

Valneva SE

France / Biotechnology
 Euronext Paris
 Bloomberg: VLA FP
 ISIN: FR0004056851

Update

RATING

PRICE TARGET

Return Potential
 Risk Rating

BUY

€ 8.10

181.6%
 High

STRONG Q1 RESULTS; WE SEE LYME MARKET PEAKING AT >USD2BN

Q1/25 product revenues of €48.6m (Q1/24: €32.4m) jumped 51.2% due largely to the absence of supply constraints which hampered sales of Ixiaro and third-party products in the prior year quarter. An improved gross margin and tight cost control lowered the operating cash outflow to €8.1m (Q1/24: €28.4m). For the full year management is guiding towards an operating cash outflow of under €30m (FY/24: €67.2m). The end Q1/25 cash position was €153m, which in April was topped up by €14.2m in proceeds from an issue to the U.S. healthcare investor, Novo Holdings A/S. Management indicates that the cash runway extends until expected first commercial sales of the Lyme disease vaccine candidate, VLA15, in 2027. We think VLA15 will make Valneva profitable. We also expect commercialisation of VLA15 to trigger aggregate milestone payments of USD143m from partner Pfizer in 2027. Additionally, Valneva also stands to receive USD100m in commercial milestones based on cumulative VLA15 sales thresholds, and royalties of between 14% and 22%. No vaccine is currently available to prevent Lyme disease in humans. Pfizer and Valneva currently estimate the global market for a Lyme disease vaccine to exceed USD1bn. We see this figure as too conservative. With VLA15 phase 3 trial results expected by the end of this year, we have reworked our forecasts for the vaccine candidate. Based on eligible populations in endemic regions of the U.S. and EU of ca 70m and 162m respectively, an average price per shot of USD72, and penetration of 10%, we arrive at a peak value for the Lyme vaccine market of over USD2bn. An increase in our valuation of VLA15 outweighs a downward revision to our valuation of Valneva's chikungunya vaccine, IXCHIQ, prompted by slower than expected uptake. We raise our price target to €8.10 (previously: €7.70) and maintain our Buy recommendation. Upside: 182%.

(p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2022	2023	2024	2025E	2026E	2027E
Revenue (€m)	361.3	153.7	169.6	186.1	203.3	466.7
Y-o-y growth	3.8%	-57.5%	10.3%	9.7%	9.3%	129.5%
EBIT (€m)	-113.4	-82.1	13.3	-59.9	-34.8	182.1
EBIT margin	n.a.	n.a.	7.9%	n.a.	n.a.	39.0%
Net income (€m)	-143.3	-101.4	-12.2	-79.0	-49.5	153.4
EPS (diluted) (€)	-1.24	-0.73	-0.08	-0.48	-0.30	0.92
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (€m)	-274.7	-217.1	-83.7	-44.5	-21.8	151.1
Net gearing	-62.4%	64.5%	26.5%	76.9%	182.5%	-4.4%
Liquid assets (€m)	289.4	126.1	168.3	110.7	40.2	141.7

RISKS

Risks include, but are not limited to development, partnering, regulatory, competition and retention of key personnel.

COMPANY PROFILE

Valneva is a specialty vaccine company which develops and commercialises prophylactic vaccines for infectious diseases with significant unmet medical need. Valneva is currently commercialising three vaccines and has successfully advanced several vaccine candidates into and through the clinic, including candidates against Lyme disease, the chikungunya virus and COVID-19. Valneva is incorporated in France and had over 700 employees at end December 2024.

MARKET DATA

As of 20 May 2025

Closing Price	€ 2.88
Shares outstanding	167.27m
Market Capitalisation	€ 481.07m
52-week Range	€ 1.76 / 4.23
Avg. Volume (12 Months)	971,142

Multiples	2024	2025E	2026E
P/E	n.a.	n.a.	n.a.
EV/Sales	3.2	2.9	2.7
EV/EBIT	40.5	n.a.	n.a.
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 31 Mar 2025

Liquid Assets	€ 152.99m
Current Assets	€ 152.99m
Intangible Assets	€ 24.60m
Total Assets	€ 482.24m
Current Liabilities	€ 106.20m
Shareholders' Equity	€ 175.25m

SHAREHOLDERS

CDC	8.4%
Pfizer Inc.	5.7%
Novo Holdings A/S	4.8%
Groupe Grimaud la Corbiere	3.7%
Free Float and other	77.4%

**Figure 1: Q1/25 results versus consensus**

€m	Q1/25	Q1/25-Consensus	Δ	Q1/24	Δ
Total revenues	49.2	41.0	20.0%	32.8	50.2%
Product revenues	48.6	39.1	24.3%	32.1	51.2%
Other revenues	0.6	1.6	-62.5%	0.6	-0.7%
R&D expenses	15.0	20.6	-27.2%	13.1	14.2%
SG&A	19.4	23.8	-18.5%	23.0	-15.7%
Adj. EBITDA	-0.6	-14.8	n.a.	73.0	n.a.

