

Valneva SE

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

H1/24 results

RATING **BUY**
PRICE TARGET **€ 8.60**
 Return Potential 127.3%
 Risk Rating High

GROSS MARGIN REBOUNDED, FY/24 GUIDANCE MAINTAINED

H1 product sales at €68.3m (H1/24: €64.0m) were slightly below the consensus of €71.6m but the gross margin on sales of established products continued to improve to 47.7% (Q1/24: 43.7%; H1/23: 39.8%) and Valneva has maintained its full year guidance for product sales of €160m-€180m. We continue to believe that the market is undervaluing the opportunity represented by the company's main value driver, the Lyme vaccine candidate, VLA15, which, subject to regulatory approval, will be launched in 2027. We maintain our Buy recommendation at an unchanged price target of €8.60.

New Ixiaro DoD contract expected in Q4 Reported H1/24 product sales fell 2.0% to €68.3m (H1/23: €69.7m), but as figure 2 overleaf shows, excluding the discontinued COVID-19 vaccine, product sales climbed 6.7% to €68.3m (H1/23: €64.0m). Growth was driven by the Japanese encephalitis vaccine, Ixiaro, whose sales jumped 38.3% to €41.9m. Most of the growth stemmed from the US Department of Defense (DoD), to which sales were minimal in H1/23. However, sales to the traveller market also grew. Ixiaro sales were affected by supply constraints in H1/24 but these were resolved during Q2/24. We expect H2/24 sales to be above the H1/24 figure, supported by the signing of a new contract with the DoD in Q4.

FY/24 Dukoral sales expected to be up after H1 dip Sales of the cholera/ETEC diarrhea vaccine, Dukoral, fell 12.9% to €14.9m (H1/23: €17.1m) Travel vaccines are very promotion-sensitive. Valneva reduced advertising expenditure on major markets, such as Canada, while a new manufacturing site for the vaccine in Sweden underwent regulatory evaluation and approval. This process has now been completed and management expects FY/24 sales to exceed the FY/23 figure of €29.8m.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

| | 2022 | 2023 | 2024E | 2025E | 2026E | 2027E |
|--------------------|--------|--------|-------|--------|--------|-------|
| Revenue (€m) | 361.3 | 153.7 | 174.6 | 213.9 | 282.5 | 473.2 |
| Y-o-y growth | 3.8% | -57.5% | 13.6% | 22.5% | 32.1% | 67.5% |
| EBIT (€m) | -113.4 | -82.1 | 21.3 | -36.7 | -0.2 | 162.4 |
| EBIT margin | n.a. | n.a. | 12.2% | n.a. | n.a. | 34.3% |
| Net income (€m) | -143.3 | -101.4 | 3.9 | -54.3 | -14.9 | 135.7 |
| EPS (diluted) (€) | -1.24 | -0.73 | 0.03 | -0.39 | -0.11 | 0.98 |
| DPS (€) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| FCF (€m) | -274.7 | -217.1 | -34.0 | -51.8 | 0.8 | 136.9 |
| Net gearing | -62.4% | 64.5% | 92.1% | 233.5% | 310.7% | 36.6% |
| Liquid assets (€m) | 289.4 | 126.1 | 92.0 | 40.2 | 9.9 | 111.6 |

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 2024.

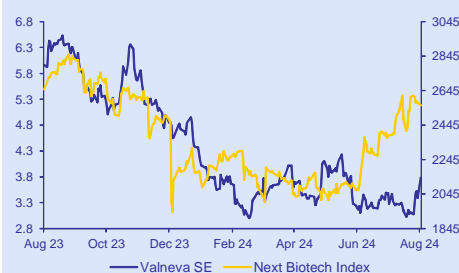
MARKET DATA

As of 19 Aug 2024

| | |
|-------------------------|---------------|
| Closing Price | € 3.78 |
| Shares outstanding | 138.91m |
| Market Capitalisation | € 525.64m |
| 52-week Range | € 3.00 / 6.53 |
| Avg. Volume (12 Months) | 458,820 |

| Multiples | 2023 | 2024E | 2025E |
|------------|------|-------|-------|
| P/E | n.a. | 135.4 | n.a. |
| EV/Sales | 3.9 | 3.5 | 2.8 |
| EV/EBIT | n.a. | 28.3 | n.a. |
| Div. Yield | 0.0% | 0.0% | 0.0% |

