



## Penser Access by Carnegie

Biotechnology | Sweden | 10 October 2024

# Diamyd Medical

## Q4 results

### Full steam ahead in DIAGNODE 3

Diamyd Medical's Q4 report brought no surprises in terms of numbers, the CEO's comments provided various interesting data points. Within the framework of the DIAGNODE 3 study, all 60 clinics have now been activated, with 161 patients recruited so far. A look at [clinicaltrials.gov](https://clinicaltrials.gov) shows that all but one of the clinics is currently recruiting patients, which raises expectations that the timetable can be maintained. We also learned that the work on the Umeå manufacturing facility is running according to plan and that the company has also strengthened the team to evaluate future business possibilities for external manufacturing there.

### An eventful year

During the year, the company has made enormous progress in accelerating the potential market approval of Diamyd. The completed futility analysis got the go-ahead from an independent safety committee, recommending that the study continues according to its plan. Another crucial milestone has been successful discussions with the FDA in the US; the agency has now approved the use of the C peptide as a predictive marker for clinical use. This enables the use of earlier interim analysis from the ongoing ph III DIAGNODE 3 study, planned for March 2026. If all goes to plan, this opens the door for an approval application and potential accelerated approval in the US in late 2026 or early 2027.

### Stable financial position

The company finds itself in a robust financial position, with cash and cash equivalents of around SEK132m as of the end of August. Given the recently completed redemption of warrants (subscription rate of 95%), further milestone payments from the co-operation with Breakthrough T1D, and the sale of Companion Medical shares, the company has further strengthened its cash chest with an additional SEK65m-plus. The share trades a good deal below our fair value, but we believe it can take time before this value gap closes. We judge the most important catalysts for the share will be: 1) interim data from DIAGNODE 3, and 2) a potential partnership agreement.

Change in estimates				Forecasts (SEKm)				Value and risk			
	25e	26e	27e		23/24	24/25e	25/26e	26/27e	Fair value	SEK 35.0 - 45.0	
Total Revenues	0.0%	0.0%	0.0%	Total Revenues	4	3	3	38	Share price	SEK 13.6	
EBIT, adj.	-0.6%	7.6%	0.0%	Revenue growth	-	-	0%	N.m.	Risk level	High	
EPS, adj.	7.4%	11.5%	0.0%	EBITDA, adj.	-136	-162	-182	-167	<b>Price Performance 12 months</b>		
<b>Upcoming events</b>				EBIT, adj.	-147	-167	-187	-171			
Q1 - report	29 January 2025			EPS, adj.	-1.5	-1.5	-1.8	-1.6			
<b>Company facts (SEKm)</b>				EPS growth	N.m.	N.m.	N.m.	9%			
Number of shares	104m			BV/share	1.4	0.3	0.4	-			
Market capitalisation	1,416			EBIT margin	Neg.	Neg.	Neg.	Neg.			
Net debt	-132			ROE, adj.	Neg.	Neg.	Neg.	Neg.			
EV	1,283			ROCE, adj.	Neg.	Neg.	Neg.	Neg.			
Free float	90%			EV/Sales	9871.0x	1283.2x	1283.2x	35.3x			
Daily trading volume, average	175k			EV/EBITDA	Neg.	Neg.	Neg.	Neg.			
Bloomberg Ticker	DMYDB SS EQUITY			EV/EBIT	Neg.	Neg.	Neg.	Neg.			
<b>Analyst</b>				P/E, adj.	Neg.	Neg.	Neg.	Neg.	<b>Conflicts of interest</b>		
Ludvig Svensson				P/BV	9.7x	43.6x	30.5x	Neg.			
ludvig.svensson@carnegie.se				FCF yield	Neg.	Neg.	Neg.	Neg.			
				Net debt / EBITDA	N.m.	N.m.	N.m.	N.m.			
										Yes	No
										Liquidity provider	✓
										Certified adviser	✓
										Transactions 12m	✓

## Investment case

Diamyd is a late-stage biotech company. Its leading project, diabetes vaccine Diamyd, is currently undergoing a ph III study in type 1 diabetes. In a larger meta-study (patient base of 600+), Diamyd has shown a statistically significant and clinically relevant therapeutic effect (preservation of beta cell function) in a specific sub-group of newly diagnosed type 1 diabetes patients – those with the DR3-DQ2 gene. This gene is particularly common and constitutes 40–50% of all type 1 diabetes cases. It is this niche patient population that is included in the ph III study and given potential market approval, this will be the commercial target group for the Diamyd vaccine.

