

Medicalgorithmics

Mixed outlook in ECG

In this report, we update our forecasts and valuation of Medicalgorithmics. Based on the new forecasts and the current risk-free rate, we cut our Fair Value to PLN 41.2ps. As the new FV implies 50% upside potential of the current share price, we maintain our recommendation to BUY. Medicalgorithmics continues to rebuild its business model in line with its strategic goals, and we see progress in terms of the number of IDTF contracts as well as work on the implementation of VCAST. There is still a tremendous amount of work ahead for MDG to continue to recover the company. The 2024 results, burdened by the termination of the React deal, will show if and to what extent the company can rebuild revenue and profitability in the key US market. Moreover, VCAST is entering a decisive period with important newsflow ahead, it started the EU registration and should soon start clinical trials and registration in the US.

Mixed newsflow in the ECG business. Over the past few months, MDG has begun to implement its new diversification strategy in the US market. The company has communicated several agreements to integrate MDG software with other devices, and the first agreements with IDTFs other than React have emerged. We assume contributions from these, initially on a small scale as early as 1Q24E. On the other hand, React (formerly Medi-Lynx) just terminated the contract with MDG. The deal ends in 4Q23. In our model, however, we assumed that the deal would break even six quarters later, in mid-2025. Consequently, we are cutting forecasts for 2024E, assuming an EBITDA loss, as React generated approximately half of MDG revenues, USD 1.1m quarterly. However, with business growth from the new contracts, we assume break-even EBITDA in 2025E and EBIT in 2026E.

Kardiolytics. In contrast to the ECG business, the Kardiolytics area has generated positive newsflow recently. The company, in line with our assumptions, started the CE certification process for VCAST technology in October, which will enable the introduction of VCAST to markets in EU countries, the UK, Switzerland and also Australia in 2024E. Kardiolytics has signed a letter of intent with Polish diagnostics provider Grupa Diagnostyka to use VCAST technology for coronary artery disease testing. This will enable the project to generate its first revenues after registration. In 2024E, the company should also conduct clinical trials and submit a registration application to the FDA. A commercial launch is projected for 2025. We assume 56% cumulative probability of success. Our valuation of Kardiolytics is PLN 247m, or PLN 24.8 per share.

Recommendation and valuation. We decrease our FV to PLN 41.2ps from PLN 45.2ps following the earlier-than-expected termination of contract with React and since the new FV implies 50% upside vs. the current price, we maintain our BUY rating.

Figure 1. Medicalgorithmics financial forecasts summary

PLN m	2021	2022	2023E	2024E	2025E	2026E
Revenues	85.3	62.7	40.3	25.2	37.7	53.5
EBITDA	-14.7	21.4	5.4	-4.8	2.1	11.3
Adj. EBITDA	7.1	16.4	5.4	-4.8	2.1	11.3
EBIT	-25.1	17.2	1.5	-9.7	-4.1	3.7
Net profit	-180.6	-11.9	0.9	-10.2	-4.6	3.1
EPS (PLN)	-38.83	-1.59	0.09	-1.03	-0.47	0.31
DPS (PLN)	0.00	0.00	0.00	0.00	0.00	0.00
EV/EBITDA (x)	n.m.	4.9	46.6	-54.9	132.7	25.0
P/E (x)	n.m.	n.m.	294.4	-26.7	-58.8	88.5

Source: Company, IPOPEMA Research

Biotechnology & Healthcare

Medicalgorithmics

BUY

FV PLN 41.2 from PLN 45.2

50% upside

Price as of 13 November 2023 PLN 27.4

Maintained



Share data

Number of shares (m)	10.0
Market cap (EUR m)	61.6
12M avg daily volume (k)	45.2
12M avg daily turnover (EUR m)	0.1
12M high/low (PLN)	46.80/11.64
WIG weight (%)	0.04%
Reuters	MDG.WA
Bloomberg	MDG.PW

Total performance

1M	-12.9%
3M	-38.6%
12M	118.5%

Shareholders (% of equity)

Biofund	50.0%
PZU pension fund	7.3%

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MEDICALGORITHMICS**BUY****FV PLN 41.2**