Source: Valneva

Product sales 24% above consensus, but in line with management expectations As figure 1 above shows, product revenues jumped by 51.2%. Strong product revenue performance was helped by the absence of the supply constraints which crimped Q1/24 sales of Ixiaro and third party products. Q1/25 product sales were 24% above consensus and are equivalent to 28% of the midpoint of FY/25 product sales guidance of €170-€180m. However, CEO Thomas Lingelbach indicated during the analysts' call that the number was in line with management expectations on which FY/25 guidance is based.

Figure 2: Q1/25 product revenue breakdown

€m	Q1/25	Q1/24	Δ
Ixiaro	27.5	16.6	65.7%
Dukoral	12.3	11.3	8.8%
IXCHIQ	3.0	0.2	1400.0%
Third party products	5.8	4.1	41.5%
Total product sales	48.6	32.1	51.2%

Source: Valneva

Q1/25 sales of Ixiaro were boosted by a strong increase in sales to the U.S. military following the signing of a new one-year USD32.8m contract with the U.S. Department of Defense at the end of January, and also helped by higher sales into travel channels and stock replenishment in indirect markets. The rise in Q1/25 Dukoral sales was driven by a shipment worth €1.1m following a cholera outbreak on the French island of Mayotte.

Ixiaro gross margin likely below Q1/25 level of 72.6% in coming quarters The gross margin on Ixiaro and Dukoral sales reached 72.6% (Q1/24: 51.8%) and 52.0% (Q1/24: 38.1%) respectively in Q1/25. The improvement was primarily due to better manufacturing performance with fewer batch failures and inventory adjustments. However, during the analysts' call CFO Peter Bühler stated that the Ixiaro gross margin is likely to be lower during the remaining quarters of 2025. The Dukoral gross margin is expected to be sustainable at the Q1/25 level.

IXCHIQ was first launched in the U.S. in Q1/24. Sales of the vaccine jumped to €3.0m in Q1/25 (Q1/24: €0.2m) as Valneva ramped up sales in the U.S. and also in France and Canada. The gross profit on Ixiaro sales in Q1/25 was €2.0m (equivalent to a margin of 67%). The Q1/24 gross profit was €-0.6m.

Take-up of IXCHIQ has been slower than Valneva's management initially expected In a presentation of July 2024 management held out the prospect of overall group product revenues doubling from the 2023 level of €145m by 2026. This guidance implied 2026 IXCHIQ sales of over €100m. However, in the 9M/24 report published last November, management announced a review of mid-term guidance for IXCHIQ after sales of the vaccine came in at a modest €1.8m for the first three quarters of 2024. To date Valneva has not published any updated mid-term guidance for IXCHIQ.



In our view initial sales of IXCHIQ have failed to meet expectations because of low awareness of chikungunya among travellers. A delay in publication in the U.S. of the ACIP's (Advisory Committee On Immunization Practices) recommendation on IXCHIQ in the influential Morbidity and Mortality Weekly Report has also slowed uptake.

FDA and EMA have suspended IXCHIQ recommendation for elderly Earlier this month the FDA and EMA (European Medicines Agency) both announced a temporary suspension of their recommendations for the use of IXCHIQ for individuals over 65 years old. The FDA and EMA took this step following reports of serious adverse events (SAEs) following vaccination with IXCHIQ in elderly people with significant underlying medical conditions and/or co-medications. The EMA's decision was based on reports of 17 SAEs worldwide in elderly people (including two deaths). To date, over 40,000 doses of IXCHIQ have been used worldwide. Both the FDA and EMA have highlighted that the exact cause of these SAEs and their relationship with the vaccine has not yet been determined.

THE FDA/EMA may well rescind their recommendation suspensions over the next few weeks/months. However, the current FDA/EMA recommendation suspension will mean that 2025 IXCHIQ sales will be lower than they otherwise would have been, especially given that Valneva's marketing efforts had been particularly targeting elder adults, who are at higher risk for severe chikungunya infection than younger individuals.

Figure 3: IXCHIQ: Growing geographic footprint/progress in label extensions

Date	Event
November 2023	FDA approval for individuals 18 years of age and older
January 2024	First patient dosed in phase 2 pediatric trial in Dominican Republic and Honduras
May 2024	Further positive phase 3 data from adolescent phase 3 trial
June 2024	Canada - approval for individuals 18 years of age and older
July 2024	EU approval for individuals 18 years of age and older
September 2024	Adolescent label extension applications submitted to EU and Canada
November 2024	Adolescent label extension application submitted to FDA
December 2024	Exclusive License with Serum Institute of India
February 2025	UK approval for individuals 18 years of age and older
March 2025	Adolescent label extension application submitted to UK's MHRA
April 2025	EU approval for individuals 12 years of age and older
April 2025	Brazil - approval for individuals 18 years of age and older
May 2025	EU temporarily suspends use of IXCHIQ for individuals over 65 years of age
May 2025	U.S. CDC recommends pause in use of IXCHIQ for individuals over 65 years of age

Source: Valneva

We think South American/Asian chikungunya-endemic markets could generate USD250m of sales by 2030 Figure 3 illustrates IXCHIQ's growing geographic approval footprint and progress in label extensions since initial FDA approval in November 2023. Particularly noteworthy in our view are the April 2025 approval in Brazil – the first marketing authorisation for IXCHIQ in a chikungunya-endemic country – and the exclusive license with Serum Institute of India (SII) announced in December last year. SII is the world's largest manufacturer of vaccines by number of doses, and will work together with Valneva to bring IXCHIQ to the Indian market and certain other Asian countries, subject to local regulatory approvals. We believe the chikungunya-endemic markets in the low and medium income countries of South America and Asia could generate chikungunya vaccine sales of USD250m by 2030. Assuming a 50% market share for Valneva, and a 30% operating profit margin, implies an EBIT contribution of USD38m.

