

# Kiadis (KDS NA)

## ATIR101 Approaching Key EU CHMP Opinion

### Key Takeaway

**Kiadis is approaching a critical value inflection point, with a CHMP opinion on conditional EU approval of ATIR101 expected in coming months. ATIR101 as an add-on to improve the safety and effectiveness of "half-matched" haplo-ID bone marrow transplants underpins our reiterated Buy, based on compelling Phase II data. ATIR101 remains underappreciated, with its potential in the EU alone more than underpinning the current share price, even with the recent jump.**

**EU ATIR101 timelines on track:** Following Kiadis' August responses to the Day 180 questions from the EU regulator, the anticipated CHMP opinion remains on track for 4Q18E. If the Day 180 responses were adopted at the recent CHMP September meeting, as per the agenda, the CHMP opinion could be as soon as the next meeting (15-18 October). Pending a positive opinion, a formal EMA decision would usually be anticipated after 67 days, just ahead of our 1Q19E approval assumption, allowing adequate time for Kiadis to prepare for initial planned EU launch 2H19E.

**Enlarged US trial prolongs timelines, but negligible valuation impact:** The ongoing Phase III HATCY trial was recently enlarged to now include 250 patients, from 195 originally planned. The interim analysis is also now set to occur after more events, based on two-thirds (c.104 events), rather than at half. Management anticipates an interim readout 2H20E. Given the larger trial size and increased number of events included in the interim analysis, a positive outcome at the interim is more likely than before, in our view. However, we maintain a more conservative stance and our forecasts include that the trial runs to full completion before US filing, assuming data 2H21E and initial US launch from 2H22E with meaningful sales from 2023E. If the interim is positive, we estimate launch and sales could come around one year sooner.

**ATIR addresses an unmet need:** Haematopoietic stem cell transplants (HSCT) can offer a cure for some serious disorders but it can be challenging to find matched donors, whereas haploidentical are widely available. Current protocols mitigate the life-threatening risk of graft versus host disease (GvHD), but typically also subdue graft versus leukaemia (GvL) antitumour and anti-infective benefits. ATIR aims to minimize GvHD while retaining the benefits, lowering the risk of relapse and complications. Phase II confirmed this potential, comparing very favourably for GvHD and relapse risks relative to literature reports for current standard-of-care PTCy, in our view.

*Lead coverage has been transferred within the EU biotech team.*

EUR	Prev.	2017A	Prev.	2018E	Prev.	2019E	Prev.	2020E
Rev. (MM)	--	0.0	--	0.0	--	3.6	--	16.2
EV/Rev						74.4x		16.5x
EBIT (MM) Adjusted	--	(16.1)	--	(23.4)	(27.2)	(30.3)	(17.7)	(18.7)
EV/EBIT		NM		NM		NM		NM
Cash Position	--	29.9	27.9	31.9	2.5	2.7	--	2.8
<b>EPS Adjusted</b>								
FY Dec	--	(1.14)	(1.33)	(1.39)	(2.00)	(2.20)	(1.07)	(1.12)
FY P/E		NM		NM		NM		NM

**BUY**

Price target €25.00

Price €13.86^

### Financial Summary

Net Debt (MM):	(€10.6)
Long-Term Debt (MM):	€20.8
Cash & ST Invest. (MM):	€41.7

### Market Data

52 Week Range:	€15.66 - €7.10
Total Entprs. Value:	NM
Market Cap.:	NM
Shares Out. (MM):	20.1
Float (MM):	15.6
Avg. Daily Vol.:	194,047

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### Price Performance



^Prior trading day's closing price unless otherwise noted.

