

Singapore

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**ADD** (no change)

SGX StockFacts Research Programme

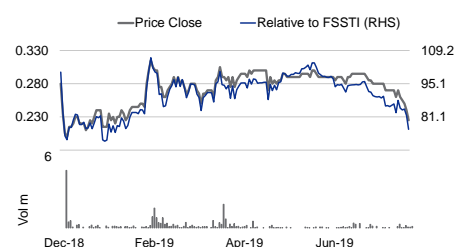
Consensus ratings\*: Buy 1 Hold 0 Sell 0

Current price:	S\$0.23
Target price:	S\$0.32
Previous target:	S\$0.32
Up/downside:	40.1%
CGS-CIMB / Consensus:	na
Reuters:	BIOL.SI
Bloomberg:	BLD SP
Market cap:	US\$39.43m
	S\$54.56m
Average daily turnover:	US\$0.01m
	S\$0.02m
Current shares o/s	242.5m
Free float:	60.6%

\*Source: Bloomberg

Key financial forecasts

	Dec-19F	Dec-20F	Dec-21F
Net Profit (S\$m)	(2.93)	(1.33)	1.09
Normalised EPS (S\$)	(0.012)	(0.005)	0.004
Normalised EPS Growth	(74.4%)	(54.6%)	
FD Normalised P/E (x)	NA	NA	50.01
Recurring ROE	(26.4%)	(14.8%)	12.3%
P/BV (x)	5.66	6.57	5.81
DPS (S\$)	-	-	-
Dividend Yield	0%	0%	0%



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-23.7	-22.4	
Relative (%)	-18.3	-18.5	

Major shareholders	% held
Clearbridge Bsa Pte	24.8
Seeds Capital Pte Ltd	10.7
Trauwin Pte Limited	7.9

Analyst(s)

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# Biolidics Ltd

## Lower 1H19 loss; stronger China foothold

- Higher product sales and lower financing costs drove the S\$1.0m reduction in 1H19 net loss, deemed within expectations as we expect stronger 2H19.
- Successive new partnerships in China validate Biolidics' unique positioning in upstream liquid biopsy, and boost sales for its FX1 system and FR1 biochips.
- Our Add call and S\$0.32 TP are intact for this under-covered company.

### 1H19 net loss narrows, within our expectations

- BLD reported 1H19 revenue of S\$1.0m, up 59.0% yoy on the back of higher equipment sales (ClearCell® FX1 system to Sysmex Corporation) and biochips and other consumables. The group has a strong net cash position of S\$9.1m at end-1H19.
- The absence of financing costs and fair value changes for financial liabilities (convertible loans and redeemable convertible preference shares have been fully exercised in 2H18) also led to the narrowing of 1H19 net loss from 1Q18's S\$2.8m to S\$1.8m. We deem this in line against our FY19F net loss of S\$2.9m as we project stronger product sales in 2H19 from the recent partnerships.

### Inked two partnerships in China in a span of two months

- On 25 Jun 2019, Biolidics announced its 4<sup>th</sup> partnership in China with Zhongshan TopGene to develop and commercialise lab developed tests (LDTs) in the field of circulating tumour cells (CTCs) using ClearCell® FX1 system and FR1 biochips. This is a wholly-owned subsidiary of TopGene Tech (Guangzhou) Co. Ltd, which specialises in precise diagnosis and cancer treatment in China. Zhongshan TopGene is a new customer for the group.
- This follows its earlier partnership with Beijing-based Genecast Biotechnology, which owns a technology platform for companion diagnosis based on cfDNA, as well as has extensive hospital cooperation and strong talent force (>60% of R&D team are master/doctorate holders). Recall that North Asia has consistently been an important market for Biolidics (more than 50% of its FY15-18 sales contribution).
- We understand that BLD has identified seven other lab partners in the pipeline; coupled with volume ramp-up of LDTs post achieving the respective lab and clinical validation, these should underpin our FY18-21F topline CAGR of 77.7%.

