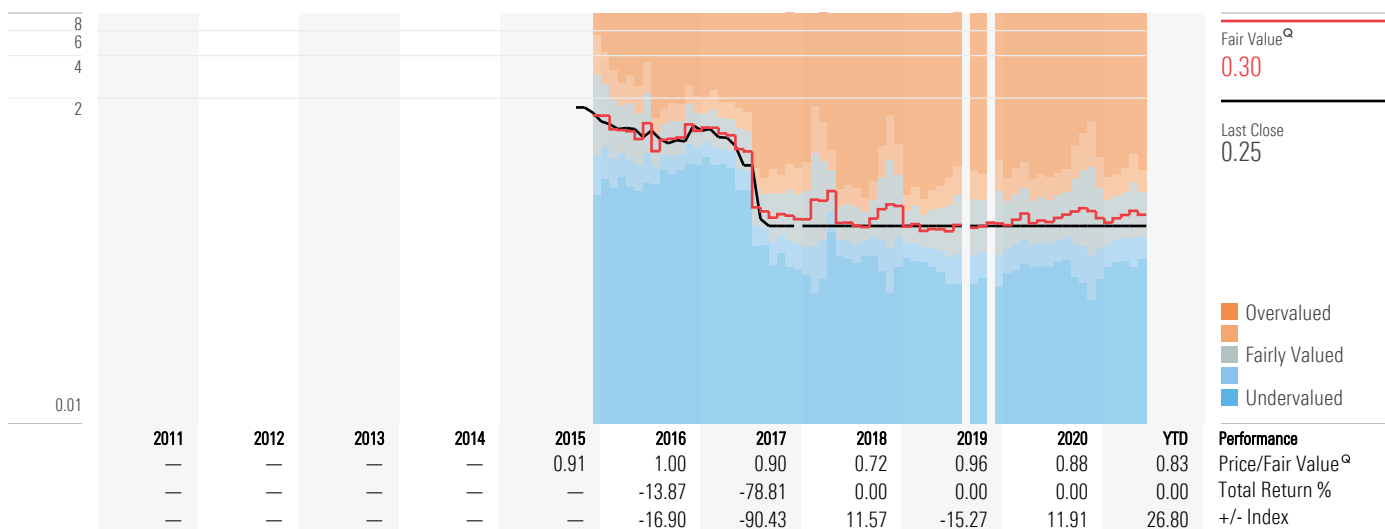


Neol Biosolutions SA NEOL ★★★ Q 25 May 2021, 22:45 UTC

Economic Moat ^Q	Uncertainty ^Q	Price/Fair Value ^Q	Trailing Dividend Yield %	Market Cap	Investment Style	Sector	Industry
Narrow	Very High	0.8	—	2.2454 Mil	Small Value	Basic Materials	Specialty Chemicals



Total Return % as of 25 May 2021. Last Close as of 25 May 2021. Fair Value as of 25 May 2021, 22:45 UTC. Index: Morningstar Spain GR EUR.

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Valuation ^Q as of 25 May 2021



Fair Value ^Q
0.30
Uncertainty ^Q :
Very High

Last Close
0.25

NEOL is Under Valued at a 17% discount.

