil)
626	171	28	-63	-456	141	36	163	39	-66	-66	Free Cash Flow (Mil)
173	173	173	173	188	189	179	181	197	197	197	Avg Shares Outstand(Mil)

## Valuation as of 12 Apr 2024

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Current	Calendar
1.13	0.93	0.98	0.90	0.98	1.08	1.01	0.84	0.79	0.85	0.84	Price/Fair Value <sup>Q</sup>
2.85	4.48	3.43	2.15	3.33	3.02	2.29	1.25	1.92	1.72	1.82	Price/Sales
—	6.75	15.70	—	—	31.50	31.09	—	56.50	—	—	Price/Earnings
43.26	4.29	16.85	—	13.69	13.42	8.99	7.05	9.03	9.74	17.41	Price/Cash Flow
2.53	2.30	1.67	1.08	1.93	1.99	1.47	1.59	1.21	1.16	1.18	Price/Book

## Operating Performance as of 12 Apr 2024 (Fiscal Year End 31 Dec 2021)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Q3	Fiscal (%)
20.79	5.2	2.82	-12.17	3.4	4.39	3.14	-1.84	0.2	-1.7	0.19	Return on Assets
40.26	9.41	5.06	-22.91	6.68	8.57	5.75	-3.16	0.33	-2.77	0.3	Return on Equity
31.24	7.43	4.06	-18.76	4.95	6.69	4.64	-1.81	0.55	-2.08	0.24	Rtn on Invested Capital

## Dividends as of 12 Apr 2024

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Current	Calendar (%)
—	0.20	0.19	0.19	0.18	0.20	0.20	0.19	0.19	0.18	0.18	Dividend Per Share
—	1.07	1.29	2.28	1.38	1.35	1.81	—	2.06	—	2.23	Trailing Dividend Yield
—	—	—	—	—	—	—	—	0.02	—	0.01	Buyback Yield

# Appendix

**Economic Moat** <sup>®</sup>History as of 12 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	0.38	0.46	0.43	0.43	—	—	—	—	—	—	—	—
2023	0.05	0.04	0.20	0.28	0.10	0.11	0.09	0.28	0.31	0.12	0.37	0.32
2022	0.37	0.15	0.17	0.19	0.23	0.43	0.24	0.50	0.66	0.42	0.20	0.12
2021	0.68	0.70	0.74	0.67	0.71	0.79	0.46	0.38	0.33	0.58	0.59	0.43
2020	0.82	0.81	0.73	0.80	0.64	0.62	0.44	0.52	0.67	0.69	0.76	0.72
2019	0.54	0.64	0.82	0.80	0.67	0.84	0.78	0.90	0.73	0.90	0.89	0.94

# 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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