

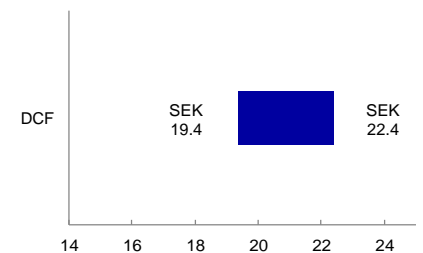
KEY DATA

Stock country	Sweden
Bloomberg	CANTA.SS
Reuters	CANTA.ST
Share price (close)	SEK 19.20
Free Float	78%
Market cap. (bn)	EUR 0.12/SEK 1.27
Website	http://cantargia.com/
Next report date	27 May 2019

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2019E	2020E	2021E
Sales	n.a.	0%	n.a.
EBIT (adj)	0%	0%	0%

Source: Nordea estimates

Nordea Markets - Analysts

Hans Mähler
DirectorKlas Pyk
Analyst

Directed share issue of SEK 106m completed

On 21 March, Cantargia announced that it had completed a directed share issue of around SEK 106m. The proceeds will enable expanded investments in the company's main project CAN04, with a new clinical study in the US and an expansion of the most promising patient sub-group of the ongoing clinical CANFOUR study, according to the company. The participants in the share issue include a number of new institutional investors, such as Alecra and Handelsbanken Fonder, meaning that Cantargia's already solid shareholder base has been further strengthened.

Further strengthening the cash position and shareholder base

The share issue of SEK 106m (corresponding to ~6.6 million shares at a subscription price of approximately SEK 16.02 per share) before costs will further improve Cantargia's cash position. As of Q4 2018, the company had cash and short-term investments totalling SEK 167m (no long-term debt), and with the new proceeds the operations are financed until H1 2021, according to the company. The majority of shares were subscribed for by new institutional investors such as Alecra (SEK 76m) and Handelsbanken Fonder (SEK 7.6m), meaning that Cantargia's already solid shareholder base has been further strengthened.

The proceeds will finance two new clinical activities

According to Cantargia, the proceeds from the share issue are intended to be used for two new clinical activities. The first activity is to carry out a clinical study for CAN04 in the US, which is yet to commence. The second activity will be an expansion of the ongoing CANFOUR study in patients with non-small cell lung cancer (NSCLC) or pancreatic cancer. Ph IIa was initiated in January 2019 with expected results at the beginning of 2020. Immediately following the reporting of these results, Cantargia will continue with an additional study including 30-50 patients in the most promising sub-group, which could generate further value-adding effective data.

Estimate revisions

We view the directed share issue as a clear positive, securing financing for the company until H1 2021, and widening the already strong ownership base with additional major institutional investors. We do, however, refrain from making any revisions to our revenue estimates and view interim data (expected during the course of 2019) and the final results from CANFOUR (expected in early 2020) as the next valuation triggers.

SUMMARY TABLE - KEY FIGURES

SEKm	2015	2016	2017	2018	2019E	2020E	2021E
Total revenue	0	0	0	0	0	582	0
EBITDA (adj)	-17	-48	-60	-93	-108	510	-73
EBIT (adj)	-17	-48	-60	-93	-108	510	-73
EBIT (adj) margin	n.m.	n.m.	n.m.	n.m.	n.m.	87.7%	n.m.
EPS (adj)	-1.27	-2.27	-1.28	-1.38	-1.46	7.04	-0.87
EPS (adj) growth	-15.5%	-78.4%	43.5%	-7.3%	-6.1%	582.0%	-112.4%
DPS (ord)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	n.a.	n.a.	n.m.	n.m.	n.m.	1.3	n.m.
EV/EBIT (adj)	n.a.	n.a.	n.m.	n.m.	n.m.	1.5	n.m.
P/E (adj)	n.a.	n.a.	n.m.	n.m.	n.m.	2.7	n.m.
P/BV	n.a.	n.a.	1.2	6.1	9.5	2.1	2.3
Dividend yield (ord)	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef acq & disp	n.a.	n.a.	-13.7%	-11.1%	-8.5%	34.6%	-2.5%
Net debt	-25	-35	-270	-167	-148	-631	-597
Net debt/EBITDA	1.4	0.7	4.5	1.8	1.4	-1.2	8.2
ROIC after tax	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

SEKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
Net revenue	n.a.	n.a.	0	0	0	0	0	0	0	582	0
Revenue growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-100.0%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	0	0	-8	-8	-17	-48	-60	-93	-108	510	-73
Depreciation and impairments PPE	0	0	0	0	0	0	0	0	0	0	0
EBITA	0	0	-8	-8	-17	-48	-60	-93	-108	510	-73
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	n.a.	n.a.	-8	-8	-17	-48	-60	-93	-108	510	-73
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	0	0	0	0	0	0	0	2	2	2	9
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	0	0	-8	-8	-17	-47	-60	-91	-106	513	-64
Reported taxes	0	0	0	0	0	0	0	0	0	0	0
Net profit from continued operations	0	0	-8	-8	-17	-47	-60	-91	-106	513	-64
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	0	0	-8	-8	-17	-47	-60	-91	-106	513	-64
EPS	n.a.	n.a.	-1.25	-1.10	-1.27	-2.27	-1.28	-1.38	-1.46	7.04	-0.87
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profit margin in percent

EBITDA	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	87.7%	n.m.
EBITA	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	87.7%	n.m.
EBIT	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	87.7%	n.m.