## Scenarios

### Base Case

- Novel protocols such as ATIR drive ongoing growth of haploidentical HSCT given “half matched” donors are readily available and GvHD risks can be mitigated
- We forecast \$480m peak ATIR sales in US+EU assuming 20% penetration of haplo-ID HSCT procedures, with Kiadis commercialising the product itself in these regions for a highly profitable opportunity
- Price Target €25/share comprising NPVs for ATIR in the US and Europe plus Net Cash, less potential dilution to ensure sufficient funds for three years

### Upside Scenario

- EU regulatory approval of ATIR could add c.€5/share
- Positive Phase III interim HATCY results for ATIR, allowing for earlier US launch, could boost our sum-of-the-parts by at least €5/share
- US regulatory approval of ATIR could add c.€2/share
- These potential catalysts could boost our NPV derived Price Target to €40/share, still including the potential dilution to ensure sufficient funds for three years

### Downside Scenario

- EU significantly delayed opinion of ATIR could remove at least €9/share, with an outright rejection removing the entire EU potential, worth at least €18/share
- If the Phase III HATCY study for ATIR fails this could lower our sum-of-the-parts by at least €7/share
- These potential setbacks could reduce our NPV derived Price Target to a negligible value

## Investment Thesis / Where We Differ

- Our financial model suggests the €41.7m cash at end June 2018 is sufficient to fund cash burn through 2019E. Importantly this is beyond the likely European launch.

## Catalysts

- EU CHMP opinion on ATIR for haploidentical HSCT is likely at the October meeting
- EU conditional approval of ATIR during 1Q19E
- EU initial launch of ATIR 2H19E
- Updates on patient enrolment in the ATIR Phase III study
- Interim analysis of the Phase III HATCY trial around 2H20E, with final results 2H21E

## Long Term Analysis

### Long Term Financial Model Drivers

2017-22E Revenue CAGR	n/m
2017 Net Cash (€m)	6.5
2018E Net Cash (€m)	(2.6)
2019E Net Cash (€m)	(45.8)

## Reiterate Buy and €25 Price Target

Kiadis develops innovative cell therapies for safer and more effective bone marrow transplants. Its sole clinical product ATIR improves haploidentical “half-matched” stem cell transplants and may expand their use, providing an important anti-cancer effect and ability to fight infections, while also reducing the life-threatening risk of graft versus host disease (GvHD). We anticipate an EU CHMP opinion by 4Q18E based on Phase II data, for conditional approval during 1Q19E. The recently enlarged Phase III HATCY study is now expected to have an interim analysis around 2H20E, with final results potentially 2H21E, for potential US launch by YE22E. We forecast \$480m peak sales in US+EU assuming 20% penetration, with Kiadis commercialising ATIR itself for a highly profitable opportunity. Current cash should be sufficient through 2019E, in our view, by which time ATIR should be launched in Europe. Reiterate Buy rating with an NPV-based Price Target of €25 per share suggesting substantial potential upside.

We have made only minor changes to our 2018E forecasts, with higher financial expenses post 1H18 driving a slightly wider net loss. From 2019E we include higher R&D costs, largely based on the enlarged US trial.

**Table 1: Higher financial expense in 2018E and increasing R&D from 2019E drive wider net losses**

(EUR millions Dec YE)	2018	2018		2019	2019		2020	2020	
	Old	New	% Chg	Old	New	% Chg	Old	New	% Chg
Sales	0.0	0.0	n/a	3.6	3.6	+0%	16.2	16.2	+0%
Gross Profit	0.0	0.0	n/a	(0.6)	(0.7)	+19%	9.1	9.1	+0%
R&D Expenses	(16.1)	(16.1)	+0%	(15.3)	(18.3)	+20%	(10.5)	(12.5)	+19%
General & Admin. Expenses	(7.0)	(7.0)	+0%	(7.7)	(7.7)	+0%	(8.3)	(8.3)	+0%
Sales & Marketing Expenses	(0.3)	(0.3)	+0%	(3.5)	(3.5)	+0%	(8.0)	(7.0)	-13%
<b>Operating Income</b>	<b>(23.4)</b>	<b>(23.4)</b>	+0%	<b>(27.2)</b>	<b>(30.3)</b>	+11%	<b>(17.7)</b>	<b>(18.7)</b>	+6%
Pre-tax Profit	(26.1)	(27.2)	+4%	(40.6)	(44.8)	+10%	(22.1)	(23.1)	+5%
Net Income	(26.1)	(27.2)	+4%	(40.6)	(44.8)	+10%	(22.1)	(23.1)	+5%
<b>Adjusted Net Income</b>	<b>(26.1)</b>	<b>(27.2)</b>	+4%	<b>(40.6)</b>	<b>(44.8)</b>	+10%	<b>(22.1)</b>	<b>(23.1)</b>	+5%
EPS (EUR)	(1.3)	(1.4)	+4%	(2.0)	(2.2)	+10%	(1.1)	(1.1)	+5%
<b>Adjusted EPS (EUR)</b>	<b>(1.3)</b>	<b>(1.4)</b>	+4%	<b>(2.0)</b>	<b>(2.2)</b>	+10%	<b>(1.1)</b>	<b>(1.1)</b>	+5%