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2024

| | |
|----------------------|-----------|
| Liquid Assets | € 126.08m |
| Current Assets | € 262.82m |
| Intangible Assets | € 25.57m |
| Total Assets | € 460.06m |
| Current Liabilities | € 158.86m |
| Shareholders' Equity | € 128.25m |

SHAREHOLDERS

| | |
|----------------------------|-------|
| CDC | 9.2% |
| Groupe Grimaud La Corbière | 7.7% |
| Pfizer Inc. | 6.9% |
| Deep Track Capital | 5.4% |
| Free Float and other | 70.9% |

**Figure 1: H1/24 results versus consensus**

| €m | H1/24A | H1/24 consensus | % Δ | H1/23A | % Δ |
|------------------|--------|--------------------|--------|--------|--------|
| Total revenues | 70.8 | 75.5 | -6.2% | 73.7 | -3.9% |
| Product revenues | 68.3 | 71.6 | -4.6% | 69.7 | -2.0% |
| Other revenues | 2.5 | 3.0 | -16.7% | 4.0 | -37.5% |
| R&D expenses | 29.7 | 29.4 | 1.0% | 26.0 | 14.2% |
| SG&A | 46.0 | 46.8 | -1.7% | 42.9 | 7.2% |
| Adj. EBITDA | 56.2 | 55.3 | 1.6% | -28.3 | n.a. |

Source: Valneva, First Berlin Equity Research estimates

Ixchiq making progress with regulatory approvals, institutional recommendations, label extensions

Valneva's chikungunya vaccine, Ixchiq, was approved by the FDA for adults in November 2023. H1/24 sales were €1m. During H1/24 Ixchiq was approved for adults in Canada and the EU, and approval is expected in the UK and Brazil during H2/24. Valneva is making progress on reimbursement of the vaccine in the US. In Q2/24 ca. 50% of covered lives were eligible for reimbursement of the cost of an Ixchiq shot. In Q1/24 this figure was 25%. The expected near-term recommendation of Ixchiq by the MMWR (Morbidity and Mortality Weekly Report) is also expected to help sales. The MMWR is the main vehicle for publishing public health recommendations in the US. In May 2024, Valneva presented positive pivotal six-month phase 3 data and expects to file for potential label extensions for use in adolescents aged 12 to 17 years later this year. In addition, the company recently completed enrolment of a phase 2 pediatric trial in children aged 1 to 11 years designed to support a phase 3 pivotal pediatric study and potential future label extension to this age group. Although H1/24 Ixchiq sales were modest at €1m, management maintains that sales will follow the s-curve typical of newly introduced vaccines and is sticking to its previous guidance of sales of €100m in year 3 after launch. During the analysts' call following the results CEO Thomas Lingelbach also confirmed that he expects the US military to become a major customer for Ixchiq, as it already is for Ixiaro.

Figure 2: H1/24 product sales breakdown

| €m | H1/24 | H1/23 | % Δ |
|--|-------------|-------------|--------------|
| Ixiaro | 41.9 | 30.3 | 38.3% |
| Dukoral | 14.9 | 17.1 | -12.9% |
| Ixchiq | 1.0 | 0.0 | n.a. |
| Third party products | 10.5 | 16.5 | -36.5% |
| Total product sales ex COVID-19 | 68.3 | 64.0 | 6.7% |
| COVID-19 | 0.0 | 5.7 | -100.0% |
| Total product sales | 68.3 | 69.7 | -2.0% |

Source: Valneva

H1/24 margin on product sales ex Ixchiq rebounded to 47.7% (H1/23: 39.8%)... The gross margin on product sales excluding Ixchiq improved further to 47.7% in H1/24 (Q1/24:43.7%; H1/23: 39.8%). During H1/23 the gross margin was adversely affected by batch writeoffs, as Valneva ramped up production following the pandemic. The gross margin is expected to continue to improve during the second half of the year as the supply shortages which impacted H1/24 have now been resolved. Adjusted EBITDA came in at €56.2m (H1/23: €-28.3m). The improvement stemmed mainly from the €90.8m booked as other income on the sale of the priority review voucher in Q1/24.

