

# Bactiguard Q2 2020

---

**Investor presentation - August 13th 2020**

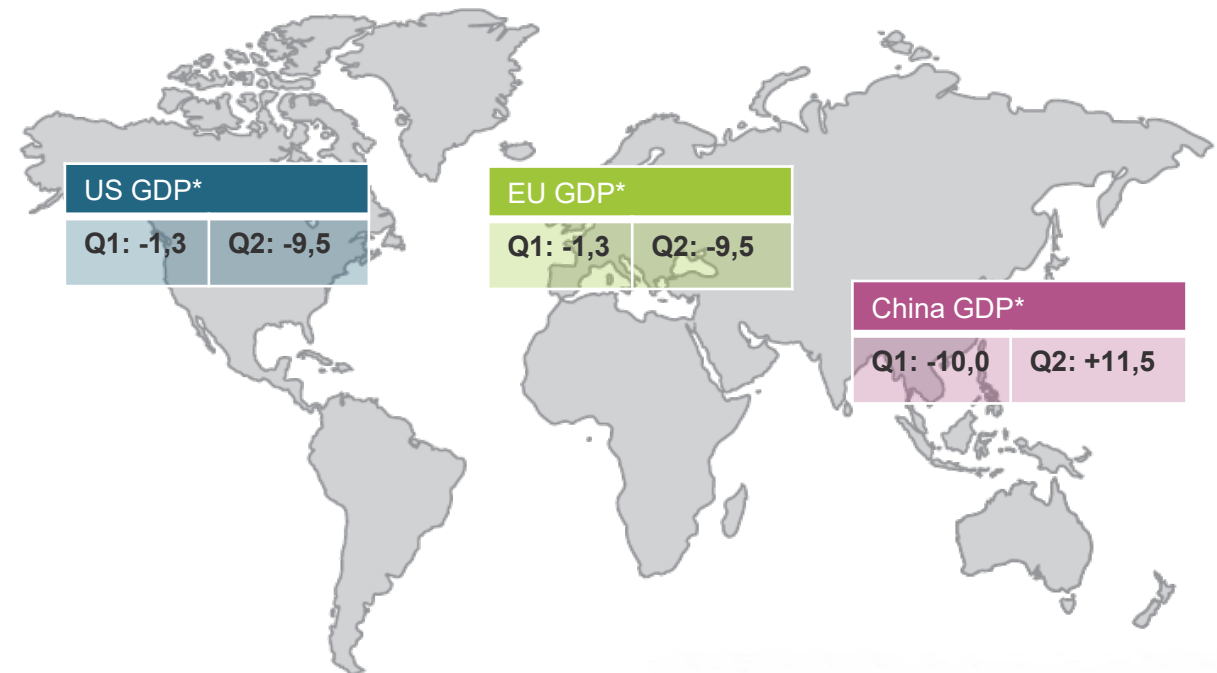
Cecilia Edström, CEO

Gabriella Björknert Caracciolo, CFO

# Global developments in Q2

## Major COVID-19 impact

- Extensive lock-downs in many regions
- Major declines in economic activity
- Healthcare focus on COVID-19 patients
- Lower hospital admissions and utilization, postponed elective and non-urgent procedures
- Negative impact on medical device consumables
- Healthcare backlog increasing
- Sequential improvement from late Q2



# Financial highlights

---

## Strong growth and earnings development

- Sales growth of 46% (45% currency adjusted) to MSEK 48.2 (33.0)
- BIP sales of MSEK 25.4 (3.2) – in line with record Q4 quarter 2019
- Growth driven by BIP portfolio and integration of Vigilenz
- EBITDA of MSEK 10.5 (5.7)
- Improved EBITDA margin of 22% (17%)
- Net profit of MSEK -0.3 (-5.6) – depreciation on technology of -6.4 MSEK (no effect on cash flow)
- Operating cash flow of MSEK 3.6 (-0.2)

## COVID-19 effects

- Demand for disinfectants and ETTs increased
- Licensing partners suffered from reduced hospital admissions and postponed elective procedures
- Gradual improvement from end of Q2

