

Baron de Ley SA BDL ★★★^Q 14 Nov 2019 02:00 UTC

Last Close
14 Nov 2019
108.50

Fair Value^Q
14 Nov 2019 02:00 UTC
99.27

Market Cap
14 Nov 2019
439.0 Mil

Sector
Consumer Defensive

Industry
Beverages - Wineries & Distilleries

Country of Domicile
ESP Spain

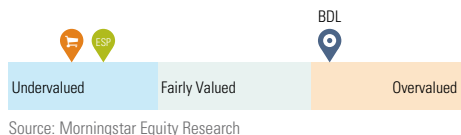
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Company Profile

Baron de Ley SA is a Spanish company which active in the beverages industry. Its core business is processing and aging of wines and other alcoholic and non-alcoholic beverages as well as all farming or industrial activities which are necessary to obtain, improve or process all kinds of wines and alcoholic and non-alcoholic beverages. In addition, the company is also engaged in activities of agricultural, industrial and commercial related to the production of beverages. The company's primary business segments are Sale of wine which active in

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	Narrow	77	77	61
Valuation	Overvalued	5	7	8
Quantitative Uncertainty	High	92	91	86
Financial Health	Strong	96	91	86



Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	1.09	1.06	0.84	0.87
Price/Earnings	17.1	18.6	19.6	15.0
Forward P/E	—	—	16.9	12.5
Price/Cash Flow	23.6	17.6	12.6	8.8
Price/Free Cash Flow	39.2	34.7	21.4	15.2
Trailing Dividend Yield %	—	—	2.28	3.93
Price/Book	1.5	1.8	2.0	1.9
Price/Sales	4.4	4.7	1.1	1.4

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	9.4	10.5	12.1	12.9
Return on Assets %	7.9	7.3	5.8	3.3
Revenue/Employee (K)	526.8	476.2	646.1	240.3

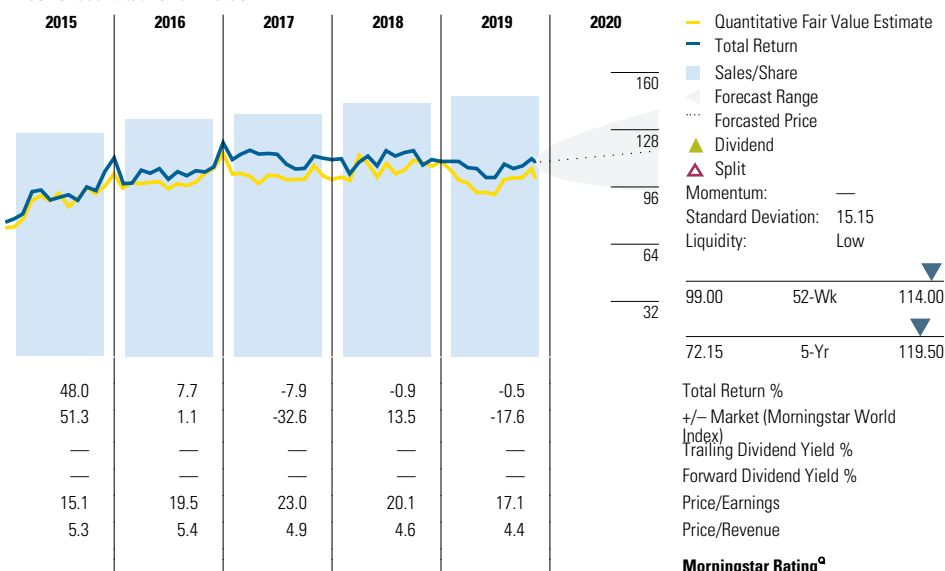
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.8	0.8	0.6	0.7
Solvency Score	293.6	—	467.9	556.5
Assets/Equity	1.3	1.4	1.8	2.7
Long-Term Debt/Equity	0.0	0.0	0.2	0.4

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	2.1	1.6	3.3	1.1
Operating Income %	-2.1	10.8	3.8	0.0
Earnings %	24.9	0.6	7.8	6.9
Dividends %	—	—	—	—
Book Value %	5.1	7.3	8.9	9.4
Stock Total Return %	0.9	1.8	8.0	12.1

