

## ISOFOL MEDICAL

### Q1 in line, as company readies for pre-commercial activity ramp-up

The Q1 report in itself was a non-event, and the cSEK45m operating loss broadly in line with our forecast. Management expects pre-commercial activities to ramp up to ensure a swift launch on a potential approval of arfolitixorin, and top-line data in H1 2022. An abstract on the company's gene expression analysis is due to be presented at ASCO. After updating our model for the new share count and factoring in the expected ramp-up of pre-commercial activities, we have lowered our fair value to SEK13–23 (21–37).

**Q1 review.** The cSEK45m operating loss was slightly smaller than our cSEK-51m, and the end-Q1 cash position was cSEK78m. We expect costs to increase as the company intensifies its pre-commercialisation activities ahead of the expected FDA filing.

**Intends to raise at least cSEK400m in rights issue.** On 14 May, an EGM mandated the company to raise cSEK400m, with a potential cSEK100m over-allotment option. A majority of net proceeds have been earmarked to bring arfolitixorin beyond the top-line results to filing, as well as for pre-commercial activities and the exploration of further indications. We estimate a financial runway until H2 2022 (without the over-allotment option).

**Preparations intensify ahead of expected filing.** Visibility on timelines has improved following the DSMB's recommendation to proceed with the 440 patients, and the company is now accelerating its pre-commercial activities to ensure a swift launch on a potential approval. It expects top-line data in H1 2022, with a sub-event filing in H2 the same year. Management expects arfolitixorin to be in the market in 2023.

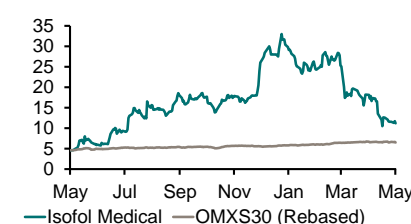
**Abstract on gene expression due to be presented at ASCO.** Isofol Medical has previously presented data that showed that *TYMS* gene expression (*TYMS* encodes TS, which is an enzyme that 5-FU inhibits) can be predictive of response to treatment with 5-FU+arfolitixorin. The new results seem to indicate there is a link between *TYMS* and *MYC* (family of oncogenes that is a potential target for anti-cancer drugs), where the latter regulates *TYMS* expression. While there are no approved *MYC*-inhibitors currently, from Isofol Medical's perspective, this is positive, as a link between the two genes would open up for a potential combination of an *MYC*-inhibitor and 5-FU+arfolitixorin in the future.

**We have lowered our fair value to SEK13–23** after updating the share count and raising our cost estimates to reflect the intensified pre-commercialisation activities.

Year-end Dec	2017	2018	2019	2020	2021e	2022e	2023e
Revenue (SEKm)	0	nm	0	37	24	25	122
EBITDA adj (SEKm)	-72	-90	-165	-183	-190	-192	21
EBIT adj (SEKm)	-72	-90	-166	-185	-192	-194	19
PTP (SEKm)	-72	-83	-160	-187	-190	-196	17
EPS rep (SEK)	-2.28	-2.63	-5.04	-2.27	-1.31	-1.36	0.10
EPS adj (SEK)	-2.28	-2.63	-5.04	-2.27	-1.31	-1.36	0.10
Revenue growth (%)	-55.3	nm	nm	34707.5	-34.7	1.2	395.1
EBITDA margin adj (%)	nm	nm	nm	nm	nm	nm	17.2
ROE (%)	nm	nm	nm	nm	nm	nm	8.4

Source: Company (historical figures), DNB Markets (estimates)

ISOFOL versus OMXS30 (12m)



Source: Factset

#### SUMMARY

Share price (SEK)	11.2
Tickers	ISOFOL SS

#### CAPITAL STRUCTURE

NIBD adj end-2021e (SEKm)	-267
Net debt/EBITDA adj (x)	1.41

Source: Company, DNB Markets (estimates)

#### NEXT EVENT

Q2 2021 report	23/08/2021
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#### ESTIMATE CHANGES (SEK)

Year-end Dec	2021e	2022e	2023e
Sales (old)	24.11	24.62	121.9
Sales (new)	24.32	24.62	121.9
Change (%)	0.9	0.0	0.0
EPS (old)	-2.30	-0.93	0.19
EPS (new)	-1.31	-1.36	0.10
Change (%)	nm	nm	-45.1

Source: DNB Markets.