...further gross margin improvement to 60-65% or above expected Management stated in the final 2023 report that it expects the product margin to return to pre-covid levels or better over the next two to three years. This would imply a product gross margin of 60-65%. Margin improvement beyond the pre-pandemic level is expected to come from the cost-efficient manufacturing process of Ixchiq and scaling effects from leveraging the company's new and more efficient manufacturing facilities in Scotland and Sweden.



Shigella partnership with LimmaTech In early August Valneva announced that it had entered into a partnership with the Swiss clinical stage biopharmaceutical company, LimmaTech, to accelerate the development of the world's most clinically advanced Shigella vaccine candidate. Shigellosis, caused by Shigella bacteria, is the second leading cause of fatal diarrheal disease worldwide. It is estimated that up to 165 million cases of disease and an estimated 600,000 deaths are attributed to Shigella each year, particularly among children in Low- and Middle-Income Countries (LMICs). No approved Shigella vaccine is currently available and the development of Shigella vaccines has been identified as a priority by the World Health Organization (WHO). Shigellosis also affects international travellers from high-income countries and deployed military personnel in endemic regions. The global market for a vaccine against Shigella is estimated to exceed USD500 million annually.

Valneva currently pencils in shigella vaccine approval for H2/30 Under the terms of the agreement with Valneva, LimmaTech will receive an upfront payment of €10 million and be eligible to receive additional regulatory, development and sales-based milestone payments as well as low double-digit royalties on sales. LimmaTech will conduct a phase 2 Controlled Human Infection Model study (CHIM) in the US and a phase 2 pediatric study in LMICs. Both clinical trials are expected to begin in the second half of 2024. Valneva will assume all further development and regulatory activities, and be responsible for its commercialization worldwide if approved. The phase 2 trials are currently scheduled to complete in H2/26 and the ensuing phase 3 trials in H2/29. Valneva currently pencils in potential approval for H2/30.

Size and target market for shigella similar to chikungunya. Interesting plug and play opportunity for Valneva For Valneva, the shigella deal is in line with the long communicated strategy of having a new R&D program in phase 3 by 2027, i.e. to coincide with the expected launch of the Lyme vaccine, VLA15. The size of the market at over USD500m and the target population - travellers, military from high income countries, and low and medium income countries - is similar to chikungunya and so the shigella deal looks to be an interesting plug and play opportunity for Valneva.

Cashburn set to decrease in H2/24 Excluding the proceeds of the priority review voucher, free cashflow came in at €-69m in H1/24. Valneva completed its contribution to the Lyme phase 3 trial in H1/24 and so we expect cashburn to reduce in H2/24. We model an H2/24 figure of €-53m.

Buy recommendation maintained at unchanged price target of €8.60 Figure 3 overleaf shows changes to our forecasts. In the light of modest H1/24 sales, we assume a slower ramp-up in sales of Ixchiq than previously. This outweighs the impact on product sales in 2024, 2026 and 2027 of upgrades to our forecasts for Ixiaro, where we have raised numbers to reflect the end of the supply constraints which impacted H1/24 business with this vaccine. The impact on profitability of a decrease in our overall product sales forecast is cancelled out by a shift in the sales mix towards the more profitable Ixiaro.

Valneva is the first company to launch a chikungunya vaccine and, subject to approval, will in 2027 be first to market with a Lyme vaccine (VLA15). These vaccines are expected to generate global revenues of USD500m (by 2030) and USD1.0bn (by 2032) respectively. Pfizer will pay Valneva tiered royalties ranging from 14% to 22% on VLA15 sales, while in the medium term we expect Valneva to generate a gross margin on Ixchiq sales of over 60%. Relative to these numbers and also taking into account the ca. USD160m of sales expected from the established vaccine business this year, we find the current enterprise valuation of ca. USD600 too low. We maintain our Buy recommendation and price target of €8.60 (equivalent to an enterprise valuation of USD1.3bn). Our full valuation model is shown overleaf.



