

Pharma Equity Group

Closing in on a partnership

PEG's Q4 24 results met our expectations, and our focus remains on the company securing a partnership agreement for either RNX-011 or RNX-051 in 2025, which we believe is crucial for the shares. We understand that the company is nearing a partnership deal, as reflected in the sales guidance of DKK11m this year (2024: DKK0m). Our SoTP points to a fair value range of DKK0.28-0.70 per share (was DKK0.30-0.76).

- Pipeline update.** During the quarter, R&D costs increased to c.DKK3m, marking the highest on record as the company prepared to launch new studies for RNX-011 and RNX-051 in 2025. Trial applications for RNX-011 (peritonitis) have been submitted to the relevant authorities, with RNX-051 (colon cancer) expected to follow by the end of Q1 2025. For RNX-051, the company plans a substantial Phase 2 study involving up to 900 patients across multiple sites and regions. The company is still pre-revenue and cash burning and we model a cumulative cash burn of c.DKK6m before turning cash flow positive by 2028E. We continue to see significant risks related to clinical development and patents, and risks of delays in securing a partnering agreement.
- Investment case.** 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. PEG is in dialogue with key opinion leaders to explore cooperation and secure feedback, which will be used to approach selected companies for a partnership.
- Estimate changes.** We exclude the wound care assets (RNX-021, RNX-022, RNX-023) from our estimates, as the company is concentrating on its key assets, RNX-011 and RNX-051, which we forecast to potentially launch in 2028. This is offset by reduced operating expenses, reflecting the company's efforts to minimise cash burn.
- Valuation.** Our updated sum-of-the-parts valuation (WACC 12.5%) points to a fair value range of DKK0.28-0.70 per share (was DKK0.30-0.76 per share) on a 12M basis, reflecting the updated estimates. A key driver is the royalty rate, where we estimate a tier-based rate of 12-20% of sales, averaging 15% across all pipeline projects.

Key data

Price (DKK)	0.14
Country	Denmark
Bloomberg	PEGA DC
Reuters	PEGRP.CO
Free float	100.0%
Market cap (DKKm)	172
Net debt (current Y/E) (DKKm)	9
No. of shares (m)	1,227.6
Next event	H1: 14-Aug

* Price as at close on 20 March 2025

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	15.5%
DMZ Holding ApS	13.0%
Niels Erik Jespersen Holding ApS	5.1%

Source: Company data

Estimate changes

	25E	26E	27E
Sales	0.0%	0.0%	-100.0%
EBITDA	n.m.	50.6%	n.m.
EBIT (adj.)	n.m.	54.4%	n.m.
EPS (adj.)	n.m.	n.m.	n.m.

Source: Danske Bank Equity Research estimates

Analyst(s)

Tobias Berg Nissen

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

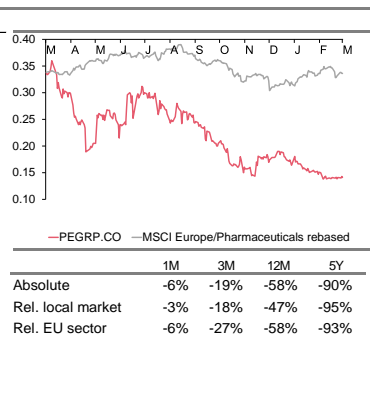
Important disclosures and certifications are contained from page 12 of this report

Key financials

Year-end Dec (DKK)	2023	2024	2025E	2026E	2027E
Revenues (m)	0.0	0.0	25.0	50.0	0.0
Revenues growth				100.0%	-100.0%
EBITDA (m)	-20.7	-21.1	6.0	30.9	-18.4
EBIT adj. (m)	-20.9	-21.3	6.0	30.8	-18.6
EBIT growth	n.m.	-1.9%	n.m.	n.m.	n.m.
Pre-tax profit (m)	-26.8	-26.2	0.0	24.6	-24.4
EPS adj.	-0.05	-0.02	0.00	0.02	-0.02
DPS	0.00	0.00	0.00	0.00	0.00
Dividend yield					
FCFE yield (pre-IFRS16)	-10.2%	-10.7%	-1.7%	10.8%	-11.3%
EBIT margin (adj.)	n.m.	n.m.	24.0%	61.6%	n.m.
Net debt/EBITDA (x)	n.m.	n.m.	1.6	-0.3	n.m.
ROIC	-161.6%	-23.8%	5.6%	26.5%	-15.4%
EV/sales (x)	n.m.	n.m.	7.3	3.3	n.m.
EV/EBITDA (adj.) (x)	n.m.	n.m.	30.2	5.3	n.m.
EV/EBITA (adj.) (x)	n.m.	n.m.	30.2	5.3	n.m.
EV/EBIT (adj.) (x)	n.m.	n.m.	30.2	5.3	n.m.
P/E (adj.) (x)	n.m.	n.m.	87.6	9.0	n.m.

