

Singapore

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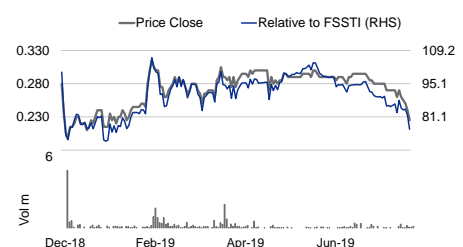
Consensus ratings*: Buy 1 Hold 0 Sell 0

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 (\$m)	(2.93)	(1.33)	1.09
Normalised EPS (\$)	(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 (\$)	-	-	-
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 4th 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 (\$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	-	
Net profit	(1.8)	(2.8)	(36.7)	(3.5)	(49.5)	(2.9)	1H19 net loss in line as we expect sales to pick up in 2H19
Core net profit	(1.8)	(2.5)	(28.6)	(2.1)	(14.9)	(2.9)	
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 (%)		EV/EBITDA (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%
Simple average						58.1	39.8	-15.0%	10.4	9.9	-40.6%	-27.5%	28.2	23.6	78.2	15.2	0.3%	0.3%

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

BY THE NUMBERS

Profit & Loss

(\$m)	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Total Net Revenues	1.33	2.55	5.78	7.17
Gross Profit	0.95	1.95	3.52	6.24
Operating EBITDA	(4.97)	(2.60)	(1.00)	1.64
Depreciation And Amortisation	(0.39)	(0.32)	(0.33)	(0.33)
Operating EBIT	(5.36)	(2.93)	(1.33)	1.31
Financial Income/(Expense)	(0.58)	0.00	0.00	0.00
Pretax Income/(Loss) from Assoc.	0.00	0.00	0.00	0.00
Non-Operating Income/(Expense)	0.00	0.00	0.00	0.00
Profit Before Tax (pre-EI)	(5.94)	(2.93)	(1.33)	1.31
Exceptional Items	(0.31)	0.00	0.00	0.00
Pre-tax Profit	(6.25)	(2.93)	(1.33)	1.31
Taxation	0.00	0.00	0.00	(0.22)
Exceptional Income - post-tax				
Profit After Tax	(6.25)	(2.93)	(1.33)	1.09
Minority Interests				
Preferred Dividends				
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
Preference Dividends (Australia)				
Net Profit	(6.25)	(2.93)	(1.33)	1.09
Normalised Net Profit	(5.94)	(2.93)	(1.33)	1.09
Fully Diluted Normalised Profit	(5.94)	(2.93)	(1.33)	1.09

Balance Sheet

(\$m)	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Total Cash And Equivalents	11.50	8.38	7.53	7.35
Total Debtors	0.99	1.16	1.79	2.09
Inventories	0.78	0.78	0.78	0.78
Total Other Current Assets	0.00	0.00	0.00	0.00
Total Current Assets	13.26	10.32	10.10	10.22
Fixed Assets	0.35	0.35	0.35	0.35
Total Investments	0.00	0.00	0.00	0.00
Intangible Assets	0.58	0.65	0.73	0.80
Total Other Non-Current Assets	0.00	0.00	0.00	0.00
Total Non-current Assets	0.93	1.01	1.08	1.15
Short-term Debt	0.00	0.00	0.00	0.00
Current Portion of Long-Term Debt				
Total Creditors	1.53	1.59	2.77	1.87
Other Current Liabilities	0.00	0.00	0.00	0.00
Total Current Liabilities	1.53	1.59	2.77	1.87
Total Long-term Debt	0.00	0.00	0.00	0.00
Hybrid Debt - Debt Component	0.00	0.00	0.00	0.00
Total Other Non-Current Liabilities	0.10	0.10	0.10	0.10
Total Non-current Liabilities	0.10	0.10	0.10	0.10
Total Provisions	0.00	0.00	0.00	0.00
Total Liabilities	1.63	1.69	2.87	1.97
Shareholders' Equity	12.56	9.63	8.31	9.40
Minority Interests				
Total Equity	12.56	9.63	8.31	9.40

Cash Flow

(\$m)	Dec-18A	Dec-19F	Dec-20F	Dec-21F
EBITDA	(4.97)	(2.60)	(1.00)	1.64
Cash Flow from Inv. & Assoc.				
Change In Working Capital	0.07	(0.12)	0.56	(1.20)
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense	1.34	0.00	0.00	0.00
Other Operating Cashflow				
Net Interest (Paid)/Received	(0.58)	0.00	0.00	0.00
Tax Paid	0.00	0.00	0.00	(0.22)
Cashflow From Operations	(4.14)	(2.72)	(0.44)	0.22
Capex	(0.06)	(0.30)	(0.30)	(0.30)
Disposals Of FAs/subsidiaries	0.00	0.00	0.00	0.00
Acq. Of Subsidiaries/investments	(0.15)	(0.10)	(0.10)	(0.10)
Other Investing Cashflow				
Cash Flow From Investing	(0.21)	(0.40)	(0.40)	(0.40)
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
Cash Flow From Financing	12.81	0.00	0.00	0.00
Total Cash Generated	8.47	(3.12)	(0.84)	(0.18)
Free Cashflow To Equity	(4.48)	(3.12)	(0.84)	(0.18)
Free Cashflow To Firm	(3.77)	(3.12)	(0.84)	(0.18)