Figure 3: Changes to our forecasts

| All figures in EUR '000 | 2024E | | | 2025E | | | 2026E | | | 2027E | | |
|---------------------------|----------------|----------------|---------------|----------------|----------------|-------------|----------------|----------------|--------------|----------------|----------------|--------------|
| | Old | New | % Δ | Old | New | % Δ | Old | New | % Δ | Old | New | % Δ |
| Product revenues | 175,725 | 167,075 | -4.9% | 203,696 | 206,140 | 1.2% | 290,104 | 274,514 | -5.4% | 355,406 | 334,929 | -5.8% |
| of which: | | | | | | | | | | | | |
| ixiaro | 91,200 | 98,900 | 8.4% | 96,381 | 104,543 | 8.5% | 101,858 | 110,510 | 8.5% | 106,253 | 115,251 | 8.5% |
| Dukoral | 33,000 | 35,900 | 8.8% | 34,650 | 37,695 | 8.8% | 35,690 | 38,826 | 8.8% | 36,760 | 39,991 | 8.8% |
| lxchiq | 24,750 | 5,500 | -77.8% | 52,585 | 43,820 | -16.7% | 136,893 | 109,515 | -20.0% | 163,533 | 130,826 | -20.0% |
| Lyme royalties/milestones | 0 | 0 | - | 0 | 0 | - | 0 | 0 | - | 32,727 | 32,727 | - |
| Third party revenues | 26,775 | 26,775 | 0.0% | 20,081 | 20,081 | 0.0% | 15,663 | 15,663 | 0.0% | 16,133 | 16,133 | 0.0% |
| Other revenue | 10,000 | 7,534 | -24.7% | 10,300 | 7,760 | -24.7% | 10,609 | 7,993 | -24.7% | 140,927 | 138,233 | -1.9% |
| Total revenues | 185,725 | 174,609 | -6.0% | 213,996 | 213,900 | 0.0% | 300,713 | 282,507 | -6.1% | 496,334 | 473,161 | -4.7% |
| Gross profit | 88,025 | 78,213 | -11.1% | 115,042 | 120,024 | 4.3% | 174,455 | 165,369 | -5.2% | 353,160 | 337,882 | -4.3% |
| margin (%) | 47.4% | 44.8% | - | 53.8% | 56.1% | - | 58.0% | 58.5% | - | 71.2% | 71.4% | - |
| Sales & marketing | -54,000 | -49,181 | - | -57,035 | -55,658 | - | -72,526 | -65,883 | - | -88,852 | -77,034 | - |
| General & administrative | -50,000 | -50,000 | - | -52,961 | -53,596 | - | -55,120 | -52,158 | - | -60,419 | -56,938 | - |
| Research & development | -67,500 | -67,711 | - | -67,500 | -67,500 | - | -67,500 | -67,500 | - | -47,500 | -47,500 | - |
| Other income | 110,000 | 110,000 | 0.0% | 20,000 | 20,000 | 0.0% | 20,000 | 20,000 | 0.0% | 6,000 | 6,000 | 0.0% |
| EBIT | 26,525 | 21,321 | -19.6% | -42,455 | -36,730 | n.a. | -691 | -172 | n.a. | 162,389 | 162,411 | 0.0% |
| margin (%) | 14.3% | 12.2% | - | -19.8% | -17.2% | - | -0.2% | -0.1% | - | 32.7% | 34.3% | - |
| Net financial result | -17,596 | -17,596 | - | -17,596 | -17,596 | - | -14,714 | -14,714 | - | -11,660 | -11,660 | - |
| EBT | 8,929 | 3,725 | -58.3% | -60,051 | -54,326 | n.a. | -15,404 | -14,886 | n.a. | 150,729 | 150,751 | n.a. |
| Tax | 0 | 158 | n.a. | 0 | 0 | - | 0 | 0 | - | -15,073 | -15,075 | - |
| Net income | 8,929 | 3,883 | -56.5% | -60,051 | -54,326 | n.a. | -15,404 | -14,886 | n.a. | 135,656 | 135,676 | n.a. |
| EPS (in EUR) | 0.06 | 0.03 | -56.5% | -0.43 | -0.39 | n.a. | -0.11 | -0.11 | n.a. | 0.98 | 0.98 | n.a. |
| Adjusted EBITDA | 45,478 | 40,274 | -11.4% | -23,030 | -17,305 | n.a. | 19,221 | 19,739 | n.a. | 182,801 | 182,823 | n.a. |

