

# Alten ATE

**Last Close**  
17 Nov 2017  
69.99

**Fair Value<sup>Q</sup>**  
17 Nov 2017 02:00 UTC  
59.02

**Market Cap**  
17 Nov 2017  
2,359.6 Mil

**Sector**  
Technology

**Industry**  
Information Technology Services

**Country of Domicile**  
FRA France

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## Company Profile

Alten is an engineering and technology consulting company. The company carries out design and research projects for technical and information systems.

## Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	Narrow	91	94	88
Valuation	Overvalued	5	6	5
Quantitative Uncertainty	High	92	94	85
Financial Health	Strong	82	79	77



Source: Morningstar Equity Research

## Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	1.20	1.09	0.99	1.02
Price/Earnings	20.0	15.5	24.8	20.0
Forward P/E	16.1	—	17.8	15.6
Price/Cash Flow	19.2	16.5	16.7	11.8
Price/Free Cash Flow	21.7	19.1	23.4	20.1
Trailing Dividend Yield %	1.41	2.61	1.60	2.45
Price/Book	3.1	2.4	2.6	2.1
Price/Sales	1.3	0.9	1.9	1.2

## Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	17.4	16.6	12.4	11.7
Return on Assets %	9.5	9.4	6.6	4.2
Revenue/Employee (K)	77.6	75.3	399.4	232.3

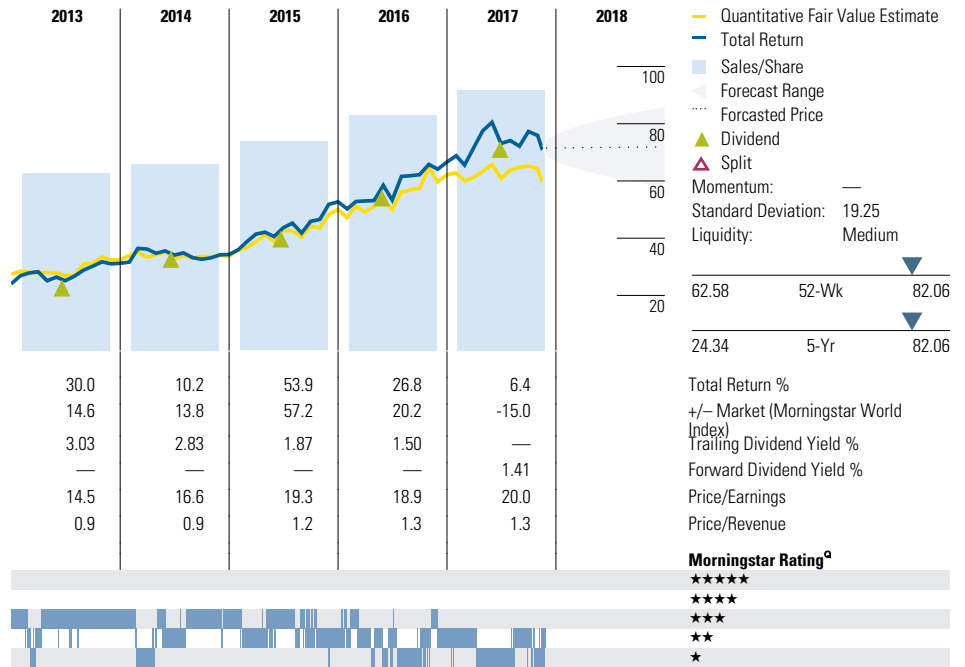
## Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.7	0.8	0.6	0.6
Solvency Score	256.5	—	472.7	542.3
Assets/Equity	1.8	1.8	1.6	2.4
Long-Term Debt/Equity	0.0	0.0	0.1	0.3

## Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	13.5	12.9	10.4	11.7
Operating Income %	7.0	12.4	10.6	8.0
Earnings %	1.6	13.1	11.7	8.3
Dividends %	0.0	0.0	-1.9	—
Book Value %	13.9	13.1	12.1	12.4
Stock Total Return %	12.7	29.2	25.4	11.1

## Price vs. Quantitative Fair Value

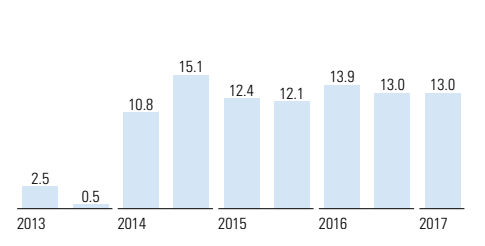


	2012	2013	2014	2015	2016	TTM	Financials (Fiscal Year in Mil)
Revenue	1,198	1,216	1,373	1,541	1,748	1,861	Revenue
% Change	12.4	1.5	12.9	12.2	13.5	6.5	% Change
Operating Income	116	111	118	147	157	153	Operating Income
% Change	22.1	-4.8	6.1	25.1	7.0	-3.0	% Change
Net Income	78	74	79	106	112	125	Net Income
Operating Cash Flow	80	94	48	105	112	125	Operating Cash Flow
Capital Spending	-13	-9	-7	-12	-14	-14	Capital Spending
Free Cash Flow	67	86	41	93	98	111	Free Cash Flow
% Sales	5.6	7.0	3.0	6.0	5.6	6.0	% Sales
EPS	2.43	2.27	2.41	3.20	3.34	3.68	EPS
% Change	31.4	-6.6	6.2	32.8	4.4	10.2	% Change
Free Cash Flow/Share	2.09	1.94	2.00	1.94	2.28	3.27	Free Cash Flow/Share
Dividends/Share	1.00	1.00	1.00	1.00	1.00	1.00	Dividends/Share
Book Value/Share	13.98	14.01	15.40	17.42	20.33	22.80	Book Value/Share
Shares Outstanding (K)	31,944	32,600	33,122	33,195	33,225	33,366	Shares Outstanding (K)
Profitability	18.5	15.6	15.0	17.6	16.2	17.4	Profitability
Return on Equity %	10.4	9.0	8.6	9.9	9.0	9.5	Return on Equity %
Return on Assets %	6.5	6.1	5.8	6.9	6.4	6.7	Return on Assets %
Net Margin %	1.60	1.49	1.49	1.43	1.40	1.42	Net Margin %
Asset Turnover	1.7	1.7	1.8	1.8	1.8	1.8	Asset Turnover
Financial Leverage	92.2	21.2	21.0	20.9	21.1	20.0	Financial Leverage
Gross Margin %	9.7	9.1	8.6	9.5	9.0	8.2	Gross Margin %
Operating Margin %	—	8	6	19	10	10	Operating Margin %
Long-Term Debt	447	501	560	648	739	761	Long-Term Debt
Total Equity	89.8	75.1	75.3	56.6	58.9	64.5	Total Equity
Fixed Asset Turns							Fixed Asset Turns

## Semi-Annual Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2017	—	983.7	—	—	—
2016	—	870.5	—	877.8	1,748.3
2015	—	764.2	—	776.7	1,540.9
2014	—	680.1	—	693.1	1,373.2
Earnings Per Share (€)					
2017	—	2.17	—	—	—
2016	—	1.83	—	1.51	3.34
2015	—	1.37	—	1.83	3.20
2014	—	1.04	—	1.37	2.41

## 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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**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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