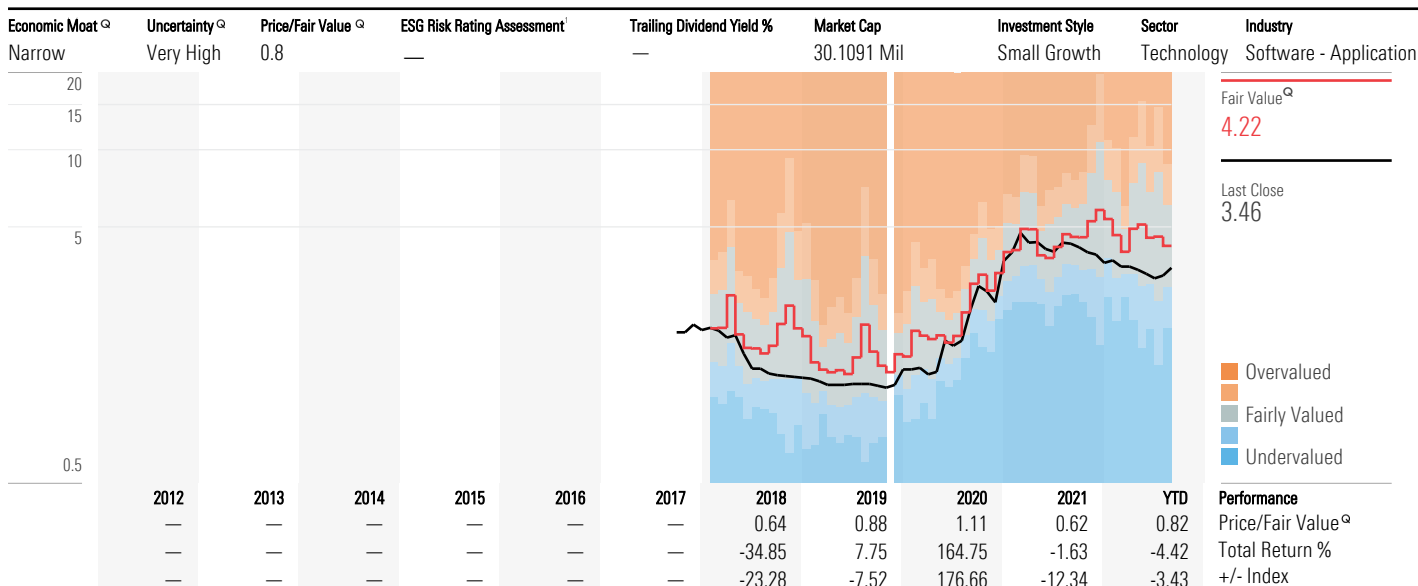


Netex Knowledge Factory SA NTX ★★★ Q 12 Aug 2022, 22:50 UTC



Total Return % as of 12 Aug 2022. Last Close as of 12 Aug 2022. Fair Value as of 12 Aug 2022, 22:50 UTC. Index: Morningstar Spain GR EUR.

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Valuation as of 12 Aug 2022



Fair Value^Q
4.22
Uncertainty^Q :
Very High

Last Close
3.46

NTX is Under Valued at a 18% discount.

Economic Moat^Q

Narrow

Financial Health^Q

Moderate

1-Star Price^Q

> 8.80

5-Star Price^Q

< 2.02

Financials as of 12 Aug 2022 (Fiscal Year End 31 Dec 2019)

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD	Fiscal
—	—	3.59	5.58	5.41	5.07	6.66	8.66	6.81	12.23	12.23	Revenue (Mil)
—	—	258	307	337	-1,259	-1,392	307	-733	656	656	Operating Income (K)
—	—	7.2	5.5	6.24	-24.85	-20.89	3.55	-10.75	5.36	5.36	Operating Margin (%)
—	—	-48	-7	13	-2,181	-1,635	75	-825	640	640	Net Income (K)
—	—	-0.01	0.00	0.00	-0.25	-0.19	0.01	-0.10	0.07	0.07	Diluted Earnings/Share
—	—	—	—	—	-1,227	-2,634	-609	-1,025	-2,380	-2,380	Operating Cash Flow (K)
—	—	—	—	—	—	-52	-168	-64	-45	-41	Capital Spending (K)
—	—	—	—	—	-1,279	-2,802	-673	-1,070	-2,421	-2,421	Free Cash Flow (K)
—	—	8,866	8,866	8,866	8,667	8,633	8,591	8,558	8,702	8,702	Avg Shares Outstand(K)
—	—	—	—	—	—	—	—	—	—	—	Dividend Per Share

Valuation as of 12 Aug 2022

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Current	Calendar
—	—	—	—	—	—	0.64	0.88	1.11	0.62	0.82	Price/Fair Value ^Q
—	—	—	—	—	—	1.98	1.57	3.38	4.55	2.46	Price/Sales
—	—	—	—	—	—	—	—	114.54	—	47.06	Price/Earnings
—	—	—	—	—	—	—	—	—	—	—	Price/Cash Flow
—	—	—	—	—	—	4.83	10.23	22.25	23.92	10.48	Price/Book

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

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Q3	Fiscal (%)
—	—	-0.69	-0.09	0.14	-20.99	-14.48	0.64	-6.93	4.71	—	Return on Assets
—	—	-3.33	-0.37	0.62	-76.06	-54.38	3.41	-61.99	30.43	—	Return on Equity
—	—	2.43	2.85	2.61	-25.57	-19.65	2.78	-8.23	9.1	—	Rtn on Invested Capital

Contact

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Business Description

Netex Knowledge Factory SA develops applications and service-based-solutions to deliver digital learning in companies and academic institutions. The company's portfolio includes learningCloud, a personalized learning environment that facilitates video, gamification, online/offline mobile learning, micro learning, social learning, interoperability, and

real-time conferencing features for the modern workforce in corporations; and smartED, a solution for publishing houses and universities.

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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.

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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.

*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

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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.

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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.

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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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/

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