

# Bbva Banco Frances,S.A. XBFR ★★★<sup>Q</sup> 14 Oct 2019 02:00 UTC

**Last Close**  
14 Oct 2019  
2.12

**Fair Value<sup>Q</sup>**  
14 Oct 2019 02:00 UTC  
3.82

**Market Cap**  
14 Oct 2019  
— K

**Sector**  
Financial Services

**Industry**  
Banks - Regional - Latin America

**Country of Domicile**  
ARG Argentina

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## Company Profile

BBVA Banco Frances SA is a banking services provider in Argentina. It provides financial assistance to large corporations, small and medium-size companies, as well as individuals. The bank provides services through the retail, corporate, investment banking and Small and medium-sized companies divisions. Through the retail banking segment, it provides banking products and services to individuals, the corporate banking deals with services to corporates, the small and medium-sized companies segment focused on foreign

## Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	Narrow	77	68	75
Valuation	Undervalued	80	90	88
Quantitative Uncertainty Extreme		44	44	35
Financial Health	Strong	88	47	72

XBFR



Undervalued Fairly Valued Overvalued

Source: Morningstar Equity Research

## Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.56	0.91	0.87	0.81
Price/Earnings	27.7	11.3	12.7	14.5
Forward P/E	4.9	—	10.5	7.6
Price/Cash Flow	1.8	6.8	9.5	7.3
Price/Free Cash Flow	1.9	14.0	10.9	12.5
Trailing Dividend Yield %	3.68	—	3.64	3.23
Price/Book	1.8	2.9	1.1	2.3
Price/Sales	1.5	2.8	2.9	1.7

## Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	18.7	16.7	10.1	29.9
Return on Assets %	2.3	2.2	1.4	5.5
Revenue/Employee (Mil)	10.7	4.1	0.8	5.6

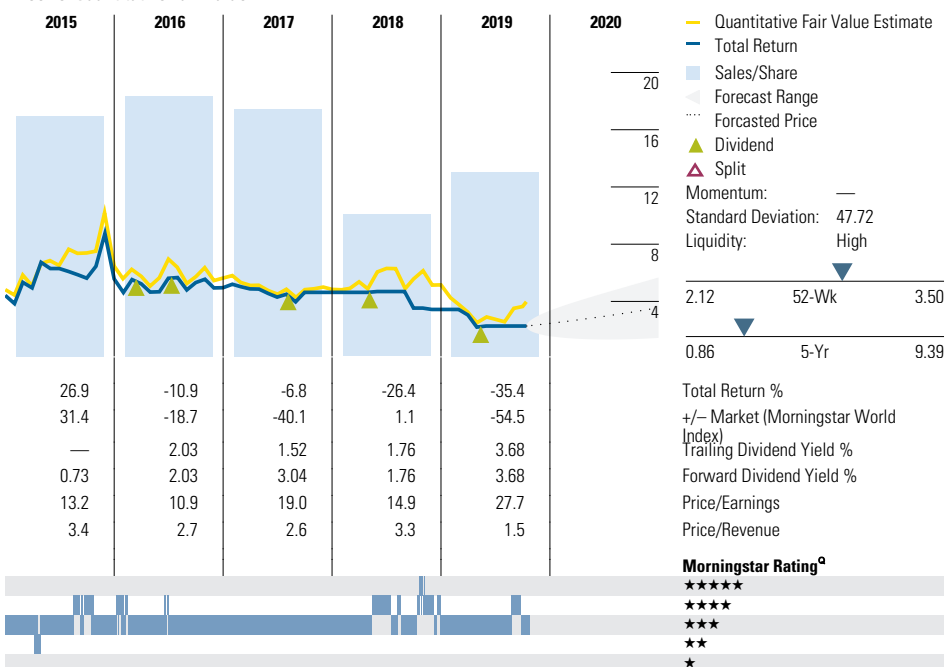
## Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.7	0.8	0.8	0.6
Solvency Score	—	—	503.7	494.3
Assets/Equity	7.9	8.2	3.7	2.9
Long-Term Debt/Equity	0.2	0.2	0.3	0.3

## Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	17.6	46.2	40.5	31.4
Operating Income %	—	—	—	—
Earnings %	—	—	—	—
Dividends %	6.5	—	—	16.4
Book Value %	-7.2	43.8	41.6	34.4
Stock Total Return %	-37.2	-25.0	-8.5	7.7

