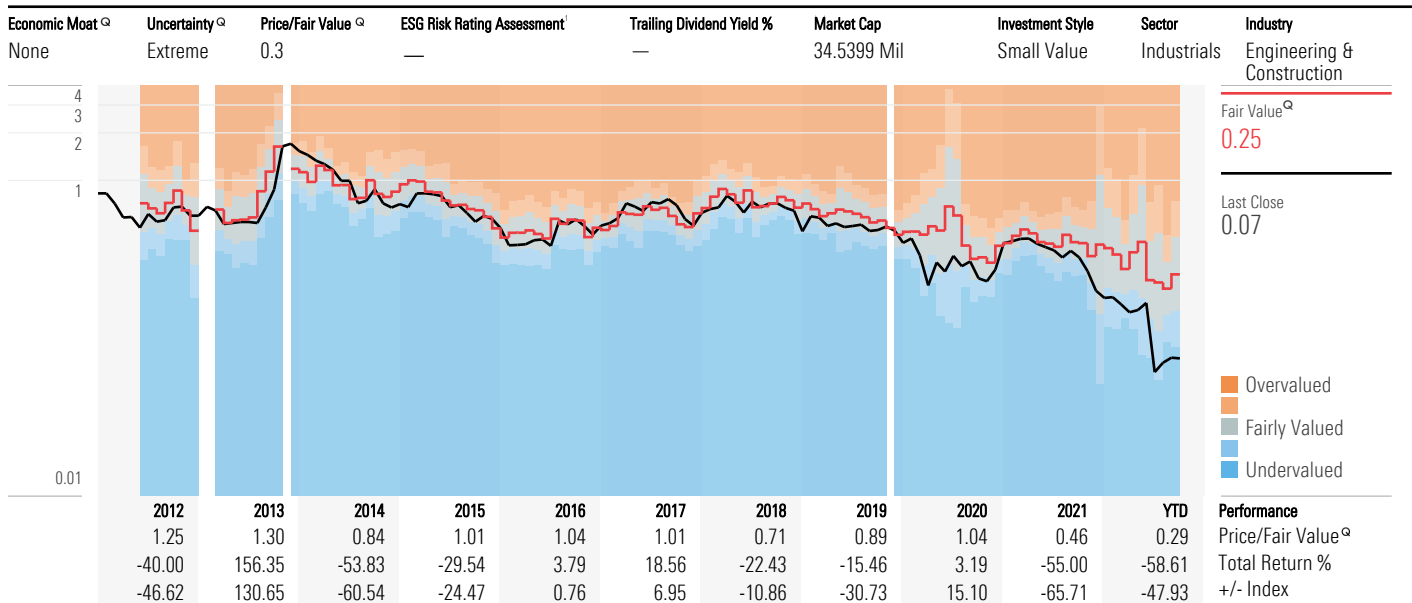


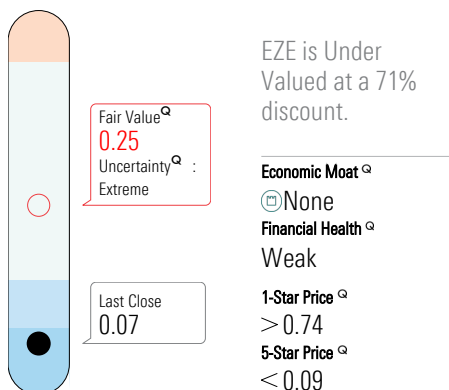
Grupo Ezentis SA EZE ★★★ Q 26 Sep 2022, 22:47 UTC



Total Return % as of 26 Sep 2022. Last Close as of 26 Sep 2022. Fair Value as of 26 Sep 2022, 22:47 UTC. Index: Morningstar Spain GR EUR.

The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating. 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 26 Sep 2022



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Financials as of 26 Sep 2022 (Fiscal Year End 31 Dec 2022)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | YTD | Fiscal |
|---------------------------|--------|--------|--------|--------|--------|-------|--------|--------|--------|---------|---------|---------------------------|
| Revenue (Mil) | 149 | 145 | 248 | 295 | 307 | 395 | 437 | 469 | 367 | 361 | 361 | Revenue (Mil) |
| Operating Income (Mil) | 3.99 | -3.35 | 8.01 | 11.72 | 22.04 | 17.02 | 17.61 | 17.24 | -13.14 | -21.83 | -21.83 | Operating Income (Mil) |
| Operating Margin (%) | 2.67 | -2.31 | 3.22 | 3.97 | 7.17 | 4.31 | 4.03 | 3.67 | -3.58 | -6.04 | -6.04 | Operating Margin (%) |
| Net Income (Mil) | -19.45 | -40.89 | -7.36 | -10.89 | 0.90 | -6.70 | -14.70 | 4.01 | -43.08 | -144.15 | -144.15 | Net Income (Mil) |
| Diluted Earnings/Share | -0.23 | -0.36 | -0.04 | -0.05 | 0.00 | -0.03 | -0.05 | 0.01 | -0.13 | -0.34 | -0.34 | Diluted Earnings/Share |
| Operating Cash Flow (Mil) | 4.22 | -5.61 | -10.59 | 19.05 | 20.56 | 15.14 | 28.41 | 45.87 | -12.59 | -2.75 | -2.75 | Operating Cash Flow (Mil) |
| Capital Spending (Mil) | -5.92 | -4.56 | -12.82 | -7.01 | -13.08 | -7.83 | -27.17 | -28.41 | -6.79 | -8.75 | -8.75 | Capital Spending (Mil) |
| Free Cash Flow (Mil) | -1.71 | -10.17 | -23.40 | 12.04 | 7.48 | 7.31 | 1.24 | 17.46 | -19.38 | -11.50 | -11.50 | Free Cash Flow (Mil) |
| Avg Shares Outstand(Mil) | 83 | 115 | 204 | 237 | 235 | 248 | 313 | 331 | 331 | 419 | 419 | Avg Shares Outstand(Mil) |
| Dividend Per Share | — | — | — | — | — | — | — | — | 0.02 | — | — | Dividend Per Share |

