

# APONTIS PHARMA AG

## Germany - Health Care / Pharma

**Buy** (old: Buy)

**Price target: EUR 20.00** (old: EUR 25.00)

**Price:** EUR 5.72      **Next result:** Q2 10.08.23  
**Bloomberg:** APPH GR      **Market cap:** EUR 48.6 m  
**Reuters:** APPHG.DE      **Enterprise Value:** EUR 24.8 m

31-July-23

**Alexander Galitsa**  
Analyst

alexander.galitsa@ha-ib.de  
Tel.: +49 40 414 3885 83

### Washout and a fresh start with intact business model; chg est & PT

With Q2 prelims, **APONTIS withdrew its FY'23 and mid-term targets**. While the mid-term targets were ambitious in any case, the FY'23 guidance withdrawal – which was attributed to slower growth of newly launched Single Pills – came as a surprise, especially since it was presented as the “worst case” scenario.

Having spoken with management, **the guidance withdrawal seems to be an attempt to start anew**, rather than a sign of structural issues, as we will demonstrate. Indeed, the new highly-qualified CEO is joining in Sept. and a **review of sales and marketing activities with a strong focus on efficiency and profitability** was announced. We understand that a **positive EBITDA in FY'24E should be a clear target**, supported by sales growth acceleration and right-sizing of the cost structure.

At € 50m market cap, with >50% accounted for by net cash, **the market is pricing APONTIS as a “broken business model”**. As this is hardly the case, a multi-bagger opportunity is glaring. Consider that **APONTIS generated > € 5m EBITDA in FY'21 and FY'22, which corresponds to only 3-4x EBITDA** at the current stock price.

**What's changed?** Between FY'21 and FY'23E, € 15m Co-Marketing sales (c. € 8m gross profit) had to be phased out and replaced. Simultaneously, the Single Pills business, despite having grown from 7 Single Pills in '21 to 14 in '23E, faced a € 8m one-time sales reduction from Caramlo and Atorimib tenders. The unforeseen Atorimib supply bottleneck at CMO (€ 5m sales headwind) and slower sales ramp up of new launches, made it impossible to offset the mentioned headwinds. Consequently, we expect FY'23 Single Pills sales of € 28m (-23% yoy; 23% and 11% below 2022 and 2021 levels).

All the while, despite phasing out Co-Marketing sales, **no cost structure adjustments have been made**. With a fixed costs share of >85%, FY'23E EBITDA is seen to tumble to € - 6m, prior to the CEO severance payment (€ 0.8m) and needed restructuring (eHAIB: low single-digit € m). **This hardly resembles a broken business model**, much rather transitory negative operating leverage is at play. However, underlying Single Pill sales (excl. one-time headwinds) are seen to grow by 15% yoy in FY'23E and should continue to gain momentum thereafter.

Crucially, i) the **improving framework** for Single Pill adoption, with its superiority being highlighted in national health care guidelines and acknowledged by leading statutory health insurers in Germany, ii) **growing portfolio** of Single Pills and iii) **improving cost structure** should allow for substantial – this time around *positive* – operating leverage.

With that, APONTIS should return to the FY'22 EBITDA level by FY'25E and substantially eclipse it in subsequent years. **BUY** with a new DCF-based **€ 20 PT** (old: € 25) due to pushed out earnings trajectory, indicating more than 200% upside. - **continued** -

Y/E 31.12 (EUR m)	2021	2022	2023E	2024E	2025E	2026E	2027E
Sales	51.2	55.7	38.4	44.2	48.2	58.8	70.1
Sales growth	30 %	9 %	-31 %	15 %	9 %	22 %	19 %
EBITDA	5.9	5.6	-6.1	1.4	5.7	11.6	17.3
EBIT	4.1	3.8	-8.5	-2.5	1.4	6.0	11.3
Net income	2.7	2.7	-6.5	-1.9	1.1	4.5	8.6
Net debt	-29.8	-36.3	-26.5	-23.7	-23.4	-26.2	-33.5
EPS pro forma	0.32	0.32	-0.76	-0.22	0.13	0.53	1.01
CPS	0.20	1.09	-0.98	-0.26	0.10	0.47	1.02
Gross profit margin	66.0 %	62.8 %	66.1 %	66.4 %	72.2 %	71.9 %	71.7 %
EBITDA margin	11.5 %	10.1 %	-16.0 %	3.3 %	11.9 %	19.6 %	24.7 %
EBIT margin	8.1 %	6.8 %	-22.2 %	-5.6 %	2.9 %	10.1 %	16.1 %
ROCE	7.4 %	17.3 %	-26.9 %	-7.3 %	3.8 %	11.5 %	21.3 %
EV/sales	0.4	0.3	0.6	0.6	0.6	0.4	0.3
EV/EBITDA	3.6	2.7	-4.0	19.2	4.9	2.2	1.0
EV/EBIT	5.1	3.9	-2.9	-11.2	19.9	4.2	1.6
PER	17.8	17.8	-7.5	-26.0	45.2	10.7	5.7
Adjusted FCF yield	15.5 %	19.1 %	-26.9 %	-7.0 %	3.9 %	18.6 %	50.3 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 28.07.2023

