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FINANCIAL ECONOMIC ANALYSIS OF MEDCOM TECH S.A.

AUTHOR: DAVID PITARCH NAVARRO
AL285199@UJI.ES

ABSTRACT

The aim of this essay is to analyse the financial statements of the company Medcom Tech, S.A. that devotes itself to the commercialization of technologically advanced products in the area of health. I'll try to analyse if the company generates positive benefits and appellants in the time; if these are enough to attend its commitment of payment; if the financing structure used is adapted to the typology of investment realized; if the management of the assets allows profitability of the economic resources, which in turn allows a suitable remuneration of the invested capital. Also, I will analyse its point of balance (break-even point), to analyse its operative risk against changes in the turnover. And finally, I will use the Altam Z-Score index to confirm the conclusions.

SUPERVISOR: ANTONIO VICO MARTÍNEZ
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FINANCIAL ECONOMIC ANALYSIS OF MEDCOM TECH S.A.

1. INTRODUCTION, AIMS AND STRUCTURE OF THE ESSAY

The topic of the essay is very interesting because the analysis of the financial statements is a way of synthesizing the most valuable information of the company in order to be able to interpret it. They offer a more detailed and visual view of the economic and financial situation.

Having said that, it can be said that a correct analysis and interpretation of the financial statements can make taking decisions easier by reducing the level of uncertainty.

On the one hand, the balance sheet of situation shows the patrimonial situation of the company during the period analysed through the assets, liabilities and net. On the other hand, the profit and loss report shows accurately the income and expenses that the company generates during its activity.

1.1 THE AIMS OF THE ESSAY

The main aim is to analyse the financial results of Medcom Tech and make a conclusion about its situation. Therefore, the aim of this essay is to conduct an analysis as complete as possible of Medcom Tech, for which it turns out essential to consider the annual accounts, as well as the report of management and the auditing report.

1.2 STRUCTURE OF THE ESSAY

I began the essay with a research in the report of the annual accounts, information of the company's website <http://www.medcomtech.es/es/>, as well as information gathered on the internet, not only in websites but also in online magazines articles. With the aim of getting myself familiar with the company, Medcom Tech.

The first section of the essay explains the following question: What can we learn from the accounting statement? The essay starts with an accounting analysis which tries to show the liquidity of the assets, the profitability of the company, etc.

The methodology that I have used to analyse Medcom Tech primarily consists of taking into account the qualitative aspects, such as the strategic ones, to do a more complete analysis of the annual accounts.

- Qualitative analysis:

As a previous step before the analysis of the financial states, it is useful to do a qualitative analysis, where the strategy and activity of the company is described. The purpose of the qualitative analysis is to understand how Medcom Tech operates and the current situation of the company and where it wants to go.

- Strategic analysis:

In particular, the strategic analysis tries to diagnose the competitive position of the company, Medcom Tech, keeping in mind aspects such as its products, and the sector in which it operates. Once the strategic analysis is done, it is possible to begin the analysis of the financial statement.

- Analysis of the annual accounts:

The second part of the essay describes the analysis of the annual accounts which will be explained following the next parts:

- ✓ Patrimonial and financial analysis: This analysis tries to study and make an assessment of the capitalization, the debt and the liquidity.
- ✓ Asset management analysis: This analysis works with the analysis of the rotation (turnover), the period (days) and the rolling fund (working capital).
- ✓ Economic analysis: This analysis is used to show the evolution of the results
- ✓ Analysis of profitability and self-financing: This analysis makes it possible to assess the factors that affect profitability (margin, rotation, leverage) and the company's self-financing capacity.

- Patrimonial analysis:

The patrimonial analysis studies the level of Medcom Tech's debt and his financial balance. This reflects the guarantee that offers to his suppliers and lenders. It also lets you know the degree of liquidity to pay the short-term liabilities. All this can be figured out with the analysis of the balance sheet.

The patrimonial report (equity analysis) is the analysis of the balance sheet structure. It studies the composition of the elements that integrate the balance sheet, its weight inside the set of assets, liabilities and net income. The way used to analyse the assets and liabilities are the breakdown analysis, whereas for the study of the net income different types of ratios are used.

The ratios that have been included in the essay are the most popular in the financial literature. The aim is to focus on an economic financial analysis that could show the solvency and profitability.

Within solvency ratios, I have worked with ratios in order to explain the liquidity, the indebtedness, the basic structure and the degree of debt coverage. Furthermore, to study the profitability, the economic and financial profitability have been analysed thoroughly.

- Financial analysis:

In order to study the financial structure of any company, in this case Medcom Tech, it is necessary to study the profitability of investments and self resources, as well as the cost of the financial resources. In my essay, I used the balance sheet and the profit and loss report to carry out the financial analysis.

- Economic research:

Through the economic research it is possible to see which elements provide the company the desired profitability, and shows the development and the profit margin. This research takes as a background report the profit and loss account.

Finally, after introducing in a global way what the main aim of the essay is, the next step is the part where it is necessary to ask: How to do a countable analysis?

The accounting analysis carried out during the essay offers two faces. On the one hand, the static, which shows the analysis at a particular time; on the other hand, the dynamics, which presents the evolution of the company.

In order to do the accounting analysis, I started with the analysis of the information provided by the consolidated financial statements, with their evolution and comparison. Then I have used a few ratios, as this is the most famous method and the most accepted tool to analyse the accounting information for its relative simplicity.

Nevertheless, I have used few ratios in order to make easier to understand, what I want to say is that I have chosen to use the main ratios, as the objective is to provide a global vision of the company. This also means that in order to interpret them correctly you can not only focus on the result, but also you have to use additional information, such as where the data used come from. Having information of several years is another aspect that turns out to be important in order to be able to analyse the company, and to evaluate the progress that follows the analysed aspects.

After the strategic and financial analysis, the last part of this essay that introduces the first assessment of Medcom Tech global situation can be done.



Once introduced which is the structure and aims of the essay I give way to the analysis of the company Medcom Tech S.A.

2. OUTLINE OF THE COMPANY'S ACTIVITY

MEDCOM TECH S.A GENERAL DESCRIPTION

2.1 MEDCOM TECH'S ACTIVITY

Medcom Tech S.A is a company created in 2001 in Barcelona, Spain. Its corporate purpose is the commercialization of technologically advanced products in orthopaedic surgery, traumatology, neurosurgery and anaesthesia.

The enterprise is available in a market with a great growth potential. It can be said that it is a company that operates in the area of health with the aim of identifying innovative products and to distribute them across its sales network in different countries, such as Spain, Portugal, Italy and Dominican Republic.

Medcom Tech turns out to be a very interesting company, because besides the fact that is a solid company specialised in medical material, it is present on a sector with a great perspective of growth in the future, the main reason being the increase of the old population.

The Medcom Tech's activity is developed through four lines of business. These are: trauma and biomaterial (traumatologic reconstructive products for upper and lower extremities, and bone substitutes); backbone (implants for the treatment of disorders of the spine); orthopaedics (knee and hip prostheses) and the treatment of vertebral fractures.

2.2 MEDCOM TECH'S FEATURES

One of the reasons for which analysing Medcom Tech turns out to be very interesting, is for the expectations of growth that it can bring in the present and in the future, because nowadays technology grows at an impressive speed.

As technical advances have a great influence on the increase of life expectancy, and according to Juan Sagales, one of the managers of Medcom Tech, "we are lucky to find ourselves in a stable and anti-cyclical sector that does not take too much notice of the effect of the economic crisis".

Another fact for the company is that according to the information of the National Institute of Statistics 31.9% of the people in the world will be over the age of 64 in 2049.

Even so, there have been important changes after the economic crisis, and the most important has been the commitment to develop its own technology, as well as the creation of two new companies, Medcom Flow and Medcom Advance, which have been financed through the alternative stock market (MAB). This fact has allowed them to triple their sales since their launching, achieving great company habits.

Medcom Tech's company is located in Barcelona. The registered office is Partenon Avenue. Medcom Tech is a global company with advanced and self-technology, in fields like that of nanotechnology, in which it is expected to bring a change in healthcare.



Figure 1 Medcom Tech's geographical location

Source: Google Maps

Medcom Techs makes de difference from the rest of the pharmaceutical companies, because it focuses its activity on the commercialization of products, where the patents do not expire in ten years' time and it does not take so long to give approval for its use.

2.3 MEDCOM TECH'S HISTORY

The beginnings of Medcom Tech go back to 2001 when Juan Sagales and Roca de Viñals set up the company in order to sell products in the areas of orthopaedic surgery, traumatology and neurosurgery.

With the creation of Medcom Tech two fundamental aims were established in order to bring something new to the area of orthopaedic surgery, the first one being bringing the best available technology to the markets where the company operates, and the second one by doing it without intermediaries.

Since Medcom Tech was set up, there have been many events that have had a crucial meaning in Medcom Tech history, for example its incorporation in MAB (Alternative Stock Market) on March 25 of 2010. MAB is a market used for companies with small capitalization that want to grow with regulations adapted to their characteristics.

Another significant event in Medcom Tech's history was the one that took place on January 29th 2013, when the company Medcom Flow S.A was created, with the purpose of making and selling products for anaesthesia. This decision responds to Medcom Tech's strategy of promoting the development of their first product, the video laryngeal mask. Later that year, on July 29th 2013 Medcom Advance S.A was set up in order to develop products based in nano-biotechnology. Having said this, it is understandable that Medcom Tech became a model in the biotechnology sector.

2013 was a very important year for Medcom Tech, because a very important strategic refocus on the production of its own patents took place, in order to promote the investigation and development through Medcom Flow and Medcom Advance.

Medcom Flow is a division dedicated to create innovative products. It manufactures products technologically advanced with its own patents and sells them through Medcom Tech and other distributors in more than 60 countries.

Medcom Advance is a scientific company that researches and develops patents using nanotechnology. As Juan Sagales said: "If we wanted to be big we had to have our own technology"

2.4 MEDCOM TECH'S STRATEGY

Medcom Tech, under the responsibility of Juan Sagales and his partners, has been able to understand the needs of the sector of distribution of orthopaedics products, trying to cut down prices thanks to technology.

Being aware of the constant technological changes has been the key for Medcom Tech's success in such a specialized sector. Since every few months new products appear to substitute the previous ones making them obsolete.

Medcom Tech's strategy has focused on being able to have access to the technical innovations and introducing them on the markets where it operates. It is also considered a priority to Medcom Tech to quickly detect and take technology to hospitals, because one of the disadvantages observed by Medcom Tech was the unreasonable amount of time spent from the production of the product until its arrival to hospitals. Another important aspect in Medcom Tech's strategy is its evolution from being only a supplying company to carrying out its own projects.

Medcom Tech's president, Juan Sagales bets on innovation as the way of growth of the company. And he thinks it is essential to take advantage of this period of crisis that makes raw material cheaper.

Crisis has also supposed crucial changes in Medcom Tech's strategy, because the cuts in the sanitary area have been clear. And even more in the countries where they operate, which have been hit hard by the crisis. This has done Medcom Tech's strategy cut down the weight that was given to the public sector, because it makes the payments very late. This has allowed them to reduce payment period. Today, the delays are 189 days, on average. They have been reduced from 275 days.

Medcom Tech's strategic plan is to continue growing on the market where it is already and also continue with the developing of his own products.

Medcom Tech is present in a market with a huge growth potential, another feature is countercyclical present in this market. Because Medcom Tech's main products have application in osteoporotic fractures which mostly happen in two moments of our life, when we are young, like for example by accidents, and in older people by a simple fall.

The market in which Medcom Tech operates is considered to be an increasing market because according to the short-term population projection elaborated by de INE there is slowdown in the population growth rate in Spain. Life expectancy is expected to increase about two years for men and 1.6 for women.

This means that people older than 64 years will represent approximately 20% of the population in Spain in 2019. All this leads to a major percentage of people with osteoporotic problems. Therefore, the demand for products distributed by Medcom Tech will increase, due to the ageing of the population. According to the International Osteoporosis Foundation it is estimated that in 2050 hip fracture will increase by 310% in men and 240% in women.

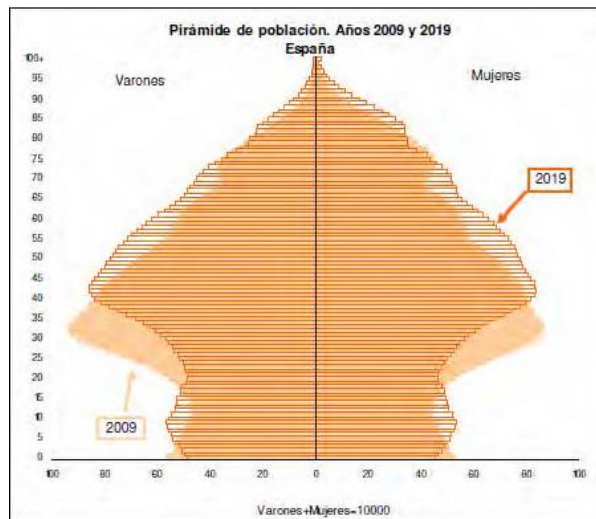


Figure 2 Population pyramid in Spain (2009 and 2019)

Source: *Projection of the population of Spain in the short-term, 2009-2019 of the INE*

Medcom Tech has pointed its strategy to stand out from the rest, trying to provide added value to its customers. That is why it optimizes the distribution process of the products, being the only intermediary between the manufacturers and the clients, thus allowing a wider knowledge about the product and so they can advise not only their clients but also their manufacturers.

2.5 MEDCOM TECH'S PRODUCTS

Medcom Tech structures its activities in four divisions or lines of business:

1. Orthopaedic surgery and Biomaterials:

Reconstructive products are marketed, from prosthesis and plaques for the lower and upper extremities (ankle, foot, shoulder, wrist, elbow and hand) to orthopaedic and fixation fracture products. They also have biomaterial that work like bone substitutes. These products constitute approximately 35% of Medcom Tech's billing.