Source: Jefferies estimates

### Adequate funds to launch ATIR in Europe

Kiadis reported €41.7m cash at end June, which together with the recently secured €20m debt facility (of which €5m was immediately drawn down), should be sufficient to fund burn into 2020E, excluding any possible out-licensing deals or other income. Importantly this should be beyond the EU approval and launch, and could potentially also be sufficient to reach the Phase III HATCY interim analysis 2H20E depending on the event rate and speed of patient enrolment. However, incremental funds may be necessary for S&M and submitting the US filing if the interim is positive, or completing the Phase III, in our view.

## €25 Price Target using NPV sum-of-the-parts

Similar to other biotech stocks in our coverage universe, we believe the most appropriate valuation methodology for Kiadis is a fundamental NPV sum-of-the-parts. Hence, our Price Target comprises NPVs for ATIR in both the US and Europe, in addition to Net Cash. We then adjust our valuation to reflect the potential dilution from a capital increase to ensure sufficient funds for at least three years. Data and/or potential out-licensing deals could crystallise significant value, and provide upside to our valuation.

**Table 2: Kiadis sum-of-the-parts valuation**

		Peak	Value	Adj. Value	EUR
	Indication	Sales (\$mn)	(EURmn)	Prob. (EURmn)	per share
ATIR101	Haploidentical HSCT (Europe)	230	471	80%	18.7
	Haploidentical HSCT (US)	250	298	50%	7.4
	Haploidentical HSCT (RoW)	85	42	0%	0.0
Net Cash/(Debt)			39	100%	2.0
<b>Valuation</b>			<b>851</b>		<b>28.1</b>
Potential Dilution for Funding	Min. Yrs of Cash	3.0		12%	(3.1)
<b>Potential Diluted Valuation</b>					<b>25.0</b>

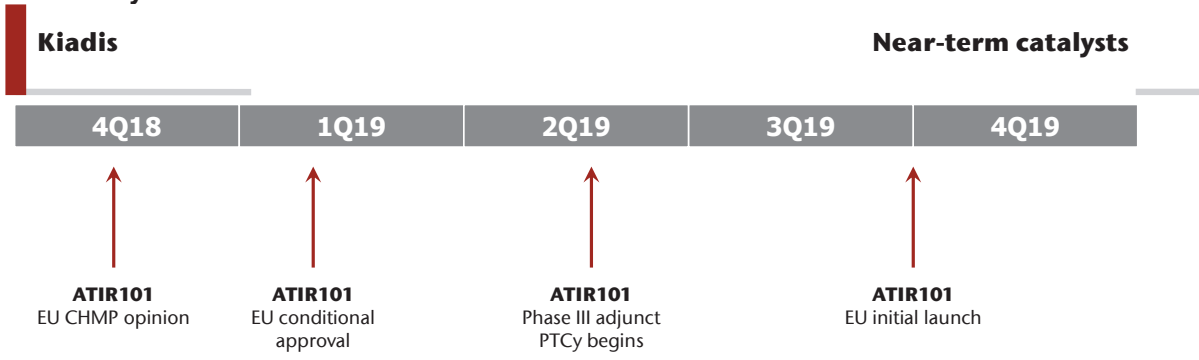
Source: Jefferies estimates

**Table 3: Sources of upside potential and downside risk**

	Upside	EUR	Downside	EUR
		per share		per share
ATIR EU regulatory decision	Approved	4.7	Rejected or delayed	(18.7)
ATIR Phase III HATCY interim results	Positive, for earlier US launch	5.2	Trial continues to full data	0.0
ATIR US approval and launch	Approved	2.2	Rejected or delayed	(7.4)
<b>Potential Upside/(Downside)</b>		<b>12.1</b>		<b>(26.2)</b>
<b>Potential Valuation</b>		<b>40.2</b>		<b>2.0</b>

