

**Celyad**

Price EUR21.52

**Overall reassuring presentation of CHART-1 data at ESC**

Fair Value EUR21 (-2%)

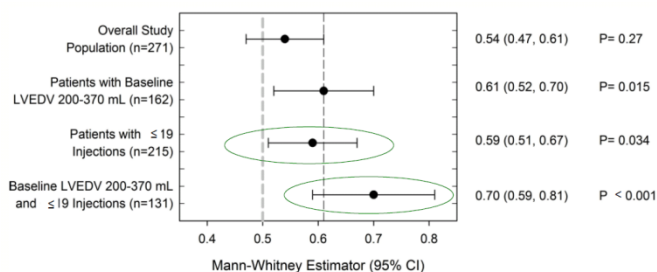
**NEUTRAL**

Bloomberg	CARD.BB
Reuters	CARD BB
12-month High / Low (EUR)	52.9 / 21.5
Market Cap (EUR)	200
Avg. 6m daily volume (000)	29.60

	1 M	3 M	6 M	31/12/15
Absolute perf.	-2.2%	-53.5%	-42.6%	-55.5%
Healthcare	-5.1%	-2.6%	2.6%	-8.0%
DJ Stoxx 600	0.4%	-1.8%	2.8%	-6.2%

**ANALYSIS**

- On Sunday 28th August at the ESC congress, the CHART-1 trial principal investigator, Jozef Bartunek, presented a late breaking session on the detailed phase III trial for C-CURE in CHF patients. Following June's release of the study's top-line results, which missed primary endpoint (please see our note [here](#)), more detailed ones were communicated. The subgroup representing 60% of patients treated whom responded ( $p=0.015$ ) has clearly been identified. Large Left Ventricular End Diastolic Volume i.e. in the 200-370 mL range at inclusion (LVEDV;  $n=162$ ) appears to be a reliable marker to identify patients that are the most likely to benefit from Celyad's CHF cardiopoietic regenerative therapy. Moreover, this biomarker enables a better adjustment of posology with patients having a large LVEDV at inclusion even more likely to benefit from few injections ( $p<0.001$ ;  $n=131$ ). We would underline that this could have a meaningful impact on the adoption of the product should it be approved (BGe 2018 in Europe). Indeed, it might help to contain the cost of this autologous therapy.



- Somehow, the company's ability to generate these post-hoc data mitigate our view on the efficacy of the treatment. However, finding a partner will be challenging as 1/ the design of the US trial still needs significant amendments (inclusion criteria and number of patients targeted for enrolment to ensure enough statistical power), 2/ management is not keen to co-finance the US trial to completely refocus Celyad towards the oncology space. The review at the ESC highlighted that the control group would probably need to use naive stem cell to ensure that the benefit of C-CURE comes from use of mesenchymal stem cells and not the delivering modalities (proprietary catheter increasing retention). The latter point could cause reluctance in partnership discussions in our view.

**VALUATION**

- We reiterate our Neutral recommendation and EUR21 Fair Value.
- Note that Celyad released its HY2016 numbers on 25th August with cash and cash equivalents of EUR86m, offering financial visibility until the end of 2018.

**NEXT CATALYSTS**

- Late 2016: phase Ib readout for the CAR-NKG2D platform

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Hugo Solvet, [hsolvet@bryangarnier.com](mailto:hsolvet@bryangarnier.com)



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## Distribution of stock ratings

BUY ratings 55.3%

NEUTRAL ratings 33.3%

SELL ratings 11.3%

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**BRYAN, GARNIER & CO**

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