While we see high risk in the project, we believe the Diamyd vaccine is a unique drug candidate that could, if launched, prove a blockbuster with annual sales exceeding USD 1bn globally.

### Company profile

Diamyd Medical works with drug development, diabetes being its main focus area. Currently, Diamyd has two drug projects in clinical development: 1) diabetes vaccine Diamyd, which aims to interrupt the body's attack on its own insulin production, and 2) Remygen, a GABA-based oral medicine intended to restore the body's own insulin production.

### Valuation

We use a risk-adjusted sum-of-the-parts (SOTP) valuation for Diamyd. Our fair value is SEK35–45.

## DCF

Valuation output		WACC assumptions		Sensitivity analysis					
Sum of PV of FCF (explicit period)	3768	Risk-free nominal rate	2.5%	WACC	16%	17%	<b>18%</b>	19%	20%
PV of terminal value (perpetuity formula)	0	Market risk premium	5.5%	NPV	4591	4229	<b>3900</b>	3599	3325
<b>Enterprise value</b>	<b>3768</b>	Small cap premium	4.0%	NPV/share	44	41	<b>37</b>	35	32
Latest net debt	-132	Extra risk premium	6.0%						
<b>Equity value</b>	<b>3900</b>	WACC	18.0%						
No. of shares outstanding (millions)	104.1								
<b>Equity value per share (SEK)</b>	<b>37</b>								
Implicit multiple		Terminal value assumptions							
EV/Sales	N.m.	Long-term growth rate	N.m.						
EV/EBITDA	N.m.	Long-term EBIT margin	N.m.						
EV/EBIT	N.m.	Depreciation (% of sales)	N.m.						
EV/NOPLAT	N.m.	Capex (% of sales)	N.m.						
P/E	N.m.	Working capital (% of sales)	N.m.						
ROIC/WACC	N.m.	Tax rate	N.m.						
Current share price	14.2								

Source: Company, Penser Access by Carnegie

Income statement						
	20/21	21/22	22/23	23/24	24/25e	25/26e
<b>Net sales</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>
Other operating income	0	2	19	4	2	2
<b>Total revenues</b>	<b>0</b>	<b>3</b>	<b>20</b>	<b>4</b>	<b>3</b>	<b>3</b>
Other Operating Expenses	-86	-121	-120	-140	-165	-185
<b>EBITDA</b>	<b>-85</b>	<b>-118</b>	<b>-100</b>	<b>-136</b>	<b>-162</b>	<b>-182</b>
<b>EBITDA, adjusted</b>	<b>-85</b>	<b>-118</b>	<b>-100</b>	<b>-136</b>	<b>-162</b>	<b>-182</b>
Depreciation	-1	-4	-5	-11	-5	-5
<b>EBITA, adjusted</b>	<b>-86</b>	<b>-123</b>	<b>-105</b>	<b>-147</b>	<b>-167</b>	<b>-187</b>
<b>EBIT</b>	<b>-86</b>	<b>-123</b>	<b>-105</b>	<b>-147</b>	<b>-167</b>	<b>-187</b>
<b>EBIT, adjusted</b>	<b>-86</b>	<b>-123</b>	<b>-105</b>	<b>-147</b>	<b>-167</b>	<b>-187</b>
Net Financial Items	146	15	0	-5	8	1
<b>Profit before tax</b>	<b>60</b>	<b>-108</b>	<b>-105</b>	<b>-152</b>	<b>-159</b>	<b>-186</b>
<b>Profit before tax, adjusted</b>	<b>60</b>	<b>-108</b>	<b>-105</b>	<b>-152</b>	<b>-159</b>	<b>-186</b>
<b>Net income</b>	<b>60</b>	<b>-108</b>	<b>-105</b>	<b>-152</b>	<b>-159</b>	<b>-186</b>
<b>Net income, adjusted</b>	<b>60</b>	<b>-108</b>	<b>-105</b>	<b>-152</b>	<b>-159</b>	<b>-186</b>
Sales Growth	Neg.	482%	N.m.	Neg.	Neg.	0%
Gross Margin	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.
EBIT Margin, Adjusted	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
EPS, Adjusted	0.84	-1.40	-1.01	-1.46	-1.53	-1.79
EPS Growth, Adjusted	N.m.	N.m.	28%	N.m.	N.m.	N.m.

