Full Year Trading and Operational Update

RNS Number : 0756B
Novacyt S.A.
28 January 2020

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("Novacyt", the "Company" or the "Group")

FULL YEAR TRADING AND OPERATIONAL UPDATE

Paris, France and Camberley, UK - 28 January 2020 - Novacyt (EURONEXT GROWTH: ALNOV; AIM: NCYT), an international specialist in clinical diagnostics, announces its unaudited revenues for the year ended 31 December 2019 and provides an operational update. The Company will report its full year results in April 2020.

Graham Mullis, Group CEO of Novacyt, commented:

"I am encouraged that last year we completed the disposal of the two non-core businesses and also completed a major restructure of the balance sheet to provide much needed working capital. Despite working capital constraints, which impacted most of 2019, we demonstrated significant levels of growth in key parts of the business and continue to see increasing demand for our products. I look forward to growing the business from a stronger financial position in 2020."

2019 Trading Update

The Company announces that year end revenues from continuing operations will be approximately €13.1m, a reduction of 5% (6% CER) on a consolidated basis compared to 2018. Excluding the Clinical Lab, which was sold in July 2019, revenue reduced by 2% (3% CER). As previously announced, trading was impacted from the second quarter of 2019 onwards due to working capital constraints. Long manufacturing lead times meant that it was challenging to achieve any significant recovery in the last few weeks of 2019 given that the financing was only completed in November 2019. With the lower trading, management now expect the full year EBITDA to be lower than the prior year.

The Company has started 2020 with an order book significantly higher than at the same time last year. Lab21 Products had confirmed orders of €1.6m at the end of the year. Of these orders, €1.3m could not be delivered due to working capital and supply chain issues and are expected to be fulfilled during the first half of 2020.

Since the announcement of a new term loan and cancellation of the convertible bond facility in November 2019,

Novacyt has started to invest funds in the recovery of its supply chain. The Company expects that it will take most of the first half of 2020 to fully restore manufacturing output and stock to normal levels.

Core reagent sales across the Group grew by 3% year-on-year, with Primerdesign delivering 8% higher reagent revenues. Primerdesign also achieved international revenue growth of 12% despite restricted q16 instrument sales due to lack of stock. This strong international performance was largely offset by weaker sales in the smaller UK direct market (down 13%) following a restructuring of the commercial team in the second quarter of 2019. Microgen Bioproducts sales, part of the Lab21 Products business were also strong despite the continued stock shortages, as demonstrated by the UK and Ireland direct sales increasing by 13% and Middle East sales increasing by 8% on the prior year.

The discontinued NOVAprep® operation achieved sales of €1.3m, which are excluded from Group consolidated revenue and do not impact the growth metrics stated above. These sales were generated before the sale of the business in December 2019 and represent 37% growth compared to the prior year which helped the division deliver positive cash flow for the Group in 2020, with a significant net cash contribution of €0.7m in the second half of the year.

At 31 December 2019, the Group held cash and cash equivalents of €1.8m (2018: €1.1m).

Operational update

Development of new coronavirus test

Primerdesign is pleased to report that it is in the final stages of developing a new molecular novel coronavirus (2019-nCoV) test as a direct response to the recent outbreak of the potentially deadly respiratory virus in China. The Company will make the test available as a research use only (RUO) test for use on Primerdesign's proprietary genesig® Q16 and Q32 instruments, as well as a number of other real-time PCR instruments commonly used in testing laboratories. A number of Novacyt's customers have already enquired about the availability of this test and orders have already been received.

This virus is of major concern as it is from the same family of viruses as severe acute respiratory syndrome (SARS), which emerged in China in 2002 and killed nearly 800 people worldwide. Authorities have recently confirmed that the virus can be passed from person to person via airborne transmission sparking concerns over the level of contagion. The World Health Organisation (WHO) reported that, as of 22 January, countries including the US, Singapore, Australia, Japan, Thailand and Korea are reporting the presence of this infection. The virus is not currently considered a global health emergency as designated by the WHO but this may change as more data becomes available. The Primerdesign test is therefore well positioned to quickly assist affected countries.

Manufacturing site consolidation

Following the successful sale of two non-core businesses in 2019, and as part of the strategy to increase profitability, the Company will close its manufacturing facility in Bridport and transfer production to its Camberley site by the end of the first quarter of 2020.

In addition to the overhead savings that the consolidation of operations is forecast to deliver, management is confident that this relocation will also deliver additional operating profit to the Group.

Following the site consolidation, Novacyt will operate from just two sites in the UK based in Southampton and Camberley.

Outlook for 2020

In 2020, management will continue to focus on increasing gross margins and EBITDA profitability while carefully managing working capital to restore stock levels and deliver sustainable revenue growth. The planned overhead savings will not only improve profitability but extend the Company's cash runway and enable further investment in rebuilding the supply chain, which is expected to be completed by the middle of 2020.

Further cash could be generated in the first half of the year from the sale of the residual NOVAprep® assets, which would provide further working capital. Negotiations are currently underway with various parties to sell the remaining instruments and also some of the residual IP following the successful sale of certain assets to Algimed Trade Ltd in December 2019 for €0.4m plus royalties.

Following the successful disposals of the Clinical Lab and NOVAprep® assets and the completion of the financing in 2019, management is focused on driving core business sales growth and profitability in 2020. The year starts with a strong sales order book, new business (VGS Group) and a strong pipeline of new customers for the recently launched PathFlow™ product range in infectious diseases.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

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Contacts

Novacyt SA

Graham Mullis, Chief Executive Officer

Anthony Dyer, Chief Financial Officer

+44 (0)1276 600081

SP Angel Corporate Finance LLP (Nominated Adviser and Broker)

Matthew Johnson / Charlie Bouverat (Corporate Finance)

Vadim Alexandre / Rob Rees (Corporate Broking)

+44 (0)20 3470 0470

FTI Consulting (International)

Victoria Foster Mitchell/Mary Whittow

+44 (0)20 3727 1000

victoria.fostermitchell@fticonsulting.com / mary.whittow@fticonsulting.com

FTI Consulting (France)

Arnaud de Cheffontaines / Astrid Villette

+33 (0)147 03 69 47 / +33 (0)147 03 69 51

arnaud.decheffontaines@fticonsulting.com / astrid.villette@fticonsulting.com

About Novacyt Group

The Novacyt Group is an international diagnostics business generating an increasing portfolio of in vitro and molecular diagnostic tests. Its core strengths lie in diagnostics product development, commercialisation, contract design and manufacturing. The Company's lead business units comprise of Primerdesign and Lab21 Products, supplying an extensive range of high-quality assays and reagents worldwide. The Group directly serves microbiology, haematology and serology markets as do its global partners, which include major corporates.

For more information please refer to the website: www.novacyt.com

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