

Corporate

Current price **220p**

Sector **Chemicals**

Code **BIOM.L**

AIM **AIM**

Share Performance



Source: Thomson Reuters, Allenby Capital

Share Data

Market Cap (£m) **8.2**

Shares in issue (m) **3.72**

52 weeks High Low
275p 130p

Financial year end **December**

Source: Company Data, Allenby Capital

Key Shareholders

Mr V Pereira 17.96%

Mr JM Rushton-Turner 10.94%

Seguro Noms 5.21%

M McNulty 4.49%

Directors 3.28%

Source: Company Data, Allenby Capital

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Biome Technologies plc (BIOM.L)

2020 full-year results in line with our forecasts

The year-end trading update issued today by Biome confirms that revenues for the year ended December 2020 were in line with market expectations. Revenue growth achieved by the Group continues to be driven by the progress being achieved by the Bioplastics division. However, demand within the RF division remains subdued although the longer-term outlook is believed to be slightly more encouraging than in 2020. The new financial year has started well and the Board expects significant revenue growth to be generated from Bioplastics in 2021. Demand for environmentally friendly, sustainable alternatives to oil-based plastics continues to rise and Biome is exceptionally well placed to benefit from this trend.

- Group revenues reflect weak market for RF division** - Group revenues for the year to December 2020 were £5.7m, some £1.2m below the level achieved in 2019 with the reduction wholly attributable to the decline in sales within the RF division where continued over-capacity in the fibre-optic cable market led to a revenue decline of £3.2m over the full year. Conversely, revenues in the Bioplastics division rose by 65% to £4.9m in the year. Underlying LBITDA is expected to be in line with market expectations although management notes that the statutory loss is likely to be below forecasts due to a larger than expected share-based payment charge.
- Bioplastics' impressive growth continues** – Revenues from the Bioplastics division were up 20% year-on-year (yoy) in Q4, a growth rate lower than that achieved in the other three quarters of 2020 but in line with the indications given by management in the Q3 trading update in October. Significant growth is anticipated from this division in 2021.
- Stanelco RF Technologies reflect subdued markets** – Q4 revenues from the RF division were reported at £0.3m, substantially lower than the comparative period of £1.2m but slightly higher than the £0.2m generated in Q3. The division has cut costs in line with expected demand and has sought to diversify its customer base with some modest success. The Board is anticipating some slight improvement from this division in 2021 but continues to monitor the trading outlook carefully.
- Balance sheet strengthened by fund raise** – Year end cash stood at £1.7m compared to £0.9m at the end of Q3, strengthened by a fundraising in September 2020 which raised a gross £1.1m to support new and existing projects within the Bioplastics division.
- Outlook positive for 2021** – The year has started well for Bioplastics and the Board expects to see significant revenue growth from this division in 2021 with further product implementations from both new and existing customers. The RF division is likely to continue to experience subdued trading but we rather think that although the over-capacity in the fibre optic market is still a factor, divisional revenue has now bottomed out leaving room for some small yoy improvement in 2021. Overall we anticipate another year of strong growth for the Group.

Year End: December

(£'000)	2018 A	2019 A	2020 E	2021 E
REVENUE (pre grant income)	8,459	6,957	5,700	8,600
UNDERLYING EBITDA	628	(492)	(950)	(618)
UNDERLYING (L)/PBT	302	(887)	*(1,300)	*(968)
NET CASH	2,614	2,126	1,700	408

*Before gains and losses on foreign exchange

Source: Biome Technologies plc; Allenby. Allenby Capital acts as NOMAD and broker to Biome Technologies plc. Please refer to the last page of this communication for all required disclosures and risk warnings.

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