

Omkar Speciality Chemicals Ltd OMKARCHEM

Last Close
31 Jul 2018
15.25

Fair Value^Q
01 Aug 2018 02:00 UTC
18.85

Market Cap
31 Jul 2018
314.8 Mil

Sector
Basic Materials

Industry
Specialty Chemicals

Country of Domicile
IND India

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Company Profile

Omkar Speciality Chemicals Ltd is Indian based company. The company is mainly engaged in the manufacture and sale of Specialty Chemicals and Intermediates for Chemical and Allied Industries. The company is primarily engaged in the production of Specialty Chemicals and Pharma Intermediates. The firm manufactures a range of Organic, Inorganic and Organic-Inorganic Intermediates. The main segment business of the company is manufacturing and sale of chemicals. The company offers a wide range of iodine derivatives, such as

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	Narrow	81	86	70
Valuation	Undervalued	79	74	66
Quantitative Uncertainty	Very High	20	29	12
Financial Health	Weak	14	5	4

OMKARCHEM



Undervalued Fairly Valued Overvalued

Source: Morningstar Equity Research

Valuation

	Current		5-Yr Avg		Sector Median	Country Median
	Price/Quant Fair Value	0.81	0.93	0.89	0.86	
Price/Earnings	2.2	13.9	14.7	21.5		
Forward P/E	—	—	11.5	20.0		
Price/Cash Flow	0.6	9.4	8.8	11.9		
Price/Free Cash Flow	—	14.3	16.6	16.2		
Trailing Dividend Yield %	—	—	2.18	0.86		
Price/Book	—	1.8	1.5	1.5		
Price/Sales	0.1	1.0	1.2	1.2		

Profitability

	Current		5-Yr Avg		Sector Median	Country Median
	Return on Equity %	—	7.4	11.2	10.1	
Return on Assets %	—	3.1	5.7	4.3		
Revenue/Employee (Mil)	20.0	—	0.8	7.9		

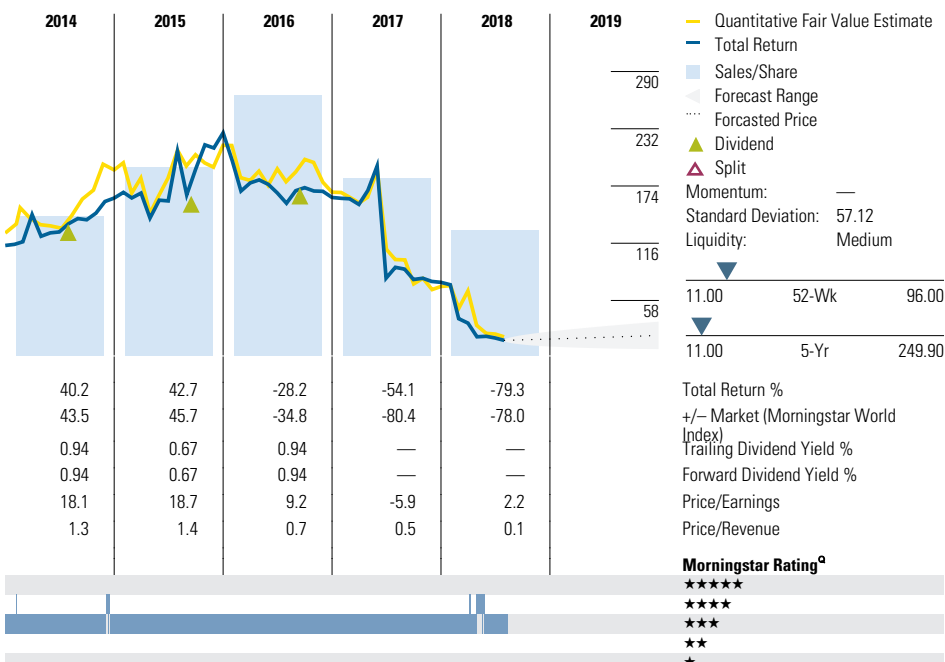
Financial Health

	Current		5-Yr Avg		Sector Median	Country Median
	Distance to Default	0.2	0.4	0.6	0.6	
Solvency Score	513.0	—	483.3	552.1		
Assets/Equity	4.9	3.3	1.4	1.7		
Long-Term Debt/Equity	1.5	0.6	0.2	0.1		