## Price vs. Quantitative Fair Value



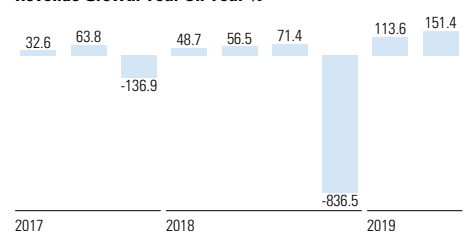
2014	2015	2016	2017	2018	2019	TTM	Financials (Fiscal Year in Mil)
11,489	13,723	17,586	21,570	42,908	66,758	Revenue	
46.4	19.4	28.1	22.7	98.9	55.6	% Change	
—	—	—	—	—	—	Operating Income	
—	—	—	—	—	—	% Change	
3,204	3,784	3,644	3,878	-1,490	7,629	Net Income	
—	—	—	—	49,105	33,248	Operating Cash Flow	
—	—	—	—	-1,902	-2,136	Capital Spending	
-300	-283	-420	-776	47,203	31,112	Free Cash Flow	
1,184	18,216	25,706	-15,731	46.6	46.6	% Sales	
10.3	132.7	146.2	-72.9	110.0	12.45	EPS	
5.97	7.05	6.79	6.75	-2.43	—	% Change	
58.4	18.1	-3.7	-0.6	-136.0	1.10	Free Cash Flow/Share	
0.85	0.57	2.30	-0.43	-0.20	3.93	Dividends/Share	
0.05	0.00	2.42	1.49	1.58	1.24	Book Value/Share	
1.68	1.61	1.72	1.95	1.24	612,660	Shares Outstanding (K)	
548,570	548,570	548,570	612,660	612,660	612,660		

2014	2015	2016	2017	2018	2019	TTM	Profitability
36.7	31.5	24.2	18.2	-4.2	18.7	18.7	Return on Equity %
4.8	4.1	2.8	2.1	-0.5	2.3	2.3	Return on Assets %
27.9	27.6	20.7	18.0	-3.5	11.4	11.4	Net Margin %
0.17	0.15	0.13	0.11	0.15	0.20	0.20	Asset Turnover
7.2	8.1	9.2	8.7	7.9	8.1	8.1	Financial Leverage
—	—	—	—	—	—	—	Gross Margin %
—	—	—	—	—	—	—	Operating Margin %
2,313	3,270	3,169	4,737	8,001	7,621	7,621	Long-Term Debt
10,332	13,716	16,460	26,057	45,512	48,776	48,776	Total Equity
11.2	11.3	7.2	5.1	3.9	6.4	6.4	Fixed Asset Turns

## Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2019	18,220.3	22,585.6	—	—	—
2018	8,532.0	8,984.3	11,335.9	12,348.5	42,907.8
2017	5,739.2	5,741.1	6,615.1	-1,676.6	21,569.9
2016	4,165.3	4,329.7	4,038.1	4,548.6	17,585.6
Earnings Per Share (€)					
2019	9.81	11.07	—	—	—
2018	2.63	3.47	4.91	4.79	-2.43
2017	2.99	1.82	2.25	2.23	6.75
2016	2.17	1.79	1.70	1.08	6.79

## Revenue Growth Year On Year %



# Quantitative Equity Reports Overview

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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, and the Quantitative Uncertainty Rating. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.

**One-Star** – the stock is overvalued with a reasonable margin of safety.

*Log (Quant FVE/Price) < -1\*Quantitative Uncertainty*

**Two-Star** - the stock is somewhat overvalued.

*Log (Quant FVE/Price) between (-1\*Quantitative Uncertainty, -0.5\*Quantitative Uncertainty)*

**Three-Star** – the stock is approximately fairly valued.

*Log (Quant FVE/Price) between (-0.5\*Quantitative Uncertainty, 0.5\*Quantitative Uncertainty)*

**Four-Star** – the stock is somewhat undervalued.

*Log (Quant FVE/Price) between (0.5\*Quantitative Uncertainty, 1\*Quantitative Uncertainty)*

**Five-Star** – the stock is undervalued with a reasonable margin of safety.

*Log (Quant FVE/Price) > 1\*Quantitative Uncertainty*

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

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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.

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**Fairly Valued – Last Price** is in line with Morningstar's quantitative fair value estimate.

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