### Key Metrics as of 3 Aug 2023

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<tbody>
<tr>
<td>Earnings Yield (%)</td>
<td>3.4</td>
<td>4.0</td>
<td>5.1</td>
<td>5.3</td>
<td>5.4</td>
<td>5.3</td>
<td>5.2</td>
<td>5.0</td>
<td>4.8</td>
<td>5.0</td>
<td>4.9</td>
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<tr>
<td>Sales Yield (%)</td>
<td>28.2</td>
<td>34.0</td>
<td>39.0</td>
<td>41.0</td>
<td>41.0</td>
<td>41.0</td>
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<td>41.0</td>
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<tr>
<td>Book Value Yield (%)</td>
<td>33.8</td>
<td>40.0</td>
<td>48.0</td>
<td>48.0</td>
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<td>48.0</td>
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<tr>
<td>Return on Assets (%)</td>
<td>4.6</td>
<td>8.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
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<td>10.0</td>
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<tr>
<td>Revenue (M€)</td>
<td>191.4</td>
<td>170.0</td>
<td>160.0</td>
<td>150.0</td>
<td>150.0</td>
<td>150.0</td>
<td>150.0</td>
<td>150.0</td>
<td>150.0</td>
<td>150.0</td>
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<tr>
<td>Market Value (M€)</td>
<td>679.6</td>
<td>660.0</td>
<td>660.0</td>
<td>660.0</td>
<td>660.0</td>
<td>660.0</td>
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<td>660.0</td>
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<tr>
<td>Enterprise Value (M€)</td>
<td>525.2</td>
<td>64.0</td>
<td>64.0</td>
<td>64.0</td>
<td>64.0</td>
<td>64.0</td>
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<td>64.0</td>
<td>64.0</td>
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<tr>
<td>EV/Rev Ratio</td>
<td>0.8</td>
<td>2.7</td>
<td>2.7</td>
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<td>2.7</td>
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<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
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<tr>
<td>Volatility TTM (%)</td>
<td>28.2</td>
<td>23.0</td>
<td>23.0</td>
<td>23.0</td>
<td>23.0</td>
<td>23.0</td>
<td>23.0</td>
<td>23.0</td>
<td>23.0</td>
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<tr>
<td>Drawdown TTM (%)</td>
<td>57.6</td>
<td>68.0</td>
<td>68.0</td>
<td>68.0</td>
<td>68.0</td>
<td>68.0</td>
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<tr>
<td>Volume (K)</td>
<td>59.2</td>
<td>28.0</td>
<td>28.0</td>
<td>28.0</td>
<td>28.0</td>
<td>28.0</td>
<td>28.0</td>
<td>28.0</td>
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**Economic Moat**

<table>
<thead>
<tr>
<th>None</th>
<th>Extreme</th>
<th>0.6</th>
<th>1.0</th>
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<tr>
<td>5.0</td>
<td>0.0</td>
<td>1.0</td>
<td>0.5</td>
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**Economic Moat History as of 4 Aug 2023**

Business Description

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 markets 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 biopharmaceuticals is the main line of business.

Valuation

Morningstar maintains a 3-star quantitative star rating for Pharma Mar, derived from the firm's valuation and uncertainty scores.

The company's shares last closed at 34.58 below our quantitative fair value estimate of 56.77. These shares have traded between a 39.08% and 3.58% discount to their fair value estimate over the past year. In Morningstar's equity coverage universe for the healthcare sector, the firm's return on assets and EV/MV ratio. The return on invested capital of 8.26%. The shares offer a dividend yield of 1.9%. These values are calculated over a trailing 12-month period.

The key factors behind these ratings are the company's value-to-market ratio. The book value yield for Pharma Mar is 33.83%, and its enterprise value-to-market value ratio is 0.77. They sit at the 32nd and 18th percentile in the global equity universe, respectively.

Economic Moat

Morningstar maintains a quantitative moat rating of None on the company. The firm's quantitative moat score of 0.45 sits at the 51st percentile in the healthcare sector. This is a decrease from 0.99, the maximum of its moat scores over the past year. The quantitative financial health rating for Pharma Mar is Strong. Its financial health score, termed Distance to Default, sits at the 88th percentile in the universe and 94th percentile in the sector.

The significant drivers of these ratings are the company's book value yield and enterprise value-to-market value ratio. The book value yield for Pharma Mar is 33.83%, and its enterprise value-to-market value ratio is 0.77. They sit at the 32nd and 18th percentile in the global equity universe, respectively.

