

# Valneva SE

France / Biotechnology  
 Euronext Paris  
 Bloomberg: VLA FP  
 ISIN: FR0004056851

2023 revenue & cash;  
 first 2024 guidance

**RATING**  
**BUY**

**PRICE TARGET**  
**€ 8.60**

Return Potential 167.9%  
 Risk Rating High

## SHARE PRICE WEAKNESS PRESENTS BUYING OPPORTUNITY

FY/23 product revenues recovered strongly (+26% to €144.6m) in line with resurgent travel activity. The current cash position is higher than the year-end figure of €126.1m (we estimate ca. €200m) due to the receipt of €95m for the sale of a priority review voucher in early February, and we believe Valneva's cash runway extends into 2025. 2024 product revenue guidance of €150m-€180m incorporates sales growth of 10%+ for the Ixiaro (Japanese encephalitis) and Dukoral (cholera and ETEC) travel vaccines, but suggests a slower ramp in sales of the chikungunya vaccine, Ixchiq (approved by the FDA in November 2023), than we had previously modelled. We continue to believe that the market is undervaluing medium and long-term prospects for both Ixchiq and the Lyme disease vaccine candidate, VLA15 (launch scheduled for 2027). However, we have lowered our 2024 and 2025 sales forecasts for Ixchiq, and now see fair value for the Valneva share at €8.60 (previously: €8.90). We maintain our Buy recommendation.

**Product revenues in line with guidance** Product revenues rose 26.0% to €144.6m in 2023 (2022: €114.8m) and were in line with guidance of €130m-€150m. The increase was attributable to a recovery in travel, and price increases. Sales of the travel vaccines, Ixiaro and Dukoral, rose by 78% to €73.5m and by 72% to €29.8m respectively. Sales of third-party travel vaccines climbed 34% to €35.7m and were mainly driven by sales of the Rabipur/RabAvert (rabies) and Encepur (tick-borne encephalitis) vaccines under the distribution agreement with Bavarian Nordic. COVID-19 vaccine sales fell to €5.7m (2022: €29.6m). Valneva has wound down its COVID-19 program and no longer markets the vaccine. Other revenues amounted to €9.1m (2022: €246.5m). In 2022 other revenues stemmed mainly from COVID-related one-time effects in connection with the release of advance purchase agreement liabilities to the UK government and EU member states. Total revenues therefore came in at €153.7m (2022: €361.3m).

### FINANCIAL HISTORY & PROJECTIONS

	2020	2021	2022	2023E	2024E	2025E
Revenue (€m)	110.32	348.09	361.30	153.70	174.26	244.52
Y-o-y growth	-12.6%	215.5%	3.8%	-57.5%	13.4%	40.3%
EBIT (€m)	-55.12	-61.39	-113.44	-84.05	23.56	-36.54
EBIT margin	n.a.	n.a.	n.a.	n.a.	13.5%	n.a.
Net income (€m)	-64.39	-73.43	-143.28	-99.00	8.10	-48.08
EPS (diluted) (€)	-0.71	-0.75	-1.24	-0.72	0.06	-0.35
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€m)	118.27	-16.27	-274.67	-245.81	3.80	-58.89
Net gearing	-127.8%	-136.0%	-62.4%	101.5%	99.7%	272.1%
Liquid assets (€m)	204.44	346.69	289.43	125.81	92.98	4.09

### RISKS

Risks include, but are not limited to development, partnering, regulatory, competition and retention of key personnel.

### COMPANY PROFILE

Valneva is a specialty vaccine company which develops and commercialises prophylactic vaccines for infectious diseases with significant unmet medical need. Valneva has successfully commercialised two vaccines and has successfully advanced several vaccine candidates into and through the clinic, including candidates against Lyme disease, the chikungunya virus and COVID-19. Valneva is incorporated in France and had over 700 employees at end June 2023.

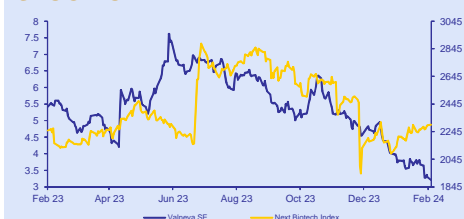
### MARKET DATA

As of 26 Feb 2024

Closing Price	€ 3.21
Shares outstanding	138.91m
Market Capitalisation	€ 445.91m
52-week Range	€ 3.21 / 7.62
Avg. Volume (12 Months)	359,567

Multiples	2022	2023E	2024E
P/E	n.a.	n.a.	55.1
EV/Sales	1.0	2.4	2.1
EV/EBIT	n.a.	n.a.	15.9
Div. Yield	0.0%	0.0%	0.0%

### STOCK OVERVIEW



### COMPANY DATA

As of 30 Sep 2023

Liquid Assets	€ 171.25m
Current Assets	€ 320.65m
Intangible Assets	€ 26.34m
Total Assets	€ 520.54m
Current Liabilities	€ 218.15m
Shareholders' Equity	€ 157.52m

