

MedApp S.A.

Fair value: PLN 0.94

Update

Rating: n.a.

MedApp's (MDA) Q1/22 results came in significantly above last year. Revenues advanced by 52.5% y-o-y to PLN 3m and EBIT by 58.9% to PLN 701k. Since our last update in April, the company has signed a new 5-year contract with Promedica Praha Group a.s. for the distribution of CarnaLife Holo in Czechia, Slovakia, Hungary and Finland and received the certification of CarnaLife Holo in the fifth largest country worldwide Brazil, where it has already had a distributor since October 2021. Only the contract with Promedica could generate PLN >40m of revenues within five years, according to the company. Based on our discussions with management, we expect an acceleration of growth in the coming quarters. In our view, another positive news was the filing of approval to trading of MDA's all shares outstanding in April. With lower WACC (13.8% vs. 15% before), which reflect reduced risk, our updated model derives a new 12-months FV of PLN 0.94 (previously: PLN 0.87). This implies an upside of 81.5% at present.

Q1/22 results were significantly higher y-o-y. Between January and March 2022, MedApp's sales reached PLN 3m (+52.5% y-o-y), EBIT PLN 701k (+58.9%) and net income PLN 677k (+79.8%). In Q1/22, MDA's operating and free cash flow amounted to PLN -208k (Q1/21: PLN -317) and PLN -221k (PLN -343k) respectively. As of 31/03/2022, net cash equalled PLN 1.1m (PLN 471k).

MedApp continues to deliver and we feel increasingly confident that are our current estimates are realistic. Our current forecasts for 2022E are PLN 19.2m (+50.8% y-o-y) for sales, PLN 4.7m (+20.8%) for EBIT and PLN 3.8m (+1.8%) for net income. Next year, when MDA plans to enter the US market, we expect that the company's revenues will grow by 61.4% to PLN 30.9m, EBIT by 92.4% to PLN 9m and net income by 92.5% to PLN 7.3m.

in PLNm	2020	2021	2022E	2023E	2024E	2025E
Net sales	6.02	12.71	19.16	30.93	44.92	66.77
EBITDA	2.93	5.81	6.63	10.97	16.39	25.03
EBIT	2.12	3.86	4.67	8.99	14.38	23.01
Net income	1.92	3.71	3.78	7.28	11.66	18.65
Diluted EPS	0.01	0.02	0.02	0.03	0.05	0.07
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
RoE	9.32%	16.57%	14.46%	22.97%	28.32%	33.11%
Net gearing	-3.79%	-0.54%	-27.75%	-32.68%	-45.80%	-58.56%
EV/Sales	20.91x	9.91x	6.58x	4.07x	2.80x	1.89x
EV/EBITDA	42.94x	21.69x	19.00x	11.49x	7.69x	5.03x
P/E	65.00x	34.67x	34.38x	17.86x	11.15x	6.97x

Company profile

MedApp S.A. is a digital health company, which offers scalable software solutions that support the work of medical professionals in various areas. Apart from Poland, its shares can also be traded on the Frankfurt Stock Exchange.

Date of publication	18 May 2022 / 6:30 am
Website	www.medapp.pl
Sector	Mobile Health
Country	Poland
ISIN	PLYLWHT00012
Reuters	MDAP.WA
Bloomberg	MDA PW

Share information

Last price	0.52
Number of shares (m)	250.03
Market cap. (PLNm)	129.02
Market cap. (EURm)	27.71
52-weeks range	PLN 1.51 / PLN 0.37
Average volume	395,660

Performance

4-weeks	7.50%
13-weeks	-20.00%
26-weeks	-50.38%
52-weeks	-48.61%
YTD	-45.11%

Shareholder structure

Amida Capital Sp. z.o.o S.K.A	38.56%
Blue Ring Sp. z.o.o	7.40%
Free float	54.04%

Financial calendar

Q2/22 report	August 12, 2022
--------------	-----------------

Analyst

Adrian Kowollik
a.kowollik@eastvalueresearch.com

Recent results

Revenues and Profitability

According to its Q1/22 report, MedApp generated revenues of PLN 3m in Jan-Mar 2022, which corresponds to an increase of 52.5% y-o-y.

