



CreditRiskMonitor's assessment of Owens & Minor, Inc's ("OMI")
"high risk" status has been determined by a combination of factors:

Monthly Average FRISK® Score	Page 2
The FRISK® Score Components	3
Company Report Detail	4
FRISK® Deep Dive and Adjusted Market Cap Volatility	5
FRISK® Stress Index	6
Peer Analysis on Alternate Suppliers and Customers	7
Quarterly Performance Ratios	8
Quarterly Leverage Ratios	9
Quarterly Liquidity Ratios and Rates of Return	10

About This Report/Contact CreditRiskMonitor	11

MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score signals that Owens & Minor, Inc. (NYSE: OMI) **has a 10 to 50 times greater risk of bankruptcy** than the average public company.

Business Name	2018					2019					A		
	A	S	O	N	D	J	F	M	A	M		J	J
Owens & Minor, Inc.	3	3	3	2	2	2	1	1	1	1	1	1	1

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

FRISK® Probability of bankruptcy within 12 months			
	FRISK®	From	To
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
Worst	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
	1	9.99%	50.00%

While the percentage risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. **A FRISK® score of 5 or less is an important warning sign.**

* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody’s, Fitch, & DBRS

Crowdsourced CreditRiskMonitor Usage Data

Crowdsourcing has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

COMPANY REPORT DETAIL

Owens & Minor, Inc.

9120 Lockwood Boulevard

Phone: (804) 723-7000

MECHANICSVILLE, VA 23116 United States

Ticker: **OMI**

Latest Financial Statements as of 6/30/2019

Business Summary

Owens & Minor, Inc. is a healthcare services company that connects the world of medical products to the point of care. The Company provides supply chain assistance to the providers of healthcare services and the manufacturers of healthcare products, supplies and devices. The Company operates through three segments, which include Domestic, International and Proprietary Products. The Company's domestic segment focuses on United States distribution, logistics and value-added services business. The Company's International segment focuses on European distribution, logistics and value-added services business. The Company's proprietary products segment provides product-related solutions, including surgical and procedural kitting and sourcing. The Company provides its services to hospitals, integrated healthcare systems, group purchasing organizations, and the United States federal Government, manufacturers of life-science and medical devices, supplies and pharmaceuticals.

Employees: 6,700 (as of 12/31/2018)

Incorporated: 12/20/1993

Federal Tax Id: 541701843

Credit Score History

Why are these scores different?

Auditor Information

Score/ Index	2018					2019							
	A	S	O	N	D	J	F	M	A	M	J	J	A
FRISK® Score*	3	3	3	2	2	1	1	1	1	1	1	1	1
DBT Index	9	9	9	9	9	9	9	9	9	9	9	9	9
Z"-Score	2.21		2.09		1.5			1.4		1.62			

Last Audit: 12/31/2018

Auditors: KPMG LLP

Opinion: Un

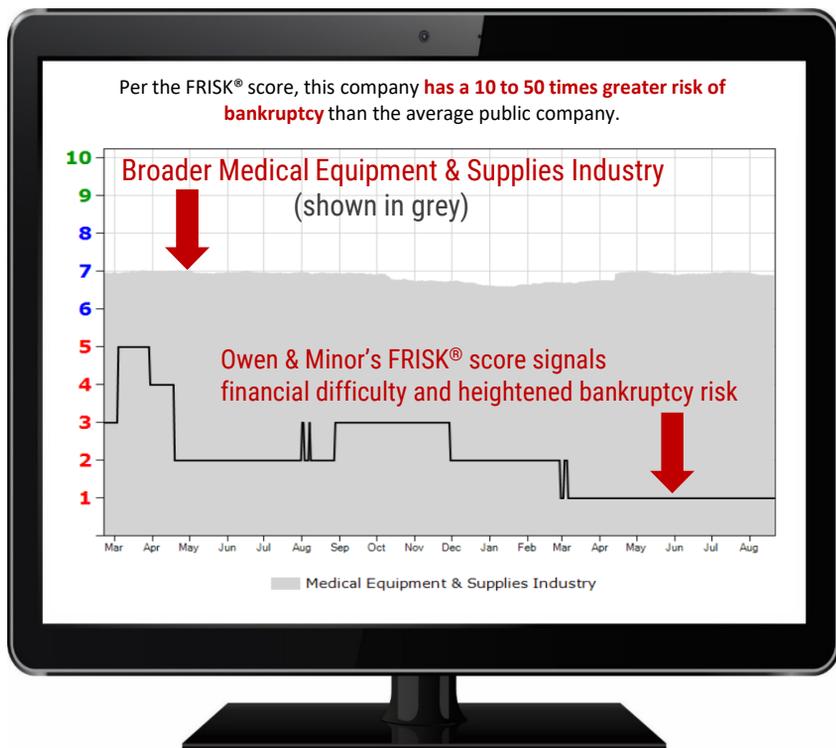
*FRISK® Scores are month-end

Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating
Moody's	B2	Stable	SGL-3
Fitch	CCC+		NR