Source: Company data, Danske Bank Equity Research estimates

Price performance



Source: FactSet

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Q4 24 review

Pharma Equity Group reported Q4 24 earnings on 20 March 2025, with results overall in line with our expectations. Pre-tax loss of DKK26m for FY2024 was in line with company guidance of a loss of DKK24-29m, but slightly better than our estimate of a loss of DKK28m.

Partner update

The company remains in discussions with potential partners for RNX-011/RNX-051 and anticipates a license agreement in Q3 or Q4 2025, in line with our expectations. As a result, PEG expects c.DKK11m in revenues from the signing of a partnership agreement. We continue to see a partnership agreement as crucial for the validation of the pipeline and the equity story.

Pipeline update

In the quarter, R&D cost rose to c.DKK3m, the highest on record, as the company prepared to initiate new studies for RNX-011 and RNX-51 in 2025. The company has submitted trial applications for RNX-011 (peritonitis) to the relevant authorities at the end of February 2025 and expects to do the same for RNX-051 (colorectal adenoma and colon cancer) at the end of Q1 25. For RNX-041, the pipeline asset is actively included in Part 2 of the ongoing Phase 2 proof-of-concept clinical study for the treatment of pouchitis.

For RNX-051, the company targets a relatively large Phase 2 study with up to 900 patients over multiple sites and regions, with an estimated completion time of c.1 year. PEG targets a study design which allows the company to continuously gather and share data, which can be used in negotiations with a potential partner.

Figure 1. 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.

Guidance for 2025

Table 2. Guidance tracker

DKKm	2024 actual	2025 guidance	2025 mid-range	DBER	DIFF to mid-range
Revenue	0	11	11	25	14
Profit before tax	-26	-4 to -7*	-6	0	5

* For 2025, 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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For 2025, PEG guides milestone payments of c.DKK11m (2024: DKK0m) and a pre-tax loss of DKK4-7m vs. our estimate of DKK 25m in sales and a pre-tax loss of DKK 0m (2024: DKK-26m). It is our understanding that the guided DKK11m in sales is not directly linked to advanced discussions with a partner, despite the company highlighting promising ongoing negotiations. Instead, this figure is based on the initial budget for the first partnership agreement outlined earlier by management.

The significant improvement of profit before tax relates to increased sales, but also that management expects to reduce costs during 2025 and thereby reduce the company's cash burn. It is our understanding that the company has worked intensively to reduce costs, so that even more costs have been made variable in 2025 than before, while maintaining the progress of the pipeline.

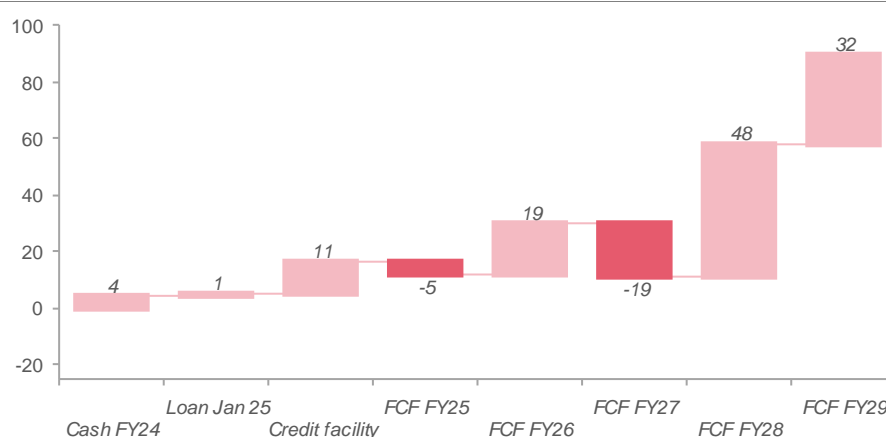
Cash position

The company ended the quarter with DKK4.2m in cash, and has in January 2025 improved its capital position by c.DKK13m by obtaining loans of c.DKK2m and unused credit facilities of c.DKK11m. For 2025, the company expects a net liquidity position of c.DKK2m as the potential milestone payment from the signing of a partnership agreement is not expected before the beginning of 2026.