Apart from the new distribution agreement with Czech Promedica and the receipt of certification for its mixed-reality product CarnaLife Holo in Brazil, in Q1/22 MedApp signed agreements for EU grants related to market entry in Mexico and the adjustment of CarnaLife Holo that will allow doctors to conduct biopsies more precisely and safely.

in PLNm	Q1/22	Q1/21	change
			y-o-y
Net sales	2.96	1.94	52.5%
EBITDA	1.21	0.91	33.8%
<i>EBITDA margin</i>	<i>40.9%</i>	<i>46.6%</i>	
EBIT	0.70	0.44	58.9%
<i>EBIT margin</i>	<i>23.7%</i>	<i>22.7%</i>	
Net income	0.68	0.38	79.8%
<i>Net margin</i>	<i>22.8%</i>	<i>19.4%</i>	

Source: Company information, East Value Research GmbH

Between January and March 2022, MDA's EBIT reached PLN 701k, which corresponds to an increase of 58.9% y-o-y. The respective margin advanced from 22.7% to 23.7%. Over the same period, the company's net income grew by 79.8% y-o-y to PLN 677k.

The largest cost positions in Q1/22 were administrative expenses of PLN 396k (Q1/21: PLN 15k) and CoGS of PLN 1.8m (PLN 1.4m). Depreciation & amortization went up from PLN 15k in Q1/21 to PLN 396k due to investments in own software. The effective tax rate equalled 3.4% and was thus much lower than last year, when it amounted to 14.7%.

Balance sheet and Cash flow

At the end of March 2022, MedApp had equity of PLN 25.1m, which corresponds to a share of 79.6% in the balance sheet total. Fixed assets were very small (PLN 20k vs. PLN 32k in Q1/21). Intangibles (software, patents, licenses) equalled PLN 4.9m (Q1/21: PLN 5.7m) and goodwill PLN 4.3m (PLN 4.6m).

At the end of Q1/22, working capital was worth PLN 16.1m (Q1/21: PLN 8.7m). The prepaid expenses of PLN 9.2m (Q1/21: PLN 5.4m) relate to R&D work on products/solutions, which were still not generating revenues.

Between January and March 2022, MedApp generated an operating cash flow of PLN -208k compared to PLN -317k in the previous year. Cash flow from investing equalled PLN -13k (Q1/21: PLN -25k). At the end of March 2022, MedApp had cash of PLN 1.1m and no interest-bearing debt.

Financial forecasts

Revenues and Profitability

Compared to our last update from April 2022, we have kept our sales estimates unchanged and only slightly adjusted our profitability estimates for 2022E and beyond.

in PLNm	2022E	2023E	2024E	2025E
CarnaLife System	2.53	3.63	6.67	10.52
<i>Share in total sales</i>	13.2%	11.7%	14.8%	15.8%
Gross margin	73.5%	74.0%	74.7%	75.4%
Number of clients	48	70	130	205
Monthly fee (in EUR)	950	950	950	950
PLN-EUR	4.62	4.55	4.50	4.50
CarnaLife HoLo	16.63	27.30	38.25	56.25
<i>Share in total sales</i>	86.8%	88.3%	85.2%	84.2%
Gross margin	73.5%	74.0%	74.7%	75.4%
Number of clients	36	60	85	125
Fixed fee (in EUR)	100,000	100,000	100,000	100,000
PLN-EUR	4.62	4.55	4.50	4.50
Total sales	19.16	30.93	44.92	66.77
change y-o-y	50.8%	61.4%	45.2%	48.6%

Source: East Value Research GmbH

in PLNm	2022E		2023E		2024E		2025E	
	new	old	new	old	new	old	new	old
Net sales	19.16	19.16	30.93	30.93	44.92	44.92	66.77	66.77
EBITDA	6.63	6.63	10.97	10.93	16.39	17.08	25.03	26.85
<i>EBITDA margin</i>	34.6%	34.6%	35.5%	35.3%	36.5%	38.0%	37.5%	40.2%
EBIT	4.67	4.59	8.99	8.79	14.38	14.83	23.01	24.49
<i>EBIT margin</i>	24.4%	24.0%	29.1%	28.4%	32.0%	33.0%	34.5%	36.7%
Net income	3.78	3.72	7.28	7.12	11.66	12.02	18.65	19.85
<i>Net margin</i>	19.7%	19.4%	23.5%	23.0%	26.0%	26.8%	27.9%	29.7%