### SHAREHOLDERS

Groupe Grimaud La Corbière	9.3%
CDC	8.6%
Deep Track Capital	5.8%
Pfizer Inc.	6.9%
Free Float and other	69.4%



**Figure 1: FY/23 revenue and cash figures versus our forecasts**

€m	FY/23A	FY/23 Fbe	FY/23A vs. FY23 Fbe	FY/22A	FY/23A vs. FY22A
<b>Cash and equivalents</b>	<b>126.1</b>	<b>148.3</b>	<b>-15.0%</b>	<b>289.4</b>	<b>-56.4%</b>
<b>Product revenues</b>	<b>144.6</b>	<b>138.3</b>	<b>4.6%</b>	<b>114.8</b>	<b>26.0%</b>
of which:					
Ixiaro	73.5	59.4	23.7%	41.3	77.8%
Dukoral	29.8	33.1	-10.1%	17.3	71.6%
Ixchiq	0.0	3.6	n.a.	0.0	n.a.
COVID-19	5.7	5.7	-0.9%	29.6	-80.9%
Third party	35.7	36.5	-2.2%	26.5	34.7%
Other revenues	9.1	10.0	-9.0%	246.5	-96.3%
<b>Total revenues</b>	<b>153.7</b>	<b>148.3</b>	<b>3.6%</b>	<b>361.3</b>	<b>-57.5%</b>

Source: Valneva, First Berlin Equity Research estimates

**We believe Valneva's cash runway extends into 2025** Last year Valneva doubled the principal amount of its debt agreement with Deerfield and Orbimed from USD100m to USD200m. USD50m gross was drawn down in Q3/23 and a further USD50m gross in Q4/24. We estimate the total net proceeds at €80m-€90m. This implies a cash outflow before financing in 2023 of ca. €250m. The largest element of this cash outflow consisted of payments made to Pfizer for its conduct of the phase 3 Lyme disease study, VALOR.

Valneva was awarded a Priority Review Voucher (PRV) following FDA approval of its chikungunya vaccine, Ixchiq, in November last year. On 5 February, Valneva announced that it had sold the PRV for USD103m (€95m). Valneva's current cash position should therefore be close to €200m. Valneva is guiding towards R&D expense of €65m-€90m this year compared with €60m-€70m in 2023. The main components of R&D expenditure in 2024 will be the phase 1 Zika vaccine trial (due to start later this quarter) and for Ixchiq, the ongoing phase 2 pediatric study, the initiation of a phase 3 trial in immunocompromised individuals during H1/24 and the initiation of a phase 4 clinical programme by year-end. While expensed R&D will be higher in 2024 than in 2023, we expect the cash outflow to Pfizer in connection with VALOR to be lower as Valneva's cost contributions are expected to be completed during H1/24. We therefore believe Valneva's cash runway extends into 2025.

**Decision on whether to take the Zika program beyond phase 1 likely by YE 2024** As management pointed out last year, whether development of the Zika vaccine candidate goes beyond phase 1 depends on three factors. These are (1) whether Valneva will be able to make VLA1601 a best-in-class vaccine; (2) the vaccine's potential in the travellers' market and (3) whether there is a possibility to enter into a partnership which could improve profitability along the lines of the CEPI (Coalition for Endemic Preparedness) partnership for Ixchiq. Management has indicated that the Zika phase 1 trial will probably be completed by the end of this year and that therefore a decision on whether to proceed to phase 2 is also likely by year-end.

**We now model a slower ramp-up for Ixchiq sales than previously** Valneva is guiding towards product revenue of €150m-€180m for 2024. Management is looking for sales growth of 10%+ for both Ixiaro and Dukoral as travel continues to recover from the pandemic. However, sales of the former vaccine are expected to be hampered by supply chain constraints. Supply chain constraints are also expected to be an issue for third-party products. On the basis of company growth expectations for Ixiaro, Dukoral and assuming slow sales of third-party products and no contribution from the COVID-19 vaccine, we arrive at a 2024 sales range for Ixchiq of ca. €10m-€40m. This is a modest figure relative to the vaccine's long-term potential. The consultant VacZine Analytics puts the value of the chikungunya vaccine market at USD500m by 2032 and Ixchiq is currently the only vaccine against the disease with regulatory approval.



We assume that implied company guidance for Ixchiq is conditioned by caution as to the initial launch phase of a vaccine for a disease which is still relatively low profile in the US and for which the US Advisory Committee on Immunization Practices has still to give a recommendation (this is expected at the end of this month). Nevertheless, we now model a slower ramp-up for Ixchiq sales than previously. Our 2024 and 2025 Ixchiq sales numbers are now €25m and €88m respectively (previously: €68m and €159m respectively).

