Formycon AG

Germany / Biopharmaceuticals
Xetra
Bloomberg: FYB GR
ISIN: DE000A1EWVY8

Update

RATING	**BUY**
PRICE TARGET	**€ 82.00**
Return Potential	58.0%
Risk Rating	High

MULTIPLE MILESTONES ACHIEVED AHEAD OF KEY FYB202 LAUNCH

Nine months results were in line with our expectations showing a 31.7% decline in revenue to €41.1m (9M/23: €60.2m) due to lower income from milestones, and reduced revenue from development of FYB201 (Lucentis biosimilar) and FYB203 (Eylea biosimilar) as planned work on these programs wound down. FYB201 was launched in 2022, and following FDA approval in June 2024 and expected EMA approval in January 2025, the launch of FYB203 is scheduled for next year subject to the outcome of ongoing litigation with Regeneron. Meanwhile, adjusted EBITDA (includes the at-equity accounted result of Bioeq AG) fell only slightly to €2.9m (9M/23: €3.5m). Formycon's most important near-term launch will be the Stelara biosimilar, FYB202, which was approved by both the FDA and the EMA in September 2024. Stelara generated worldwide sales of USD10.9bn in 2023. This compares with USD3.6bn of sales for Lucentis in 2021, the last year before the launch of biosimilars of the drug. Furthermore, Formycon will earn a royalty of 30-40% on FYB202 sales. The current royalty on FYB201 sales is 7-8%. There will be more competition on the Stelara biosimilar market than on the Lucentis biosimilar market. But critically, unlike Roche, whose 2022 launch of the Lucentis successor product, Vabysmo, coincided with the introduction of Lucentis biosimilars, Johnson & Johnson do not have a near-term successor product to Stelara. We expect Formycon to generate triple digit €m royalties from FYB202 as early as 2026. This compares with our total 2026 royalty forecast for FYB201 (including both top-line and at-equity revenues) of ca. €15m. We think the current share price level represents a good opportunity to pick up Formycon stock ahead of the lucrative FYB202 launch. We maintain our Buy recommendation with an unchanged price target of €82.

Development work on FYB201 and FYB203 winding down Lower income from milestones with respect to FYB202 (Stelara biosimilar), and reduced payments from partners for the development of FYB201 (Lucentis biosimilar) and FYB203 (Eylea biosimilar)… (p.to.)

FINANCIAL HISTORY & PROJECTIONS

	2022	2023	2024E	2025E	2026E	2027E
Revenue (€ m)	42.5	77.7	61.1	110.5	243.7	222.2
Y-o-y growth	16.1%	82.8%	-21.4%	80.8%	120.6%	-8.8%
EBITDA (€ m)	-15.9	1.5	-16.7	46.9	189.5	159.2
EBITDA margin	-37.3%	2.0%	-27.3%	42.4%	77.8%	71.6%
Net income (€ m)	36.0	75.8	-19.6	36.0	178.0	117.2
EPS (diluted) (€)	2.59	4.72	-1.11	2.02	9.98	6.58
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€m)	-55.9	-27.2	-53.5	-59.2	109.1	88.8
Net gearing	-2.8%	-5.4%	-7.1%	-9.8%	-18.0%	-22.6%
Liquid assets (€ m)	9.8	27.0	40.1	59.2	140.2	203.3

RISKS

Product failures, failure to obtain funding, loss of key personnel.

COMPANY PROFILE

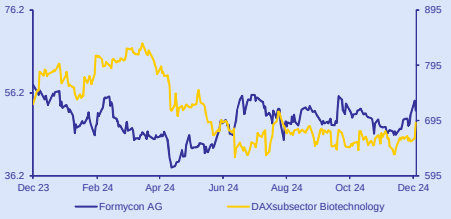
Formycon AG is a Munich, Germany based pharmaceuticals company specialising in the development of biosimilars, i.e. generic versions of biotechnology products.

