

Parques Reunidos Servicios Centrales SA PQR ★★★^Q 05 Dec 2019 02:00 UTC

Last Close
04 Dec 2019
13.08

Fair Value^Q
05 Dec 2019 02:00 UTC
13.30

Market Cap
04 Dec 2019
1,056.1 Mil

Sector
Consumer Cyclical

Industry
Leisure

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

Parques Reunidos Servicios Centrales SA is a Spain-based company primarily engaged in the operation of leisure parks. The principal activity of the company comprises the operation of amusement parks, zoos and nature parks, water parks and leisure facilities in general. The group has over 60 developments located in 14 countries across Europe, Asia and the Americas. The company earns the majority of revenue from the United States.

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	Narrow	76	74	59
Valuation	Fairly Valued	17	14	31
Quantitative Uncertainty	High	89	92	82
Financial Health	Moderate	44	27	9



Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.98	0.95	0.80	0.87
Price/Earnings	—	—	16.2	15.0
Forward P/E	—	—	12.3	12.5
Price/Cash Flow	6.6	—	10.2	8.8
Price/Free Cash Flow	32.6	—	17.7	15.2
Trailing Dividend Yield %	1.89	—	2.46	3.93
Price/Book	1.2	—	1.6	1.9
Price/Sales	1.8	—	0.9	1.4

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	-0.2	1.3	12.2	12.9
Return on Assets %	-0.1	0.5	5.4	3.3
Revenue/Employee (K)	98.5	67.6	566.3	240.3

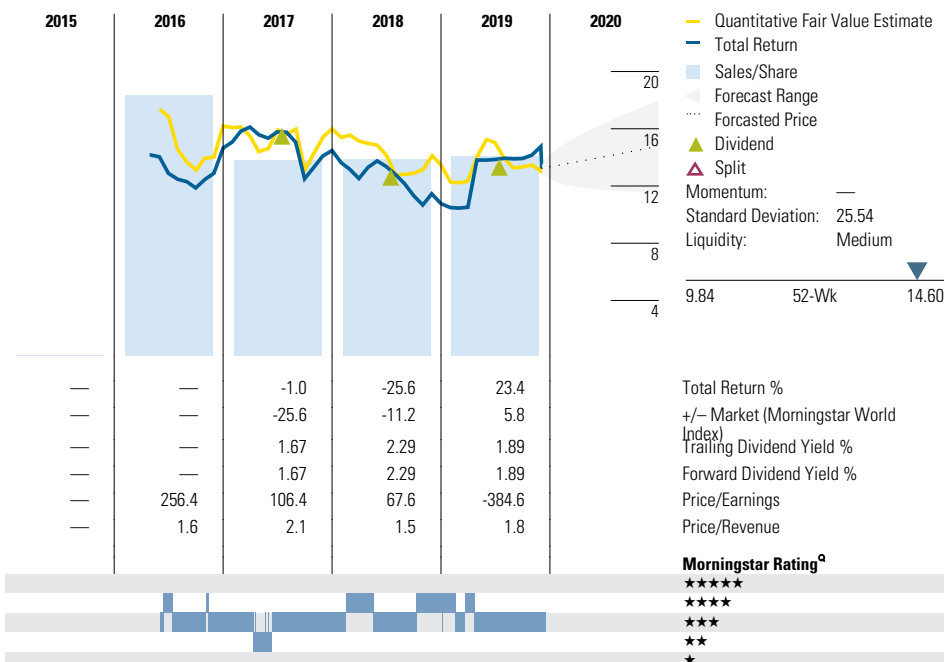
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.4	0.5	0.6	0.7
Solvency Score	740.2	—	486.0	556.5
Assets/Equity	1.9	2.6	1.8	2.7
Long-Term Debt/Equity	0.5	1.0	0.2	0.4