For 2025, we model free cash flow of DKK-5m improving to DKK19m in 2026E because of more expected partnership agreements. We believe that the company might further tap markets, including with both equity and convertible debt, to accelerate its clinical pipeline and to fund operations until expected partnering in late 2025, which we also covered in our initiation report from July 2024.

It is our understanding that the company currently has specific dialogue with several existing and new investors about further funding. We note that PEG raised c.DKK51m in gross proceeds in a directed placement in October 2024, tapping both new and existing investors.

Chart 1. Projected cash burn (DKKm)

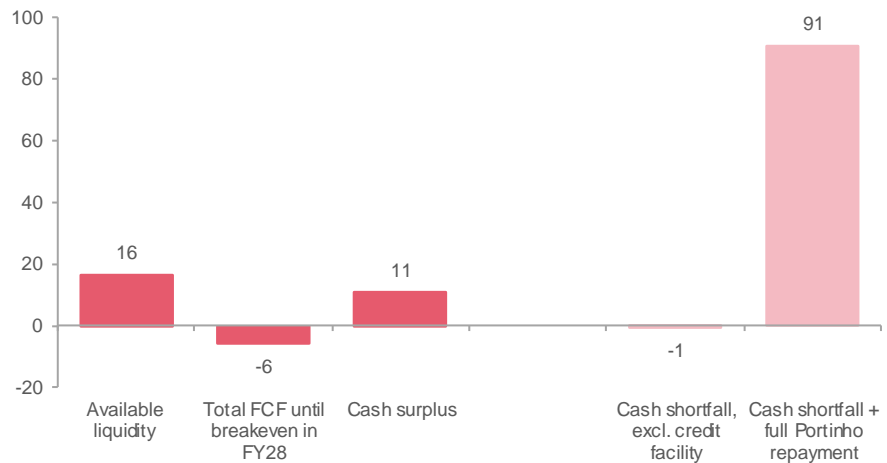


Source: Company data, Danske Bank Equity Research estimates

We model a cumulative cash burn of c.DKK6m (2025-2027E), in which we include three partnership agreements securing DKK75m in cash for the company, before turning cash flow positive by 2028E. This compares to current available liquidity of c.DKK16m, leaving a cash surplus of DKK11m. Although this indicates a positive cash position, we believe the company will continue to strengthen its capital base. The timing of partnerships can be uncertain and subject to delays, and the size of potential upfront payments may vary from our estimates.

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Chart 2. Projected capital requirements (DKKm)



Source: Company data, Danske Bank Equity Research

Catalysts

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

Table 1. Development overview

Area	Key milestones	Next step
RNX-011 (peritonitis/cLAI)	Phase 2a (12 patients), proof of concept was achieved in 2019/20.	Out-licensing partner.
	Non-clinical work ongoing to optimise formulation.	Start of new Ph2 study and read-out of this study
RNX-051 (colorectal cancer)	Phase 2a (22 patients), proof of concept was achieved in April 2024 (MEFO study)	Out-licensing partner.
		Start of new Ph2 study and read-out of this study
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.	Start recruiting and development after capital raise or out-licensing of other pipeline projects.
	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.	
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

Portinho update

Arbitration will commence in Q3 in Denmark. We do not expect any outcomes this year. A new valuation of the property in Portugal has been completed, confirming the valuation.

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 DKK0.05 per share, with the total value of DKK80m equalling DKK0.06 per share, offers upside of over 10% to our SoTP if repaid in full.

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Estimate changes

We have excluded the wound care assets (RXN-021, RXN-022, and RXN-023) from our estimates and sum-of-the-parts valuation, since the company is prioritising the development of RXN-051, RXN-011, and RXN-041. We believe that these assets have the greatest commercial potential and are the most advanced in the pipeline. This change has a minimal impact on our short-term estimates.

On costs, we have slightly reduced both R&D and SG&A expenses as the company has implemented cost-cutting measures to decrease cash burn.

