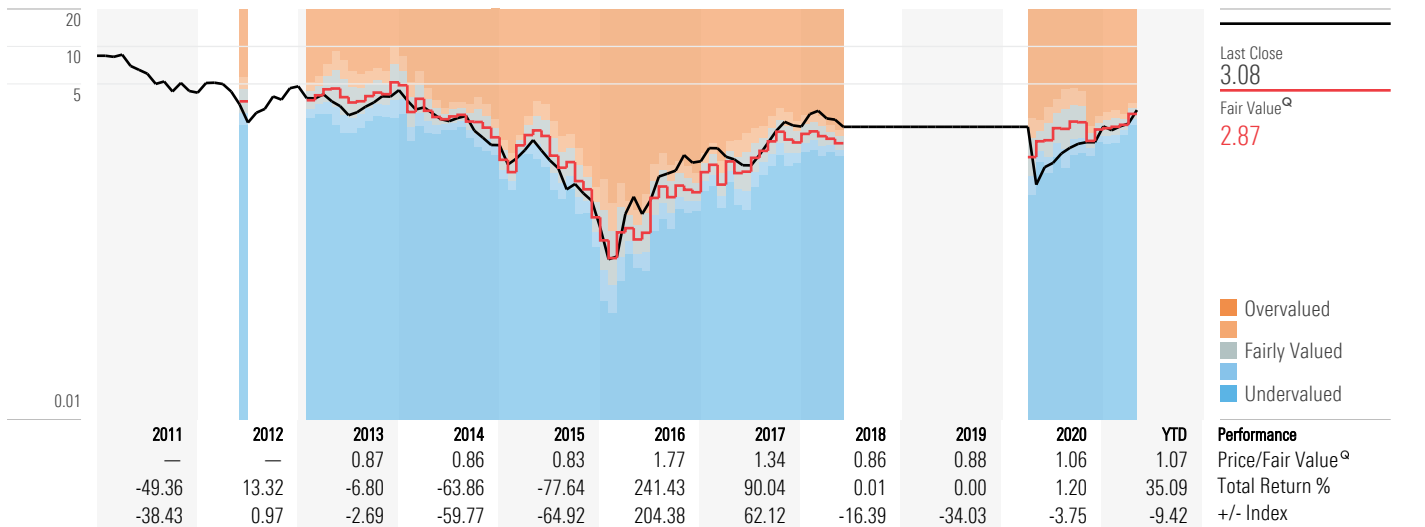


Usinas Siderurgicas de Minas Gerais,S.A. Pfd Shs -A- XUSI ★★★ Q 20 Apr 2021, 22:43 UTC

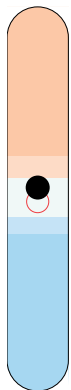
Economic Moat ☐	Uncertainty ☐	Price/Fair Value ☐	Trailing Dividend Yield %	Market Cap	Investment Style	Sector	Industry
None	High	1.1	0.24	4.0119 Bil	Mid Value	Basic Materials	Steel



Total Return % as of 20 Apr 2021. Last Close as of 20 Apr 2021. Fair Value as of 20 Apr 2021, 22:43 UTC. Index: Morningstar Brazil GR BRL.

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Valuation ☐ as of 20 Apr 2021



XUSI is Over Valued at a 7% premium.

Economic Moat ☐
None
Financial Health ☐
Moderate
1-Star Price ☐
> 3.51
5-Star Price ☐
< 2.35

Contact

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Financials as of 20 Apr 2021 (Fiscal Year End 31 Dec 2021)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	Fiscal	
Revenue (Mil)	11,902	12,711	12,829	11,742	10,186	8,454	10,734	13,737	14,949	16,088	16,088		Revenue (Mil)
Operating Income (Mil)	575	-465	401	514	-760	-603	946	1,536	898	1,803	1,803		Operating Income (Mil)
Operating Margin (%)	4.83	-3.66	3.13	4.38	-7.46	-7.13	8.81	11.18	6.0	11.21	11.21		Operating Margin (%)
Net Income (Mil)	233	-707	-142	130	-3,236	-670	233	727	213	673	673		Net Income (Mil)
Diluted Earnings/Share	0.23	-0.72	-0.14	0.13	-3.28	-0.60	0.18	0.57	0.17	0.52	0.52		Diluted Earnings/Share
Operating Cash Flow (Mil)	-471	2,440	1,106	1,412	103	-310	877	510	1,972	3,759	3,759		Operating Cash Flow (Mil)
Capital Spending (Mil)	-2,536	-1,693	-1,039	-1,172	-754	-223	-216	-434	-681	-799	-799		Capital Spending (Mil)
Free Cash Flow (K)	-3,006	205	746	828	67,638	239,100	-650,950	-533,071	660,859	76,095	1,290,373	960,709	Free Cash Flow (K)
Avg Shares Outstand(Mil)	987	987	987	988	988	988	1,121	1,228	1,229	1,229	1,230	1,230	Avg Shares Outstand(Mil)
Dividend Per Share	—	—	—	—	0.03	—	—	—	—	0.04	0.02		Dividend Per Share

Valuation as of 20 Apr 2021

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Current	Calendar
Price/Fair Value ☐	—	—	0.87	0.86	0.83	1.77	1.34	0.86	0.88	1.06	1.07	Price/Fair Value ☐
Price/Sales	0.81	1.04	1.10	0.42	0.14	0.58	1.16	—	—	1.24	1.58	Price/Sales

Business Description

Usinas Siderurgicas de Minas Gerais SA is a Brazil-based company that is primarily engaged in the production and distribution of flat steel products. The company's product portfolio consists of ordinary heavy plates, Sincron series premium heavy plates, hot strips, cold-rolled products, and galvanized products. These products are used in automot-

ive civil construction, highway, electric, white goods, office plant, agricultural, and construction machinery. The Brazilian domestic market represents the majority of the company's

Operating Performance as of 20 Apr 2021 (Fiscal Year End 31 Dec 2021)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3	Fiscal (%)
Return on Assets	0.25	1.83	0.44	0.42	-11.11	-2.48	0.89	2.77	0.81	2.39	5.39	Return on Assets
Return on Equity	0.65	-3.77	-0.85	0.78	-21.48	-4.97	1.71	5.18	1.51	4.65	10.94	Return on Equity
Rtn on Invested Capital	0.44	-1.32	0.38	1.37	-13.48	-1.45	3.8	3.33	1.85	4.39	7.68	Rtn on Invested Capital

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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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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.

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

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