Source: First Berlin Equity Research

Figure 4: Valuation model

| Compound | Project ¹⁾ | Present Value | Market Size 2030 | Market Share 2030 | Sales 2030 | PACME Margin ²⁾ | Discount Factor | Time to Market |
|---|-----------------------|------------------|------------------|-------------------|------------|----------------------------|-----------------|----------------|
| ixiaro | Japanese Encephalitis | €599.7M | €149.5M | 90.0% | €1345M | 40% | 9.0% | - |
| Dukoral | Cholera & ETEC | €150.2M | €178.3M | 25.0% | €44.6M | 30% | 90% | - |
| VLA15 | Lyme Disease | €792.3M | €909.1M | 70.0% | €636.4M | 18% | 10.0% | 3 Years |
| VLA 1553 | Chikungunya virus | €808.4M | €463.0M | 58.9% | €272.7M | 45% | 9.0% | - |
| S4V | Shigellosis | €240.5M | n.a. | n.a. | n.a. | 45% | 10.0% | 6 years |
| EB66 cell line Technology Platform | | €11.9M | | | €19.7M | 15% | 9.0% | - |
| PACME PV | | €2,603.0M | | | | | | |
| Costs PV³⁾ | | €1,521.0M | | | | | | |
| NPV | | €1,082.0M | | | | | | |
| PV grants, collabs., 3rd party distrib. | | €190.7M | | | | | | |
| Proforma net cash | | -€78.2M | | | | | | |
| Fair Value | | €1,194.5M | | | | | | |
| Proforma share count (fully diluted) | | 138,912K | | | | | | |
| Price Target | | €8.60 | | | | | | |

