

# Medcom Tech SA MED ★★★<sup>Q</sup> 19 Nov 2019 02:00 UTC

**Last Close**  
19 Nov 2019  
1.20

**Fair Value<sup>Q</sup>**  
19 Nov 2019 02:00 UTC  
2.45

**Market Cap**  
19 Nov 2019  
15.1 Mil

**Sector**  
Healthcare

**Industry**  
Medical Distribution

**Country of Domicile**  
ESP Spain

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## Company Profile

Medcom Tech SA is engaged in the distribution of medical and surgical products in the areas of orthopedics, traumatology, and neurosurgery in Spain and Portugal.

## Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	44	53	28
Valuation	Undervalued	95	84	98
Quantitative Uncertainty Extreme		42	38	27
Financial Health	Moderate	37	17	8

MED



Undervalued	Fairly Valued	Overvalued
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Source: Morningstar Equity Research

## Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.49	0.80	0.82	0.87
Price/Earnings	2.9	108.5	26.5	15.0
Forward P/E	—	—	11.3	12.5
Price/Cash Flow	—	176.9	18.4	8.8
Price/Free Cash Flow	—	97.8	27.3	15.2
Trailing Dividend Yield %	—	—	1.50	3.93
Price/Book	1.5	4.5	3.4	1.9
Price/Sales	0.7	2.8	4.2	1.4

## Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	61.5	-40.0	12.4	12.9
Return on Assets %	15.5	-9.7	6.2	3.3
Revenue/Employee (K)	182.7	218.9	309.2	240.3

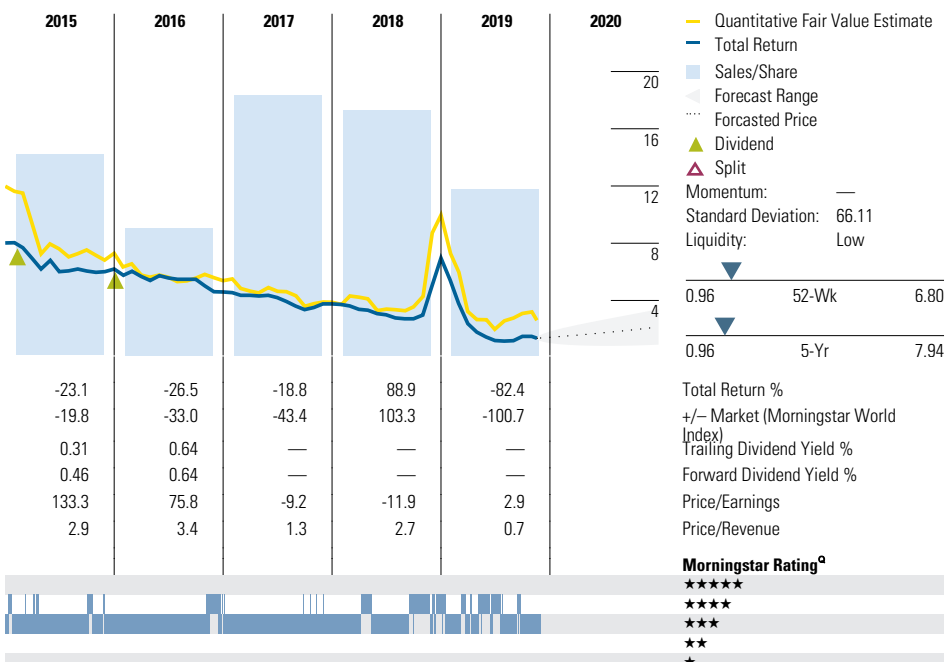
## Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.4	0.6	0.6	0.7
Solvency Score	410.7	—	494.6	556.5
Assets/Equity	6.1	3.7	1.4	2.7
Long-Term Debt/Equity	1.9	0.7	0.1	0.4

## Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	-15.1	-0.8	5.7	—
Operating Income %	—	—	—	—
Earnings %	—	—	—	—
Dividends %	—	—	—	—
Book Value %	-63.5	-33.7	-27.1	—
Stock Total Return %	-57.4	-36.0	-24.7	—

## Price vs. Quantitative Fair Value

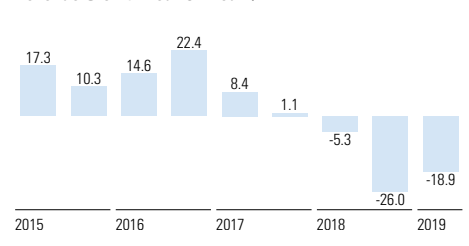


	2014	2015	2016	2017	2018	TTM	Financials (Fiscal Year in K)
Revenue	20,233	23,041	27,256	28,567	24,266	21,560	Revenue
% Change	9.9	13.9	18.3	4.8	-15.1	-11.2	% Change
Operating Income	2,063	1,573	-1,623	-2,188	-4,746	7,666	Operating Income
% Change	8.1	-23.7	-203.2	—	—	—	% Change
Net Income	575	395	-2,855	-2,403	-8,497	4,496	Net Income
Operating Cash Flow	940	-248	932	1,577	3,115	-1,090	Operating Cash Flow
Capital Spending	-1,455	-2,106	-2,633	-1,055	-844	-1,084	Capital Spending
Free Cash Flow	-514	-2,353	-1,701	522	2,271	-2,173	Free Cash Flow
% Sales	-2.5	-10.2	-6.2	1.8	9.4	-10.1	% Sales
EPS	0.05	0.04	-0.27	-0.22	-0.68	0.41	EPS
% Change	-26.2	-31.2	-824.1	—	—	—	% Change
Free Cash Flow/Share	-0.06	0.04	0.24	-0.60	0.42	-0.17	Free Cash Flow/Share
Dividends/Share	0.00	0.05	0.00	0.00	0.00	0.00	Dividends/Share
Book Value/Share	1.52	1.51	1.54	0.64	0.37	0.79	Book Value/Share
Shares Outstanding (K)	10,641	10,634	10,611	10,976	12,570	12,560	Shares Outstanding (K)
Return on Equity %	3.7	2.5	-23.8	-27.2	-127.6	61.5	Profitability
Return on Assets %	1.9	1.2	-7.6	-6.9	-30.1	15.5	Return on Assets %
Net Margin %	2.8	1.7	-10.5	-8.4	-35.0	20.9	Net Margin %
Asset Turnover	0.68	0.67	0.73	0.81	0.86	0.74	Asset Turnover
Financial Leverage	2.0	2.4	4.6	3.5	6.1	3.4	Financial Leverage
Gross Margin %	60.5	59.1	61.5	58.4	55.3	64.6	Gross Margin %
Operating Margin %	10.2	6.8	-6.0	-7.7	-19.6	35.6	Operating Margin %
Long-Term Debt	2,942	3,463	2,510	7,171	7,492	6,926	Long-Term Debt
Total Equity	15,444	15,789	8,181	9,470	3,849	9,926	Total Equity
Fixed Asset Turns	6.9	6.6	5.9	5.6	6.6	8.7	Fixed Asset Turns

## Semi-Annual Revenue & EPS

Revenue (K)	Mar	Jun	Sep	Dec	Total
2019	—	11,603.1	—	—	—
2018	—	14,309.3	—	9,957.0	24,266.2
2017	—	15,112.2	—	13,454.8	28,567.0
2016	—	13,946.4	—	13,309.3	27,255.8
Earnings Per Share (€)					
2019	—	0.66	—	—	—
2018	—	-0.43	—	-0.30	-0.68
2017	—	-0.08	—	-0.15	-0.22
2016	—	0.05	—	-0.32	-0.27

## Revenue Growth Year On Year %



# Quantitative Equity Reports Overview

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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*

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**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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**Fairly Valued – Last Price** is in line with Morningstar's quantitative fair value estimate.

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