

# Melrose Industries Plc (MRO:LN)



**London**  
Stock Exchange

Industrials/Diversified Industrials

Price: 165.65 GBX

Report Date: November 25, 2020

## Business Description and Key Statistics

Melrose Industries is principally engaged in acquiring manufacturing businesses. Co. has five operating segments: Aerospace, which is a multi-technology global supplier of both civil and defence airframes and engine structures; Automotive, which comprises Driveline, All Wheel Drive and eDrive (together ePowertrain) and Cylinder Liners businesses; Powder Metallurgy, which is a global provider of powder metal parts for the automotive and industrial sectors, as well as producer of powder metal; Nortek Air Management, which comprises Co.'s Air Management businesses; and Other Industrial, which comprises Co.'s Ergotron, Brush and Security & Smart Technology businesses.

**Website:** www.melroseplc.net  
**ICB Industry:** Industrials  
**ICB Subsector:** Diversified Industrials  
**Address:** Leconfield House; Curzon Street  
 London  
 GBR  
**Employees:** 56,092

	Current	YTY % Chg
<b>Revenue LFY (M)</b>	10,967	27.4
<b>Operating EPS LFY</b>	-0.01	10.0
<b>Market Value (M)</b>	8,048	
<b>Shares Outstanding (000)</b>	4,858,255	
<b>Book Value Per Share</b>	1.55	
<b>EBITDA Margin %</b>	7.10	
<b>Net Margin %</b>	-0.4	
<b>Long-Term Debt / Capital %</b>	31.4	
<b>Dividends and Yield TTM</b>	0.03 - 2.05%	
<b>Payout Ratio TTM %</b>	0.0	
<b>60-Day Average Volume (000)</b>	14,685	
<b>52-Week High &amp; Low</b>	248.50 - 74.36	
<b>Price / 52-Week High &amp; Low</b>	0.67 - 2.23	

## Price, Moving Averages & Volume



Melrose Industries Plc is currently trading at 165.65 which is 25.4% above its 50 day moving average price of 132.08 and 33.6% above its 200 day moving average price of 123.95.

MRO:LN is currently 33.3% below its 52-week high price of 248.50 and is 122.8% above its 52-week low price of 74.36. Over the past 52-weeks, MRO:LN is down 29.2% while on a calendar year-to-date basis it is down 31.0%.

The Relative Strength Index (RSI) indicator for MRO:LN is currently 70.22. An RSI value of 70 and above is considered overbought and 30 and below oversold.

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## Price Performance, Technical Indicators & Risk Metrics

Price Performance	% Change	Difference vs FTSE 350	Technical Indicators	
1-Day %	1.53	2.25	50-Day Average Price	132.08
1-Week %	-0.15	-0.10	Price / 50-Day Average	1.25
4-Week %	37.30	25.80	200-Day Average Price	123.95
52-Week %	-29.15	-17.78	Price / 200-Day Average	1.34
Quarter-to-Date %	43.42	33.76	RSI - Relative Strength Index	70.22
Year-to-Date %	-31.01	-16.55	<b>Risk Metrics</b>	
Last Month %	3.59	7.75	Price Volatility	16.88
Last Quarter %	1.32	5.24	Sharpe Ratio	0.07
Last Calendar Year %	46.54	32.37	Sortino Ratio	0.10

## 5-Year Price Performance vs. FTSE 350

Melrose Industries Plc  
FTSE 350 Index

Current: 0.56 CAGR: -11.4%  
Current: 0.92 CAGR: -1.5%



Over the past five years, Melrose Industries Plc's stock price is down 44.3% which is 36.8% below the FTSE 350 Index performance of -7.5% over the same period. Melrose Industries Plc's cumulative annualized growth rate (CAGR) over the five year period has been -11.4% while that of the FTSE 350 Index has been -1.5%.

