

Bactiguard Q3 2020

Investor presentation – November 5th 2020

Cecilia Edström, CEO

Gabriella Björknert Caracciolo, CFO

External factors

Belgium cancels non-urgent surgery as full Covid lockdown looms

Country moves closer to national shutdown as PM vows to protect health system

- [Coronavirus - latest updates](#)
- [See all our coronavirus coverage](#)



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Health Coronavirus

Covid could cause 'tsunami of cancelled NHS operations'

5 October

Coronavirus pandemic



Coronautbrottet

Operationer på Akademiska stoppas efter ökad smitta

Av: Elle Kari Karlsson

PUBLICERAD: ONS 07 OKT 2020 | UPPDATERAD: ONS 07 OKT 2020

NYHETER

En ny våg av snabb smittspridning av coronaviruset i Uppsala gör att Akademiska sjukhuset sätter stopp för all vård som inte är absolut nödvändig. Akuta operationer genomförs som vanligt.

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▲ Medical restriction

News / India / Over 580,000 surgeries in India may be cancelled due to Covid-19: Study

Over 580,000 surgeries in India may be cancelled due to Covid-19: Study

More than 580,000 planned surgeries in India might be cancelled or delayed as a result of the COVID-19 pandemic, according to a study conducted by an international consortium

ET Healthworld.com
From The Economic Times

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COVID-19 pandemic will lead to over 28 million cancelled surgeries worldwide: Study

The CovidSurg Collaborative, a 120-country research initiative formed to analyse the impact of COVID-19 on surgeries, has projected that, based on a 12-week period of peak disruption to hospital services due to COVID-19, around 28.4 million elective surgeries worldwide will be cancelled or postponed in 2020.

NEW ZEALAND

Covid-19 coronavirus lockdown: All non-urgent surgeries cancelled

23 Mar, 2020 11:38 PM © 3 minutes to read



Auckland City Hospital closes its doors to all planned care, including non-urgent surgeries. Photo / File



Financial summary

Weak quarter but the need for infection prevention is greater than ever

- Sales declined by 49% (-46% currency adjusted) to MSEK 34.1 (67.2)
- BD license revenues of MSEK 20.2 (25.0) – 19% lower than last year
- No new license revenue in the quarter – MSEK 29.4 from Zimmer Biomet in 2019
- BIP sales of MSEK 10.4 (8.7) – primarily driven by broader BIP portfolio
- EBITDA of MSEK -3.1 (36.5), whereof MSEK -1.2 currency related
- Net profit of MSEK -16.1 (23.7) – regular depreciation on technology of -6.4 MSEK, provides tax shield as technology increases in value with new applications
- Operating cash flow of MSEK -3.3 (23.9)



Licensing partnerships

License partner	Application area	Territory	Status
	Urinary catheter(Foley)	The USA, Japan, the UK, Ireland, Canada and Australia	Recurring sales and revenues
 ZIMMER BIOMET	Orthopedic trauma implants	Global agreement excl. South-East Asia	Milestone driven regulatory phase EU, US
Well Lead Medical	Urinary catheters, ETTs and CVCs	China	Development and regulatory phase
Smartwise Sweden	Advanced vascular injection catheters	Global	Development phase
Potential new opportunities	Orthopedic & dental implants, dialysis catheters etc		

Recent trends

- 60-80% fewer elective surgeries in the US
- 50% fewer planned interventions in Stockholm,
- and 25% fewer cancer diagnoses



