

31st May 2016

Healthcare

**Genmab**

Price DKK1,194

**USD30m received for the very first sale of "dara" in Europe**

**Fair Value DKK1450 (+21%)**

**BUY**

Bloomberg	GEN DC
Reuters	GEN.CO
12-month High / Low (DKK)	1,229 / 548.0
Market Cap (DKKm)	71,442
Avg. 6m daily volume (000)	450.2

#### ANALYSIS

- Genmab announced yesterday the receipt of a **USD30m milestone payment linked to the very first commercial sale of Darzalex (daratumumab) in Europe**. Obviously, this is good news *per se*... However, the payment was largely anticipated (note that the compound was approved for this area a few days ago), and we are therefore making no changes to our estimates.
- We would rather look at where positive surprises could come from whether in terms of sales growth or milestone payments: 1/ JNJ has (certainly) already engaged discussions with the regulators regarding a label expansion of "dara" to second-line patients with myeloma thanks to the POLLUX and CASTOR studies. And depending on the timing of the filing, we believe an extension could be obtained by the end of this year (which could trigger cumulative milestone payments of USD50-100m); 2/ we still think the street is too conservative when it comes to the commercial ramp-up of the compound in 2016, especially in the US (see our previous comments for more details)... and we assume that Q3 results could be the next catalyst.

	1 M	3 M	6 M	31/12/15
Absolute perf.	24.0%	41.6%	31.2%	30.1%
Healthcare	5.4%	5.3%	-7.4%	-5.6%
DJ Stoxx 600	2.5%	4.9%	-9.2%	-4.3%

	2015	2016e	2017e	2018e
P/E	NS	NS	NS	75.8x
Div yield (%)	NM	NM	NM	NM

#### VALUATION

- **BUY rating reiterated with a FV of DKK1,450.**

#### NEXT CATALYSTS

- 5th June 2016: Presentation of detailed data from CASTOR at the 2016 ASCO meeting.
- 12th June 2016: Presentation of detailed data from POLLUX at the EHA meeting.

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## Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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