

Lycos Internet Ltd LYCOS

Last Close
03 Jan 2017
8.25

Fair Value^Q
03 Jan 2017 02:00 UTC
9.04

Market Cap
03 Jan 2017
3,929.1 Mil

Sector
Technology

Industry
Internet Content & Information

Country of Domicile
IND India

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Company Profile

Lycos Internet Ltd is a search engine company. It is engaged in providing digital marketing services, development of computer software and services.

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	8	14	3
Valuation	Undervalued	77	76	75
Quantitative Uncertainty	Very High	49	37	62
Financial Health	Moderate	54	36	45



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	0.91	0.87	0.98	0.99		
Price/Earnings	1.0	—	22.5	19.3		
Forward P/E	—	—	17.1	14.6		
Price/Cash Flow	—	—	14.0	9.1		
Price/Free Cash Flow	246.8	—	19.8	13.8		
Trailing Dividend Yield %	1.21	—	1.86	1.00		
Price/Book	0.2	—	2.2	1.3		
Price/Sales	0.2	—	1.5	1.0		

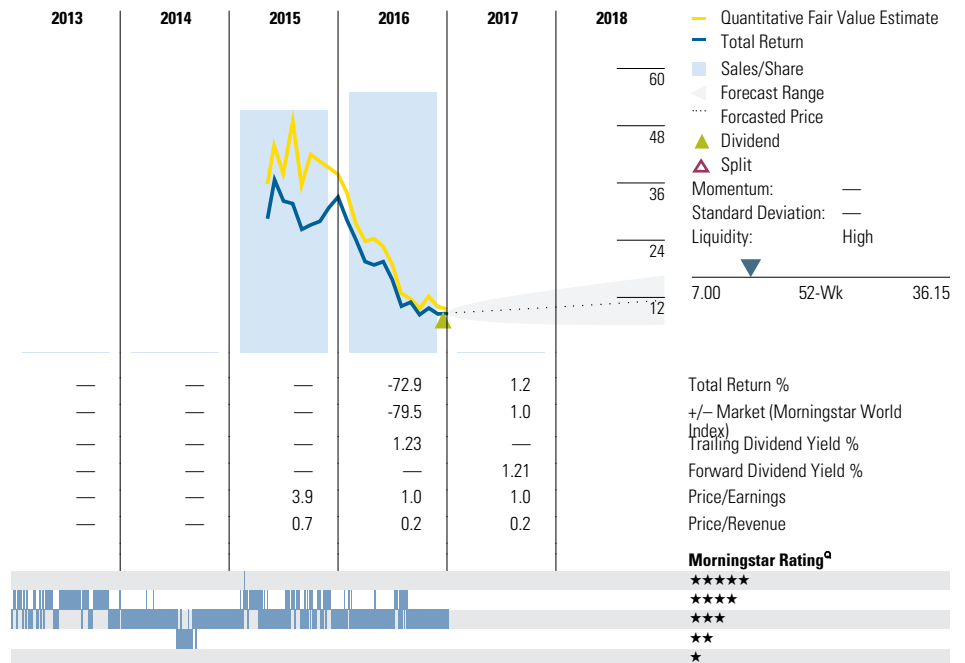
Profitability	Current		5-Yr Avg		Sector Median	Country Median
	Current	5-Yr Avg	Sector Median	Country Median		
Return on Equity %	23.1	21.7	11.1	9.4		
Return on Assets %	18.1	13.9	5.9	3.7		
Revenue/Employee (K)	—	—	407.8	7,136.5		

Financial Health	Current		5-Yr Avg		Sector Median	Country Median
	Current	5-Yr Avg	Sector Median	Country Median		
Distance to Default	0.5	0.5	0.6	0.6		
Solvency Score	248.8	—	491.0	559.1		
Assets/Equity	1.2	1.5	1.6	1.7		
Long-Term Debt/Equity	0.0	0.0	0.1	0.1		

