

Pharming Group NV

Netherlands / Biotechnology
 Primary exchange: Euronext Amsterdam /
 Secondary exchange: Frankfurt
 Bloomberg: PHARM NA
 ISIN: NL0010391025

Q3 2024 results

RATING
BUY

PRICE TARGET
€ 1.70

Return Potential 118.4%
 Risk Rating High

INVITING PROSPECTS FOR THE NEXT CEO

Q3/24 sales were close to our expectations, showing a 12.3% increase in sales to USD74.8m (Q3/23: USD66.7m; FBe: USD 76.4m), while EBIT, which jumped to USD4.1m (Q3/23: USD1.9m; FBe:USD-1.4m), was €5.5m above our forecast. CEO Sijmen de Vries announced that he will not be standing for reappointment at the next AGM in May. However, we think this decision has been prompted by his 65th birthday this week rather than any problem with Pharming's business. In our view the market is undervaluing the prospect of acceleration in sales of the APDS (activated PI3K delta syndrome) drug, Leniolisib, from next year. APDS is caused by variants in either of two genes, PIK3CD or PIK3R1. Pharming has a number of initiatives in place to determine whether the large number of US patients with a VUS (Variant of Uncertain Significance) in the PIK3CD or PIK3R1 genes have APDS or not. The literature suggests that 20% of these patients will be found to be pathogenic/likely pathogenic. We expect Pharming's efforts to approximately double the pool of US Leniolisib patients from currently ca. 230 and model the number of patients on Leniolisib to exceed 600 by end 2028 following approvals in the EU, Japan and for under 12 year-olds (all 2026). Leniolisib patient growth should gain substantial further impetus from ca. 2029 following its approval for certain non-APDS PIDs (primary immunodeficiencies) whose prevalence is 4.7x higher than APDS. We expect revenues from non-APDS PIDs to make Leniolisib a bigger product than Ruconest. We maintain our Buy recommendation and raise the price target to €1.70 (previously €1.60) to reflect an earlier return to profitability that we had previously modelled.

11% of leniolisib revenues generated outside the US in Q3/24 (Q3/23: 0%)
 Q3/24 Sales of the hereditary angioedema (HAE) drug, Ruconest, rose 5.6%, while sales of Leniolisib for APDS, jumped 72.3% to USD11.2m (Q3/23: USD6.5m), mainly reflecting uptake of the product following its US launch in Q2/23.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2022	2023	2024E	2025E	2026E	2027E
Revenue (\$ m)	205.6	245.3	287.5	309.6	338.9	413.5
Y-o-y growth	3.4%	19.3%	17.2%	7.7%	9.4%	22.0%
EBIT (\$ m)	18.2	-5.4	-9.7	-3.3	1.8	46.2
EBIT margin	8.9%	-2.2%	-3.4%	-1.1%	0.5%	11.2%
Net income (\$ m)	13.7	-10.5	-9.6	-4.7	-0.5	32.5
EPS (diluted) (\$)	1.93	-1.60	-1.31	-0.64	-0.06	4.42
DPS (\$)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (\$m)	20.5	-18.8	4.5	-1.2	2.4	30.7
Net gearing	-20.5%	-19.8%	-23.6%	-16.3%	-17.4%	-24.6%
Liquid assets (\$ m)	207.3	213.4	169.9	168.8	171.2	201.8

RISKS

The main risks to our price target include slower sales growth for Ruconest and Leniolisib than we currently model.

COMPANY PROFILE

Lead drug Ruconest, indicated for acute hereditary angioedema attacks, received EMA approval in 2010 and FDA approval in July 2014. Leniolisib, indicated for APDS, was approved by the FDA in March 2023. Pharming has launched leniolisib in the US and plans to expand the commercial availability of the drug for APDS patients to key markets in the EU, UK, Japan, Asia Pacific, Middle East, Latin America and Canada.

