

17th March 2016

Healthcare

Collectis

Price EUR22.67

Collaboration with MabQuest on a new class of PD-1 mAbs

Fair Value EUR37 (+63%)

BUY

Bloomberg	ALCLS.FP
Reuters	ALCLS.PA
12-month High / Low (EUR)	40.9 / 16.9
Market Cap (EURm)	798
Avg. 6m daily volume (000)	219.7

	1 M	3 M	6 M	31/12/15
Absolute perf.	14.7%	-13.8%	-23.3%	-18.8%
Healthcare	2.4%	-9.0%	-10.3%	-11.2%
DJ Stoxx 600	6.4%	-5.4%	-5.8%	-6.8%

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

ANALYSIS

- **Collectis announced it has entered into a collaboration agreement with MabQuest** to develop and eventually commercialise a class of monoclonal antibodies (mAbs) targeting PD-1. Targeting the PD-1/PD-L1 axis is a pretty well-known strategy (see BMS' nivolumab or Roche's atezolizumab), but MabQuest's mAbs is quite different as it aims to promote the recovery of T-cells from exhaustion. **We think this additional development could be of interest in PD-L1-patients with solid tumours (lung, liver, etc.),** the objective being to enhance the anti-tumour activity and the half-life of future UCARTs (or even currently approved PD-1/PD-L1 checkpoint blockers) as part of a combination.
- Under the terms of the agreement, **MabQuest has granted an exclusive option to Collectis** on the worldwide rights to these future antibodies if the option is exercised. That said, the press release does not provide any details concerning the financial terms.
- While we see this as a pretty interesting add-on, we'd say it is too early to integrate into our FV.

VALUATION

- **BUY reiterated with a FV of EUR37.**

NEXT CATALYSTS

- June 2016: Potential read-across analyses from Juno, Novartis and Kite Pharma's CD19 CAR-T cells during the ASCO meeting.
- 2016: DSMB feedback regarding the Phase I study of UCART19.
- 2016: Potential listing of Calyxt (agro-biotech business) in the US.

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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

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