

Pharmaceuticals & Biotechnology

Key data

Price (DKK)	0.26
Country	Denmark
Bloomberg	PEGA DC
Reuters	PEGRP.CO
Free float	100.0%
Market cap (DKKm)	266
Net debt (current Y/E) (DKKm)	26
No. of shares (m)	1,023.0
Next event	Q3: 15-Nov

* Price as at 13:09 CET on 16 August 2024

CEO Thomas Kaas Selsø
CFO

Company description

Pharma Equity Group, a listed company on the Nasdaq Copenhagen stock exchange, is fully dedicated to advancing the medical projects of its subsidiary, Reponex Pharmaceuticals A/S. With a focus on healthcare, Pharma Equity Group's primary objective is to bring significant value to Reponex Pharmaceuticals' medical projects.

Ownership structure

Finansmanagement ApS	19.6%
Beier Holding ApS	7.6%
DMZ Holding ApS	5.0%

Source: Company data

Estimate changes

	24E	25E	26E
Sales		0.0%	0.0%
EBITDA	n.m.	n.m.	0.0%
EBIT (adj.)	n.m.	n.m.	0.0%
EPS (adj.)	n.m.	n.m.	n.m.

Source: Danske Bank Equity Research estimates

Analyst(s)

Thomas Bow ers
Tobias Nissen

Find our research here:
<https://research.danskebank.com>

Important disclosures and certifications are contained from page 13 of this report

Pharma Equity Group

Q2 as expected, focus on capital structure and partnerships

Q2 24 was an uneventful report and in-line with our expectations. Our medium-term focus remains on partnership agreements that the company is working on securing before the end of 2025. Cash burn for the quarter was DKK3.9m, significantly lower than in Q1 24 (DKK7.8m), and PEG ended the quarter with DKK1m in cash. We expect the company to tap markets to secure funding until a partnership agreement is secured.

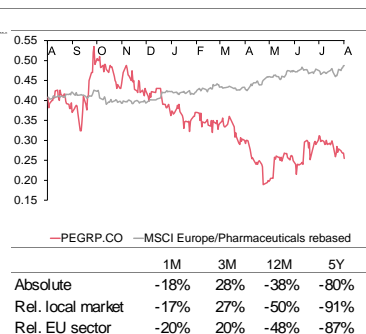
- Pipeline and company update.** The Q2 24 report included no updates to the pipeline or strategy, and we expect the next data readout to be RNX-041 in pouchitis in Q2 25, as we covered in our initiation report in July 2024. PEG repositions drugs for new and innovative purposes, which cuts the time-to-market by several years and reduces R&D costs dramatically, but at the expense of weaker patent rights. PEG has ramped up efforts to find a larger pharma partner for the key assets RNX-011 and RNX-051 before the end of 2025 in return for upfront, milestones, and sales-based royalties. The company is currently in dialogue with key opinion leaders to explore potential cooperation and secure feedback, which will be used to approach selected companies for a partnership.
- Impact on the investment case.** The company is pre-revenue and cash burning (c. DKK2m per month), and we model a cumulative cash burn of DKK18m before turning cash flow positive by 2028E. We expect PEG to bridge this gap with new equity and convertible bonds. We estimate a need to issue new shares of up to DKK30m while converting current bonds to new shares to fund operations until expected partnering in 2025. In addition, we see significant risks related to clinical development and patents, and risks of delays in securing a partnering agreement.
- Estimate changes.** We make no changes to our estimates after the Q2 24 report, and we still forecast the potential launch of the key pipeline assets RNX-011 and RNX-051 in 2028, with the remaining projects expected to launch in 2029-31, and we estimate probability-weighted peak sales of DKK1.1-1.2bn. We estimate EBIT of up to negative DKK24m until estimated breakeven in 2028, when we forecast EBIT of DKK84m.
- Valuation.** Our sum-of-the-parts valuation (WACC 12.5%) points to a fair value range of DKK0.34-0.89 per share on a 12M basis. A key driver is the royalty rate, where we estimate a tier-based royalty rate of 12-20% of sales, averaging 15% across all pipeline projects.