MARKET DATA

	As of 10 Dec 2024
Closing Price	€ 51.90
Shares outstanding	17.66m
Market Capitalisation	€ 916.39m
52-week Range	€ 38.15 / 58.10
Avg. Volume (12 Months)	8,212

Multiples	2023	2024E	2025E
P/E	11.0	n.a.	25.7
EV/Sales	11.5	14.6	8.1
EV/EBITDA	588.6	n.a.	19.1
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

	As of 30 Jun 2024
Liquid Assets	€ 40.62m
Current Assets	€ 95.88m
Intangible Assets	€ 569.46m
Total Assets	€ 947.78m
Current Liabilities	€ 45.60m
Shareholders' Equity	€ 576.30m

SHAREHOLDERS

Santo Holding GmbH	24.0%
Peter Wendeln	13.3%
Gedeon Richter	9.1%
Active Ownership	6.0%
Free Float and other	47.6%

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…contributed roughly equally to the 9M/24 decline in revenues to €41.1m (9M/23: €60.2m). Revenue from the former source fell by €11.5m and from the latter by €11.3m. Formycon concluded a global licensing agreement for FYB202 with Fresenius Kabi in early 2023 following successful completion of phase 3 development in 2022. As figure 1 shows, in 2023 Formycon booked €37.7m from Fresenius Kabi in upfront and milestone payments relating to the successful achievement of regulatory events. Formycon and Fresenius Kabi announced the approval of the Stelara biosimilar FYB202 in both the EU and the US in late September. We expect FYB202 milestones to conclude in Q4/24 with a payment of €5m. Royalties from FYB201 jumped 161% to €6.0m (9M/23: €2.3m). Revenue from partners for Formycon's development work on FYB201 and FYB203 fell, as planned work on these projects nears completion. FYB201 was launched in the UK, US and EU in 2022, and FYB203 was approved in the US in late June 2024 and received a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) in mid-November 2024. An approval decision by the EMA is expected in the second half of January 2025.

Figure 1: Q3/24 results and Q4/24E forecast

€m	Q1 23	Q2 23	Q3 23	9M 23	Q4 23	FY 23	Q1 24	Q2 24	Q3 24	9M 24	Q4 24E	FY 24E
Sales	**32.4**	**11.4**	**16.4**	**60.2**	**17.5**	**77.7**	**17.7**	**9.2**	**14.2**	**41.1**	**20.0**	**61.1**
% Δ	*n.a.*	*n.a.*	*n.a.*	*n.a.*			*-45.4%*	*-19.3%*	*-13.4%*	*-31.7%*	*14.3%*	*-21.4%*
of which:												
Milestones	20.0	3.7	5.4	29.1	8.6	37.7	11.2	0.1	6.3	17.6	5.0	22.6
FYB201 royalties	0.3	0.9	1.1	2.3	1.9	4.2	1.9	1.9	2.2	6.0	2.0	8.0
FYB201/203 development compensation	12.1	6.8	9.9	28.8	7.0	35.8	4.6	7.2	5.7	17.5	7.0	24.5
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0	6.0
Cost of sales	-16.9	-9.3	-12.5	-38.7	-15.6	-54.3	-14.1	-10.9	-7.8	-32.8	-11.0	-43.8
% sales	*-52.2%*	*-81.6%*	*-76.2%*	*-64.3%*	*-89.1%*	*-69.9%*	*-79.7%*	*-118.5%*	*-54.9%*	*-79.8%*	*-55.0%*	*-71.7%*
R&D	-6.9	1.7	-2.5	-7.7	-1.5	-9.2	-5.4	-4.3	-3.8	-13.5	-4.0	-17.5
% sales	*-21.3%*	*14.9%*	*-15.2%*	*-12.8%*	*-8.6%*	*-11.8%*	*-30.5%*	*-46.7%*	*-26.8%*	*-32.8%*	*-20.0%*	*-28.6%*
Other expense	-2.6	-2.5	-3.4	-8.5	-4.2	-12.7	-3.7	-5.4	-3.4	-12.5	-4.0	-16.5
% sales	*-8.0%*	*-21.9%*	*-20.7%*	*-14.1%*	*-24.0%*	*-16.3%*	*-20.9%*	*-58.7%*	*-23.9%*	*-30.4%*	*-20.0%*	*-27.0%*
EBITDA	**6.0**	**1.3**	**-2.0**	**5.3**	**-3.8**	**1.5**	**-5.5**	**-11.4**	**-0.8**	**-17.7**	**1.0**	**-16.7**
margin	**18.5%**	**11.4%**	**-12.2%**	**8.8%**	**-21.7%**	**1.9%**	**-31.1%**	**-123.9%**	**-5.6%**	**-43.1%**	**5.0%**	**-27.3%**
At equity result	-6.4	0.2	4.4	-1.8	-17.6	-19.4	4.3	10.5	5.8	20.6	0.0	20.6
% sales	*-19.8%*	*1.8%*	*26.8%*	*-3.0%*	*-100.4%*	*-24.9%*	*24.3%*	*113.9%*	*41.0%*	*50.1%*	*0.0%*	*33.7%*
Adjusted EBITDA	**-0.4**	**1.5**	**2.4**	**3.5**	**-21.4**	**-17.9**	**-1.2**	**-0.9**	**5.0**	**2.9**	**1.0**	**3.9**
margin	**-1.2%**	**13.2%**	**14.6%**	**5.8%**	**-122.1%**	**-23.0%**	**-6.8%**	**-10.0%**	**35.4%**	**7.1%**	**5.0%**	**6.4%**
Capitalised development expenditure	**6.4**	**5.9**	**2.4**	**14.7**	**20.6**	**35.3**	**5.8**	**10.8**	**8.1**	**24.7**	**19.4**	**44.1**
Cash and equivalents	**54.8**	**36.9**	**35.6**	**35.6**	**27.0**	**27.0**	**56.9**	**40.6**	**33.8**	**33.8**	**40.1**	**40.1**