MARKET DATA

As of 28 Oct 2024

Closing Price € 0.78
 Shares outstanding 678.35m
 Market Capitalisation € 528.10m
 52-week Range € 0.65 / 1.20
 Avg. Volume (12 Months) 5,395,211

Multiples	2023	2024E	2025E
P/E	n.a.	n.a.	n.a.
EV/Sales	2.1	1.8	1.7
EV/EBIT	n.a.	n.a.	n.a.
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 30 Sep 2024

Liquid Assets \$ 171.80m
 Current Assets \$ 282.19m
 Intangible Assets \$ 67.10m
 Total Assets \$ 425.51m
 Current Liabilities \$ 79.84m
 Shareholders' Equity \$ 225.79m

SHAREHOLDERS

Acadian Asset Management LLC 3.0%
 RTW Investments LP 3.0%
 Sijmen de Vries 2.2%
 FundLogic Alternatives PLC 1.7%
 Free float and other 87.5%



Figure 1: Q3/24 results versus our forecasts

USDk	Q3/24A	Q3/24E	Q3/24A vs Q3/24E	Q3/23A	Q3/24A vs Q3/23A
Sales	74,849	76,448	-2.1%	66,661	12.3%
yoy change	12.3%	n.a.		22.9%	
of which:					
Ruconest	63,600	64,414	-1.3%	60,200	5.6%
yoy change	5.6%	n.a.	-	11.0%	-
Leniolisib	11,200	12,034	-6.9%	6,500	72.3%
change	72.3%	n.a.	-	n.a.	-
No. Leniolisib patients on paid therapy	93	96	-3.1%	63	47.6%
Gross profit	68,030	66,703	2.0%	58,366	16.6%
margin	90.9%	87.3%	-	87.6%	-
Other income	777	500	55.4%	304	155.6%
% sales	1.0%	0.7%	-	0.5%	-
R&D	-20,721	-22,934	n.a.	-20,753	n.a.
% sales	-27.7%	-30.0%	-	-31.1%	-
G&A	-15,292	-15,100	n.a.	-10,886	n.a.
% sales	-20.4%	-19.8%	-	-16.3%	-
Marketing	-28,686	-30,579	n.a.	-25,123	n.a.
% sales	-38.3%	-40.0%	-	-37.7%	-
Other op. costs*	-64,699	-68,613	n.a.	-56,762	n.a.
% sales	-86.4%	-89.8%	-	-85.2%	-
EBIT	4,108	-1,411	n.a.	1,908	115.3%
margin	5.5%	-1.8%	-	2.9%	-

*=R&D + G&A + marketing costs

Source: First Berlin Equity Research estimates, Pharming Group NV

The number of patients on paid therapy with Leniolisib in the US rose 48% y-o-y to 93 (Q3/23: 63), but only two patients were added during Q3/23 and sales were only 1% above the Q2/24 level of USD11.1m. Leniolisib has so far only been launched in the US, but a significant number of patients outside the US are on therapy with the drug through named patient and other funded early access programmes. Ex-US revenues contributed 11% to the Leniolisib total in Q3/24 (Q3/23: 0%).

Q3/24 saw the first positive operating result of 2024. We expect Q4/24 EBIT will also be positive Pharming reported an EBIT margin of 36.3% as recently as FY/20, but profitability has fallen in recent years due mainly to the development and launch of Leniolisib which is still in the early stages of its roll-out. Q3/24 gross profit rose 16.6% to USD68.0m (Q3/23: USD58.4m) as the margin widened to 90.9% from 87.6% due to the reversal of some cost of sales items booked in recent quarters. We expect the gross margin to average 89% over the next few quarters, which is close to the average figure for 2023 (89.7%). The 3.3 percentage point margin improvement seen at the gross profit level did not feed through fully to the EBIT margin, which widened from 2.9% to 5.5%, because other operating costs net of other income rose 13.2% to USD63.9m (Q3/23: USD56.5m), thereby outpacing sales. The largest contributor to the rise in other operating costs was G&A which climbed USD4.4m or 40.5% as Pharming grew its organisation to manage the roll-out of Leniolisib. Q3/24 EBIT of USD4.1m was the first positive operating result reported by Pharming in 2024 after USD-16.3m and USD-3.1m in Q1/24 and Q2/24 respectively. Q3/24 sales were 2.1% or USD1.6m shy of our forecasts, but EBIT was USD5.5m better because of a higher gross margin than we had modelled and also because other operating costs were USD3.9m lower than we had forecast. As figure 2 overleaf shows, other operating costs as a percentage of sales have fallen every quarter this year. We expect a further fall to push EBIT to USD5.6m (Q4/23: USD1.1m) in Q4/24.



