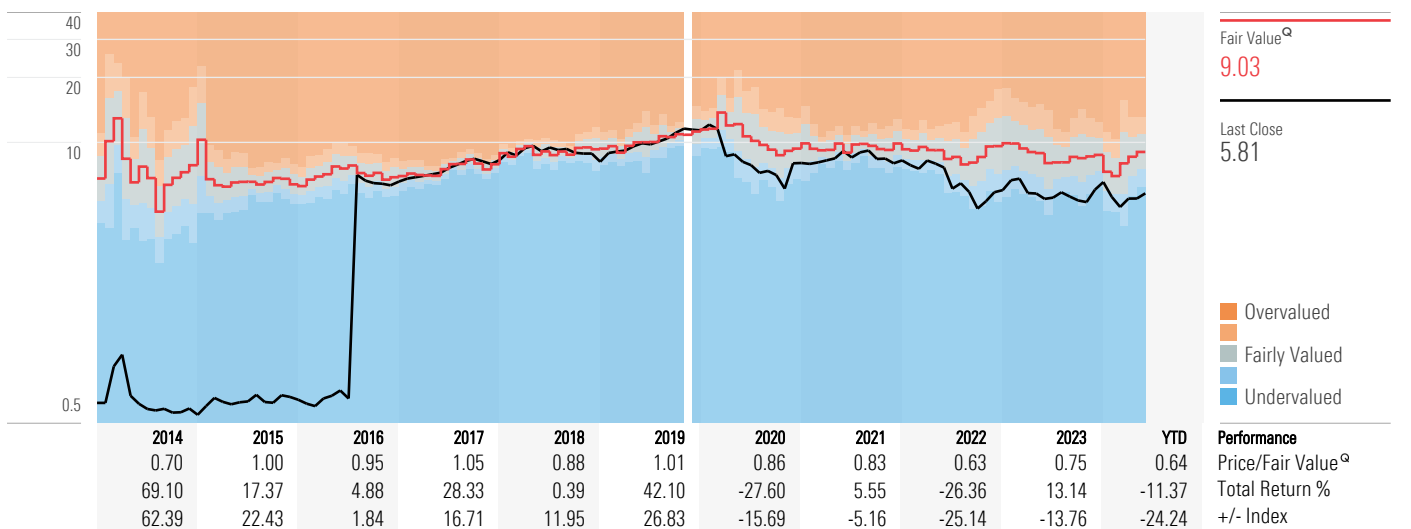


Inmobiliaria Colonial SOCIMI SA Shs from reverse split

COL ★★★★★ Q 8 May 2024, 22:40 UTC

| | | | | | | | | |
|-----------------------------------|---------------------------------|--------------------------------------|--|----------------------------------|-------------------|-------------------------|---------------|-----------------|
| Economic Moat ^Q | Uncertainty ^Q | Price/Fair Value ^Q | ESG Risk Rating Assessment ¹ | Trailing Dividend Yield % | Market Cap | Investment Style | Sector | Industry |
| None | Very High | 0.6 | 1 May 2024 05:00, UTC | 4.31 | 3.0663 Bil | Mid Value | Real Estate | REIT - Office |



As of 8 May 2024 | Index: Morningstar Spain GR EUR. Fair Value data as of 8 May 2024, 22:40 UTC.

¹The 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 3 May 2024

| Metrics | | Percentile in Sector |
|------------------------|-------|----------------------|
| Earnings Yield (%) | -22.5 | 17.0 |
| Sales Yield (%) | 12.6 | 24.0 |
| Book Value Yield (%) | 188.1 | 75.0 |
| Return on Assets (%)* | -5.4 | 13.0 |
| Revenue(Mil)* | 407.7 | 69.0 |
| Market Value (Bil) | 3.2 | 83.0 |
| Enterprise Value (Bil) | 8.7 | 86.0 |
| EV/MV Ratio | 2.7 | 75.0 |
| Volatility TTM (%) | 23.5 | 45.0 |
| Drawdown TTM (%) | 26.4 | 58.0 |
| Volume (Mil) | 1.2 | 72.0 |

*30 Sep 2023

Business Description

Inmobiliaria Colonial SOCIMI SA is a real estate company in Spain. The company and its subsidiaries are in the business of lease and disposal of movable property and real estate. It specializes in leasing of offices in prime areas. The firm has rental business and land and development business segments. The activities of these segments include office rentals, shopping centers managed by Rifofisa subgroup. The company mainly operates in Barcelona, Madrid, and Paris.

Valuation ^Q as of 8 May 2024

Morningstar maintains a 5-star quantitative star rating for Inmobiliaria Colonial, derived from the firm's valuation and uncertainty scores. The company's shares last closed at 5.77, below our quantitative fair value estimate of 8.82. These shares have traded between a 40.87% and 20.17% discount to their fair value estimate over the past year. In Morningstar's equity coverage universe for this methodology, the company's valuation rating lands at the 29th percentile; in the real estate sector, the firm's score lies at the 31st percentile (higher percentile indicates more undervalued). Furthermore, Inmobiliaria Colonial maintains a quantitative valuation uncertainty rating of Very High.

