

# Neinor Homes SA HOME ★★★★★<sup>Q</sup> 20 Nov 2019 02:00 UTC

**Last Close**  
20 Nov 2019  
11.27

**Fair Value<sup>Q</sup>**  
20 Nov 2019 02:00 UTC  
13.17

**Market Cap**  
20 Nov 2019  
864.2 Mil

**Sector**  
Consumer Cyclical

**Industry**  
Residential Construction

**Country of Domicile**  
ESP Spain

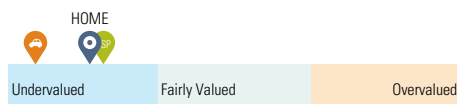
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## Company Profile

Neinor Homes SA is a residential property development company in Spain. The company is engaged in developing and selling property developments. It generates the revenue from Legacy, development and asset management services.

## Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	47	49	31
Valuation	Undervalued	45	38	72
Quantitative Uncertainty High		76	79	65
Financial Health	Moderate	58	42	29



Source: Morningstar Equity Research

## Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.86	—	0.80	0.87
Price/Earnings	11.4	—	16.2	15.0
Forward P/E	—	—	12.3	12.5
Price/Cash Flow	4.9	—	10.2	8.8
Price/Free Cash Flow	5.1	—	17.7	15.2
Trailing Dividend Yield %	—	—	2.46	3.93
Price/Book	1.1	—	1.6	1.9
Price/Sales	1.9	—	0.9	1.4

## Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	10.5	—	12.2	12.9
Return on Assets %	5.3	—	5.4	3.3
Revenue/Employee (Mil)	1.7	—	0.6	0.2

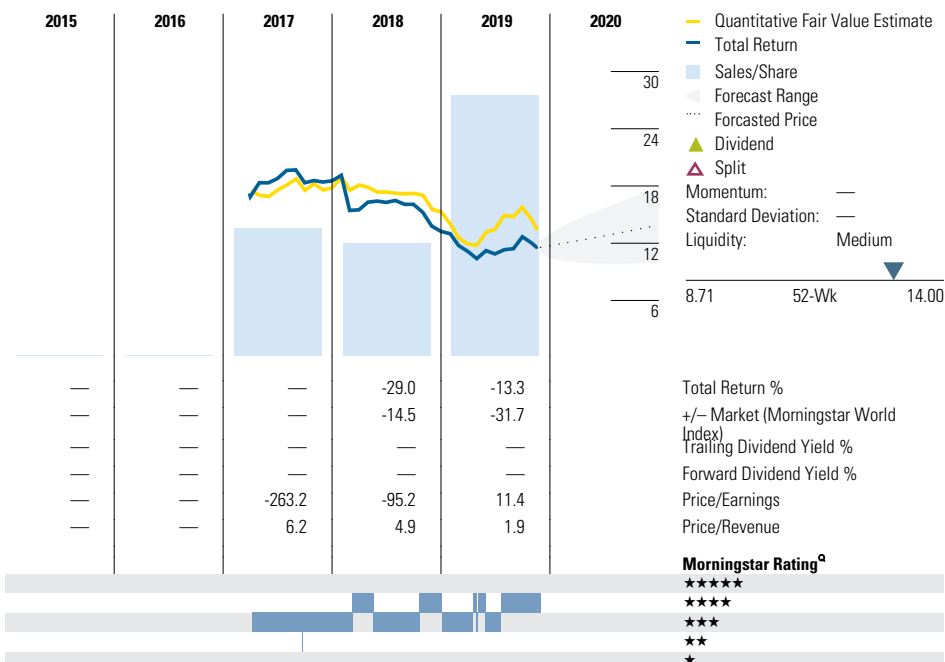
## Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.6	—	0.6	0.7
Solvency Score	427.7	—	486.0	556.5
Assets/Equity	1.8	1.6	1.8	2.7
Long-Term Debt/Equity	0.0	0.0	0.2	0.4

## Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	72.4	14.0	—	—
Operating Income %	—	—	—	—
Earnings %	—	—	—	—
Dividends %	—	—	—	—
Book Value %	7.1	—	—	—
Stock Total Return %	-14.5	—	—	—

## Price vs. Quantitative Fair Value

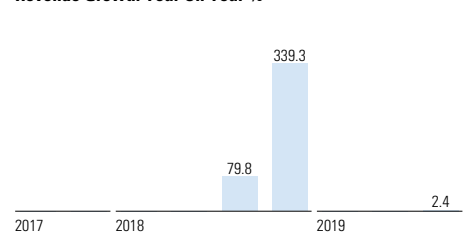


	2014	2015	2016	2017	2018	TTM	Financials (Fiscal Year in K)
Revenue	—	256,664	228,565	220,388	379,986	465,986	Revenue
% Change	—	—	-10.9	-3.6	72.4	22.6	% Change
Operating Income	—	-80,799	7,621	-79,747	41,308	127,308	Operating Income
% Change	—	—	—	-1,146.4	—	208.2	% Change
Net Income	—	-82,114	1,057	-25,934	45,991	76,891	Net Income
Operating Cash Flow	—	-49,547	30,723	-186,426	90,554	177,054	Operating Cash Flow
Capital Spending	—	-1,438	-1,085	-1,228	-6,731	—	Capital Spending
Free Cash Flow	—	-50,985	29,638	-187,654	83,823	170,323	Free Cash Flow
% Sales	—	-19.9	13.0	-85.1	22.1	36.6	% Sales
EPS	—	-1.04	0.01	-0.14	0.59	0.99	EPS
% Change	—	—	—	-1,161.4	—	68.1	% Change
Free Cash Flow/Share	—	—	—	-1.61	-0.68	2.22	Free Cash Flow/Share
Dividends/Share	—	—	—	—	—	—	Dividends/Share
Book Value/Share	—	—	—	9.15	9.11	9.83	Book Value/Share
Shares Outstanding (K)	—	—	—	78,776	78,705	76,684	Shares Outstanding (K)
Return on Equity %	—	-9.8	0.1	-3.8	6.2	10.5	Profitability Return on Equity %
Return on Assets %	—	-7.4	0.1	-2.3	3.4	5.3	Return on Assets %
Net Margin %	—	-32.0	0.5	-11.8	12.1	16.5	Net Margin %
Asset Turnover	—	0.23	0.22	0.19	0.28	0.32	Asset Turnover
Financial Leverage	—	1.3	1.6	1.8	1.8	1.9	Financial Leverage
Gross Margin %	—	17.3	10.2	-5.5	28.4	—	Gross Margin %
Operating Margin %	—	-31.5	3.3	-36.2	10.9	27.3	Operating Margin %
Long-Term Debt	—	0	26,623	17,902	0	46,300	Long-Term Debt
Total Equity	—	840,614	631,012	722,418	772,670	753,700	Total Equity
Fixed Asset Turns	—	180.5	153.7	128.5	79.5	53.3	Fixed Asset Turns

## Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2019	60.6	101.2	80.2	—	—
2018	—	—	78.3	224.0	380.0
2017	72.2	53.7	43.5	51.0	220.4
2016	—	120.2	—	108.3	228.6
Earnings Per Share (€)					
2019	0.03	0.11	0.19	—	—
2018	-0.10	-0.03	0.06	0.66	0.59
2017	-0.10	-0.17	0.19	-0.25	-0.14
2016	—	0.01	—	-0.10	0.01

## Revenue Growth Year On Year %



# Quantitative Equity Reports Overview

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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").

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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*

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.

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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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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.

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