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



INCOME STATEMENT

| All figures in EUR '000 | 2022 | 2023 | 2024E | 2025E | 2026E | 2027E |
|--|-----------------|-----------------|----------------|----------------|----------------|----------------|
| Product sales | 114,797 | 144,624 | 167,075 | 206,140 | 274,514 | 334,929 |
| Other income | 246,506 | 9,089 | 7,534 | 7,760 | 7,993 | 138,233 |
| Total revenues | 361,303 | 153,713 | 174,609 | 213,900 | 282,507 | 473,161 |
| Cost of materials/goods sold | -324,441 | -100,875 | -96,396 | -93,875 | -117,138 | -135,279 |
| Gross Profit | 36,862 | 52,838 | 78,213 | 120,024 | 165,369 | 337,882 |
| Sales & marketing | -23,509 | -48,752 | -49,181 | -55,658 | -65,883 | -77,034 |
| General & administrative | -34,073 | -47,799 | -50,000 | -53,596 | -52,158 | -56,938 |
| Research & development | -104,922 | -59,894 | -67,711 | -67,500 | -67,500 | -47,500 |
| Other operating items, net | 12,199 | 21,520 | 110,000 | 20,000 | 20,000 | 6,000 |
| Operating income (EBIT) | -113,443 | -82,087 | 21,321 | -36,730 | -172 | 162,411 |
| Net financial result | -18,794 | -22,115 | -17,596 | -17,596 | -14,714 | -11,660 |
| Foreign exchange gains/(loss) | -12,587 | 5,573 | 0 | 0 | 0 | 0 |
| Pre-tax income (EBT) | -144,815 | -98,629 | 3,725 | -54,326 | -14,886 | 150,751 |
| Income taxes | 1,536 | -2,800 | 158 | 0 | 0 | -15,075 |
| Net income / loss | -143,279 | -101,429 | 3,883 | -54,326 | -14,886 | 135,676 |
| EPS | -1.24 | -0.73 | 0.03 | -0.39 | -0.11 | 0.98 |
| Adjusted EBITDA | -69,200 | -65,187 | 40,274 | -17,305 | 19,739 | 182,823 |
| Ratios as % of total revenues | | | | | | |
| Gross margin | 10.2% | 34.4% | 44.8% | 56.1% | 58.5% | 71.4% |
| EBITDA margin | -19.2% | -42.4% | 23.1% | -8.1% | 7.0% | 38.6% |
| EBIT margin | -31.4% | -53.4% | 12.2% | -17.2% | -0.1% | 34.3% |
| Net margin | n.a. | n.a. | 2.2% | n.a. | n.a. | 28.7% |
| Expenses as % of total revenues | | | | | | |
| Sales & marketing | -6.5% | -31.7% | -28.2% | -26.0% | -23.3% | -16.3% |
| General & administrative | -9.4% | -31.1% | -28.6% | -25.1% | -18.5% | -12.0% |
| Research & development | -29.0% | -39.0% | -38.8% | -31.6% | -23.9% | -10.0% |
| Y-Y Growth | | | | | | |
| Product sales | 82.3% | 26.0% | 15.5% | 23.4% | 33.2% | 22.0% |
| Total revenues | 3.8% | -57.5% | 13.6% | 22.5% | 32.1% | 67.5% |
| 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 | 2022 | 2023 | 2024E | 2025E | 2026E | 2027E |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Assets | | | | | | |
| Current Assets, Total | 424,659 | 262,824 | 227,365 | 192,760 | 185,558 | 322,595 |
| Cash and cash equivalents | 289,430 | 126,080 | 92,034 | 40,217 | 9,869 | 111,590 |
| Receivables | 23,912 | 41,645 | 40,098 | 45,351 | 54,903 | 66,986 |
| Inventories | 35,104 | 44,466 | 41,769 | 47,412 | 54,903 | 66,986 |
| Other current assets | 76,213 | 50,633 | 53,464 | 59,781 | 65,883 | 77,034 |
| Non-Current Assets, Total | 196,685 | 197,238 | 207,502 | 208,227 | 213,914 | 218,552 |
| Property, plant & equipment | 112,435 | 136,198 | 135,202 | 134,176 | 133,119 | 132,030 |
| Right of use assets | 41,603 | 20,392 | 23,558 | 29,066 | 38,707 | 47,225 |
| Intangibles | 28,711 | 25,567 | 32,343 | 29,117 | 25,889 | 22,657 |
| Equity-accounted investees | 0 | 0 | 0 | 0 | 0 | 0 |
| Other assets | 8,299 | 8,489 | 9,807 | 9,276 | 9,608 | 10,048 |
| Deferred tax assets | 5,637 | 6,592 | 6,592 | 6,592 | 6,592 | 6,592 |
| Total Assets | 621,344 | 460,062 | 434,867 | 400,987 | 399,472 | 541,148 |
| Shareholders' Equity & Debt | | | | | | |
| Current Liabilities, Total | 277,392 | 158,863 | 87,326 | 130,814 | 165,119 | 268,981 |
| Short-term debt | 11,580 | 44,079 | 0 | 31,189 | 35,195 | 110,463 |
| Accounts payable | 41,491 | 44,303 | 45,110 | 55,658 | 71,374 | 87,081 |
| Other current liabilities and provisions | 36,780 | 11,427 | 13,201 | 16,287 | 21,690 | 26,463 |
| Current finance lease liabilities | 25,411 | 2,879 | 3,326 | 4,104 | 5,465 | 6,667 |
| Tax and employee-related liabilities | 15,738 | 16,209 | 18,725 | 22,675 | 30,197 | 36,842 |
| Current tax liability | 532 | 632 | 730 | 901 | 1,200 | 1,464 |
| Contract liabilities and refund liabilities | 145,860 | 39,334 | 6,234 | 0 | 0 | 0 |
| Longterm Liabilities, Total | 124,155 | 172,952 | 215,301 | 192,154 | 171,117 | 73,155 |
| Long term debt | 87,227 | 132,768 | 176,847 | 145,658 | 110,463 | 0 |
| Non-current finance lease liabilities | 28,163 | 29,090 | 33,606 | 41,463 | 55,216 | 67,368 |
| Other liabilities | 1,436 | 1,153 | 1,320 | 1,610 | 2,118 | 2,566 |
| Contract liabilities and refund liabilities | 6,635 | 6,303 | 0 | 0 | 0 | 0 |
| Shareholders Equity | 219,797 | 128,247 | 132,239 | 78,019 | 63,236 | 199,011 |
| Total Consolidated Equity and Debt | 621,344 | 460,062 | 434,867 | 400,987 | 399,472 | 541,148 |
| Ratios | | | | | | |
| Current ratio (x) | 1.53 | 1.65 | 2.60 | 1.47 | 1.12 | 1.20 |
| Quick ratio (x) | 1.40 | 1.37 | 2.13 | 1.11 | 0.79 | 0.95 |
| Net gearing | -62.4% | 64.5% | 92.1% | 233.5% | 310.7% | 36.6% |
| Book value per share (€) | 2.42 | 1.41 | 1.45 | 0.86 | 0.70 | 2.19 |
| Net debt | -137,049 | 82,736 | 121,744 | 182,197 | 196,470 | 72,908 |
| Equity ratio | 35.4% | 27.9% | 30.4% | 19.5% | 15.8% | 36.8% |