The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk. Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX® score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

FRISK® DEEP DIVE



The FRISK® score relative to the broader Medical Equipment & Supplies industry raises an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

#	Business Name	Country	FRISK® score
1	Owens & Minor, Inc.	United States	1
2	China Regenerative Medicine Intl Ltd	Hong Kong	2
3	Medcom Tech SA	Spain	2
4	Tempus Holdings Ltd	Hong Kong	2
5	E for L Aim PCL	Thailand	3
6	Ekso Bionics Holdings Inc	United States	3
7	Mercator Medical SA	Poland	3
8	Yiaco Medical Company KPSC	Kuwait	3
9	Medius Holdings Co Ltd	Japan	4
10	National Access Cannabis Corp	Canada	4

FRISK® Stress Index - SIC classification: Medical, dental, and hospital equipment and supplies

Primary industry codes only Primary and secondary industry codes

Businesses From: CLEAR

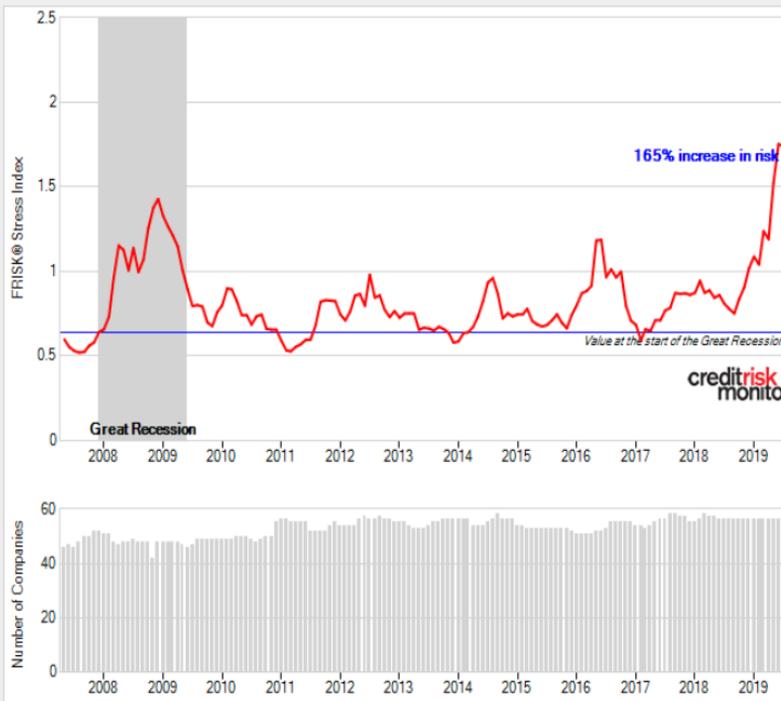
In Industry:

Country:

UPDATE RESULTS

Scale:

Total Companies in all months 95



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 5047 (Medical, dental, & hospital equipment & supplies) has increased 165% since 2007. Owens & Minor, Inc. is among the weakest names in the industry as evidenced by its FRISK® score of 1.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers

Calendar Year/Quarter: 2019.2

Business Peer Group: 922	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
Z-Score	70	95	1.62	-56.57	3.30	20.36
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	6	25	2,484,200	2,258	600,697	63,431,000
Gross Margin % Of Sales	79	101	14.83	-489.50	31.48	81.23
Gross Margin % Of Sales -- TTM	81	101	14.51	-183.66	32.09	82.10
SGA % Of Sales	27	98	13.91	4.40	24.69	546.79
SGA % Of Sales -- TTM	27	98	13.50	5.00	24.00	570.00
Operating Margin % Of Sales	76	101				
Operating Margin % Of Sales -- TTM	83	101				
EBITDA Margin Of Sales	36	50				
EBITDA Margin Of Sales -- TTM	45	56				
Net Profit Margin % Of Sales	78	101				
Net Profit Margin % Of Sales -- TTM	82	101				
Pre-tax Income % Of Sales	81	101				
Effective Tax Rate	26	97				
Depreciation % Of Prop/Plant/Equipment	30	88				
Capital Expense % Of Prop/Plant/Equipment	17	82	7.63	0.16	15.95	138.92
Interest Coverage	28	41	1.67	-170.95	8.65	155.06
Interest Coverage -- TTM	43	51	-0.92	-34.68	11.61	1,083.25
Liquidity ratios:						
Cash Ratio	87	98	0.06	0.00	0.41	7.88
Quick Ratio	74	96	0.64	0.01	1.07	8.79
Current Ratio	53	98	1.68	0.23	1.79	14.15
Efficiency ratios:						
Accounts Receivable Turnover	18	98	11.78	0.37	5.65	258.54
Days Sales Outstanding	21	101	30.98	0.00	63.09	998.39
% of Inventory Financed by Vendors	40	92	83.95	3.15	71.23	10,977.05
% of Inventory Financed by Vendors -- TTM	46	94	82.91	3.66	73.15	11,099.34
Inventory Turnover	32	98	6.91	0.00	4.84	2,830.89
Inventory Turnover -- TTM	33	99	6.00	0.00	4.00	2,100.00
Days Sales in Inventory	32	98				
Inventory to Working Capital	70	96				
Accounts Payable Turnover	32	97				
Accounts Payable Turnover -- TTM	32	98				
Leverage & debt coverage:						
Total Debt to Equity Ratio	86	89				
Debt to Tangible Equity Ratio		68				
Total Debt to Assets Ratio	74	89				
Short-Term Debt % of Total Debt	5	95				
Short-Term Debt % of Working Capital	12	87	0.27	-991.70	10.23	1,158.66
Liabilities to Net Worth Ratio		77		0.08	0.89	41.89
Total Liabilities to Equity Ratio	93	98	6.84	0.08	1.07	14.73
TTM EBITDA to Total Debt	39	48	-0.06	-16.53	0.37	188.39
Net Debt to TTM EBITDA		39		-4.88	1.26	581.49

Rank	Company Name
1	HOKUYAKU TAKEYAMA Holdings, Inc.
2	Align Technology, Inc.
3	Toubujiyuan Co Ltd
4	DOMESCO Medical Import Export JS Corp
5	Holy Stone Enterprise Co., Ltd.

Rank	Company Name
1	NISSUI PHARMACEUTICAL CO., LTD.
2	Protek PAO (P)
3	DNA Chip Research Inc
4	Aamal Co QPSC
5	Atsugi Co Ltd

Green - Ranked in Upper Quartile of Peer Group
 White - Ranked in the Middle Two Quartiles of Peer Group
 Red - Ranked in Lower Quartile of Peer Group
 Orange - Confidential
 Grey - Data is Not Available

TTM = trailing 12 months
 N/A = Not Available

OMI demonstrates bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.