Key financials

Year-end Dec (DKK)	2022	2023	2024E	2025E	2026E
Revenues (m)	0.0	0.0	0.0	25.0	50.0
Revenues growth					100.0%
EBITDA (m)	-4.3	-20.9	-22.9	-3.0	21.7
EBIT adj. (m)	-4.3	-20.9	-23.5	-3.5	21.1
EBIT growth	n.m.	n.m.	-12.5%	85.1%	n.m.
Pre-tax profit (m)	3.5	-26.8	-28.7	-8.5	15.9
EPS adj.	0.24	-0.05	-0.02	-0.01	0.01
DPS	0.00	0.00	0.00	0.00	0.00
Dividend yield					
FCFE yield (pre-IFRS16)	310.3%	-7.4%	-8.4%	-3.4%	2.5%
EBIT margin (adj.)	n.m.	n.m.	n.m.	-14.0%	42.1%
Net debt/EBITDA (x)	n.m.	n.m.	n.m.	n.m.	1.3
ROIC	27.2%	-49.8%	-20.9%	-3.0%	16.6%
EV/sales (x)	high	n.m.	n.m.	12.2	6.0
EV/EBITDA (adj.) (x)	n.m.	n.m.	n.m.	n.m.	13.8
EV/EBIT (adj.) (x)	n.m.	n.m.	n.m.	n.m.	13.9
EV/EBIT (adj.) (x)	n.m.	n.m.	n.m.	n.m.	14.2
P/E (adj.) (x)	1.9	n.m.	n.m.	n.m.	21.4

Source: Company data, Danske Bank Equity Research estimates

Price performance



Source: FactSet

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Q2 24 review

Pharma Equity Group reported Q2 24 earnings on 16 August 2024, with results overall in-line with our expectations. EBITDA loss of DKK4.9m was 9% lower than our estimate, driven by lower R&D costs in the quarter, which was down almost 30% y/y and q/q because of phasing of costs over the year. R&D costs are expected to increase in the second half of 2024 due to increased overhead costs.

Administrative costs (SG&A) increased 30% y/y and were slightly above our expectations. Growth of SG&A costs is primarily driven by hiring, with salaries of DKK1.7m for the quarter vs. DKK0.5m last year.

Table 1. Q2 24 results versus Danske Bank Equity Research estimates

DKKm	Actual Q2 24	DBER Q2 24E	DIFF (%)	Q2 23A	y/y (%)	Q1 24A	q/q (%)
Sales	0.0	0.0	NA	0.0	NA	0.0	NA
Cost of Sales	0.0	0.0	NA	0.0	NA	0.0	NA
Gross Profit	0.0	0.0	NA	0.0	NA	0.0	NA
R&D costs	-1.8	-2.5	-25%	-2.5	-27%	-2.6	-28%
SG&A costs	-3.1	-3.0	5%	-2.4	30%	-4.3	-26%
EBITDA	-4.9	-5.3	-9%	-4.9	-1%	-6.7	-27%
EBIT	-5.0	-5.5	-8%	-4.9	1%	-6.8	-27%
Financial items, net	-1.3	-1.2	6%	-0.1	1455%	-1.0	33%
Pre-tax profit	-6.3	-5.7	10%	-5.0	25%	-7.8	-20%
Taxes	0.4	0.0	NA	0.7	-40%	0.6	-35%
Net profit or loss	-5.9	-5.7	4%	-4.3	35%	-7.2	-18%

Source: Company data, Danske Bank Equity Research (DBER) estimates

The guidance for 2024 was unchanged, with revenue guidance of DKK0m (DBER DKK0m) and pre-tax profit of negative DKK24-29m (DBER DKK-29m). Pre-tax profit for H1 24 was negative DKK14m. Management is still aiming for a partnership agreement in 2025, which is expected to generate milestone revenues.