Q2/25 will benefit from large IXCHIQ order from La Réunion Valneva states that ca. 40,000 doses of IXCHIQ had been used by the end of Q1/25. So far this year the company has supplied 40,000 doses to La Réunion as the French island is currently undergoing a major chikungunya outbreak.



Only a small number of these 40,000 doses were supplied in Q1/25, suggesting that current quarter sales should beat the first quarter figure of €3.0m by a significant margin. We also expect the third and fourth quarters to be above the first quarter as recent geographic approvals and label extensions boost sales.

Pivotal results of the phase 3 trial of Valneva's Lyme disease vaccine candidate, VLA15, are expected by the end of this year. Based on what we know about the size of the populations in endemic areas of the U.S. and EU, and what we think are conservative pricing and penetration assumptions, we arrive at a peak value for the Lyme vaccine market of over USD2bn. This compares with Pfizer and Valneva's longstanding estimate of over USD1bn. We have summarised our assumptions in figure 4 below.

Figure 4: Lyme Disease vaccine market size assumptions

	U.S.	EU	Total
Endemic population (m)	87.0	202.0	289.0
Eligible population (m)	69.6	161.6	231.2
Total penetration	10%	10%	10%
No. individuals vaccinated (m)	7.0	16.2	23.1
Vaccination schedule (months)	primary:0,2,5-9, boosters:18 and then annually	primary: 0,2,5-9, boosters:18 and then annually	
Price per shot (USD)	100	60	72

Source: Valneva, First Berlin Equity Research estimates

The population living in areas of the U.S. and EU in which Lyme Disease is endemic are 87m and 202m respectively. 20% of these populations are ineligible for vaccination by virtue of being too young or too old. We estimate a penetration rate of 10%. If the authorities issue a blanket recommendation for individuals living in endemic areas, penetration could clearly be much higher. Our assumed vaccination schedule follows that used in the phase 3 trial plus annual boosters following the trial booster which is administered at 18 months. Valneva has not made any official statements on pricing. However, Pfizer CEO Albert Bourla has stated that no primary vaccination series (in this case 3 shots) should cost less than USD300. We have assumed USD100 per shot in the US and USD60 per shot in the EU. This implies an average price per shot of USD72.

Our long term assumption is that Valneva/Pfizer and Moderna each take 50% of the Lyme disease vaccine market Subject to positive results from the phase 3 trial, Pfizer expects to submit regulatory applications for VLA15 in the U.S. and Europe in 2026 and receive approval in 2027. Moderna is Valneva/Pfizer's main competitor in the development of a vaccine for Lyme Disease. Moderna expects to complete its parallel phase 1/2 studies of the Lyme disease vaccine candidates heptavalent mRNA-1975 and monovalent mRNA-1982 by 31 July this year. We would then expect a phase 3 trial over two tick seasons in 2026 and 2027, regulatory submission subject to a positive trial result in 2028, and approval in 2029. Over the medium term we assume that Valneva/Pfizer and Moderna each take 50% of the Lyme disease vaccine market.

We maintain our Buy recommendation and raise the price target from €7.70 to €8.10 Changes to our forecasts mainly reflect reductions in our IXCHIQ forecasts, and increases in our forecasts for VLA15 as explained above. We now see fair value for the Valneva share at €8.10 (previously: €7.70). We maintain our Buy recommendation. Upside: 182%.