Source: East Value Research GmbH

in PLNm	Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22
Net sales	0.02	0.24	0.95	4.81	6.02	1.94	3.53	3.67	3.57	12.71	2.96
<i>y-o-y change</i>	700.0%	5876.3%	#####	53.2%	86.8%	#####	1375.9%	287.0%	-25.9%	110.9%	52.8%
EBITDA	-0.45	-0.69	0.04	3.22	2.12	0.91	2.26	1.67	-0.98	3.86	1.21
<i>EBITDA margin</i>	-2837.5%	-287.5%	4.7%	83.6%	35.1%	46.6%	64.2%	45.5%	-27.3%	30.4%	40.9%
EBIT	-0.45	-0.69	0.04	2.40	1.30	0.44	1.78	1.17	-1.47	1.92	0.70
<i>EBIT margin</i>	-2837.5%	-287.5%	4.7%	66.6%	21.5%	22.7%	50.4%	31.9%	-41.1%	15.1%	23.7%
Net income	-0.26	-0.90	0.05	2.21	1.10	0.38	1.46	1.40	-1.47	1.77	0.68
<i>Net margin</i>	-1625.0%	-376.5%	4.7%	62.9%	18.2%	19.4%	41.4%	38.1%	-41.1%	13.9%	22.8%

Source: Company information, East Value Research GmbH

CAPEX and Working capital

We continue to forecast gross CAPEX of PLN 5.2m in 2022E-2024E, which will likely be spent on new software.

For working capital, we have assumed that its share in total revenues will decline from 108.2% in 2021 to <20% in the future. We still believe that in the long run the cash conversion cycle will converge towards 60 days.

Valuation

As MDA filed for approval to trading of all its shares outstanding (press release from April 14), we have decided to lower our WACC from 15% before to 13.8%. This and our updated estimates result in a new 12-months FV for the company's shares of PLN 0.94 (previously: PLN 0.87).

Below are the key assumptions of our WACC calculation:

- (1) *Risk-free rate*: Current yield of Polish long-term government bonds with maturity in 2047E is 6.4% (Source: www.boerse-stuttgart.de)
- (2) *Beta*: Average unlevered beta of companies from the Healthcare Information & Technology sector of 1.45x
- (3) *Equity risk premium (Poland)*: 5.08% (Source: www.damodaran.com)
- (4) *Target equity ratio*: 100%
- (5) *WACC = Equity costs*: 13.8%
- (6) Sales growth in the terminal period: 2%
- (7) Free cash flows and residual values are discounted to May 17, 2022

DCF model

in PLNm	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E					
Net sales	19.16	30.93	44.92	66.77	80.60	94.44	108.28	122.12	135.96					
(y-o-y change)	50.8%	61.4%	45.2%	48.6%	20.7%	17.2%	14.7%	12.8%	11.3%					
EBIT	4.67	8.99	14.38	23.01	28.99	34.49	40.04	45.75	50.94					
(operating margin)	24.4%	29.1%	32.0%	34.5%	36.0%	36.5%	37.0%	37.5%	37.5%					
NOPLAT	3.78	7.28	11.65	18.64	23.48	27.94	32.44	37.06	41.26					
+ Depreciation & amortisation	1.96	1.98	2.00	2.02	2.04	2.06	2.08	2.10	2.12					
= Net operating cash flow	5.74	9.26	13.65	20.66	25.52	30.00	34.52	39.16	43.38					
- Total investments (Capex and WC)	0.07	-6.21	-4.53	-5.08	0.85	-0.36	-4.89	-5.02	-8.28					
Capital expenditure	-1.70	-1.72	-1.74	-1.76	-1.78	-1.80	-1.82	-1.84	-1.86					
Working capital	1.77	-4.50	-2.79	-3.32	2.62	1.44	-3.07	-3.18	-6.42					
= Free cash flow (FCF)	5.82	3.05	9.12	15.58	26.37	29.64	29.63	34.14	35.10					
PV of FCF's	5.37	2.47	6.50	9.77	14.53	14.35	12.62	12.78	11.55					
PV of FCFs in explicit period	89.93													
PV of FCFs in terminal period	116.38													
Enterprise value (EV)	206.31													
+ Net cash / - net debt (31 March 2022)	1.12													
+ investments / - minorities	0.00													
Shareholder value	207.42													
Number of shares outstanding (m)	250.03													
							Terminal EBIT margin							
							34.5%	35.5%	36.5%	37.5%	38.5%	39.5%	40.5%	
							9.8%	1.51	1.54	1.57	1.60	1.63	1.66	1.68
							10.8%	1.30	1.33	1.35	1.37	1.40	1.42	1.45
							11.8%	1.14	1.16	1.18	1.20	1.22	1.24	1.26
							12.8%	1.01	1.03	1.04	1.06	1.08	1.09	1.11
							13.8%	0.90	0.92	0.93	0.94	0.96	0.97	0.99
							14.8%	0.81	0.82	0.84	0.85	0.86	0.87	0.88
							15.8%	0.74	0.75	0.76	0.77	0.78	0.79	0.80
							16.8%	0.67	0.68	0.69	0.70	0.71	0.72	0.73
Fair value per share in PLN (today)	0.83													
Fair value per share in PLN (in 12 months)	0.94													

