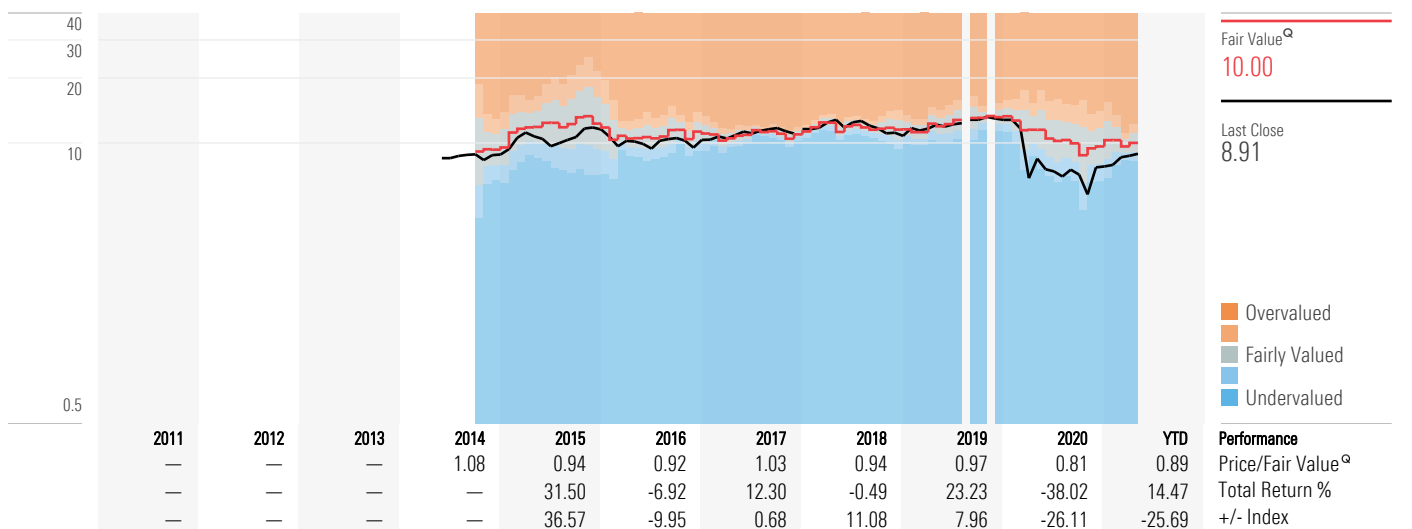


Merlin Properties SOCIMI SA MRL ★★★

21 Apr 2021, 22:32 UTC

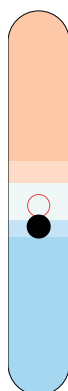
Economic Moat ☐	Uncertainty ☐	Price/Fair Value ☐	Trailing Dividend Yield %	Market Cap	Investment Style	Sector	Industry
None	High	0.9	1.66	4.1407 Bil	Mid Value	Real Estate	REIT - Diversified



Total Return % as of 21 Apr 2021. Last Close as of 21 Apr 2021. Fair Value as of 21 Apr 2021, 22:32 UTC. Index: Morningstar Spain GR EUR.

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Valuation ☐ as of 21 Apr 2021



Fair Value ☐
10.00
Uncertainty ☐ :
High

Last Close
8.91

MRL is Under Valued at a 11% discount.

Economic Moat ☐

☐ None

Financial Health ☐

Moderate

1-Star Price ☐

> 12.17

5-Star Price ☐

< 8.22

Contact

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Financials as of 21 Apr 2021 (Fiscal Year End 31 Dec 2020)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	Fiscal
Revenue (K)	—	—	93,399	56,616	214,429	351,646	463,294	590,431	1514,853	446,132	132	Revenue (K)
Operating Income (K)	—	—	36,843	38,546	161,957	278,465	335,621	484,402	379,263	345,218	218	Operating Income (K)
Operating Margin (%)	—	—	39.45	68.08	75.53	79.19	72.44	82.04	73.66	77.38	77.38	Operating Margin (%)
Net Income (K)	—	—	-25,736	49,670	49,078	582,645	1,100,418	854,878	563,639	56,358	56,358	Net Income (K)
Diluted Earnings/Share	—	—	-0.15	0.51	0.15	1.62	2.35	1.82	1.20	0.12	0.12	Diluted Earnings/Share
Operating Cash Flow (K)	—	—	—	27,928	67,299	-81,466	695,830	254,437	294,860	134,660	134,660	Operating Cash Flow (K)
Capital Spending (K)	—	—	—	-1,078	—	-3,664	-6,576	-1,900	-9,917	-2,568	-2,568	Capital Spending (K)
Free Cash Flow (K)	—	—	—	26,850	67,299	-85,130	689,254	252,537	284,943	132,092	132,092	Free Cash Flow (K)
Avg Shares Outstand(K)	—	—	170,291	97,100	223,377	359,870	467,899	469,713	469,699	464,900	464,900	Avg Shares Outstand(K)
Dividend Per Share	—	—	—	—	0.08	0.42	0.30	0.46	0.50	0.15	0.29	Dividend Per Share

Valuation as of 21 Apr 2021

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Current	Calendar
Price/Fair Value ☐	—	—	—	1.08	0.94	0.92	1.03	0.94	0.97	0.81	0.89	Price/Fair Value ☐
Price/Sales	—	—	—	16.11	21.92	10.96	11.22	10.49	9.74	7.22	9.28	Price/Sales
Price/Earnings	—	—	—	—	—	7.27	6.14	4.55	9.01	10.10	74.22	Price/Earnings
Price/Cash Flow	—	—	—	—	166.94	24.74	14.71	23.15	14.46	152.33	30.75	Price/Cash Flow
Price/Book	—	—	—	1.01	1.34	1.58	1.02	0.82	0.91	0.54	0.62	Price/Book

Operating Performance as of 21 Apr 2021 (Fiscal Year End 31 Dec 2020)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3	Fiscal (%)
Return on Assets	—	—	—	2.06	1.05	6.53	9.6	6.96	4.36	0.42	-0.41	Return on Assets
Return on Equity	—	—	—	3.8	2.32	15.05	20.89	14.11	8.6	0.84	-0.82	Return on Equity
Rtn on Invested Capital	—	—	—	2.94	2.26	8.29	11.47	8.39	5.57	1.26	-0.21	Rtn on Invested Capital

Business Description

Merlin Properties SOCIMI SA is a Spain-based company engaged in the operation of the real estate investment trust. The main activity of the company is the acquisition, active management, operation and selective rotation of quality commercial real estate assets in the "Core" and "Core-Plus" investment segments, mainly in Spain and, to a lesser extent,

in Portugal. Its segments are based on the type of assets namely Office buildings, Net lease, Shopping centers, Logistics assets, and others. The company generates the maximum revenue from the Office buildings segment.

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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").

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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

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.

This Report **has not been made available** to the issuer of the security prior to publication.

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