Source: Formycon, First Berlin Equity Research estimates

9M/24 R&D expense rose 75.3% as work on FYB208 and FYB209 gathered pace Cost of sales fell 15.2% to €32.8m (9M/23: €38.7m) due to reduced development work on FYB201 and FYB203. R&D expense jumped 75.3% to €13.5m (9M/23: €7.7m) due mainly to increased work on FYB208 and FYB209 and the start of work on FYB210. So far Formycon has not disclosed the reference products for these biosimilar candidates. Other expenses rose 47.1% to €12.5m (9M/23: €8.5m). The largest item within other expenses is administrative expenses, which rose due to higher staff numbers and increased legal and advisory expense. Overall operating expense increased 7.1% to €58.8m (9M/23: €54.9m).The increase in operating expense and decreased revenue meant that EBITDA before adjustments fell to €-17.7m (9M/23: €5.3m).

€22.4m y-o-y swing in 9M/24 at equity result from Bioeq AG Income from FYB201 is partially recognised as equity-accounted income through Formycon's 50% stake in Bioeq AG. Formycon reports the sum of EBITDA and equity-accounted income as adjusted EBITDA.

A combination of better than expected revenue from FYB201, due in part to the successful transfer in spring 2024 of the US commercialisation of FYB201 from Coherus to Sandoz, and lower costs, pushed the at-equity result from Bioeq AG to €20.6m (9M/23: €-1.8m). Over half (€10.5m) of the 9M/24 figure was generated in Q2/24. Q2/24 performance benefitted from launches in Middle Eastern countries and an associated milestone. Formycon is guiding towards a breakeven at-equity result in Q4/24. We gather that management's Q4/24 view on Bioeq AG is conditioned in part by caution as to higher costs and the intensity of FYB201 price erosion which the company may face in the final quarter.

FYB202 potentially a much bigger value driver for Formycon than either FYB201 or FYB203 Formycon and its competitors have reached agreement with Stelara's developer, Johnson & Johnson, as to the timing of their respective biosimilar launches in the US. Currently expected launch dates are shown in figure 2. Stelara generated worldwide sales of USD10.9bn in 2023. This compares with USD3.6bn of sales for Lucentis in 2021, the last year before the launch of biosimilars of the drug, which included Formycon's FYB201. Furthermore, Formycon will earn a royalty of 30-45% on FYB202 sales. The current royalty on FYB201 sales is 7-8%. Worldwide sales of Eylea amounted to USD9.2bn in 2023 but here again, the mid-single to low-double-digit royalty rate on FYB203 (launch expected in 2025 subject to the outcome of ongoing litigation with Regeneron) is much lower than for FYB202.