QUARTERLY PERFORMANCE RATIOS

Net losses
in each of
the last five
fiscal quarters

Cumulative
negative
operating
margin

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 6/30/2019	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018	3 mos 6/30/2018
Net Sales \$	\$2,484,200	\$2,461,388	\$2,542,981	\$2,464,877	\$2,458,271
% change	0.93%	-3.21%	3.17%	0.27%	3.61%
Gross Margin \$	\$368,427	\$358,424	\$364,710	\$352,574	\$324,994
% change	2.79%	-1.72%	3.44%	8.49%	0.09%
% of sales	14.83%	14.56%	14.34%	14.30%	13.22%
change as % of incremental sales	43.85%	n/m	15.54%	417.50%	0.36%
SG&A \$	\$345,437	\$337,947	\$343,601	\$325,012	\$308,775
% change	2.22%	-1.65%	5.72%	5.26%	8.59%
% of sales	13.91%	13.73%	13.51%	13.19%	12.56%
change as % of incremental sales	32.83%	n/m	23.80%	245.79%	28.49%
Operating margin \$	\$16,144	\$14,692	(\$265,698)	\$21,357	(\$172,051)
% change	9.88%	105.53%	-1,344.08%	112.41%	-810.46%
% of sales	0.65%	0.60%	-10.45%	0.87%	-7.00%
change as % of incremental sales	6.37%	n/m	-367.53%	2,927.76%	-229.04%
EBITDA \$	\$46,326	\$43,412	(\$237,367)	\$51,140	(\$146,149)
% change	6.71%	118.29%	-564.15%	134.99%	-446.92%
% of sales	1.86%	1.76%	-9.33%	2.07%	-5.95%
change as % of incremental sales	12.77%	n/m	-369.39%	2,986.51%	-219.71%
EBIT \$	\$16,144	\$14,692	(\$265,698)	\$21,357	(\$172,051)
% change	9.88%	105.53%	-1,344.08%	112.41%	-810.46%
% of sales	0.65%	0.60%	-10.45%	0.87%	-7.00%
change as % of incremental sales	6.37%	n/m	-367.53%	2,927.76%	-229.04%
Pre-tax income \$	(\$11,538)	(\$14,409)	(\$290,068)	(\$2,469)	(\$190,622)
% change	19.93%	95.03%	-11,648.40%	98.70%	-1,465.10%
% of sales	-0.46%	-0.59%	-11.41%	-0.10%	-7.75%
change as % of incremental sales	12.59%	n/m	-368.23%	2,848.21%	-238.75%
Net income (loss) \$	(\$10,476)	(\$14,096)	(\$261,821)	(\$565)	(\$182,777)
% change	25.68%	94.62%	-46,240.00%	99.69%	-2,342.39%
% of sales	-0.42%	-0.57%	-10.30%	-0.02%	-7.44%
change as % of incremental sales	15.87%	n/m	-334.50%	2,758.28%	-222.81%
Tax expense \$	(\$1,062)	(\$313)	(\$28,247)	(\$308)	(\$7,845)
Effective tax rate	9.20%	2.17%	9.74%	12.47%	4.12%
Depreciation expense \$	\$17,082	\$18,320	\$17,931	\$19,383	\$16,602
% of sales	0.69%	0.74%	0.71%	0.79%	0.68%
% of capital expenses	151.81%	128.30%	97.56%	112.36%	104.45%
% of PP&E, net (annualized)	11.59%	15.11%	19.64%	22.55%	24.10%
Capital expenditures \$	\$11,252	\$14,279	\$18,380	\$17,251	\$15,894
% change	-21.20%	-22.31%	6.54%	8.54%	12.25%
% of PP&E, net (annualized)	7.63%	11.78%	20.13%	20.07%	23.07%
% of working capital (annualized)	4.37%	5.38%	6.99%	6.48%	6.50%
Interest coverage ratio	1.67	1.49	(9.74)	2.15	(7.87)
% change	12.18%	115.32%	-553.79%	127.27%	-291.53%
Free cash flow \$	\$78,666	(\$75,183)	(\$25,300)	\$59,005	\$12,086
% change	204.63%	-197.17%	-142.88%	388.21%	193.85%
Source:	10-Q 8/7/2019	10-Q 5/7/2019	10-K 3/6/2019	10-Q 11/5/2018	10-Q 8/8/2018

QUARTERLY LEVERAGE RATIOS

Negative tangible net worth suggests that the company has exhausted all of its loanable collateral

Total liabilities to equity ratio has materially increased due to impairment charge

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Total debt \$	\$1,627,371	\$1,687,500	\$1,650,582	\$1,640,455	\$1,669,478
% change	-3.56%	2.24%	0.62%	-1.74%	86.10%
Stockholders' equity \$	\$496,901	\$501,839	\$518,419	\$792,413	\$802,208
% change	-0.98%	-3.20%	-34.58%	-1.22%	-21.27%
Total debt to equity ratio	3.28	3.36	3.18	2.07	2.08
% change	-2.61%	5.61%	53.80%	-0.52%	136.38%
Tangible net worth \$	(\$221,777)	(\$222,650)	(\$217,467)	(\$300,932)	(\$282,872)
% change	0.39%	-2.38%	27.74%	-6.38%	-327.04%
Total assets \$	\$3,896,071	\$3,882,364	\$3,773,788	\$4,032,281	\$4,043,131
% change	0.35%	2.88%	-6.41%	-0.27%	19.21%
Total debt to assets ratio	0.42	0.43	0.44	0.41	0.41
% change	-3.91%	-0.62%	7.52%	-1.48%	56.11%
Tangible assets \$	\$3,177,393	\$3,157,875	\$3,037,902	\$2,938,936	\$2,958,051
% change	0.62%	3.95%	3.37%	-0.65%	18.45%
Short-term debt \$	\$2,679	\$2,365	n/a	n/a	n/a
% change	13.28%	n/a	n/a	n/a	n/a
Short-term debt % of total debt	0.16%	0.14%	n/a	n/a	n/a
% change	17.49%	n/a	n/a	n/a	n/a
Short-term debt % of working capital	0.27%	0.22%	n/a	n/a	n/a
% change	19.11%	n/a	n/a	n/a	n/a
Total liabilities \$	\$3,399,170	\$3,380,525	\$3,255,369	\$3,239,868	\$3,240,923
% change	0.55%	3.84%	0.48%	-0.03%	36.60%
Total liabilities to equity ratio	6.84	6.74	6.28	4.09	4.04
% change	1.55%	7.28%	53.58%	1.20%	73.49%
Total debt to EBITDA ratio (annualized)	8.78	9.72	n/a	8.02	n/a
% change	-9.63%	n/a	n/a	n/a	n/a
Source:			10-K 3/6/2019	10-Q 11/5/2018	10-Q 8/8/2018

