



**CATÓLICA
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Mota-Engil

Equity Valuation

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Abstract

The purpose of this thesis is to obtain the value of an equity investment through a deep study of the company and industry fundamentals. The selection of the firm was based on my big interest in the construction industry, which I developed from my work experience in a real estate company, as an intern. Particularly, Mota-Engil's impressive position among the top European players captured my attention leading to the choice of developing a broad analysis of its past and future performance.

The valuation methodology results from the analyzed literature review on the topic of equity valuation conciliating the theory and the practice.

According to the chosen company specificities, several methods were selected and resulted in an extensive equity valuation project.

With this work it has been possible to reach the conclusion that Mota-Engil's stocks are undervalued in the market with an upside potential of 18% resulting from the obtained price per share of 1,6€. This information can be translated into a Buy recommendation. This is the mirror of the company's strong international presence in emerging markets and its diversification policy that allows attractive profitability levels.