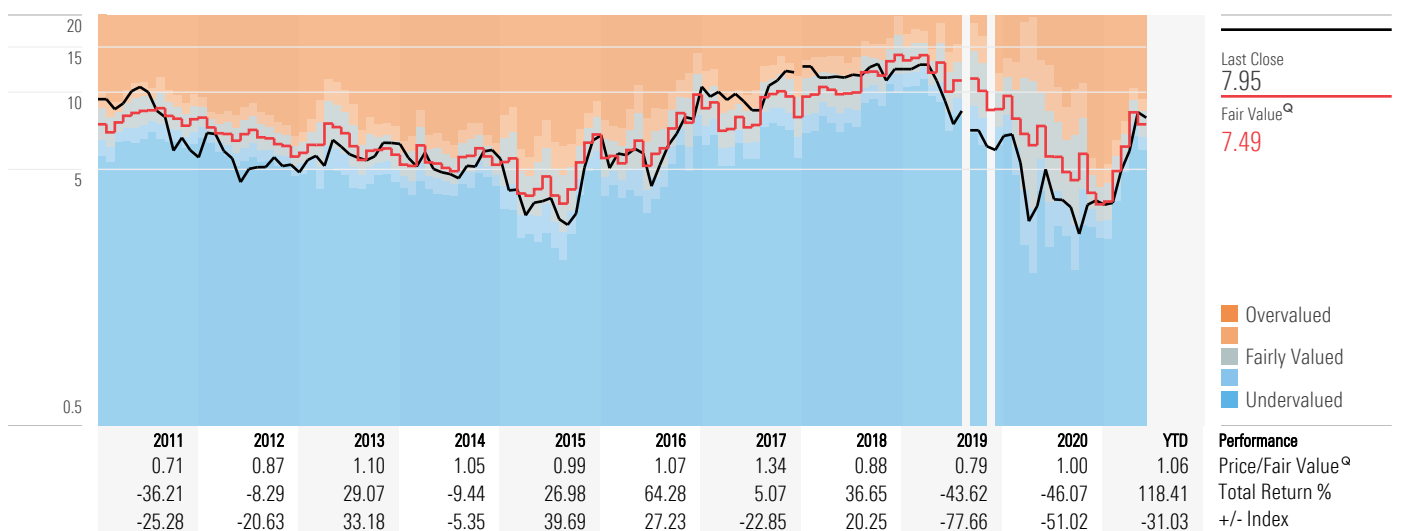


Braskem SA Preferred XBRK ★★★

25 May 2021, 22:42 UTC

Economic Moat	Uncertainty	Price/Fair Value	Trailing Dividend Yield %	Market Cap	Investment Style	Sector	Industry
None	High	1.1	5.15	6.1249 Bil	Large Value	Basic Materials	Chemicals



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>

Valuation as of 25 May 2021



XBRK is Over Valued at a 6% premium.

Last Close
7.95Fair Value^Q
7.49Uncertainty^Q :
HighEconomic Moat^Q

None

Financial Health^Q

Moderate

1-Star Price^Q

> 9.44

5-Star Price^Q

< 5.95

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Financials as of 25 May 2021 (Fiscal Year End 31 Dec 2021)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	Fiscal
33	36	41	46	47	48	49	58	52	59	23	Revenue (Bil)
1,894	1,284	2,995	3,460	7,668	6,199	9,607	7,787	277	457	6,737	Operating Income (Mil)
5.73	3.55	7.32	7.56	16.36	13.0	19.5	13.43	0.53	0.78	29.69	Operating Margin (%)
-496	-731	443	716	3,002	-411	3,865	2,828	-2,541	-6,692	2,494	Net Income (Mil)
-0.62	-0.92	0.52	0.90	3.77	-0.52	4.85	3.55	-3.19	-8.41	3.13	Diluted Earnings/Share
2,778	2,572	2,412	3,813	7,092	4,458	2,462	9,250	2,265	6,293	2,304	Operating Cash Flow (Mil)
-2,264	-2,809	-5,682	-5,409	-3,338	-2,587	-2,273	-2,706	-2,683	-2,760	-490	Capital Spending (Mil)
514	-237	-3,271	-1,596	3,754	1,871	188	6,544	-417	3,533	1,814	Free Cash Flow (Mil)
798	796	796	796	796	795	796	796	796	796	797	Avg Shares Outstand(Mil)
0.83	0.61	—	0.61	0.61	2.51	1.26	3.77	0.84	—	—	Dividend Per Share