Key Ratios

	Dec-18A	Dec-19F	Dec-20F	Dec-21F
Revenue Growth	(39%)	97%	130%	24%
Operating EBITDA Growth	33.2%	(47.7%)	(61.6%)	N/A
Operating EBITDA Margin	(392%)	(104%)	(17%)	23%
Net Cash Per Share (\$\$)	0.047	0.035	0.031	0.030
BVPS (\$\$)	0.05	0.04	0.03	0.04
Gross Interest Cover	(9.31)	N/A	N/A	N/A
Effective Tax Rate	0.0%	0.0%	0.0%	17.0%
Net Dividend Payout Ratio	NA	NA	NA	NA
Accounts Receivables Days	107.1	79.4	60.2	72.2
Inventory Days	826.0	479.9	125.8	306.6
Accounts Payables Days	527.3	206.9	154.4	432.7
ROIC (%)	65%	(252%)	(98%)	150%
ROCE (%)	(159%)	(26%)	(15%)	15%
Return On Average Assets	(55.3%)	(22.9%)	(11.8%)	9.7%

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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Score Range:	90 - 100	80 – 89	70 - 79	Below 70 or	No Survey Result
Description:	Excellent	Very Good	Good	N/A	

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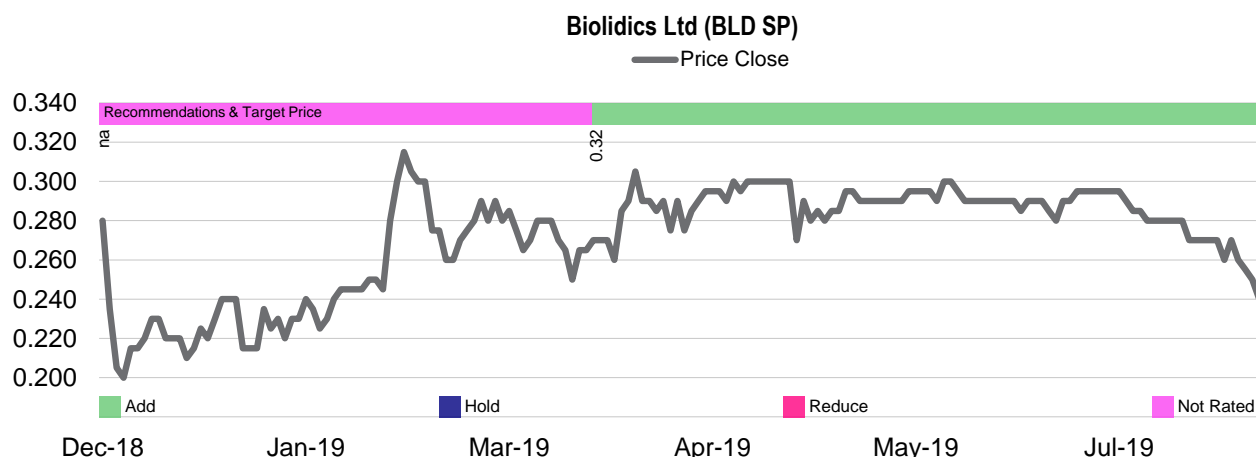
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791 companies under coverage for quarter ended on 30 June 2019		
	Rating Distribution (%)	Investment Banking clients (%)
Add	57.9%	4.2%
Hold	26.5%	1.8%
Reduce	15.5%	0.4%

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

ADVANC – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, Declared, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BEM** – Very Good, n/a, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** – Good, n/a, **BJC** – Very Good, Declared, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** – Good, Declared, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENTEL** – Very Good, Certified, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Very Good, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **DELTA** – Excellent, n/a, **DEMCO** – Excellent, Certified, **DDD** – Very Good, Declared, **DIF** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** – Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HREIT** – Excellent, Certified, **ICHI** – Excellent, Declared, **HUMAN** – not available, n/a, **III** – Good, n/a, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD*** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – not available, n/a, **JWD** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Very Good, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Declared, **MALEE** – Very Good, Certified, **MC** – Very Good, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Declared, **NETBAY** – Good, n/a, **OSP** – not available, n/a, **PLANB** – Excellent, Declared, **PLAT** – Very Good, Certified, **PR9** – not available, n/a, **PSH** – Excellent, Certified, **PSTC** – Good, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, Certified, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Very Good, n/a, **RSP** – not available, n/a, **S** – Very Good, n/a, **SAMART** – Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Declared, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Very Good, Certified, **SF** – Good, n/a, **SIRI** – Very Good, Certified, **SPA** – Good, n/a, **SPALI** – Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Declared, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, Declared, **TMB** – Excellent, Certified, **TNR** – Very Good, Declared, **TOP** – Excellent, Certified, **TPCH** – Good, n/a, **TIPIP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Very Good, Declared, **UNIQ** – Good, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Very Good, Certified, **WORK** – Good, n/a.

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Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

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Definition:

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- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
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