Over the past year, Melrose Industries Plc's stock price performance of -29.1% has underperformed that of the FTSE 350 Index by 17.8%. On a year-to-date basis, Melrose Industries Plc's stock price performance of -31.0% has underperformed the FTSE 350 Index by 16.6%.

Over the past week, Melrose Industries Plc's stock price performance of -0.1% has underperformed that of the FTSE 350 Index by 0.1%.

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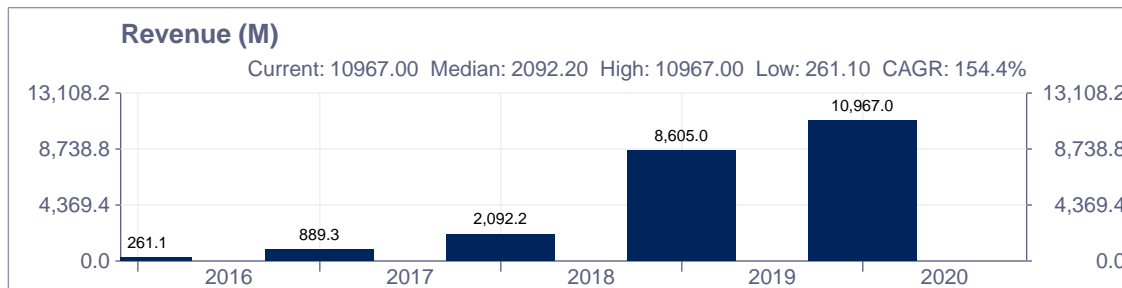
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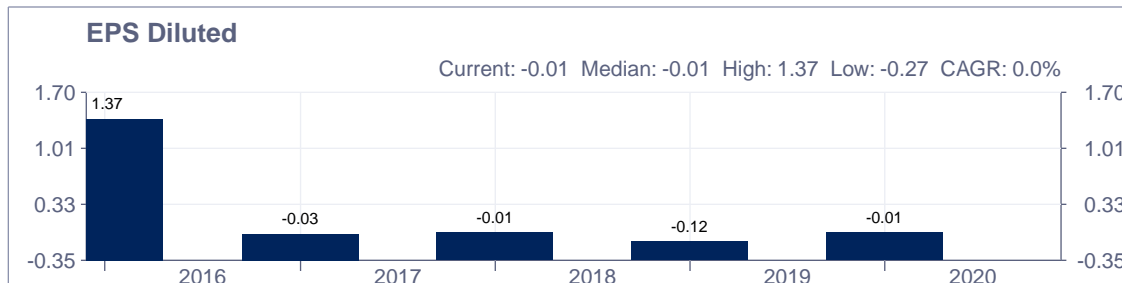
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## Growth and Profitability Metrics

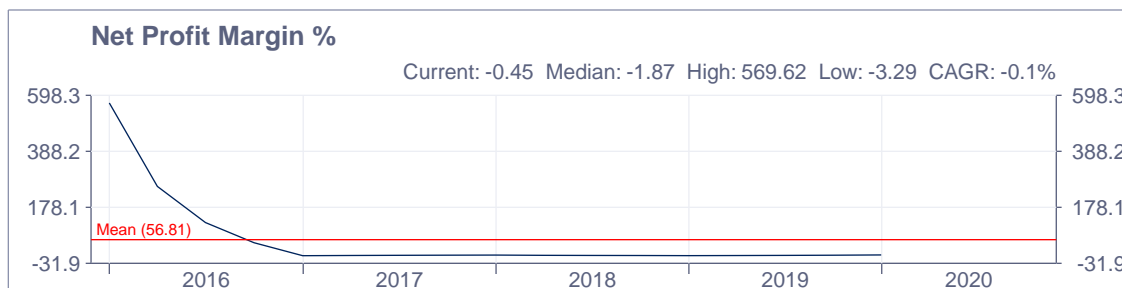
Historical Growth	3-Year	5-Year	10-Year	Profitability	Current	5-Year Average	10-Year Average
Revenues %	131.0	51.4	23.8	Gross Margin %	20.4	26.0	29.5
Revenues Per Share %	49.6	18.8	-3.4	EBITDA Margin %	7.1	0.3	7.2
EBITDA %	999.9	32.0	18.2	Pre-Tax Margin %	0.6	-5.2	2.1
Operating EPS %	77.3	-100.0	-100.0	Net Margin %	-0.4	56.8	43.8
Free Cash Flow %	32.8	6.3	-16.6	Return on Equity %	-0.7	6.5	16.1
Cash from Operations %	145.5	45.1	15.7	Return on Capital %	-0.4	5.8	11.8
Book Value %	10.6	1.1	0.1	Return on Assets %	-0.3	5.5	8.5



