

EMA safety nod for game-changer BMK08

11 September 2020

Benchmark has received a notification of **positive safety opinion** from the European Medicines Agency regarding BMK08, the Company's revolutionary sea lice treatment, used in combination with the CleanTreat® purification system. This is a significant milestone and means that in the opinion of the EMA, the treatment is safe for consumers after extensive testing showing its compliance with the maximum residue limits (MRL).

The positive opinion paves the way for achieving regulatory clearance from the EU and is a condition of Marketing Approval for the novel treatment in the initial target market of Norway. The anticipated launch of CleanTreat® + BMK08 is therefore well on track for Q2 2021 (calendar year).

The treatment system is potentially a 'game-changer': both for the salmon industry as well as for BMK itself. Indeed, we estimate peak sales of £50m per annum for Norway alone. Sea lice are a major contributor to the cost of production and excess fish mortality, costing Norway's salmon sector alone over £460m per annum. The treatment addresses headline concerns including environmental contamination, sustainability, and fish welfare - while still being **99% effective** in trials to date.

Clearly these are important commercial features, supporting the planned rapid roll out of the treatment combination in Norway initially.

The announcement comes alongside the ongoing progress of the Group in restructuring to focus on aquaculture, having completed disposals of over £40m in the year to date, while advancing a cost savings program of £10m per annum.

The Company's increased financial strength, [underlined in our recent Q3 results note](#), supports the Group for the commercialisation of CleanTreat® + BMK08 in FY21, a product launch that is set to be transformational for BMK, in our opinion.

We retain a fair value for Benchmark of 63p / share.

Summary forecasts

y/e 30 Sept, £m	FY18	FY19	FY20e	FY21e	FY22e
Sales	131.6	127.3	113.1	132.1	154.5
Adjusted EBITDA*	19.1	12.1	4.1	14.0	22.5
Net cash/(debt)	-55.7	-87.1	-56.7	-82.1	-82.6

Source: Company historic figures/ED forecasts * Earnings before interest, tax, depreciation, amortisation, exceptional items, and acquisition related expenditure

Company Data

EPIC	BMK
Price (last close)	46.5p
52 weeks Hi/Lo (p)	49.5p/26.5p
Market cap	£300.5m

Share Price, p



Source: ADVFN

Description

Benchmark Holdings (BMK) helps deliver improved healthcare products and services to the Aquaculture industry.

Rising demand from clients for its products and services to manage sustainability practice in worldwide production and supply chains underlines BMK's opportunity for significant organic and external growth.

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