CIRUGÍA ORTOPÉDICA, TRAUMA Y NEUROCIRUGÍA		ANESTESIA	
Columna	Clavícula	Hombro	Codo
Cadera-Fémur-Rodilla	Osteosíntesis	Osteosíntesis	Osteosíntesis
Extremidad superior		Artroplastia	Artroplastia
Extremidad inferior		Espaciador	
Biológicos	Antebrazo	Sutura	
Cementos	Osteosíntesis	Muñeca	Mano
		Osteosíntesis	Osteosíntesis
		Artroplastia	Artroplastia
			Barrera antiadhesiva

Figure 3 Orthopaedic and biomaterial products (upper extremity)

Source: Medcom Tech's website

CIRUGÍA ORTOPÉDICA, TRAUMA Y NEUROCIRUGÍA		ANESTESIA	
Columna	Antepie	Medio	Retro
Cadera-Fémur-Rodilla	Osteosíntesis	Osteosíntesis	Osteosíntesis
Extremidad superior	Tobillo	Tibia	
Extremidad inferior	Osteosíntesis	Osteosíntesis	
Biológicos	Artroplastia		
Cementos			

Figure 4 Orthopaedic and biomaterial products (low extremity)

Source: Medcom Tech's website

2. Backbone:

This division sells products for spinal, cervical and lumbar treatment. It constitutes about 43% of the total turnover.

CIRUGÍA ORTOPÉDICA, TRAUMA Y NEUROCIRUGÍA		ANESTESIA
Columna	Cervical	Toraco-Lumbar
Cadera-Fémur-Rodilla	Osteosíntesis Espaciador	Osteosíntesis Espaciador Barrera antiadhesiva Augmentación vertebral
Extremidad superior		
Extremidad inferior		
Biológicos		
Cementos		

Figure 5 Backbone products

Source: Medcom Tech's website

3. Orthopaedics:

The orthopaedic division focuses on the commercialization of knee and hip reconstructive products. An important fact is that this division invoices less than the previous ones, having a turnover of around 15%.

CIRUGÍA ORTOPÉDICA, TRAUMA Y NEUROCIRUGÍA		ANESTESIA	
Columna	Cadera	Fémur	Rodilla
Cadera-Fémur-Rodilla	Artroplastia Espaciador	Clavo endomedular	Artroplastia Espaciador Implante meniscal
Extremidad superior			
Extremidad inferior			
Biológicos			
Cementos			

Figure 6 Orthopedic products

Source: Medcom Tech's website

4. Kyphoplasty:

It is the division that sells the least with 9% of Medcom Tech's total turnover, its activity deals with the commercialization of products for vertebral fractures with crushing.

The reason why Medcom Tech diversifies its activity in four divisions is to minimize the dependence to someone of the divisions.

Medcom Tech has a great variety of products for orthopaedic surgery, trauma and neurosurgery as well as anaesthesia. Medcom Tech has a wide range of quality products in each of these divisions.

Over the years Medcom Tech has been introducing products of diverse manufacturers, such as the bone substitutes of Biocomposites Ltd. In 2005 it increased significantly its relevance when it obtained the distribution rights of the North American company Hand Innovations Inc, which resulted in a great number of innovative products in hand surgery being introduced in the Spanish market

2.6 CUSTOMERS AND SUPPLIERS

✓ CUSTOMER:

Medcom Tech significantly widened his client's portfolio during 2005 and 2006 when it moved from working with twelve clients to working with more than one hundred hospitals. And it will continue to add new clients, mainly clinics and hospitals in Madrid. To achieve this goal, Medcom Tech has increased the commercial team of Spain. Medcom Tech's strategy has allowed itself to develop a loyal client's portfolio. Moreover, it has to be mentioned that public health care is Medcom Tech's main client.

✓ SUPPLIERS:

Medcom Tech ended 2009 with 14 suppliers and a portfolio of 50 innovative products with presence in more than 400 hospitals in the Iberian Peninsula.

The main suppliers of the orthopaedic surgery: ASCENCION ORTHOPEDICS, INC; TRIMED, ICN; SMALL BONE INNOVATIONS, INC (SBI); BIOTECH INTERNAIONAL; APP IMPLANTATE AG; MEMONTAL TECHNOLOGIES.

The main suppliers of biomaterials area: DOCTORES RESEARCH GROUP, INC (DRG); ORTHOGEM LTD.

2.7 SECTOR IN WHICH IT OPERATES

Medcom Tech is a strong Spanish company, with subsidiary companies in Italy, Portugal, Serbia and Dominican Republic. Medcom Tech provides more than 500 hospitals. The company has a staff of 140 employees and has in mind keeping growing.

2.8 MARKET STRENGHT

Medcom Tech is mainly present in Catalonia and Galicia, with a great profitability, which is reflected in its point of balance, which from the second year already was overcoming the break-even point. The biotechnological company tries to continue growing through its own patents and with the opening of new markets.

2.9 OPENING TO INTERNATIONAL MARKET

According to Juan Sagales, CEO of Medcom Tech, the main aim is to increase its presence in other countries. Medcom Tech, headquartered in Viladecans (Barcelona), nowadays has 140 employees and its purpose is to grow in Spain and also in the United States.

As shown in the beginning of the article, two of Medcom Tech's social rules: "Medcom Tech S.A purpose is acting as counsellors, intermediaries, manufacturers and wholesale and retail traders of medical surgical instruments of all types.

2.10 ORGANIZATIONAL STRUCTURE OF MEDCOM TECH S.A

MEDCOM TECH'S ORGANIZATION CHART

Medcom Tech's structure is divided into the following departments:

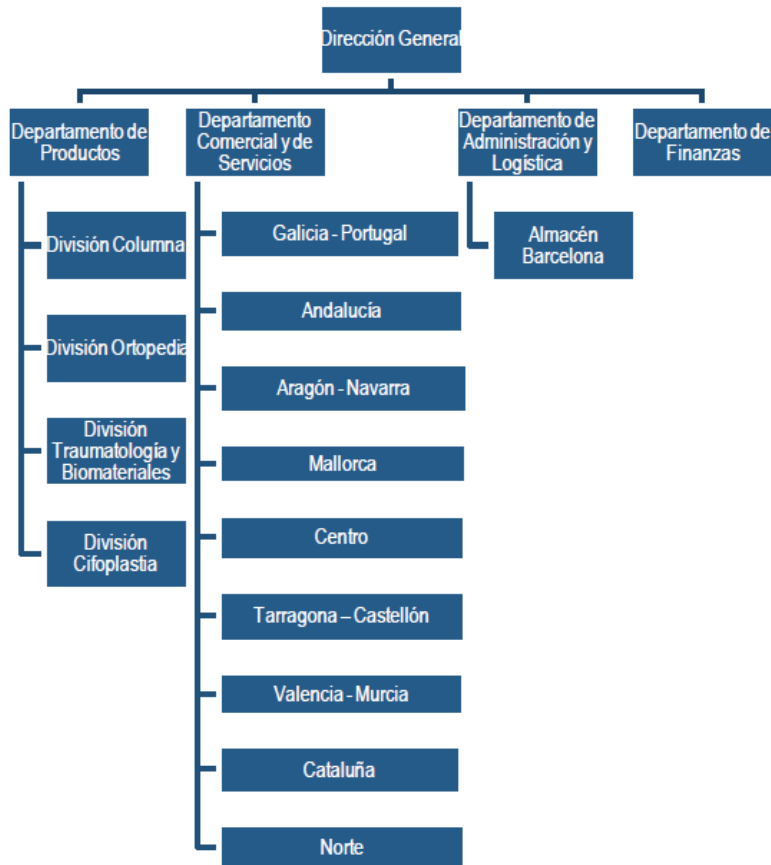


Figure 7 Organization chart of Medcom Tech S.A

Source: Medcom Tech's website

As you can see on the structure reflected in the organization chart, it shows the Medcom Tech's mission of a vertical integration in order to make the distribution process of the products easier, which involves further communication between the agents involved.

3. ECONOMIC AND FINANCIAL EVOLUTION OF THE COMPANY

MEDCOM TECH'S FINANCIAL INFORMATION

The financial information that will be referenced during the essay belongs to Medcom Tech's annual accounts for the financial exercises of 2012, 2013, 2014 and 2015. Also, it is worth mentioning that the information provided is given in Euros.

The annual accounts of the company from the exercise 2012 to 2015 are included as Annex I of this essay.

Based on the fact that all the financial information that appears in the essay has been reviewed by the auditors of Medcom Techs, BDO Auditors S.L, who for the four years analysed have shown the judgement that they express in all the significant aspects a faithful image of the financial situation of the company, Medcom Tech S.A, as well as of the results and the cash flows. All this in accordance with the normative of the financial information that results from the accounting principles.

The auditor's reports from the annual accounts of the exercises 2012, 2013, 2014 and 2015 are enclosed as Annex II.

Before starting with the analysis, it is important to say that the annual accounts of the years selected are perfectly comparable, because they have been formulated according to the regulations of the General Accounting Plan approved by the Royal decree 1514/2007.

Another relevant aspect regarding the annual accounts of Medcom Tech SA is that according to the limits and conditions that are presented in Royal Decree 1159/2017, of September 17, it is not obliged to present the consolidated accounts for what the analysis which I have carried out has been on the annual accounts for Medcom Tech Spain.

The aim of the essay is the analysis of the financial statements that will allow me to have a well-founded opinion about the economic and financial situation of Medcom Tech S.A.

For this I will structure the analysis in the following way:

- 3.1 Patrimonial and financial analysis
- 3.2 Analysis of the assets management
- 3.3 Economic Analysis
- 3.4 Analysis of profitability and self-financing

3.1 FINANCIAL AND PATRIMONIAL ANALYSIS

Analysing the composition of the balance sheet allows to know the liquidity and the equity balance of the company. Medcom Tech's balance sheet from the exercise 2012 to 2015 is composed by the following liquid assets:

Table 1 Balance sheet composition (2012-2015)

	2012	2013	2014	2015
ACTIVO				
ACTIVO NO CORRIENTE	3.823.276	5.063.746	7.413.832	10.359.243
I Inmovilizado intangible	167.172	188.136	261.298	323.062
II Inmovilizado material	2.945.630	2.772.659	3.059.554	3.967.696
III Inversiones inmobiliarias				
IV Inversiones en empresas del grupo y asociadas a largo plazo	219.142	1.824.536	3.756.026	5.667.234
V Inversiones financieras a largo plazo	108.562	253.125	266.513	310.602
VI Activos por impuesto diferido	382.770	25.290	70.441	90.649
VII Derechos comerciales no corrientes				
ACTIVO CORRIENTE	22.571.481	23.256.468	23.385.814	27.155.708
I Activos no corrientes mantenidos para la venta				62.313
II Existencias	7.911.043	9.382.982	10.604.192	13.293.884
III Deudores comerciales y otras cuentas a cobrar	13.470.012	11.867.313	10.980.515	12.059.292
IV Inversiones en empresas del grupo y asociadas a corto plazo	440.439	567.319	457.919	853.064
V Inversiones financieras a corto plazo	332.613	116.307	110.977	155.900
VI Periodificaciones a corto plazo	213.421	69.935	162.797	119.073
VII Efectivo y otros activos líquidos equivalentes	203.954	1.252.611	1.069.414	612.183
1. Tesorería	203.954	1.252.611	1.069.414	612.183
2. Otros activos líquidos equivalentes				
TOTAL ACTIVO	26.394.757	28.320.214	30.799.646	37.514.951
PATRIMONIO NETO Y PASIVO				
PATRIMONIO NETO	14.712.518	15.509.456	15.444.212	15.789.142
A1 Fondos propios	14.712.518	15.509.456	15.444.212	15.789.142
A2 Ajustes por cambios de valor				
A3 Subvenciones, donaciones y legados recibidos				
PASIVO NO CORRIENTE	3.590.844	2.166.501	3.165.050	3.532.423
I Provisiones a largo plazo				
II Deudas a largo plazo	3.166.745	1.841.502	3.011.918	3.513.555
III Deudas con empresas del grupo y asociadas a largo plazo				
IV Pasivos por impuesto diferido	424.100	324.999	153.131	18.868
V Periodificaciones a largo plazo				
VI Acreedores comerciales no corrientes				
VII Deuda con características especiales a largo plazo				
PASIVO CORRIENTE	8.091.395	10.644.256	12.190.385	18.193.386
I Pasivos vinculados con activos no corrientes mantenidos para la venta				
II Provisiones a corto plazo				
III Deudas a corto plazo	4.339.015	5.169.625	6.661.406	10.358.499
IV Deudas con empresas del grupo y asociadas a corto plazo		27.000		
V Acreedores comerciales y otras cuentas a pagar	3.752.380	5.447.631	5.528.979	7.834.887
VI Periodificaciones a corto plazo				
VII Deuda con características especiales a corto plazo				
TOTAL PATRIMONIO NETO Y PASIVO	26.394.757	28.320.214	30.799.646	37.514.951

Source: Source: Own preparation based on Medcom Tech's annual accounts

To be able to study the relative importance of each equity mass, I have analysed the percentage that represents each item over the total assets or liabilities.

Table 2 Percentage of each Item over the total of assets and liabilities (2012-2015)

	2012	2013	2014	2015
ACTIVO				
ACTIVO NO CORRIENTE	14,48%	17,88%	24,07%	27,61%
I Inmovilizado intangible	0,63%	0,66%	0,85%	0,86%
II Inmovilizado material	11,16%	9,79%	9,93%	10,58%
III Inversiones inmobiliarias	0,00%	0,00%	0,00%	0,00%
IV Inversiones en empresas del grupo y asociadas a largo plazo	0,83%	6,44%	12,20%	15,11%
V Inversiones financieras a largo plazo	0,41%	0,89%	0,87%	0,83%
VI Activos por impuesto diferido	1,45%	0,09%	0,23%	0,24%
VII Derechos comerciales no corrientes	0,00%	0,00%	0,00%	0,00%
ACTIVO CORRIENTE	85,52%	82,12%	75,93%	72,39%
I Activos no corrientes mantenidos para la venta	0,00%	0,00%	0,00%	0,17%
II Existencias	29,97%	33,13%	34,43%	35,44%
III Deudores comerciales y otras cuentas a cobrar	51,03%	41,90%	35,65%	32,15%
IV Inversiones en empresas del grupo y asociadas a corto plazo	1,67%	2,00%	1,49%	2,27%
V Inversiones financieras a corto plazo	1,26%	0,41%	0,36%	0,42%
VI Periodificaciones a corto plazo	0,81%	0,25%	0,53%	0,32%
VII Efectivo y otros activos líquidos equivalentes	0,77%	4,42%	3,47%	1,63%
1. Tesorería	0,77%	4,42%	3,47%	1,63%
2. Otros activos líquidos equivalentes	0,00%	0,00%	0,00%	0,00%
TOTAL ACTIVO	100,00%	100,00%	100,00%	100,00%

	2012	2013	2014	2015
PATRIMONIO NETO Y PASIVO				
PATRIMONIO NETO	55,74%	54,76%	50,14%	42,09%
A1 Fondos propios	55,74%	54,76%	50,14%	42,09%
A2 Ajustes por cambios de valor	0,00%	0,00%	0,00%	0,00%
A3 Subvenciones, donaciones y legados recibidos	0,00%	0,00%	0,00%	0,00%
PASIVO NO CORRIENTE	13,60%	7,65%	10,28%	9,42%
I Provisiones a largo plazo	0,00%	0,00%	0,00%	0,00%
II Deudas a largo plazo	12,00%	6,50%	9,78%	9,37%
III Deudas con empresas del grupo y asociadas a largo plazo	0,00%	0,00%	0,00%	0,00%
IV Pasivos por impuesto diferido	1,61%	1,15%	0,50%	0,05%
V Periodificaciones a largo plazo	0,00%	0,00%	0,00%	0,00%
VI Acreedores comerciales no corrientes	0,00%	0,00%	0,00%	0,00%
VII Deuda con características especiales a largo plazo	0,00%	0,00%	0,00%	0,00%
PASIVO CORRIENTE	30,66%	37,59%	39,58%	48,50%
I Pasivos vinculados con activos no corrientes mantenidos para la venta	0,00%	0,00%	0,00%	0,00%
II Provisiones a corto plazo	0,00%	0,00%	0,00%	0,00%
III Deudas a corto plazo	16,44%	18,25%	21,63%	27,61%
IV Deudas con empresas del grupo y asociadas a corto plazo	0,00%	0,10%	0,00%	0,00%
V Acreedores comerciales y otras cuentas a pagar	14,22%	19,24%	17,95%	20,88%
VI Periodificaciones a corto plazo	0,00%	0,00%	0,00%	0,00%
VII Deuda con características especiales a corto plazo	0,00%	0,00%	0,00%	0,00%
TOTAL PATRIMONIO NETO Y PASIVO	100,00%	100,00%	100,00%	100,00%

Source: Source: Own preparation based on Medcom Tech's annual accounts

Once the percentages have been calculated, the first conclusions can be drawn.

