

## Encouraging BIP sales growth in Q2

We believe the sales performance of the BIP product portfolio was encouraging in Q2 and argue that Q2 again showed that the COVID-19 pandemic has further highlighted the need for effective infection prevention. The news flow is likely to improve further in H2, including potential further licence deals and updated financial targets to reflect the acquisition of Vigilenz. We have increased our 2020-22E adj. EBITDA by 6-10% after Q2.

### Key Data (2020E)

Price (SEK)	194.50
Reuters	BACTIB.ST
Bloomberg	BACTIB SS
Market cap (SEKm)	6,524
Market cap (USDm)	750
Market cap (EURm)	636
Net debt (SEKm)	144
Net gearing	30%
Net debt/EBITDA (x)	1.2
Shares fully dil. (m)	33.5
Avg daily turnover (m)	0.0
Free float	55%

### BIP product sales showed solid growth in Q2

Bactiguard's Q2 results were strong with revenues up by 46% y/y, and EBITDA of SEK 10.5m (margin of 21.8%; up 500bp y/y). Whilst licence revenues from BD showed a shortfall (negatively affected by COVID-19), sales of Bactiguard's own BIP portfolio was strong, which is encouraging, in our view. We expect continued strong growth of Bactiguard's BIP product portfolio, with sales contribution from Well Lead after two consecutive quarters without any orders.

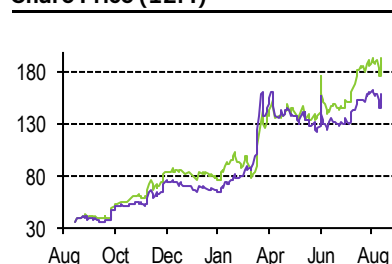
### Several triggers lined up for H2

We believe H2 will show intensified news flow, including potential for further licence agreements in orthopaedics, continued roll-out of Hydrocyn Aqua, and updated financial targets to reflect the acquisition of Vigilenz. We also expect Zimmer Biomet to file 510(k) for Bactiguard coated trauma implants by year-end 2020. In addition, a potential earlier than expected launch in the EU based on the CE-mark received in December 2018 is possible and represents upside to our current 2020 estimates as we cautiously assume sales in EU in 2021.

### Estimate Revisions (%)

	2020E	2021E	2022E
Revenues	(2)	(2)	(2)
Adj. EBIT	13	6	6
Adj. EPS	11	6	6

### Share Price (12M)



Absolute (green) / Relative to Sweden (purple).

### Marketing communication commissioned by: Bactiguard

### Revised valuation range of SEK 160-184 per share

After Q2, we lift our 2020-22 EBITDA estimates by 6-10%, which is due to a more positive stance on Bactiguard's gross margin. As a result, we raise our valuation range to SEK 160-184 per share from SEK 145-168. In addition, due to the lumpiness of Bactiguard's licence business, we provide a scenario analysis with various 2021E EBITDA and forward-looking valuation multiples.

### Financials (SEK)

Year end: Dec	2018	2019	2020E	2021E	2022E
Revenues (m)	163	198	298	445	569
Adj. EBIT	4	20	80	178	269
Pre-tax profit (m)	(21)	10	68	168	261
EPS	(0.45)	0.49	2.22	5.21	7.96
Adj. EPS	0.74	1.20	2.94	5.92	8.67
DPS	0.00	0.00	0.00	0.00	0.00
Revenue growth (%)	6.2	21.2	50.9	49.0	28.0
Adj. EBIT growth (%)	n.m.	418.9	309.7	123.2	50.8
Adj. EPS growth (%)	20.1	62.4	144.0	101.8	46.4
Adj. EBIT margin (%)	2.3	9.9	26.8	40.1	47.3
ROE (%)	(3.9)	4.3	17.1	30.7	33.8
ROCE (%)	0.7	3.5	12.1	22.0	26.1
PER (x)	54.3	68.7	66.3	32.8	22.4
Free cash flow yield (%)	(0.4)	1.8	1.3	2.9	4.3
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
P/BV (x)	3.61	7.11	13.53	9.93	7.06
EV/Sales (x)	9.16	14.84	22.35	14.57	10.88
EV/Adj. EBITDA (x)	39.4	47.6	53.5	29.0	19.7
EV/Adj. EBIT (x)	397.5	150.5	83.4	36.3	23.0
Operating cash flow/EV (%)	0.1	1.8	1.5	3.2	4.8
Net debt/Adj. EBITDA (x)	4.10	3.00	1.15	(0.21)	(1.05)

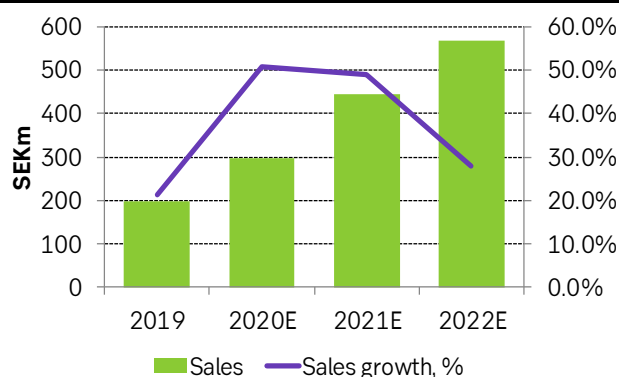
Source for all data on this page: SEB (estimates) and Millstream/Thomson Reuters (prices)

