


BUY

TARGET PRICE : 6,6€  +217%

REVENUES + CASH Q1 2023

CASH POSITION LOOKING COMFORTABLE

ORYZON GENOMICS has reported stable and unsurprising Q1 2023 results. The group's cash position still looks comfortable and on our estimates, should secure business out to end-2024. On the clinical front, the programmes are progressing as announced. A futility analysis of the Ph IIb PORTICO trial in borderline personality disorder published at the end of March 2023 came in positive. In the oncology franchise, the Ph Ib FRIDA trial has started recruiting patients suffering from acute myeloid leukaemia after the conclusive results obtained for the Ph II ALICE trial in December 2022. We are reiterating our Buy rating with a TP at €6.6.

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Stable Q1 2023, comfortable cash position out to end-2024 (ISE)

The company generated no revenue in accordance with its business model. Operating expenses remained fairly stable in Q1 2023 vs. Q1 2022, reaching a total of \$5.95m vs. \$5.57m: R&D expenses (\$4.4m vs. \$4.2m) and G&A expenses (\$1.2m vs. \$1.3m). The net loss stood at -\$1.77m in Q1 2023 vs -\$1.81m in Q1 2022.

Cash & cash equivalents, and marketable securities totalled \$20.0m on 31 March 2023 vs. \$22.7m on 31 December 2022, providing financial visibility out to end-2024 on our estimates.

Clinical plan advancing in line with announcements

On the clinical front, the company is continuing work in its two franchises of oncology and central nervous system (CNS). In cancer, several programmes have been or should be initiated this year in the Ph I/II stages. The most advanced programme, the Phase II ALICE trial in liquid tumours, demonstrated positive end-results in December 2022. Complementary trials should be initiated soon to assess the potential of iadademstat under the framework of various combinations in sub-populations of patients identified as best-responders, among which the Ph Ib FRIDA trial. Recruitment of patients suffering from resistant or relapsed AML (acute myeloid leukaemia) has started to assess the combination of iadademstat with gilteritinib under the framework of this FRIDA trial.

In the CNS field, a significant catalyst was expected in Q1 2023 for the most advanced programme in the franchise, the Ph IIb PORTICO trial concerning patients suffering from BPD (borderline personality disorder). On 30 March 2023, the independent intermediary analysis was positive. It aimed to assess the size and the futility of the signal based on data from the first 90 patients in the trial, which is set to include a total of 188 patients. The trial is continuing the recruitment of patients in Europe and the US. Note that PORTICO aims to assess the efficacy and innocuity of vafidemstat in patients suffering from BPD with two main independent criteria: reduction in aggressiveness/agitation and overall improvement in the borderline disorder. Other programmes in the pipeline are also advancing: further recruitment for the Ph IIb EVOLUTION trial in schizophrenia, and preparation of the IND filing to launch the Ph I/II HOPE trial in Kabuki syndrome.

Invest Securities and the issuer have signed an analysis services agreement.

in € / share	2023e	2024e	2025e
Adjusted EPS	0,48	0,81	3,19
chg.	-15,6%	+67,1%	+296,2%
estimates chg.	+0%	+0%	+0%
au 31/12	2023e	2024e	2025e
PE	0,0x	0,0x	0,0x
EV/Sales	-0,2x	-0,3x	-0,6x
EV/Adjusted EBITD	-0,2x	-0,7x	-1,0x
EV/Adjusted EBITA	-0,2x	-0,7x	-1,0x
FCF yield*	-292,2%	-86,2%	-82,7%
Div. yield (%)	n.s.	n.s.	n.s.

