

Herantis Pharma

Impressions from capital markets day

- Herantis remains largely unaffected by COVID-19
- Although early, the xCDNF data looks promising
- Next milestone – more data on PD in Q3'20

Herantis see limited impact from the COVID-19 pandemic

Herantis held its capital markets day yesterday, assuring investors that they see limited impact from COVID-19 on the progress of its clinical trials. For the Lymfactin study, all patient treatments (drug or placebo) were completed in Dec. 2019, meaning little or no impact from COVID-19. For Parkinson's Disease (PD), all patients have completed the first six-month treatment period and all but three patients have completed the second six-month period. The PET imaging centre at Karolinska has communicated that it might focus resources on the COVID-19 situation, which could mean that some of the three remaining patients would be rescheduled for later visits, but Herantis says that this would not have an impact on the study.

Data from the xCDNF lead optimization looks promising

The company also showed data for its xCDNF peptide programme, whose goal is to cross over the blood brain barrier (BBB), allowing intravenous or possibly subcutaneous administration, thus improving ease of treatment. Herantis revealed that its data from rats show that the lead xCDNF peptides can cross the BBB and reach clinically relevant levels in brain tissue. They also showed that xCDNF led to a complete restoration and rescue of dopaminergic neurons in an in-vitro cell model, and demonstrated that this is mediated by the target of xCDNF specifically. If these findings hold true for patients, it could open up a much bigger market in earlier stage PD for the company

Excited to get some more data in Q3'20

The company also highlighted the impressive imaging data from its ongoing phase 1-2 study in PD. Most patients have now completed the extension period (an additional six months where all patients received monthly CDNF dosing). If we continue to see more evidence that DAT PET imaging indicate restoration of dopaminergic neurons, it would significantly cut risks regarding the PD program, as well as with the bigger opportunity surrounding the non-invasive xCDNF approach.

Fast comment

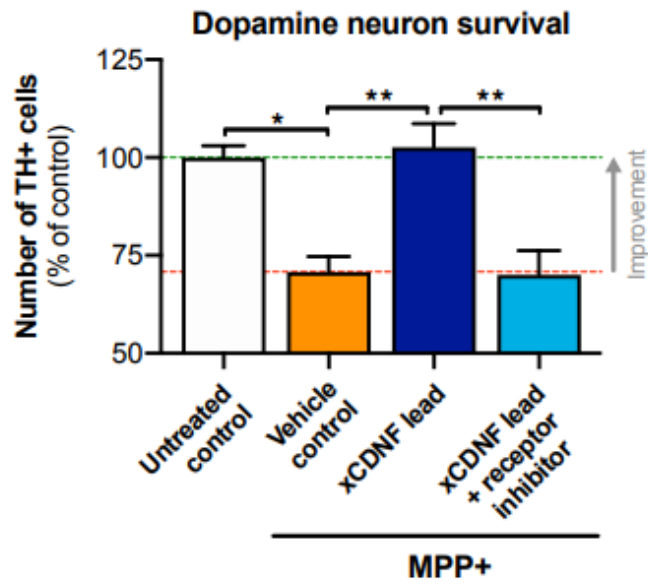
Company-sponsored research: Not rated

Share price (SEK) 23/03/2020 75.0
 Pharmaceuticals, Biotechnology & Life Sciences, Sw
 HRNTS.ST/HRNTS.SS

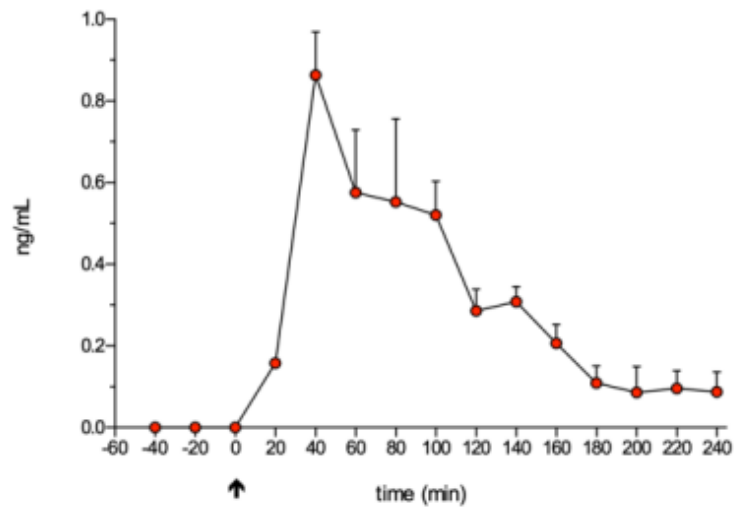
MCap (SEKm) 501
 MCap (EURm) 45.1
 Net debt (EURm) 5

No. of shares (m) 6.7
 Free float (%) 54.7
 Av. daily volume (k) 0.4

Encouraging data with xCDNF lead peptides



Brain penetration kinetics of an xCDNF lead in rats



Source: Herantis Capital Markets Day

Lead analyst: Viktor Sundberg
Rickard Anderkrans

EURm	2018	2019	2020e	2021e	2022e
Sales	0	0	0	36	14
Sales growth (%)	2.2	-2.2	-100.0	na	-60.6
EBITDA	-4	-5	-6	30	8
EBITDA margin (%)	-1,594.1	-2,155.6	nm	83.4	54.3
EBIT adj	-5	-6	-6	29	7
EBIT adj margin (%)	-2,116.7	-2,655.2	nm	81.7	50.9
Pretax profit	-4	-7	-6	29	7
EPS rep	-0.85	-1.13	-0.95	4.21	1.02
EPS growth (%)	-69.7	-32.9	15.7	542.7	-75.7
EPS adj	-0.85	-1.13	-0.95	4.21	1.02
DPS	0	0	0	0	0
EV/EBITDA (x)	na	-10.7	-9.1	0.7	1.9
EV/EBIT adj (x)	na	-8.7	-8.0	0.7	2.0
P/E (x)	na	-6.9	-7.1	1.6	6.6
P/E adj (x)	na	-6.9	-7.1	1.6	6.6
EV/sales (x)	na	230.4	nm	0.6	1.0
FCF yield (%)	na	-12.1	-11.4	69.8	11.6
Dividend yield (%)	na	0	0	0	0
Net IB debt/EBITDA	-1.1	-0.0	-0.9	-0.8	-4.0
Lease adj. FCF yld (%)	na	-12.1	-11.4	69.8	11.6
Lease adj. ND/EBITDA	-1.1	-0.0	-0.9	-0.8	-4.0

Analyst certification

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