- **High weight of the current assets over the total (72.39%),** showing that it is a business of commercialization and services rather than a strong industrial manufacturing structure.

	2012	2013	2014	2015
ACTIVO CORRIENTE	85,52%	82,12%	75,93%	72,39%

- **Current assets items evolution:**

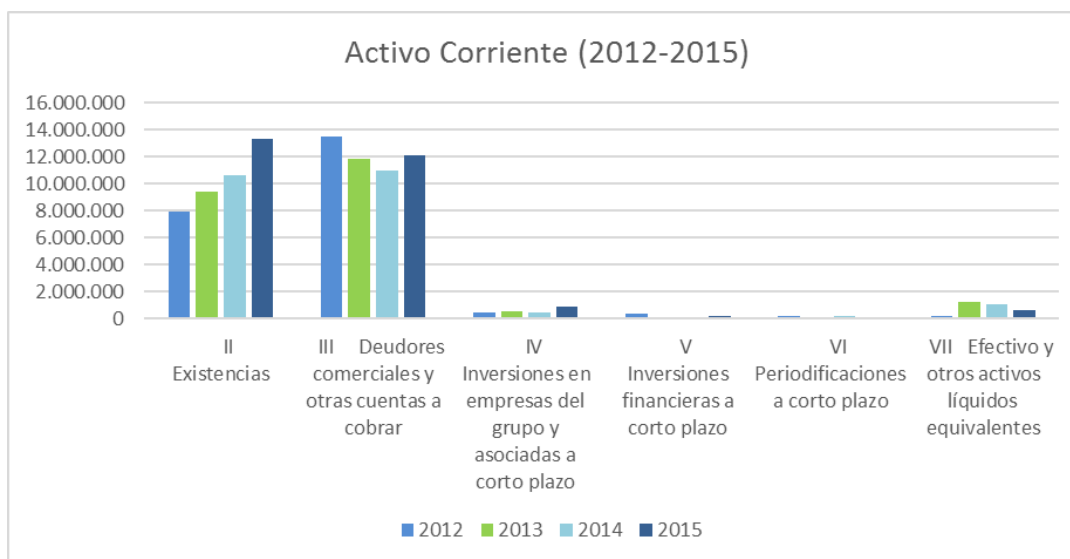


Figure 8 Current assets evolution (2012-2015)

Source: Own preparation based on Medcom Tech's annual accounts

Firstly, a correlation with the stock and cash items could be observed, since the increase of the stock throughout the years has influenced on Medcom Tech's cash manage, decreasing cash and other liquid assets.

Secondly, there is a gradual reduction in the commercial sundry debtors and other receivable accounts. This is because Medcom Tech has managed to reduce its client's debt over the years.

	2012	2013	2014	2015
III Deudores comerciales y otras cuentas a cobrar	13.470.012	11.867.313	10.980.515	12.059.292
1. Clientes por ventas y prestaciones de servicios	12.439.000	10.101.771	8.736.561	8.462.840

This is also seen in relative terms, because in 2012 it represented almost 50% of the total assets, and has been reduced over the years to reach 22% in 2015.

	2012	2013	2014	2015
1. Clientes por ventas y prestaciones de servicios	47,13%	35,67%	28,37%	22,56%

➤ **Non-current assets evolution**

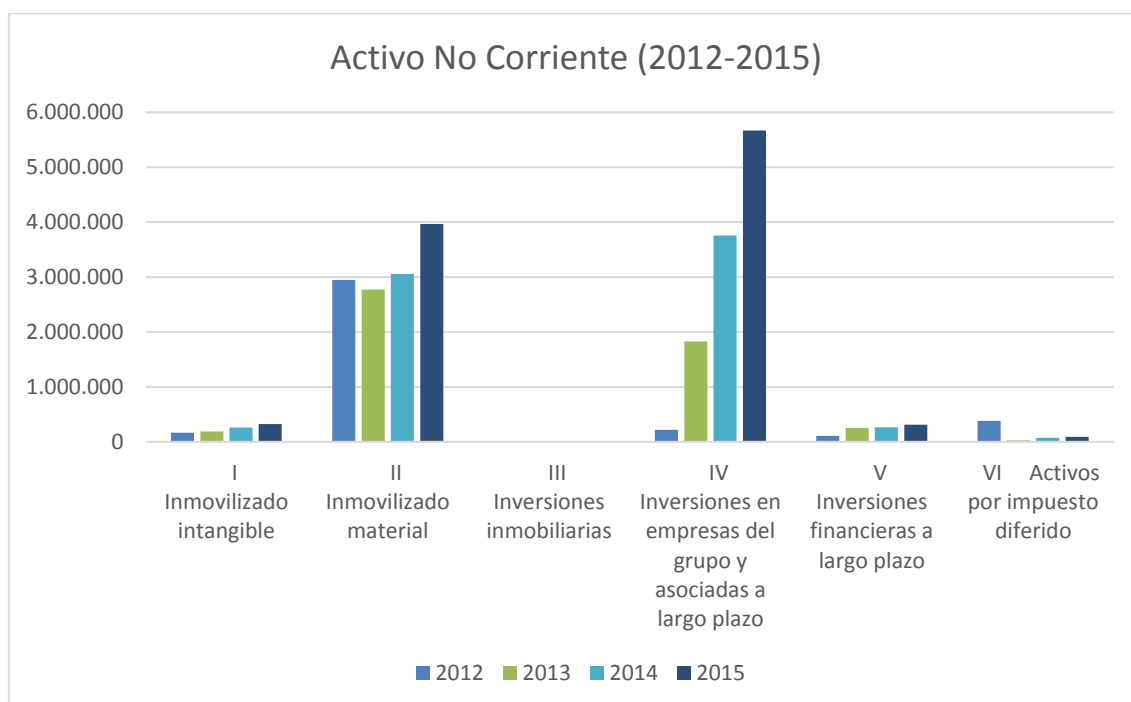


Figure 9 Non-current assets evolution (2012-2015)

Source: Own preparation based on Medcom Tech's annual accounts

The elements that compose the most part of the non-current assets are on the one hand the investments on group companies and associates, it is possible to see in the previous graph the increase over the years; on the other hand, the tangible assets that corresponds to the facilities.

- **Significant growth in the participation in other companies**, as a result of the setting up of two companies (Medcom Flow and Medcom Advance) with the specialization of a completely differentiated product.

	2012	2013	2014	2015
IV Inversiones en empresas del grupo y asociadas a largo plazo	219.142	1.824.536	3.756.026	5.667.234

	2012	2013	2014	2015
IV Inversiones en empresas del grupo y asociadas a largo plazo	0,83%	6,44%	12,20%	15,11%

- **Important weight of the client's item (32.15%)** because Medcom Tech mainly works with public institutions (hospitals...), but with a tendency to decrease due to its strategy of promoting the private sector.

	2012	2013	2014	2015
III Deudores comerciales y otras cuentas a cobrar	13.470.012	11.867.313	10.980.515	12.059.292

	2012	2013	2014	2015
III Deudores comerciales y otras cuentas a cobrar	51,03%	41,90%	35,65%	32,15%

- **Total assets evolution**

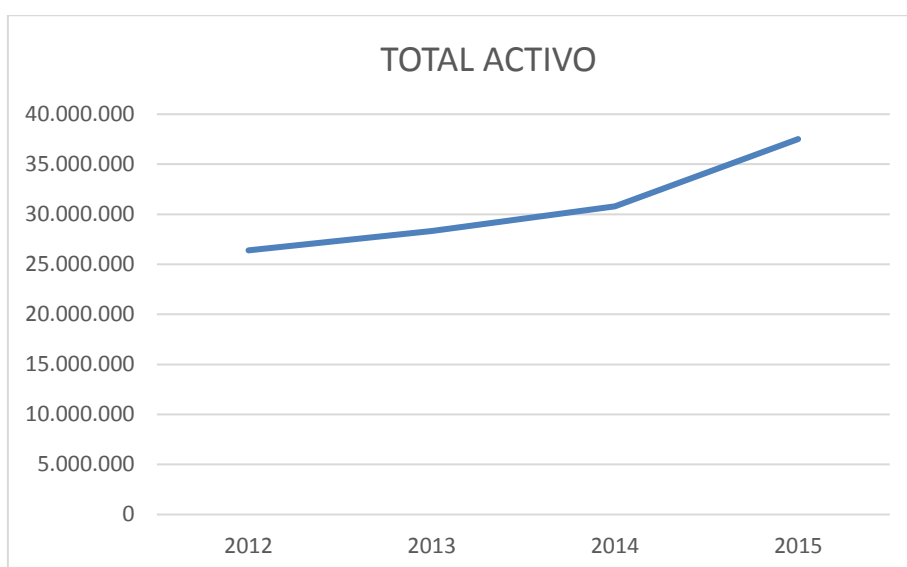


Figure 10 Graphical representation of the total assets evolution (2012-2015)

Source: Own preparation based on Medcom Tech's annual accounts

The Medcom Tech's assets show a clear increase during the years 2012 to 2015, in line with the growth that the company is experiencing.

- **Also, a high percentage of own funds (42.09%)**, providing with patrimonial solvency to the company, although its relative weight has decreased in the last years as a result of the business growth and its larger needs of financing.

	2012	2013	2014	2015
A1 Fondos propios	55,74%	54,76%	50,14%	42,09%

- **Growth of the bank long-term debt** in 2014, in line with the increase of investments in the group companies, but it highlights that the increase of the year 2015 was financed with bank short-term debt.

	2012	2013	2014	2015
II Deudas a largo plazo	3.166.745	1.841.502	3.011.918	3.513.555

	2012	2013	2014	2015
III Deudas a corto plazo	4.339.015	5.169.625	6.661.406	10.358.499
2. Deudas con entidades de crédito	3.972.844	4.307.578	5.584.419	8.023.222

	2012	2013	2014	2015
IV Inversiones en empresas del grupo y asociadas a largo plazo	219.142	1.824.536	3.756.026	5.667.234

Apparently, part of this increase of bank short-term debt has also financed the increase of fixed assets in 2015, which does not seem to be an adequate term financing

	2012	2013	2014	2015
II Inmovilizado material	2.945.630	2.772.659	3.059.554	3.967.696

- **Medcom Tech has a positive hedge fund (working capital)** which apparently allows it to face its payments.

	2012	2013	2014	2015
FONDO DE MANIOBRA	14.480.086	12.612.211	11.195.429	8.962.322

But if we consider only the realizable and the available assets (debtors and cash) for the analysis of the liquidity, it means a lower amount than the short-term liabilities, which could lead to liquidity tensions. This fact confirms that the irregular financing of fixed assets with short-term resources can end up by creating treasury tensions.

➤ **Net and Liabilities evolution**

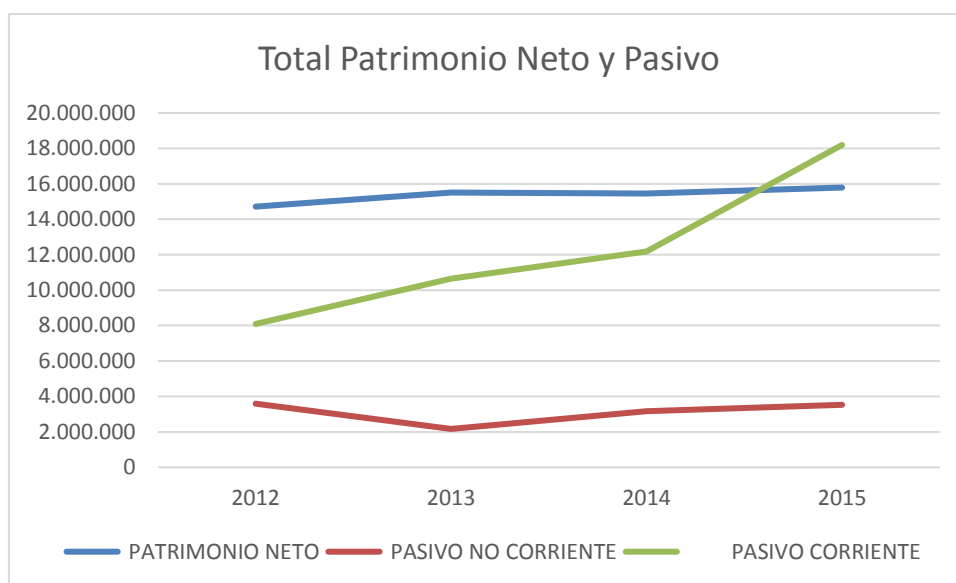


Figure 11 Graphical representation of net worth and liabilities evolution (2012-2015)

Source: Own preparation based on Medcom Tech's annual accounts

Net equity increased slightly during 2012, and has remained constant since then, this may be due to its positive results during those years, as will be seen below in the statement of expenses and income. Non-current or long-term liabilities first show a slight decline and subsequently change a more constant trend. On the other hand, the liabilities in the short term follow an upward trend with a notable increase in 2014.