Melrose Industries Plc's cumulative annualized revenue growth rate over the charted period is 154.4%. This compares to revenue growth of 27.4% last fiscal year and cumulative annualized growth of 131.0% over the past 3 years.



Melrose Industries Plc's cumulative annualized EPS growth rate over the charted period is 0.0%. This compares to EPS growth of 10.0% last fiscal year and cumulative annualized growth of 77.3% over the past 3 years.



Melrose Industries Plc's net profit margin last fiscal year of -0.4% is 57.3% below the period's mean net margin of 56.8%. During the charted period, the observed net profit margin high and low were 569.6% and -3.3% respectively.



Melrose Industries Plc's return on equity of -0.7% is 7.2% below the period's mean return on equity of 6.5%. During the charted period, the observed ROE high and low were 75.6% and -10.4% respectively.

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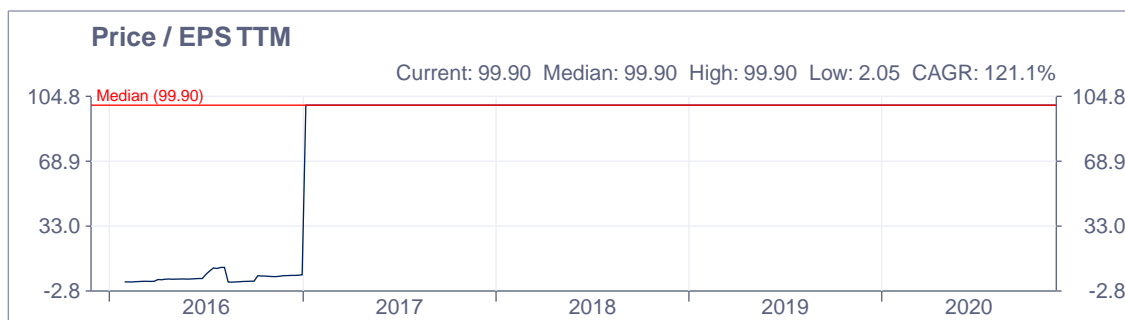
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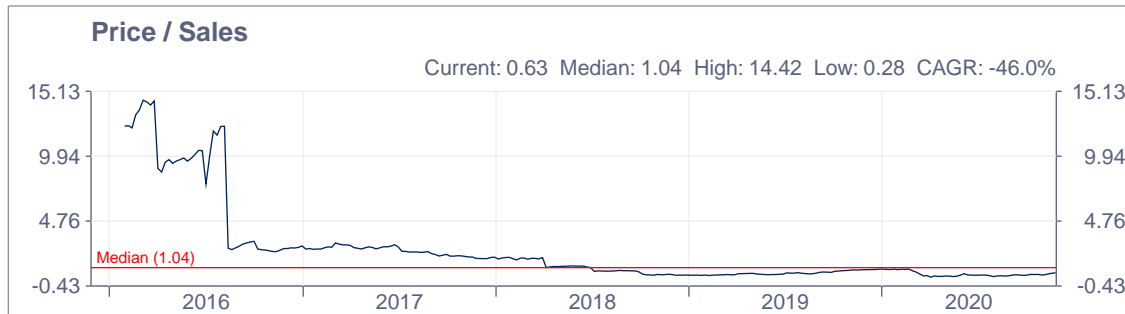
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## Valuation Metrics