The company has held this star rating since the previous rating of 4, which was last assigned on 05/01/2024. The uncertainty rating for Inmobiliaria Colonial has remained Very High since the previous rating of High, which was last assigned on 12/29/2023.

The key factors behind these ratings are the company's EV-MV ratio and drawdown. The enterprise value-to-market value ratio is 2.64, and its maximum trailing 12-month maximum drawdown is 30.23%. The EV-MV ratio falls at the 75th percent-

ile in the real estate sector while the drawdown is at the 58th percentile. Over the past year, the company's EV-MV ratio has been between 2.42 and 2.93; its drawdown has ranged between 14.89% and 30.23%.

Economic Moat ^Q as of 8 May 2024

With a Morningstar quantitative moat rating of None, the quantitative moat score for Inmobiliaria Colonial falls at the 38th percentile in the real estate sector and at the 29th 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 Inmobiliaria Colonial. The company's raw score on this metric, termed Distance to Default, ranks at the 32nd percentile overall and 40th in the real estate sector. Furthermore, this financial health rating has stayed Moderate over the last year.

Supporting these ratings are the company's book value yield and annualized trailing 12-month volatility. The book value yield of 184.31%, ranks at the 89th percentile in the covered equity universe and at the 75th percentile among its peers. Meanwhile, its annualized trailing 12-month volatility of 23.38%, falls at the 30th percentile in the universe and the 45th percentile in the real estate sector.


Fundamentals as of 8 May 2024

Inmobiliaria Colonial maintains losses per share of -1.27. The shares offer a dividend yield of 4.55%. These values are calculated over a trailing 12-month period.

As of last market close, the company's price-to-free cash flow ratio is 4.2, falling at the 17th percentile in its sector and ranging between 3.57 and 12.45 over the past year.

Inmobiliaria Colonial SOCIMI SA Shs from reverse split

COL ★★★★★ Q 8 May 2024, 22:40 UTC

| | | | | | | | | |
|-----------------------------------|---------------------------------|--------------------------------------|--|----------------------------------|-------------------|-------------------------|---------------|-----------------|
| Economic Moat ^Q | Uncertainty ^Q | Price/Fair Value ^Q | ESG Risk Rating Assessment ¹ | Trailing Dividend Yield % | Market Cap | Investment Style | Sector | Industry |
| None | Very High | 0.6 |  1 May 2024 05:00, UTC | 4.31 | 3.0663 Bil | Mid Value | Real Estate | REIT - Office |

Earnings as of 3 May 2024

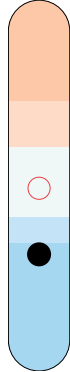
| Earnings | % | Percentile in Sector |
|--------------------|-----|----------------------|
| Dividend Yield* | 4.6 | 45.0 |
| Payout Ratio* | — | — |
| Price to Earnings | — | — |
| Price to Cash Flow | 4.1 | 18.0 |
| ROIC** | — | — |

*30 Apr 2024
**30 Sep 2023

Dividends as of 8 May 2024



Valuation ^Q as of 8 May 2024



COL is Undervalued at a 36% discount.

Fair Value ^Q
9.03

Uncertainty ^Q :
Very High

Last Close
5.81

Economic Moat ^Q
None

Financial Health ^Q
Moderate

1-Star Price ^Q
> 13.13

5-Star Price ^Q
< 6.21

Contact

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<https://www.inmocolonial.com>

Financials as of 8 May 2024 (Fiscal Year End 31 Dec 2021)

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | YTD | Fiscal |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------|---------|---------------------------|
| Revenue (Mil) | 211 | 231 | 271 | 283 | 348 | 355 | 342 | 317 | 362 | — | 279 | Revenue (Mil) |
| Operating Income (Mil) | 115 | 170 | 213 | 208 | 264 | 279 | 262 | 232 | 270 | — | 227 | Operating Income (Mil) |
| Operating Margin (%) | 54.35 | 73.34 | 78.49 | 73.42 | 75.75 | 78.74 | 76.76 | 73.39 | 74.78 | — | 81.36 | Operating Margin (%) |
| Net Income (Mil) | 491.99 | 415.41 | 273.65 | 682.52 | 524.76 | 826.80 | 2.39 | 473.84 | 7.98 | — | -299.00 | Net Income (Mil) |
| Diluted Earnings/Share | 2.28 | 1.30 | 0.81 | 1.83 | 1.17 | 1.63 | 0.01 | 0.92 | 0.02 | — | -0.55 | Diluted Earnings/Share |
| Operating Cash Flow (Mil) | 115 | 113 | 168 | 250 | 177 | 322 | 222 | 268 | 255 | — | 116 | Operating Cash Flow (Mil) |
| Capital Spending (Mil) | -1.12 | -0.87 | -3.93 | -4.19 | -7.04 | -13.59 | -10.40 | -4.59 | -6.19 | — | -113.46 | Capital Spending (Mil) |
| Free Cash Flow (Mil) | 113.80 | 111.75 | 164.57 | 245.95 | 170.32 | 308.22 | 211.13 | 263.51 | 249.21 | — | 2.91 | Free Cash Flow (Mil) |
| Avg Shares Outstand(Mil) | 216 | 319 | 336 | 373 | 448 | 508 | 507 | 516 | 531 | — | 540 | Avg Shares Outstand(Mil) |