Figure 5: Changes to our forecasts

€m	2025E			2026E			2027E		
	Old	New	Δ	Old	New	Δ	Old	New	Δ
Product revenues	203.7	176.1	-13.5%	290.1	200.3	-30.9%	355.4	333.7	-6.1%
of which:									
Ixiaro	96.4	110.0	14.1%	101.9	121.0	18.8%	106.3	133.1	25.3%
Dukoral	34.7	36.3	4.8%	35.7	38.1	6.8%	36.8	40.0	8.9%
Ixchiq	52.6	18.0	-65.8%	136.9	32.0	-76.6%	163.5	55.0	-66.4%
Lyme royalties/milestones	0.0	0.0	-	0.0	0.0	-	32.7	96.1	-
Third party revenues	20.1	11.8	-41.2%	15.7	9.2	-41.2%	16.1	9.5	-41.2%
Other revenue	10.3	10.0	-2.9%	10.6	3.0	-71.7%	140.9	133.0	-5.6%
Total revenues	214.0	186.1	-13.0%	300.7	203.3	-32.4%	496.3	466.7	-6.0%
Gross profit	115.0	92.6	-19.5%	174.5	121.0	-30.7%	353.2	355.3	0.6%
margin (%)	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Sales & marketing	-57.0	-43.0	-	-72.5	-50.1	-	-88.9	-59.4	-
General & administrative	-53.0	-37.0	-	-55.1	-40.1	-	-60.4	-45.1	-
Research & development	-67.5	-95.0	-	-67.5	-80.1	-	-47.5	-83.2	-
Other income, net	20.0	22.5	12.5%	20.0	14.5	-27.5%	6.0	14.5	141.7%
EBIT	-42.5	-59.9	n.a.	-0.7	-34.8	n.a.	162.4	182.1	12.2%
margin (%)	-19.8%	-32.2%	-	-0.2%	-17.1%	-	32.7%	39.0%	-
Net financial result	-17.6	-17.6	-	-14.7	-14.7	-	-11.7	-11.7	-
EBT	-60.1	-77.5	n.a.	-15.4	-49.5	n.a.	150.7	170.5	13.1%
Tax	0.0	-1.5	-	0.0	0.0	-	-15.1	-17.0	-
Net income	-60.1	-79.0	n.a.	-15.4	-49.5	n.a.	135.7	153.4	13.1%
EPS (in EUR)	-0.43	-0.48	n.a.	-0.11	-0.30	n.a.	0.98	0.92	-6.1%
Adjusted EBITDA	-23.0	-39.1	n.a.	19.2	-13.5	n.a.	182.8	203.9	n.a.

Source: First Berlin Equity Research estimates

Figure 6: Valuation model

Compound	Project ¹⁾	Present Value	Market Size 2030	Market Share 2030	Sales 2030	PACME Margin ²⁾	Discount Factor	Time to Market
Ixiaro	Japanese Encephalitis	€635.2M	€178.9M	90.0%	€1610M	40%	9.0%	-
Dukoral	Cholera & ETEC	€133.6M	€183.8M	25.0%	€45.9M	30%	90%	-
VLA15	Lyme Disease	€1,392.3M	€909.1M	261.6%	€2,378.6M	18%	10.0%	2 Years
VLA 1553	Chikungunya virus	€533.6M	€463.0M	50.0%	€231.5M	45%	9.0%	-
S4V	Shigellosis	€232.3M	n.a.	n.a.	n.a.	45%	10.0%	5 years
EB66 cell line	Technology Platform	€11.9M			€19.7M	15%	9.0%	-
PACME PV		€2,938.9M						
Costs PV³⁾		€1,732.6M						
NPV		€1,206.3M						
PV grants, collabs., 3rd party distrib.		€192.9M						
Proforma net cash		-€44.0M						
Fair Value		€1,355.2M						
Proforma share count (fully diluted)		167,272K						
Price Target		€8.10						

1) A project typically refers to a specific indication or, where necessary or relevant, a combination between indication and geographic market

2) PACME (Profit After Costs and Marketing Expenses) reflects the company's profit share on future revenues.

This share may be derived in the form of royalties (outsourced marketing/manufacturing) or operating EBITDA margin (in-house model), or some mix of both (depending on the specific parameters of partnership agreements)

3) Includes company-level R&D, G&A, Financing Costs and CapEx; COGS and S&M are factored into the PACME margin for each project

Source: First Berlin Equity Research estimates



Figure 7: Changes to our valuation model

	Old	New	Δ
PACME PV	€2,603.0M	€2,938.9M	12.9%
Costs PV	€1,523.1M	€1,732.6M	13.8%
NPV	€1,079.9M	€1,206.3M	11.7%
PV grants, collabs., 3rd party distrib., milestones	€192.1M	€192.9M	0.4%
Proforma net cash (inc. PRV)	-€23.2M	-€44.0M	89.5%
Fair Value	€1,248.8M	€1,355.2M	8.5%
Pro-forma share count	162,277K	167,272K	3.1%
Price Target	€7.70	€8.10	5.3%

Source: First Berlin Equity Research estimates



INCOME STATEMENT

All figures in EUR '000	2022	2023	2024	2025E	2026E	2027E
Product sales	114,797	144,624	163,253	176,100	200,319	333,714
Other income	246,506	9,089	6,326	10,000	3,000	133,000
Total revenues	361,303	153,713	169,579	186,100	203,319	466,714
Cost of materials/goods sold	-324,441	-100,875	-98,538	-93,545	-82,347	-111,376
Gross Profit	36,862	52,838	71,041	92,555	120,972	355,338
Sales & marketing	-23,509	-48,752	-52,356	-43,000	-50,080	-59,400
General & administrative	-34,073	-47,799	-42,750	-36,964	-40,064	-45,144
Research & development	-104,922	-59,894	-74,143	-95,000	-80,128	-83,160
Other operating items, net	12,199	21,520	111,538	22,500	14,500	14,500
Operating income (EBIT)	-113,443	-82,087	13,330	-59,909	-34,799	182,133
Net financial result	-18,794	-22,115	-21,623	-17,596	-14,714	-11,660
Foreign exchange gains/(loss)	-12,587	5,573	-3,193	0	0	0
Pre-tax income (EBT)	-144,815	-98,629	-11,486	-77,505	-49,513	170,473
Income taxes	1,536	-2,800	-761	-1,474	0	-17,047
Net income / loss	-143,279	-101,429	-12,247	-78,979	-49,513	153,426
EPS	-1.24	-0.73	-0.08	-0.48	-0.30	0.92
Adjusted EBITDA	-69,200	-65,187	32,930	-39,121	-13,532	203,893
Ratios as % of total revenues						
Gross margin	10.2%	34.4%	41.9%	49.7%	59.5%	76.1%
EBITDA margin	-19.2%	-42.4%	19.4%	-21.0%	-6.7%	43.7%
EBIT margin	-31.4%	-53.4%	7.9%	-32.2%	-17.1%	39.0%
Net margin	n.a.	n.a.	n.a.	n.a.	n.a.	32.9%
Expenses as % of total revenues						
Sales & marketing	-6.5%	-31.7%	-30.9%	-23.1%	-24.6%	-12.7%
General & administrative	-9.4%	-31.1%	-25.2%	-19.9%	-19.7%	-9.7%
Research & development	-29.0%	-39.0%	-43.7%	-51.0%	-39.4%	-17.8%
Y-Y Growth						
Product sales	82.3%	26.0%	12.9%	7.9%	13.8%	66.6%
Total revenues	3.8%	-57.5%	10.3%	9.7%	9.3%	129.5%
Operating income (EBIT)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income / loss	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.