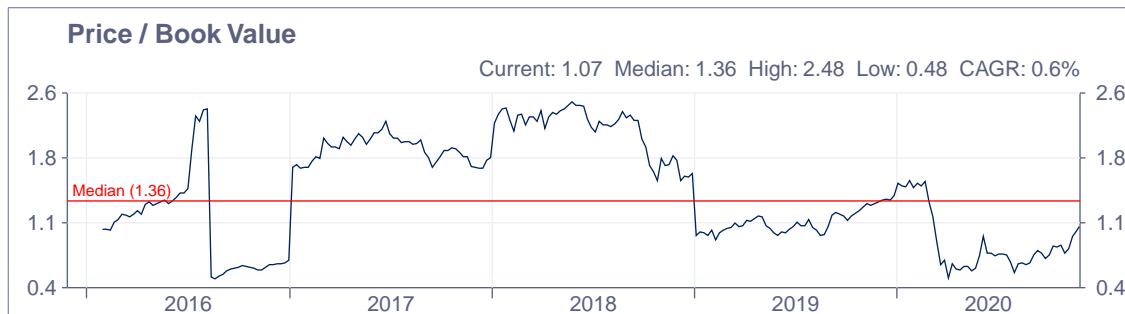
	Current	5-Year Median	10-Year Median		Current	5-Year Median	10-Year Median
Price / EPS TTM	99.9	99.0		Earnings Yield %	-1.04	-1.09	
Price / Sales	0.6	1.0		Free Cash Flow Yield %	4.10	0.71	
Price / Operating Cash Flow	15.5	78.1		Dividend Yield %	2.05	2.05	
Price / Book Value	1.1	1.4		Enterprise Value / EBITDA	14.5	50.0	



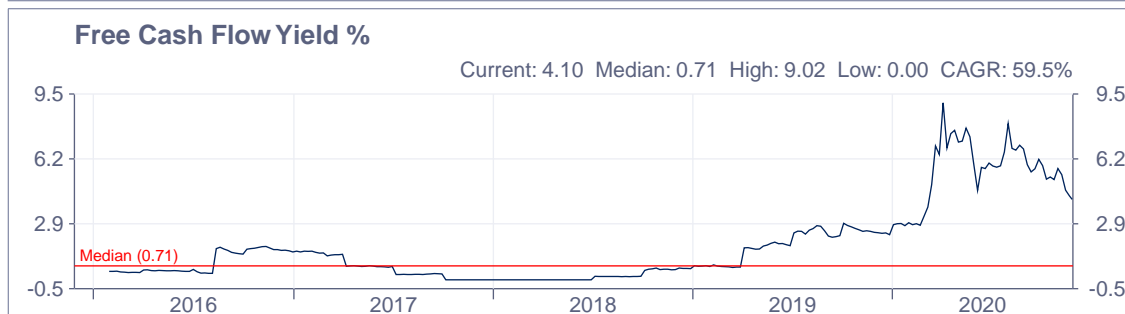
Melrose Industries Plc is trading at 99.90 times its EPS generated during the latest fiscal year. This multiple is equal to the historically observed median of 99.90, while high and low observations have been 99.90 and 2.05.



Melrose Industries Plc is trading at a Price to Sales ratio of 0.63 based on sales generated during the latest fiscal year. This ratio is below the historically observed median ratio of 1.04, while high and low observations have been 14.42 and 0.28.



Melrose Industries Plc is trading at a Price to Book ratio of 1.07 based on book value at the latest fiscal year end. This ratio is below the historically observed median of 1.36, while high and low observations have been 2.48 and 0.48.



Melrose Industries Plc has a Free Cash Flow Yield of 4.10% based on free cash flow generated during the latest fiscal year. This value is above the historically observed median yield of 0.71%, while high and low observations have been 9.02 and 0.00.

