

# HERANTIS PHARMA

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INDERES CORPORATE CUSTOMER  
**COMPANY REPORT**



# Phase Ib completion is this year's theme

Herantis Pharma's H2 was as expected, both in terms of numbers and trial progress. The ongoing Parkinson's clinical trial (Phase Ib) should be completed by Q3'25. The secured funding will last until Q2'26 and will allow the company to complete the Phase Ib trial and prepare for the Phase II trial. In terms of forecasts, we are moving our projections for the implementation of the Phase 2 study forward based on the company's refined plans. The postponed cash flows affect our cash flow model, based on which we lower our target price to EUR 1.9 (was EUR 2.2) and reiterate our Accumulate recommendation.

## Key trial is progressing according to plan

Herantis completed the first part of the Phase Ib Parkinson's disease trial in healthy volunteers earlier this year. The second part of the trial has already started and results can be expected in Q3'25. The trial will investigate the pharmacokinetics (i.e. behavior in the body) and safety of the HER-096 drug candidate and will seek to identify potential biomarkers that indicate the effectiveness of the treatment. The company also provided further details on the timing of the Phase II trial. The preparation of the trial will aim at the same conclusion in H1'26, which would allow the submission of a trial permit application to the regulatory authorities for review. The review takes time, after which time is needed to start the actual trial. We now estimate that the first patient could be enrolled in the trial by H1'27 (previously 2026).

## The figures in the report were in line with our expectations

The operating result was -2.27 MEUR, in line with our forecast of -2.38 MEUR. Cash flow for the period was 2.27 MEUR and cash and cash equivalents stood at 2.14 MEUR at the end of the year. However, the cash position was strengthened at the beginning of the year with a directed issue of 5.2 MEUR. According to

management comments, the current financial resources and secured funding suffice up to Q2'26. The company expects discussions regarding a potential partnership to intensify when new trial results are available in Q3'25.

## We update our assessment of the progress of the research pipeline a little further ahead

We are updating our estimate for the Phase II trial schedule by about a year, based on new information reported by the company in connection with the financial statement. In our estimation, regulatory approval for the trial could be possible in H2'26 and patient recruitment could begin in H1'27. The change shifts forecast cash flows further into the future, which has a decreasing effect on the present value of cash flows (DCF model). We are also making minor changes to our cost forecasts, but their practical significance is minimal.

## Risk-adjusted DCF modeling suggests that the stock is attractively priced considering the risks

Our DCF model suggests a value of EUR 1.9 per share indicating the attractive pricing of the stock. Our risk-adjusted forecasts consider the significant risk of failure in drug development, which we estimate is almost 90%. The value of the share can be realized not only through licensing-based cash flows, but also through a partnership agreement or a takeover bid. New trial results available in Q3'25 may lower the share's risk profile if the results are favorable. The investment profile is characterized by a significant return potential with a lower probability and a possibility of loss of capital with a higher probability.

## Recommendation

**Accumulate**

(was Accumulate)

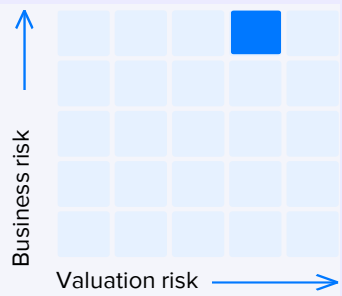
## Target price:

**1.90 EUR**

(was 2.20 EUR)

## Share price:

EUR 1.33



	2024	2025e	2026e	2027e
Revenue	0.0	0.0	0.0	0.0
growth-%	150%	0%	0%	0%
EBIT adj.	-5.0	-4.1	-4.8	-5.3
Net Income	-5.0	-4.6	-4.8	-5.3
EPS (adj.)	-0.25	-0.19	-0.20	-0.22