This report has been commissioned and paid for by the company, and is deemed to constitute an acceptable minor non-monetary benefit as defined in MiFID II

#### ANALYSTS

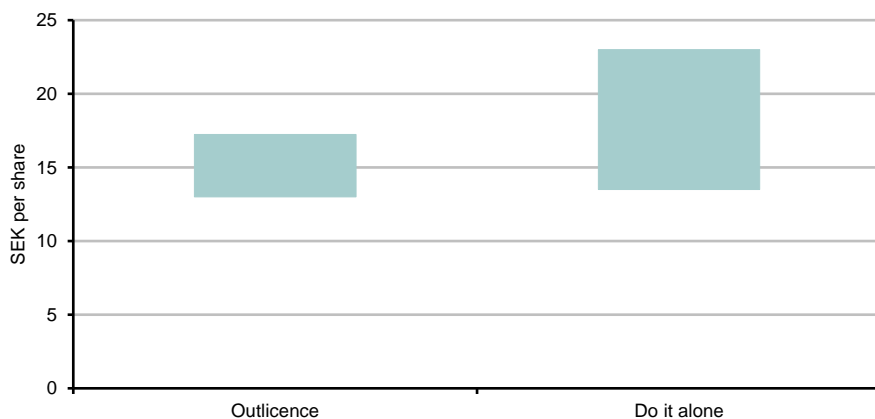
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# Overview

## Valuation (SEK)



Source: DNB Markets

### Downside risks to our fair value

- The risks to our base case relate mainly to the clinical development of arfolitixorin. There is always a risk that development programmes experience delays or weaker data than expected.
- It might be more difficult than we expect to strike an out-licensing deal on acceptable terms.
- There is high execution risk in our 'do it alone' scenario, which includes the company building a proprietary sales organisation.
- The ongoing phase III trial is halted or delayed due to Covid-19.

Source: DNB Markets

### DNB Markets estimates

- We have included a price for arfolitixorin of USD3k per patient per month in the US and half that amount elsewhere.
- We assume an overall penetration rate of 8–17% (depending on the scenario). This assumption is based on 365,000 patients treated with folate-based chemotherapy in the US, the five largest EU markets, Japan and Canada.

Source: DNB Markets

## Valuation methodology

- We continue to use a risk-adjusted DCF with two main scenarios: 1) the company out-licenses the drug after phase III; and 2) it builds a sales organisation and takes the drug to market on its own. We discount the value in our model with a WACC of 10%, and the LOA is 23.2%.
- In our out-licensing scenario, we assume 20% royalties and USD500m of upfront and sales-related milestones.
- In our 'do it alone' scenario, we assume the company will launch in the US and EU5 on its own.