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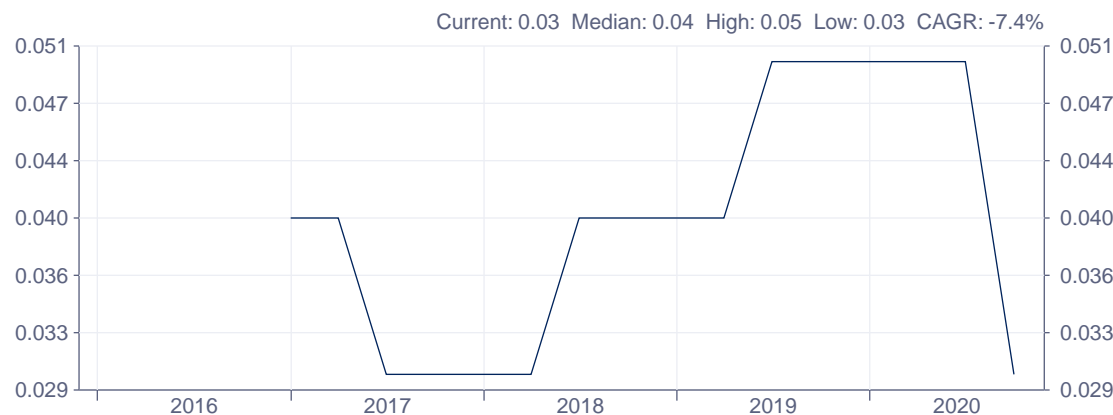
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## Dividends Data

Dividends Per Share TTM	0.03	Payout Ratio TTM %	0.00%	Dividend Yield TTM %	2.05%
Rate	Ex Date	Record Date	Payment Date	Currency	Note
0.034	02-04-2020	03-04-2020	20-05-2020	GBP	THE BOARD HAS DECIDED NOT TO PAY THE FINAL DIVIDEND.
0.017	12-09-2019	13-09-2019	11-10-2019	GBP	INTERIM GROSS
0.031	04-04-2019	05-04-2019	20-05-2019	GBP	FINAL GROSS
0.016	13-09-2018	14-09-2018	12-10-2018	GBP	INTERIM GROSS
0.028	05-04-2018	06-04-2018	21-05-2018	GBP	FINAL GROSS
0.014	07-09-2017	08-09-2017	06-10-2017	GBP	INTERIM GROSS
0.019	06-04-2017	07-04-2017	16-05-2017	GBP	FINAL GROSS
0.014	04-08-2016	05-08-2016	01-09-2016	GBP	INTERIM GROSS
0.026	07-04-2016	08-04-2016	16-05-2016	GBP	FINAL GROSS

## Dividend Growth and Yield

### Dividends Per Share TTM



Melrose Industries Plc's trailing 12-month dividend per share is 0.03 and its dividend has grown at a cumulative annualized rate of -7.4% over the charted period. This compares to dividend growth of -28.40% over the past year and cumulative annualized growth of 1.00% over the past 3 years.

### Dividend Yield TTM %



Melrose Industries Plc's current dividend yield is 2.05% based on trailing 12 month dividends. The current yield is equal to the historically observed median yield of 2.05% and, over the charted time period, the observed high yield has been 6.31% and the observed low yield has been 1.37%.