Unchanged 2024 revenue guidance appears to imply strong Q4 for Ruconest

Management has not changed FY/24 revenue guidance of USD280m-USD295m. During the earnings call, management emphasised that "we are going towards the midrange of our revenue guidance." The midpoint of guidance implies Q4/24 sales of USD83m compared with USD74.8m in Q3/24. As described in detail in our note of 28 August, we expect Leniolisib sales growth to accelerate in 2025 and 2026. An influx of new patients from screening variants of uncertain significance in the US, launches in Australia, Israel, UK (all 2025) Canada and Japan (both 2026), and approval in 2026 for patients under 12 years old (these account for ca 25% of APDS patients) should all spur sales.

Figure 2: Recent quarterly sales and profit development and Q4/24 forecast

USDk	Q1 23	Q2 23	Q3 23	Q4 23	2023	Q1 24	Q2 24	Q3 24	Q4 24E	2024E
Sales	42,541	54,897	66,661	81,217	245,316	55,586	74,093	74,849	82,972	287,500
yoy change	-8.7%	9.5%	22.9%	48.7%	19.3%	30.7%	35.0%	12.3%	2.2%	17.2%
of which:										
Ruconest	42,541	51,105	60,200	73,288	227,134	46,000	62,973	63,649	70,896	243,518
yoy chng (%)	-8.7%	1.9%	11.0%	34.2%	10.5%	8.1%	23.2%	5.7%	-4.0%	7.2%
Leniolisib	0	3,792	6,500	7,890	18,182	9,600	11,106	11,200	12,076	43,982
chng (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	192.9%	72.3%	53.1%	141.9%
Gross profit	38,466	49,173	58,366	74,099	220,104	47,200	66,112	68,030	73,845	255,187
margin %	90.4%	89.6%	87.6%	91.2%	89.7%	84.9%	89.2%	90.9%	89.0%	88.8%
Other income	579	21,928	304	538	23,349	345	912	777	500	2,534
% sales	1.4%	39.9%	0.5%	0.7%	9.5%	0.6%	1.2%	1.0%	0.6%	0.9%
R&D	-15,620	-20,914	-20,753	-11,627	-68,914	-18,521	-21,597	-20,721	-21,000	-81,839
% sales	36.7%	-38.1%	-31.1%	-14.3%	-28.1%	-33.3%	-29.1%	-27.7%	-25.3%	-28.5%
G&A	-9,981	-10,982	-10,886	-24,028	-55,877	-15,087	-15,620	-15,292	-16,200	-62,199
% sales	23.5%	20.0%	16.3%	29.6%	22.8%	27.1%	21.1%	20.4%	19.5%	21.6%
Marketing	-27,107	-33,906	-25,123	-37,913	-124,049	-30,249	-32,928	-28,686	-31,500	-123,363
% sales	63.7%	61.8%	37.7%	46.7%	50.6%	54.4%	44.4%	38.3%	38.0%	42.9%
Other op. costs	-52,708	-65,802	-56,762	-73,568	-248,840	-63,857	-70,145	-64,699	-68,700	-267,401
% sales	123.9%	119.9%	85.2%	90.6%	101.4%	114.9%	94.7%	86.4%	82.8%	93.0%
EBIT	-13,663	5,299	1,908	1,069	-5,387	-16,312	-3,121	4,108	5,645	-9,680
margin %	-32.1%	9.7%	2.9%	1.3%	-2.2%	-29.3%	-4.2%	5.5%	6.8%	-3.4%

Source: First Berlin Equity Research estimates, Pharming Group NV

However, we expect only modest Leniolisib sales growth in Q4/24. At the end of Q2/24 Pharming had 91 patients in the US on paid therapy with Leniolisib and an additional two patients enrolled and pending authorisation. For Q3/24 these figures were respectively 93 and 5. We now model 98 patients on paid therapy in the US by year-end 2024 and Q4 Leniolisib sales of USD12.1m (Q2/24 USD11.1m; Q3/24: USD11.2m). Assuming Pharming reaches the mid-point of FY/24 sales guidance and Q4/24 Leniolisib sales come in at USD12.1m, then Q4/24 Ruconest sales will exceed USD70m – an increase of over 10% on the Q3/24 number of USD63.6m.