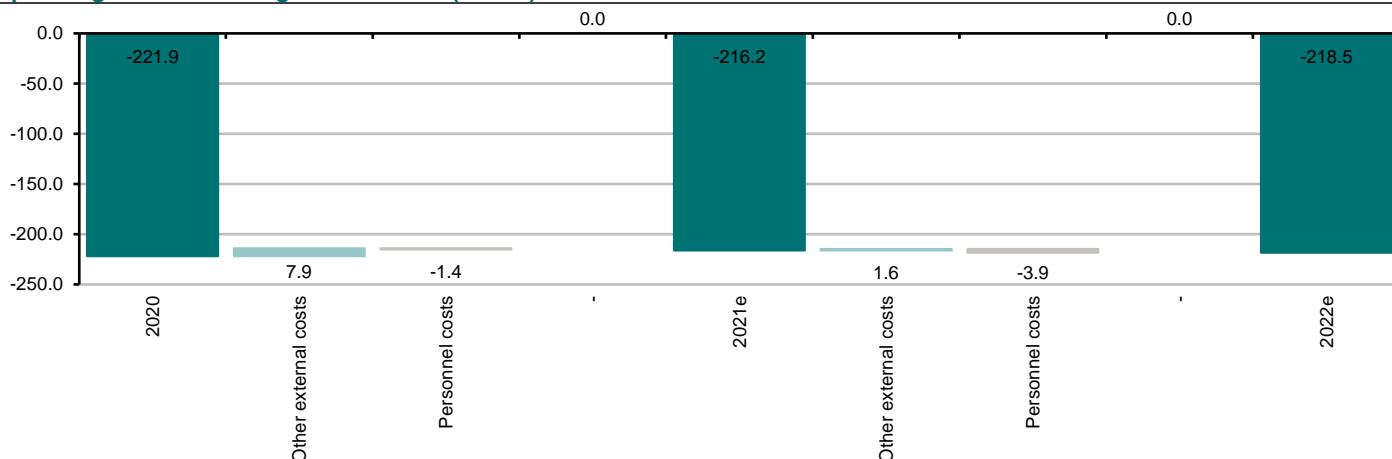
Source: DNB Markets

### Upside risks to our fair value

- If clinical development is more successful than we expect, there is the potential for the company to charge more for arfolitixorin than we forecast.
- Stronger than expected data could also increase market penetration to well above the levels we assume.
- An out-licensing deal could be on better terms than we assume.

Source: DNB Markets

## Operating cost base bridge 2020–2022e (SEKm)



Source: DNB Markets (forecasts), company (historical data)

# ESG overview

## Sustainability assessment

	Positive	Negative
Conclusions	<ul style="list-style-type: none"> <li>■ Isofol Medical is developing a new therapy for metastatic colorectal cancer, an area where there is a substantial unmet medical need.</li> <li>■ In this development stage, the company's operations pose no particular environmental risks.</li> </ul>	<ul style="list-style-type: none"> <li>■ The company has yet to publish any corporate social responsibility reports.</li> <li>■ Isofol Medical's business model for getting its product to the market is based on out-licensing the product to a global pharmaceutical company, which limits the company's ability to affect ESG policies and access to health.</li> <li>■ Developing new drugs is costly, time-consuming, and very risky.</li> </ul>
Actions being taken by company	<ul style="list-style-type: none"> <li>■ The company conducts its operations in accordance with health and safety regulations and offers employees a safe and healthy work environment.</li> <li>■ Isofol Medical works proactively to minimise its environmental footprint and to contribute to sustainable development.</li> </ul>	<ul style="list-style-type: none"> <li>■ The company conducts testing on animals, which is a regulatory requirement to proceed to clinical trials in humans.</li> <li>■ Animal models do not always predict – in a representative way – the potential effects in humans, hence some risks remain.</li> </ul>

## Key ESG drivers

Short-term	<ul style="list-style-type: none"> <li>■ The company has no products on the market and thus the environmental focus is more on supply and manufacturing of drug candidates for clinical trials rather than the market.</li> <li>■ 50% of the company's employees are women and 50% are men.</li> </ul>	<ul style="list-style-type: none"> <li>■ Board gender inequality – two of seven (c29%) members are women.</li> <li>■ Isofol Medical has yet to publish any corporate social responsibility reports.</li> </ul>
Long-term	<ul style="list-style-type: none"> <li>■ In our view, the management team is qualified to lead Isofol Medical at this stage as well as into the continued development of the company.</li> <li>■ Isofol Medical's aim is to contribute to sustainable development and work proactively to improve and minimise its environmental footprint.</li> </ul>	<ul style="list-style-type: none"> <li>■ Isofol Medical is to a great extent dependent on key personnel. The ability to recruit and retain qualified personnel is of the utmost importance to ensure the competence level in the company.</li> <li>■ The company's business model is based on out-licensing, which limits its impact on access to health and visibility in pricing matters.</li> </ul>

Source: DNB Markets

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## Sustainability assessment

	Risk	Company's risk mitigation
<b>Transition risks</b>		
Policy and legal	<ul style="list-style-type: none"> <li>■ Isofol Medical operates in a highly regulated environment and must comply with laws and regulations governing production, research, marketing, and reimbursement.</li> </ul>	<ul style="list-style-type: none"> <li>■ The company carefully monitors all laws and regulations, to ensure it adheres to all requirements and stays on top of new regulations as they evolve.</li> </ul>
Technology	<ul style="list-style-type: none"> <li>■ Theft of sensitive patient data and intellectual property data through hacking.</li> </ul>	<ul style="list-style-type: none"> <li>■ Appropriate data management, which is essential to secure the integrity of sensitive information.</li> </ul>
Market	<ul style="list-style-type: none"> <li>■ There is increasing pressure stemming from healthcare reforms and government initiatives to lower prices.</li> </ul>	<ul style="list-style-type: none"> <li>■ Isofol Medical has performed a number of market surveys to determine a viable price for arfolitixorin and begun work on establishing the value to payers based on these pricing assumptions.</li> </ul>
Reputation	<ul style="list-style-type: none"> <li>■ The use of laboratory animals is a controversial matter and may cause reputational harm, despite being a regulatory requirement.</li> </ul>	<ul style="list-style-type: none"> <li>■ The company complies with regulatory requirements and ensures experiments are designed with the intent to reduce and refine.</li> </ul>
<b>Physical risk</b>		
Acute	<ul style="list-style-type: none"> <li>■ Therapy-related severe adverse events.</li> </ul>	<ul style="list-style-type: none"> <li>■ Isofol Medical designs clinical programmes to maximise the potential benefits for the intended patient populations while minimising risk.</li> </ul>
Chronic	<ul style="list-style-type: none"> <li>■ Emergence of new therapeutic approaches that pose a significant competitive risk against Isofol Medical's drug candidate.</li> </ul>	<ul style="list-style-type: none"> <li>■ Mapping of the relevant competitive landscape. Incorporation of scientific advisory and competitive intelligence resources.</li> </ul>