Table 2. Guidance tracker

DKKm	2023* Actual	2024* guidance	2024 Mid-range	DBER	DIFF to mid-range
Revenue	0	0	0	0	0
Profit before tax	-27*	-24 to -29**	-27	-29	-2

* 2023 included a write-down of DKK4.4m related to the Portinho receivable

** For 2024, the expected loss does not reflect any gains/losses relating to the Portinho S.A. receivable.

Source: Company data, Danske Bank Equity Research (DBER) estimates

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Cash position

The company ended the quarter with DKK0.9m in cash and with approximately DKK5m in available unused credit facility. In addition, the company raised DKK1m in convertible bonds in July 2024, leaving total available liquidity at DKK7m.

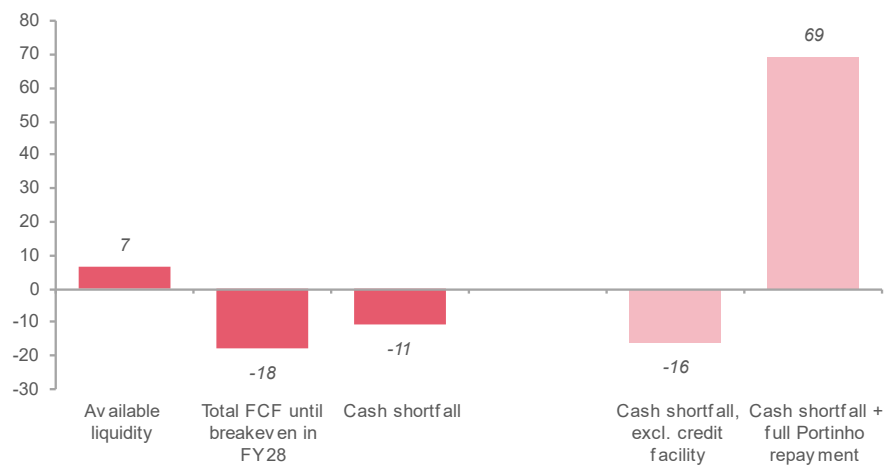
Chart 1. Projected cash burn (DKKm)



Source: Company data, Danske Bank Equity Research

We estimate cumulative cash burn of DKK18m before turning cash flow positive by 2028, and we expect PEG to bridge this gap with new equity and convertible bonds. We estimate a need to issue new shares of up to DKK30m while converting current bonds to new shares to fund operations until expected partnering in 2025, which we covered in our initiation report in July.

Chart 2. Projected capital requirements (DKKm)



Source: Company data, Danske Bank Equity Research

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Pipeline update

No updates to the pipeline in the report, and we continue to believe that RNX-011 in peritonitis and RNX-051 in colorectal cancer, which are the furthest in clinical development, hold the largest potential in the company's pipeline.

Chart 3. Pipeline overview

Indication	Candidate	Phase 1	Phase 2	Phase 3	Market	Clinical status
Peritonitis	RNX-011	[Progress bar]				Ph2b/3 ready
Colorectal cancer	RNX-051	[Progress bar]				Ph2b/3 ready
Pouchitis	RNX-041	[Progress bar]				Ph2, recruiting
Chronic skin ulcers	RNX-022	[Progress bar]				Ph2 ready
Infected chronic skin ulcers	RNX-023	[Progress bar]				Ph2 ready
Chronic skin ulcers	RNX-021	[Progress bar]				Ph2, not recruiting

Source: Company data, Danske Bank Equity Research

The next catalysts for both pipeline projects are out-licensing agreements, and we expect the company to sign a partnership agreement before the end of 2025. For RNX-011 we expect the ongoing formulation work to be completed by the end of 2024.

Table 3. Development overview

Area	Key milestones	Next step
RNX-011 (peritonitis/cLAI)	Phase 2a (12 patients), proof of concept was achieved in 2019/20. Non-clinical work ongoing to optimise formulation.	Out-licensing partner.
RNX-051 (colorectal cancer)	Phase 2a (22 patients), proof of concept was achieved in April 2024 (MEFO study)	Out-licensing partner.
RNX-041 (pouchitis)	Recruitment ongoing for Phase 2 trial.	Read out in Q2 25 If positive, possible study in Crohn's disease / partner.
RNX-021/022/023 (chronic skin ulcers)	Ready for Phase 2 clinical development, but not recruiting. We believe that the company will focus its efforts on the other pipeline projects and postpone development of RNX-021/022/023 due to financial limitations.	Start recruiting and development after capital raise or out-licensing of other pipeline projects.
Operations	Hiring of commercial relationships director to increase efforts to secure an out-licensing partner.	Engage with KOLs and secure partnerships.