Source: East Value Research GmbH

Peer Group

Our peer group comprises two Polish telehealth companies, which already generate significant sales, and seven international ones that are either listed or privately held.

Telehealth/digital health companies, which are listed in Poland and already generate revenues:

- (1) *Medicalgorithmics S.A.*: Medicalgorithmics (MDG), which is based in Warsaw/Poland, is a manufacturer and supplier of innovative technologies in the area of cardio-diagnostics. The company focuses on distant monitoring and analysis of the heart function based on a proprietary technology called PocketECG. Apart from cardiac telemetry, the system is also used in clinical trials on drugs relating to cardiac safety as well as research projects. Medicalgorithmics, which generates most of its revenues in the US, is listed on the Warsaw Stock Exchange and has a market cap of PLN 35.3m. In fiscal-year 2021, it generated sales of PLN 120.6m and an EBIT of PLN -166.7m. Its current EV/Sales 2021 is 0.56x.
- (2) *Telemedycyna Polska S.A.*: Telemedycyna Polska, which is headquartered in Katowice/Poland, is a Polish leader in the area of telesurveillance of cardiology patients. The company owns a Center for Monitoring of the Heart with experienced doctors from the area of non-invasive cardiology diagnostics. Telemedycyna Polska specializes in 24/7 cardiology treatment and ECG exams online and by phone. In 2021, the company, whose largest shareholder is the Polish pharma group Neuca, had revenues of PLN 5.1m and an EBIT margin of 6.3%. Telemedycyna Polska has a market cap of PLN 8.5m and its EV/Sales 2021 is 1.5x. There are no broker estimates available for this company.

International providers of cloud-based health software:

- (3) *Teladoc Health Inc.*: Teladoc Health, which is headquartered in Purchase/US, delivers, enables, and empowers virtual care services that span every state in a person's health journey - from wellness and prevention to acute care to complex healthcare needs. With >10m completed virtual visits in 2020, it serves health employers, hospitals, health systems, insurances and financial service companies. The company offers its products and services under the Teladoc, Livongo, Advance Medical, Best Doctors, BetterHelp, and HealthiestYou brands. In Q4/20, Teladoc Health acquired the US provider of software platforms for managing chronic conditions Livongo Health for USD 18.5bn, which in our view implied an EV/Sales 2020 of 30x-35x. Teladoc, which currently has a market capitalization of USD 5.4bn, is valued at an EV/Sales 2022E of 2.5x, according to marketscreener.com. In 2021, the company generated revenues of USD 2bn.
- (4) *DexCom Inc.*: DexCom, which is based in San Diego/US, designs, develops, and commercializes continuous glucose monitoring (CGM) systems worldwide that are targeted at people with diabetes and healthcare providers. DexCom, which has a market cap of USD 32.8bn, is currently valued at an EV/Sales 2022E of 11.2x (Source: marketscreener.com). In 2021, the company generated revenues of USD 2.4bn.

