

GPX MEDICAL (GPXMED)

CONTINUOUS LUNG MONITORING FOR INFANTS IN NEED



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 84.4 MSEK in 2026. Based on an applied P/S-multiple of 3x and discount rate of 13%, this yields an equity value per share of 5.1 SEK 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.

Blue Ocean Market

The existing solutions to detect RDS and other lung complications include X-ray, taking blood samples or via ultrasound. However, these solutions only provide a snapshot of the situation, and might impair the health status of the infants. The fact that there are no other direct alternatives opens an opportunity for GPX Medical to operate within a Blue Ocean market.

Expected Market Launch In 2023

GPX Medical is currently validating the main product NEOLA® in order to acquire CE-mark in the EU as well as FDA-clearance in the US and expects to initiate product launch in 2023. The potential market within Europe and the US is estimated to consist of nearly 29,000 beds, where NEOLA® can be placed. If GPX Medical gradually increases their market share to capture only 0.5% of all beds, this would translate to 140 sold units.

Strong Exit Case

In the medium-term, there is a possibility that GPX Medical could be an attractive acquisition target for bigger companies in the Medtech industry that want to complement or extend their product portfolio to respiratory and/or neonatal care with GPX Medicals proprietary technology. Examples of big companies operating within similar disease areas as GPX Medical include Getinge, Dräger, Medtronic, Philips and Siemens Healthineers among many others.

Strengthened Cash Position

The recent rights issue in September 2021 brought in a total of 24 MSEK in net cash with a subscription rate of 120%. At the end of Q3-21, cash amounted to 4.6 MSEK (excl. cash from the rights issue), while the average burn rate in the last quarter was around -1.3 MSEK per month. With the proceeds from the rights issue and the current burn rate, GPX Medical has secured resources to operate the business 12-18 months ahead, given the same burn rate.

SHARE PRICE | SEK 2.59

VALUATION RANGE, PRESENT VALUE 2026 FORECAST

BEAR
SEK 1.6

BASE
SEK 5.1

BULL
SEK 7.5

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 (2022-01-28) (SEK)	2.59					
Number of Shares Outstanding	21,049,980					
Market Cap (MSEK)	54.5					
Net Cash (-)/Debt(+) (MSEK)	-4.6					
Enterprise Value (MSEK)	49.9					
W.52 Price Interval (SEK)	2.26 – 7.85					
Stock Exchange	Nasdaq First North Stockholm					
SHARE PRICE DEVELOPMENT						
1 Month	-0.77%					
3 Months	-10.69%					
1 Year	-48.51%					
YTD	-0.77%					
TOP SHAREHOLDERS (AS OF 2021-12-30)						
ANMIRO AB	13.7%					
Pär Josefsson	12.9%					
Cardeon AB	11.5%					
Nordnet Pensionförsäkring	5.1%					
Abraxas Holding AB	4.8%					
CEO AND CHAIRMAN OF THE BOARD						
CEO	Hanna Sjöström					
Chairman of the Board	Märta Lewander Xu					
FINANCIAL CALENDAR						
Annual Report FY2021	2022-02-15					
FORECAST (BASE), MSEK	2023E	2024E	2025E	2026E	2027E	2028E
Revenues	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	10.2x	3.5x	1.3x	0.6x	0.4x	0.4x
EV/S	9.4x	3.2x	1.2x	0.6x	0.4x	0.3x
EV/EBIT	neg.	neg.	neg.	4.4x	1.5x	1.2x

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Other

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