

**Nicox**

Price EUR11.58

Don't turn a blind eye to opportunities (full report published today)

Fair Value EUR14

CORPORATE

Bloomberg	COX FP
Reuters	NCOX.LN
12-month High / Low (EUR)	13.4 / 6.0
Market Cap (EURm)	265
Ev (BG Estimates) (EURm)	266
Avg. 6m daily volume (000)	209.6
3y EPS CAGR	-19.2%

**We reinstate our FV of EUR14.0. We take into account the receipt of complete response letter (CRL) regarding the NDA for latanoprostene bundol (LBN) due to manufacturing issues, and thus a delay in its potential approval. But as the letter made no specific comments on its efficacy and safety profile, we believe it is more likely to be approved... And as such, we have increased our PoS from 80% to 90% for the US-only part of the filing.**

**ANALYSIS**

- We reinstate our FV of EUR14.0 following LBN's CRL. Admittedly, such news is quite negative, at least because of the delay in the approval of the product (BG assumption: 12 months). But as: 1/ the FDA's letter made no specific comments with regards to the quality of the clinical package (be it on the efficacy or the safety side); and 2/ the very main issues were rather related to the manufacturing process... we believe it is more likely to be approved. And as such, we have increased our PoS to 90% vs 80% for the US part of the filing.
- But our FV would be lifted to EUR17.0 in the case of US approval of LBN. There is a chance that LBN might be approved pretty quickly if: 1/ Valeant manages to resubmit very shortly after having addressed all the deficiencies in the CRL; and 2/ the FDA grants a Class 1 status for the resubmission). And if this proves to be the case, we would add +EUR4.0 to our FV.
- Naproxinod is a free call option. We are quite conservative in our estimates, as we give no value to naproxinod ... Although this former figurehead might be revived thanks to the inking of a collaboration agreement with Fera. But should we decide to include it, our FV would be revised up by +EUR7.0 (solely by retaining the US prospects in osteoarthritis, and all other things being equal).

	1 M	3 M	6 M	31/12/15
Absolute perf.	8.2%	34.0%	67.0%	26.9%
Healthcare	6.2%	4.5%	2.7%	-3.2%
DJ Stoxx 600	-0.3%	-2.3%	0.6%	-7.0%

YEnd Dec. (EURm)	2015	2016e	2017e	2018e
Sales	9.9	7.0	1.7	9.2
% change		-29.3%	-75.5%	NM
EBITDA	-24.4	-13.8	-17.4	-12.9
EBIT	-24.4	-13.8	-17.4	-12.9
% change		43.7%	-26.9%	26.3%
Net income	-24.4	-13.8	-17.4	-12.9
% change		43.7%	-26.9%	26.3%

	2015	2016e	2017e	2018e
Operating margin	NM	NM	NM	NM
Net margin	NM	NM	NM	NM
ROE	-22.3	-14.4	-22.3	-19.6
ROCE	-19.1	-12.0	-18.0	-15.3
Gearing	-12.0	0.9	18.3	43.7

(EUR)	2015	2016e	2017e	2018e
EPS	-1.07	-0.60	-0.76	-0.56
% change	-	43.7%	-26.9%	26.3%
P/E	NS	NS	NS	NS
FCF yield (%)	NM	NM	NM	NM
Dividends (EUR)	0.00	0.00	0.00	0.00
Div yield (%)	NM	NM	NM	NM
EV/Sales	25.4x	38.0x	162.6x	32.1x
EV/EBITDA	NS	NS	NS	NS
EV/EBIT	NS	NS	NS	NS

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## Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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