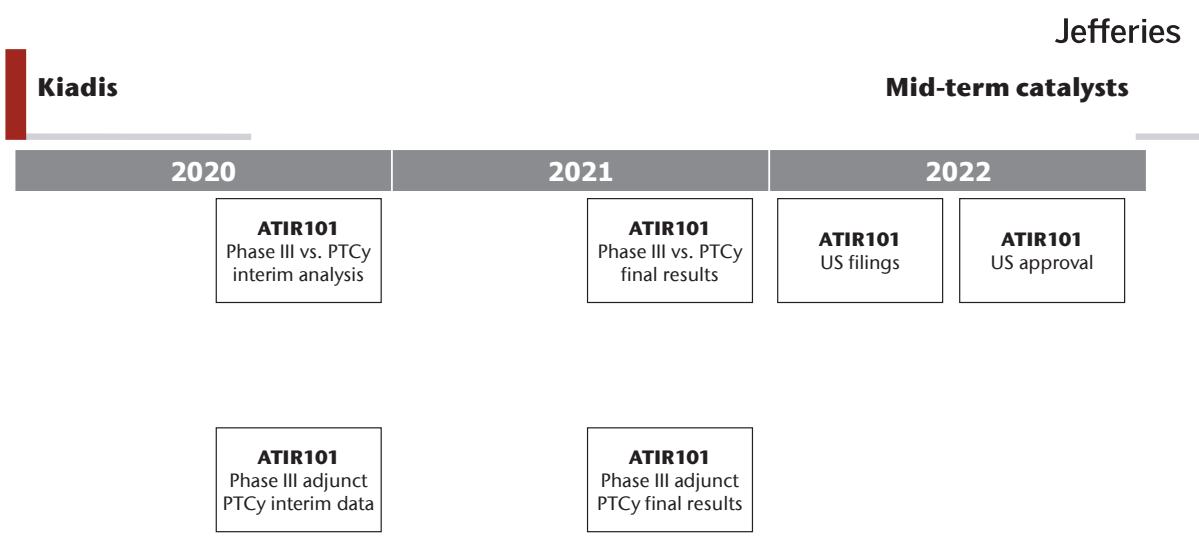
Source: Jefferies estimates

**Exhibit 1: Kiadis catalysts**



**KEY**

- Pipeline
- Line extension
- Threats



**KEY**

- Pipeline
- Line extension
- Threats

**Jefferies**

Source: Jefferies research

## Updated Financial Models

Table 4: Kiadis Profit and Loss Model

(EUR millions except EPS Dec YE)	2018E							
	2017A	1H18A	2H18E	2018E	2019E	2020E	2021E	2022E
ATIR EU Sales	0.0	0.0	0.0	0.0	3.6	16.2	36.3	61.7
ATIR US Sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
License & Other Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue	0.0	0.0	0.0	0.0	3.6	16.2	36.3	61.7
Cost of Sales	0.0	0.0	0.0	0.0	(4.4)	(7.1)	(14.1)	(21.3)
<b>Gross Profit</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.7)</b>	<b>9.1</b>	<b>22.1</b>	<b>40.4</b>
Total Operating Expenses	(16.1)	(11.1)	(12.3)	(23.4)	(29.5)	(27.8)	(31.5)	(36.6)
R&D Expenses	(11.2)	(7.7)	(8.4)	(16.1)	(18.3)	(12.5)	(9.1)	(10.1)
General & Admin. Expenses	(4.9)	(3.4)	(3.6)	(7.0)	(7.7)	(8.3)	(8.9)	(9.4)
Sales & Marketing Expenses	0.0	0.0	(0.3)	(0.3)	(3.5)	(7.0)	(13.5)	(17.0)
o/w Acquisition-related Amortisation/Write-down	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Exceptionals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operating Income</b>	<b>(16.1)</b>	<b>(11.1)</b>	<b>(12.3)</b>	<b>(23.4)</b>	<b>(30.3)</b>	<b>(18.7)</b>	<b>(9.4)</b>	<b>3.8</b>
<b>Adjusted Operating Income</b>	<b>(16.1)</b>	<b>(11.1)</b>	<b>(12.3)</b>	<b>(23.4)</b>	<b>(30.3)</b>	<b>(18.7)</b>	<b>(9.4)</b>	<b>3.8</b>
Net Financial Income	(0.9)	(3.0)	(0.9)	(3.8)	(14.6)	(4.4)	(7.6)	(9.6)
Exceptionals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from Associates & JVs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Pretax Profit</b>	<b>(17.0)</b>	<b>(14.1)</b>	<b>(13.1)</b>	<b>(27.2)</b>	<b>(44.8)</b>	<b>(23.1)</b>	<b>(16.9)</b>	<b>(5.8)</b>
<b>Adjusted Pretax Profit</b>	<b>(17.0)</b>	<b>(14.1)</b>	<b>(13.1)</b>	<b>(27.2)</b>	<b>(44.8)</b>	<b>(23.1)</b>	<b>(16.9)</b>	<b>(5.8)</b>
Taxation	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Income from Continuing Operations</b>	<b>(17.0)</b>	<b>(14.1)</b>	<b>(13.1)</b>	<b>(27.2)</b>	<b>(44.8)</b>	<b>(23.1)</b>	<b>(16.9)</b>	<b>(5.8)</b>