Estimates

Table 2. Profit and loss statement estimates

P&L (DKKm)	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
RNX-011 (Bacterial peritonitis)	0	0	0	0	0	10	21	44	68	95
RNX-022 (Chronic skin ulcers)	0	0	0	0	0	0	0	0	0	0
RNX-023 (Chronic skin ulcers)	0	0	0	0	0	0	0	0	0	0
RNX-041 (Inflammatory bowel disease)	0	0	0	0	0	0	2	5	10	16
RNX-051 (Colorectal cancer)	0	0	0	0	0	11	23	47	74	102
Milestones	0	0	25	50	0	75	30	0	0	0
Total sales	0	0	25	50	0	96	76	96	152	213
y/y growth (%)	n.m.	n.m.	n.m.	100%	-100%	n.m.	-21%	26%	58%	40%
COGS	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	25	50	0	96	76	96	152	213
Gross margin (%)	n.m.	n.m.	100%	100%	n.m.	100%	100%	100%	100%	100%
R&D and initial launch costs	9	9	11	10	8	12	12	9	9	10
Sales & Distribution costs	0	0	0	0	0	0	0	0	0	0
Admin costs	12	12	8	9	11	12	14	16	19	21
Total opex	21	21	19	19	19	24	26	25	28	32
y/y growth (%)	n.m.	0%	-9%	1%	-3%	30%	7%	-3%	10%	15%
EBIT	-21	-21	6	31	-19	72	50	71	125	181
EBIT margin (%)	n.m.	n.m.	24%	62%	n.m.	75%	66%	74%	82%	85%
Interest income	0	0	0	0	0	0	0	1	1	2
Interest expenses	-2	-5	-1	-1	-1	0	0	0	0	-1
Other financials	-4	0	-5	-5	-5	-5	-5	-5	-5	-5
Net financials	-6	-5	-6	-6	-6	-5	-5	-5	-4	-3
Pre-tax profit	-27	-26	0	25	-24	67	45	67	121	178
Tax	2	2	2	-5	5	-15	-10	-15	-27	-39
Net profit	-25	-24	2	19	-19	52	35	52	94	139

Source: Company data, Danske Bank Equity Research estimates

Investment case

Pharma Equity Group (PEG) is a Danish holding company with 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 are all 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.

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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 valuation range

We use a discounted cash flow (DCF) based sum-of-the-parts valuation, which is based on forecasts from 2025-2043 and a 12.5% WACC.

Our updated SoTP now points to a fair value range of DKK0.28-0.70 per share (was DKK0.30-0.76 per share) on a 12M basis, reflecting the excluding of the wound care assets from the SoTP and slightly lower peak sales estimates for RNX-011, RNX-051 and RNX-041, offset by lower costs going forward.

We have excluded the wound care assets (RNX-021, RNX-022, and RNX-023) from our estimates and sum-of-the-parts valuation, since the company is prioritising the development of RNX-051, RNX-011, and RNX-041. We believe that these assets have the greatest commercial potential and are the most advanced in the pipeline. These pipeline assets had a NPV of DKK0.11 in our last model.

We have only modelled and assigned NPV values to studies in Phase 2, which means that 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 DKK0.05 per share, offers upside of c. 10% to our SoTP, with the total value of DKK80m equalling DKK0.06 per share, with c.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.

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

Table 3. 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	4,109	0.99	25%	311	0.25
RNX-051	Colorectal cancer	2	2028	4,411	1.06	25%	330	0.27
RNX-041	Pouchitis	2	2029	987	0.19	20%	53	0.04
Net cash/(debt)							-7	-0.01
Overhead costs							-135	-0.11
Fair value							553	0.45
WACC 12.5%								

Source: Danske Bank Equity Research estimates

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 (DKK0.28 per share), compared to DKK553m (DKK0.45 per share) in our base case (15% royalty rate) and DKK864m (DKK0.70 per share) in our bull case based on a 22.5% royalty rate.