BIP sales

Recent digital initiatives and opportunities

NEON

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Clinical Experts Meeting

Date

28th May Thursday

Time

1:00 PM to 1:40 PM

Meeting Details

Invite Link:
<https://us02web.zoom.us/j/84998101901>

Meeting ID - 849 9810 1901

Contact:
pankaj.malhotra@bactiguard.se
shraddha.gore@bactiguard.se



Topic

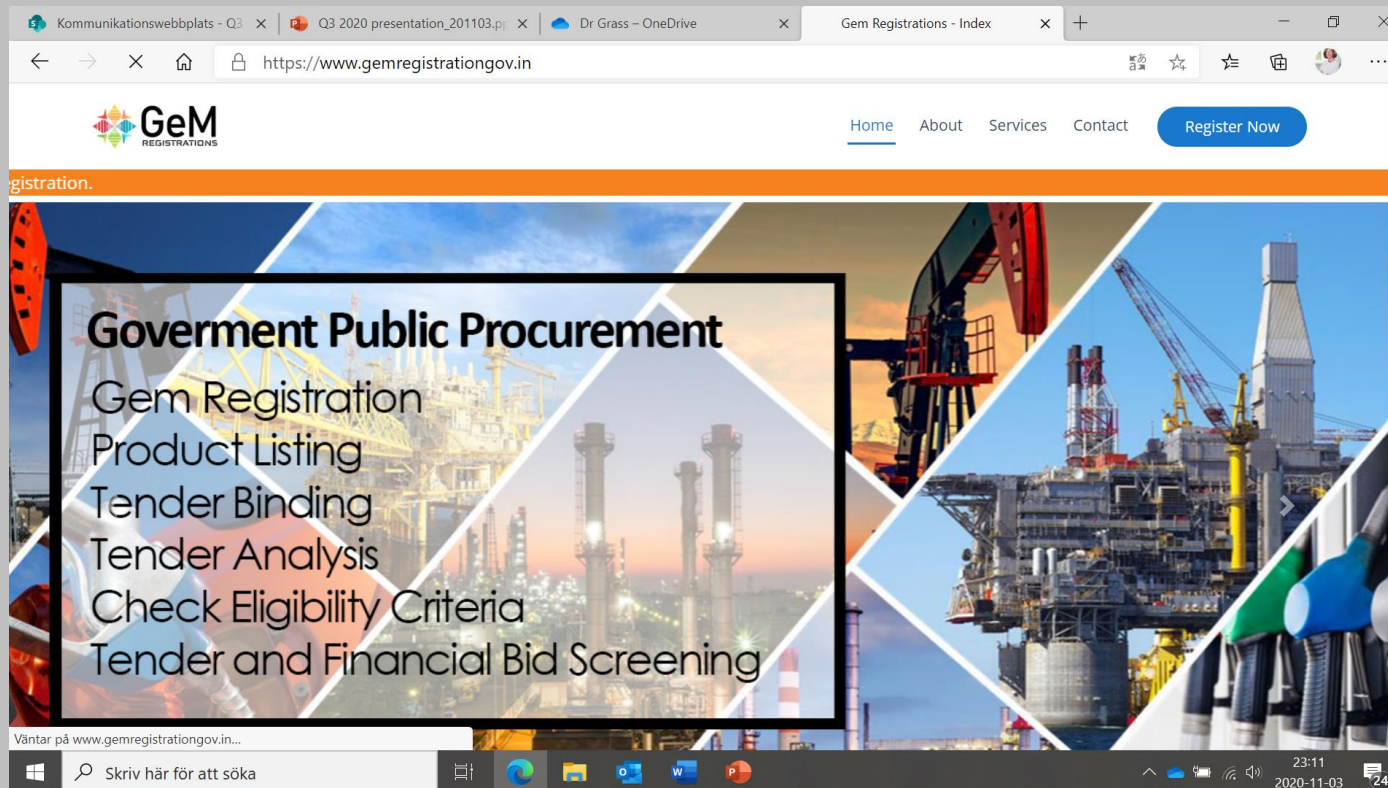
Advances in managing HAI and first hand global experience sharing of treating SARS CoV 2 pts at Karolinska University Hospital.

Speaker



Dr. Stefan Grass

Background:
MD PhD anaesthesia and intensive care, Karolinska University Stockholm. Chief scientific officer and Deputy CEO Bactiguard.



The screenshot shows a web browser window with the URL <https://www.gemregistration.gov.in>. The page features the GeM logo and navigation links: Home, About, Services, Contact, and a Register Now button. The main content area is titled "Government Public Procurement" and lists several services: Gem Registration, Product Listing, Tender Binding, Tender Analysis, Check Eligibility Criteria, and Tender and Financial Bid Screening. The background of the page shows an industrial facility with cranes and towers. The browser's taskbar at the bottom shows the time as 23:11 on 2020-11-03.

