

# Fluidra SA FDR ★★★<sup>Q</sup> 20 Nov 2019 02:00 UTC

**Last Close**  
20 Nov 2019  
11.28

**Fair Value<sup>Q</sup>**  
20 Nov 2019 02:00 UTC  
11.30

**Market Cap**  
20 Nov 2019  
2,188.8 Mil

**Sector**  
Industrials

**Industry**  
Specialty Industrial Machinery

**Country of Domicile**  
ESP Spain

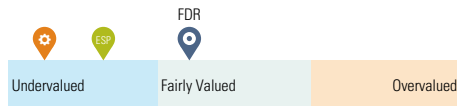
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## Company Profile

Fluidra SA is the leader in the pool and wellness equipment business. It provides products, services, and Internet of Things solutions. The firm operates in over 45 countries and owns a portfolio of some of the industry's recognized and trusted brands including Jandy, AstralPool, Polaris, Cepex, Zodiac, CTX Professional, and Gre.

## Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	67	65	47
Valuation	Fairly Valued	17	17	29
Quantitative Uncertainty	High	93	93	89
Financial Health	Moderate	59	42	30



## Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	1.00	1.06	0.80	0.87
Price/Earnings	—	50.8	16.8	15.0
Forward P/E	17.9	—	13.9	12.5
Price/Cash Flow	29.8	12.7	11.2	8.8
Price/Free Cash Flow	90.4	56.0	18.4	15.2
Trailing Dividend Yield %	—	—	2.30	3.93
Price/Book	1.5	2.2	1.6	1.9
Price/Sales	1.6	0.9	0.9	1.4

## Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	-4.1	3.9	11.5	12.9
Return on Assets %	-1.9	1.6	4.8	3.3
Revenue/Employee (K)	243.8	181.5	515.1	240.3

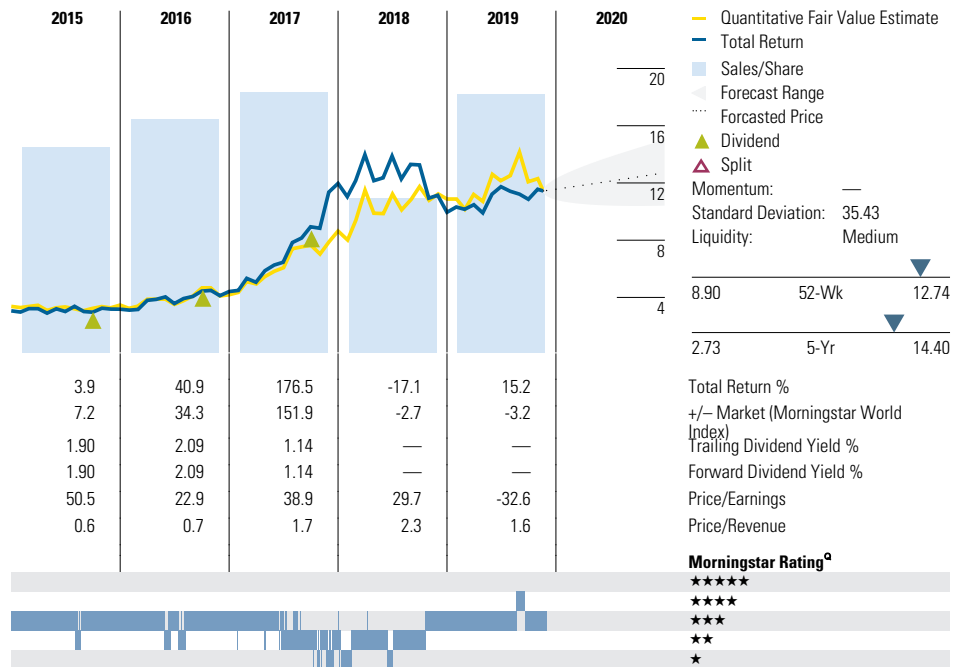
## Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.6	0.6	0.6	0.7
Solvency Score	640.2	—	484.2	556.5
Assets/Equity	2.0	2.3	1.8	2.7
Long-Term Debt/Equity	0.6	0.5	0.2	0.4

## Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	32.4	16.5	11.6	4.7
Operating Income %	—	—	—	—
Earnings %	—	—	—	—
Dividends %	—	—	—	—
Book Value %	146.3	37.8	23.5	10.7
Stock Total Return %	0.4	39.6	33.0	13.7

## Price vs. Quantitative Fair Value

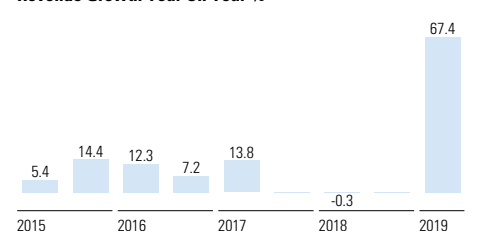


	2014	2015	2016	2017	2018	TTM	Financials (Fiscal Year in Mil)
Revenue	610	667	734	803	1,056	1,367	Revenue
% Change	0.1	9.4	10.0	9.5	31.4	29.5	% Change
Operating Income	21	28	47	63	0	23	Operating Income
% Change	49.8	35.8	67.2	33.3	-100.7	—	% Change
Net Income	7	13	24	31	-34	-37	Net Income
Operating Cash Flow	47	53	65	69	31	74	Operating Cash Flow
Capital Spending	-20	-26	-26	-28	-39	-49	Capital Spending
Free Cash Flow	28	27	40	41	-7	24	Free Cash Flow
% Sales	4.5	4.0	5.4	5.1	-0.7	1.8	% Sales
EPS	0.06	0.12	0.22	0.28	-0.22	-0.37	EPS
% Change	—	95.6	86.3	30.0	-179.5	—	% Change
Free Cash Flow/Share	0.17	0.22	0.29	0.38	0.12	0.12	Free Cash Flow/Share
Dividends/Share	0.00	0.06	0.09	0.14	0.00	0.00	Dividends/Share
Book Value/Share	2.76	2.91	2.93	3.07	1.89	7.46	Book Value/Share
Shares Outstanding (K)	112,393	112,119	110,812	110,990	193,492	194,040	Shares Outstanding (K)
Return on Equity %	2.2	4.2	7.5	9.4	-3.8	-4.1	Profitability
Return on Assets %	0.9	1.8	3.1	4.0	-1.9	-1.9	Return on Assets %
Net Margin %	1.1	2.0	3.3	3.9	-3.2	-2.7	Net Margin %
Asset Turnover	0.86	0.92	0.96	1.04	0.58	0.69	Asset Turnover
Financial Leverage	2.3	2.4	2.4	2.3	2.0	2.1	Financial Leverage
Gross Margin %	52.2	52.1	52.8	52.3	49.0	50.3	Gross Margin %
Operating Margin %	3.4	4.2	6.5	7.9	0.0	1.7	Operating Margin %
Long-Term Debt	109	170	169	134	856	855	Long-Term Debt
Total Equity	306	317	325	334	1,433	1,447	Total Equity
Fixed Asset Turns	5.7	6.5	7.2	8.0	9.8	8.7	Fixed Asset Turns

## Semi-Annual Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2019	—	772.9	—	—	—
2018	—	—	569.5	24.5	1,055.7
2017	—	—	554.7	-214.6	803.3
2016	—	407.0	—	326.6	733.7
Earnings Per Share (€)					
2019	—	0.15	—	—	—
2018	—	—	0.15	-0.66	-0.22
2017	—	—	0.24	-0.27	0.28
2016	—	0.22	—	0.00	0.22

## 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*

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.

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

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