## Detailed quarterly and yearly estimates

	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20E	Q4/20E		2019	2020E	2021E	2022E
Old licence sales	27	28	25	34	28	22	24	28		113	102	104	106
New licence sales	1	1	29	0	0	0	0	73		32	73	199	321
BIP products	3	3	9	25	16	25	26	42		40	110	128	128
Other sales	4	2	4	3	4	1	4	4		13	13	13	14
<b>SALES</b>	<b>35</b>	<b>34</b>	<b>67</b>	<b>62</b>	<b>48</b>	<b>48</b>	<b>54</b>	<b>148</b>		<b>198</b>	<b>298</b>	<b>445</b>	<b>569</b>
<b>Gross profit</b>	<b>30</b>	<b>31</b>	<b>60</b>	<b>44</b>	<b>40</b>	<b>42</b>	<b>42</b>	<b>128</b>		<b>166</b>	<b>253</b>	<b>386</b>	<b>513</b>
-margin, %	86.4%	90.3%	89.9%	72.1%	84.1%	87.2%	77.0%	86.8%		83.8%	84.7%	86.8%	90.2%
<b>EBITDA adj.</b>	<b>7</b>	<b>6</b>	<b>37</b>	<b>12</b>	<b>14</b>	<b>11</b>	<b>9</b>	<b>90</b>		<b>62</b>	<b>125</b>	<b>223</b>	<b>314</b>
-margin, %	20.4%	16.8%	54.5%	19.8%	29.9%	21.8%	17.5%	61.0%		31.2%	41.8%	50.2%	55.2%
<b>EBIT</b>	<b>-3</b>	<b>-5</b>	<b>26</b>	<b>2</b>	<b>4</b>	<b>-1</b>	<b>-2</b>	<b>79</b>		<b>20</b>	<b>80</b>	<b>178</b>	<b>269</b>
-margin, %	n.a.	n.a.	38.7%	2.8%	8.0%	n.a.	n.a.	53.2%		9.9%	26.8%	40.1%	47.3%
Pre-tax	-5	-7	22	0	0	-2	-5	75		10	68	168	261
Net profit	-3	-6	24	2	2	0	-4	77		16	74	175	267
<b>EPS</b>	<b>-0.10</b>	<b>-0.17</b>	<b>0.71</b>	<b>0.05</b>	<b>0.05</b>	<b>-0.01</b>	<b>-0.11</b>	<b>2.29</b>		<b>0.49</b>	<b>2.22</b>	<b>5.21</b>	<b>7.96</b>

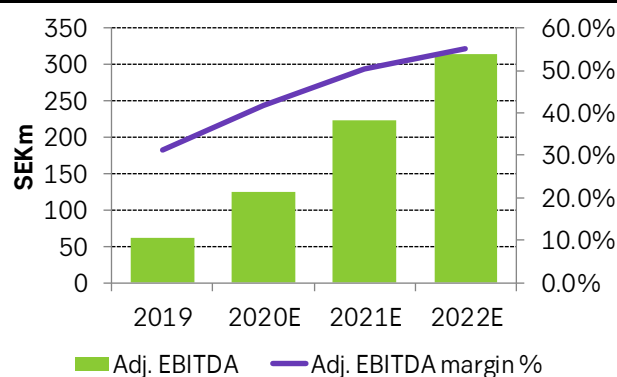
Source: Bactiguard, SEB

## Sales and sales growth, %



Source: Bactiguard, SEB

## Adj. EBITDA and adj. EBITDA margin, %



Source: Bactiguard, SEB

## Q2 deviation from estimates

(SEKm)	Actual	SEB	Q2/20		Q2/19		Q1/20	
			Abs	Rel	Actual	y/y	Actual	q/q
Sales	48.2	51.0	-3	-5.4	34.1	41.5	48.1	0.2
EBITDA	10.5	5.1	5	106.1	5.7	83.1	14.4	-26.9
EBITDA margin	21.8	10.0		11.8pp	16.8	5.0pp	29.9	-8.1pp
EBIT	-0.8	-5.5	5	85.5	-4.8	83.3	3.9	-120.7
Net profit	-0.3	-7.3	7	95.9	-5.6	94.7	1.6	-118.5
EPS	-0.01	-0.22	0	95.4	-0.17	94.1	0.05	-120.5
<b>Adj. EBITDA</b>	<b>10.5</b>	<b>5.1</b>	<b>5</b>	<b>106.1</b>	<b>5.7</b>	<b>83.1</b>	<b>14.4</b>	<b>-26.9</b>
Adj. EBITDA margin	21.8	10.0		11.8pp	16.8	5.0pp	29.9	-8.1pp
<b>Sales by division</b>								
Old licence sales	22.1	23.1	-1	-4.4	27.7	-20.3	27.8	-20.4
New licence sales	0.0	0.0	0	n.a.	1.0	-100.0	0.0	n.a.
BIP products	25.4	25.0	0	1.8	3.2	705.3	16.2	56.8
Other sales	0.7	2.9	-2	-75.9	2.2	-67.9	4.2	-83.2

Source: Bactiguard, SEB

Based on our updated estimates after the Q2 report, we derive a fair mid-point DCF value of SEK 172 per share. As our estimates remain sensitive to various input variables, we provide a sensitivity analysis which yields a valuation range of SEK 160-184 per share. In addition, due to the lumpiness of Bactiguard's licence business, we provide a scenario analysis with various 2021E EBITDA, forward-looking valuation multiples, and the corresponding fair share price, to highlight the potential different outcomes.