Source: Company data, Danske Bank Equity Research estimates

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Estimate changes

We make no changes to our estimates based on the Q2 24 report and await further clinical data readouts and partnerships agreements.

Estimates

Table 4. Profit and loss statement estimates

P&L	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
RNX-011 (Bacterial peritonitis)	0	0	0	0	0	11	22	46	71	99
RNX-051 (Colorectal cancer)	0	0	0	0	0	11	24	49	77	106
RNX-041 (Inflammatory bowel disease)	0	0	0	0	0	0	3	5	11	17
RNX-022 (Chronic skin ulcers)	0	0	0	0	0	0	0	6	20	41
RNX-023 (Chronic skin ulcers)	0	0	0	0	0	0	0	0	2	7
Milestones	0	0	25	50	25	100	30	23	23	0
Total sales	0	0	25	50	25	122	78	129	204	270
y/y growth (%)	n.m.	n.m.	n.m.	100%	-50%	388%	-36%	65%	58%	33%
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	25	50	25	122	78	129	204	270
Gross margin (%)	n.m.	n.m.	100%	100%	100%	100%	100%	100%	100%	100%
R&D and initial launch costs	9	10	14	13	16	19	22	27	32	39
Sales & Distribution costs	0	0	0	0	0	0	0	0	0	0
Admin costs	12	14	15	16	18	19	21	23	26	28
Total opex	21	24	29	29	33	38	44	50	58	67
y/y growth (%)		12%	21%	2%	14%	15%	15%	15%	15%	16%
EBIT	-21	-24	-4	21	-8	84	35	79	146	203
EBIT margin (%)	n.m.	n.m.	n.m.	42%	n.m.	69%	44%	61%	72%	75%
Interest income	0	0	0	0	0	0	0	0	0	0
Interest expenses	-2	0	0	0	0	0	0	0	0	0
Other financials	-4	-5	-5	-5	-5	-5	-5	-5	-5	-5
Net financials	-6	-5	-5	-5	-5	-5	-5	-5	-5	-5
Pre-tax profit	-27	-29	-9	16	-13	79	29	74	140	198
Tax	2	5	2	-4	3	-17	-6	-16	-31	-44
Net profit	-25	-24	-7	12	-10	62	23	58	110	154

Source: Company data, Danske Bank Equity Research estimates

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Investment case

Pharma Equity Group (PEG) is a Danish holding company with a 100% ownership of Reponex Pharmaceuticals (Reponex), a biotech company focused on repurposing already approved medicines for new purposes. The company continues its search for both commercial and R&D partnership for its pipeline of six drug candidates, which all are in clinical development. The company has already completed several of its smaller investigator and proof-of-concept studies. PEG is now on the lookout for R&D and commercial partnerships, like global university hospitals or pharmaceuticals companies, to conduct larger clinical trials to confirm the results from the smaller studies and potentially take the pipeline candidates to market. The company is solely focused on early clinical studies and will not be running any Phase 3 studies on its own due to the company's size and financial resources.

We believe that the pipeline studies, RNX-011 in peritonitis and RNX-051 in colorectal cancer, which are the furthest in clinical development, hold the largest potential in the company's pipeline.

Valuation and methodology for deriving of valuation range

We use a discounted cash flow (DCF) based sum-of-the-parts valuation, which is based on 20-year forecasts from 2024-2043 and a 12.5% WACC, and points to a fair value range of DKK0.34-0.89 per share on a 12M basis. In our base case we derive our fair value estimate of DKK0.56. We have only modelled and assigned NPV values to studies in Phase 2, which means we have not assigned any value to the new molecular entities (NMEs) in pre-clinical development, which are several years from clinical development.

