

Almirall SA ALM ★★★^Q 18 Sep 2020 02:00 UTC

Last Close
18 Sep 2020
9.92

Fair Value^Q
18 Sep 2020 02:00 UTC
10.62

Market Cap
18 Sep 2020
1,729.6 Mil

Sector
Healthcare

Industry
Drug Manufacturers -
Specialty & Generic

Country of Domicile
ESP Spain

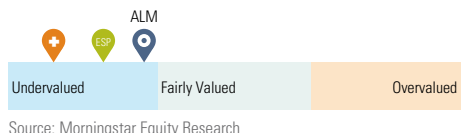
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Company Profile

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

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	64	76	41
Valuation	Undervalued	18	23	41
Quantitative Uncertainty	High	97	97	95
Financial Health	Moderate	87	69	42



Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.93	0.97	0.82	0.87
Price/Earnings	20.2	20.2	26.5	15.0
Forward P/E	23.8	—	11.3	12.5
Price/Cash Flow	7.9	38.1	18.4	8.8
Price/Free Cash Flow	20.4	53.0	27.3	15.2
Trailing Dividend Yield %	2.00	1.47	1.50	3.93
Price/Book	1.3	1.9	3.4	1.9
Price/Sales	2.2	3.4	4.2	1.4

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	6.8	1.4	12.4	12.9
Return on Assets %	3.6	0.7	6.2	3.3
Revenue/Employee (K)	475.0	734.6	309.2	240.3

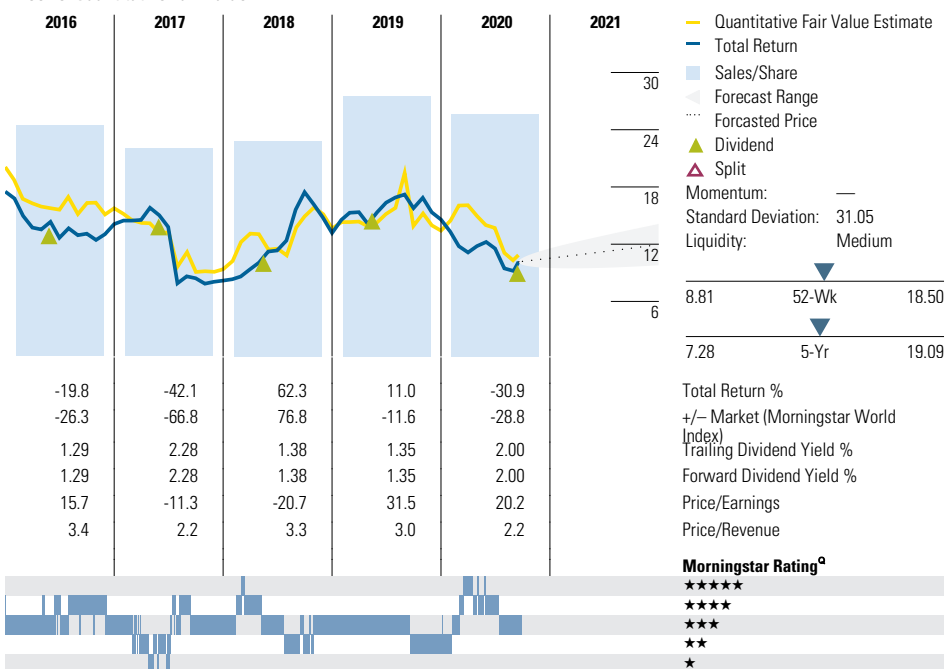
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.7	0.7	0.6	0.7
Solvency Score	440.7	—	494.6	556.5
Assets/Equity	1.9	1.9	1.4	2.7
Long-Term Debt/Equity	0.2	0.3	0.1	0.4

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	13.0	3.8	0.9	-0.8
Operating Income %	84.3	38.0	—	-5.1
Earnings %	46.3	10.9	-25.4	-4.1
Dividends %	7.6	1.4	—	-4.6
Book Value %	7.1	-5.8	-1.1	5.0
Stock Total Return %	-36.5	3.9	-7.9	3.6

Price vs. Quantitative Fair Value

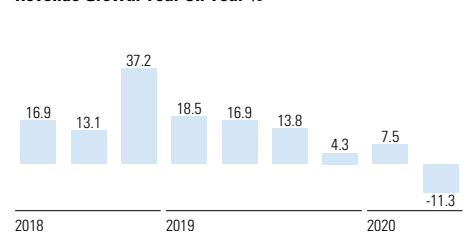


	2015	2016	2017	2018	2019	TTM	Financials (Fiscal Year in K)
Revenue	689,225	764,361	639,381	756,934	855,339	848,790	Revenue
% Change	-15.8	10.9	-16.4	18.4	13.0	-0.8	% Change
Operating Income	77,777	40,326	-68,833	57,520	105,998	113,268	Operating Income
% Change	—	-48.2	-270.7	—	84.3	6.9	% Change
Net Income	131,826	75,479	-303,961	77,674	105,909	86,340	Net Income
Operating Cash Flow	170,884	105,056	6,094	143,209	276,146	236,345	Operating Cash Flow
Capital Spending	—	-76,628	-68,783	-598,478	-135,087	-145,079	Capital Spending
Free Cash Flow	170,884	28,428	-62,689	-455,269	141,059	91,266	Free Cash Flow
% Sales	24.8	3.7	-9.8	-60.1	16.5	10.8	% Sales
EPS	0.76	0.44	-1.76	0.45	0.60	0.49	EPS
% Change	-70.7	-42.1	-500.0	—	33.3	-18.3	% Change
Free Cash Flow/Share	4.28	0.87	-0.93	0.61	-2.35	0.49	Free Cash Flow/Share
Dividends/Share	0.20	0.19	0.19	0.18	0.20	0.00	Dividends/Share
Book Value/Share	8.09	8.84	7.71	6.92	7.34	7.60	Book Value/Share
Shares Outstanding (K)	172,951	172,951	172,951	173,854	174,441	174,441	Shares Outstanding (K)
Return on Equity %	9.4	5.1	-22.9	6.7	8.6	6.8	Profitability
Return on Assets %	5.2	2.8	-12.2	3.4	4.4	3.6	Return on Assets %
Net Margin %	19.1	9.9	-47.5	10.3	12.4	10.2	Net Margin %
Asset Turnover	0.27	0.29	0.26	0.33	0.35	0.35	Asset Turnover
Financial Leverage	1.7	1.9	1.9	2.0	1.9	1.8	Financial Leverage
Gross Margin %	78.1	78.7	72.9	78.5	77.5	76.5	Gross Margin %
Operating Margin %	11.3	5.3	-10.8	7.6	12.4	13.3	Operating Margin %
Long-Term Debt	333,011	331,128	262,561	532,143	270,183	471,119	Long-Term Debt
Total Equity	1,462,582	1,520,280	1,133,680	1,191,749	1,280,186	1,325,683	Total Equity
Fixed Asset Turns	5.3	5.9	4.9	6.2	6.8	7.0	Fixed Asset Turns

Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2020	241.3	184.7	—	—	—
2019	224.4	208.2	197.9	224.8	855.3
2018	189.3	178.1	174.0	215.5	756.9
2017	176.1	152.4	153.8	157.1	639.4
Earnings Per Share (€)					
2020	0.28	-0.04	—	—	—
2019	0.17	0.18	0.18	0.07	0.60
2018	0.18	0.12	0.24	-0.09	0.45
2017	0.11	-0.54	-0.15	-1.18	-1.76

Revenue Growth Year On Year %



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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

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.

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