Mkt Cap EUR 62m

Upside: +50%

Valuation multiples	2022	2023E	2024E	2025E	2026E
P/E (x)	-7.7	294.4	-26.7	-58.8	88.5
EV/EBITDA (x)	4.9	46.6	-54.9	132.7	25.0
EV/Sales (x)	1.7	6.2	10.4	7.3	5.2
P/BV (x)	1.0	2.9	3.2	3.4	3.3
FCF yield (%)	34.5%	4.8%	-3.4%	-4.6%	-2.0%
DY (%)	0.0%	0.0%	0.0%	0.0%	0.0%

Per share	2022	2023E	2024E	2025E	2026E
No. of shares (m units)	10.0	10.0	10.0	10.0	10.0
EPS (PLN)	-1.6	0.1	-1.0	-0.5	0.3
BVPS (PLN)	12.7	9.6	8.6	8.1	8.4
FCFPS (PLN)	4.2	1.3	-0.9	-1.3	-0.6
DPS (PLN)	0.0	0.0	0.0	0.0	0.0

Change YoY (%)	2022	2023E	2024E	2025E	2026E
Revenues	-26.4%	-35.7%	-37.5%	49.6%	41.8%
Gross profit	132.4%	-67.1%	-188.2%	-143.4%	443.7%
EBITDA	-246.2%	-74.8%	-188.2%	-143.4%	443.7%
EBIT	-168.6%	-91.3%	-753.9%	-57.7%	-188.8%
Net profit	-93.4%	-107.8%	-1202.2%	-54.5%	-166.4%

Leverage and return	2022	2023E	2024E	2025E	2026E
EBITDA margin (%)	34.2%	13.4%	-18.9%	5.5%	21.0%
EBIT margin (%)	27.4%	3.7%	-38.6%	-10.9%	6.8%
Net margin (%)	-18.9%	2.3%	-40.5%	-12.3%	5.8%
Net debt / EBITDA (x)	-0.8	-3.9	2.3	1.0	0.7
Net debt / Equity (x)	-0.2	-0.2	-0.1	0.0	0.1
Net debt / Assets (x)	-0.1	-0.2	-0.1	0.0	0.1
ROE (%)	-16.7%	1.0%	-11.3%	-5.6%	3.7%
ROA (%)	-10.0%	0.8%	-9.2%	-4.4%	2.9%

Forecasts (PLNm)	2022	2023E	2024E	2025E	2026E
Revenues, o/w:	62.7	40.3	25.2	37.7	53.5
Services	47.7	38.4	24.0	35.9	51.0
Devices	15.0	2.0	1.2	1.8	2.5
Services (USDm), o/w:	10.7	8.8	5.9	9.3	13.3
React	7.2	4.7	0.0	0.0	0.0
New IDTF		0.0	1.1	3.0	3.5
Out of US	3.7	4.3	4.8	5.2	5.8
Costs, o/w:	-46.3	-38.7	-35.0	-41.9	-49.9
Materials and energy	-12.4	-4.1	-1.8	-2.7	-3.8
Employee costs	-17.1	-19.0	-20.9	-22.5	-24.3
D&A	-4.0	-3.9	-5.0	-6.2	-7.6
Third party services	-12.2	-11.0	-6.9	-9.8	-13.2
Other	-0.7	-0.7	-0.4	-0.6	-0.9

P&L (PLNm)	2021	2022	2023E	2024E	2025E	2026E
Revenues	85.3	62.7	40.3	25.2	37.7	53.5
Opex	94.3	46.3	38.7	35.0	41.9	49.9
Other operating income (cost) net	-16.1	0.8	-0.1	0.0	0.0	0.0
Adj. EBITDA	7.1	16.4	5.4	-4.8	2.1	11.3
EBITDA	-14.7	21.4	5.4	-4.8	2.1	11.3
EBIT	-25.1	17.2	1.5	-9.7	-4.1	3.7
Financial income (cost) net	2.8	8.0	-0.6	-0.6	-0.6	-0.6
Pre-tax profit	-22.3	25.3	0.9	-10.3	-4.7	3.1
Income tax	3.4	0.2	0.0	0.1	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued	-161.8	-37.3	0.0	0.0	0.0	0.0
Net profit	-180.6	-11.9	0.9	-10.2	-4.6	3.1

