

26th July 2016

Healthcare

Genmab

Price DKK1,148

Another BTM for "dara" - on the way to a label extension by year end

Fair Value DKK1600 (+39%)

BUY

Bloomberg	GEN DC
Reuters	GEN.CO
12-month High / Low (DKK)	1,266 / 548.0
Market Cap (DKKm)	68,689
Avg. 6m daily volume (000)	485.6

ANALYSIS

- Genmab and JNJ have announced that Darzalex (daratumumab) received a breakthrough therapy designation from the FDA. This BTM 1) covers Darzalex' use as part of a combination therapy with lenalidomide/dexamethasone or bortezomib/dexamethasone in myeloma patients who received at least one prior therapy; 2) follows the outstanding publication of the CASTOR and POLLUX studies in March and May this year (please see [here](#) and [here](#)).
- Obviously this is good news as 1) a BTM is an explicit acknowledgement of the quality of the clinical package by the US regulator and 2) paves the way for a potential priority review (which could be obtained in coming weeks). As such, we reiterate our belief that the compound should obtain a label expansion in 2L patients by the end of the year.
- Note that this is the second designation of this kind that "dara" has received since the beginning of its development, and we are not ruling out that others might be attributed (whether for the first-line of myeloma, or perchance other haematological malignancies such as non-Hodgkin's lymphomas).

VALUATION

- We reiterate our BUY recommendation and DKK1,600 Fair Value.
- While we have not changed our probability of success (80%) linked to the use of daratumumab in this setting (2L) yet, note that potential approval by the FDA towards late 2016/early2017 would add DKK150 to our Fair Value.

NEXT CATALYSTS

- August 2016: Potential FDA priority review given to daratumumab 1) as a treatment for patients with myeloma who received at least one prior therapy, and 2) as part of a combination regimen (bort/dex or len/dex)... which would pave the way for a label expansion by the end of the year.
- Q4 2016: Phase II results involving daratumumab in Non-Hodgkin Lymphomas.
- Q4 2016: Presentation of follow-up data from the POLLUX and CASTOR trials during the ASH meeting.
- Q4 2016: Read-across from the approval of Roche's ocrelizumab (anti-CD20) as a treatment for relapsing-remitting multiple sclerosis (RRMS).

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[Mickael Chane Du, mchanedu@bryangarnier.com](mailto:mchanedu@bryangarnier.com)



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Distribution of stock ratings

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BRYAN, GARNIER & CO

London	Paris	New York	Munich	New Delhi
Beaufort House 15 St. Botolph Street London EC3A 7BB Tel: +44 (0) 207 332 2500 Fax: +44 (0) 207 332 2559 Authorised and regulated by the Financial Conduct Authority (FCA)	26 Avenue des Champs Elysées 75008 Paris Tel: +33 (0) 1 56 68 75 00 Fax: +33 (0) 1 56 68 75 01 Regulated by the Financial Conduct Authority (FCA) and the Autorité de Contrôle prudentiel et de resolution (ACPR)	750 Lexington Avenue New York, NY 10022 Tel: +1 (0) 212 337 7000 Fax: +1 (0) 212 337 7002 FINRA and SIPC member	Widenmayerstrasse 29 80538 Munich Germany +49 89 2422 62 11	The Imperial Hotel Janpath New Delhi 110 001 Tel +91 11 4132 6062 +91 98 1111 5119 Fax +91 11 2621 9062 Geneva rue de Grenus 7 CP 2113 Genève 1, CH 1211 Tel +4122 731 3263 Fax+4122731 3243 Regulated by the FINMA

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