**Figure 2: Changes to our forecasts**

All figures in EUR '000	2023E			2024E			2025E		
	Old	New	% Δ	Old	New	% Δ	Old	New	% Δ
<b>Product revenues</b>	<b>138,327</b>	<b>144,600</b>	<b>4.5%</b>	<b>213,825</b>	<b>165,260</b>	<b>-22.7%</b>	<b>319,730</b>	<b>235,255</b>	<b>-26.4%</b>
of which:									
Ixiaro	59,391	73,500	23.8%	76,364	80,955	6.0%	82,674	85,349	3.2%
Dukoral	33,100	29,800	-10.0%	36,520	32,780	-10.2%	38,231	34,419	-10.0%
VLA2001	5,700	7,700	35.1%	0	0	-	0	0	-
Chikungunya	3,636	0	n.a.	68,182	24,750	-63.7%	159,347	87,641	-45.0%
Third party revenues	36,500	35,700	-2.2%	32,760	26,775	-18.3%	39,478	27,846	-29.5%
Other revenue	10,000	9,100	-9.0%	9,167	9,000	-1.8%	9,442	9,270	-1.8%
<b>Total revenues</b>	<b>148,327</b>	<b>153,700</b>	<b>3.6%</b>	<b>222,992</b>	<b>174,260</b>	<b>-21.9%</b>	<b>329,172</b>	<b>244,525</b>	<b>-25.7%</b>
Gross profit	52,793	54,353	3.0%	124,880	83,138	-33.4%	199,233	131,214	-34.1%
margin (%)	35.6%	35.4%	-	56.0%	47.7%	-	60.5%	53.7%	-
Sales & marketing	-46,560	-47,900	-	-55,905	-39,575	-	-70,341	-51,756	-
General & administrative	-39,000	-47,300	-	-40,000	-40,000	-	-42,000	-42,000	-
Research & development	-71,000	-65,200	-	-80,000	-80,000	-	-80,000	-80,000	-
Other income	110,500	22,000	-80.1%	6,000	100,000	1566.7%	6,000	6,000	0.0%
<b>EBIT</b>	<b>6,733</b>	<b>-84,047</b>	<b>n.a.</b>	<b>-45,026</b>	<b>23,564</b>	<b>n.a.</b>	<b>12,892</b>	<b>-36,542</b>	<b>n.a.</b>
margin (%)	4.5%	-54.7%	-	-20.2%	13.5%	-	3.9%	-14.9%	-
Net financial result	-14,952	-14,952	-	-8,927	-14,566	-	-4,959	-11,539	-
<b>EBT</b>	<b>-8,219</b>	<b>-98,999</b>	<b>-</b>	<b>-53,952</b>	<b>8,998</b>	<b>n.a.</b>	<b>7,933</b>	<b>-48,082</b>	<b>n.a.</b>
Tax	0	0	-	0	-900	-	-793	0	-
<b>Net income</b>	<b>-8,219</b>	<b>-98,999</b>	<b>-</b>	<b>-53,952</b>	<b>8,098</b>	<b>n.a.</b>	<b>7,140</b>	<b>-48,082</b>	<b>n.a.</b>
EPS (in EUR)	-0.06	-0.72	-	-0.39	0.06	n.a.	0.05	-0.35	n.a.
<b>Adjusted EBITDA</b>	<b>25,041</b>	<b>-65,739</b>	<b>n.a.</b>	<b>-26,243</b>	<b>42,346</b>	<b>n.a.</b>	<b>32,159</b>	<b>-17,276</b>	<b>n.a.</b>

Source: First Berlin Equity Research

**We maintain our Buy recommendation, but lower the price target from €8.90 to €8.60**

The reductions to our near-term forecasts for Ixchiq and third-party products are implied by management's guidance for Ixiaro and Dukoral and the statement that sales of third-party products will be subject to supply constraints. The increase in our 2024 EBIT forecast reflects the sale of the PRV for €95m earlier this month. We had previously expected this transaction to take place last year. These changes to our forecasts cause us to reduce our price target from €8.90 to €8.60.



Figure 3: Valuation model

Compound	Project <sup>1)</sup>	Present Value	Market Size 2030	Market Share 2030	Sales 2030	PACME Margin <sup>2)</sup>	Discount Factor	Time to Market
Ixiaro	Japanese Encephalitis	€438.6M	€114.4M	90.0%	€1029M	40%	9.5%	-
Dukoral	Cholera & ETEC	€184.5M	€162.8M	25.0%	€40.7M	30%	95%	-
VLA15	Lyme Disease	€752.0M	€909.1M	70.0%	€636.4M	18%	9.5%	3Years
VLA 1553	Chikungunya virus	€605.6M	€463.0M	58.9%	€272.7M	45%	9.5%	-
EB66 cell line Technology Platform		€11.9M			€19.7M	15%	9.5%	-
<b>PACME PV</b>		<b>€1,992.5M</b>						
<b>Costs PV<sup>3)</sup></b>		<b>€1,031.6M</b>						
<b>NPV</b>		<b>€961.0M</b>						
PV grants, collabs., 3rd party distrib.		€161.5M						
Net cash		€71.8M						
Fair Value		€1,194.3M						
Proforma share count (fully diluted)		138,912K						
<b>Price Target</b>		<b>€8.60</b>						

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), or some mix of both (depending on the specific parameters of partnership agreements)

