

COMPANY PROFILE

BELL POTTER

Starpharma Holdings Limited

GICS - Pharm/Biotech

ASX Code: SPL

Price: \$0.120

12 Mth Target Price: \$0.95

Rating: Buy

Business Summary

Starpharma Holdings Limited (SPL) is a biotechnology company that engages in the development of dendrimer products for pharmaceutical, life science and other applications. SPL's underlying technology is built around dendrimers, a type of synthetic nanoscale polymer that is highly regular in size and structure and well suited to pharmaceutical uses. SPL has two core development programs: VivaGel portfolio and DEP drug delivery.

VivaGel: VivaGel is an innovative technology being applied to a range of sexual/women's health products by Starpharma and its partners, including: VivaGel condom, VivaGel for treatment & prevention of bacterial vaginosis (BV) and VivaGel for the prevention of sexually transmitted infections (STIs). VivaGel (SPL7013, or astodimer sodium) is antiviral and blocks bacteria. VivaGel formulated as a mucoadhesive gel and delivered vaginally relieve the signs and symptoms of bacterial vaginosis (BV), and reduce risk of recurrence of BV.

Dendrimer Drug Delivery (DEP): Starpharma's dendrimers is used to enhance the properties of other drugs. The approach is known as "drug delivery" because it is about working to ensure that the drug is delivered to the right part of the body at the right time. Starpharma's dendrimer drug delivery technology is known as DEP. Starpharma has three internal DEP products -DEP docetaxel, DEP cabazitaxel and DEP irinotecan - in clinical development in patients with solid tumours.

Latest Research

Q1FY23: Good clinical and partnership progress

SPL remains in a good financial position with a cash balance of \$42.3 million as at 30 September 2022 and the company is expecting an additional \$7m from the Government's R&D tax incentive in the next few months.

For more information see full research report 2 Nov 2022.

Snapshot

| | |
|-----------------|-------------|
| Date | 12 May 2024 |
| Market Cap. | \$49m |
| Shares on issue | 412.0m |
| 12 Month High | \$0.47 |
| 12 Month Low | \$0.10 |

Rating

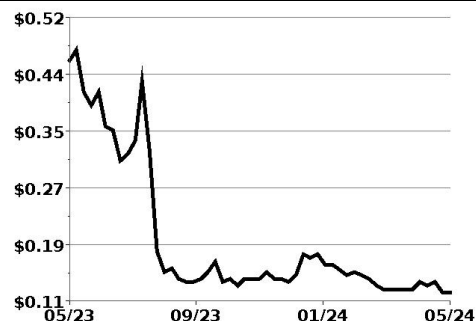
| | |
|----------------------|--------|
| Rating | Buy |
| 12 Mth Target Price | \$0.95 |
| Capital Gain | 660.0% |
| Gross Yield | NA% |
| Implied Total Return | 660.0% |

Investment Fundamentals

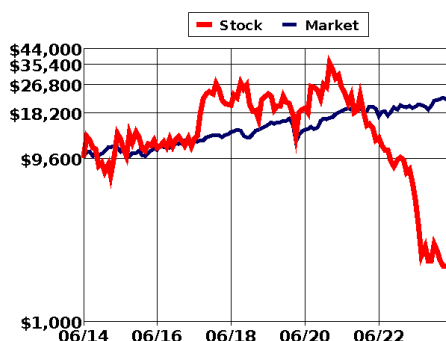
| FYE 30 Jun | | 2023A | 2024F | 2025F | 2026F |
|----------------|-----|-------|-------|-------|-------|
| Profit | \$m | -8.1 | -17.2 | -15.3 | 0.0 |
| Profit (norm)* | \$m | -8.1 | -17.2 | -15.3 | 0.0 |
| EPS* | ¢ | -2.0 | -4.2 | -3.7 | 0.0 |
| EPS Growth | % | 0.0 | 0.0 | 0.0 | 0.0 |
| P/E* | x | 0.0 | 0.0 | 0.0 | 0.0 |
| P/E Relative | % | 0.0 | 0.0 | 0.0 | 0.0 |
| DPS | ¢ | 0.0 | 0.0 | 0.0 | 0.0 |
| Yield | % | 0.0 | 0.0 | 0.0 | 0.0 |
| Franking | % | 0.0 | 0.0 | 0.0 | 0.0 |

