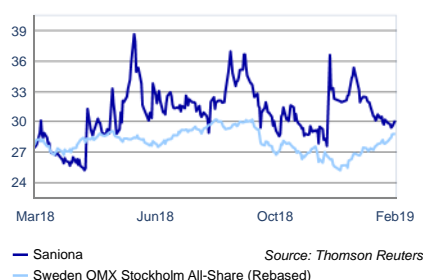


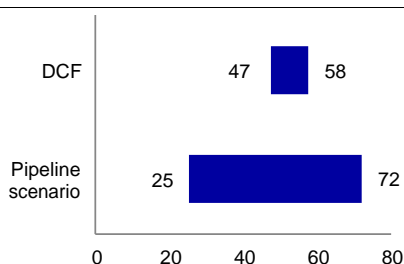
KEY DATA

Stock country	Sweden
Bloomberg	SANION SS
Reuters	SANION.ST
Share price (close)	SEK 30.20
Free Float	73%
Market cap. (bn)	EUR 0.06/SEK 0.68
Website	https://saniona.com/
Next report date	21 Feb 2019

PERFORMANCE



VALUATION APPROACH, SEK



Source: Nordea estimates

ESTIMATE CHANGES

Year	2018E	2019E	2020E
Sales	0%	0%	0%
EBIT (adj)	0%	0%	0%

Source: Nordea estimates

Nordea Markets - Analysts

Jesper Iisøe
AnalystMichael Novod
Director, Sector Coordinator

Ph IIa PWS trial update an incremental negative

Saniona just reported an update on its ph IIa dose-finding trial with Tesomet in Prader-Willi syndrome (PWS). The release did not include any data, but the company noted that the Tesomet 0.125 mg dose did not reach statistical significance. Saniona will instead continue the dose-finding study at a higher dose (0.25 mg/day vs 0.125 mg/day) in another three-month study, which may enable data in Q3 2019, we believe. While we note that this is a dose-finding study, we consider it a negative datapoint, given that Tesomet's potential in PWS remains the biggest catalyst for the share.

Ph IIa PWS trial update shows no difference on 0.125 mg dose

This morning (19 February), Saniona reported an update on its ph IIa trial, testing Tesomet 0.125 mg/day in adolescent patients with Prader-Willi syndrome (PWS). The release did not include any data, but the company noted that the change in body weight (the primary endpoint) and hyperphagia (a secondary endpoint) did not reach a statistically significant difference between the patients treated with Tesomet and placebo.

Saniona will continue the study at a higher dose (0.25 mg/day)

Based on these results, Saniona announced that it will continue the dose-finding study at a higher dose (0.25 mg/day vs 0.125 mg/day) in another three-month open-label extension study. The first patients are expected to be switched to the 0.25 mg dose in March, according to the company. This may enable results around Q3 2019, we believe.

We consider this update an incremental negative datapoint

Overall, we view the PWS update as an incremental negative, given that datapoints on Tesomet's efficacy and potential in PWS, in our view, remain the biggest catalyst for the Saniona share. While we note that the ph IIa trial is a dose-finding study and that the 0.25 mg dose may show better potential, the release is a negative datapoint, all else being equal.

Valuation range unchanged at SEK 47-58 per share

We leave our DCF-derived valuation range unchanged at SEK 47-58 per share. We currently ascribe SEK 28 per share to Tesomet in PWS, assuming USD ~360m in peak sales at a 15% approval-probability. We base our valuation only on Tesofensine and Tesomet in PWS and obesity. Risks include pipeline failures, delays, regulatory hurdles, commercialisation hurdles, and funding needs beyond 2020.

