



## BluGlass (BLG)

### BUY: Rapid Insights read-through. Focus on Lumileds.

#### Announcement highlights

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BLG recently presented at the Wilsons' *Rapid Insights* event and provided a useful look-in to the business post capital raising. We have a BUY rating (TP \$0.84c, +127%).

#### Wilson's' view

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##### Initial analysis

All focus remains on the Lumileds collaboration and potential to move this agreement to a commercial contract. Lumileds is a leading provider of automotive LEDs. BLG is part-way through a collaboration to try to commercialise their technology into Lumileds on a royalty basis. We understand that there has been an increase in the speed of data-transfer between the two parties and we also understand that both parties have increased the level of headcount on the project. The group is now passing data every two weeks. BLG remains hopeful of signing an up-front licence and royalty revenue stream.

BLG has recently also substantiated internal resource with individuals adept at constructing commercial agreements. This includes Board members and also operational employees. BLG is also dedicating some of the fund raise to improving patent protection – both the existing offering and new patents. The group has appointed a US patent lawyer and is now filing directly in the US.

We understand the BLG technology is continuing to see performance improvement in LED production which bodes well for negotiations with leading LED manufacturers.

We also learnt that BLG likely has more than one collaboration in the micro-LED space. The group recently announced a collaboration with a leading European mLED company. We suspect there could be other projects in the pipeline.

##### Earnings implications

Our earnings estimates are unchanged at this juncture. We await confirmation that the group has reached a commercial conclusion with Lumileds. We also expect further collaborations before year-end.

##### Investment view

We reiterate our BUY rating on BLG with a target price of \$0.84. BLG could have material upside potential if it is able to convert one of the current alliances into a tangible revenue opportunity.

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