

Liberbank SA LBK ★★★^Q 20 Nov 2019 02:00 UTC

Last Close
20 Nov 2019
0.28

Fair Value^Q
20 Nov 2019 02:00 UTC
0.38

Market Cap
20 Nov 2019
860.8 Mil

Sector
Financial Services

Industry
Banks - Regional

Country of Domicile
ESP Spain

There is no one analyst in which a Quantitative Fair Value Estimate and Quantitative Star Rating are attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative fair value. 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. For information regarding Conflicts of Interests, visit <http://global.morningstar.com/equitydisclosures>

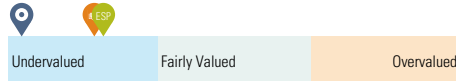
Company Profile

Liberbank SA provides various banking products and services for families, small businesses, and self-employed in Spain and internationally. The company offers various accounts and deposits; personal loans, mortgages, and other loans; investment funds; securities accounts; savings and investment products; leasing and factoring services; collections and payments services; and various cards and insurance products.

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	51	28	34
Valuation	Undervalued	62	72	86
Quantitative Uncertainty	Very High	61	62	49
Financial Health	Strong	98	68	90

LBK



Source: Morningstar Equity Research

Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.75	0.88	0.87	0.87
Price/Earnings	9.1	12.0	12.7	15.0
Forward P/E	5.7	—	10.5	12.5
Price/Cash Flow	—	5.6	9.5	8.8
Price/Free Cash Flow	—	1.7	10.9	15.2
Trailing Dividend Yield %	2.56	—	3.64	3.93
Price/Book	0.3	0.6	1.1	1.9
Price/Sales	1.3	1.3	2.9	1.4

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	3.3	2.0	10.1	12.9
Return on Assets %	0.2	0.1	1.4	3.3
Revenue/Employee (K)	178.6	165.2	762.0	240.3

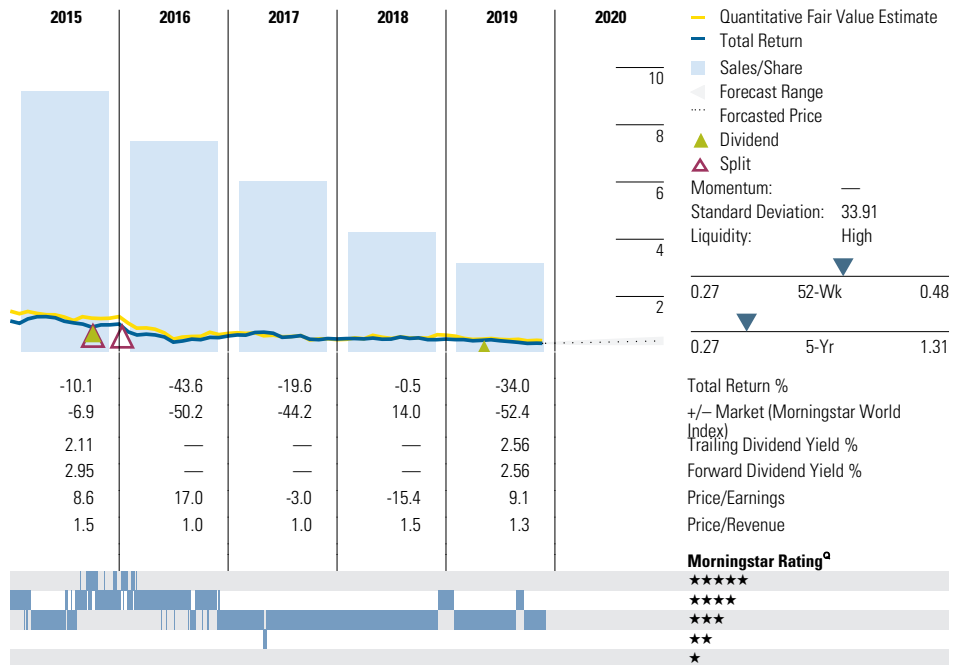
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.8	0.5	0.8	0.7
Solvency Score	—	—	503.7	556.5
Assets/Equity	13.9	15.2	3.7	2.7
Long-Term Debt/Equity	—	—	0.3	0.4

