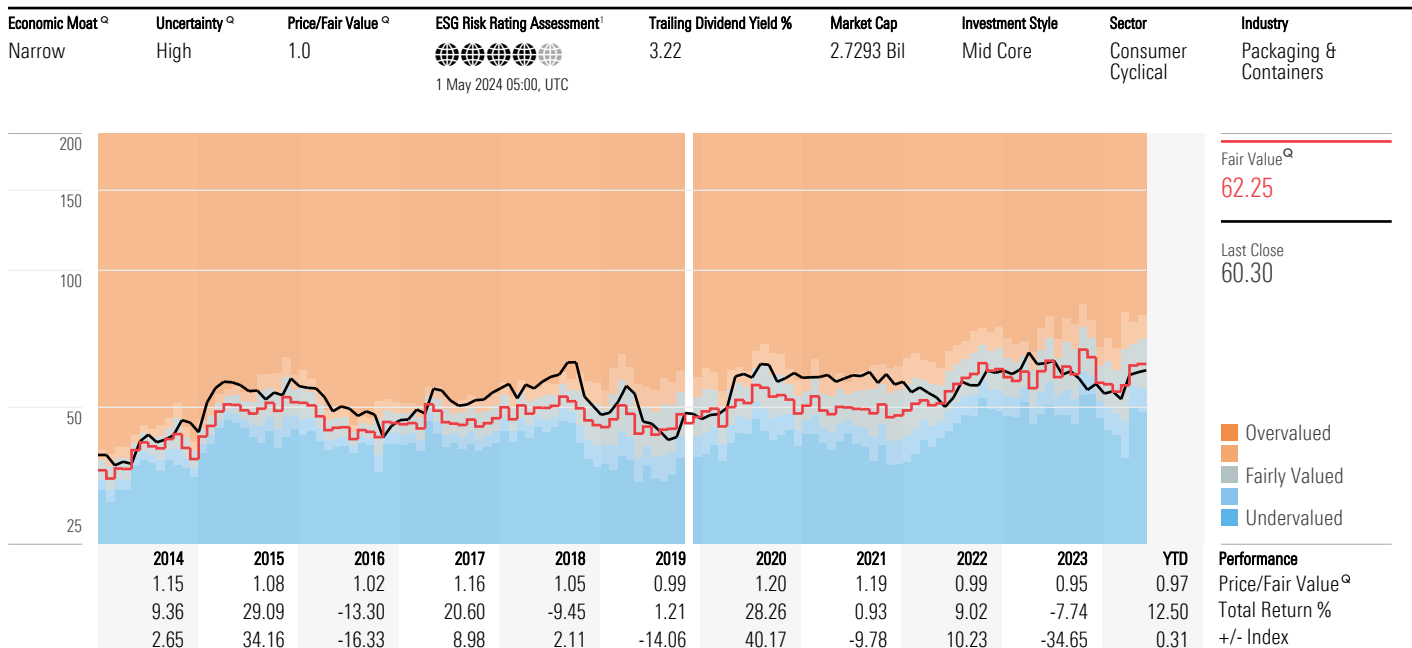


Viscofan SA VIS ★★★ Q 7 May 2024, 22:39 UTC



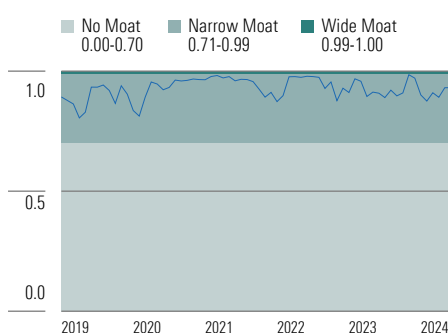
As of 7 May 2024 | Index: Morningstar Spain GR EUR. Fair Value data as of 7 May 2024, 22:39 UTC.

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 3 May 2024

| Metrics | | Percentile in Sector |
|------------------------|------|----------------------|
| Earnings Yield (%) | 5.3 | 62.0 |
| Sales Yield (%) | 44.2 | 20.0 |
| Book Value Yield (%) | 35.1 | 33.0 |
| Return on Assets (%)* | 10.3 | 87.0 |
| Revenue(Bil)* | 1.3 | 64.0 |
| Market Value (Bil) | 2.9 | 76.0 |
| Enterprise Value (Bil) | 3.1 | 73.0 |
| EV/MV Ratio | 1.1 | 39.0 |
| Volatility TTM (%) | 19.1 | 16.0 |
| Drawdown TTM (%) | 19.0 | 27.0 |
| Volume (K) | 40.8 | 29.0 |

*31 Mar 2024

Economic Moat^Q History as of 7 May 2024

Business Description

Viscofan SA is a casing market and offers growth propositions in the food and health sectors outside the traditional business. It engaged in the manufacture, distribution, and marketing of all types of casings and films for food use. Its products include Cellulose, Collagen, Fibrous, Functional solutions, Plastics, Viscofan Veggie, eFAN, and Edileaf. It also manufactures casings, films, and bags obtained through the treatment of plastic polymers. It has a geographic presence in EMEA, APAC, North America, and South America.