BALANCE SHEET

All figures in EUR '000	2022	2023	2024	2025E	2026E	2027E
Assets						
Current Assets, Total	424,659	262,824	299,012	228,696	168,401	355,228
Cash and cash equivalents	289,430	126,080	168,271	110,709	40,196	141,651
Receivables	23,912	41,645	35,205	36,981	42,067	70,080
Inventories	35,104	44,466	53,662	40,503	40,064	66,743
Other current assets	76,213	50,633	41,874	40,503	46,073	76,754
Non-Current Assets, Total	196,685	197,238	201,020	195,307	188,763	186,098
Property, plant & equipment	112,435	136,198	138,883	137,874	136,834	135,763
Right of use assets	41,603	20,392	19,232	17,546	15,860	14,174
Intangibles	28,711	25,567	25,259	22,357	19,453	16,545
Equity-accounted investees	0	0	0	0	0	0
Other assets	8,299	8,489	8,041	7,925	7,011	10,011
Deferred tax assets	5,637	6,592	9,605	9,605	9,605	9,605
Total Assets	621,344	460,062	500,032	424,003	357,163	541,326
Shareholders' Equity & Debt						
Current Liabilities, Total	277,392	158,863	114,580	115,079	128,084	263,611
Short-term debt	11,580	44,079	20,852	31,189	35,195	110,463
Accounts payable	41,491	44,303	35,522	47,547	52,083	86,766
Other current liabilities and provisions	36,780	11,427	11,838	13,914	15,828	26,367
Current finance lease liabilities	25,411	2,879	2,508	2,288	2,068	1,848
Tax and employee-related liabilities	15,738	16,209	19,458	19,371	22,035	36,709
Current tax liability	532	632	1,742	770	875	1,458
Contract liabilities and refund liabilities	145,860	39,334	22,660	0	0	0
Longterm Liabilities, Total	124,155	172,952	204,199	188,656	158,202	53,295
Long term debt	87,227	132,768	166,521	145,658	110,463	0
Non-current finance lease liabilities	28,163	29,090	26,432	24,115	21,798	19,480
Other liabilities	1,436	1,153	593	8,355	15,535	23,525
Contract liabilities and refund liabilities	6,635	6,303	6,491	6,491	6,491	6,491
Shareholders Equity	219,797	128,247	181,253	120,269	70,877	224,420
Total Consolidated Equity and Debt	621,344	460,062	500,032	424,003	357,163	541,326
Ratios						
Current ratio (x)	1.53	1.65	2.61	1.99	1.31	1.35
Quick ratio (x)	1.40	1.37	2.14	1.64	1.00	1.09
Net gearing	-62.4%	64.5%	26.5%	76.9%	182.5%	-4.4%
Book value per share (€)	1.31	0.77	1.08	0.72	0.42	1.34
Net debt	-137,049	82,736	48,042	92,541	129,328	-9,859
Equity ratio	35.4%	27.9%	36.2%	28.4%	19.8%	41.5%