SUMMARY TABLE - KEY FIGURES

SEKm	2014	2015	2016	2017	2018E	2019E	2020E
Total revenue	22	14	75	21	59	38	68
EBITDA (adj)	-7	-27	5	-57	-49	-77	-112
EBIT (adj)	-8	-28	4	-57	-50	-77	-112
EBIT (adj) margin	-38.0%	-206.0%	5.5%	-276.4%	-83.5%	-205.9%	-164.8%
EPS (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EPS (adj) growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
DPS (ord)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	n.a.	n.a.	n.a.	n.a.	10.9	18.5	11.5
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P/BV	n.a.	n.a.	n.a.	n.a.	10.0	9.3	-383.5
Dividend yield (ord)	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%
FCF Yield bef acq & disp	n.a.	n.a.	n.a.	n.a.	-3.1%	-7.7%	-11.0%
Net debt	-10	-47	-53	-22	-72	-84	1
Net debt/EBITDA	1.3	1.7	-11.7	0.4	1.5	1.1	0.0
ROIC after tax	n.m.	n.m.	76.0%	n.m.	n.m.	n.m.	n.m.

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

SEKm	2010	2011	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E
Net revenue	n.a.	n.a.	n.a.	13	22	14	75	21	59	38	68
Revenue growth	n.a.	n.a.	n.a.	n.a.	63.0%	-37.2%	449.7%	-72.4%	187.1%	-36.7%	80.8%
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	0	-1	-7	-27	5	-57	-49	-77	-112
Depreciation and impairments PPE	0	0	0	0	-1	-1	0	-1	-1	0	0
EBITA	0	0	0	-2	-8	-28	4	-57	-50	-77	-112
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	n.a.	n.a.	n.a.	-2	-8	-28	4	-57	-50	-77	-112
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	1	-1	1	1	1	1	1
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	0	0	0	-2	-8	-29	5	-56	-49	-76	-111
Reported taxes	0	0	0	0	2	6	-3	7	11	17	25
Net profit from continued operations	0	0	0	-1	-6	-23	2	-49	-38	-59	-86
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	0	-1	-6	-23	2	-49	-38	-59	-86
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
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.a.	-9.1%	-34.5%	-200.4%	6.1%	-273.7%	-82.7%	-205.9%	-164.8%
EBITA	n.a.	n.a.	n.a.	-12.5%	-38.0%	-206.0%	5.5%	-276.4%	-83.5%	-205.9%	-164.8%
EBIT	n.a.	n.a.	n.a.	-12.5%	-38.0%	-206.0%	5.5%	-276.4%	-83.5%	-205.9%	-164.8%

Adjusted earnings

EBITDA (adj)	0	0	0	-1	-7	-27	5	-57	-49	-77	-112
EBITA (adj)	0	0	0	-2	-8	-28	4	-57	-50	-77	-112
EBIT (adj)	0	0	0	-2	-8	-28	4	-57	-50	-77	-112
EPS (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Adjusted profit margins in percent

EBITDA (adj)	n.a.	n.a.	n.a.	-9.1%	-34.5%	-200.4%	6.1%	-273.7%	-82.7%	-205.9%	-164.8%
EBITA (adj)	n.a.	n.a.	n.a.	-12.5%	-38.0%	-206.0%	5.5%	-276.4%	-83.5%	-205.9%	-164.8%
EBIT (adj)	n.a.	n.a.	n.a.	-12.5%	-38.0%	-206.0%	5.5%	-276.4%	-83.5%	-205.9%	-164.8%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	34.8%	11.6%	37.9%
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.a.	n.m.	n.m.	n.m.
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
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.a.	-63.1%	-73.0%	n.m.	n.m.
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-61.1%	-71.4%	-99.8%	n.m.

VALUATION RATIOS - ADJUSTED EARNINGS

SEKm	2010	2011	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.

VALUATION RATIOS - REPORTED EARNINGS

SEKm	2010	2011	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10.86	18.55	11.52
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-3.1%	-7.7%	-11.0%
Payout ratio	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company data and Nordea estimates

