

## EQUITY RESEARCH

**PHAXIAM THERAPEUTICS**  
 RESULTS REVIEW

BUY

TP 4.90€

Up/Downside: 185%

## Referral to individualized treatments

On the basis of a favorable position from regulatory authorities in Europe and strong interest on the part of practitioners, management announced plans to launch a range of individualized treatments that could generate sales as early as 2026.

Thanks to the development of its phagogram – an in-vitro analysis of phage activity on a bacterial strain collected from a patient (registered as an in vitro diagnostic test under CE Directives since September 2022) – the group is able to select only the phages that are truly active against the targeted bacteria. This enables the formulation of individualized therapies by tailoring treatments to each patient.

From an operational perspective, the outlined strategy focuses on: 1) Expanding the phage database to address the main bacterial strains responsible for infections, utilizing either the internally developed phage bank or external partnerships; 2) Establishing GMP-compliant sourcing for selected phages (outsourced production); 3) Deploying a distribution network in key countries and hospitals (initially Germany, the United Kingdom, and potentially Italy, where hospitals are accustomed to preparing magistral formulations within their pharmacies). This will be implemented either directly or through partnerships, with 10 hospitals targeted by 2026, 30 by 2027, and approximately 100 by 2030.

The implementation of the Individualised Phage Therapy (IPT) plan could generate revenue as early as 2026, with rapid growth projected: €20M in revenue targeted for 2027 (20-25k per treatment and approximately 1,000 patients) and €150M by 2030. This initiative adds to the ambitions linked to ongoing clinical developments (potential commercialization post-Phase II GLORIA for prosthetic joint infections: €8M targeted revenue by 2027 for this most advanced indication), as well as compassionate use/AAC programs (€4M targeted for 2027).

To reflect these announcements, we are adjusting our three-year forecast, accounting for investments/expenses related to IPT in 2025-2026 (offset by reduced R&D spending and the suspension of certain programs). We now anticipate €2-3M in IPT revenue for 2026 (compared to €0M previously expected), which should help reduce the group's operational losses (working capital requirements will be considered for cash flow management).

In terms of valuation, we have integrated the IPT activity into our model, estimating its value at €265M (€66M after applying a 75% discount, reflecting no clinical or regulatory risks but uncertainties tied to the rollout of this new model). This adjustment offsets the removal of non-prosthetic joint infection indications (program suspensions). Consequently, our price target remains unchanged at €4.9 per share.

In the short term, the stock could be boosted by the publication of results from the PhagoDAIR study. We remain confident in our Buy recommendation.

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	0.0	0.0	0.0	2.0	EV/Sales	na	na	9.6
Current Op Inc (m €)	-24.4	-19.7	-17.6	-13.6	Source: TPICAP Midcap			
Current op. Margin (%)	na	na	na	na				
EPS (€)	-3.99	-1.98	-0.72	-0.37				
DPS (€)	0.00	0.00	0.00	0.00				
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-24.6	-16.6	-18.0	-14.5				

## Research partially paid by the Issuer

### Key data

Price (€)	1.7
Industry	Healthcare
Ticker	PHXM-FR
Shares Out (m)	9.981
Market Cap (m €)	17.2
Next event	CA 2025

Source: FactSet

### Ownership (%)

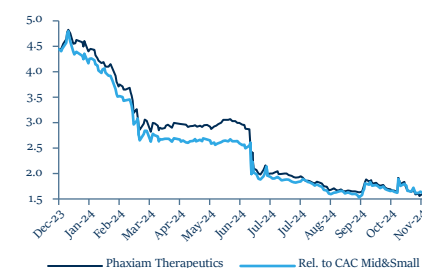
EPIC Bpifrance	25.1
Auriga	11.6
Pool Guy Rigaud	2.7
Tikehau	4.7
Free float	51.5

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	-1.98	-0.72	-0.37
Change vs previous estimates (%)	na	na	na

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	8.6	3.4	-62.6
Rel CAC Mid&Small	8.7	9.4	-58.7