Hydrocyn Aqua

Advanced disinfection and wound care portfolio



Future line extensions

- Nasal spray
- Dental wash
- Baby care
- Animal care
- Eye spray

Strengthening the management and sales team

- **New General Manager Nordics**
Healthcare and homecare providers, pharmacies, B2B, B2C
- **New General Manager South East Asia**
Leading Malaysian sales team and distributor sales in the region
- **New Chief Marketing and Communications Officer**
Brand and digital strategies
- **Recruiting new Global Sales Director**
- **Sales team reporting to CEO**



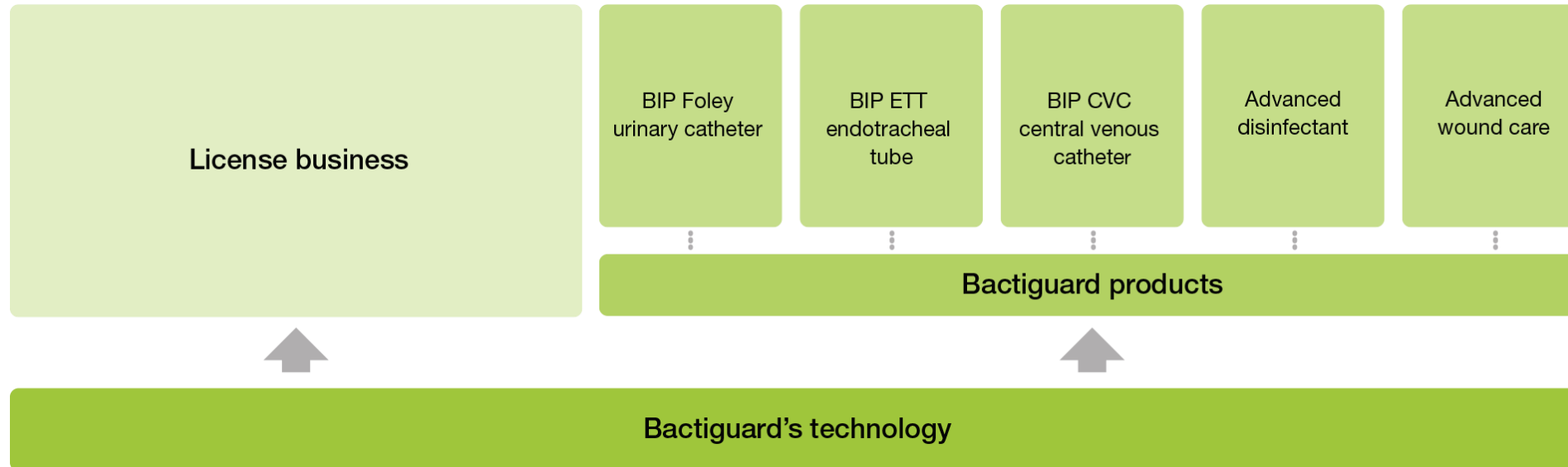
Petra Kaur Ljungman

Financial update



Our business model

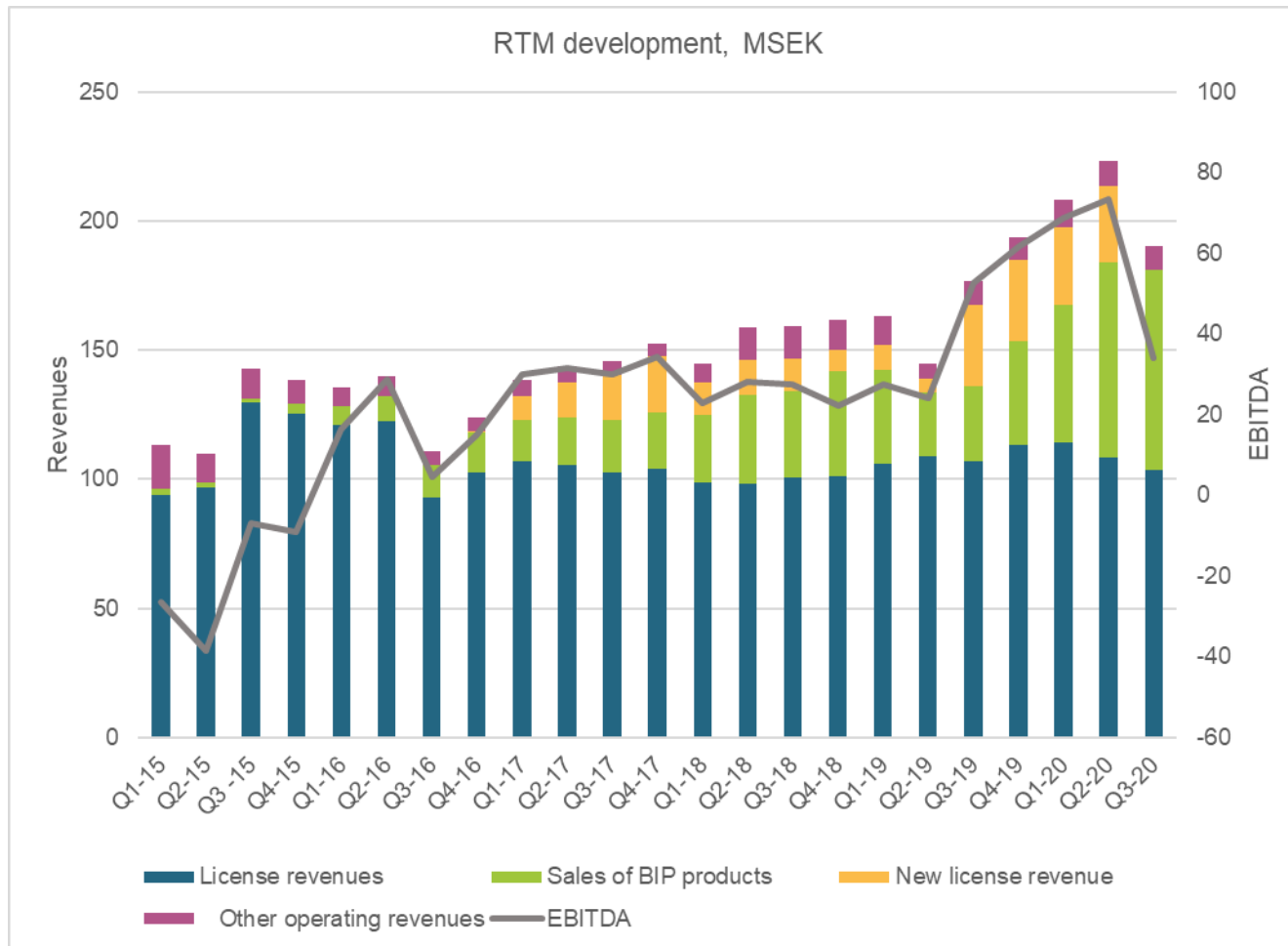
Expanding our portfolio for infection protection