- (5) *Novarad Corporation*: Novarad, which is based in American Fork/US, develops radiology software and streamlined workflow solutions for radiologists. It offers NovaPACS, a picture archiving and communication system (PACS) for customizable radiology viewing; and NovaRIS, a radiology information system (RIS) for scheduling, tracking, and reporting of patient exams and workflow efficiency. Other products include for example NovaDose, a radiation dose monitoring solution; Novarad MobileRad, an iPad/mobile device diagnostic viewer for radiologists and specialists; NovaCardio, a cardiology solution; NovaOrtho, an orthopedic image viewing system; and NovaDash, a dashboard that provides executives and radiology managers with visual business intelligence to improve decision making and increase efficiency.
- (6) *MedM*: MedM, which is based in Sunnyvale/US, offers a comprehensive software platform for rapid deployment of Remote Patient Monitoring and mHealth services, which allows to collect data from 400+ Health IoT devices, sensors and wearables. Its offering is complemented by mobile apps and a web portal for personal and family health tracking.
- (7) *Raziel Health Inc.*: Raziel Health, which is headquartered in Winter Park/US, offers an AI/ML-powered software platform that provides fully connected services in the comfort of patients' homes incl. remote patient monitoring, digital intelligent care. The platform can be integrated with all major electronic medical records and supports various third-party devices.
- (8) *FRUCT Oy*: Fruct, which is based in Helsinki/Finland, has developed the FRUCT MD cloud-based platform that enables hospitals and private practices to organize continuous monitoring of patients' health and proactively define dynamics of various health parameters. The platform can be integrated with medical information systems and comes with several mobile applications, which support interactions with medical professionals and, when connected to third-party devices or sensors, personal monitoring of health.

Profit and loss statement

in PLNm	2020	2021	2022E	2023E	2024E	2025E
Revenues	6.02	12.71	19.16	30.93	44.92	66.77
Cost of goods sold	-0.56	-2.82	-5.08	-8.04	-11.36	-16.42
Gross profit	5.47	9.89	14.08	22.89	33.55	50.34
Other operating income	0.00	0.28	0.34	0.34	0.35	0.36
Distribution costs	-0.29	-0.27	-0.15	-0.25	-0.36	-0.53
Administration expenses	-1.89	-3.74	-7.28	-11.66	-16.80	-24.77
Other operating expenses	-0.35	-0.35	-0.35	-0.36	-0.36	-0.36
EBITDA	2.93	5.81	6.63	10.97	16.39	25.03
Depreciation & amortisation	-0.82	-1.94	-1.96	-1.98	-2.00	-2.02
Operating income	2.12	3.86	4.67	8.99	14.38	23.01
Net financial result	-0.24	0.00	0.00	0.00	0.01	0.01
EBT	1.87	3.86	4.67	8.99	14.39	23.02
Income tax	0.04	-0.15	-0.89	-1.71	-2.73	-4.37
Minorities	0.00	0.00	0.00	0.00	0.00	0.00
Net income	1.92	3.71	3.78	7.28	11.66	18.65
Diluted EPS	0.01	0.02	0.02	0.03	0.05	0.07
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Share in total sales						
Revenues	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Cost of goods sold	-9.27 %	-22.17 %	-26.50 %	-26.00 %	-25.30 %	-24.60 %
Gross profit	90.73 %	77.83 %	73.50 %	74.00 %	74.70 %	75.40 %
Other operating income	0.00 %	2.20 %	1.75 %	1.11 %	0.78 %	0.53 %
Distribution costs	-4.78 %	-2.15 %	-0.80 %	-0.80 %	-0.80 %	-0.80 %
Administration expenses	-31.43 %	-29.45 %	-38.00 %	-37.70 %	-37.40 %	-37.10 %
Other operating expenses	-5.82 %	-2.74 %	-1.84 %	-1.15 %	-0.80 %	-0.54 %
EBITDA	48.70 %	45.70 %	34.61 %	35.46 %	36.48 %	37.49 %
Depreciation & amortisation	-13.58 %	-15.29 %	-10.24 %	-6.41 %	-4.46 %	-3.03 %
Operating income	35.12 %	30.41 %	24.37 %	29.05 %	32.02 %	34.46 %
Net financial result	-4.02 %	-0.03 %	-0.01 %	0.01 %	0.02 %	0.02 %
EBT	31.10 %	30.38 %	24.37 %	29.06 %	32.04 %	34.48 %
Income tax	0.69 %	-1.15 %	-4.63 %	-5.52 %	-6.09 %	-6.55 %
Minorities	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Net income	31.79 %	29.23 %	19.74 %	23.54 %	25.95 %	27.93 %