Figure 2: Competitive landscape for Stelara biosimilars

Company	US launch date no later than	FDA approval status	EC approval status
Amgen	01/01/2025	Yes	Yes
Alvotech	21/02/2025	Yes	Yes
Biocon	22/02/2025	Yes	Yes
Formycon	22/02/2025	Yes	Yes
Samsung Bioepis	22/02/2025	Yes	Yes
Celltrion	07/03/2025	BLA submitted July 23	Yes
Intas Pharma	15/05/2025	Yes	Yes

Source: companies

Regeneron legal proceedings against Eylea biosimilar developers still ongoing In mid-May 2024 Formycon announced that its marketing partner for FYB203 in the MENA region will be MS Pharma, which is already responsible for marketing FYB201 in MENA. Formycon has still to announce a marketing partner for FYB203 for the US and EU. We believe the absence of an announcement for these markets relates to the legal dispute between Formycon and Regeneron, the developer of the reference product, Eylea. In late November 2023 Regeneron filed a patent infringement lawsuit against Formycon. On 21 June the United States District Court for the Northern District of West Virginia granted Regeneron's motions for preliminary injunctions against Formcyon, preventing it from launching its Eylea biosimilar in the US. The preliminary injunction order is based on the Court's determination that Formycon infringed Regeneron's US patent 11,084,864 (ophthalmic formulations of a VEGF antagonist). On 25 June Formycon lodged an appeal against the preliminary injunction order. Oral argument was made on 5 December. The district court has also entered injunctions against Biocon, Celltrion and Samsung Bioepis. Each of these injunction decisions is also currently pending on appeal.

We expect biosimilarity of FYB208 and FYB209 to be established in 2025 and 2026 respectively Formycon is continuing development work on FYB206, a biosimilar of Keytruda, which with 2023 sales of USD25bn, is the best-selling drug in the world. On 13 June Formycon announced the inclusion of the first patient in a phase 1 trial of FYB206.

The trial investigates the pharmacokinetic equivalence of FYB206 with Keytruda as part of a preventive therapy for patients who have had a malignant melanoma (black skin cancer) completely surgically removed. Recruitment of a parallel phase III trial investigating the safety and efficacy of FYB206 compared with Keytruda in patients with non-small cell lung cancer began at the end of July. Preclinical development work also continues on FYB208 and FYB209, whose reference products have not yet been disclosed. Formycon capitalises the development costs of its biosimilar projects once biosimilarity with the reference project has been established. The company has been capitalising the development costs of FYB206 since 2022. As figure 3 shows, we expect Formycon to begin capitalising the development costs of FYB208 in 2025 and FYB209 in 2026.