Figure 3: Abridged cashflow statement

USDk	Q3 24	Q3 23	9M 24	9M 23
Pretax	1,514	3,307	-15,170	-9,981
Operating cashflow before working capital changes	9,729	7,830	1,571	-14,361
Changes in working capital	7,346	-4,563	-2,987	-15,577
Interest received	1,784	260	4,154	1,059
Taxes paid	-9,117	0	-13,864	0
Net operating cashflow	9,742	3,527	-11,126	-28,879
Share-based compensation	23	8,546	3,485	7,880
Net CAPEX	-358	-124	1,312	19,970
Free cashflow	9,407	11,949	-6,329	-1,029
Opening net cash/ marketable securities	39,797	23,961	43,407	41,960
Closing net cash/ marketable securities	46,230	35,256	46,230	35,256

Source: Pharming Group NV



Net cash/marketable securities position has grown since FY/22 As figure 3 above shows, despite the costs incurred through the launch of Leniolisib, Pharming's net cash/marketable securities position has increased since end FY/22.

CEO de Vries will be 65 this week. Decision to step down from CEO role hardly surprising In the Q3/24 results press release Pharming announced that CEO Sijmen de Vries had told the Board of Directors that he will not be available for reappointment as CEO at the next AGM in May 2025. Dr de Vries has been CEO at Pharming for sixteen years and was last reappointed to the position at the May 2021 AGM. Given that Dr de Vries is due to celebrate his 65th birthday this week, it is hardly surprising that he has elected not to stay on for another four years. Pharming has appointed an executive search firm to find a successor to Dr de Vries, who has stated that he will make every effort to ensure a smooth hand-over.

We believe CEO departure has no bearing on the prospects for Pharming's business

The Pharming share fell 10.8% on the day of the results, although it rebounded by 6.9% on the following day. Given that the Q3/24 report showed revenues close to our forecasts and exceeded our expectations with the first positive quarterly EBIT number this year, we can only attribute the sell-off to disquiet caused by the news of the CEO's departure. However, we believe Sijmen de Vries' decision not to continue in the CEO role beyond next May's AGM has no bearing on the prospects for the business, which in our view are good.

Leniolisib sales look set to accelerate in 2025 and 2026 and then again from 2029 subject to approval for certain non-APDS PIDs (primary immunodeficiencies) whose prevalence is 4.7x higher than APDS. In addition, as we also pointed out in our August note, we believe Ruconest is well placed to fend off the challenge from the likely mid-2025 FDA approval of the first oral on-demand HAE drug, Kalvista's Sebetralstat. In broad terms, this is because the two drugs serve two different segments of the market. Ruconest, which is administered by IV injection, is used most often by patients with more severe HAE for whom the mostly widely prescribed on-demand HAE drug, Takeda's Firazyr, is not effective. Sebetralstat was tested on patients for whom Firazyr is effective.

