

EQUITY RESEARCH

ABIONYX PHARMA

NEWS

Press release

BUY

TP 10.5€

Up/Downside: 479%

Financial Visibility Restored

Management announced that it has secured a line of financing from the investment fund Iris Capital in the form of bonds redeemable in shares, which could raise up to €12m over the next 24 months.

With a cash position of €2.9m at the end of March 2023 and the announcement of the project to manufacture a new batch of HDL CER-001 molecule (based on the new production method: simplified process and better yield), despite the €1.5m expected from research tax credits, it was highly likely that the company would have to resort to external financing to pursue these developments (capital increase of €13m included in our 2023 scenario previously, now adjusted to €12m).

This has now been achieved, with management announcing that it has set up a financing line with Iris Capital, a French venture and growth fund specialising in the digital economy and diversifying into other innovation sectors such as the biotech/medtech segments (the announced financing of Poxel, for example). Abionyx has issued Warrants which may allow the issuance of up to 4,800 Bonds redeemable in New Shares of €2,500/value, drawable in tranches of €600k (1st tranche already drawn), allowing the raising of up to €12m. There is no guarantee associated with this financing, the line can be suspended at any time without penalty, and the NRS are not associated with interest. The redemption price of the bonds will be based on the weighted average of the last 10 trading sessions with a maximum discount of 5%, and may not be less than the nominal value of the share (€0.2), i.e. the creation of a maximum of 9m shares (+32% compared to the current number of shares).

As Iris Capital will not be a shareholder of the company once the bonds have been redeemed in shares, the latter will be sold on the market, which could have a negative impact on the share's performance. However, in a market context where it is difficult, if not impossible, to carry out capital increases, Abionyx's management has succeeded in putting in place a secure financing line, at a controlled cost and with few constraints (drawdown by the management, no guarantee or pledge, etc.), which allows them to have financial visibility over the next few months and to pursue developments (ATU for the rare LCAT deficiency disease, studies in sepsis and ophthalmology, etc.).

Management also announced that it had begun discussions to establish a partnership for sepsis (positive results from the RACERS phase IIa study published at the beginning of the year), which could, if necessary, make it possible not to draw down the entire NRS line. With the uncertainties over funding sources and thus the ability to continue development now removed, we believe the stock could rebound. Buy rating reiterated, TP unchanged at €10.5.

Research partially paid for by the Issuer

Key data

Price (€)	1.8
Industry	Healthcare
Ticker	ABNX-FR
Shares Out (m)	28.352
Market Cap (m €)	51.4
Next event	CA S1 2023 : 17/08/2023

Ownership (%)

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

EPS (€)

	12/23e	12/24e	12/25e
Estimates	-0.39	-0.31	-0.18
Change vs previous estimates (%)	na	na	na

Performance (%)

	1D	1M	YTD
Price Perf	1.6	-2.2	5.2
Rel CAC Mid&Small	2.1	-1.5	-0.5



TP ICAP Midcap Estimates	12/22	12/23e	12/24e	12/25e	Valuation Ratio	12/23e	12/24e	12/25e
Sales (m €)	5.3	4.7	7.2	0.0	EV/Sales	11.3	7.5	na
Current Op Inc (m €)	-4.1	-13.6	-13.2	-9.0				
Current op. Margin (%)	na	na	na	na				
EPS (€)	-0.15	-0.39	-0.31	-0.18				
DPS (€)	0.00	0.00	0.00	0.00				
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-3.5	-13.8	-13.6	-9.5				

Consensus FactSet - Analysts:1	12/23e	12/24e	12/25e
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

