

25th July 2016

Healthcare

Ipsen

Price EUR55.37

Cabometyx recommended by CHMP

Fair Value EUR64 (+16%)

BUY-Top Picks

Bloomberg	IPN.FP
Reuters	IPN.PA
12-month High / Low (EUR)	62.0 / 47.1
Market Cap (EUR)	4,615
Avg. 6m daily volume (000)	89.20

	1 M	3 M	6 M	31/12/15
Absolute perf.	3.5%	5.8%	2.5%	-9.2%
Healthcare	6.2%	4.5%	2.7%	-3.2%
DJ Stoxx 600	-0.3%	-2.3%	0.6%	-7.0%

	2015	2016e	2017e	2018e
P/E	19.9x	19.1x	16.3x	13.6x
Div yield (%)	1.5%	1.5%	2.0%	2.2%

ANALYSIS

- Last Friday, the CHMP sent its monthly report with recommendations on drug filings and it was good to see Cabometyx (cabozantinib) in the list with a positive recommendation for approval in the treatment of advanced renal cell carcinoma (RCC) in monotherapy, with three dosages to be available (20, 40 and 60 mg tablets).
- This is very much in line with the expected agenda as it has always been communicated that under an accelerated approval process granted by the EMA when the filing took place at the beginning of the year, an approval would then be expected in September. As there are usually about two months between the CHMP recommendations and the EMA's final decisions, it is fair to expect Cabometyx to be approved by the end of September.
- That said, Ipsen also mentioned when it bought ex-US drug rights that a launch would likely take place at the beginning of 2017 in order to recruit and train the sales force. Our understanding is that recruitment is progressing on track, with interesting talents excited by the challenge of launching cabo in Europe. That said, it is competitive and requires time so that we are not sure that Ipsen will be able to bring the date forward, even in markets where there is no pricing discussions to have before launching, like Germany.

VALUATION

- We already had 2L RCC with a 100% PoS with cabo (while everything else is a free option) and are therefore making no change to our numbers. We assume a launch in RCC in the first markets in Q1 2017.

NEXT CATALYSTS

- 28th July 2017 : First-half results - [Click here to download document](#)

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BUY ratings 55%

NEUTRAL ratings 34.2%

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