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

Source: First Berlin Equity Research estimates

Figure 4: Changes to our valuation model

	Old	New	Delta
<b>PACME PV</b>	<b>€2,036.5M</b>	<b>€1,992.5M</b>	<b>-2.2%</b>
Costs PV	€1,121.0M	€1,031.6M	-8.0%
<b>NPV</b>	<b>€915.4M</b>	<b>€961.0M</b>	<b>5.0%</b>
PV grants, collabs., 3rd party distrib. milestones	€260.7M	€161.5M	-38.0%
Net cash	€55.2M	€71.8M	30.0%
<b>Fair Value</b>	<b>€1,231.3M</b>	<b>€1,194.3M</b>	<b>-3.0%</b>
Pro-forma share count	138,347K	138,912K	0.4%
<b>Price Target</b>	<b>€8.90</b>	<b>€8.60</b>	<b>-3.4%</b>

Source: First Berlin Equity Research estimates



## INCOME STATEMENT

All figures in EUR '000	2020	2021	2022	2023E	2024E	2025E
Product sales	65,938	62,984	114,797	144,600	165,260	235,255
Other income	44,383	285,101	246,506	9,100	9,000	9,270
<b>Total revenues</b>	<b>110,321</b>	<b>348,086</b>	<b>361,303</b>	<b>153,700</b>	<b>174,260</b>	<b>244,525</b>
Cost of materials/goods sold	-54,302	-187,920	-324,441	-99,347	-91,121	-113,311
<b>Gross Profit</b>	<b>56,019</b>	<b>160,166</b>	<b>36,862</b>	<b>54,353</b>	<b>83,138</b>	<b>131,214</b>
Sales & marketing	-18,264	-23,643	-23,509	-47,900	-39,575	-51,756
General & administrative	-27,539	-47,606	-34,073	-47,300	-40,000	-42,000
Research & development	-84,454	-173,283	-104,922	-65,200	-80,000	-80,000
Other operating items, net	19,117	22,976	12,199	22,000	100,000	6,000
<b>Operating income (EBIT)</b>	<b>-55,120</b>	<b>-61,390</b>	<b>-113,443</b>	<b>-84,047</b>	<b>23,564</b>	<b>-36,542</b>
Net financial result	-10,222	-16,715	-18,794	-14,952	-14,566	-11,539
Foreign exchange gains/(loss)	173	8,130	-12,587	0	0	0
Associates	-133	-5	9	0	0	0
<b>Pre-tax income (EBT)</b>	<b>-65,302</b>	<b>-69,979</b>	<b>-144,815</b>	<b>-98,999</b>	<b>8,998</b>	<b>-48,082</b>
Income taxes	909	-3,446	1,536	0	-900	0
<b>Net income / loss</b>	<b>-64,393</b>	<b>-73,425</b>	<b>-143,279</b>	<b>-98,999</b>	<b>8,098</b>	<b>-48,082</b>
<b>EPS</b>	<b>-0.71</b>	<b>-0.75</b>	<b>-1.24</b>	<b>-0.72</b>	<b>0.06</b>	<b>-0.35</b>
<b>Adjusted EBITDA</b>	<b>-45,200</b>	<b>-47,100</b>	<b>-69,200</b>	<b>-65,739</b>	<b>42,346</b>	<b>-17,276</b>
<b>Ratios as % of total revenues</b>						
Gross margin	50.8%	46.0%	10.2%	35.4%	47.7%	53.7%
EBITDA margin	-41.0%	-13.5%	-19.2%	-42.8%	24.3%	-7.1%
EBIT margin	-50.0%	-17.6%	-31.4%	-54.7%	13.5%	-14.9%
Net margin	n.a.	n.a.	n.a.	n.a.	4.6%	n.a.
<b>Expenses as % of total revenues</b>						
Sales & marketing	-16.6%	-6.8%	-6.5%	-31.2%	-22.7%	-21.2%
General & administrative	-25.0%	-13.7%	-9.4%	-30.8%	-23.0%	-17.2%
Research & development	-76.6%	-49.8%	-29.0%	-42.4%	-45.9%	-32.7%
<b>Y-Y Growth</b>						
Product sales	-49.1%	-4.5%	82.3%	26.0%	14.3%	42.4%
Total revenues	-12.6%	215.5%	3.8%	-57.5%	13.4%	40.3%
Operating income (EBIT)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income / loss	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.