Source: DNB Markets

## Sustainability assessment

	Opportunities	Company's utilisation of opportunity
Resource efficiency	<ul style="list-style-type: none"> <li>■ The operations pose no particular environmental risk and require no permits. However, the company uses other services (i.e. contract manufacturing of drug substances for clinical trials, transportation etc.) where there could be a potential impact on the environment.</li> </ul>	<ul style="list-style-type: none"> <li>■ The company works proactively to improve and reduce its environmental footprint as far as it is feasible and economically viable.</li> </ul>
Products/Services	<ul style="list-style-type: none"> <li>■ As the company does not have any sales at this time, its products do not have an environmental impact in terms of GHG emissions.</li> </ul>	<ul style="list-style-type: none"> <li>■ Isofol Medical's areas of environmental impact pertain to the purchase of goods and services, energy consumption and transportation.</li> </ul>
New markets	<ul style="list-style-type: none"> <li>■ Isofol Medical aims to broaden the market potential for arfolitixorin by examining the possibility of including additional countries in the ongoing phase III study.</li> </ul>	<ul style="list-style-type: none"> <li>■ The company filed a clinical trial notification with the Japanese regulatory authorities and received approval to commence its phase III clinical studies at Japanese sites.</li> </ul>
Supply chain resilience	<ul style="list-style-type: none"> <li>■ Not relevant at this time, as the company does not have any products on the market yet.</li> </ul>	<ul style="list-style-type: none"> <li>■ Not relevant yet.</li> </ul>

Source: DNB Markets

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Forecast changes – P&L

(SEKm)	New			Old			Change		
	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e
Revenues	24	25	122	24	25	122	0	0	0
Cost of sales	0	0	-12		0	-12		0	0
Gross profit	24	25	110	24	25	110	0	0	0
Operating expenses	-216	-219	-91	-214	-98	-90	-2	-121	-1
EBITDA	-190	-192	21	-188	-71	22	-2	-121	-1
EBITDA adj	-190	-192	21	-188	-71	22	-2	-121	-1
EBITDA margin (%)	nm	nm	17.2	-779.9	-290.3	17.7	nm	nm	-0.6
Depreciation	-2	-2	-2	-2	-2	-2	0	0	0
EBITA	-192	-194	19	-190	-73	20	-2	-121	-1
EBIT	-192	-194	19	-190	-73	20	-2	-121	-1
EBIT adj	-192	-194	19	-190	-73	20	-2	-121	-1
Net interest	2	-2	-2	0	-2	-2	2	0	0
Net financial items	2	-2	-2	0	-2	-2	2	0	0
PBT	-190	-196	17	-190	-76	17	0	-121	-1
Taxes	0	0	0		0	0		0	0
Net profit	-190	-196	17	-190	-76	17	0	-121	-1
Adjustments to net profit	0	0	0	0	0	0	0	0	0
Net profit adj	-190	-196	17	-190	-76	17	0	-121	-1
<i>Per share data (SEK)</i>									
EPS	-1.31	-1.36	0.10	-2.30	-0.93	0.19	0.98	-0.43	-0.08
EPS adj	-1.31	-1.36	0.10	-2.30	-0.93	0.19	0.98	-0.43	-0.08
<i>Other key metrics (%)</i>									
Revenue growth	-34.7	1.2	395.1	-35.3	2.1	395.1	0.6	-0.9	0.0
EBIT adj growth	nm	nm	nm	2.8	-61.4	-127.1	nm	nm	nm
EPS adj growth	nm	nm	nm	1.4	-59.5	-120.2	nm	nm	nm
Capex	0	0	0	0	0	0	0	0	0
OpFCF	-190	-192	21	-188	-71	22	-2	-121	-1
Working capital	-58	-58	-58	-55	-55	-55	-3	-3	-3
NIBD adj	-267	-242	-257	-109	-171	-187	-158	-70	-69