3.2 ASSET MANAGEMENT ANALYSIS

- The average storage period is high (460 days) with the consequent need to finance the growth of the business and therefore the stock needs, either via suppliers or bank financing.

	2012	2013	2014	2015
PERIODO MEDIO DE ALMACENAMIENTO		430	454	460

- The growth of the term of payment to suppliers (231 days) corroborates the previous comment.

	2012	2013	2014	2015
PERIODO MEDIO DE PAGO A PROVEEDORES		183	186	231

This increase in the payment term may be a consequence, either of a good management of the term of payment to suppliers, or because some payment has had to be extended by tensions of treasury.

- At the same time, promoting the sales to the private sector, in exchange for public health care, has allowed the company to reduce its credit terms for billing from 203 days to 144.

	2012	2013	2014	2015
PERIODO MEDIO DE COBRO A CLIENTES		203	164	144

- The consequence of these terms is a financial period of ripeness of more than one year (373 days), which forces an excessive effort for its financing, hence the change of strategy towards the private client, which has allowed to reduce the term considerably in the last years.

	2012	2013	2014	2015
PERIODO MEDIO DE MADURACION FINANCIERO		450	433	373

Summing up, I can say that there are generally very long terms, as a consequence of the typology of the customers and the market in which it operates, not meaning in any case delay in payment to suppliers or defaults by customers.

3.3 ECONOMIC ANALYSIS

Before beginning with the income statement (statement of earnings) analysis, it should be remembered that Medcom Tech is not obliged to present the consolidated annual accounts, which makes a complete analysis of the group more difficult. For this reason, all the information that is shown later corresponds to Medcom Tech Spain annual individual accounts.

Table 3 Profit and loss report (Expenses and revenues statement) (2012-2015)

	AÑO	AÑO	AÑO	AÑO
	2012	2013	2014	2015
CUENTA DE PÉRDIDAS Y GANANCIAS				
Operaciones continuadas				
1. Importe neto de la cifra de negocios	16.688.846	18.414.619	20.232.502	23.040.326
2. Variación de existencias de productos terminados y en curso de fabricación				
3. Trabajos realizados por la empresa para su activo		8.624	35.599	60.000
4. Aprovisionamientos	-6.088.332	-7.335.296	-8.031.826	-9.482.620
5. Otros ingresos de explotación	80.000	400.603	1.343.835	881.282
6. Gastos de personal	-4.826.875	-4.639.021	-5.232.421	-6.172.340
7. Otros gastos de explotación	-3.553.984	-4.390.058	-5.390.886	-5.631.956
8. Amortización del inmovilizado	-605.232	-662.708	-955.572	-1.103.194
9. Imputación de subvenciones de inmovilizado no financiero y otras				
10. Excesos de provisiones				
11. Deterioro y resultado por enajenaciones del inmovilizado	-32.618	6.401	-10.398	51.692
12. Diferencia negativa de combinaciones de negocio				
13. Otros resultados			-28.409	-23.065
RESULTADO DE EXPLOTACION	1.661.805	1.743.164	1.902.424	1.560.724
14. Ingresos financieros	76	22.037	149.688	140.295
15. Gastos financieros	-329.184	-661.549	-763.765	-966.426
16. Variación de valor razonable en instrumentos financieros	8.958	-47.891	32.281	52.258
17. Diferencias de cambio	-229.664	49.654	-507.363	-22.868
18. Deterioro y resultado por enajenaciones de instrumentos financieros				-9.654
19. Otros ingresos y gastos de carácter financiero				
RESULTADO FINANCIERO	-1.149.814	-637.689	-1.089.159	-806.394
RESULTADO ANTES DE IMPUESTOS	511.991	1.105.475	813.265	754.330
20. Impuestos sobre beneficios	-159.419	-339.636	-238.436	-154.317
RESULTADO DEL EJERCICIO PROCEDENTE DE	352.572	765.779	574.829	600.012
Operaciones interrumpidas				
21. Resultado del ejercicio procedente de operaciones interrumpidas neto de				-204.889
RESULTADO DEL EJERCICIO	352.572	765.779	574.829	395.124

Source: Own preparation based on Medcom Tech's annual accounts

Table 4 Percentages representing each item over total net turnover (2012-2015)

	2012	2013	2014	2015
CUENTA DE PÉRDIDAS Y GANANCIAS				
Operaciones continuadas				
1. Importe neto de la cifra de negocios	100%	100%	100%	100%
2. Variación de existencias de productos terminados y en curso	0%	0%	0%	0%
3. Trabajos realizados por la empresa para su activo	0%	0%	0%	0%
4. Aprovisionamientos	-36%	-40%	-40%	-41%
5. Otros ingresos de explotación	0%	2%	7%	4%
6. Gastos de personal	-29%	-26%	-26%	-27%
7. Otros gastos de explotación	-21%	-24%	-27%	-25%
8. Amortización del inmovilizado	-4%	-4%	-5%	-5%
9. Imputación de subvenciones de inmovilizado no financiero y	0%	0%	0%	0%
10. Excesos de provisiones	0%	0%	0%	0%
11. Deterioro y resultado por enajenaciones del inmovilizado	0%	0%	0%	0%
12. Diferencia negativa de combinaciones de negocio	0%	0%	0%	0%
13. Otros resultados	0%	0%	0%	0%
RESULTADO DE EXPLOTACION	10%	9%	9%	7%
14. Ingresos financieros	0%	0%	1%	1%
15. Gastos financieros	-6%	-4%	-4%	-4%
16. Variación de valor razonable en instrumentos financieros	0%	0%	0%	0%
17. Diferencias de cambio	-1%	0%	-3%	0%
18. Deterioro y resultado por enajenaciones de instrumentos	0%	0%	0%	0%
19. Otros ingresos y gastos de carácter financiero	0%	0%	0%	0%
RESULTADO FINANCIERO	-7%	-3%	-5%	-3%
RESULTADO ANTES DE IMPUESTOS	3%	6%	4%	3%
20. Impuestos sobre beneficios	-1%	-2%	-1%	-1%
RESULTADO DEL EJERCICIO PROCEDENTE DE	2%	4%	3%	3%
Operaciones interrumpidas				
21. Resultado del ejercicio procedente de operaciones	0%	0%	0%	-1%
RESULTADO DEL EJERCICIO	2%	4%	3%	2%

Source: Own preparation based on Medcom Tech's annual accounts

- An important **upward trend of the turnover (net sales)** can be observed from 16MM in 2012 to 23MM in 2015, with annual double-digit percentage growth. A sign of the good business consolidation.

	2012	2013	2014	2015
1. Importe neto de la cifra de negocios	16.688.846	18.414.619	20.232.502	23.040.926
		10%	10%	14%

- **The gross margin** is about 60%, generating an added value that allows to cover the rest of expenses.

	2012	2013	2014	2015
1. Importe neto de la cifra de negocios	16.688.846	18.414.619	20.232.502	23.040.926
2. Variación de existencias de productos terminados y en curso de				
4. Aprovisionamientos	-6.088.332	-7.335.296	-8.031.826	-9.482.620
MARGEN BRUTO	10.600.514	11.079.323	12.200.676	13.558.306
	64%	60%	60%	59%

- One of the most important items is the **Personnel Expenses**, which represents 27% of sales, with increases higher than the increase in business in the last years. This structure increase might allow it to continue growing without new extensions, until the next structure extension, which will allow it to improve the results.

	2012	2013	2014	2015
1. Importe neto de la cifra de negocios	16.688.846	18.414.619	20.232.502	23.040.926
		10,3%	9,9%	13,9%
6. Gastos de personal	-4.826.875	-4.699.021	-5.292.421	-6.172.340
		-2,6%	12,6%	16,6%

- **Financial expenses** represent 4% of sales, rather high as a consequence of the financing that it must endure due to the high storage period, and for the financing obtained for the setting up of new companies.

	2012	2013	2014	2015
15. Gastos financieros	-929.184	-661.549	-763.765	-966.426

	2012	2013	2014	2015
15. Gastos financieros	-6%	-4%	-4%	-4%

- **Exchange rate differences item stands out** for its high amount in certain years. As a result of the strong appreciation of the dollar against the euro, because a great part of the company's purchases are made in US dollars.

	2012	2013	2014	2015
17. Diferencias de cambio	-229.664	49.654	-507.363	-22.868

- **Earnings before taxes (Income before taxes)** reflects the following evolution and percentages on sales.

	2012	2013	2014	2015
RESULTADO ANTES DE IMPUESTOS	511.991	1.105.475	813.265	754.330
	2012	2013	2014	2015
RESULTADO ANTES DE IMPUESTOS	3%	6%	4%	3%

They are results with good percentages on net sales (net revenue), although Medcom Tech have suffered a decrease for the last two years, it has been due to punctual facts that do not have to have continuity in time; as they have been the expenses for exchange rate differences and the increase of personnel structure.

➤ **Evolution of the Profit and Loss Account**

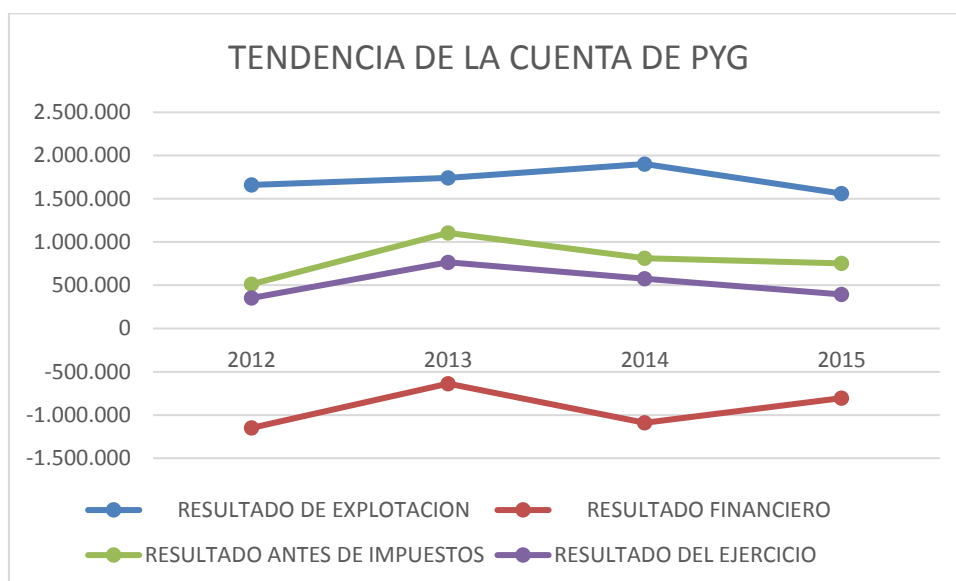


Figure 12 Evolution of the main items in the profit and loss account (2012-2015)

Source: Own preparation based on Medcom Tech's annual accounts

It might be said that nowadays Medcom Tech has a good operating result what turns out to be positive and shows the maturity that has the company in the sector in which operates, because it is already a company established in its market and it has a good stability.

In my opinion, the company has a balanced structure of the profit and loss report, with an adequate gross margin and good results, with the only drawback of apparently having some high financial expenses.

3.4 COST-BENEFIT AND SELF-FUNDED ANALYSIS

I am going to continue the financial statements analysis with the help of some ratios, in order to widen my knowledge about Medcom Tech, and so the conclusions will be coherent with the patrimonial and economic analysis carried out so far from absolute and relative figures.

- **Cash Flow/ Sales**, is going to help me establish if the company generates positive resources.

	2013	2014	2015
Cash Flow s/vts	7,76%	7,56%	7,39%

Clearly the business development generates important resources, with the positive fact that they are also stable over the time.

- **Liquidity ratio** to know if it can fulfil his commitments of short-term payment.

	2013	2014	2015
Current ratio	0,08	1,92	1,49
Quick ratio	1,30	1,05	0,76

Theoretically it should not have problems to cover its payment commitments, but when we adjust the ratio, without taking into account the stocks, it changes to be below the unit; which can generate treasury tensions that should be covered with alternative financing from suppliers or banks.

This conclusion together with the one carried out in the assets and liabilities financial analysis, in which I was mentioning the irregular financing of long-term investments (share and fixed assets) with short resources (banks), is showing us clearly the possible tensions of treasury it may have for having used this kind of unorthodox financings.

- **Return on assets (ROA)**, which will allow me to analyse if the profitability obtained from the economic resources is appropriate, and if it is enough in order to know if a larger debt could help make the own resources more profitable.

	2012	2013	2014	2015
RENTABILIDAD DEL ACTIVO (ROA O ROI)		4,49%	3,75%	3,74%

Even though the ratio is positive, it may be tight and restricting of a leverage effect, Keeping in mind the current loan cost offered by banks.

Moreover, if I break it down in the components that form it (margin x rotation), I notice how the limiting effect acting negatively over the margin obtained is rotation. This again helps corroborate the conclusion reached in the asset management analysis where I mentioned very long terms of storage and charging clients.

This is clearly seen in the following graphs:

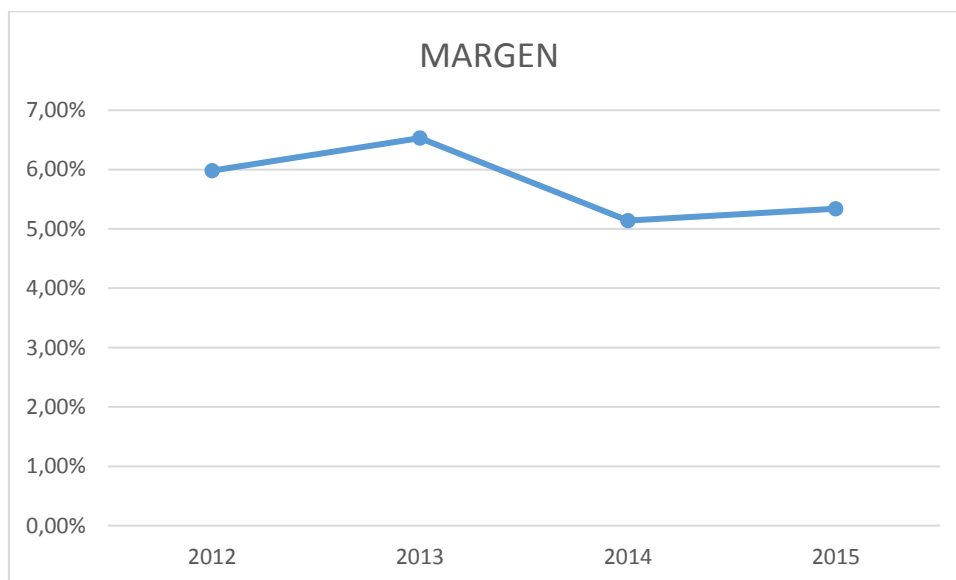


Figure 13 Margin (ROA component)

Source: Own preparation based on Medcom Tech's annual accounts

While the margin appears relatively constant, the rotation shows itself very variable.

