

QLUCORE: Streamlining focus to extend financial runway

In Q1'23/24, both sales of Qlucore Omics Explorer and costs were slightly higher than we expected. To extend its runway, Qlucore will concentrate efforts on four cancer indications and implement a cost reduction plan, which will be fully effective by 2024, before CE-marking and sales ramp-up in 2025. With slight adjustments to our forecast, smoothing out the cost curve for the upcoming years, an extended slump in the share, affecting the hypothetical terms of a future capital raise, and Market Cap far below Net cash, we now find support for a fair value at SEK 16-21 (20-26) per share.

Focusing development and cutting costs to preserve cash

Sales in Q1 (May-Jul) amounted to SEK 3.4m representing 24% growth, or 19% adjusted for FX. OPEX at SEK 15.3m were higher than we had expected. In order to conserve existing resources and compensate for the previously announced time delay, Qlucore will now focus on the four cancer types that have had the most progress to date. This still covers 18% of all cancers, leaving considerable market potential to capture once the company receives the CE-mark, now expected for ALL in February 2025. After continued investments in development this year, relating to final development stages of the Diagnostics software, the ALL model and the Quality Management System, Qlucore will terminate consultant contracts and other resources associated with development, thereby significantly reducing costs by 2024.

Still project significant ramp-up beginning 2025

After the Q1 report, we have lowered our cost estimate for 2024 and smoothed out the curve after that. We maintain our base case forecast of a CE approval for the Qlucore Diagnostics platform and ALL in early 2025, with a subsequent increase in the number of labs to 70-100 labs by 2028/29. With an estimate of the number of tests per lab at 2,500-4,000 per year, and an estimated price per test of SEK 1,000, we find support for the company's sales target of SEK 300m and a 40% EBIT margin, by 2028/29.

Market Cap far below Net Cash

At end of Q1, cash amounted to SEK 57m (53m net). Even with the more concentrated focus and lowered cost base from 2024, we still expect that Qlucore will need to raise some SEK 50m before it is cash flow positive. However, the extended slump in the price affects the likely terms of a future raise and adjusted for a SEK 50m rights issue at a 25% discount we now find support for a fair value at SEK 16-21 (20-26) per share. Having cleared the announcement of Notified Body and presented an expected timetable for CE-approval, we now see a) more visibility on future financing options, b) new license sales, and c) the first Diagnostics sales as the key catalysts for the share.



Read the full report here: https://www.emergers.se/qlucore_m/

Contact

Johan Widmark
johan@emergers.se

About Emergers

This is a press release from Emergers.

DISCLAIMER

Information provided here or on Emergers' website [emergers.se](https://www.emergers.se) is not intended to be financial advice. Emergers receives compensation for writing about the company in question. The company has been given the opportunity to influence factual statements before publication, but forecasts, conclusions and valuation reasoning are Emergers' own. Articles of analysis shall not be construed as a recommendation or solicitation to invest in the companies described. Emergers cannot guarantee that the conclusions presented in the analysis will be met. Emergers cannot be held liable for either direct or indirect damages caused by decisions made on the basis of information in this analysis. Investors are encouraged to seek additional information as well as consult a financial advisor prior to any investment decision.

For more information and complete terms, please see [emergers.se](https://www.emergers.se).

Attachments

[QLUCORE: Streamlining focus to extend financial runway](#)