

7th January 2016

Healthcare

ERYTech

Price EUR23.97

GRASPA AML: third DSMB... So far so good

Fair Value EUR51 (+113%)

BUY

| | |
|----------------------------|-------------|
| Bloomberg | ERYP FP |
| Reuters | ERYP.PA |
| 12-month High / Low (EUR) | 40.0 / 23.5 |
| Market Cap (EURm) | 188 |
| Avg. 6m daily volume (000) | 30.40 |

| | 1 M | 3 M | 6 M | 31/12/14 |
|----------------|--------|--------|--------|----------|
| Absolute perf. | -14.4% | -19.4% | -17.9% | -11.5% |
| Healthcare | 0.1% | 2.1% | -1.9% | 13.1% |
| DJ Stoxx 600 | -4.4% | -1.7% | -6.4% | 3.4% |

| | 2014 | 2015e | 2016e | 2017e |
|---------------|------|-------|-------|-------|
| P/E | NS | NS | NS | NS |
| Div yield (%) | NM | NM | NM | NM |

ANALYSIS

- Erytech announces that an independent DSMB completed its third safety assessment of the phase IIb evaluating GRASPA as a treatment for elderly patients (> 65 years old) with acute myeloid leukaemia (AML). This is very good news in our eyes, although in line with our expectations, as 1/ it shows once again how safe the compound is, even in very challenging patients (remember that the native asparaginase is above all administered only to children and adolescents due to its toxicity); 2/ when it comes to AML, previous studies showed that the main problem of this therapeutic enzyme was its safety rather than its efficacy (see our previous studies for more details).
- The DSMB also noted that its observations regarding the main endpoint (which recently moved from progression free survival to overall survival) are unlikely to change with the additional patients, although the statistical power should be improved.
- The readout is still expected in 2017. If successful, this should add a EUR4.0 per share to our FV (all other things being equal).

VALUATION

- BUY reiterated with a FV of EUR51, knowing that AML stands for EUR10 per share.

NEXT CATALYSTS

- H1 16: Possible US listing + Initiation of several clinical trials.
- H2 16: Phase II results for ERY-ASP in pancreatic cancer + Marketing authorization for GRASPA ALL.

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| | |
|---------|--|
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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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