* After tax op. FCF before WCR

key points	1m	3m	Ytd
Closing share price 10/05/2023			2,1
Number of Shares (m)			57,9
Market cap. (€m)			119
Free float (€m)			97
ISIN			ES0167733015
Ticker			ORY-ES
DJ Sector			Health Technology
Absolute perf.	-5,9%	-16,5%	-16,1%
Relative perf.	-6,0%	-14,1%	-20,6%

Source : Factset, Invest Securities estimates

11 May, 2023

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1

FINANCIAL DATA

Données par action	2019	2020	2021	2022	2023e	2024e	2025e
BNA publié	-0,08	-0,08	-0,14	0,57	0,48	0,81	3,19
BNA corrigé dilué	-0,08	-0,08	-0,14	0,57	0,48	0,81	3,19
Ecart /consensus	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Dividende	0,00	0,00	0,00	0,00	0,00	0,00	1,00

Ratios valorisation	2019	2020	2021	2022	2023e	2024e	2025e
P/E	n.s.	n.s.	n.s.	0,0x	0,0x	0,0x	0,0x
VE/CA	n.s.	n.s.	n.s.	0,16x	-0,16x	-0,32x	-0,61x
VE/EBITDA ajusté	n.s.	n.s.	n.s.	0,2x	-0,2x	-0,7x	-1,0x
VE/EBITA ajusté	n.s.	n.s.	n.s.	0,2x	-0,2x	-0,7x	-1,0x
FCF yield op. avt BFR	n.s.	n.s.	n.s.	198,8%	-292,2%	-86,2%	-82,7%
FCF yield opérationnel	n.s.	n.s.	n.s.	198,8%	-292,2%	-86,2%	-82,7%
Rendement	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.

NB : les ratios sont calculés sur le cours moyen annuel pour les exercices terminés

Valeur d'Entreprise (m€)	2019	2020	2021	2022	2023e	2024e	2025e
Cours en €	3,4	0,0	0,0	0,0	0,0	0,0	0,0
Capitalisation	154	39	39	39	39	39	39
Dettes Nette	-27	-29	-15	-31	-43	-70	-199
Valeur des minoritaires	0	0	0	0	0	0	1
Provisions/ quasi-dettes	0	0	0	0	0	0	0
+/- corrections	0	0	0	0	0	0	1
Valeur d'Entreprise (VE)	127	10	24	8	-4	-31	-158

Compte résultat (m€)	2019	2020	2021	2022	2023e	2024e	2025e
CA	0,0	0,0	0,0	50,0	26,5	96,3	257,8
var.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
EBITDA ajusté	-4	-4	-6	35	22	41	164
EBITA ajusté	-4	-4	-6	35	22	41	164
var.	n.s.	n.s.	n.s.	n.s.	-36,3%	+87,6%	+297,1%
EBIT	-3,8	-4,3	-6,8	34,1	21,5	40,7	163,2
Résultat financier	-1	0	0	0	0	0	0
IS	1	1	1	-9	0	-5	-23
SME+Minoritaires	0	0	0	0	0	0	0
RN pdg publié	-3,7	-3,4	-5,9	25,0	21,1	35,2	139,4
RN pdg corrigé	-3,7	-3,4	-5,9	25,0	21,1	35,2	139,4
var.	n.s.	n.s.	n.s.	n.s.	-15,6%	+67,1%	+296,2%

Tableau de flux (m€)	2019	2020	2021	2022	2023e	2024e	2025e
EBITDA	-3,7	-4,1	-6,5	34,5	22,0	41,2	163,8
IS théorique / EBITA	0,9	1,4	1,4	-8,7	0,0	-5,1	-23,3
Total capex	-9,6	-9,1	-9,5	-9,5	-9,5	-9,5	-9,5
FCF opérationnel net IS avt BFR	-12,4	-11,8	-14,6	16,3	12,5	26,7	130,9
Variation BFR	0,3	-1,2	0,0	0,0	0,0	0,0	0,0
FCF opérationnel net IS après BFR	-12,1	-13,1	-14,6	16,3	12,5	26,7	130,9
Acquisitions/cessions	0,5	0,1	0,0	0,0	0,0	0,0	0,0
Variation de capital	18,4	18,2	0,0	0,0	0,0	0,0	0,0
Dividendes versés nets	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Autres dont correction IS	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Cash-flow publié	6,7	5,3	-14,6	16,3	12,5	26,7	130,9

Bilan (m€)	2019	2020	2021	2022	2023e	2024e	2025e
Actifs immobilisés	42	52	61	70	79	88	97
dont incorporels/GW	40	49	58	68	77	86	95
BFR	-8	-5	-5	-5	-5	-5	-3
Capitaux Propres groupe	61	76	70	95	116	151	291
Minoritaires	0	0	0	0	0	0	1
Provisions	0	0	0	0	0	0	0
Dettes fi. nette	-26,7	-29,1	-14,5	-30,8	-43,3	-69,9	-199,3