**DCF summary**

<b>DCF valuation (SEKm)</b>		<b>Weighted average cost of capital (%)</b>	
NPV of FCF in explicit forecast period	2,314	Risk free interest rate	2.5
NPV of continuing value	3,588	Risk premium	5.0
<b>Value of operation</b>	<b>5,901</b>	<b>Cost of equity</b>	<b>7.5</b>
Net debt	144	<b>After tax cost of debt</b>	<b>3.5</b>
Share issue/buy-back in forecast period	-	<b>WACC</b>	<b>7.4</b>
Value of associated companies	-	<b>Assumptions</b>	
Value of minority shareholders' equity	-		
Value of marketable assets	-		
<b>DCF value of equity</b>	<b>5,757</b>		
<b>DCF value per share (SEK)</b>	<b>172</b>	Number of forecast years	10
Current share price (SEK)	194.50	EBIT margin - steady state (%)	40.1
DCF performance potential (%)	(12)	EBIT multiple - steady state (x)	11.2
		Continuing value (% of NPV)	60.8

Source: SEB

**Sensitivity analysis I**

		<b>Cost of equity (%)</b>				
		6.5	7.0	7.5	8.0	8.5
<b>Equity capital weight (%)</b>	77	260	240	222	207	193
	87	227	210	194	180	168
	<b>97</b>	<b>202</b>	<b>186</b>	<b>172</b>	<b>159</b>	<b>149</b>
	100	195	179	166	154	144
	100	195	179	166	154	144

Source: SEB

**Sensitivity analysis II**

		<b>Absolute change in EBITDA margin - all years</b>				
		-2%	-1%	0	+1%	+2%
<b>Abs. change in sales growth - all years</b>	-2%	149	152	156	159	162
	-1%	156	160	163	167	170
	<b>0</b>	<b>164</b>	<b>168</b>	<b>172</b>	<b>175</b>	<b>179</b>
	+1%	172	176	180	184	188
	+2%	181	185	189	194	198

Source: SEB

## Scenario analysis

Due to the nature of Bactiguard's licence business, which often includes large upfront payments, predictions are difficult, and the scenario approach attempts to visualise what different outcomes would imply for Bactiguard's share price. Within the scenario analysis we show various 2021E EBITDA, forward-looking valuation multiples, and the corresponding fair share price to highlight the potential different outcomes.

Whilst our 2021 EBITDA estimate of SEK 223m and an EV/EBITDA multiple of 22.5x (in line with our selected peers) yields a fair value of SEK 151 per share, Bactiguard's higher expected sales and earnings growth may justify a premium to peers, in our view. Based on our 2021 EBITDA estimate of SEK 223m and by assuming a 50% premium to peers on 2021E EV/EBITDA multiples, we instead derive a fair value of SEK 226 per share.

**Peer group**

	<b>EV/EBITDA</b>		<b>EV/Sales</b>	
	<b>2020E</b>	<b>2021E</b>	<b>2020E</b>	<b>2021E</b>
Bactiguard	53.5	29.0	22.3	14.6
<b>Peers</b>				
Teleflex Inc	28.3	21.9	7.7	6.8
Medtronic PLC	15.9	19.7	4.7	5.2
Becton Dickinson and Co	19.4	15.0	5.5	4.8
Coloplast A/S	31.2	28.3	10.9	10.1
Ambu A/S	74.0	58.2	13.4	11.2
Abbott Laboratories	23.4	20.0	5.9	5.4
Straumann Holding AG	40.6	28.7	10.6	8.7
Edwards Lifesciences Corp	34.5	28.6	11.1	9.6
GN Store Nord A/S	27.7	19.7	5.1	4.4
Demant A/S	28.4	16.3	4.2	3.4
Steris PLC	17.2	18.0	4.2	4.7
Stryker Corp	23.0	16.9	5.6	4.9
Nuvasive Inc	16.4	10.1	3.0	2.6
Smith & Nephew PLC	18.4	13.5	4.4	3.9
<b>Average</b>	<b>28.5</b>	<b>22.5</b>	<b>6.9</b>	<b>6.1</b>
<b>Median</b>	<b>25.6</b>	<b>19.7</b>	<b>5.5</b>	<b>5.0</b>

Source: Thomson Reuters, SEB

Furthermore, if we remove our risk adjustment for potential licence agreements we expect, our EBITDA estimate would be SEK 285m, which coupled with a 50% premium to peers on 2021E EV/EBITDA multiples would yield a fair value of SEK 290 per share, a significant upside to current trading.