# Operational highlights

## Increasing need for infection prevention

- Tests performed by the Swedish national Veterinary Institutes showed that 99.9% of the COVID-19 virus particles were killed after exposure to Hydrocyn aqua
- New distribution agreement with Swedish online pharmacy Apotea
- Establishing new distribution channel in the Nordic market
- Launch of catheter for patients in need of continuous temperature monitoring
- Interim approval for ETTs in Canada
- Continuing to strengthen clinical evidence
- Investing in Sales & Marketing
  
- New issue of shares, as partial payment for Vigilenz
- Christian Kinch appointed new Chairman by the AGM
- Gabriella Björknert Caracciolo appointed new CFO



# Strengthening the management team

## Gabriella Björknert Caracciolo new CFO

- **Education:** MBA Stockholm university
- **Other assignments:** Board member Bankgirocentralen, BGC
- **Background:** Senior positions within SEB and Nordea and experience from Management Consulting
- **Other:**
  - 20+ years experience from Banking and Financing
  - Experienced leader, both strategic and operational roles
  - International operations
  - Strategic Development and Change Management
  - Global regulatory implementation Capital Markets
  - Digitalisation/Technology
  - CFO/Controlling and audit



*Gabriella Björknert Caracciolo*

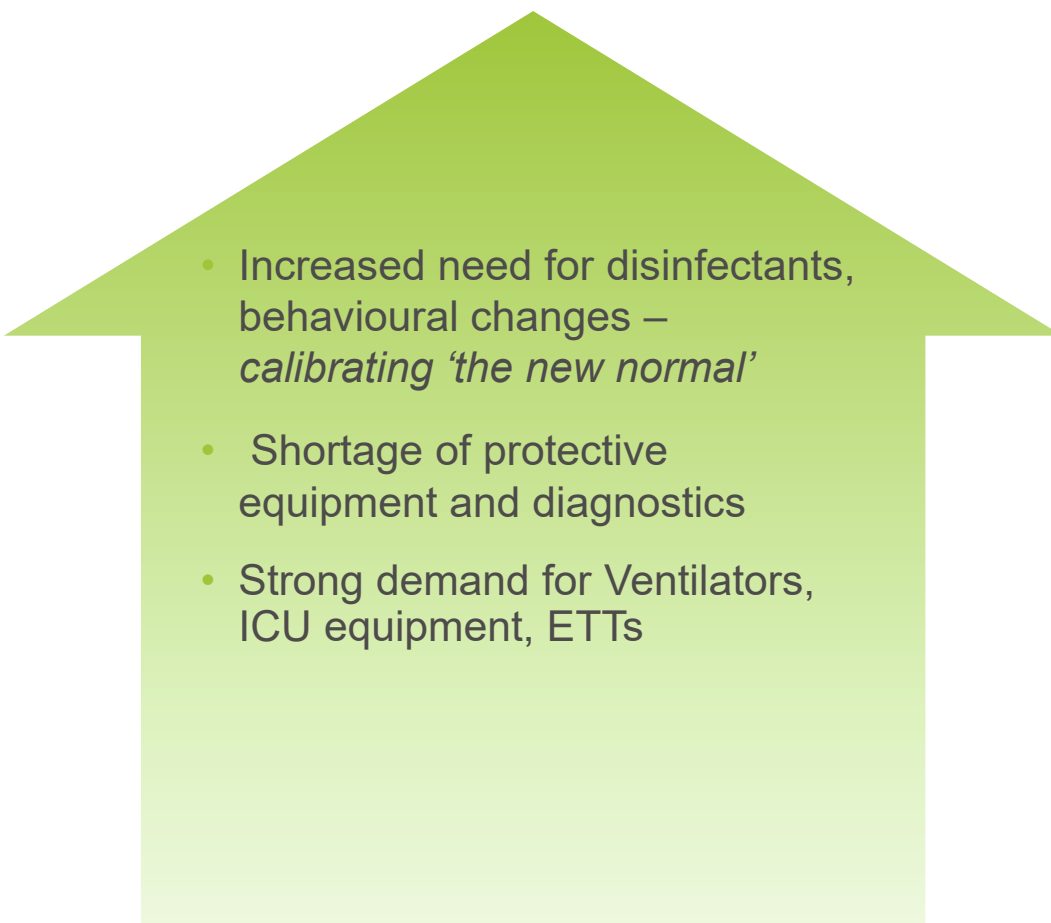
# COVID-19 impact

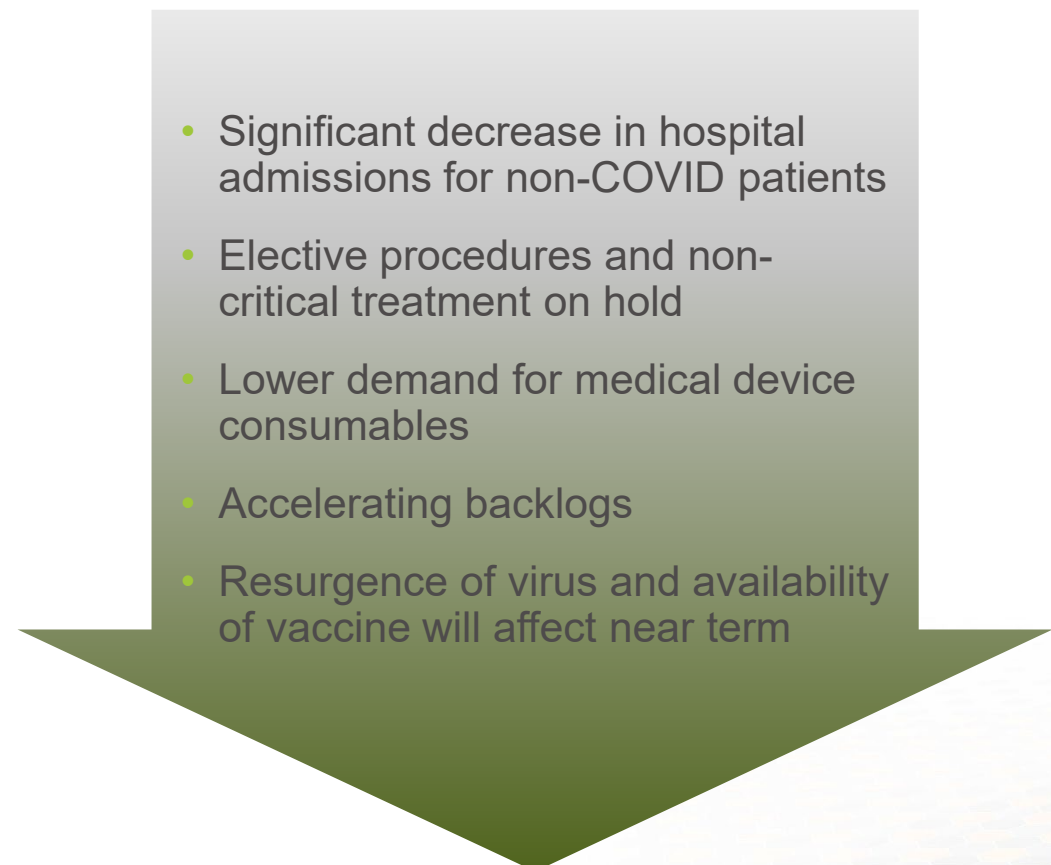
---



# Short-term COVID-19 impact

---

- 
- Increased need for disinfectants, behavioural changes – *calibrating 'the new normal'*
  - Shortage of protective equipment and diagnostics
  - Strong demand for Ventilators, ICU equipment, ETTs

- 
- Significant decrease in hospital admissions for non-COVID patients
  - Elective procedures and non-critical treatment on hold
  - Lower demand for medical device consumables
  - Accelerating backlogs
  - Resurgence of virus and availability of vaccine will affect near term



# Longer term COVID-19 impact

## Prevention is better than cure

### Trends:

- Increasing awareness of infections
- Patients cautious in seeking healthcare
- Accelerating healthcare backlog
- Public finances under pressure
- Shift to digital and home-based care
- Prevention is better than Cure

