

Deoleo SA OLE ★★★^Q 18 Nov 2019 02:00 UTC

Last Close
18 Nov 2019
0.05

Fair Value^Q
18 Nov 2019 02:00 UTC
0.11

Market Cap
18 Nov 2019
65.2 Mil

Sector
Consumer Defensive

Industry
Packaged Foods

Country of Domicile
ESP Spain

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Company Profile

Deoleo SA is primarily engaged in the food processing sector. It produces olive oil, rice, table olives, vinegars, mayonnaise, mustards, ketchup, flour, and dates. In addition, it also produces byproducts of olive oil processing that are used by cosmetics and health food producers. Geographically, the activities are functioned through the region of Spain and it derives revenue from the sale of products.

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	55	53	36
Valuation	Undervalued	93	95	98
Quantitative Uncertainty Extreme		5	4	2
Financial Health	Weak	10	3	1

OLE



Undervalued Fairly Valued Overvalued

Source: Morningstar Equity Research

Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.43	0.88	0.84	0.87
Price/Earnings	—	22.2	19.6	15.0
Forward P/E	—	—	16.9	12.5
Price/Cash Flow	4.4	5.5	12.6	8.8
Price/Free Cash Flow	6.5	5.9	21.4	15.2
Trailing Dividend Yield %	—	—	2.28	3.93
Price/Book	4.1	0.6	2.0	1.9
Price/Sales	0.1	0.4	1.1	1.4

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	-195.5	-49.3	12.1	12.9
Return on Assets %	-26.3	-10.9	5.8	3.3
Revenue/Employee (Mil)	0.9	1.3	0.6	0.2

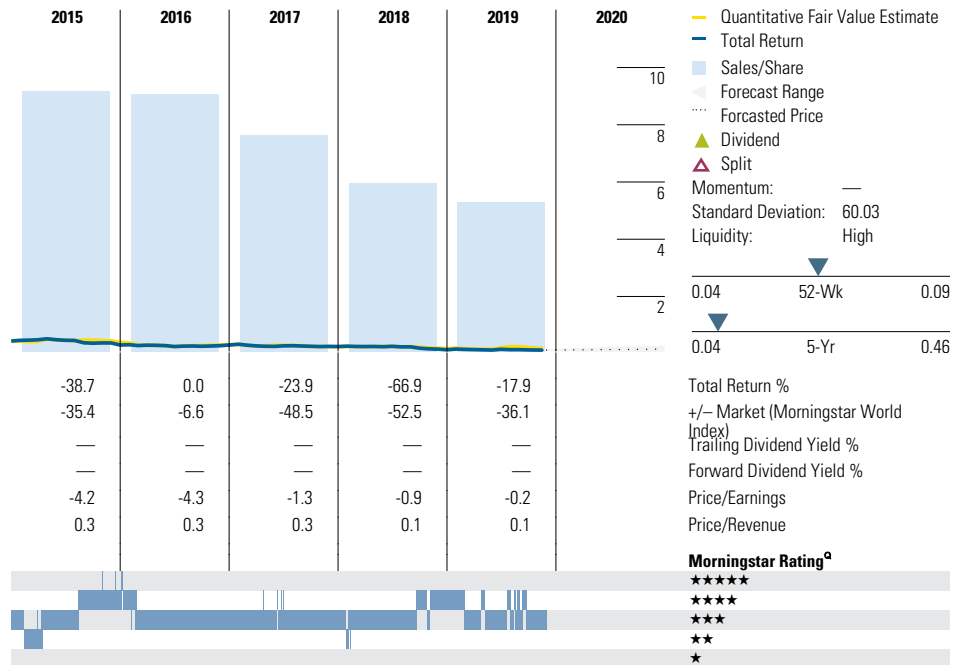
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.1	0.3	0.6	0.7
Solvency Score	—	—	467.9	556.5
Assets/Equity	22.9	7.1	1.8	2.7
Long-Term Debt/Equity	16.5	4.4	0.2	0.4

