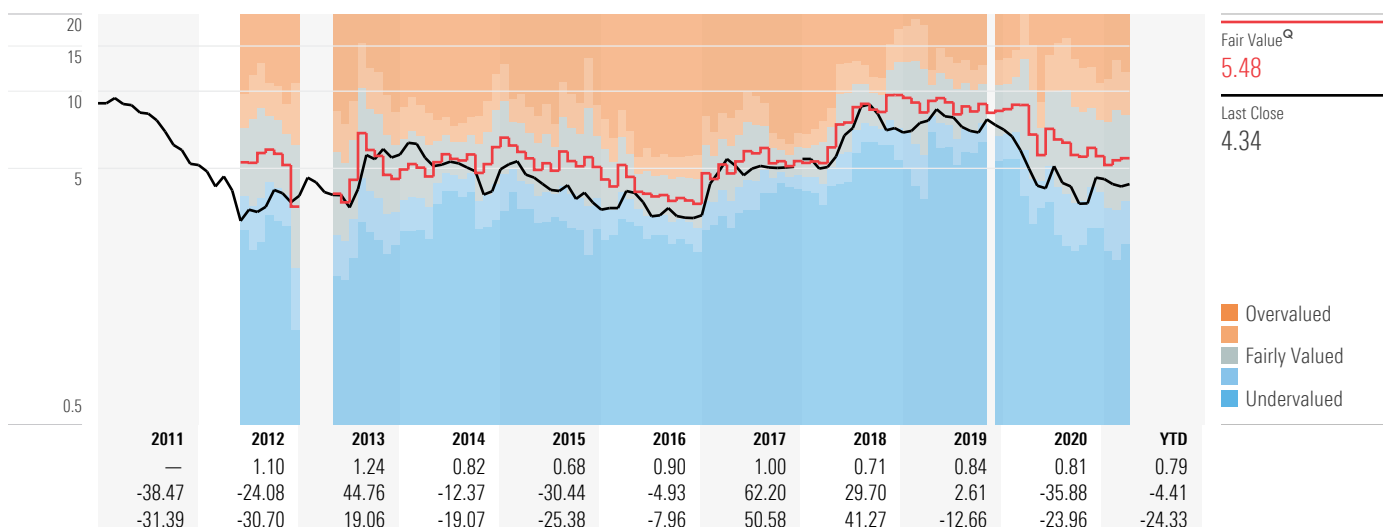


Adolfo Dominguez SA ADZ ★★★ Q 4 Mar 2021, 23:35 UTC

Economic Moat ^Q	Uncertainty ^Q	Price/Fair Value ^Q	Trailing Dividend Yield %	Market Cap	Investment Style	Sector	Industry
None	Very High	0.8	—	40.0084 Mil	Small Value	Consumer Cyclical	Apparel Manufacturing



Total Return % as of 4 Mar 2021. Last Close as of 4 Mar 2021. Fair Value as of 4 Mar 2021, 23:35 UTC. Index: Morningstar Spain GR EUR.

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Contact

Valuation

as of 4 Mar 2021



Fair Value ^Q
5.48
Uncertainty ^Q :
Very High

Last Close
4.34

ADZ is Under Valued
at a 21% discount.

Economic Moat

None

Financial Health

Moderate

1-Star Price

> 11.84

5-Star Price

< 2.53

Financials as of 4 Mar 2021 (Fiscal Year End 28 Feb 2020)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	Fiscal
163	153	148	132	122	106	110	114	112	115	41	Revenue (Mil)
-7,447	-10,656	-20,595	-9,584	-6,306	-22,400	-10,995	-4,232	303	2,320	-13,589	Operating Income (K)
-4.56	-6.96	-13.87	-7.23	-5.19	-21.19	-9.97	-3.72	0.27	2.02	-33.53	Operating Margin (%)
-4,497	-9,267	-23,947	-10,263	-11,038	7,974	-22,706	-6,868	-500	-8,319	-14,965	Net Income (K)
-0.49	-1.01	-2.61	-1.11	-1.19	0.86	-2.49	-0.76	-0.05	-0.90	-1.62	Diluted Earnings/Share
5,268	-6,678	-1,249	5,633	4,090	-14,603	-9,947	2,037	237	8,455	-6,099	Operating Cash Flow (K)
-9,419	-6,475	-715	-1,582	-2,042	-2,409	-2,004	-886	-841	-1,478	-303	Capital Spending (K)
-4,150	-13,153	-1,964	4,051	2,048	-17,012	-11,952	1,151	-604	6,977	-6,401	Free Cash Flow (K)
9	9	9	9	9	9	9	9	9	9	9	Avg Shares Outstand(Mil)
—	—	—	—	—	—	—	—	—	—	—	Dividend Per Share

Valuation as of 4 Mar 2021

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Current	Calendar
—	1.10	1.24	0.82	0.68	0.90	1.00	0.71	0.84	0.81	0.79	Price/Fair Value ^Q
0.30	0.23	0.38	0.36	0.27	0.28	0.43	0.56	5.81	0.47	0.51	Price/Sales
—	—	—	—	—	3.83	—	—	68.87	—	46.79	Price/Earnings
—	—	—	1,000.55	7.59	—	—	—	119.63	48.22	46.10	Price/Cash Flow
0.39	0.32	0.61	0.57	0.52	0.43	0.91	1.28	1.29	1.29	1.39	Price/Book

Operating Performance as of — (Fiscal Year End 28 Feb 2020)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3	Fiscal (%)
-2.5	-5.15	-14.46	-7.25	-8.69	6.85	-23.04	-8.66	-0.68	-9.59	-4.58	Return on Assets
-3.42	-7.42	-22.22	-11.41	-13.87	10.13	-31.94	-12.3	-0.96	-17.26	-14.78	Return on Equity
-2.62	-5.55	-16.63	-7.38	-9.77	9.55	-31.01	-12.14	-0.85	-11.75	-5.78	Rtn on Invested Capital

Business Description

Adolfo Dominguez SA designs, manufactures, and sells apparel and accessories. It offers shirts, T-shirts, jackets, knitting, skirts, trousers and sweaters, bags, shoes, scarf, jewelry and belts to men, women and children. The firm deals in ready-made clothing, footwear, handbags and accessories,

household linens, furniture products, and decorative objects.

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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.

One-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*

Two-Star - 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)*

Three-Star – 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)*

Four-Star – 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)*

Five-Star – 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

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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.

Overvalued – Last Price is above Morningstar's quantitative fair value estimate.

This Report **has not been made available** to the issuer of the security prior to publication.

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