## BALANCE SHEET

All figures in EUR '000	2020	2021	2022	2023E	2024E	2025E
<b>Assets</b>						
<b>Current Assets, Total</b>	<b>308,427</b>	<b>585,832</b>	<b>424,659</b>	<b>280,535</b>	<b>258,236</b>	<b>234,637</b>
Cash and cash equivalents	204,435	346,686	289,430	125,813	92,976	4,088
Receivables	19,232	44,013	23,912	46,272	41,315	54,109
Inventories	26,933	124,098	35,104	37,596	42,967	61,166
Other current assets	57,827	71,035	76,213	70,854	80,977	115,275
<b>Non-Current Assets, Total</b>	<b>140,737</b>	<b>231,520</b>	<b>196,685</b>	<b>220,981</b>	<b>235,575</b>	<b>274,164</b>
Property, plant & equipment	34,778	125,545	112,435	119,855	127,342	134,910
Right of use assets	43,374	48,285	41,603	52,404	59,891	85,257
Intangibles	35,409	32,700	28,711	25,733	22,874	20,129
Equity-accounted investees	2,130	2,126	0	0	0	0
Other assets	19,476	19,282	8,299	17,352	19,831	28,231
Deferred tax assets	5,570	3,582	5,637	5,637	5,637	5,637
<b>Total Assets</b>	<b>449,164</b>	<b>817,352</b>	<b>621,344</b>	<b>501,516</b>	<b>493,811</b>	<b>508,801</b>
<b>Shareholders' Equity &amp; Debt</b>						
<b>Current Liabilities, Total</b>	<b>175,870</b>	<b>368,979</b>	<b>277,392</b>	<b>197,144</b>	<b>206,681</b>	<b>277,837</b>
Short-term debt	6,988	7,107	11,580	34,000	27,812	23,207
Accounts payable	36,212	68,119	41,491	66,371	75,854	107,982
Other current liabilities and provisions	13,010	53,658	36,780	36,150	41,315	58,814
Current finance lease liabilities	2,696	3,135	25,411	32,008	36,581	52,075
Tax and employee-related liabilities	13,164	17,249	15,738	21,690	24,789	35,288
Current tax liability	0	83	532	289	331	471
Contract liabilities and refund liabilities	103,800	219,628	145,860	6,635	0	0
<b>Longterm Liabilities, Total</b>	<b>195,872</b>	<b>277,792</b>	<b>124,155</b>	<b>183,553</b>	<b>158,193</b>	<b>150,090</b>
Long term debt	46,375	50,726	87,227	147,000	116,550	91,155
Non-current finance lease liabilities	49,392	53,687	28,163	35,475	40,543	57,715
Other liabilities	2,900	8,378	1,436	405	447	587
Contract liabilities and refund liabilities	97,205	163,711	6,635	0	0	0
<b>Shareholders Equity</b>	<b>77,422</b>	<b>170,581</b>	<b>219,797</b>	<b>120,819</b>	<b>128,937</b>	<b>80,875</b>
<b>Total Consolidated Equity and Debt</b>	<b>449,164</b>	<b>817,352</b>	<b>621,344</b>	<b>501,516</b>	<b>493,811</b>	<b>508,801</b>

### Ratios

Current ratio (x)	1.75	1.59	1.53	1.42	1.25	0.84
Quick ratio (x)	1.60	1.25	1.40	1.23	1.04	0.62
Net gearing	-127.8%	-136.0%	-62.4%	101.5%	99.7%	272.1%
Book value per share (€)	0.85	1.88	2.42	1.33	1.42	0.89
Equity ratio	17.2%	20.9%	35.4%	24.1%	26.1%	15.9%



## CASH FLOW STATEMENT

All figures in EUR '000	2020	2021	2022	2023E	2024E	2025E
<b>Net income / loss</b>	<b>-64,393</b>	<b>-73,425</b>	<b>-143,279</b>	<b>-98,999</b>	<b>8,098</b>	<b>-48,082</b>
Depreciation and amortization	7,328	11,497	17,880	18,308	18,782	19,267
Impairment	0	0	0	0	0	0
Share-based payments	0	0	0	0	0	0
Tax provision	0	0	0	0	0	0
Adjustments for non-cash transactions	37,941	56,476	44,070	18,308	18,782	19,267
Changes in non-current op. assets/lias.	88,472	59,353	-147,713	0	0	0
Changes in working capital	77,740	36,127	1,732	3,491	6,967	-5,985
Refund liabilities	0	0	0	-145,860	-6,635	0
Other adjustments	0	0	0	0	0	0
Income tax	-2,021	-1,631	-154	0	0	0
<b>Operating cash flow</b>	<b>137,738</b>	<b>76,901</b>	<b>-245,344</b>	<b>-223,060</b>	<b>27,212</b>	<b>-34,799</b>
Property, plant and equipment	-18,936	-92,229	-29,246	-22,000	-22,660	-23,340
Investments in intangibles	-535	-942	-76	-750	-750	-750
<b>Free cash flow</b>	<b>118,267</b>	<b>-16,270</b>	<b>-274,666</b>	<b>-245,810</b>	<b>3,802</b>	<b>-58,889</b>
Acquisitions & disposals, net	24	0	8	0	0	0
Interest received	107	55	260	0	0	0
<b>Investing cash flow</b>	<b>-19,340</b>	<b>-93,116</b>	<b>-29,054</b>	<b>-22,750</b>	<b>-23,410</b>	<b>-24,090</b>
Debt financing, net	28,271	-1,097	37,538	82,193	-36,638	-29,999
Equity financing, net	290	166,823	189,837	0	0	0
Payment of lease liabilities	-2,111	-2,805	-3,048	0	0	0
Interest expense	-4,710	-8,417	-9,211	0	0	0
<b>Cash flow from financing</b>	<b>21,740</b>	<b>154,504</b>	<b>215,116</b>	<b>82,193</b>	<b>-36,638</b>	<b>-29,999</b>
Forex & other	-142	3,962	2,026	0	0	0
<b>Net cash flows</b>	<b>139,996</b>	<b>142,251</b>	<b>-57,256</b>	<b>-163,617</b>	<b>-32,836</b>	<b>-88,888</b>
Cash and equivs., start of the year	64,439	204,435	346,686	289,430	125,813	92,976
<b>Cash and equivs., end of the year</b>	<b>204,435</b>	<b>346,686</b>	<b>289,430</b>	<b>125,813</b>	<b>92,976</b>	<b>4,088</b>
<b>Adj. EBITDA/share</b>	<b>-0.50</b>	<b>-0.48</b>	<b>-0.60</b>	<b>-0.48</b>	<b>0.30</b>	<b>-0.12</b>
<b>Y-Y Growth</b>						
Operating cashflow	2391.2%	-44.2%	n.a.	n.a.	n.a.	n.a.
Free cashflow	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA/share	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

