

6th July 2016

Healthcare

Actelion

Price CHF164.90

Start of phase III for macitentan in paediatrics is no anecdote

Fair Value CHF173 (+5%)

BUY

Bloomberg	ATLN VX
Reuters	ATLN.VX
12-month High / Low (CHF)	166.5 / 115.9
Market Cap (CHFm)	18,820
Avg. 6m daily volume (000)	398.0

	1 M	3 M	6 M	31/12/15
Absolute perf.	-0.1%	14.6%	18.5%	18.1%
Healthcare	1.4%	8.2%	-5.2%	-5.4%
DJ Stoxx 600	-5.0%	-1.2%	-9.7%	-11.4%

	2014	2015e	2016e	2017e
P/E	29.6x	26.7x	22.3x	23.6x
Div yield (%)	0.8%	0.9%	0.9%	0.9%

ANALYSIS

- Today's announcement by Actelion that following agreements with the FDA and the EMA, it will be initiating phase III clinical trials with macitentan (Opsumit) in children, is much more significant than it may look.
- The study called TOMORROW will test a new and specific formulation round dispersible in water, taste-neutral in dosage strengths of 0.5, 2.5 and 5 mg. It will first be tested in children aged 2 to 18 and based on data collected on the first 40 patients be expanded to a younger population with the right dose. The study requires 187 primary endpoint events. It is expected to last up to six years.
- The study is important because it is estimated that about half of remaining patients under Tracleer in the US are children and they are likely to stay on Tracleer even once generics are available. This is a population Opsumit will not be able to capture until it obtains data. This might represent a meaningful part of the remaining sales of Tracleer and we think it could prove difficult for Opsumit to exceed Tracleer's peak sales without it notably in Europe where digital ulcer and France are also missing. We are not fully comfortable with the consensus figure of USD2bn for Opsumit at peak under the existing scope of indications.

VALUATION

- No change. Our own peak sales for Opsumit are CHF1.8bn in 2024

NEXT CATALYSTS

- 21st July 2016: First-half results

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