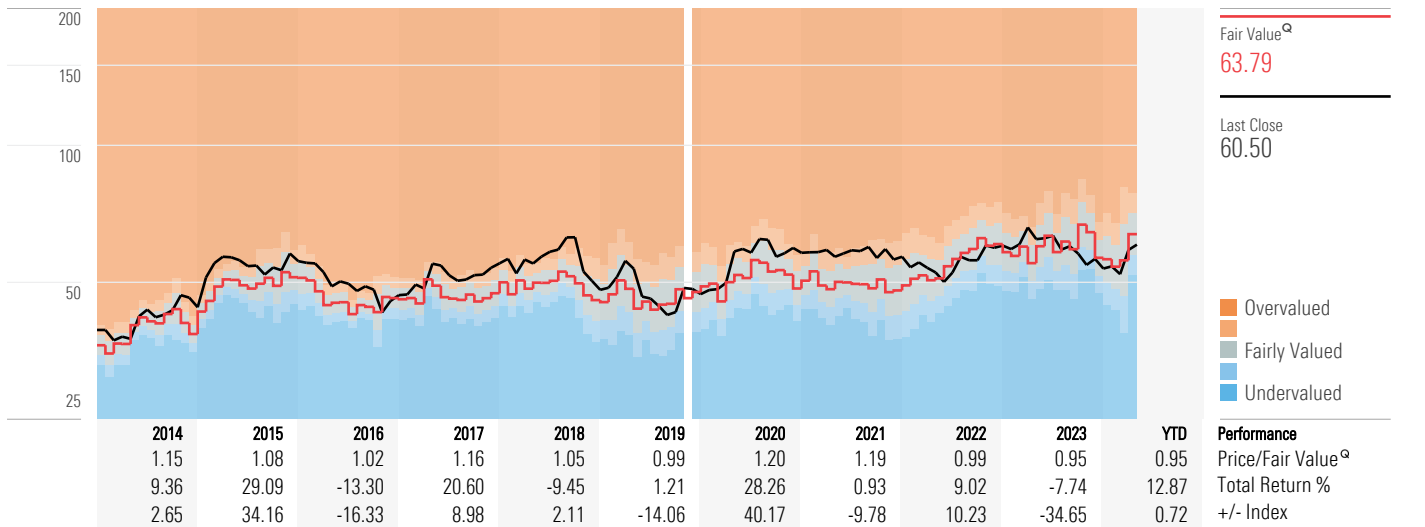


Viscofan SA VIS ★★★ Q 26 Apr 2024, 22:42 UTC

Economic Moat ◊	Uncertainty ◊	Price/Fair Value ◊	ESG Risk Rating Assessment ¹	Trailing Dividend Yield %	Market Cap	Investment Style	Sector	Industry
Narrow	High	0.9	3 Apr 2024 05:00, UTC	3.21	2.7887 Bil	Mid Core	Consumer Cyclical	Packaging & Containers



As of 26 Apr 2024 | Index: Morningstar Spain GR EUR. Fair Value data as of 26 Apr 2024, 22:42 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 25 Apr 2024

Metrics	Value	Percentile in Sector
Earnings Yield (%)	5.2	61.0
Sales Yield (%)	43.2	20.0
Book Value Yield (%)	34.3	32.0
Return on Assets (%)*	10.3	87.0
Revenue(Bil)*	1.3	64.0
Market Value (Bil)	3.0	76.0
Enterprise Value (Bil)	3.2	73.0
EVMV Ratio	1.1	39.0
Volatility TTM (%)	19.0	16.0
Drawdown TTM (%)	19.0	27.0
Volume (K)	41.5	29.0

*31 Mar 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 ◊ as of 26 Apr 2024

Morningstar affirms a 3-star quantitative rating for Viscofan. We calculate this outcome using the company's underlying model-driven valuation and uncertainty scores.

The stock's last closing price was 61.40, a discount of 6% to its Quantitative Fair Value estimate of 65.32. The stock has been trading between a 18.44% discount and 15.3% premium to its quantitative fair value over the past year. The stock's price to fair value ratio is at the 84th percentile in our global equity coverage universe for this methodology and at the 85th percentile relative to its peers in the consumer cyclical sector.

Viscofan furthermore holds a High quantitative uncertainty rating.

The company's quantitative star rating dates to after 12/25/2023, before which it was 4-star. Similarly, the firm's uncertainty rating changed from Very High to High after 04/01/2024.

We examine the financials and market statistics for Viscofan to determine these ratings. Its return on assets is 10.32 and its annualized trailing 12-month volatility is 19.04%. These fall at the 89th and 19th percentiles in the equity universe and at the 87th and 16th in the consumer cyclical sector, respect-

ively.

