

22 April 2014

PHARMING

Private placement of €14.7m

PHARMACEUTICALS & BIOTECHNOLOGY
NETHERLANDS

CURRENT PRICE €0.53
TARGET PRICE €0.70

BUY
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg PHARM NA
Reuters PHAR.AS
www.pharming.com

Market Cap € 122.3m
Shares outst. 332.4m
Volume (daily) € 11,332,431
Free float 83.0%

Next corporate event

(€ m)	2013E	2014E	2015E
Sales	6.7	23.4	13.1
REBITDA	-7.9	9.7	-1.0
Net earnings	-7.9	8.6	-2.1
Adj. EPS (€)	-0.02	0.02	0.00
P/E (x)		27.5	
EV/REBITDA		15.9	
FCF Yield	-8.1%	0.4%	-4.4%
Dividend yield			

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News:

Pharming announced that it has entered into a private equity placement of € 14.7m (€ 14m net proceeds) with existing institutional investors.

The placement is priced at € 0.49/share, the average closing price of the shares over the last five trading days.

A total of 30 million shares, representing 8% of the outstanding share capital, will be issued to the investors. In addition the investors will receive 21,000,000 warrants with a strike price of € 0.57. The exercise period of the warrants is two years.

After completion of this transaction the number of outstanding shares will increase from 374,603,750 to 403,603,750.

Our View:

At the end of 2013, Pharming had € 19m in cash and today additional cash inflows will allow Pharming to accelerate its investment in Ruconest with the potential of participating in the commercialization of the product in selected countries with its partners.

Conclusion:

Pharming's cash position continues to be strong and the company has been able to regain the trust of investors by refinancing itself under attractive conditions. It also shows that investors have high hopes that Ruconest will receive a positive FDA review in July.

Buy rating and target price maintained.