We have not included the Portinho S.A. receivable in the SOTP, which offers further upside if paid in full. The book value of DKK58m, equalling DKK0.06 per share, offers upside of c. 10% to our SOTP, with the total value of DKK80m equalling DKK0.08 per share, with 14% upside to our SOTP if repaid in full. We believe that a partial or full repayment of the receivable would lower short-term funding overhang and allow management to solely focus on the pipeline projects and the partnership strategy.

Overhead costs reflect overhead cost of an average DKK41m per year until 2043.

We do not include any terminal value for PEG/Reponex.

Table 5. Valuation summary sum-of-the-parts, base case

Compound	Indication	Phase	Expected Launch	Peak sales DKKm	De-risked NPV per share	Probability	Fair value DKKm	NPV per share
RNX-011	Bacterial peritonitis	2	2028	4,309	1.11	25%	288	0.28
RNX-051	Colorectal cancer	2	2028	4,614	1.18	25%	307	0.30
RNX-041	Pouchitis	2	2029	1,048	0.20	20%	47	0.05
RNX-021, 022	Chronic skin ulcers	2	2030	3,305	0.53	15%	83	0.08
RNX-023	Chronic skin ulcers	2	2031	1,171	0.17	15%	28	0.03
Net cash/(debt)							-26	-0.03
Overhead costs							-158	-0.15
Fair value							570	0.56
WACC 12.5%								

Source: Danske Bank Equity Research estimates

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Valuation scenarios

As highlighted below, the royalty rate is highly sensitive for our model, with a bear case sales-based royalty rate of 10% suggesting a fair value of DKK346m (DKK0.34 per share), compared with DKK570m (DKK0.56 per share) in our base case (15% royalty rate) and DKK906m (DKK0.89 per share) in our bull base based on a 22.5% royalty rate.

Table 6. Valuation scenarios, NPV (DKKm)

Compound	Indication	Royalty rate		
		Bear case (10%)	Base case (15%)	Bull case (22.5%)
RNX-011	Bacterial peritonitis	200	288	421
RNX-051	Colorectal cancer	212	307	449
RNX-041	Inflammatory bowel disease	38	47	62
RNX-021, 022	Chronic skin ulcers	59	83	120
RNX-023	Chronic skin ulcers	21	28	38
Total		530	754	1,090
Net cash/(debt)		-26	-26	-26
Overhead costs		-158	-158	-158
Fair value	WACC 12.5%	346	570	906
<i>Fair value per share</i>		<i>0.34</i>	<i>0.56</i>	<i>0.89</i>

Source: Danske Bank Equity Research estimates, Refinitiv

Figure 1. Sensitivity analysis, NAV per share (DKK)

WACC	Royalty rate (% of sales)						
	7.5%	10.0%	12.5%	15.0%	17.5%	20.0%	22.5%
8.0%	0.39	0.56	0.74	0.92	1.09	1.27	1.44
9.5%	0.33	0.47	0.62	0.77	0.92	1.07	1.22
11.0%	0.27	0.40	0.53	0.66	0.78	0.91	1.04
12.5%	0.23	0.34	0.45	0.56	0.67	0.78	0.89
14.0%	0.19	0.29	0.38	0.47	0.57	0.66	0.76
15.5%	0.16	0.24	0.32	0.40	0.49	0.57	0.65
17.0%	0.13	0.20	0.27	0.34	0.42	0.49	0.56

Source: Company data, Danske Bank Equity Research

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Share price catalysts

For 2024 and forward, we have listed the key potential share price catalysts in the table below. We believe that the main upside risks are partnership agreements and increased confidence in key pipeline assets.

Table 7. Expected news flow and catalysts

Timing	Type	Event	Share impact
2024	Partnership	Announce partnership deal(s) to further support develop of the pipeline.	High
2024	Capital structure	Ongoing capital raises from convertible bonds and/or equity.	High
2024	Portinho receivable	Repayment of Portinho receivable (c.DKK80m).	High
H2 24	RNX-011	Ongoing non-clinical formulation optimization.	Moderate
August 2024	Financial	Q2 24 results. Focus on pipeline progress and capital structure.	Low
Q2 25	RNX-041	Phase 2 data readout in pouchitis.	High
Ongoing	RNX-021, 022, 023	Restart of paused trials at Bispebjerg Hospital, depending on financial resources available.	Moderate

Source: Danske Bank Equity Research estimates

Risks to achievement of valuation range

Biotech is risky and PEG is no exception. Biotech investments are associated with considerably above-average risk, which include an investment in PEG. Its research projects may fail, or the company could run into liquidity problems if the expected revenues do not materialise.