#### Valuation sensitivity (EV/EBITDA and EBITDA 2021E)

		EBITDA							
		193	203	213	223	233	243	253	263
Peer average	16.5x	97	101	106	111	116	121	126	131
	18.5x	108	114	119	125	130	136	141	147
	20.5x	120	126	132	138	144	150	156	162
	22.5x	131	138	145	151	158	165	171	178
	24.5x	143	150	157	165	172	179	186	194
25% premium	26.5x	154	162	170	178	186	194	202	210
	28.1x	164	172	180	189	197	205	214	222
	30.5x	177	186	195	205	214	223	232	241
50% premium	33.8x	196	206	216	226	236	246	256	266
	34.5x	200	211	221	231	241	252	262	272
	36.5x	212	223	234	245	255	266	277	288
	38.5x	223	235	246	258	269	281	292	304
	40.5x	235	247	259	271	283	295	307	319
	42.5x	246	259	272	284	297	310	322	335
	44.5x	258	271	285	298	311	324	338	351

Source: Thomson Reuters, SEB

In our view, a higher EBITDA could be achieved in various ways including:

- Non-recurring upfront payments from the signing of new licensing agreements. The CE mark received in December 2018 and the ongoing US study for orthopaedic trauma implants, in our view, are set to pave the way for additional applications as it shows that the technology is efficient and safe to apply on long-lasting implants of various types.
- Beyond the application areas we highlight in this report, Bactiguard, among other categories, targets advanced wound care (market value of USD 5.6bn) and intermittent catheters (USD 1.5bn). Whilst we believe that these potential areas are further out in time, a potential agreement could be reached earlier than expected and create upside to our current EBITDA estimate.
- Royalty income from new sources could improve. We estimate SEK 199m sales (at close to no cost) from new licence income in 2021, but if partners sell significantly higher volumes of devices with Bactiguard's coating, the royalty streams could be higher. Existing collaborations could generate more royalty than expected when the products have been approved in the respective markets.
- BIP product sales could accelerate further. We estimate BIP product sales of SEK 128m in 2021. However, based on the new agreement with Well Lead in China and Medioplast in the Nordics and Benelux and further penetration in other existing markets, this could generate larger than expected revenue streams. We also believe that the agreement with Zimmer Biomet is likely to benefit the sales of BIP products as it validates Bactiguard's infection prevention technology. In addition, sales growth for Vigilenz may exceed our expectation (we forecast sales contribution of SEK 70m from Vigilenz in 2021).
- The licence income from BD (Bard) is stable and unlikely to differ materially from our estimates.

# Overview

## Investment considerations

Healthcare associated infections are costly and can be fatal, so preventing them is crucial – an example is Bactiguard's anti-infective coating for catheters. The licensing income from BD (Bard) and Zimmer Biomet is likely to generate stable revenues and Bactiguard's strategy to focus more on its own sales of BIP products has potential to grow significantly but may take time as competition from larger players is fierce.

## Company profile

Bactiguard is a Swedish medtech company that develops and supplies infection protection solutions that aim to reduce the risk of healthcare associated infections and the use of antibiotics. The primary product is the Bactiguard coating, which reduces bacterial adhesion and formation on medical devices. Bactiguard-coated urinary catheters are market leading in the US and Japan through the licence partner BD (Bard). Bactiguard also has its own product portfolio consisting of urinary catheters, endotracheal tubes and central venous catheters with the proprietary coating. The company has about 70 employees worldwide with headquarters in Stockholm.

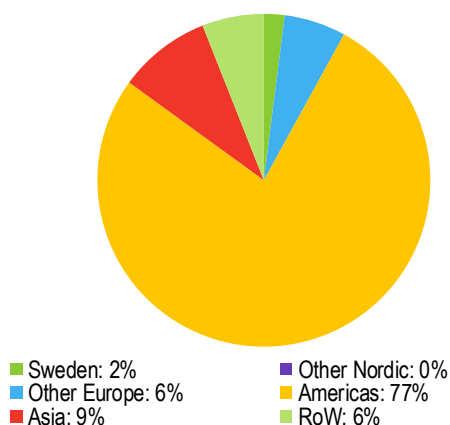
## Valuation approach

We use a blend of a DCF valuation with support from a peer group based earnings multiple valuation and include various scenarios.

## Investment risks

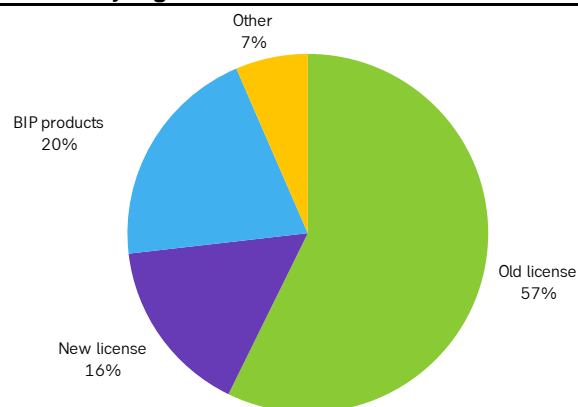
Development of competing technologies with better clinical results could disrupt sales potential. Reimbursement levels could impact pricing negatively. An increase of single-use catheters could reduce demand for Bactiguard's anti-infective coating. High turnover in key management. On the other hand, further large potential agreements could mean that estimates are too low.