Figure 3: Forecast revenue and development costs 2023-2030

in €000's	2023A	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Revenues	**77,696**	**61,100**	**110,486**	**243,686**	**222,159**	**227,455**	**283,420**	**365,900**
% Δ	***82.8%***	***-21.4%***	***80.8%***	***120.6%***	***-8.8%***	***2.4%***	***24.6%***	***29.1%***
of which:								
Development fees from partners	36,182	24,500	0	0	0	0	0	0
Milestones	37,356	22,600	48,000	38,000	33,000	33,000	33,000	10,000
of which:								
FYB202	37,356	22,600	0	0	0	0	0	0
FYB206	0	0	35,000	15,000	0	0	0	0
FYB208	0	0	13,000	13,000	13,000	13,000	13,000	0
FYB209	0	0	0	10,000	10,000	10,000	10,000	0
FYB210			0	0	10,000	10,000	10,000	10,000
Other	0	6,000	0	0	0	0	0	0
Royalties	4,159	8,000	62,486	205,686	189,159	194,455	250,420	355,900
by product:								
FYB201 (reference product: Lucentis)	4,159	8,000	7,291	7,771	7,989	7,886	7,289	6,742
FYB202 (reference product: Stelara)	0	0	46,917	182,492	167,161	173,680	164,049	136,357
FYB203 (reference product: Eylea)	0	0	8,278	15,423	14,009	12,889	11,858	11,110
FYB206 (reference product: Keytruda)	0	0	0	0	0	0	32,713	117,899
FYB207 (COVID antiviral)	0	0	0	0	0	0	0	0
FYB208 (reference product: t.b.a.)	0	0	0	0	0	0	34,511	49,281
FYB209 (reference product: t.b.a.)	0	0	0	0	0	0	0	34,511
Development costs	**111,485**	**121,900**	**165,600**	**117,205**	**133,000**	**113,000**	**108,000**	**79,000**
% Δ	***-88.3%***	***9.3%***	***35.8%***	***-29.2%***	***13.5%***	***-15.0%***	***-4.4%***	***-26.9%***
of which:								
Expensed	76,178	77,800	63,600	54,205	63,000	65,000	68,000	56,000
% Δ		*2.1%*	*-18.3%*	*-14.8%*	*16.2%*	*3.2%*	*4.6%*	*-17.6%*
by product:								
FYB201	11,275	5,000	0	0	0	0	0	0
FYB202	24,185	20,000	7,500	5,000	0	0	0	0
FYB203	26,456	10,000	1,000	1,000	1,000	0	0	0
FYB206	0	0	0	0	0	0	0	0
FYB207	2,847	0	0	0	0	0	0	0
FYB208	3,346	8,000	0	0	0	0	0	0
FYB209	4,072	4,000	8,000	0	0	0	0	0
FYB210	0	1,000	2,000	2,000	7,000	9,000	12,000	0
Other	3,997	29,800	45,100	46,205	55,000	56,000	56,000	56,000
of which:								
Capitalised	35,307	44,100	102,000	63,000	70,000	48,000	40,000	23,000
% Δ	*-96.0%*	*24.9%*	*131.3%*	*-38.2%*	*11.1%*	*-31.4%*	*n.a.*	*n.a.*
by product:								
FYB201	14,111	0	0	0	0	0	0	0
FYB202	3,717	0	0	0	0	0	0	0
FYB206	16,073	44,100	75,000	30,000	20,000	11,000	6,000	1,000
FYB208	0	0	27,000	25,000	30,000	12,000	12,000	10,000
FYB209	0	0	0	8,000	20,000	25,000	22,000	12,000
Other	1,406	0	0	0	0	0	0	0
EBITDA	**1,518**	**-16,700**	**46,886**	**189,481**	**159,159**	**162,455**	**215,420**	**309,900**

Source: Formycon, First Berlin Equity Research estimates

In its nine months report, Formycon also announced that development work began on a seventh biosimilar project, FYB210, after the close of the reporting period. Formycon have not disclosed FYB210's reference product, but have stated this to be a strongly growing immunology drug whose patents expire after 2030. During the analysts' conference call following the 9M/24 results, management also indicated that the reference product's annual sales are mid-range. We take this to mean in the middle of the Lucentis-Keytruda range of €3.6bn-€25bn, i.e. in the order of USD10bn.

Figure 4: Changes to our forecasts

	2024E			2025E			2026E			2027E		
in € 000s	Old	New	Δ	Old	New	Δ	Old	New	Δ	Old	New	Δ
Revenues	62.30	61.10	-1.9%	110.49	110.49	0.0%	243.69	243.69	0.0%	222.16	222.16	0.0%
EBITDA	-23.70	-16.70	-	46.89	46.89	0.0%	189.48	189.48	0.0%	159.16	159.16	0.0%
margin	*-38.0%*	*-27.3%*	-	*42.4%*	*42.4%*	-	*77.8%*	*77.8%*	-	*71.6%*	*71.6%*	-
Adjusted EBITDA	-3.70	3.90	-	61.89	61.89	0.0%	204.48	204.48	0.0%	174.16	174.16	0.0%
margin	*-5.9%*	*6.4%*	-	*56.0%*	*56.0%*	-	*83.9%*	*83.9%*	-	*78.4%*	*78.4%*	-

Source: First Berlin Equity Research estimates

Buy recommendation maintained at unchanged price target of €82 As figure 4 above shows, with the exception of 2024E, our forecasts are unchanged on our most recent note of 1 October. 9M/24 results showed sales and EBITDA of €41.1m and €-17.7m respectively. In its 9M/24 results presentation Formycon gave sales and EBITDA guidance for Q4/24 of ca. €20m and "black zero" respectively. We have adjusted our forecasts accordingly. However, these changes are not sufficient to cause us to adjust our price target which is unchanged at €82. We maintain our Buy recommendation.