Please refer to important disclosures at the end of the report



Source: Company data, Hauck Aufhäuser Investment Banking

**High/low 52 weeks:** 12.00 / 6.02

**Price/Book Ratio:** 2.0

**Relative performance (SDAX):**

3 months -29.2 %

6 months -2.3 %

12 months -36.4 %

### Changes in estimates

		Sales	EBIT	EPS
2023	old:	42.6	-5.6	-0.50
	Δ	-9.9%	n/a	n/a
2024	old:	54.6	0.1	0.01
	Δ	-19.1%	n/a	n/a
2025	old:	61.8	5.6	0.50
	Δ	-22.0%	-75.0%	-74.8%

### Key share data:

Number of shares: (in m pcs) 8.5

Authorised capital: (in € m) -

Book value per share: (in €) 4.2

Ø trading volume: (12 months) -

### Major shareholders:

Free float 55.5 %

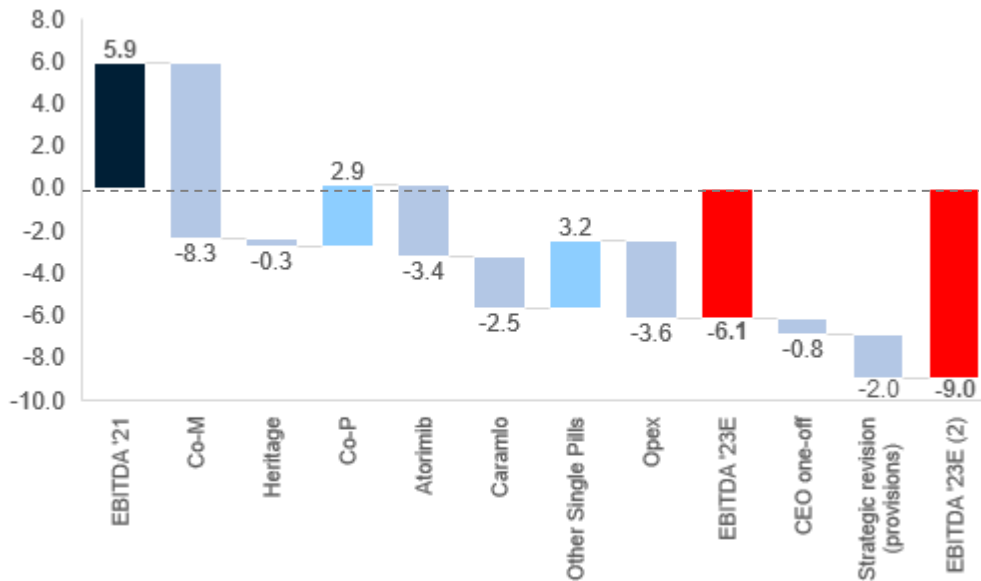
Paragon Partners 36.3 %

Management 8.2 %

### Company description:

Pharma company with a rich heritage and own-IP products in the field of Single Pills for cardiovascular diseases

## Negative operating leverage bites in FY'23E, but business model is intact



Source: Company data; HAIB

- Co-Marketing (Co-M):** Co-M sales of € 15m (2021) generated with COPD and diabetes products were scheduled to expire upon the expiration of the respective agreements In July 2021 and Sept. 2022 respectively. This posed c. € 8m gross profit headwind.
- Co-Promotion (Co-P):** Co-P sales, which come with 100% gross margin (fee-for-call model) on the other hand grew by almost € 3m, as APONTIS leveraged its sales force to market a product for AstraZeneca.
- Caramlo:** By 2021, Caramlo sales grew to more than € 5m before facing tender-related competition in 2022. In 2022, however, due to supply issues at the tender winner, APONTIS was able to sell much more product generating € 4.5m sales in 2022. In 2023E, Caramlo sales are seen to trough at c. € 2m and return to growth in 2024E supported by the switch to the 90-pack strategy.
- Atorimib:** Atorimib generated € 15m in sales in 2021 and € 19m in 2022. Due to the recent tender, its sales were forecast to decline by c. 25% in 2023E. Due to unforeseen supply constraints at the contract manufacturer, APONTIS were not able to receive the required volumes of Atorimib leading to a much more severe 50% yoy decline in 2023E.
- Single Pills (excl. Caramlo and Atorimib)** added € 4.5m sales in comparison to 2021, despite later-than-expected market launch of several Single Pills.
- Total operating expenses:** Despite facing temporary sales headwinds from expiring Co-M contract and Single Pills tenders, cost base not only was not reduced but even increased by € 3.2m (or +13%) compared to the 2021 level.