BALANCE SHEET

SEKm	2010	2011	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E
Intangible assets	0	0	0	0	0	0	0	0	0	0	0
of which R&D	0	0	0	0	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	1	1	1	1	1	1	1	1
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	1	1	1	1	6	0	0	0
Total non-current assets	0	0	0	2	2	2	3	8	1	1	1
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	0	0	0	1	3	8	14	18	15	9	17
Other current assets	0	0	0	0	1	0	1	1	2	1	2
Cash and bank	0	0	0	1	10	47	53	22	72	84	-1
Total current assets	0	0	0	2	13	55	68	41	89	95	17
Assets held for sale	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	0	0	0	4	15	58	71	48	90	96	18
Shareholders equity	0	0	0	-3	9	53	54	38	72	84	-2
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
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	0	0	-3	9	53	54	38	72	84	-2
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	2	0	0	0	0
Accounts payable	0	0	0	2	2	3	6	5	6	4	7
Other current liabilities	0	0	0	5	4	2	9	6	12	8	14
Short term interest bearing debt	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	0	0	0	7	7	5	17	11	18	11	20
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	0	0	0	4	15	58	71	48	90	96	18
Balance sheet and debt metrics											
Net debt	0	0	0	-1	-10	-47	-53	-22	-72	-84	1
Working capital	0	0	0	-6	-3	4	0	8	-1	-1	-2
Invested capital	0	0	0	-4	-1	6	3	15	-1	0	-1
Capital employed	0	0	0	-3	9	53	54	38	72	84	-2
ROE	n.m.	n.m.	n.m.	86.9%	n.m.	-74.4%	4.1%	n.m.	-69.3%	-76.1%	n.m.
ROIC	n.m.	n.m.	n.m.	72.9%	n.m.	n.m.	76.0%	n.m.	n.m.	n.m.	n.m.
ROCE	n.a.	n.a.	n.a.	57.2%	-94.1%	-53.0%	7.7%	n.m.	-69.2%	-91.8%	n.m.
Net debt/EBITDA	n.m.	n.m.	n.m.	0.8	1.3	1.7	-11.7	0.4	1.5	1.1	0.0
Interest coverage	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	n.m.	n.m.	n.m.	-73.0%	56.8%	91.8%	76.7%	77.8%	80.1%	88.2%	-11.1%
Net gearing	n.m.	n.m.	n.m.	31.5%	-110.4%	-88.8%	-98.2%	-59.3%	-100.8%	-100.0%	-62.8%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

SEKm	2010	2011	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E
EBITDA (adj) for associates	0	0	0	-1	-7	-27	5	-57	-49	-77	-112
Paid taxes	0	0	0	0	0	0	0	0	11	17	25
Net financials	0	0	0	0	0	0	0	0	1	1	1
Change in provisions	0	0	0	0	0	0	2	-2	0	0	0
Change in other LT non-IB	0	0	0	-1	0	-1	0	-5	6	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	-5	0	1	-2	7	0	0	0
Funds from operations (FFO)	0	0	0	-7	-7	-27	5	-56	-31	-59	-86
Change in NWC	0	0	0	3	0	-2	3	-1	9	-1	1
Cash flow from operations (CFO)	0	0	0	-4	-8	-29	8	-57	-22	-60	-86
Capital expenditure	0	0	0	-2	-1	0	-1	-1	0	0	0
Free cash flow before A&D	0	0	0	-5	-9	-29	7	-58	-22	-60	-86
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	0	-5	-9	-29	7	-58	-22	-60	-86
Dividends paid	0	0	0	n.a.	n.a.	n.a.	0	0	0	0	0
Equity issues / buybacks	0	0	0	0	18	67	0	33	72	72	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	0	0	0	0
Other non-cash adjustments	0	0	0	6	0	0	0	-6	0	0	0
Change in cash	0	0	0	1	9	37	6	-31	50	12	-86

Cash flow metrics

Capex/D&A	n.m.	n.m.	n.m.	n.m.	n.m.	31.7%	n.m.	n.m.	0.0%	n.m.	n.m.
Capex/Sales	n.a.	n.a.	n.a.	-12.2%	-3.7%	-1.8%	-1.1%	-3.4%	0.0%	0.0%	0.0%

Key information

Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	32	30	30
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	717	782	782
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	645	697	783
Diluted no. of shares, year-end (m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.5	23.8	25.9	25.9

Source: Company data and Nordea estimates

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