

Hispania Activos Inmobiliarios SOCIMI SA HIS ★★★ 16 Apr 2019 02:00 UTC

Last Close
16 Apr 2019
17.82

Fair Value^Q
16 Apr 2019 02:00 UTC
15.93

Market Cap
16 Apr 2019
1,945.4 Mil

Sector
Real Estate

Industry
REIT - Hotel & Motel

Country of Domicile
ESP Spain

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Company Profile

Hispania Activos Inmobiliarios is a Spanish real estate company. The company's portfolio includes offices, hotels, and residential property, among others. The office portfolio contains assets such as the Torre 30 building in Madrid; the Foster Wheeler building in Madrid; and the Arcis multitenant office building in Madrid. The hotel segment consists of Hotel Guadalmina Spa & Golf, a 4-star hotel in Marbella, Malaga; El Hotel Galeon, a four-star hotel in Ibiza; and Suite Hotel Atlantis Fuerteventura Resort, a 4-star hotel in Fuerteventura.

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	68	59	47
Valuation	Overvalued	4	2	5
Quantitative Uncertainty	Low	100	98	98
Financial Health	Moderate	85	73	64



HIS

Undervalued	Fairly Valued	Overvalued
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Source: Morningstar Equity Research

Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	1.12	1.01	0.85	0.87
Price/Earnings	20.0	—	11.0	15.0
Forward P/E	—	—	14.2	12.5
Price/Cash Flow	—	—	13.7	8.8
Price/Free Cash Flow	—	—	15.6	15.2
Trailing Dividend Yield %	2.52	—	4.08	3.93
Price/Book	1.2	—	1.0	1.9
Price/Sales	12.1	—	4.6	1.4

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	5.8	11.6	9.7	12.9
Return on Assets %	3.4	7.1	4.1	3.3
Revenue/Employee (Mil)	2.0	1.5	2.0	0.2

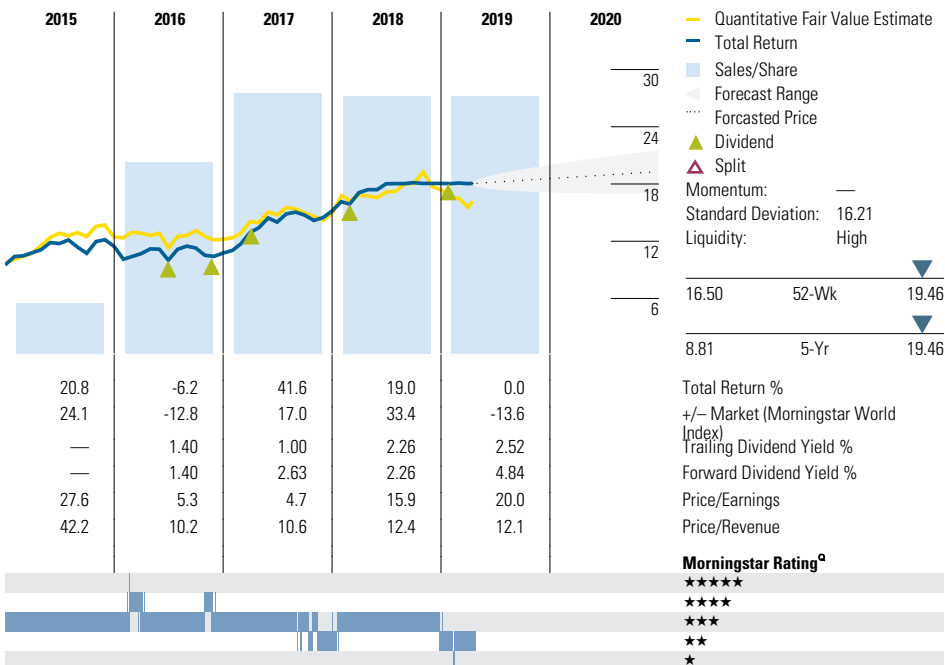
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.7	0.7	0.6	0.7
Solvency Score	576.4	—	529.7	556.5
Assets/Equity	1.8	1.6	2.0	2.7
Long-Term Debt/Equity	0.3	0.4	0.6	0.4

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	2.4	61.9	—	—
Operating Income %	-9.5	109.4	—	—
Earnings %	-56.4	2.0	—	—
Dividends %	162.4	—	—	—
Book Value %	0.3	12.9	—	—
Stock Total Return %	3.7	17.6	14.8	—

