

Aspirate n Go

Reshaping the Safety of Nasogastric Intubation

- **Aspirate n Go has an innovative product that avoids one of the NHS' "Never Events".** Its Nasogastric Tube Placement Confirmation Device may supplant the current use of pH paper and X-ray tests to confirm correct tube placement into the stomach. Misplacement, especially into the lungs, has been categorized by the National Health Service as one of only 25 "Never Events". Such events are defined as serious and largely preventable. The Device is low-cost and patent pending. The CEO is an experienced medical technology professional.
- **Direct competition is low and market size could be substantial.** In our view, aside from the current tests, alternative products are either considerably more expensive or are yet to come to market. In the UK, Rest of Europe and US alone, Management estimates 274m feeding or medication events for intubated patients that require a placement confirmation test.
- **Potential DCF valuation of £82.7m.** A 20-year Discounted Cash Flow valuation, using peak market shares of 20.0% in the UK and 10.0% in the US and the Rest of Europe and a 20.0% WACC produces £82.7m.
- **Risks.** the key risks to the achievement of our estimates and valuation, including the risk that the company fails and is worthless, are performance in clinical trials, NICE approval, cost management in the initial years, obtaining broad distribution to key customers in a timely fashion, competition (particularly from large medical devices incumbents with strong distribution), and pricing pressure from competitors or customers.

Medical Devices Sector

Single Use Devices

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Aspirate n Go Key Financial Forecasts

	2015E	2019E	2024E	2029E	2034E
Devices sold (m)	0.0	10.6	33.2	34.8	36.5
Revenue (£m)	0.0	24.5	84.8	98.1	113.5
Operating margin (%)	-	63.8%	74.1%	78.1%	81.5%
Net profit (£m)	-1.2	10.6	43.9	55.2	68.6
Free cashflow (£m)	-1.4	8.8	44.3	53.6	79.2

Source: Quantum Research & Valuation estimates

Quantum Research & Valuation Ltd.

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