Source: DNB Markets

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## Annual P&amp;L

(SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
<b>Revenues</b>	0	0	1	0	0	0	37	24	25	122
Cost of sales	0	0	0	0	0	0	0	0	0	-12
<b>Gross profit</b>	0	0	1	0	0	0	37	24	25	110
Operating expenses	-32	-41	-64	-73	-90	-166	-222	-216	-219	-91
<b>EBITDA</b>	-32	-40	-64	-72	-90	-165	-183	-190	-192	21
Depreciation	0	0	0	0	0	-2	-2	-2	-2	-2
<b>EBITA</b>	-32	-41	-64	-72	-90	-166	-185	-192	-194	19
<b>EBIT</b>	-32	-41	-64	-72	-90	-166	-185	-192	-194	19
Net interest	0	0	0	1	7	6	-2	2	-2	-2
Net financial items	0	0	0	1	7	6	-2	2	-2	-2
<b>PBT</b>	-32	-41	-64	-72	-83	-160	-187	-190	-196	17
Taxes	0	0	0	0	0	0	0	0	0	0
Effective tax rate (%)	0	0	0	0	0	0	0	0	0	0
<b>Net profit</b>	-32	-41	-64	-72	-83	-160	-187	-190	-196	17
Adjustments to net profit	0	0	0	0	0	0	0	0	0	0
Net profit adj	-32	-41	-64	-72	-83	-160	-187	-190	-196	17
<i>Per share data (SEK)</i>										
EPS	-1.00	-1.29	-2.03	-2.28	-2.63	-5.04	-2.27	-1.31	-1.36	0.10
<b>EPS adj</b>	<b>-1.00</b>	<b>-1.29</b>	<b>-2.03</b>	<b>-2.28</b>	<b>-2.63</b>	<b>-5.04</b>	<b>-2.27</b>	<b>-1.31</b>	<b>-1.36</b>	<b>0.10</b>
<i>Growth and margins (%)</i>										
Revenue growth	nm	nm	171.9	-55.3	nm	nm	34707.5	-34.7	1.2	395.1
EPS adj growth	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Gross margin	nm	100.0	100.0	100.0	nm	100.0	100.0	100.0	100.0	90.0
EBITDA margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	17.2
EBITDA adj margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	17.2
Depreciation/revenues	nm	-59.1	-26.0	-66.1	nm	-1452.3	-4.8	-7.0	-6.9	-1.4
EBIT margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	15.8
EBIT adj margin	nm	nm	nm	nm	nm	nm	-495.7	-788.9	-787.3	15.8
PBT margin	nm	nm	nm	nm	nm	nm	nm	nm	nm	13.7
<b>Net profit margin</b>	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

Source: Company (historical figures), DNB Markets (estimates)

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## Adjustments to annual P&amp;L

(SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
<b>EBITDA</b>	-32	-40	-64	-72	-90	-165	-183	-190	-192	21
EBITDA adj	-32	-40	-64	-72	-90	-165	-183	-190	-192	21
<b>EBITA</b>	-32	-41	-64	-72	-90	-166	-185	-192	-194	19
EBITA adj	-32	-41	-64	-72	-90	-166	-185	-192	-194	19
<b>EBIT</b>	-32	-41	-64	-72	-90	-166	-185	-192	-194	19
EBIT adj	-32	-41	-64	-72	-90	-166	-185	-192	-194	19
<b>Net profit</b>	-32	-41	-64	-72	-83	-160	-187	-190	-196	17
Tax adjustments	0	0	0	0	0	0	0	0	0	0
Net profit adj	-32	-41	-64	-72	-83	-160	-187	-190	-196	17
<i>Per share data (SEK)</i>										
EPS	-1.00	-1.29	-2.03	-2.28	-2.63	-5.04	-2.27	-1.31	-1.36	0.10
Recommended adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EPS adj	-1.00	-1.29	-2.03	-2.28	-2.63	-5.04	-2.27	-1.31	-1.36	0.10