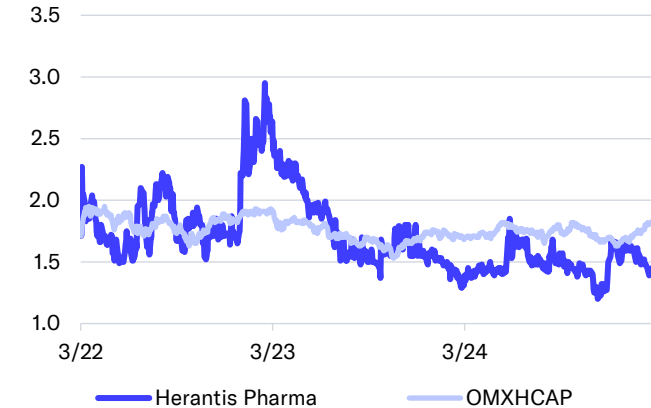
P/E (adj.)	neg.	neg.	neg.	neg.
P/B	neg.	>100	neg.	neg.
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	neg.
EV/S	>100	>100	>100	>100

Source: Inderes

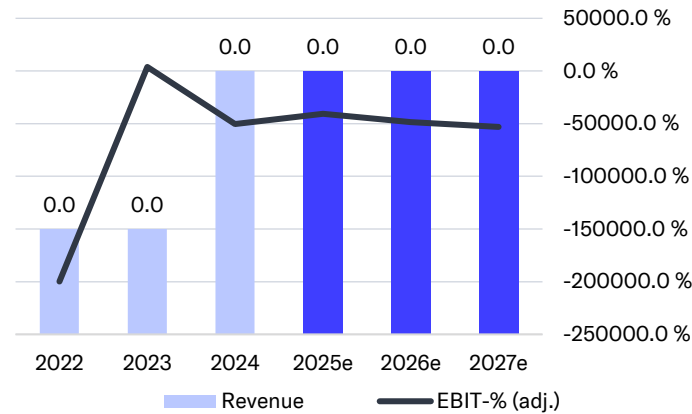
## Guidance

Herantis does not provide any guidance.

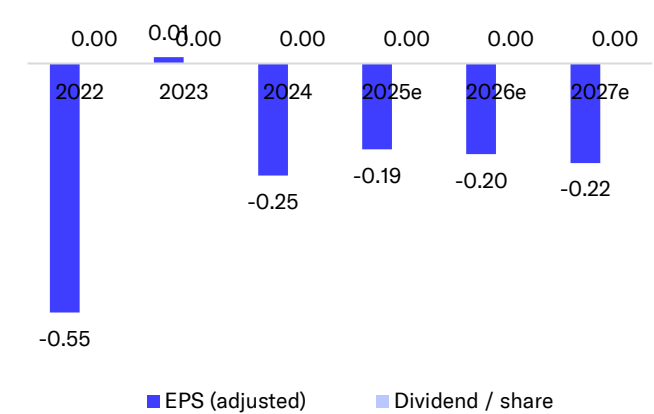
## Share price



## Revenue and EBIT-%



## EPS and dividend



## Value drivers

- There is a great need for new drugs in
- Parkinson's disease that affect the progression of the disease.
- There are potentially millions of drug users in wealthy Western countries.
- If the drug proves safe and effective, we feel that the achievable pricing is attractive.
- In terms of its operating mechanism, HER-096 could also be suitable for treating other neurodegenerative diseases such as Alzheimer's disease and ALS.
- There are limited credible competitors in the
- industry's product development pipeline.

## Risk factors

- The risk of failure in development is very high due to the early development phase.
- The research program is still at an early stage, so Herantis needs substantial funding for drug development.
- A licensing agreement may not be reached or its terms may be unsatisfactory.
- Drugs that may enter the market before HER-096 could raise the threshold for market entry.
- The increase in the number of shares and the dilution of their value through share issues.

