

# Saeta Yield SA SAY ★★★★ Q 04 Jul 2018 02:00 UTC

**Last Close**  
03 Jul 2018  
12.18

**Fair Value<sup>Q</sup>**  
04 Jul 2018 02:00 UTC  
11.63

**Market Cap**  
03 Jul 2018  
993.2 Mil

**Sector**  
Utilities

**Industry**  
Utilities - Independent Power Producers ESP Spain

**Country of Domicile**

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## Company Profile

Saeta Yield SA operates energy infrastructure assets, related to renewable electricity generation. The company operates solar thermal and wind power assets in Spain consisting of 16 wind farms with a total capacity of 539 MW and five solar thermal plants with a total capacity of 250 MW and 2 wind farms with a total capacity of 95 MW in Uruguay. It invests in energy infrastructure assets that expect to generate highly stable and predictable cash flows backed by regulated and contracted income. It earns its revenue from the electricity

## Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	54	49	36
Valuation	Fairly Valued	17	24	39
Quantitative Uncertainty	Low	100	98	100
Financial Health	Moderate	61	56	39



Undervalued | Fairly Valued | Overvalued

Source: Morningstar Equity Research

## Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	1.05	1.01	0.97	1.01
Price/Earnings	23.0	—	15.0	15.5
Forward P/E	19.2	—	14.9	14.3
Price/Cash Flow	5.7	—	6.7	10.3
Price/Free Cash Flow	5.7	—	14.7	15.6
Trailing Dividend Yield %	4.66	—	3.57	3.61
Price/Book	1.8	—	1.4	2.1
Price/Sales	2.9	—	1.4	1.6

## Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	7.8	—	9.5	10.1
Return on Assets %	1.8	—	3.0	2.9
Revenue/Employee (Mil)	6.4	—	1.3	0.2

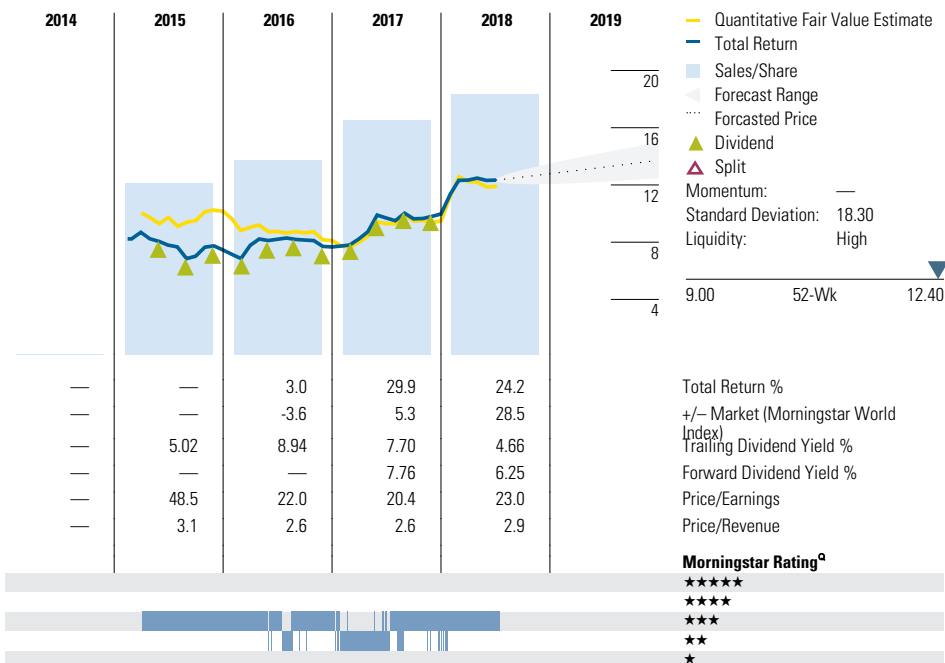
## Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.6	0.7	0.6	0.6
Solvency Score	680.3	—	585.1	565.6
Assets/Equity	4.6	4.1	2.6	2.7
Long-Term Debt/Equity	2.7	2.4	0.8	0.4

## Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	17.0	14.5	—	—
Operating Income %	28.6	19.2	—	—
Earnings %	21.6	—	—	—
Dividends %	3.9	—	—	—
Book Value %	-0.8	—	—	—
Stock Total Return %	27.8	13.6	—	—

## Price vs. Quantitative Fair Value

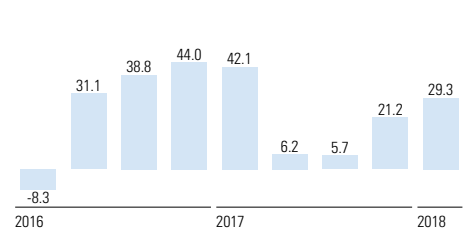


	2013	2014	2015	2016	2017	TTM	Financials (Fiscal Year in K)
Revenue	—	215,911	218,693	277,178	324,226	344,826	Revenue
% Change	—	—	1.3	26.7	17.0	6.4	% Change
Operating Income	—	76,633	78,459	101,082	129,936	141,436	Operating Income
% Change	—	—	2.4	28.8	28.5	8.9	% Change
Net Income	—	35,356	16,055	29,963	36,490	42,990	Net Income
Operating Cash Flow	—	29,839	112,018	122,802	170,504	173,804	Operating Cash Flow
Capital Spending	—	-3,377	-736	-443	-1,306	-106	Capital Spending
Free Cash Flow	—	26,462	111,282	122,359	169,198	173,698	Free Cash Flow
% Sales	—	12.3	50.9	44.1	52.2	50.4	% Sales
EPS	—	—	0.21	0.37	0.45	0.53	EPS
% Change	—	—	—	76.2	21.6	17.7	% Change
Free Cash Flow/Share	—	—	0.32	1.74	1.78	2.13	Free Cash Flow/Share
Dividends/Share	—	—	0.43	0.73	0.76	0.57	Dividends/Share
Book Value/Share	—	—	6.95	6.61	6.72	6.90	Book Value/Share
Shares Outstanding (K)	—	—	81,577	81,577	81,512	81,540	Shares Outstanding (K)
Return on Equity %	—	9.9	3.5	5.3	6.6	7.8	Profitability
Return on Assets %	—	2.0	1.0	1.5	1.5	1.8	Return on Assets %
Net Margin %	—	16.4	7.3	10.8	11.3	12.5	Net Margin %
Asset Turnover	—	0.12	0.13	0.14	0.14	0.15	Asset Turnover
Financial Leverage	—	4.9	2.9	4.1	4.6	4.3	Financial Leverage
Gross Margin %	—	86.5	—	84.5	85.1	—	Gross Margin %
Operating Margin %	—	35.5	35.9	36.5	40.1	41.0	Operating Margin %
Long-Term Debt	—	1,039,470	848,247	1,341,757	1,488,679	1,448,700	Long-Term Debt
Total Equity	—	355,639	570,506	551,547	546,962	562,500	Total Equity
Fixed Asset Turns	—	0.2	0.2	0.2	0.2	0.2	Fixed Asset Turns

## Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2018	90.8	—	—	—	—
2017	70.2	81.9	89.6	77.3	324.2
2016	49.4	77.2	84.8	63.8	277.2
2015	53.9	58.8	61.1	44.3	218.7
Earnings Per Share (€)					
2018	0.10	—	—	—	—
2017	0.02	0.15	0.20	0.08	0.45
2016	-0.02	0.12	0.16	0.11	0.37
2015	-0.43	0.33	0.18	0.11	0.21

## 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").

The Quantitative Ratings are calculated daily and derived from the analyst-driven ratings of a company's peers as determined by statistical algorithms. Morningstar, Inc. ("Morningstar", "we", "our") calculates Quantitative Ratings for companies whether or not it already provides analyst ratings and qualitative coverage. In some cases, the Quantitative Ratings may differ from the analyst ratings because a company's analyst-driven ratings can significantly differ from other companies in its peer group.

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

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