## Imprint / Disclaimer

### First Berlin Equity Research

First Berlin Equity Research GmbH ist ein von der BaFin betreffend die Einhaltung der Pflichten des §85 Abs. 1 S. 1 WpHG, des Art. 20 Abs. 1 Marktmissbrauchsverordnung (MAR) und der Markets Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Durchführungsverordnung und der Markets in Financial Instruments Regulations (MiFIR) beaufsichtigtes Unternehmen.

First Berlin Equity Research GmbH is one of the companies monitored by BaFin with regard to its compliance with the requirements of Section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) Market Abuse Regulation (MAR) and Markets in Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Commission Delegated Regulation and Markets in Financial Instruments Regulations (MiFIR).

Anschrift:

First Berlin Equity Research GmbH  
Friedrichstr. 34  
10117 Berlin  
Germany

Vertreten durch den Geschäftsführer: Martin Bailey

Telefon: +49 (0) 30-80 93 9 680

Fax: +49 (0) 30-80 93 9 687

E-Mail: [info@firstberlin.com](mailto:info@firstberlin.com)

Amtsgericht Berlin Charlottenburg HR B 103329 B

UST-Id.: 251601797

Ggf. Inhaltlich Verantwortlicher gem. § 6 MDStV

First Berlin Equity Research GmbH

**Authored by: Simon Scholes, Analyst**

**All publications of the last 12 months were authored by Simon Scholes.**

**Company responsible for preparation: First Berlin Equity Research GmbH, Friedrichstraße 69, 10117 Berlin**

The production of this recommendation was completed on 27 February 2024 at 15:42

**Person responsible for forwarding or distributing this financial analysis: Martin Bailey**

**Copyright© 2024 First Berlin Equity Research GmbH** No part of this financial analysis may be copied, photocopied, duplicated or distributed in any form or media whatsoever without prior written permission from First Berlin Equity Research GmbH. First Berlin Equity Research GmbH shall be identified as the source in the case of quotations. Further information is available on request.

### **INFORMATION PURSUANT TO SECTION 85 (1) SENTENCE 1 OF THE GERMAN SECURITIES TRADING ACT [WPHG], TO ART. 20 (1) OF REGULATION (EU) NO 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF APRIL 16, 2014, ON MARKET ABUSE (MARKET ABUSE REGULATION) AND TO ART. 37 OF COMMISSION DELEGATED REGULATION (EU) NO 2017/565 (MIFID) II.**

First Berlin Equity Research GmbH (hereinafter referred to as: "First Berlin") prepares financial analyses while taking the relevant regulatory provisions, in particular section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) and art. 37 of Commission Delegated Regulation (EU) no. 2017/565 (MiFID II) into consideration. In the following First Berlin provides investors with information about the statutory provisions that are to be observed in the preparation of financial analyses.

### **CONFLICTS OF INTEREST**

In accordance with art. 37 (1) of Commission Delegated Regulation (EU) no. 2017/565 (MiFID) II and art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) investment firms which produce, or arrange for the production of, investment research that is intended or likely to be subsequently disseminated to clients of the firm or to the public, under their own responsibility or that of a member of their group, shall ensure the implementation of all the measures set forth in accordance with Article 34 (2) lit. (b) of Regulation (EU) 2017/565 in relation to the financial analysts involved in the production of the investment research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the investment research is disseminated. In accordance with art. 34 (3) of Regulation (EU) 2017/565 the procedures and measures referred to in paragraph 2 lit. (b) of such article shall be designed to ensure that relevant persons engaged in different business activities involving a conflict of interests carry on those activities at a level of independence appropriate to the size and activities of the investment firm and of the group to which it belongs, and to the risk of damage to the interests of clients.