Source: Diamyd Medical, Penser by Carnegie

Cash flow statement						
	20/21	21/22	22/23	23/24	24/25e	25/26e
EBIT	-86	-123	-105	-147	-167	-187
Other Cash flow Items	1	4	6	15	12	6
Changes in working capital	-25	18	-1	8	0	0
<b>Cash flow from operating activities</b>	<b>-110</b>	<b>-101</b>	<b>-100</b>	<b>-124</b>	<b>-155</b>	<b>-181</b>
Investments in Fixed Assets	-4	-35	-11	-8	-5	0
Other Cash flow from investments	137	-42	40	-20	20	0
<b>Cash flow from Investments</b>	<b>133</b>	<b>-77</b>	<b>28</b>	<b>-28</b>	<b>15</b>	<b>0</b>
<b>Free cash flow</b>	<b>23</b>	<b>-178</b>	<b>-72</b>	<b>-152</b>	<b>-139</b>	<b>-181</b>
New share issue / repurchase	57	142	71	142	56	200
<b>Cash flow from financing</b>	<b>57</b>	<b>142</b>	<b>71</b>	<b>142</b>	<b>56</b>	<b>200</b>
<b>Cash flow</b>	<b>80</b>	<b>-35</b>	<b>-1</b>	<b>-10</b>	<b>-83</b>	<b>19</b>
<b>Net debt</b>	<b>-139</b>	<b>-160</b>	<b>-128</b>	<b>-132</b>	<b>-29</b>	<b>-48</b>

Source: Diamyd Medical, Penser by Carnegie

Balance sheet						
	20/21	21/22	22/23	23/24	24/25e	25/26e
<b>ASSETS</b>						
Tangible fixed assets	6	46	52	49	49	44
Financial assets	33	18	13	9	9	9
<b>Total fixed assets</b>	<b>38</b>	<b>64</b>	<b>65</b>	<b>58</b>	<b>58</b>	<b>53</b>
Other current assets	24	13	13	27	27	27
Cash and cash equivalents	139	160	128	132	29	48
<b>Total current assets</b>	<b>163</b>	<b>173</b>	<b>141</b>	<b>159</b>	<b>56</b>	<b>75</b>
<b>TOTAL ASSETS</b>	<b>201</b>	<b>237</b>	<b>206</b>	<b>217</b>	<b>114</b>	<b>128</b>
<b>EQUITY AND LIABILITIES</b>						
Equity	189	214	185	146	32	46
<b>Total equity</b>	<b>189</b>	<b>214</b>	<b>185</b>	<b>146</b>	<b>32</b>	<b>46</b>
Other long-term liabilities	1	1	1	31	41	41
<b>Total long-term liabilities</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>31</b>	<b>41</b>	<b>41</b>
Accounts payable	6	10	5	17	17	17
Other current liabilities	6	12	15	23	23	23
<b>Total current liabilities</b>	<b>11</b>	<b>21</b>	<b>20</b>	<b>40</b>	<b>40</b>	<b>40</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>201</b>	<b>237</b>	<b>206</b>	<b>217</b>	<b>114</b>	<b>128</b>

Source: Diamyd Medical, Penser by Carnegie

Growth and margins						
	20/21	21/22	22/23	23/24	24/25e	25/26e
Revenue growth	Neg.	482%	N.m.	Neg.	Neg.	0%
EBITDA growth, adjusted	Neg.	Neg.	15%	Neg.	Neg.	Neg.
EBIT growth, adjusted	Neg.	Neg.	14%	Neg.	Neg.	Neg.
EPS growth, adjusted	N.m.	N.m.	28%	N.m.	N.m.	N.m.
Gross margin	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.
EBITDA margin	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
EBITDA margin, adjusted	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
EBIT margin	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
EBIT margin, adjusted	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Profit margin, adjusted	N.m.	Neg.	Neg.	Neg.	Neg.	Neg.

Source: Diamyd Medical, Penser by Carnegie

Return						
	20/21	21/22	22/23	23/24	24/25e	25/26e
ROE, adjusted	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
ROCE, adjusted	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
ROIC, adjusted	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.

Source: Diamyd Medical, Penser by Carnegie

### Capital efficiency

	20/21	21/22	22/23	23/24	24/25e	25/26e
Accounts receivable / total revenue	11%	10%	0%	1%	-	-
Total short-term liabilities / total cost	13%	18%	17%	29%	24%	22%
Working capital / total revenue	>100%	-310%	-33%	-304%	-433%	-433%
Capital turnover rate	0.0x	0.0x	0.1x	0.0x	0.1x	0.1x

Source: Diamyd Medical, Penser by Carnegie

### Financial position

	20/21	21/22	22/23	23/24	24/25e	25/26e
Net debt	-139	-160	-128	-132	-29	-48
Equity ratio	94%	91%	90%	67%	29%	36%
Net debt / equity	-0.7x	-0.7x	-0.7x	-0.9x	-0.9x	-1.0x
Net debt / EBITDA	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.