Source: Company (historical figures), DNB Markets (estimates)

## Cash flow

(SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Net profit	-32	-41	-64	-72	-83	-160	-187	-190	-196	17
Other non-cash adjustments		0	0	0	-11	3	4	2	3	2
Change in net working capital		4	7	10	2	11	25	6	0	0
<b>Cash flow from operations (CFO)</b>		-37	-57	-62	-92	-144	-157	-181	-191	20
Capital expenditure		0	-1	0	0	0	0	0	0	0
<b>Cash flow from investing (CFI)</b>		0	-1	0	0	0	0	0	0	0
<b>Free cash flow (FCF)</b>		-37	-57	-62	-92	-144	-157	-181	-191	20
Net change in debt		0	0	0	0	-1	-1	-2	-2	0
Other		0	0	0	3	-1	-4	-7	-7	-5
<b>Cash flow from financing (CFF)</b>		38	69	400	8	-1	146	332	166	-5
<b>Total cash flow (CFO+CFI+CFF)</b>		1	12	338	-84	-146	-11	151	-26	15
<i>FCFF calculation</i>										
Free cash flow		-37	-57	-62	-92	-144	-157	-181	-191	20
Less: net interest	0	0	0	-1	-7	-6	2	-2	2	2
<b>Growth (%)</b>										
CFO	nm	nm	-55.0	-8.8	-49.5	-56.4	-8.7	-15.5	-5.8	110.5
CFI	nm	nm	-432.8	89.7	100.0	nm	100.0	nm	nm	nm
FCF	nm	nm	-56.4	-7.6	-49.3	-56.8	-8.4	-15.5	-5.8	110.5
CFF	nm	nm	83.9	477.6	-98.1	-119.0	10007.1	127.2	-50.1	-103.1
FCFF	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

Source: Company (historical figures), DNB Markets (estimates)

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## Balance sheet

(SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
<b>Assets</b>	<b>9</b>	<b>10</b>	<b>23</b>	<b>362</b>	<b>289</b>	<b>146</b>	<b>148</b>	<b>295</b>	<b>270</b>	<b>285</b>
Trade receivables	0	0	0	0	0	0	0	0	0	0
Other receivables	2	2	2	2	10	9	20	17	17	17
Current financial assets	0	1	1	1	1	1	3	3	3	3
Cash and cash equivalents	6	7	19	357	273	127	116	267	242	257
<b>Current assets</b>	<b>8</b>	<b>9</b>	<b>22</b>	<b>361</b>	<b>284</b>	<b>137</b>	<b>140</b>	<b>287</b>	<b>262</b>	<b>277</b>
Property, plant and equipment	0	0	0	0	0	4	3	3	3	3
Other intangible assets	1	0	0	0	0	0	0	0	0	0
Non-current financial assets	0	0	0	0	4	5	5	5	5	5
<b>Non-current assets</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Total assets</b>	<b>9</b>	<b>10</b>	<b>23</b>	<b>362</b>	<b>289</b>	<b>146</b>	<b>148</b>	<b>295</b>	<b>270</b>	<b>285</b>
<b>Equity and liabilities</b>	<b>9</b>	<b>10</b>	<b>23</b>	<b>362</b>	<b>289</b>	<b>146</b>	<b>148</b>	<b>295</b>	<b>270</b>	<b>285</b>
Total equity to the parent	5	2	6	343	265	105	67	215	191	206
<b>Total equity</b>	<b>5</b>	<b>2</b>	<b>6</b>	<b>343</b>	<b>265</b>	<b>105</b>	<b>67</b>	<b>215</b>	<b>191</b>	<b>206</b>
Trade payables	2	5	12	13	12	20	42	42	42	42
Other payables and accruals	1	2	4	4	10	16	34	34	34	34
Short-term debt	0	1	1	1	1	2	4	4	4	4
<b>Total current liabilities</b>	<b>4</b>	<b>8</b>	<b>17</b>	<b>18</b>	<b>24</b>	<b>39</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>
Long-term debt	0	0	0	0	0	3	1	0	-2	-2
<b>Total non-current liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>-2</b>	<b>-2</b>
<b>Total liabilities</b>	<b>4</b>	<b>8</b>	<b>17</b>	<b>18</b>	<b>24</b>	<b>42</b>	<b>82</b>	<b>80</b>	<b>79</b>	<b>79</b>
<b>Total equity and liabilities</b>	<b>9</b>	<b>10</b>	<b>23</b>	<b>362</b>	<b>289</b>	<b>146</b>	<b>148</b>	<b>295</b>	<b>270</b>	<b>285</b>
<i>Key metrics</i>										
Net interest bearing debt	-6	-7	-19	-357	-273	-127	-116	-267	-242	-257