CASH FLOW STATEMENT

All figures in EUR '000	2022	2023	2024	2025E	2026E	2027E
Net income / loss	-143,279	-101,429	-12,247	-78,979	-49,513	153,426
Depreciation and amortization	17,932	16,807	19,586	20,788	21,267	21,760
Impairment	0	0	0	0	0	0
Share-based payments	0	0	0	0	0	0
Gain from sale of priority review voucher	0	0	-90,833	0	0	0
Adjustments for non-cash transactions	44,070	44,984	48,979	46,858	42,981	57,467
Changes in non-current op. assets/liab.	-147,713	514	-178	0	0	0
Changes in working capital	1,732	-145,578	-11,394	4,014	95	-26,904
Other adjustments	0	0	0	0	0	0
Income tax	-154	-1,236	-1,545	-1,474	0	-17,047
Operating cash flow	-245,344	-202,745	-67,218	-29,582	-6,437	166,942
Property, plant and equipment	-29,246	-14,231	-13,865	-14,854	-15,299	-15,758
Investments in intangibles	-76	-81	-2,579	-100	-100	-100
Free cash flow	-274,666	-217,057	-83,662	-44,535	-21,836	151,084
Acquisitions & disposals, net	8	-7,482	165	0	0	0
Proceeds from sale of priority review voucher	0	0	90,833	0	0	0
Interest received	260	1,210	2,362	0	0	0
Investing cash flow	-29,054	-20,585	76,916	-14,954	-15,399	-15,858
Debt financing, net	37,538	79,014	-3,768	-13,063	-33,726	-37,732
Equity financing, net	189,837	-239	57,139	14,200	0	0
Payment of lease liabilities	-3,048	-3,127	-2,720	-237	-237	-237
Interest paid	-9,211	-12,567	-19,969	-17,596	-14,714	-11,660
Cash flow from financing	215,116	63,081	30,682	-16,696	-48,677	-49,629
Forex & other	2,026	-3,101	1,811	3,670	0	0
Net cash flows	-57,256	-163,350	42,191	-57,562	-70,513	101,455
Cash and equivs., start of the year	346,686	289,430	126,080	168,271	110,709	40,196
Cash and equivs., end of the year	289,430	126,080	168,271	110,709	40,196	141,651
Adj. EBITDA/share	-0.60	-0.47	0.22	-0.24	-0.08	1.22
Y-Y Growth						
Operating cashflow		n.a.	n.a.	n.a.	n.a.	n.a.
Free cashflow	1.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA/share	1.	n.a.	n.a.	n.a.	n.a.	n.a.

Imprint / Disclaimer

First Berlin Equity Research

First Berlin Equity Research GmbH ist ein von der BaFin betreffend die Einhaltung der Pflichten des §85 Abs. 1 S. 1 WpHG, des Art. 20 Abs. 1 Marktmissbrauchsverordnung (MAR) und der Markets Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Durchführungsverordnung und der Markets in Financial Instruments Regulations (MiFIR) beaufsichtigtes Unternehmen.

First Berlin Equity Research GmbH is one of the companies monitored by BaFin with regard to its compliance with the requirements of Section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) Market Abuse Regulation (MAR) and Markets in Financial Instruments Directive (MiFID) II, Markets in Financial Instruments Directive (MiFID) II Commission Delegated Regulation and Markets in Financial Instruments Regulations (MiFIR).

Anschrift:

First Berlin Equity Research GmbH
Friedrichstr. 34
10117 Berlin
Germany

Vertreten durch den Geschäftsführer: Martin Bailey

Telefon: +49 (0) 30-80 93 9 680

Fax: +49 (0) 30-80 93 9 687

E-Mail: info@firstberlin.com

Amtsgericht Berlin Charlottenburg HR B 103329 B

UST-Id.: 251601797

Ggf. Inhaltlich Verantwortlicher gem. § 6 MDStV

First Berlin Equity Research GmbH

Authored by: Simon Scholes, Analyst

All publications of the last 12 months were authored by Simon Scholes.

Company responsible for preparation: First Berlin Equity Research GmbH, Friedrichstraße 69, 10117 Berlin

The production of this recommendation was completed on 21 May 2025 at 13:18

Person responsible for forwarding or distributing this financial analysis: Martin Bailey

Copyright© 2025 First Berlin Equity Research GmbH No part of this financial analysis may be copied, photocopied, duplicated or distributed in any form or media whatsoever without prior written permission from First Berlin Equity Research GmbH. First Berlin Equity Research GmbH shall be identified as the source in the case of quotations. Further information is available on request.

INFORMATION PURSUANT TO SECTION 85 (1) SENTENCE 1 OF THE GERMAN SECURITIES TRADING ACT [WPHG], TO ART. 20 (1) OF REGULATION (EU) NO 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF APRIL 16, 2014, ON MARKET ABUSE (MARKET ABUSE REGULATION) AND TO ART. 37 OF COMMISSION DELEGATED REGULATION (EU) NO 2017/565 (MIFID) II.

First Berlin Equity Research GmbH (hereinafter referred to as: "First Berlin") prepares financial analyses while taking the relevant regulatory provisions, in particular section 85 (1) sentence 1 of the German Securities Trading Act [WpHG], art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) and art. 37 of Commission Delegated Regulation (EU) no. 2017/565 (MiFID II) into consideration. In the following First Berlin provides investors with information about the statutory provisions that are to be observed in the preparation of financial analyses.

CONFLICTS OF INTEREST

In accordance with art. 37 (1) of Commission Delegated Regulation (EU) no. 2017/565 (MiFID) II and art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) investment firms which produce, or arrange for the production of, investment research that is intended or likely to be subsequently disseminated to clients of the firm or to the public, under their own responsibility or that of a member of their group, shall ensure the implementation of all the measures set forth in accordance with Article 34 (2) lit. (b) of Regulation (EU) 2017/565 in relation to the financial analysts involved in the production of the investment research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the investment research is disseminated. In accordance with art. 34 (3) of Regulation (EU) 2017/565 the procedures and measures referred to in paragraph 2 lit. (b) of such article shall be designed to ensure that relevant persons engaged in different business activities involving a conflict of interests carry on those activities at a level of independence appropriate to the size and activities of the investment firm and of the group to which it belongs, and to the risk of damage to the interests of clients.