Economic Moat ^Q

Narrow

Financial Health ^Q

Strong

1-Star Price ^Q

> 0.62

5-Star Price ^Q

< 0.14

Financials as of 25 May 2021 (Fiscal Year End 31 Dec 2017)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	Fiscal
Revenue (K)	—	—	—	220	1,589	183	—	—	—	—	183	Revenue (K)
Operating Income (K)	—	—	—	-1,388	-736	-1,773	—	—	—	—	-1,773	Operating Income (K)
Operating Margin (%)	—	—	—	-631	-46.36	-968	—	—	—	—	-968	Operating Margin (%)
Net Income (K)	—	—	—	-1,052	-393	-1,057	—	—	—	—	-1,057	Net Income (K)
Diluted Earnings/Share	—	—	—	—	-0.04	-0.12	—	—	—	—	-0.12	Diluted Earnings/Share
Operating Cash Flow (K)	—	—	—	638	-41	314	—	—	—	—	314	Operating Cash Flow (K)
Capital Spending (K)	—	—	—	-1,735	-935	-1,462	—	—	—	—	-1,462	Capital Spending (K)
Free Cash Flow (K)	—	—	—	-1,097	-976	-1,148	—	—	—	—	-1,148	Free Cash Flow (K)
Avg Shares Outstand(K)	—	—	—	9,001	9,001	8,982	—	—	—	—	8,982	Avg Shares Outstand(K)
Dividend Per Share	—	—	—	—	—	—	—	—	—	—	—	Dividend Per Share

Valuation as of 25 May 2021

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Current	Calendar
Price/Fair Value ^Q	—	—	—	—	0.91	1.00	0.90	0.72	0.96	0.88	0.83	Price/Fair Value ^Q
Price/Sales	—	—	—	—	—	12.33	—	—	—	—	12.27	Price/Sales
Price/Earnings	—	—	—	—	—	—	—	—	—	—	—	Price/Earnings
Price/Cash Flow	—	—	—	—	—	47.93	—	—	—	—	7.15	Price/Cash Flow
Price/Book	—	—	—	—	—	1.82	—	—	—	—	0.42	Price/Book

Operating Performance as of — (Fiscal Year End 31 Dec 2017)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3	Fiscal (%)
Return on Assets	—	—	—	-11.36	-4.23	-11.66	—	—	—	—	—	Return on Assets
Return on Equity	—	—	—	-17.83	-6.33	-17.86	—	—	—	—	—	Return on Equity
Rtn on Invested Capital	—	—	—	-14.91	-4.87	-13.96	—	—	—	—	—	Rtn on Invested Capital

Business Description

Neol Biosolutions SA is engaged in development of oleochemical production processes through the culture of oleaginous microorganisms from agricultural and industrial waste.

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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.
 - ★ – the stock is overvalued with a reasonable margin of safety.
 $\text{Log (Quant FVE/Price)} < -1 * \text{Quantitative Uncertainty}$
*Micro-Caps: $\text{Log (Quant FVE/Price)} < -1.5 * \text{Quantitative Uncertainty}$*
 - ★★ – the stock is somewhat overvalued.
 $\text{Log (Quant FVE/Price)}$ between $(-1 * \text{Quantitative Uncertainty}, -0.5 * \text{Quantitative Uncertainty})$
*Micro-Caps: $\text{Log (Quant FVE/Price)}$ between $(-1.5 * \text{Quantitative Uncertainty}, -0.75 * \text{Quantitative Uncertainty})$*
 - ★★★ – the stock is approximately fairly valued.
 $\text{Log (Quant FVE/Price)}$ between $(-0.5 * \text{Quantitative Uncertainty}, 0.5 * \text{Quantitative Uncertainty})$
*Micro-Caps: $\text{Log (Quant FVE/Price)}$ between $(-0.75 * \text{Quantitative Uncertainty}, 0.75 * \text{Quantitative Uncertainty})$*
 - ★★★★ – the stock is somewhat undervalued.
 $\text{Log (Quant FVE/Price)}$ between $(0.5 * \text{Quantitative Uncertainty}, 1 * \text{Quantitative Uncertainty})$

Uncertainty

*Micro-Caps: $\text{Log (Quant FVE/Price)}$ between $(0.75 * \text{Quantitative Uncertainty}, 1.5 * \text{Quantitative Uncertainty})$*

★★★★ – the stock is undervalued with a reasonable margin of safety.

$\text{Log (Quant FVE/Price)} > 1 * \text{Quantitative Uncertainty}$

*Micro-Caps: $\text{Log (Quant FVE/Price)} > 1.5 * \text{Quantitative Uncertainty}$*

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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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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Fairly Valued – Last Price is in line with Morningstar's quantitative fair value estimate.

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