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Table 4. Valuation scenarios, NPV (DKKm)

Compound	Indication	Royalty rate		
		Bear case (10%)	Base case (15%)	Bull case (22.5%)
RNX-011	Bacterial peritonitis	216	311	454
RNX-051	Colorectal cancer	228	330	483
RNX-041	Inflammatory bowel disease	43	53	69
RNX-021, 022	Chronic skin ulcers	0	0	0
RNX-023	Chronic skin ulcers	0	0	0
Total		487	695	1,006
Net cash/(debt)		-7	-7	-7
Overhead costs		-135	-135	-135
Fair value	WACC 12.5%	346	553	864
<i>Fair value per share</i>		<i>0.28</i>	<i>0.45</i>	<i>0.70</i>

Source: Danske Bank Equity Research estimates, Refinitiv

Figure 3. 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%	0.29	0.42	0.55	0.68	0.82	0.95	1.08
9.5%	0.26	0.37	0.48	0.59	0.71	0.82	0.93
11.0%	0.22	0.32	0.42	0.52	0.61	0.71	0.81
12.5%	0.20	0.28	0.37	0.45	0.54	0.62	0.70
14.0%	0.17	0.25	0.32	0.40	0.47	0.54	0.62
15.5%	0.15	0.22	0.28	0.35	0.41	0.48	0.54
17.0%	0.14	0.19	0.25	0.31	0.36	0.42	0.48

Source: Company data, Danske Bank Equity Research

Share price catalysts

For 2025 and subsequently, 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 5. Expected news flow and catalysts

Timing	Type	Event	Share impact
2025-	Partnership	Announce partnership deal(s) to further support development of the pipeline.	High
2025-	Portinho receivable	Repayment of Portinho receivable (c.DKK80m).	High
Q1 25	RNX-011	Start new Phase 2 study	Low
Q2 25	RNX-041	Phase 2 data readout in pouchitis.	High
Q2/Q3 25	RNX-051	Start new Phase 2 study, read-out expected in 2026	Moderate
Ongoing	RNX-021, 022, 023	Restart of paused trials at Bispebjerg Hospital, depending on financial resources available.	Moderate

Source: Danske Bank Equity Research estimates

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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.

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.

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Company summary

Sales breakdown by geographical area

Sales breakdown by division

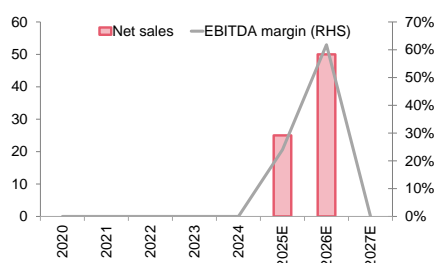
Company information

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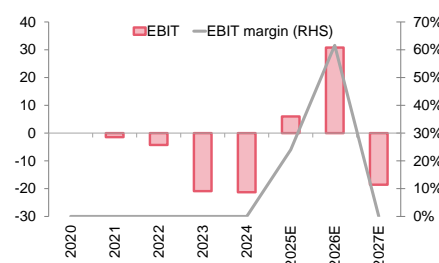
Main shareholders

Name	Votes (%)	Capital (%)
Finansmanagement ApS	15.5%	15.5%
DMZ Holding ApS	13.0%	13.0%
Niels Erik Jespersen Holding ApS	5.1%	5.1%

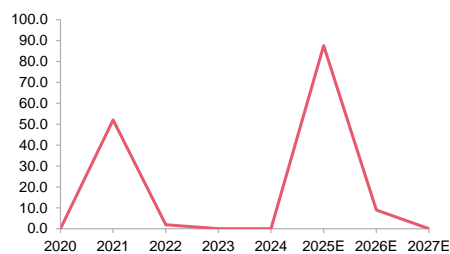
Net sales and EBITDA margin (DKK_m)



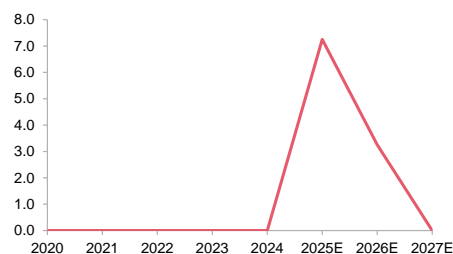
EBIT and EBIT margin (DKK_m)