*'Stay safe and stay healthy'*

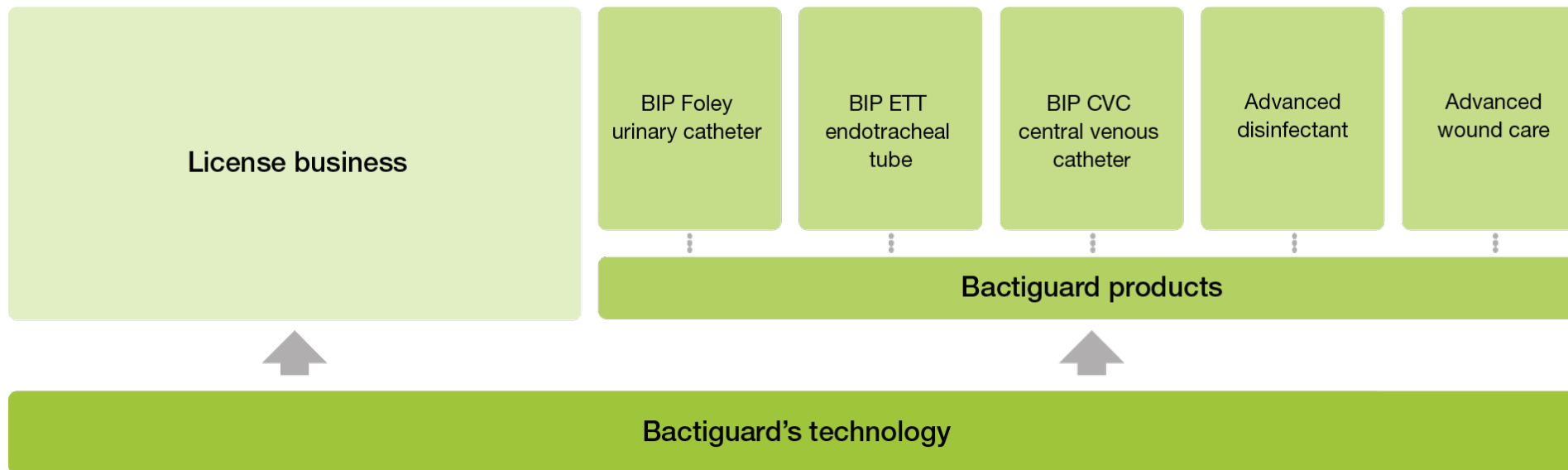
### Increased need for infection control

- Behavioural changes will remain after pandemic subsides
- Increased demand for disinfectants and other protective medical devices
- Hospital acquired infections lead to complications and longer hospital stay
- Homecare environment more difficult to control
- Opportunities for BIP portfolio and new license agreements in more application areas