## Revenues by region

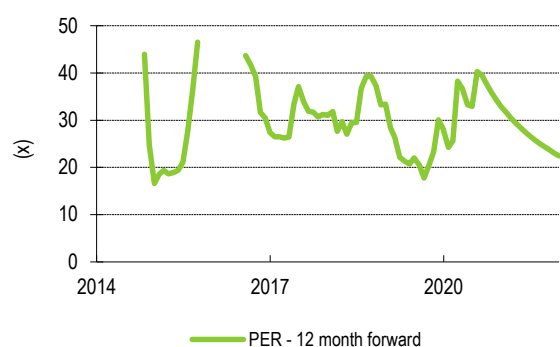


Source: SEB

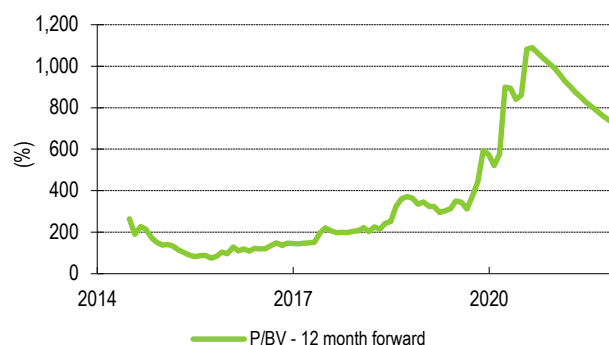
## Revenues by segment



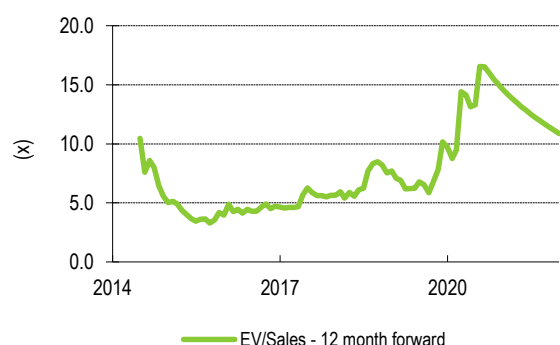
Source: SEB

**PER - 12 month forward**

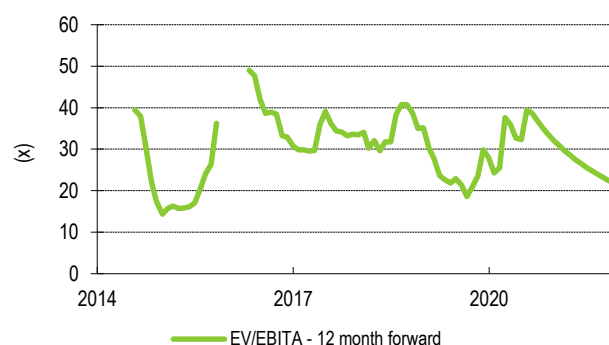
Source: SEB

**P/BV - 12 month forward**

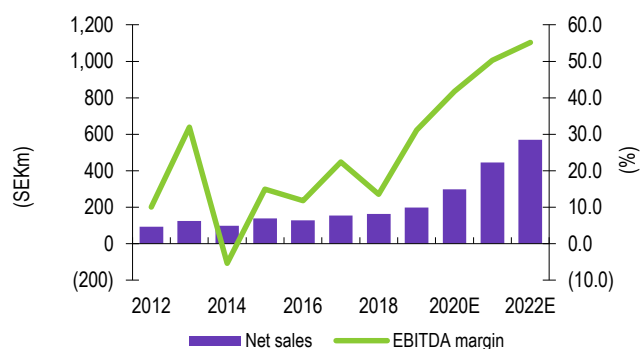
Source: SEB

**EV/Sales - 12 month forward**

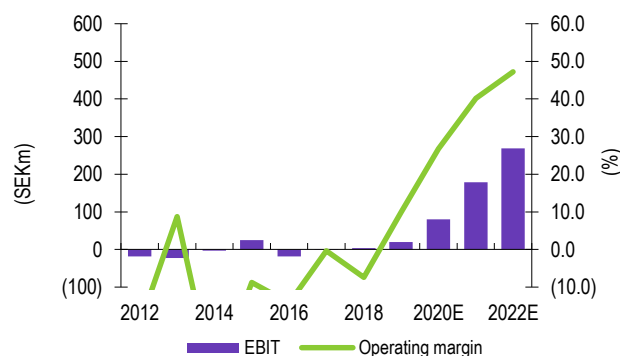
Source: SEB

**EV/EBITA - 12 month forward**

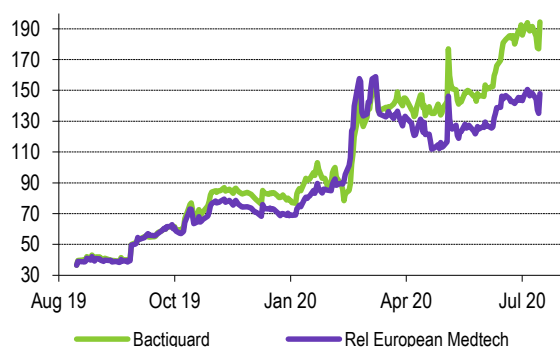
Source: SEB

**Net sales & EBITDA margin**

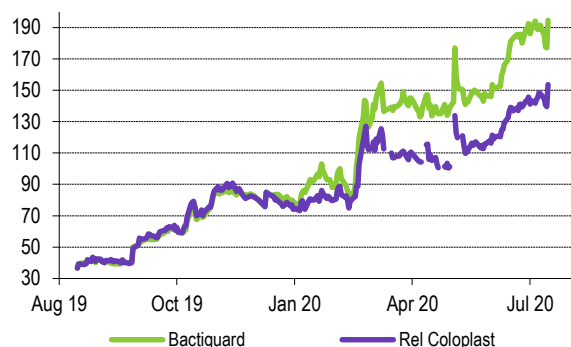
Source: SEB

**EBIT & Operating margin**

Source: SEB

**Comparison with sector index - 1 year**

Source: SIX

**Comparison with Coloplast - 1 year**

Source: SIX

<b>Profit &amp; loss statement - Bactiguard</b>											
(SEKm)	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Net Sales	93	124	98	138	128	154	163	198	298	445	569
Other revenues	0	0	0	0	0	0	0	0	0	0	0
<b>Total revenues</b>	<b>93</b>	<b>124</b>	<b>98</b>	<b>138</b>	<b>128</b>	<b>154</b>	<b>163</b>	<b>198</b>	<b>298</b>	<b>445</b>	<b>569</b>
Total expenses	(84)	(84)	(104)	(118)	(113)	(119)	(141)	(136)	(174)	(221)	(255)
<b>Profit before depreciation</b>	<b>9</b>	<b>40</b>	<b>(5)</b>	<b>21</b>	<b>15</b>	<b>34</b>	<b>22</b>	<b>62</b>	<b>125</b>	<b>223</b>	<b>314</b>
Depreciation - Fixed assets	(4)	(5)	(6)	(9)	(10)	(11)	(10)	(18)	(21)	(21)	(22)
Depreciation - Other assets	0	0	0	0	0	0	0	0	0	0	0
Amortisation - Goodwill	0	0	0	0	0	0	0	0	0	0	0
Amortisation - Other intangibles	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)
<b>Operating profit</b>	<b>(19)</b>	<b>11</b>	<b>(35)</b>	<b>(12)</b>	<b>(18)</b>	<b>(1)</b>	<b>(12)</b>	<b>20</b>	<b>80</b>	<b>178</b>	<b>269</b>
Net interest expenses	(59)	(17)	(80)	(18)	(13)	(8)	(9)	(9)	0	0	0
Foreign exchange items	0	0	0	0	0	0	0	0	0	0	0
Other financial items	0	0	0	0	0	0	0	0	(12)	(10)	(9)
Value changes - Fixed assets	0	0	0	0	0	0	0	0	0	0	0
Value changes - Financial assets	0	0	0	0	0	0	0	0	0	0	0