Balance Sheet

in PLNm	2020	2021	2022E	2023E	2024E	2025E
Cash and equivalents	0.78	0.13	7.79	11.55	21.52	38.44
Financial assets	0.00	0.00	0.00	0.00	0.00	0.00
Inventories	0.09	0.04	0.00	0.00	0.00	0.00
Trade accounts and notes receivables	5.28	11.34	13.65	18.64	22.15	26.52
Other current assets	4.67	5.45	1.20	1.26	1.32	1.39
Current assets, total	10.82	16.96	22.63	31.45	45.00	66.35
Property, plant and equipment	0.04	0.02	0.02	0.03	0.03	0.03
Other intangible assets	6.04	5.30	5.40	5.50	5.60	5.70
Goodwill	4.70	4.39	4.02	3.66	3.29	2.93
Other assets	0.79	0.79	0.00	0.00	0.00	0.00
Deferred tax assets	0.84	0.84	0.00	0.00	0.00	0.00
Non-current assets, total	12.40	11.34	9.45	9.18	8.92	8.65
Total assets	23.22	28.30	32.08	40.63	53.92	75.00
Trade payables	0.51	0.96	1.67	2.20	2.96	4.05
Other short-term liabilities	1.92	2.13	1.20	1.22	1.25	1.27
Short-term financial debt	0.00	0.00	0.00	0.00	0.00	0.00
Pension provisions	0.15	0.18	0.00	0.00	0.00	0.00
Provisions	0.09	0.77	1.16	1.87	2.72	4.04
Current liabilities, total	2.66	4.03	4.03	5.30	6.92	9.36
Long-term financial debt	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Long-term liabilities, total	0.00	0.00	0.00	0.00	0.00	0.00
Total liabilities	2.66	4.03	4.03	5.30	6.92	9.36
Shareholders equity, total	20.56	24.27	28.05	35.33	46.99	65.64
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00
Total equity and liabilities	23.22	28.30	32.08	40.63	53.92	75.00

Cash Flow Statement

in PLNm	2020	2021	2022E	2023E	2024E	2025E
Net income	1.92	3.71	3.78	7.28	11.66	18.65
Depreciation & amortisation	0.82	1.94	1.96	1.98	2.00	2.02
Change of working capital	-5.03	-6.88	1.77	-4.50	-2.79	-3.32
Others	0.22	0.71	-1.23	-0.71	-0.85	-1.32
Net operating cash flow	-2.08	-0.51	6.28	4.05	10.02	16.03
Cash flow from investing	-0.11	-0.17	-1.70	-1.72	-1.74	-1.76
Free cash flow	-2.19	-0.68	4.58	2.34	8.28	14.27
Cash flow from financing	2.90	0.03	3.07	1.42	1.69	2.64
Change of cash	0.71	-0.65	7.65	3.76	9.98	16.91
Cash at the beginning of the period	0.07	0.78	0.13	7.79	11.55	21.52
Cash at the end of the period	0.78	0.13	7.79	11.55	21.52	38.44