Technology risk

A key risk factor when investing in biotech companies is the proprietary technology used to develop the drug candidates, as this could prove inadequate and stop the company from securing satisfactory clinical results and thus launching its product. PEG's clinical pipeline is based on repositioning already approved drugs, which lowers the technology risk.

Failure of pipeline candidates

PEG is not dependent on a single compound or technology for its clinical trials, but the share price is highly sensitive to the release of clinical data or delays in the development process. Clinical data from potentially competing products could also impact the value of the company.

Commercial risk

The company intends to out-license its clinical trials prior to the Phase 3 stage to large pharma companies with established commercial resources, thereby eliminating the need to market its own products. The primary risk involved in this strategy is the potential failure to secure any partnership agreements, which could result in the company being left with suspended clinical trials.

Patents and exclusivity

The patent protection that covers the company pipeline studies are method-of-use patents, compared to the standard composition of matter patents given to new developed drugs that protect the drugs from generic competition. In our view, method-of-use patents are inherently weaker than composition of matter patents, as PEG's drug candidates are based on approved drugs with expired patents, and it is unclear how strong these patents are until they have been challenged in court.

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Financial risk

PEG does not currently have any income to fund the development of the pipeline and therefore depends on investor funding. We believe the company will probably need additional funding from the market until it is profitable from expected future royalty income.

Biotech sentiment

If the economy suffers a downturn, liquidity is likely to tighten and the high-risk asset classes could fall out of favour, leading to tough times for biotech investments.

Company summary

Sales breakdown by geographical area

Sales breakdown by division

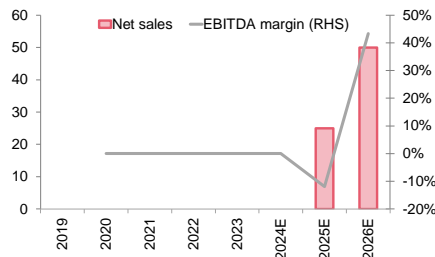
Company information

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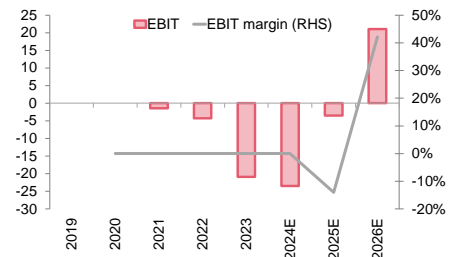
Main shareholders

Name	Votes (%)	Capital (%)
Finansmanagement ApS	19.6%	19.6%
Beier Holding ApS	7.6%	7.6%
DMZ Holding ApS	5.0%	5.0%

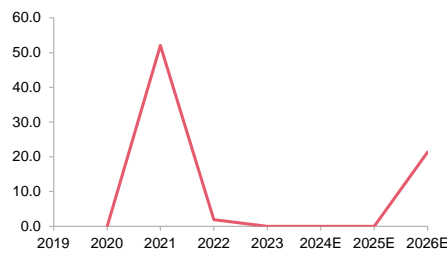
Net sales and EBITDA margin (DKKm)



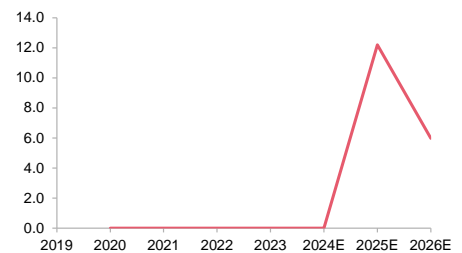
EBIT and EBIT margin (DKKm)



P/E NTM (x)



EV/sales NTM (x)