Valuation	2025e	2026e	2027e
<b>Share price</b>	1.33	1.33	1.33
<b>Number of shares, millions</b>	24.1	24.1	24.1
<b>Market cap</b>	32	32	32
<b>EV</b>	32	37	42
<b>P/E (adj.)</b>	neg.	neg.	neg.
<b>P/E</b>	neg.	neg.	neg.
<b>P/FCF</b>	neg.	neg.	neg.
<b>P/B</b>	>100	neg.	neg.
<b>P/S</b>	>100	>100	>100
<b>EV/Sales</b>	>100	>100	>100
<b>EV/EBITDA</b>	neg.	neg.	neg.
<b>EV/EBIT (adj.)</b>	neg.	neg.	neg.
<b>Payout ratio (%)</b>	0.0 %	0.0 %	0.0 %
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %

Source: Inderes

# Figures in line with expectations

## Estimates vs. outcome

- H2 figures were in line with our expectations.
- Personnel expenses were -0.7 MEUR and other operating expenses -2.12 MEUR.
- The reported result was positively impacted by other operating income of 0.58 MEUR, mainly related to the EIC Accelerator research grant.
- Cash flow from operating activities was -2.27 MEUR and cash at the end of the period was 2.14 MEUR.
- The cash position was strengthened by a directed issue of 5.2 MEUR at the beginning of the year.
- The cash should be sufficient until Q2'26 and secure the completion of Phase Ib and the preparation of Phase II.

Estimates MEUR / EUR	H2'23 Comparison	H2'24 Actualized	H2'24e Inderes	H2'24e Consensus	Consensus High   Low	2024 Act.
Revenue	0.0	0.00	0.0			0.0
EBIT	2.56	-2.27	-2.38			-5.03
EPS (reported)	0.10	-0.11	-0.12			-0.24

Source: Inderes

# Estimate revisions

## Estimate revisions

- We are slightly lowering our cost forecasts for the coming years with the cash runway communicated by Herantis (until Q2'26).
- We are moving our assumption on the start of the Phase II study forward by six months.
- This also affects the timetable for commercialization.
- Otherwise, the changes remain marginal.
- In line with Herantis' objectives, we expect the research costs for Phase II and III to be funded by an industrial partner.

Estimate revisions	2024	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	0.0	0.0	0%	0.0	0.0	0%	0.0	0.0	0%
EBITDA	-4.9	-5.0	-4%	-5.2	-4.1	22%	-5.6	-4.8	13%
EBIT	-4.9	-5.0	-4%	-5.2	-4.1	22%	-5.6	-4.8	13%
EPS (excl. NRIs)	-0.24	-0.25	-3%	-0.22	-0.19	13%	-0.23	-0.20	14%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Herantis Pharma, Webcast, Q4'24



# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	4.15	2.40	1.65	1.58	1.52	1.33	1.33	1.33	1.33
Number of shares, millions	9.76	11.1	16.9	20.2	20.2	24.1	24.1	24.1	24.1
Market cap	40	27	28	32	31	32	32	32	32
EV	34	26	26	25	29	32	37	42	50
P/E (adj.)	neg.	neg.	neg.	>100	neg.	neg.	neg.	neg.	neg.
P/E	neg.	neg.	neg.	>100	neg.	neg.	neg.	neg.	neg.
P/FCF	neg.	neg.	neg.	85.9	neg.	neg.	neg.	neg.	neg.
P/B	5.3	neg.	neg.	6.8	neg.	>100	neg.	neg.	neg.
P/S	>100	>100	>100	>100	>100	>100	>100	>100	>100
EV/Sales	>100	>100	>100	>100	>100	>100	>100	>100	>100
EV/EBITDA	neg.	neg.	neg.	>100	neg.	neg.	neg.	neg.	neg.
EV/EBIT (adj.)	neg.	neg.	neg.	>100	neg.	neg.	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes

# Income statement

Income statement	H1'23	H2'23	2023	H1'24	H2'24	2024	H1'25e	H2'25e	2025e	2026e	2027e	2028e
Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-2.4	2.6	0.2	-2.8	-2.3	-5.0	-4.3	0.2	-4.1	-4.8	-5.3	-7.7
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (excl. NRI)	-2.4	2.6	0.2	-2.8	-2.3	-5.0	-4.3	0.2	-4.1	-4.8	-5.3	-7.7
EBIT	-2.4	2.6	0.2	-2.8	-2.3	-5.0	-4.3	0.2	-4.1	-4.8	-5.3	-7.7
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	0.6	-0.5	0.1	0.0	0.0	0.0	-0.3	-0.3	-0.5	0.0	0.0	0.0
PTP	-1.8	2.1	0.3	-2.8	-2.3	-5.0	-4.6	0.0	-4.6	-4.8	-5.3	-7.7
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-1.8	2.1	0.3	-2.8	-2.3	-5.0	-4.6	0.0	-4.6	-4.8	-5.3	-7.7
Net earnings	-1.8	2.1	0.3	-2.8	-2.3	-5.0	-4.6	0.0	-4.6	-4.8	-5.3	-7.7
EPS (adj.)	-0.09	0.10	0.01	-0.14	-0.11	-0.25	-0.19	0.00	-0.19	-0.20	-0.22	-0.32
EPS (rep.)	-0.09	0.10	0.01	-0.14	-0.11	-0.25	-0.19	0.00	-0.19	-0.20	-0.22	-0.32

Source: Inderes



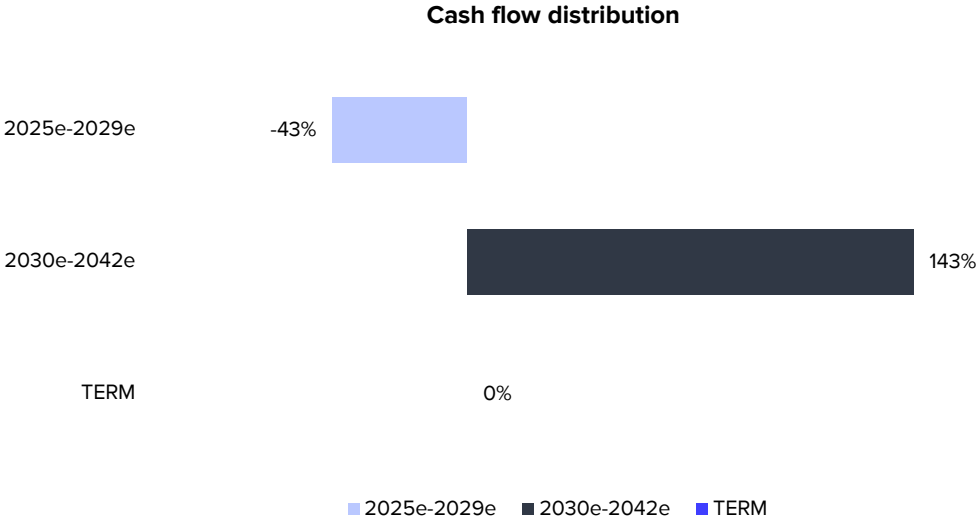
# DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2024e	2035e	2036e	2037e	2038e	2039e	2040e	2041e	2042e	TERM
Revenue growth-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	NA	185.7 %	108.1 %	108.1 %	51.2 %	13.8 %	4.0 %	-16.8 %	-48.0 %	-100.0 %	0.0 %	0.0 %
EBIT-%	-50270.0 %	-40739.4 %	-48367.6 %	-53074.7 %	-76593.7 %	-80413.0 %	-84445.3 %	-88703.8 %	-93202.8 %	-97.8 %	27.2 %	63.2 %	81.4 %	87.1 %	88.0 %	87.9 %	85.1 %	70.5 %	70.5 %	0.0 %	0.0 %
EBIT (operating profit)	-5.0	-4.1	-4.8	-5.3	-7.7	-8.0	-8.4	-8.9	-9.3	-4.8	3.9	18.6	49.9	80.7	92.9	96.5	77.7	33.5	0.0	0.0	
+ Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Paid taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-10.0	-16.1	-18.6	-19.3	-15.5	-6.7	0.0	0.0	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-1.5	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operating cash flow	-6.6	-4.5	-4.8	-5.3	-7.7	-8.0	-8.4	-8.9	-9.1	-4.8	3.9	18.6	39.9	64.6	74.3	77.2	62.2	26.8	0.0	0.0	
+ Change in other long-term liabilities	2.2	-2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free operating cash flow	-4.4	-6.7	-4.8	-5.3	-7.7	-8.0	-8.4	-8.9	-9.1	-4.8	3.9	18.6	39.9	64.6	74.3	77.2	62.2	26.8	0.0	0.0	
+/- Other	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-4.4	-1.7	-4.8	-5.3	-7.7	-8.0	-8.4	-8.9	-9.1	-4.8	3.9	18.6	39.9	64.6	74.3	77.2	62.2	26.8	0.0	0.0	0.0
Discounted FCFF		-1.5	-3.9	-3.9	-5.0	-4.7	-4.4	-4.1	-3.8	-1.8	1.3	5.5	10.5	15.2	15.6	14.5	10.4	4.0	0.0	0.0	0.0
Sum of FCFF present value		44.0	45.5	49.5	53.3	58.3	63.0	67.3	71.4	75.2	77.0	75.7	70.2	59.7	44.5	28.9	14.4	4.0	0.0	0.0	0.0