Price vs. Quantitative Fair Value

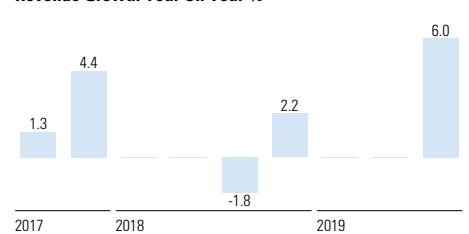


	2014	2015	2016	2017	2018	TTM	Financials (Fiscal Year in K)
Revenue	86,966	92,651	95,398	95,131	97,119	99,556	Revenue
% Change	5.4	6.5	3.0	-0.3	2.1	2.5	% Change
Operating Income	20,272	17,267	22,742	23,986	23,489	25,926	Operating Income
% Change	3.8	-14.8	31.7	5.5	-2.1	10.4	% Change
Net Income	27,667	23,465	28,544	18,509	22,717	25,726	Net Income
Operating Cash Flow	30,988	26,861	24,885	16,005	17,809	18,588	Operating Cash Flow
Capital Spending	-2,868	-5,962	-4,271	-11,563	-8,468	-7,401	Capital Spending
Free Cash Flow	28,120	20,899	20,614	4,442	9,341	11,187	Free Cash Flow
% Sales	32.3	22.6	21.6	4.7	9.6	11.2	% Sales
EPS	6.15	5.46	6.64	4.45	5.56	6.35	EPS
% Change	61.0	-11.2	21.6	-33.0	24.9	14.3	% Change
Free Cash Flow/Share	5.19	5.34	5.33	3.75	0.91	2.76	Free Cash Flow/Share
Dividends/Share	—	—	—	—	—	—	Dividends/Share
Book Value/Share	47.36	52.16	57.76	60.94	65.37	68.55	Book Value/Share
Shares Outstanding (K)	4,300	4,300	4,267	4,014	4,046	4,046	Shares Outstanding (K)
Return on Equity %	13.6	10.8	12.0	7.4	8.8	9.4	Return on Equity %
Return on Assets %	7.9	7.2	8.9	5.7	6.9	7.9	Return on Assets %
Net Margin %	31.8	25.3	29.9	19.5	23.4	25.8	Net Margin %
Asset Turnover	0.25	0.28	0.30	0.29	0.30	0.31	Asset Turnover
Financial Leverage	1.6	1.4	1.3	1.3	1.3	1.1	Financial Leverage
Gross Margin %	57.8	53.6	58.4	58.1	60.1	—	Gross Margin %
Operating Margin %	23.3	18.6	23.8	25.2	24.2	26.0	Operating Margin %
Long-Term Debt	425	172	140	108	209	—	Long-Term Debt
Total Equity	205,487	227,437	248,471	249,794	264,546	285,448	Total Equity
Fixed Asset Turns	2.6	3.1	3.4	3.1	2.8	—	Fixed Asset Turns

Quarterly Revenue & EPS

Revenue (K)	Mar	Jun	Sep	Dec	Total
2019	—	—	22,202.0	—	—
2018	—	—	20,941.0	31,803.0	97,119.0
2017	20,482.0	22,212.0	21,326.0	31,111.0	95,131.0
2016	20,937.0	23,603.0	21,052.0	29,806.0	95,398.0
Earnings Per Share (€)					
2019	—	—	1.99	—	—
2018	—	—	1.66	1.26	5.56
2017	1.78	0.25	1.25	1.16	4.45
2016	2.40	1.25	1.54	1.45	6.64

Revenue Growth Year On Year %



Quantitative Equity Reports Overview

The quantitative report on equities consists of data, statistics and quantitative equity ratings on equity securities. Morningstar, Inc.'s quantitative equity ratings are forward looking and are generated by a statistical model that is based on Morningstar Inc.'s analyst-driven equity ratings and quantitative statistics. Given the nature of the quantitative report and the quantitative ratings, there is no one analyst in which a given report is attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative equity ratings used in this report. As an employee of Morningstar, Inc., Mr. Davidson is guided by Morningstar, Inc.'s Code of Ethics and Personal Securities Trading Policy in carrying out his responsibilities.

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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.

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

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