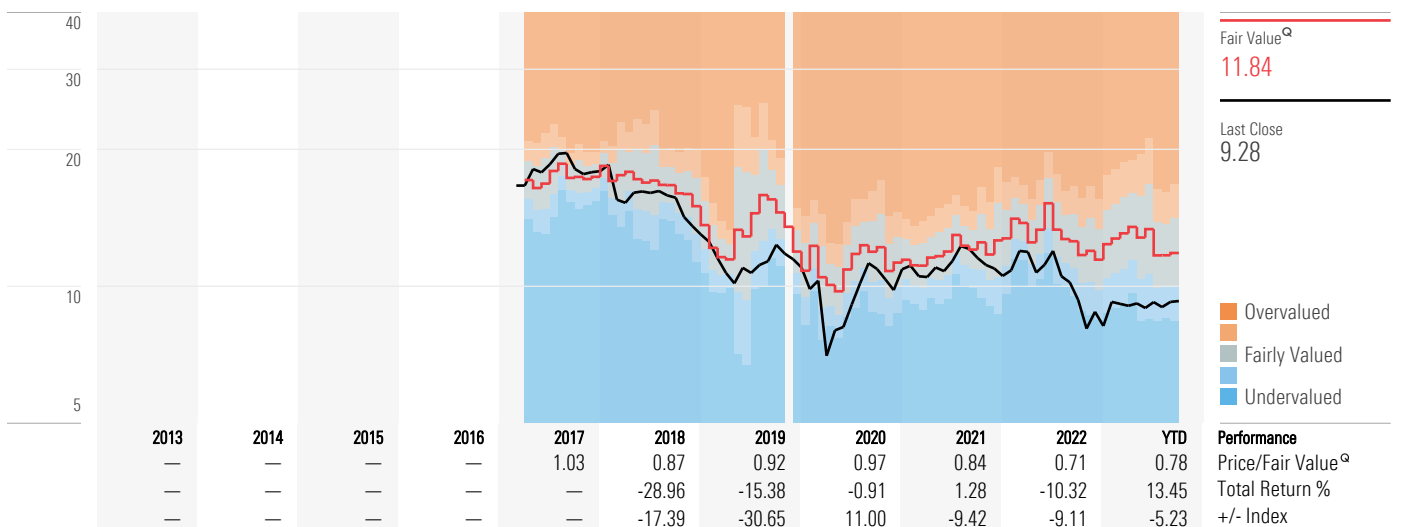


# Neinor Homes SA HOME ★★★ Q 20 Sep 2023, 22:37 UTC

<b>Economic Moat</b> <sup>Q</sup>	<b>Uncertainty</b> <sup>Q</sup>	<b>Price/Fair Value</b> <sup>Q</sup>	<b>ESG Risk Rating Assessment</b> <sup>1</sup>	<b>Trailing Dividend Yield</b> %	<b>Market Cap</b>	<b>Investment Style</b>	<b>Sector</b>	<b>Industry</b>
None	High	0.8	6 Sep 2023 05:00, UTC	6.81	692.9050 Mil	Small Core	Consumer Cyclical	Residential Construction



As of 20 Sep 2023 | Index: Morningstar Spain GR EUR. Fair Value data as of 20 Sep 2023, 22:37 UTC.

<sup>1</sup>The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating. Lee Davidson, Chief Analytics Officer for Morningstar, Inc, oversees the methodology that supports Quantitative Fair Value Estimates and Quantitative Star Ratings. Mr. Davidson is guided by the Morningstar, Inc. Code of Ethics in carrying out his responsibilities. For information regarding Conflicts of Interests, visit <http://global.morningstar.com/equitydisclosures>.

