

Pharma Mar SA PHM [★] 21 Jul 2020 02:00 UTC

Last Close
21 Jul 2020
9.56

Fair Value^Q
21 Jul 2020 02:00 UTC
69.44

Market Cap
21 Jul 2020
2,105.1 Mil

Sector
Healthcare

Industry
Biotechnology

Country of Domicile
ESP Spain

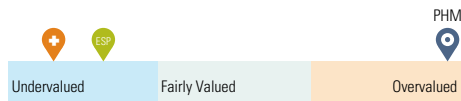
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Company Profile

Pharma Mar SA is engaged in the research, development, production, and commercialization of bio-active principles of marine origin for application in oncology. It also produces and market insecticides and air fresheners for household use, household products, wood treatment and decoration products, paints, and similar products. Its operating business segments are Oncology, Diagnostics, Consumer chemicals, and RNAi. The company obtains its revenues from two main areas: biopharmaceuticals and consumer chemicals, but the

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	60	72	46
Valuation	Overvalued	1	1	1
Quantitative Uncertainty High		86	84	82
Financial Health	Moderate	75	47	39



Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	1.65	0.95	0.82	0.87
Price/Earnings	—	83.6	26.5	15.0
Forward P/E	—	—	11.3	12.5
Price/Cash Flow	154.3	1,046.5	18.4	8.8
Price/Free Cash Flow	158.2	1,443.8	27.3	15.2
Trailing Dividend Yield %	0.42	—	1.50	3.93
Price/Book	25.9	167.7	3.4	1.9
Price/Sales	153.4	32.1	4.2	1.4

Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	150.3	-37.6	12.4	12.9
Return on Assets %	31.6	-6.4	6.2	3.3
Revenue/Employee (K)	340.5	221.1	309.2	240.3

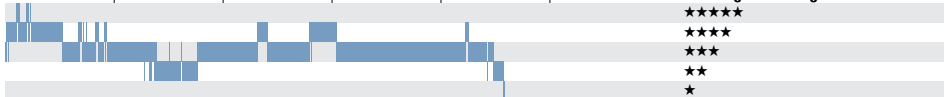
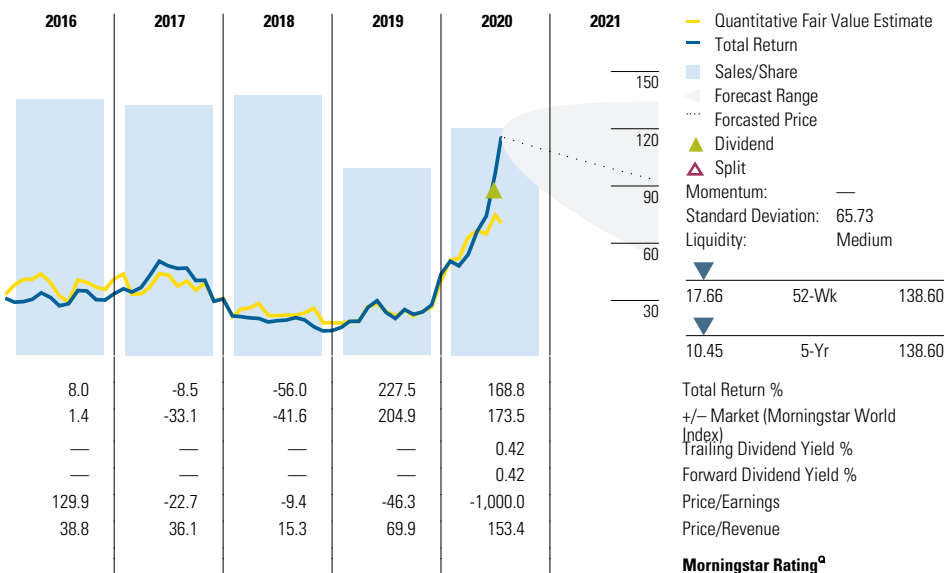
Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.6	0.5	0.6	0.7
Solvency Score	—	—	494.6	556.5
Assets/Equity	11.0	6.5	1.4	2.7
Long-Term Debt/Equity	4.7	2.5	0.1	0.4