Recurring unfavorable annualized total debt to EBITDA ratio

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Meager cash and quick ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Current assets \$	\$2,474,629	\$2,465,246	\$2,538,578	\$2,492,908	\$2,515,182
% change	0.38%	-2.89%	1.83%	-0.89%	14.97%
% of short-term debt	92,371.37%	104,238.73%	n/a	n/a	n/a
Current liabilities \$	\$1,470,398	\$1,409,676	\$1,472,011	\$1,456,745	\$1,420,761
% change	4.31%	-4.23%	1.05%	2.53%	7.15%
Working capital \$	\$1,004,231	\$1,055,570	\$1,066,567	\$1,036,163	\$1,094,421
% change	-4.86%	-1.03%	2.93%	-5.32%	26.99%
% of sales (annualized)	10.11%	10.72%	10.49%	10.51%	11.13%
Cash \$	\$91,339	\$75,239	\$103,367	\$124,890	\$118,188
% change	21.40%	-27.21%	-17.23%	5.67%	34.87%
% of short-term debt	3,409.44%	3,181.35%	n/a	n/a	n/a
Cash ratio	0.06	0.05	0.07	0.09	0.08
% change	16.29%	-23.93%	-18.09%	3.00%	25.87%
Quick assets \$	\$934,682	\$918,623	\$926,785	\$995,077	\$974,861
% change	1.75%	-0.88%	-6.86%	2.07%	12.60%
% of short-term debt	34,889.21%	38,842.41%	n/a	n/a	n/a
Quick ratio	0.64	0.65	0.63	0.68	0.69
% change	-2.46%	3.51%	-7.83%	-0.45%	5.10%
Current ratio	1.68	1.75	1.72	1.71	1.77
% change	-3.76%	1.40%	0.78%	-3.33%	7.30%
Source:	10-Q 8/7/2019	10-Q 5/7/2019	10-K 3/6/2019	10-Q 11/5/2018	10-Q 8/8/2018

Unable to generate any positive returns

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 6/30/2019	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018	3 mos 6/30/2018
Return on equity	-2.09%	-2.72%	-33.04%	-0.07%	-17.94%
% change	23.23%	91.77%	-46,833.24%	99.61%	-2,334.75%
Return on net tangible equity	n/a	n/a	n/a	n/a	-146.70%
% change	n/a	n/a	n/a	n/a	-2,209.32%
Return on total assets	-0.27%	-0.37%	-6.71%	-0.01%	-4.92%
% change	26.83%	94.51%	-47,815.00%	99.72%	-2,141.05%
Return on tangible assets	-0.33%	-0.46%	-8.76%	-0.02%	-6.70%
% change	27.32%	94.81%	-45,531.25%	99.71%	-2,144.83%
Source:	10-Q 8/7/2019	10-Q 5/7/2019	10-K 3/6/2019	10-Q 11/5/2018	10-Q 8/8/2018

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



CreditRiskMonitor is a financial risk analysis and news service that helps credit, supply chain and financial professionals stay ahead of and manage risk quickly, accurately and cost effectively. More than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our financial risk coverage of over 56,000 global public companies.

CreditRiskMonitor's High Risk Reports feature companies that are exhibiting a significantly high level of financial distress, as indicated by our proprietary FRISK® score. The ultimate goal of the High Risk Report series is two-part: provide an early warning for those doing business with an increasingly distressed company and inform of the many signals that should be examined when assessing financial risks.

[Request a Personalized Demo and Risk Assessment](#)

[Read more Bankruptcy Case Studies, High Risk Reports and other resources](#)

Contact us at:

845.230.3000

creditriskmonitor.com/contact-us