### Maintain Add with a TP of S\$0.32

- Maintain Add. Our S\$0.32 TP is based on 12.0x FY20F EV/sales (20% below global industry average). Faster uptake of LDTs and strategic M&As are key re-rating catalysts. Downside risks could stem from unexpected project delays and unfavourable policy changes.

Figure 1: Results comparison

FYE Dec (S\$m)	1HFY19	1HFY18	yoy % chg	2HFY18	hoh % chg	Prev FY19F	Comments
Revenue	1.0	0.6	59.0	0.6	55.5	2.5	1H19 revenue formed 40% of our full-year forecasts; deemed in line as we expect stronger 2H19
Operating costs	(2.5)	(2.3)	7.1	(2.5)	(2.0)	(5.1)	
EBITDA	(1.5)	(1.7)	(12.3)	(3.3)	(55.3)	(2.6)	
EBITDA margin (%)	(148)	(268)	na	(514)	na	(104)	
Depn & amort.	(0.3)	(0.2)	27.2	(0.2)	70.7	(0.3)	Above
EBIT	(1.8)	(1.9)	(7.7)	(3.5)	(49.3)	(2.9)	
Interest expense	-	(0.6)	na	(0.0)	(100.0)	-	
Interest & invt inc	-	-	na	-	na	-	
Associates' contrib	-	-	na	-	na	-	
Exceptionals	-	(0.3)	na	(1.4)	na	-	
Pretax profit	(1.8)	(2.8)	(36.7)	(3.5)	(49.5)	(2.9)	Broadly in line.
Tax	-	-	na	-	na	-	
Tax rate (%)	0	-	na	0	na	0	
Minority interests	-	-	na	-	na	-	
<b>Net profit</b>	<b>(1.8)</b>	<b>(2.8)</b>	<b>(36.7)</b>	<b>(3.5)</b>	<b>(49.5)</b>	<b>(2.9)</b>	<b>1H19 net loss in line as we expect sales to pick up in 2H19</b>
<b>Core net profit</b>	<b>(1.8)</b>	<b>(2.5)</b>	<b>(28.6)</b>	<b>(2.1)</b>	<b>(14.9)</b>	<b>(2.9)</b>	
EPS (cts)	(0.7)	(5.5)	(86.9)	(1.6)	(53.5)	(1.2)	
Core EPS (cts)	(0.7)	(4.9)	(85.2)	(0.9)	(21.5)	(1.2)	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Peers Comparison**

