

Obrascon Huarte Lain SA OHL ★★★^Q 22 Jan 2018 02:00 UTC

Last Close
22 Jan 2018
5.24

Fair Value^Q
22 Jan 2018 02:00 UTC
4.65

Market Cap
22 Jan 2018
1,499.6 Mil

Sector
Industrials

Industry
Engineering & Construction

Country of Domicile
ESP Spain

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Company Profile

Obrascon Huarte Lain SA is an engineering and construction company. It builds highways, waterworks, civil engineering projects, residential housing and public holdings. The company also provides maintenance and support services.

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	3	2	3
Valuation	Overvalued	30	31	26
Quantitative Uncertainty	Very High	36	36	23
Financial Health	Weak	14	5	4



Source: Morningstar Equity Research

Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	1.13	0.89	1.05	1.05
Price/Earnings	—	94.2	21.0	16.8
Forward P/E	10.8	—	18.0	14.6
Price/Cash Flow	18.2	26.7	12.8	9.6
Price/Free Cash Flow	—	43.9	20.7	14.5
Trailing Dividend Yield %	—	—	1.85	2.83
Price/Book	0.6	0.8	2.0	2.1
Price/Sales	0.4	0.5	1.1	1.6

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	-17.5	12.0	11.0	12.4
Return on Assets %	-3.5	1.5	4.7	2.8
Revenue/Employee (K)	143.9	169.0	491.5	288.4

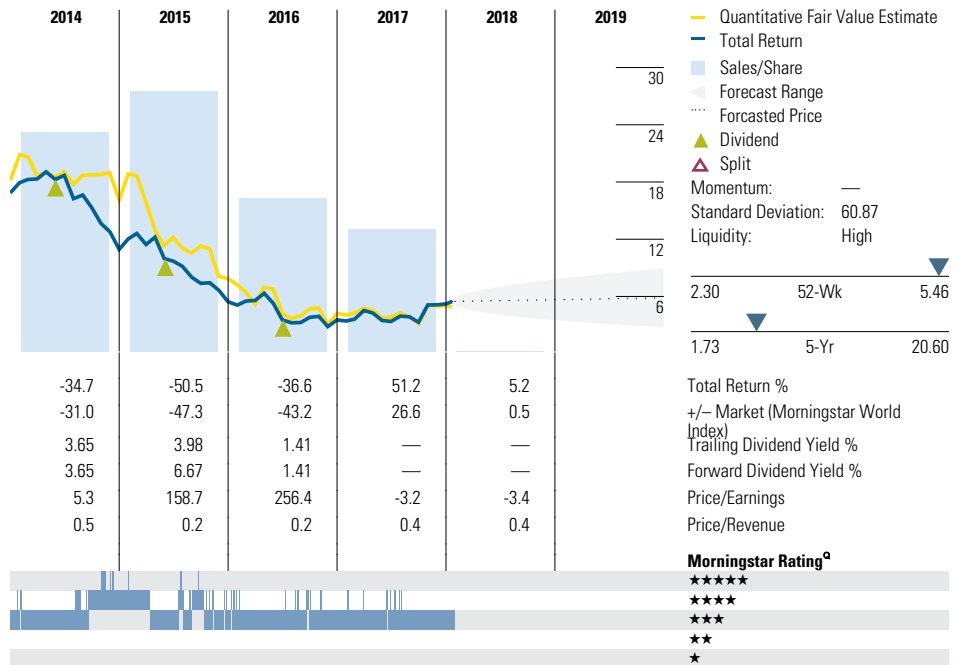
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.2	0.4	0.6	0.6
Solvency Score	—	—	489.3	647.6
Assets/Equity	5.3	5.8	1.8	2.8
Long-Term Debt/Equity	1.5	2.0	0.2	0.5

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	-11.6	3.2	0.9	1.7
Operating Income %	-96.8	-72.3	-48.8	-23.7
Earnings %	—	—	—	—
Dividends %	-77.8	-50.8	-30.8	-11.7
Book Value %	-16.7	-14.4	3.2	8.5
Stock Total Return %	48.0	-25.0	-14.6	-2.8

Price vs. Quantitative Fair Value

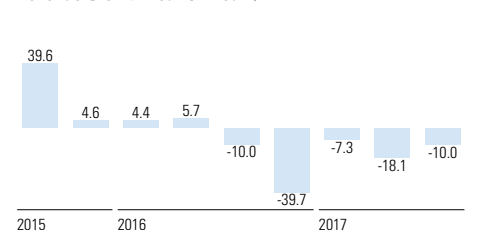


	2012	2013	2014	2015	2016	TTM	Financials (Fiscal Year in Mil)
Revenue	4,030	3,684	3,731	4,369	3,863	3,486	Revenue
% Change	-17.3	-8.6	1.3	17.1	-11.6	-9.8	% Change
Operating Income	660	1,031	614	685	22	236	Operating Income
% Change	-32.1	56.2	-40.5	11.5	-96.8	975.4	% Change
Net Income	1,006	270	23	56	-432	-452	Net Income
Operating Cash Flow	740	29	-8	283	-240	82	Operating Cash Flow
Capital Spending	-1,182	-460	-261	-296	-133	—	Capital Spending
Free Cash Flow	-442	-430	-270	-12	-373	-51	Free Cash Flow
% Sales	-11.0	-11.7	-7.2	-0.3	-9.7	-1.5	% Sales
EPS	6.05	1.63	0.14	0.42	-1.47	-1.54	EPS
% Change	352.2	-73.1	-91.6	205.8	-450.0	—	% Change
Free Cash Flow/Share	-2.66	-6.18	-2.42	0.12	-1.03	-0.18	Free Cash Flow/Share
Dividends/Share	0.33	0.39	0.40	0.21	0.05	0.00	Dividends/Share
Book Value/Share	12.78	12.88	14.14	6.90	9.92	8.13	Book Value/Share
Shares Outstanding (K)	166,612	166,622	298,502	286,797	286,184	286,184	Shares Outstanding (K)
Return on Equity %	60.0	12.3	1.1	2.2	-15.8	-17.5	Profitability
Return on Assets %	8.0	2.1	0.2	0.4	-3.1	-3.5	Return on Assets %
Net Margin %	25.0	7.3	0.6	1.3	-11.2	-13.0	Net Margin %
Asset Turnover	0.32	0.28	0.27	0.30	0.27	0.27	Asset Turnover
Financial Leverage	5.7	6.1	6.7	5.0	5.3	5.5	Financial Leverage
Gross Margin %	40.7	46.3	45.1	41.6	28.9	—	Gross Margin %
Operating Margin %	16.4	28.0	16.5	15.7	0.6	6.8	Operating Margin %
Long-Term Debt	4,735	5,716	5,256	4,723	3,777	3,169	Long-Term Debt
Total Equity	2,135	2,258	2,121	3,047	2,440	2,327	Total Equity
Fixed Asset Turns	6.9	6.6	6.5	7.1	8.7	8.2	Fixed Asset Turns

Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2017	886.8	916.8	936.4	—	—
2016	956.7	1,119.3	1,040.9	745.7	3,862.6
2015	916.6	1,059.0	1,156.6	1,236.7	4,368.9
2014	787.1	932.5	828.3	1,182.6	3,730.5
Earnings Per Share (€)					
2017	0.03	-0.14	0.06	—	—
2016	0.08	-0.07	0.00	-1.48	-1.47
2015	0.29	0.02	0.10	0.00	0.42
2014	0.36	-0.12	0.29	-0.39	0.14

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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