

21st April 2016

Healthcare

**Genmab**

Price DKK943.00

Details from the CASTOR study to be presented at the 2016 ASCO meeting

Fair Value DKK1350 (+43%)

**BUY**

Bloomberg	GEN DC
Reuters	GEN.CO
12-month High / Low (DKK)	967.0 / 514.0
Market Cap (DKK)	56,276
Avg. 6m daily volume (000)	433.0

	1 M	3 M	6 M	31/12/15
Absolute perf.	15.1%	17.5%	48.2%	2.8%
Healthcare	6.3%	2.2%	-4.4%	-7.8%
DJ Stoxx 600	2.6%	8.8%	-3.3%	-4.1%

	2015	2016e	2017e	2018e
P/E	97.1x	NS	87.8x	69.6x
Div yield (%)	NM	NM	NM	NM

#### ANALYSIS

- **Genmab announced that details from the Phase III CASTOR study will be presented at the 2016 ASCO meeting** (and more precisely on 5th June). Interestingly, the press release gave a few more details regarding the improvement in progression-free survival (PFS) allowed by the addition of daratumumab to bortezomib/dexamethasone. So we are now aware that 1/ **the hazard ratio stood at 0.39** ( $p < 0.0001$ ), meaning that the risk of progression or death was reduced by 61%), whereas we expected a level that would be closer to 0.5; 2/ **the median PFS for patients treated within the active arm was not reached** (vs 7.2 months for the control arm).
- As previously stated, we see the read-out of the POLLUX study as a much more significant catalyst. We're quite positive about it... And **having generated an HR of 0.39 as part of a combination with a proteasome inhibitor is a very encouraging sign** as we anticipate more synergies between "dara" and Celgene's lenalidomide (the latter being known for its numerous immuno-modulating properties; e.g Tregs suppression, Th1 cytokine production, enhanced NK cell ADCC, etc.).
- Amgen's Kyprolis and BMS' Emplicit respectively displayed an HR of 0.69 and 0.70 in the ASPIRE and ELOQUENT-2 studies (knowing that both of them tested these compounds in combo with len/dex vs len/dex alone in refractory/relapse patients who received at least one prior therapy). And we're pretty confident that dara's performance will outmatch this data as 1/ it displayed best-in-class status both as a monotherapy or in combo in previous studies; 2/ its mechanism of action is much more exhaustive than "elo" (see our latest report [here](#) for additional details).

#### VALUATION

- **BUY reiterated with a FV of DKK1,350.** But note that our FV could be increased by +DKK50-100 should POLLUX be indeed positive.

#### NEXT CATALYSTS

- Q2: European approval of daratumumab as a monotherapy for heavily pre-treated patients with multiple myeloma.
- Q2: Phase III results from the POLLUX study.

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## Distribution of stock ratings

BUY ratings 57.6%

NEUTRAL ratings 33.8%

SELL ratings 8.6%

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