BALANCE SHEET (PLNm)	2021	2022	2023E	2024E	2025E	2026E
Non-current assets	7.7	65.9	71.0	75.8	80.3	84.5
PP&E	-6.4	0.9	0.9	0.9	0.9	1.0
Right-of-use assets	9.5	1.1	1.1	1.1	1.1	1.1
Goodwill	0.8	19.0	19.0	19.0	19.0	19.0
Intangibles	3.7	44.9	50.0	54.8	59.3	63.3
Other non-current assets	0.1	0.0	0.0	0.0	0.0	0.0
Current assets	106.7	56.1	46.0	30.2	22.2	22.5
Inventories	7.1	8.8	4.6	2.9	4.3	6.2
Trade receivables	6.9	21.1	11.2	7.1	10.7	15.3
Cash and equivalents	2.3	26.2	30.2	20.3	7.2	1.1
Other current assets	90.4	0.0	0.0	0.0	0.0	0.0
Total assets	114.4	122.0	117.0	106.1	102.6	107.0
Equity	47.4	94.7	95.6	85.4	80.8	83.8
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	14.7	17.1	8.6	8.6	8.6	8.6
Loans and borrowings	7.0	4.2	4.2	4.2	4.2	4.2
Other non-current liabilities	7.7	12.8	4.3	4.3	4.3	4.3
Current liabilities	52.3	10.3	12.9	12.1	13.3	14.6
Trade payables	4.7	4.5	7.0	6.3	7.4	8.8
Loans and borrowings	5.2	5.0	5.0	5.0	5.0	5.0
Other current liabilities	42.4	0.8	0.8	0.8	0.8	0.8
Equity & liabilities	114.4	122.0	117.0	106.1	102.6	107.0
Cash conversion cycle (days)	51.3	55.0	137.3	162.3	114.0	109.5
Gross debt (PLN m)	12.2	9.3	9.3	9.3	9.3	9.3
Net debt (PLN m)	10.0	-16.9	-20.9	-11.0	2.0	8.2

CASH FLOW (PLNm)	2021	2022	2023E	2024E	2025E	2026E
Operating cash flow	-6.5	6.3	13.6	0.4	-1.8	6.1
Net income	-180.6	-11.9	0.9	-10.2	-4.6	3.1
D&A	10.4	4.2	3.9	5.0	6.2	7.6
Change in WC	7.8	-26.5	16.7	5.1	-3.9	-5.1
Other	155.9	40.5	-7.9	0.6	0.6	0.6
Investment cash flow	-15.8	-1.8	-8.5	-9.3	-10.2	-11.1
Change in PP&E	-15.9	-12.4	-8.5	-9.3	-10.2	-11.1
Other	0.1	10.6	0.0	0.0	0.0	0.0
Financial cash flow	17.7	10.0	-1.0	-1.1	-1.1	-1.1
Change in equity	11.4	13.9	0.0	0.0	0.0	0.0
Change in debt	-27.1	-3.0	0.0	0.0	0.0	0.0
Dividend	0.0	0.0	0.0	0.0	0.0	0.0
RoU increase	0.0	0.0	-0.5	-0.5	-0.5	-0.6
Interest	0.0	0.0	-0.6	-0.6	-0.6	-0.6
Other	33.4	-0.9	0.0	0.0	0.0	0.0
Change in cash	-4.5	14.5	4.0	-9.9	-13.0	-6.1
Cash as of eop	11.7	26.2	30.2	20.3	7.2	1.1

Source: Company data, IPOPEMA Research

Valuation

We value Medicalgorithmics using a sum-of-the-parts valuation. We value the Kardiolytics using the rNPV method (risk-adjusted net present value) probability weighing its subsequent phases. We value the ECG business using a DCF model. Based on our forecasts, we arrive at fair value of PLN 41.2 per share, i.e. 50% above the current market price, which implies a BUY recommendation.

