

# Natra SA NAT ★★★<sup>Q</sup> 30 Aug 2019 02:00 UTC

**Last Close**  
29 Aug 2019  
1.00

**Fair Value<sup>Q</sup>**  
30 Aug 2019 02:00 UTC  
2.02

**Market Cap**  
29 Aug 2019  
157.6 Mil

**Sector**  
Consumer Defensive

**Industry**  
Confectioners

**Country of Domicile**  
ESP Spain

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## Company Profile

Natra SA specializes in chocolate products for the private label brand and other food companies, as well as in cocoa derivatives. The company operates its business in various segments that include Consumer Goods segment, which manufactures chocolate tablets, count lines, spreads and Belgian chocolates, and specialties, and Industrial Goods segment, which provides cocoa-derived products (mainly cocoa powder and butter and chocolate coatings) for the international food industry. The company also focuses on

## Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	34	66	23
Valuation	Undervalued	93	54	96
Quantitative Uncertainty Extreme		3	38	3
Financial Health	Moderate	18	49	10

NAT



Undervalued Fairly Valued Overvalued

Source: Morningstar Equity Research

## Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.50	0.89	0.84	0.87
Price/Earnings	2.4	30.6	19.6	15.0
Forward P/E	—	—	16.9	12.5
Price/Cash Flow	8.3	4.4	12.6	8.8
Price/Free Cash Flow	16.4	25.3	21.4	15.2
Trailing Dividend Yield %	—	—	2.28	3.93
Price/Book	2.7	1.0	2.0	1.9
Price/Sales	0.4	0.1	1.1	1.4

## Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	63.6	-18.0	12.1	12.9
Return on Assets %	10.1	-3.3	5.8	3.3
Revenue/Employee (K)	384.1	372.2	646.1	240.3

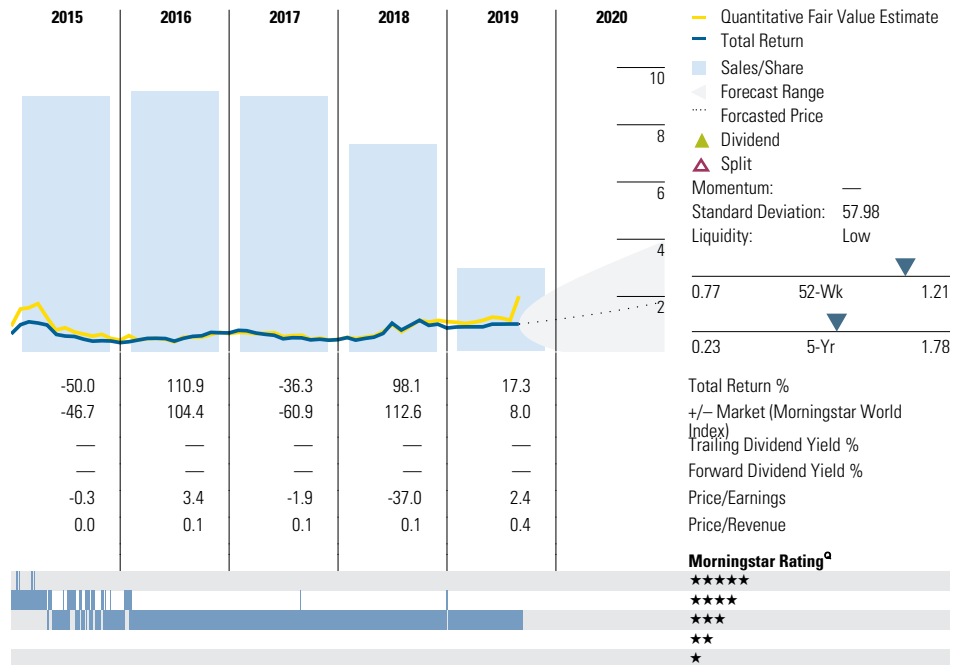
## Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.2	0.3	0.6	0.7
Solvency Score	519.8	—	467.9	556.5
Assets/Equity	5.9	8.6	1.8	2.7
Long-Term Debt/Equity	2.6	3.4	0.2	0.4

## Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	2.5	0.9	1.0	-1.8
Operating Income %	95.5	36.3	10.9	2.1
Earnings %	—	63.0	—	25.9
Dividends %	—	—	—	—
Book Value %	87.2	0.7	-15.5	-3.2
Stock Total Return %	5.3	23.9	-10.1	-12.0

## Price vs. Quantitative Fair Value

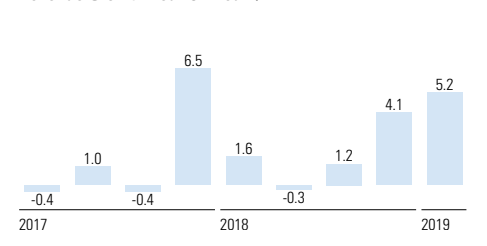


	2014	2015	2016	2017	2018	TTM	Financials (Fiscal Year in K)
Revenue	368,920	368,708	365,868	372,469	379,010	384,120	Revenue
% Change	2.2	-0.1	-0.8	1.8	1.8	1.3	% Change
Operating Income	-2,118	9,888	12,176	12,803	25,029	26,229	Operating Income
% Change	-114.2	—	23.1	5.1	95.5	4.8	% Change
Net Income	-54,477	4,464	-12,249	-9,889	23,010	26,580	Net Income
Operating Cash Flow	-773	3,275	3,483	21,313	18,298	18,298	Operating Cash Flow
Capital Spending	-12,245	-5,884	-7,525	-9,469	-9,035	-9,035	Capital Spending
Free Cash Flow	-13,018	-2,609	-4,042	11,844	9,263	9,263	Free Cash Flow
% Sales	-3.5	-0.7	-1.1	3.2	2.4	2.4	% Sales
EPS	-1.15	0.09	-0.26	-0.21	0.39	0.41	EPS
% Change	—	—	-388.9	—	—	5.5	% Change
Free Cash Flow/Share	-0.10	-0.14	-0.17	-0.04	0.27	0.06	Free Cash Flow/Share
Dividends/Share	0.00	0.00	0.00	0.00	0.00	0.00	Dividends/Share
Book Value/Share	1.56	0.52	0.73	0.49	0.54	0.38	Book Value/Share
Shares Outstanding (K)	47,161	47,161	47,117	47,117	59,605	157,724	Shares Outstanding (K)
Return on Equity %	-94.2	13.4	-38.3	-41.4	70.6	63.6	Return on Equity %
Return on Assets %	-18.0	1.8	-4.9	-4.0	8.8	10.1	Return on Assets %
Net Margin %	-14.8	1.2	-3.4	-2.7	6.1	6.9	Net Margin %
Asset Turnover	1.22	1.45	1.48	1.50	1.45	1.46	Asset Turnover
Financial Leverage	8.3	7.0	8.7	12.9	5.9	4.9	Financial Leverage
Gross Margin %	34.8	33.1	31.6	34.6	41.0	41.0	Gross Margin %
Operating Margin %	-0.6	2.7	3.3	3.4	6.6	6.8	Operating Margin %
Long-Term Debt	833	117,338	131,048	127,743	120,564	120,492	Long-Term Debt
Total Equity	31,277	35,541	28,417	19,359	45,815	57,738	Total Equity
Fixed Asset Turns	5.5	5.8	6.1	6.5	6.9	6.9	Fixed Asset Turns

## Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2019	92.3	—	—	—	—
2018	87.8	85.6	96.6	109.0	379.0
2017	86.4	85.8	95.5	104.8	372.5
2016	86.7	85.0	95.8	98.4	365.9
Earnings Per Share (€)					
2019	0.02	—	—	—	—
2018	0.03	0.14	0.00	0.21	0.39
2017	-0.04	-0.03	0.06	-0.19	-0.21
2016	0.00	-0.06	0.01	-0.21	-0.26

## 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*

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**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

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