Valuation as of 26 Sep 2022

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Current | Calendar |
|-------------------------------|-------|-------|--------|-------|------|-------|------|------|------|------|---------|-------------------------------|
| Price/Fair Value ^Q | 1.25 | 1.30 | 0.84 | 1.01 | 1.04 | 1.01 | 0.71 | 0.89 | 1.04 | 0.46 | 0.29 | Price/Fair Value ^Q |
| Price/Sales | 0.33 | 1.00 | 0.79 | 0.39 | 0.43 | 0.46 | 0.38 | 0.28 | 0.36 | — | 0.09 | Price/Sales |
| Price/Earnings | — | — | — | 50.80 | — | — | — | — | — | — | — | Price/Earnings |
| Price/Cash Flow | 14.18 | 23.86 | 419.52 | 52.71 | 6.35 | 10.05 | 7.48 | 1.93 | 3.15 | 4.08 | 3.35 | Price/Cash Flow |
| Price/Book | — | — | 5.37 | 4.89 | 8.67 | 21.68 | 3.65 | 5.99 | — | — | 36.99 | Price/Book |

Operating Performance as of — (Fiscal Year End 31 Dec 2022)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Q3 | Fiscal (%) |
|-------------------------|--------|--------|--------|--------|-------|--------|--------|-------|------|--------|--------|-------------------------|
| Return on Assets | -11.98 | -26.42 | -4.02 | -5.33 | 0.4 | -2.52 | -4.88 | 1.14 | -9.9 | -54.25 | -47.36 | Return on Assets |
| Return on Equity | — | — | -76.03 | -47.21 | 5.98 | -27.76 | -46.61 | 17.32 | — | — | -11.81 | Return on Equity |
| Rtn on Invested Capital | — | — | 1.25 | 0.08 | 12.63 | 8.8 | 9.73 | 14.01 | — | — | -0.92 | Rtn on Invested Capital |

Business Description

Grupo Ezentis SA is a network services provider for communications and energy companies. It offers deployment, operation, and maintenance of telecommunications network infrastructures; Planning, engineering, implementation, and maintenance of electrical systems; and Implementation and management of complex multi-service networks. It of-

fers complete construction, repair, and maintenance of civil works, hydraulic works, buildings, drainage, paving, and water and waste supply and treatment systems. The company has operational footprints across Spain, Argentina, Chile, Peru, Brazil, Colombia, Mexico, and Portugal, of which it generates the majority of its revenue from Brazil and Spain.

Quantitative Equity Reports Overview

The quantitative report on equities consists of data, statistics and quantitative equity ratings on equity securities. Morningstar, Inc.'s quantitative equity ratings are forward looking and are generated by a statistical model that is based on Morningstar Inc.'s analyst-driven equity ratings and quantitative statistics. Given the nature of the quantitative report and the quantitative ratings, there is no one analyst in which a given report is attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative equity ratings used in this report. 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.

Quantitative Equity Ratings

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.

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.

Sustainalytics ESG Risk Rating Assessment: The ESG Risk Rating Assessment is provided by Sustainalytics; a Morningstar company. Sustainalytics' ESG Risk Ratings measure the degree to which company's economic value at risk is driven by environment, social and governance (ESG) factors.

Sustainalytics analyzes over 1,300 data points to assess a company's exposure to and management of ESG risks. In other words, ESG Risk Ratings measures a company's unmanaged ESG Risks represented as a quantitative score. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) with lower scores representing less unmanaged risk and, for 95% of cases, the unmanaged ESG Risk score is below 50.

Based on their quantitative scores, companies are grouped into one of five Risk Categories (negligible, low, medium, high, severe). These risk categories are absolute, meaning that a 'high risk' assessment reflects a comparable degree of unmanaged ESG risk across all subindustries covered.

The ESG Risk Rating Assessment is a visual representation of Sustainalytics

ESG Risk Categories on a 1 to 5 scale. Companies with Negligible Risk = 5 Globes, Low Risk = 4, Medium Risk = 3 Globes, High Risk = 2 Globes, Severe Risk = 1 Globe. For more information, please visit sustainalytics.com/esg-ratings/

Ratings should not be used as the sole basis in evaluating a company or security. Ratings involve unknown risks and uncertainties which may cause our expectations not to occur or to differ significantly from what was expected and should not be considered an offer or solicitation to buy or sell a security.

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