In addition, First Berlin shall pursuant to Article 5 of the Commission Delegated Regulation (EU) 2016/958 disclose in their recommendations all relationships and circumstances that may reasonably be expected to impair the objectivity of the financial analyses, including interests or conflicts of interest, on their part or on the part of any natural or legal person working for them under a contract, including a contract of employment, or otherwise, who was involved in producing financial analyses, concerning any financial instrument or the issuer to which the recommendation directly or indirectly relates.

With regard to the financial analyses of Valneva SE the following relationships and circumstances exist which may reasonably be expected to impair the objectivity of the financial analyses: The author, First Berlin, or a company associated with First Berlin reached an agreement with the Valneva SE for preparation of a financial analysis for which remuneration is owed.

Furthermore, First Berlin offers a range of services that go beyond the preparation of financial analyses. Although First Berlin strives to avoid conflicts of interest wherever possible, First Berlin may maintain the following relations with the analysed company, which in particular may constitute a potential conflict of interest:

- The author, First Berlin, or a company associated with First Berlin owns a net long or short position exceeding the threshold of 0.5 % of the total issued share capital of the analysed company;
- The author, First Berlin, or a company associated with First Berlin holds an interest of more than five percent in the share capital of the analysed company;

- The author, First Berlin, or a company associated with First Berlin provided investment banking or consulting services for the analysed company within the past twelve months for which remuneration was or was to be paid;
- The author, First Berlin, or a company associated with First Berlin reached an agreement with the analysed company for preparation of a financial analysis for which remuneration is owed;
- The author, First Berlin, or a company associated with First Berlin has other significant financial interests in the analysed company;

With regard to the financial analyses of Valneva SE the following of the aforementioned potential conflicts of interests or the potential conflicts of interest mentioned in Article 6 paragraph 1 of the Commission Delegated Regulation (EU) 2016/958 exist: The author, First Berlin, or a company associated with First Berlin reached an agreement with the Valneva SE for preparation of a financial analysis for which remuneration is owed.

In order to avoid and, if necessary, manage possible conflicts of interest both the author of the financial analysis and First Berlin shall be obliged to neither hold nor in any way trade the securities of the company analyzed. The remuneration of the author of the financial analysis stands in no direct or indirect connection with the recommendations or opinions represented in the financial analysis. Furthermore, the remuneration of the author of the financial analysis is neither coupled directly to financial transactions nor to stock exchange trading volume or asset management fees.

INFORMATION PURSUANT TO SECTION 64 OF THE GERMAN SECURITIES TRADING ACT [WPHG], DIRECTIVE 2014/65/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 15 MAY 2014 ON MARKETS IN FINANCIAL INSTRUMENTS AND AMENDING DIRECTIVE 2002/92/EC AND DIRECTIVE 2011/61/EU, ACCOMPANIED BY THE MARKETS IN FINANCIAL INSTRUMENTS REGULATION (MIFIR, REG. EU NO. 600/2014).

First Berlin notes that it has concluded a contract with the issuer to prepare financial analyses and is paid for that by the issuer. First Berlin makes the financial analysis simultaneously available for all interested security financial services companies. First Berlin thus believes that it fulfils the requirements of section 64 WpHG for minor non-monetary benefits.

PRICE TARGET DATES

Unless otherwise indicated, current prices refer to the closing prices of the previous trading day.

AGREEMENT WITH THE ANALYSED COMPANY AND MAINTENANCE OF OBJECTIVITY

The present financial analysis is based on the author's own knowledge and research. The author prepared this study without any direct or indirect influence exerted on the part of the analysed company. Parts of the financial analysis were possibly provided to the analysed company prior to publication in order to avoid inaccuracies in the representation of facts. However, no substantial changes were made at the request of the analysed company following any such provision.

ASSET VALUATION SYSTEM

First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

ASSET RECOMMENDATION

The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy ¹	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

¹ The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

RISK ASSESSMENT

The First Berlin categories for risk assessment are low, average, high and speculative. They are determined by ten factors: Corporate governance, quality of earnings, management strength, balance sheet and financial risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, strength of brandname, market capitalisation and free float. These risk factors are incorporated into the First Berlin valuation models and are thus included in the target prices. First Berlin customers may request the models.

RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	26 April 2017	€2.52	Buy	€4.00
2...38	↓	↓	↓	↓
39	19 August 2022	€9.91	Add	€12.00
40	4 April 2023	€4.86	Buy	€8.90
41	22 May 2023	€5.69	Buy	€8.90
42	12 October 2023	€5.46	Buy	€8.90
43	27 February 2024	€3.21	Buy	€8.60
44	12 April 2024	€3.94	Buy	€8.60
45	20 August 2024	€3.78	Buy	€8.60
46	23 September 2024	€2.53	Buy	€7.70
47	Today	€2.88	Buy	€8.10

INVESTMENT HORIZON

Unless otherwise stated in the financial analysis, the ratings refer to an investment period of twelve months.