Valuation as of 8 May 2024

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|-------------------------------|
| Price/Fair Value ^Q | 0.70 | 1.00 | 0.95 | 1.05 | 0.88 | 1.01 | 0.86 | 0.83 | 0.63 | 0.75 | 0.64 | Price/Fair Value ^Q |
| Price/Sales | 8.26 | 9.20 | 8.77 | 10.99 | 11.14 | 16.01 | 11.59 | 13.96 | 9.33 | 9.19 | 8.15 | Price/Sales |
| Price/Earnings | — | 2.01 | 4.77 | 6.52 | 6.46 | 8.69 | 9.31 | 23.04 | 4.63 | — | — | Price/Earnings |
| Price/Cash Flow | 13.78 | 15.68 | 19.68 | 13.64 | 18.29 | 24.61 | 13.44 | 18.69 | 11.99 | 14.14 | 12.53 | Price/Cash Flow |
| Price/Book | 1.18 | 1.25 | 1.01 | 1.22 | 1.11 | 1.14 | 0.75 | 0.80 | 0.50 | 0.62 | 0.55 | Price/Book |

Operating Performance as of 8 May 2024 (Fiscal Year End 31 Dec 2021)

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Q3 | Fiscal (%) |
|-------------------------|-------|-------|-------|-------|-------|-------|------|------|------|------|-------|-------------------------|
| Return on Assets | 7.91 | 6.36 | 3.56 | 7.29 | 4.77 | 6.89 | 0.02 | 3.78 | 0.06 | — | -2.94 | Return on Assets |
| Return on Equity | 91.2 | 25.48 | 13.22 | 23.16 | 12.49 | 15.95 | 0.04 | 8.31 | 0.13 | — | -6.64 | Return on Equity |
| Rtn on Invested Capital | 13.37 | 8.99 | 5.21 | 9.85 | 6.29 | 8.24 | 0.2 | 4.66 | 0.02 | — | -3.68 | Rtn on Invested Capital |

Dividends as of 8 May 2024

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar (%) |
|-------------------------|------|------|------|------|------|------|------|------|------|------|---------|-------------------------|
| Dividend Per Share | — | — | 0.15 | 0.17 | 0.18 | 0.20 | 0.20 | 0.22 | 0.24 | 0.25 | 0.25 | Dividend Per Share |
| Trailing Dividend Yield | — | — | 2.28 | 1.99 | 2.21 | 1.76 | 2.49 | — | 3.99 | — | 4.31 | Trailing Dividend Yield |
| Buyback Yield | — | 0.14 | 0.26 | — | — | 0.0 | 0.12 | — | 1.36 | — | 1.44 | Buyback Yield |

Appendix

Economic Moat [®]History as of 8 May 2024 (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 |
|------|---------|----------|-------|-------|------|------|------|--------|-----------|---------|----------|----------|
| 2024 | 0.15 | 0.18 | 0.13 | 0.24 | 0.33 | — | — | — | — | — | — | — |
| 2023 | 0.28 | 0.41 | 0.45 | 0.41 | 0.34 | 0.34 | 0.45 | 0.10 | 0.30 | 0.15 | 0.08 | 0.26 |
| 2022 | 0.20 | 0.29 | 0.33 | 0.33 | 0.45 | 0.09 | 0.13 | 0.06 | 0.11 | 0.19 | 0.27 | 0.33 |
| 2021 | 0.12 | 0.18 | 0.14 | 0.15 | 0.05 | 0.03 | 0.02 | 0.20 | 0.11 | 0.17 | 0.24 | 0.17 |
| 2020 | 0.81 | 0.45 | 0.64 | 0.36 | 0.22 | 0.30 | 0.26 | 0.05 | 0.05 | 0.06 | 0.06 | 0.05 |
| 2019 | 0.54 | 0.25 | 0.39 | 0.51 | 0.57 | 0.48 | 0.74 | 0.57 | 0.44 | 0.68 | 0.85 | 0.64 |

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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, 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

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Fairly Valued – Last Price is in line with 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.

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Sustainalytics analyzes over 1,300 data points to assess a company's exposure to and management of ESG risks. In other words, ESG Risk Ratings measures a company's unmanaged ESG Risks represented as a quantitative score. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) with lower scores representing less unmanaged risk and, for 95% of cases, the unmanaged ESG Risk score is below 50.

Based on their quantitative scores, companies are grouped into one of five Risk Categories (negligible, low, medium, high, severe). These risk categories are absolute, meaning that a 'high risk' assessment reflects a comparable degree

of unmanaged ESG risk across all subindustries covered.

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/

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