Price vs. Quantitative Fair Value

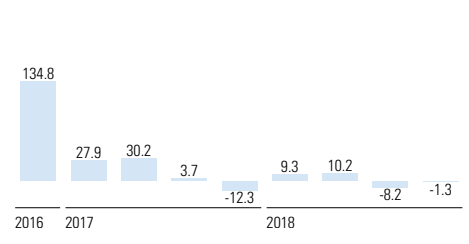


	2014	2015	2016	2017	2018	TTM	Financials (Fiscal Year in K)
Revenue	10,262	37,798	142,867	156,575	160,275	160,275	Revenue
% Change	—	268.3	278.0	9.6	2.4	0.0	% Change
Operating Income	-2,503	10,049	89,546	101,876	92,207	92,207	Operating Income
% Change	—	—	791.1	13.8	-9.5	0.0	% Change
Net Income	17,132	66,681	308,572	222,829	96,557	96,557	Net Income
Operating Cash Flow	-3,546	8,146	20,193	55,140	-186,072	-186,072	Operating Cash Flow
Capital Spending	-39	-25	-8	-3,605	-1,166	-1,166	Capital Spending
Free Cash Flow	-3,585	8,121	20,185	51,535	-187,238	-187,238	Free Cash Flow
% Sales	-34.9	21.5	14.1	32.9	-116.8	-116.8	% Sales
EPS	0.29	0.84	3.17	2.04	0.89	0.89	EPS
% Change	—	190.3	277.9	-35.6	-56.4	0.0	% Change
Free Cash Flow/Share	—	-0.01	0.02	0.17	0.45	-1.72	Free Cash Flow/Share
Dividends/Share	—	—	0.16	0.16	0.41	0.41	Dividends/Share
Book Value/Share	—	10.03	11.63	14.80	15.62	15.30	Book Value/Share
Shares Outstanding (K)	59,070	88,518	108,981	108,972	109,170	109,170	Shares Outstanding (K)
Return on Equity %	3.1	9.0	25.9	14.4	5.8	5.8	Profitability
Return on Assets %	2.6	5.6	15.0	8.8	3.4	3.4	Return on Assets %
Net Margin %	167.0	176.4	216.0	142.3	60.2	60.2	Net Margin %
Asset Turnover	0.02	0.03	0.07	0.06	0.06	0.06	Asset Turnover
Financial Leverage	1.2	1.8	1.6	1.6	1.8	1.8	Financial Leverage
Gross Margin %	—	97.3	96.7	85.2	90.4	90.4	Gross Margin %
Operating Margin %	-24.4	26.6	62.7	65.1	57.5	57.5	Operating Margin %
Long-Term Debt	56,414	535,656	595,066	598,403	523,199	523,199	Long-Term Debt
Total Equity	550,101	939,866	1,444,235	1,662,142	1,669,867	1,669,867	Total Equity
Fixed Asset Turns	—	0.6	1.6	1.8	2.8	2.8	Fixed Asset Turns

Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2018	41.5	43.8	38.0	37.0	160.3
2017	38.0	39.7	41.4	37.5	156.6
2016	29.7	30.5	39.9	42.8	142.9
2015	5.8	7.2	6.6	18.2	37.8
Earnings Per Share (€)					
2018	0.02	0.63	0.09	0.13	0.89
2017	0.15	1.33	0.16	0.40	2.04
2016	0.13	1.21	0.12	1.58	3.17
2015	0.01	0.11	0.03	0.61	0.84

Revenue Growth Year On Year %



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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, and the Quantitative Uncertainty Rating. 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*

Two-Star - the stock is somewhat overvalued.

*Log (Quant FVE/Price) between (-1*Quantitative Uncertainty, -0.5*Quantitative Uncertainty)*

Three-Star – the stock is approximately fairly valued.

*Log (Quant FVE/Price) between (-0.5*Quantitative Uncertainty, 0.5*Quantitative Uncertainty)*

Four-Star – the stock is somewhat undervalued.

*Log (Quant FVE/Price) between (0.5*Quantitative Uncertainty, 1*Quantitative Uncertainty)*

Five-Star – the stock is undervalued with a reasonable margin of safety.

*Log (Quant FVE/Price) > 1*Quantitative Uncertainty*

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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.

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