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	-21.1	-22.0	-13.2	-3.6
Operating Income %	—	—	—	—
Earnings %	—	—	—	—
Dividends %	—	—	—	—
Book Value %	-47.0	-40.0	-29.4	-12.1
Stock Total Return %	428.7	35.2	18.7	11.9

Price vs. Quantitative Fair Value

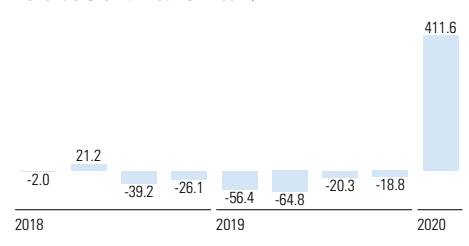


	2015	2016	2017	2018	2019	TTM	Financials (Fiscal Year in K)
Revenue	192,814	180,943	179,337	162,163	85,819	165,833	Revenue
% Change	29.7	-6.2	-0.9	-9.6	-47.1	93.2	% Change
Operating Income	11,329	-18,706	-17,681	-14,149	-17,475	62,153	Operating Income
% Change	-44.0	-265.1	—	—	—	—	% Change
Net Income	6,588	-24,082	-26,745	-5,535	-11,379	69,674	Net Income
Operating Cash Flow	11,101	-8,414	-1,459	-16,340	-26,137	164,891	Operating Cash Flow
Capital Spending	-9,221	-6,093	-4,665	-2,375	-3,911	-4,140	Capital Spending
Free Cash Flow	1,880	-14,507	-6,124	-18,715	-30,048	160,751	Free Cash Flow
% Sales	1.0	-8.0	-3.4	-11.5	-35.0	96.9	% Sales
EPS	0.36	-1.32	-1.44	-0.30	-0.60	-0.23	EPS
% Change	-50.0	-466.7	—	—	—	—	% Change
Free Cash Flow/Share	-0.04	-0.02	0.00	-0.10	-0.11	0.72	Free Cash Flow/Share
Dividends/Share	—	—	—	—	—	—	Dividends/Share
Book Value/Share	4.38	3.26	2.12	1.74	-0.29	0.37	Book Value/Share
Shares Outstanding (K)	18,442	18,416	18,440	18,436	18,496	18,359	Shares Outstanding (K)
Return on Equity %	9.4	-37.3	-67.5	-23.0	-69.5	150.3	Return on Equity %
Return on Assets %	3.2	-11.1	-13.1	-3.2	-8.1	31.6	Return on Assets %
Net Margin %	3.4	-13.3	-14.9	-3.4	-13.3	42.0	Net Margin %
Asset Turnover	0.93	0.84	0.88	0.94	0.61	0.75	Asset Turnover
Financial Leverage	2.8	4.2	7.0	7.4	11.0	3.4	Financial Leverage
Gross Margin %	76.3	75.7	74.5	77.9	93.9	96.4	Gross Margin %
Operating Margin %	5.9	-10.3	-9.9	-8.7	-20.4	37.5	Operating Margin %
Long-Term Debt	64,973	67,583	73,607	64,922	53,063	43,554	Long-Term Debt
Total Equity	76,874	52,358	26,866	21,373	11,374	81,304	Total Equity
Fixed Asset Turns	6.4	5.9	5.8	5.6	3.3	6.5	Fixed Asset Turns

Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2020	99.5	—	—	—	—
2019	19.4	22.0	21.1	23.3	85.8
2018	44.6	62.4	26.4	28.8	162.2
2017	45.5	51.5	43.5	38.9	179.3
Earnings Per Share (€)					
2020	3.82	—	—	—	—
2019	-0.57	-0.59	-0.31	0.84	-0.60
2018	-0.07	0.24	0.11	-0.57	-0.30
2017	-0.13	-0.27	-0.38	-0.67	-1.44

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

Other Definitions

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.

Overvalued – Last Price is above Morningstar's quantitative fair value estimate.

This Report **has not been made available** to the issuer of the security prior to publication.

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