Value changes - Other assets	0	0	0	0	0	0	0	0	0	0	0
<b>Reported pre-tax profit</b>	<b>(77)</b>	<b>(6)</b>	<b>(116)</b>	<b>(30)</b>	<b>(31)</b>	<b>(8)</b>	<b>(21)</b>	<b>10</b>	<b>68</b>	<b>168</b>	<b>261</b>
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Total taxes	12	2	5	4	4	5	6	6	7	7	7
<b>Reported profit after tax</b>	<b>(65)</b>	<b>(4)</b>	<b>(111)</b>	<b>(26)</b>	<b>(27)</b>	<b>(3)</b>	<b>(15)</b>	<b>16</b>	<b>74</b>	<b>175</b>	<b>267</b>
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Extraordinary items	0	0	0	0	0	0	0	0	0	0	0
<b>Net Profit</b>	<b>(65)</b>	<b>(4)</b>	<b>(111)</b>	<b>(26)</b>	<b>(27)</b>	<b>(3)</b>	<b>(15)</b>	<b>16</b>	<b>74</b>	<b>175</b>	<b>267</b>
<b>Adjustments:</b>											
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Interest on convertible debt	0	0	0	0	0	0	0	0	0	0	0
Minority interests (IFRS)	0	0	0	0	0	0	0	0	0	0	0
Value changes	0	0	0	0	0	0	0	0	0	0	0
Goodwill/intangibles amortisations	24	24	24	24	24	24	24	24	24	24	24
Restructuring charges	0	0	0	0	0	0	0	0	0	0	0
Other adjustments	0	(34)	32	37	0	0	16	0	0	0	0
Tax effect of adjustments	0	0	0	0	0	0	0	0	0	0	0
<b>Adjusted profit after tax</b>	<b>(41)</b>	<b>(14)</b>	<b>(55)</b>	<b>35</b>	<b>(3)</b>	<b>21</b>	<b>25</b>	<b>40</b>	<b>98</b>	<b>199</b>	<b>291</b>
<b>Margins, tax &amp; returns</b>											
Operating margin	(20.0)	8.7	(36.0)	(8.7)	(14.2)	(0.4)	(7.4)	9.9	26.8	40.1	47.3
Pre-tax margin	(83.5)	(5.0)	n.m.	(22.0)	(24.4)	(5.4)	(12.7)	5.2	22.8	37.9	45.8
Tax rate	15.8	38.5	4.4	14.7	14.3	60.8	27.9	(57.0)	(9.6)	(3.9)	(2.5)
ROE	(90.2)	(3.4)	(42.3)	(6.0)	(6.6)	(0.8)	(3.9)	4.3	17.1	30.7	33.8
ROCE	(6.1)	(3.9)	(0.6)	4.1	(3.3)	(0.1)	0.7	3.5	12.1	22.0	26.1
<b>Growth rates y-o-y (%)</b>											
Total revenues	n.a.	33.5	(20.7)	40.9	(7.3)	19.7	6.2	21.2	50.9	49.0	28.0
Operating profit	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	309.7	123.2	50.8
Pre-tax profit	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	556.1	147.9	54.7
EPS (adjusted)	0.0	0.0	0.0	0.0	0.0	0.0	20.1	62.4	144.0	101.8	46.4

