

Scope Fluidics

Payment from Bio-Rad extends cash runway

Following the recent newsflow on PCR|ONE partnering, we update our recommendation on Scope Fluidics. We decrease our Fair Value to PLN 215.6ps, however, as the new FV implies 36% upside potential to the current share price and thus we maintain our Buy rating. As a result of the contract amendment with Bio-Rad, Scope received a USD 30m payment in exchange for waiving potential future milestone payments of USD 70m. The value of the project according to the new parameters (PLN 97m) is lower than our previous valuation (PLN 127m), which is the reason for the FV reduction for Scope Fluidics. On the other hand, the significant cash injection allows Scope to pay a sound dividend in 2025 (we assume DPS PLN 22.3, 14% yield) and extend the cash runway until the end of 2026, the stage at which BacterOMIC, after completing EU IVDR registration, could be sold to a strategic partner. In the short-term, we also do not see the risk of new share issue, which would be suboptimal in the current difficult market environment.

USD 30m payment from Bio-Rad. Scope Fluidics and its partner in the PCR|ONE project Bio-Rad Laboratories agreed on new terms of cooperation. As a result of the amendment, the company received a USD 30m one-time payment in November and waived potential future USD 70m milestone payments (USD 40m for regulatory milestones and USD 30m for sales milestones), of which in reality more than USD 20m turned out to be unlikely. Post 5% advisor's fee, 5% bonus for employees and 12% tax, we estimate Scope's cash position after the transaction will increase by PLN 97m. Moreover, in line with company's dividend policy, we assume payment of a hefty dividend of PLN 22.3/share. Overall, we assume Scope's cash runway should extend by roughly a year to 4Q26, which gives the company a comfortable position to work on the BacterOMIC registration and removes short-term share issue risk.

BacterOMIC – Scope waits for better market environment. In the current market situation, we do not assume a quick sale of the BacterOMIC project at a favorable price for investors. With the financial cushion, Scope has the funds to complete R&D work on new diagnostic panels (UNI MAX, PBC), an improved device that gives faster results (new interpreter), and to update registration to the current IVDR standard. With these changes, Scope can wait out an unfavorable market moment and start partnering discussions again with a better, more complete and market-ready product. We stick to our assumptions on the timing of the transaction in 2026E. Our valuation of BacterOMIC is PLN 428m or PLN 157 per share.

Recommendation and valuation. We decrease our FV to PLN 215.6ps from PLN 235.4ps and as the new FV implies 36% upside vs. the current price, we maintain our BUY rating.

Figure 1. Scope Fluidics financial forecasts summary

PLN m	2022	2023	2024E	2025E	2026E	2027E
Revenues	0.4	0.5	0.4	0.9	1.1	0.0
EBITDA	-24.2	-27.6	-34.9	-36.7	-60.3	-52.8
EBIT	-24.8	-28.7	-36.1	-38.1	-62.1	-54.9
Net profit	318.5	-18.8	69.3	-36.3	363.7	104.7
EPS (PLN)	117.7	-6.9	25.4	-13.3	133.4	38.4
DPS (PLN)	0.0	85.6	0.0	22.3	0.0	98.5
uFCF yield (%)	58.7%	-2.7%	15.5%	-3.8%	83.5%	23.9%
EV/EBITDA (x)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
P/E (x)	1.8	n.m.	6.2	n.m.	1.2	4.1

Source: Company, IPOPEMA Research

Healthcare

Scope Fluidics

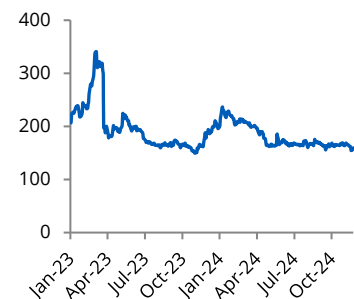
BUY

FV PLN 215.6 from PLN 235.4

36% upside

Price as of 25 November 2024 PLN 159.8

Maintained



Share data

Number of shares (m)	2.7
Market cap (EUR m)	101
12M avg daily volume (k)	1.8
12M avg daily turnover (EUR m)	0.1
12M high/low (PLN)	239.0/151.4
WIG weight (%)	0.06
Reuters	SCP.WA
Bloomberg	SCP.PW