CASH FLOW STATEMENT

| All figures in EUR '000 | 2022 | 2023 | 2024E | 2025E | 2026E | 2027E |
|--|-----------------|-----------------|----------------|----------------|----------------|----------------|
| Net income / loss | -143,279 | -101,429 | 3,883 | -54,326 | -14,886 | 135,676 |
| Adjustments for non-cash transactions | 44,070 | 44,984 | 18,953 | 19,425 | 19,911 | 20,412 |
| Changes in non-current op. assets/lias. | -147,713 | 514 | -10,000 | 0 | 0 | 0 |
| Changes in working capital | 1,732 | -145,578 | -32,148 | -1,744 | 11,442 | -3,080 |
| Other adjustments | 0 | 0 | 0 | 0 | 0 | 0 |
| Income tax | -154 | -1,236 | 0 | 0 | 0 | 0 |
| Operating cash flow | -245,344 | -202,745 | -19,313 | -36,645 | 16,467 | 153,008 |
| Property, plant and equipment | -29,246 | -14,231 | -14,658 | -15,098 | -15,551 | -16,017 |
| Investments in intangibles | -76 | -81 | -75 | -75 | -75 | -75 |
| Free cash flow | -274,666 | -217,057 | -34,046 | -51,818 | 842 | 136,916 |
| Acquisitions & disposals, net | 8 | -7,482 | 0 | 0 | 0 | 0 |
| Interest received | 260 | 1,210 | 0 | 0 | 0 | 0 |
| Investing cash flow | -29,054 | -20,585 | -14,733 | -15,173 | -15,626 | -16,092 |
| Debt financing, net | 37,538 | 79,014 | 0 | 0 | -31,189 | -35,195 |
| Equity financing, net | 189,837 | -240 | 0 | 0 | 0 | 0 |
| Payment of lease liabilities | -3,048 | -3,127 | 0 | 0 | 0 | 0 |
| Interest expense | -9,211 | -12,567 | 0 | 0 | 0 | 0 |
| Cash flow from financing | 215,116 | 63,080 | 0 | 0 | -31,189 | -35,195 |
| Forex & other | 2,026 | -3,100 | 0 | 0 | 0 | 0 |
| Net cash flows | -57,256 | -163,350 | -34,046 | -51,818 | -30,347 | 101,721 |
| Cash and equivs., start of the year | 346,686 | 289,430 | 126,080 | 92,034 | 40,217 | 9,869 |
| Cash and equivs., end of the year | 289,430 | 126,080 | 92,034 | 40,217 | 9,869 | 111,590 |
| Adj. EBITDA/share | -0.60 | -0.47 | 0.29 | -0.12 | 0.14 | 1.32 |
| Y-Y Growth | | | | | | |
| Operating cashflow | n.a. | n.a. | n.a. | n.a. | n.a. | 829.2% |
| Free cashflow | n.a. | n.a. | n.a. | n.a. | n.a. | 16163.7% |
| EBITDA/share | n.a. | n.a. | n.a. | n.a. | n.a. | 826.2% |

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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 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 | 26 April 2017 | €2.52 | Buy | €4.00 |
| 2...36 | ↓ | ↓ | ↓ | ↓ |
| 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 | 27 February 2024 | €3.21 | Buy | €8.60 |
| 44 | 12 April 2024 | €3.94 | Buy | €8.60 |
| 45 | Today | €3.78 | Buy | €8.60 |

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