Source: FactSet, Company data, Danske Bank Equity Research estimates

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Summary tables

INCOME STATEMENT										
Year end Dec, DKKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
Net sales					0.0	0.0	0.0	0.0	0.0	25.0
Cost of sales & operating costs						-1.4	-4.3	-20.9	-22.9	-28.0
EBITDA					0.0	-1.4	-4.3	-20.9	-22.9	-3.0
EBITDA, adj.					0.0	-1.4	-4.3	-20.9	-22.9	-3.0
Depreciation									0.0	0.0
EBITA					0.0	-1.4	-4.3	-20.9	-23.0	-3.0
EBIT incl. EO, bef. ass.					0.0	-1.4	-4.3	-20.9	-23.5	-3.5
EBIT, adj.					0.0	-1.4	-4.3	-20.9	-23.5	-3.5
Associated income						4.8	5.8	-4.4		
Financial items, net	0.0	0.0	0.0	0.0	0.0	2.0	2.0	-1.5	-5.2	-5.0
Pre-tax profit					0.0	5.4	3.5	-26.8	-28.7	-8.5
Taxes								2.2	5.2	1.5
Net profit, rep.					0.0	5.4	3.5	-24.6	-23.6	-7.0
Net profit, adj.					0.0	5.4	3.5	-24.6	-23.6	-7.0
CASH FLOW										
DKKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
EBITDA					0.0	-1.4	-4.3	-20.9	-22.9	-3.0
Change in working capital					1.9	34.8	-1.2	3.4	1.0	-2.5
Net interest paid					-0.2	-1.2	-0.7	-1.5	-5.2	-5.0
Taxes paid					4.2	5.5	5.5	1.9	5.0	1.5
Other operating cash items					6.7	9.6	21.3	0.6		
Cash flow from operations					12.6	47.2	20.5	-16.6	-22.2	-9.0
Capex					-1.7	-0.1	-0.2	-0.1	-0.1	-0.1
Div to min										
Free cash flow					11.0	47.0	20.4	-16.7	-22.2	-9.1
Disposals/(acquisitions)										
Free cash flow to equity					11.0	47.0	20.4	-16.7	-22.2	-9.1
Dividend paid										
Share buy backs										
New issue common stock					43.7	155	61.9	8.3		
Incr./(decr.) in debt					88.9	10.4	7.9	-99.4	-7.8	3.8
Minorities & other financing CF					-107	4.8	-185	-47.0		
Cash flow from financing					25.5	170	-115	-138	-7.8	3.8
Disc. ops & other										
Incr./(decr.) in cash					36.4	217	-94.4	-155	-30.1	-5.4
BALANCE SHEET										
DKKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
Cash & cash equivalents					36.4	253	159	4.2	-25.8	-31.2
Inventory										5.0
Trade receivables					15.6	13.5	8.8	63.0	63.0	63.0
Other current assets										
Goodwill										
Other intangible assets					16.6	16.6	16.6	13.6	13.1	12.5
Fixed tangible assets					0.2	1.2	1.0	0.1	0.1	0.2
Associated companies							0.2	-4.2	-4.2	-4.2
Other non-current assets					0.1	0.3	0.3	0.5	0.5	0.5
Total assets					68.9	285	186	77.1	46.6	45.8
Shareholders' equity					-58.4	49.4	-27.7	38.9	15.4	8.4
Of which minority interests										
Current liabilities					32.3	64.9	76.6	34.3	35.3	37.8
Interest-bearing debt					88.9	99.3	107	7.8		3.8
Pension liabilities										
Oth non-curr. liabilities					6.1	71.4	29.6	0.2	0.1	0.0
Total liabilities					127	236	213	42.4	35.4	41.6
Total liabilities and equity					68.9	285	186	81.3	50.8	50.0
Net debt					52.5	-154	-51.8	3.6	25.8	34.9