Source: FactSet

Analyst

Claire Deray - Sponsor Finance for TPICAP Midcap

## FINANCIAL DATA

Income Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	na	0.0	0.0	0.0	0.0	2.0
Gross profit	na	0.0	0.0	0.0	0.0	2.0
% of Sales	na	na	na	na	na	100.0
<b>EBITDA</b>	<b>na</b>	<b>1.8</b>	<b>-23.8</b>	<b>-17.7</b>	<b>-17.0</b>	<b>-13.0</b>
% of Sales	na	na	na	na	na	-650.0
<b>Current operating profit</b>	<b>na</b>	<b>-2.8</b>	<b>-24.4</b>	<b>-19.7</b>	<b>-17.6</b>	<b>-13.6</b>
% of Sales	na	na	na	na	na	-681.0
Non-recurring items	na	0.0	0.0	0.0	0.0	0.0
EBIT	na	-2.8	-24.4	-19.7	-17.6	-13.6
Net financial result	na	3.1	-0.0	-0.0	-0.0	-0.0
Income Tax	na	-0.5	0.2	0.0	0.0	0.0
Tax rate (%)	na	177.8	0.9	0.0	0.0	0.0
<b>Net profit, group share</b>	<b>na</b>	<b>-0.2</b>	<b>-24.2</b>	<b>-19.7</b>	<b>-17.7</b>	<b>-13.7</b>
Financial Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	na	0.0	9.6	9.6	9.6	9.6
Tangible and intangible assets	na	0.4	22.4	20.9	20.7	20.6
Right of Use	na	0.0	0.0	0.0	0.0	0.0
Financial assets	na	2.6	2.9	2.9	2.9	2.9
Working capital	na	-4.0	-5.3	-7.0	-6.5	-5.5
Other Assets	na	46.8	21.8	14.0	16.5	18.9
<b>Assets</b>	<b>na</b>	<b>45.8</b>	<b>51.3</b>	<b>40.4</b>	<b>43.2</b>	<b>46.6</b>
Shareholders equity group	na	23.5	25.6	12.8	18.1	24.5
Minorities	na	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	na	0.7	1.1	1.1	1.1	1.1
Net debt	na	-25.2	2.8	12.5	7.5	2.0
Other liabilities	na	0.0	0.0	0.0	0.0	0.0
<b>Liabilities</b>	<b>na</b>	<b>45.8</b>	<b>51.3</b>	<b>40.4</b>	<b>43.2</b>	<b>46.6</b>
Net debt excl. IFRS 16	na	-25.2	2.8	12.5	7.5	2.0
Gearing net	na	-1.1	0.1	1.0	0.4	0.1
Leverage	na	-13.8	-0.1	-0.7	-0.4	-0.2
Cash flow statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
CF after elimination of net borrowing costs and taxes	na	-21.1	-22.2	-17.8	-17.1	-13.1
$\Delta$ WCR	na	-8.1	-2.1	1.7	-0.5	-1.0
Operating cash flow	na	-29.2	-24.3	-16.1	-17.6	-14.1
Net capex	na	-0.1	-0.2	-0.5	-0.5	-0.5
FCF	na	-31.8	-24.6	-16.6	-18.0	-14.5
Acquisitions/Disposals of subsidiaries	na	-0.0	0.0	0.0	0.0	0.0
Other investments	na	-0.0	0.0	0.0	0.0	0.0
Change in borrowings	na	-1.8	-3.7	-0.8	-3.0	-3.0
Dividends paid	na	0.0	0.0	0.0	0.0	0.0
Repayment of leasing debt	na	0.0	0.0	0.0	0.0	0.0
Equity Transaction	na	0.0	0.0	6.9	23.0	20.0
Others	na	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	na	5.1	-28.3	-10.5	2.0	2.5

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### Analyst certifications

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### Methodology

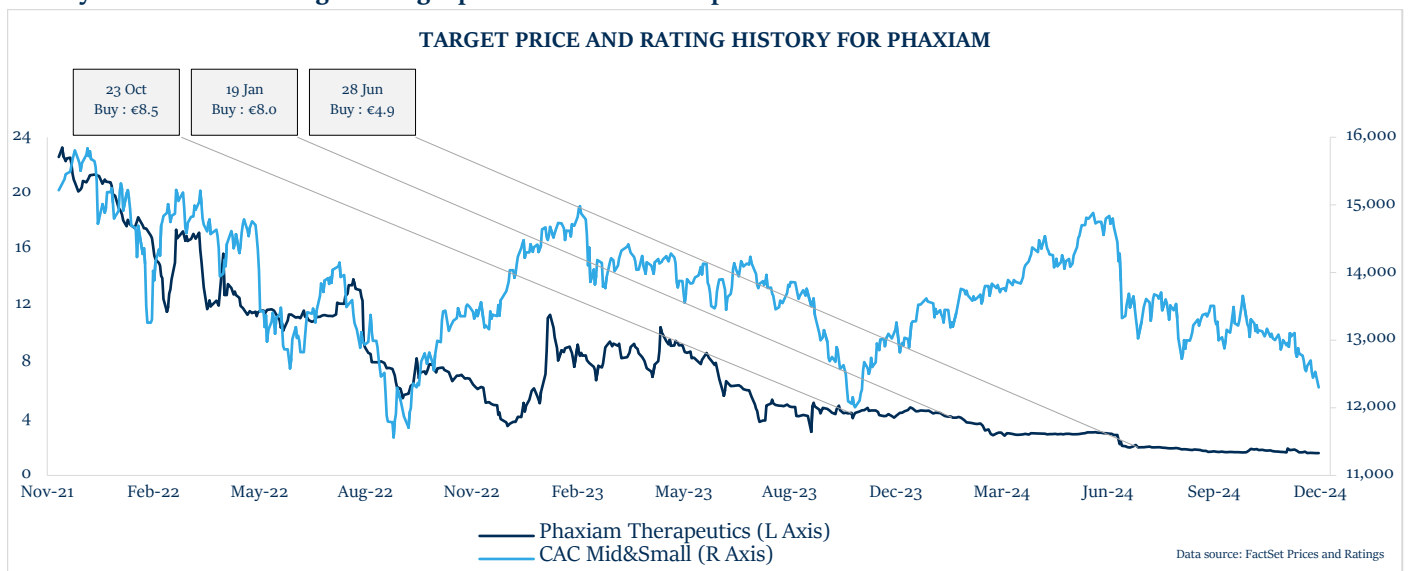
This Report may mention evaluation methods defined as follows:

1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

### Conflict of Interests between TP ICAP Midcap and the Issuer

G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Phaxiam Therapeutics

### History of investment rating and target price – Phaxiam Therapeutics



## Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	80%	64%
Hold	14%	70%
Sell	3%	40%
Under review	2%	100%

Midcap employs a rating system based on the following:

Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.

Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.

Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at <https://researchtpicap.midcapp.com/en/disclaimer>.

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