

Inmobiliaria del Sur SA OHFP ★★★^Q 14 Jan 2019 02:00 UTC

Last Close
14 Jan 2019
10.25

Fair Value^Q
14 Jan 2019 02:00 UTC
12.31

Market Cap
14 Jan 2019
172.6 Mil

Sector
Real Estate

Industry
Real Estate Services

Country of Domicile
ESP Spain

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>

Company Profile

Inmobiliaria del Sur, S.A. along with its subsidiaries is engaged in the real estate industry. The company constructs and sells houses; develops and rents various offices and commercial premises to third parties; and rents car parks. It is also involved in the real estate management business.

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	Narrow	77	73	56
Valuation	Undervalued	37	54	56
Quantitative Uncertainty	Very High	60	51	55
Financial Health	Moderate	52	33	21

OHFP



Undervalued Fairly Valued Overvalued

Source: Morningstar Equity Research

Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.83	0.95	0.85	0.87
Price/Earnings	41.0	—	11.0	15.0
Forward P/E	—	—	14.2	12.5
Price/Cash Flow	9.1	—	13.7	8.8
Price/Free Cash Flow	10.1	—	15.6	15.2
Trailing Dividend Yield %	0.49	—	4.08	3.93
Price/Book	1.9	—	1.0	1.9
Price/Sales	2.0	—	4.6	1.4

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	4.8	5.2	9.7	12.9
Return on Assets %	1.2	1.3	4.1	3.3
Revenue/Employee (K)	535.2	590.8	2,015.0	240.3

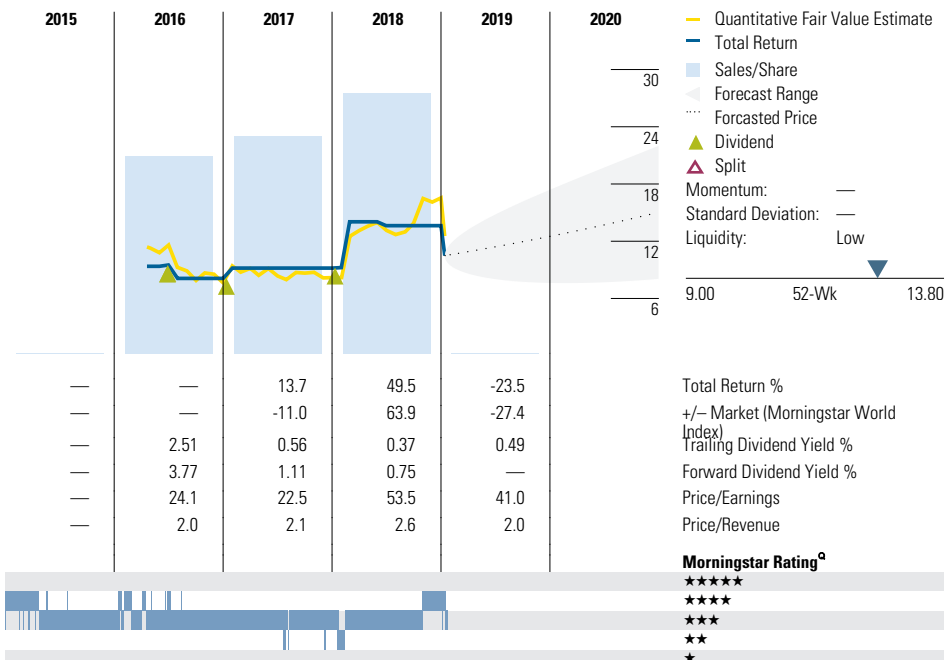
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.5	0.4	0.6	0.7
Solvency Score	754.4	—	529.7	556.5
Assets/Equity	3.8	4.0	2.0	2.7
Long-Term Debt/Equity	1.4	1.5	0.6	0.4