Income Statement	12/20	12/21	12/22	12/23e	12/24e	12/25e
Sales	0.0	0.7	5.3	4.7	7.2	0.0
Changes (%)	na	na	678.1	-10.0	52.9	-100.0
Gross profit	0.0	0.3	1.1	0.4	2.3	6.3
% of Sales	na	38.4	21.5	9.0	31.8	na
EBITDA	-2.9	-5.8	-3.5	-12.9	-12.6	-8.4
% of Sales	na	-864.1	-66.3	-274.1	-174.4	na
Current operating profit	-3.0	-6.0	-4.1	-13.6	-13.2	-9.0
% of Sales	na	-881.8	-78.2	-286.8	-182.8	na
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-3.0	-6.0	-4.1	-13.6	-13.2	-9.0
Net financial result	1.2	0.1	-0.1	-0.0	-0.0	-0.0
Income Tax	-0.1	0.0	0.0	-0.2	-0.2	0.0
Tax rate (%)	-6.4	0.0	0.0	-1.2	-1.2	0.1
Net profit, group share	-1.9	-5.8	-4.2	-13.8	-13.4	-9.0
Financial Statement	12/20	12/21	12/22	12/23e	12/24e	12/25e
Goodwill	0.0	5.4	5.4	5.4	5.4	5.4
Tangible and intangible assets	0.1	0.4	0.4	0.3	0.2	0.0
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.1	3.0	2.4	2.1	1.7	1.3
Working capital	-1.8	0.3	0.2	0.8	1.5	2.5
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
Assets	-1.5	9.1	8.5	8.5	8.7	9.2
Shareholders equity group	6.6	10.7	7.2	5.4	4.5	7.5
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	1.0	1.4	1.3	1.3	1.3	1.3
Net debt	-9.1	-3.0	-0.0	1.8	2.9	0.4
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	-1.5	9.1	8.5	8.5	8.7	9.2
Net debt excl. IFRS 16	-9.1	-3.0	-0.0	1.8	2.9	0.4
Gearing net	-1.4	-0.3	-0.0	0.3	0.6	0.1
Leverage	3.1	0.5	0.0	-0.1	-0.2	-0.1
Cash flow statement	12/20	12/21	12/22	12/23e	12/24e	12/25e
CF after elimination of net borrowing costs and taxes	-1.6	-4.8	-3.6	-13.4	-13.0	-8.5
Δ WCR	2.1	-1.7	0.1	-0.6	-0.7	-1.0
Operating cash flow	0.5	-6.6	-3.5	-13.9	-13.7	-9.5
Net capex	-0.1	-0.2	-0.2	-0.1	-0.1	-0.1
FCF	-0.7	-6.9	-3.5	-13.8	-13.6	-9.5
Acquisitions/Disposals of subsidiaries	0.0	1.5	0.0	0.0	-3.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	-0.2	-0.0	-0.2	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	1.8	4.0	0.0	12.0	12.5	12.0
Others	0.0	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	0.8	-1.4	-3.7	-1.8	-1.1	2.5
ROCE (%)	209.2%	na	na	na	na	na

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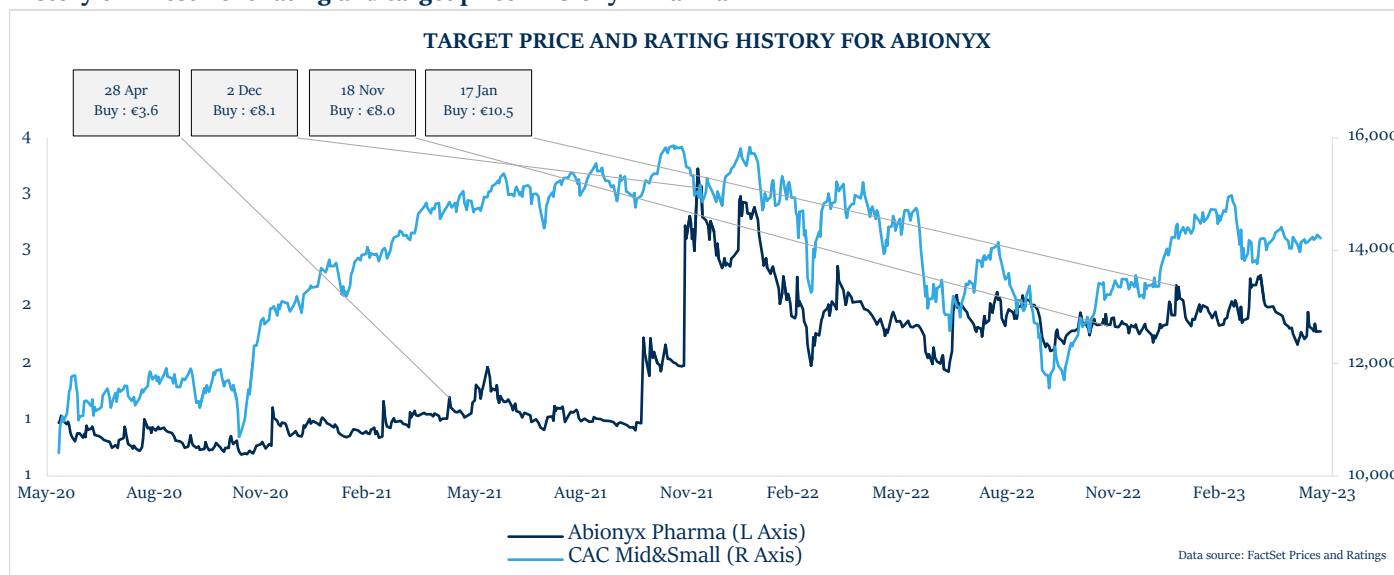
1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's 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	82%	65%
Hold	17%	40%
Sell	1%	0%
Under review	1%	0%

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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.

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