## Key Metrics as of 19 Sep 2023

Metrics	Value	Percentile in Sector
Earnings Yield (%)	13.7	90.0
Sales Yield (%)	133.4	54.0
Book Value Yield (%)	134.8	79.0
Return on Assets (%)*	4.9	65.0
Revenue(Mil)*	985.1	61.0
Market Value (Mil)	740.7	62.0
Enterprise Value (Bil)	1.0	61.0
EV/MV Ratio	1.4	65.0
Volatility TTM (%)	20.1	20.0
Drawdown TTM (%)	15.2	21.0
Volume (K)	45.1	31.0

\*30 Sep 2022

## Business Description

Neinor Homes SA is a residential property development company in Spain. The company is engaged in developing and selling property developments. Its operating segment includes Rentals, Asset management, Legacy, and Development. The company generates maximum revenue from the Development segment.

## Valuation <sup>Q</sup> as of 21 Sep 2023

Neinor Homes achieves a 4-star quantitative star rating based on Morningstar's equity model. This reflects the company's valuation and uncertainty scores under this assessment system. The Quantitative Fair Value estimate is 11.84, above the previous closing price of 9.28. The stock has been trading between a 35.91% and 18.6% discount to its quantitative fair value over the past year. The stock's current valuation rating sits at the 64th percentile in the coverage universe and 66th percentile in the consumer cyclical sector (higher percentile indicates more undervalued). The quantitative uncertainty rating for Neinor Homes is High. Our quantitative star rating last differed from the current rating on 07/28/2023; the uncertainty rating last differed on 09/18/2023. The previous ratings were 3 and Very High, respectively. The main drivers of the company's valuation and uncertainty are its earnings yield and volatility. The earnings yield of 13.74% falls at the 90th percentile in the equity universe and the 90th percentile in its sector. The annualized trailing 12-month volatility of 20.07% corresponds to the 21st percentile overall and the 20th percentile in the industry.

## Economic Moat <sup>Q</sup> as of 20 Sep 2023

With a Morningstar quantitative moat rating of None, the quantitative moat score for Neinor

Homes falls at the 18th percentile in the consumer cyclical sector and at the 15th in the equity coverage universe. The company has maintained its None quantitative moat rating for the last year. We also assign a Moderate quantitative financial health rating to Neinor Homes. The company's raw score on this metric, termed Distance to Default, ranks at the 54th percentile overall and 59th in the consumer cyclical sector. Furthermore, this financial health rating most recently changed from Strong after 12/06/2022.

Supporting these ratings are the company's book value yield and enterprise value-to-market value ratio. The book value yield of 135.05%, ranks at the 81st percentile in the covered equity universe and at the 79th percentile among its peers. Meanwhile, its enterprise value-to-market value ratio of 1.38, falls at the 73rd percentile in the universe and the 65th percentile in the consumer cyclical sector.

## Fundamentals as of 20 Sep 2023

The earnings per share for Neinor Homes is 1.28. The company earns a return on invested capital of 9.59%, falling at the 70th percentile in the consumer cyclical sector. The firm maintains a dividend yield of 6.77%. We calculate the above figures over a trailing 12-month period. Examining valuation further, we find Neinor Homes holds a price-to-earnings ratio of 7.29, a figure greater than 14% of its sector peers. The company's price-to-free cash flow ratio is 2.44, greater than 7% of its sector peers. These values are calculated using the stock's price at last market close.

## Contact

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# Neinor Homes SA HOME ★★★★★ Q 20 Sep 2023, 22:37 UTC

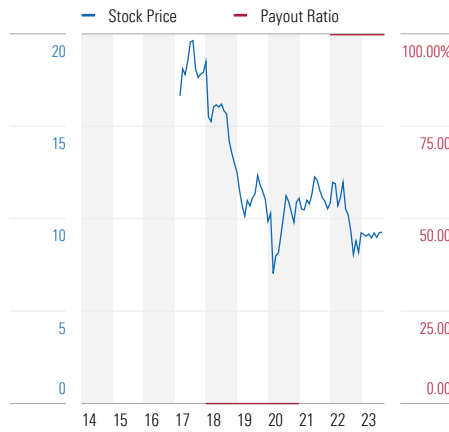
<b>Economic Moat</b> <sup>Q</sup>	<b>Uncertainty</b> <sup>Q</sup>	<b>Price/Fair Value</b> <sup>Q</sup>	<b>ESG Risk Rating Assessment</b> <sup>1</sup>	<b>Trailing Dividend Yield</b> %	<b>Market Cap</b>	<b>Investment Style</b>	<b>Sector</b>	<b>Industry</b>
None	High	0.8	6 Sep 2023 05:00, UTC	6.81	692.9050 Mil	Small Core	Consumer Cyclical	Residential Construction