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	-12.5	-9.5	-5.7	-7.1
Operating Income %	—	—	—	—
Earnings %	—	—	—	—
Dividends %	—	—	—	—
Book Value %	-90.1	-61.1	-45.6	-32.4
Stock Total Return %	-46.0	-37.5	-33.6	-26.9

Price vs. Quantitative Fair Value

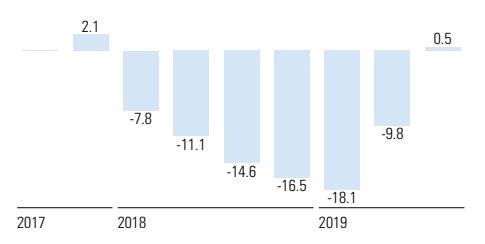


	2014	2015	2016	2017	2018	TTM	Financials (Fiscal Year in K)
Revenue	773,242	817,284	695,213	692,332	605,557	562,321	Revenue
% Change	-4.9	5.7	-14.9	-0.4	-12.5	-7.1	% Change
Operating Income	53,652	624	-6,341	-304	-3,250	51,043	Operating Income
% Change	-12.8	-98.8	-1,116.2	—	—	—	% Change
Net Income	-74,053	-61,273	-179,068	-18,356	-291,065	-249,665	Net Income
Operating Cash Flow	-25,539	-30,316	-10,339	-22,738	-11,893	14,847	Operating Cash Flow
Capital Spending	-4,989	-5,426	-9,194	-7,246	-3,962	-4,863	Capital Spending
Free Cash Flow	-30,528	-35,742	-19,533	-29,984	-15,855	9,984	Free Cash Flow
% Sales	-3.9	-4.4	-2.8	-4.3	-2.6	1.8	% Sales
EPS	-0.06	-0.05	-0.15	-0.02	-0.24	-0.21	EPS
% Change	-455.6	—	—	—	—	—	% Change
Free Cash Flow/Share	0.05	-0.05	-0.03	-0.02	-0.02	0.01	Free Cash Flow/Share
Dividends/Share	0.00	0.00	0.00	0.00	0.00	0.00	Dividends/Share
Book Value/Share	0.52	0.47	0.43	0.27	0.17	0.01	Book Value/Share
Shares Outstanding (Mil)	1,184	1,184	1,184	1,184	1,405	1,405	Shares Outstanding (Mil)
Return on Equity %	-12.4	-11.4	-42.9	-5.8	-173.7	-195.5	Profitability
Return on Assets %	-4.6	-4.2	-14.0	-1.6	-29.9	-26.3	Return on Assets %
Net Margin %	-9.6	-7.5	-25.8	-2.7	-48.1	-44.4	Net Margin %
Asset Turnover	0.48	0.56	0.54	0.61	0.62	0.59	Asset Turnover
Financial Leverage	2.7	2.8	3.5	3.8	22.9	52.1	Financial Leverage
Gross Margin %	28.7	22.4	25.4	22.1	23.5	27.0	Gross Margin %
Operating Margin %	6.9	0.1	-0.9	0.0	-0.5	9.1	Operating Margin %
Long-Term Debt	536,424	539,976	543,472	546,614	583,755	553,998	Long-Term Debt
Total Equity	565,479	505,835	328,718	299,831	35,310	15,857	Total Equity
Fixed Asset Turns	5.9	6.6	7.5	11.3	10.4	—	Fixed Asset Turns

Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2019	132.2	135.5	145.2	—	—
2018	161.5	150.2	144.4	149.4	605.6
2017	175.1	169.1	169.2	179.0	692.3
2016	—	—	—	175.2	695.2
Earnings Per Share (€)					
2019	-0.01	-0.01	-0.01	—	—
2018	0.00	-0.04	-0.01	-0.16	-0.24
2017	-0.01	0.00	0.00	-0.01	-0.02
2016	—	—	—	-0.13	-0.15

Revenue Growth Year On Year %



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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.

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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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