Total performance

1M	-4.9%
3M	-6.5%
12M	-6.0%

Shareholders (% of equity)

TOTAL FIZ	16.5%
Mr. Piotr Garstecki	13.4%
Mr. Marcin Izydorzak	13.0%

Analyst

Lukasz Kosiariski
lukasz.kosiariski@ipopema.pl
+ 48 882 108 382

SCOPE FLUIDICS

BUY

FV PLN 215.6

Mkt Cap EUR 101m

Upside +36%

Valuation multiples	2023	2024E	2025E	2026E	2027E
P/E (x)	n.m.	6.2	-11.9	1.2	4.1
EV/EBITDA (x)	n.m.	n.m.	n.m.	n.m.	n.m.
EV/Sales (x)	707.35	725.61	421.30	n.m.	n.m.
P/BV (x)	5.56	2.88	8.15	1.04	1.71
uFCF yield (%)	-3%	16%	-4%	83%	24%
DY (%)	52%	0%	14%	0%	62%

Per share	2023	2024E	2025E	2026E	2027E
No. of shares (m units)	2.7	2.7	2.7	2.7	2.7
EPS (PLN)	-6.9	25.4	-13.3	133.4	38.4
BVPS (PLN)	29.7	55.1	19.5	152.9	92.8
uFCFPS (PLN)	-4.5	24.7	-6.1	132.5	38.0
DPS (PLN)	85.6	0.0	22.3	0.0	98.5

Change y/y (%)	2023	2024E	2025E	2026E	2027E
Revenues	27.7%	-25.0%	132.6%	n.m.	n.m.
EBITDA	14.2%	26.5%	5.1%	64.4%	-12.4%
EBITDA adj.	14.2%	26.5%	5.1%	64.4%	-12.4%
EBIT	15.6%	26.0%	5.4%	63.0%	-11.6%
Net profit	n.m.	n.m.	-152.4%	n.m.	n.m.

Leverage and return	2023	2024E	2025E	2026E	2027E
EBITDA margin (%)	n.m.	n.m.	n.m.	n.m.	n.m.
Adj. EBITDA margin (%)	n.m.	n.m.	n.m.	n.m.	n.m.
EBIT margin (%)	n.m.	n.m.	n.m.	n.m.	n.m.
Net margin (%)	n.m.	#####	n.m.	n.m.	n.m.
Net debt / EBITDA (x)	3.1	4.4	1.5	6.9	4.7
Net debt / Equity (x)	-1.0	-1.0	-1.0	-1.0	-1.0
Net debt / Assets (x)	-0.8	-0.9	-0.7	-0.9	-0.9
ROE (%)	-9.1%	60.0%	-35.7%	154.8%	31.3%
ROA (%)	-8.4%	50.8%	-29.5%	141.5%	29.3%

Assumptions	2023	2024E	2025E	2026E	2027E
Milestones (USDm)	0.0	30.0	0.0	160.0	50.0
PCR ONE	0.0	30.0	0.0	0.0	0.0
BacterOMIC	0.0	0.0	0.0	160.0	50.0

P&L (PLN m)	2022	2023	2024E	2025E	2026E	2027E
Revenues	0.4	0.5	0.0	0.0	1.1	0.0
COGS	25.2	29.1	36.5	39.0	63.2	54.9
Other operating income (cost) net	0.0	-0.1	0.0	0.0	0.0	0.0
EBITDA	-24.2	-27.6	-34.9	-36.7	-60.3	-52.8
EBITDA adj.*	-24.2	-27.6	-34.9	-36.7	-60.3	-52.8
EBIT	-24.8	-28.7	-36.1	-38.1	-62.1	-54.9
Financial income (cost) net	419.9	10.0	117.8	1.8	511.2	184.2
Pre-tax profit	395.1	-18.7	81.7	-36.3	449.1	129.3
Income tax	69.1	0.1	12.4	0.0	85.3	24.6
Net profit	318.5	-18.8	69.3	-36.3	363.7	104.7

