

9th May 2016

Healthcare

Collectis

Price EUR23.76

Another baby in remission thanks to UCART19

Fair Value EUR37 (+56%)

BUY

Bloomberg	ALCLS.FP
Reuters	ALCLS.PA
12-month High / Low (EUR)	40.9 / 16.9
Market Cap (EURm)	837
Avg. 6m daily volume (000)	199.3

	1 M	3 M	6 M	31/12/15
Absolute perf.	-7.3%	27.9%	-34.2%	-14.9%
Healthcare	0.3%	0.6%	-13.8%	-12.4%
DJ Stoxx 600	1.4%	2.1%	-12.1%	-9.0%

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

ANALYSIS

- According to Reuters, **a little baby with ALL (acute lymphoblastic leukaemia) 1/ has been successfully treated with UCART19** (allogeneic anti-CD19 CAR-T cells), and **2/ remains in remission six months after treatment**. Just like the very first baby to be treated (Layla), this second baby benefited from a compassionate treatment and we guess it was refractory to all currently available therapies. Apart from that, we're pretty sure the baby could not benefit from autologous options because his immune system was far too weak and lacked T lymphocytes.
- **While this is not a clinical event, we find it very encouraging** as it shows the compound could be as effective as its competitors (Kite Pharma's KTE-C19, Juno Therapeutics' JCAR014 and assimilated), and more importantly, no graft-versus-host disease phenomenon has been observed so far (i.e. when the injected cells start attacking those of the receiver after identifying them as foreign).

VALUATION

- No changes to our valuation. **BUY reiterated with a FV of EUR37.**
- Note that the top-line results from the Phase I testing of UCART19 in ALL are expected in 2017. By this time, we believe that potential feedback from a DSMB could provide qualitative factors that should reassure the street about its safety profile.

NEXT CATALYSTS

- Potential read-across analyses following the ASCO 2016 annual meeting.

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