Figure 5: Valuation model

Compound	Project[1]	Present Value	Patient Pop	Treatment Cost	Market Size	Market Share	Peak Royalties	PACME Margin[2]	Discount Factor	Patent Life[3]	Time to Market
FYB201	nAMD,DR (ex-US)	€39M	199K	€5,921	€1,178M	20%	€10M	15%	10%	n.a.	-
FYB201	nAMD,DR (US)	€62M	82K	€9,845	€807M	20%	€12M	15%	10%	n.a.	-
FYB202	Pso,CrD (ex-US)	€309M	62K	€34,240	€2,123M	12%	€63M	33%	12%	n.a.	1 year
FYB202	Pso,CrD (US)	€566M	69K	€55,067	€3,800M	12%	€120M	33%	12%	n.a.	1 year
FYB203	nAMD,DR (ex-US)	€23M	425K	€4,486	€1,906M	12%	€6M	9%	12%	n.a.	2 years
FYB203	nAMD,DR (US)	€36M	411K	€7,591	€3,120M	12%	€9M	9%	12%	n.a.	1 year
FYB206	multiple cancer types (ex-US)	€601M	65K	€79,625	€5,176M	12%	€661M	33%	14%	n.a.	7 years
FYB206	multiple cancer types (US)	€1,089M	59K	€138,393	€8,165M	12%	€999M	33%	14%	n.a.	5 years
FYB208	n.a.	€119M									
FYB209	n.a.	€101M									
FYB210	n.a.	€85M									
PACME PV		€3,030M									
Costs PV[4]		€1,757M									
NPV		€1,273M									
Proforma net Cash		€175M									
Fair Value		€1,448M									
Proforma share count		17,657K									
Fair Value Per Share		€82.00									

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

2) PACME (Profit After Costs and Marketing Expenses) reflects the company's profit share on future revenues.
This share may be derived in the form of royalties (outsourced marketing/manufacturing) or operating EBITDA margin (in-house model),

3) Remaining patent life after the point of approval.

4) Includes company-level R&D, G&A, Financing Costs, CapEx and Taxes; COGS and S&M are factored into the PACME margin for each project.

Source: First Berlin Equity Research estimates

INCOME STATEMENT

All figures in EURm	2022A	2023A	2024E	2025E	2026E	2027E
Revenue	**42.5**	**77.7**	**61.1**	**110.5**	**243.7**	**222.2**
Cost of sales	-30.4	-54.4	-43.8	-43.7	-37.7	-43.5
Gross profit	**12.1**	**23.3**	**17.3**	**66.8**	**205.9**	**178.6**
R&D expenses	-16.9	-9.2	-17.5	-10.8	-9.2	-10.7
Selling expenses	-1.4	-0.8	-1.2	-1.9	-1.6	-1.9
Administrative expenses	-11.4	-13.3	-17.6	-9.5	-8.1	-9.5
Net other op. expenses	0.0	-0.4	0.0	0.0	0.0	0.0
Operating income (EBIT)	**-17.7**	**-0.4**	**-19.0**	**44.5**	**187.0**	**156.6**
Equity participations	76.8	-19.4	20.6	15.0	15.0	15.0
Dividends from Bioeq	0.0	0.0	0.0	0.0	0.0	15.0
Net financial result	-22.5	98.8	-21.2	-23.5	-24.0	-23.3
Pre-tax income (EBT)	**36.6**	**79.1**	**-19.6**	**36.0**	**178.0**	**163.3**
Income taxes	-0.6	-3.3	0.0	0.0	0.0	-46.1
Net income / loss	**36.0**	**75.8**	**-19.6**	**36.0**	**178.0**	**117.2**
Diluted EPS (in €)	**2.59**	**4.72**	**-1.11**	**2.02**	**9.98**	**6.58**
EBITDA	**-15.9**	**1.5**	**-16.7**	**46.9**	**189.5**	**159.2**
Adjusted EBITDA	**-28.8**	**13.3**	**3.9**	**61.9**	**204.5**	**174.2**
Ratios						
Gross margin on revenue	28.4%	30.0%	28.3%	60.4%	84.5%	80.4%
EBIT margin on revenue	-41.7%	-0.5%	-31.1%	40.3%	76.7%	70.5%
Net margin on revenue	84.7%	97.6%	-32.0%	32.6%	73.0%	52.8%
Tax rate	1.7%	4.1%	0.0%	0.0%	0.0%	28.2%
Expenses as % of revenue						
Cost of sales	71.6%	70.0%	71.7%	39.6%	15.5%	19.6%
R&D expenses	39.8%	11.8%	28.6%	9.8%	3.8%	4.8%
Selling expenses	3.4%	1.1%	2.0%	1.7%	0.7%	0.9%
Administrative expenses	26.9%	17.1%	28.8%	8.6%	3.3%	4.3%
Y-Y Growth						
Revenues	16.1%	82.8%	-21.4%	80.8%	120.6%	-8.8%
Operating income	n.m.	n.m.	n.m.	n.m.	320.0%	-16.3%
Net income/ loss	n.m.	110.6%	n.m.	n.m.	394.2%	-34.1%

