

LBT INNOVATIONS

Medical devices

Robotics is a hot investment theme and LBT has been riding the wave of interest with its device to automate the processing and analysis of biological samples in pathology labs. To date the process has been highly labour intensive, with big commercial labs handling thousands of plates a day.

LBT reported a full-year loss of \$0.7m compared with a \$3.5m profit previously, but investors shouldn't read too much into those numbers as the company is at pre-revenue stage.

The device, APAS Independence is being developed by Clever Culture Systems, a 50:50 joint venture with Swiss group Hettich. The APAS Independence units are an improved version of an initial device called the MicroStreak, which automates manual streaking of the petri dishes ahead of analysis.

LBT struck a commercialisation deal with bioMerieux in 2009, but then – zut alors! – the French diagnostics group handed the rights back to LBT in 2015. Clever Culture Systems is now expected to strike a regional distribution deal with an alternative party in coming weeks. The venture plans to launch the device initially in Australia, with a trial unit installed at Melbourne's St Vincent Hospital.

LBT shares have jumped 27% since our mid July tip and the question is whether investors should cash in their chips, or await further news on an expected global distributorship for APAS Independence. LBT is just as excited about its separate prototype handheld device called WoundVue, which monitors the progress of long-term chronic wound care patients. Last month the Central Adelaide Local Health Network said it would use WoundVue in a trial of diabetic foot ulcer patients. ■

RADAR RATING: On balance, there's probably enough news flow to keep everyone excited so we'll maintain our speculative buy call. SPEC BUY.

RATING SPEC BUY

ASX CODE LBT

CURRENT PRICE \$0.29

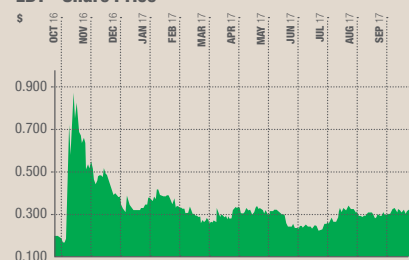
MARKET CAP \$42M

NET CASH \$3.5M

TIP DATE 13 JUL 2017

TIP PRICE \$0.26

LBT - Share Price



99% of all financial news relates to the 40 to 50 biggest companies. So what about the rest? They're Under the Radar.

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SMALL CAPS

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