Ratios financiers (%)	2019	2020	2021	2022	2023e	2024e	2025e
EBITDA/CA	n.s.	n.s.	n.s.	69,0%	83,1%	42,8%	63,5%
EBITA/CA	n.s.	n.s.	n.s.	69,0%	83,1%	42,8%	63,5%
RN corrigé/CA	n.s.	n.s.	n.s.	49,9%	79,6%	36,5%	54,1%
ROCE	n.s.	n.s.	n.s.	53,0%	29,6%	49,5%	174,7%
ROE corrigé	n.s.	n.s.	n.s.	26,3%	18,1%	23,3%	48,0%
DN/FP	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
DN/EBITDA (en x)	n.s.	n.s.	n.s.	-0,9x	-2,0x	-1,7x	-1,2x

Source : données sociétés, estimations Invest Securities

INVESTMENT CASE

ORYZON GENOMICS is a Spanish biotechnology company specializing in the treatment of neurodegenerative diseases and cancer. Specializing in the field of epigenetics, the company aims, in all of its development programs, to identify biomarkers through its genetic and proteomic platforms in order to develop small molecule drugs. The company has delivered interesting results with its most advanced programs in areas more or less invested in terms of overall R&D efforts, cancer but also Covid-19 and cognitive disorders associated with neurodegenerative diseases or disorders of the personality.

SWOT ANALYSIS

STRENGTHS

- Epigenetic platform
- Extensive development pipeline
- Differentiating positioning