License agreements for various applications with Bactiguard technology

Proprietary product portfolio – sold through distributors

Negative Covid-19 impact on earnings



Q3 2020 vs 2019

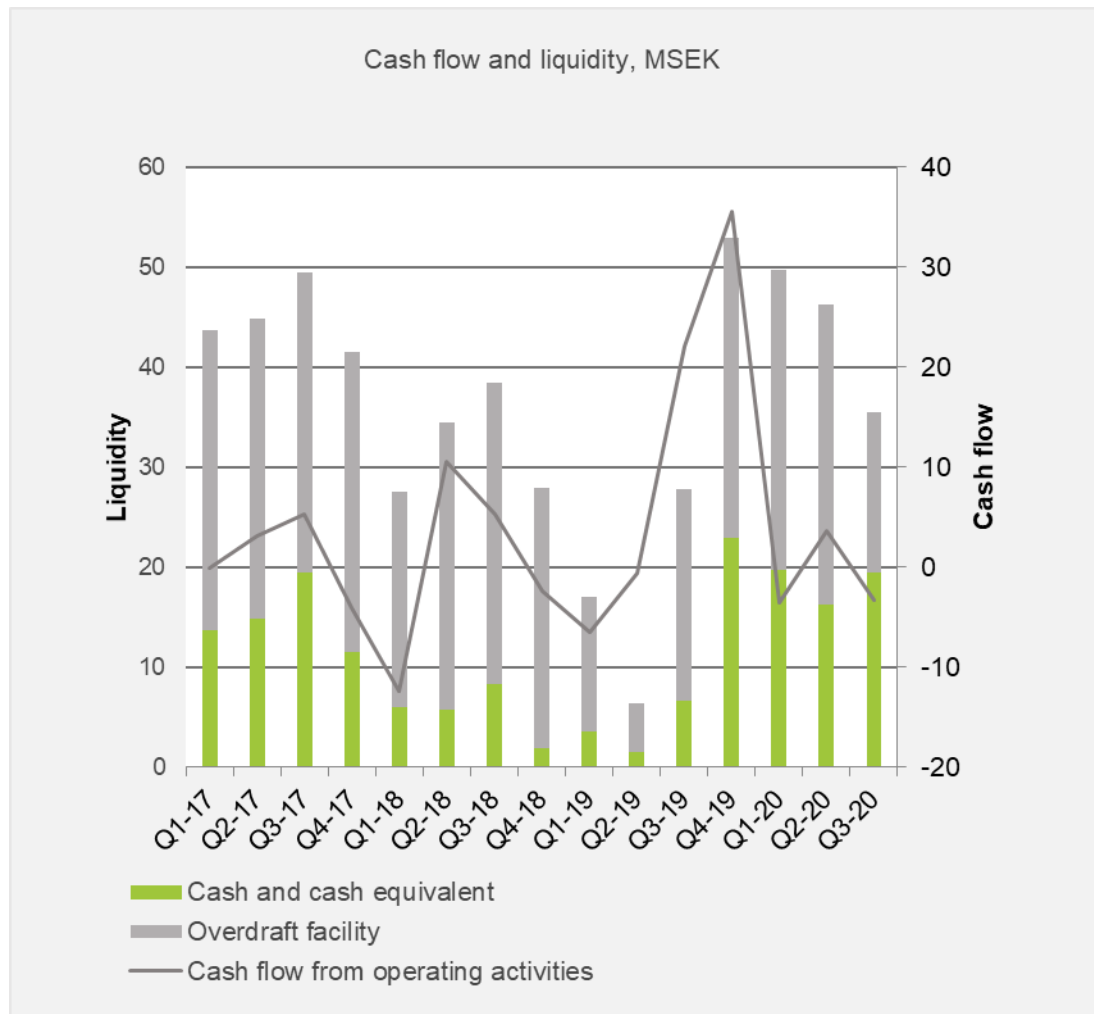
- Revenue Growth of -49%, (adjusted for currency -46%)
- Negative Covid-19 effect on license revenues from BD
- No new license revenue (last year MSEK 29.4)
- EBITDA-margin decreased to -9% (54%)
- Low sales of BIP products, but acquisition of Vigilenz contributed

Financial overview

MSEK	2020					2019						
	Q1	Q2	Q3	YTD 9m	RTM	Q1	Q2	Q3	YTD 9m	Q4	Full year	
Revenues	48,1	48,2	34,1	130,5	190,3	33,9	33,0	67,2	134,1	59,8	193,9	
EBITDA	14,4	10,5	-3,1	21,8	34,0	7,2	5,7	36,5	49,4	12,2	61,6	
EBITDA margin %	30%	22%	-9%	17%	18%	21%	17%	54%	37%	20%	32%	
Depreciations	-10,5	-11,3	-11,2	-33,0	-43,5	-10,5	-10,5	-10,5	-31,4	-10,5	-41,9	
<i>whereof depreciation technology</i>	-6,1	-6,4	-6,4	-18,9	-24,9	-6,0	-6,0	-6,0	-18,0	-6,0	-24,0	
Net profit/loss*	-11,2	-0,3	-16,1	-27,6	-26,0	-3,4	-5,6	23,7	14,7	1,6	16,2	
Operating cash flow	-3,5	3,6	-3,3	-3,2	33,6	-6,5	-0,2	23,9	17,1	36,9	54,0	

*According to IFRS the set-off issue is reported as a forward contract, which has affected net profit/loss with SEK -10,9 million YTD 2020. The adjustment does not affect cash flow.

Cash flow and liquidity



- The Vigilenz acquisition was partly financed by debt issue of new shares in Q2 2020
- Negative operating cash flow for Q3 of MSEK -3.3 (23.9)
- Credit facility of 30 MSEK of which MSEK 13,9 utilised
- Available liquidity incl credit facility amounted to MSEK 35.5 compared to MSEK 36,6 previous year

Clear growth strategy

Effective and safe
technology for
infection
prevention

Recurring license
revenues and new
agreements

Broader product
portfolio and
market coverage



Updated long term financial targets

Growth

- Average revenue growth of 20% per year over a five year period 2025 (unchanged)

Profitability

- EDITDA margin of at least 30% at the end of the five-year period (unchanged)

Dividend

- A long-term goal to achieve a dividend of 30-50% of profit after tax, taking into consideration the company's financial position. Growth will be prioritised over dividends (unchanged)



Infection prevention
more needed than ever



Questions & Answers



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Upcoming financial reports

February 04, 2021

Year-end report for 2020