# Scalable business model

Expanding our portfolio for infection protection



License agreements for various applications with Bactiguard technology

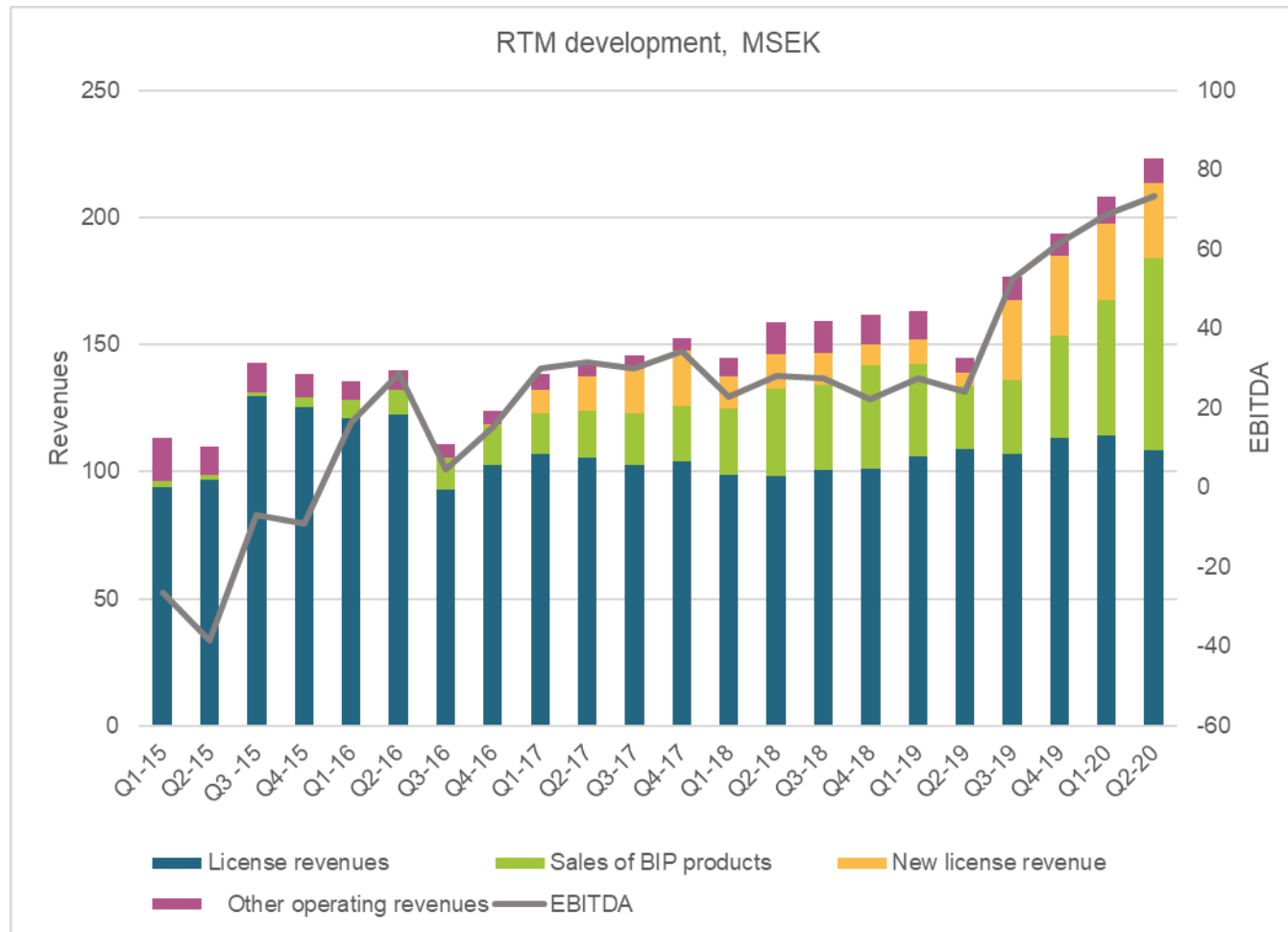
Proprietary product portfolio – sold through distributors