Net Income from Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Income</b>	<b>(17.0)</b>	<b>(14.1)</b>	<b>(13.1)</b>	<b>(27.2)</b>	<b>(44.8)</b>	<b>(23.1)</b>	<b>(16.9)</b>	<b>(5.8)</b>
<b>Adjusted Net Income</b>	<b>(17.0)</b>	<b>(14.1)</b>	<b>(13.1)</b>	<b>(27.2)</b>	<b>(44.8)</b>	<b>(23.1)</b>	<b>(16.9)</b>	<b>(5.8)</b>
WA Basic Shares (mn)	15.0	19.0	20.2	19.6	20.4	20.7	21.0	21.3
WA Shares Diluted (mn)	15.0	19.0	20.2	19.6	20.4	20.7	21.0	21.3
<b>EPS (EUR)</b>	<b>(1.1)</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(1.4)</b>	<b>(2.2)</b>	<b>(1.1)</b>	<b>(0.8)</b>	<b>(0.3)</b>
<b>Adjusted EPS (EUR)</b>	<b>(1.1)</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(1.4)</b>	<b>(2.2)</b>	<b>(1.1)</b>	<b>(0.8)</b>	<b>(0.3)</b>
Diluted EPS (EUR)	(1.1)	(0.7)	(0.7)	(1.4)	(2.2)	(1.1)	(0.8)	(0.3)
<b>Diluted Adjusted EPS (EUR)</b>	<b>(1.1)</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(1.4)</b>	<b>(2.2)</b>	<b>(1.1)</b>	<b>(0.8)</b>	<b>(0.3)</b>
<b>% Change Year over Year</b>								
Revenue	n/a	n/a	n/a	n/a	n/a	350.3%	123.1%	70.3%
Cost of Sales	n/a	n/a	n/a	n/a	n/a	64.1%	97.2%	51.3%
Gross Profit	n/a	n/a	n/a	n/a	n/a	1315.0%	143.4%	82.4%
Total Operating Expenses	41.3%	36.1%	54.5%	45.2%	26.2%	(5.7%)	13.3%	16.0%
R&D Expenses	36.7%	31.1%	57.3%	43.6%	13.8%	(31.7%)	(27.1%)	10.7%
General & Admin. Expenses	53.2%	49.1%	37.2%	42.7%	10.0%	8.0%	7.0%	6.0%
Sales & Marketing Expenses	n/a	n/a	n/a	n/a	1066.7%	100.0%	92.9%	26.2%
Operating Income	(41.3%)	(36.1%)	(54.5%)	(45.2%)	(29.4%)	38.1%	50.0%	140.8%
Adjusted Operating Income	(41.3%)	(36.1%)	(54.5%)	(45.2%)	(29.4%)	38.1%	50.0%	140.8%
Net Financial Income	73.0%	(715.4%)	(55.2%)	(318.4%)	(281.2%)	70.1%	(73.3%)	(27.5%)
Pretax Profit	(15.1%)	(65.1%)	(54.5%)	(59.8%)	(64.7%)	48.5%	26.7%	65.7%
Adjusted Pretax Profit	(15.1%)	(65.1%)	(54.5%)	(59.8%)	(64.7%)	48.5%	26.7%	65.7%
Net Income	(15.2%)	(65.1%)	(54.4%)	(59.8%)	(64.7%)	48.5%	26.7%	65.7%
Adjusted Net Income	(15.2%)	(65.1%)	(54.4%)	(59.8%)	(64.7%)	48.5%	26.7%	65.7%
EPS (EUR)	(6.0%)	(21.7%)	(21.5%)	(21.8%)	(58.5%)	49.2%	27.8%	66.2%
Adjusted EPS (EUR)	(6.0%)	(21.7%)	(21.5%)	(21.8%)	(58.5%)	49.2%	27.8%	66.2%