Financials

Profit and loss (EUR m)	2021	2022	2023E	2024E	2025E	2026E	2027E
<b>Net sales</b>	<b>51.2</b>	<b>55.7</b>	<b>38.4</b>	<b>44.2</b>	<b>48.2</b>	<b>58.8</b>	<b>70.1</b>
Sales growth	30.4 %	8.9 %	-31.1 %	15.0 %	9.2 %	22.0 %	19.2 %
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>51.2</b>	<b>55.7</b>	<b>38.4</b>	<b>44.2</b>	<b>48.2</b>	<b>58.8</b>	<b>70.1</b>
Other operating income	7.1	2.6	1.3	1.1	0.9	0.7	0.5
Material expenses	17.4	20.7	13.0	14.8	13.4	16.5	19.8
Personnel expenses	19.7	17.7	19.6	16.5	17.0	17.8	19.2
Other operating expenses	15.3	14.4	13.2	12.5	12.9	13.6	14.3
Total operating expenses	45.3	50.1	44.5	42.7	42.5	47.3	52.8
<b>EBITDA</b>	<b>5.9</b>	<b>5.6</b>	<b>-6.1</b>	<b>1.4</b>	<b>5.7</b>	<b>11.6</b>	<b>17.3</b>
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>5.9</b>	<b>5.6</b>	<b>-6.2</b>	<b>1.4</b>	<b>5.7</b>	<b>11.5</b>	<b>17.3</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.7	1.8	2.4	3.9	4.3	5.6	6.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>4.1</b>	<b>3.8</b>	<b>-8.5</b>	<b>-2.5</b>	<b>1.4</b>	<b>6.0</b>	<b>11.3</b>
Interest income	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.4	0.0	0.0	0.0	0.0	0.0	0.0
<b>Recurring pretax income from continuing operations</b>	<b>3.7</b>	<b>3.8</b>	<b>-8.5</b>	<b>-2.5</b>	<b>1.4</b>	<b>6.0</b>	<b>11.3</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>3.7</b>	<b>3.8</b>	<b>-8.5</b>	<b>-2.5</b>	<b>1.4</b>	<b>6.0</b>	<b>11.3</b>
Taxes	1.0	1.1	-2.0	-0.6	0.3	1.4	2.7
<b>Net income from continuing operations</b>	<b>2.7</b>	<b>2.7</b>	<b>-6.5</b>	<b>-1.9</b>	<b>1.1</b>	<b>4.5</b>	<b>8.6</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>2.7</b>	<b>2.7</b>	<b>-6.5</b>	<b>-1.9</b>	<b>1.1</b>	<b>4.5</b>	<b>8.6</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>2.7</b>	<b>2.7</b>	<b>-6.5</b>	<b>-1.9</b>	<b>1.1</b>	<b>4.5</b>	<b>8.6</b>
Average number of shares	8.5	8.5	8.5	8.5	8.5	8.5	8.5
<b>EPS reported</b>	<b>0.32</b>	<b>0.32</b>	<b>-0.76</b>	<b>-0.22</b>	<b>0.13</b>	<b>0.53</b>	<b>1.01</b>

