

GPX MEDICAL (GPXMED)

MOMENTUM IN CLINICAL AND REGULATORY ACTIVITIES CONTINUES



1.1 million infants die annually, where 80% suffer from Respiratory Distress Syndrome (RDS). The problem is extensive, and today there are no real sustainable solutions for monitoring RDS in real-time. GPX Medical AB (publ) ("GPX Medical" or "the Company") develops the NEOLA®, which allows non-invasive, continuous monitoring of lung volume and oxygen changes in real-time. GPX Medical intends to initiate market launch during 2023, which is estimated to be followed by a rapid sales growth, with revenues reaching SEK 84m in 2026. Based on an applied P/S-multiple of 2.3x and a discount rate of 13%, this yields an equity value per share of SEK 5.0 in a Base scenario. Before market launch, we see several catalysts driving value, where steps in the right direction should reduce the current valuation discount.

GPX Medical soon to be NEOLA Medical

The Company is planning to change its name to NEOLA Medical, due to the strategic focus on neonatal intensive care. Furthermore, the Company's commercializing activities is progressing on board level where three new members, Anders Weilandt, Tommy Hedberg and Mattias Lundin, have been recruited to the board of directors. All of the three members have extensive experience within international MedTech-commercialization.

Clinical Update from the NIOMI-Study

The NIOMI-study was initiated last year and aims to include up to 100 preterm born infants without lung complications at first but will include infants with different types of lung complications later on. The purpose of the study is to evaluate different chest placements of the NEOLA®-probes on the infants. In April, the Company announced preliminary results, showing that the gas volume was successfully measured in 48 out of 50 infants. Thus, the results confirms that the technology used in NEOLA® works for the infants.

Cash Position and Burn Rate

At the end of Q1-22, cash amounted to SEK 18.7m, while the average burn rate in the last quarter was SEK -1.4m per month. Given the current cash position and an assumed burn rate of SEK -1.7m (due to intensified product development and preparations for commercial structure), GPX Medical would have sufficient funds to operate the business until the end of Q1-23, all else equal.

Adjusted Valuation Range

We see that GPX Medical is going in the right direction, but simultaneously, the macroeconomic environment has been turbulent which has brought down valuations in general. Therefore, we choose to adjust the multiples downwards in all three scenarios, which slightly lowers the Company's overall valuation. However, it is important to note that our view of the company is positive where we continue to see a substantial upside in a Base scenario.

SHARE PRICE | SEK 2.5

VALUATION RANGE, PRESENT VALUE 2026 FORECAST

BEAR SEK 1.5	BASE SEK 5.0	BULL SEK 7.2
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The valuation is derived as a present value of sales forecasted in the year 2026. The potential valuation increase is expected to be gradual, given that assumed events occur.

GPX MEDICAL AB	
Share Price (2022-05-25) (SEK)	2.5
Number of Shares Outstanding	21,049,980
Market Cap (SEKm)	52.6
Net Cash (-)/Debt(+) (SEKm)	-18.7
Enterprise Value (SEKm)	33.9
W:52 Price Interval (SEK)	1.8 – 4.5
Stock Exchange	Nasdaq First North Stockholm

SHARE PRICE DEVELOPMENT	
1 Month	-13.2%
3 Months	-12.0%
1 Year	-39.0%
YTD	-4.2%

TOP SHAREHOLDERS (AS OF 2022-03-31)	
ANMIRO AB	13.7%
Pär Josefsson	12.8%
Cardeon AB	11.5%
Abraxas Holding AB	4.8%
Nordnet Pensionsförsäkring	3.7%

CEO AND CHAIRMAN OF THE BOARD	
CEO	Hanna Sjöstrom
Chairman of the Board	Marta Lewander Xu

FINANCIAL CALENDAR	
Quarterly Report Q2-22	2022-08-16

FORECAST (BASE), SEK M	2023E	2024E	2025E	2026E	2027E	2028E
Total Revenue*	5.3	15.7	41.1	84.4	124.1	147.4
Gross Profit	2.7	8.6	24.3	53.2	81.9	103.2
Gross Margin	50%	55%	59%	63%	66%	70%
Total Operating Costs	-29.5	-36.6	-38.0	-41.7	-49.5	-61.4
EBIT	-26.8	-28.0	-13.7	11.5	32.4	41.8
EBIT margin	neg.	neg.	neg.	14%	26%	28%
P/S	9.8x	3.4x	1.3x	0.6x	0.4x	0.4x
EV/S	6.3x	2.2x	0.8x	0.4x	0.3x	0.2x
EV/EBIT	neg.	neg.	neg.	3.0x	1.1x	0.8x

*Adjusted for capitalized development costs

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Other

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