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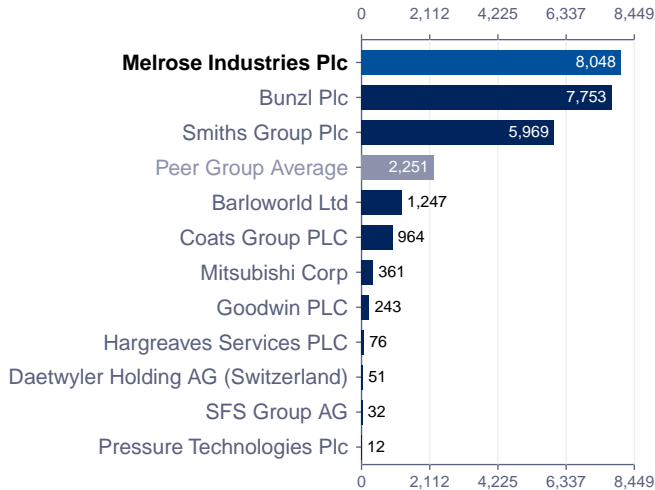
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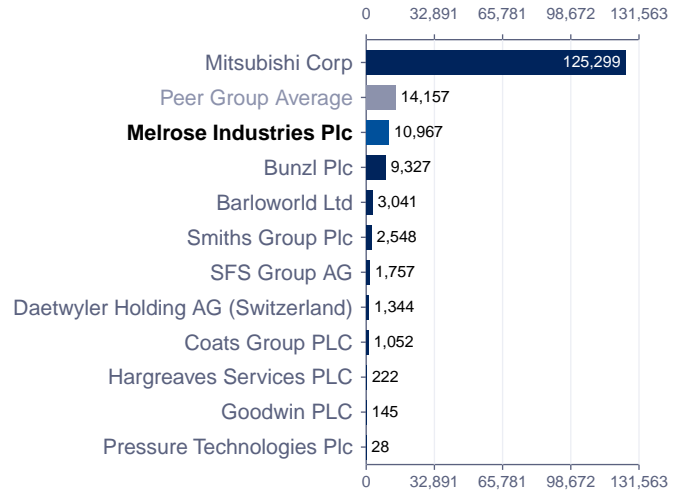
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## Subsector Peer Comparisons