Source: Jefferies estimates; company data

**Table 5: Kiadis Cash Flow Model**

(EUR millions Dec YE)	2017A	2018E	2019E	2020E	2021E	2022E
Operating Income	(16.1)	(23.4)	(30.3)	(18.7)	(9.4)	3.8
Depreciation and Amortisation	0.2	0.6	1.1	1.2	1.4	1.6
<b>EBITDA</b>	<b>(15.9)</b>	<b>(22.8)</b>	<b>(29.2)</b>	<b>(17.5)</b>	<b>(8.0)</b>	<b>5.5</b>
Other Adjustments and Exceptionals	1.2	1.4	1.5	1.6	1.7	1.8
Decrease/(Increase) in Inventories	0.0	0.0	(0.4)	(0.2)	(0.6)	(0.6)
Decrease/(Increase) in Receivables	(0.8)	0.0	(0.6)	(2.1)	(3.3)	(4.2)
Increase/(Decrease) in Payables	0.7	0.2	0.9	2.2	4.1	5.2
Increase/(Decrease) in Deferred Income	0.0	0.0	0.0	0.0	0.0	0.0
Change in WC	(0.1)	0.2	(0.0)	(0.1)	0.3	0.4
Taxation Paid	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Interest Paid	(1.0)	(2.8)	(1.8)	(4.0)	(7.2)	(9.3)
<b>Net Cash Flow from Operating Activities</b>	<b>(15.9)</b>	<b>(24.0)</b>	<b>(29.5)</b>	<b>(20.0)</b>	<b>(13.2)</b>	<b>(1.6)</b>
Purchase of Tangible Fixed Assets	(0.1)	(0.7)	(1.0)	(1.5)	(1.8)	(2.5)
Proceeds from Sale of PP&E	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of Intangible Assets	0.0	0.0	0.0	0.0	0.0	0.0
(Purchase)/Sale of Investments	0.0	0.0	0.0	0.0	0.0	0.0
(Acquisitions)/Disposals of Subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Dividends Received from Associates	0.0	0.0	0.0	0.0	0.0	0.0
Interest Received	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Cash Flow from Investing Activities</b>	<b>(0.1)</b>	<b>(0.7)</b>	<b>(1.0)</b>	<b>(1.5)</b>	<b>(1.8)</b>	<b>(2.5)</b>
Management of Liquid Resources	0.0	0.0	0.0	0.0	0.0	0.0
Capital Changes	23.2	23.4	0.0	(0.0)	0.0	(0.0)
Debt Changes	8.1	10.1	1.3	21.6	15.8	5.1
Equity Dividends Paid	0.0	0.0	0.0	0.0	0.0	0.0
Other Financing Cash Flows	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Cash Flow from Financing Activities</b>	<b>31.3</b>	<b>33.5</b>	<b>1.3</b>	<b>21.6</b>	<b>15.8</b>	<b>5.1</b>
Effect of FX on Cash and Cash Equivalents	(0.0)	0.0	0.0	0.0	0.0	0.0
<b>Increase in Cash</b>	<b>15.3</b>	<b>8.8</b>	<b>(29.2)</b>	<b>0.1</b>	<b>0.9</b>	<b>1.0</b>
<b>Change in Net Debt</b>	<b>(7.2)</b>	<b>1.2</b>	<b>30.5</b>	<b>21.5</b>	<b>15.0</b>	<b>4.1</b>
<b>(Cash Burn)</b>	<b>(15.9)</b>	<b>(24.7)</b>	<b>(30.5)</b>	<b>(21.5)</b>	<b>(15.0)</b>	<b>(4.1)</b>