Figure 4: Changes to forecasts

All figures in USD '000	2024E			2025E			2026E			2027E		
	new	old	% Δ	new	old	% Δ	new	old	% Δ	new	old	% Δ
Revenues	287,500	288,696	-0.4%	309,632	297,697	4.0%	338,878	326,854	3.7%	413,482	400,255	3.3%
of which:												
Ruconest	243,518	243,011	0.2%	243,518	230,860	5.5%	231,342	219,317	5.5%	254,476	241,249	5.5%
Joenja	43,982	45,685	-3.7%	66,115	66,837	-1.1%	107,537	107,537	0.0%	159,006	159,006	0.0%
Costs of sales	32,313	36,634	-11.8%	34,376	33,107	3.8%	39,500	38,193	3.4%	54,701	53,263	2.7%
Gross profit	255,187	252,062	1.2%	275,256	264,591	4.0%	299,378	288,661	3.7%	358,781	346,992	3.4%
Other income	2,534	2,257	12.3%	2,000	-3,500	-157.1%	2,100	1,538	36.5%	2,153	1,576	36.6%
Research and development cost	81,839	86,997	-5.9%	82,053	83,355	-1.6%	81,331	84,982	-4.3%	82,696	84,054	-1.6%
General and administrative cost	62,199	60,907	2.1%	63,475	62,516	1.5%	64,387	63,737	1.0%	70,292	72,046	-2.4%
Marketing and sales cost	123,363	126,784	-2.7%	130,045	128,010	1.6%	138,940	137,279	1.2%	146,786	140,089	4.8%
Milestones/PRV income/(expense)	0	0	0.0%	-5,000	-5,000	0.0%	-15,000	-15,000	n.a.	-15,000	-15,000	n.a.
Operating income (EBIT)	-9,680	-20,369	n.a.	-3,316	-17,791	n.a.	1,821	-10,798	n.a.	46,159	37,380	23.5%
Net financial income/(expense)	1,351	3,423	n.a.	-2,056	-2,157	n.a.	-2,433	-2,591	n.a.	-2,424	-2,678	n.a.
Income/(expense) from associates	-1,576	-1,434	n.a.	0	0	n.a.	0	0	n.a.	0	0	n.a.
Pre-tax income (EBT)	-9,905	-18,380	n.a.	-5,372	-19,948	n.a.	-612	-13,389	n.a.	43,735	34,703	26.0%
Income tax credit/(expense)	270	2,318	n.a.	645	2,394	n.a.	158	3,454	n.a.	-11,284	-8,953	n.a.
Net income/(loss)	-9,635	-16,062	n.a.	-4,727	-17,554	n.a.	-454	-9,934	n.a.	32,451	25,749	26.0%
Diluted EPS (US cents)	-1.31	-2.19	n.a.	-0.64	-2.39	n.a.	-0.06	-1.35	n.a.	4.42	3.51	26.0%

Source: First Berlin Equity Research estimates



Price target raised from €1.60 to €1.70. Buy recommendation maintained Following better than expected Q3/24 profitability and the prospect of a strong Q4 for Ruconest, we have revised up our revenue and EBIT forecasts for 2025, 2026 and 2027 (see figure 4 above). We now expect Pharming to reach EBIT breakeven in 2026 - one year earlier than previously projected. Our valuation model now shows fair value for the Pharming share of €1.67 (old: €1.60). We raise our price target from €1.60 to €1.70 and maintain our Buy recommendation.

Figure 5: Valuation model

Compound	Indication	Present Value	Patient Pop	Treatment Cost	Market Size	Market Share	Peak Sales	Gross margin	Discount Factor	Patent Life ²⁾	Time to Market
Ruconest (US)	HAE-AA	€1,171.8M	4,000	€ 297,273	€2,081M	10%	€392M	91%	12%	12	-
Ruconest (ROW)	HAE-AA	€0.8M	8,000	€ 90,909	€727M	1%	€10M	3%	12%	16	-
Leniolisib (US)	APDS	€501.3M	500	€ 515,127	€258M	100%	€15M	85%	10%	14	-
Leniolisib (ROW)	APDS	€315.4M	1,900	€ 309,076	€587M	100%	€42M	83%	10%	11	2 years
PI3Kδ platform (US)	non-APDS PIDs	€669.0M	1,665	€ 515,127	€88M	100%	€508M	82%	10%	8	5 years
PI3Kδ platform (ROW)	non-APDS PIDs	€364.2M	6,327	€ 309,076	€1956M	100%	€337M	80%	10%	8	5 years
PV of gross profits		€3,022.6M									
Costs PV		€1,755.5M									
PV after costs		€1,267.1M									
Leniolisib milestones		€94.7M									
Net cash (pro-forma)		€110.4M									
Fair Value		€1,282.8M									
Share Count (fully diluted, PV)		768,304K									
Fair value per share		€ 1.67									

1) A project typically refers to a specific indication or, where necessary or relevant, a combination between indication and geographic market