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	15.3	12.1	37.0	—
Operating Income %	15.7	122.6	59.8	—
Earnings %	18.2	99.5	-15.5	—
Dividends %	—	—	—	—
Book Value %	29.0	23.9	-9.3	—
Stock Total Return %	-74.7	—	—	—

Price vs. Quantitative Fair Value

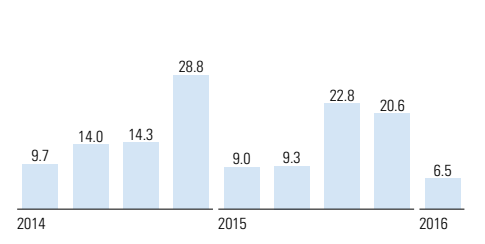


	2012	2013	2014	2015	2016	TTM	Financials (Fiscal Year in Mil)
Revenue	12,632	16,011	16,734	19,570	22,559	22,559	Revenue
% Change	170.3	26.7	4.5	16.9	15.3	0.0	% Change
Operating Income	2,553	598	2,699	5,188	6,001	6,001	Operating Income
% Change	260.0	-76.6	351.3	92.2	15.7	0.0	% Change
Net Income	1,918	510	2,210	3,422	4,050	4,050	Net Income
Operating Cash Flow	-1,465	-1,053	2,110	2,756	2,437	2,437	Operating Cash Flow
Capital Spending	-2,985	-35	-619	-2,740	-1,910	-1,910	Capital Spending
Free Cash Flow	-4,450	-1,089	1,491	16	528	528	Free Cash Flow
% Sales	-35.2	-6.8	8.9	0.1	2.3	2.3	% Sales
EPS	4.03	1.07	4.64	7.19	8.50	8.50	EPS
% Change	-80.1	-73.4	333.6	55.0	18.2	0.0	% Change
Free Cash Flow/Share	—	—	—	—	0.03	0.03	Free Cash Flow/Share
Dividends/Share	—	—	—	—	—	—	Dividends/Share
Book Value/Share	—	—	—	—	36.92	36.92	Book Value/Share
Shares Outstanding (K)	476,251	476,251	476,251	476,251	—	476,251	Shares Outstanding (K)
Profitability	34.9	5.2	20.1	25.5	23.1	23.1	Profitability
Return on Equity %	17.7	3.1	13.0	17.6	18.1	18.1	Return on Equity %
Return on Assets %	15.2	3.2	13.2	17.5	18.0	18.0	Return on Assets %
Net Margin %	1.17	0.97	0.98	1.01	1.01	1.01	Net Margin %
Asset Turnover	1.8	1.5	1.6	1.4	1.2	1.2	Asset Turnover
Financial Leverage	39.9	33.7	40.4	43.5	43.3	43.3	Financial Leverage
Gross Margin %	20.2	3.7	16.1	26.5	26.6	26.6	Gross Margin %
Operating Margin %	606	515	408	60	0	0	Operating Margin %
Long-Term Debt	9,307	10,382	11,592	15,299	19,738	19,738	Long-Term Debt
Total Equity	15.6	17.7	20.7	20.1	21.8	21.8	Total Equity
Fixed Asset Turns	—	—	—	—	—	—	Fixed Asset Turns

Quarterly Revenue & EPS

Revenue (Mil)	Jun	Sep	Dec	Mar	Total
2016	4,986.4	5,650.8	7,182.7	4,739.1	22,559.0
2015	4,562.6	4,601.9	5,956.7	4,448.8	19,570.0
2014	4,003.7	4,026.0	4,623.8	4,080.2	16,733.7
2013	3,802.9	4,249.6	4,237.7	3,720.2	16,010.5
Earnings Per Share (₹)					
2016	1.90	2.21	2.63	1.76	8.50
2015	1.75	1.73	2.08	1.63	7.19
2014	1.30	1.21	1.39	0.74	4.64
2013	1.25	1.05	1.27	-2.50	1.07

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.

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Moderate – assigned when Quantitative Financial Health is between 0.2 and 0.7

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