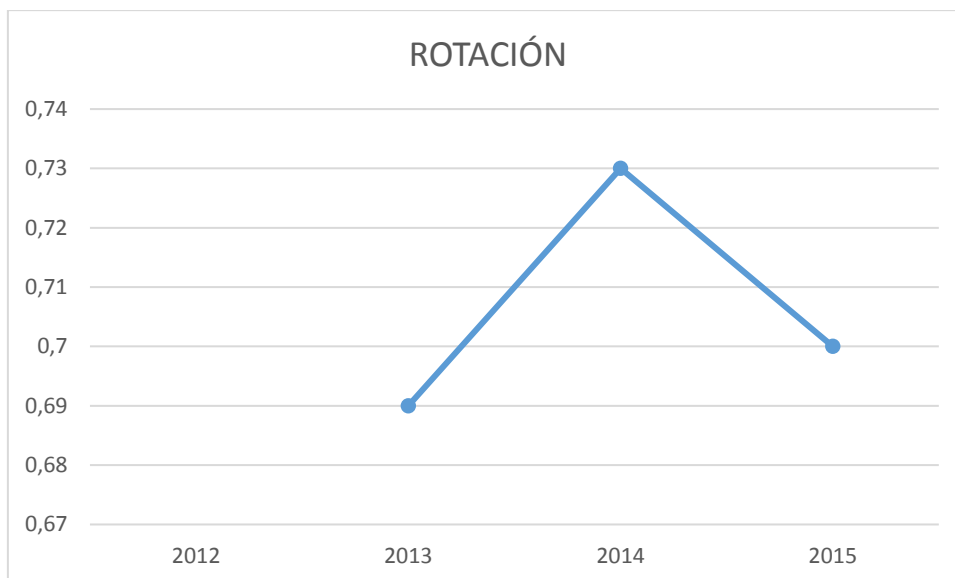


Figure 14 Rotation (ROA component)

Source: Own preparation based on Medcom Tech's annual accounts

	2012	2013	2014	2015
MARGEN	5,98%	6,53%	5,14%	5,34%
ROTACIÓN		0,69	0,73	0,70
COMPROBACIÓN ROA = MARGEN x ROTACIÓN		0,0449	0,0375	0,0374

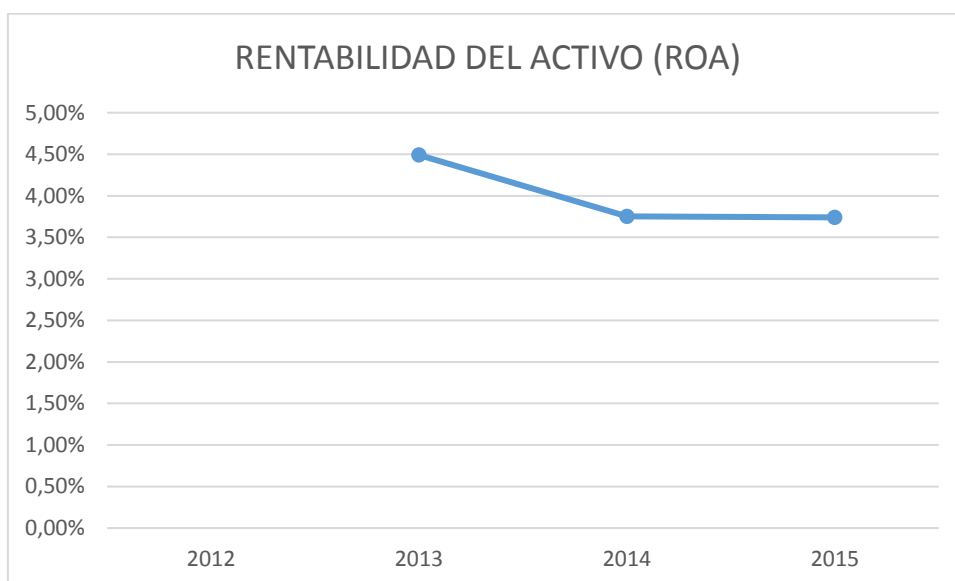


Figure 15 Assets profitability graphical representation (ROA)

Source: Own preparation based on Medcom Tech's annual accounts

The economic profitability has changed from 4,49 % in 2013 up to 3,74 % in 2015.

- **Operative risk.** This ratio is going to help me study the safety margin that the company has before going into losses, when faced negative variations in sales figures.

	2013	2014	2015
Umbral de Rentabilidad	14.346.559	16.629.491	19.932.929
Riesgo Operativo	4,21	4,36	6,00

In this case, it is showing me that sales might decrease up to 16,6 % without the company entering into losses.

Everything that is approaching to an operative risk of 1 it is to minimize the risk to facing declines in the market demand. In this case, I can see that the tendency is to go up, consequence of the increase of the business, which has forced to extend fixed structure (especially personnel), which means that the break-point rises, generating more risk facing variations of the sales.

- **Indebtedness.** This ratio determines the degree of the indebtedness of the company in relation to the own funds. Although this ratio by itself cannot give us many conclusions, it can indicate the weight of the distribution of the debt between the long and short term.

	2012	2013	2014	2015
RATIO DE ENDEUDAMIENTO A CORTO	0,35	0,41	0,44	0,54
RATIO DE ENDEUDAMIENTO A LARGO	0,20	0,12	0,17	0,18
RATIO DE ENDEUDAMIENTO	0,79	0,83	0,99	1,38

It can be observed an important increase of the indebtedness in the last years, especially in the short term. This can lead to liquidity tensions in the short term.

This ratio should be completed with another ratio, CashFlow/Debt long term, which indicates the capacity to repay the debt in the long term. As we observe in the following table, it could be amortized approximately in two years, with the current rate of resource generation.

	2013	2014	2015
Cash Flow/ deuda lp	0,66	0,48	0,48

Nevertheless, as I have repeatedly mentioned along the essay, the only problem that could present Medcom Tech will always come from the unorthodox financing of the non-current assets with the current liabilities (bank debt); for this reason, this last ratio can lead us to a misunderstanding.

- **Return on equity (ROE).** The purpose of any company is to reward the capital over the profitability of an investment without risk. In the case of Medcom Tech it is 3,84%, which initially would not be ideal, but keeping in mind that it is a company in growth and with strategic changes, it may be giving up this initial profitability in expectation of a much higher return the next years.

	2012	2013	2014	2015
RENTABILIDAD FINANCIERA = ROE		5,07%	3,71%	3,84%

Dividing this profitability into more detailed ratios, we can see where the reason for the limited percentage of profitability is.

	2012	2013	2014	2015
MARGEN	5,98%	6,53%	5,14%	5,34%
ROTACIÓN		0,69	0,73	0,70
APALANCAMIENTO FINANCIERO		0,58%	-0,04%	0,10%

Finally, as might be expected, because I have already mentioned it several times in the essay, the main problem is in the limited turnover of the assets, in addition to the little contribution of the leverage to the financial profitability, although this leverage is also limited, because it is affected by the asset turnover.

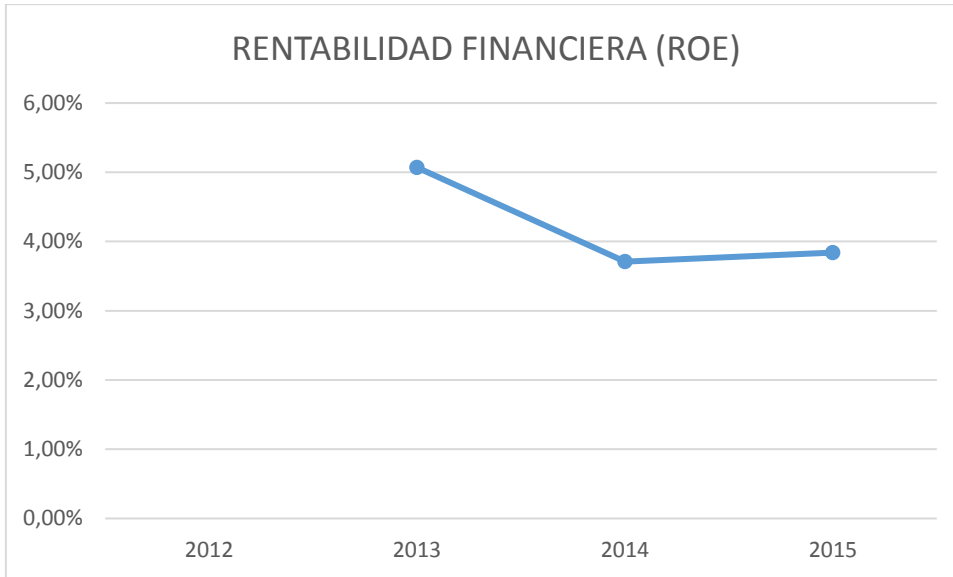


Figure 16 Return on equity graphical representation (ROE)

Source: Own preparation based on Medcom Tech's annual accounts

Medcom Tech during the years under review has suffered a slight decrease.

➤ **Comparison between Return on assets and Return on equity**

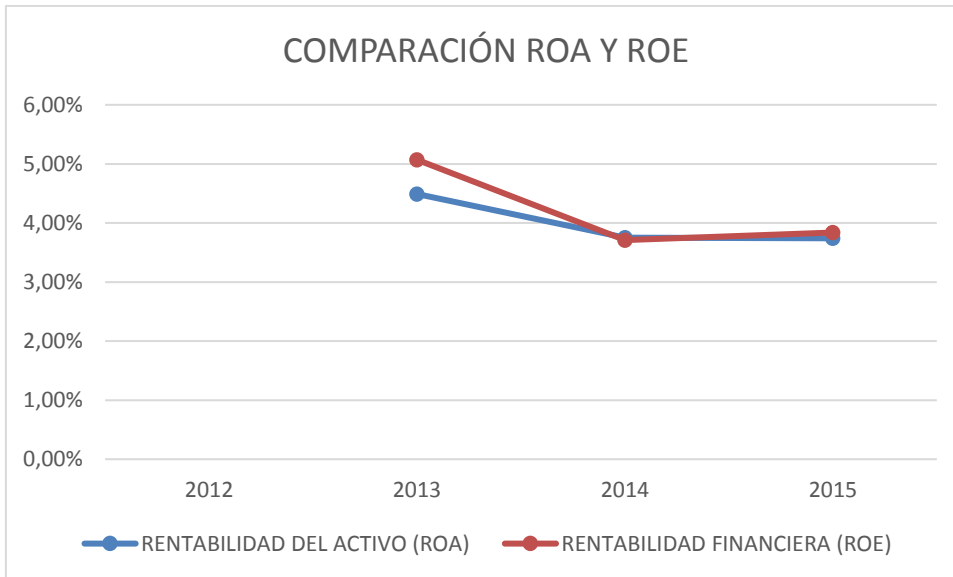


Figure 17 Comparison between Return on assets and Return on equity

Source: Own preparation based on Medcom Tech's annual accounts

As it can be seen in the previous graph of lines, the difference between Return on assets and Return on equity is relatively small.

➤ **Z-score**

The Altman Z-Score is a simple method of analysis of the financial strength of a company. This method tells us about the probabilities of bankruptcy established by a combination of financial ratios. The Altman Z-Score model was created in 1960 by Edward Altman, teacher of the University of New York.

I am going to use it as a complementary and illustrative ratio from the nearness to a risk situation. From its calculation, I have obtained the following values:

	2013	2014	2015
Z-Score	2,43	2,22	1,89

These values indicate a deterioration trend over the years, and although according to this predictive model, it may be close to a situation of risk, this information has to be considered within the context of market, client, product, strategy and growth of Medcom Tech's business.

Taking it as simple complementary information, which only shows the weaknesses already commented that the company has a financing of the fixed assets with current liabilities and a very limited rotation of assets.

Note:

The Altman Z-Score model is interpreted of the following way:

Z-Score beyond 3: The company does not present probability of bankruptcy and it is considered safe.

Z-SCORE between 2.7 and 2.9: It is in precaution zone. A very detailed analysis should be done before joining the company.

Z-SCORE between 1.8 and 2.7: It is in alert zone. If the financial conditions do not change quickly, it is very probable that the company will go bankrupt in the next two years.

Z-SCORE less than 1.8: Bankruptcy is imminent. The financial danger is maximum.

4. DISCUSSION AND CONCLUSION

After analysing Medcom Tech's financial statements, I can enumerate the following conclusions to which I have arrived.

- Medcom Tech's is a highly commercial company due to the great weight of the current assets in its balance sheet (72.39%)
- Its own funds represent 42.09% of the liabilities, proving a great equity balance, but with the exception of having a downward trend for the last 4 years, as a consequence of having financed the setting up of two new companies, Medcom Flow and Medcom Advance.
- An important growth of the non-current asset (mainly by the investments mentioned before) increasing greatly its relative weight in the balance sheet from 14.48% in 2012 to 24.61% in 2015.
- The previous investments have been financed in 2014 and 2015 with bank indebtedness. According to the balance sheets, in 2014 it was financed in the long term, but in 2015 it used short-term bank financing, even for financing part of the increase of the tangible fixed assets, also with short resources; a measure that does not seem very orthodox and may lead to suffer occasional treasury tensions.
- Its working capital is positive, but if we adjust it eliminating the stocks, it can be observed that it changes to be lower than the current liabilities, confirming the previous conclusions of being able to suffer punctual liquidity tensions for having financed non-current assets with current liabilities.
- It is thus important to focus on the trend when assessing growth development, therefore, there is an important trend of growth of the net sales from 16MM in 2012 to 23MM in 2015, with annual double-digit percentage growth. Very important information to point out.
- It generates a gross margin of 60%, enough to cover the rest of expenses.

