

## EQUITY RESEARCH

# ABIONYX PHARMA

NEWS  
Press release

**BUY**

**TP 10.5€** (vs 8.0€)  
Up/Downside: 445%

### Publication of the RACERS Study Results

The final results of the CER-001 sepsis study confirm the preliminary results, suggesting that Abionyx's HDL molecule may offer a treatment solution for this and other acute inflammatory diseases. TP upgraded from €8.0 to €10.5.

The preliminary results (published in Apr 2022) of the sepsis study conducted in Italy have been more than confirmed by the final results. The administration of CER-001 showed: an effect on endotoxin elimination, a reduction of the cytokine cascade (inflammatory reaction), a protective effect on endothelial function (cell barrier between tissue and blood), no severe side effects (reinforcement of the safety profile), with a trend towards a reduction in the number of days in intensive care, a decrease in organ support (external ventilation, dialysis, etc.) and an improvement in 30-day survival.

The RACERS study (funded by a consortium and the University of Bari) is a randomised phase IIa study based on the administration of CER-001 to patients with sepsis at high risk of developing acute kidney injury. The study involved a cohort of 20 patients with trials on the doses to be delivered to optimise the effects of the compound. Patients received 8 doses over 6 days with three ascending series (low, moderate and high), or placebo. The first patient was included in June 2021 and the last in October 2022.

The primary and secondary endpoints of the study were met: verification of the safety and tolerability of the compound and determination of the optimal dose of CER-001 to be administered. The results also suggest that CER-001 could provide a treatment option for sepsis (a disease that caused 13.7m deaths worldwide in 2019), but also for other severe and acute inflammatory diseases. These results are consistent with previously published results in patients waiting for COVID-19.

Studies for the sepsis indicator, for which many patients are at a therapeutic impasse, should continue in Europe and the United States, and could, as for phase IIa, be carried out in partnership (financing and/or study management). Therefore, we are confident in our scenario: next clinical steps in 2023-2024, regulatory approvals in 2025, and market launch in 2026, and in our estimate of the value of CER-001 in the sepsis indicator at €1,109m. In view of the very positive results of the RACERS study, we are increasing the probability of success in the sepsis indication in our valuation approach to 25% from 5%, leading to an increase in our price target for the stock from €8.0 to €10.5. We are reiterating our Buy rating (meeting scheduled for Wednesday 18 January).

### Research partially paid for by the Issuer

#### Key data

Price (€)	1.9
Industry	Healthcare
Ticker	ABNX-FR
Shares Out (m)	28.352
Market Cap (m €)	54.7
Next event	CA 2022 : 28/02/2023

#### Ownership (%)

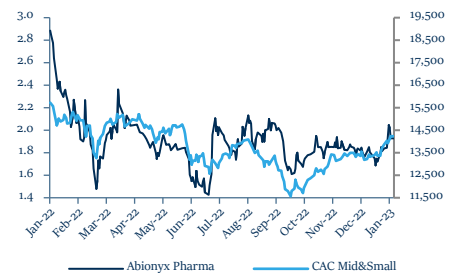
Domundi (E. Huynh)	11.7
Cyrille Tupin	5.4
Luc Demarre	3.9
Sadok Belmokhtar	6.6
Free float	62.4

#### EPS (€)

	12/22e	12/23e	12/24e
Estimates	-0.20	-0.39	-0.32
Change vs previous estimates (%)	na	na	na

#### Performance (%)

	1D	1M	YTD
Price Perf	-4.6	4.4	12.0
Rel CAC Mid&Small	-5.3	-0.5	5.1



TP ICAP Midcap Estimates	12/21	12/22e	12/23e	12/24e	Valuation Ratio	12/22e	12/23e	12/24e
Sales (m €)	0.7	5.0	4.5	7.0	EV/Sales	11.6	13.1	8.5
Current Op Inc (m €)	-6.0	-5.3	-13.6	-13.2				
Current op. Margin (%)	na	na	na	na				
EPS (€)	-0.21	-0.20	-0.39	-0.32				
DPS (€)	0.00	0.00	0.00	0.00				
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-6.9	-6.3	-13.8	-13.1				

Consensus FactSet - Analysts:1	12/22e	12/23e	12/24e
Sales	8.2	9.4	na
EBIT	-4.4	-6.8	na
Net income	-4.7	-7.2	na

