

# Altran Technologies ALT

**Last Close**  
19 Feb 2018  
14.67

**Fair Value<sup>Q</sup>**  
20 Feb 2018 02:00 UTC  
14.44

**Market Cap**  
19 Feb 2018  
2,533.0 Mil

**Sector**  
Technology

**Industry**  
Information Technology Services

**Country of Domicile**  
FRA France

There is no one analyst in which a Quantitative Fair Value Estimate and Quantitative Star Rating are attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative fair value. 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. For information regarding Conflicts of Interests, visit <http://global.morningstar.com/equitydisclosures>

## 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	Narrow	84	90	79
Valuation	Fairly Valued	31	34	42
Quantitative Uncertainty	High	95	98	90
Financial Health	Strong	88	87	85



Undervalued Fairly Valued Overvalued

Source: Morningstar Equity Research

## Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	1.02	1.11	0.96	0.99
Price/Earnings	20.1	19.2	24.5	19.7
Forward P/E	14.2	—	18.1	15.7
Price/Cash Flow	16.7	20.9	17.0	11.9
Price/Free Cash Flow	26.4	28.7	24.2	19.8
Trailing Dividend Yield %	—	—	1.60	2.41
Price/Book	3.0	2.4	2.6	2.1
Price/Sales	1.1	0.9	1.9	1.3

## Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	15.3	13.4	12.3	11.7
Return on Assets %	5.7	5.2	6.6	4.3
Revenue/Employee (K)	72.6	77.8	445.5	235.3

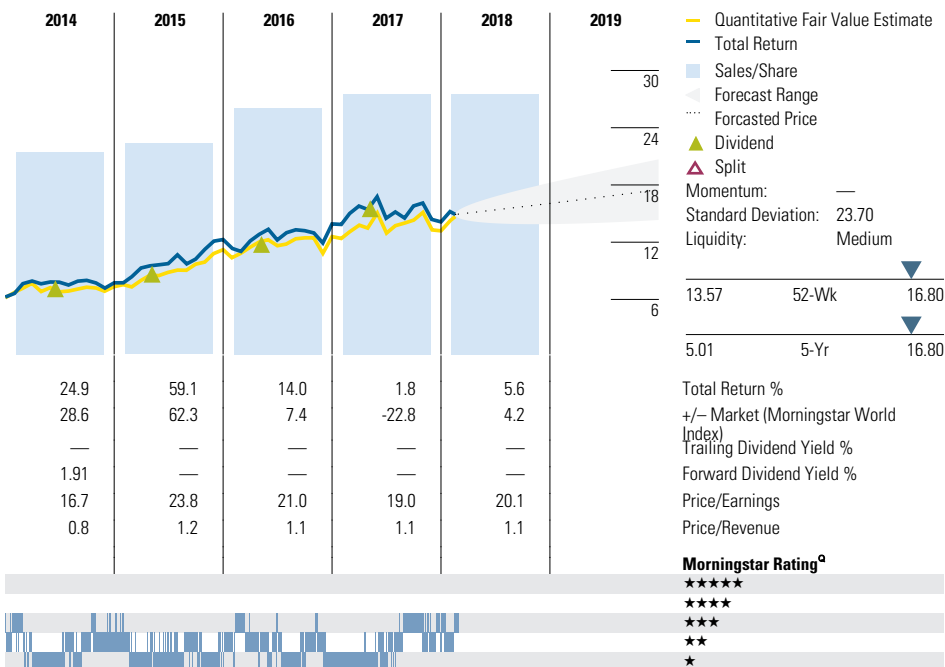
## Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.8	0.7	0.6	0.6
Solvency Score	440.9	—	467.9	542.3
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 %	-2.1	21.4	21.4	13.1

## Price vs. Quantitative Fair Value



## Morningstar Rating<sup>Q</sup>

★★★★★  
★★★★  
★★★  
★★  
★

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Book Value %	8.7	10.1	12.1	4.5
Stock Total Return %	-2.1	21.4	21.4	13.1

## Valuation

	2012	2013	2014	2015	2016	TTM
Revenue	1,456	1,633	1,756	2,004	2,120	2,238
% Change	2.6	12.2	7.6	14.1	5.8	5.5
Operating Income	111	105	132	155	190	204
% Change	118.7	-5.3	25.6	17.4	22.8	7.2
Net Income	65	66	83	100	122	126
Operating Cash Flow	58	61	135	114	107	153
Capital Spending	-25	-28	-29	-34	-47	-57
Free Cash Flow	33	33	106	80	61	97
% Sales	2.3	2.0	6.0	4.0	2.9	4.3
EPS	0.45	0.40	0.47	0.58	0.71	0.73
% Change	—	-11.1	17.5	23.4	22.4	2.8
Free Cash Flow/Share	0.23	-0.02	0.36	0.46	0.37	0.56
Dividends/Share	0.00	0.00	0.00	0.00	0.00	0.00
Book Value/Share	3.28	3.36	3.80	4.23	4.57	4.96
Shares Outstanding (K)	174,751	174,979	173,121	172,757	172,663	172,663

## Profitability

	2012	2013	2014	2015	2016	TTM
Return on Equity %	14.7	11.7	12.1	13.4	14.8	15.3
Return on Assets %	5.3	4.9	5.1	5.1	5.6	5.7
Net Margin %	4.4	4.0	4.7	5.0	5.8	5.6
Asset Turnover	1.20	1.21	1.08	1.01	0.96	1.01
Financial Leverage	2.6	2.2	2.5	2.7	2.6	2.7
Gross Margin %	100.0	27.1	26.9	28.9	27.4	28.1
Operating Margin %	7.6	6.4	7.5	7.7	9.0	9.1
Long-Term Debt	117	257	363	340	274	251
Total Equity	476	654	711	794	861	856
Fixed Asset Turns	43.4	40.9	37.1	34.0	30.5	30.9

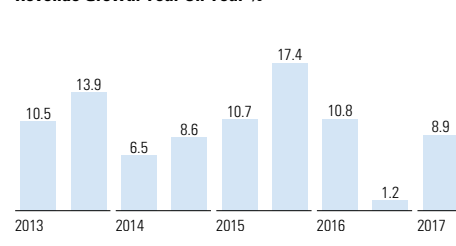
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## Semi-Annual Revenue & EPS

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 %



# 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.

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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").

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*

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.

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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.

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

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<http://investorrelations.morningstar.com/sec.cfm?doctype=Proxy&year=&x=12&>

y=10

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