Profit and loss (common size)	2021	2022	2023E	2024E	2025E	2026E	2027E
<b>Net sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Increase/decrease in finished goods and work-in-process	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Total sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Other operating income	13.9 %	4.7 %	3.4 %	2.5 %	1.9 %	1.1 %	0.7 %
Material expenses	34.0 %	37.2 %	33.9 %	33.6 %	27.8 %	28.1 %	28.3 %
Personnel expenses	38.4 %	31.7 %	51.0 %	37.4 %	35.3 %	30.2 %	27.4 %
Other operating expenses	30.0 %	25.8 %	34.5 %	28.2 %	26.9 %	23.1 %	20.4 %
Total operating expenses	88.5 %	89.9 %	116.0 %	96.7 %	88.1 %	80.4 %	75.3 %
<b>EBITDA</b>	<b>11.5 %</b>	<b>10.1 %</b>	<b>neg.</b>	<b>3.3 %</b>	<b>11.9 %</b>	<b>19.6 %</b>	<b>24.7 %</b>
Depreciation	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.0 %
<b>EBITA</b>	<b>11.4 %</b>	<b>10.0 %</b>	<b>neg.</b>	<b>3.2 %</b>	<b>11.9 %</b>	<b>19.6 %</b>	<b>24.6 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	3.4 %	3.2 %	6.1 %	8.8 %	8.9 %	9.5 %	8.6 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT (inc revaluation net)</b>	<b>8.1 %</b>	<b>6.8 %</b>	<b>neg.</b>	<b>neg.</b>	<b>2.9 %</b>	<b>10.1 %</b>	<b>16.1 %</b>
Interest income	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest expenses	0.8 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Recurring pretax income from continuing operations</b>	<b>7.3 %</b>	<b>6.9 %</b>	<b>neg.</b>	<b>neg.</b>	<b>2.9 %</b>	<b>10.1 %</b>	<b>16.1 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>7.3 %</b>	<b>6.9 %</b>	<b>neg.</b>	<b>neg.</b>	<b>2.9 %</b>	<b>10.1 %</b>	<b>16.1 %</b>
Tax rate	20.0 %	24.0 %	24.0 %	24.0 %	24.0 %	24.0 %	24.0 %
<b>Net income from continuing operations</b>	<b>5.3 %</b>	<b>4.9 %</b>	<b>neg.</b>	<b>neg.</b>	<b>2.2 %</b>	<b>7.7 %</b>	<b>12.2 %</b>
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>5.3 %</b>	<b>4.9 %</b>	<b>neg.</b>	<b>neg.</b>	<b>2.2 %</b>	<b>7.7 %</b>	<b>12.2 %</b>
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>5.3 %</b>	<b>4.9 %</b>	<b>neg.</b>	<b>neg.</b>	<b>2.2 %</b>	<b>7.7 %</b>	<b>12.2 %</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2021	2022	2023E	2024E	2025E	2026E	2027E
<b>Intangible assets</b>	<b>14.7</b>	<b>16.1</b>	<b>17.7</b>	<b>18.3</b>	<b>19.4</b>	<b>20.6</b>	<b>22.0</b>
Property, plant and equipment	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Financial assets	0.8	0.8	0.8	0.8	0.8	0.8	0.8
<b>FIXED ASSETS</b>	<b>15.5</b>	<b>17.0</b>	<b>18.5</b>	<b>19.1</b>	<b>20.3</b>	<b>21.5</b>	<b>22.8</b>
Inventories	4.6	3.2	2.7	3.2	3.4	4.2	5.0
Accounts receivable	2.9	2.4	1.6	1.9	2.0	2.5	2.2
Other current assets	1.1	1.0	1.0	1.0	1.0	1.0	1.0
Liquid assets	29.8	36.3	26.5	23.7	23.4	26.2	33.5
Deferred taxes	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>38.6</b>	<b>42.9</b>	<b>31.8</b>	<b>29.7</b>	<b>29.9</b>	<b>33.9</b>	<b>41.7</b>
<b>TOTAL ASSETS</b>	<b>54.1</b>	<b>59.9</b>	<b>50.3</b>	<b>48.8</b>	<b>50.1</b>	<b>55.3</b>	<b>64.6</b>
SHAREHOLDERS EQUITY	41.4	41.8	35.3	33.4	34.5	39.0	47.6
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	2.4	2.7	2.7	2.7	2.7	2.7	2.7
Other provisions	6.6	8.8	8.8	8.8	8.8	8.8	8.8
<b>Non-current liabilities</b>	<b>9.0</b>	<b>11.5</b>	<b>11.5</b>	<b>11.5</b>	<b>11.5</b>	<b>11.5</b>	<b>11.5</b>
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	3.0	5.4	2.3	2.7	2.9	3.5	4.2
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.7	1.3	1.3	1.3	1.3	1.3	1.3
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>3.7</b>	<b>6.6</b>	<b>3.6</b>	<b>3.9</b>	<b>4.2</b>	<b>4.8</b>	<b>5.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>54.1</b>	<b>59.9</b>	<b>50.3</b>	<b>48.8</b>	<b>50.1</b>	<b>55.3</b>	<b>64.6</b>