Fundamentals

Pharma Mar maintains earnings per share of 1.16. The company further earns a return on invested capital of 8.26%. The shares offer a dividend yield of 1.9%. These values are calculated over a trailing 12-month period.

As of last market close, Pharma Mar has a price-to-earnings ratio of 29.87, falling below the 56th percentile in its sector (where a lower percentile means a lower ratio) and ranging between 11.31 and 30.43 over the past year.

Contact

Avenida de los Reyes, 1, Madrid, — 28770 +34 918465000 —

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Pharma Mar SA PHM ★★★ Q 4 Aug 2023, 22:36 UTC

**Financials as of 4 Aug 2023 (Fiscal Year End 31 Dec 2020)**

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<tbody>
<tr>
<td>Revenue (Mil)</td>
<td>140</td>
<td>174</td>
<td>193</td>
<td>161</td>
<td>159</td>
<td>109</td>
<td>86</td>
<td>270</td>
<td>230</td>
<td>196</td>
<td>80</td>
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<tr>
<td>Operating Income (Mil)</td>
<td>18.86</td>
<td>20.24</td>
<td>11.38</td>
<td>18.71</td>
<td>19.54</td>
<td>16.03</td>
<td>17.48</td>
<td>156.21</td>
<td>92.35</td>
<td>44.44</td>
<td>1.67</td>
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<tr>
<td>Operating Margin (%)</td>
<td>13.49</td>
<td>11.63</td>
<td>5.98</td>
<td>-10.34</td>
<td>-12.3</td>
<td>-14.74</td>
<td>-20.36</td>
<td>57.86</td>
<td>40.18</td>
<td>22.63</td>
<td>2.08</td>
<td></td>
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<tr>
<td>Earnings (Mil)</td>
<td>11.32</td>
<td>13.12</td>
<td>6.59</td>
<td>-24.08</td>
<td>-26.75</td>
<td>-5.54</td>
<td>-11.38</td>
<td>137.26</td>
<td>92.86</td>
<td>49.36</td>
<td>6.44</td>
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<tr>
<td>Net Income (Mil)</td>
<td>0.86</td>
<td>0.72</td>
<td>0.36</td>
<td>-1.32</td>
<td>-1.45</td>
<td>-0.36</td>
<td>-0.80</td>
<td>7.50</td>
<td>5.13</td>
<td>2.73</td>
<td>0.36</td>
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<tr>
<td>Diluted Earnings/Share</td>
<td>20.73</td>
<td>22.79</td>
<td>11.08</td>
<td>-8.41</td>
<td>-1.46</td>
<td>-15.83</td>
<td>-24.21</td>
<td>278.94</td>
<td>25.68</td>
<td>38.32</td>
<td>-3.78</td>
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<tr>
<td>Operating Cash Flow (Mil)</td>
<td>-6.48</td>
<td>-10.18</td>
<td>-9.29</td>
<td>-6.09</td>
<td>-4.67</td>
<td>-1.89</td>
<td>-3.96</td>
<td>-3.00</td>
<td>-7.80</td>
<td>-8.05</td>
<td>-5.73</td>
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**Valuation as of 4 Aug 2023**

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<tbody>
<tr>
<td>Price/Fair Value</td>
<td>1.15</td>
<td>1.65</td>
<td>0.96</td>
<td>0.83</td>
<td>0.97</td>
<td>0.75</td>
<td>1.09</td>
<td>1.09</td>
<td>0.59</td>
<td>0.68</td>
<td>0.61</td>
<td></td>
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<tr>
<td>Price/Sales</td>
<td>3.72</td>
<td>3.97</td>
<td>3.47</td>
<td>3.23</td>
<td>3.01</td>
<td>1.28</td>
<td>5.82</td>
<td>5.25</td>
<td>5.36</td>
<td>5.04</td>
<td>3.89</td>
<td></td>
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<tr>
<td>Price/Earnings</td>
<td>32.52</td>
<td>41.44</td>
<td>163.20</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>8.78</td>
<td>17.36</td>
<td>13.85</td>
<td>30.30</td>
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<tr>
<td>Price/Cash Flow</td>
<td>—</td>
<td>23.58</td>
<td>98.68</td>
<td>166.78</td>
<td>151.09</td>
<td>—</td>
<td>4.79</td>
<td>29.48</td>
<td>28.18</td>
<td>59.56</td>
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**Operating Performance as of 4 Aug 2023 (Fiscal Year End 31 Dec 2020)**