2) Remaining patent life in years after point of approval

Source: First Berlin Equity Research estimates



INCOME STATEMENT

All figures in USD '000	2022A	2023A	2024E	2025E	2026E	2027E
Revenues	205,622	245,316	287,500	309,632	338,878	413,482
Costs of sales	-17,562	-25,212	-32,313	-34,376	-39,500	-54,701
Gross profit	188,060	220,104	255,187	275,256	299,378	358,781
Other income	14,523	23,349	2,534	2,000	2,100	2,153
Research and development	-52,531	-68,914	-81,839	-82,053	-81,331	-82,696
General and administrative	-46,016	-55,877	-62,199	-63,475	-64,387	-70,292
Marketing and sales	-85,803	-124,049	-123,363	-130,045	-138,940	-146,786
Milestones/PRV sales	0	0	0	-5,000	-15,000	-15,000
Operating income (EBIT)	18,233	-5,387	-9,680	-3,316	1,821	46,159
Net financial result	-2,163	-6,336	1,351	-2,056	-2,433	-2,424
Associates	-1,083	-289	-1,576	0	0	0
Pre-tax income (EBT)	14,987	-12,012	-9,905	-5,372	-612	43,735
Income taxes	-1,313	1,464	270	645	158	-11,284
Net income / loss	13,674	-10,548	-9,635	-4,727	-454	32,452
Diluted EPS (US cents)	1.934	-1.600	-1.311	-0.644	-0.062	4.422
EBITDA	26,753	2,708	-1,917	5,973	11,987	58,564
Ratios						
Gross margin on revenues	91.5%	89.7%	88.8%	88.9%	88.3%	86.8%
EBITDA margin on revenues	13.0%	1.1%	n.m.	1.9%	3.5%	14.2%
EBIT margin on revenues	8.9%	n.m.	n.m.	n.m.	0.5%	11.2%
Net margin on revenues	6.7%	n.m.	n.m.	n.m.	n.m.	7.8%
Expenses as % of revenues						
Cost of sales	8.5%	10.3%	11.2%	11.1%	11.7%	13.2%
Research and development	25.5%	28.1%	28.5%	26.5%	24.0%	20.0%
General and administrative	22.4%	22.8%	21.6%	20.5%	19.0%	17.0%
Marketing and sales	41.7%	50.6%	42.9%	42.0%	41.0%	35.5%
Y-Y Growth						
Revenues	3.4%	19.3%	17.2%	7.7%	9.4%	22.0%
Operating income	34.5%	n.m.	n.m.	n.m.	n.m.	2435.4%
Net income/ loss	-14.5%	n.m.	n.m.	n.m.	n.m.	n.m.



BALANCE SHEET

All figures in USD '000	2022A	2023A	2024E	2025E	2026E	2027E
Assets						
Current assets, total	277,500	316,342	267,743	274,103	286,425	342,494
Cash and cash equivalents	207,342	213,424	169,946	168,778	171,151	201,843
Restricted cash	213	0	0	0	0	0
Receivables	27,619	46,158	38,617	41,590	45,518	55,539
Inventories	42,326	56,760	59,180	63,736	69,756	85,113
Non-current assets, total	148,297	146,512	139,580	149,302	144,394	148,743
Property, plant & equipment	10,392	9,689	9,775	9,289	9,489	11,577
Right of use assets	28,753	23,777	22,208	37,156	37,277	45,483
Long term prepayments	228	92	319	343	376	458
Deferred tax assets	22,973	29,761	29,761	29,761	29,761	29,761
Investments accounted for using the equity method	2,501	2,285	709	709	709	709
Investments in FVTOCI equity instruments	403	2,020	2,020	2,020	2,020	2,020
Investments in FVTPL debt instruments	6,827	6,093	6,093	6,093	6,093	6,093
Goodwill & other intangibles	75,121	71,267	67,167	62,403	57,142	51,113
Restricted cash	1,099	1,528	1,528	1,528	1,528	1,528
Total assets	425,797	462,854	407,323	423,406	430,819	491,238
Shareholders' equity & debt						
Current liabilities, total	59,698	77,968	82,744	90,239	97,999	118,655
Debt	1,768	1,824	3,147	3,147	3,147	3,147
Trade and other payables	54,465	72,528	76,153	82,015	89,762	109,523
Finance lease liabilities	3,465	3,616	3,445	5,077	5,090	5,986
Longterm liabilities, total	161,461	166,105	115,432	128,748	128,856	136,166
Debt	131,618	136,598	87,323	87,323	87,323	87,323
Finance lease liabilities	29,843	29,507	28,109	41,425	41,533	48,843
Shareholders' equity	204,638	218,781	209,146	204,419	203,964	236,416
Total consolidated equity and debt	425,797	462,854	407,323	423,406	430,819	491,238
Ratios						
Current ratio (x)	4.65	4.06	3.24	3.04	2.92	2.89
Quick ratio (x)	3.94	3.33	2.52	2.33	2.21	2.17
Net gearing	-20.5%	-19.8%	-23.6%	-16.3%	-17.4%	-24.6%
Book value per share (€)	0.29	0.30	0.28	0.28	0.28	0.32
Net debt	-41,960	-43,407	-49,450	-33,334	-35,586	-58,072
Return on equity (ROE)	6.9%	-5.0%	-4.5%	-2.3%	-0.2%	14.7%