Source: Company (historical figures), DNB Markets (estimates)

## Valuation ratios

(SEKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
<i>Enterprise value</i>										
Share price (SEK)				15.73	17.17	14.51	28.00	11.20	11.20	11.20
Net interest bearing debt	-6	-7	-19	-357	-273	-127	-116	-267	-242	-257
Adjustments to NIBD	0	0	0	0	0	0	0	0	0	0
Net interest bearing debt adj	-6	-7	-19	-357	-273	-127	-116	-267	-242	-257
<i>Valuation</i>										
EPS	-1.00	-1.29	-2.03	-2.28	-2.63	-5.04	-2.27	-1.31	-1.36	0.10
<b>EPS adj</b>	<b>-1.00</b>	<b>-1.29</b>	<b>-2.03</b>	<b>-2.28</b>	<b>-2.63</b>	<b>-5.04</b>	<b>-2.27</b>	<b>-1.31</b>	<b>-1.36</b>	<b>0.10</b>
P/E				-6.9	-6.5	-2.9	-12.4	-8.5	-8.2	108.8
P/E adj				-6.9	-6.5	-2.9	-12.4	-8.5	-8.2	108.8
Average ROE	-383.1%	-1304.8%	-1637.6%	-41.1%	-27.3%	-86.5%	-218.2%	-134.8%	-96.8%	8.4%

Source: Company (historical figures), DNB Markets (estimates)



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## Key accounting ratios

	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
<i>Profitability (%)</i>										
ROA	-186.2	-434.2	-386.7	-37.4	-25.5	-73.6	-127.0	-85.6	-69.5	6.0
<i>Return on invested capital (%)</i>										
Net PPE/revenues		69.8	33.7	83.3		4143.9	8.7	11.8	11.6	2.3
Working capital/revenues		-3024.7	-2770.7	-6492.1		-26091.6	-148.4	-240.4	-237.5	-48.0
<i>Cash flow ratios (%)</i>										
FCF/revenues		-19634.5	-11292.9	-27188.5		-134991.6	-420.5	-743.5	-777.0	16.5
FCF yield (%)	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
CFO/revenues		-19561.1	-11149.2	-27155.5		-134672.0	-420.5	-743.5	-777.0	16.5
CFO/capex		-26676.4	-7758.6	-82190.7		-42134.2				
CFO/current liabilities		-432.5	-337.3	-338.0	-391.4	-371.4	-195.5	-225.0	-238.1	25.1
Cash conversion ratio		90.4	89.8	85.9	111.1	90.3	83.7	95.3	97.4	120.5
Capex/revenues		73.3	143.7	33.0		319.6	0.0	0.0	0.0	0.0
Capex/depreciation		124.1	553.0	50.0	0.0	22.0	0.0	0.0	0.0	0.0
OpFCF margin		-21728.0	-12693.5	-31877.5		-154240.2	-490.9	-781.9	-780.4	17.2
<i>Leverage and solvency (x)</i>										
Interest cover	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
EBIT/interest payable	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
EBITA adj/interest payable	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Cash coverage	1361.45	-44216.52	-63753.00	130.95	13.32	26.47	-73.20	91.93	-76.93	8.38
Net debt/EBITDA	0.20	0.18	0.30	4.94	3.05	0.77	0.64	1.41	1.26	-12.25
Total debt/total capital (BV)	0.04	0.12	0.03	0.00	0.00	0.03	0.04	0.02	0.01	0.01
<i>Cash conversion cycle</i>										
Receivables turnover days	nm	3167.7	1512.5	4019.8	nm	29834.5	200.2	262.0	258.8	52.3
Credit period	nm	nm	nm	nm	nm	nm	nm	nm	nm	1262.4

Source: Company (historical figures), DNB Markets (estimates)

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## Important Information

Company: Isofol Medical  
 Coverage by Analyst: David Martinsson  
 Date: 20/05/2021

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