- Important weight of personal expenses (27% on sales), this is normal because Medcom Tech is a commercial company that must have an important sales force, with importance to its work of I+D (Research and Development), and which is also in continuous growth, so it is logical that it is extending its structure.
- The financial expenses represent 4% of sales, too high considering the fact that the scenario of interest rates in the last years has decreased. These expenses are being affected by the increase of financing.
- With a positive Cash Flow, and above all stable over the time of about 7% on sales, it is enough to be able to be facing his long-term bank debt. With the exception already mentioned that maybe it may have to restructure his bank debt to shortly or renew it.
- The analysis of its operational risk determines the safety margin that it has at the moment when the level of sales occasionally falls, the analysis indicates that Medcom Tech can endure a 16% decrease in sales without fall into losses.
- Although this percentage has been decreasing in the last years, as a result of the increase of the staff (the expenses of personnel have increased), which in turn is a necessary consequence of the growth of the business; it is expected that the company could continue growing over a period of time without new structure extensions, which would reduce the operative risk.
- As far as assets management is concerned, I have observed a very long period of storage and payment. The average storage period is 460 days and the payment period is 144 days. These periods lead to strong financing needs. This may also explain the reason why short-term bank debt has increased.
- Although it is necessary to highlight the positive management that is taking place, because the payment terms have been reduced in the last years from 203 to 164, and to 144 days in 2015. At the same time, the supplier period has been extended from 183 to 186, and to 231 days in 2015.

The last figure may come either from a good management of deferral of payments, or from some renovation of payment to suppliers, which being the case, it would continue corroborating the predictable treasury tensions already mentioned.

- The Average financial period to maturity of Medcom Tech is 373 days in 2015, and although it has been decreasing in the last years, it is very high, penalizing the assets profitability and consequently the own return on equity, which stands at 3.84%.

- Finally, I used the Altam Z-Score indicator to analyse the health of the company and as a contrast of my conclusions. Its calculation gives me a value of 1.89 who is in the alert zone, very close to the maximum financial danger. It seems to me that this figure corroborates the conclusions which I have made: a wrong financing of non-current assets with current liabilities, as well as the high storage periods and collection times, which is forcing to extend the payments to its suppliers and to obtain alternative financing for the long period of financial maturity. All this damages of the financial situation of the company, becomes visible with the calculation of the Altam Z-Score indicator.

- Regarding the limitations of the essay, I can mainly say that although Medcom Tech is obliged to formulate the annual accounts by the article 235.1 of the Royal Decree 1/20120 of July 2, it is not to the presentation of the consolidated accounts of the group, which is a major limitation in its analysis. Because it is extremely important to know the financial health of the whole business, and not only of the parent company. Therefore, this financial economic analysis of Medcom Tech S.A could be extended through the analysis of the consolidated accounts of the Medcom Tech's group.

- In summary, and as a diagnosis, and despite the poor data of the Altman Z-Score index, it is necessary to take into account the context in which the company operates: the product that it commercializes (advanced technology), the type of customers (public health care), and an attractive and growing market (the population pyramid widens in the objective age range of the company). That is why in my opinion the company will not find itself with more problems than adequate restructuring of its indebtedness A better liquidity position with which to face its operating and constant growth.

5. BIBLIOGRAPHY

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<https://www.r4.com/analisis-actualidad/medcom-tech-firma-acuerdo-de-co-propiedad-y-licencia-de-patente?id=370677>

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- Análisis Económico Financiero, Oriol Amat
- Las claves del análisis económico-financiero de la empresa, Jose de Jaime Eslava
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6. ANNEXED

6.1 ANNEX I: BALANCE SHEET & P&L ACCOUNT OF 2012, 2013, 2014 & 2015

1.1 BALANCE SHEET OF THE 2012 AND 2013 FINANCIAL YEARS

Cuentas Anuales de Medcom Tech, S.A. Ejercicio 2013

MEDCOM TECH, S.A.

BALANCES AL 31 DE DICIEMBRE DE 2013 Y DE 2012

(Expresados en euros)

ACTIVO	Notas a la Memoria	31/12/2013	31/12/2012
ACTIVO NO CORRIENTE		5.063.746,01	3.823.275,97
Inmovilizado intangible	Nota 5	188.136,19	167.172,30
Patentes, licencias, marcas y similares		7.190,90	5.000,79
Aplicaciones informáticas		180.945,29	162.171,51
Inmovilizado material	Nota 6	2.772.658,98	2.945.629,97
Instalaciones técnicas y otro inmovilizado material		2.772.658,98	2.945.629,97
Inversiones en empresas del grupo y asociadas a largo plazo		1.824.535,56	219.142,17
Instrumentos de patrimonio	Nota 12	576.121,37	15.000,00
Créditos a empresas	Notas 8.2 y 21.1	1.248.414,19	204.142,17
Inversiones financieras a largo plazo	Notas 8.1 y 8.2	253.125,43	108.561,66
Otros activos financieros		253.125,43	108.561,66
Activos por impuesto diferido	Nota 17	25.289,85	382.769,87
ACTIVO CORRIENTE		23.256.467,52	22.571.481,44
Existencias	Nota 15	9.382.981,66	7.911.043,14
Comerciales		9.382.981,66	7.911.043,14
Deudores comerciales y otras cuentas a cobrar		11.867.313,45	13.470.011,51
Clientes por ventas y prestaciones de servicios	Nota 8.2	10.101.771,28	12.439.000,19
Clientes empresas del grupo y asociadas	Notas 8.2 y 21.1	1.399.237,48	867.669,25
Deudores varios	Notas 8.2 y 21.1	323.184,22	114.173,68
Personal	Nota 8.2	-	1.815,08
Activos por impuesto corriente	Nota 17	43.120,47	16.294,65
Otros créditos con las Administraciones Públicas	Nota 17	-	31.058,66
Inversiones en empresas del grupo y asociadas a corto plazo	Notas 8.2 y 21.1	567.318,90	440.438,90
Otros activos financieros		567.318,90	440.438,90
Inversiones financieras a corto plazo		116.306,98	332.613,36
Otros instrumentos de patrimonio	Nota 8.1	13.521,59	32.551,45
Otros activos financieros	Notas 8.1 y 8.2	102.785,39	300.061,91
Periodificaciones a corto plazo		69.935,49	213.420,90
Efectivo y otros activos líquidos equivalentes	Nota 8	1.252.611,04	203.953,63
Tesorería		1.252.611,04	203.953,63
TOTAL ACTIVO		28.320.213,53	26.394.757,41

MEDCOM TECH, S.A.**BALANCES AL 31 DE DICIEMBRE DE 2013 Y DE 2012**

(Expresados en euros)

PATRIMONIO NETO Y PASIVO	Notas a la Memoria	31/12/2013	31/12/2012
PATRIMONIO NETO		15.509.456,10	14.712.518,02
Fondos propios		15.509.456,10	14.712.518,02
Capital	Nota 14.1	99.753,98	99.753,98
Capital escriturado		99.753,98	99.753,98
Prima de emisión	Nota 14.2	11.798.861,95	11.798.861,95
Reservas	Nota 14.3	3.473.088,98	2.752.599,53
Legal y estatutarias		139.280,73	139.280,73
Otras Reservas		3.333.808,25	2.613.318,80
(Acciones y participaciones en patrimonio propias)	Nota 14.4	(128.028,20)	(291.268,98)
Resultado del ejercicio		765.779,39	352.571,54
(Dividendo a cuenta)	Nota 3	(500.000,00)	-
PASIVO NO CORRIENTE		2.166.501,16	3.590.844,37
Deudas a largo plazo		1.841.502,43	3.166.744,63
Deudas con entidades de crédito	Nota 9.1.1	929.546,63	1.884.439,49
Acreedores por arrendamiento financiero	Notas 7 y 9.1.1	201.955,80	394.805,14
Otros pasivos financieros	Nota 9.1.2	710.000,00	887.500,00
Pasivos por impuesto diferido	Nota 17	324.998,73	424.099,74
PASIVO CORRIENTE		10.644.256,27	8.091.395,02
Deudas a corto plazo		5.169.625,00	4.339.015,47
Deudas con entidades de crédito	Nota 9.1.1	4.307.578,09	3.972.843,81
Acreedores por arrendamiento financiero	Notas 7 y 9.1.1	133.065,50	179.836,47
Derivados	Nota 11	51.481,39	8.835,17
Otros pasivos financieros	Notas 9.1 y 9.1.2	677.500,02	177.500,02
Deudas empresas grupo y asociadas corto plazo	Notas 9.1 y 21.1	27.000,00	-
Acreedores comerciales y otras cuentas a pagar		5.447.631,27	3.752.379,55
Proveedores	Nota 9.1	4.256.343,61	2.788.292,75
Proveedores, empresas del grupo y asociadas	Notas 9.1 y 21.1	75.396,17	-
Acreedores varios	Nota 9.1	429.672,16	512.195,87
Personal (remuneraciones pendientes de pago)	Nota 9.1	277.460,14	267.070,61
Pasivo por impuesto corriente	Nota 17	81.316,69	-
Otras deudas con las Administraciones Públicas	Nota 17	327.442,50	184.820,32
TOTAL PATRIMONIO NETO Y PASIVO		28.320.213,53	26.394.757,41

1.2 PROFIT AND LOSS STATEMENT (P&L) OF THE 2012 AND 2013
FINANCIAL YEARS

Cuentas Anuales de Medcom Tech, S.A. Ejercicio 2013

3

MEDCOM TECH, S.A.

CUENTAS DE PÉRDIDAS Y GANANCIAS CORRESPONDIENTES A LOS EJERCICIOS 2013 Y 2012
(Expresadas en euros)

CUENTA DE PÉRDIDAS Y GANANCIAS	Notas a la Memoria	2013	2012
Importe neto de la cifra de negocio	Nota 23	18.414.619,19	16.688.846,24
Ventas netas		18.414.619,19	16.688.846,24
Trabajos realizados por la empresa para su activo		8.623,84	-
Aprovisionamientos	Nota 18.a	(7.335.296,21)	(6.088.332,44)
Consumo de mercaderías		(7.029.465,41)	(5.969.476,48)
Deterioro de mercaderías y otros		(305.830,80)	(118.855,96)
Otros ingresos de explotación		400.603,41	80.000,00
Ingresos accesorios y otros de gestión corriente		400.603,41	-
Subvenciones de explotación incorporadas al resultado		-	80.000,00
Gastos de personal		(4.699.021,08)	(4.826.875,02)
Sueldos, salarios y asimilados		(3.892.644,90)	(4.076.964,83)
Cargas sociales	Nota 18.b	(806.376,18)	(749.910,19)
Otros gastos de explotación		(4.390.058,26)	(3.553.983,81)
Servicios exteriores		(4.203.630,05)	(3.472.433,69)
Tributos		(20.195,78)	(14.686,66)
Pérdidas, deterioro y variación de provisiones por operaciones comerciales	Nota 8.2	(170.625,68)	(41.061,19)
Otros gastos de gestión corriente		4.393,25	(25.802,27)
Amortización del inmovilizado	Notas 5 y 6	(662.708,17)	(605.231,59)
Deterioro y resultado por enajenaciones del inmovilizado		6.401,37	(32.617,89)
Resultados por enajenaciones y otras		6.401,37	(32.617,89)
RESULTADO DE EXPLOTACIÓN		1.743.164,09	1.661.805,49
Ingresos financieros		22.097,34	75,55
Ingresos de valores negociables y otros instrumentos financieros, empresas del grupo y asociadas	Nota 21.2	21.037,00	-
Otros ingresos de valores negociables y otros instrumentos financieros de terceros		1.060,34	75,55
Gastos financieros		(661.549,42)	(929.183,81)
Por deudas con terceros		(661.549,42)	(929.183,81)
Variación de valor razonable en instrumentos financieros		(47.890,59)	8.957,86
Cartera de negociación y otros	Nota 18.c	(47.890,59)	8.957,86
Diferencias de cambio		49.653,67	(229.664,07)
RESULTADO FINANCIERO		(637.689,00)	(1.149.814,47)
RESULTADO ANTES DE IMPUESTOS		1.105.475,09	511.991,02
Impuesto sobre beneficios	Nota 17	(339.695,70)	(159.419,48)
RESULTADO DEL EJERCICIO PROCEDENTE DE OPERACIONES CONTINUADAS		765.779,39	352.571,54
RESULTADO DEL EJERCICIO		765.779,39	352.571,54

1.3 BALANCE SHEET OF 2014 AND 2015 FINANCIAL YEARS

Cuentas Anuales de Medcom Tech, S.A. Ejercicio 2015

1

MEDCOM TECH, S.A.