# Financial update

---



# Strong performance driven by BIP portfolio



## Q2 2020 vs 2019

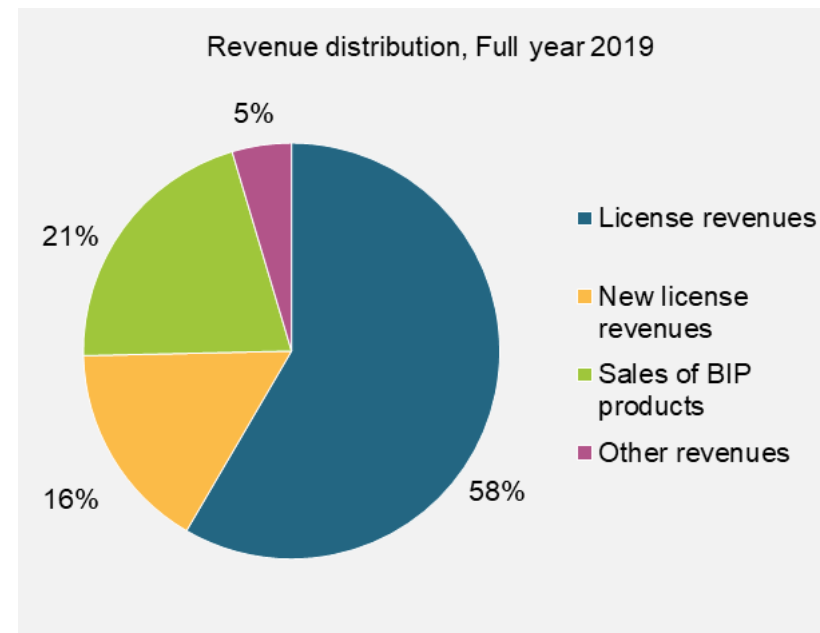
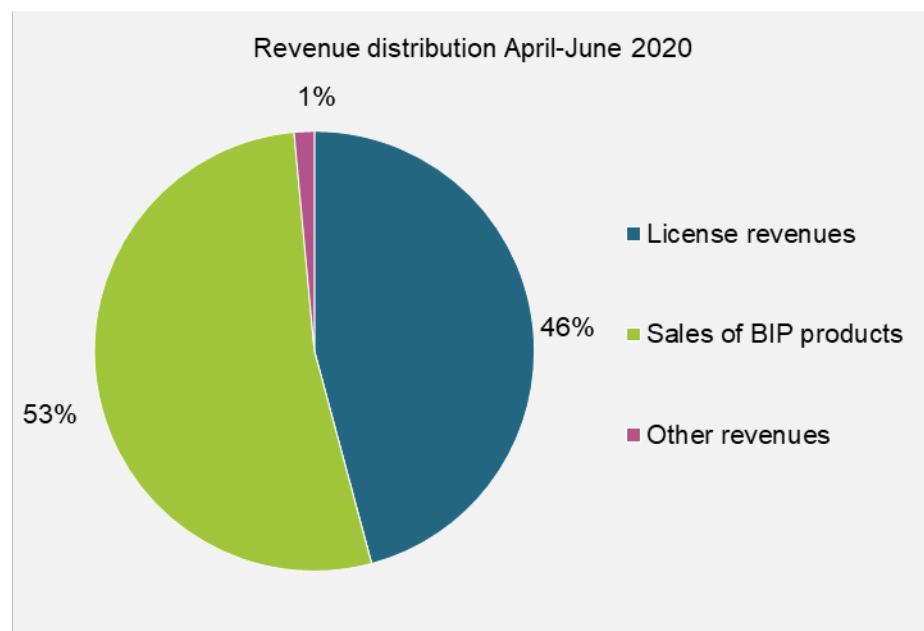
- Revenue Growth of 46%, (adjusted for currency 45%)
- Strong sales growth in BIP-sales. Negative Covid-19 effect on license revenues.
- EBITDA-margin increased to 22% (17%)
- Bactiguard entered a new development phase with the strategic acquisition of Vigilenz.