Source: Jefferies estimates; company data

**Table 6: Kiadis Balance Sheet Model**

(EUR millions Dec YE)	2017A	2018E	2019E	2020E	2021E	2022E
<b>Non-current Assets</b>	<b>13.4</b>	<b>20.4</b>	<b>20.3</b>	<b>20.6</b>	<b>21.0</b>	<b>21.8</b>
Intangible Assets	12.8	12.8	12.8	12.8	12.8	12.8
Property, Plant and Equipment	0.6	7.5	7.5	7.7	8.1	9.0
Investments	0.0	0.0	0.0	0.0	0.0	0.0
Other Long-term Assets	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current Assets</b>	<b>31.3</b>	<b>33.2</b>	<b>5.0</b>	<b>7.4</b>	<b>12.1</b>	<b>17.9</b>
Inventories	0.0	0.0	0.4	0.6	1.2	1.8
Trade Accounts Receivable	0.0	0.0	0.6	2.7	6.0	10.1
Other Current Assets	1.3	1.3	1.3	1.3	1.3	1.3
Cash and Cash Equivalents	29.9	31.9	2.7	2.8	3.6	4.6
<b>Total Assets</b>	<b>44.7</b>	<b>53.6</b>	<b>25.3</b>	<b>27.9</b>	<b>33.1</b>	<b>39.7</b>
<b>Current Liabilities</b>	<b>5.2</b>	<b>4.7</b>	<b>14.0</b>	<b>45.9</b>	<b>73.2</b>	<b>88.0</b>
Trade Accounts Payable	1.4	1.6	2.7	2.8	3.6	4.6
Other Current Liabilities	1.3	1.3	1.3	1.3	1.3	1.3
Accrued Expenses	0.8	0.8	0.6	2.7	6.0	10.1
Deferred Income	0.0	0.0	0.0	0.0	0.0	0.0
Short-term Debt	1.8	0.0	7.3	36.1	58.4	67.0
Leasing Obligations	0.0	1.0	2.1	3.0	4.0	4.9
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-current Liabilities</b>	<b>23.6</b>	<b>35.4</b>	<b>41.2</b>	<b>33.4</b>	<b>26.4</b>	<b>22.2</b>
Long-term Debt	21.6	27.6	34.4	27.5	21.5	18.2
Leasing Obligations	0.0	5.9	4.8	3.8	2.9	2.0
Deferred Tax Liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Income	0.0	0.0	0.0	0.0	0.0	0.0
Long-term Provisions	2.0	2.0	2.0	2.0	2.0	2.0
<b>Total Shareholders' Equity</b>	<b>15.9</b>	<b>13.5</b>	<b>(29.8)</b>	<b>(51.3)</b>	<b>(66.5)</b>	<b>(70.5)</b>
Share Capital	1.7	1.7	1.7	1.7	1.7	1.7
Share Premium Account	124.4	146.8	134.1	133.7	133.4	133.0
Other Reserves and Adjustments	1.6	1.6	1.6	1.6	1.6	1.6
Retained Earnings	(111.9)	(136.7)	(167.2)	(188.3)	(203.2)	(206.8)
Minority Interests	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Liabilities and Shareholders' Equity</b>	<b>44.7</b>	<b>53.6</b>	<b>25.3</b>	<b>27.9</b>	<b>33.1</b>	<b>39.7</b>