BALANCES AL 31 DE DICIEMBRE DE 2015 Y DE 2014 (Expresados en euros)

ACTIVO	Notas a la Memoria	31/12/2015	31/12/2014
ACTIVO NO CORRIENTE		10.359.242,58	7.413.832,08
Inmovilizado intangible	Nota 5	323.061,67	261.298,25
Investigación		57.296,65	-
Patentes, licencias, marcas y similares		31.951,91	30.116,52
Aplicaciones informáticas		233.813,11	231.181,73
Inmovilizado material	Nota 6	3.967.695,86	3.059.553,67
Instalaciones técnicas y otro inmovilizado material		3.967.695,86	3.059.553,67
Inversiones en empresas del grupo y asociadas a largo plazo		5.667.234,42	3.756.025,89
Instrumentos de patrimonio	Nota 12	849.736,37	746.336,37
Créditos a empresas	Notas 8.2 y 21.1	4.817.498,05	3.009.689,52
Inversiones financieras a largo plazo	Notas 8.1 y 8.2	310.601,83	266.513,42
Valores representativos de deuda		2.013,00	-
Otros activos financieros		308.588,83	266.513,42
Activos por impuesto diferido	Nota 17	90.648,80	70.440,85
ACTIVO CORRIENTE		27.155.708,41	23.385.814,23
Activos no corrientes mantenidos para la venta	Nota 24	62.312,64	-
Existencias	Nota 15	13.293.883,65	10.604.192,40
Comerciales		13.293.883,65	10.604.192,40
Deudores comerciales y otras cuentas a cobrar		12.059.292,16	10.980.514,80
Clientes por ventas y prestaciones de servicios	Nota 8.2	8.462.839,96	8.736.561,08
Clientes empresas del grupo y asociadas	Notas 8.2 y 21.1	3.023.506,97	1.807.383,65
Deudores varios	Notas 8.2 y 21.1	530.297,28	398.118,64
Personal	Nota 8.2	6.452,59	-
Activos por impuesto corriente	Nota 17	36.195,36	38.451,43
Inversiones en empresas del grupo y asociadas a corto plazo	Notas 8.2 y 21.1	853.064,05	457.919,11
Otros activos financieros		853.064,05	457.919,11
Inversiones financieras a corto plazo		155.900,24	110.976,81
Otros instrumentos de patrimonio	Nota 8.1	13.243,02	7.521,59
Derivados	Nota 11	38.384,00	-
Otros activos financieros	Notas 8.1 y 8.2	104.273,22	103.455,22
Periodificaciones a corto plazo		119.073,08	162.797,29
Efectivo y otros activos líquidos equivalentes	Nota 8	612.182,59	1.069.413,82
Tesorería		612.182,59	1.069.413,82
TOTAL ACTIVO		37.514.950,99	30.799.646,31

MEDCOM TECH, S.A.**BALANCES AL 31 DE DICIEMBRE DE 2015 Y DE 2014**

(Expresados en euros)

PATRIMONIO NETO Y PASIVO	Notas a la Memoria	31/12/2015	31/12/2014
PATRIMONIO NETO		15.789.141,93	15.444.211,83
Fondos propios		15.789.141,93	15.444.211,83
Capital	Nota 14.1	99.753,98	99.753,98
Capital escriturado		99.753,98	99.753,98
Prima de emisión	Nota 14.2	11.798.861,95	11.798.861,95
Reservas	Nota 14.3	3.807.402,39	3.819.812,33
Legal y estatutarias		139.280,73	139.280,73
Otras Reservas		3.668.121,66	3.680.531,60
(Acciones y participaciones en patrimonio propias)	Nota 14.4	(312.000,00)	(349.045,28)
Resultado del ejercicio		395.123,61	574.828,85
(Dividendo a cuenta)	Nota 3	-	(500.000,00)
PASIVO NO CORRIENTE		3.532.422,59	3.165.049,70
Deudas a largo plazo		3.513.555,09	3.011.918,42
Deudas con entidades de crédito	Nota 9.1.1	1.987.048,81	1.292.748,72
Acreedores por arrendamiento financiero	Notas 7 y 9.1.1	50.534,49	69.669,70
Otros pasivos financieros	Nota 9.1.2	1.475.971,79	1.649.500,00
Pasivos por impuesto diferido	Nota 17	18.867,50	153.131,28
PASIVO CORRIENTE		18.193.386,47	12.190.384,78
Deudas a corto plazo		10.358.499,41	6.661.406,26
Deudas con entidades de crédito	Nota 9.1.1	8.023.222,16	5.584.418,93
Acreedores por arrendamiento financiero	Notas 7 y 9.1.1	51.184,63	96.336,15
Derivados	Notas 9 y 11	-	13.855,76
Otros pasivos financieros	Notas 9.1 y 9.1.2	2.284.092,62	966.795,42
Acreedores comerciales y otras cuentas a pagar		7.834.887,06	5.528.978,52
Proveedores	Nota 9.1	6.344.688,50	4.040.575,10
Proveedores, empresas del grupo y asociadas	Notas 9.1 y 21.1	-	25.256,00
Acreedores varios	Nota 9.1	580.959,26	762.296,89
Personal (remuneraciones pendientes de pago)	Nota 9.1	423.460,68	344.492,82
Pasivo por impuesto corriente	Nota 17	103.763,57	115.896,01
Otras deudas con las Administraciones Públicas	Nota 17	382.015,05	240.461,70
TOTAL PATRIMONIO NETO Y PASIVO		37.514.950,99	30.799.646,31

1.4 PROFIT AND LOSS STATEMENT (P&L) OF THE 2014 AND 2015 FINANCIAL YEARS

Cuentas Anuales de Medcom Tech, S.A. Ejercicio 2015

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MEDCOM TECH, S.A. CUENTAS DE PÉRDIDAS Y GANANCIAS CORRESPONDIENTES A LOS EJERCICIOS 2015 Y 2014 (Expresadas en euros)

CUENTA DE PÉRDIDAS Y GANANCIAS	Notas a la Memoria	2015	2014
Importe neto de la cifra de negocio		23.040.925,94	20.232.501,81
Ventas netas	Nota 23	23.040.925,94	20.231.201,81
Prestaciones de servicios		-	1.300,00
Trabajos realizados por la empresa para su activo		60.000,00	35.599,40
Aprovisionamientos	Nota 18.a	(9.482.620,02)	(8.031.825,71)
Consumo de mercaderías		(9.340.857,02)	(7.943.668,88)
Deterioro de mercaderías y otros		(141.763,00)	(88.156,83)
Otros ingresos de explotación	Notas 18.b y 21.2	881.282,20	1.343.835,01
Ingresos accesorios y otros de gestión corriente		881.282,20	1.343.835,01
Gastos de personal		(6.172.340,47)	(5.292.420,52)
Sueldos, salarios y asimilados		(4.968.511,59)	(4.344.105,56)
Cargas sociales	Nota 18.c	(1.203.828,88)	(948.314,96)
Otros gastos de explotación		(5.691.955,65)	(5.390.885,68)
Servicios exteriores		(5.611.971,78)	(5.232.835,79)
Tributos		(15.987,87)	(8.049,89)
Pérdidas, deterioro y variación de provisiones por operaciones comerciales	Nota 8.2	(63.996,00)	(150.000,00)
Otros gastos de gestión corriente		-	-
Amortización del inmovilizado	Notas 5 y 6	(1.103.194,32)	(955.572,16)
Deterioro y resultado por enajenaciones del inmovilizado	Nota 6	51.691,60	(10.398,43)
Resultados por enajenaciones y otras		51.691,60	(10.398,43)
Otros resultados		(23.064,90)	(28.409,33)
RESULTADO DE EXPLOTACIÓN		1.560.724,38	1.902.424,39
Ingresos financieros	Nota 18.d	140.294,55	149.688,04
Ingresos de valores negociables y otros instrumentos financieros, empresas del grupo y asociadas	Nota 21.2	138.868,00	77.796,09
Otros ingresos de valores negociables y otros instrumentos financieros de terceros		1.426,55	71.891,95
Gastos financieros	Nota 18.d	(966.425,66)	(763.764,99)
Por deudas con terceros		(966.425,66)	(763.764,99)
Variación de valor razonable en instrumentos financieros	Notas 11 y 18.d	52.258,31	32.281,30
Cartera de negociación y otros		52.258,31	32.281,30
Diferencias de cambio	Nota 18.d	(22.868,09)	(507.363,41)
Deterioro y result. por enajenaciones de instrumentos financieros		(9.653,55)	-
Deterioros y pérdidas		(9.653,55)	-
RESULTADO FINANCIERO		(806.394,44)	(1.089.159,06)
RESULTADO ANTES DE IMPUESTOS		754.329,94	813.265,33
Impuesto sobre beneficios	Nota 17	(154.317,49)	(238.436,48)
RESULTADO DEL EJERCICIO PROCEDENTE DE OPERACIONES CONTINUADAS		600.012,45	574.828,85
RESULTADO DE OPERACIONES INTERRUMPIDAS NETO DE IMPUESTOS	Nota 24	(204.888,84)	-
RESULTADO DEL EJERCICIO		395.123,61	574.828,85

6.2 ANNEX II: MEDCOM TECH'S AUDIT REPORTS OF 2012, 2013, 2014 & 2015

2.1 AUDIT REPORT FOR THE 2012 FINANCIAL YEAR



Tel: +34 932 003 233
Fax: +34 932 018 238
www.bdo.es

San Elías 29-35, 8ª
08006 Barcelona
España

Informe de auditoría de cuentas anuales

A los Accionistas de MEDCOM TECH, S.A.

1. Hemos auditado las cuentas anuales de MEDCOM TECH, S.A., que comprenden el balance al 31 de diciembre de 2012, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria correspondientes al ejercicio anual terminado en dicha fecha. Los Administradores son responsables de la formulación de las cuentas anuales de la Sociedad, de acuerdo con el marco normativo de información financiera aplicable a la entidad (que se identifica en la Nota 2 de la memoria adjunta) y, en particular, con los principios y criterios contables contenidos en el mismo. Nuestra responsabilidad es expresar una opinión sobre las citadas cuentas anuales en su conjunto, basada en el trabajo realizado de acuerdo con la normativa reguladora de la actividad de auditoría de cuentas vigente en España, que requiere el examen, mediante la realización de pruebas selectivas, de la evidencia justificativa de las cuentas anuales y la evaluación de si su presentación, los principios y criterios contables utilizados y las estimaciones realizadas, están de acuerdo con el marco normativo de información financiera que resulta de aplicación.
2. En nuestra opinión, las cuentas anuales del ejercicio 2012 adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera de MEDCOM TECH, S.A. al 31 de diciembre de 2012, así como de los resultados de sus operaciones y de sus flujos de efectivo correspondientes al ejercicio anual terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación y, en particular, con los principios y criterios contables contenidos en el mismo.
3. El informe de gestión adjunto del ejercicio 2012, contiene las explicaciones que los Administradores consideran oportunas sobre la situación de la Sociedad, la evolución de sus negocios y sobre otros asuntos y no forma parte integrante de las cuentas anuales. Hemos verificado que la información contable que contiene el citado informe de gestión concuerda con la de las cuentas anuales del ejercicio 2012. Nuestro trabajo como auditores se limita a la verificación del informe de gestión con el alcance mencionado en este mismo párrafo y no incluye la revisión de información distinta de la obtenida a partir de los registros contables de la Sociedad.

BDO Auditores, S.L.


José-Ignacio Algás
Socio-Auditor de Cuentas
25 de marzo de 2013



BDO Auditores S.L. inscrita en el Registro Oficial de Auditores de Cuentas nº 51.273 es una sociedad limitada española, es miembro de BDO International Limited, una compañía limitada por garantía del Reino Unido y forma parte de la red internacional BDO de empresas independientes asociadas.

Registro Mercantil de Madrid, Tomo 14.413 Sección 8ª Folio 201, Hoja nº M-238188 (Inscripción 1ª) CIF: B-82387572

2.2 AUDIT REPORT FOR THE 2013 FINANCIAL YEAR



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Fax: +34 932 018 238
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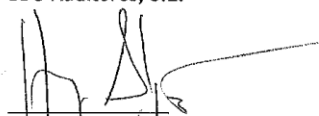
San Eñas 29-35, 8º
08006 Barcelona
España

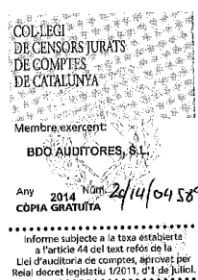
Informe de auditoría de cuentas anuales

A los Accionistas de **MEDCOM TECH, S.A.**

1. Hemos auditado las cuentas anuales de **MEDCOM TECH, S.A.**, que comprenden el balance al 31 de diciembre de 2013, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria correspondientes al ejercicio anual terminado en dicha fecha. Los Administradores son responsables de la formulación de las cuentas anuales de la Sociedad, de acuerdo con el marco normativo de información financiera aplicable a la entidad (que se identifica en la Nota 2 de la memoria adjunta) y, en particular, con los principios y criterios contables contenidos en el mismo. Nuestra responsabilidad es expresar una opinión sobre las citadas cuentas anuales en su conjunto, basada en el trabajo realizado de acuerdo con la normativa reguladora de la actividad de auditoría de cuentas vigente en España, que requiere el examen, mediante la realización de pruebas selectivas, de la evidencia justificativa de las cuentas anuales y la evaluación de si su presentación, los principios y criterios contables utilizados y las estimaciones realizadas, están de acuerdo con el marco normativo de información financiera que resulta de aplicación.
2. En nuestra opinión, las cuentas anuales del ejercicio 2013 adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera de **MEDCOM TECH, S.A.** al 31 de diciembre de 2013, así como de los resultados de sus operaciones y de sus flujos de efectivo correspondientes al ejercicio anual terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación y, en particular, con los principios y criterios contables contenidos en el mismo.
3. El informe de gestión adjunto del ejercicio 2013, contiene las explicaciones que los Administradores consideran oportunas sobre la situación de la Sociedad, la evolución de sus negocios y sobre otros asuntos y no forma parte integrante de las cuentas anuales. Hemos verificado que la información contable que contiene el citado informe de gestión concuerda con la de las cuentas anuales del ejercicio 2013. Nuestro trabajo como auditores se limita a la verificación del informe de gestión con el alcance mencionado en este mismo párrafo y no incluye la revisión de información distinta de la obtenida a partir de los registros contables de la Sociedad.

BDO Auditores, S.L.


José Ignacio Algás
Socio-Auditor de Cuentas
24 de marzo de 2014



BDO Auditores S.L. inscrita en el Registro Oficial de Auditores de Cuentas nº S1.273 es una sociedad limitada española, es miembro de BDO International Limited, una compañía limitada por garantía del Reino Unido y forma parte de la red internacional BDO de empresas independientes asociadas.

Registro Mercantil de Madrid, Tomo 14.413 Sección 8ª Folio 201, Hoja nº M-238188 (Inscripción 1ª) CIF: B-82387572

2.3 AUDIT REPORT FOR THE 2014 FINANCIAL YEAR



Tel: +34 932 003 233
Fax: +34 932 018 238
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San Elix 29-35, 8ª
08006 Barcelona
España

Informe de auditoría independiente de cuentas anuales

A los Accionistas de **MEDCOM TECH, S.A.**

Informe sobre las cuentas anuales

Hemos auditado las cuentas anuales adjuntas de la sociedad **MEDCOM TECH, S.A.**, que comprenden el balance a 31 de diciembre de 2014, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria correspondientes al ejercicio terminado en dicha fecha.

Responsabilidad de los administradores en relación con las cuentas anuales

Los administradores son responsables de formular las cuentas anuales adjuntas, de forma que expresen la imagen fiel del patrimonio, de la situación financiera y de los resultados de **MEDCOM TECH, S.A.** de conformidad con el marco normativo de información financiera aplicable a la entidad en España, que se identifica en la Nota 2.a de la memoria adjunta, y del control interno que consideren necesario para permitir la preparación de cuentas anuales libres de incorrección material, debida a fraude o error.

Responsabilidad del auditor

Nuestra responsabilidad es expresar una opinión sobre las cuentas anuales adjuntas basada en nuestra auditoría. Hemos llevado a cabo nuestra auditoría de conformidad con la normativa reguladora de la auditoría de cuentas vigente en España. Dicha normativa exige que cumplamos los requerimientos de ética, así como que planifiquemos y ejecutemos la auditoría con el fin de obtener una seguridad razonable de que las cuentas anuales están libres de incorrecciones materiales.