Company	Bloomberg		Price	Target Price	Market Cap	P/E (x)		3-year EPS	P/BV (x)		Recurring ROE (%)		EVEBITDA (x)		EV/Sales (x)		Dividend Yield (%)	
	Ticker	Recom.	(lcl curr)	(lcl curr)	(US\$ m)	CY19F	CY20F	(%)	CY19F	CY20F	CY19F	CY20F	CY19F	CY20F	CY19F	CY20F	CY19F	CY20F
Biolidics Ltd	BLD SP	ADD	0.23	0.32	39	na	na	na	5.7	6.6	-26.6%	-14.8%	na	na	19.0	8.4	0.0%	0.0%
Precipio Inc	PRPO US	Not rated	2.80	na	17	na	na	na	na	na	na	na	na	na	na	na	na	na
Biocept Inc	BIOC US	Not rated	1.01	na	19	na	na	-61.1%	na	na	na	na	na	na	na	na	na	na
Trovagene Inc	TROV US	Not rated	1.70	na	9	na	na	-38.9%	na	na	na	na	na	na	1.5	0.6	na	na
Angle PLC	AGL LN	Not rated	75.50	na	159	na	na	-36.0%	5.3	6.8	-46.2%	-55.2%	na	na	97.4	42.1	na	na
Oncocyte Corp	OCX US	Not rated	1.74	na	90	na	na	-14.2%	3.2	8.1	-60.8%	-196.3%	na	na	519.7	26.6	na	na
NanoString Technologies Inc	NSTG US	Not rated	25.33	na	898	na	na	-20.8%	9.6	11.6	-183.0%	-178.7%	na	na	7.2	6.6	na	na
Bio-Techne Corp	TECH US	Not rated	190.4	na	7,211	75.0	35.4	27.9%	5.9	5.4	11.1%	14.0%	29.0	24.2	10.1	9.1	0.7%	0.7%
Genomic Health Inc	GHDX US	Not rated	73.17	na	2,728	48.7	43.6	39.6%	7.9	6.3	15.2%	14.9%	27.3	23.0	5.7	5.1	na	na
BGI Genomics Co Ltd	300676 CH	Not rated	56.34	na	3,199	50.8	40.5	21.5%	4.9	4.5	9.7%	11.0%	na	na	6.6	5.1	na	na
Natera Inc	NTRA US	Not rated	27.09	na	1,886	na	na	-28.8%	36.1	24.4	-55.4%	186.6%	na	na	6.6	5.4	na	na
Guardant Health Inc	GH US	Not rated	109.7	na	10,013	na	na	-39.1%	10.2	12.0	-15.6%	-16.1%	na	na	49.5	36.4	0.0%	0.0%
<b>Simple average</b>						<b>58.1</b>	<b>39.8</b>	<b>-15.0%</b>	<b>10.4</b>	<b>9.9</b>	<b>-40.6%</b>	<b>-27.5%</b>	<b>28.2</b>	<b>23.6</b>	<b>78.2</b>	<b>15.2</b>	<b>0.3%</b>	<b>0.3%</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG (as of 8 Aug 2019)

## BY THE NUMBERS

Profit & Loss					Balance Sheet				
(\$m)	Dec-18A	Dec-19F	Dec-20F	Dec-21F	(\$m)	Dec-18A	Dec-19F	Dec-20F	Dec-21F
<b>Total Net Revenues</b>	<b>1.33</b>	<b>2.55</b>	<b>5.78</b>	<b>7.17</b>	Total Cash And Equivalents	11.50	8.38	7.53	7.35
<b>Gross Profit</b>	<b>0.95</b>	<b>1.95</b>	<b>3.52</b>	<b>6.24</b>	Total Debtors	0.99	1.16	1.79	2.09
<b>Operating EBITDA</b>	<b>(4.97)</b>	<b>(2.60)</b>	<b>(1.00)</b>	<b>1.64</b>	Inventories	0.78	0.78	0.78	0.78
Depreciation And Amortisation	(0.39)	(0.32)	(0.33)	(0.33)	Total Other Current Assets	0.00	0.00	0.00	0.00
<b>Operating EBIT</b>	<b>(5.36)</b>	<b>(2.93)</b>	<b>(1.33)</b>	<b>1.31</b>	<b>Total Current Assets</b>	<b>13.26</b>	<b>10.32</b>	<b>10.10</b>	<b>10.22</b>
Financial Income/(Expense)	(0.58)	0.00	0.00	0.00	Fixed Assets	0.35	0.35	0.35	0.35
Pretax Income/(Loss) from Assoc.	0.00	0.00	0.00	0.00	Total Investments	0.00	0.00	0.00	0.00
Non-Operating Income/(Expense)	0.00	0.00	0.00	0.00	Intangible Assets	0.58	0.65	0.73	0.80
<b>Profit Before Tax (pre-EI)</b>	<b>(5.94)</b>	<b>(2.93)</b>	<b>(1.33)</b>	<b>1.31</b>	Total Other Non-Current Assets	0.00	0.00	0.00	0.00
Exceptional Items	(0.31)	0.00	0.00	0.00	<b>Total Non-current Assets</b>	<b>0.93</b>	<b>1.01</b>	<b>1.08</b>	<b>1.15</b>
<b>Pre-tax Profit</b>	<b>(6.25)</b>	<b>(2.93)</b>	<b>(1.33)</b>	<b>1.31</b>	Short-term Debt	0.00	0.00	0.00	0.00
Taxation	0.00	0.00	0.00	(0.22)	Current Portion of Long-Term Debt				
Exceptional Income - post-tax					Total Creditors	1.53	1.59	2.77	1.87
<b>Profit After Tax</b>	<b>(6.25)</b>	<b>(2.93)</b>	<b>(1.33)</b>	<b>1.09</b>	Other Current Liabilities	0.00	0.00	0.00	0.00
Minority Interests					<b>Total Current Liabilities</b>	<b>1.53</b>	<b>1.59</b>	<b>2.77</b>	<b>1.87</b>
Preferred Dividends					Total Long-term Debt	0.00	0.00	0.00	0.00
FX Gain/(Loss) - post tax					Hybrid Debt - Debt Component	0.00	0.00	0.00	0.00
Other Adjustments - post-tax					Total Other Non-Current Liabilities	0.10	0.10	0.10	0.10
Preference Dividends (Australia)					<b>Total Non-current Liabilities</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>
<b>Net Profit</b>	<b>(6.25)</b>	<b>(2.93)</b>	<b>(1.33)</b>	<b>1.09</b>	Total Provisions	0.00	0.00	0.00	0.00
Normalised Net Profit	(5.94)	(2.93)	(1.33)	1.09	<b>Total Liabilities</b>	<b>1.63</b>	<b>1.69</b>	<b>2.87</b>	<b>1.97</b>
<b>Fully Diluted Normalised Profit</b>	<b>(5.94)</b>	<b>(2.93)</b>	<b>(1.33)</b>	<b>1.09</b>	Shareholders' Equity	12.56	9.63	8.31	9.40
					Minority Interests				
					<b>Total Equity</b>	<b>12.56</b>	<b>9.63</b>	<b>8.31</b>	<b>9.40</b>