BALANCE SHEET (PLN m)	2022	2023	2024E	2025E	2026E	2027E
Non-current assets	9.5	11.0	12.7	13.8	15.4	16.8
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Intangible assets	6.1	6.4	6.5	6.6	6.7	6.7
PP&E	0.3	1.9	3.5	5.0	6.5	7.9
Right-of-use assets	2.4	2.2	2.2	1.7	1.7	1.7
Other non-current assets	0.7	0.5	0.5	0.5	0.5	0.5
Current assets	336.7	90.5	158.9	60.8	424.2	258.5
Inventories	0.7	0.7	0.7	0.7	0.7	0.7
Trade receivables	4.4	2.6	3.3	3.5	5.6	4.9
Cash and equivalents	331.6	66.3	134.0	56.6	417.9	252.9
Other current assets	0.0	20.9	20.9	0.0	0.0	0.0
Total assets	346.2	101.5	171.7	74.6	439.6	275.3
Equity	333.0	80.9	150.3	53.1	416.8	253.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	8.2	14.4	14.9	14.9	14.9	14.9
Loans and borrowings	1.9	1.5	2.0	2.0	2.0	2.0
Other non-current liabilities	6.3	12.9	12.9	12.9	12.9	12.9
Current liabilities	4.9	6.1	6.5	6.6	7.8	7.4
Trade payables	0.5	1.5	1.8	2.0	3.2	2.8
Loans and borrowings	0.6	0.9	0.9	0.9	0.9	0.9
Other current liabilities	3.8	3.8	3.8	3.8	3.8	3.8
Equity & liabilities	346.2	101.5	171.7	74.6	439.6	275.3
Cash conversion cycle (days)	2527.4	2486.3	2771.3	1377.9	1552.5	n.m.
Gross debt (PLN m)	2.5	2.4	2.9	2.9	2.9	2.9
Net debt (PLN m)	-329.1	-84.8	-152.1	-53.7	-415.0	-250.0

CASH FLOW (PLN m)	2022	2023	2024E	2025E	2026E	2027E
Operating cash flow	-28.2	-19.1	0.9	22.2	0.9	2.4
Net income	318.5	-18.8	69.3	-36.3	363.7	104.7
D&A (incl. D&A of RoU)	0.6	1.1	1.2	1.4	1.8	2.1
Change in WC	-9.1	8.4	-0.3	-0.1	-0.9	0.3
Other	-338.2	-9.8	-69.3	57.2	-363.7	-104.7
Investment cash flow	371.1	-12.0	66.3	-38.8	360.4	101.2
Change in PP&E and intangibles	-0.2	-1.9	-3.0	-2.5	-3.3	-3.5
Other	371.3	-10.1	69.3	-36.3	363.7	104.7
Financial cash flow	-30.3	-234.2	0.5	-60.9	0.0	-268.6
Change in equity	0.0	0.0	0.0	0.0	0.0	0.0
Change in debt	-18.9	0.0	0.5	0.0	0.0	0.0
Dividend	0.0	-233.3	0.0	-60.9	0.0	-268.6
Other	-11.4	-0.9	0.0	0.0	0.0	0.0
Change in cash	312.7	-265.3	67.7	-77.5	361.3	-165.0
Cash as of eop	331.6	66.3	134.0	56.6	417.9	252.9

Source: Company data, IPOPEMA Research

Valuation

We value Scope Fluidics using a SOTP valuation. We value the BacterOMIC project using the rNPV method (risk-adjusted net present value) probability weighing its subsequent phases. Based on our forecasts, we arrive at fair value of PLN 215.6 per share, i.e. 36% above the current market price, which implies a BUY recommendation.