* Adjusted for goodwill and unusual items
Source: Based on Bell Potter estimates

Share Price Chart



Total Return on \$10,000 Investment



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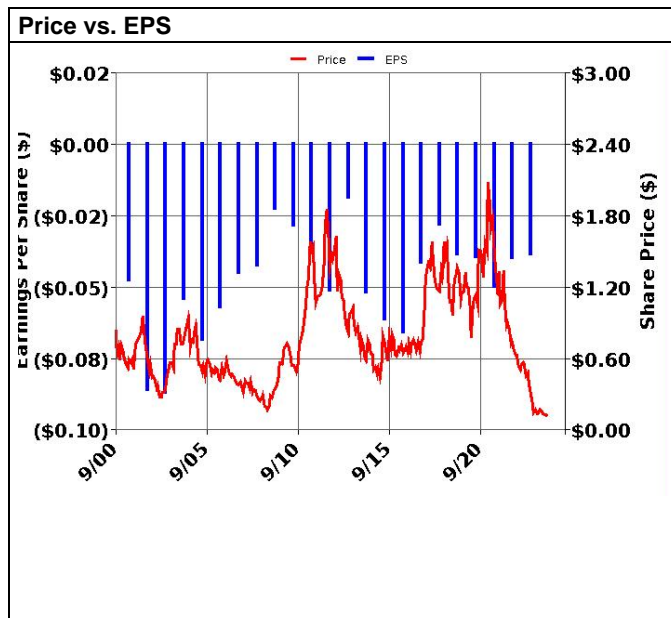
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| Profit & Loss (\$000) | | | | | |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2019A | 2020A | 2021A | 2022A | 2023A |
| Sales Revenue | 1,651 | 6,033 | 1,798 | 4,682 | 2,939 |
| Total Revenue ex. Int. | 1,663 | 6,592 | 3,134 | 4,945 | 3,074 |
| EBITDA | -15,013 | -14,290 | -19,151 | -15,293 | -15,713 |
| Depreciation & Amort. | -298 | -911 | -934 | -1,078 | -1,194 |
| Goodwill Amortisation | -- | -- | -- | -- | -- |
| EBIT | -15,311 | -15,201 | -20,085 | -16,371 | -16,907 |
| Net Interest | 1,057 | 523 | 353 | 217 | 1,269 |
| Profit Before Tax | -14,254 | -14,678 | -19,732 | -16,154 | -15,638 |
| Income Tax | -- | -- | -- | -- | -- |
| Outside Equity Int. | -- | -- | -- | -- | -- |
| Profit after Tax | -14,254 | -14,678 | -19,732 | -16,154 | -15,638 |
| Significant Items after Tax | -- | -- | -- | -- | -- |
| Reported Profit after Tax | -14,254 | -14,678 | -19,732 | -16,154 | -15,638 |
| Preferred Dividends | -- | -- | -- | -- | -- |

| Cash Flow (\$000) | | | | | |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2019A | 2020A | 2021A | 2022A | 2023A |
| Receipts from Customers | 2,807 | 7,229 | 2,436 | 4,846 | 10,231 |
| Funds from Operations | -15,437 | -16,520 | -22,216 | -21,446 | -14,450 |
| Net Operating Cashflow | -10,344 | -10,776 | -14,808 | -13,162 | -13,533 |
| Capex | -314 | -125 | -246 | -837 | -621 |
| Acquisitions & Investments | -- | -- | -- | -- | -- |
| Sale of Invest. & Subsid. | 8 | -- | -- | 1 | 11 |
| Net Investing Cashflow | -306 | -125 | -246 | -836 | -610 |
| Proceeds from Issues | -- | -- | 48,862 | -- | -- |
| Dividends Paid | -- | -- | -- | -- | -- |
| Net Financing Cashflow | -26 | -584 | 46,303 | 3,228 | -695 |
| Net Increase Cash | -10,676 | -11,485 | 31,249 | -10,770 | -14,838 |
| Cash at Beginning | 51,319 | 41,251 | 30,054 | 60,500 | 49,918 |
| Exchange Rate Adjust. | 608 | 288 | -803 | 188 | 100 |
| Cash at End | 41,251 | 30,054 | 60,500 | 49,918 | 35,180 |