Una auditoría requiere la aplicación de procedimientos para obtener evidencia de auditoría sobre los importes y la información revelada en las cuentas anuales. Los procedimientos seleccionados dependen del juicio del auditor, incluida la valoración de los riesgos de incorrección material en las cuentas anuales, debida a fraude o error. Al efectuar dichas valoraciones del riesgo, el auditor tiene en cuenta el control interno relevante para la formulación por parte de la entidad de las cuentas anuales, con el fin de diseñar los procedimientos de auditoría que sean adecuados en función de las circunstancias, y no con la finalidad de expresar una opinión sobre la eficacia del control interno de la entidad. Una auditoría también incluye la evaluación de la adecuación de las políticas contables aplicadas y de la razonabilidad de las estimaciones contables realizadas por la dirección, así como la evaluación de la presentación de las cuentas anuales tomadas en su conjunto.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión de auditoría.

BDO Auditores S.L. inscrita en el Registro Oficial de Auditores de Cuentas nº 51.273 es una sociedad limitada española, es miembro de BDO International Limited, una compañía limitada por garantía del Reino Unido y forma parte de la red internacional BDO de empresas independientes asociadas.

Registro Mercantil de Madrid, Tomo 14.413 Sección 8ª Folio 201, Hoja nº M-238188 (Inscripción 1ª) CIF: B-82387572

Opinión

En nuestra opinión, las cuentas anuales adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera de la sociedad **MEDCOM TECH, S.A.** a 31 de diciembre de 2014, así como de sus resultados y flujos de efectivo correspondientes al ejercicio terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación y, en particular, con los principios y criterios contables contenidos en el mismo.

Informe sobre otros requerimientos legales y reglamentarios

El informe de gestión adjunto del ejercicio 2014 contiene las explicaciones que los administradores consideran oportunas sobre la situación de la sociedad, la evolución de sus negocios y sobre otros asuntos y no forma parte integrante de las cuentas anuales. Hemos verificado que la información contable que contiene el citado informe de gestión concuerda con la de las cuentas anuales del ejercicio 2014. Nuestro trabajo como auditores se limita a la verificación del informe de gestión con el alcance mencionado en este mismo párrafo y no incluye la revisión de información distinta de la obtenida a partir de los registros contables de la sociedad.

BDO Auditores, S.L.

José Ignacio Algás
Socio-Auditor de Cuentas
7 de abril de 2015

COL·LEGI
DE CENSORS JURATS
DE COMPTES
DE CATALUNYA

Membre exercint:

BDO AUDITORES, S.L.

Any 2015 Núm. 20/15/03168
IMPORT COL·LEGAL: 96,00 EUR

.....
Informe subjecte a la taxa establerta
a l'article 46 del text refós de la
Llei d'auditoria de comptes, aprovada per
Reial decret legislatiu 1/2011, d'11 de juliol.
.....

BDO Auditores S.L., una sociedad limitada española, es miembro de BDO International Limited, una compañía limitada por garantía del Reino Unido y forma parte de la red internacional BDO de empresas independientes asociadas.

BDO es la marca comercial utilizada por toda la red BDO y para todas sus firmas miembro.

2.4 AUDIT REPORT FOR THE 2015 FINANCIAL YEAR



Tel: +34 932 003 233
Fax: +34 932 018 238
www.bdo.es

San Elías 29-35, 8º
08006 Barcelona
España

Informe de auditoría independiente de cuentas anuales

A los Accionistas de MEDCOM TECH, S.A.

Informe sobre las cuentas anuales

Hemos auditado las cuentas anuales adjuntas de la sociedad MEDCOM TECH, S.A., que comprenden el balance a 31 de diciembre de 2015, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria correspondientes al ejercicio terminado en dicha fecha.

Responsabilidad de los Administradores en relación con las cuentas anuales

Los Administradores son responsables de formular las cuentas anuales adjuntas, de forma que expresen la imagen fiel del patrimonio, de la situación financiera y de los resultados de MEDCOM TECH, S.A. de conformidad con el marco normativo de información financiera aplicable a la entidad en España, que se identifica en la Nota 2.a de la memoria adjunta, y del control interno que consideren necesario para permitir la preparación de cuentas anuales libres de incorrección material, debida a fraude o error.

Responsabilidad del auditor

Nuestra responsabilidad es expresar una opinión sobre las cuentas anuales adjuntas basada en nuestra auditoría. Hemos llevado a cabo nuestra auditoría de conformidad con la normativa reguladora de la auditoría de cuentas vigente en España. Dicha normativa exige que cumplamos los requerimientos de ética, así como que planifiquemos y ejecutemos la auditoría con el fin de obtener una seguridad razonable de que las cuentas anuales están libres de incorrecciones materiales.

Una auditoría requiere la aplicación de procedimientos para obtener evidencia de auditoría sobre los importes y la información revelada en las cuentas anuales. Los procedimientos seleccionados dependen del juicio del auditor, incluida la valoración de los riesgos de incorrección material en las cuentas anuales, debida a fraude o error. Al efectuar dichas valoraciones del riesgo, el auditor tiene en cuenta el control interno relevante para la formulación por parte de la entidad de las cuentas anuales, con el fin de diseñar los procedimientos de auditoría que sean adecuados en función de las circunstancias, y no con la finalidad de expresar una opinión sobre la eficacia del control interno de la entidad. Una auditoría también incluye la evaluación de la adecuación de las políticas contables aplicadas y de la razonabilidad de las estimaciones contables realizadas por la dirección, así como la evaluación de la presentación de las cuentas anuales tomadas en su conjunto.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión de auditoría.

BDO Audit Firm S.L.P. inscrita en el Registro Central de Auditores de Cuentas S.L. nº 273 es una sociedad limitada española. Es miembro de BDO International Limited, una compañía limitada por garantía del Reino Unido y forma parte de la red global de BDO de miembros independientes de jurisdicciones.

Registro Mercantil de Madrid. Tomo 44-481 Sección 9ª Folio 201. Hoja nº M-218645-0001/01. I.C.T. nº B2187572

6.3 ANNEX III: INDICATORS ABOUT MEDCOM TECH (RATIOS)

3.1 THE MAIN RATIOS CALCULATED OF THE ANNUAL ACCOUNTS OF MEDCOM TECH S.A. (THROUGH EXCEL)

	ANC	AC	PN	PNC	PC	PYG		AÑO	AÑO	AÑO	AÑO
								2012	2013	2014	2015
ANÁLISIS DE LAS CUENTAS											
FONDO DE MANIOBRA								14.480.086	12.612.211	11.195.429	8.962.322
RATIO DE LIQUIDEZ								2,79	2,18	1,92	1,49
RATIO DE ENDEUDAMIENTO A CORTO								0,35	0,41	0,44	0,54
RATIO DE ENDEUDAMIENTO A LARGO								0,20	0,12	0,17	0,18
RATIO DE ENDEUDAMIENTO								0,79	0,83	0,99	1,38
TASA IMPOSITIVA MEDIA = t								31,14%	30,73%	29,32%	20,46%
PERIODO MEDIO DE ALMACENAMIENTO									430	454	460
PERIODO MEDIO DE COBRO A CLIENTES									203	164	144
PERIODO MEDIO DE PAGO A PROVEEDORES									183	186	231
PERIODO MEDIO DE MADURACION FINANCIERO									450	433	373
RENTABILIDAD DEL ACTIVO (ROA O ROI)									4,49%	3,75%	3,74%
MARGEN								5,98%	6,53%	5,14%	5,34%
ROTACIÓN									0,69	0,73	0,70
COMPROBACIÓN ROA = MARGEN x ROTACIÓN									0,0449	0,0375	0,0374
RENTABILIDAD FINANCIERA = ROE									5,07%	3,71%	3,84%
COSTE EFECTIVO DE LA DEUDA TOTAL = i									3,78%	3,80%	3,65%
MARGEN ECONÓMICO FINANCIERO = ROA-i									0,71%	-0,04%	0,09%
APALANCAMIENTO FINANCIERO									0,58%	-0,04%	0,10%
COMPROBACION ROE = ROA + APALANCAMIENTO FINANCIERO									5,07%	3,71%	3,84%

3.2 AVERAGE VALUE OF THE ITEMS OF ASSETS, LIABILITIES, NET AND PROFITS AND LOSSES (P&L) (CALCULATED BY EXCEL)

ACTIVO	VALOR MEDIO 2015 (A+B)/2	VALOR MEDIO 2014 (B+C)/2	VALOR MEDIO 2013 (C+D)/2	2015	2014	2013	2012
Activo	34.157.239	29.553.930	27.357.485	37.514.951	30.799.646	28.320.214	26.394.757
Activo no corriente	8.886.537	6.238.789	4.443.511	10.359.243	7.413.832	5.063.746	3.823.276
Activo corriente	25.270.761	23.321.141	22.913.974	27.155.708	23.385.814	23.256.468	22.571.481
Mercaderías y materias primas	11.943.038	9.993.587	8.647.012	13.293.884	10.604.192	9.382.982	7.911.043
Clientes	11.015.146	11.022.477	12.403.833	11.486.347	10.543.345	11.501.009	13.306.669
PASIVO							
Pasivo	18.540.622	14.083.096	12.246.438	21.725.809	15.355.434	12.610.757	11.682.239
Pasivo no corriente	3.348.736	2.665.775	2.878.673	3.532.423	3.165.050	2.166.501	3.590.844
Pasivo corriente	15.191.886	11.417.321	9.367.826	18.193.386	12.190.385	10.644.256	8.091.395
Proveedores	5.205.260	4.198.785	3.560.016	6.344.689	4.065.831	4.331.740	2.788.293
NETO							
Patrimonio neto	15.616.677	15.476.834	15.110.987	15.789.142	15.444.212	15.509.456	14.712.518
PYG							
Importe neto de la cifra de negocio				23.040.926	20.232.502	18.414.619	16.688.846
Otros ingresos de la explotación				881.282	1.343.835	400.603	80.000
Ingresos de la explotación				23.922.208	21.576.337	18.815.223	16.768.846
Aprovisionamientos de merc y m.p.				9.482.620	8.031.826	7.335.296	6.088.332
Gastos financieros				966.426	763.765	661.549	923.184
Beneficio antes de impuestos				754.330	813.265	1.105.475	511.931
Beneficio				600.012	574.829	765.779	352.572
Gastos variables				15.094.592	13.264.662	11.538.926	9.560.766
Gastos fijos				7.355.519	6.406.043	5.548.157	5.513.657
Amortización del inmovilizado				1.103.194	955.572	662.708	605.232

3.3 ALL THE RATIOS CALCULATED OF MEDCOM TECH S.A (THROUGH EXCEL)

	2015	2014	2013
ANALISIS DE ROA			
Beneficio	600.012	574.829	765.779
Gastos financieros x 0,7	676.498	534.635	463.085
Activos medios	34.157.299	29.559.930	27.357.485
ROA	3,74%	3,75%	4,49%
Descomposición de ROA en margen y rotación			
Margen	5,34%	5,14%	6,53%
Rotación	0,70	0,73	0,69
Comprobación ROA = Margen x Rotación	3,74%	3,75%	4,49%
Variación en ROA	-0,02%	-0,74%	
Variación en Margen	0,19%	-1,39%	
Variación en Rotación	(0,03)	0,04	
Efecto Margen EM	0,14%	-0,96%	
Efecto Rotación ER	-0,15%	0,28%	
Efecto Conjunto EC	-0,01%	-0,06%	
Variación en ROA = EM+ER+EC	-0,02%	-0,74%	
Umbral de Rentabilidad y Riesgo Operativo			
Umbral de Rentabilidad	19.932.929	16.629.491	14.346.559
Riesgo Operativo	5,997	4,362	4,210
ANALISIS DE ROE			
Beneficio	600.012	574.829	765.779
Patrimonio neto medio	15.616.677	15.476.834	15.110.987
ROE	3,84%	3,71%	5,07%
Descomposición de ROE en ROA y apalancamiento financiero			
CF	3,65%	3,80%	3,78%
Grado de apalancamiento	1,187	0,910	0,810
Margen de apalancamiento	0,09%	-0,04%	0,71%
Apalancamiento financiero AF	0,10%	-0,04%	0,58%
Comprobación: ROE = ROA+ AF	3,84%	3,71%	5,07%
PERIODO MEDIO DE MADURACIÓN			
Rotación de mercaderías y materias primas	0,794	0,804	0,848
Periodo de almacenamiento de merc y mp	459,936	454,151	430,270
Importe neto cifra de negocio x (1+IVA)	27.879.520	24.481.327	22.281.689
Rotación de clientes	2,53	2,22	1,80
Plazo de cobro a clientes	144,21	164,34	203,19
Compras	6.792.929	6.810.615	5.863.358
Compras x (1+IVA)	8.219.444	8.240.844	7.094.663
Rotación de proveedores	1,58	1,96	1,99
Plazo de pago a proveedores	231,15	185,97	183,15
Periodo medio de maduración económico	604,15	618,49	633,46
Periodo medio de maduración financiero	373,00	432,52	450,31

	2015	2014	2013
ANÁLISIS DE LA LIQUIDEZ			
Fondo de maniobra	8.962.322	11.195.429	12.612.211
Current ratio	1,49	1,92	2,18
Quick ratio	0,76	1,05	1,30
ANÁLISIS DE LA SOLVENCIA			
Deuda sobre neto	1,38	0,99	0,83
Deuda sobre activos	0,58	0,50	0,45
Ratio deuda a largo plazo	0,18	0,17	0,12
Ratio de cobertura de intereses	1,78	2,06	2,67
Ratio de cobertura de gastos fijos	1,091	1,113	1,178
ANÁLISIS DE QUIEBRA			
Z-Score	1,89	2,22	2,43
Cash Flow	1.703.207	1.530.401	1.428.488
Cash Flow s/vts	7,39%	7,56%	7,76%
Cash Flow/ deuda lp	0,48	0,48	0,66

	2013	2014	2015
Cash Flow	7,76%	7,56%	7,39%

	2013	2014	2015
Current ratio	0,08	1,92	1,49
Quick ratio	1,30	1,05	0,76
ROA	4,49%	3,75%	3,74%
Umbral de Rentabilidad	14.346.559	16.629.491	19.932.929
Riesgo Operativo	4,21	4,36	6,00
Cash Flow/ deuda lp	0,66	0,48	0,48
Z-Score	2,43	2,22	1,89