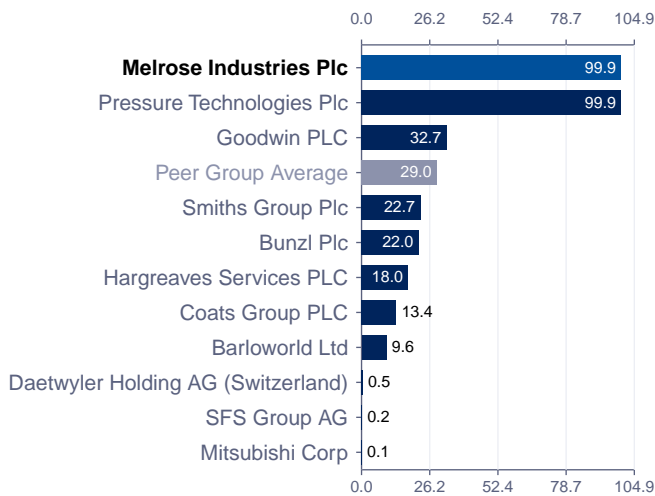
**Market Value (M)**



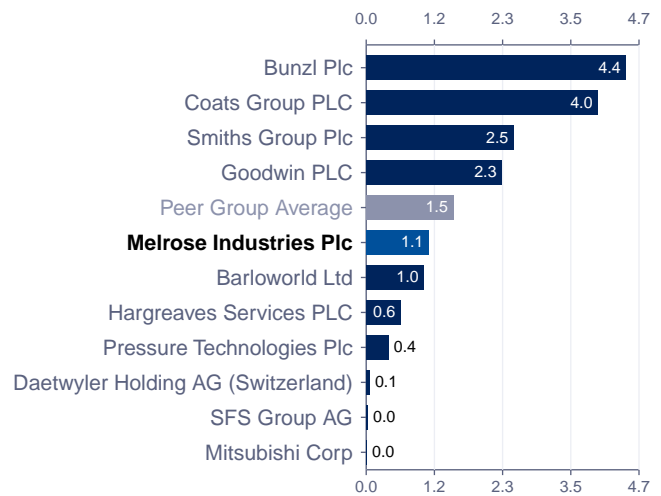
**Revenue LFY (M)**



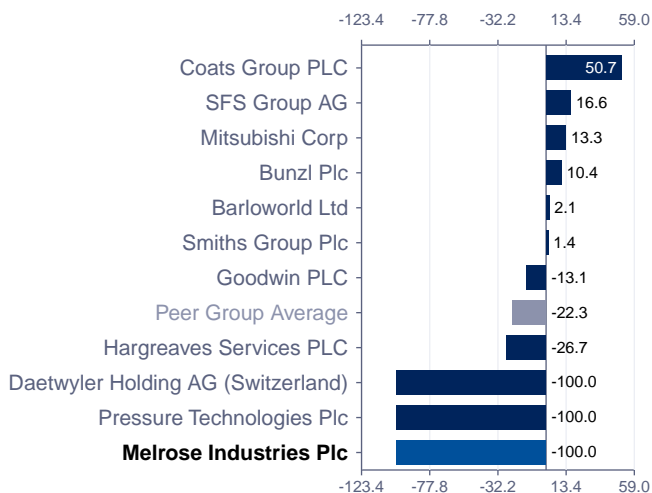
**Price / EPS TTM**



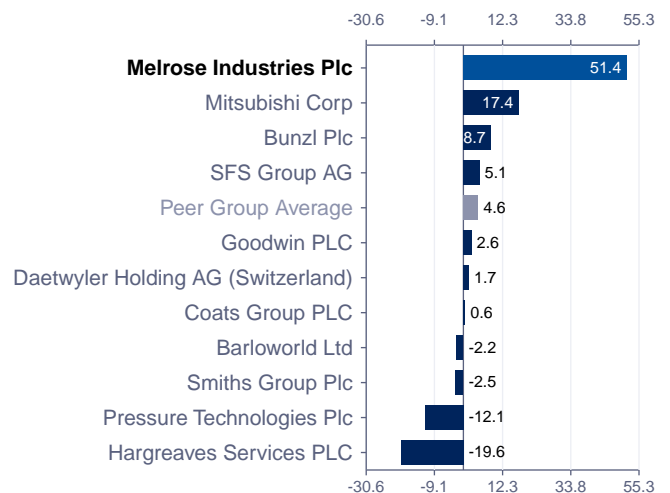
**Price / Book Value**



**EPS 5-Year Growth Rate %**



**Revenue 5-Year Growth Rate %**





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## Abbreviations:

<b>CAGR</b>	- Cumulative annual growth rate.
<b>EBIT</b>	- Earnings before interest and taxes.
<b>EBITDA</b>	- Earnings before interest, taxes, depreciation & amortization.
<b>LFY</b>	- Last fiscal year
<b>M</b>	- Million
<b>LON</b>	- London Stock Exchange

## Definitions:

**Market Value** - Weekly Price times latest Shares Outstanding times any applicable ADR factor.

**Revenue** - Sum of the last four quarters of Revenues.

**Revenue Per Share** - Sum of the last four quarters of Total Revenue divided by Weighted Average Shares Outstanding.

**Operating EPS LFY** - EPS excluding non-recurring, non-operating items, fiscal year aligned TTM value.

**60-Day Average Volume (000)** - The average of the last 60 daily volume values in thousands of shares.

**Price 52-Week High** - The high closing price from the last 52 weeks of daily closing prices.

**Price 52-Week Low** - The low closing price from the last 52 weeks of daily closing prices.

**Price / 52-Week High** - Latest price divided by the high price from the past 52 weeks of daily closing prices.

**Price / 52-Week Low** - Latest price divided by the low price from the past 52 weeks of daily closing prices.

**50-Day Average Price** - Mean of last 50 daily closing prices.

**200-Day Average Price** - Mean of last 200 daily closing prices.

**Price / 50-Day Average Price** - Latest closing price divided by mean of last 50 daily closing prices, as a percentage.