#### Analyst

Claire Deray - Sponsor Finance for TPICAP Midcap

## FINANCIAL DATA

<b>Income Statement</b>	<b>12/19</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22e</b>	<b>12/23e</b>	<b>12/24e</b>
Sales	0.0	0.0	0.7	5.0	4.5	7.0
Changes (%)	-100.0	na	na	640.7	-10.0	55.6
Gross profit	0.0	0.0	0.3	0.4	0.4	2.3
% of Sales	na	na	38.4	8.0	9.0	32.6
<b>EBITDA</b>	<b>-2.5</b>	<b>-2.9</b>	<b>-5.8</b>	<b>-4.7</b>	<b>-13.0</b>	<b>-12.6</b>
% of Sales	na	na	-864.1	-94.1	-288.2	-180.3
<b>Current operating profit</b>	<b>-2.5</b>	<b>-3.0</b>	<b>-6.0</b>	<b>-5.3</b>	<b>-13.6</b>	<b>-13.2</b>
% of Sales	na	na	-881.8	-106.1	-301.6	-188.9
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-2.5	-3.0	-6.0	-5.3	-13.6	-13.2
Net financial result	4.4	1.2	0.1	-0.0	-0.0	-0.0
Income Tax	-0.0	-0.1	0.0	-0.3	-0.2	-0.2
Tax rate (%)	2.0	-6.4	0.0	-5.4	-1.2	-1.2
<b>Net profit, group share</b>	<b>1.8</b>	<b>-1.9</b>	<b>-5.8</b>	<b>-5.6</b>	<b>-13.8</b>	<b>-13.4</b>
EPS	0.08	na	na	na	na	na
<b>Financial Statement</b>	<b>12/19</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22e</b>	<b>12/23e</b>	<b>12/24e</b>
Goodwill	0.0	0.0	5.4	5.4	5.4	5.4
Tangible and intangible assets	0.0	0.1	0.4	0.3	0.1	-0.0
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.1	0.1	3.0	2.7	2.3	1.9
Working capital	0.5	-1.8	0.3	1.5	2.0	2.2
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
<b>Assets</b>	<b>0.5</b>	<b>-1.5</b>	<b>9.1</b>	<b>9.8</b>	<b>9.8</b>	<b>9.5</b>
Shareholders equity group	6.7	6.6	10.7	5.0	4.3	3.4
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	1.0	1.0	1.4	1.4	1.4	1.4
Net debt	-7.1	-9.1	-3.0	3.3	4.1	4.7
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0
<b>Liabilities</b>	<b>0.5</b>	<b>-1.5</b>	<b>9.1</b>	<b>9.8</b>	<b>9.8</b>	<b>9.5</b>
Net debt excl. IFRS 16	-7.1	-9.1	-3.0	3.3	4.1	4.7
Gearing net	-1.1	-1.4	-0.3	0.7	1.0	1.4
Leverage	2.8	3.1	0.5	-0.7	-0.3	-0.4
<b>Cash flow statement</b>	<b>12/19</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22e</b>	<b>12/23e</b>	<b>12/24e</b>
CF after elimination of net borrowing costs and taxes	1.7	-1.6	-4.8	-5.4	-13.4	-13.0
$\Delta$ WCR	-1.3	2.1	-1.7	-1.2	-0.5	-0.2
Operating cash flow	0.4	0.5	-6.6	-6.5	-13.9	-13.2
Net capex	0.0	-0.1	-0.2	-0.1	-0.1	-0.1
FCF	-4.0	-0.7	-6.9	-6.3	-13.8	-13.1
Acquisitions/Disposals of subsidiaries	0.0	0.0	1.5	0.0	0.0	-3.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	-0.2	-0.2	-0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	1.0	1.8	4.0	0.0	13.0	12.5
Others	0.0	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	-3.1	0.8	-1.4	-6.3	-0.8	-0.6
ROE (%)	27.7%	na	na	na	na	na
ROCE (%)	na	209.2%	na	na	na	na

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This Report may mention evaluation methods defined as follows:

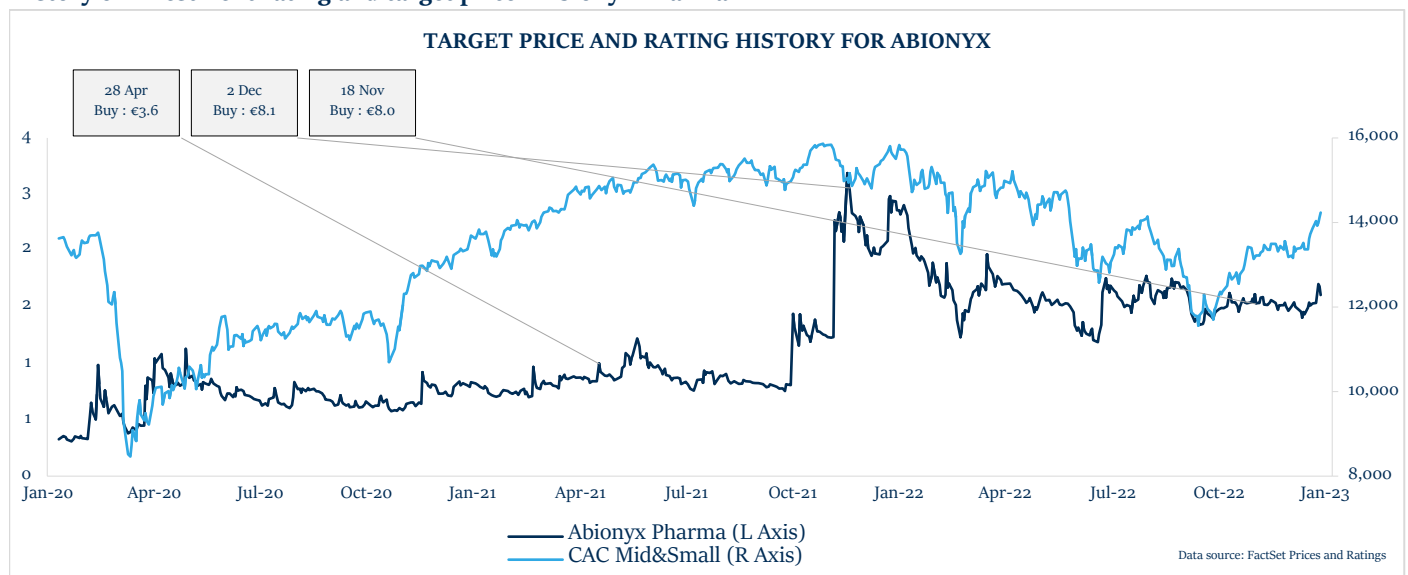
1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

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G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Abionyx Pharma

### History of investment rating and target price - Abionyx Pharma



## Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	85%	64%
Hold	13%	37%
Sell	1%	0%
Under review	1%	100%

Midcap employs a rating system based on the following:

Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.

Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.

Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at <https://researchtpicap.midcapp.com/en/disclaimer>.

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