

Cementos Portland Valderrivas SA CPL ★★★^Q 23 Feb 2018 02:00 UTC

Last Close
23 Feb 2018
5.32

Fair Value^Q
23 Feb 2018 02:00 UTC
5.20

Market Cap
23 Feb 2018
— K

Sector
Basic Materials

Industry
Building Materials

Country of Domicile
ESP Spain

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Company Profile

Cementos Portland Valderrivas SA together with its subsidiaries manufactures, sells, and distributes cement in Spain, the United Kingdom, the United States, and Tunisia.

Quantitative Scores

| | | Scores | | |
|--------------------------|---------------|--------|------------|-------------|
| | | All | Rel Sector | Rel Country |
| Quantitative Moat | Narrow | 73 | 82 | 52 |
| Valuation | Fairly Valued | 32 | 33 | 37 |
| Quantitative Uncertainty | Very High | 35 | 44 | 21 |
| Financial Health | Moderate | 64 | 67 | 45 |



Undervalued Fairly Valued Overvalued

Source: Morningstar Equity Research

Valuation

| | Current | | 5-Yr Avg | | Sector Median | Country Median |
|---------------------------|---------|----------|---------------|----------------|---------------|----------------|
| | Current | 5-Yr Avg | Sector Median | Country Median | | |
| Price/Quant Fair Value | 1.02 | 1.00 | 0.95 | 0.97 | | |
| Price/Earnings | — | — | 17.3 | 16.4 | | |
| Forward P/E | — | — | 13.2 | 14.9 | | |
| Price/Cash Flow | 4.2 | 4.1 | 9.6 | 9.9 | | |
| Price/Free Cash Flow | 4.9 | 5.6 | 17.2 | 14.7 | | |
| Trailing Dividend Yield % | — | — | 1.91 | 2.80 | | |
| Price/Book | 0.9 | 0.4 | 1.7 | 1.9 | | |
| Price/Sales | 0.5 | 0.4 | 1.2 | 1.5 | | |

Profitability

| | Current | | 5-Yr Avg | | Sector Median | Country Median |
|----------------------|---------|----------|---------------|----------------|---------------|----------------|
| | Current | 5-Yr Avg | Sector Median | Country Median | | |
| Return on Equity % | -51.0 | -20.0 | 10.5 | 12.4 | | |
| Return on Assets % | -11.7 | -4.8 | 5.3 | 2.9 | | |
| Revenue/Employee (K) | 322.8 | 283.0 | 754.5 | 288.4 | | |

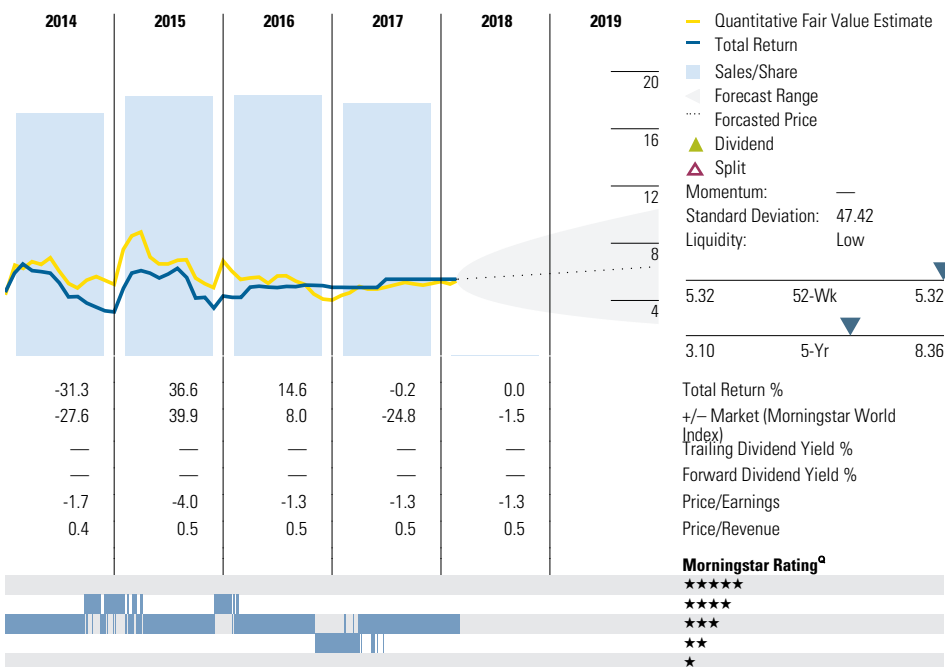
Financial Health

| | Current | | 5-Yr Avg | | Sector Median | Country Median |
|-----------------------|---------|----------|---------------|----------------|---------------|----------------|
| | Current | 5-Yr Avg | Sector Median | Country Median | | |
| Distance to Default | 0.6 | 0.4 | 0.5 | 0.6 | | |
| Solvency Score | 853.7 | — | 502.0 | 651.6 | | |
| Assets/Equity | 4.6 | 4.3 | 1.4 | 2.8 | | |
| Long-Term Debt/Equity | 1.5 | 1.0 | 0.2 | 0.5 | | |

