

Balmer Lawrie & Co Ltd BALMLAWRIE

Last Close
05 Jan 2018
279.30

Fair Value^Q
07 Jan 2018 02:00 UTC
217.63

Market Cap
05 Jan 2018
31,875.1 Mil

Sector
Industrials

Industry
Conglomerates

Country of Domicile
IND India

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Company Profile

Balmer Lawrie & Co Ltd operates in industrial packaging, greases and lubricants, leather chemicals, travel and vacations, logistics and refinery and oil field services.

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	24	21	11
Valuation	Overvalued	4	4	7
Quantitative Uncertainty	High	65	66	83
Financial Health	Strong	86	86	84



Source: Morningstar Equity Research

Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	1.28	1.04	1.05	1.03
Price/Earnings	18.7	12.1	20.8	28.5
Forward P/E	—	—	17.5	17.2
Price/Cash Flow	17.3	9.1	12.5	14.8
Price/Free Cash Flow	30.4	18.4	20.3	19.7
Trailing Dividend Yield %	2.51	3.21	1.88	0.65
Price/Book	2.3	1.7	2.0	1.9
Price/Sales	1.9	0.6	1.1	1.6

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	13.5	15.8	11.0	9.7
Return on Assets %	8.4	9.1	4.7	4.2
Revenue/Employee (Mil)	14.4	18.7	0.5	7.5

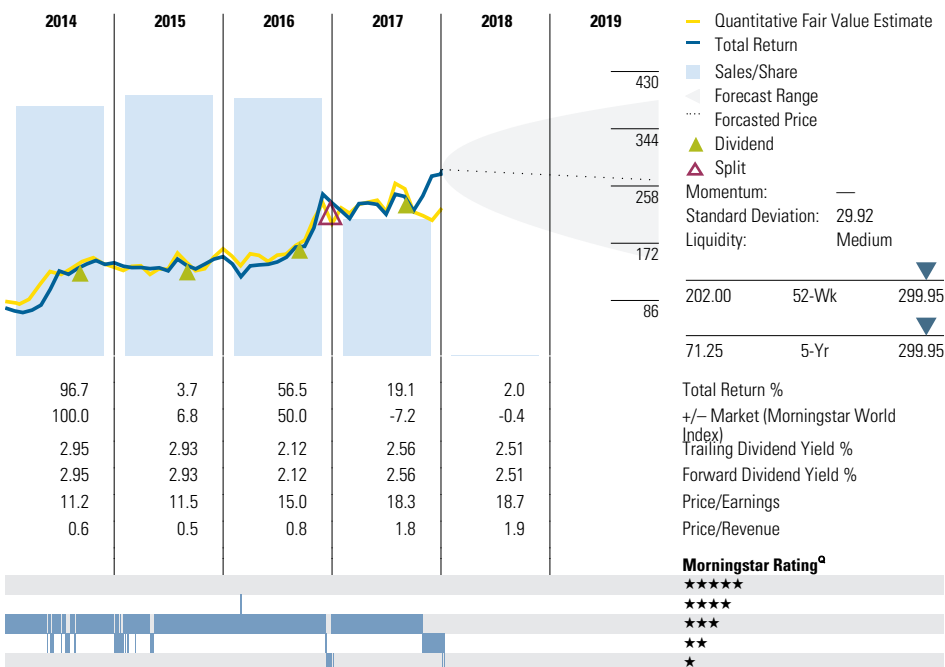
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.8	0.8	0.6	0.6
Solvency Score	—	—	490.1	558.7
Assets/Equity	1.5	1.8	1.8	1.7
Long-Term Debt/Equity	—	0.1	0.2	0.1

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	7.0	-18.3	-8.6	1.1
Operating Income %	6.3	14.1	8.7	4.8
Earnings %	3.7	3.0	15.0	7.4
Dividends %	11.1	4.4	6.1	14.6
Book Value %	9.7	11.5	12.4	14.4
Stock Total Return %	26.0	23.0	25.9	13.1

Price vs. Quantitative Fair Value

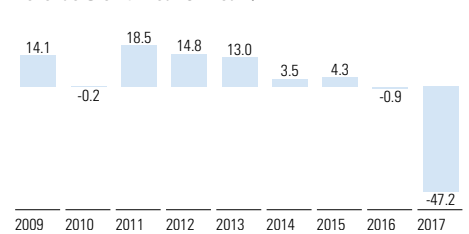


	2013	2014	2015	2016	2017	TTM	Financials (Fiscal Year in Mil)
Revenue	30,183	31,248	32,583	32,292	17,053	17,053	Revenue
% Change	13.0	3.5	4.3	-0.9	-47.2	0.0	% Change
Operating Income	1,743	1,588	1,681	2,292	2,359	2,359	Operating Income
% Change	-2.4	-8.9	5.8	36.4	2.9	0.0	% Change
Net Income	1,661	1,557	1,521	1,789	1,701	1,701	Net Income
Operating Cash Flow	2,012	1,669	2,010	2,178	1,836	1,836	Operating Cash Flow
Capital Spending	-619	-1,227	-915	-578	-789	-789	Capital Spending
Free Cash Flow	1,393	442	1,094	1,601	1,046	1,046	Free Cash Flow
% Sales	4.6	1.4	3.4	5.0	6.1	6.1	% Sales
EPS	8.38	13.66	13.35	15.69	14.92	14.92	EPS
% Change	-35.5	63.0	-2.3	17.6	-4.9	0.0	% Change
Free Cash Flow/Share	7.97	12.22	3.88	9.60	14.04	9.18	Free Cash Flow/Share
Dividends/Share	4.00	4.40	4.50	4.50	5.00	5.00	Dividends/Share
Book Value/Share	66.53	75.70	86.08	91.51	102.43	119.19	Book Value/Share
Shares Outstanding (K)	114,003	114,003	114,003	114,003	114,003	114,003	Shares Outstanding (K)
Return on Equity %	20.5	16.9	15.0	16.2	13.5	13.5	Return on Equity %
Return on Assets %	9.9	8.7	8.1	9.1	8.4	8.4	Return on Assets %
Net Margin %	5.5	5.0	4.7	5.5	10.0	10.0	Net Margin %
Asset Turnover	1.80	1.74	1.73	1.64	0.84	0.84	Asset Turnover
Financial Leverage	2.0	1.9	1.8	1.7	1.5	1.9	Financial Leverage
Gross Margin %	23.0	22.8	23.4	25.5	36.6	36.6	Gross Margin %
Operating Margin %	5.8	5.1	5.2	7.1	13.8	13.8	Operating Margin %
Long-Term Debt	1,143	945	894	644	—	945	Long-Term Debt
Total Equity	8,630	9,813	10,433	11,677	13,589	9,813	Total Equity
Fixed Asset Turns	6.8	6.4	5.9	5.5	3.3	3.3	Fixed Asset Turns

Annual Revenue & EPS

Revenue (Mil)	Jun	Sep	Dec	Mar	Total
2017	—	—	—	—	17,053.3
2016	—	—	—	—	32,291.6
2015	—	—	—	—	32,582.5
2014	—	—	6,364.2	11,562.2	31,247.7
Earnings Per Share (₹)					
2017	—	—	—	—	14.92
2016	—	—	—	—	15.69
2015	—	—	—	—	13.35
2014	—	—	1.92	6.14	13.66

Revenue Growth Year On Year %



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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

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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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