Source: Diamyd Medical, Penser by Carnegie

### Per share data

	20/21	21/22	22/23	23/24	24/25e	25/26e
EPS	0.84	-1.40	-1.01	-1.46	-1.53	-1.79
EPS, adjusted	0.84	-1.40	-1.01	-1.46	-1.53	-1.79
FCF per share	0.32	-2.31	-0.69	-1.46	-1.34	-1.74
Book value per share	2.64	2.79	1.78	1.40	0.31	0.45
Number of shares, m	71.6	76.9	104	104	104	104
Number of shares after dilution, average	71.6	76.9	104	104	104	104

Source: Diamyd Medical, Penser by Carnegie

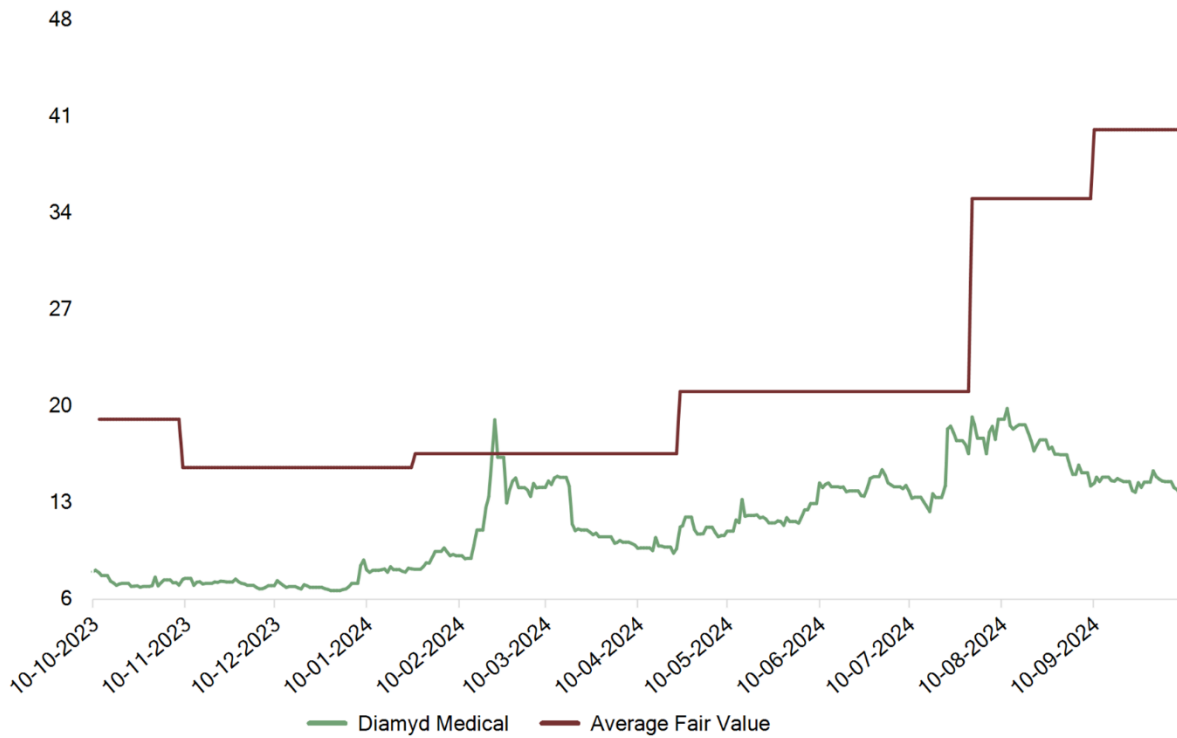
### Valuation

	20/21	21/22	22/23	23/24	24/25e	25/26e
P/E, adjusted	17.6x	Neg.	Neg.	Neg.	Neg.	Neg.
P/BV	5.6x	4.8x	3.7x	9.7x	43.6x	30.5x
P/FCF	46.5x	Neg.	Neg.	Neg.	Neg.	Neg.
FCF-yield	2%	Neg.	Neg.	Neg.	Neg.	Neg.
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Payout ratio, adjusted	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Sales	100x	100x	45.5x	100x	100x	100x
EV/EBITDA, adjusted	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
EV/EBIT, adjusted	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
EV	2,273	962	892	1,283	1,283	1,283
Share price, year end	14.8	13.4	6.6	13.6	13.6	13.6