CASH FLOW STATEMENT

All figures in USD '000	2022A	2023A	2024E	2025E	2026E	2027E
Profit before tax	14,987	-12,012	-9,905	-5,372	-612	43,735
Depreciation, amortization, impairment	13,188	15,925	7,763	9,289	10,166	12,404
Gain on disposal of associate	-12,242	0	0	0	0	0
Equity-settled share-based payments	6,392	9,251	0	0	0	0
Fair value gain (loss) on revaluation	1,185	930	0	0	0	0
Gain on disposal from PRV sale	0	-21,279	0	0	0	0
Other finance income	-4,485	-3,663	0	0	0	0
Other finance expenses	5,463	9,069	0	0	0	0
Share of net profits in associates	1,083	289	1,576	0	0	0
Other	-1,576	-1,079	0	0	0	0
Changes in working capital	-387	-16,961	8,519	-1,691	-2,234	-5,699
Interest received, taxes paid	-1,150	2,228	270	645	158	-11,284
Operating cash flow	22,458	-17,302	8,223	2,871	7,478	39,157
Investment in tangible/intangible assets	-1,977	-1,464	-3,749	-4,039	-5,105	-8,464
Free cash flow	20,481	-18,766	4,474	-1,168	2,373	30,692
Proceeds from sale of associates	7,300	0	0	0	0	0
Proceeds on PRV sale	0	21,279	0	0	0	0
Investing cashflow	5,323	19,815	-3,749	-4,039	-5,105	-8,464
Debt financing, net	0	0	-47,952	0	0	0
Proceeds of equity and warrants	2,281	8,133	0	0	0	0
Payment on contingent consideration	0	0	0	0	0	0
Payment of lease liabilities	-3,311	-5,126	0	0	0	0
Interest on loans	-3,952	-4,046	0	0	0	0
Financing cash flow	-4,982	-1,039	-47,952	0	0	0
Net cash flows	22,799	1,474	-43,478	-1,168	2,373	30,692
Exchange rate effects, other	-7,381	4,608	0	0	0	0
Cash, start of the year	191,924	207,342	213,424	169,946	168,778	171,151
Cash, end of the year	207,342	213,424	169,946	168,778	171,151	201,843
EBITDA/share	0.04	0.00	0.00	0.01	0.02	0.08
Y-Y Growth						
Operating cash flow	-40.7%	n.m.	n.m.	-65.1%	160.5%	423.6%
Free cash flow	-13.4%	n.m.	n.m.	n.m.	n.m.	1193.4%
EBITDA/share	2.0%	-90.1%	n.m.	n.m.	100.7%	388.6%

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy ¹	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

¹ The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	10 November 2009	€0.52	Buy	€0.70
2...47	↓	↓	↓	↓
48	16 January 2020	€1.48	Buy	€2.00
49	9 March 2020	€1.11	Buy	€2.00
50	23 April 2020	€1.34	Buy	€2.00
51	19 May 2020	€1.34	Buy	€2.10
52	4 August 2020	€1.01	Buy	€1.80
53	18 July 2023	€1.12	Buy	€1.50
54	9 August 2023	€1.13	Buy	€1.50
55	28 August 2024	€0.73	Buy	€1.60
56	Today	€0.78	Buy	€1.70

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