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	48.3	-9.2	-5.1	—
Operating Income %	—	—	—	—
Earnings %	—	-23.8	11.3	—
Dividends %	—	—	—	—
Book Value %	1.1	-16.2	-10.6	—
Stock Total Return %	-30.9	-16.7	-21.1	—

Price vs. Quantitative Fair Value

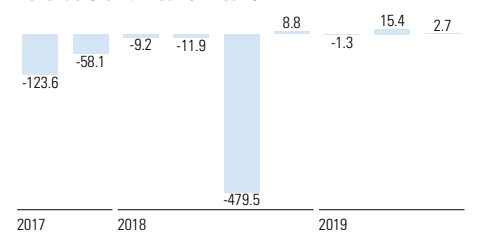


	2014	2015	2016	2017	2018	TTM	Financials (Fiscal Year in K)
Revenue	966,255	901,125	999,486	710,888	675,554	671,554	Revenue
% Change	10.1	-6.7	10.9	-28.9	-5.0	-0.6	% Change
Operating Income	—	—	—	—	—	—	Operating Income
% Change	—	—	—	—	—	—	% Change
Net Income	116,962	128,548	128,808	-258,706	110,018	98,018	Net Income
Operating Cash Flow	-5,299,767	-34,997	868,059	542,346	-1,317,751	-279,457	Operating Cash Flow
Capital Spending	-18,687	-56,193	-65,189	-105,327	—	—	Capital Spending
Free Cash Flow	-5,318,454	-91,190	802,870	437,019	-1,317,751	-273,256	Free Cash Flow
% Sales	-550.4	-10.1	80.3	61.5	-195.1	-40.7	% Sales
EPS	0.09	0.08	0.08	-0.23	0.04	0.03	EPS
% Change	40.5	-7.5	-3.7	-400.3	—	-10.6	% Change
Free Cash Flow/Share	-2.42	-0.46	0.20	0.40	-0.02	-0.09	Free Cash Flow/Share
Dividends/Share	—	0.02	0.00	0.00	0.00	0.01	Dividends/Share
Book Value/Share	1.57	1.54	1.60	0.77	0.93	1.02	Book Value/Share
Shares Outstanding (Mil)	1,585	1,615	1,615	2,913	3,040	3,040	Shares Outstanding (Mil)
Return on Equity %	5.9	5.1	5.1	-10.0	4.0	3.3	Return on Equity %
Return on Assets %	0.3	0.3	0.3	-0.7	0.3	0.2	Return on Assets %
Net Margin %	12.1	14.3	12.9	-36.4	16.3	14.6	Net Margin %
Asset Turnover	0.02	0.02	0.02	0.02	0.02	0.02	Asset Turnover
Financial Leverage	17.2	16.5	15.3	13.2	13.9	13.5	Financial Leverage
Gross Margin %	—	—	—	—	—	—	Gross Margin %
Operating Margin %	—	—	—	—	—	—	Operating Margin %
Long-Term Debt	—	—	—	—	—	—	Long-Term Debt
Total Equity	2,512,805	2,556,040	2,507,753	2,682,666	2,830,600	3,112,000	Total Equity
Fixed Asset Turns	1.6	1.5	1.8	1.3	1.2	0.6	Fixed Asset Turns

Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2019	155.0	180.1	152.0	—	—
2018	157.0	156.0	148.0	208.6	675.6
2017	173.0	177.0	-39.0	191.6	710.9
2016	278.0	100.0	165.0	457.5	999.5
Earnings Per Share (€)					
2019	0.01	0.02	0.01	—	—
2018	0.01	0.02	0.01	0.00	0.04
2017	0.02	0.02	-0.20	0.00	-0.23
2016	0.02	0.02	0.02	0.02	0.08

Revenue Growth Year On Year %



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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

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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