Source: Diamyd Medical, Penser by Carnegie

## Share Price and Average Fair Value Chart

Diamyd Medical (DMYDB SS EQUITY)



Source: Penser by Carnegie, IDC

# Disclosures and disclaimers

## Carnegie Investment Bank AB

Carnegie Investment Bank AB (publ.) is a leading investment bank with a Nordic focus. The Carnegie group of companies, together "Carnegie", generates added value for institutions, companies and private clients in the areas of trade in securities, investment banking and private banking. Carnegie has approximately 600 employees, located in offices in six countries.

## Penser by Carnegie

In November 2023, Carnegie acquired the commissioned research business from Erik Penser Bank AB. This included the business under which Erik Penser Bank AB e.g. has published its Penser Access and Penser Future research services. This business continues to be operated by Carnegie under the trademark Penser by Carnegie.

## Valuation, methodology, and assumptions

### Penser Access by Carnegie

Commissioned research reports under Penser Access by Carnegie include the analyst's assessment of a fair value range on the date the research was published based on various fundamental valuation methods. A commonly used method is DCF valuation, where future cash flows are discounted to today. Analysts may also use different valuation multiples, e.g. P/E ratio and EV/EBIT multiples, relative to industry peers to obtain a target price. For companies where it is appropriate, a fair value range can also be based on the analyst's assessment of a fair ratio relative to the net asset value of the company. Fair value ranges represent the assessment of the analyst(s) at the time of writing. For more information on valuation models, click [here](#)

### Penser Future by Carnegie

Commissioned research reports under Penser Future by Carnegie do not contain a fair value range. Instead, the analyst assesses the company and sheds light on the strengths and weaknesses observed based on four areas. The four areas are assessed based on the following criteria: Potential, Risk, Financial Position and History & Merits. The results are presented on a scale of 1-5 where 5 represents the highest rating in each area. For example, a rating of 5 for Potential means that we see strong potential in the business while a rating of 5 for Risk means that we assess the risk as high.

## Frequency of update

Penser by Carnegie's research analysis consists of case-based analyses, which implies that the frequency of the analytical report may vary over time. Unless otherwise expressly stated in the report, the analysis will be updated quarterly or when considered necessary by the research department, for example in the event of significant changes in market conditions or events related to the issuer/the financial instrument.

## Analyst certification

The research analyst or analysts responsible for the content of this commissioned research report certify that, notwithstanding the existence of any potential conflicts of interests referred to herein, the views expressed in this commissioned research report accurately reflect the research analyst's personal views about the companies and securities covered. It is further certified that the research analyst has not been, nor is or will be, receiving direct or indirect compensation related to the specific ratings or views contained in this commissioned research report.

## Potential conflicts of interest

Carnegie, or its subsidiaries, may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any company mentioned in this report. Any such publicly announced business activity, during the past 12 months, will be referred to in this commissioned research report. A set of rules handling conflicts of interest is implemented in the Carnegie Group. Investment Banking and other business departments in Carnegie are surrounded by information barriers to restrict the flows of sensitive information. Persons outside such barriers may gain access to sensitive information only after having observed applicable procedures. The remuneration of persons involved in preparing this commissioned research report is not tied to investment banking transactions performed by Carnegie or a legal person within the same group.

Confidential and non-public information regarding Carnegie and its clients, business activities and other circumstances that could affect the market value of a security ("sensitive information") is kept strictly confidential and may never be used in an undue manner.

Internal guidelines are implemented in order to ensure the integrity and independence of research analysts. In accordance with the guidelines the research department is separated from the Investment Banking department and there are no reporting lines between the research department and Investment Banking. The guidelines also include rules regarding, but not limited to, the following issues; contacts with covered companies, prohibition against offering favourable recommendations, personal involvement in covered companies, participation in investment banking activities, supervision and review of research reports, analyst reporting lines and analyst remuneration.

## Other material conflicts of interest

This report was commissioned and sponsored by the issuer (issuer-paid research).