Balance sheet (common size)	2021	2022	2023E	2024E	2025E	2026E	2027E
<b>Intangible assets</b>	<b>27.1 %</b>	<b>27.0 %</b>	<b>35.1 %</b>	<b>37.4 %</b>	<b>38.7 %</b>	<b>37.2 %</b>	<b>34.0 %</b>
Property, plant and equipment	0.0 %	0.1 %	0.1 %	0.1 %	0.2 %	0.1 %	0.1 %
Financial assets	1.4 %	1.3 %	1.6 %	1.6 %	1.6 %	1.4 %	1.2 %
<b>FIXED ASSETS</b>	<b>28.6 %</b>	<b>28.4 %</b>	<b>36.8 %</b>	<b>39.2 %</b>	<b>40.4 %</b>	<b>38.8 %</b>	<b>35.4 %</b>
Inventories	8.5 %	5.3 %	5.4 %	6.5 %	6.9 %	7.6 %	7.8 %
Accounts receivable	5.4 %	3.9 %	3.2 %	3.8 %	4.1 %	4.5 %	3.4 %
Other current assets	2.0 %	1.7 %	2.0 %	2.0 %	2.0 %	1.8 %	1.5 %
Liquid assets	55.1 %	60.7 %	52.6 %	48.5 %	46.7 %	47.3 %	51.9 %
Deferred taxes	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>71.4 %</b>	<b>71.6 %</b>	<b>63.2 %</b>	<b>60.8 %</b>	<b>59.6 %</b>	<b>61.2 %</b>	<b>64.6 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>99.9 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	76.5 %	69.8 %	70.1 %	68.4 %	68.8 %	70.5 %	73.7 %
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions for pensions and similar obligations	4.5 %	4.5 %	5.3 %	5.5 %	5.4 %	4.9 %	4.2 %
Other provisions	12.1 %	14.7 %	17.5 %	18.0 %	17.6 %	15.9 %	13.6 %
<b>Non-current liabilities</b>	<b>16.6 %</b>	<b>19.2 %</b>	<b>22.8 %</b>	<b>23.5 %</b>	<b>22.9 %</b>	<b>20.8 %</b>	<b>17.8 %</b>
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	5.5 %	8.9 %	4.6 %	5.5 %	5.8 %	6.4 %	6.5 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	1.3 %	2.1 %	2.5 %	2.6 %	2.5 %	2.3 %	2.0 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>6.9 %</b>	<b>11.1 %</b>	<b>7.1 %</b>	<b>8.0 %</b>	<b>8.3 %</b>	<b>8.7 %</b>	<b>8.5 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow statement (EUR m)	2021	2022	2023E	2024E	2025E	2026E	2027E
Net profit/loss	-0.7	2.7	-6.5	-1.9	1.1	4.5	8.6
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.7	1.8	2.4	3.9	4.3	5.6	6.0
Others	6.1	2.1	0.0	0.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	7.1	6.7	-4.1	2.0	5.4	10.1	14.6
Increase/decrease in inventory	-1.7	1.4	0.4	-0.4	-0.3	-0.8	-0.8
Increase/decrease in accounts receivable	-1.7	0.6	0.7	-0.2	-0.2	-0.4	0.3
Increase/decrease in accounts payable	-0.3	2.4	-3.0	0.3	0.2	0.6	0.7
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-3.6	4.4	-1.9	-0.3	-0.2	-0.6	0.1
<b>Cash flow from operating activities</b>	<b>3.4</b>	<b>11.0</b>	<b>-6.0</b>	<b>1.7</b>	<b>5.2</b>	<b>9.6</b>	<b>14.7</b>
CAPEX	1.7	3.3	3.9	4.5	5.5	6.8	7.4
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.7	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-1.8</b>	<b>-2.7</b>	<b>-3.9</b>	<b>-4.5</b>	<b>-5.5</b>	<b>-6.8</b>	<b>-7.4</b>
Cash flow before financing	1.7	8.3	-9.9	-2.8	-0.3	2.8	7.3
Increase/decrease in debt position	-12.3	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	38.0	-1.8	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	-5.6	0.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>20.1</b>	<b>-1.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Increase/decrease in liquid assets	21.8	6.5	-9.9	-2.8	-0.3	2.8	7.3
<b>Liquid assets at end of period</b>	<b>29.8</b>	<b>36.3</b>	<b>26.5</b>	<b>23.7</b>	<b>23.4</b>	<b>26.2</b>	<b>33.5</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2021	2022	2023E	2024E	2025E	2026E	2027E
<b>P&amp;L growth analysis</b>							
Sales growth	30.4 %	8.9 %	-31.1 %	15.0 %	9.2 %	22.0 %	19.2 %
EBITDA growth	465.3 %	-4.6 %	-209.5 %	-123.5 %	297.5 %	101.4 %	49.7 %
EBIT growth	-773.0 %	-7.8 %	-323.3 %	-70.9 %	-156.7 %	323.8 %	89.3 %
EPS growth	-331.5 %	-0.4 %	-336.8 %	-71.0 %	-157.5 %	321.2 %	89.2 %
<b>Efficiency</b>							
Total operating costs / sales	88.5 %	89.9 %	116.0 %	96.7 %	88.1 %	80.4 %	75.3 %
Sales per employee	253.4	267.3	178.2	206.3	230.1	277.3	324.0
EBITDA per employee	29.1	26.9	-28.5	6.7	27.4	54.5	79.9
<b>Balance sheet analysis</b>							
Avg. working capital / sales	6.5 %	0.9 %	8.6 %	2.8 %	4.8 %	2.8 %	3.6 %
Inventory turnover (sales/inventory)	11.1	17.6	14.0	14.0	14.0	14.0	14.0
Trade debtors in days of sales	20.8	15.4	15.4	15.4	15.4	15.4	11.6
A/P turnover [(A/P*365)/sales]	21.4	35.1	22.0	22.0	22.0	22.0	22.0
Cash conversion cycle (days)	54.3	-23.2	27.4	27.5	30.0	29.9	26.0
<b>Cash flow analysis</b>							
Free cash flow	1.8	7.7	-9.9	-2.8	-0.3	2.8	7.3
Free cash flow/sales	3.5 %	13.9 %	-25.7 %	-6.4 %	-0.5 %	4.7 %	10.4 %
FCF / net profit	64.8 %	283.9 %	neg.	neg.	neg.	61.3 %	85.4 %
Capex / depre	102.0 %	185.5 %	164.1 %	116.1 %	125.9 %	121.2 %	122.9 %
Capex / maintenance capex	0.6 %	4.7 %	1.3 %	0.8 %	0.7 %	0.5 %	0.5 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	-29.8	-36.3	-26.5	-23.7	-23.4	-26.2	-33.5
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Interest cover	10.2	79.5	999.0	999.0	999.0	999.0	999.0
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Asset utilisation</b>							
Capital employed turnover	1.0	1.0	0.8	1.0	1.0	1.2	1.2
Operating assets turnover	11.3	276.4	18.2	18.2	18.2	18.3	22.7
Plant turnover	2,740.5	1,250.7	644.7	634.7	605.8	739.2	881.0
Inventory turnover (sales/inventory)	11.1	17.6	14.0	14.0	14.0	14.0	14.0
<b>Returns</b>							
ROCE	7.4 %	17.3 %	-26.9 %	-7.3 %	3.8 %	11.5 %	21.3 %
ROE	6.6 %	6.5 %	-18.3 %	-5.6 %	3.1 %	11.6 %	18.0 %
<b>Other</b>							
Interest paid / avg. debt	6.1 %	0.7 %	n/a	n/a	n/a	n/a	n/a
No. employees (average)	202	209	216	214	210	212	216
Number of shares	8.5	8.5	8.5	8.5	8.5	8.5	8.5
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	0.32	0.32	-0.76	-0.22	0.13	0.53	1.01
<b>Valuation ratios</b>							
P/BV	1.2	1.2	1.4	1.5	1.4	1.2	1.0
EV/sales	0.4	0.3	0.6	0.6	0.6	0.4	0.3
EV/EBITDA	3.6	2.7	-4.0	19.2	4.9	2.2	1.0
EV/EBITA	3.6	2.7	-4.0	19.4	4.9	2.2	1.0
EV/EBIT	5.1	3.9	-2.9	-11.2	19.9	4.2	1.6
EV/FCF	12.0	1.9	-2.5	-9.8	-106.1	9.0	2.4
Adjusted FCF yield	15.5 %	19.1 %	-26.9 %	-7.0 %	3.9 %	18.6 %	50.3 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

