

Tubacex SA TUB ★★★^Q 13 Sep 2019 02:00 UTC

Last Close
13 Sep 2019
2.85

Fair Value^Q
13 Sep 2019 02:00 UTC
2.98

Market Cap
13 Sep 2019
368.6 Mil

Sector
Basic Materials

Industry
Steel

Country of Domicile
ESP Spain

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

Tubacex SA together with its subsidiaries, manufactures and markets stainless steel and high-nickel alloy tubes and pipes. The company's product portfolio includes hollow bars, steel and fittings products. It primarily serves oil and gas, petrochemical, chemical and power generation industries. It also devotes part of its production to the mechanical industry, aerospace, food, water desalination, electronics, capital goods and new technologies among other industries. Group has its industrial facilities in the Spain, Austria, the United

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	10	14	11
Valuation	Fairly Valued	22	13	46
Quantitative Uncertainty	High	87	90	78
Financial Health	Moderate	56	43	20



Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.96	0.97	0.78	0.87
Price/Earnings	23.0	137.2	13.3	15.0
Forward P/E	—	—	10.4	12.5
Price/Cash Flow	—	23.3	8.0	8.8
Price/Free Cash Flow	—	17.7	14.7	15.2
Trailing Dividend Yield %	1.62	—	2.43	3.93
Price/Book	1.3	1.4	1.4	1.9
Price/Sales	0.6	0.7	1.0	1.4

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	5.8	2.2	11.5	12.9
Return on Assets %	1.6	0.9	5.7	3.3
Revenue/Employee (Mil)	0.2	12.7	0.9	0.2

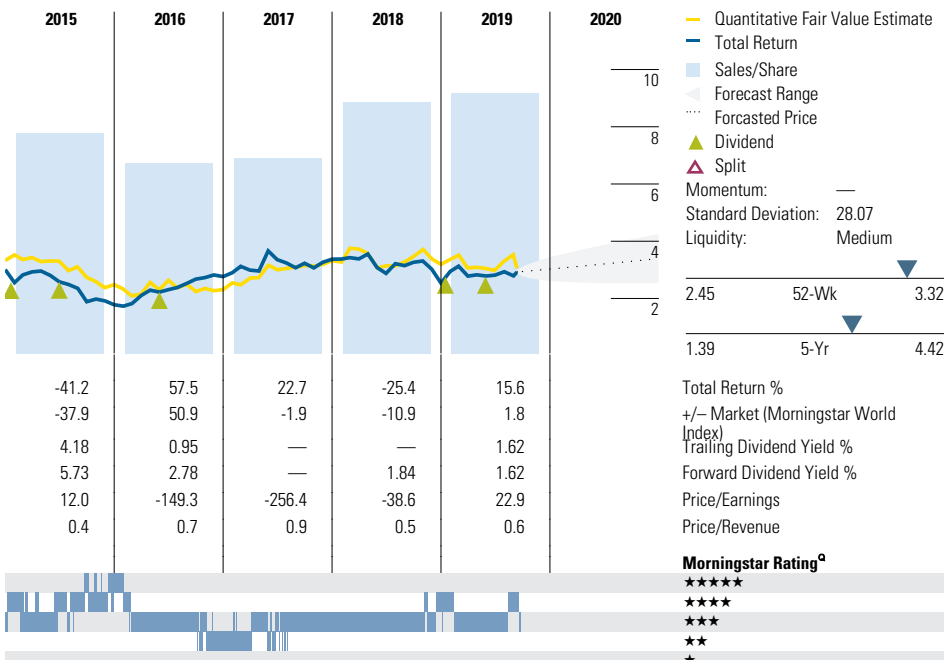
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.5	0.5	0.6	0.7
Solvency Score	709.1	—	474.7	556.5
Assets/Equity	3.6	3.1	1.4	2.7
Long-Term Debt/Equity	0.5	0.5	0.2	0.4