BALANCE SHEET

All figures in EURm	2022A	2023A	2024E	2025E	2026E	2027E
Assets						
Current assets, total	**30.5**	**67.1**	**70.5**	**110.9**	**254.2**	**307.2**
Cash and cash equivalents	9.8	27.0	40.1	59.2	140.2	203.3
Other liquid assets	0.0	0.0	0.0	0.0	0.0	0.0
Inventories	0.6	0.5	2.4	4.4	9.7	8.9
Receivables	14.3	11.6	14.1	22.2	48.9	44.6
Contract assets	1.2	16.6	1.6	3.0	6.6	6.0
Other current assets	4.6	11.5	12.2	22.1	48.7	44.4
Non-current assets, total	**823.2**	**823.2**	**884.0**	**915.6**	**994.0**	**1,079.3**
Investment participation Bioeq AG	186.4	167.0	188.3	203.3	218.3	233.3
Loan to associate Bioeq AG	92.3	90.9	85.9	0.0	0.0	0.0
Property, plant & equipment	2.6	3.0	3.5	4.1	4.7	5.3
Right of use assets	8.9	9.3	9.7	10.1	10.5	10.8
Goodwill & other intangibles	533.0	552.9	596.6	698.2	760.6	829.9
Prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	**853.7**	**890.4**	**954.5**	**1,026.5**	**1,248.1**	**1,386.5**
Shareholders' equity & debt						
Current liabilities, total	**50.7**	**69.3**	**51.2**	**72.8**	**117.9**	**140.1**
Current lease obligations	0.9	1.2	1.2	1.3	1.4	1.4
Accounts payable	11.3	16.3	18.3	36.5	78.0	54.9
Tax liability	0.0	0.0	0.0	0.0	0.0	46.1
Provisions	0.0	0.4	0.0	0.0	0.0	0.0
Shareholder loan	20.8	20.5	0.0	0.0	0.0	0.0
Conditional purchase price payments	14.9	27.2	29.7	31.7	31.3	31.1
Other current liabilities	2.7	3.8	1.8	3.3	7.3	6.7
Long-term liabilities, total	**446.5**	**318.3**	**337.0**	**351.3**	**349.8**	**348.7**
Non-current lease obligations	7.6	7.8	8.2	8.6	9.0	9.5
Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Shareholder loan	20.0	0.0	0.0	0.0	0.0	0.0
Conditional purchase price payments	299.3	187.7	205.4	218.8	215.8	214.4
Other liabilities	0.0	0.0	0.5	1.0	2.2	2.0
Deferred tax liabilities	119.5	122.8	122.8	122.8	122.8	122.8
Shareholders' equity	**356.6**	**502.8**	**566.4**	**602.4**	**780.4**	**897.6**
Total consolidated equity and debt	**853.7**	**890.4**	**954.5**	**1,026.5**	**1,248.1**	**1,386.5**