**Disclosures regarding research publications of Hauck Aufhäuser Lampe Privatbank AG pursuant to section 85 of the German Securities Trading Act (WpHG) and distributed in the UK under the Temporary Permission Regime for EEA firms, subject to the FCA requirements on research recommendation disclosures**

It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analysed company. Further to this, under the FCA’s rules on research recommendations, any conflicts of interest in connection with the recommendation must be disclosed. A conflict of interest is presumed to exist in particular if Hauck Aufhäuser Lampe Privatbank AG

- (1) or any other person belonging to the same group with that person (as part of a consortium) within the past twelve months, acquired the financial instruments of the analysed company,
- (2) or any other person belonging to the same group with that person has entered into an agreement on the production of the research report with the analysed company,
- (3) has, within the past twelve months, been party to an agreement on the provision of investment banking services with the analysed company or have received services or a promise of services under the term of such an agreement,
- (4) holds a) 5% or more of the share capital of the analysed company, or b) the analysed company holds 5% or more of the share capital of Hauck Aufhäuser Lampe Privatbank AG or its affiliate(s),
- (5) holds a net short (a) or a net long (b) position of 0.5% of the outstanding share capital of the analysed company or derivatives thereof,
- (6) or any other person belonging to the same group with that person is a market maker or liquidity provider in the financial instruments of the issuer,
- (7) or the analyst has any other significant financial interests relating to the analysed company such as, for example, exercising mandates in the interest of the analysed company or a significant conflict of interest with respect to the issuer,
- (8) The research report has been made available to the company prior to its publication. Thereafter, only factual changes have been made to the report.

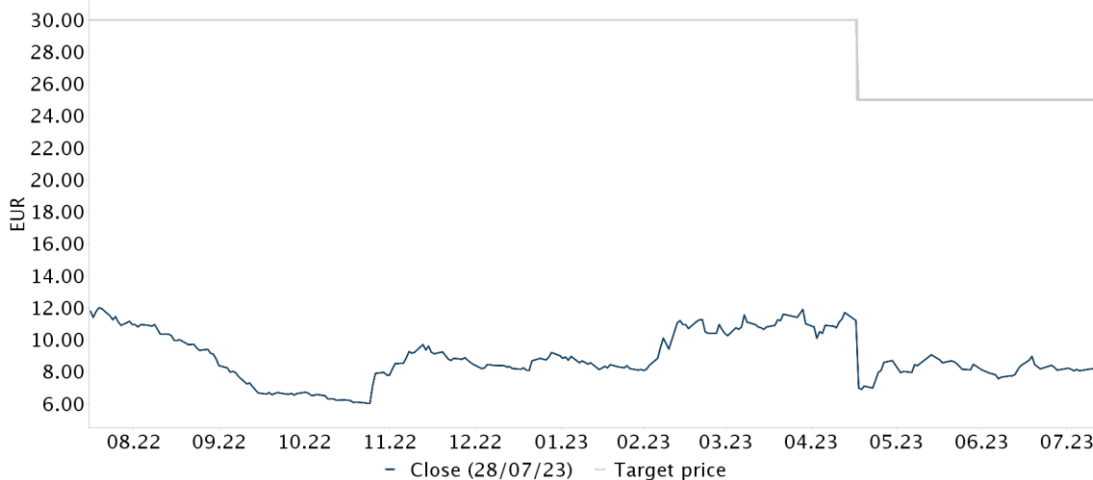
**Conflicts of interest that existed at the time when this research report was published:**