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	0.7	-1.3	1.5	—
Operating Income %	-10.8	-9.9	0.8	—
Earnings %	14.3	-28.1	—	—
Dividends %	0.0	—	—	—
Book Value %	-0.2	—	—	—
Stock Total Return %	17.7	1.0	—	—

Price vs. Quantitative Fair Value

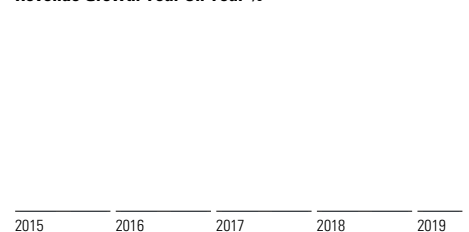


	2014	2015	2016	2017	2018	TTM	Financials (Fiscal Year in K)
Revenue	543,220	605,499	578,560	579,334	583,089	591,244	Revenue
% Change	0.4	11.5	-4.4	0.1	0.6	1.4	% Change
Operating Income	117,289	116,857	113,549	100,935	90,005	78,817	Operating Income
% Change	35.9	-0.4	-2.8	-11.1	-10.8	-12.4	% Change
Net Income	4,004	20,103	3,910	11,330	12,978	-2,390	Net Income
Operating Cash Flow	156,040	175,219	152,588	160,813	160,360	160,360	Operating Cash Flow
Capital Spending	-71,760	-87,543	-79,973	-79,736	-127,963	-127,963	Capital Spending
Free Cash Flow	84,280	87,676	72,615	81,077	32,397	32,397	Free Cash Flow
% Sales	15.5	14.5	12.6	14.0	5.6	5.5	% Sales
EPS	0.09	0.43	0.06	0.14	0.16	-0.03	EPS
% Change	—	402.1	-86.0	133.3	14.3	-120.9	% Change
Free Cash Flow/Share	—	—	1.15	1.07	0.82	0.40	Free Cash Flow/Share
Dividends/Share	—	—	—	0.25	0.25	0.25	Dividends/Share
Book Value/Share	—	—	12.67	12.99	12.78	10.63	Book Value/Share
Shares Outstanding (K)	—	—	80,742	80,742	80,742	80,742	Shares Outstanding (K)
Return on Equity %	0.7	3.4	0.5	1.0	1.2	-0.2	Profitability Return on Equity %
Return on Assets %	0.2	0.9	0.2	0.5	0.6	-0.1	Return on Assets %
Net Margin %	0.7	3.3	0.7	2.0	2.2	-0.4	Net Margin %
Asset Turnover	0.27	0.28	0.26	0.27	0.28	0.27	Asset Turnover
Financial Leverage	3.6	3.7	2.0	1.9	1.9	2.9	Financial Leverage
Gross Margin %	87.1	88.6	88.6	88.6	86.4	86.5	Gross Margin %
Operating Margin %	21.6	19.3	19.6	17.4	15.4	13.3	Operating Margin %
Long-Term Debt	1,086,773	1,151,988	560,228	547,029	529,425	803,028	Long-Term Debt
Total Equity	575,899	609,182	1,131,845	1,108,268	1,105,589	858,066	Total Equity
Fixed Asset Turns	0.8	0.8	0.7	0.7	0.6	0.6	Fixed Asset Turns

Semi-Annual Revenue & EPS

Revenue (Mil)	Dec	Mar	Jun	Sep	Total
2019	76.9	—	—	—	—
2018	68.7	41.4	143.1	329.9	583.1
2017	70.5	35.3	137.3	336.2	579.3
2016	64.7	37.6	145.8	330.5	578.6
Earnings Per Share (€)					
2019	-0.57	—	—	—	—
2018	-0.38	-0.35	0.00	0.88	0.16
2017	-0.25	-0.56	-0.50	1.45	0.14
2016	-0.76	-0.67	-0.12	1.29	0.06

Revenue Growth Year On Year %



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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.

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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Undervalued – Last Price is below Morningstar's quantitative fair value estimate.

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