P/ENTM (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	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
Net sales				0.0	0.0	0.0	0.0	0.0	25.0	50.0
Cost of sales & operating costs					-1.4	-4.3	-20.7	-21.1	-19.0	-19.1
EBITDA				0.0	-1.4	-4.3	-20.7	-21.1	6.0	30.9
EBITDA, adj.				0.0	-1.4	-4.3	-20.7	-21.1	6.0	30.9
Depreciation							-0.2	-0.2	0.0	-0.1
EBITA				0.0	-1.4	-4.3	-20.9	-21.3	6.0	30.8
EBIT incl. EO, bef. ass.				0.0	-1.4	-4.3	-20.9	-21.3	6.0	30.8
EBIT, adj.				0.0	-1.4	-4.3	-20.9	-21.3	6.0	30.8
Associated income					4.8	5.8	-4.4			
Financial items, net	0.0	0.0	0.0	0.0	2.0	2.0	-1.5	-5.0	-6.0	-6.2
Pre-tax profit				0.0	5.4	3.5	-26.8	-26.2	0.0	24.6
Taxes							2.2	1.8	2.0	-5.4
Net profit, rep.				0.0	5.4	3.5	-24.6	-24.4	2.0	19.2
Net profit, adj.				0.0	5.4	3.5	-24.6	-24.4	2.0	19.2
CASH FLOW										
DKKk	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
EBITDA				0.0	-1.4	-4.3	-20.7	-21.1	6.0	30.9
Change in working capital				1.9	34.8	-1.2	3.4	0.0	-4.8	0.8
Net interest paid				-0.2	-1.2	-0.7	-1.5	-4.1	-6.0	-6.2
Taxes paid				4.2	5.5	5.5	1.9	2.2	2.0	-4.9
Other operating cash items				6.7	9.6	21.3	-5.9	0.0		
Cash flow from operations				12.6	47.2	20.5	-22.9	-22.9	-2.9	20.6
Capex				-1.7	-0.1	-0.2	-0.1			-2.0
Div to min										
Free cash flow				11.0	47.0	20.4	-22.9	-22.9	-2.9	18.6
Disposals/(acquisitions)										
Free cash flow to equity				11.0	47.0	20.4	-22.9	-22.9	-2.9	18.6
Dividend paid										
Share buybacks										
New issue common stock				43.7	155	61.9	8.3	42.9		
Incr./(decr.) in debt				88.9	10.4	7.9	-99.4	3.0	1.7	-2.5
Minorities & other financing CF				-107	4.8	-185	-40.8	-23.0		
Cash flow from financing				25.5	170	-115	-132	22.9	1.7	-2.5
Disc. ops & other										
Incr./(decr.) in cash				36.4	217	-94.4	-155	0.0	-1.2	16.1
BALANCE SHEET										
DKKk	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E
Cash & cash equivalents				36.4	253	159	4.2	4.2	3.1	19.2
Inventory										
Trade receivables				15.6	13.5	8.8	63.0	61.1	67.2	67.9
Other current assets										
Goodwill										
Other intangible assets				16.6	16.6	16.6	13.6			
Fixed tangible assets				0.2	1.2	1.0	0.1	0.0	0.0	1.9
Associated companies						0.2				
Other non-current assets				0.1	0.3	0.3	0.5	0.2	0.2	0.2
Total assets				68.9	285	186	81.3	65.6	70.6	89.2
Shareholders' equity				-58.4	49.4	-27.7	38.9	48.9	50.8	70.0
Of which minority interests										
Current liabilities				32.3	64.9	76.6	34.3	8.6	9.9	11.4
Interest-bearing debt				88.9	99.3	107	7.8	10.8	12.5	10.0
Pension liabilities										
Oth non-curr. liabilities				6.1	71.4	29.6	0.2	-2.7	-2.7	-2.2
Total liabilities				127	236	213	42.4	16.7	19.7	19.2
Total liabilities and equity				68.9	285	186	81.3	65.6	70.6	89.2
Net debt				52.5	-154	-51.8	3.6	6.6	9.4	-9.2