Company	Disclosure
APONTIS PHARMA AG	3, 6

**Historical target price and rating changes for APONTIS PHARMA AG in the last 12 months**

**Price and Rating History  
APONTIS PHARMA AG as of 31/07/23**

Initiation coverage



Company	Date	Analyst	Rating	Target price	Close
APONTIS PHARMA AG	17.07.2023	Galitsa, Alexander	Buy	EUR 25.00	EUR 8.22
	30.06.2023	Galitsa, Alexander	Buy	EUR 25.00	EUR 8.38
	27.06.2023	Galitsa, Alexander	Buy	EUR 25.00	EUR 7.74
	23.05.2023	Galitsa, Alexander	Buy	EUR 25.00	EUR 8.44
	04.05.2023	Galitsa, Alexander	Buy	EUR 25.00	EUR 6.90

## APONTIS PHARMA AG

---

10.03.2023	Galitsa, Alexander	Buy	EUR 30.00	EUR 10.40
15.02.2023	Galitsa, Alexander	Buy	EUR 30.00	EUR 8.08
11.11.2022	Galitsa, Alexander	Buy	EUR 30.00	EUR 7.90
10.10.2022	Galitsa, Alexander	Buy	EUR 30.00	EUR 6.60
12.08.2022	Galitsa, Alexander	Buy	EUR 30.00	EUR 10.90

### Hauck Aufhäuser Investment Banking distribution of ratings and in proportion to investment banking services

<b>Buy</b>	74.86 %	91.18 %
<b>Sell</b>	4.00 %	0.00 %
<b>Hold</b>	21.14 %	8.82 %

Date of publication creation: 31/07/2023 08:25 AM

Date of publication dissemination: 31/07/2023 08:25 AM



## 1. General Information/Liabilities

This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by Hauck Aufhäuser Lampe Privatbank AG, exclusively to selected recipients [in DE, GB, FR, CH, US, UK, Scandinavia, and Benelux or, in individual cases, also in other countries]. A distribution to private investors in the sense of the German Securities Trading Act (WpHG) is excluded. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of Hauck Aufhäuser Lampe Privatbank AG. Reproduction of this document, in whole or in part, is not permitted without prior permission Hauck Aufhäuser Lampe Privatbank AG. All rights reserved.

Under no circumstances shall Hauck Aufhäuser Lampe Privatbank AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

## 2. Responsibilities

This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analysed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

## 3. Organisational Requirements

Hauck Aufhäuser Lampe Privatbank AG took internal organisational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of Hauck Aufhäuser Lampe Privatbank AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

## 4. Information Concerning the Methods of Valuation/Update

The determination of the fair value per share, i.e. the price target, and the resultant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made.

The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value.

Hauck Aufhäuser Lampe Privatbank AG uses the following three-step rating system for the analysed companies:

Buy: Sustainable upside potential of more than 10% within 12 months  
Sell: Sustainable downside potential of more than 10% within 12 months.  
Hold: Upside/downside potential is limited. No immediate catalyst visible.

NB: The ratings of Hauck Aufhäuser Lampe Privatbank AG are not based on a performance that is expected to be "relative" to the market.

The decision on the choice of the financial instruments analysed in this document was solely made by Hauck Aufhäuser Lampe Privatbank AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of Hauck Aufhäuser Lampe Privatbank AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

## 5. Major Sources of Information

Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. Hauck Aufhäuser Lampe Privatbank AG has checked the information for plausibility but not for accuracy or completeness.

## 6. Competent Supervisory Authority

Hauck Aufhäuser Lampe Privatbank AG are under supervision of the BaFin – German Federal Financial Supervisory Authority Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M.

This document is distributed in the UK under the Temporary Permission Regime for EEA firms and in compliance with the applicable FCA requirements.

## 7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany. The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state.

## 8. Miscellaneous

According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under:

<https://www.hal-privatbank.com/en/investmentbank/investment-banking>

## Disclosures for U.S. persons only

This research report is a product of HAUCK AUFHÄUSER LAMPE PRIVATBANK AG, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by HAUCK AUFHÄUSER LAMPE PRIVATBANK AG, only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, HAUCK AUFHÄUSER LAMPE PRIVATBANK AG, has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

---

## Contacts: Hauck Aufhäuser Investment Banking

### HAIB Research

Hauck Aufhäuser Investment Banking  
Mittelweg 16/17  
20148 Hamburg  
Germany

Hauck Aufhäuser Investment Banking  
Goetheplatz 9-11  
60313 Frankfurt am Main  
Germany

Tel.: +49 (0) 40 414 3885 97  
Fax: +49 (0) 40 414 3885 71  
E-Mail: [research@ha-ib.de](mailto:research@ha-ib.de)  
[www.ha-research.de](http://www.ha-research.de)

**Tim Wunderlich, CFA**  
Head of Transactional Research  
Tel.: +49 40 414 3885 81  
E-Mail: [tim.wunderlich@ha-ib.de](mailto:tim.wunderlich@ha-ib.de)