# Financial overview

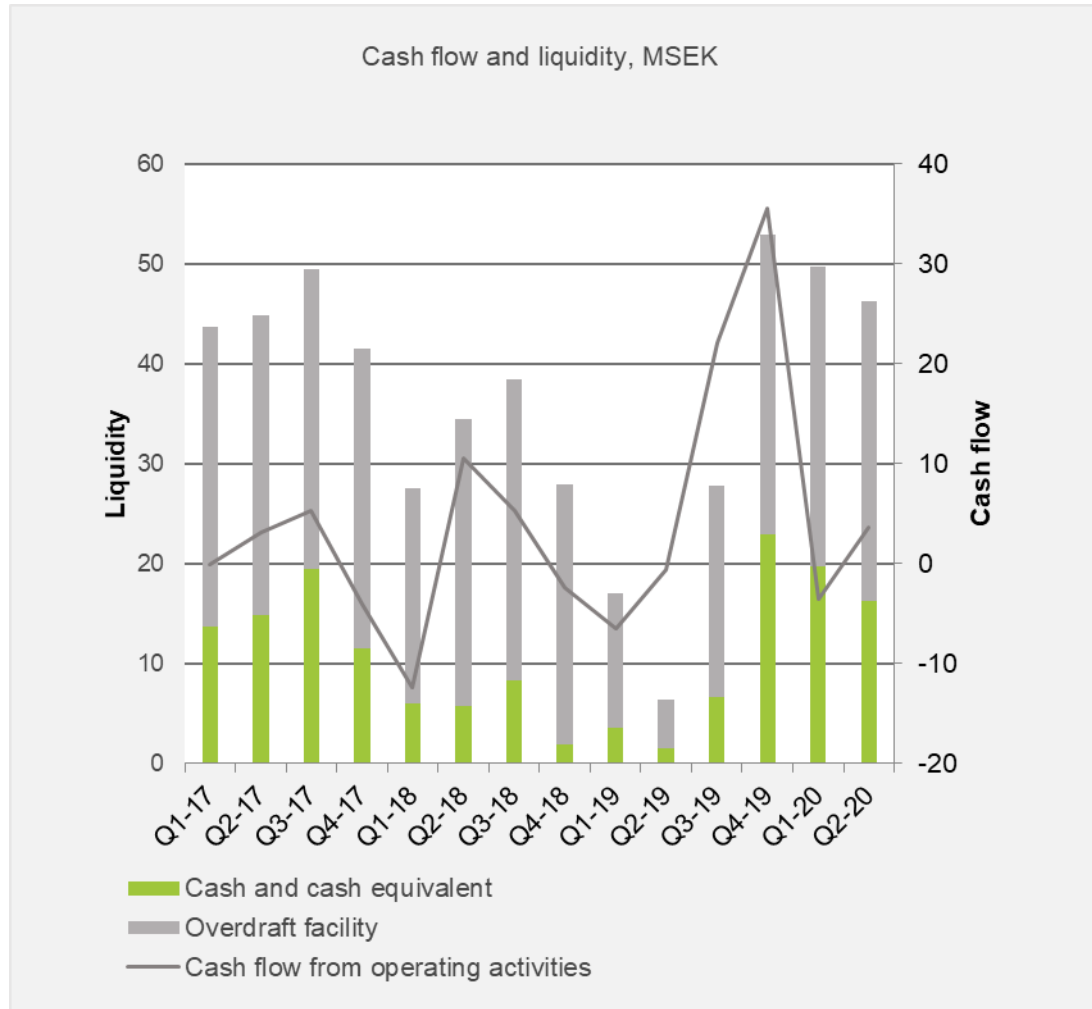
	2020				2019				
MSEK	Q1	Q2	YTD 6m	RTM	Q1	Q2	Q3	Q4	Full year
<b>Revenues</b>	<b>48,1</b>	<b>48,2</b>	<b>96,3</b>	<b>223,3</b>	<b>33,9</b>	<b>33,0</b>	<b>67,2</b>	<b>59,8</b>	<b>193,9</b>
<b>EBITDA</b>	<b>14,4</b>	<b>10,5</b>	<b>24,9</b>	<b>73,6</b>	<b>7,2</b>	<b>5,7</b>	<b>36,5</b>	<b>12,2</b>	<b>61,6</b>
<b>EBITDA margin %</b>	<b>30%</b>	<b>22%</b>	<b>26%</b>	<b>33%</b>	<b>21%</b>	<b>17%</b>	<b>54%</b>	<b>20%</b>	<b>32%</b>
<b>Depreciations</b>	<b>-10,5</b>	<b>-11,3</b>	<b>-21,8</b>	<b>-42,1</b>	<b>-10,6</b>	<b>-10,5</b>	<b>-10,6</b>	<b>-10,5</b>	<b>-42,1</b>
<i>whereof depreciation technology</i>	<i>-6,1</i>	<i>-5,1</i>	<i>-11,2</i>	<i>-24,1</i>	<i>-6,0</i>	<i>-6,0</i>	<i>-6,0</i>	<i>-6,0</i>	<i>-23,8</i>
<b>Net profit/loss*</b>	<b>-11,2</b>	<b>-0,3</b>	<b>-11,4</b>	<b>13,8</b>	<b>-3,4</b>	<b>-5,6</b>	<b>23,7</b>	<b>1,6</b>	<b>16,3</b>
<b>Operating cash flow</b>	<b>-3,5</b>	<b>3,6</b>	<b>0,1</b>	<b>60,8</b>	<b>-6,5</b>	<b>-0,2</b>	<b>23,9</b>	<b>36,9</b>	<b>54,0</b>

\*According to IFRS the set-off issue is reported as a forward contract, which has affected net profit/loss with SEK 1,9 million in the second quarter 2020 and SEK -10,9 million YTD 2020. The adjustment does not affect cash flow.