Figure 2. Medicalgorithmics: SOTP valuation (PLNm)

	PLNm	PLN/share
ECG business - DCF valuation (Enterprise value)	137.0	13.8
Kardiolytics - rNPV valuation (Enterprise value)	247.0	24.8
Enterprise value	383.9	38.6
Net cash (2Q23)	26.4	2.7
Fair value	410.3	41.2

Source: Company, IPOPEMA Research

rNPV valuation – Kardiolytics

Figure 3. Kardiolytics: Valuation assumptions

Phase	Year	Probability of success	Cumulative probability of success
Development	2023	100%	100%
Clinical trial	2024	75%	75%
NDA submission	2025	75%	56%
Commercial sale	2026	100%	56%
Average annual sales (USDm)	46.8		
Peak sales (USDm)	62.5		
rNPV (PLNm)	247.0		
rNPV (PLN/share)	24.8		

Source: Company, IPOPEMA Research

Figure 4. Medicalgorithmics: Kardiolytics assumptions

	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Terminal
Phase	Development	Clinical trial	Approval	Market	Market	Market	Market	Market	Market	Market	Market
Price (USD)	250	250	250	250	250	250	250	250	250	250	250
No. of trials (m)	10	10	10	10	10	10	10	10	10	10	10
TAM	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Market share	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Peak sales	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5
Sales curve	0%	0%	0%	5%	19%	36%	51%	65%	75%	84%	91%
Revenues (USDm)	0.0	0.0	0.0	3.1	11.9	22.5	31.9	40.6	46.9	52.5	56.9
Costs	-0.5	-0.5	-0.8	-0.5	-0.6	-0.6	-0.7	-0.7	-0.8	-0.9	-1.0
Revenues less COGS and tax (USDm)	0.0	0.0	0.0	2.2	8.2	15.5	21.9	28.0	32.3	36.1	39.2
Success rate	100%	75%	75%	100%	100%	100%	100%	100%	100%	100%	100%
Cumulative probability of success	100%	100%	75%	56%	56%	56%	56%	56%	56%	56%	56%
Risk adj net FCF (USDm)	-0.5	-0.5	-0.6	0.9	4.3	8.4	12.0	15.3	17.7	19.8	21.5
Discount	88%	77%	67%	59%	52%	46%	40%	35%	31%	27%	24%
USDPLN	4.23	4.10	3.85	3.83	3.83	3.83	3.83	3.83	3.83	3.83	3.83
Net present CF (PLNm)	-1.9	-1.6	-1.5	2.1	8.5	14.6	18.3	20.6	20.8	20.5	19.5
rNPV (PLNm)	247.0										

Source: Company, IPOPEMA Research

DCF valuation – ECG business

To value Medicalgorithmics' ECG business, we use a DCF model based on our free cash flows forecasts on consolidated numbers for the 2023E-2032E period. We applied a 5.5% equity risk premium, 5.60% risk free rate and 1.0% debt risk premium to reflect effective average costs of long-term financing. We assume standard unlevered beta at 1.0x and 2.0% growth rate in terminal year.

Figure 5. Medicalgorithmics ECG business DCF 2023E-2032E valuation

PLN m	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Terminal
NOPAT	1.5	-9.7	-4.1	3.6	9.0	12.6	18.4	23.3	29.6	31.8	31.8
+ Depreciation	3.9	5.0	6.2	7.6	9.2	10.8	11.8	12.9	14.1	15.4	-
+ Change in operating WC	16.7	5.1	-3.9	-5.1	-4.0	-3.2	-4.1	-3.8	-4.7	-2.7	-2.7
+ Capital expenditure	-9.0	-9.8	-10.7	-11.7	-12.8	-14.0	-15.3	-16.8	-18.4	-20.1	-
Free cash flow	13.1	-9.4	-12.5	-5.6	1.4	6.2	10.7	15.6	20.6	24.4	29.1
WACC	11.1%	11.2%	11.3%	11.4%	11.5%	11.6%	11.7%	11.7%	11.7%	11.7%	11.7%
PV FCF 2023E-2032E	23.1										
Terminal growth	2.0%										
PV TV	113.8										
Enterprise Value	137.0										