Cash Flow					Key Ratios				
(\$m)	Dec-18A	Dec-19F	Dec-20F	Dec-21F		Dec-18A	Dec-19F	Dec-20F	Dec-21F
EBITDA	(4.97)	(2.60)	(1.00)	1.64	Revenue Growth	(39%)	97%	130%	24%
Cash Flow from Inv. & Assoc.					Operating EBITDA Growth	33.2%	(47.7%)	(61.6%)	N/A
Change In Working Capital	0.07	(0.12)	0.56	(1.20)	Operating EBITDA Margin	(392%)	(104%)	(17%)	23%
(Incr)/Decr in Total Provisions					Net Cash Per Share (\$)	0.047	0.035	0.031	0.030
Other Non-Cash (Income)/Expense	1.34	0.00	0.00	0.00	BVPS (\$)	0.05	0.04	0.03	0.04
Other Operating Cashflow					Gross Interest Cover	(9.31)	N/A	N/A	N/A
Net Interest (Paid)/Received	(0.58)	0.00	0.00	0.00	Effective Tax Rate	0.0%	0.0%	0.0%	17.0%
Tax Paid	0.00	0.00	0.00	(0.22)	Net Dividend Payout Ratio	NA	NA	NA	NA
<b>Cashflow From Operations</b>	<b>(4.14)</b>	<b>(2.72)</b>	<b>(0.44)</b>	<b>0.22</b>	Accounts Receivables Days	107.1	79.4	60.2	72.2
Capex	(0.06)	(0.30)	(0.30)	(0.30)	Inventory Days	826.0	479.9	125.8	306.6
Disposals Of FAs/subsidiaries	0.00	0.00	0.00	0.00	Accounts Payables Days	527.3	206.9	154.4	432.7
Acq. Of Subsidiaries/investments	(0.15)	(0.10)	(0.10)	(0.10)	ROIC (%)	65%	(252%)	(98%)	150%
Other Investing Cashflow					ROCE (%)	(159%)	(26%)	(15%)	15%
<b>Cash Flow From Investing</b>	<b>(0.21)</b>	<b>(0.40)</b>	<b>(0.40)</b>	<b>(0.40)</b>	Return On Average Assets	(55.3%)	(22.9%)	(11.8%)	9.7%
Debt Raised/(repaid)	(0.13)	0.00	0.00	0.00					
Proceeds From Issue Of Shares	14.54	0.00	0.00	0.00					
Shares Repurchased	(0.01)	0.00	0.00	0.00					
Dividends Paid									
Preferred Dividends									
Other Financing Cashflow	(1.59)	0.00	0.00	0.00					
<b>Cash Flow From Financing</b>	<b>12.81</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>					
Total Cash Generated	8.47	(3.12)	(0.84)	(0.18)					
<b>Free Cashflow To Equity</b>	<b>(4.48)</b>	<b>(3.12)</b>	<b>(0.84)</b>	<b>(0.18)</b>					
<b>Free Cashflow To Firm</b>	<b>(3.77)</b>	<b>(3.12)</b>	<b>(0.84)</b>	<b>(0.18)</b>					