In addition, First Berlin shall pursuant to Article 5 of the Commission Delegated Regulation (EU) 2016/958 disclose in their recommendations all relationships and circumstances that may reasonably be expected to impair the objectivity of the financial analyses, including interests or conflicts of interest, on their part or on the part of any natural or legal person working for them under a contract, including a contract of employment, or otherwise, who was involved in producing financial analyses, concerning any financial instrument or the issuer to which the recommendation directly or indirectly relates.

With regard to the financial analyses of Valneva SE the following relationships and circumstances exist which may reasonably be expected to impair the objectivity of the financial analyses: The author, First Berlin, or a company associated with First Berlin reached an agreement with the Valneva SE for preparation of a financial analysis for which remuneration is owed.

Furthermore, First Berlin offers a range of services that go beyond the preparation of financial analyses. Although First Berlin strives to avoid conflicts of interest wherever possible, First Berlin may maintain the following relations with the analysed company, which in particular may constitute a potential conflict of interest:

- The author, First Berlin, or a company associated with First Berlin owns a net long or short position exceeding the threshold of 0.5 % of the total issued share capital of the analysed company;
- The author, First Berlin, or a company associated with First Berlin holds an interest of more than five percent in the share capital of the analysed company;



- The author, First Berlin, or a company associated with First Berlin provided investment banking or consulting services for the analysed company within the past twelve months for which remuneration was or was to be paid;
- The author, First Berlin, or a company associated with First Berlin reached an agreement with the analysed company for preparation of a financial analysis for which remuneration is owed;
- The author, First Berlin, or a company associated with First Berlin has other significant financial interests in the analysed company;

With regard to the financial analyses of Valneva SE the following of the aforementioned potential conflicts of interests or the potential conflicts of interest mentioned in Article 6 paragraph 1 of the Commission Delegated Regulation (EU) 2016/958 exist: The author, First Berlin, or a company associated with First Berlin reached an agreement with the Valneva SE for preparation of a financial analysis for which remuneration is owed.

In order to avoid and, if necessary, manage possible conflicts of interest both the author of the financial analysis and First Berlin shall be obliged to neither hold nor in any way trade the securities of the company analyzed. The remuneration of the author of the financial analysis stands in no direct or indirect connection with the recommendations or opinions represented in the financial analysis. Furthermore, the remuneration of the author of the financial analysis is neither coupled directly to financial transactions nor to stock exchange trading volume or asset management fees.

**INFORMATION PURSUANT TO SECTION 64 OF THE GERMAN SECURITIES TRADING ACT [WPHG], DIRECTIVE 2014/65/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 15 MAY 2014 ON MARKETS IN FINANCIAL INSTRUMENTS AND AMENDING DIRECTIVE 2002/92/EC AND DIRECTIVE 2011/61/EU, ACCOMPANIED BY THE MARKETS IN FINANCIAL INSTRUMENTS REGULATION (MIFIR, REG. EU NO. 600/2014).**

First Berlin notes that it has concluded a contract with the issuer to prepare financial analyses and is paid for that by the issuer. First Berlin makes the financial analysis simultaneously available for all interested security financial services companies. First Berlin thus believes that it fulfils the requirements of section 64 WpHG for minor non-monetary benefits.

**PRICE TARGET DATES**

Unless otherwise indicated, current prices refer to the closing prices of the previous trading day.

**AGREEMENT WITH THE ANALYSED COMPANY AND MAINTENANCE OF OBJECTIVITY**

The present financial analysis is based on the author's own knowledge and research. The author prepared this study without any direct or indirect influence exerted on the part of the analysed company. Parts of the financial analysis were possibly provided to the analysed company prior to publication in order to avoid inaccuracies in the representation of facts. However, no substantial changes were made at the request of the analysed company following any such provision.

**ASSET VALUATION SYSTEM**

First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

**ASSET RECOMMENDATION**

The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy <sup>1</sup>	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%

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

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

**RISK ASSESSMENT**

The First Berlin categories for risk assessment are low, average, high and speculative. They are determined by ten factors: Corporate governance, quality of earnings, management strength, balance sheet and financial risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, strength of brandname, market capitalisation and free float. These risk factors are incorporated into the First Berlin valuation models and are thus included in the target prices. First Berlin customers may request the models.

**RECOMMENDATION & PRICE TARGET HISTORY**

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	26 April 2017	€2.52	Buy	€4.00
2...34	↓	↓	↓	↓
35	27 January 2022	€15.21	Buy	€23.40
36	10 February 2022	€15.03	Buy	€22.10
37	6 July 2022	€11.12	Add	€12.00
38	26 July 2022	€9.75	Buy	€12.50
39	19 August 2022	€9.91	Add	€12.00
40	4 April 2023	€4.86	Buy	€8.90
41	22 May 2023	€5.69	Buy	€8.90
42	12 October 2023	€5.46	Buy	€8.90
43	Today	€3.21	Buy	€8.60

**INVESTMENT HORIZON**

Unless otherwise stated in the financial analysis, the ratings refer to an investment period of twelve months.