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	5.6	9.7	13.7	—
Operating Income %	14.2	16.2	12.2	—
Earnings %	—	—	—	—
Dividends %	0.0	0.0	8.5	—
Book Value %	-54.4	-16.8	-5.6	—
Stock Total Return %	-82.9	-55.8	-27.9	—

Price vs. Quantitative Fair Value

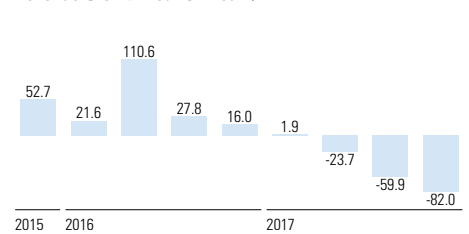


	2013	2014	2015	2016	2017	TTM	Financials (Fiscal Year in Mil)
Revenue	2,117	2,403	2,651	4,134	3,167	2,237	Revenue
% Change	26.8	13.5	10.3	55.9	-23.4	-29.4	% Change
Operating Income	351	318	424	746	500	110	Operating Income
% Change	14.2	-9.3	33.1	76.1	-33.0	-78.0	% Change
Net Income	206	136	243	306	-256	144	Net Income
Operating Cash Flow	-87	291	808	673	548	548	Operating Cash Flow
Capital Spending	-445	-629	-935	-467	-884	-884	Capital Spending
Free Cash Flow	-532	-338	-126	205	-336	-336	Free Cash Flow
% Sales	-25.1	-14.1	-4.8	5.0	-10.6	-15.0	% Sales
EPS	10.46	6.59	12.03	14.88	-12.42	6.98	EPS
% Change	28.3	-37.0	82.5	23.7	-183.5	—	% Change
Free Cash Flow/Share	-27.11	-26.17	-16.39	-6.27	9.98	-16.31	Free Cash Flow/Share
Dividends/Share	1.25	1.50	1.50	1.50	1.50	0.00	Dividends/Share
Book Value/Share	118.40	68.83	77.40	90.27	106.21	-32.10	Book Value/Share
Shares Outstanding (K)	19,628	20,578	20,578	20,578	20,578	20,578	Shares Outstanding (K)
Return on Equity %	17.7	10.3	15.9	16.8	-18.4	—	Profitability
Return on Assets %	7.3	3.7	5.5	5.8	-5.2	—	Return on Assets %
Net Margin %	9.7	5.6	9.2	7.4	-8.1	6.4	Net Margin %
Asset Turnover	0.75	0.66	0.60	0.78	0.64	—	Asset Turnover
Financial Leverage	2.6	2.9	2.8	3.0	4.9	—	Financial Leverage
Gross Margin %	34.1	27.6	28.8	26.2	22.8	6.3	Gross Margin %
Operating Margin %	16.6	13.2	16.0	18.0	15.8	4.9	Operating Margin %
Long-Term Debt	539	651	606	945	1,246	630	Long-Term Debt
Total Equity	1,271	1,372	1,686	1,955	828	-661	Total Equity
Fixed Asset Turns	1.9	1.5	1.2	1.5	1.3	—	Fixed Asset Turns

Quarterly Revenue & EPS

Revenue (₹)	May	Aug	Nov	Feb	Total
2017	—	—	—	—	—
2016	—	—	—	—	—
2015	—	—	—	—	—
2014	—	—	—	—	—
Earnings Per Share (₹)					
2017	—	—	—	—	—
2016	—	—	—	—	—
2015	—	—	—	—	—
2014	—	—	—	—	—

Revenue Growth Year On Year %



Quantitative Equity Reports Overview

The quantitative report on equities consists of data, statistics and quantitative equity ratings on equity securities. Morningstar, Inc.'s quantitative equity ratings are forward looking and are generated by a statistical model that is based on Morningstar Inc.'s analyst-driven equity ratings and quantitative statistics. Given the nature of the quantitative report and the quantitative ratings, there is no one analyst in which a given report is attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative equity ratings used in this report. 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.

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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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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.

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