Key figures						
Current ratio (x)	0.60	0.97	1.38	1.52	2.16	2.19
Quick ratio (x)	0.59	0.96	1.33	1.46	2.07	2.13
Financial leverage (%)	-2.8	-5.4	-7.1	-9.8	-18.0	-22.6
Book value per share (€)	23.67	31.35	32.08	34.12	44.20	50.84
Return on equity (ROE)	17.5%	17.6%	-3.7%	6.2%	25.7%	14.0%

CASH FLOW STATEMENT

All figures in EURm	2022A	2023A	2024E	2025E	2026E	2027E
Net profit	**36.0**	**75.8**	**-19.6**	**36.0**	**178.0**	**117.2**
Depreciation and amortisation	1.9	1.9	2.3	2.4	2.5	2.6
Net finance income	-54.3	-79.4	-21.2	-15.0	-15.0	-15.0
Effect of stock options	0.5	1.6	0.0	0.0	0.0	0.0
Net loss (gain) from disposal of non-current assets	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash transactions	0.0	0.0	0.0	0.0	0.0	0.0
Income tax expense	0.6	3.3	0.0	0.0	0.0	46.1
Change in w orking capital	-3.4	-12.8	10.4	-1.2	-15.6	-13.8
Change in other financial assets/liabilities	0.2	0.0	21.5	23.5	25.1	24.7
Income taxes paid	-0.3	-0.2	0.0	0.0	0.0	0.0
Operating cash flow	**-18.9**	**-9.8**	**-6.6**	**45.7**	**174.9**	**161.8**
CAPEX	-37.1	-17.4	-46.9	-104.8	-65.9	-73.0
Free cash flow	**-55.9**	**-27.2**	**-53.5**	**-59.2**	**109.1**	**88.8**
Repayment of Bioeq loan	0.0	0.0	5.0	85.9	0.0	0.0
Earnout	0.0	0.0	-1.2	-8.1	-28.5	-26.3
Equity financing, net	1.8	68.8	82.8	0.0	0.0	0.0
Shareholder loan	40.0	-23.1	-20.5	0.0	0.0	0.0
Loan	0.0	0.0	0.0	0.0	0.0	0.0
Payment of lease liabilities	-0.9	-1.2	0.5	0.5	0.5	0.5
Interest received/(paid)	-0.1	0.0	0.0	0.0	0.0	0.0
Net cash from financing activities	**40.7**	**44.4**	**66.6**	**78.3**	**-28.0**	**-25.8**
Net cash flows	**-15.2**	**17.2**	**13.1**	**19.1**	**81.0**	**63.1**
Cash and liquid assets, start of the year	25.0	9.8	27.0	40.1	59.2	140.2
Cash and liquid assets, end of the year	**9.8**	**27.0**	**40.2**	**59.2**	**140.2**	**203.3**
EBITDA/share (in €)	**-1.2**	**0.1**	**-1.0**	**2.7**	**10.7**	**9.0**
Y-Y Growth						
Operating cash flow	n.m.	n.m.	n.m.	n.m.	283.2%	-7.5%
Free cash flow	n.m.	n.m.	n.m.	n.m.	n.m.	-18.6%
EBITDA/share	n.m.	n.m.	n.m.	n.m.	304.1%	-16.0%

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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	17 April 2013	€3.50	Buy	€7.30
2...39	↓	↓	↓	↓
40	11 July 2022	€74.20	Buy	€97.00
41	30 August 2022	€76.80	Buy	€103.00
42	7 September 2022	€70.40	Buy	€103.00
43	23 September 2022	€70.50	Buy	€130.00
44	21 August 2023	€60.40	Buy	€105.00
45	13 June 2024	€48.20	Buy	€80.00
46	19 August 2024	€49.15	Buy	€80.00
47	1 October 2024	€54.60	Buy	€82.00
48	Today	€51.90	Buy	€82.00

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- **key sources of information in the preparation of this research report**
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