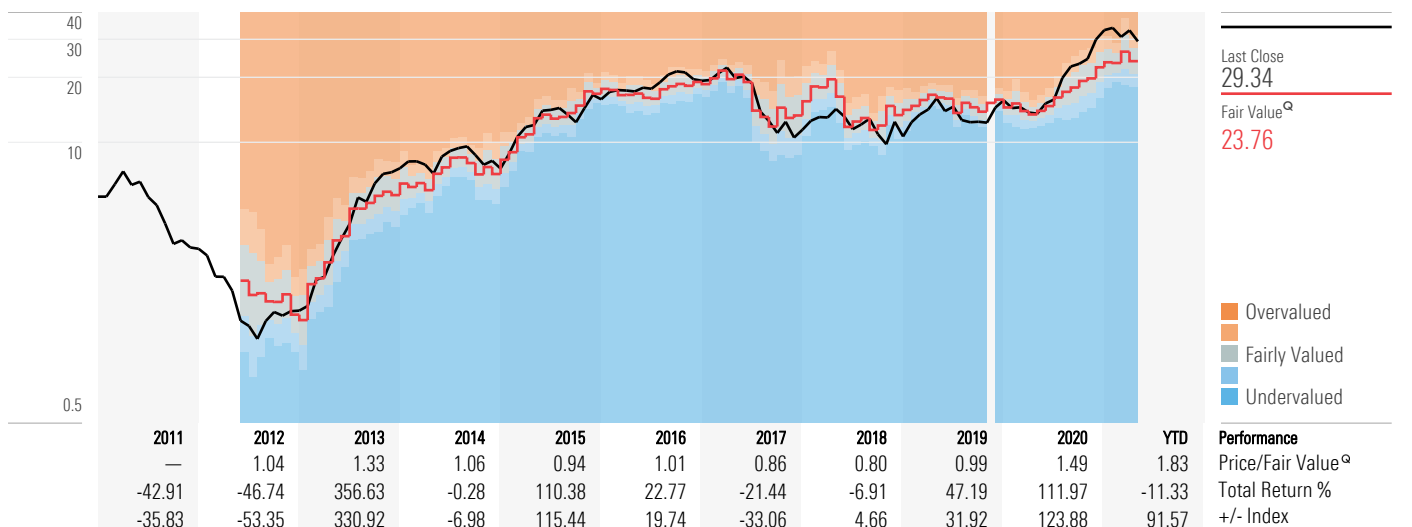


# Siemens Gamesa Renewable Energy SA **SGRE** ★★ Q 20 Apr 2021, 22:43 UTC

<b>Economic Moat</b> <sup>Q</sup>	<b>Uncertainty</b> <sup>Q</sup>	<b>Price/Fair Value</b> <sup>Q</sup>	<b>Trailing Dividend Yield %</b>	<b>Market Cap</b>	<b>Investment Style</b>	<b>Sector</b>	<b>Industry</b>
None	High	1.2	0.18	19.9370 Bil	Large Core	Industrials	Specialty Industrial Machinery



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 Spain GR EUR.

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## Valuation <sup>Q</sup> as of 20 Apr 2021



Last Close  
**29.34**

Fair Value <sup>Q</sup>  
**23.76**

Uncertainty <sup>Q</sup> :  
High

SGRE is Over Valued at a 24% premium.

**Economic Moat** <sup>Q</sup>

None

**Financial Health** <sup>Q</sup>

Moderate

**1-Star Price** <sup>Q</sup>

> 31.26

**5-Star Price** <sup>Q</sup>

< 18.05

## Contact

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## Financials as of 20 Apr 2021 (Fiscal Year End 30 Sep 2021)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	Fiscal	
Revenue (Mil)	3,006	2,665	2,336	2,846	3,504	6,164	—	9,122	10,227	9,483	2,295		Revenue (Mil)
Operating Income (K)	163,145	-200,505	157,979	203,616	303,160	508,155	—	-210,869	252,662	-957,576	14,000		Operating Income (K)
Operating Margin (%)	5.43	-7.52	6.76	7.15	8.65	8.24	—	2.31	2.47	-10.1	0.61		Operating Margin (%)
Net Income (K)	51,112	-659,440	45,033	91,848	170,216	442,903	—	69,993	140,002	-918,178	11,000		Net Income (K)
Diluted Earnings/Share	0.20	-2.63	0.18	0.36	0.62	1.10	—	0.10	0.21	-1.35	0.02		Diluted Earnings/Share
Operating Cash Flow (Mil)	-514	427	213	309	325	863	—	729	784	664	-283		Operating Cash Flow (Mil)
Capital Spending (Mil)	-234	-225	-138	-111	-168	-393	—	-415	-498	-601	-140		Capital Spending (Mil)
Free Cash Flow (K)	-747,512	201,853	75,034	198,011	115,206	470,644	—	-313,667	285,915	62,711	-423,000		Free Cash Flow (K)
Avg Shares Outstand(Mil)	251	251	251	259	276	402	—	679	679	680	680		Avg Shares Outstand(Mil)
Dividend Per Share	0.05	0.05	—	—	0.08	0.15	3.71	—	0.03	0.05	0.05		Dividend Per Share

## Valuation as of 20 Apr 2021

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Current	Calendar
Price/Fair Value <sup>Q</sup>	—	1.04	1.33	1.06	0.94	1.01	0.86	0.80	0.99	1.49	1.24	Price/Fair Value <sup>Q</sup>
Price/Sales	0.26	0.16	0.85	0.72	1.27	1.24	1.38	0.79	1.04	2.37	2.04	Price/Sales
Price/Earnings	14.09	—	—	23.66	27.51	20.69	23.27	106.40	75.88	—	76.59	Price/Earnings
Price/Cash Flow	—	0.83	3.39	6.76	13.12	11.17	33.75	9.92	13.56	33.86	50.86	Price/Cash Flow
Price/Book	0.47	0.41	1.86	—	—	—	1.20	1.22	1.69	4.56	4.09	Price/Book

## Operating Performance as of 20 Apr 2021 (Fiscal Year End 30 Sep 2021)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3	Fiscal (%)
Return on Assets	0.97	-12.27	0.91	2.04	3.83	5.72	—	0.43	0.85	-5.56	0.07	Return on Assets
Return on Equity	3.09	-48.74	4.43	7.66	11.69	18.31	—	1.13	2.3	-16.39	0.22	Return on Equity

**Operating Performance** as of 20 Apr 2021 (Fiscal Year End 30 Sep 2021)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3	Fiscal (%)
3.66	-22.71	1.57	4.01	8.0	12.95	—	1.2	2.03	-12.61	0.31	Rtn on Invested Capital

**Business Description**

Siemens Gamesa is a leading manufacturer of on-shore and offshore wind turbines with the second-highest installed capacity in the world. The company is the product of the merger between Siemens Wind Power and Gamesa in 2017. The firm operates in two business segments: wind turbines and service. In 2019, approximately 73% of

sales were generated across Europe, the Middle East, and Africa. Siemens Energy (a recent spin-off from Siemens AG) owns 67% of Siemens Gamesa's shares.

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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, 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

## 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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