Financial ratios

Fiscal year	2020	2021	2022E	2023E	2024E	2025E
Profitability and balance sheet quality						
Gross margin	90.73%	77.83%	73.50%	74.00%	74.70%	76.00%
EBITDA margin	48.70%	45.70%	34.61%	35.46%	36.48%	38.70%
EBIT margin	35.12%	30.41%	24.37%	29.05%	32.02%	36.52%
Net margin	31.79%	29.23%	19.74%	23.54%	25.95%	29.60%
Return on equity (ROE)	9.32%	16.57%	14.46%	22.97%	28.32%	27.11%
Return on assets (ROA)	9.29%	13.14%	11.79%	17.91%	21.61%	21.64%
Return on capital employed (ROCE)	10.52%	15.32%	13.48%	20.60%	24.79%	23.86%
Economic Value Added (in PLN)	-0.79	0.44	-0.10	3.21	7.24	15.10
Net debt (in PLNm)	-0.78	-0.13	-7.79	-11.55	-21.52	-96.15
Net gearing	-3.79%	-0.54%	-27.75%	-32.68%	-45.80%	-82.12%
Equity ratio	88.54%	85.75%	87.44%	86.96%	87.16%	90.70%
Current ratio	4.07	4.21	5.62	5.94	6.50	10.08
Quick ratio	2.28	2.84	5.32	5.70	6.31	9.95
Net interest cover	8.74	884.44	4670.20	-2246.42	-1598.24	-1437.00
Net debt/EBITDA	-0.27	-0.02	-1.17	-1.05	-1.31	-2.63
Tangible BVPS	0.07	0.08	0.10	0.13	0.17	0.46
CAPEX/Sales	n.a	6.97%	8.86%	5.55%	3.87%	1.90%
Working capital/Sales	126.43%	108.19%	62.52%	53.27%	42.90%	19.62%
Cash Conversion Cycle (in days)	49	207	140	120	85	10
Trading multiples						
EV/Sales	20.12	9.54	6.33	3.92	2.70	1.12
EV/EBITDA	41.32	20.88	18.28	11.05	7.40	2.88
EV/EBIT	57.30	31.37	25.96	13.49	8.43	3.03
P/Tangible BVPS	7.79	6.43	5.37	4.07	2.95	1.12
P/E	64.50	34.40	34.11	17.72	11.07	3.97
P/FCF	-58.91	-190.32	28.14	55.20	15.57	4.47

Disclaimer

This document (prepared on 17 May 2022) does neither constitute an offer nor a recommendation to buy or sell any securities. It is for informational purposes only and is based on publicly available data believed to be reliable, but no representation is made that such data are accurate and complete. Opinions and projections contained in this document reflect our opinion as of the date of this report and may be subject to change. Due to the general character of its content this document does not replace investment advice. Moreover, in contrast to any approved documents such as prospectus or information memorandum, it does not provide any information which may be necessary for making investment decisions.

The author of this report does not own shares in MedApp. A liability of the analyst or of the institution, which has mandated him, should be excluded from both potential direct and indirect damages.

This confidential study has only been made available to a limited number of recipients. A disclosure or distribution to third-parties is only allowed with East Value Research' approval. All valid capital market rules, which relate to the preparation, content as well as distribution of research in different countries, should be applied and respected by both the supplier and recipient.

Distribution in the United Kingdom: In the UK this document shall only be distributed to persons who are described in Section 11 (3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended). This research may not be distributed and forwarded directly or indirectly to any other group of individuals. The distribution of this document in other international jurisdictions may be restricted by law and individuals who possess this study should inform themselves about any existing restrictions and comply with them.

Neither this document nor any copy of it may be taken or sent to the United States of America, Canada, Japan or Australia or distributed, directly or indirectly, in the United States of America, Canada, Japan or Australia or to any resident thereof. Any failure to comply with these restrictions may constitute a violation of United States, Canadian, Japanese or Australian securities laws or the law of any other jurisdiction.

Declaration according to § 34b WpHG and FinAnV on potential conflicts of interest (As of July 24, 2013): The preparation of this research report by East Value Research was commissioned by MedApp S.A.

Declaration according to § 34b WpHG and FinAnV on additional disclosures (As of July 24, 2013):

It is in the sole decision of East Value Research GmbH whether and when a potential update of this research will be made.

Relevant basis and measures of the valuations, which are included in this document:

The valuations, which are the basis for East Value Research` investment recommendations, are based on generally-accepted and widely-used methods of fundamental analysis such as the Discounted-Cash-Flow method, peer group comparison, or Sum-of-the-Parts models.

The meaning of investment ratings:

Buy: Based on our analysis, we expect the stock to appreciate and generate a total return of at least 10% over the next twelve months

Add: Based on our analysis, we expect the stock to appreciate and generate a total return between 0%- 10% over the next twelve months

Reduce: Based on our analysis, we expect the stock to cause a negative return between 0% and -10% over the next twelve months

Sell: Based on our analysis, we expect the stock to cause a negative return exceeding -10% over the next twelve months

The respective supervisory authority is:

Bundesanstalt für Finanzdienstleistungsaufsicht

Lurgiallee 12

60439 Frankfurt