Growth Per Share

| | 1-Year | 3-Year | 5-Year | 10-Year |
|----------------------|--------|--------|--------|---------|
| Revenue % | -7.6 | -0.3 | -6.5 | -9.6 |
| Operating Income % | — | — | — | — |
| Earnings % | — | — | — | — |
| Dividends % | — | — | — | — |
| Book Value % | -41.7 | -23.9 | -23.1 | -14.4 |
| Stock Total Return % | 0.0 | -9.6 | 4.2 | -16.3 |

Price vs. Quantitative Fair Value

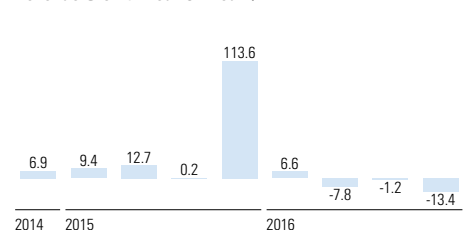


| | 2012 | 2013 | 2014 | 2015 | 2016 | TTM | Financials (Fiscal Year in K) |
|------------------------|----------|---------|---------|---------|----------|----------|-------------------------------|
| Revenue | 653,739 | 540,878 | 542,922 | 580,410 | 536,211 | 536,211 | Revenue |
| % Change | 7.3 | -17.3 | 0.4 | 6.9 | -7.6 | 0.0 | % Change |
| Operating Income | -133,378 | -24,219 | 35,908 | 28,590 | -120,402 | -120,402 | Operating Income |
| % Change | — | — | — | -20.4 | -521.1 | — | % Change |
| Net Income | -147,135 | -71,925 | -52,273 | -61,970 | -224,893 | -224,893 | Net Income |
| Operating Cash Flow | 37,354 | 24,568 | 84,068 | 86,207 | 70,321 | 70,321 | Operating Cash Flow |
| Capital Spending | -14,699 | -8,808 | -12,696 | -12,646 | -10,271 | -10,271 | Capital Spending |
| Free Cash Flow | 22,655 | 15,760 | 71,372 | 73,561 | 60,050 | 60,050 | Free Cash Flow |
| % Sales | 3.5 | 2.9 | 13.1 | 12.7 | 11.2 | 11.2 | % Sales |
| EPS | -3.55 | -1.73 | -1.02 | -1.08 | -4.08 | -4.08 | EPS |
| % Change | — | — | — | — | — | — | % Change |
| Free Cash Flow/Share | 0.55 | -0.83 | 1.26 | 1.24 | 1.46 | 1.09 | Free Cash Flow/Share |
| Dividends/Share | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | Dividends/Share |
| Book Value/Share | 18.62 | 13.98 | 10.87 | 9.76 | 5.53 | 5.68 | Book Value/Share |
| Shares Outstanding (K) | — | 57,193 | 57,193 | 57,193 | — | 57,193 | Shares Outstanding (K) |
| Profitability | | | | | | | Profitability |
| Return on Equity % | -17.4 | -11.0 | -9.2 | -10.7 | -51.0 | -51.0 | Return on Equity % |
| Return on Assets % | -4.8 | -2.7 | -2.2 | -2.6 | -11.7 | -11.7 | Return on Assets % |
| Net Margin % | -22.5 | -13.3 | -9.6 | -10.7 | -41.9 | -41.9 | Net Margin % |
| Asset Turnover | 0.21 | 0.20 | 0.23 | 0.25 | 0.28 | 0.28 | Asset Turnover |
| Financial Leverage | 3.8 | 4.4 | 3.9 | 4.2 | 4.6 | 4.6 | Financial Leverage |
| Gross Margin % | 100.0 | 68.8 | 68.4 | 70.7 | 71.7 | 71.7 | Gross Margin % |
| Operating Margin % | -20.4 | -4.5 | 6.6 | 4.9 | -22.5 | -22.5 | Operating Margin % |
| Long-Term Debt | 998,419 | 335,165 | 383,232 | 573,008 | 503,193 | 503,193 | Long-Term Debt |
| Total Equity | 772,396 | 534,337 | 602,318 | 557,076 | 324,693 | 324,693 | Total Equity |
| Fixed Asset Turns | 0.6 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 | Fixed Asset Turns |

Quarterly Revenue & EPS

| Revenue (Mil) | Mar | Jun | Sep | Dec | Total |
|------------------------|-------|-------|-------|-------|-------|
| 2016 | 129.8 | 154.3 | 145.2 | 252.1 | 536.2 |
| 2015 | 121.8 | 167.4 | 147.0 | 291.2 | 580.4 |
| 2014 | 111.3 | 148.6 | 146.7 | 136.3 | 542.9 |
| 2013 | 121.8 | 148.4 | 143.2 | 127.5 | 540.9 |
| Earnings Per Share (€) | | | | | |
| 2016 | -0.52 | -0.12 | -3.45 | -3.29 | -4.08 |
| 2015 | -0.52 | -0.17 | -0.26 | -0.39 | -1.08 |
| 2014 | -0.59 | 0.05 | -0.26 | -0.22 | -1.02 |
| 2013 | 1.48 | -1.50 | -0.55 | -1.16 | -1.73 |

Revenue Growth Year On Year %



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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, 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

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.

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