WEAKNESSES

- No partnership
- Risky indications (CNS)
- Intense competition in oncology

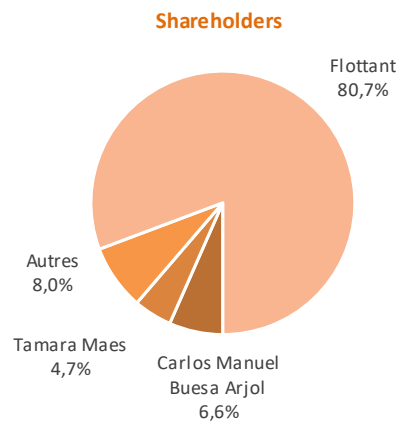
OPPORTUNITIES

- Potential partnership
- Extension of indications

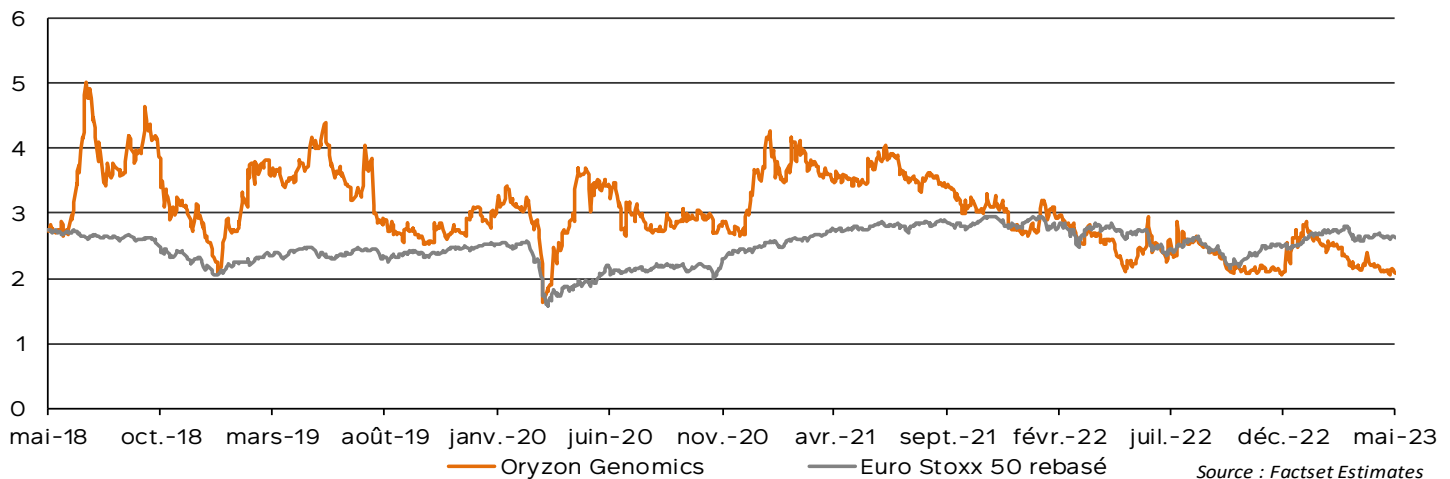
THREATS

- Clinical and regulatory risk
- Commercial risks
- Legal risks

ADDITIONAL INFORMATION



SHARE PRICE CHANGE FOR 5 YEARS



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TARGET PRICE AND RECOMMENDATION

Our analyst ratings are dependent on the expected absolute performance of the stock on a 6- to 12-month horizon. They are based on the company’s risk profile and the target price set by the analyst, which takes into account exogenous factors related to the market environment that may vary considerably. The Invest Securities analysis office sets target prices based on a multi-criteria fundamental analysis, including, but not limited to, discounted cash flows, comparisons based on peer companies or transaction multiples, sum-of-the-parts value, restated net asset value, discounted dividends.

Ratings assigned by the Invest Securities analysis office are defined as follows:

- BUY: Upside potential of more than 10% (the minimum upside required may be revised upward depending on the company’s risk profile)
- NEUTRAL: Between -10% downside and +10% upside potential (the maximum required may be revised upward depending on the company’s risk profile)
- SELL: Downside potential of more than 10%
- TENDER or DO NOT TENDER: Recommendations used when a public offer has been made for the issuer (takeover bid, public exchange offer, squeeze-out, etc.)
- SUBSCRIBE or DO NOT SUBSCRIBE: Recommendations used when a company is raising capital
- UNDER REVIEW: Temporary recommendation used when an exceptional event that has a substantial impact on the company’s results or our target price makes it impossible to assign a BUY, NEUTRAL or SELL rating to a stock

12-MONTHS HISTORY OF OPINION

The table below reflects the history of recommendation and price target changes made by Invest Securities' research department over the last 12 months.

Company Name	Main Author	Release Date	Rating	Target Price	Potential
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DETECTION OF CONFLICTS OF INTEREST

	Oryzon Genomics
Invest Securities was lead manager or co-lead manager in a public offer concerning the financial instruments of this issuer during the last twelve months.	No
Invest Securities has signed a liquidity contract with the issuer.	No
Invest Securities and the issuer have signed a research service agreement.	Yes
Invest Securities and the issuer have signed a Listing Sponsor agreement.	No
Invest Securities has been remunerated by this issuer in exchange for the provision of other investment services during the last twelve months (RTO, Execution on behalf of third parties, advice, placement, underwriting).	No
This document was sent to the issuer prior to its publication. This rereading did not lead the analyst to modify the valuation.	No
This document was sent to the issuer for review prior to its publication. This rereading led the analyst to modify the valuation.	No
The financial analyst has an interest in the capital of the issuer.	No
The financial analyst acquired equity securities of the issuer prior to the public offering transaction.	No
The financial analyst receives remuneration directly linked to the transaction or to an investment service provided by Invest Securities.	No
An executive officer of Invest Securities is in a conflict of interest with the issuer and was given access to this document prior to its completion.	No
Invest Securities or the All Invest group owns or controls 5% or more of the share capital issued by the issuer.	No
Invest Securities or the All Invest group holds, on a temporary basis, a net long position of more than 0.5% of the issuer's capital.	No
Invest Securities or the All Invest group holds, on a temporary basis, a net short position of more than 0.5% of the issuer's capital.	No
The issuer owns or controls 5% or more of the capital of Invest Securities or the All Invest group.	No

Invest Securities's conflict of interest management policy is available on the Invest Securities website in the Compliance section. A list of all recommendations released over 12 months as well as the quarterly publication of "BUY, SELL, NEUTRAL, OTHERS" over 12 months, are available on the Invest Securities research platform.

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