MagForce AG*5a,6a,11

BUY
Target Price: €11.00
(previous TP: €11.00)

Current price: 4.47
10/02/21 / XETRA / 5:36 pm
Currency: EUR

Key information:

ISIN: DE000A0HGQF5
WKN: A0HGQF
Ticker symbol: MF6
Number of shares[3]: 28.81
Marketcap[3]: 128.47
EnterpriseValue[3]: 152.17
[3] in € million

Transparency level:
Entry Standard

Market segment:
Freiverkehr

Accounting standard:
HGB

Financial year-end: 31/12

Designated Sponsor:
Hauck & Aufhäuser
Mainfirst

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* catalogue of potential conflicts of interest on page 4

Date (time) of completion:
11/02/2021 (08:38 am)

Date (Time) first distribution:
11/02/2021 (9:30 am)

Target price valid until:
max. 31/12/2021

Company Profile

Sector: Medical technology

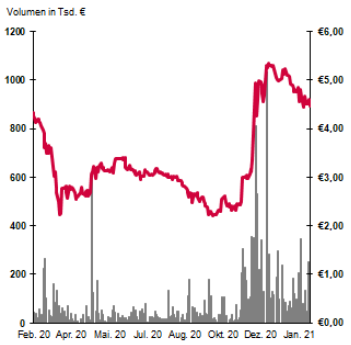
Specialty: Cancer therapy

Employees: 26 Status: 31.12.2019

Foundation: 1997

Head office: Berlin

Board of Directors: Dr. Ben J. Lipps, Christian von Volkmann



By its own account, MagForce AG, with its registered office in Berlin, is a leading company in the field of nanomedicine with a focus on cancer treatment. The NanoTherm® treatment developed by the company could be suitable for the local treatment of almost all solid tumours. The treatment is based on heat that is created by the activation of injected superparamagnetic nanoparticles. The components of this treatment, the medical devices NanoTherm® and NanoPlan® and the thermometric catheter TK01 and NanoActivator® with a thermometric unit are certified in the EU for the treatment of brain tumours. The objective of this new cancer treatment is to establish itself as a further pillar of cancer treatment alongside conventional treatment methods such as surgery, radiotherapy and chemotherapy. In addition, the MagForce technology is currently being approved for the treatment of prostate cancer in the United States. According to available data, the NanoTherm therapy displays a promising degree of effectiveness as well as being tolerated well.

P&l in EURm	2019	2020e	2021e	2022e	2023e	2024e
Sales	0.84	0.94	3.87	19.72	30.17	48.42
EBITDA	-5.56	-7.30	-5.81	3.68	7.64	17.84
EBIT	-6.20	-7.90	-6.87	2.27	5.92	15.47
Net profit before minorities	-8.73	-10.76	-10.17	-1.22	3.19	13.06

Key figures						
EV/Sales	181.15	161.88	39.32	7.72	5.04	3.14
EV/EBITDA	neg.	neg.	neg.	41.35	19.92	8.53
EV/EBIT	neg.	neg.	neg.	67.03	25.70	9.84
P/B before minorities	neg.	neg.	neg.	neg.	40.27	9.84

Financial dates
30.06.2021: Financial Report 2020

**last research published by GBC:
Date: Publication / Target Price in EUR / Rating
18.12.2020: RS / 11.00 / BUY
12.11.2020: RS / 11.00 / BUY
28.11.2019: RS / 13.50 / BUY
10.09.2019: RS / 13.50 / BUY
** the research reports can be found on our website www.gbc-ag.de or can be requested at GBC AG, Halderstr. 27, D-86150 Augsburg

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Successful completion of Phase 2a trial for the treatment of prostate cancer; market approval expected in 2021; forecasts and BUY price target confirmed

MagForce AG has announced the successful completion of Stage 2a of the pivotal trial for the treatment of prostate cancer in the United States. As expected, the treatment group of 10 patients experienced only minimal treatment-related side effects, comparable to those of the first study phase. Prior to the start of the second study phase, MagForce AG had established a streamlined one-day treatment procedure, which enables patient treatment within just one day. Especially against the background of the current Covid 19 pandemic, but also outside the current pandemic situation, a single clinic visit is of great advantage. Even in this streamlined procedure, the side effects observed were only minor.

In our previous projections, we had expected patient treatment to be completed by the end of 2020 and the final pivotal study 2b to begin in early 2021. We see the company's latest announcement as a confirmation of this, especially as the company is currently preparing for the start of study phase 2b, which should start early in the second quarter of 2021. Following FDA approval, MagForce management expects marketing to begin in the second half of 2021, which is also fully in line with our previous expectations.

In the final study phase 2b, which is important for market approval, up to 120 male patients are to be enrolled at the three MagForce centres in Texas, Washington and Florida. The aim of the study is to show that treatment with the MagForce technology, prostate cancer patients can remain in the so-called "active surveillance programme" for longer. The disease pattern of patients included in this programme requires close monitoring, but surgery or radiation is not necessary. For patients, staying longer in this stage is associated with a gain in quality of life and the avoidance of side effects. For the health care system, the avoidance of surgical interventions means savings effects that are significant in view of the high number of prostate diseases. We therefore expect a high level of acceptance for the MagForce treatment after market approval.

In view of the confirmation of the approval timetable relevant for our forecasts so far, we leave our previous sales and earnings forecasts unchanged. While revenue from the treatment of prostate cancer patients in the US should not visibly increase until the coming 2022 financial year, MagForce AG should primarily report revenue from glioblastoma treatment in Europe in the current 2021 financial year. The management statement that a tripling of commercial glioblastoma treatments is expected in 2021 compared to 2020 still applies. We continue to expect the EBITDA break-even to be reached from 2022 onwards, i.e. from the significant increase in sales in the prostate area.

Based on the unchanged forecasts, we confirm our price target of €11.00 per share. We continue to assign the BUY rating.

ANNEX

I.
Research under MiFID II
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2. The research report is simultaneously made available to all interested investment services companies.

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The recommendations/ classifications/ ratings are linked to the following expectations:

BUY	The expected return, based on the derived target price, incl. dividend payments within the relevant time horizon is >= + 10%.
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