**Marie-Thérèse Grübner**  
Head of Research  
Tel.: +49 40 450 6342 3097  
E-Mail: [marie-therese.gruebner@ha-ib.de](mailto:marie-therese.gruebner@ha-ib.de)

**Alexander Galitsa**  
Analyst  
Tel.: +49 40 414 3885 83  
E-Mail: [alexander.galitsa@ha-ib.de](mailto:alexander.galitsa@ha-ib.de)

**Christian Glowa**  
Analyst  
Tel.: +49 40 414 3885 95  
E-Mail: [christian.glowa@ha-ib.de](mailto:christian.glowa@ha-ib.de)

**Christian Salis**  
Analyst  
Tel.: +49 40 414 3885 96  
E-Mail: [christian.salis@ha-ib.de](mailto:christian.salis@ha-ib.de)

**Finn Kemper**  
Analyst  
Tel.: +49 40 450 6342 3098  
E-Mail: [finn.kemper@ha-ib.de](mailto:finn.kemper@ha-ib.de)

**Jonah Emerson**  
Analyst  
Tel.: +49 69 2161 1825  
E-Mail: [jonah.emerson@ha-ib.de](mailto:jonah.emerson@ha-ib.de)

**Jorge González Sadornil**  
Analyst  
Tel.: +49 40 414 3885 84  
E-Mail: [jorge.gonzalez@ha-ib.de](mailto:jorge.gonzalez@ha-ib.de)

**Nicole Winkler**  
Analyst  
Tel.: +49 69 2161 1856  
E-Mail: [nicole.winkler@ha-ib.de](mailto:nicole.winkler@ha-ib.de)

**Simon Jock**  
Analyst  
Tel.: +49 40 450 6342 3093  
E-Mail: [simon.jock@ha-ib.de](mailto:simon.jock@ha-ib.de)

**Simon Keller, CFA**  
Analyst  
Tel.: +49 40 414 388 573  
E-Mail: [simon.keller@ha-ib.de](mailto:simon.keller@ha-ib.de)

### HAIB Sales

**Alexander Lachmann**  
Equity Sales  
Tel.: +41 43 497 30 23  
E-Mail: [alexander.lachmann@ha-ib.de](mailto:alexander.lachmann@ha-ib.de)

**Carlos Becke**  
Equity Sales  
Tel.: +44 203 84 107 97  
E-Mail: [carlos.becke@ha-ib.de](mailto:carlos.becke@ha-ib.de)

**Carsten Kinder**  
Head of Equities  
Tel.: +41 43 497 3024  
E-Mail: [carsten.kinder@ha-ib.de](mailto:carsten.kinder@ha-ib.de)

**Christian Bybjerg**  
Equity Sales  
Tel.: +49 414 3885 74  
E-Mail: [christian.bybjerg@ha-ib.de](mailto:christian.bybjerg@ha-ib.de)

**Florian Kurz**  
Equity Sales  
Tel.: +49 69 84 2161 1793  
E-Mail: [florian.kurz@ha-ib.de](mailto:florian.kurz@ha-ib.de)

**Hugues Madelin**  
Equity Sales  
Tel.: +33 1 426 850 12  
E-Mail: [hugues.madelin@ha-ib.de](mailto:hugues.madelin@ha-ib.de)

**Imogen Voorspuy**  
Equity Sales  
Tel.: +44 203 84 107 98  
E-Mail: [imogen.voorspuy@ha-ib.de](mailto:imogen.voorspuy@ha-ib.de)

**James Bonsor**  
Equity Sales  
Tel.: +44 203 84 107 96  
E-Mail: [james.bonsor@ha-ib.de](mailto:james.bonsor@ha-ib.de)

**Markus Scharhag**  
Equity Sales  
Tel.: +49 89 23 93 2813  
E-Mail: [markus.scharhag@ha-ib.de](mailto:markus.scharhag@ha-ib.de)

**Vincent Bischoff**  
Equity Sales  
Tel.: +49 40 414 38 85 88  
E-Mail: [vincent.bischoff@ha-ib.de](mailto:vincent.bischoff@ha-ib.de)

### HAIB Trading

Hauck Aufhäuser Investment Banking  
Privatbank AG  
Mittelweg 16/17  
20148 Hamburg  
Germany

Tel.: +49 40 414 3885 78  
Fax: +49 40 414 3885 71  
E-Mail: [info@hal-privatbank.com](mailto:info@hal-privatbank.com)  
[www.hal-privatbank.com](http://www.hal-privatbank.com)

**Fin Schaffer**  
Trading  
Tel.: +49 40 414 38 85 98  
E-Mail: [fin.schaffer@ha-ib.de](mailto:fin.schaffer@ha-ib.de)

**Nils Carstens**  
Trading  
Tel.: +49 40 414 38 85 85  
E-Mail: [nils.carstens@ha-ib.de](mailto:nils.carstens@ha-ib.de)

**Tom Warlich**  
Middle-Office  
Tel.: +49 40 414 3885 78  
E-Mail: [tom.warlich@hal-privatbank.com](mailto:tom.warlich@hal-privatbank.com)