Adjusted earnings

EBITDA (adj)	0	0	-8	-8	-17	-48	-60	-93	-108	510	-73
EBITA (adj)	0	0	-8	-8	-17	-48	-60	-93	-108	510	-73
EBIT (adj)	0	0	-8	-8	-17	-48	-60	-93	-108	510	-73
EPS (adj)	n.a.	n.a.	-1.25	-1.10	-1.27	-2.27	-1.28	-1.38	-1.46	7.04	-0.87

Adjusted profit margins in percent

EBITDA (adj)	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	87.7%	n.m.
EBITA (adj)	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	87.7%	n.m.
EBIT (adj)	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	87.7%	n.m.

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	34.6%	30.3%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	34.6%	30.3%

VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	2.7	n.m.
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	1.5	n.m.
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	1.5	n.m.
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	1.5	n.m.

VALUATION RATIOS - REPORTED EARNINGS

SEKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	2.7	n.m.
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	1.32	n.m.
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	1.5	n.m.
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	1.5	n.m.
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	1.5	n.m.
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-13.7%	-11.1%	-8.5%	34.6%	-2.5%
Payout ratio	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
Intangible assets	0	1	2	2	0	0	0	0	0	0	0
of which R&D	0	1	2	2	0	0	0	0	0	0	0
of which other intangibles	0	0	0	0	0	0	0	0	0	0	0
of which goodwill	0	0	0	0	0	0	0	0	0	0	0
Tangible assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	0	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	2	3	3	3	0	0	0
Total non-current assets	0	1	2	3	2	3	3	3	0	0	0
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	0	0	0	0	0	0	0	0	0	87	0
Other current assets	0	0	1	1	1	2	2	2	0	29	0
Cash and bank	0	3	1	17	25	35	270	167	148	631	597
Total current assets	0	3	2	17	25	37	271	168	148	748	597
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total assets	0	4	4	20	27	40	274	171	148	748	597
Shareholders equity	0	3	3	4	24	30	246	155	148	660	597
Of which preferred stocks	0	0	0	0	0	0	0	0	99	99	99
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	0	3	3	4	24	30	246	155	148	660	597
Deferred tax	0	0	0	0	0	0	0	0	0	0	0
Long term interest bearing debt	0	0	0	0	0	0	0	0	0	0	0
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	0	0	0	0	0	0	0	0	0	0	0
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	0	0	1	1	2	7	21	9	0	58	0
Other current liabilities	0	0	0	15	1	2	8	7	0	29	0
Short term interest bearing debt	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	0	1	1	16	3	10	28	16	0	87	0
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	0	4	4	20	27	40	274	171	148	748	597
Balance sheet and debt metrics											
Net debt	0	-3	-1	-17	-25	-35	-270	-167	-148	-631	-597
Working capital	0	0	0	-15	-2	-7	-27	-15	0	29	0
Invested capital	0	0	2	-13	-1	-5	-24	-12	0	29	0
Capital employed	0	3	3	4	24	30	246	155	148	660	597
ROE	n.m.	0.0%	n.m.	n.m.	n.m.	n.m.	-43.6%	-45.4%	-70.3%	n.m.	-10.1%
ROIC	n.m.	0.0%	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
ROCE	n.a.	n.a.	n.m.	n.m.	-71.6%	n.m.	-24.4%	-60.2%	-73.2%	77.3%	-12.2%
Net debt/EBITDA	n.m.	n.m.	0.2	2.1	1.4	0.7	4.5	1.8	1.4	-1.2	8.2
Interest coverage	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	n.m.	81.5%	78.5%	20.4%	88.3%	75.6%	89.7%	90.4%	100.0%	88.3%	100.0%
Net gearing	n.m.	-86.2%	-47.8%	-406.6%	-103.1%	-116.0%	-109.6%	-107.6%	-100.0%	-95.6%	-100.0%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

SEKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
EBITDA (adj) for associates	0	0	-8	-8	-17	-48	-60	-93	-108	510	-73
Paid taxes	0	0	0	0	0	0	0	0	0	0	0
Net financials	0	0	0	0	0	0	0	0	2	2	9
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	0	0	0	0	-1	-1	0	0	3	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	0	0	0	0	1	1	0	0	0	0	0
Funds from operations (FFO)	0	0	-8	-8	-17	-47	-60	-93	-103	513	-64
Change in NWC	0	0	0	15	-13	5	19	-12	-15	-29	29
Cash flow from operations (CFO)	0	0	-8	7	-30	-42	-41	-105	-118	484	-34
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Free cash flow before A&D	0	0	-8	7	-30	-42	-41	-105	-118	484	-34
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0	0	0
Free cash flow	0	0	-8	7	-30	-42	-41	-105	-118	484	-34
Dividends paid	0	0	0	0	0	0	0	0	0	0	0
Equity issues / buybacks	0	0	8	10	45	56	304	0	99	0	0
Net change in debt	0	0	0	0	0	0	0	0	0	0	0
Other financing adjustments	0	0	0	0	0	0	0	30	0	0	0
Other non-cash adjustments	0	3	-1	-1	-7	-4	-28	-28	0	0	0
Change in cash	0	3	-1	15	8	10	235	-103	-19	484	-34

Cash flow metrics

Capex/D&A	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/Sales	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.0%	n.m.

Key information

Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6	14	19	19	19
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	300	940	1,398	1,398	1,398
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	31	773	1,250	767	801
Diluted no. of shares, year-end (m)	0.0	0.0	6.3	7.6	13.5	20.9	46.9	66.2	72.8	72.8	72.8

Source: Company data and Nordea estimates

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