Valuation^Q as of 7 May 2024

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

The company's shares last closed at 60.20, in-line with our quantitative fair value estimate of 59.86. These shares have traded between a 18.44% discount and 10.76% premium 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 90th percentile; in the consumer cyclical sector, the firm's score lies at the 90th percentile (meaning the shares are more undervalued than 90% of stocks in the sector).

Furthermore, Viscofan maintains a quantitative valuation uncertainty rating of High.

The company has held this star rating since the previous rating of 4, which was last assigned on 12/25/2023. The uncertainty rating for Viscofan has remained High since the previous rating of Very High, which was last assigned on 05/01/2024.

The key factors behind these ratings are the company's earnings yield and volatility. The earnings yield is 5.28%, and its maximum annualized trailing 12-month volatility is 19.14%. The earnings yield

falls at the 62nd percentile in the consumer cyclical sector while the volatility is at the 16th percentile. Over the past year, the company's earnings yield has been between 4.54% and 5.68%; its volatility has ranged between 13.45% and 19.14%.

Economic Moat^Q as of 7 May 2024

Quantitatively, we believe Viscofan has a Narrow economic moat. Its moat score of 0.86 corresponds to the 85th percentile in the consumer cyclical sector. Furthermore, this rating has not changed over the past year, while the company's moat score fell from its maximum of 0.99 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 75th percentile overall and the 80th percentile in the sector.


Examining the company's financials and market statistics, we find these ratings are principally driven by its enterprise value and annualized trailing 12-month volatility. The enterprise value is 3.13 billion, sitting at the 73rd percentile in the consumer cyclical sector. The company's annualized trailing 12-month volatility is 19.06%, corresponding to the 18th percentile in the equity coverage universe and the 16th percentile in the sector.

Fundamentals as of 7 May 2024

Viscofan reports earnings per share of 3.19. Its return on invested capital is 13.11%. The company maintains a dividend yield of 3.25%, paying out 61.09% of earnings. These values are calculated over a trailing 12-month period.

As of last market close, Viscofan has a price-to-earnings ratio of 18.96, falling at the 54th percentile in its sector (where a lower percentile means a lower ratio) and ranging between 17.6 and 22.02

Viscofan SA VIS ★★★ Q 7 May 2024, 22:39 UTC

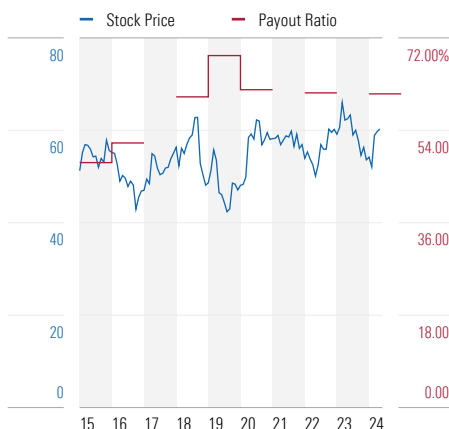
| Economic Moat ^Q | Uncertainty ^Q | Price/Fair Value ^Q | ESG Risk Rating Assessment ¹ | Trailing Dividend Yield % | Market Cap | Investment Style | Sector | Industry |
|----------------------------|--------------------------|-------------------------------|---|---------------------------|------------|------------------|-------------------|------------------------|
| Narrow | High | 1.0 |  1 May 2024 05:00, UTC | 3.22 | 2.7293 Bil | Mid Core | Consumer Cyclical | Packaging & Containers |

Earnings as of 3 May 2024

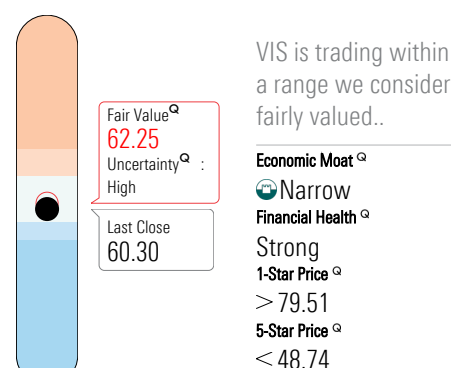
| Earnings | % | Percentile in Sector |
|--------------------|------|----------------------|
| Dividend Yield* | 3.3 | 64.0 |
| Payout Ratio* | 61.1 | 77.0 |
| Price to Earnings | 18.9 | 51.0 |
| Price to Cash Flow | 39.9 | 84.0 |
| ROIC** | 13.1 | 83.0 |

*30 Apr 2024
**31 Mar 2024

Dividends as of 7 May 2024



Valuation^Q as of 7 May 2024



over the past year. The company's price-to-free cash flow ratio is 39.93, falling at the 86th percentile in its sector and ranging between 38.18 and 584.05 over the past year.