Source: Jefferies estimates; company data



## Key changes to forecasts

Table 7: Summary estimates changes for Kiadis

Forecasts (EURm)	2018E New	2018E Old	% Chg	2019E New	2019E Old	% Chg
<b>Sales</b>	0.0	0.0	n/a	3.6	3.6	+0%
<b>Adj. EBIT</b>	(23.4)	(23.4)	+0%	(30.3)	(27.2)	+11%
<b>Adj. EPS</b>	(1.39)	(1.33)	+4%	(2.20)	(2.00)	+10%
<b>Net Cash/(Debt)</b>	(2.6)	5.3	-149%	(45.8)	(34.7)	+32%
<b>Drivers of Change</b>	Higher finance costs in 2018E and increased R&D spend from 2019E drive wider net losses					

Source: Jefferies estimates

## Company Description

### Kiadis

Kiadis develops innovative cell therapies for safer and more effective bone marrow transplants. Its Allodepleted T-cell Immunotherapy (ATIR) are based on the Theralux platform. Lead programme ATIR101 is filed in Europe for haploidentical haematopoietic stem cell transplants (HSCT) in patients with blood cancers. Kiadis is based in The Netherlands and listed on the Euronext Amsterdam in July 2015.

## Company Valuation/Risks

### Kiadis

Our Price Target is based on a sum-of-the-parts valuation comprising probability-adjusted NPVs for ATIR in the US and EU, together with Net Cash, less potential dilution to ensure sufficient funds until YE2020E. Risks include: (1) clinical or regulatory setbacks; (2) commercial execution risks; and (3) securing adequate funds to maximise value.

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### (Article 3(1)e and Article 7 of MAR)

Recommendation Published	September 25, 2018 , 20:09 ET.
Recommendation Distributed	September 26, 2018 , 00:00 ET.

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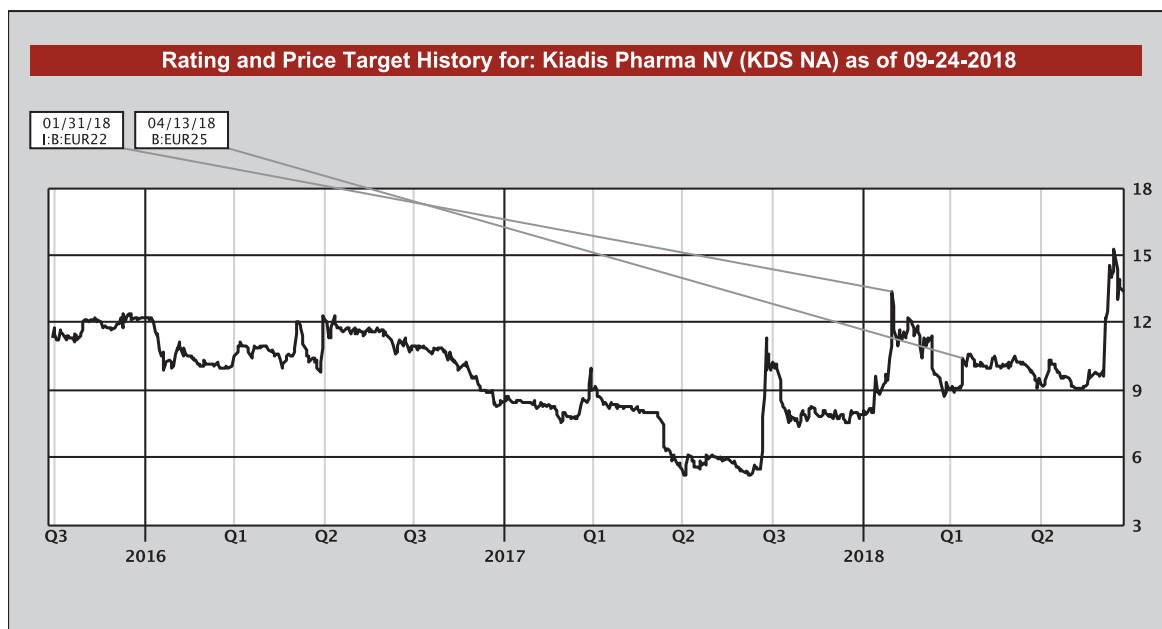
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Legend:

I: Initiating Coverage

D: Dropped Coverage

B: Buy

H: Hold

UP: Underperform

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			Count	Percent	Count	Percent
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<b>HOLD</b>	833	39.91%	16	1.92%	1	0.12%
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