<b>Cash flow</b>											
(SEKm)	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Net profit	(65)	(4)	(111)	(26)	(27)	(3)	(15)	16	74	175	267
Non-cash adjustments	51	(7)	51	27	22	32	32	36	45	45	45
<b>Cash flow before work cap</b>	<b>(14)</b>	<b>(10)</b>	<b>(60)</b>	<b>1</b>	<b>(4)</b>	<b>29</b>	<b>18</b>	<b>53</b>	<b>119</b>	<b>220</b>	<b>312</b>
Ch. in working capital / Other	(26)	(8)	23	(21)	(8)	(22)	(17)	1	(20)	(12)	(12)
<b>Operating cash flow</b>	<b>(41)</b>	<b>(19)</b>	<b>(36)</b>	<b>(20)</b>	<b>(13)</b>	<b>6</b>	<b>1</b>	<b>54</b>	<b>99</b>	<b>208</b>	<b>300</b>
Capital expenditures	(22)	(9)	(18)	(12)	(7)	(6)	(6)	(4)	(16)	(17)	(19)
Asset disposals	0	0	0	0	0	0	0	0	0	0	0
L/T financial investments	0	0	0	0	0	0	0	0	0	0	0
Acquisitions / adjustments	0	0	0	0	0	0	0	0	(63)	0	0
<b>Free cash flow</b>	<b>(63)</b>	<b>(28)</b>	<b>(54)</b>	<b>(32)</b>	<b>(20)</b>	<b>(0)</b>	<b>(5)</b>	<b>50</b>	<b>20</b>	<b>191</b>	<b>282</b>
Net loan proceeds	5	52	(322)	(51)	12	(1)	(5)	(28)	32	0	0
Dividend paid	0	0	0	0	0	0	0	0	0	0	0
Share issue	0	0	473	0	0	0	0	0	21	0	0
Other	(0)	0	0	(0)	0	(2)	(0)	0	(0)	0	0
<b>Net change in cash</b>	<b>(57)</b>	<b>24</b>	<b>98</b>	<b>(83)</b>	<b>(8)</b>	<b>(3)</b>	<b>(10)</b>	<b>22</b>	<b>73</b>	<b>191</b>	<b>282</b>
<b>Adjustments</b>											
C/flow bef chng in work cap	(14)	(10)	(60)	1	(4)	29	18	53	119	220	312
Adjustments	0	0	0	0	0	0	0	0	0	0	0
Int on conv debt net of tax	0	0	0	0	0	0	0	0	0	0	0
Cash earnings	(14)	(10)	(60)	1	(4)	29	18	53	119	220	312
<b>Per share information</b>											
Cash earnings	(0.72)	(0.52)	(2.38)	0.03	(0.13)	0.86	0.53	1.58	3.56	6.56	9.31
Operating cash flow	(2.03)	(0.94)	(1.45)	(0.61)	(0.38)	0.18	0.03	1.62	2.95	6.2	8.95
Free cash flow	(3.13)	(1.39)	(2.17)	(0.96)	(0.6)	0.0	(0.15)	1.49	0.6	5.7	8.4
<b>Investment cover</b>											
Capex/sales (%)	23.7	7.3	18.3	8.4	5.8	4.1	3.5	2.2	5.4	3.8	3.3
Capex/depreciation (%)	543	179	284	129	77	56	55	24	77	79	87

