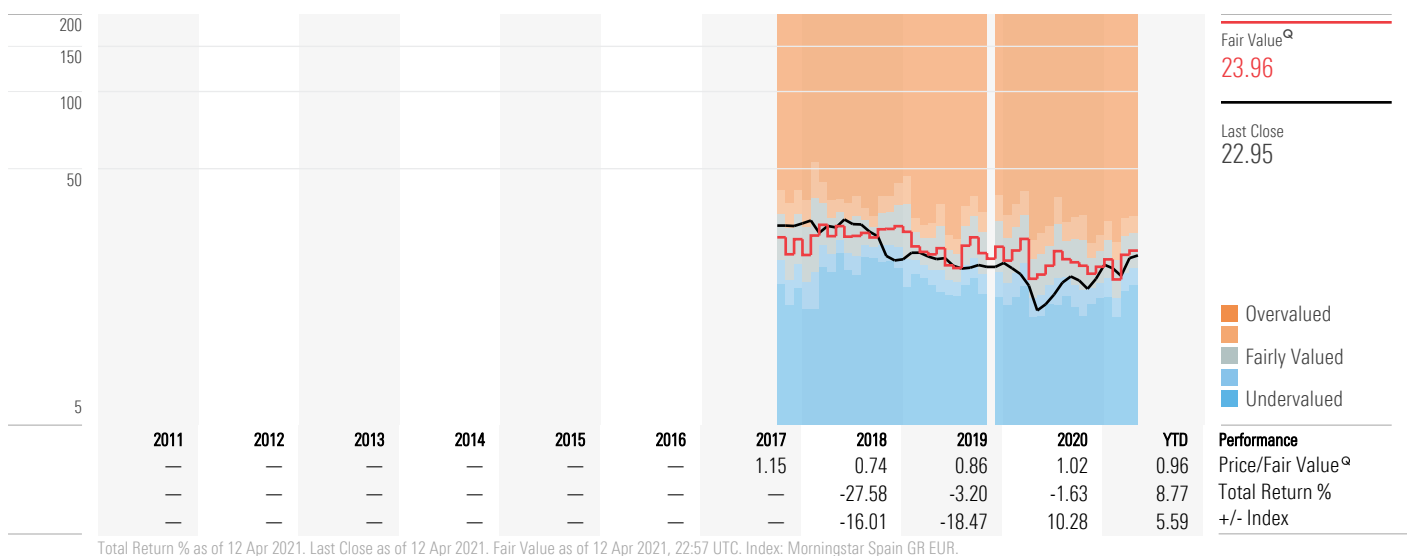


Aedas Homes SAU Ordinary Shares AEDAS ★★★

12 Apr 2021, 22:57 UTC

| | | | | | | | |
|------------------------|----------------------|---------------------------|----------------------------------|-------------------|-------------------------|-------------------|--------------------------|
| Economic Moat ☐ | Uncertainty ☐ | Price/Fair Value ☐ | Trailing Dividend Yield % | Market Cap | Investment Style | Sector | Industry |
| None | High | 1.0 | — | 1.0323 Bil | Small Value | Consumer Cyclical | Residential Construction |



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Valuation^Q as of 12 Apr 2021



Fair Value^Q
23.96
Uncertainty^Q :
High
Last Close
22.95

AEDAS is trading within a range we consider fairly valued.

Economic Moat^Q

☐ None

Financial Health^Q

Moderate

1-Star Price^Q

> 32.71

5-Star Price^Q

< 17.55

Financials as of 12 Apr 2021 (Fiscal Year End 31 Dec 2019)

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | YTD | Fiscal |
|---------------------------|------|------|------|------|------|--------|--------|-------|--------|------|-------|---------------------------|
| Revenue (Mil) | — | — | — | — | — | 0 | 39 | 80 | 312 | — | 66 | Revenue (Mil) |
| Operating Income (Mil) | — | — | — | — | — | -2 | -32 | -6 | 54 | — | -3 | Operating Income (Mil) |
| Operating Margin (%) | — | — | — | — | — | -15335 | -81.98 | -7.06 | 17.43 | — | -5.03 | Operating Margin (%) |
| Net Income (Mil) | — | — | — | — | — | -2 | -40 | 2 | 32 | — | -8 | Net Income (Mil) |
| Diluted Earnings/Share | — | — | — | — | — | -0.07 | -0.84 | 0.05 | 0.66 | — | -0.18 | Diluted Earnings/Share |
| Operating Cash Flow (Mil) | — | — | — | — | — | -25 | -160 | -157 | -114 | — | -166 | Operating Cash Flow (Mil) |
| Capital Spending (K) | — | — | — | — | — | -408 | -866 | -615 | -1,543 | — | -313 | Capital Spending (K) |
| Free Cash Flow (Mil) | — | — | — | — | — | -26 | -161 | -158 | -116 | — | -166 | Free Cash Flow (Mil) |
| Avg Shares Outstand(Mil) | — | — | — | — | — | 34 | 48 | 48 | 48 | — | 49 | Avg Shares Outstand(Mil) |
| Dividend Per Share | — | — | — | — | — | — | — | — | — | — | — | Dividend Per Share |

Valuation as of 12 Apr 2021

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Current | Calendar |
|-------------------------------|------|------|------|------|------|------|------------|-------|-------|-------|---------|-------------------------------|
| Price/Fair Value ^Q | — | — | — | — | — | — | 1.15 | 0.74 | 0.86 | 1.02 | 0.96 | Price/Fair Value ^Q |
| Price/Sales | — | — | — | — | — | — | -69,368.13 | 22.71 | 11.97 | 3.25 | 3.53 | Price/Sales |
| Price/Earnings | — | — | — | — | — | — | — | — | — | 31.97 | 34.77 | Price/Earnings |
| Price/Cash Flow | — | — | — | — | — | — | — | — | — | — | 0.00 | Price/Cash Flow |
| Price/Book | — | — | — | — | — | — | 16.04 | 1.14 | 1.09 | 1.04 | 1.12 | Price/Book |

Operating Performance as of — (Fiscal Year End 31 Dec 2019)

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Q3 | Fiscal (%) |
|-------------------------|------|------|------|------|------|--------|-------|------|------|------|------|-------------------------|
| Return on Assets | — | — | — | — | — | -4.91 | -6.81 | 0.21 | 2.26 | — | 2.95 | Return on Assets |
| Return on Equity | — | — | — | — | — | -33.84 | -8.51 | 0.26 | 3.38 | — | 4.86 | Return on Equity |
| Rtn on Invested Capital | — | — | — | — | — | -4.88 | -5.91 | 0.4 | 3.41 | — | 3.62 | Rtn on Invested Capital |

Business Description

Aedas Homes SAU is a Spain based company engages in the acquisition and development of properties. It primarily develops multifamily homes for the mid-to mid-high segment of the housing market. It focuses on Alicante, Barcelona, Madrid, Malaga, Mallorca, Seville, Valencia, and Tarragona.

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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").

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- 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.

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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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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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