Enterprise value DCF	44.0
- Interest bearing debt	0.0
+ Cash and cash equivalents	2.1
-Minorities	0.0
-Dividend/capital return	0.0
Equity value DCF	46.1
Equity value DCF per share	1.9

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	8.0 %
Equity Beta	1.78
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	12.0 %
Weighted average cost of capital (WACC)	12.0 %

Source: Inderes





# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	0.0	0.0	0.0	0.0	0.0	EPS (reported)	-0.55	0.01	-0.25	-0.19	-0.20
EBITDA	-8.1	0.2	-5.0	-4.1	-4.8	EPS (adj.)	-0.55	0.01	-0.25	-0.19	-0.20
EBIT	-8.0	0.2	-5.0	-4.1	-4.8	OCF / share	-0.48	0.02	-0.33	-0.19	-0.20
PTP	-9.3	0.3	-5.0	-4.6	-4.8	FCF / share	-0.46	0.02	-0.22	-0.07	-0.20
Net Income	-9.3	0.3	-5.0	-4.6	-4.8	Book value / share	0.00	0.23	-0.01	0.01	-0.20
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2022	2023	2024	2025e	2026e						
Balance sheet total	6.2	6.7	2.6	2.8	0.3						
Equity capital	-0.1	4.7	-0.3	0.1	-4.7						
Goodwill	0.0	0.0	0.0	0.0	0.0						
Net debt	-1.5	-6.4	-2.1	0.1	5.0						
Cash flow	2022	2023	2024	2025e	2026e						
EBITDA	-8.1	0.2	-5.0	-4.1	-4.8						
Change in working capital	0.0	0.2	-1.5	-0.4	0.0						
Operating cash flow	-8.1	0.4	-6.6	-4.5	-4.8						
CAPEX	0.2	0.0	0.0	0.0	0.0						
Free cash flow	-7.8	0.4	-4.4	-1.7	-4.8						

Source: Inderes

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Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
6/19/2024	Accumulate	2.20 €	1.63 €
8/23/2024	Accumulate	2.20 €	1.60 €
3/7/2025	Accumulate	1.90 €	



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We serve over 400 Nordic listed companies that want to better serve investors. The Inderes community is home to over 70,000 active investors.

We provide listed companies with solutions that enable seamless and effective investor relations. The Inderes service is built on four cornerstones for high-quality investor relations: Equity Research, Events, IR Software, and Annual General Meetings (AGM).

Inderes operates in Finland, Sweden, Norway, and Denmark and is listed on the Nasdaq First North Growth Market.

Inderes was created by investors, for investors.

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