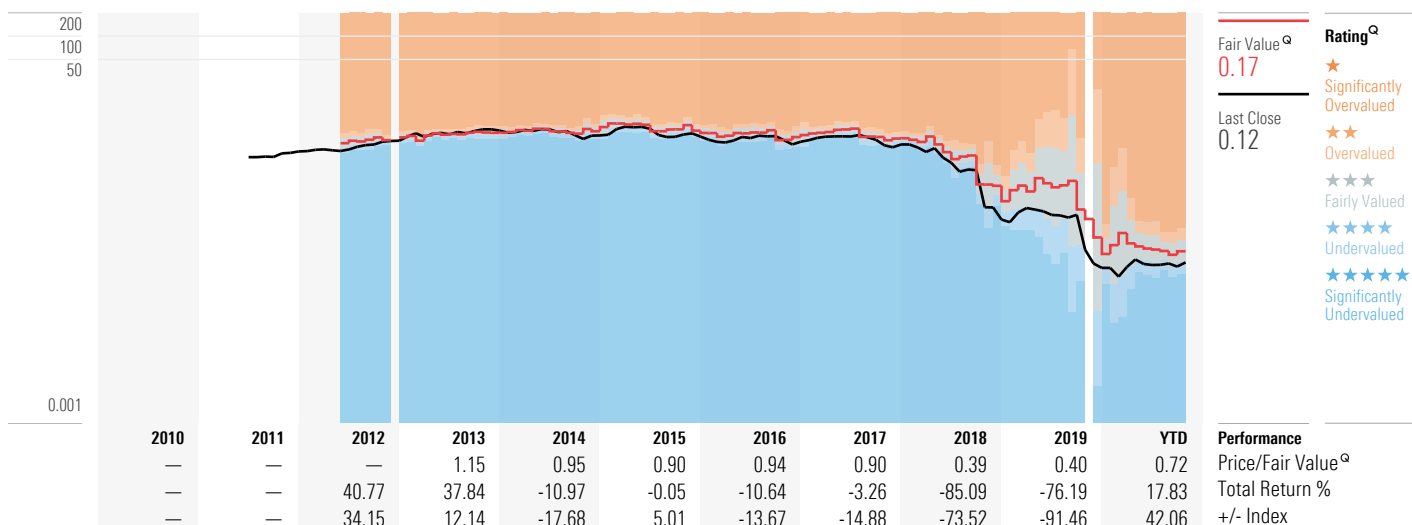


Distribuidora Internacional De Alimentacion SA DIA ★★★

26 Oct 2020, 22:32 UTC

Economic Moat ^Q	Uncertainty ^Q	Price/Fair Value ^Q	Trailing Dividend Yield %	Market Cap	Investment Style	Sector	Industry
Narrow	Very High	0.7	36.72	803.2424 Mil	Small Value	Consumer Defensive	Discount Stores



Total Return % as of 26 Oct 2020. Last Close as of 26 Oct 2020. Fair Value as of 26 Oct 2020, 22:32 UTC. Index: Morningstar Spain GR EUR.

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Valuation^Q as of 26 Oct 2020



Fair Value^Q
0.17
Uncertainty^Q:
Very High

Last Close
0.12

DIA is undervalued
at a 28% discount.

Economic Moat^Q
Narrow

Financial Health^Q
Moderate

1-Star Price^Q
> 0.33

5-Star Price^Q
< 0.09

Financials as of 26 Oct 2020 (Fiscal Year End 31 Dec 2020)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD	Fiscal
Revenue (Bil)	10	10	10	8	8	9	9	8	8	7	4	Revenue (Bil)
Operating Income (Mil)	174	229	284	353	294	272	289	205	-12	-421	-58	Operating Income (Mil)
Operating Margin (%)	1.82	2.35	2.93	4.44	3.67	3.05	3.33	2.49	-0.16	-6.13	-1.64	Operating Margin (%)
Net Income (Mil)	122	98	158	209	329	299	174	101	-353	-790	-188	Net Income (Mil)
Diluted Earnings/Share	0.17	0.13	0.22	0.30	0.47	0.45	0.26	0.15	-0.58	-0.12	-0.03	Diluted Earnings/Share
Operating Cash Flow (Mil)	541	470	422	464	385	251	828	330	-136	60	254	Operating Cash Flow (Mil)
Capital Spending (Mil)	-290	-350	-332	-362	-349	-563	-346	-277	-341	-162	-44	Capital Spending (Mil)
Free Cash Flow (Mil)	251	120	90	102	36	-312	482	53	-477	-102	210	Free Cash Flow (Mil)
Avg Shares Outstand(Mil)	731	726	713	695	692	674	660	658	612	6,669	6,677	Avg Shares Outstand(Mil)
Dividend Per Share	—	—	0.10	0.12	0.15	0.17	0.19	0.20	0.17	—	—	Dividend Per Share

Valuation as of 26 Oct 2020

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Current	Calendar
Price/Fair Value ^Q	—	—	—	1.15	0.95	0.90	0.94	0.90	0.39	0.40	0.72	Price/Fair Value ^Q
Price/Sales	—	0.59	0.31	0.42	0.37	0.41	0.32	0.29	0.03	0.01	0.17	Price/Sales
Price/Earnings	—	11.71	19.24	27.76	20.95	19.44	9.72	15.71	3.85	—	0.24	Price/Earnings
Price/Cash Flow	—	7.92	7.52	9.38	14.25	6.28	6.44	4.81	1.38	1.03	3.47	Price/Cash Flow
Price/Book	—	68.44	21.48	33.60	13.30	16.11	9.20	8.14	1.48	—	1.85	Price/Book

Operating Performance as of — (Fiscal Year End 31 Dec 2020)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q3	Fiscal (%)
Return on Assets	8.53	3.5	4.7	6.18	10.13	9.11	4.73	2.91	-10.22	-23.99	-1.38	Return on Assets
Return on Equity	16.41	16.81	125	124	117	86.62	49.35	30.51	-440	—	-5.19	Return on Equity
Rtn on Invested Capital	16.34	12.1	16.88	20.16	31.78	23.25	12.56	8.79	-20.79	—	-0.81	Rtn on Invested Capital

Business Description

Distribuidora Internacional De Alimentacion SA is a Spain-based company that operates discount food retail stores. In addition to food, the company also offers personal care and hygiene products, cosmetics, baby-related products, and others. The company conducts business through self-owned stores

and franchise stores. The company operates stores through three formats of discount business, super-market business, and Clarel business, with discount business as the major format. The company introduces private-label brands, such as DIA, Bonté, Basic Cosmetics, BabySmile, and AS, and the own-brand products contributing around half

of the company's sales. The company operates stores in Spain, Portugal, Brazil, Argentina, and China, with over half of the stores in Spain.

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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.

One-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*

Two-Star - 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)*

Three-Star – 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)*

Four-Star – 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)*

Five-Star – 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.

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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

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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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