Source: Company, IPOPEMA Research

Figure 6. Medicalgorithmics ECG business WACC calculation

PLN m	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Risk free rate	5.6%	5.7%	5.8%	5.9%	6.0%	6.0%	6.2%	6.2%	6.2%	6.2%
Equity risk premium	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Unlevered beta	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Cost of equity	11.1%	11.2%	11.3%	11.5%	11.5%	11.8%	11.7%	11.7%	11.7%	11.7%
Risk free rate	5.6%	5.7%	5.8%	5.9%	6.0%	6.0%	6.2%	6.2%	6.2%	6.2%
Debt risk premium	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Tax rate	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
After tax cost of debt	6.6%	6.6%	6.7%	6.8%	6.9%	7.0%	7.1%	7.1%	7.1%	7.1%
Weight of debt	0.0%	0.0%	0.0%	2.0%	0.0%	4.4%	0.0%	0.0%	0.0%	0.0%
Weight of equity	100.0%	100.0%	100.0%	98.0%	100.0%	95.6%	100.0%	100.0%	100.0%	100.0%
WACC	11.1%	11.2%	11.3%	11.4%	11.5%	11.6%	11.7%	11.7%	11.7%	11.7%

Source: Company, IPOPEMA Research

Figure 7. Medicalgorithmics ECG business DCF sensitivity (PLNm)

	g (%)				
	1.0%	1.5%	2.0%	2.5%	3.0%
	12.1%	107.5	111.9	116.7	128.1
	11.6%	115.6	120.7	126.2	139.4
WACC	11.1%	124.7	130.6	137.0	144.2
	10.6%	135.1	141.8	149.3	167.3
	10.1%	146.8	154.6	163.4	184.7

Source: Company, IPOPEMA Research

Financials

Figure 8. Medicalgorithmics 2019-2026E financials

P&L (PLN m)	2019	2020	2021	2022	2023E	2024E	2025E	2026E
Revenues	173.9	111.7	85.3	62.7	40.3	25.2	37.7	53.5
COGS	174.2	150.1	94.3	46.3	38.7	35.0	41.9	49.9
Other operating income, net	0.3	0.8	-16.1	0.8	-0.1	0.0	0.0	0.0
Adj. EBITDA	18.6	-21.6	7.1	16.4	5.4	-4.8	2.1	11.3
EBITDA	18.6	-21.6	-14.7	21.4	5.4	-4.8	2.1	11.3
Operating profit	-0.1	-37.5	-25.1	17.2	1.5	-9.7	-4.1	3.7
Finance costs	-2.6	-2.4	2.8	8.0	-0.6	-0.6	-0.6	-0.6
Pretax profit	-2.7	-40.0	-22.3	25.3	0.9	-10.3	-4.7	3.1
Income tax	2.4	12.3	3.4	0.2	0.0	0.1	0.0	0.0
Minorities	4.6	14.8	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued	0.0	0.0	-161.8	-37.3	0.0	0.0	0.0	0.0
Net profit	4.3	-12.9	-180.6	-11.9	0.9	-10.2	-4.6	3.1
EPS (PLN)	1.19	-3.26	-38.83	-1.59	0.09	-1.03	-0.47	0.31
EBITDA margin	10.7%	-19.3%	-17.2%	34.2%	13.4%	-18.9%	5.5%	21.0%
EBIT margin	0.0%	-33.6%	-29.4%	27.4%	3.7%	-38.6%	-10.9%	6.8%
Net margin	2.5%	-11.6%	-211.8%	-18.9%	2.3%	-40.5%	-12.3%	5.8%
ROE	1.9%	-6.0%	-141.8%	-16.7%	1.0%	-11.3%	-5.6%	3.7%
Balance Sheet (PLN m)	2019	2020	2021	2022	2023E	2024E	2025E	2026E
Current assets	36.4	40.7	106.7	56.1	46.0	30.2	22.2	22.5
Cash and equivalents	11.2	16.2	2.3	26.2	30.2	20.3	7.2	1.1
Trade and other receivables	21.3	16.2	6.9	21.1	11.2	7.1	10.7	15.3
Inventories	0.0	0.0	7.1	8.8	4.6	2.9	4.3	6.2
Other	3.9	8.4	90.4	0.0	0.0	0.0	0.0	0.0
Non-current assets	246.9	242.7	7.7	65.9	71.0	75.8	80.3	84.5
PPE	31.7	10.4	-6.4	0.9	0.9	0.9	0.9	1.0
Right-of-use assets	0.0	13.1	9.5	1.1	1.1	1.1	1.1	1.1
Intangibles	124.5	117.4	3.7	44.9	50.0	54.8	59.3	63.3
Goodwill	85.2	84.4	0.8	19.0	19.0	19.0	19.0	19.0
Other	5.4	17.4	0.1	0.0	0.0	0.0	0.0	0.0
Total assets	283.3	283.4	114.4	122.0	117.0	106.1	102.6	107.0
Equity	224.7	207.4	47.4	94.7	95.6	85.4	80.8	83.8
Minority Interest	28.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities	30.6	38.9	14.7	17.1	8.6	8.6	8.6	8.6
Long-term debt	24.2	29.3	7.0	4.2	4.2	4.2	4.2	4.2
Other long-term liabilities	6.4	9.6	7.7	12.8	4.3	4.3	4.3	4.3
Short-term liabilities	27.9	37.1	52.3	10.3	12.9	12.1	13.3	14.6
Short-term debt	16.1	10.1	5.2	5.0	5.0	5.0	5.0	5.0
Trade and other payables	2.1	3.4	4.7	4.5	7.0	6.3	7.4	8.8
Other short-term liabilities	9.8	23.6	42.4	0.8	0.8	0.8	0.8	0.8
Total equity & liabilities	283.3	283.4	114.4	122.0	117.0	106.1	102.6	107.0
Net debt	29.2	23.2	10.0	-16.9	-20.9	-11.0	2.0	8.2
Net debt/EBITDA (x)	1.6	-1.1	-0.7	-0.8	-3.9	2.3	1.0	0.7
Cash flow (PLN m)	2019	2020	2021	2022	2023E	2024E	2025E	2026E
CF from operations	13.5	-4.0	-6.5	6.3	13.6	0.4	-1.8	6.1
Net profit	4.3	-12.9	-180.6	-11.9	0.9	-10.2	-4.6	3.1
D&A	18.7	15.9	10.4	4.2	3.9	5.0	6.2	7.6
Chg. In WC	-7.5	-4.6	7.8	-26.5	16.7	5.1	-3.9	-5.1
Other	-2.0	-2.3	155.9	40.5	-7.9	0.6	0.6	0.6
CF from investment	-2.8	-5.0	-15.8	-1.8	-8.5	-9.3	-10.2	-11.1
CF from financing	-59.7	14.0	17.7	10.0	-1.0	-1.1	-1.1	-1.1
Beginning cash	60.2	11.2	16.2	11.7	26.2	30.2	20.3	7.2
Ending cash	11.2	16.2	11.7	26.2	30.2	20.3	7.2	1.1
DPS (PLN)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: Company, IPOPEMA Research