UPDATES

At the time of publication of this financial analysis it is not certain whether, when and on what occasion an update will be provided. In general First Berlin strives to review the financial analysis for its topicality and, if required, to update it in a very timely manner in connection with the reporting obligations of the analysed company or on the occasion of ad hoc notifications.

SUBJECT TO CHANGE

The opinions contained in the financial analysis reflect the assessment of the author on the day of publication of the financial analysis. The author of the financial analysis reserves the right to change such opinion without prior notification.

Legally required information regarding

- key sources of information in the preparation of this research report
- valuation methods and principles
- sensitivity of valuation parameters

can be accessed through the following internet link: <https://firstberlin.com/disclaimer-english-link/>

SUPERVISORY AUTHORITY: Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) [BaFin], Graurheindorferstraße 108, 53117 Bonn and Marie-Curie-Straße 24-28, 60439 Frankfurt am Main

EXCLUSION OF LIABILITY (DISCLAIMER)

RELIABILITY OF INFORMATION AND SOURCES OF INFORMATION

The information contained in this study is based on sources considered by the author to be reliable. Comprehensive verification of the accuracy and completeness of information and the reliability of sources of information has neither been carried out by the author nor by First Berlin. As a result no warranty of any kind whatsoever shall be assumed for the accuracy and completeness of information and the reliability of sources of information, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the accuracy and completeness of information and the reliability of sources of information.

RELIABILITY OF ESTIMATES AND FORECASTS

The author of the financial analysis made estimates and forecasts to the best of the author's knowledge. These estimates and forecasts reflect the author's personal opinion and judgement. The premises for estimates and forecasts as well as the author's perspective on such premises are subject to constant change. Expectations with regard to the future performance of a financial instrument are the result of a measurement at a single point in time and may change at any time. The result of a financial analysis always describes only one possible future development – the one that is most probable from the perspective of the author – of a number of possible future developments.

Any and all market values or target prices indicated for the company analysed in this financial analysis may not be achieved due to various risk factors, including but not limited to market volatility, sector volatility, the actions of the analysed company, economic climate, failure to achieve earnings and/or sales forecasts, unavailability of complete and precise information and/or a subsequently occurring event which affects the underlying assumptions of the author and/or other sources on which the author relies in this document. Past performance is not an indicator of future results; past values cannot be carried over into the future.

Consequently, no warranty of any kind whatsoever shall be assumed for the accuracy of estimates and forecasts, and neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be liable for any direct or indirect damage incurred through reliance on the correctness of estimates and forecasts.

INFORMATION PURPOSES, NO RECOMMENDATION, SOLICITATION, NO OFFER FOR THE PURCHASE OF SECURITIES

The present financial analysis serves information purposes. It is intended to support institutional investors in making their own investment decisions; however in no way provide the investor with investment advice. Neither the author, nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall be considered to be acting as an investment advisor or portfolio manager vis-à-vis an investor. Each investor must form his own independent opinion with regard to the suitability of an investment in view of his own investment objectives, experience, tax situation, financial position and other circumstances.

The financial analysis does not represent a recommendation or solicitation and is not an offer for the purchase of the security specified in this financial analysis. Consequently, neither the author nor First Berlin, nor the person responsible for passing on or distributing the financial analysis shall as a result be liable for losses incurred through direct or indirect employment or use of any kind whatsoever of information or statements arising out of this financial analysis.

A decision concerning an investment in securities should take place on the basis of independent investment analyses and procedures as well as other studies including, but not limited to, information memoranda, sales or issuing prospectuses and not on the basis of this document.

NO ESTABLISHMENT OF CONTRACTUAL OBLIGATIONS

By taking note of this financial analysis the recipient neither becomes a customer of First Berlin, nor does First Berlin incur any contractual, quasi-contractual or pre-contractual obligations and/or responsibilities toward the recipient. In particular no information contract shall be established between First Berlin and the recipient of this information.

NO OBLIGATION TO UPDATE

First Berlin, the author and/or the person responsible for passing on or distributing the financial analysis shall not be obliged to update the financial analysis. Investors must keep themselves informed about the current course of business and any changes in the current course of business of the analysed company.

DUPLICATION

Dispatch or duplication of this document is not permitted without the prior written consent of First Berlin.

SEVERABILITY

Should any provision of this disclaimer prove to be illegal, invalid or unenforceable under the respectively applicable law, then such provision shall be treated as if it were not an integral component of this disclaimer; in no way shall it affect the legality, validity or enforceability of the remaining provisions.

APPLICABLE LAW, PLACE OF JURISDICTION

The preparation of this financial analysis shall be subject to the law obtaining in the Federal Republic of Germany. The place of jurisdiction for any disputes shall be Berlin (Germany).

NOTICE OF DISCLAIMER

By taking note of this financial analysis the recipient confirms the binding nature of the above explanations.

By using this document or relying on it in any manner whatsoever the recipient accepts the above restrictions as binding for the recipient.

QUALIFIED INSTITUTIONAL INVESTORS

First Berlin financial analyses are intended exclusively for qualified institutional investors.

This report is not intended for distribution in the USA and/or Canada.