| Ratios and Substantial Shareholders | | | | | | |
|-------------------------------------|---|---------|---------|--------|---------|---------|
| | | 2019A | 2020A | 2021A | 2022A | 2023A |
| Profitability Ratios | | | | | | |
| EBITDA Margin | % | -909.33 | -236.86 | -1,065 | -326.63 | -534.64 |
| EBIT Margin | % | -927.38 | -251.96 | -1,117 | -349.66 | -575.26 |
| Net Profit Margin | % | -863.36 | -243.30 | -1,097 | -345.02 | -532.09 |
| Return on Equity | % | -33.62 | -46.86 | -31.67 | -33.38 | -44.92 |
| Return on Assets | % | -29.17 | -37.56 | -26.94 | -24.41 | -30.02 |
| Debt/Safety Ratios | | | | | | |
| Net Debt/Equity | % | -97.24 | -90.91 | -95.24 | -86.23 | -77.29 |
| Interest Cover | x | 14.49 | 29.07 | 56.90 | 75.44 | 13.32 |
| Top 5 Substantial Shareholders | | | | | | |
| Allianz SE and the entities | | | | | | 11.8% |
| Allan Gray Australia Pty Ltd | | | | | | 11.7% |
| ICM Investment Management Ltd | | | | | | 5.2% |

| Balance Sheet (\$000) | | | | | |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| | 2019A | 2020A | 2021A | 2022A | 2023A |
| Cash & Equivalent | 41,251 | 30,054 | 60,500 | 49,918 | 35,180 |
| Receivables | 6,080 | 6,087 | 8,439 | 7,836 | 8,235 |
| Inventories | 399 | 494 | 1,721 | 2,824 | 2,773 |
| Other Current Assets | 79 | 41 | 95 | 80 | 934 |
| Current Assets | 47,809 | 36,676 | 70,755 | 60,658 | 47,122 |
| Prop. Plant & Equipment | 1,050 | 2,402 | 2,483 | 5,517 | 4,964 |
| Intangibles | -- | -- | -- | -- | -- |
| Other Non-Current Assets | 79 | 41 | 95 | 80 | 934 |
| Non-Current Assets | 1,050 | 2,402 | 2,483 | 5,517 | 4,964 |
| Total Assets | 48,859 | 39,078 | 73,238 | 66,175 | 52,086 |
| Interest Bearing Debt | 26 | 1,574 | 1,167 | 8,189 | 8,272 |
| Other Liabilities | 6,438 | 6,178 | 9,771 | 9,593 | 8,999 |
| Total Liabilities | 6,464 | 7,752 | 10,938 | 17,782 | 17,271 |
| Net Assets | 42,395 | 31,326 | 62,300 | 48,393 | 34,815 |
| Share Capital | 193,621 | 193,661 | 240,630 | 240,669 | 240,715 |
| Reserves | 16,775 | 20,340 | 24,077 | 26,285 | 28,299 |
| Retained Earnings | -168,001 | -182,675 | -202,407 | -218,561 | -234,199 |
| Outside Equity Int. | -- | -- | -- | -- | -- |
| Total Shareholders Equity | 42,395 | 31,326 | 62,300 | 48,393 | 34,815 |



| Principals & Directors | |
|--|------------------|
| Principals | |
| Company Secretary | Mr Justin Cahill |
| Directors | |
| Mr Robert Bain Thomas(Non-Executive Director,Non-Executive Chairman) | |
| Ms Cheryl Ann Maley(Chief Executive Officer,Managing Director) | |
| Mr David McIntyre(Non-Executive Director) | |
| Ms Lynda Cheng(Non-Executive Director) | |
| Dr Jeff Davies(Non-Executive Director) | |
| Dr Russell Basser(Non-Executive Director) | |

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