Figure 2. Scope Fluidics: SOTP valuation (PLNm)

	PLNm	PLN/share
BacterOMIC - rNPV valuation (Enterprise value)	428.4	157.2
Enterprise value	428.4	157.2
Bio-Rad Milestone payment	97.4	35.7
Net cash (3Q24)	62.0	22.7
Fair value	587.7	215.6

Source: Company, IPOPEMA Research

rNPV valuation – BacterOMIC

Figure 3. Scope Fluidics BacterOMIC: Valuation assumptions

Phase	Year	Probability of success	Cumulative probability of success	Milestone/Upfront payment (USDm)
Development	2023	100%	100%	0.0
Clinical trial	2026	90%	90%	0.0
Partnering	2026	90%	90%	0.0
NDA submission	2027	90%	81%	160.0
Commercial sale	2028	100%	81%	50.0
Average annual sales (USDm)				173.9
Peak sales (USDm)				247.4
rNPV (PLNm)				428.4
rNPV (PLN/share)				157.2

Source: Company, IPOPEMA Research

Figure 4. Scope Fluidics BacterOMIC assumptions

	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Terminal
Phase	Developm	Developm	Clinical	Approval	Market	Market	Market	Market	Market	Market	Market
TAM	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Market share	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Peak sales	255.0	255.0	255.0	255.0	255.0	255.0	255.0	255.0	255.0	255.0	255.0
Sales curve	0%	0%	0%	5%	19%	36%	51%	65%	75%	84%	91%
Revenues (USDm)	0.0	0.0	0.0	12.8	48.5	91.8	130.1	165.8	191.3	214.2	232.1
Royalties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Milestones	0.0	0.0	160.0	50.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0
Costs	-5.0	-6.0	-40.2	-11.3	-11.3	0.0	0.0	0.0	0.0	0.0	0.0
Success rate	100%	100%	90%	100%	100%	100%	100%	100%	100%	100%	100%
Cumulative probability of success	100%	100%	100%	90%	90%	90%	90%	90%	90%	90%	90%
Risk adj net FCF (USDm)	-5.0	-6.0	119.8	34.8	34.8	0.0	0.0	0.0	0.0	0.0	0.0
Discount	88%	78%	69%	61%	54%	48%	43%	38%	33%	29%	26%
USDPLN	3.97	3.84	3.73	3.83	3.83	3.83	3.83	3.83	3.83	3.83	3.83
Net present CF (PLNm)	-17.6	-18.0	309.8	81.8	72.4	0.0	0.0	0.0	0.0	0.0	0.0
rNPV (PLNm)	428.4										