## Distribution restrictions

This commissioned research report does not have regard to the specific investment objectives, financial situation or particular needs of any specific person who may receive it. Investors should seek financial advice regarding the appropriateness of investing in any securities discussed in this commissioned research report and should understand that statements regarding future prospects may not be realized. Past performance is not necessarily a guide to future performance. Carnegie and its subsidiaries accept no liability whatsoever for any direct or consequential loss, including, without limitation, any loss of profits arising from the use of this commissioned research report or its contents. This commissioned research report may not be reproduced, distributed or published by any recipient for any purpose. The document may not be distributed to persons that are citizens of or domiciled in any country in which such distribution is prohibited according to applicable laws or other regulations.

This commissioned research report is distributed in Sweden by Carnegie Investment Bank AB. Carnegie Investment Bank AB is a bank incorporated in Sweden with limited liability which is authorised and regulated by the Swedish Financial Supervisory Authority (Finansinspektionen). In Finland this commissioned research report is issued by Carnegie Investment Bank AB, Finland Branch. The Finland branch is authorised by the Swedish Financial Supervisory Authority and subject to limited regulation by the Finnish Financial Supervisory Authority (Finanssivalvonta). In Norway this commissioned research report is issued by Carnegie AS, a wholly-owned subsidiary of Carnegie Investment Bank AB. Carnegie AS is regulated by the Financial Supervisory Authority of Norway (Finanstilsynet). In Denmark this commissioned research report is issued by Carnegie Investment Bank AB, Denmark Branch. The Denmark branch is authorised by the Swedish Financial Supervisory Authority and subject to limited regulation by the Danish Financial Supervisory Authority (Finanstilsynet).

This commissioned research report is distributed in the US by Carnegie, Inc., a US-registered broker-dealer and a member of FINRA and SIPC. Carnegie's research analysts located outside of the US are employed by non-US affiliates of Carnegie Inc. ("non-US affiliates") that are not subject to FINRA regulations. Generally, Carnegie research analysts are not registered with or qualified as research analysts with FINRA, and therefore are not subject to FINRA rule 2241 restrictions intended to prevent conflicts of interest by, among other things, prohibiting certain compensation practices, restricting trading by analysts and restricting communications with the companies that are the subject of the research report. Research reports distributed in the U.S. are intended solely for major US institutional investors and US institutional investors as defined under Rule 15a-6 of the Securities Exchange Act of 1934. This commissioned research report is provided for informational purposes only and under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy any securities. Reports regarding equity products are prepared by non-US affiliates of and distributed in the United States by Carnegie Inc. under Rule 15a-6(a)(3). When distributed by Carnegie Inc, Carnegie Inc. takes responsibility for the commissioned research report. Any US person who wishes to effect transactions based on this commissioned research report should contact Carnegie Inc. Investors in the US should be aware that investing in non-US securities entails certain risks. The securities of non-US issuers may not be registered with, or be subject to, the current information reporting and audit standards of the US Securities and Exchange Commission.

This commissioned research report has been issued in the UK by Carnegie UK which is the UK Branch of Carnegie Investment Bank AB. Carnegie UK is authorised and regulated by the Financial Conduct Authority (FCA).



**Research Disclaimer**

This commissioned research report is provided solely for information. It does not constitute or form part of, and shall under no circumstances be considered as an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instrument.

This commissioned research report has been requested and paid for by the issuer and should therefore be considered a marketing communication (i.e not investment research). Payment for the report has been agreed in advance on a non-recourse basis. As commissioned research, this material can be considered an acceptable minor non-monetary benefit under MiFID II. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. However, it is still subject to a prohibition on dealing ahead of the dissemination of the report.

Carnegie Investment Bank AB is responsible for the preparation of this commissioned research report in Sweden, Finland, Denmark, and the UK. Carnegie AS is responsible for the preparation of this commissioned research report in Norway. Carnegie Inc. is responsible for this research report in the US.

The information in this commissioned research report was obtained from various sources. While all reasonable care has been taken to ensure that the information is true and not misleading, Carnegie gives no representation or warranty, express or implied, about its accuracy or completeness. Carnegie, its subsidiaries and any of their officers or directors may have a position, or otherwise be interested in, transactions in securities that are directly or indirectly the subject of this commissioned research report. Any significant financial interests held by the analyst, Carnegie or a legal person in the same group in relation to the issuer will be referred to in the Company-specific disclosures below, and the Conflicts of interest on the front page of this report.

**Company specific disclosures**

Parts of this commissioned research report may have been submitted to the issuer prior to its publication.

Copyright © 2024 Carnegie

---

Carnegie Investment Bank AB  
Regeringsgatan 56  
SE-103 38 Stockholm  
Tel: +46 8 676 88 00 Fax +46 8 676 88 95