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	38.1	8.3	4.1	0.1
Operating Income %	—	—	1.8	-2.0
Earnings %	—	27.4	2.9	-7.1
Dividends %	—	—	—	—
Book Value %	6.7	-1.7	1.1	0.0
Stock Total Return %	-6.6	4.5	-5.8	-1.1

Price vs. Quantitative Fair Value

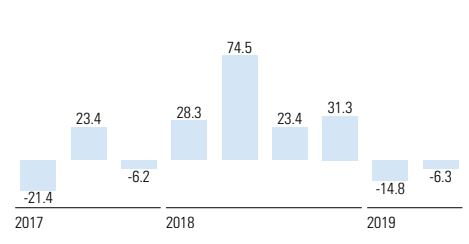


	2014	2015	2016	2017	2018	TTM	Financials (Fiscal Year in K)
Revenue	546,650	533,415	494,029	490,361	677,324	640,248	Revenue
% Change	-1.4	-2.4	-7.4	-0.7	38.1	-5.5	% Change
Operating Income	43,659	-361	2,522	-28,257	34,448	31,459	Operating Income
% Change	38.5	-100.8	—	-1,220.4	—	-8.7	% Change
Net Income	23,761	8,413	507	-19,710	17,385	15,694	Net Income
Operating Cash Flow	69,576	62,206	49,938	2,205	-15,741	-5,806	Operating Cash Flow
Capital Spending	-25,461	-26,907	-36,912	-35,820	-29,706	-35,905	Capital Spending
Free Cash Flow	44,115	35,299	13,026	-33,615	-45,447	-41,711	Free Cash Flow
% Sales	8.1	6.6	2.6	-6.9	-6.7	-6.5	% Sales
EPS	0.18	0.07	0.00	-0.15	0.13	0.12	EPS
% Change	57.8	-64.5	-93.8	-3,895.0	—	-7.5	% Change
Free Cash Flow/Share	0.42	0.09	0.09	-0.26	0.12	-0.33	Free Cash Flow/Share
Dividends/Share	0.02	0.07	0.03	0.00	0.00	0.05	Dividends/Share
Book Value/Share	2.15	2.26	2.21	2.14	2.05	2.17	Book Value/Share
Shares Outstanding (K)	129,836	129,836	129,836	129,836	129,836	129,566	Shares Outstanding (K)
Return on Equity %	8.8	3.0	0.2	-7.3	6.5	5.8	Profitability
Return on Assets %	3.6	1.1	0.1	-2.2	1.8	1.6	Return on Assets %
Net Margin %	4.4	1.6	0.1	-4.0	2.6	2.5	Net Margin %
Asset Turnover	0.82	0.68	0.58	0.56	0.71	0.63	Asset Turnover
Financial Leverage	2.5	3.0	3.0	3.5	3.6	3.8	Financial Leverage
Gross Margin %	48.4	45.2	48.6	49.0	47.9	51.0	Gross Margin %
Operating Margin %	8.0	-0.1	0.5	-5.8	5.1	4.9	Operating Margin %
Long-Term Debt	127,795	173,015	168,490	81,656	139,929	112,431	Long-Term Debt
Total Equity	282,168	288,579	286,645	257,232	274,351	281,722	Total Equity
Fixed Asset Turns	2.8	2.3	1.9	1.8	2.5	2.3	Fixed Asset Turns

Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2019	143.5	180.0	—	—	—
2018	168.5	192.1	159.3	157.4	677.3
2017	131.3	110.1	129.1	119.9	490.4
2016	121.4	140.1	104.6	127.8	494.0
Earnings Per Share (€)					
2019	0.01	0.02	—	—	—
2018	0.02	0.03	0.04	0.04	0.13
2017	0.02	-0.01	-0.01	-0.16	-0.15
2016	0.00	0.02	0.01	-0.02	0.00

Revenue Growth Year On Year %



Quantitative Equity Reports Overview

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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.

Undervalued – Last Price is below Morningstar's quantitative fair value estimate.

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