

Altran Technologies ALT

Last Close
12 Dec 2017
14.11

Fair Value^Q
13 Dec 2017 02:00 UTC
13.30

Market Cap
12 Dec 2017
2,436.3 Mil

Sector
Technology

Industry
Information Technology Services

Country of Domicile
FRA France

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Company Profile

Altran Technologies SA operates as an engineering consulting firm. It provides services to the Aerospace, Defence, Railways, Automotive, Energy, Nuclear, Healthcare, Telecoms and Finance sectors. It also provides IT-Systems Consulting services.

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	55	75	41
Valuation	Overvalued	42	44	47
Quantitative Uncertainty	High	79	78	96
Financial Health	Strong	88	88	84



Source: Morningstar Equity Research

Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	1.06	1.11	1.05	1.05
Price/Earnings	19.3	30.6	24.6	19.9
Forward P/E	13.6	—	18.2	15.9
Price/Cash Flow	16.0	18.8	16.7	11.7
Price/Free Cash Flow	25.4	24.3	23.9	20.0
Trailing Dividend Yield %	—	—	1.59	2.40
Price/Book	2.8	2.1	2.6	2.0
Price/Sales	1.1	0.8	1.8	1.3

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	15.3	13.4	12.4	11.9
Return on Assets %	5.7	5.2	6.6	4.3
Revenue/Employee (K)	72.6	77.8	445.5	232.3

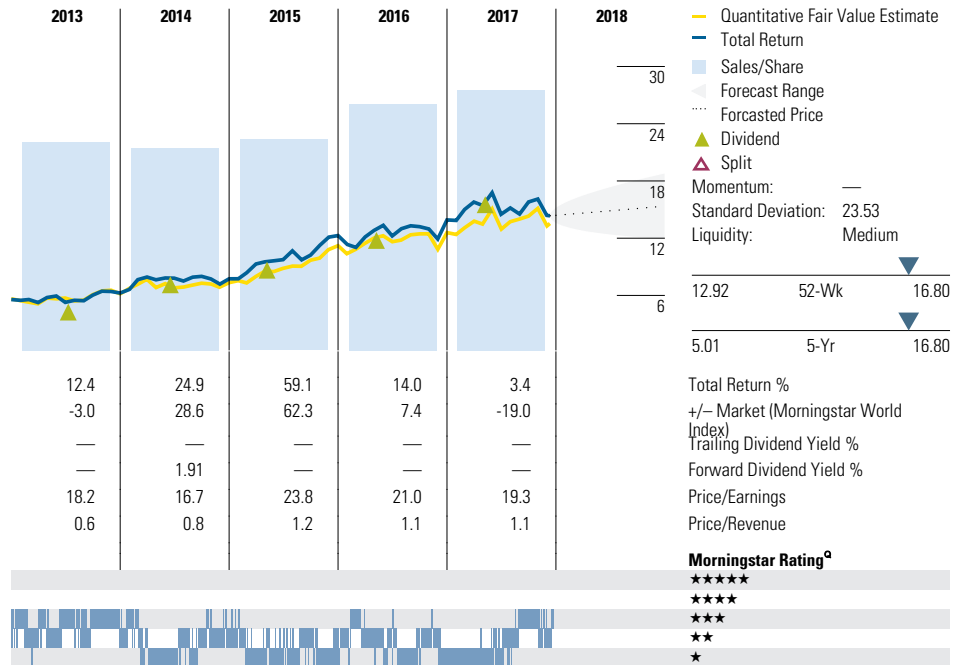
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.8	0.7	0.6	0.6
Solvency Score	436.9	—	466.8	542.8
Assets/Equity	2.6	2.5	1.6	2.4
Long-Term Debt/Equity	0.3	0.4	0.1	0.3

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	9.0	9.1	8.4	3.6
Operating Income %	22.8	21.9	30.3	15.4
Earnings %	22.4	21.1	77.8	37.3
Dividends %	—	—	—	—
Book Value %	8.7	10.1	12.1	4.5
Stock Total Return %	11.1	27.4	23.3	12.8

Price vs. Quantitative Fair Value

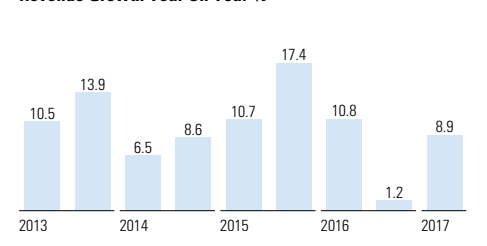


	2012	2013	2014	2015	2016	TTM	Financials (Fiscal Year in Mil)
Revenue	1,456	1,633	1,756	2,004	2,120	2,238	Revenue
% Change	2.6	12.2	7.6	14.1	5.8	5.5	% Change
Operating Income	111	105	132	155	190	204	Operating Income
% Change	118.7	-5.3	25.6	17.4	22.8	7.2	% Change
Net Income	65	66	83	100	122	126	Net Income
Operating Cash Flow	58	61	135	114	107	153	Operating Cash Flow
Capital Spending	-25	-28	-29	-34	-47	-57	Capital Spending
Free Cash Flow	33	33	106	80	61	97	Free Cash Flow
% Sales	2.3	2.0	6.0	4.0	2.9	4.3	% Sales
EPS	0.45	0.40	0.47	0.58	0.71	0.73	EPS
% Change	—	-11.1	17.5	23.4	22.4	2.8	% Change
Free Cash Flow/Share	0.23	-0.02	0.36	0.46	0.37	0.56	Free Cash Flow/Share
Dividends/Share	0.00	0.00	0.00	0.00	0.00	0.00	Dividends/Share
Book Value/Share	3.28	3.36	3.80	4.23	4.57	4.96	Book Value/Share
Shares Outstanding (K)	144,850	174,751	174,979	173,121	172,757	172,663	Shares Outstanding (K)
Profitability	14.7	11.7	12.1	13.4	14.8	15.3	Profitability
Return on Equity %	5.3	4.9	5.1	5.1	5.6	5.7	Return on Equity %
Return on Assets %	4.4	4.0	4.7	5.0	5.8	5.6	Return on Assets %
Net Margin %	1.20	1.21	1.08	1.01	0.96	1.01	Net Margin %
Asset Turnover	2.6	2.2	2.5	2.7	2.6	2.7	Asset Turnover
Financial Leverage	100.0	27.1	26.9	28.9	27.4	28.1	Financial Leverage
Gross Margin %	7.6	6.4	7.5	7.7	9.0	9.1	Gross Margin %
Operating Margin %	117	257	363	340	274	251	Operating Margin %
Long-Term Debt	476	654	711	794	861	856	Long-Term Debt
Total Equity	43.4	40.9	37.1	34.0	30.5	30.9	Total Equity
Fixed Asset Turns							Fixed Asset Turns

Semi-Annual Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2017	—	1,151.8	—	—	—
2016	—	1,057.6	—	1,062.5	2,120.1
2015	—	954.5	—	1,049.7	2,004.1
2014	—	861.8	—	894.4	1,756.3
Earnings Per Share (€)					
2017	—	0.32	—	—	—
2016	—	0.30	—	0.41	0.71
2015	—	0.22	—	0.36	0.58
2014	—	0.17	—	0.30	0.47

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*

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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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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.

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