Source: Company data, Danske Bank Equity Research estimates

Summary tables

PER SHARE DATA	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	
No. of shares, fully diluted (y.e.) (m)	1,227.6			995.7	6.5	22.2	1,023.0	1,227.6	1,227.6	1,227.6	
No. of shares, fully diluted (avg.) (m)	1,227.6	613.8		995.7	501.1	14.3	522.6	1,125.3	1,227.6	1,227.6	
EPS (DKK)	0.00	0.00		0.00	0.01	0.24	-0.05	-0.02	0.00	0.02	
EPS adj. (DKK)	-0.20	0.00		0.00	0.01	0.24	-0.05	-0.02	0.00	0.02	
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	0.1	1.4	-0.0	-0.0	-0.0	0.0	
Book value/share (DKK)	0.00			-0.06	7.61	-1.25	0.04	0.04	0.04	0.06	
MARGINS AND GROWTH	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	
EBITDA margin				n.m.	n.m.	n.m.	n.m.	n.m.	24.0%	61.8%	
EBITA margin				n.m.	n.m.	n.m.	n.m.	n.m.	24.0%	61.6%	
EBIT margin				n.m.	n.m.	n.m.	n.m.	n.m.	24.0%	61.6%	
EBIT adj margin				n.m.	n.m.	n.m.	n.m.	n.m.	24.0%	61.6%	
Sales growth										100.0%	
EBITDA growth						n.m.	n.m.	-1.8%	n.m.	n.m.	
EBITA growth						n.m.	n.m.	-1.9%	n.m.	n.m.	
EPS adj growth		100.0%				n.m.	n.m.	53.9%	n.m.	n.m.	
PROFITABILITY	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	
ROIC (after tax, incl. GW, adj.)				0.0%	197.2%	n.m.	-161.6%	-23.8%	5.6%	26.5%	
ROIC (after tax, excl. GW, adj.)				0.0%	197.2%	n.m.	-161.6%	-23.8%	5.6%	26.5%	
ROE (adj.)				0.0%	-119.6%	32.1%	-437.8%	-55.6%	3.9%	31.7%	
ROIC (adj.) - WACC				-12.5%	184.7%	n.m.	-174.1%	-36.3%	-6.9%	14.0%	
MARKET VALUE	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	
Share price (DKK)			1.83	0.94	0.56	0.46	0.43	0.19	0.14	0.14	
No. shares reduced by buybacks (m)	1,227.6			995.7	6.5	22.2	1,023.0	1,227.6	1,227.6	1,227.6	
Mkt cap used in EV (m)				938	4	10	440	233	172	172	
Net debt, year-end (m)				52	-154	-52	4	7	9	-9	
MV of min/ass and oth (m)				0	0	-0	0	0	0	0	
Enterprise value (m)				991	n.m.	n.m.	443	240	181	163	
VALUATION	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	
EV/sales (x)				n.m.	high	high	n.m.	n.m.	7.25	3.25	
EV/EBITDA (x)				n.m.	n.m.	n.m.	n.m.	n.m.	30.2	5.3	
EV/EBITA (x)				n.m.	n.m.	n.m.	n.m.	n.m.	30.2	5.3	
EV/EBIT (x)				n.m.	n.m.	n.m.	n.m.	n.m.	30.2	5.3	
P/E (reported) (x)				n.m.	52.1	1.9	n.m.	n.m.	87.6	9.0	
P/E (adj.) (x)				n.m.	52.1	1.9	n.m.	n.m.	87.6	9.0	
P/BV (x)				n.m.	0.07	n.m.	11.3	4.77	3.38	2.45	
EV/invested capital (x)				47.9	n.m.	n.m.	7.1	3.1	2.1	1.7	
Dividend yield											
Total yield (incl. buybacks)											
FCFE-yield				1.17%	1,293.50%	200.54%	-5.21%	-9.80%	-1.66%	10.81%	
FINANCIAL RATIOS	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	
Net debt/EBITDA (x)	n.m.	n.m.	n.m.	high	n.m.	n.m.	n.m.	n.m.	1.6	-0.3	
Net debt/equity (x), year-end				-0.9	-3.1	1.9	0.1	0.1	0.2	-0.1	
Dividend payout ratio	n.m.			n.m.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Interest coverage (x)				n.m.	-0.0	1.9	n.m.	n.m.	5.6	24.7	
Cash conversion (FCF/net profit)				n.m.	872.4%	585.0%	n.m.	n.m.	-145.4%	96.9%	
Capex/sales				n.m.	n.m.	n.m.	n.m.	n.m.		4.0%	
NWC/sales				n.m.	n.m.	n.m.	n.m.	n.m.	229.1%	112.9%	
QUARTERLY P&L				Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
Sales (m)				0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.0
EBITDA (m)				-6.7	-4.9	-5.1	-4.4	-4.1	-4.3	-4.9	19.3
EBIT before non-recurring items (m)				-6.8	-5.0	-5.2	-4.2	-4.2	-4.4	-4.8	19.4
Net profit (adj.) (m)				-7.2	-5.9	-6.7	-4.6	-5.2	-5.5	-5.8	18.4
EPS (adj.) (DKK)				-0.01	-0.01	-0.01	0.00	-0.01	-0.01	-0.01	0.02
EBITDA margin				n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	77.1%
EBIT margin (adj.)				n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	77.6%

Source: Company data, Danske Bank Equity Research estimates

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