Contact

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+34 948198444

<https://www.viscofan.com>

Financials as of 7 May 2024 (Fiscal Year End 31 Dec 2024)

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | YTD | Fiscal |
|-------|-------|-------|-------|-------|--------|--------|--------|-------|-------|-------|---------------------------|
| 687 | 741 | 731 | 778 | 786 | 850 | 912 | 969 | 1,201 | 1,226 | 290 | Revenue (Mil) |
| 137 | 161 | 152 | 154 | 141 | 123 | 163 | 175 | 189 | 185 | 40 | Operating Income (Mil) |
| 19.93 | 21.72 | 20.74 | 19.81 | 17.96 | 14.48 | 17.92 | 18.1 | 15.74 | 15.11 | 13.94 | Operating Margin (%) |
| 106 | 120 | 125 | 122 | 124 | 106 | 123 | 133 | 139 | 141 | 32 | Net Income (Mil) |
| 2.28 | 2.58 | 2.68 | 2.62 | 2.66 | 2.27 | 2.63 | 2.86 | 3.00 | 3.04 | 0.69 | Diluted Earnings/Share |
| 118 | 138 | 141 | 157 | 125 | 178 | 178 | 221 | 121 | 146 | 146 | Operating Cash Flow (Mil) |
| -60 | -57 | -81 | -112 | -72 | -63 | -55 | -96 | -116 | -77 | -77 | Capital Spending (Mil) |
| 58.24 | 81.00 | 59.77 | 45.73 | 53.32 | 115.18 | 123.02 | 125.52 | 5.16 | 68.58 | 68.58 | Free Cash Flow (Mil) |
| 47 | 47 | 47 | 47 | 47 | 46 | 47 | 47 | 46 | 46 | 45 | Avg Shares Outstand(Mil) |

Valuation as of 7 May 2024

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|-------------------------------|
| 1.15 | 1.08 | 1.02 | 1.16 | 1.05 | 0.99 | 1.20 | 1.19 | 0.99 | 0.95 | 0.97 | Price/Fair Value ^Q |
| 2.65 | 3.52 | 3.02 | 3.31 | 2.89 | 2.62 | 3.00 | 2.77 | 2.46 | 1.97 | 2.27 | Price/Sales |
| 20.23 | 22.61 | 18.02 | 19.85 | 18.91 | 20.31 | 22.32 | 19.71 | 20.16 | 18.45 | 18.99 | Price/Earnings |
| 18.05 | 20.40 | 14.41 | 15.36 | 18.04 | 15.62 | 15.49 | 13.43 | 15.48 | 27.40 | 18.82 | Price/Cash Flow |
| 3.56 | 4.21 | 3.18 | 3.48 | 2.97 | 2.78 | 3.58 | 3.12 | 2.91 | 2.48 | 2.86 | Price/Book |

Operating Performance as of 7 May 2024 (Fiscal Year End 31 Dec 2024)

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Q3 | Fiscal (%) |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------------------------|
| 12.77 | 14.05 | 14.19 | 12.91 | 12.42 | 9.97 | 11.53 | 12.04 | 11.09 | 10.24 | 2.22 | Return on Assets |
| 19.4 | 19.86 | 18.66 | 17.01 | 16.68 | 13.69 | 16.11 | 17.06 | 16.12 | 15.12 | 3.3 | Return on Equity |
| 16.86 | 18.09 | 17.58 | 15.84 | 15.06 | 12.08 | 14.17 | 15.03 | 13.96 | 13.1 | 2.8 | Rtn on Invested Capital |

Dividends as of 7 May 2024

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar (%) |
|------|------|------|------|------|------|------|------|------|------|---------|-------------------------|
| 1.15 | 1.24 | 1.39 | 1.49 | 1.69 | 1.60 | 2.36 | 1.69 | 1.83 | 1.94 | 1.94 | Dividend Per Share |
| 2.62 | 2.24 | 2.97 | — | 3.24 | 3.4 | 4.07 | — | 3.04 | — | 3.22 | Trailing Dividend Yield |
| — | — | — | — | — | 0.24 | 0.24 | — | 0.62 | — | 0.23 | Buyback Yield |

Appendix

| Economic Moat [®] History as of 7 May 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 | 0.90 | 0.88 | 0.91 | 0.89 | 0.93 | — | — | — | — | — | — | — |
| 2023 | 0.91 | 0.97 | 0.96 | 0.89 | 0.91 | 0.91 | 0.89 | 0.92 | 0.90 | 0.91 | 0.99 | 0.97 |
| 2022 | 0.87 | 0.90 | 0.98 | 0.98 | 0.97 | 0.98 | 0.98 | 0.97 | 0.93 | 0.95 | 0.88 | 0.93 |
| 2021 | 0.96 | 0.98 | 0.98 | 0.97 | 0.98 | 0.96 | 0.97 | 0.97 | 0.96 | 0.93 | 0.89 | 0.91 |
| 2020 | 0.84 | 0.81 | 0.89 | 0.95 | 0.95 | 0.92 | 0.93 | 0.96 | 0.96 | 0.96 | 0.97 | 0.96 |
| 2019 | 0.89 | 0.88 | 0.86 | 0.81 | 0.83 | 0.93 | 0.93 | 0.94 | 0.92 | 0.87 | 0.94 | 0.90 |

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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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