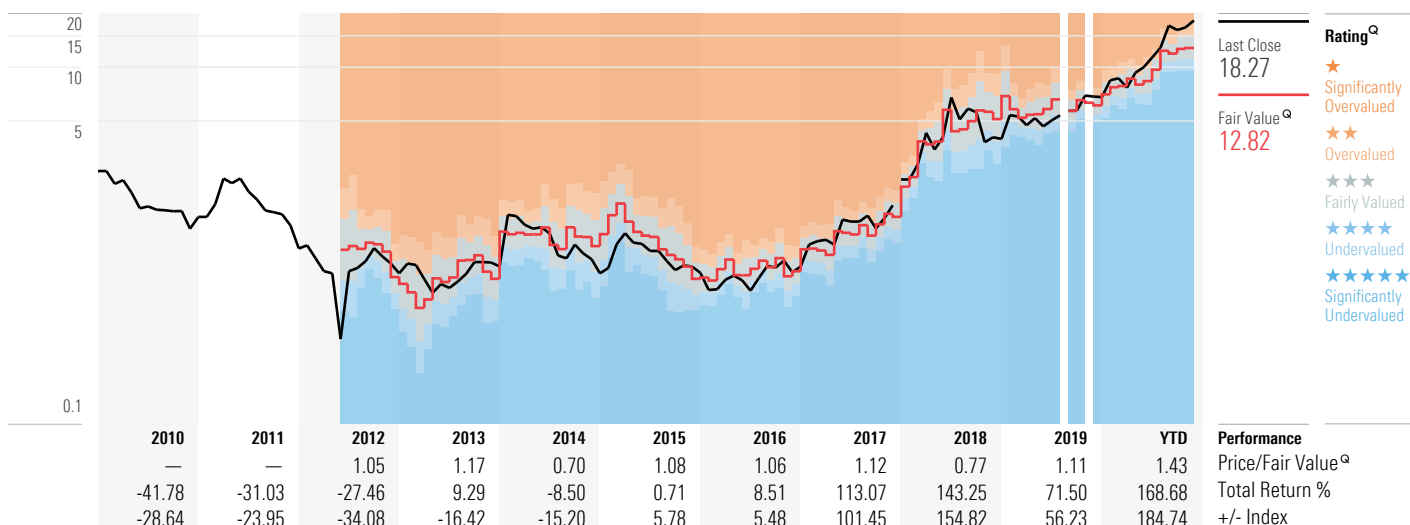


Solaria Energia y Medio Ambiente SA SLR ★ Q 23 Nov 2020, 23:35 UTC

Economic Moat ^Q Narrow	Uncertainty ^Q High	Price/Fair Value ^Q 1.4	Trailing Dividend Yield % —	Market Cap 2.2829 Bil	Investment Style Mid Growth	Sector Utilities	Industry Utilities - Renewable
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Total Return % as of 23 Nov 2020. Last Close as of 23 Nov 2020. Fair Value as of 23 Nov 2020, 23:35 UTC. Index: Morningstar Spain GR EUR.

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^Q as of 23 Nov 2020



Last Close
18.27

SLR is overvalued at a 43% premium.

Economic Moat^Q
Narrow

Financial Health^Q
Moderate

1-Star Price^Q
> 17.29

5-Star Price^Q
< 9.50

Financials as of 23 Nov 2020 (Fiscal Year End 31 Dec 2019)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD	Fiscal
161	111	35	34	25	17	23	31	34	35	41	Revenue (Mil)
8	-40	-12	-15	3	2	8	15	15	17	26	Operating Income (Mil)
5.23	-36.28	-35.02	-42.21	12.0	12.72	33.7	47.74	44.41	50.45	63.45	Operating Margin (%)
7	-96	-24	-78	6	7	7	15	21	24	25	Net Income (Mil)
0.07	-0.97	-0.25	-0.78	0.06	0.06	0.07	0.14	0.18	0.19	0.20	Diluted Earnings/Share
-53,224	-12,626	-6,843	22,105	-8,366	-1,095	-937	16,067	15,980	14,575	-21,095	Operating Cash Flow (K)
-14,332	-1,452	-3,799	-4,254	-731	-183	-95	-45,621	-28,362	-99,720	-27,742	Capital Spending (K)
-68	-14	-11	18	-9	-1	-1	-30	-12	-85	-49	Free Cash Flow (Mil)
100	99	98	98	104	107	107	107	117	125	125	Avg Shares Outstand(Mil)
0.02	0.04	—	—	—	—	—	—	—	—	—	Dividend Per Share

Valuation as of 23 Nov 2020

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Current	Calendar
—	—	1.05	1.17	0.70	1.08	1.06	1.12	0.77	1.11	1.43	Price/Fair Value ^Q
1.14	0.40	1.96	1.73	3.74	3.81	5.24	7.84	13.92	24.73	46.04	Price/Sales
39.15	15.41	—	—	—	12.57	11.95	18.22	16.97	47.28	65.48	Price/Earnings
—	—	—	—	13.64	—	—	—	16.34	145.17	153.88	Price/Cash Flow
0.61	0.42	0.71	0.80	2.35	2.09	1.92	3.53	2.93	4.60	10.44	Price/Book

Operating Performance as of — (Fiscal Year End 31 Dec 2019)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q3	Fiscal (%)
1.69	-9.78	-6.84	-28.66	3.35	3.6	4.43	6.37	6.32	4.8	1.65	Return on Assets
2.78	-19.68	-17.24	-127	27.67	19.51	18.03	28.84	18.84	13.11	4.85	Return on Equity
2.8	-11.76	-5.48	-36.53	10.15	7.32	6.91	10.51	9.0	6.88	1.75	Rtn on Invested Capital

Business Description

Solaria Energia y Medio Ambiente SA is a solar photovoltaic (PV) power generation company. It is also engaged in the solar power plant custom operation and maintenance services and development and management of PV projects. The company owns, manages and operates PV plants in

Spain, Italy, Uruguay, Greece and Brazil.

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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.

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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