## Earnings as of 19 Sep 2023

Earnings	%	Percentile in Sector
Dividend Yield*	6.8	88.0
Payout Ratio*	99.8	90.0
Price to Earnings	7.3	14.0
Price to Cash Flow	2.4	7.0
ROIC**	9.6	70.0

\*31 Aug 2023  
\*\*30 Sep 2022

## Dividends as of 20 Sep 2023



## Valuation <sup>Q</sup> as of 20 Sep 2023

HOME is Under Valued at a 22% discount.

**Economic Moat** <sup>Q</sup>

⊖ None

**Financial Health** <sup>Q</sup>

Moderate

**1-Star Price** <sup>Q</sup>

> 16.72

**5-Star Price** <sup>Q</sup>

< 8.38

## Financials as of 20 Sep 2023 (Fiscal Year End 31 Dec 2023)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD	Fiscal
Revenue (Mil)	—	—	257	229	220	380	489	573	914	—	180	Revenue (Mil)
Operating Income (Mil)	—	—	-81	-26	-80	54	101	100	127	—	18	Operating Income (Mil)
Operating Margin (%)	—	—	-31.48	-11.18	-36.33	14.21	20.72	17.42	13.86	—	10.25	Operating Margin (%)
Net Income (Mil)	—	—	-82.11	1.06	-25.93	45.99	63.75	70.12	103.03	—	4.46	Net Income (Mil)
Diluted Earnings/Share	—	—	-1.04	0.01	-0.14	0.59	0.84	0.95	1.35	—	0.06	Diluted Earnings/Share
Operating Cash Flow (Mil)	—	—	-50	31	-186	91	146	135	225	—	-63	Operating Cash Flow (Mil)
Capital Spending (K)	—	—	-1,438	-1,085	-1,228	-6,731	-1,831	-812	-738	—	-978	Capital Spending (K)
Free Cash Flow (Mil)	—	—	-51	30	-188	84	144	134	224	—	-64	Free Cash Flow (Mil)
Avg Shares Outstand(Mil)	—	—	79	79	183	78	76	76	74	—	74	Avg Shares Outstand(Mil)

## Valuation as of 20 Sep 2023

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Current	Calendar
Price/Fair Value <sup>Q</sup>	—	—	—	—	1.03	0.87	0.92	0.97	0.84	0.71	0.78	Price/Fair Value <sup>Q</sup>
Price/Sales	—	—	—	—	6.04	4.95	1.81	1.61	0.95	0.66	0.75	Price/Sales
Price/Earnings	—	—	—	—	—	—	11.11	12.51	7.59	6.42	7.28	Price/Earnings
Price/Cash Flow	—	—	—	—	—	—	4.76	15.77	3.56	2.14	2.43	Price/Cash Flow
Price/Book	—	—	—	—	1.96	1.43	1.08	1.00	0.87	0.69	0.74	Price/Book

## Operating Performance as of — (Fiscal Year End 31 Dec 2023)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Q3	Fiscal (%)
Return on Assets	—	—	-7.43	0.1	-2.26	3.41	4.42	4.63	5.84	—	0.75	Return on Assets
Return on Equity	—	—	-9.77	0.14	-3.83	6.15	8.16	8.5	11.42	—	1.51	Return on Equity
Rtn on Invested Capital	—	—	-9.02	0.51	-1.76	4.69	6.13	6.34	8.79	—	1.63	Rtn on Invested Capital