**Price / 200-Day Average Price** - Latest closing price divided by mean of last 200 daily closing prices, as a percentage.

**Relative Strength Index** - Relative Strength Index or RSI measures the magnitude of gains over a given time period against the magnitude of losses over that period. The equation is  $RSI = 100 - 100 / (1 + RS)$  where  $RS = (\text{total gains} / n) / (\text{total losses} / n)$  and  $n = \text{number of RSI periods}$ . In this item, 14 days is used and one year of daily prices are considered. A value of 30 or below may imply oversold and 70 or above may imply overbought.

**Price Volatility** - The standard deviation of the last 20 days of daily closing prices.

**Sharpe Ratio** - The 5 year average of the excess monthly return over the risk - free rate (1 - month T - bill) over the 5 year standard deviation of the same series.

**Sortino Ratio** - The same calculation as the Sharpe Ratio but with positive excess returns set to zero for the standard deviation denominator, so only negative volatility weighs in.

**Dividends Per Share TTM** - Sum of the last four quarters of Dividends Per Share.

**Payout Ratio** - Dividends Per Share TTM divided by Operating EPS TTM.

**Dividend Yield TTM %** - Sum of the last four quarter of Dividends Per Share divided by Weekly Price.

**EBITDA** - Sum of the last four quarters of EBITDA (Operating Income + Depreciation & Amortization).

**Free Cash Flow** - Sum of the last four quarters Net Cash from Operations minus Capital Expenditures (Purchase of Property, Plant & Equipment), from the Cash Flow Statement.

**Book Value** - Total Common Equity last quarter divided by Shares Outstanding last quarter.

**Book Value Per Share** - Total Common Equity last quarter divided by Shares Outstanding last quarter.

**Gross Margin %** - Sum of the last four quarters Gross Profit divided by the sum of the last four quarters Revenues.

**EBITDA Margin %** - Sum of the last four quarters EBITDA divided by the sum of the last four quarters Revenues.

**Pre-Tax Margin %** - Sum of the last four quarters of Earnings Before Taxes divided by sum of the last four quarters Revenues.

**Net Profit Margin %** - Sum of the last four quarters of Operating EPS divided by sum of the last four quarters Revenues Per Share.

**Return on Equity %** - Sum of the last four quarters of Operating EPS divided by the average of the last four quarters Book Value.

**Return on Capital %** - Sum of the last four quarters of Operating EPS divided by the average of the last four quarters Total Capital Per Share.

**Return on Assets %** - Sum of the last four quarters of Operating EPS divided by the average of the last four quarters Total Assets Per Share.

**Price / EPS TTM** - Weekly Price divided by the sum of the last four quarters of Operating EPS (capped at 99.9).

**Price / Sales** - Weekly Price divided by Revenues Per Share TTM.

**Price / Book Value** - Weekly Price divided by Book Value Per Share last quarter. Book Value Per Share is Total Common Equity last quarter divided by Shares Outstanding last quarter (capped at 49.9).

**Free Cash Flow Yield %** - Free Cash Flow Per Share TTM divided by Weekly Price.

**Enterprise Value** - Market Value plus Total Debt last year plus Preferred Equity last year minus Cash & Cash Equivalents last year.

**Enterprise Value / Sales** - Enterprise Value divided by the sum of the last four quarters of Revenue.

**Enterprise Value / EBITDA** - Enterprise Value divided by EBITDA TTM.

**Enterprise Value / EBIT** - Enterprise Value divided by trailing four quarters of Operating Income.

**Enterprise Value / Free Cash Flow** - Enterprise Value divided by the sum of the last four quarters of Free Cash Flow.

**Russell 1000 Index** - The largest 1,000 stocks by market cap, the index comprehensively covers the US large cap universe.

EPS 5-Year Growth Rate % is capped at 999.9%.

Revenue 5-Year Growth Rate % is capped at 999.9%.



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