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	47.5	15.2	9.2	-1.6
Operating Income %	-0.5	2.2	—	-9.9
Earnings %	0.0	4.4	—	-16.7
Dividends %	-75.0	-10.6	-18.6	—
Book Value %	11.4	4.8	5.5	-29.6
Stock Total Return %	13.9	—	—	—

Price vs. Quantitative Fair Value

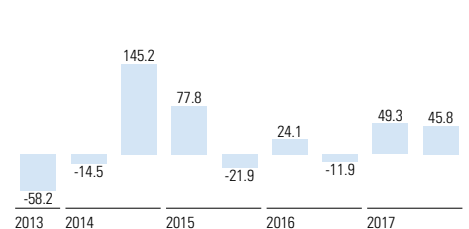


	2013	2014	2015	2016	2017	TTM	Financials (Fiscal Year in K)
Revenue	32,213	55,279	55,844	57,323	84,557	84,557	Revenue
% Change	-37.3	71.6	1.0	2.6	47.5	0.0	% Change
Operating Income	9,857	8,858	5,904	9,477	9,441	9,441	Operating Income
% Change	—	-10.1	-33.3	60.5	-0.4	0.0	% Change
Net Income	3,042	3,487	5,655	3,908	4,169	4,169	Net Income
Operating Cash Flow	-6,234	9,291	11,752	-5,000	18,472	18,472	Operating Cash Flow
Capital Spending	-12	-112	-43	-19	-1,822	-1,822	Capital Spending
Free Cash Flow	-6,246	9,179	11,709	-5,019	16,650	16,650	Free Cash Flow
% Sales	-19.4	16.6	21.0	-8.8	19.7	19.7	% Sales
EPS	0.18	0.22	0.36	0.25	0.25	0.25	EPS
% Change	—	22.2	63.6	-30.6	0.0	0.0	% Change
Free Cash Flow/Share	—	—	—	0.37	0.74	1.01	Free Cash Flow/Share
Dividends/Share	0.00	0.07	0.10	0.20	0.05	0.05	Dividends/Share
Book Value/Share	—	—	—	4.80	5.50	5.49	Book Value/Share
Shares Outstanding (K)	15,871	16,329	16,329	16,839	—	16,839	Shares Outstanding (K)
Profitability	4.2	4.7	7.3	4.9	4.8	4.8	Profitability
Return on Equity %	1.1	1.2	1.8	1.2	1.2	1.2	Return on Equity %
Return on Assets %	9.4	6.3	10.1	6.8	4.9	4.9	Return on Assets %
Net Margin %	0.11	0.19	0.18	0.18	0.25	0.25	Net Margin %
Asset Turnover	3.8	4.0	4.0	4.2	3.8	3.8	Asset Turnover
Financial Leverage	52.5	40.9	37.5	42.4	32.4	32.4	Financial Leverage
Gross Margin %	30.6	16.0	10.6	16.5	11.2	11.2	Gross Margin %
Operating Margin %	114,702	121,024	126,048	126,412	125,824	125,824	Operating Margin %
Long-Term Debt	73,375	75,587	78,411	80,440	92,399	92,399	Long-Term Debt
Total Equity	6.9	12.5	16.3	19.4	22.5	22.5	Total Equity
Fixed Asset Turns	—	—	—	—	—	—	Fixed Asset Turns

Semi-Annual Revenue & EPS

Revenue (K)	Mar	Jun	Sep	Dec	Total
2017	—	41,809.0	—	42,748.0	84,557.0
2016	—	28,009.0	—	29,314.0	57,323.0
2015	—	22,573.0	—	33,271.0	55,844.0
2014	—	12,695.0	—	42,584.0	55,279.0
Earnings Per Share (€)					
2017	—	0.22	—	0.03	0.25
2016	—	0.07	—	0.18	0.25
2015	—	0.11	—	0.25	0.36
2014	—	-0.06	—	0.28	0.22

Revenue Growth Year On Year %



Quantitative Equity Reports Overview

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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

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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.

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.

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