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The definitions of terms used in the document include:

NII - Net interest income - interest income minus interest expense.

Net F&C - Net fee and commission income - fee and commission income minus fee and commission expense.

LLP - loan loss provisions - an expense set aside as an allowance for bad loans.

NPL - non-performing loan - loans that are in default or close to be in default.

Cost/Income - operating expenses divided by total banking revenue.

ROE - return on equity - net income (or adjusted net income) divided by the average shareholders' equity.

ROA - return on assets - net income (or adjusted net income) divided by the average assets.

EBIT - earnings before interests and tax.

EBITDA - earnings before interests, tax, depreciation and amortization.

EPS - earnings per share - the net income (or adjusted net income) divided by the number of shares outstanding.

P/E - price to earnings ratio - price divided by earnings per share.

PEG - P/E ratio divided by the annual EPS growth, usually over a certain period of time.

CAGR - compound annual growth rate.

BVPS - book value per share, the book value of the Company's equity divided by the number of shares outstanding.

P/BV - price to book value - price divided by the BVPS.

DPS - dividend per share - dividend of a given year divided by the number of shares outstanding.

DY - dividend yield - dividend of a given year divided by the current price.

DDM - dividend discount model - a fundamental method of valuation based on the assumption that the value of stock equals the sum of all discounted future dividends.

FV - Fair Value, calculated based on valuation methods outlined in the document.

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Buy	7	88%
Hold	1	13%
Sell	0	0%
Total	8	100%

Rating History - Medicalgorithmics

Date	Recommendation	Fair Value	Price at recommendation	Author
06.09.2023	BUY	PLN 45.2	PLN 36.0	Łukasz Kosiarski
15.11.2023	BUY	PLN 41.2	PLN 27.4	Łukasz Kosiarski