Valuation as of 25 May 2021

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Current	Calendar
0.71	0.87	1.10	1.05	0.99	1.07	1.34	0.88	0.79	1.00	1.06	Price/Fair Value ^Q
0.34	0.30	0.42	0.31	0.50	0.59	0.69	0.78	0.44	0.35	0.60	Price/Sales
2,640.05	—	37.39	17.42	7.84	12.49	29.26	13.923	515.87	—	3,315.73	Price/Earnings
3.46	4.09	7.95	4.95	3.04	4.52	12.52	4.53	10.28	5.50	6.41	Price/Cash Flow
1.09	1.23	2.00	1.90	10.05	5.37	4.37	6.05	3.33	—	96.28	Price/Book

Operating Performance as of — (Fiscal Year End 31 Dec 2021)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3	Fiscal (%)
-1.46	-1.86	1.14	1.77	5.74	-0.74	7.39	5.07	-4.0	-8.68	2.77	Return on Assets
-5.22	-7.99	6.32	12.72	77.91	-17.28	85.53	44.07	-44.51	-498	-187	Return on Equity
5.52	-0.82	3.94	4.7	10.42	1.65	15.58	9.47	-3.14	-8.93	-5.52	Rtn on Invested Capital

Business Description

Braskem SA manufactures and sells chemicals, petrochemicals, fuels, and utilities. The company's geographical segments include Brazil; United States and Europe and Mexico. It derives a majority of revenue from Brazil. It produces olefins, such as ethylene, polymer and chemical grade propylene, butadiene and butene-1; fuels, such as automotive

gasoline, liquefied petroleum gas, or LPG, ethyl tertiary-butyl ether, or ETBE, and methyl tertiary-butyl ether, or MTBE; intermediates, such as cumene and others.

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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, Quantitative Uncertainty Rating, and momentum. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.
 - ★ – the stock is overvalued with a reasonable margin of safety.
*Log (Quant FVE/Price) < -1*Quantitative Uncertainty*
*Micro-Caps: Log (Quant FVE/Price) < -1.5*Quantitative Uncertainty*
 - ★★ – the stock is somewhat overvalued.
*Log (Quant FVE/Price) between (-1*Quantitative Uncertainty, -0.5*Quantitative Uncertainty)*
*Micro-Caps: Log (Quant FVE/Price) between (-1.5*Quantitative Uncertainty, -0.75*Quantitative Uncertainty)*
 - ★★★ – the stock is approximately fairly valued.
*Log (Quant FVE/Price) between (-0.5*Quantitative Uncertainty, 0.5*Quantitative Uncertainty)*
*Micro-Caps: Log (Quant FVE/Price) between (-0.75*Quantitative Uncertainty, 0.75*Quantitative Uncertainty)*
 - ★★★★ – the stock is somewhat undervalued.
*Log (Quant FVE/Price) between (0.5*Quantitative Uncertainty, 1*Quantitative*

Uncertainty)

*Micro-Caps: Log (Quant FVE/Price) between (0.75*Quantitative Uncertainty, 1.5*Quantitative Uncertainty)*

★★★★ – the stock is undervalued with a reasonable margin of safety.

*Log (Quant FVE/Price) > 1*Quantitative Uncertainty*

*Micro-Caps: Log (Quant FVE/Price) > 1.5*Quantitative Uncertainty*

After the initial calculation for the star rating, there is a final filtering step based on the momentum of the company. We rank the companies based on their 12-1 month momentum, then restrict those below the 30th percentile to a maximum of 3 stars.

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

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- 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.

This Report **has not been made available** to the issuer of the security prior to publication.

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