## Dividends as of —

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Current	Calendar (%)
Dividend Per Share	—	—	—	—	—	—	—	—	0.50	1.27	—	Dividend Per Share
Trailing Dividend Yield	—	—	—	—	—	—	—	—	—	15.55	6.81	Trailing Dividend Yield
Buyback Yield	—	—	—	—	—	0.25	—	6.13	—	17.58	15.46	Buyback Yield

# Appendix

**Economic Moat** <sup>®</sup>History as of 20 Sep 2023 (No Moat: 0.00-0.70, Narrow Moat: 0.70-0.99, Wide Moat: 0.99-1.00)

Year	January	February	March	April	May	June	July	August	September	October	November	December
2023	0.03	0.05	0.06	0.11	0.12	0.19	0.13	0.18	0.12	—	—	—
2022	0.06	0.08	0.08	0.12	0.20	0.22	0.13	0.27	0.11	0.08	0.05	0.04
2021	0.18	0.29	0.21	0.16	0.09	0.13	0.16	0.19	0.11	0.14	0.13	0.07
2020	0.16	0.15	0.22	0.11	0.13	0.31	0.38	0.28	0.39	0.30	0.28	0.23
2019	0.34	0.39	0.10	0.32	0.46	0.42	0.41	0.39	0.46	0.40	0.38	0.18
2018	0.30	0.35	0.46	0.40	0.31	0.46	0.38	0.44	0.42	0.40	0.48	0.45

## Quantitative Equity Reports Overview

The quantitative report on equities consists of data, statistics and quantitative equity ratings on equity securities. Morningstar, Inc.'s quantitative equity ratings are forward looking and are generated by a statistical model that is based on Morningstar Inc.'s analyst-driven equity ratings and quantitative statistics. Given the nature of the quantitative report and the quantitative ratings, there is no one analyst in which a given report is attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative equity ratings used in this report. 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.

### Quantitative Equity Ratings

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, Quantitative Uncertainty Rating, and momentum. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.

★ – the stock is overvalued with a reasonable margin of safety.

*Log (Quant FVE/Price) < -1\*Quantitative Uncertainty*

*Micro-Caps: Log (Quant FVE/Price) < -1.5\*Quantitative Uncertainty*

★★ – the stock is somewhat overvalued.

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

*Micro-Caps: Log (Quant FVE/Price) between (-1.5\*Quantitative Uncertainty, -0.75\*Quantitative Uncertainty)*

★★★ – the stock is approximately fairly valued.

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

*Micro-Caps: Log (Quant FVE/Price) between (-0.75\*Quantitative Uncertainty, 0.75\*Quantitative Uncertainty)*

★★★★ – the stock is somewhat undervalued.

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

*Micro-Caps: Log (Quant FVE/Price) between (0.75\*Quantitative Uncertainty, 1.5\*Quantitative Uncertainty)*

★★★★★ – the stock is undervalued with a reasonable margin of safety.

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

*Micro-Caps: Log (Quant FVE/Price) > 1.5\*Quantitative Uncertainty*

After the initial calculation for the star rating, there is a final filtering step based on the momentum of the company. We rank the companies based on their 12-1 month momentum, then restrict those below the 30th percentile to a maximum of 3 stars.

- 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.
- 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.

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

**Overvalued – Last Price** is above Morningstar's quantitative fair value estimate.

**Overvalued – Last Price** is above Morningstar's quantitative fair value estimate.

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Based on their quantitative scores, companies are grouped into one of five Risk

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The ESG Risk Rating Assessment is a visual representation of Sustainalytics ESG Risk Categories on a 1 to 5 scale. Companies with Negligible Risk = 5 Globes, Low Risk = 4, Medium Risk = 3 Globes, High Risk = 2 Globes, Severe Risk = 1 Globe. For more information, please visit [sustainalytics.com/esg-ratings/](https://sustainalytics.com/esg-ratings/)

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