Source for all data on this page: SEB

Balance sheet - Bactiguard											
(SEKm)	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Cash and liquid assets	8	5	105	22	16	12	2	23	96	287	569
Debtors	60	96	87	56	31	53	69	60	78	97	117
Inventories	4	4	9	12	15	14	14	14	33	48	59
Other	7	8	8	10	10	0	0	0	0	0	0
<b>Current assets</b>	<b>79</b>	<b>113</b>	<b>209</b>	<b>100</b>	<b>71</b>	<b>78</b>	<b>85</b>	<b>97</b>	<b>206</b>	<b>432</b>	<b>745</b>
Interest bearing fixed assets	0	0	0	0	0	0	0	0	0	0	0
Other financial assets	1	1	11	7	17	17	0	2	2	2	2
Capitalized development cost	4	7	8	12	17	19	21	22	22	22	22
Goodwill	226	226	226	226	226	226	226	226	248	248	248
Other intangibles	375	350	325	300	275	249	224	199	176	152	128
Fixed tangible assets	18	20	32	31	26	36	30	95	131	127	124
Other fixed assets	0	0	0	0	0	0	0	0	0	0	0
<b>Fixed assets</b>	<b>624</b>	<b>604</b>	<b>602</b>	<b>577</b>	<b>561</b>	<b>547</b>	<b>502</b>	<b>544</b>	<b>578</b>	<b>550</b>	<b>523</b>
<b>Total assets</b>	<b>704</b>	<b>717</b>	<b>811</b>	<b>676</b>	<b>632</b>	<b>625</b>	<b>587</b>	<b>641</b>	<b>784</b>	<b>982</b>	<b>1,268</b>
Creditors	6	7	11	4	5	5	7	9	13	19	25
Other trade financing	30	91	119	74	35	22	18	22	33	50	64
S/T interest bearing debt	5	57	0	142	100	8	16	34	34	34	34
Other	10	9	4	4	4	7	14	3	3	3	3
<b>Current liabilities</b>	<b>51</b>	<b>165</b>	<b>134</b>	<b>224</b>	<b>143</b>	<b>41</b>	<b>55</b>	<b>67</b>	<b>82</b>	<b>105</b>	<b>125</b>
L/T interest bearing debt	461	428	196	0	50	155	142	174	206	206	206
Other long-term liabilities	0	0	0	0	18	17	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other provisions	0	0	0	0	0	0	0	0	0	0	0
Deferred tax	47	44	39	35	30	25	19	14	14	14	14
<b>Long term liabilities</b>	<b>508</b>	<b>472</b>	<b>235</b>	<b>35</b>	<b>98</b>	<b>197</b>	<b>161</b>	<b>188</b>	<b>220</b>	<b>220</b>	<b>220</b>
Minority interests	0	0	0	0	0	0	0	0	0	0	0
<b>Shareholders' equity</b>	<b>145</b>	<b>81</b>	<b>443</b>	<b>417</b>	<b>390</b>	<b>387</b>	<b>371</b>	<b>387</b>	<b>482</b>	<b>657</b>	<b>924</b>
<b>Total liabilities and equity</b>	<b>704</b>	<b>717</b>	<b>811</b>	<b>676</b>	<b>632</b>	<b>625</b>	<b>587</b>	<b>641</b>	<b>784</b>	<b>982</b>	<b>1,268</b>
Net debt (m)	459	479	90	120	134	151	156	185	144	(48)	(329)
Working capital (m)	26	1	(30)	(4)	12	33	44	41	62	73	85
Capital employed (m)	611	566	638	560	540	550	529	595	722	897	1,164
Net debt/equity (%)	318	593	20	29	34	39	42	48	30	(7)	(36)
Net debt/EBITDA (x)	49.5	12.1	(17.1)	2.1	8.9	4.4	4.1	3.0	1.2	(0.2)	(1.0)
Equity/total assets (%)	21	11	55	62	62	63	63	60	61	67	73
Interest cover	(0.3)	0.6	(0.4)	(0.7)	(1.4)	(0.1)	(1.4)	2.1	0.0	0.0	0.0
Valuation											
(SEK)	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
No of shares, fully dil. (y/e)	20.0	20.0	33.3	33.3	33.3	33.3	33.3	33.3	33.5	33.5	33.5
No of shares, fully dil. avg.	20.0	20.0	25.0	33.3	33.3	33.3	33.3	33.3	33.5	33.5	33.5
Share price, y/e			17.2	11.2	16.9	23.0	40.2	82.6	194.5	194.5	194.5
Share price, high			38.5	19.3	18.9	26.5	49.2	91.4	198.5		
Share price, low			15.0	8.1	10.7	14.7	19.1	35.0	71.4		
Share price, avg			24.8	12.2	14.9	20.3	32.1	47.5	130.2		
EPS (reported)	(3.26)	(0.19)	(4.43)	(0.78)	(0.80)	(0.10)	(0.45)	0.49	2.22	5.21	7.96
EPS (adjusted)	(2.07)	(0.68)	(2.19)	1.04	(0.09)	0.62	0.74	1.20	2.94	5.92	8.67
Cash earnings/share	(0.72)	(0.52)	(2.38)	0.03	(0.13)	0.86	0.53	1.58	3.56	6.56	9.31
Dividend/share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Enterprise value/share			19.9	14.8	21	28	45	88	199	193	185
Book value/share	7.2	4.0	13.3	12.5	11.7	11.6	11.1	11.6	14.4	19.6	28
Adjusted equity/share	7.2	4.0	13.3	12.5	11.7	11.6	11.1	11.6	14.4	19.6	28
PER (adjusted)			n.m.	10.8	n.m.	37.3	54.3	68.7	66.3	32.8	22.4
CEM			(7.2)	406.3	(127.7)	26.8	76.3	52.2	54.6	29.7	20.9
Dividend yield			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV/EBITDA			(125.5)	8.6	45.9	26.6	39.4	47.6	53.5	29.0	19.7
EV/EBITA			(57.1)	10.2	124.4	39.5	54.2	67.8	64.3	32.0	21.2
EV/EBIT			(200.1)	20.0	(38.3)	(1,570.0)	397.5	150.5	83.4	36.3	23.0
EV/Sales (x)			6.75	3.56	5.43	5.97	9.16	14.84	22.35	14.57	10.88
Price/Book value			1.29	0.89	1.44	1.98	3.61	7.11	13.53	9.93	7.06
Price/adjusted equity			1.29	0.89	1.44	1.98	3.61	7.11	13.53	9.93	7.06
Free cash flow/Market cap (%)			(12.6)	(8.6)	(3.5)	(0.0)	(0.4)	1.8	1.3	2.9	4.3
Operating cash flow/EV (%)			(5.5)	(4.1)	(1.8)	0.7	0.1	1.8	1.5	3.2	4.8
EV/Capital employed (x)			1.0	0.9	1.3	1.7	2.8	4.9	9.2	7.2	5.3
Main shareholders											
				Management				Company information			
Name	(%)	Votes	Capital	Title	Name			Contact			
Christian Kinch	34.8		18.4	COB	Christian Kinch			Internet			0.0
Thomas von Koch	34.8		18.4	CEO	Cecilia Edström			Phone number			0
Jan Ståhlberg	4.8		9.9	CFO	Arverud Lina						
				IR							

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