# Revenue distribution

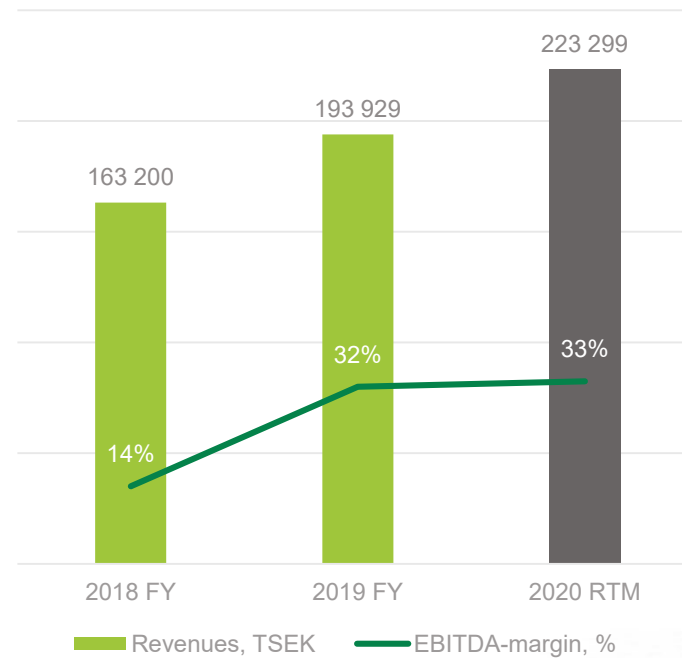
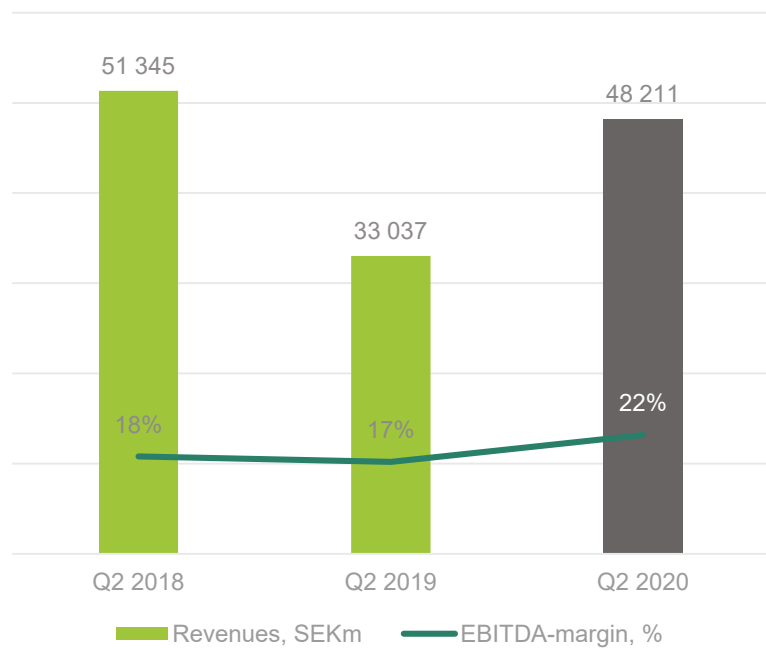


# Cash flow and liquidity



- Positive operating cash flow for Q2 of MSEK 3.6 (-0.2)
- Net Cash position of MSEK 16.3 (1.6)
- Liquidity MSEK 46.3
- The Vigilenz acquisition was partly financed by debt and issue of new shares in Q2

# Profitable growth



Financial targets: Growth 20% and EBITDA-margin 30%



# Concluding remarks

---

- Strong growth and earnings development
- Broader BIP portfolio and increased market coverage through strategic acquisition of Vigilenz
- COVID-19 has affected us all
  - Global economic and healthcare challenges
  - New opportunities that will remain beyond the pandemic
- Bactiguard technology and extended BIP portfolio well positioned
- Continuous strengthening of clinical evidence
- Committed management team, Board of Directors and major shareholders
- Bactiguard well positioned to execute on our growth strategy

***‘Prevention is better than cure’***



# Questions & Answers

---



**Cecilia Edström**

CEO

Phone +46 8 440 58 80

[cecilia.edstrom@bactiguard.se](mailto:cecilia.edstrom@bactiguard.se)



**Gabriella Björknert Caracciolo**

CFO

Phone +46 8 440 58 80

[Gabriella.caracciolo@bactiguard.se](mailto:Gabriella.caracciolo@bactiguard.se)

# Upcoming financial reports

---

November 05, 2020

Interim report for Q3

February 04, 2021

Year-end report for 2020