

# Biosearch S.A BIO ★★★<sup>Q</sup> 20 Nov 2019 02:00 UTC

**Last Close**  
20 Nov 2019  
0.93

**Fair Value<sup>Q</sup>**  
20 Nov 2019 02:00 UTC  
1.25

**Market Cap**  
20 Nov 2019  
52.9 Mil

**Sector**  
Healthcare

**Industry**  
Biotechnology

**Country of Domicile**  
ESP Spain

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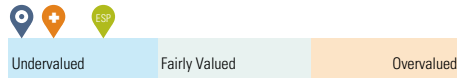
## Company Profile

Biosearch S.A a biotechnology company, operates in pharmaceutical, nutraceutical, and functional food sectors in Spain and internationally. It offers a portfolio products in lipids, probiotics, and botanical extracts. The company provides a range of probiotics isolated from human breast milk under the Hereditum brand for use in infant nutrition, gastrointestinal health, and immune system and prevention of infections.

## Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	None	44	53	28
Valuation	Undervalued	64	50	87
Quantitative Uncertainty	Very High	54	64	40
Financial Health	Moderate	61	42	34

BIO



Source: Morningstar Equity Research

## Valuation

	Current	5-Yr Avg	Sector Median	Country Median
Price/Quant Fair Value	0.74	0.85	0.82	0.87
Price/Earnings	26.5	39.9	26.5	15.0
Forward P/E	—	—	11.3	12.5
Price/Cash Flow	14.3	20.2	18.4	8.8
Price/Free Cash Flow	24.0	38.2	27.3	15.2
Trailing Dividend Yield %	—	—	1.50	3.93
Price/Book	2.3	1.9	3.4	1.9
Price/Sales	2.2	2.0	4.2	1.4

## Profitability

	Current	5-Yr Avg	Sector Median	Country Median
Return on Equity %	8.5	1.0	12.4	12.9
Return on Assets %	6.0	1.0	6.2	3.3
Revenue/Employee (K)	156.8	162.0	309.2	240.3

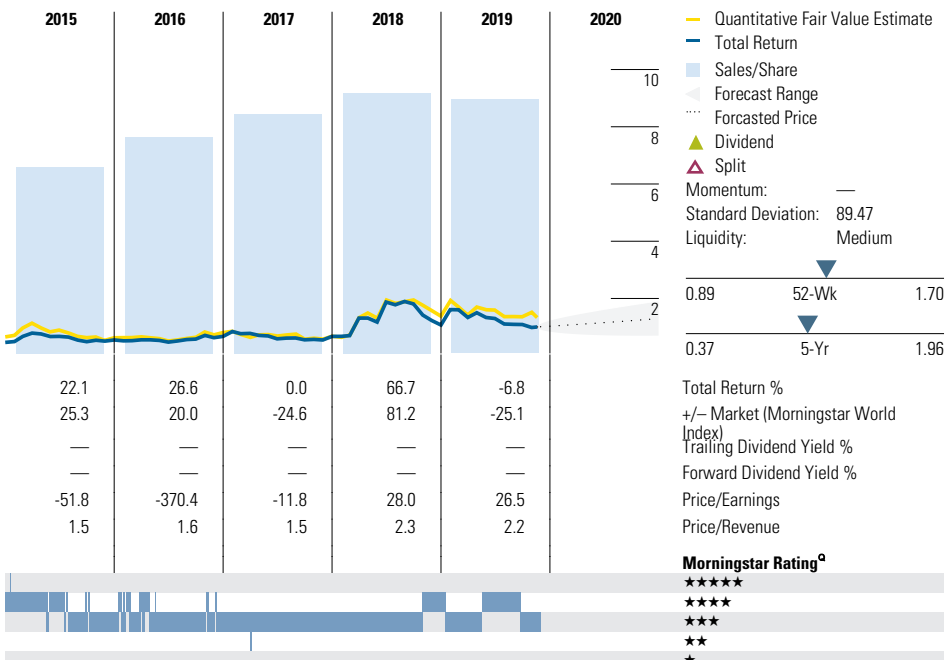
## Financial Health

	Current	5-Yr Avg	Sector Median	Country Median
Distance to Default	0.6	0.4	0.6	0.7
Solvency Score	295.7	—	494.6	556.5
Assets/Equity	1.4	1.6	1.4	2.7
Long-Term Debt/Equity	0.0	0.1	0.1	0.4

## Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	5.8	11.7	9.2	3.7
Operating Income %	29.0	108.9	43.0	—
Earnings %	66.4	—	—	—
Dividends %	—	—	—	—
Book Value %	12.4	1.4	-0.1	-4.4
Stock Total Return %	-19.6	18.2	12.9	-2.7

## Price vs. Quantitative Fair Value

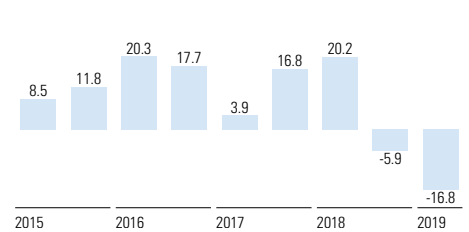


2014	2015	2016	2017	2018	TTM	Financials (Fiscal Year in K)
17,427	19,210	22,845	25,283	26,743	24,460	Revenue
1.0	10.2	18.9	10.7	5.8	-8.5	% Change
1,030	558	1,293	3,293	4,227	2,409	Operating Income
63.8	-45.8	131.7	154.7	28.4	-43.0	% Change
-532	-316	-3,334	2,041	3,315	1,981	Net Income
1,911	1,624	2,567	2,412	5,311	3,700	Operating Cash Flow
-426	-564	-493	-865	-1,051	-1,500	Capital Spending
1,485	1,060	2,074	1,547	4,260	2,200	Free Cash Flow
8.5	5.5	9.1	6.1	15.9	9.0	% Sales
-0.01	-0.01	-0.06	0.04	0.06	0.03	EPS
0.02	0.03	0.01	0.05	0.03	0.04	% Change
—	—	—	—	—	—	Free Cash Flow/Share
0.40	0.39	0.39	0.33	0.36	0.41	Dividends/Share
57,694	57,694	57,694	57,694	57,195	57,195	Book Value/Share
—	—	—	—	—	—	Shares Outstanding (K)
-2.3	-1.4	-16.1	10.4	15.2	8.5	<b>Profitability</b>
-1.4	-0.8	-9.5	6.4	10.4	6.0	Return on Equity %
-3.1	-1.7	-14.6	8.1	12.4	8.1	Return on Assets %
0.44	0.50	0.65	0.80	0.84	0.74	Net Margin %
1.7	1.7	1.7	1.5	1.4	1.4	Asset Turnover
70.5	66.7	69.0	68.0	71.6	69.7	Financial Leverage
5.9	2.9	5.7	13.0	15.8	9.9	Gross Margin %
5,751	2,850	1,478	902	609	609	Operating Margin %
22,612	22,515	18,802	20,653	23,115	23,393	Long-Term Debt
1.4	1.7	2.3	2.8	3.2	3.0	Total Equity
—	—	—	—	—	—	Fixed Asset Turns

## Semi-Annual Revenue & EPS

Revenue (K)	Mar	Jun	Sep	Dec	Total
2019	—	11,339.0	—	—	—
2018	—	13,622.0	—	13,121.0	26,743.0
2017	—	11,335.0	—	13,948.0	25,283.0
2016	—	10,905.0	—	11,940.0	22,845.0
<b>Earnings Per Share (€)</b>					
2019	—	0.00	—	—	—
2018	—	0.03	—	0.03	0.06
2017	—	0.01	—	0.03	0.04
2016	—	0.00	—	-0.06	-0.06

## 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*

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

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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.

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**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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