Key Drivers				
	Dec-18A	Dec-19F	Dec-20F	Dec-21F
ASP (% chg, main prod./serv.)	N/A	N/A	N/A	N/A
Unit sales grth (% , main prod./serv.)	-3.3%	73.1%	115.4%	25.2%
Util. rate (% , main prod./serv.)	N/A	N/A	N/A	N/A
ASP (% chg, 2ndary prod./serv.)	N/A	N/A	N/A	N/A
Unit sales grth (% ,2ndary prod/serv)	-100.0%	N/A	233.3%	20.0%
Util. rate (% , 2ndary prod/serv)	N/A	N/A	N/A	N/A

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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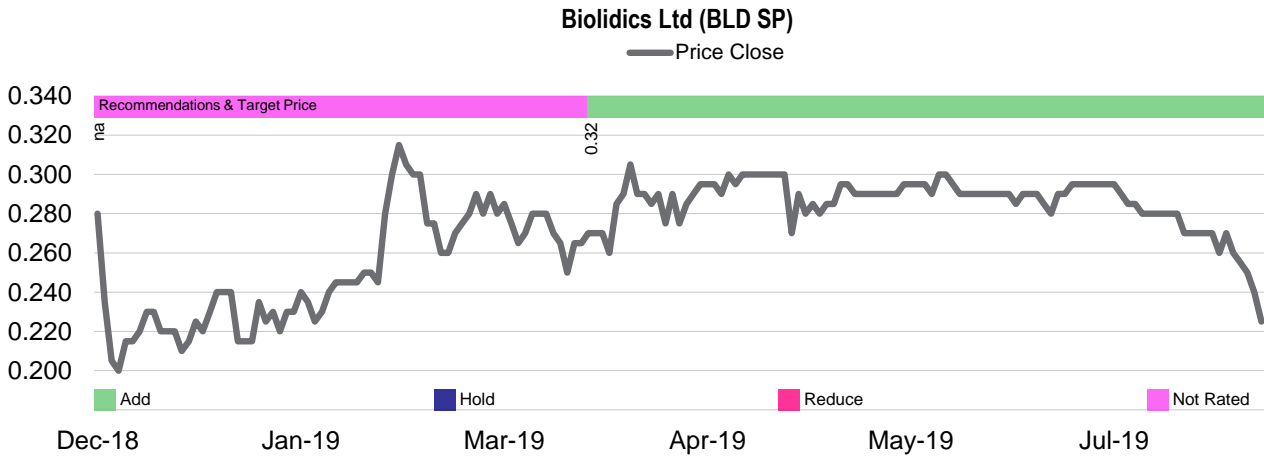
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Add	57.9%	4.2%
Hold	26.5%	1.8%
Reduce	15.5%	0.4%



Spitzer Chart for stock being researched ( 2 year data )



**Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2018, Anti-Corruption 2018**

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