Source: Company data, Danske Bank Equity Research estimates

Summary tables

PER SHARE DATA	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
No. of shares, fully diluted (y.e.) t	1,023.0	1,023.0			995.7	6.5	22.2	1,023.0	1,023.0	1,023.0
No. of shares, fully diluted (avg.)	3,068.9	1,023.0	511.5		995.7	501.1	14.3	522.6	1,023.0	1,023.0
EPS (DKK)	0.00	0.00	0.00		0.00	0.01	0.24	-0.05	-0.02	-0.01
EPS adj. (DKK)	0.00	-0.24	0.00		0.00	0.01	0.24	-0.05	-0.02	-0.01
DPS (DKK)	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
CFFO/share (DKK)	0.0	0.0	0.0		0.0	0.1	1.4	-0.0	-0.0	-0.0
Book value/share (DKK)	0.00	0.00			-0.06	7.61	-1.25	0.04	0.02	0.01
MARGINS AND GROWTH	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
EBITDA margin					n.m.	n.m.	n.m.	n.m.	n.m.	-11.9%
EBITA margin					n.m.	n.m.	n.m.	n.m.	n.m.	-11.9%
EBIT margin					n.m.	n.m.	n.m.	n.m.	n.m.	-14.0%
EBIT adj margin					n.m.	n.m.	n.m.	n.m.	n.m.	-14.0%
Sales growth										
EBITDA growth							n.m.	n.m.	-9.9%	87.1%
EBITA growth							n.m.	n.m.	-9.9%	87.0%
EPS adj growth			100.0%				n.m.	n.m.	51.1%	70.4%
PROFITABILITY	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
ROIC (after tax, incl. GW, adj.)					0.0%	8.0%	27.2%	-49.8%	-20.9%	-3.0%
ROIC (after tax, excl. GW, adj.)					0.0%	8.0%	27.2%	-49.8%	-20.9%	-3.0%
ROE (adj.)					0.0%	-119.6%	32.1%	-437.6%	-86.8%	-58.7%
ROIC (adj.) - WACC					-12.5%	-4.5%	14.7%	-62.3%	-33.4%	-15.5%
MARKET VALUE	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
Share price (DKK)				1.83	0.94	0.56	0.46	0.43	0.26	0.26
No. shares reduced by buybacks	1,023.0	1,023.0			995.7	6.5	22.2	1,023.0	1,023.0	1,023.0
Mkt cap used in EV (m)					938	4	10	440	266	266
Net debt, year-end (m)					52	-154	-52	4	26	35
MV of min/ass and oth (m)					0	0	-0	4	4	4
Enterprise value (m)					991	n.m.	n.m.	448	296	305
VALUATION	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
EV/sales (x)					n.m.	high	high	n.m.	n.m.	12.20
EV/EBITDA (x)					n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/EBITA (x)					n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EV/EBIT (x)					n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
P/E (reported) (x)					n.m.	52.1	1.9	n.m.	n.m.	n.m.
P/E (adj.) (x)					n.m.	52.1	1.9	n.m.	n.m.	n.m.
P/BV (x)					n.m.	0.07	n.m.	11.3	17.3	31.7
EV/invested capital (x)					14.0	n.m.	n.m.	5.1	3.4	3.2
Dividend yield										
Total yield (incl. buybacks)										
FCFE-yield					1.17%	1,293.50%	200.54%	-3.80%	-8.36%	-3.42%
FINANCIAL RATIOS										
Net debt/EBITDA (x)										
Net debt/equity (x), year-end										
Dividend payout ratio										
Interest coverage (x)										
Cash conversion (FCF/net profit)										
Capex/sales										
NWC/sales										
QUARTERLY P&L										
Sales (m)			Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24E	Q4 24E
EBITDA (m)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT before non-recurring items (m)			-3.4	-4.9	-5.7	-6.8	-6.7	-4.9	-5.3	-6.1
Net profit (adj.) (m)			-3.4	-4.9	-5.7	-6.8	-6.8	-5.0	-5.5	-6.2
EPS (adj.) (DKK)			-2.9	-4.3	-4.4	-13.0	-7.2	-5.9	-5.9	-4.6
EBITDA margin			0.00	0.00	0.00	-0.01	-0.01	-0.01	-0.01	0.00
EBIT margin			n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBIT adj margin			n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

Source: Company data, Danske Bank Equity Research estimates

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