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<tbody>
<tr>
<td>Return on Assets</td>
<td>5.82</td>
<td>6.71</td>
<td>3.19</td>
<td>-11.12</td>
<td>-13.08</td>
<td>-3.21</td>
<td>-8.06</td>
<td>60.34</td>
<td>26.58</td>
<td>12.96</td>
<td>1.37</td>
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<tr>
<td>Return on Equity</td>
<td>23.7</td>
<td>22.4</td>
<td>9.36</td>
<td>-37.27</td>
<td>-67.52</td>
<td>-22.95</td>
<td>-69.5</td>
<td>240</td>
<td>65.18</td>
<td>24.62</td>
<td>2.35</td>
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**Dividends as of 4 Aug 2023**

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<tbody>
<tr>
<td>Dividend Per Share</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>0.48</td>
<td>0.60</td>
<td>0.65</td>
<td>0.65</td>
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<tr>
<td>Trailing Dividend Yield</td>
<td>0.33</td>
<td>0.3</td>
<td>0.56</td>
<td>0.2</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>0.02</td>
<td>2.39</td>
<td>0.08</td>
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<tr>
<td>Buyback Yield</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
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Contact
http://www.pharmamar.com
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Quantitative Equity Ratings
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, Quantitative Uncertainty Rating, and momentum. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.
   - ★ – the stock is overvalued with a reasonable margin of safety.
     Log (Quant FVE/Price) < -1*Quantitative Uncertainty
     Micro-Caps: Log (Quant FVE/Price) < -1.5*Quantitative Uncertainty
   - ★★ – the stock is somewhat overvalued.
     Log (Quant FVE/Price) between (-1*Quantitative Uncertainty, -0.5*Quantitative Uncertainty)
     Micro-Caps: Log (Quant FVE/Price) between (-1.5*Quantitative Uncertainty, -0.75*Quantitative Uncertainty)
   - ★★★ – the stock is approximately fairly valued.
     Log (Quant FVE/Price) between (-0.5*Quantitative Uncertainty, 0.5*Quantitative Uncertainty)
     Micro-Caps: Log (Quant FVE/Price) between (-0.75*Quantitative Uncertainty, 0.75*Quantitative Uncertainty)
   - ★★★★ – the stock is undervalued with a reasonable margin of safety.
     Log (Quant FVE/Price) between (0.5*Quantitative Uncertainty, 1*Quantitative Uncertainty)
     Micro-Caps: Log (Quant FVE/Price) between (0.75*Quantitative Uncertainty, 1.5*Quantitative Uncertainty)
   - ★★★★★ – the stock is undervalued with a reasonable margin of safety.
     Log (Quant FVE/Price) > 1*Quantitative Uncertainty
     Micro-Caps: Log (Quant FVE/Price) > 1.5*Quantitative Uncertainty

After the initial calculation for the star rating, there is a final filtering step based on the momentum of the company. We rank the companies based on their 12-1 month momentum, then restrict those below the 30th percentile to a maximum of 3 stars.

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.

Sustainalytics ESG Risk Rating Assessment: The ESG Risk Rating Assessment is provided by Sustainalytics; a Morningstar company. Sustainalytics’ ESG Risk Ratings measure the degree to which company’s economic value at risk is driven by environment, social and governance (ESG) factors.

Sustainalytics analyzes over 1,300 data points to assess a company’s exposure to and management of ESG risks. In other words, ESG Risk Ratings measures a company’s unmanaged ESG Risks represented as a quantitative score. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) with lower scores representing less unmanaged risk and, for 95% of cases, the unmanaged ESG Risk score is below 50.

Based on their quantitative scores, companies are grouped into one of five Risk
Categories (negligible, low, medium, high, severe). These risk categories are absolute, meaning that a 'high risk' assessment reflects a comparable degree of unmanaged ESG risk across all subindustries covered.

The ESG Risk Rating Assessment is a visual representation of Sustainalytics ESG Risk Categories on a 1 to 5 scale. Companies with Negligible Risk = 5 Globes, Low Risk = 4, Medium Risk = 3 Globes, High Risk = 2 Globes, Severe Risk = 1 Globe. For more information, please visit sustainalytics.com/esg-ratings/

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