Source: Company, IPOPEMA Research

Financial forecasts

Figure 5. Scope Fluidics financial forecasts 2021-2028E

P&L (PLN m)	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
Revenues	0.0	0.4	0.5	0.4	0.9	1.1	0.0	0.0
Opex	-10.7	-25.2	-29.1	-36.5	-39.0	-63.2	-54.9	-60.0
Other operating income, net	0.5	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
EBITDA	-9.8	-24.2	-27.6	-34.9	-36.7	-60.3	-52.8	-57.7
Operating profit	-10.2	-24.8	-28.7	-36.1	-38.1	-62.1	-54.9	-60.0
Finance costs	-1.5	419.9	10.0	117.8	1.8	511.2	184.2	185.1
Pretax profit	-11.7	395.1	-18.7	81.7	-36.3	449.1	129.3	125.1
Income tax	0.0	-69.1	-0.1	-12.4	0.0	-85.3	-24.6	-23.8
Discontinued	-4.9	-7.6	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	-16.6	318.5	-18.8	69.3	-36.3	363.7	104.7	101.3
EPS (PLN)	-6.2	117.7	-6.9	25.4	-13.3	133.4	38.4	37.2
EBITDA margin	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBIT margin	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Net margin	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
ROE	-110.5%	187.5%	-9.1%	60.0%	-35.7%	154.8%	31.3%	39.6%
Balance Sheet (PLN m)	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
Non-current assets	7.0	9.5	11.0	12.7	13.8	15.4	16.8	18.1
PPE	0.4	0.3	1.9	3.5	5.0	6.5	7.9	9.2
Right-of-use assets	1.5	2.4	2.2	2.2	1.7	1.7	1.7	1.7
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intangibles	5.0	6.1	6.4	6.5	6.6	6.7	6.7	6.7
Other	0.2	0.7	0.5	0.5	0.5	0.5	0.5	0.5
Current assets	45.7	336.7	90.5	158.9	60.8	424.2	258.5	263.1
Inventories	0.3	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Trade and other receivables	1.2	4.4	2.6	3.3	3.5	5.6	4.9	5.4
Cash and equivalents	18.1	331.6	66.3	134.0	56.6	417.9	252.9	257.0
Other	26.1	0.0	20.9	20.9	0.0	0.0	0.0	0.0
Total assets	52.7	346.2	101.5	171.7	74.6	439.6	275.3	281.2
Equity	6.7	333.0	80.9	150.3	53.1	416.8	253.0	258.6
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities	17.3	8.2	14.4	14.9	14.9	14.9	14.9	14.9
Long-term debt	1.2	1.9	1.5	2.0	2.0	2.0	2.0	2.0
Other long-term liabilities	16.1	6.3	12.9	12.9	12.9	12.9	12.9	12.9
Short-term liabilities	28.7	4.9	6.1	6.5	6.6	7.8	7.4	7.7
Short-term debt	20.2	0.6	0.9	0.9	0.9	0.9	0.9	0.9
Trade and other payables	0.3	0.5	1.5	1.8	2.0	3.2	2.8	3.0
Other short-term liabilities	8.2	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Total equity & liabilities	52.7	346.1	101.5	171.6	74.6	439.5	275.3	281.1
Net debt	3.2	-329.1	-84.8	-152.1	-53.7	-415.0	-250.0	-254.1
Net debt/EBITDA (x)	-0.3	13.6	3.1	4.4	1.5	6.9	4.7	4.4
Cash flow (PLN m)	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
CF from operations	-21.4	-28.2	-19.1	0.9	22.2	0.9	2.4	2.1
Net profit	-16.6	318.5	-18.8	69.3	-36.3	363.7	104.7	101.3
D&A	0.4	0.6	1.1	1.2	1.4	1.8	2.1	2.3
Chg. In WC	2.2	-9.1	8.4	-0.3	-0.1	-0.9	0.3	-0.2
Other	-7.4	-338.2	-9.8	-69.3	57.2	-363.7	-104.7	-101.3
CF from investment	-3.3	371.1	-12.0	66.3	-38.8	360.4	101.2	97.7
CF from financing	17.9	-30.3	-234.2	0.5	-60.9	0.0	-268.6	-95.8
Beginning cash	25.7	18.9	331.6	66.3	134.0	56.6	417.9	252.9
Ending cash	18.9	331.6	66.3	134.0	56.6	417.9	252.9	257.0
DPS (PLN)	0.0	0.0	85.6	0.0	22.3	0.0	98.5	35.1

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	Above 10%
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IPOPEMA Research - Distribution by rating category (1 July – 30 September 2024)

	Number	%
Buy	25	76%
Hold	6	18%
Sell	2	6%
Total	33	100%

Rating History – Scope Fluidics

Date	Recommendation	Fair Value	Price at recommendation	Author
11.09.2023	BUY	PLN 235.8	PLN 166.0	Łukasz Kosiarski
16.11.2023	BUY	PLN 230.2	PLN 165.0	Łukasz Kosiarski
30.06.2024	BUY	PLN 235.4	PLN 164.6	Łukasz Kosiarski
28.11.2024	BUY	PLN 215.6	PLN 158.8	Łukasz Kosiarski