### UPDATES

At the time of publication of this financial analysis it is not certain whether, when and on what occasion an update will be provided. In general First Berlin strives to review the financial analysis for its topicality and, if required, to update it in a very timely manner in connection with the reporting obligations of the analysed company or on the occasion of ad hoc notifications.

### SUBJECT TO CHANGE

The opinions contained in the financial analysis reflect the assessment of the author on the day of publication of the financial analysis. The author of the financial analysis reserves the right to change such opinion without prior notification.

#### Legally required information regarding

- key sources of information in the preparation of this research report
- valuation methods and principles
- sensitivity of valuation parameters

can be accessed through the following internet link: <https://firstberlin.com/disclaimer-english-link/>

**SUPERVISORY AUTHORITY: Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) [BaFin], Graurheindorferstraße 108, 53117 Bonn and Marie-Curie-Straße 24-28, 60439 Frankfurt am Main**

### EXCLUSION OF LIABILITY (DISCLAIMER)

#### RELIABILITY OF INFORMATION AND SOURCES OF INFORMATION

The information contained in this study is based on sources considered by the author to be reliable. Comprehensive verification of the accuracy and completeness of information and the reliability of sources of information has neither been carried out by the author nor by First Berlin. As a result no warranty of any kind whatsoever shall be assumed for the accuracy and completeness of information and the reliability of sources of information, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the accuracy and completeness of information and the reliability of sources of information.

#### RELIABILITY OF ESTIMATES AND FORECASTS

The author of the financial analysis made estimates and forecasts to the best of the author's knowledge. These estimates and forecasts reflect the author's personal opinion and judgement. The premises for estimates and forecasts as well as the author's perspective on such premises are subject to constant change. Expectations with regard to the future performance of a financial instrument are the result of a measurement at a single point in time and may change at any time. The result of a financial analysis always describes only one possible future development – the one that is most probable from the perspective of the author – of a number of possible future developments.

Any and all market values or target prices indicated for the company analysed in this financial analysis may not be achieved due to various risk factors, including but not limited to market volatility, sector volatility, the actions of the analysed company, economic climate, failure to achieve earnings and/or sales forecasts, unavailability of complete and precise information and/or a subsequently occurring event which affects the underlying assumptions of the author and/or other sources on which the author relies in this document. Past performance is not an indicator of future results; past values cannot be carried over into the future.

Consequently, no warranty of any kind whatsoever shall be assumed for the accuracy of estimates and forecasts, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the correctness of estimates and forecasts.

#### INFORMATION PURPOSES, NO RECOMMENDATION, SOLICITATION, NO OFFER FOR THE PURCHASE OF SECURITIES

The present financial analysis serves information purposes. It is intended to support institutional investors in making their own investment decisions; however in no way provide the investor with investment advice. Neither the author, nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be considered to be acting as an investment advisor or portfolio manager vis-à-vis an investor. Each investor must form his own independent opinion with regard to the suitability of an investment in view of his own investment objectives, experience, tax situation, financial position and other circumstances.

The financial analysis does not represent a recommendation or solicitation and is not an offer for the purchase of the security specified in this financial analysis. Consequently, neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall as a result be liable for losses incurred through direct or indirect employment or use of any kind whatsoever of information or statements arising out of this financial analysis.

A decision concerning an investment in securities should take place on the basis of independent investment analyses and procedures as well as other studies including, but not limited to, information memoranda, sales or issuing prospectuses and not on the basis of this document.

#### NO ESTABLISHMENT OF CONTRACTUAL OBLIGATIONS

By taking note of this financial analysis the recipient neither becomes a customer of First Berlin, nor does First Berlin incur any contractual, quasi-contractual or pre-contractual obligations and/or responsibilities toward the recipient. In particular no information contract shall be established between First Berlin and the recipient of this information.

#### NO OBLIGATION TO UPDATE

First Berlin, the author and/or the person responsible for passing on or distributing the financial analysis shall not be obliged to update the financial analysis. Investors must keep themselves informed about the current course of business and any changes in the current course of business of the analysed company.

#### DUPLICATION

Dispatch or duplication of this document is not permitted without the prior written consent of First Berlin.

#### SEVERABILITY

Should any provision of this disclaimer prove to be illegal, invalid or unenforceable under the respectively applicable law, then such provision shall be treated as if it were not an integral component of this disclaimer; in no way shall it affect the legality, validity or enforceability of the remaining provisions.

#### APPLICABLE LAW, PLACE OF JURISDICTION

The preparation of this financial analysis shall be subject to the law obtaining in the Federal Republic of Germany. The place of jurisdiction for any disputes shall be Berlin (Germany).

#### NOTICE OF DISCLAIMER

By taking note of this financial analysis the recipient confirms the binding nature of the above explanations.

By using this document or relying on it in any manner whatsoever the recipient accepts the above restrictions as binding for the recipient.

#### QUALIFIED INSTITUTIONAL INVESTORS

First Berlin financial analyses are intended exclusively for qualified institutional investors.

**This report is not intended for distribution in the USA and/or Canada.**