Economic Moat ◊ as of 26 Apr 2024

Quantitatively, we believe Viscofan has a Narrow economic moat. Its moat score of 0.87 corresponds to the 86th 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 3.18 billion, sitting at the 73rd percentile in the consumer cyclical sector. The company's annualized trailing 12-month volatility is 19.04%, corresponding to the 19th percentile in the equity coverage universe and the 16th percentile in the sector.

Fundamentals as of 26 Apr 2024

Viscofan reports earnings per share of 3.19. Its return on invested capital is 13.11%. The company maintains a dividend yield of 3.29%, paying out 63.82% 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 19.33, falling at the 56th percentile in its sector (where a lower percentile means a lower ratio) and ranging between 17.6 and 22.02 over the past year. The company's price-to-free cash flow ratio is 40.72, falling at the 86th percentile in its sector and ranging between 38.18 and 585.33 over the past year.

Viscofan SA VIS ★★★ Q 26 Apr 2024, 22:42 UTC

Economic Moat ^Q	Uncertainty ^Q	Price/Fair Value ^Q	ESG Risk Rating Assessment ¹	Trailing Dividend Yield %	Market Cap	Investment Style	Sector	Industry
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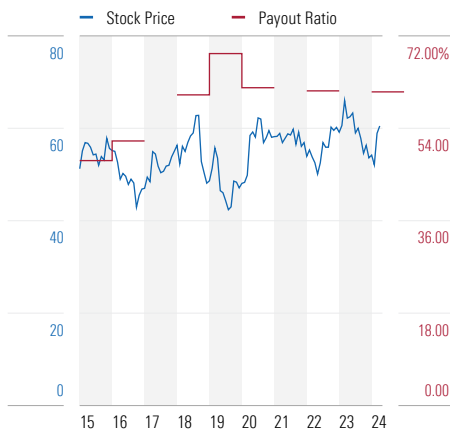
Earnings as of 25 Apr 2024

Earnings	%	Percentile in Sector
Dividend Yield*	3.3	64.0
Payout Ratio*	63.8	78.0
Price to Earnings	19.3	56.0
Price to Cash Flow	40.7	86.0
ROIC**	13.1	83.0

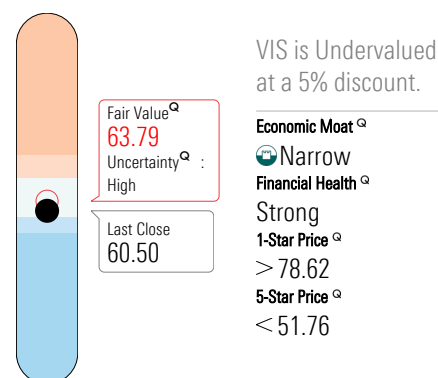
*28 Mar 2024

**31 Mar 2024

Dividends as of 26 Apr 2024



Valuation ^Q as of 26 Apr 2024



Economic Moat ^Q

Narrow

Financial Health ^Q

Strong

1-Star Price ^Q

> 78.62

5-Star Price ^Q

< 51.76

Contact

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<https://www.viscofan.com>

Financials as of 26 Apr 2024 (Fiscal Year End 31 Dec 2024)

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

Valuation as of 26 Apr 2024

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Current	Calendar
Price/Fair Value ^Q	1.15	1.08	1.02	1.16	1.05	0.99	1.20	1.19	0.99	0.95	0.95	Price/Fair Value ^Q
Price/Sales	2.65	3.52	3.02	3.31	2.89	2.62	3.00	2.77	2.46	1.97	2.28	Price/Sales
Price/Earnings	20.23	22.61	18.02	19.85	18.91	20.31	22.32	19.71	20.16	18.45	19.05	Price/Earnings
Price/Cash Flow	18.05	20.40	14.41	15.36	18.04	15.62	15.49	13.43	15.48	27.40	18.89	Price/Cash Flow
Price/Book	3.56	4.21	3.18	3.48	2.97	2.78	3.58	3.12	2.91	2.48	2.87	Price/Book

Operating Performance as of 26 Apr 2024 (Fiscal Year End 31 Dec 2024)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Q3	Fiscal (%)
Return on Assets	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
Return on Equity	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
Rtn on Invested Capital	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 26 Apr 2024

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Current	Calendar (%)
Dividend Per Share	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
Trailing Dividend Yield	2.62	2.24	2.97	—	3.24	3.4	4.07	—	3.04	—	3.21	Trailing Dividend Yield
Buyback Yield	—	—	—	—	—	0.24	0.24	—	0.62	—	0.23	Buyback Yield

Appendix

Economic Moat [®]History as of 26 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	0.90	0.88	0.91	0.88	—	—	—	—	—	—	—	—
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

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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