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Results Reaction	Healthcare	Sweden	24 October 2024
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### Q3: Strong Q3 with mid-term target set to change in Q1/25

**Bactiguard's Q3 net sales of SEK 67m were well ahead of SEB (SEK 50m) with organic net sales growth of 58% y/y (SEBe: 11% y/y) in the quarter. License revenue is the main explanation of the Q3 beat, but wound management is also stronger. Q3 EBITDA was SEK 10m (SEB at SEK -1m). Bactiguard will review its 2028 financial targets, set in October 2023; outcome to be announced in Q1/25. As a reminder, we forecast sales of SEK 388m 2028 vs the current target of SEK 1bn.**

#### Outcome: Strong sales in Q3, driven by license revenues

Bactiguard reported Q3 net sales of SEK 67m (SEB at SEK 50m) with organic net sales growth of 58% y/y (SEBe: 11% y/y). On segments, recurring licence sales amounted to SEK 47m (SEB at SEK 32m), non-recurring license sales were SEK 1m (SEBe: SEK 2m) and Wound Management sales came in at SEK 18m (SEB at SEK 15m). BIP portfolio sales, which is being phased out, amounted to SEK 2m (SEBe: SEK 2m). Zimmer Biomet made a contribution of SEK 11m in the quarter (SEK 12m last year).

Q3 EBITDA amounted to SEK 10m (SEB at SEK -1m). Cash flows after investments and lease amortisations came in at SEK 2m (SEK -39m Q3/23), a major improvement y/y.

#### Outlook: Set to change its guidance

Bactiguard has decided to review its 2028 financial targets, set in October 2023. Outcome to be announced in Q1/25. **As a reminder, we forecast sales of SEK 388m 2028 vs current target of SEK 1bn.**

No comments in the report suggest that the Trauma implants agreement is being down-prioritized.

#### Impact: Upward revisions to sales warranted

In terms of revisions, we see high-single digit positive revisions warranted for 2024E. The main focus of investors today are likely to be on the comments on Zimmer Biomet in light of the announcement that Zimmer discontinued the extended agreement reached in 2022.

### Q3 deviation table

SEKm	Q3/24E		Deviation SEB		Q3/23		Q2/24	
	Actual	SEB	Abs	Rel	Actual	y/y	Actual	q/q
Total Income	73.9	54.7	19	35.1	49.5	49.3	60.9	21.4
Net sales	67.3	50.2	17	34.1	45.5	48.1	57.4	17.3
EBITDA	9.9	-1.1	11	1021.6	-9.5	203.9	1.2	717.5
EBITDA margin	13.4	-2.0		15.4pp	-19.3	32.7pp	2.0	11.4pp
EBIT	-1.9	-13.2	11	85.6	-21.6	91.2	-10.8	82.5
Net profit	-4.7	-13.6	9	65.5	-24.6	80.9	-14.3	67.2
EPS	-0.13	-0.39	0	66.6	-0.70	81.5	-0.41	68.2
<b>Adj. EBITDA</b>	<b>9.9</b>	<b>-1.1</b>	<b>11</b>	<b>1021.6</b>	<b>-9.5</b>	<b>203.9</b>	<b>1.2</b>	<b>717.5</b>
Adj. EBITDA margin	13.4	-2.0		15.4pp	-19.3	32.7pp	2.0	11.4pp
<b>Sales by division</b>								
Recurring license revenues	46.6	31.7	15	47.1	18.0	159.5	35.1	32.7
Non-recurring license revenues	0.9	1.5	-1	-40.0	2.8	-68.4	2.7	-66.4
BIP portfolio	1.9	2.0	0	-5.0	7.1	-73.4	4.8	-60.8
Wound Management	17.9	15.0	3	19.3	17.5	2.3	14.7	21.8

Source: Bactiguard, SEB

### Conference call details: 11:00 CEST

[ir.bactiguard.com/report/q3-2024/](https://ir.bactiguard.com/report/q3-2024/)

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